

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

**INVESTMENT PERFORMANCE DETAIL**

**THIRD QUARTER 2014**

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STRATEGIC  
INVESTMENT  
SOLUTIONS

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- Continued economic expansion in the US and strong employment metrics helped support the S&P 500, which rose 1.1% during the third quarter.
- Small cap equities significantly underperformed in the US as the Russell 2000 index declined 7.4% in the third quarter.
- Declining energy supply fears and the stronger US dollar led to a decrease in Russell 3000 energy stocks, which fell 9.2% during the third quarter.
- The euro fell 7.7% versus the dollar during the third quarter as weaker growth in the Eurozone, including economic contractions in Italy and Germany, soft Eurozone inflation, and monetary policy divergence boosted the attractiveness of the US dollar.
- The Treasury curve flattened as 1 through 5-year rates rose while 10 through 30-year rates declined. The shorter maturity rate increases were driven by increased expectations of a Federal Reserve rate hike in the middle of 2015.
- The MSCI Emerging Markets Net Return Index fell 3.5% during the third quarter on commodity price declines, a stronger dollar, and fears over Chinese growth.
- The State Street Investor Confidence Index® (ICI) measures risk appetite by analyzing buying and selling patterns of institutional investors. With confidence increasing among European institutions, the Global ICI rose 4.6 points during the quarter to 123.9, remaining well above the neutral level of 100.
- For the period ending 9/30/14, the one quarter returns for, respectively, the NAREIT Equity index and the NCREIF Property index (one quarter lag), are -3.1% and 2.9%; one-year, 13.1% and 11.2%; three-year, 16.7% and 11.3%; and five-year, 15.9% and 9.7%.
- US banks held more than \$1 billion of commercial construction loans at year-end 2013. There has been a year-over-year net construction lending increase of over \$65 million at the end of 2013, which includes both commercial and multifamily mortgages.
- At the same time, the national vacancy rate for neighborhood and community shopping centers was reported to be 10.3%. Causes mentioned include weak demand as the primary culprit; additionally, there has been the continuing impact of e-commerce.

## MARKET SUMMARY

### Equity Markets

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
S&P 500	1.1	19.7	23.0
Dow Jones Industrial Average	1.9	15.3	19.0
NASDAQ	1.9	19.1	23.0
Russell 1000	0.7	19.0	23.2
Russell 2000	-7.4	3.9	21.3
Russell 3000	0.0	17.8	23.1
MSCI EAFE (Net)	-5.9	4.3	13.6
MSCI Emerging Markets (Net)	-3.5	4.3	7.2
MSCI AC World ex US (Net)	-5.3	4.8	11.8

### Bond Markets

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
Barclays Capital Aggregate	0.2	4.0	2.4
Barclays Capital Gov/Credit	0.2	4.1	2.5
Barclays Capital Universal	0.0	4.4	3.2
Barclays Capital Corp. High Yield	-1.9	7.2	11.1
CG Non-US World Govt.	-5.4	-1.0	-1.1

### Non-Public Markets

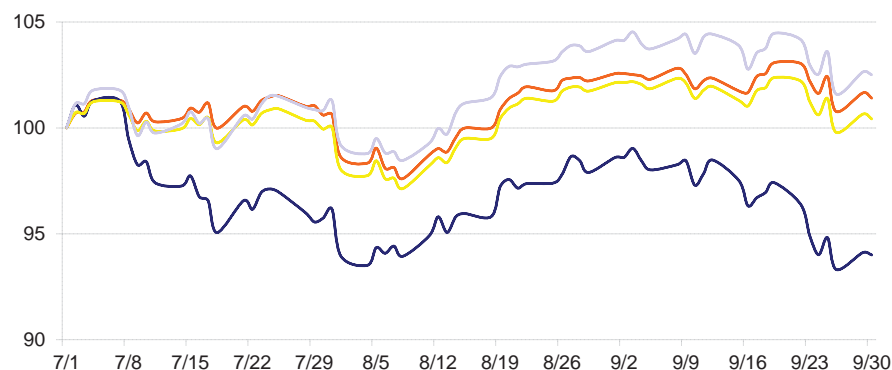
*lagged quarterly*

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
NCREIF Property	2.9	11.2	11.3
State Street Private Equity Index	4.5	20.7	11.5

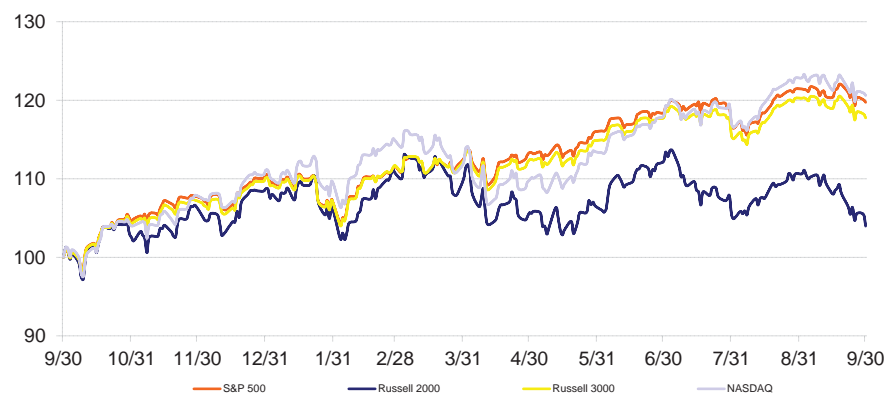
## U.S. Equity Market

- U.S. equities, as measured by the S&P 500 total return index, rose 1.1% during the quarter the U.S. growth outlook improved.
- However, small caps, as measured by the Russell 2000 index, underperformed, falling 7.4% in the third quarter.

Equity Index – Quarterly Growth Rate



Equity Index – 1-Year Growth Rate

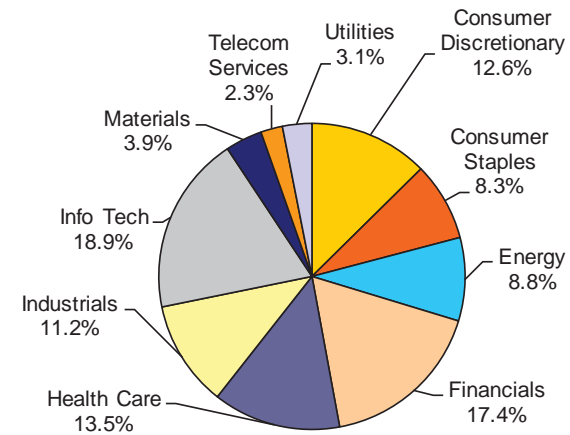


## U.S. MARKETS

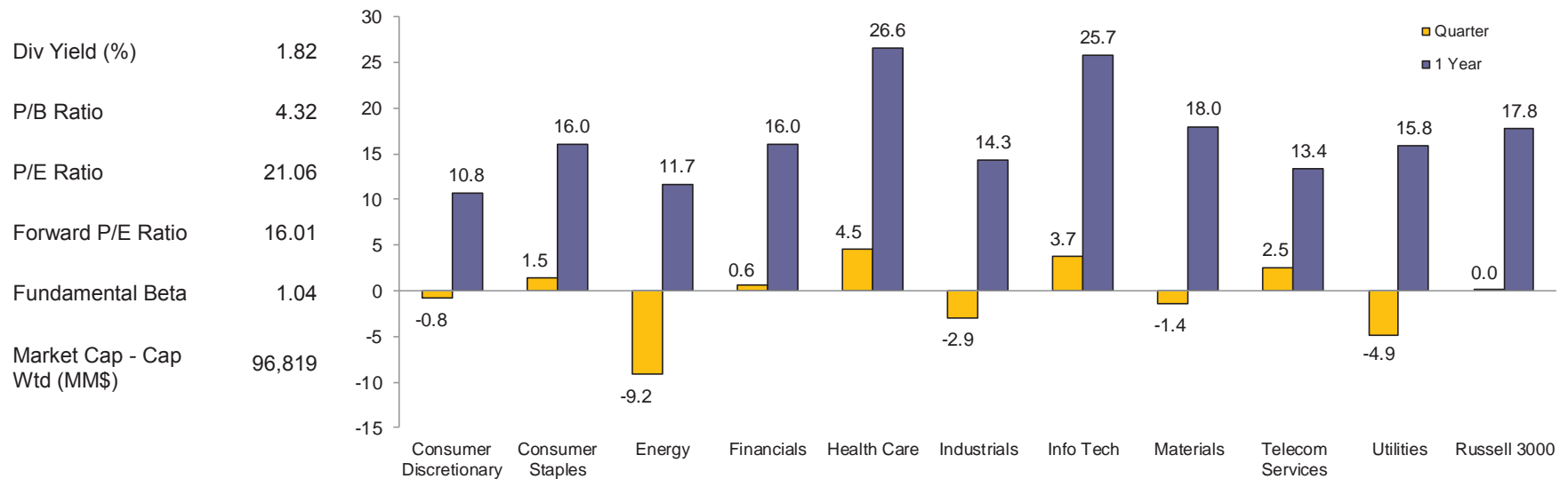
### U.S. Equity – Russell 3000

- Increasing energy supplies and the stronger U.S. dollar led to a decrease in energy stocks, which fell 9.2% during the third quarter.
- Healthcare and telecom rose 4.5% and 2.5%, respectively, in the third quarter.
- Overall, the Russell 3000 index was flat during the third quarter; the yearly return was 17.8%.

Ending Sector Weights



#### Characteristics

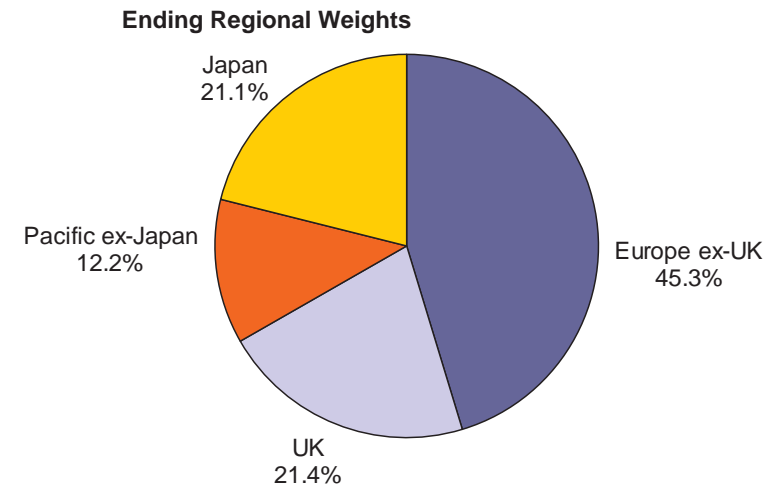


#### Contribution to Return:

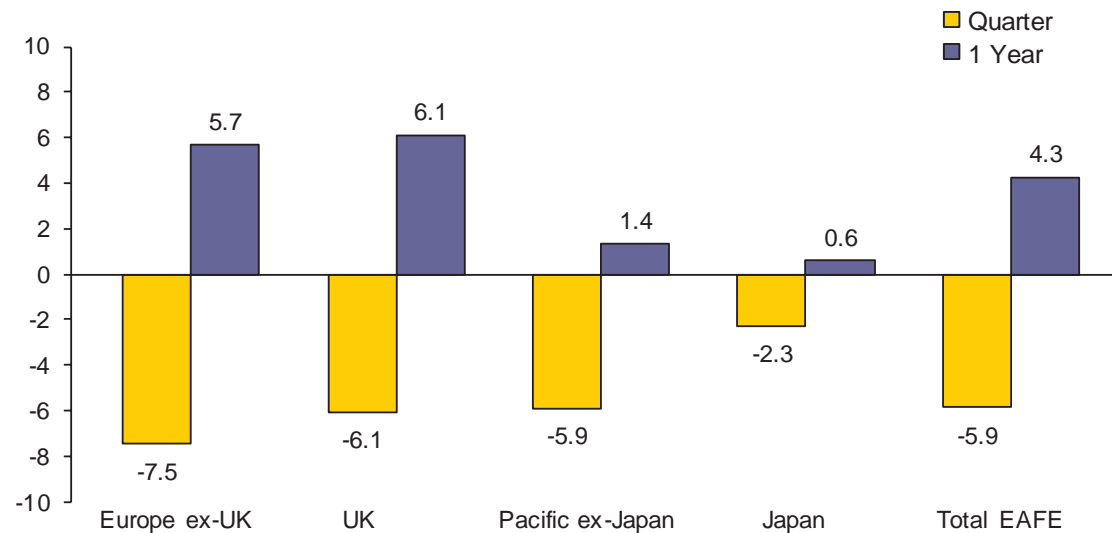
Qtr	-0.1	0.1	-0.9	0.1	0.6	-0.3	0.7	-0.1	0.1	-0.2	0.0
1 Year	1.5	1.4	1.1	2.8	3.4	1.6	4.6	0.7	0.3	0.5	17.8

## Developed Equity – MSCI EAFE (Net)

- Deteriorating economic fundamentals in the Eurozone led to a decline of 7.5% in Europe ex-UK stocks during the third quarter.
- Pacific ex-Japan equities fell 5.9% during the third quarter as commodity prices declined.
- Overall, the MSCI EAFE index fell 5.9% in the third quarter.



**Regional Returns (%)**



**Contribution to Return:**

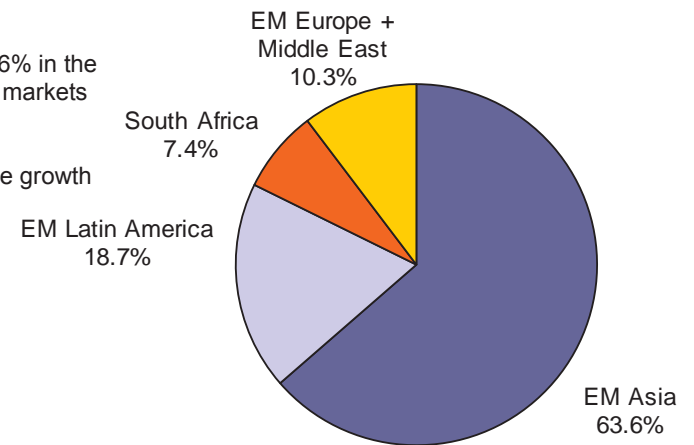
Qtr	-3.4	-1.3	-0.7	-0.5	-5.9
1 Yr	2.6	1.3	0.2	0.1	4.3

## NON-U.S. MARKETS

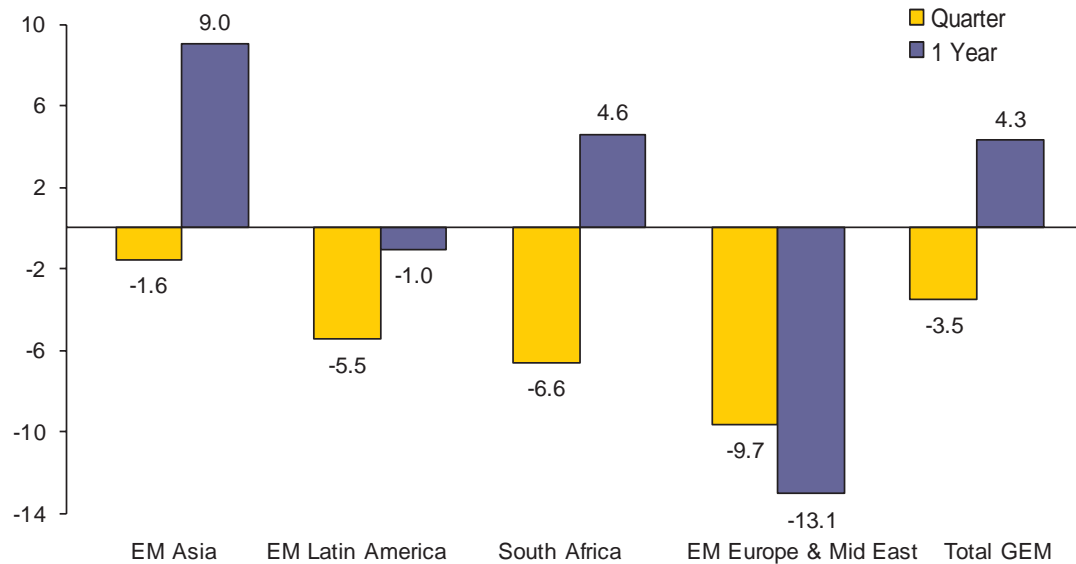
### Emerging Markets Equity – MSCI EM (Net)

- Declining growth and inflation in the Eurozone led to a 9.7% fall in emerging Europe and the Middle East during the third quarter.
- Falling commodity prices and platinum mine strikes impacted South Africa, where equities fell 6.6% in the third quarter. Meanwhile, Latin American equities fell 5.5% in the third quarter, driven by weaker markets in Brazil.
- Overall, the MSCI EM index fell 3.5% in the third quarter, driven in part by concerns over Chinese growth and Federal Reserve rate hike expectations.

Ending Regional Weights



Regional Returns (%)



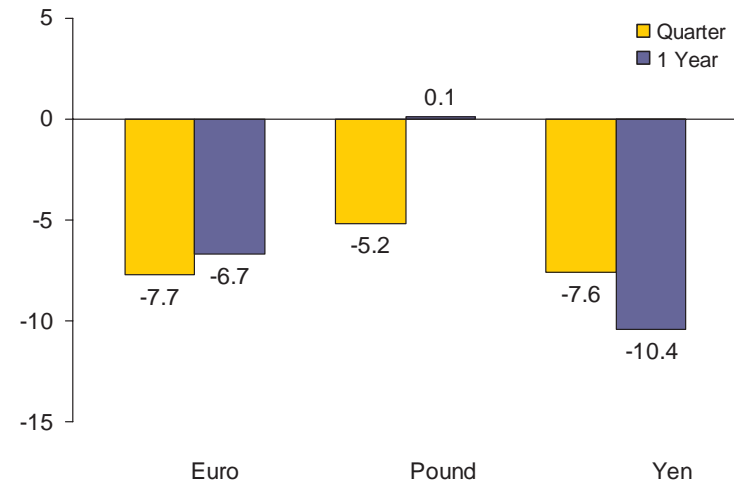
Contribution to Return:

Qtr	-1.0	-1.0	-0.5	-1.0	-3.5
1 Yr	5.7	-0.2	0.3	-1.3	4.3

## Currency Markets

- Expectations of additional easing by the Bank of Japan led to a weaker yen, which fell 7.6% versus the dollar during the third quarter.
- The euro fell 7.7% versus the dollar during the third quarter, driven by weaker growth and inflation and expectations of additional measures by the ECB.
- The U.S. dollar trade-weighted index, which measures the dollar's movement against a basket of currencies, rose 7.7% in the third quarter.

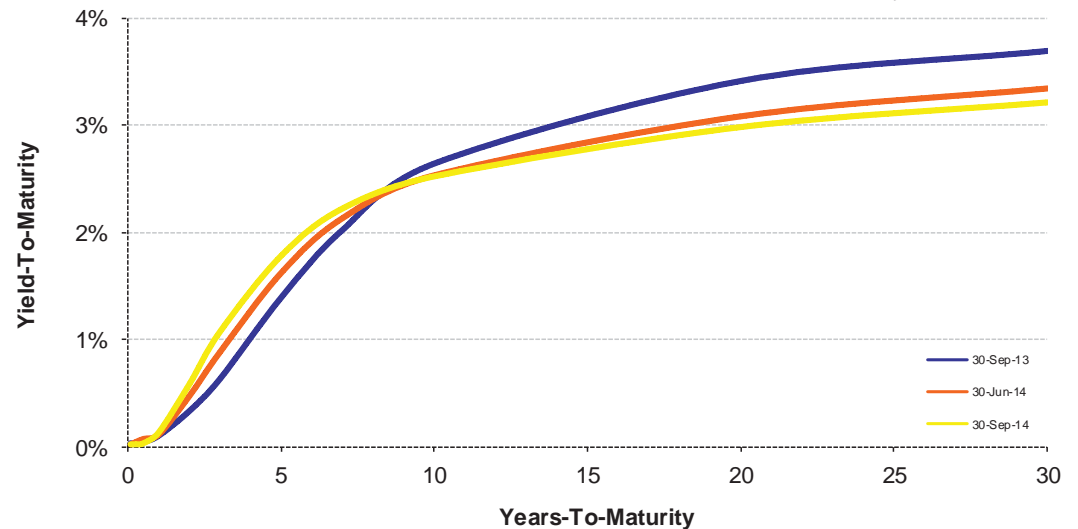
Currency Returns (%)



## Yield Curve

- The Treasury curve flattened as 1 through 5-year rates rose while 10 through 30-year rates declined. The shorter maturity rate increases were driven by increased expectations of a Federal Reserve rate hike in the middle of 2015.
- Thirty-year yields fell 13 basis points while 5-year yields rose 16 basis points during the third quarter.

INTEREST RATE TERM STRUCTURE  
Government Issues - 3 Months to 30 Years Maturity





## BOND MARKETS

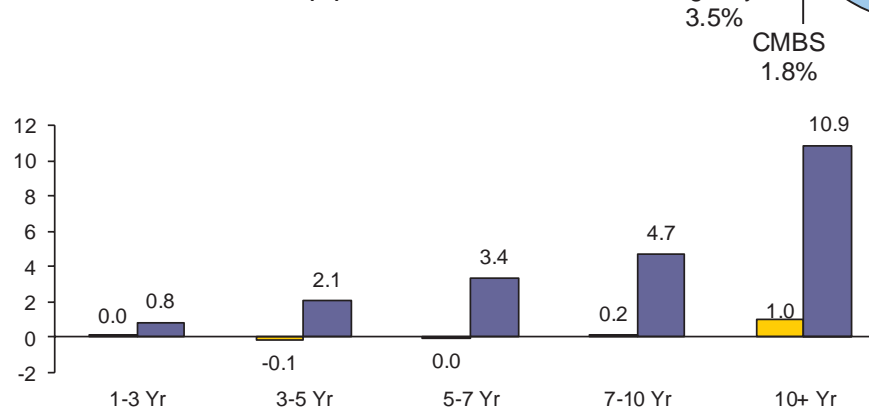
# U.S. Bond Market Returns – Barclays Capital Aggregate

- Declining global growth and geopolitical risk boosted demand for U.S. Treasuries, with the aggregate index rising by 0.3% in the third quarter.
- Longer duration treasuries outperformed; Treasuries with durations over 10 years rose 1.0% during the third quarter.
- Lower-rated corporate bonds (BAA) fell 0.2% during the third quarter as markets factored in expectations of rate rises by the Fed.

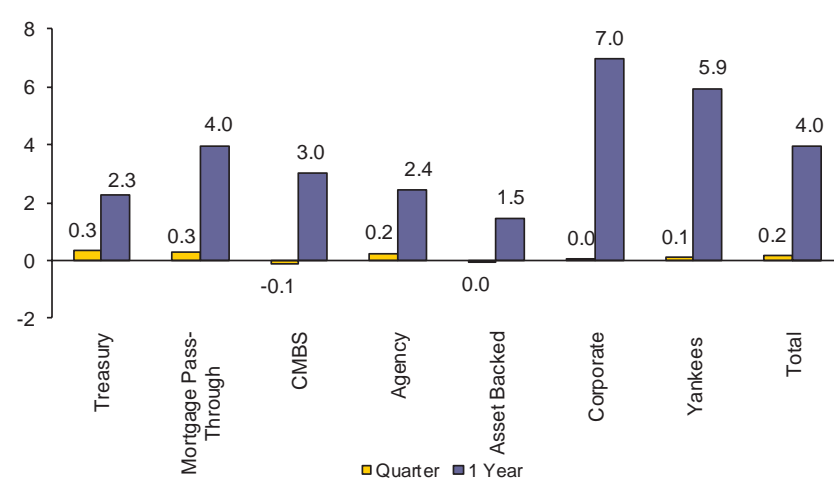
Quality Performance (%)



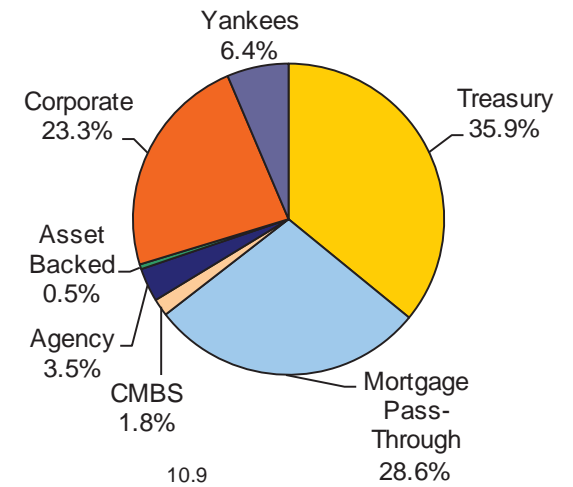
Duration Performance (%)



Sector Performance (%)



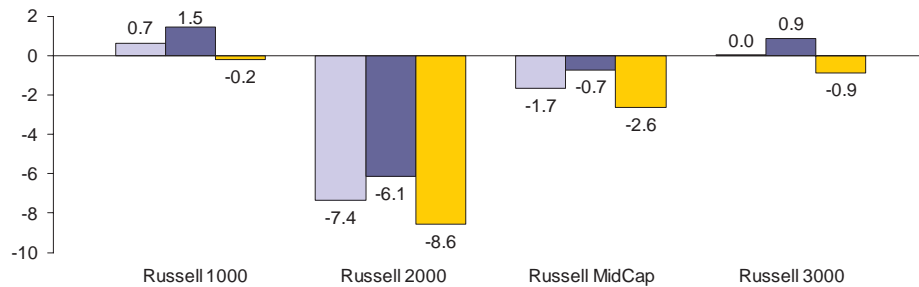
Sector Weights



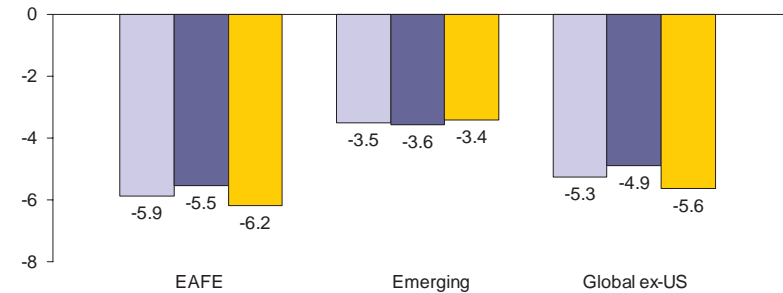
## Style & Capitalization Returns

- Small cap equities significantly underperformed in the U.S. as the Russell 2000 index declined 7.4% in the third quarter.
- Value underperformed in the third quarter, falling 0.9% in the U.S. and 5.6% on a Global ex-U.S. basis.
- Overall, non-U.S. equities fell 5.3% in the third quarter on a deteriorating global growth outlook.

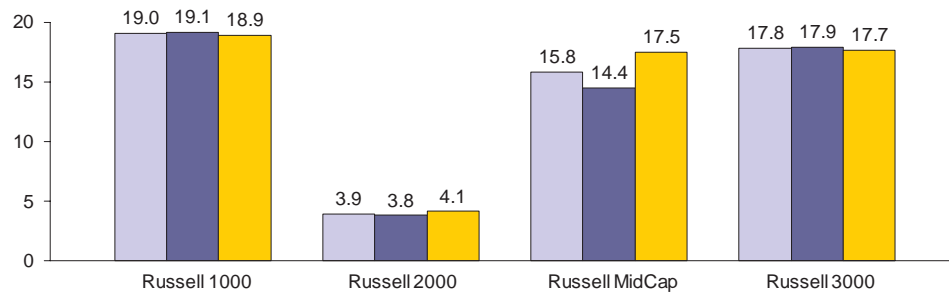
**Russell US Style Returns (%) – Quarter**



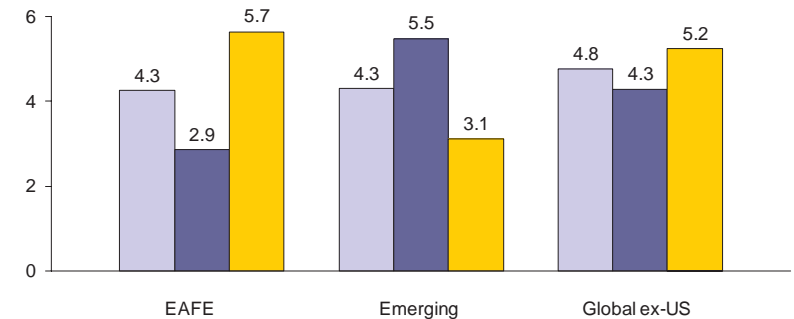
**MSCI Non-US Style Returns (%) – Quarter**



**Russell US Style Returns (%) – 1 Year**



**MSCI Non-US Style Returns (%) – 1 Year**



□ Neutral ■ Growth ■ Value

## Executive Performance Summary

Third Quarter 2014

- The composite fund returned -1.2% in the third quarter of 2014 and ranked in the 31<sup>st</sup> percentile among other \$250mm-\$1B public funds (-1.4% median). The fund matched its policy index (-1.2%) during this time period. Longer term, the three- and five-year returns of 13.1% and 10.1%, ranked above the median among its peer public plans (12.6% and 9.8%, respectively).
- Third quarter results were enhanced by the following factors:
  1. In its first full quarter, the DFA Small Cap portfolio depreciated 6.5% and ahead of the Russell 2000 Index, -7.4%. It ranked in the third quartile among other small cap managers (median of -6.2%). Performance attribution was derived from its overall stock selection, especially in the Health Care, Energy, and Industrials sectors.
  2. The Mellon Tangent Added Fund surpassed its benchmark, the S&P 500 Index (1.5% vs. 1.1%), and ranked in the 20<sup>th</sup> percentile among large cap core managers. It was helped by its extended long exposure to S&P 500 equity.
  3. The Mellon Large Growth Index Fund returned 1.5% for the quarter. The Fund matched the Russell 1000 Growth Index and ranked above the large cap growth manager median (1.2%).
  4. The Mellon Large Value Index Fund (-0.2%) matched the Russell 1000 Value Index return and was behind its median large cap value manager return of -0.1%.
  5. PanAgora was ahead of the Russell 2000 Index (-6.0% vs. -7.4%) and ranked in the second quartile among small cap managers (-6.2% median). Select investments in the Consumer Discretionary sector and portfolio turnover were beneficial.
  6. Copper Rock out-performed the MSCI World ex US Small Cap Index (-4.6% vs. -8.2%) and ranked in the top quartile among EAFE small cap equity managers (median of -7.3%). Stock selection in Canada and in emerging markets delivered positive relative returns. Contributors include Hanssem, Iriso Electronics, Intertape Polymer Group, Micro Focus International, and WestJet.
  7. EARNEST Partners (-3.2%) was above par with the MSCI ACWI ex-US (-5.2%) and ranked 7<sup>th</sup> among ACWI ex-US Core equity managers (median of -5.2%). The portfolio carried positive stock selection in nearly all sectors. Banco do Brasil and ICON are two significant contributors. Over three years, EARNEST (13.1%) was surpassed by its custom benchmark (13.9%).

## Executive Performance Summary

Third Quarter 2014

8. The Wells Capital portfolio returned -3.3%, ranking in the 55<sup>th</sup> percentile among emerging market managers (-3.2% median). The MSCI Emerging Markets Index was down 3.4%. Its largest stock contributors for the quarter were Thai Beverage Public (Thailand), America Movil (Mexico), and Siam Commercial Bank (Thailand).
9. The AXA -1.5% return surpassed its benchmark, the BofA ML US High Yield Master II Index (-1.9%) and ranked in the second quartile among high yield managers, median return of -1.7%. The portfolio's performance attribution was driven primarily by security selection (Kinder Morgan, no Caesars Entertainment, no NII Capital), emphasis on the shortest duration segment of the market and cash drag. Three year returns fared better than its benchmark (12.0% vs. 11.0%).
10. Barrow Hanley's quarterly return matched the Barclays Aggregate Index, 0.2%, and ranked in the second quartile among core bond managers, with a median return of 0.2%. The portfolio's security selection to MBS and longer-dated US Treasuries eased relative returns. Its holdings in investment grade corporates and allocation to BBB securities held back results. BH was up 3.1% for three years while its custom benchmark was up 2.5%. Guggenheim Loan was funded in August and will be benchmarked to the Credit Suisse Leveraged Loan Index.
11. In its first full quarter OZ Overseas was ahead of the HFRI FoF Composite Index (0.8% vs. 0.3%) and ranked in the top quartile among multi-strategy hedge funds (-0.2% median).

- Third quarter results were hindered by the following factors:

1. GMO's return of -8.3% under-performed the MSCI EAFE Index return of -5.8%. It placed below the median among EAFE core equity managers (-5.7%). It carried a negative attribution with its positions in European value, UK and Germany. Three-year results led the benchmark (15.2% vs. 14.2%).
2. In its first full quarter Titan was behind the HFRI FoF Composite Index (-0.3% vs. 0.3%) and ranked in the third quartile among multi-strategy hedge funds (-0.2% median).
3. The Real Estate Composite added 0.3%, while its blended benchmark, the 75% NCREIF ODCE/ 25% FTSE NAREIT Developed Index appreciated 0.5%. European Investors lagged the FTSE NAREIT Developed Index (-5.4% vs. -4.4%). UBS Trumbull Property matched the NCREIF ODCE Index (3.2%). BlackRock RE was funded in July and will be benchmarked to the FTSE NAREIT Developed ex US Index.
4. The Private Equity Composite carried a quarterly time-weighted rate of return (one-quarter lagged) of 4.4% while its benchmark, the Russell 3000 +3% Index 1Q Lag, appreciated 4.9%. Ocean Avenue II and Invesco IV carried quarterly returns of -5.4% and 0.6%, respectively. Invesco VI appreciated the most, at 37.5%. Raven Asset II was funded in August.

# Merced County Employees' Retirement Association

## Performance Summary

Periods Ending September 30, 2014

	Market Value	3 Mo	Rank	YTD	Rank	1Yr	Rank	3 Yr	Rank	5 Yr	Rank	7 Yr	Rank	10 Yr	Rank	Since Inception**	Since Inception Date***
<b>Total Fund *</b>	<b>643,727,004</b>	<b>-1.2</b>	<b>31</b>	<b>4.7</b>	<b>18</b>	<b>10.4</b>	<b>15</b>	<b>13.1</b>	<b>35</b>	<b>10.1</b>	<b>40</b>	<b>4.0</b>	<b>82</b>	<b>6.5</b>	<b>84</b>	<b>8.4</b>	<b>Dec-94</b>
<i>Policy Index<sup>1</sup></i>		-1.2	30	4.9	15	9.8	39	13.6	29	10.4	33	4.8	50	6.6	68	5.8	
<i>InvestorForce Public DB \$250mm-\$1B Gross Median</i>		-1.4		4.0		9.3		12.6		9.8		4.7		7.0		8.1	
<b>US Equity</b>	<b>196,874,321</b>	<b>-0.3</b>	<b>30</b>	<b>6.8</b>	<b>18</b>	<b>17.8</b>	<b>10</b>	<b>23.2</b>	<b>32</b>	<b>15.3</b>	<b>69</b>	<b>6.0</b>	<b>64</b>	<b>8.6</b>	<b>47</b>	<b>9.7</b>	<b>Dec-94</b>
<i>US Equity Custom Index<sup>1</sup></i>		-1.0	63	5.7	42	16.3	42	22.7	54	15.5	55	6.1	60	8.3	62	9.8	
<i>InvestorForce All DB US Eq Gross Median</i>		-0.7		5.4		15.9		22.8		15.6		6.2		8.5		9.8	
<b>Large Cap Core</b>																	
Mellon Tangent	62,026,581	1.5	20	11.1	3	24.5	3									28.2	Dec-12
Mellon Tangent - net		1.4		10.9		24.2										27.9	
<i>S&amp;P 500 Index</i>		1.1	30	8.3	42	19.7	37									22.9	
<i>eA US Large Cap Core Equity Gross Median</i>		0.6		7.7		18.8										22.7	
<b>Large Cap Growth</b>																	
Mellon Large Growth	53,795,312	1.5	42	7.9	32	19.2	38	22.5	46	16.5	36	7.6	39	9.0	55	10.1	Mar-03
Mellon Large Growth - net		1.4		7.8		19.0		22.4		16.4		7.5		8.9		10.0	
<i>Russell 1000 Growth Index</i>		1.5	42	7.9	33	19.1	38	22.4	46	16.5	37	7.6	40	8.9	56	10.0	
<i>eA US Large Cap Growth Equity Gross Median</i>		1.2		6.5		18.2		22.2		15.8		7.2		9.2		10.6	
<b>Large Cap Value</b>																	
Mellon Large Value	52,083,298	-0.2	53	8.1	41	18.9	43	24.0	40	15.3	53	4.9	84	7.9	79	10.3	Mar-03
Mellon Large Value - net		-0.2		8.1		18.9		23.9		15.2		4.8		7.8		10.2	
<i>Russell 1000 Value Index</i>		-0.2	53	8.1	42	18.9	43	23.9	40	15.3	54	4.8	85	7.8	79	10.2	
<i>eA US Large Cap Value Equity Gross Median</i>		-0.1		7.6		18.3		23.2		15.4		6.2		8.9		11.1	

\* Managers are ranked against the eVestment Alliance (eA) style universes. Asset class composites are ranked against the InvestorForce (IF) universes.

\*\* Since inception returns are based on the first full quarter of performance.

\*\*\* Since inception date denotes last day of the month.

<sup>1</sup> See Appendix for Benchmark History.

# Merced County Employees' Retirement Association

## Performance Summary

Periods Ending September 30, 2014

	Market Value	3 Mo	Rank	YTD	Rank	1Yr	Rank	3 Yr	Rank	5 Yr	Rank	7 Yr	Rank	10 Yr	Rank	Since Inception**	Since Inception Date***
<b>Small Cap</b>																	
DFA Small Cap <sup>2</sup>	14,835,723	-6.5	56													-6.5	Jun-14
DFA Small Cap - net		-6.5														-6.5	
Russell 2000		-7.4	74													-7.4	
eA US Small Cap Equity Gross Median		-6.2														-6.2	
PanAgora <sup>3</sup>	14,133,407	-6.0	48	-1.2	33	8.5	33									8.5	Sep-13
PanAgora - net		-6.5		-2.0		7.6										7.6	
Russell 2000		-7.4	74	-4.4	67	3.9	69									3.9	
eA US Small Cap Equity Gross Median		-6.2		-2.7		6.2										6.2	
<b>International Equity</b>																	
International Equity Custom Index <sup>1</sup>	154,201,094	-5.3	59	0.4	31	6.1	30	13.4	50	8.3	21	1.8	19	7.5	39	5.9	Dec-98
InvestorForce All DB ex-US Eq Gross Median		-5.2	50	0.4	32	5.2	45	12.8	63	6.3	64	-0.2	65	6.4	66	4.4	
		-5.2		-0.3		5.0		13.4		6.9		0.4		7.0		6.0	
Copper Rock <sup>4</sup>	23,746,873	-4.6	8	0.7	25	9.5	22									9.5	Sep-13
Copper Rock - net		-4.8		0.1		8.8										8.8	
MSCI World ex USA Small Cap		-8.2	79	-1.7	62	3.7	74									3.7	
eA EAFE Small Cap Equity Gross Median		-7.3		-0.9		6.6										6.6	
EARNEST Partners	51,140,286	-3.2	7	0.5	36	5.9	53	13.1	72	8.9	37					5.0	Jun-08
EARNEST Partners - net		-3.4		-0.1		5.1		12.4		8.1						4.2	
Earnest Custom Index <sup>1</sup>		-5.2	53	0.4	38	5.2	65	13.9	60	6.9	80					2.3	
eA ACWI ex-US Core Equity Gross Median		-5.2		-0.3		6.2		14.3		8.2						3.4	

<sup>2</sup> Funded on 6/30/2014.

<sup>3</sup> Funded on 9/26/2013.

<sup>4</sup> Funded on 9/5/2013.

# Merced County Employees' Retirement Association

## Performance Summary

Periods Ending September 30, 2014

	Market Value	3 Mo	Rank	YTD	Rank	1Yr	Rank	3 Yr	Rank	5 Yr	Rank	7 Yr	Rank	10 Yr	Rank	Since Inception**	Since Inception Date***
GMO	58,494,946	-8.3	97	0.2	32	6.7	34	15.2	60	8.8	49	1.7	39			1.8	Dec-07
GMO - net		-8.5		-0.3		6.1		14.5		8.1		1.1				1.2	
MSCI EAFE Gross Index		-5.8	55	-1.0	53	4.7	68	14.2	83	7.0	89	0.3	78			0.5	
eA EAFE Core Equity Gross Median		-5.7		-0.9		6.0		15.7		8.7		1.3				1.8	
Wells Capital	20,818,989	-3.3	55	1.5	77	1.9	90									1.6	Mar-12
Wells Capital - net		-3.3		1.0		1.2										0.7	
MSCI Emerging Markets Gross Index		-3.4	56	2.7	62	4.7	69									1.7	
eA Emg Mkts Equity Gross Median		-3.2		3.8		6.1										3.8	
<b>US Fixed Income</b>	<b>170,864,726</b>	<b>-0.2</b>	<b>75</b>	<b>3.9</b>	<b>64</b>	<b>4.6</b>	<b>59</b>	<b>4.7</b>	<b>45</b>	<b>5.6</b>	<b>53</b>	<b>4.1</b>	<b>88</b>	<b>4.1</b>	<b>90</b>	<b>6.0</b>	<b>Dec-94</b>
US Fixed Income Custom Index <sup>1</sup>		-0.3	80	3.9	63	4.3	64	2.5	86	4.2	80	5.0	73	4.7	76	6.2	
InvestorForce All DB US Fix Inc Gross Median		0.1		4.4		5.1		4.5		5.7		5.9		5.5		6.9	
AXA	34,294,621	-1.5	33	3.8	41	7.2	56	12.0	19							10.3	Mar-10
AXA - net		-1.5		3.5		6.8		11.6								9.9	
BofA Merrill Lynch US High Yield Master II TR		-1.9	71	3.6	53	7.2	54	11.0	50							9.0	
eA US High Yield Fixed Inc Gross Median		-1.7		3.6		7.4		10.9								9.3	
Barrow Hanley	116,568,546	0.2	46	3.9	73	4.0	72	3.1	60							4.6	Mar-10
Barrow Hanley - net		0.1		3.7		3.7		2.9								4.4	
Barrow Hanley Custom Index <sup>1</sup>		0.2	57	4.1	65	4.0	72	2.5	85							4.4	
eA US Core Fixed Inc Gross Median		0.2		4.3		4.4		3.3								4.8	
Guggenheim Loan <sup>5</sup>	20,001,559																Sep-14
Guggenheim Loan - net																	
Credit Suisse Leveraged Loans																	

<sup>5</sup> Funded on 8/1/2014.

<sup>6</sup> Funded on 6/30/2014.

# Merced County Employees' Retirement Association

## Performance Summary

Periods Ending September 30, 2014

	Market Value	3 Mo	Rank	YTD	Rank	1Yr	Rank	3 Yr	Rank	5 Yr	Rank	7 Yr	Rank	10 Yr	Rank	Since Inception**	Since Inception Date***
<b>Hedge Fund Composite****</b>	<b>28,071,187</b>	<b>0.5</b>	<b>22</b>													<b>0.5</b>	<b>Jun-14</b>
HFRI Fund of Funds Composite Index		0.3	28													0.3	
InvestorForce All DB Hedge Funds Gross Median		-0.2														-0.2	
<b>OZ Overseas<sup>6</sup></b>	<b>14,111,086</b>	<b>0.8</b>	<b>25</b>													<b>0.8</b>	<b>Jun-14</b>
<b>Titan<sup>6</sup></b>	<b>13,960,101</b>	<b>-0.3</b>	<b>55</b>													<b>-0.3</b>	<b>Jun-14</b>
HFRI Fund of Funds Composite Index		0.3	35													0.3	
eA/HFN FOF - Multi-Strategy Net Median		-0.2														-0.2	
<b>Real Estate Composite</b>	<b>51,582,997</b>	<b>0.3</b>	<b>60</b>	<b>6.6</b>	<b>81</b>	<b>8.6</b>	<b>88</b>	<b>10.7</b>	<b>82</b>	<b>10.7</b>	<b>68</b>	<b>3.5</b>	<b>18</b>	<b>7.7</b>	<b>18</b>	<b>8.7</b>	<b>Mar-99</b>
Real Estate Custom Index <sup>1</sup>		0.5	60	7.7	61	10.2	68	13.0	38	10.7	71	4.5	8	8.4	5	8.6	
InvestorForce All DB Real Estate Gross Median		1.6		8.7		12.2		12.4		11.8		2.2		6.5		7.2	
<b>BlackRock RE<sup>7</sup></b>	<b>7,559,328</b>																<b>Sep-14</b>
BlackRock RE - net																	
FTSE NAREIT Developed ex US																	
<b>European Investors</b>	<b>8,660,284</b>	<b>-5.4</b>	<b>93</b>	<b>4.9</b>	<b>75</b>	<b>5.2</b>	<b>75</b>	<b>13.8</b>	<b>87</b>	<b>10.7</b>	<b>34</b>					<b>4.3</b>	<b>Mar-08</b>
European Investors - net		-5.6		4.1		4.2		12.6		9.6						3.2	
European Investors Custom Index <sup>1</sup>		-4.4	63	7.2	41	6.7	46	15.6	42	11.3	19					3.5	
Global Real Estate MStar MF Median		-4.0		6.8		6.6		15.4		9.9						3.1	
<b>UBS Trumbull Property</b>	<b>34,933,386</b>	<b>3.2</b>	<b>26</b>	<b>8.4</b>	<b>55</b>	<b>10.9</b>	<b>60</b>	<b>10.5</b>	<b>83</b>	<b>11.1</b>	<b>60</b>	<b>3.6</b>	<b>18</b>	<b>7.7</b>	<b>17</b>	<b>8.7</b>	<b>Mar-99</b>
UBS Trumbull Property - net		2.9		7.5		10.0		9.6		10.0		2.4		6.5		7.4	
NCREIF ODCE <sup>1</sup>		3.2	24	8.9	43	12.4	49	12.3	53	12.7	31	5.9	1	9.4	2	10.2	
InvestorForce All DB Real Estate Gross Median		1.6		8.7		12.2		12.4		11.8		2.2		6.5		7.2	
<b>Other Real Estate</b>	<b>430,000</b>																

\*\*\*\*Managers are reported net of fees.

<sup>7</sup> Funded 7/3/2014.

<sup>8</sup> Funded 7/1/2013.



Performance Summary

Periods Ending September 30, 2014

	Market Value	3 Mo	Rank	YTD	Rank	1Yr	Rank	3 Yr	Rank	5 Yr	Rank	7 Yr	Rank	10 Yr	Rank	Since Inception**	Since Inception Date***
Private Equity Composite <sup>+</sup>	30,992,370	4.4		15.7		19.9		6.6									Jun-05
<i>Russell 3000 + 3% 1Q Lagged<sup>1</sup></i>		4.9		19.4		28.2		31.4									
Adams Street	9,416,304	4.7		17.1		22.9		12.7		14.6		6.8				4.7	Sep-05
Invesco IV	6,034,218	0.6		21.0		27.4		4.9		13.2		9.4				8.7	Jun-05
Invesco VI <sup>6</sup>	2,068,124	37.5		9.8		3.8										3.1	Jun-13
Ocean Ave II <sup>9</sup>	2,622,651	-5.4														-5.4	Jun-14
Pantheon I	3,468,516	3.7		12.6		19.1		7.5		11.8		5.8				3.3	Dec-05
Pantheon II	2,100,614	3.7		24.8		28.6										12.0	Dec-11
Pantheon Secondary	4,665,647	3.4		9.6		10.0		1.3		5.4		3.2				4.6	Jun-07
Raven Asset Fund II <sup>10</sup>	616,296																Sep-14
Cash	9,120,395	0.0		0.0		0.9		0.4		1.3		5.8		5.7		5.2	Sep-03
Treasury Cash	2,019,913																

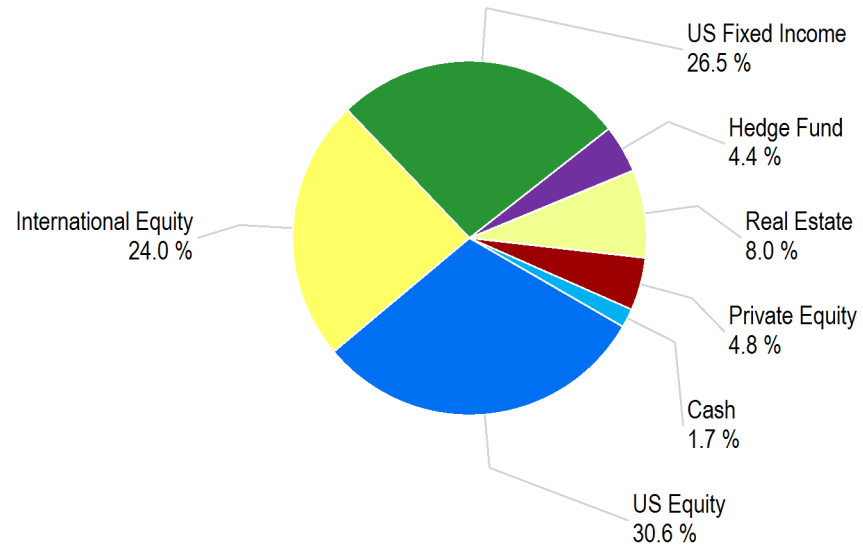
\* Private Equity Composite and managers are reported net of fees.

<sup>9</sup> Funded 6/11/2014.

<sup>10</sup> Funded 8/11/2014.

## Asset Allocation Analysis

As of September 30, 2014

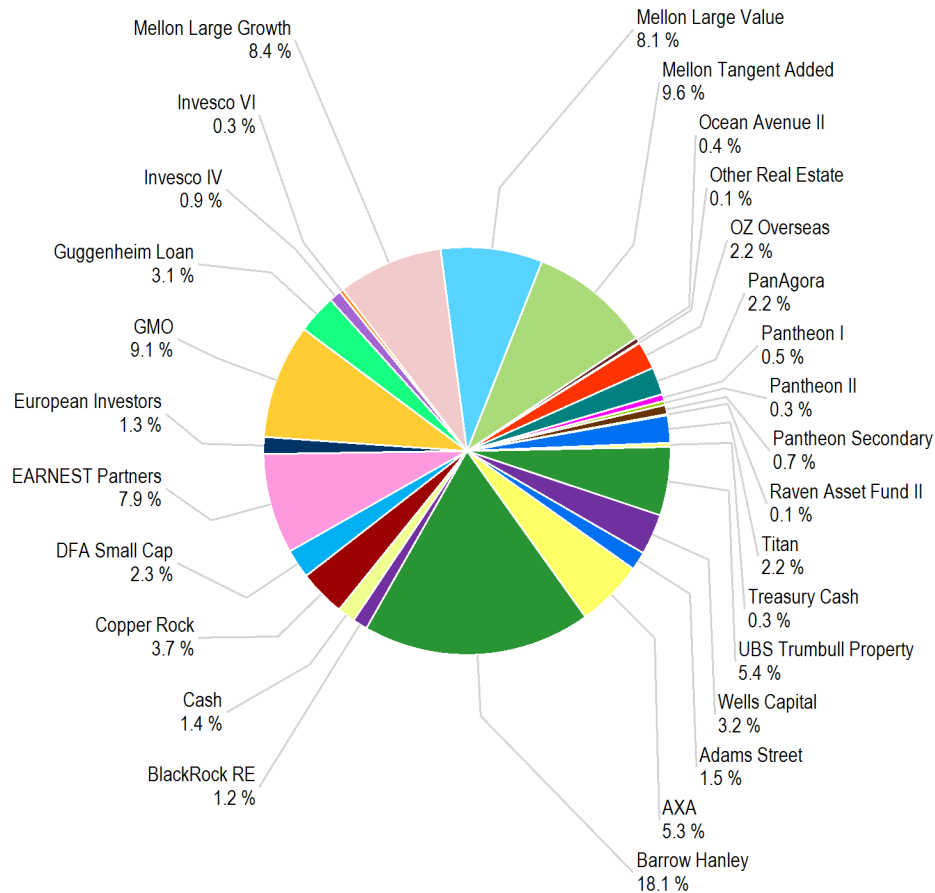


	Actual \$	Actual %
US Equity	\$196,874,321	30.6%
International Equity	\$154,201,094	24.0%
US Fixed Income	\$170,864,726	26.5%
Hedge Fund	\$28,071,187	4.4%
Real Estate	\$51,582,997	8.0%
Private Equity	\$30,992,370	4.8%
Cash	\$11,140,308	1.7%
<b>Total</b>	<b>\$643,727,004</b>	

# Merced County Employees' Retirement Association

## Manager Allocation Analysis - Total Plan

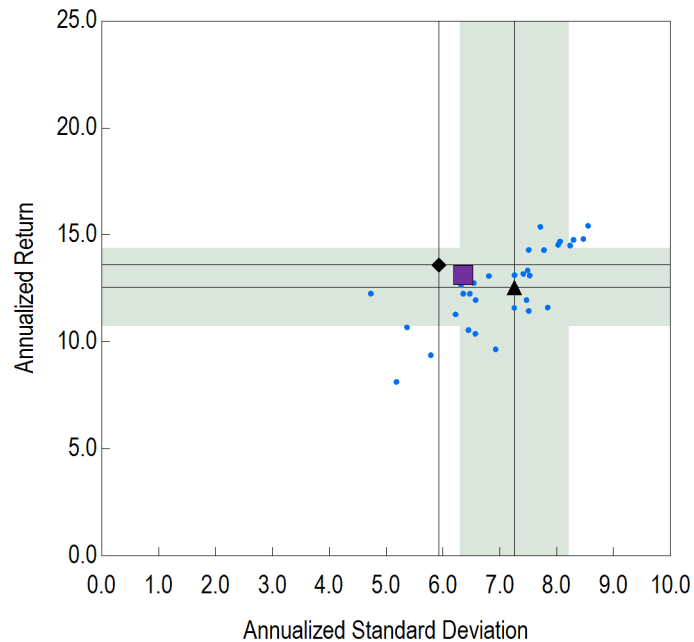
As of September 30, 2014



	Current Balance	Current Allocation
DFA Small Cap	\$14,835,723	2.3%
Mellon Tangent Added	\$62,026,581	9.6%
Mellon Large Growth	\$53,795,312	8.4%
Mellon Large Value	\$52,083,298	8.1%
PanAgora	\$14,133,407	2.2%
Copper Rock	\$23,746,873	3.7%
EARNEST Partners	\$51,140,286	7.9%
GMO	\$58,494,946	9.1%
Wells Capital	\$20,818,989	3.2%
AXA	\$34,294,621	5.3%
Barrow Hanley	\$116,568,546	18.1%
Guggenheim Loan	\$20,001,559	3.1%
OZ Overseas	\$14,111,086	2.2%
Titan	\$13,960,101	2.2%
BlackRock RE	\$7,559,328	1.2%
European Investors	\$8,660,284	1.3%
UBS Trumbull Property	\$34,933,386	5.4%
Other Real Estate	\$430,000	0.1%
Adams Street	\$9,416,304	1.5%
Invesco IV	\$6,034,218	0.9%
Invesco VI	\$2,068,124	0.3%
Ocean Avenue II	\$2,622,651	0.4%
Pantheon I	\$3,468,516	0.5%
Pantheon II	\$2,100,614	0.3%
Pantheon Secondary	\$4,665,647	0.7%
Raven Asset Fund II	\$616,296	0.1%
Cash	\$9,120,395	1.4%
Treasury Cash	\$2,019,913	0.3%
<b>Total</b>	<b>\$643,727,004</b>	<b>100.0%</b>

Risk vs. Return 3 Year - Total Plan

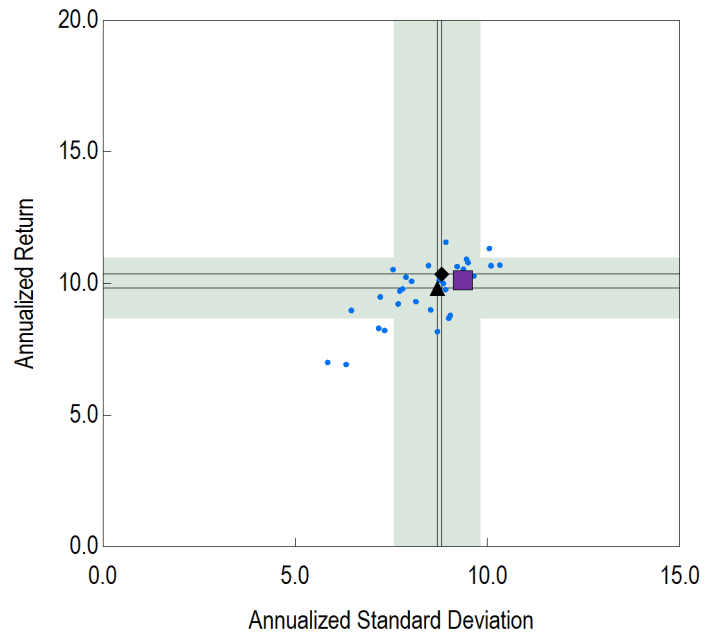
Period Ending September 30, 2014



	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Total Fund	13.1%	35	6.4%	20	2.1	3
Policy Index	13.6%	29	5.9%	11	2.3	2
InvestorForce Public DB \$250mm-\$1B Gross Median	12.6%	--	7.3%	--	1.8	--

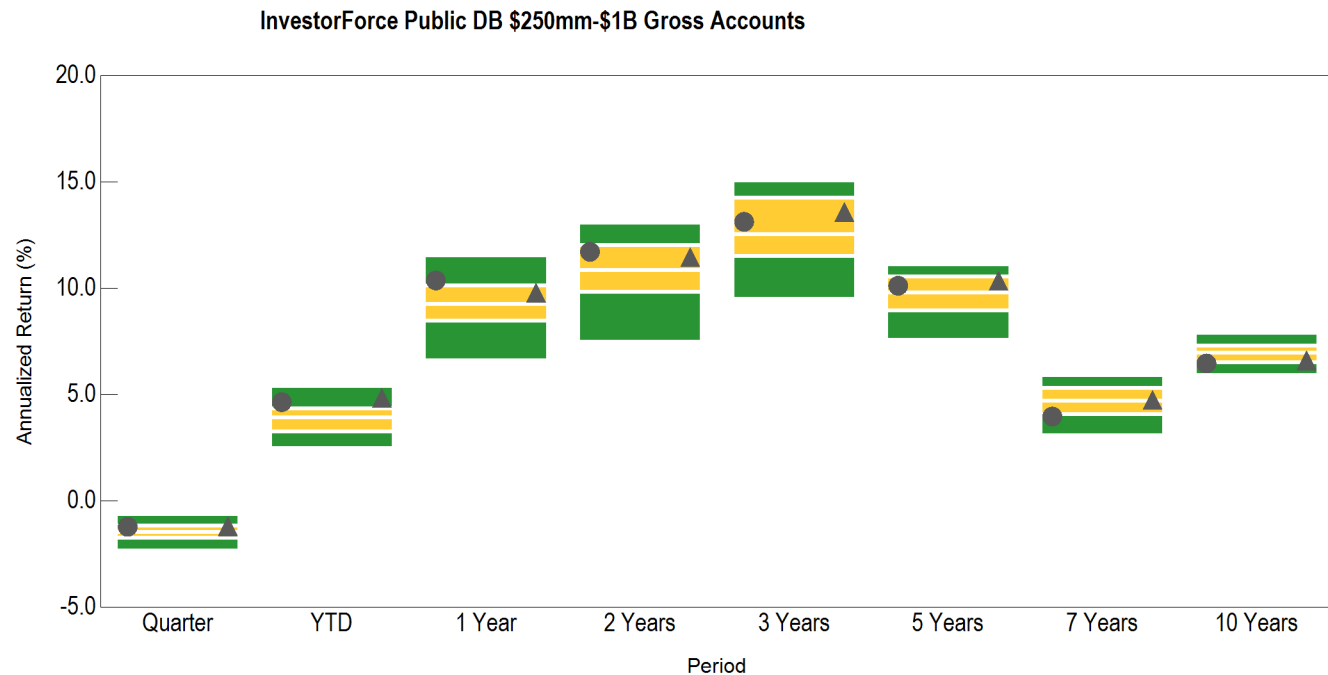
Risk vs. Return 5 Year - Total Plan

Period Ending September 30, 2014



- Total Fund
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB \$250mm-\$1B Gross

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Total Fund	10.1%	40	9.4%	80	1.1	79
Policy Index	10.4%	33	8.8%	59	1.2	36
InvestorForce Public DB \$250mm-\$1B Gross Median	9.8%	--	8.7%	--	1.1	--

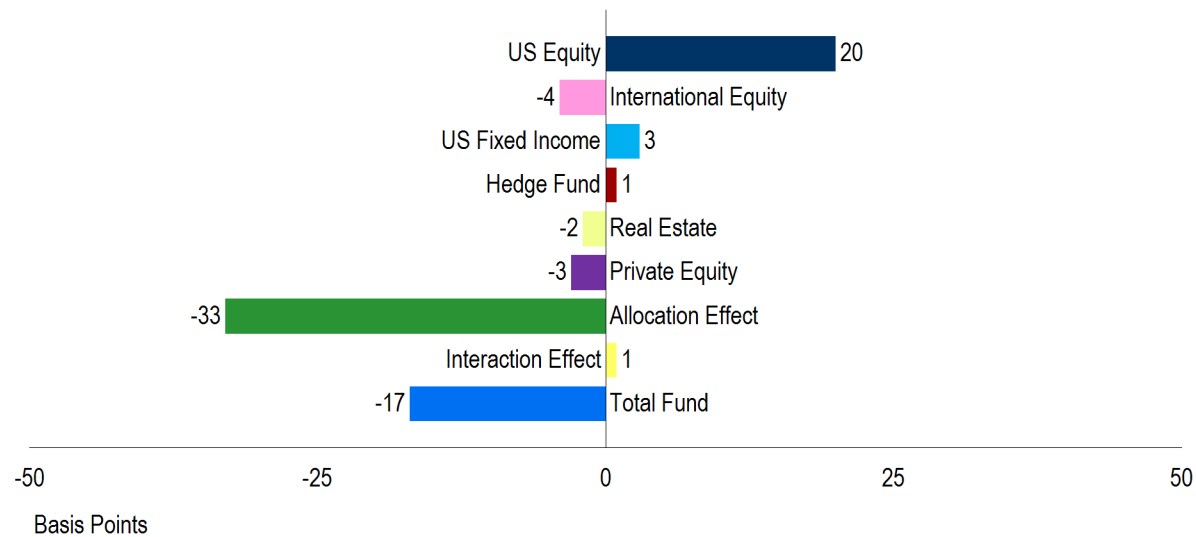


Return (Rank)

5th Percentile	-0.6	5.4	11.6	13.1	15.1	11.1	5.9	7.9
25th Percentile	-1.1	4.4	10.2	12.1	14.3	10.6	5.3	7.3
Median	-1.4	4.0	9.3	10.9	12.6	9.8	4.7	7.0
75th Percentile	-1.7	3.3	8.5	9.9	11.6	9.0	4.1	6.5
95th Percentile	-2.3	2.5	6.6	7.5	9.5	7.6	3.1	5.9
# of Portfolios	35	35	35	34	32	31	28	27
● Total Fund	-1.2 (31)	4.7 (18)	10.4 (15)	11.7 (31)	13.1 (35)	10.1 (40)	4.0 (82)	6.5 (84)
▲ Policy Index	-1.2 (30)	4.9 (15)	9.8 (39)	11.5 (39)	13.6 (29)	10.4 (33)	4.8 (50)	6.6 (68)

## Performance Attribution - Total Plan

Quarter Ending September 30, 2014

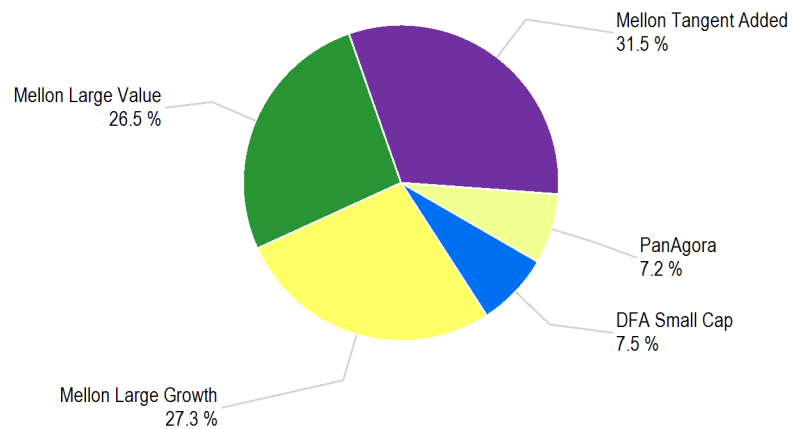


## Attribution Summary

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
US Equity	-0.26%	-0.97%	0.71%	0.20%	0.00%	0.00%	0.20%
International Equity	-5.35%	-5.19%	-0.15%	-0.04%	-0.16%	-0.01%	-0.20%
US Fixed Income	-0.16%	-0.27%	0.11%	0.03%	0.00%	0.00%	0.03%
Hedge Fund	0.54%	0.30%	0.24%	0.01%	0.00%	0.00%	0.01%
Real Estate	0.29%	0.49%	-0.20%	-0.02%	-0.02%	0.00%	-0.04%
Private Equity	4.38%	4.87%	-0.49%	-0.03%	-0.15%	0.01%	-0.17%
<b>Total</b>	<b>-1.35%</b>	<b>-1.19%</b>	<b>-0.17%</b>	<b>0.16%</b>	<b>-0.33%</b>	<b>0.01%</b>	<b>-0.17%</b>

Manager Allocation Analysis - US Equity

As of September 30, 2014

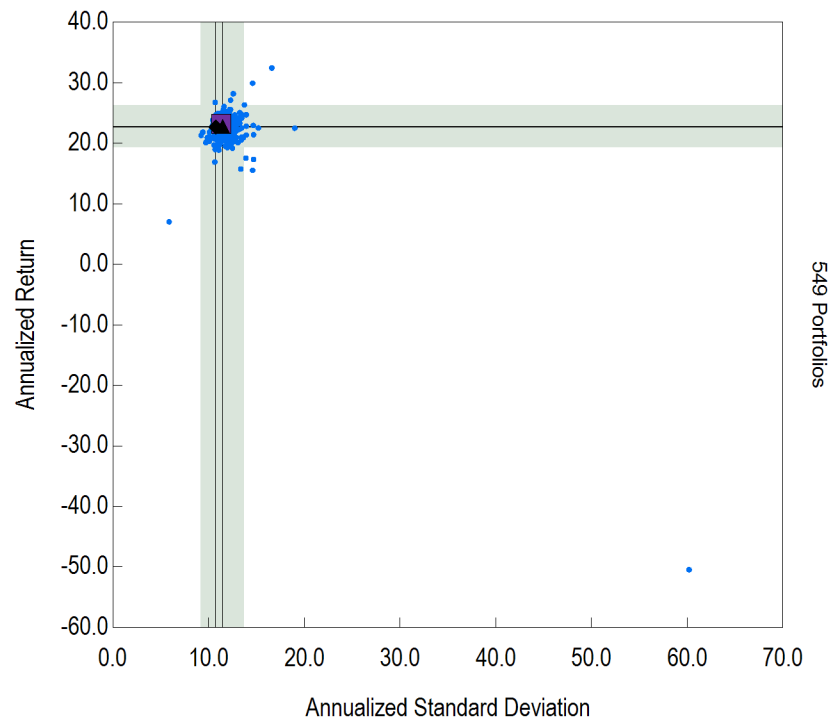


	Actual \$	Actual %
DFA Small Cap	\$14,835,723	7.5%
Mellon Large Growth	\$53,795,312	27.3%
Mellon Large Value	\$52,083,298	26.5%
Mellon Tangent Added	\$62,026,581	31.5%
PanAgora	\$14,133,407	7.2%
<b>Total</b>	<b>\$196,874,321</b>	



## Risk vs. Return 3 Year - US Equity

Period Ending September 30, 2014

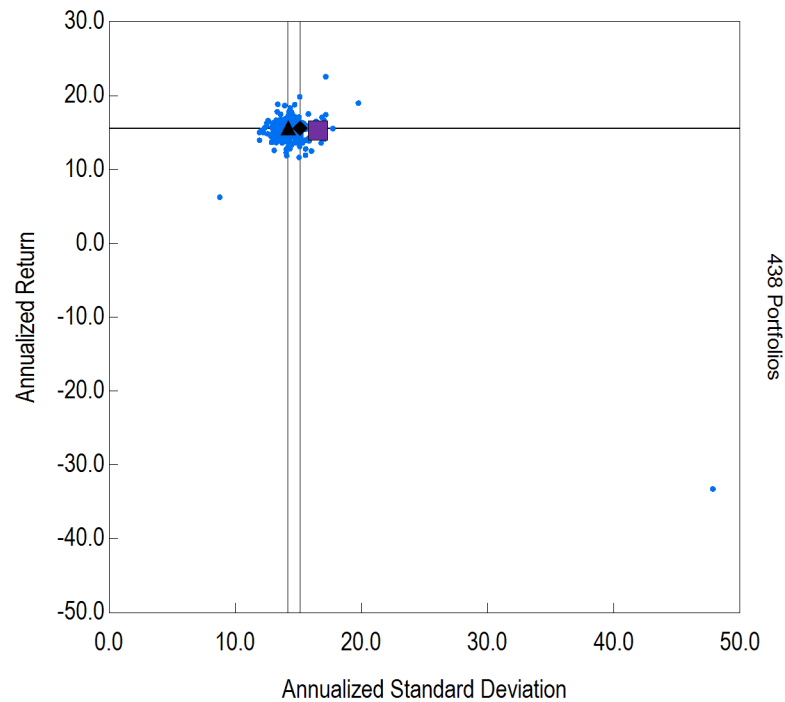


- US Equity
- ◆ 80% R1000/ 20% R2000
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce All DB US Eq Gross

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
US Equity	23.2%	32	11.3%	41	2.0	31
80% R1000/ 20% R2000	22.7%	54	10.7%	10	2.1	16
InvestorForce All DB US Eq Gross Median	22.8%	--	11.5%	--	2.0	--

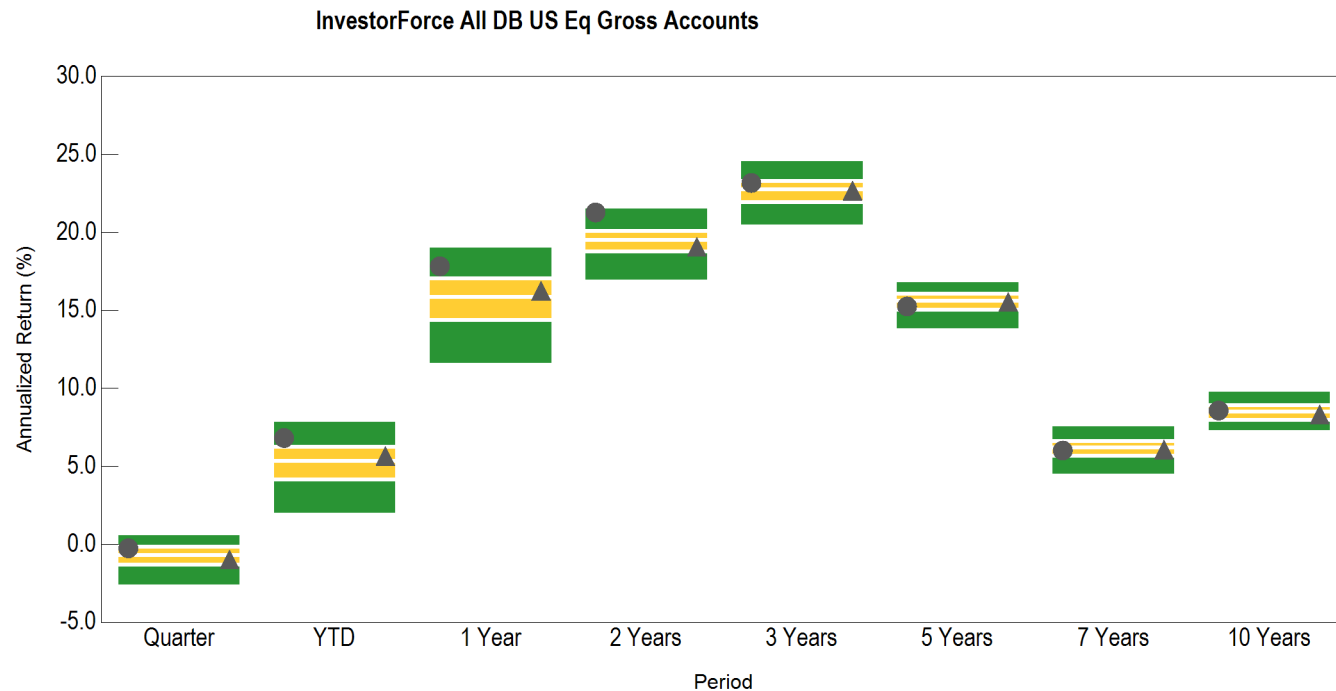
## Risk vs. Return 5 Year - US Equity

Period Ending September 30, 2014



- US Equity
- ◆ 80% R1000/ 20% R2000
- ▲ Universe Median
- InvestorForce All DB US Eq Gross

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
US Equity	15.3%	69	16.5%	99	0.9	96
80% R1000/ 20% R2000	15.5%	55	15.1%	93	1.0	83
InvestorForce All DB US Eq Gross Median	15.6%	--	14.2%	--	1.1	--



Return (Rank)

5th Percentile	0.7	8.0	19.1	21.7	24.7	16.9	7.7	9.9
25th Percentile	-0.1	6.3	17.1	20.1	23.3	16.1	6.7	8.9
Median	-0.7	5.4	15.9	19.6	22.8	15.6	6.2	8.5
75th Percentile	-1.3	4.2	14.4	18.8	21.9	15.1	5.7	8.0
95th Percentile	-2.7	1.9	11.5	16.9	20.4	13.7	4.4	7.2
# of Portfolios	604	596	592	575	549	438	405	326
● US Equity	-0.3 (30)	6.8 (18)	17.8 (10)	21.3 (7)	23.2 (32)	15.3 (69)	6.0 (64)	8.6 (47)
▲ 80% R1000/ 20% R2000	-1.0 (63)	5.7 (42)	16.3 (42)	19.1 (67)	22.7 (54)	15.5 (55)	6.1 (60)	8.3 (62)

Equity Only Summary Statistics - US Equity

Quarter Ending September 30, 2014

Characteristics

	Portfolio	Russell 3000
Number of Holdings	3,114	2,983
Weighted Avg. Market Cap. (\$B)	94.3	100.7
Median Market Cap. (\$B)	2.0	1.4
Price To Earnings	22.4	21.0
Price To Book	4.2	3.6
Price To Sales	3.2	2.9
Return on Equity (%)	19.2	17.1
Yield (%)	1.8	1.9
Beta (holdings; domestic)	1.1	1.0

Top Holdings

APPLE	2.6%
EXXON MOBIL	1.7%
MICROSOFT	1.6%
JOHNSON & JOHNSON	1.3%
GENERAL ELECTRIC	1.1%
BERKSHIRE HATHAWAY 'B'	1.1%
WELLS FARGO & CO	1.1%
JP MORGAN CHASE & CO.	1.0%
CHEVRON	1.0%
PROCTER & GAMBLE	1.0%

Best Performers

	Return %
NOVATEL WIRELESS (MIFI)	92.1%
OVASCENCE (OVAS)	81.0%
ERBA DIAGNOSTICS (ERB)	78.7%
MISONIX (MSON)	77.8%
IGI LABORATORIES (IG)	75.5%
CUISINE SLTN. (CUSI)	71.5%
INUVO (INUV)	68.7%
WILLDAN GROUP (WLDN)	66.8%
CENTURY ALUMINUM (CENX)	65.6%
SL INDUSTRIES (SLI)	65.5%

Worst Performers

	Return %
ENDEAVOUR INTL. (ENDRQ)	-78.2%
BODY CENTRAL (BODY)	-78.0%
ITT EDUCATIONAL SVS. (ESI)	-74.3%
ALCO STORES (ALCSQ)	-73.7%
VRINGO (VRNG)	-72.4%
FAB UNIVERSAL (FABU)	-71.0%
EAGLE BULK SHIPPING (EGLE)	-70.3%
XANADOO (XAND)	-68.8%
BAXANO SURGICAL (BAXS)	-67.9%
MARCHEX 'B' (MCHX)	-65.4%

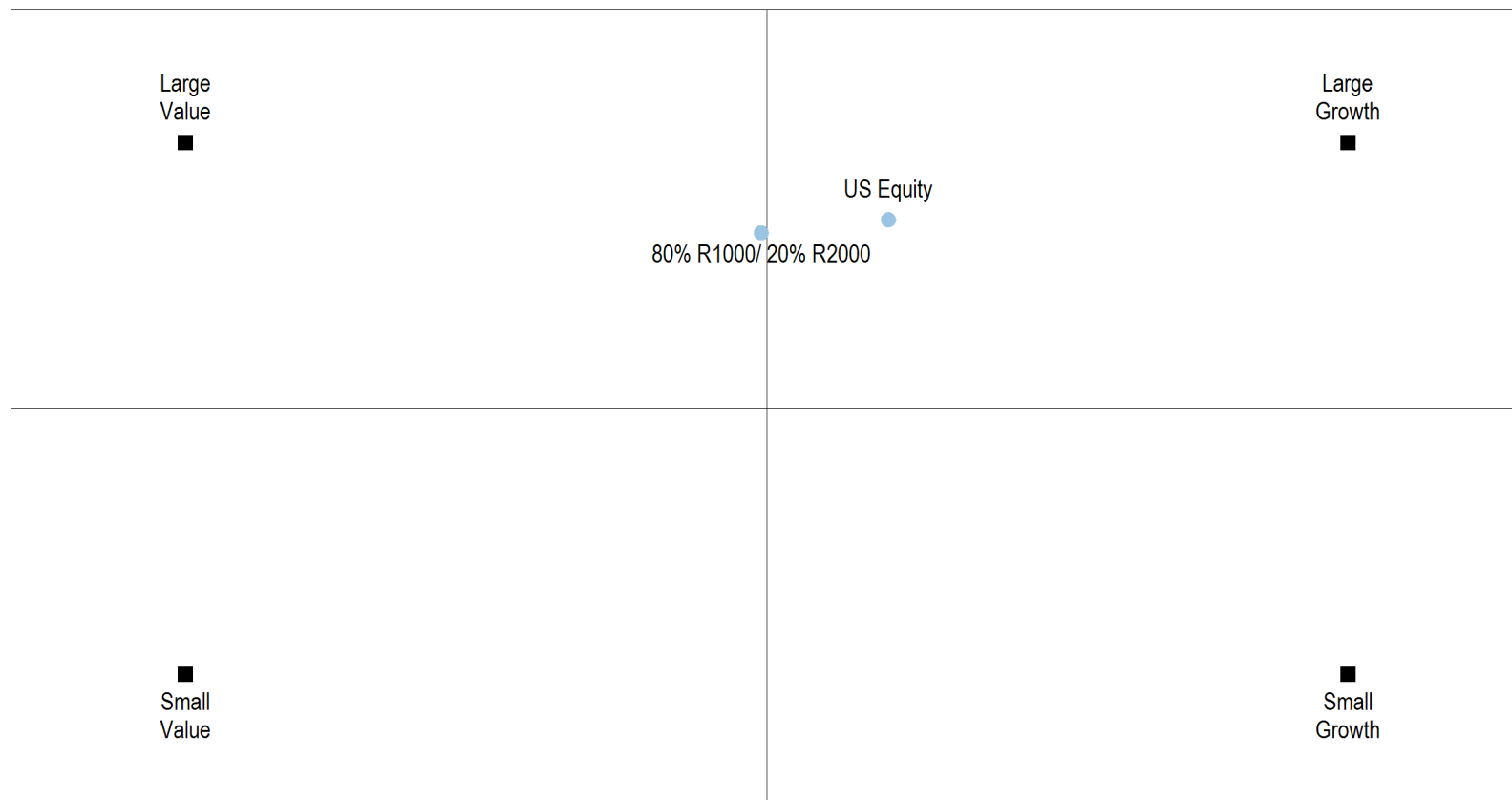
## Equity Sector Attribution - US Equity

Quarter Ending September 30, 2014

## US Equity Performance Attribution vs. Russell 3000

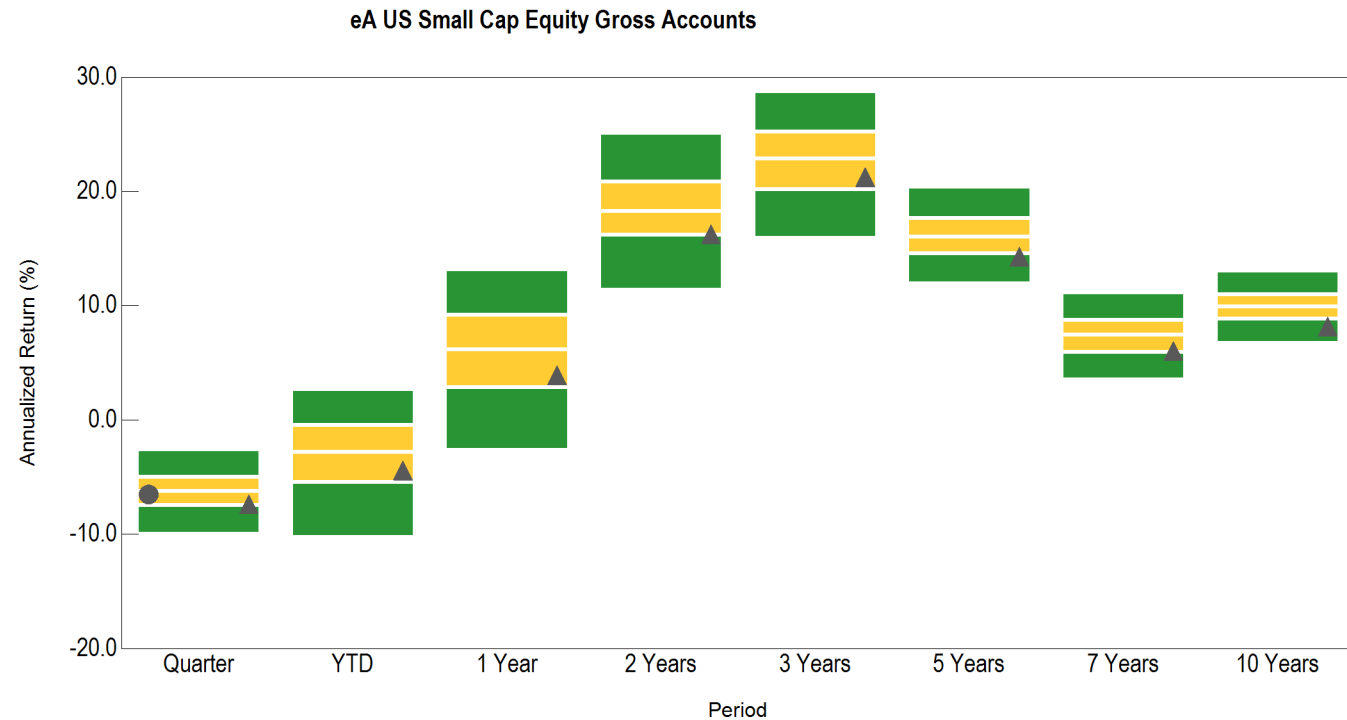
	Attribution Effects							Returns		Sector Weights	
	Total Effects		Selection Effect	Allocation Effect		Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark	
Energy	0.1%		-0.1%		0.1%		0.0%	-9.9%	-9.2%	8.4%	9.8%
Materials	0.0%		0.0%		0.0%		0.0%	-2.4%	-1.6%	3.7%	3.9%
Industrials	0.0%		-0.1%		0.0%		0.0%	-3.3%	-2.9%	10.7%	11.6%
Cons. Disc.	0.0%		-0.1%		0.0%		0.0%	-1.1%	-0.7%	11.6%	12.5%
Cons. Staples	0.0%		0.0%		0.0%		0.0%	1.5%	1.5%	7.0%	8.2%
Health Care	-0.1%		0.0%		-0.1%		0.0%	3.9%	4.3%	11.2%	12.9%
Financials	-0.1%		-0.1%		0.0%		0.0%	0.5%	0.8%	15.2%	17.4%
Info. Tech	-0.2%		-0.2%		-0.1%		0.0%	2.6%	3.6%	16.4%	18.3%
Telecomm.	0.0%		0.0%		0.0%		0.0%	2.3%	2.2%	1.8%	2.2%
Utilities	0.0%		0.0%		0.0%		0.0%	-5.5%	-4.9%	3.1%	3.2%
Cash	0.0%		0.0%		0.0%		0.0%	0.0%	--	10.9%	0.0%
Portfolio	-0.5%	=	-0.5%	+	0.0%	+	0.1%	-0.5%	0.0%	100.0%	100.0%

US Effective Style Map



Total Returns - Small Cap Equity

Periods Ending September 30, 2014



Return (Rank)

	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	-2.6	2.7	13.2	25.1	28.7	20.4	11.1	13.0
25th Percentile	-5.0	-0.4	9.2	20.9	25.3	17.7	8.8	11.1
Median	-6.2	-2.7	6.2	18.3	22.9	16.1	7.5	10.0
75th Percentile	-7.4	-5.4	2.9	16.3	20.2	14.6	6.0	8.9
95th Percentile	-9.9	-10.2	-2.6	11.4	16.0	12.0	3.6	6.8
# of Portfolios	509	509	509	504	496	471	426	359
DFA Small Cap	-6.5 (56)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
Russell 2000	-7.4 (74)	-4.4 (67)	3.9 (69)	16.3 (75)	21.3 (66)	14.3 (79)	6.0 (75)	8.2 (87)

Equity Only Summary Statistics - DFA Small Cap

Quarter Ending September 30, 2014

Characteristics

	Portfolio	Russell 2000
Number of Holdings	2,096	1,951
Weighted Avg. Market Cap. (\$B)	1.7	1.7
Median Market Cap. (\$B)	0.4	0.7
Price To Earnings	23.9	22.3
Price To Book	3.0	2.9
Price To Sales	2.3	2.8
Return on Equity (%)	13.4	10.9
Yield (%)	1.1	1.2
Beta (holdings; domestic)	1.3	1.3

Top Holdings

RF MICRO DEVICES	0.4%
DECKERS OUTDOOR	0.4%
SYNAPTICS	0.3%
JETBLUE AIRWAYS	0.3%
CARRIZO O&G.	0.3%
JACK IN THE BOX	0.3%
BALLY TECHNOLOGIES	0.3%
VAIL RESORTS	0.3%
CNO FINANCIAL GROUP	0.3%
PACWEST BANCORP	0.3%

Best Performers

	Return %
NOVATEL WIRELESS (MIFI)	92.1%
ERBA DIAGNOSTICS (ERB)	78.7%
MISONIX (MSON)	77.8%
IGI LABORATORIES (IG)	75.5%
CUISINE SLTN. (CUSI)	71.5%
INUVO (INUV)	68.7%
WILLDAN GROUP (WLDN)	66.8%
CENTURY ALUMINUM (CENX)	65.6%
SL INDUSTRIES (SLI)	65.5%
MGP INGREDIENTS (MGPI)	64.2%

Worst Performers

	Return %
ENDEAVOUR INTL. (ENDRQ)	-78.2%
BODY CENTRAL (BODY)	-78.0%
ITT EDUCATIONAL SVS. (ESI)	-74.3%
ALCO STORES (ALCSQ)	-73.7%
VRINGO (VRNG)	-72.4%
FAB UNIVERSAL (FABU)	-71.0%
EAGLE BULK SHIPPING (EGLE)	-70.3%
XANADOO (XAND)	-68.8%
BAXANO SURGICAL (BAXS)	-67.9%
MARCHEX 'B' (MCHX)	-65.4%



## Equity Sector Attribution - DFA Small Cap

Quarter Ending September 30, 2014

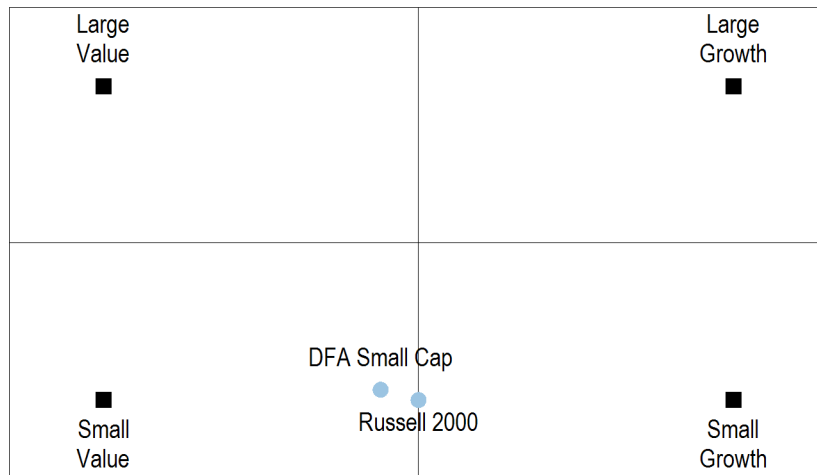
## DFA Small Cap Performance Attribution vs. Russell 2000

	Attribution Effects							Returns		Sector Weights					
	Total		Selection		Allocation		Interaction		Portfolio	Benchmark	Portfolio	Benchmark			
	Effects		Effect		Effect		Effects								
Energy	0.3%		0.3%		0.1%		0.0%		-16.2%		-20.5%		5.6%		6.4%
Materials	0.0%		0.0%		0.0%		0.0%		-8.1%		-8.4%		5.5%		5.1%
Industrials	0.3%		0.3%		-0.1%		0.1%		-7.7%		-9.6%		18.1%		14.2%
Cons. Disc.	0.2%		0.2%		0.0%		0.0%		-7.4%		-8.5%		17.6%		13.3%
Cons. Staples	0.1%		0.0%		0.0%		0.0%		-2.2%		-3.5%		4.2%		3.1%
Health Care	0.4%		0.6%		0.0%		-0.2%		-2.2%		-6.8%		8.9%		12.8%
Financials	-0.2%		0.0%		-0.1%		0.0%		-5.3%		-5.2%		17.7%		23.3%
Info. Tech	0.0%		0.0%		0.0%		0.0%		-5.6%		-5.7%		18.1%		17.7%
Telecomm.	0.0%		0.0%		0.0%		0.0%		-4.1%		-7.0%		0.6%		0.8%
Utilities	0.0%		0.0%		0.0%		0.0%		-8.8%		-10.3%		3.5%		3.3%
Cash	0.0%		0.0%		0.0%		0.0%		0.0%		--		0.2%		0.0%
Portfolio	1.2%	=	1.4%	+	-0.1%	+	-0.1%		-6.6%		-7.8%		100.0%		100.0%

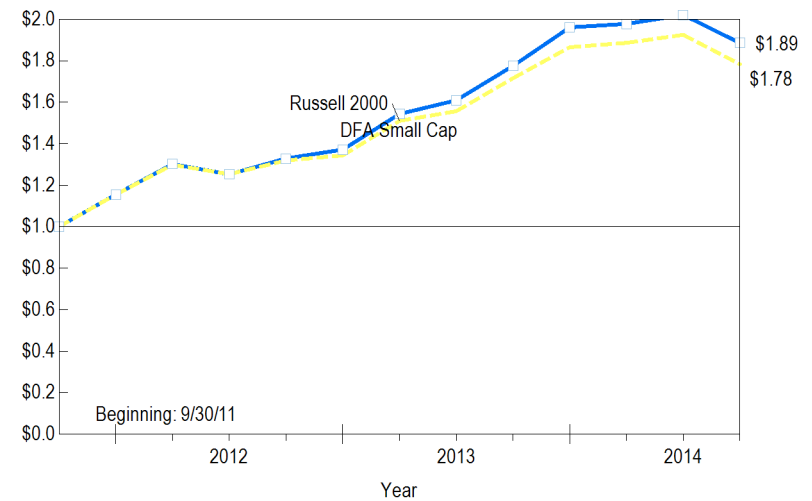
# Return Based Style Analysis - DFA Small Cap

3 Years Ending September 30, 2014

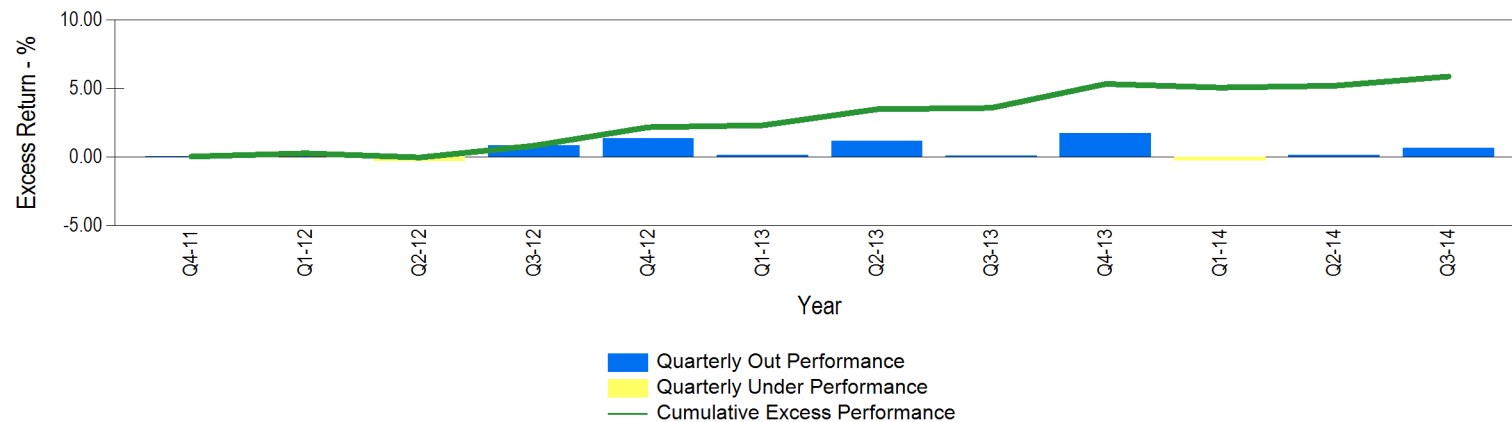
US Effective Style Map



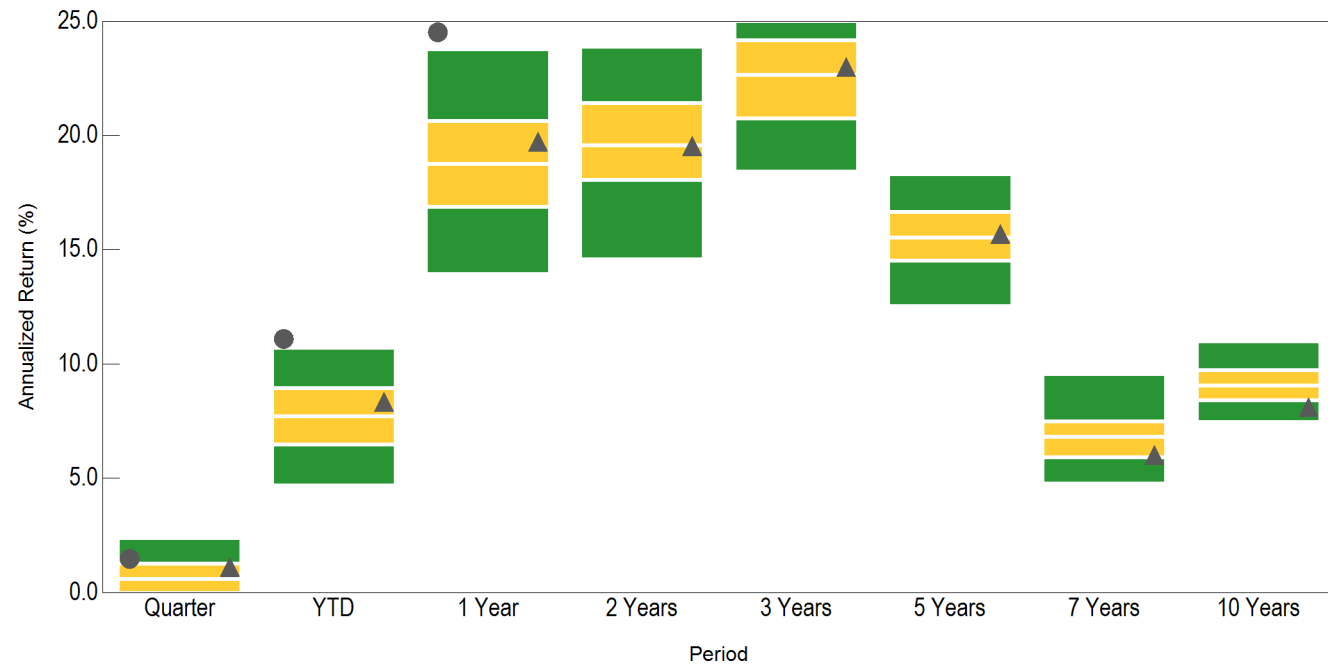
Growth of a Dollar



Quarterly and Cumulative Excess Performance



eA US Large Cap Core Equity Gross Accounts



Return (Rank)

5th Percentile	2.4	10.7	23.8	23.9	26.2	18.3	9.5	11.0
25th Percentile	1.3	9.0	20.6	21.4	24.2	16.7	7.5	9.7
Median	0.6	7.7	18.8	19.6	22.7	15.6	6.8	9.1
75th Percentile	-0.1	6.5	16.9	18.1	20.8	14.5	5.9	8.4
95th Percentile	-1.5	4.7	14.0	14.6	18.4	12.5	4.8	7.5
# of Portfolios	257	257	257	254	251	237	218	185
● Mellon Tangent Added	1.5 (20)	11.1 (3)	24.5 (3)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
▲ S&P 500	1.1 (30)	8.3 (42)	19.7 (37)	19.5 (51)	23.0 (47)	15.7 (45)	6.0 (73)	8.1 (84)

Equity Only Summary Statistics - Mellon Tangent Added

Quarter Ending September 30, 2014

Characteristics

	Portfolio	S&P 500
Number of Holdings	504	502
Weighted Avg. Market Cap. (\$B)	122.8	122.9
Median Market Cap. (\$B)	17.0	17.0
Price To Earnings	21.7	20.3
Price To Book	4.4	4.0
Price To Sales	3.0	2.7
Return on Equity (%)	20.5	18.5
Yield (%)	2.0	2.0
Beta (holdings; domestic)	1.0	1.0

Top Holdings

APPLE	3.4%
EXXON MOBIL	2.3%
MICROSOFT	2.2%
JOHNSON & JOHNSON	1.7%
GENERAL ELECTRIC	1.5%
BERKSHIRE HATHAWAY 'B'	1.4%
WELLS FARGO & CO	1.4%
PROCTER & GAMBLE	1.3%
CHEVRON	1.3%
JP MORGAN CHASE & CO.	1.3%

Best Performers

	Return %
UNITED STATES STEEL (X)	50.6%
SIGMA ALDRICH (SIAL)	34.3%
MONSTER BEVERAGE (MNST)	29.1%
GILEAD SCIENCES (GILD)	28.4%
REGENERON PHARMS. (REGN)	27.6%
TENET HEALTHCARE (THC)	26.5%
SOUTHWEST AIRLINES (LUV)	26.0%
AVAGO TECHNOLOGIES (AVGO)	21.2%
AMGEN (AMGN)	19.2%
EDWARDS LIFESCIENCES (EW)	19.0%

Worst Performers

	Return %
DIAMOND OFFS.DRL. (DO)	-29.7%
TRANSOCEAN (RIG)	-27.6%
OWENS ILLINOIS NEW (OI)	-24.8%
GENWORTH FINANCIAL CL.A (GNW)	-24.7%
ENSCO CLASS A (ESV)	-24.5%
PEABODY ENERGY (BTU)	-23.9%
SOUTHWESTERN ENERGY (SWN)	-23.2%
NOBLE (NE)	-23.2%
NABORS INDUSTRIES (NBR)	-22.3%
RANGE RES. (RRC)	-22.0%

Total Returns - Large Cap Growth Equity

Periods Ending September 30, 2014

eA US Large Cap Growth Equity Gross Accounts



Return (Rank)

5th Percentile	3.4	10.8	24.1	23.4	25.7	18.7	9.9	11.9
25th Percentile	2.1	8.3	20.6	21.1	23.7	17.0	8.3	10.0
Median	1.2	6.5	18.2	19.3	22.2	15.8	7.2	9.2
75th Percentile	0.3	4.8	15.6	17.3	20.5	14.3	6.3	8.3
95th Percentile	-1.1	2.3	11.5	14.8	18.3	12.6	4.5	7.4
# of Portfolios	288	287	287	281	277	265	249	207
● Mellon Large Growth	1.5 (42)	7.9 (32)	19.2 (38)	19.2 (51)	22.5 (46)	16.5 (36)	7.6 (39)	9.0 (55)
▲ Russell 1000 Growth	1.5 (42)	7.9 (33)	19.1 (38)	19.2 (51)	22.4 (46)	16.5 (37)	7.6 (40)	8.9 (56)

## Equity Only Summary Statistics - Mellon Large Growth

Quarter Ending September 30, 2014

## Characteristics

	Portfolio	Russell 1000 Growth
Number of Holdings	679	674
Weighted Avg. Market Cap. (\$B)	110.2	110.2
Median Market Cap. (\$B)	8.5	8.5
Price To Earnings	24.8	22.8
Price To Book	6.5	6.0
Price To Sales	4.3	3.7
Return on Equity (%)	26.7	24.7
Yield (%)	1.5	1.5
Beta (holdings; domestic)	1.0	1.0

## Top Holdings

APPLE	5.9%
MICROSOFT	2.4%
VERIZON COMMUNICATIONS	2.0%
INTERNATIONAL BUS.MCHS.	1.8%
COCA COLA	1.7%
GOOGLE 'A'	1.6%
GOOGLE 'C'	1.6%
GILEAD SCIENCES	1.6%
FACEBOOK CLASS A	1.5%
PEPSICO	1.4%

## Best Performers

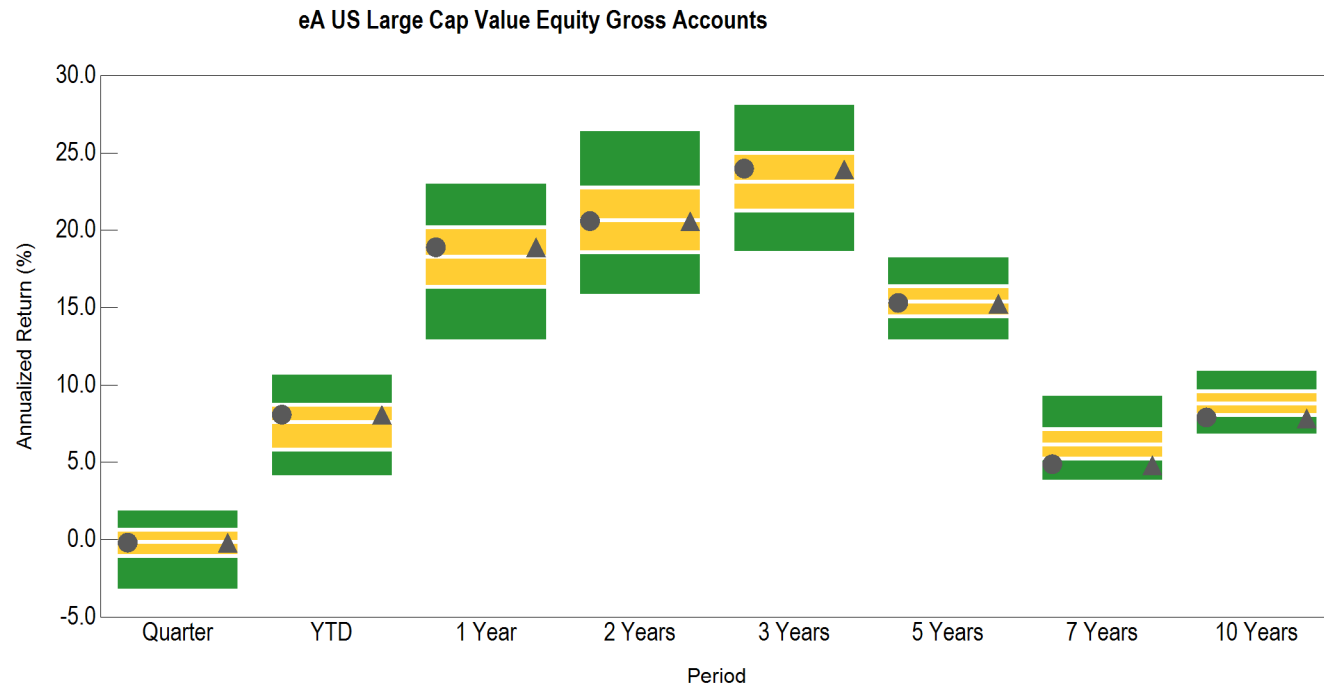
	Return %
TRUE NVDR (FRA) (D:NVAN)	108.7%
NOVATEL WIRELESS (MIFI)	92.1%
OVASCIENCE (OVAS)	81.0%
ERBA DIAGNOSTICS (ERB)	78.7%
MISONIX (MSON)	77.8%
ARABTEC HOLDING (DU:ART)	76.2%
IGI LABORATORIES (IG)	75.5%
CUISINE SLTN. (CUSI)	71.5%
INUVO (INUV)	68.7%
WILLDAN GROUP (WLDN)	66.8%

## Worst Performers

	Return %
NU SKIN ENTERPRISES 'A' (NUS)	-38.6%
SEARS HOLDINGS (SHLD)	-36.9%
RITE AID (RAD)	-32.5%
HERBALIFE (HLF)	-32.2%
AARON'S (AAN)	-31.7%
SEAWORLD ENTERTAINMENT (SEAS)	-31.4%
KATE SPADE & COMPANY (KATE)	-31.2%
SEADRILL (NYS) (SDRL)	-31.1%
OCWEN FINANCIAL (OCN)	-29.4%
MANITOWOC (MTW)	-28.6%

Total Returns - Large Cap Value Equity

Periods Ending September 30, 2014



	Return (Rank)							
5th Percentile	2.0	10.8	23.1	26.5	28.2	18.4	9.4	11.0
25th Percentile	0.7	8.8	20.2	22.8	25.0	16.4	7.2	9.6
Median	-0.1	7.6	18.3	20.7	23.2	15.4	6.2	8.9
75th Percentile	-1.0	5.9	16.4	18.6	21.3	14.5	5.3	8.1
95th Percentile	-3.3	4.1	12.9	15.8	18.6	12.9	3.8	6.8
# of Portfolios	310	310	310	309	305	292	274	240
● Mellon Large Value	-0.2 (53)	8.1 (41)	18.9 (43)	20.6 (51)	24.0 (40)	15.3 (53)	4.9 (84)	7.9 (79)
▲ Russell 1000 Value	-0.2 (53)	8.1 (42)	18.9 (43)	20.6 (52)	23.9 (40)	15.3 (54)	4.8 (85)	7.8 (79)

Equity Only Summary Statistics - Mellon Large Value

Quarter Ending September 30, 2014

Characteristics

	Portfolio	Russell 1000 Value
Number of Holdings	694	690
Weighted Avg. Market Cap. (\$B)	106.8	106.8
Median Market Cap. (\$B)	6.8	6.8
Price To Earnings	19.5	18.5
Price To Book	2.3	2.2
Price To Sales	2.3	2.2
Return on Equity (%)	13.2	12.9
Yield (%)	2.4	2.3
Beta (holdings; domestic)	1.0	1.0

Top Holdings

EXXON MOBIL	4.1%
GENERAL ELECTRIC	2.6%
JOHNSON & JOHNSON	2.6%
BERKSHIRE HATHAWAY 'B'	2.5%
WELLS FARGO & CO	2.5%
JP MORGAN CHASE & CO.	2.3%
CHEVRON	2.3%
PROCTER & GAMBLE	2.2%
PFIZER	1.9%
AT&T	1.8%

Best Performers

	Return %
UNITED STATES STEEL (X)	50.6%
SIGMA ALDRICH (SIAL)	34.3%
STEEL DYNAMICS (STLD)	26.6%
URS (URS)	26.1%
SOUTHWEST AIRLINES (LUV)	26.0%
HCA HOLDINGS (HCA)	25.1%
GOLAR LNG (NAS) (GLNG)	24.2%
ALNYLAM PHARMACEUTICALS (ALNY)	23.6%
ROYAL CARIBBEAN CRUISES (RCL)	21.6%
COMMUNITY HEALTH SYSTEMS (CYH)	20.8%

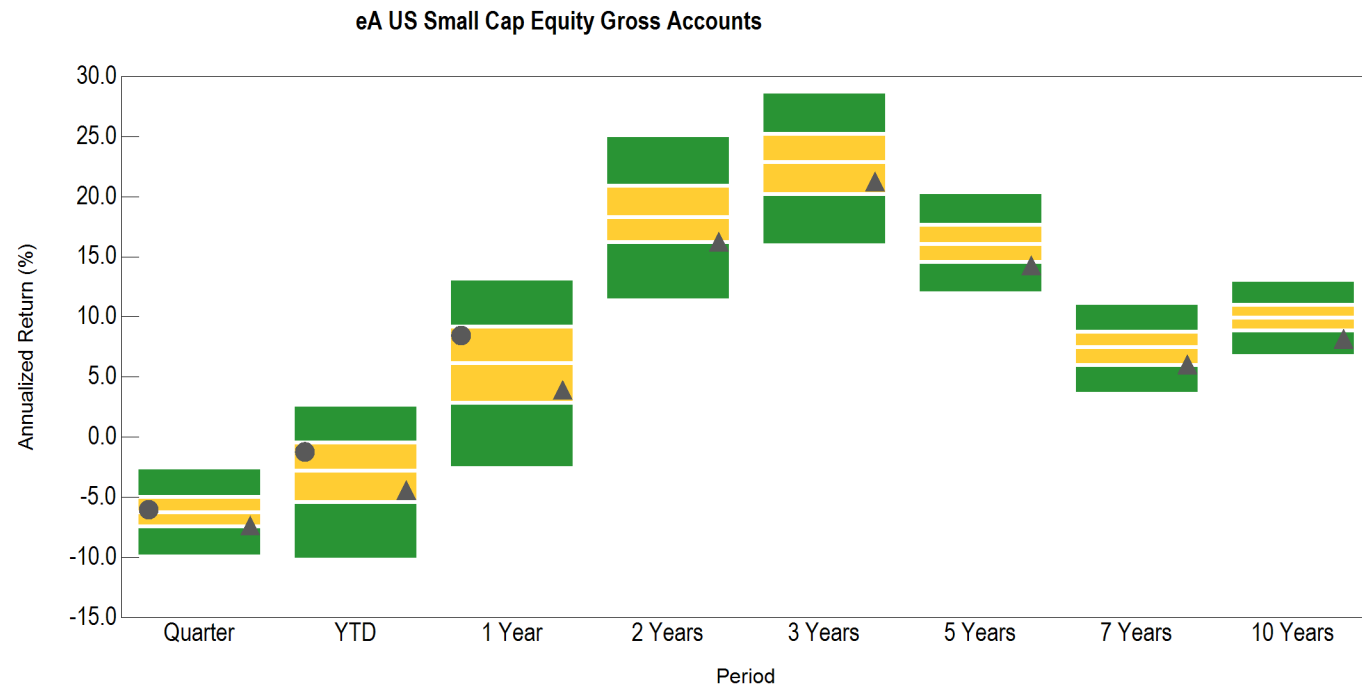
Worst Performers

	Return %
SANDRIDGE ENERGY (SD)	-40.0%
SEARS HOLDINGS (SHLD)	-36.9%
RITE AID (RAD)	-32.5%
AARON'S (AAN)	-31.7%
SEADRILL (NYS) (SDRL)	-31.1%
CLIFFS NATURAL RESOURCES (CLF)	-30.4%
TIDEWATER (TDW)	-30.1%
DIAMOND OFFS.DRL. (DO)	-29.7%
CARPENTER TECH. (CRS)	-28.4%
LAREDO PETROLEUM (LPI)	-27.7%



Total Returns - Small Cap Equity

Periods Ending September 30, 2014



	Return (Rank)															
5th Percentile	-2.6		2.7		13.2		25.1		28.7		20.4		11.1		13.0	
25th Percentile	-5.0		-0.4		9.2		20.9		25.3		17.7		8.8		11.1	
Median	-6.2		-2.7		6.2		18.3		22.9		16.1		7.5		10.0	
75th Percentile	-7.4		-5.4		2.9		16.3		20.2		14.6		6.0		8.9	
95th Percentile	-9.9		-10.2		-2.6		11.4		16.0		12.0		3.6		6.8	
# of Portfolios	509		509		509		504		496		471		426		359	
● PanAgora	-6.0	(48)	-1.2	(33)	8.5	(33)	--	(--)	--	(--)	--	(--)	--	(--)	--	(--)
▲ Russell 2000	-7.4	(74)	-4.4	(67)	3.9	(69)	16.3	(75)	21.3	(66)	14.3	(79)	6.0	(75)	8.2	(87)

## Equity Only Summary Statistics - PanAgora

Quarter Ending September 30, 2014

## Characteristics \*

	Portfolio	Russell 2000
Number of Holdings	319	1,951
Weighted Avg. Market Cap. (\$B)	1.6	1.7
Median Market Cap. (\$B)	0.7	0.7
Price To Earnings	25.6	22.3
Price To Book	3.9	2.9
Price To Sales	3.4	2.8
Return on Equity (%)	16.3	10.9
Yield (%)	1.2	1.2
Beta (holdings; domestic)	1.3	1.3

## Top Holdings \*

PORTLAND GEN.ELEC.	1.57%
TENNECO	1.51%
RF MICRO DEVICES	1.47%
SOVRAN SELF STORAGE	1.39%
TEAM HEALTH HOLDINGS	1.39%
RLJ LODGING TRUST	1.37%
PAREXEL INTL.	1.33%
DELUXE	1.28%
PNM RESOURCES	1.22%
WEST PHARM.SVS.	1.19%

## Best Performers

	Return %
OVASCIENCE (OVAS)	81.0%
CROSS COUNTRY HLTHCR. (CCRN)	42.5%
ARC DOCUMENT SOLUTIONS (ARC)	38.2%
AMN HLTHCR.SVS. (AHS)	27.6%
STRATTEC SECURITY (STRT)	26.3%
1-800-FLOWERS.COM 'A' (FLWS)	24.0%
LANDS END (LE)	22.5%
OMNIVISION TECHS. (OVTI)	20.4%
RF MICRO DEVICES (RFMD)	20.3%
PAREXEL INTL. (PRXL)	19.4%

## Worst Performers

	Return %
ENDEAVOUR INTL. (ENDRQ)	-78.18%
GALECTIN THERAPEUTICS (GALT)	-63.58%
HERCULES OFFSHORE (HERO)	-45.27%
QUICKLOGIC (QUIK)	-42.17%
THERAVANCE (THRX)	-41.99%
PDF SOLUTIONS (PDFS)	-40.57%
CINEDIGM CLASS A (CIDM)	-37.75%
DAWSON GEOPHYSICAL (DWSN)	-36.33%
MEDIA GENERAL (MEG)	-36.14%
NORTH ATLANTIC DRILLING (NADL)	-35.82%

\*Note: Data provided is based on 8/31 holdings. PanAgora provides holdings on a 45-day lag, thus the 9/30 holdings are not yet available.

## Equity Sector Attribution - PanAgora

Quarter Ending September 30, 2014

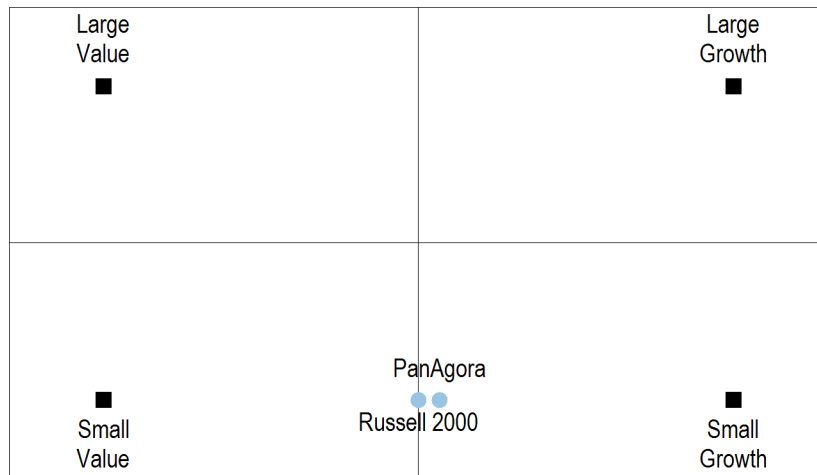
## PanAgora Performance Attribution vs. Russell 2000

	Attribution Effects							Returns		Sector Weights					
	Total		Selection		Allocation		Interaction		Portfolio	Benchmark	Portfolio	Benchmark			
	Effects		Effect		Effect		Effects								
Energy	-0.1%		-0.3%		0.1%		0.0%		-25.4%		-20.5%		5.4%		6.4%
Materials	0.0%		0.0%		0.0%		0.0%		-7.9%		-8.4%		6.2%		5.1%
Industrials	0.2%		0.2%		0.0%		0.0%		-8.5%		-9.6%		13.5%		14.2%
Cons. Disc.	0.9%		0.8%		0.0%		0.1%		-2.7%		-8.5%		15.7%		13.3%
Cons. Staples	0.0%		0.1%		0.0%		0.0%		-0.7%		-3.5%		2.2%		3.1%
Health Care	0.3%		0.3%		0.0%		0.0%		-4.3%		-6.8%		12.6%		12.8%
Financials	0.2%		0.3%		-0.1%		0.0%		-3.7%		-5.2%		20.3%		23.3%
Info. Tech	-0.1%		-0.1%		0.0%		0.0%		-6.3%		-5.7%		17.8%		17.7%
Telecomm.	0.0%		0.0%		0.0%		0.0%		-8.9%		-7.0%		0.2%		0.8%
Utilities	0.0%		0.0%		-0.1%		0.0%		-9.3%		-10.3%		5.9%		3.3%
Cash	0.0%		0.0%		0.0%		0.0%		0.0%		--		0.2%		0.0%
Portfolio	1.4%	=	1.3%	+	-0.1%	+	0.1%		-6.4%		-7.8%		100.0%		100.0%

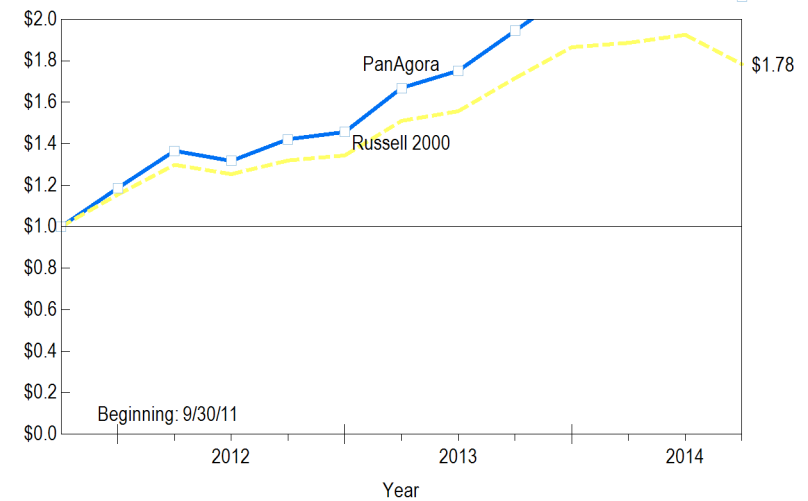
# Return Based Style Analysis - PanAgora

3 Years Ending September 30, 2014

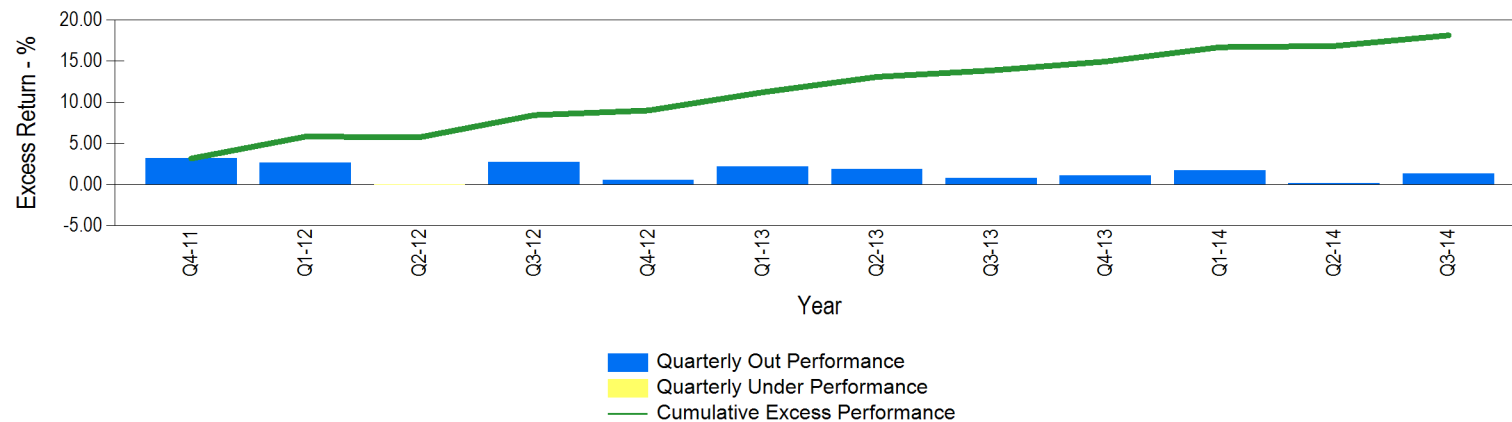
US Effective Style Map



Growth of a Dollar

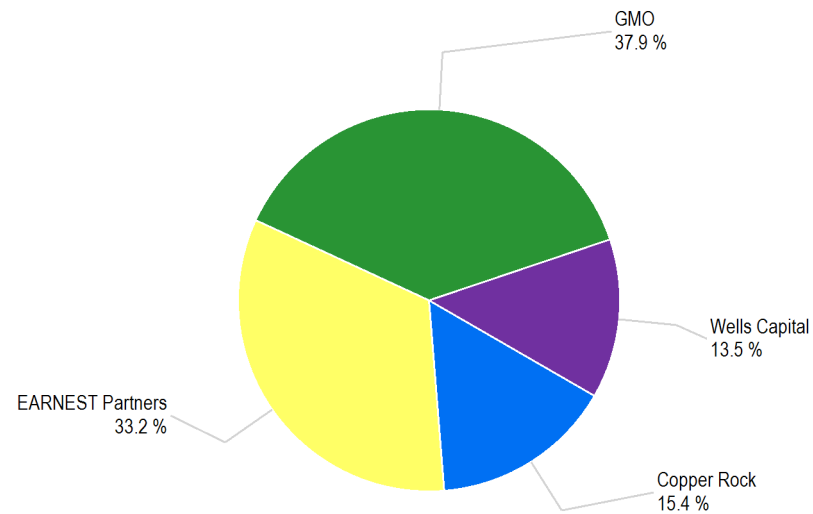


Quarterly and Cumulative Excess Performance



## Manager Allocation Analysis - International Equity

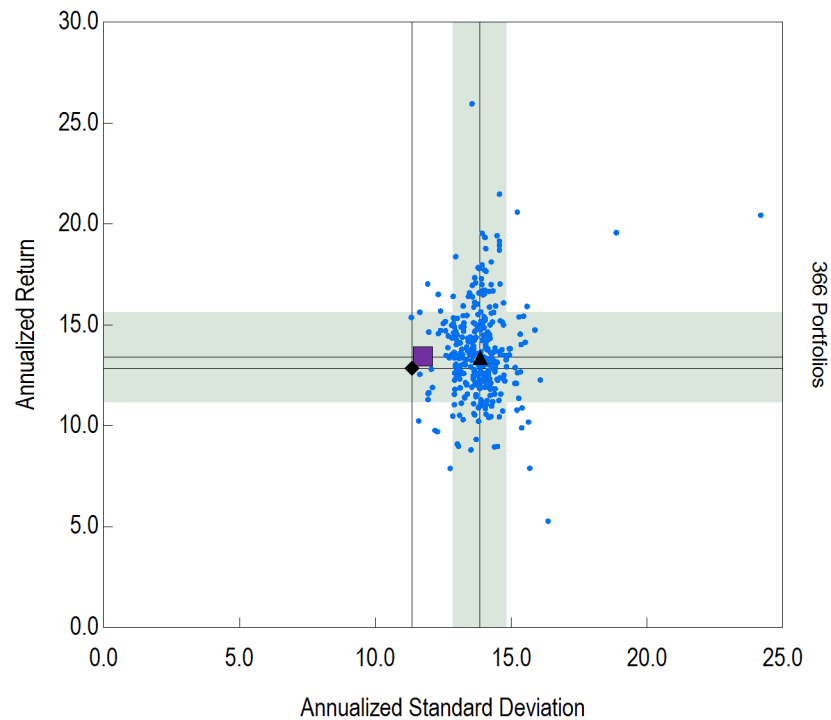
As of September 30, 2014



	Actual \$	Actual %
Copper Rock	\$23,746,873	15.4%
EARNEST Partners	\$51,140,286	33.2%
GMO	\$58,494,946	37.9%
Wells Capital	\$20,818,989	13.5%
Total	\$154,201,094	

## Risk vs. Return 3 Year - International Equity

Period Ending September 30, 2014

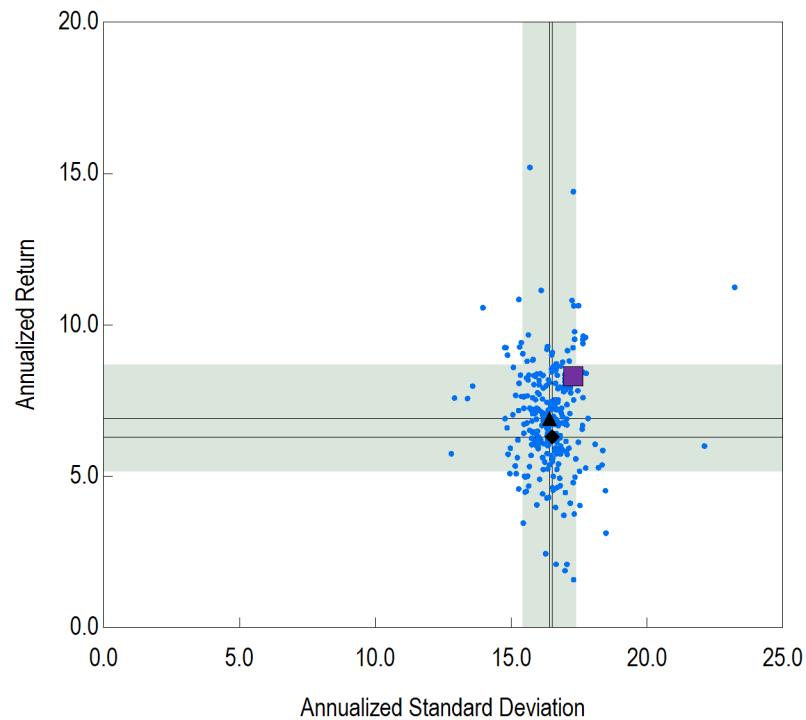


- International Equity
- ◆ MSCI ACWI ex US
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce All DB ex-US Eq Gross

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
International Equity	13.4%	50	11.7%	2	1.1	16
MSCI ACWI ex US	12.8%	63	11.3%	1	1.1	18
InvestorForce All DB ex-US Eq Gross Median	13.4%	--	13.9%	--	1.0	--

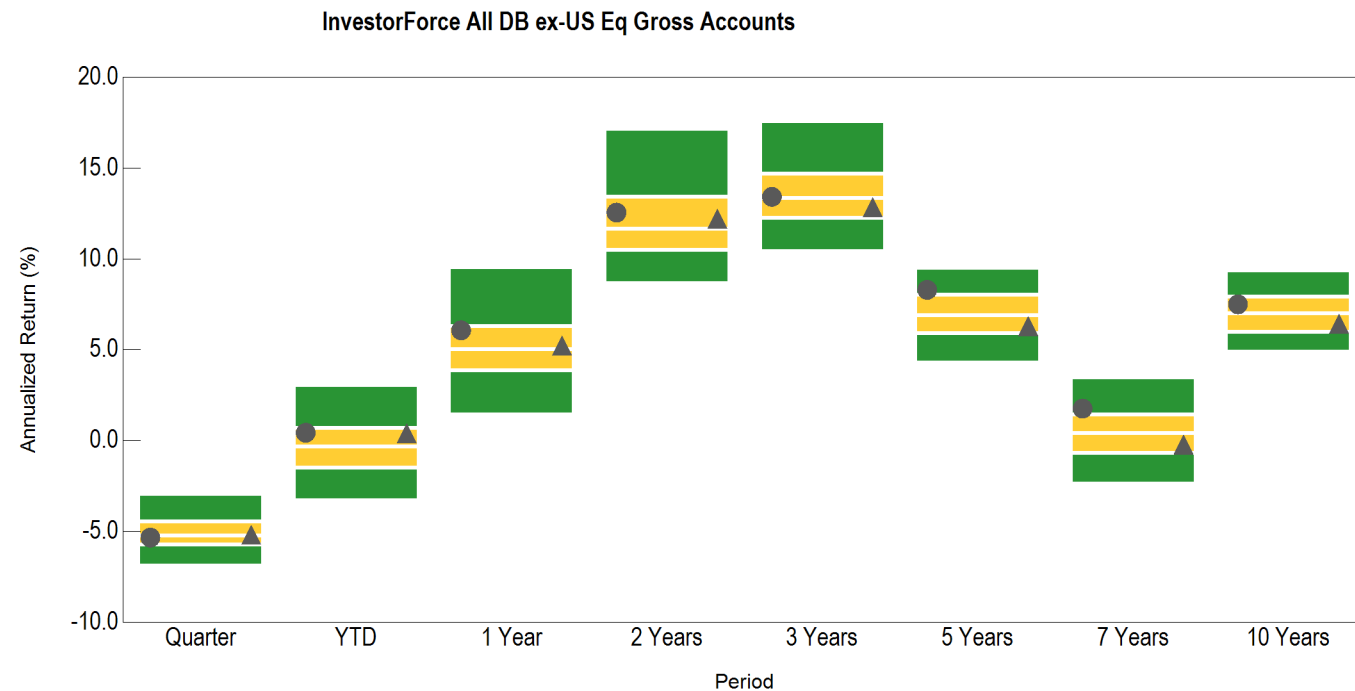
## Risk vs. Return 5 Year - International Equity

Period Ending September 30, 2014



- International Equity
- ◆ MSCI ACWI ex US
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce All DB ex-US Eq Gross

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
International Equity	8.3%	21	17.3%	88	0.5	29
MSCI ACWI ex US	6.3%	64	16.5%	55	0.4	67
InvestorForce All DB ex-US Eq Gross Median	6.9%	--	16.4%	--	0.4	--



Return (Rank)

5th Percentile	-3.0	3.0	9.5	17.1	17.6	9.5	3.5	9.4
25th Percentile	-4.4	0.7	6.3	13.5	14.7	8.1	1.5	8.0
Median	-5.2	-0.3	5.0	11.7	13.4	6.9	0.4	7.0
75th Percentile	-5.7	-1.5	3.9	10.5	12.3	5.9	-0.7	6.0
95th Percentile	-6.9	-3.3	1.5	8.7	10.5	4.3	-2.3	4.9
# of Portfolios	400	396	394	380	366	283	254	176
● International Equity	-5.3 (59)	0.4 (31)	6.1 (30)	12.6 (37)	13.4 (50)	8.3 (21)	1.8 (19)	7.5 (39)
▲ MSCI ACWI ex US	-5.2 (50)	0.4 (32)	5.2 (45)	12.2 (42)	12.8 (63)	6.3 (64)	-0.2 (65)	6.4 (66)



Equity Only Summary Statistics - International Equity

Quarter Ending September 30, 2014

Characteristics

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	1,585	1,829
Weighted Avg. Market Cap. (\$B)	39.8	53.5
Median Market Cap. (\$B)	5.0	7.0
Price To Earnings	18.4	18.4
Price To Book	2.7	2.4
Price To Sales	1.9	2.0
Return on Equity (%)	14.9	14.5
Yield (%)	2.8	2.9
Beta (holdings; global)	1.1	0.9

Top Holdings

TOTAL	1.9%
SHIRE	1.7%
ICICI BK.ADR 1:2	1.3%
ARM HDG.SPN.ADR 1:3	1.3%
BASF	1.3%
ICON	1.2%
CORE LABORATORIES	1.2%
SAMSUNG ELECTRONICS	1.1%
DNB	1.1%
DENSO	1.0%

Best Performers

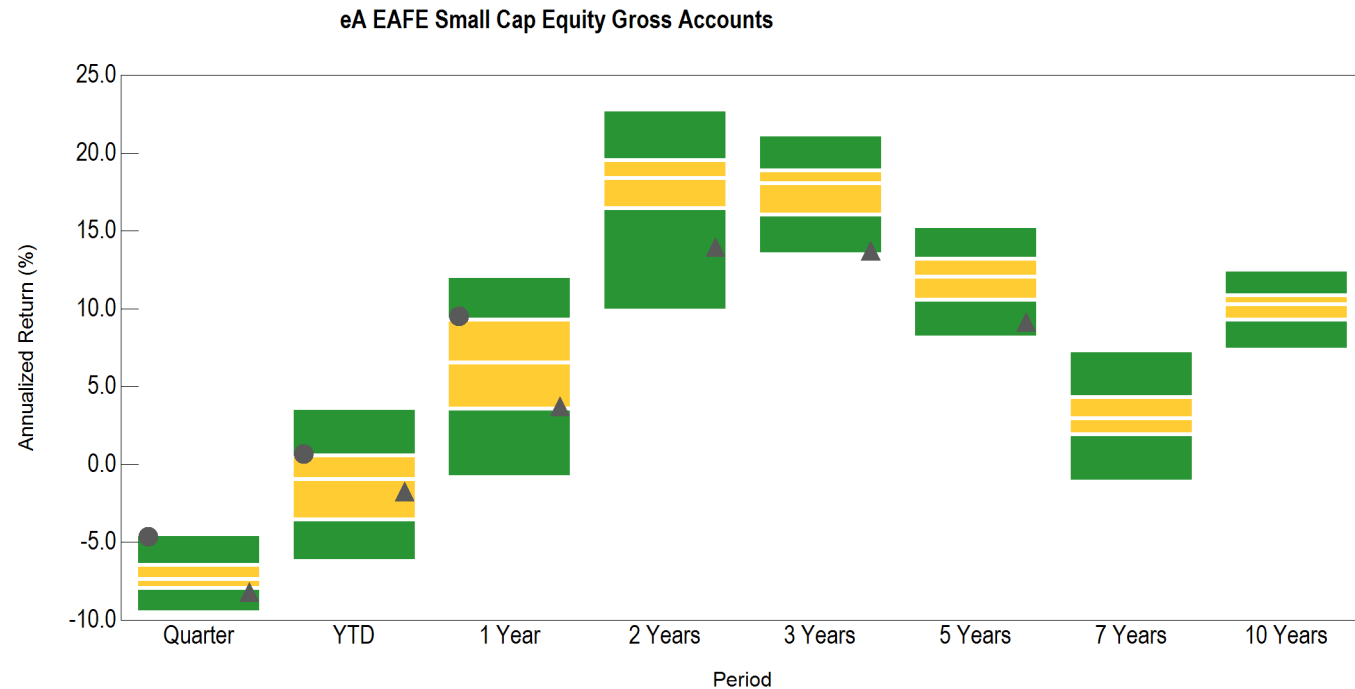
	Return %
TRUE NVDR (FRA) (D:NVAN)	108.7%
ARABTEC HOLDING (DU:ART)	76.2%
YANTAI CHANGYU PION.WINE 'B' (CN:YTC)	51.1%
AMOREPACIFIC (KO:AMN)	50.5%
AMOREPACIFIC GROUP (KO:PHM)	50.0%
HANSSEM (KO:HEM)	41.1%
CHINA EVERBRIGHT (K:IHDH)	40.8%
CREDIT ANALYSIS AND RESH (IN:CRV)	40.0%
CIPLA (IN:CPL)	40.0%
SK C&C (KO:C&C)	39.6%

Worst Performers

	Return %
AFRICAN BANK INVS. (R:ABLI)	-95.7%
SISTEMA JSFC GDR (REGS) 1:20 (UKIR:SSA)	-76.7%
JAIPRAKASH ASSOCIATES (IN:JKA)	-66.6%
ANTON OILFIELD SVS.GROUP (K:ANTO)	-56.5%
BASHNEFT (RS:BAN)	-55.0%
ARRIUM (A:ARIX)	-48.9%
ASYA KATILIM BANKASI (TK:ASA)	-48.7%
JINDAL STEEL & POWER (IN:JSP)	-47.5%
FUGRO (H:FUG)	-47.1%
UNITECH (IN:UNT)	-45.6%

Total Returns - EAFE Small Cap Equity

Periods Ending September 30, 2014



**Return (Rank)**

5th Percentile	-4.5	3.6	12.1	22.8	21.2	15.3	7.3	12.5
25th Percentile	-6.4	0.6	9.3	19.6	18.9	13.2	4.3	10.9
Median	-7.3	-0.9	6.6	18.4	18.1	12.1	3.0	10.3
75th Percentile	-7.9	-3.5	3.6	16.5	16.1	10.6	2.0	9.3
95th Percentile	-9.5	-6.2	-0.8	9.9	13.5	8.2	-1.1	7.4
# of Portfolios	58	58	58	57	55	50	45	29
● Copper Rock	-4.6 (8)	0.7 (25)	9.5 (22)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
▲ MSCI World ex US Small Cap	-8.2 (79)	-1.7 (62)	3.7 (74)	14.0 (87)	13.7 (95)	9.1 (88)	-- (--)	-- (--)

## Equity Only Summary Statistics - Copper Rock

Quarter Ending September 30, 2014

## Characteristics

	Portfolio	MSCI World ex USA Small Cap
Number of Holdings	94	2,408
Weighted Avg. Market Cap. (\$B)	2.4	2.2
Median Market Cap. (\$B)	1.9	0.9
Price To Earnings	20.3	18.5
Price To Book	3.3	2.1
Price To Sales	2.0	1.8
Return on Equity (%)	18.9	12.2
Yield (%)	2.1	2.4
Beta (holdings; global)	1.0	1.0

## Top Holdings

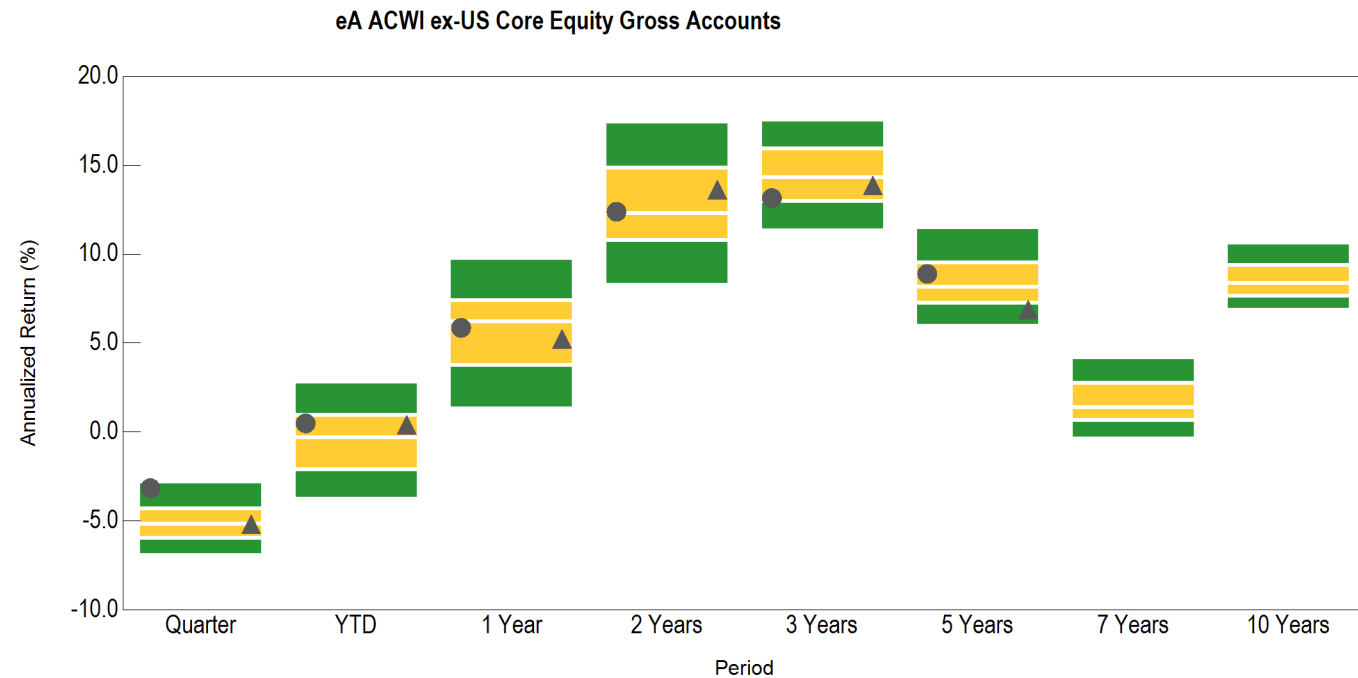
HANSSEM	1.9%
GREENCORE GROUP	1.8%
FASTIGHETS BALDER 'B'	1.8%
ROYAL UNIBREW	1.8%
IRISO ELECTRONICS	1.6%
KANAMOTO	1.6%
INTERTAPE POLYMER GP.	1.5%
BANKINTER 'R'	1.4%
ELEMENT FINANCIAL	1.4%
MICRO FOCUS INTL.	1.3%

## Best Performers

	Return %
HANSSEM (KO:HEM)	41.1%
IRISO ELECTRONICS (J:IRIS)	35.3%
INTERTAPE POLYMER GP. (C:ITP)	32.2%
OPTIMAL PAYMENTS (UKIR:OPAY)	21.7%
MICRO FOCUS INTL. (UKIR:MCRO)	18.3%
WESTJET AIRL.VAR.SHS. (C:WJA.A)	14.4%
ASHTAD GROUP (UKIR:AHT)	14.2%
TOKYO OHKA KOGYO (J:TOOH)	11.8%
SLATER & GORDON (A:SGHX)	11.2%
MAGELLAN FINANCIAL GP. (A:MFGX)	9.0%

## Worst Performers

	Return %
HORIZON NORTH LOGISTICS (C:HNL)	-35.9%
O W BUNKER & TRADING (DK:OWB)	-29.6%
MONEX GROUP (J:MOBH)	-29.3%
BUCHER INDUSTRIES (S:BUC)	-25.1%
NORMA GROUP (D:NOEJ)	-24.2%
PLASTIC OMNIUM (F:POM)	-23.8%
GN STORE NORD (DK:GSN)	-23.0%
SUZUKEN (J:SKEN)	-21.9%
BORREGAARD (N:BRG)	-20.6%
JUNGHEINRICH PREF. (D:JUN3)	-20.1%



	Return (Rank)							
5th Percentile	-2.8	2.8	9.8	17.4	17.5	11.5	4.2	10.6
25th Percentile	-4.3	1.0	7.4	14.9	15.9	9.5	2.8	9.4
Median	-5.2	-0.3	6.2	12.3	14.3	8.2	1.4	8.4
75th Percentile	-6.0	-2.1	3.8	10.8	13.0	7.3	0.7	7.7
95th Percentile	-6.9	-3.8	1.3	8.3	11.4	6.0	-0.3	6.9
# of Portfolios	71	71	71	70	65	57	48	34
● EARNST Partners	-3.2 (7)	0.5 (36)	5.9 (53)	12.4 (50)	13.1 (72)	8.9 (37)	-- (--)	-- (--)
▲ MSCI ACWI ex US	-5.2 (53)	0.4 (38)	5.2 (65)	13.6 (34)	13.9 (60)	6.9 (80)	-- (--)	-- (--)

## Equity Only Summary Statistics - EARNEST Partners

Quarter Ending September 30, 2014

## Characteristics

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	60	1,829
Weighted Avg. Market Cap. (\$B)	44.5	53.5
Median Market Cap. (\$B)	23.7	7.0
Price To Earnings	20.6	18.4
Price To Book	3.2	2.4
Price To Sales	3.1	2.0
Return on Equity (%)	16.1	14.5
Yield (%)	2.3	2.9
Beta (holdings; global)	1.1	0.9

## Top Holdings

SHIRE	5.4%
ARM HDG.SPN.ADR 1:3	4.2%
ICON	3.8%
CORE LABORATORIES	3.7%
ICICI BK.ADR 1:2	3.6%
DENSO	3.3%
DNB	3.3%
ROCHE HOLDING	3.2%
EVEREST RE GP.	2.9%
NOVARTIS 'B' SPN.ADR 1:1	2.9%

## Best Performers

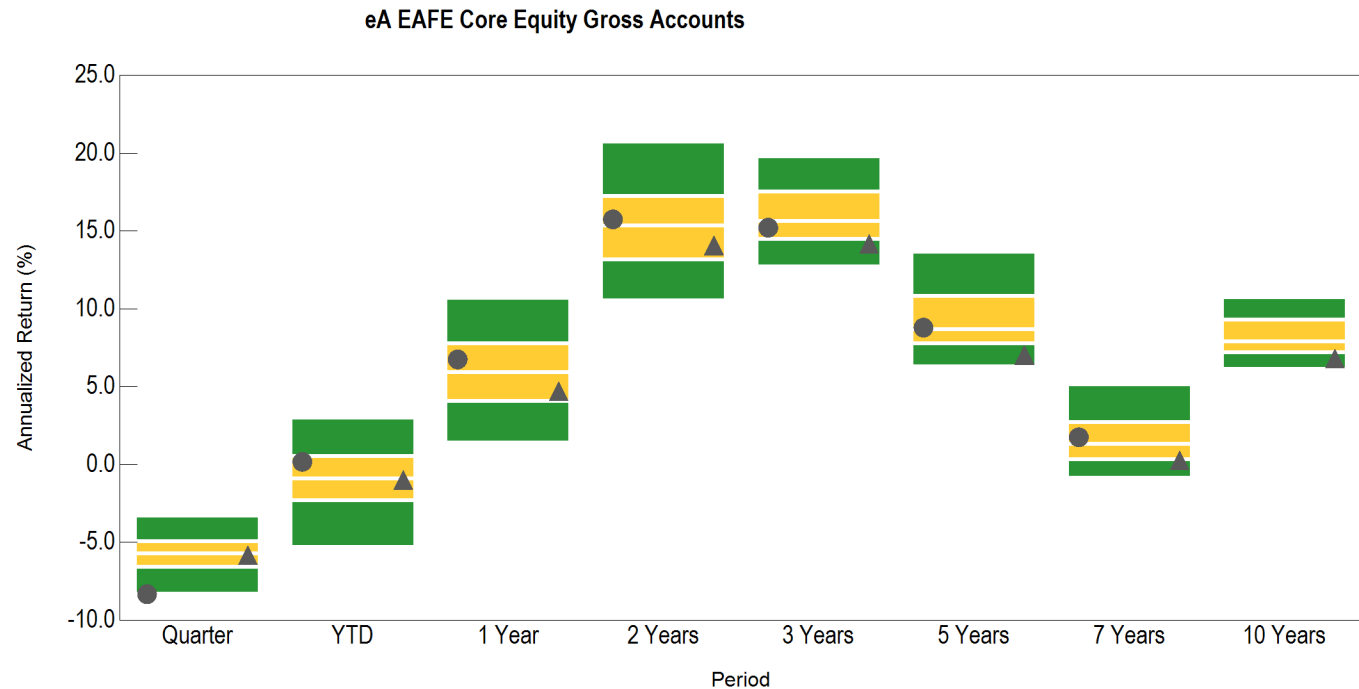
	Return %
ICON (ICLR)	21.5%
ORIENT OVERSEAS (INTL.) (K:OROC)	14.5%
SHIRE (UKIR:SHP)	10.8%
CHINA OILFIELD SVS.'H' (K:CHOL)	9.8%
CARNIVAL (CCL)	7.4%
NORSK HYDRO (N:NHY)	4.6%
CHINA SHIP.CTNR.LIN.'H' (K:CSCL)	4.3%
HITACHI (J:HC@N)	4.2%
ERICSSON 'B' ADR 1:1 (ERIC)	4.2%
NOVARTIS 'B' SPN.ADR 1:1 (NVS)	4.0%

## Worst Performers

	Return %
ERSTE GROUP BANK (O:ERS)	-29.2%
TRANSOCEAN (RIG)	-27.6%
SCHOELLER-BLECKMANN (O:SCBL)	-24.4%
SUBSEA 7 (N:SUBC)	-23.4%
BASF (D:BAS)	-21.4%
NIPPON STL.& SUMIT.MTL. (J:NSSM)	-18.3%
SAMSUNG ELECTRONICS (KO:SGL)	-14.1%
HYUNDAI MOBIS (KO:HAC)	-13.2%
BHP BILLITON ADR 1:2 (BHP)	-12.4%
CORE LABORATORIES (CLB)	-12.1%

Total Returns - EAFE Core Equity

Periods Ending September 30, 2014



	Return (Rank)							
5th Percentile	-3.3	3.0	10.7	20.7	19.8	13.6	5.1	10.7
25th Percentile	-4.9	0.6	7.8	17.2	17.6	10.8	2.7	9.3
Median	-5.7	-0.9	6.0	15.4	15.7	8.7	1.3	7.9
75th Percentile	-6.5	-2.3	4.1	13.2	14.5	7.8	0.4	7.2
95th Percentile	-8.3	-5.3	1.4	10.6	12.7	6.3	-0.8	6.2
# of Portfolios	131	131	131	131	125	115	100	69
● GMO	-8.3 (97)	0.2 (32)	6.7 (34)	15.7 (43)	15.2 (60)	8.8 (49)	1.7 (39)	-- (--)
▲ MSCI EAFE Gross	-5.8 (55)	-1.0 (53)	4.7 (68)	14.1 (65)	14.2 (83)	7.0 (89)	0.3 (78)	6.8 (86)

## Equity Only Summary Statistics - GMO

Quarter Ending September 30, 2014

## Characteristics

	Portfolio	MSCI EAFE Gross
Number of Holdings	1,416	901
Weighted Avg. Market Cap. (\$B)	52.0	60.8
Median Market Cap. (\$B)	5.0	8.7
Price To Earnings	15.1	18.8
Price To Book	1.6	2.3
Price To Sales	1.1	1.9
Return on Equity (%)	11.4	13.2
Yield (%)	3.7	3.0
Beta (holdings; global)	1.1	1.0

## Top Holdings

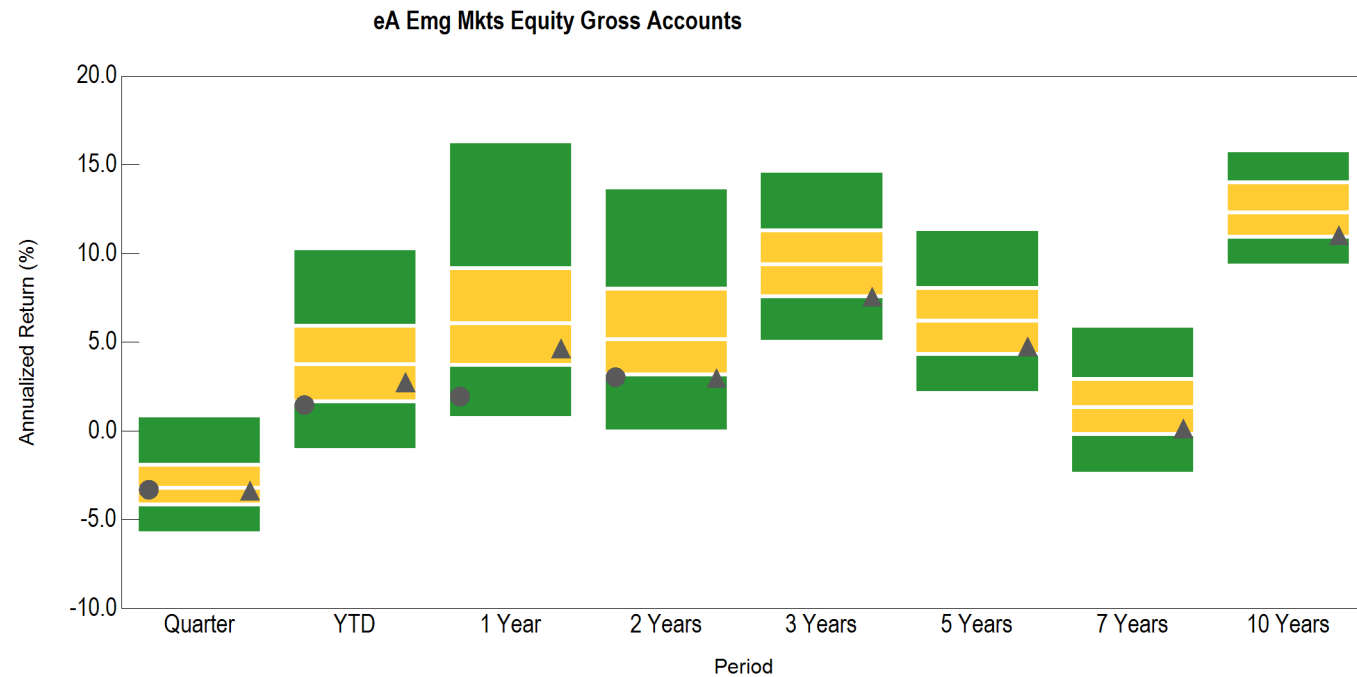
TOTAL	4.8%
BP	2.6%
BASF	2.5%
TELEFONICA	2.5%
DAIMLER	2.4%
ROYAL DUTCH SHELL A(LON)	2.4%
SANOFI	2.1%
ASTRAZENECA	2.1%
NISSAN MOTOR	1.9%
E ON	1.8%

## Best Performers

	Return %
TRUE NVDR (FRA) (D:NVAN)	108.7%
ARABTEC HOLDING (DU:ART)	76.2%
YANTAI CHANGYU PION.WINE 'B' (CN:YTC)	51.1%
AMOREPACIFIC (KO:AMN)	50.5%
AMOREPACIFIC GROUP (KO:PHM)	50.0%
CHINA EVERBRIGHT (K:IHDH)	40.8%
CREDIT ANALYSIS AND RESH (IN:CRV)	40.0%
CIPLA (IN:CPL)	40.0%
SK C&C (KO:C&C)	39.6%
CENTURY PLYBOARDS INDIA (IN:CP1)	38.7%

## Worst Performers

	Return %
AFRICAN BANK INVS. (R:ABLIJ)	-95.7%
SISTEMA JSFC GDR (REGS) 1:20 (UKIR:SSA)	-76.7%
JAIPRAKASH ASSOCIATES (IN:JKA)	-66.6%
ANTON OILFIELD SVS.GROUP (K:ANTO)	-56.5%
BASHNEFT (RS:BAN)	-55.0%
ARRIUM (A:ARIX)	-48.9%
ASYA KATILIM BANKASI (TK:ASA)	-48.7%
JINDAL STEEL & POWER (IN:JSP)	-47.5%
FUGRO (H:FUG)	-47.1%
UNITECH (IN:UNT)	-45.6%



	Return (Rank)															
5th Percentile	0.9	10.3	16.3	13.7	14.7	11.3	5.9	15.8								
25th Percentile	-1.9	5.9	9.2	8.1	11.3	8.1	2.9	14.0								
Median	-3.2	3.8	6.1	5.2	9.4	6.2	1.4	12.3								
75th Percentile	-4.1	1.7	3.7	3.2	7.6	4.3	-0.1	11.0								
95th Percentile	-5.7	-1.0	0.7	0.0	5.0	2.2	-2.4	9.4								
# of Portfolios	239	239	238	224	198	149	122	81								
● Wells Capital	-3.3	(55)	1.5	(77)	1.9	(90)	3.0	(78)	--	(--)	--	(--)	--	(--)	--	(--)
▲ MSCI Emerging Markets Gross	-3.4	(56)	2.7	(62)	4.7	(69)	3.0	(78)	7.6	(76)	4.8	(72)	0.1	(73)	11.0	(75)



## Equity Only Summary Statistics - Wells Capital

Quarter Ending September 30, 2014

## Characteristics

	Portfolio	MSCI Emerging Markets Gross
Number of Holdings	108	834
Weighted Avg. Market Cap. (\$B)	38.7	34.8
Median Market Cap. (\$B)	11.6	5.0
Price To Earnings	20.1	17.0
Price To Book	3.2	2.5
Price To Sales	2.8	2.2
Return on Equity (%)	17.4	17.3
Yield (%)	2.4	2.7
Beta (holdings; global)	1.1	0.9

## Top Holdings

SAMSUNG ELECTRONICS	4.2%
TAIWAN SEMICON.SPN.ADR 1:5	3.5%
CHINA MOBILE	2.8%
FOM.ECO.MEXNO.SAB DE CV SPN.ADR 1:10	2.4%
BNC.BRADESCO PF.SPN.ADR 1:1	2.3%
AMERICA MOVIL SAB DE CV SPN.ADR 'L' 1:20	2.2%
CHINA LIFE INSURANCE 'H'	2.0%
CNOOC	2.0%
LOJAS AMERIC PN	1.9%
AMBEV SPONSORED ADR 1:1	1.9%

## Best Performers

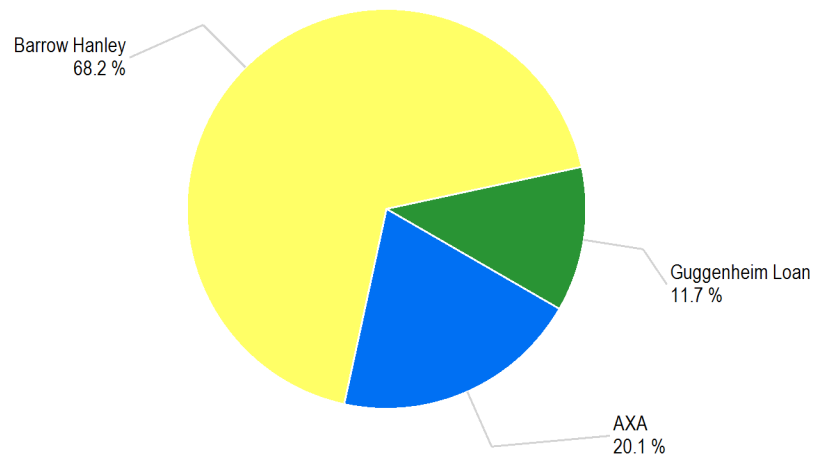
	Return %
TRUE NVDR (FRA) (D:NVAN)	108.7%
ARABTEC HOLDING (DU:ART)	76.2%
YANTAI CHANGYU PION.WINE 'B' (CN:YTC)	51.1%
AMOREPACIFIC (KO:AMN)	50.5%
AMOREPACIFIC GROUP (KO:PHM)	50.0%
CHINA EVERBRIGHT (K:IHDH)	40.8%
CIPLA (IN:CPL)	40.0%
SK C&C (KO:C&C)	39.6%
EMAAR PROPERTIES (DU:EMA)	37.3%
SHANGHAI ELEC.GP.CO.'H' (K:SHEP)	36.0%

## Worst Performers

	Return %
AFRICAN BANK INVS. (R:ABLJ)	-95.7%
SISTEMA JSFC GDR (REGS) 1:20 (UKIR:SSA)	-76.7%
JAIPRAKASH ASSOCIATES (IN:JKA)	-66.6%
JINDAL STEEL & POWER (IN:JSP)	-47.5%
BIOSTIME INTL.HOLDINGS (K:BIHT)	-43.4%
ASSORE (R:ASRJ)	-42.0%
TPK HOLDING (TW:TPK)	-38.8%
JSW (PO:JSW)	-37.1%
RELIANCE POWER (IN:RPD)	-36.8%
SAMSUNG TECHWIN (KO:SGA)	-36.1%

## Manager Allocation Analysis - US Fixed Income

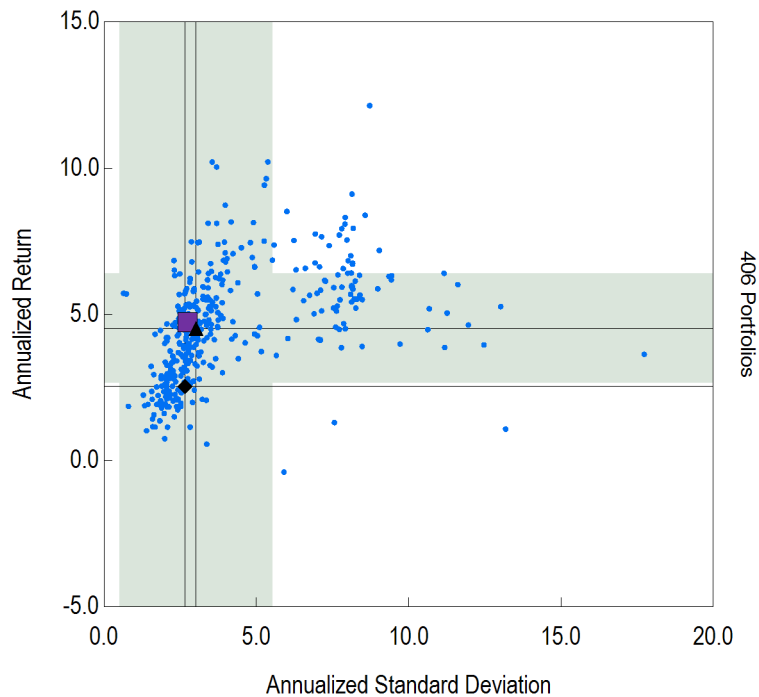
As of September 30, 2014



	Actual \$	Actual %
AXA	\$34,294,621	20.1%
Barrow Hanley	\$116,568,546	68.2%
Guggenheim Loan	\$20,001,559	11.7%
<b>Total</b>	<b>\$170,864,726</b>	

## Risk vs. Return 3 Year - US Fixed Income

Period Ending September 30, 2014

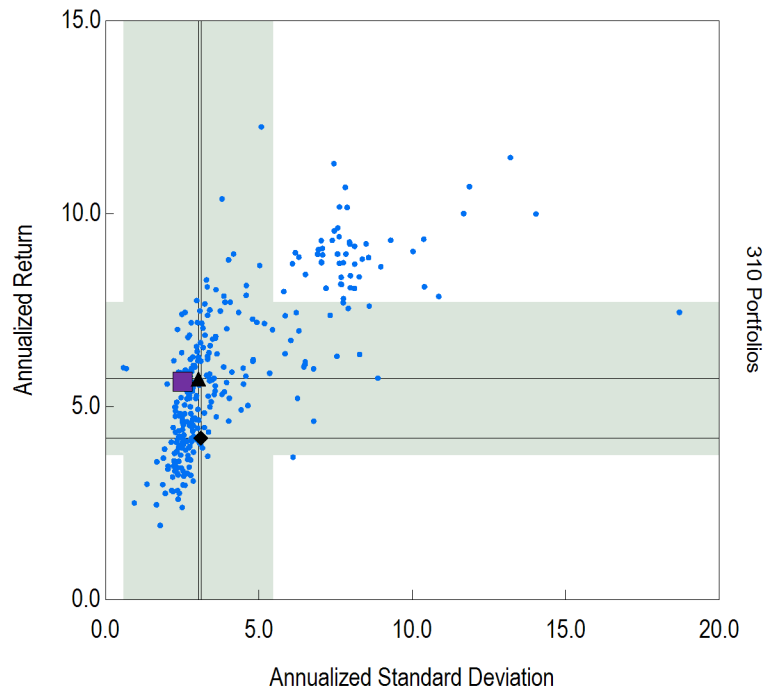


- US Fixed Income
- ◆ US Fixed Custom
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce All DB US Fix Inc Gross

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
US Fixed Income	4.7%	45	2.7%	38	1.7	19
US Fixed Custom	2.5%	86	2.7%	34	0.9	71
InvestorForce All DB US Fix Inc Gross Median	4.5%	--	3.0%	--	1.3	--

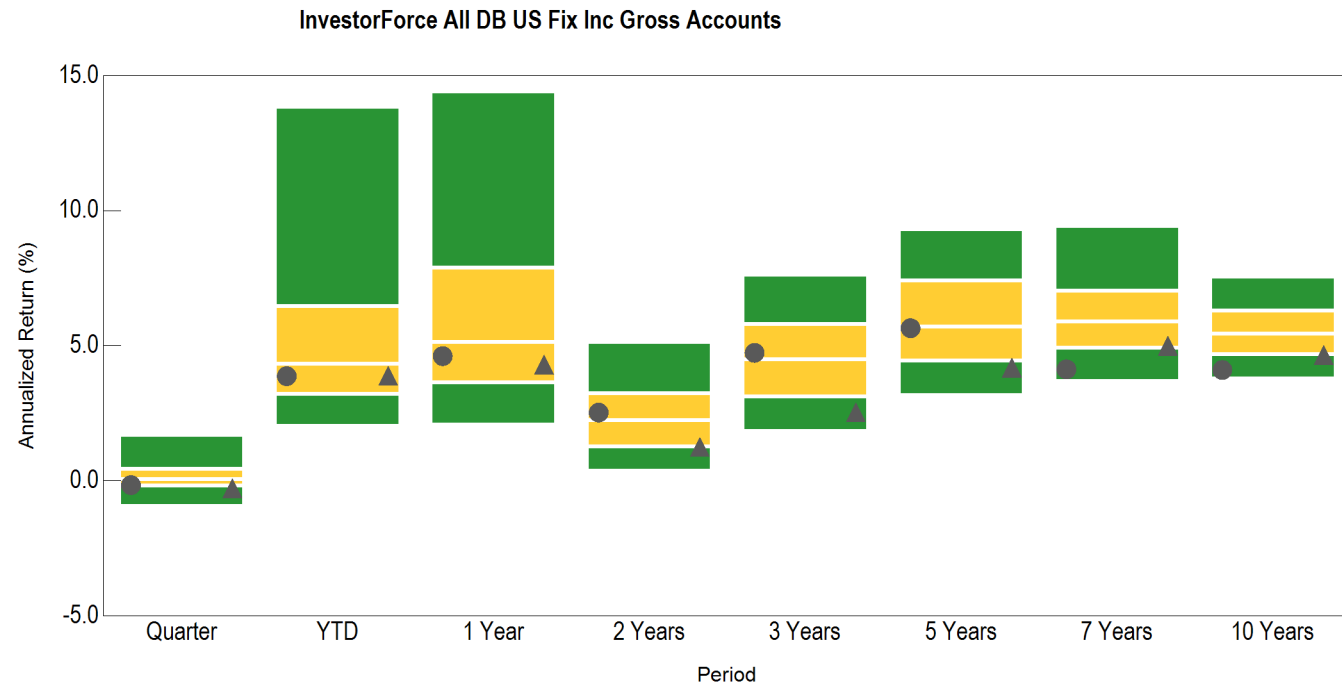
## Risk vs. Return 5 Year - US Fixed Income

Period Ending September 30, 2014



- US Fixed Income
- ◆ US Fixed Custom
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce All DB US Fix Inc Gross

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
US Fixed Income	5.6%	53	2.8%	39	2.0	25
US Fixed Custom	4.2%	80	2.9%	44	1.4	63
InvestorForce All DB US Fix Inc Gross Median	5.7%	--	3.0%	--	1.6	--

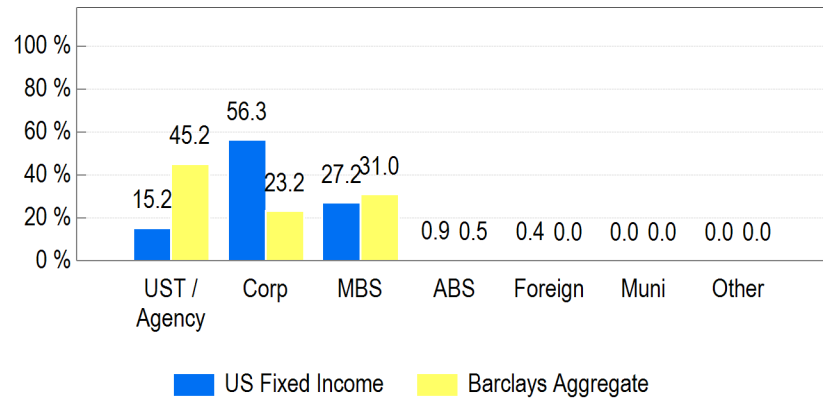


	Return (Rank)							
5th Percentile	1.7	13.8	14.4	5.1	7.6	9.3	9.4	7.5
25th Percentile	0.4	6.5	7.9	3.3	5.8	7.4	7.1	6.3
Median	0.1	4.4	5.1	2.3	4.5	5.7	5.9	5.5
75th Percentile	-0.2	3.2	3.7	1.3	3.1	4.5	4.9	4.7
95th Percentile	-0.9	2.0	2.1	0.4	1.9	3.2	3.7	3.8
# of Portfolios	436	433	432	426	406	310	283	231
● US Fixed Income	-0.2 (75)	3.9 (64)	4.6 (59)	2.5 (43)	4.7 (45)	5.6 (53)	4.1 (88)	4.1 (90)
▲ US Fixed Custom	-0.3 (80)	3.9 (63)	4.3 (64)	1.3 (76)	2.5 (86)	4.2 (80)	5.0 (73)	4.7 (76)

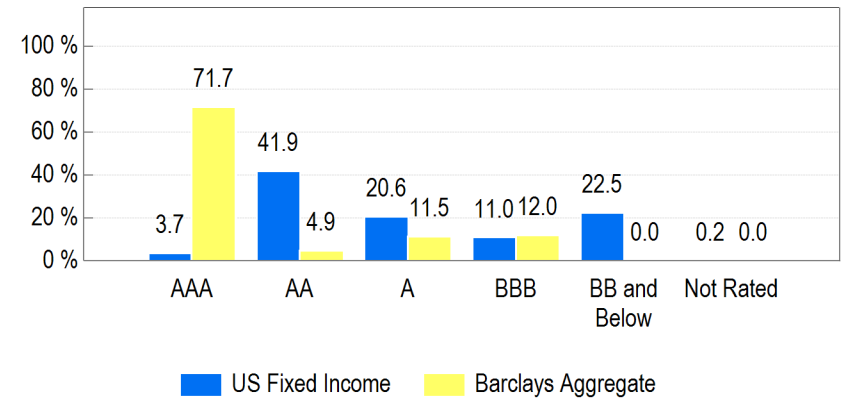
# Bond Summary Statistics - US Fixed Income

As of September 30, 2014

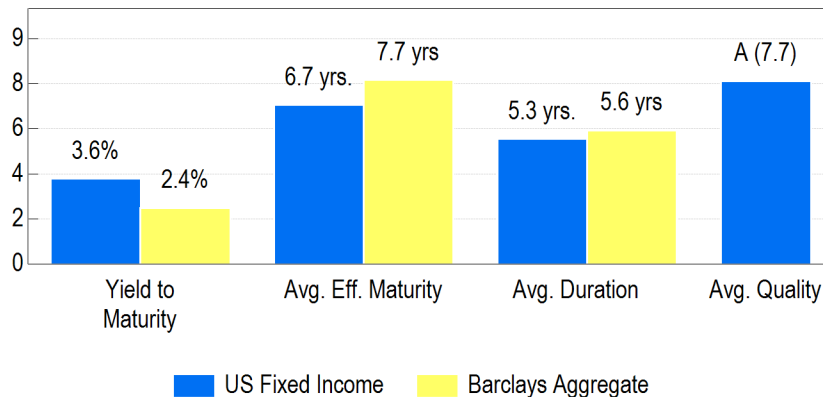
**Sectors**  
US Fixed Income



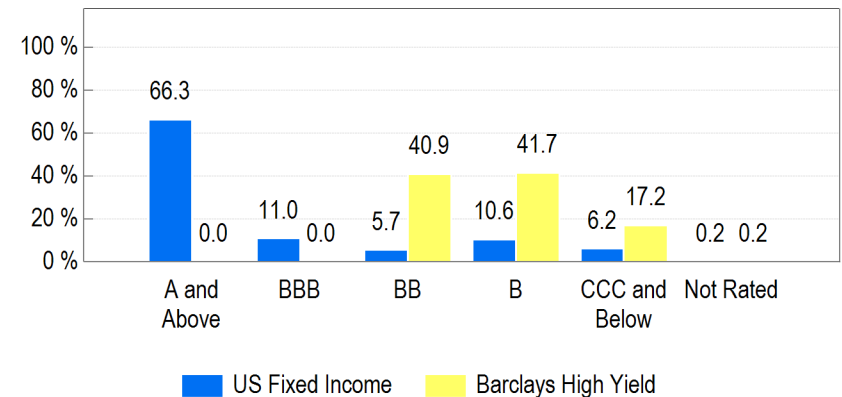
**Quality Ratings**  
US Fixed Income



**Characteristics**  
US Fixed Income

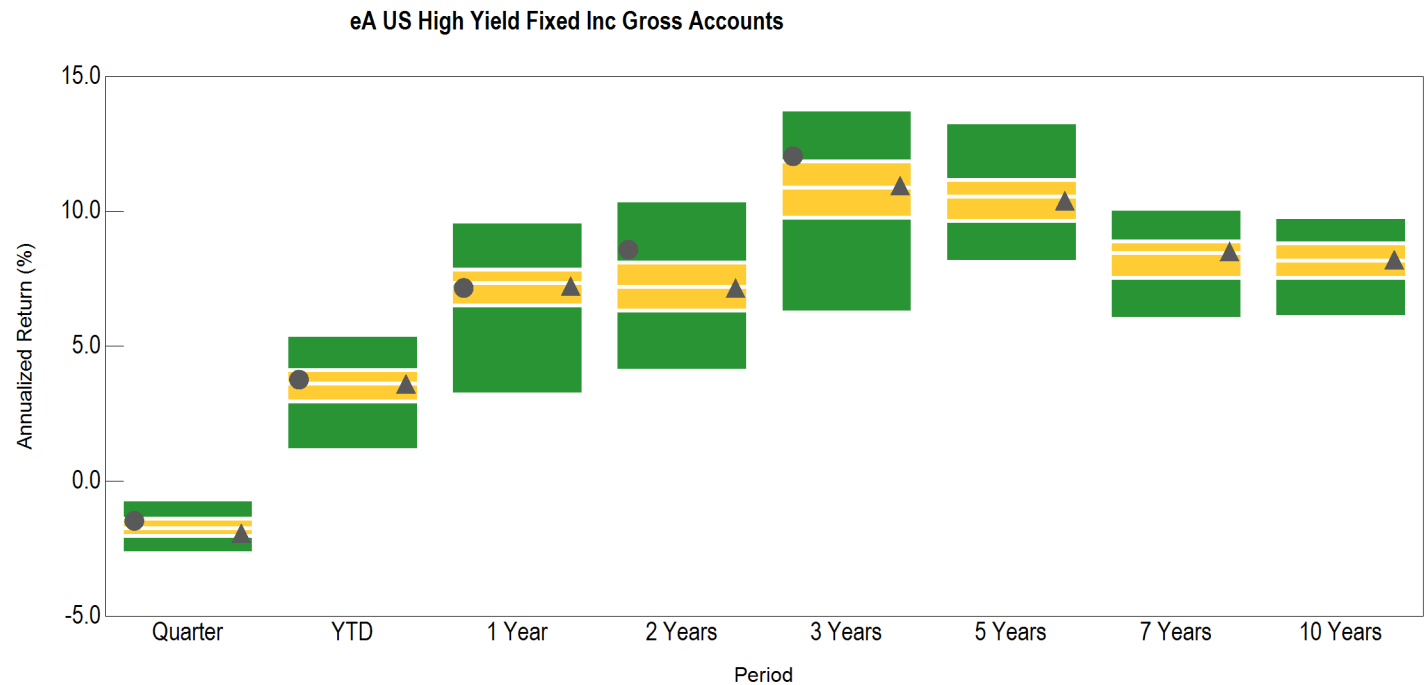


**High Yield Quality Ratings**  
US Fixed Income



Total Returns - US High Yield Fixed Income

Periods Ending September 30, 2014

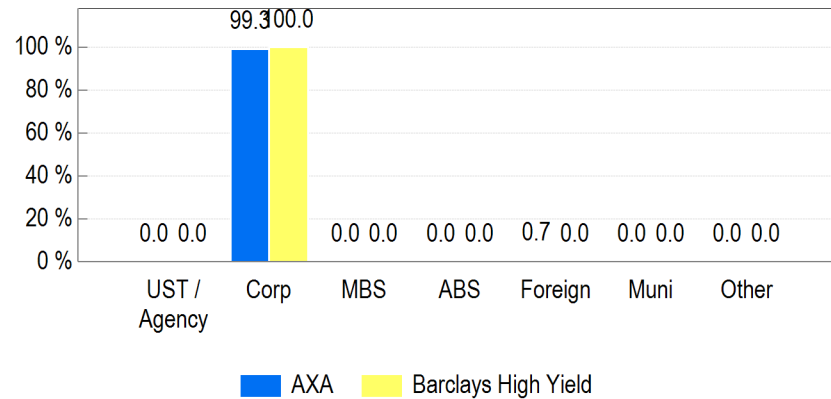


	Return (Rank)															
5th Percentile	-0.7	5.4	9.6	10.4	13.8	13.3	10.1	9.8								
25th Percentile	-1.4	4.1	7.9	8.1	11.9	11.2	8.9	8.8								
Median	-1.7	3.6	7.4	7.2	10.9	10.6	8.5	8.2								
75th Percentile	-2.0	3.0	6.5	6.3	9.8	9.7	7.6	7.6								
95th Percentile	-2.6	1.2	3.2	4.1	6.3	8.2	6.0	6.1								
# of Portfolios	155	155	155	153	144	130	114	100								
● AXA	-1.5 (33)	3.8 (41)	7.2 (56)	8.6 (15)	12.0 (19)	-- (--)	-- (--)	-- (--)								
▲ BofA Merrill Lynch US High Yield Master II TR	-1.9 (71)	3.6 (53)	7.2 (54)	7.2 (52)	11.0 (50)	10.4 (56)	8.5 (49)	8.2 (49)								

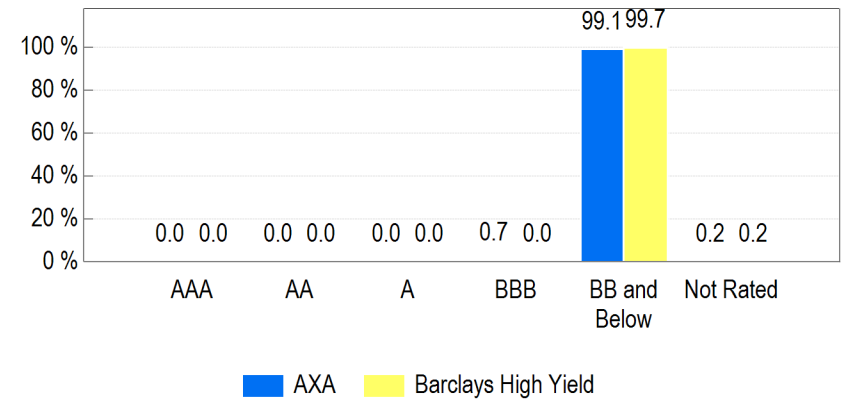
Bond Summary Statistics - AXA

As of September 30, 2014

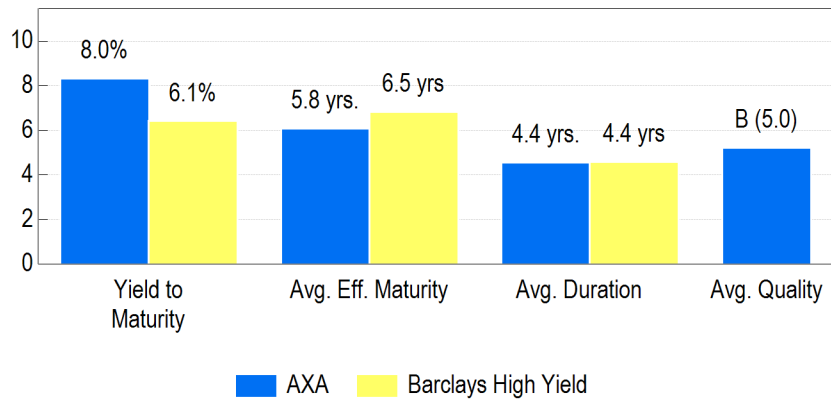
Sectors  
AXA



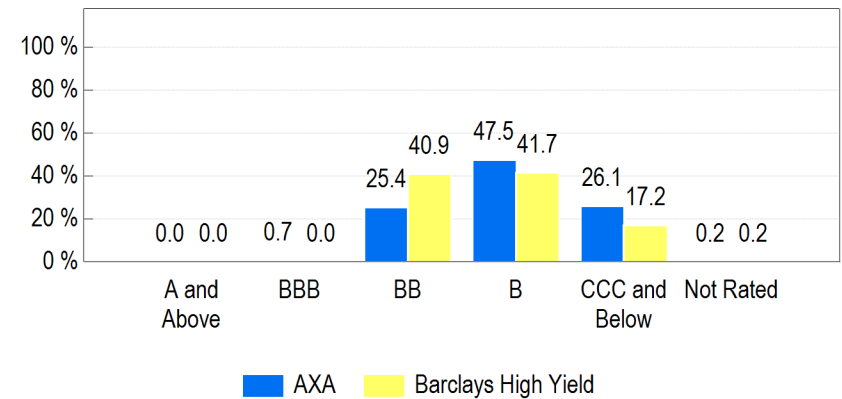
Quality Ratings  
AXA



Characteristics  
AXA



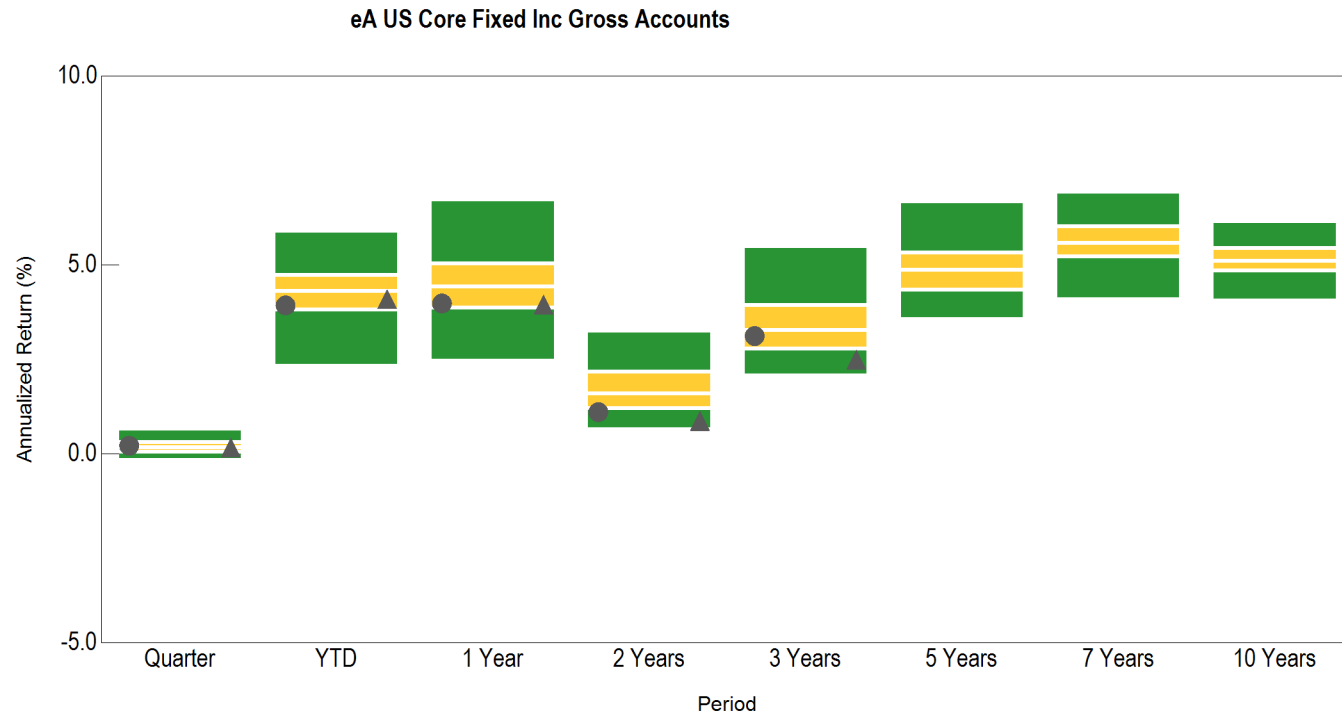
High Yield Quality Ratings  
AXA





Total Returns - US Core Fixed Income

Periods Ending September 30, 2014

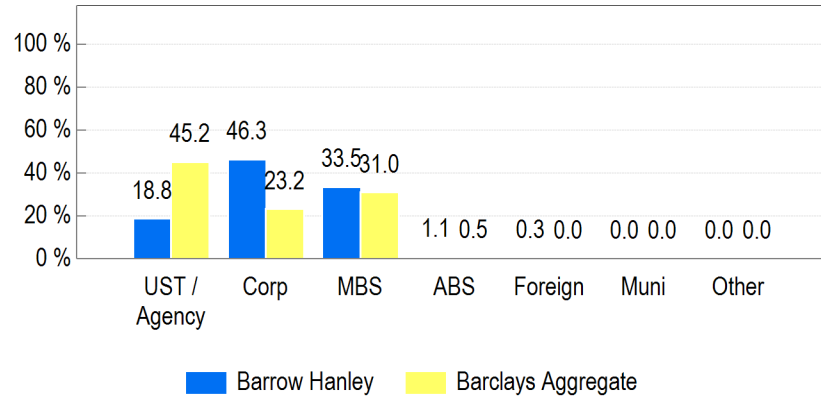


	Return (Rank)							
5th Percentile	0.7	5.9	6.7	3.3	5.5	6.7	6.9	6.2
25th Percentile	0.3	4.7	5.0	2.2	3.9	5.3	6.0	5.5
Median	0.2	4.3	4.4	1.6	3.3	4.9	5.6	5.1
75th Percentile	0.1	3.8	3.9	1.2	2.8	4.4	5.2	4.9
95th Percentile	-0.2	2.3	2.5	0.7	2.1	3.6	4.1	4.1
# of Portfolios	229	229	229	228	227	216	206	189
● Barrow Hanley	0.2 (46)	3.9 (73)	4.0 (72)	1.1 (82)	3.1 (60)	-- (--)	-- (--)	-- (--)
▲ Barclays Aggregate	0.2 (57)	4.1 (65)	4.0 (72)	0.9 (89)	2.5 (85)	-- (--)	-- (--)	-- (--)

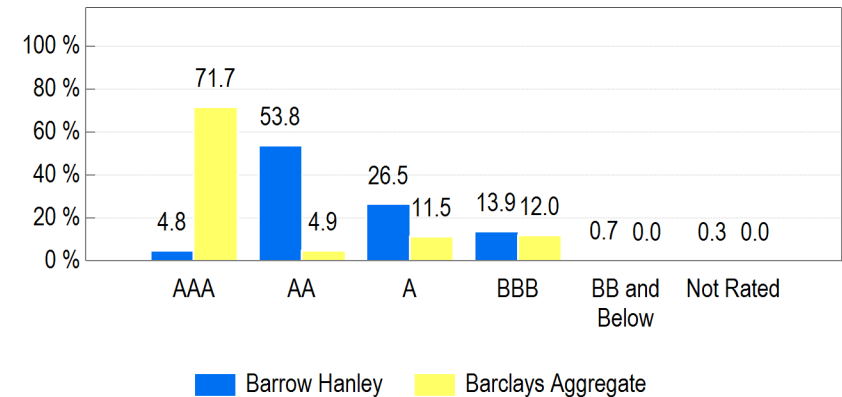
## Bond Summary Statistics - Barrow Hanley

As of September 30, 2014

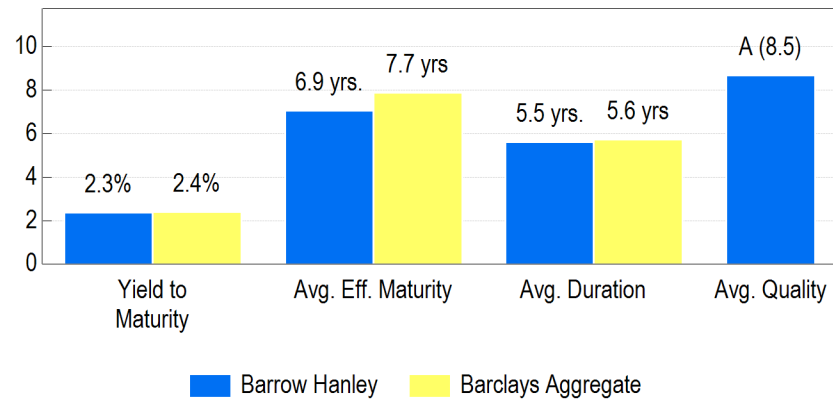
**Sectors**  
Barrow Hanley



**Quality Ratings**  
Barrow Hanley

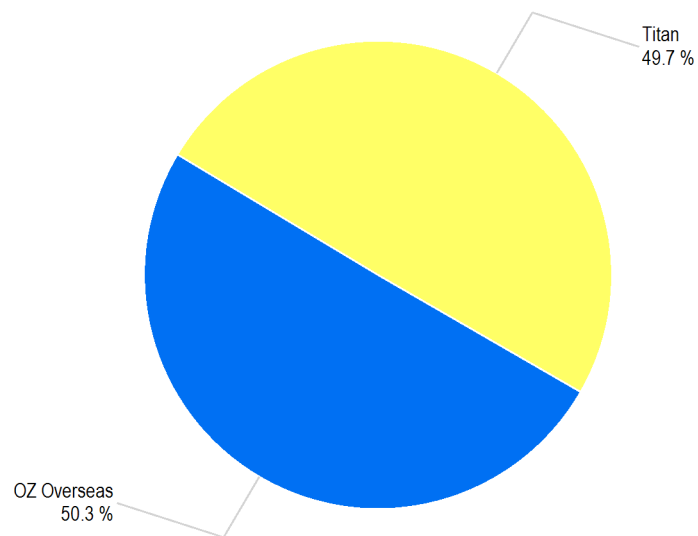


**Characteristics**  
Barrow Hanley



Manager Allocation Analysis - Hedge Fund

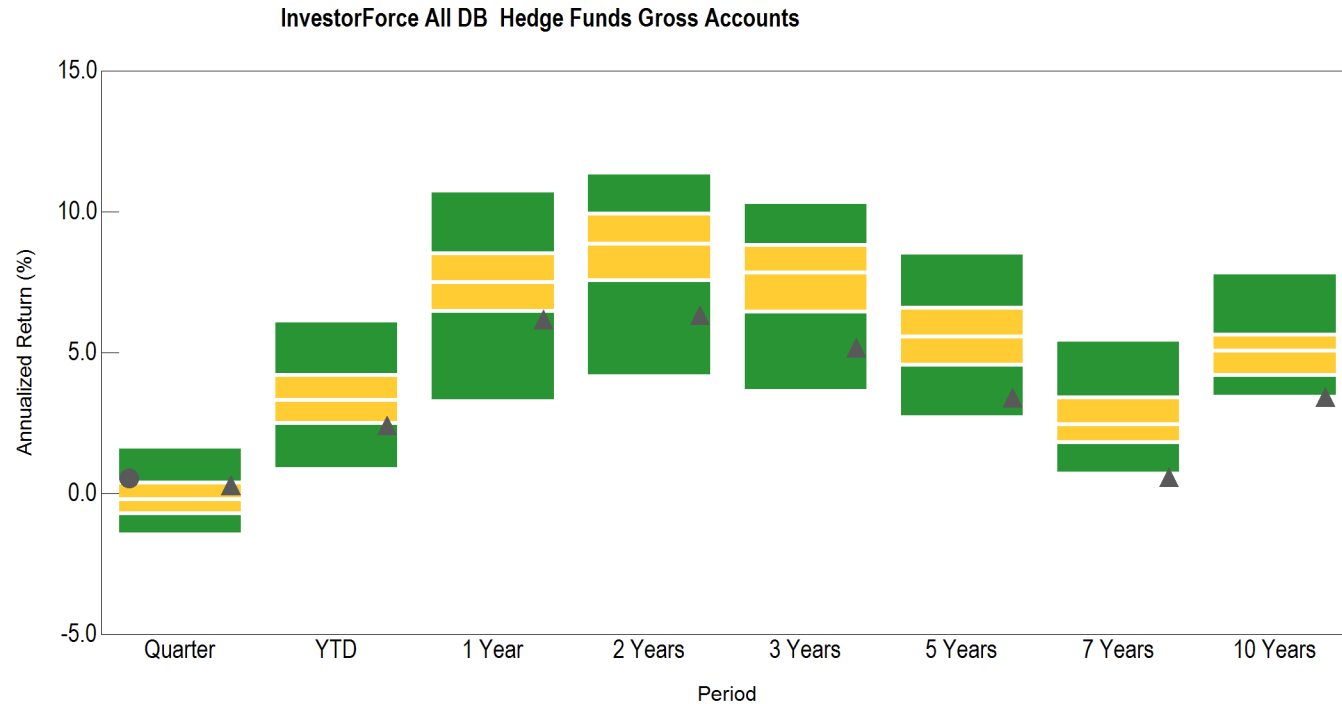
As of September 30, 2014



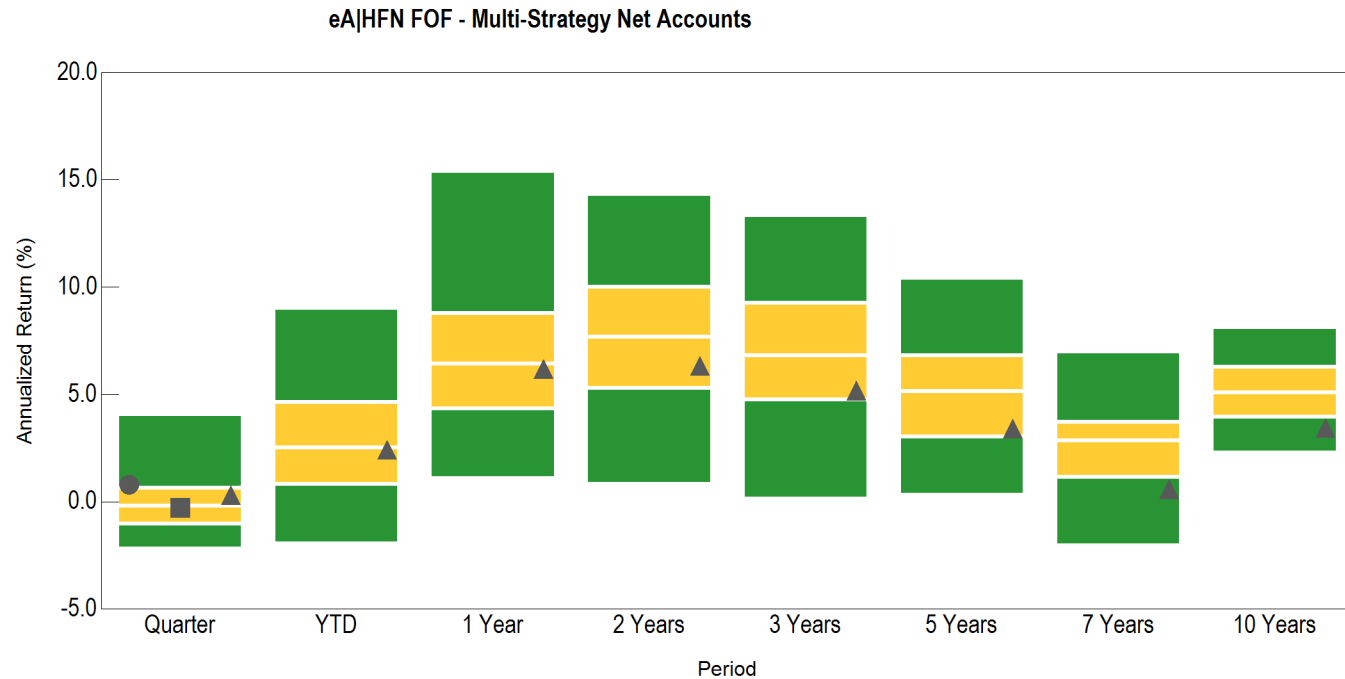
	Actual \$	Actual %
OZ Overseas	\$14,111,086	50.3%
Titan	\$13,960,101	49.7%
Total	\$28,071,187	

Total Returns - All DB Hedge Funds

Periods Ending September 30, 2014



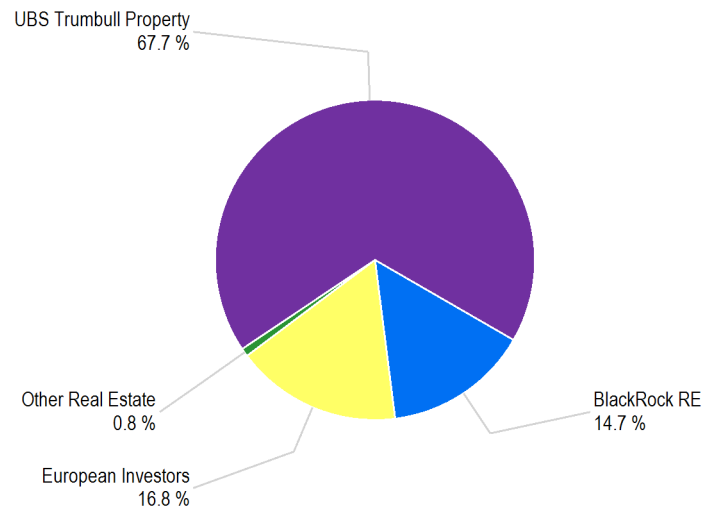
	Return (Rank)													
5th Percentile	1.7	6.1	10.7	11.4	10.3	8.5	5.4	7.8						
25th Percentile	0.4	4.2	8.5	9.9	8.8	6.6	3.4	5.7						
Median	-0.2	3.3	7.5	8.9	7.9	5.6	2.5	5.1						
75th Percentile	-0.7	2.5	6.5	7.6	6.5	4.6	1.8	4.2						
95th Percentile	-1.4	0.9	3.3	4.2	3.7	2.7	0.7	3.5						
# of Portfolios	212	209	204	201	192	130	99	30						
● Hedge Fund	0.5 (22)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)						
▲ HFRI Fund of Funds Composite Index	0.3 (28)	2.4 (79)	6.2 (81)	6.3 (89)	5.2 (91)	3.4 (92)	0.6 (97)	3.4 (96)						



	Return (Rank)															
5th Percentile	4.1	9.0	15.4	14.3	13.4	10.4	7.0	8.1								
25th Percentile	0.7	4.7	8.8	10.0	9.3	6.8	3.8	6.3								
Median	-0.2	2.6	6.5	7.7	6.8	5.2	2.9	5.1								
75th Percentile	-1.0	0.9	4.4	5.3	4.8	3.1	1.2	4.0								
95th Percentile	-2.2	-1.9	1.1	0.8	0.2	0.3	-2.0	2.3								
# of Portfolios	214	213	213	209	203	185	171	129								
● OZ Overseas	0.8 (25)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)								
■ Titan	-0.3 (55)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)								
▲ HFRI Fund of Funds Composite Index	0.3 (35)	2.4 (53)	6.2 (53)	6.3 (68)	5.2 (72)	3.4 (74)	0.6 (81)	3.4 (84)								

Manager Allocation Analysis - Real Estate

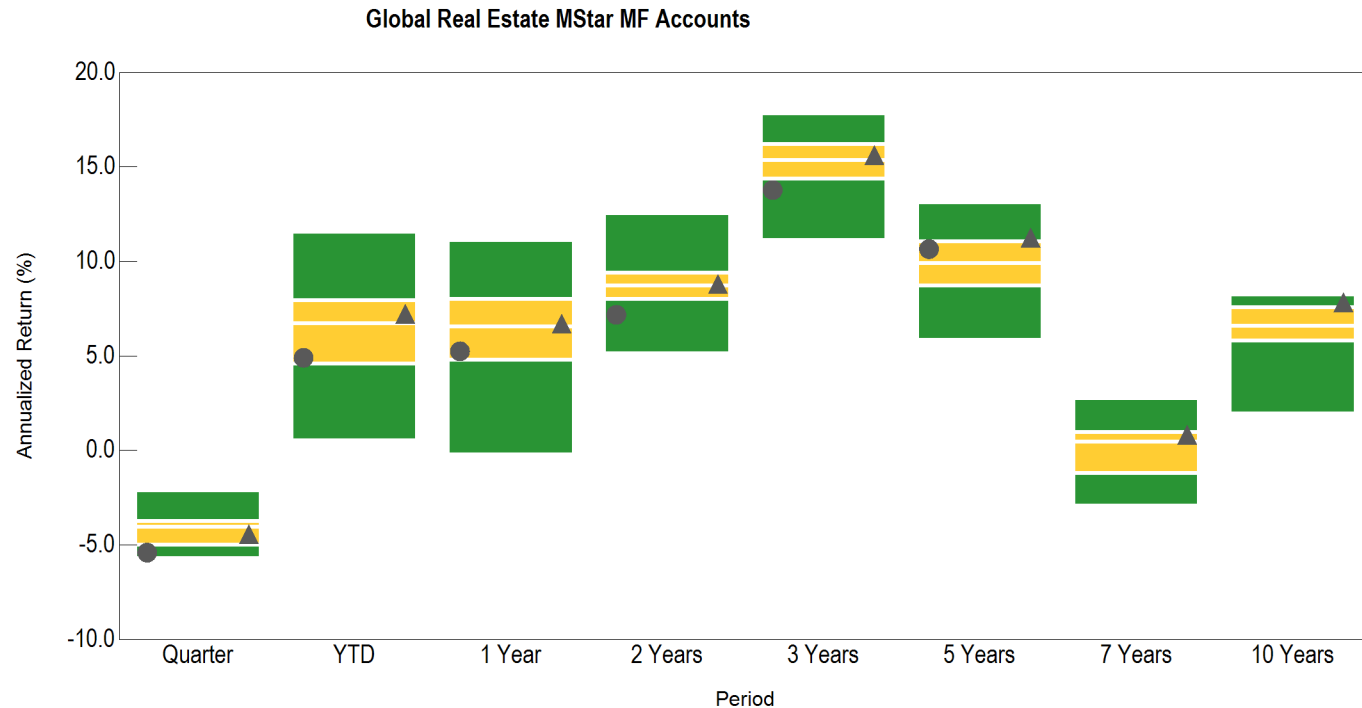
As of September 30, 2014



	Actual \$	Actual %
BlackRock RE	\$7,559,328	14.7%
European Investors	\$8,660,284	16.8%
Other Real Estate	\$430,000	0.8%
UBS Trumbull Property	\$34,933,386	67.7%
Total	\$51,582,997	



	Return (Rank)							
5th Percentile	3.7	14.1	14.5	13.5	17.0	16.1	4.6	8.3
25th Percentile	3.2	9.5	12.9	12.8	13.4	13.0	2.8	7.3
Median	1.6	8.7	12.2	11.6	12.4	11.8	2.2	6.5
75th Percentile	-0.4	6.8	9.4	9.6	10.9	10.4	1.4	6.0
95th Percentile	-4.4	5.4	6.7	8.2	8.8	8.8	-0.7	4.4
# of Portfolios	83	83	82	80	76	72	68	47
● Real Estate	0.3 (60)	6.6 (81)	8.6 (88)	9.2 (84)	10.7 (82)	10.7 (68)	3.5 (18)	7.7 (18)
▲ RE Custom	0.5 (60)	7.7 (61)	10.2 (68)	11.4 (52)	13.0 (38)	10.7 (71)	4.5 (8)	8.4 (5)



	Return (Rank)							
5th Percentile	-2.1	11.6	11.1	12.5	17.8	13.1	2.8	8.2
25th Percentile	-3.7	8.0	8.0	9.4	16.2	11.1	1.0	7.6
Median	-4.0	6.8	6.6	8.7	15.4	9.9	0.5	6.6
75th Percentile	-5.0	4.6	4.8	8.0	14.4	8.8	-1.2	5.8
95th Percentile	-5.7	0.5	-0.2	5.2	11.2	5.9	-2.9	2.0
# of Portfolios	52	51	51	45	43	39	30	15
● European Investors	-5.4 (93)	4.9 (75)	5.2 (75)	7.2 (85)	13.8 (87)	10.7 (34)	-- (--)	-- (--)
▲ FTSE NAREIT Developed Gross	-4.4 (63)	7.2 (41)	6.7 (46)	8.8 (46)	15.6 (42)	11.3 (19)	0.8 (37)	7.8 (18)





	Return (Rank)							
5th Percentile	3.7	14.1	14.5	13.5	17.0	16.1	4.6	8.3
25th Percentile	3.2	9.5	12.9	12.8	13.4	13.0	2.8	7.3
Median	1.6	8.7	12.2	11.6	12.4	11.8	2.2	6.5
75th Percentile	-0.4	6.8	9.4	9.6	10.9	10.4	1.4	6.0
95th Percentile	-4.4	5.4	6.7	8.2	8.8	8.8	-0.7	4.4
# of Portfolios	83	83	82	80	76	72	68	47
● UBS Trumbull Property	3.2 (26)	8.4 (55)	10.9 (60)	10.5 (68)	10.5 (83)	11.1 (60)	3.6 (18)	7.7 (17)
▲ NCREIF ODCE	3.2 (24)	8.9 (43)	12.4 (49)	12.7 (26)	12.3 (53)	12.7 (31)	5.9 (1)	9.4 (2)

Policy Index and Benchmarks History

Total Plan Policy Index

As of:

	8/1/14	7/1/14	7/1/13	6/1/13	4/1/13	4/1/12	1/1/10	1/1/09	10/1/08	7/1/08	1/1/08	4/1/07	4/1/05	1/1/02	1/1/99	1/1/95
91-day US T Bill											1%	1%	1%	1%	1%	
Barclays Aggregate	20.5%	23.5%	29%	29%	24%	24%	24%	23%	23%	23%	30%	30%	30%	38%	38%	
Barclays US TIPS					5%	5%	5%									
BofA ML High Yield II	5.0%	5.0%	5%	5%	5%	5%	5%									
CPI +4%																100%
Credit Suisse Leveraged Loan	3.0%															
FTSE NAREIT Developed	1.4%	1.4%	2%	2%	2%	2%	2%									
FTSE NAREIT Developed ex US	1.3%	1.3%														
HFRI Fund of Funds Composite	4.5%	4.5%														
MSCI ACWI ex US	23.6%	23.6%	24%													
MSCI EAFE				20%	20%	20%	24%	18%	18%	18%	7%	7%	7%	6%	6%	
MSCI Emerging Markets				4%	4%	4%										
NCREIF								6%	6%	6%	6%	6%	6%	5%		
NCREIF ODCE	5.3%	5.3%	6%	6%	6%	6%	6%									
Russell 1000	22.7%	22.7%	25%	25%												
Russell 2000	5.7%	5.7%	4%	4%	6%	6%	4%	6%	6%	6.25%	7.65%	7.9%	7.7%	8%	8%	
Russell 3000 +3% 1QL (PE)	7.0%	7.0%	5%	5%	5%											
S&P 400					4%	4%										
S&P 500					19%	19%	25%	42%	43%	43.75%	46.35%	47.1%	48.3%	42%	42%	
S&P 500 +5% (PE)						5%	5%	5%	4%	3%	2%	1%				
Wilshire RE															5%	
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Policy Index and Benchmarks History

US Equity Benchmark

As of:

7/1/14 6/1/13 1/1/95

Russell 1000

80% 86%

Russell 2000

20% 14%

Russell 3000

100%

100.0% 100.0% 100.0%

International Equity Benchmark

As of:

7/1/13 4/1/12 1/1/99

MSCI ACWI ex US

100%

MSCI EAFE

83.33% 100%

MSCI Emerging Markets

16.67%

100.0% 100.0% 100.0%

Fixed Income Benchmark

As of:

8/1/14 7/1/14 6/1/13 4/1/13 1/1/95

Barclays Aggregate

71.93% 82.46% 85.29% 70.588% 100%

Barclays US TIPS

14.706%

BofA ML High Yield II

17.54% 17.54% 14.71% 14.706%

Credit Suisse Leveraged Loan

10.53%

100.0% 100.0% 100.0% 100.0% 100.0%

Real Estate Benchmark

As of:

7/1/14 1/1/10 1/1/02 4/1/99

FTSE NAREIT Developed

17.50% 25%

FTSE NAREIT Developed ex US

16.25%

NCREIF

100%

NCREIF ODCE

66.25% 75%

Wilshire RE

100%

100.0% 100.0% 100.0% 100.0%

Private Equity Benchmark

As of:

4/1/13 7/1/05

Russell 3000 +3% 1QL

100%

S&P 500 +5%

100%

100.0% 100.0%

Policy Index and Benchmarks History

EARNEST Benchmark

As of:

7/1/13 7/1/08

MSCI ACWI ex US

100%

MSCI EAFE

100%

100.0% 100.0%

Barrow Hanley Benchmark

As of:

6/1/13 4/1/10

Barclays Aggregate

100%

82.8%

Barclays US TIPS

17.2%

100.0% 100.0%

UBS Trumbull Benchmark

As of:

1/1/10 1/1/02 4/1/99

NCREIF

100%

NCREIF ODCE

100%

Wilshire RE

100%

100.0% 100.0% 100.0%