Westmoreland County Employees' Retirement Fund

Performance Analysis

June 30, 2013

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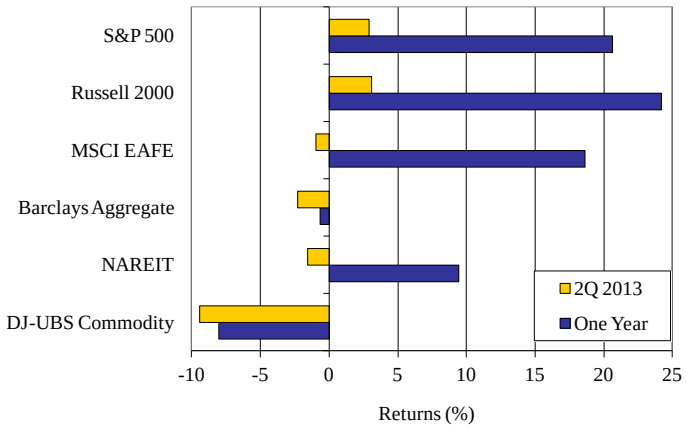
Market Background

2nd Quarter 2013

Economy

- First quarter U.S. GDP grew at an annualized rate of 1.8%, net of inflation, as reported in June. The increase in GDP primarily reflected higher personal consumption expenditures, while a slowdown in government spending detracted from overall economic growth.
- The Consumer Price Index (CPI) rose 0.3% during the second quarter and 1.8% over the past year.
- The unemployment rate was 7.6% in June, down from 8.2% a year ago.
- The Federal Reserve kept short-term rates near zero during the quarter and continued its open-ended quantitative easing program targeting mortgage-backed securities (QE3).
- The yield on the 10-year U.S. Treasury rose from 1.87% to 2.52% during the second quarter. The 10-year yield was 1.67% a year ago.

Index Performance by Asset Class



U.S. Equities

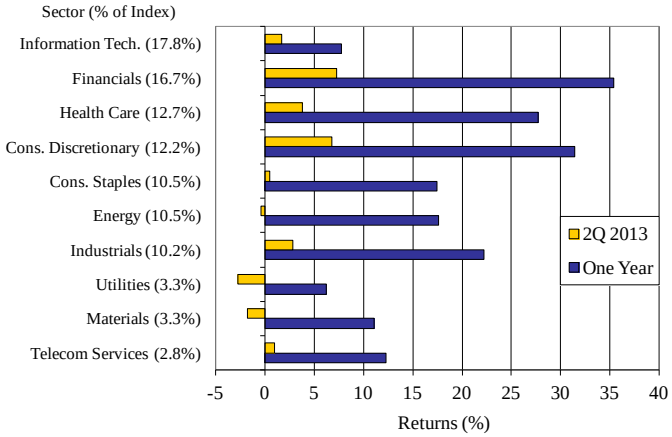
Domestic equity indices rose during the second quarter, with most of the gains coming as the market reached new all-time highs in May. Small-cap growth was the best performing segment for the quarter; mid-cap value was the best performing segment for the last year. Performance for individual sectors varied widely during the quarter, with financials posting the best performance (+7.3%) and utilities the worst (-2.7%).

U.S. Equity Returns (%)

	Value	Core	Growth
Large	3.2 / 25.3	2.7 / 21.2	2.1 / 17.1
Mid	1.7 / 27.7	2.2 / 25.4	2.9 / 22.9
Small	2.5 / 24.8	3.1 / 24.2	3.7 / 23.7

Legend: 2Q 2013 / 1 Year — Best total return during the period

U.S. Equities: Sector Performance



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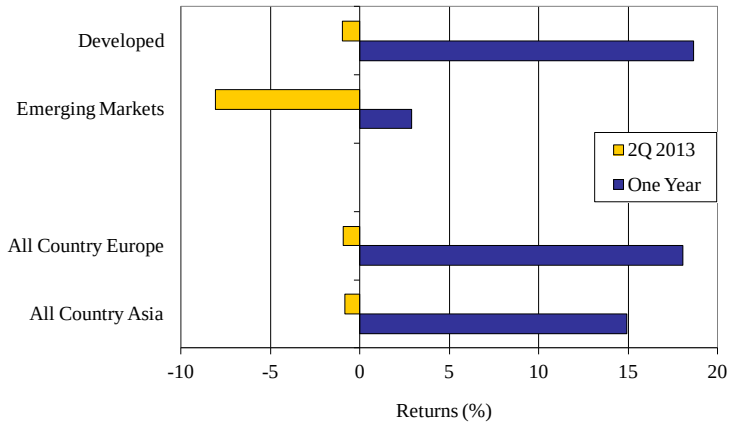
International Equities

- The MSCI EAFE Index fell 1.0% during the quarter, with European and Asian markets both suffering modest declines.
- Among developed nations' stock markets, Japan (+4.4%) and the Netherlands (+2.8%) performed the best while Australia (-13.9%) and New Zealand (-10.4%) had the lowest return during the quarter.
- The MSCI Emerging Markets Index lost 8.1% during the quarter but gained 2.9% for the full year.
- Among the larger Emerging Markets, Hungary (+13.2%) and Malaysia (+6.2%) posted the best quarterly returns while Peru (-27.5%) and Brazil (-17.3%) had the worst returns.

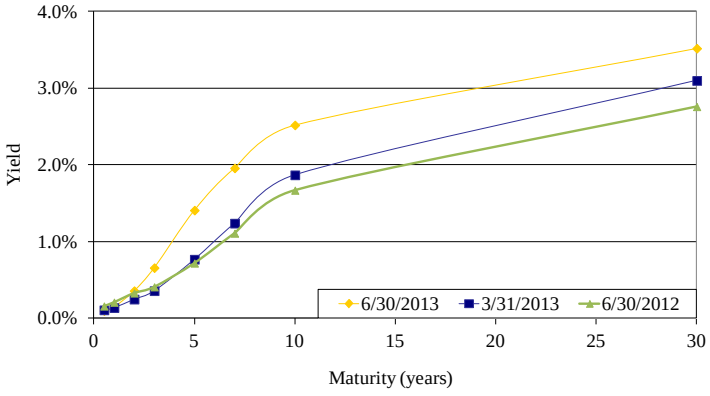
International Equities: Market Performance



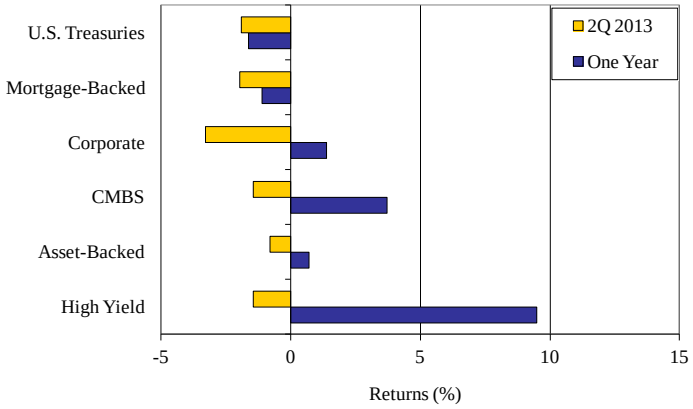
Fixed Income

- U.S. Treasury yields rose dramatically during the second quarter. The 10-year U.S. Treasury yield hit a near-term low point of 1.61% in early May and rose more than a full percentage point before ending the quarter at 2.52%.
- Corporate bonds suffered the worst losses during the quarter (-3.3%), while U.S. Treasuries and mortgage-backed securities also declined nearly 2.0%. The smaller securitized sectors, including commercial mortgages and asset-backed securities, held up slightly better.

Treasury Yield Curve



Fixed Income: Sector Performance



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Research: Market Review and Outlook – Summary

Given the current market characteristics and valuation metrics, we have developed tactical recommendations for portfolios by asset class. These are short-term recommendations intended to complement our long-term (10-year) Capital Market Assumptions. The recommendations that follow represent general guidelines for many portfolios, however, the unique investment and operational characteristics of each institution should be carefully considered before implementing any change in portfolio or investment strategy.

Asset Class	Recommended Allocation			Explanation
	Underweight	Target	Overweight	
U.S. Equities			■	U.S. equities have become slightly more expensive due to the first-half market rally, but they remain more attractive than fixed income.
International Equities			■	International equities (developed and emerging) appear inexpensive, based on long-term price-to-earnings ratios, relative to both domestic equities and fixed income.
Real Estate		■		REIT dividend yields remain low; REITs are likely to underperform equities while outperforming fixed income.
Commodities	■			The current low level of short-term interest rates and muted nature of inflation suggest low future returns for commodities.
Hedge Funds		■		With cross-market correlations falling, hedge funds could find increased opportunities for generating competitive returns.
Private Equity		■		Tactical weightings are not recommended for private equity due to the lead time required in the asset class.
Fixed Income	■			Interest rates rose during the quarter, but they remain very low compared to long-term averages. Despite the slightly higher rates, future returns remain somewhat limited.

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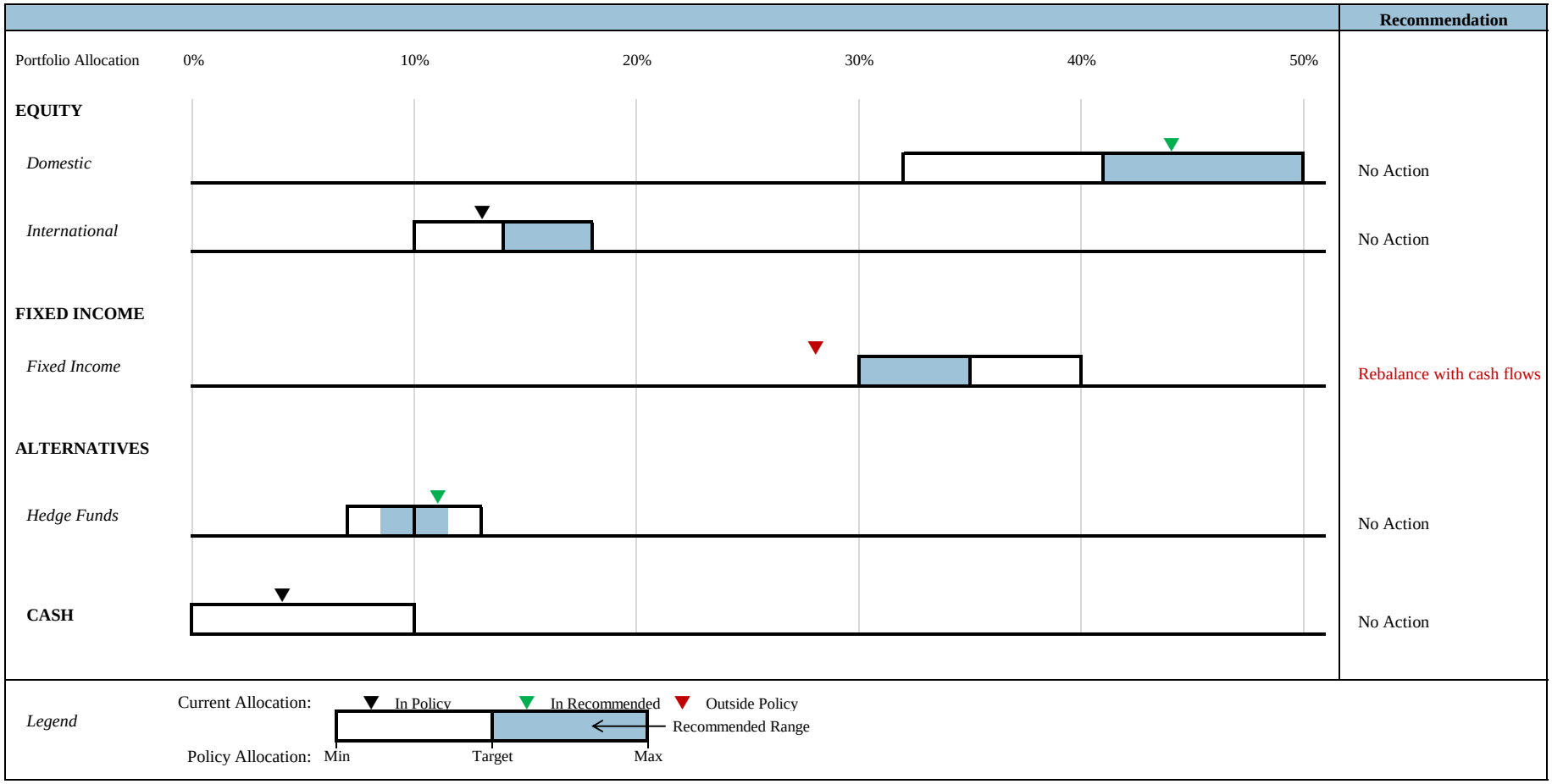
Westmoreland County
As of June 30, 2013



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Westmoreland County
As of June 30, 2013

	Quarter	Year To Date	One Year	Two Years	Three Years	Five Years	Ten Years
Total Fund	**-0.44**	**4.56**	**10.70**	**5.86**	**10.28**	**5.21**	**6.58**
TMI (34/7/14/10/35)	0.27	5.71	11.47	6.74	10.67	5.33	6.29
TMI (65/35)	1.07	7.92	12.78	9.63	13.27	6.79	6.59
Domestic Equity							
C.S. McKee	**4.30**	**14.76**	**22.54**	**10.70**	**17.71**	**6.52**	**8.80**
Russell 1000 Value Index	3.20	15.90	25.32	13.62	18.51	6.67	7.79
SIT	**0.67**	**9.57**	**13.88**	**8.76**	**16.14**	**N/A**	**N/A**
Russell 1000 Growth Index	2.06	11.80	17.07	11.27	18.68	7.47	7.40
CIM	**4.01**	**13.53**	**19.96**	**11.50**	**17.30**	**6.52**	**6.54**
Manning & Napier Equity	**0.89**	**11.94**	**21.33**	**8.05**	**14.78**	**7.19**	**N/A**
Vanguard S&P 500 Index Fund	**2.90**	**13.80**	**20.56**	**12.74**	**18.42**	**N/A**	**N/A**
Emerald - LCC	**2.66**	**11.71**	**17.57**	**12.11**	**17.25**	**N/A**	**N/A**
S&P 500 Index	2.91	13.82	20.60	12.77	18.45	7.01	7.30
Emerald - MCG	**3.45**	**16.85**	**23.32**	**5.90**	**18.96**	**N/A**	**N/A**
Russell Midcap Growth Index	2.87	14.70	22.88	9.18	19.53	7.61	9.94
Victory	**0.98**	**12.28**	**19.66**	**10.20**	**16.90**	**9.14**	**10.85**
Russell 2000 Value Index	2.47	14.39	24.77	10.89	17.33	8.59	9.30
Emerald - SCG	**5.35**	**20.24**	**26.93**	**11.27**	**22.62**	**10.85**	**N/A**
Russell 2000 Growth Index	3.74	17.44	23.67	9.69	19.97	8.89	9.62
International Equity							
C.S. McKee - International Equity	**-2.06**	**1.74**	**17.02**	**-0.31**	**8.44**	**-0.19**	**8.15**
MSCI EAFE Index	-0.98	4.10	18.62	1.10	10.04	-0.63	7.67

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.
TMI (34/7/14/10/35) since 2/09: 34% S&P500, 7% Russell 2000, 14% MSCI EAFE, 10% HFR Fund of Funds, and 35% BC Agg.

Westmoreland County
As of June 30, 2013

	Quarter	Year To Date	One Year	Two Years	Three Years	Five Years	Ten Years
Alternatives							
CCA Gold I	**-7.27**	**-15.02**	**-14.05**	**-5.64**	**0.25**	**N/A**	**N/A**
CCA Gold II	**-12.04**	**-9.98**	**-3.35**	**-3.23**	**2.26**	**N/A**	**N/A**
CCA Blue	**-14.57**	**-8.42**	**-2.07**	**-0.80**	**N/A**	**N/A**	**N/A**
Grosvenor	**1.90**	**6.64**	**12.14**	**4.66**	**5.60**	**1.73**	**4.59**
HFRI Fund of Funds Composite Index	0.01	3.32	7.22	1.18	2.98	-0.62	3.44
Fixed Income							
MetWest	**-2.42**	**-1.88**	**2.80**	**5.13**	**5.56**	**8.00**	**6.45**
Barclays Aggregate Index	-2.32	-2.44	-0.69	3.31	3.51	5.19	4.52
C.S. McKee	**-2.07**	**-1.95**	**0.24**	**4.45**	**4.38**	**6.21**	**5.35**
Barclays Aggregate Index	-2.32	-2.44	-0.69	3.31	3.51	5.19	4.52

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.
TMI (34/7/14/10/35) since 2/09: 34% S&P500, 7% Russell 2000, 14% MSCI EAFE, 10% HFR Fund of Funds, and 35% BC Agg.

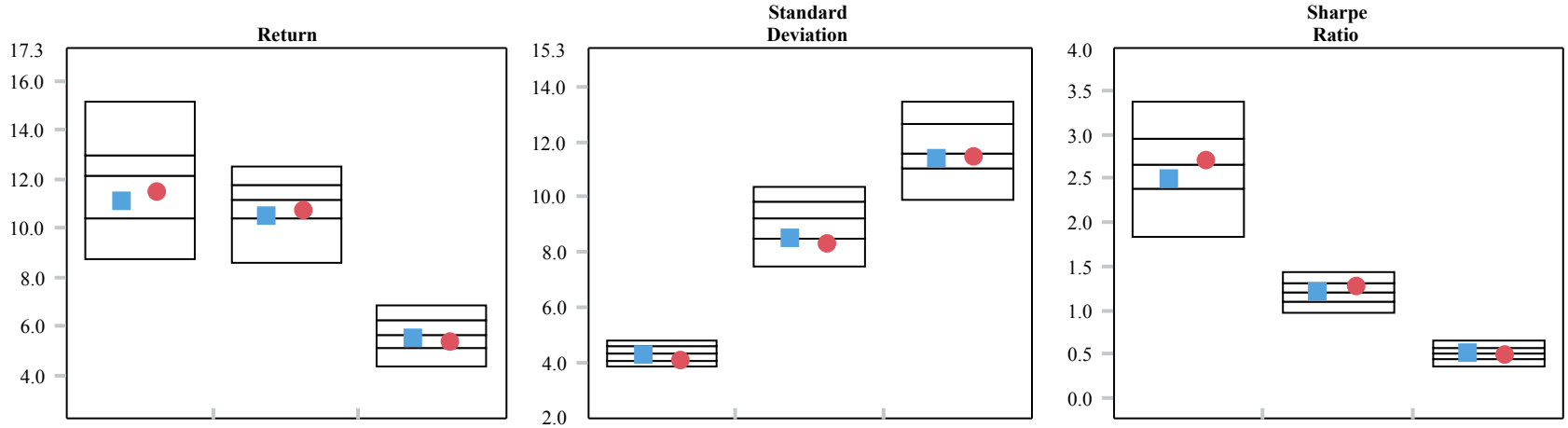
Comparative Performance

	One Quarter	Year To Date	One Year	Three Years	Five Years	Seven Years	Ten Years	Since Inception	Inception Date
Total Fund (GOF)	**-0.36 (68)**	**4.74 (72)**	**11.08 (63)**	**10.46 (73)**	**5.45 (58)**	**5.38 (45)**	**6.88 (17)**	**8.09 (N/A)**	**06/01/1986**
TMI (34/7/14/10/35)	0.27 (37)	5.71 (51)	11.47 (60)	10.67 (66)	5.33 (66)	5.10 (70)	6.29 (57)	8.87 (N/A)	
All Public Plans-Total Fund Median	-0.05	5.72	12.06	11.15	5.62	5.30	6.39	N/A	
Population	62	62	62	58	51	45	32	N/A	

Calendar Year Performance

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Total Fund (GOF)	**11.75 (74)**	**0.62 (42)**	**12.01 (67)**	**22.38 (28)**	**-23.53 (46)**	**8.53 (38)**	**11.16 (62)**	**6.80 (50)**	**10.35 (47)**	**21.38 (42)**
TMI (34/7/14/10/35)	11.06 (84)	1.07 (32)	11.44 (79)	18.94 (55)	-22.59 (37)	6.50 (78)	11.77 (54)	4.69 (83)	9.63 (61)	20.56 (45)
All Public Plans-Total Fund Median	12.76	0.21	12.72	19.52	-23.91	8.04	11.96	6.76	10.18	20.34
Population	493	492	487	461	421	360	269	258	242	241

Plan Sponsor Peer Group Analysis - Multi Statistics vs. All Public Plans-Total Fund



	One Year	Three Years	Five Years	One Year	Three Years	Five Years	One Year	Three Years	Five Years
■ Total Fund (GOF)	11.08 (63)	10.46 (73)	5.45 (60)	4.25 (59)	8.47 (74)	11.38 (59)	2.49 (66)	1.21 (50)	0.50 (50)
● TMI (34/7/14/10/35)	11.47 (60)	10.67 (66)	5.33 (68)	4.03 (83)	8.27 (86)	11.43 (56)	2.71 (46)	1.26 (34)	0.49 (54)
Median	12.13	11.15	5.65	4.32	9.24	11.58	2.65	1.21	0.50
Population	61	58	49	61	58	49	61	58	49

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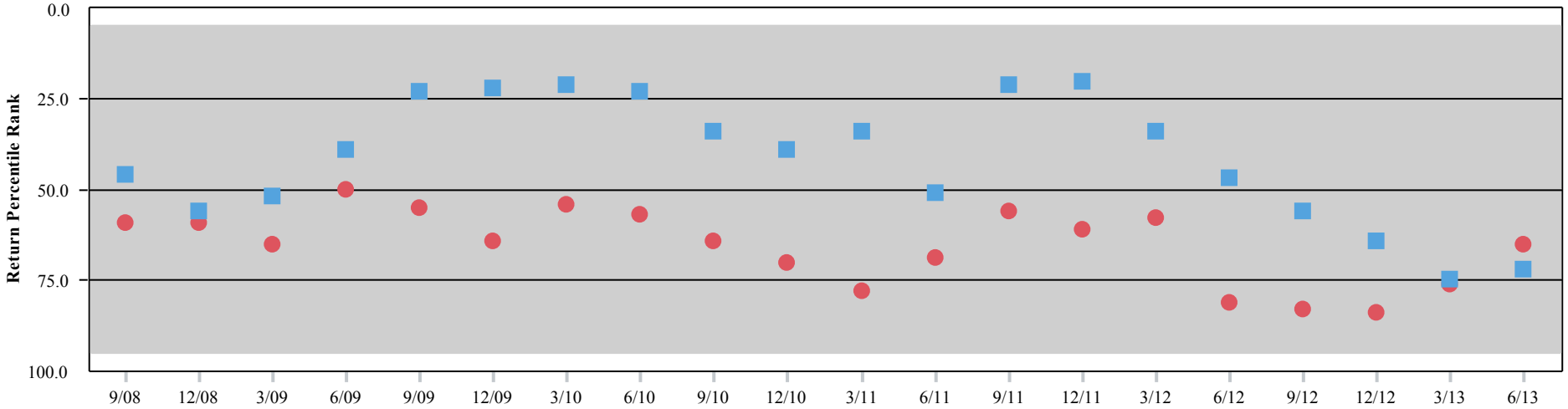
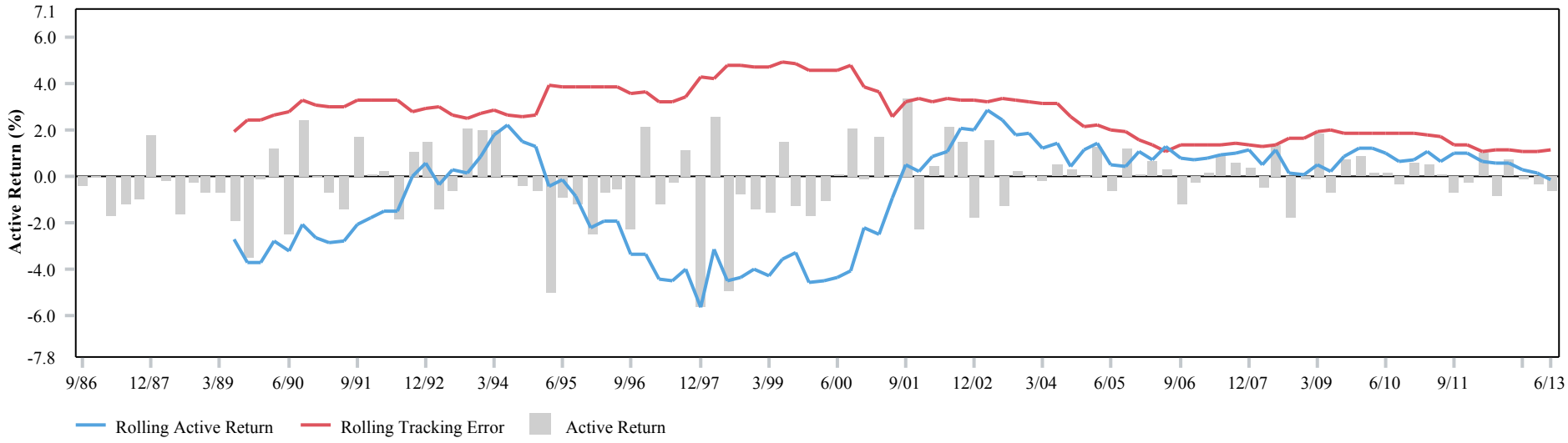
Rolling 3 Years Percentile Ranking vs. All Public Plans-Total Fund - 5 Years



	Total Period	First Quartile	Second Quartile	Third Quartile	Fourth Quartile
Total Fund (GOF)	20	6 (30%)	7 (35%)	7 (35%)	0 (0%)
TMI (34/7/14/10/35)	20	0 (0%)	1 (5%)	14 (70%)	5 (25%)

Rolling 3 Years Active Return vs. TMI (34/7/14/10/35) - Since Inception



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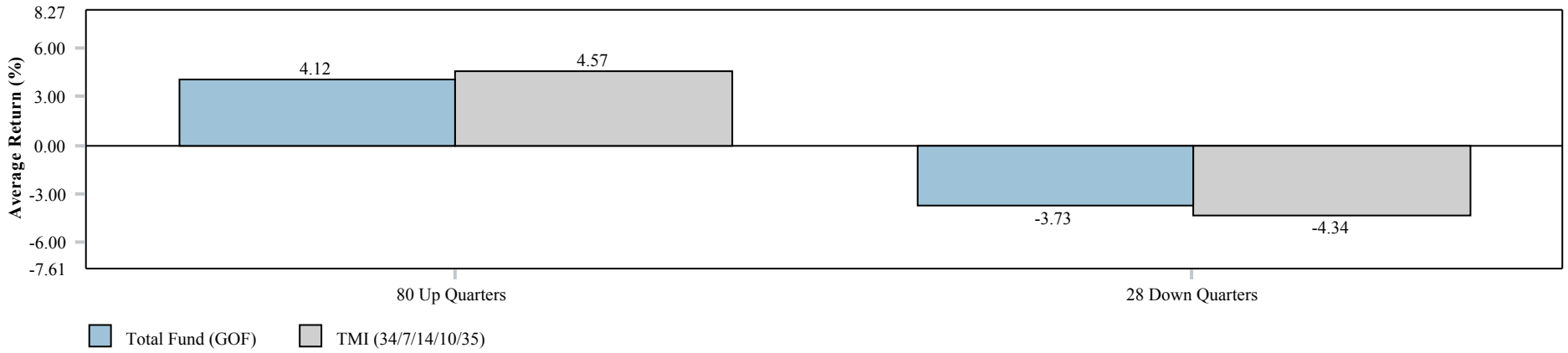
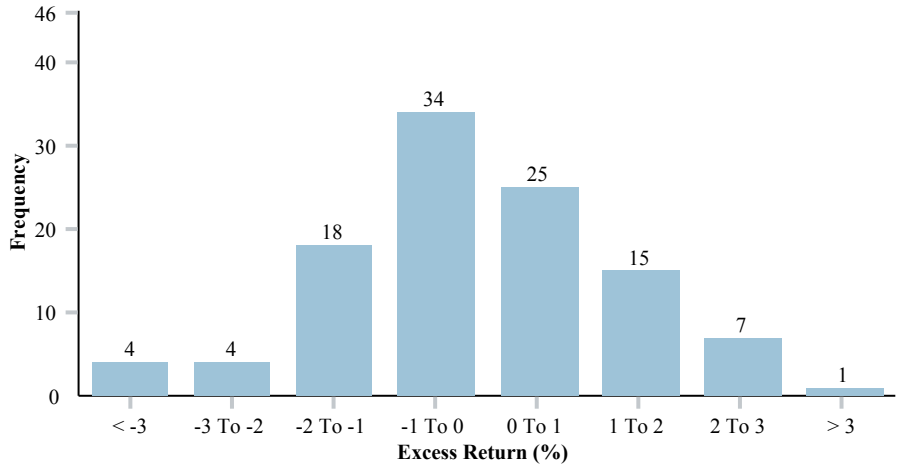
Up/Down Markets vs. TMI (34/7/14/10/35) - Since Inception

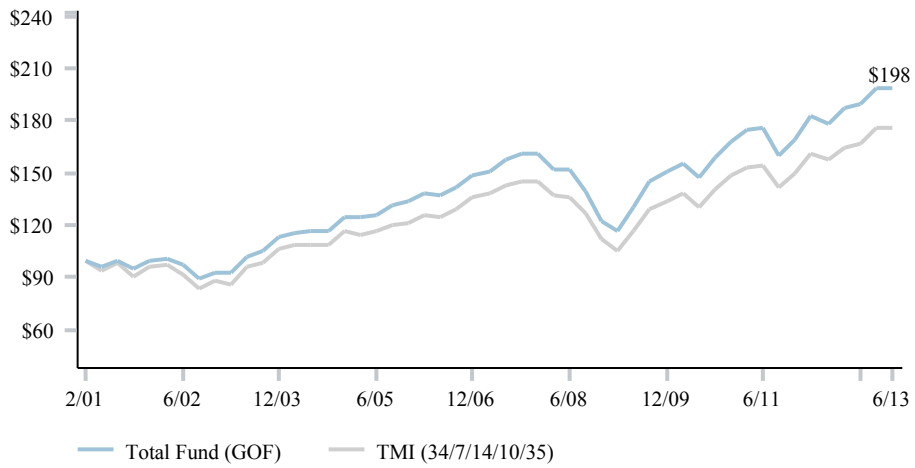
	Full Period Return		Quarters Benchmark Up(80)				Quarters Benchmark Down(28)			
			Portfolio Ahead		Portfolio Behind		Portfolio Ahead		Portfolio Behind	
	Portfolio	Benchmark	No. Quarters	Average Ahead	No. Quarters	Average Behind	No. Quarters	Average Ahead	No. Quarters	Average Behind
Total Fund (GOF)	8.12	8.82	30	0.90	50	-1.27	18	1.32	10	-0.66



Performance Distribution - Since Inception



Growth of $100 - Since Inception



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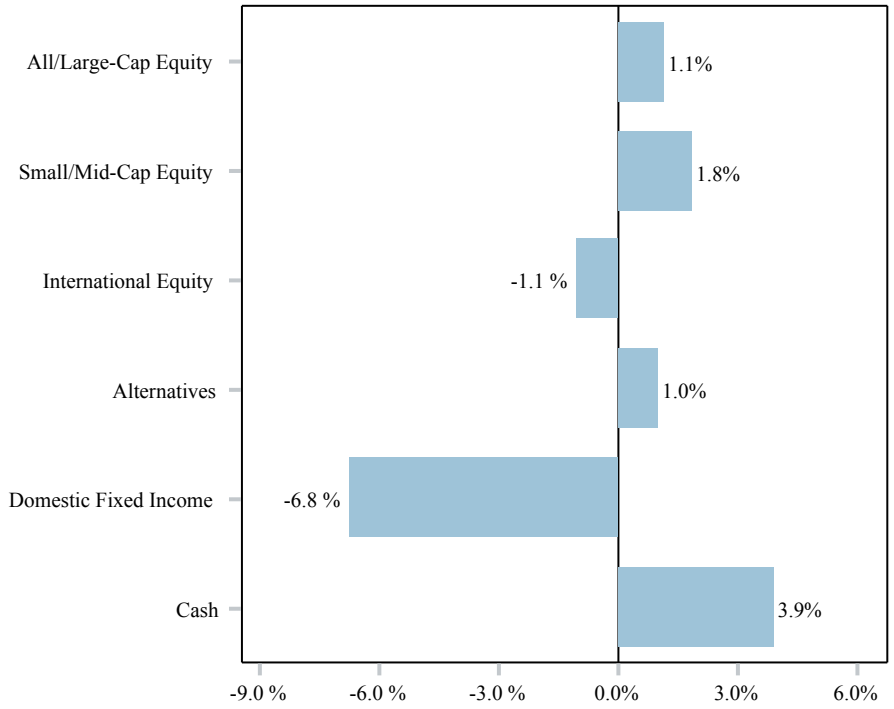
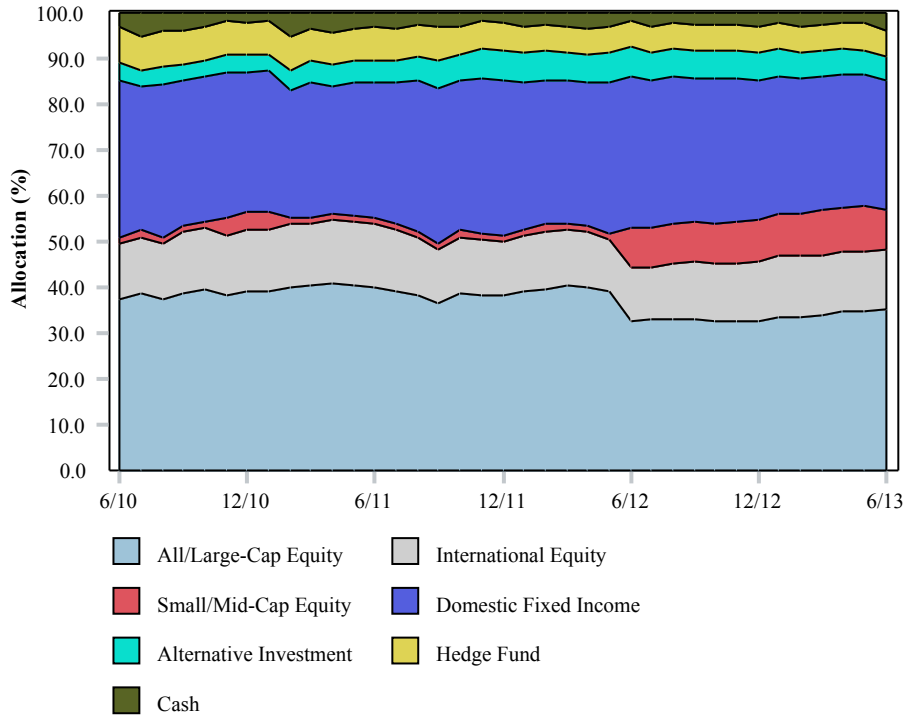
Asset Allocation vs. Target Allocation



Historical Asset Allocation By Segment



Jun - 2013

	Market Value ($)	Allocation (%)	Target (%)
All/Large-Cap Equity	131,086,118	35.14	34.00
Small/Mid-Cap Equity	32,959,504	8.84	7.00
International Equity	48,219,809	12.93	14.00
Alternatives	40,924,410	10.97	10.00
Domestic Fixed Income	105,369,994	28.25	35.00
Cash	14,471,739	3.88	0.00
Total Fund	373,031,573	100.00	100.00

Mar-2013

	Market Value ($)	Allocation (%)	Target (%)
All/Large-Cap Equity	128,884,460	34.13	34.00
Small/Mid-Cap Equity	36,459,857	9.65	7.00
International Equity	49,236,247	13.04	14.00
Alternatives	42,695,174	11.31	10.00
Domestic Fixed Income	110,399,603	29.23	35.00
Cash	9,970,583	2.64	0.00
Total Fund	377,645,923	100.00	100.00

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	Market Value As of 04/01/2013	Net Flows	Return On Investment	Market Value As of 06/30/2013
Total Fund	377,645,923	(3,397,659)	(1,216,691)	373,031,573
CS McKee International Equity	49,236,247	-	(1,016,438)	48,219,809
SIT	41,642,249	(2,555)	352,602	41,992,296
CIM	15,200,559	(3,925,856)	590,306	11,865,009
Manning & Napier Equity	18,627,981	(7,353,477)	292,361	11,566,866
Vanguard S&P 500 Index Fund	6,250,846	-	181,040	6,431,887
Emerald - LCC	11,156,190	(1,562)	316,770	11,471,398
Twin Capital Equity	-	11,276,180	(203,520)	11,072,660
Stewart Capital Mid Cap Value	-	4,300,000	-	4,300,000
Emerald - MCG	9,065,186	(4,302,608)	168,080	4,930,658
Victory	19,016,927	(5,780)	223,670	19,234,816
Emerald - SCG	9,442,085	(4,882)	524,049	9,961,252
CCA Gold I	11,971,774	-	(870,889)	11,100,885
CCA Gold II	1,725,070	-	(207,705)	1,517,365
CCA Blue	7,540,835	-	(1,098,830)	6,442,005
Grosvenor	21,457,495	-	406,660	21,864,155
MetWest	47,663,706	(2,253,775)	(1,078,028)	44,331,903
CS McKee Balanced	107,648,774	(1,123,344)	203,180	106,728,610

	Asset Allocation ($000)	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
All/Large-Cap Equity	131,086	35.14	34.00	28.00	40.00
International Equity	48,220	12.93	14.00	10.00	18.00
Small/Mid-Cap Equity	32,960	8.84	7.00	4.00	10.00
Domestic Fixed Income	105,370	28.25	35.00	30.00	40.00
Alternatives	40,924	10.97	10.00	7.00	13.00
Cash	14,472	3.88	0.00	0.00	10.00
Total Fund	373,032	100.00	100.00	N/A	N/A

Investment Manager Detail

CS McKee

Returns represent the Equity portion of the portfolio.

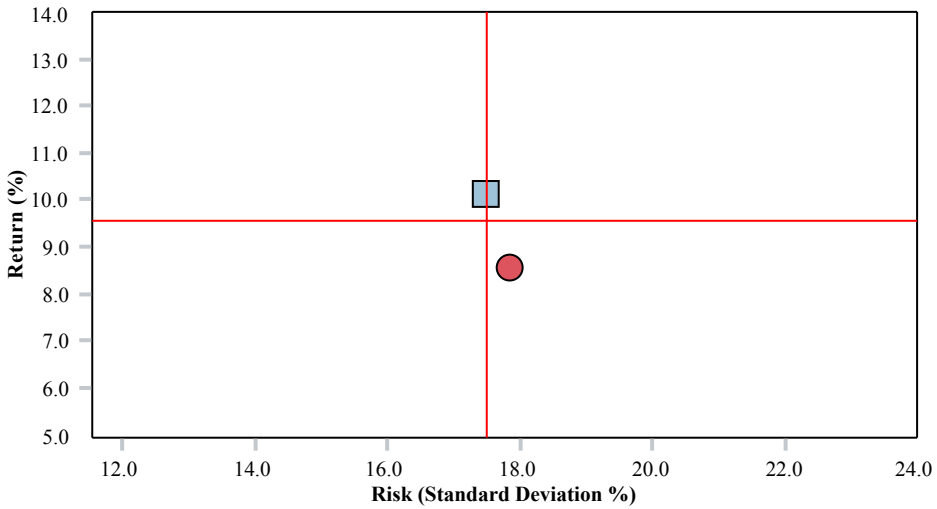
Gain/Loss Summary

	One Quarter	Since Inception	Inception Date
C.S. McKee			12/01/2002
Beginning Market Value	107,648,774	31,507,950	
Net Contributions	(1,123,344)	4,786,523	
Gain/Loss	203,180	70,434,137	
Ending Market Value	106,728,610	106,728,610	

Segment Allocation

	Market Value ($)	Allocation (%)
All/Large-Cap Equity	38,812,158	36.37
Domestic Fixed Income	65,273,889	61.16
Cash	2,642,562	2.48

Risk and Return - Since Inception



	Return	Standard Deviation
C.S. McKee	10.11	17.51
Russell 1000 Value Index	8.53	17.85
Median	9.57	17.48

Comparative Performance

	One Quarter	Year To Date	One Year	Three Years	Five Years	Seven Years	Ten Years	Since Inception	Inception Date
C.S. McKee	**4.30 (37)**	**14.76 (65)**	**22.54 (72)**	**17.71 (62)**	**6.52 (69)**	**5.50 (57)**	**8.80 (54)**	**9.71 (28)**	**12/01/2002**
Russell 1000 Value Index	3.20 (63)	15.90 (48)	25.32 (44)	18.51 (46)	6.67 (68)	4.57 (79)	7.79 (73)	8.01 (75)	
IM U.S. Large Cap Value Equity (SA+CF) Median	3.86	15.80	24.80	18.29	7.67	5.82	8.90	9.14	
Population	248	248	246	240	231	207	175	164	

Calendar Year Performance

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
C.S. McKee	**16.06 (47)**	**-2.03 (69)**	**17.31 (22)**	**25.12 (54)**	**-35.55 (51)**	**6.14 (33)**	**15.52 (83)**	**11.61 (21)**	**14.55 (59)**	**42.08 (10)**
Russell 1000 Value Index	17.51 (29)	0.39 (51)	15.51 (40)	19.69 (80)	-36.85 (63)	-0.17 (77)	22.25 (16)	7.05 (63)	16.49 (37)	30.03 (56)
IM U.S. Large Cap Value Equity (SA+CF) Median	15.76	0.47	14.45	25.57	-35.51	4.01	18.87	8.36	15.11	30.64
Population	359	389	409	433	436	452	466	473	476	469

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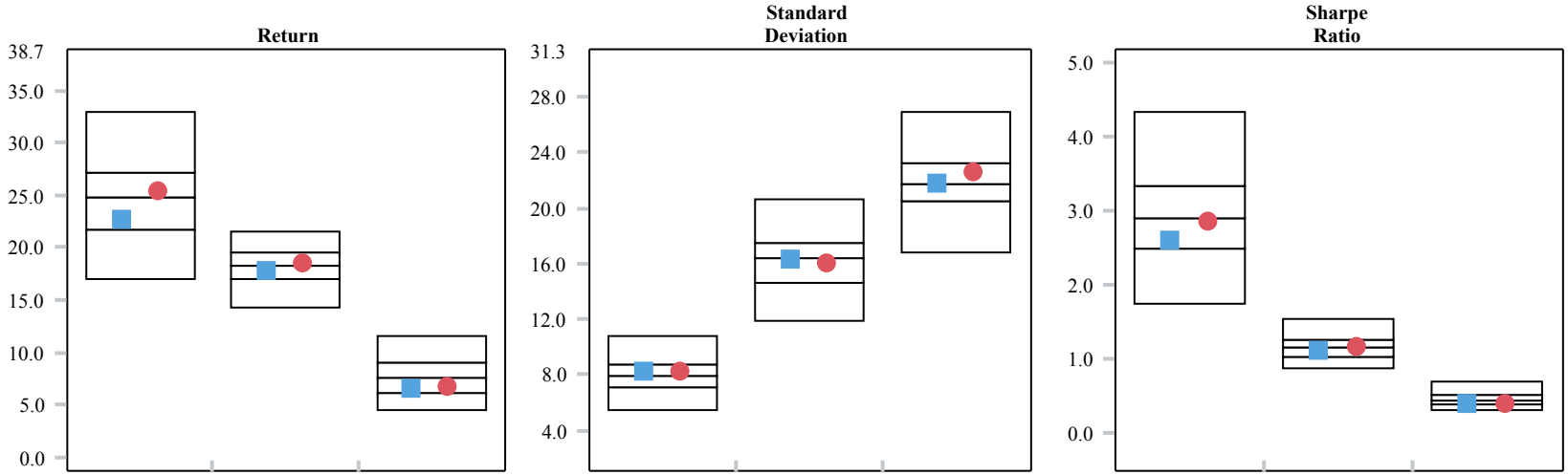
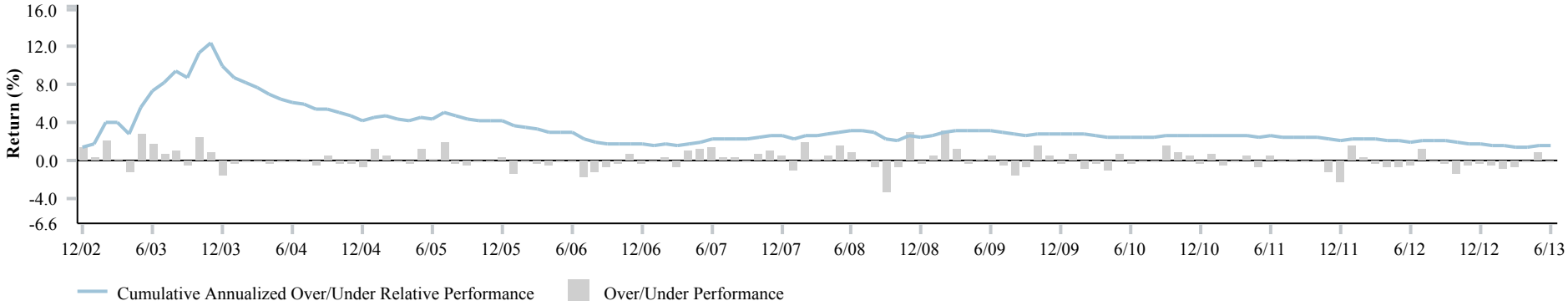
Peer Group Analysis - Multi Statistics vs. IM U.S. Large Cap Value Equity (SA+CF)



	Return One Year	Return Three Years	Return Five Years	Standard Deviation One Year	Standard Deviation Three Years	Standard Deviation Five Years	Sharpe Ratio One Year	Sharpe Ratio Three Years	Sharpe Ratio Five Years
■ C.S. McKee	22.54 (72)	17.71 (62)	6.52 (69)	8.16 (43)	16.23 (53)	21.72 (50)	2.58 (71)	1.10 (63)	0.39 (69)
● Russell 1000 Value Index	25.32 (44)	18.51 (46)	6.67 (68)	8.24 (38)	15.95 (54)	22.49 (37)	2.84 (53)	1.16 (45)	0.39 (68)
Median	24.80	18.29	7.67	7.97	16.35	21.72	2.90	1.14	0.44
Population	246	240	231	246	240	231	246	240	231

Relative Performance vs. Russell 1000 Value Index



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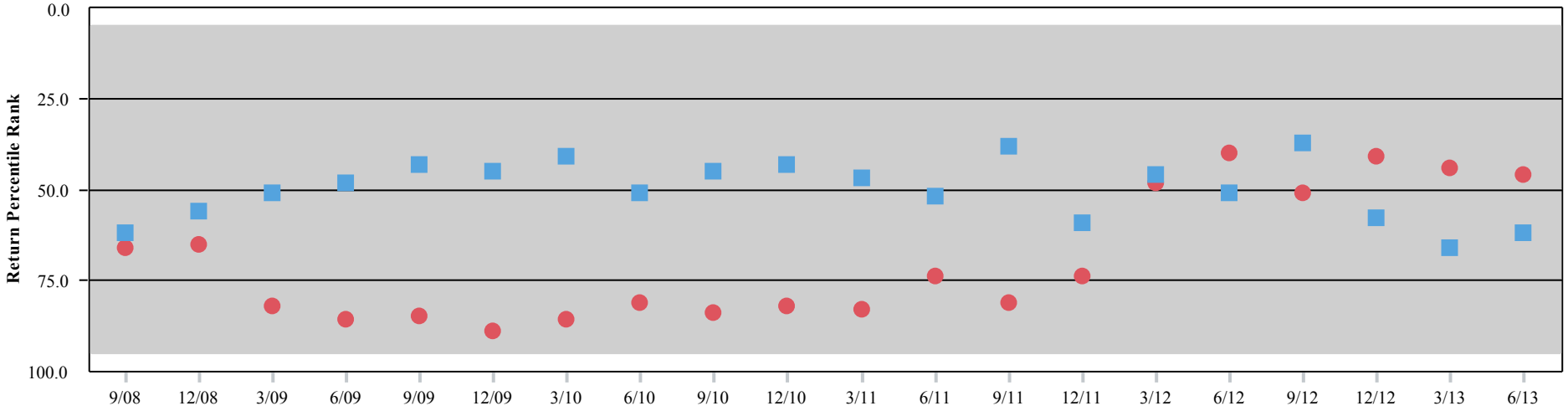
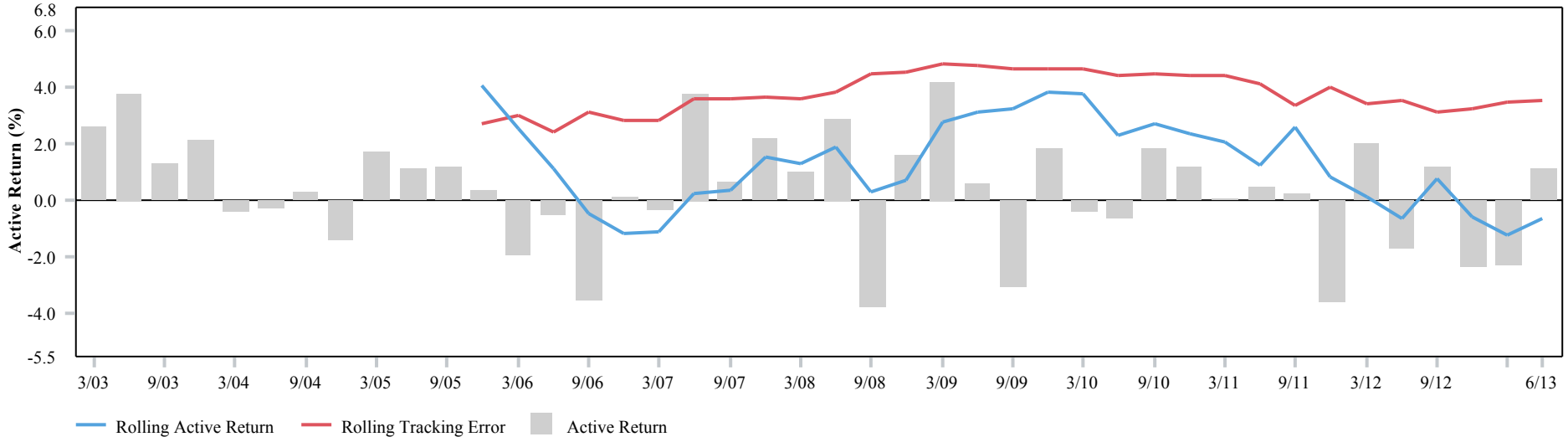
Rolling 3 Year Percentile Ranking vs. IM U.S. Large Cap Value Equity (SA+CF) - 5 Years



	Total Period	First Quartile	Second Quartile	Third Quartile	Fourth Quartile
C.S. McKee	20	0 (0%)	10 (50%)	10 (50%)	0 (0%)
Russell 1000 Value Index	20	0 (0%)	5 (25%)	5 (25%)	10 (50%)

Rolling 3 Year Active Return and Tracking Error vs. Russell 1000 Value Index - Since Inception



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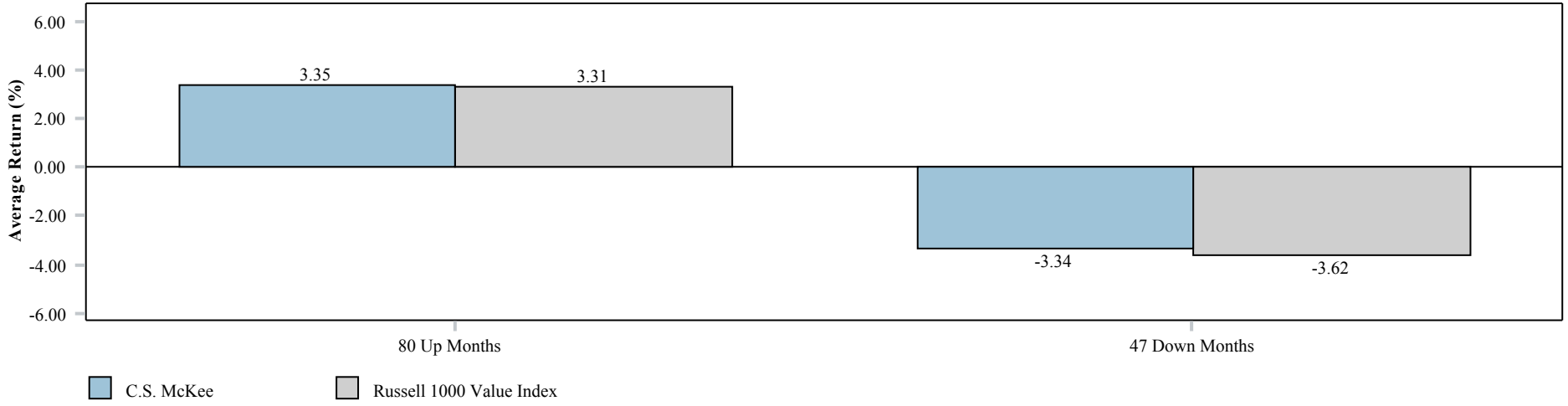
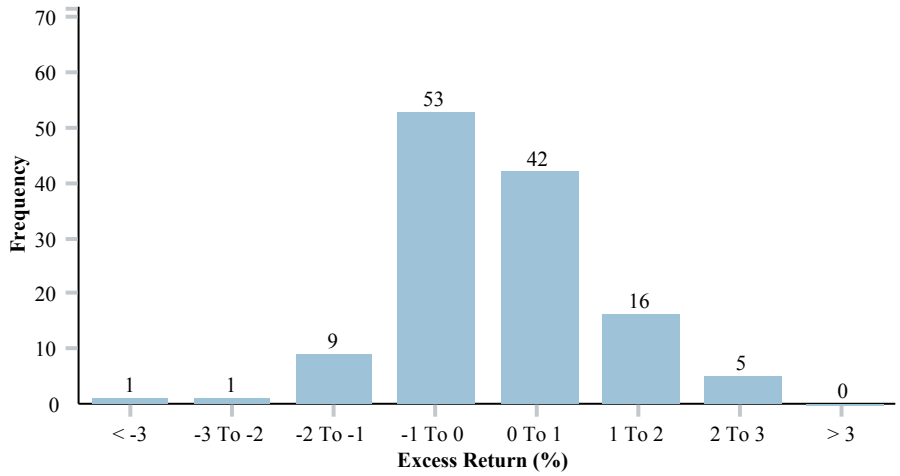
Up/Down Markets vs. Russell 1000 Value Index - Since Inception

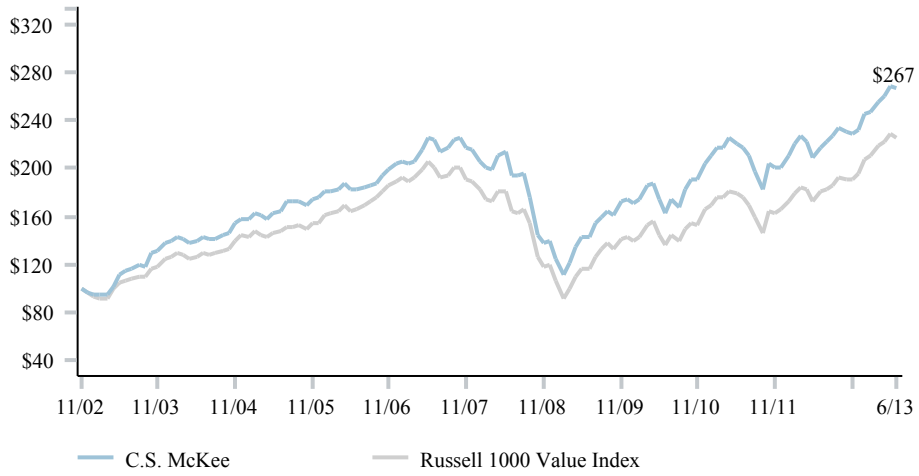
	Full Period Return		Months Benchmark Up(80)				Months Benchmark Down(47)			
			Portfolio Ahead		Portfolio Behind		Portfolio Ahead		Portfolio Behind	
	Portfolio	Benchmark	No. Months	Average Ahead	No. Months	Average Behind	No. Months	Average Ahead	No. Months	Average Behind
C.S. McKee	9.71	8.01	35	0.87	45	-0.60	28	0.88	19	-0.61



Performance Distribution - Since Inception



Growth of $100 - Since Inception



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SIT

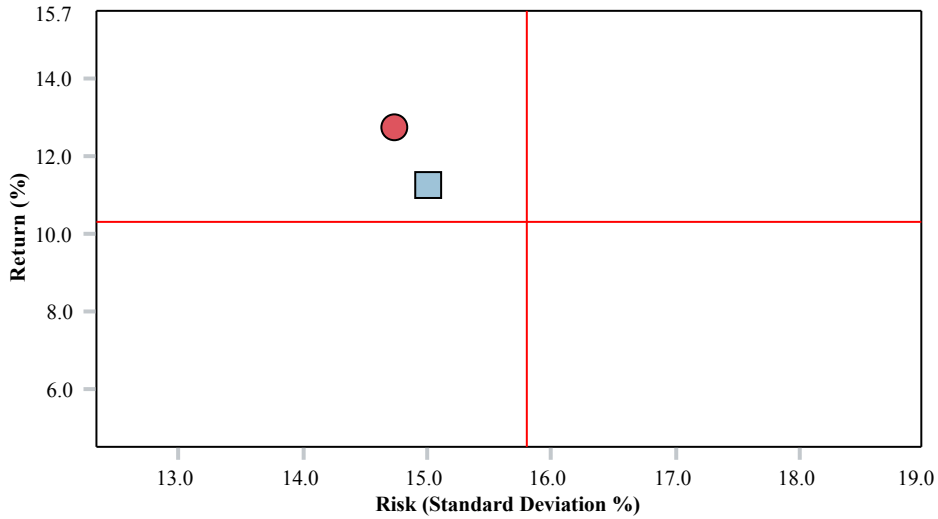
Gain/Loss Summary

	1 Quarter	Since Inception	Inception Date
SIT			04/01/2010
Beginning Market Value	41,642,249	29,709,931	
Net Contributions	(2,555)	(20,083)	
Gain/Loss	352,602	12,302,448	
Ending Market Value	41,992,296	41,992,296	

Segment Allocation

	Market Value ($)	Allocation (%)
All/Large-Cap Equity	41,050,080	97.76
Cash	942,215	2.24

Risk and Return - Since Inception



	Return	Standard Deviation
SIT	11.25	15.02
Russell 1000 Growth Index	12.71	14.75
Median	10.31	15.81

Comparative Performance

	1 Month	1 Quarter	1 Year	3 Years	Since Inception	Inception Date
SIT	**-2.48 (83)**	**0.85 (78)**	**14.68 (64)**	**16.93 (36)**	**11.25 (30)**	**04/01/2010**
Russell 1000 Growth Index	-1.88 (47)	2.06 (35)	17.07 (32)	18.68 (10)	12.71 (11)	
IM U.S. Large Cap Growth Equity (MF) Median	-1.93	1.67	15.81	16.21	10.31	
Population	783	783	728	616	610	

Calendar Year Performance

	Year To Date	2012	2011
SIT	**9.94 (54)**	**14.75 (52)**	**0.73 (25)**
Russell 1000 Growth Index	11.80 (19)	15.26 (47)	2.64 (11)
IM U.S. Large Cap Growth Equity (MF) Median	10.19	14.90	-1.79
Population	763	699	720

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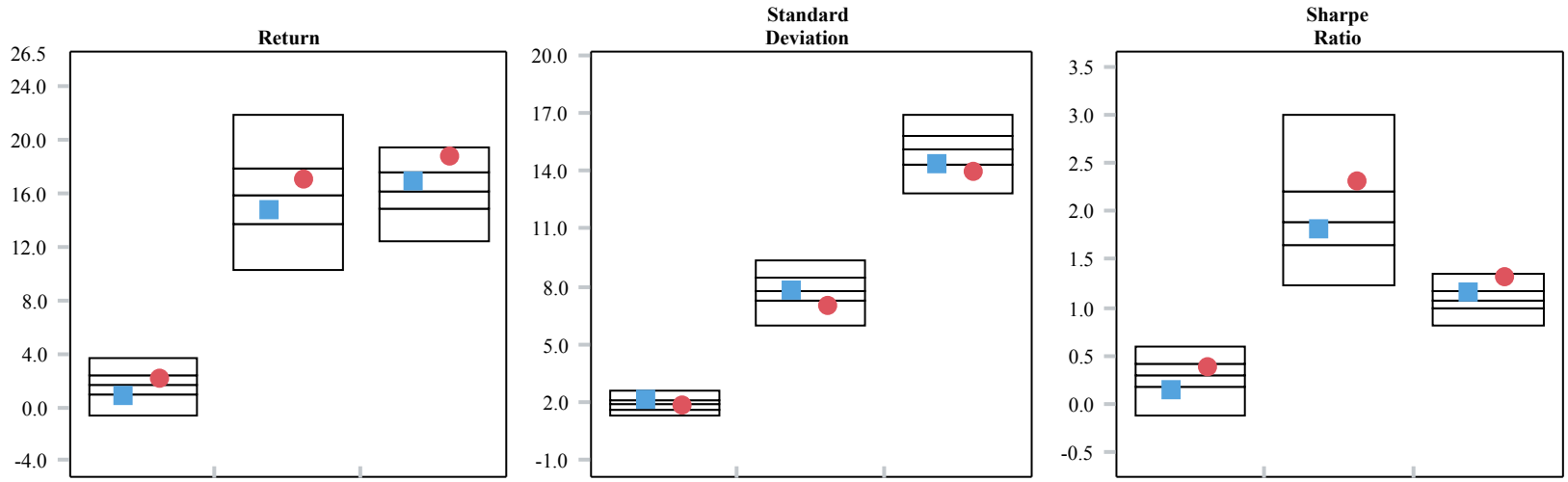
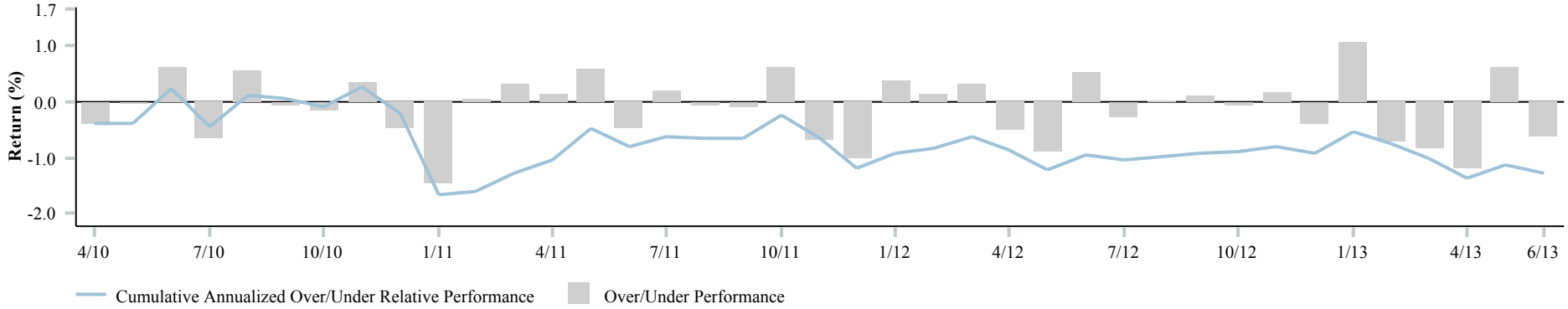
Peer Group Analysis - Multi Statistics vs. IM U.S. Large Cap Growth Equity (MF)



	Return 1 Quarter	Return 1 Year	Return 3 Years	Standard Deviation 1 Quarter	Standard Deviation 1 Year	Standard Deviation 3 Years	Sharpe Ratio 1 Quarter	Sharpe Ratio 1 Year	Sharpe Ratio 3 Years
SIT	0.85 (78)	14.68 (64)	16.93 (36)	2.07 (32)	7.73 (55)	14.35 (74)	0.14 (80)	1.81 (57)	1.16 (26)
Russell 1000 Growth Index	2.06 (35)	17.07 (32)	18.68 (10)	1.83 (55)	6.93 (85)	13.91 (87)	0.38 (31)	2.31 (19)	1.30 (7)
Median	1.67	15.81	16.21	1.87	7.79	15.07	0.29	1.88	1.07
Population	783	728	616	783	728	616	783	728	616

Relative Performance vs. Russell 1000 Growth Index



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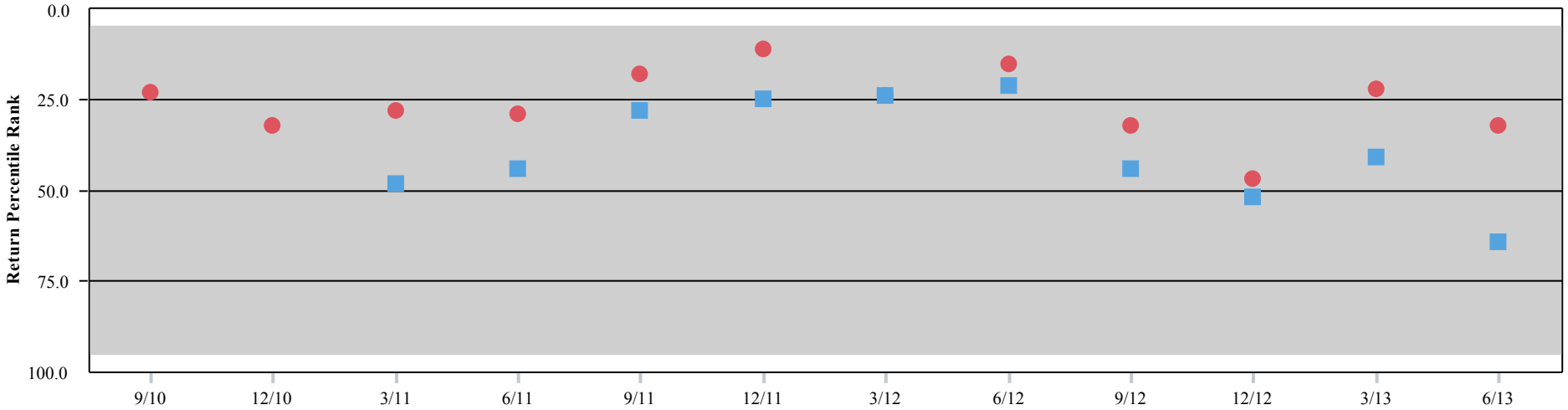
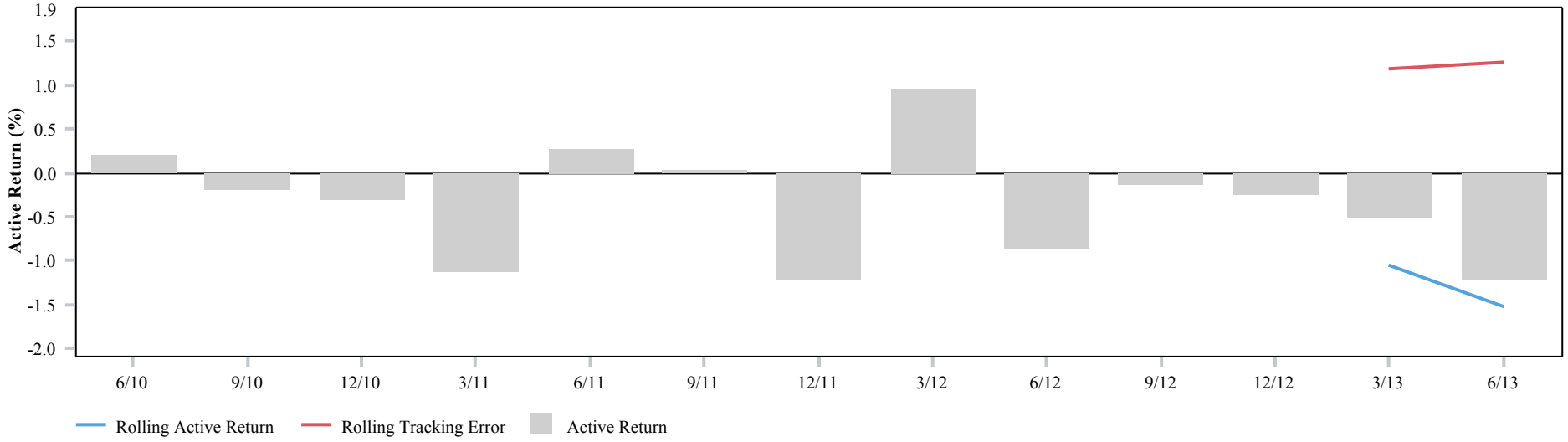
Rolling 1 Month Percentile Ranking vs. IM U.S. Large Cap Growth Equity (MF) - 3 Years



	Total Period	First Quartile	Second Quartile	Third Quartile	Fourth Quartile
SIT	10	3 (30%)	5 (50%)	2 (20%)	0 (0%)
Russell 1000 Growth Index	12	6 (50%)	6 (50%)	0 (0%)	0 (0%)

Rolling 3 Years Active Return and Tracking Error vs. Russell 1000 Growth Index - Since Inception



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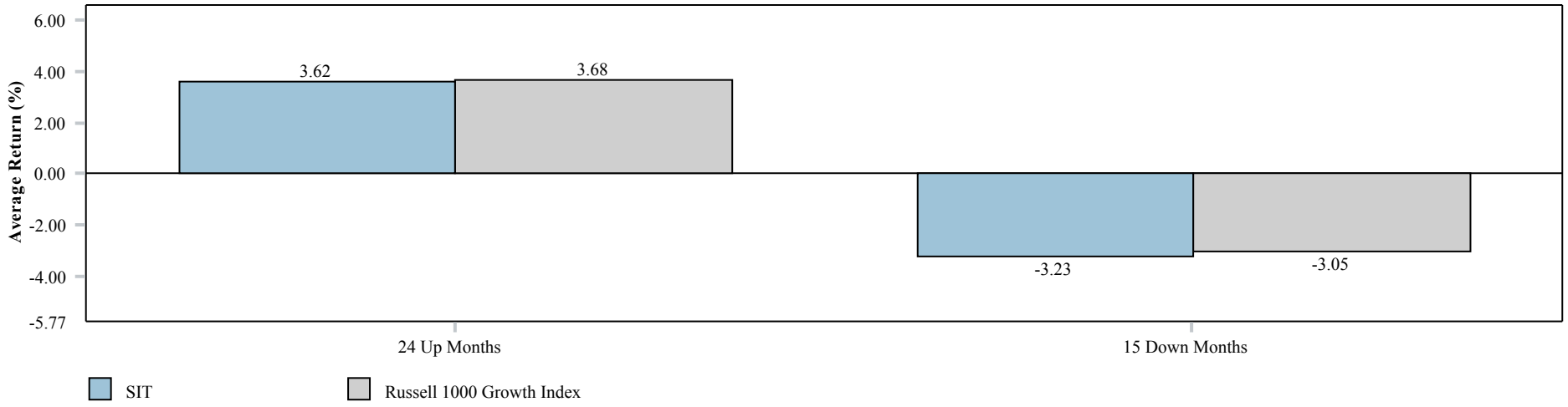
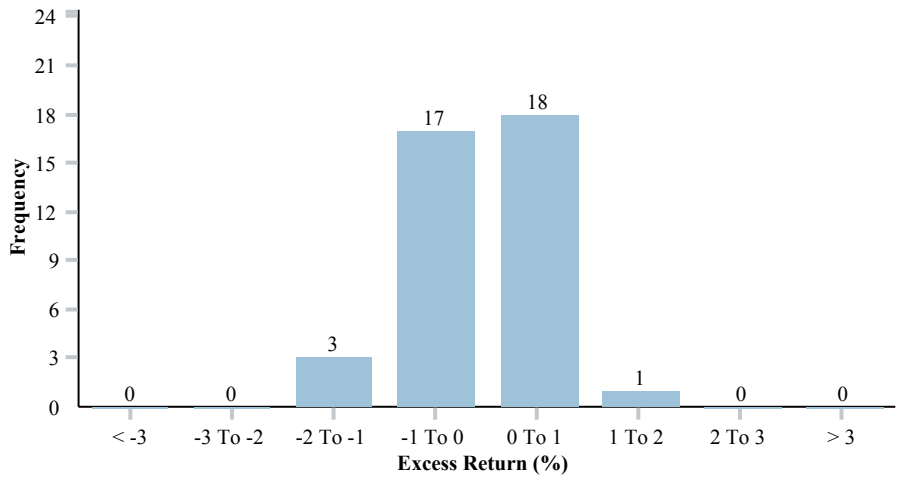
Up/Down Markets vs. Russell 1000 Growth Index - Since Inception

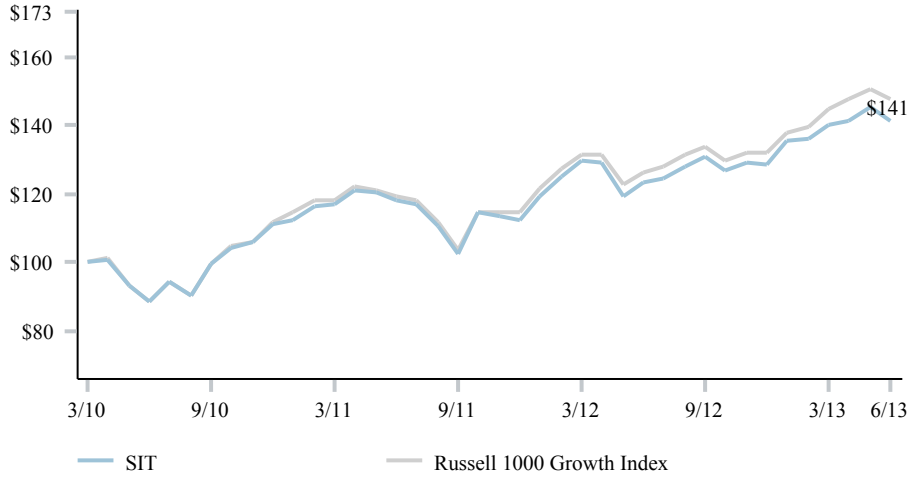
	Full Period Return		Months Benchmark Up(24)				Months Benchmark Down(15)			
			Portfolio Ahead		Portfolio Behind		Portfolio Ahead		Portfolio Behind	
	Portfolio	Benchmark	No. Months	Average Ahead	No. Months	Average Behind	No. Months	Average Ahead	No. Months	Average Behind
SIT	11.25	12.71	14	0.36	10	-0.64	5	0.38	10	-0.47



Performance Distribution - Since Inception



Growth of $100 - Since Inception



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CIM

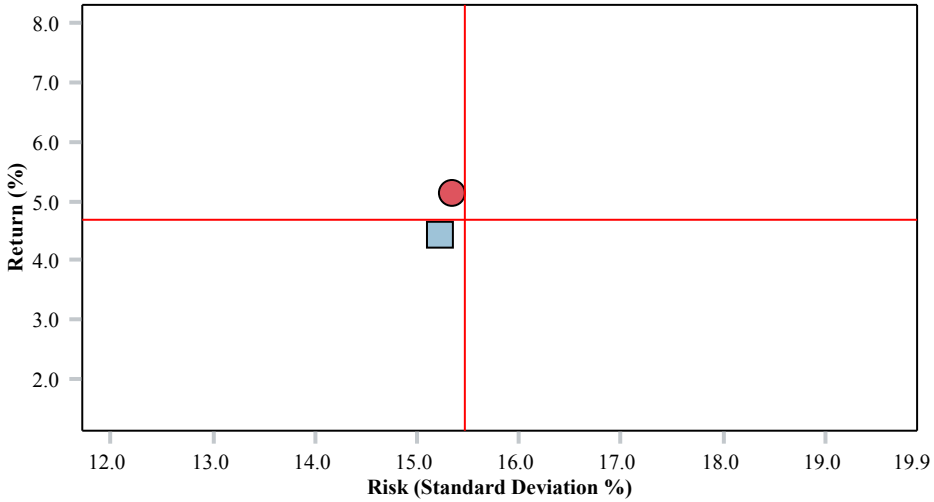
Gain/Loss Summary

	One Quarter	Since Inception	Inception Date
CIM			04/01/2002
Beginning Market Value	15,200,559	17,450,233	
Net Contributions	(3,925,856)	(14,664,988)	
Gain/Loss	590,306	9,079,764	
Ending Market Value	11,865,009	11,865,009	

Segment Allocation

	Market Value ($)	Allocation (%)
All/Large-Cap Equity	11,339,587	95.57
Cash	525,422	4.43

Risk and Return - Since Inception



	Return	Standard Deviation
CIM	4.40	15.24
S&P 500 Index	5.13	15.34
Median	4.67	15.46

Comparative Performance

	One Quarter	Year To Date	One Year	Three Years	Five Years	Seven Years	Ten Years	Since Inception	Inception Date
CIM	**4.01 (17)**	**13.53 (47)**	**19.96 (60)**	**17.30 (40)**	**6.52 (35)**	**4.94 (50)**	**6.54 (56)**	**4.40 (64)**	**04/01/2002**
S&P 500 Index	2.91 (44)	13.82 (40)	20.60 (53)	18.45 (20)	7.01 (22)	5.66 (29)	7.30 (31)	5.13 (34)	
IM U.S. Large Cap Core Equity (MF) Median	2.73	13.40	20.75	16.69	5.78	4.93	6.71	4.67	
Population	970	958	932	849	766	661	494	429	

Calendar Year Performance

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
CIM	**14.81 (58)**	**0.51 (38)**	**13.51 (40)**	**23.86 (64)**	**-34.70 (29)**	**1.93 (82)**	**20.68 (4)**	**3.36 (74)**	**7.66 (72)**	**25.42 (55)**
S&P 500 Index	16.00 (40)	2.11 (23)	15.06 (19)	26.46 (50)	-37.00 (52)	5.49 (54)	15.79 (32)	4.91 (54)	10.88 (37)	28.68 (28)
IM U.S. Large Cap Core Equity (MF) Median	15.41	-0.56	12.98	26.36	-36.91	5.82	14.36	5.16	9.69	26.00
Population	960	1,010	1,079	1,070	1,071	1,070	1,038	1,034	948	861

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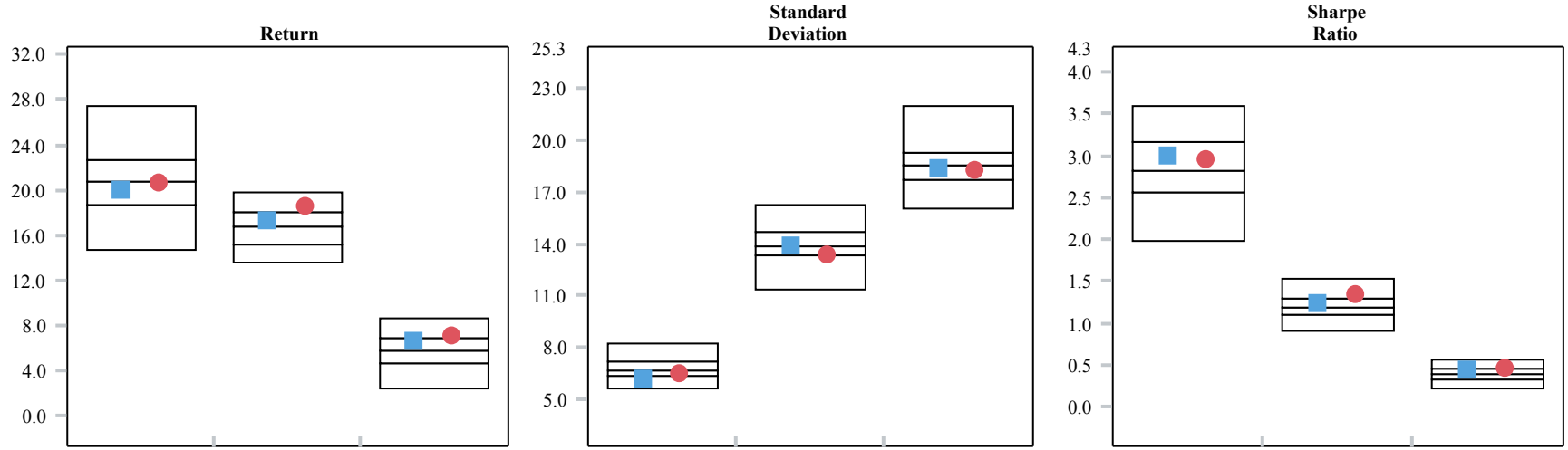
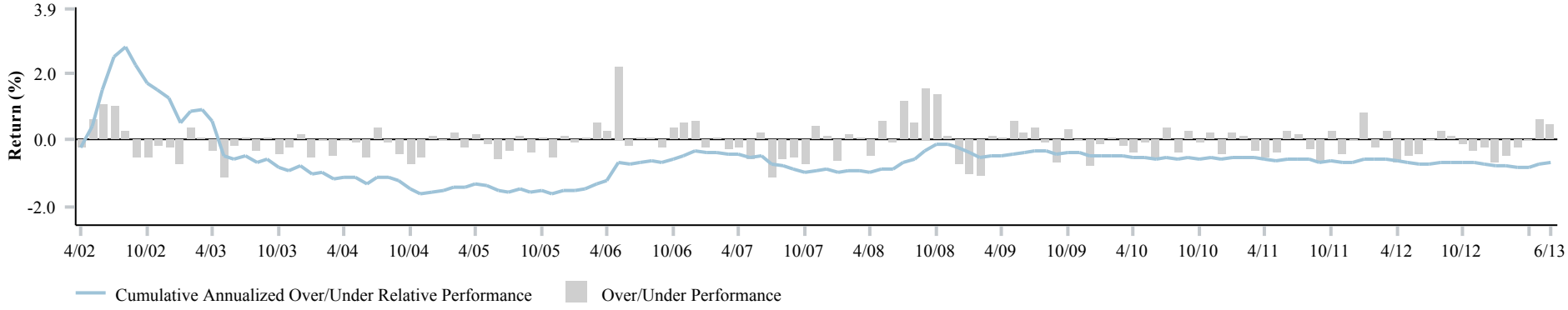
Peer Group Analysis - Multi Statistics vs. IM U.S. Large Cap Core Equity (MF)



	One Year	Three Years	Five Years	One Year	Three Years	Five Years	One Year	Three Years	Five Years
CIM	19.96 (60)	17.30 (40)	6.52 (35)	6.16 (81)	13.86 (50)	18.39 (55)	2.99 (37)	1.22 (42)	0.42 (37)
S&P 500 Index	20.60 (53)	18.45 (20)	7.01 (22)	6.45 (70)	13.38 (72)	18.26 (60)	2.94 (41)	1.33 (19)	0.45 (24)
Median	20.75	16.69	5.78	6.71	13.86	18.52	2.83	1.18	0.39
Population	932	849	766	932	849	766	932	849	766

Relative Performance vs. S&P 500 Index



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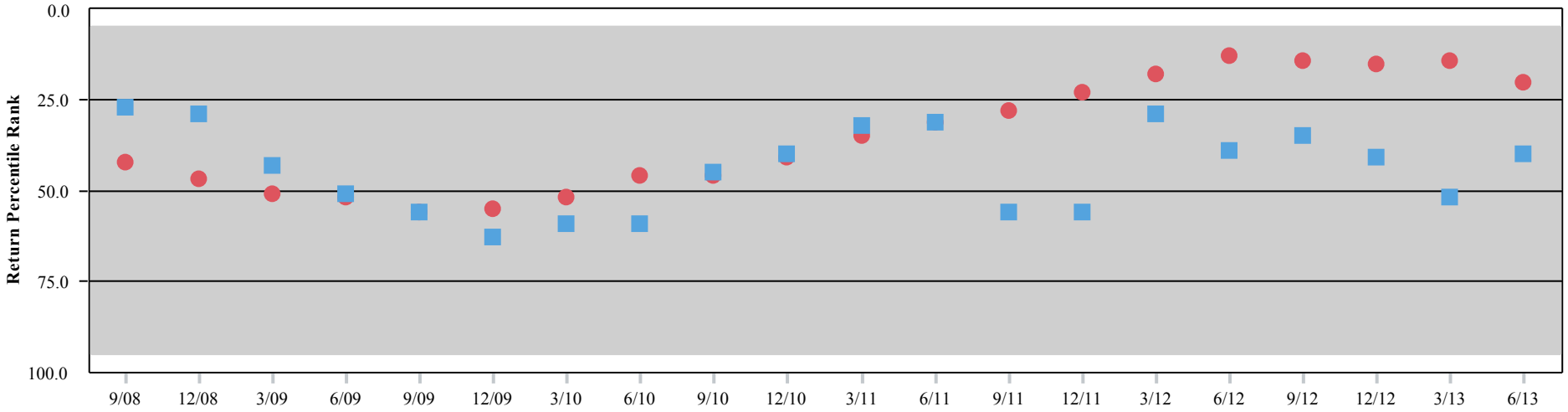
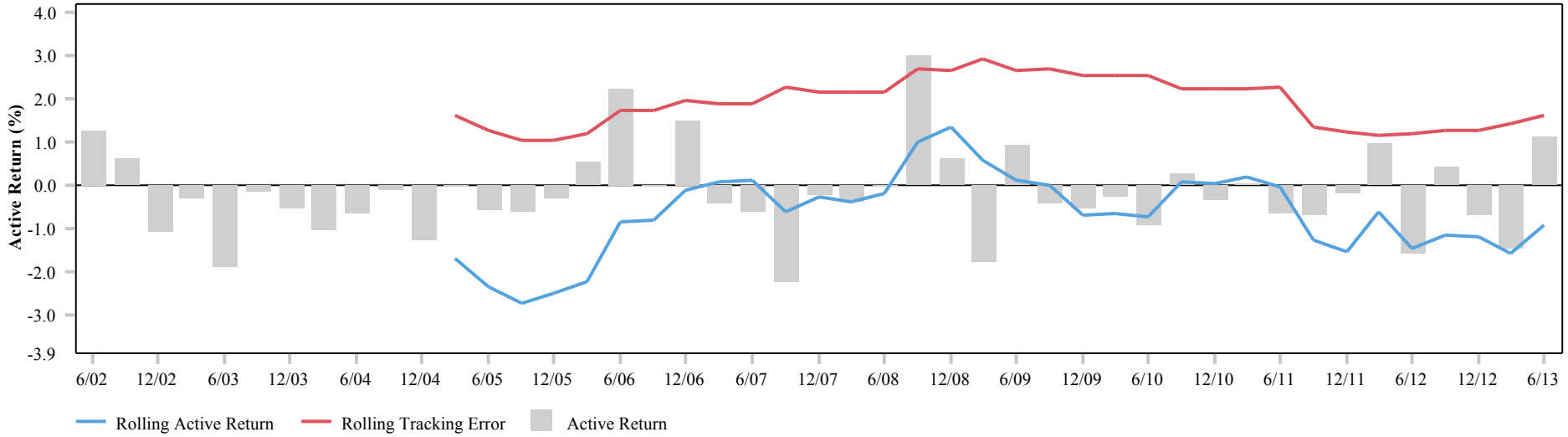
Rolling 3 Year Percentile Ranking vs. IM U.S. Large Cap Core Equity (MF) - 5 Years



	Total Period	First Quartile	Second Quartile	Third Quartile	Fourth Quartile
CIM	20	0 (0%)	12 (60%)	8 (40%)	0 (0%)
S&P 500 Index	20	7 (35%)	8 (40%)	5 (25%)	0 (0%)

Rolling 3 Year Active Return and Tracking Error vs. S&P 500 Index - Since Inception



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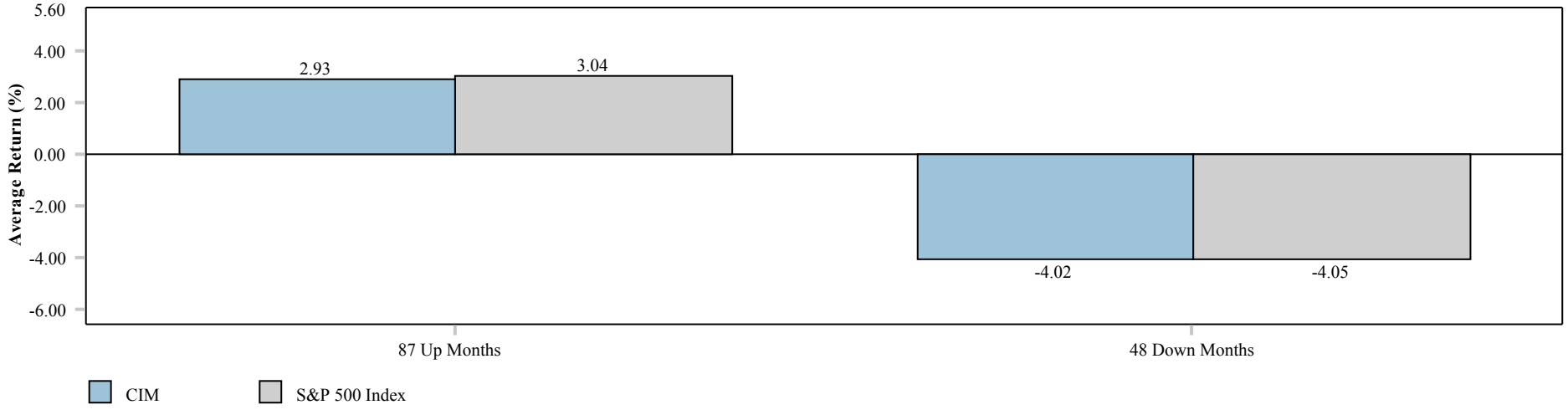
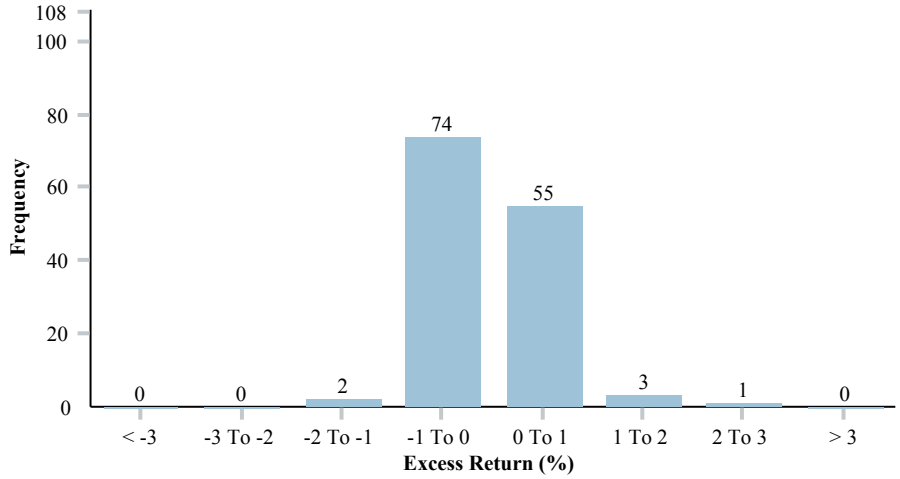
Up/Down Markets vs. S&P 500 Index - Since Inception

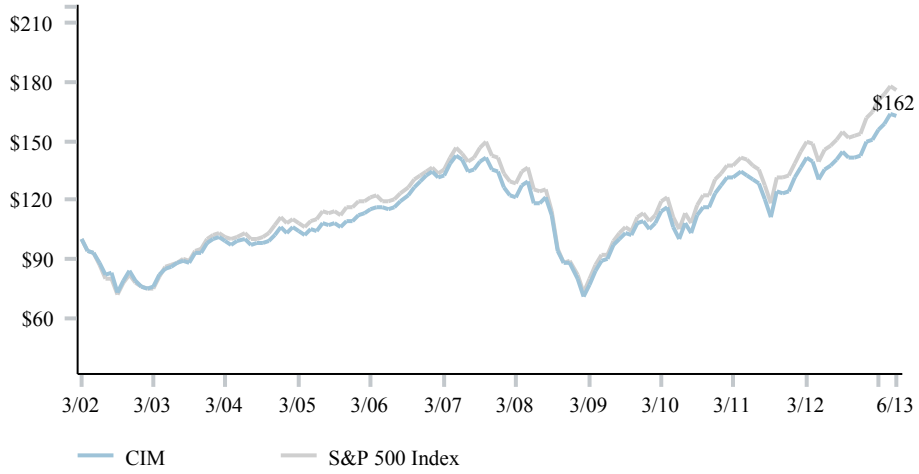
	Full Period Return		Months Benchmark Up(87)				Months Benchmark Down(48)			
			Portfolio Ahead		Portfolio Behind		Portfolio Ahead		Portfolio Behind	
	Portfolio	Benchmark	No. Months	Average Ahead	No. Months	Average Behind	No. Months	Average Ahead	No. Months	Average Behind
CIM	4.40	5.13	35	0.28	52	-0.38	24	0.49	24	-0.41



Performance Distribution - Since Inception



Growth of $100 - Since Inception



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Manning & Napier

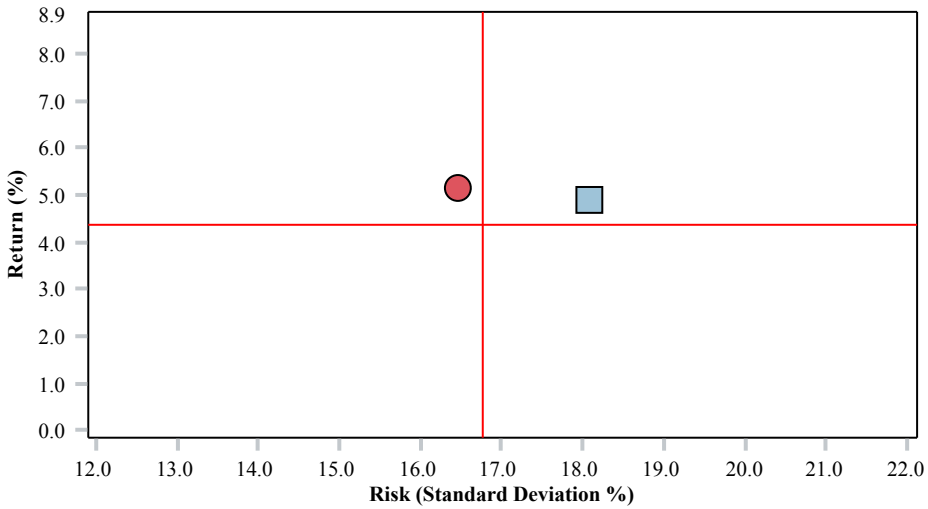
Gain/Loss Summary

	One Quarter	Since Inception	Inception Date
Manning & Napier Equity			05/01/2006
Beginning Market Value	18,627,981	12,423,145	
Net Contributions	(7,353,477)	(6,899,234)	
Gain/Loss	292,361	6,042,955	
Ending Market Value	11,566,866	11,566,866	

Segment Allocation

	Market Value ($)	Allocation (%)
All/Large-Cap Equity	11,048,229	95.52
Cash	518,637	4.48

Risk and Return - Since Inception



	Return	Standard Deviation
Manning & Napier Equity	4.88	18.08
S&P 500 Index	5.12	16.46
Median	4.37	16.76

Comparative Performance

	One Quarter	Year To Date	One Year	Three Years	Five Years	Seven Years	Ten Years	Since Inception	Inception Date
Manning & Napier Equity	**0.89 (91)**	**11.94 (77)**	**21.33 (42)**	**14.78 (81)**	**7.19 (19)**	**5.23 (41)**	**N/A**	**4.88 (36)**	**05/01/2006**
S&P 500 Index	2.91 (44)	13.82 (40)	20.60 (53)	18.45 (20)	7.01 (22)	5.66 (29)	7.30 (31)	5.12 (30)	
IM U.S. Large Cap Core Equity (MF) Median	2.73	13.40	20.75	16.69	5.78	4.93	6.71	4.37	
Population	970	958	932	849	766	661	494	639	

Calendar Year Performance

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Manning & Napier Equity	**14.85 (58)**	**-6.14 (91)**	**14.52 (25)**	**39.87 (7)**	**-36.92 (51)**	**4.49 (64)**	**N/A**	**N/A**	**N/A**	**N/A**
S&P 500 Index	16.00 (40)	2.11 (23)	15.06 (19)	26.46 (50)	-37.00 (52)	5.49 (54)	15.79 (32)	4.91 (54)	10.88 (37)	28.68 (28)
IM U.S. Large Cap Core Equity (MF) Median	15.41	-0.56	12.98	26.36	-36.91	5.82	14.36	5.16	9.69	26.00
Population	960	1,010	1,079	1,070	1,071	1,070	1,038	1,034	948	861

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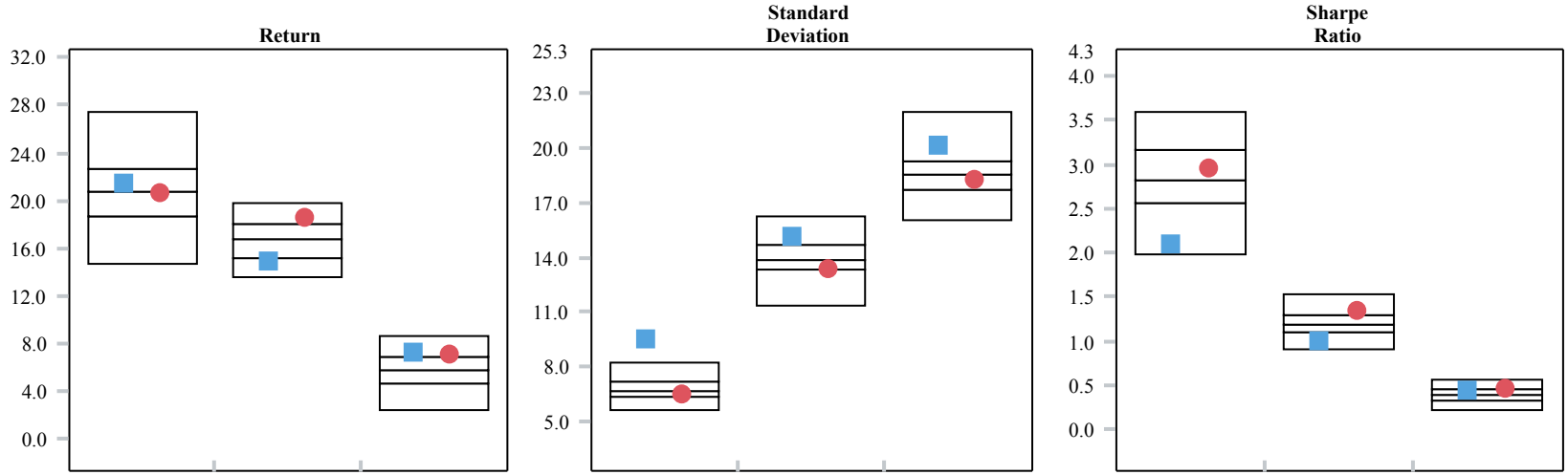
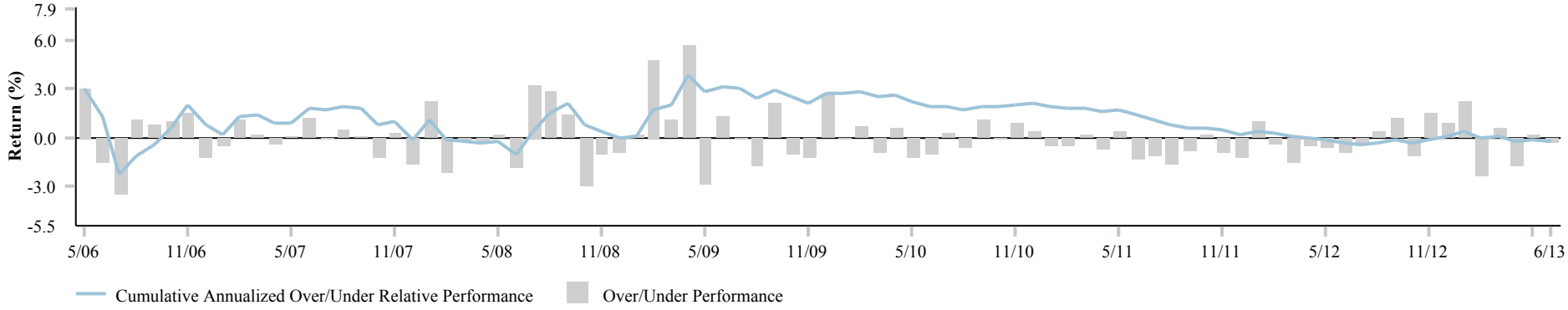
Peer Group Analysis - Multi Statistics vs. IM U.S. Large Cap Core Equity (MF)



	Return			Standard Deviation			Sharpe Ratio		
	One Year	Three Years	Five Years	One Year	Three Years	Five Years	One Year	Three Years	Five Years
Manning & Napier Equity	21.33 (42)	14.78 (81)	7.19 (19)	9.48 (2)	15.13 (14)	20.09 (15)	2.09 (93)	0.99 (88)	0.43 (32)
S&P 500 Index	20.60 (53)	18.45 (20)	7.01 (22)	6.45 (70)	13.38 (72)	18.26 (60)	2.94 (41)	1.33 (19)	0.45 (24)
Median	20.75	16.69	5.78	6.71	13.86	18.52	2.83	1.18	0.39
Population	932	849	766	932	849	766	932	849	766

Relative Performance vs. S&P 500 Index



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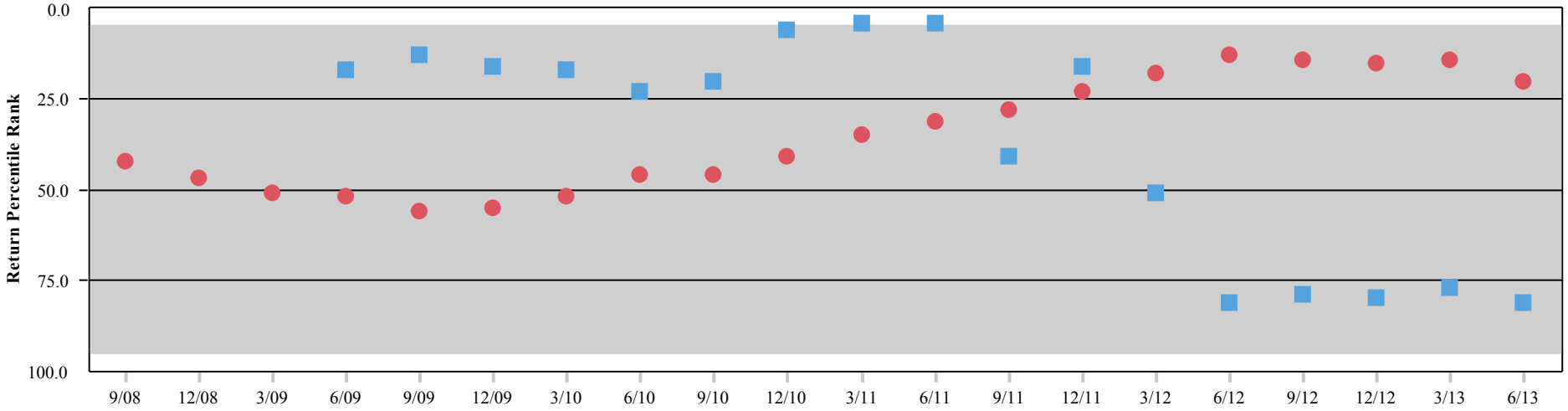
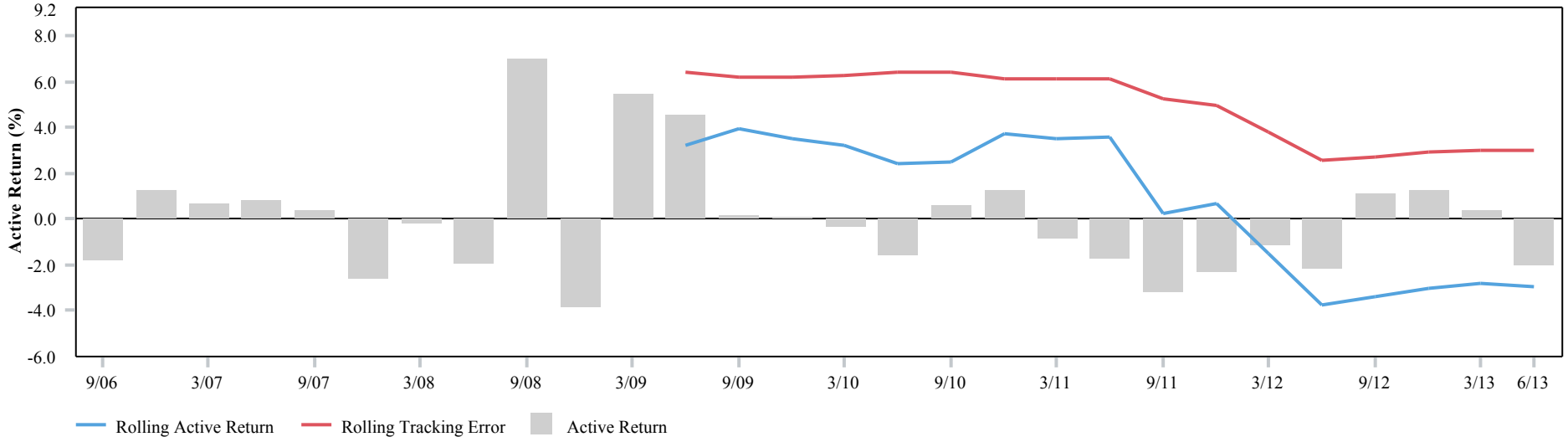
Rolling 3 Year Percentile Ranking vs. IM U.S. Large Cap Core Equity (MF) - 5 Years



	Total Period	First Quartile	Second Quartile	Third Quartile	Fourth Quartile
Manning & Napier Equity	17	10 (59%)	1 (6%)	1 (6%)	5 (29%)
S&P 500 Index	20	7 (35%)	8 (40%)	5 (25%)	0 (0%)

Rolling 3 Year Active Return and Tracking Error vs. S&P 500 Index - Since Inception



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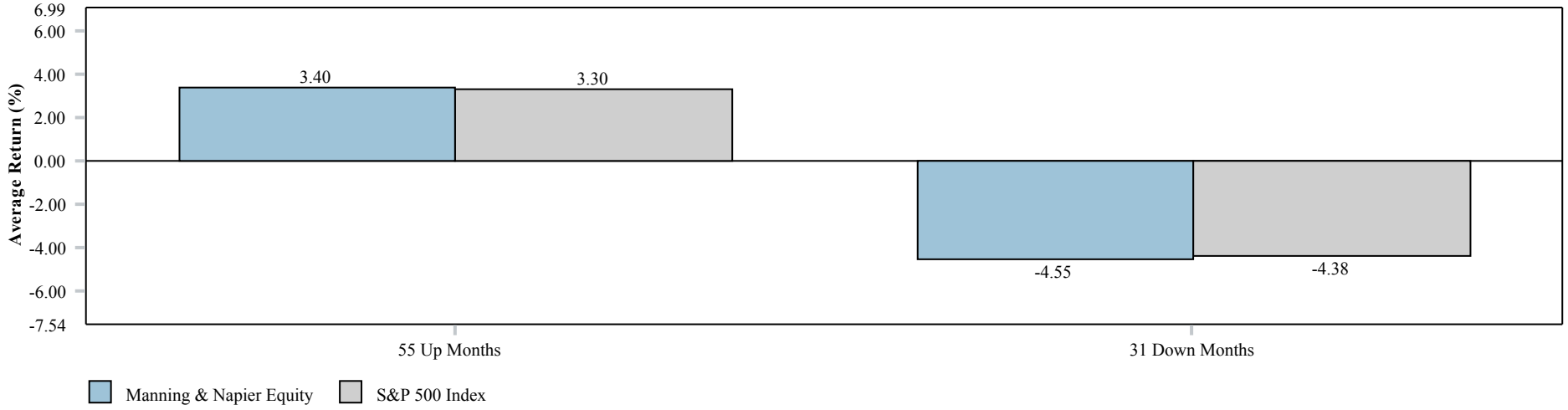
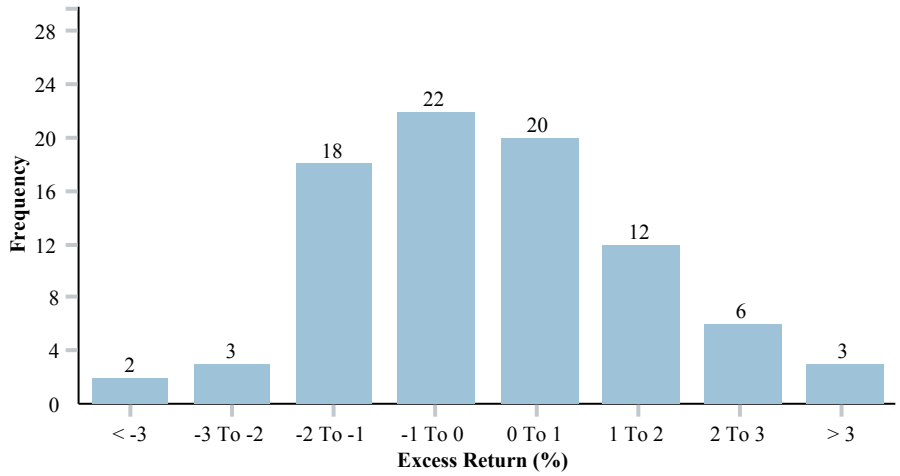
Up/Down Markets vs. S&P 500 Index - Since Inception

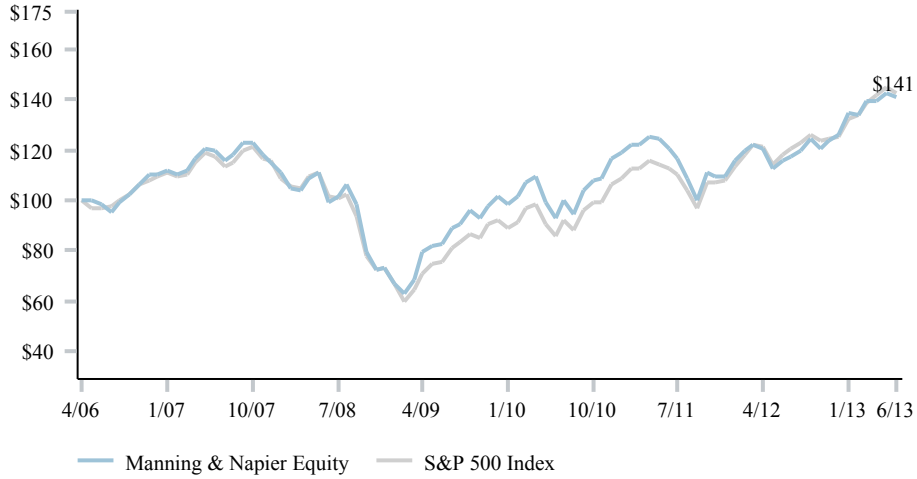
	Full Period Return		Months Benchmark Up(55)				Months Benchmark Down(31)			
			Portfolio Ahead		Portfolio Behind		Portfolio Ahead		Portfolio Behind	
	Portfolio	Benchmark	No. Months	Average Ahead	No. Months	Average Behind	No. Months	Average Ahead	No. Months	Average Behind
Manning & Napier Equity	4.88	5.12	31	1.09	24	-1.19	10	1.66	21	-1.03



Performance Distribution - Since Inception



Growth of $100 - Since Inception



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Vanguard

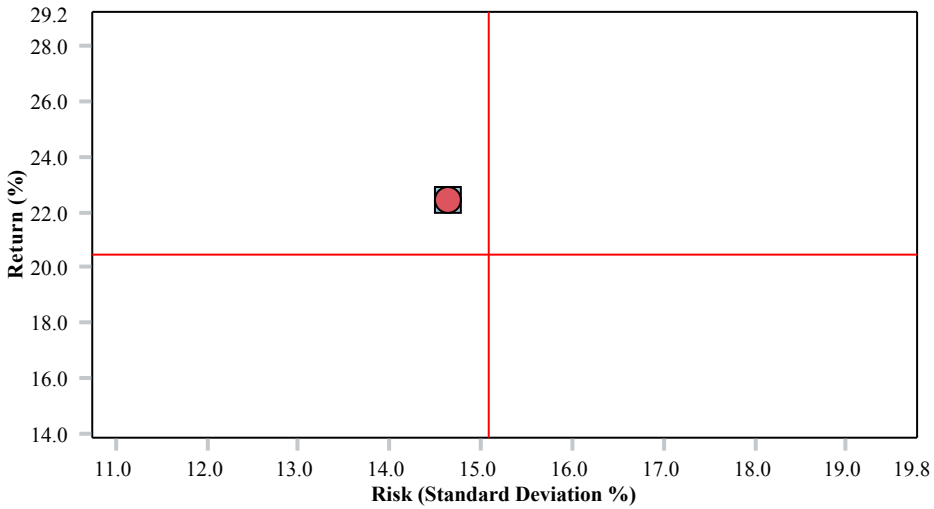
Gain/Loss Summary

	One Quarter	Since Inception	Inception Date
Vanguard S&P 500 Index Fund			03/01/2009
Beginning Market Value	6,250,846	2,681,999	
Net Contributions	-	-	
Gain/Loss	181,040	3,749,888	
Ending Market Value	6,431,887	6,431,887	

Segment Allocation

	Market Value ($)	Allocation (%)
All/Large-Cap Equity	6,431,887	100.00

Risk and Return - Since Inception



	Return	Standard Deviation
Vanguard S&P 500 Index Fund	22.37	14.66
S&P 500 Index	22.36	14.66
Median	20.48	15.08

Comparative Performance

	One Quarter	Year To Date	One Year	Three Years	Five Years	Seven Years	Ten Years	Since Inception	Inception Date
Vanguard S&P 500 Index Fund	**2.90 (44)**	**13.80 (41)**	**20.56 (54)**	**18.42 (20)**	**N/A**	**N/A**	**N/A**	**22.37 (18)**	**03/01/2009**
S&P 500 Index	2.91 (44)	13.82 (40)	20.60 (53)	18.45 (20)	7.01 (22)	5.66 (29)	7.30 (31)	22.36 (18)	
IM U.S. Large Cap Core Equity (MF) Median	2.73	13.40	20.75	16.69	5.78	4.93	6.71	20.48	
Population	970	958	932	849	766	661	494	802	

Calendar Year Performance

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Vanguard S&P 500 Index Fund	**15.97 (40)**	**2.08 (23)**	**15.05 (19)**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
S&P 500 Index	16.00 (40)	2.11 (23)	15.06 (19)	26.46 (50)	-37.00 (52)	5.49 (54)	15.79 (32)	4.91 (54)	10.88 (37)	28.68 (28)
IM U.S. Large Cap Core Equity (MF) Median	15.41	-0.56	12.98	26.36	-36.91	5.82	14.36	5.16	9.69	26.00
Population	960	1,010	1,079	1,070	1,071	1,070	1,038	1,034	948	861

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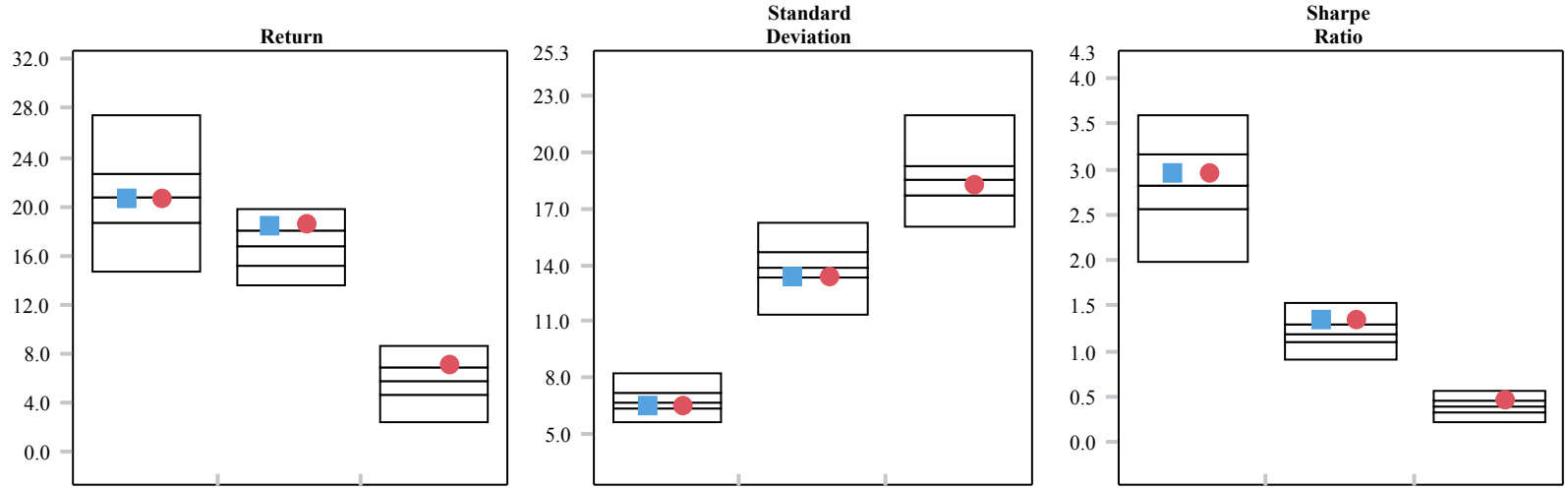
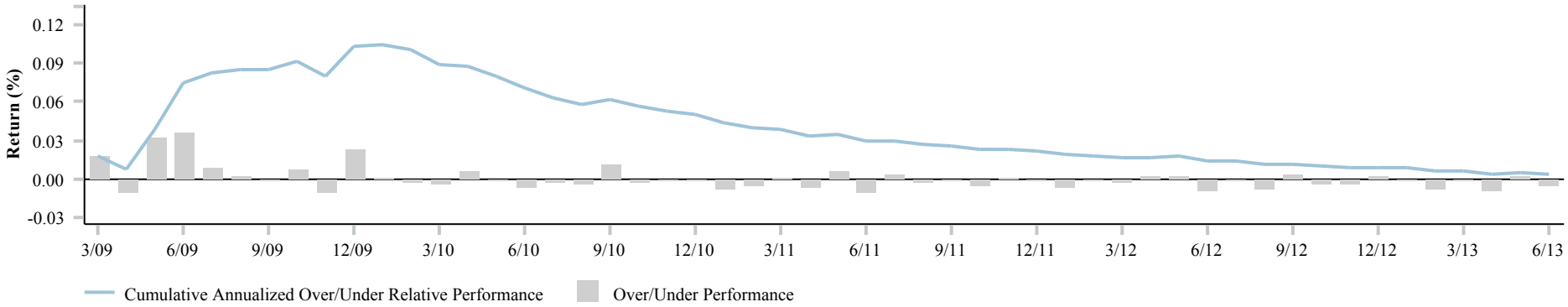
Peer Group Analysis - Multi Statistics vs. IM U.S. Large Cap Core Equity (MF)



	One Year	Three Years	Five Years	One Year	Three Years	Five Years	One Year	Three Years	Five Years
■ Vanguard S&P 500 Index Fund	20.56 (54)	18.42 (20)	N/A	6.46 (69)	13.37 (72)	N/A	2.94 (42)	1.33 (20)	N/A
● S&P 500 Index	20.60 (53)	18.45 (20)	7.01 (22)	6.45 (70)	13.38 (72)	18.26 (60)	2.94 (41)	1.33 (19)	0.45 (24)
Median	20.75	16.69	5.78	6.71	13.86	18.52	2.83	1.18	0.39
Population	932	849	766	932	849	766	932	849	766

Relative Performance vs. S&P 500 Index



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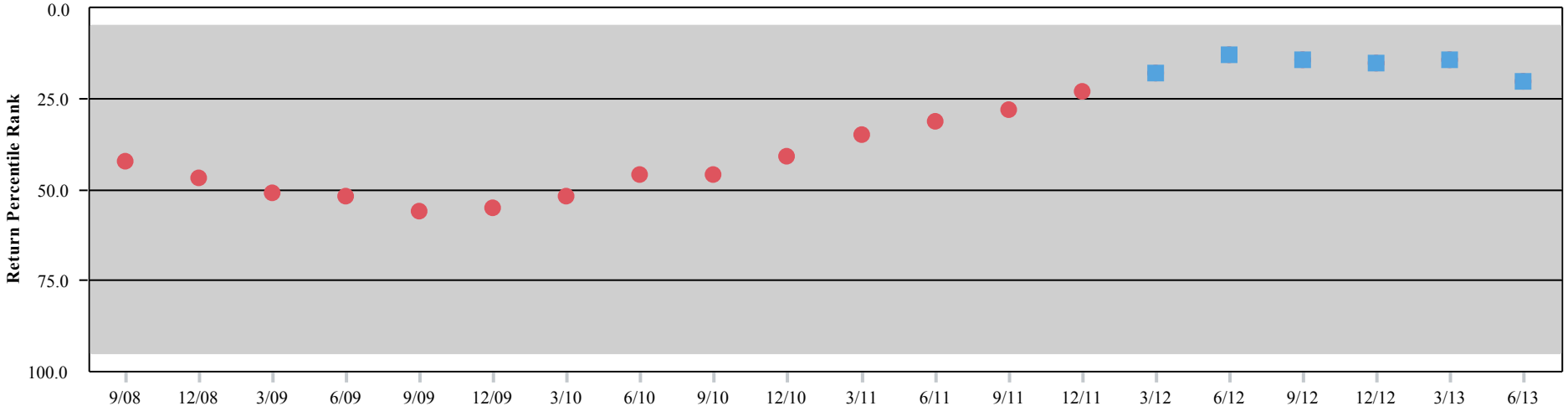
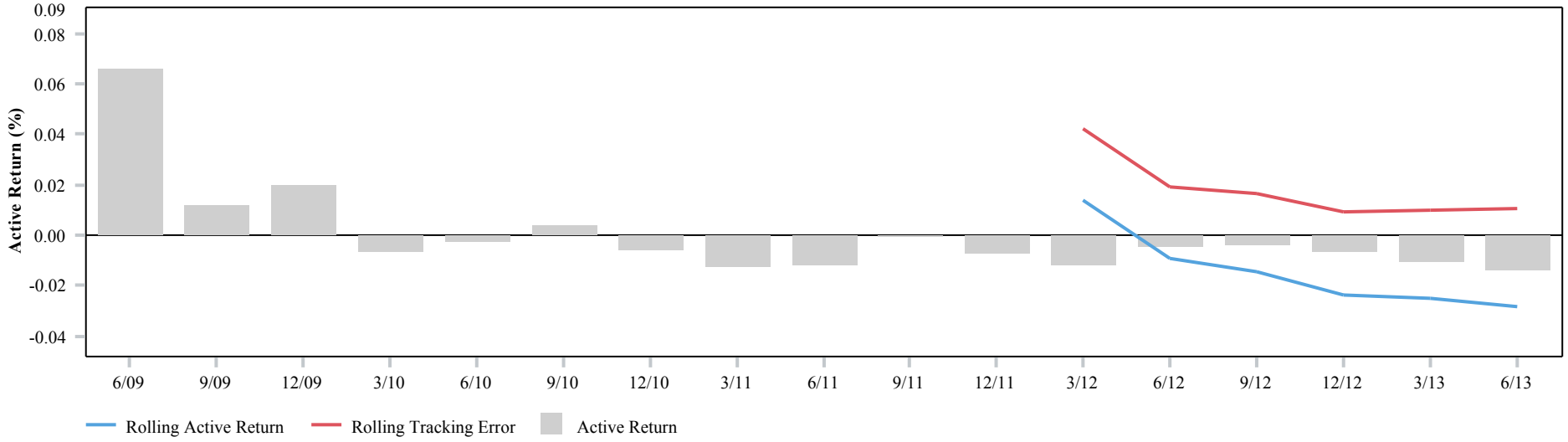
Rolling 3 Year Percentile Ranking vs. IM U.S. Large Cap Core Equity (MF) - 5 Years



	Total Period	First Quartile	Second Quartile	Third Quartile	Fourth Quartile
Vanguard S&P 500 Index Fund	6	6 (100%)	0 (0%)	0 (0%)	0 (0%)
S&P 500 Index	20	7 (35%)	8 (40%)	5 (25%)	0 (0%)

Rolling 3 Year Active Return and Tracking Error vs. S&P 500 Index - Since Inception



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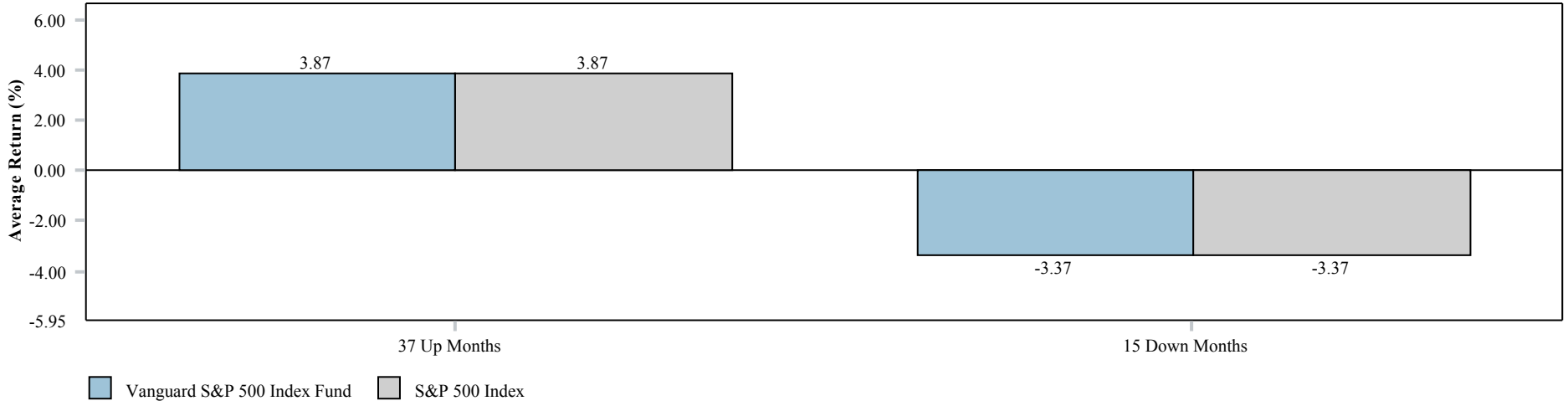
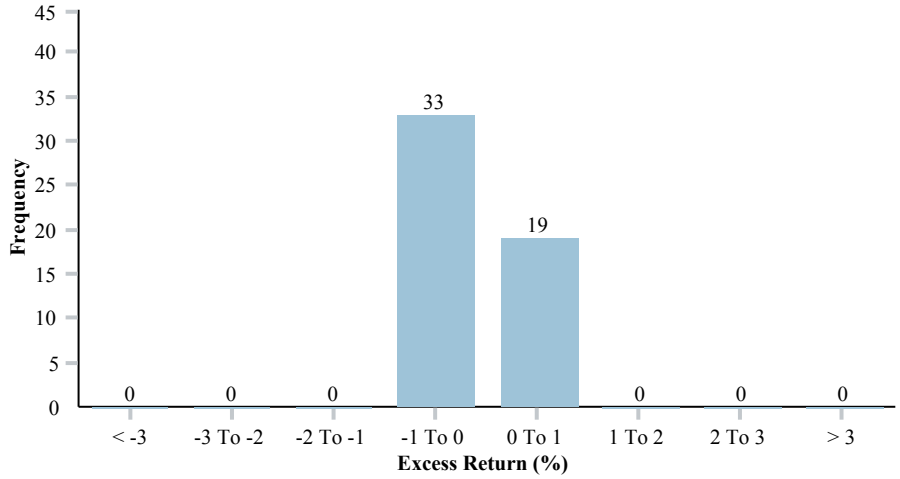
Up/Down Markets vs. S&P 500 Index - Since Inception

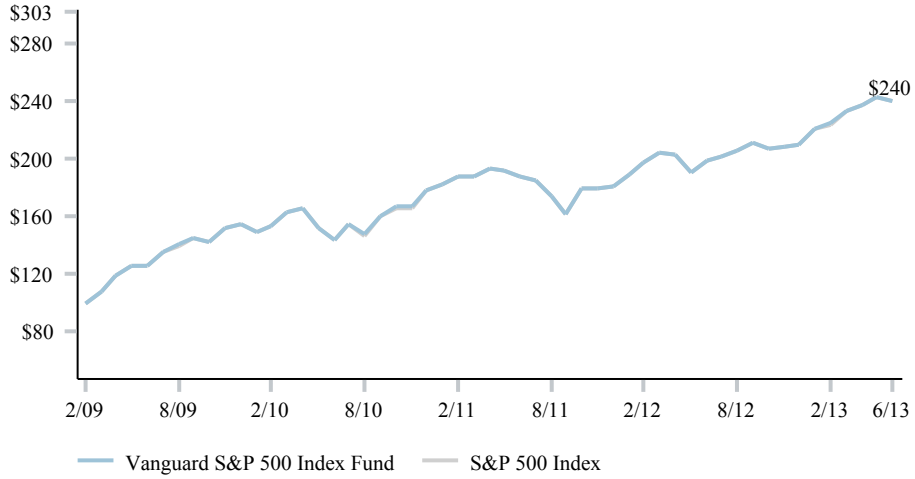
	Full Period Return		Months Benchmark Up(37)				Months Benchmark Down(15)			
			Portfolio Ahead		Portfolio Behind		Portfolio Ahead		Portfolio Behind	
	Portfolio	Benchmark	No. Months	Average Ahead	No. Months	Average Behind	No. Months	Average Ahead	No. Months	Average Behind
Vanguard S&P 500 Index Fund	22.37	22.36	12	0.01	25	0.00	7	0.00	8	0.00



Performance Distribution - Since Inception



Growth of $100 - Since Inception



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Emerald

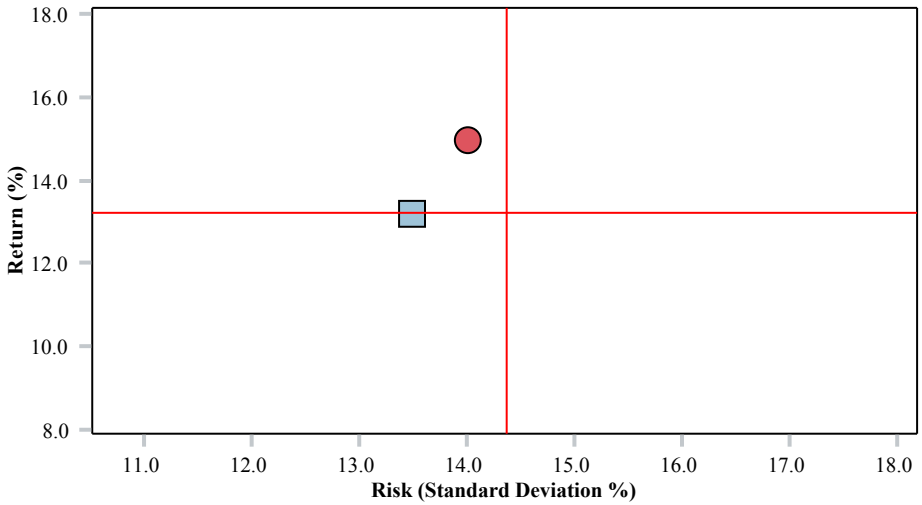
Gain/Loss Summary

	One Quarter	Since Inception	Inception Date
Emerald - LCC			09/01/2009
Beginning Market Value	11,156,190	6,991,685	
Net Contributions	(1,562)	(36,587)	
Gain/Loss	316,770	4,516,300	
Ending Market Value	11,471,398	11,471,398	

Segment Allocation

	Market Value ($)	Allocation (%)
All/Large-Cap Equity	11,395,879	99.34
Cash	75,519	0.66

Risk and Return - Since Inception



	Return	Standard Deviation
Emerald - LCC	13.15	13.51
S&P 500 Index	14.96	14.03
Median	13.23	14.39

Comparative Performance

	One Quarter	Year To Date	One Year	Three Years	Five Years	Seven Years	Ten Years	Since Inception	Inception Date
Emerald - LCC	**2.66 (53)**	**11.71 (80)**	**17.57 (84)**	**17.25 (41)**	**N/A**	**N/A**	**N/A**	**13.15 (53)**	**09/01/2009**
S&P 500 Index	2.91 (44)	13.82 (40)	20.60 (53)	18.45 (20)	7.01 (22)	5.66 (29)	7.30 (31)	14.96 (16)	
IM U.S. Large Cap Core Equity (MF) Median	2.73	13.40	20.75	16.69	5.78	4.93	6.71	13.23	
Population	970	958	932	849	766	661	494	823	

Calendar Year Performance

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Emerald - LCC	**14.35 (64)**	**3.44 (15)**	**10.91 (78)**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
S&P 500 Index	16.00 (40)	2.11 (23)	15.06 (19)	26.46 (50)	-37.00 (52)	5.49 (54)	15.79 (32)	4.91 (54)	10.88 (37)	28.68 (28)
IM U.S. Large Cap Core Equity (MF) Median	15.41	-0.56	12.98	26.36	-36.91	5.82	14.36	5.16	9.69	26.00
Population	960	1,010	1,079	1,070	1,071	1,070	1,038	1,034	948	861

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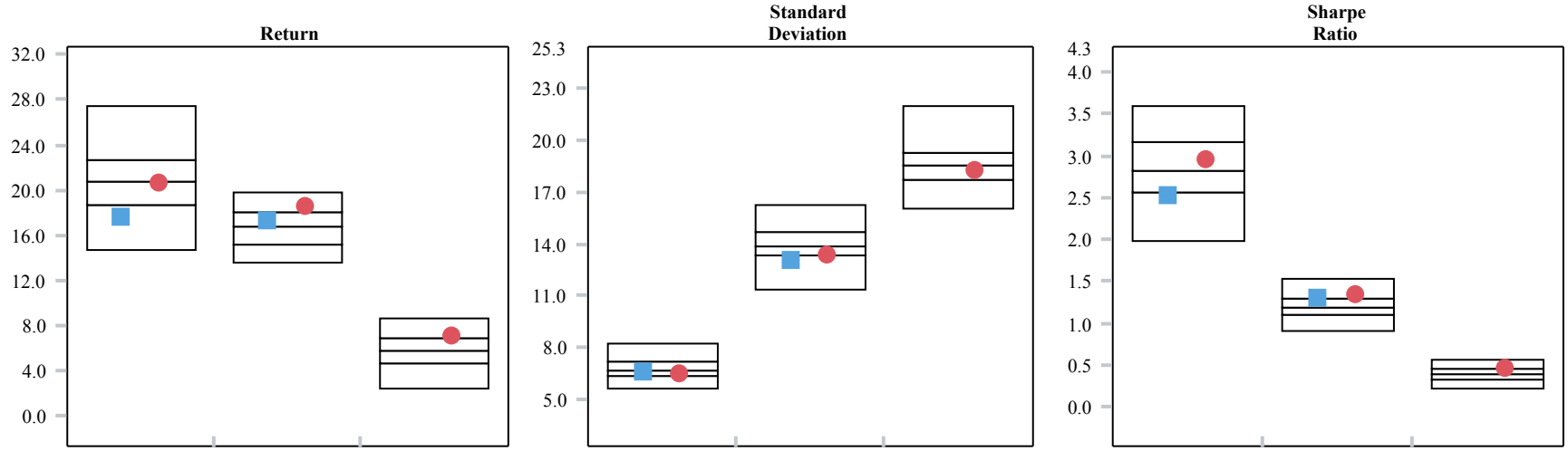
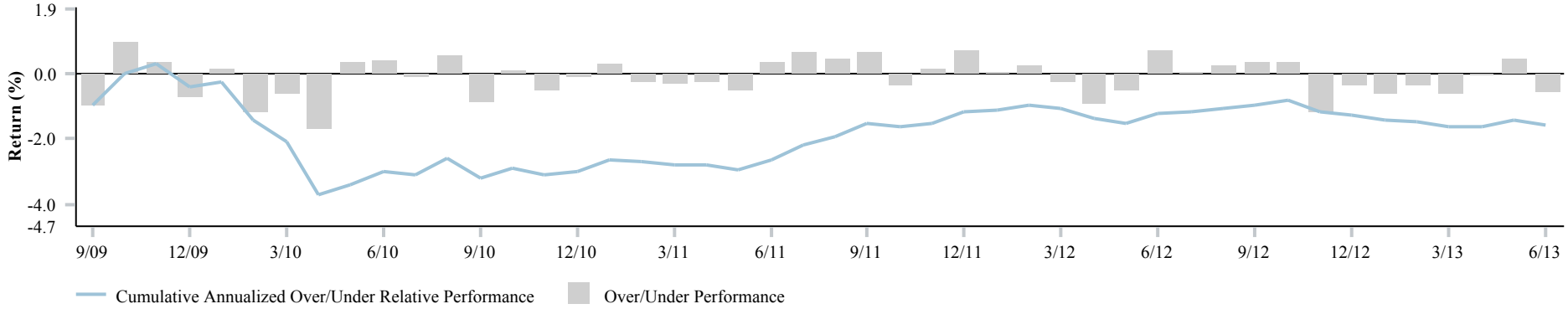
Peer Group Analysis - Multi Statistics vs. IM U.S. Large Cap Core Equity (MF)



	One Year	Three Years	Five Years	One Year	Three Years	Five Years	One Year	Three Years	Five Years
Emerald - LCC	17.57 (84)	17.25 (41)	N/A	6.55 (62)	13.02 (80)	N/A	2.51 (79)	1.29 (28)	N/A
S&P 500 Index	20.60 (53)	18.45 (20)	7.01 (22)	6.45 (70)	13.38 (72)	18.26 (60)	2.94 (41)	1.33 (19)	0.45 (24)
Median	20.75	16.69	5.78	6.71	13.86	18.52	2.83	1.18	0.39
Population	932	849	766	932	849	766	932	849	766

Relative Performance vs. S&P 500 Index



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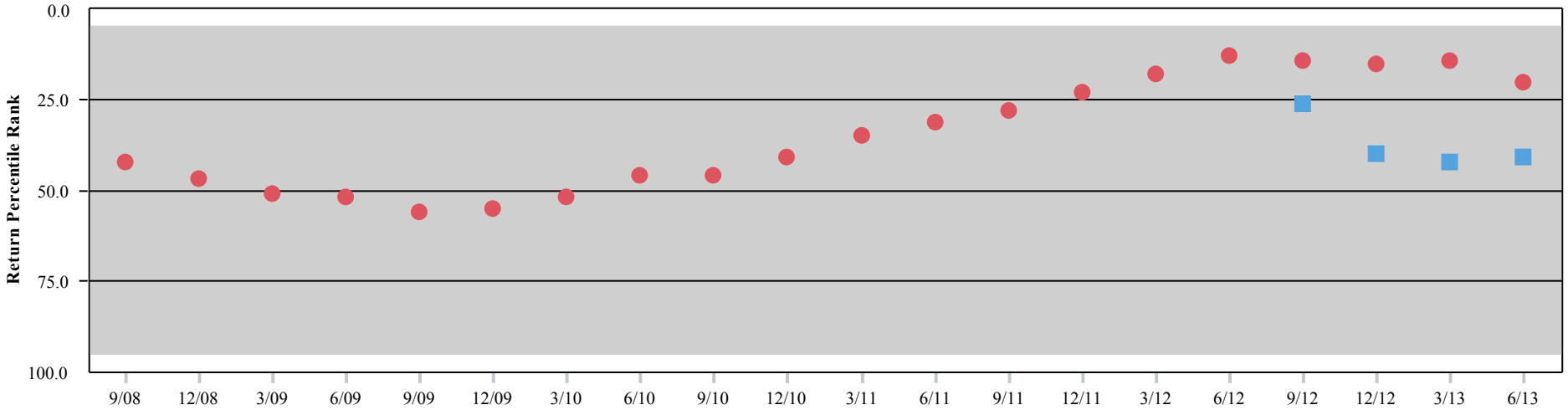
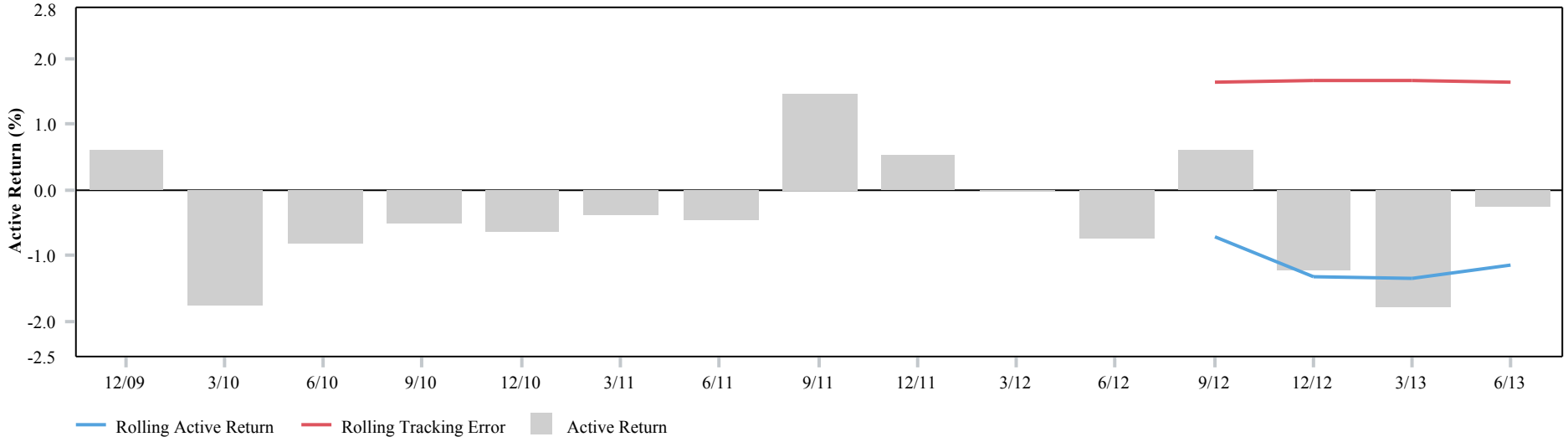
Rolling 3 Year Percentile Ranking vs. IM U.S. Large Cap Core Equity (MF) - 5 Years



	Total Period	First Quartile	Second Quartile	Third Quartile	Fourth Quartile
Emerald - LCC	4	0 (0%)	4 (100%)	0 (0%)	0 (0%)
S&P 500 Index	20	7 (35%)	8 (40%)	5 (25%)	0 (0%)

Rolling 3 Year Active Return and Tracking Error vs. S&P 500 Index - Since Inception



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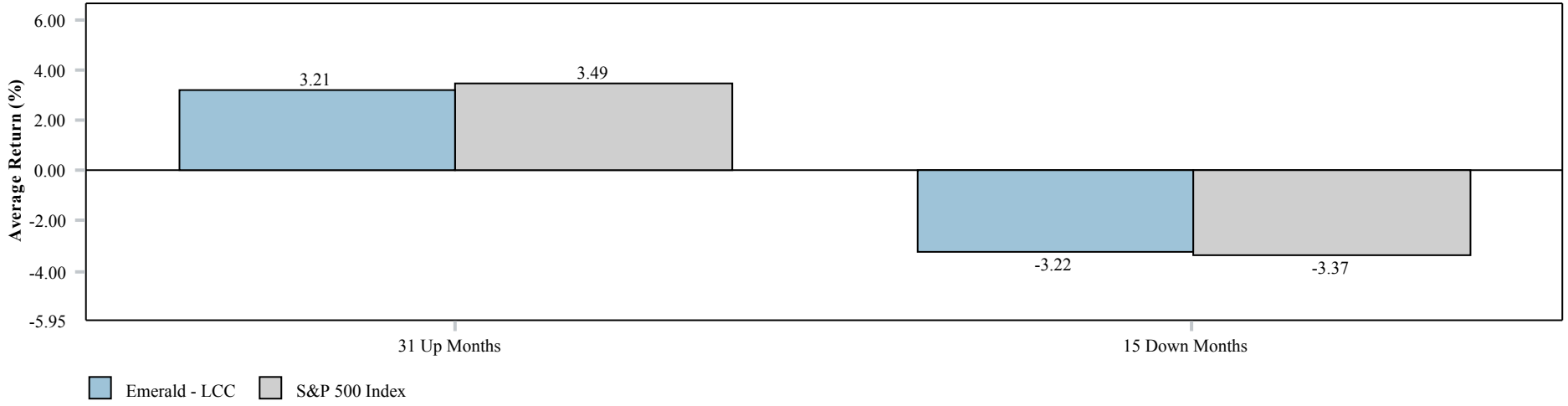
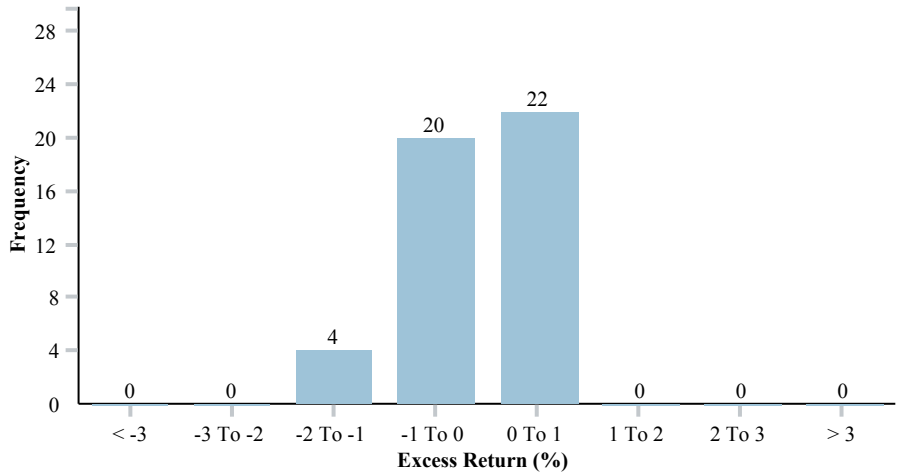
Up/Down Markets vs. S&P 500 Index - Since Inception

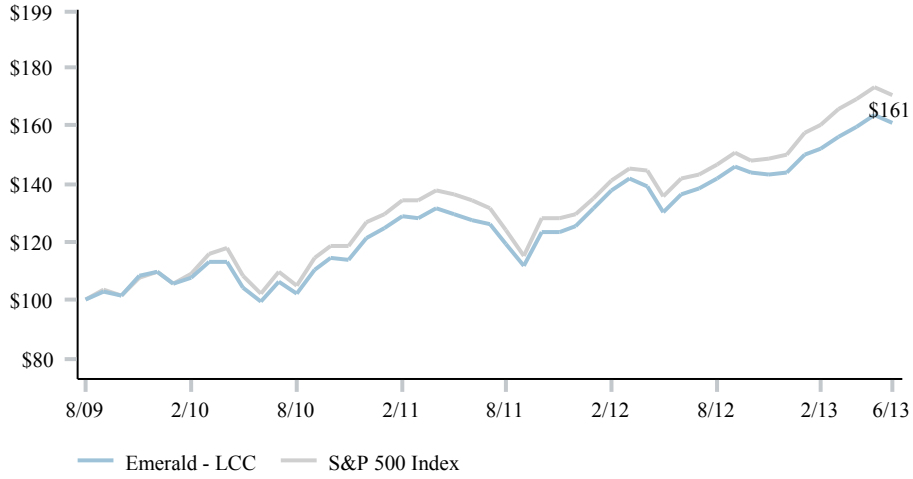
	Full Period Return		Months Benchmark Up(31)				Months Benchmark Down(15)			
			Portfolio Ahead		Portfolio Behind		Portfolio Ahead		Portfolio Behind	
	Portfolio	Benchmark	No. Months	Average Ahead	No. Months	Average Behind	No. Months	Average Ahead	No. Months	Average Behind
Emerald - LCC	13.15	14.96	11	0.32	20	-0.60	11	0.42	4	-0.62



Performance Distribution - Since Inception



Growth of $100 - Since Inception



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Emerald

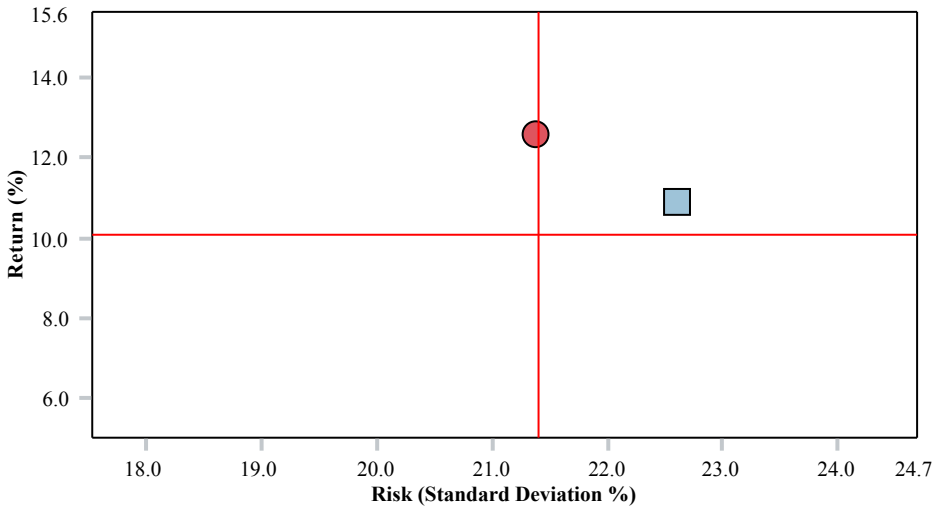
Gain/Loss Summary

	One Quarter	Since Inception	Inception Date
Emerald - MCG			10/01/2008
Beginning Market Value	9,065,186	5,379,293	
Net Contributions	(4,302,608)	(4,161,448)	
Gain/Loss	168,080	3,712,814	
Ending Market Value	4,930,658	4,930,658	

Segment Allocation

	Market Value ($)	Allocation (%)
Small/Mid-Cap Equity	4,803,648	97.42
Cash	127,010	2.58

Risk and Return - Since Inception



	Return	Standard Deviation
Emerald - MCG	10.88	22.62
Russell Midcap Growth Index	12.56	21.39
Median	10.07	21.40

Comparative Performance

	One Quarter	Year To Date	One Year	Three Years	Five Years	Seven Years	Ten Years	Since Inception	Inception Date
Emerald - MCG	**3.45 (14)**	**16.85 (6)**	**23.32 (11)**	**18.96 (12)**	**N/A**	**N/A**	**N/A**	**10.88 (34)**	**10/01/2008**
Russell Midcap Growth Index	2.87 (29)	14.70 (26)	22.88 (14)	19.53 (6)	7.61 (19)	7.10 (26)	9.94 (22)	12.56 (10)	
IM U.S. Mid Cap Growth Equity (MF) Median	1.87	12.85	19.00	16.63	5.62	6.02	8.63	10.07	
Population	300	294	290	265	240	215	176	242	

Calendar Year Performance

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Emerald - MCG	**14.68 (39)**	**-4.93 (48)**	**27.23 (43)**	**36.46 (67)**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Russell Midcap Growth Index	15.81 (23)	-1.65 (23)	26.38 (53)	46.29 (27)	-44.32 (42)	11.43 (74)	10.66 (25)	12.10 (33)	15.48 (30)	42.71 (15)
IM U.S. Mid Cap Growth Equity (MF) Median	13.33	-5.15	26.62	41.06	-45.41	15.91	7.83	10.50	12.62	33.87
Population	306	328	345	378	464	477	483	453	413	371

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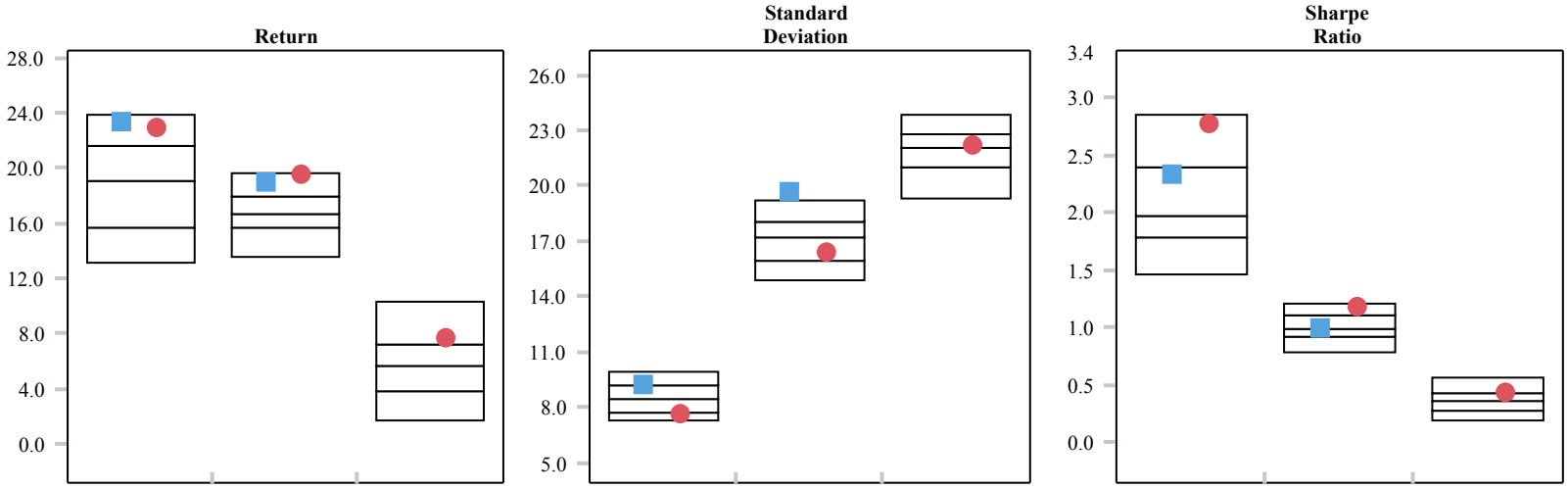
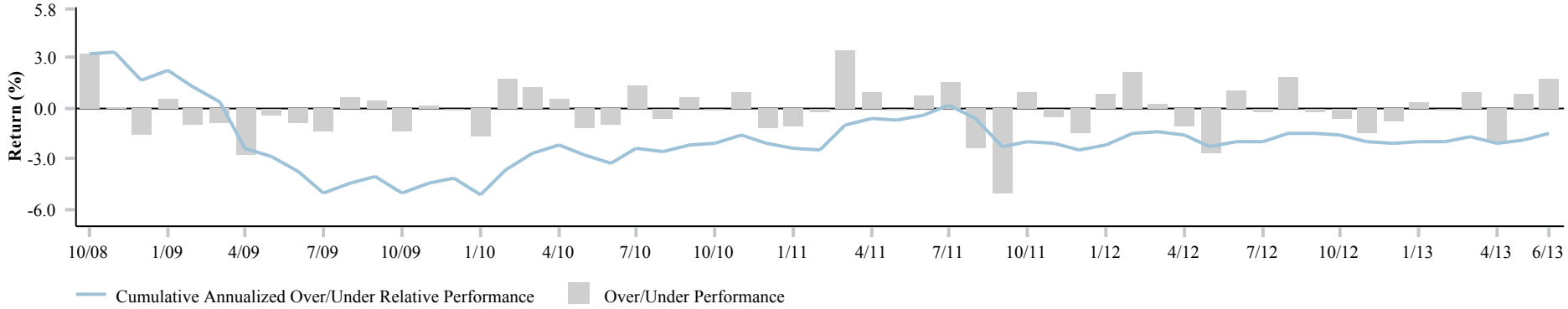
Peer Group Analysis - Multi Statistics vs. IM U.S. Mid Cap Growth Equity (MF)



	Return One Year	Return Three Years	Return Five Years	Standard Deviation One Year	Standard Deviation Three Years	Standard Deviation Five Years	Sharpe Ratio One Year	Sharpe Ratio Three Years	Sharpe Ratio Five Years
Emerald - MCG	23.32 (11)	18.96 (12)	N/A	9.21 (25)	19.61 (5)	N/A	2.33 (32)	0.99 (52)	N/A
Russell Midcap Growth Index	22.88 (14)	19.53 (6)	7.61 (19)	7.59 (84)	16.31 (72)	22.19 (48)	2.77 (10)	1.18 (10)	0.43 (22)
Median	19.00	16.63	5.62	8.45	17.22	22.08	1.97	0.99	0.35
Population	290	265	240	290	265	240	290	265	240

Relative Performance vs. Russell Midcap Growth Index



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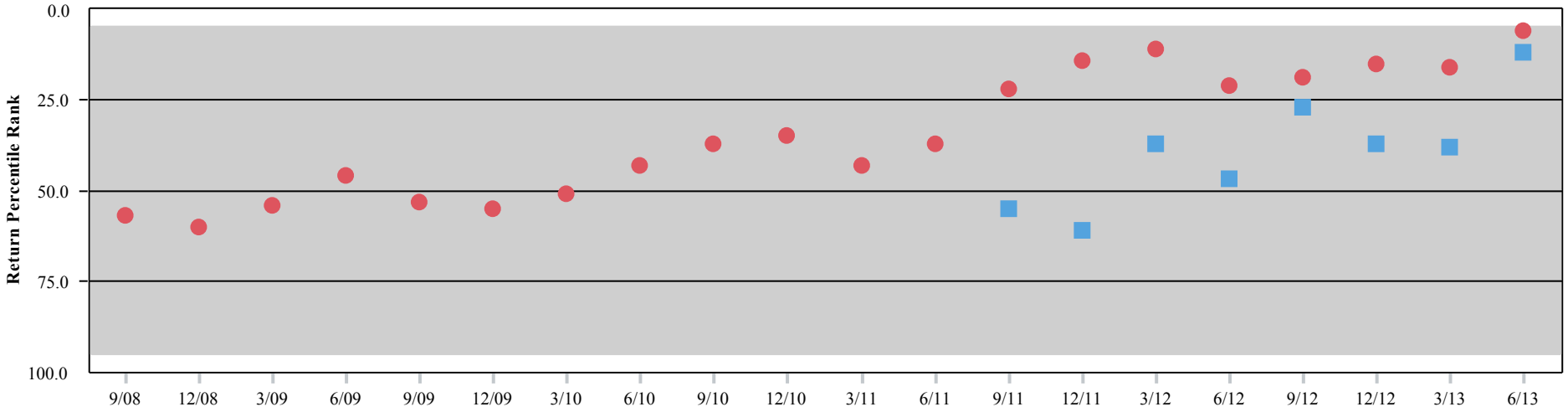
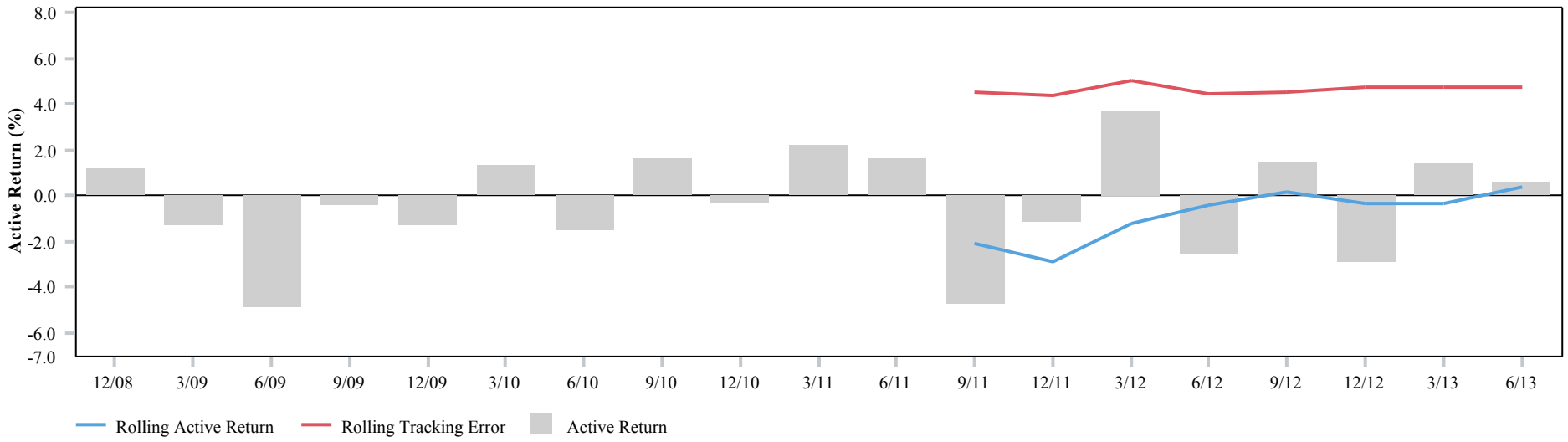
Rolling 3 Year Percentile Ranking vs. IM U.S. Mid Cap Growth Equity (MF) - 5 Years



	Total Period	First Quartile	Second Quartile	Third Quartile	Fourth Quartile
Emerald - MCG	8	1 (13%)	5 (63%)	2 (25%)	0 (0%)
Russell Midcap Growth Index	20	8 (40%)	6 (30%)	6 (30%)	0 (0%)

Rolling 3 Year Active Return and Tracking Error vs. Russell Midcap Growth Index - Since Inception



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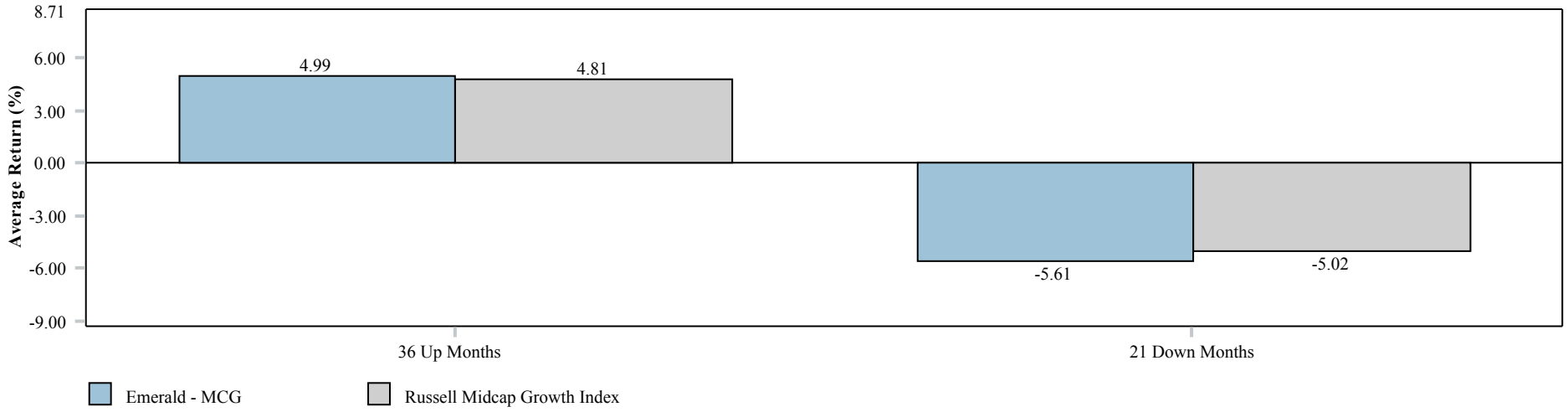
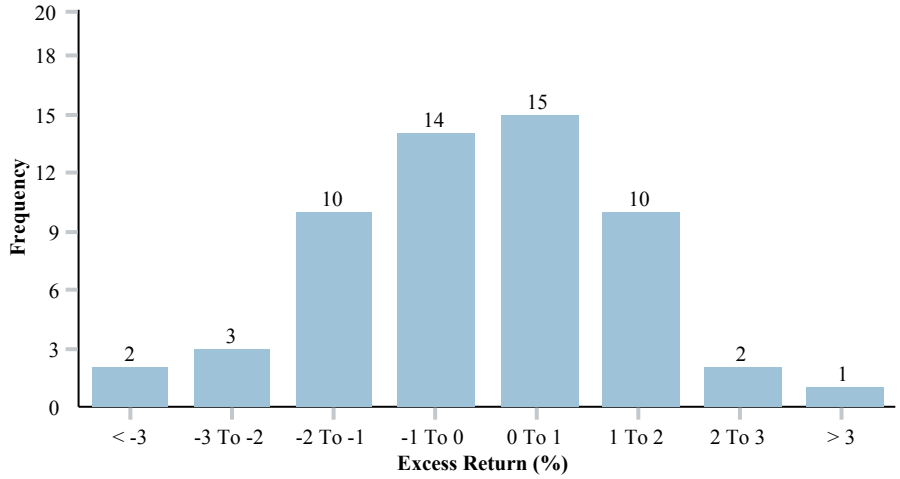
Up/Down Markets vs. Russell Midcap Growth Index - Since Inception

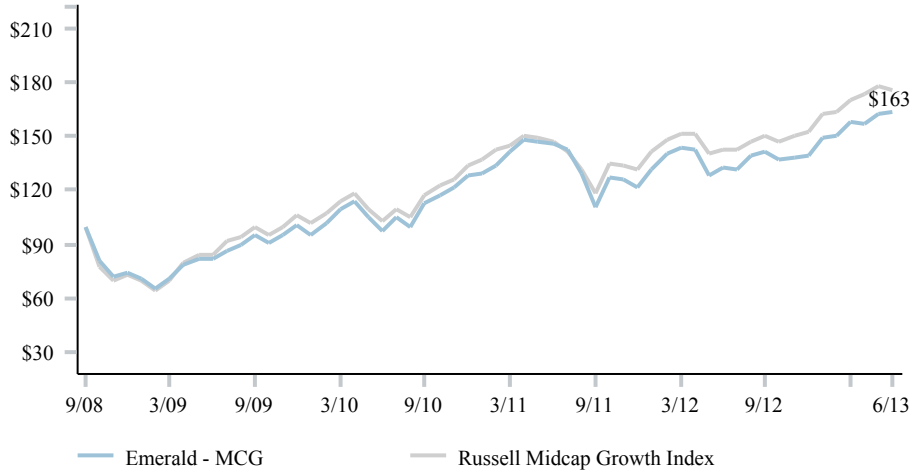
	Full Period Return		Months Benchmark Up(36)				Months Benchmark Down(21)			
			Portfolio Ahead		Portfolio Behind		Portfolio Ahead		Portfolio Behind	
	Portfolio	Benchmark	No. Months	Average Ahead	No. Months	Average Behind	No. Months	Average Ahead	No. Months	Average Behind
Emerald - MCG	10.88	12.56	22	1.02	14	-1.14	6	1.18	15	-1.31



Performance Distribution - Since Inception



Growth of $100 - Since Inception



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Victory

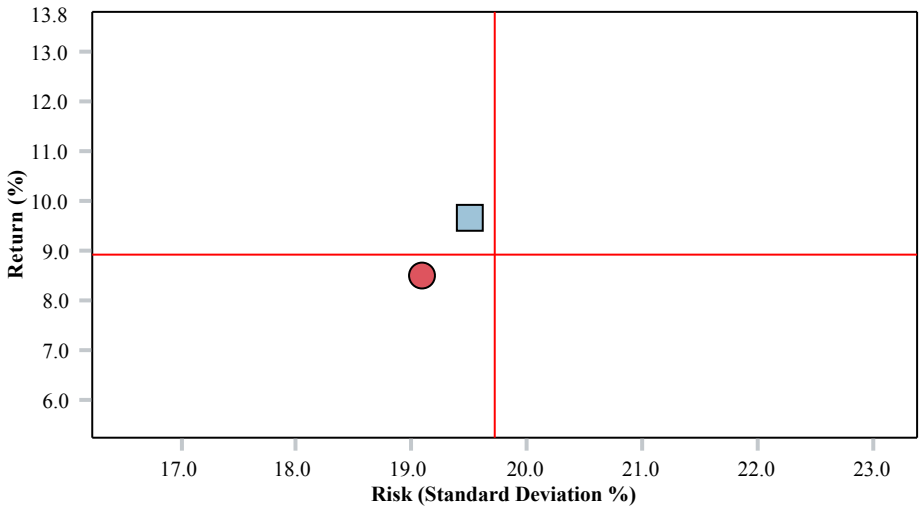
Gain/Loss Summary

	One Quarter	Since Inception	Inception Date
Victory			08/01/1998
Beginning Market Value	19,016,927	21,387,622	
Net Contributions	(5,780)	(24,362,111)	
Gain/Loss	223,670	22,209,305	
Ending Market Value	19,234,816	19,234,816	

Segment Allocation

	Market Value ($)	Allocation (%)
Small/Mid-Cap Equity	18,457,049	95.96
Cash	777,767	4.04

Risk and Return - Since Inception



	Return	Standard Deviation
Victory	9.66	19.51
Russell 2000 Value Index	8.48	19.10
Median	8.91	19.73

Comparative Performance

	One Quarter	Year To Date	One Year	Three Years	Five Years	Seven Years	Ten Years	Since Inception	Inception Date
Victory	**0.98 (93)**	**12.28 (92)**	**19.66 (92)**	**16.90 (64)**	**9.14 (49)**	**7.38 (9)**	**10.85 (14)**	**9.66 (35)**	**08/01/1998**
Russell 2000 Value Index	2.47 (73)	14.39 (74)	24.77 (60)	17.33 (59)	8.59 (62)	4.64 (63)	9.30 (62)	8.48 (70)	
IM U.S. Small Cap Value Equity (MF) Median	3.35	16.15	25.71	17.71	9.01	5.23	9.63	8.91	
Population	215	212	203	146	127	112	75	32	

Calendar Year Performance

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Victory	**13.00 (78)**	**2.00 (2)**	**22.17 (86)**	**33.95 (31)**	**-27.86 (13)**	**-3.37 (21)**	**22.29 (6)**	**5.95 (54)**	**24.95 (8)**	**31.86 (100)**
Russell 2000 Value Index	18.05 (35)	-5.50 (61)	24.50 (66)	20.58 (81)	-28.92 (19)	-9.78 (69)	23.48 (5)	4.71 (68)	22.25 (34)	46.03 (35)
IM U.S. Small Cap Value Equity (MF) Median	16.56	-4.61	25.50	28.98	-32.03	-6.97	17.17	6.02	20.06	43.05
Population	193	169	171	198	220	218	197	180	146	127

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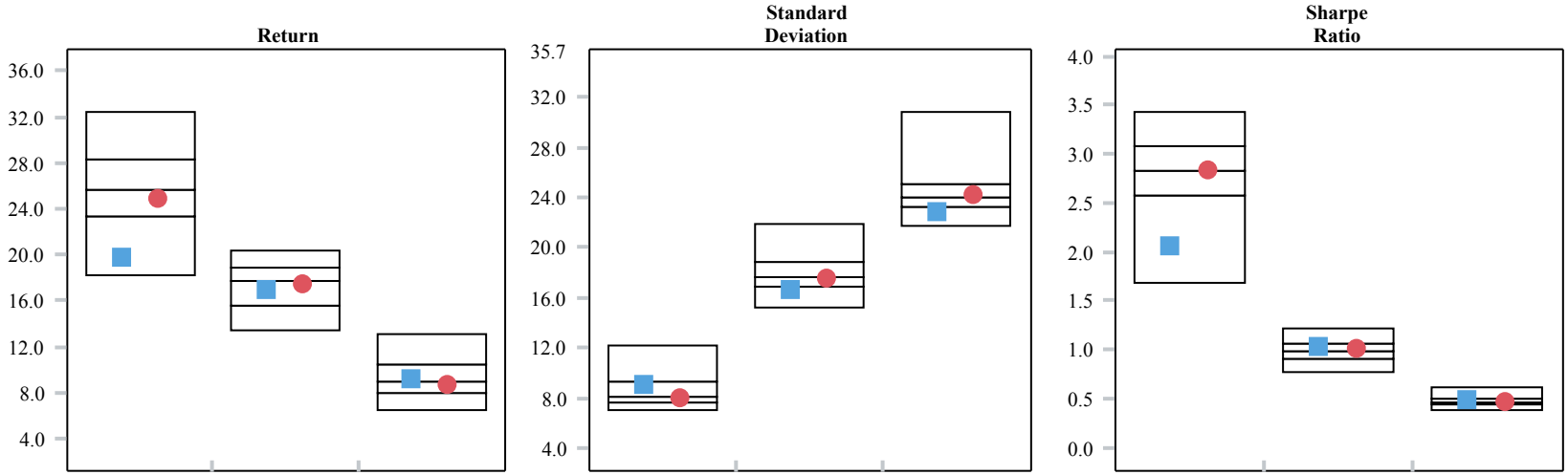
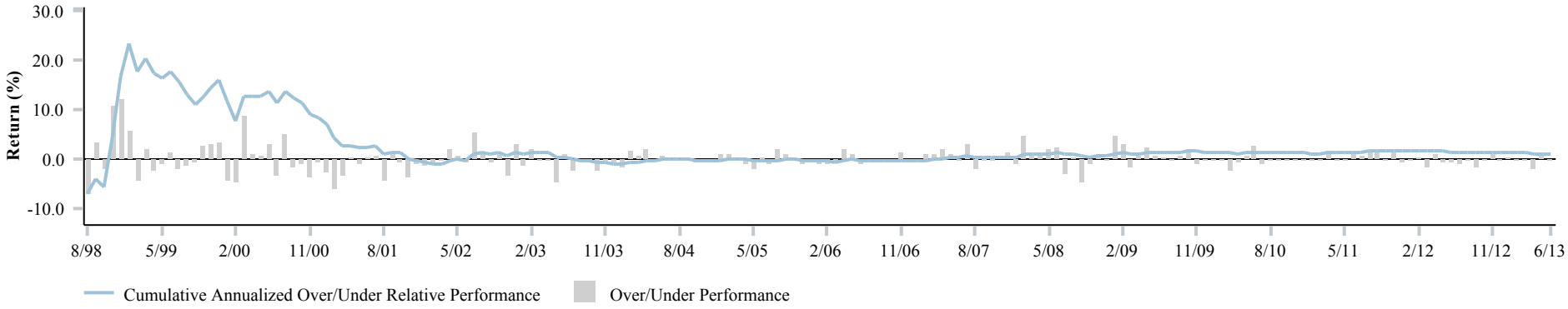
Peer Group Analysis - Multi Statistics vs. IM U.S. Small Cap Value Equity (MF)



	Return			Standard Deviation			Sharpe Ratio		
	One Year	Three Years	Five Years	One Year	Three Years	Five Years	One Year	Three Years	Five Years
Victory	19.66 (92)	16.90 (64)	9.14 (49)	8.95 (35)	16.64 (82)	22.81 (82)	2.05 (90)	1.02 (40)	0.49 (38)
Russell 2000 Value Index	24.77 (60)	17.33 (59)	8.59 (62)	7.95 (54)	17.50 (59)	24.11 (49)	2.84 (47)	1.00 (47)	0.46 (60)
Median	25.71	17.71	9.01	8.11	17.69	24.04	2.83	0.99	0.47
Population	203	146	127	203	146	127	203	146	127

Relative Performance vs. Russell 2000 Value Index



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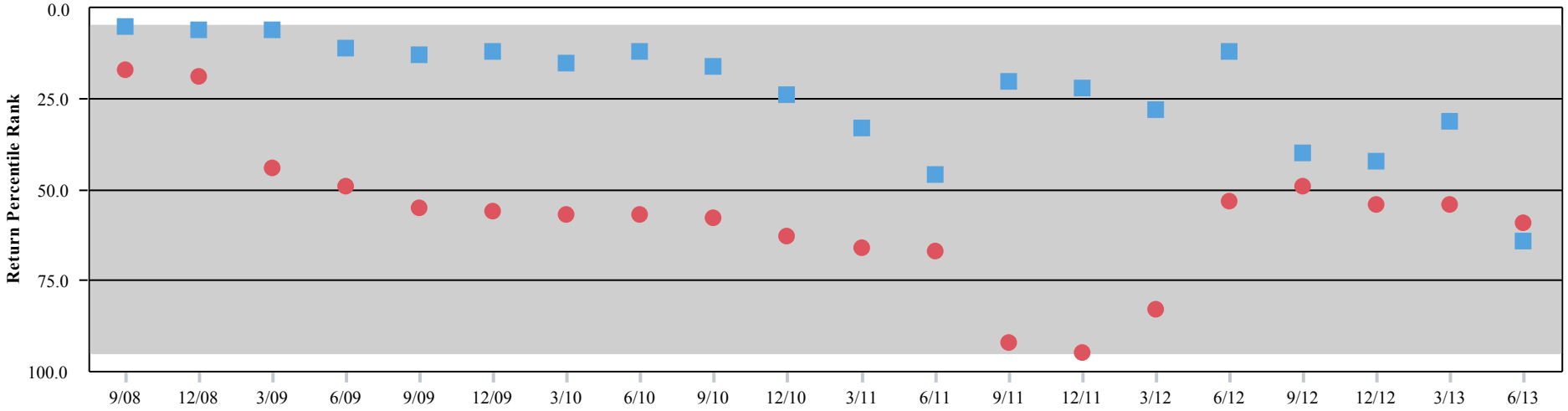
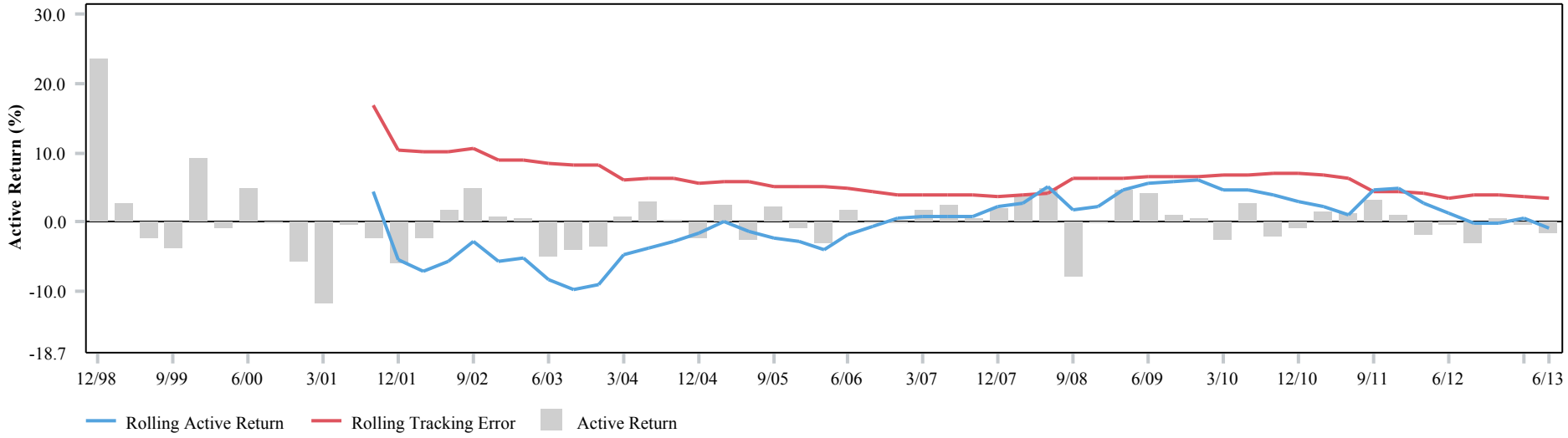
Rolling 3 Year Percentile Ranking vs. IM U.S. Small Cap Value Equity (MF) - 5 Years



	Total Period	First Quartile	Second Quartile	Third Quartile	Fourth Quartile
Victory	20	13 (65%)	6 (30%)	1 (5%)	0 (0%)
Russell 2000 Value Index	20	2 (10%)	3 (15%)	12 (60%)	3 (15%)

Rolling 3 Year Active Return and Tracking Error vs. Russell 2000 Value Index - Since Inception



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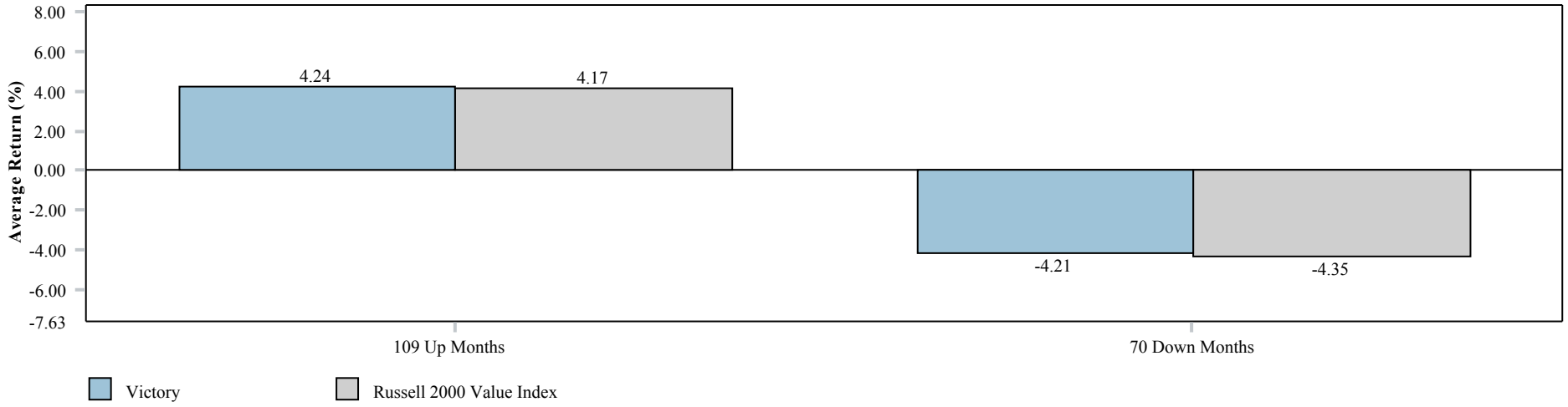
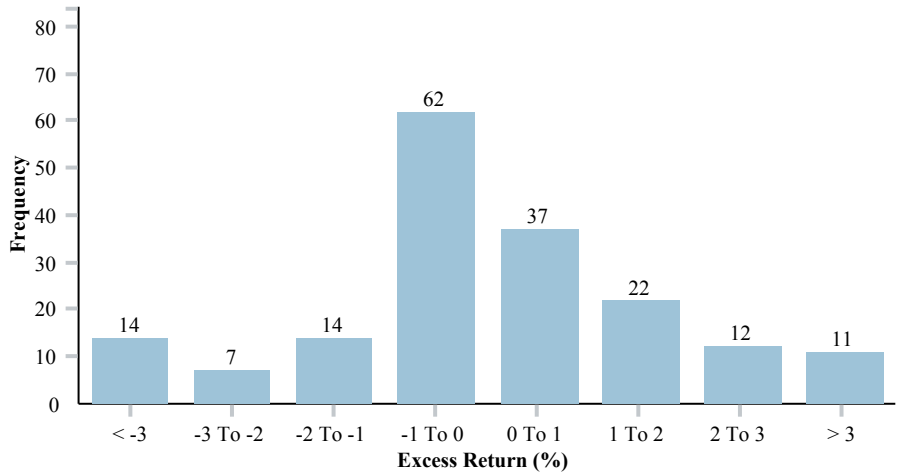
Up/Down Markets vs. Russell 2000 Value Index - Since Inception

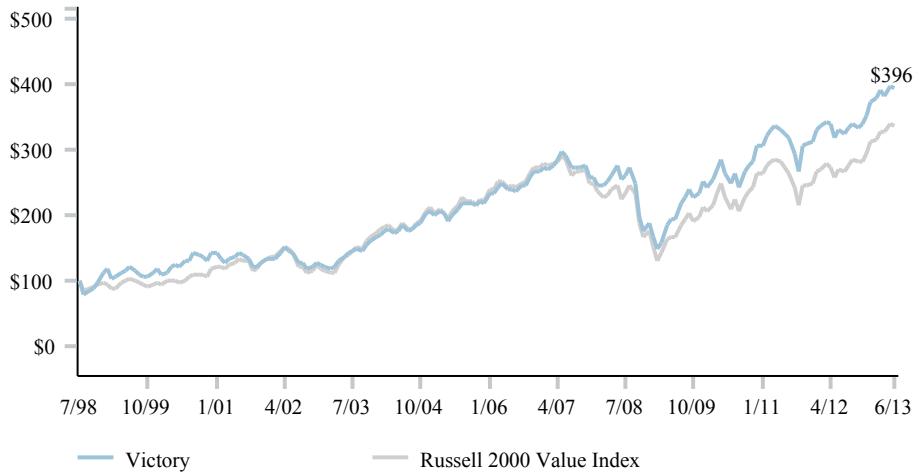
	Full Period Return		Months Benchmark Up(109)				Months Benchmark Down(70)			
			Portfolio Ahead		Portfolio Behind		Portfolio Ahead		Portfolio Behind	
	Portfolio	Benchmark	No. Months	Average Ahead	No. Months	Average Behind	No. Months	Average Ahead	No. Months	Average Behind
Victory	9.66	8.48	42	1.96	67	-1.12	40	1.60	30	-1.80



Performance Distribution - Since Inception



Growth of $100 - Since Inception



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Emerald

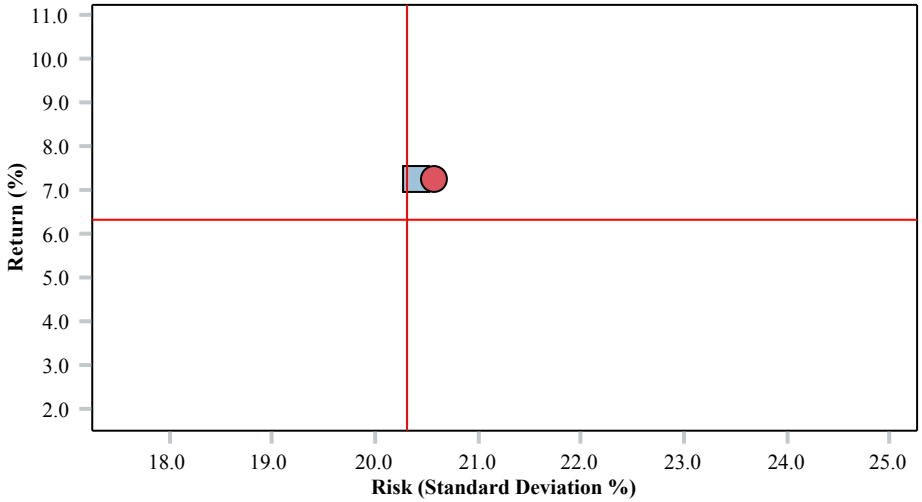
Gain/Loss Summary

	One Quarter	Since Inception	Inception Date
Emerald - SCG			03/01/2004
Beginning Market Value	9,442,085	10,033,068	
Net Contributions	(4,882)	(6,098,053)	
Gain/Loss	524,049	6,026,237	
Ending Market Value	9,961,252	9,961,252	

Segment Allocation

	Market Value ($)	Allocation (%)
Small/Mid-Cap Equity	9,698,807	97.37
Cash	262,445	2.63

Risk and Return - Since Inception



	Return	Standard Deviation
Emerald - SCG	7.26	20.41
Russell 2000 Growth Index	7.22	20.58
Median	6.31	20.32

Comparative Performance

	One Quarter	Year To Date	One Year	Three Years	Five Years	Seven Years	Ten Years	Since Inception	Inception Date
Emerald - SCG	**5.35 (29)**	**20.24 (16)**	**26.93 (15)**	**22.62 (10)**	**10.85 (16)**	**6.52 (30)**	**N/A**	**7.26 (29)**	**03/01/2004**
Russell 2000 Growth Index	3.74 (56)	17.44 (48)	23.67 (49)	19.97 (47)	8.89 (49)	6.89 (27)	9.62 (32)	7.22 (30)	
IM U.S. Small Cap Growth Equity (MF) Median	3.98	17.04	23.50	19.75	8.73	5.34	8.88	6.31	
Population	241	240	228	190	167	130	99	109	

Calendar Year Performance

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Emerald - SCG	**17.53 (7)**	**-1.54 (35)**	**28.62 (38)**	**34.16 (48)**	**-37.58 (13)**	**2.37 (73)**	**12.47 (31)**	**8.74 (17)**	**N/A**	**N/A**
Russell 2000 Growth Index	14.59 (32)	-2.91 (43)	29.09 (36)	34.47 (46)	-38.54 (19)	7.05 (52)	13.35 (26)	4.15 (60)	14.31 (31)	48.54 (27)
IM U.S. Small Cap Growth Equity (MF) Median	12.95	-3.63	27.50	33.15	-42.50	7.47	9.64	4.91	11.41	44.33
Population	243	259	253	287	366	373	377	388	339	303

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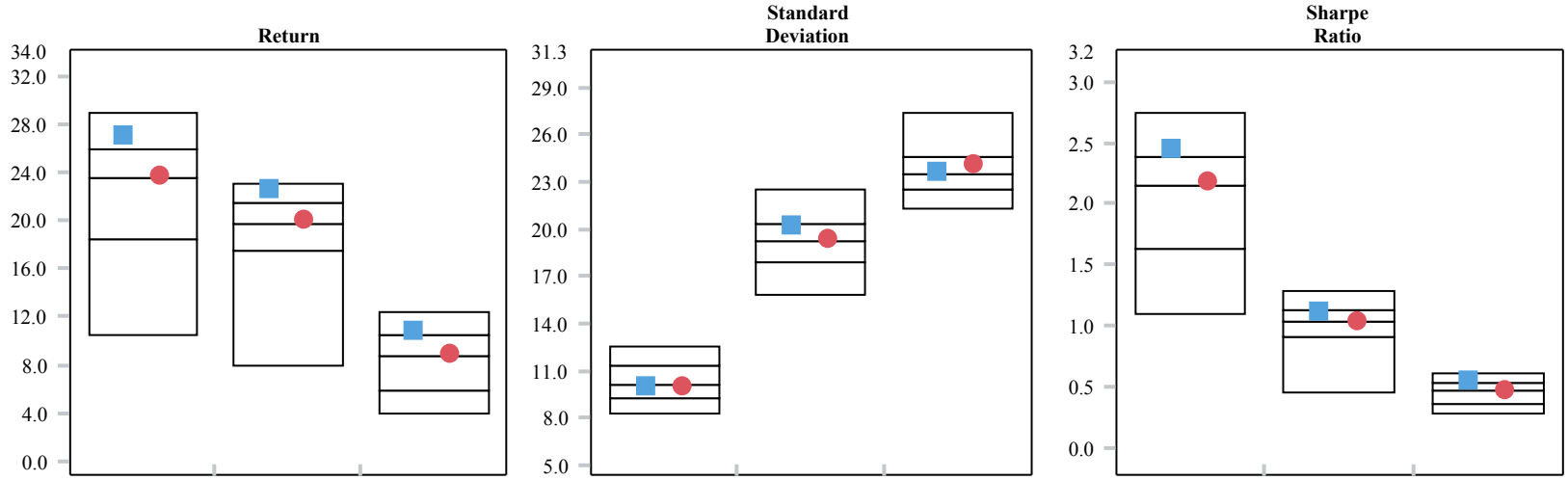
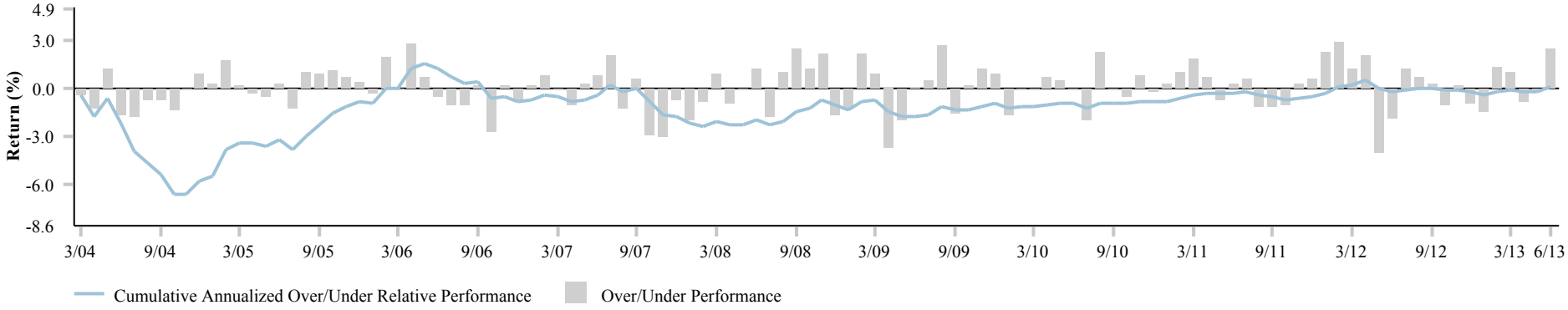
Peer Group Analysis - Multi Statistics vs. IM U.S. Small Cap Growth Equity (MF)



	Return One Year	Return Three Years	Return Five Years	Standard Deviation One Year	Standard Deviation Three Years	Standard Deviation Five Years	Sharpe Ratio One Year	Sharpe Ratio Three Years	Sharpe Ratio Five Years
Emerald - SCG	26.93 (15)	22.62 (10)	10.85 (16)	10.04 (52)	20.22 (29)	23.62 (48)	2.44 (21)	1.11 (28)	0.55 (21)
Russell 2000 Growth Index	23.67 (49)	19.97 (47)	8.89 (49)	10.02 (52)	19.37 (44)	24.08 (40)	2.18 (47)	1.04 (50)	0.47 (51)
Median	23.50	19.75	8.73	10.13	19.20	23.51	2.15	1.04	0.47
Population	228	190	167	228	190	167	228	190	167

Relative Performance vs. Russell 2000 Growth Index



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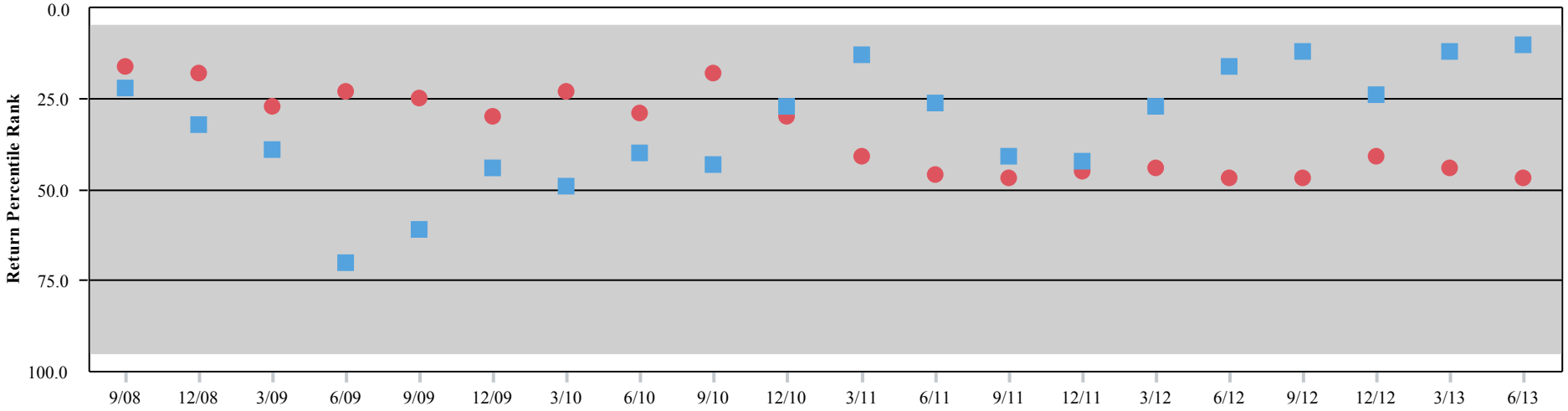
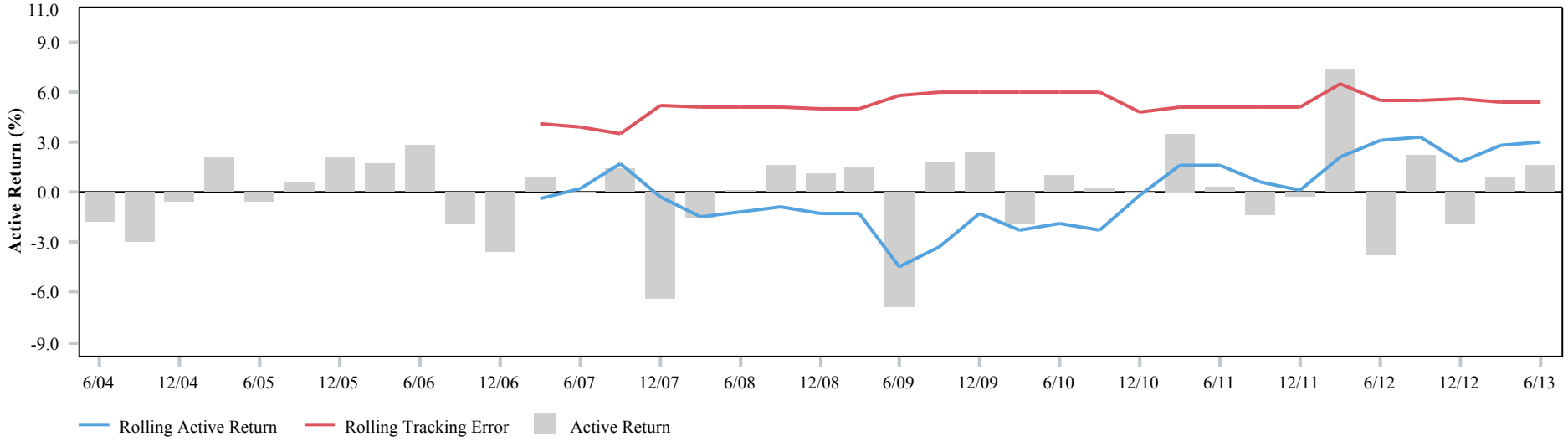
Rolling 3 Year Percentile Ranking vs. IM U.S. Small Cap Growth Equity (MF) - 5 Years



	Total Period	First Quartile	Second Quartile	Third Quartile	Fourth Quartile
Emerald - SCG	20	7 (35%)	11 (55%)	2 (10%)	0 (0%)
Russell 2000 Growth Index	20	6 (30%)	14 (70%)	0 (0%)	0 (0%)

Rolling 3 Year Active Return and Tracking Error vs. Russell 2000 Growth Index - Since Inception



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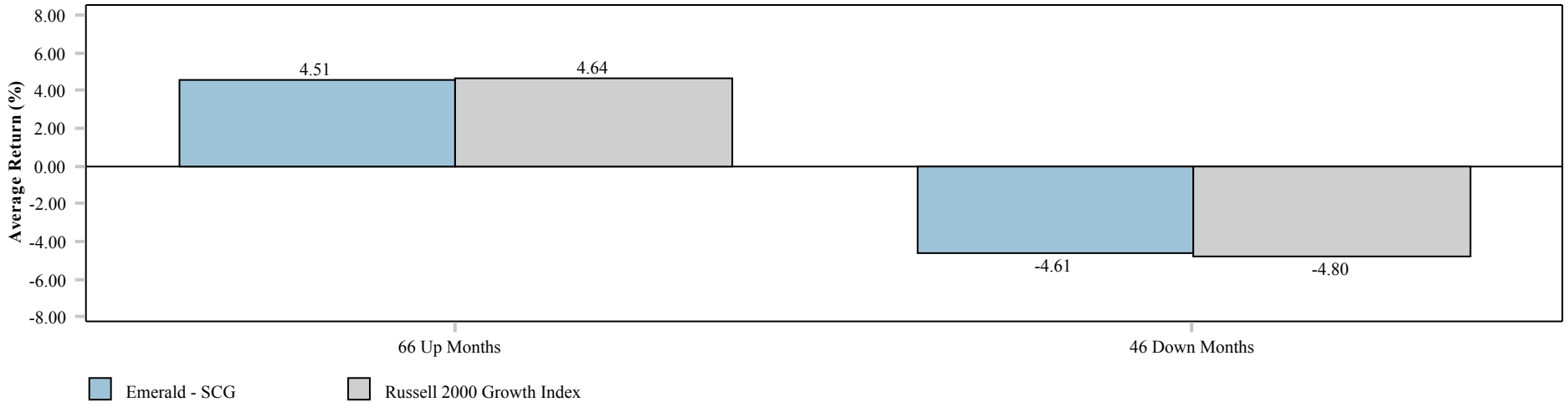
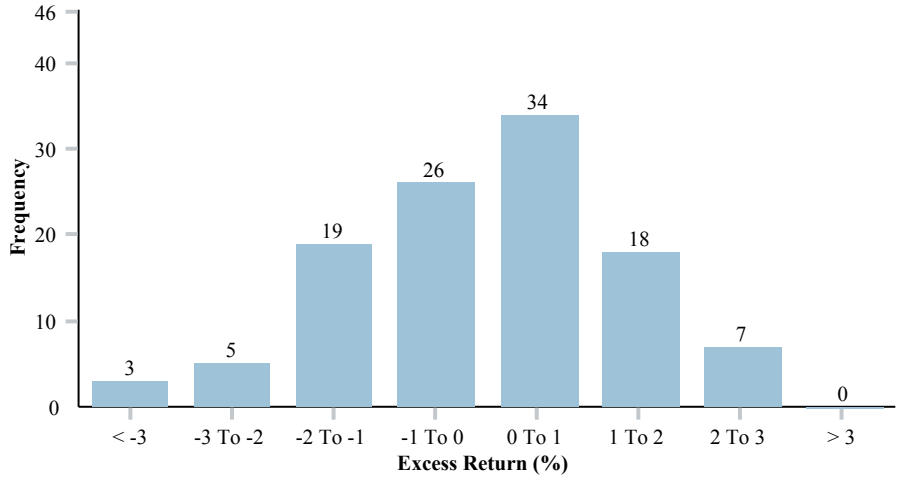
Up/Down Markets vs. Russell 2000 Growth Index - Since Inception

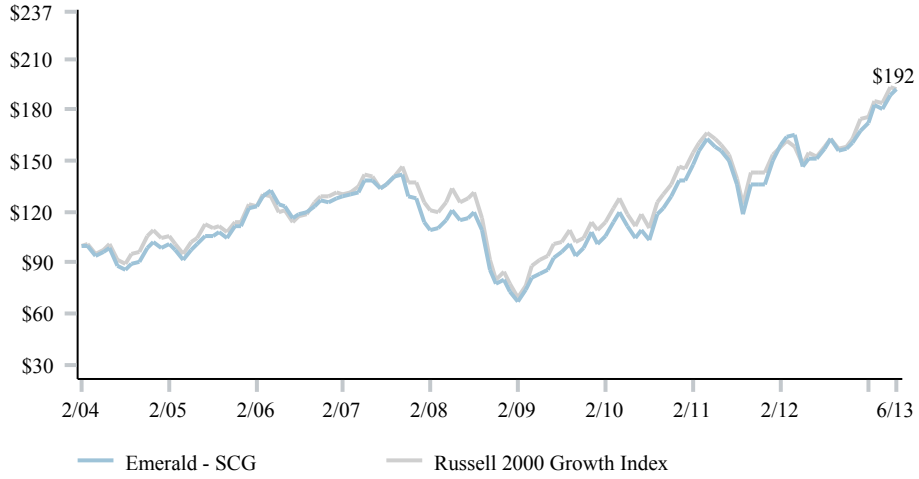
	Full Period Return		Months Benchmark Up(66)				Months Benchmark Down(46)			
			Portfolio Ahead		Portfolio Behind		Portfolio Ahead		Portfolio Behind	
	Portfolio	Benchmark	No. Months	Average Ahead	No. Months	Average Behind	No. Months	Average Ahead	No. Months	Average Behind
Emerald - SCG	7.26	7.22	31	0.98	35	-1.11	28	1.11	18	-1.24



Performance Distribution - Since Inception



Growth of $100 - Since Inception



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CS McKee

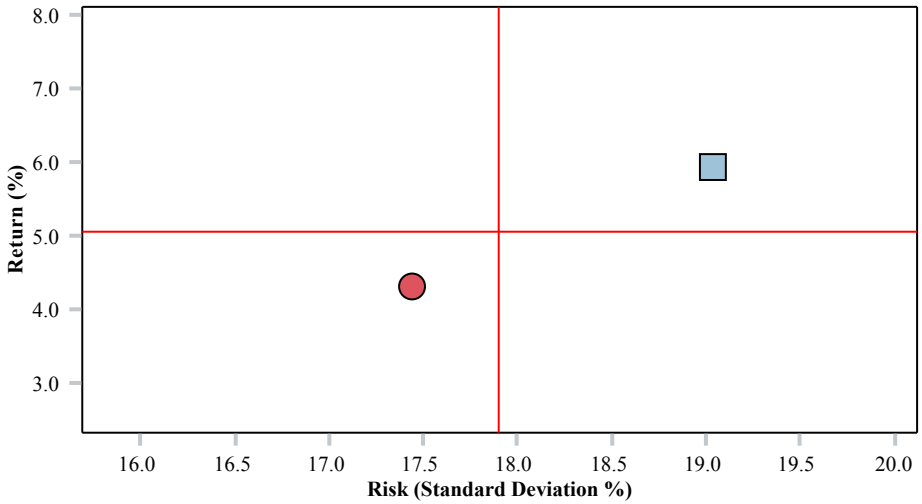
Gain/Loss Summary

	One Quarter	Since Inception	Inception Date
International Equity			07/01/1996
Beginning Market Value	49,236,247	16,213,705	
Net Contributions	-	1,500,015	
Gain/Loss	(1,016,438)	30,506,089	
Ending Market Value	48,219,809	48,219,809	

Segment Allocation

	Market Value ($)	Allocation (%)
International Equity	48,219,809	100.00

Risk and Return - Since Inception



	Return	Standard Deviation
International Equity	5.92	19.04
MSCI EAFE (net) Index	4.30	17.45
Median	5.05	17.90

Comparative Performance

	One Quarter	Year To Date	One Year	Three Years	Five Years	Seven Years	Ten Years	Since Inception	Inception Date
International Equity	**-2.06 (87)**	**1.74 (80)**	**17.02 (55)**	**8.44 (88)**	**-0.19 (22)**	**2.00 (27)**	**8.15 (21)**	**5.92 (31)**	**07/01/1996**
MSCI EAFE (net) Index	-0.98 (59)	4.10 (15)	18.62 (16)	10.04 (49)	-0.63 (41)	1.37 (51)	7.67 (35)	4.30 (76)	
IM International Large Cap Core Equity (MF) Median	-0.86	3.18	17.29	9.99	-0.82	1.39	7.42	5.05	
Population	205	202	193	171	152	130	95	21	

Calendar Year Performance

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
International Equity	**19.83 (25)**	**-15.39 (87)**	**7.54 (47)**	**39.63 (13)**	**-41.20 (20)**	**11.44 (48)**	**25.34 (51)**	**10.80 (85)**	**23.10 (5)**	**38.31 (21)**
MSCI EAFE (net) Index	17.32 (60)	-12.14 (42)	7.75 (41)	31.78 (30)	-43.38 (63)	11.17 (50)	26.34 (29)	13.54 (49)	20.25 (17)	38.59 (17)
IM International Large Cap Core Equity (MF) Median	18.29	-12.40	7.47	29.79	-42.71	11.15	25.35	13.40	17.53	33.09
Population	187	205	208	208	204	199	204	195	190	165

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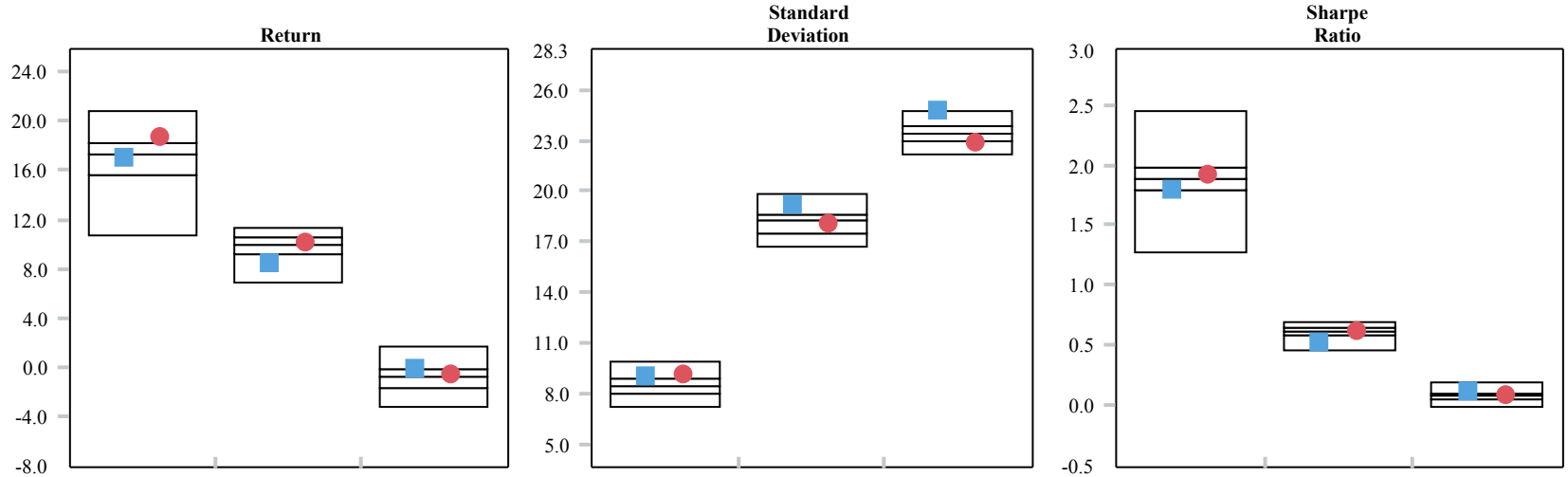
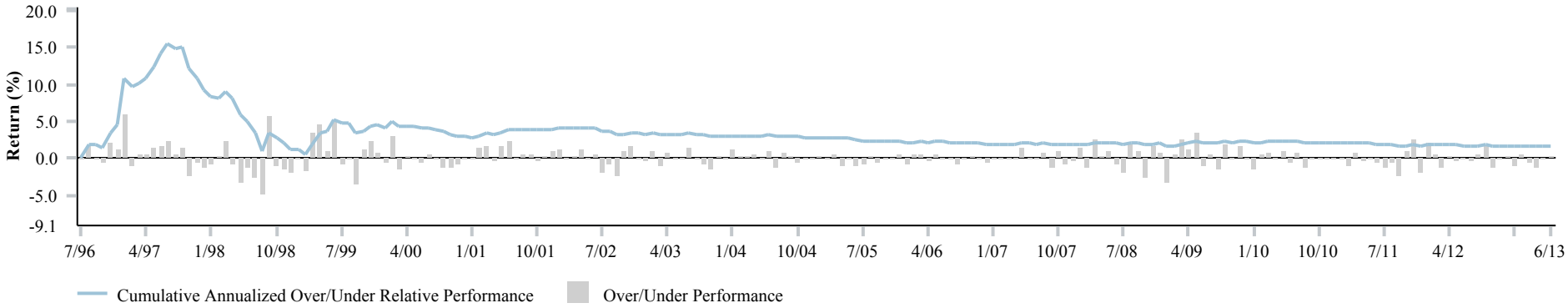
Peer Group Analysis - Multi Statistics vs. IM International Large Cap Core Equity (MF)



	Return One Year	Return Three Years	Return Five Years	Standard Deviation One Year	Standard Deviation Three Years	Standard Deviation Five Years	Sharpe Ratio One Year	Sharpe Ratio Three Years	Sharpe Ratio Five Years
International Equity	17.02 (55)	8.44 (88)	-0.19 (22)	8.99 (19)	19.16 (9)	24.71 (6)	1.79 (73)	0.52 (89)	0.11 (19)
MSCI EAFE (net) Index	18.62 (16)	10.04 (49)	-0.63 (41)	9.12 (12)	18.08 (58)	22.78 (82)	1.92 (37)	0.62 (44)	0.08 (45)
Median	17.29	9.99	-0.82	8.45	18.30	23.37	1.89	0.61	0.07
Population	193	171	152	193	171	152	193	171	152

Relative Performance vs. MSCI EAFE (net) Index



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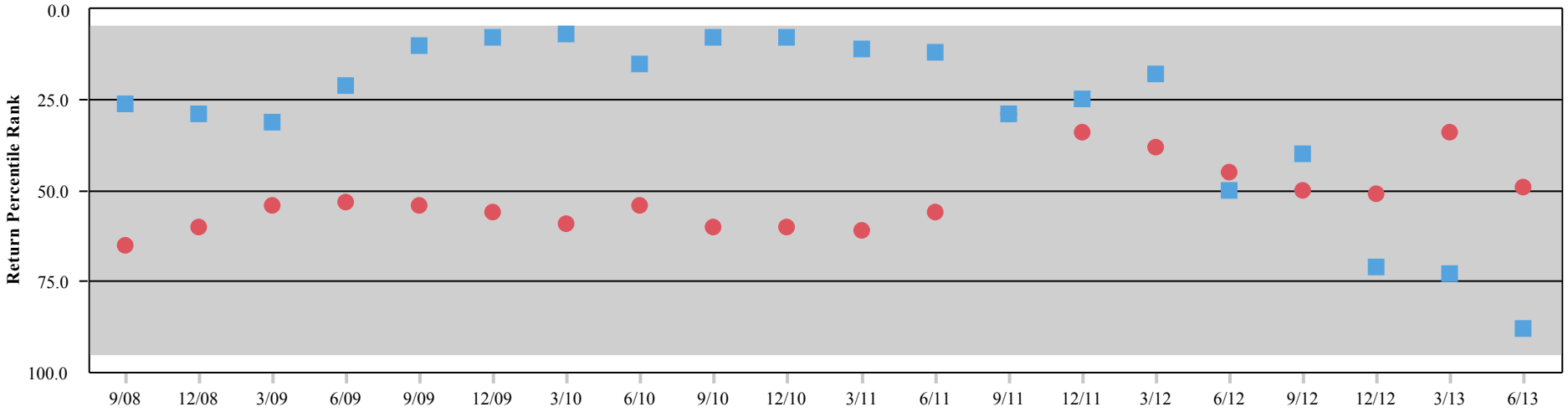
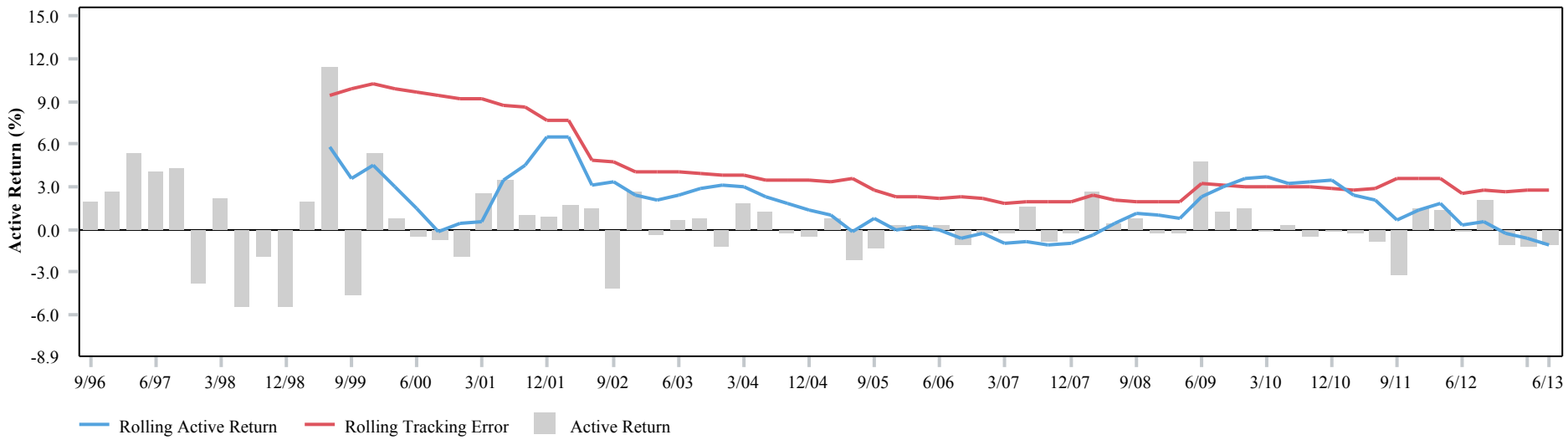
Rolling 3 Year Percentile Ranking vs. IM International Large Cap Core Equity (MF) - 5 Years



	Total Period	First Quartile	Second Quartile	Third Quartile	Fourth Quartile
International Equity	20	11 (55%)	6 (30%)	2 (10%)	1 (5%)
MSCI EAFE (net) Index	20	0 (0%)	7 (35%)	13 (65%)	0 (0%)

Rolling 3 Year Active Return and Tracking Error vs. MSCI EAFE (net) Index - Since Inception



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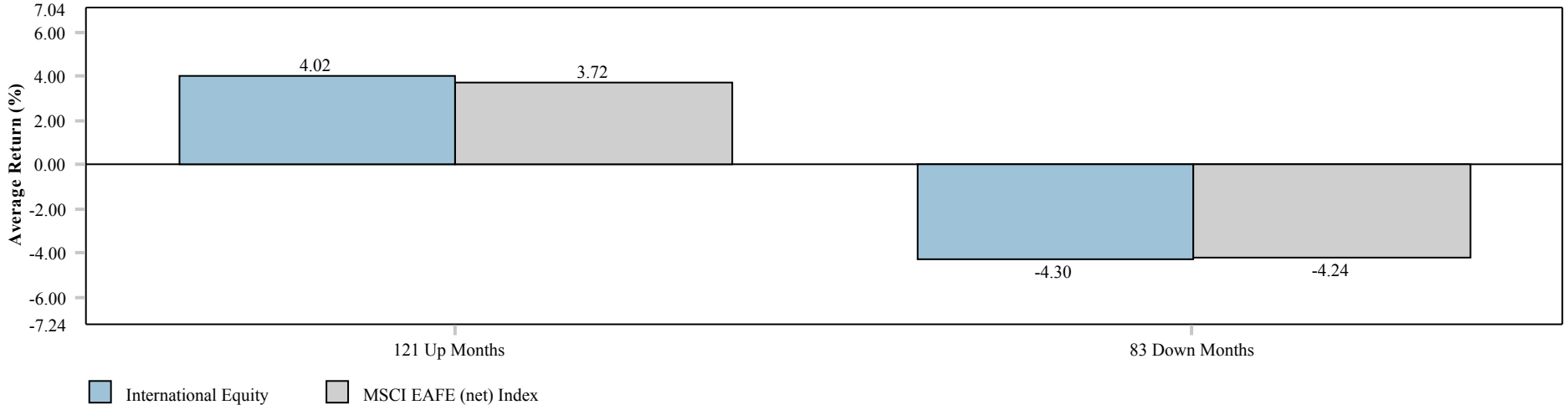
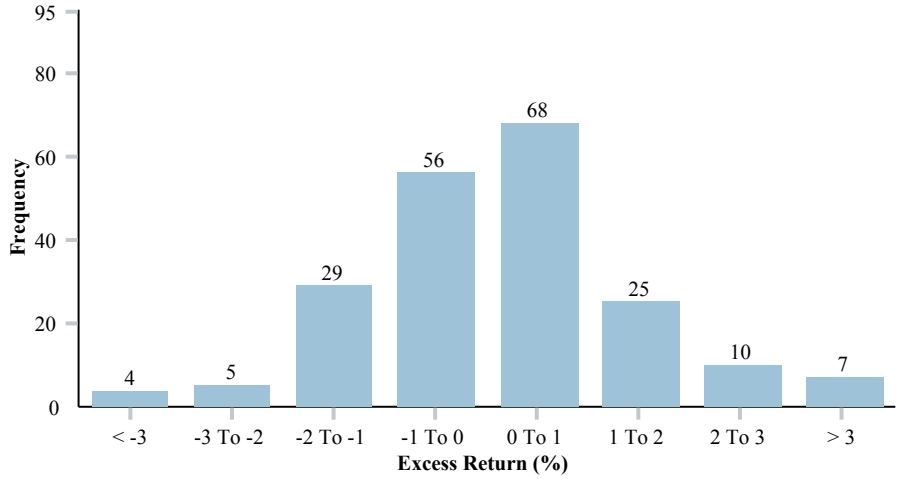
Up/Down Markets vs. MSCI EAFE (net) Index - Since Inception

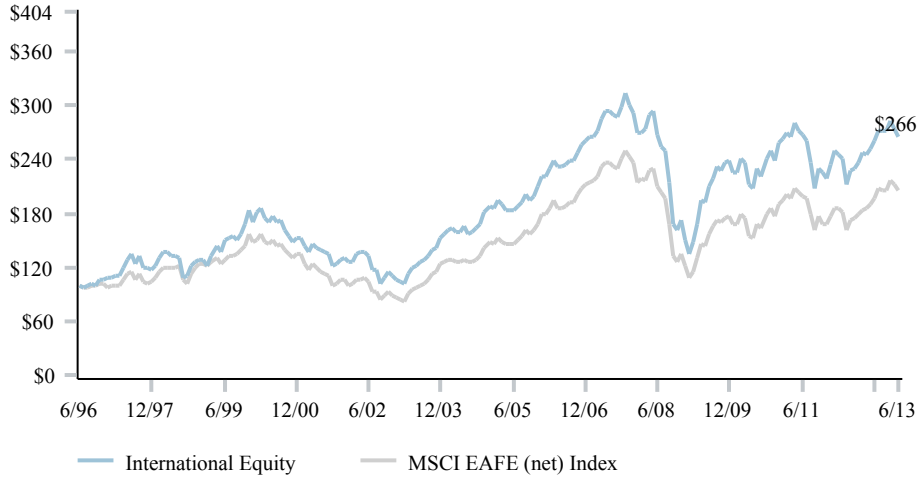
	Full Period Return		Months Benchmark Up(121)				Months Benchmark Down(83)			
			Portfolio Ahead		Portfolio Behind		Portfolio Ahead		Portfolio Behind	
	Portfolio	Benchmark	No. Months	Average Ahead	No. Months	Average Behind	No. Months	Average Ahead	No. Months	Average Behind
International Equity	5.92	4.30	70	1.09	51	-0.80	40	1.06	43	-1.09



Performance Distribution - Since Inception



Growth of $100 - Since Inception



Gallagher Fiduciary Advisors, LLC
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CS McKee

Returns represent the Fixed Income portion of the portfolio.

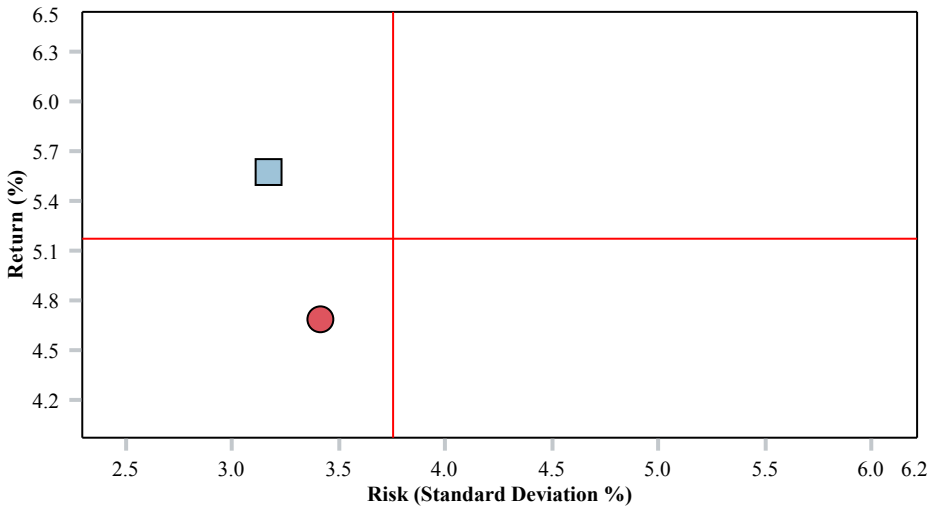
Gain/Loss Summary

	One Quarter	Since Inception	Inception Date
C.S. McKee			12/01/2002
Beginning Market Value	107,648,774	31,507,950	
Net Contributions	(1,123,344)	4,786,523	
Gain/Loss	203,180	70,434,137	
Ending Market Value	106,728,610	106,728,610	

Segment Allocation

	Market Value ($)	Allocation (%)
All/Large-Cap Equity	38,812,158	36.37
Domestic Fixed Income	65,273,889	61.16
Cash	2,642,562	2.48

Risk and Return - Since Inception



	Return	Standard Deviation
C.S. McKee	5.57	3.18
Barclays Aggregate Index	4.68	3.42
Median	5.18	3.76

Comparative Performance

	One Quarter	Year To Date	One Year	Three Years	Five Years	Seven Years	Ten Years	Since Inception	Inception Date
C.S. McKee	**-2.07 (16)**	**-1.95 (22)**	**0.24 (43)**	**4.38 (35)**	**6.21 (40)**	**6.74 (15)**	**5.35 (26)**	**5.85 (19)**	**12/01/2002**
Barclays Aggregate Index	-2.32 (35)	-2.44 (58)	-0.69 (85)	3.51 (89)	5.19 (93)	5.60 (88)	4.52 (91)	4.85 (91)	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-2.42	-2.40	0.14	4.19	6.01	6.13	4.98	5.35	
Population	93	93	93	93	91	85	78	77	

Calendar Year Performance

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
C.S. McKee	**4.93 (77)**	**8.99 (7)**	**6.78 (74)**	**8.22 (66)**	**7.93 (7)**	**7.46 (17)**	**4.74 (25)**	**3.08 (18)**	**4.25 (76)**	**4.43 (54)**
Barclays Aggregate Index	4.21 (92)	7.84 (51)	6.54 (85)	5.93 (88)	5.24 (31)	6.97 (45)	4.34 (69)	2.43 (83)	4.34 (71)	4.11 (67)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	5.84	7.85	7.22	9.82	3.03	6.85	4.48	2.73	4.52	4.52
Population	172	186	195	204	215	231	251	257	280	285

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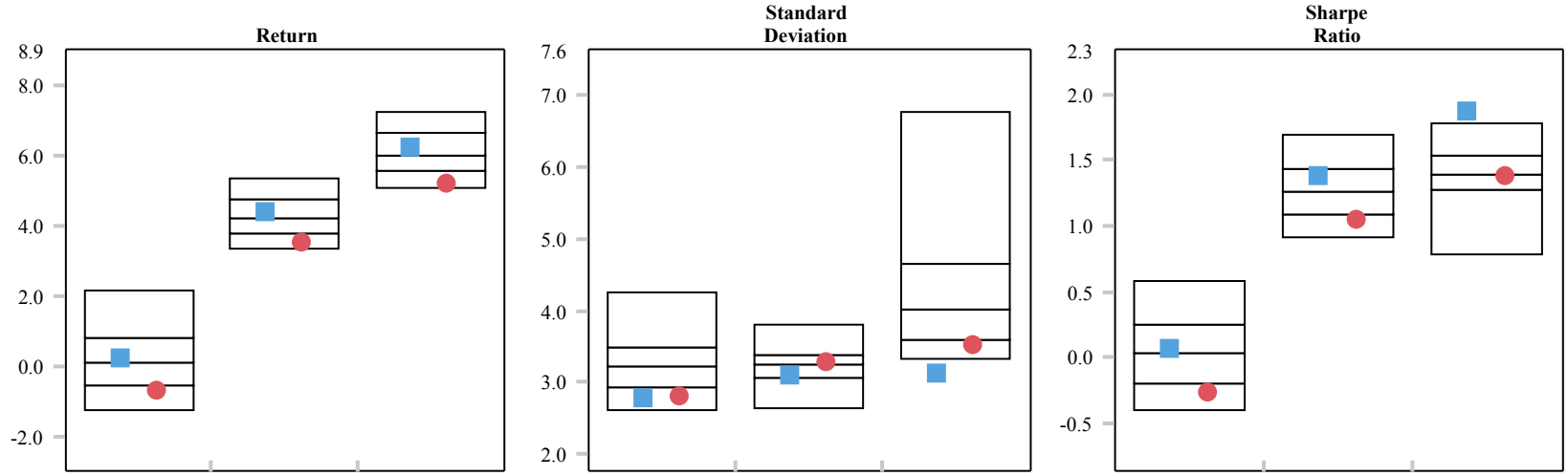
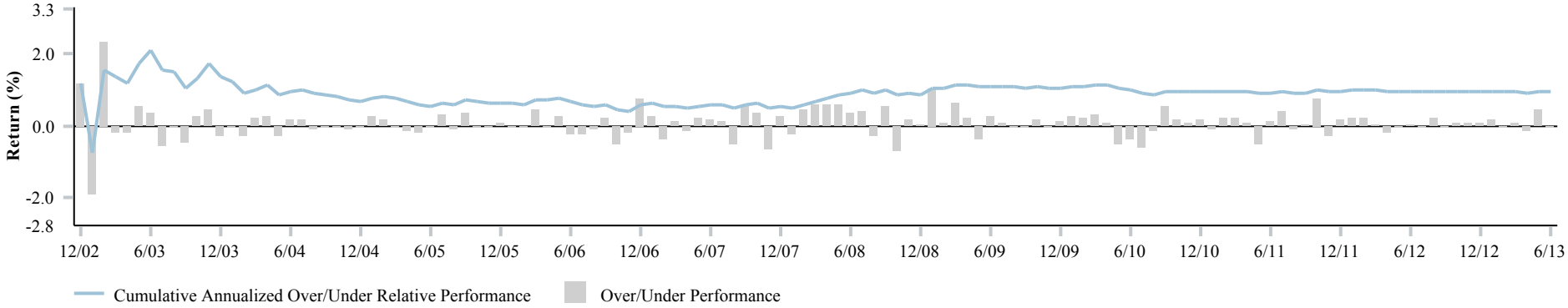
Peer Group Analysis - Multi Statistics vs. IM U.S. Broad Market Core Fixed Income (SA+CF)



	Return One Year	Return Three Years	Return Five Years	Standard Deviation One Year	Standard Deviation Three Years	Standard Deviation Five Years	Sharpe Ratio One Year	Sharpe Ratio Three Years	Sharpe Ratio Five Years
■ C.S. McKee	0.24 (43)	4.38 (35)	6.21 (40)	2.76 (89)	3.09 (71)	3.10 (100)	0.07 (43)	1.37 (37)	1.87 (2)
● Barclays Aggregate Index	-0.69 (85)	3.51 (89)	5.19 (93)	2.81 (89)	3.27 (43)	3.52 (81)	-0.26 (87)	1.04 (86)	1.38 (54)
Median	0.14	4.19	6.01	3.22	3.24	4.01	0.03	1.26	1.38
Population	93	93	91	93	93	91	93	93	91

Relative Performance vs. Barclays Aggregate Index



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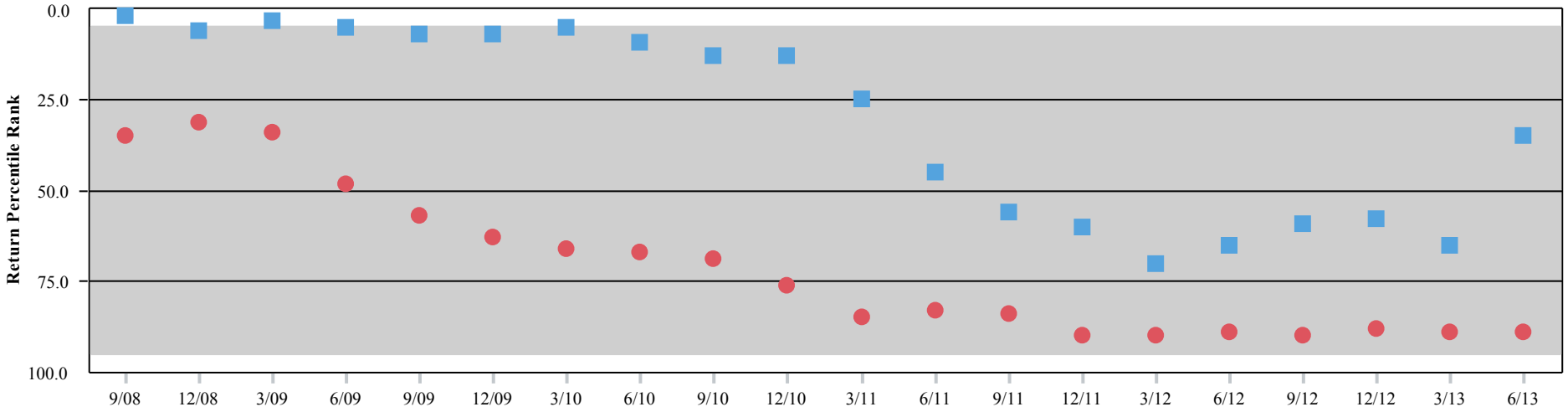
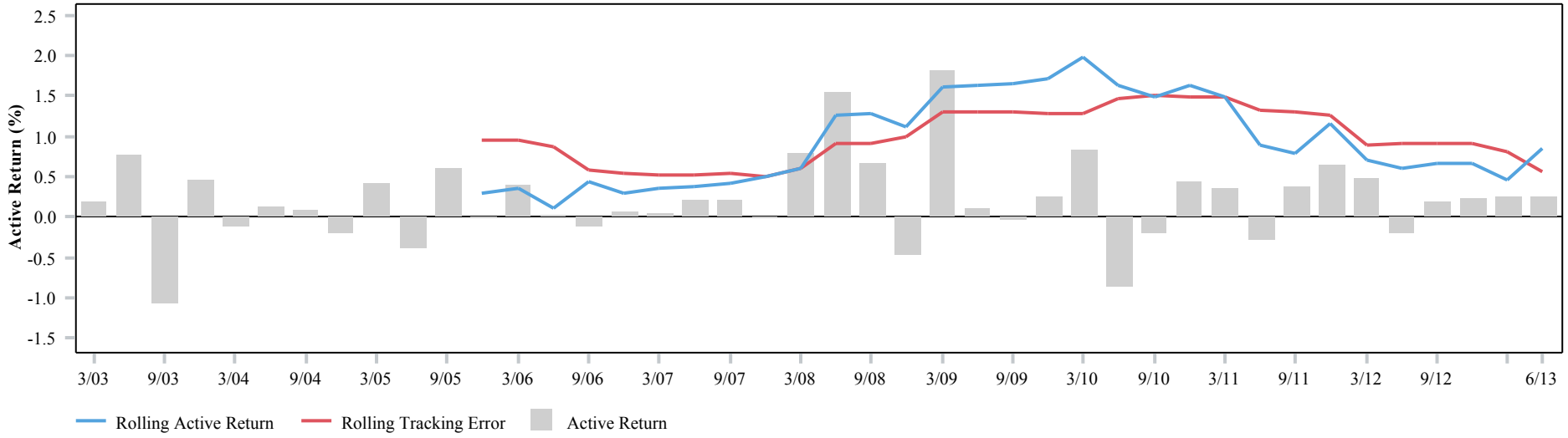
Rolling 3 Year Percentile Ranking vs. IM U.S. Broad Market Core Fixed Income (SA+CF) - 5 Years



	Total Period	First Quartile	Second Quartile	Third Quartile	Fourth Quartile
C.S. McKee	20	11 (55%)	2 (10%)	7 (35%)	0 (0%)
Barclays Aggregate Index	20	0 (0%)	4 (20%)	5 (25%)	11 (55%)

Rolling 3 Year Active Return and Tracking Error vs. Barclays Aggregate Index - Since Inception



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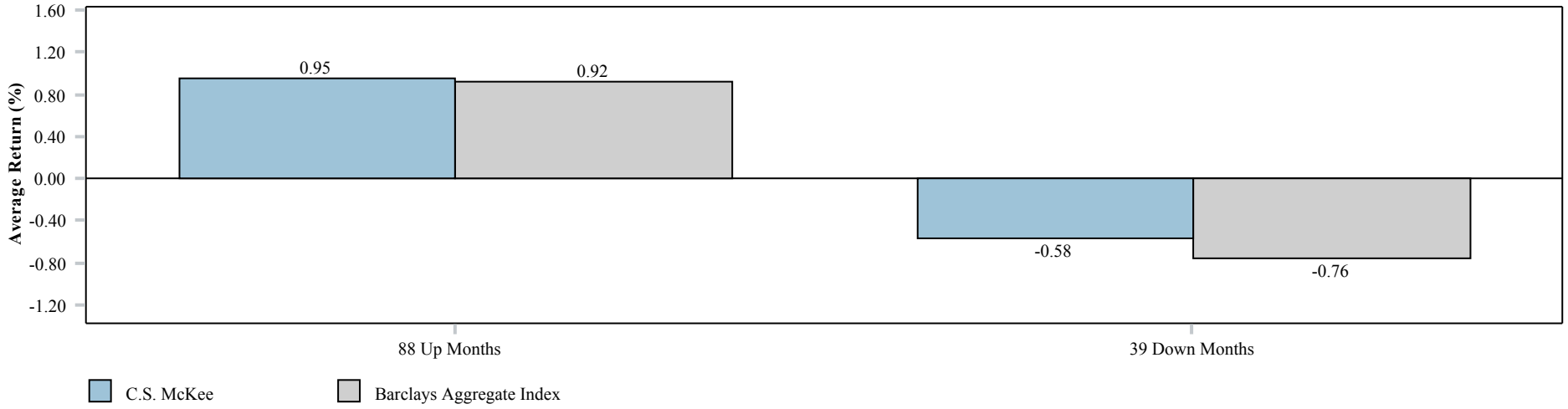
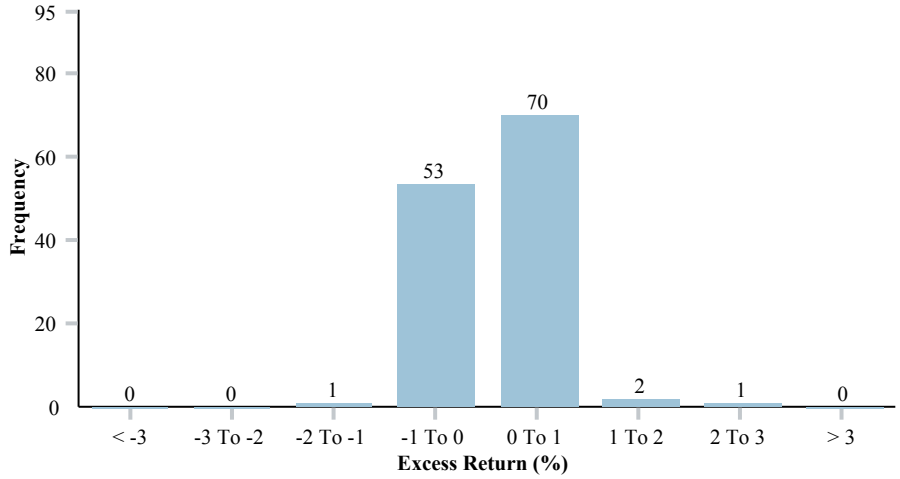
Up/Down Markets vs. Barclays Aggregate Index - Since Inception

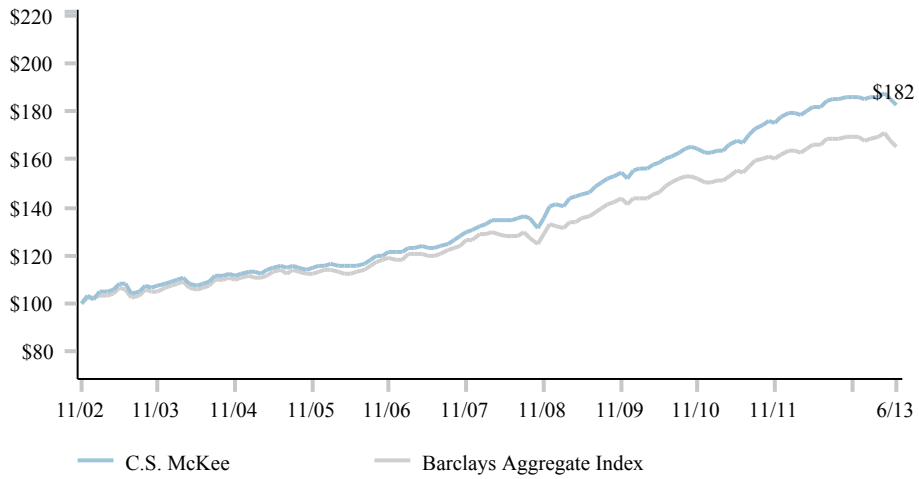
	Full Period Return		Months Benchmark Up(88)				Months Benchmark Down(39)			
			Portfolio Ahead		Portfolio Behind		Portfolio Ahead		Portfolio Behind	
	Portfolio	Benchmark	No. Months	Average Ahead	No. Months	Average Behind	No. Months	Average Ahead	No. Months	Average Behind
C.S. McKee	5.85	4.85	43	0.32	45	-0.24	30	0.31	9	-0.24



Performance Distribution - Since Inception



Growth of $100 - Since Inception



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MetWest

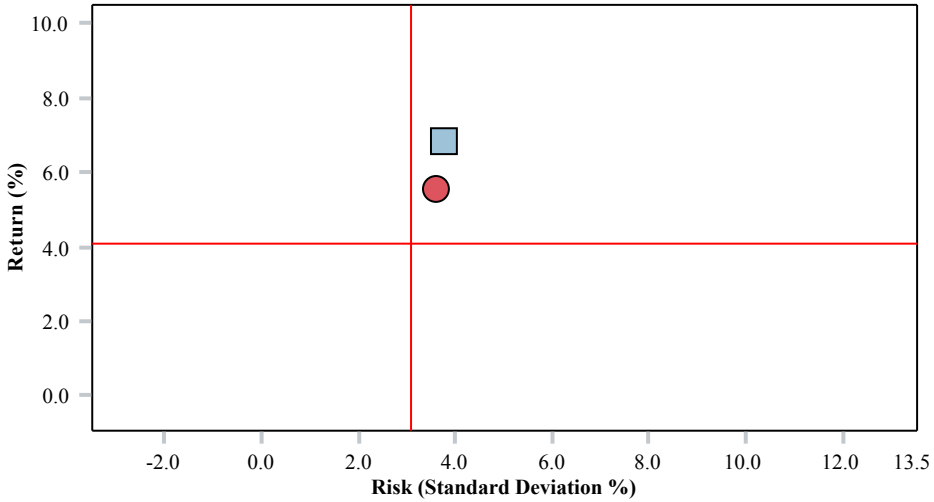
Gain/Loss Summary

	One Quarter	Since Inception	Inception Date
MetWest			12/01/2000
Beginning Market Value	47,663,706	39,087,580	
Net Contributions	(2,253,775)	(32,430,874)	
Gain/Loss	(1,078,028)	37,675,197	
Ending Market Value	44,331,903	44,331,903	

Segment Allocation

	Market Value ($)	Allocation (%)
Domestic Fixed Income	40,096,105	90.45
Cash	4,235,798	9.55

Risk and Return - Since Inception



	Return	Standard Deviation
MetWest	6.81	3.79
Barclays Aggregate Index	5.53	3.63
Median	4.06	3.08

Comparative Performance

	One Quarter	Year To Date	One Year	Three Years	Five Years	Seven Years	Ten Years	Since Inception	Inception Date
MetWest	**-2.42 (70)**	**-1.88 (66)**	**2.80 (27)**	**5.56 (25)**	**8.00 (13)**	**7.67 (7)**	**6.45 (14)**	**6.81 (15)**	**12/01/2000**
Barclays Aggregate Index	-2.32 (67)	-2.44 (75)	-0.69 (82)	3.51 (43)	5.19 (36)	5.60 (29)	4.52 (31)	5.53 (28)	
IM U.S. Fixed Income All Taxable (MF) Median	-1.47	-0.31	0.09	2.86	3.93	4.09	3.34	4.06	
Population	4,525	4,476	4,286	3,641	3,163	2,712	2,144	1,677	

Calendar Year Performance

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
MetWest	**9.58 (23)**	**6.00 (26)**	**11.72 (15)**	**19.16 (23)**	**-2.08 (59)**	**7.54 (7)**	**5.08 (21)**	**2.23 (50)**	**5.11 (22)**	**10.03 (17)**
Barclays Aggregate Index	4.21 (52)	7.84 (10)	6.54 (42)	5.93 (55)	5.24 (10)	6.97 (10)	4.34 (52)	2.43 (41)	4.34 (28)	4.11 (33)
IM U.S. Fixed Income All Taxable (MF) Median	4.47	2.71	5.52	7.26	0.92	4.78	4.37	2.23	2.34	2.08
Population	4,167	4,104	4,014	3,976	4,121	4,021	4,026	3,904	3,582	3,245

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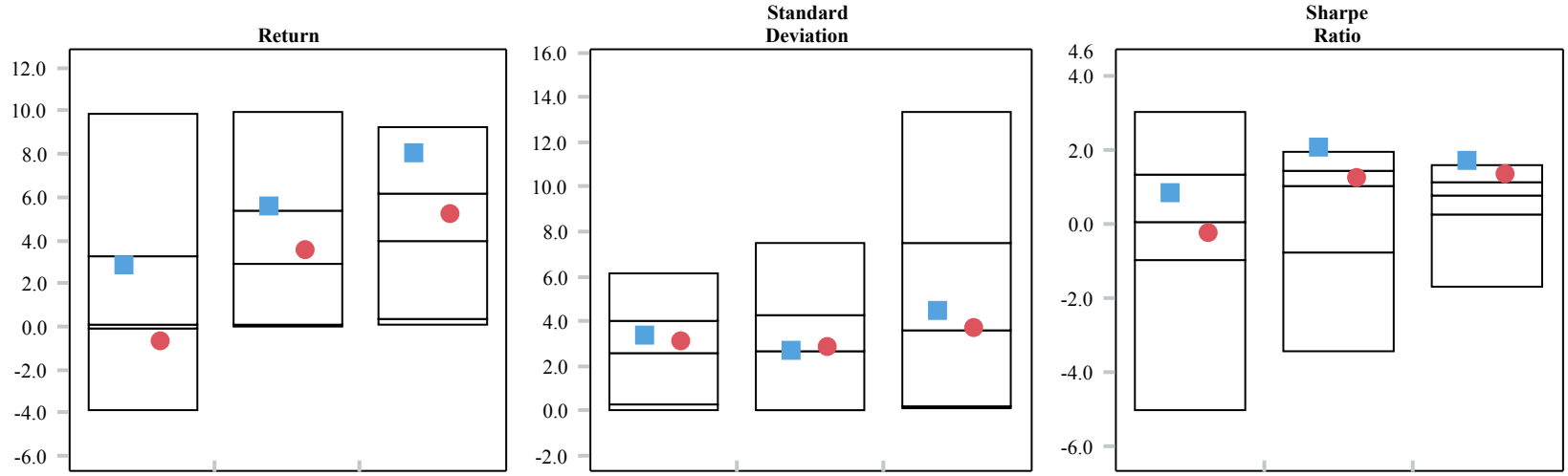
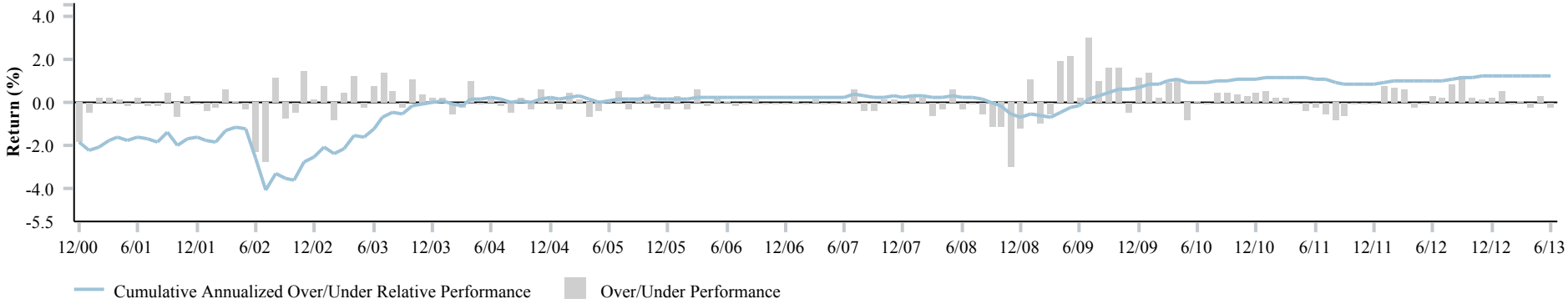
Peer Group Analysis - Multi Statistics vs. IM U.S. Fixed Income All Taxable (MF)



	Return One Year	Return Three Years	Return Five Years	Standard Deviation One Year	Standard Deviation Three Years	Standard Deviation Five Years	Sharpe Ratio One Year	Sharpe Ratio Three Years	Sharpe Ratio Five Years
MetWest	2.80 (27)	5.56 (25)	8.00 (13)	3.34 (40)	2.63 (51)	4.47 (41)	0.82 (32)	2.04 (4)	1.66 (5)
Barclays Aggregate Index	-0.69 (82)	3.51 (43)	5.19 (36)	3.05 (44)	2.81 (47)	3.70 (50)	-0.24 (58)	1.21 (40)	1.30 (15)
Median	0.09	2.86	3.93	2.56	2.65	3.64	0.03	1.04	0.76
Population	4,286	3,641	3,163	4,286	3,641	3,163	4,286	3,641	3,163

Relative Performance vs. Barclays Aggregate Index



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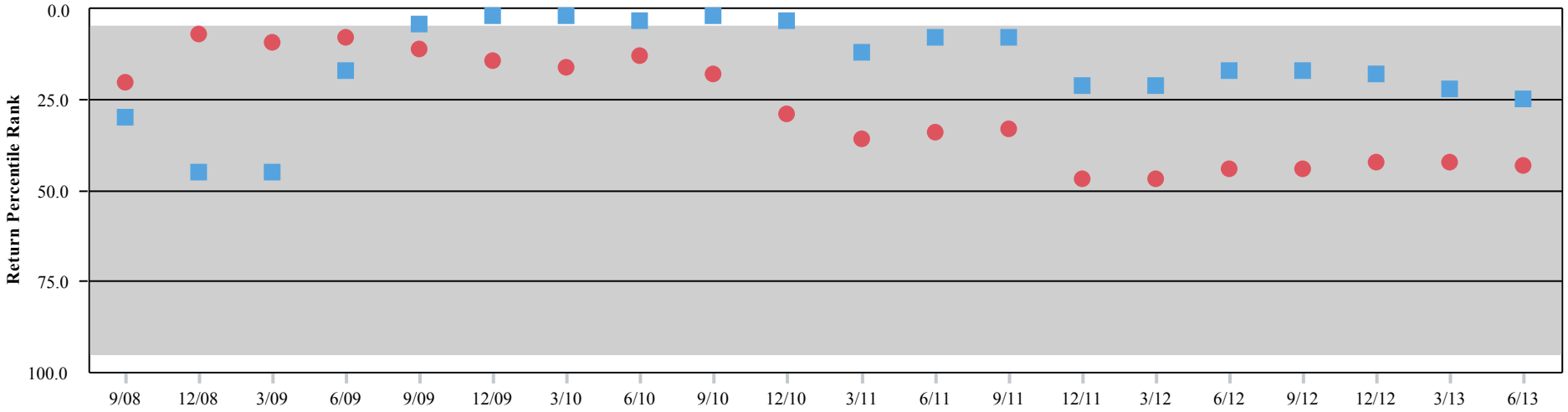
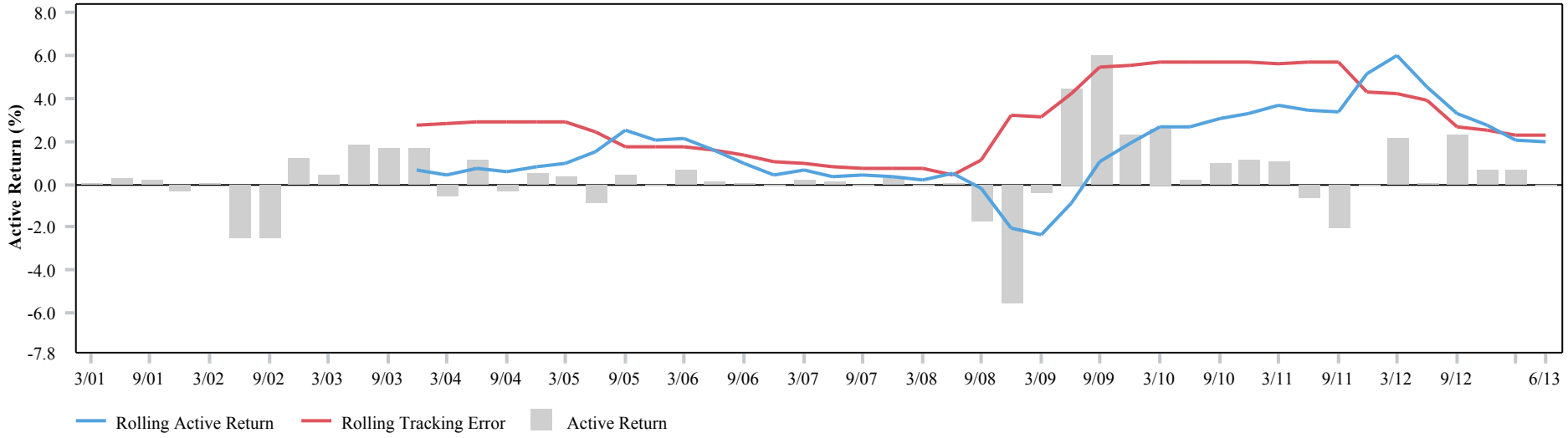
Rolling 3 Year Percentile Ranking vs. IM U.S. Fixed Income All Taxable (MF) - 5 Years



	Total Period	First Quartile	Second Quartile	Third Quartile	Fourth Quartile
MetWest	20	17 (85%)	3 (15%)	0 (0%)	0 (0%)
Barclays Aggregate Index	20	9 (45%)	11 (55%)	0 (0%)	0 (0%)

Rolling 3 Year Active Return and Tracking Error vs. Barclays Aggregate Index - Since Inception



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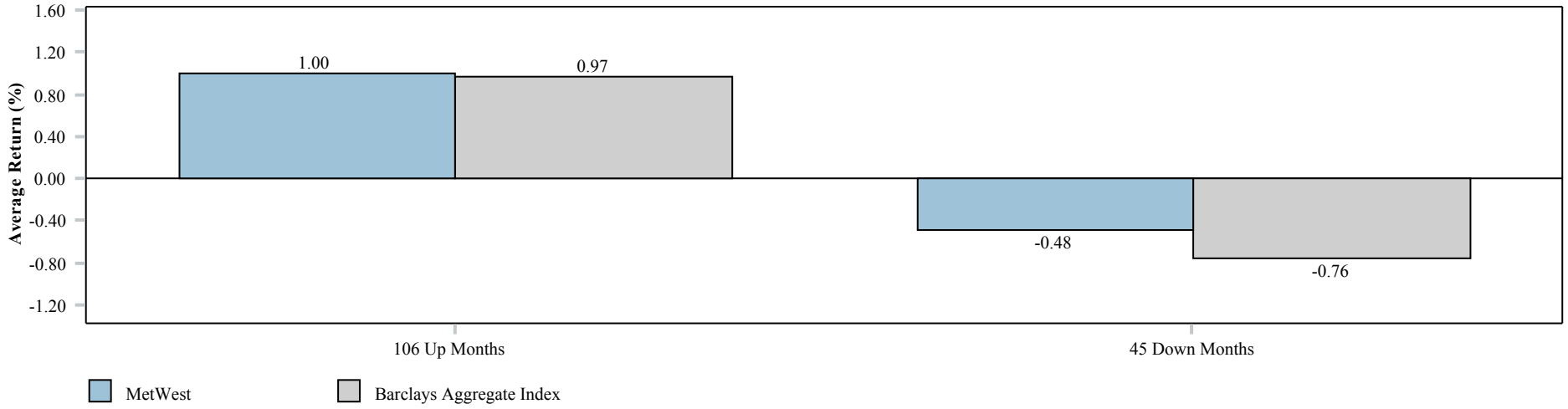
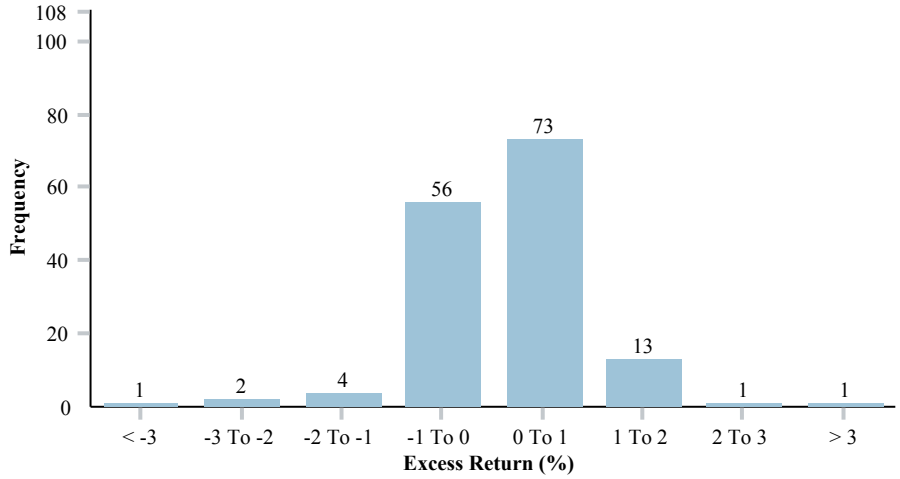
Up/Down Markets vs. Barclays Aggregate Index - Since Inception

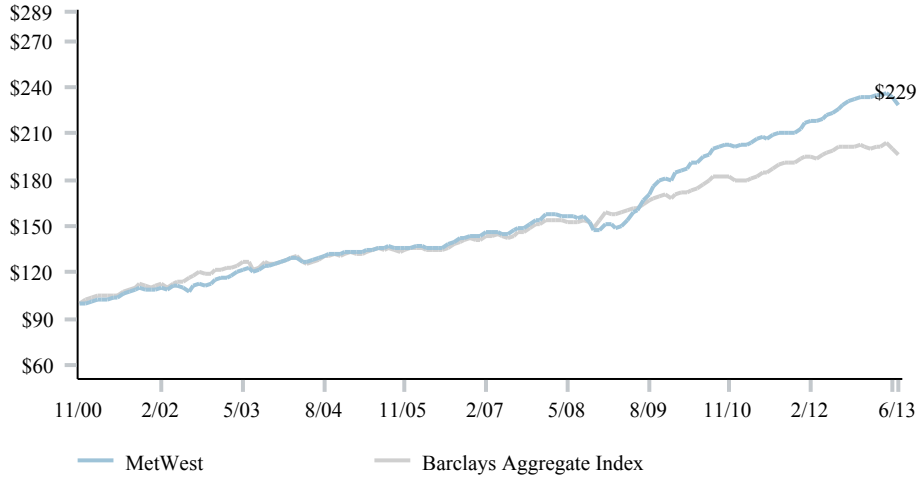
	Full Period Return		Months Benchmark Up(106)				Months Benchmark Down(45)			
			Portfolio Ahead		Portfolio Behind		Portfolio Ahead		Portfolio Behind	
	Portfolio	Benchmark	No. Months	Average Ahead	No. Months	Average Behind	No. Months	Average Ahead	No. Months	Average Behind
MetWest	6.81	5.53	55	0.54	51	-0.53	33	0.53	12	-0.41



Performance Distribution - Since Inception



Growth of $100 - Since Inception



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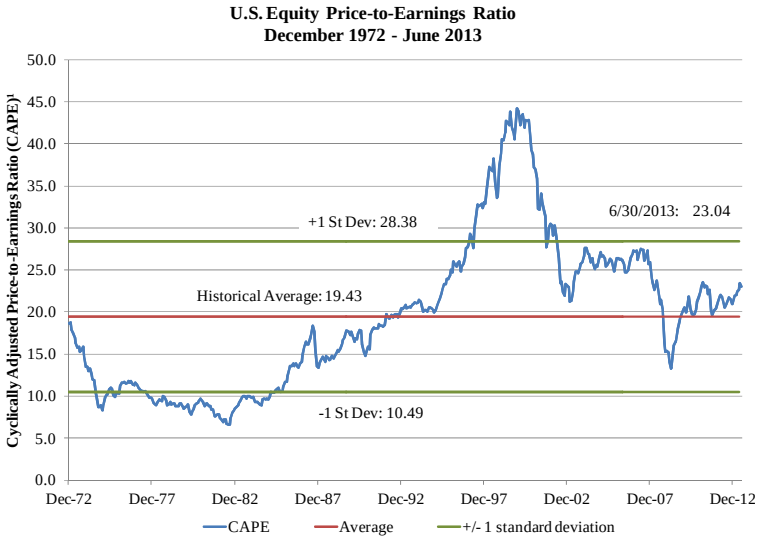
Appendix

Research: Market Review and Outlook – Domestic Equities

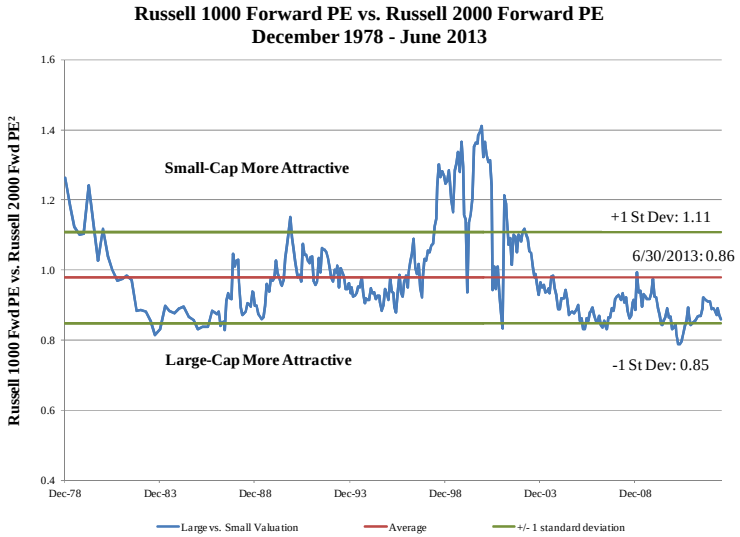
Domestic equities (Russell 3000 Index) posted a gain of 2.7% during the quarter as the U.S. equity market set new all-time highs in May. Equity markets sold off in late May and through much of June following comments from Federal Reserve Chairman Bernanke that the central bank could begin tapering its current bond-buying program ("QE3").



U.S. Equities

- Domestic equity valuations rose during the quarter, but the price-to-earnings ratio remains near the historical average.

- U.S. small-cap equities outperformed large-cap equities by 0.4% during the quarter (3.1% vs. 2.7%). Both large- and small-cap stocks are up more than 18% over the last three years, with neither offering a distinct performance advantage. Small-cap stocks have outperformed large-caps by 1.7% (8.8% vs. 7.1%) over the trailing five-year period.



U.S. large-cap equities remain more attractively valued than small-cap equities, as measured by the forward price-to-earnings ratio. Large-cap equities are currently trading at a 14% discount to small-cap equities.

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[1] Based on the cyclically adjusted price/earnings ratio developed by Robert Shiller, Yale University. [2] IBES one year earnings estimates used to calculate forward price-to-earnings ratios.

Research: Market Review and Outlook – International Equities

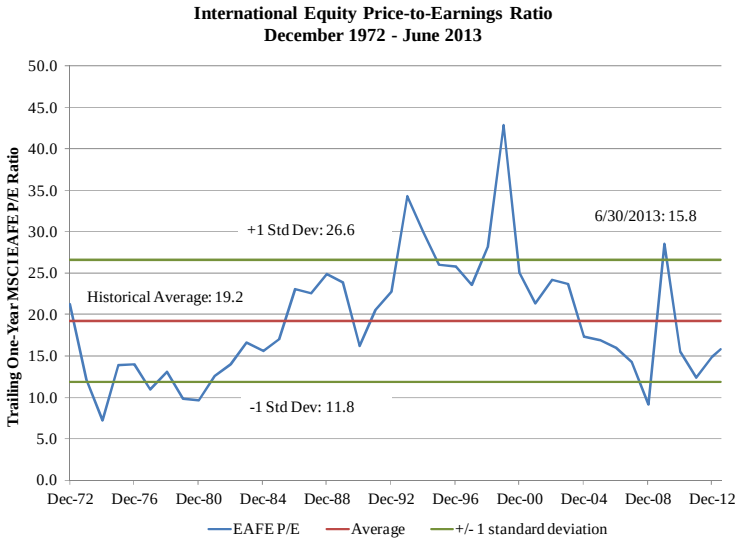
International equities (MSCI ACWI ex-US) fell by 3.1% during the second quarter. The market decline was widespread, with European and Asian markets posting similar losses. Emerging markets suffered the most significant losses, falling 8.1% amid concerns about slowing growth (most importantly in China) and elevated inflationary pressures (in Brazil). The impact of slowing emerging market growth contributed to a drop in the Australian market, given the country's materials-driven economy and close ties to China.

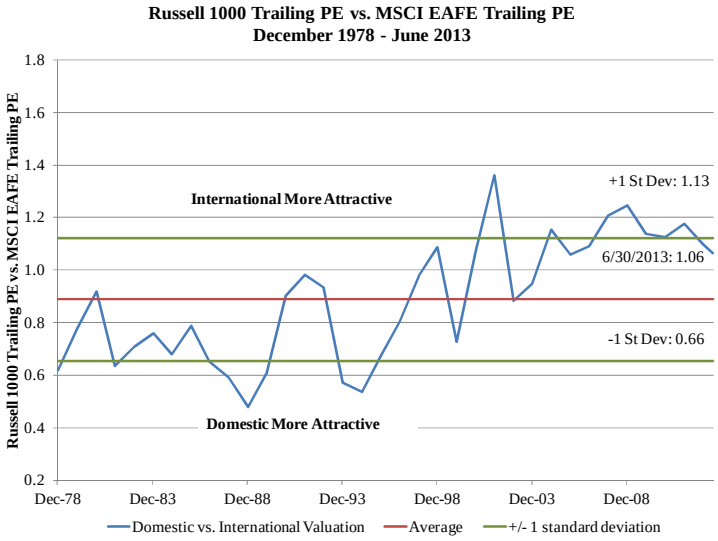
International Equities

- Developed international equities (EAFE Index) fell 1.0% during the quarter. International equities remain attractively valued on a stand-alone basis and relative to domestic equities. International equities ended the quarter at a 6% discount to U.S. equities, compared to the historical average of a 10% premium (based on P/E ratios).

- Emerging market equities underperformed developed markets, losing 8.1% in the second quarter. Emerging markets appear to be the most attractive segment of the global equity market based on the price-to-earnings ratio (11.8 P/E as of 6/30/2013, relative to the historical average of 14.0).

- Emerging market equities currently trade at a 49% discount to U.S. equities, as measured by the trailing one-year price-to-earnings ratio.





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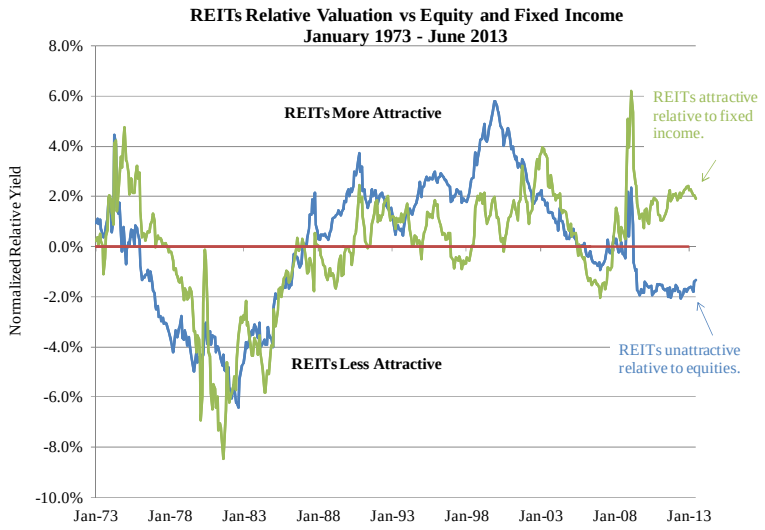
Research: Market Review and Outlook – Alternatives

Real Estate Investment Trusts (REITs)

- REITs fell 1.6% during the quarter.
- The NAREIT* Index dividend yield rose 0.2% to 3.7% during the quarter.
- REITs appear overvalued relative to equities, primarily due to the low dividend yield, but remain attractively valued relative to fixed income.

*National Association of Real Estate Investment Trusts



Commodities

- Commodities fell 9.5% during the quarter.
- Precious metals, including primarily gold and to a lesser extent silver, suffered significant losses during the quarter as they fell 25.5%. Industrial metals were the second-worst sector of the commodities markets, falling 10.4%.
- Livestock and agricultural commodities performed the best during the quarter, with returns of +2.2% and -3.8%, respectively.

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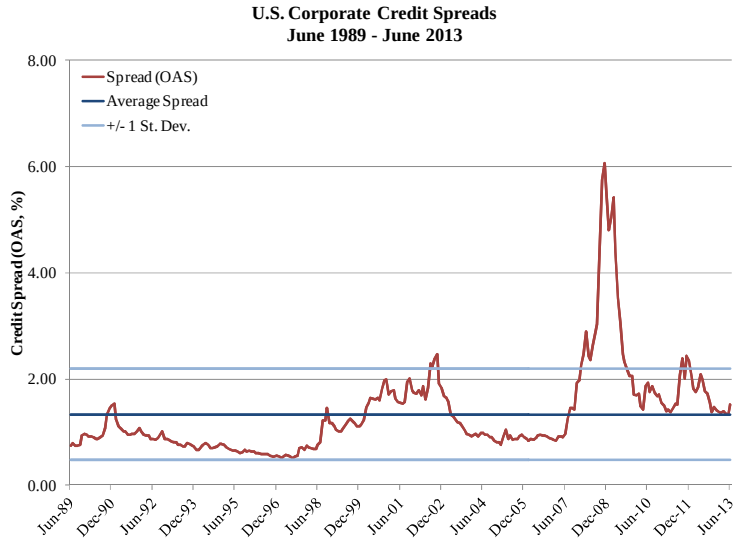
Research: Market Review and Outlook – Fixed Income

Fixed Income

- Interest rates rose quickly during the quarter, led by changes in U.S. Treasury yields. The rising rate environment led to modest losses in fixed income portfolios, as the Barclays Aggregate Index fell 2.3% for the quarter.

- Credit spreads rose slightly during the quarter, and they are now slightly above average.

- Interest rates remain low, and the Federal Reserve has maintained guidance that low rates are likely warranted through mid-2015. It appears that interest rates will eventually move higher, although the timing is very uncertain.

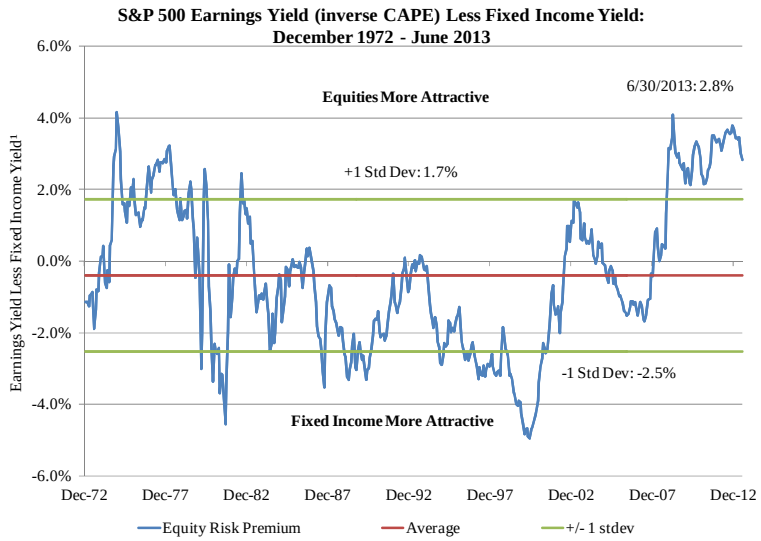


Total Portfolio

- The bottom chart shows the earnings yield for U.S. equities (earnings yield is the inverse of the Price/Earnings ratio: Earnings/Price) minus the yield for fixed income (BC Intermediate Gov't/Credit). The chart illustrates the equity premium, or the additional expected return investors require to invest in equities rather than fixed income.

- Despite the exceptional bull market during the past several years, the equity premium remains close to the level attained during the financial crisis, suggesting that investors are being adequately compensated for taking risk in the equity markets.

- We recommend that most portfolios maintain an equity allocation between the long-term target and the upper bound of the allowable range. Fixed-income allocations should be between the long-term target and the lower bound of the allowable range, and investors should give consideration to opportunistic fixed-income investments.



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