

## TOWN OF TRUMBULL PENSION BOARD

In accordance with Sec. 1-19 of the General Statutes Right-to-Know Law, the Pension Board will have a meeting on Tuesday, August 26, 2014 at 7:00 P.M. in the Nichols Room at the Town Hall.

### A G E N D A

Call to Order

Investment Update – 2nd Quarter – Chris Kachmar

Boston Trust Supplemental Information – Chris Kachmar

Investment Policy Statement (Draft) – Chris Kachmar

Overpaid Pension Update – Robert Nicola, Esq.

Approval of Pension Benefits

Ismael Acevedo	8/1/2014	\$2,527.81
Mary C. Moran	7/1/2014	\$687.77
Thomas Smith	7/1/2014	\$1,893.86
Barbara DiDomenico	7/1/2014	\$1,292.86

Approval of Lump Sum Distributions

Kevin Nicholas	6/15/2014	\$8,127.49
Steven Acevedo	6/15/2014	\$5,972.42
Harrison Duncan	6/30/2014	\$956.47
William Dunn	6/30/2014	\$2,703.08
Rebecca Foth	6/30/2014	\$2,224.16
Priscilla Hernandez	6/30/2014	\$4,251.22
Christine McDade	6/30/2014	\$77.61
Karen Cittadino (formerly Piechota)	6/30/2014	\$333.36

Other Business

Approval of Minutes – June 3, 2014; July 16, 2014

Adjournment

**Town of Trumbull**

	Q3 08	Q4 08	2009	2010	2011	2012	2013	Q1 2014	Q2 2014	2014	Inception to date
Employee Contributions	458,761	180,367	756,808	720,595	798,557	863,321	882,324	240,357	235,314	475,671	5,136,404
Town Contributions	148,640	456,250	1,925,000	2,185,893	2,662,500	3,375,000	4,113,000	2,288,000	0	2,288,000	17,154,283
<b>Total Contributions</b>	<b>607,401</b>	<b>636,617</b>	<b>2,681,808</b>	<b>2,906,488</b>	<b>3,461,057</b>	<b>4,238,321</b>	<b>4,995,324</b>	<b>2,528,357</b>	<b>235,314</b>	<b>2,763,671</b>	<b>22,290,687</b>
Benefit Payments	(918,060)	(723,259)	(3,149,534)	(3,599,228)	(3,706,193)	(3,938,936)	(4,149,750)	(1,016,883)	(1,054,785)	(2,071,668)	-22,256,628
Plan Expenses	(36,578)	(30,300)	(103,035)	(88,177)	(46,855)	(35,869)	(65,694)	(19,972)	(32,194)	(52,166)	-458,673
<b>Total Payments &amp; Expenses</b>	<b>(954,637)</b>	<b>(753,559)</b>	<b>(3,252,569)</b>	<b>(3,687,405)</b>	<b>(3,753,048)</b>	<b>(3,974,806)</b>	<b>(4,215,445)</b>	<b>(1,036,855)</b>	<b>(1,086,979)</b>	<b>(2,123,834)</b>	<b>(22,715,302)</b>
<b>Net Cashflows</b>	<b>(347,237)</b>	<b>(116,941)</b>	<b>(570,760)</b>	<b>(780,917)</b>	<b>(291,991)</b>	<b>263,516</b>	<b>779,879</b>	<b>1,491,501.91</b>	<b>(851,665.00)</b>	<b>639,837</b>	<b>(424,614.40)</b>
Market Value	16,700,443	14,252,707	16,815,848	18,338,336	17,890,234	20,453,333	24,923,138	26,542,881	26,542,882	26,568,320	
Net Contributions Annual Rate	-8.32%	-3.28%	-3.39%	-4.26%	-1.63%	1.29%	3.13%	22.48%	-6.42%	2.41%	

Source: Wells Fargo Bank

Any summaries/prices/quotes/statistics have been obtained from sources believed to be reliable, but we cannot guarantee their accuracy or completeness.



Town of Trumbull Employee Pension Plan  
Quarterly Investment Review - Second Quarter 2014

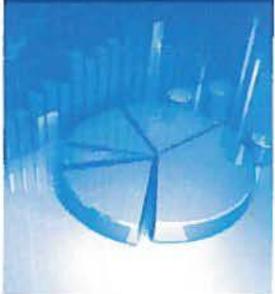


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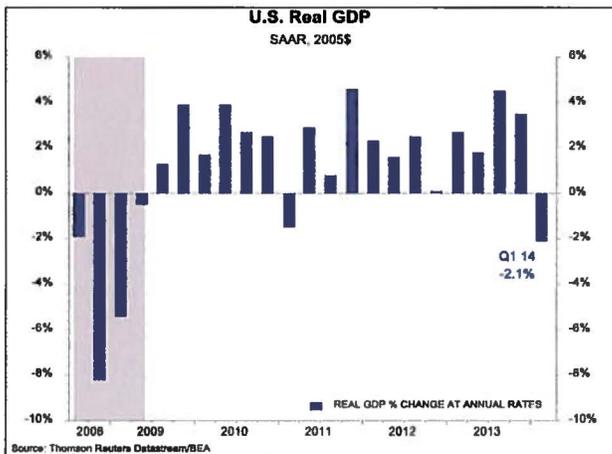
**Important Disclosure Information:** Past performance may not be indicative of future results. Account information has been compiled solely by Fiduciary Investment Advisors, LLC, has not been independently verified, and does not reflect the impact of taxes on non-qualified accounts. In preparing this report, Fiduciary Investment Advisors, LLC has relied upon information provided by the account custodian. A copy of our current written disclosure statement discussing our advisory services and fees continues to remain available for your review upon request. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your account holdings correspond directly to any comparative indices.

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- Capital Markets Overview Section 1
- Portfolio and Manager Review Section 2



# Economic & Market Review



The United States saw negative growth during the first quarter of the year as **U.S. Real GDP declined 2.1%**. This marks the first quarterly decline since the first quarter of 2011. Severe winter weather seemingly had a large impact, as consumer spending grew at slower pace than the previous four quarters.

Despite the surprising decline in GDP, recent economic data shows signs of a **strengthening economy**. The ISM Manufacturing Index remains above the 50 level, indicating economic expansion. Consumer confidence has trended higher, new vehicle sales saw strong gains, and the housing market is pushing higher. The first estimate of **second quarter U.S. Real GDP rebounded to 4.0%**.

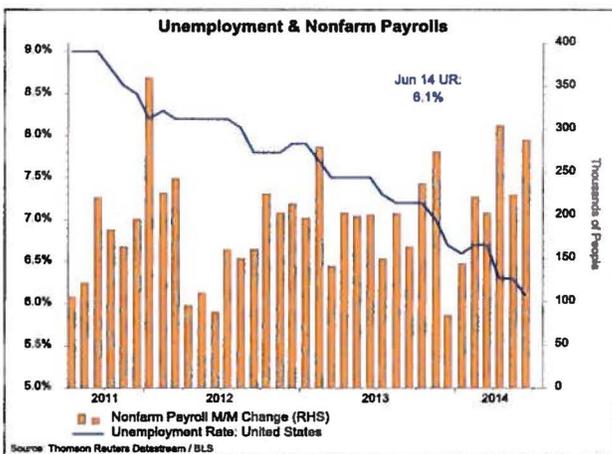
The U.S. labor market improved during the second quarter as the **U.S. unemployment rate fell from 6.7% in March to 6.1% in June**. Nonfarm payrolls have increased at an average pace of 231,000 per month so far this year, well above the average over the past three years.

Central banks remain accommodative, although the **Federal Reserve has continued to taper its bond buying program**. Looking abroad, the European Central Bank (ECB) pushed interest rates lower to provide additional fuel for the European economy; in a move to incentivize banks to lend, its overnight bank deposit rate became negative.

Despite a disappointing U.S. GDP number and geopolitical concerns in the Middle East and peripheral Europe, domestic equity markets pushed higher this quarter. **The S&P 500 reached new highs in the period, ending the second quarter with a 5.2% return**.

**International equity markets posted gains, but trailed domestic markets once again**. Emerging market returns outpaced developed markets, as Chinese manufacturing has started to pick up while long-term demographics in the emerging markets remain favorable.

Interest rates moved lower with the **10-year U.S. Treasury rate ending June at 2.53%**, down from 2.73% at the end of March. The **Barclays U.S. Aggregate Index rose 2.0%** during the second quarter on the back of declining rates.



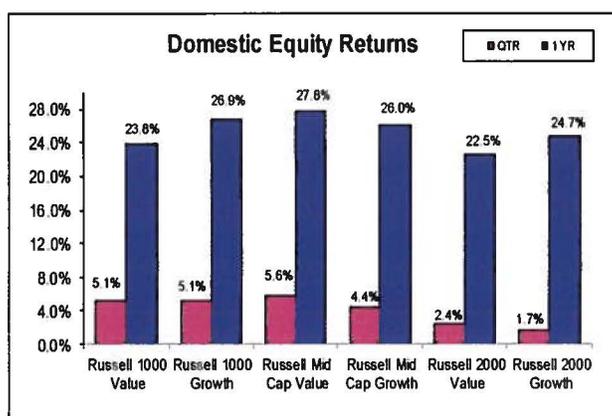
# Index Results



U.S. EQUITY	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
S&P 500	5.2	7.1	24.6	16.6	18.8	7.8
Russell 1000	5.1	7.3	25.4	16.6	19.3	8.2
Russell 1000 Value	5.1	8.3	23.8	16.9	19.2	8.0
Russell 1000 Growth	5.1	6.3	26.9	16.3	19.2	8.2
Russell Mid Cap	5.0	8.7	26.9	16.1	22.1	10.4
Russell Mid Cap Value	5.6	11.1	27.8	17.6	23.0	10.7
Russell Mid Cap Growth	4.4	6.5	26.0	14.5	21.2	9.8
Russell 2000	2.1	3.2	23.6	14.6	20.2	8.7
Russell 2000 Value	2.4	4.2	22.5	14.6	19.9	8.2
Russell 2000 Growth	1.7	2.2	24.7	14.5	20.5	9.0
Russell 3000	4.9	6.9	25.2	16.5	19.3	8.2
NAREIT	7.0	17.7	13.2	11.8	23.5	9.6
INTERNATIONAL EQUITY	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
MSCI ACWI ex-US	5.0	5.6	21.8	5.7	11.1	7.7
MSCI EAFE	4.1	4.8	23.6	8.1	11.8	6.9
MSCI EAFE Value	4.7	6.0	26.9	8.5	11.2	6.7
MSCI EAFE Growth	3.5	3.6	20.3	7.7	12.2	7.1
MSCI EAFE Small Cap	2.1	5.5	29.1	9.8	15.2	8.7
MSCI EM (Emerging Markets)	6.6	6.1	14.3	(0.4)	9.2	11.9
FIXED INCOME	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
Barclays U.S. Aggregate Bond	2.0	3.9	4.4	3.7	4.9	4.9
Barclays U.S. Gov/Credit Bond	1.9	3.9	4.3	4.1	5.1	4.9
Barclays Long Gov/Credit Bond	4.9	11.8	10.8	9.6	9.6	7.6
Barclays U.S. High Yield	2.4	5.5	11.7	9.5	14.0	9.0
Barclays U.S. TIPS	3.8	5.8	4.4	3.6	5.6	5.2
BofA Merrill 3-Month T-Bill	0.0	0.0	0.1	0.1	0.1	1.6
NON-TRADITIONAL	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
HFRI Fund of Funds Index	1.4	2.0	7.5	3.3	4.2	3.4
Bloomberg Commodity Index	0.1	7.1	8.2	(5.2)	2.0	0.9
CPI (estimated for June)	1.0	1.4	2.2	1.9	2.1	2.3

As of June 30, 2014

# Domestic Equity Review



Equity markets delivered solid positive performance in the second quarter as optimism over the U.S. economic outlook helped to offset concerns over weaker growth abroad, an escalating crisis in the Middle East, and the prospects of less accommodative Federal Reserve (Fed) policy as they continue to taper their bond buying program.

Stocks rose across the market cap spectrum, led by large and midcap stocks, with the Russell 1000 and Russell Midcap indices posting gains of 5.1% and 5.0% respectively. Small caps lagged their larger counterparts for the quarter, as they experienced a meaningful correction in the March through May time frame. The Russell 2000 Index gained a modest 2.1% during the quarter.

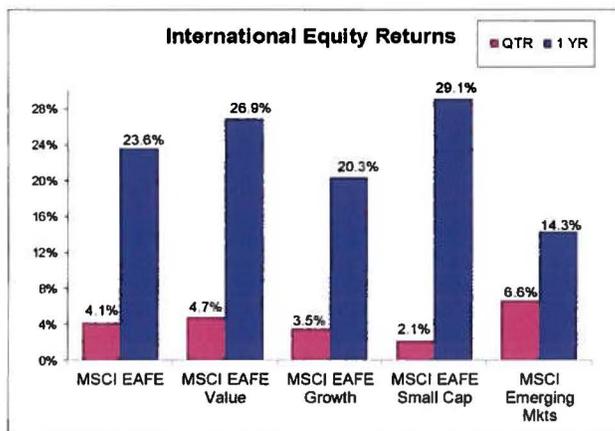
From a style perspective, value beat growth in the small-mid cap space due to the outperformance of utilities and REITs, which are heavily weighted in the small-mid cap value indices. Variation in the large cap style indices was minimal, with growth stocks slightly outperforming their value counterparts.

All sectors within the S&P 500 Index had positive returns, led by a double digit gain in the energy sector as unrest in the Middle East drove energy prices higher. Also performing well this quarter were the utilities and technology sectors. Financials were the weakest performing area of the index, delivering only modest positive performance.

High quality domestic stocks continued to trail low quality stocks in the second quarter. While quality stocks experienced strong performance in April, they were unable to keep pace in May and June.

2Q 2014		
S&P 500 Index	Ending Weight	Return
Consumer Discretionary	11.9%	3.5%
Consumer Staples	9.5%	4.7%
Energy	10.9%	12.1%
Financials	16.1%	2.3%
Health Care	13.3%	4.5%
Industrials	10.5%	3.9%
Information Technology	18.8%	6.6%
Materials	3.5%	5.5%
Telecom. Services	2.4%	3.8%
Utilities	3.2%	7.8%
<b>Total</b>	<b>100%</b>	<b>5.2%</b>

# International Equity Review



Returns among international stocks were positive in the second quarter. Overall, **European equities lagged the broader market**, although they still produced positive results. Returns within the region were mixed, with strong returns from the United Kingdom and Spain being offset by subdued results from Italy and Germany. The European Central Bank continued its stimulative policy this quarter with several actions, including further rate cuts.

**Larger capitalization stocks outpaced small caps** in international markets this quarter. **Value stocks outpaced growth stocks in both developed and emerging markets**, led by solid returns in the energy sector as oil prices rose due to increased tensions in Iraq.

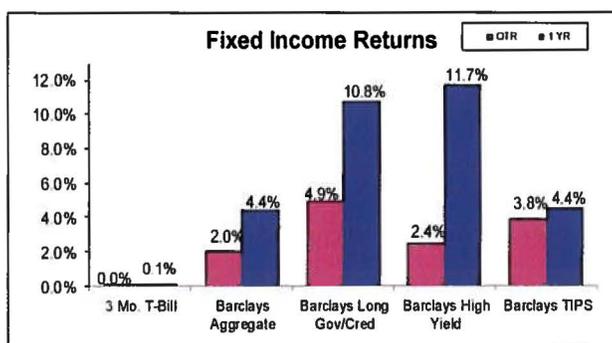
**Emerging market equities rebounded this quarter, outpacing developed markets.** Investor enthusiasm surrounding the election of Narendra Modi as the Prime Minister in India helped equities in the country post double digit gains. Equities in Russia also produced strong gains this quarter, rebounding from the sell-off to start the year.

**Equities in Japan rose, producing gains that outpaced other developed markets.** Concerns surrounding the consumption tax increase impacting growth dissipated this quarter. Additionally, GDP growth for the first quarter was revised higher, to a 6.7% annualized rate over the previous quarter.

The **U.S. dollar had mixed results in the quarter**, as it gained versus the euro. However, the **Japanese yen strengthened against the U.S. dollar** in the period. Several emerging market currencies rose against the U.S. dollar, including the Brazilian real, Russian ruble, and South Korean won.

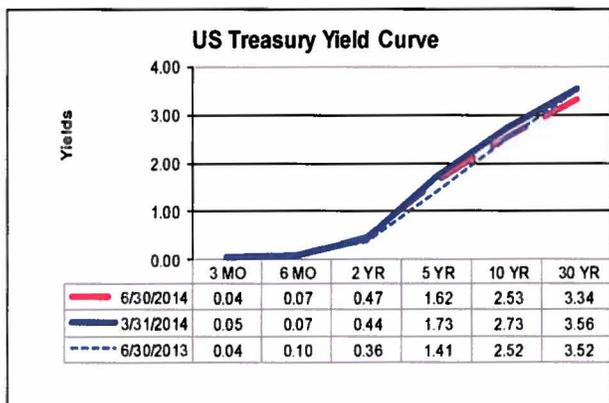
MSCI Country Results	2Q 2014	
	Local	USD
United Kingdom	3.4%	6.1%
France	2.4%	1.7%
Germany	2.3%	1.7%
Japan	4.9%	6.7%
China	5.4%	5.5%
India	13.5%	12.7%
Brazil	5.0%	7.5%
Russia	7.9%	10.7%

# Fixed Income Review



Fixed income markets extended their rally during the second quarter, as interest rates continued to disregard market consensus and fell across the yield curve. The yield on the 10-year Treasury fell an additional twenty basis points during the period.

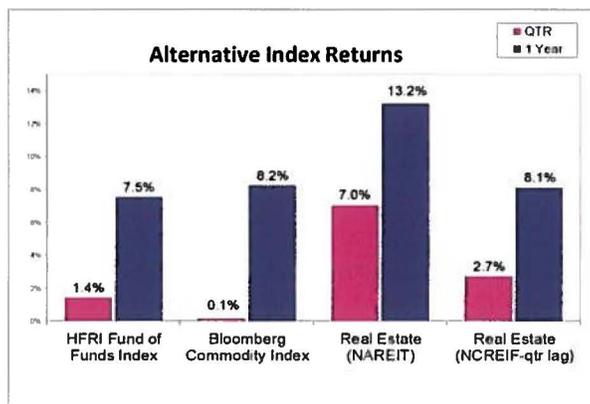
Investors continued to embrace credit markets due to sustained low volatility and encouraging economic data. Option adjusted spreads in both the investment grade and high yield markets fell to multi-year lows during the quarter. Performance was mixed from a quality perspective, with BBB and BB rated issues leading the way.



In the securitized space, investors largely ignored the increasing certainty that the Fed would complete its purchase program this fall. The pursuit of high quality sources of yield and limited new issuance during the period led to outperformance versus Treasuries.

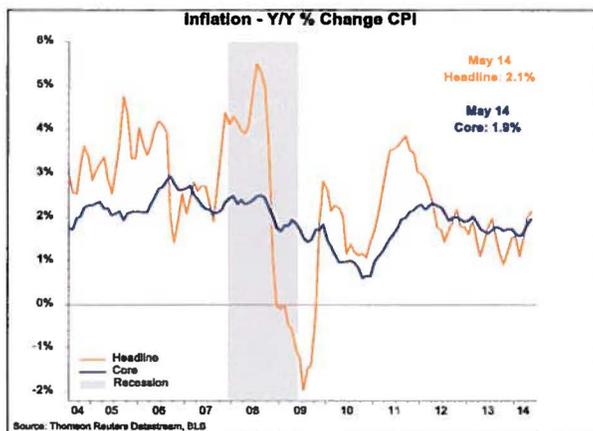
International developed market bonds also saw rates fall, supported by improving economic growth and continued easy monetary policy from several central banks. The rally in peripheral European bonds was once again led by Italy and Spain. Emerging market bonds also performed well, as they continued to recover from the impact of last spring's selloff, which was driven by talk of tapering.

# Alternatives Review



Hedge funds produced positive absolute results for the quarter, as losses in April were offset by gains later in the quarter. **Event driven strategies led during the period** as managers continued to benefit from distressed, restructuring opportunities, and equity special situations. Equity oriented managers produced mixed results, with many managers unable to recoup losses that occurred in April due to reversals in several technology names.

Improved operating fundamentals, limited new supply delivery, and positive NOI growth continue to drive **price appreciation in the commercial real estate markets**. Dispersion amongst property sectors has begun to shrink on improved tenant demand and higher lease rates. Demand remains biased toward the primary core markets, although valuations and transaction activity in the secondary markets have begun to accelerate.



**Global property stocks extended their rally in the quarter**, once again outpacing the broader equity markets. Continued strength in operating fundamentals, rising property valuations, and moderate declines in Treasury yields led to positive returns in the U.S. (+7.0%). Europe also rallied (+8.1%) on above average capital inflows and the expectation of future monetary easing from the ECB. Asia rebounded in the period (+9.2%) on positive economic data, improving fundamentals, and benign interest rates.

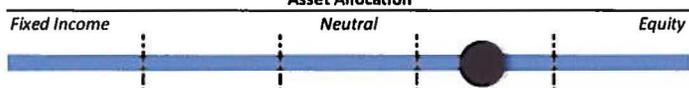
**Commodities, as measured by the Bloomberg Commodity Index, were largely unchanged** in the quarter, while **underlying subsector returns varied significantly**. Energy prices rose (+4.4%), driven by geopolitical concerns in the Middle East. Precious metals also benefited from the unrest as gold and silver rallied on investor demand for safe-haven assets. Agricultural commodities struggled (-10.0%), with USDA reports indicating greater quarterly supply and planting expectations than initially expected.

# Market Viewpoints

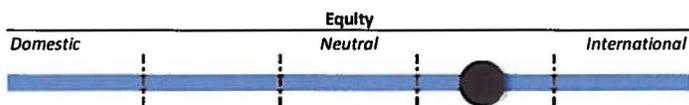


## Asset Allocation

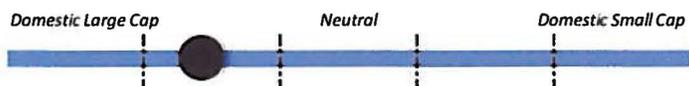
## Rationale



While valuations have risen for equities, concerns about the impact of rising rates have led to a somewhat more favorable relative view on equities.



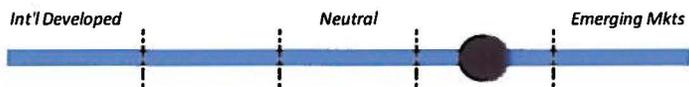
Valuations in international developed markets look more attractive on an absolute and relative basis.



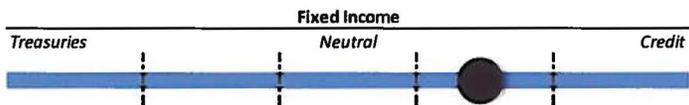
While increased M&A activity and continued economic activity could help smaller cap names, valuations in the small cap space appear more expensive.



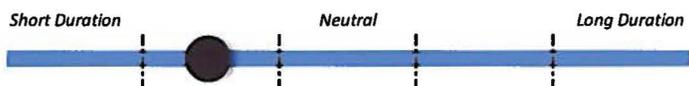
Relative P/E valuations look roughly in line, based on their historical averages.



Superior long-term growth expectations and more attractive valuations continue to favor emerging market stocks.



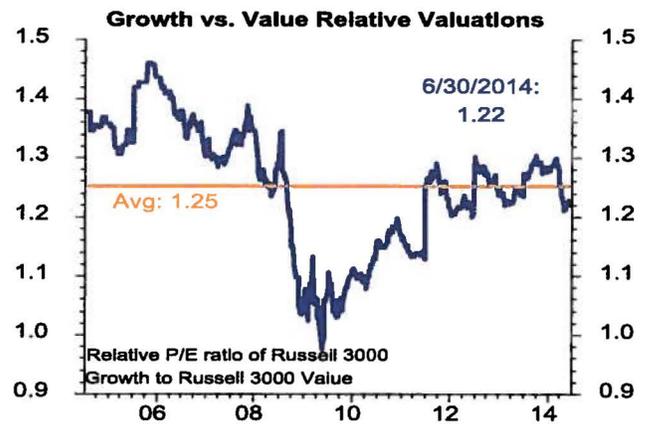
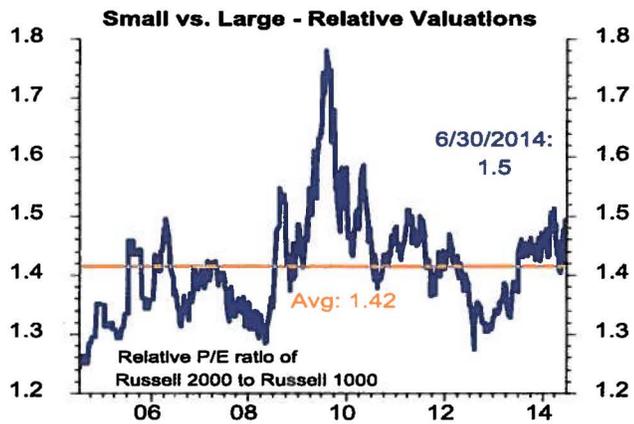
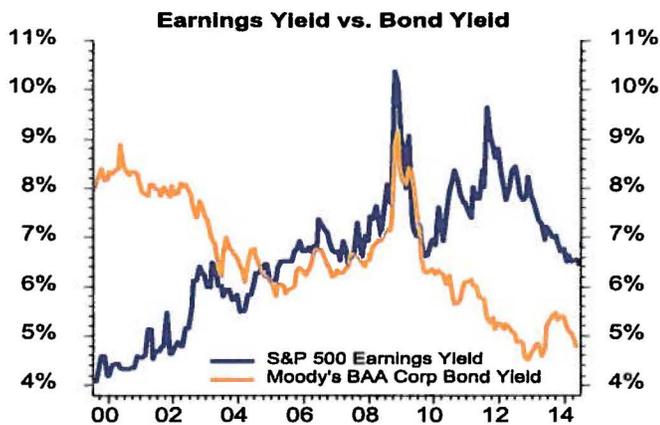
While spreads are currently narrower than their historical average, the incremental yield advantage offered by credit continues to be favored, given the fundamental backdrop.



Shorter duration bonds are preferred, due to concerns regarding the impact of rising rates and relatively low yield profile for bonds.

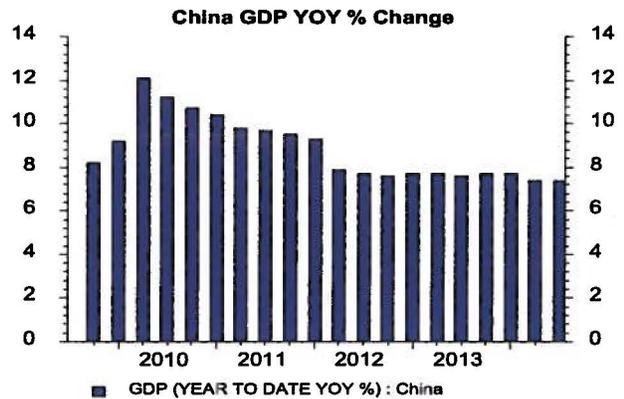
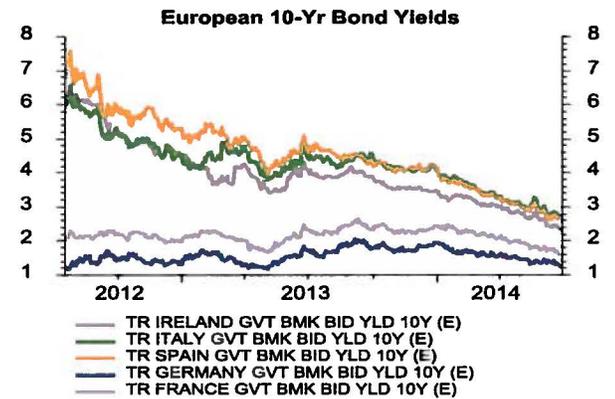
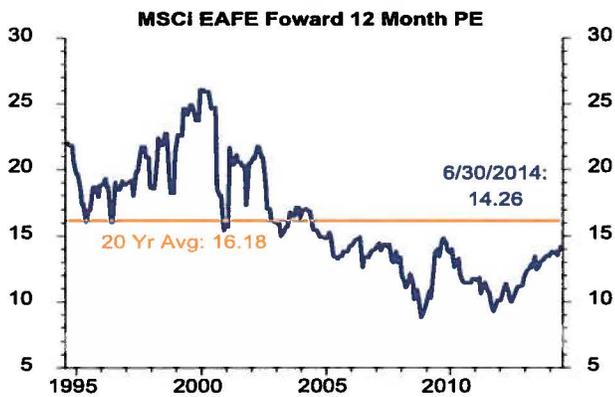
These viewpoints represent FIA's general assessment of the highlighted capital markets comparisons over the next twelve months. These opinions are subject to modification as conditions in the markets change. Clients should utilize these rankings in conjunction with other considerations that may be relevant to their particular circumstances.

# U.S. Market Viewpoints



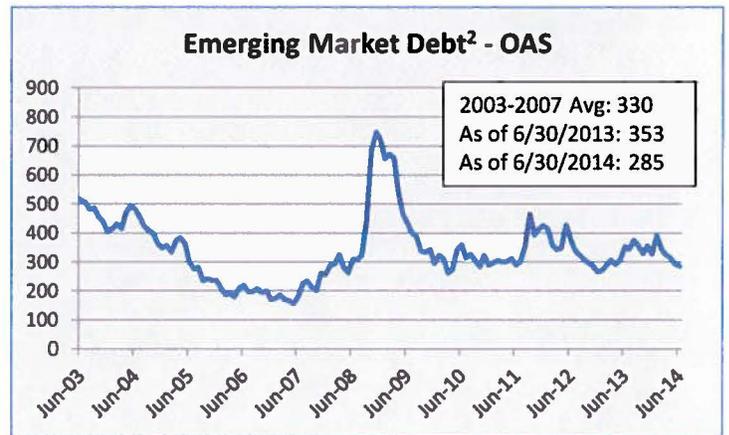
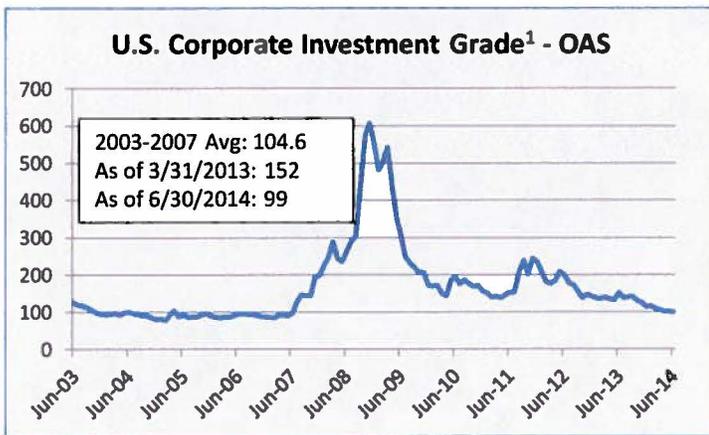
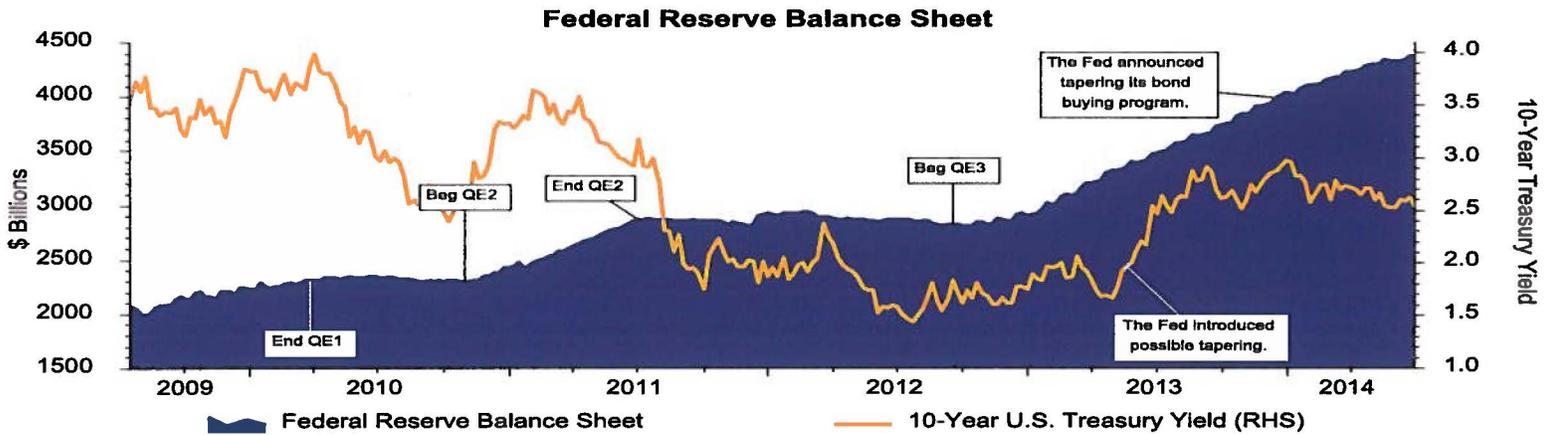
Source: Thomson Reuters Datastream, Standard & Poor's, Moody's, Russell, IBES

# International Market Viewpoints *Strategic thinking. Customized solutions.*



Source: Thomson Reuters Datastream, MSCI, National Bureau of Statistics, China, IBES

# Fixed Income Environment



OAS: Option Adjusted Spread, Sources: Thomson Reuters Datastream, Barclays, J.P. Morgan & Babson Capital Management, <sup>1</sup>Barclays U.S. Corporate Investment Grade Index, <sup>2</sup>J.P. Morgan EMBI Global Index

## Asset Allocation

As of June 30, 2014

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
<b>Total Plan</b>	<b>26,568,320</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>
<b>Short Term Liquidity</b>	<b>70,041</b>	<b>0.3</b>	<b>0.0</b>	<b>0.3</b>
WF Advantage Money Market	70,041	0.3	0.0	0.3
<b>Fixed Income</b>	<b>7,970,661</b>	<b>30.0</b>	<b>30.0</b>	<b>0.0</b>
PIMCO Total Return Instl	3,944,427	14.8	15.0	-0.2
BlackRock Strategic Income Opportunities Fund	4,026,234	15.2	15.0	0.2
<b>Domestic Equity</b>	<b>12,281,222</b>	<b>46.2</b>	<b>45.0</b>	<b>1.2</b>
Vanguard 500 Index Trust Signal	6,714,616	25.3	25.0	0.3
Diamond Hill Large Cap Y	2,155,134	8.1	7.5	0.6
MainStay Large Cap Growth I	2,052,039	7.7	7.5	0.2
Boston Trust Small Cap Fund	1,359,432	5.1	5.0	0.1
<b>International Equity</b>	<b>5,170,022</b>	<b>19.5</b>	<b>20.0</b>	<b>-0.5</b>
Thornburg International Value R6	21,209	0.1	0.0	0.1
Dodge & Cox International Stock	2,436,830	9.2	10.0	-0.8
Europacific Growth R6	2,711,983	10.2	10.0	0.2
<b>Inflation Protection</b>	<b>1,076,374</b>	<b>4.1</b>	<b>5.0</b>	<b>-0.9</b>
Van Eck Global Hard Assets	416,282	1.6	1.7	-0.1
Vanguard Short Term Inflation Protection	327,427	1.2	1.7	-0.4
Credit Suisse Commodity Return	332,665	1.3	1.7	-0.4

## Total Plan Performance Summary

As of June 30, 2014

### Account Reconciliation

	QTR	YTD	Since Inception	Inception Date
<b>Total Plan</b>				<b>07/01/2008</b>
Beginning Market Value	26,542,881	24,923,138	18,275,083	
Net Contributions	-851,665	639,837	-424,616	
Total Gain/Loss	877,104	1,005,345	8,717,853	
Ending Market Value	26,568,320	26,568,320	26,568,320	

### Blended Benchmark Composition

Allocation Mandate	Weight (%)
Barclays Aggregate Index	30.0
S&P 500 Index	25.0
Russell 1000 Growth Index	10.0
Russell 1000 Value Index	5.0
Russell 2000 Index	5.0
MSCI AC World ex USA (Net)	20.0
Short Term Inflation Protection Index	5.0

### Trailing Performance Summary

	QTR	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>Total Plan</b>	<b>3.4</b>	<b>3.9</b>	<b>16.1</b>	<b>9.1</b>	<b>12.3</b>	<b>N/A</b>	<b>N/A</b>	<b>7.2</b>	<b>07/01/2008</b>
Blended Benchmark	4.1	5.8	17.4	9.8	13.1	N/A	N/A	7.7	
Difference	-0.7	-1.9	-1.3	-0.7	-0.8	N/A	N/A	-0.5	

### Calendar Year Performance Summary

	2013	2012	2011	2010	2009	2008	2007	2006
<b>Total Plan</b>	<b>17.2</b>	<b>12.5</b>	<b>-0.9</b>	<b>14.0</b>	<b>21.9</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Blended Benchmark	16.6	12.1	0.2	14.8	21.4	N/A	N/A	N/A
Difference	0.6	0.4	-1.1	-0.8	0.5	N/A	N/A	N/A

New Blended Benchmark effective 9/1/2013.

## Historical Hybrid Composition

Blended Benchmark  
As of June 30, 2014

Allocation Mandate	Weight (%)	Allocation Mandate	Weight (%)
<b>Jul-2008</b>		<b>Apr-2011</b>	
S&P 500 Index	45.0	Barclays Aggregate Index	30.0
Russell 2000 Index	10.0	S&P 500 Index	25.0
Barclays Aggregate Index	35.0	Russell 1000 Growth Index	10.0
MSCI AC World ex USA (Net)	10.0	Russell 1000 Value Index	5.0
<b>Nov-2009</b>		Russell 2000 Index	5.0
Barclays Aggregate Index	35.0	MSCI AC World ex USA (Net)	20.0
S&P 500 Index	27.5	Inflation Protection Index	5.0
Russell 1000 Growth Index	12.5	<b>Sep-2013</b>	
S&P Completion Index	15.0	Barclays Aggregate Index	30.0
MSCI AC World ex USA (Net)	10.0	S&P 500 Index	25.0
<b>Apr-2010</b>		Russell 1000 Growth Index	10.0
Barclays Aggregate Index	35.0	Russell 1000 Value Index	5.0
S&P 500 Index	27.5	Russell 2000 Index	5.0
Russell 1000 Growth Index	12.5	MSCI AC World ex USA (Net)	20.0
Russell 2000 Index	5.0	Short Term Inflation Protection Index	5.0
S&P Completion Index	10.0		
MSCI AC World ex USA (Net)	10.0		
<b>Jul-2010</b>			
Barclays Aggregate Index	30.0		
S&P 500 Index	27.5		
Russell 1000 Growth Index	12.5		
Russell 2000 Index	5.0		
MSCI AC World ex USA (Net)	20.0		
Inflation Protection Index	5.0		

## Manager Performance Overview

As of June 30, 2014

	QTR	YTD	1 Year	3 Years	Nov-2009 To Jun-2014	5 Years	Since Inception	Inception Date
<b>Short Term Liquidity</b>								
<b>WF Advantage Money Market</b>	0.0	0.0	0.0	0.0	0.0	N/A	0.0	11/01/2009
90 Day U.S. Treasury Bill	0.0	0.0	0.0	0.1	0.1	N/A	0.1	
<b>Fixed Income</b>								
<b>PIMCO Total Return Instl</b>	2.4 (19)	3.7 (77)	4.9 (50)	4.3 (35)	5.4 (27)	N/A	5.4 (27)	11/01/2009
Barclays Aggregate Index	2.0	3.9	4.4	3.7	4.3	N/A	4.3	
IM U.S. Broad Market Core Fixed Income (MF) Median	2.1	4.1	4.9	3.9	4.8	5.8	4.8	
<b>BlackRock Strategic Income Opportunities Fund</b>	1.7 (34)	3.3 (30)	N/A	N/A	N/A	N/A	3.9 (29)	12/01/2013
Barclays Aggregate Index	2.0	3.9	N/A	N/A	N/A	N/A	3.3	
Libor (3 month)	0.1	0.1	N/A	N/A	N/A	N/A	0.1	
IM Alternative Credit Focus (MF) Median	1.4	2.5	4.4	3.8	5.3	7.1	3.1	
<b>Domestic Equity</b>								
<b>Vanguard 500 Index Trust Signal</b>	5.2 (21)	7.1 (29)	24.6 (41)	16.5 (21)	17.1 (20)	N/A	17.1 (20)	11/01/2009
S&P 500 Index	5.2	7.1	24.6	16.6	17.1	N/A	17.1	
IM U.S. Large Cap Core Equity (MF) Median	4.7	6.2	23.7	15.2	15.5	17.2	15.5	
<b>Diamond Hill Large Cap Y</b>	4.2 (56)	6.1 (75)	22.5 (49)	16.6 (21)	N/A	N/A	15.4 (12)	04/01/2011
Russell 1000 Value Index	5.1	8.3	23.8	16.9	N/A	N/A	15.3	
IM U.S. Large Cap Value Equity (MF) Median	4.4	6.9	22.4	15.3	15.2	17.1	13.8	
<b>MainStay Large Cap Growth I</b>	4.6 (45)	3.2 (74)	27.1 (38)	14.1 (59)	N/A	N/A	13.0 (61)	04/01/2011
Russell 1000 Growth Index	5.1	6.3	26.9	16.3	N/A	N/A	15.2	
IM U.S. Large Cap Growth Equity (MF) Median	4.4	4.4	26.3	14.5	15.9	17.4	13.4	
<b>Boston Trust Small Cap Fund</b>	0.8 (84)	-0.8 (97)	17.1 (97)	10.8 (97)	N/A	N/A	13.6 (92)	04/01/2010
Russell 2000 Index	2.0	3.2	23.6	14.6	N/A	N/A	15.7	
IM U.S. Small Cap Core Equity (MF) Median	2.0	3.1	23.6	14.8	19.2	20.4	16.2	

Returns for periods less than one year are not annualized.

\*More information on custom indexes, which may be used in this report, can be found on the Custom Index Description page in the back of your report.

## Manager Performance Overview

As of June 30, 2014

	QTR	YTD	1 Year	3 Years	Nov-2009 To Jun-2014	5 Years	Since Inception	Inception Date
<b>International Equity</b>								
<b>Dodge &amp; Cox International Stock</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	07/01/2014
MSCI AC World ex USA Value (net)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
IM International Large Cap Value Equity (MF) Median	3.9	3.8	20.5	6.1	8.0	10.6	N/A	
<b>Europacific Growth R6</b>	3.0 (89)	3.7 (69)	22.4 (44)	7.4 (39)	9.1 (22)	N/A	9.1 (22)	11/01/2009
MSCI AC World ex USA (Net)	5.0	5.6	21.8	5.7	8.0	N/A	8.0	
IM International Large Cap Core Equity (MF) Median	4.1	4.5	21.9	7.1	8.4	11.0	8.4	
<b>Inflation Protection</b>								
<b>Van Eck Global Hard Assets</b>	11.5 (23)	13.5 (43)	32.3 (31)	2.2 (44)	N/A	N/A	12.2 (35)	07/01/2010
S&P North American Natural Resources Sector Index	13.4	16.4	33.2	6.7	N/A	N/A	15.1	
IM Global Natural Resources (MF) Median	9.6	12.8	30.2	1.5	8.3	11.3	10.2	
<b>Vanguard Short Term Inflation Protection</b>	1.5 (91)	1.7 (94)	N/A	N/A	N/A	N/A	1.9 (94)	09/01/2013
Barclays U.S. TIPS 0-5 Year	1.6	1.8	N/A	N/A	N/A	N/A	2.0	
IM U.S. TIPS (MF) Median	3.4	5.2	3.9	2.8	4.4	5.0	4.7	
<b>Credit Suisse Commodity Return</b>	0.4 (68)	6.5 (46)	N/A	N/A	N/A	N/A	3.1 (43)	09/01/2013
Bloomberg Commodity Index Total Return	0.1	7.1	N/A	N/A	N/A	N/A	3.2	
IM All Commodities (MF) Median	1.5	6.2	7.8	-4.8	1.4	2.9	2.7	

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Your performance may differ slightly if the fund was purchased during the previous month. Actual performance is captured at the total plan level.

Mutual fund performance stated above may differ slightly from the current share class's historical performance due to share class exchanges.

Peer group comparisons are calculated using the Fund's NET return versus the applicable peer group. Mutual Fund (MF) peer group comparisons are reported on a NET return basis. Separate Account and Commingled Fund (SA+CF) peer group comparisons are reported on a GROSS return basis.

Returns for periods less than one year are not annualized.

\*More information on custom indexes, which may be used in this report, can be found on the Custom Index Description page in the back of your report.

## Manager Commentary

As of June 30, 2014

Manager	Status	Comments
<b>Fixed Income</b>		
PIMCO:Tot Rtn;Inst (PTTRX)	Watch 4Q 2013	<p>2Q 2014 – The PIMCO Total Return strategy produced positive absolute results and outpaced the Barclays Aggregate during the second quarter. Improved results were largely driven by the firm's yield curve positioning as increased carry created from Eurodollar positions offset the impacts of an underweight to duration. Holdings in select U.S. TIPS were also beneficial due to falling rates and an increase in breakeven inflation. Non-U.S. exposure in Mexico, Italy, and Spain also contributed to relative results. An underweight allocation to U.S. corporate bonds was a leading detractor as spreads continued to compress during the quarter due to improving corporate balance sheets and the continued demand for yield by investors. A continued emphasis on financial issues helped to partially offset the impact of an underweight to the sector. A lack of exposure to U.S. Agency MBS also weighed on results as spreads tightened despite the Fed's continued tapering of its monthly purchase program.</p> <p>PIMCO remains on Watch following the departure of Mohamed El-Erian earlier this year. The firm has appointed six deputy CIO's and has announced the return of Paul McCulley as chief economist and investment committee member.</p>
BlackRock:Str Inc Opp;I (BSIIX)	Maintain	<p>2Q 2014 – The BlackRock Strategic Income Opportunities Fund produced positive absolute results but trailed the broad fixed income markets during the second quarter. Absolute results were limited by the strategies short duration exposure as interest rates trended lower during the quarter. Macroeconomic related currency hedges also weighed on results during the period. The portfolio's exposure to securitized assets was the largest contributor as CMBS, ABS, and non-agency MBS all performed well. Exposure to European credit, specifically bank debt, also positive contributed to results. The portfolio manager continues to position the portfolio conservatively as valuations in many sectors appear rich today. The portfolio manager is avoiding trades with limited upside where illiquidity risk is not as rewarded due to lower yields. Today, the portfolio has a smaller allocation to U.S. credit sectors and a larger allocation to less directional trades that seek absolute returns.</p>
<b>Domestic Equity</b>		
Vanguard 500 Index;Sig (VIF5X)	Maintain	<p>2Q 2014 - In accordance with its investment objective, the Vanguard 500 Index fund has performed in line with the S&amp;P 500 Index.</p>
Diamond Hill Lg Cap;Y (DHLYX)	Maintain	<p>2Q 2014 – The Diamond Hill Large Cap strategy underperformed the Russell 1000 Value Index during the second quarter. Stock selection in the consumer discretionary, health care and information technology sectors had the largest negative impact on relative results. Many consumer retailer companies were adversely affected by the harsh winter weather, and TJX Companies was no exception. Shares of the stock fell after reporting disappointing sales growth. Holdings in the health care sector such as Pfizer, Express Scripts and Boston Scientific weighed on results. On the positive side, the strategy's energy investments provided the largest contribution to returns. Oil prices rose during the quarter due to geopolitical concerns in the Middle East. Many companies benefited from this including EDG Resources and Cimarex Energy. Devon Energy was also among the top contributors as shares rose due to a positive outlook for its Permian Basin exposure.</p>

## Manager Commentary

As of June 30, 2014

Manager	Status	Comments
MainStay:Lg Cap Gr,I (MLAIX)	Maintain	<p>2Q 2014 – The Mainstay Large Cap Growth Fund (managed by Winslow) underperformed the Russell 1000 Growth Index during the second quarter. Higher momentum stocks continued their sell off early in the quarter, hurting the portfolio's relative results during April. Among the Fund's holdings that detracted were Salesforce.com, LinkedIn, Amazon.com and BioMarin Pharmaceuticals. In addition, not owning Coca Cola and Altria had a negative impact on relative gains. These companies, along with many others in the consumer staples sector, do not meet Winslow's growth criteria. In the second half of the quarter, strong selection in the Industrials, materials and telecommunications sectors helped the strategy outpace its bogey, but it was not enough to offset the relative loss from earlier in the quarter. Among the top contributors for the quarter were Monsanto, Pioneer Natural Resources, Celgene and Baldu.</p> <p>As announced previously, Winslow's parent company, Nuveen Investments, will be purchased by TIAA-CREF.</p>
Boston Trust Small Cap (BOSOX)	Maintain	<p>2Q 2014 - The Boston Trust Small Cap Fund trailed the Russell 2000 Index in the second quarter. The impact on relative performance by Boston Trust's investment style, which favors stocks of higher quality companies, was apparent but more modest than it has been in past quarters. More specifically, all of this quarter's underperformance was due to stock selection. Holdings in the technology, financials and consumer discretionary had the largest negative impact on relative returns. Laggards this quarter were online surplus auction firm Liquidity Services (technology), commercial bank Texas Capital Bancshares (financials) and discount footwear retailer DDSW (consumer discretionary). On the positive side, stock selection in Industrials was the largest contributor led by Hub Group, Polypore International and Tennant Co. Boston Trust's holdings in aggregate posted continued improvement in their fundamentals, which the investment team views as an important barometer of short and long term performance.</p>
<b>International Equity</b>		
Dodge & Cox Intl Stock (DODFX)	Maintain	<p>2Q 2014 – The Dodge &amp; Cox International Stock Fund rose this quarter posting strong absolute returns. Stock selection in the energy sector, which was the best performing group in the second quarter, contributed as positions in Weatherford, Schlumberger, and Petrobras boosted results. The portfolio's energy holdings returned 19% in the period. In addition, emerging markets financials rose in the period. These included positions in Sabanci, Yapi Kredi, and ICICI Bank. On the other hand, positions in European and UK financials detracted from results as banks in this region came under intense selling pressure due to missed earnings and worries about litigation risk. Positions in Credit Suisse, UniCredit, and Barclays weighed on results. Stock selection in the Fund's healthcare holdings also hurt returns as did the portfolio's lack of exposure to utilities. As of the end of the quarter, the Fund remained underweight to Japan and the UK while holding a 23% position in emerging markets.</p>
American Funds EuPc;R-6 (REGX)	Maintain	<p>2Q 2014 - The American Funds EuroPacific Growth Fund was up during the second quarter, but lagged its benchmark. The portfolio's underweight allocation to Canada and energy dragged on relative returns as energy stocks spiked during the quarter due to geopolitical risks in the Middle East that pushed up the price of oil. Canada is a region that is heavily exposed to energy. Holdings of companies in developing countries helped boost returns as stocks such as India's Axis Bank and Power Grid and China's Baldu and Ctrip.com were large contributors. Stock selection in the Industrials, consumer discretionary, and financials sectors were among the largest detractors for the portfolio. Positions in Commerzbank, Bank of Ireland, and Barclays all weighed on the fund as litigation risk has created headwinds for the sector. An underweight position in Japan as well as poor stock selection in the country weighed on results, as Japanese equities bounced back strongly following a weak first quarter. The firm disclosed that Lawrence Kymisis is now a portfolio manager on the Fund, while Robert Lovelace is no longer a portfolio manager. The Fund has 9 portfolio managers.</p>

## Manager Commentary

As of June 30, 2014

Manager	Status	Comments
<b>Inflation Protection</b>		
Van Eck:GI Hard Asst;I (GHAIX)	Maintain	2Q 2014 - The Van Eck Global Hard Asset Fund generated a return of 11.5% in the quarter, but trailed its general benchmark. Resource related equities extended their rally on further signs of synchronized global growth, expectations that central banks would extend accommodative monetary policy, and a number of supply and demand shocks impacting physical commodity prices. In addition, increased inflation expectations are becoming a focus point of investors, following a longstanding hiatus. Fund performance continues to be driven by positions in the energy sector. Exposure to Oil & Gas Exploration and Production companies was the top contributor, notably positions in Cimarex energy, Anadarko Petroleum, and Pioneer Natural Resources, all of which benefited from a focus on unconventional shale activities. In addition, exposure to Oil & Gas Equipment & Service firms Halliburton and Schlumberger contributed. The Fund's dedicated allocation to precious metals and the diversified metals and mining subsector were positive in the period, while agricultural and chemical exposure detracted. The Fund continues to maintain a more diversified exposure to natural resource equities relative to the S&P North America Resource Index, which is heavily weighted toward the energy sector.
Vanguard ST InPS Idx;Adm (VTAPX)	Maintain	2Q 2014 - In accordance with its objective, the Vanguard Short Term Inflation Protected Securities portfolio performed essentially in line with its benchmark during the quarter.
Crdt Suis Cmdty Rtn;Inst (CRSOX)	Maintain	2Q 2014 - The Credit Suisse Commodity Return Fund ended with a positive absolute return and performed roughly in line with the Bloomberg Commodity Index Total Return, as expected. The Fund's modest relative outperformance was attributable to curve positioning in the agriculture and livestock sectors, where longer dated positions did not react as sharply to the excess supply expectations. In general, the Fund's commodity exposure was positioned further out the curve relative to the index in the majority of sectors. The team continues to utilize an active role strategy and takes a conservative approach toward management of the collateral pool.

## Manager Gain/Loss Summary

Quarter Ending June 30, 2014

	Market Value As of 04/01/2014	Net Flows	Return On Investment	Market Value As of 06/30/2014
<b>Short Term Liquidity</b>				
WF Advantage Money Market	416,699	-346,665	7	70,041
<b>Short Term Liquidity</b>	<b>416,699</b>	<b>-346,665</b>	<b>7</b>	<b>70,041</b>
<b>Fixed Income</b>				
PIMCO Total Return Instl	3,852,989	-	91,438	3,944,427
BlackRock Strategic Income Opportunities Fund	3,960,741	-	65,493	4,026,234
<b>Total Fixed Income</b>	<b>7,813,730</b>	<b>-</b>	<b>156,931</b>	<b>7,970,661</b>
<b>Domestic Equity</b>				
Vanguard 500 Index Trust Signal	6,865,354	-505,000	354,262	6,714,616
Diamond Hill Large Cap Y	2,067,611	-	87,523	2,155,134
MainStay Large Cap Growth I	1,962,238	-	89,801	2,052,039
Boston Trust Small Cap Fund	1,349,140	-	10,292	1,359,432
<b>Total Domestic Equity</b>	<b>12,244,344</b>	<b>-505,000</b>	<b>541,878</b>	<b>12,281,222</b>
<b>International Equity</b>				
Thornburg International Value R6	2,406,885	-2,428,960	43,283	21,209
Dodge & Cox International Stock	-	2,428,960	7,871	2,436,830
Europacific Growth R6	2,634,101	-	77,881	2,711,983
<b>Total International Equity</b>	<b>5,040,987</b>	<b>-</b>	<b>129,035</b>	<b>5,170,022</b>
<b>Inflation Protection</b>				
Van Eck Global Hard Assets	373,280	-	43,003	416,282
Vanguard Short Term Inflation Protection	322,474	-	4,953	327,427
Credit Suisse Commodity Return	331,369	-	1,296	332,665
<b>Total Inflation Protection</b>	<b>1,027,122</b>	<b>-</b>	<b>49,252</b>	<b>1,076,374</b>
<b>Total Plan</b>	<b>26,542,881</b>	<b>-851,665</b>	<b>877,104</b>	<b>26,568,320</b>

## Market Value & Flow Summary

Since Inception Ending June 30, 2014

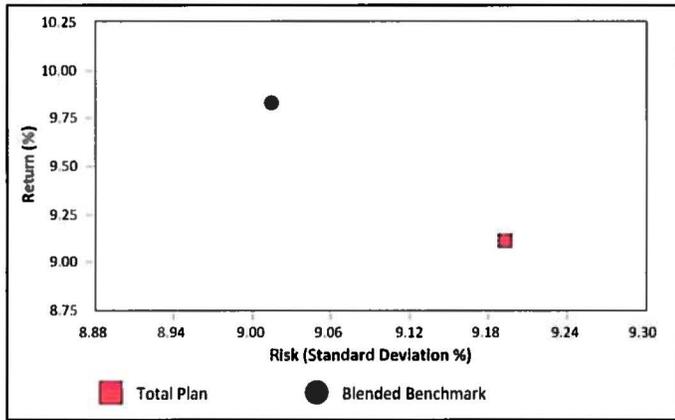
Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
Jun-2008	-	-	-	18,275,083	N/A
Sep-2008	18,275,083	-347,237	-1,227,403	16,700,443	-6.8
Dec-2008	16,700,443	-116,941	-2,330,795	14,252,707	-14.0
Mar-2009	14,252,707	-142,836	-882,840	13,227,031	-6.2
Jun-2009	13,227,031	1,552	1,674,193	14,902,776	12.6
Sep-2009	14,902,776	-331,810	1,821,456	16,392,422	11.8
Dec-2009	16,392,422	-97,668	521,094	16,815,848	3.2
Mar-2010	16,815,848	-174,642	651,983	17,293,189	3.8
Jun-2010	17,293,189	-317,593	-933,037	16,042,558	-5.3
Sep-2010	16,042,558	-151,153	1,474,076	17,365,481	9.1
Dec-2010	17,365,481	-137,528	1,118,395	18,346,348	6.4
Mar-2011	18,346,348	-137,728	714,933	18,923,552	3.8
Jun-2011	18,923,552	-104,491	130,815	18,949,876	0.7
Sep-2011	18,949,876	-62,357	-2,158,099	16,729,420	-11.2
Dec-2011	16,729,420	12,585	1,148,229	17,890,234	6.8
Mar-2012	17,890,234	8,848	1,533,171	19,432,253	8.3
Jun-2012	19,432,253	-7,597	-470,406	18,954,251	-2.3
Sep-2012	18,954,251	103,175	1,021,074	20,078,499	5.3
Dec-2012	20,078,499	159,089	215,744	20,453,333	1.0
Mar-2013	20,453,333	138,799	1,111,119	21,703,251	5.3
Jun-2013	21,703,251	84,987	-62,483	21,725,754	-0.3
Sep-2013	21,725,754	256,475	1,167,742	23,149,971	5.2
Dec-2013	23,149,971	299,619	1,473,548	24,923,138	6.2
Mar-2014	24,923,138	1,491,502	128,241	26,542,881	0.5
Jun-2014	26,542,881	-851,665	877,104	26,568,320	3.4

Net cash flows excluding investment management fees paid may differ from gross cash flow figures shown elsewhere in this report.

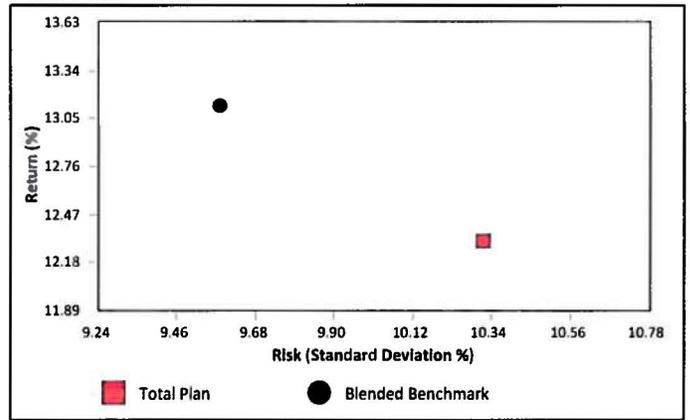
## Risk vs. Return

As of June 30, 2014

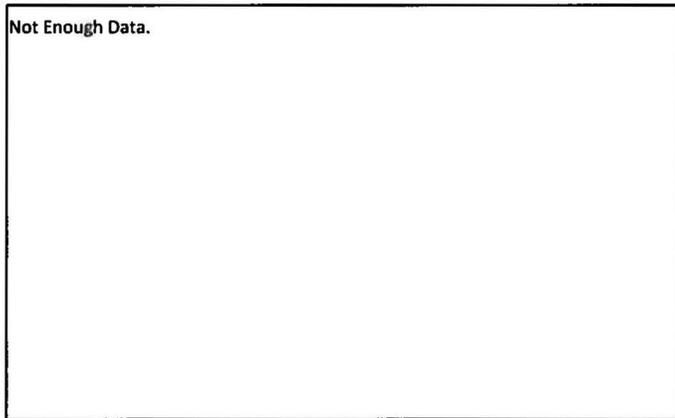
### 3 Year Risk and Return



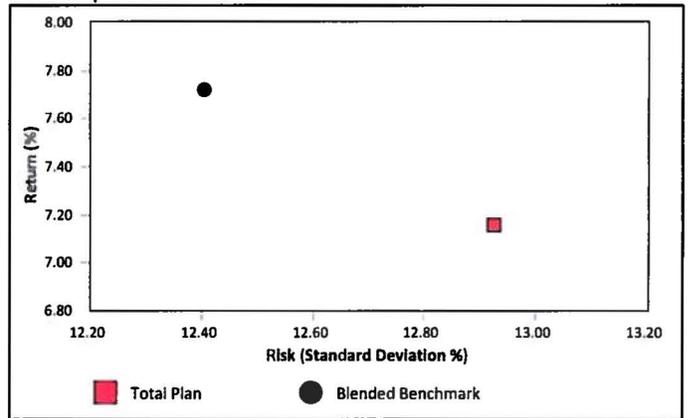
### 5 Year Risk and Return



### 7 Year Risk and Return



### Since Inception Risk and Return



## MPT Statistical Data

As of June 30, 2014

### 3 Year Historical MPT Statistics

	Return	Standard Deviation	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Downside Risk
Total Plan	9.11	9.19	1.02	-0.63	0.99	0.99	-0.77	1.01	5.81
Blended Benchmark	9.83	9.02	0.00	N/A	1.00	1.08	0.00	1.00	5.52
90 Day U.S. Treasury Bill	0.06	0.02	9.02	-1.08	0.07	N/A	0.06	0.00	0.01

### 5 Year Historical MPT Statistics

	Return	Standard Deviation	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Downside Risk
Total Plan	12.31	10.32	4.95	-0.13	0.77	1.17	0.02	0.95	5.34
Blended Benchmark	13.12	9.58	0.00	N/A	1.00	1.33	0.00	1.00	5.28
90 Day U.S. Treasury Bill	0.09	0.03	9.58	-1.33	0.00	N/A	0.09	0.00	0.00

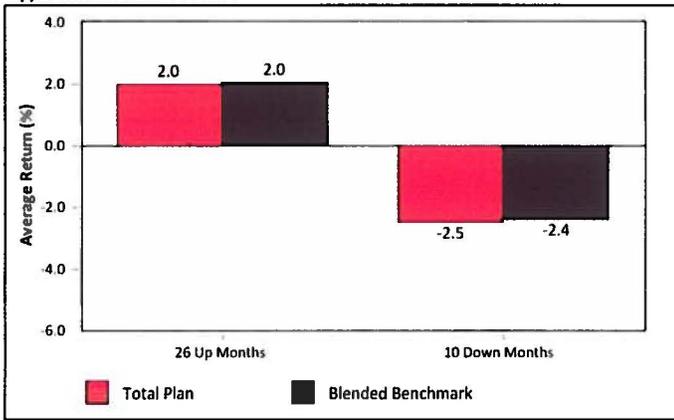
### 7 Year Historical MPT Statistics

	Return	Standard Deviation	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Downside Risk
Total Plan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Blended Benchmark	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
90 Day U.S. Treasury Bill	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

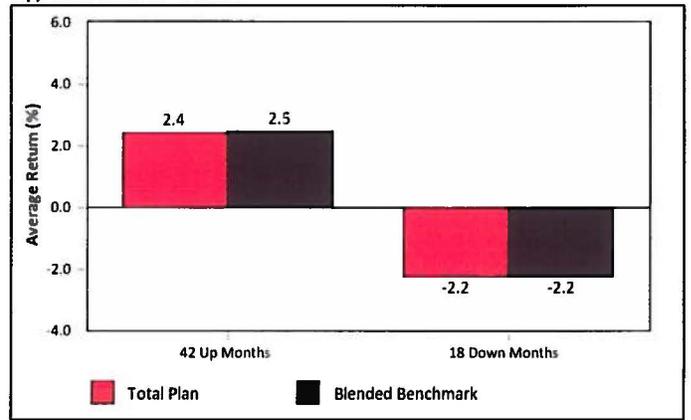
# Market Capture Report

As of June 30, 2014

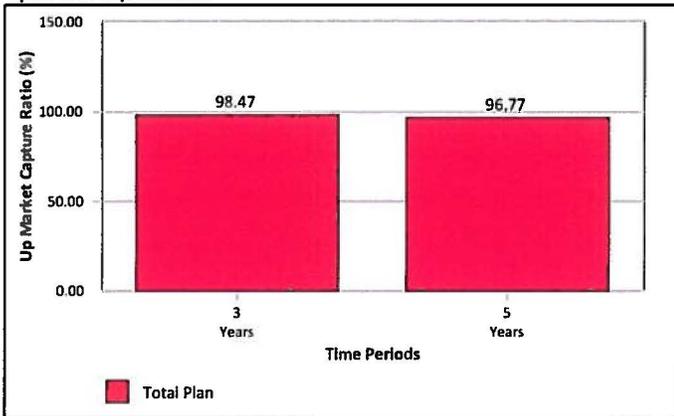
Up/Down Markets - 3 Years



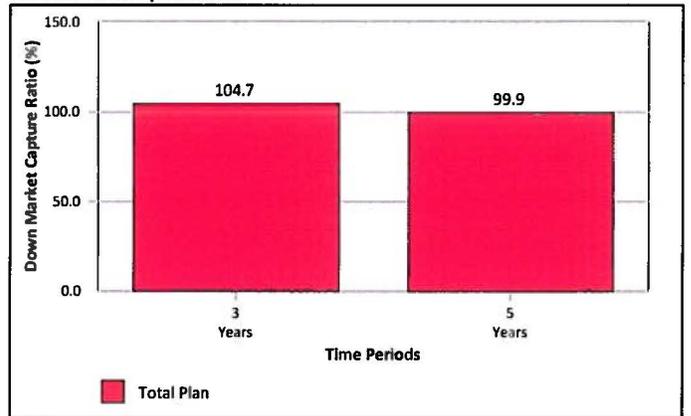
Up/Down Markets - 5 Years



Up Market Capture Ratio



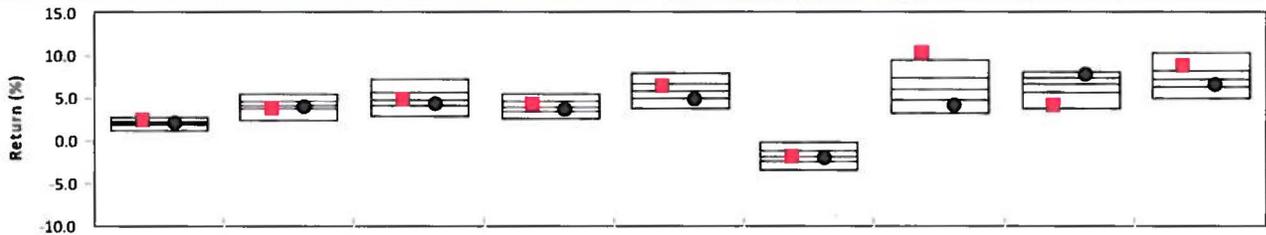
Down Market Capture Ratio



## Manager Evaluation

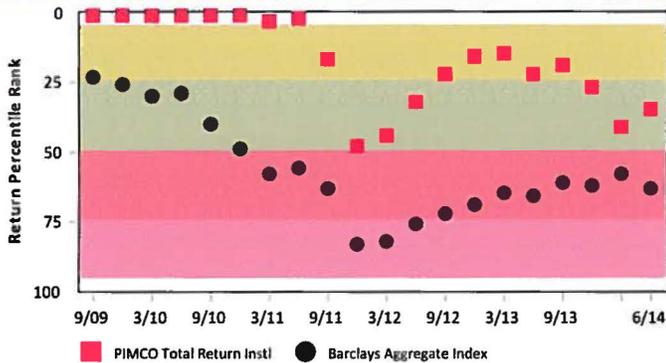
**PIMCO Total Return Instl**  
As of June 30, 2014

### Peer Group Analysis vs. IM U.S. Broad Market Core Fixed Income (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
■ PIMCO Total Return Instl	2.4 (19)	3.7 (76)	4.9 (49)	4.3 (35)	6.4 (33)	-1.9 (51)	10.4 (2)	4.2 (94)	8.9 (19)
● Barclays Aggregate Index	2.0 (55)	3.9 (64)	4.4 (64)	3.7 (63)	4.9 (78)	-2.0 (56)	4.2 (81)	7.8 (11)	6.5 (70)
5th Percentile	2.7	5.6	7.2	5.5	8.0	-0.1	9.6	8.2	10.4
1st Quartile	2.3	4.6	5.8	4.6	6.7	-1.3	7.3	7.4	8.3
Median	2.1	4.1	4.9	3.9	5.8	-1.9	6.1	6.6	7.3
3rd Quartile	1.9	3.7	4.1	3.4	5.0	-2.4	4.9	5.7	6.4
95th Percentile	1.3	2.4	2.9	2.6	3.8	-3.4	3.4	3.8	5.1

### 3 Year Rolling Percentile Ranking vs. IM U.S. Broad Market Core Fixed Income (MF)



### Manager Commentary

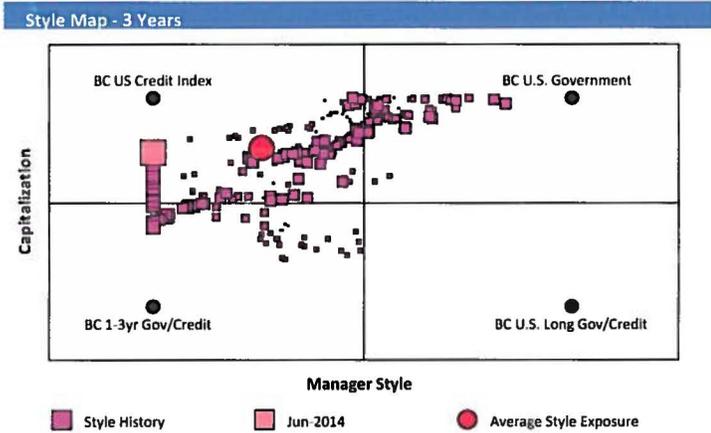
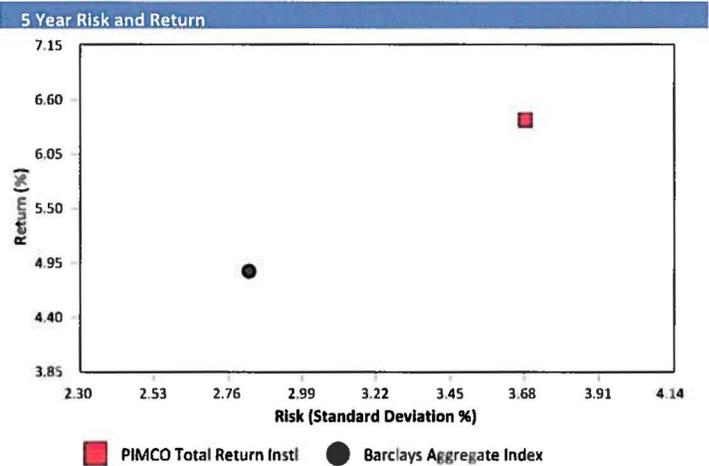
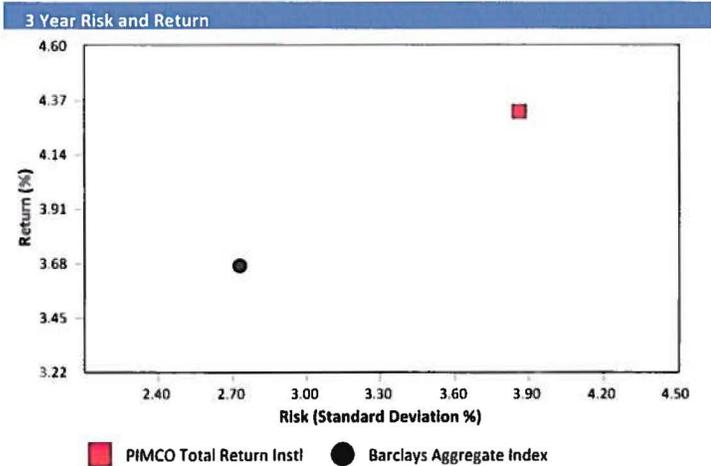
2Q 2014 – The PIMCO Total Return strategy produced positive absolute results and outpaced the Barclays Aggregate during the second quarter. Improved results were largely driven by the firm’s yield curve positioning as increased carry created from Eurodollar positions offset the impacts of an underweight to duration. Holdings in select U.S. TIPS were also beneficial due to falling rates and an increase in breakeven inflation. Non-U.S. exposure in Mexico, Italy, and Spain also contributed to relative results. An underweight allocation to U.S. corporate bonds was a leading detractor as spreads continued to compress during the quarter due to improving corporate balance sheets and the continued demand for yield by investors. A continued emphasis on financial issues helped to partially offset the impact of an underweight to the sector. A lack of exposure to U.S. Agency MBS also weighed on results as spreads tightened despite the Fed’s continued tapering of its monthly purchase program.

PIMCO remains on Watch following the departure of Mohamed El-Erian earlier this year. The firm has appointed six deputy CIO’s and has announced the return of Paul McCulley as chief economist and investment committee member.

Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

**PIMCO Total Return Instl**  
As of June 30, 2014



**MPT Statistics vs. Barclays Aggregate Index**

	3 Years	5 Years
Return	4.3	6.4
Standard Deviation	3.9	3.7
vs. Barclays Aggregate Index		
Alpha	0.6	1.5
Beta	1.0	1.0
R-Squared	0.5	0.6
Consistency	63.9	70.0
Up Market Capture	120.6	123.2
Down Market Capture	124.2	104.3
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	1.1	1.7

Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

### PIMCO Total Return Instl

As of June 30, 2014

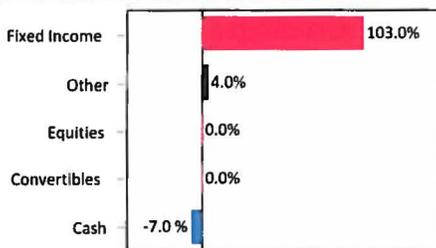
#### Mutual Fund Information

Fund Name :	PIMCO Funds: PIMCO Total Return Fund; Institutional Class Shares	Portfolio Assets :	\$225,217 Million
Fund Family :	PIMCO	Fund Assets :	\$144,453 Million
Ticker :	PTTRX	Portfolio Manager :	William H. Gross
Inception Date :	05/11/1987	PM Tenure :	1987
Portfolio Turnover :	227%		

#### Fund Investment Policy

The Fund seeks maximum total return, consistent with preservation of capital and prudent investment management. The Fund seeks to achieve its investment objective by investing in a diversified portfolio of fixed income instruments. The average portfolio duration normally varies within a three-to-six year time frame.

#### Asset Allocation as of 06/30/14



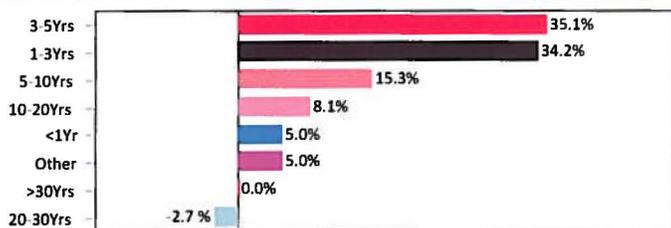
#### Top 10 Securities as of 06/30/14

GNMA and Other Mtg Backed	45.0 %
Corporate Notes/Bonds	23.0 %
Fgn. Currency Denominated Bonds	13.0 %
Government Agency Securities	12.0 %
Treasury Notes/Bonds	10.0 %

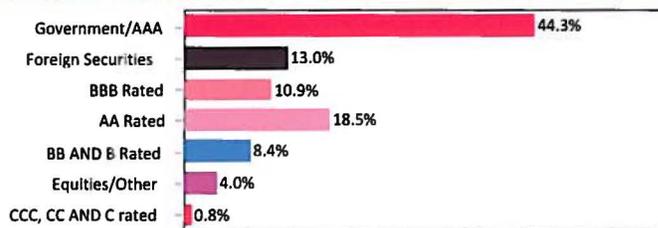
#### Fixed Income Characteristics as of 06/30/14

Avg. Coupon	2.86 %
Nominal Maturity	5.29 Years
Effective Maturity	N/A
Duration	4.97 Years
SEC 30 Day Yield	2.4
Avg. Credit Quality	N/A

#### Maturity Distribution as of 06/30/14



#### Quality Allocation as of 06/30/14

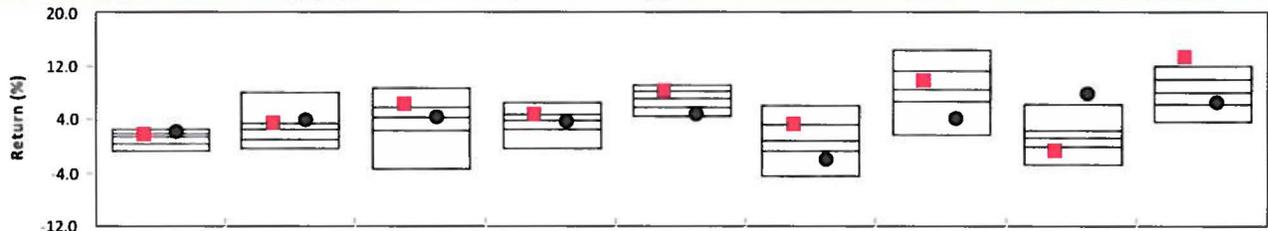


Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

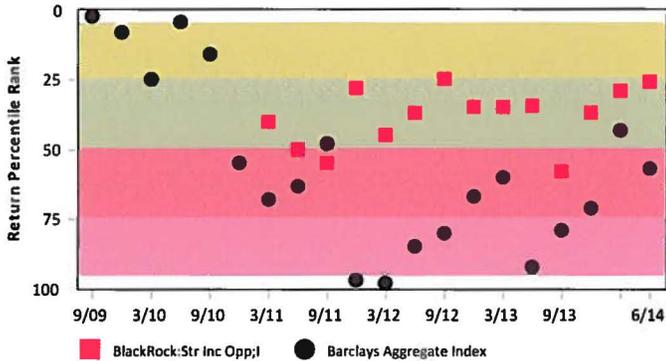
**BlackRock:Str Inc Opp;l**  
As of June 30, 2014

### Peer Group Analysis vs. IM Alternative Credit Focus (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
BlackRock:Str Inc Opp;l	1.7 (34)	3.3 (28)	6.3 (21)	4.7 (26)	8.2 (28)	3.3 (25)	9.9 (36)	-0.7 (85)	13.4 (1)
Barclays Aggregate Index	2.0 (21)	3.9 (20)	4.4 (51)	3.7 (57)	4.9 (94)	-2.0 (92)	4.2 (88)	7.8 (1)	6.5 (74)
5th Percentile	2.6	8.1	8.6	6.5	9.3	6.1	14.4	6.2	12.1
1st Quartile	1.8	3.4	6.0	4.7	8.3	3.3	11.3	2.4	10.2
Median	1.4	2.5	4.4	3.8	7.1	0.8	8.6	1.3	8.1
3rd Quartile	0.5	0.9	2.3	2.6	5.9	-0.7	6.8	-0.1	6.3
95th Percentile	-0.7	-0.2	-3.3	-0.2	4.5	-4.6	1.7	-2.7	3.6

### 3 Year Rolling Percentile Ranking vs. IM Alternative Credit Focus (MF)



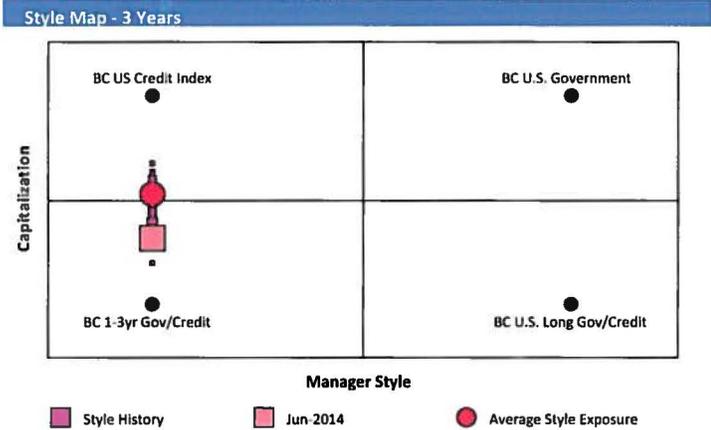
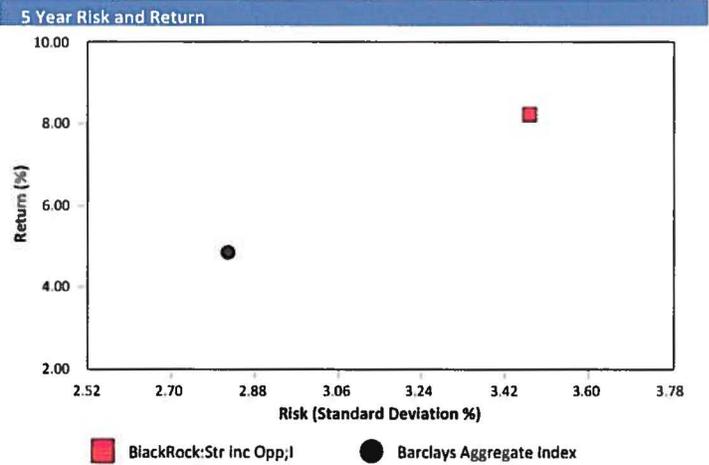
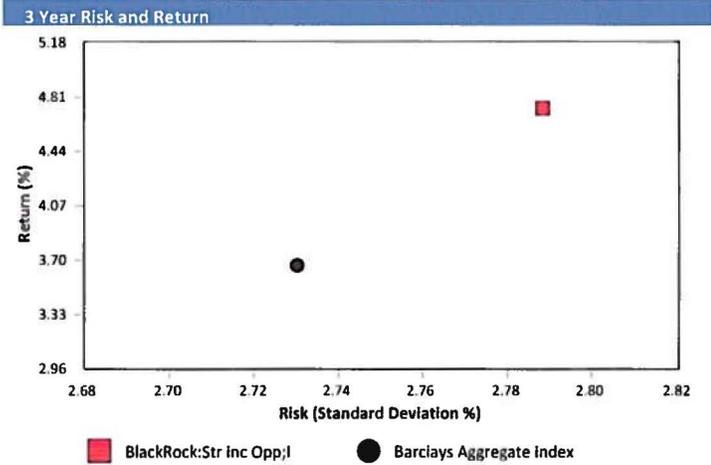
### Manager Commentary

2Q 2014 – The BlackRock Strategic Income Opportunities Fund produced positive absolute results but trailed the broad fixed income markets during the second quarter. Absolute results were limited by the strategies short duration exposure as interest rates trended lower during the quarter. Macroeconomic related currency hedges also weighed on results during the period. The portfolio's exposure to securitized assets was the largest contributor as CMBS, ABS, and non-agency MBS all performed well. Exposure to European credit, specifically bank debt, also positive contributed to results. The portfolio manager continues to position the portfolio conservatively as valuations in many sectors appear rich today. The portfolio manager is avoiding trades with limited upside where illiquidity risk is not as rewarded due to lower yields. Today, the portfolio has a smaller allocation to U.S. credit sectors and a larger allocation to less directional trades that seek absolute returns.

Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

**BlackRock:Str Inc Opp,I**  
As of June 30, 2014



**MPT Statistics vs. Barclays Aggregate Index**

	3 Years	5 Years
Return	4.7	8.2
Standard Deviation	2.8	3.5
vs. Barclays Aggregate Index		
Alpha	4.1	5.8
Beta	0.2	0.5
R-Squared	0.0	0.2
Consistency	58.3	61.7
Up Market Capture	72.9	111.1
Down Market Capture	-20.9	-22.1
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	1.7	2.3

Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

### BlackRock:Str Inc Opp;I

As of June 30, 2014

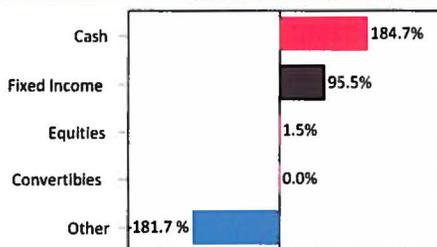
#### Mutual Fund Information

Fund Name :	BlackRock Funds II: BlackRock Strategic Income Opportunities Portfolio; Institutional Shares	Portfolio Assets :	\$17,426 Million
Fund Family :	BlackRock inc	Fund Assets :	\$12,298 Million
Ticker :	BSIIX	Portfolio Manager :	Rieder/Miller
Inception Date :	02/05/2008	PM Tenure :	2010--2011
Portfolio Turnover :	1,413%		

#### Fund Investment Policy

The Fund seeks total return as is consistent with the preservation of capital. The Fund will invest opportunistically across the spectrum of fixed income sectors and securities. Allocations to all sectors are unconstrained and the fund may invest in non-investment-grade, non-dollar-denominated and emerging markets.

#### Asset Allocation as of 06/30/14



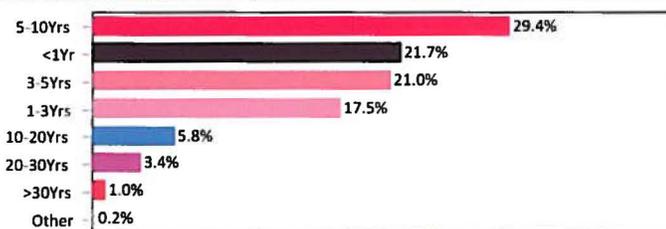
#### Top 10 Securities as of 06/30/14

BlackRock Liquidity TempFund;Institutional	14.6 %
Citigroup Capital XIII PFD	0.4 %
American Capital Agency Corp	0.3 %
Allstate Corp DR	0.1 %
Goldman Sachs Group Inc DR	0.1 %
Comcast Corp ORD	0.1 %
Volkswagen AG PFD	0.1 %
Fortescue Metals Group Ltd ORD	0.1 %
Verizon Communications Inc ORD	0.1 %
Wells Fargo & Co DR	0.0

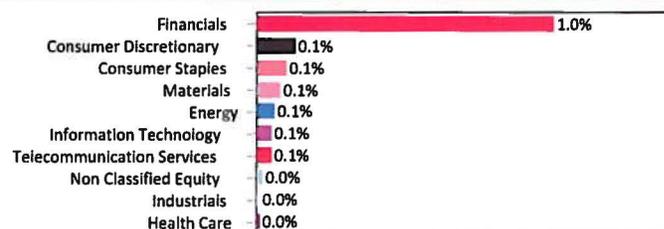
#### Fixed Income Characteristics as of 06/30/14

Avg. Coupon	N/A
Nominal Maturity	N/A
Effective Maturity	6.10 Years
Duration	1.40 Years
SEC 30 Day Yield	4.4
Avg. Credit Quality	A

#### Maturity Distribution as of 06/30/14



#### Quality Allocation as of 06/30/14

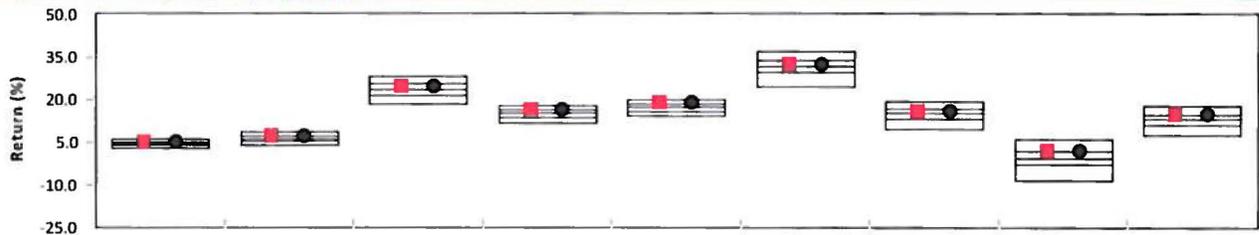


Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

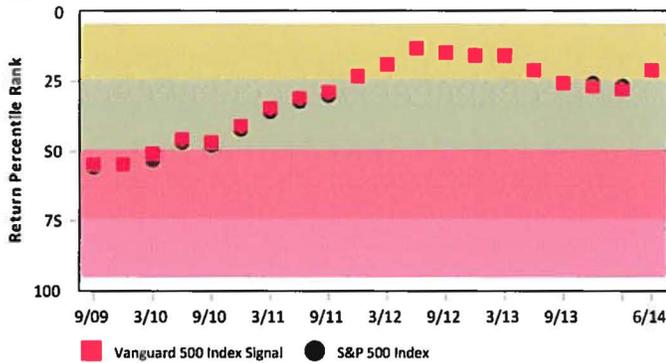
### Vanguard 500 Index Signal As of June 30, 2014

#### Peer Group Analysis vs. IM U.S. Large Cap Core Equity (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
■ Vanguard 500 Index Signal	5.2 (21)	7.1 (29)	24.5 (41)	16.5 (21)	18.8 (17)	32.3 (43)	16.0 (39)	2.1 (24)	15.1 (21)
● S&P 500 Index	5.2 (21)	7.1 (28)	24.6 (40)	16.6 (21)	18.8 (16)	32.4 (42)	16.0 (38)	2.1 (24)	15.1 (21)
5th Percentile	6.0	8.7	28.1	17.9	20.0	36.8	19.7	6.2	17.8
1st Quartile	5.1	7.2	25.5	16.4	18.4	33.9	16.7	1.8	14.7
Median	4.7	6.2	23.7	15.2	17.2	31.9	15.3	-0.5	13.1
3rd Quartile	4.0	5.4	21.6	13.7	16.1	29.6	13.2	-2.7	11.3
95th Percentile	2.9	4.1	18.4	11.5	14.6	24.6	9.5	-8.4	7.8

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

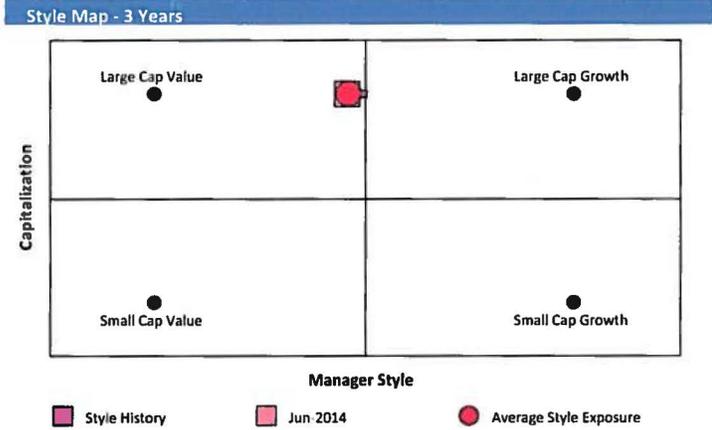
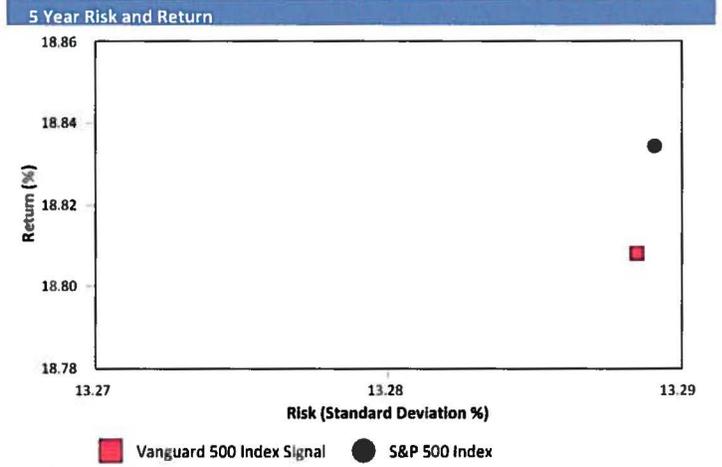
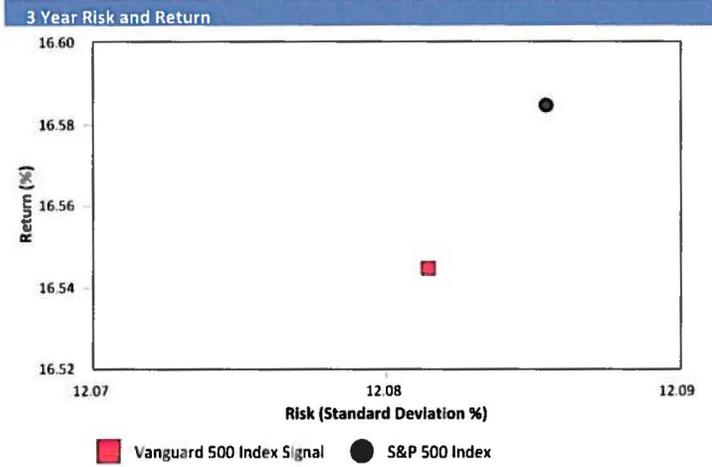


#### Manager Commentary

2Q 2014 - In accordance with its investment objective, the Vanguard 500 Index fund has performed in line with the S&P 500 Index.

## Manager Evaluation

Vanguard 500 Index Signal  
As of June 30, 2014



**MPT Statistics vs. S&P 500 Index**

	3 Years	5 Years
Return	16.5	18.8
Standard Deviation	12.1	13.3
vs. S&P 500 Index		
Alpha	0.0	0.0
Beta	1.0	1.0
R-Squared	1.0	1.0
Consistency	22.2	28.3
Up Market Capture	99.9	99.9
Down Market Capture	100.0	100.0
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	1.3	1.4

Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

### Vanguard 500 Index Signal

As of June 30, 2014

#### Mutual Fund Information

Fund Name :	Vanguard Index Funds: Vanguard 500 Index Fund; Signal Shares	Portfolio Assets :	\$175,838 Million
Fund Family :	Vanguard Group Inc	Fund Assets :	\$32,831 Million
Ticker :	VIFSX	Portfolio Manager :	Michael H. Buek
Inception Date :	09/29/2006	PM Tenure :	2006
Portfolio Turnover :	3%		

#### Fund Investment Policy

The Fund seeks to track the performance of its benchmark index, the S&P 500. The Fund employs an indexing investment approach. The Fund attempts to replicate the target index by investing all of its assets in the stocks that make up the Index with the same approximate weightings as the Index.

#### Asset Allocation as of 06/30/14



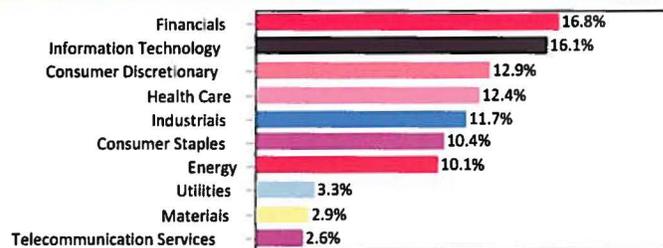
#### Top 10 Securities as of 06/30/14

Apple Inc ORD	3.3 %
Exxon Mobil Corp ORD	2.5 %
Google Inc ORD	1.9 %
Microsoft Corp ORD	1.8 %
Johnson & Johnson ORD	1.7 %
General Electric Co ORD	1.6 %
Wells Fargo & Co ORD	1.4 %
Chevron Corp ORD	1.4 %
Procter & Gamble Co ORD	1.3 %
Berkshire Hathaway Inc ORD	1.2 %

#### Equity Characteristics as of 06/30/14

Total Securities	509
Avg. Market Cap	\$121,714 Million
P/E	22.3
P/B	4.5
Div. Yield	2.3%
Annual EPS	18.3
5Yr EPS	11.0
3Yr EPS Growth	13.5

#### Sector Allocation as of 06/30/14

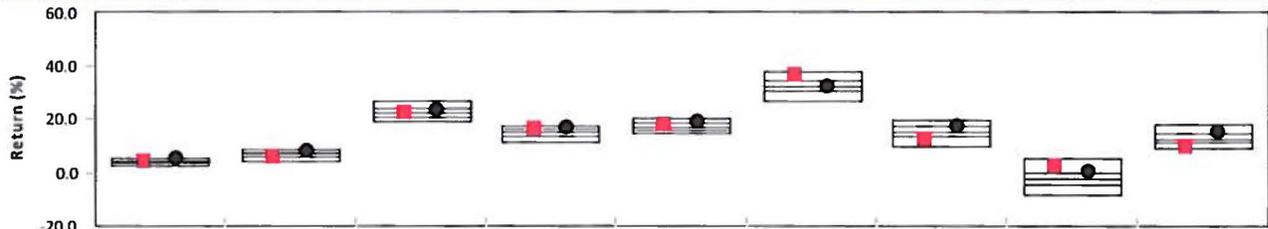


Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

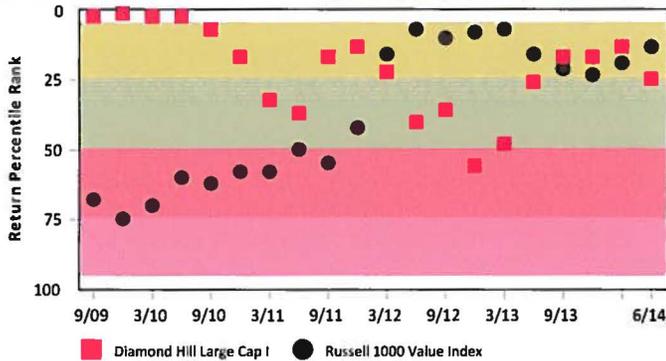
**Diamond Hill Large Cap I** (Trumbull is invested in the Y share class. However, due to its longer historical performance record the I share class is being shown.)  
As of June 30, 2014

### Peer Group Analysis vs. IM U.S. Large Cap Value Equity (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
■ Diamond Hill Large Cap I	4.2 (56)	6.0 (76)	22.3 (52)	16.4 (25)	18.2 (28)	36.6 (10)	12.6 (83)	2.6 (13)	9.7 (94)
● Russell 1000 Value Index	5.1 (26)	8.3 (10)	23.8 (29)	16.9 (13)	19.2 (11)	32.5 (46)	17.5 (25)	0.4 (23)	15.5 (19)
5th Percentile	5.6	8.6	26.9	17.6	20.1	38.1	19.6	5.6	18.2
1st Quartile	5.1	7.6	24.1	16.4	18.4	34.8	17.4	0.1	14.8
Median	4.4	6.9	22.4	15.3	17.1	32.2	15.6	2.3	12.8
3rd Quartile	3.8	6.1	21.0	13.7	16.1	30.5	13.7	-4.6	11.4
95th Percentile	2.6	4.5	19.4	11.5	14.8	26.9	9.8	-8.5	9.4

### 3 Year Rolling Percentile Ranking vs. IM U.S. Large Cap Value Equity (MF)



### Manager Commentary

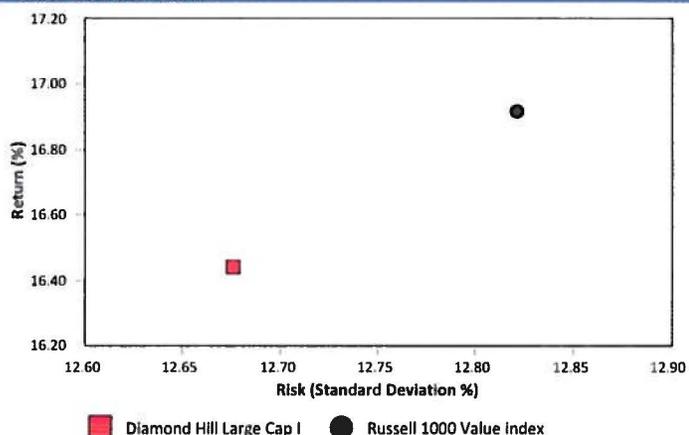
2Q 2014 – The Diamond Hill Large Cap strategy underperformed the Russell 1000 Value Index during the second quarter. Stock selection in the consumer discretionary, health care and information technology sectors had the largest negative impact on relative results. Many consumer retailer companies were adversely affected by the harsh winter weather, and TJX Companies was no exception. Shares of the stock fell after reporting disappointing sales growth. Holdings in the health care sector such as Pfizer, Express Scripts and Boston Scientific weighed on results. On the positive side, the strategy's energy investments provided the largest contribution to returns. Oil prices rose during the quarter due to geopolitical concerns in the Middle East. Many companies benefited from this including EOG Resources and Cimarex Energy. Devon Energy was also among the top contributors as shares rose due to a positive outlook for its Permian Basin exposure.

Mutual fund data sourced from Lipper Analytical Services.

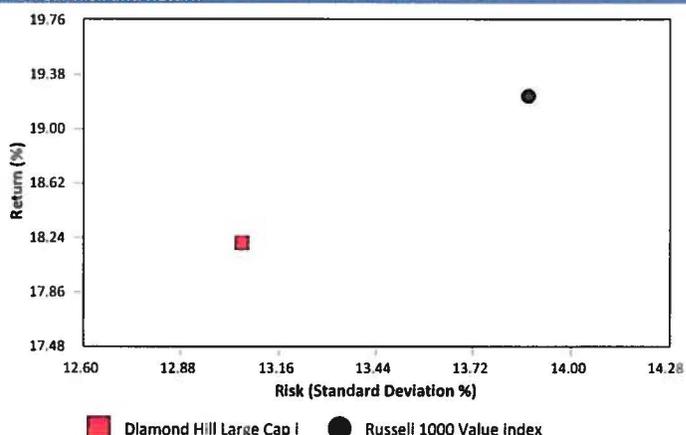
## Manager Evaluation

**Diamond Hill Large Cap I**  
As of June 30, 2014

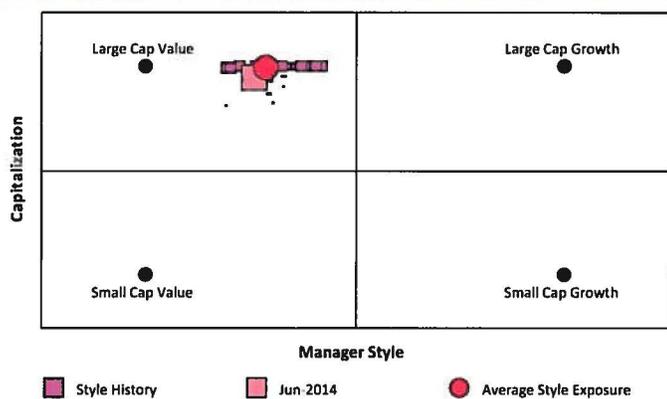
3 Year Risk and Return



5 Year Risk and Return



Style Map - 3 Years



MPT Statistics vs. Russell 1000 Value Index

	3 Years	5 Years
Return	16.4	18.2
Standard Deviation	12.7	13.1
vs. Russell 1000 Value Index		
Alpha	0.2	0.6
Beta	1.0	0.9
R-Squared	0.9	0.9
Consistency	47.2	50.0
Up Market Capture	95.0	91.2
Down Market Capture	91.4	85.9
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	1.3	1.3

Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

### Diamond Hill Lg Cap;Y

As of June 30, 2014

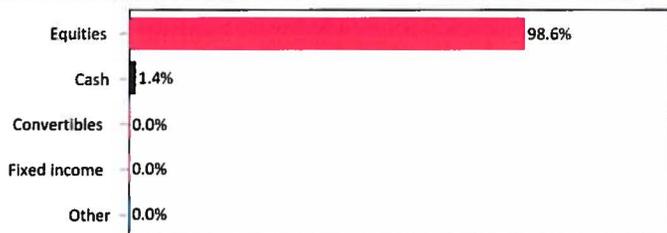
#### Mutual Fund Information

Fund Name :	Diamond Hill Funds: Diamond Hill Large Cap Fund; Class Y Shares	Portfolio Assets :	\$2,996 Million
Fund Family :	Diamond Hill Capital Management Inc	Fund Assets :	\$290 Million
Ticker :	DHLYX	Portfolio Manager :	Bath/Snowdown/Welch
Inception Date :	12/30/2011	PM Tenure :	2011--2013--2011
Portfolio Turnover :	21%		

#### Fund Investment Policy

The Fund seeks to provide long-term capital appreciation by investing in common stocks that the Fund's adviser believes are undervalued. The Fund normally invests at least 80% of its assets in large capitalization companies, defined as those companies with a market capitalization of \$5 billion or more.

#### Asset Allocation as of 06/30/14



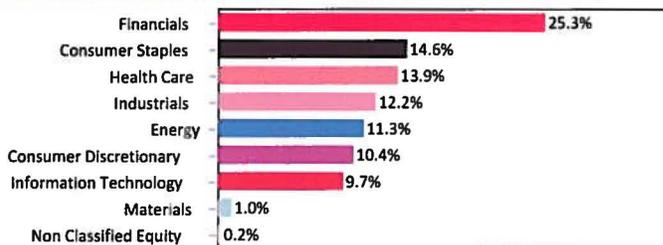
#### Top 10 Securities as of 06/30/14

United Technologies Corp ORD	3.4 %
Medtronic Inc ORD	3.3 %
American International Group Inc ORD	3.1 %
Morgan Stanley ORD	3.1 %
Procter & Gamble Co ORD	3.0 %
Devon Energy Corp ORD	2.9 %
Citigroup Inc ORD	2.9 %
JPMorgan Chase & Co ORD	2.9 %
Abbott Laboratories ORD	2.8 %
Pfizer Inc ORD	2.8 %

#### Equity Characteristics as of 06/30/14

Total Securities	51
Avg. Market Cap	\$94,015 Million
P/E	19.6
P/B	3.3
Div. Yield	2.1%
Annual EPS	31.3
5Yr EPS	9.6
3Yr EPS Growth	11.1

#### Sector Allocation as of 06/30/14

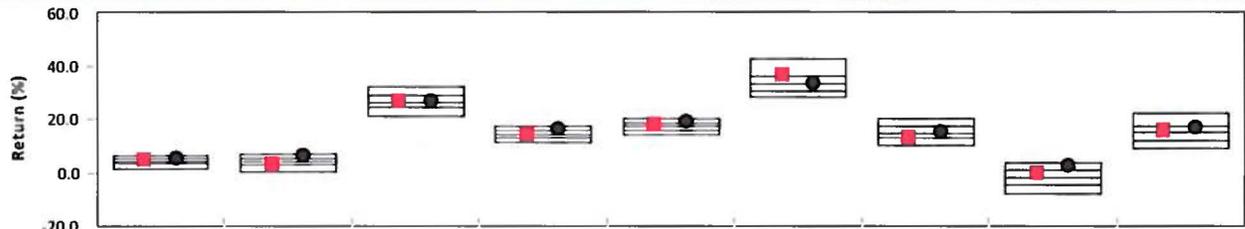


Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

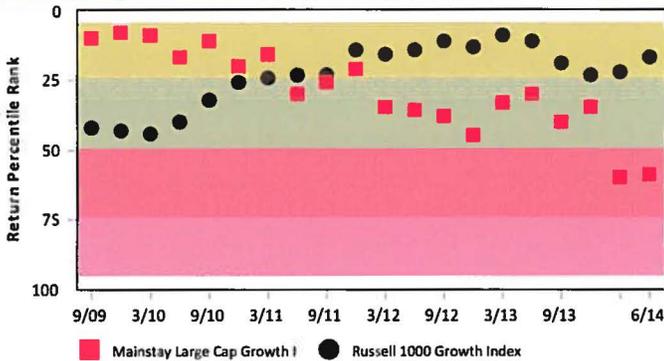
### Mainstay Large Cap Growth I As of June 30, 2014

#### Peer Group Analysis vs. IM U.S. Large Cap Growth Equity (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
■ Mainstay Large Cap Growth I	4.6 (45)	3.2 (74)	27.1 (38)	14.1 (59)	17.9 (40)	36.9 (20)	13.2 (74)	-0.2 (32)	15.7 (46)
● Russell 1000 Growth Index	5.1 (24)	6.3 (13)	26.9 (41)	16.3 (17)	19.2 (15)	33.5 (52)	15.3 (48)	2.6 (10)	16.7 (32)
5th Percentile	6.4	7.3	32.7	17.8	20.3	42.8	20.4	3.7	22.3
1st Quartile	5.1	5.6	29.0	15.8	18.5	36.1	17.6	0.7	17.4
Median	4.4	4.4	26.3	14.5	17.4	33.6	15.0	-1.8	15.2
3rd Quartile	3.7	3.1	24.5	13.3	16.1	30.9	13.1	-4.5	12.1
95th Percentile	1.5	0.7	21.1	11.2	14.4	28.3	10.6	-7.7	9.2

#### 3 Year Rolling Percentile Ranking vs. IM U.S. Large Cap Growth Equity (MF)



#### Manager Commentary

2Q 2014 – The Mainstay Large Cap Growth Fund (managed by Winslow) underperformed the Russell 1000 Growth Index during the second quarter. Higher momentum stocks continued their sell off early in the quarter, hurting the portfolio's relative results during April. Among the Fund's holdings that detracted were Salesforce.com, LinkedIn, Amazon.com and BioMarin Pharmaceuticals. In addition, not owning Coca Cola and Altria had a negative impact on relative gains. These companies, along with many others in the consumer staples sector, do not meet Winslow's growth criteria. In the second half of the quarter, strong selection in the Industrials, materials and telecommunications sectors helped the strategy outpace its bogey, but it was not enough to offset the relative loss from earlier in the quarter. Among the top contributors for the quarter were Monsanto, Pioneer Natural Resources, Celgene and Baidu.

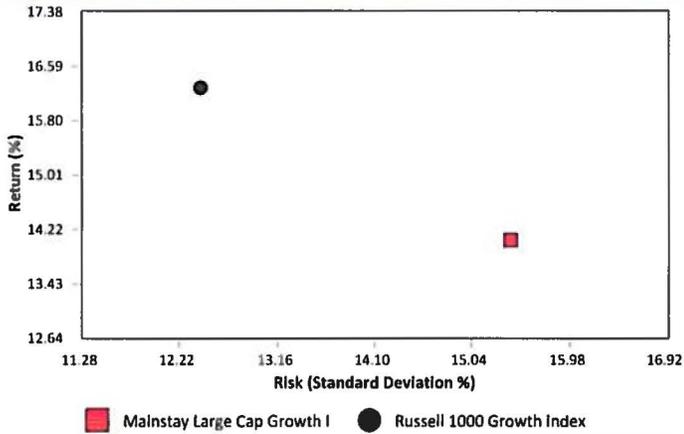
As announced previously, Winslow's parent company, Nuveen Investments, will be purchased by TIAA-CREF.

Mutual fund data sourced from Lipper Analytical Services.

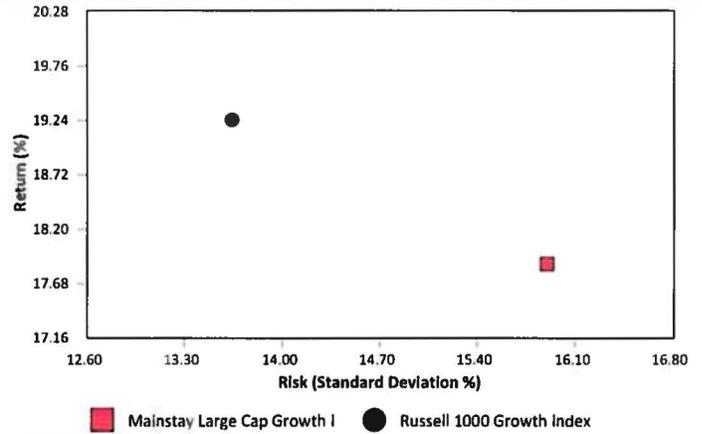
## Manager Evaluation

Mainstay Large Cap Growth I  
As of June 30, 2014

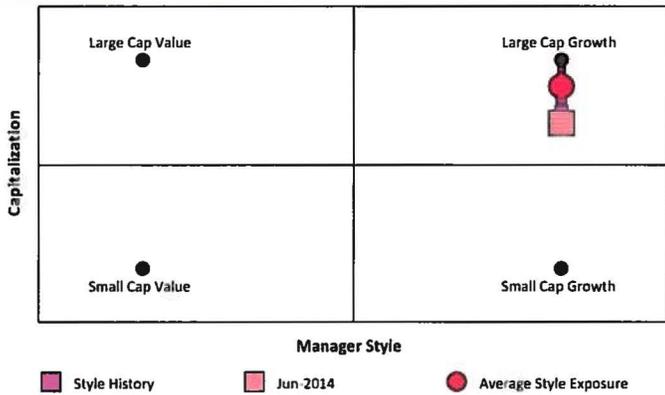
3 Year Risk and Return



5 Year Risk and Return



Style Map - 3 Years



MPT Statistics vs. Russell 1000 Growth Index

	3 Years	5 Years
Return	14.1	17.9
Standard Deviation	15.4	15.9
vs. Russell 1000 Growth Index		
Alpha	-4.8	-3.5
Beta	1.2	1.1
R Squared	1.0	1.0
Consistency	55.6	53.3
Up Market Capture	109.3	107.3
Down Market Capture	138.5	126.7
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	0.9	1.1

Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

### Mainstay Large Cap Growth I

As of June 30, 2014

#### Mutual Fund Information

Fund Name :	MainStay Funds: MainStay Large Cap Growth Fund; Class I Shares	Portfolio Assets :	\$19,946 Million
Fund Family :	MainStay Funds	Fund Assets :	\$13,689 Million
Ticker :	MLAIX	Portfolio Manager :	Team Managed
Inception Date :	04/01/2005	PM Tenure :	
Portfolio Turnover :	74%		

#### Fund Investment Policy

The Fund seeks long-term growth of capital by investing in companies with the potential to earn above-average future earnings growth. The Fund's investment strategy may result in high portfolio turnover.

#### Asset Allocation as of 06/30/14



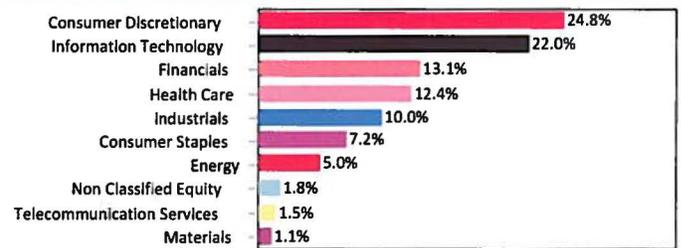
#### Top 10 Securities as of 06/30/14

Union Pacific Corp ORD	4.4 %
Visa Inc ORD	3.6 %
Apple Inc ORD	3.4 %
Monsanto Co ORD	3.2 %
Priceline Group Inc ORD	3.1 %
Danaher Corp ORD	2.7 %
Starbucks Corp ORD	2.6 %
Celgene Corp ORD	2.6 %
Twenty-First Century Fox Inc ORD	2.3 %
Salesforce.com Inc ORD	2.1 %

#### Equity Characteristics as of 06/30/14

Total Securities	65
Avg. Market Cap	\$84,515 Million
P/E	30.3
P/B	6.3
Div. Yield	1.3%
Annual EPS	25.9
5Yr EPS	16.9
3Yr EPS Growth	21.8

#### Sector Allocation as of 06/30/14

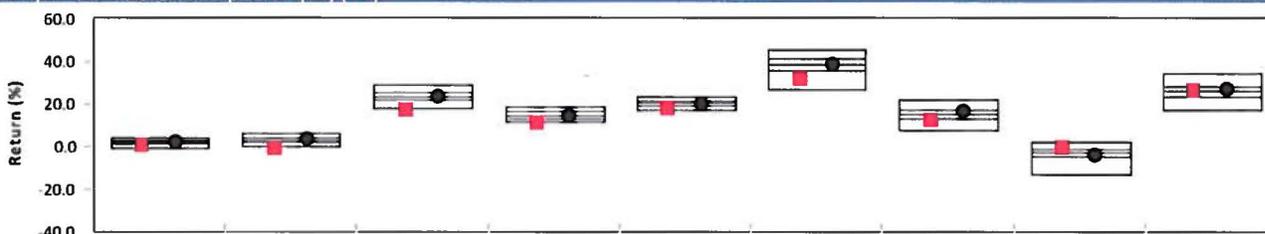


Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

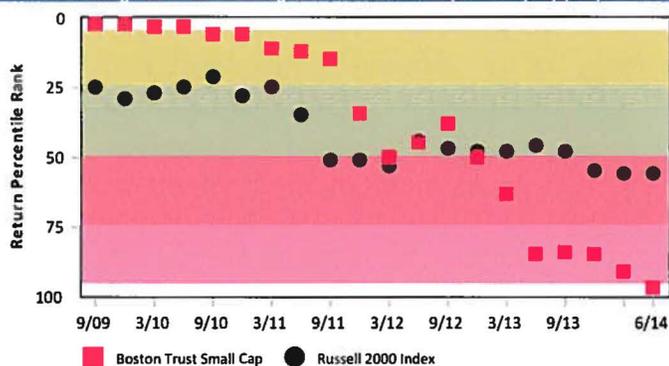
### Boston Trust Small Cap As of June 30, 2014

#### Peer Group Analysis vs. IM U.S. Small Cap Core Equity (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
■ Boston Trust Small Cap	0.8 (84)	-0.8 (97)	17.1 (97)	10.8 (97)	17.9 (95)	31.8 (91)	12.7 (81)	-0.6 (18)	26.2 (48)
● Russell 2000 Index	2.0 (46)	3.2 (43)	23.6 (49)	14.6 (56)	20.2 (55)	38.8 (50)	16.3 (35)	-4.2 (64)	26.9 (40)
5th Percentile	4.3	6.5	29.0	18.4	23.7	45.7	22.0	2.2	34.7
1st Quartile	2.8	4.1	25.4	16.3	21.6	41.7	17.4	-1.3	28.3
Median	2.0	3.1	23.6	14.8	20.4	38.7	15.5	-2.9	26.0
3rd Quartile	1.4	2.0	21.9	13.4	19.5	36.2	13.2	-5.0	23.4
95th Percentile	-0.6	-0.2	17.6	11.5	17.5	26.8	7.4	-12.9	17.1

#### 3 Year Rolling Percentile Ranking vs. IM U.S. Small Cap Core Equity (MF)



#### Manager Commentary

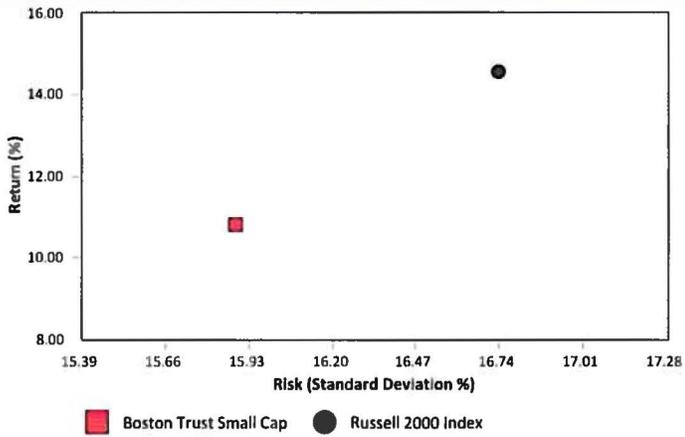
2Q 2014 - The Boston Trust Small Cap Fund trailed the Russell 2000 Index in the second quarter. The impact on relative performance by Boston Trust's investment style, which favors stocks of higher quality companies, was apparent but more modest than it has been in past quarters. More specifically, all of this quarter's underperformance was due to stock selection. Holdings in the technology, financials and consumer discretionary had the largest negative impact on relative returns. Laggards this quarter were online surplus auction firm Liquidity Services (technology), commercial bank Texas Capital Bancshares (financials) and discount footwear retailer DDSW (consumer discretionary). On the positive side, stock selection in industrials was the largest contributor led by Hub Group, Polypore International and Tennant Co. Boston Trust's holdings in aggregate posted continued improvement in their fundamentals, which the investment team views as an important barometer of short and long term performance.

Mutual fund data sourced from Lipper Analytical Services.

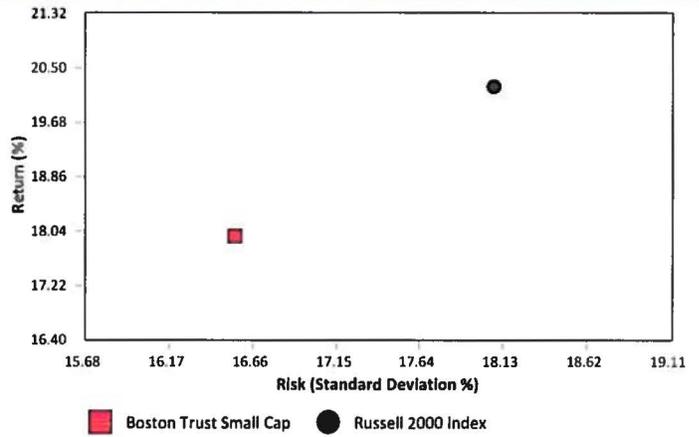
## Manager Evaluation

**Boston Trust Small Cap**  
As of June 30, 2014

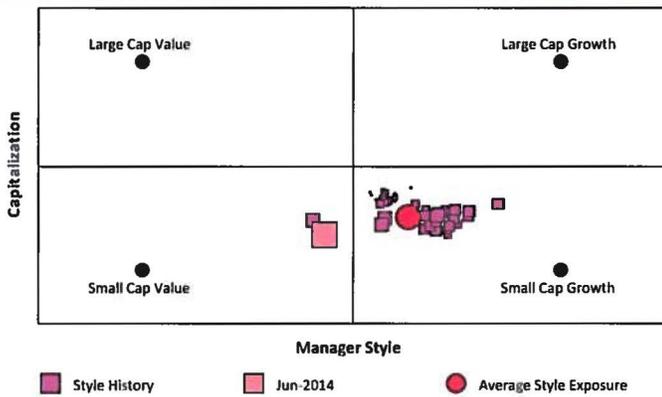
3 Year Risk and Return



5 Year Risk and Return



Style Map - 3 Years



MPT Statistics vs. Russell 2000 Index

	3 Years	5 Years
Return	10.8	17.9
Standard Deviation	15.9	16.6
vs. Russell 2000 Index		
Alpha	-2.4	-0.1
Beta	0.9	0.9
R-Squared	1.0	1.0
Consistency	38.9	41.7
Up Market Capture	89.4	90.0
Down Market Capture	101.5	91.0
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	0.7	1.1

Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

### Boston Trust Small Cap

As of June 30, 2014

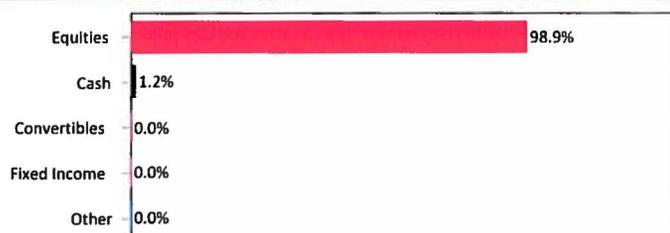
#### Mutual Fund Information

Fund Name :	Boston Trust & Walden Funds: Boston Trust Small Cap Fund	Portfolio Assets :	\$517 Million
Fund Family :	Boston Trust Investment Management Inc	Fund Assets :	\$517 Million
Ticker :	BOSOX	Portfolio Manager :	Kenneth Scott
Inception Date :	12/16/2005	PM Tenure :	2005
Portfolio Turnover :	35%		

#### Fund Investment Policy

The Fund seeks long-term growth of capital. The Fund achieves this objective by investing at least 80% if its assets in equity securities of small capitalization companies. The Fund defines small cap issuers as those with market caps within the range encompassed by the Russell 2000 Index at the time of purchase.

#### Asset Allocation as of 06/30/14



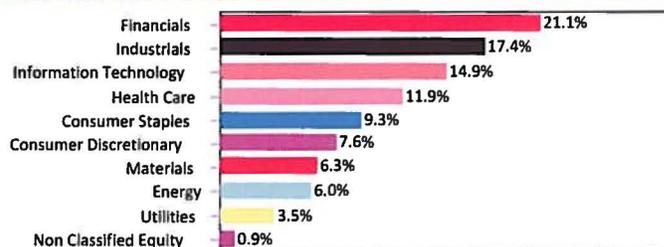
#### Top 10 Securities as of 06/30/14

Bank of Hawaii Corp ORD	2.0 %
CARBO Ceramics Inc ORD	2.0 %
Minerals Technologies Inc ORD	2.0 %
West Pharmaceutical Services Inc ORD	2.0 %
WEX Inc ORD	1.9 %
CLARCOR Inc ORD	1.8 %
Bruker Corp ORD	1.8 %
IPG Photonics Corp ORD	1.8 %
MarketAxess Holdings Inc ORD	1.7 %
Encore Capital Group Inc ORD	1.7 %

#### Equity Characteristics as of 06/30/14

Total Securities	92
Avg. Market Cap	\$2,105 Million
P/E	26.9
P/B	3.5
Div. Yield	1.9%
Annual EPS	13.4
5Yr EPS	17.9
3Yr EPS Growth	18.9

#### Sector Allocation as of 06/30/14



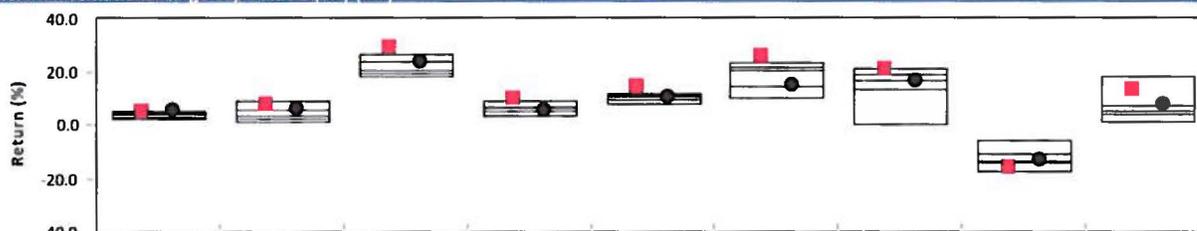
Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

### Dodge & Cox International Stock

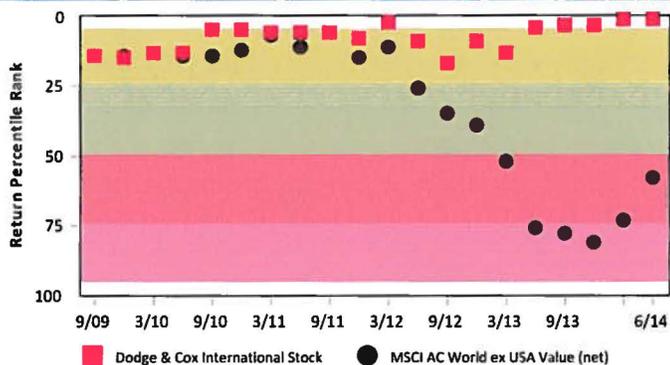
As of June 30, 2014

#### Peer Group Analysis vs. IM International Large Cap Value Equity (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
■ Dodge & Cox International Stock	5.0 (13)	7.9 (8)	29.3 (1)	10.4 (1)	14.9 (1)	26.3 (2)	21.0 (11)	-16.0 (85)	13.7 (6)
● MSCI AC World ex USA Value (net)	5.6 (2)	6.4 (15)	24.2 (24)	6.0 (58)	10.8 (43)	15.0 (75)	17.0 (48)	-13.2 (49)	7.8 (23)
5th Percentile	5.3	9.1	26.7	8.9	11.8	23.4	21.5	-5.7	18.8
1st Quartile	4.7	5.6	24.1	6.9	11.3	21.6	19.0	-11.0	7.4
Median	3.9	3.8	20.5	6.1	10.6	20.7	16.8	-13.2	5.4
3rd Quartile	3.2	2.2	19.8	5.2	9.7	14.7	13.7	-14.3	4.3
95th Percentile	2.7	1.2	18.4	3.6	8.1	10.2	0.5	-17.1	1.5

#### 3 Year Rolling Percentile Ranking vs. IM International Large Cap Value Equity (MF)



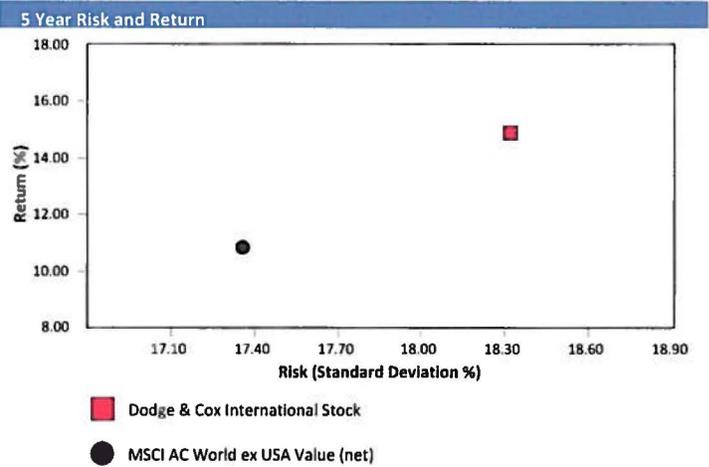
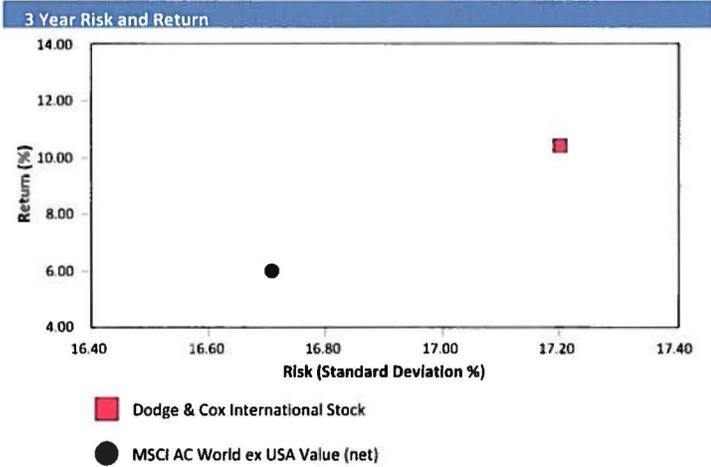
#### Manager Commentary

2Q 2014 – The Dodge & Cox International Stock Fund rose this quarter posting strong absolute returns. Stock selection in the energy sector, which was the best performing group in the second quarter, contributed as positions in Weatherford, Schlumberger, and Petrobras boosted results. The portfolio's energy holdings returned 19% in the period. In addition, emerging markets financials rose in the period. These included positions in Sabanci, Yapi Kredi, and ICICI Bank. On the other hand, positions in European and UK financials detracted from results as banks in this region came under intense selling pressure due to missed earnings and worries about litigation risk. Positions in Credit Suisse, UniCredit, and Barclays weighed on results. Stock selection in the Fund's healthcare holdings also hurt returns as did the portfolio's lack of exposure to utilities. As of the end of the quarter, the Fund remained underweight to Japan and the UK while holding a 23% position in emerging markets.

Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

**Dodge & Cox International Stock**  
As of June 30, 2014



**MPT Statistics vs. MSCI AC World ex USA Value (net)**

	3 Years	5 Years
Return	10.4	14.9
Standard Deviation	17.2	18.3
vs. MSCI AC World ex USA Value (net)		
Alpha	4.3	3.4
Beta	1.0	1.0
R-Squared	0.9	1.0
Consistency	61.1	58.3
Up Market Capture	109.8	110.3
Down Market Capture	91.8	96.5
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	0.7	0.8

Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

### Dodge & Cox International Stock

As of June 30, 2014

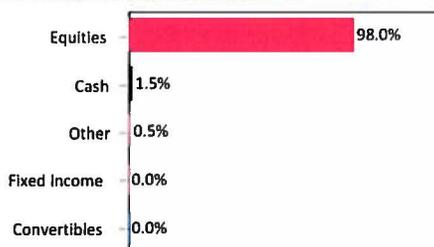
#### Mutual Fund Information

Fund Name :	Dodge & Cox Funds: Dodge & Cox International Stock Fund	Portfolio Assets :	\$60,804 Million
Fund Family :	Dodge & Cox	Fund Assets :	\$60,804 Million
Ticker :	DODFX	Portfolio Manager :	Team Managed
Inception Date :	05/01/2001	PM Tenure :	
Portfolio Turnover :	13%		

#### Fund Investment Policy

The Fund seeks long-term growth of principal and income by investing primarily in a diversified portfolio of equity securities issued by non-U.S. companies from at least three different foreign countries, including emerging markets.

#### Asset Allocation as of 06/30/14



#### Top 10 Securities as of 06/30/14

ROCHE HOLDING G PAR	3.9 %
Naspers Ltd ORD	3.5 %
Sanofi SA ORD	3.2 %
Hewlett-Packard Co ORD	2.7 %
Lafarge SA ORD	2.6 %
Credit Suisse Group AG ORD	2.6 %
Novartis AG DR	2.4 %
Koninklijke Philips NV ORD	2.3 %
Schlumberger NV ORD	2.1 %
Bayer AG ORD	2.1 %

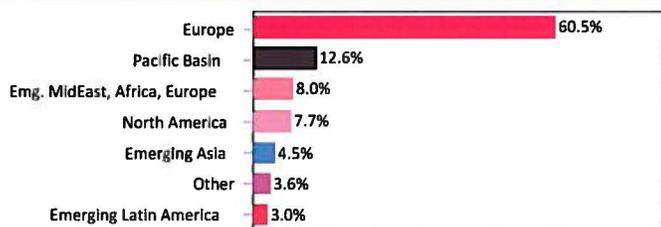
#### Top 5 Countries as of 06/30/14

Switzerland	14.5 %
United Kingdom	12.9 %
Japan	11.2 %
France	9.9 %
Germany	6.8 %

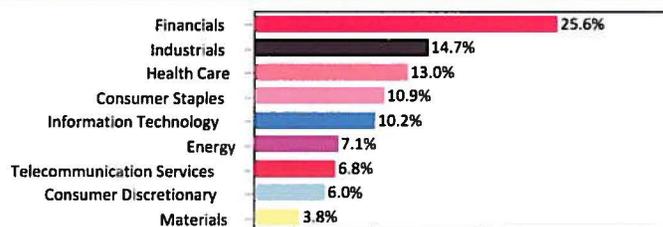
#### Equity Characteristics as of 06/30/14

Total Securities	95
Avg. Market Cap	\$71,809 Million
P/E	25.2
P/B	3.2
Div. Yield	2.7%
Annual EPS	15.2

#### Region Allocation as of 06/30/14



#### Sector Allocation as of 06/30/14



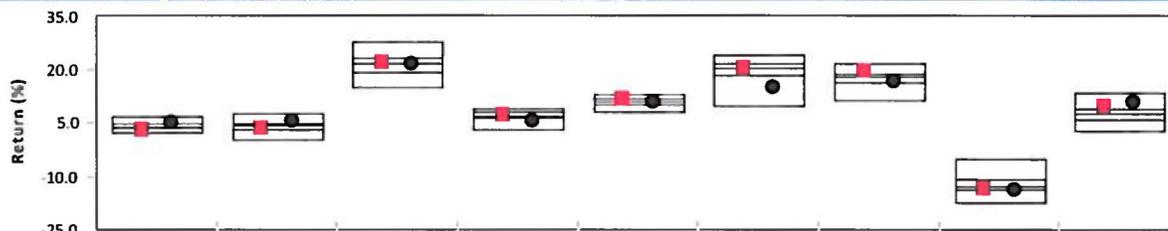
Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

### American Funds EuroPacific Growth R6

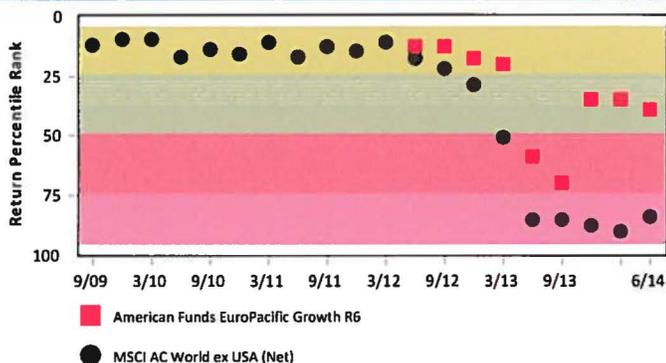
As of June 30, 2014

#### Peer Group Analysis vs. IM International Large Cap Core Equity (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
■ American Funds EuroPacific Growth R6	3.0 (89)	3.7 (69)	22.4 (44)	7.4 (39)	12.0 (17)	20.6 (46)	19.6 (19)	-13.3 (64)	9.8 (21)
● MSCI AC World ex USA (Net)	5.0 (21)	5.6 (21)	21.8 (54)	5.7 (84)	11.1 (47)	15.3 (85)	16.8 (74)	-13.7 (71)	11.2 (10)
5th Percentile	6.9	7.8	27.8	8.9	13.3	24.3	21.8	-4.9	13.4
1st Quartile	4.8	5.0	23.3	7.9	11.6	21.7	19.0	-10.8	9.0
Median	4.1	4.5	21.9	7.1	11.0	20.4	18.0	-12.8	7.5
3rd Quartile	3.4	3.1	19.2	6.3	10.3	18.6	16.6	-14.0	6.2
95th Percentile	2.4	0.3	15.1	3.3	8.2	9.7	11.5	-17.5	2.9

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



#### Manager Commentary

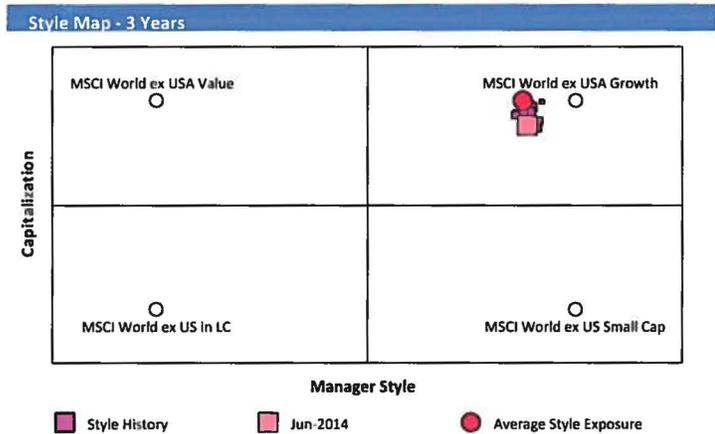
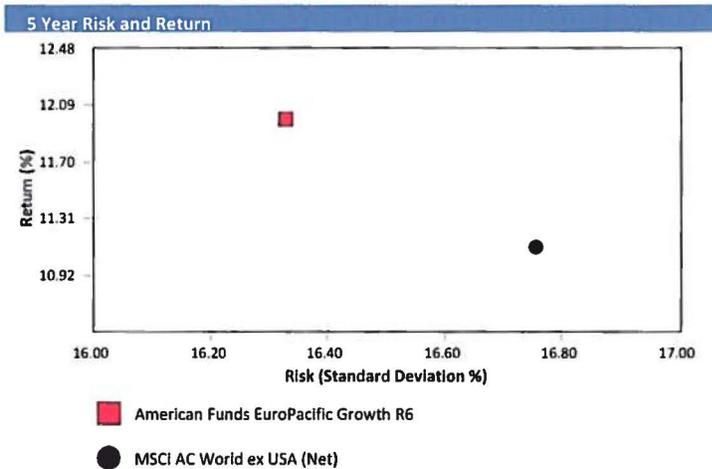
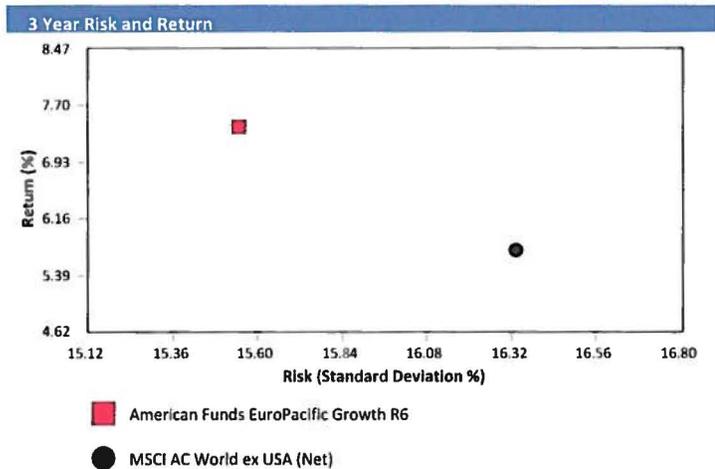
2Q 2014 - The American Funds EuroPacific Growth Fund was up during the second quarter, but lagged its benchmark. The portfolio's underweight allocation to Canada and energy dragged on relative returns as energy stocks spiked during the quarter due to geopolitical risks in the Middle East that pushed up the price of oil. Canada is a region that is heavily exposed to energy. Holdings of companies in developing countries helped boost returns as stocks such as India's Axis Bank and Power Grid and China's Baldu and Ctrip.com were large contributors. Stock selection in the industrials, consumer discretionary, and financials sectors were among the largest detractors for the portfolio. Positions in Commerzbank, Bank of Ireland, and Barclays all weighed on the fund as litigation risk has created headwinds for the sector. An underweight position in Japan as well as poor stock selection in the country weighed on results, as Japanese equities bounced back strongly following a weak first quarter. The firm disclosed that Lawrence Kymisis is now a portfolio manager on the Fund, while Robert Lovelace is no longer a portfolio manager. The Fund has 9 portfolio managers.

Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

### American Funds EuroPacific Growth R6

As of June 30, 2014



**MPT Statistics vs. MSCI AC World ex USA (Net)**

	3 Years	5 Years
Return	7.4	12.0
Standard Deviation	15.6	16.3
vs. MSCI AC World ex USA (Net)		
Alpha	1.9	1.2
Beta	0.9	1.0
R-Squared	1.0	1.0
Consistency	44.4	45.0
Up Market Capture	97.4	98.2
Down Market Capture	88.5	92.7
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	0.5	0.8

Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

### American Funds EuroPacific Growth R6

As of June 30, 2014

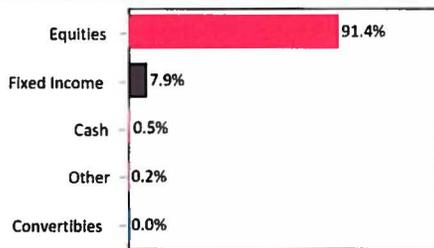
#### Mutual Fund Information

Fund Name :	EuroPacific Growth Fund; Class R-6 Shares	Portfolio Assets :	\$126,962 Million
Fund Family :	American Funds	Fund Assets :	\$34,030 Million
Ticker :	RERGX	Portfolio Manager :	Team Managed
Inception Date :	05/01/2009	PM Tenure :	
Portfolio Turnover :	28%		

#### Fund Investment Policy

The Fund seeks to provide long-term growth of capital by investing in companies based outside the United States. The Fund invests in companies based chiefly in Europe and the Pacific Basin, ranging from small firms to large corporations.

#### Asset Allocation as of 06/30/14



#### Top 10 Securities as of 06/30/14

Novo Nordisk A/S ORD	5.2 %
Bayer AG ORD	2.5 %
Softbank Corp ORD	2.4 %
Novartis AG ORD	2.1 %
Samsung Electronics Co Ltd ORD	1.9 %
Barclays PLC ORD	1.8 %
Prudential PLC ORD	1.7 %
Associated British Foods PLC ORD	1.6 %
Tencent Holdings Ltd ORD	1.3 %
British American Tobacco PLC ORD	1.2 %

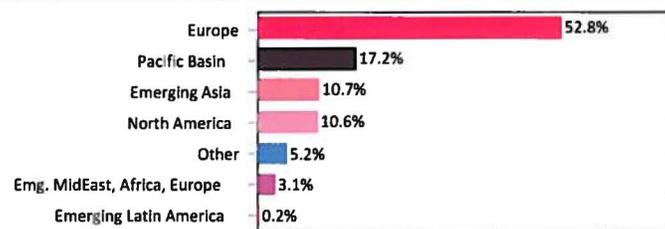
#### Top 5 Countries as of 06/30/14

United Kingdom	12.0 %
Japan	11.6 %
Germany	8.8 %
United States	7.6 %
Switzerland	7.0 %

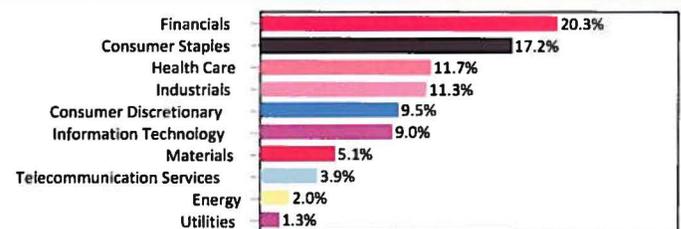
#### Equity Characteristics as of 06/30/14

Total Securities	413
Avg. Market Cap	\$61,481 Million
P/E	25.7
P/B	4.2
Div. Yield	2.1%
Annual EPS	16.1

#### Region Allocation as of 06/30/14



#### Sector Allocation as of 06/30/14

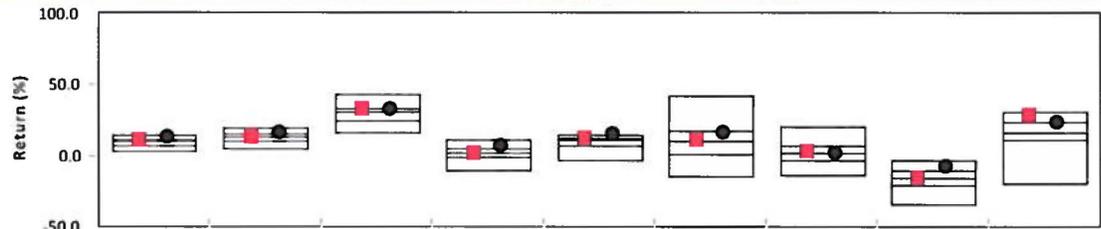


Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

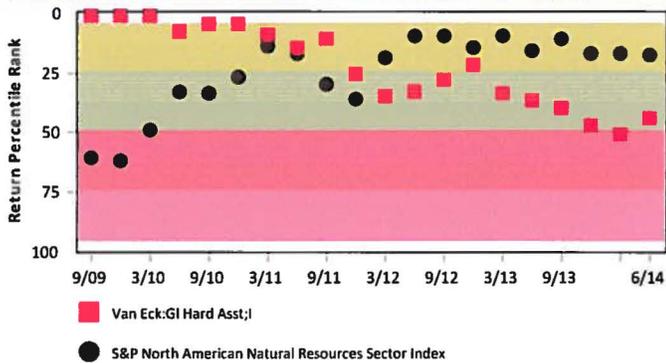
Van Eck:GI Hard Asst;I  
As of June 30, 2014

### Peer Group Analysis vs. IM Global Natural Resources (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
■ Van Eck:GI Hard Asst;I	11.5 (23)	13.5 (43)	32.3 (31)	2.2 (44)	11.7 (45)	11.2 (46)	2.9 (42)	-16.3 (50)	28.9 (8)
● S&P North American Natural Resources Sector Index	13.4 (8)	16.4 (21)	33.2 (24)	6.7 (18)	14.8 (4)	16.5 (26)	2.2 (46)	-7.4 (10)	23.9 (23)
5th Percentile	14.1	19.4	43.3	11.1	14.5	42.4	20.4	-3.6	30.3
1st Quartile	11.4	15.4	33.1	4.8	12.2	17.0	7.1	-10.8	23.2
Median	9.6	12.8	30.2	1.5	11.3	10.2	1.5	-16.3	16.6
3rd Quartile	6.9	9.6	24.5	-0.9	7.3	1.1	-3.5	-21.4	11.0
95th Percentile	2.6	4.6	16.3	-10.6	-3.0	-14.7	-13.3	-34.2	-20.5

### 3 Year Rolling Percentile Ranking vs. IM Global Natural Resources (MF)



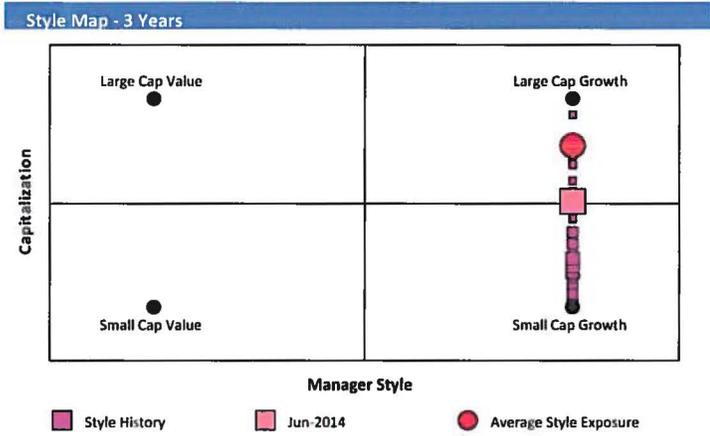
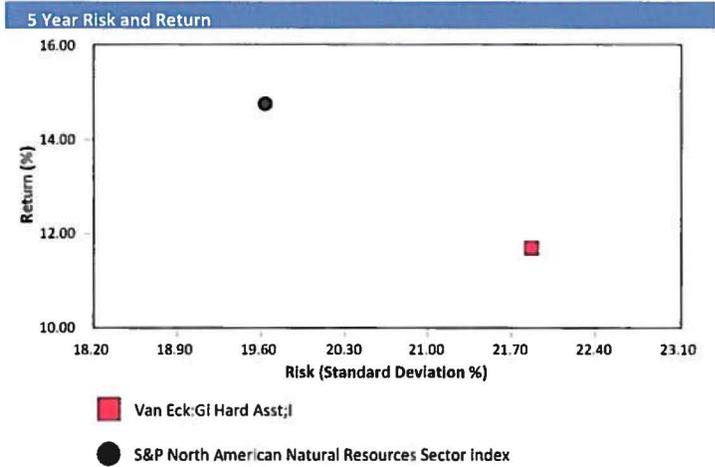
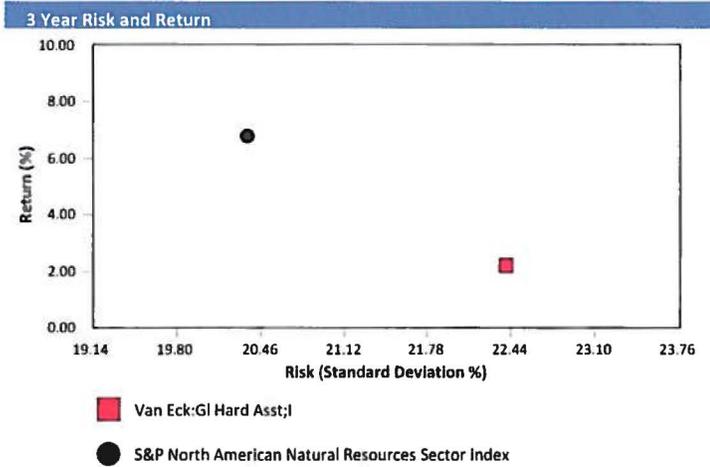
### Manager Commentary

2Q 2014 - The Van Eck Global Hard Asset Fund generated a return of 11.5% in the quarter, but trailed its general benchmark. Resource related equities extended their rally on further signs of synchronized global growth, expectations that central banks would extend accommodative monetary policy, and a number of supply and demand shocks impacting physical commodity prices. In addition, increased inflation expectations are becoming a focus point of investors, following a longstanding hiatus. Fund performance continues to be driven by positions in the energy sector. Exposure to Oil & Gas Exploration and Production companies was the top contributor, notably positions in Cimarex energy, Anadarko Petroleum, and Pioneer Natural Resources, all of which benefited from a focus on unconventional shale activities. In addition, exposure to Oil & Gas Equipment & Service firms Halliburton and Schlumberger contributed. The Fund's dedicated allocation to precious metals and the diversified metals and mining subsector were positive in the period, while agricultural and chemical exposure detracted. The Fund continues to maintain a more diversified exposure to natural resource equities relative to the S&P North America Resource Index, which is heavily weighted toward the energy sector.

Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

Van Eck:GI Hard Asst;l  
As of June 30, 2014



### MPT Statistics vs. S&P North American Natural Resources Sector Index

	3 Years	5 Years
Return	2.2	11.7
Standard Deviation	22.4	21.9
vs. S&P North American Natural Resources Sector Index		
Alpha	-4.4	-3.5
Beta	1.1	1.1
R-Squared	1.0	0.9
Consistency	30.6	38.3
Up Market Capture	100.8	103.6
Down Market Capture	118.5	117.9
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	0.2	0.6

Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

### Van Eck:GI Hard Asst;I

As of June 30, 2014

#### Mutual Fund Information

Fund Name :	Van Eck Funds: Global Hard Assets Fund; Class I Shares	Portfolio Assets :	\$4,771 Million
Fund Family :	Van Eck Associates Corporation	Fund Assets :	\$2,867 Million
Ticker :	GHAIX	Portfolio Manager :	Team Managed
Inception Date :	05/02/2006	PM Tenure :	
Portfolio Turnover :	33%		

#### Fund Investment Policy

The Fund seeks long-term capital appreciation by investing primarily in "Hard Asset Securities". Income is a secondary consideration.

#### Asset Allocation as of 06/30/14



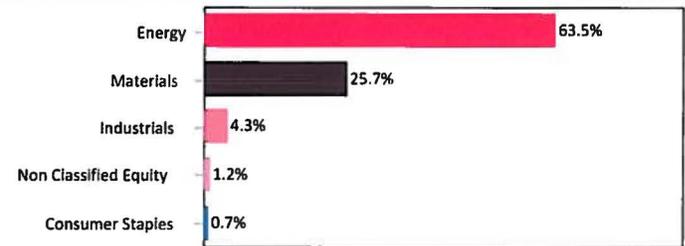
#### Top 10 Securities as of 06/30/14

Glencore PLC ORD	5.0%
Halliburton Co ORD	4.3%
Schlumberger NV ORD	4.2%
Cimarex Energy Co ORD	4.1%
Pioneer Natural Resources Co ORD	4.0%
Concho Resources Inc ORD	4.0%
CONSOL Energy Inc ORD	3.8%
Invesco Treasury Portfolio;Institutional	3.3%
Anadarko Petroleum Corp ORD	3.2%
First Quantum Minerals Ltd ORD	3.2%

#### Equity Characteristics as of 06/30/14

Total Securities	60
Avg. Market Cap	\$25,199 Million
P/E	27.3
P/B	2.2
Div. Yield	1.6%
Annual EPS	-4.0
5Yr EPS	1.9
3Yr EPS Growth	18.4

#### Sector Allocation as of 06/30/14

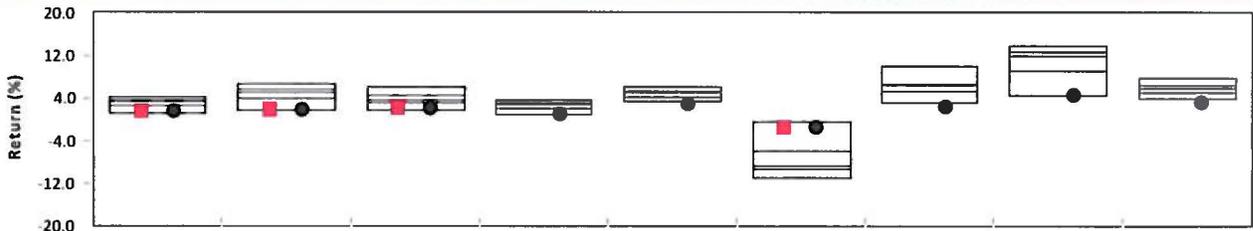


Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

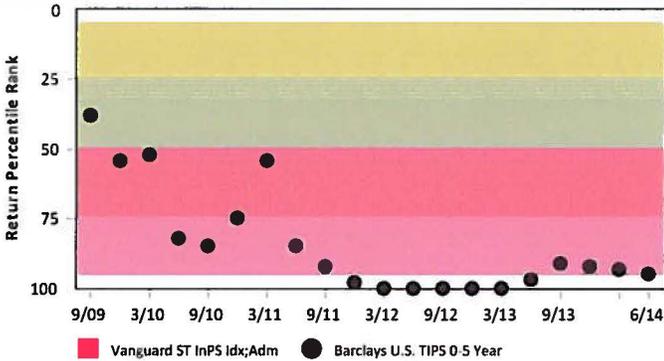
Vanguard Short Term Inflation Prot; Adm  
As of June 30, 2014

### Peer Group Analysis vs. IM U.S. TIPS (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
■ Vanguard ST InPS Idx;Adm	1.5 (91)	1.7 (94)	2.1 (91)	N/A	N/A	-1.5 (7)	N/A	N/A	N/A
● Barclays U.S. TIPS 0-5 Year	1.6 (89)	1.8 (92)	2.2 (90)	1.1 (95)	2.9 (99)	-1.6 (8)	2.4 (98)	4.5 (95)	3.3 (97)
5th Percentile	4.2	6.8	6.2	3.8	6.2	-0.5	10.0	13.8	7.8
1st Quartile	3.7	5.8	4.6	3.3	5.4	-5.8	6.9	12.9	6.4
Median	3.4	5.2	3.9	2.8	5.0	-8.7	6.3	11.9	5.9
3rd Quartile	2.7	3.9	3.1	2.0	4.3	-9.3	5.5	9.2	5.2
95th Percentile	1.3	1.7	1.7	0.9	3.5	-10.8	3.2	4.4	3.9

### 3 Year Rolling Percentile Ranking vs. IM U.S. TIPS (MF)



### Manager Commentary

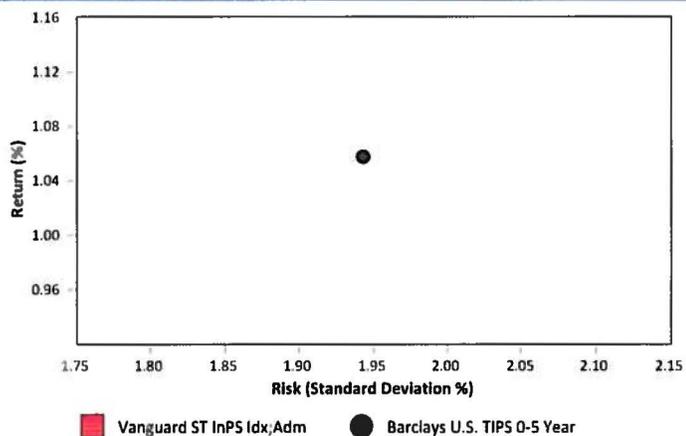
2Q 2014 - In accordance with its objective, the Vanguard Short Term Inflation Protected Securities portfolio performed essentially in line with its benchmark during the quarter.

Mutual fund data sourced from Lipper Analytical Services.

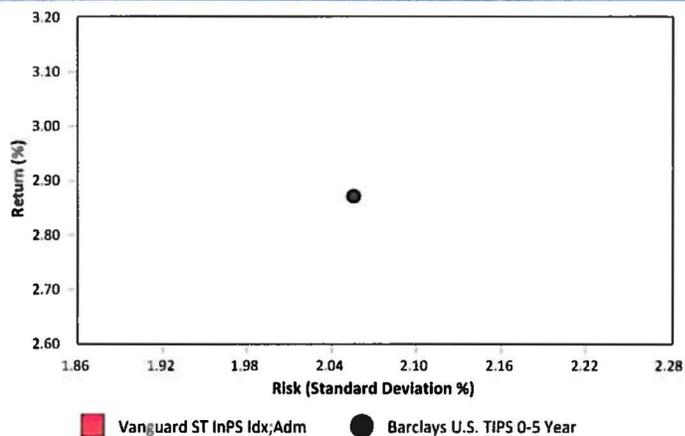
## Manager Evaluation

Vanguard Short Term Inflation Prot; Adm  
As of June 30, 2014

3 Year Risk and Return



5 Year Risk and Return



Style Map - 3 Years

Not Enough Data.

MPT Statistics vs. Barclays U.S. TIPS 0-5 Year

	3 Years	5 Years
Return	N/A	N/A
Standard Deviation	N/A	N/A
vs. Barclays U.S. TIPS 0-5 Year		
Alpha	N/A	N/A
Beta	N/A	N/A
R-Squared	N/A	N/A
Consistency	N/A	N/A
Up Market Capture	N/A	N/A
Down Market Capture	N/A	N/A
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	N/A	N/A

## Manager Evaluation

### Vanguard Short Term Inflation Prot; Adm

As of June 30, 2014

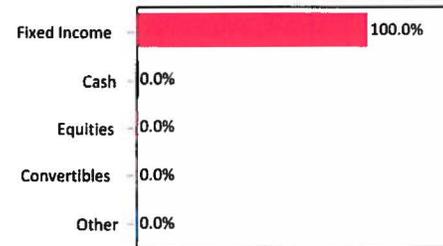
#### Mutual Fund Information

Fund Name :	Vanguard Malvern Funds: Vanguard Short-Term Inflation-Protected Securities Index Fund; Admiral Class Shares	Portfolio Assets :	\$9,136 Million
Fund Family :	Vanguard Group Inc	Fund Assets :	\$1,304 Million
Ticker :	VTAPX	Portfolio Manager :	Barrickman/Wright-Casparius
Inception Date :	10/16/2012	PM Tenure :	2012--2012
Portfolio Turnover :	13%		

#### Fund Investment Policy

The Fund seeks to track the performance of a benchmark index, Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index, that measures the investment return of inflation-protected public obligations of the U.S. Treasury with remaining maturities of less than five years.

#### Asset Allocation as of 06/30/14



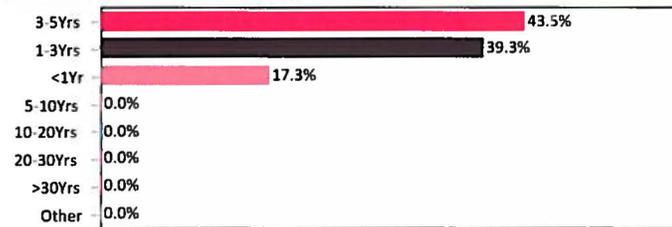
#### Top 10 Securities as of 06/30/14

Treasury Notes/Bonds 100.0%

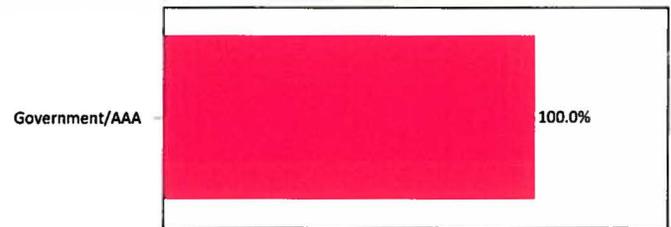
#### Fixed Income Characteristics as of 06/30/14

Avg. Coupon	1.16 %
Nominal Maturity	N/A
Effective Maturity	2.44 Years
Duration	2.39 Years
SEC 30 Day Yield	N/A
Avg. Credit Quality	AAA

#### Maturity Distribution as of 06/30/14



#### Quality Allocation as of 06/30/14

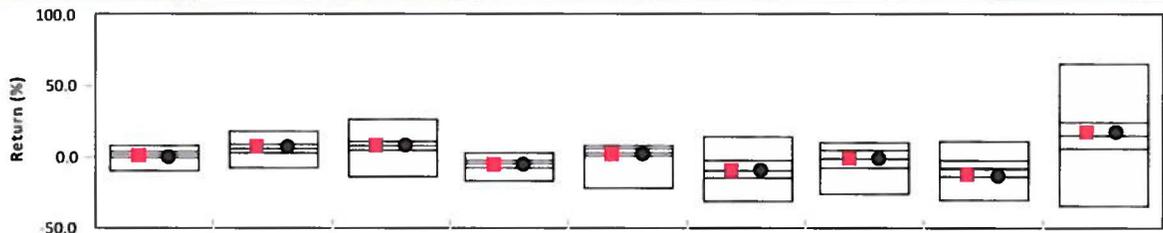


Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

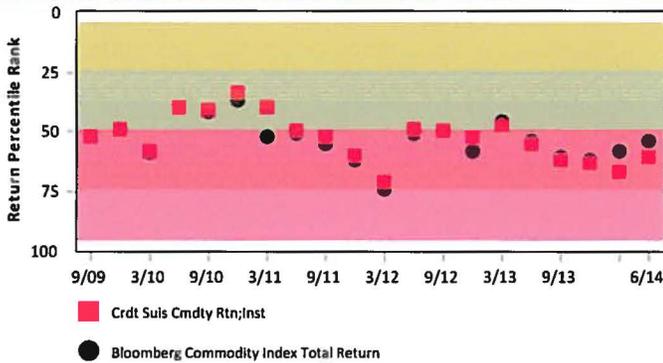
**Crdt Suis Cmdty Rtn;Inst**  
As of June 30, 2014

### Peer Group Analysis vs. IM All Commodities (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
■ Crdt Suis Cmdty Rtn;Inst	0.4 (68)	6.5 (46)	7.8 (51)	-5.7 (61)	1.9 (61)	-10.0 (55)	-1.8 (58)	-12.3 (67)	16.9 (41)
● Bloomberg Commodity Index Total Return	0.1 (75)	7.1 (40)	8.2 (47)	-5.2 (54)	2.0 (61)	-9.5 (50)	-1.1 (50)	-13.3 (72)	16.8 (41)
5th Percentile	7.8	18.2	26.2	3.1	7.9	14.5	10.4	11.2	65.9
1st Quartile	3.7	9.0	11.3	-2.1	5.5	-1.9	4.4	-2.3	24.0
Median	1.5	6.2	7.8	-4.8	2.9	-9.7	-1.1	-8.3	15.5
3rd Quartile	0.0	2.7	4.3	-8.0	0.5	-14.9	-7.7	-13.9	5.7
95th Percentile	-9.7	-7.1	-13.5	-16.7	-21.8	-31.2	-26.6	-30.2	-34.2

### 3 Year Rolling Percentile Ranking vs. IM All Commodities (MF)



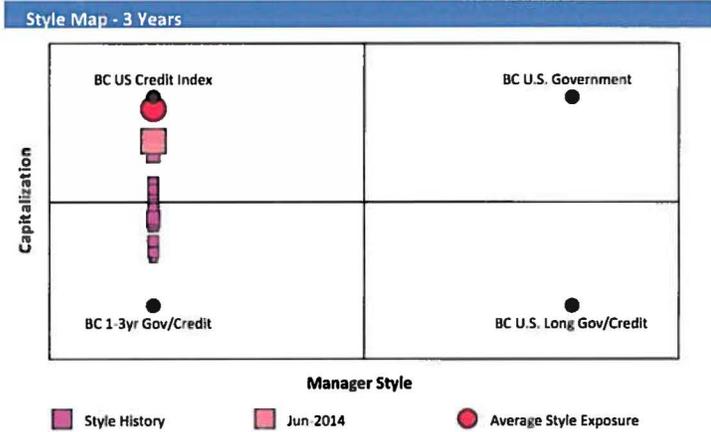
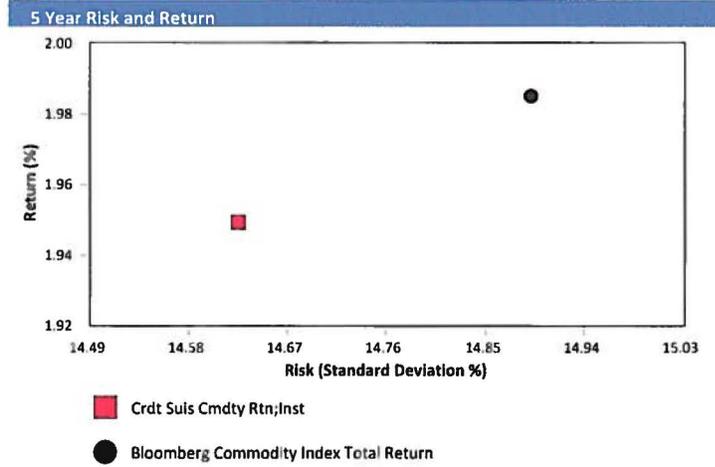
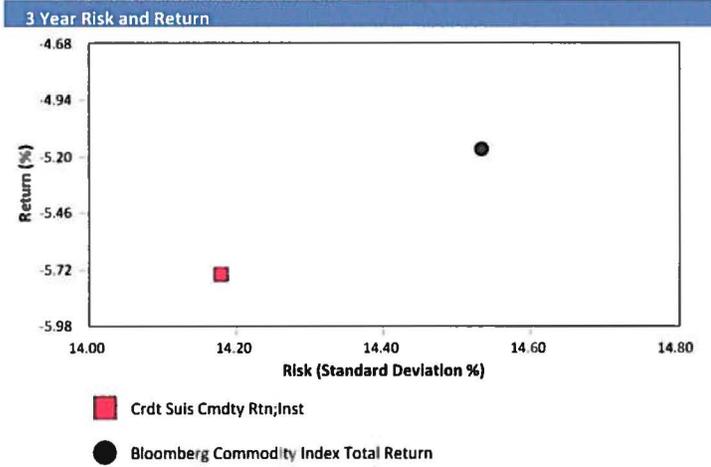
### Manager Commentary

2Q 2014 – The Credit Suisse Commodity Return Fund ended with a positive absolute return and performed roughly in line with the Bloomberg Commodity Index Total Return, as expected. The Fund's modest relative outperformance was attributable to curve positioning in the agriculture and livestock sectors, where longer dated positions did not react as sharply to the excess supply expectations. In general, the Fund's commodity exposure was positioned further out the curve relative to the index in the majority of sectors. The team continues to utilize an active role strategy and takes a conservative approach toward management of the collateral pool.

Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

**Crdt Suis Cmdty Rtn;Inst**  
As of June 30, 2014



**MPT Statistics vs. Bloomberg Commodity Index Total Return**

	3 Years	5 Years
Return	-5.7	1.9
Standard Deviation	14.2	14.6
vs. Bloomberg Commodity Index Total Return		
Alpha	-0.8	0.0
Beta	1.0	1.0
R-Squared	1.0	1.0
Consistency	58.3	58.3
Up Market Capture	94.7	97.8
Down Market Capture	98.9	97.8
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	-0.3	0.2

Mutual fund data sourced from Lipper Analytical Services.

## Manager Evaluation

### Crdt Suis Cmdty Rtn;Inst

As of June 30, 2014

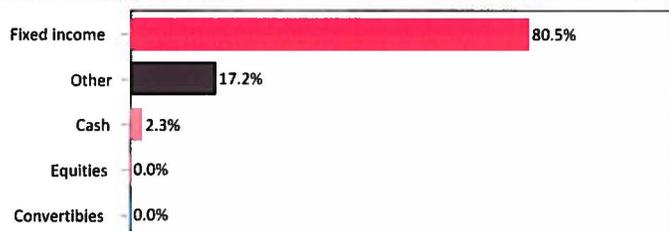
#### Mutual Fund Information

Fund Name :	Credit Suisse Commodity Return Strategy Fund; Institutional Class Shares	Portfolio Assets :	\$5,691 Million
Fund Family :	Credit Suisse Asset Management LLC	Fund Assets :	\$5,465 Million
Ticker :	CRSOX	Portfolio Manager :	Burton/Louie
Inception Date :	12/30/2004	PM Tenure :	2005--2010
Portfolio Turnover :	99%		

#### Fund Investment Policy

The Fund seeks total return. The Fund will invest at least 80% of its net assets, plus any borrowings for investment purposes, in a credit risk combination of commodity-linked derivative instruments and fixed-income securities backing those instruments.

#### Asset Allocation as of 06/30/14



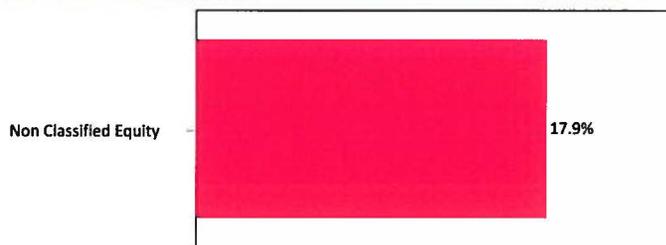
#### Top 10 Securities as of 06/30/14

CREDIT SUISSE COMMODITY-RETURN PLUS STRATEGY FD CL	0.3 %
--	-------

#### Equity Characteristics as of 06/30/14

Total Securities	49
Avg. Market Cap	-
P/E	N/A
P/B	N/A
Div. Yield	N/A
Annual EPS	N/A
5Yr EPS	N/A
3Yr EPS Growth	N/A

#### Sector Allocation as of 06/30/14



Mutual fund data sourced from Lipper Analytical Services.

## Fee Analysis

As of June 30, 2014

MANAGER	FEE SCHEDULE	TARGET ALLOCATION
PIMCO Total Return Instl	0.46%	15.0%
BlackRock Strategic Income Opportunities Fund	0.90%	15.0%
Vanguard 500 Index Trust Signal	0.05%	25.0%
Diamond Hill Large Cap Y	0.66%	7.5%
MainStay Large Cap Growth I	0.77%	7.5%
Boston Trust Small Cap Fund	1.00%	5.0%
Dodge & Cox International Stock	0.64%	10.0%
Europacific Growth R6	0.49%	10.0%
Vanguard Short Term Inflation Protection	0.10%	1.7%
Van Eck Global Hard Assets	1.00%	1.7%
Credit Suisse Commodity Return	0.84%	1.7%
<b>AVERAGE WEIGHTED FEE</b>		<b>0.52%</b>

DISCLOSURE: The figures on this page have been obtained from sources we deem to be reliable. FIA has not independently verified this information.

**Prospectus Links - Town of Trumbull Employee Pension Plan**

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As of June 30, 2014

<b><u>FUND FAMILY</u></b>	<b><u>WEB SITE</u></b>
Vanguard Funds	<a href="http://www.vanguard.com">www.vanguard.com</a>
BlackRock	<a href="http://www.blackrock.com">www.blackrock.com</a>
PIMCO Funds	<a href="http://www.pimco-funds.com">www.pimco-funds.com</a>
MainStay Investments	<a href="http://www.mainstayinvestments.com">www.mainstayinvestments.com</a>
Diamond Hill	<a href="http://www.diamond-hill.com">www.diamond-hill.com</a>
Boston Trust	<a href="http://www.btim.com">www.btim.com</a>
American Funds	<a href="http://www.americanfunds.com">www.americanfunds.com</a>
Dodge & Cox Funds	<a href="http://www.dodgeandcox.com">www.dodgeandcox.com</a>
Van Eck Funds	<a href="http://www.vaneck.com">www.vaneck.com</a>

## Custom Index Descriptions

**CRSP U.S. Large Cap Growth Spliced Index** – Following May 1, 2013: CRSP U.S. Large Cap Growth TR. Periods prior to May 1, 2013: MSCI U.S. Prime Market Growth.

**CRSP U.S. Large Cap Spliced Index** – Following February 1, 2013: CRSP U.S. Large Cap TR. Periods prior to February 1, 2013: MSCI U.S. Prime Market 750.

**CRSP U.S. Large Cap Value Spliced Index** – Following May 1, 2013: CRSP U.S. Large Cap Value TR. Periods prior to May 1, 2013: MSCI U.S. Prime Market Value.

**CRSP U.S. Mid Cap Growth Spliced Index** – Following May 1, 2013: CRSP U.S. Mid Cap Growth TR. Periods prior to May 1, 2013: MSCI U.S. Mid Cap Growth.

**CRSP U.S. Mid Cap Spliced Index** – Following February 1, 2013: CRSP U.S. Mid Cap TR. Periods prior to February 1, 2013: MSCI U.S. Mid Cap 450.

**CRSP U.S. Small Cap Growth Spliced Index** – Following May 1, 2013: CRSP U.S. Small Cap Growth TR. Periods prior to May 1, 2013: MSCI U.S. Small Cap Growth.

**CRSP U.S. Small Cap Spliced Index** – Following February 1, 2013: CRSP U.S. Small Cap TR. Periods prior to February 1, 2013: MSCI U.S. Small Cap 1750.

**CRSP U.S. Small Cap Value Spliced Index** – Following May 1, 2013: CRSP U.S. Small Cap Value TR. Periods prior to May 1, 2013: MSCI U.S. Small Cap Value.

**CRSP U.S. Total Market Spliced Index** – Following June 1, 2013: CRSP U.S. Total Market TR. Periods prior to June 1, 2003: MSCI U.S. Broad Market.

**FTSE Developed Asia Pacific Spliced Index** – Following April 1, 2013: FTSE Developed Asia Pacific. Periods prior to April 1, 2013: MSCI Pacific.

**FTSE Developed Europe Spliced Index** – Following April 1, 2013: FTSE Developed Europe. Periods prior to April 1, 2013: MSCI Europe.

**FTSE Developed ex NA Spliced Index** – Following May 1, 2013: FTSE Developed ex North America. Periods prior to May 1, 2013: MSCI EAFE.

**FTSE Emerging Markets Spliced Index** – Following July 1, 2013: FTSE Emerging Markets (net). Periods Between February 1, 2013 and July 1, 2013: FTSE Emerging Markets Transition. Periods Prior to February 1, 2013: MSCI Emerging Markets.

**FTSE Global All Cap ex U.S. Spliced Index** – Following June 1, 2013: FTSE Global ex USA All Cap. Periods between January 1, 2011 and July 1, 2013: MSCI ACWI ex USA IMI ND. Periods prior to January 1, 2011: MSCI EAFE + EM ND USD.

**MSCI AC World ex USA (net) Spliced Index** – Following January 1, 2001: MSCI AC World ex USA (net). Prior to January 1, 2001: MSCI AC World ex USA.

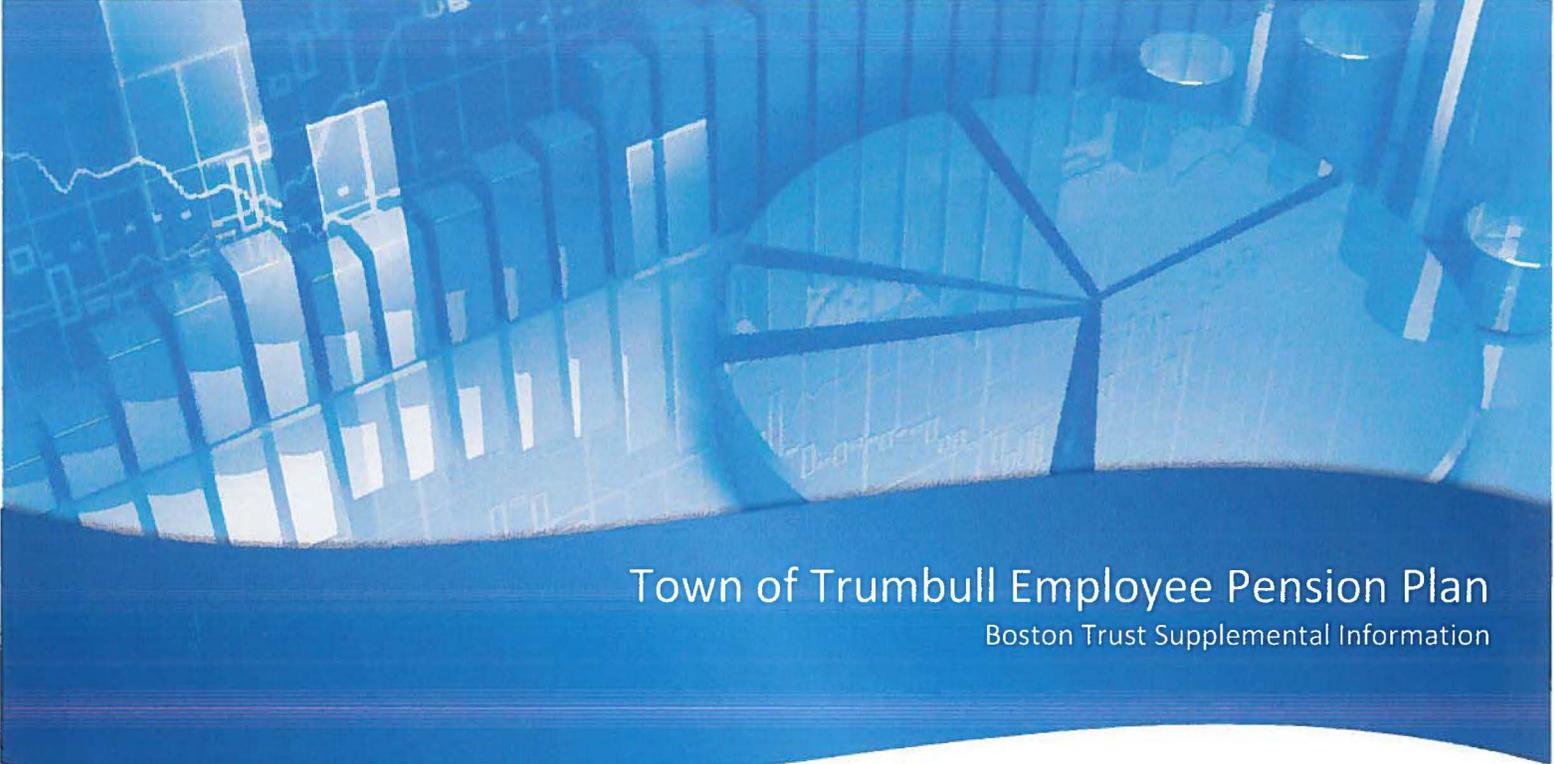
**MSCI AC World ex USA Growth (net) Spliced Index** – Following January 1, 2001: MSCI AC World ex USA Growth (net). Periods between January 1, 1997 and January 1, 2001: MSCI AC World ex USA Growth. Periods prior to January 1, 1997: MSCI AC World ex USA.

**MSCI AC World ex USA Value (net) Spliced Index** – Following January 1, 2001: MSCI AC World ex USA Value (net). Periods between January 1, 1997 and January 1, 2001: MSCI AC World ex USA Value. Periods prior to January 1, 1997: MSCI AC World ex USA.

## Statistics Definitions

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Statistics	Description
Sharpe Ratio	-- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.
Alpha	-- A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the portfolio's historical performance not explained by movements of the market, or a portfolio's non-systematic return.
Beta	-- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk.
R-Squared	-- The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. High R-Square means a higher correlation of the portfolio's performance to the appropriate benchmark.
Treynor Ratio	-- Similar to Sharpe ratio, but focuses on beta rather than excess risk (standard deviation). Represents the excess rate of return over the risk free rate divided by the beta. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.
Tracking Error	-- A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark.
Information Ratio	-- Measured by dividing the active rate of return by the tracking error. The higher the Information Ratio, the more value-added contribution by the manager.
Consistency	-- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance.
Excess Return	-- Arithmetic difference between the managers return and the risk-free return over a specified time period.
Active Return	-- Arithmetic difference between the managers return and the benchmark return over a specified time period.
Excess Risk	-- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Up Market Capture	-- The ratio of average portfolio return over the benchmark during periods of positive benchmark return. Higher values indicate better product performance.
Down Market Capture	-- The ratio of average portfolio return over the benchmark during periods of negative benchmark return. Lower values indicate better product performance.



Town of Trumbull Employee Pension Plan  
Boston Trust Supplemental Information



One Hundred Northfield Drive, Windsor, CT 06095 • Toll Free: 866.466.9412 • [www.fiallc.com](http://www.fiallc.com)

**Important Disclosure Information:** Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by Fiduciary Investment Advisors, LLC), or any non-investment related content, made reference to directly or indirectly in this newsletter will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this newsletter serves as the receipt of, or as a substitute for, personalized investment advice from Fiduciary Investment Advisors, LLC. Fiduciary Investment Advisors, LLC is neither a law firm nor a certified public accounting firm and no portion of the newsletter content should be construed as legal or accounting advice. A copy of the Fiduciary Investment Advisors, LLC's current written disclosure statement discussing our advisory services and fees is available for review upon request.

## Strategy Overview

### Investment Philosophy

- Stocks of higher quality companies are systematically mispriced because most investors fail to discount sufficiently for risk
- Companies with unique innovations can sustain their businesses more successfully through economic cycles
- Companies leveraged to long-term, economic trends are more likely to be successful over time
- Some of the risk of smaller cap investing can be reduced through portfolio construction

### Investment Process

Using both quantitative and qualitative methods, Boston Trust identifies companies of higher financial quality than the market. Boston Trust's assessment of quality includes a detailed review of financial statements focusing on a company's profitability, growth and financial leverage. We target firms with sustainable business franchises. These are firms with innovative products or services that provide a competitive advantage, and that are leveraged to favorable macroeconomic trends.

The portfolios have approximately 100 broadly diversified holdings, and maintain economic sector and market cap exposures that are comparable to those of the broader small cap market.

### Portfolio Management Team

Kenneth P. Scott, CFA  
Heidi H. Vanni, CFA  
Stephen C. Franco, CFA  
Russell T. Gentry, CFA

## **Small Cap Performance Commentary**

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### **YTD 2014**

- Portfolios trailed benchmark
- Market favored lower quality stocks
- Security selection hindered performance
- Portfolio company fundamentals remain positive

### **2.5 Years (from January 1, 2012 through June 30, 2014)**

- Portfolios trailed in strong up market (rising in last 8 quarters)
- Market favored lower quality stocks
- Valuation of Russell 2000 expanded significantly
- Portfolio company fundamentals remain positive

### **Long-Term Strategy Performance**

- Market participation consistent with historical average
- Portfolio performance less volatile than market performance

## Boston Trust Small Cap Composite Performance

Period Ending June 30, 2014

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	<i>Annualized</i>					
	1 Year	3 Year	5 Year	7 Year	10 Year	15 Year
<b>Boston Trust Small Cap</b>	<b>18.2%</b>	<b>11.8%</b>	<b>18.8%</b>	<b>9.1%</b>	<b>10.8%</b>	<b>12.3%</b>
Russell 2000	23.6%	14.6%	20.2%	6.7%	8.7%	8.0%

	Q2	YTD	2013	2012	2011	2010	2009	2008	2007	2006	2005
	2014	2014									
<b>Boston Trust Small Cap</b>	<b>1.0%</b>	<b>-0.3%</b>	<b>32.8%</b>	<b>14.0%</b>	<b>0.4%</b>	<b>27.1%</b>	<b>30.2%</b>	<b>-26.8%</b>	<b>13.2%</b>	<b>14.2%</b>	<b>6.2%</b>
Russell 2000	2.0%	3.2%	38.8%	16.3%	-4.2%	26.9%	27.2%	-33.8%	-1.6%	18.4%	4.6%

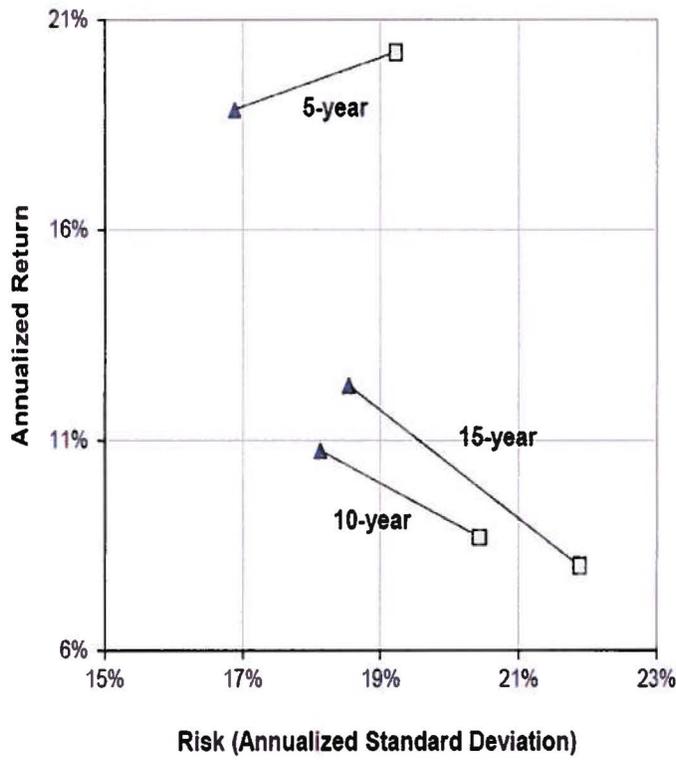
  

	2004	2003	2002	2001	2000	1999
<b>Boston Trust Small Cap</b>	<b>22.8%</b>	<b>41.1%</b>	<b>-11.8%</b>	<b>4.6%</b>	<b>36.6%</b>	<b>4.9%</b>
Russell 2000	18.3%	47.3%	-20.5%	2.5%	-3.0%	21.3%

- The Boston Trust Small Cap Strategy's performance pattern has generally been one of participation in rising markets and protection in declining markets. The strategy's relative performance in the recent 1, 3 and 5 year periods is consistent with the strategy's historical track record.

## Risk Return Comparison

Competitive returns with less risk over full market cycles



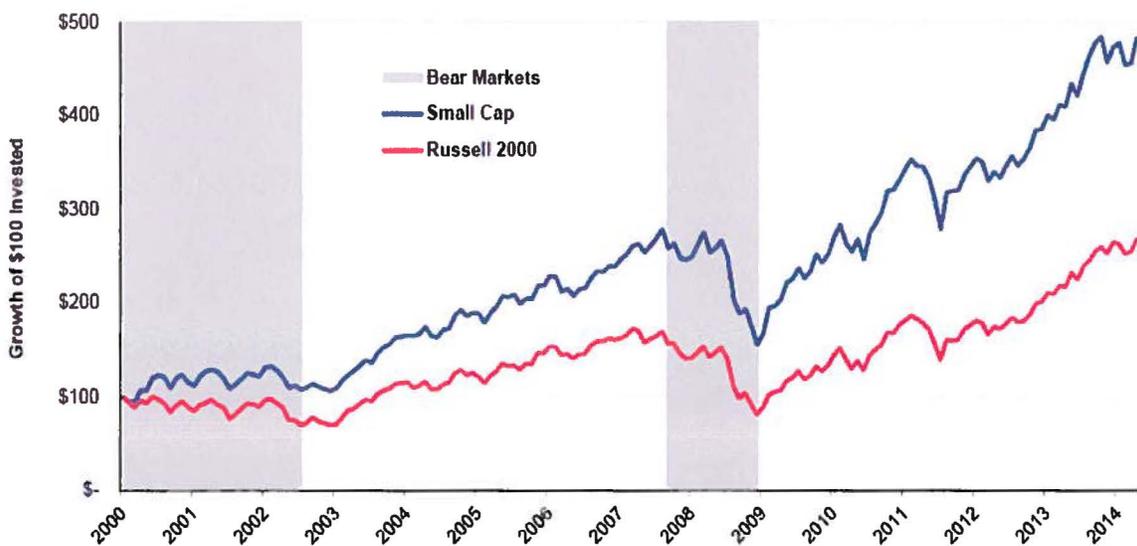
Annualized Performance Statistics (%)				
		5-Year	10-Year	15-Year
Boston Trust	Return	18.9	10.8	12.3
	Standard Dev.	16.9	18.1	18.5
Russell 2000	Return	20.2	8.7	8.0
	Standard Dev.	19.2	20.4	21.9

Sharpe Ratio				
		5-Year	10-Year	15-Year
Boston Trust		1.11	0.51	0.55
Russell 2000		1.05	0.35	0.27

▲ Boston Trust Small Cap      □ Russell 2000

## Performance over Market Cycles

### Boston Trust Small Cap Composite vs. Russell 2000 Index

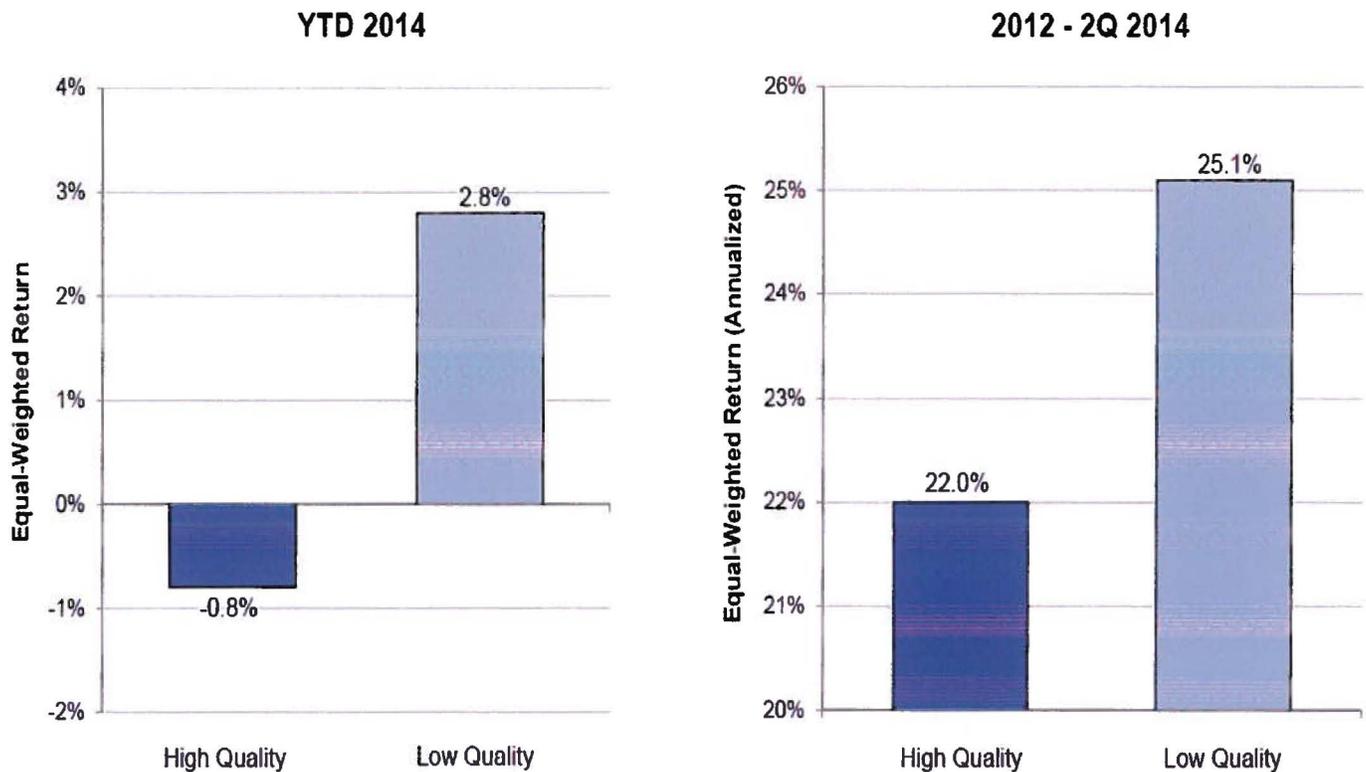


Type of Market	Bear	Bull	Bear	Bull	Full Period
Time Period	3/31/00 – 9/30/02	9/30/02 – 5/31/07	5/31/07 – 2/28/09	2/28/09 – 6/30/14	3/31/00 – 6/30/14
No. of Months	30	56	21	64	171
Boston Trust annualized return	3.0%	20.8%	-25.5%	23.6%	11.7%
R2000 annualized return	-13.5%	21.4%	-35.0%	25.1%	7.1%

Sources: Boston Trust, FactSet, Russell

## High Quality Headwind

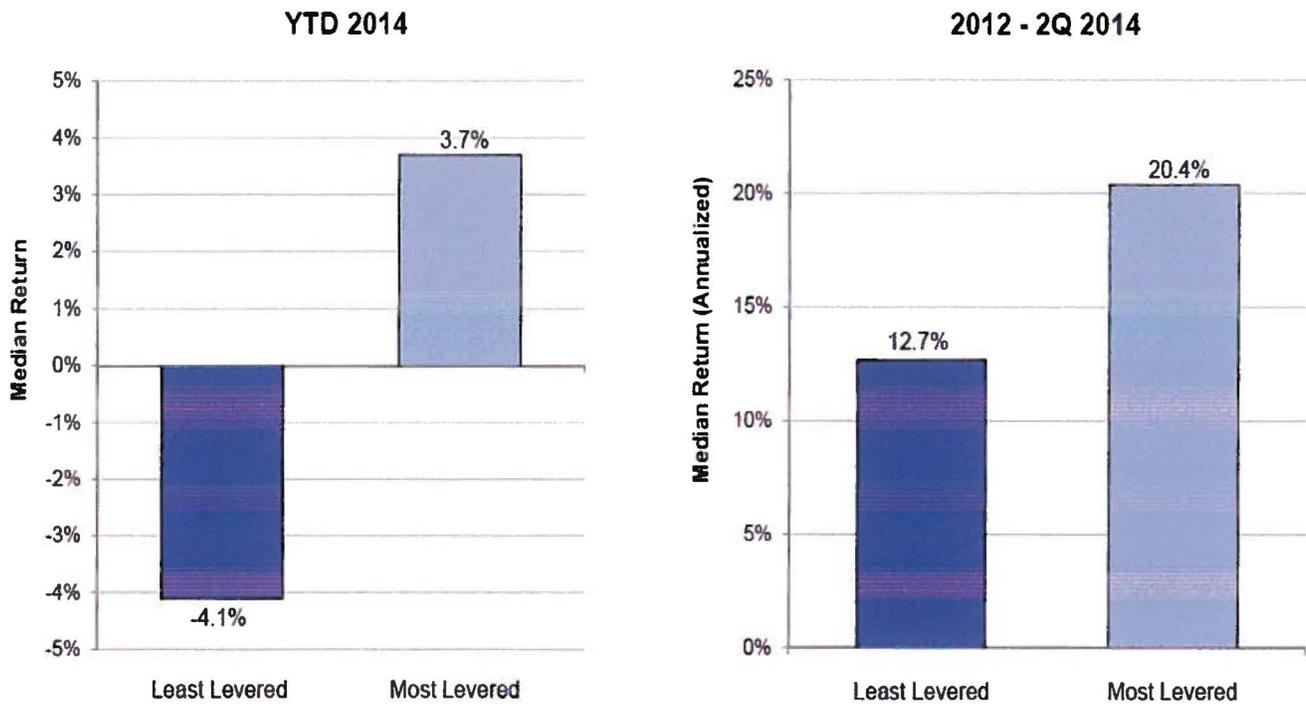
Periods Ending June 30, 2014



Note: High (Low) Quality refers to Russell 2000 companies that pass (fail) Boston Trust's quantitative screen for quality. The screen incorporates metrics for profitability, sustainability, and growth. Rebalanced quarterly.  
Source: Boston Trust, FactSet, Russell

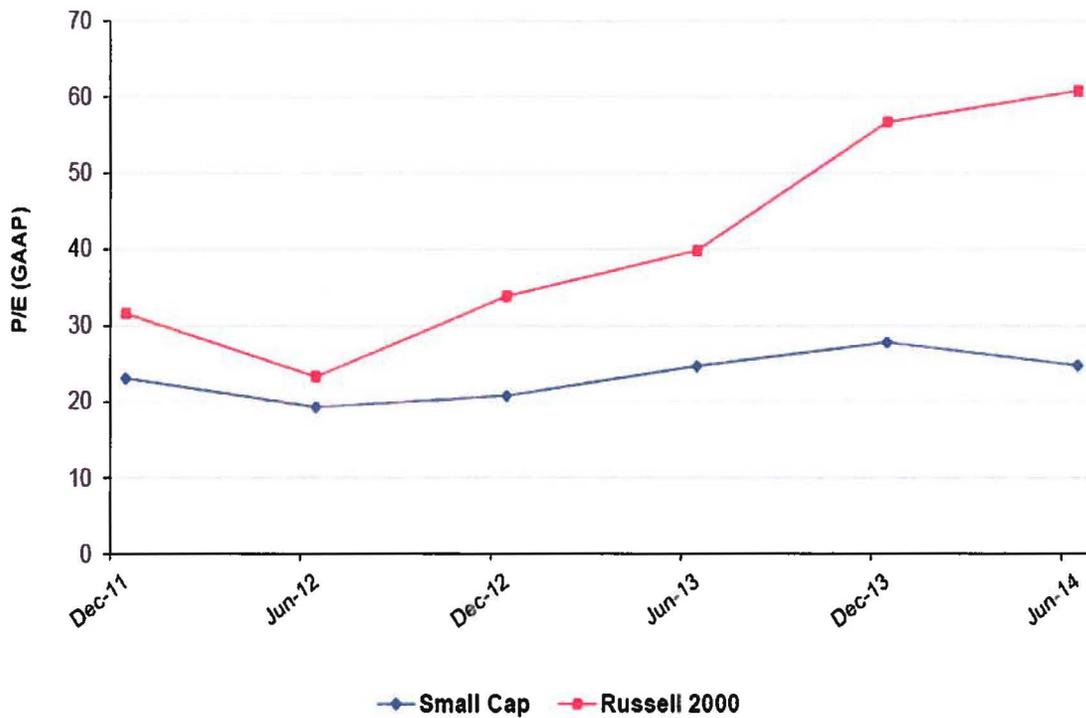
## Tailwind to Financial Leverage

Periods Ending June 30, 2014



Note: Least and most levered determined by sorting Russell 2000 into quintiles based on debt/capitalization. Rebalanced monthly.  
Sources: Boston Trust, FactSet, Russell

## Valuation of Russell 2000 and Boston Trust Small Cap December 31, 2011 to June 30, 2014



Note: Weighted average trailing twelve month P/E's, by earnings yield method, at each quarter-end  
Sources: Boston Trust, FactSet, Russell

## Small Cap Portfolio Characteristics

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### Boston Trust   Russell 2000

Profitability (5 Years)			
Return on Equity	<b>16.6%</b>	3.3%	<i>Superior profitability</i>
Return on Assets	<b>8.5%</b>	0.6%	
Return on Invested Capital	<b>12.9%</b>	1.5%	

Growth Rates (5 Years)			
Sales per Share	<b>12.6%</b>	8.8%	<i>Sustainable growth</i>
Earnings per Share	<b>16.8%</b>	12.4%	

Risk			
Debt/Total Capital	<b>22.9%</b>	32.7%	<i>Lower risk</i>
Beta (relative to the S&P 500)	<b>1.2</b>	1.3	
Weighted Avg. Market Cap. (Bil)	<b>\$2.2</b>	\$1.8	
Sales Variability	<b>0.2</b>	0.3	
EPS Variability	<b>1.3</b>	3.0	
ROIC Variability	<b>0.6</b>	3.0	

Valuation			
Price/Earnings (Adjusted)	<b>23x</b>	40x	<i>Attractive valuations</i>
Price/Earnings (Net Income)	<b>25x</b>	61x	
Price/Earnings (Forward Est.)	<b>19x</b>	24x	

Characteristics are from a representative portfolio.

**TOWN OF TRUMBULL EMPLOYEE PENSION PLAN**

**INVESTMENT POLICY STATEMENT**

June 2014

DRAFT

## **Introduction & Purpose**

The Town of Trumbull Employee Pension Plan (the “Plan”) has been established to provide retirement benefits to those individuals eligible to receive them. This policy statement outlines the goals and investment objectives for the Plan. This document is intended to provide guidelines for managing the Plan, and to outline specific investment policies that will govern how those goals are to be achieved. This statement:

- Describes the investment objectives of the Plan;
- Defines the responsibilities of the Pension Board and other parties responsible for the management of the Plan;
- Establishes investment guidelines regarding the selection of investment managers and diversification of assets;
- Specifies the criteria for evaluating the performance of the investment managers and of the Plan as a whole.

## **Investment Objective**

The Plan’s assets shall be invested in accordance with sound investment practices that emphasize long-term investment fundamentals. In establishing the investment objectives of the Plan, the Pension Board (the “Board”) has taken into account the financial needs and circumstances of the Plan, the time horizon available for investment, the nature of the Plan’s cash flows and liabilities, and other factors that affect their risk tolerance. Consistent with this, the Board has determined that the investment of these assets shall be guided by the following underlying goals:

- To achieve the stated actuarial target of the Plan;
- To maintain sufficient liquidity to meet the obligations of the Plan;
- To diversify the assets of the Plan in order to reduce risk;
- To achieve investment results over the long-term that compare favorably with those of other pension plans, professionally managed portfolios and of appropriate market indexes.

## **Assignment of Responsibilities**

**Pension Board** - The Pension Board is charged with the responsibility of overseeing the assets of the Plan. To that end, the Board’s responsibilities include: establishing and maintaining the Plan’s investment policy, objectives and portfolio guidelines with respect to asset allocation, risk parameters, and return evaluation and for specific interpretation of said investment policy, as well as selecting the investment vehicles, and periodically monitoring the performance of investments. The Board, however, may establish rules or other resolutions governing its investment policy and may delegate to the Board members or agents the authority to act. The Board will meet periodically. The Board shall discharge its duties with the care, skill, prudence and diligence appropriate to the circumstances then prevailing. The Board recognizes

that some risk must be assumed to achieve the Plan's long-term investment objectives.

**Investment Consultant** - The Board may engage the services of an Investment Consultant. The Investment Consultant's role is that of a non-discretionary advisor to the Board. The Investment Consultant will assist in the development and periodic review of an Investment Policy Statement and the Plan's asset allocation, conduct manager searches when necessary, monitor the performance of the managers/funds, and communicate on other matters of relevance to the oversight of the Plan.

**Custodian** - The Custodian is responsible for the safekeeping and custody of assets. The Custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Plan, collect dividends and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The Custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Plan accounts (for example, to accommodate distribution needs).

#### Asset Allocation

The asset allocation target ranges set forth in Appendix A represent a long-term view. Short-term market volatility may cause the asset mix to fall outside the targeted range.

**Target Asset Allocation Table**

<b>Asset Class</b>	<b>Min Weight</b>	<b>Target Weight</b>	<b>Max Weight</b>	<b>Benchmark Index</b>
Cash & Equivalents	0.0%	0.0%	5.0%	Citigroup 3Mo T-Bill
Fixed Income	20.0%	30.0%	50.0%	Barclays Aggregate Bond Index/LIBOR
Domestic Equities	25.0%	45.0%	65.0%	Russell 3000 Index
International Equities	10.0%	20.0%	30.0%	MSCI ACWI ex-U.S. Index
Inflation Protection	0.0%	5.0%	10.0%	Custom benchmark

## **Rebalancing**

The Board, at its discretion, may or may not institute rebalancing as necessary. Such adjustments should be executed with consideration to turnover, transaction costs, and realized losses over the long term. The necessity to rebalance will be reviewed periodically.

## **Selection Criteria for Investment Managers**

Investment managers/funds retained by the Plan shall be chosen using various criteria, including but not limited to the following:

- Past results, considered relative to appropriate indexes and other investments having similar investment objectives. Consideration shall be given to both consistency of performance and the level of risk taken to achieve results;
- The investment style and discipline of the investment manager;
- How well the manager's investment style or approach complements other assets in the Plan;
- Level of experience, personnel turnover, financial resources, and staffing levels of the investment management firm or fund.

The Plan will utilize a multi-manager structure of complementary investment styles and asset classes to invest the Plan's assets.

Should additional contributions and/or market value growth permit, the Board may retain additional investment managers to invest the assets of the Plan. Additional managers would be expected to diversify the Plan by investment style, asset class, and management structure and thereby enhance the probability of the Plan achieving its long-term investment objectives.

## **Securities Guidelines**

The Plan's investments may include separately managed accounts and/or mutual funds/co-mingled funds, including marketable and non-marketable alternatives and exchange traded funds. The Board understands that managers have full responsibility for security selection, diversification, turnover and allocation of holdings among selected securities and industry groups, as particularly detailed in the Investment Policy Statement of each of the Plan's separately managed accounts or in the prospectus/offering memorandum for each mutual fund/co-mingled fund/exchange traded fund in the portfolio. No securities will be purchased, or carried, on margin.

With respect to mutual/co-mingled funds, the Board will consider the following to insure proper diversification and function for each of the funds:

1. The mutual fund/co-mingled pool organizations selected should demonstrate:  
(a) a clearly defined investment philosophy; (b) a consistent investment process;  
(c) an experienced and stable organization; and (d) cost-effectiveness.
2. The mutual fund/co-mingled pool used will generally have at least a full three-year track record, or its equivalent, and the individual fund/pool must have at least \$25 million under management (or, as an organization, \$100 million in the same strategy) at the time of selection.
3. Each mutual fund/co-mingled pool will be regularly evaluated for proper diversity and each will provide material information on a timely basis.
4. With respect to hedge fund-of-funds, in addition to meeting each of the three above-specified criteria, each fund-of-funds will include an appropriate number of hedge fund managers to be considered well diversified. Investment strategies in hedge fund-of-funds may generally include: long/short U.S. equity, global equity, derivatives, distressed debt and other fixed income strategies, currency exposure, arbitrage and event driven strategies, and additional strategies with low correlation to traditional asset classes.

#### **Proxy Voting**

Each investment manager is responsible for and empowered to exercise all rights, including voting rights, as are acquired through the purchase of securities, where practical. Each investment manager shall vote proxies in the best interest of the Town of Trumbull Employee. A copy of each firm's guidelines, and/or summary of proxy votes shall be provided to the Board upon request.

#### **Investment Monitoring and Reporting**

The Board will periodically review performance of the investments in the Plan. Performance monitoring is the mechanism for revisiting the investment selection process and confirming that the criteria originally satisfied remain intact and that an investment continues to be appropriate for the Plan. While frequent change is neither expected nor desirable, the process of monitoring investment performance relative to specified guidelines is an on-going process.

Monitoring should occur on a periodic basis. The monitoring process will utilize the same criteria that formed the basis of the investment selection decision. In addition, a set of "watch list criteria" may be employed to track important quantitative and qualitative elements, assist in the evaluation process, and focus the Board on potential areas of concern.

Watch list criteria may include the following:

- Performance relative to benchmark performance over various time

frames;

- Deterioration of risk-adjusted performance;
- Notable style drift / change in investment objective;
- High manager fees relative to peers;
- Significant organizational or manager change.

### **Termination of an Investment Manager or Fund**

A manager/fund may be terminated when the Board has lost confidence in the manager's ability to:

- Achieve performance and risk objectives;
- Comply with investment guidelines;
- Comply with reporting requirements;
- Maintain a stable organization and retain key investment professionals.

There are no hard and fast rules for manager termination. However, if the investment manager has consistently failed to adhere to one or more of the above conditions, termination may be considered. Failure to remedy the circumstances of unsatisfactory performance by the manager/fund, within a reasonable time, may be grounds for termination.

Any recommendation to terminate a manager/fund will be treated on an individual basis, and will not be made solely based on quantitative data. In addition to those above, other factors may include, but shall not be limited to, professional or Town of Trumbull Employee turnover, or material change to investment processes.

The process for selecting a replacement for a terminated manager would follow the criteria outlined in the section of this Investment Policy Statement titled Selection Criteria for Investment Managers.

**Approval**

*It is understood that this investment policy is to be reviewed periodically by the Pension Board to determine if any revisions are warranted by changing circumstances including, but not limited to, changes in financial status, risk tolerance, or changes involving the investment managers.*

**TOWN OF TRUMBULL EMPLOYEE PENSION PLAN:**

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

DRAFT

**Town of Trumbull Pension Board Approvals  
August 26, 2014**

**August 26, 2014 - Pension Board Approvals**

Name	Address	Credited Svc. Yrs.	Retirement Date	Payment Date	Pension Amount	Option Selected **	Termination Date	Payout a/o Date	Contribution Plus Interest Refund
Ismael Acevedo	538 Moose Hill Road Monroe, CT 06468	46	7/7/2014	8/1/2014	\$2,527.81	2			
Mary C. Moran	136 Lake Avenue Trumbull, CT 06611	5	6/9/2014	7/1/2014	\$687.77	3			
Thomas Smith	6388 Main Street Trumbull, CT 06611	25	6/30/2014	7/1/2014	\$1,893.86	2			
Barbara DiDomenico	34 Elmstead Road Trumbull, CT 06611	26	6/30/2014	7/1/2014	\$1,292.86	2			
Kevin Nicholas	30 Dahl Avenue Stratford, CT 06614						3/27/2014	6/15/2014	\$8,127.49
Steven Acevedo	538 Moose Hill Road Monroe, CT 06468						5/3/2013	6/15/2014	\$5,972.42
Harrison Duncan	65 Cooper St. Apt 1L Brooklyn, NY 11207						6/30/2012	6/30/2014	\$956.47
William Dunn	51 Coventry Lane Trumbull, CT 06611						12/1/2003	6/30/2014	\$2,703.08
Rebecca Foth	5099 Madison Avenue Trumbull, CT 06611						7/22/2013	6/30/2014	\$2,224.16
Priscilla Hernandez	15 Dande Street Brigeport CT 06604						5/16/2011	6/30/2014	\$4,251.22
Christine McDade	262 Church Hill Rd. Trumbull, CT 06611						9/29/2008	6/30/2014	\$77.61
Karen Cittadino	212 St. Johns Place East Meadow, NY						1/16/2008	6/30/2014	\$333.36

**\*\* Optional Forms of Payment Defined:**

- Option 1: Life Income with 10 Years Certain:** The normal form of payment of a participant's normal retirement benefit is a ten year certain and life annuity. This benefit will be paid monthly for the life of the participant provided, however, that if the participant dies before receiving 120 monthly payments, the balance of the 120 monthly payments will be paid to his or her designated beneficiary.
- Option 2: Joint and 100% Survivor Annuity:** An actuarially equivalent reduced monthly benefit payable to the the participant for his or her life with the provision that, upon the participant's death, 100% of the monthly amount paid to the participant during his or her life will be paid monthly to the participant's surviving joint annuitant (spouse) for the remainder of his or her life.

**Town of Trumbull Pension Board Approvals**  
**August 26, 2014**

Option 3: Joint and 66-2/3% Survivor Annuity: An actuarially equivalent reduced monthly benefit payable to the the participant for his or her life with the provision that, upon the participant's death, 66- 2/3% of the monthly amount paid to the participant during his or her life will be paid monthly to the participant's surviving joint annuitant (spouse) for the remainder of his or her life.

**Pension Board  
Minutes  
June 3, 2014**

**CALL TO ORDER**

Mr. Jim Lavin called the Pension Board meeting to order at 7:00 p.m. at the Town Hall, Trumbull, Connecticut.

Members present were as follows:

**PRESENT**

James Lavin  
John Ponzio  
Donna Pellitteri  
Maria Pires  
Michael Knight  
James Daly

Also present: Chris Kachmar, FIA; Madelyn Meagher

**Investment Update 1<sup>st</sup> Quarter– Chris Kachmar**

Mr. Kachmar presented the investment Update for the 1<sup>st</sup> Quarter:

Economic and Market Review:

- There is still a lot of attention on the Fed and reduction of stimulus; the economy in the US is on a relatively even keel; now have challenge of getting stimulus out of the system.
- Domestic Equity gained 1.8% for the 1<sup>st</sup> Quarter; lower quality stocks did the best.
- International Equity Review – returns were reasonably positive.
- Fixed Income Review – 10 year Treasury ended 30 b.p. lower at 2.73%.

Asset Allocations:

- In terms of performance, we are where we should be, given return objectives. Program is working as it should.

Manager Performance:

- PIMCO is on watch and continues to be on watch. Believe that performance will improve. No issues with them.
- BlackRock is new; no concerns right now.
- Van Guard is getting the return.
- Diamond Hill; no concerns right now.
- Mainstay – not a great quarter; thinks that manager is very capable and will comeback; challenging issues with healthcare sector (only 7% of total portfolio); need to be patient.
- Boston Trust – short term numbers challenged; absolute numbers are fine; outlook seems favorable; greater protection; need to be patient; not going to keep pace in a fast paced market.
- Thornburg International is on watch; they have had as bad a quarter as possible; poor stock choices; have not cost us money; however, the manager seems problematic so it is recommended the we move away from them but not change the basic 10% allocation; feels that we should probably increase the existing 20% international allocation; recommended one of the following: Dodge & Cox; Harbor Fund; TRowe Price Overseas.
- It was noted that we need to review our inflation protection for the next meeting.

Mr. Ponzio moved, seconded by Mr. Daly, to remove Thornburg and add Dodge and Cox at the same 10% allocation.

Vote: 6-0-0 motion carries

**Overpaid Pension Update – Maria Pires, Director of Finance**

By unanimous consent, the Board agreed to postpone the presentation until the next quarterly meeting.

**Approval of Minutes – February 25, 2014; March 27, 2014**

Mr. Knight noted that the second page of the February 25<sup>th</sup> minutes needs to be amended as follows: (2<sup>nd</sup> bullet) ...something they use in their valuations; (4<sup>th</sup> bullet)...up 32% in calendar year 2013 (5<sup>th</sup> bullet) ,,up 17.2% in calendar year 2013.

Mr. Ponzio moved, seconded by Mr. Knight, to approve the February 25, 2014 minutes as amended and the March 27, 2014 minutes, as presented.

**Approval of Pension Benefits**

Chimini, Robert	eff. 4/1/2014	\$1,679.32
Hall, Patricia	eff. 4/1/2014	\$ 495.10
Heiden, Lois	eff. 4/1/2014	\$ 685.00
Mazako, Bernard	eff. 4/1/2014	\$ 179.92
Papageorge, John	eff. 4/1/2014	\$1,834.69
Romano, Frank	eff. 8/1/2013	\$ 151.00

Mr. Daly moved, seconded by Mrs. Pires, to approve the Pension Benefits as presented.

Vote: 6-0-0 motion carries

**Other Business**

Mr. Ponzio moved, seconded by Mrs. Pellitteri, to move into executive session at 8:15 p.m. The Chair asked the Board members and Clerk to remain.

Vote: 6-0-0 motion carries

Mr. Ponzio moved, seconded by Mr. Knight, to come out of executive session at 8:50 p.m.

Vote: 6-0-0 motion carries

Mrs. Pires indicated that she would like to hold a special meeting with the actuaries, BPS&M, on either June 24 or 25 to discuss the upcoming actuarial valuation. The Board indicated that either date would be fine. Mr. Lavin asked that Mr. Kachmar also be present.

**Adjournment**

By unanimous consent, the meeting adjourned at 9:15 p.m.

Respectfully submitted:

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Phyllis C. Collier  
Pension Board Clerk

**Pension Board  
Special Meeting  
July 16, 2014  
Minutes**

**CALL TO ORDER**

Mr. Jim Lavin called the Pension Board meeting to order at 5:30 p.m. at the Town Hall, Trumbull, Connecticut.

Members present were as follows:

**PRESENT**

James Lavin  
John Ponzio  
Donna Pellitteri  
Maria Pires  
Michael Knight  
James Daly

Also present: James Haselkamp; Chris Kachmar, FIA; Brian Hartman, BPS&M; Brad Fisher, BPS&M; Gina Acri, Wells Fargo.

Mr. Hartman indicated that they met with Mrs. Pires earlier today to discuss the Census Data collection. They will be working on the bi-annual valuation report this fall for the July 1, 2014 plan year. In addition, the individual statements will be coming out later this year.

He went on to add that related to this valuation are the upcoming GASB 67 and GASB 68 changes. Beginning with the Financial Statements for the year that just ended June 30, 2014 there are new disclosure requirements that they need to work with Mr. Kachmar the investment advisor and the plan auditors to add these disclosures into the report to close out the last fiscal year. None of the information will be based on data as of July 1, 2014; therefore, we will have 2 sets of numbers going simultaneously this fall.

BPS&M, our actuaries, reviewed the Town of Trumbull Retirement Plan regarding the upcoming changes in:

- Plan Reporting GASB 67 (replaces GASB 25) after fiscal year June 15, 2013
- Employer Reporting GASB 68 (replaces GASB 27) beginning fiscal year after June 15, 2014.

The biggest change for government town sponsors has to do with the information reported on the financial statement that uses the same actuarial basis as the information in the valuation report to determine the contribution. This is no longer the case. The funding and accounting are now separate. You now use the fair market value of assets on the accounting statement and asset smoothing on the funding statement. The accounting statement will show more volatility since the market value will fluctuate more than a 5-year smooth average will.

The liability measures have changed. GASB now requires the Entry Age Normal method, which applies more cost to the older participants than to the younger participants. For example, this would increase the liability 1.3 million for July 1, 2012.

In connection with the discount rate, GASB 67/68 encourages governments to establish a formal documented funding policy. In some of these projections in determining whether the plan is over or under funded you will be able to take into account future contributions to the extent that they are required by statute or law or in a formal documented funding policy.

It was noted that we are putting on the November ballot a Charter provision that requires the ARC be funded every year.

For the GASB calculations, there is a new rule in place that you can only use the 7.5% discount rate on the portion of the liability that is funded with current assets or future contributions based on your existing current funding policy. The actuary needs to project out for the life of the plan all the expected benefit payments then project all the cash flows in and out of the plan based on the contribution policy that we have looking over the last 5 years.

It was noted that our Pension Plan is now closed; all unions have agreed to have employees go into a 401A Plan.

The Plan's investment policy must be included in the GASB accounting reports. We will distribute it to the Board members at the next meeting.

GASB now requires a money-weighted rate of return in actuarial valuations instead of the time-rated rate of return, since there may be significant irregular cash flows. Since Trumbull makes quarterly ARC contributions to the plan, monthly benefit payments out of the Pension Trust and weekly payroll contributions throughout the year, the money-rated return will only be about 1/100<sup>th</sup> off from the time-rated rate of return.

The Assumed Return on Plan Assets that we use is 7.5% and the benchmark survey is 7.6%; therefore, the figure we are using is around the average that other municipalities are using and although it is decreasing the 7.5% is certainly sustainable.

Mr. Hartman indicated that they were looking at dropping the 7.5% to 6.5% and if so the following would occur: Actuarial Accrued Liability increases from \$67.9 million to \$75.6 million and the ARC increases from 4.6 million to 5.5 million. Therefore, we can say there is a \$1 million increase for a 1% decrease.

The assumption also uses salary projection increases of 4.0%, which is intended to be a long-term projection; this seems high, so Mrs. Pires is to review and see if 3% is more accurate. She indicated that a 2-year average would be better; however, since the plan is closed after 5 years or so the step increases won't be a consideration and since new employees won't be included perhaps just using the current year will be enough.

We used the mortality assumption table from 1994 and projected those rates to 2012. A five-year increase in projection increased the ARC by \$57,000. If we use the RP 2000 table and project the rates to 2012 the ARC decreases \$87,000 and if we use the RP 2000 table and project the rates to 2017, the ARC decreases \$29,000.

We need to come up with a decision on the 2 assumptions – What rate of return and what salary percentage. It was noted that some towns do have the statements prepared each year rather than every two years even though it is more costly.

The next Pension Board meeting is August 25, 2014.

#### **Adjournment**

By unanimous consent, the meeting adjourned at 6:40 p.m.

Respectfully submitted:

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Phyllis C. Collier  
Pension Board Clerk