

**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, February 3, 2015 at 6:30 P.M. in the Nichols Room at the Town Hall.

A G E N D A

Call to Order

Investment Update – 4rd Quarter – Chris Kachmar

Overpaid Pension Update (to follow)

Approval of Pension Benefits:

| | | |
|------------------|------------|----------|
| Annicelle, Linda | \$2,409.95 | 1/1/2105 |
|------------------|------------|----------|

Approval of Contribution Distributions:

| | | |
|-----------------|------------|------------|
| O'Neil, Kathryn | \$3,406.91 | 10/31/2014 |
| Southard, Ryan | \$ 768.67 | 10/31/2014 |

Approval of Minutes –

- November 25, 2014
- December 9, 2014

Discussion

- Annual Pension Report
- Investment Policy (draft)

Other Business

Adjournment

Town of Trumbull

| | 2009 | 2010 | 2011 | 2012 | 2013 | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 | 2014 | Inception to date |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Employee Contributions | 756,808 | 720,595 | 798,557 | 863,321 | 882,324 | 240,357 | 235,314 | 199,412 | 265,425 | 940,507 | 5,601,240 |
| Town Contributions | 1,925,000 | 2,185,893 | 2,662,500 | 3,375,000 | 4,113,000 | 2,288,000 | 0 | 1,173,250 | 1,348,250 | 4,809,500 | 19,675,783 |
| Total Contributions | 2,681,808 | 2,906,488 | 3,461,057 | 4,238,321 | 4,995,324 | 2,528,357 | 235,314 | 1,372,662 | 1,613,675 | 5,750,007 | 25,277,023 |
| Benefit Payments | (3,149,534) | (3,599,228) | (3,706,193) | (3,938,936) | (4,149,750) | (1,016,883) | (1,054,785) | (1,057,394) | (1,158,537) | (4,287,599) | (24,472,560) |
| Plan Expenses | (103,035) | (88,177) | (46,855) | (35,869) | (65,694) | (19,972) | (32,194) | (6,593) | (24,028) | (82,787) | (489,294) |
| Total Payments & Expenses | (3,252,569) | (3,687,405) | (3,753,048) | (3,974,806) | (4,215,445) | (1,036,855) | (1,086,979) | (1,063,987) | (1,182,565) | (4,370,386) | (24,961,854) |
| Net Cashflows | (570,760) | (780,917) | (291,991) | 263,516 | 779,879 | 1,491,502 | (851,665) | 308,674 | 431,113 | 1,379,624 | 315,169 |
| Market Value | 16,815,848 | 18,338,336 | 17,890,234 | 20,453,333 | 24,923,138 | 26,542,881 | 25,568,320 | 26,567,522 | 27,482,692 | 27,482,692 | |
| Net Contributions Annual Rate | -3.39% | -4.26% | -1.63% | 1.29% | 3.13% | 5.62% | -3.33% | 1.16% | 1.57% | 5.02% | |

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 - Fourth Quarter 2014



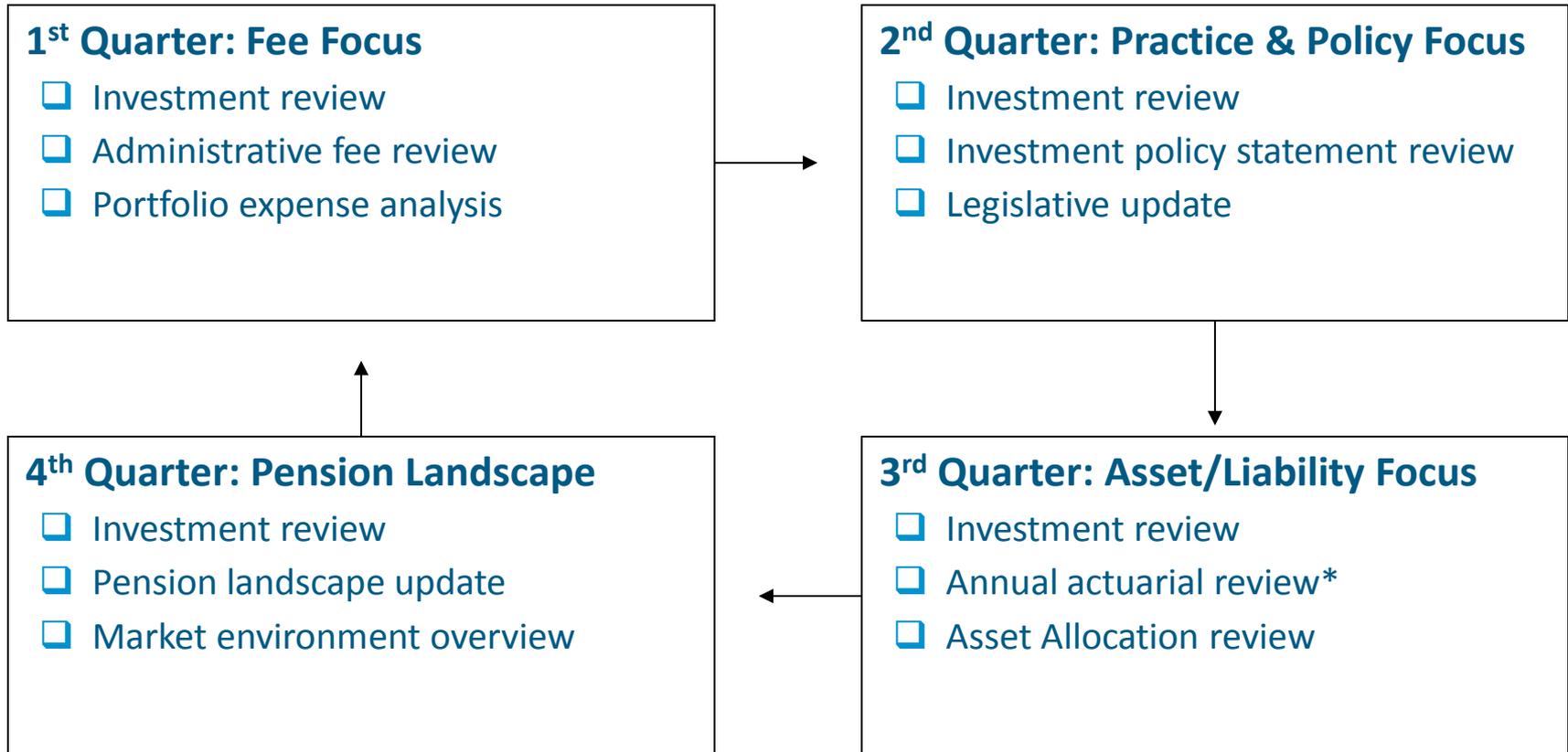
Important Disclosure Information: Past performance may not be indicative of future results. Account information has been compiled solely by Fiduciary Investment Advisors, LLC, has not been independently verified, and does not reflect the impact of taxes on non-qualified accounts. In preparing this report, 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.

TABLE of CONTENTS

- Fiduciary Governance Calendar Section 1
- Capital Markets Overview Section 2
- Portfolio and Manager Review Section 3



Defined Benefit Fiduciary Governance Calendar



* Timing of actuarial and liability review dependent on client's individual plan and /or fiscal year and actuarial input.

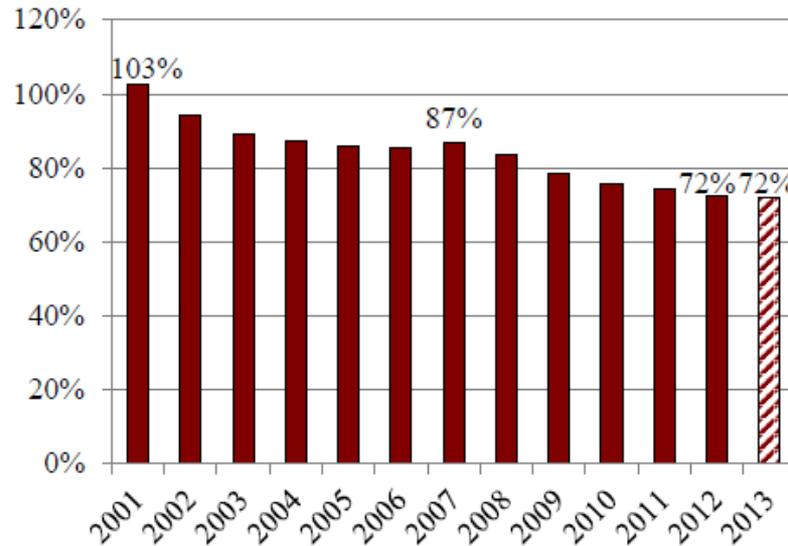
Public Pension Landscape Update

- GASB has announced several **accounting and financial reporting changes**
 - Valuation of assets will move from an actuarially smoothed methodology to a market value methodology
 - ✓ May result in increased volatility of funded status
 - ✓ Asset value increases experienced in recent years will be immediately reflected (likewise, in negative years asset value decreases will be immediately reflected)
 - Funded status of plans will now be shown on the sponsor's balance sheet
 - Discount rate for some plans may need to be lowered
 - ✓ As such, liability values will be higher and funded ratios lower
 - ✓ This change will likely only impact the most underfunded plans

- The Society of Actuaries released **new mortality tables** in October 2014
 - Overall longevity in these tables has increased
 - Consequently, the new tables will result in increased liabilities
 - Many public plans develop their own mortality assumptions based on participant experience, and will not be impacted by the new tables
 - Some public plans do rely on the Society's tables, and as such their funded status will suffer

Market Environment Overview

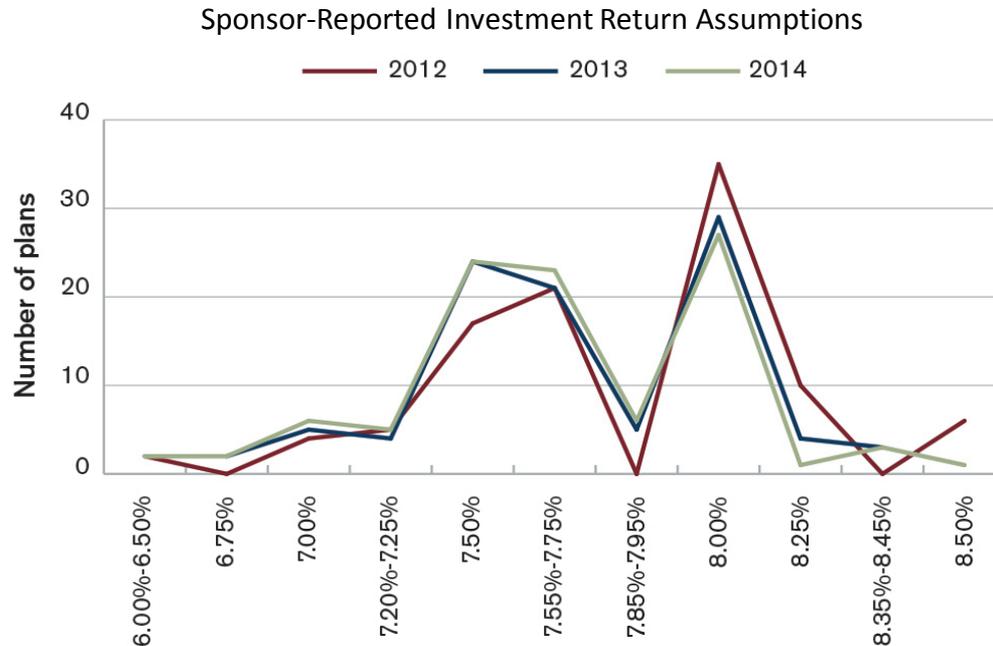
State and Local Pension Funded Ratios, FY 2001-2013



Note: 2013 involves estimates for about one-third of plans.
Sources: Various 2013 actuarial valuations; and *Public Plans Database (PPD)* (2001-2013).

- State and local pension plans are dealing with underfunding
- New GASB accounting and financial reporting regulations will have an impact on funded status

Market Environment Overview



- Within the broad investment marketplace, capital market assumptions have trended lower in recent years
- As a result of lower capital market assumptions, actuarial return assumptions have been trending downward
- A lower return assumption will generally result in a larger required contribution

Economic and Market Review



Monetary policy around the globe continued on a path of divergence as the Federal Reserve ended its third bout of quantitative easing (QE3) in October. Meanwhile, the European Central Bank and the Bank of Japan are signaling more accommodative monetary policies.

The swift decline in energy prices during the quarter was noteworthy. While the overall impact may prove to be positive to oil importing nations, geopolitical risks may emerge due to the impact on certain oil producing regions, including Russia and the Middle East.

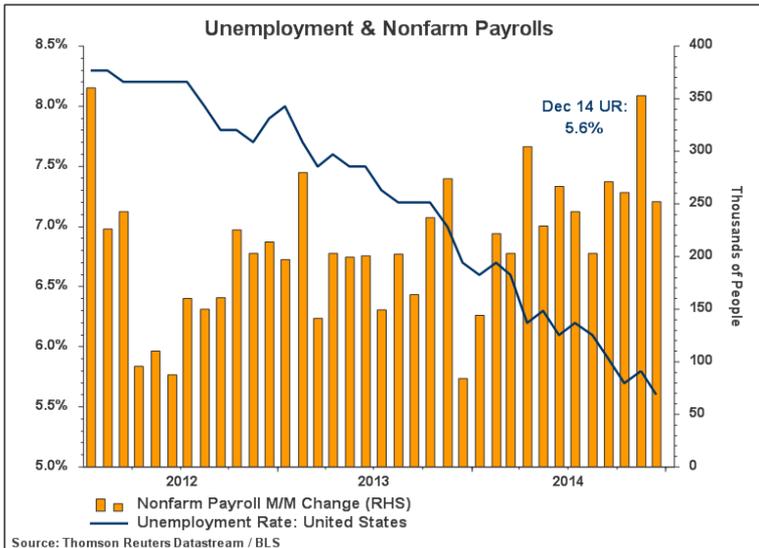
Economic activity in the United States continues to outpace most major developed market economies as **third quarter GDP reached a 5 percent annualized growth rate.** In stark contrast, growth rates in the Eurozone and Japan continue to stagnate.

Job growth expansion persisted in December with the economy adding 252,000 jobs. The unemployment rate also declined to 5.6% in December. Offsetting some of the strength of these numbers was the lack of hourly wage growth.

December's ISM Manufacturing Index came in at 55.5 (a reading over 50.0 indicates expansion).

The final quarter of 2014 witnessed **the continuation of U.S. equity market outperformance versus other markets.** The S&P 500 Index rose 4.9 percent in the quarter. Meanwhile, the MSCI ACWI ex USA Index posted a decline, as lagging economic growth has hampered international markets.

Fixed income posted modest gains with the Barclays U.S. Aggregate Bond Index advancing 1.8 percent. The yield curve flattened in the quarter as short rates moved higher, while intermediate and long maturity yields moved lower as the dollar strengthened and investors began to anticipate rate hikes.

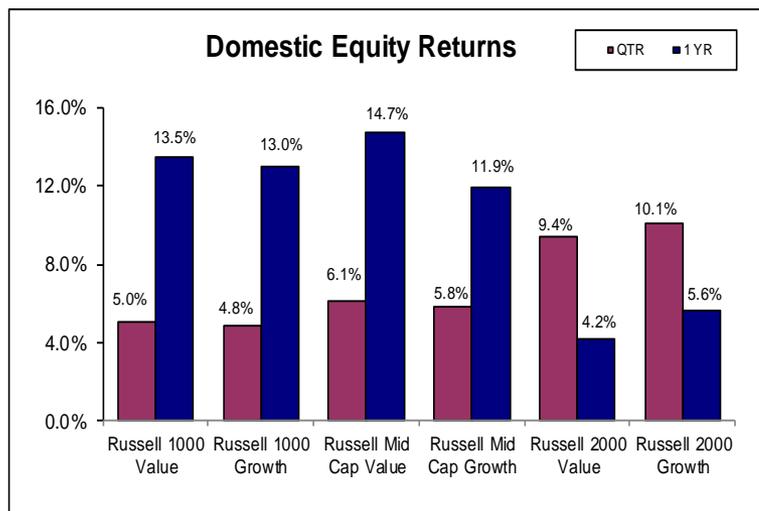


Index Results

| U.S. EQUITY | QUARTER | YTD | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR |
|--------------------------------|---------|--------|--------|--------|--------|---------|
| S&P 500 | 4.9 | 13.7 | 13.7 | 20.4 | 15.5 | 7.7 |
| Russell 1000 | 4.9 | 13.2 | 13.2 | 20.6 | 15.6 | 8.0 |
| Russell 1000 Value | 5.0 | 13.5 | 13.5 | 20.9 | 15.4 | 7.3 |
| Russell 1000 Growth | 4.8 | 13.0 | 13.0 | 20.3 | 15.8 | 8.5 |
| Russell Mid Cap | 5.9 | 13.2 | 13.2 | 21.4 | 17.2 | 9.6 |
| Russell Mid Cap Value | 6.1 | 14.7 | 14.7 | 22.0 | 17.4 | 9.4 |
| Russell Mid Cap Growth | 5.8 | 11.9 | 11.9 | 20.7 | 16.9 | 9.4 |
| Russell 2000 | 9.7 | 4.9 | 4.9 | 19.2 | 15.5 | 7.8 |
| Russell 2000 Value | 9.4 | 4.2 | 4.2 | 18.3 | 14.3 | 6.9 |
| Russell 2000 Growth | 10.1 | 5.6 | 5.6 | 20.1 | 16.8 | 8.5 |
| Russell 3000 | 5.2 | 12.6 | 12.6 | 20.5 | 15.6 | 7.9 |
| FTSE NAREIT Equity REITs Index | 14.2 | 30.1 | 30.1 | 16.3 | 16.9 | 8.3 |
| INTERNATIONAL EQUITY | QUARTER | YTD | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR |
| MSCI ACWI ex-US | (3.9) | (3.9) | (3.9) | 9.0 | 4.4 | 5.1 |
| MSCI EAFE | (3.6) | (4.9) | (4.9) | 11.1 | 5.3 | 4.4 |
| MSCI EAFE Value | (4.9) | (5.4) | (5.4) | 11.0 | 4.4 | 3.9 |
| MSCI EAFE Growth | (2.3) | (4.4) | (4.4) | 11.0 | 6.2 | 4.9 |
| MSCI EAFE Small Cap | (2.3) | (4.9) | (4.9) | 13.8 | 8.6 | 6.0 |
| MSCI EM (Emerging Markets) | (4.5) | (2.2) | (2.2) | 4.0 | 1.8 | 8.4 |
| FIXED INCOME | QUARTER | YTD | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR |
| Barclays U.S. Aggregate Bond | 1.8 | 6.0 | 6.0 | 2.7 | 4.4 | 4.7 |
| Barclays U.S. Gov/Credit Bond | 1.8 | 6.0 | 6.0 | 2.8 | 4.7 | 4.7 |
| Barclays Gov/Credit Long Bond | 5.6 | 19.3 | 19.3 | 5.8 | 9.8 | 7.4 |
| Barclays U.S. Corp High Yield | (1.0) | 2.5 | 2.5 | 8.4 | 9.0 | 7.7 |
| Barclays U.S. TIPS | (0.0) | 3.6 | 3.6 | 0.4 | 4.1 | 4.4 |
| BofA Merrill 3-Month T-Bill | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 1.5 |
| NON-TRADITIONAL | QUARTER | YTD | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR |
| Bloomberg Commodity Index | (12.1) | (17.0) | (17.0) | (9.4) | (5.5) | (1.9) |
| HFRI Fund of Funds Index | 0.8 | 3.2 | 3.2 | 5.6 | 3.3 | 3.0 |
| CPI (quarter lag) | (0.0) | 1.3 | 1.7 | 1.6 | 1.9 | 2.3 |

Source: Morningstar, S&P, Russell, FTSE, MSCI, Barclays, BofA Merrill Lynch, Bloomberg, HFRI

Domestic Equity Review



| 4Q 2014 | | |
|------------------------|---------------|-------------|
| S&P 500 Index | Ending Weight | Return |
| Consumer Discretionary | 12.1% | 8.7% |
| Consumer Staples | 9.8% | 8.2% |
| Energy | 8.4% | -10.7% |
| Financials | 16.7% | 7.3% |
| Health Care | 14.2% | 7.5% |
| Industrials | 10.4% | 6.8% |
| Information Technology | 19.7% | 5.2% |
| Materials | 3.2% | -1.8% |
| Telecom. Services | 2.3% | -4.2% |
| Utilities | 3.2% | 13.2% |
| Total | 100% | 4.9% |

Source: Morningstar, S&P, Russell

Strong economic growth in the United States continued to be a tailwind for equity market returns in the period. Equities in the United States finished the year with another stellar quarter that saw the Russell 3000 Index return 5.2 percent. Better than expected GDP and employment gains were welcomed by investors in the quarter.

Small capitalization stocks reversed the trend from earlier in the year and posted stronger gains than large capitalization stocks. The larger representation of energy stocks in the large cap index and strong results of small cap health care stocks contributed to the relative outperformance achieved by small caps. Despite an advance of 9.7 percent this quarter, the Russell 2000 Index still lagged the Russell 1000 for the year.

Small cap growth stocks were among the best performing segments of the domestic market this quarter, outpacing their value counterparts. Small cap growth stocks benefited from strong results in the health care sector. Meanwhile, value stocks narrowly outpaced growth stocks in the large- and mid-cap segment.

Returns among sectors in the S&P 500 Index varied this quarter with the largest gains accruing in the utilities sector, which was the only sector to produce double digit gains. Most sectors performed relatively well in the period with the exception of the energy, materials, and telecommunications sectors. The energy sector experienced the steepest decline, as the sharp decline in oil prices weighed on the sector.

Higher quality names displayed relative strength again this quarter and outpaced lower quality stocks. Better relative results for higher quality stocks in the hard-hit energy and materials sectors were among the contributors to better relative results in the quarter.

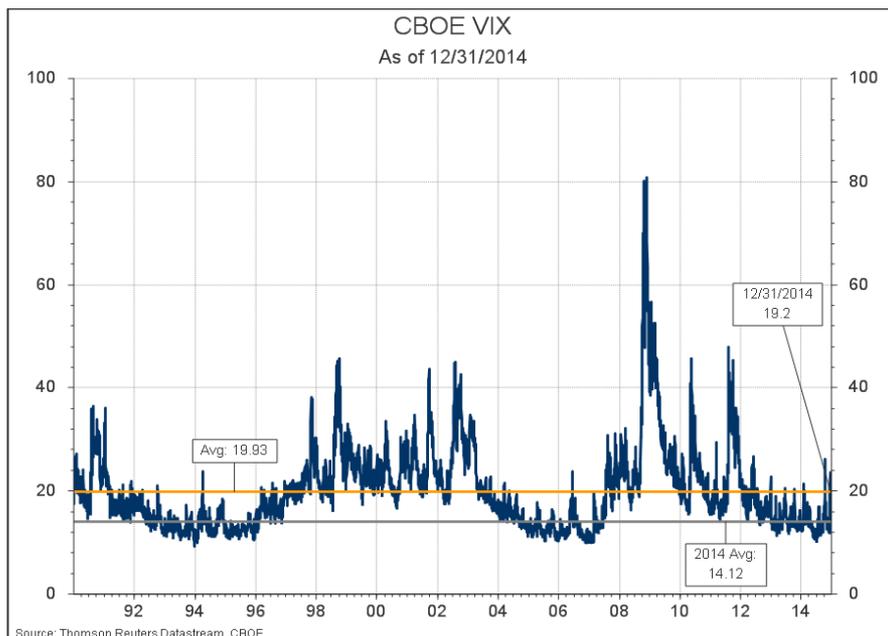
A Difficult Year For Active Domestic Managers

| Index | 2014 Rank |
|------------------------|-----------|
| S&P 500 | 18 |
| Russell 1000 Value | 8 |
| Russell 1000 Growth | 22 |
| Russell Mid-Cap | 8 |
| Russell Mid-Cap Value | 8 |
| Russell Mid Cap Growth | 10 |
| Russell 2000 | 44 |
| Russell 2000 Value | 46 |
| Russell 2000 Growth | 23 |

Most domestic equity managers underperformed their benchmarks in 2014. Active manager **underperformance was most pronounced in the large-cap and mid-cap spaces.**

Only 18% of large-cap core managers outperformed the S&P 500 in 2014, the worst year for active managers since 1997.

Volatility and dispersion remained at low levels in 2014, while **correlations remained elevated** relative to history. The average level of the VIX in 2014 was 14.1, well below the average level of 19.9 since 1990.



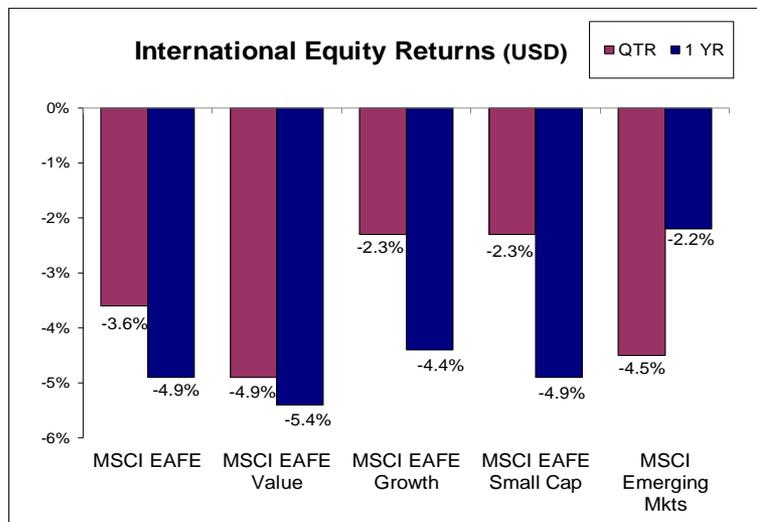
Equities were **led by higher yielding areas of the market such as utilities and REITs.** Many active managers have **underweight exposures** to these areas of the market due to stretched valuations. Utilities are currently trading at a 12 month forward P/E of 17.7x, significantly above the 20 year average of 13.6x. In the small-cap core space, REITs account for almost 10% of the benchmark and returned over 23%.

Active managers' bias toward smaller-cap companies was a headwind as larger-cap stocks drove performance during the year. For example, Apple accounted for 120 basis points of the S&P 500's 2014 return of 13.7%.

Asset flows into passive strategies continue to push stock prices higher, regardless of valuation. Morningstar reported over \$240 billion of inflows into U.S. ETFs in 2014.

Source: MPI Stylus, CBOE, Thomson Datastream, Morningstar, BofA Merrill Lynch. Ranking based on Lipper category peer group.

International Equity Review



International equities trailed U.S. equities in the fourth quarter, ending 2014 with another disappointing year relative to domestic stocks. Weaker economic activity and concerns surrounding deflation weighed on Europe and Japan.

Growth stocks outpaced value stocks in both developed and emerging markets. Among market capitalizations, small caps outpaced large caps in developed markets. The opposite was true in emerging markets where small caps trailed large capitalization stocks.

European equities declined in U.S. dollar terms in the quarter. Weakness in economic growth continues to hamper the region, as GDP growth in the Eurozone was narrowly able to post a positive growth rate in the third quarter.

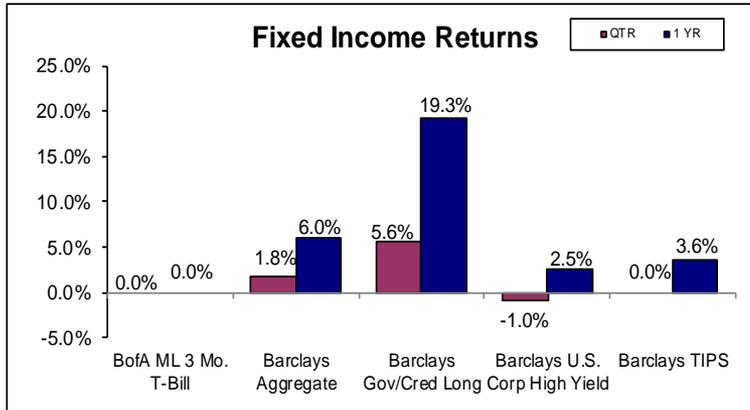
In a continuation from the previous quarter, **equities in Japan posted losses in U.S. dollar terms** due to the weakness of the yen. GDP contracted for the second consecutive quarter in Japan, declining at annualized rate of 1.9 percent in the third quarter.

| 4Q 2014 | | |
|----------------------|-------|--------|
| MSCI Country Results | Local | USD |
| United Kingdom | -0.4% | -4.2% |
| France | -1.9% | -6.1% |
| Germany | 4.0% | -0.4% |
| Japan | 6.7% | -2.4% |
| China | 7.0% | 7.2% |
| India | 1.5% | -0.7% |
| Brazil | -7.6% | -14.9% |
| Russia | -6.1% | -32.9% |

Emerging market equities were weak in the fourth quarter, trailing developed markets. Russian equities experienced challenging results as the collapse in energy prices weighed on the country and pressured the ruble, causing the Bank of Russia to raise interest rates to 17 percent in the period.

Against the backdrop of diverging monetary policies and relative strength of the U.S. economy, the U.S. dollar posted gains against the euro and Japanese yen. Emerging market currencies were also generally weak against the U.S. dollar in the period, with the Russian ruble and the Brazilian real experiencing some of the worst results due to falling commodity prices.

Fixed Income Review



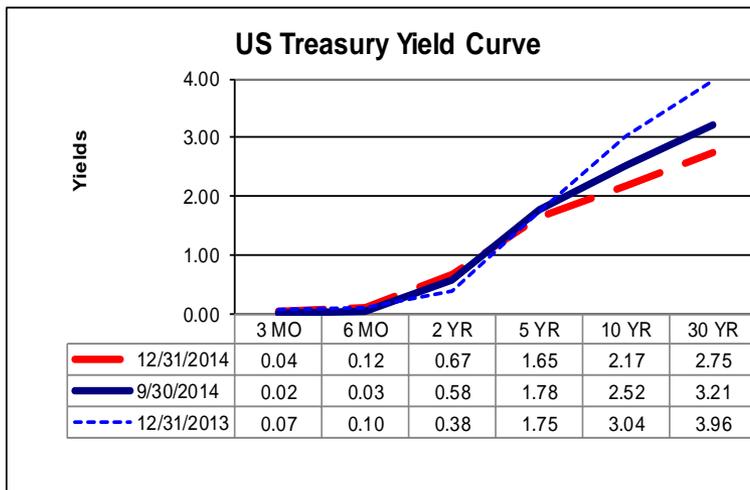
The **yield curve continued to flatten** in the quarter. The front of the yield curve moved higher in anticipation of the Fed beginning to raise rates later in 2015, while the long-end moved lower on investor demand and the yield advantages available from longer dated treasury securities.

The Barclays U.S. Aggregate Bond Index produced a gain of 1.8 percent in the period, while generating a surprisingly solid 6 percent gain for 2014. **Treasuries outperformed in the period** as investors sought safety amid an increase in volatility.

Corporate spreads continued to widen, but generally remained at levels below historical averages. Despite the widening of spreads, corporates posted respectable gains in the period, with the financials sector performing particularly well.

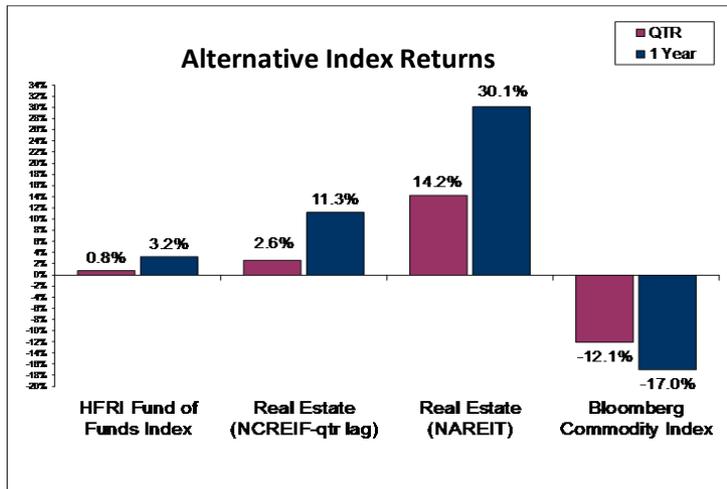
The Barclays U.S. Corporate High Yield Index declined 1.0 percent for the quarter, as concerns surrounding the energy sector due to falling oil prices weighed on high yield bonds.

Government bond yields in Europe and Japan remain at low levels, benefiting from the accommodative monetary policies of the European Central Bank and the Bank of Japan. Weakness in the euro and Japanese yen did impact U.S. dollar returns. **Emerging market bonds came under pressure**, impacted by the weakness of commodity related countries, most notably Russia.



Source: Morningstar, Barclays, BofA Merrill Lynch, US Department of the Treasury

Alternatives Review



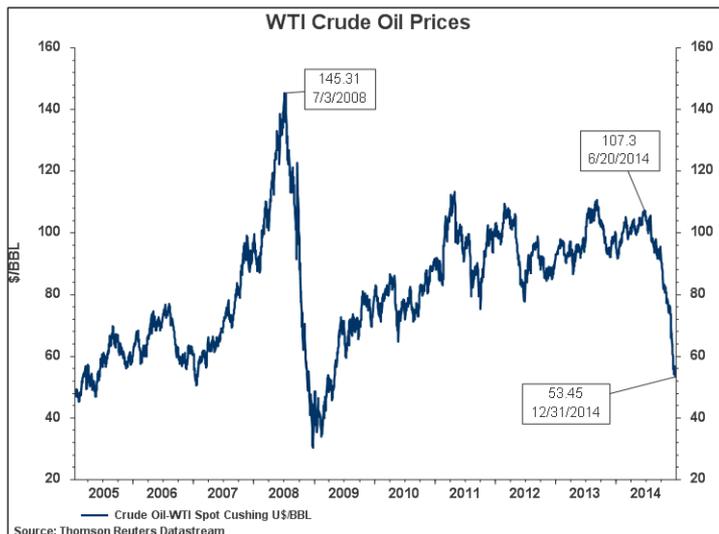
Source: Morningstar, FTSE, Bloomberg, HFRI

Hedge funds posted a slightly positive gain of 0.8 percent in the quarter, as measured by the HFRI Fund of Funds Index, resulting in a 3.2 percent gain for 2014. CTA/Macro oriented hedge funds led the way. Also posting positive results were equity hedge managers. Meanwhile, relative value and event driven strategies tended to lag.

Real estate operating fundamentals showed continued strength in the period, supported by modest economic growth and limited supply delivery. Capital flows and transaction activity were also steady, the result of these strong fundamentals, favorable debt financing and lower long term interest rates. **High quality, core assets remained the primary target of these capital flows**, but dispersion amongst property sectors and capital markets has contracted on higher lease rates and investors' willingness to deploy capital across a wider risk-return spectrum.

Global property stocks rose in the fourth quarter and finished 2014 on a high note. U.S. REITs were the top performers in the quarter, finishing 14.2 percent higher, benefiting from lower interest rates and solid operating fundamentals. Europe also contributed to the gain, based on the prospects for low rates that might emanate from additional monetary stimulus. Asia also contributed, with positive results in Hong Kong and Australia being slightly offset by weakness in Japan.

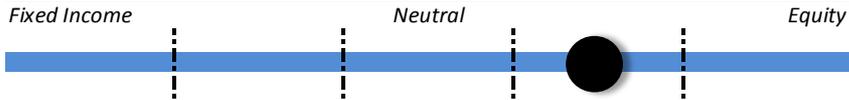
The **Bloomberg Commodity Index continued its decline** in the fourth quarter, posting a negative 12.1 percent return. Most areas of the index were weak, with energy related commodities posting the sharpest declines. The largest declines were seen in WTI and Brent Crude Oil, both falling over 40 percent in the period. Precious metals declined 3.9 percent, with both gold and silver posting losses. Agriculture rebounded from losses in the previous period, gaining 5.6 percent, led by double digit gains from corn, soybeans and wheat.



Source: Thomson Reuters Datastream

Market Viewpoints

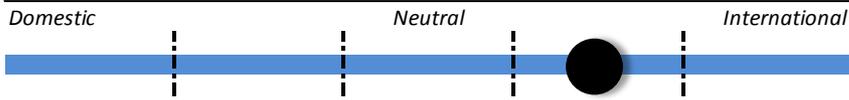
Asset Allocation



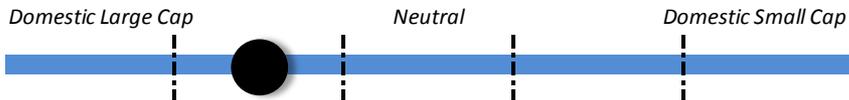
Rationale

Bonds continue to offer little in the way of yield. Additionally, anticipation of higher interest rates lead to a more favorable stance on equities.

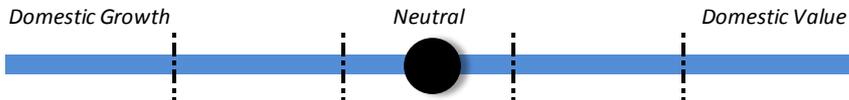
Equity



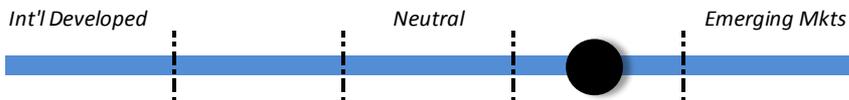
While not unreasonable, equity valuations for U.S. stocks are toward the higher end of historical averages and less attractive than valuations internationally.



Small cap stocks are trading at higher valuations relative to their history than large cap stocks.

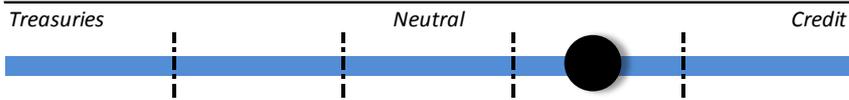


There does not appear to be a meaningful advantage to either style, based on relative valuations.

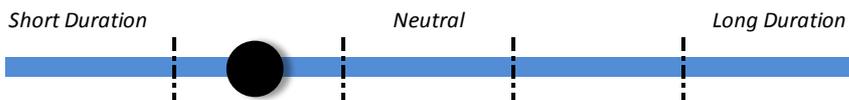


Emerging market equities continue to have a more favorable valuation and long-term growth profile when compared to developed market equities.

Fixed Income



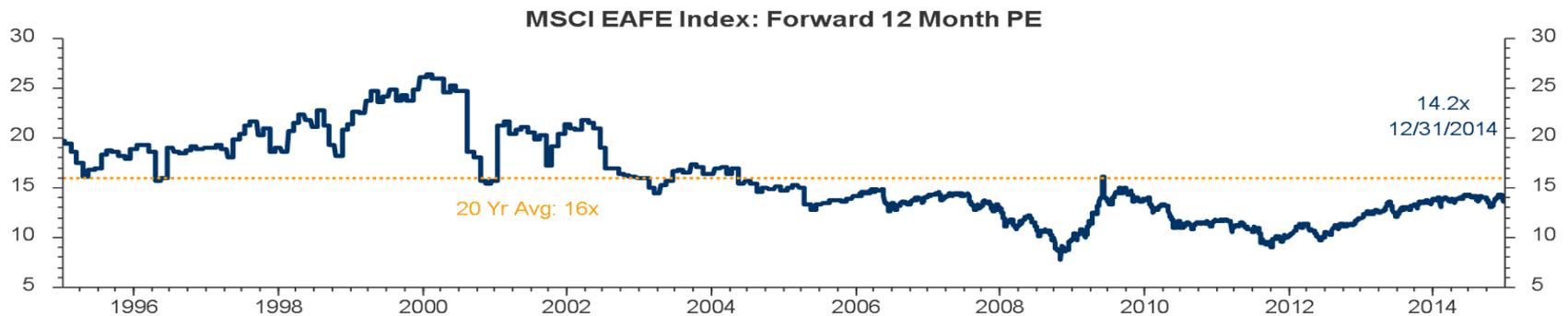
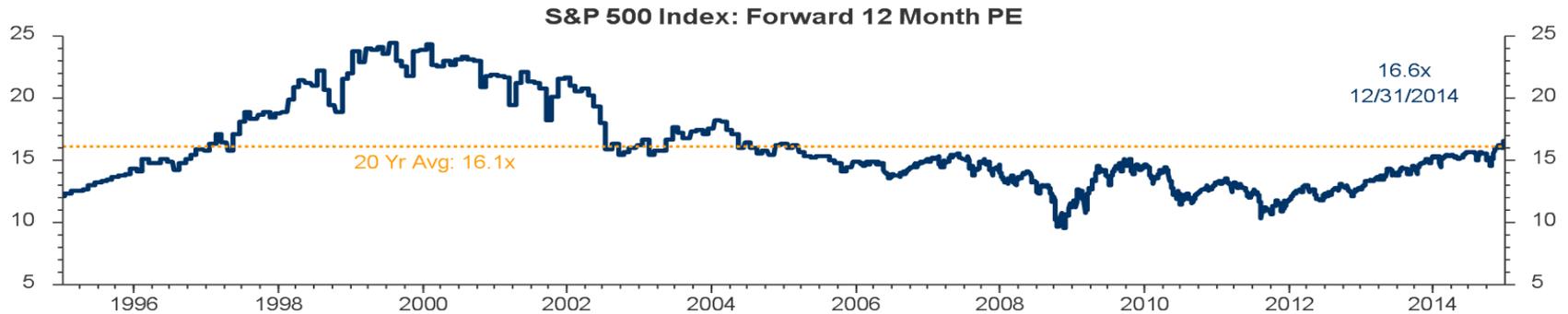
Despite spreads remaining narrower than their historical averages, the yield advantage offered by credit continues to be favored, given the strength in corporate fundamentals.



The preference for shorter duration bonds remains, as concerns surrounding the impact of rising rates on longer dated bonds persists.

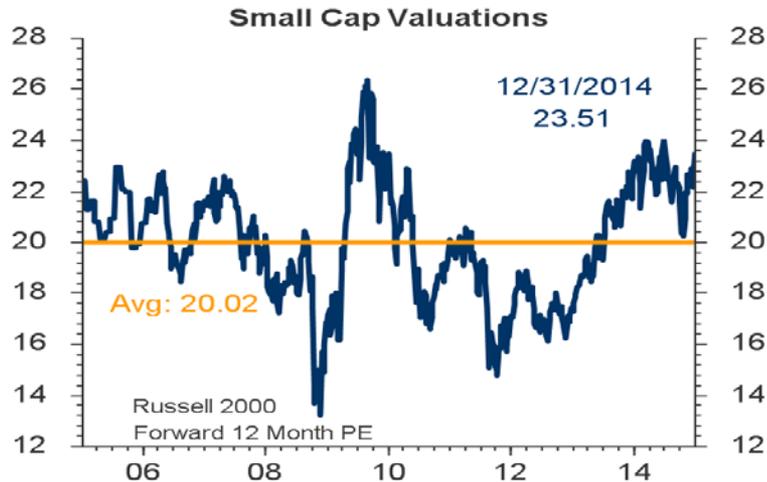
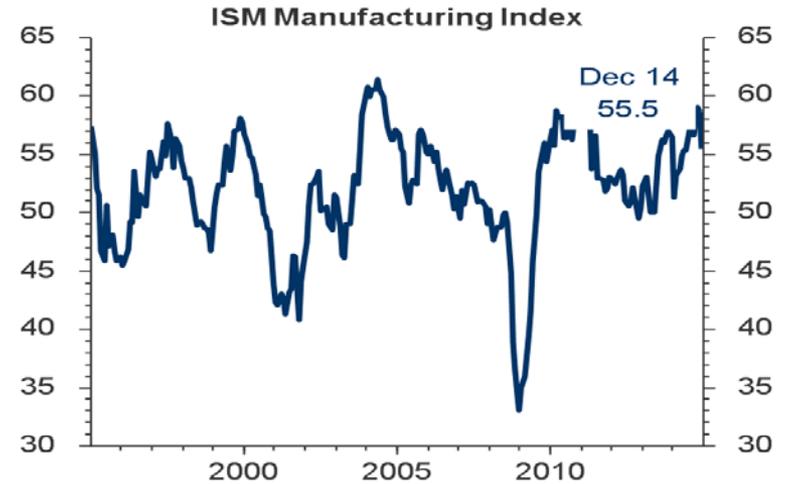
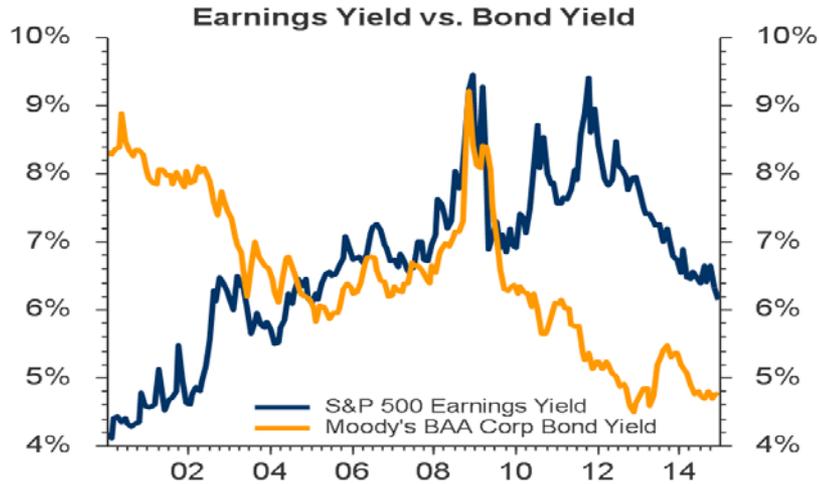
These viewpoints represent FIA's general assessment of the highlighted capital markets comparisons over the next twelve months. These opinions are subject to modification as conditions in the markets change. Clients should utilize these rankings in conjunction with other considerations that may be relevant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

Global Valuations



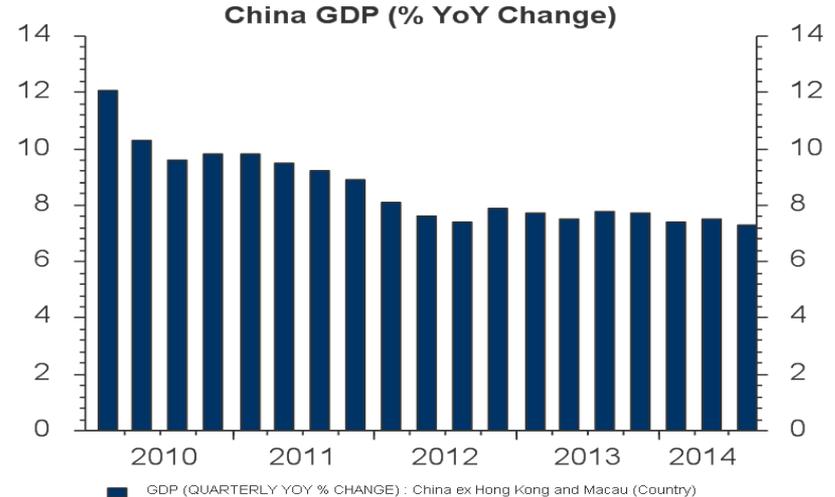
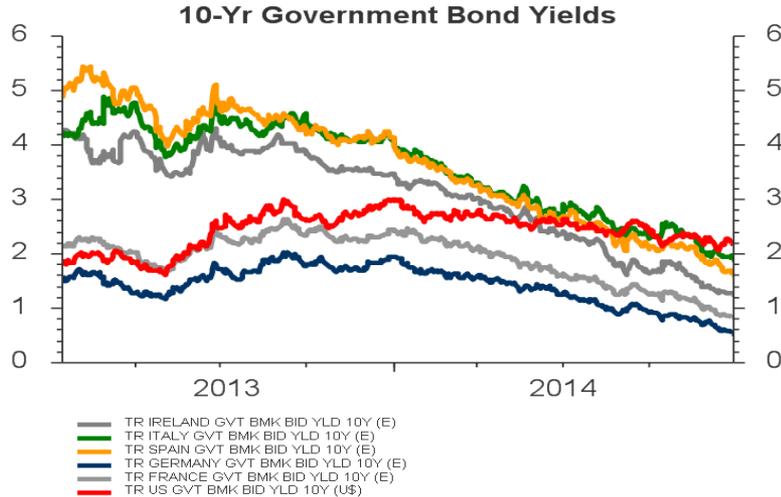
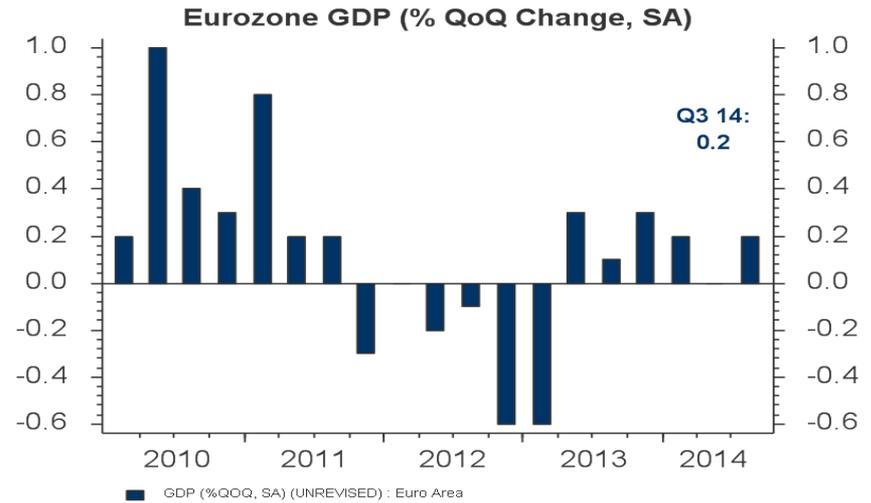
Source: Thomson Reuters Datastream, MSCI, Standard & Poors, IBES

U.S. Market Viewpoints



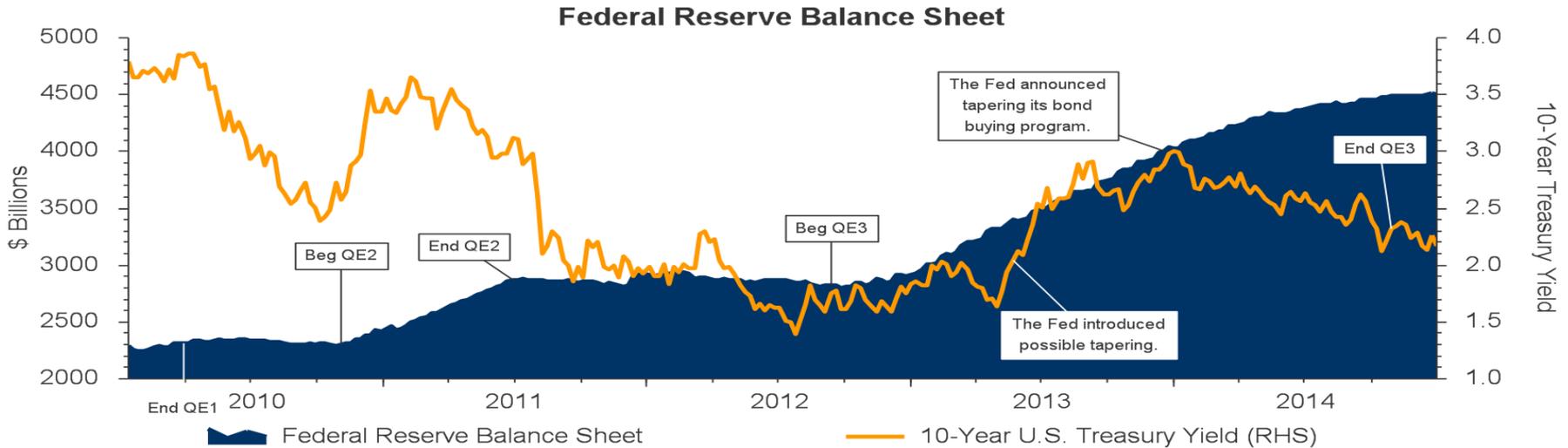
Source: Thomson Reuters Datastream, Standard & Poor's, Moody's, Russell, IBES, Institute for Supply Management

International Market Viewpoints



Source: Thomson Reuters Datastream, National Bureau of Statistics of China, IBES, EuroStat, Federal Reserve

Fixed Income Environment



Barclays U.S. Corporate Investment Grade - OAS



Source: Thomson Reuters Datastream, Barclays

Barclays U.S. Corporate High Yield - OAS



Source: Thomson Reuters Datastream, Barclays

Asset Allocation

As of December 31, 2014

| | Asset Allocation (\$) | Asset Allocation (%) | Target Allocation (%) | Differences (%) |
|---|-----------------------------|----------------------------|-----------------------------|--------------------|
| Total Plan | 27,482,692 | 100.0 | 100.0 | 0.0 |
| Short Term Liquidity | 2,356 | 0.0 | 0.0 | 0.0 |
| WF Advantage Money Market | 2,356 | 0.0 | 0.0 | 0.0 |
| Fixed Income | 8,272,077 | 30.1 | 30.0 | 0.1 |
| PIMCO Total Return Instl | 20 | 0.0 | 0.0 | 0.0 |
| BlackRock Strategic Income Opportunities Fund | 4,148,186 | 15.1 | 15.0 | 0.1 |
| Western Asset Core Plus Bond IS | 2,061,568 | 7.5 | 7.5 | 0.0 |
| Met West Total Return Pl | 2,062,303 | 7.5 | 7.5 | 0.0 |
| Domestic Equity | 13,142,284 | 47.8 | 45.0 | 2.8 |
| Vanguard 500 Index Trust Signal | 7,330,429 | 26.7 | 25.0 | 1.7 |
| Diamond Hill Large Cap Y | 2,253,168 | 8.2 | 7.5 | 0.7 |
| MainStay Large Cap Growth I | 2,198,713 | 8.0 | 7.5 | 0.5 |
| Boston Trust Small Cap Fund | 1,359,975 | 4.9 | 5.0 | -0.1 |
| International Equity | 5,191,557 | 18.9 | 20.0 | -1.1 |
| Dodge & Cox International Stock | 2,588,301 | 9.4 | 10.0 | -0.6 |
| Europacific Growth R6 | 2,603,257 | 9.5 | 10.0 | -0.5 |
| Inflation Protection | 874,419 | 3.2 | 5.0 | -1.8 |
| Van Eck Global Hard Assets | 296,622 | 1.1 | 1.7 | -0.6 |
| Vanguard Short Term Inflation Protection | 318,145 | 1.2 | 1.7 | -0.5 |
| Credit Suisse Commodity Return | 259,651 | 0.9 | 1.7 | -0.7 |

Total Plan Performance Summary

As of December 31, 2014

Account Reconciliation

| | QTR | YTD | Since Inception | Inception Date |
|------------------------|------------|------------|-----------------|-------------------|
| Total Plan | | | | 07/01/2008 |
| Beginning Market Value | 26,567,522 | 24,923,138 | 18,275,083 | |
| Net Contributions | 431,113 | 1,379,624 | 315,172 | |
| Total Gain/Loss | 484,057 | 1,179,930 | 8,892,438 | |
| Ending Market Value | 27,482,692 | 27,482,692 | 27,482,692 | |

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 |
|-------------------|------------|------------|------------|-------------|------------|------------|------------|-----------------|-------------------|
| Total Plan | 1.7 | 4.5 | 4.5 | 11.3 | 9.3 | N/A | N/A | 6.7 | 07/01/2008 |
| Blended Benchmark | 1.7 | 6.1 | 6.1 | 11.5 | 9.8 | N/A | N/A | 7.2 | |
| Difference | 0.0 | -1.6 | -1.6 | -0.2 | -0.5 | N/A | N/A | -0.5 | |

Calendar Year Performance Summary

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|-------------------|-------------|-------------|-------------|-------------|-------------|------------|------------|------------|
| Total Plan | 17.2 | 12.5 | -0.9 | 14.0 | 21.9 | N/A | N/A | N/A |
| 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 December 31, 2014

| Allocation Mandate | Weight (%) | Allocation Mandate | Weight (%) |
|----------------------------|------------|---------------------------------------|------------|
| Jul-2008 | | Apr-2011 | |
| 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 |
| Nov-2009 | | 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 | Sep-2013 | |
| 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 |
| Apr-2010 | | 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 | | |
| Jul-2010 | | | |
| 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 December 31, 2014

| | QTR | YTD | 1 Year | 3 Years | Nov-2009 To Dec-2014 | 5 Years | Since Inception | Inception Date |
|--|-----------------|------------------|------------------|------------------|----------------------|------------------|------------------|-------------------|
| <u>Short Term Liquidity</u> | | | | | | | | |
| WF Advantage Money Market | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 11/01/2009 |
| 90 Day U.S. Treasury Bill | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | |
| <u>Fixed Income</u> | | | | | | | | |
| PIMCO Total Return Instl | 2.3 (1) | 5.7 (41) | 5.7 (41) | 4.6 (10) | 5.2 (22) | 5.3 (22) | 5.2 (22) | 11/01/2009 |
| Barclays Aggregate Index | 1.8 | 6.0 | 6.0 | 2.7 | 4.2 | 4.4 | 4.2 | |
| IM U.S. Broad Market Core Fixed Income (MF) Median | 1.3 | 5.5 | 5.5 | 3.1 | 4.6 | 4.7 | 4.6 | |
| BlackRock Strategic Income Opportunities Fund | 0.6 (9) | 3.9 (14) | 3.9 (14) | N/A | N/A | N/A | 4.1 (12) | 12/01/2013 |
| Barclays Aggregate Index | 1.8 | 6.0 | 6.0 | N/A | N/A | N/A | 4.9 | |
| Libor (3 month) | 0.1 | 0.2 | 0.2 | N/A | N/A | N/A | 0.2 | |
| IM Alternative Credit Focus (MF) Median | -1.0 | 1.1 | 1.1 | 3.6 | 4.6 | 4.3 | 1.6 | |
| Western Asset Core Plus Bond IS | N/A | N/A | N/A | N/A | N/A | N/A | 0.7 (23) | 11/01/2014 |
| Barclays Aggregate Index | N/A | N/A | N/A | N/A | N/A | N/A | 0.8 | |
| IM U.S. Broad Market Core Fixed Income (MF) Median | 1.3 | 5.5 | 5.5 | 3.1 | 4.6 | 4.7 | 0.5 | |
| Met West Total Return PI | N/A | N/A | N/A | N/A | N/A | N/A | 1.0 (2) | 11/01/2014 |
| Barclays Aggregate Index | N/A | N/A | N/A | N/A | N/A | N/A | 0.8 | |
| IM U.S. Broad Market Core Fixed Income (MF) Median | 1.3 | 5.5 | 5.5 | 3.1 | 4.6 | 4.7 | 0.5 | |
| <u>Domestic Equity</u> | | | | | | | | |
| Vanguard 500 Index Trust Signal | 4.9 (33) | 13.6 (19) | 13.6 (19) | 20.4 (28) | 16.6 (20) | 15.4 (20) | 16.6 (20) | 11/01/2009 |
| S&P 500 Index | 4.9 | 13.7 | 13.7 | 20.4 | 16.7 | 15.5 | 16.7 | |
| IM U.S. Large Cap Core Equity (MF) Median | 4.5 | 11.4 | 11.4 | 19.3 | 15.0 | 13.8 | 15.0 | |
| Diamond Hill Large Cap Y | 5.7 (6) | 10.9 (50) | 10.9 (50) | 19.6 (48) | N/A | N/A | 14.6 (13) | 04/01/2011 |
| Russell 1000 Value Index | 5.0 | 13.5 | 13.5 | 20.9 | N/A | N/A | 14.6 | |
| IM U.S. Large Cap Value Equity (MF) Median | 4.2 | 10.9 | 10.9 | 19.5 | 14.5 | 13.5 | 12.9 | |

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 December 31, 2014

| | QTR | YTD | 1 Year | 3 Years | Nov-2009 To Dec-2014 | 5 Years | Since Inception | Inception Date |
|---|-------------------|-------------------|-------------------|------------------|----------------------|-----------------|-------------------|-------------------|
| MainStay Large Cap Growth I | 5.4 (28) | 10.5 (49) | 10.5 (49) | 19.7 (51) | N/A | N/A | 13.2 (55) | 04/01/2011 |
| Russell 1000 Growth Index | 4.8 | 13.1 | 13.1 | 20.3 | N/A | N/A | 14.9 | |
| IM U.S. Large Cap Growth Equity (MF) Median | 4.8 | 10.5 | 10.5 | 19.7 | 15.6 | 14.1 | 13.3 | |
| Boston Trust Small Cap Fund | 8.3 (70) | -0.8 (91) | -0.8 (91) | 13.8 (92) | N/A | N/A | 12.1 (83) | 04/01/2010 |
| Russell 2000 Index | 9.7 | 4.9 | 4.9 | 19.2 | N/A | N/A | 14.4 | |
| IM U.S. Small Cap Core Equity (MF) Median | 9.6 | 4.5 | 4.5 | 18.9 | 17.2 | 15.5 | 14.3 | |
| <u>International Equity</u> | | | | | | | | |
| Dodge & Cox International Stock | -4.7 (33) | N/A | N/A | N/A | N/A | N/A | -7.2 (2) | 07/01/2014 |
| MSCI AC World ex USA Value (net) | -5.4 | N/A | N/A | N/A | N/A | N/A | -10.8 | |
| IM International Large Cap Value Equity (MF) Median | -4.8 | -6.9 | -6.9 | 9.1 | 4.8 | 4.1 | -10.8 | |
| Europacific Growth R6 | -1.6 (9) | -2.3 (19) | -2.3 (19) | 12.1 (19) | 7.0 (16) | 6.0 (16) | 7.0 (16) | 11/01/2009 |
| MSCI AC World ex USA (Net) | -3.9 | -3.9 | -3.9 | 9.0 | 5.3 | 4.4 | 5.3 | |
| IM International Large Cap Core Equity (MF) Median | -4.1 | -6.0 | -6.0 | 10.4 | 5.6 | 4.8 | 5.6 | |
| <u>Inflation Protection</u> | | | | | | | | |
| Van Eck Global Hard Assets | -20.4 (75) | -19.1 (70) | -19.1 (70) | -2.6 (67) | N/A | N/A | 2.8 (45) | 07/01/2010 |
| S&P North American Natural Resources Sector Index | -13.9 | -9.8 | -9.8 | 2.4 | N/A | N/A | 7.1 | |
| IM Global Natural Resources (MF) Median | -14.9 | -13.1 | -13.1 | -1.6 | 0.8 | -0.5 | 2.2 | |
| Vanguard Short Term Inflation Protection | -1.5 (75) | -1.2 (88) | -1.2 (88) | N/A | N/A | N/A | -0.7 (89) | 09/01/2013 |
| Barclays U.S. TIPS 0-5 Year | -1.5 | -1.1 | -1.1 | N/A | N/A | N/A | -0.7 | |
| IM U.S. TIPS (MF) Median | -0.7 | 2.1 | 2.1 | 0.0 | 3.3 | 3.4 | 1.2 | |
| Credit Suisse Commodity Return | -11.9 (51) | -16.9 (52) | -16.9 (52) | N/A | N/A | N/A | -15.0 (45) | 09/01/2013 |
| Bloomberg Commodity Index Total Return | -12.1 | -17.0 | -17.0 | N/A | N/A | N/A | -15.4 | |
| IM All Commodities (MF) Median | -11.9 | -16.7 | -16.7 | -9.5 | -3.8 | -5.5 | -15.9 | |

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 December 31, 2014

| Manager | Status | Comments |
|-----------------------------------|-------------------|---|
| Fixed Income | | |
| PIMCO:Tot Rtn;Inst (PTTRX) | Terminate 3Q 2014 | <p>4Q 2014 – The PIMCO Total Return Fund produced positive absolute results but trailed the Barclays Aggregate during the fourth quarter. Relative results were hurt by an underweight allocation to the long end of the U.S. yield curve and exposure to inflation protected bonds. This offset contributions from currency positioning (underweight yen and euro) and an underweight position in corporate bonds.</p> <p>PIMCO remains on terminate following the abrupt resignation of CIO Bill Gross. Since the announcement on September 26th, the Fund has seen outflows totaling nearly \$80 billion dollars. The portfolio ended the year with total assets of \$143.4 billion.</p> |
| BlackRock:Str Inc Opp;I (BSIIX) | Maintain | 4Q 2014 - Commentary not available at time of report production. |
| Met West:Total Return;PI (MWT SX) | Maintain | <p>4Q 2014 – The MetWest Total Return Fund produced positive absolute results and ranked favorably versus peers despite trailing the Barclays Aggregate during the period. While a short duration stance detracted, emphasizing 7-10 year issues led to positive contributions from yield curve positioning. Sector positioning was positive overall as the portfolio was underweight corporate bonds in favor of structured products including CMBS, ABS, and non agency MBS. Security selection was also positive due to a bias toward financial bonds in the corporate space and an emphasis on student loans and CLO's in the ABS space. Performance was strong for the year with the portfolio finishing in line with the benchmark, but ahead of many peers. Many of the same contributors were in place over the calendar year and helped to offset the Fund's nearly one year short duration stance. MetWest has experienced a sharp increase in assets under management in recent months. They have been able to take advantage of recent volatility in credit markets in putting the new assets to work. Positioning has remained stable with a bias towards higher rates and a conservative stance with regards to corporate credit.</p> |
| WA Core Plus Bond;IS (WAP SX) | Maintain | <p>4Q 2014 – The Western Asset Core Plus Bond Fund produced positive absolute returns but underperformed the Barclays US Aggregate Bond Index during the fourth quarter. The Fund's duration and yield curve positioning were the largest contributors to performance as yields fell on the back end of the curve as it continued to flatten. Non-USD positions, largely a short Euro and Yen position, and the Fund's exposure to agency MBS were also beneficial to performance. The Fund's performance was impacted by its out of benchmark exposure to domestic high yield bonds as spreads widened during the quarter and the sector underperformed. Exposure to emerging market government securities also detracted as this sector was impacted by a strong USD and falling oil prices. 2014 was a very strong year for Western Asset. Similar to the quarter, yield curve and duration positioning were the biggest drivers of results, accounting for the majority of alpha versus the Barclays Aggregate.</p> |
| Domestic Equity | | |
| Vanguard 500 Index;Adm (VFIAX) | Maintain | 4Q 2014 - In accordance with its investment objective, the Vanguard 500 Index fund has performed in line with the S&P 500 Index. |

Manager Commentary

As of December 31, 2014

| Manager | Status | Comments |
|--------------------------------|----------|--|
| Diamond Hill Lg Cap;Y (DHLX) | Maintain | <p>4Q 2014 – The Diamond Hill Large Cap strategy outperformed the Russell 1000 Value Index during the fourth quarter. The portfolio’s consumer discretionary stocks, which had been a drag on performance earlier in the year, rebounded sharply and were some of the top contributors to performance this quarter. Goodyear and TJX were two of the top contributors within the sector. The health care and industrials sectors were also bright spots for the portfolio due to favorable stock selection. Medtronic, Express Scripts and 3M all had a positive impact on the strategy’s performance. The strategy continues to have no exposure to the utilities sector due to stretched valuations. This weighed on performance as this was the top performing sector in the Index during the quarter. Security selection in the information technology sector was also a drag on performance as IBM declined double digits.</p> <p>Diamond Hill announced effective January 1, 2015, that Austin Hawley will replace Chris Bingaman as co-CIO and Jason Downey and John Loesch are replacing Austin Hawley and Rick Snowdon as co-directors of research.</p> |
| MainStay:Lg Cap Gr;I (MLAIX) | Maintain | <p>4Q 2014 – The Mainstay Large Cap Growth strategy (managed by Winslow) outperformed the Russell 1000 Growth Index during the fourth quarter and ranked in the top half of the Large Cap Growth peer group. Security selection was widely positive across sectors with the standouts being information technology, industrials and consumer staples. Within the technology sector, Visa and MasterCard outperformed. However, this was somewhat offset by declines in Twitter and Google. An underweight to the energy sector was also beneficial during the period as oil prices continued to decline. Delta Airlines, within the industrials sector, also benefited from the drop in oil prices. Additionally, select health care holdings including Alexion, Amgen and Celgene had a positive impact on relative and absolute results. The consumer discretionary sector was the weakest part of the portfolio during the quarter as Netflix, Priceline and MGM Resorts all fell.</p> |
| Boston Trust Small Cap (BOSOX) | Maintain | <p>4Q 2014 - The Boston Trust Small Cap Fund trailed the Russell 2000 Index in the fourth quarter due to both stock selection and sector positioning. From a sector allocation standpoint, the Fund was under represented in several industries that experienced above average stock price increases. These included airlines, biotechnology, construction materials, media and REITs, which Boston Trust's investment style generally avoids or underweights due to their lower quality or greater financial leverage. From a stock selection standpoint, holdings in the industrials and technology sectors had the largest negative impact on results. On the positive side, a small underweight position along with stock selection in the energy sector contributed the most to returns. The recent strong upward path of market returns has been a particular challenge for Boston Trust who historically has just participated in strong bull markets. Boston Trust's high quality approach has been further challenged over the past several years due to lower quality headwinds as stocks of higher quality companies measured by profitability, stability, growth and less financial leverage have underperformed lower quality stocks.</p> |
| International Equity | | |

Manager Commentary

As of December 31, 2014

| Manager | Status | Comments |
|----------------------------------|----------|---|
| Dodge & Cox Intl Stock (DODFX) | Maintain | 4Q 2014 – The Dodge & Cox International Stock Fund posted a negative absolute return during the quarter, but outperformed its benchmark the MSCI ACWI ex-US Value. For 2014, the Fund had a total return which far outpaced the benchmark's return of -5.1%. During the fourth quarter, international equity markets increased slightly in local currency, but the US dollar's continued appreciation against most foreign currencies was a headwind for U.S. investor returns. At the portfolio level, positive performance was driven by overweight allocations to the consumer discretionary and IT sectors and underweight positioning to the materials and energy sectors which were severely impacted by the sharp drop in commodity prices. Stock selection in the media and IT sectors led by holdings in Naspers, Liberty Global, TE Connectivity, and HP also added value. Conversely, stock selection in the energy, telecom, financials, and healthcare sectors was the primary drag on returns stemming from positions in Saipem, Petrobras, Weatherford, Sanofi, America Movil, Standard Chartered, and Unicredit. The Fund remains underweight the UK and Japan and overweight emerging markets with a 22% position. |
| American Funds EuPc;R-6 (RERGX) | Maintain | 4Q 2014 – The American Funds EuroPacific Growth Fund posted negative absolute returns but outperformed its benchmark index during the fourth quarter. Global growth concerns and a strengthening US dollar were headwinds to international markets during the period. The Fund's underweight allocation (2.2% versus the benchmark's 8.2%) to the energy sector was the biggest contributor to performance as oil prices continued to fall. Security selection in the industrials, consumer staples, and consumer discretionary sectors benefitted returns, with holdings in Altice and Liberty Global providing some of the strongest performance. The portfolio's 10% cash allocation was also additive in the down market. Healthcare and telecommunication were the only two sectors with negative security selection, as performance from Japan based SoftBank hindered results. |
| Inflation Protection | | |
| Van Eck:GI Hard Asst;I (GHAIX) | Maintain | 4Q 2014 - Commentary not available at time of report production. |
| Vanguard ST InPS Idx;Adm (VTAPX) | Maintain | 4Q 2014 - The Vanguard Short Term Inflation Protected Securities Fund produced negative absolute results and finished in line with its benchmark during the fourth quarter. A decrease in inflation expectations and a rise in interest rates on the front end of the curve led to negative absolute results for this portfolio. |
| Crdt Suis Cmdty Rtn;Inst (CRSOX) | Maintain | 4Q 2014 – The Credit Suisse Commodity Return Fund fell sharply on an absolute basis and performed roughly in line with the Bloomberg Commodity Index, as expected. The fund's modest relative outperformance was attributable to curve positioning, specifically longer dated positions in crude oil and natural gas, which did not decline as rapidly as the front month contracts. In general, fund's commodity exposures remain positioned further out the curve relative to the index across 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 December 31, 2014

| | Market Value As of 10/01/2014 | Net Flows | Return On Investment | Market Value As of 12/31/2014 |
|---|-------------------------------------|----------------|-------------------------|-------------------------------------|
| <u>Short Term Liquidity</u> | | | | |
| WF Advantage Money Market | -196,272 | 198,617 | 10 | 2,356 |
| Short Term Liquidity | -196,272 | 198,617 | 10 | 2,356 |
| <u>Fixed Income</u> | | | | |
| PIMCO Total Return Instl | 3,930,144 | -3,972,504 | 42,381 | 20 |
| BlackRock Strategic Income Opportunities Fund | 4,022,350 | 100,000 | 25,836 | 4,148,186 |
| Western Asset Core Plus Bond IS | - | 2,052,500 | 9,068 | 2,061,568 |
| Met West Total Return PI | - | 2,052,500 | 9,803 | 2,062,303 |
| Total Fixed Income | 7,952,493 | 232,496 | 87,088 | 8,272,077 |
| <u>Domestic Equity</u> | | | | |
| Vanguard 500 Index Trust Signal | 6,986,241 | - | 344,188 | 7,330,429 |
| Diamond Hill Large Cap Y | 2,131,606 | - | 121,561 | 2,253,168 |
| MainStay Large Cap Growth I | 2,086,430 | - | 112,282 | 2,198,713 |
| Boston Trust Small Cap Fund | 1,255,652 | - | 104,322 | 1,359,975 |
| Total Domestic Equity | 12,459,930 | - | 682,354 | 13,142,284 |
| <u>International Equity</u> | | | | |
| Dodge & Cox International Stock | 2,714,904 | - | -126,603 | 2,588,301 |
| Europacific Growth R6 | 2,646,411 | - | -43,155 | 2,603,257 |
| Total International Equity | 5,361,315 | - | -169,758 | 5,191,557 |
| <u>Inflation Protection</u> | | | | |
| Van Eck Global Hard Assets | 372,544 | - | -75,922 | 296,622 |
| Vanguard Short Term Inflation Protection | 322,865 | - | -4,720 | 318,145 |
| Credit Suisse Commodity Return | 294,646 | - | -34,995 | 259,651 |
| Total Inflation Protection | 990,055 | - | -115,637 | 874,419 |
| Total Plan | 26,567,522 | 431,113 | 484,057 | 27,482,692 |

Market Value & Flow Summary

Since Inception Ending December 31, 2014

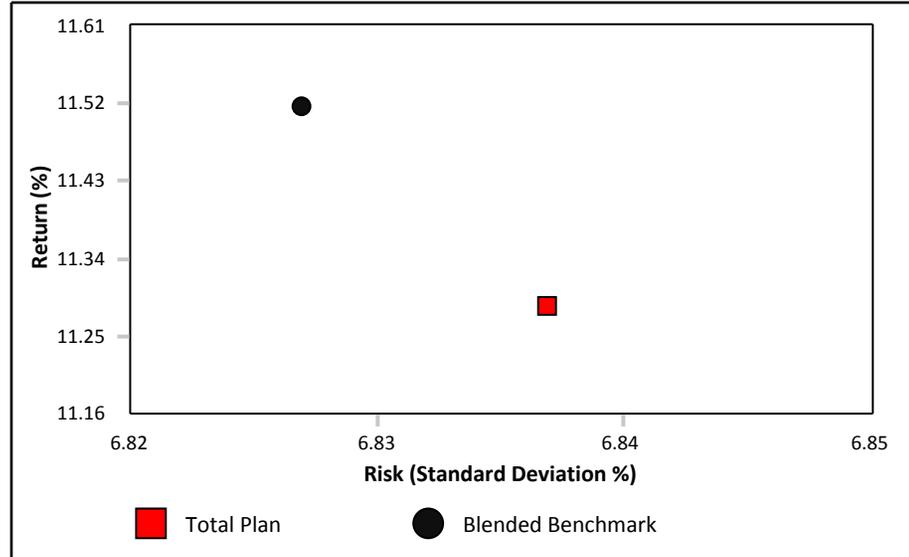
| Periods Ending | Beginning Market Value (\$) | Net Cash Flow (\$) | Gain/Loss (\$) | Ending Market Value (\$) | % Return |
|----------------|-----------------------------|--------------------|----------------|--------------------------|----------|
| Jun-2008 | - | - | - | 18,275,083 | N/A |
| Sep-2008 | 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 |
| Sep-2014 | 26,568,320 | 308,674 | -309,472 | 26,567,522 | -1.2 |
| Dec-2014 | 26,567,522 | 431,113 | 484,057 | 27,482,692 | 1.7 |

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

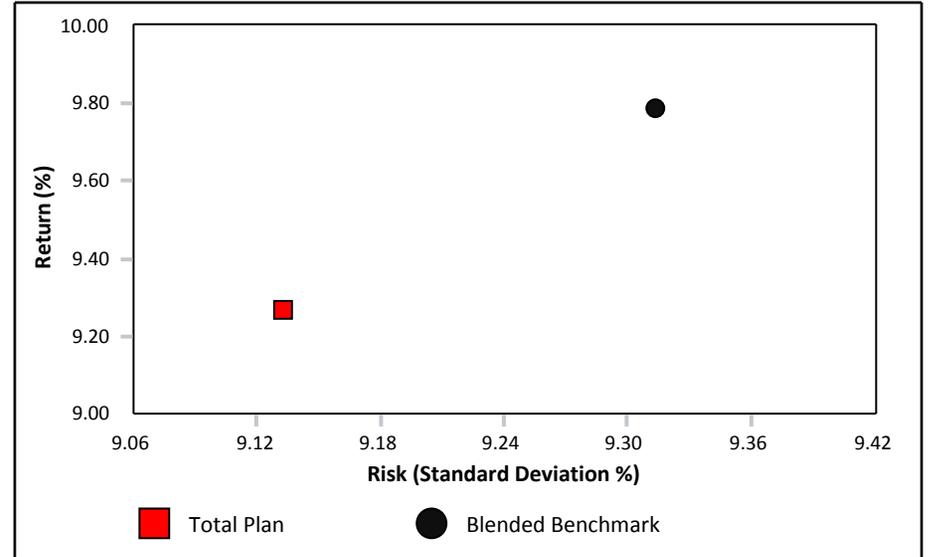
Risk vs. Return

As of December 31, 2014

3 Year Risk and Return



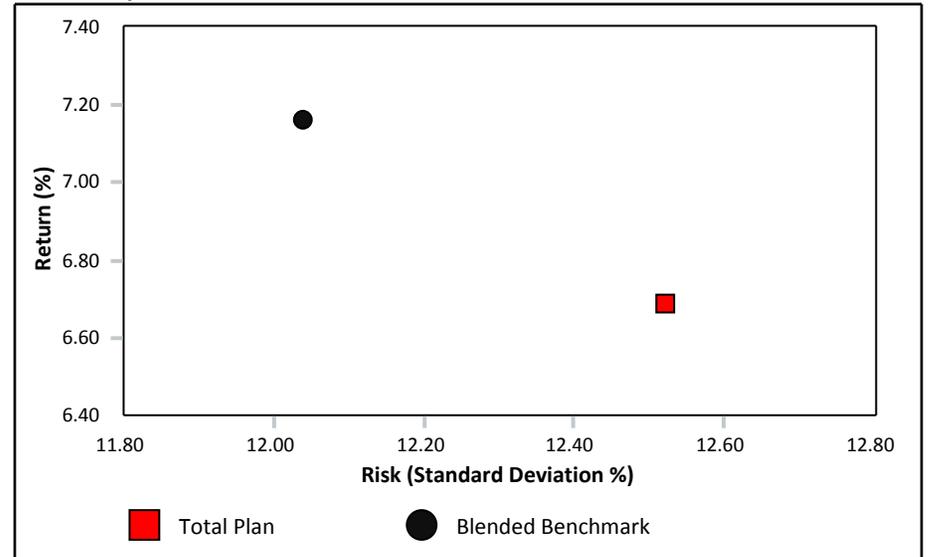
5 Year Risk and Return



7 Year Risk and Return

Not Enough Data.

Since Inception Risk and Return



MPT Statistical Data

As of December 31, 2014

3 Year Historical MPT Statistics

| | Return | Standard Deviation | Tracking Error | Information Ratio | R-Squared | Sharpe Ratio | Alpha | Beta | Downside Risk |
|---------------------------|--------|--------------------|----------------|-------------------|-----------|--------------|-------|------|---------------|
| Total Plan | 11.28 | 6.84 | 0.98 | -0.22 | 0.98 | 1.60 | -0.11 | 0.99 | 3.91 |
| Blended Benchmark | 11.52 | 6.83 | 0.00 | N/A | 1.00 | 1.63 | 0.00 | 1.00 | 3.91 |
| 90 Day U.S. Treasury Bill | 0.06 | 0.02 | 6.83 | -1.63 | 0.10 | N/A | 0.06 | 0.00 | 0.00 |

5 Year Historical MPT Statistics

| | Return | Standard Deviation | Tracking Error | Information Ratio | R-Squared | Sharpe Ratio | Alpha | Beta | Downside Risk |
|---------------------------|--------|--------------------|----------------|-------------------|-----------|--------------|-------|------|---------------|
| Total Plan | 9.27 | 9.13 | 1.07 | -0.46 | 0.99 | 1.01 | -0.24 | 0.97 | 5.41 |
| Blended Benchmark | 9.78 | 9.31 | 0.00 | N/A | 1.00 | 1.04 | 0.00 | 1.00 | 5.39 |
| 90 Day U.S. Treasury Bill | 0.08 | 0.02 | 9.32 | -1.04 | 0.00 | N/A | 0.08 | 0.00 | 0.00 |

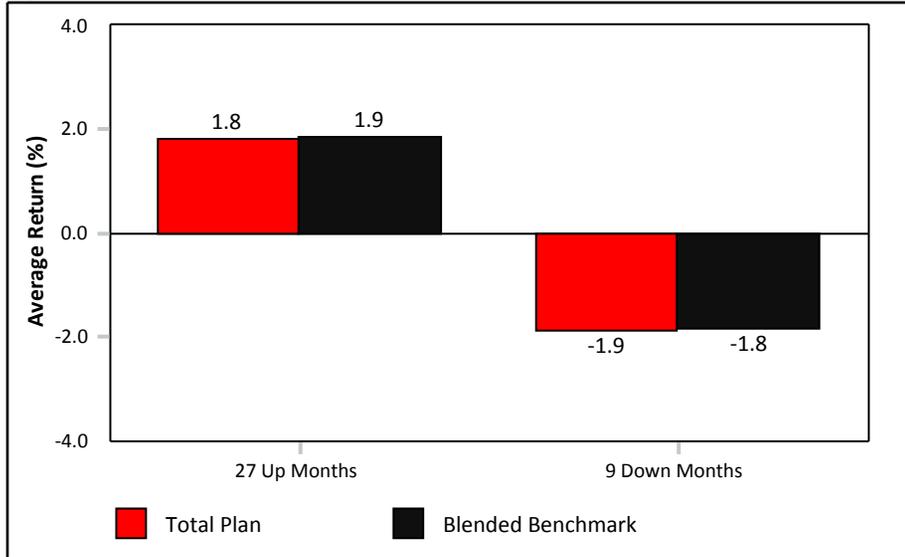
7 Year Historical MPT Statistics

| | 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 |

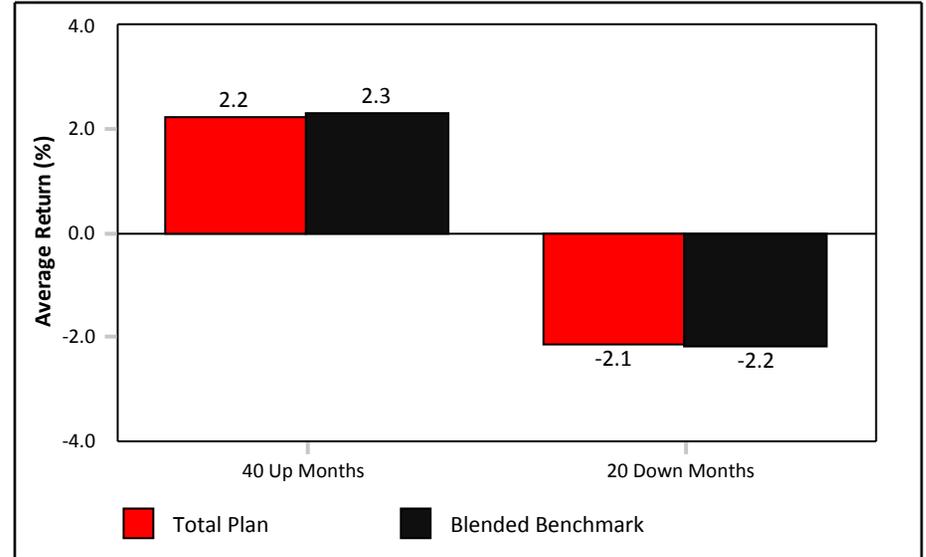
Market Capture Report

As of December 31, 2014

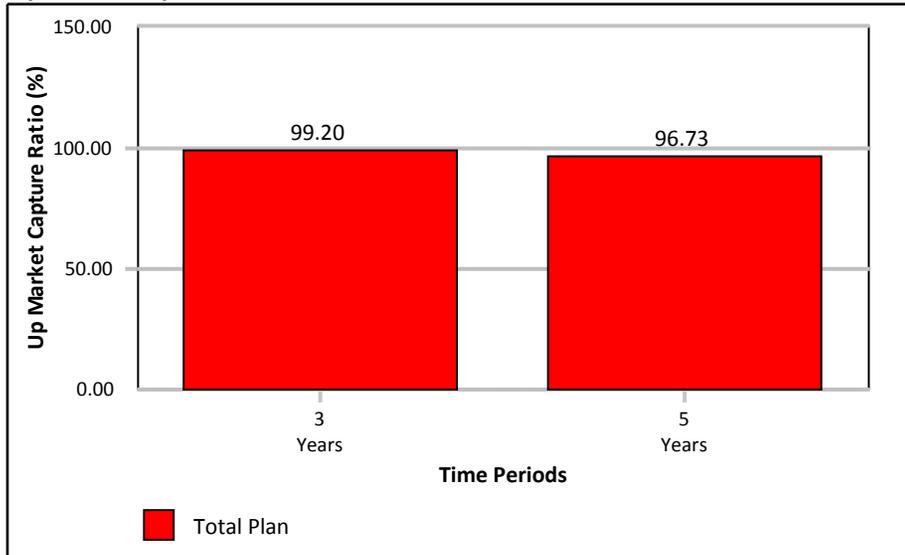
Up/Down Markets - 3 Years



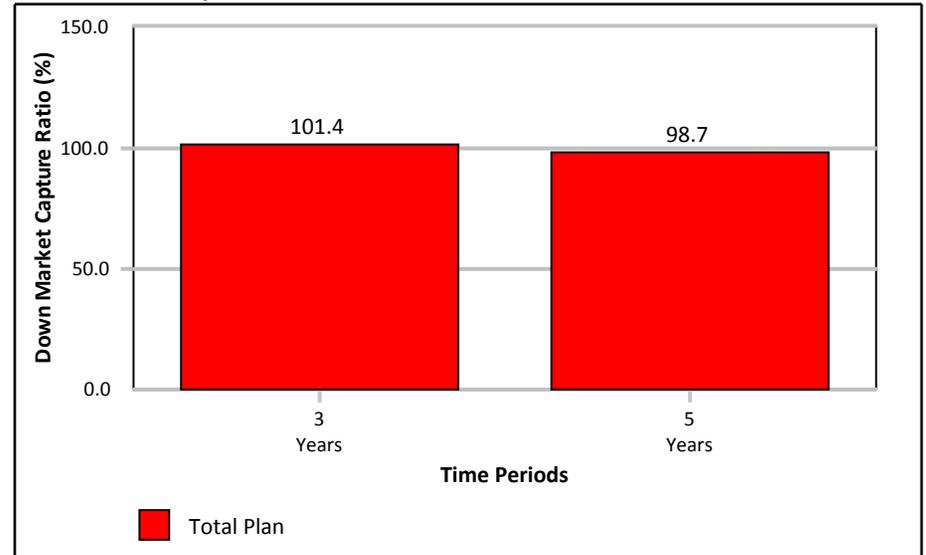
Up/Down Markets - 5 Years



Up Market Capture Ratio



Down Market Capture Ratio

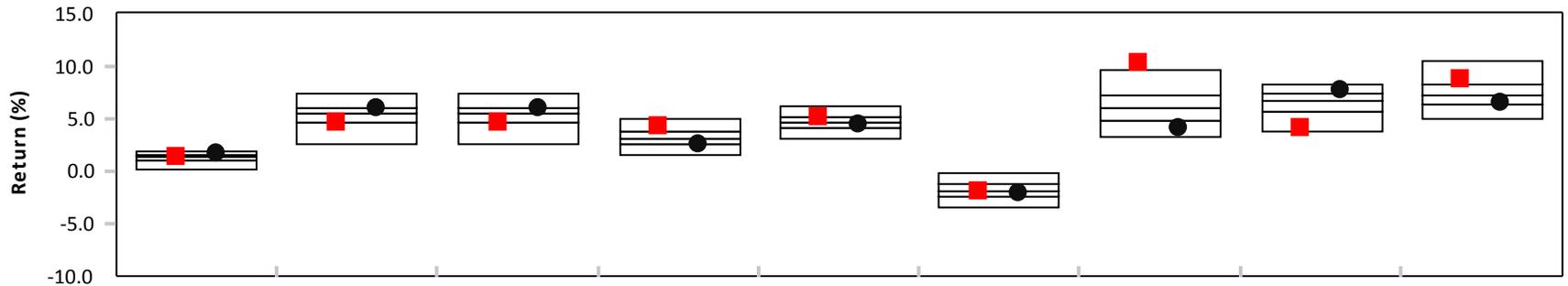


Manager Evaluation

PIMCO Total Return Instl

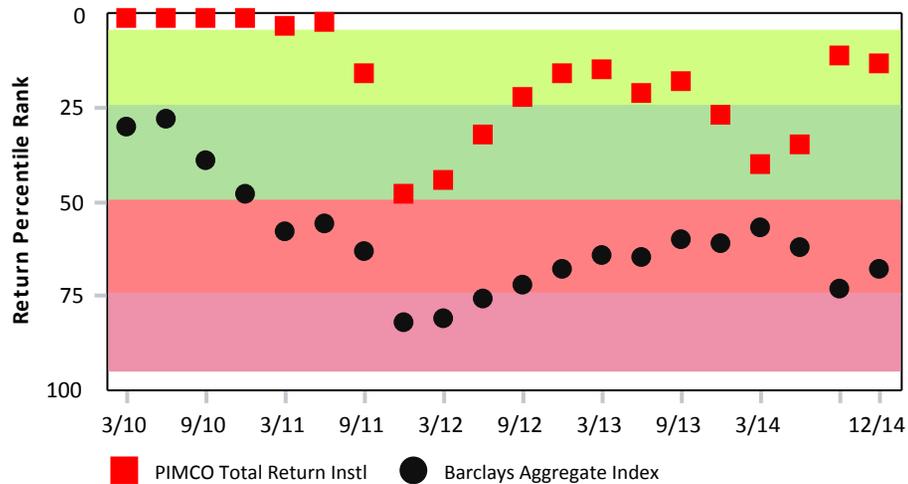
As of December 31, 2014

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 | 1.3 (53) | 4.7 (77) | 4.7 (77) | 4.3 (13) | 5.1 (28) | -1.9 (50) | 10.4 (2) | 4.2 (94) | 8.9 (19) |
| ● Barclays Aggregate Index | 1.8 (7) | 6.0 (27) | 6.0 (27) | 2.7 (68) | 4.4 (60) | -2.0 (55) | 4.2 (81) | 7.8 (11) | 6.5 (69) |
| 5th Percentile | 1.8 | 7.5 | 7.5 | 5.1 | 6.2 | -0.2 | 9.6 | 8.2 | 10.4 |
| 1st Quartile | 1.6 | 6.0 | 6.0 | 3.8 | 5.2 | -1.3 | 7.3 | 7.4 | 8.3 |
| Median | 1.3 | 5.5 | 5.5 | 3.1 | 4.7 | -1.9 | 6.0 | 6.7 | 7.2 |
| 3rd Quartile | 1.0 | 4.7 | 4.7 | 2.5 | 4.1 | -2.4 | 4.9 | 5.7 | 6.4 |
| 95th Percentile | 0.2 | 2.5 | 2.5 | 1.6 | 3.1 | -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

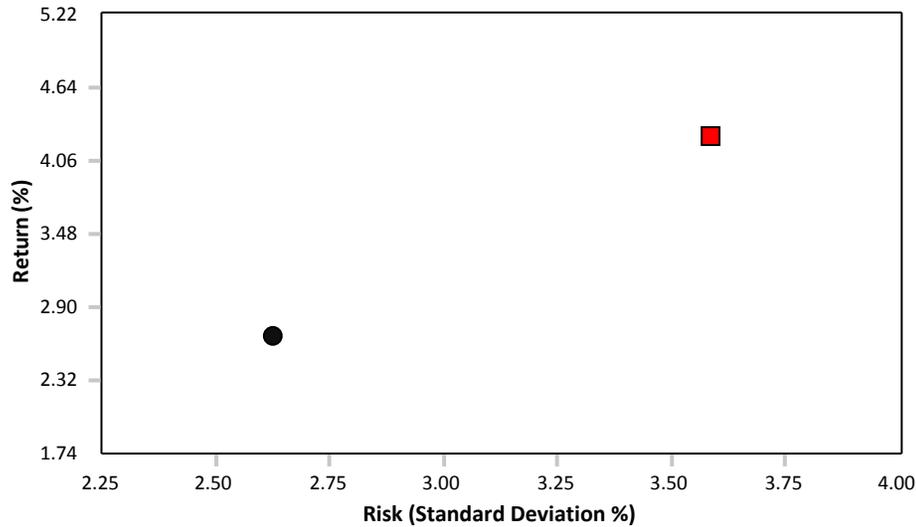
4Q 2014 – The PIMCO Total Return Fund produced positive absolute results but trailed the Barclays Aggregate during the fourth quarter. Relative results were hurt by an underweight allocation to the long end of the U.S. yield curve and exposure to inflation protected bonds. This offset contributions from currency positioning (underweight yen and euro) and an underweight position in corporate bonds.

PIMCO remains on terminate following the abrupt resignation of CIO Bill Gross. Since the announcement on September 26th, the Fund has seen outflows totaling nearly \$80 billion dollars. The portfolio ended the year with total assets of \$143.4 billion.

Manager Evaluation

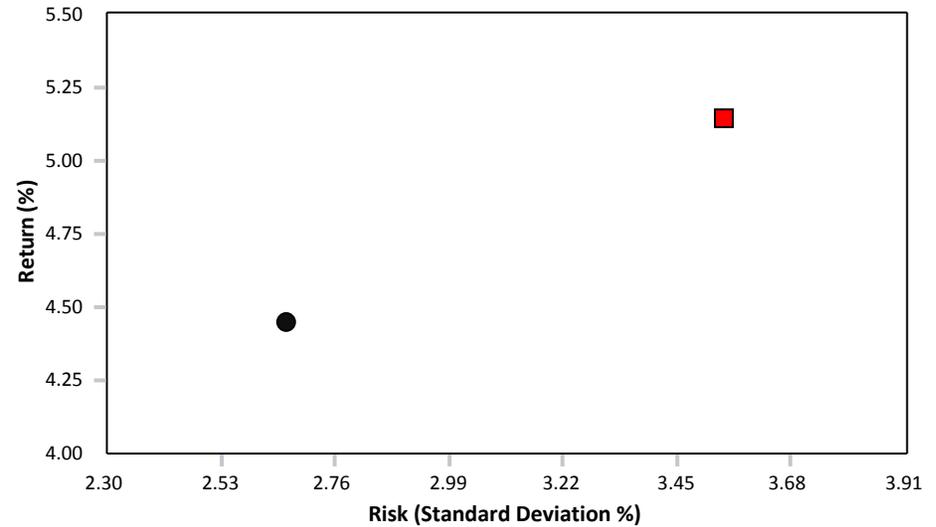
PIMCO Total Return Instl
As of December 31, 2014

3 Year Risk and Return



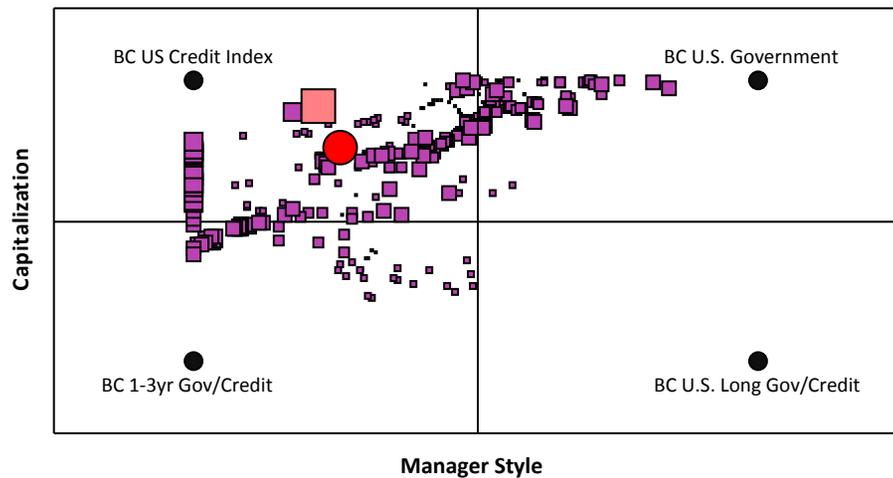
■ PIMCO Total Return Instl ● Barclays Aggregate Index

5 Year Risk and Return



■ PIMCO Total Return Instl ● Barclays Aggregate Index

Style Map - 3 Years



■ Style History ■ Dec-2014 ● Average Style Exposure

MPT Statistics vs. Barclays Aggregate Index

| | 3 Years | 5 Years |
|-------------------------------|------------|------------|
| Return | 4.3 | 5.1 |
| Standard Deviation | 3.6 | 3.5 |
| vs. Barclays Aggregate Index | | |
| Alpha | 1.0 | 0.6 |
| Beta | 1.2 | 1.0 |
| R-Squared | 0.8 | 0.6 |
| Consistency | 63.9 | 65.0 |
| Up Market Capture | 139.3 | 116.2 |
| Down Market Capture | 117.5 | 117.3 |
| vs. 90 Day U.S. Treasury Bill | | |
| Sharpe Ratio | 1.2 | 1.4 |

Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

PIMCO Total Return Instl

As of December 31, 2014

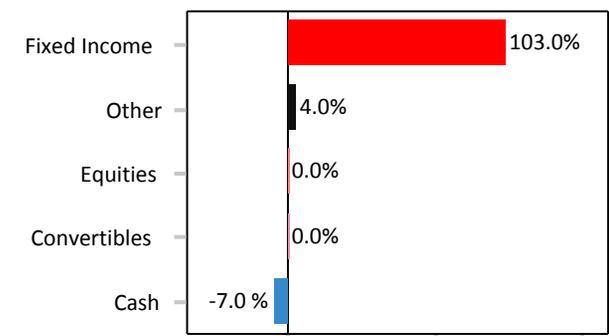
Mutual Fund Information

| | | | |
|----------------------|--|---------------------|---------------------|
| Fund Name : | PIMCO Funds: PIMCO Total Return Fund; Institutional Class Shares | Portfolio Assets : | \$162,810 Million |
| Fund Family : | PIMCO | Fund Assets : | \$99,799 Million |
| Ticker : | PTTRX | Portfolio Manager : | Mather/Kiesel/Worah |
| Inception Date : | 05/11/1987 | PM Tenure : | 2014--2014--2014 |
| 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.

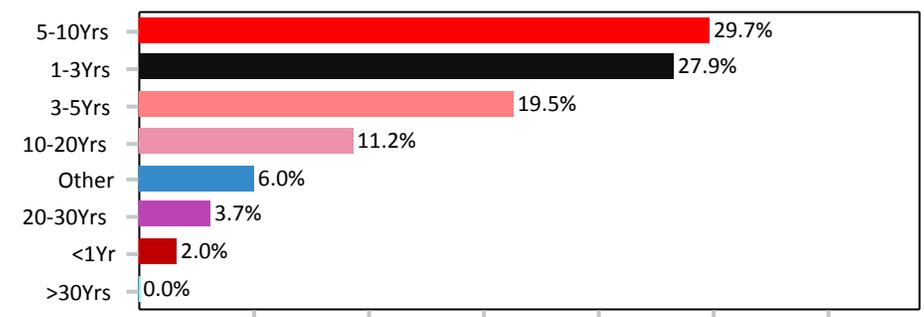
Asset Allocation as of 12/31/14 Top 10 Securities as of 12/31/14 Fixed Income Characteristics as of 12/31/14



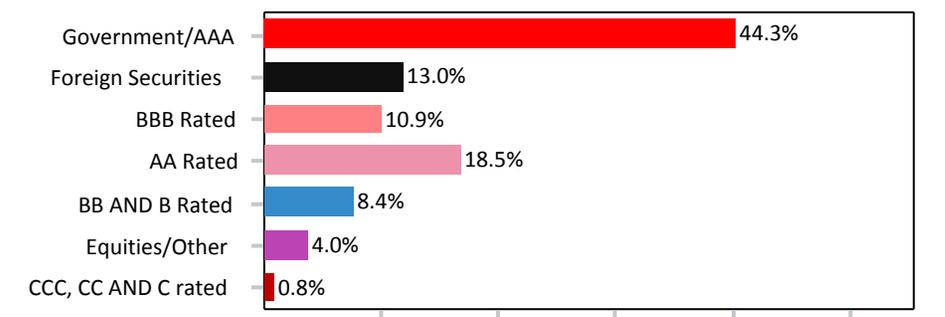
| | |
|---------------------------------|--------|
| GNMA and Other Mtg Backed | 45.0 % |
| Corporate Notes/Bonds | 23.0 % |
| Fgn. Currency Denominated Bonds | 13.0 % |
| Government Agency Securities | 12.0 % |
| Treasury Notes/Bonds | 10.0 % |

| | |
|---------------------|------------|
| Avg. Coupon | 3.21 % |
| Nominal Maturity | 7.74 Years |
| Effective Maturity | N/A |
| Duration | 5.33 Years |
| SEC 30 Day Yield | 2.4 |
| Avg. Credit Quality | N/A |

Maturity Distribution as of 12/31/14



Quality Allocation as of 12/31/14

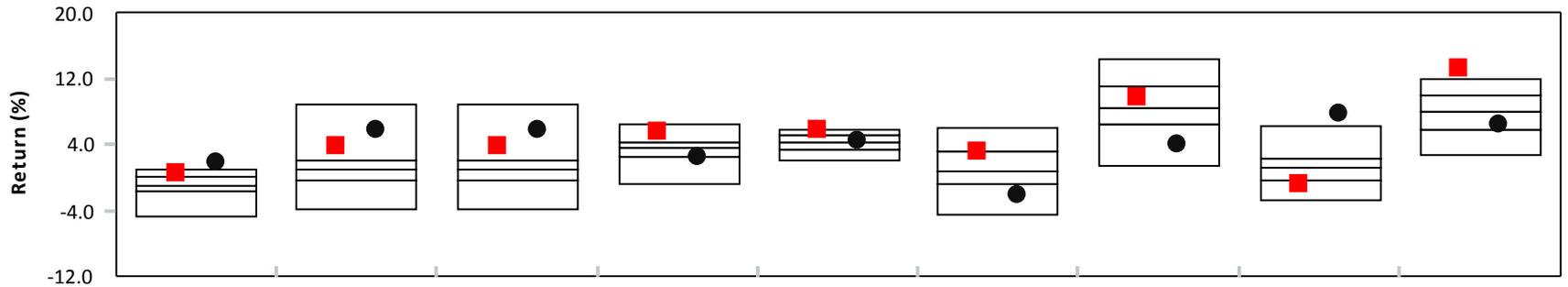


Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

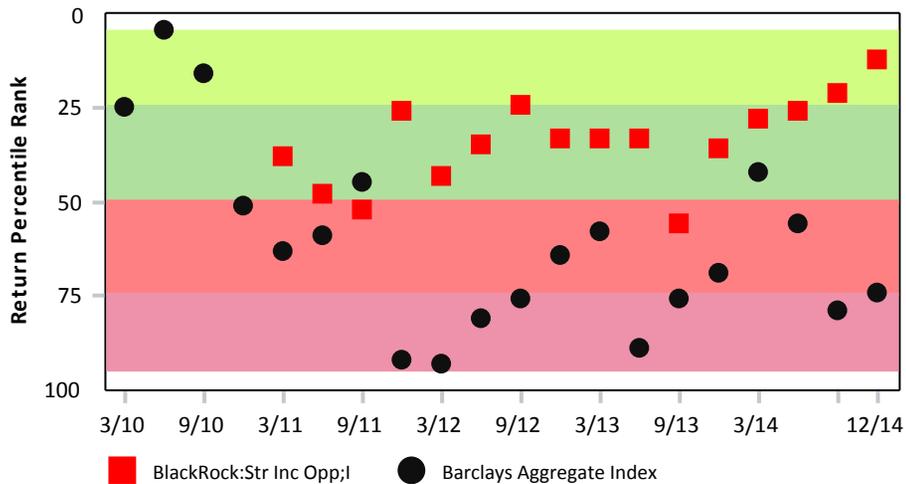
BlackRock:Str Inc Opp;l
As of December 31, 2014

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 | 0.6 (9) | 3.9 (13) | 3.9 (13) | 5.7 (12) | 5.8 (9) | 3.3 (25) | 9.9 (35) | -0.7 (83) | 13.4 (1) |
| ● Barclays Aggregate Index | 1.8 (1) | 6.0 (10) | 6.0 (10) | 2.7 (74) | 4.4 (43) | -2.0 (92) | 4.2 (86) | 7.8 (1) | 6.5 (71) |
| 5th Percentile | 0.9 | 9.0 | 9.0 | 6.6 | 6.0 | 6.1 | 14.4 | 6.2 | 12.1 |
| 1st Quartile | 0.0 | 2.2 | 2.2 | 4.3 | 5.1 | 3.3 | 11.2 | 2.3 | 10.2 |
| Median | -1.0 | 1.1 | 1.1 | 3.6 | 4.3 | 0.7 | 8.5 | 1.3 | 8.0 |
| 3rd Quartile | -1.6 | -0.4 | -0.4 | 2.5 | 3.5 | -0.8 | 6.6 | -0.2 | 5.9 |
| 95th Percentile | -4.7 | -3.9 | -3.9 | -0.8 | 2.1 | -4.6 | 1.4 | -2.6 | 2.7 |

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



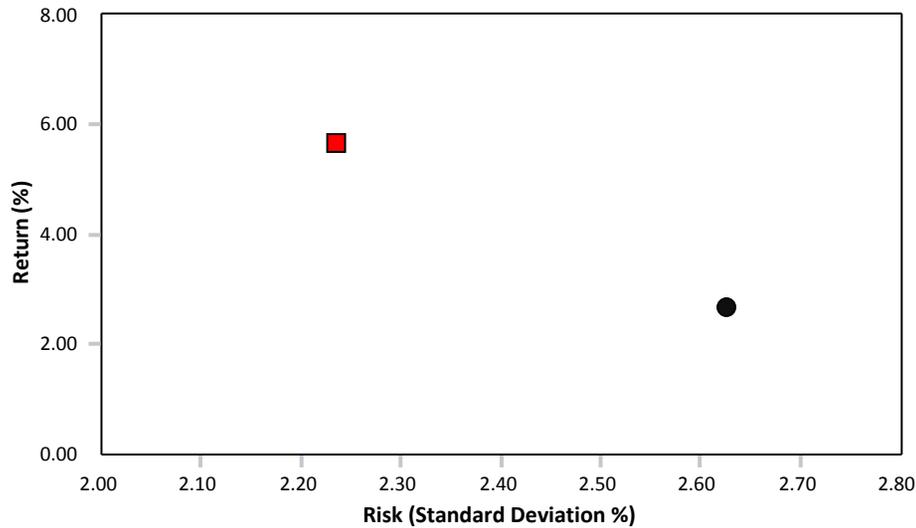
Manager Commentary

4Q 2014 - Commentary not available at time of report production.

Manager Evaluation

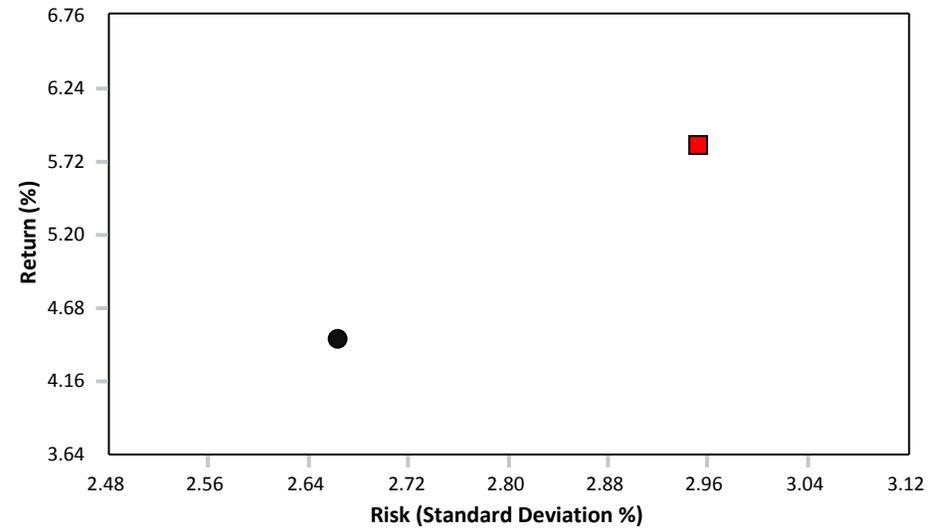
BlackRock:Str Inc Opp;l
As of December 31, 2014

3 Year Risk and Return



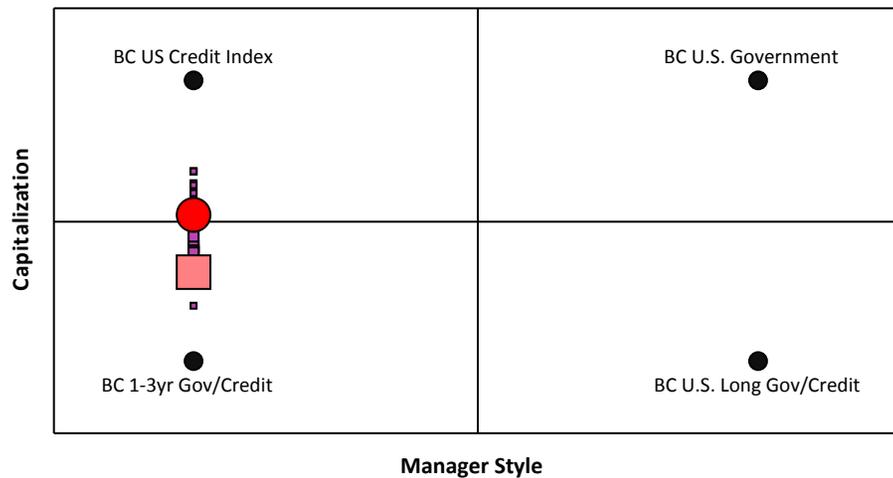
■ BlackRock:Str Inc Opp;l ● Barclays Aggregate Index

5 Year Risk and Return



■ BlackRock:Str Inc Opp;l ● Barclays Aggregate Index

Style Map - 3 Years



■ Style History ■ Dec-2014 ● Average Style Exposure

MPT Statistics vs. Barclays Aggregate Index

| | 3 Years | 5 Years |
|-------------------------------|------------|------------|
| Return | 5.7 | 5.8 |
| Standard Deviation | 2.2 | 3.0 |
| vs. Barclays Aggregate Index | | |
| Alpha | 4.7 | 4.1 |
| Beta | 0.4 | 0.4 |
| R-Squared | 0.2 | 0.1 |
| Consistency | 61.1 | 56.7 |
| Up Market Capture | 94.7 | 87.4 |
| Down Market Capture | -29.2 | -12.0 |
| vs. 90 Day U.S. Treasury Bill | | |
| Sharpe Ratio | 2.4 | 1.9 |

Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

BlackRock:Str Inc Opp;I

As of December 31, 2014

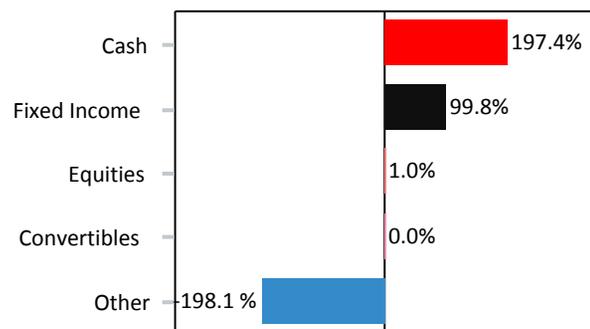
Mutual Fund Information

| | | | |
|----------------------|--|---------------------|------------------|
| Fund Name : | BlackRock Funds II: BlackRock Strategic Income Opportunities Portfolio; Institutional Shares | Portfolio Assets : | \$25,135 Million |
| Fund Family : | BlackRock Inc | Fund Assets : | \$20,008 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 12/31/14



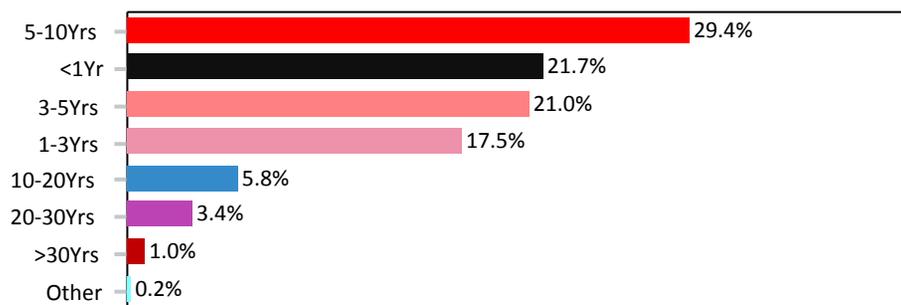
Top 10 Securities as of 12/31/14

| | |
|--|--------|
| BlackRock Liquidity TempFund;Institutional | 10.8 % |
| Citigroup Capital XIII PFD | 0.3 % |
| iShares iBoxx \$ High Yield Corporate Bond ETF | 0.2 % |
| Bank of China Ltd PFD | 0.1 % |
| Delta Air Lines Inc ORD | 0.1 % |
| Morgan Stanley DR | 0.1 % |
| Halliburton Co ORD | 0.1 % |
| Comcast Corp ORD | 0.1 % |
| United Continental Holdings Inc ORD | 0.0 |
| American Capital Agency Corp | 0.0 |

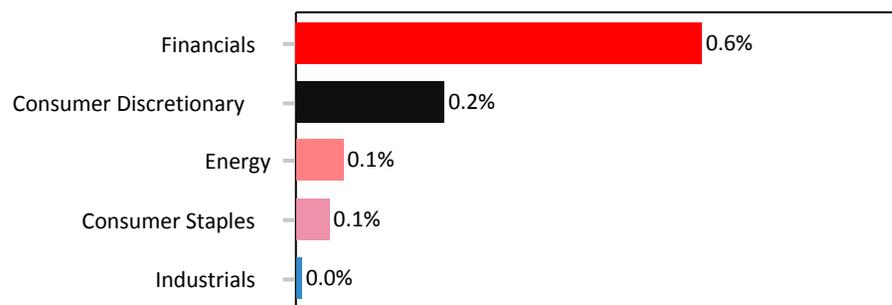
Fixed Income Characteristics as of 12/31/14

| | |
|---------------------|------------|
| 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 12/31/14



Quality Allocation as of 12/31/14



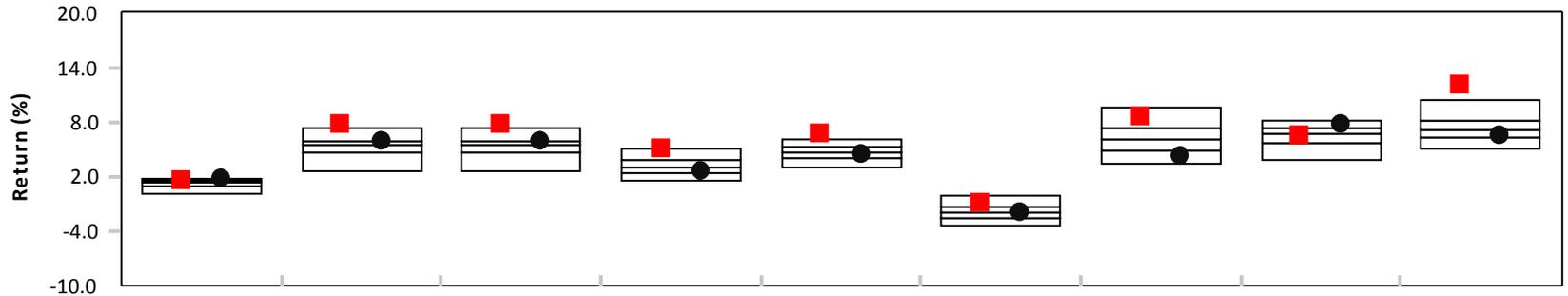
Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

Western Asset Core Plus Bond IS

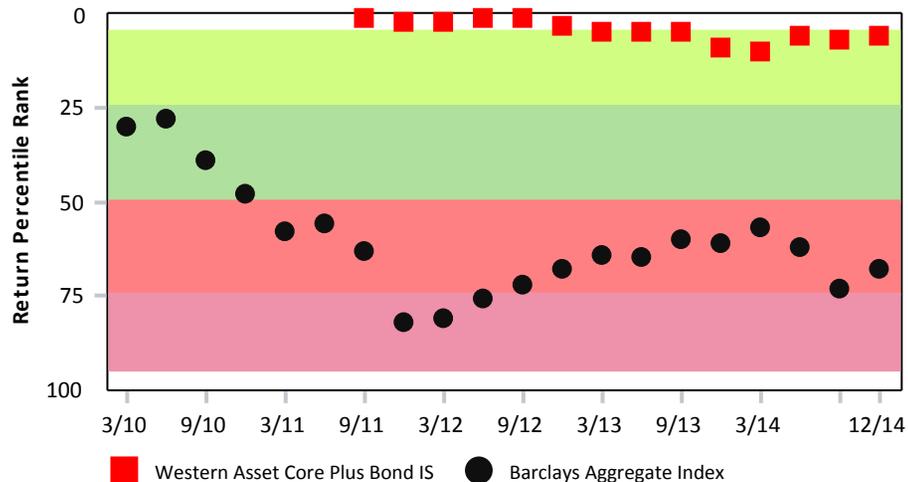
As of December 31, 2014

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 |
|-----------------------------------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|
| ■ Western Asset Core Plus Bond IS | 1.6 (22) | 7.7 (4) | 7.7 (4) | 5.0 (6) | 6.7 (2) | -1.0 (16) | 8.6 (12) | 6.6 (51) | 12.1 (1) |
| ● Barclays Aggregate Index | 1.8 (7) | 6.0 (27) | 6.0 (27) | 2.7 (68) | 4.4 (60) | -2.0 (55) | 4.2 (81) | 7.8 (11) | 6.5 (69) |
| 5th Percentile | 1.8 | 7.5 | 7.5 | 5.1 | 6.2 | -0.2 | 9.6 | 8.2 | 10.4 |
| 1st Quartile | 1.6 | 6.0 | 6.0 | 3.8 | 5.2 | -1.3 | 7.3 | 7.4 | 8.3 |
| Median | 1.3 | 5.5 | 5.5 | 3.1 | 4.7 | -1.9 | 6.0 | 6.7 | 7.2 |
| 3rd Quartile | 1.0 | 4.7 | 4.7 | 2.5 | 4.1 | -2.4 | 4.9 | 5.7 | 6.4 |
| 95th Percentile | 0.2 | 2.5 | 2.5 | 1.6 | 3.1 | -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

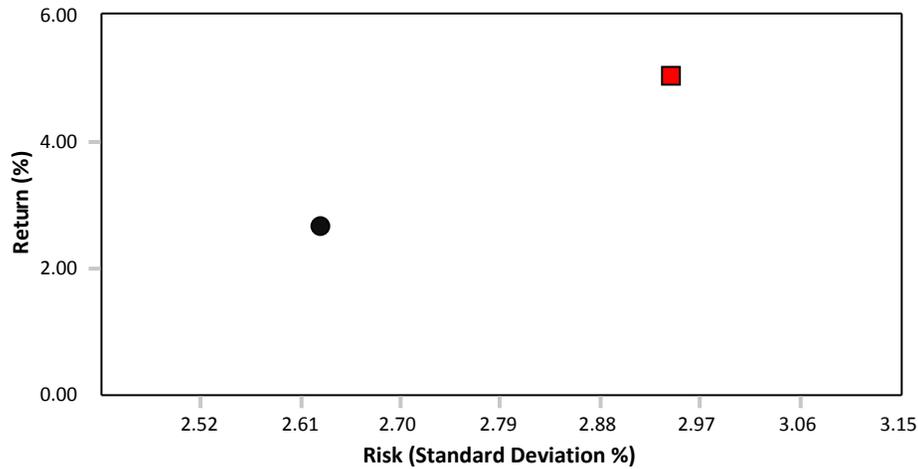
4Q 2014 – The Western Asset Core Plus Bond Fund produced positive absolute returns but underperformed the Barclays US Aggregate Bond Index during the fourth quarter. The Fund’s duration and yield curve positioning were the largest contributors to performance as yields fell on the back end of the curve as it continued to flatten. Non-USD positions, largely a short Euro and Yen position, and the Fund’s exposure to agency MBS were also beneficial to performance. The Fund’s performance was impacted by its out of benchmark exposure to domestic high yield bonds as spreads widened during the quarter and the sector underperformed. Exposure to emerging market government securities also detracted as this sector was impacted by a strong USD and falling oil prices. 2014 was a very strong year for Western Asset. Similar to the quarter, yield curve and duration positioning were the biggest drivers of results, accounting for the majority of alpha versus the Barclays Aggregate.

Manager Evaluation

Western Asset Core Plus Bond IS

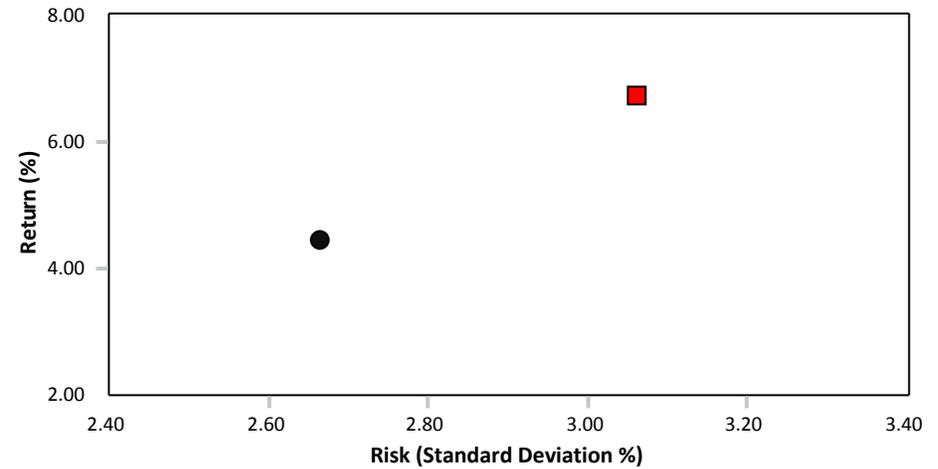
As of December 31, 2014

3 Year Risk and Return



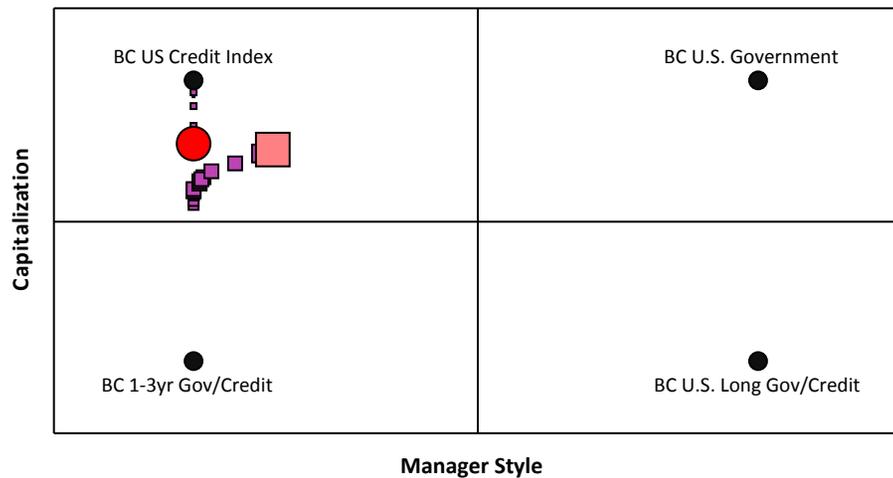
- Western Asset Core Plus Bond IS
- Barclays Aggregate Index

5 Year Risk and Return



- Western Asset Core Plus Bond IS
- Barclays Aggregate Index

Style Map - 3 Years



- Style History
- Dec-2014
- Average Style Exposure

MPT Statistics vs. Barclays Aggregate Index

| | 3 Years | 5 Years |
|-------------------------------|---------|---------|
| Return | 5.0 | 6.7 |
| Standard Deviation | 2.9 | 3.1 |
| vs. Barclays Aggregate Index | | |
| Alpha | 2.1 | 2.4 |
| Beta | 1.1 | 1.0 |
| R-Squared | 0.9 | 0.7 |
| Consistency | 75.0 | 70.0 |
| Up Market Capture | 132.2 | 124.6 |
| Down Market Capture | 73.4 | 66.6 |
| vs. 90 Day U.S. Treasury Bill | | |
| Sharpe Ratio | 1.7 | 2.1 |

Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

Western Asset Core Plus Bond IS

As of December 31, 2014

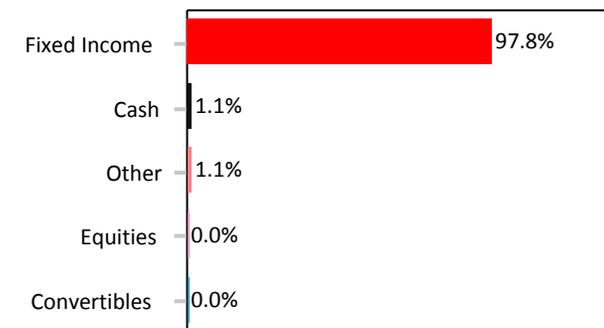
Mutual Fund Information

| | | | |
|----------------------|--|---------------------|------------------|
| Fund Name : | Western Asset Funds, Inc: Western Asset Core Plus Bond Fund; Class IS Shares | Portfolio Assets : | \$12,843 Million |
| Fund Family : | Legg Mason | Fund Assets : | \$3,156 Million |
| Ticker : | WAPSX | Portfolio Manager : | Team Managed |
| Inception Date : | 08/04/2008 | PM Tenure : | |
| Portfolio Turnover : | 109% | | |

Fund Investment Policy

The Fund seeks to maximize total return, consistent with prudent investment management and liquidity needs. The Fund invests in a portfolio of fixed income securities of various maturities and, under normal market conditions, will invest at least 80% of its net assets in debt and fixed income securities.

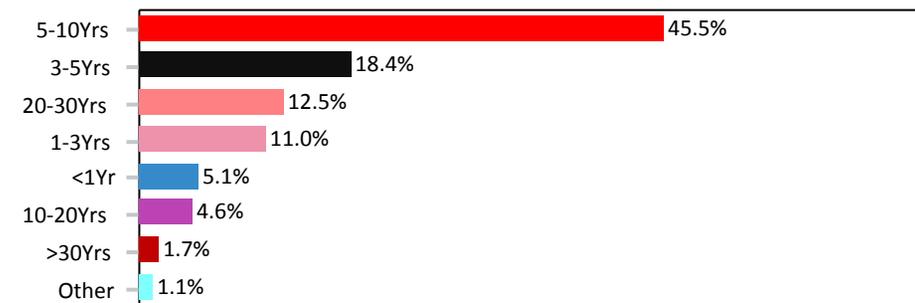
Asset Allocation as of 12/31/14 Top 10 Securities as of 12/31/14 Fixed Income Characteristics as of 12/31/14



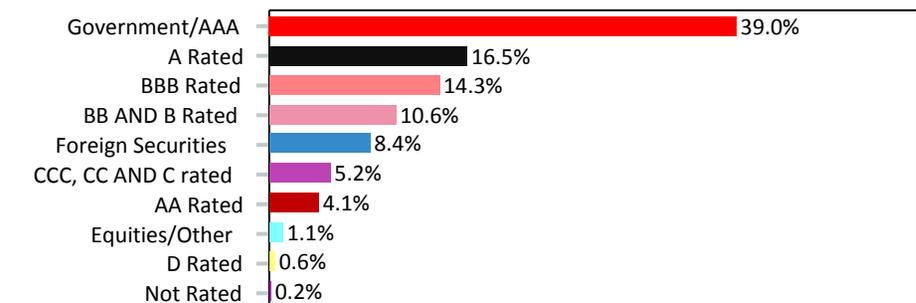
| | |
|---------------------------------|--------|
| GNMA and Other Mtg Backed | 42.0 % |
| Corporate Notes/Bonds | 36.6 % |
| Government Agency Securities | 8.5 % |
| Fgn. Currency Denominated Bonds | 8.4 % |
| Asset Backed Securities | 2.3 % |

| | |
|---------------------|------------|
| Avg. Coupon | 4.23 % |
| Nominal Maturity | N/A |
| Effective Maturity | N/A |
| Duration | 5.75 Years |
| SEC 30 Day Yield | 3.3 |
| Avg. Credit Quality | A |

Maturity Distribution as of 12/31/14



Quality Allocation as of 12/31/14



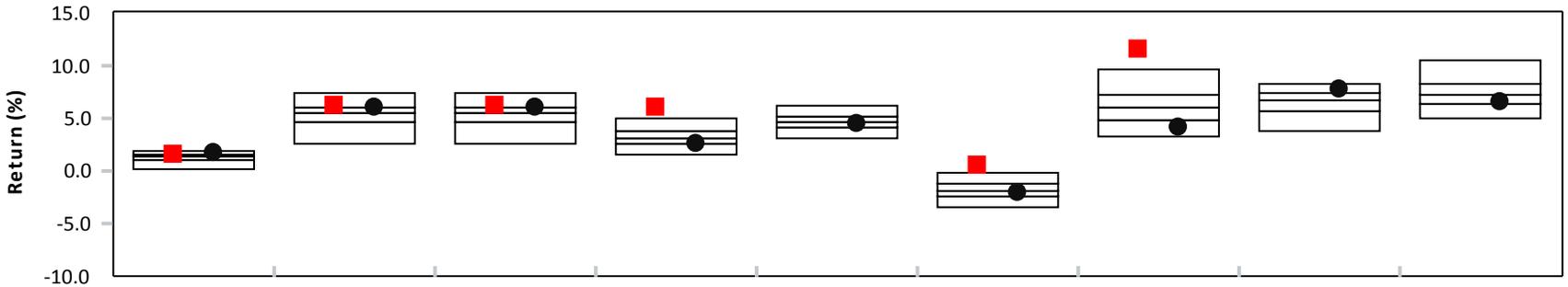
Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

Met West:Total Return;PI

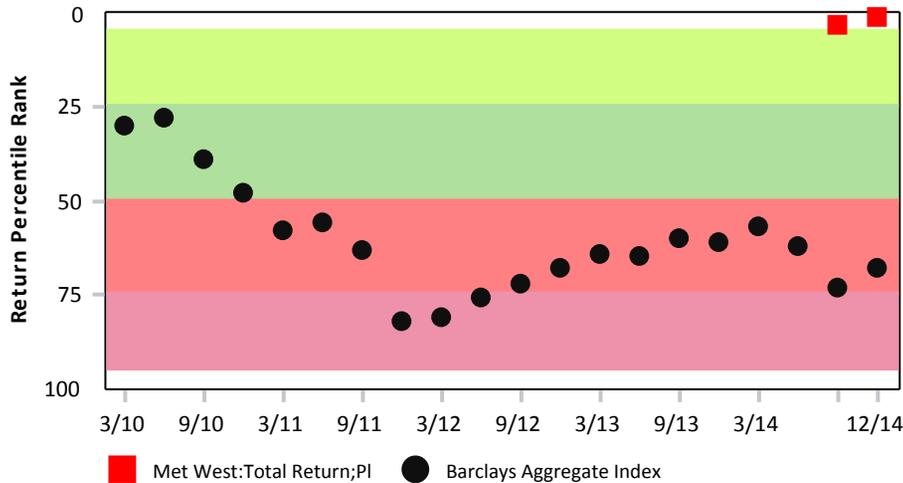
As of December 31, 2014

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 |
|----------------------------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|
| ■ Met West:Total Return;PI | 1.6 (29) | 6.2 (22) | 6.2 (22) | 6.0 (1) | N/A | 0.4 (4) | 11.6 (1) | N/A | N/A |
| ● Barclays Aggregate Index | 1.8 (7) | 6.0 (27) | 6.0 (27) | 2.7 (68) | 4.4 (60) | -2.0 (55) | 4.2 (81) | 7.8 (11) | 6.5 (69) |
| 5th Percentile | 1.8 | 7.5 | 7.5 | 5.1 | 6.2 | -0.2 | 9.6 | 8.2 | 10.4 |
| 1st Quartile | 1.6 | 6.0 | 6.0 | 3.8 | 5.2 | -1.3 | 7.3 | 7.4 | 8.3 |
| Median | 1.3 | 5.5 | 5.5 | 3.1 | 4.7 | -1.9 | 6.0 | 6.7 | 7.2 |
| 3rd Quartile | 1.0 | 4.7 | 4.7 | 2.5 | 4.1 | -2.4 | 4.9 | 5.7 | 6.4 |
| 95th Percentile | 0.2 | 2.5 | 2.5 | 1.6 | 3.1 | -3.4 | 3.4 | 3.8 | 5.1 |

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



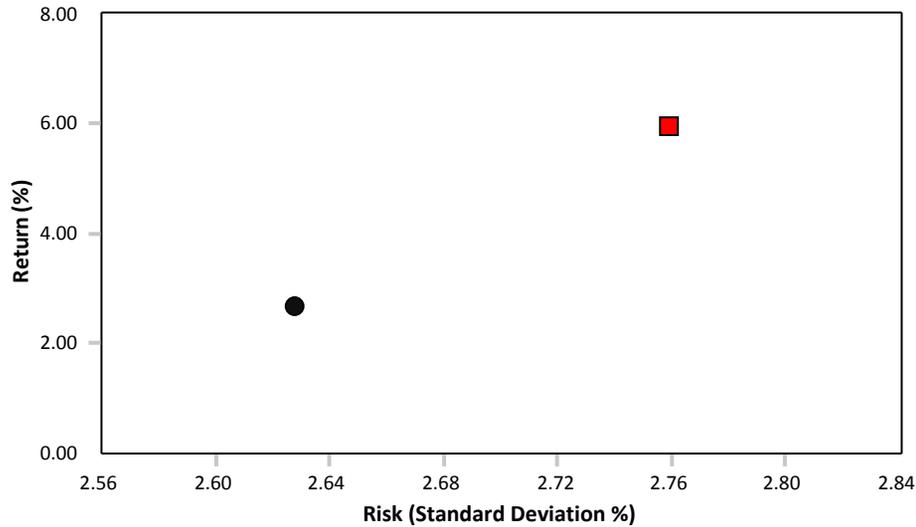
Manager Commentary

4Q 2014 – The MetWest Total Return Fund produced positive absolute results and ranked favorably versus peers despite trailing the Barclays Aggregate during the period. While a short duration stance detracted, emphasizing 7-10 year issues led to positive contributions from yield curve positioning. Sector positioning was positive overall as the portfolio was underweight corporate bonds in favor of structured products including CMBS, ABS, and non agency MBS. Security selection was also positive due to a bias toward financial bonds in the corporate space and an emphasis on student loans and CLO's in the ABS space. Performance was strong for the year with the portfolio finishing in line with the benchmark, but ahead of many peers. Many of the same contributors were in place over the calendar year and helped to offset the Fund's nearly one year short duration stance. MetWest has experienced a sharp increase in assets under management in recent months. They have been able to take advantage of recent volatility in credit markets in putting the new assets to work. Positioning has remained stable with a bias towards higher rates and a conservative stance with regards to corporate credit.

Manager Evaluation

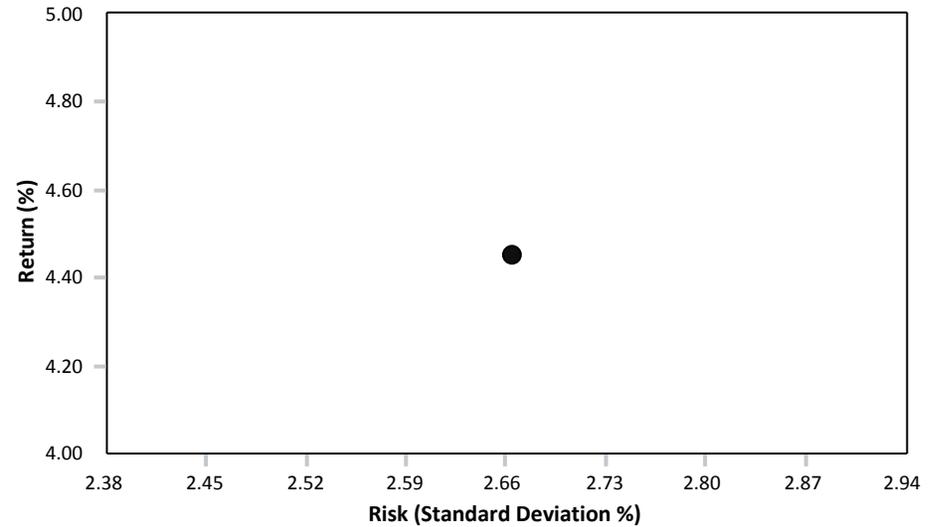
Met West:Total Return;PI
As of December 31, 2014

3 Year Risk and Return



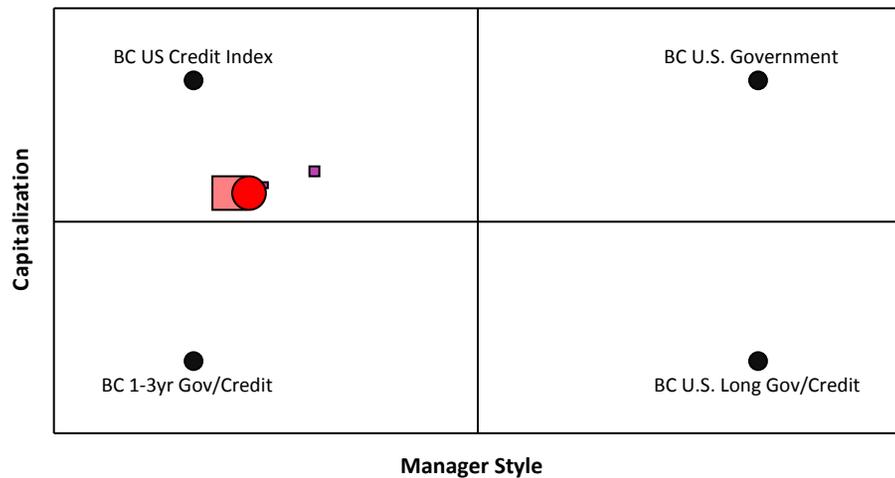
Met West:Total Return;PI (Red Square) Barclays Aggregate Index (Black Circle)

5 Year Risk and Return



Met West:Total Return;PI (Red Square) Barclays Aggregate Index (Black Circle)

Style Map - 3 Years



Style History (Purple Square) Dec-2014 (Red Square) Average Style Exposure (Red Circle)

MPT Statistics vs. Barclays Aggregate Index

| | 3 Years | 5 Years |
|-------------------------------|---------|---------|
| Return | 6.0 | N/A |
| Standard Deviation | 2.8 | N/A |
| vs. Barclays Aggregate Index | | |
| Alpha | 3.5 | N/A |
| Beta | 0.9 | N/A |
| R-Squared | 0.8 | N/A |
| Consistency | 75.0 | N/A |
| Up Market Capture | 136.6 | N/A |
| Down Market Capture | 46.0 | N/A |
| vs. 90 Day U.S. Treasury Bill | | |
| Sharpe Ratio | 2.1 | N/A |

Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

Met West:Total Return;PI

As of December 31, 2014

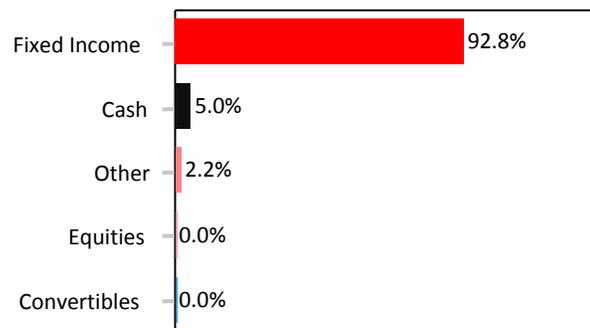
Mutual Fund Information

| | | | |
|----------------------|--|---------------------|------------------|
| Fund Name : | Metropolitan West Funds: Total Return Bond Fund; Plan Class Shares | Portfolio Assets : | \$51,171 Million |
| Fund Family : | Metropolitan West Asset Management LLC | Fund Assets : | \$3,752 Million |
| Ticker : | MWTSX | Portfolio Manager : | Team Managed |
| Inception Date : | 07/29/2011 | PM Tenure : | |
| Portfolio Turnover : | 255% | | |

Fund Investment Policy

The Fund seeks to maximize long-term total return by investing at least 80% of its assets in a diversified portfolio of fixed-income securities of varying maturities, issued by domestic and foreign corporations and governments with portfolio duration of two to eight years.

Asset Allocation as of 12/31/14



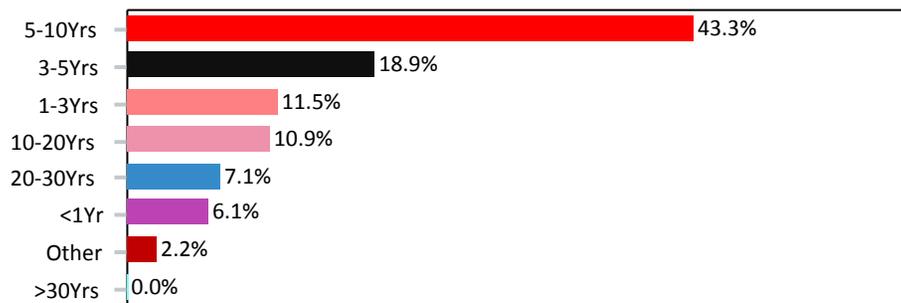
Top 10 Securities as of 12/31/14

| | |
|---------------------------------|--------|
| GNMA and Other Mtg Backed | 44.8 % |
| Government Agency Securities | 25.6 % |
| Corporate Notes/Bonds | 15.8 % |
| Asset Backed Securities | 6.3 % |
| Fgn. Currency Denominated Bonds | 0.4 % |

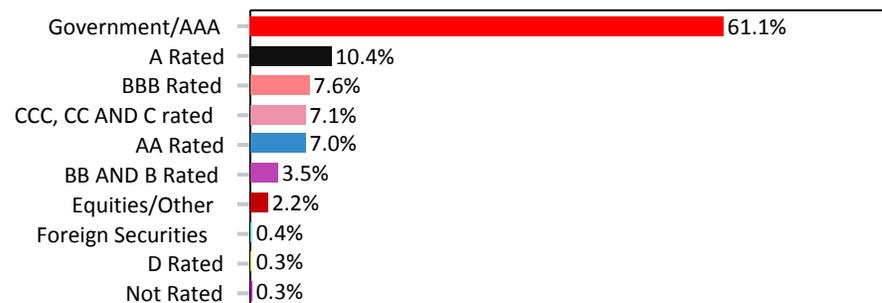
Fixed Income Characteristics as of 12/31/14

| | |
|---------------------|------------|
| Avg. Coupon | 2.87 % |
| Nominal Maturity | 8.25 Years |
| Effective Maturity | N/A |
| Duration | 4.66 Years |
| SEC 30 Day Yield | N/A |
| Avg. Credit Quality | AA |

Maturity Distribution as of 12/31/14



Quality Allocation as of 12/31/14



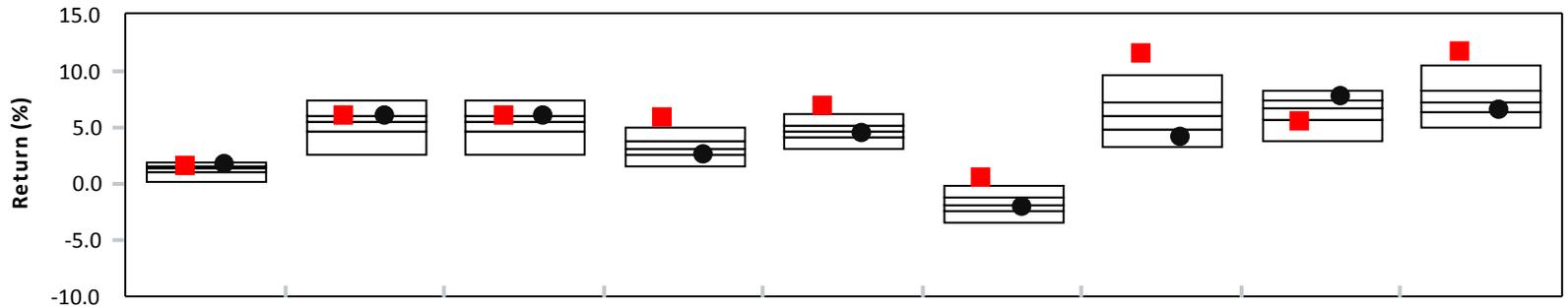
Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

Metropolitan West Total Return Bond I

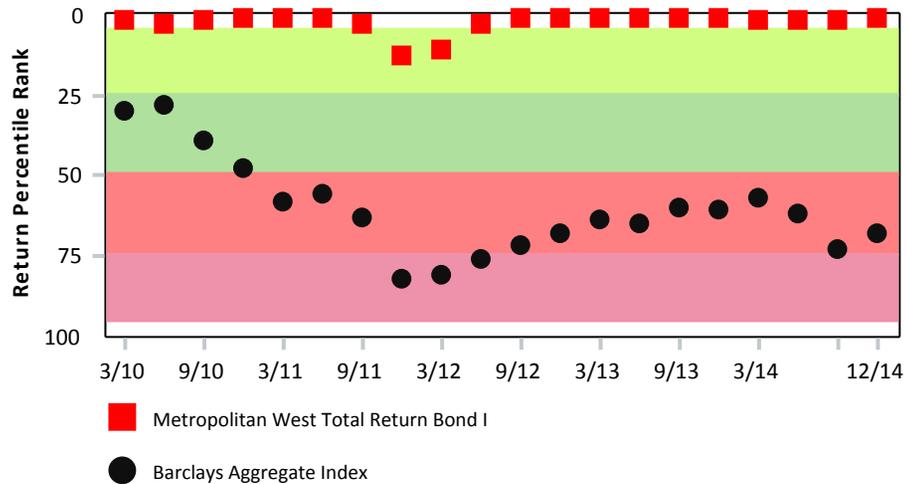
As of December 31, 2014

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 |
|---|----------|----------|----------|----------|----------|-----------|----------|----------|----------|
| ■ Metropolitan West Total Return Bond I | 1.6 (26) | 6.0 (27) | 6.0 (27) | 5.9 (1) | 7.0 (1) | 0.5 (4) | 11.5 (1) | 5.5 (81) | 11.7 (2) |
| ● Barclays Aggregate Index | 1.8 (7) | 6.0 (27) | 6.0 (27) | 2.7 (68) | 4.4 (60) | -2.0 (55) | 4.2 (81) | 7.8 (11) | 6.5 (69) |
| 5th Percentile | 1.8 | 7.5 | 7.5 | 5.1 | 6.2 | -0.2 | 9.6 | 8.2 | 10.4 |
| 1st Quartile | 1.6 | 6.0 | 6.0 | 3.8 | 5.2 | -1.3 | 7.3 | 7.4 | 8.3 |
| Median | 1.3 | 5.5 | 5.5 | 3.1 | 4.7 | -1.9 | 6.0 | 6.7 | 7.2 |
| 3rd Quartile | 1.0 | 4.7 | 4.7 | 2.5 | 4.1 | -2.4 | 4.9 | 5.7 | 6.4 |
| 95th Percentile | 0.2 | 2.5 | 2.5 | 1.6 | 3.1 | -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

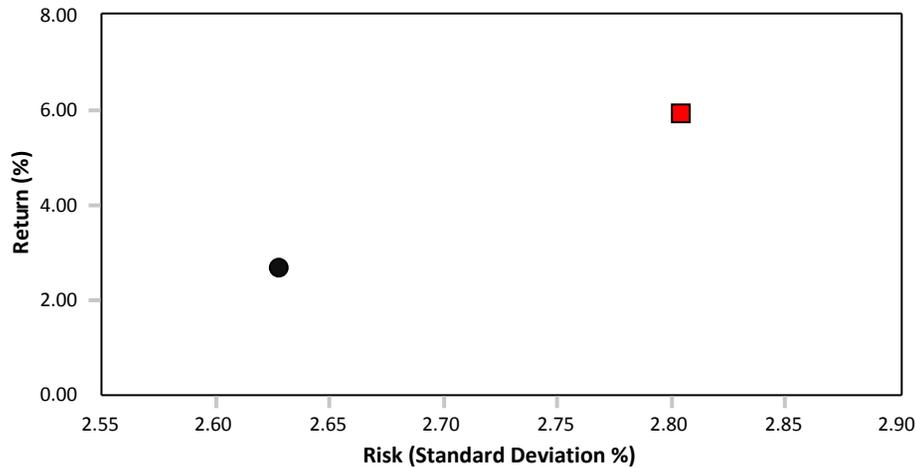
4Q 2014 – The MetWest Total Return Fund produced positive absolute results and ranked favorably versus peers despite trailing the Barclays Aggregate during the period. While a short duration stance detracted, emphasizing 7-10 year issues led to positive contributions from yield curve positioning. Sector positioning was positive overall as the portfolio was underweight corporate bonds in favor of structured products including CMBS, ABS, and non agency MBS. Security selection was also positive due to a bias toward financial bonds in the corporate space and an emphasis on student loans and CLO's in the ABS space. Performance was strong for the year with the portfolio finishing in line with the benchmark, but ahead of many peers. Many of the same contributors were in place over the calendar year and helped to offset the Fund's nearly one year short duration stance. MetWest has experienced a sharp increase in assets under management in recent months. They have been able to take advantage of recent volatility in credit markets in putting the new assets to work. Positioning has remained stable with a bias towards higher rates and a conservative stance with regards to corporate credit.

Manager Evaluation

Metropolitan West Total Return Bond I

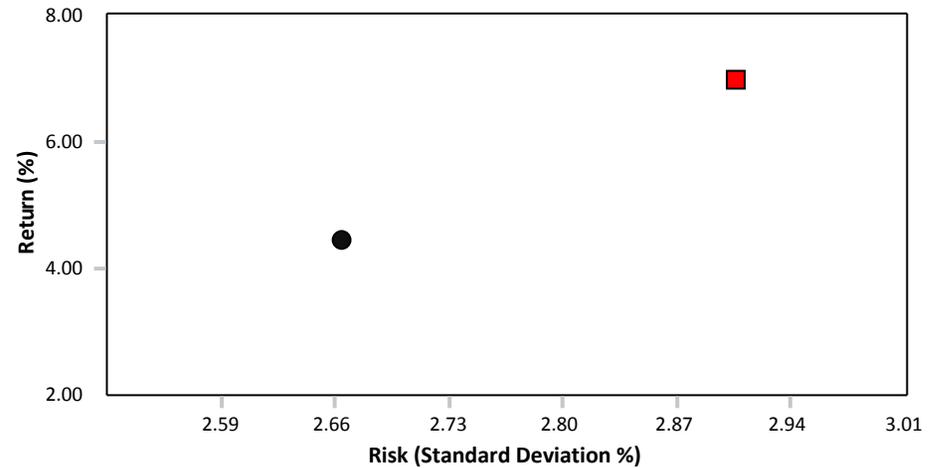
As of December 31, 2014

3 Year Risk and Return



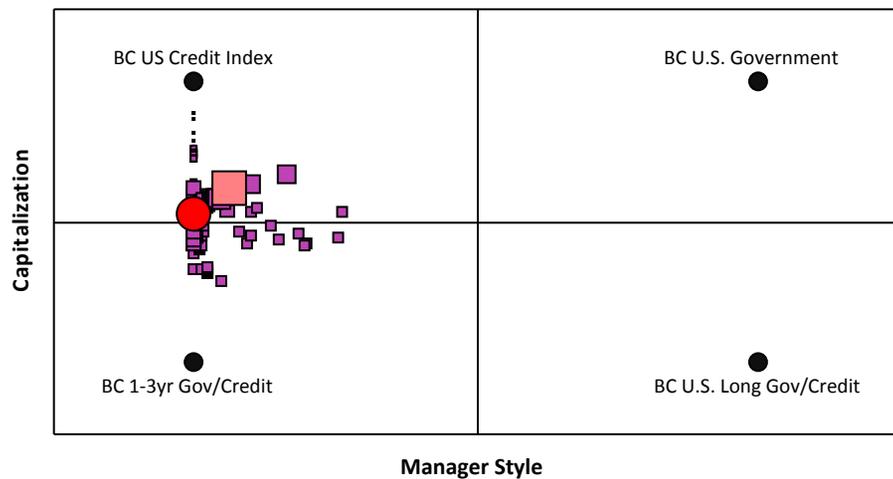
- Metropolitan West Total Return Bond I
- Barclays Aggregate Index

5 Year Risk and Return



- Metropolitan West Total Return Bond I
- Barclays Aggregate Index

Style Map - 3 Years



- Style History
- Dec-2014
- Average Style Exposure

MPT Statistics vs. Barclays Aggregate Index

| | 3 Years | 5 Years |
|-------------------------------|---------|---------|
| Return | 5.9 | 7.0 |
| Standard Deviation | 2.8 | 2.9 |
| vs. Barclays Aggregate Index | | |
| Alpha | 3.3 | 2.9 |
| Beta | 0.9 | 0.9 |
| R-Squared | 0.8 | 0.7 |
| Consistency | 75.0 | 68.3 |
| Up Market Capture | 137.7 | 125.3 |
| Down Market Capture | 50.0 | 57.5 |
| vs. 90 Day U.S. Treasury Bill | | |
| Sharpe Ratio | 2.0 | 2.3 |

Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

Metropolitan West Total Return Bond I

As of December 31, 2014

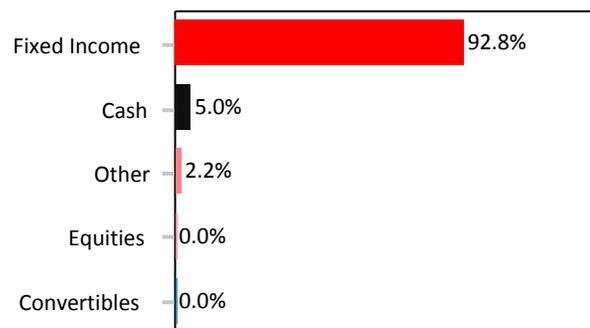
Mutual Fund Information

| | | | |
|----------------------|---|---------------------|------------------|
| Fund Name : | Metropolitan West Funds: Total Return Bond Fund; Class I Shares | Portfolio Assets : | \$51,171 Million |
| Fund Family : | Metropolitan West Asset Management LLC | Fund Assets : | \$33,155 Million |
| Ticker : | MWTIX | Portfolio Manager : | Team Managed |
| Inception Date : | 03/31/2000 | PM Tenure : | |
| Portfolio Turnover : | 255% | | |

Fund Investment Policy

The Fund seeks to maximize long-term total return by investing at least 80% of its assets in a diversified portfolio of fixed-income securities of varying maturities, issued by domestic and foreign corporations and governments with portfolio duration of two to eight years.

Asset Allocation as of 12/31/14



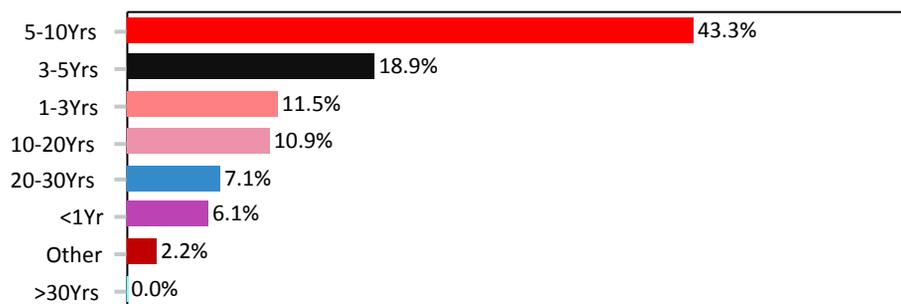
Top 10 Securities as of 12/31/14

| | |
|---------------------------------|--------|
| GNMA and Other Mtg Backed | 44.8 % |
| Government Agency Securities | 25.6 % |
| Corporate Notes/Bonds | 15.8 % |
| Asset Backed Securities | 6.3 % |
| Fgn. Currency Denominated Bonds | 0.4 % |

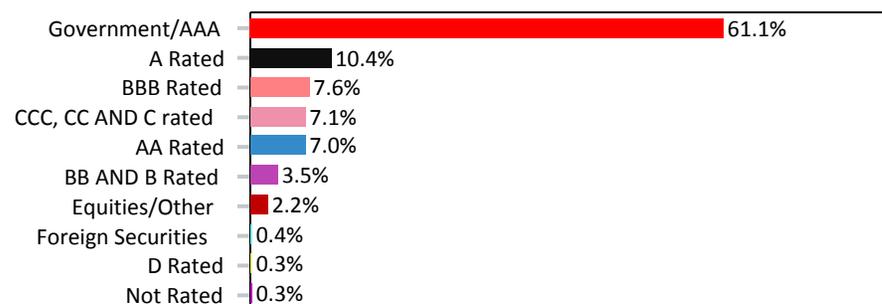
Fixed Income Characteristics as of 12/31/14

| | |
|---------------------|------------|
| Avg. Coupon | 2.87 % |
| Nominal Maturity | 8.25 Years |
| Effective Maturity | N/A |
| Duration | 4.66 Years |
| SEC 30 Day Yield | 3.9 |
| Avg. Credit Quality | AA |

Maturity Distribution as of 12/31/14



Quality Allocation as of 12/31/14



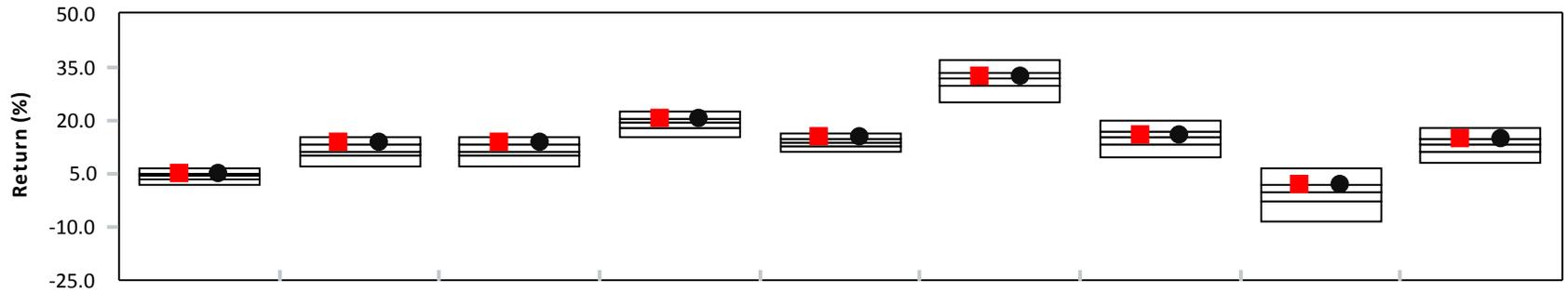
Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

Vanguard 500 Index Admiral

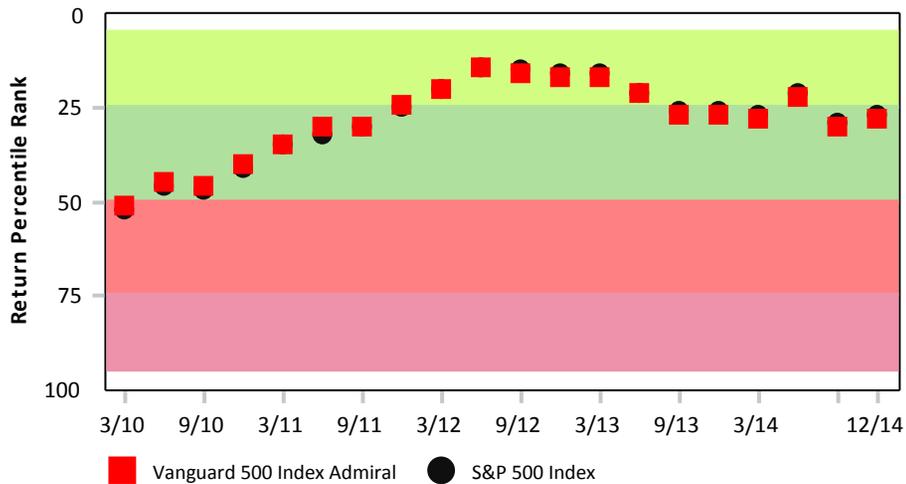
As of December 31, 2014

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 Admiral | 4.9 (33) | 13.6 (19) | 13.6 (19) | 20.4 (28) | 15.4 (20) | 32.3 (42) | 16.0 (41) | 2.1 (24) | 15.1 (22) |
| ● S&P 500 Index | 4.9 (33) | 13.7 (18) | 13.7 (18) | 20.4 (27) | 15.5 (19) | 32.4 (41) | 16.0 (39) | 2.1 (24) | 15.1 (22) |
| 5th Percentile | 6.5 | 15.5 | 15.5 | 22.4 | 16.5 | 36.8 | 19.8 | 6.6 | 17.8 |
| 1st Quartile | 5.2 | 13.1 | 13.1 | 20.5 | 14.9 | 33.7 | 16.8 | 1.9 | 14.7 |
| Median | 4.5 | 11.4 | 11.4 | 19.3 | 13.8 | 31.9 | 15.4 | -0.3 | 13.1 |
| 3rd Quartile | 3.4 | 10.0 | 10.0 | 17.8 | 12.8 | 29.7 | 13.2 | -2.6 | 11.3 |
| 95th Percentile | 2.0 | 6.9 | 6.9 | 15.3 | 11.3 | 25.3 | 9.6 | -8.5 | 7.9 |

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



Manager Commentary

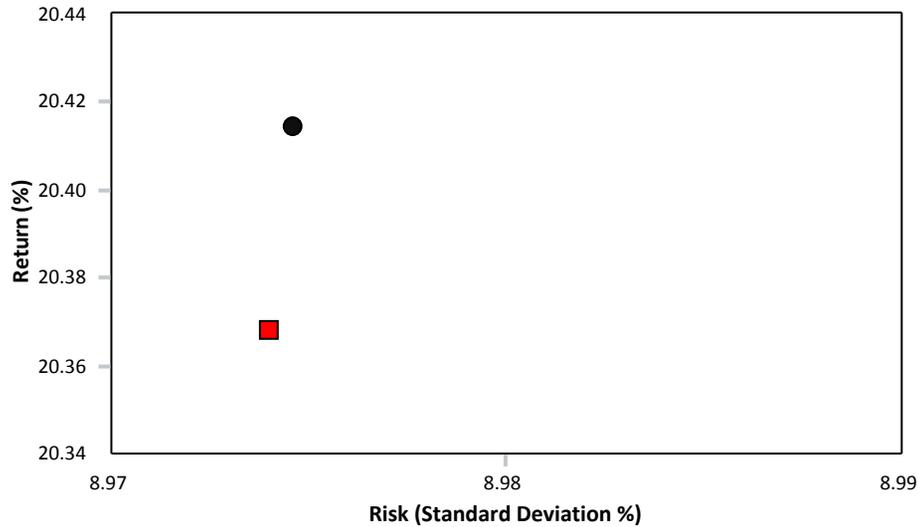
4Q 2014 - In accordance with its investment objective, the Vanguard 500 Index fund has performed in line with the S&P 500 Index.

Manager Evaluation

Vanguard 500 Index Admiral

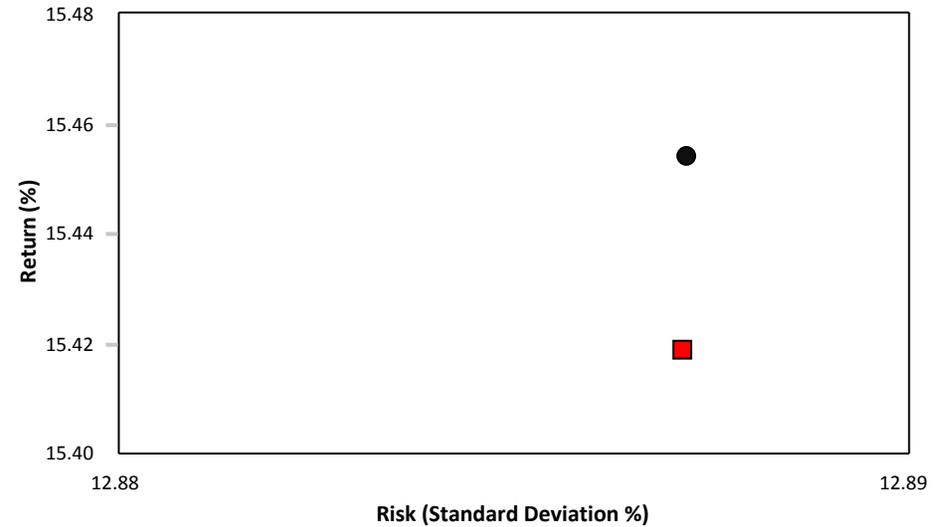
As of December 31, 2014

3 Year Risk and Return



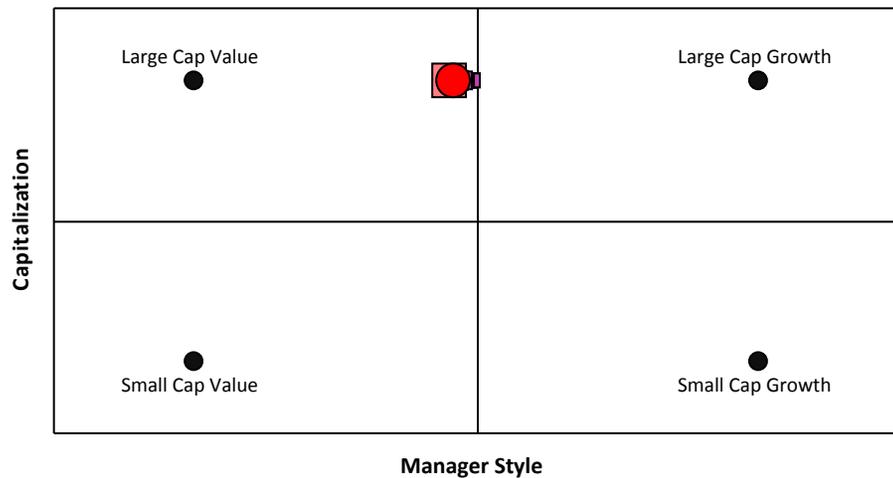
■ Vanguard 500 Index Admiral ● S&P 500 Index

5 Year Risk and Return



■ Vanguard 500 Index Admiral ● S&P 500 Index

Style Map - 3 Years



■ Style History ■ Dec-2014 ● Average Style Exposure

MPT Statistics vs. S&P 500 Index

| | 3 Years | 5 Years |
|-------------------------------|---------|---------|
| Return | 20.4 | 15.4 |
| Standard Deviation | 9.0 | 12.9 |
| vs. S&P 500 Index | | |
| Alpha | 0.0 | 0.0 |
| Beta | 1.0 | 1.0 |
| R-Squared | 1.0 | 1.0 |
| Consistency | 16.7 | 28.3 |
| Up Market Capture | 99.9 | 99.9 |
| Down Market Capture | 100.1 | 100.1 |
| vs. 90 Day U.S. Treasury Bill | | |
| Sharpe Ratio | 2.1 | 1.2 |

Manager Evaluation

Vanguard 500 Index Admiral

As of December 31, 2014

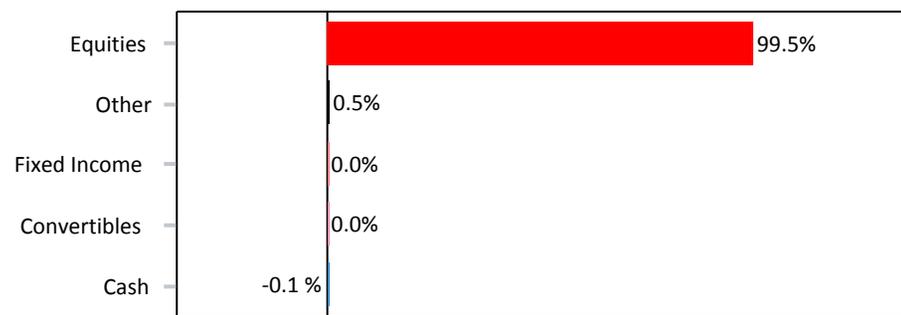
Mutual Fund Information

| | | | |
|----------------------|---|---------------------|-------------------|
| Fund Name : | Vanguard Index Funds: Vanguard 500 Index Fund; Admiral Shares | Portfolio Assets : | \$217,269 Million |
| Fund Family : | Vanguard Group Inc | Fund Assets : | \$142,500 Million |
| Ticker : | VFIAX | Portfolio Manager : | Michael H. Buek |
| Inception Date : | 11/13/2000 | PM Tenure : | 2001 |
| 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 12/31/14



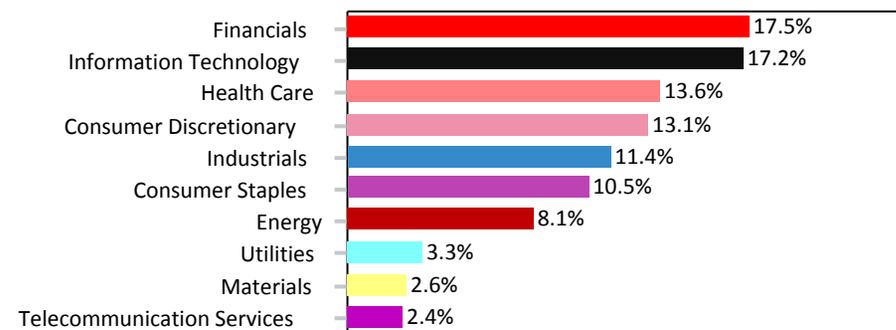
Top 10 Securities as of 12/31/14

| | |
|--------------------------------|------|
| Apple Inc ORD | 3.9% |
| Microsoft Corp ORD | 2.1% |
| Exxon Mobil Corp ORD | 2.1% |
| Johnson & Johnson ORD | 1.7% |
| General Electric Co ORD | 1.4% |
| Wells Fargo & Co ORD | 1.4% |
| Berkshire Hathaway Inc ORD | 1.4% |
| Procter & Gamble Co ORD | 1.3% |
| JPMorgan Chase & Co ORD | 1.2% |
| Verizon Communications Inc ORD | 1.1% |

Equity Characteristics as of 12/31/14

| | |
|------------------|-------------------|
| Total Securities | 511 |
| Avg. Market Cap | \$131,861 Million |
| P/E | 23.4 |
| P/B | 4.9 |
| Div. Yield | 2.3% |
| Annual EPS | 17.1 |
| 5Yr EPS | 12.3 |
| 3Yr EPS Growth | 12.2 |

Sector Allocation as of 12/31/14



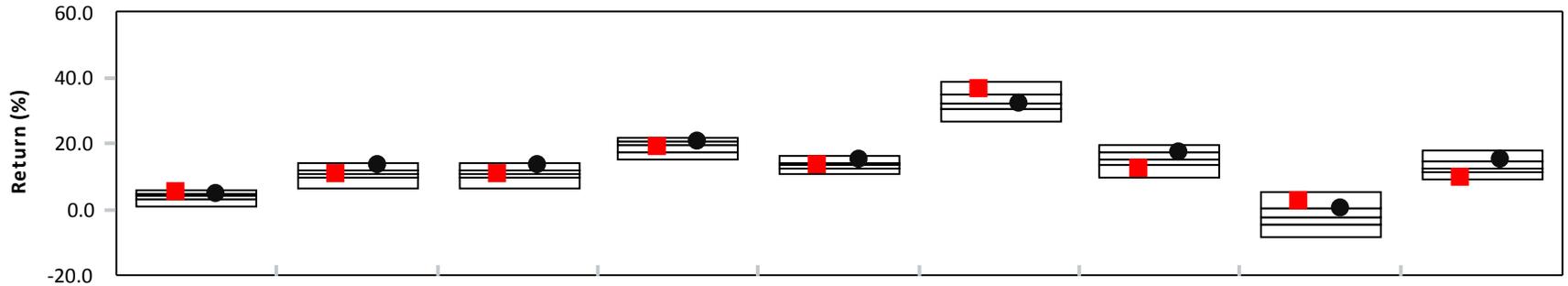
Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

Diamond Hill Large Cap I

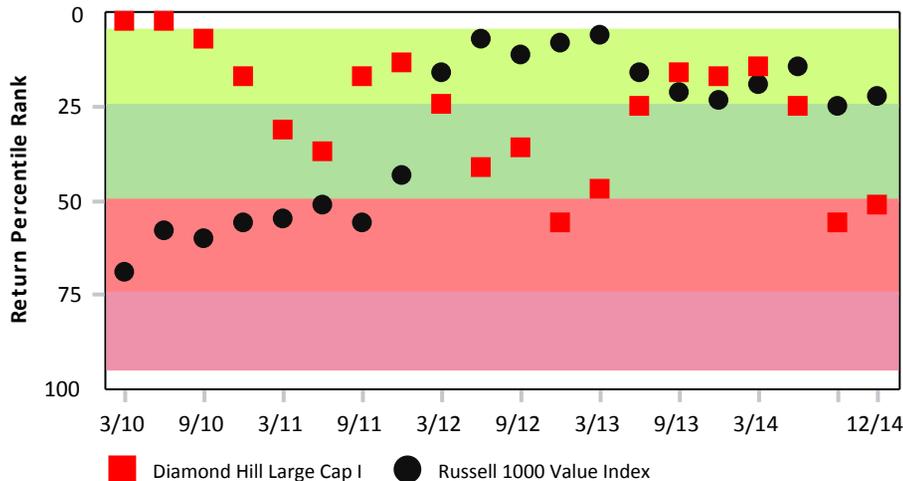
As of December 31, 2014

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 | 5.7 (8) | 10.7 (55) | 10.7 (55) | 19.4 (51) | 13.9 (40) | 36.6 (11) | 12.6 (83) | 2.6 (13) | 9.7 (93) |
| ● Russell 1000 Value Index | 5.0 (21) | 13.5 (8) | 13.5 (8) | 20.9 (22) | 15.4 (13) | 32.5 (47) | 17.5 (24) | 0.4 (23) | 15.5 (19) |
| 5th Percentile | 5.8 | 14.1 | 14.1 | 22.1 | 16.3 | 39.2 | 19.6 | 5.5 | 18.2 |
| 1st Quartile | 4.9 | 12.1 | 12.1 | 20.7 | 14.5 | 34.9 | 17.3 | 0.2 | 14.9 |
| Median | 4.2 | 10.9 | 10.9 | 19.5 | 13.5 | 32.3 | 15.5 | -2.3 | 12.7 |
| 3rd Quartile | 2.9 | 9.6 | 9.6 | 17.7 | 12.5 | 30.5 | 13.6 | -4.6 | 11.4 |
| 95th Percentile | 1.0 | 6.4 | 6.4 | 15.5 | 11.0 | 26.8 | 9.9 | -8.5 | 9.2 |

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



Manager Commentary

4Q 2014 – The Diamond Hill Large Cap strategy outperformed the Russell 1000 Value Index during the fourth quarter. The portfolio’s consumer discretionary stocks, which had been a drag on performance earlier in the year, rebounded sharply and were some of the top contributors to performance this quarter. Goodyear and TJX were two of the top contributors within the sector. The health care and industrials sectors were also bright spots for the portfolio due to favorable stock selection. Medtronic, Express Scripts and 3M all had a positive impact on the strategy’s performance. The strategy continues to have no exposure to the utilities sector due to stretched valuations. This weighed on performance as this was the top performing sector in the Index during the quarter. Security selection in the information technology sector was also a drag on performance as IBM declined double digits.

Diamond Hill announced effective January 1, 2015, that Austin Hawley will replace Chris Bingaman as co-CIO and Jason Downey and John Loesch are replacing Austin Hawley and Rick Snowdon as co-directors of research.

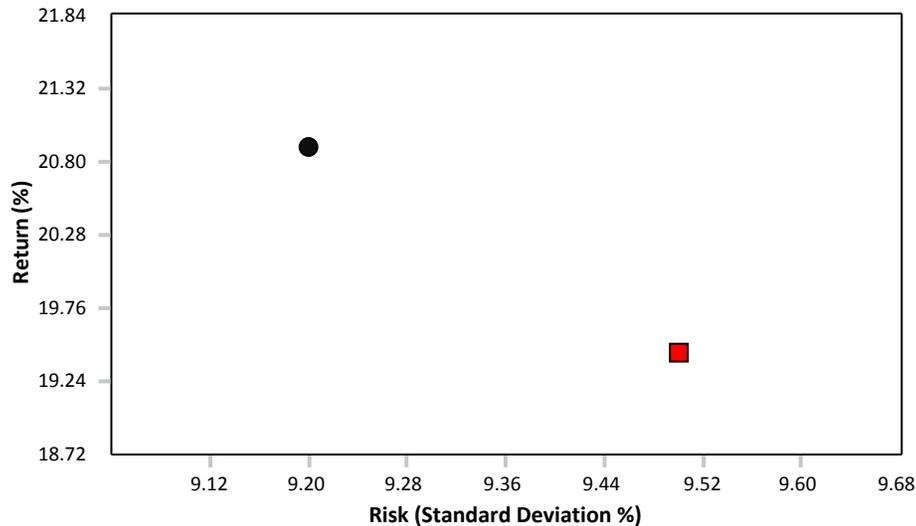
Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

Diamond Hill Large Cap I

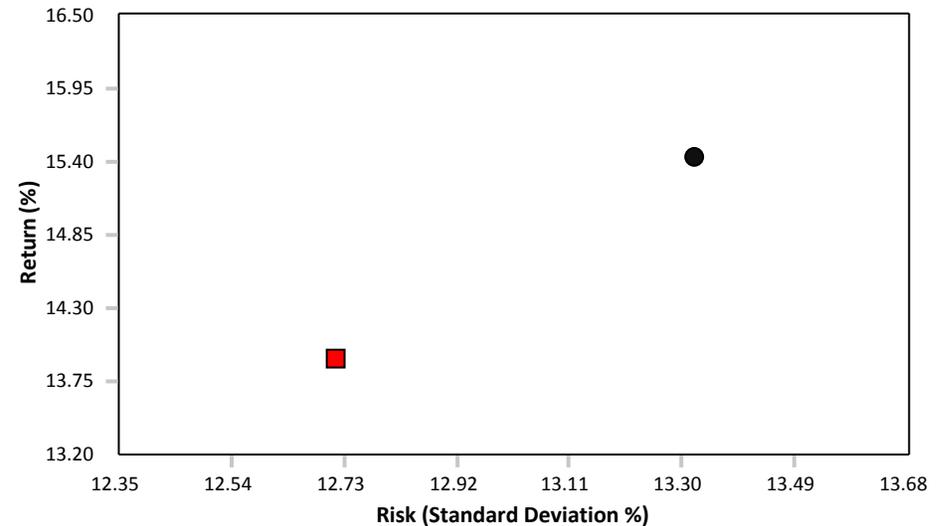
As of December 31, 2014

3 Year Risk and Return



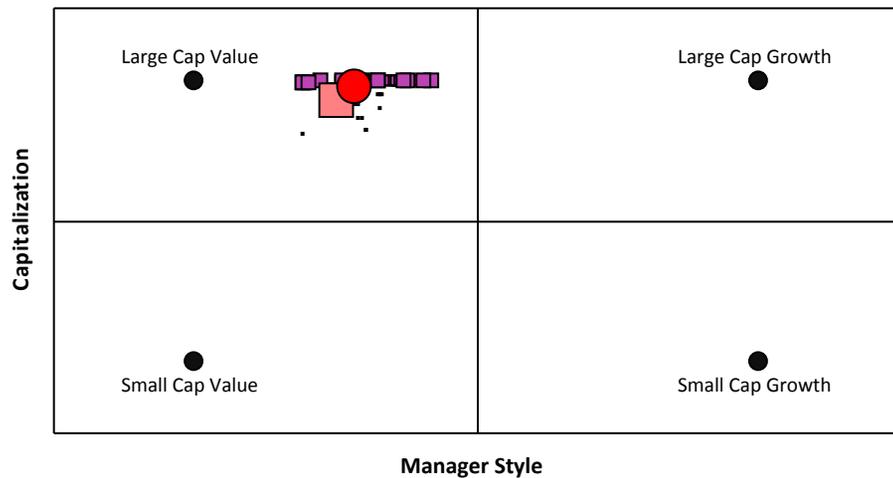
■ Diamond Hill Large Cap I ● Russell 1000 Value Index

5 Year Risk and Return



■ Diamond Hill Large Cap I ● Russell 1000 Value Index

Style Map - 3 Years



■ Style History ■ Dec-2014 ● Average Style Exposure

MPT Statistics vs. Russell 1000 Value Index

| | 3 Years | 5 Years |
|-------------------------------|------------|------------|
| Return | 19.4 | 13.9 |
| Standard Deviation | 9.5 | 12.7 |
| vs. Russell 1000 Value Index | | |
| Alpha | -1.1 | -0.3 |
| Beta | 1.0 | 0.9 |
| R-Squared | 0.9 | 0.9 |
| Consistency | 44.4 | 48.3 |
| Up Market Capture | 96.8 | 91.1 |
| Down Market Capture | 105.6 | 91.5 |
| vs. 90 Day U.S. Treasury Bill | | |
| Sharpe Ratio | 1.9 | 1.1 |

Manager Evaluation

Diamond Hill Large Cap I

As of December 31, 2014

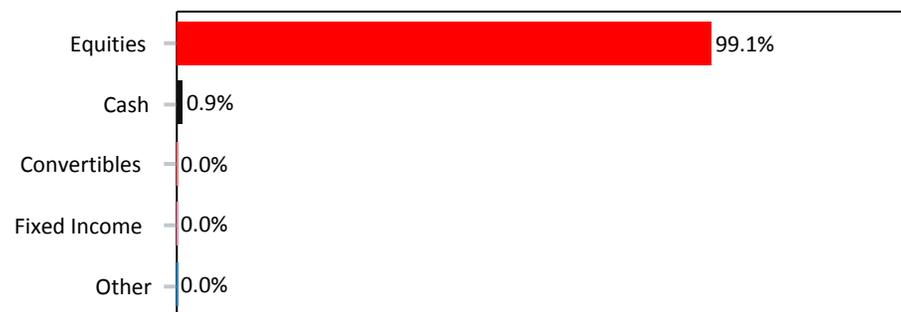
Mutual Fund Information

| | | | |
|----------------------|---|---------------------|---------------------|
| Fund Name : | Diamond Hill Funds: Diamond Hill Large Cap Fund; Class I Shares | Portfolio Assets : | \$3,231 Million |
| Fund Family : | Diamond Hill Capital Management Inc | Fund Assets : | \$1,607 Million |
| Ticker : | DHLRX | Portfolio Manager : | Bath/Snowdown/Welch |
| Inception Date : | 01/31/2005 | PM Tenure : | 2005--2013--2009 |
| 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 12/31/14



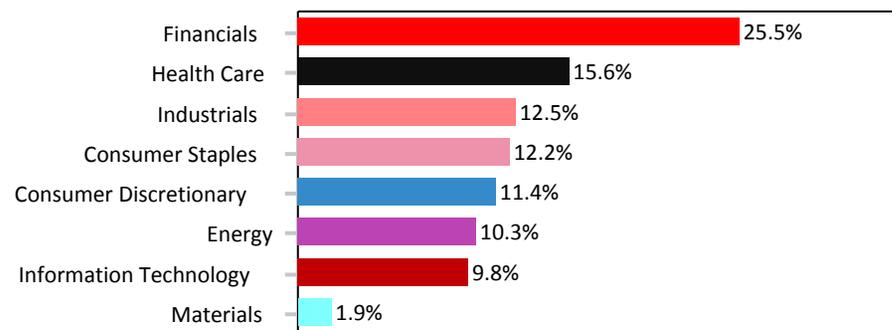
Top 10 Securities as of 12/31/14

| | |
|--------------------------------------|-------|
| Procter & Gamble Co ORD | 3.4 % |
| United Technologies Corp ORD | 3.3 % |
| Morgan Stanley ORD | 3.2 % |
| Citigroup Inc ORD | 3.2 % |
| Devon Energy Corp ORD | 3.1 % |
| Pfizer Inc ORD | 3.0 % |
| Medtronic Inc ORD | 3.0 % |
| Abbott Laboratories ORD | 3.0 % |
| JPMorgan Chase & Co ORD | 3.0 % |
| American International Group Inc ORD | 2.8 % |

Equity Characteristics as of 12/31/14

| | |
|------------------|------------------|
| Total Securities | 51 |
| Avg. Market Cap | \$98,145 Million |
| P/E | 19.9 |
| P/B | 3.4 |
| Div. Yield | 2.0% |
| Annual EPS | 32.7 |
| 5Yr EPS | 10.9 |
| 3Yr EPS Growth | 9.3 |

Sector Allocation as of 12/31/14



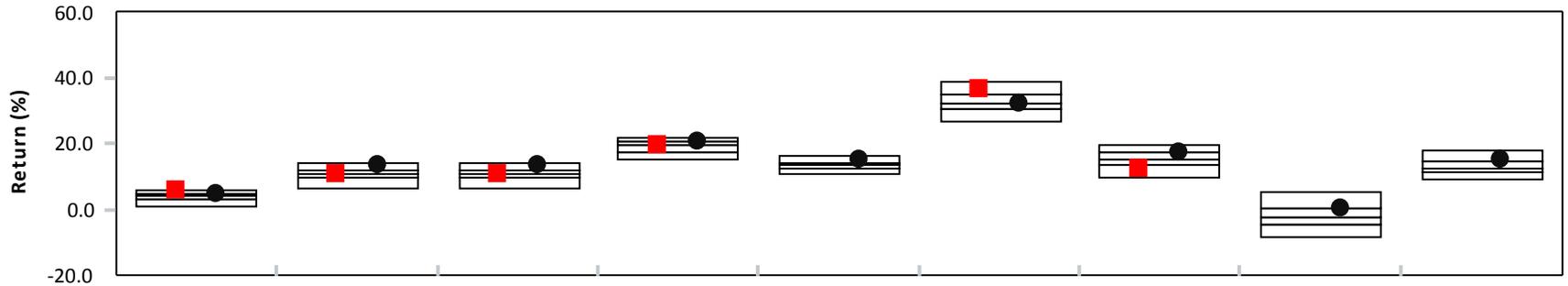
Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

Diamond Hill Lg Cap;Y

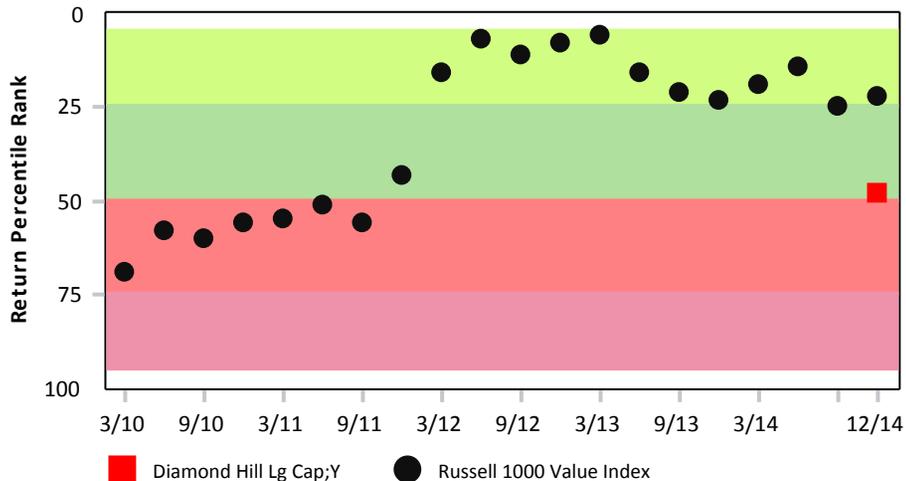
As of December 31, 2014

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 Lg Cap;Y | 5.7 (6) | 10.9 (50) | 10.9 (50) | 19.6 (48) | N/A | 36.9 (11) | 12.8 (82) | N/A | N/A |
| ● Russell 1000 Value Index | 5.0 (21) | 13.5 (8) | 13.5 (8) | 20.9 (22) | 15.4 (13) | 32.5 (47) | 17.5 (24) | 0.4 (23) | 15.5 (19) |
| 5th Percentile | 5.8 | 14.1 | 14.1 | 22.1 | 16.3 | 39.2 | 19.6 | 5.5 | 18.2 |
| 1st Quartile | 4.9 | 12.1 | 12.1 | 20.7 | 14.5 | 34.9 | 17.3 | 0.2 | 14.9 |
| Median | 4.2 | 10.9 | 10.9 | 19.5 | 13.5 | 32.3 | 15.5 | -2.3 | 12.7 |
| 3rd Quartile | 2.9 | 9.6 | 9.6 | 17.7 | 12.5 | 30.5 | 13.6 | -4.6 | 11.4 |
| 95th Percentile | 1.0 | 6.4 | 6.4 | 15.5 | 11.0 | 26.8 | 9.9 | -8.5 | 9.2 |

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



Manager Commentary

4Q 2014 – The Diamond Hill Large Cap strategy outperformed the Russell 1000 Value Index during the fourth quarter. The portfolio’s consumer discretionary stocks, which had been a drag on performance earlier in the year, rebounded sharply and were some of the top contributors to performance this quarter. Goodyear and TJX were two of the top contributors within the sector. The health care and industrials sectors were also bright spots for the portfolio due to favorable stock selection. Medtronic, Express Scripts and 3M all had a positive impact on the strategy’s performance. The strategy continues to have no exposure to the utilities sector due to stretched valuations. This weighed on performance as this was the top performing sector in the Index during the quarter. Security selection in the information technology sector was also a drag on performance as IBM declined double digits.

Diamond Hill announced effective January 1, 2015, that Austin Hawley will replace Chris Bingaman as co-CIO and Jason Downey and John Loesch are replacing Austin Hawley and Rick Snowdon as co-directors of research.

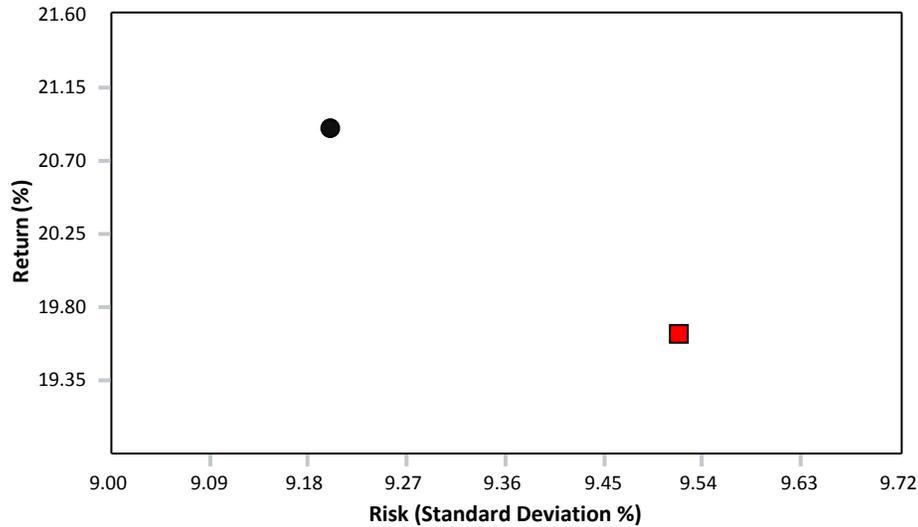
Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

Diamond Hill Lg Cap;Y

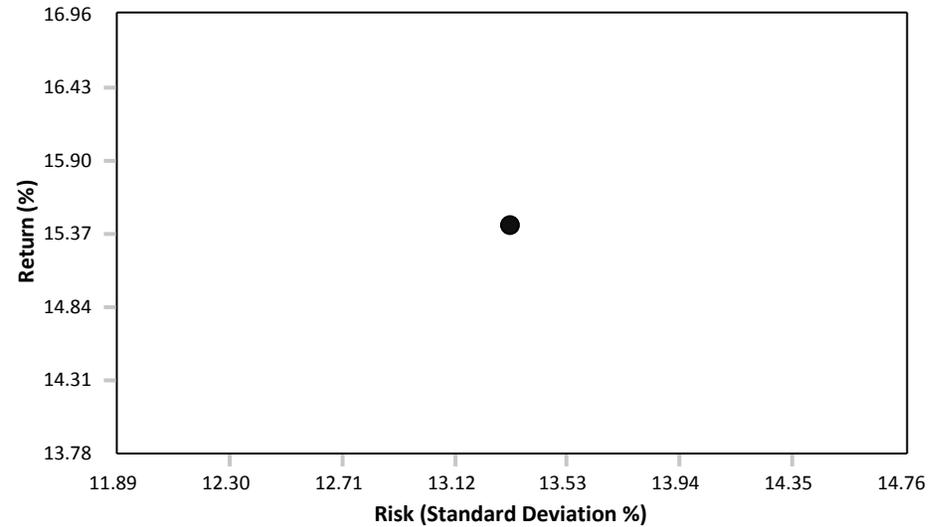
As of December 31, 2014

3 Year Risk and Return



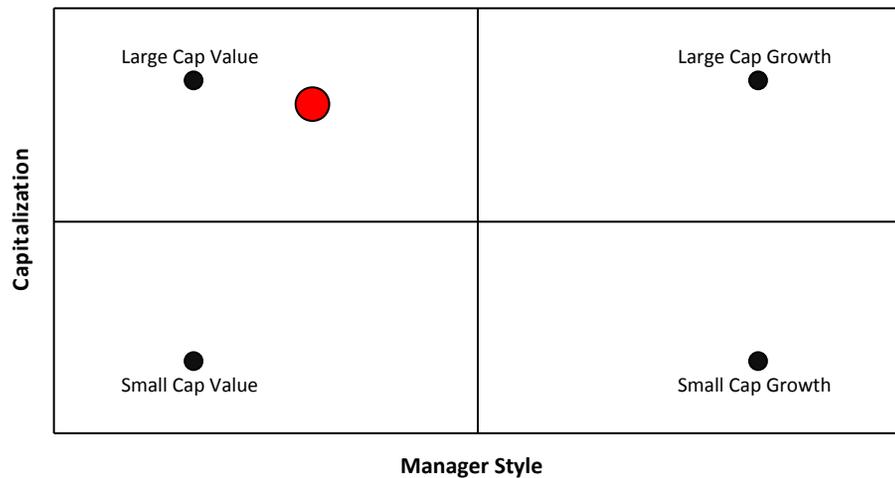
■ Diamond Hill Lg Cap;Y ● Russell 1000 Value Index

5 Year Risk and Return



■ Diamond Hill Lg Cap;Y ● Russell 1000 Value Index

Style Map - 3 Years



■ Style History ■ Dec-2014 ● Average Style Exposure

MPT Statistics vs. Russell 1000 Value Index

| | 3 Years | 5 Years |
|-------------------------------|---------|---------|
| Return | 19.6 | N/A |
| Standard Deviation | 9.5 | N/A |
| vs. Russell 1000 Value Index | | |
| Alpha | -0.9 | N/A |
| Beta | 1.0 | N/A |
| R-Squared | 0.9 | N/A |
| Consistency | 44.4 | N/A |
| Up Market Capture | 97.3 | N/A |
| Down Market Capture | 105.0 | N/A |
| vs. 90 Day U.S. Treasury Bill | | |
| Sharpe Ratio | 1.9 | N/A |

Manager Evaluation

Diamond Hill Lg Cap;Y

As of December 31, 2014

Mutual Fund Information

| | | | |
|----------------------|---|---------------------|---------------------|
| Fund Name : | Diamond Hill Funds: Diamond Hill Large Cap Fund; Class Y Shares | Portfolio Assets : | \$3,231 Million |
| Fund Family : | Diamond Hill Capital Management Inc | Fund Assets : | \$418 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 12/31/14



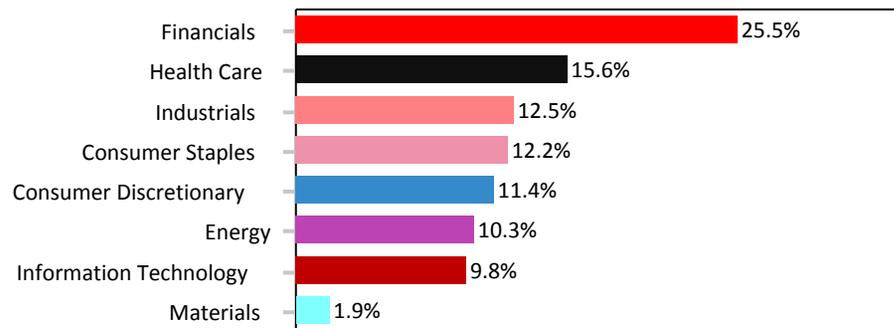
Top 10 Securities as of 12/31/14

| | |
|--------------------------------------|-------|
| Procter & Gamble Co ORD | 3.4 % |
| United Technologies Corp ORD | 3.3 % |
| Morgan Stanley ORD | 3.2 % |
| Citigroup Inc ORD | 3.2 % |
| Devon Energy Corp ORD | 3.1 % |
| Pfizer Inc ORD | 3.0 % |
| Medtronic Inc ORD | 3.0 % |
| Abbott Laboratories ORD | 3.0 % |
| JPMorgan Chase & Co ORD | 3.0 % |
| American International Group Inc ORD | 2.8 % |

Equity Characteristics as of 12/31/14

| | |
|------------------|------------------|
| Total Securities | 51 |
| Avg. Market Cap | \$98,145 Million |
| P/E | 19.9 |
| P/B | 3.4 |
| Div. Yield | 2.0% |
| Annual EPS | 32.7 |
| 5Yr EPS | 10.9 |
| 3Yr EPS Growth | 9.3 |

Sector Allocation as of 12/31/14



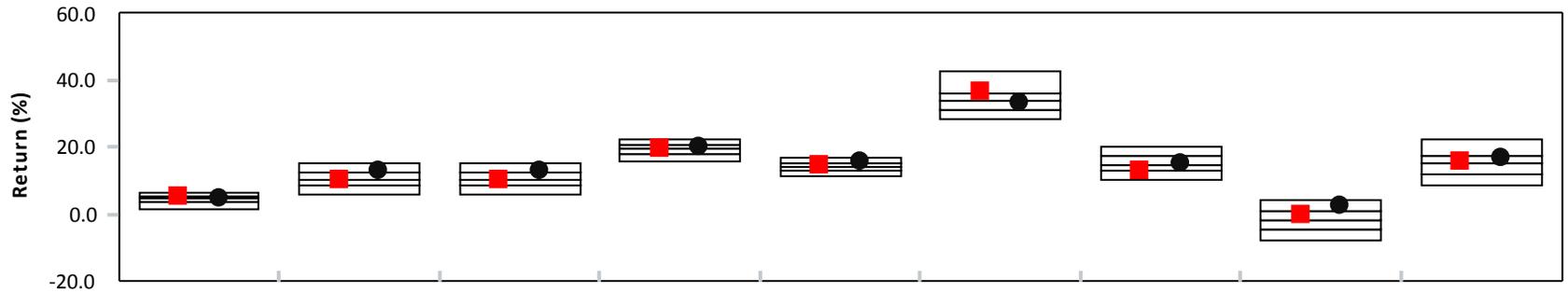
Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

Mainstay Large Cap Growth I

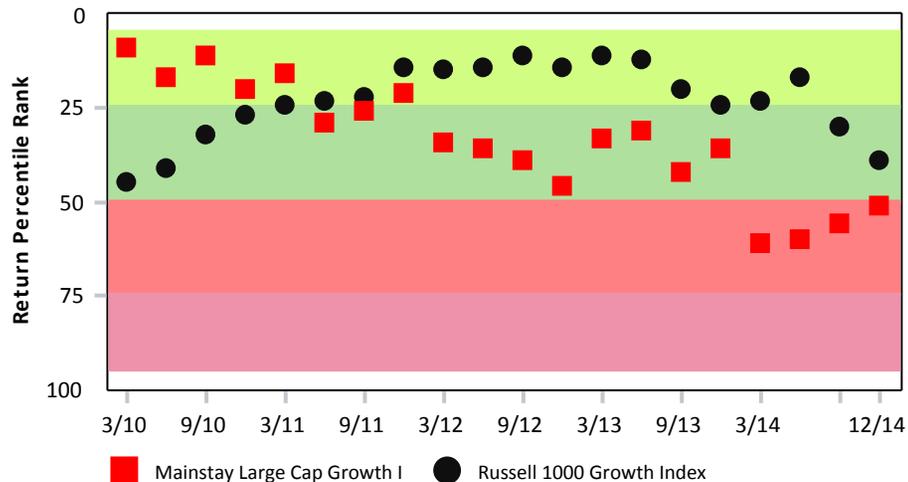
As of December 31, 2014

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 | 5.4 (28) | 10.5 (49) | 10.5 (49) | 19.7 (51) | 14.6 (36) | 36.9 (20) | 13.2 (74) | -0.2 (32) | 15.7 (45) |
| ● Russell 1000 Growth Index | 4.8 (51) | 13.1 (23) | 13.1 (23) | 20.3 (39) | 15.8 (15) | 33.5 (54) | 15.3 (48) | 2.6 (11) | 16.7 (31) |
| 5th Percentile | 6.6 | 15.2 | 15.2 | 22.5 | 16.7 | 42.8 | 20.4 | 4.3 | 22.3 |
| 1st Quartile | 5.4 | 12.8 | 12.8 | 21.0 | 15.2 | 36.3 | 17.5 | 0.8 | 17.3 |
| Median | 4.8 | 10.5 | 10.5 | 19.7 | 14.1 | 33.8 | 15.0 | -1.8 | 15.2 |
| 3rd Quartile | 3.8 | 8.7 | 8.7 | 18.3 | 13.1 | 31.3 | 13.1 | -4.4 | 12.2 |
| 95th Percentile | 1.6 | 5.8 | 5.8 | 15.7 | 11.2 | 28.4 | 10.6 | -7.6 | 8.8 |

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



Manager Commentary

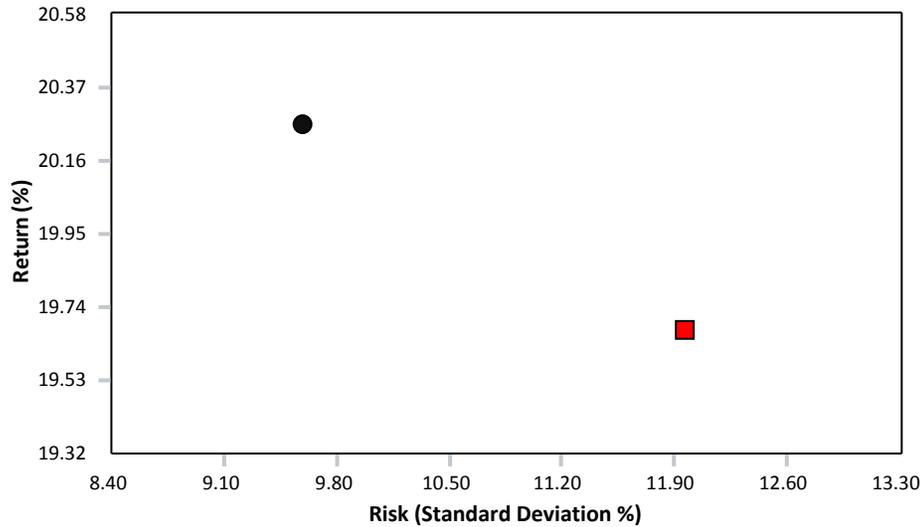
4Q 2014 – The Mainstay Large Cap Growth strategy (managed by Winslow) outperformed the Russell 1000 Growth Index during the fourth quarter and ranked in the top half of the Large Cap Growth peer group. Security selection was widely positive across sectors with the standouts being information technology, industrials and consumer staples. Within the technology sector, Visa and MasterCard outperformed. However, this was somewhat offset by declines in Twitter and Google. An underweight to the energy sector was also beneficial during the period as oil prices continued to decline. Delta Airlines, within the industrials sector, also benefited from the drop in oil prices. Additionally, select health care holdings including Alexion, Amgen and Celgene had a positive impact on relative and absolute results. The consumer discretionary sector was the weakest part of the portfolio during the quarter as Netflix, Priceline and MGM Resorts all fell.

Manager Evaluation

Mainstay Large Cap Growth I

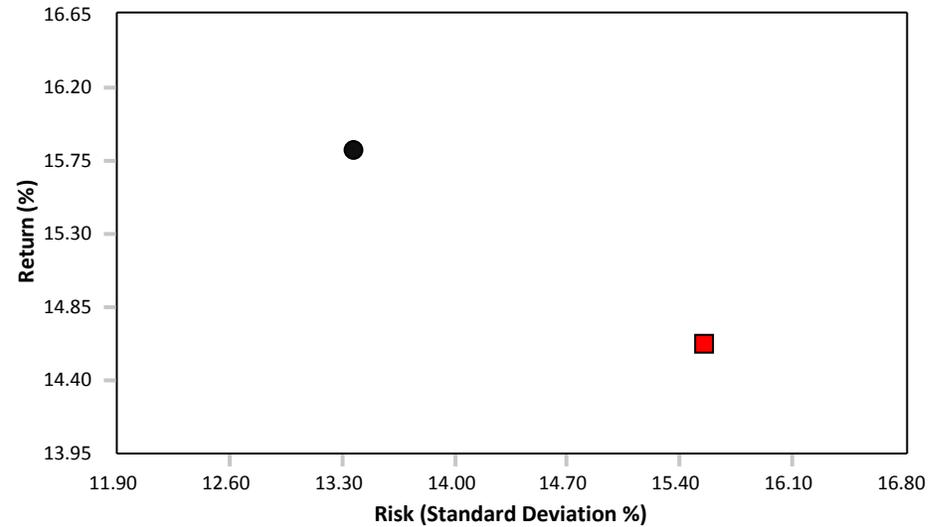
As of December 31, 2014

3 Year Risk and Return



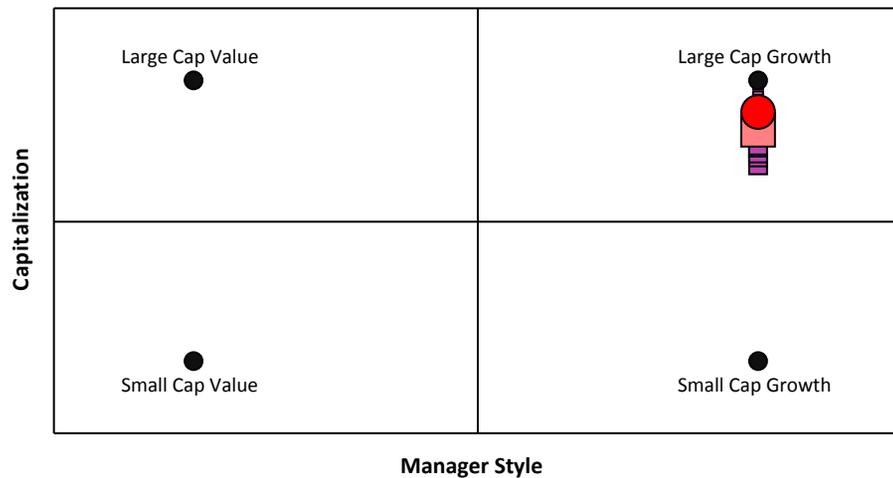
■ Mainstay Large Cap Growth I ● Russell 1000 Growth Index

5 Year Risk and Return



■ Mainstay Large Cap Growth I ● Russell 1000 Growth Index

Style Map - 3 Years



■ Style History ■ Dec-2014 ● Average Style Exposure

MPT Statistics vs. Russell 1000 Growth Index

| | 3 Years | 5 Years |
|-------------------------------|---------|---------|
| Return | 19.7 | 14.6 |
| Standard Deviation | 12.0 | 15.6 |
| vs. Russell 1000 Growth Index | | |
| Alpha | -4.0 | -2.9 |
| Beta | 1.2 | 1.1 |
| R-Squared | 0.9 | 1.0 |
| Consistency | 58.3 | 53.3 |
| Up Market Capture | 107.4 | 107.4 |
| Down Market Capture | 130.9 | 123.3 |
| vs. 90 Day U.S. Treasury Bill | | |
| Sharpe Ratio | 1.6 | 1.0 |

Manager Evaluation

Mainstay Large Cap Growth I

As of December 31, 2014

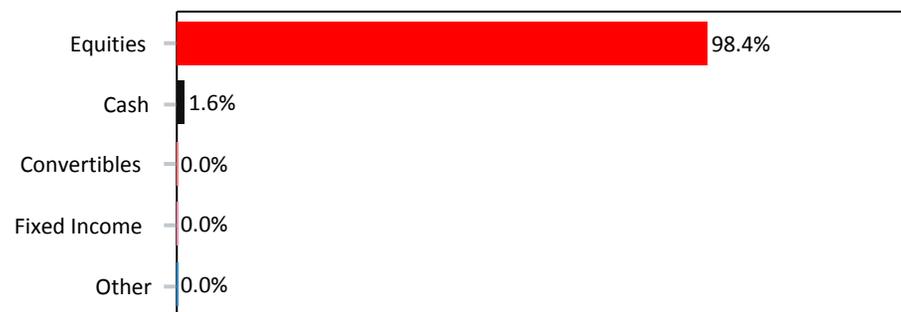
Mutual Fund Information

| | | | |
|----------------------|--|---------------------|------------------|
| Fund Name : | MainStay Funds: MainStay Large Cap Growth Fund; Class I Shares | Portfolio Assets : | \$19,771 Million |
| Fund Family : | MainStay Funds | Fund Assets : | \$13,639 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 12/31/14



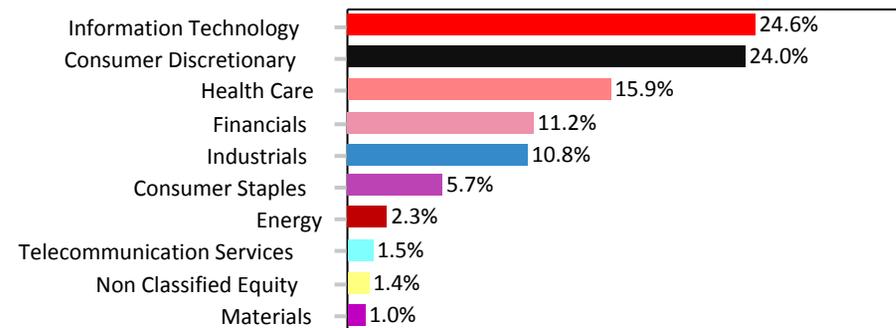
Top 10 Securities as of 12/31/14

| | |
|-------------------------|-------|
| Apple Inc ORD | 5.1 % |
| Union Pacific Corp ORD | 4.1 % |
| Visa Inc ORD | 3.8 % |
| Celgene Corp ORD | 3.0 % |
| Baidu Inc DR | 2.7 % |
| Priceline Group Inc ORD | 2.7 % |
| Gilead Sciences Inc ORD | 2.6 % |
| Salesforce.com Inc ORD | 2.3 % |
| Nike Inc ORD | 2.1 % |
| Amgen Inc ORD | 2.1 % |

Equity Characteristics as of 12/31/14

| | |
|------------------|-------------------|
| Total Securities | 63 |
| Avg. Market Cap | \$109,913 Million |
| P/E | 33.2 |
| P/B | 8.2 |
| Div. Yield | 1.4% |
| Annual EPS | 22.8 |
| 5Yr EPS | 21.6 |
| 3Yr EPS Growth | 23.7 |

Sector Allocation as of 12/31/14

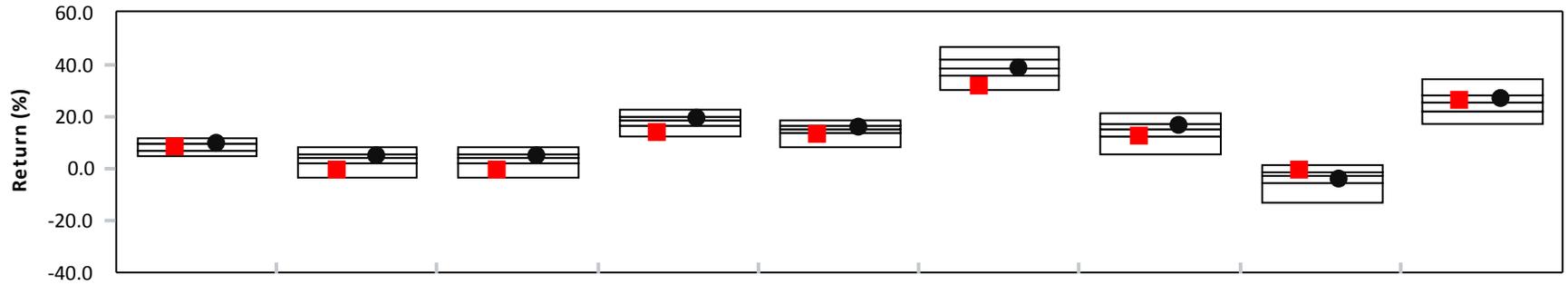


Manager Evaluation

Boston Trust Small Cap

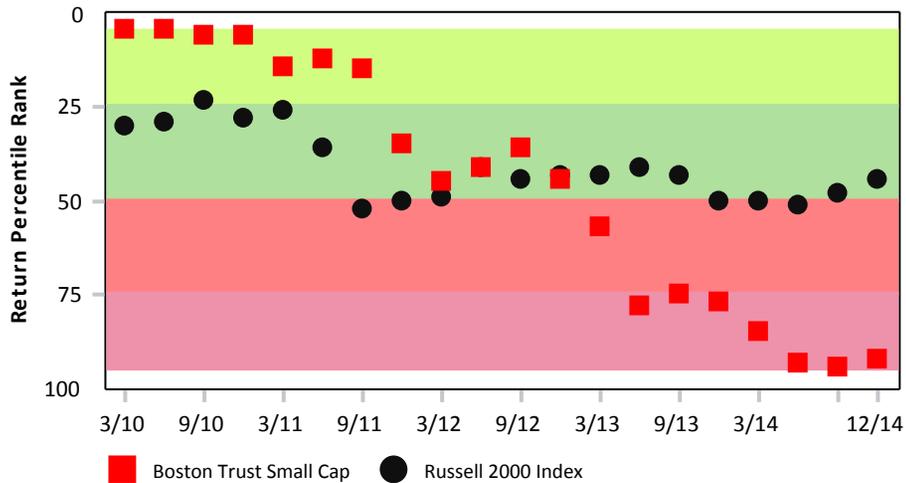
As of December 31, 2014

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 | 8.3 (70) | -0.8 (91) | -0.8 (91) | 13.8 (92) | 13.1 (83) | 31.8 (91) | 12.7 (73) | -0.6 (17) | 26.2 (45) |
| ● Russell 2000 Index | 9.7 (42) | 4.9 (43) | 4.9 (43) | 19.2 (44) | 15.5 (47) | 38.8 (48) | 16.3 (30) | -4.2 (61) | 26.9 (38) |
| 5th Percentile | 11.5 | 8.3 | 8.3 | 22.7 | 18.7 | 46.6 | 21.6 | 1.6 | 34.2 |
| 1st Quartile | 10.0 | 5.7 | 5.7 | 20.1 | 16.8 | 41.7 | 17.0 | -1.5 | 28.1 |
| Median | 9.6 | 4.5 | 4.5 | 18.9 | 15.5 | 38.6 | 15.2 | -3.0 | 25.8 |
| 3rd Quartile | 7.2 | 2.2 | 2.2 | 16.6 | 14.0 | 35.6 | 12.4 | -5.3 | 22.2 |
| 95th Percentile | 4.6 | -3.7 | -3.7 | 12.5 | 8.4 | 30.3 | 5.5 | -13.3 | 17.1 |

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



Manager Commentary

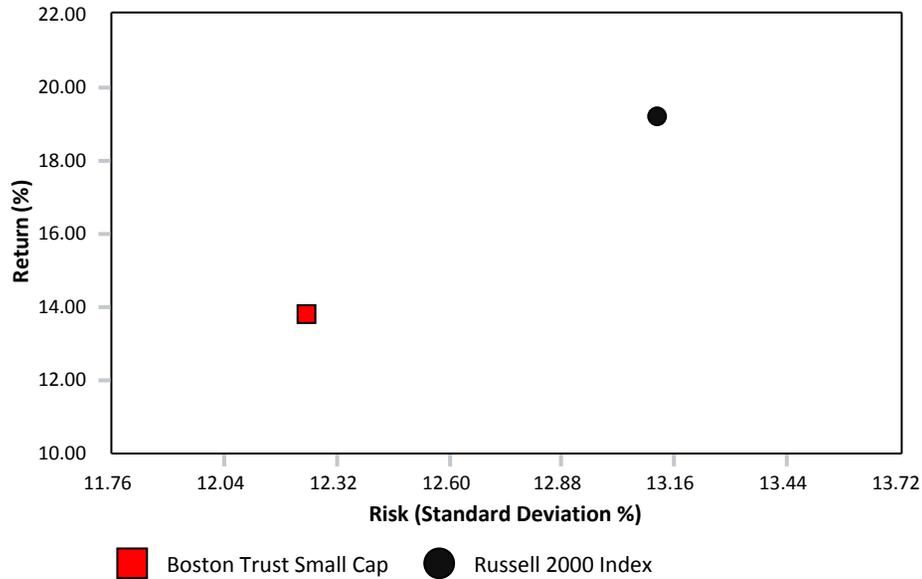
4Q 2014 - The Boston Trust Small Cap Fund trailed the Russell 2000 Index in the fourth quarter due to both stock selection and sector positioning. From a sector allocation standpoint, the Fund was under represented in several industries that experienced above average stock price increases. These included airlines, biotechnology, construction materials, media and REITs, which Boston Trust's investment style generally avoids or underweights due to their lower quality or greater financial leverage. From a stock selection standpoint, holdings in the industrials and technology sectors had the largest negative impact on results. On the positive side, a small underweight position along with stock selection in the energy sector contributed the most to returns. The recent strong upward path of market returns has been a particular challenge for Boston Trust who historically has just participated in strong bull markets. Boston Trust's high quality approach has been further challenged over the past several years due to lower quality headwinds as stocks of higher quality companies measured by profitability, stability, growth and less financial leverage have underperformed lower quality stocks.

Mutual fund data sourced from Lipper Analytical Services.

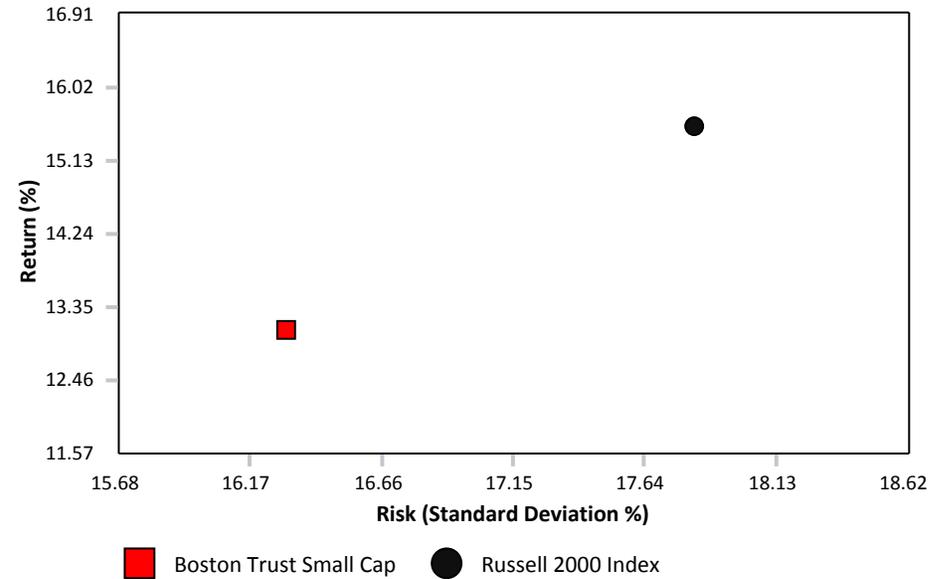
Manager Evaluation

Boston Trust Small Cap
As of December 31, 2014

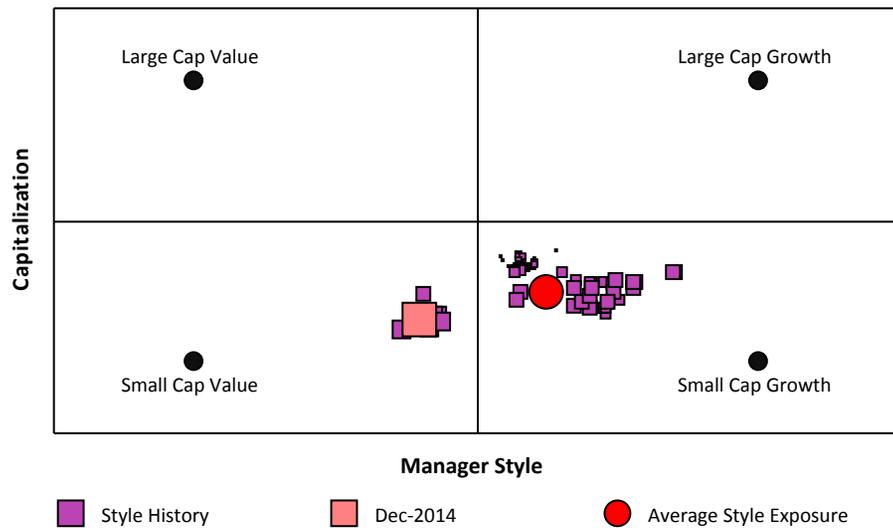
3 Year Risk and Return



5 Year Risk and Return



Style Map - 3 Years



MPT Statistics vs. Russell 2000 Index

| | 3 Years | 5 Years |
|-------------------------------|---------|---------|
| Return | 13.8 | 13.1 |
| Standard Deviation | 12.2 | 16.3 |
| vs. Russell 2000 Index | | |
| Alpha | -2.8 | -0.7 |
| Beta | 0.9 | 0.9 |
| R-Squared | 0.9 | 1.0 |
| Consistency | 36.1 | 43.3 |
| Up Market Capture | 85.8 | 88.5 |
| Down Market Capture | 104.5 | 91.8 |
| vs. 90 Day U.S. Treasury Bill | | |
| Sharpe Ratio | 1.1 | 0.8 |

Manager Evaluation

Boston Trust Small Cap

As of December 31, 2014

Mutual Fund Information

| | | | |
|----------------------|--|---------------------|---------------|
| Fund Name : | Boston Trust & Walden Funds: Boston Trust Small Cap Fund | Portfolio Assets : | \$469 Million |
| Fund Family : | Boston Trust Investment Management Inc | Fund Assets : | \$469 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 12/31/14



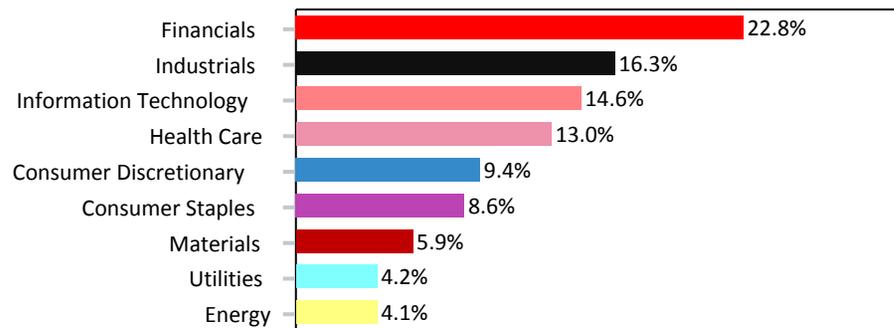
Top 10 Securities as of 12/31/14

| | |
|--------------------------------------|-------|
| West Pharmaceutical Services Inc ORD | 2.1 % |
| Bank of Hawaii Corp ORD | 2.0 % |
| IPG Photonics Corp ORD | 2.0 % |
| CLARCOR Inc ORD | 1.9 % |
| MarketAxess Holdings Inc ORD | 1.8 % |
| WEX Inc ORD | 1.7 % |
| Minerals Technologies Inc ORD | 1.7 % |
| UniFirst Corp ORD | 1.7 % |
| Encore Capital Group Inc ORD | 1.7 % |
| Bruker Corp ORD | 1.6 % |

Equity Characteristics as of 12/31/14

| | |
|------------------|-----------------|
| Total Securities | 99 |
| Avg. Market Cap | \$2,241 Million |
| P/E | 26.9 |
| P/B | 3.7 |
| Div. Yield | 1.9% |
| Annual EPS | 14.8 |
| 5Yr EPS | 20.5 |
| 3Yr EPS Growth | 20.8 |

Sector Allocation as of 12/31/14



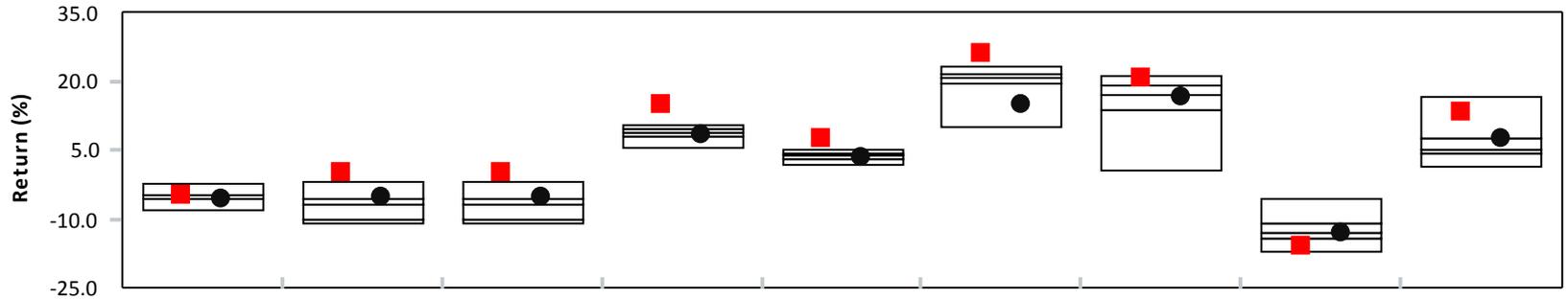
Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

Dodge & Cox International Stock

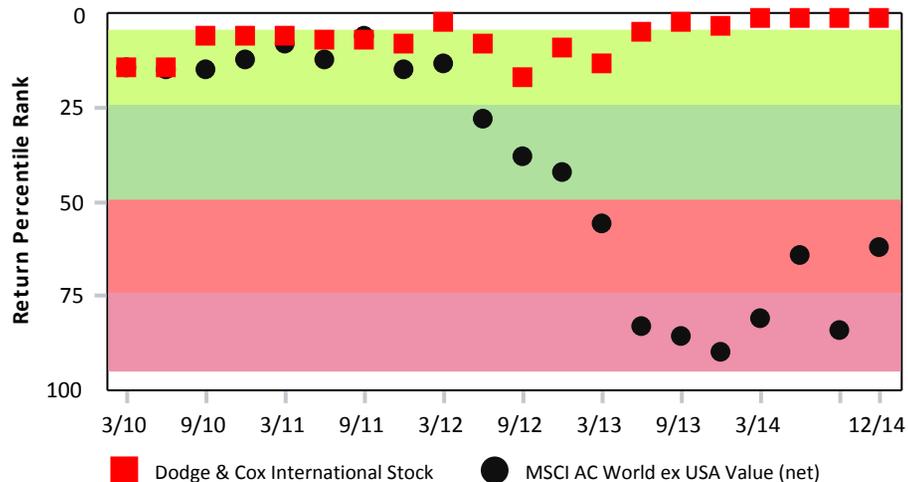
As of December 31, 2014

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 | -4.7 (33) | 0.1 (1) | 0.1 (1) | 15.2 (1) | 7.9 (1) | 26.3 (2) | 21.0 (13) | -16.0 (83) | 13.7 (6) |
| ● MSCI AC World ex USA Value (net) | -5.4 (71) | -5.1 (18) | -5.1 (18) | 8.5 (62) | 3.6 (61) | 15.0 (83) | 17.0 (53) | -13.2 (53) | 7.8 (24) |
| 5th Percentile | -2.2 | -2.0 | -2.0 | 10.7 | 5.1 | 23.4 | 21.5 | -5.7 | 16.7 |
| 1st Quartile | -4.5 | -5.5 | -5.5 | 9.8 | 4.5 | 21.8 | 19.4 | -10.9 | 7.7 |
| Median | -4.8 | -6.9 | -6.9 | 9.1 | 4.1 | 21.0 | 17.2 | -12.9 | 5.4 |
| 3rd Quartile | -5.7 | -10.1 | -10.1 | 8.1 | 3.1 | 19.8 | 13.9 | -14.2 | 4.2 |
| 95th Percentile | -8.1 | -10.9 | -10.9 | 5.8 | 1.9 | 10.2 | 0.5 | -17.1 | 1.5 |

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



Manager Commentary

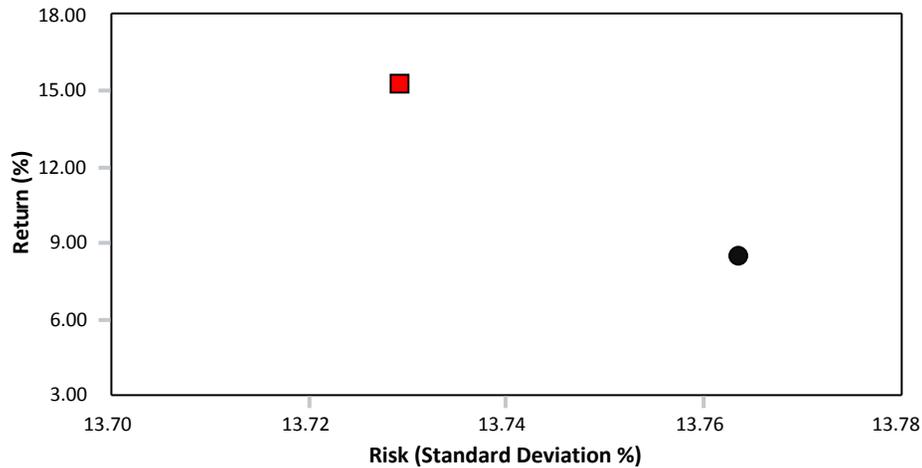
4Q 2014 – The Dodge & Cox International Stock Fund posted a negative absolute return during the quarter, but outperformed its benchmark the MSCI ACWI ex-US Value. For 2014, the Fund had a total return which far outpaced the benchmark's return of -5.1%. During the fourth quarter, international equity markets increased slightly in local currency, but the US dollar's continued appreciation against most foreign currencies was a headwind for U.S. investor returns. At the portfolio level, positive performance was driven by overweight allocations to the consumer discretionary and IT sectors and underweight positioning to the materials and energy sectors which were severely impacted by the sharp drop in commodity prices. Stock selection in the media and IT sectors led by holdings in Naspers, Liberty Global, TE Connectivity, and HP also added value. Conversely, stock selection in the energy, telecom, financials, and healthcare sectors was the primary drag on returns stemming from positions in Saipem, Petrobras, Weatherford, Sanofi, America Movil, Standard Chartered, and Unicredit. The Fund remains underweight the UK and Japan and overweight emerging markets with a 22% position.

Manager Evaluation

Dodge & Cox International Stock

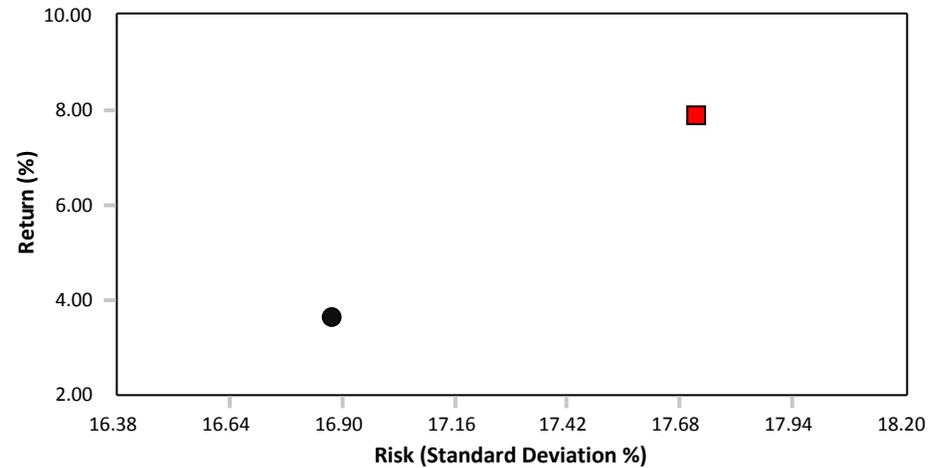
As of December 31, 2014

3 Year Risk and Return



- Dodge & Cox International Stock
- MSCI AC World ex USA Value (net)

5 Year Risk and Return



- Dodge & Cox International Stock
- MSCI AC World ex USA Value (net)

Style Map - 3 Years



- Style History
- Dec-2014
- Average Style Exposure

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

| | 3 Years | 5 Years |
|--------------------------------------|------------|------------|
| Return | 15.2 | 7.9 |
| Standard Deviation | 13.7 | 17.7 |
| vs. MSCI AC World ex USA Value (net) | | |
| Alpha | 6.6 | 4.1 |
| Beta | 1.0 | 1.0 |
| R-Squared | 0.9 | 1.0 |
| Consistency | 63.9 | 56.7 |
| Up Market Capture | 113.2 | 111.3 |
| Down Market Capture | 79.3 | 93.7 |
| vs. 90 Day U.S. Treasury Bill | | |
| Sharpe Ratio | 1.1 | 0.5 |

Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

Dodge & Cox International Stock

As of December 31, 2014

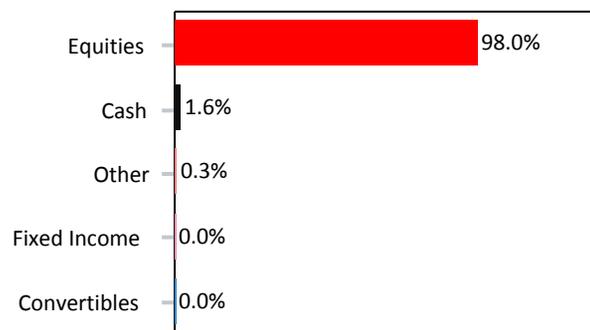
Mutual Fund Information

| | | | |
|----------------------|---|---------------------|------------------|
| Fund Name : | Dodge & Cox Funds: Dodge & Cox International Stock Fund | Portfolio Assets : | \$66,464 Million |
| Fund Family : | Dodge & Cox | Fund Assets : | \$66,464 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 12/31/14



Top 10 Securities as of 12/31/14

| | |
|----------------------------|-------|
| Roche Holding AG Par | 3.5 % |
| Sanofi SA ORD | 3.4 % |
| Naspers Ltd ORD | 3.3 % |
| Novartis AG DR | 2.4 % |
| Credit Suisse Group AG ORD | 2.3 % |
| Nokia Oyj ORD | 2.2 % |
| Hewlett-Packard Co ORD | 2.2 % |
| Lafarge SA ORD | 2.2 % |
| Bayer AG ORD | 2.1 % |
| Ericsson ORD | 2.0 % |

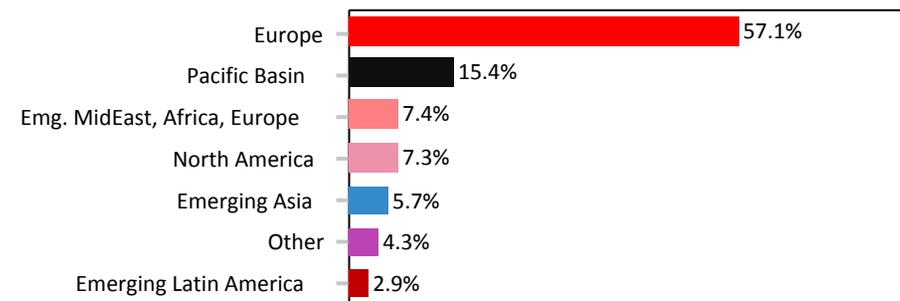
Top 5 Countries as of 12/31/14

| | |
|----------------|--------|
| United Kingdom | 13.2 % |
| Japan | 12.9 % |
| Switzerland | 12.7 % |
| France | 9.2 % |
| Germany | 6.5 % |

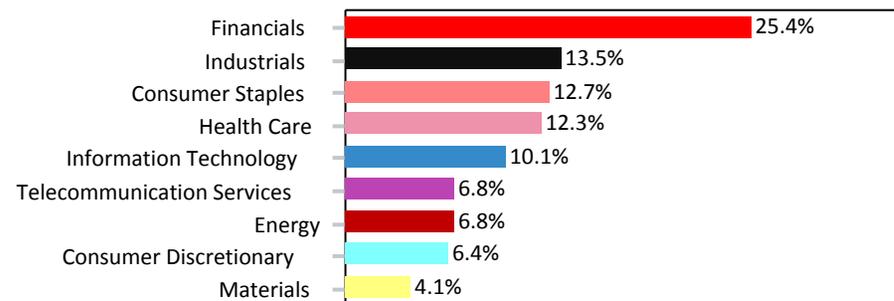
Equity Characteristics as of 12/31/14

| | |
|------------------|------------------|
| Total Securities | 91 |
| Avg. Market Cap | \$76,317 Million |
| P/E | 23.8 |
| P/B | 3.3 |
| Div. Yield | 2.6% |
| Annual EPS | 25.9 |

Region Allocation as of 12/31/14



Sector Allocation as of 12/31/14



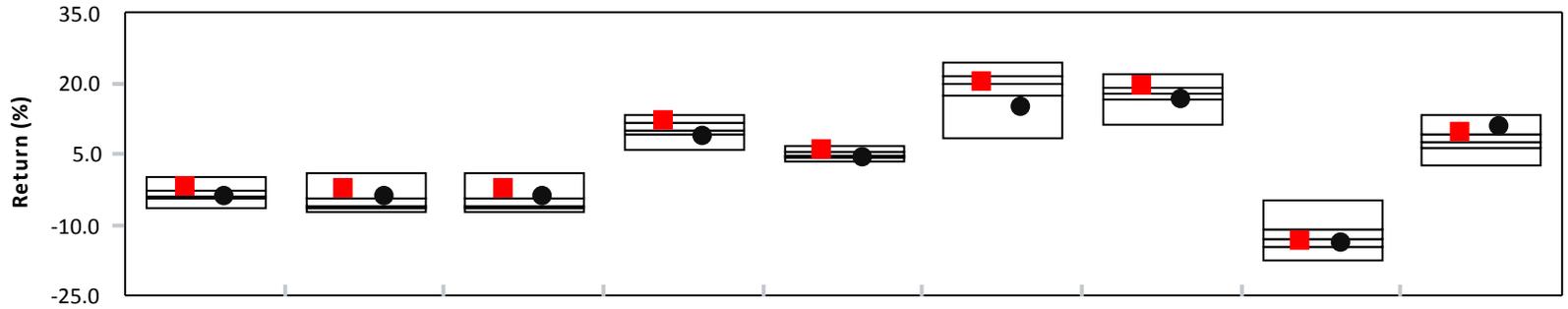
Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

American Funds EuroPacific Growth R6

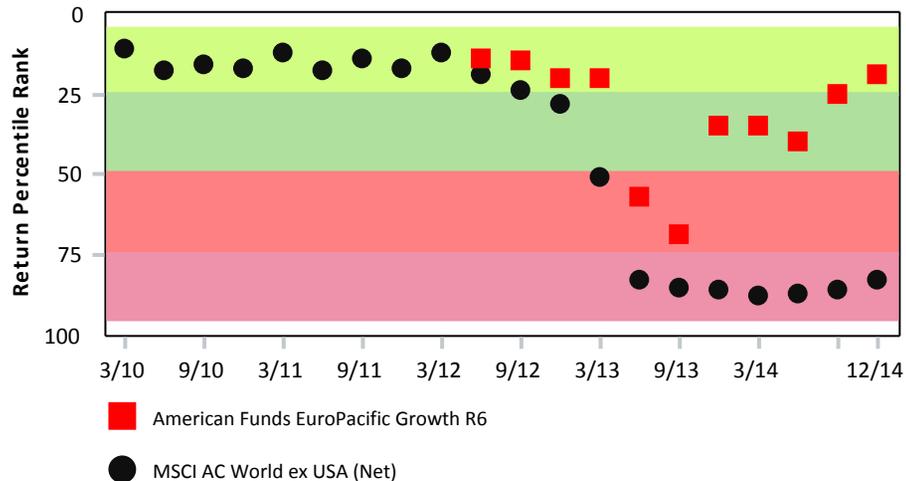
As of December 31, 2014

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 | -1.6 (9) | -2.3 (19) | -2.3 (19) | 12.1 (19) | 6.0 (16) | 20.6 (42) | 19.6 (22) | -13.3 (59) | 9.8 (22) |
| ● MSCI AC World ex USA (Net) | -3.9 (48) | -3.9 (22) | -3.9 (22) | 9.0 (83) | 4.4 (69) | 15.3 (81) | 16.8 (74) | -13.7 (67) | 11.2 (12) |
| 5th Percentile | 0.3 | 1.2 | 1.2 | 13.3 | 6.8 | 24.5 | 22.1 | -4.9 | 13.5 |
| 1st Quartile | -2.6 | -4.4 | -4.4 | 11.6 | 5.5 | 21.6 | 19.3 | -10.8 | 9.1 |
| Median | -4.1 | -6.0 | -6.0 | 10.4 | 4.8 | 20.2 | 18.1 | -13.0 | 7.5 |
| 3rd Quartile | -4.5 | -6.5 | -6.5 | 9.4 | 4.2 | 17.6 | 16.7 | -14.6 | 6.4 |
| 95th Percentile | -6.5 | -7.2 | -7.2 | 6.1 | 3.4 | 8.5 | 11.5 | -17.6 | 2.8 |

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



Manager Commentary

4Q 2014 – The American Funds EuroPacific Growth Fund posted negative absolute returns but outperformed its benchmark index during the fourth quarter. Global growth concerns and a strengthening US dollar were headwinds to international markets during the period. The Fund’s underweight allocation (2.2% versus the benchmark’s 8.2%) to the energy sector was the biggest contributor to performance as oil prices continued to fall. Security selection in the industrials, consumer staples, and consumer discretionary sectors benefitted returns, with holdings in Altice and Liberty Global providing some of the strongest performance. The portfolio’s 10% cash allocation was also additive in the down market. Healthcare and telecommunication were the only two sectors with negative security selection, as performance from Japan based SoftBank hindered results.

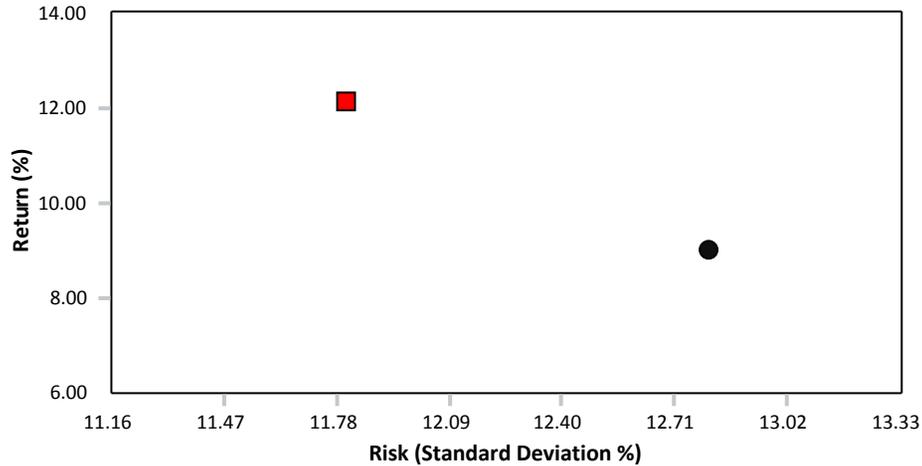
Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

American Funds EuroPacific Growth R6

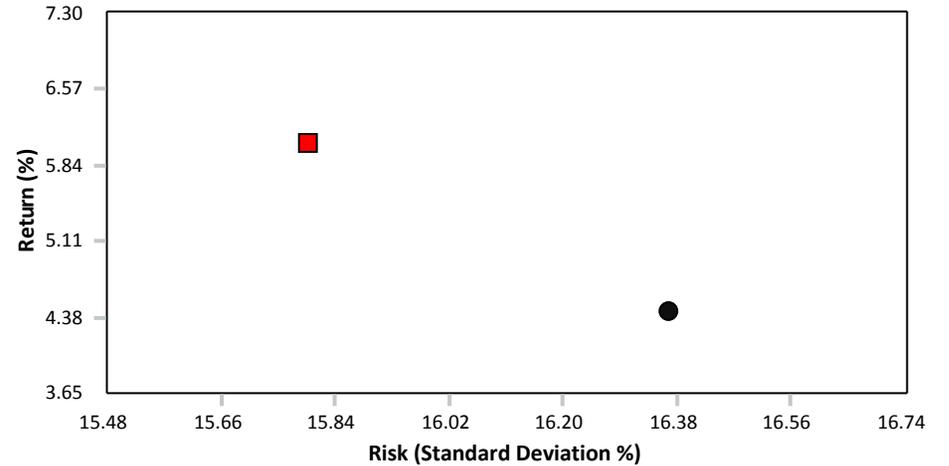
As of December 31, 2014

3 Year Risk and Return



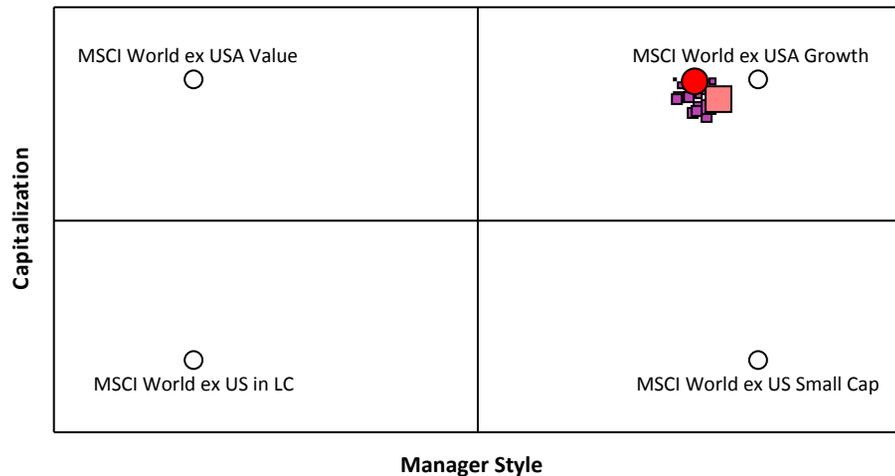
- American Funds EuroPacific Growth R6
- MSCI AC World ex USA (Net)

5 Year Risk and Return



- American Funds EuroPacific Growth R6
- MSCI AC World ex USA (Net)

Style Map - 3 Years



- Style History
- Dec-2014
- Average Style Exposure

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

| | 3 Years | 5 Years |
|--------------------------------|---------|---------|
| Return | 12.1 | 6.0 |
| Standard Deviation | 11.8 | 15.8 |
| vs. MSCI AC World ex USA (Net) | | |
| Alpha | 3.8 | 1.7 |
| Beta | 0.9 | 1.0 |
| R-Squared | 0.9 | 1.0 |
| Consistency | 52.8 | 46.7 |
| Up Market Capture | 100.3 | 98.7 |
| Down Market Capture | 79.3 | 90.6 |
| vs. 90 Day U.S. Treasury Bill | | |
| Sharpe Ratio | 1.0 | 0.4 |

Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

American Funds EuroPacific Growth R6

As of December 31, 2014

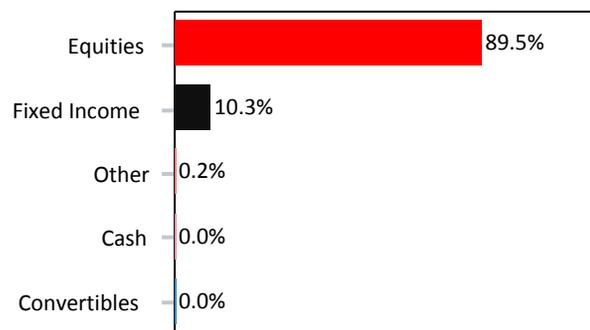
Mutual Fund Information

| | | | |
|----------------------|---|---------------------|-------------------|
| Fund Name : | EuroPacific Growth Fund; Class R-6 Shares | Portfolio Assets : | \$121,383 Million |
| Fund Family : | American Funds | Fund Assets : | \$35,372 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 12/31/14



Top 10 Securities as of 12/31/14

| | |
|----------------------------------|-------|
| Novo Nordisk A/S ORD | 5.0 % |
| Bayer AG ORD | 2.5 % |
| Softbank Corp ORD | 2.3 % |
| Novartis AG ORD | 2.2 % |
| Prudential PLC ORD | 1.8 % |
| Barclays PLC ORD | 1.7 % |
| Murata Manufacturing Co Ltd ORD | 1.6 % |
| Baidu Inc DR | 1.5 % |
| Associated British Foods PLC ORD | 1.5 % |
| Samsung Electronics Co Ltd ORD | 1.4 % |

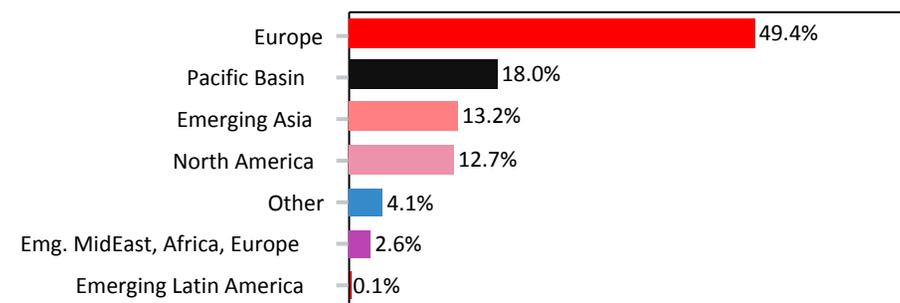
Top 5 Countries as of 12/31/14

| | |
|----------------|--------|
| Japan | 12.2 % |
| United Kingdom | 11.8 % |
| United States | 9.4 % |
| Germany | 7.1 % |
| India | 6.8 % |

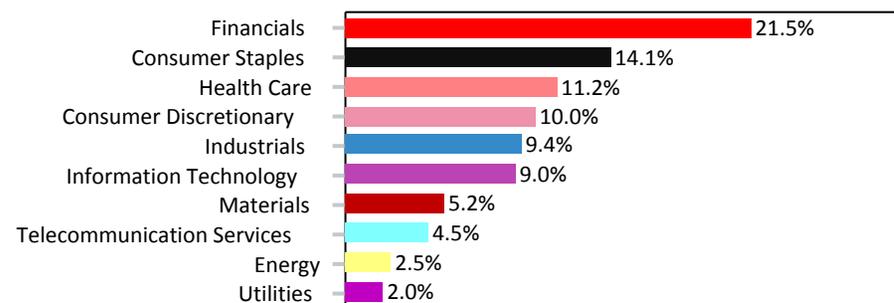
Equity Characteristics as of 12/31/14

| | |
|------------------|------------------|
| Total Securities | 429 |
| Avg. Market Cap | \$59,458 Million |
| P/E | 24.7 |
| P/B | 4.8 |
| Div. Yield | 2.1% |
| Annual EPS | 19.0 |

Region Allocation as of 12/31/14



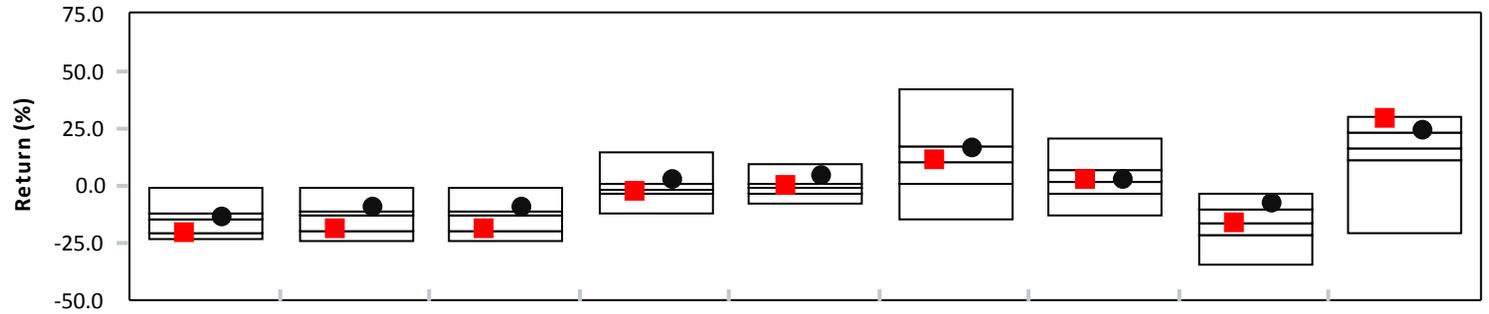
Sector Allocation as of 12/31/14



Manager Evaluation

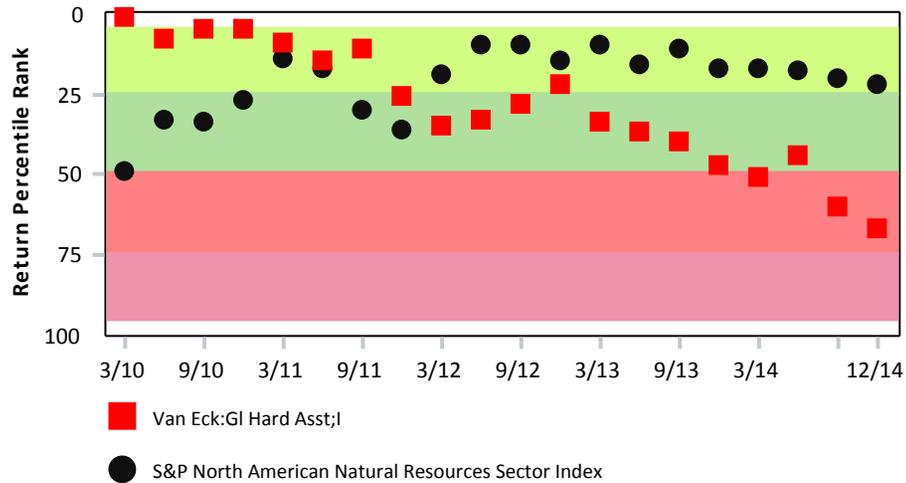
Van Eck:GI Hard Asst;I
As of December 31, 2014

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 | -20.4 (75) | -19.1 (70) | -19.1 (70) | -2.6 (67) | 0.0 (46) | 11.2 (46) | 2.9 (42) | -16.3 (50) | 28.9 (8) |
| ● S&P North American Natural Resources Sector Index | -13.9 (44) | -9.8 (17) | -9.8 (17) | 2.4 (22) | 4.3 (9) | 16.5 (26) | 2.2 (46) | -7.4 (10) | 23.9 (23) |
| 5th Percentile | -1.2 | -1.0 | -1.0 | 14.5 | 9.7 | 42.4 | 20.4 | -3.6 | 30.3 |
| 1st Quartile | -12.4 | -11.5 | -11.5 | 1.2 | 1.2 | 17.0 | 7.1 | -10.8 | 23.2 |
| Median | -14.9 | -13.1 | -13.1 | -1.6 | -0.5 | 10.2 | 1.5 | -16.3 | 16.6 |
| 3rd Quartile | -20.4 | -19.6 | -19.6 | -3.7 | -3.0 | 1.1 | -3.5 | -21.4 | 11.0 |
| 95th Percentile | -23.2 | -24.5 | -24.5 | -12.0 | -7.9 | -14.7 | -13.3 | -34.2 | -20.5 |

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



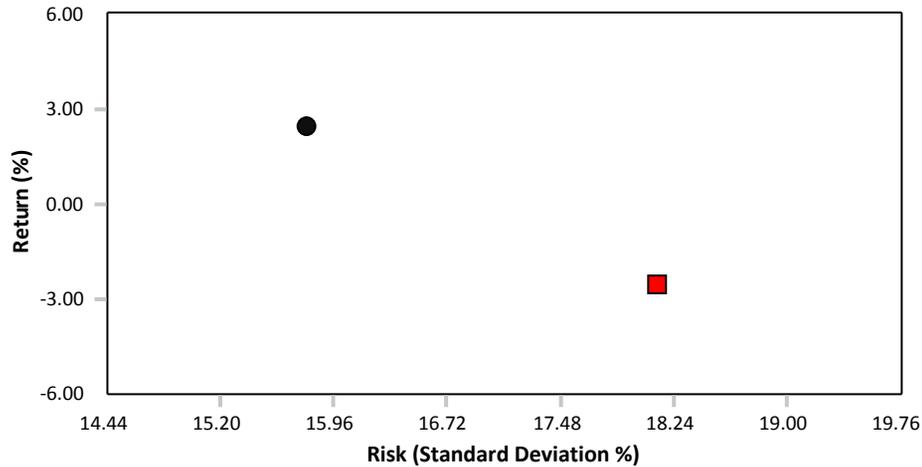
Manager Commentary

4Q 2014 - Commentary not available at time of report production.

Manager Evaluation

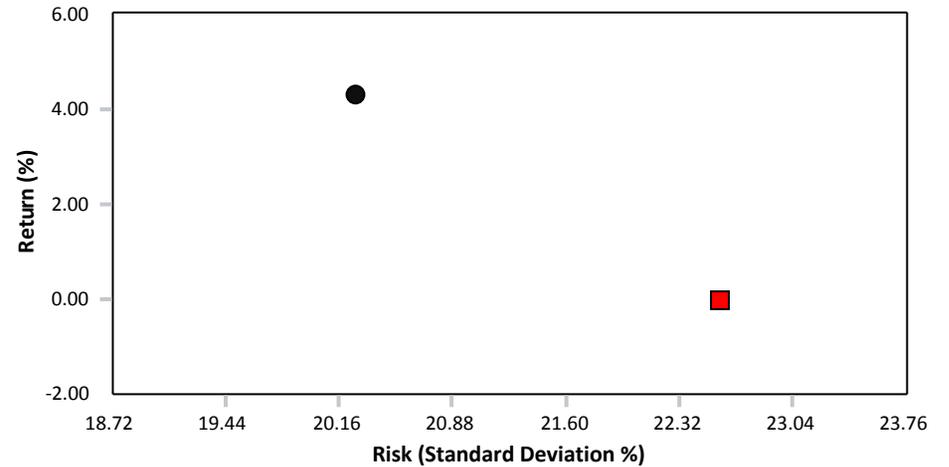
Van Eck:GI Hard Asst;I
As of December 31, 2014

3 Year Risk and Return



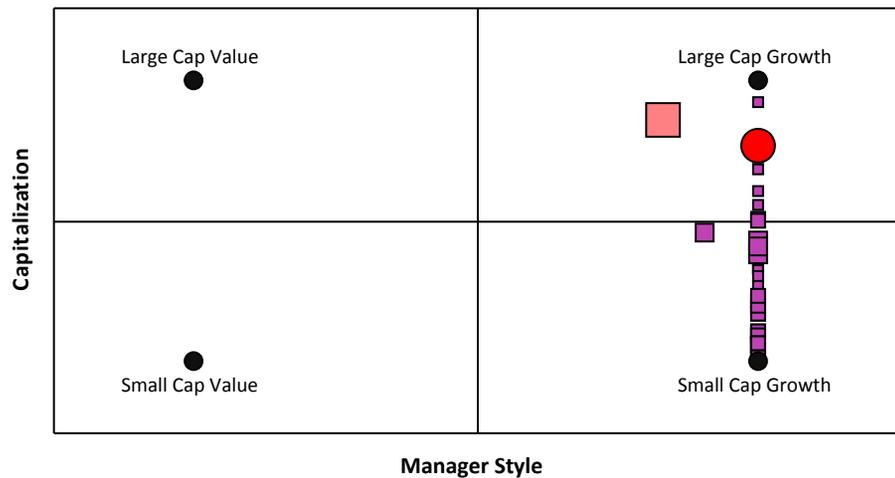
- Van Eck:GI Hard Asst;I
- S&P North American Natural Resources Sector Index

5 Year Risk and Return



- Van Eck:GI Hard Asst;I
- S&P North American Natural Resources Sector Index

Style Map - 3 Years



- Style History
- Dec-2014
- Average Style Exposure

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

| | 3 Years | 5 Years |
|---|------------|------------|
| Return | -2.6 | 0.0 |
| Standard Deviation | 18.1 | 22.6 |
| vs. S&P North American Natural Resources Sector Index | | |
| Alpha | -4.9 | -4.2 |
| Beta | 1.1 | 1.1 |
| R-Squared | 0.9 | 0.9 |
| Consistency | 30.6 | 35.0 |
| Up Market Capture | 100.2 | 102.3 |
| Down Market Capture | 121.8 | 117.7 |
| vs. 90 Day U.S. Treasury Bill | | |
| Sharpe Ratio | -0.1 | 0.1 |

Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

Van Eck:GI Hard Asst;I

As of December 31, 2014

Mutual Fund Information

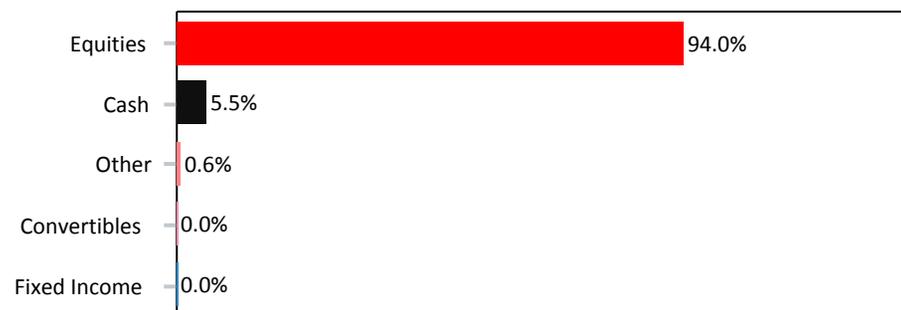
Fund Name : Van Eck Funds: Global Hard Assets Fund; Class I Shares
 Fund Family : Van Eck Associates Corporation
 Ticker : GHAIX
 Inception Date : 05/02/2006
 Portfolio Turnover : 33%

Portfolio Assets : \$3,316 Million
 Fund Assets : \$2,138 Million
 Portfolio Manager : Team Managed
 PM Tenure :

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 12/31/14



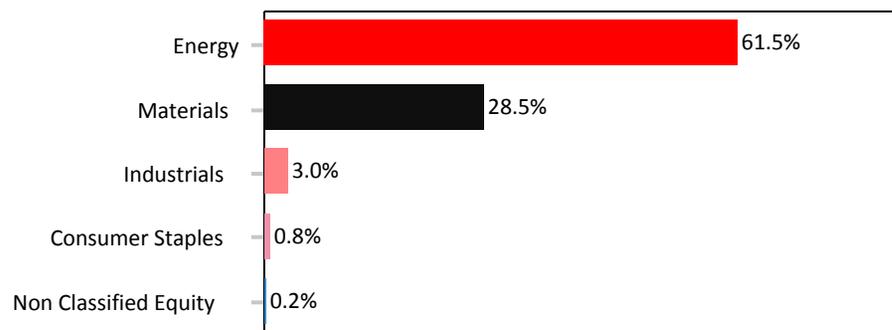
Top 10 Securities as of 12/31/14

| | |
|--|-------|
| Invesco Treasury Portfolio;Institutional | 5.5 % |
| Glencore PLC ORD | 5.2 % |
| Schlumberger NV ORD | 4.1 % |
| Halliburton Co ORD | 4.1 % |
| Cimarex Energy Co ORD | 3.9 % |
| Concho Resources Inc ORD | 3.8 % |
| Pioneer Natural Resources Co ORD | 3.7 % |
| Anadarko Petroleum Corp ORD | 3.7 % |
| CONSOL Energy Inc ORD | 3.6 % |
| First Quantum Minerals Ltd ORD | 3.3 % |

Equity Characteristics as of 12/31/14

| | |
|------------------|------------------|
| Total Securities | 62 |
| Avg. Market Cap | \$26,678 Million |
| P/E | 27.7 |
| P/B | 2.2 |
| Div. Yield | 1.7% |
| Annual EPS | -3.9 |
| 5Yr EPS | 0.6 |
| 3Yr EPS Growth | 15.5 |

Sector Allocation as of 12/31/14

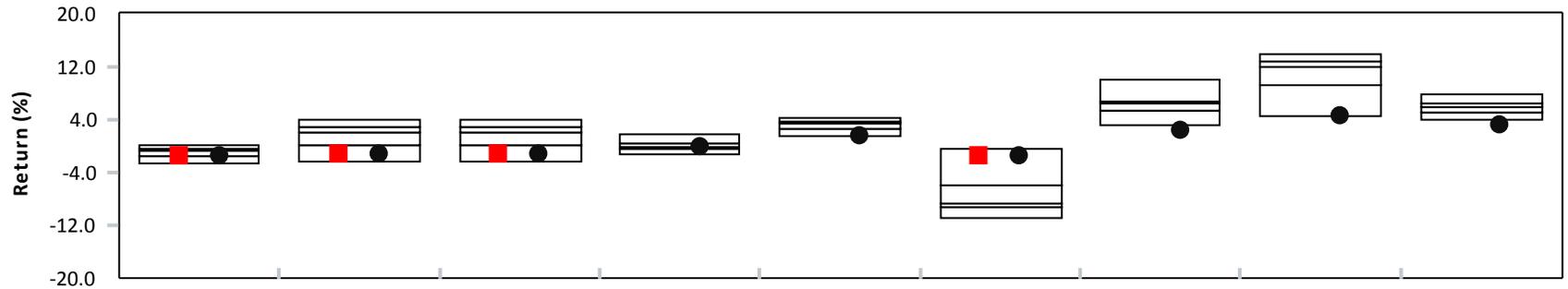


Manager Evaluation

Vanguard Short Term Inflation Prot; Adm

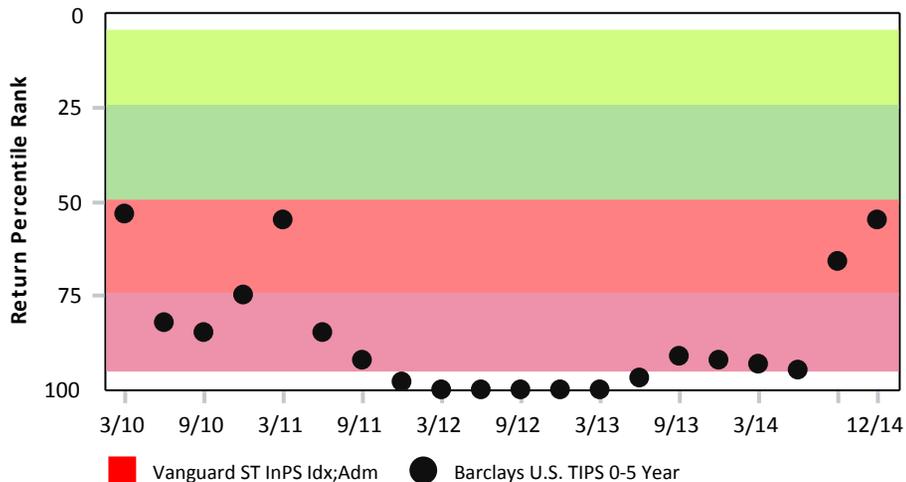
As of December 31, 2014

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 (75) | -1.2 (88) | -1.2 (88) | N/A | N/A | -1.5 (7) | N/A | N/A | N/A |
| ● Barclays U.S. TIPS 0-5 Year | -1.5 (79) | -1.1 (87) | -1.1 (87) | -0.1 (55) | 1.5 (96) | -1.6 (8) | 2.4 (98) | 4.5 (95) | 3.3 (97) |
| 5th Percentile | 0.2 | 3.9 | 3.9 | 1.7 | 4.2 | -0.5 | 10.0 | 13.8 | 7.8 |
| 1st Quartile | -0.3 | 3.0 | 3.0 | 0.4 | 3.7 | -5.8 | 6.9 | 12.9 | 6.4 |
| Median | -0.7 | 2.1 | 2.1 | 0.0 | 3.4 | -8.7 | 6.3 | 11.9 | 5.9 |
| 3rd Quartile | -1.5 | 0.3 | 0.3 | -0.4 | 2.7 | -9.3 | 5.5 | 9.2 | 5.2 |
| 95th Percentile | -2.6 | -2.3 | -2.3 | -1.3 | 1.6 | -10.8 | 3.2 | 4.4 | 3.9 |

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



Manager Commentary

4Q 2014 - The Vanguard Short Term Inflation Protected Securities Fund produced negative absolute results and finished in line with its benchmark during the fourth quarter. A decrease in inflation expectations and a rise in interest rates on the front end of the curve led to negative absolute results for this portfolio.

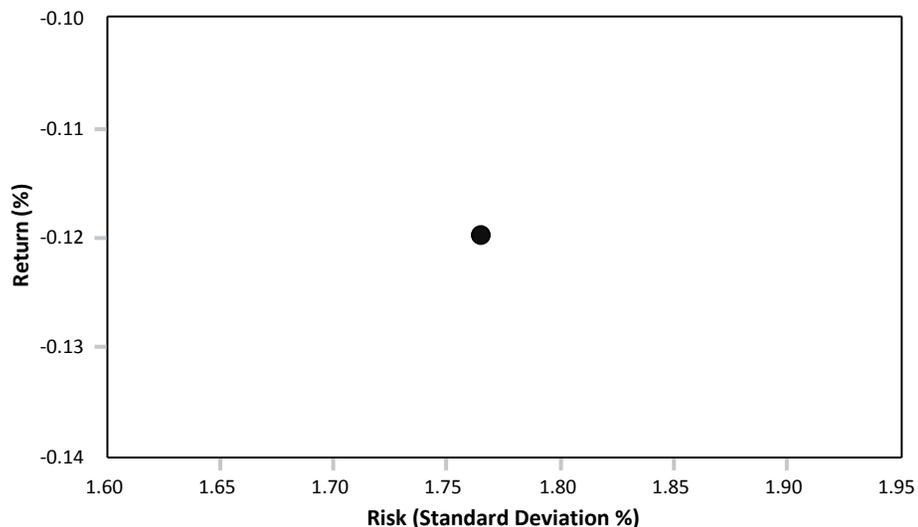
Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

Vanguard Short Term Inflation Prot; Adm

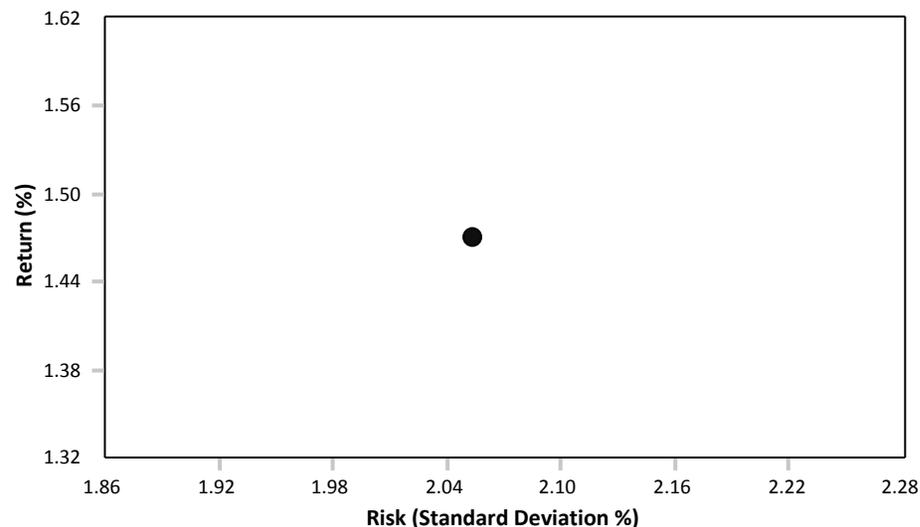
As of December 31, 2014

3 Year Risk and Return



■ Vanguard ST InPS Idx;Adm
 ● Barclays U.S. TIPS 0-5 Year

5 Year Risk and Return



■ Vanguard ST InPS Idx;Adm
 ● Barclays U.S. TIPS 0-5 Year

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 December 31, 2014

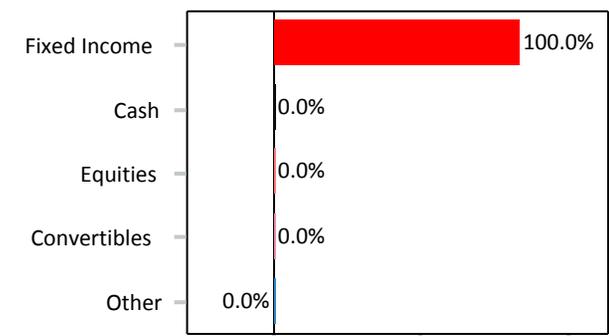
Mutual Fund Information

| | | | |
|----------------------|---|---------------------|-----------------------------|
| Fund Name : | Vanguard Malvern Funds: Vanguard Short-Term Inflation-Protected Securities Index Fund; Admiral Class Shares | Portfolio Assets : | \$10,393 Million |
| Fund Family : | Vanguard Group Inc | Fund Assets : | \$1,531 Million |
| Ticker : | VTAPX | Portfolio Manager : | Barrickman/Wright-Casparius |
| Inception Date : | 10/16/2012 | PM Tenure : | 2012--2012 |
| Portfolio Turnover : | 18% | | |

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.

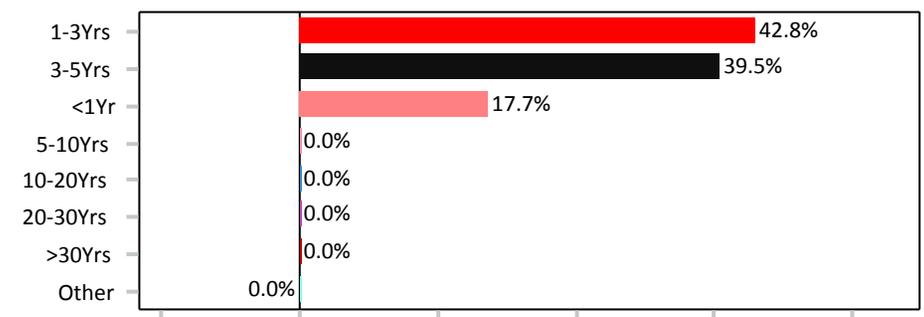
Asset Allocation as of 12/31/14 Top 10 Securities as of 12/31/14 Fixed Income Characteristics as of 12/31/14



| | |
|----------------------|---------|
| Treasury Notes/Bonds | 100.0 % |
|----------------------|---------|

| | |
|---------------------|------------|
| Avg. Coupon | 1.04 % |
| Nominal Maturity | N/A |
| Effective Maturity | 2.54 Years |
| Duration | 2.49 Years |
| SEC 30 Day Yield | N/A |
| Avg. Credit Quality | AAA |

Maturity Distribution as of 12/31/14



Quality Allocation as of 12/31/14

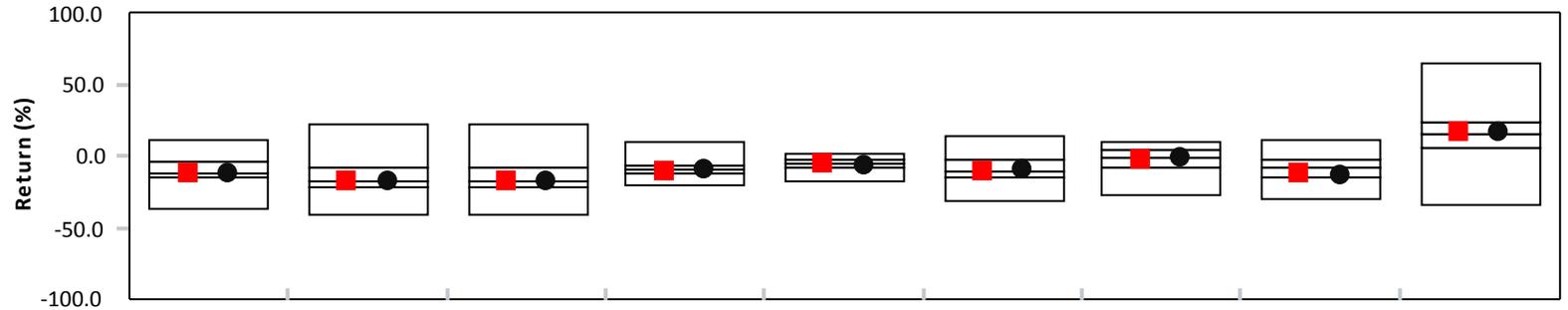


Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

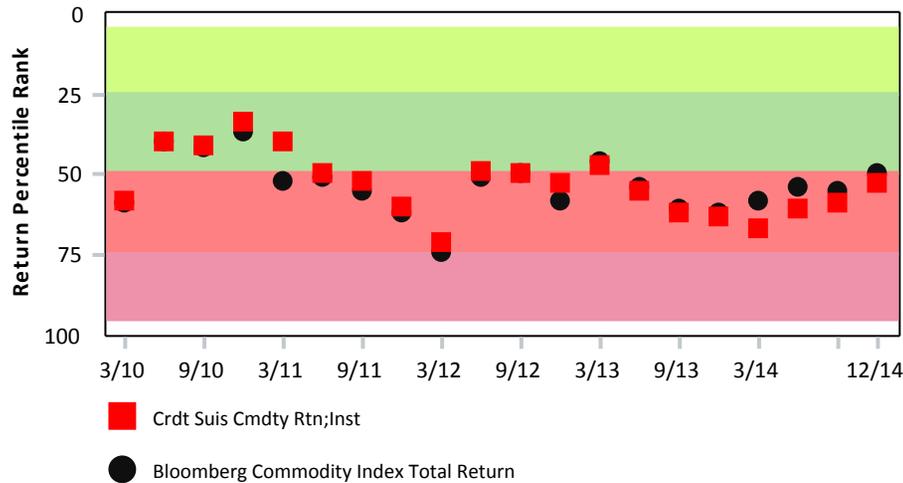
Crdt Suis Cmdty Rtn;Inst
As of December 31, 2014

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 | -11.9 (51) | -16.9 (52) | -16.9 (52) | -9.8 (53) | -5.5 (51) | -10.0 (55) | -1.8 (58) | -12.3 (67) | 16.9 (41) |
| ● Bloomberg Commodity Index Total Return | -12.1 (54) | -17.0 (54) | -17.0 (54) | -9.4 (50) | -5.5 (51) | -9.5 (50) | -1.1 (50) | -13.3 (72) | 16.8 (41) |
| 5th Percentile | 11.1 | 22.9 | 22.9 | 9.8 | 2.3 | 14.5 | 10.4 | 11.2 | 65.9 |
| 1st Quartile | -2.8 | -7.3 | -7.3 | -6.4 | -1.6 | -1.9 | 4.4 | -2.3 | 24.0 |
| Median | -11.9 | -16.7 | -16.7 | -9.5 | -5.5 | -9.7 | -1.1 | -8.3 | 15.5 |
| 3rd Quartile | -14.9 | -21.4 | -21.4 | -12.3 | -7.8 | -14.9 | -7.7 | -13.9 | 5.7 |
| 95th Percentile | -36.3 | -41.3 | -41.3 | -20.2 | -17.8 | -31.2 | -26.6 | -30.2 | -34.2 |

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



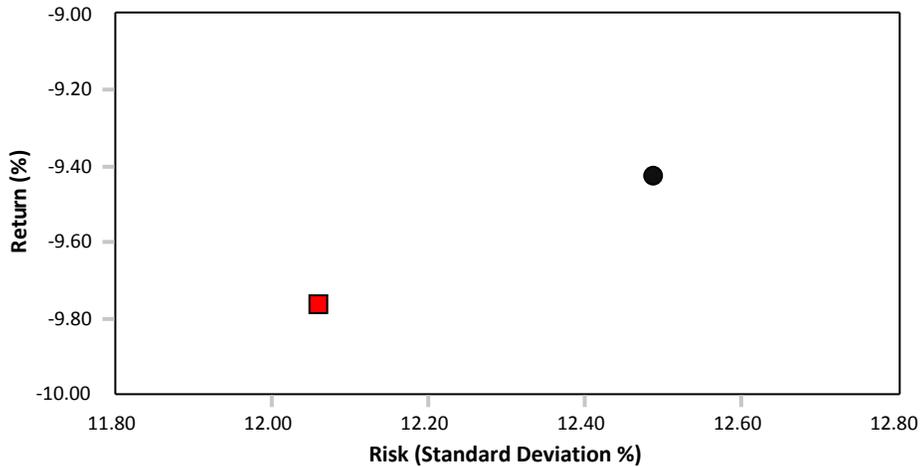
Manager Commentary

4Q 2014 – The Credit Suisse Commodity Return Fund fell sharply on an absolute basis and performed roughly in line with the Bloomberg Commodity Index, as expected. The fund's modest relative outperformance was attributable to curve positioning, specifically longer dated positions in crude oil and natural gas, which did not decline as rapidly as the front month contracts. In general, fund's commodity exposures remain positioned further out the curve relative to the index across 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 Evaluation

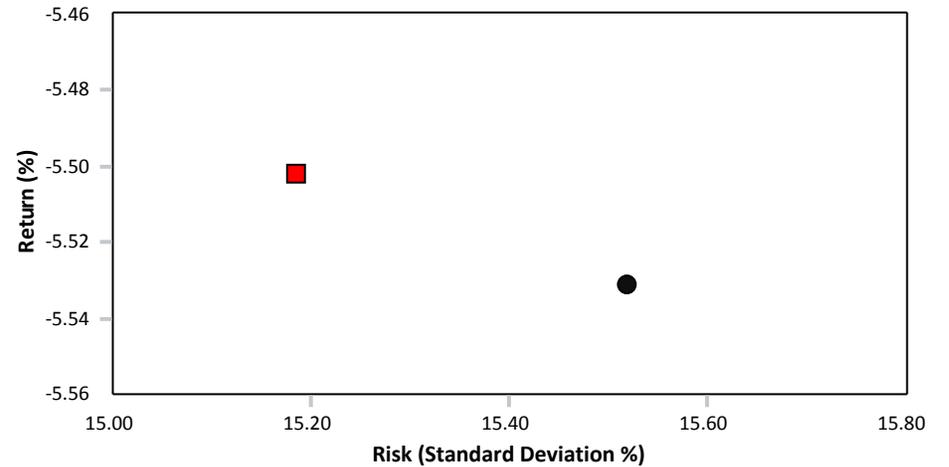
Crdt Suis Cmdty Rtn;Inst
As of December 31, 2014

3 Year Risk and Return



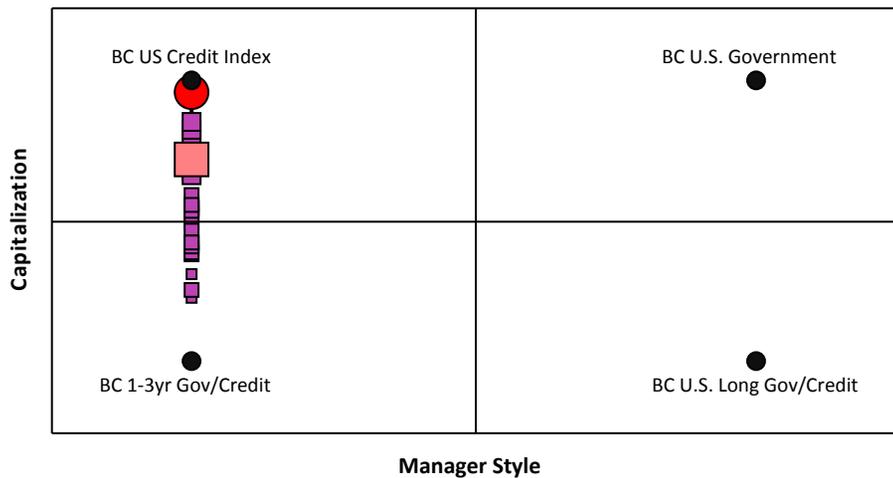
- Crdt Suis Cmdty Rtn;Inst
- Bloomberg Commodity Index Total Return

5 Year Risk and Return



- Crdt Suis Cmdty Rtn;Inst
- Bloomberg Commodity Index Total Return

Style Map - 3 Years



- Style History
- Dec-2014
- Average Style Exposure

MPT Statistics vs. Bloomberg Commodity Index Total Return

| | 3 Years | 5 Years |
|--|------------|------------|
| Return | -9.8 | -5.5 |
| Standard Deviation | 12.1 | 15.2 |
| vs. Bloomberg Commodity Index Total Return | | |
| Alpha | -0.8 | -0.1 |
| Beta | 1.0 | 1.0 |
| R-Squared | 1.0 | 1.0 |
| Consistency | 61.1 | 58.3 |
| Up Market Capture | 94.1 | 97.3 |
| Down Market Capture | 98.4 | 97.9 |
| vs. 90 Day U.S. Treasury Bill | | |
| Sharpe Ratio | -0.8 | -0.3 |

Mutual fund data sourced from Lipper Analytical Services.

Manager Evaluation

Crdt Suis Cmdty Rtn;Inst

As of December 31, 2014

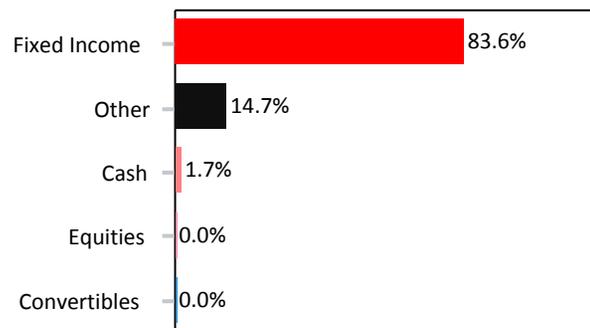
Mutual Fund Information

| | | | |
|----------------------|--|---------------------|-----------------|
| Fund Name : | Credit Suisse Commodity Return Strategy Fund; Institutional Class Shares | Portfolio Assets : | \$5,386 Million |
| Fund Family : | Credit Suisse Asset Management LLC | Fund Assets : | \$5,189 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 12/31/14



Top 10 Securities as of 12/31/14

CREDIT SUISSE COMMODITY-RETURN PLUS STRATEGY FD CI

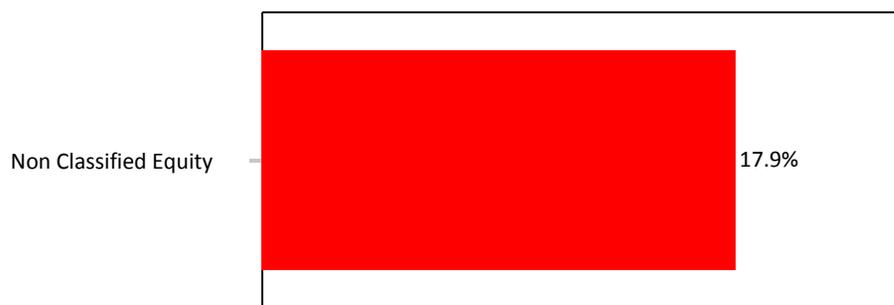
Fixed Income Characteristics as of 12/31/14

| | |
|------------------|-----|
| 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 |

Maturity Distribution as of 12/31/14

Not Enough Data.

Quality Allocation as of 12/31/14



Estimated Fee Analysis

As of December 31, 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 | 0.65% | 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% |
| AVERAGE WEIGHTED FEE | | 0.52% |

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

As of December 31, 2014

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

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

| 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. |
| Treyner 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 Pension Board Approvals
February 3, 2015**

| Name | Address | Credited Svc. Yrs. | Retirement Date | Payment Date | Pension Amount | Option Selected ** | Termination Date | Payout a/o Date | Contribution Plus Interest Refund |
|------------------|---|---------------------------|------------------------|---------------------|-----------------------|---------------------------|-------------------------|------------------------|--|
| O'Neil, Kathryn | 6 Maple Street Seymour, CT 06483 | | | | | | 8/15/2012 | 10/31/2014 | \$3,406.91 |
| Southard, Ryan | 103 Ochsner Place Trumbull, CT 06611 | | | | | | 10/10/2012 | 10/31/2014 | \$768.67 |
| Annicelle, Linda | 636 Prospect Avenue Hartford, CT 06105 | 28 | 12/31/2014 | 1/1/2015 | \$2,409.95 | 1 | | | |
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**** 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.

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
November 25, 2014**

CALL TO ORDER

Chairman Jim Lavin called the Pension Board meeting to order at 6:30 p.m. at the Town Hall, Trumbull, Connecticut.

Members present were as follows:

PRESENT

James Lavin
John Ponzio
Donna Pellitteri
Maria Pires
James Daly
James Meisner

ABSENT

Michael Knight

Also present: Chris Kachmar, FIA; Robert Nicola, Esq.

Investment Update – 3rd Quarter – Chris Kachmar

Mr. Kachmar introduced the new Fiduciary Governance Calendar for Defined Benefit plan clients that is being used to establish a framework around the fiduciary governance process. FIA will be including additional materials based on the quarterly calendar topics along with usual portfolio review and underlying investments review.

The US has been diverging from the European Central Bank and Bank of Japan, who have continued their stimulus plans, by deciding to retrench and remove theirs.

The third quarter indicated that the world is not growing as quickly as thought in the second quarter. Most of the equities were down worldwide and bonds showed modest returns. Large cap stocks did better than small cap stocks. Growth stocks outpaced value stocks. The strong US dollar is the reason international equities trailed US equities. Risk aversion carried into the fixed income sector.

Mr. Kachmar indicated that reports can be prepared 3.5 weeks after the quarter ends. Mr. Ponzio suggested we change meetings to coincide with time reports are completed. Mr. Kachmar indicated we can get monthly interim reports in addition to the quarterly reports.

Shortfalls in the portfolio review were attributed to managers who are no longer there or those we have since changed.

Boston Trust Co. has been struggling and lags the benchmark. This is a bad time to move away. He feels the managers are good and the rolling numbers are ok. He would advise us to stay the course based on their long term record. They have a better chance if the market gets better than a more aggressive manager.

Mr. Lavin commented on the Investment Policy draft and would like to have a more focused discussion on it the next time.

Overpaid Pension Update – Robert Nicola, Esq.

Attorney Nicola reported that Adzima and Allen were paid in full since the last meeting. He is still working on Teasley and plans to file a Small Claims against Franklin. The Board asked that he write Faggella, since she has failed to contact Ms. Pires, as requested.

Mr. Daly left the meeting at 7:20 pm and returned at 7:26 pm.

Discussion – Litigation Issue

Mr. Ponzio moved, seconded by Ms. Pellitteri, to move into executive session to discuss pending litigation at 7:35 pm.

Vote: 6-0-0 motion carries

Mr. Ponzio moved, seconded by Mr. Lavin, to move out of executive session at 7:46 pm.

Vote: 6-0-0 motion carries

Mr. Ponzio moved, seconded by Ms. Pellitteri, to authorize Attorney Nicola to respond to the attorney for Mr. Denisevich, indicating that we are not in a position to negotiate settlement, and they should pursue whatever remedies they feel appropriate.

Vote: 6-0-0 motion carries

Approval of Pension Benefits

| | | |
|---------------------|------------|-----------|
| Evarts, Miriam | \$2,063.19 | 8/1/2014 |
| Henderson, James W. | \$313.52 | 2/1/2015 |
| Mooney, Terrence | \$352.81 | 7/1/2014 |
| Santos, Berta | \$171.67 | 7/1/2014 |
| Sepot, Denise | \$2,657.83 | 12/1/2014 |
| Nicolett, David | \$3,574.22 | 9/1/2013 |

Mr. Ponzio moved, seconded by Mr. Meisner, to approve the Pension Benefits, as presented.

Vote: 6-0-0 motion carries

Approval of Lump Sum Distributions

| | | |
|--------------------|-------------|------------|
| Carroll, Jill D. | \$4,065.58 | 10/31/2014 |
| Conti, Daniel | \$11,316.89 | 10/31/2014 |
| Reagan, William | \$26,034.79 | 9/30/2014 |
| Krafick, Kimberley | \$5,046.46 | 10/31/2014 |
| Ramos, William | \$1,486.71 | 8/30/2014 |
| Peterson, Lauren | \$976.59 | 10/31/2014 |

Mr. Ponzio moved, seconded by Mr. Meisner, to approve the lump sum distributions, as presented.

Vote: 6-0-0 motion carries

Schedule of Meetings – 2015

Based upon the discussion with Mr. Kachmar, and the availability of the quarterly reports, the Board decided to change the proposed meeting schedule for 2015.

Mr. Daly moved, seconded by Ms. Pires, to approve the amended schedule of meetings for 2015, as follows: January 27, 2015; April 28, 2015; July 28, 2015; October 27, 2015 at 6:30 pm.

Vote: 6-0-0 motion carries

Approval of Minutes – August 26, 2014 and October 7, 2014

Mr. Lavin noted on Page 2 under business it should read the “Town Council meeting”, not Pension Board meeting.

Mr. Ponzio moved, seconded by Ms. Pires, to approve the minutes of August 26, 2014 as amended, and October 7, 2014, as presented.

Vote: 5-0-1 motion carries (abstained: Meisner)

Other Business

Mr. Meisner indicated that he feels we should consider a hedge strategy approach; he doesn't like the currency exposure of 20%.

It was noted that we have put the investment advisor out to bid. The Police have gone with Wells Fargo; FIA was not one of their finalists. The Police left Bank of America, since they were leaving the market. The RFP is out there for us to interview new advisors if we want. FIA is less expensive; they have been with us 5-6 years. It was decided to send the RFQs to the Board members.

The next meeting is December 9, 2014 at 6:30 pm.

Adjournment

Mr. Lavin moved, seconded by Mr. Daly, to adjourn the meeting at 8:15 pm.

Phyllis C. Collier
Pension Board Clerk

**Pension Board
Minutes
Special Meeting
December 9, 2014**

CALL TO ORDER

Chairman 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
Donna Pellitteri
Maria Pires
James Daly
James Meisner
Michael Knight

ABSENT

John Ponzio

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

Mr. Hartman reviewed the July 1, 2014 Actuarial Valuation results with the Pension Board, as follows:

Assumptions Used:

- The Actuarial Valuation is a snapshot of retirement plan as one point in time.
- 7.5% assumed rate of return on investments; 3.5% salary increases, dropped from 4.0% in 2012.
- Unisex Pension 1994 table.
- Retirement Rates - we do look at previous valuations; the retirement rates used were actually in line with the actual retirement ages and they do keep an eye on that.
- Termination rates.

Method used for determining the ARC:

- He indicated that they use the 3 year assets moving value; a 3 year smooth value of assets phases in the gains and losses in the market. With a 3-5 year smoothing period; we are in line with the best accounting practices.
- He indicated they used a 25 year open amortization period with 30 years being the maximum permitted; the best practice is 15-20 years and 25 years is appropriate for the valuation at this time. We can move toward the Amortization Methodology once the Pension is 40% funded.

Page 5 – Actual Copy of Page 1 of the Detailed Report

- The number of active participants is going to decrease as individuals retire, now that the plan is closed. There are 784 in the plan as follows: 376 are active; 68 are deferred vested; and 340 are receiving checks. There was a decline of 51 from the last valuation.
- The total accrued liability is in line with actual expectations. It has increased due to cost of participants accruing benefits over the last two years, people are a year older and value of obligation in plan is higher, and it is off-set by termination of employees who take their contributions, retirees that pass away and new retirees taking pension payments and being a year older.
- Annual Recommended Contribution (ARC): \$4,144,000; 24.4% percentage of covered payroll, which is lower than it has been over the last valuations. This should remain relatively level if the interest rates remain constant.

Pages 7-8 – Actual Valuation Scenarios

- Mr. Hartman went on to discuss the current valuation results vs. scenarios 1 and 2 on page 7, as requested by the Pension Board. He indicated that the assumptions selected by the Board were good ones.
- It was noted that the Police are 70% funded and the Town is 35% funded; 80% is considered to be a healthy percentage and to get the Police Department to ARC would be in the \$3 million range, a \$1.5 million difference. The Police ARC is 2.9 and the Town is 4.1.

Page 9 – GASB 76 Results

- Mr. Hartman noted that GASB has completely overhauled their reporting requirements for municipal pension plans effective 6/30/2014 FYE. Their valuation is totally different from the one done by the actuaries. They are moving towards corporate requirements. You cannot control the methodology, it is prescribed. The biggest difference is how the discount rate is derived. The assumption of 7.5% is allowed so long as you have current assets available to fund benefits. The rest would need to be discounted at a 20 year municipal bond rate, 3.8% as of 6/30/2014. The blended rate is 5.01%. Using this methodology, the plan is 28.61% funded, and will be footnoted in the valuation. Under GASB 67, all municipalities will be equalized.

Page 13-20 – New Mortality Tables

- Only reflect corporate entities.
- Currently using RP 2000 and 94 GAM Tables.

Mr. Meisner moved, seconded by Ms. Pires, to accept the report presented by Mr. Hartman from BPS&M.

Vote: 6-0-0 motion carries

Mr. Daly moved, seconded by Ms. Pires, to adjourn the meeting.

Vote: 6-0-0 motion carries

Respectfully submitted,

Phyllis C. Collier
Pension Board Clerk

Date: April 24, 2014
 To: First Selectman Timothy M. Herbst
 Re: Pension Board Update

Below is a brief update of the performance, activities and initiatives since our last memo of March 15, 2013.

Executive Summary

- We continue to make progress on the 2009 plan.
- Net cash flows for 2013 were positive as was 2012. This is a key goal to maintain for 2014.
- The funded ratio for 2013 is 32% as compared to 28.1% in 2012, as previously reported.
- The pension board along with its investment and actuarial advisors continue to improve investment performance and administration.
- The return assumption remains at 7.5%. A change downward could materially impact the annual town contribution as shown later in the recommended contributions chart. We plan to discuss the reasonableness of 7.5% during next year’s actuarial study.

Pension Investments

Investment returns for 2013 were a stellar 17.2% exceeding our targeted return of 7.5%. As the chart below indicates, the plan’s investment advisor, Fiduciary Investment Advisors, has astutely gauged the markets as it pertains to Trumbull’s plan. This performance exceeded many larger Municipal public sector plans where averages were in the 14% range.

| Calendar Year | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------------------------|---------|---------|---------|--------|--------|
| Investment Performance | 21.9% | 14.0% | (0.9%) | 12.5% | 17.2% |
| Plan Assets (millions) | \$16.8 | \$18.3 | \$17.8 | \$20.5 | \$24.9 |
| Contribution | \$1.9 | \$2.1 | \$2.6 | \$3.3 | \$4.1 |
| -Employee | \$.7 | \$.8 | \$.8 | \$.9 | \$.9 |
| Less: Payments | \$3.2 | \$3.6 | \$3.7 | \$3.9 | \$4.2 |
| Net Cash Flow (thousands) | (\$571) | (\$781) | (\$292) | \$264 | \$779 |

Strong markets and Trumbull’s investment performance has resulted in growing assets and positive net cash flows.

Trumbull performs an actuarial study every two years. Below are results from the last actuarial study. In the coming year, we plan to weigh the value of conducting an annual actuarial study versus the cost.

| Valuation Results | | | |
|----------------------------------|------------------------|------------------------|------------------------|
| | <u>July 1, 2012</u> | <u>July 1, 2010</u> | <u>July 1, 2008</u> |
| Participants | | | |
| Active | 436 | 453 | 433 |
| Deferred Vested | 74 | 69 | 79 |
| Receiving Benefits | <u>325</u> | <u>320</u> | <u>288</u> |
| Total | 835 | 842 | 800 |
| Total Liabilities | \$ 67,905,000 | \$ 62,863,043 | \$ 57,704,539 |
| Actuarial Value of Assets | \$ 19,096,003 | \$ 16,807,159 | \$ 19,572,031 |
| Funded Status (unfunded) | \$ (48,808,997) | \$ (46,055,884) | \$ (38,132,508) |
| Funded Ratio | 28.1% | 26.7% | 33.9% |

Process Improvements/Operations

The Pension Board continues to review policies with the intent of refreshing existing policies and establishing new ones where appropriate. As previously reported, one recently established policy immediately refunds non-vested employees their pension contributions upon termination of employment. This change saves the 5% interest previously applied to non-vested employee accounts.

At the current time, the Town will be putting out a bid for investment advisory services for the Town and Police Pensions. We believe the current team of actuary, investment advisor and bank is performing well.

Long Term Improvement Plan

Several recommendations were made in last year's letter. Below is their progress:

- Increase participant contributions, currently at 3% to 5% or higher in the current plan. No progress as this is an item for collective bargaining.
- The interest rate used for non-vested employee accounts is 5%. The practice was successfully changed, as noted above.
- Limit eligibility to only full time workers (1200 to 1400 hours annually). No progress.
- Continue to fund the Pension Plan at the actuarial recommended rate or slightly higher. This is the most important recommendation, and we believe it is being successfully implemented as illustrated by the below chart:

| Recommended Contributions | | | | |
|----------------------------------|---------------------------------|-------------------|------------------------|-------------------------------|
| <u>Year</u> | <u>Recommended Contribution</u> | <u>% Increase</u> | <u>Increase Amount</u> | <u>Estimated Funded Ratio</u> |
| 2012 | \$ 4,438,000 | | | 28.1% |
| 2013 | \$ 4,576,000 | 0.1% | \$ 5,000 | 31.1% |
| 2014 | \$ 4,576,000 | 1.8% | \$ 81,000 | 32.8% |
| 2015 | \$ 4,706,000 | 0.9% | \$ 44,000 | 35.0% |
| 2016 | \$ 4,753,000 | 1.0% | \$ 47,000 | 37.1% |
| 2017 | \$ 4,803,000 | 1.1% | \$ 50,000 | 39.1% |
| 2018 | \$ 4,859,000 | 1.2% | \$ 56,000 | 40.9% |
| 2019 | \$ 4,920,000 | 1.3% | \$ 61,000 | 42.6% |
| 2020 | \$ 4,984,000 | 1.3% | \$ 64,000 | 44.3% |
| 2021 | \$ 5,054,000 | 1.4% | \$ 70,000 | 46.0% |
| 2022 | \$ 5,126,000 | 1.4% | \$ 72,000 | 47.6% |

We are aware of competing demands for town resources; therefore, we look forward to working with the recently appointed Trumbull Charter Revision Commission to sustain the Pension Fund's financial viability.

One personnel change was the recent resignation of Chairman Michael Charland due to his moving out of town. Mr. Charland's contributions to the pension fund were significant and his skills will be missed. At the meeting of February 25, 2014, the Pension Board elected James Lavin as the new chairman, and James Daly as the new Secretary.

We will be meeting with BPS&M, our actuary firm, to discuss the various assumptions for the bi-annual actuary valuation of July 2014.

The Town of Trumbull and its Pension Board has made considerable progress in meeting its pension obligations to town employees. We anticipate continued progress and welcome the opportunity to meet with you to explain this report and get your input on the overall operations of the town.

Respectfully submitted,

The Pension Board

James Lavin
Chairman

John Ponzio

Maria Pires

Donna Pellitteri

James Daly
Secretary

Michael Knight

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

| Asset Class | Min Weight | Target Weight | Max Weight | Benchmark Index |
|------------------------|------------|---------------|------------|-------------------------------------|
| 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