



*The City of Grand Rapids – Police and Fire Retirement System
Executive Summary of Investment Performance*

March 31, 2014

Investment Performance	Tab 1
Capital Market Review	Tab 2
Appendix	

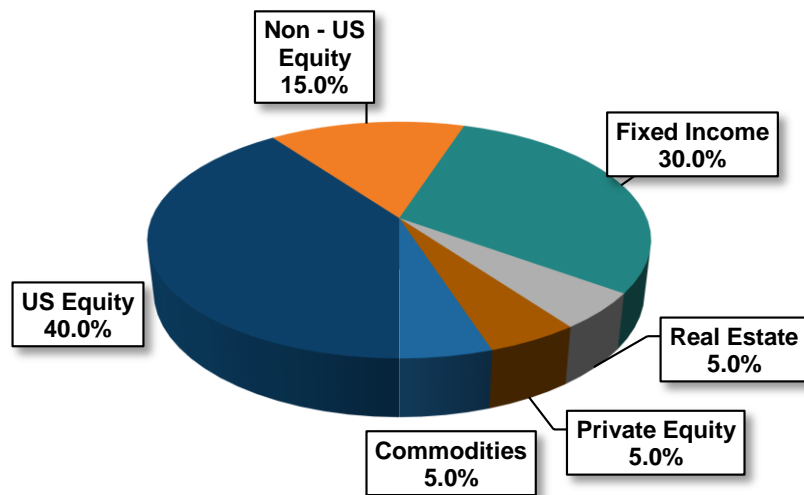
Total Fund

Policy Allocation vs Actual Allocation

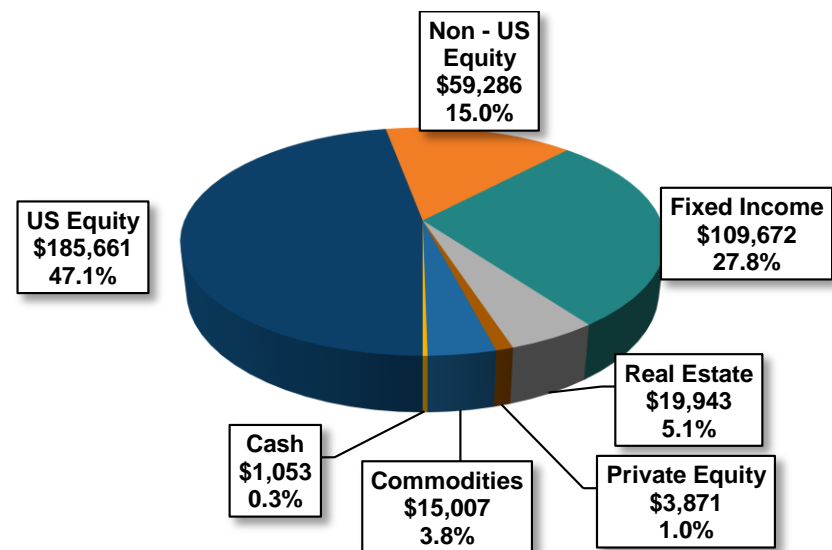
Total Fund Composite

As of March 31, 2014

Policy Allocation



Actual Allocation (in \$'000s)



Total Assets: \$394,492,000

Policy Allocation vs Actual Allocation



Total Fund Composite

As of March 31, 2014

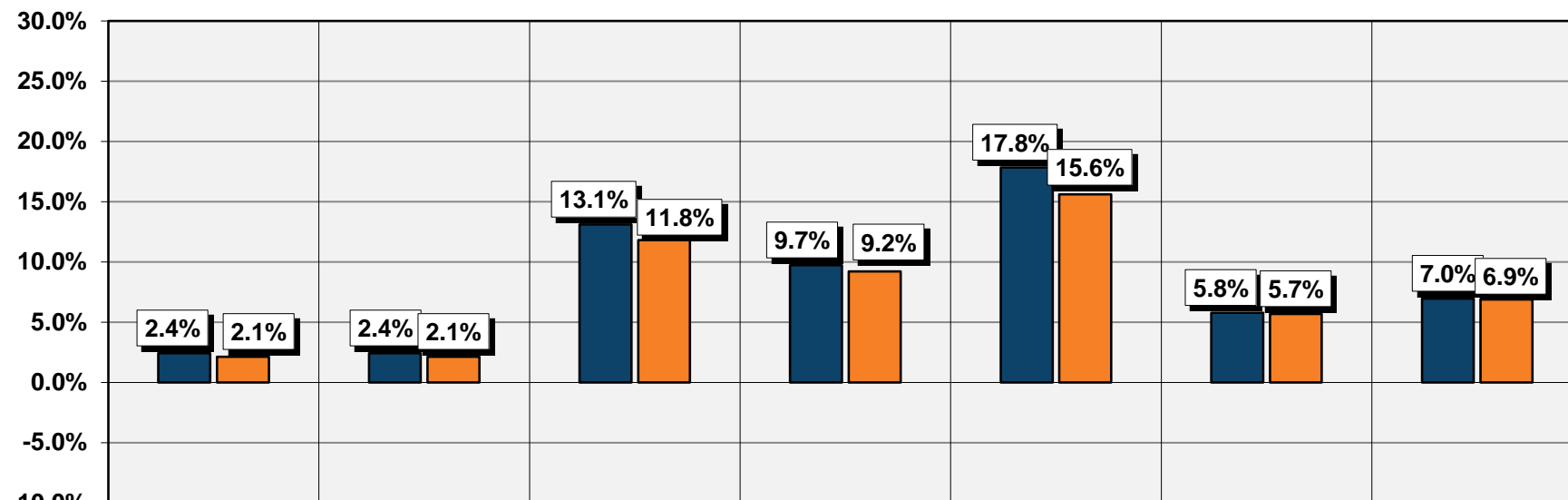
	Market Value (in '\$'000s)	Asset Allocation	
		Actual	Policy
US Equity	\$185,661	47.06%	40.00%
Non - US Equity	\$59,286	15.03%	15.00%
Fixed Income	\$109,672	27.80%	30.00%
Real Estate	\$19,943	5.06%	5.00%
Private Equity	\$3,871	0.98%	5.00%
Commodities	\$15,007	3.80%	5.00%
Cash	\$1,053	0.27%	0.00%
Total Fund Composite	\$394,492	100.00%	100.00%

Investment Performance



Total Fund Composite*

Periods Ended March 31, 2014



■ Total Fund Composite
 ■ Total Fund Policy**

*Returns are net of fees

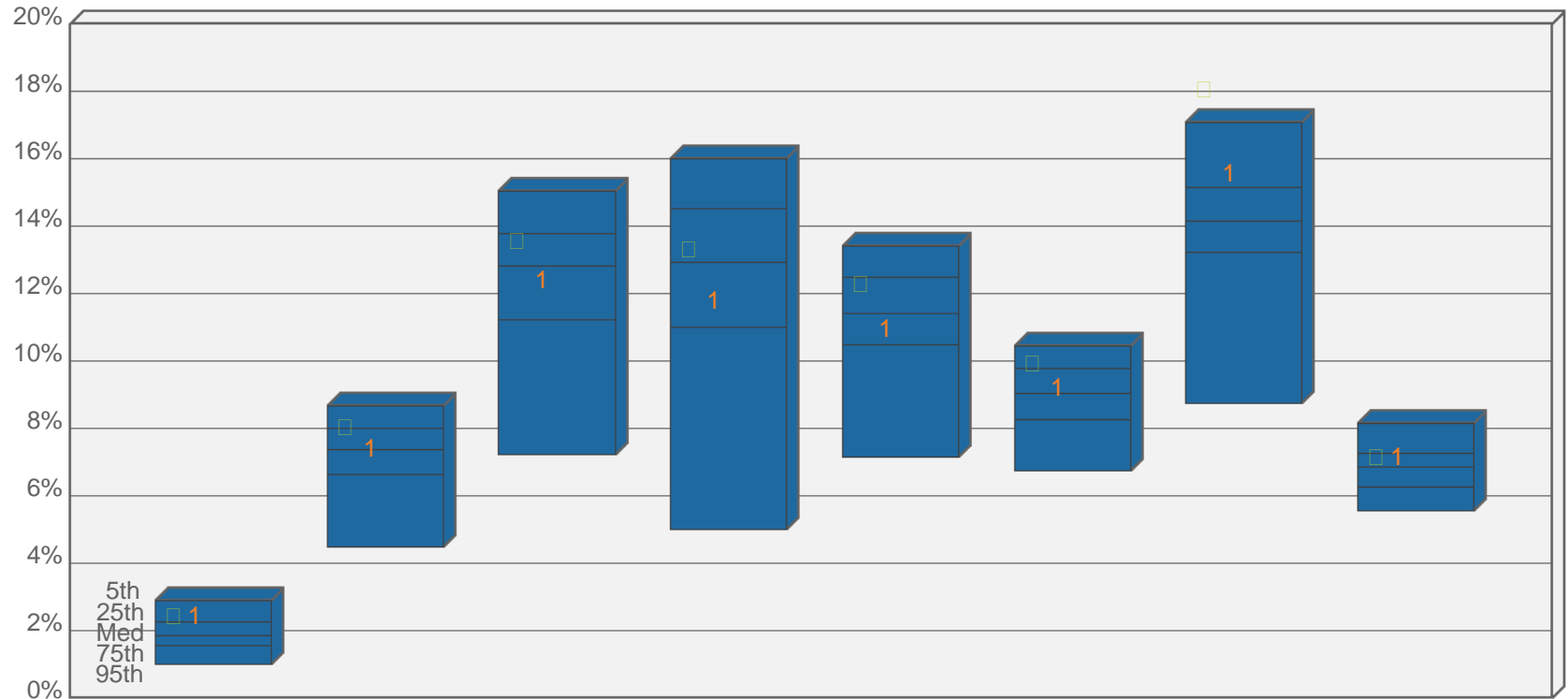
** Policy index = Wilshire 5000 (40%), MSCI ACWI ex U.S. (15%), Barclays Aggregate (30%), FTSE EPRA NAREIT Dev RE (5%), Wilshire 5000 +2.5% (5%), DJ UBS Commodity Index (5%)

Performance Comparison



Total Fund Composite

Periods Ended March 31, 2014



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
□ Total Fund	2.50 (13)	8.13 (18)	13.67 (28)	13.42 (42)	12.37 (30)	10.02 (18)	18.17 (2)	7.23 (29)
1 Policy Index	2.13 (32)	7.42 (47)	12.42 (56)	11.81 (65)	10.97 (59)	9.22 (44)	15.60 (16)	6.89 (47)
5th %tile	2.89	8.70	15.07	16.01	13.42	10.46	17.09	8.18
25th %tile	2.29	8.03	13.79	14.55	12.50	9.79	15.15	7.29
Median	1.87	7.37	12.84	12.94	11.43	9.07	14.18	6.86
75th %tile	1.56	6.66	11.25	11.02	10.50	8.29	13.22	6.28
95th %tile	1.00	4.50	7.23	5.02	7.17	6.77	8.74	5.58
Number of Funds	145	145	145	145	141	140	129	109

*TUCS Total Ret of Master Trusts - Public Universe - Gross of Fees

Performance Comparison



Trailing Returns

Periods Ended March 31, 2014

	1 Qtr	YTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
U.S. Equity Composite									
Net of Fee Return	2.60	2.60	23.67	15.12	24.08	7.20	8.35	9/30/87	9.40
Wilshire 5000	2.04	2.04	22.42	14.43	21.74	6.59	7.91	9/30/87	9.38
Value Added	0.57	0.57	1.25	0.68	2.34	0.61	0.44	9/30/87	0.02
Fixed Income Composite									
Net of Fee Return	2.61	2.61	0.94	5.11	9.78	5.69	5.24	9/30/87	7.35
Barclays Aggregate	1.84	1.84	-0.10	3.75	4.80	4.96	4.46	9/30/87	7.03
Value Added	0.77	0.77	1.04	1.36	4.98	0.73	0.77	9/30/87	0.32
Non-U.S. Equity Composite									
Net of Fee Return	1.16	1.16	14.44	6.09	17.28	1.11	5.39	12/31/89	8.78
Policy Benchmark	0.51	0.51	12.31	4.15	15.52	1.70	6.86	12/31/89	4.83
Value Added	0.65	0.65	2.13	1.94	1.77	-0.59	-1.48	12/31/89	3.96
Real Estate Composite									
Net of Fee Return	3.05	3.05	1.95	7.21				6/30/09	14.62
FTSE EPRA/NAREIT Developed RE	4.01	4.01	2.18	8.48				6/30/09	16.53
Value Added	-0.97	-0.97	-0.23	-1.27				6/30/09	-1.90
Commodities Composite									
Net of Fee Return	3.36	3.36	-7.34					3/31/13	-7.34
DJ UBS Commodity Index	6.99	6.99	-2.09					3/31/13	-2.09
Value Added	-3.63	-3.63	-5.25					3/31/13	-5.25
Alternative Investments Composite									
Net of Fee Return	4.42	4.42	10.85	5.04				6/30/10	4.41
Wilshire 5000 +2.5%	2.66	2.66	24.92	16.93				6/30/10	22.47
Value Added	1.76	1.76	-14.07	-11.90				6/30/10	-18.06

Performance Comparison



Trailing Returns

Periods Ended March 31, 2014

	1 Qtr	YTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
Total Fund									
Net of Fee Return	2.43	2.43	13.11	9.73	17.83	5.78	6.95	9/30/87	8.65
Policy Index	2.13	2.13	11.81	9.22	15.60	5.69	6.89	9/30/87	8.76
Value Added	0.31	0.31	1.30	0.51	2.23	0.09	0.06	9/30/87	-0.10

Custom Benchmark Specification



Total Fund

March 31, 2014

	Quarter Start	Quarter End	Percent	Description
Policy Index	12/79	6/98	55.00	Wilshire 5000
			40.00	Barclays Aggregate
			5.00	MSCI EAFE Index (N)
	9/98	9/02	50.00	Wilshire 5000
			40.00	Barclays Aggregate
			10.00	MSCI EAFE Index (N)
	12/02	3/06	50.00	Wilshire 5000
			35.00	Barclays Aggregate
			15.00	MSCI EAFE Index (N)
	6/06	6/06	55.00	Wilshire 5000
30.00			Barclays Aggregate	
15.00			MSCI EAFE Index (N)	
9/06	6/09	55.00	Wilshire 5000	
		30.00	Barclays Aggregate	
		15.00	MSCI ACWI X US (N)	
9/09	3/10	50.00	Wilshire 5000	
		30.00	Barclays Aggregate	
		15.00	MSCI ACWI X US (N)	
		5.00	FTSE EPRA/NAREIT Developed RE	
6/10	12/12	45.00	Wilshire 5000	
		15.00	MSCI ACWI X US (N)	
		30.00	Barclays Aggregate	
		5.00	Wilshire 5000 + 2.5%	
		5.00	FTSE EPRA/NAREIT Developed RE	
3/13	3/14	5.00	DJ UBS Commodity Index	
		5.00	Wilshire 5000 + 2.5%	
		5.00	FTSE EPRA/NAREIT Developed RE	
		30.00	Barclays Aggregate	
		15.00	MSCI ACWI X US (N)	

Custom Benchmark Specification



Total Fund

March 31, 2014

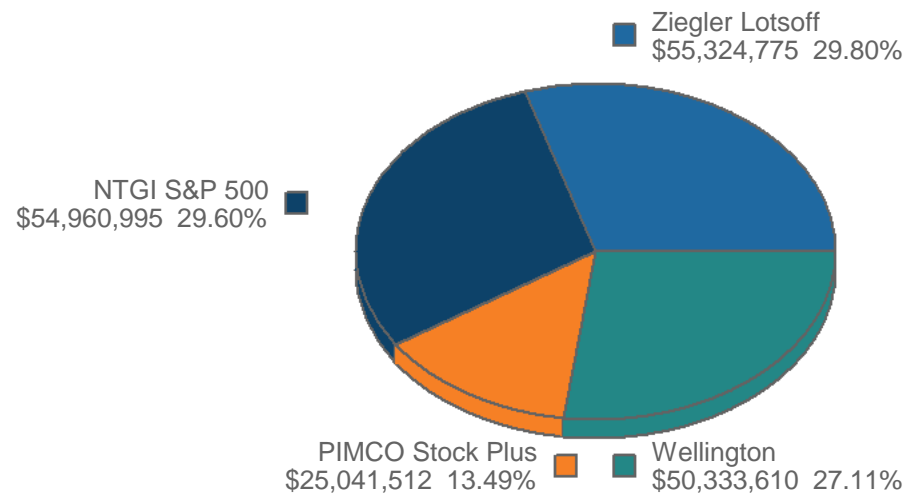
	Quarter Start	Quarter End	Percent	Description
Policy Index (cont.)			40.00	Wilshire 5000

U.S. Equity

Manager Allocation

U.S. Equity Composite

As of March 31, 2014



Performance Comparison



Trailing Returns

Periods Ended March 31, 2014

	1 Qtr	YTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
NTGI S&P 500									
Net of Fee Return	1.77	1.77	21.73	14.64	21.23	6.16	7.53	9/30/98	6.24
Policy Benchmark	1.80	1.80	21.86	14.65	21.15	6.25	7.57	9/30/98	6.25
Value Added	-0.03	-0.03	-0.13	-0.01	0.07	-0.09	-0.04	9/30/98	-0.01
PIMCO Stock Plus									
Net of Fee Return	2.84	2.84	22.90	16.91	25.55	7.66	8.26	9/30/00	4.77
Standard & Poor's 500	1.80	1.80	21.86	14.65	21.15	6.30	7.41	9/30/00	3.97
Value Added	1.04	1.04	1.03	2.25	4.39	1.36	0.84	9/30/00	0.80
Ziegler Lotsoff									
Net of Fee Return	2.82	2.82	21.17	13.57	20.60	5.33		9/30/04	7.18
Standard & Poor's 500	1.80	1.80	21.86	14.65	21.15	6.30		9/30/04	7.84
Value Added	1.02	1.02	-0.70	-1.08	-0.55	-0.98		9/30/04	-0.66
Wellington									
Net of Fee Return	3.35	3.35	29.65	16.66	31.77	10.56	11.23	9/30/99	12.03
Russell 2000	1.12	1.12	24.90	13.19	24.31	7.08	8.53	9/30/99	8.63
Value Added	2.23	2.23	4.75	3.47	7.46	3.48	2.70	9/30/99	3.40
U.S. Equity Composite									
Net of Fee Return	2.60	2.60	23.67	15.12	24.08	7.20	8.35	9/30/87	9.40
Wilshire 5000	2.04	2.04	22.42	14.43	21.74	6.59	7.91	9/30/87	9.38
Value Added	0.57	0.57	1.25	0.68	2.34	0.61	0.44	9/30/87	0.02

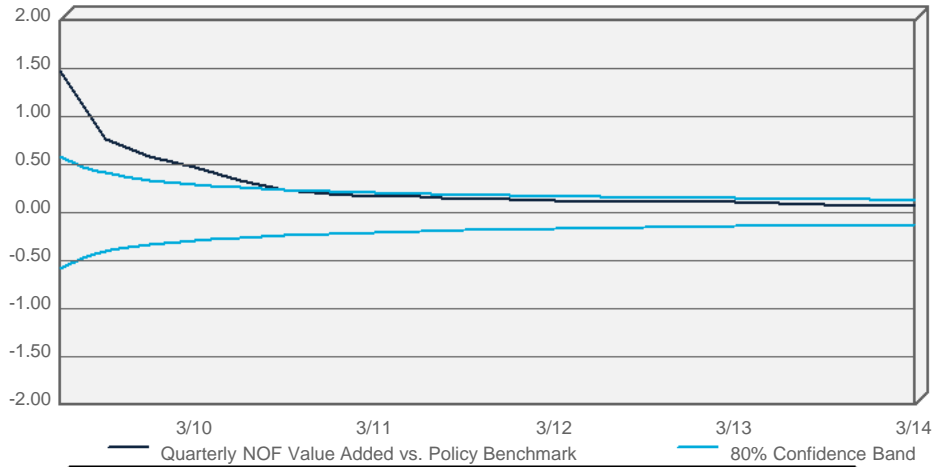
Investment Manager Analysis



NTGI S&P 500

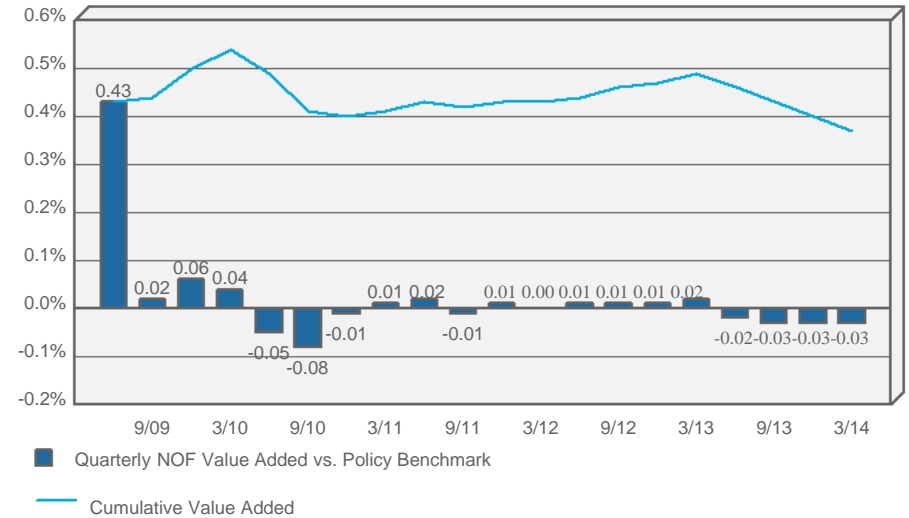
March 31, 2014

Cumulative Skill Analysis vs Benchmark

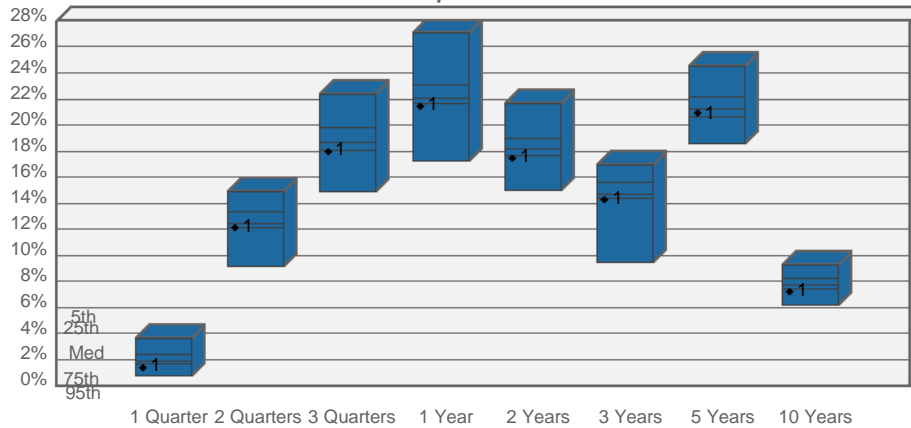


Excess Return:	0.06	Information Ratio:	0.35
Excess Risk:	0.18	T-Stat:	0.78

Value-Added Analysis vs Benchmark

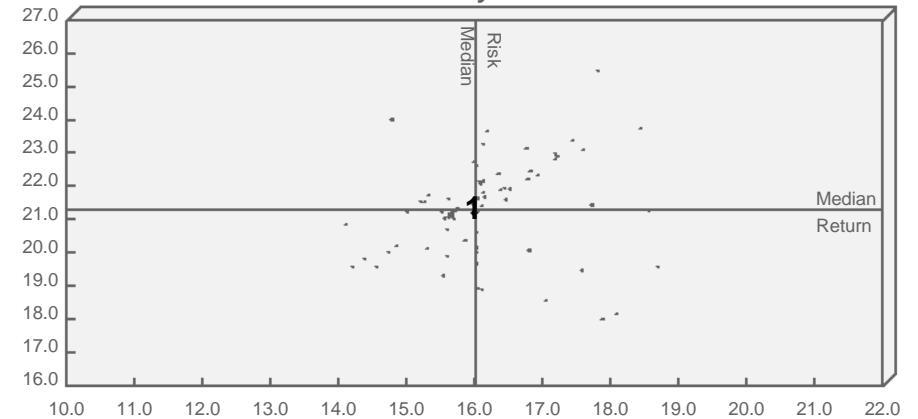


Performance Comparison vs Peer Universe*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
◆ NTGI S&P 500	1.80 (63)	12.52 (38)	18.42 (58)	21.89 (56)	17.90 (56)	14.71 (49)	21.31 (47)	7.59 (63)
♣ Policy Benchmark	1.80 (63)	12.51 (39)	18.41 (59)	21.86 (57)	17.84 (62)	14.65 (58)	21.15 (63)	7.57 (64)
Median	1.87	12.48	18.70	22.03	18.16	14.70	21.27	7.77
Number of Funds	286	286	281	273	240	210	170	70

Five Year Risk/Return Analysis vs Peer Universe*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
NTGI S&P 500	◆	21.31	47	16.15	36
Policy Benchmark	♣	21.15	63	16.07	45
Median		21.27		16.02	

*TUCS Total Returns of Large Neutral Equity Portfolios Universe - Gross of Fees

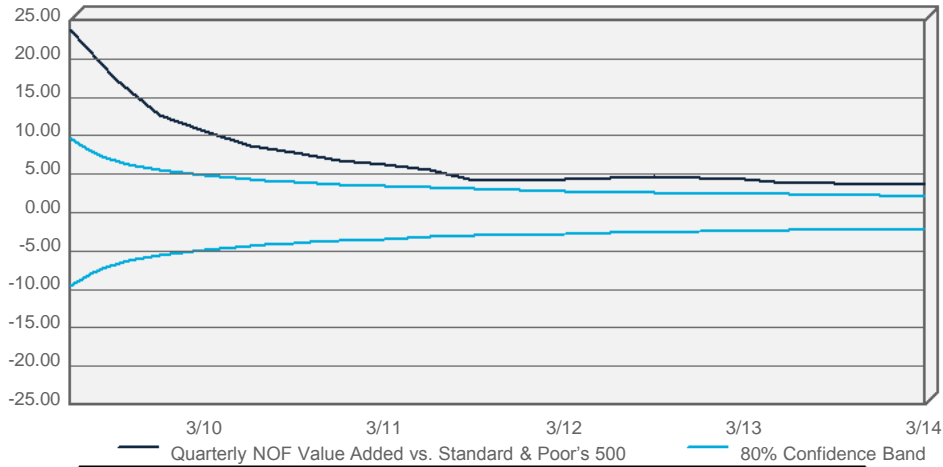
Investment Manager Analysis



PIMCO Stock Plus

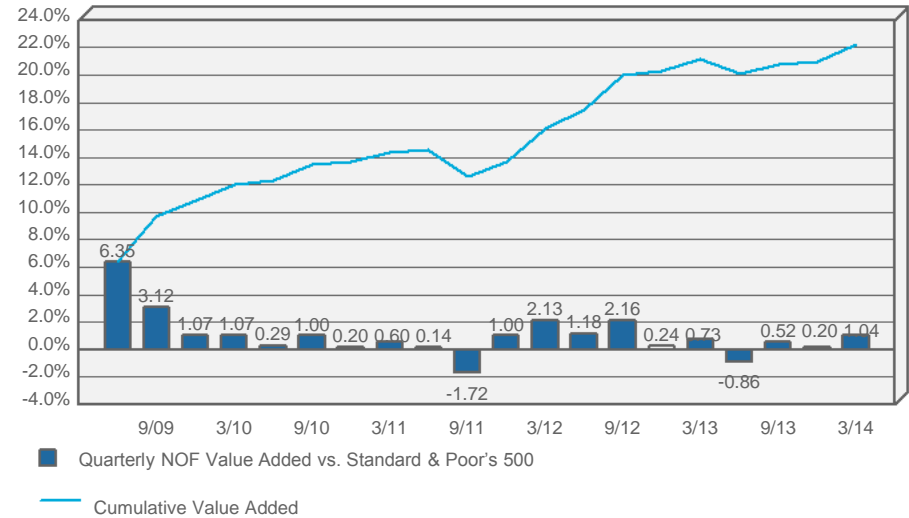
March 31, 2014

Cumulative Skill Analysis vs Benchmark

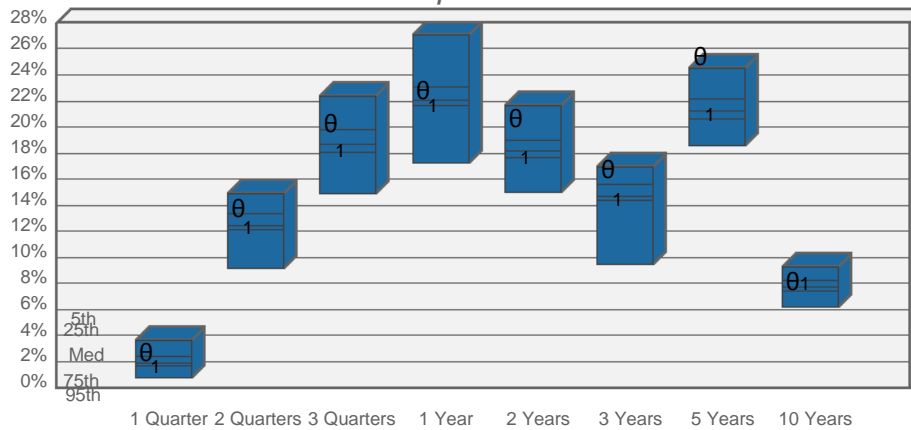


Excess Return:	3.63	Information Ratio:	1.24
Excess Risk:	2.93	T-Stat:	2.77

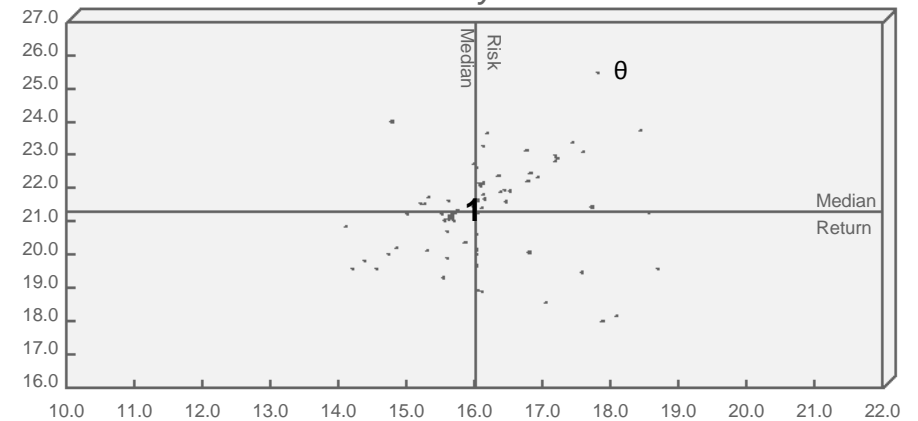
Value-Added Analysis vs Benchmark



Performance Comparison vs Peer Universe*



Five Year Risk/Return Analysis vs Peer Universe*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
θ PIMCO Stock PI	2.84 (16)	13.86 (16)	20.42 (17)	22.90 (26)	20.80 (11)	16.91 (4)	25.55 (1)	8.26 (25)
1 Standard & Poo	1.80 (63)	12.51 (39)	18.41 (59)	21.86 (57)	17.84 (62)	14.65 (58)	21.15 (63)	7.41 (82)
Median	1.87	12.48	18.70	22.03	18.16	14.70	21.27	7.77
Number of Funds	286	286	281	273	240	210	170	70

Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
PIMCO Stock Plus	θ	25.55	1	18.26	10
Standard & Poor's 500	1	21.15	63	16.07	45
Median		21.27		16.02	

*TUCS Total Returns of Large Neutral Equity Portfolios Universe - Gross of Fees

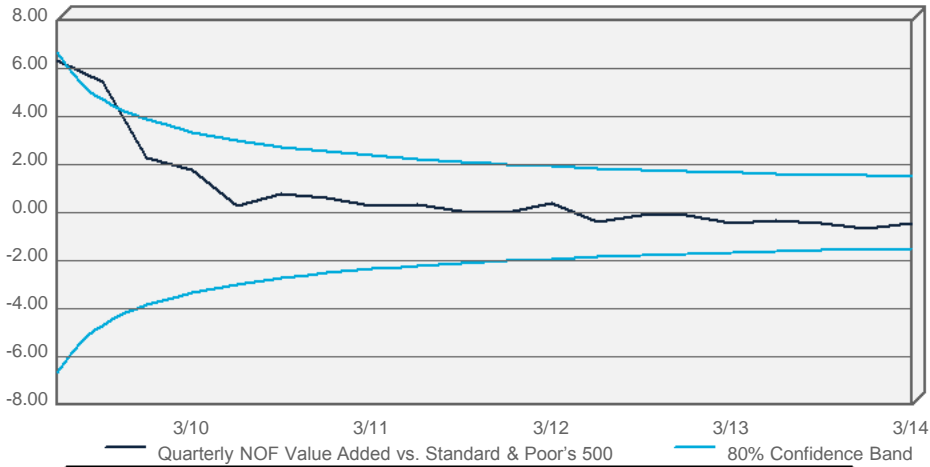
Investment Manager Analysis



Ziegler Lotsoff

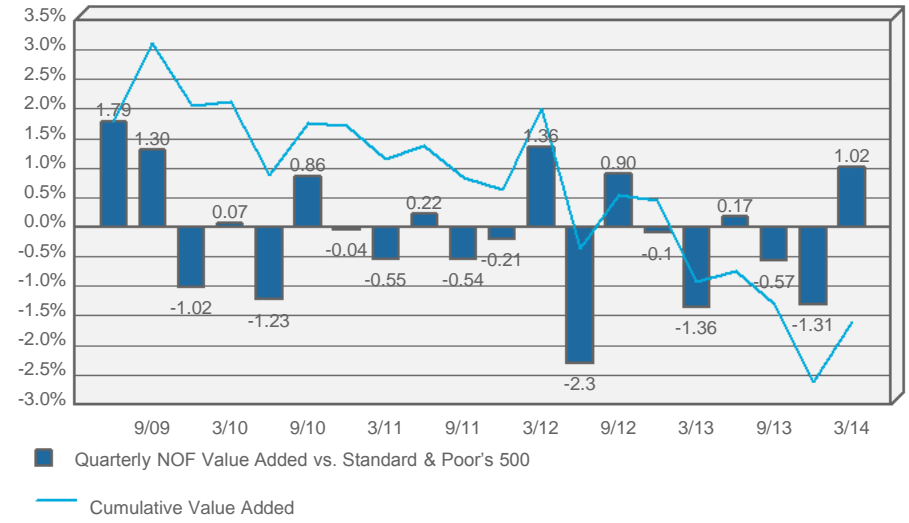
March 31, 2014

Cumulative Skill Analysis vs Benchmark

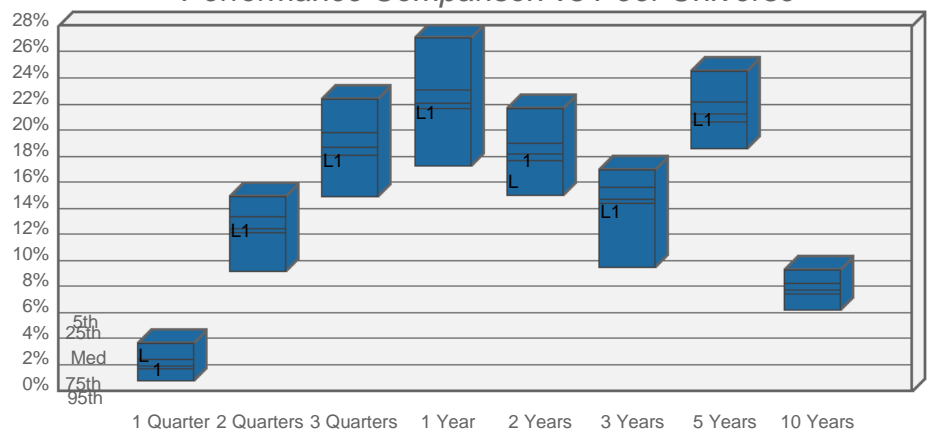


Excess Return:	-0.45	Information Ratio:	-0.22
Excess Risk:	2.03	T-Stat:	-0.50

Value-Added Analysis vs Benchmark

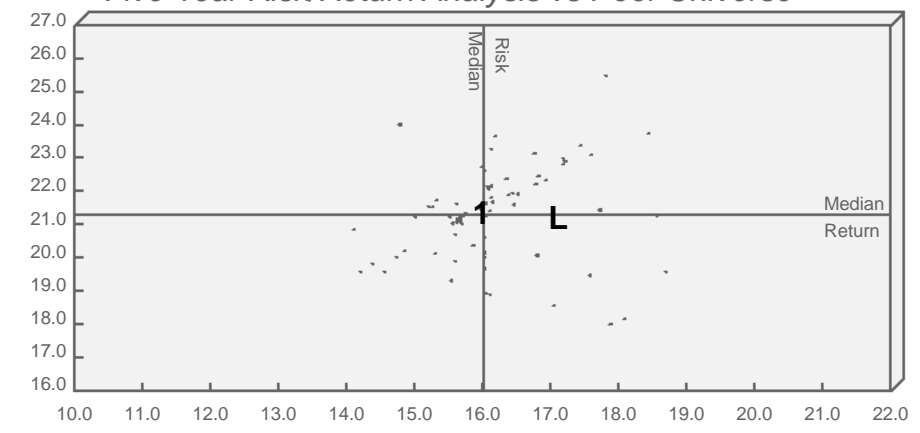


Performance Comparison vs Peer Universe*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
L Ziegler Lotsoff	2.91 (14)	12.48 (51)	17.84 (79)	21.58 (75)	16.23 (88)	13.97 (78)	21.02 (70)	
1 Standard & Poor	1.80 (63)	12.51 (39)	18.41 (59)	21.86 (57)	17.84 (62)	14.65 (58)	21.15 (63)	
Median	1.87	12.48	18.70	22.03	18.16	14.70	21.27	7.77
Number of Funds	286	286	281	273	240	210	170	70

Five Year Risk/Return Analysis vs Peer Universe*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
Ziegler Lotsoff	L	21.02	70	17.18	19
Standard & Poor's 500	1	21.15	63	16.07	45
Median		21.27		16.02	

*TUCS Total Returns of Large Neutral Equity Portfolios Universe - Gross of Fees

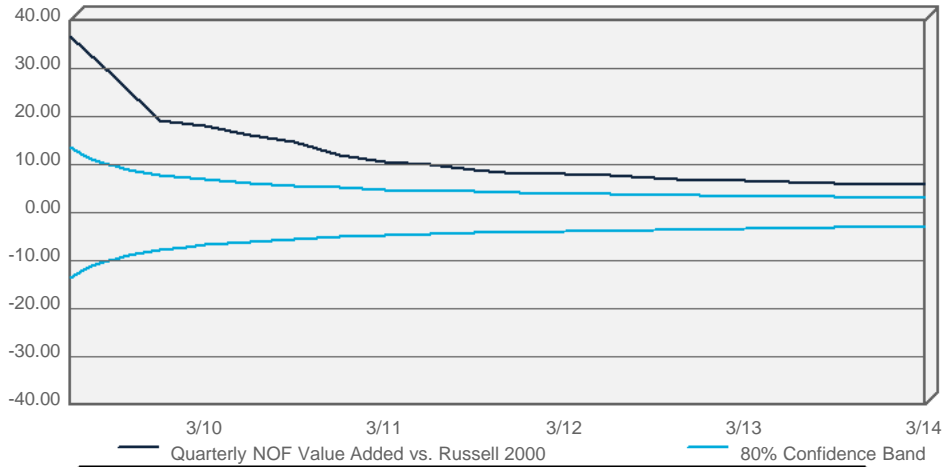
Investment Manager Analysis



Wellington

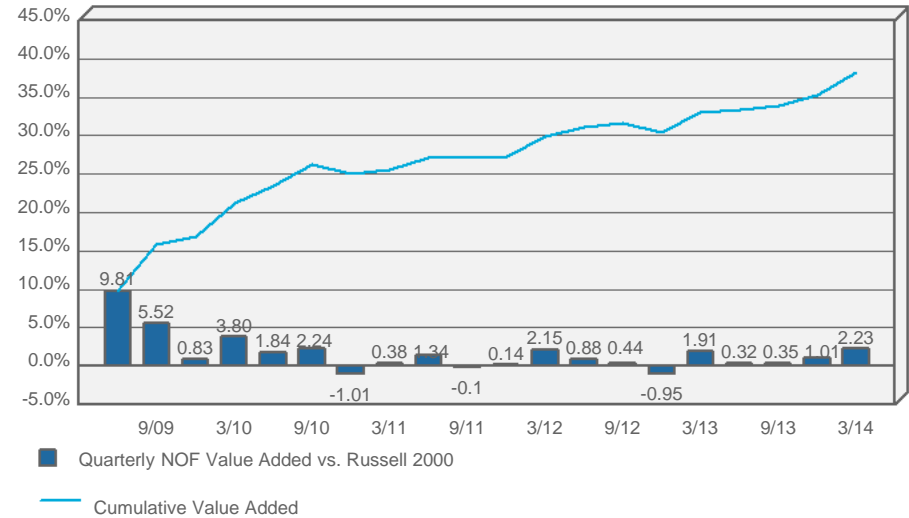
March 31, 2014

Cumulative Skill Analysis vs Benchmark

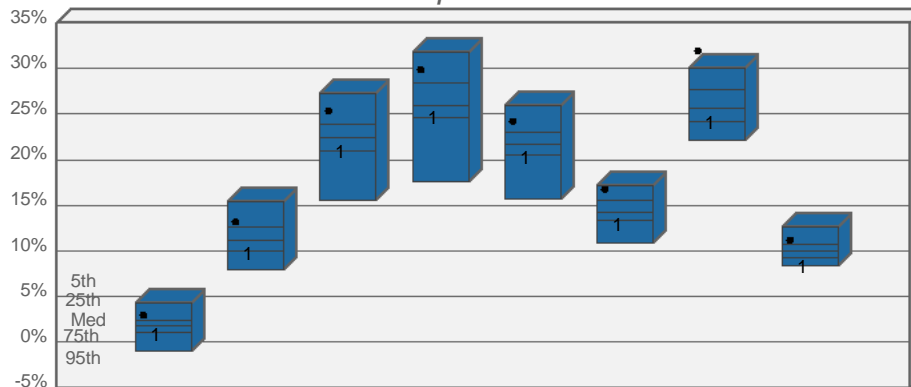


Excess Return:	6.00	Information Ratio:	1.45
Excess Risk:	4.14	T-Stat:	3.24

Value-Added Analysis vs Benchmark

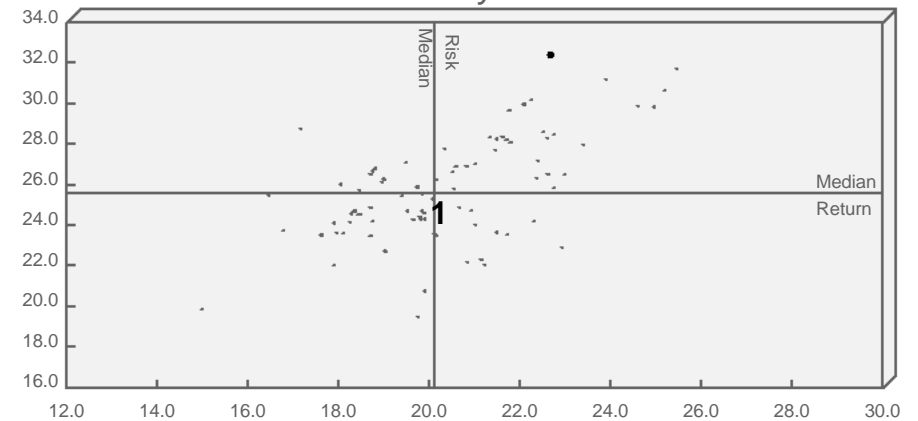


Performance Comparison vs Peer Universe*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
● Wellington	3.49 (8)	13.73 (13)	25.92 (13)	30.41 (13)	24.81 (8)	17.35 (4)	32.54 (1)	11.78 (8)
1 Russell 2000	1.12 (73)	9.94 (77)	21.16 (70)	24.90 (69)	20.52 (75)	13.19 (76)	24.31 (70)	8.53 (91)
Median	1.77	11.23	22.41	25.94	21.71	14.26	25.59	9.93
Number of Funds	143	139	136	133	122	114	93	41

Five Year Risk/Return Analysis vs Peer Universe*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
Wellington	●	32.54	1	22.90	12
Russell 2000	1	24.31	70	20.35	44
Median		25.59		20.10	

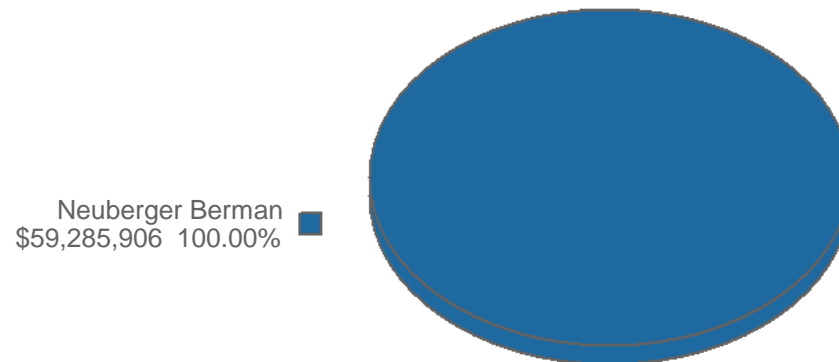
*TUCS Total Returns of Small Neutral Equity Portfolios Universe - Gross of Fees

Non - U.S. Equity

Manager Allocation

Non-U.S. Equity Composite

As of March 31, 2014



Performance Comparison



Trailing Returns

Periods Ended March 31, 2014

	1 Qtr	YTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
Neuberger Berman									
Net of Fee Return	1.16	1.16	14.44	6.09	17.28	1.11		6/30/06	3.14
MSCI ACWI X US (N)	0.51	0.51	12.31	4.15	15.52	1.70		6/30/06	3.93
Value Added	0.65	0.65	2.13	1.94	1.77	-0.59		6/30/06	-0.79
Non-U.S. Equity Composite									
Net of Fee Return	1.16	1.16	14.44	6.09	17.28	1.11	5.39	12/31/89	8.78
Policy Benchmark	0.51	0.51	12.31	4.15	15.52	1.70	6.86	12/31/89	4.83
Value Added	0.65	0.65	2.13	1.94	1.77	-0.59	-1.48	12/31/89	3.96

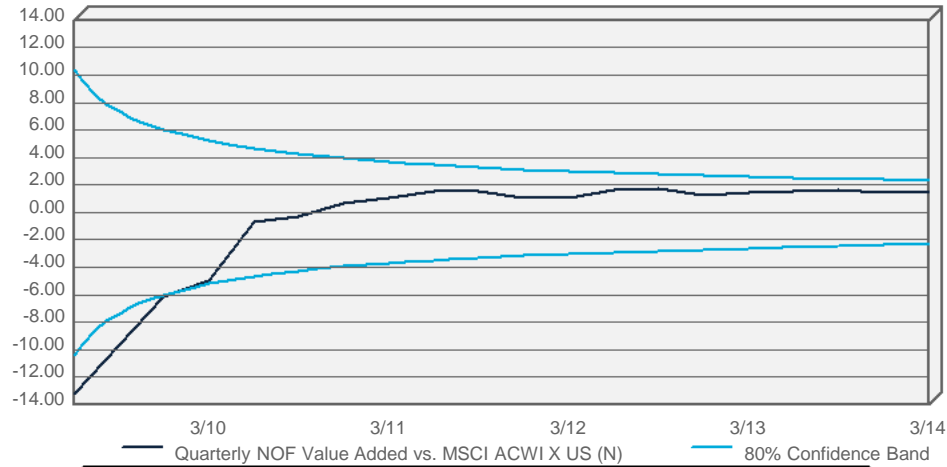
Investment Manager Analysis



Neuberger Berman

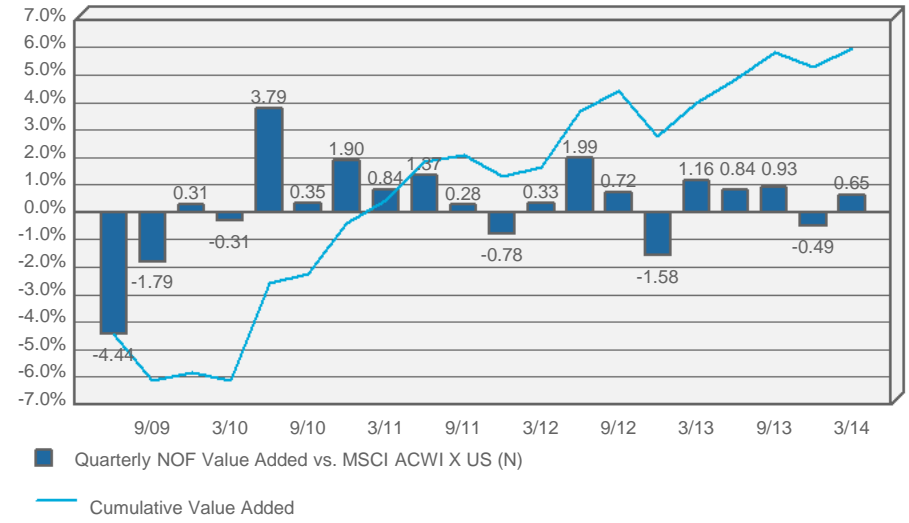
March 31, 2014

Cumulative Skill Analysis vs Benchmark

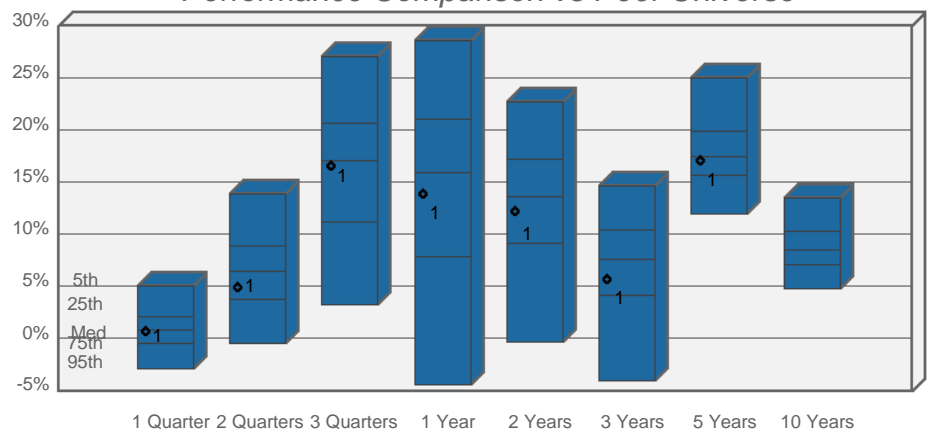


Excess Return:	1.53	Information Ratio:	0.48
Excess Risk:	3.16	T-Stat:	1.08

Value-Added Analysis vs Benchmark

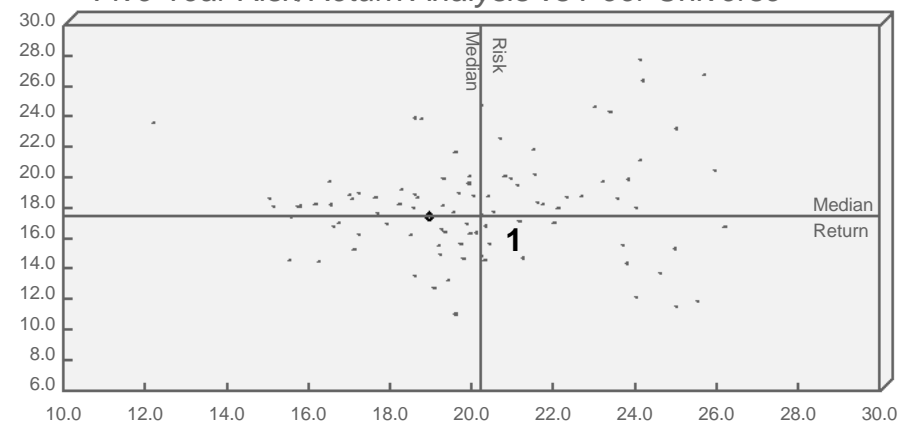


Performance Comparison vs Peer Universe*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
◆ Neuberger Berm	1.16 (40)	5.48 (64)	17.10 (50)	14.44 (57)	12.71 (56)	6.14 (64)	17.60 (48)	
1 MSCI ACWI X	0.51 (59)	5.30 (65)	15.92 (58)	12.31 (66)	10.32 (71)	4.15 (75)	15.52 (77)	
Median	0.83	6.50	17.11	15.94	13.60	7.54	17.48	8.49
Number of Funds	1733	1719	1691	1641	1486	1330	1008	383

Five Year Risk/Return Analysis vs Peer Universe*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
Neuberger Berman	◆	17.60	48	19.21	64
MSCI ACWI X US (N)	1	15.52	77	21.19	38
Median		17.48		20.23	

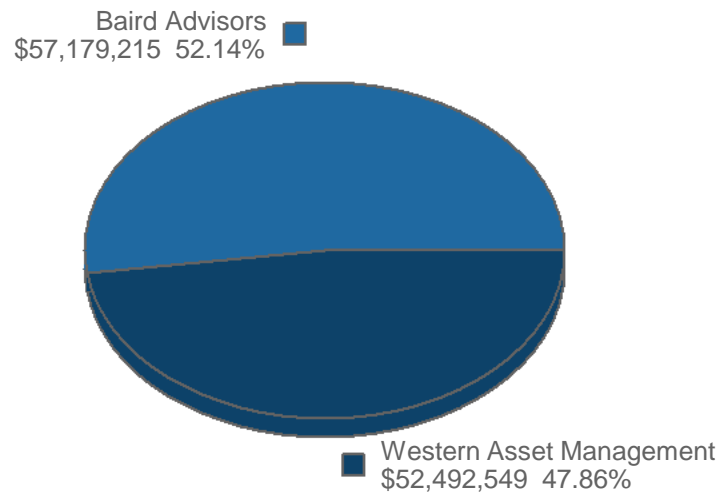
*TUCS Total Returns of International Equity Portfolios Universe - Gross of Fees

Fixed Income

Manager Allocation

Fixed Income Composite

As of March 31, 2014



Performance Comparison



Trailing Returns

Periods Ended March 31, 2014

	1 Qtr	YTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
Baird Advisors									
Net of Fee Return	2.15	2.15	0.35	4.54	7.04	5.19	4.75	3/31/03	4.84
Barclays Aggregate	1.84	1.84	-0.10	3.75	4.80	4.96	4.46	3/31/03	4.55
Value Added	0.30	0.30	0.45	0.79	2.23	0.23	0.28	3/31/03	0.29
Western Asset Management									
Net of Fee Return	3.06	3.06	1.50	5.56	12.41	6.02	5.48	3/31/04	5.48
Barclays Aggregate	1.84	1.84	-0.10	3.75	4.80	4.96	4.46	3/31/04	4.46
Value Added	1.22	1.22	1.59	1.82	7.61	1.05	1.02	3/31/04	1.02
Fixed Income Composite									
Net of Fee Return	2.61	2.61	0.94	5.11	9.78	5.69	5.24	9/30/87	7.35
Barclays Aggregate	1.84	1.84	-0.10	3.75	4.80	4.96	4.46	9/30/87	7.03
Value Added	0.77	0.77	1.04	1.36	4.98	0.73	0.77	9/30/87	0.32

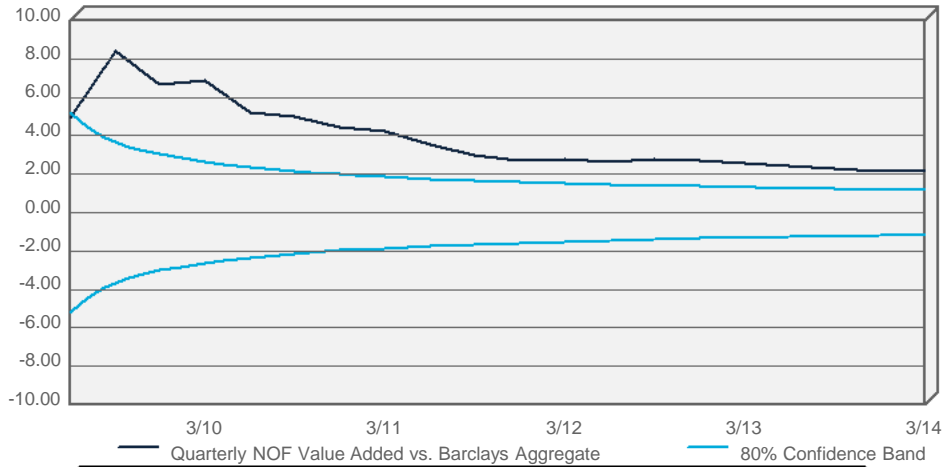
Investment Manager Analysis



Baird Advisors

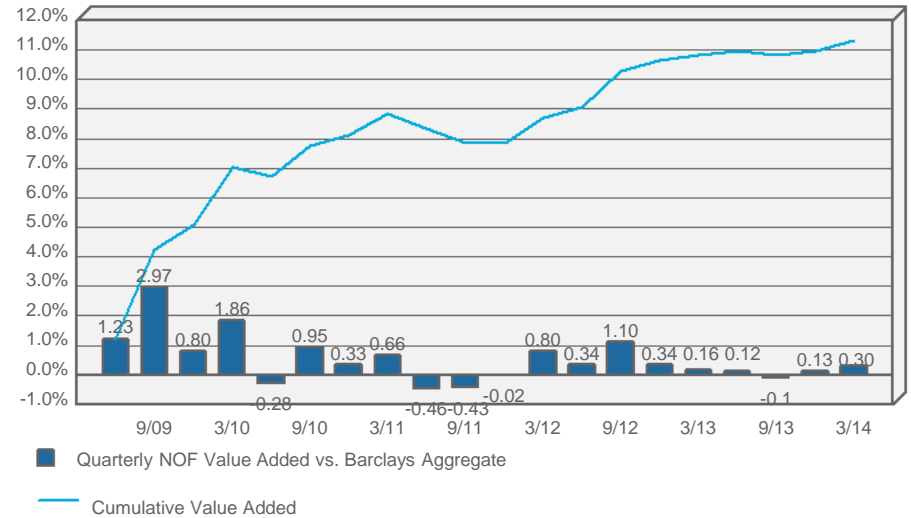
March 31, 2014

Cumulative Skill Analysis vs Benchmark

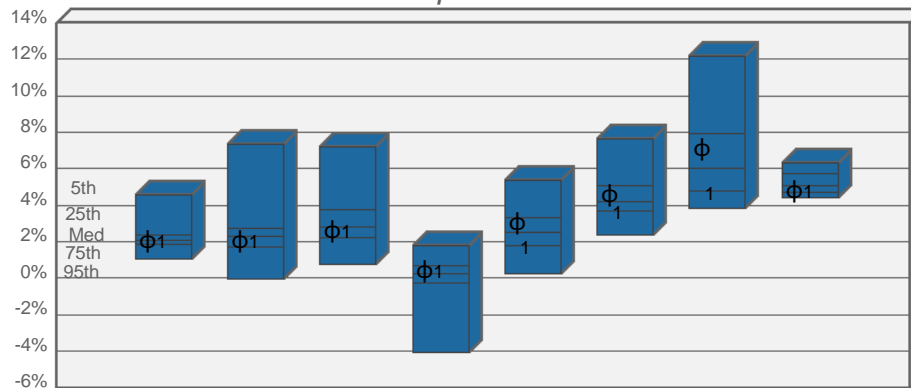


Excess Return:	2.13	Information Ratio:	1.34
Excess Risk:	1.59	T-Stat:	3.00

Value-Added Analysis vs Benchmark

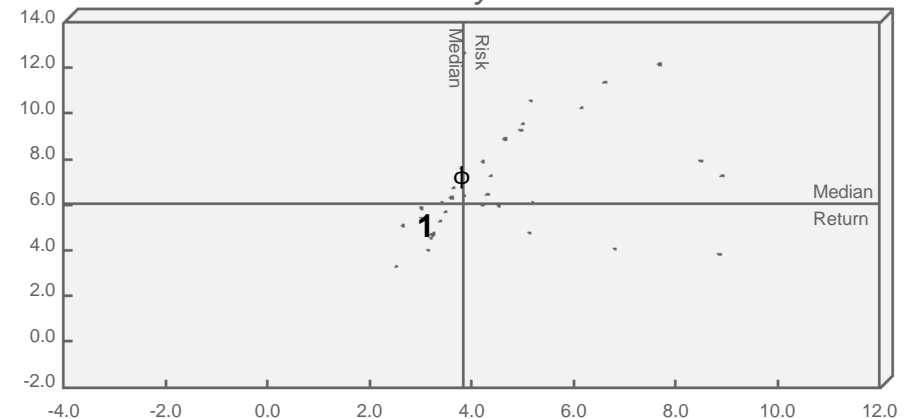


Performance Comparison vs Peer Universe*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
ϕ Baird Advisors	2.20 (28)	2.24 (50)	2.78 (52)	0.57 (31)	3.24 (27)	4.76 (36)	7.26 (32)	4.93 (61)
\uparrow Barclays Aggre	1.84 (76)	1.70 (83)	2.28 (71)	-0.10 (64)	1.82 (75)	3.75 (71)	4.80 (75)	4.46 (95)
Median	2.11	2.27	2.79	0.23	2.52	4.19	6.06	5.05
Number of Funds	82	80	79	78	69	59	40	20

Five Year Risk/Return Analysis vs Peer Universe*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
Baird Advisors	ϕ	7.26	32	3.92	47
Barclays Aggregate	1	4.80	75	3.22	75
Median		6.06		3.85	

*TUCS Total Returns of Fixed Income Portfolios - Core Universe - Gross of Fees

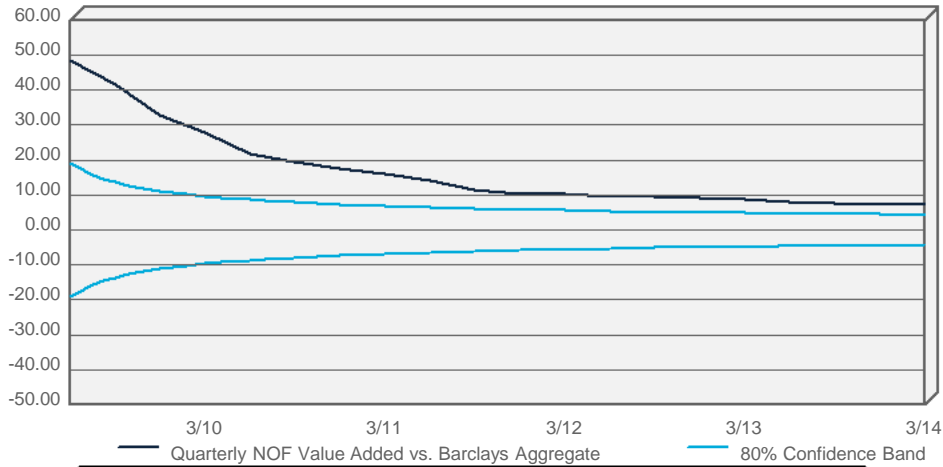
Investment Manager Analysis



Western Asset Management

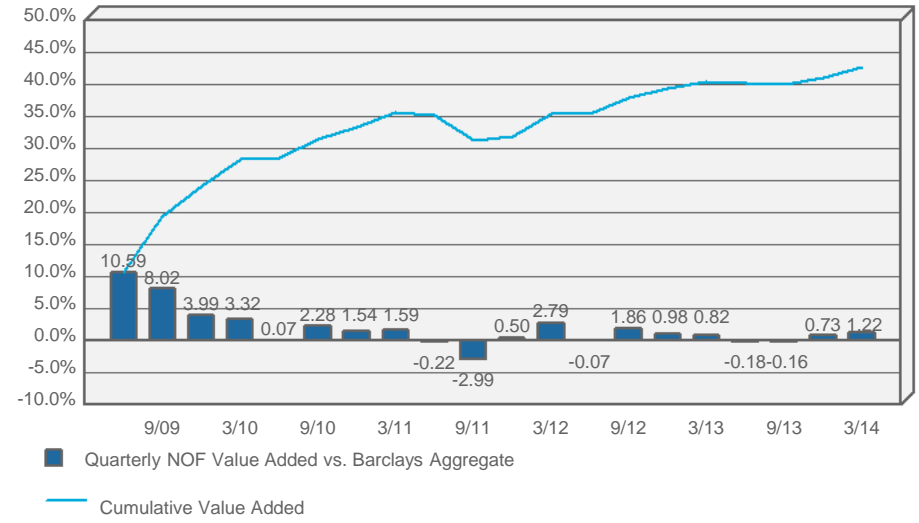
March 31, 2014

Cumulative Skill Analysis vs Benchmark

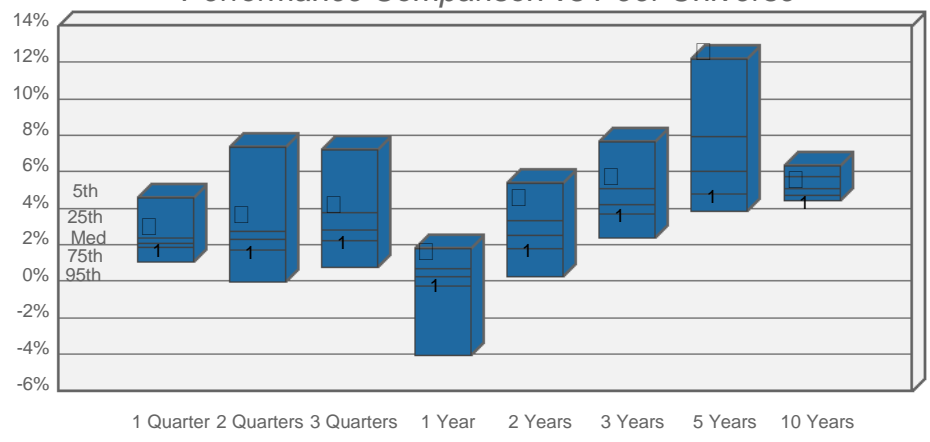


Excess Return:	7.26	Information Ratio:	1.24
Excess Risk:	5.85	T-Stat:	2.78

Value-Added Analysis vs Benchmark

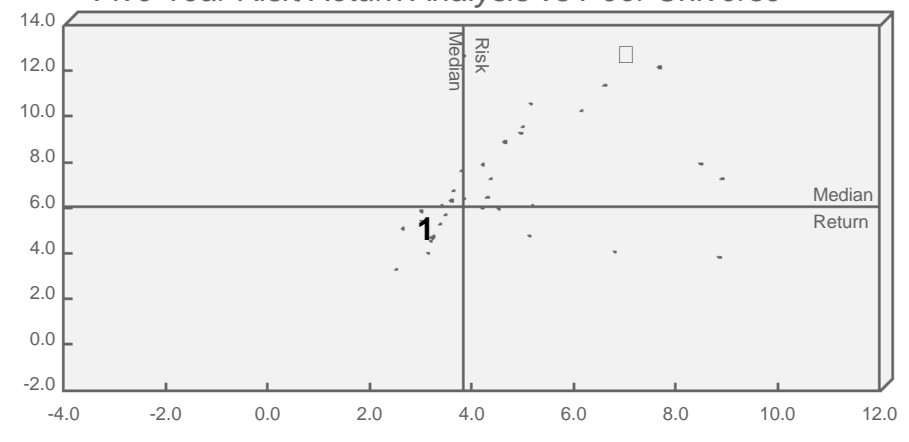


Performance Comparison vs Peer Universe*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
Western Asset	3.13 (10)	3.82 (9)	4.33 (16)	1.79 (5)	4.76 (6)	5.87 (11)	12.74 (1)	5.75 (22)
Barclays Aggre	1.84 (76)	1.70 (83)	2.28 (71)	-0.10 (64)	1.82 (75)	3.75 (71)	4.80 (75)	4.46 (95)
Median	2.11	2.27	2.79	0.23	2.52	4.19	6.06	5.05
Number of Funds	82	80	79	78	69	59	40	20

Five Year Risk/Return Analysis vs Peer Universe*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
Western Asset Management	□	12.74	1	7.16	13
Barclays Aggregate	●	4.80	75	3.22	75
Median		6.06		3.85	

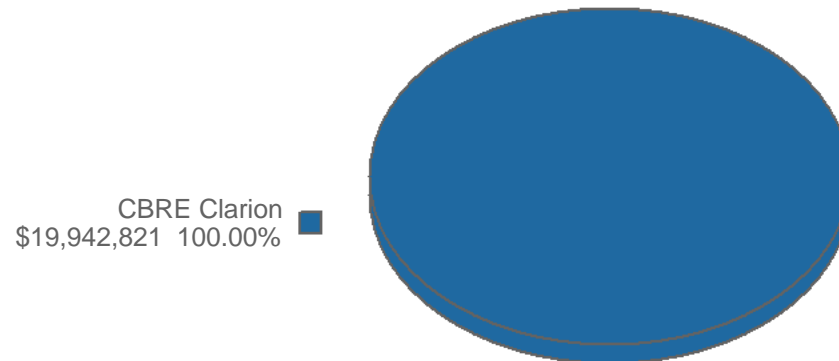
*TUCS Total Returns of Fixed Income Portfolios - Core Universe - Gross of Fees

Real Estate

Manager Allocation

Real Estate Composite

As of March 31, 2014



Performance Comparison



Trailing Returns

Periods Ended March 31, 2014

	1 Qtr	YTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
CBRE Clarion									
Net of Fee Return	3.05	3.05	1.95	7.21				6/30/09	14.62
FTSE EPRA/NAREIT Developed RE	4.01	4.01	2.18	8.48				6/30/09	16.53
Value Added	-0.97	-0.97	-0.23	-1.27				6/30/09	-1.90
Real Estate Composite									
Net of Fee Return	3.05	3.05	1.95	7.21				6/30/09	14.62
FTSE EPRA/NAREIT Developed RE	4.01	4.01	2.18	8.48				6/30/09	16.53
Value Added	-0.97	-0.97	-0.23	-1.27				6/30/09	-1.90

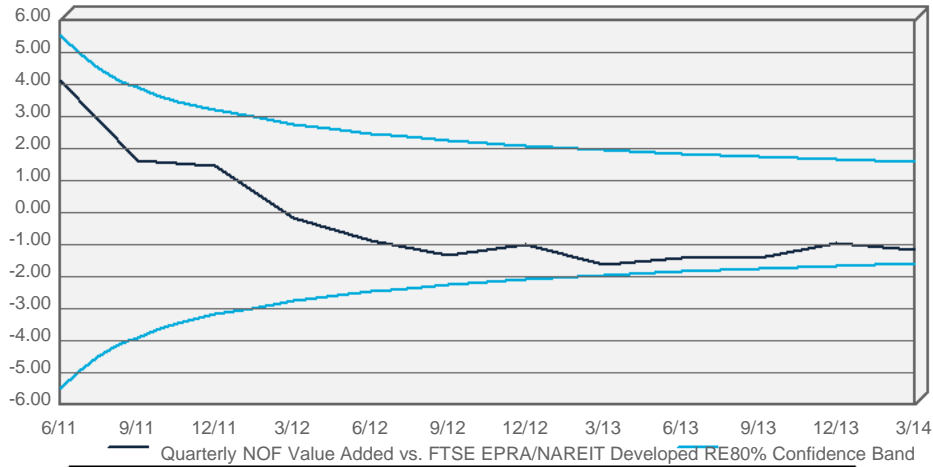
Investment Manager Analysis



CBRE Clarion

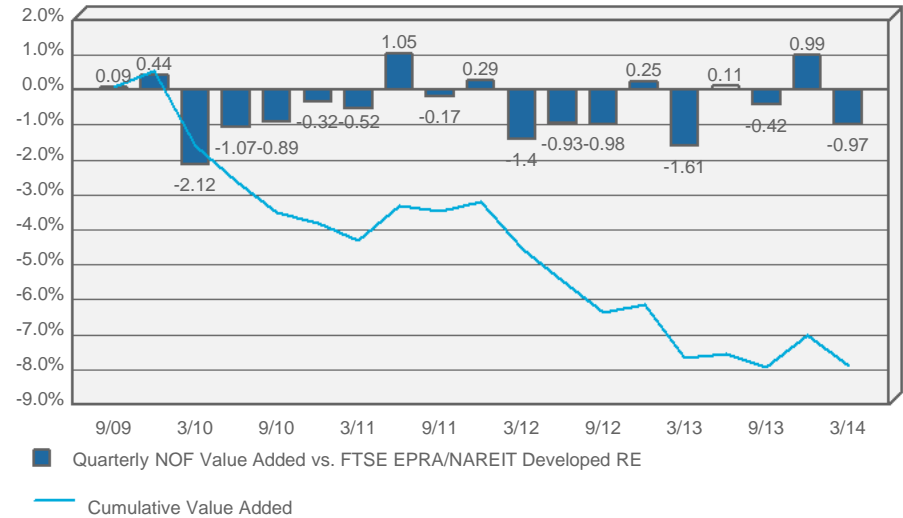
March 31, 2014

Cumulative Skill Analysis vs Benchmark

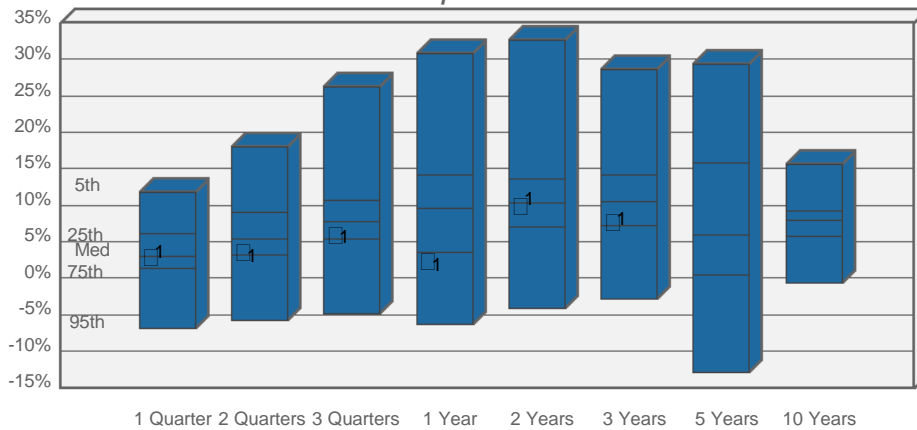


Excess Return:	-1.17	Information Ratio:	-0.70
Excess Risk:	1.68	T-Stat:	-1.21

Value-Added Analysis vs Benchmark

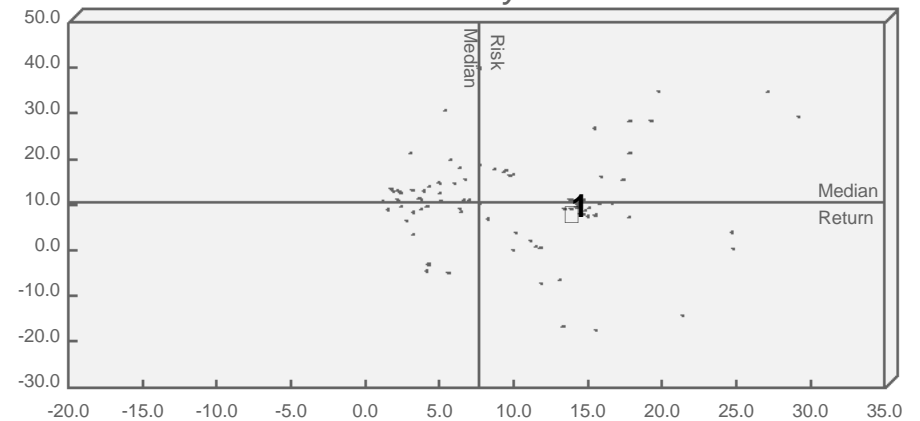


Performance Comparison vs Peer Universe*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
CBRE Clarion	3.24 (46)	3.95 (66)	6.27 (62)	2.71 (79)	10.18 (53)	8.01 (68)		
FTSE EPRA/NA	4.01 (34)	3.51 (71)	6.03 (65)	2.18 (81)	11.23 (41)	8.48 (66)		
Median	3.01	5.38	7.67	9.64	10.36	10.48	6.01	7.95
Number of Funds	436	479	478	458	423	393	293	74

Three Year Risk/Return Analysis vs Peer Universe*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
CBRE Clarion	□	8.01	68	14.35	28
FTSE EPRA/NAREIT Dev.RE	■	8.48	66	14.85	23
Median		10.48		7.67	

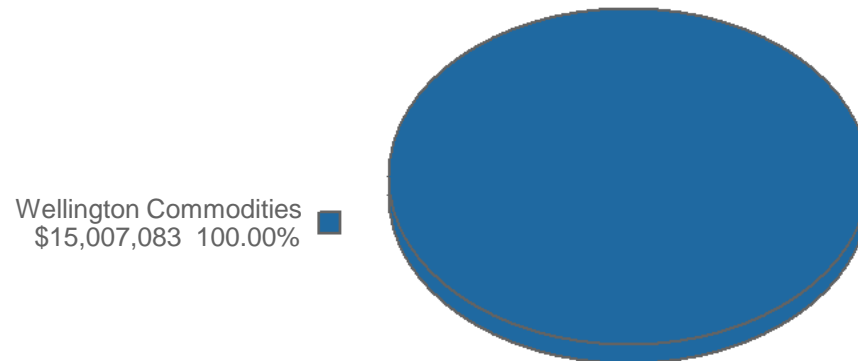
*TUCS Total Returns of Real Estate Portfolios Universe - Gross of Fees

Commodities

Manager Allocation

Commodities Composite

As of March 31, 2014



Performance Comparison



Trailing Returns

Periods Ended March 31, 2014

	1 Qtr	YTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
Wellington Commodities									
Net of Fee Return	3.36	3.36	-7.34					3/31/13	-7.34
DJ UBS Commodity Index	6.99	6.99	-2.09					3/31/13	-2.09
Commodities Composite									
Net of Fee Return	3.36	3.36	-7.34					3/31/13	-7.34
DJ UBS Commodity Index	6.99	6.99	-2.09					3/31/13	-2.09

Private Equity

Investment Manager Performance



Private Partnerships

As of March 31, 2014

Partnership	Commitment Value	Inception Date	Capital Called		Capital Distributed		Fair Value	Total Value / Paid-In Capital ¹	Annualized IRR
			Amount	%	Amount	%			
Adams Street Direct 2010 Fund	\$500,000	April 27, 2010	\$386,236	77%	\$31,647	6%	\$449,748	1.25	11.78%
Adams Street Non-US Dev. 2010 Fund	\$1,500,000	April 27, 2010	\$545,436	36%	\$43,228	3%	\$585,386	1.15	7.81%
Adams Street Non-US EM 2010 Fund	\$500,000	January 3, 2011	\$209,000	42%	\$0	0%	\$199,533	0.95	-3.76%
Adams Street US 2010 Fund	\$2,500,000	April 27, 2010	\$1,018,229	41%	\$104,933	4%	\$1,214,395	1.30	13.21%
Adams Street 2013 Global Fund	\$5,000,000	July 3, 2013	\$520,715	10%	\$0	0%	\$518,337	1.00	NA
Flag Global Partners	\$5,000,000	January 17, 2012	\$1,100,000	22%	\$66,710	1%	\$903,420	0.88	-7.40%
Alternative Investments Composite	\$15,000,000	April 27, 2010	\$3,779,616	25%	\$246,518	2%	\$3,870,819	1.09	5.42%

¹ TVPI = Fair Value + Capital Distributed / Capital Called

Capital Market Review

U.S. Equity

The U.S. stock market was up 2.0% for the first quarter, posting its seventh consecutive quarterly gain. Investors experienced highs and lows during the quarter, with a loss during January followed by a strong February and moderate gain in March. A global move towards safety effected most asset classes in January but investors became more comfortable with economic data as the quarter proceeded.

Large capitalization stocks trailed smaller shares during the quarter while growth stocks trailed value. Most economic sectors showed gains during the quarter, as Utilities and Health Care led other groups higher. Consumer Discretionary, after a monster 2013, trailed all other sectors and produced the quarter's only negative return, down -2.1%.

After five straight quarters where the U.S. Treasury yield curve pushed higher, yields fell during the first quarter of 2014. The biggest move occurred in January when a flight to safety was triggered by concerns of global weakness, spurred by a manufacturing slowdown in China and increased volatility in emerging market currencies. Of equal note, the curve flattened as the spread between the five and 30 year Treasury fell to its lowest level since late-2009.

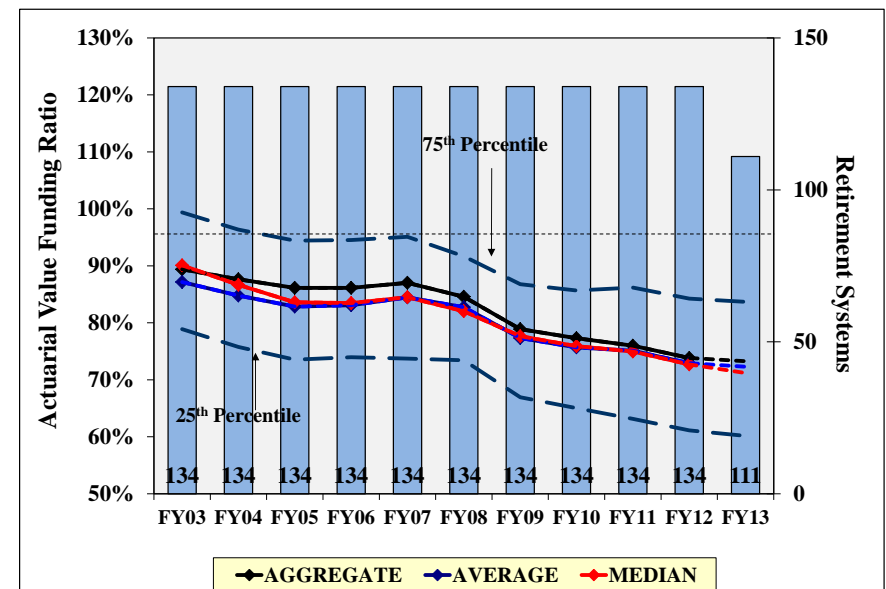
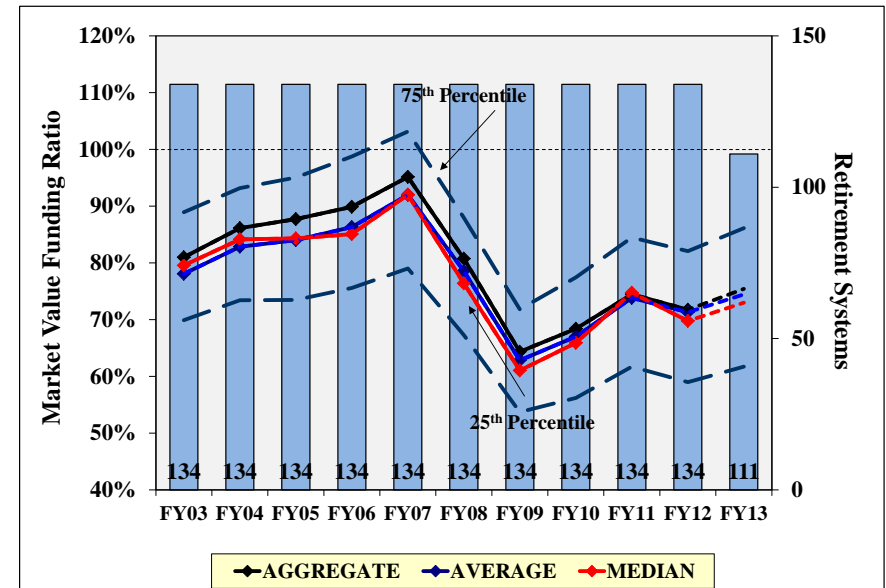
Non-U.S. Equity

Global stock markets dealt with lingering concerns over economic and political uncertainty, especially in emerging market economies as the turmoil between Russia and Ukraine exacerbated tensions and drove some investors into safe haven trades. However, developed markets managed meager gains overall; European stocks exhibited stronger performance than Asia-Pacific equities, as stronger economic growth and attractive fundamentals brought buyers back into the fold. Emerging market stocks ended the quarter with slight losses, despite gains in March.

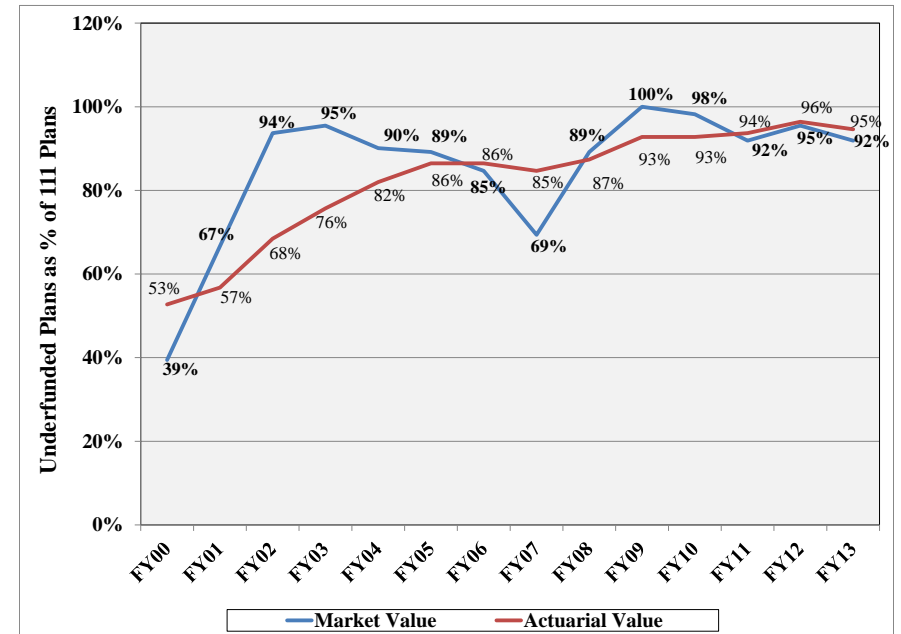
Fixed Income

Global economic uncertainties and geopolitical events drove many investors to seek safety in U.S. Treasuries, driving yields lower in maturities past five years. The bellwether 10-year U.S. Treasury ended the quarter at 2.73%, 31 basis points lower than its level on December 31, 2013. In contrast, most short-maturity yields rose during the quarter, flattening the yield curve and leading to exceptionally strong performance by long-dated Treasury paper. Credit yield spreads tightened during the quarter as well, buoying performance for investment-grade and high-yield corporate bonds.

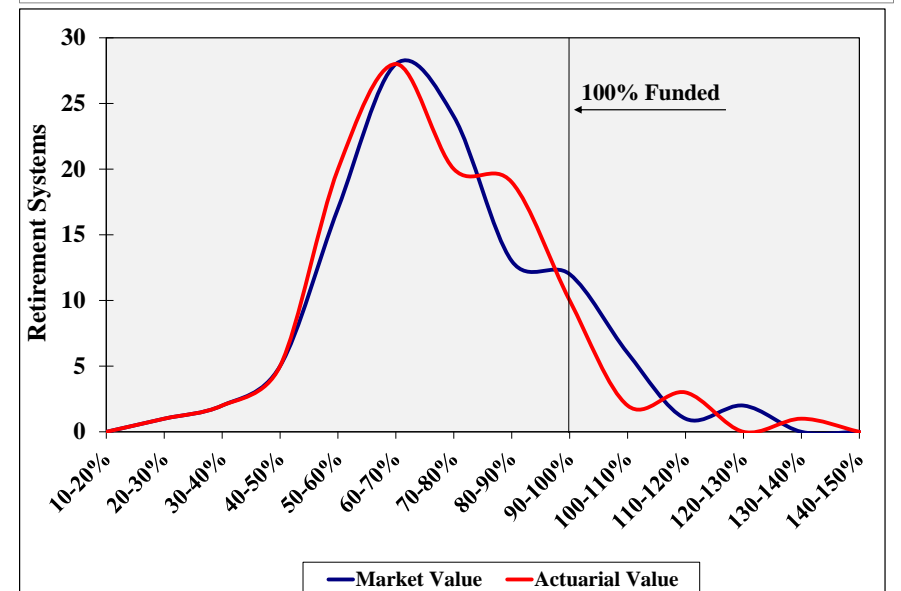
- 111 state retirement systems reported actuarial values on or after June 30, 2013
- Improvement in funding ratio fueled by rallying global stock markets in the 12 months ending June 30
- Funding ratios based on actuarial values fell slightly for 2013
- Actuarial ratios tend to exhibit moderated patterns of change, due to the smoothing of actuarial values



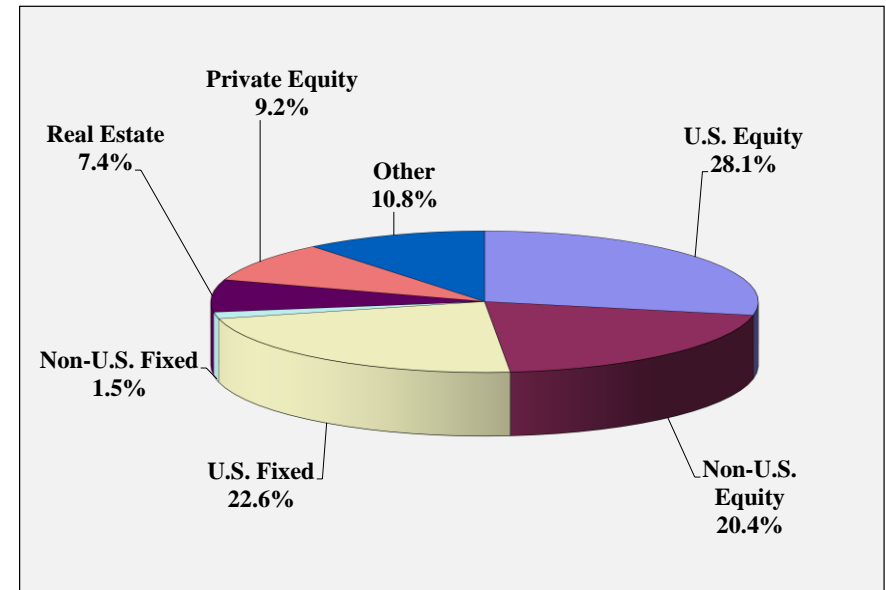
- Of the 111 plans with 2013 data, 92% of them were underfunded based on market values



- On a market value basis, a majority of the 111 plans are less than or equal to 80% funded



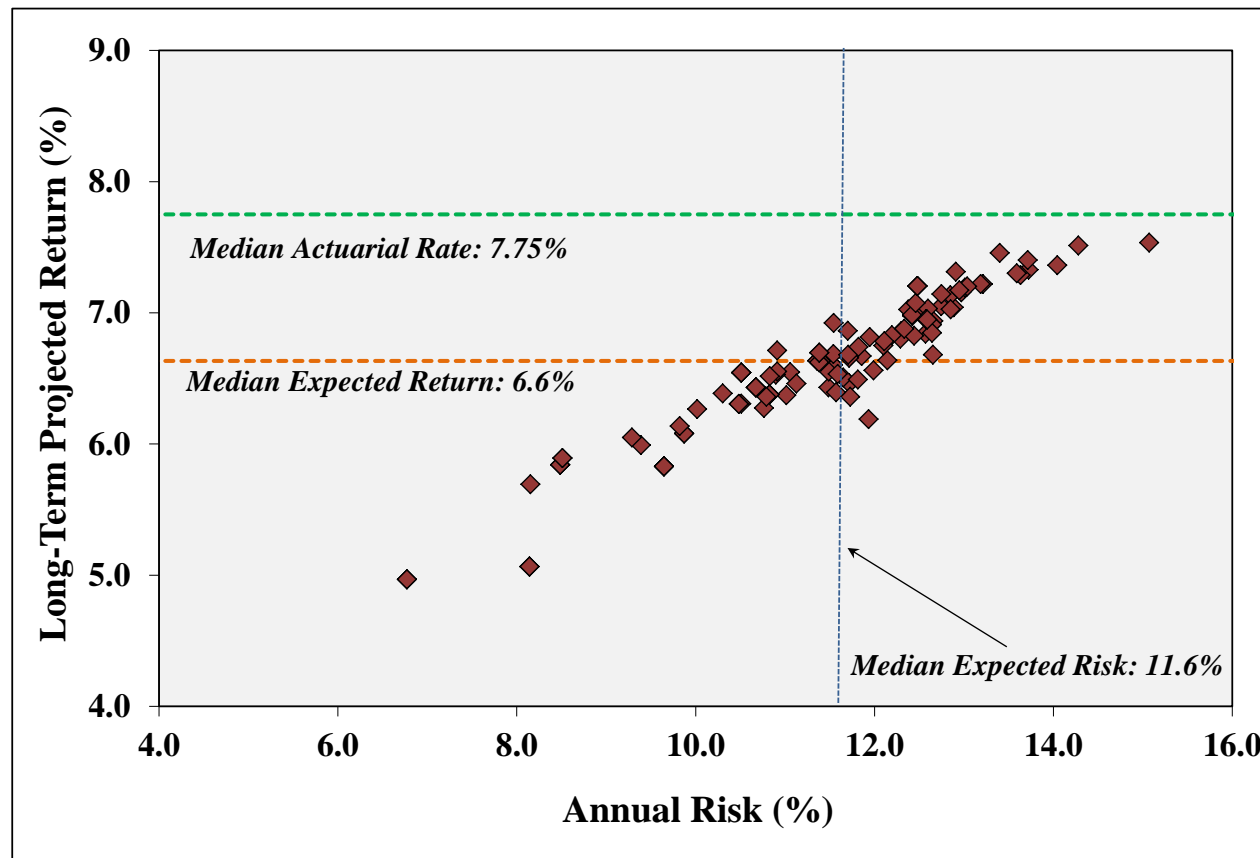
- U.S. Equity plus Non-U.S. Equity equals 48.5% of assets



- Average allocation to Non-U.S. Equities has increased while allocation to U.S. Bonds has decreased

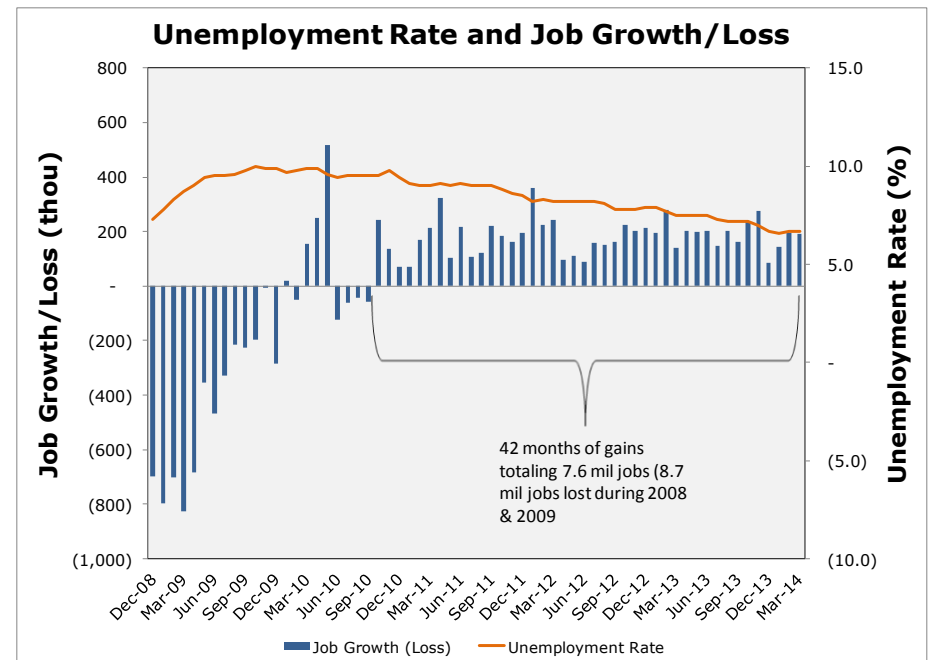
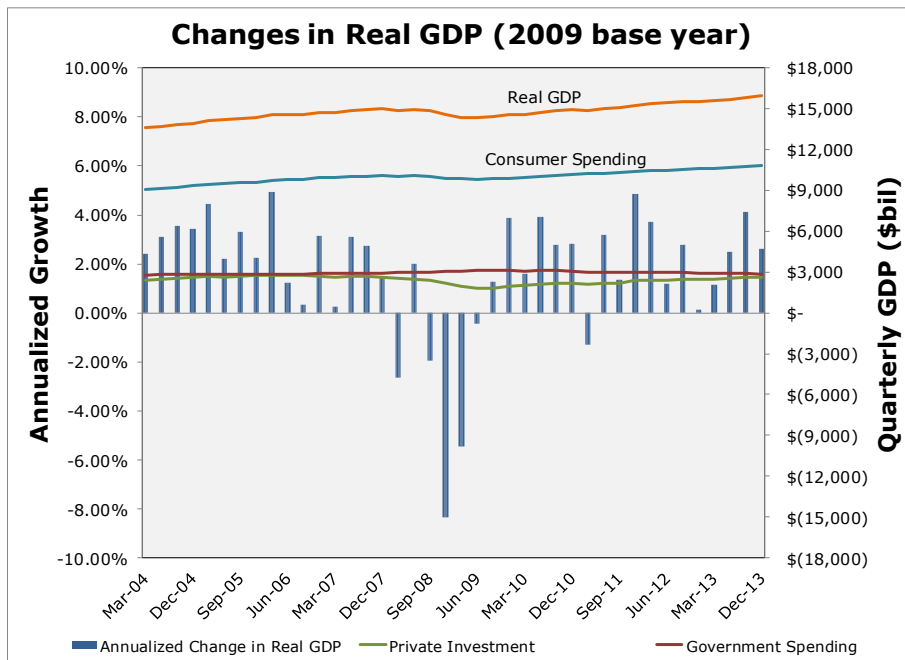
Equity	Asset Exposures			Change in Exposure	
	2003	2008	2013	2003-2013	2008-2013
U.S. Equity	42.7 %	38.1 %	28.1 %	-14.6 %	-10.0 %
Non-U.S. Equity	13.3	18.8	20.4	7.1	1.6
Real Estate	4.2	5.9	7.4	3.2	1.5
Private Equity	4.7	5.6	9.2	4.5	3.6
Equity Subtotal	64.9	68.4	65.0	0.1	-3.4
Debt					
U.S. Fixed	33.6	26.7	22.6	-11.0	-4.1
Non-U.S. Fixed	1.2	0.9	1.5	0.3	0.6
Other	0.3	4.0	10.9	10.6	6.9
Debt Subtotal	35.1	31.6	35.0	-0.1	3.4
Return *	6.6	6.7	6.6	0.0	0.0
Risk *	11.2	11.6	11.4	0.2	-0.2

- Using Wilshire Consulting's January 2014 asset class assumptions to calculate return forecasts for the 134 plans in our study, the median expected return is 6.6% per year
- None of the plans are projected to meet or exceed the median actuarial rate of 7.75%



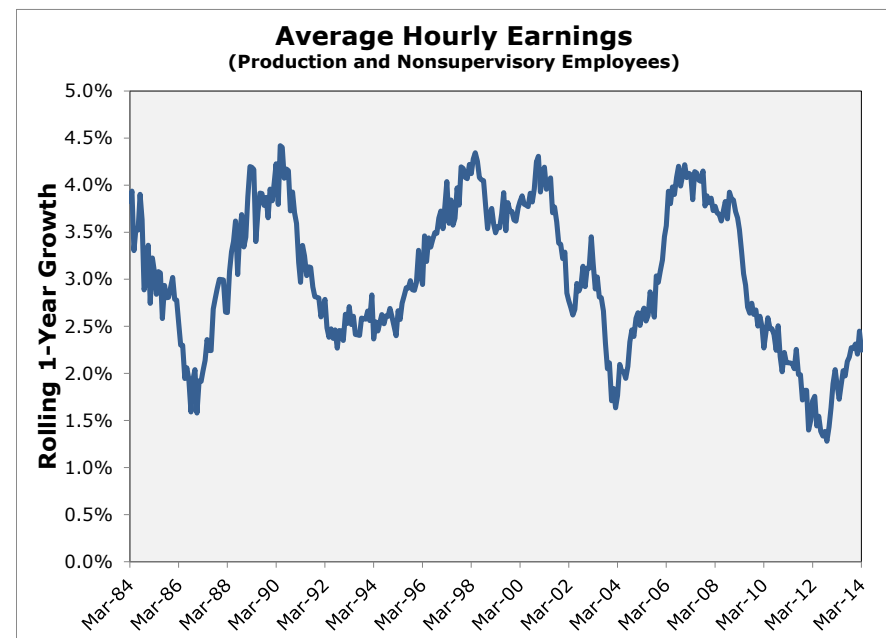
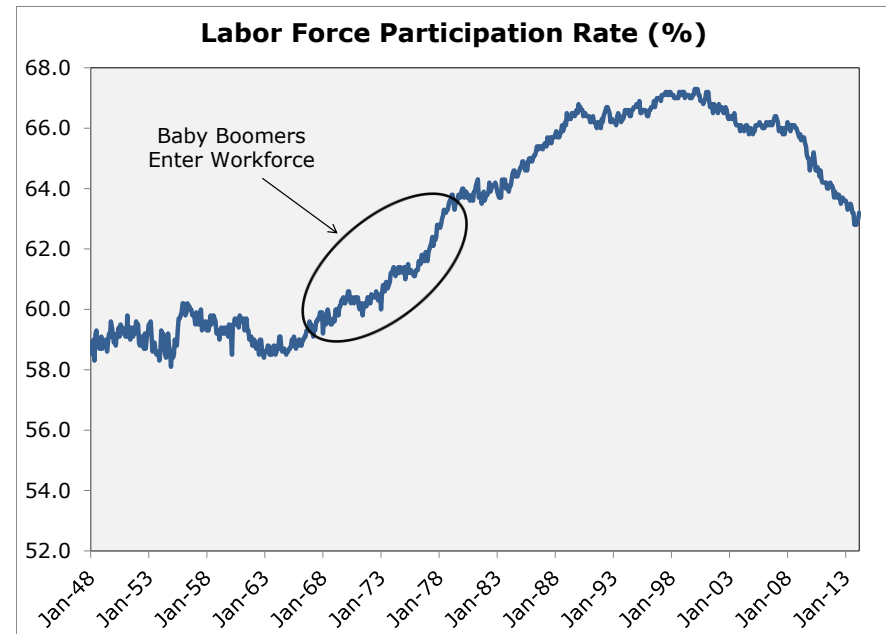
March 31, 2014	Key Economic Indicators				
CPI (all items) Seasonally adjusted	Monthly Change		Cumulative Change		
	Mar-14	0.2	3-Month	0.4	
	Feb-14	0.1	12-Month	1.5	
	Jan-14	0.1	10-Yr Annual	2.3	
Breakeven Inflation	10-Year		2.2		
Consumer Sentiment Unv. of Michigan Survey	Mar-14	80.0			
	Feb-14	81.6			
	1-Yr Ago	78.6	10-Yr Avg	77.7	
Manufacturing Inst. for Supply Mgmt Purchasing Mngrs' Idx	Mar-14	53.7	Change in Manufacturing Sector		
	Feb-14	53.2	>50	Expansion	
	1-Yr Avg		53.9	<50	Contraction

Note: Seasonally adjusted CPI data is utilized to better reflect short-term pricing activity.



Data sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve Bank of St. Louis, Barclays Capital

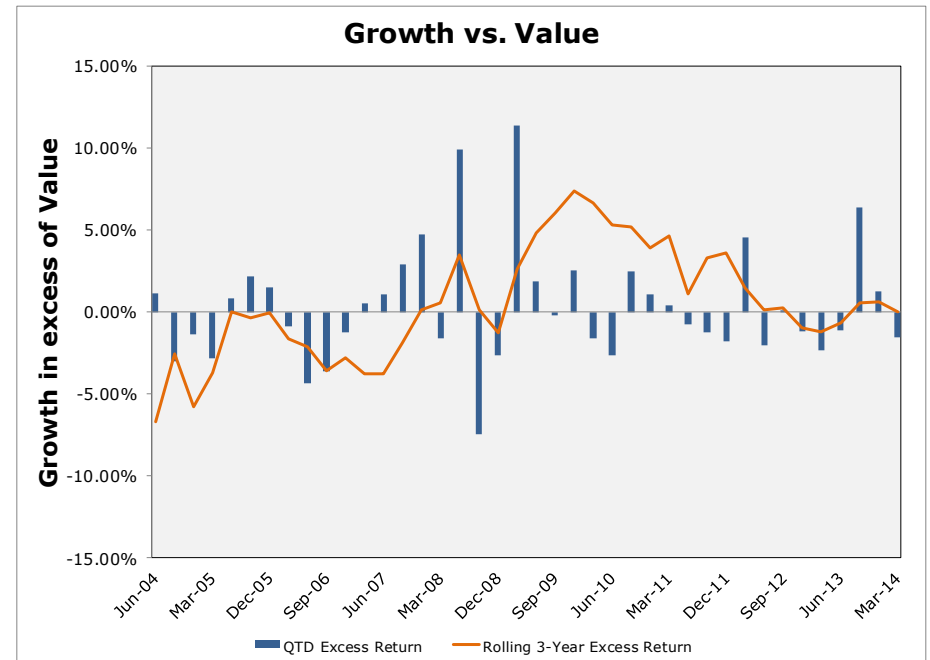
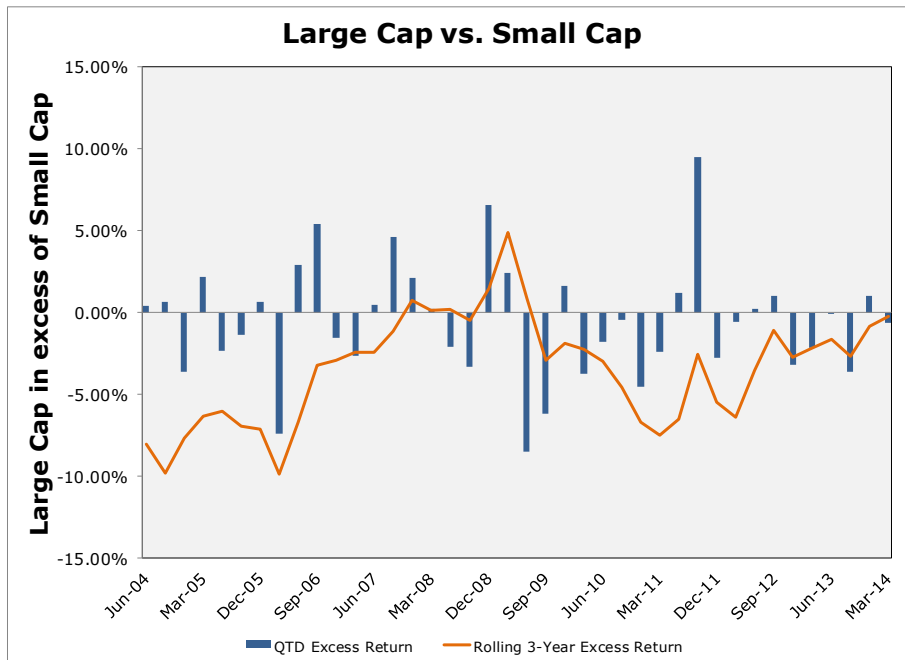
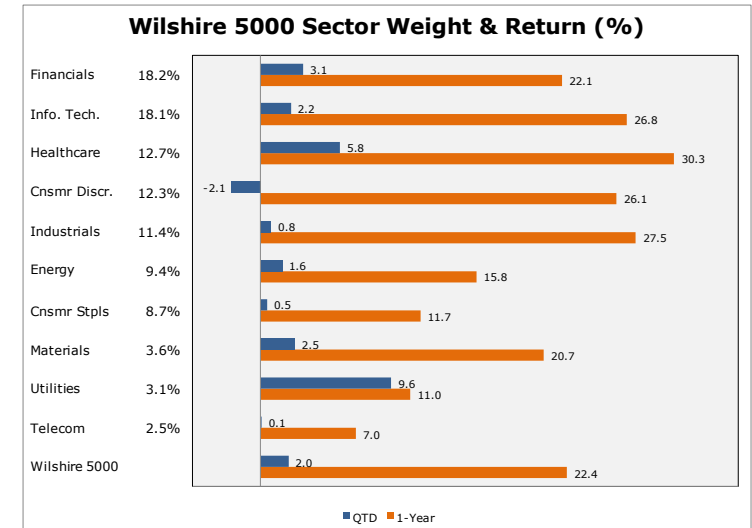
- Participation rate has ticked upward in 2014 after hitting a low of 62.8% at the end of last year
 - Half of the decline since 2007 due to retirements (Congressional Budget Office)
 - After declining by 550,000 individuals in 2013, the labor force has grown this year by 1.3 million
- Earnings back on the rise after hitting a 30-year low in late-2012
 - Currently at 2.2%, average during this period equals 3%
 - Group includes industries such as manufacturing, construction and service-providers, accounts for 80% of total employment on private nonfarm payrolls



U.S. Equity Market



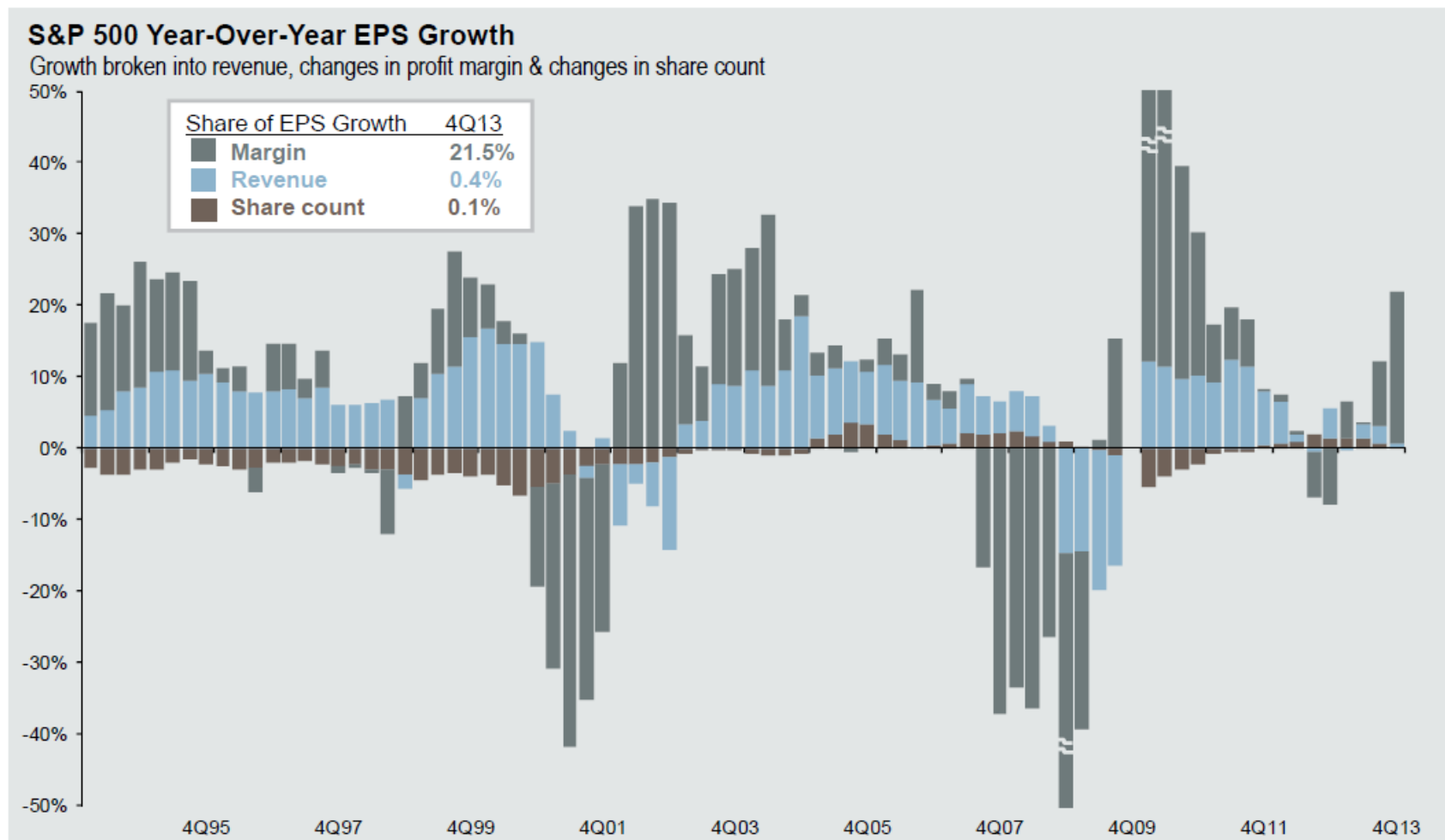
March 31, 2014	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Wilshire 5000	2.0	2.0	22.4	14.4	21.7	7.9
Wilshire U.S. Large Cap	2.0	2.0	21.9	14.4	21.0	7.7
Wilshire U.S. Small Cap	2.6	2.6	26.1	14.7	27.8	10.3
Wilshire U.S. Large Growth	1.0	1.0	25.0	14.3	21.4	8.1
Wilshire U.S. Large Value	2.7	2.7	19.4	14.5	20.7	7.2
Wilshire U.S. Small Growth	2.2	2.2	30.7	15.3	28.8	11.1
Wilshire U.S. Small Value	2.9	2.9	22.0	14.0	26.8	9.6
Wilshire REIT Index	10.1	10.1	4.4	10.5	29.2	8.2
MSCI USA Minimum Volatility Index	1.9	1.9	11.9	14.4	19.0	7.3
FTSE RAFI U.S. 1000 Index	2.5	2.5	23.2	15.4	31.3	n.a.



Data sources: Wilshire Compass, Wilshire Atlas

Sources of Earnings Growth

- Corporate earnings have been quite strong since the recession
- Earnings growth during 2013 has been mainly due to improving margins



Effects of Interest Rates on Equity

Correlations Between Weekly Stock Returns and Interest Rate Movements

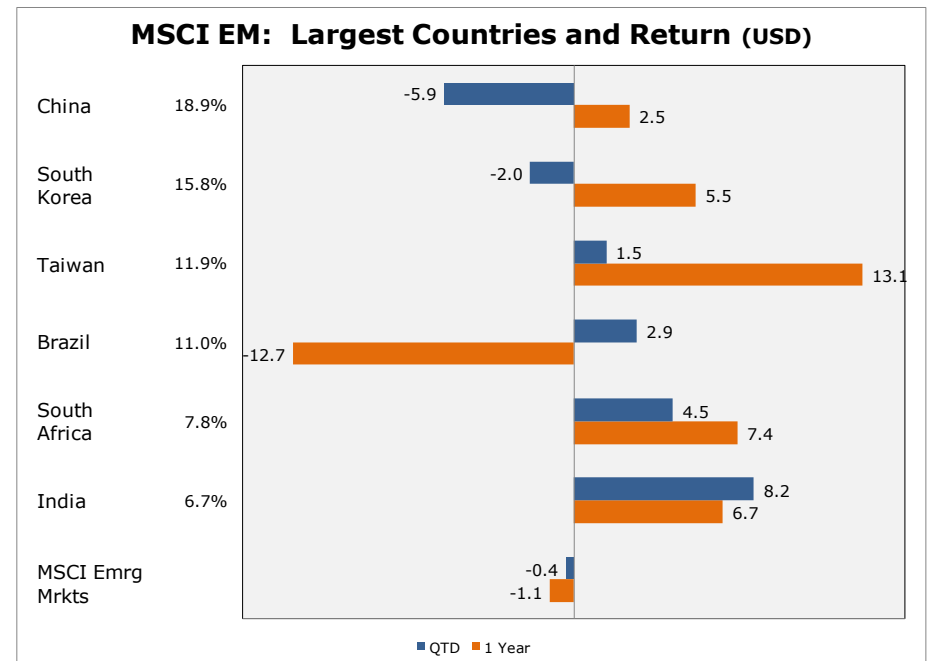
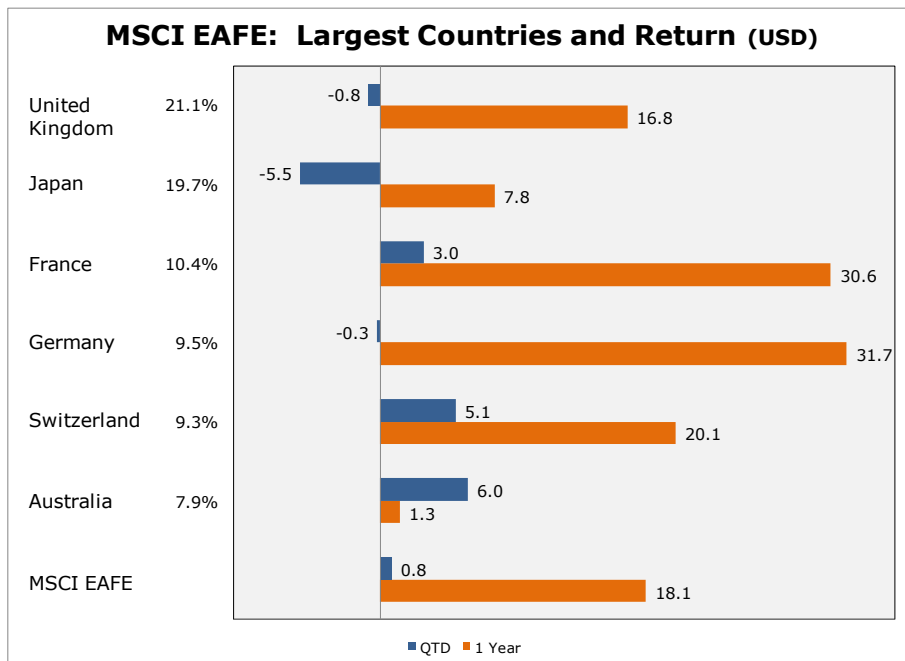
Weekly S&P 500 returns, 10-year Treasury yield, rolling 2-year correlation, Mar. 1963 - Mar. 2014



Non-U.S. Equity Market

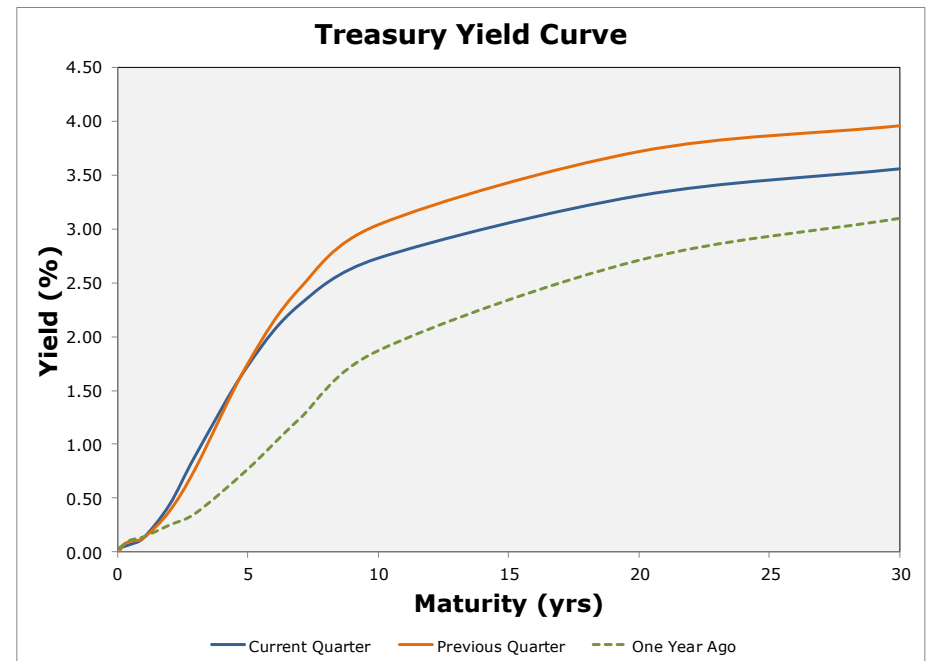
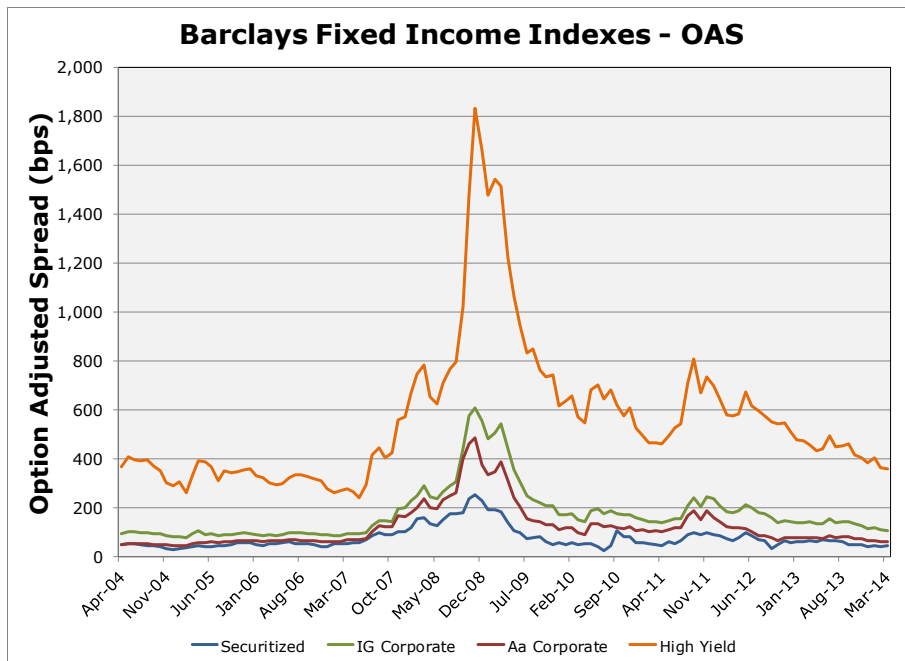


March 31, 2014	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
MSCI ACWI ex-US (\$g)	0.5	0.5	12.7	4.6	16.0	7.6
MSCI EAFE (\$g)	0.8	0.8	18.1	7.7	16.6	7.0
MSCI Emerging Markets (\$g)	-0.4	-0.4	-1.1	-2.5	14.8	10.5
MSCI Frontier Markets (\$g)	7.5	7.5	25.5	8.6	16.0	8.2
MSCI ACWI ex-US Growth (\$g)	0.4	0.4	11.2	4.6	15.6	7.3
MSCI ACWI ex-US Value (\$g)	0.8	0.8	14.4	4.6	16.5	7.9
MSCI ACWI ex-US Small (\$g)	3.6	3.6	16.7	5.9	21.7	9.7
MSCI EAFE Minimum Volatility Idx	2.6	2.6	8.7	9.7	15.3	9.2
FTSE RAFI Developed ex-US Index	1.7	1.7	24.0	6.4	18.2	n.a.
MSCI EAFE LC (g)	-0.2	-0.2	15.9	9.4	14.2	6.0
MSCI Emerging Markets LC (g)	-0.5	-0.5	3.8	1.8	13.7	10.5



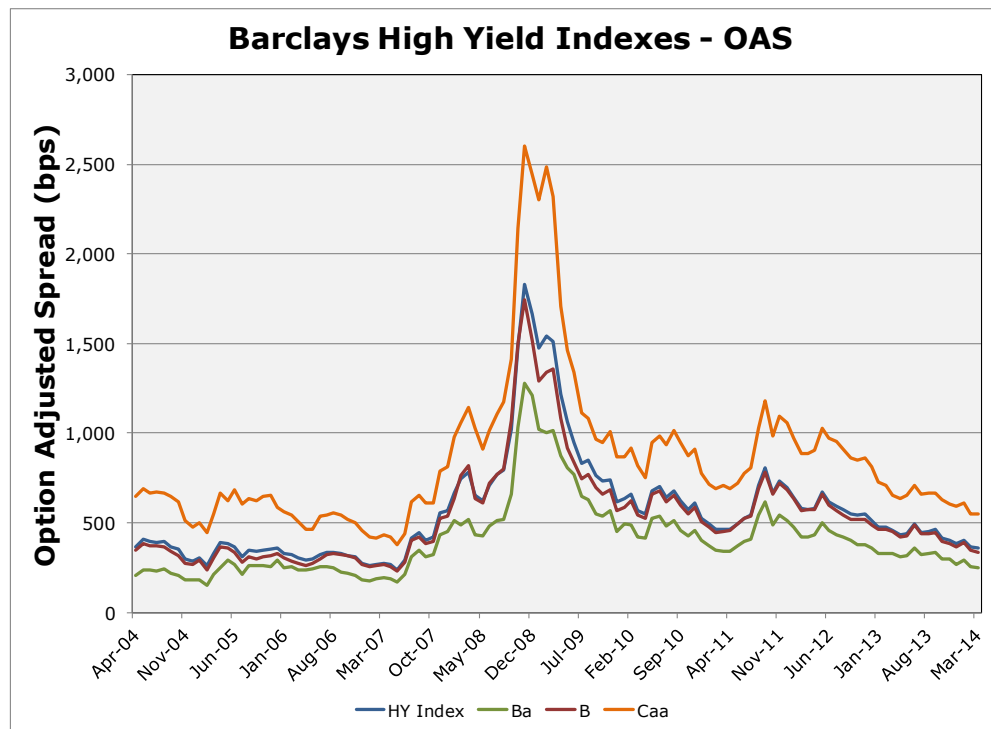
Data sources: Wilshire Compass, MSCI Barra

March 31, 2014	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays Aggregate Bond Index	1.8	1.8	-0.1	3.7	4.8	4.5
Barclays Treasury Index	1.3	1.3	-1.3	3.4	2.7	4.1
Barclays Govt-Related Index	2.1	2.1	-0.5	3.4	3.7	4.2
Barclays Securitized Index	1.6	1.6	0.2	2.9	4.3	4.5
Barclays Corporate IG Index	2.9	2.9	1.5	6.1	9.7	5.3
Barclays LT Govt/Credit Index	6.6	6.6	-0.9	9.0	9.1	6.5
Barclays LT Treasury Index	7.1	7.1	-4.2	8.3	4.8	6.1
Barclays LT Govt-Related Index	6.7	6.7	-2.4	8.8	8.3	6.9
Barclays LT Corporate IG Index	6.2	6.2	2.0	9.2	13.3	6.5
Barclays U.S. TIPS Index	2.0	2.0	-6.5	3.5	4.9	4.5
Barclays High Yield Index	3.0	3.0	7.5	9.0	18.2	8.7
Treasury Bills	0.0	0.0	0.1	0.1	0.1	1.6



Data sources: Wilshire Compass, Barclays Capital, U.S. Treasury

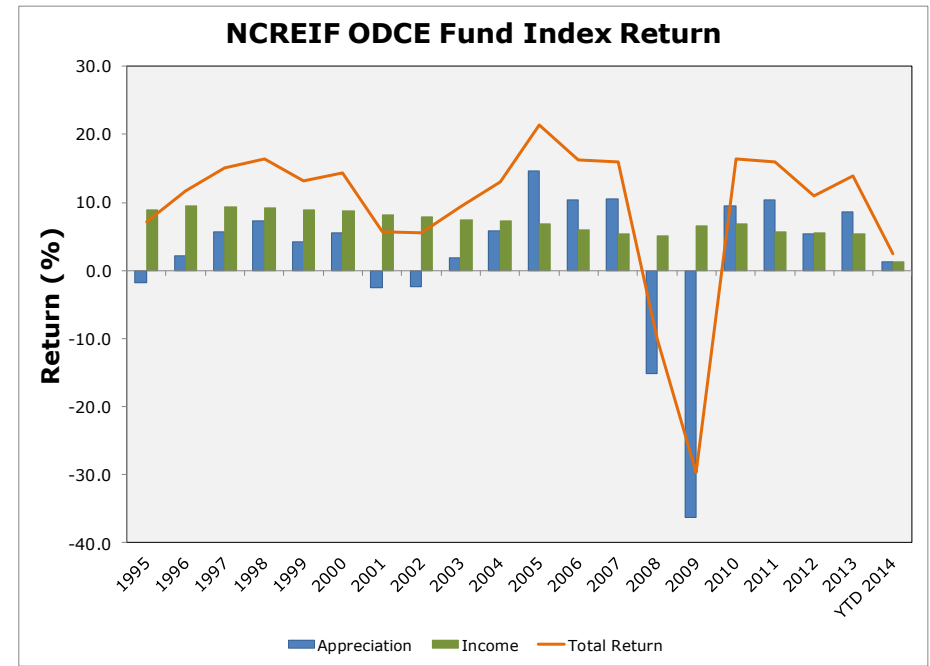
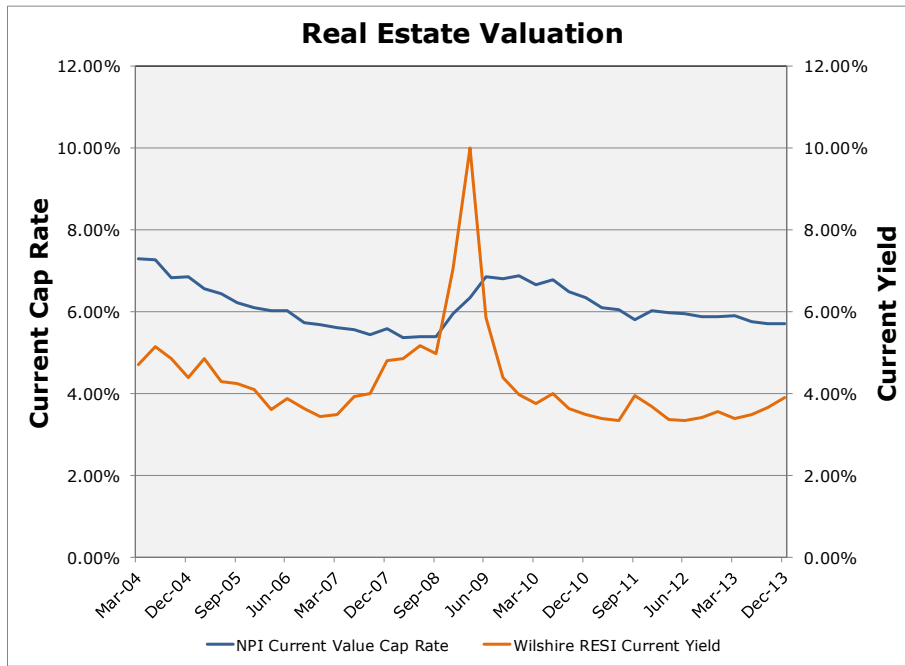
March 31, 2014	Weight	Qtr	Ytd	1 Yr	3 Yr
Barclays High Yield Index	100%	3.0	3.0	7.5	9.0
Quality Distribution					
Ba U.S. High Yield	40.9%	3.1	3.1	6.2	8.6
B U.S. High Yield	40.6%	2.8	2.8	7.3	9.0
Caa U.S. High Yield	17.8%	3.3	3.3	11.1	10.3
Ca to D U.S. High Yield	0.6%	-1.7	-1.7	4.5	3.0
Non-Rated U.S. High Yield	0.2%	6.5	6.5	11.0	12.9



Data sources: Barclays Capital

March 31, 2014	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays U.S. TIPS Index	2.0	2.0	-6.5	3.5	4.9	4.5
Dow Jones UBS Commodity Index	7.0	7.0	-2.1	-7.4	4.2	0.4
Global Public Real Estate*	7.7	7.7	3.1	9.8	26.1	8.4
NCREIF ODCE Fund Index	2.5	2.5	13.7	13.0	7.3	7.2
NCREIF Timberland Index	1.6	1.6	9.8	6.6	2.9	8.3
Alerian MLP Index (Oil & Gas)	1.9	1.9	8.5	13.5	27.3	14.9

* Wilshire Global Real Estate Securities from March 2004 to December 2004. Wilshire Global REITs from 2004 to present.



Data sources: Wilshire Compass, National Council of Real Estate Investment Fiduciaries

Asset Class Performance



Annual Asset Class Returns - Best to Worst

2009	2010	2011	2012	2013	YTD 2014
Emrg Mrkts 79.0%	REITs 28.6%	U.S. TIPS 13.6%	Emrg Mrkts 18.6%	U.S. Equity 33.1%	REITs 10.1%
High Yield 58.2%	Emrg Mrkts 19.2%	REITs 9.2%	Developed 17.9%	Developed 23.3%	Commodities 7.0%
Developed 32.5%	U.S. Equity 17.2%	Core Bond 7.8%	REITs 17.6%	High Yield 7.4%	High Yield 3.0%
REITs 28.6%	Commodities 16.8%	High Yield 5.0%	U.S. Equity 16.1%	REITs 1.9%	U.S. Equity 2.0%
U.S. Equity 28.3%	High Yield 15.1%	U.S. Equity 1.0%	High Yield 15.8%	T-Bills 0.1%	U.S. TIPS 2.0%
Commodities 18.9%	Developed 8.2%	T-Bills 0.1%	U.S. TIPS 7.0%	Core Bond -2.0%	Core Bond 1.8%
U.S. TIPS 11.4%	Core Bond 6.5%	Developed -11.7%	Core Bond 4.2%	Emrg Mrkts -2.3%	Developed 0.8%
Core Bond 5.9%	U.S. TIPS 6.3%	Commodities -13.3%	T-Bills 0.1%	U.S. TIPS -8.6%	T-Bills 0.0%
T-Bills 0.2%	T-Bills 0.1%	Emrg Mrkts -18.2%	Commodities -1.0%	Commodities -9.5%	Emrg Mrkts -0.4%

Annualized 5-Year as of Mar. '14

REITs 29.2%
U.S. Equity 21.7%
High Yield 18.2%
Developed 16.6%
Emrg Mrkts 14.8%
U.S. TIPS 4.9%
Core Bond 4.8%
Commodities 4.2%
T-Bills 0.1%

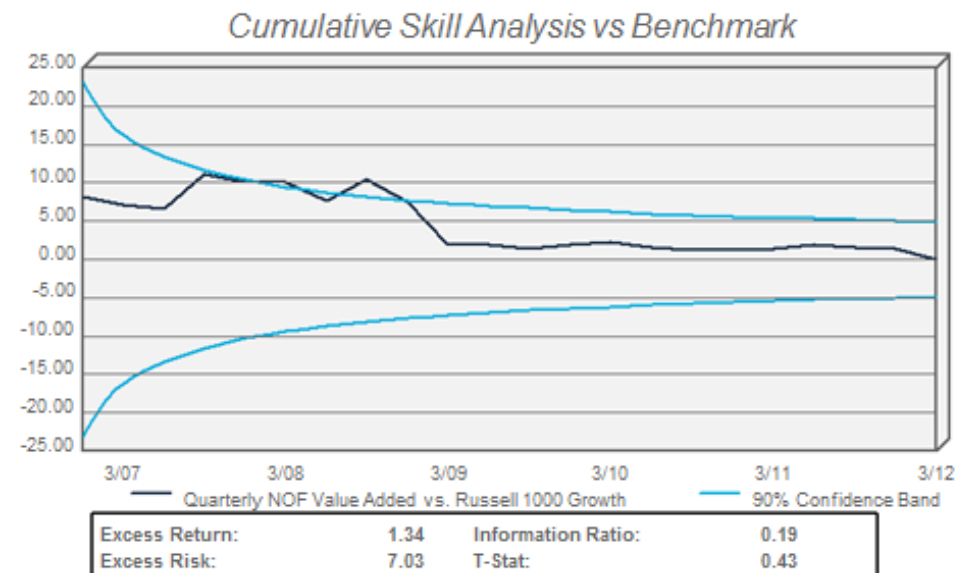
Data sources: Wilshire Compass

Note: Developed asset class is developed markets ex-U.S., ex-Canada.

Appendix

Cumulative Skill Graph

- Graphical representation of the statistical significance of excess returns over a specified benchmark for the cumulative time period being analyzed.
- Positive cumulative excess performance is shown when the dark blue line is above the “0.00” line measured on the left Y axis.
- The light blue lines that form a channel, or the shape of a trumpet horn, represent the boundaries of the statistical significance test.
- The width of the channel is calculated based on the amount of “Excess Risk” that the manager takes over the benchmark.



Value Added Graph

- Illustrates excess returns over the specified benchmark for individual periods, usually quarters, and for the cumulative time period being analyzed.
- A period in which there was positive excess performance the dark blue bar is above the line. Negative excess performance is below the line. The magnitude of the excess performance is measured on the left Y axis.
- The light blue line is the cumulative result of the quarterly performance and is measured on the right Y axis.

