



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

September 30, 2014

Investment Performance	Tab 1
Capital Market Review	Tab 2
Appendix	

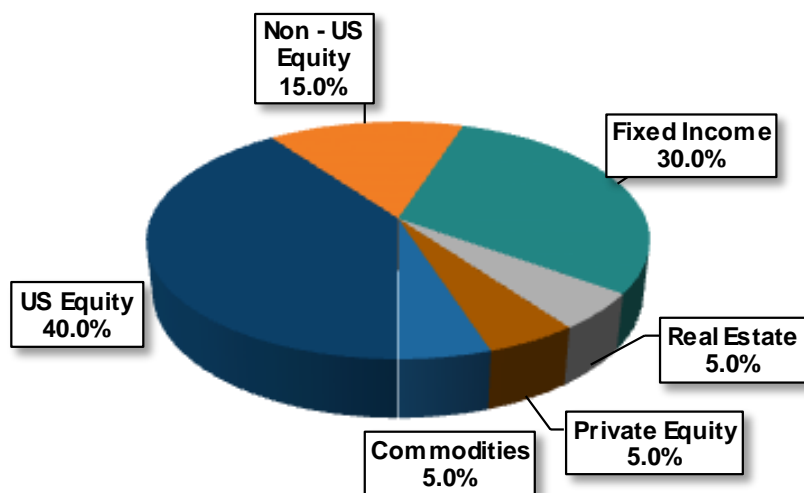
Total Fund

Policy Allocation vs Actual Allocation

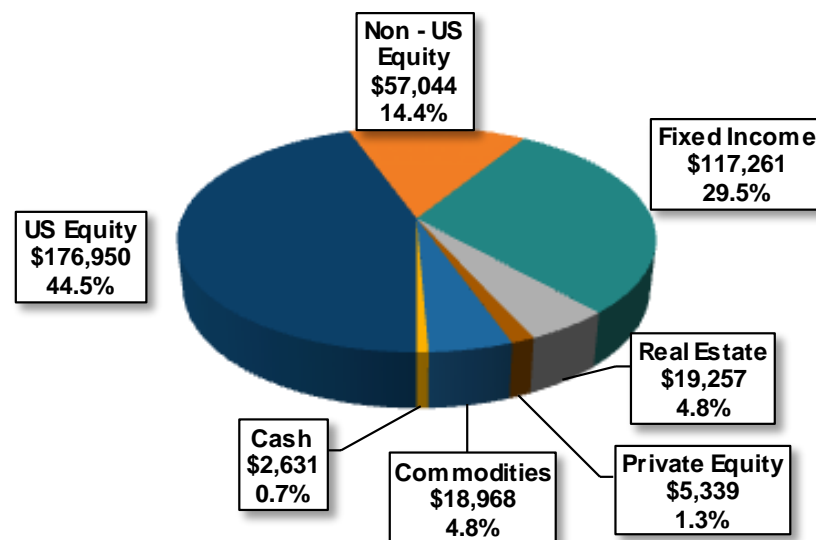
Total Fund Composite

As of September 30, 2014

Policy Allocation



Actual Allocation (in \$'000s)



Total Assets: \$397,451,000

Policy Allocation vs Actual Allocation

Total Fund Composite

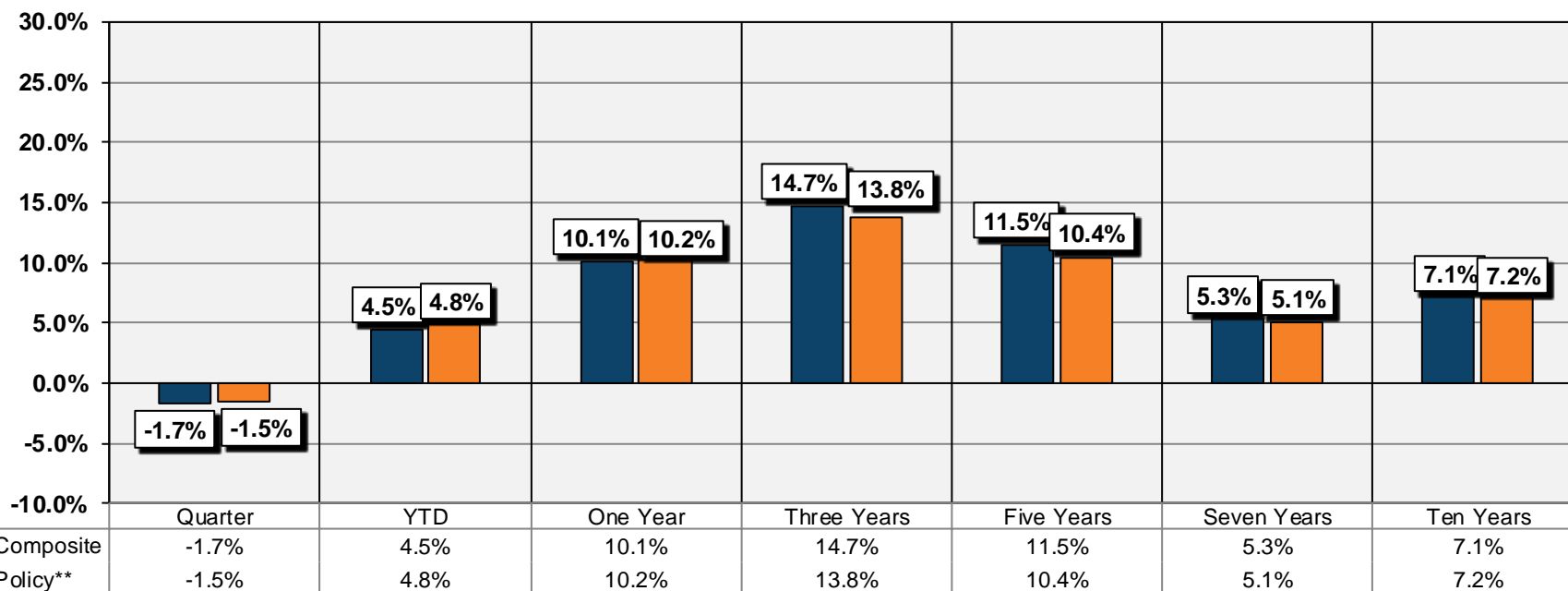
As of September 30, 2014

	Market Value (in \$'000s)	Asset Allocation	
		Actual	Policy
US Equity	\$176,950	44.52%	40.00%
Non - US Equity	\$57,044	14.35%	15.00%
Fixed Income	\$117,261	29.50%	30.00%
Real Estate	\$19,257	4.85%	5.00%
Private Equity	\$5,339	1.34%	5.00%
Commodities	\$18,968	4.77%	5.00%
Cash	\$2,631	0.66%	0.00%
Total Fund Composite	\$397,451	100.00%	100.00%

Investment Performance

Total Fund Composite*

Periods Ended September 30, 2014



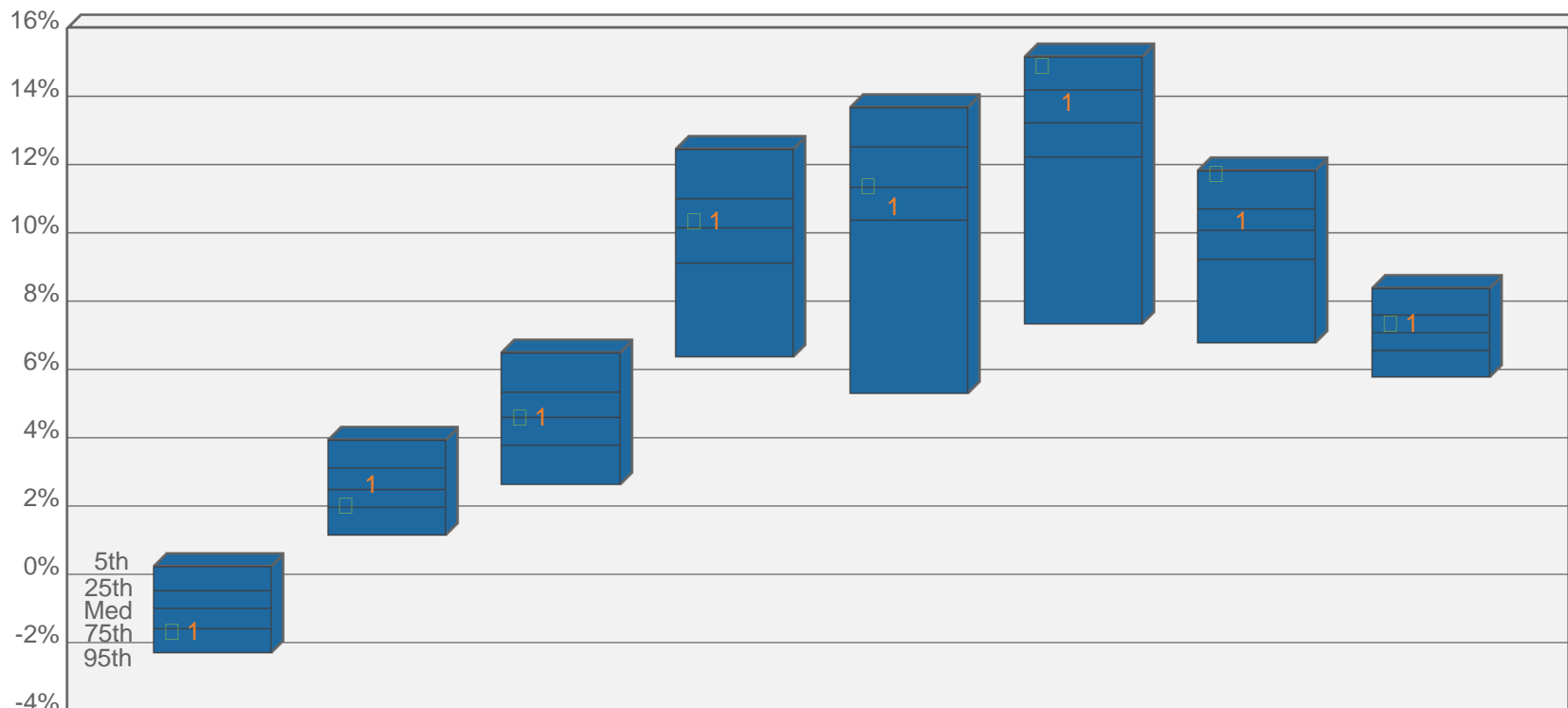
*Returns are net of fees

** 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 September 30, 2014



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
□ Total Fund	-1.60 (76)	2.11 (69)	4.67 (46)	10.42 (43)	11.47 (47)	14.99 (10)	11.82 (5)	7.42 (29)
1 Policy Index	-1.50 (72)	2.64 (43)	4.81 (43)	10.23 (47)	10.79 (66)	13.83 (35)	10.37 (37)	7.15 (46)
5th %tile	0.24	3.94	6.48	12.45	13.70	15.16	11.82	8.39
25th %tile	-0.46	3.12	5.33	11.01	12.54	14.20	10.71	7.61
Median	-1.00	2.48	4.59	10.17	11.36	13.23	10.08	7.08
75th %tile	-1.59	1.98	3.79	9.13	10.37	12.25	9.25	6.56
95th %tile	-2.29	1.17	2.65	6.38	5.32	7.33	6.79	5.81
Number of Funds	185	183	182	182	180	174	162	129

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

Performance Comparison

Trailing Returns

Periods Ended September 30, 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	-0.56	6.63	17.21	23.64	16.40	6.77	8.88	9/30/87	9.37
Wilshire 5000	0.08	7.08	17.91	22.82	15.66	6.21	8.49	9/30/87	9.39
Value Added	-0.64	-0.46	-0.70	0.83	0.74	0.56	0.39	9/30/87	-0.02
Fixed Income Composite									
Net of Fee Return	0.37	5.65	5.97	4.74	6.91	5.91	5.36	9/30/87	7.33
Barclays Aggregate	0.17	4.10	3.96	2.43	4.12	4.95	4.62	9/30/87	6.99
Value Added	0.20	1.55	2.01	2.31	2.78	0.96	0.74	9/30/87	0.34
Non-U.S. Equity Composite									
Net of Fee Return	-5.85	-2.67	1.49	11.97	8.02	-0.33	5.01	12/31/89	8.43
Policy Benchmark	-5.27	0.00	4.77	11.79	6.03	-0.16	6.82	12/31/89	4.70
Value Added	-0.59	-2.67	-3.28	0.18	1.99	-0.17	-1.80	12/31/89	3.72
Real Estate Composite									
Net of Fee Return	-4.88	5.92	6.45	13.86	9.44			6/30/09	13.74
FTSE EPRA/NAREIT Dev (N)	-4.59	6.61	5.91	14.80	10.49			6/30/09	14.73
Value Added	-0.29	-0.69	0.54	-0.95	-1.05			6/30/09	-0.99
Commodities Composite									
Net of Fee Return	-8.81	-2.32	-5.06					3/31/13	-8.47
DJ UBS Commodity Index	-11.83	-5.59	-6.58					3/31/13	-9.28
Value Added	3.02	3.27	1.52					3/31/13	0.82
Alternative Investments Composite									
Net of Fee Return	3.80	11.71	14.43	5.76				6/30/10	5.55
Wilshire 5000 +2.5%	0.70	8.96	20.41	25.32				6/30/10	21.27
Value Added	3.10	2.75	-5.97	-19.55				6/30/10	-15.73

Performance Comparison

Trailing Returns

Periods Ended September 30, 2014

	1 Qtr	YTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
Total Fund									
Net of Fee Return	-1.66	4.47	10.13	14.70	11.50	5.32	7.13	9/30/87	8.57
Policy Index	-1.50	4.81	10.23	13.83	10.37	5.06	7.15	9/30/87	8.69
Value Added	-0.17	-0.35	-0.10	0.87	1.12	0.26	-0.02	9/30/87	-0.12

Custom Benchmark Specification

Total Fund

September 30, 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	5.00	FTSE EPRA/NAREIT Dev (N)	
		15.00	MSCI ACWI X US (N)	
		30.00	Barclays Aggregate	
		50.00	Wilshire 5000	
6/10	12/12	5.00	FTSE EPRA/NAREIT Dev (N)	
		5.00	Wilshire 5000 + 2.5%	
		30.00	Barclays Aggregate	
		15.00	MSCI ACWI X US (N)	
		45.00	Wilshire 5000	
3/13	9/14	5.00	FTSE EPRA/NAREIT Dev (N)	
		40.00	Wilshire 5000	
		15.00	MSCI ACWI X US (N)	
		30.00	Barclays Aggregate	
		5.00	Wilshire 5000 + 2.5%	

Custom Benchmark Specification

Total Fund

September 30, 2014

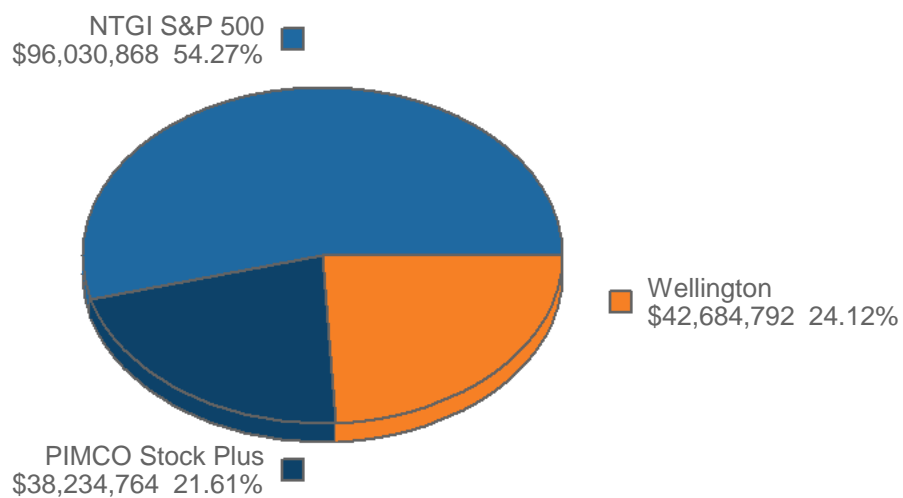
	Quarter Start	Quarter End	Percent	Description
Policy Index (cont.)			5.00	Bloomberg Commodity Index

U.S. Equity

Manager Allocation

U.S. Equity Composite

As of September 30, 2014



Performance Comparison

Trailing Returns

Periods Ended September 30, 2014

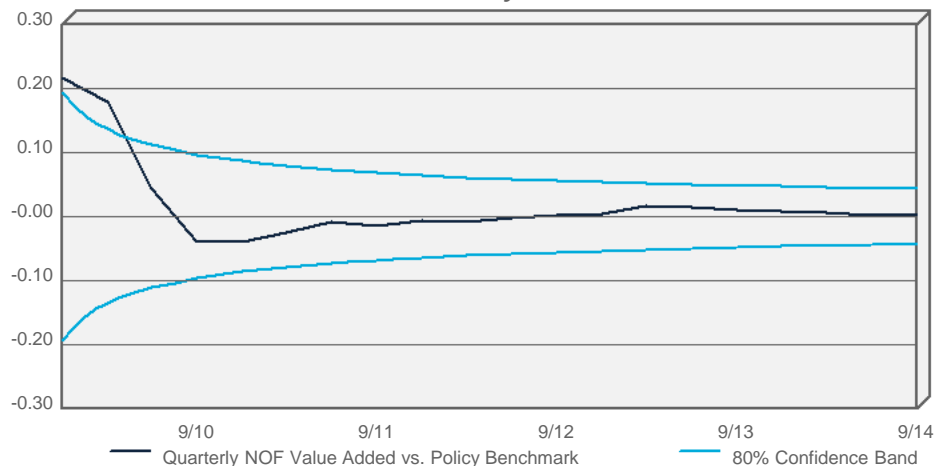
	1 Qtr	YTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
NTGI S&P 500									
Net of Fee Return	1.12	8.31	19.70	23.00	15.70	5.91	8.25	9/30/98	6.46
Policy Benchmark	1.13	8.35	19.74	22.99	15.69	6.02	8.29	9/30/98	6.46
Value Added	-0.00	-0.03	-0.04	0.01	0.00	-0.10	-0.05	9/30/98	-0.00
PIMCO Stock Plus									
Net of Fee Return	1.18	9.66	21.41	26.27	18.03	7.44	9.00	9/30/00	5.08
Standard & Poor's 500	1.13	8.35	19.74	22.99	15.69	6.02	8.11	9/30/00	4.29
Value Added	0.05	1.31	1.66	3.28	2.34	1.42	0.89	9/30/00	0.78
Wellington									
Net of Fee Return	-5.52	-0.22	9.49	25.34	18.69	9.70	11.07	9/30/99	11.35
Russell 2000	-7.36	-4.41	3.93	21.26	14.28	6.04	8.19	9/30/99	7.93
Value Added	1.84	4.18	5.56	4.08	4.40	3.65	2.88	9/30/99	3.42
U.S. Equity Composite									
Net of Fee Return	-0.56	6.63	17.21	23.64	16.40	6.77	8.88	9/30/87	9.37
Wilshire 5000	0.08	7.08	17.91	22.82	15.66	6.21	8.49	9/30/87	9.39
Value Added	-0.64	-0.46	-0.70	0.83	0.74	0.56	0.39	9/30/87	-0.02

Investment Manager Analysis

NTGI S&P 500

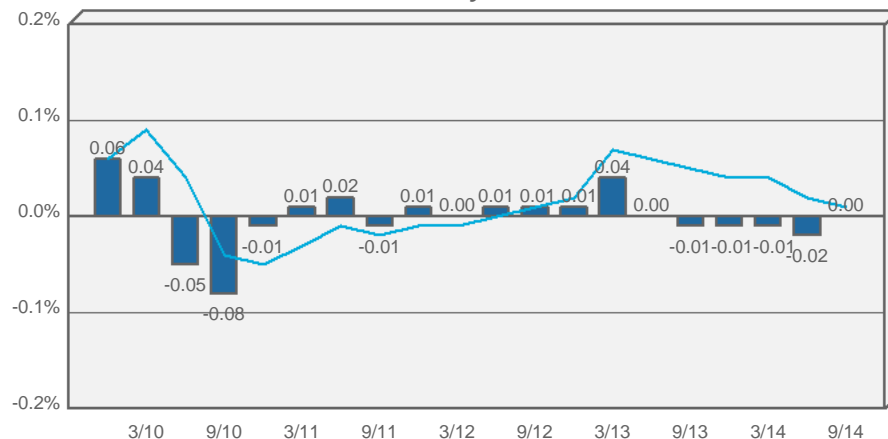
September 30, 2014

Cumulative Skill Analysis vs Benchmark



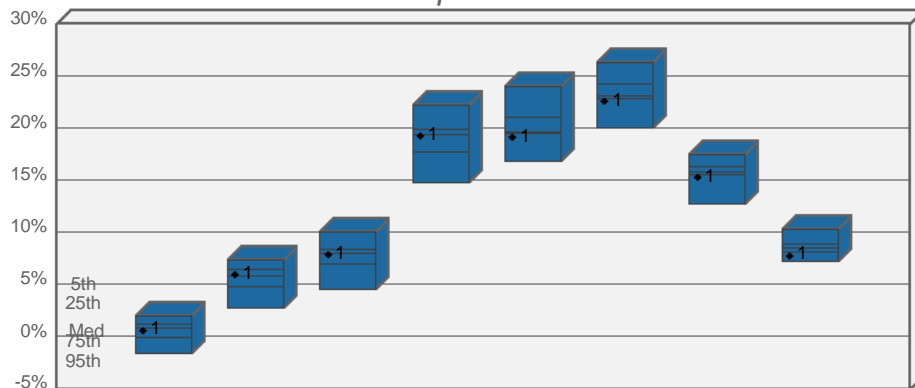
Excess Return:	0.00	Information Ratio:	0.02
Excess Risk:	0.06	T-Stat:	0.04

Value-Added Analysis vs Benchmark



■ Quarterly NOF Value Added vs. Policy Benchmark
 — Cumulative Value Added

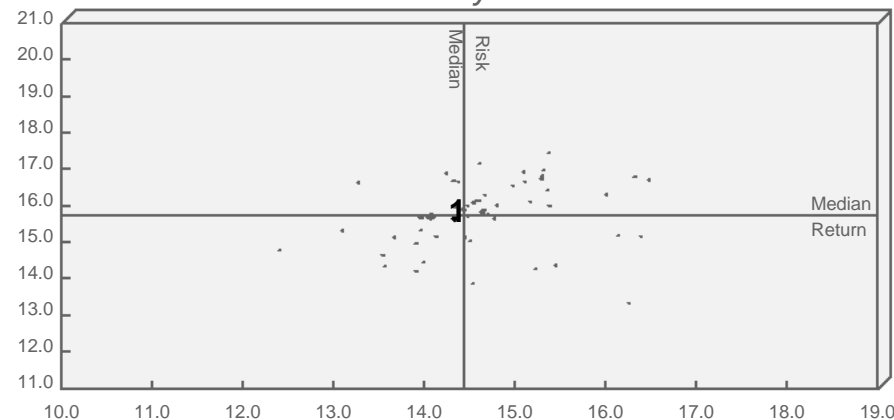
Performance Comparison vs Peer Universe*



1 Quarter 2 Quarters 3 Quarters 1 Year 2 Years 3 Years 5 Years 10 Years

◆ NTGI S&P 500	1.13 (36)	6.43 (22)	8.35 (29)	19.75 (29)	19.59 (55)	23.04 (53)	15.75 (53)	8.30 (57)
◆ Policy Benchmark	1.13 (36)	6.43 (22)	8.35 (29)	19.74 (30)	19.55 (59)	22.99 (59)	15.69 (67)	8.29 (57)
Median	0.76	5.84	7.99	19.32	19.64	23.05	15.75	8.47
Number of Funds	337	336	335	332	305	275	233	113

Five Year Risk/Return Analysis vs Peer Universe*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
NTGI S&P 500	◆	15.75	53	14.45	48
Policy Benchmark	◆	15.69	67	14.43	52
Median		15.75		14.44	

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

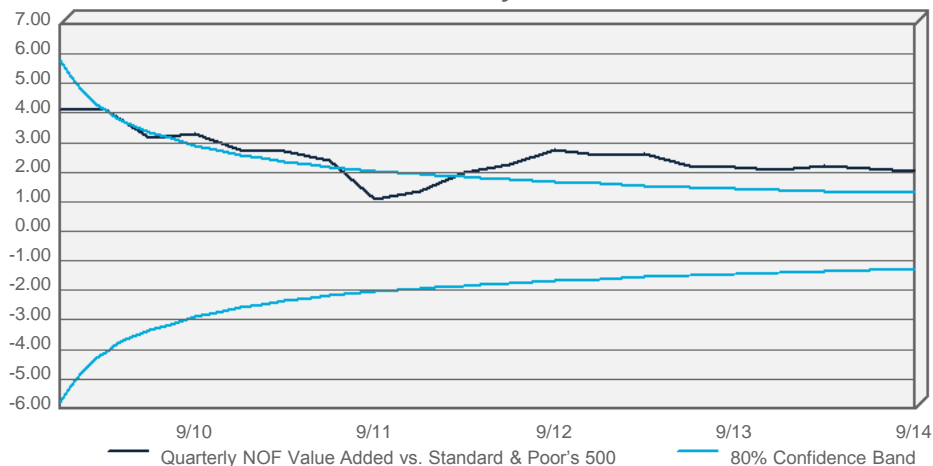


Investment Manager Analysis

PIMCO Stock Plus

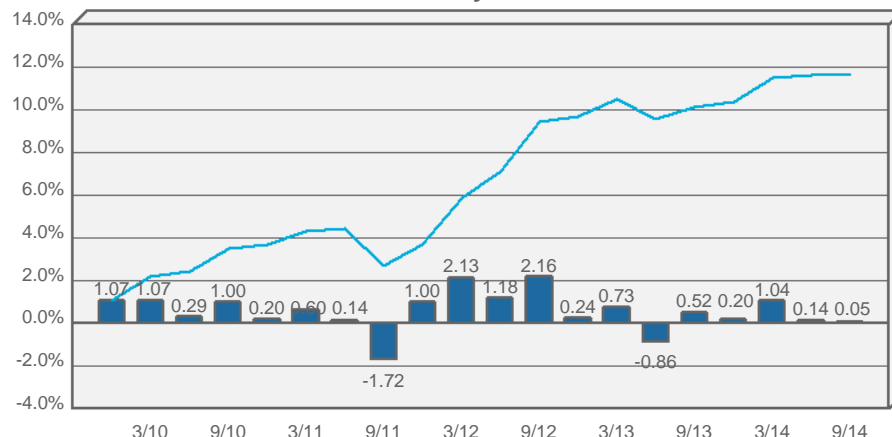
September 30, 2014

Cumulative Skill Analysis vs Benchmark



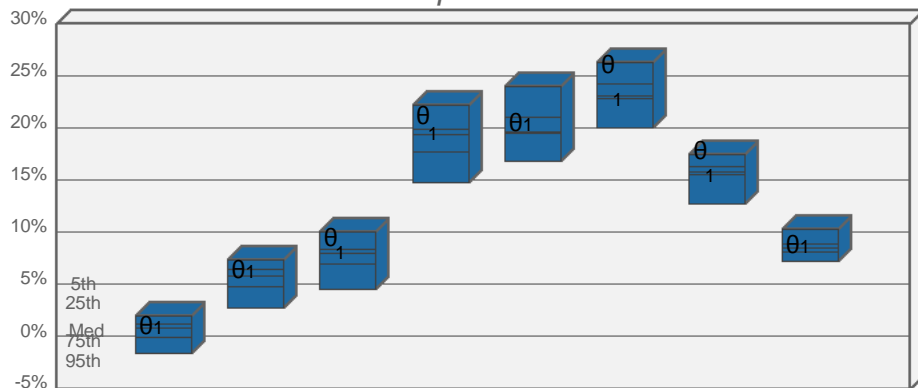
Excess Return:	2.02	Information Ratio:	1.15
Excess Risk:	1.76	T-Stat:	2.57

Value-Added Analysis vs Benchmark



■ Quarterly NOF Value Added vs. Standard & Poor's 500
 — Cumulative Value Added

Performance Comparison vs Peer Universe*

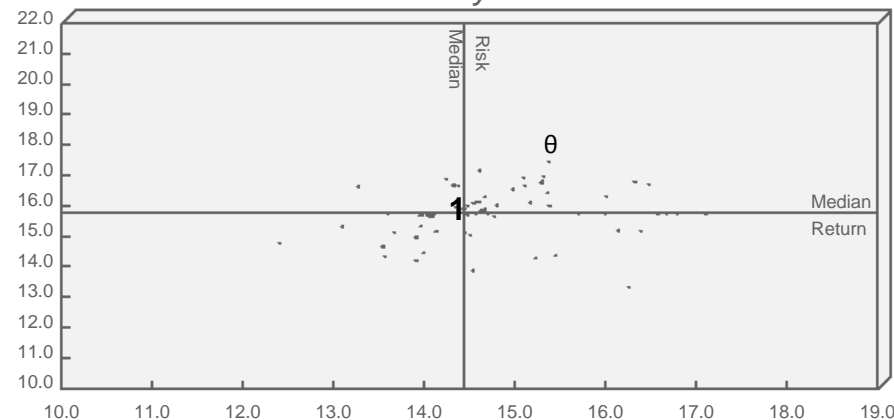


1 Quarter 2 Quarters 3 Quarters 1 Year 2 Years 3 Years 5 Years 10 Years

θ PIMCO Stock Plus	1.18 (22)	6.63 (12)	9.66 (7)	21.41 (11)	20.70 (27)	26.27 (7)	18.03 (3)	9.00 (19)
1 Standard & Poo	1.13 (36)	6.43 (22)	8.35 (29)	19.74 (30)	19.55 (59)	22.99 (59)	15.69 (67)	8.11 (77)

Median	0.76	5.84	7.99	19.32	19.64	23.05	15.75	8.47
Number of Funds	337	336	335	332	305	275	233	113

Five Year Risk/Return Analysis vs Peer Universe*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
PIMCO Stock Plus	θ	18.03	3	15.48	18
Standard & Poor's 500	1	15.69	67	14.43	52
Median		15.75		14.44	

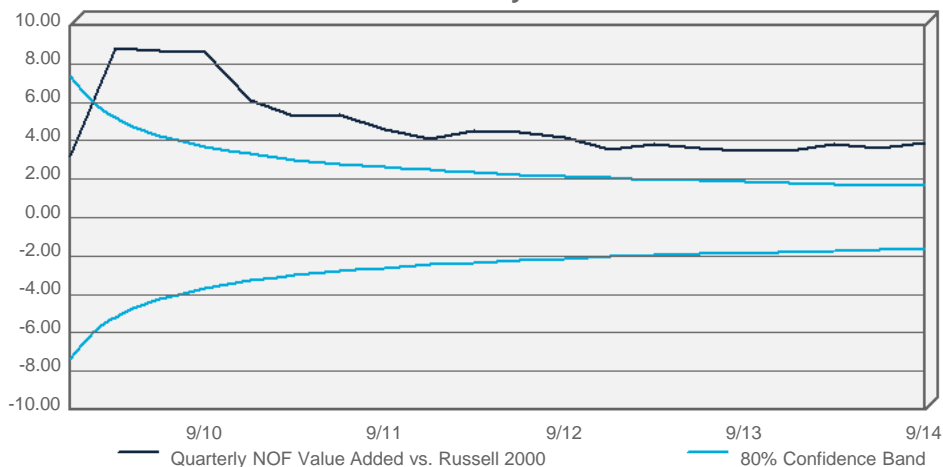
*TUCS Total Returns of Large Neutral Equity Portfolios Universe - Gross of Fees

Investment Manager Analysis

Wellington

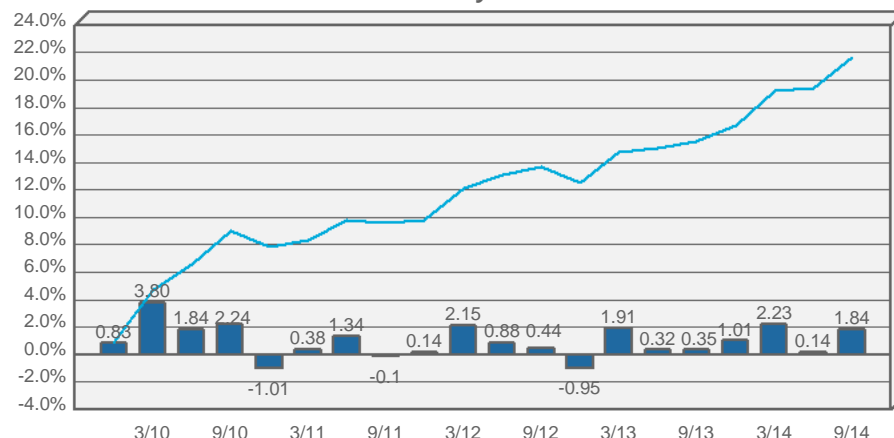
September 30, 2014

Cumulative Skill Analysis vs Benchmark



Excess Return:	3.85	Information Ratio:	1.72
Excess Risk:	2.24	T-Stat:	3.84

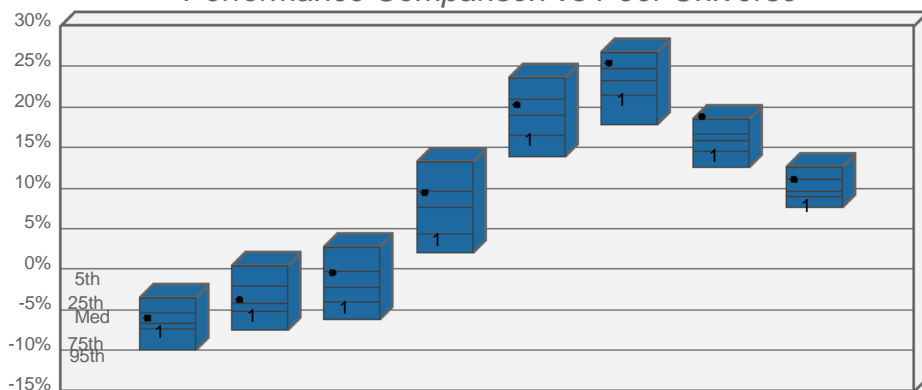
Value-Added Analysis vs Benchmark



■ Quarterly NOF Value Added vs. Russell 2000

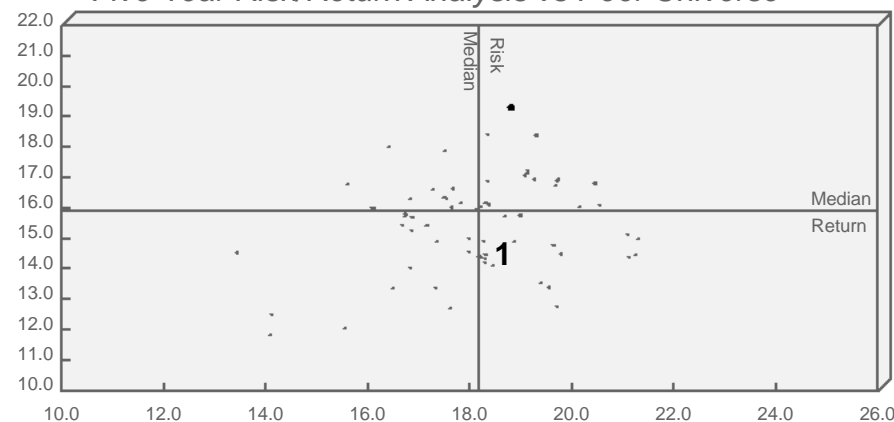
— Cumulative Value Added

Performance Comparison vs Peer Universe*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
● Wellington	-5.38 (25)	-3.13 (36)	0.25 (20)	10.16 (19)	20.88 (25)	26.09 (8)	19.40 (2)	11.66 (12)
1 Russell 2000	-7.36 (79)	-5.46 (82)	-4.41 (83)	3.93 (85)	16.26 (83)	21.26 (77)	14.28 (85)	8.19 (94)
Median	-6.70	-4.19	-2.32	7.58	18.94	23.28	15.92	9.66
Number of Funds	172	171	170	164	147	138	112	44

Five Year Risk/Return Analysis vs Peer Universe*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
Wellington	●	19.40	2	19.02	30
Russell 2000	1	14.28	85	18.77	33
Median		15.92		18.18	

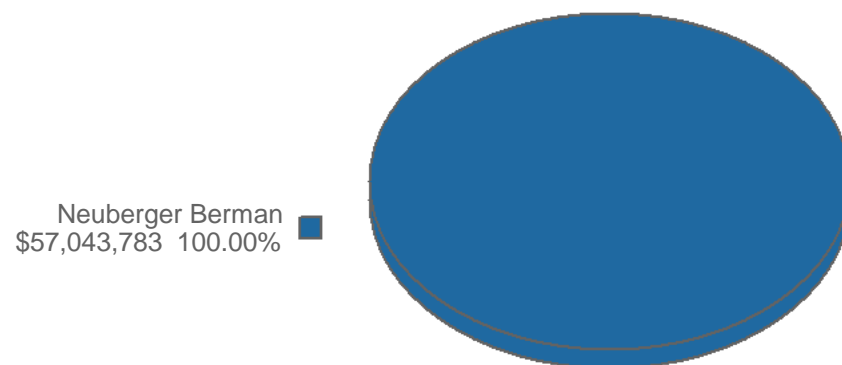
*TUCS Total Returns of Small Neutral Equity Portfolios Universe - Gross of Fees

Non - U.S. Equity

Manager Allocation

Non-U.S. Equity Composite

As of September 30, 2014



Performance Comparison

Trailing Returns

Periods Ended September 30, 2014

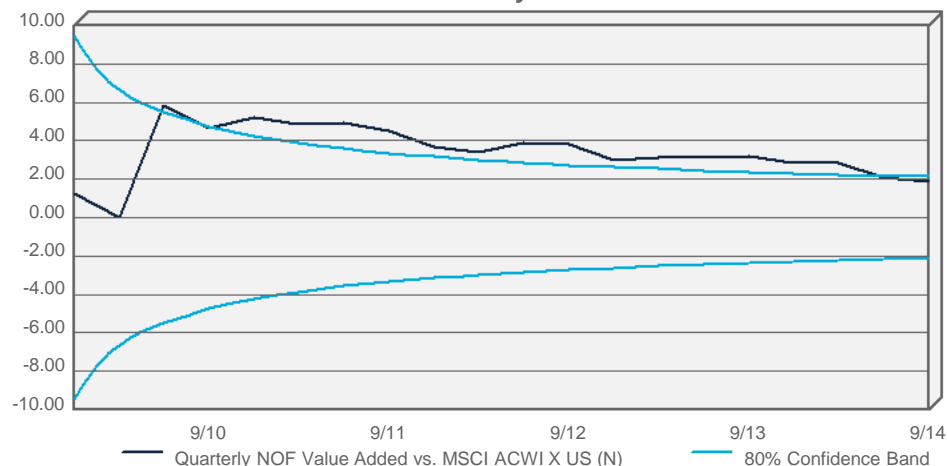
	1 Qtr	YTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
Neuberger Berman									
Net of Fee Return	-5.85	-2.67	1.49	11.97	8.02	-0.33		6/30/06	2.46
MSCI ACWI X US (N)	-5.27	0.00	4.77	11.79	6.03	-0.16		6/30/06	3.62
Value Added	-0.59	-2.67	-3.28	0.18	1.99	-0.17		6/30/06	-1.16
Non-U.S. Equity Composite									
Net of Fee Return	-5.85	-2.67	1.49	11.97	8.02	-0.33	5.01	12/31/89	8.43
Policy Benchmark	-5.27	0.00	4.77	11.79	6.03	-0.16	6.82	12/31/89	4.70
Value Added	-0.59	-2.67	-3.28	0.18	1.99	-0.17	-1.80	12/31/89	3.72

Investment Manager Analysis

Neuberger Berman

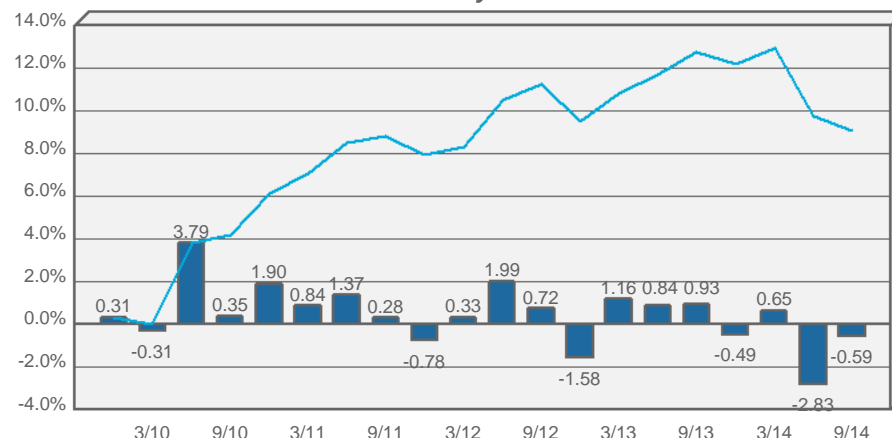
September 30, 2014

Cumulative Skill Analysis vs Benchmark



Excess Return:	1.88	Information Ratio:	0.65
Excess Risk:	2.88	T-Stat:	1.46

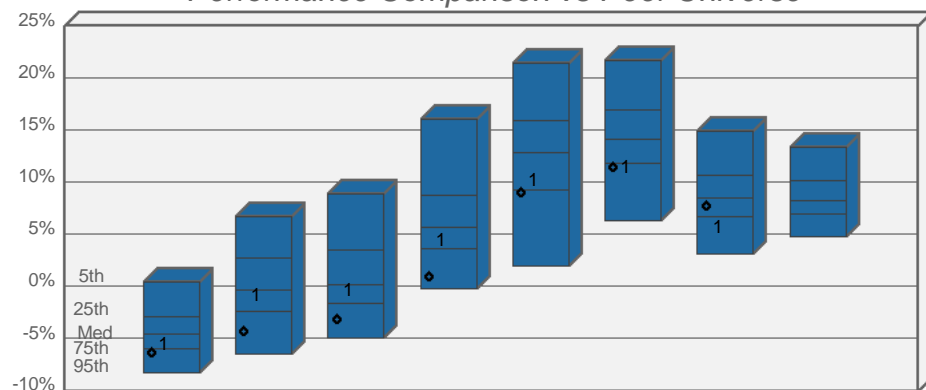
Value-Added Analysis vs Benchmark



Quarterly NOF Value Added vs. MSCI ACWI X US (N)

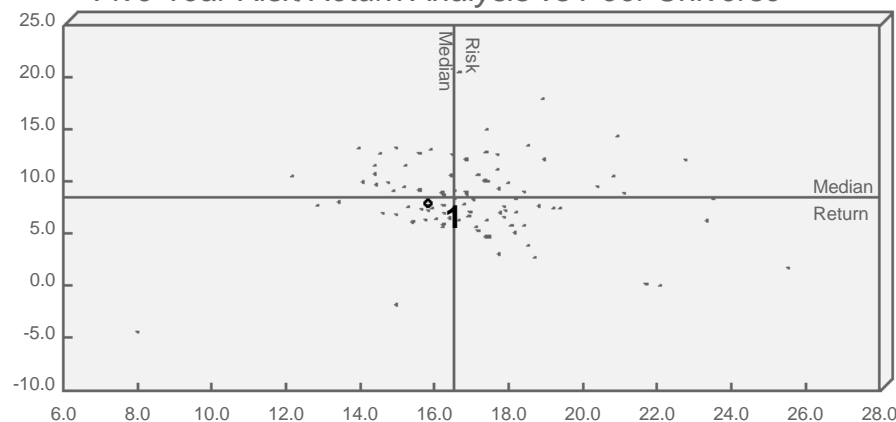
Cumulative Value Added

Performance Comparison vs Peer Universe*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
◆ Neuberger Berm	-5.85 (72)	-3.78 (85)	-2.67 (84)	1.49 (89)	9.45 (74)	11.97 (74)	8.25 (52)	
1 MSCI ACWI X	-5.27 (60)	-0.50 (53)	0.00 (55)	4.77 (62)	10.47 (69)	11.79 (75)	6.03 (82)	
Median	-4.60	-0.32	0.23	5.73	12.86	14.18	8.43	8.22
Number of Funds	2230	2200	2185	2158	1969	1776	1336	524

Five Year Risk/Return Analysis vs Peer Universe*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
Neuberger Berman	◆	8.25	52	16.10	62
MSCI ACWI X US (N)	1	6.03	82	16.68	47
Median		8.43		16.53	

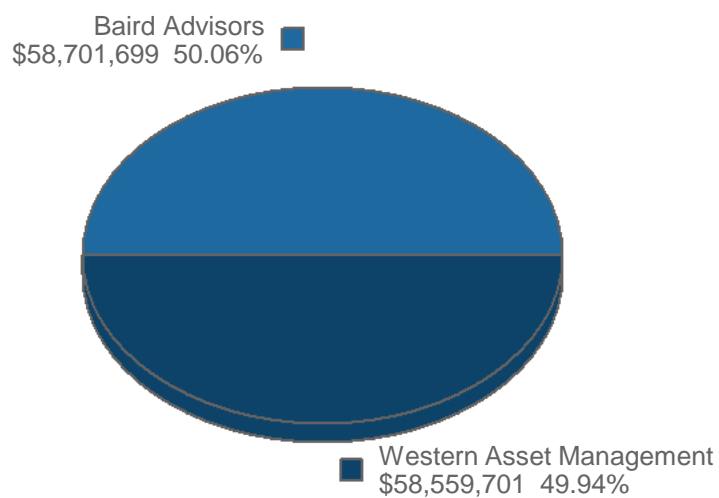
*TUCS Total Returns of International Equity Portfolios Universe - Gross of Fees

Fixed Income

Manager Allocation

Fixed Income Composite

As of September 30, 2014



Performance Comparison

Trailing Returns

Periods Ended September 30, 2014

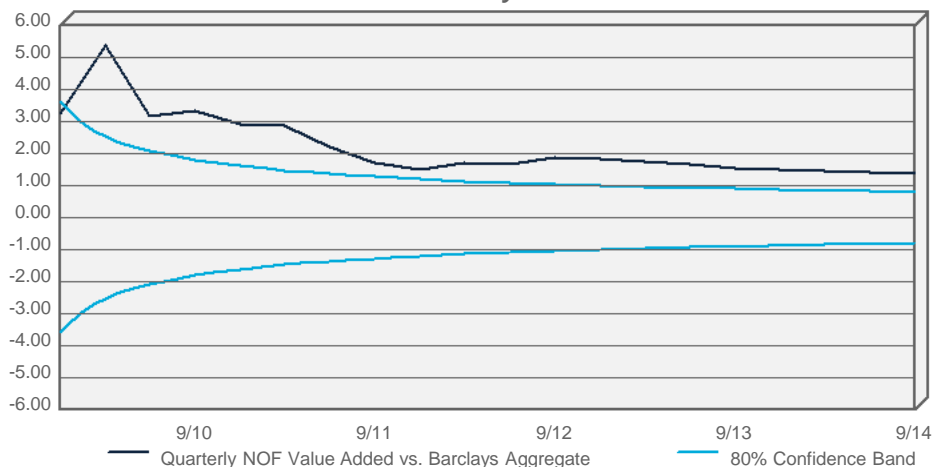
	1 Qtr	YTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
Baird Advisors									
Net of Fee Return	0.35	4.77	4.76	3.63	5.56	5.26	4.92	3/31/03	4.85
Barclays Aggregate	0.17	4.10	3.96	2.43	4.12	4.95	4.62	3/31/03	4.55
Value Added	0.18	0.67	0.80	1.19	1.44	0.31	0.30	3/31/03	0.31
Western Asset Management									
Net of Fee Return	0.39	6.54	7.17	5.72	8.12	6.38	5.67	3/31/04	5.55
Barclays Aggregate	0.17	4.10	3.96	2.43	4.12	4.95	4.62	3/31/04	4.47
Value Added	0.23	2.44	3.22	3.29	4.00	1.43	1.05	3/31/04	1.08
Fixed Income Composite									
Net of Fee Return	0.37	5.65	5.97	4.74	6.91	5.91	5.36	9/30/87	7.33
Barclays Aggregate	0.17	4.10	3.96	2.43	4.12	4.95	4.62	9/30/87	6.99
Value Added	0.20	1.55	2.01	2.31	2.78	0.96	0.74	9/30/87	0.34

Investment Manager Analysis

Baird Advisors

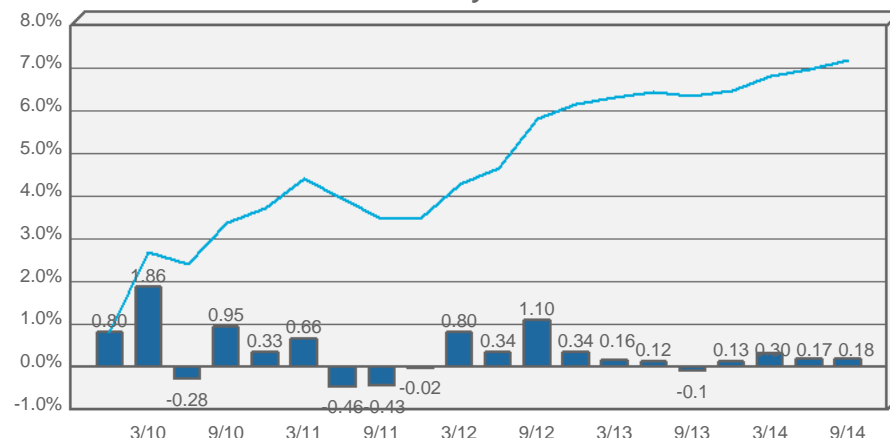
September 30, 2014

Cumulative Skill Analysis vs Benchmark



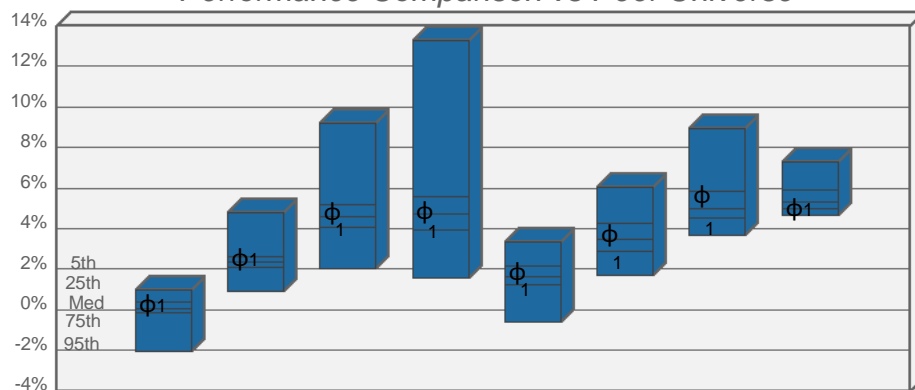
Excess Return:	1.38	Information Ratio:	1.26
Excess Risk:	1.10	T-Stat:	2.82

Value-Added Analysis vs Benchmark



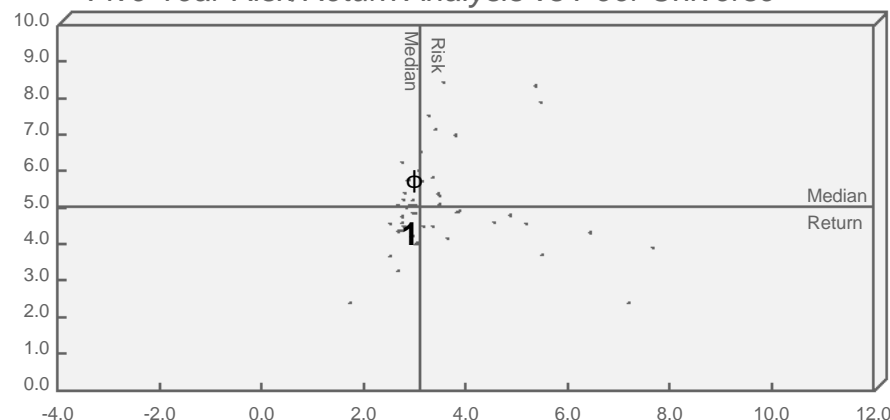
■ Quarterly NOF Value Added vs. Barclays Aggregate
 — Cumulative Value Added

Performance Comparison vs Peer Universe*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
ϕ Baird Advisors	0.40 (24)	2.66 (22)	4.92 (30)	4.97 (38)	1.96 (33)	3.84 (33)	5.78 (25)	5.11 (60)
\uparrow Barclays Aggre	0.17 (44)	2.21 (62)	4.10 (73)	3.96 (74)	1.10 (79)	2.43 (82)	4.12 (84)	4.62 (95)
Median	0.07	2.34	4.56	4.72	1.64	3.46	5.01	5.34
Number of Funds	113	113	110	106	94	79	55	29

Five Year Risk/Return Analysis vs Peer Universe*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
Baird Advisors	ϕ	5.78	25	3.11	48
Barclays Aggregate	1	4.12	84	3.03	57
Median		5.01		3.10	

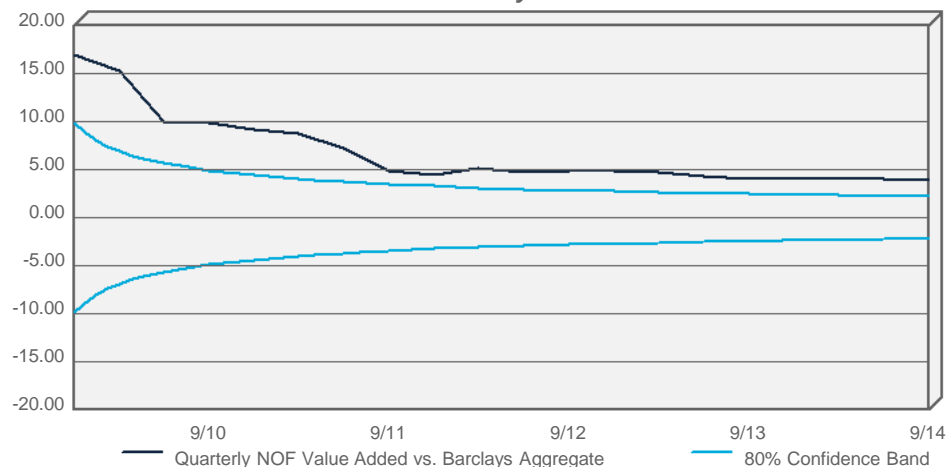
*TUCS Total Returns of Fixed Income Portfolios - Core Universe - Gross of Fees



Investment Manager Analysis

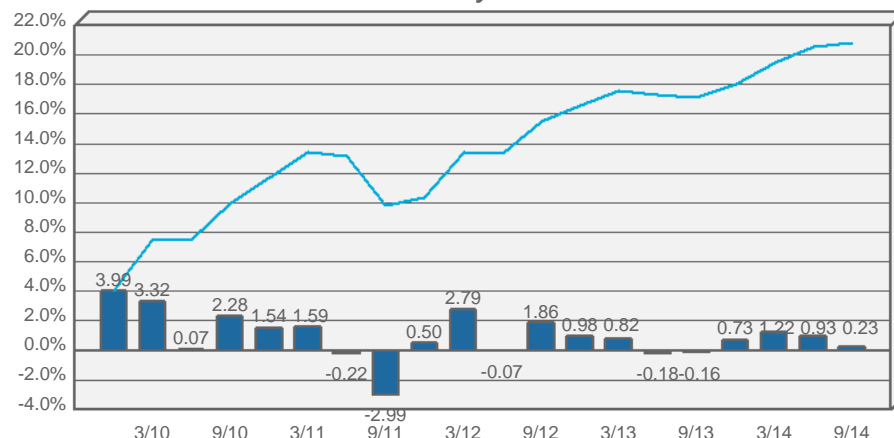
Western Asset Management September 30, 2014

Cumulative Skill Analysis vs Benchmark



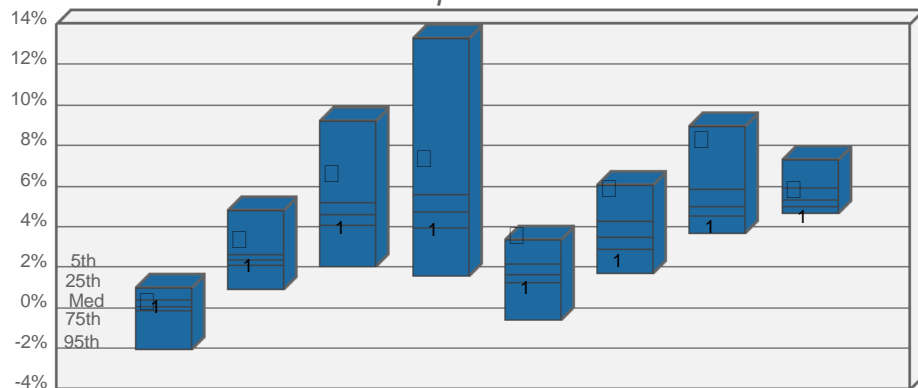
Excess Return:	3.84	Information Ratio:	1.29
Excess Risk:	2.98	T-Stat:	2.88

Value-Added Analysis vs Benchmark



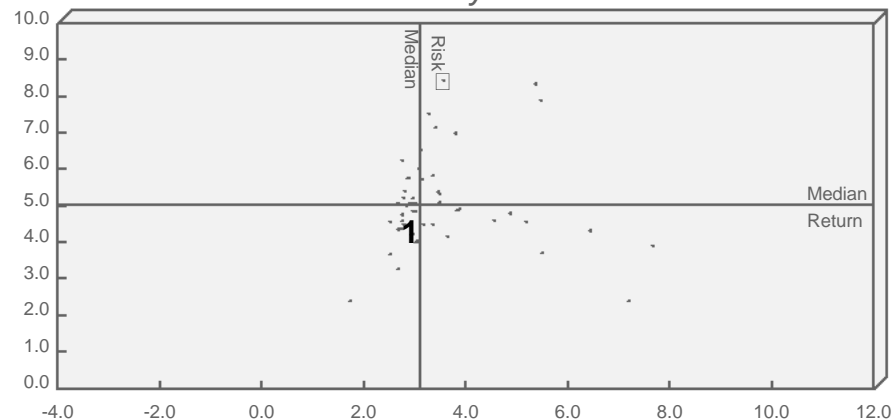
■ Quarterly NOF Value Added vs. Barclays Aggregate
— Cumulative Value Added

Performance Comparison vs Peer Universe*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
□ Western Asset	0.46 (19)	3.52 (9)	6.76 (7)	7.47 (7)	3.69 (2)	6.03 (2)	8.43 (6)	5.95 (18)
1 Barclays Aggre	0.17 (44)	2.21 (62)	4.10 (73)	3.96 (74)	1.10 (79)	2.43 (82)	4.12 (84)	4.62 (95)
Median	0.07	2.34	4.56	4.72	1.64	3.46	5.01	5.34
Number of Funds	113	113	110	106	94	79	55	29

Five Year Risk/Return Analysis vs Peer Universe*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
Western Asset Management	□	8.43	6	3.68	26
Barclays Aggregate	1	4.12	84	3.03	57
Median		5.01		3.10	

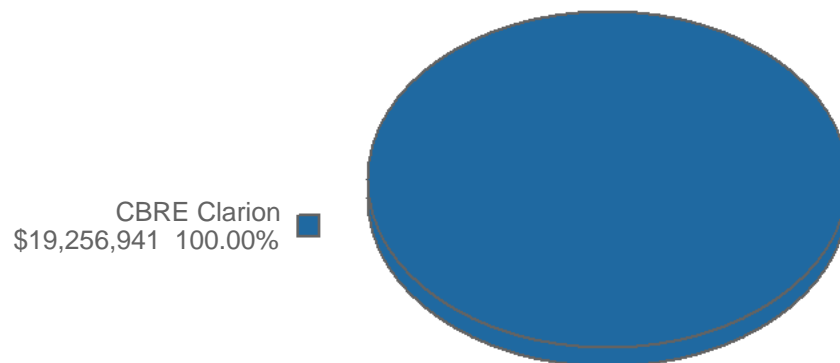
*TUCS Total Returns of Fixed Income Portfolios - Core Universe - Gross of Fees

Real Estate

Manager Allocation

Real Estate Composite

As of September 30, 2014



Performance Comparison

Trailing Returns

Periods Ended September 30, 2014

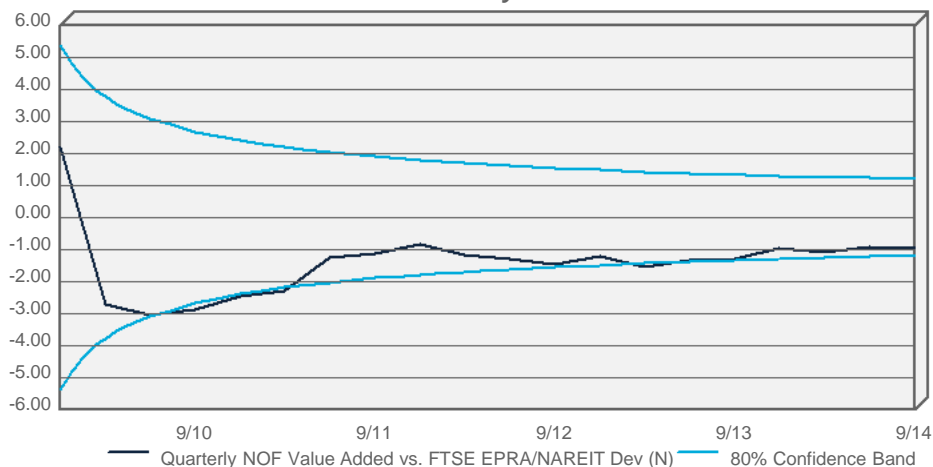
	1 Qtr	YTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
VOYA / CBRE Clarion									
Net of Fee Return	-4.88	5.92	6.45	13.86	9.44			6/30/09	13.74
FTSE EPRA/NAREIT Dev (N)	-4.59	6.61	5.91	14.80	10.49			6/30/09	14.73
Value Added	-0.29	-0.69	0.54	-0.95	-1.05			6/30/09	-0.99
Real Estate Composite									
Net of Fee Return	-4.88	5.92	6.45	13.86	9.44			6/30/09	13.74
FTSE EPRA/NAREIT Dev (N)	-4.59	6.61	5.91	14.80	10.49			6/30/09	14.73
Value Added	-0.29	-0.69	0.54	-0.95	-1.05			6/30/09	-0.99

Investment Manager Analysis

VOYA / CBRE Clarion

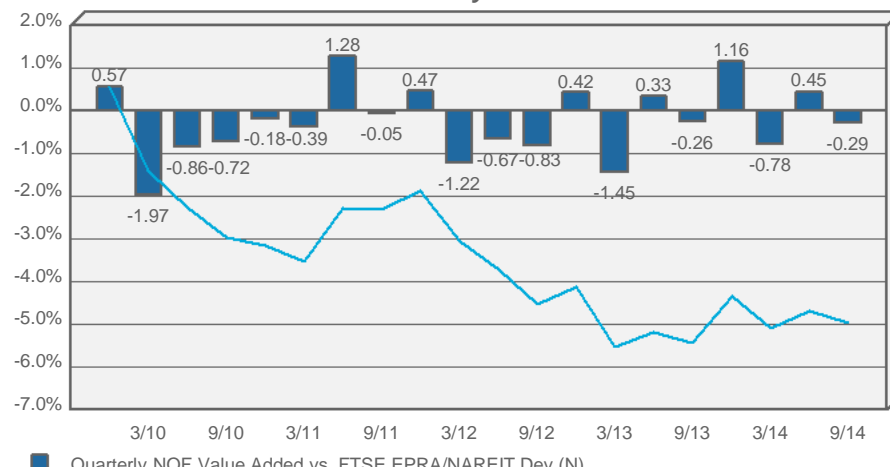
September 30, 2014

Cumulative Skill Analysis vs Benchmark



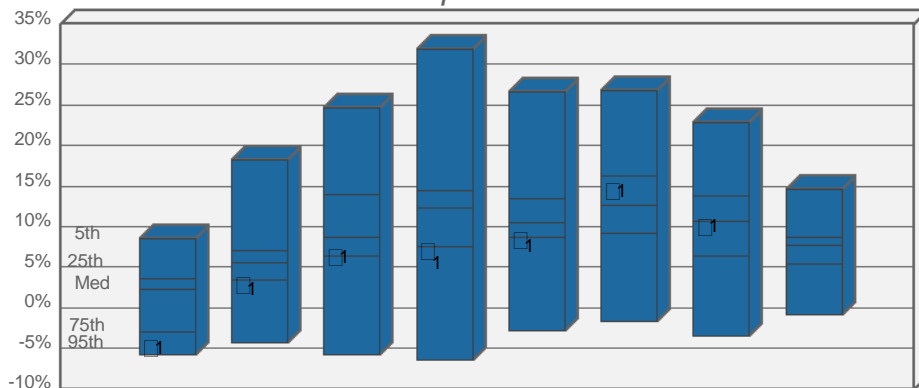
Excess Return:	-0.95	Information Ratio:	-0.58
Excess Risk:	1.63	T-Stat:	-1.31

Value-Added Analysis vs Benchmark



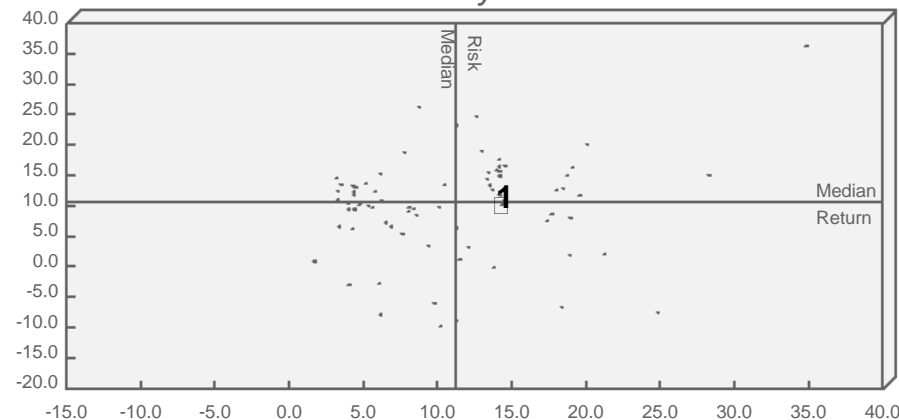
■ Quarterly NOF Value Added vs. FTSE EPRA/NAREIT Dev (N)
 — Cumulative Value Added

Performance Comparison vs Peer Universe*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
VOYA/CBRE	-4.71 (91)	3.15 (79)	6.49 (74)	7.22 (78)	8.61 (75)	14.69 (38)	10.24 (54)	
FTSE EPRA/NA	-4.59 (89)	2.68 (83)	6.61 (73)	5.91 (82)	8.03 (78)	14.80 (37)	10.49 (51)	
Median	2.21	5.48	8.72	12.22	10.44	12.54	10.63	7.61
Number of Funds	559	574	573	567	516	472	361	128

Five Year Risk/Return Analysis vs Peer Universe*



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
VOYA/CBRE Clarion	□	10.24	54	14.73	27
FTSE EPRA/NAREIT Dev (N)	■	10.49	51	14.94	27
Median		10.63		11.26	

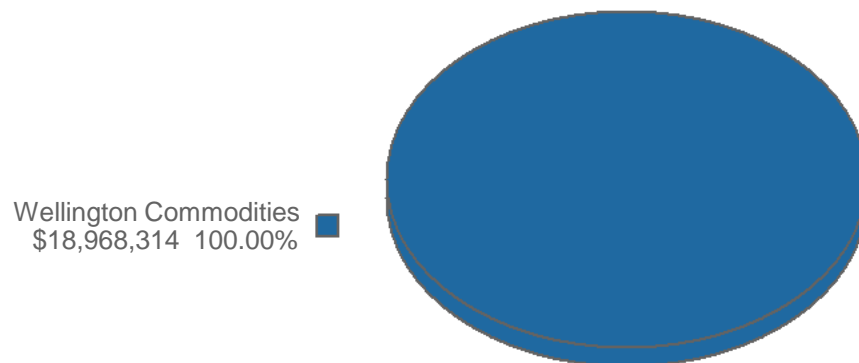
*TUCS Total Returns of Real Estate Portfolios Universe - Gross of Fees

Commodities

Manager Allocation

Commodities Composite

As of September 30, 2014



Performance Comparison

Trailing Returns

Periods Ended September 30, 2014

	1 Qtr	YTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
Wellington Commodities									
Net of Fee Return	-8.81	-2.32	-5.06					3/31/13	-8.47
DJ UBS Commodity Index	-11.83	-5.59	-6.58					3/31/13	-9.28
Value Added	3.02	3.27	1.52						0.82
Commodities Composite									
Net of Fee Return	-8.81	-2.32	-5.06					3/31/13	-8.47
DJ UBS Commodity Index	-11.83	-5.59	-6.58					3/31/13	-9.28
Value Added	3.02	3.27	1.52						0.82

Private Equity

Investment Manager Performance

Private Partnerships

As of September 30, 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	\$440,236	88%	\$48,246	10%	\$557,765	1.38	15.38%
Adams Street Non-US Dev. 2010 Fund	\$1,500,000	April 27, 2010	\$642,284	43%	\$43,228	3%	\$724,188	1.19	8.97%
Adams Street Non-US EM 2010 Fund	\$500,000	January 3, 2011	\$269,000	54%	\$0	0%	\$271,546	1.01	0.69%
Adams Street US 2010 Fund	\$2,500,000	April 27, 2010	\$1,068,760	43%	\$104,933	4%	\$1,358,035	1.37	13.62%
Adams Street 2013 Global Fund	\$5,000,000	July 3, 2013	\$868,215	17%	\$0	0%	\$890,082	1.03	4.16%
Flag Global Partners	\$5,000,000	January 17, 2012	\$1,800,000	36%	\$217,333	4%	\$1,537,813	0.98	-1.78%
Alternative Investments Composite	\$15,000,000	April 27, 2010	\$5,088,495	34%	\$413,740	3%	\$5,339,429	1.13	7.68%

¹ TVPI = Fair Value + Capital Distributed / Capital Called

Capital Market Review

Market Commentary

U.S. Equity

The U.S. stock market was basically flat for the third quarter, up 0.1%. Only a strong August prevented the first down quarter in two years as the market lost ground in both July and September. Both equity and fixed income markets experienced a hectic quarter as investors were faced with numerous geopolitical events such as continued problems in Ukraine, U.S. military involvement in Iraq and Syria and pro-democracy protests in Hong Kong. Also looming large is the coming end to the Federal Reserve's third round of quantitative easing.

Large capitalization stocks dramatically outperformed smaller shares during the third quarter. Results for growth stocks versus value were mixed. From a sector perspective, Health Care and Technology were the clear winners while Energy was the primary laggard, hurt by lower oil prices.

Breakeven inflation, essentially the market's forecast for future inflation, moved meaningfully lower in August and September. By quarter-end, the ten-year forecast sat at 2.0%. The most recent news to affect the rate was the release of August economic data that showed that prices, in aggregate, fell by -0.2%. It should be noted that ten-year breakeven fell below 2% during the summer of 2013 only to move back to 2.2% one month later.

Non-U.S. Equity

Europe's fiscal woes continued into the third quarter as investors digested sluggish economies on the Continent, ongoing saber-rattling between Russia and Ukraine to the region's east and the contentious referendum in Scotland seeking political independence from Great Britain, ultimately rejected. The European Central Bank actually drove short-term rates into negative territory to spark economic activity in the region. Pacific regional markets, in contrast, managed moderate gains despite a second-quarter contraction in the Japanese economy.

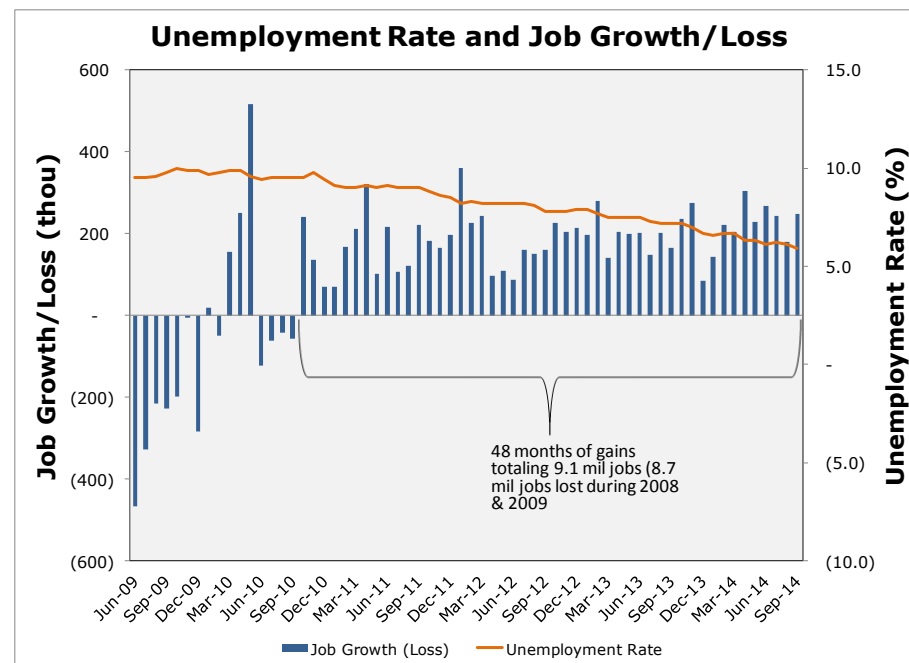
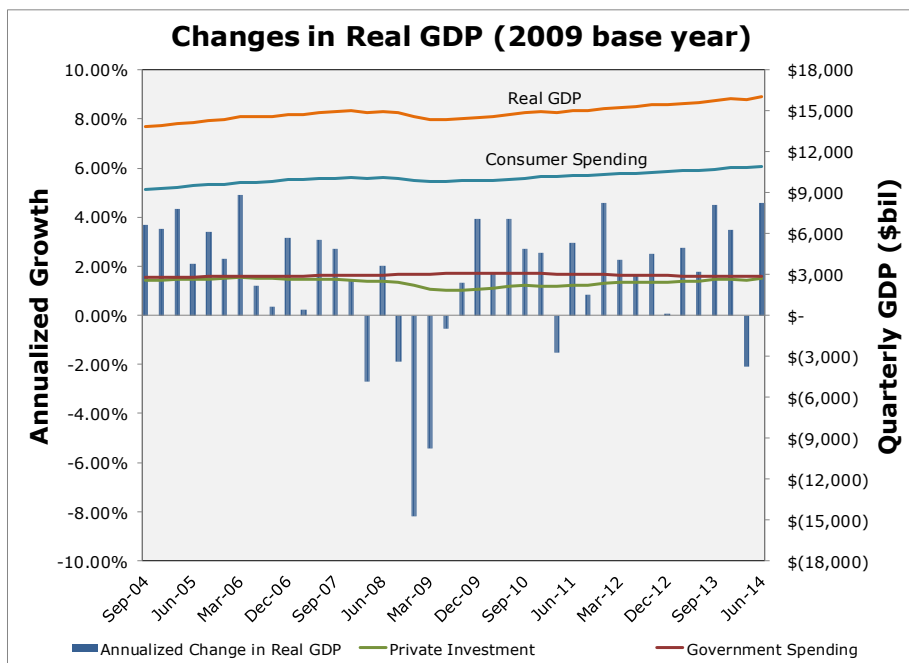
Fixed Income

The U.S. Treasury yield curve flattened somewhat for the third quarter; very short-term yields as well as rates beyond ten years moved lower, while rates on intermediate-term securities rose slightly. Credit spreads widened during the quarter. With short-term rates in Europe now officially negative, investors moved up the curve into longer-term issuance, giving long-dated global bonds a performance boost. Emerging market debt eked out small gains overall despite weakness in major developing economies as well as uncertainty as to the timing of tighter U.S. Fed policy. The strong U.S. dollar, however, erased this quarter's global market gains for U.S.-based investors.

Economic Review

September 30, 2014		Key Economic Indicators			
CPI (all items) Seasonally adjusted	Monthly Change		Cumulative Change		
	Sep-14	0.1	3-Month	0.0	
	Aug-14	-0.2	12-Month	1.7	
	Jul-14	0.1	10-Yr Annual	2.3	
Breakeven Inflation	10-Year	2.0			
Consumer Sentiment Unv. of Michigan Survey	Sep-14	84.6			
	Aug-14	82.5			
	1-Yr Ago	77.5	10-Yr Avg	77.2	
Manufacturing Inst. for Supply Mgmt Purchasing Mngrs' Idx	Sep-14	56.6	Change in Manufacturing Sector		
	Aug-14	59.0	>50	Expansion	
	1-Yr Avg	55.6	<50	Contraction	

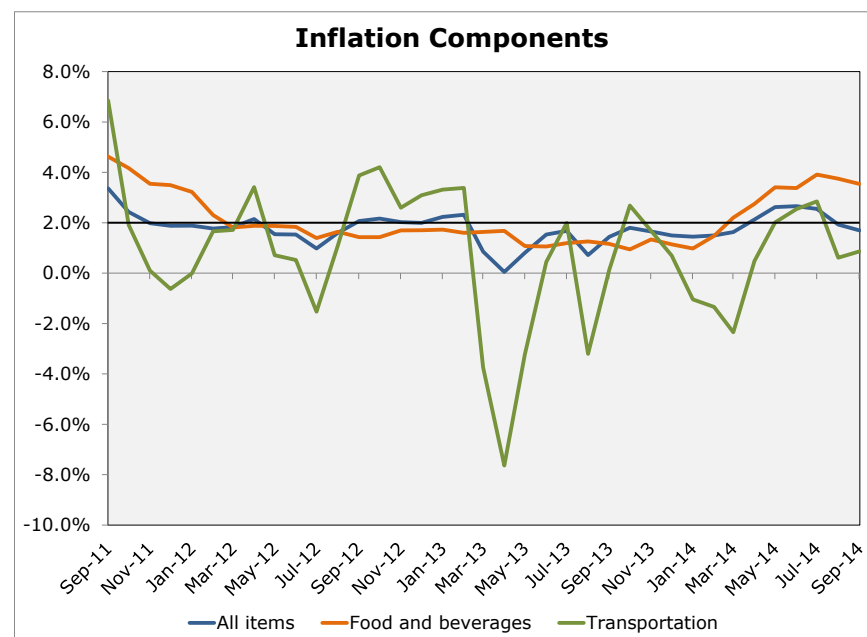
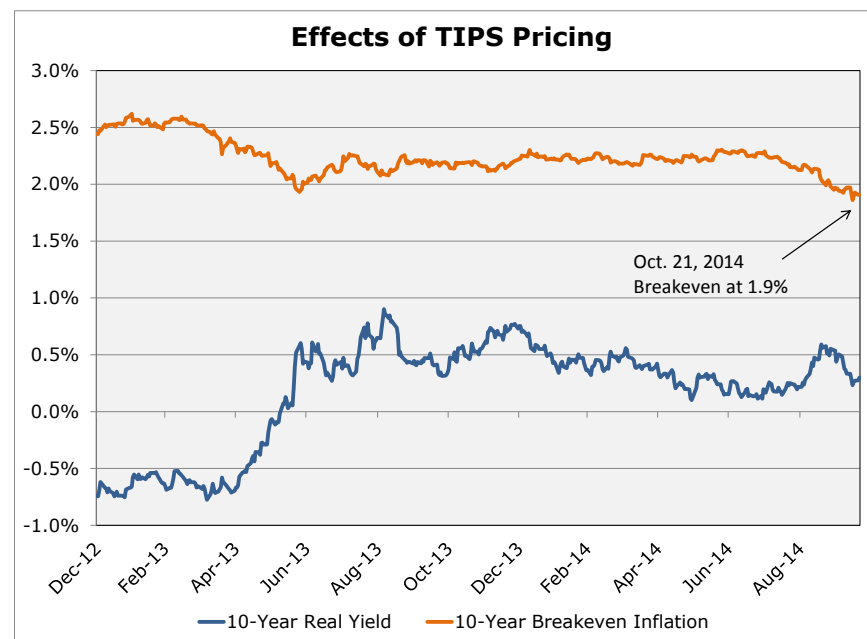
Note: Seasonally adjusted CPI data is utilized to better reflect short-term pricing activity.



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

Inflation

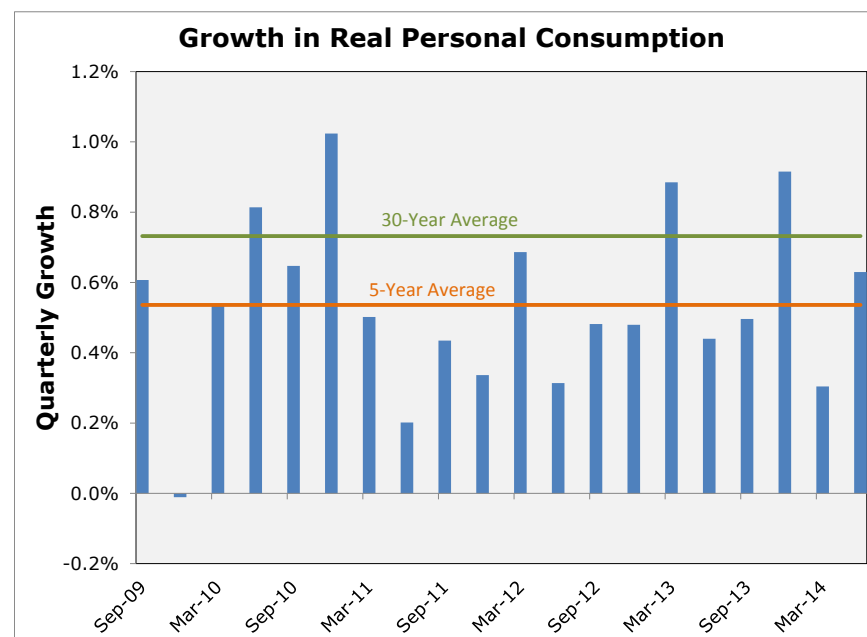
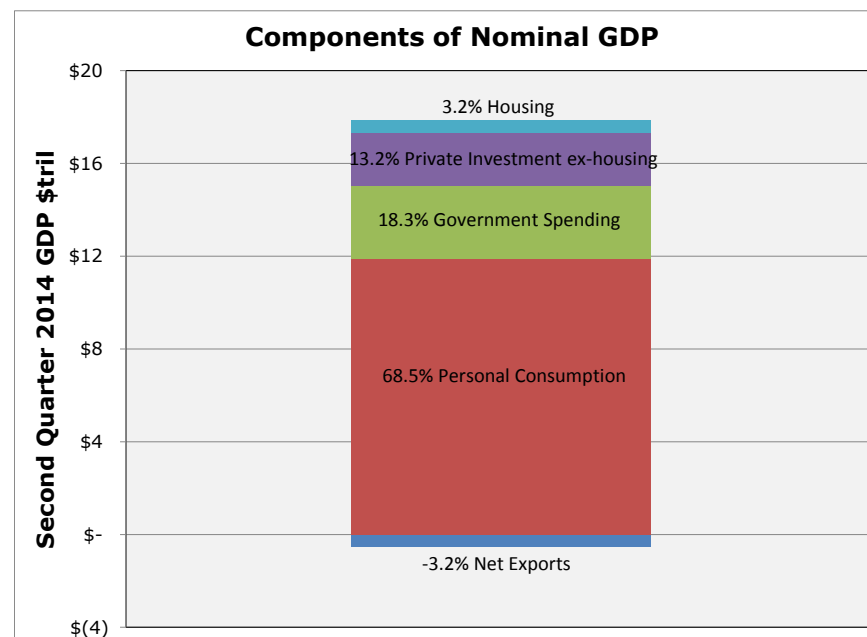
- Real-yield on 10-year TIPS remains in positive territory
- Nominal yield has fallen along with inflation expectations
- Actual inflation has been moderate, typically running near the Fed's target of 2%
- Food prices are trending higher while transportation costs are down on lower oil prices



GDP Growth since Recession

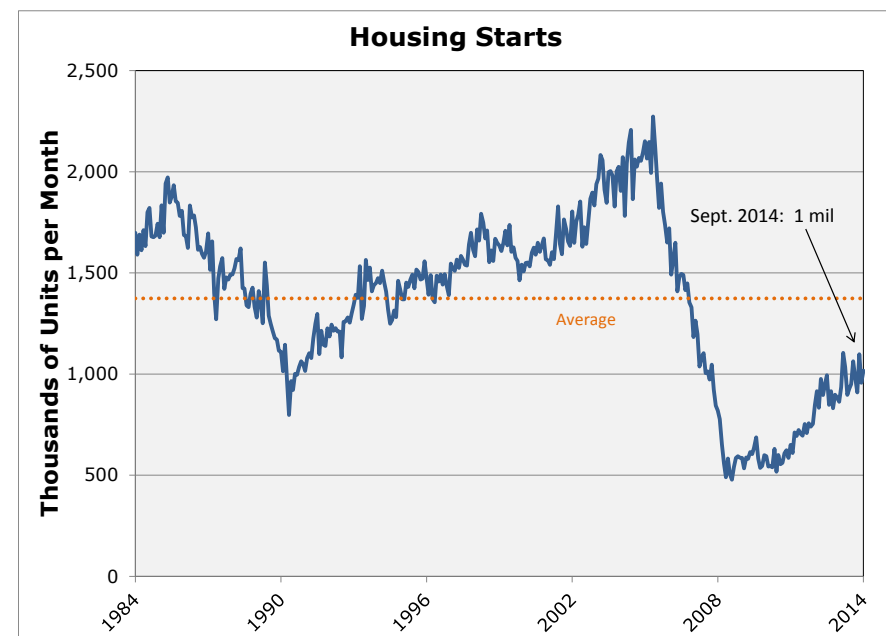
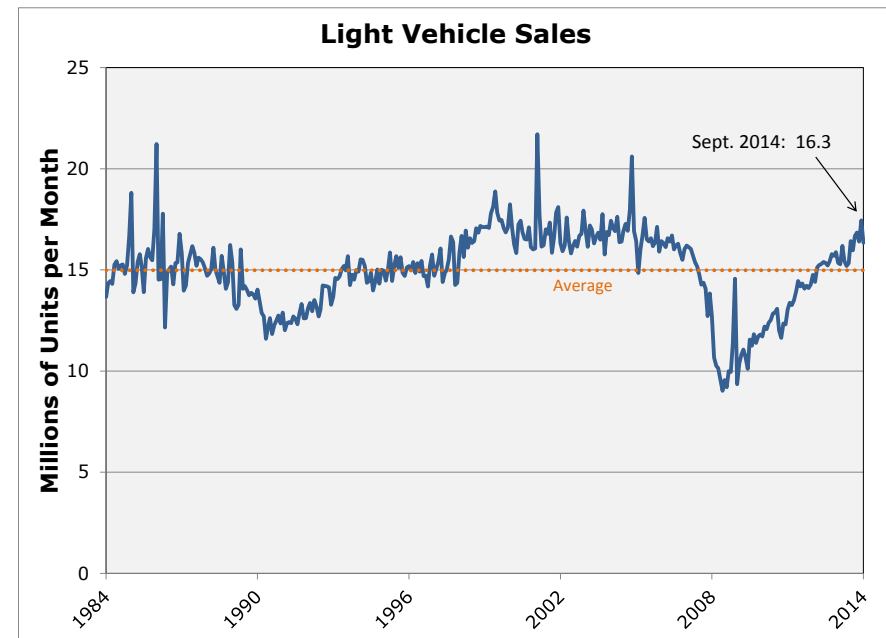
- Q2 marked 5 years since the official end of the latest recession
- Real GDP growth has been moderate at 2.2% versus a 30-year average of 2.7%
- Largest component of GDP is personal consumption
- Growth in real personal consumption has been hampered by consumers deleveraging and employment conditions
- Average quarterly growth for the past 5 years has been 0.54%, versus a 30 year average of 0.73%

Source: Bureau of Economic Analysis



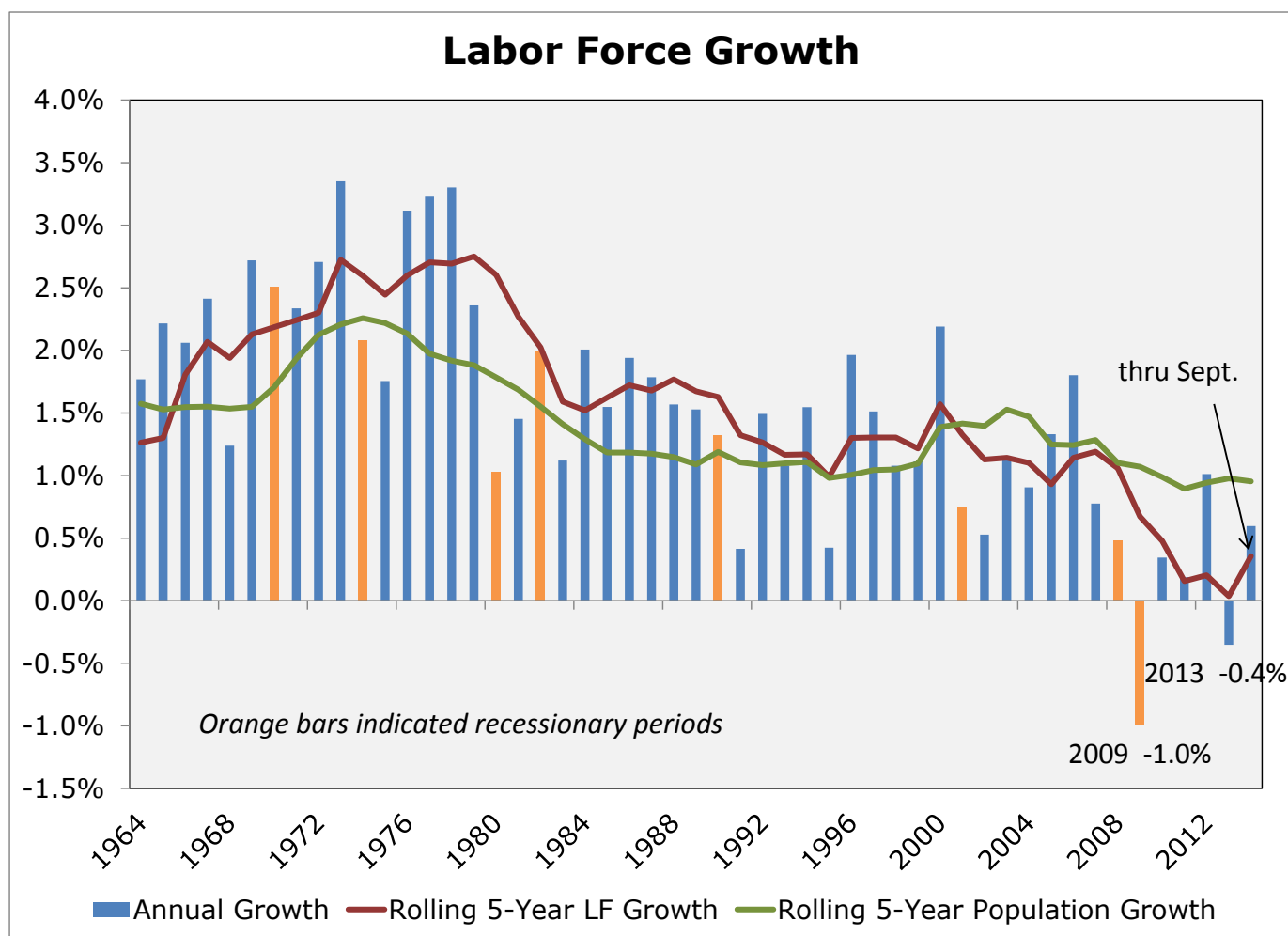
Discretionary Spending

- Spending on autos and light trucks has rebounded and is currently at levels not seen since 2006
- Housing starts continue to recover
- Multi-family starts (rentals) have driven much of the growth
- Unfortunately, the single-family market generates more spending at places like home improvement stores



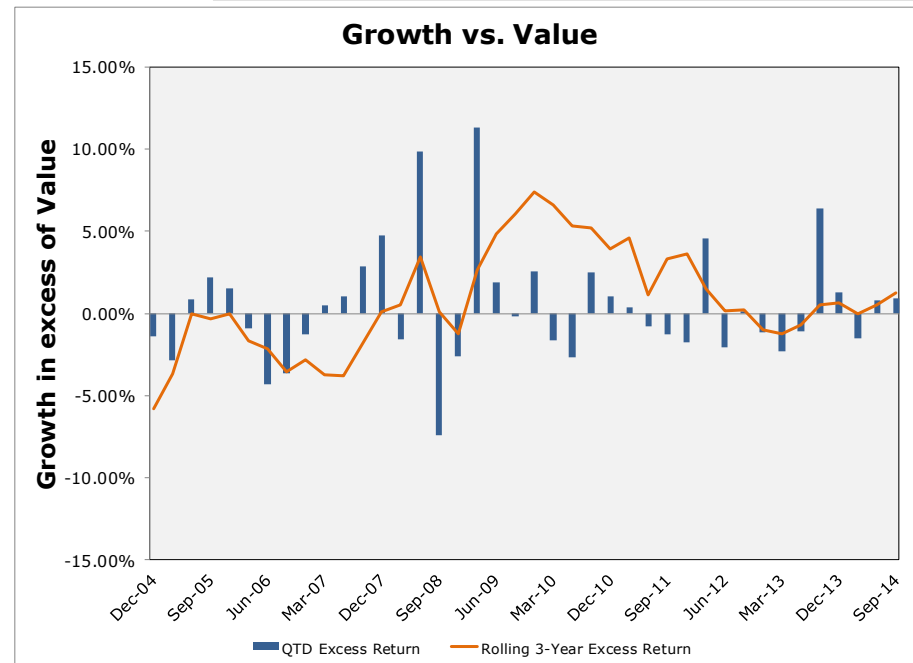
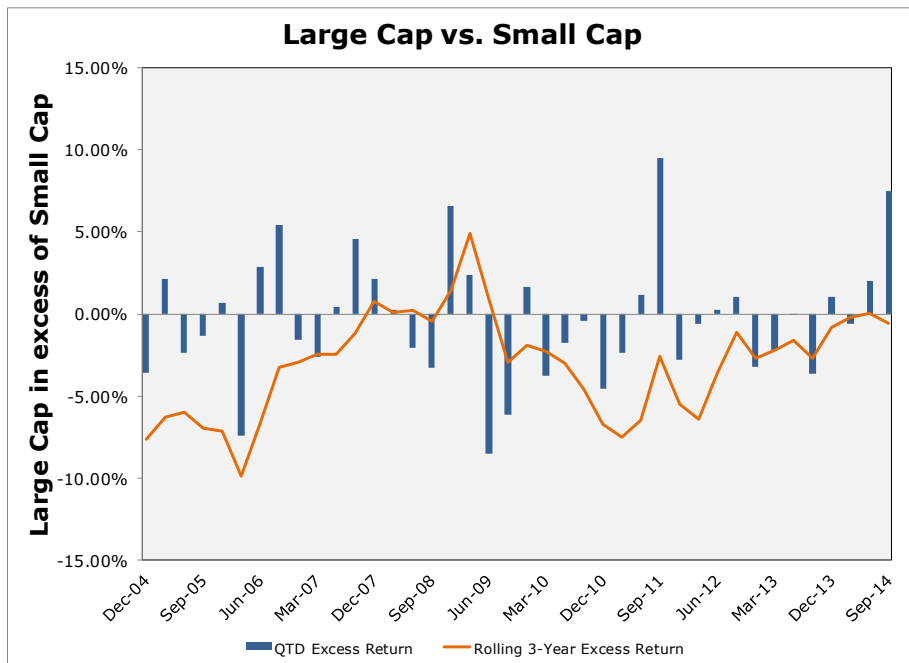
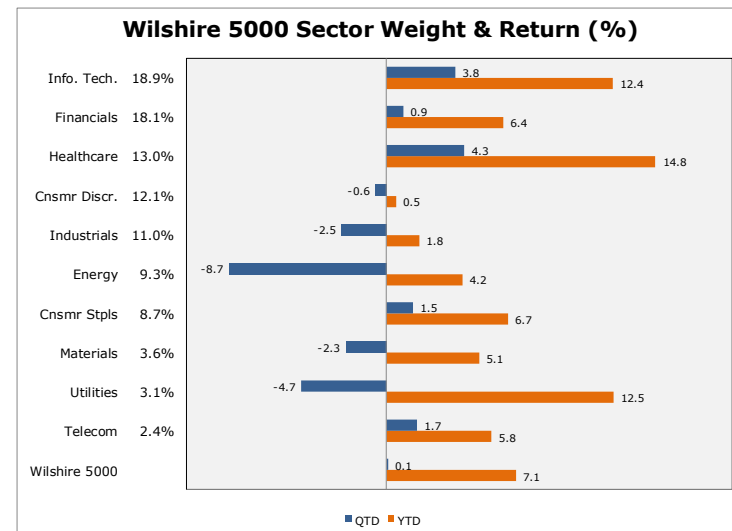
Employment Conditions

- U.S. has recovered all of the jobs lost during the recession
- Labor Force currently 1.2 million larger than it was at year-end 2008, despite a population growth (of those 16 and older) of 13 million



U.S. Equity Market

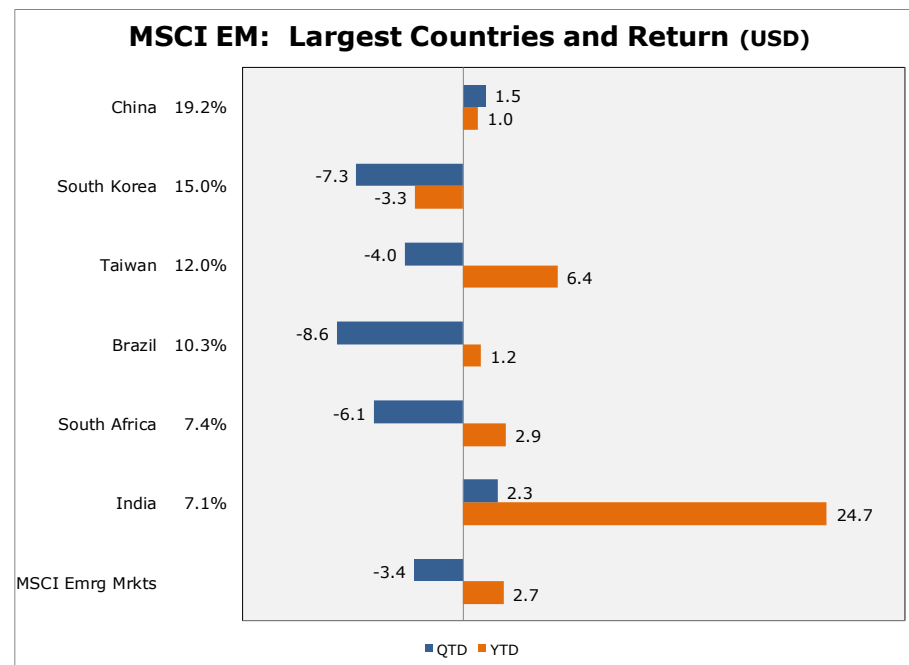
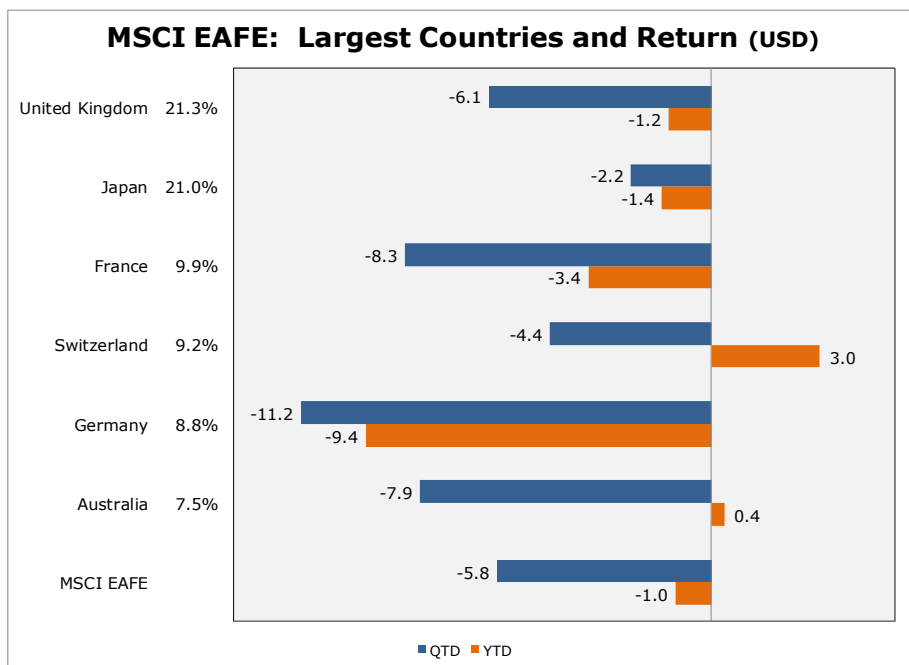
September 30, 2014	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Wilshire 5000	0.1	7.1	17.9	22.8	15.7	8.5
Wilshire U.S. Large Cap	0.8	8.1	19.1	22.7	15.6	8.3
Wilshire U.S. Small Cap	-6.2	-0.8	8.2	23.4	16.3	10.1
Wilshire U.S. Large Growth	1.5	8.4	20.4	23.7	16.0	8.9
Wilshire U.S. Large Value	0.3	7.8	18.0	21.9	15.2	7.7
Wilshire U.S. Small Growth	-6.7	-2.3	6.1	23.0	17.0	10.8
Wilshire U.S. Small Value	-5.8	0.5	10.1	23.8	15.5	9.3
Wilshire REIT Index	-3.1	14.5	13.5	16.5	16.0	8.3
MSCI USA Minimum Volatility Index	1.6	7.4	15.2	17.6	14.5	7.9
FTSE RAFI U.S. 1000 Index	-0.1	7.5	18.8	24.3	15.8	9.7



Data sources: Wilshire Compass, Wilshire Atlas

Non-U.S. Equity Market

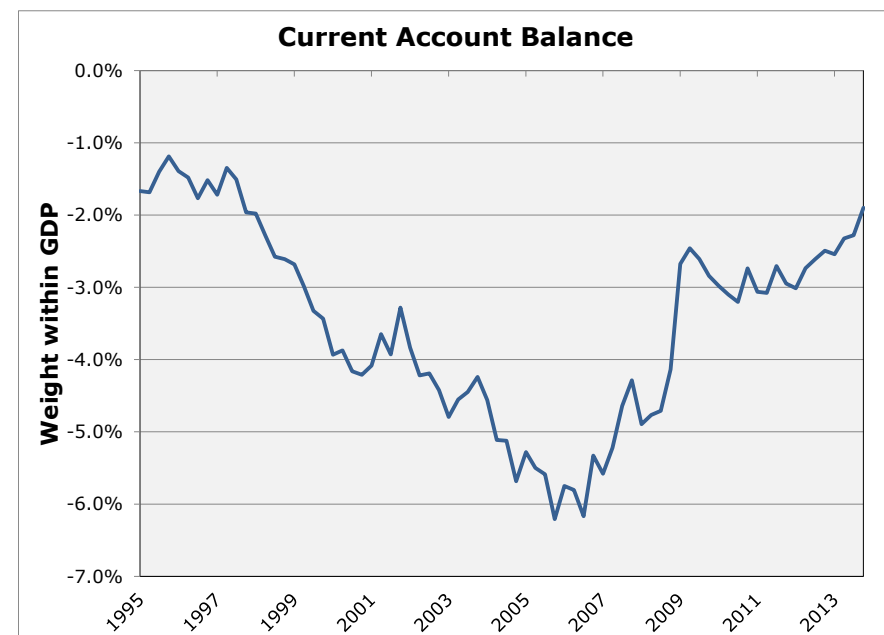
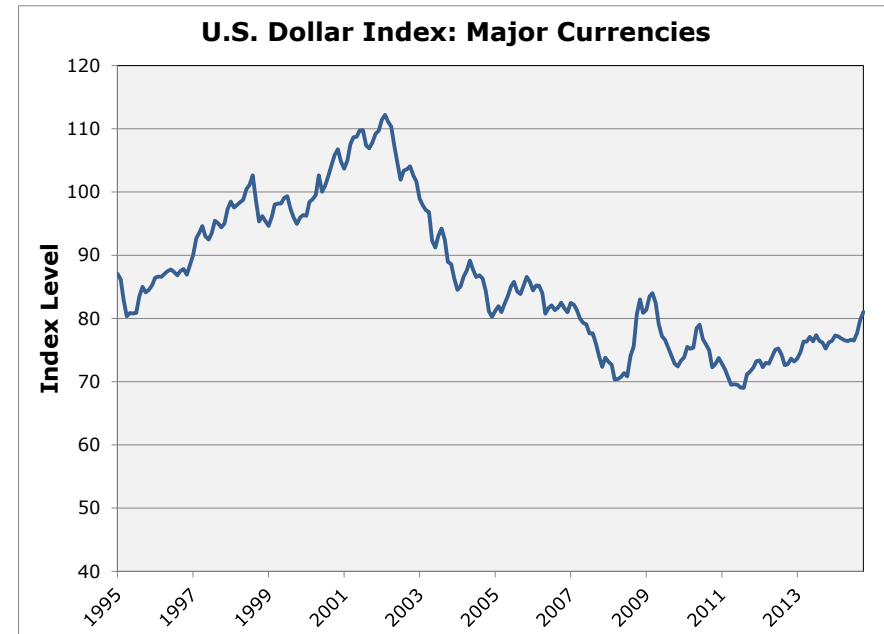
September 30, 2014	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
MSCI ACWI ex-US (\$g)	-5.2	0.4	5.2	12.3	6.5	7.5
MSCI EAFE (\$g)	-5.8	-1.0	4.7	14.2	7.0	6.8
MSCI Emerging Markets (\$g)	-3.4	2.7	4.7	7.6	4.8	11.0
MSCI Frontier Markets (\$g)	1.6	22.4	30.5	18.3	9.1	8.6
MSCI ACWI ex-US Growth (\$g)	-4.8	0.0	4.7	12.2	7.1	7.5
MSCI ACWI ex-US Value (\$g)	-5.6	0.8	5.8	12.4	5.8	7.5
MSCI ACWI ex-US Small (\$g)	-6.7	0.3	4.9	12.9	9.2	9.4
MSCI EAFE Minimum Volatility Idx	-3.8	4.9	7.3	11.8	8.5	8.9
FTSE RAFI Developed ex-US Index	-6.3	0.1	6.6	14.4	5.6	7.9
MSCI EAFE LC (g)	1.0	4.5	11.2	17.8	8.6	6.3
MSCI Emerging Markets LC (g)	0.7	5.5	8.6	10.5	6.6	11.2



Data sources: Wilshire Compass, MSCI Barra

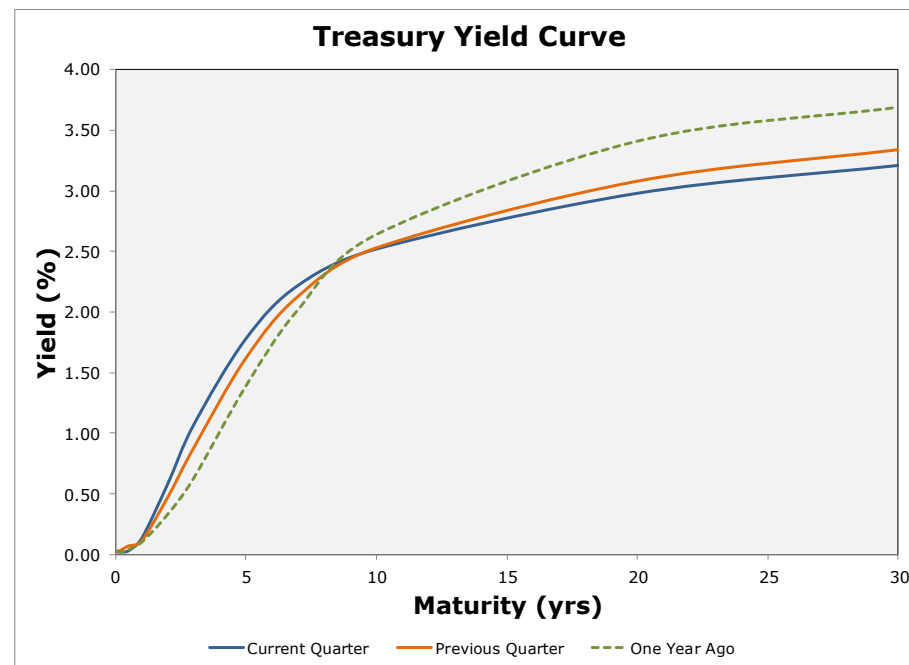
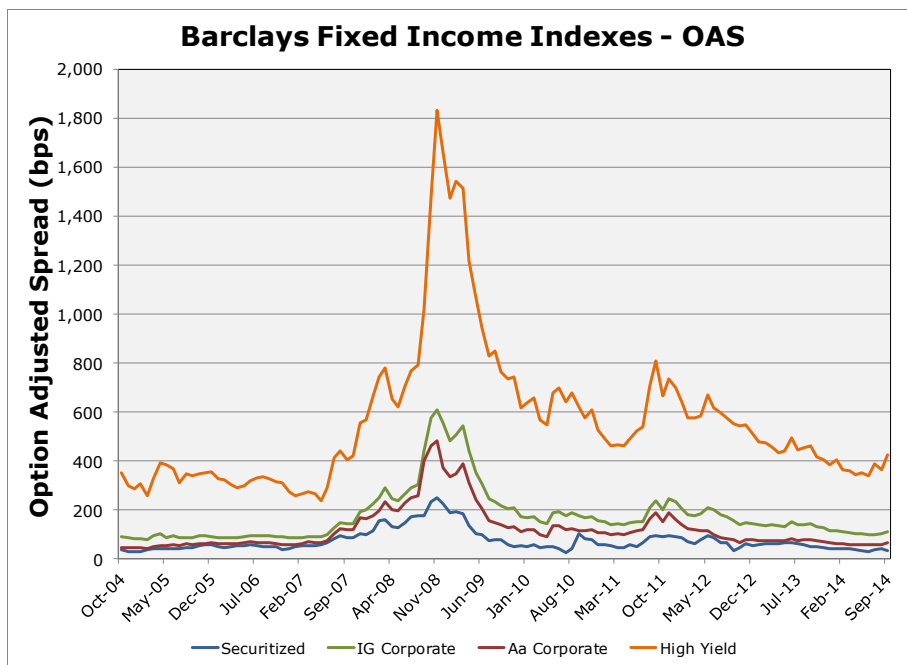
U.S. Dollar and Trade

- U.S. dollar has been strengthening since May, with the index up 6% (note: index to the right is a trade-weighted average of the value of the U.S. dollar versus other major currencies)
- U.S. typically runs a current account deficit – imports outweigh exports – which detracts from GDP growth
- Strengthening dollar should eventually effect prices, making imports relatively cheaper and worsening the trade deficit



U.S. Fixed Income Market

September 30, 2014	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays Aggregate Bond Index	0.2	4.1	3.9	2.4	4.1	4.6
Barclays Treasury Index	0.3	3.1	2.3	1.0	3.2	4.2
Barclays Govt-Related Index	0.2	4.6	4.6	2.4	3.6	4.5
Barclays Securitized Index	0.2	4.1	3.7	2.2	3.8	4.6
Barclays Corporate IG Index	-0.1	5.6	6.8	5.2	6.4	5.5
Barclays LT Govt/Credit Index	1.0	13.0	12.9	4.7	8.0	7.0
Barclays LT Treasury Index	2.7	15.2	11.6	2.0	7.0	6.8
Barclays LT Govt-Related Index	0.8	13.8	13.7	5.6	8.2	7.4
Barclays LT Corporate IG Index	0.1	11.3	13.4	6.9	8.7	6.9
Barclays U.S. TIPS Index	-2.0	3.7	1.6	1.3	4.5	4.6
Barclays High Yield Index	-1.9	3.5	7.2	11.1	10.6	8.3
Treasury Bills	0.0	0.0	0.1	0.1	0.1	1.6

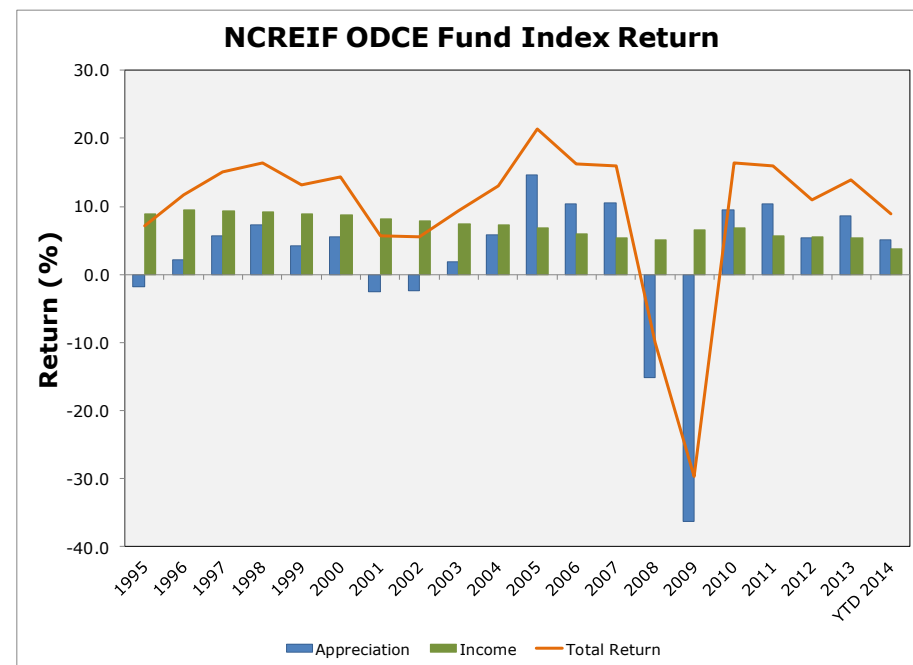
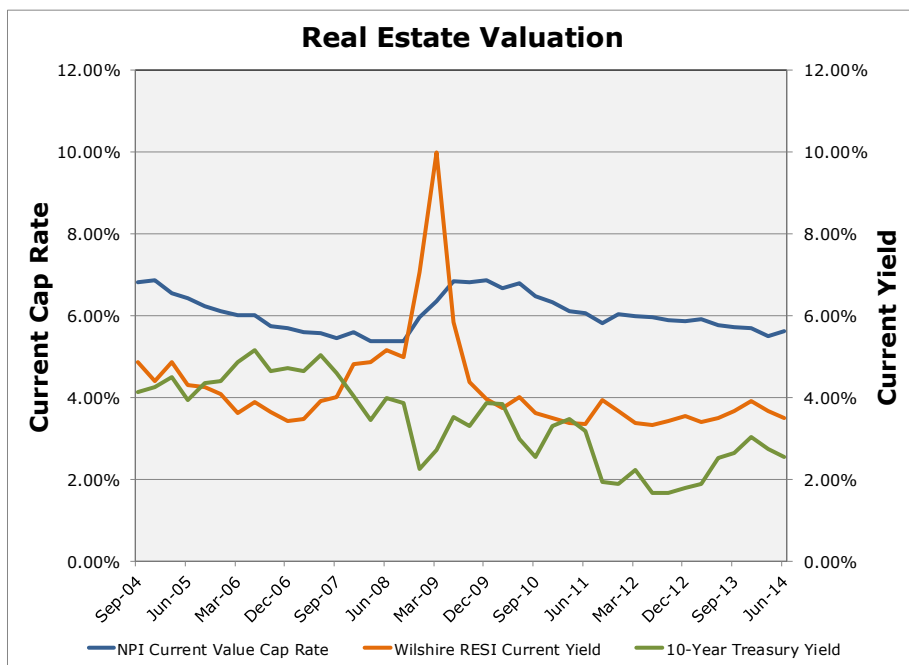


Data sources: Wilshire Compass, Barclays Capital, U.S. Treasury

Real Assets

September 30, 2014	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays U.S. TIPS Index	-2.0	3.7	1.6	1.3	4.5	4.6
Bloomberg Commodity Index	-11.8	-5.6	-6.6	-5.3	-1.4	-1.0
Global Public Real Estate*	-3.8	12.1	11.4	15.8	14.0	8.3
NCREIF ODCE Fund Index	3.2	8.9	12.4	12.3	12.4	7.1
NCREIF Timberland Index	1.5	4.2	10.4	7.4	3.6	8.3
Alerian MLP Index (Oil & Gas)	1.8	18.4	24.6	22.6	23.3	16.1

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

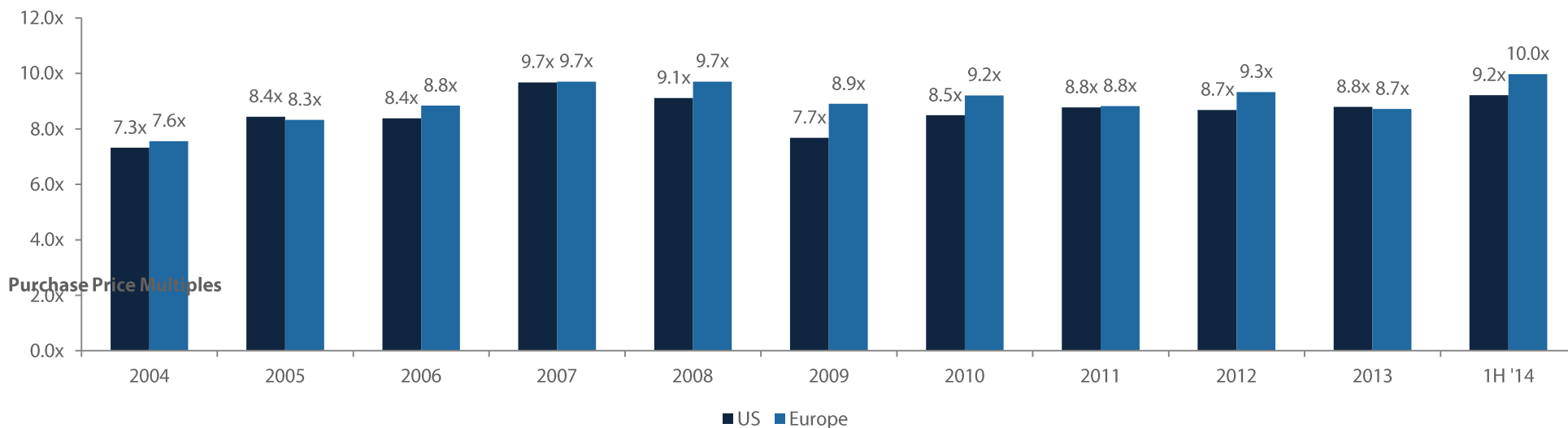


Data sources: Wilshire Compass, National Council of Real Estate Investment Fiduciaries

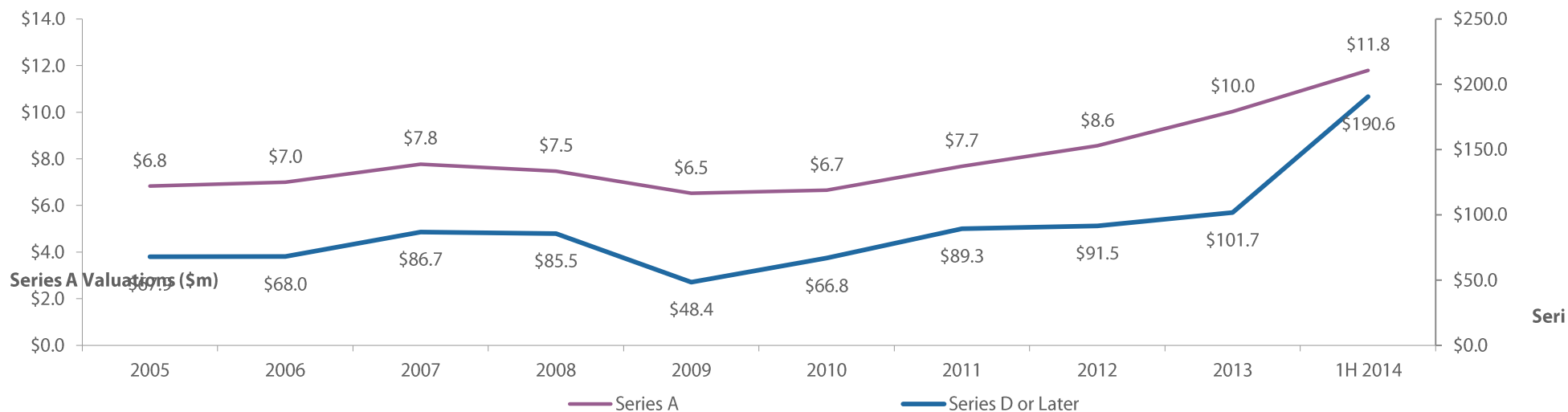
Private Equity – Pricing & Valuations



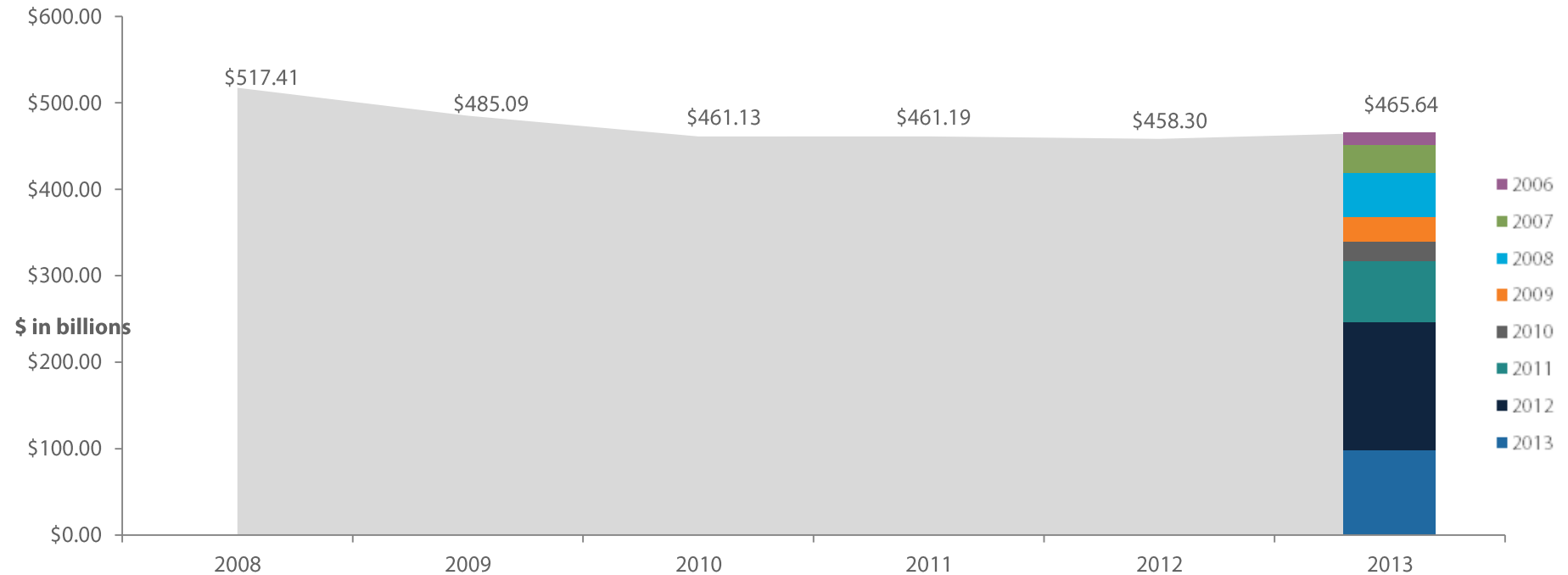
Global LBO Multiples (2004 – 1H 2014)



U.S. Venture Capital Median Pre-Money Valuations (2005 – 1H 2014)



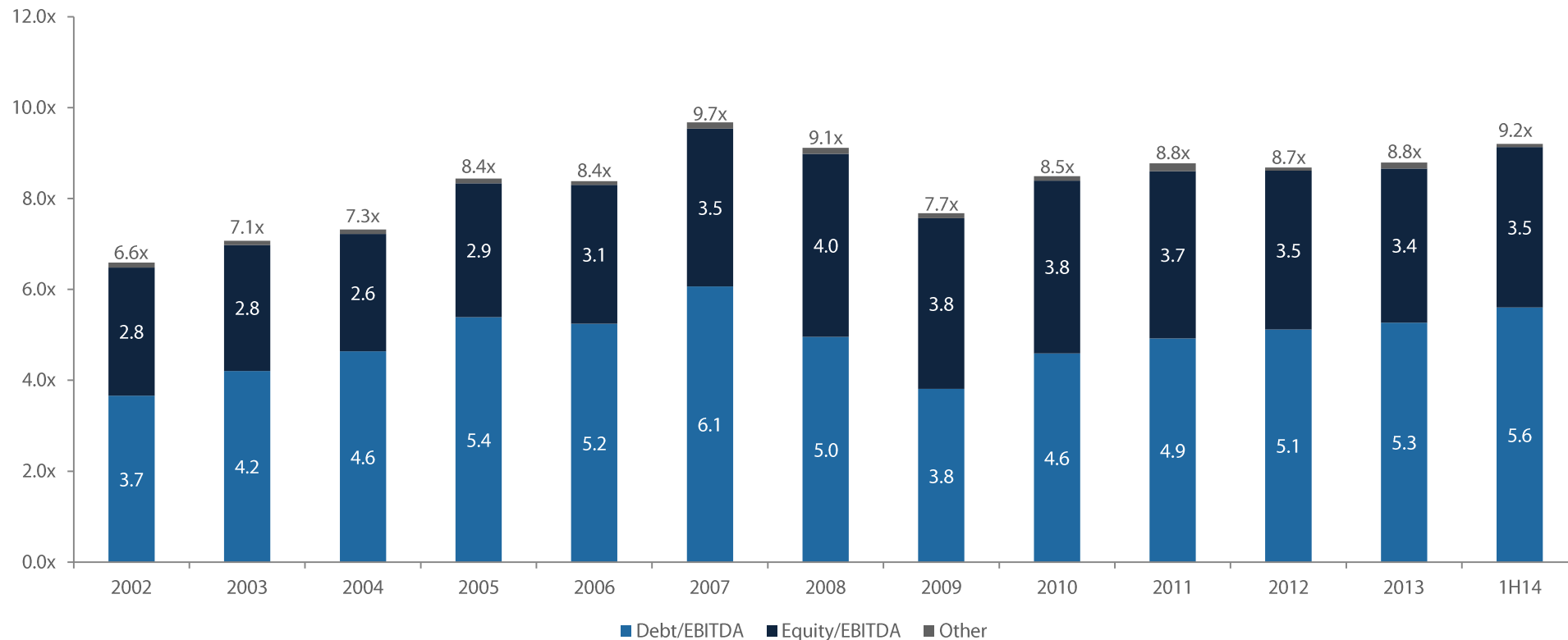
Cumulative Vintage Year Overhang



- Total private equity overhang significantly grew to over \$517 billion during the run-up to the financial crisis
- While the overhang has slightly decreased since 2008, it remains relatively high at approximately \$466 billion

Private Equity – U.S. LBO Purchase Price Multiples

Purchase Price Multiples of U.S. LBO Transactions



- As the debt markets have come back, purchase price multiples have increased from the recent low in 2009
- Recent pricing continues to inch upward and stay relatively high in the 8.8x to 9.2x range

Asset Class Performance

Annual Asset Class Returns - Best to Worst

2009	2010	2011	2012	2013	YTD 2014
Emrg Mrkts 79.0%	MLPs 35.9%	MLPs 13.9%	Emrg Mrkts 18.6%	U.S. Equity 33.1%	MLPs 18.4%
MLPs 76.4%	REITs 28.6%	U.S. TIPS 13.6%	Developed 17.9%	MLPs 27.6%	REITs 14.5%
High Yield 58.2%	Emrg Mrkts 19.2%	REITs 9.2%	REITs 17.6%	Developed 23.3%	U.S. Equity 7.1%
Developed 32.5%	U.S. Equity 17.2%	Core Bond 7.8%	U.S. Equity 16.1%	High Yield 7.4%	Core Bond 4.1%
REITs 28.6%	Commodities 16.8%	High Yield 5.0%	High Yield 15.8%	REITs 1.9%	U.S. TIPS 3.7%
U.S. Equity 28.3%	High Yield 15.1%	U.S. Equity 1.0%	U.S. TIPS 7.0%	T-Bills 0.1%	High Yield 3.5%
Commodities 18.9%	Developed 8.2%	T-Bills 0.1%	MLPs 4.8%	Core Bond -2.0%	Emrg Mrkts 2.7%
U.S. TIPS 11.4%	Core Bond 6.5%	Developed -11.7%	Core Bond 4.2%	Emrg Mrkts -2.3%	T-Bills 0.0%
Core Bond 5.9%	U.S. TIPS 6.3%	Commodities -13.3%	T-Bills 0.1%	U.S. TIPS -8.6%	Developed -1.0%
T-Bills 0.2%	T-Bills 0.1%	Emrg Mrkts -18.2%	Commodities -1.0%	Commodities -9.5%	Commodities -5.6%

Annualized 5-Year as of Sept '14

MLPs 23.3%
REITs 16.0%
U.S. Equity 15.7%
High Yield 10.6%
Developed 7.0%
Emrg Mrkts 4.8%
U.S. TIPS 4.5%
Core Bond 4.1%
T-Bills 0.1%
Commodities -1.4%

Data sources: Wilshire Compass

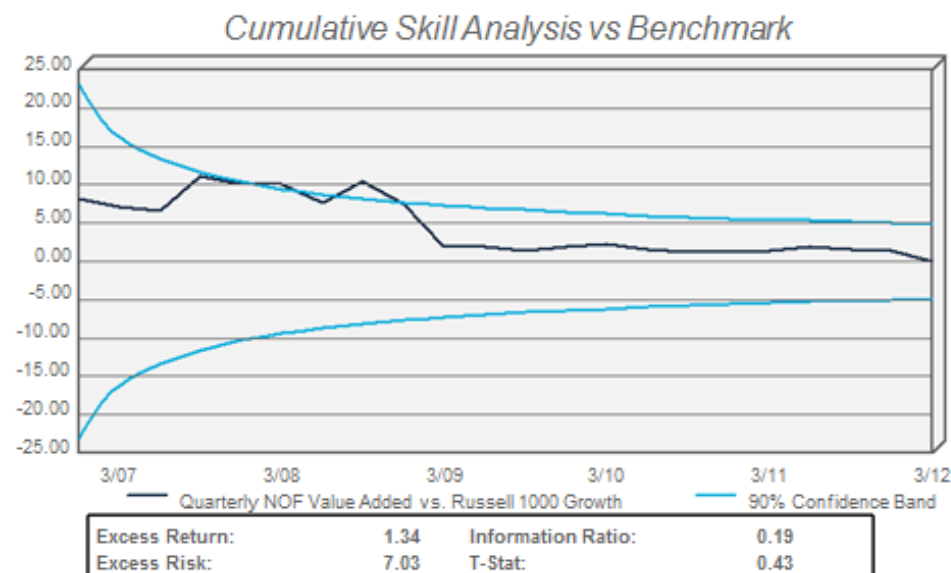
Note: Developed asset class is developed markets ex-U.S., ex-Canada.

Appendix

Glossary

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.



Glossary

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.

