The City of Grand Rapids – Police and Fire Retirement System

Executive Summary of Investment Performance

December 31, 2014

Contents

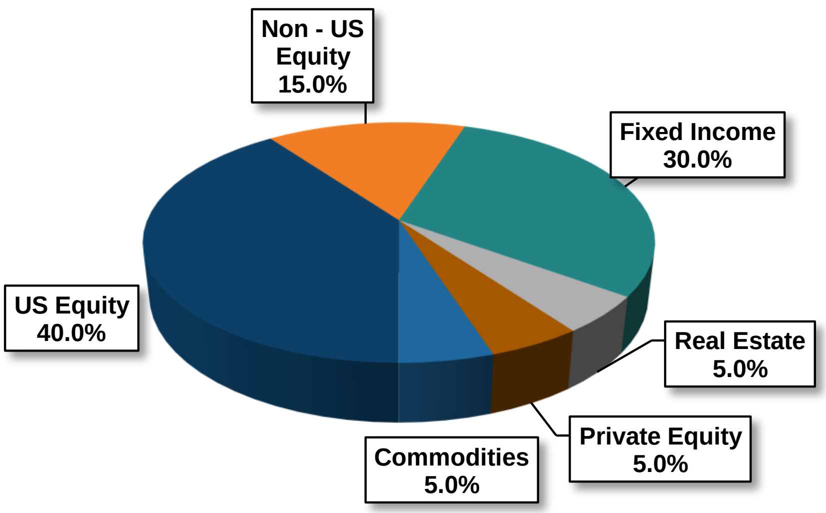
Total Fund

Policy Allocation vs Actual Allocation

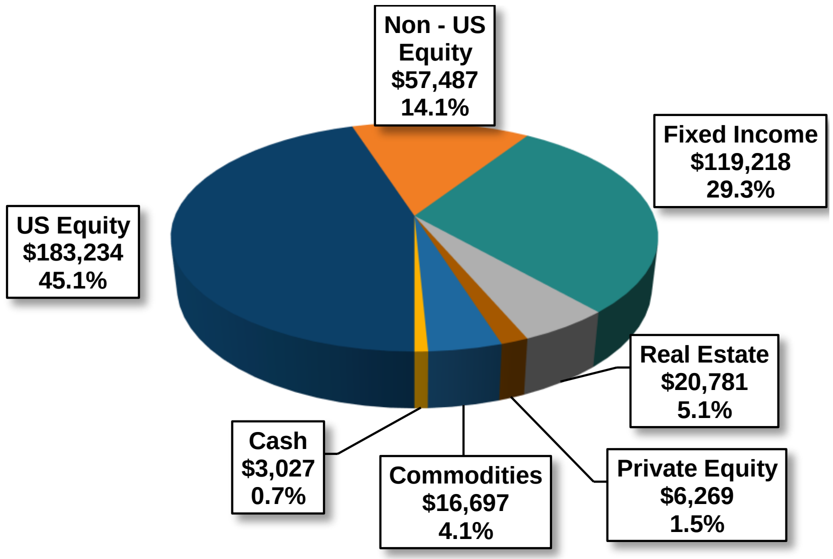
Total Fund Composite

As of December 31, 2014

Policy Allocation



Actual Allocation (in $'000s)



Total Assets: $406,713,000

Wilshire

Policy Allocation vs Actual Allocation

Total Fund Composite

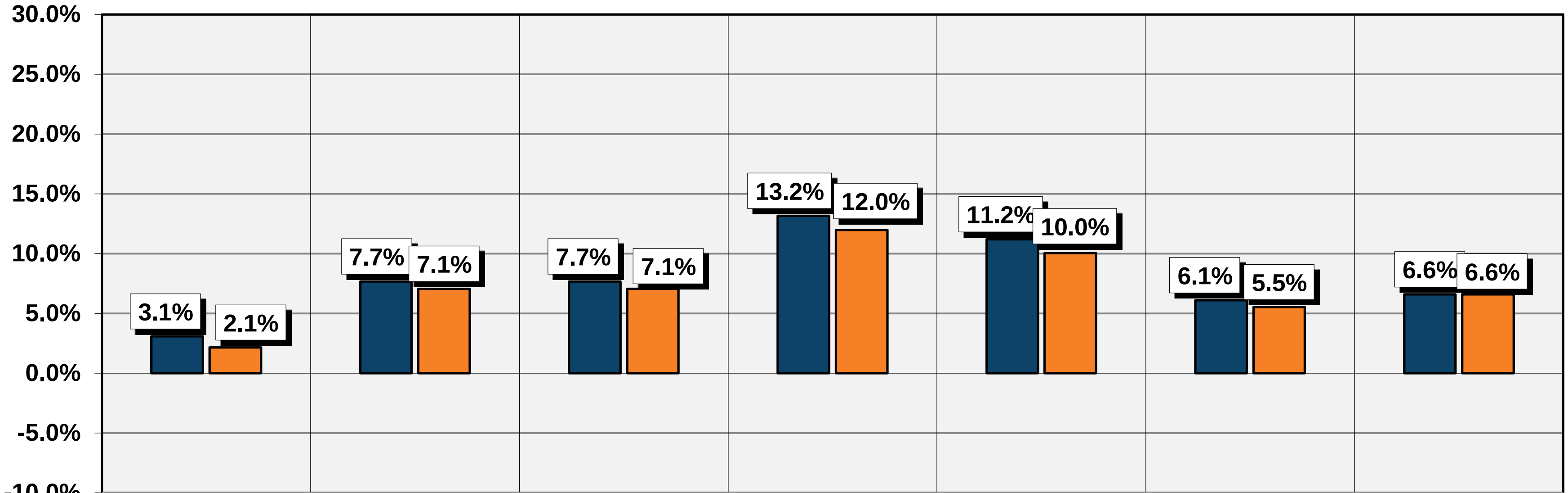
As of December 31, 2014

	Market Value (in $'000s)	Asset Allocation	
		Actual	Policy
US Equity	$183,234	45.05%	40.00%
Non - US Equity	$57,487	14.13%	15.00%
Fixed Income	$119,218	29.31%	30.00%
Real Estate	$20,781	5.11%	5.00%
Private Equity	$6,269	1.54%	5.00%
Commodities	$16,697	4.11%	5.00%
Cash	$3,027	0.74%	0.00%
Total Fund Composite	$406,713	100.00%	100.00%

Investment Performance

Total Fund Composite*

Periods Ended December 31, 2014



	Quarter	YTD	One Year	Three Years	Five Years	Seven Years	Ten Years
Total Fund Composite	3.1%	7.7%	7.7%	13.2%	11.2%	6.1%	6.6%
Total Fund Policy**	2.1%	7.1%	7.1%	12.0%	10.0%	5.5%	6.6%

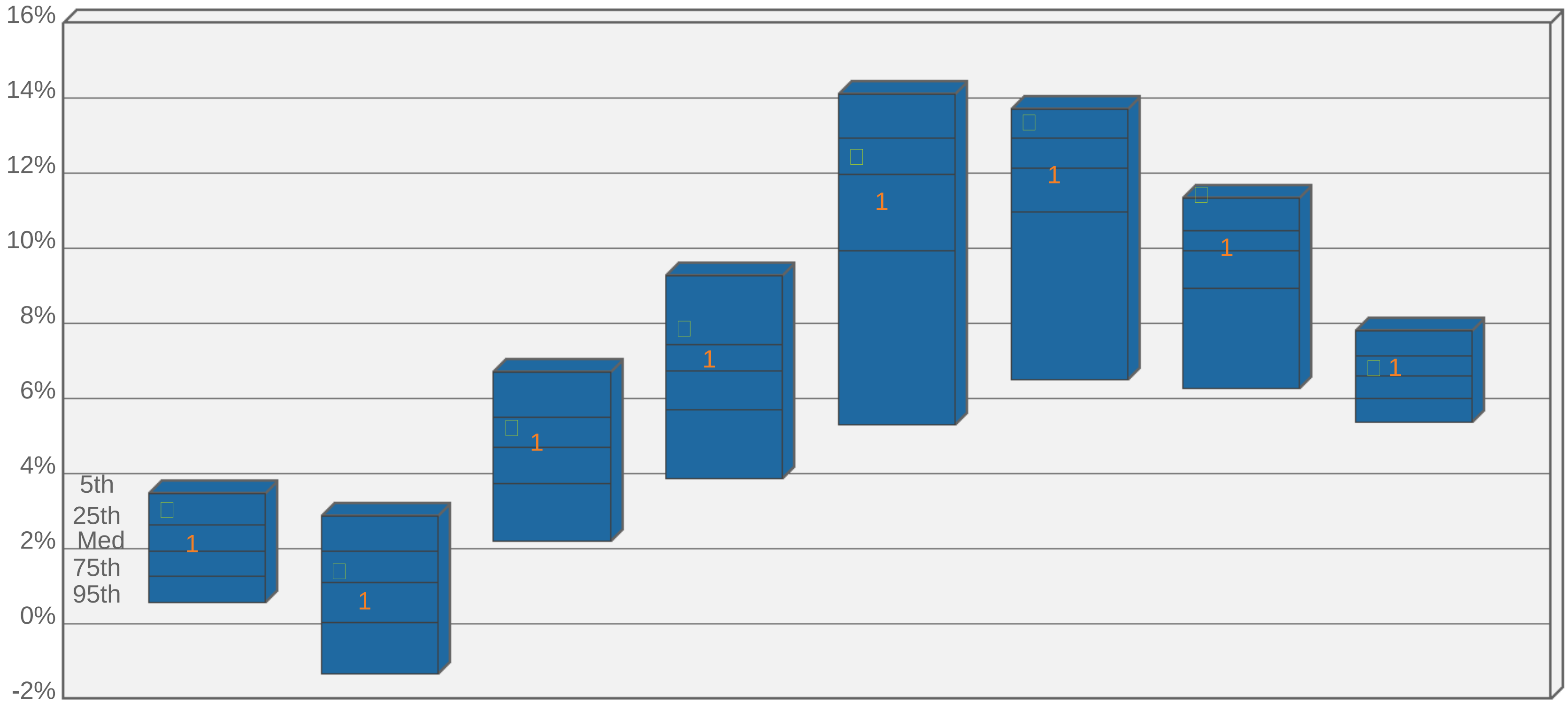
*Returns are net of fees

** 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 December 31, 2014



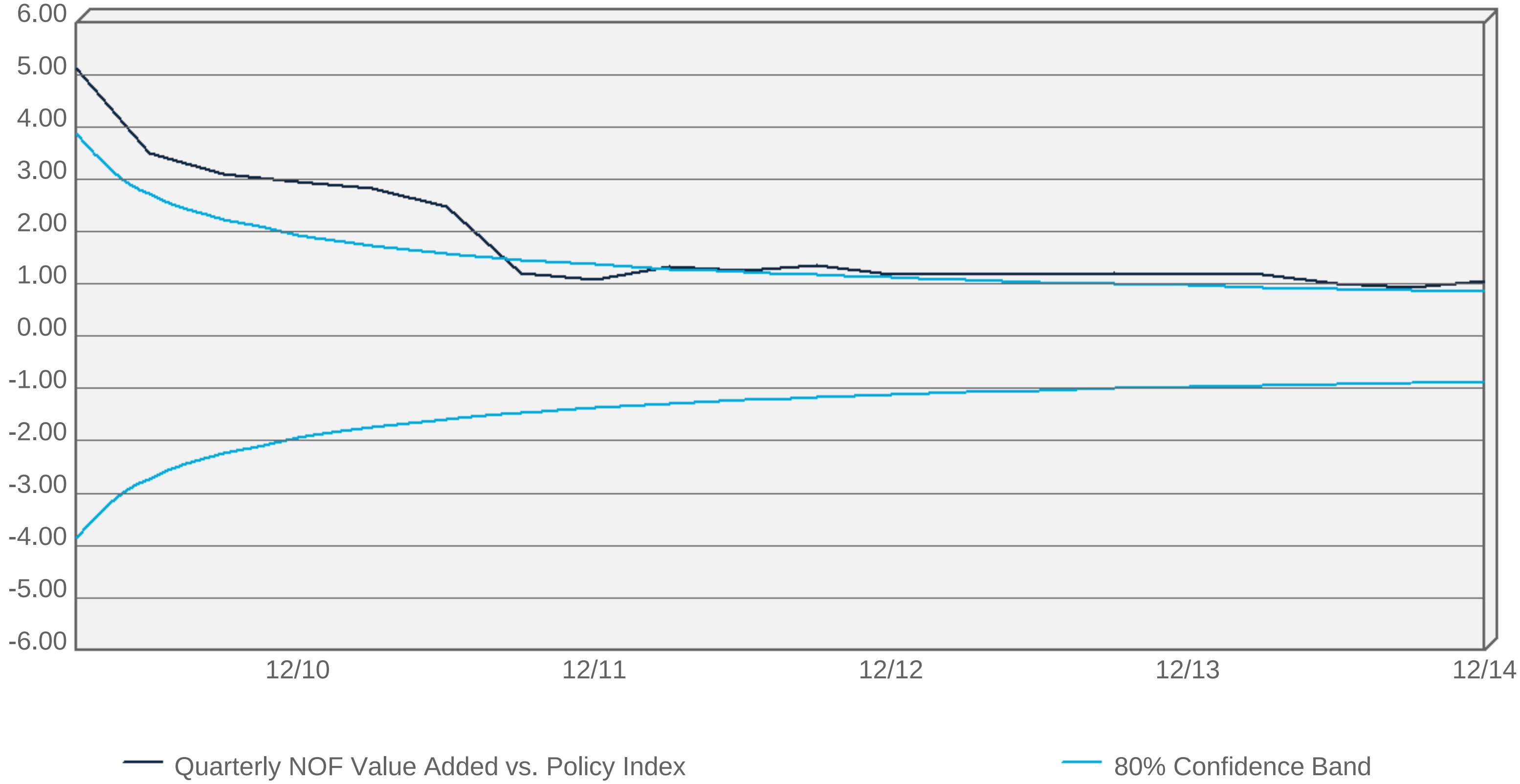
	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
Total Fund	3.12 (11)	1.48 (37)	5.30 (31)	7.94 (14)	12.52 (35)	13.43 (13)	11.51 (3)	6.88 (36)
1 Policy Index	2.14 (43)	0.62 (62)	4.84 (44)	7.06 (35)	11.26 (61)	11.97 (55)	10.03 (45)	6.58 (50)
5th %tile	3.49	2.89	6.73	9.28	14.10	13.73	11.35	7.83
25th %tile	2.66	1.95	5.53	7.45	12.94	12.96	10.47	7.15
Median	1.94	1.11	4.73	6.76	11.97	12.15	9.95	6.60
75th %tile	1.28	0.05	3.75	5.70	9.96	10.97	8.96	6.02
95th %tile	0.57	-1.33	2.21	3.87	5.32	6.53	6.29	5.39
Number of Funds	147	147	146	145	144	141	130	107

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

Cumulative Skill Analysis

Total Fund Composite

Five Years Ending December 31, 2014



Excess Return:	**1.06**	**Information Ratio:**	**0.90**
Excess Risk:	**1.18**		

Performance Comparison

Trailing Returns

Periods Ended December 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	**6.04**	**13.07**	**13.07**	**21.15**	**16.53**	**8.14**	**8.39**	**9/30/87**	**9.52**
Wilshire 5000	5.26	12.71	12.71	20.29	15.54	7.49	7.99	9/30/87	9.51
Value Added	0.79	0.36	0.36	0.86	0.98	0.65	0.40	9/30/87	0.01
Fixed Income Composite									
Net of Fee Return	**1.61**	**7.35**	**7.35**	**4.80**	**6.69**	**6.00**	**5.38**	**9/30/87**	**7.32**
Barclays Aggregate	1.79	5.97	5.97	2.66	4.45	4.77	4.71	9/30/87	6.99
Value Added	-0.19	1.38	1.38	2.14	2.24	1.23	0.67	9/30/87	0.33
Non-U.S. Equity Composite									
Net of Fee Return	**0.78**	**-1.91**	**-1.91**	**11.18**	**7.33**	**0.50**	**3.64**	**12/31/89**	**8.37**
Policy Benchmark	-3.87	-3.87	-3.87	8.99	4.43	-0.63	4.89	12/31/89	4.49
Value Added	4.65	1.95	1.95	2.19	2.90	1.13	-1.25	12/31/89	3.88
Real Estate Composite									
Net of Fee Return	**7.66**	**14.04**	**14.04**	**13.86**	**10.03**			**6/30/09**	**14.60**
FTSE EPRA/NAREIT Dev (N)	7.89	15.02	15.02	15.06	11.25			6/30/09	15.60
Value Added	-0.23	-0.99	-0.99	-1.20	-1.23			6/30/09	-1.00
Commodities Composite									
Net of Fee Return	**-12.16**	**-14.20**	**-14.20**					**3/31/13**	**-13.92**
DJ UBS Commodity Index	-12.10	-17.01	-17.01					3/31/13	-14.55
Value Added	-0.07	2.81	2.81					3/31/13	0.62
Alternative Investments Composite									
Net of Fee Return	**2.03**	**13.97**	**13.97**	**6.39**				**6/30/10**	**5.70**
Wilshire 5000 +2.5%	5.87	15.21	15.21	22.79				6/30/10	21.49
Value Added	-3.85	-1.24	-1.24	-16.40				6/30/10	-15.79

Performance Comparison

Trailing Returns

Periods Ended December 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	**3.07**	**7.67**	**7.67**	**13.15**	**11.20**	**6.09**	**6.59**	**9/30/87**	**8.61**
Policy Index	2.14	7.06	7.06	11.97	10.03	5.52	6.58	9/30/87	8.69
Value Added	0.92	0.61	0.61	1.17	1.17	0.57	0.01	9/30/87	-0.08

Custom Benchmark Specification

Total Fund

December 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	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	12/14	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

December 31, 2014

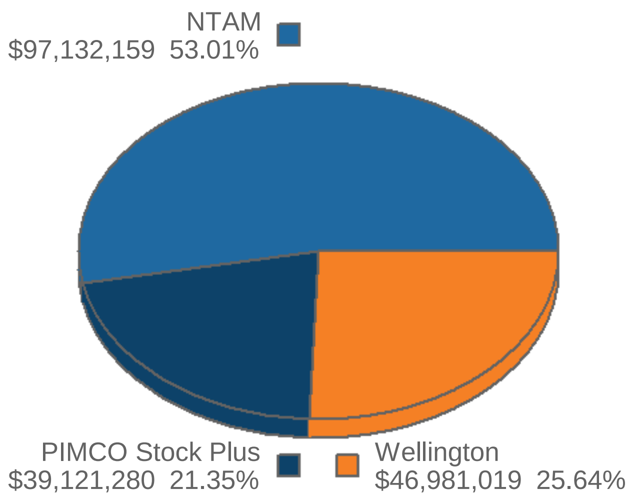
	Quarter Start	Quarter End	Percent	Description
Policy Index (cont.)			5.00	Bloomberg Commodity Index

U.S. Equity

Manager Allocation

U.S. Equity Composite

As of December 31, 2014



Wilshire

Performance Comparison

Trailing Returns

Periods Ended December 31, 2014

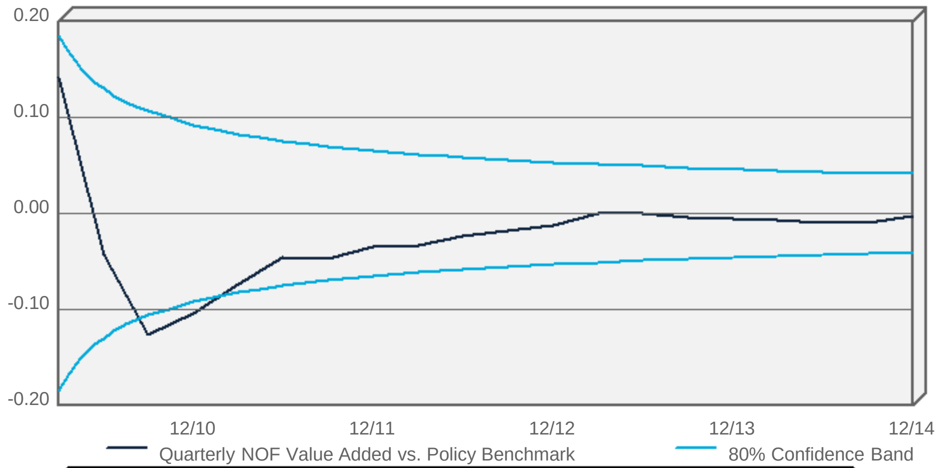
	1 Qtr	YTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
NTAM									
Net of Fee Return	**4.97**	**13.70**	**13.70**	**20.44**	**15.45**	**7.17**	**7.76**	**9/30/98**	**6.68**
Policy Benchmark	4.93	13.69	13.69	20.41	15.45	7.27	7.80	9/30/98	6.68
Value Added	0.04	0.01	0.01	0.02	-0.00	-0.09	-0.04	9/30/98	0.00
PIMCO Stock Plus									
Net of Fee Return	**4.32**	**14.39**	**14.39**	**23.02**	**17.41**	**8.53**	**8.52**	**9/30/00**	**5.30**
Standard & Poor's 500	4.93	13.69	13.69	20.41	15.45	7.27	7.67	9/30/00	4.57
Value Added	-0.61	0.70	0.70	2.61	1.96	1.27	0.84	9/30/00	0.73
Wellington									
Net of Fee Return	**9.91**	**9.67**	**9.67**	**23.24**	**19.84**	**11.57**	**10.64**	**9/30/99**	**11.84**
Russell 2000	9.73	4.89	4.89	19.21	15.54	8.18	7.77	9/30/99	8.45
Value Added	0.18	4.77	4.77	4.03	4.30	3.39	2.87	9/30/99	3.39
U.S. Equity Composite									
Net of Fee Return	**6.04**	**13.07**	**13.07**	**21.15**	**16.53**	**8.14**	**8.39**	**9/30/87**	**9.52**
Wilshire 5000	5.26	12.71	12.71	20.29	15.54	7.49	7.99	9/30/87	9.51
Value Added	0.79	0.36	0.36	0.86	0.98	0.65	0.40	9/30/87	0.01

Investment Manager Analysis

NTAM

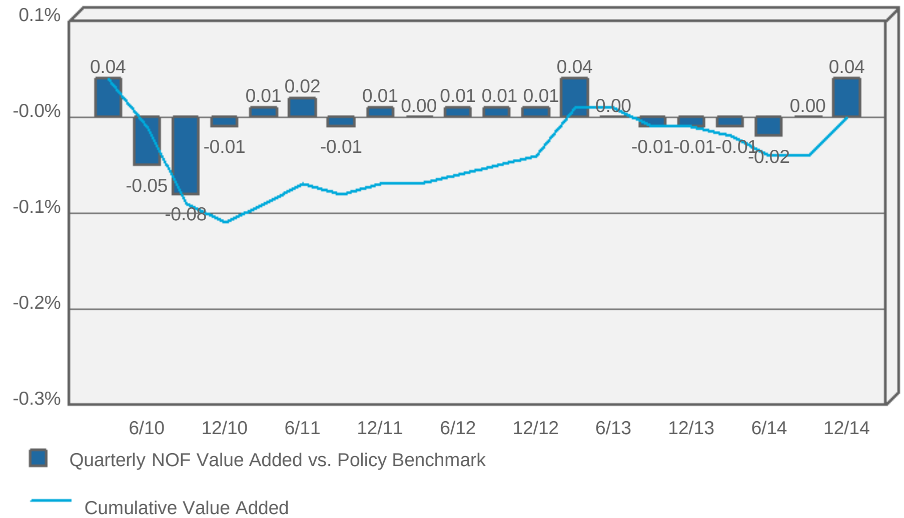
December 31, 2014

Cumulative Skill Analysis vs Benchmark

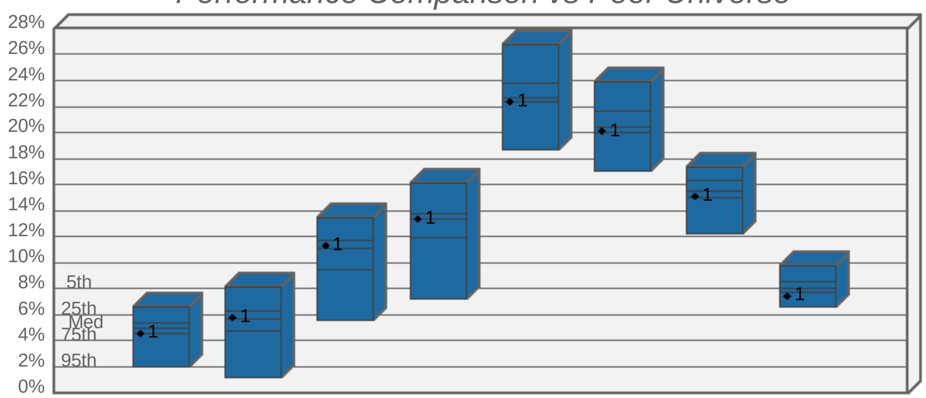


Excess Return:	-0.00	Information Ratio:	-0.04
Excess Risk:	0.06	T-Stat:	-0.09

Value-Added Analysis vs Benchmark

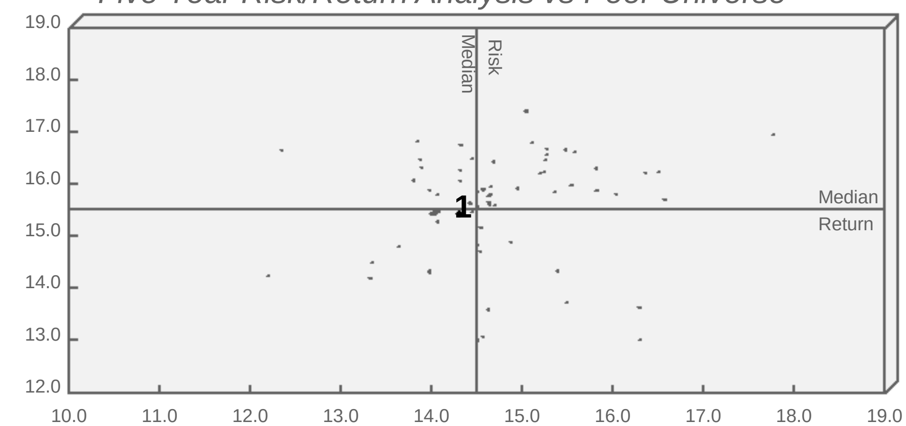


*Performance Comparison vs Peer Universe**



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
◆ NTAM	4.98 (43)	6.17 (28)	11.73 (23)	13.75 (26)	22.76 (45)	20.48 (49)	15.50 (54)	7.81 (65)
1 Policy Benchma	4.93 (58)	6.12 (38)	11.68 (30)	13.69 (33)	22.69 (52)	20.41 (59)	15.45 (63)	7.80 (65)
Median	4.95	5.73	11.07	13.32	22.71	20.47	15.53	8.03
Number of Funds	281	281	280	279	266	241	207	96

*Five Year Risk/Return Analysis vs Peer Universe**



Description	Legend	Gross Fee Ret Value	Gross Fee Ret Rank	Standard Deviation Value	Standard Deviation Rank
NTAM	◆	15.50	54	14.42	55
Policy Benchmark	1	15.45	63	14.41	55
Median		15.53		14.50	

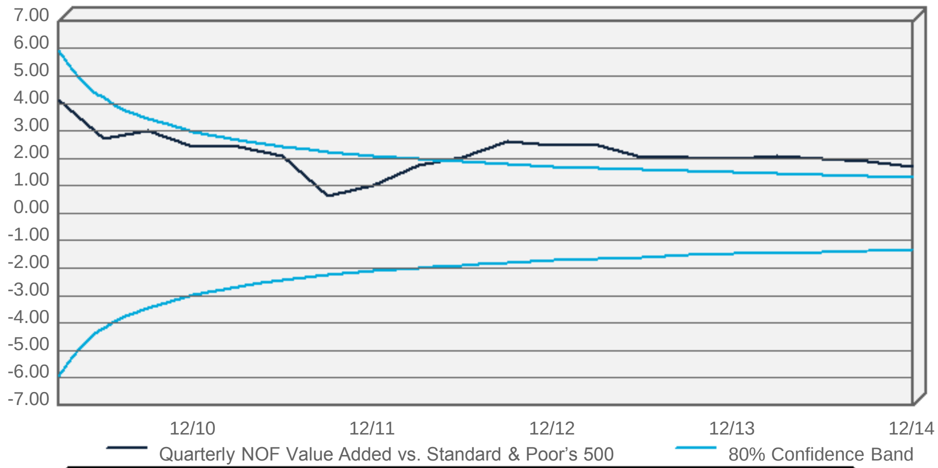
*TUCS Total Returns of Large Neutral Equity Portfolios Universe - Gross of Fees

Investment Manager Analysis

PIMCO Stock Plus

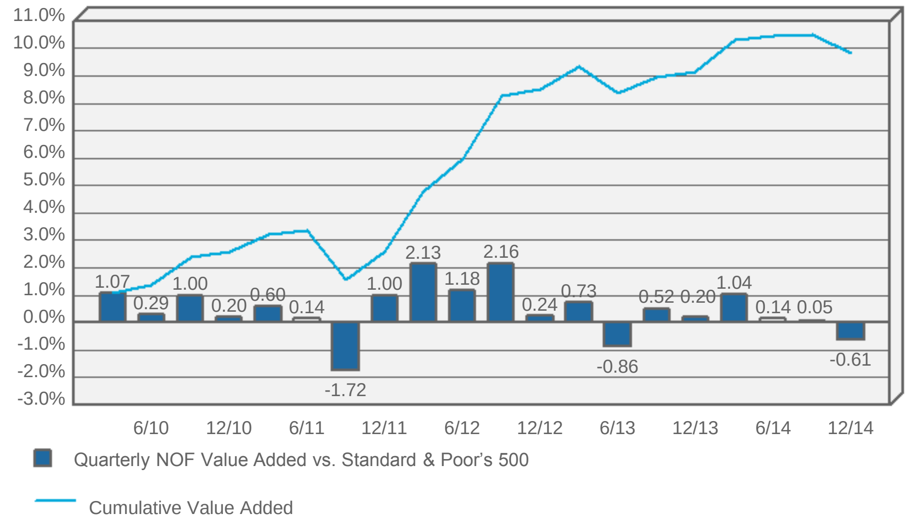
December 31, 2014

Cumulative Skill Analysis vs Benchmark

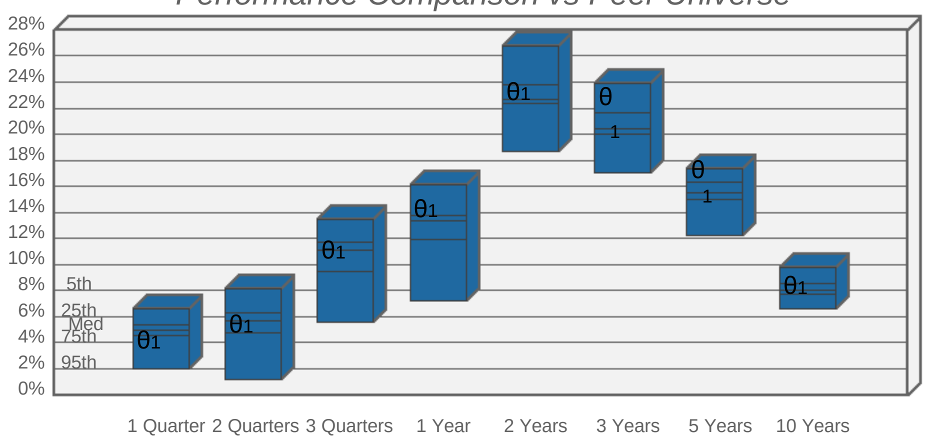


Excess Return:	**1.70**	**Information Ratio:**	**0.94**
Excess Risk:	**1.81**	**T-Stat:**	**2.10**

Value-Added Analysis vs Benchmark

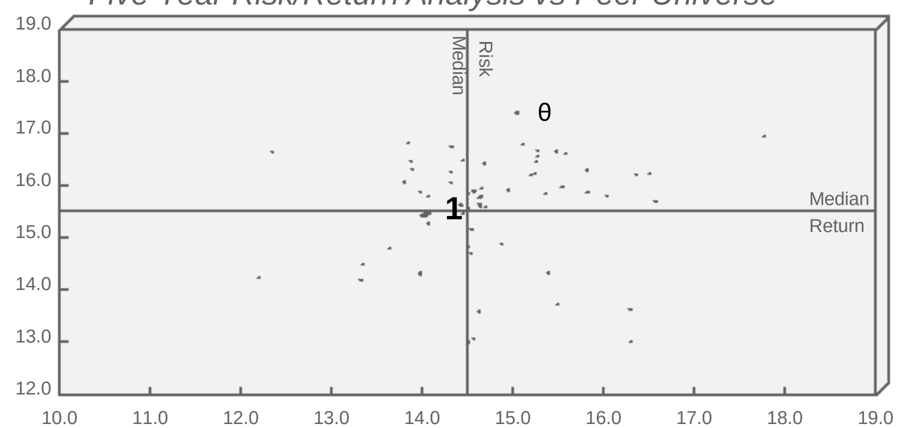


*Performance Comparison vs Peer Universe**



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
θ PIMCO Stock Pl	4.32 (80)	5.55 (60)	11.23 (46)	14.39 (19)	23.37 (31)	23.02 (11)	17.41 (4)	8.52 (22)
1 Standard & Poo	4.93 (58)	6.12 (38)	11.68 (30)	13.69 (33)	22.69 (52)	20.41 (59)	15.45 (63)	7.67 (82)
Median	4.95	5.73	11.07	13.32	22.71	20.47	15.53	8.03
Number of Funds	281	281	280	279	266	241	207	96

*Five Year Risk/Return Analysis vs Peer Universe**



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
PIMCO Stock Plus	θ	17.41	4	15.43	18
Standard & Poor's 500	1	15.45	63	14.41	55
Median		15.53		14.50	

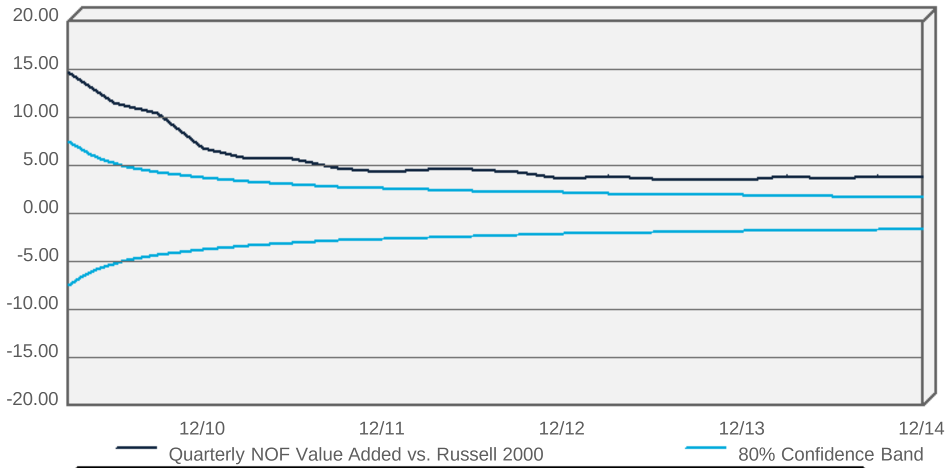
*TUCS Total Returns of Large Neutral Equity Portfolios Universe - Gross of Fees

Investment Manager Analysis

Wellington

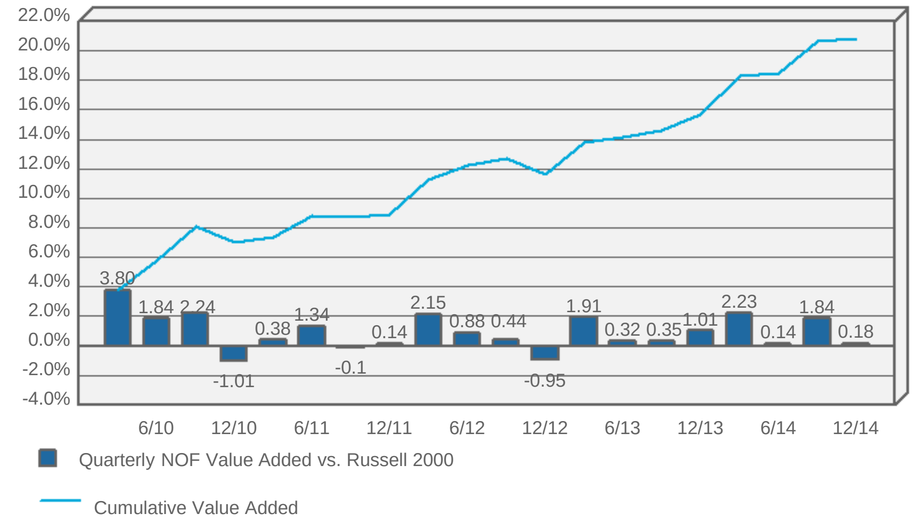
December 31, 2014

Cumulative Skill Analysis vs Benchmark

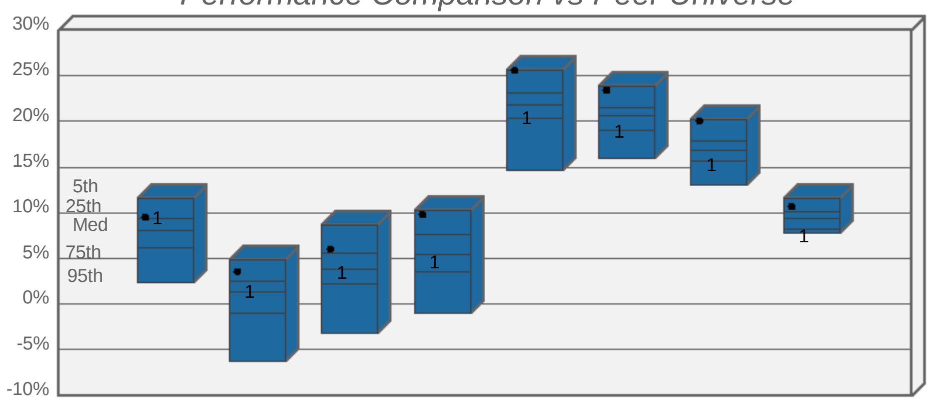


Excess Return:	**3.72**	**Information Ratio:**	**1.64**
Excess Risk:	**2.27**	**T-Stat:**	**3.66**

Value-Added Analysis vs Benchmark

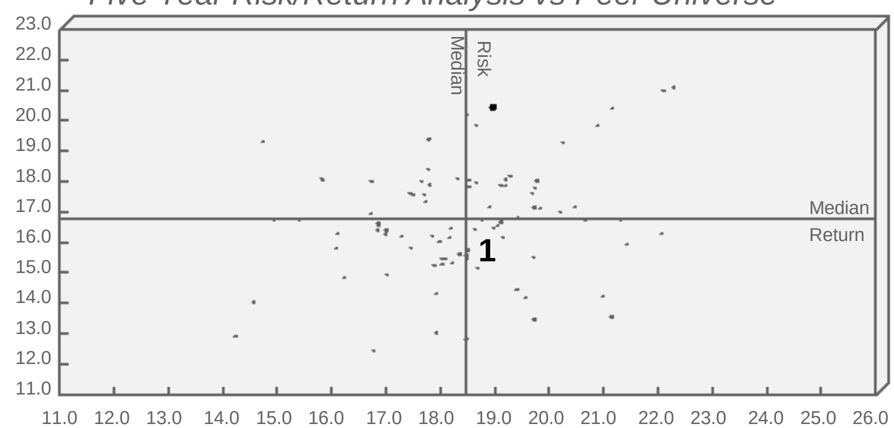


Performance Comparison vs Peer Universe*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
• Wellington	10.07 (13)	4.15 (10)	6.61 (15)	10.34 (4)	26.16 (4)	23.98 (3)	20.56 (3)	11.24 (8)
1 Russell 2000	9.73 (19)	1.65 (40)	3.73 (51)	4.89 (58)	20.67 (69)	19.21 (70)	15.54 (77)	7.77 (96)
Median	7.99	1.32	3.82	5.37	21.74	20.57	16.76	9.37
Number of Funds	127	127	127	126	121	115	95	41

Five Year Risk/Return Analysis vs Peer Universe*



Description	Legend	Gross Fee Ret Value	Gross Fee Ret Rank	Standard Deviation Value	Standard Deviation Rank
Wellington	•	20.56	3	19.16	32
Russell 2000	1	15.54	77	18.96	37
Median		16.76		18.47	

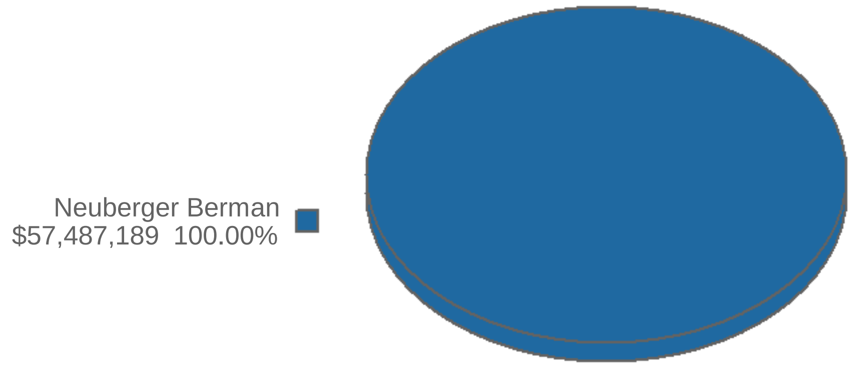
*TUCS Total Returns of Small Neutral Equity Portfolios Universe - Gross of Fees

Non - U.S. Equity

Manager Allocation

Non-U.S. Equity Composite

As of December 31, 2014



Performance Comparison

Trailing Returns

Periods Ended December 31, 2014

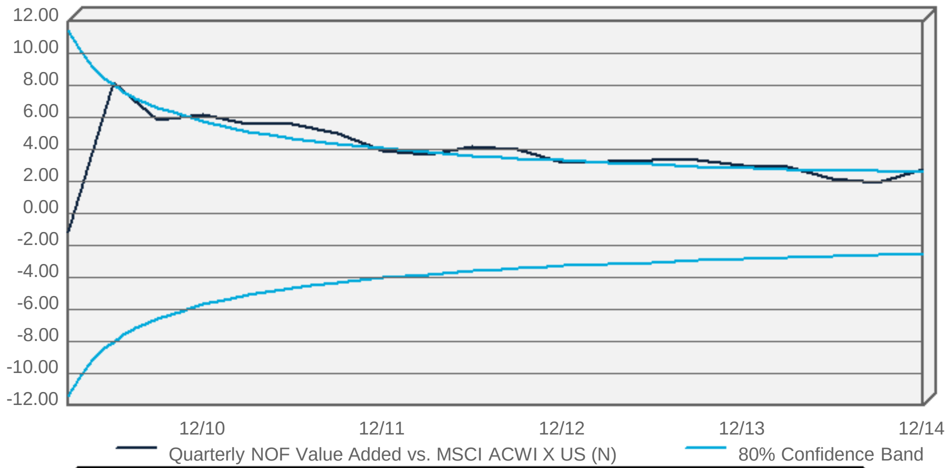
	1 Qtr	YTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
Neuberger Berman									
Net of Fee Return	**0.78**	**-1.91**	**-1.91**	**11.18**	**7.33**	**0.50**		**6/30/06**	**2.48**
MSCI ACWI X US (N)	-3.87	-3.87	-3.87	8.99	4.43	-0.63		6/30/06	3.03
Value Added	4.65	1.95	1.95	2.19	2.90	1.13		6/30/06	-0.55
Non-U.S. Equity Composite									
Net of Fee Return	**0.78**	**-1.91**	**-1.91**	**11.18**	**7.33**	**0.50**	**3.64**	**12/31/89**	**8.37**
Policy Benchmark	-3.87	-3.87	-3.87	8.99	4.43	-0.63	4.89	12/31/89	4.49
Value Added	4.65	1.95	1.95	2.19	2.90	1.13	-1.25	12/31/89	3.88

Investment Manager Analysis

Neuberger Berman

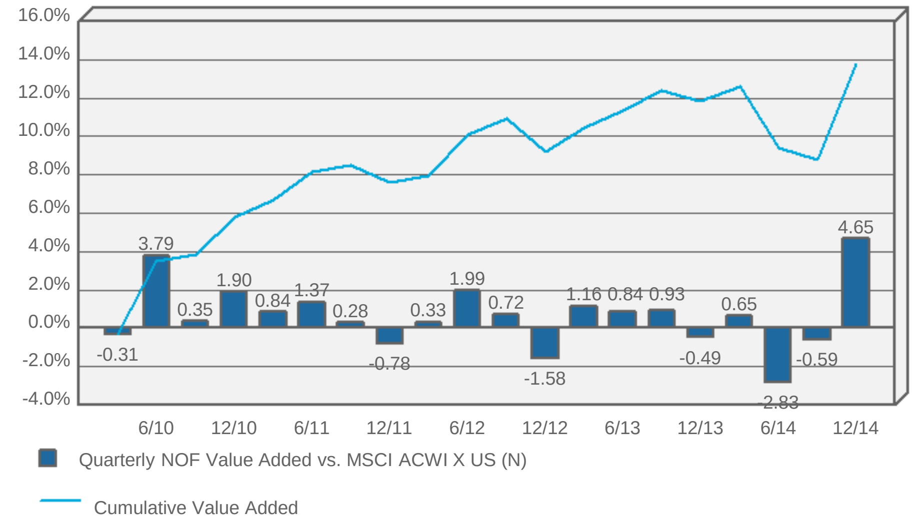
December 31, 2014

Cumulative Skill Analysis vs Benchmark

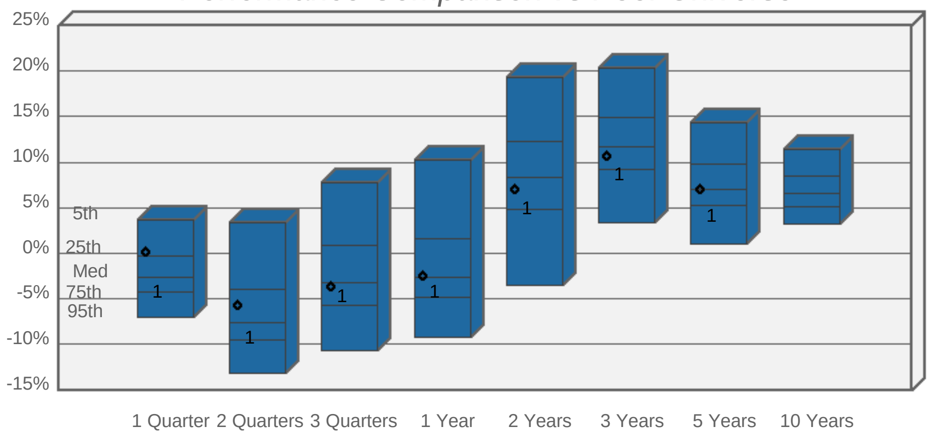


Excess Return:	**2.78**	**Information Ratio:**	**0.80**
Excess Risk:	**3.47**	**T-Stat:**	**1.79**

Value-Added Analysis vs Benchmark

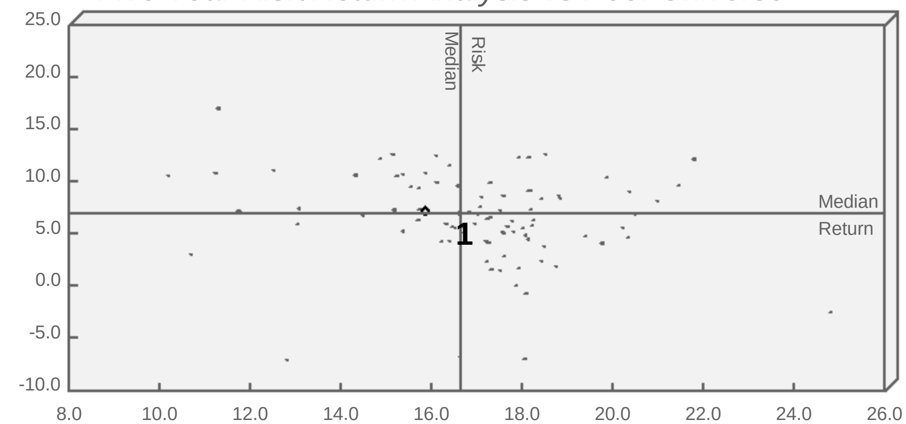


*Performance Comparison vs Peer Universe**



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
◇ Neuberger Berm	0.78 (16)	-5.12 (29)	-3.03 (47)	-1.91 (44)	7.60 (57)	11.18 (58)	7.53 (45)	
1 MSCI ACWI X	-3.87 (68)	-8.93 (66)	-4.35 (59)	-3.87 (60)	5.28 (72)	8.99 (76)	4.43 (82)	
Median	-2.65	-7.58	-3.24	-2.66	8.35	11.75	6.99	6.51
Number of Funds	1827	1810	1782	1770	1637	1519	1210	461

*Five Year Risk/Return Analysis vs Peer Universe**



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
Neuberger Berman	◇	7.53	45	16.09	64
MSCI ACWI X US (N)	1	4.43	82	16.85	45
Median		6.99		16.63	

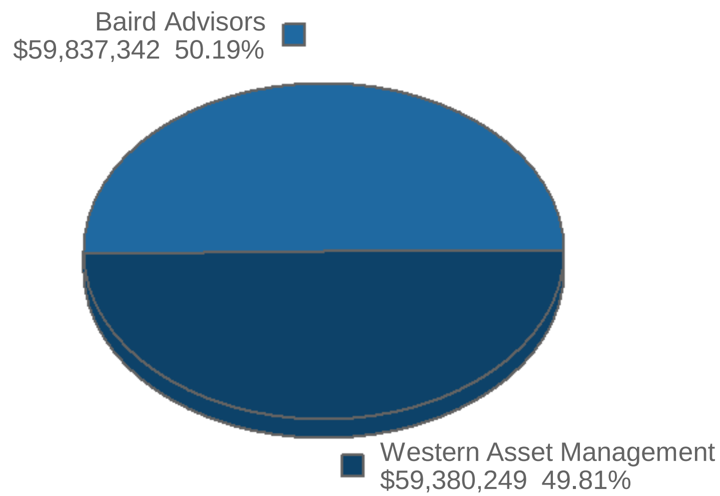
*TUCS Total Returns of International Equity Portfolios Universe - Gross of Fees

Fixed Income

Manager Allocation

Fixed Income Composite

As of December 31, 2014



Performance Comparison

Trailing Returns

Periods Ended December 31, 2014

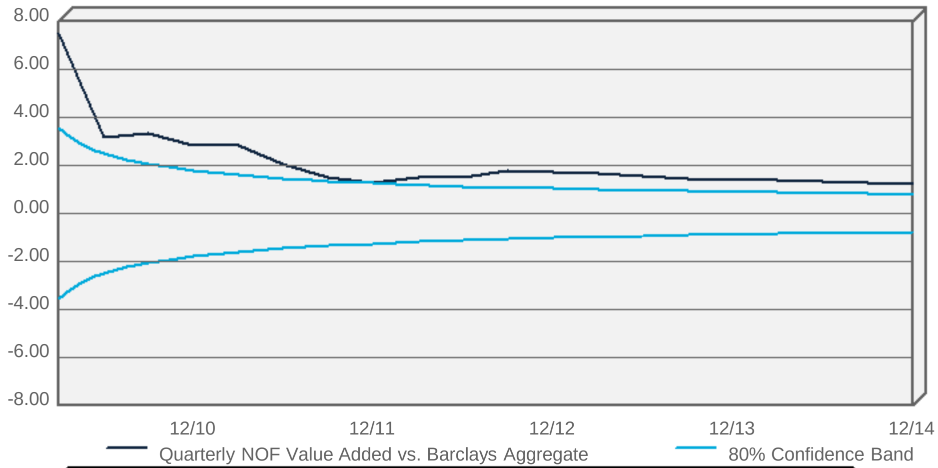
	1 Qtr	YTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
Baird Advisors									
Net of Fee Return	**1.88**	**6.74**	**6.74**	**3.89**	**5.75**	**5.23**	**5.01**	**3/31/03**	**4.91**
Barclays Aggregate	1.79	5.97	5.97	2.66	4.45	4.77	4.71	3/31/03	4.61
Value Added	0.09	0.77	0.77	1.23	1.30	0.46	0.30	3/31/03	0.31
Western Asset Management									
Net of Fee Return	**1.33**	**7.96**	**7.96**	**5.62**	**7.52**	**6.60**	**5.63**	**3/31/04**	**5.55**
Barclays Aggregate	1.79	5.97	5.97	2.66	4.45	4.77	4.71	3/31/04	4.53
Value Added	-0.46	1.99	1.99	2.96	3.07	1.83	0.92	3/31/04	1.01
Fixed Income Composite									
Net of Fee Return	**1.61**	**7.35**	**7.35**	**4.80**	**6.69**	**6.00**	**5.38**	**9/30/87**	**7.32**
Barclays Aggregate	1.79	5.97	5.97	2.66	4.45	4.77	4.71	9/30/87	6.99
Value Added	-0.19	1.38	1.38	2.14	2.24	1.23	0.67	9/30/87	0.33

Investment Manager Analysis

Baird Advisors

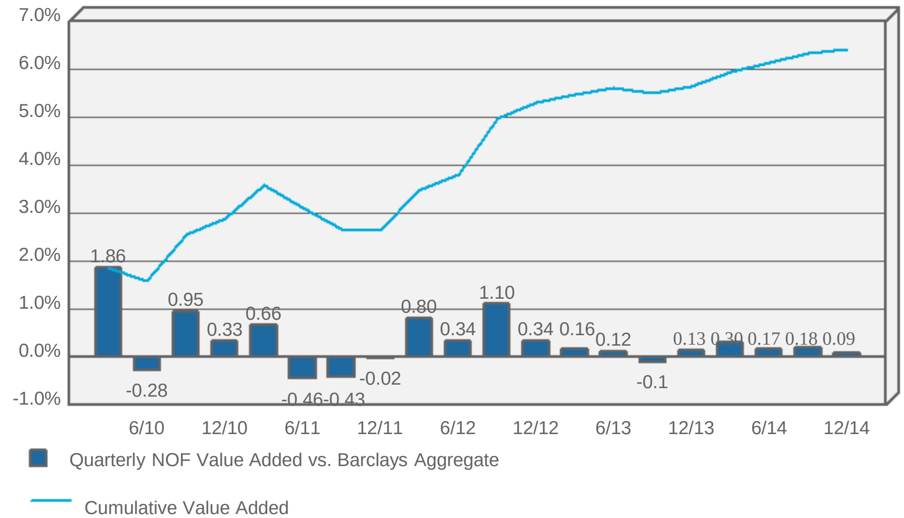
December 31, 2014

Cumulative Skill Analysis vs Benchmark

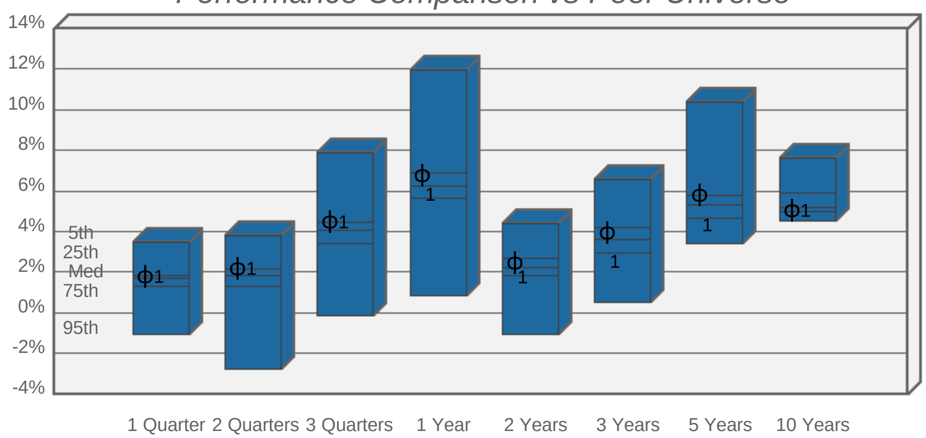


Excess Return:	**1.24**	**Information Ratio:**	**1.15**
Excess Risk:	**1.08**	**T-Stat:**	**2.57**

Value-Added Analysis vs Benchmark

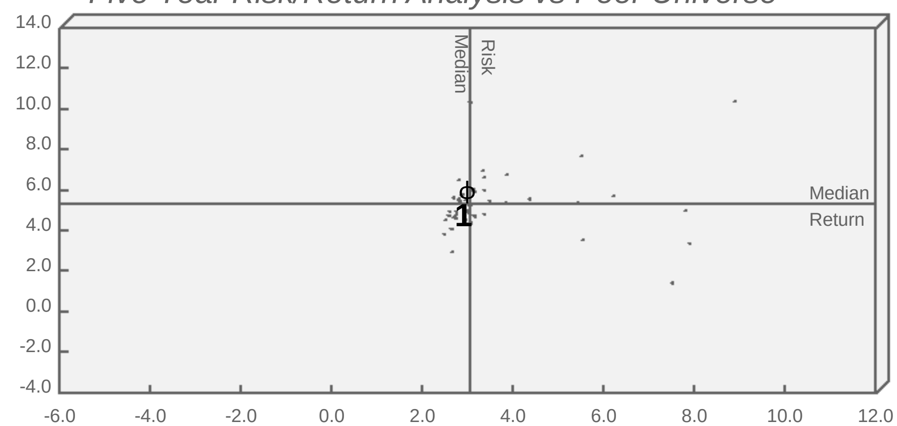


Performance Comparison vs Peer Universe*



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
ϕ Baird Advisors	1.94 (19)	2.34 (21)	4.65 (18)	6.95 (22)	2.63 (25)	4.11 (30)	5.97 (21)	5.21 (51)
1 Barclays Aggre	1.79 (38)	1.96 (30)	4.05 (51)	5.97 (57)	1.89 (69)	2.66 (80)	4.45 (81)	4.71 (94)
Median	1.72	1.83	4.06	6.24	2.22	3.61	5.30	5.21
Number of Funds	90	90	90	87	79	73	48	23

Five Year Risk/Return Analysis vs Peer Universe*



Description	Legend	Gross Fee Ret Value	Gross Fee Ret Rank	Standard Deviation Value	Standard Deviation Rank
Baird Advisors	ϕ	5.97	21	3.12	43
Barclays Aggregate	1	4.45	81	3.03	50
Median		5.30		3.05	

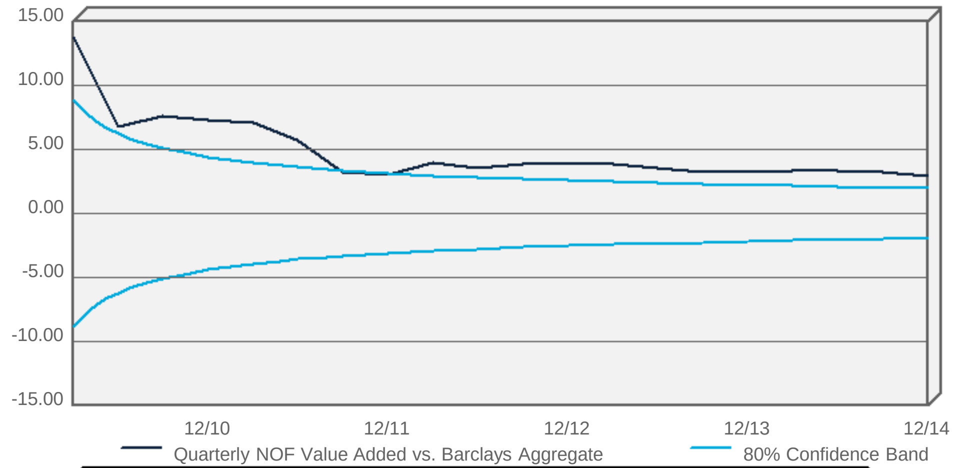
*TUCS Total Returns of Fixed Income Portfolios - Core Universe - Gross of Fees

Investment Manager Analysis

Western Asset Management

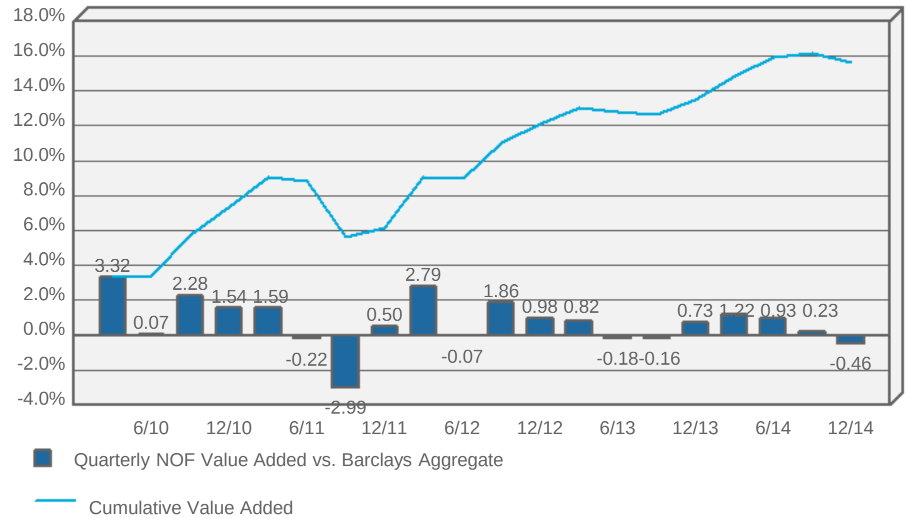
December 31, 2014

Cumulative Skill Analysis vs Benchmark

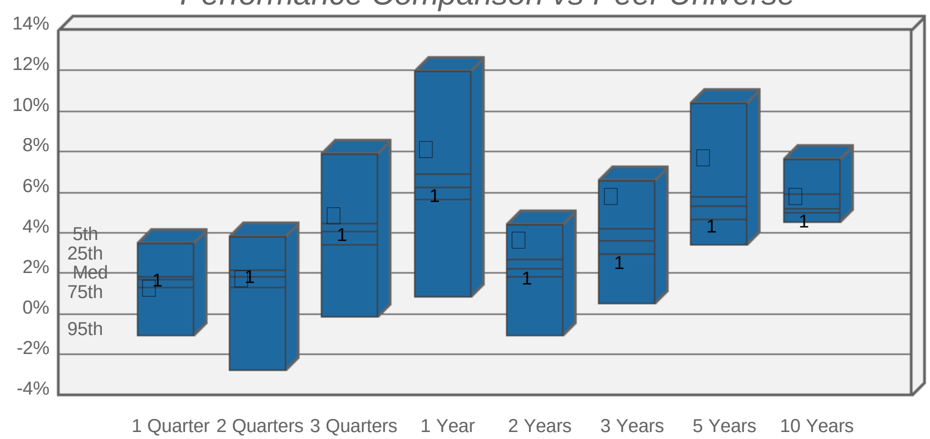


Excess Return:	**2.94**	**Information Ratio:**	**1.10**
Excess Risk:	**2.68**	**T-Stat:**	**2.45**

Value-Added Analysis vs Benchmark

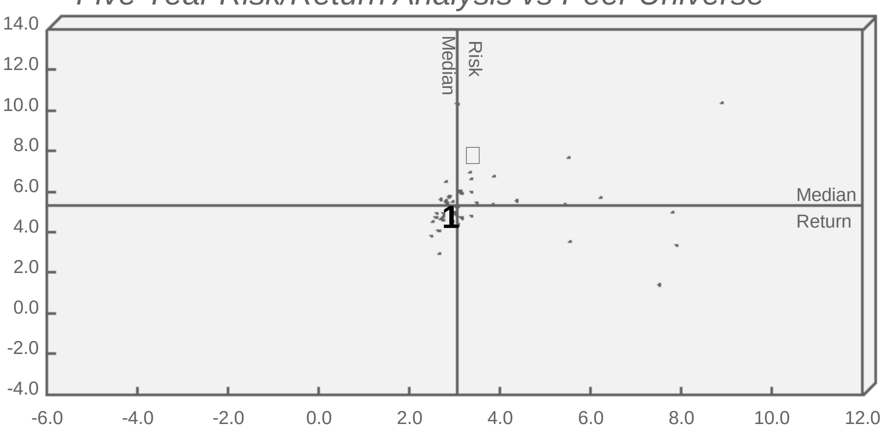


*Performance Comparison vs Peer Universe**



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
□ Western Asset	1.40 (70)	1.87 (40)	4.97 (15)	8.25 (10)	3.77 (12)	5.92 (9)	7.83 (7)	5.92 (25)
1 Barclays Aggre	1.79 (38)	1.96 (30)	4.05 (51)	5.97 (57)	1.89 (69)	2.66 (80)	4.45 (81)	4.71 (94)
Median	1.72	1.83	4.06	6.24	2.22	3.61	5.30	5.21
Number of Funds	90	90	90	87	79	73	48	23

*Five Year Risk/Return Analysis vs Peer Universe**



Description	Legend	Gross Fee Ret		Standard Deviation	
		Value	Rank	Value	Rank
Western Asset Management	□	7.83	7	3.54	27
Barclays Aggregate	**1**	4.45	81	3.03	50
Median		5.30		3.05	

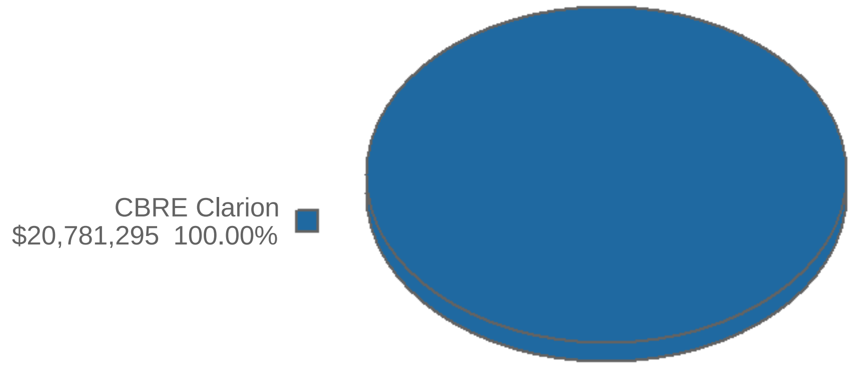
*TUCS Total Returns of Fixed Income Portfolios - Core Universe - Gross of Fees

Real Estate

Manager Allocation

Real Estate Composite

As of December 31, 2014



Performance Comparison

Trailing Returns

Periods Ended December 31, 2014

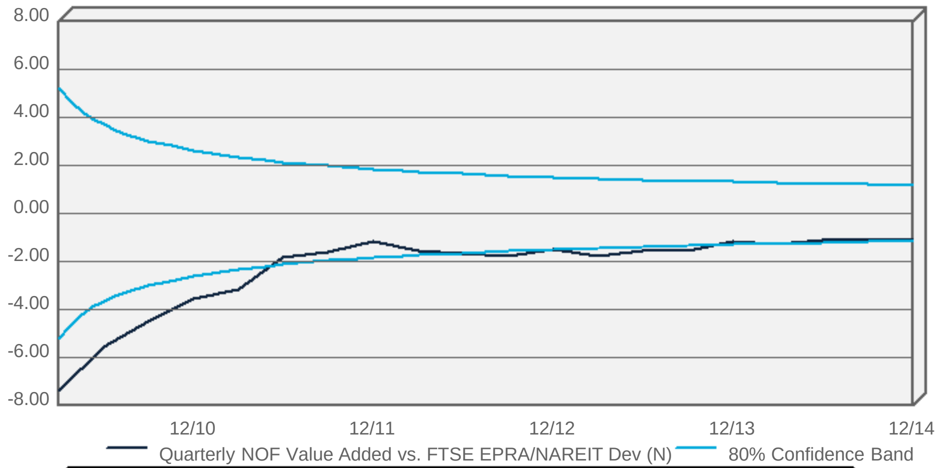
	1 Qtr	YTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
CBRE Clarion									
Net of Fee Return	**7.66**	**14.04**	**14.04**	**13.86**	**10.03**			**6/30/09**	**14.60**
FTSE EPRA/NAREIT Dev (N)	7.89	15.02	15.02	15.06	11.25			6/30/09	15.60
Value Added	-0.23	-0.99	-0.99	-1.20	-1.23			6/30/09	-1.00
Real Estate Composite									
Net of Fee Return	**7.66**	**14.04**	**14.04**	**13.86**	**10.03**			**6/30/09**	**14.60**
FTSE EPRA/NAREIT Dev (N)	7.89	15.02	15.02	15.06	11.25			6/30/09	15.60
Value Added	-0.23	-0.99	-0.99	-1.20	-1.23			6/30/09	-1.00

Investment Manager Analysis

CBRE Clarion

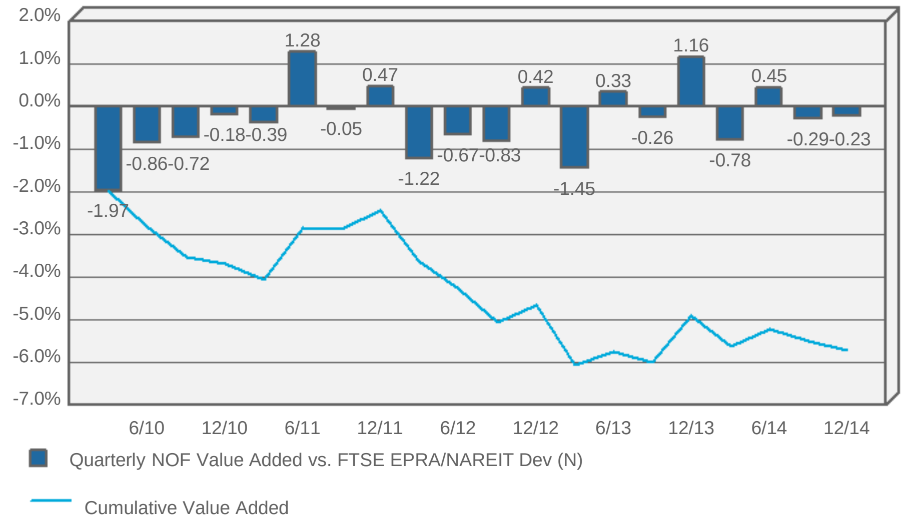
December 31, 2014

Cumulative Skill Analysis vs Benchmark

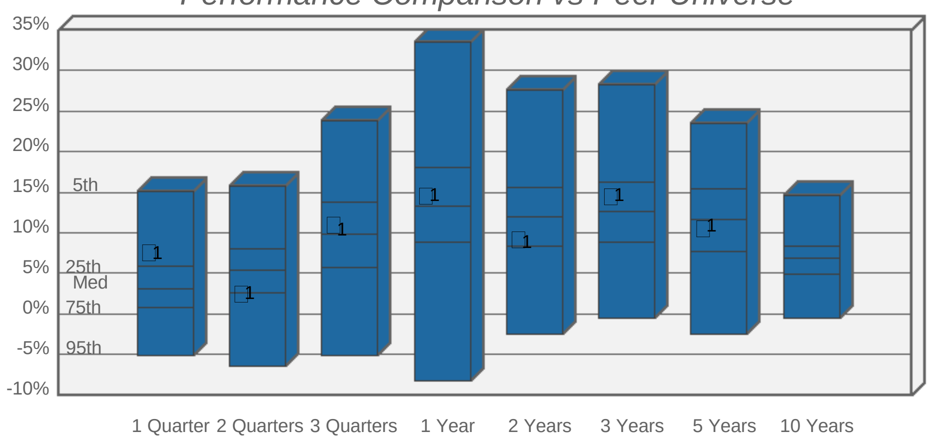


Excess Return:	**-1.10**	**Information Ratio:**	**-0.69**
Excess Risk:	**1.59**	**T-Stat:**	**-1.55**

Value-Added Analysis vs Benchmark

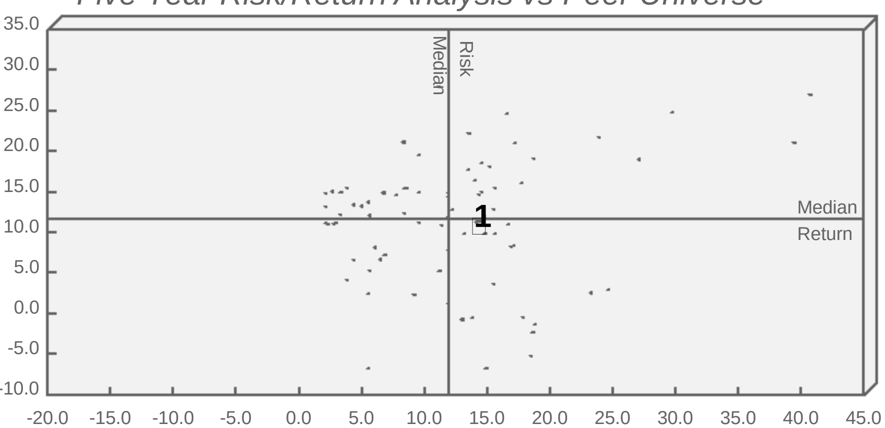


*Performance Comparison vs Peer Universe**



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	5 Years	10 Years
CBRE Clarion	7.87 (15)	2.78 (72)	11.26 (37)	14.87 (37)	9.46 (69)	14.77 (39)	10.84 (62)	
1 FTSE EPRA/NA	7.89 (15)	2.93 (70)	10.78 (40)	15.02 (36)	9.20 (70)	15.06 (36)	11.25 (54)	
Median	3.07	5.45	9.81	13.31	11.92	12.62	11.69	6.81
Number of Funds	527	502	491	480	424	391	307	105

*Five Year Risk/Return Analysis vs Peer Universe**



Description	Legend	Gross Fee Ret Value	Gross Fee Ret Rank	Standard Deviation Value	Standard Deviation Rank
CBRE Clarion	□	10.84	62	14.88	28
FTSE EPRA/NAREIT Dev (N)	1	11.25	54	15.10	27
Median		11.69		11.91	

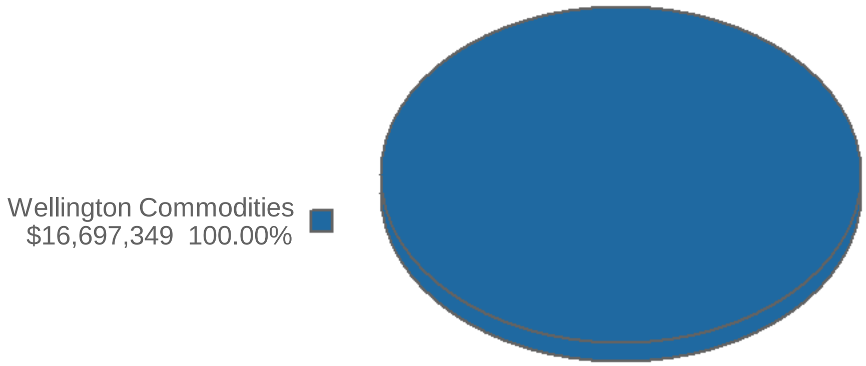
*TUCS Total Returns of Real Estate Portfolios Universe - Gross of Fees

Commodities

Manager Allocation

Commodities Composite

As of December 31, 2014



Performance Comparison

Trailing Returns

Periods Ended December 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	**-12.16**	**-14.20**	**-14.20**					**3/31/13**	**-13.92**
DJ UBS Commodity Index	-12.10	-17.01	-17.01					3/31/13	-14.55
	-0.06	2.81	2.81						0.62
Commodities Composite									
Net of Fee Return	**-12.16**	**-14.20**	**-14.20**					**3/31/13**	**-13.92**
DJ UBS Commodity Index	-12.10	-17.01	-17.01					3/31/13	-14.55
	-0.06	2.81	2.81						0.62

Private Equity

Investment Manager Performance

Private Partnerships

As of December 31, 2014

Partnership	Commitment Value	Inception Date	Capital Called Amount	Capital Called %	Capital Distributed Amount	Capital Distributed %	Fair Value	Total Value / Paid-In Capital [1]	Annualized IRR
Adams Street Direct 2010 Fund	$500,000	April 27, 2010	$458,736	92%	$48,246	10%	$578,770	1.37	14.10%
Adams Street Non-US Dev. 2010 Fund	$1,500,000	April 27, 2010	$713,066	48%	$43,228	3%	$770,093	1.14	6.48%
Adams Street Non-US EM 2010 Fund	$500,000	January 3, 2011	$269,000	54%	$0	0%	$288,288	1.07	4.29%
Adams Street US 2010 Fund	$2,500,000	April 27, 2010	$1,136,866	45%	$104,933	4%	$1,475,316	1.39	13.71%
Adams Street 2013 Global Fund	$5,000,000	July 3, 2013	$1,173,404	23%	$0	0%	$1,190,331	1.01	2.19%
Flag Global Partners	$5,000,000	January 17, 2012	$2,150,000	43%	$217,333	4%	$1,966,212	1.02	1.11%
Alternative Investments Composite	**$15,000,000**	**April 27, 2010**	**$5,901,072**	**39%**	**$413,740**	**3%**	**$6,269,010**	**1.13**	**7.74%**

[1] TVPI = Fair Value + Capital Distributed / Capital Called

Capital Market Review

Market Commentary

U.S. Equity

The U.S. stock market finished the year strong, up 5.3% for the fourth quarter and 12.7% for all of 2014. Equity investors were apparently not troubled by a few notable events during the year, including a negative quarter for real GDP growth, numerous geopolitical events and the end of the Federal Reserve's third round of quantitative easing. The market has not suffered a negative quarter for 2.5 years now, the second longest "winning" streak in the history of the Wilshire 5000 Index.

Large capitalization stocks underperformed smaller shares for the quarter while results for growth stocks versus value were mixed. Most equity sectors were up during the quarter with the exception of Telecom and Energy, down big on falling oil prices. The clear winner was Utilities, which benefitted from lower input costs.

The second half of 2014 brought transformational shifts in two major economic factors, oil prices and the U.S. dollar. Oil began its steep decline in June and finished the year below $55, a level that has not been sustained since 2004. The U.S. dollar began its rise shortly after the drop in oil commenced and by year end, the U.S. Dollar Index versus major currencies was up 12%. Several factors have been driving this such as a slowdown in the global economy and the shale boom in the U.S.

Non-U.S. Equity

Europe closed 2014 with relatively muted gains, as regional economic growth slowed down markedly in relation to the U.S. economy. Inflation rates in Europe have fallen to levels that have raised the specter of deflation, leading many analysts to expect further intervention by central banks to jump-start economic growth. Pacific regional markets, in contrast, continued their strong performance despite Japan's recent descent into recession. China's own economic slowdown, combined with Russia's recent struggles with a sagging ruble and sinking oil prices, held back emerging market performance overall.

Fixed Income

The U.S. Treasury yield curve ended 2014 considerably flatter, with yields sharply lower in maturities beyond five years. Investment-grade credit spreads tightened during the first half of the year, then ended 2014 slightly wider. Low yields in the developed markets have resulted in strong performance for offshore bonds in local currency terms. Emerging market debt also benefited from low yields worldwide. The strong U.S. dollar, however, eroded global market gains for U.S.-based investors.

December 2014 Asset Class Assumptions

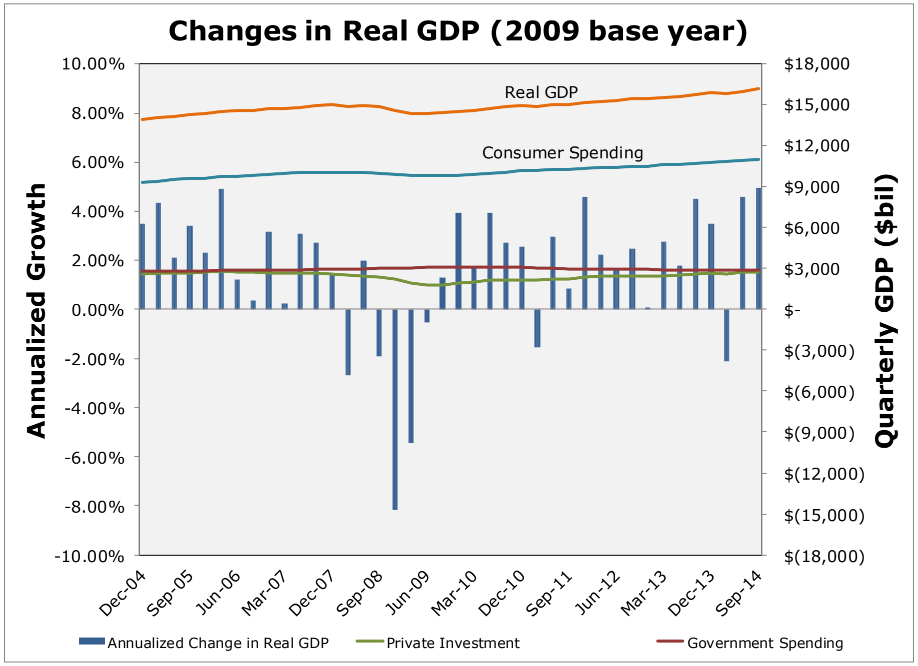
Wilshire

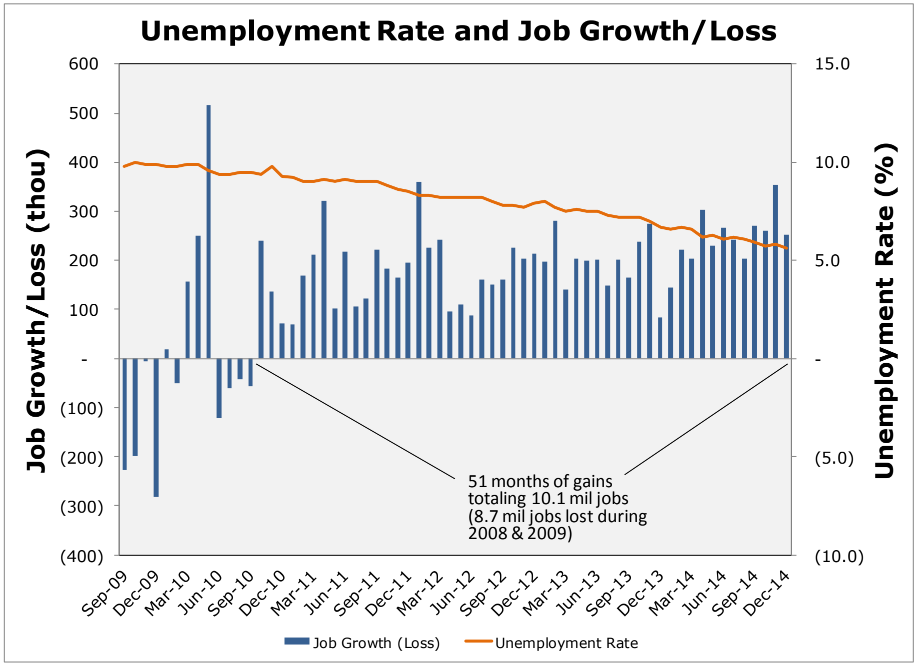
	Total Return (%)			Risk (%)
	Dec. 2013	Dec. 2014	Change	Dec. 2014
Investment Categories:				
U.S. Stocks	7.25	6.25	(1.00)	17.00
Dev ex-U.S. Stocks	7.25	6.25	(1.00)	18.00
Emerging Mkt Stocks	7.25	6.25	(1.00)	26.00
Global Stocks	7.45	6.45	(1.00)	17.15
Private Markets	10.40	8.80	(1.60)	27.50
Cash Equivalents	1.55	1.45	(0.10)	1.25
Core Bonds	4.10	3.35	(0.75)	5.00
LT Core Bonds	4.70	3.45	(1.25)	10.00
TIPS	4.00	2.90	(1.10)	6.00
High Yield Bonds	5.15	5.15	-	10.00
EMD Local Currency (h)	6.05	5.60	(0.45)	5.00
U.S. RE Securities	5.20	4.85	(0.35)	17.00
Private Real Estate	5.95	5.70	(0.25)	14.00
Commodities	4.25	3.70	(0.55)	15.00
MLPs	9.10	8.85	(0.25)	17.00
Real Asset Basket	6.55	6.15	(0.40)	8.35
Inflation:	2.25	1.70	(0.55)	1.75
Returns minus Inflation:				
U.S. Stocks	5.00	4.55	(0.45)	
U.S. Bonds	1.85	1.65	(0.20)	
Cash Equivalents	(0.70)	(0.25)	0.45	
Stocks minus Bonds:	3.15	2.90	(0.25)	
Bonds minus Cash:	2.55	1.90	(0.65)	

Economic Review

December 31, 2014	Key Economic Indicators			
CPI (all items)	Monthly Change		Cumulative Change	
Seasonally adjusted	Dec-14	-0.4	3-Month	-0.6
	Nov-14	-0.3	12-Month	0.7
	Oct-14	0.0	10-Yr Annual	2.1
Breakeven Inflation	10-Year	1.7		
Consumer Sentiment	Dec-14	93.6		
Unv. of Michigan Survey	Nov-14	88.8		
	1-Yr Ago	82.5	10-Yr Avg	77.1
Manufacturing	Dec-14	55.5	Change in Manufacturing Sector	
Inst. for Supply Mgmt	Nov-14	58.7	>50	Expansion
Purchasing Mngrs' Idx	1-Yr Avg	55.8	<50	Contraction

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

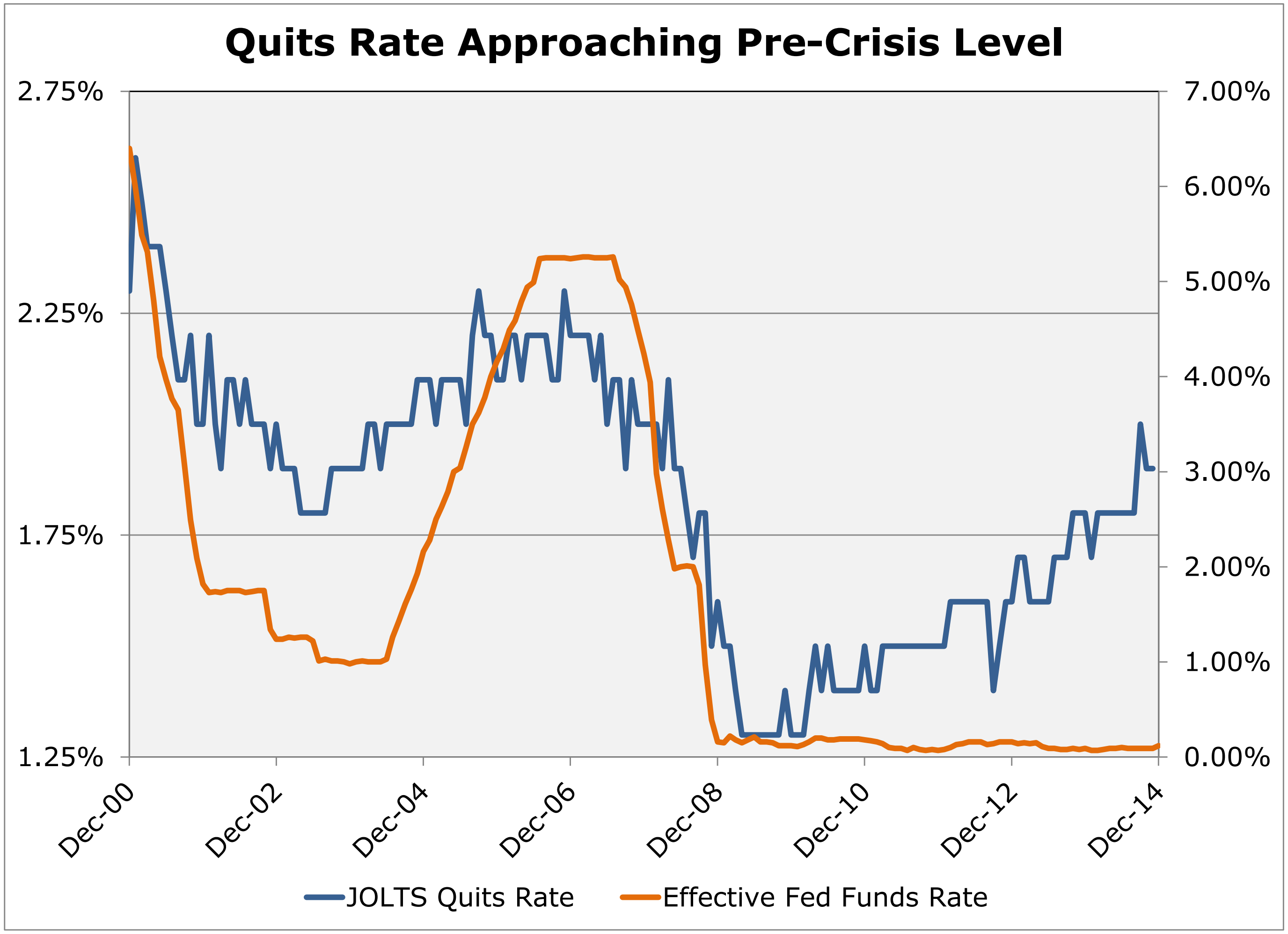




Data sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve Bank of St. Louis, Barclays Capital

Employment Signals Beyond U6

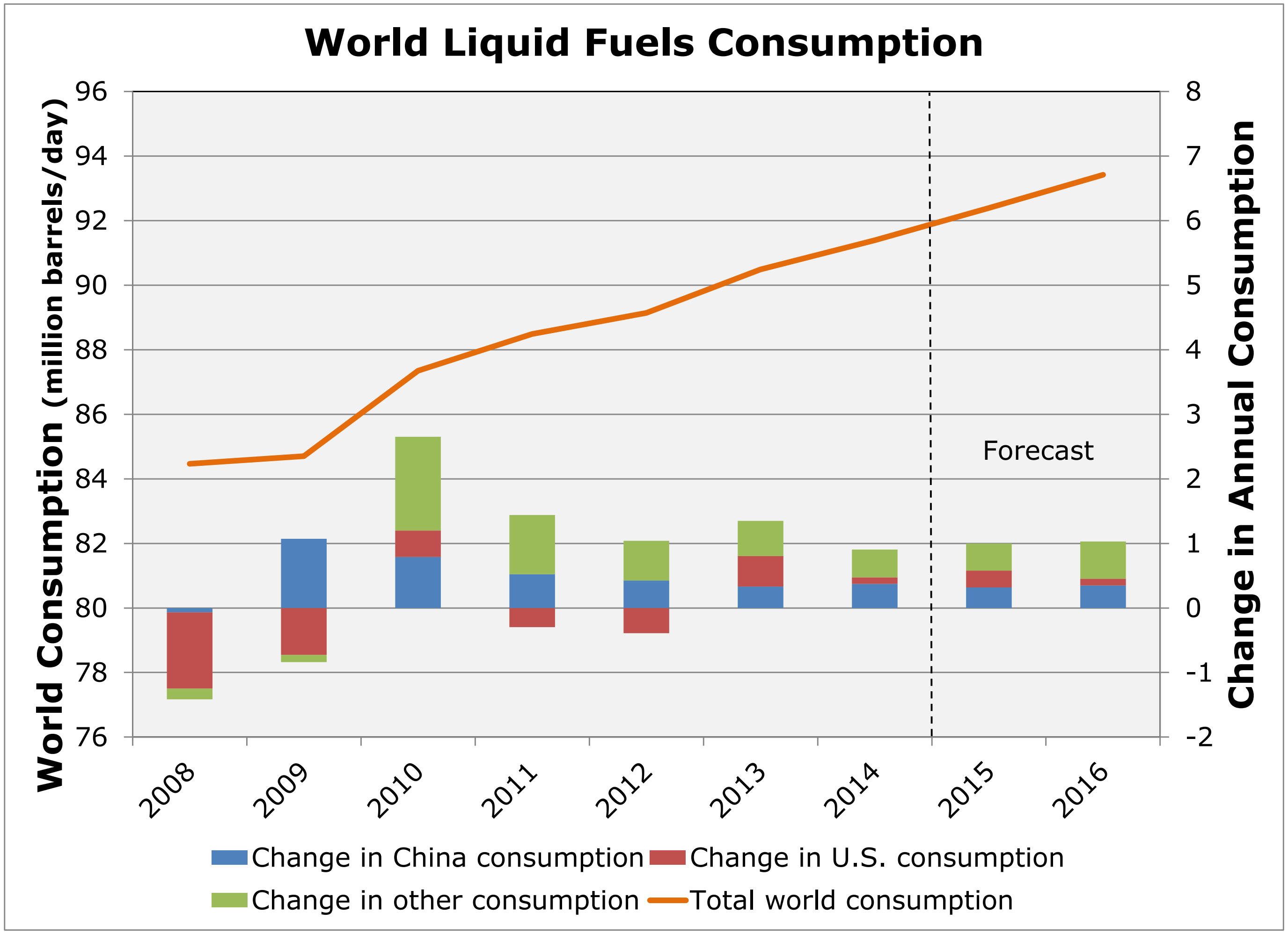
- JOLTS (Job Openings and Labor Turnover) Quits Rate is on the rise
- The rate is on Fed Chair Janet Yellen's "dashboard" of market signals in order to help gauge labor demand



Source: Bureau of Labor Statistics, Federal Reserve

Global Oil Consumption

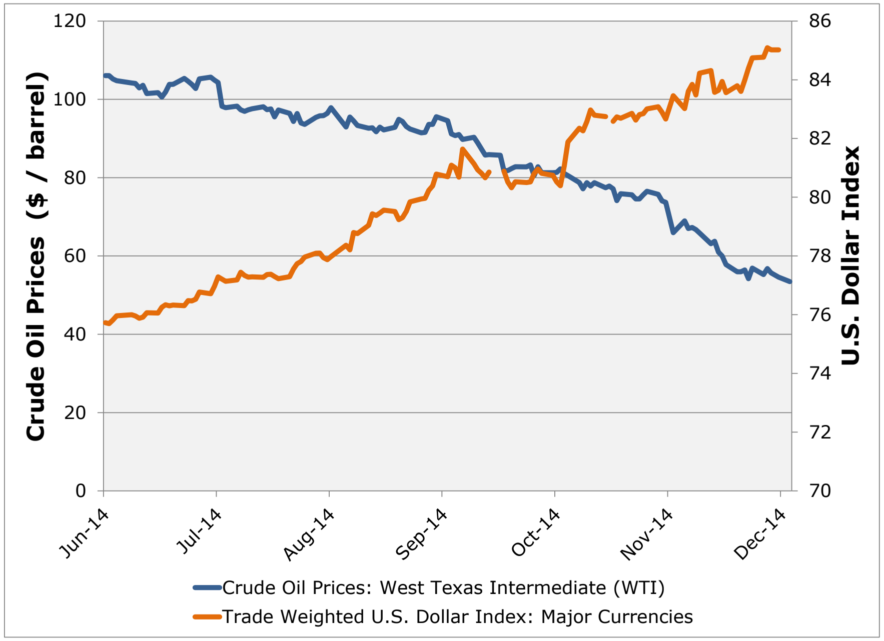
- Economic growth in China has settled near 7.5% for the past 3 years
- Consumption in the U.S. has gone down from 2008 to 2014 as consumption of natural gas has shown an increase in the double-digits



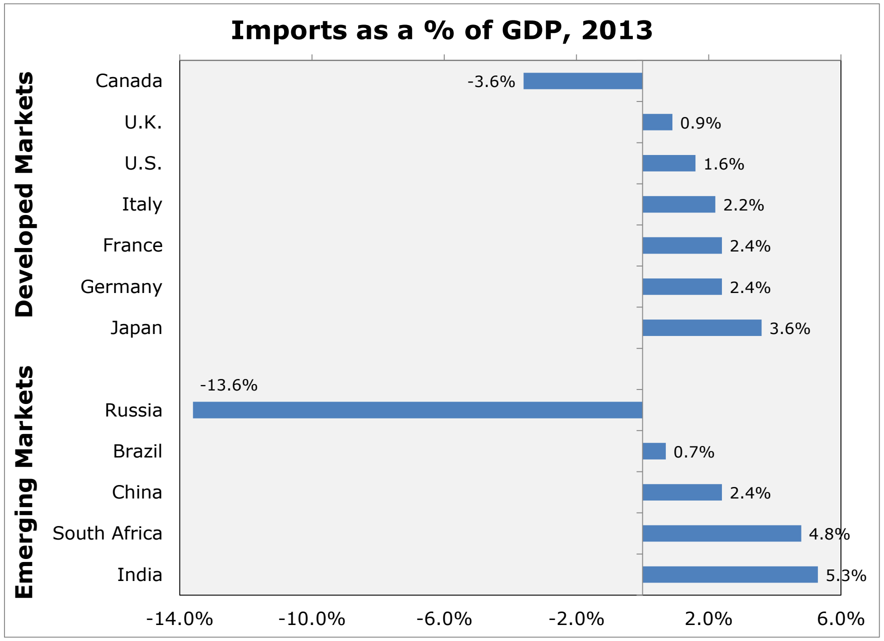
Source: U.S. Energy Information Administration

Oil Prices and Production

- Slowdown in the global economy and a shale boom in the U.S. has put downward pressure on oil prices
- Strong U.S. dollar will typically put negative pressure on commodity prices



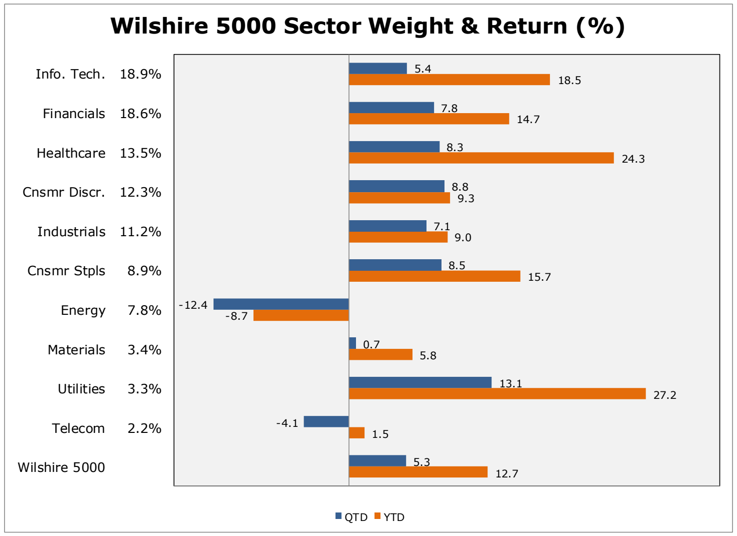
- Consumers in markets that are net importers of oil are enjoying significantly lower gas prices
- Oil production has been increasing, which also pushes prices down, but is likely to slow with lower prices

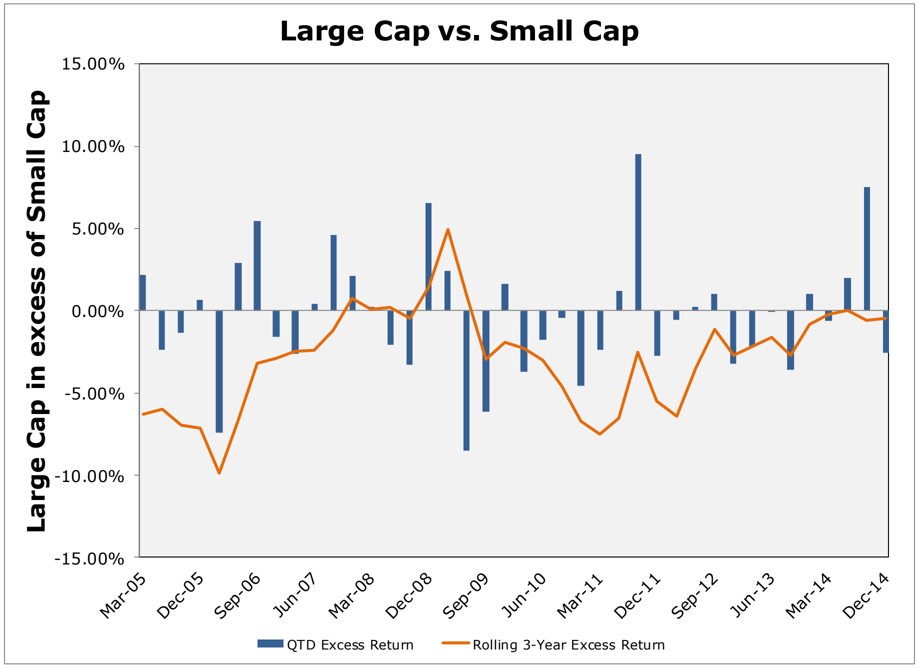


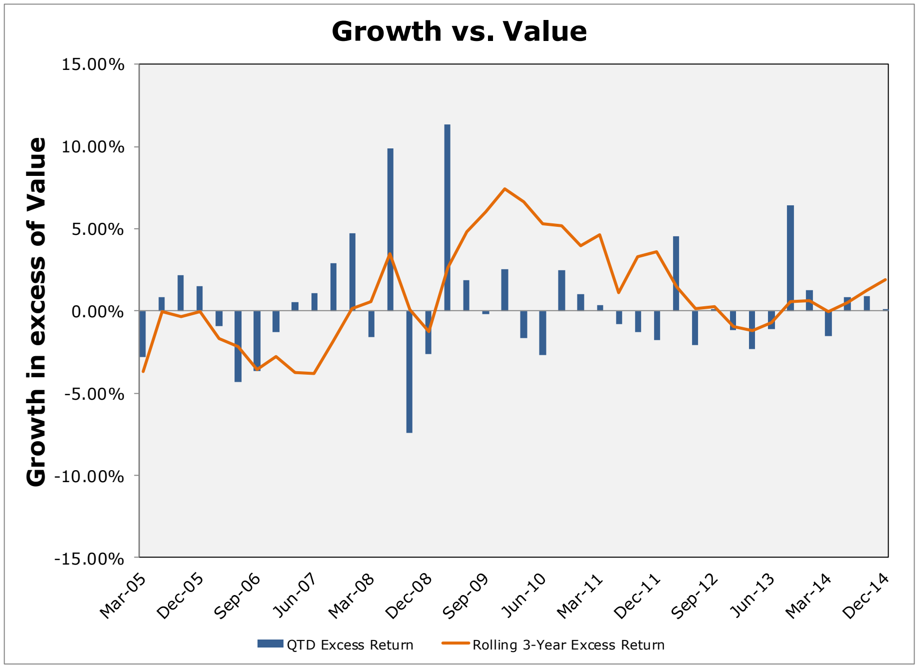
Source: Federal Reserve, J.P. Morgan Asset Management

U.S. Equity Market

December 31, 2014	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Wilshire 5000	5.3	12.7	12.7	20.3	15.5	8.0
Wilshire U.S. Large Cap	5.0	13.4	13.4	20.2	15.4	7.9
Wilshire U.S. Small Cap	7.7	6.8	6.8	20.8	17.0	9.5
Wilshire U.S. Large Growth	5.2	14.0	14.0	21.6	15.5	8.6
Wilshire U.S. Large Value	4.8	13.0	13.0	19.0	15.3	7.1
Wilshire U.S. Small Growth	6.7	4.2	4.2	20.5	17.7	10.1
Wilshire U.S. Small Value	8.6	9.1	9.1	21.1	16.3	8.9
Wilshire REIT Index	15.1	31.8	31.8	16.4	17.3	8.3
MSCI USA Minimum Volatility Index	7.8	15.8	15.8	16.6	15.1	7.7
FTSE RAFI U.S. 1000 Index	4.8	12.6	12.6	21.4	16.5	9.1



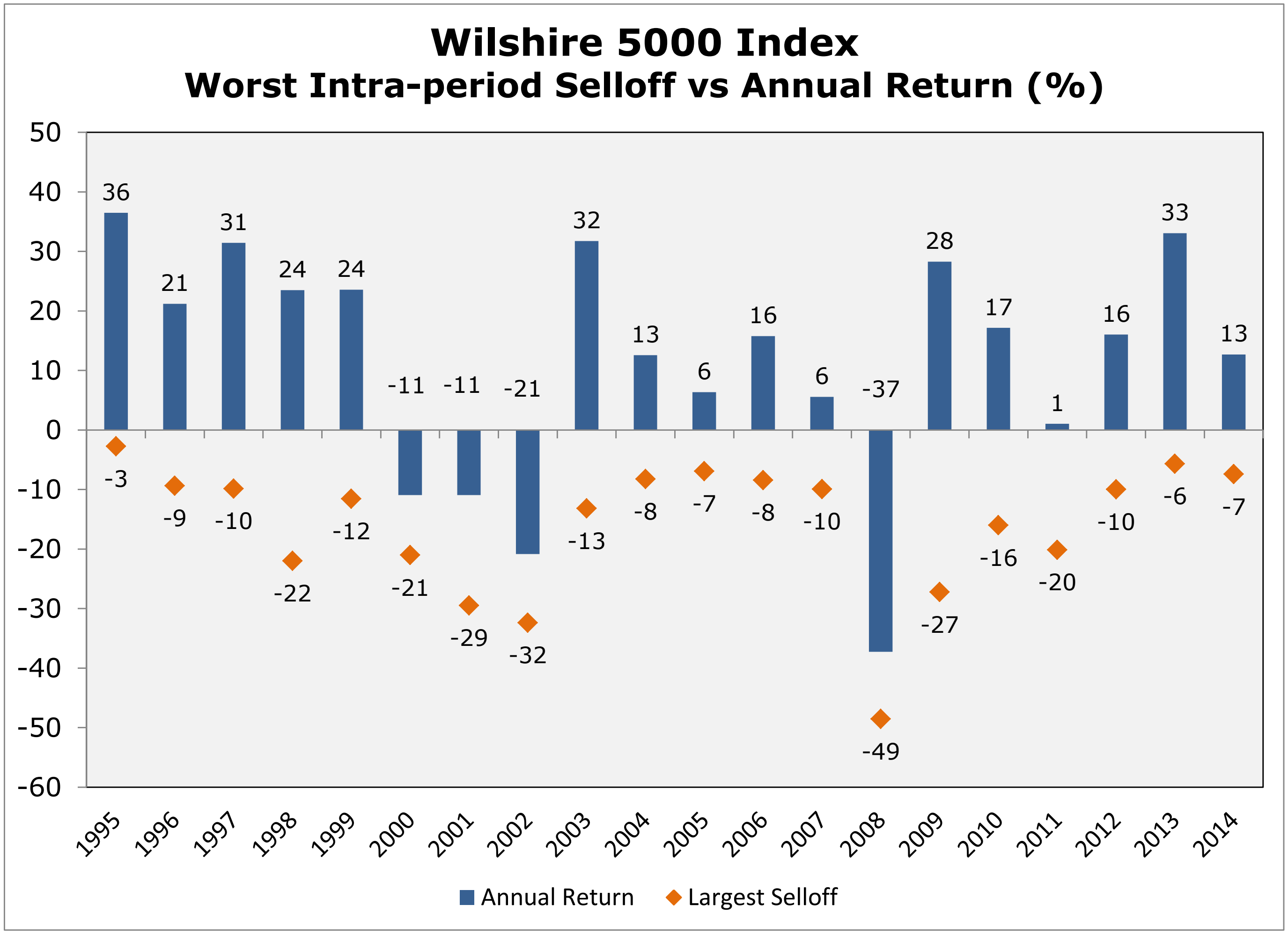




Data sources: Wilshire Compass, Wilshire Atlas

Annual Equity Returns

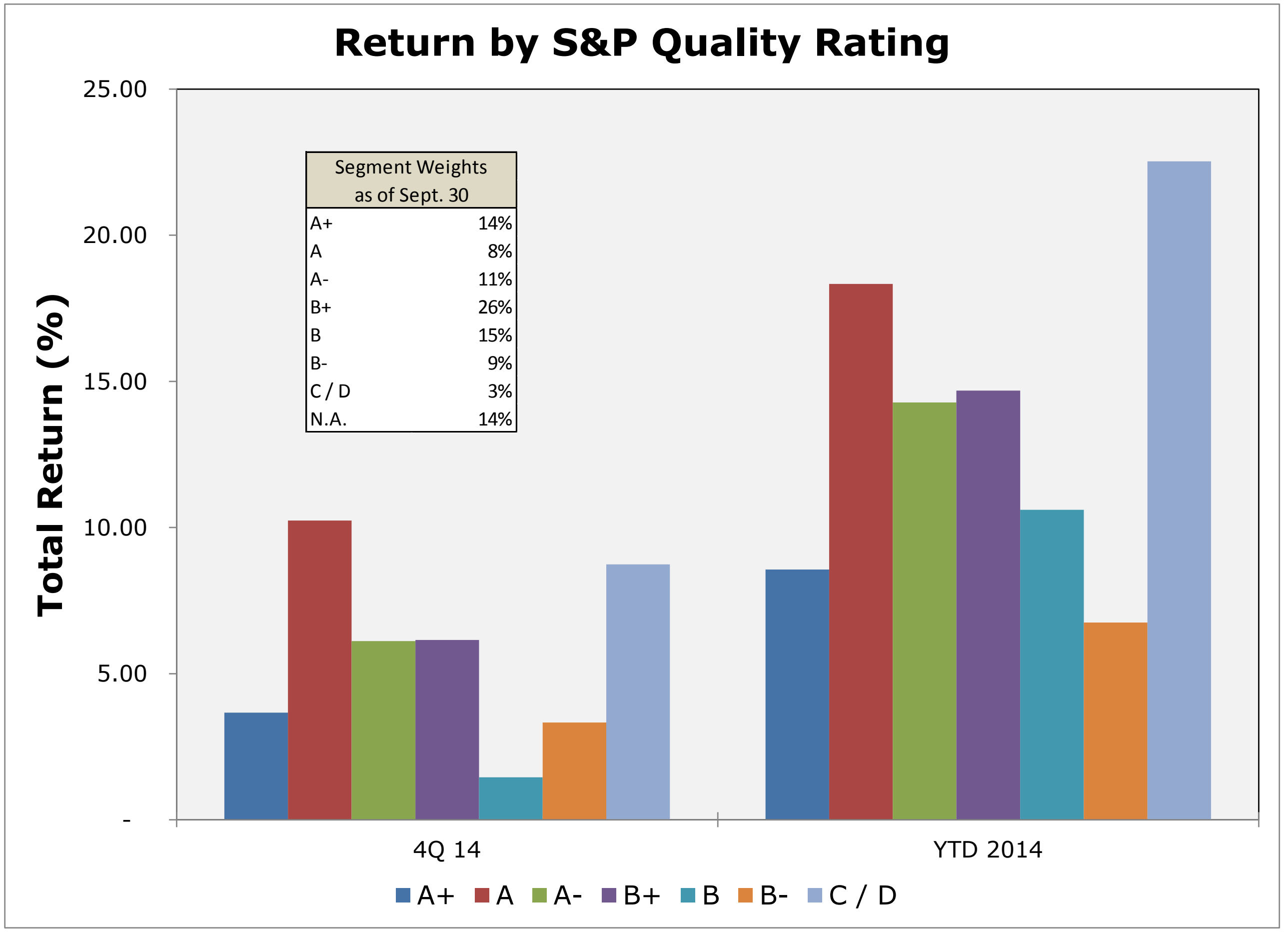
- U.S. Equity has now produced 6 straight years of positive returns since the credit crisis, including gains for the past 10 quarters
- Second straight year of a relatively mild sell-off



Source: Wilshire Atlas

Returns by Quality Segment

Solid gains across the market during 2014 without a clear leader in terms of quality

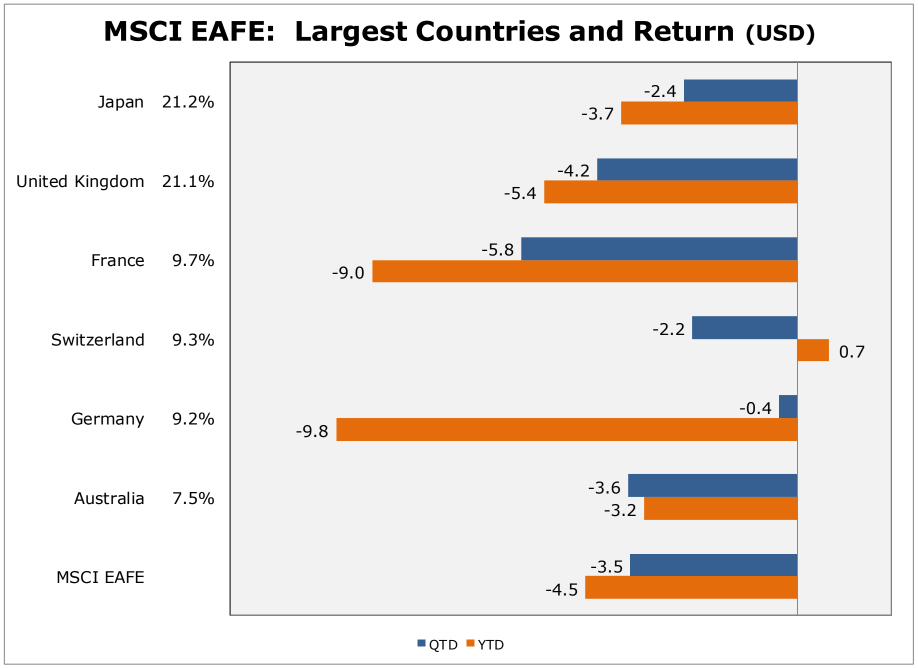


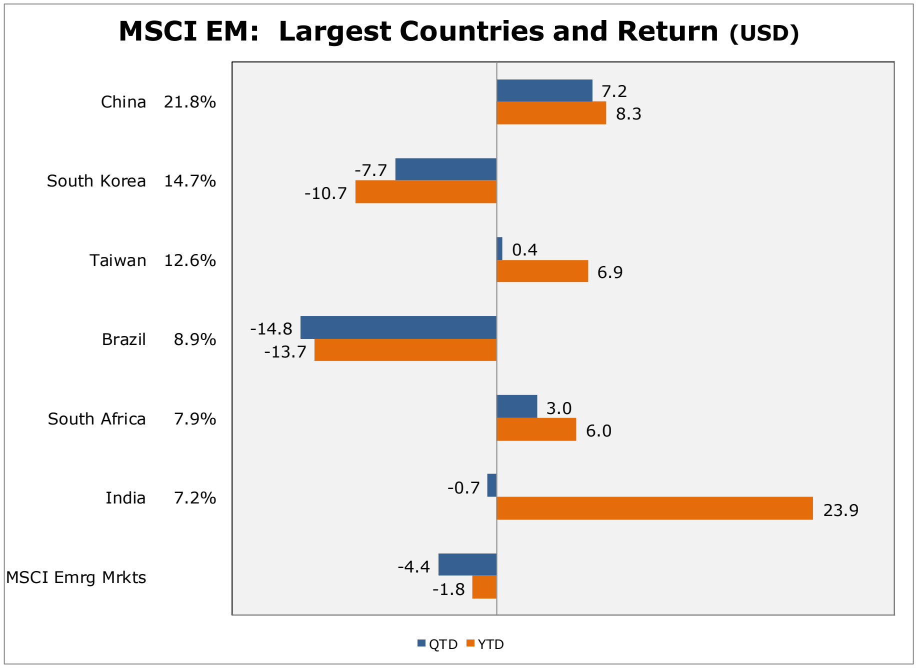
Segment Weights as of Sept. 30	
A+	14%
A	8%
A-	11%
B+	26%
B	15%
B-	9%
C / D	3%
N.A.	14%

Data sources: Wilshire Atlas

Non-U.S. Equity Market

December 31, 2014	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
MSCI ACWI ex-US ($g)	-3.8	-3.4	-3.4	9.5	4.9	5.6
MSCI EAFE ($g)	-3.5	-4.5	-4.5	11.6	5.8	4.9
MSCI Emerging Markets ($g)	-4.4	-1.8	-1.8	4.4	2.1	8.8
MSCI Frontier Markets ($g)	-12.4	7.2	7.2	13.9	8.4	5.9
MSCI ACWI ex-US Growth ($g)	-2.3	-2.3	-2.3	9.8	5.5	5.8
MSCI ACWI ex-US Value ($g)	-5.4	-4.6	-4.6	9.1	4.2	5.4
MSCI ACWI ex-US Small ($g)	-3.9	-3.7	-3.7	11.2	7.2	7.3
MSCI EAFE Minimum Volatility Idx	0.1	5.0	5.0	11.3	8.5	7.3
FTSE RAFI Developed ex-US Index	-4.9	-4.8	-4.8	11.4	5.0	5.8
MSCI EAFE LC (g)	1.8	6.4	6.4	16.9	8.2	5.8
MSCI Emerging Markets LC (g)	0.1	5.6	5.6	8.7	5.2	10.3

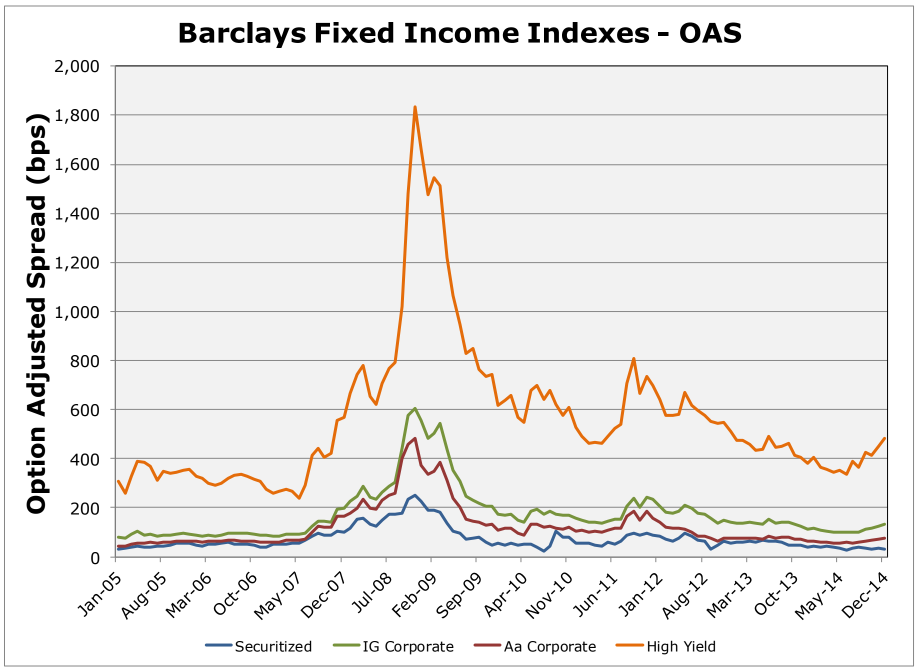


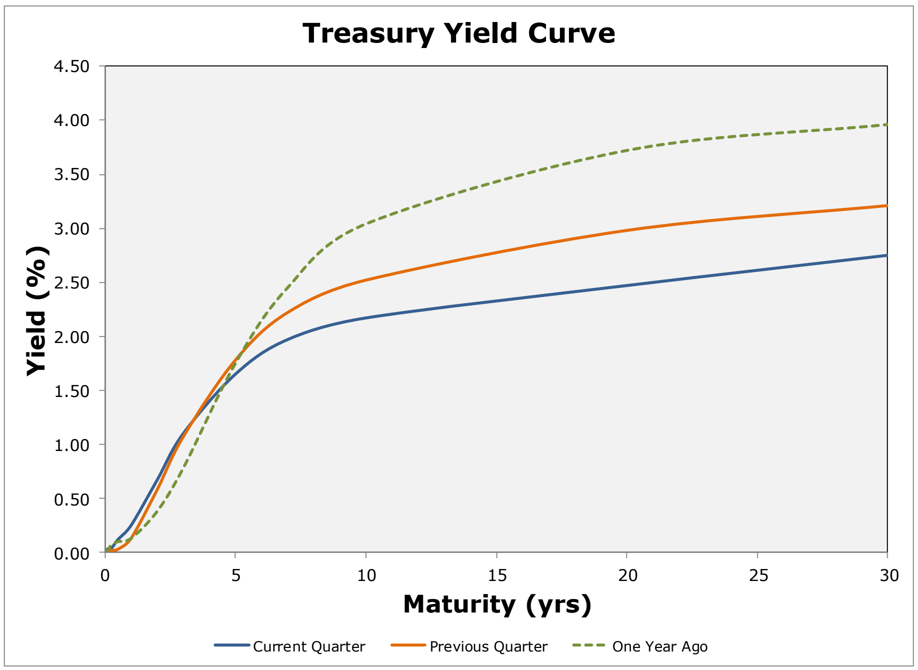


Data sources: Wilshire Compass, MSCI Barra

U.S. Fixed Income Market

December 31, 2014	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays Aggregate Bond Index	1.8	6.0	6.0	2.7	4.4	4.7
Barclays Treasury Index	1.9	5.0	5.0	1.4	3.9	4.4
Barclays Govt-Related Index	1.5	6.1	6.1	2.7	3.9	4.5
Barclays Securitized Index	1.7	5.9	5.9	2.5	4.0	4.7
Barclays Corporate IG Index	1.8	7.5	7.5	5.1	6.5	5.5
Barclays LT Govt/Credit Index	5.6	19.3	19.3	5.8	9.8	7.4
Barclays LT Treasury Index	8.6	25.1	25.1	4.2	10.0	7.5
Barclays LT Govt-Related Index	4.5	18.9	18.9	6.4	9.8	7.6
Barclays LT Corporate IG Index	4.0	15.7	15.7	7.1	9.6	7.0
Barclays U.S. TIPS Index	0.0	3.6	3.6	0.4	4.1	4.4
Barclays High Yield Index	-1.0	2.5	2.5	8.4	9.0	7.7
Treasury Bills	0.0	0.0	0.0	0.1	0.1	1.5





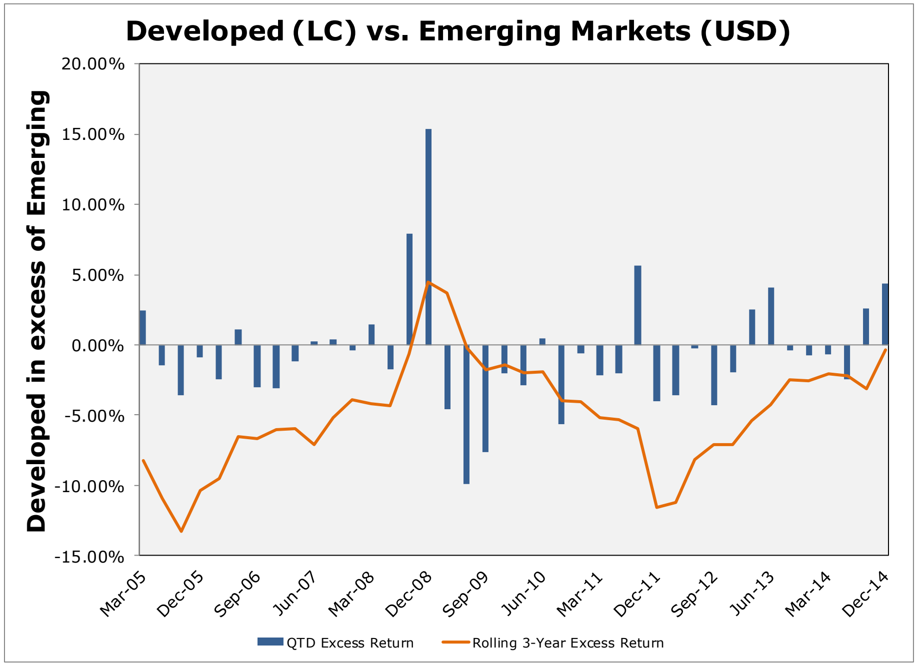
Data sources: Wilshire Compass, Barclays Capital, U.S. Treasury

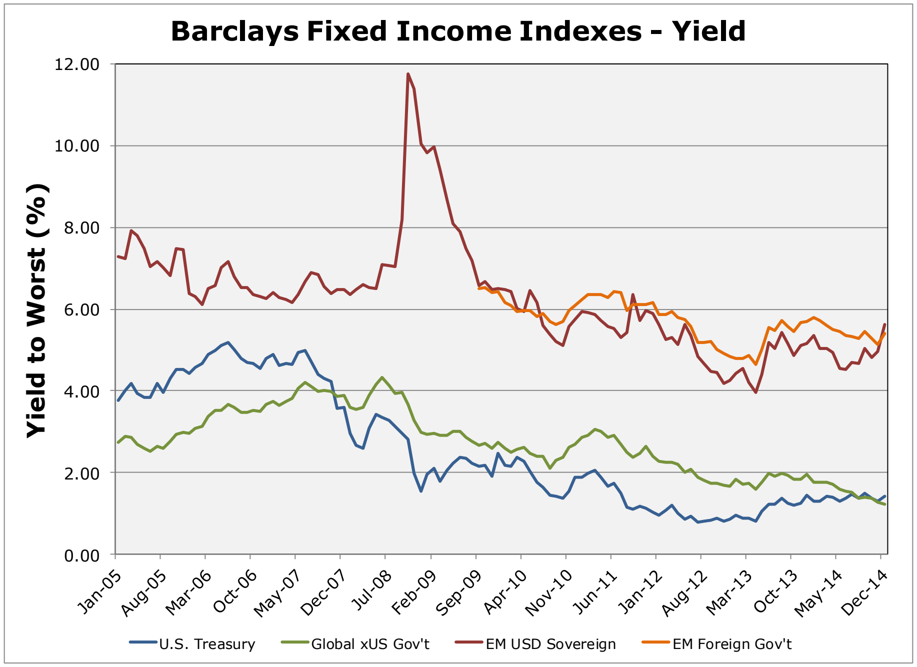
Non-U.S. Fixed Income Market

Police & Fire

December 31, 2014	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Developed Markets						
Barclays Global Aggregate xUS	-3.0	-3.1	-3.1	-0.8	1.4	2.8
Barclays Global Aggregate xUS *	2.6	8.8	8.8	5.4	4.7	4.7
Barclays Wrld Govt xUS IL Bond	0.4	3.8	3.8	3.3	4.1	4.2
Barclays Wrld Govt xUS IL Bond *	4.7	13.5	13.5	5.3	6.1	5.3
Emerging Mrkts (Hard Currency)						
Barclays EM USD Aggregate	-1.7	4.8	4.8	5.8	7.4	7.7
Emerging Mrkts (Foreign Currency)						
Barclays EM Local Currency Govt	-4.2	-1.9	-1.9	2.6	4.1	n.a.
Barclays EM Local Currency Govt *	1.2	4.5	4.5	3.0	3.9	n.a.
Euro vs. Dollar	-4.2	-12.2	-12.2	-2.3	-3.3	-1.2
Yen vs. Dollar	-8.5	-12.3	-12.3	-13.7	-4.9	-1.6
Pound vs. Dollar	-3.8	-5.9	-5.9	0.1	-0.7	-2.1

* Returns are reported in terms of local market investors, which removes currency effects.

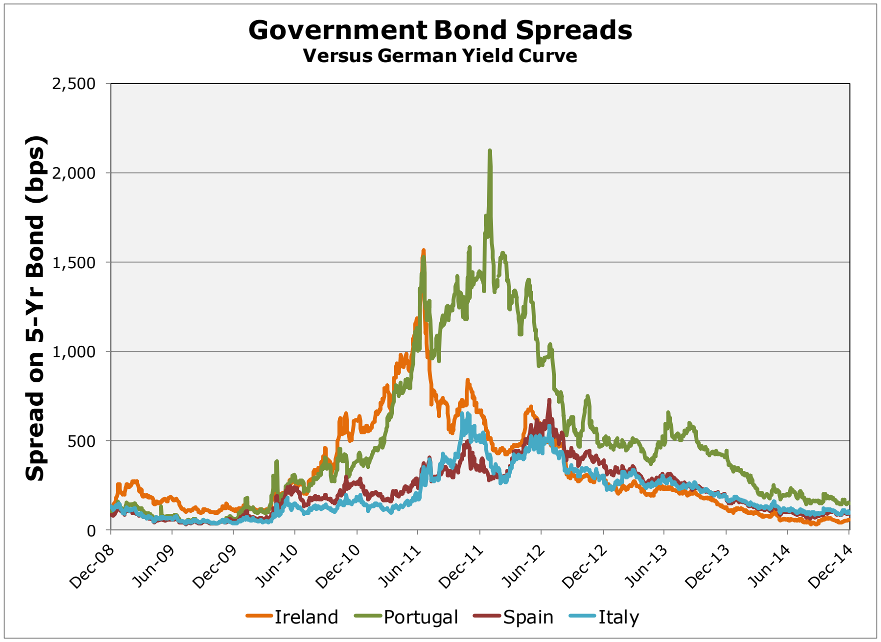




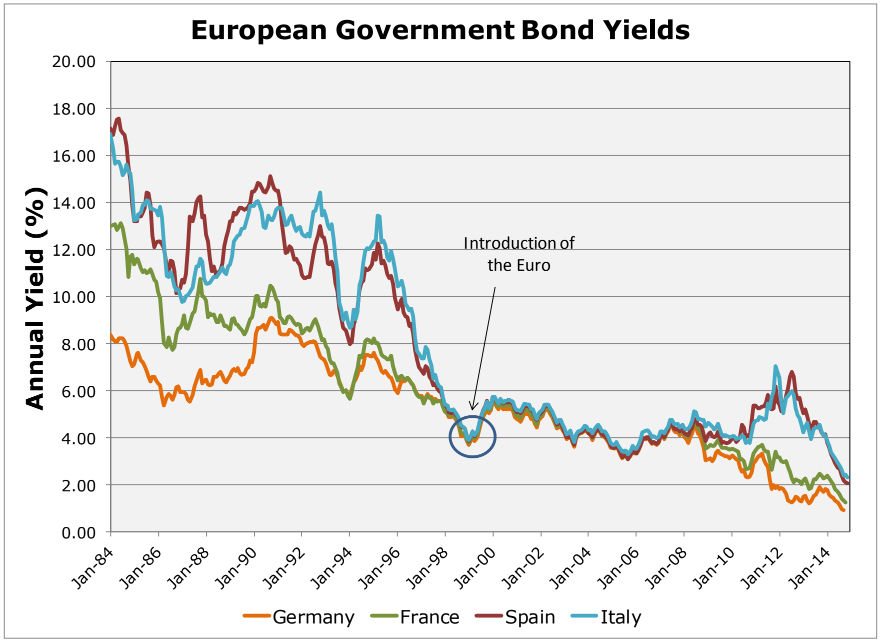
Data sources: Wilshire Compass, Barclays Capital

European Debt Issues

- Government yield spreads for some of the relatively troubled European economies continue to fall



- Yields on government bonds have moderated while the spreads among different countries are beginning to tighten

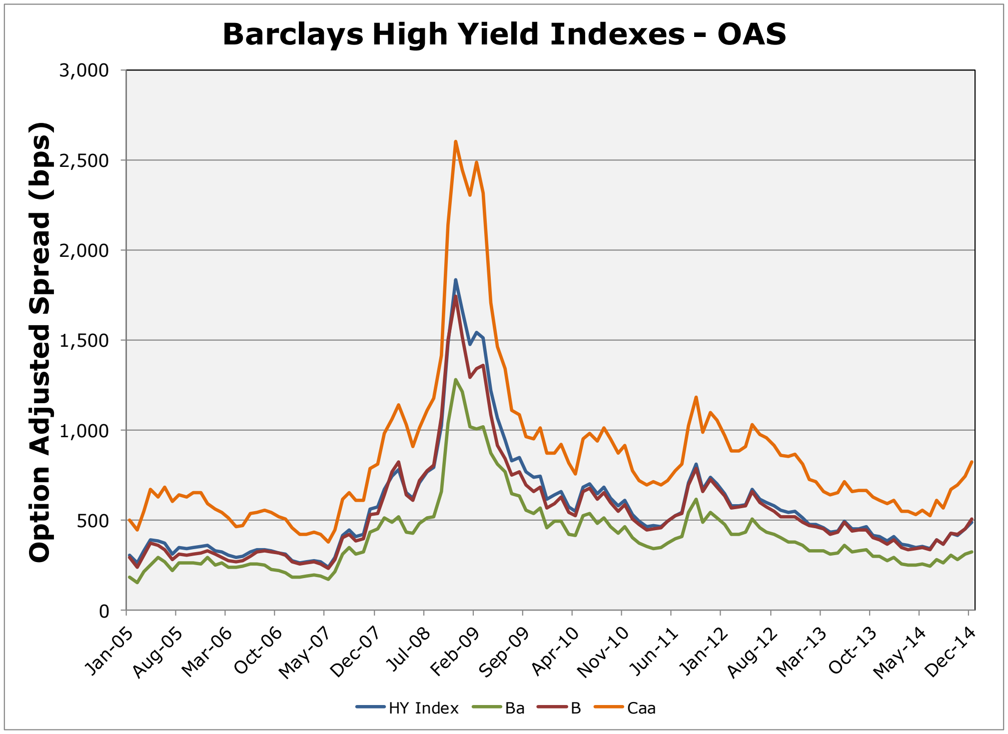


Source: Barclays Capital, International Monetary Fund

Wilshire

High Yield Bond Market

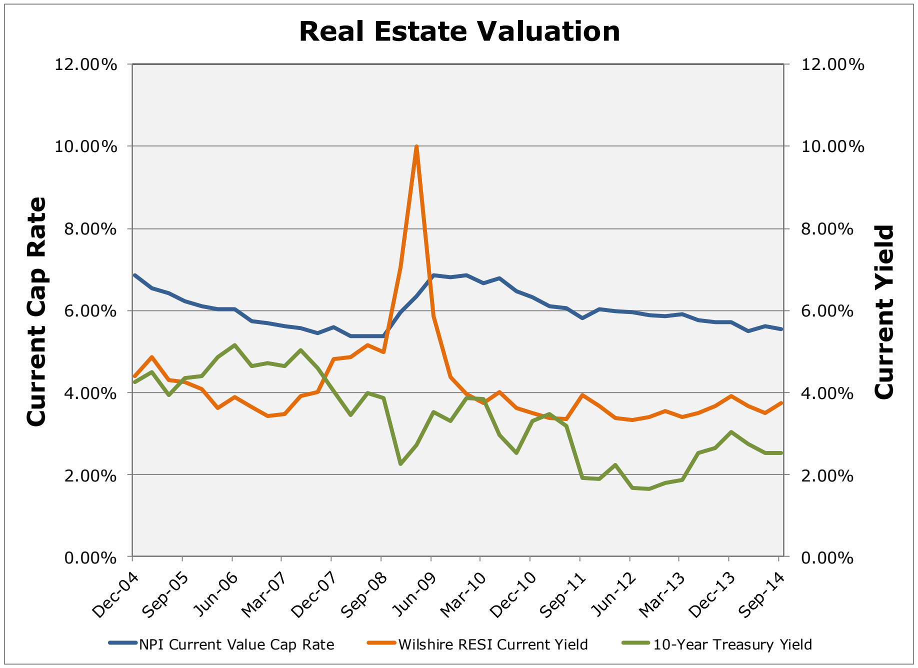
December 31, 2014	Weight	Qtr	Ytd	1 Yr	3 Yr
Barclays High Yield Index	100%	-1.0	2.5	2.5	8.4
Quality Distribution					
Ba U.S. High Yield	43.1%	0.9	5.4	5.4	8.2
B U.S. High Yield	40.7%	-1.5	1.5	1.5	7.9
Caa U.S. High Yield	15.8%	-3.9	-1.1	-1.1	10.0
Ca to D U.S. High Yield	0.3%	-23.7	-38.9	-38.9	-5.9
Non-Rated U.S. High Yield	0.2%	-2.6	4.2	4.2	11.3

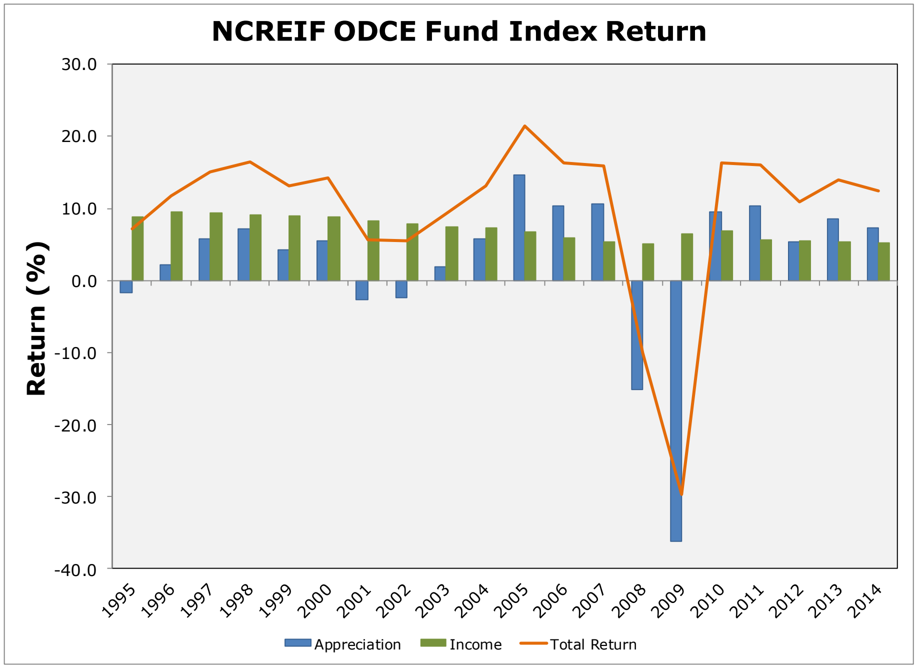


Data sources: Barclays Capital

Real Assets

December 31, 2014	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays U.S. TIPS Index	0.0	3.6	3.6	0.4	4.1	4.4
Bloomberg Commodity Index	-12.1	-17.0	-17.0	-9.4	-5.5	-1.9
Wilshire Global REIT Index	11.2	24.6	24.6	16.3	15.2	7.6
NCREIF ODCE Fund Index	3.3	12.5	12.5	12.4	13.9	7.1
NCREIF Timberland Index	6.0	10.5	10.5	9.3	5.8	8.3
Alerian MLP Index (Oil & Gas)	-12.3	4.8	4.8	11.9	16.7	13.8





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

Asset Class Performance

Wilshire

Annual Asset Class Returns - Best to Worst

2009	2010	2011	2012	2013	**2014**
Emrg Mrkts 79.0%	MLPs 35.9%	MLPs 13.9%	Emrg Mrkts 18.6%	U.S. Equity 33.1%	REITs 31.8%
MLPs 76.4%	REITs 28.6%	U.S. TIPS 13.6%	Developed 17.9%	MLPs 27.6%	U.S. Equity 12.7%
High Yield 58.2%	Emrg Mrkts 19.2%	REITs 9.2%	REITs 17.6%	Developed 23.3%	Core Bond 6.0%
Developed 32.5%	U.S. Equity 17.2%	Core Bond 7.8%	U.S. Equity 16.1%	High Yield 7.4%	MLPs 4.8%
REITs 28.6%	Commodities 16.8%	High Yield 5.0%	High Yield 15.8%	REITs 1.9%	U.S. TIPS 3.6%
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 2.5%
Commodities 18.9%	Developed 8.2%	T-Bills 0.1%	MLPs 4.8%	Core Bond -2.0%	T-Bills 0.0%
U.S. TIPS 11.4%	Core Bond 6.5%	Developed -11.7%	Core Bond 4.2%	Emrg Mrkts -2.3%	Emrg Mrkts -1.8%
Core Bond 5.9%	U.S. TIPS 6.3%	Commodities -13.3%	T-Bills 0.1%	U.S. TIPS -8.6%	Developed -4.5%
T-Bills 0.2%	T-Bills 0.1%	Emrg Mrkts -18.2%	Commodities -1.0%	Commodities -9.5%	Commodities -17.0%

Annualized 5-Year as of Dec '14
REITs 17.3%
MLPs 16.7%
U.S. Equity 15.5%
High Yield 9.0%
Developed 5.8%
Core Bond 4.4%
U.S. TIPS 4.1%
Emrg Mrkts 2.1%
T-Bills 0.1%
Commodities -5.5%

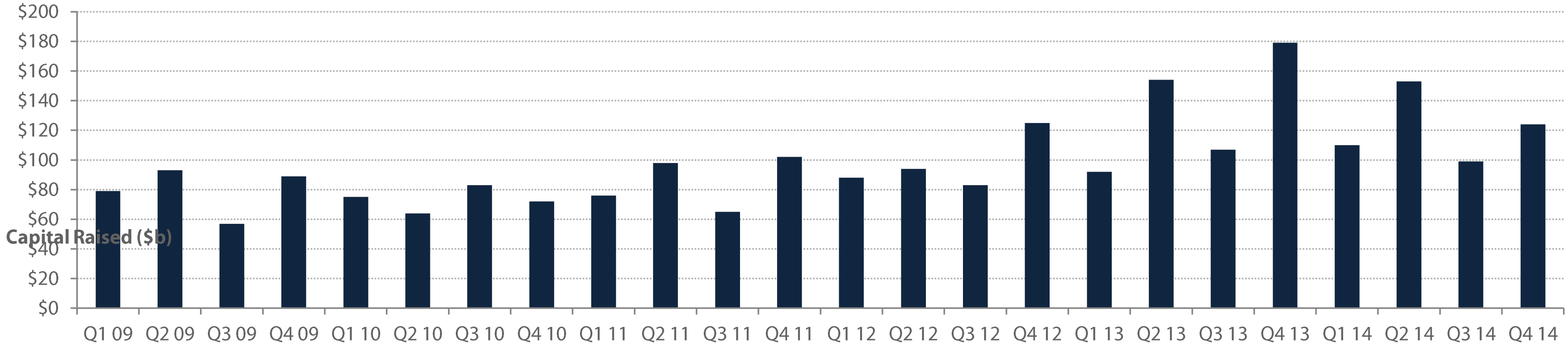
Data sources: Wilshire Compass

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

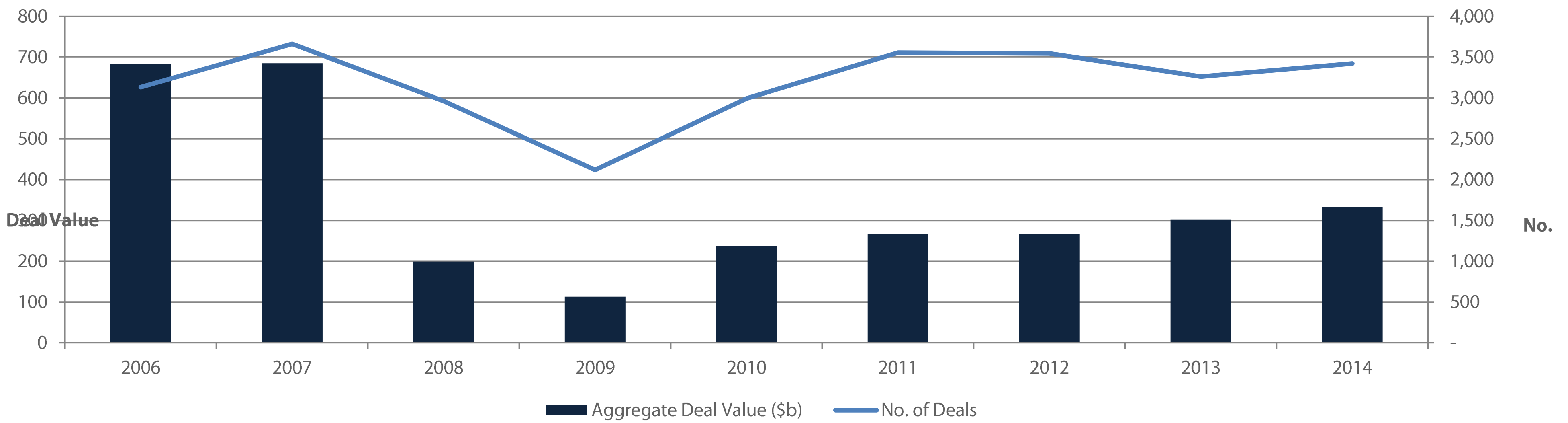
Private Markets Update

Private Equity – Fundraising & Investment Activity

Global Private Equity Fundraising (Q1 2009 – Q4 2014)

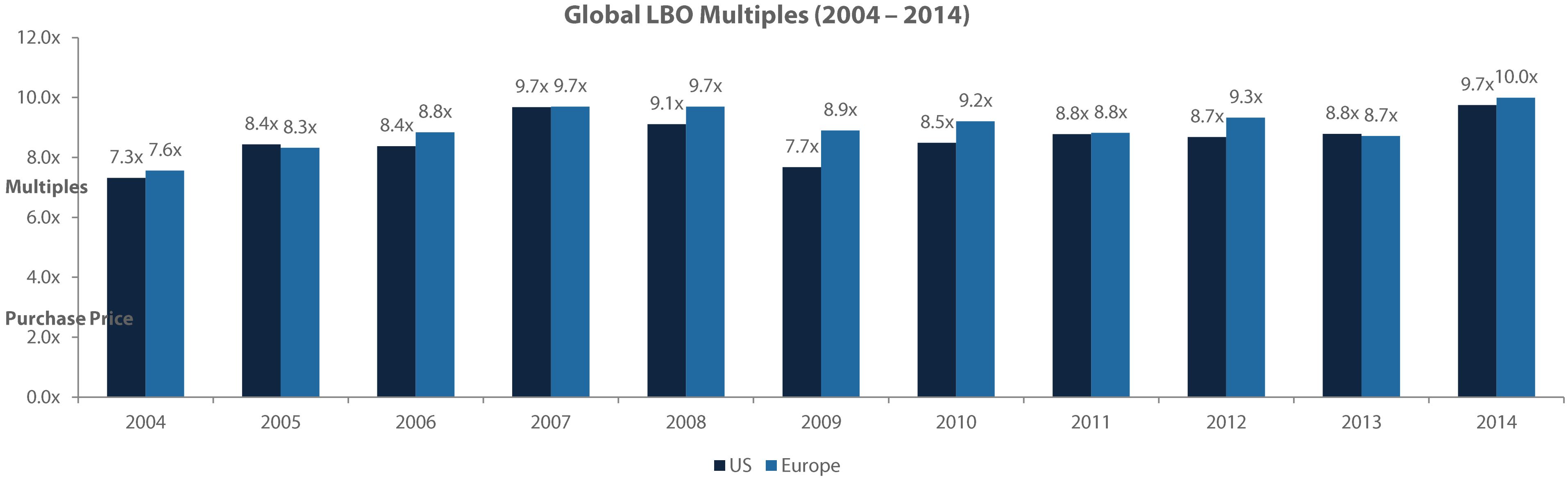


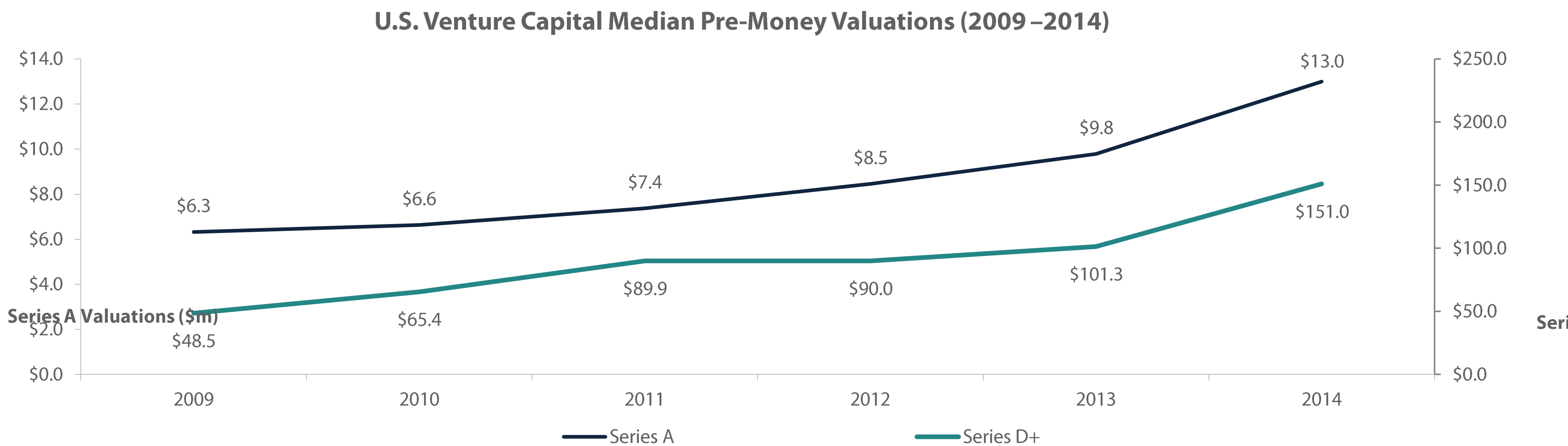
Global Private Equity–Backed Buyout Activity (2006 –2014)



Sources: Preqin.

Private Equity – Pricing & Valuations

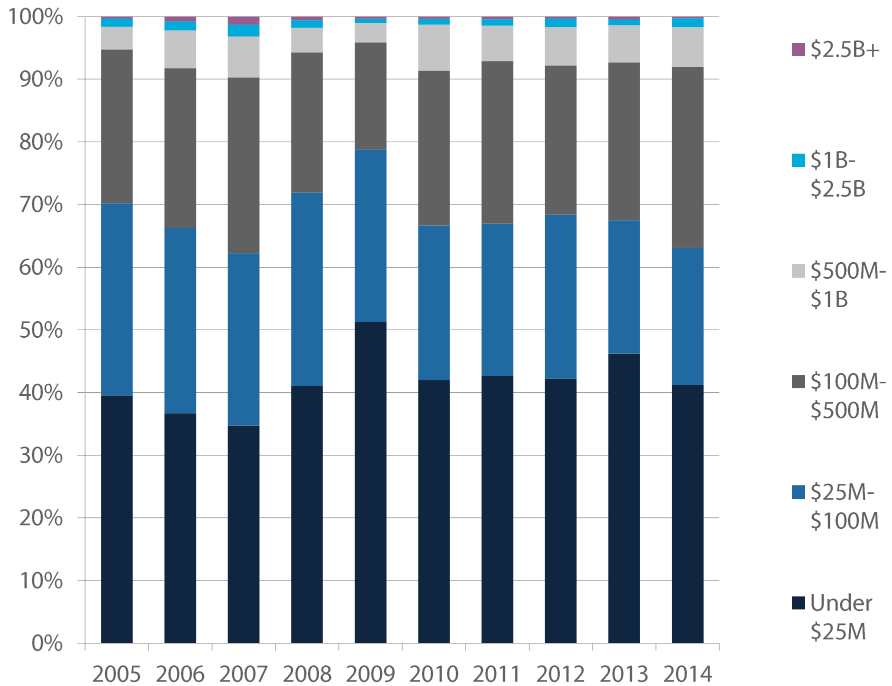




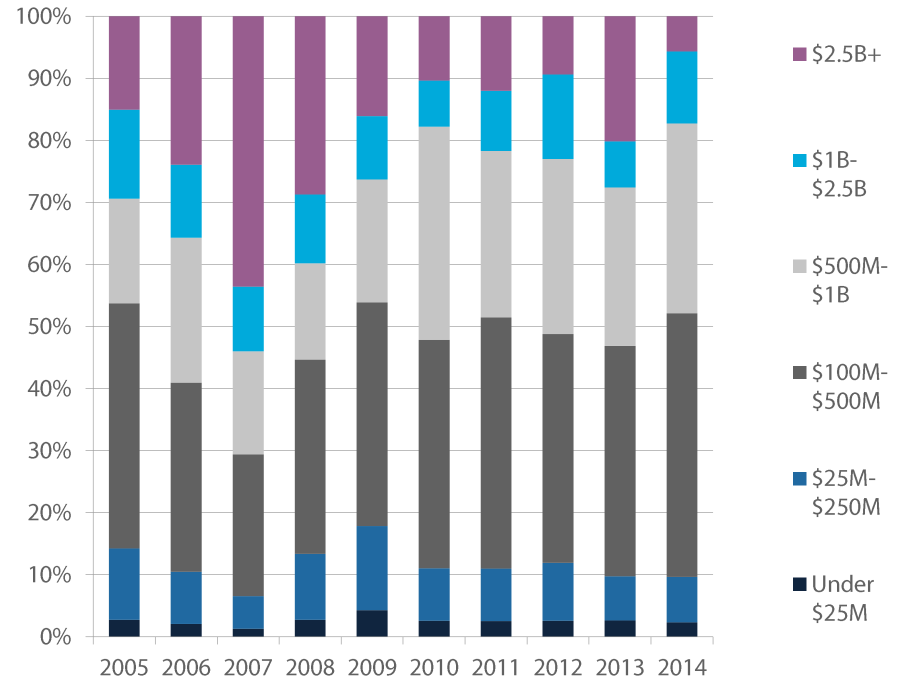
Source: S&P LCD; Pitchbook.

Private Equity – U.S. Investment Activity by Deal Size

Percentage of Deal Volume (count) by Deal Size



Percentage of Deal Volume (dollars) by Deal Size

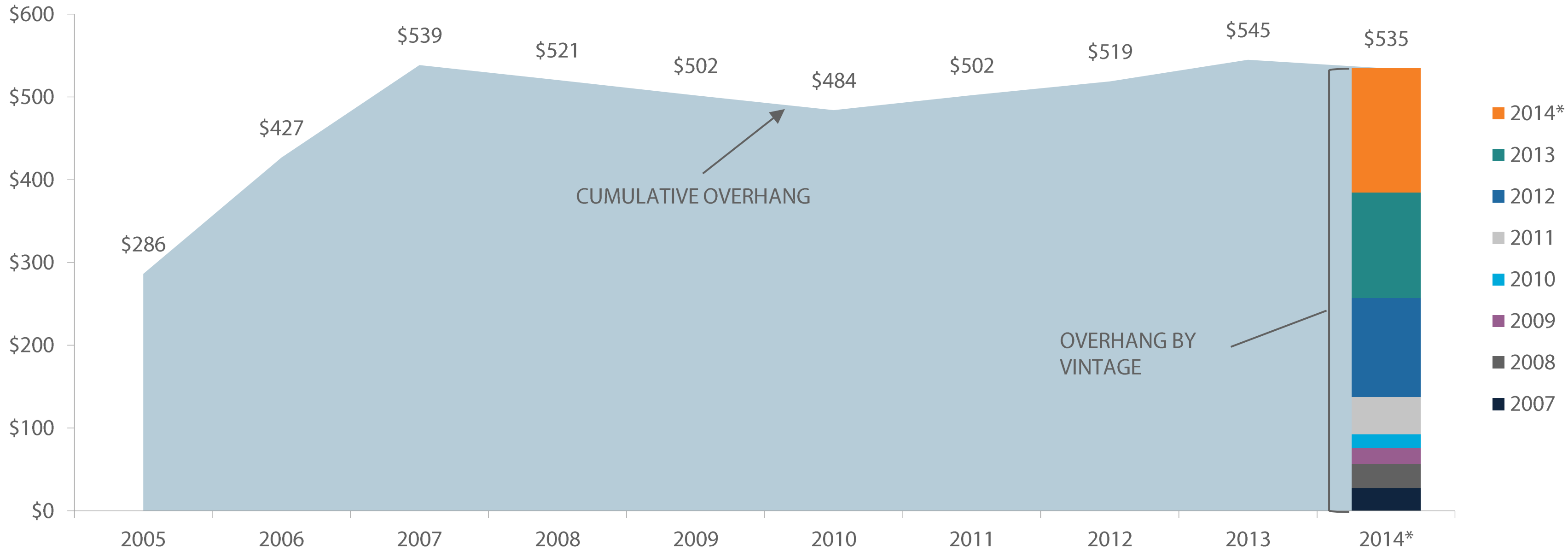


- Smaller deals continue to dominant deal activity by count
- Fewer large transactions ($1b+) in 2014 relative to previous few years

Source: Pitchbook.

Private Equity – U.S. Capital Overhang

Cumulative Vintage Year Overhang

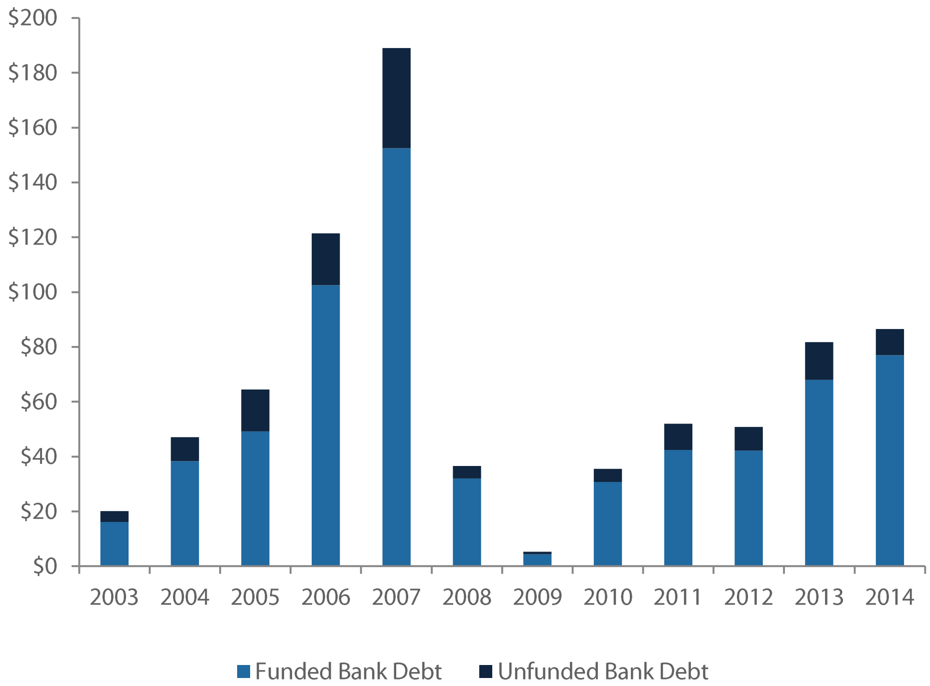


- Total private equity overhang significantly grew to an estimated $539 billion during the run-up to the financial crisis
- While the overhang slightly decreased across 2007 through 2010, the overhang has steadily increased over the last few years to a near-peak level

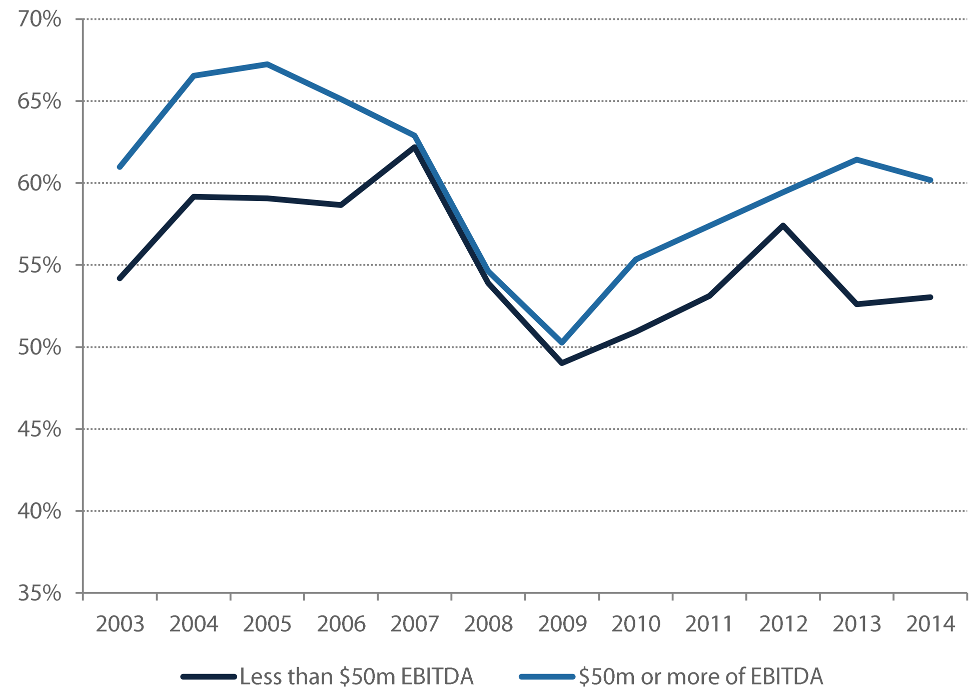
Source: Pitchbook. *Returns data through June 30, 2014.

Private Equity – U.S. Debt Markets

Total U.S. Leveraged Buyout Loan Volume ($b)



Percentage of Debt Used in Buyouts

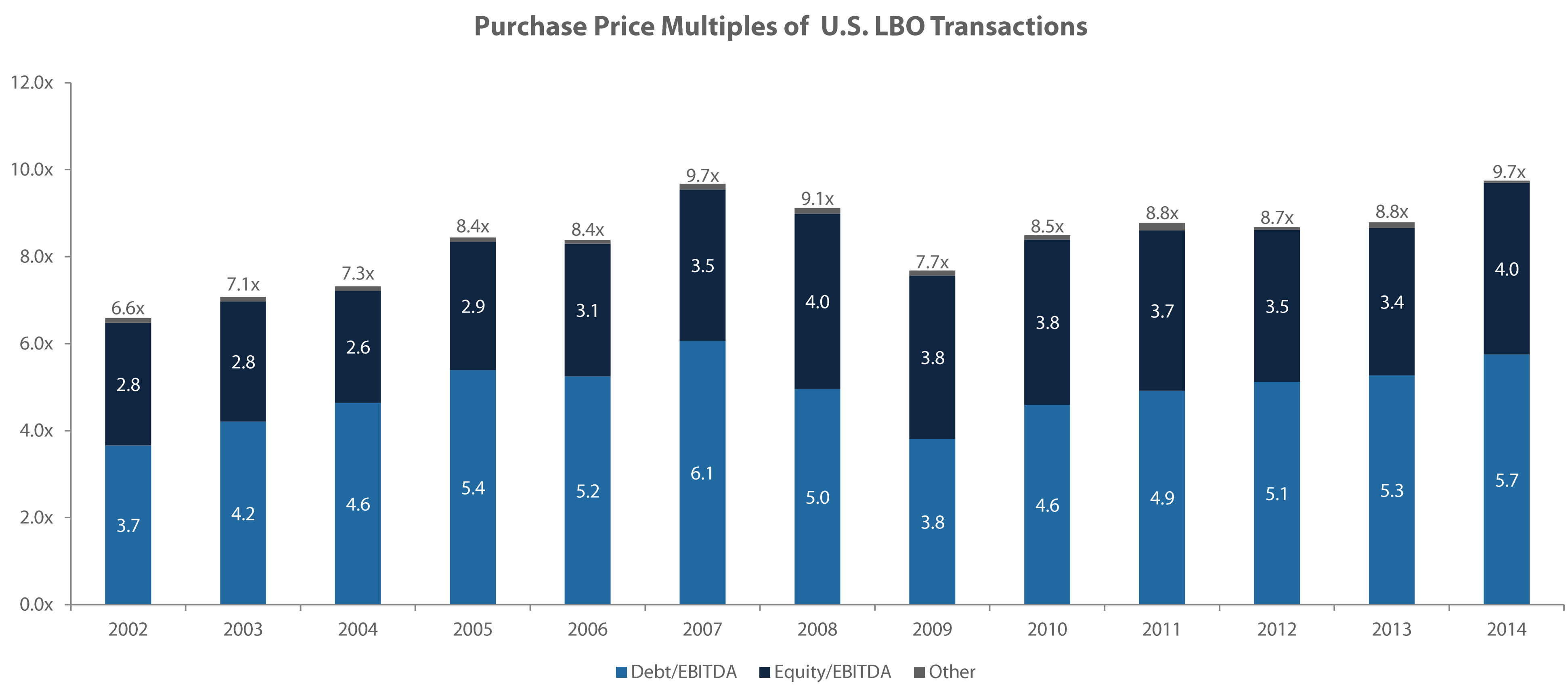


- The amount of capital available for leverage has gone down significantly since its peak volume in 2007, but continues to climb from the historically low levels in 2009
- Historically, middle-market transactions apply less leverage than large cap deals

Source: S&P LCD.

Private Equity – U.S. LBO Purchase Price Multiples

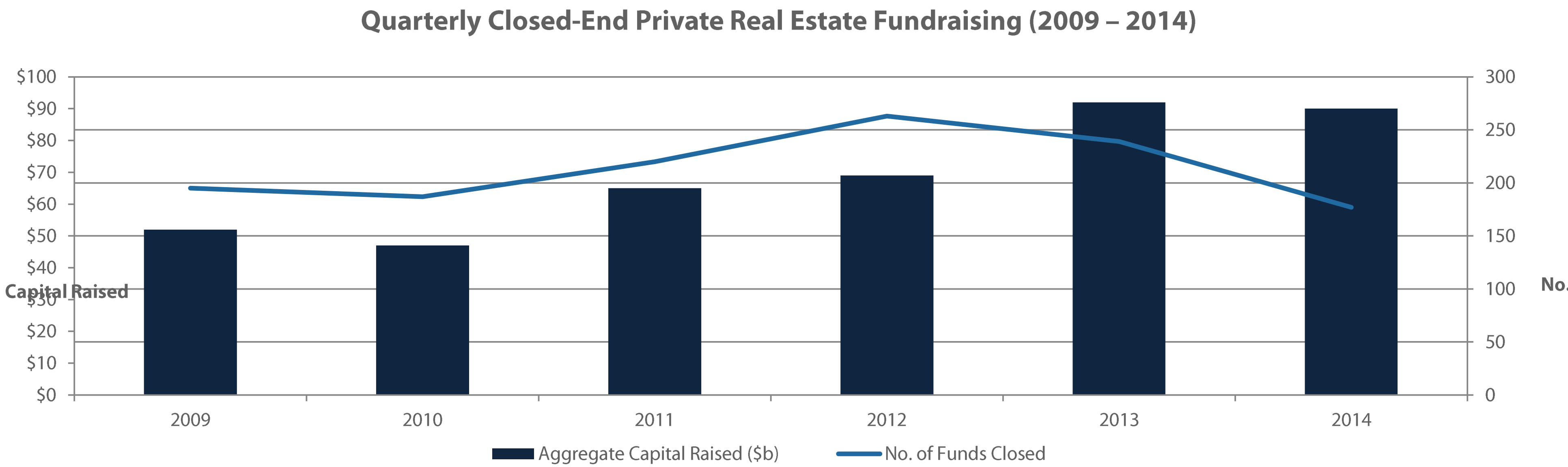
Wilshire

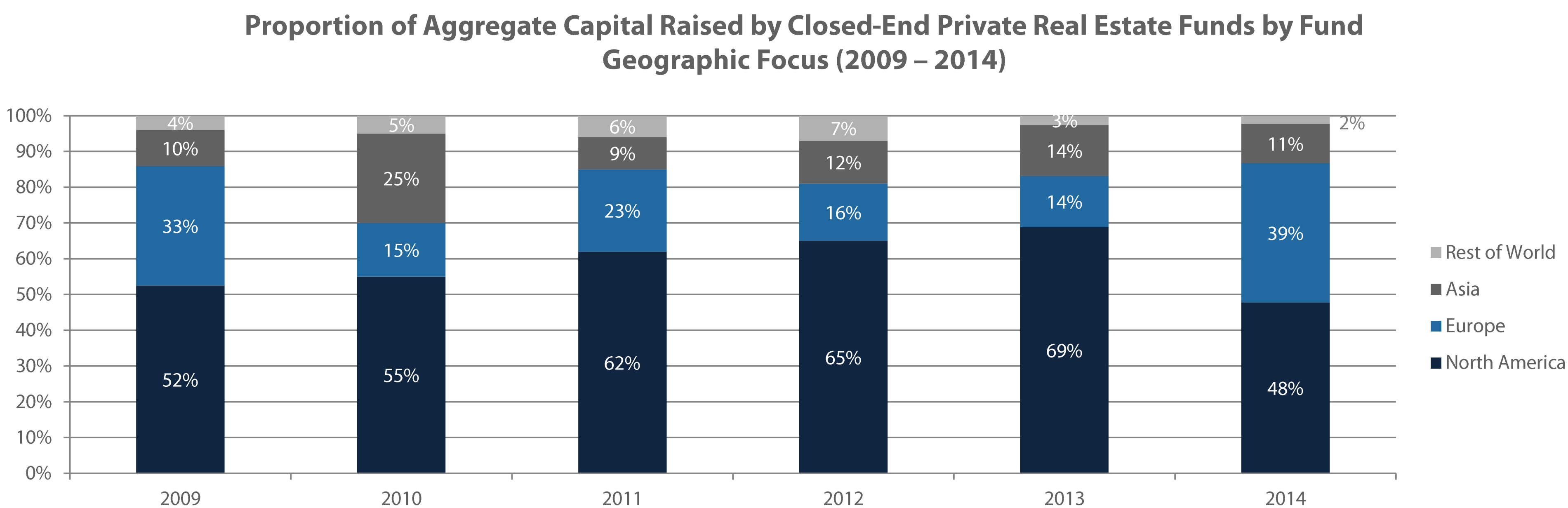


- As the debt markets have come back, purchase price multiples have increased from the low point in 2009
- Pricing in 2014 is equivalent to the peak level in 2007

Source: S&P LCD.

Private Real Estate – Fundraising Activity

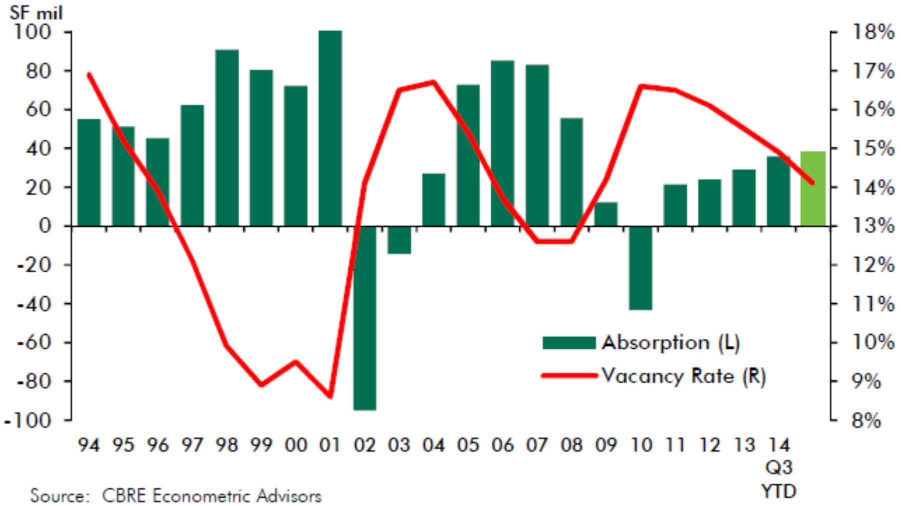




Source: Preqin.

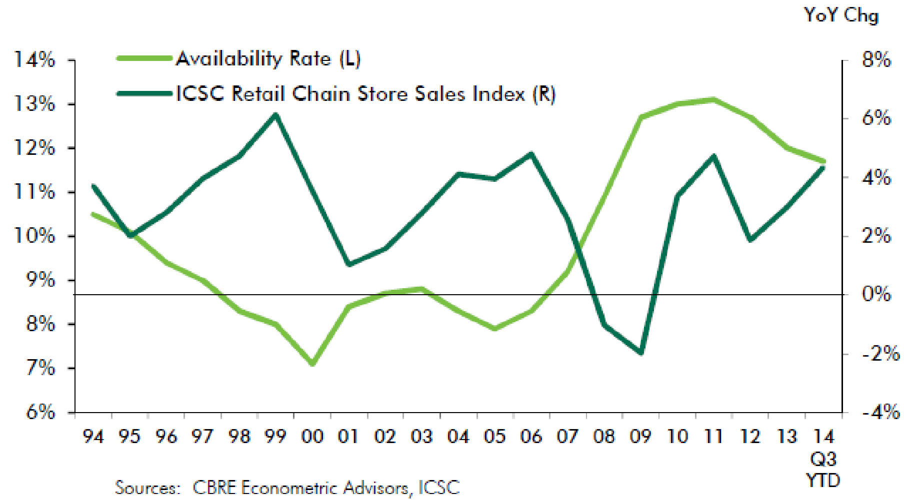
Commercial Property (as of 3Q 2014)

Office



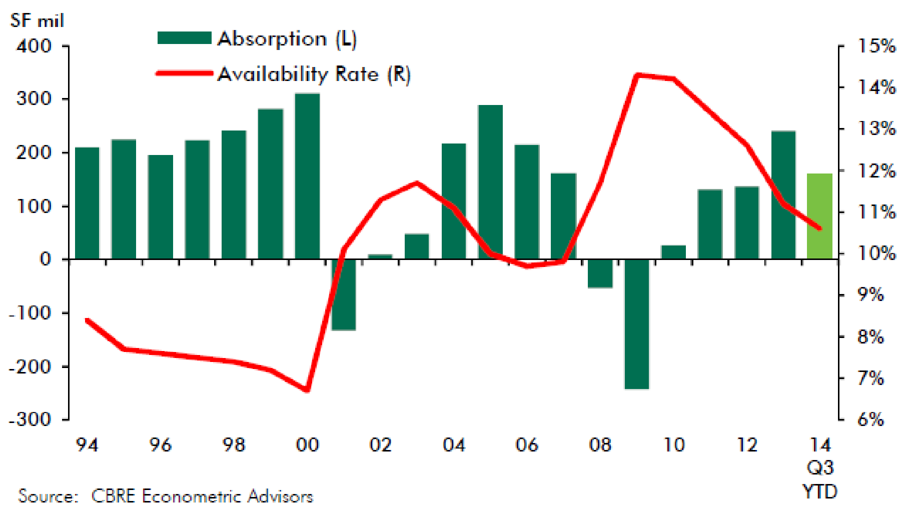
Source: CBRE Econometric Advisors

Retail



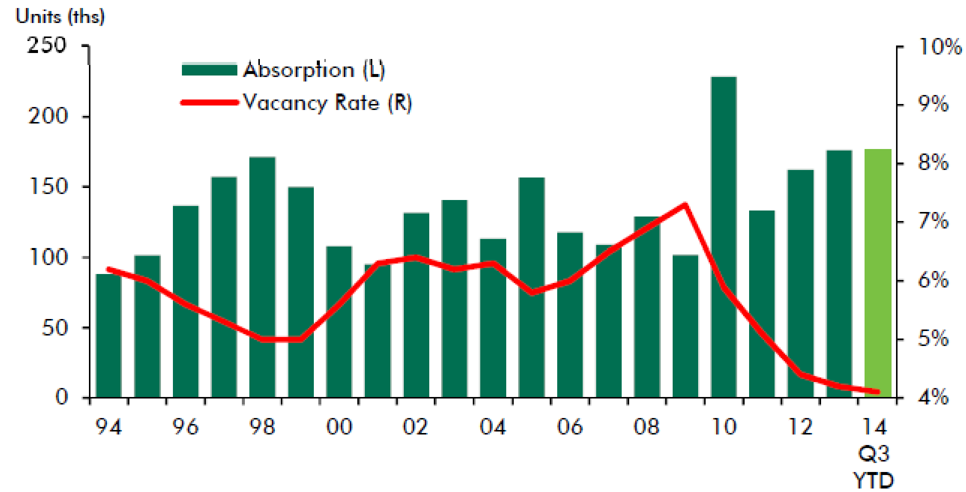
Sources: CBRE Econometric Advisors, ICSC

Industrial



Source: CBRE Econometric Advisors

Apartment



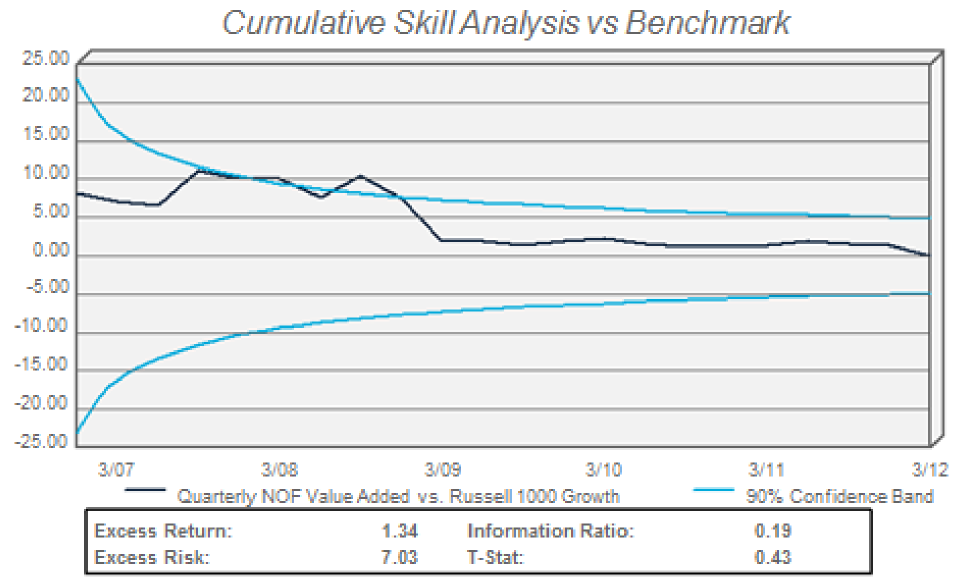
Source: CB Richard Ellis

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.

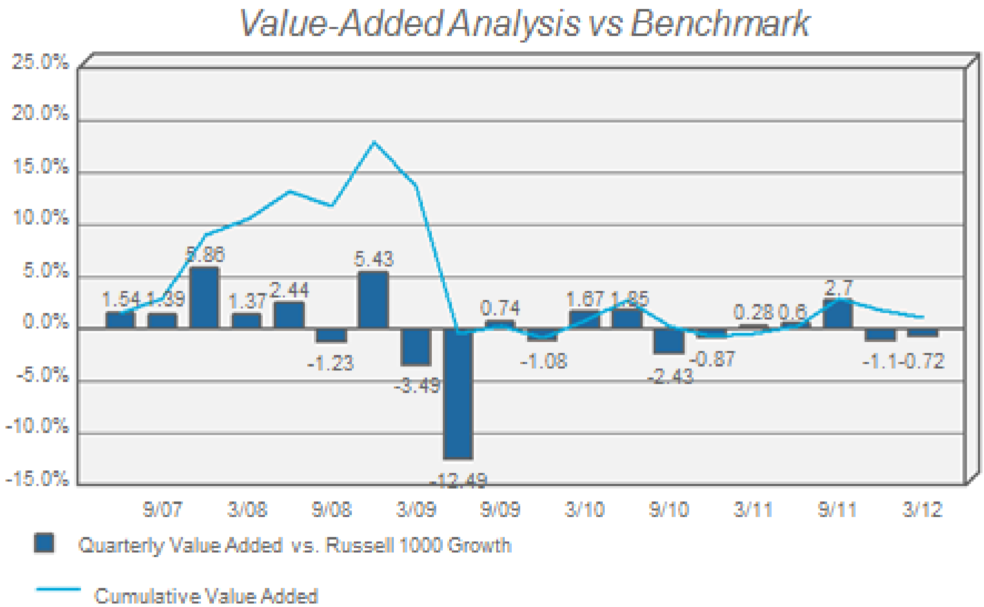


Data sources: Wilshire Compass

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.



Data sources: Wilshire Compass

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