



**Pension Plan**

Employees' Retirement System  
of Milwaukee County  
Monthly Update  
**December 31, 2014**



## Total Fund Composite

## Manager Status

Market Value: \$1,790.0 Million and 100.0% of Fund

| Investment Manager                 | Asset Class              | Status        | Reason                |
|------------------------------------|--------------------------|---------------|-----------------------|
| J.P. Morgan                        | Core Fixed Income        | In Compliance | ---                   |
| Mellon Capital                     | Core Fixed Income        | In Compliance | ---                   |
| Boston Partners                    | Large-Cap Value          | In Compliance | ---                   |
| Mellon Capital                     | Large-Cap Core           | In Compliance | ---                   |
| Artisan Partners                   | Mid-Cap Growth           | In Compliance | ---                   |
| Geneva Capital                     | Mid-Cap Growth           | Alert         | Performance           |
| Silvercrest Asset Management       | Small-Cap Value          | In Compliance | ---                   |
| Fiduciary Management               | Small-Cap Value          | In Compliance | ---                   |
| NTGI ACWI Ex-US                    | Non-U.S. All-Cap Core    | In Compliance | ---                   |
| Vontobel Asset Management          | Non-U.S. Large-Cap Core  | In Compliance | ---                   |
| GMO Small-Cap                      | Non-U.S. Small-Cap Value | In Compliance | ---                   |
| OFI Institutional Asset Management | Emerging Markets         | In Compliance | ---                   |
| ABS                                | Hedged Equity Hedge FoF  | Alert         | Performance           |
| K2                                 | Hedged Equity Hedge FoF  | Alert         | Organizational Issues |
| American Realty Advisors           | Core Real Estate         | In Compliance | ---                   |
| Morgan Stanley                     | Core Real Estate         | In Compliance | ---                   |
| UBS                                | Core Real Estate         | In Compliance | ---                   |
| IFM                                | Core Infrastructure      | In Compliance | ---                   |
| J.P. Morgan                        | Core Infrastructure      | In Compliance | ---                   |
| Adams Street                       | Private Equity           | In Compliance | ---                   |
| Siguler Guff                       | U.S. Private Equity FoF  | In Compliance | ---                   |
| Mesirow VI                         | U.S. Private Equity FoF  | In Compliance | ---                   |

### Investment Manager Evaluation Terminology

The following terminology has been developed by Marquette Associates to facilitate efficient communication among the Investment Manager, Investment Consultant, and the Plan Sponsor. Each term signifies a particular status with the Fund and any conditions that may require improvement. In each case, communication is made only after consultation with the Trustees and/or the Investment Committee of the Plan.

**In Compliance** – The investment manager states it is acting in accordance with the Investment Policy Guidelines.

**Alert** – The investment manager is notified of a problem in performance (usually related to a benchmark or volatility measure), a change in investment characteristics, an alteration in management style or key investment professionals, and/or any other irregularities.

**On Notice** – The investment manager is notified of continued concern with one or more Alert issues. Failure to improve upon stated issues within a specific time frame justifies termination.

**Termination** – The Trustees have decided to terminate the investment manager. The investment manager is notified and transition plans are in place.

# Total Fund Composite

Market Value: \$1,790.0 Million and 100.0% of Fund

Ending December 31, 2014

|                                       | Asset Class              | Market Value<br>(\$) | 3 Mo Net<br>Cash Flows (\$) | % of<br>Portfolio | Policy %     | Policy Difference<br>(\$) |
|---------------------------------------|--------------------------|----------------------|-----------------------------|-------------------|--------------|---------------------------|
| <b>Total Fund Composite</b>           |                          | <b>1,789,972,348</b> | <b>-55,535,251</b>          | <b>100.0</b>      | <b>100.0</b> | <b>0</b>                  |
| <b>Fixed Income Composite</b>         |                          | <b>337,734,783</b>   | <b>-40,120,644</b>          | <b>18.9</b>       | <b>22.0</b>  | <b>-56,059,134</b>        |
| J.P. Morgan                           | Core Fixed Income        | 269,146,817          | -30,113,141                 | 15.0              |              |                           |
| Mellon Capital                        | Core Fixed Income        | 68,587,965           | -10,007,502                 | 3.8               |              |                           |
| <b>U.S. Equity Composite</b>          |                          | <b>460,656,443</b>   | <b>-15,422,867</b>          | <b>25.7</b>       | <b>25.0</b>  | <b>13,163,356</b>         |
| Boston Partners                       | Large-Cap Value          | 146,096,826          | -70,519                     | 8.2               | 8.0          | 2,899,038                 |
| Mellon Capital                        | Large-Cap Core           | 112,145,485          | -5,011,465                  | 6.3               | 6.0          | 4,747,144                 |
| Artisan Partners                      | Mid-Cap Growth           | 46,323,399           | -92,563                     | 2.6               | 2.5          | 1,574,090                 |
| Geneva Capital                        | Mid-Cap Growth           | 46,044,079           | -5,067,084                  | 2.6               | 2.5          | 1,294,770                 |
| Fiduciary Management                  | Small-Cap Value          | 55,018,906           | -2,591,981                  | 3.1               | 3.0          | 1,319,736                 |
| Silvercrest Asset Management          | Small-Cap Value          | 55,027,748           | -2,589,256                  | 3.1               | 3.0          | 1,328,578                 |
| <b>International Equity Composite</b> |                          | <b>339,842,527</b>   | <b>-5,130,532</b>           | <b>19.0</b>       | <b>20.0</b>  | <b>-18,151,943</b>        |
| NTGI ACWI Ex-US                       | Non-U.S. All-Cap Core    | 94,636,998           | -5,000,000                  | 5.3               | 6.5          | -21,711,205               |
| Vontobel Asset Management             | Non-U.S. Large-Cap Core  | 122,930,553          | 0                           | 6.9               | 6.5          | 6,582,350                 |
| GMO Small-Cap                         | Non-U.S. Small-Cap Value | 66,045,522           | 0                           | 3.7               | 4.0          | -5,553,371                |
| OFI Institutional Asset Management    | Emerging Markets         | 56,229,454           | -130,532                    | 3.1               | 3.0          | 2,530,283                 |
| <b>Hedged Equity Composite</b>        |                          | <b>195,525,044</b>   | <b>35,134</b>               | <b>10.9</b>       | <b>10.0</b>  | <b>16,527,809</b>         |
| ABS                                   | Hedged Equity Hedge FoF  | 97,474,078           | 35,134                      | 5.4               | 5.0          | 7,975,460                 |
| K2                                    | Hedged Equity Hedge FoF  | 98,050,966           | 0                           | 5.5               | 5.0          | 8,552,348                 |
| <b>Real Estate Composite</b>          |                          | <b>180,289,334</b>   | <b>-2,155,216</b>           | <b>10.1</b>       | <b>8.5</b>   | <b>28,141,684</b>         |
| American Realty Advisors              | Core Real Estate         | 36,632,327           | -451,190                    | 2.0               |              |                           |
| Morgan Stanley                        | Core Real Estate         | 125,377,207          | -1,534,407                  | 7.0               |              |                           |
| UBS                                   | Core Real Estate         | 18,279,427           | -169,619                    | 1.0               |              |                           |
| <b>Infrastructure Composite</b>       |                          | <b>153,037,951</b>   | <b>-2,966,796</b>           | <b>8.5</b>        | <b>8.5</b>   | <b>890,302</b>            |
| IFM                                   | Core Infrastructure      | 69,175,463           | -1,290,211                  | 3.9               | 3.5          | 6,526,431                 |
| J.P. Morgan                           | Core Infrastructure      | 83,862,489           | -1,676,584                  | 4.7               | 3.5          | 21,213,456                |

## Total Fund Composite

Market Value: \$1,790.0 Million and 100.0% of Fund

**Ending December 31, 2014**

|                                 | Asset Class                          | Market Value<br>(\$) | 3 Mo Net<br>Cash Flows (\$) | % of<br>Portfolio | Policy %   | Policy Difference<br>(\$) |
|---------------------------------|--------------------------------------|----------------------|-----------------------------|-------------------|------------|---------------------------|
| <b>Private Equity Composite</b> |                                      | <b>72,120,747</b>    | <b>10,578,437</b>           | <b>4.0</b>        | <b>6.0</b> | <b>-35,277,594</b>        |
| Progress                        | U.S. Private Equity FoF              | 30,399               | 0                           | 0.0               |            |                           |
| Brinson 1998                    | U.S. Private Equity FoF              | 72,035               | 0                           | 0.0               |            |                           |
| Brinson 1999                    | U.S. Private Equity FoF              | 179,473              | -81,771                     | 0.0               |            |                           |
| Brinson 2000                    | U.S. Private Equity FoF              | 608,115              | 0                           | 0.0               |            |                           |
| Brinson 2001                    | U.S. Private Equity FoF              | 1,206,594            | -164,002                    | 0.1               |            |                           |
| Brinson 2002                    | U.S. Private Equity FoF              | 597,160              | -112,370                    | 0.0               |            |                           |
| Brinson 2003                    | U.S. Private Equity FoF              | 800,719              | -137,109                    | 0.0               |            |                           |
| Brinson 2004                    | U.S. Private Equity FoF              | 1,261,684            | -143,223                    | 0.1               |            |                           |
| Adams Street 2005               | U.S. Private Equity FoF              | 6,494,012            | -408,161                    | 0.4               |            |                           |
| Adams Street 2009               | U.S. Private Equity FoF              | 20,539,381           | 474,000                     | 1.1               |            |                           |
| Adams Street 2012               | Global Divers. Private<br>Equity FoF | 14,277,881           | 3,287,183                   | 0.8               |            |                           |
| Adams Street Co-Investment III  | Private Equity Co-<br>Investment     | 1,137,000            | 1,137,000                   | 0.1               |            |                           |
| Siguler Guff                    | U.S. Private Equity FoF              | 21,767,289           | 3,577,885                   | 1.2               |            |                           |
| Mesirov VI                      | U.S. Private Equity FoF              | 3,149,005            | 3,149,005                   | 0.2               |            |                           |
| <b>Total Cash Equivalents</b>   |                                      | <b>50,765,520</b>    | <b>-352,768</b>             | <b>2.8</b>        | <b>0.0</b> | <b>50,765,520</b>         |

## Total Fund Composite

## Annualized Performance (Net of Fees)

Market Value: \$1,790.0 Million and 100.0% of Fund

Ending December 31, 2014

|                                       | 1 Mo         | 3 Mo         | YTD          | 1 Yr         | 2 Yrs        | 3 Yrs        | 4 Yrs        | 5 Yrs        | 7 Yrs        | 10 Yrs       |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Total Fund Composite</b>           | <b>-0.2%</b> | <b>2.0%</b>  | <b>5.5%</b>  | <b>5.5%</b>  | <b>10.3%</b> | <b>10.6%</b> | <b>8.0%</b>  | <b>8.8%</b>  | <b>4.9%</b>  | <b>6.2%</b>  |
| <i>Total Fund Benchmark</i>           | -0.5%        | 1.3%         | 4.7%         | 4.7%         | 9.7%         | 10.1%        | 7.7%         | 8.7%         | 4.6%         | 5.9%         |
| <b>Fixed Income Composite</b>         | <b>0.0%</b>  | <b>1.7%</b>  | <b>5.6%</b>  | <b>5.6%</b>  | <b>2.1%</b>  | <b>2.9%</b>  | <b>4.0%</b>  | <b>4.6%</b>  | <b>5.1%</b>  | <b>5.1%</b>  |
| <i>Barclays Aggregate</i>             | 0.1%         | 1.8%         | 6.0%         | 6.0%         | 1.9%         | 2.7%         | 3.9%         | 4.4%         | 4.8%         | 4.7%         |
| <b>U.S. Equity Composite</b>          | <b>0.5%</b>  | <b>6.3%</b>  | <b>9.5%</b>  | <b>9.5%</b>  | <b>21.3%</b> | <b>19.6%</b> | <b>13.9%</b> | <b>15.0%</b> | <b>7.6%</b>  | <b>8.1%</b>  |
| <i>Wilshire 5000 Total Market</i>     | -0.1%        | 5.2%         | 12.7%        | 12.7%        | 22.5%        | 20.3%        | 15.1%        | 15.5%        | 7.5%         | 8.0%         |
| <b>International Equity Composite</b> | <b>-3.8%</b> | <b>-3.0%</b> | <b>-2.2%</b> | <b>-2.2%</b> | <b>6.5%</b>  | <b>9.7%</b>  | <b>3.6%</b>  | <b>5.3%</b>  | <b>-0.9%</b> | <b>2.1%</b>  |
| <i>MSCI ACWI ex USA</i>               | -3.6%        | -3.9%        | -3.9%        | -3.9%        | 5.3%         | 9.0%         | 2.8%         | 4.4%         | -0.6%        | 5.1%         |
| <b>Hedged Equity Composite</b>        | <b>0.6%</b>  | <b>3.4%</b>  | <b>5.2%</b>  | <b>5.2%</b>  | <b>11.9%</b> | <b>10.2%</b> | <b>6.4%</b>  | --           | --           | --           |
| <i>HFRX Equity Hedge Index</i>        | -0.5%        | 0.2%         | 1.4%         | 1.4%         | 6.2%         | 5.7%         | -1.1%        | 0.8%         | -1.8%        | 0.3%         |
| <i>Russell 3000</i>                   | 0.0%         | 5.2%         | 12.6%        | 12.6%        | 22.6%        | 20.5%        | 15.3%        | 15.6%        | 7.5%         | 7.9%         |
| <i>MSCI ACWI</i>                      | -1.9%        | 0.4%         | 4.2%         | 4.2%         | 13.1%        | 14.1%        | 8.3%         | 9.2%         | 2.7%         | 6.1%         |
| <b>Real Estate Composite</b>          | <b>3.2%</b>  | <b>3.2%</b>  | <b>12.7%</b> | <b>12.7%</b> | <b>13.4%</b> | <b>12.6%</b> | <b>12.7%</b> | <b>13.0%</b> | <b>6.3%</b>  | <b>7.0%</b>  |
| <i>Custom Real Estate Benchmark</i>   | 0.0%         | 0.0%         | 8.2%         | 8.2%         | 10.5%        | 10.3%        | 11.4%        | 12.2%        | 3.9%         | 5.9%         |
| <i>NFI</i>                            | 0.0%         | 0.0%         | 8.2%         | 8.2%         | 10.5%        | 10.3%        | 11.4%        | 12.2%        | 1.4%         | 5.8%         |
| <b>Infrastructure Composite</b>       | <b>0.0%</b>  | <b>-1.0%</b> | <b>1.1%</b>  | <b>1.1%</b>  | <b>3.8%</b>  | <b>6.1%</b>  | <b>6.5%</b>  | --           | --           | --           |
| <i>CPI +4%</i>                        | -0.2%        | 0.2%         | 5.4%         | 5.4%         | 5.5%         | 5.6%         | 5.9%         | 5.9%         | 5.7%         | 6.3%         |
| <b>Private Equity Composite</b>       | <b>0.0%</b>  | <b>0.0%</b>  | <b>9.0%</b>  | <b>9.0%</b>  | <b>9.4%</b>  | <b>10.1%</b> | <b>9.8%</b>  | <b>11.4%</b> | <b>6.0%</b>  | <b>12.1%</b> |
| <i>Cambridge Associates All PE</i>    | 0.0%         | 0.0%         | 3.3%         | 3.3%         | 11.4%        | 11.9%        | 10.9%        | 12.5%        | 6.2%         | 12.1%        |

# Investment Manager

# Annualized Performance (Net of Fees)

Market Value: \$1,790.0 Million and 100.0% of Fund

Ending December 31, 2014

|                                       | 1 Mo         | 3 Mo         | YTD          | 1 Yr         | 2 Yrs        | 3 Yrs        | 4 Yrs        | 5 Yrs        | 7 Yrs        | 10 Yrs      |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| <b>Total Fund Composite</b>           | <b>-0.2%</b> | <b>2.0%</b>  | <b>5.5%</b>  | <b>5.5%</b>  | <b>10.3%</b> | <b>10.6%</b> | <b>8.0%</b>  | <b>8.8%</b>  | <b>4.9%</b>  | <b>6.2%</b> |
| <i>Total Fund Benchmark</i>           | -0.5%        | 1.3%         | 4.7%         | 4.7%         | 9.7%         | 10.1%        | 7.7%         | 8.7%         | 4.6%         | 5.9%        |
| <b>Fixed Income Composite</b>         | <b>0.0%</b>  | <b>1.7%</b>  | <b>5.6%</b>  | <b>5.6%</b>  | <b>2.1%</b>  | <b>2.9%</b>  | <b>4.0%</b>  | <b>4.6%</b>  | <b>5.1%</b>  | <b>5.1%</b> |
| <i>Barclays Aggregate</i>             | 0.1%         | 1.8%         | 6.0%         | 6.0%         | 1.9%         | 2.7%         | 3.9%         | 4.4%         | 4.8%         | 4.7%        |
| J.P. Morgan                           | 0.0%         | 1.7%         | 5.5%         | 5.5%         | 2.1%         | 3.0%         | 4.0%         | 4.4%         | 5.0%         | --          |
| <i>Barclays Aggregate</i>             | 0.1%         | 1.8%         | 6.0%         | 6.0%         | 1.9%         | 2.7%         | 3.9%         | 4.4%         | 4.8%         | 4.7%        |
| Mellon Capital                        | 0.1%         | 1.8%         | 6.1%         | 6.1%         | 1.8%         | 2.6%         | 3.9%         | 4.4%         | 4.7%         | 4.7%        |
| <i>Barclays Aggregate</i>             | 0.1%         | 1.8%         | 6.0%         | 6.0%         | 1.9%         | 2.7%         | 3.9%         | 4.4%         | 4.8%         | 4.7%        |
| <b>U.S. Equity Composite</b>          | <b>0.5%</b>  | <b>6.3%</b>  | <b>9.5%</b>  | <b>9.5%</b>  | <b>21.3%</b> | <b>19.6%</b> | <b>13.9%</b> | <b>15.0%</b> | <b>7.6%</b>  | <b>8.1%</b> |
| <i>Wilshire 5000 Total Market</i>     | -0.1%        | 5.2%         | 12.7%        | 12.7%        | 22.5%        | 20.3%        | 15.1%        | 15.5%        | 7.5%         | 8.0%        |
| Boston Partners                       | 0.2%         | 5.5%         | 11.6%        | 11.6%        | 23.5%        | 22.7%        | 16.9%        | 16.2%        | 8.7%         | 9.6%        |
| <i>Russell 1000 Value</i>             | 0.6%         | 5.0%         | 13.5%        | 13.5%        | 22.6%        | 20.9%        | 15.4%        | 15.4%        | 6.4%         | 7.3%        |
| Mellon Capital                        | -0.3%        | 4.9%         | 13.6%        | 13.6%        | 22.6%        | 20.4%        | 15.5%        | 15.4%        | 7.2%         | 7.7%        |
| <i>S&amp;P 500</i>                    | -0.3%        | 4.9%         | 13.7%        | 13.7%        | 22.7%        | 20.4%        | 15.6%        | 15.5%        | 7.3%         | 7.7%        |
| Artisan Partners                      | -0.5%        | 5.6%         | 6.1%         | 6.1%         | 21.2%        | 20.9%        | 14.8%        | 18.1%        | 10.1%        | 11.0%       |
| <i>Russell MidCap Growth</i>          | -0.3%        | 5.8%         | 11.9%        | 11.9%        | 23.2%        | 20.7%        | 14.7%        | 16.9%        | 8.6%         | 9.4%        |
| Geneva Capital                        | 0.2%         | 7.3%         | 5.4%         | 5.4%         | 17.7%        | --           | --           | --           | --           | --          |
| <i>Russell MidCap Growth</i>          | -0.3%        | 5.8%         | 11.9%        | 11.9%        | 23.2%        | 20.7%        | 14.7%        | 16.9%        | 8.6%         | 9.4%        |
| Fiduciary Management                  | 1.5%         | 7.1%         | 5.7%         | 5.7%         | 19.6%        | 16.6%        | 10.9%        | 13.5%        | --           | --          |
| <i>Russell 2000 Value</i>             | 2.7%         | 9.4%         | 4.2%         | 4.2%         | 18.4%        | 18.3%        | 11.8%        | 14.3%        | 7.6%         | 6.9%        |
| Silvercrest Asset Management          | 3.2%         | 10.1%        | 5.1%         | 5.1%         | --           | --           | --           | --           | --           | --          |
| <i>Russell 2000 Value</i>             | 2.7%         | 9.4%         | 4.2%         | 4.2%         | 18.4%        | 18.3%        | 11.8%        | 14.3%        | 7.6%         | 6.9%        |
| <b>International Equity Composite</b> | <b>-3.8%</b> | <b>-3.0%</b> | <b>-2.2%</b> | <b>-2.2%</b> | <b>6.5%</b>  | <b>9.7%</b>  | <b>3.6%</b>  | <b>5.3%</b>  | <b>-0.9%</b> | <b>2.1%</b> |
| <i>MSCI ACWI ex USA</i>               | -3.6%        | -3.9%        | -3.9%        | -3.9%        | 5.3%         | 9.0%         | 2.8%         | 4.4%         | -0.6%        | 5.1%        |
| NTGI ACWI Ex-US                       | -3.3%        | -3.8%        | -3.7%        | -3.7%        | 5.8%         | --           | --           | --           | --           | --          |
| <i>MSCI ACWI ex USA</i>               | -3.6%        | -3.9%        | -3.9%        | -3.9%        | 5.3%         | 9.0%         | 2.8%         | 4.4%         | -0.6%        | 5.1%        |
| Vontobel Asset Management             | -3.9%        | -0.4%        | 3.0%         | 3.0%         | --           | --           | --           | --           | --           | --          |
| <i>MSCI EAFE</i>                      | -3.5%        | -3.6%        | -4.9%        | -4.9%        | 8.1%         | 11.1%        | 4.7%         | 5.3%         | -0.5%        | 4.4%        |
| GMO Small-Cap                         | -1.9%        | -3.4%        | -7.0%        | -7.0%        | 10.6%        | 14.9%        | 6.7%         | 9.4%         | --           | --          |
| <i>MSCI EAFE Small Cap</i>            | -0.5%        | -2.3%        | -4.9%        | -4.9%        | 10.9%        | 13.8%        | 5.5%         | 8.6%         | 2.4%         | 6.0%        |
| OFI Institutional Asset Management    | -6.7%        | -6.5%        | -4.4%        | -4.4%        | --           | --           | --           | --           | --           | --          |
| <i>MSCI Emerging Markets</i>          | -4.6%        | -4.5%        | -2.2%        | -2.2%        | -2.4%        | 4.0%         | -2.1%        | 1.8%         | -1.3%        | 8.4%        |

## Investment Manager

## Annualized Performance (Net of Fees)

Market Value: \$1,790.0 Million and 100.0% of Fund

Ending December 31, 2014

|                                     | 1 Mo        | 3 Mo         | YTD          | 1 Yr         | 2 Yrs        | 3 Yrs        | 4 Yrs        | 5 Yrs        | 7 Yrs       | 10 Yrs      |
|-------------------------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|
| <b>Hedged Equity Composite</b>      | <b>0.6%</b> | <b>3.4%</b>  | <b>5.2%</b>  | <b>5.2%</b>  | <b>11.9%</b> | <b>10.2%</b> | <b>6.4%</b>  | --           | --          | --          |
| <i>HFRX Equity Hedge Index</i>      | -0.5%       | 0.2%         | 1.4%         | 1.4%         | 6.2%         | 5.7%         | -1.1%        | 0.8%         | -1.8%       | 0.3%        |
| <i>Russell 3000</i>                 | 0.0%        | 5.2%         | 12.6%        | 12.6%        | 22.6%        | 20.5%        | 15.3%        | 15.6%        | 7.5%        | 7.9%        |
| <i>MSCI ACWI</i>                    | -1.9%       | 0.4%         | 4.2%         | 4.2%         | 13.1%        | 14.1%        | 8.3%         | 9.2%         | 2.7%        | 6.1%        |
| <b>ABS</b>                          | <b>0.8%</b> | <b>4.0%</b>  | <b>4.9%</b>  | <b>4.9%</b>  | <b>12.5%</b> | <b>10.0%</b> | <b>6.6%</b>  | --           | --          | --          |
| <i>HFRX Equity Hedge Index</i>      | -0.5%       | 0.2%         | 1.4%         | 1.4%         | 6.2%         | 5.7%         | -1.1%        | 0.8%         | -1.8%       | 0.3%        |
| <i>Russell 3000</i>                 | 0.0%        | 5.2%         | 12.6%        | 12.6%        | 22.6%        | 20.5%        | 15.3%        | 15.6%        | 7.5%        | 7.9%        |
| <i>MSCI ACWI</i>                    | -1.9%       | 0.4%         | 4.2%         | 4.2%         | 13.1%        | 14.1%        | 8.3%         | 9.2%         | 2.7%        | 6.1%        |
| <b>K2</b>                           | <b>0.4%</b> | <b>2.7%</b>  | <b>5.5%</b>  | <b>5.5%</b>  | <b>11.4%</b> | <b>10.5%</b> | <b>6.3%</b>  | --           | --          | --          |
| <i>HFRX Equity Hedge Index</i>      | -0.5%       | 0.2%         | 1.4%         | 1.4%         | 6.2%         | 5.7%         | -1.1%        | 0.8%         | -1.8%       | 0.3%        |
| <i>Russell 3000</i>                 | 0.0%        | 5.2%         | 12.6%        | 12.6%        | 22.6%        | 20.5%        | 15.3%        | 15.6%        | 7.5%        | 7.9%        |
| <i>MSCI ACWI</i>                    | -1.9%       | 0.4%         | 4.2%         | 4.2%         | 13.1%        | 14.1%        | 8.3%         | 9.2%         | 2.7%        | 6.1%        |
| <b>Real Estate Composite</b>        | <b>3.2%</b> | <b>3.2%</b>  | <b>12.7%</b> | <b>12.7%</b> | <b>13.4%</b> | <b>12.6%</b> | <b>12.7%</b> | <b>13.0%</b> | <b>6.3%</b> | <b>7.0%</b> |
| <i>Custom Real Estate Benchmark</i> | 0.0%        | 0.0%         | 8.2%         | 8.2%         | 10.5%        | 10.3%        | 11.4%        | 12.2%        | 3.9%        | 5.9%        |
| <i>NFI</i>                          | 0.0%        | 0.0%         | 8.2%         | 8.2%         | 10.5%        | 10.3%        | 11.4%        | 12.2%        | 1.4%        | 5.8%        |
| <i>American Realty Advisors</i>     | 0.0%        | 0.0%         | 8.9%         | 8.9%         | 10.1%        | 10.1%        | 11.1%        | --           | --          | --          |
| <i>NFI</i>                          | 0.0%        | 0.0%         | 8.2%         | 8.2%         | 10.5%        | 10.3%        | 11.4%        | 12.2%        | 1.4%        | 5.8%        |
| <i>Morgan Stanley</i>               | 4.2%        | 4.2%         | 14.2%        | 14.2%        | 15.2%        | 14.0%        | 14.6%        | --           | --          | --          |
| <i>NFI</i>                          | 0.0%        | 0.0%         | 8.2%         | 8.2%         | 10.5%        | 10.3%        | 11.4%        | 12.2%        | 1.4%        | 5.8%        |
| <i>UBS</i>                          | 3.0%        | 2.7%         | 10.4%        | 10.4%        | 9.8%         | --           | --           | --           | --          | --          |
| <i>NFI</i>                          | 0.0%        | 0.0%         | 8.2%         | 8.2%         | 10.5%        | 10.3%        | 11.4%        | 12.2%        | 1.4%        | 5.8%        |
| <b>Infrastructure Composite</b>     | <b>0.0%</b> | <b>-1.0%</b> | <b>1.1%</b>  | <b>1.1%</b>  | <b>3.8%</b>  | <b>6.1%</b>  | <b>6.5%</b>  | --           | --          | --          |
| <i>CPI +4%</i>                      | -0.2%       | 0.2%         | 5.4%         | 5.4%         | 5.5%         | 5.6%         | 5.9%         | 5.9%         | 5.7%        | 6.3%        |
| <b>IFM</b>                          | <b>0.0%</b> | <b>-2.2%</b> | <b>1.1%</b>  | <b>1.1%</b>  | <b>3.8%</b>  | <b>6.3%</b>  | <b>6.4%</b>  | --           | --          | --          |
| <i>CPI +4%</i>                      | -0.2%       | 0.2%         | 5.4%         | 5.4%         | 5.5%         | 5.6%         | 5.9%         | 5.9%         | 5.7%        | 6.3%        |
| <b>J.P. Morgan</b>                  | <b>0.0%</b> | <b>0.0%</b>  | <b>1.2%</b>  | <b>1.2%</b>  | <b>4.0%</b>  | <b>6.0%</b>  | <b>6.2%</b>  | --           | --          | --          |
| <i>CPI +4%</i>                      | -0.2%       | 0.2%         | 5.4%         | 5.4%         | 5.5%         | 5.6%         | 5.9%         | 5.9%         | 5.7%        | 6.3%        |

# Total Fund Composite

# Fee Schedule

Market Value: \$1,790.0 Million and 100.0% of Fund

| Asset Class              | Investment Manager                 | Fee Schedule                                                                                                                                                  | Expense Ratio & Estimated Annual Fee <sup>1</sup> | Industry Average <sup>2</sup> |
|--------------------------|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-------------------------------|
| Core Fixed Income        | J.P. Morgan                        | 0.20% on the first \$100 million<br>0.15% on the Balance                                                                                                      | 0.17%<br>\$453,720                                | 0.24%                         |
| Core Fixed Income        | Mellon Capital                     | 0.04% on the first \$200 million<br>0.02% on the Balance                                                                                                      | 0.04%<br>\$27,435                                 | 0.08%                         |
| Large-Cap Value          | Boston Partners                    | 0.40% on the first \$15 million<br>0.30% on the next \$25 million<br>0.20% on the next \$25 million<br>0.15% on the next \$35 million<br>0.10% on the Balance | 0.19%<br>\$283,597                                | 0.46%                         |
| Large-Cap Core           | Mellon Capital                     | 0.04% on the first \$200 million<br>0.02% on the Balance                                                                                                      | 0.04%<br>\$44,858                                 | 0.09%                         |
| Mid-Cap Growth           | Artisan Partners                   | 0.80% on the first \$50 million<br>0.60% on the next \$50 million<br>0.50% on the Balance                                                                     | 0.80%<br>\$370,587                                | 0.78%                         |
| Mid-Cap Growth           | Geneva Capital                     | 0.55% on the Balance                                                                                                                                          | 0.55%<br>\$253,242                                | 0.78%                         |
| Small-Cap Value          | Silvercrest Asset Management       | 0.65% on the first \$50 million<br>0.55% on the Balance                                                                                                       | 0.64%<br>\$352,653                                | 0.83%                         |
| Small-Cap Value          | Fiduciary Management               | 0.70% on the first \$10 million<br>0.65% on the next \$40 million<br>0.60% on the next \$25 million<br>0.50% on the Balance                                   | 0.65%<br>\$360,113                                | 0.83%                         |
| Non-U.S. All-Cap Core    | NTGI ACWI Ex-US                    | 0.08% on the Balance                                                                                                                                          | 0.08%<br>\$75,710                                 | 0.12%                         |
| Non-U.S. Large-Cap Core  | Vontobel Asset Management          | 0.85% on the first \$50 million<br>0.75% on the next \$50 million<br>0.65% on the next \$400 million<br>0.60% on the Balance                                  | 0.77%<br>\$949,049                                | 0.68%                         |
| Non-U.S. Small-Cap Value | GMO Small-Cap                      | 0.75% on the Balance                                                                                                                                          | 0.75%<br>\$495,341                                | 1.16%                         |
| Emerging Markets         | OFI Institutional Asset Management | 0.85% on the first \$50 million<br><b>0.80% on the next \$50 million</b><br>0.70% on the Balance                                                              | 0.84%<br>\$474,836                                | 0.92%                         |
| Hedged Equity Hedge FoF  | ABS                                | 0.85% on the Balance<br><b>*redemptions quarterly with 45 days notice</b>                                                                                     | 0.85%<br>\$828,530                                | 1.37%                         |
| Hedged Equity Hedge FoF  | K2                                 | 0.90% on the Balance<br><b>*redemptions quarterly with 91 days notice</b>                                                                                     | 0.90%<br>\$882,459                                | 1.37%                         |

# Total Fund Composite

# Fee Schedule

Market Value: \$1,790.0 Million and 100.0% of Fund

| Asset Class                             | Investment Manager       | Fee Schedule                                                                                                                                                                                        | Expense Ratio & Estimated Annual Fee <sup>1</sup> | Industry Average <sup>2</sup> |
|-----------------------------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-------------------------------|
| Core Real Estate                        | American Realty Advisors | 0.95% on the Balance                                                                                                                                                                                | 0.95%<br>\$348,007                                | 1.03%                         |
| Core Real Estate                        | Morgan Stanley           | 0.90% on the Balance                                                                                                                                                                                | 0.90%<br>\$1,128,395                              | 1.03%                         |
| Core Real Estate                        | UBS                      | 0.955% on the first \$10 million<br>0.825% on the next \$15 million<br>0.805% on the next \$25 million<br>0.79% on the next \$50 million<br>0.67% on the next \$150 million<br>0.60% on the Balance | 0.90%<br>\$163,805                                | 1.03%                         |
| Core Infrastructure                     | IFM                      | 1.25% on the Balance<br><b>Performance Fee:</b><br><b>20% of return above 8% on a rolling three year basis</b>                                                                                      | 1.25%<br>\$864,693                                | 1.80%                         |
| Core Infrastructure                     | J.P. Morgan              | 1.50% on the first \$50 million<br>1.55% on the Balance<br><b>Performance Fee: 15% with 7% Hurdle</b><br><b>(six year soft lock, effective lock 4.5 years)</b>                                      | 1.52%<br>\$1,274,869                              | 1.80%                         |
| Private Equity                          | Adams Street             | 0.67% on the first \$50 million<br>0.60% on the Balance<br><b>10% carry on secondaries and co-invest</b><br><b>(Effective Rate Over 15 Yr Term)</b>                                                 | 0.67%<br>\$316,066                                | 1.11%                         |
| U.S. Private Equity FoF                 | Siguler Guff             | 0.69% on commitment                                                                                                                                                                                 | 1.27%<br>\$276,000                                | 2.04%                         |
| U.S. Private Equity FoF                 | Mesirow VI               | 0.70% on commitment                                                                                                                                                                                 | 6.67%<br>\$210,000                                | 10.57%                        |
| Cash Overlay                            | Northern Trust           | 0.07% on the first \$100 million<br>0.06% on the next \$150 million<br>0.05% on the Balance                                                                                                         | 0.07%<br>\$35,536                                 | 0.20%                         |
| <b>Total Investment Management Fees</b> |                          |                                                                                                                                                                                                     | <b>0.58%</b><br><b>\$10,469,501</b>               | <b>0.78%</b>                  |
| Custodian                               | BNY Mellon               | \$100,000 Annual Fee (approximate)                                                                                                                                                                  | \$100,000                                         | N/A                           |
| <b>Total Fund</b>                       |                          |                                                                                                                                                                                                     | <b>0.59%</b><br><b>\$10,569,501</b>               |                               |

<sup>1</sup> Expense Ratio & Estimated Annual Fee are Based on Market Value at Month End.

<sup>2</sup> Source: 2010 Marquette Associates Investment Management Fee Study.