

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

BOARD AGENDA

Retirement Board Regular Meeting - Thursday, November 19, 2015 - 2:00 p.m.
City Hall - Second Floor Conference Room, 100 North U.S. #1, Fort Pierce, Florida

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **COMMENTS FROM THE PUBLIC** (limited to 4 minute duration)
4. **CONSIDERATION OF MINUTES**
 - A. Approval of the Summarized Minutes of October 15, 2015
5. **REPORT FROM BOARD ATTORNEY**
6. **PUBLIC HEARINGS ON BENEFIT APPLICATIONS**
 - A. Erin Greiner Application for Deferred Retirement
7. **OLD BUSINESS**
8. **NEW BUSINESS**
 - A. Discussion on Future Legal Representation
 - B. Review of performance evaluations from Consultant - Callan Associates
 - C. Report From Money Managers
9. **CONSENT AGENDA**
10. **CONSIDERATION OF ABSENCES**
11. **BOARD MEMBER COMMENTS**
12. **ADJOURNMENT**
13. **MISCELLANEOUS INFORMATION**

In accordance with the Americans With Disabilities Act of 1990, persons needing a special accommodation to participate in this proceeding should contact the Recording Secretary of the Retirement and Benefit System at the Finance Department of the City of Fort Pierce no later than three business days prior to the proceeding. Telephone (772) 467-3000 for assistance.

Any person seeking to appeal any decision by the Retirement Board with respect to any matter considered at this meeting is advised that a record of proceedings is required in any such appeal and that such person may need to insure that a verbatim record of the proceedings is made including the testimony and evidence upon which the appeal is to be based.

Retirement Board**Meeting Date:** 11/19/2015**Re:** Approval of Minutes

Information**SUBJECT:**

Approval of the Summarized Minutes of October 15, 2015

Attachments

Summarized Minutes

Form Review

Form Started By: Queen Thompkins

Started On: 11/09/2015 04:44 PM

Final Approval Date: 11/09/2015

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
OCTOBER 15, 2015**

Summarized Minutes of the regular meeting of the City of Fort Pierce Retirement and Benefit System, October 15, 2015 at 2:06 p.m., in the 2nd Floor Conference Room at City Hall.

Present:

Commissioner Reginald Sessions
Johnna Morris
Stanley Fidge, Vice Chair
Nina Hurtubise

City Commission Member
Interim Director of Finance
General Member
U.A. Board Appointee

Attorney Jim Walker
Christina Paz

Assistant City Attorney, Advisory
Retirement Clerk

Absent:

Commissioner Tom Perona, Chair
Rodney Nieves
Keith Stephens

City Commission Member
Police Officer Member
U.A. General Manager

Recording:

Queen Thompkins

Executive Assistant to Director of Finance

ITEM NO. 1 & 2 ~ ROLL CALL

Co-Chairperson, Stanley Fidge called the meeting to order at 2:03 p.m., the first item on the agenda being the “*Roll Call*”.

ITEM NO. 3 ~ COMMENTS FROM THE PUBLIC

Mr. Stanley Fidge, the next item on the agenda was comments from the public. There were no comments from the public.

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ITEM NO. 4 ~ APPROVAL OF SUMMARIZED MINUTES OF SEPTEMBER 17, 2015.

Mr. Fidge, the next item was the approval of the summarized minutes of September 17, 2015 and asked if there was a motion to approve the minutes.

A motion was made by Ms. Nina Hurtubise and seconded by Comm. Reginald Sessions to approve the summarized minutes of September 17, 2015.

All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously.

ITEM NO. 5 ~ ATTORNEY'S REPORT

Attorney Jim Walker stated there were no specific items to be covered under the report. Mr. Walker said he is available for questions from the Board. There were no questions from the Board.

ITEM NO. 6 ~ PUBLIC HEARING ON BENEFITS APPLICATIONS

Mr. Fidge stated that the next item on the agenda was Public Hearings on Benefit Applications.

Mr. Fidge opened up the public hearing for comments on the request for retirement from Joseph Massimino with 25 years of service with the Fort Pierce Utilities Authority. He asked if there was any one here who would like to publicly comment on this request. Seeing none, Mr. Fidge closed the public hearing. Mr. Fidge opened up the matter for the Board. **A motion was made by Comm. Sessions and seconded by Ms. Nina Hurtubise to approve the request for retirement from Joseph Massimino.** Mr. Fidge asked for any questions or comments on this request before the motion was called. **All those in favor of the motion signified by saying aye. There was no opposition and the motion was carried unanimously.**

Mr. Fidge opened up the public hearing for comments on the request for retirement from Glyndon Moberly with 25 years and 6 months of service with the Fort Pierce Utilities Authority. He asked if there was any one here who would like to publicly comment on this request. Seeing none, Mr. Fidge closed the public hearing. Mr. Fidge opened up the matter for the Board. **A motion was made Ms. Johnna Morris and seconded by Comm. Sessions to approve the request for retirement from Glyndon Moberly.** Mr. Fidge asked for any questions or comments on this request before the motion was called. **All those in favor of the motion signified by saying aye. There was no opposition and the motion was carried unanimously.**

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Mr. Fidge opened up the public hearing for comments on the request for retirement from Paul C. Godsil with 15 years and 6 months of service with the Fort Pierce Utilities Authority. He asked if there was any one here who would like to publicly comment on this request. Seeing none, Mr. Fidge closed the public hearing. Mr. Fidge opened up the matter for the Board. **A motion was made Ms. Hurtubise and seconded by Comm. Sessions to approve the request for retirement from Paul C. Godsil.** Comm. Perona asked for any questions or comments on this request before the motion was called. **All those in favor of the motion signified by saying aye. There was no opposition and the motion was carried unanimously.**

**ITEM NO. 7 A. ~ SECOND READING OF ORDINANCE AMENDING SECTION 13
OF THE CODE – DISABILITY RETIREMENT**

Mr. Walker said this was not an actual reading. The ordinance draft was presented to the Board at the last meeting so that they might review it and determine if they want to make a recommendation to the Commission on the subject of the ordinance. He said the ordinance was drafted by him at the request of the Disability Committee and they reviewed it and forwarded it to the Board with request that the Board consider recommending it to the Commission. Mr. Walker said the reason the Committee asked that this ordinance be drafted was because of concern over what the Committee felt was vague, amorphous standards that currently govern the City's code requirements involving the permanent total disability. Mr. Walker said, for example, if an employee comes down with a disability and is unable to do his/her normal job and the City has no other work available; the employer certifies that the employee cannot do that job; the doctors agrees that the employee's disability is permanent and disqualifies that individual, then that individual is eligible for disability under our code of ordinances. Mr. Walker stated this does not tell the whole story and not to pick on our police officers; we are aware of the differential to their status and we lose no opportunity to honor our first responders. For example if that first responder cannot do the duties required as a police officer, then the police officer may well be retired on that basis. Nevertheless, they are capable of doing many other things within the area so that the officer ends up getting a disability pension while simultaneously embarking on another second career elsewhere. Our ordinance is often used to award partial disability rather total disability. Another concern the Committee had was with respect to the role of doctors under our code. The way it is done now is the doctors are asked to give us an opinion on disability, which is outside their expertise. The doctor is, in fact, only qualified to offer opinions on impairment and physical limitations. There is a vast difference between impairment, which is a medical question and a disability, which is actually a mixed question of medicine and vocational rehabilitative considerations. With that, the Disability Committee wish to recommend an ordinance that would amend our code to address such concerns. The draft ordinance that you have in front of you borrows very heavily on the City of Gainesville's ordinance which was studied along with a number of others and found to be very sophisticated in this area. Mr. Walker said this is where we are and would be happy to answer any questions that the Board might have.

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Mr. Fidge asked the Board if they had any questions. He said he did recall Comm. Perona's concern about the 50-mile radius issue that might cause a problem regarding the distance and limitation.

Mr. Walker said the scope of this is a lot less demanding than Social Security. With Social Security, you have to establish that there is nothing in the national economy that you could do. Here, we ask only that there be a showing of an inability to work in the immediate area as defined by an arbitrary radius of 50 miles. Mr. Walker also pointed out that this does have the effect of impacting substantive entitlement to fees and therefore, if this goes on to the Commission, it is not going to be recommended that the Commission actually adopts this yet without first presenting it collective bargaining.

Mr. Fidge asked at this point if this is the second review of the proposed change and if the recommendation is to forward it to the Commission or the Disability Committee.

Mr. Walker said it was coming from the Disability Committee with request that this Board consider forwarding it to the Commission. If the Commission wishes to do so, they may adopt this as an agenda for eventual adoption subject in collective bargaining process.

Mr. Fidge said he noticed some editing in the ordinance when he was reviewing it so the Board would basically be recommending that it be pushed forward as is.

Mr. Walker said as is or with any changes or deletions that the Board might feel appropriate.

Comm. Sessions said to Mr. Walker that he mentioned it being an issue for collective bargaining; he asked is it normal practice of those in the past that have passed this and this has been an issue that has been put on the table; at the bargaining table for the Unions or is it something that the Commission has just gone ahead and actually continued and made it an ordinance or is it something that is subject to bargaining?

Mr. Walker said some provisions which were strictly procedural which didn't affect benefits were simply adopted. However, where they did have the effect of reducing benefits, we either got the Union's agreement or we got it without the bargaining; or we got it through the bargaining process. Once that's forthcoming, it's been formally adopted and put in the code. It really all depends on the specific provisions.

Comm. Sessions asked Mr. Walker, when he said provisions?

Mr. Walker said procedural versus substantive. He said some of this is clearly procedural. Other provisions in this draft are substantive; they are intertwined and we can break out the specific provisions that the Commission wanted to go ahead and adopt procedural measures immediately.

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Mr. Fidge said substantive would be there areas where they are looking at partial disability versus in the past that was total disability; those would be the substantial benefit type considerations.

Mr. Walker said this is intended to tighten up total disability and make it truly total as opposed to the current situation where in fact it is often much more partial rather than total. The concern that Ms. Gloria Johnson expressed for a number of years in fact, was that we were giving out a lot of awards under circumstances she thought perhaps with revision of the code might not be made.

Mr. Fidge asked if there were any questions or comments. He opened up the matter to the Board. **A motion was made by Comm. Reginald Sessions and second by Ms. Nina Hurtubise to forward to the City Commission, for approval, an Ordinance amending Section 13 of the Code - Disability Retirement. All those in favor of the motion signified by say aye. There were no opposition and the motion was carried unanimously.**

Mr. Walker mentioned that Lieutenant Bender is on the committee and he was very unhappy with this on behalf of the police department. It was explained to him they would be given another chance during the bargaining process

Comm. Sessions said this raises another question. He said what if the Union decides that particular portion they do not want to include for the purpose of bargaining? However, the Commission passes the ordinance in its totality; would this cause a problem?

Mr. Walker said the way that would work is that if the parties were at an impasse, and they couldn't reach an agreement and neither side would give, the City, as you know, has the ability in the end; once the procedure has been carried out, can adopt it.

Comm. Sessions asked if this was mandated or subject to go away with an impasse.

Mr. Walker said if the City absolutely felt that it needed this provision, The City could still adopt it. It should still be submitted to the process.

**ITEM NO.8 A. ~ APPOINTMENT OF CHAIRPERSON AND VICE CHAIRPERSON
FOR FY 2016**

Mr. Fidge said it is time to appoint the Chairperson and Vice-Chairperson for Fiscal Year 2016. Mr. Fidge said they have a quorum, but asked if the Board wanted to wait until all Board members were present.

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Ms. Johnna Morris said they have a quorum and do not have to wait to appoint the Chairperson and Vice-Chairperson.

A motion was made by Ms. Hurtubise and seconded by Comm. Sessions that Comm. Tom Perona be appointed Chairperson and Mr. Stan Fidge be appointed Vice-Chairperson of the City of Fort Pierce Retirement and Benefit Board.

All those in favor of the motion signified by saying aye. There was no opposition and the motion was carried unanimously.

ITEM NO. 8 B. ~ DISCUSSION FOR FUTURE LEGAL REPRESENTATION

Mr. Fidge said it was his understanding that it was recommended to have this item pulled until the next meeting.

Mr. Walker said that it was stated the subject was perhaps best brought up while the Chairperson was present and he could not be here at the meeting today.

Mr. Fidge said he understood and it was probably best to have all Board members present.

Mr. Sessions said that he would like to inquire while they are talking about the subject matter, if it is okay with the Board.

Mr. Fidge gave Comm. Sessions the floor.

Comm. Sessions asked Mr. Walker if he was interested in the position.

Mr. Walker said the question has been presented to him off the record by others and he has indicated that, if it was the pleasure of the Commission, he would be happy to continue to serve the Board.

Comm. Sessions said thank you to Mr. Walker.

Mr. Fidge said this will be officially pulled for the next meeting.

ITEM NO. 9 ~ CONSENT OF AGENDA

Mr. Fidge, the next item is the Consent Agenda.

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
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A motion was made by Mr. Hurtubise and seconded by Comm. Sessions to approve the refund of member contributions.

All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously.

ITEM NO. 10 ~ CONSIDERATION OF ABSENCES

Mr. Fidge, the next item is Consideration of Absences.

A motion was made by Mr. Fidge and seconded by Ms. Hurtubise to approve the absence of Commissioner Tom Perona and Keith Stephens.

All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously.

ITEM NO. 11 ~ BOARD MEMBER COMMENTS

Mr. Fidge commented that he attended the conference and it was excellent. He said that he attended the actuary seminar. He said there were different actuaries coming from different organizations. Mr. Fidge said it was brought up about the new mortality tables that the State of Florida requires. It was discussed at lengths, the impacts of the change in cost to the system because of the new mortality tables.

Ms. Hurtubise said Mr. Keith Stephens told her to pass along that he found the conference very enlightening and also found that the Board is doing a lot of the right things.

Mr. Fidge said this was good because they can always reach out to peers and find out what they are doing in comparison to what this Board is doing.

Ms. Hurtubise said there is a lot of interest on the Utilities Authority side about the change to the 8-year final average salary calculation. She asked if she can get an update as to where that is.

Ms. Morris said they are still in the bargaining process. One Union; the Teamsters Union, has agreed to it. They have one down and two to go, but still no progress as of yet.

Ms. Hurtubise thanked Ms. Morris for the update.

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
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ITEM NO. 12 ~ NEXT MEETING

The next item was next month's meeting. The next meeting was scheduled for November 19, 2015 at 2:00 p.m.

ITEM NO. 13 ~ ADJOURNMENT

Seeing that there were no further questions or comments, a **motion was made by Mr. Fidge and seconded by Ms. Hurtubise to adjourn the meeting.**

All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously.

The meeting was adjourned the meeting at 2:30 p.m. Mr. Fidge thanked everyone for their time and attendance.

ATTEST:

Secretary/Treasurer

Chairperson

Note: These minutes are not verbatim, only important issues and motions are reproduced in writing for the benefit of the Fort Pierce Retirement and Benefit System members. The recording itself is the official record for the meeting. The meeting tape/cd is available.

Retirement Board**Meeting Date:** 11/19/2015**Re:** Erin Greiner Application for
Deferred Retirement**Submitted For:** Johnna Morris, Interim Finance
Director, Finance Department

Information**SUBJECT:**

Erin Greiner Application for Deferred Retirement

Attachments

Form ReviewForm Started By: Queen Thompkins
Final Approval Date: 11/13/2015

Started On: 11/13/2015 12:38 PM

Retirement Board**Meeting Date:** 11/19/2015**Re:** William Blair Presentation**Submitted For:** Johnna Morris, Interim Finance
Director, Finance Department

Information**SUBJECT:**

Review of performance evaluations from Consultant - Callan Associates

Attachments

Fort Pierce Q3 2015 Callan Report

Form Review

Form Started By: Queen Thompkins

Started On: 11/12/2015 08:52 AM

Final Approval Date: 11/12/2015

September 30, 2015



City of Fort Pierce Retirement and Benefit System

Investment Measurement Service Quarterly Review

The following report was prepared by Callan Associates Inc. ("CAI") using information from sources that include the following: fund trustee(s); fund custodian(s); investment manager(s); CAI computer software; CAI investment manager and fund sponsor database; third party data vendors; and other outside sources as directed by the client. CAI assumes no responsibility for the accuracy or completeness of the information provided, or methodologies employed, by any information providers external to CAI. Reasonable care has been taken to assure the accuracy of the CAI database and computer software. Callan does not provide advice regarding, nor shall Callan be responsible for, the purchase, sale, hedge or holding of individual securities, including, without limitation securities of the client (i.e., company stock) or derivatives in the client's accounts. In preparing the following report, CAI has not reviewed the risks of individual security holdings or the conformity of individual security holdings with the client's investment policies and guidelines, nor has it assumed any responsibility to do so. Advice pertaining to the merits of individual securities and derivatives should be discussed with a third party securities expert. Copyright 2015 by Callan Associates Inc.

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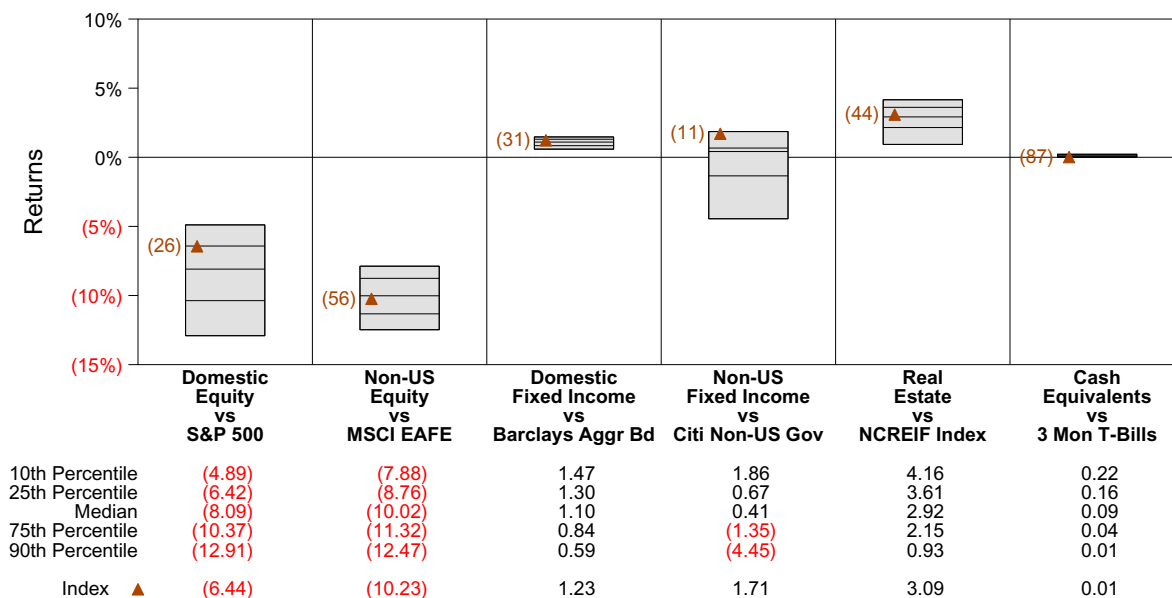
Market Overview

Active Management vs Index Returns

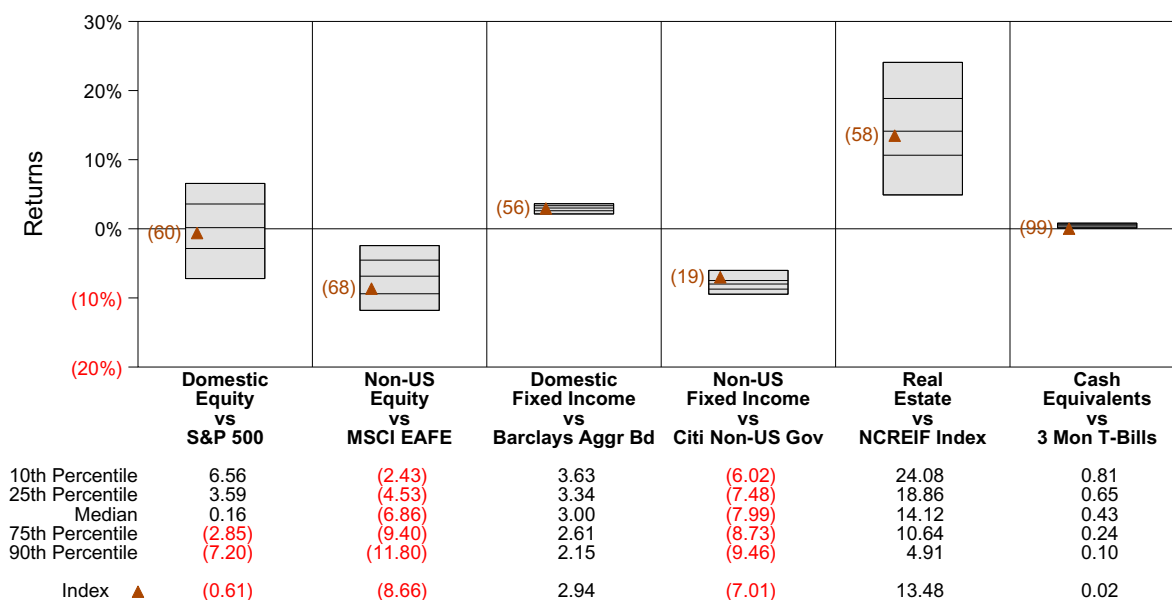
Market Overview

The charts below illustrate the range of returns across managers in Callan's Separate Account database over the most recent one quarter and one year time periods. The database is broken down by asset class to illustrate the difference in returns across those asset classes. An appropriate index is also shown for each asset class for comparison purposes. As an example, the first bar in the upper chart illustrates the range of returns for domestic equity managers over the last quarter. The triangle represents the S&P 500 return. The number next to the triangle represents the ranking of the S&P 500 in the domestic equity manager database.

Range of Separate Account Manager Returns by Asset Class One Quarter Ended September 30, 2015



Range of Separate Account Manager Returns by Asset Class One Year Ended September 30, 2015



Domestic Equity Active Management Overview

The S&P 500 Index (-6.4%) suffered its worst quarterly performance in four years as a result of August's China-led market selloff. Consistent with the risk off sentiment evident in the 3rd quarter, defensive sectors within the Index fared best. Across the market cap spectrum, active management suffered losses with most style categories faring worse than their respective indices. The underperformance of active management relative to passive was most pronounced within small cap growth; the median small growth manager lagged the S&P 600 Growth index by 395 basis.

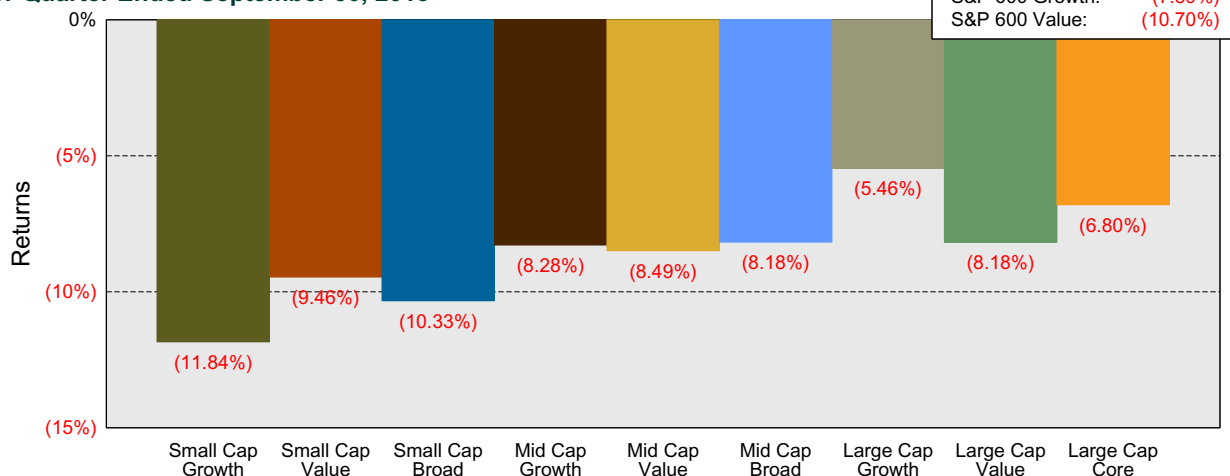
Large Cap vs. Small Cap

Large cap outperformed small cap (S&P 500: -6.4%; S&P 600: -9.3%) for the 3rd quarter at both the index level and within active management. Following the defensive theme in the quarter, the S&P 500 High Quality Index (-3.7%) outperformed its Low Quality counterpart (-10.0%) and Mega Caps (-2.5%) outperformed Microcaps (-13.8%).

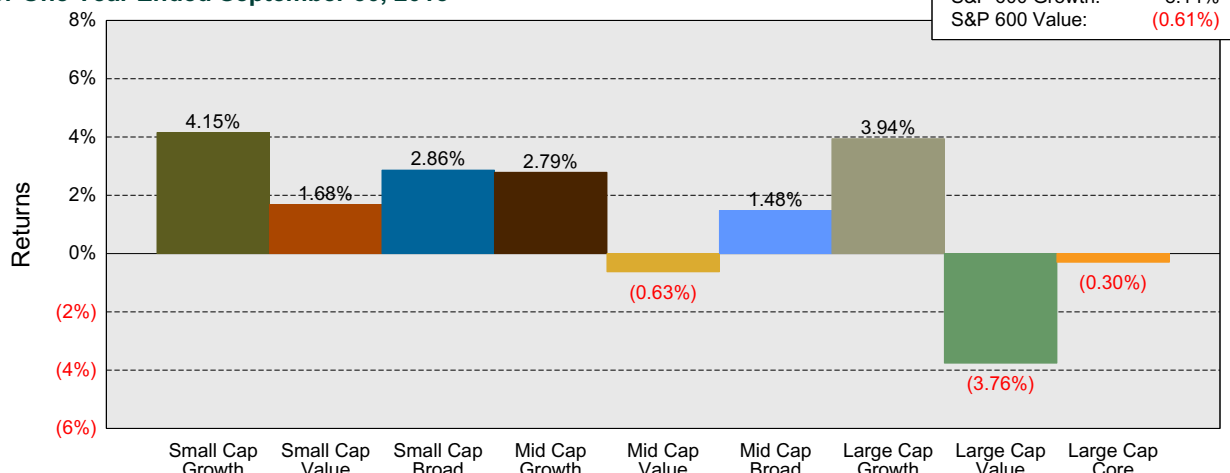
Growth vs. Value

With respect to style, growth outperformed value within both large cap and small cap at the index level, however results were mixed for active management. Within large cap, the median large cap growth manager (-5.5%) outpaced the median large value manager (-8.2%), whereas the trend was reversed within small cap (small growth median -11.8% vs. small value median -9.5%).

Separate Account Style Group Median Returns for Quarter Ended September 30, 2015



Separate Account Style Group Median Returns for One Year Ended September 30, 2015



Domestic Fixed Income Active Management Overview

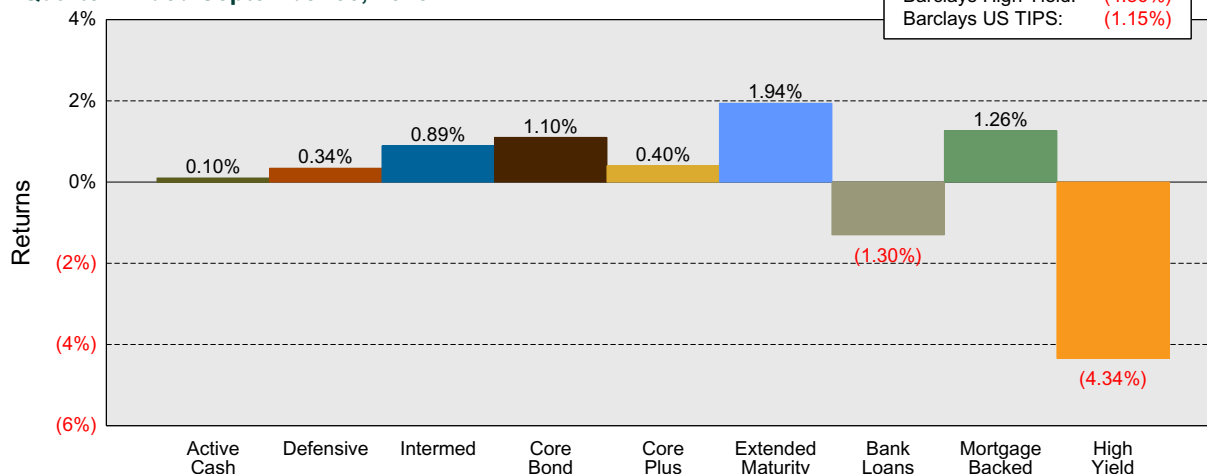
Active vs. Index

"Risk off" sentiment prevailed in the 3rd quarter as worries over the slowdown in China and falling commodity prices mounted. The Fed put its widely anticipated first rate hike since 2006 on hold yet again, citing global macroeconomic concerns. In this environment, bonds performed well. The yield on the 10-year Treasury fell about 30 bps and the Treasury returned 2.9% for the quarter, fulfilling its flight-to-quality role. The Barclays Aggregate Index posted a 1.2% quarterly result, underperforming Treasuries as corporate spreads widened. For the quarter, corporates underperformed like-duration Treasuries by nearly 150 bps. High yield suffered even more; the Barclays High Yield Index sank 4.9%. TIPS were the other notable underperformers this quarter. These inflation-linked securities sharply underperformed nominal Treasuries as expectations for inflation over the next ten years shrank from 1.86% as of 6/30 to 1.41% as of 9/30. The Barclays TIPS Index returned -1.2% versus +1.8% for the US Treasury Index. In this environment, the median Core Bond manager underperformed the Barclays Aggregate.

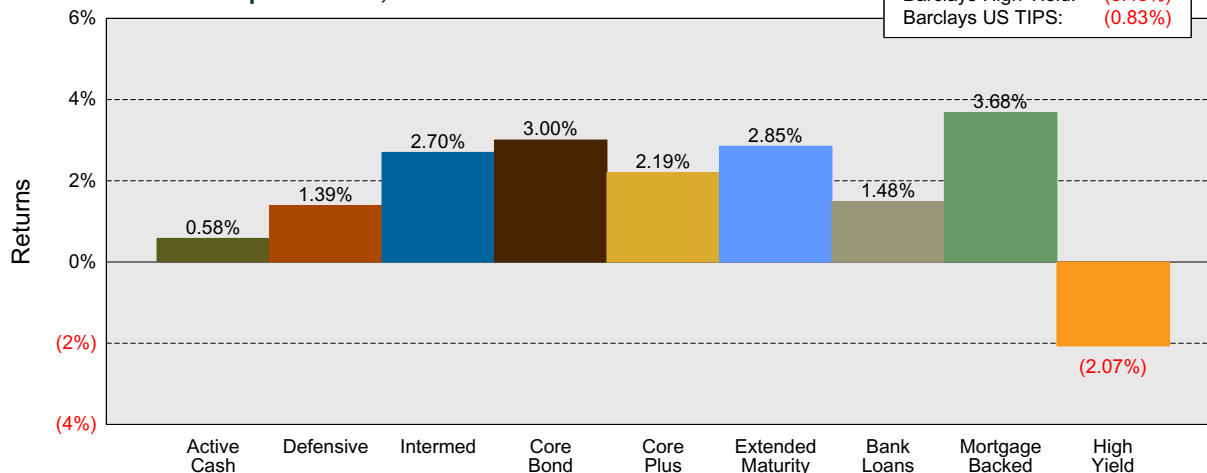
Intermediate vs. Long

Longer duration funds significantly outperformed intermediate and short duration strategies in the 3rd quarter as rates dropped. The median Extended Maturity fund returned 1.9% while the median Intermediate fund was up only 0.9% and the median Defensive fund posted a barely positive 0.3% return.

Separate Account Style Group Median Returns for Quarter Ended September 30, 2015



Separate Account Style Group Median Returns for One Year Ended September 30, 2015



International Equity Active Management Overview

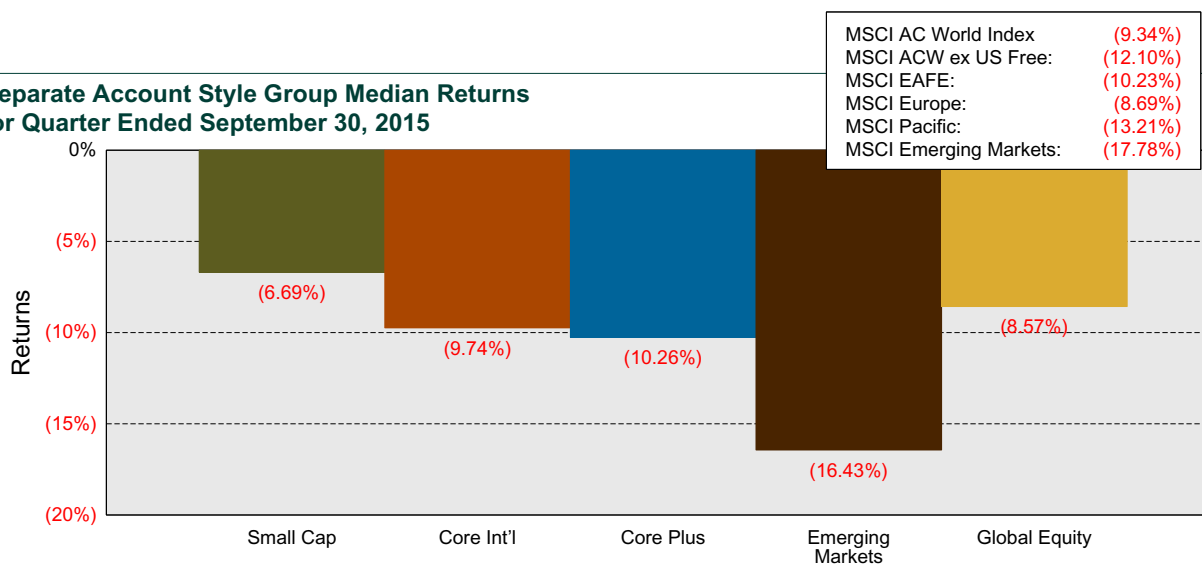
Active vs. Index

Outside of the US, the sputtering recovery in Europe lost some momentum as the global economic picture soured, and many non-US markets were down double digits. Major developed markets Japan (-11.8%) and the United Kingdom (-10%) performed in line with the broad international equity benchmarks, MSCI ACWI ex US (-12.1%) and EAFE (-10.2%). International Small Cap (-6.8%) was somewhat of an anomaly, posting a return well above other typically less volatile areas of the international markets. Active management performed within +/- 100 basis points of the respective indices across the non-US regions with no clear trend for the 3rd quarter.

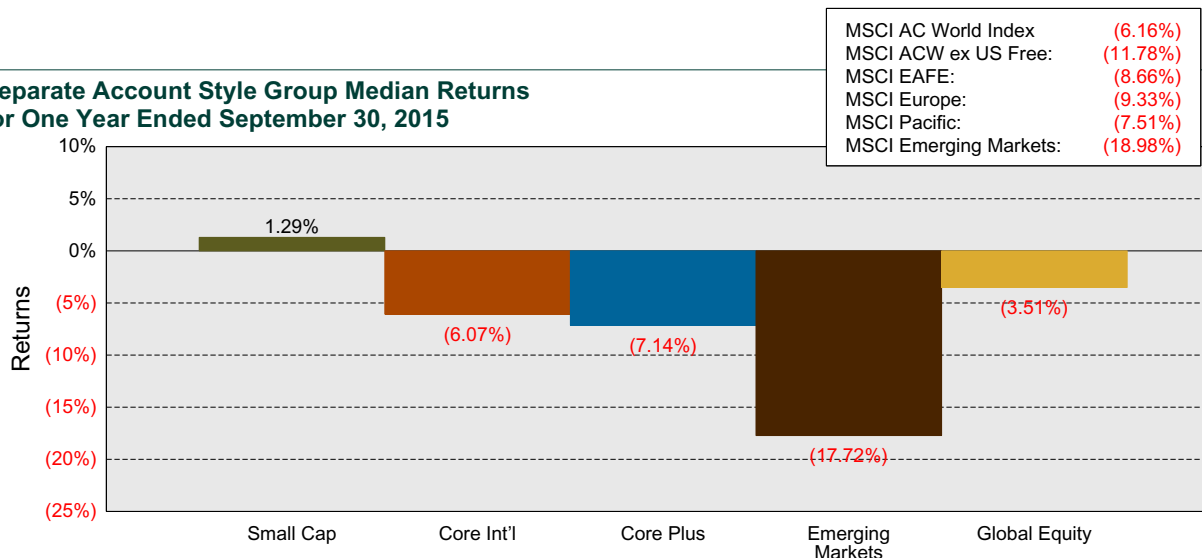
Emerging Markets

Emerging markets were severely impacted by slowing growth, falling commodity prices and capital outflows with currencies hit especially hard (MSCI EM Index US\$: -17.8%; MSCI EM Local: -12.0%). Active management (EM style median -16.4%) edged out the MSCI EM Index (-17.8%) for the 3rd quarter. In July, China's stock market swoon and the resultant intervention by the government took investors by surprise. Angst continued in August; following China's announcement that manufacturing activity had slowed to a 6-year low, Black Monday (August 24th) ended with the Shanghai Composite Index down 8%. China (MSCI China \$: -22.7%) underperformed Russia (MSCI Russia \$: -14.4%; MSCI Russia Local: -2.6%) and India (MSCI India \$: -6.7%; MSCI India Local: -3.9%). However, Brazil was among the worst performers (MSCI Brazil \$: -33.6%, MSCI Brazil Local: -14.8%) as it suffered from the sharp drop in oil prices, a bloated fiscal program, and political challenges.

Separate Account Style Group Median Returns for Quarter Ended September 30, 2015



Separate Account Style Group Median Returns for One Year Ended September 30, 2015



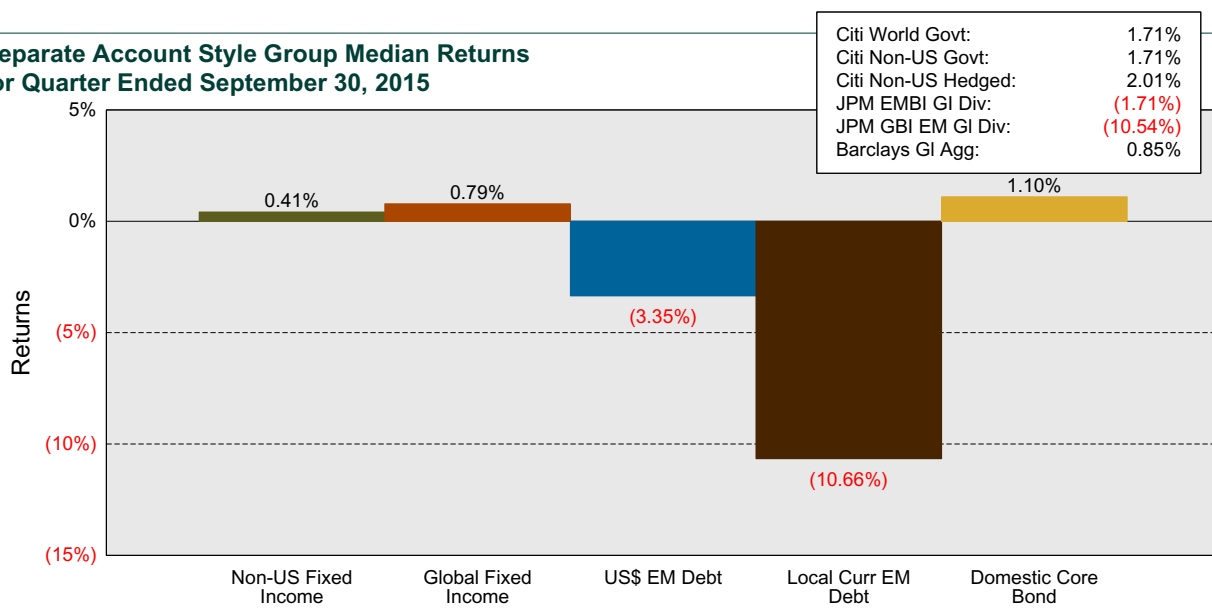
International Fixed Income Active Management Overview

Active vs. Index

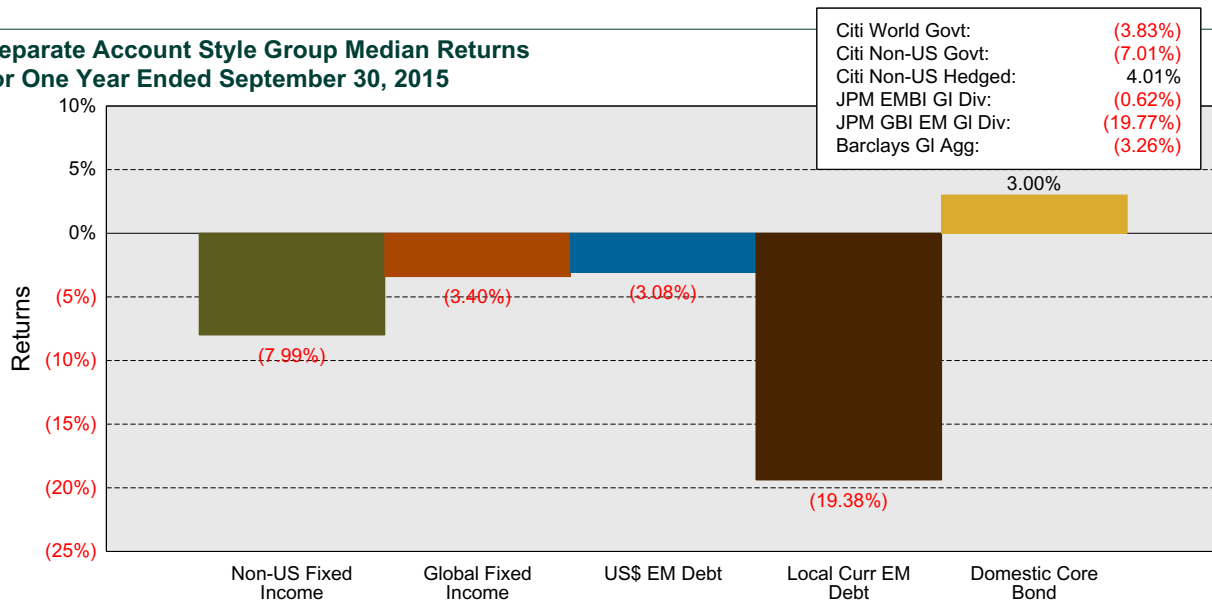
Developed sovereign bonds performed relatively well as interest rates fell on mounting concerns over a slowing global economy. The Barclays Global Aggregate Index returned 0.9%, in line with returns in the US bond market. Hedged in US dollars, the Index was up 1.3%. While most countries produced positive returns, energy-related currency weakness in Canada and Australia translated into weak returns on an unhedged basis (both down 6%).

Emerging markets debt faced numerous headwinds in the 3rd quarter. Slowing demand from China, falling commodity prices, capital outflows, risk-off sentiment and worries over a Fed hike all contributed to poor 3rd quarter returns, particularly in EM currencies. The dollar-denominated JPM EMBI Global Diversified Index returned -1.7% while the local currency-denominated JPM GBI-EM Global Diversified sank 10.5%. The most notable underperformer was Brazil (Brazil EMBI GI Div: -10%; Brazil GBI-EM GI Div: -25%). Brazil is suffering from the sharp drop in oil prices, a bloated fiscal program, and political challenges. It was downgraded by S&P to junk status during the quarter and has seen its currency decline versus the US dollar by roughly 40% over the past year. Both the median hard and local currency funds underperformed their respective benchmarks during the quarter.

Separate Account Style Group Median Returns for Quarter Ended September 30, 2015



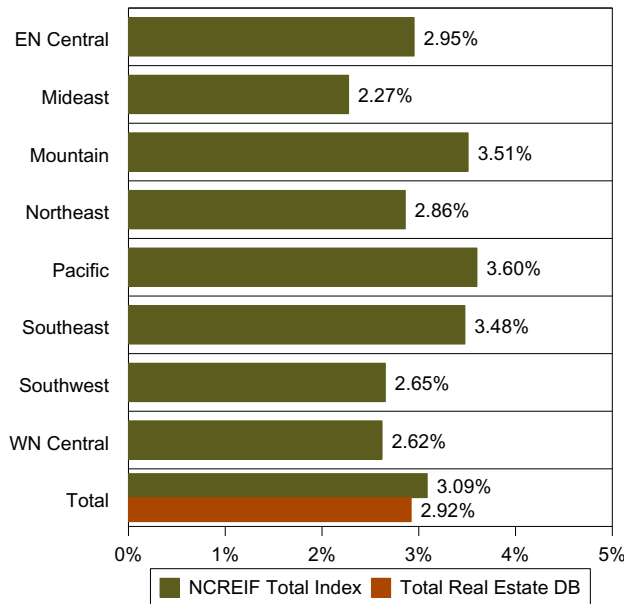
Separate Account Style Group Median Returns for One Year Ended September 30, 2015



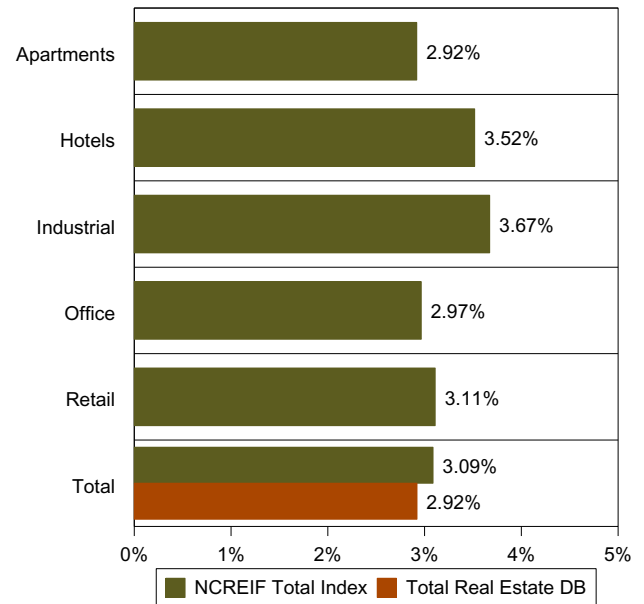
Real Estate Market Overview

The NCREIF Property Index advanced 3.09% and recorded a 1.22% income return and a 1.87% appreciation return. In the U.S., sectors were mixed and markets were volatile. Positive sector performance was led by Self-Storage (+16.14%), followed by Residential (+6.94%), Industrial (+5.00%), Malls (+4.12%), and Healthcare (+2.41%). Negative sector performance was led by Office (-1.24%), followed by Lodging (-13.73%). NCREIF appraisal capitalization rates decreased to 4.67%, while transactional capitalization rates increased to 5.91%. NCREIF recorded 204 trades during the quarter representing \$7.8 billion of transaction volume.

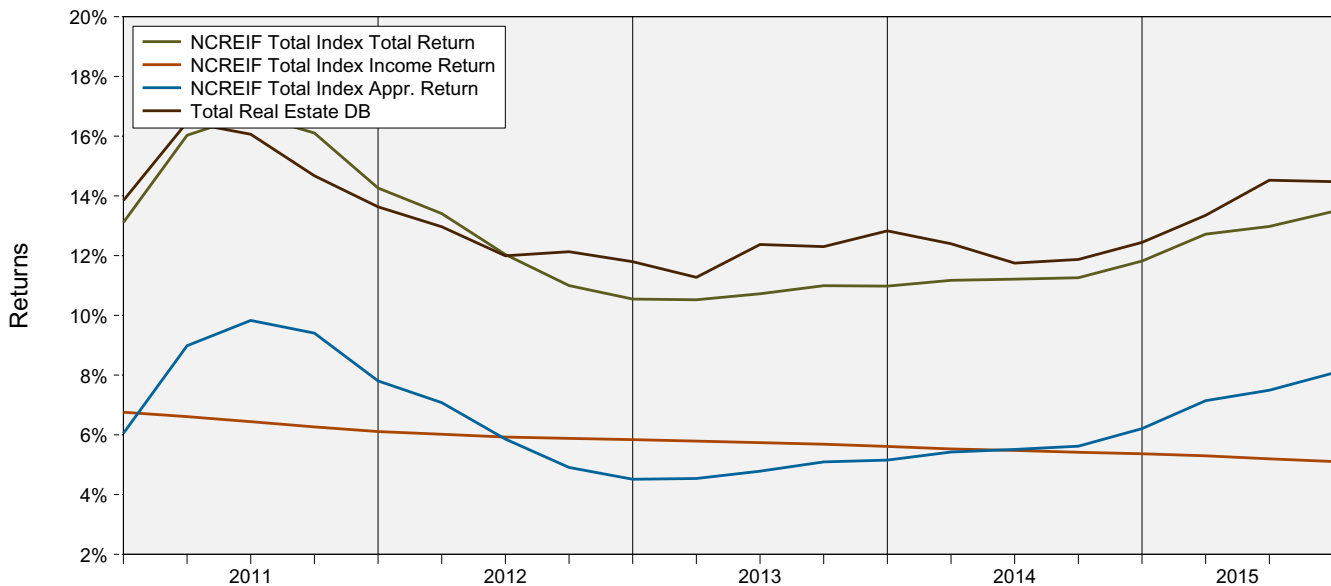
**NCREIF Total Index Returns by Geographic Area
Quarter Ended September 30, 2015**



**NCREIF Total Index Returns by Property Type
Quarter Ended September 30, 2015**



Rolling 1 Year Returns



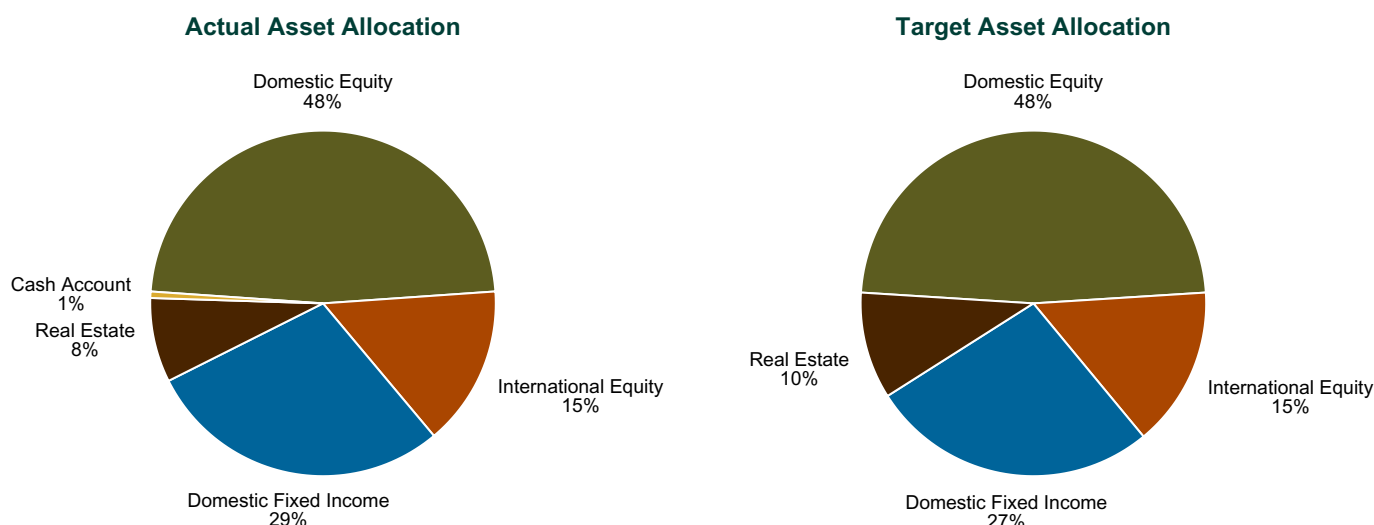
ASSET ALLOCATION AND PERFORMANCE

Asset Allocation and Performance

This section begins with an overview of the fund's asset allocation at the broad asset class level. This is followed by a top down performance attribution analysis which analyzes the fund's performance relative to the performance of the fund's policy target asset allocation. The fund's historical performance is then examined relative to funds with similar objectives. Performance of each asset class is then shown relative to the asset class performance of other funds. Finally, a summary is presented of the holdings of the fund's investment managers, and the returns of those managers over various recent periods.

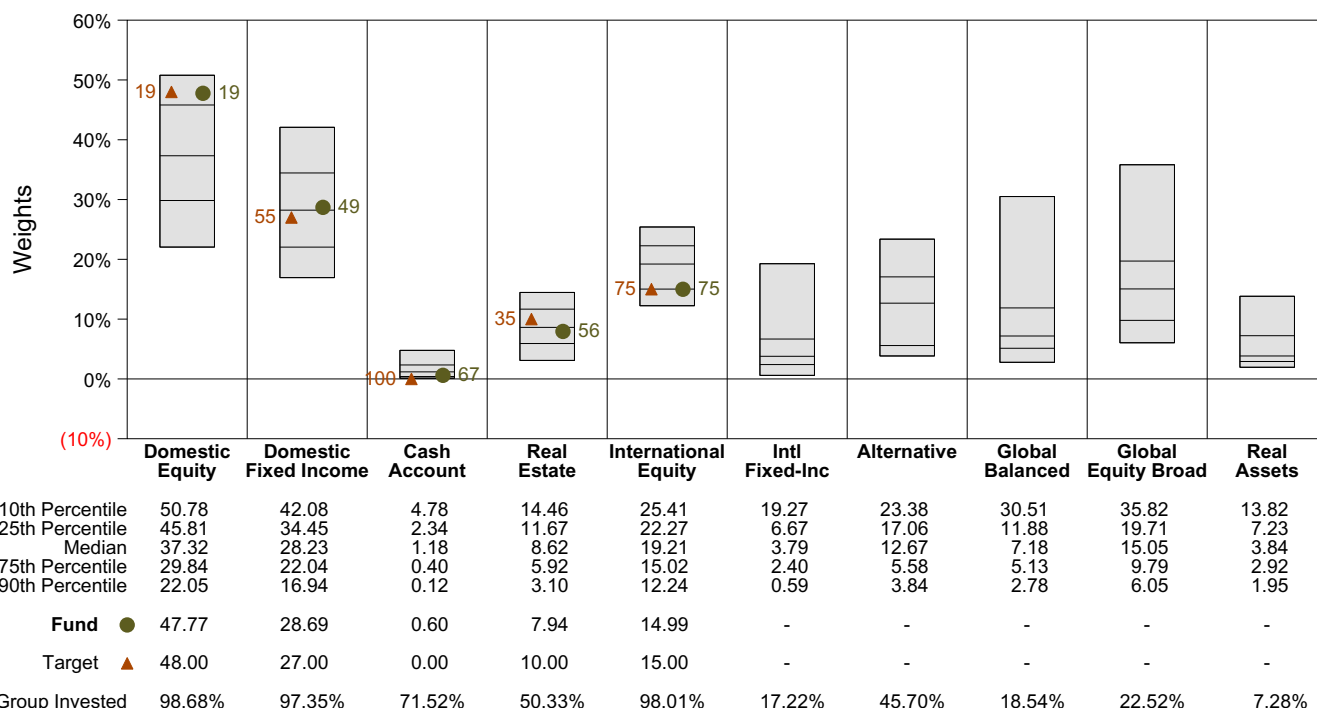
Actual vs Target Asset Allocation As of September 30, 2015

The top left chart shows the Fund's asset allocation as of September 30, 2015. The top right chart shows the Fund's target asset allocation as outlined in the investment policy statement. The bottom chart ranks the fund's asset allocation and the target allocation versus the Public Fund Sponsor Database.



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equity	82,140	47.8%	48.0%	(0.2%)	(398)
International Equity	25,779	15.0%	15.0%	0.0%	(14)
Domestic Fixed Income	49,341	28.7%	27.0%	1.7%	2,913
Real Estate	13,658	7.9%	10.0%	(2.1%)	(3,538)
Cash Account	1,037	0.6%	0.0%	0.6%	1,037
Total	171,955	100.0%	100.0%		

Asset Class Weights vs Public Fund Sponsor Database

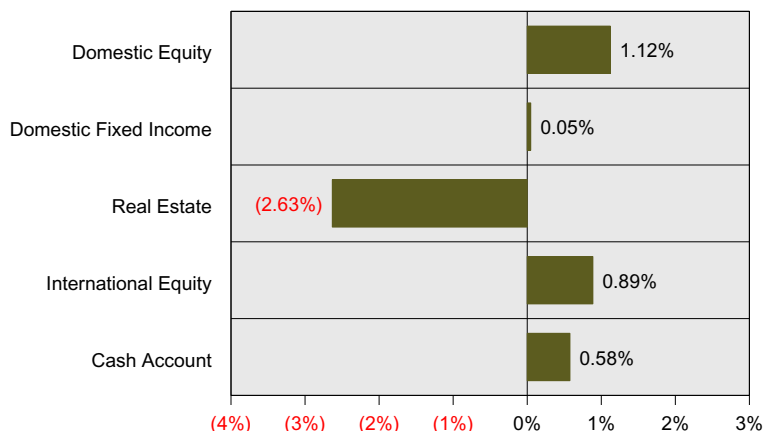


* Current Quarter Target = 33.0% S&P 500 Index, 27.0% Barclays Aggregate Index, 15.0% MSCI ACWI ex US Index, 10.0% NFI-ODCE Equal Weight Net, 7.5% S&P Mid Cap 400 Index, 3.8% Russell 2000 Growth Index and 3.8% Russell 2000 Value Index.

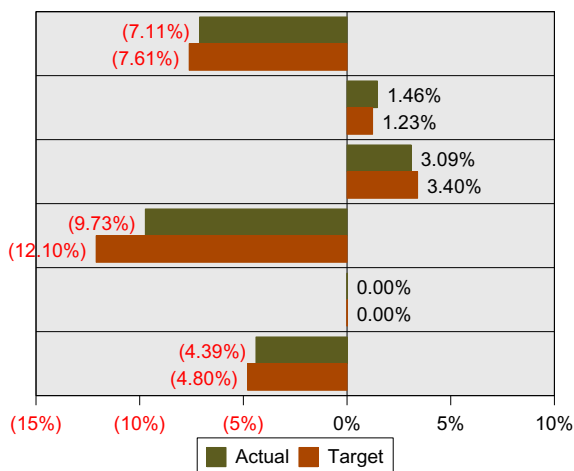
Quarterly Total Fund Relative Attribution - September 30, 2015

The following analysis approaches Total Fund Attribution from the perspective of relative return. Relative return attribution separates and quantifies the sources of total fund excess return relative to its target. This excess return is separated into two relative attribution effects: Asset Allocation Effect and Manager Selection Effect. The Asset Allocation Effect represents the excess return due to the actual total fund asset allocation differing from the target asset allocation. Manager Selection Effect represents the total fund impact of the individual managers excess returns relative to their benchmarks.

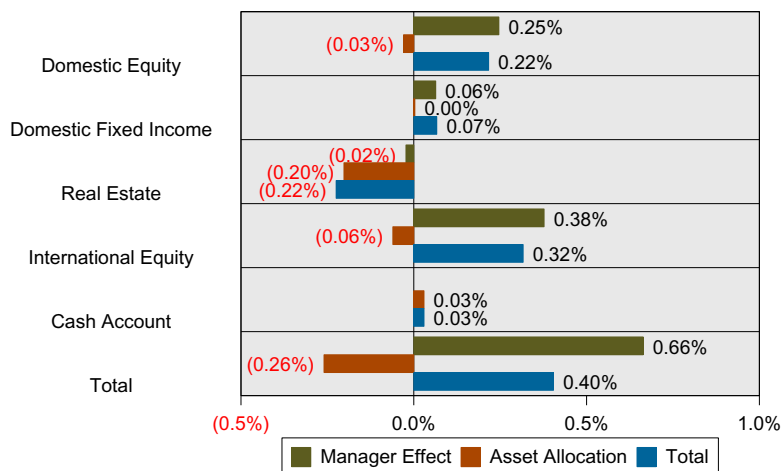
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Quarter ended September 30, 2015

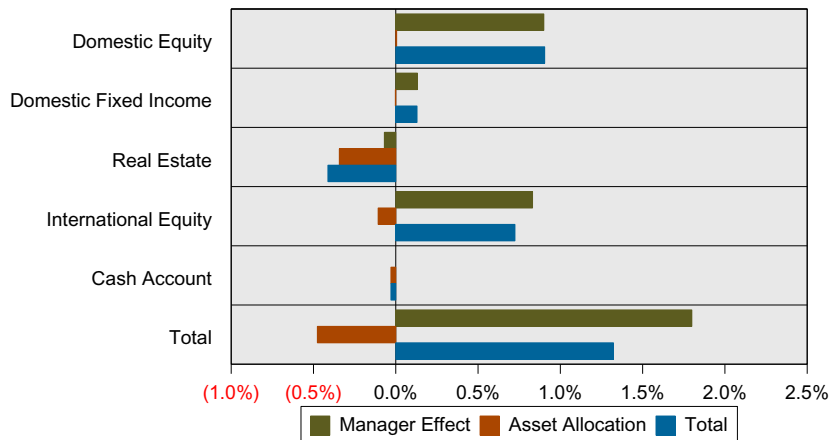
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	49%	48%	(7.11%)	(7.61%)	0.25%	(0.03%)	0.22%
Domestic Fixed Income	27%	27%	1.46%	1.23%	0.06%	0.00%	0.07%
Real Estate	7%	10%	3.09%	3.40%	(0.02%)	(0.20%)	(0.22%)
International Equity	16%	15%	(9.73%)	(12.10%)	0.38%	(0.06%)	0.32%
Cash Account	1%	0%	0.00%	0.00%	0.00%	0.03%	0.03%
Total			(4.39%)	(4.80%)	0.66%	(0.26%)	0.40%

* Current Quarter Target = 33.0% S&P 500 Index, 27.0% Barclays Aggregate Index, 15.0% MSCI ACWI ex US Index, 10.0% NFI-ODCE Equal Weight Net, 7.5% S&P Mid Cap 400 Index, 3.8% Russell 2000 Growth Index and 3.8% Russell 2000 Value Index.

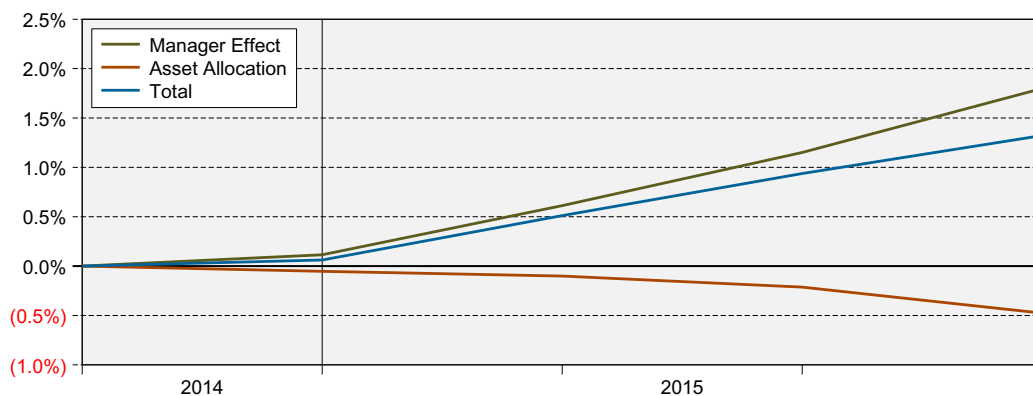
Cumulative Total Fund Relative Attribution - September 30, 2015

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

One Year Relative Attribution Effects



Cumulative Relative Attribution Effects



One Year Relative Attribution Effects

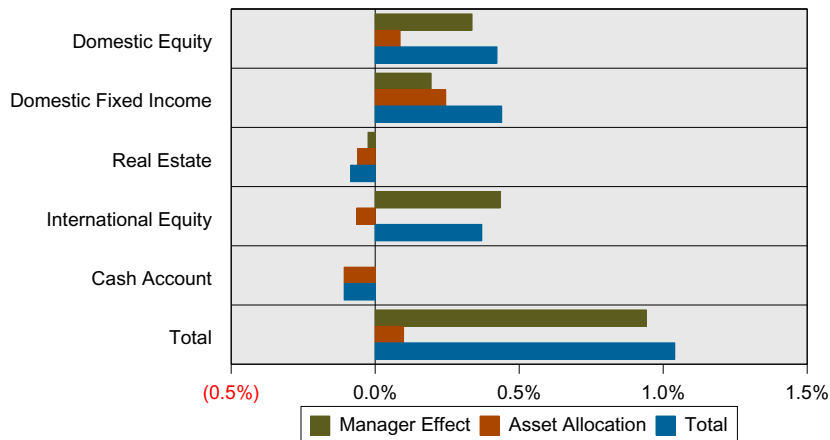
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	50%	48%	1.86%	0.04%	0.90%	0.01%	0.90%
Domestic Fixed Income	27%	27%	3.43%	2.94%	0.13%	(0.00%)	0.13%
Real Estate	7%	10%	12.38%	13.82%	(0.07%)	(0.34%)	(0.41%)
International Equity	15%	15%	(6.79%)	(11.78%)	0.83%	(0.11%)	0.72%
Cash Account	1%	0%	0.01%	0.01%	0.00%	(0.03%)	(0.03%)
Total			1.76%	0.44%	+ 1.80%	+ (0.48%)	1.32%

* Current Quarter Target = 33.0% S&P 500 Index, 27.0% Barclays Aggregate Index, 15.0% MSCI ACWI ex US Index, 10.0% NFI-ODCE Equal Weight Net, 7.5% S&P Mid Cap 400 Index, 3.8% Russell 2000 Growth Index and 3.8% Russell 2000 Value Index.

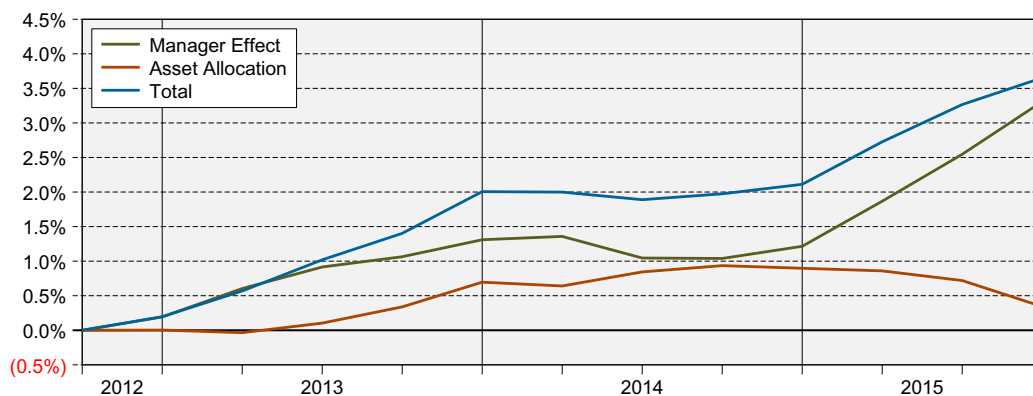
Cumulative Total Fund Relative Attribution - September 30, 2015

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

Three Year Annualized Relative Attribution Effects



Cumulative Relative Attribution Effects



Three Year Annualized Relative Attribution Effects

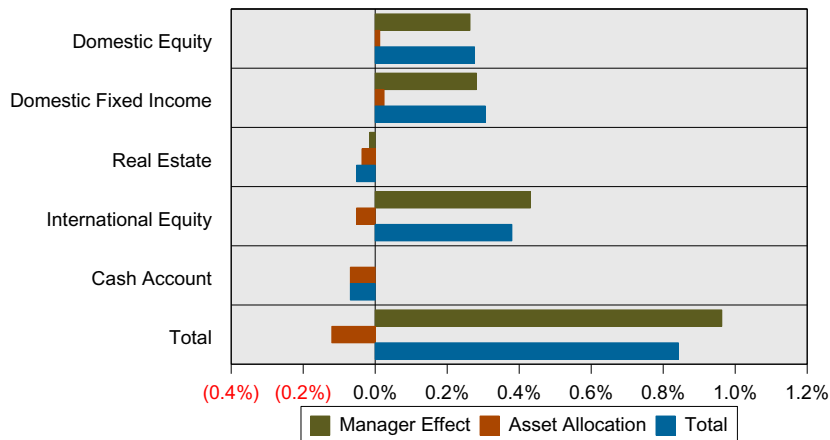
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	51%	49%	13.07%	12.37%	0.34%	0.09%	0.42%
Domestic Fixed Income	29%	32%	2.33%	1.71%	0.19%	0.24%	0.44%
Real Estate	3%	3%	-	-	(0.02%)	(0.06%)	(0.09%)
International Equity	16%	15%	5.59%	2.78%	0.43%	(0.06%)	0.37%
Cash Account	1%	0%	0.01%	0.01%	0.00%	(0.11%)	(0.11%)
Total			8.70%	7.66%	+ 0.94%	+ 0.10%	1.04%

* Current Quarter Target = 33.0% S&P 500 Index, 27.0% Barclays Aggregate Index, 15.0% MSCI ACWI ex US Index, 10.0% NFI-ODCE Equal Weight Net, 7.5% S&P Mid Cap 400 Index, 3.8% Russell 2000 Growth Index and 3.8% Russell 2000 Value Index.

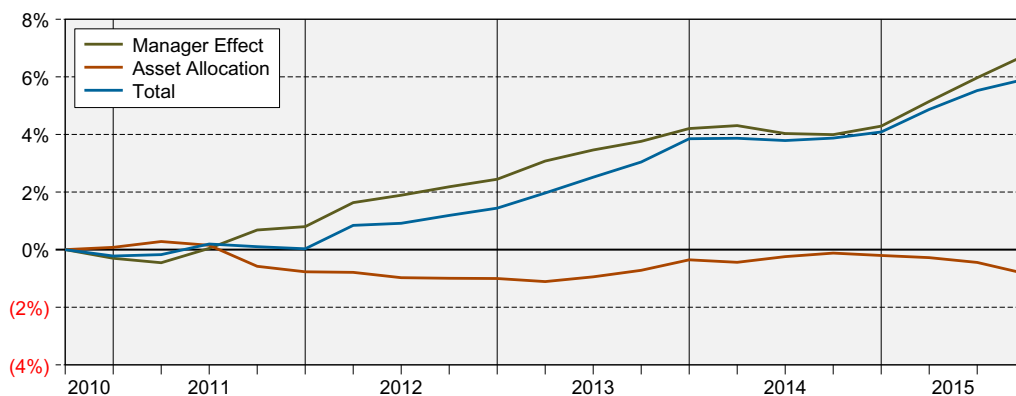
Cumulative Total Fund Relative Attribution - September 30, 2015

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

Five Year Annualized Relative Attribution Effects



Cumulative Relative Attribution Effects



Five Year Annualized Relative Attribution Effects

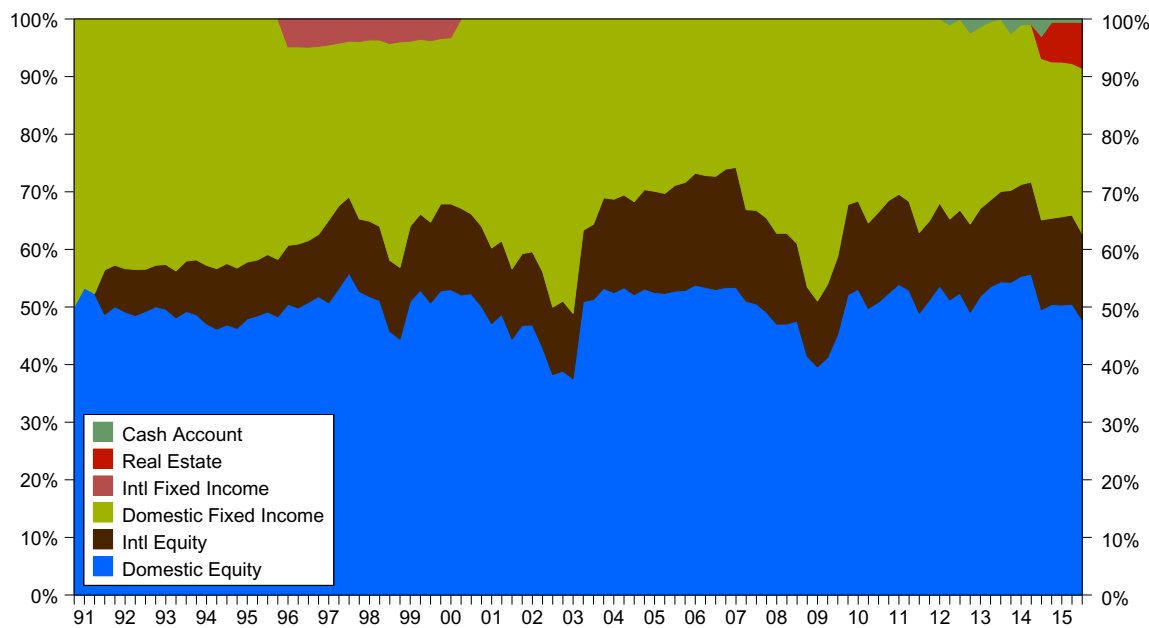
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	52%	50%	13.64%	13.10%	0.26%	0.01%	0.28%
Domestic Fixed Income	31%	33%	3.92%	3.10%	0.28%	0.02%	0.31%
Real Estate	2%	2%	-	-	(0.02%)	(0.04%)	(0.05%)
International Equity	15%	15%	5.14%	2.27%	0.43%	(0.05%)	0.38%
Cash Account	1%	0%	-	-	0.00%	(0.07%)	(0.07%)
Total			9.30%	= 8.46%	+ 0.96%	+ (0.12%)	0.84%

* Current Quarter Target = 33.0% S&P 500 Index, 27.0% Barclays Aggregate Index, 15.0% MSCI ACWI ex US Index, 10.0% NFI-ODCE Equal Weight Net, 7.5% S&P Mid Cap 400 Index, 3.8% Russell 2000 Growth Index and 3.8% Russell 2000 Value Index.

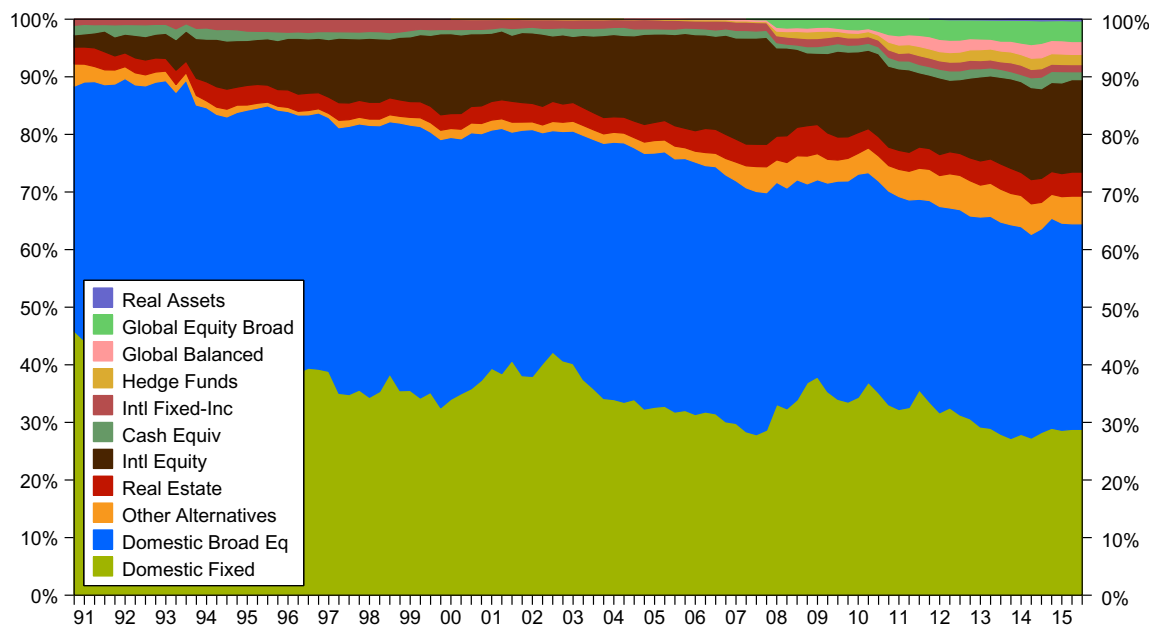
Actual Historical Asset Allocation

The Historical asset allocation for a fund is by far the largest factor explaining its performance. The charts below show the fund's historical actual asset allocation, and the historical asset allocation of the average fund in the Public Fund Sponsor Database.

Actual Historical Asset Allocation



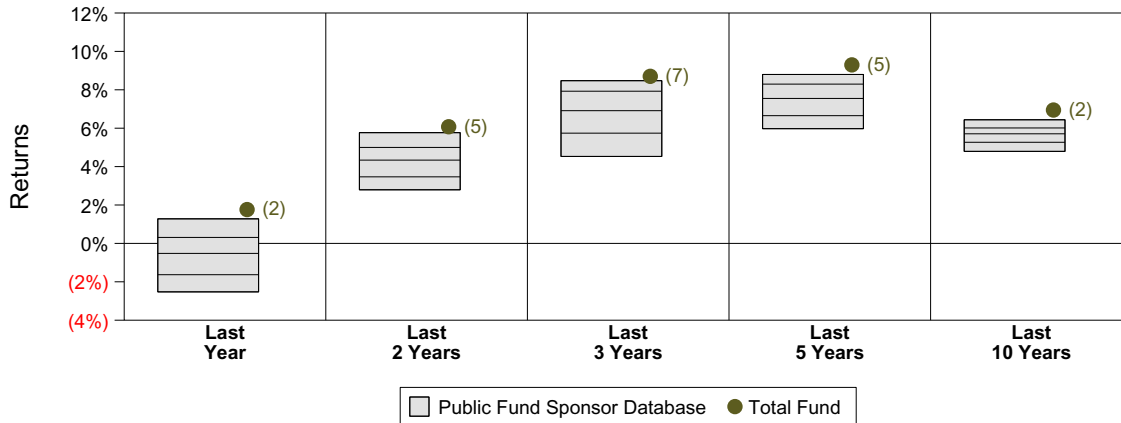
Average Public Fund Sponsor Database Historical Asset Allocation



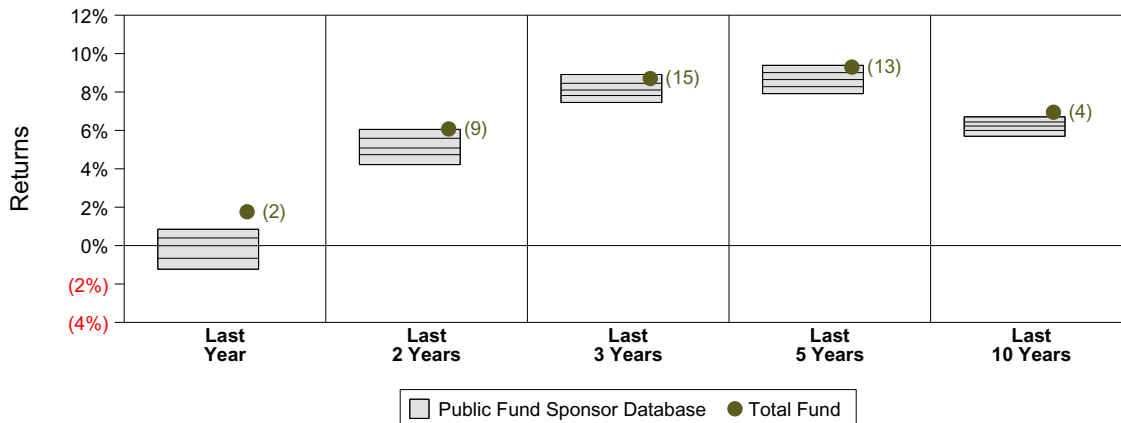
Total Fund Ranking

The first two charts show the ranking of the Total Fund's performance relative to that of the Public Fund Sponsor Database for periods ended September 30, 2015. The first chart is a standard unadjusted ranking. In the second chart each fund in the database is adjusted to have the same historical asset allocation as that of the Total Fund. The final chart shows the history of the one year ranking of the Total Fund versus the Public Fund Sponsor Database, both on an unadjusted and asset allocation adjusted basis.

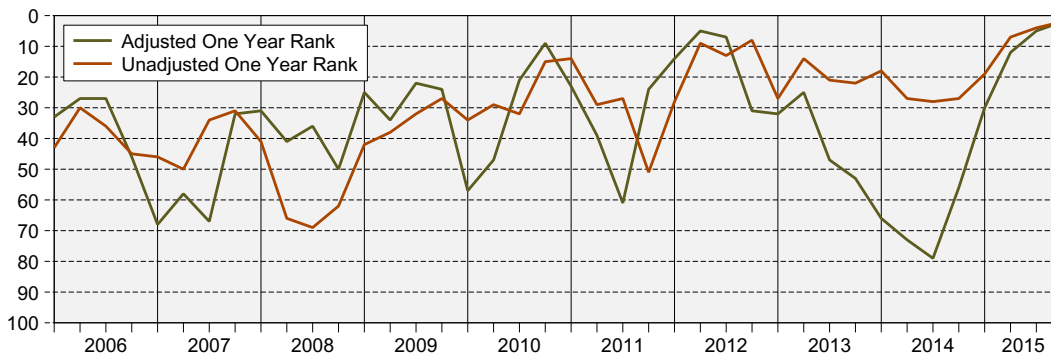
Public Fund Sponsor Database



Asset Allocation Adjusted Ranking



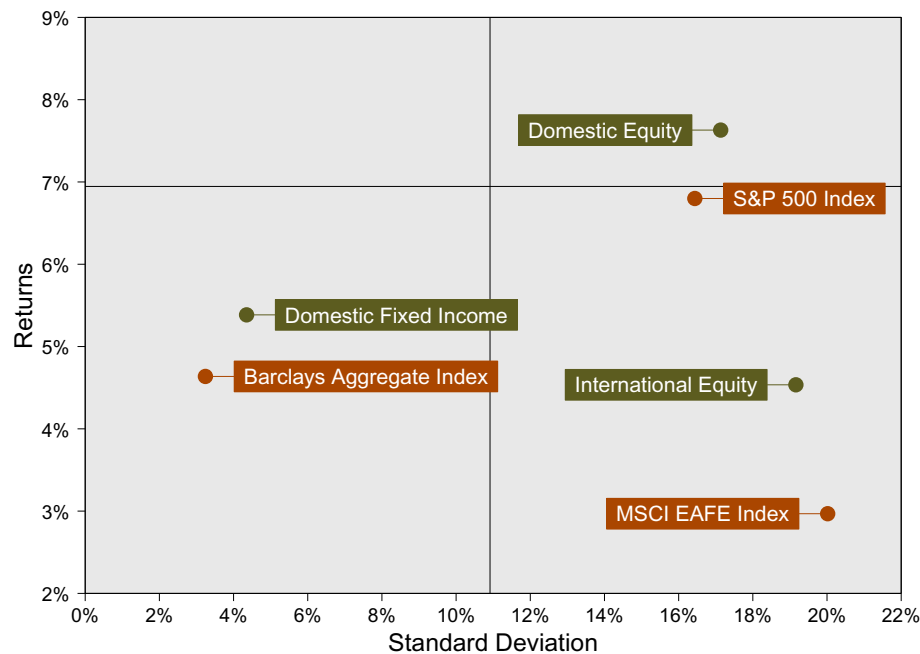
Rolling One Year Ranking vs Public Fund Sponsor Database



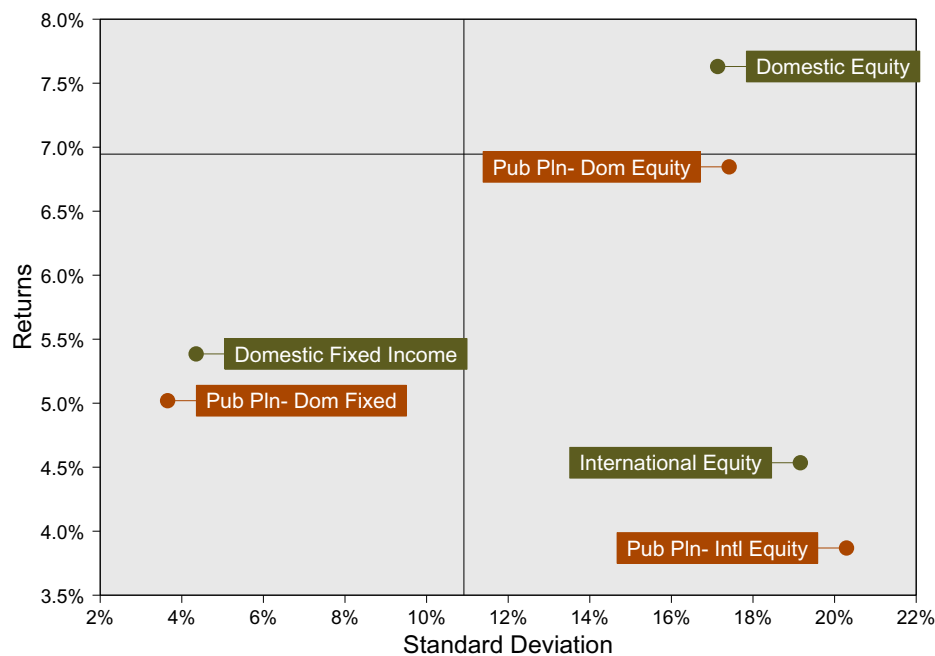
Asset Class Risk and Return

The charts below show the ten year annualized risk and return for each asset class component of the Total Fund. The first graph contrasts these values with those of the appropriate index for each asset class. The second chart contrasts them with the risk and return of the median portfolio in each of the appropriate CAI comparative databases. In each case, the crosshairs on the chart represent the return and risk of the Total Fund.

Ten Year Annualized Risk vs Return
Asset Classes vs Benchmark Indices



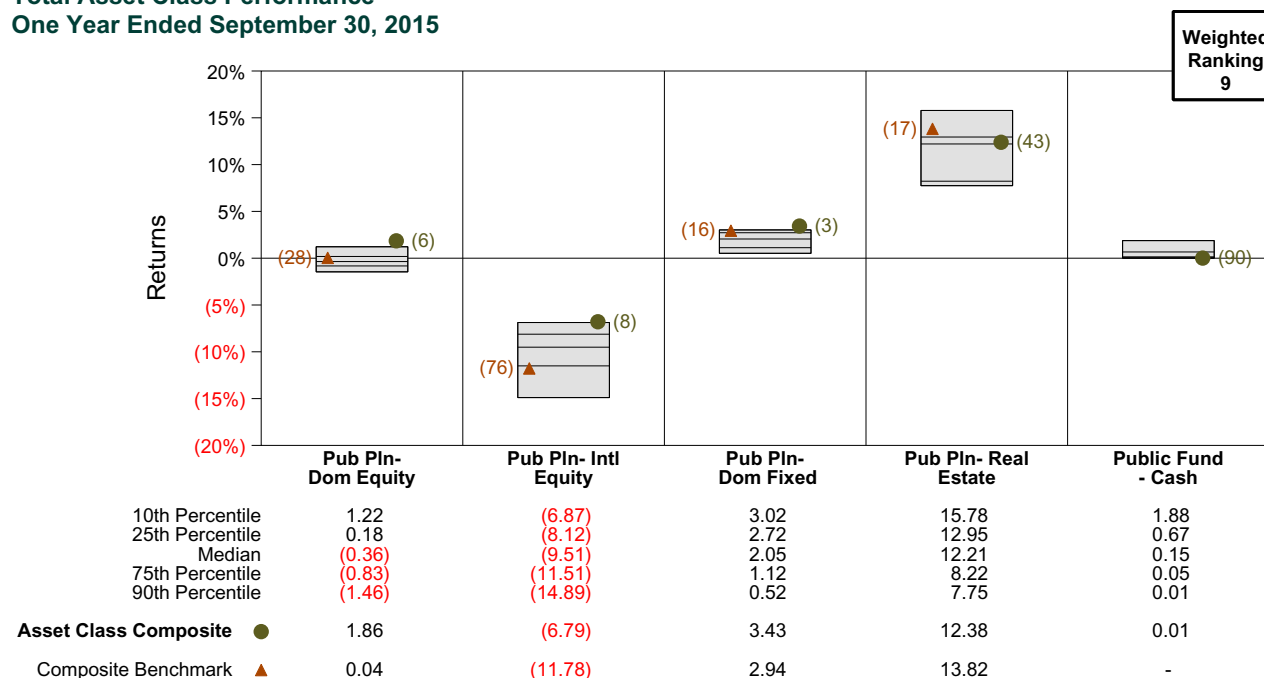
Ten Year Annualized Risk vs Return
Asset Classes vs Asset Class Median



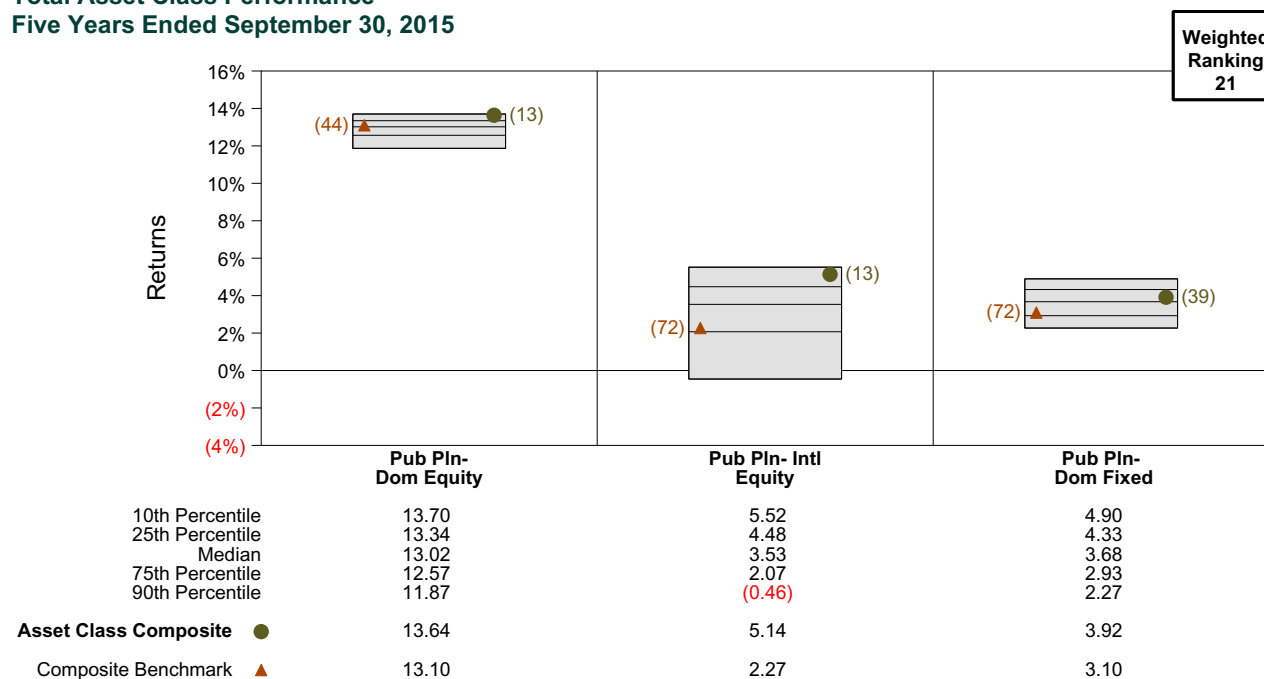
Asset Class Rankings

The charts below show the rankings of each asset class component of the Total Fund relative to appropriate comparative databases. In the upper right corner of each graph is the weighted average of the rankings across the different asset classes. The weights of the fund's actual asset allocation are used to make this calculation. The weighted average ranking can be viewed as a measure of the fund's overall success in picking managers and structuring asset classes.

Total Asset Class Performance One Year Ended September 30, 2015



Total Asset Class Performance Five Years Ended September 30, 2015

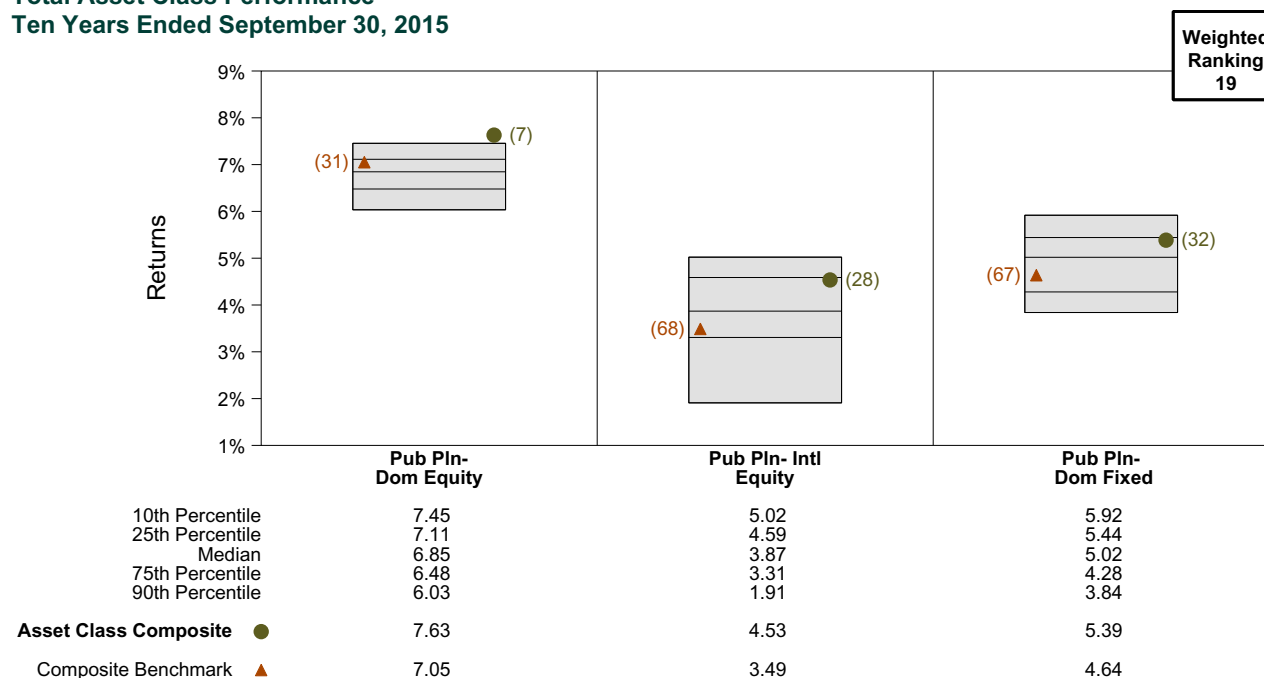


* Current Quarter Target = 33.0% S&P 500 Index, 27.0% Barclays Aggregate Index, 15.0% MSCI ACWI ex US Index, 10.0% NFI-ODCE Equal Weight Net, 7.5% S&P Mid Cap 400 Index, 3.8% Russell 2000 Growth Index and 3.8% Russell 2000 Value Index.

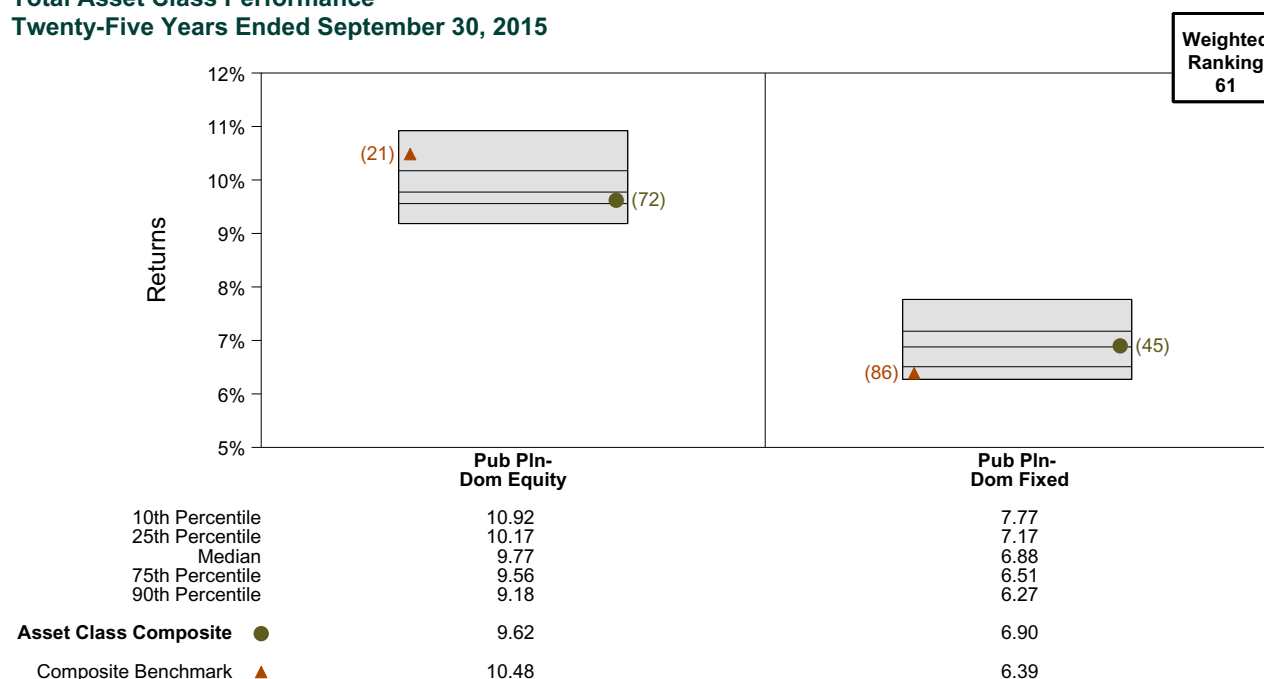
Asset Class Rankings

The charts below show the rankings of each asset class component of the Total Fund relative to appropriate comparative databases. In the upper right corner of each graph is the weighted average of the rankings across the different asset classes. The weights of the fund's actual asset allocation are used to make this calculation. The weighted average ranking can be viewed as a measure of the fund's overall success in picking managers and structuring asset classes.

Total Asset Class Performance Ten Years Ended September 30, 2015



Total Asset Class Performance Twenty-Five Years Ended September 30, 2015



* Current Quarter Target = 33.0% S&P 500 Index, 27.0% Barclays Aggregate Index, 15.0% MSCI ACWI ex US Index, 10.0% NFI-ODCE Equal Weight Net, 7.5% S&P Mid Cap 400 Index, 3.8% Russell 2000 Growth Index and 3.8% Russell 2000 Value Index.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of September 30, 2015, with the distribution as of June 30, 2015.

Asset Distribution Across Investment Managers

	September 30, 2015					June 30, 2015		
	Market Value	Weight	(min)	Target	(max)	Market Value	Weight	Target
Domestic Equity	\$82,140,424	47.77%	40.00%	48.00%	56.00%	\$93,369,118	50.50%	48.00%
Emerald Advisers, Inc.	7,003,754	4.07%	2.75%	3.75%	4.75%	9,048,563	4.89%	3.75%
Ceredex Value Advisors	6,736,687	3.92%	2.75%	3.75%	4.75%	7,317,635	3.96%	3.75%
SSgA S&P 500 Index	56,098,348	32.62%	28.00%	33.00%	38.00%	61,881,428	33.47%	33.00%
SSgA S&P 400 Index	12,301,635	7.15%	6.50%	7.50%	8.50%	15,121,492	8.18%	7.50%
International Equity	\$25,779,161	14.99%	12.00%	15.00%	18.00%	\$28,586,652	15.46%	15.00%
Morgan Stanley Int'l Equity	11,496,588	6.69%	6.00%	7.00%	8.00%	12,667,303	6.85%	7.00%
Morgan Stanley Emerging Mkts.	976,190	0.57%	0.00%	1.00%	2.00%	1,134,478	0.61%	1.00%
William Blair & Company	13,306,384	7.74%	6.00%	7.00%	8.00%	14,784,871	8.00%	7.00%
Domestic Fixed Income	\$49,340,750	28.69%	22.00%	27.00%	32.00%	\$48,664,033	26.32%	27.00%
Richmond Capital Management	49,340,750	28.69%	22.00%	27.00%	32.00%	48,664,033	26.32%	27.00%
Real Estate	\$13,657,912	7.94%	5.00%	10.00%	12.00%	\$13,247,948	7.16%	10.00%
Heitman	13,657,912	7.94%	5.00%	10.00%	12.00%	13,247,948	7.16%	10.00%
Cash Account	\$1,036,826	0.60%	0.00%	0.00%	1.00%	\$1,036,783	0.56%	0.00%
Total Fund	\$171,955,074	100.0%		100.0%		\$184,904,534	100.0%	100.0%

Investment Manager Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment managers over various time periods ended September 30, 2015. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns and Rankings for Periods Ended September 30, 2015

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
Domestic Equity	(7.11%)	18	1.86%	6	13.07%	17	13.64%	13	10.51%	14
Domestic Equity Benchmark	(7.61%)	39	0.04%	28	12.37%	56	13.10%	44	9.86%	45
Pub Pln- Dom Equity	(7.84%)		(0.36%)		12.46%		13.02%		9.76%	
Emerald Advisers, Inc.	(9.73%)	21	18.36%	2	19.32%	3	18.91%	4	14.84%	10
Russell 2000 Growth Index	(13.06%)	67	4.04%	53	12.85%	48	13.26%	67	10.44%	71
CAI Sm Cap Growth Style	(11.84%)		4.15%		12.74%		13.94%		12.02%	
Ceredex Value Advisors	(7.73%)	18	5.19%	8	12.55%	57	11.78%	66	10.73%	41
Russell 2000 Index	(11.92%)	91	1.25%	57	11.02%	80	11.73%	66	8.63%	87
Russell 2000 Value Index	(10.73%)	80	(1.60%)	82	9.18%	88	10.17%	90	6.81%	96
CAI Small Cap Value Style	(9.46%)		1.68%		12.65%		13.06%		10.41%	
SSgA S&P 500 Index	(6.38%)	39	(0.55%)	57	12.45%	66	13.38%	51	9.82%	54
Standard & Poor's 500	(6.44%)	39	(0.61%)	57	12.40%	69	13.34%	54	9.75%	56
CAI Large Cap Core Style	(6.80%)		(0.30%)		12.96%		13.59%		9.99%	
SSgA S&P 400 Index	(8.49%)	58	1.43%	50	13.17%	61	12.96%	62	11.18%	60
S&P Mid Cap 400 Index	(8.50%)	60	1.40%	50	13.12%	62	12.93%	62	11.15%	60
CAI Mid Cap Style	(8.18%)		1.48%		13.73%		13.40%		11.68%	
International Equity	(9.73%)	4	(6.79%)	8	5.59%	27	5.14%	13	5.52%	18
International Equity Benchmark	(12.10%)	67	(11.78%)	76	2.78%	68	2.27%	72	3.66%	70
Pub Pln- Intl Equity	(11.60%)		(9.51%)		4.34%		3.53%		4.30%	
Morgan Stanley Int'l Equity	(9.03%)	35	(6.91%)	58	6.41%	68	6.30%	40	5.22%	49
MSCI EAFE Index	(10.23%)	73	(8.66%)	78	5.63%	79	3.98%	89	3.77%	96
CAI Core Int'l Equity	(9.62%)		(6.31%)		7.45%		5.76%		5.15%	
Morgan Stanley Emerging Mkts.	(13.95%)	4	(15.44%)	23	(3.46%)	34	(2.35%)	30	2.41%	30
MSCI EM BM	(17.90%)	63	(19.28%)	54	(5.27%)	50	(3.57%)	44	2.56%	29
CAI Emerging Mkts MFs	(16.81%)		(18.33%)		(5.27%)		(3.91%)		1.79%	
William Blair & Company	(10.00%)	51	(5.97%)	47	5.67%	49	4.91%	40	5.96%	21
MSCI ACWI x US (Net)	(12.17%)	81	(12.16%)	92	2.34%	97	1.82%	96	3.20%	75
CAI Non-U.S. Equity MF	(9.92%)		(6.08%)		5.62%		4.14%		4.73%	
Domestic Fixed Income	1.46%	1	3.43%	3	2.33%	24	3.92%	39	6.57%	24
Domestic Fixed Income Benchmark	1.23%	6	2.94%	16	1.71%	58	3.10%	72	4.85%	74
Barclays Aggregate Index	1.23%	6	2.94%	16	1.71%	58	3.10%	72	4.85%	74
Pub Pln- Dom Fixed	0.31%		2.05%		1.81%		3.68%		5.74%	
Richmond Capital Management	1.46%	10	3.43%	17	2.33%	22	3.92%	25	6.57%	10
Blended Benchmark(2)	1.23%	31	2.94%	56	1.77%	82	3.21%	88	5.13%	90
CAI Core Bond Style	1.10%		3.00%		2.05%		3.61%		5.65%	
Real Estate	3.09%	33	12.38%	43	-	-	-	-	-	-
Real Estate Benchmark	3.40%	29	13.82%	17	-	-	-	-	-	-
Pub Pln- Real Estate	2.75%		12.21%		10.55%		11.73%		5.42%	
Heitman	3.09%	57	12.38%	78	-	-	-	-	-	-
NFI-ODCE Equal Weight Net	3.40%	37	13.82%	49	12.23%	55	12.86%	60	2.90%	66
Open-End Real Estate	3.19%		13.75%		12.73%		13.09%		3.74%	
Total Fund	(4.39%)	31	1.76%	2	8.70%	7	9.30%	5	8.86%	2
Total Fund Benchmark(1)	(4.80%)	46	0.44%	24	7.66%	34	8.46%	20	7.91%	13
CPI + 5%	0.76%	1	4.36%	1	5.65%	78	6.66%	75	6.15%	82
Pub PlnSponsor DB	(4.87%)		(0.52%)		6.91%		7.55%		7.00%	

(1) The Total Fund Benchmark consists of 33% S&P 500 Index, 27% Barclays Aggregate Index, 15% MSCI ACWI ex US Index, 10% NFI-ODCE Equal Weight Net, 7.50% S&P MidCap 400, 3.75% Russell 2000 Growth and 3.75% Russell 2000 Value.

(2) Barclays Gov/Credit Bond Index through May 31, 2013 and Barclays Aggregate thereafter.

Investment Manager Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment managers over various time periods ended September 30, 2015. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns and Rankings for Periods Ended September 30, 2015

	Last 10 Years		Last 15 Years		Last 20 Years		Last 25 Years	
Domestic Equity	7.63%	7	5.85%	7	8.42%	28	9.62%	72
Domestic Equity Benchmark	7.05%	31	4.99%	38	8.86%	10	10.48%	21
Pub Pln- Dom Equity	6.85%		4.77%		8.25%		9.77%	
Emerald Advisers, Inc.	10.60%	11	-		-		-	
Russell 2000 Growth Index	7.67%	66	4.15%	74	6.16%	91	8.84%	92
CAI Sm Cap Growth Style	8.19%		5.79%		9.46%		12.46%	
Ceredex Value Advisors	9.25%	12	12.94%	12	-		-	
Russell 2000 Index	6.55%	77	6.51%	100	7.95%	98	10.57%	98
Russell 2000 Value Index	5.35%	93	8.53%	98	9.26%	95	11.83%	96
CAI Small Cap Value Style	7.69%		11.00%		12.14%		14.57%	
SSgA S&P 500 Index	6.85%	72	4.01%	93	-		-	
Standard & Poor's 500	6.80%	76	3.96%	94	8.14%	89	9.90%	88
CAI Large Cap Core Style	7.34%		5.02%		9.00%		10.75%	
SSgA S&P 400 Index	8.29%	57	7.90%	68	-		-	
S&P Mid Cap 400 Index	8.25%	58	7.85%	68	11.16%	58	13.21%	65
CAI Mid Cap Style	8.49%		8.76%		11.39%		13.52%	
International Equity	4.53%	28	5.33%	13	7.07%	24	-	
International Equity Benchmark	3.49%	68	3.93%	62	5.02%	93	6.13%	91
Pub Pln- Intl Equity	3.87%		4.29%		6.15%		7.35%	
Morgan Stanley Int'l Equity	4.53%	32	6.46%	8	8.51%	9	-	
MSCI EAFE Index	2.97%	96	3.03%	96	4.39%	100	5.62%	96
CAI Core Int'l Equity	4.05%		4.73%		6.49%		7.82%	
Morgan Stanley Emerging Mkts.	4.41%	26	6.66%	61	-		-	
MSCI EM BM	4.27%	34	7.46%	42	5.11%	60	-	
CAI Emerging Mkts MFs	3.18%		6.94%		5.72%		-	
William Blair & Company	4.35%	31	-		-		-	
MSCI ACWI x US (Net)	3.03%	70	-		-		-	
CAI Non-U.S. Equity MF	3.81%		3.42%		5.49%		6.18%	
Domestic Fixed Income	5.39%	32	5.91%	36	6.07%	53	6.90%	45
Domestic Fixed Income Benchmark	4.64%	67	5.29%	73	5.59%	87	6.39%	86
Barclays Aggregate Index	4.64%	67	5.29%	73	5.59%	87	6.39%	86
Pub Pln- Dom Fixed	5.02%		5.56%		6.08%		6.88%	
Richmond Capital Management	5.39%	28	5.91%	33	6.14%	23	7.05%	19
Blended Benchmark(2)	4.67%	89	5.40%	86	5.62%	89	6.47%	96
CAI Core Bond Style	5.10%		5.74%		5.95%		6.86%	
Total Fund	6.95%	2	6.41%	7	7.83%	21	8.83%	29
Total Fund Benchmark(1)	6.27%	14	5.55%	35	7.65%	31	8.87%	28
CPI + 5%	6.79%	3	7.10%	2	7.20%	57	7.33%	95
Pub PlnSponsor DB	5.71%		5.34%		7.30%		8.51%	

(1) The Total Fund Benchmark consists of 33% S&P 500 Index, 27% Barclays Aggregate Index, 15% MSCI ACWI ex US Index, 10% NFI-ODCE Equal Weight Net, 7.50% S&P MidCap 400, 3.75% Russell 2000 Growth and 3.75% Russell 2000 Value.

(2) Barclays Gov/Credit Bond Index through May 31, 2013 and Barclays Aggregate thereafter.

Investment Manager Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	12/2014- 9/2015		2014		2013		2012		2011	
Domestic Equity	(4.05%)	9	11.57%	40	34.24%	53	16.71%	27	1.05%	35
Domestic Equity Benchmark	(5.54%)	51	11.86%	26	33.54%	65	16.35%	41	0.65%	46
Pub Pln- Dom Equity	(5.51%)		11.32%		34.39%		16.07%		0.33%	
Emerald Advisers, Inc.	6.07%	3	7.68%	23	50.59%	34	18.54%	14	(0.87%)	44
Russell 2000 Growth Index	(5.47%)	64	5.60%	32	43.30%	74	14.59%	50	(2.91%)	61
CAI Sm Cap Growth Style	(3.91%)		3.41%		46.83%		14.56%		(1.34%)	
Ceredex Value Advisors	(4.04%)	12	3.03%	86	35.87%	75	19.31%	40	(3.36%)	45
Russell 2000 Index	(7.73%)	72	4.89%	72	38.82%	50	16.35%	70	(4.18%)	55
Russell 2000 Value Index	(10.06%)	83	4.22%	82	34.52%	81	18.05%	50	(5.50%)	65
CAI Small Cap Value Style	(6.22%)		5.93%		38.72%		18.12%		(3.70%)	
SSgA S&P 500 Index	(5.24%)	56	13.72%	48	32.44%	77	16.06%	48	2.14%	35
Standard & Poor's 500	(5.29%)	56	13.69%	48	32.39%	77	16.00%	48	2.11%	36
CAI Large Cap Core Style	(4.93%)		13.63%		34.45%		15.89%		1.46%	
SSgA S&P 400 Index	(4.64%)	61	9.75%	51	33.67%	75	17.94%	37	(1.69%)	47
S&P 400 Mid Cap Index	(4.66%)	61	9.77%	51	33.50%	77	17.88%	37	(1.73%)	48
CAI Mid Cap Style	(3.84%)		9.88%		35.84%		16.26%		(1.92%)	
International Equity	(3.58%)	6	(3.84%)	72	19.19%	46	22.38%	5	(11.38%)	22
International Equity Benchmark	(8.28%)	71	(3.44%)	59	15.78%	69	17.39%	75	(13.33%)	51
Pub Pln- Intl Equity	(6.51%)		(3.10%)		18.93%		18.82%		(13.16%)	
Morgan Stanley Int'l Equity	(1.97%)	22	(5.13%)	64	21.72%	80	20.71%	33	(7.40%)	16
MSCI EAFE Index	(5.28%)	83	(4.90%)	62	22.78%	69	17.32%	73	(12.14%)	61
CAI Core Int'l Equity	(3.11%)		(4.45%)		24.29%		18.86%		(11.48%)	
Morgan Stanley Emerging Mkts.	(9.83%)	11	(4.47%)	57	(0.80%)	37	20.19%	22	(18.41%)	39
MSCI EM BM	(15.48%)	55	(2.19%)	42	(2.60%)	57	18.23%	39	(18.42%)	39
CAI Emerging Mkts MFs	(14.65%)		(3.98%)		(2.20%)		17.40%		(19.61%)	
William Blair & Company	(4.46%)	55	(2.66%)	24	18.90%	75	24.11%	8	(13.66%)	55
MSCI ACWI x US (Net)	(8.63%)	93	(3.87%)	32	15.29%	87	16.83%	75	(13.71%)	56
CAI Non-U.S. Equity MF	(3.52%)		(5.34%)		21.38%		18.89%		(13.51%)	
Domestic Fixed Income	1.64%	12	6.48%	21	(1.44%)	62	5.85%	69	9.38%	11
Domestic Fixed Income Benchmark	1.13%	27	5.97%	37	(2.02%)	77	4.21%	85	7.84%	34
Barclays Aggregate Index	1.13%	27	5.97%	37	(2.02%)	77	4.21%	85	7.84%	34
Pub Pln- Dom Fixed	0.85%		5.57%		(1.02%)		7.23%		7.19%	
Richmond Capital Management	1.64%	20	6.48%	35	(1.44%)	47	5.85%	59	9.38%	1
Blended Benchmark(2)	1.13%	62	5.97%	70	(2.00%)	82	4.82%	87	8.74%	11
CAI Core Bond Style	1.29%		6.22%		(1.47%)		6.15%		7.89%	
Real Estate	10.72%	10	-	-	-	-	-	-	-	-
Real Estate Benchmark	10.63%	10	-	-	-	-	-	-	-	-
Pub Pln- Real Estate	6.33%		12.63%		12.28%		12.18%		13.48%	
Heitman	10.72%	50	-	-	-	-	-	-	-	-
NFI-ODCE Equal Weight Net	10.63%	56	11.42%	64	12.36%	55	9.93%	65	14.99%	58
Open-End Real Estate	10.72%		11.99%		12.67%		10.80%		15.33%	
Total Fund	(1.29%)	14	7.45%	19	19.40%	18	13.67%	27	1.83%	28
Total Fund Benchmark(1)	(2.52%)	48	7.48%	17	17.65%	31	12.38%	56	1.59%	33
CPI + 5%	4.91%	1	5.33%	67	6.46%	95	6.68%	96	8.21%	1
Pub PlnSponsor DB	(2.54%)		6.07%		15.74%		12.68%		0.91%	

(1) The Total Fund Benchmark consists of 33% S&P 500 Index, 27% Barclays Aggregate Index, 15% MSCI ACWI ex US Index, 10% NFI-ODCE Equal Weight Net, 7.50% S&P MidCap 400, 3.75% Russell 2000 Growth and 3.75% Russell 2000 Value.

(2) Barclays Gov/Credit Bond Index through May 31, 2013 and Barclays Aggregate thereafter.

Investment Manager Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Fund's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	2010		2009		2008		2007		2006	
Domestic Equity	19.21%	30	29.57%	48	(36.30%)	23	6.19%	30	14.73%	43
Domestic Equity Benchmark	18.48%	43	28.28%	66	(36.32%)	24	4.80%	59	15.45%	26
Pub Pln- Dom Equity	17.92%		29.50%		(37.42%)		5.18%		14.60%	
Emerald Advisers, Inc.	29.83%	39	35.03%	62	(36.22%)	11	2.96%	90	13.25%	33
Russell 2000 Growth Index	29.09%	44	34.47%	68	(38.54%)	15	7.05%	73	13.35%	30
CAI Sm Cap Growth Style	28.81%		38.09%		(42.68%)		14.07%		12.49%	
Ceredex Value Advisors	30.78%	29	36.51%	39	(30.45%)	38	3.73%	10	17.12%	55
Russell 2000 Index	26.85%	56	27.17%	64	(33.79%)	56	(1.57%)	20	18.37%	51
Russell 2000 Value Index	24.50%	76	20.58%	77	(28.92%)	18	(9.78%)	59	23.48%	12
CAI Small Cap Value Style	27.38%		32.26%		(33.01%)		(8.59%)		18.75%	
SSgA S&P 500 Index	15.14%	42	26.57%	50	(36.93%)	64	5.54%	60	15.82%	51
Standard & Poor's 500	15.06%	43	26.47%	50	(37.00%)	65	5.49%	60	15.79%	51
CAI Large Cap Core Style	14.40%		26.51%		(36.36%)		6.42%		15.88%	
SSgA S&P 400 Index	26.59%	38	37.32%	48	(36.15%)	22	8.02%	60	10.36%	68
S&P 400 Mid Cap Index	26.64%	38	37.38%	48	(36.23%)	23	7.98%	60	10.31%	68
CAI Mid Cap Style	25.49%		36.99%		(40.60%)		10.13%		13.40%	
International Equity	14.23%	23	34.02%	64	(44.06%)	51	16.31%	34	24.77%	82
International Equity Benchmark	11.60%	59	42.14%	23	(45.24%)	65	17.12%	25	27.16%	38
Pub Pln- Intl Equity	12.20%		36.72%		(43.98%)		14.91%		26.74%	
Morgan Stanley Int'l Equity	6.96%	81	22.39%	94	(32.35%)	5	10.62%	56	23.60%	77
MSCI EAFE Index	7.75%	75	31.78%	35	(43.38%)	61	11.17%	46	26.34%	52
CAI Core Int'l Equity	9.91%		30.76%		(42.66%)		10.94%		26.69%	
Morgan Stanley Emerging Mkts.	18.49%	39	69.54%	83	(56.39%)	72	41.56%	56	38.00%	28
MSCI EM BM	18.88%	29	78.51%	33	(53.33%)	22	39.38%	65	32.17%	68
CAI Emerging Mkts MFs	18.30%		75.17%		(55.05%)		42.62%		34.90%	
William Blair & Company	20.10%	8	42.83%	12	(51.99%)	94	18.49%	18	23.45%	65
MSCI ACWI x US (Net)	11.15%	47	41.45%	13	(45.53%)	66	16.65%	25	26.65%	33
CAI Non-U.S. Equity MF	10.74%		31.67%		(43.63%)		12.61%		24.86%	
Domestic Fixed Income	8.60%	50	10.37%	60	1.82%	37	6.71%	46	4.37%	69
Domestic Fixed Income Benchmark	6.54%	81	5.93%	79	5.24%	23	6.97%	39	4.33%	72
Barclays Aggregate Index	6.54%	81	5.93%	79	5.24%	23	6.97%	39	4.33%	72
Pub Pln- Dom Fixed	8.60%		12.48%		(1.74%)		6.56%		4.61%	
Richmond Capital Management	8.60%	14	10.37%	53	1.82%	45	6.71%	36	4.37%	79
Blended Benchmark(2)	6.59%	90	4.52%	98	5.70%	18	7.23%	15	3.78%	97
CAI Core Bond Style	7.49%		10.67%		0.96%		6.46%		4.58%	
Total Fund	14.87%	14	21.73%	34	(24.40%)	42	8.46%	41	13.67%	46
Total Fund Benchmark(1)	13.79%	33	22.69%	25	(24.62%)	43	7.45%	58	13.20%	56
CPI + 5%	6.68%	97	8.37%	98	4.56%	1	9.35%	28	7.45%	96
Pub PlnSponsor DB	13.00%		20.23%		(25.43%)		7.97%		13.54%	

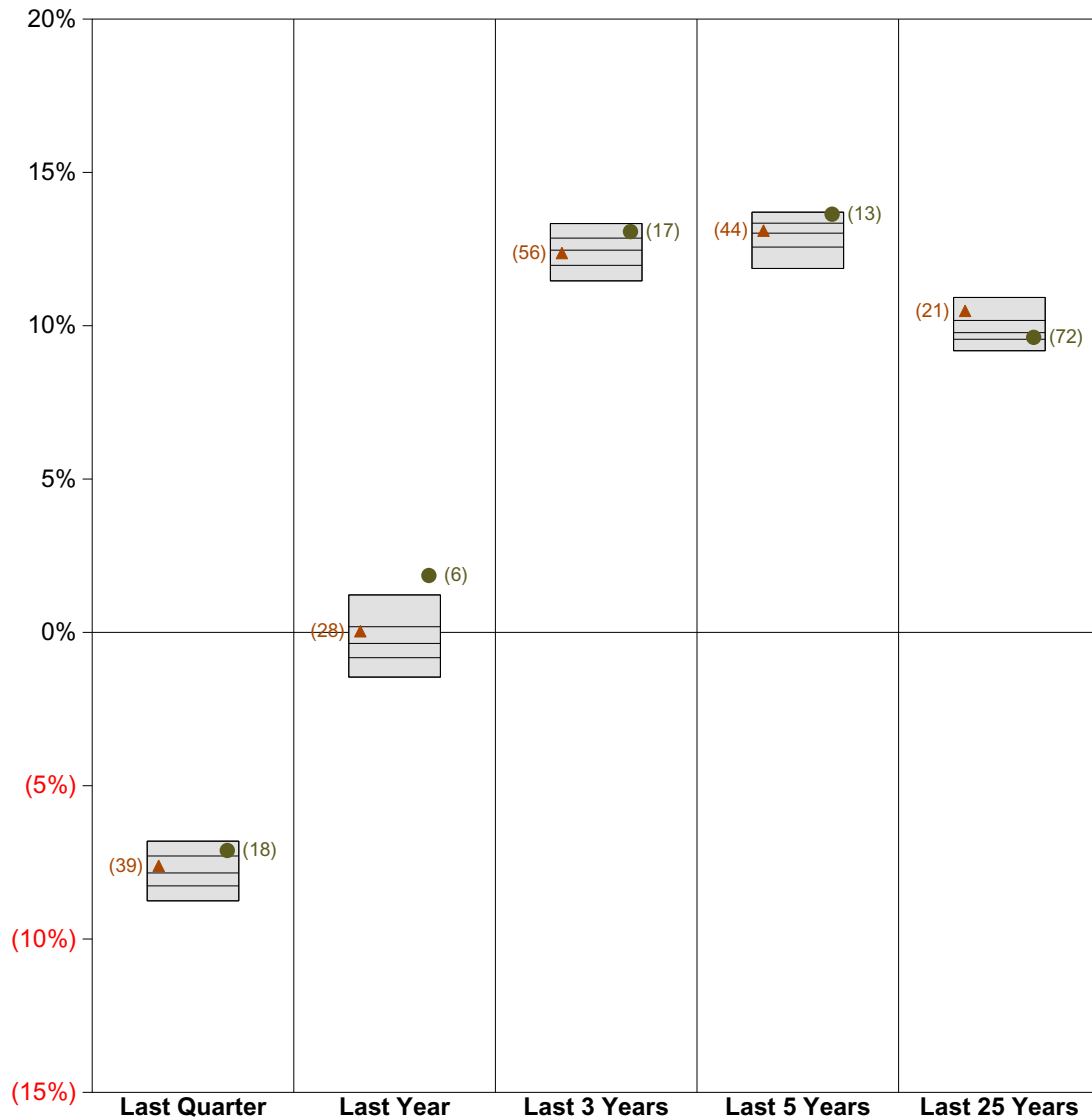
(1) The Total Fund Benchmark consists of 33% S&P 500 Index, 27% Barclays Aggregate Index, 15% MSCI ACWI ex US Index, 10% NFI-ODCE Equal Weight Net, 7.50% S&P MidCap 400, 3.75% Russell 2000 Growth and 3.75% Russell 2000 Value.

(2) Barclays Gov/Credit Bond Index through May 31, 2013 and Barclays Aggregate thereafter.

City of Fort Pierce Performance vs Pub Pln- Domestic Equity Periods Ended September 30, 2015

Return Ranking

The chart below illustrates fund rankings over various periods versus the Pub Pln- Domestic Equity. The bars represent the range of returns from the 10th percentile to the 90th percentile for each period for all funds in the Pub Pln- Domestic Equity. The numbers to the right of the bar represent the percentile rankings of the fund being analyzed. The table below the chart details the rates of return plotted in the graph above.

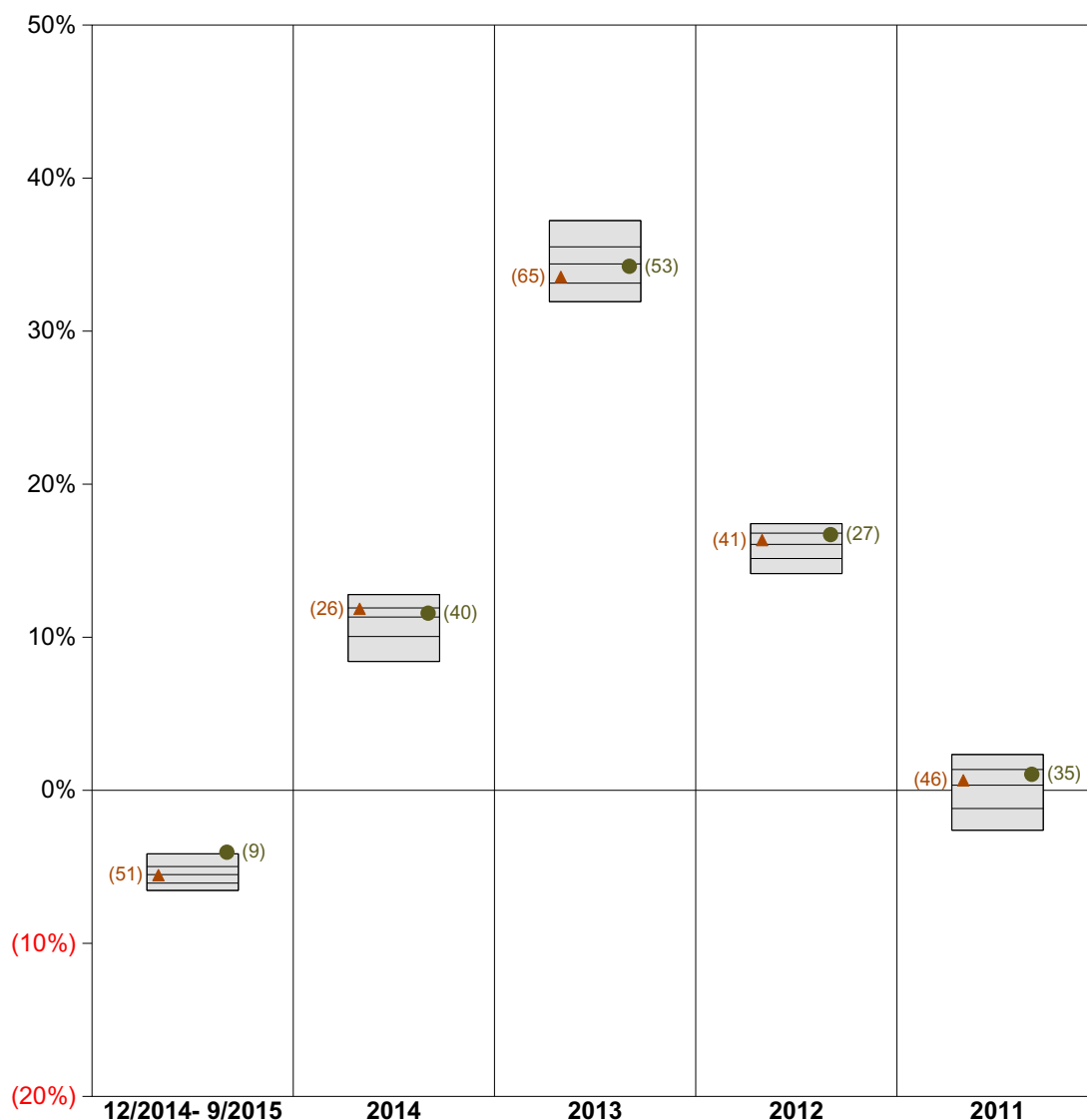


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 25 Years
10th Percentile	(6.81)	1.22	13.33	13.70	10.92
25th Percentile	(7.29)	0.18	12.86	13.34	10.17
Median	(7.84)	(0.36)	12.46	13.02	9.77
75th Percentile	(8.27)	(0.83)	11.97	12.57	9.56
90th Percentile	(8.75)	(1.46)	11.46	11.87	9.18
Equity Composite ●	(7.11)	1.86	13.07	13.64	9.62
Domestic Equity Benchmark ▲	(7.61)	0.04	12.37	13.10	10.48

City of Fort Pierce Performance vs Pub Pln- Domestic Equity Recent Periods

Return Ranking

The chart below illustrates fund rankings over various periods versus the Pub Pln- Domestic Equity. The bars represent the range of returns from the 10th percentile to the 90th percentile for each period for all funds in the Pub Pln- Domestic Equity. The numbers to the right of the bar represent the percentile rankings of the fund being analyzed. The table below the chart details the rates of return plotted in the graph above.



	12/2014- 9/2015	2014	2013	2012	2011
10th Percentile	(4.15)	12.79	37.22	17.42	2.34
25th Percentile	(4.98)	11.91	35.51	16.80	1.36
Median	(5.51)	11.32	34.39	16.07	0.33
75th Percentile	(6.06)	10.05	33.14	15.14	(1.19)
90th Percentile	(6.54)	8.42	31.92	14.16	(2.61)
Equity Composite ●	(4.05)	11.57	34.24	16.71	1.05
Domestic Equity Benchmark ▲	(5.54)	11.86	33.54	16.35	0.65

Emerald Advisers, Inc. Period Ended September 30, 2015

Investment Philosophy

Emerald is dedicated to fundamental, bottom-up research designed to identify unrecognized, under-researched and undervalued growth companies.

Quarterly Summary and Highlights

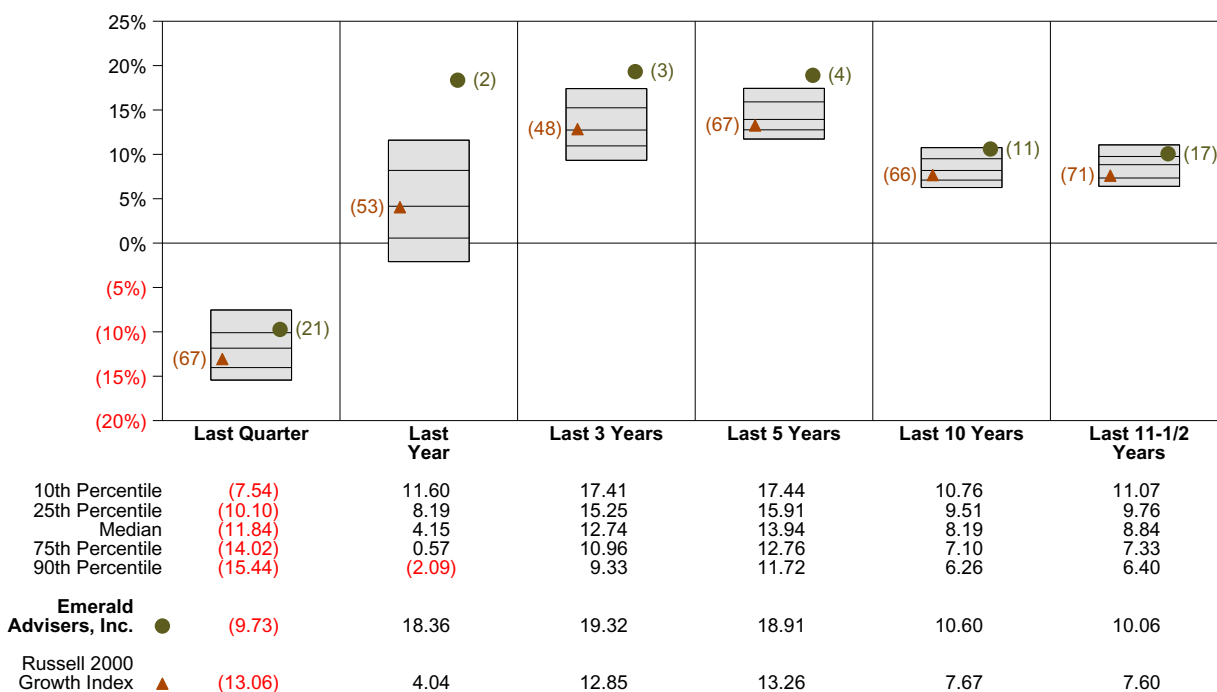
- Emerald Advisers, Inc.'s portfolio posted a (9.73)% return for the quarter placing it in the 21 percentile of the CAI Small Cap Growth Style group for the quarter and in the 2 percentile for the last year.
- Emerald Advisers, Inc.'s portfolio outperformed the Russell 2000 Growth Index by 3.33% for the quarter and outperformed the Russell 2000 Growth Index for the year by 14.31%.

Quarterly Asset Growth

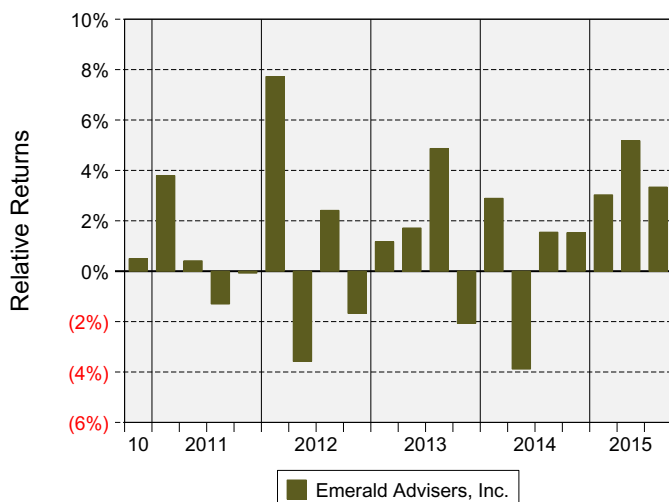
Beginning Market Value	\$9,048,563
Net New Investment	\$-1,318,216
Investment Gains/(Losses)	\$-726,594
Ending Market Value	\$7,003,754

Percent Cash: 1.4%

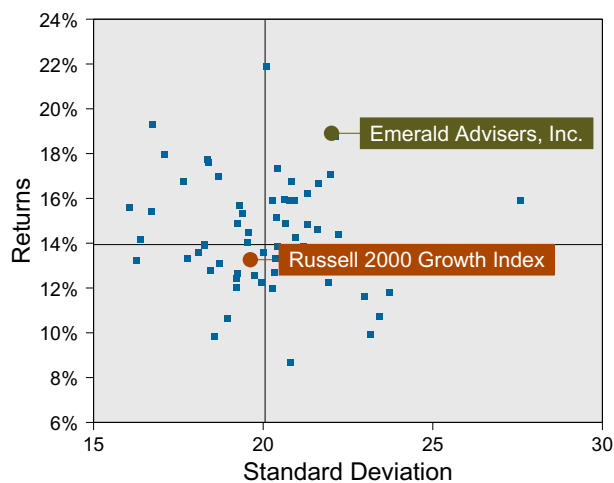
Performance vs CAI Small Cap Growth Style (Gross)



Relative Return vs Russell 2000 Growth Index



CAI Small Cap Growth Style (Gross) Annualized Five Year Risk vs Return

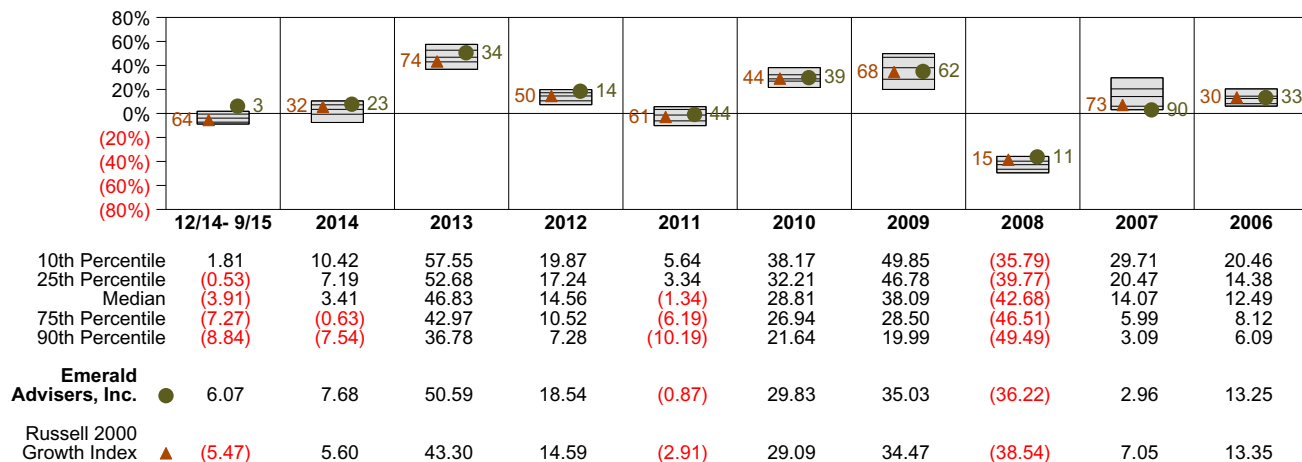


Emerald Advisers, Inc. Return Analysis Summary

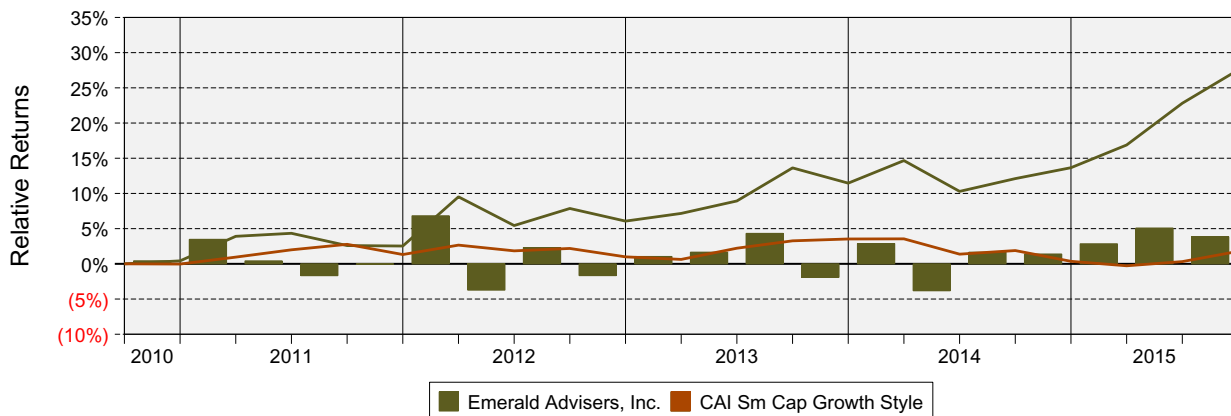
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

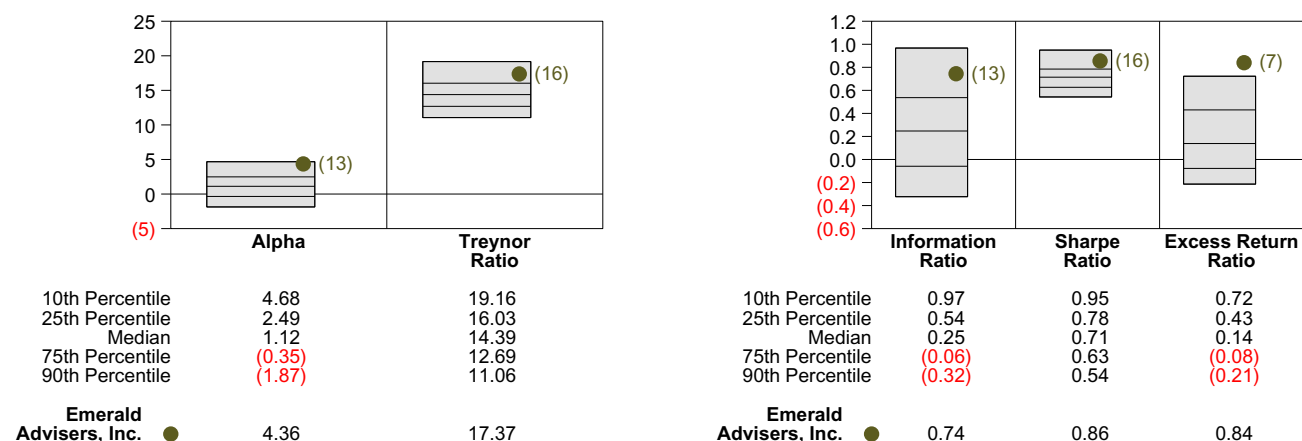
Performance vs CAI Small Cap Growth Style (Gross)



Cumulative and Quarterly Relative Return vs Russell 2000 Growth Index



Risk Adjusted Return Measures vs Russell 2000 Growth Index Rankings Against CAI Small Cap Growth Style (Gross) Five Years Ended September 30, 2015

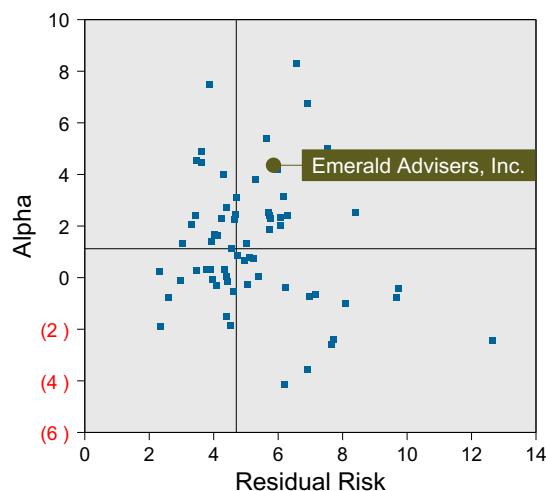
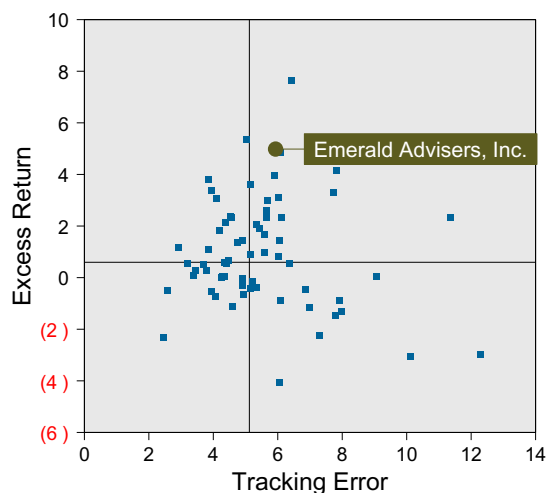


Emerald Advisers, Inc. Risk Analysis Summary

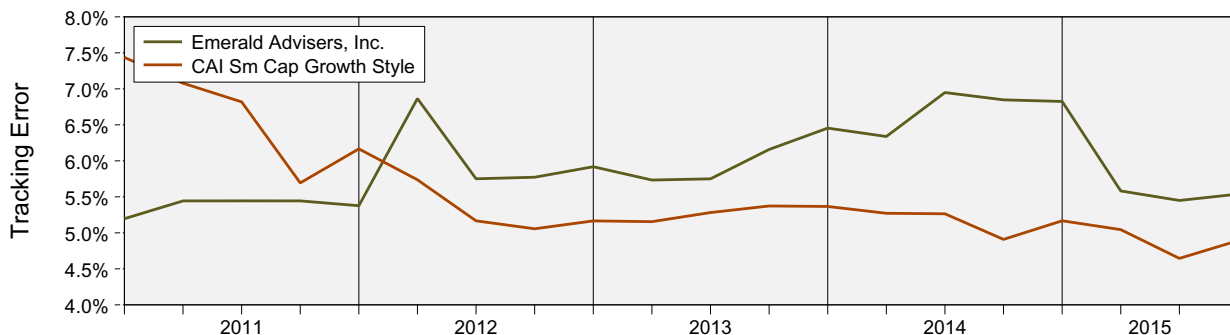
Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third chart shows tracking error patterns versus the benchmark over time. The last two charts show the ranking of the manager's risk statistics versus the peer group.

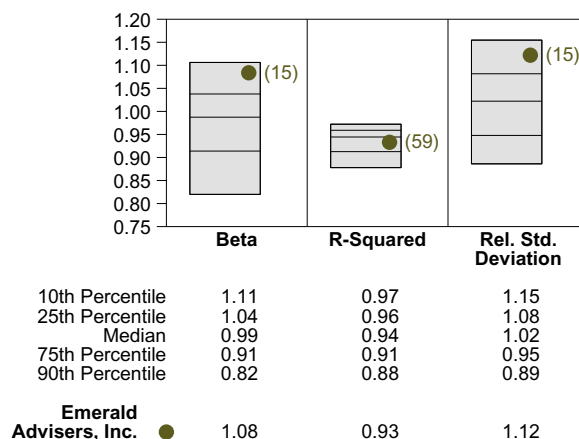
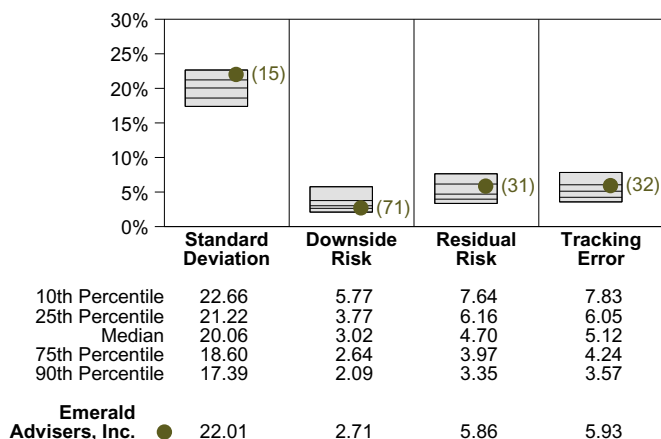
Risk Analysis vs CAI Small Cap Growth Style (Gross) Five Years Ended September 30, 2015



Rolling 12 Quarter Tracking Error vs Russell 2000 Growth Index



Risk Statistics Rankings vs Russell 2000 Growth Index Rankings Against CAI Small Cap Growth Style (Gross) Five Years Ended September 30, 2015

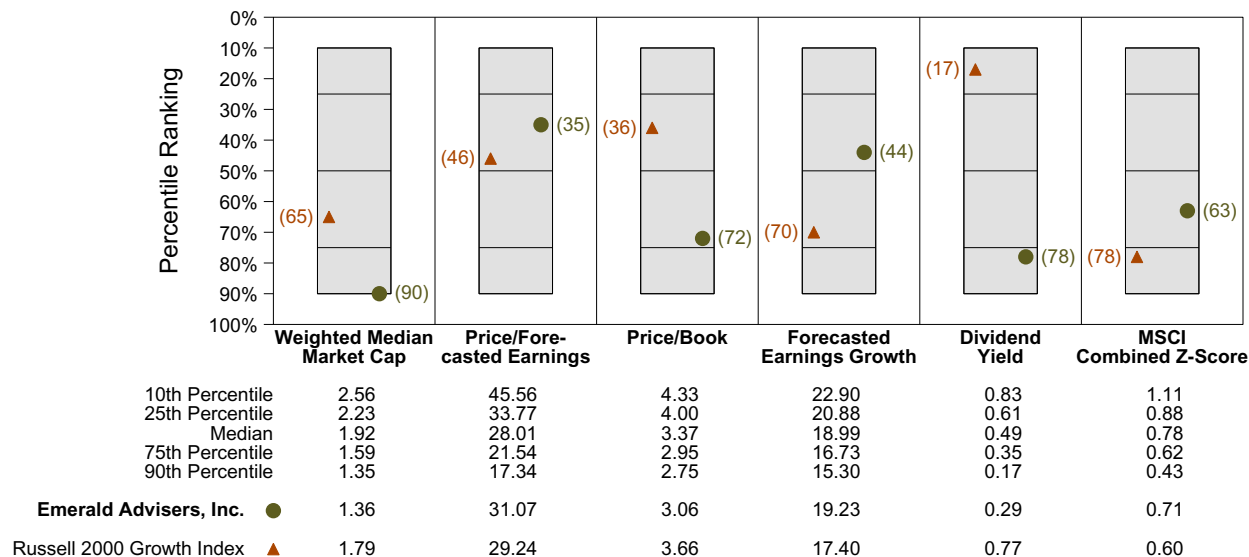


Emerald Advisers, Inc. Equity Characteristics Analysis Summary

Portfolio Characteristics

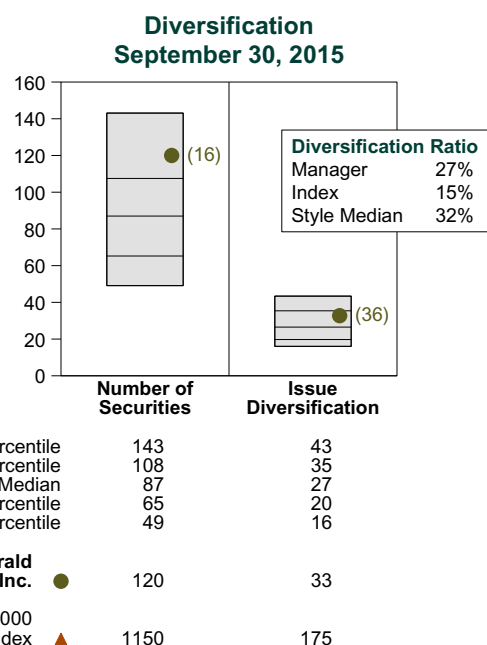
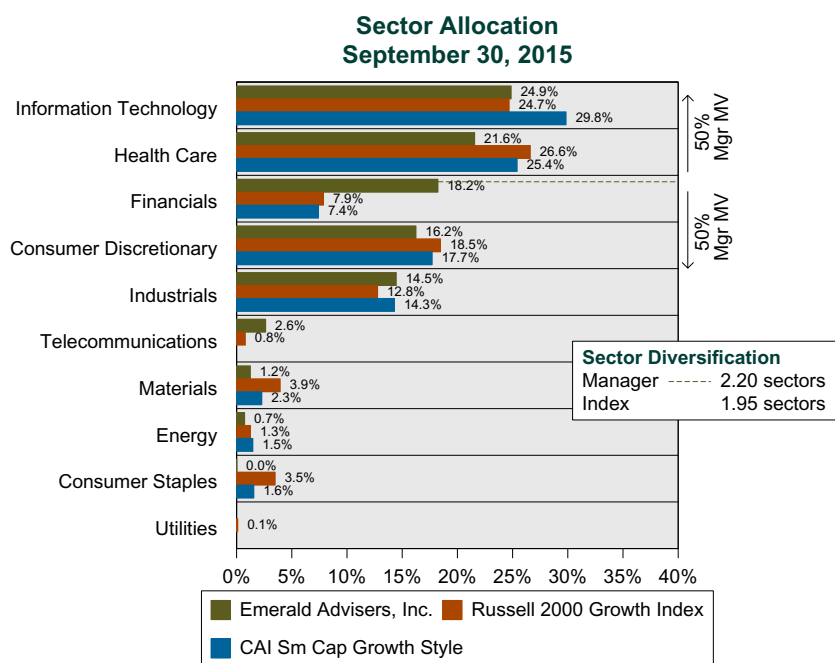
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Small Cap Growth Style as of September 30, 2015



Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



Emerald Advisers, Inc.
Top 10 Portfolio Holdings Characteristics
as of September 30, 2015

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Epam Sys Inc	Information Technology	\$171,098	2.4%	4.51%	3.71	23.67	0.00%	20.00%
Bank of The Ozarks Inc	Financials	\$139,507	2.0%	(4.12)%	3.80	18.90	1.28%	12.36%
Apogee Enterprises	Industrials	\$136,361	1.9%	(15.05)%	1.31	18.54	0.99%	10.00%
Imperva Inc	Information Technology	\$129,650	1.8%	(3.55)%	2.05	(233.86)	0.00%	25.00%
Acadia Healthcare Company In	Health Care	\$128,564	1.8%	(15.36)%	4.75	25.71	0.00%	27.00%
Opus Bk Irvine Calif	Financials	\$128,295	1.8%	5.86%	1.10	13.81	1.05%	-
Vonage Hldgs Corp	Telecommunications	\$126,790	1.8%	19.62%	1.25	19.73	0.00%	2.00%
Lendingtree, Inc	Financials	\$125,590	1.8%	18.86%	1.07	40.01	0.00%	0.99%
Microstrategy	Information Technology	\$125,544	1.8%	15.48%	1.83	22.96	0.00%	9.50%
Red Robin Gourmet Burg.	Consumer Discretionary	\$123,532	1.8%	(11.75)%	1.07	20.96	0.00%	9.50%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Diamond Foods Inc	Consumer Staples	\$679	0.0%	98.47%	0.97	23.70	0.00%	32.00%
Aimmune Therapeutics Inc	Health Care	\$5,570	0.1%	58.25%	1.07	(18.55)	0.00%	-
Pandora Media Inc	Information Technology	\$22,194	0.3%	37.32%	4.53	60.11	0.00%	45.00%
Penumbra Inc	Health Care	\$3,208	0.0%	33.67%	1.23	(40100.00)	0.00%	-
Zs Pharma Inc	Health Care	\$46,619	0.7%	27.56%	1.65	(15.01)	0.00%	-
Neos Therapeutics Inc	Health Care	\$38,028	0.5%	23.94%	0.33	(4.60)	0.00%	-
Virgin Amer Inc Com Vtg	Industrials	\$50,489	0.7%	23.73%	1.49	7.61	0.00%	24.70%
Bofi Hldg Inc	Financials	\$40,581	0.6%	21.85%	2.02	17.63	0.00%	10.00%
Pacific Premier Bancorp	Financials	\$45,131	0.6%	19.70%	0.44	13.30	0.00%	8.00%
Vonage Hldgs Corp	Telecommunications	\$126,790	1.8%	19.62%	1.25	19.73	0.00%	2.00%

10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Ovascience Inc	Health Care	\$14,178	0.2%	(70.94)%	0.23	(4.90)	0.00%	-
Rex Energy Corporation	Energy	\$13,455	0.2%	(62.97)%	0.11	(2.04)	0.00%	40.00%
Bluebird Bio Inc	Health Care	\$23,184	0.3%	(49.07)%	3.10	(20.27)	0.00%	-
Macrogenics Inc	Health Care	\$44,361	0.6%	(43.66)%	0.73	(12.61)	0.00%	-
Astronics Corp	Industrials	\$45,403	0.6%	(42.95)%	0.70	12.33	0.00%	18.98%
Sigma Designs Inc	Information Technology	\$22,186	0.3%	(42.11)%	0.25	16.02	0.00%	20.00%
Marinemax Inc	Consumer Discretionary	\$23,668	0.3%	(40.15)%	0.36	12.96	0.00%	(0.45)%
Gigamon Inc	Information Technology	\$54,807	0.8%	(39.35)%	0.67	25.65	0.00%	-
Pixelworks Inc	Information Technology	\$11,805	0.2%	(38.55)%	0.10	(180.50)	0.00%	30.00%
Adamas Pharmaceuticals Inc	Health Care	\$32,258	0.5%	(36.16)%	0.31	(5.39)	0.00%	79.36%

Ceredex Value Advisors Period Ended September 30, 2015

Investment Philosophy

Ceredex Value Advisors seeks to provide long-term capital appreciation and income by investing primarily in U.S. companies with market capitalization less than \$3 billion, and which managers believe are undervalued in the market place at the time of purchase.

Quarterly Summary and Highlights

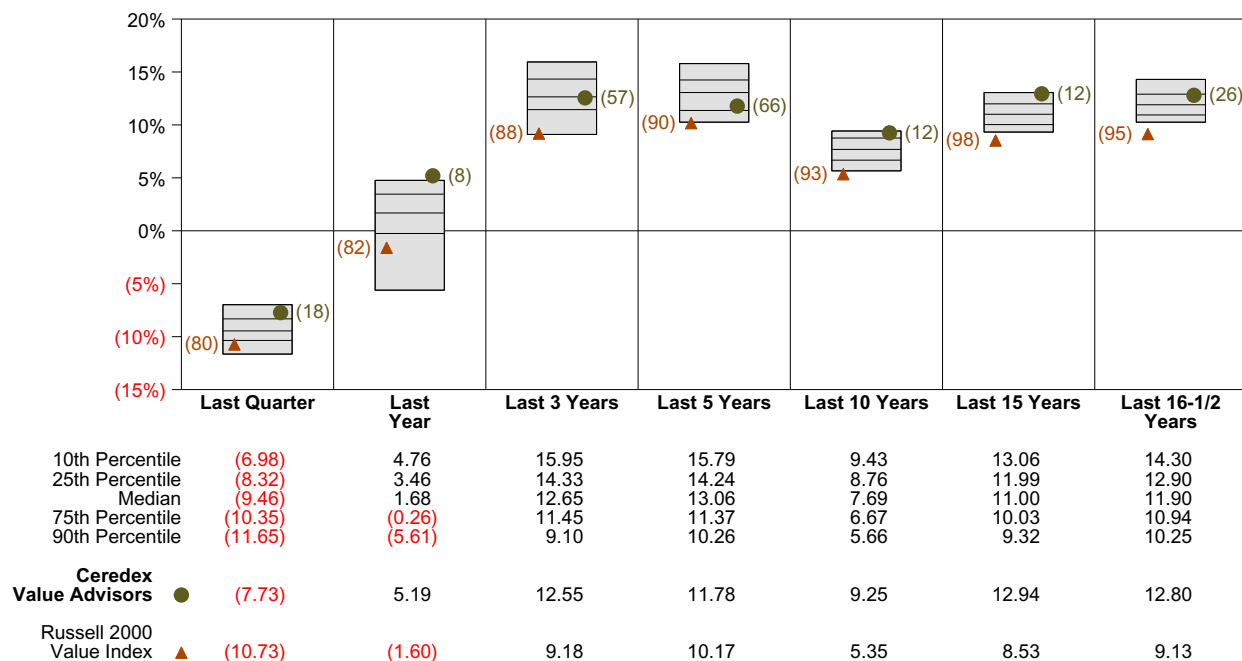
- Ceredex Value Advisors's portfolio posted a (7.73)% return for the quarter placing it in the 18 percentile of the CAI Small Cap Value Style group for the quarter and in the 8 percentile for the last year.
- Ceredex Value Advisors's portfolio outperformed the Russell 2000 Value Index by 3.00% for the quarter and outperformed the Russell 2000 Value Index for the year by 6.80%.

Quarterly Asset Growth

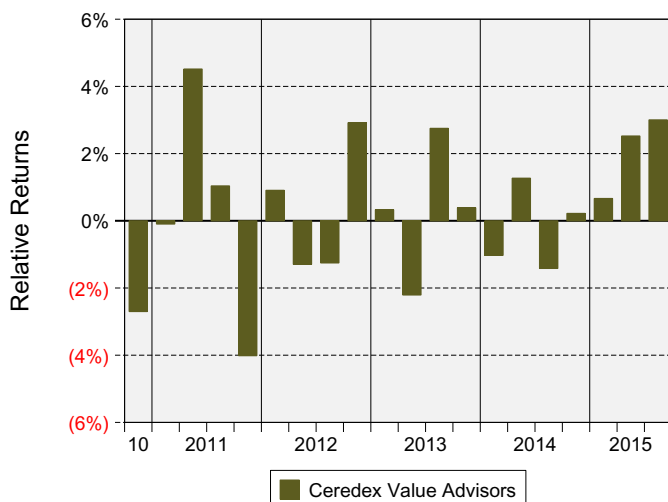
Beginning Market Value	\$7,317,635
Net New Investment	\$-16,439
Investment Gains/(Losses)	\$-564,508
Ending Market Value	\$6,736,687

Percent Cash: 2.9%

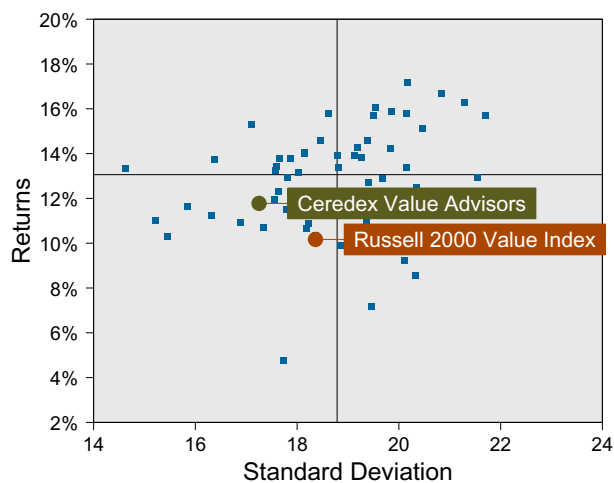
Performance vs CAI Small Cap Value Style (Gross)



Relative Return vs Russell 2000 Value Index



CAI Small Cap Value Style (Gross) Annualized Five Year Risk vs Return

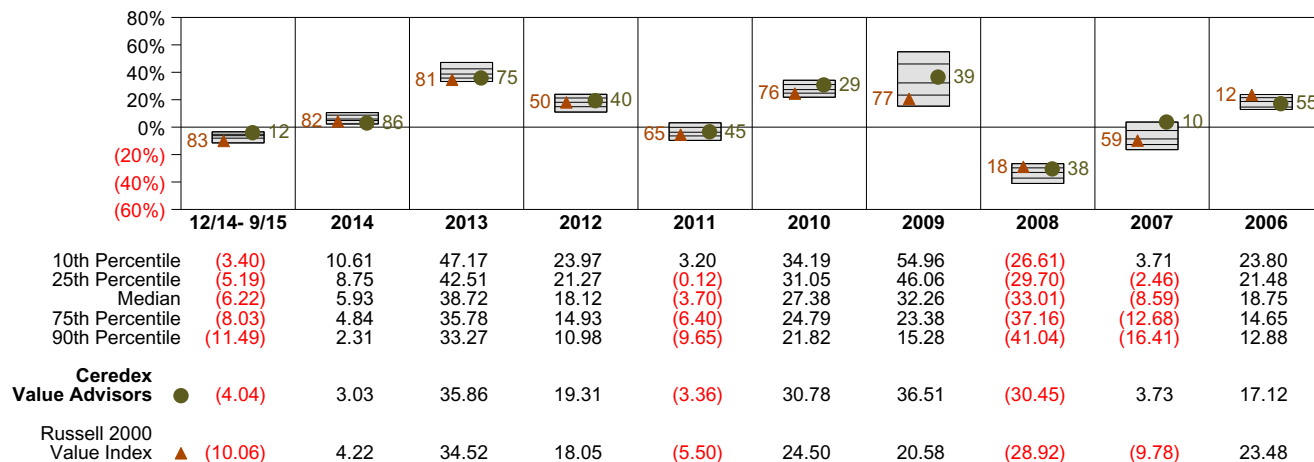


Ceredex Value Advisors Return Analysis Summary

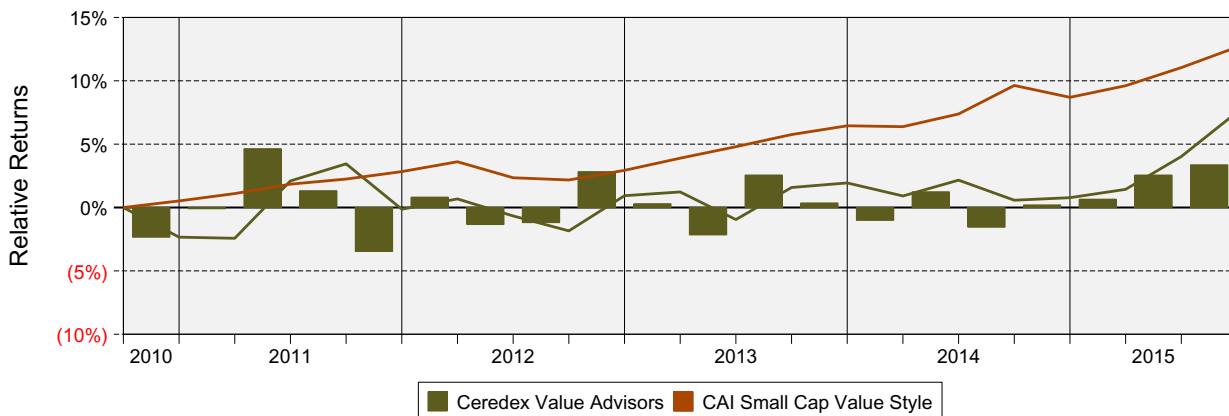
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

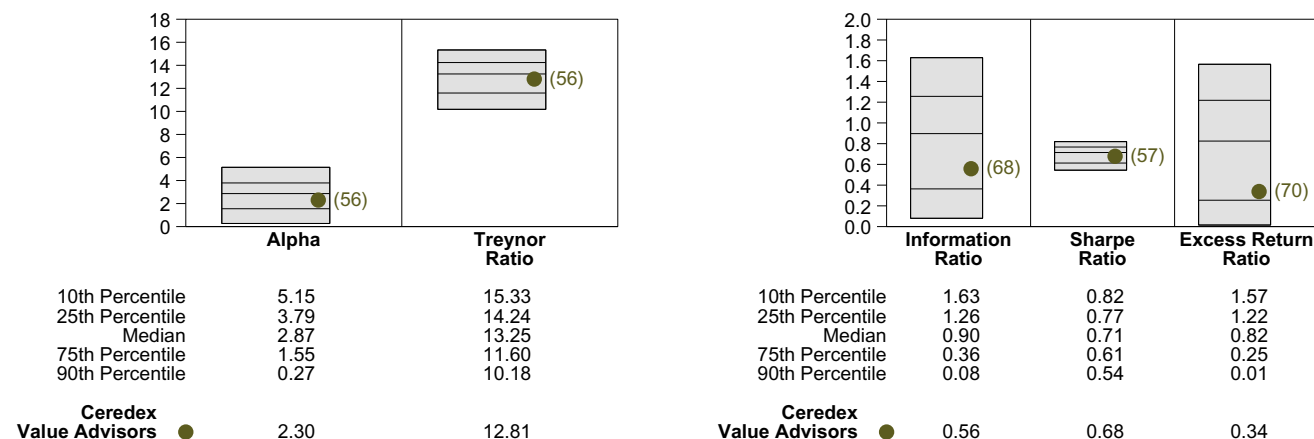
Performance vs CAI Small Cap Value Style (Gross)



Cumulative and Quarterly Relative Return vs Russell 2000 Value Index



Risk Adjusted Return Measures vs Russell 2000 Value Index Rankings Against CAI Small Cap Value Style (Gross) Five Years Ended September 30, 2015

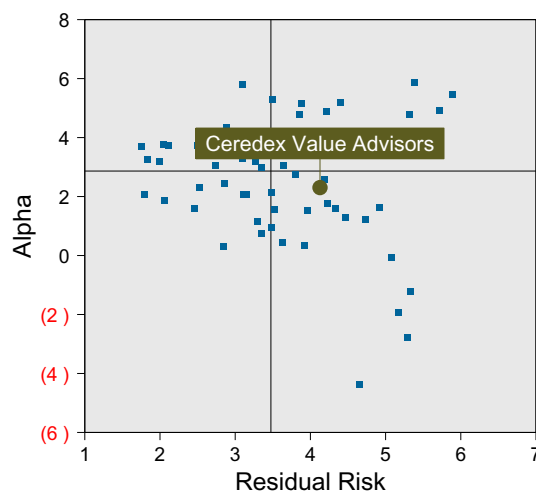
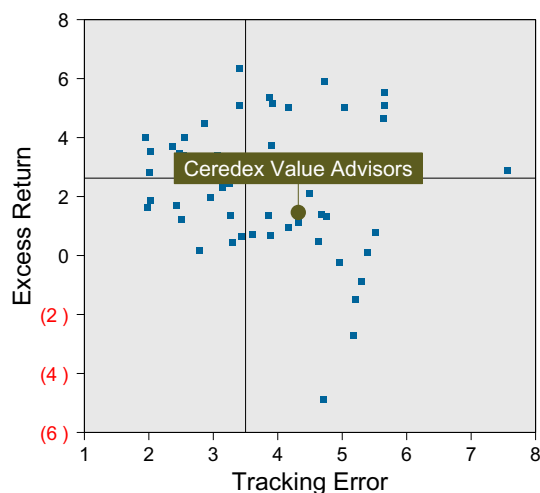


Ceredex Value Advisors Risk Analysis Summary

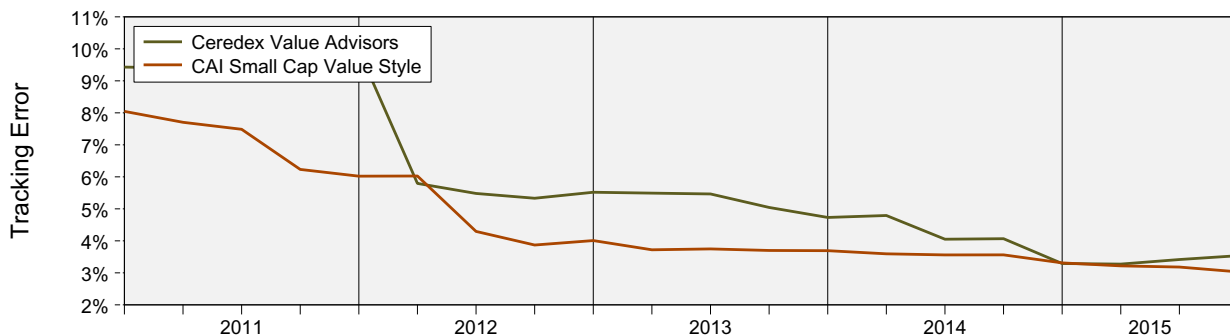
Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third chart shows tracking error patterns versus the benchmark over time. The last two charts show the ranking of the manager's risk statistics versus the peer group.

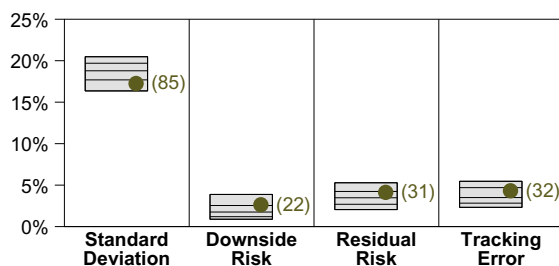
Risk Analysis vs CAI Small Cap Value Style (Gross) Five Years Ended September 30, 2015



Rolling 12 Quarter Tracking Error vs Russell 2000 Value Index

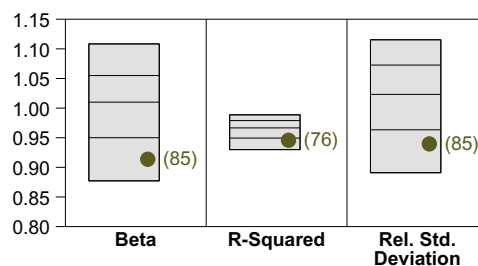


Risk Statistics Rankings vs Russell 2000 Value Index Rankings Against CAI Small Cap Value Style (Gross) Five Years Ended September 30, 2015



10th Percentile	20.48	3.88	5.28	5.46
25th Percentile	19.69	2.54	4.24	4.70
Median	18.79	1.76	3.47	3.50
75th Percentile	17.69	1.19	2.69	2.83
90th Percentile	16.36	0.89	2.05	2.32

Ceredex Value Advisors ● 17.25 2.63 4.13 4.32



10th Percentile	1.11	0.99	1.12
25th Percentile	1.05	0.98	1.07
Median	1.01	0.97	1.02
75th Percentile	0.95	0.95	0.96
90th Percentile	0.88	0.93	0.89

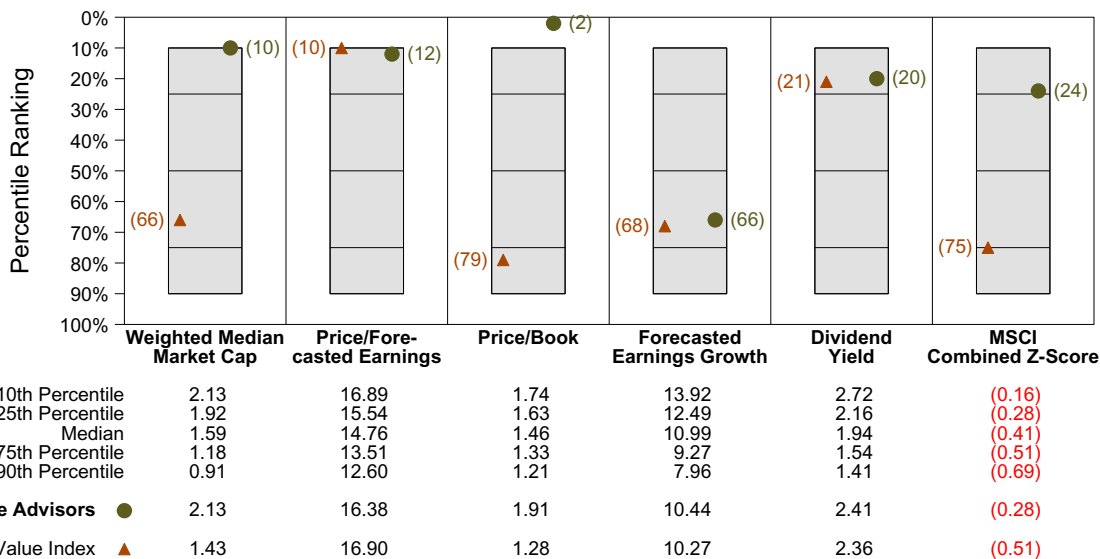
Ceredex Value Advisors ● 0.91 0.95 0.94

Ceredex Value Advisors Equity Characteristics Analysis Summary

Portfolio Characteristics

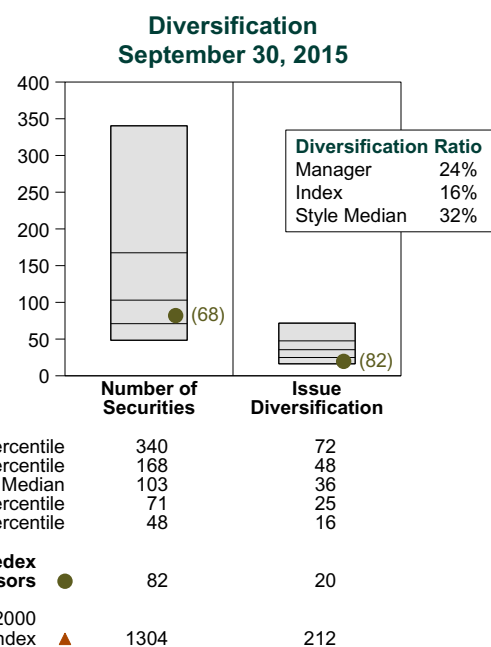
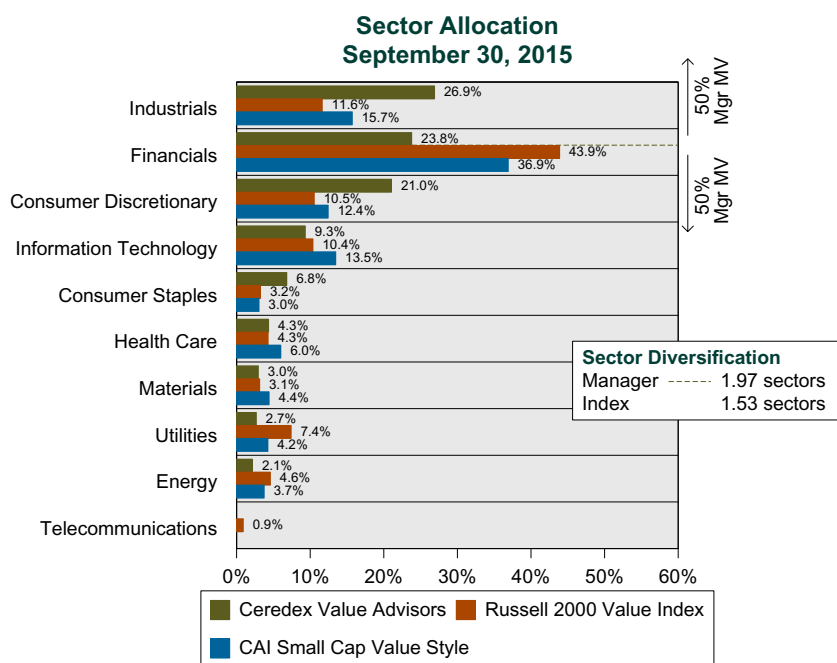
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Small Cap Value Style as of September 30, 2015



Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



Ceredex Value Advisors Top 10 Portfolio Holdings Characteristics as of September 30, 2015

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Fair Isaac Corp	Information Technology	\$278,850	4.1%	(6.90)%	2.63	22.65	0.09%	14.30%
Progressive Waste Solutions Ltd	Industrials	\$232,496	3.4%	(1.14)%	2.86	18.91	1.93%	7.00%
Hanover Ins Group Inc	Financials	\$209,790	3.1%	5.50%	3.43	12.53	2.11%	(1.10)%
Hsn Inc	Consumer Discretionary	\$200,340	3.0%	(17.98)%	3.03	14.93	2.45%	13.60%
Amc Entmt Hldgs Inc Cl A Com	Consumer Discretionary	\$188,925	2.8%	(17.36)%	0.54	18.32	3.18%	10.00%
Plantronics Inc New	Information Technology	\$177,975	2.6%	(9.25)%	1.79	15.48	1.18%	14.40%
Energizer Hldgs Inc New Com	Consumer Staples	\$174,195	2.6%	(3.85)%	2.41	15.48	2.58%	-
Guess Inc	Consumer Discretionary	\$172,268	2.6%	12.53%	1.83	20.68	4.21%	5.10%
Miller Herman Inc	Industrials	\$167,272	2.5%	0.13%	1.73	14.44	2.05%	17.83%
Hill Rom Hldgs Inc	Health Care	\$166,368	2.5%	(4.21)%	2.95	18.44	1.23%	11.75%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Stancorp Finl Group Inc	Financials	\$45,680	0.7%	51.15%	4.83	19.55	1.14%	7.10%
Cubalmart	Financials	\$2,721	0.0%	17.68%	4.60	86.38	2.35%	16.49%
Guess Inc	Consumer Discretionary	\$172,268	2.6%	12.53%	1.83	20.68	4.21%	5.10%
Northwestern Corp	Utilities	\$59,213	0.9%	11.49%	2.59	16.08	3.57%	5.00%
B & G Foods Inc New	Consumer Staples	\$134,865	2.0%	10.39%	2.11	19.00	3.84%	9.46%
Allele	Utilities	\$75,735	1.1%	9.92%	2.47	15.05	4.00%	6.00%
Avista Corp	Utilities	\$6,650	0.1%	9.67%	2.07	16.56	3.97%	4.78%
Post Properties	Financials	\$116,580	1.7%	8.04%	3.18	40.62	3.02%	21.73%
Viad Corp	Industrials	\$49,283	0.7%	7.26%	0.58	15.46	1.38%	40.80%
Tanger Factory Outlet	Financials	\$72,534	1.1%	6.53%	3.16	30.11	3.46%	21.61%

10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Carbo Ceramics Inc	Energy	\$55,071	0.8%	(54.26)%	0.44	(12.81)	2.11%	10.00%
Bristow Group Inc	Energy	\$73,248	1.1%	(50.31)%	0.91	7.51	5.20%	12.50%
Tidewater Inc	Energy	\$11,826	0.2%	(41.30)%	0.62	(22.66)	7.61%	5.78%
Aar Corp	Industrials	\$49,322	0.7%	(40.31)%	0.67	11.57	1.58%	9.47%
Sothebys	Consumer Discretionary	\$124,722	1.8%	(28.27)%	2.22	12.45	1.25%	20.00%
Sun Hydraulics Corp	Industrials	\$8,241	0.1%	(27.68)%	0.73	17.86	1.31%	7.15%
Banco Latinoamericano De Com Shs E	Financials	\$23,150	0.3%	(27.08)%	0.69	7.91	6.65%	7.84%
Inter Parfums Inc	Consumer Staples	\$37,215	0.6%	(26.28)%	0.77	22.15	2.10%	(3.36)%
China Yuchai Int'l N(Usd	Industrials	\$6,185	0.1%	(26.15)%	0.49	5.20	8.89%	(7.14)%
Daktronics Inc	Information Technology	\$49,419	0.7%	(25.89)%	0.38	14.40	4.61%	(0.66)%

SSgA S&P 500 Index Period Ended September 30, 2015

Investment Philosophy

State Street's S&P 500 Index Fund seeks to replicate the total return of the S&P 500 Index.

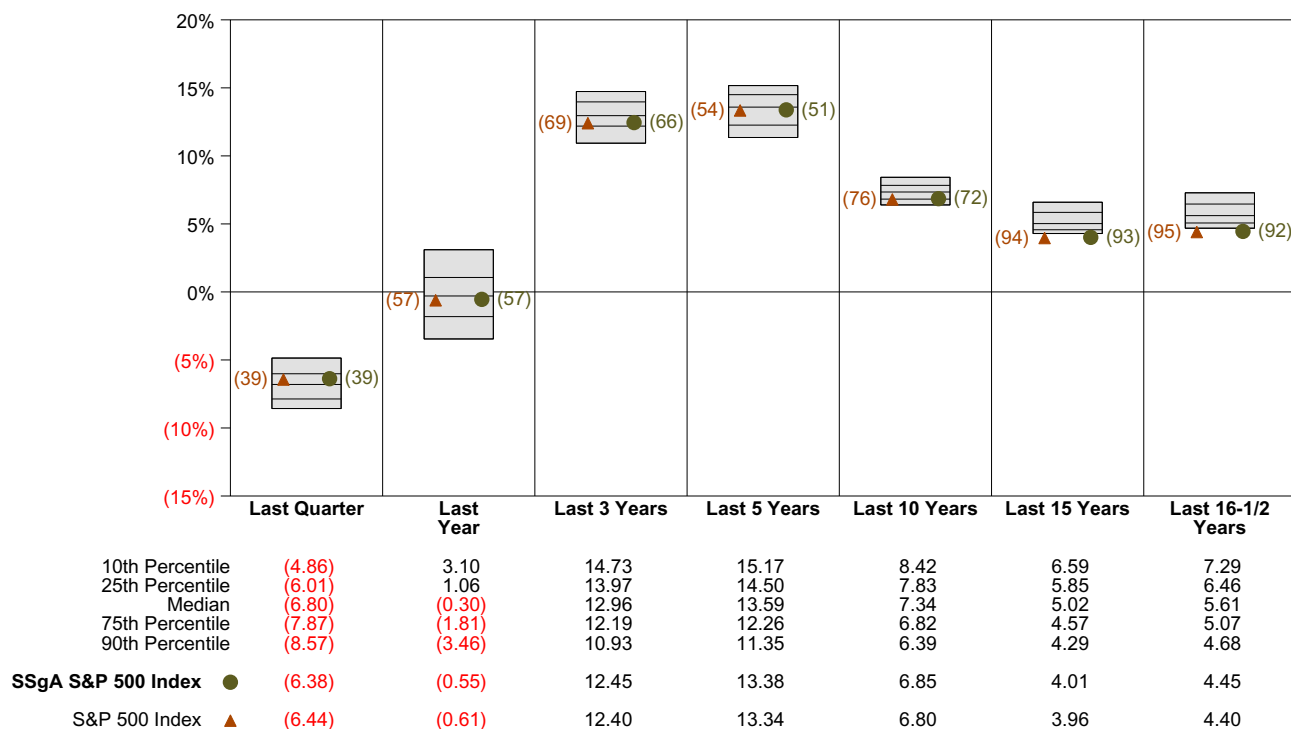
Quarterly Summary and Highlights

- SSgA S&P 500 Index's portfolio posted a (6.38)% return for the quarter placing it in the 39 percentile of the CAI Large Cap Core Style group for the quarter and in the 57 percentile for the last year.
- SSgA S&P 500 Index's portfolio outperformed the S&P 500 Index by 0.06% for the quarter and outperformed the S&P 500 Index for the year by 0.07%.

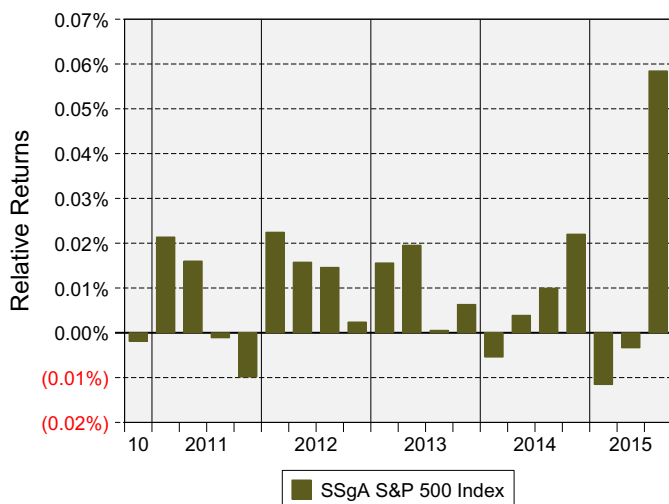
Quarterly Asset Growth

Beginning Market Value	\$61,881,428
Net New Investment	\$-2,006,331
Investment Gains/(Losses)	\$-3,776,749
Ending Market Value	\$56,098,348

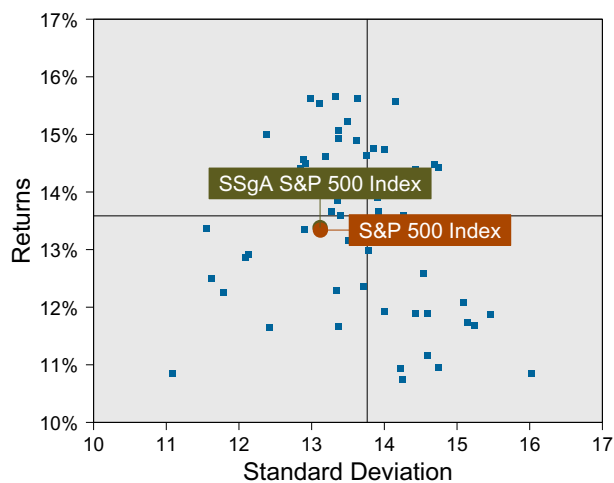
Performance vs CAI Large Cap Core Style (Gross)



Relative Return vs S&P 500 Index



CAI Large Cap Core Style (Gross) Annualized Five Year Risk vs Return

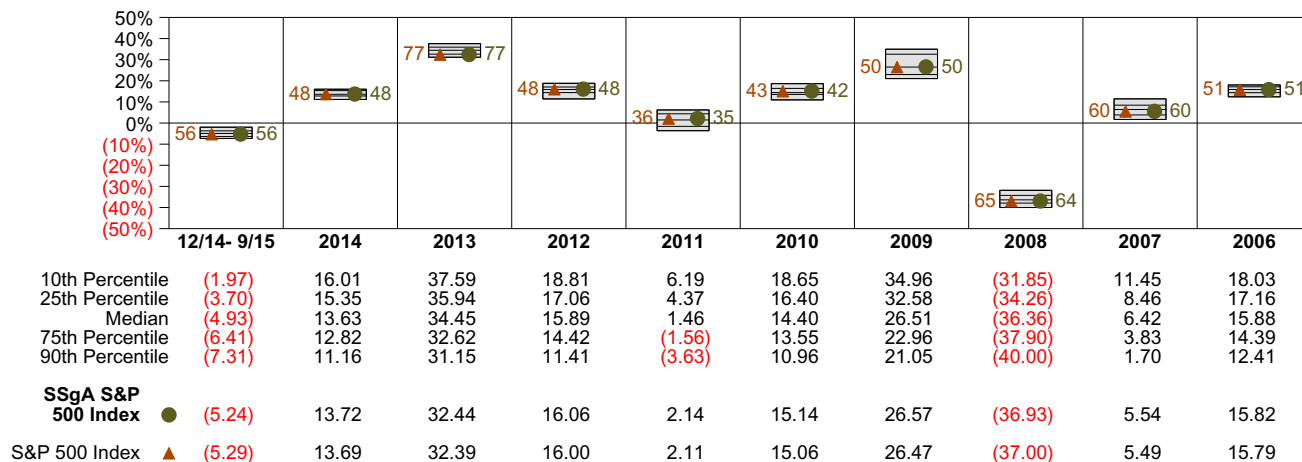


SSgA S&P 500 Index Return Analysis Summary

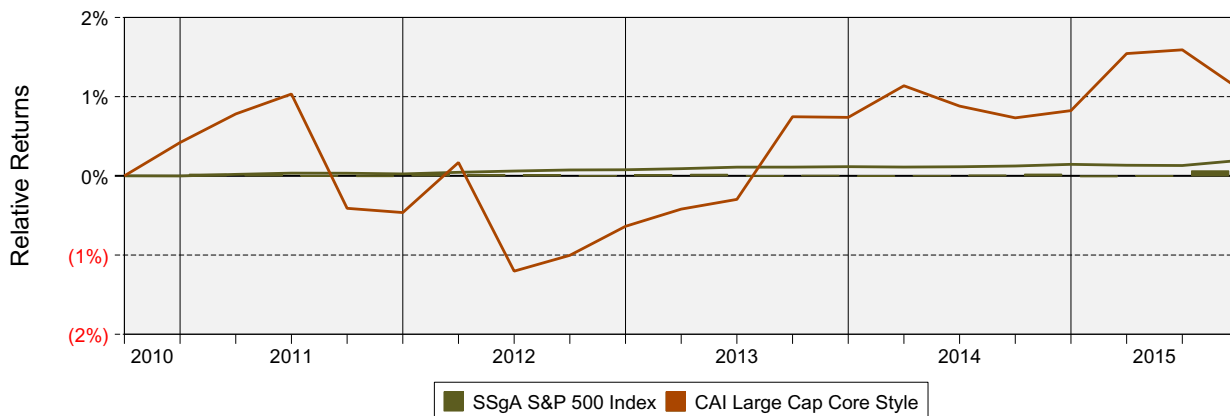
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

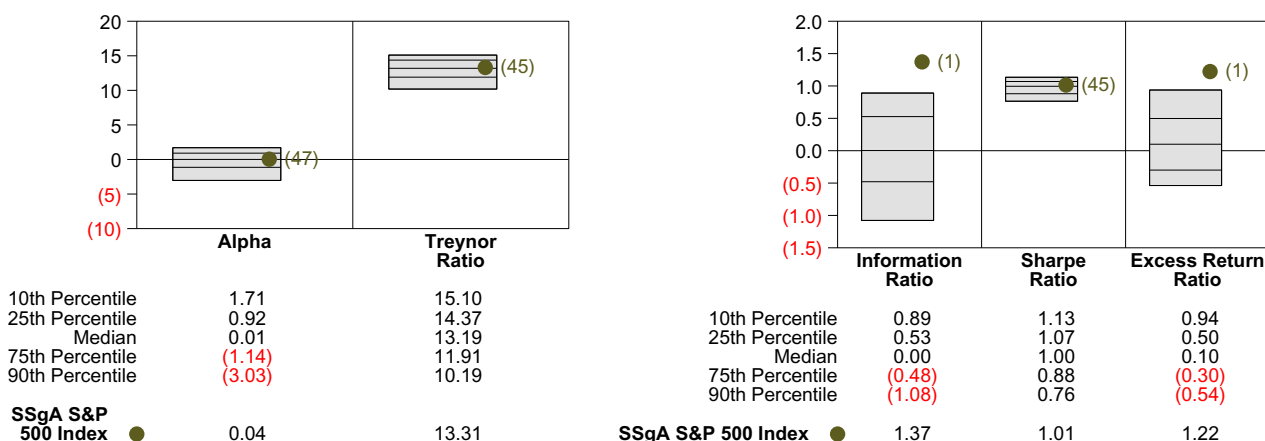
Performance vs CAI Large Cap Core Style (Gross)



Cumulative and Quarterly Relative Return vs S&P 500 Index



Risk Adjusted Return Measures vs S&P 500 Index Rankings Against CAI Large Cap Core Style (Gross) Five Years Ended September 30, 2015

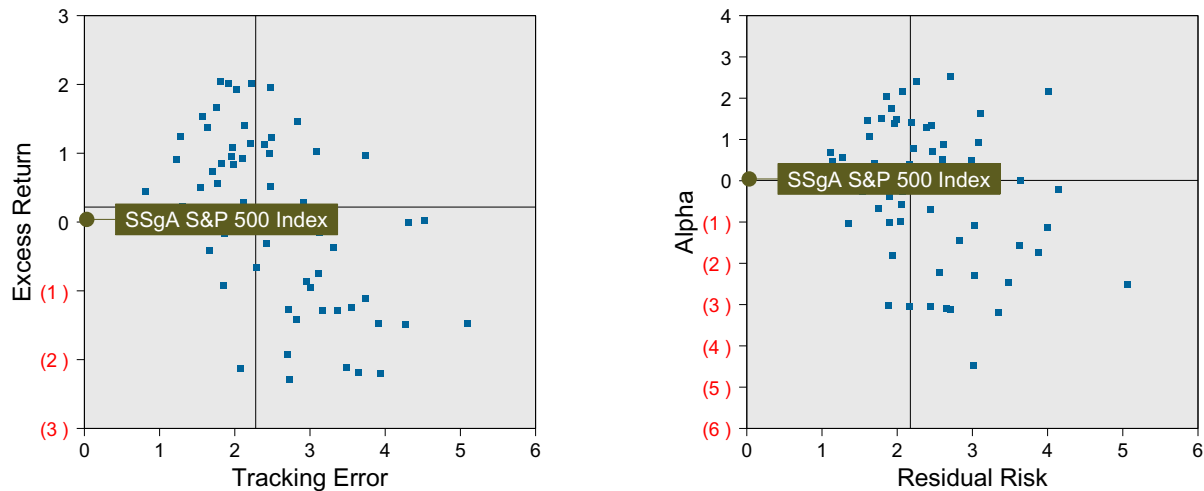


SSgA S&P 500 Index Risk Analysis Summary

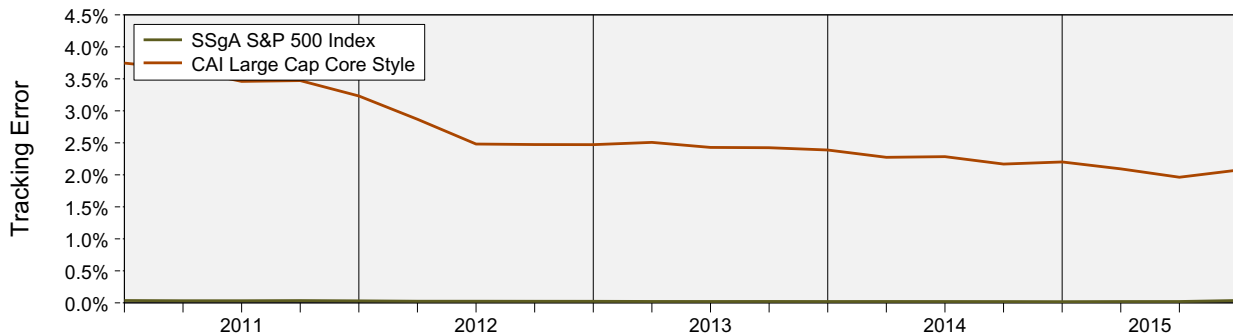
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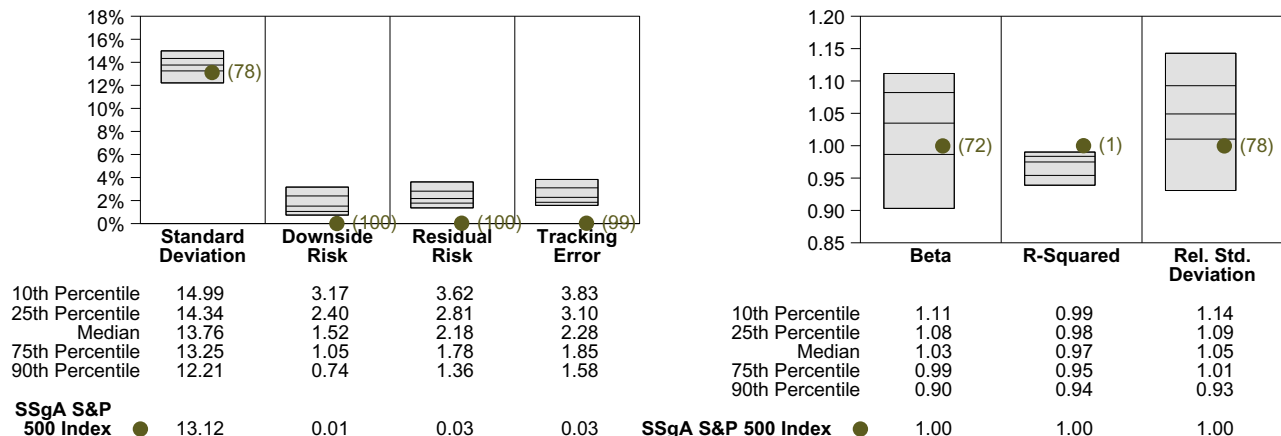
Risk Analysis vs CAI Large Cap Core Style (Gross) Five Years Ended September 30, 2015



Rolling 12 Quarter Tracking Error vs S&P 500 Index



Risk Statistics Rankings vs S&P 500 Index Rankings Against CAI Large Cap Core Style (Gross) Five Years Ended September 30, 2015

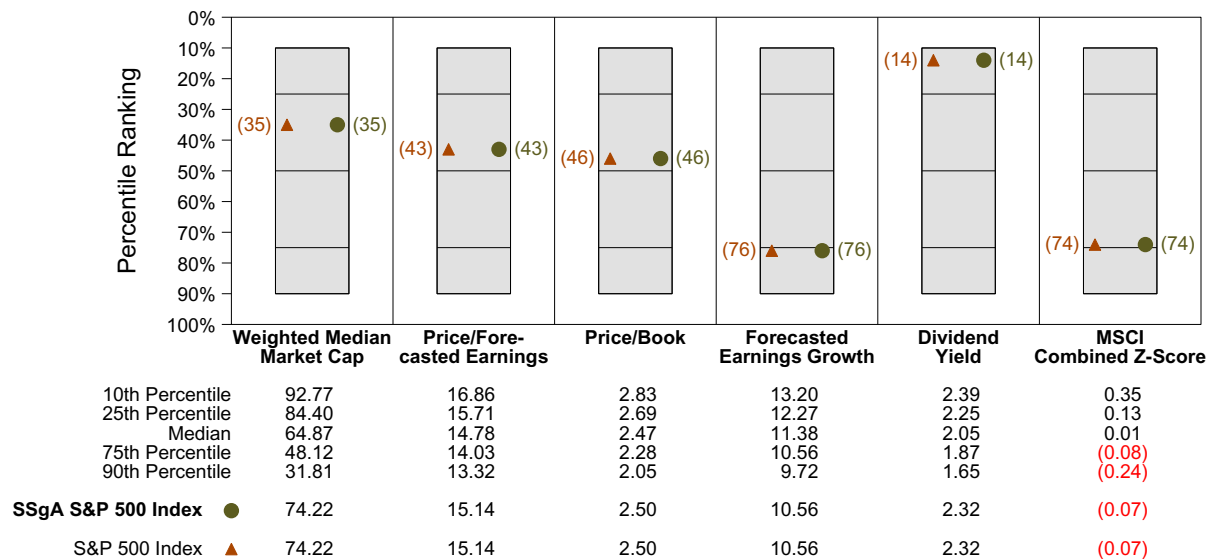


SSgA S&P 500 Index Equity Characteristics Analysis Summary

Portfolio Characteristics

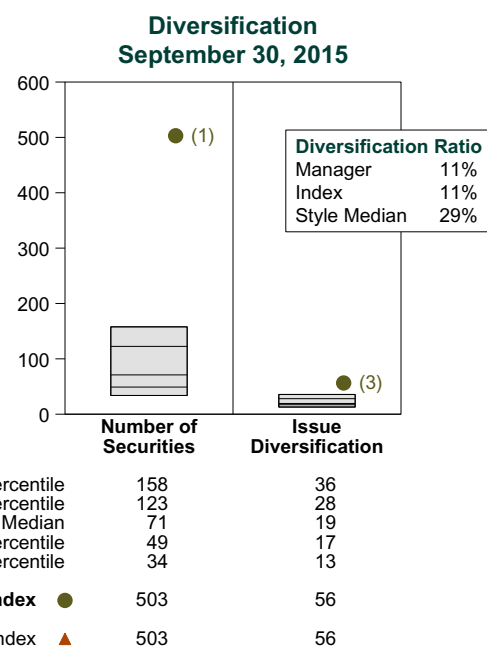
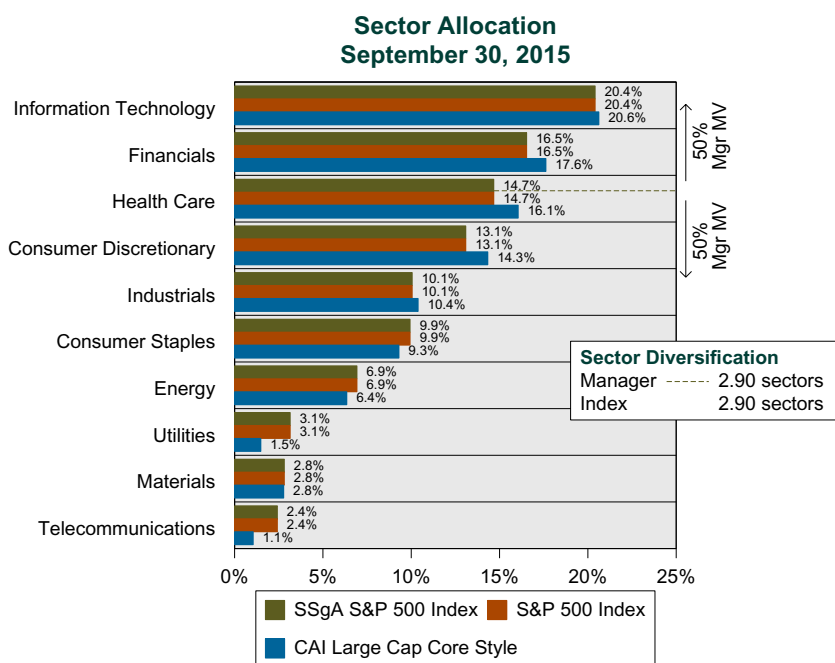
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Large Cap Core Style as of September 30, 2015



Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



SSgA S&P 500 Index Top 10 Portfolio Holdings Characteristics as of September 30, 2015

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Apple Inc	Information Technology	\$2,089,511	3.7%	(11.66)%	629.01	11.30	1.89%	17.24%
Microsoft Corp	Information Technology	\$1,174,298	2.1%	0.91%	353.99	15.89	3.25%	7.80%
Exxon Mobil Corp	Energy	\$1,030,915	1.8%	(9.80)%	310.00	17.40	3.93%	(6.85)%
Johnson & Johnson	Health Care	\$855,759	1.5%	(3.47)%	258.50	14.72	3.21%	5.45%
General Electric Co	Industrials	\$847,089	1.5%	(4.22)%	254.63	17.04	3.65%	7.00%
Berkshire Hathaway Inc Del Cl B New	Financials	\$808,831	1.4%	(4.20)%	162.66	16.63	0.00%	-
Wells Fargo & Co New	Financials	\$797,001	1.4%	(8.10)%	263.60	11.60	2.92%	8.78%
JPMorgan Chase & Co	Financials	\$748,877	1.3%	(9.44)%	225.47	9.68	2.89%	5.00%
Facebook Inc Cl A	Information Technology	\$672,841	1.2%	4.82%	202.18	34.84	0.00%	26.50%
At&t Inc	Telecommunications	\$664,978	1.2%	(7.04)%	200.40	11.92	5.77%	4.60%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Teco Energy Inc	Utilities	\$18,892	0.0%	50.21%	6.18	22.64	3.43%	6.78%
Cablevision Systems A	Consumer Discretionary	\$22,350	0.0%	36.44%	7.22	36.16	1.85%	(1.10)%
Agl Res Inc	Utilities	\$23,888	0.0%	32.46%	7.33	20.08	3.34%	6.00%
Chubb Corp	Financials	\$93,673	0.2%	29.52%	27.84	15.90	1.86%	9.50%
Activision Blizzard Inc	Information Technology	\$51,343	0.1%	27.59%	22.52	20.55	0.74%	14.18%
Nvidia Corp	Information Technology	\$42,397	0.1%	23.09%	13.29	23.70	1.58%	9.00%
Block H & R Inc	Consumer Discretionary	\$32,393	0.1%	22.78%	10.01	16.19	2.21%	11.00%
Motorola Solutions Inc.	Information Technology	\$34,516	0.1%	19.86%	14.14	18.27	1.99%	(2.27)%
Molson Coors Brewing Co Cl B	Consumer Staples	\$44,472	0.1%	19.62%	13.51	21.19	1.98%	(1.27)%
Reynolds American	Consumer Staples	\$120,721	0.2%	19.60%	63.27	20.14	1.63%	13.75%

10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Joy Global Inc	Industrials	\$4,916	0.0%	(58.38)%	1.46	10.34	5.36%	(30.00)%
Consol Energy Inc	Energy	\$7,161	0.0%	(54.89)%	2.24	20.63	0.41%	13.87%
Freeport-Mcmoran Inc Cl B	Materials	\$33,210	0.1%	(47.47)%	11.01	6.59	2.06%	(12.52)%
Wynn Resorts Ltd	Consumer Discretionary	\$13,683	0.0%	(45.90)%	5.39	12.60	3.77%	(1.70)%
Mallinckrodt	Health Care	\$24,762	0.0%	(45.68)%	7.50	7.83	0.00%	19.57%
Southwestern Energy Co	Energy	\$15,742	0.0%	(44.17)%	4.88	31.10	0.00%	2.72%
Qorvo Inc	Information Technology	\$21,890	0.0%	(43.88)%	6.74	8.97	0.00%	14.00%
Marathon Oil Corp	Energy	\$33,138	0.1%	(41.27)%	10.39	(15.22)	5.45%	7.00%
Murphy Oil Corp	Energy	\$12,674	0.0%	(41.17)%	4.18	(9.99)	5.79%	10.00%
Mylan N V Shs Euro	Health Care	\$53,674	0.1%	(40.67)%	19.79	8.82	0.00%	12.81%

SSgA S&P 400 Index Period Ended September 30, 2015

Investment Philosophy

The objective of State Street's S&P MidCap 400 Index is to seek an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index over the long term.

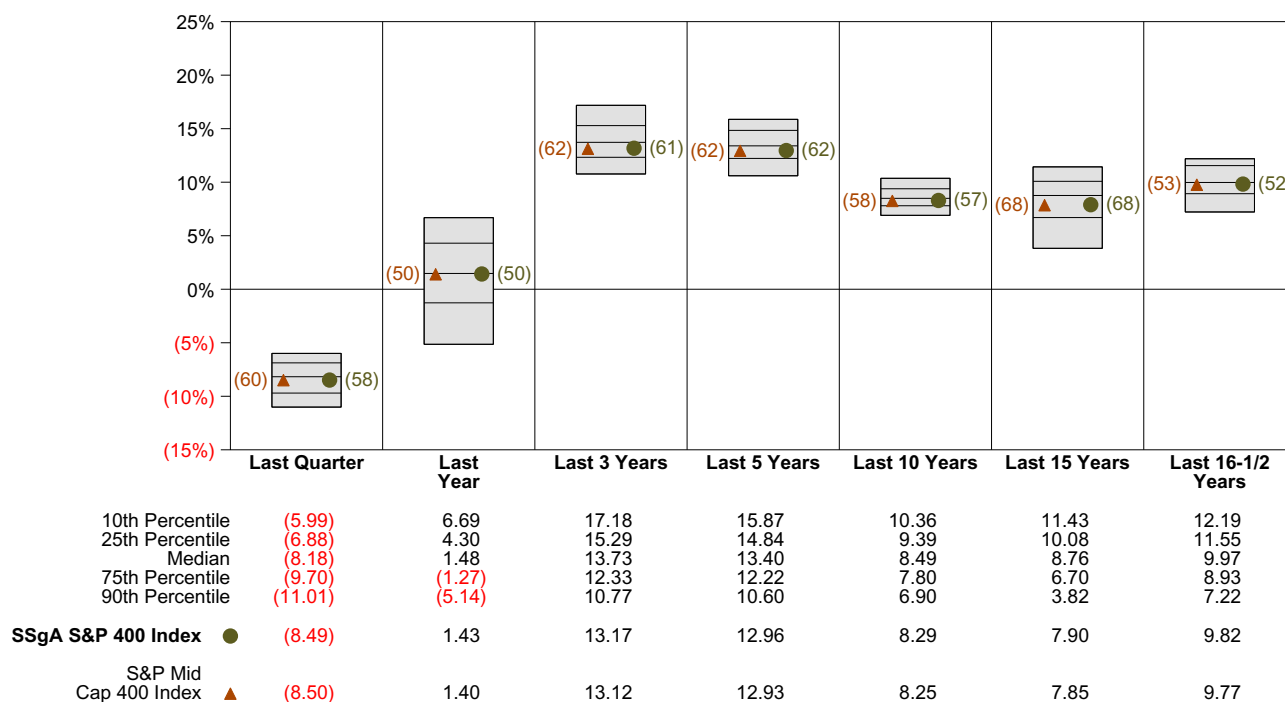
Quarterly Summary and Highlights

- SSgA S&P 400 Index's portfolio posted a (8.49)% return for the quarter placing it in the 58 percentile of the CAI Mid Capitalization Style group for the quarter and in the 50 percentile for the last year.
- SSgA S&P 400 Index's portfolio outperformed the S&P Mid Cap 400 Index by 0.01% for the quarter and outperformed the S&P Mid Cap 400 Index for the year by 0.03%.

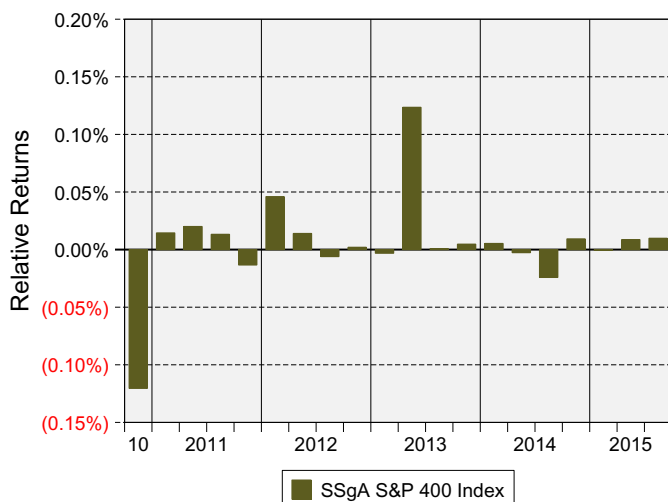
Quarterly Asset Growth

Beginning Market Value	\$15,121,492
Net New Investment	\$-1,703,033
Investment Gains/(Losses)	\$-1,116,824
Ending Market Value	\$12,301,635

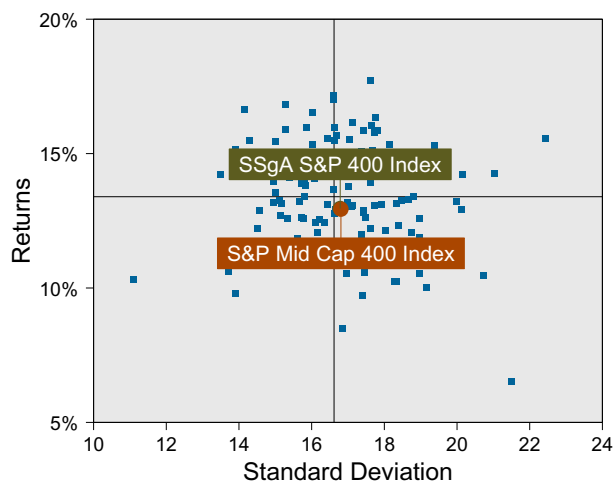
Performance vs CAI Mid Capitalization Style (Gross)



Relative Return vs S&P Mid Cap 400 Index



CAI Mid Capitalization Style (Gross) Annualized Five Year Risk vs Return

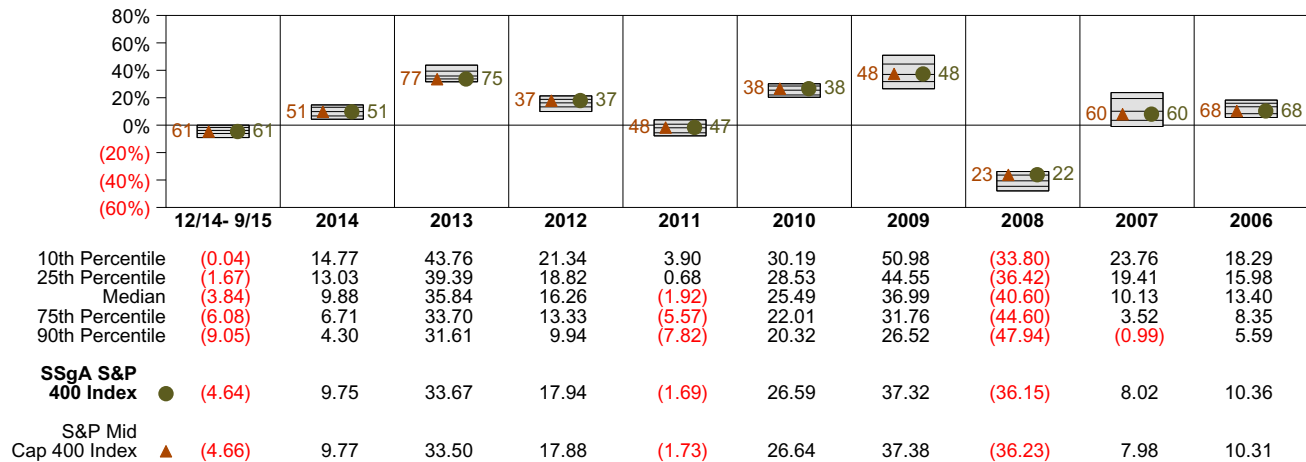


SSgA S&P 400 Index Return Analysis Summary

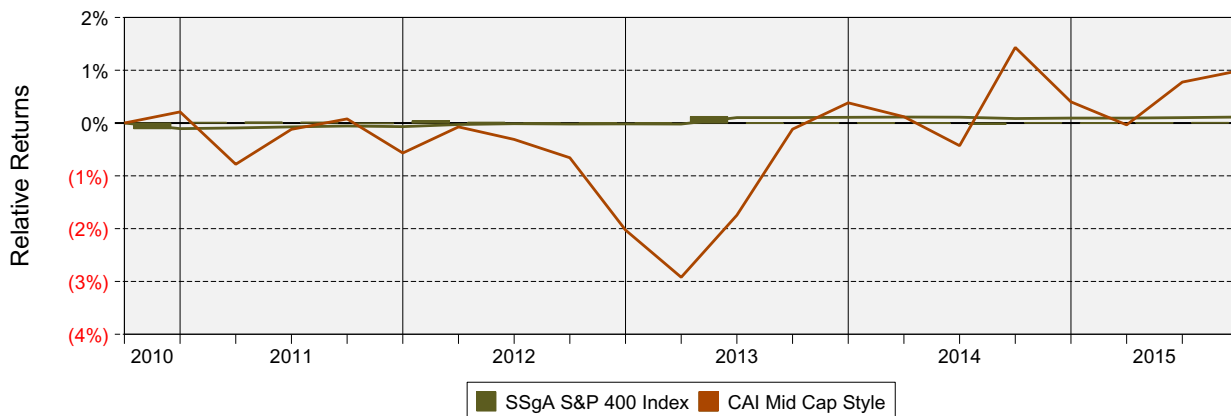
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

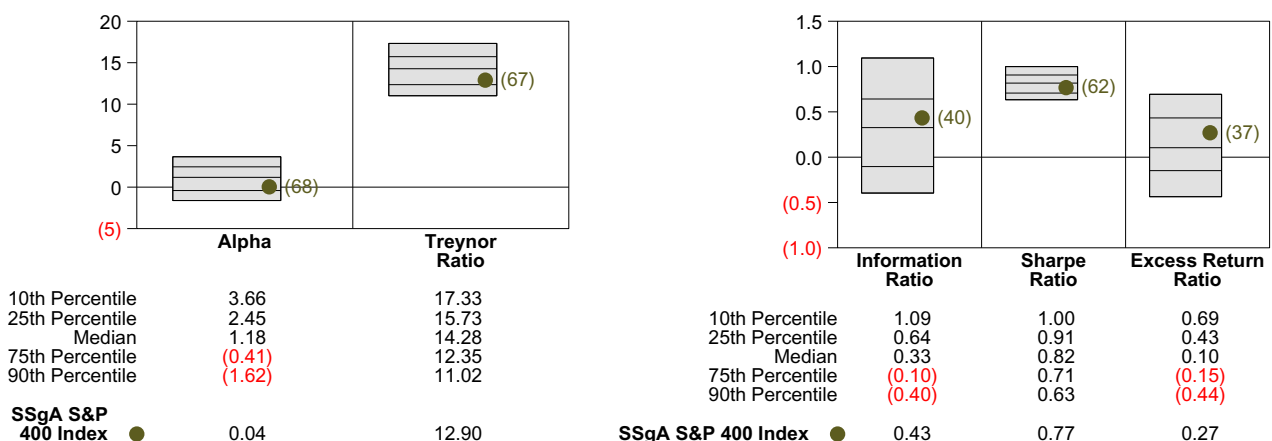
Performance vs CAI Mid Capitalization Style (Gross)



Cumulative and Quarterly Relative Return vs S&P Mid Cap 400 Index



Risk Adjusted Return Measures vs S&P Mid Cap 400 Index Rankings Against CAI Mid Capitalization Style (Gross) Five Years Ended September 30, 2015

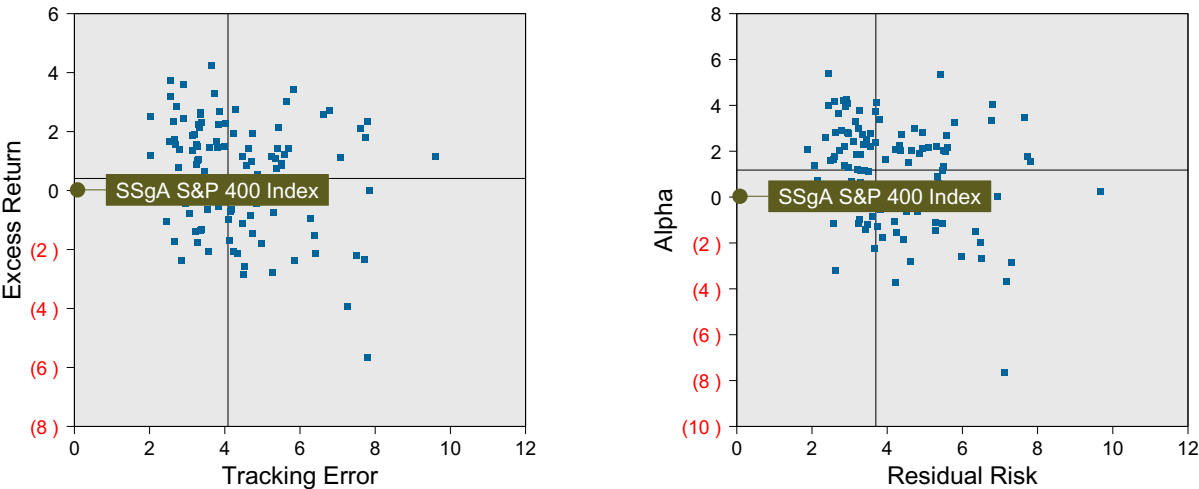


SSgA S&P 400 Index Risk Analysis Summary

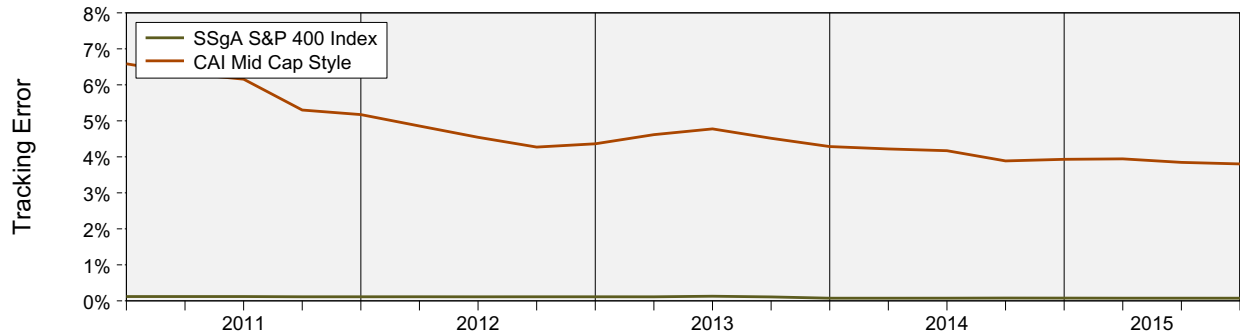
Risk Analysis

The graphs below analyze the risk or variation of a manager’s return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third chart shows tracking error patterns versus the benchmark over time. The last two charts show the ranking of the manager’s risk statistics versus the peer group.

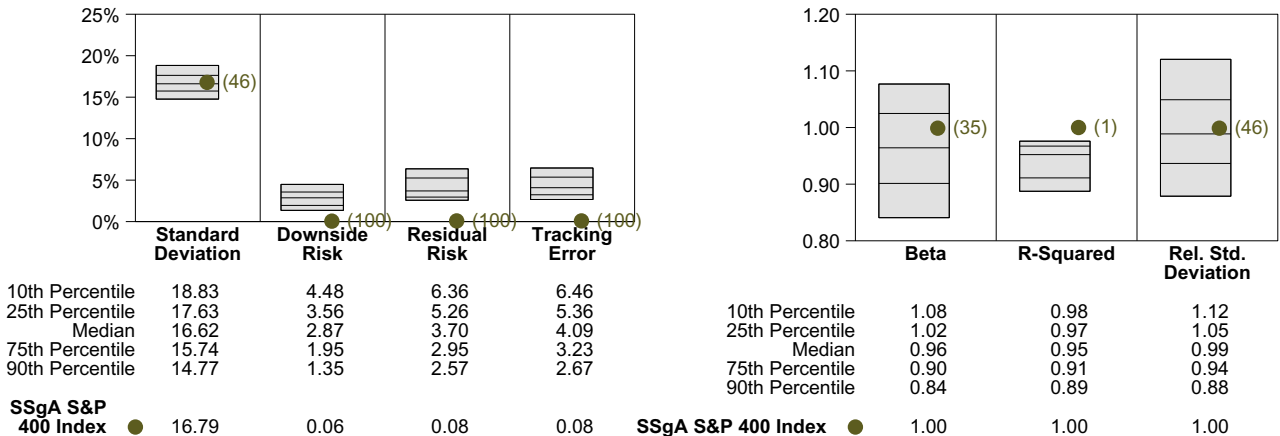
Risk Analysis vs CAI Mid Capitalization Style (Gross) Five Years Ended September 30, 2015



Rolling 12 Quarter Tracking Error vs S&P 400 Mid Cap Index



Risk Statistics Rankings vs S&P 400 Mid Cap Index Rankings Against CAI Mid Capitalization Style (Gross) Five Years Ended September 30, 2015

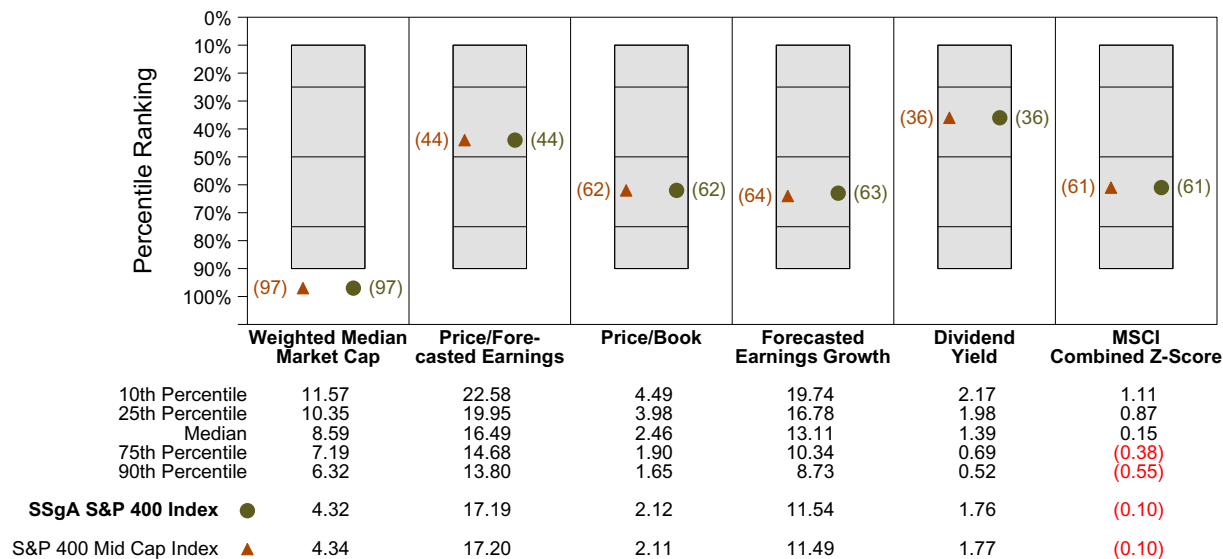


SSgA S&P 400 Index Equity Characteristics Analysis Summary

Portfolio Characteristics

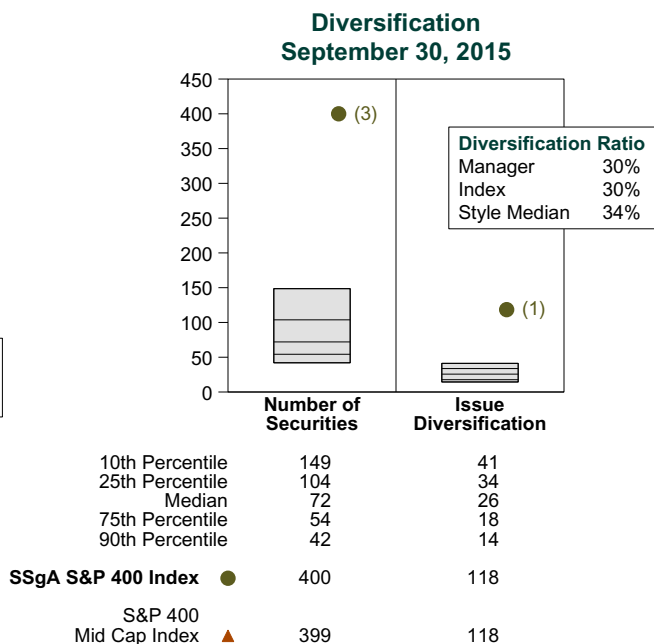
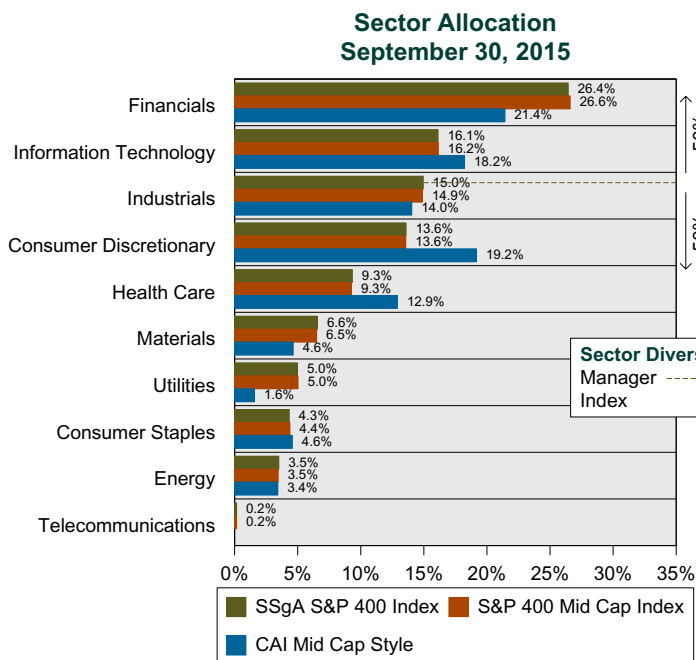
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Mid Capitalization Style as of September 30, 2015



Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



SSgA S&P 400 Index Top 10 Portfolio Holdings Characteristics as of September 30, 2015

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Church & Dwight Inc	Consumer Staples	\$89,518	0.7%	3.80%	10.99	24.13	1.60%	8.75%
Alaska Air Group Inc	Industrials	\$82,375	0.7%	23.62%	10.12	11.89	1.01%	17.40%
Foot Locker Inc	Consumer Discretionary	\$81,695	0.7%	7.79%	10.03	15.88	1.39%	12.07%
Jarden Corp	Consumer Discretionary	\$78,993	0.6%	(5.55)%	10.32	16.00	0.00%	10.00%
Hologic Inc	Health Care	\$78,161	0.6%	2.81%	11.03	21.50	0.00%	8.95%
Fed Realty Inv't Tr Sh Ben Int New	Financials	\$77,521	0.6%	7.27%	9.43	44.37	2.76%	13.08%
Extra Space Storage Inc	Financials	\$77,237	0.6%	19.26%	9.48	38.35	3.06%	4.40%
Hollyfrontier Corp	Energy	\$74,990	0.6%	15.21%	9.21	11.04	2.70%	14.61%
Udr Inc	Financials	\$73,569	0.6%	8.55%	9.03	87.74	3.22%	3.30%
Lkq Corp	Consumer Discretionary	\$70,412	0.6%	(6.23)%	8.65	18.06	0.00%	25.00%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Stancorp Finl Group Inc	Financials	\$39,276	0.3%	51.04%	4.83	19.55	1.14%	7.10%
Thoratec Corp	Health Care	\$28,775	0.2%	41.93%	3.47	41.02	0.00%	10.70%
Con-Way Inc	Industrials	\$21,902	0.2%	24.17%	2.72	16.96	1.26%	15.00%
Jetblue Airways Corp	Industrials	\$66,044	0.5%	24.13%	8.11	12.29	0.00%	49.70%
Alaska Air Group Inc	Industrials	\$82,375	0.7%	23.62%	10.12	11.89	1.01%	17.40%
Buffalo Wild Wings Inc	Consumer Discretionary	\$29,859	0.2%	23.45%	3.68	28.75	0.00%	19.00%
Cytec Industries	Materials	\$43,535	0.4%	22.21%	5.28	20.53	0.68%	12.00%
Skechers USA A	Consumer Discretionary	\$47,052	0.4%	22.12%	5.61	22.14	0.00%	31.23%
Solera Holdings Inc	Information Technology	\$29,823	0.2%	21.73%	3.62	17.60	1.67%	9.30%
Extra Space Storage Inc	Financials	\$77,237	0.6%	19.26%	9.48	38.35	3.06%	4.40%

10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Sunedison Inc Com	Information Technology	\$18,725	0.2%	(75.99)%	2.26	(2.23)	0.00%	(25.40)%
Helix Energy Solutions Grp I	Energy	\$3,868	0.0%	(62.07)%	0.51	20.13	0.00%	2.87%
Denbury Res Inc	Energy	\$7,507	0.1%	(60.96)%	0.87	76.25	0.00%	(6.31)%
Chemours Co Com	Materials	\$9,671	0.1%	(57.64)%	1.17	4.56	1.85%	-
California Res Corp	Energy	\$6,429	0.1%	(56.83)%	1.00	(3.94)	1.54%	(39.30)%
Allegheny Technologies Inc	Materials	\$12,794	0.1%	(52.62)%	1.55	12.83	5.08%	15.00%
Us Steel Corp	Materials	\$12,691	0.1%	(49.35)%	1.52	20.23	1.92%	(16.50)%
Wpx Energy Inc	Energy	\$12,834	0.1%	(46.09)%	1.82	(12.04)	0.00%	-
Atwood Oceanics	Energy	\$7,341	0.1%	(43.05)%	0.96	3.04	6.75%	(69.02)%
Belden Inc	Information Technology	\$16,474	0.1%	(42.46)%	1.99	8.76	0.43%	20.92%

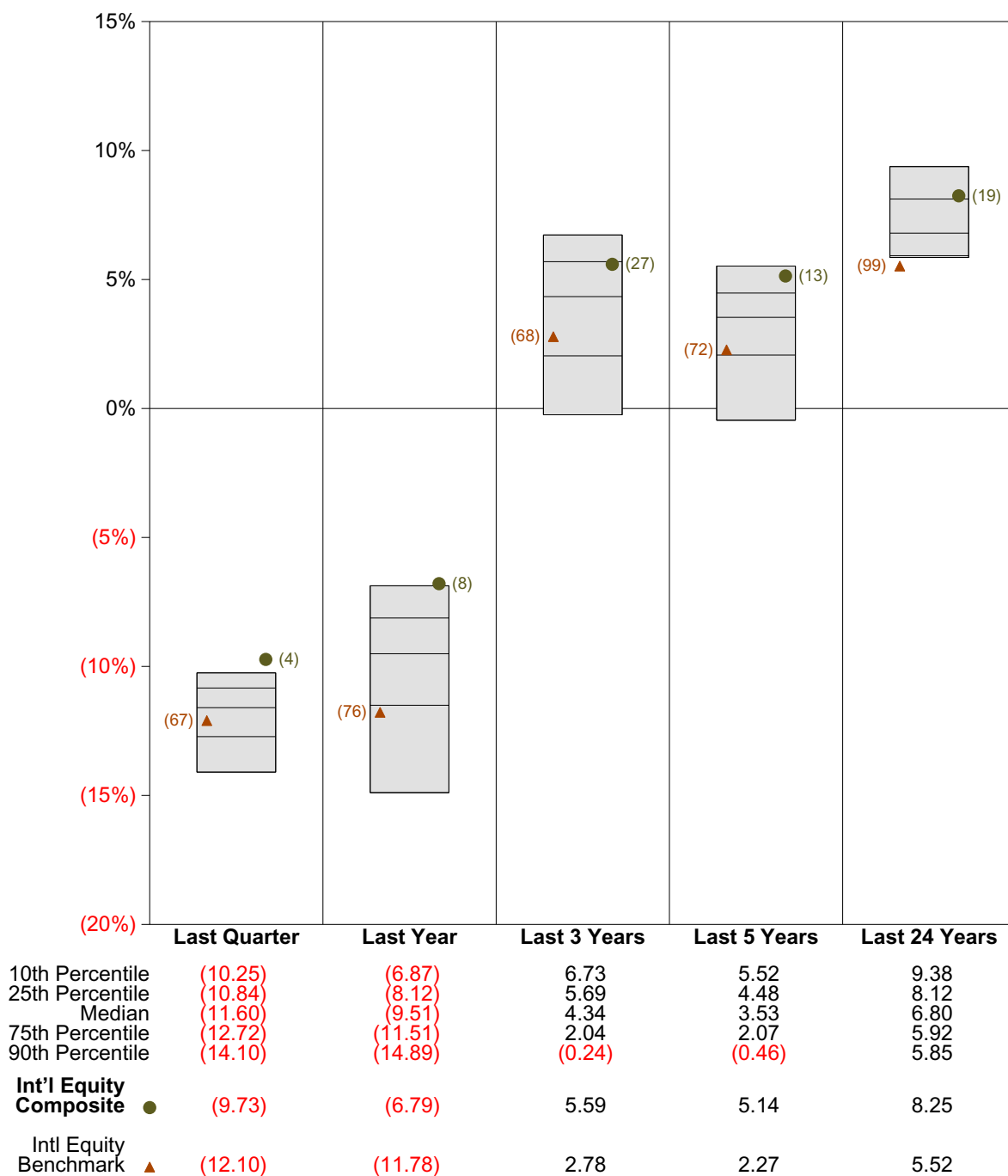
City of Fort Pierce

Performance vs Pub Pln- International Equity

Periods Ended September 30, 2015

Return Ranking

The chart below illustrates fund rankings over various periods versus the Pub Pln- International Equity. The bars represent the range of returns from the 10th percentile to the 90th percentile for each period for all funds in the Pub Pln- International Equity. The numbers to the right of the bar represent the percentile rankings of the fund being analyzed. The table below the chart details the rates of return plotted in the graph above.



City of Fort Pierce Performance vs Pub Pln- International Equity Recent Periods

Return Ranking

The chart below illustrates fund rankings over various periods versus the Pub Pln- International Equity. The bars represent the range of returns from the 10th percentile to the 90th percentile for each period for all funds in the Pub Pln- International Equity. The numbers to the right of the bar represent the percentile rankings of the fund being analyzed. The table below the chart details the rates of return plotted in the graph above.



Morgan Stanley Int'l Equity Period Ended September 30, 2015

Investment Philosophy

The International Equity team uses a value-driven, bottom-up approach to maximize return potential, combined with sufficient diversification to minimize investment risk.

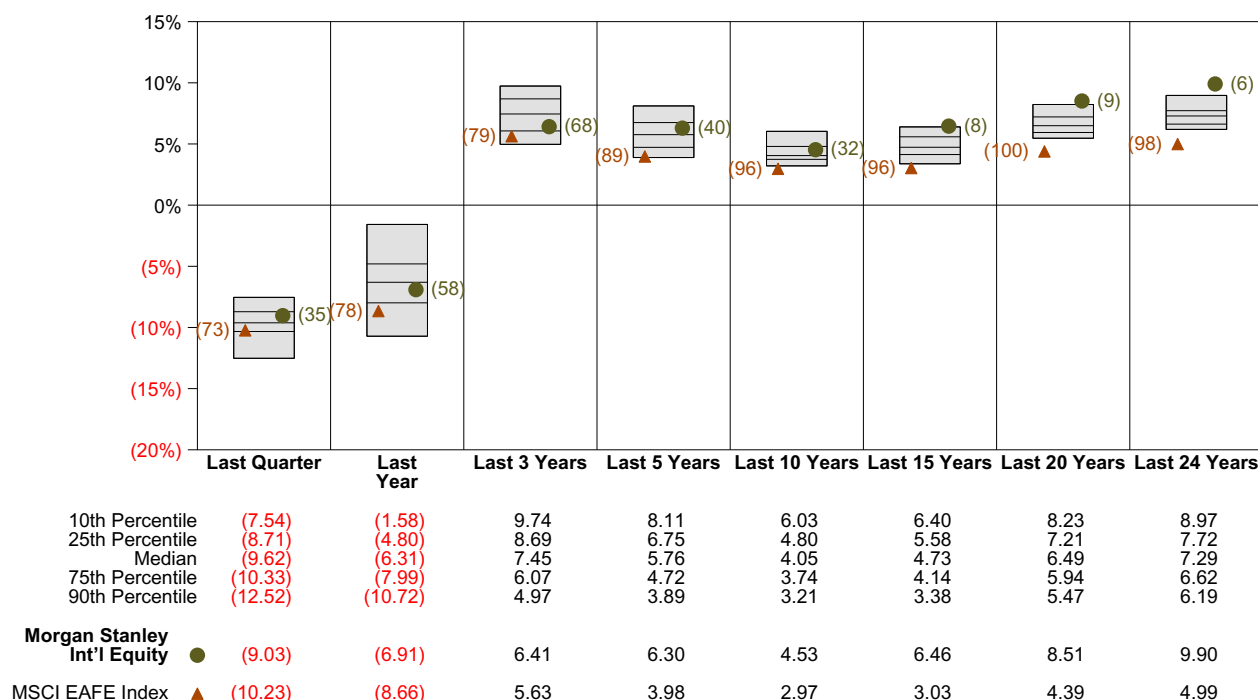
Quarterly Summary and Highlights

- Morgan Stanley Int'l Equity's portfolio posted a (9.03)% return for the quarter placing it in the 35 percentile of the CAI Core International Equity Style group for the quarter and in the 58 percentile for the last year.
- Morgan Stanley Int'l Equity's portfolio outperformed the MSCI EAFE Index by 1.20% for the quarter and outperformed the MSCI EAFE Index for the year by 1.75%.

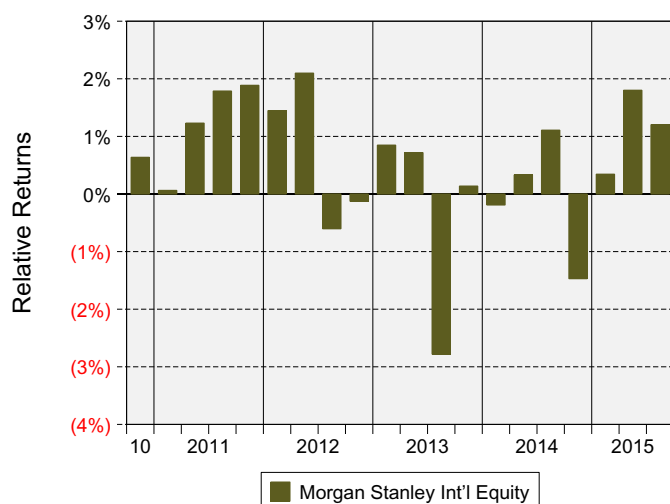
Quarterly Asset Growth

Beginning Market Value	\$12,667,303
Net New Investment	\$-28,933
Investment Gains/(Losses)	\$-1,141,783
Ending Market Value	\$11,496,588

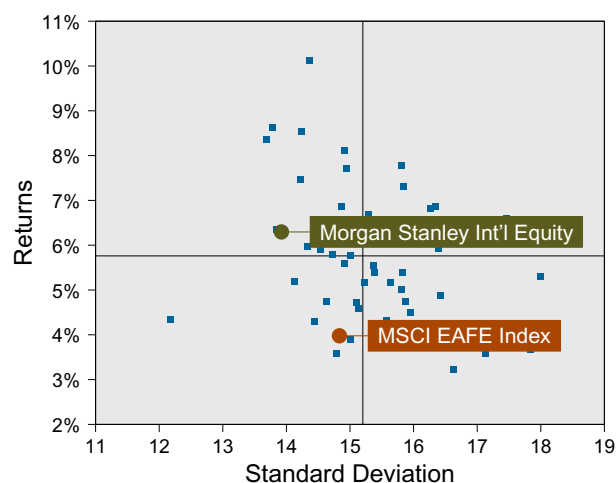
Performance vs CAI Core International Equity Style (Gross)



Relative Return vs MSCI EAFE Index



CAI Core International Equity Style (Gross) Annualized Five Year Risk vs Return

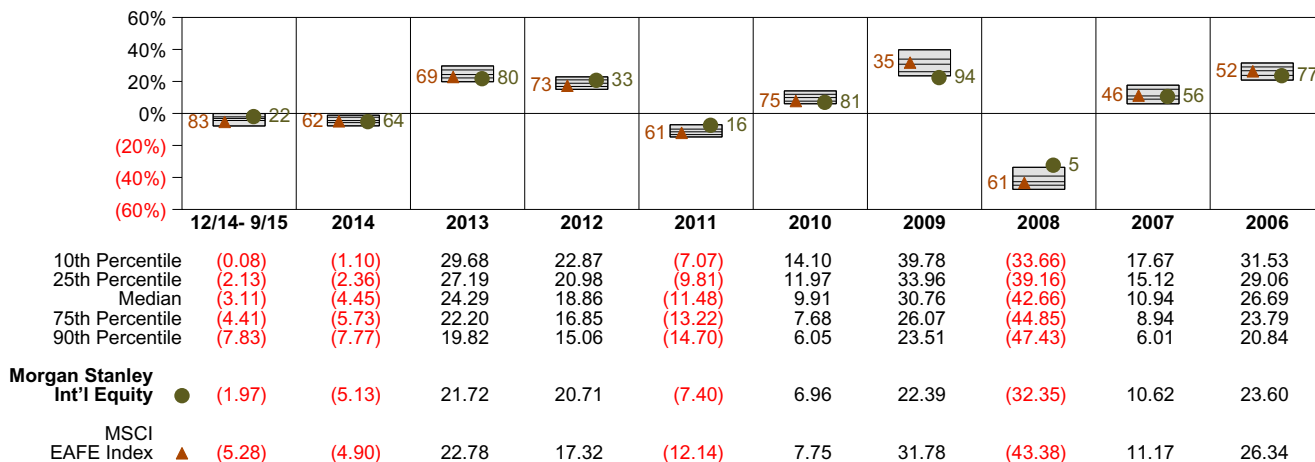


Morgan Stanley Int'l Equity Return Analysis Summary

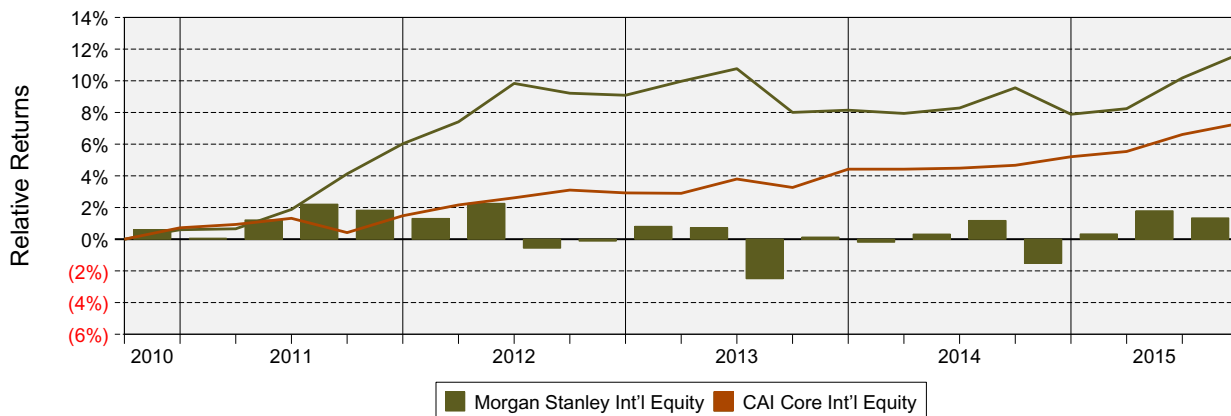
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

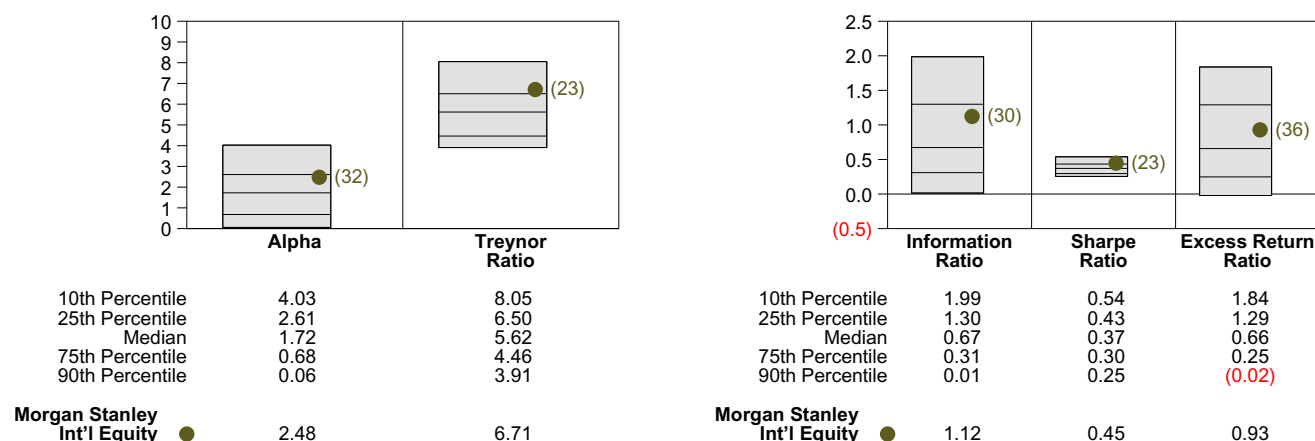
Performance vs CAI Core International Equity Style (Gross)



Cumulative and Quarterly Relative Return vs MSCI EAFE Index



Risk Adjusted Return Measures vs MSCI EAFE Index Rankings Against CAI Core International Equity Style (Gross) Five Years Ended September 30, 2015

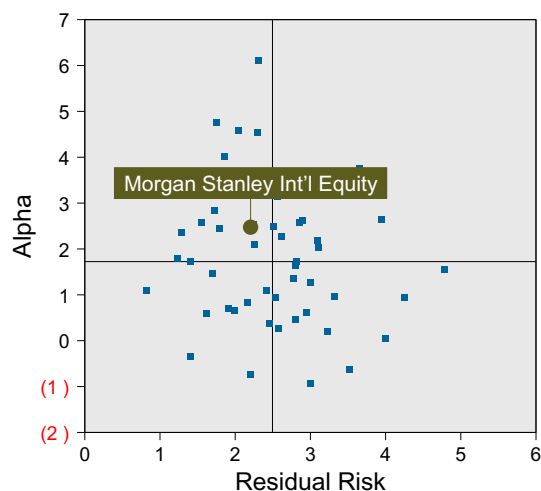
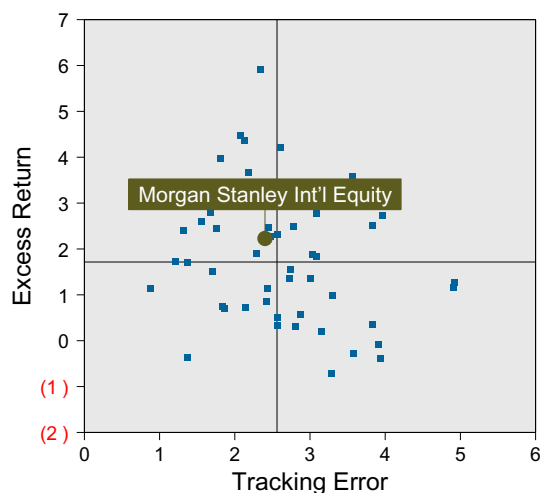


Morgan Stanley Int'l Equity Risk Analysis Summary

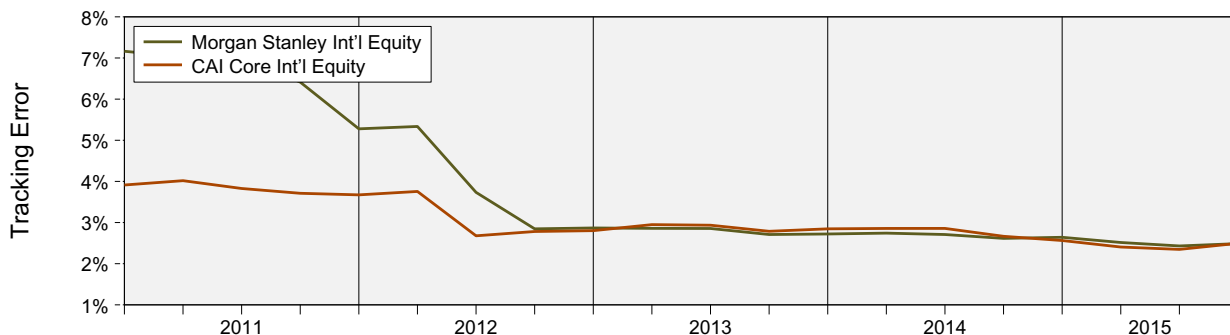
Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third chart shows tracking error patterns versus the benchmark over time. The last two charts show the ranking of the manager's risk statistics versus the peer group.

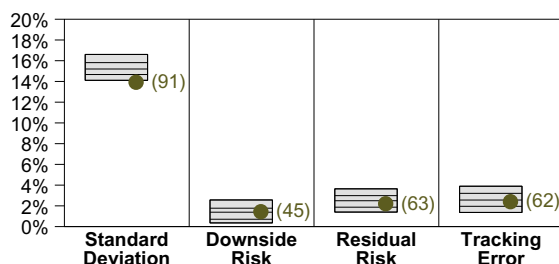
Risk Analysis vs CAI Core International Equity Style (Gross) Five Years Ended September 30, 2015



Rolling 12 Quarter Tracking Error vs MSCI EAFE Index

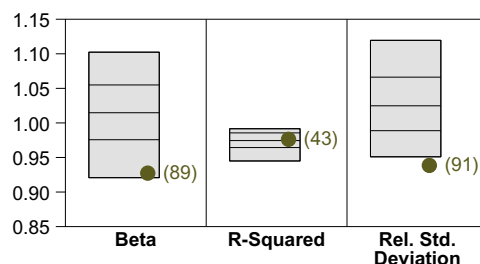


Risk Statistics Rankings vs MSCI EAFE Index Rankings Against CAI Core International Equity Style (Gross) Five Years Ended September 30, 2015



	Standard Deviation	Downside Risk	Residual Risk	Tracking Error
10th Percentile	16.61	2.57	3.64	3.89
25th Percentile	15.82	1.77	2.99	3.21
Median	15.20	1.39	2.50	2.56
75th Percentile	14.67	0.71	1.87	1.96
90th Percentile	14.11	0.35	1.40	1.36

Morgan Stanley Int'l Equity ● 13.92 1.44 2.20 2.40



	Beta	R-Squared	Rel. Std. Deviation
10th Percentile	1.10	0.99	1.12
25th Percentile	1.05	0.99	1.07
Median	1.01	0.97	1.02
75th Percentile	0.98	0.96	0.99
90th Percentile	0.92	0.94	0.95

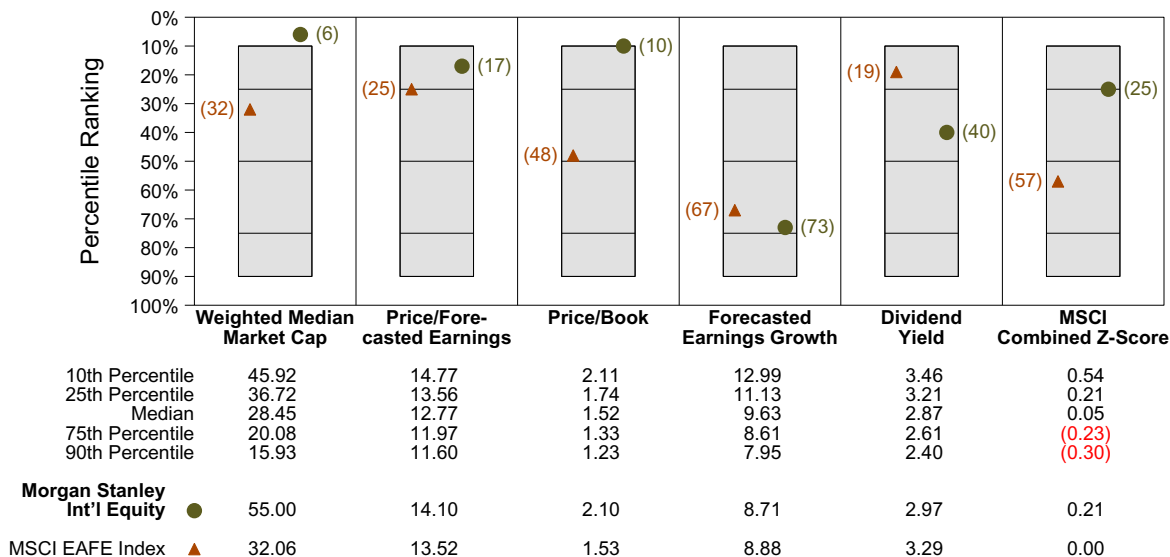
Morgan Stanley Int'l Equity ● 0.93 0.98 0.94

Morgan Stanley Int'l Equity Equity Characteristics Analysis Summary

Portfolio Characteristics

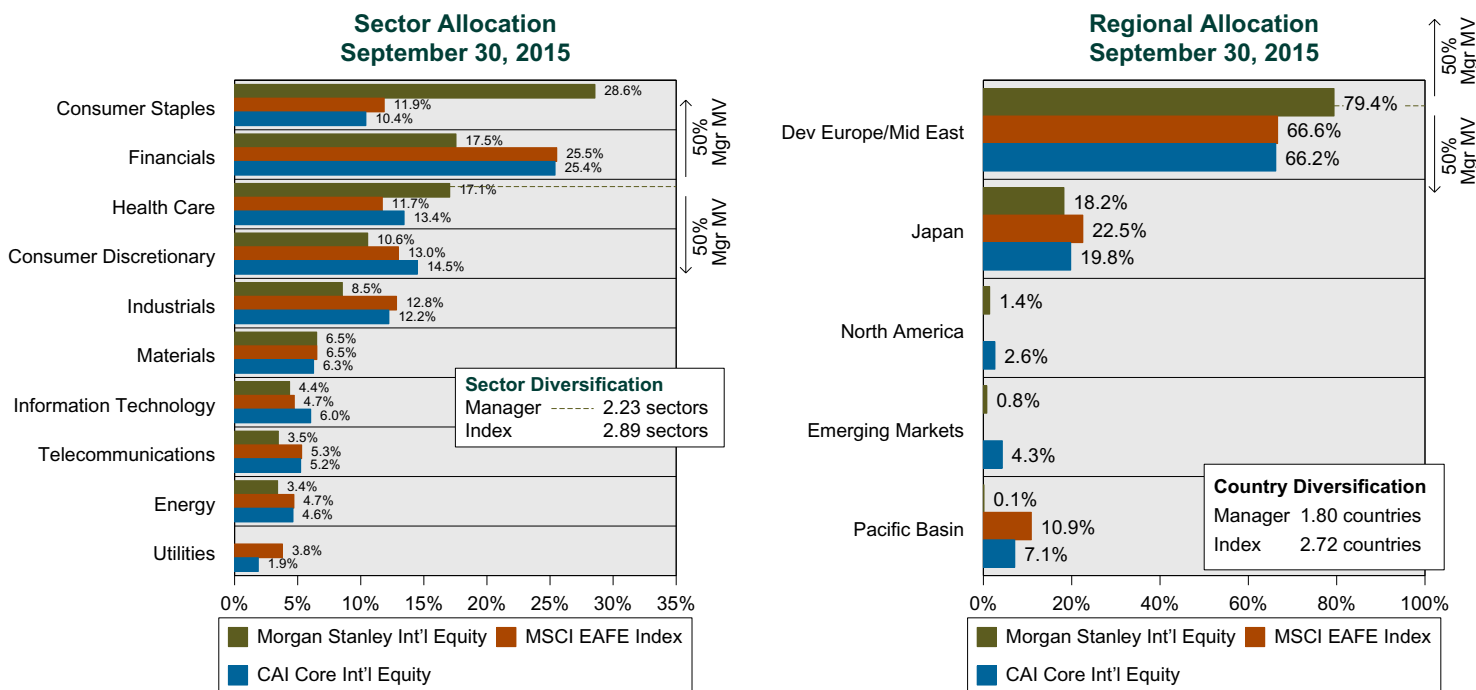
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Core International Equity Style as of September 30, 2015



Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. The regional allocation chart compares the manager's geographical region weights with those of the benchmark as well as the median region weights of the peer group.



Morgan Stanley Int'l Equity Top 10 Portfolio Holdings Characteristics as of September 30, 2015

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
British American Tobacco	Consumer Staples	\$567,587	4.9%	4.16%	102.87	16.57	4.12%	4.50%
Reckitt Benckiser Group Plc	Consumer Staples	\$563,075	4.9%	5.95%	64.48	23.67	2.16%	5.45%
Nestle S A Shs Nom New	Consumer Staples	\$561,416	4.9%	3.79%	239.02	20.78	3.00%	4.33%
Unilever NV Cert of Shs	Consumer Staples	\$494,890	4.3%	(3.06)%	62.56	18.79	3.27%	9.60%
Novartis	Health Care	\$430,451	3.7%	(7.21)%	244.93	16.70	2.91%	8.45%
Glaxosmithkline Plc Ord	Health Care	\$381,572	3.3%	(6.56)%	93.33	15.34	6.32%	6.20%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$377,443	3.3%	(6.18)%	184.79	17.09	3.11%	6.08%
Sanofi Shs	Health Care	\$370,296	3.2%	(3.62)%	124.37	14.42	3.36%	7.00%
Prudential	Financials	\$303,150	2.6%	(11.69)%	54.27	11.82	2.73%	13.65%
Japan Tobacco Inc Ord	Consumer Staples	\$294,371	2.6%	(13.41)%	61.70	14.24	3.49%	13.04%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Lawson Inc Osaka Ord	Consumer Staples	\$116,406	1.0%	9.34%	7.38	22.17	2.72%	10.15%
Imperial Tobacco Group	Consumer Staples	\$293,014	2.5%	7.91%	49.48	14.45	3.87%	7.11%
Admiral Group Plc	Financials	\$98,537	0.9%	7.75%	6.36	15.03	3.17%	2.20%
Relx NV Shs	Consumer Discretionary	\$121,464	1.1%	6.33%	17.02	16.51	2.74%	9.59%
Relx Plc Shs	Consumer Discretionary	\$122,781	1.1%	6.05%	19.12	17.54	2.33%	6.50%
Reckitt Benckiser Group Plc	Consumer Staples	\$563,075	4.9%	5.95%	64.48	23.67	2.16%	5.45%
British American Tobacco	Consumer Staples	\$567,587	4.9%	4.16%	102.87	16.57	4.12%	4.50%
Nestle S A Shs Nom New	Consumer Staples	\$561,416	4.9%	3.79%	239.02	20.78	3.00%	4.33%
Sekisui House Ltd Shs	Consumer Discretionary	\$66,650	0.6%	(0.46)%	11.05	12.28	2.79%	7.55%
Meggitt Plc Ord	Industrials	\$164,645	1.4%	(0.74)%	5.58	12.85	2.96%	8.74%

10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Vallourec Usines A Tubes De Act	Industrials	\$14,103	0.1%	(56.71)%	1.18	(4.86)	10.23%	(17.67)%
Worleyparsons Ltd Shs	Energy	\$15,889	0.1%	(46.93)%	1.01	8.06	9.48%	6.33%
Barrick Gold Corp	Materials	\$101,973	0.9%	(40.16)%	7.41	12.72	0.95%	(18.80)%
Aggreko Plc Shs New	Industrials	\$14,013	0.1%	(35.78)%	3.69	12.17	2.85%	(1.10)%
Weir Group Plc Ord	Industrials	\$55,103	0.5%	(33.60)%	3.79	12.45	3.76%	(3.35)%
Ivanhoe Mines Ltd	Materials	\$57,855	0.5%	(33.14)%	5.12	56.44	0.00%	(45.22)%
Sumco Corp Tokyo Shs	Information Technology	\$45,898	0.4%	(29.41)%	2.61	11.44	1.31%	11.94%
China Petroleum & Chemical Co Ord Cl	Energy	\$88,213	0.8%	(28.06)%	71.25	11.54	4.22%	12.08%
Nitto Denko Corp Ord	Materials	\$34,263	0.3%	(26.98)%	10.34	12.58	1.68%	13.05%
Hitachi Npv	Information Technology	\$161,581	1.4%	(23.86)%	24.25	8.15	2.00%	17.24%

Morgan Stanley Emerging Mkts. Period Ended September 30, 2015

Investment Philosophy

Morgan Stanley's fund objective is long-term capital appreciation. The fund invests at least 80% of its net assets in growth-oriented equity securities of issuers located in emerging market countries.

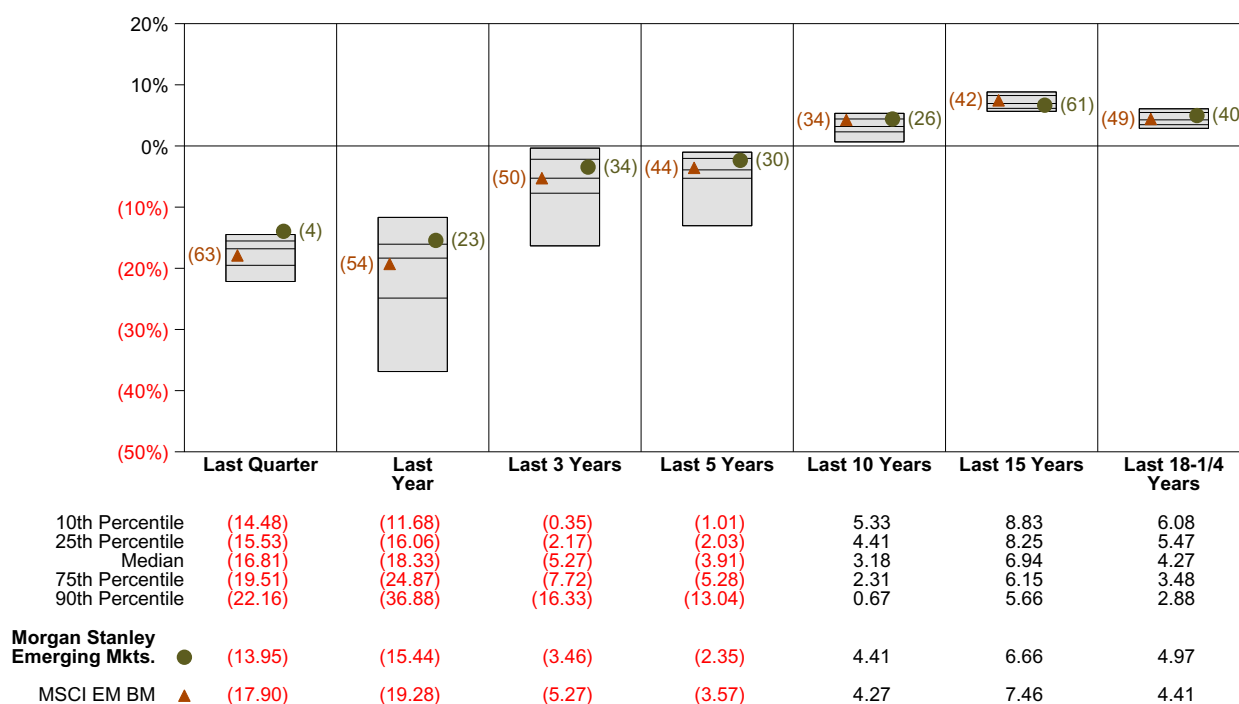
Quarterly Summary and Highlights

- Morgan Stanley Emerging Mkts.'s portfolio posted a (13.95)% return for the quarter placing it in the 4 percentile of the CAI MF - Emerging Markets Style group for the quarter and in the 23 percentile for the last year.
- Morgan Stanley Emerging Mkts.'s portfolio outperformed the MSCI EM BM by 3.94% for the quarter and outperformed the MSCI EM BM for the year by 3.84%.

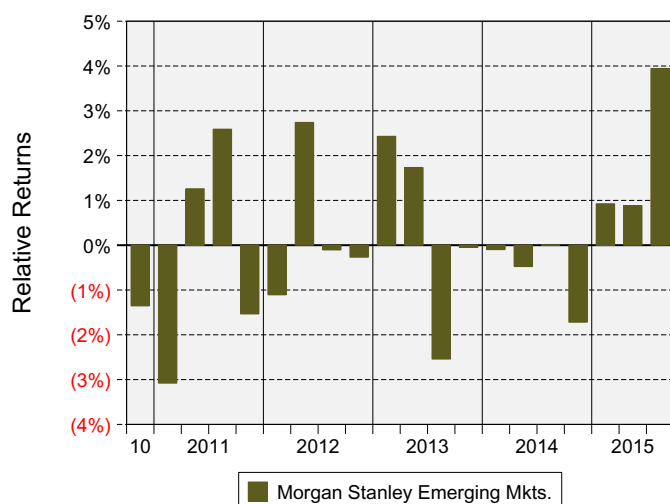
Quarterly Asset Growth

Beginning Market Value	\$1,134,478
Net New Investment	\$0
Investment Gains/(Losses)	\$-158,288
Ending Market Value	\$976,190

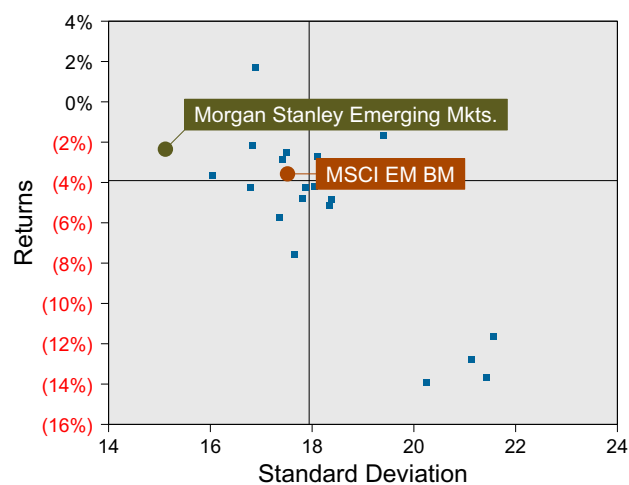
Performance vs CAI MF - Emerging Markets Style (Cheapest Net)



Relative Return vs MSCI EM BM



CAI MF - Emerging Markets Style (Cheapest Net) Annualized Five Year Risk vs Return

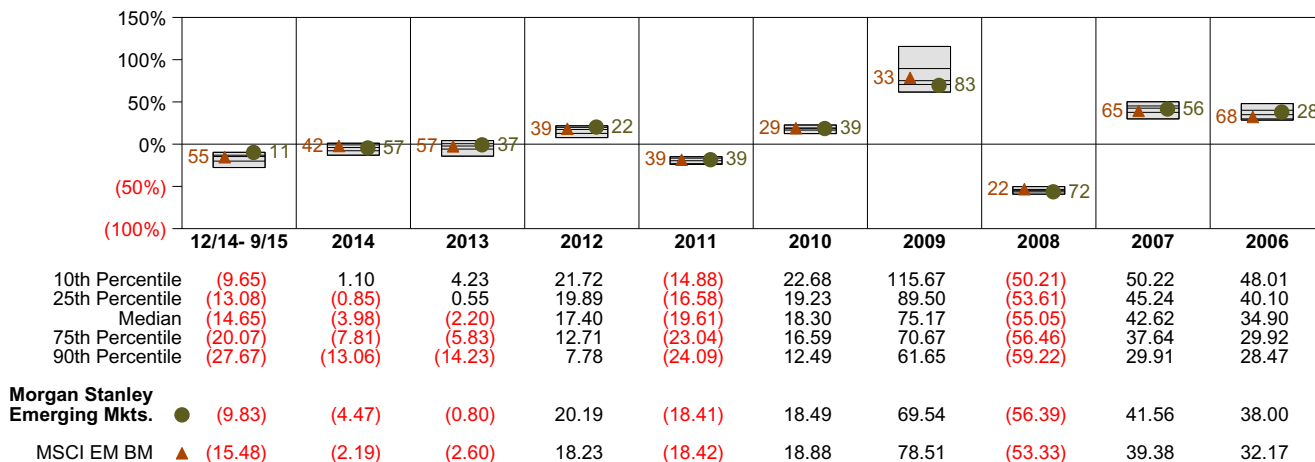


Morgan Stanley Emerging Mkts. Return Analysis Summary

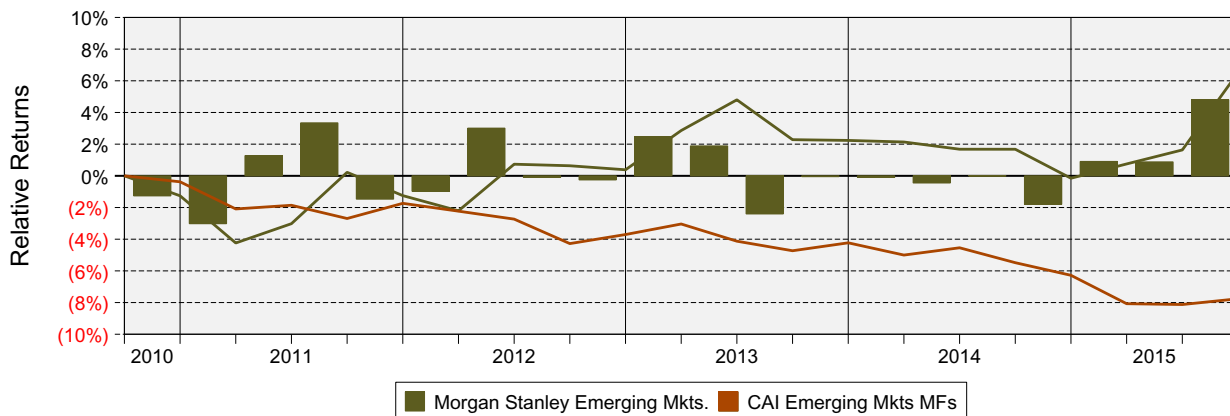
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

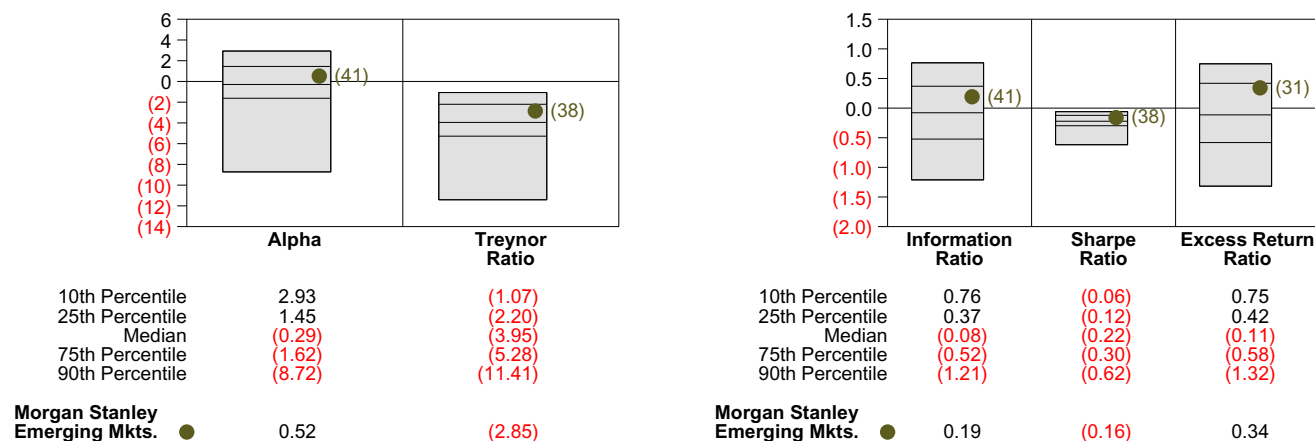
Performance vs CAI MF - Emerging Markets Style (Cheapest Net)



Cumulative and Quarterly Relative Return vs MSCI EM BM



Risk Adjusted Return Measures vs MSCI EM BM Rankings Against CAI MF - Emerging Markets Style (Cheapest Net) Five Years Ended September 30, 2015

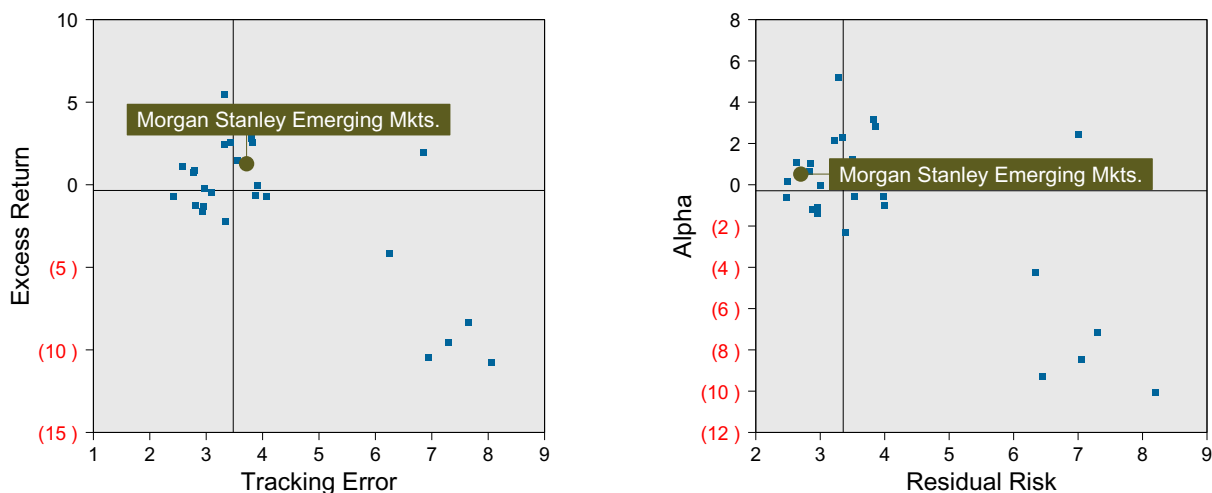


Morgan Stanley Emerging Mkts. Risk Analysis Summary

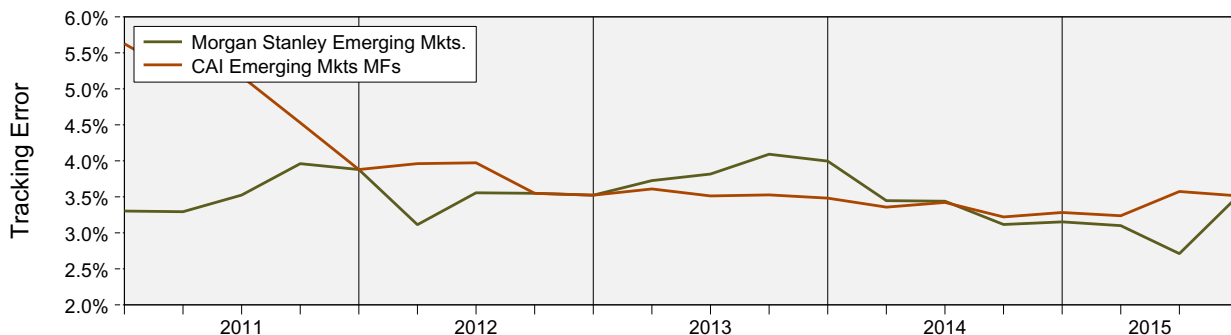
Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third chart shows tracking error patterns versus the benchmark over time. The last two charts show the ranking of the manager's risk statistics versus the peer group.

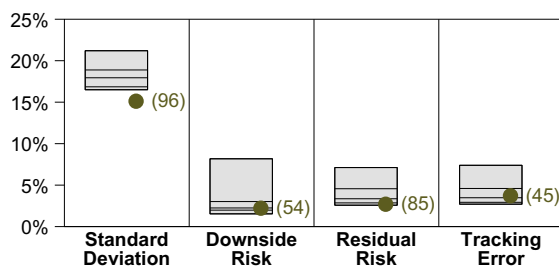
Risk Analysis vs CAI MF - Emerging Markets Style (Cheapest Net) Five Years Ended September 30, 2015



Rolling 12 Quarter Tracking Error vs MSCI EM BM

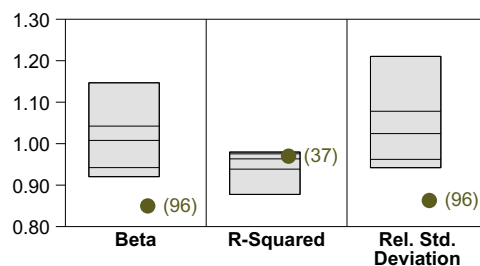


Risk Statistics Rankings vs MSCI EM BM Rankings Against CAI MF - Emerging Markets Style (Cheapest Net) Five Years Ended September 30, 2015



	Standard Deviation	Downside Risk	Residual Risk	Tracking Error
10th Percentile	21.20	8.18	7.12	7.39
25th Percentile	18.88	3.02	4.57	4.60
Median	17.94	2.25	3.36	3.48
75th Percentile	16.85	1.98	2.86	2.93
90th Percentile	16.50	1.54	2.58	2.70

Morgan Stanley Emerging Mkts. ● 15.12 2.22 2.70 3.72



	Beta	R-Squared	Rel. Std. Deviation
10th Percentile	1.15	0.98	1.21
25th Percentile	1.04	0.98	1.08
Median	1.01	0.96	1.02
75th Percentile	0.94	0.94	0.96
90th Percentile	0.92	0.88	0.94

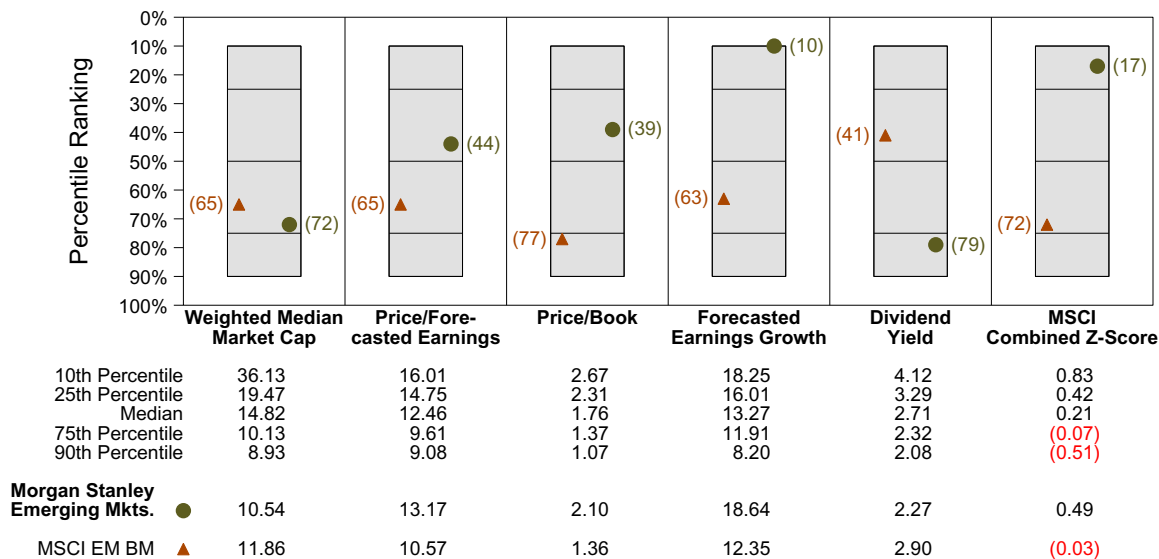
Morgan Stanley Emerging Mkts. ● 0.85 0.97 0.86

Morgan Stanley Emerging Mkts. Equity Characteristics Analysis Summary

Portfolio Characteristics

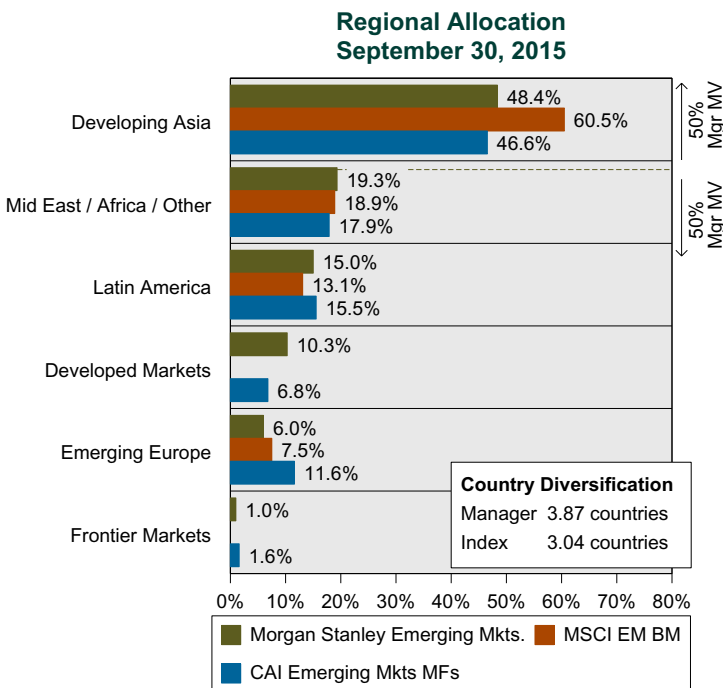
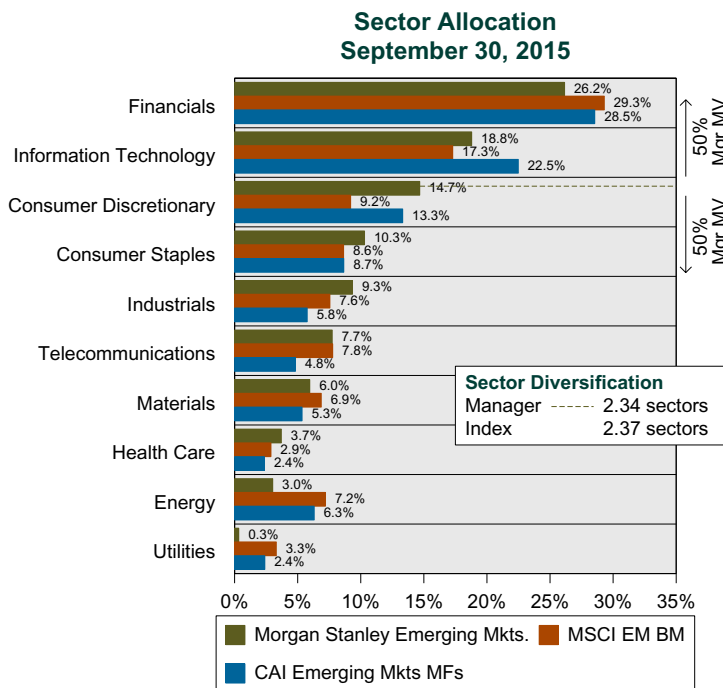
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Emerging Markets Style as of September 30, 2015



Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. The regional allocation chart compares the manager's geographical region weights with those of the benchmark as well as the median region weights of the peer group.



Morgan Stanley Emerging Mkts. Top 10 Portfolio Holdings Characteristics as of September 30, 2015

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Tencent Holdings Limited Shs Par Hkd	Information Technology	\$32,175	3.3%	(16.39)%	156.84	26.36	0.28%	27.75%
Samsung Electronics Co Ltd Ord	Information Technology	\$24,212	2.5%	(15.79)%	140.92	8.05	1.81%	1.80%
China Mobile Hong Kong Limit Ord	Telecommunications	\$24,165	2.5%	(5.90)%	242.53	13.07	3.84%	6.51%
Taiwan Semicond Manufac Co L Shs	Information Technology	\$22,306	2.3%	(13.30)%	102.38	11.06	3.46%	11.58%
Fomento Economico Mexicano S Spon Ad	Consumer Staples	\$20,437	2.1%	0.18%	19.29	26.66	1.09%	12.52%
Bank of China Ltd Shs	Financials	\$20,413	2.1%	(33.90)%	35.93	4.43	7.12%	2.42%
Perdigao S A Ord	Consumer Staples	\$19,016	1.9%	(15.50)%	15.47	19.04	1.47%	21.70%
Ashok Leyland	Industrials	\$16,849	1.7%	23.36%	4.00	22.03	0.49%	91.30%
Nasionale PERS Beperk Ord Cl H	Consumer Discretionary	\$16,539	1.7%	(19.61)%	52.47	32.72	0.25%	50.30%
Samsonite International	Consumer Discretionary	\$16,275	1.7%	(5.73)%	4.59	18.83	1.92%	12.60%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Ashok Leyland	Industrials	\$16,849	1.7%	23.36%	4.00	22.03	0.49%	91.30%
Lpp Sa Gdansk Shs	Consumer Discretionary	\$1,935	0.2%	16.85%	3.77	26.00	0.41%	7.60%
Maruti Udyog	Consumer Discretionary	\$13,533	1.4%	13.67%	21.56	22.62	0.53%	36.00%
Livepol C-1	Consumer Discretionary	\$4,801	0.5%	12.04%	2.56	28.97	0.22%	13.63%
Kia Motors Corp Shs	Consumer Discretionary	\$7,621	0.8%	7.69%	18.33	6.90	1.87%	3.40%
Shenzhou Intl Grp Hldgs Ltd Shs	Consumer Discretionary	\$3,309	0.3%	5.87%	7.20	17.33	1.58%	15.06%
Shriram Tran.Fin.	Financials	\$9,236	0.9%	5.87%	3.20	13.14	1.08%	33.23%
Jeronimo Martins Sgpps Sa Lis Shs	Consumer Staples	\$10,178	1.0%	5.46%	8.46	20.40	2.03%	9.45%
Indusind Bank	Financials	\$12,042	1.2%	5.22%	8.50	20.28	0.42%	26.29%
Uni-President Ent.	Consumer Staples	\$9,382	1.0%	4.11%	9.84	20.12	2.36%	16.40%

10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Sk Hynix Inc Shs	Information Technology	\$5,775	0.6%	(50.00)%	20.61	5.55	0.89%	3.85%
Link Net Pt	Telecommunications	\$3,152	0.3%	(50.00)%	0.93	16.32	0.00%	39.49%
Copa Holdings Sa Cl A	Industrials	\$1,904	0.2%	(48.38)%	1.38	7.03	8.01%	15.57%
Kolao Holdings	Consumer Discretionary	\$1,648	0.2%	(43.24)%	0.55	11.78	0.15%	25.00%
Hermes Microvision	Information Technology	\$3,168	0.3%	(41.96)%	2.68	22.59	1.77%	26.82%
Bradesco S A Pfd	Financials	\$6,544	0.7%	(41.25)%	13.58	5.69	5.05%	13.68%
Mercadolibre Inc	Information Technology	\$5,812	0.6%	(35.66)%	4.02	30.37	0.45%	24.30%
Total Access Communication P Shs Fgn	Telecommunications	\$1,643	0.2%	(34.68)%	3.77	15.14	9.70%	6.25%
International Container Term Shs	Industrials	\$3,006	0.3%	(34.30)%	3.27	16.39	1.20%	16.33%
Chongqing Changan B	Consumer Discretionary	\$1,734	0.2%	(33.97)%	1.52	4.34	2.32%	67.60%

William Blair & Company

Period Ended September 30, 2015

Investment Philosophy

William Blair & Company focuses on companies with above-average growth prospects where growth can be sustained through leading or franchise positions in terms of proprietary products, marketing dominance, or cost/asset base advantage.

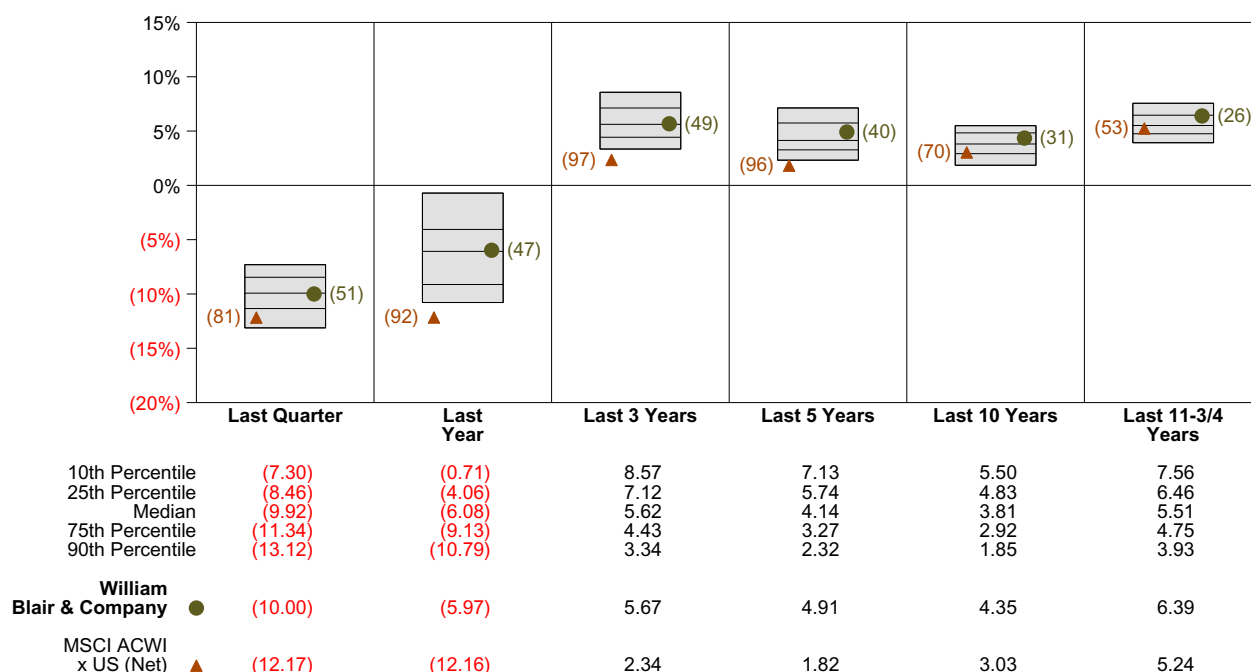
Quarterly Summary and Highlights

- William Blair & Company's portfolio posted a (10.00)% return for the quarter placing it in the 51 percentile of the CAI MF - Non-US Equity Style group for the quarter and in the 47 percentile for the last year.
- William Blair & Company's portfolio outperformed the MSCI ACWI x US (Net) by 2.17% for the quarter and outperformed the MSCI ACWI x US (Net) for the year by 6.19%.

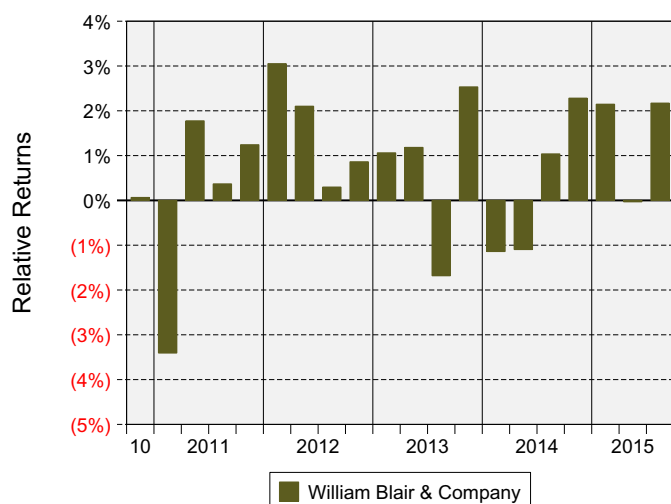
Quarterly Asset Growth

Beginning Market Value	\$14,784,871
Net New Investment	\$0
Investment Gains/(Losses)	\$-1,478,487
Ending Market Value	\$13,306,384

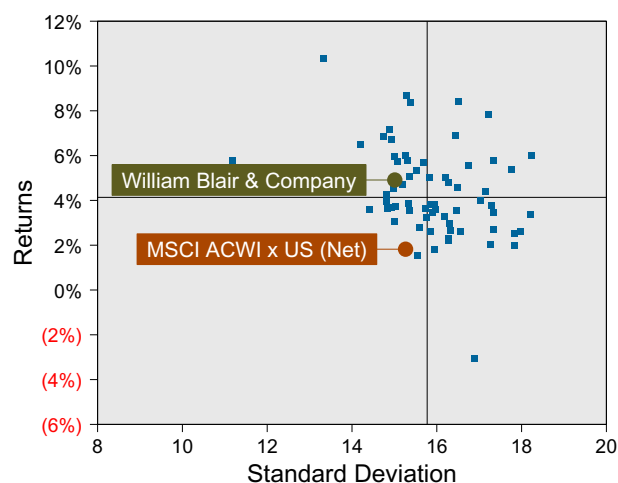
Performance vs CAI MF - Non-US Equity Style (Cheapest Net)



Relative Return vs MSCI ACWI x US (Net)



CAI MF - Non-US Equity Style (Cheapest Net) Annualized Five Year Risk vs Return

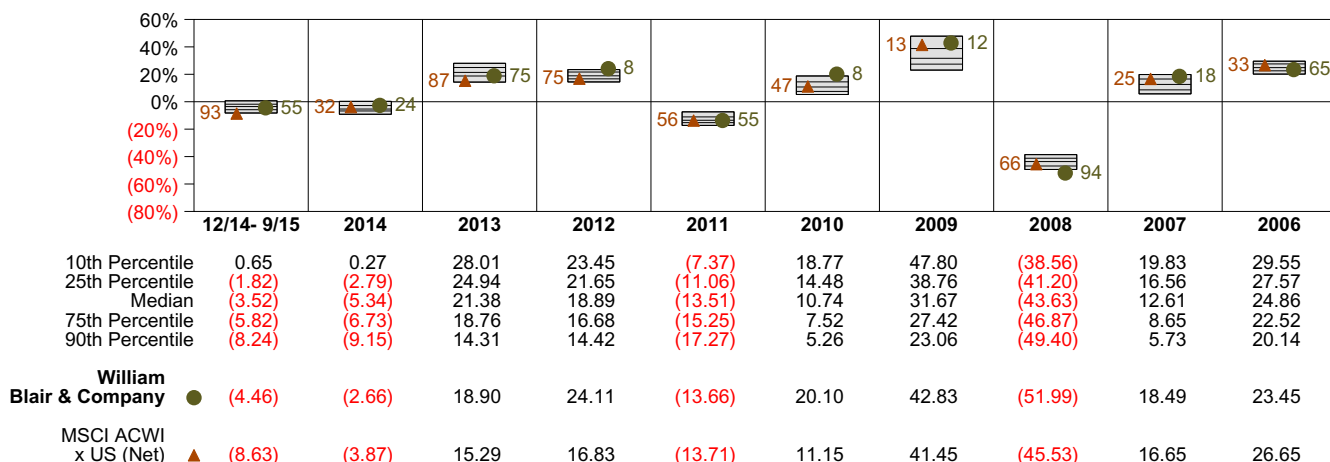


William Blair & Company Return Analysis Summary

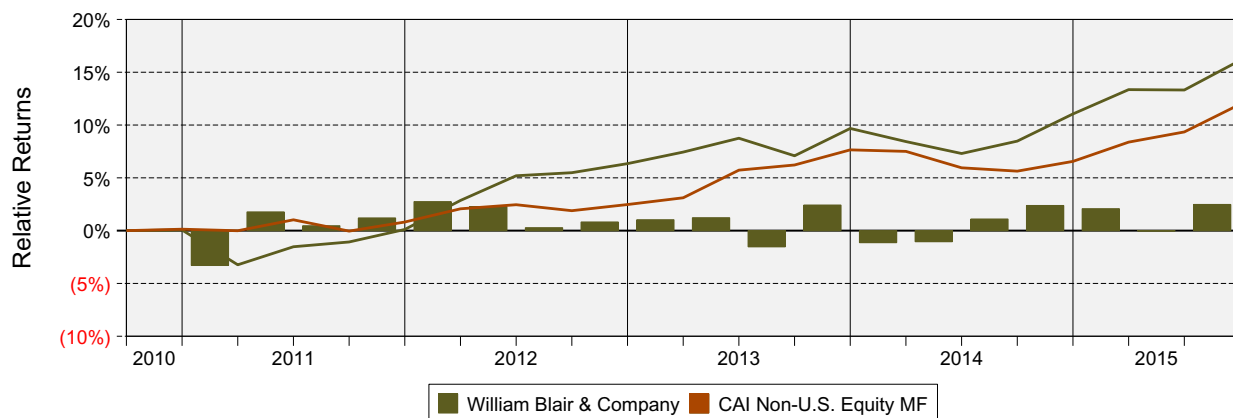
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

Performance vs CAI MF - Non-US Equity Style (Cheapest Net)



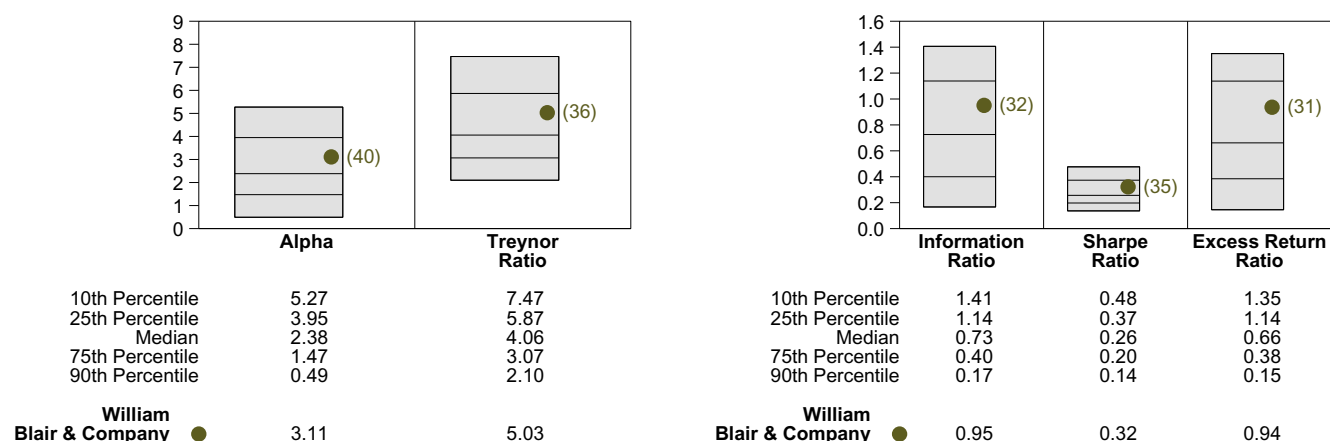
Cumulative and Quarterly Relative Return vs MSCI ACWI x US (Net)



Risk Adjusted Return Measures vs MSCI ACWI x US (Net)

Rankings Against CAI MF - Non-US Equity Style (Cheapest Net)

Five Years Ended September 30, 2015

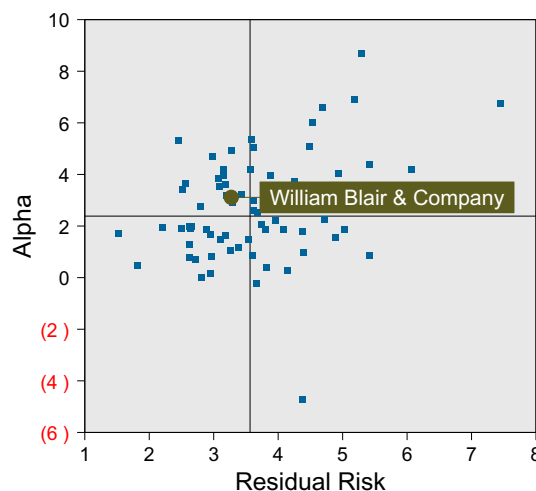
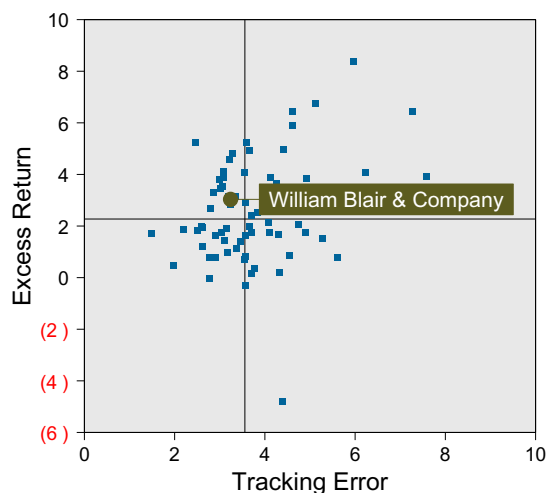


William Blair & Company Risk Analysis Summary

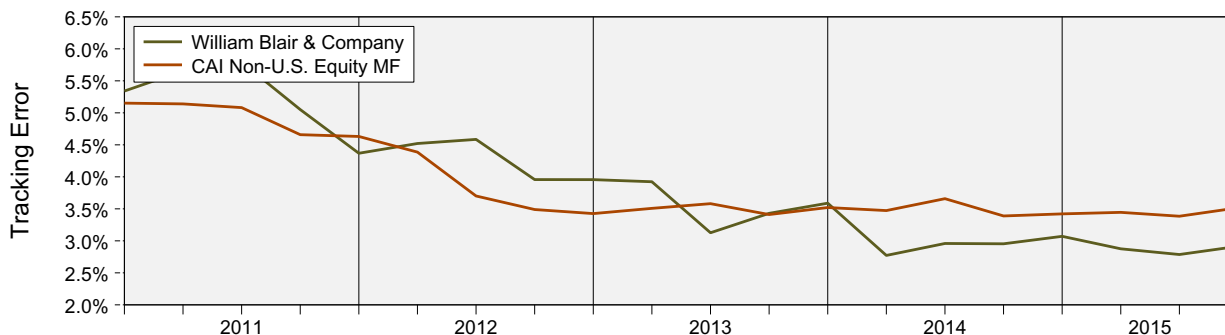
Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third chart shows tracking error patterns versus the benchmark over time. The last two charts show the ranking of the manager's risk statistics versus the peer group.

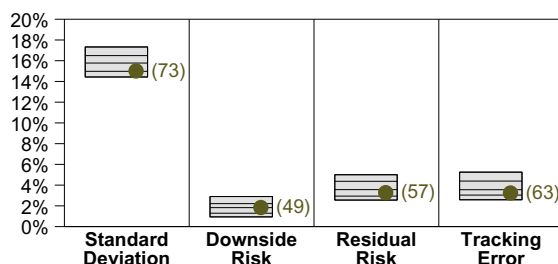
Risk Analysis vs CAI MF - Non-US Equity Style (Cheapest Net) Five Years Ended September 30, 2015



Rolling 12 Quarter Tracking Error vs MSCI AC World ex US USD (Net Div)

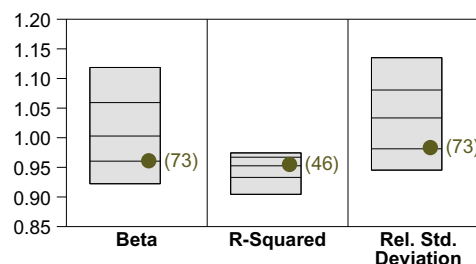


Risk Statistics Rankings vs MSCI AC World ex US USD (Net Div) Rankings Against CAI MF - Non-US Equity Style (Cheapest Net) Five Years Ended September 30, 2015



10th Percentile	17.33	2.90	5.00	5.25
25th Percentile	16.49	2.22	4.37	4.39
Median	15.77	1.83	3.56	3.56
75th Percentile	14.98	1.29	2.94	3.04
90th Percentile	14.43	0.94	2.56	2.59

William Blair & Company ● 15.01 1.84 3.27 3.24



10th Percentile	1.12	0.97	1.14
25th Percentile	1.06	0.97	1.08
Median	1.00	0.95	1.03
75th Percentile	0.96	0.93	0.98
90th Percentile	0.92	0.90	0.95

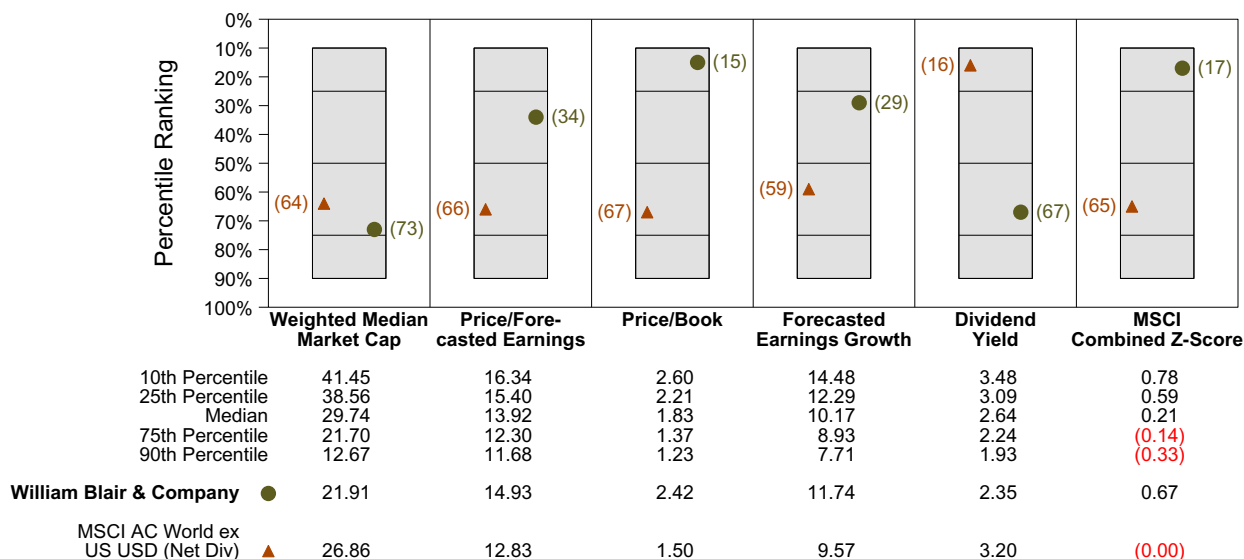
William Blair & Company ● 0.96 0.95 0.98

William Blair & Company Equity Characteristics Analysis Summary

Portfolio Characteristics

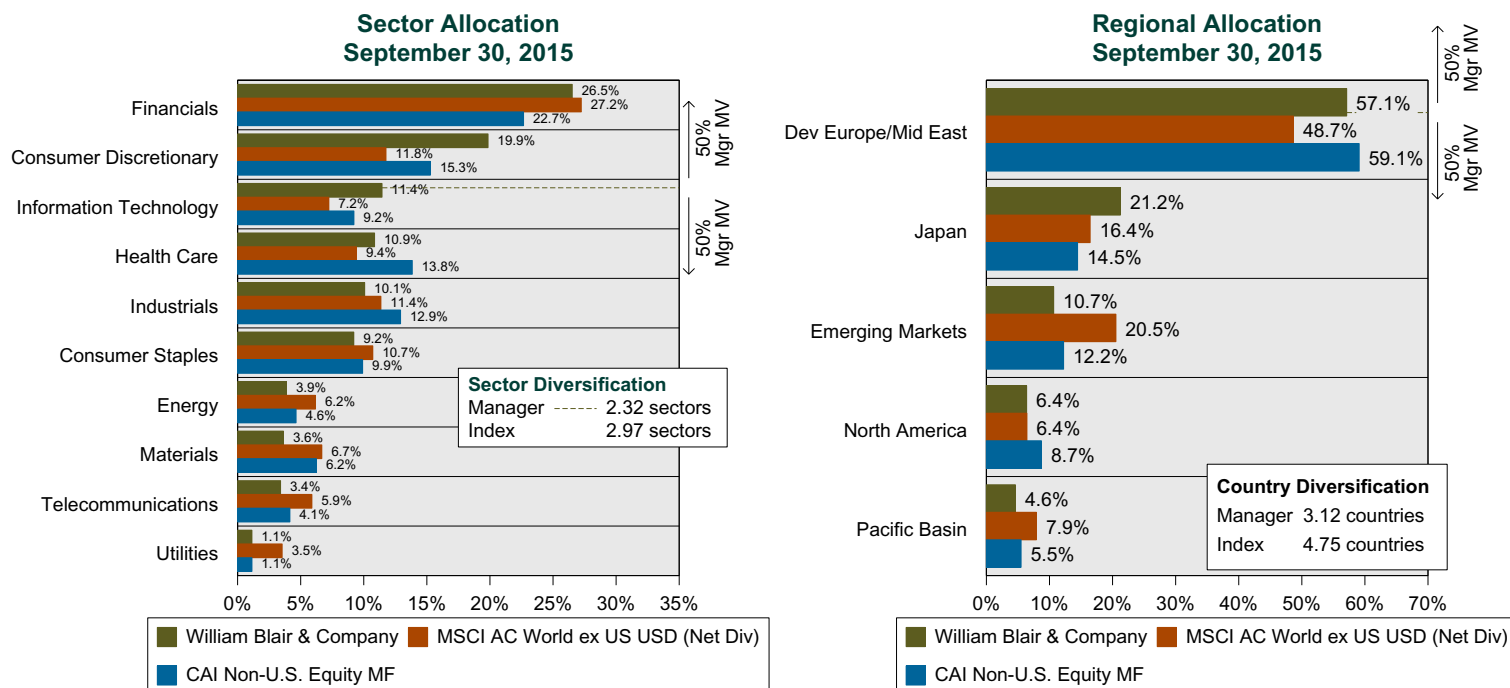
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Non-US Equity Style as of September 30, 2015



Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. The regional allocation chart compares the manager's geographical region weights with those of the benchmark as well as the median region weights of the peer group.



William Blair & Company

Top 10 Portfolio Holdings Characteristics

as of September 30, 2015

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Novartis	Health Care	\$224,205	1.7%	(7.21)%	244.93	16.70	2.91%	8.45%
Intesa Sanpaolo Spa Shs	Financials	\$221,119	1.7%	(2.77)%	55.86	13.71	2.22%	41.20%
Fuji Heavy Industries	Consumer Discretionary	\$200,908	1.5%	(2.92)%	28.00	9.00	1.59%	15.00%
Aia Group Ltd Com Par Usd 1	Financials	\$191,275	1.4%	(20.75)%	62.26	14.98	1.32%	11.72%
Axa Paris Act Ord	Financials	\$190,499	1.4%	(4.22)%	59.05	9.17	4.39%	6.89%
Orix Corp Ord	Financials	\$190,046	1.4%	(12.83)%	16.94	7.80	2.35%	6.55%
Itv	Consumer Discretionary	\$181,052	1.4%	(10.01)%	15.00	14.35	2.11%	9.78%
Unilever Plc Shs	Consumer Staples	\$175,555	1.3%	(4.56)%	52.22	19.33	3.30%	6.65%
Sumitomo Mitsui Finl Grp Inc Shs	Financials	\$172,875	1.3%	(13.84)%	53.27	7.83	3.10%	0.80%
Prosieben Sat 1 Media Ag Mue Shs New	Consumer Discretionary	\$162,244	1.2%	(0.95)%	10.68	17.89	3.66%	11.00%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Temp Holdings	Industrials	\$40,970	0.3%	26.18%	3.50	22.23	0.59%	37.32%
Sumisho Computer Systems	Information Technology	\$28,547	0.2%	23.50%	4.03	19.80	1.12%	12.80%
Infogenie Europe Nm	Information Technology	\$22,888	0.2%	21.66%	5.81	28.46	0.31%	26.86%
Deutsche Wohnen	Financials	\$29,671	0.2%	16.38%	8.97	25.21	1.85%	11.65%
Intrum Justitia Ab Shs	Industrials	\$24,050	0.2%	14.03%	2.53	17.96	2.42%	15.80%
Hikma Pharmaceuticals	Health Care	\$24,670	0.2%	13.96%	6.88	23.53	0.72%	12.50%
Maruti Udyog	Consumer Discretionary	\$42,207	0.3%	13.67%	21.56	22.62	0.53%	36.00%
Meiji Holdings Co	Consumer Staples	\$65,649	0.5%	13.35%	11.14	26.18	0.57%	23.06%
Deutsche Annington Immobilie	Financials	\$32,045	0.2%	13.32%	14.99	19.08	2.71%	13.00%
Techtronic Industries Co	Consumer Discretionary	\$62,978	0.5%	13.28%	6.76	16.77	1.22%	19.65%

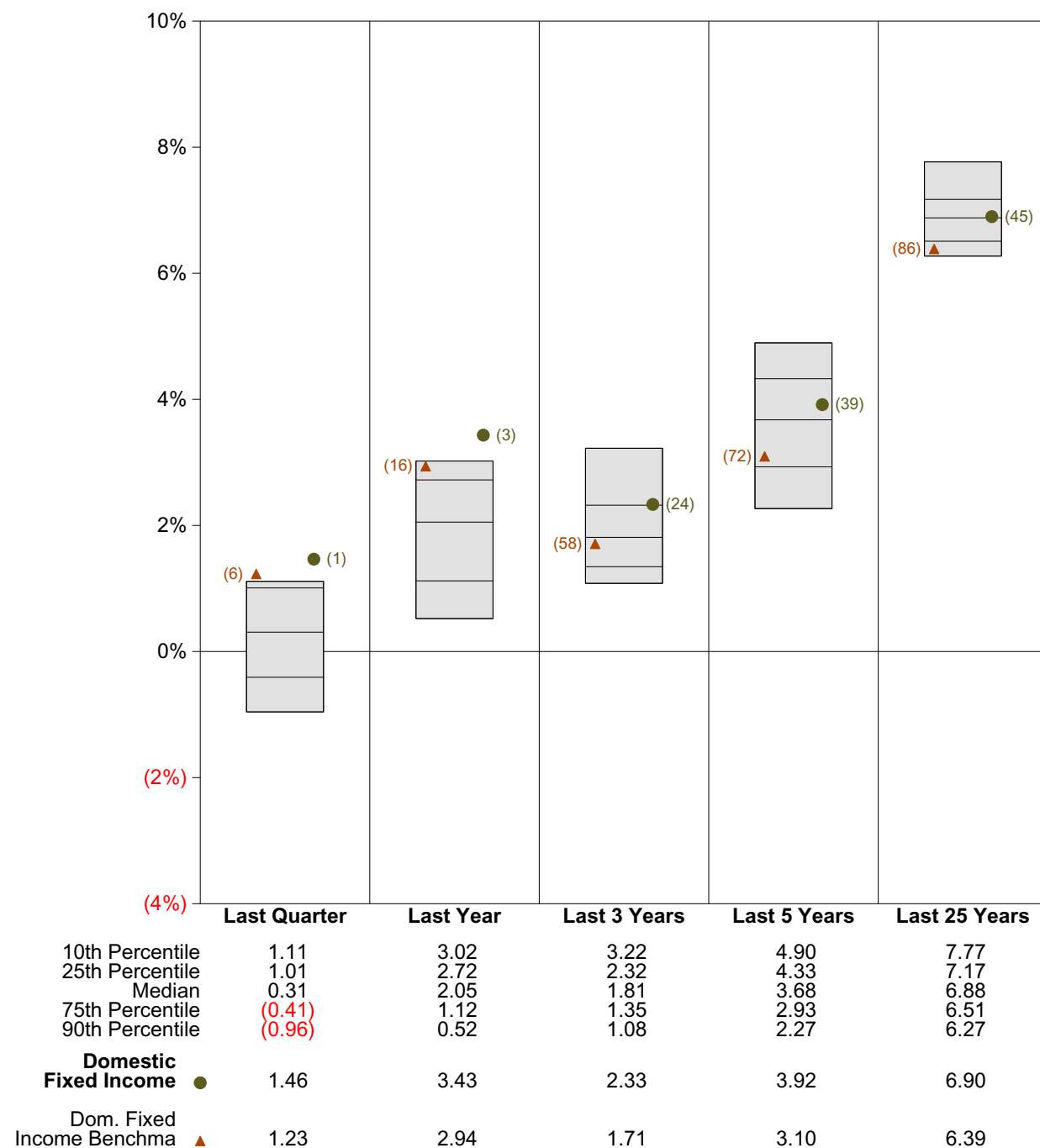
10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Sk Hynix Inc Shs	Information Technology	\$39,451	0.3%	(50.00)%	20.61	5.55	0.89%	3.85%
Bb Seguridade Participacoes	Financials	\$33,471	0.3%	(41.60)%	12.46	11.45	6.65%	14.60%
Omron Corp	Information Technology	\$30,307	0.2%	(31.17)%	6.51	11.31	1.98%	7.90%
Largan Precision Co Ltd Shs	Information Technology	\$30,651	0.2%	(30.78)%	10.43	12.67	1.99%	16.79%
Mtn Group Ltd Shs	Telecommunications	\$53,974	0.4%	(29.74)%	23.76	11.99	7.19%	4.95%
Canadian Nat Res Ltd	Energy	\$74,207	0.6%	(28.00)%	21.22	42.24	3.54%	16.00%
Chinatrust Finl Hldgs Co Ltd Shs	Financials	\$15,442	0.1%	(26.81)%	8.49	8.23	4.42%	10.00%
Azimut Holding	Financials	\$25,966	0.2%	(26.77)%	3.07	11.84	4.07%	29.00%
Dialog Semicon.Nmbc	Information Technology	\$18,295	0.1%	(26.37)%	3.12	12.71	0.00%	25.10%
Murata Manufacturing Co Ltd Shs	Information Technology	\$97,817	0.7%	(26.01)%	28.91	15.26	1.17%	19.97%

City of Fort Pierce Performance vs Pub Pln- Domestic Fixed Periods Ended September 30, 2015

Return Ranking

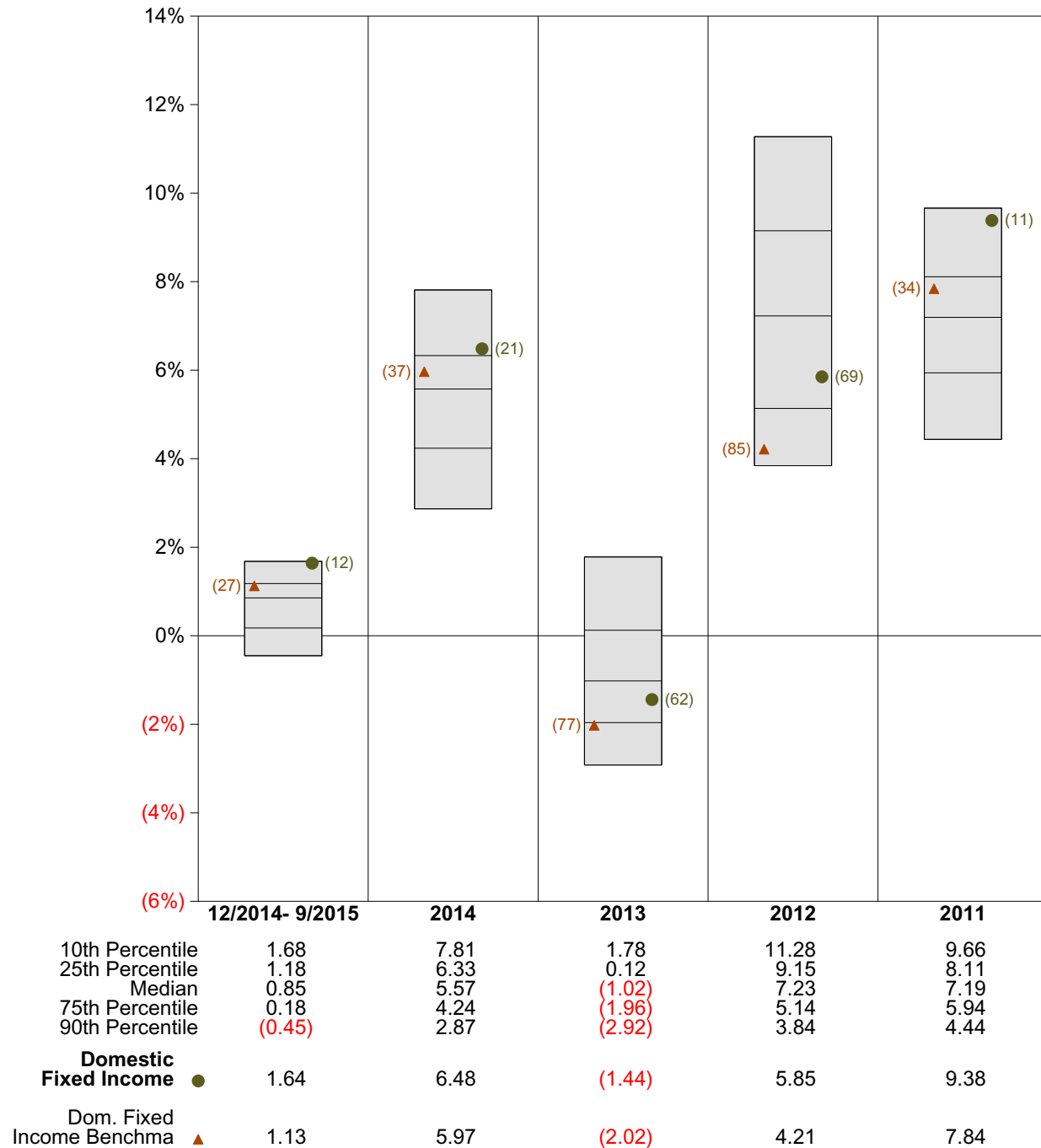
The chart below illustrates fund rankings over various periods versus the Pub Pln- Domestic Fixed. The bars represent the range of returns from the 10th percentile to the 90th percentile for each period for all funds in the Pub Pln- Domestic Fixed. The numbers to the right of the bar represent the percentile rankings of the fund being analyzed. The table below the chart details the rates of return plotted in the graph above.



City of Fort Pierce Performance vs Pub Pln- Domestic Fixed Recent Periods

Return Ranking

The chart below illustrates fund rankings over various periods versus the Pub Pln- Domestic Fixed. The bars represent the range of returns from the 10th percentile to the 90th percentile for each period for all funds in the Pub Pln- Domestic Fixed. The numbers to the right of the bar represent the percentile rankings of the fund being analyzed. The table below the chart details the rates of return plotted in the graph above.



Richmond Capital Management Period Ended September 30, 2015

Investment Philosophy

Richmond's investment philosophy is that superior returns can be achieved, over time, by focusing on value. They acknowledge that it is not always possible to predict short term movement in the financial markets. However, they believe that it is possible, through careful analysis and security selection, to choose securities which will provide superior returns over market cycles. Their search for value as always overlaid by a focus on yield (income). They believe that bond portfolios which are composed of undervalued securities and additional yield have a strong bias to provide superior returns over time. * **Barclays Gov/Credit Bond Index through May 31, 2013 and Barclays Aggregate Index thereafter.**

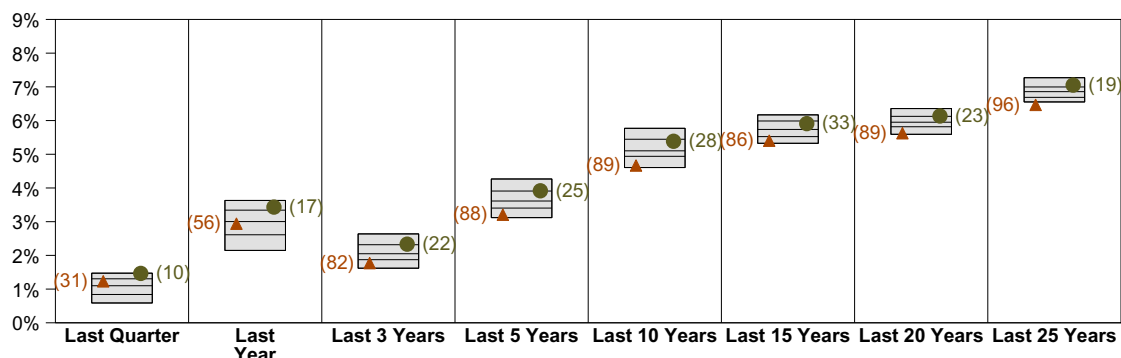
Quarterly Summary and Highlights

- Richmond Capital Management's portfolio posted a 1.46% return for the quarter placing it in the 10 percentile of the CAI Core Bond Fixed-Inc Style group for the quarter and in the 17 percentile for the last year.
- Richmond Capital Management's portfolio outperformed the Blended Benchmark* by 0.23% for the quarter and outperformed the Blended Benchmark* for the year by 0.49%.

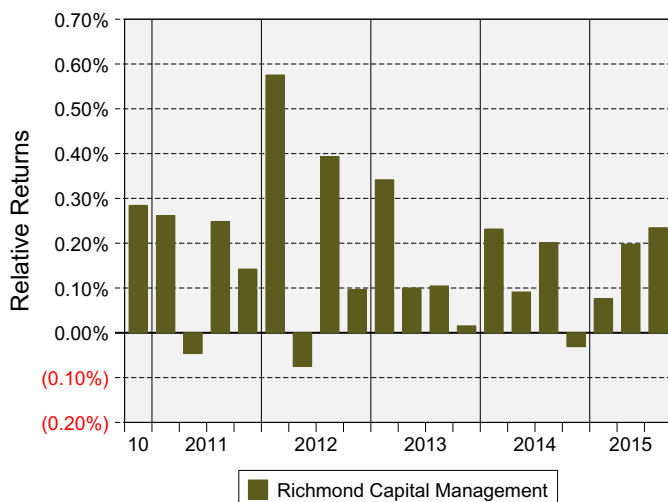
Quarterly Asset Growth

Beginning Market Value	\$48,664,033
Net New Investment	\$-35,750
Investment Gains/(Losses)	\$712,467
Ending Market Value	\$49,340,750

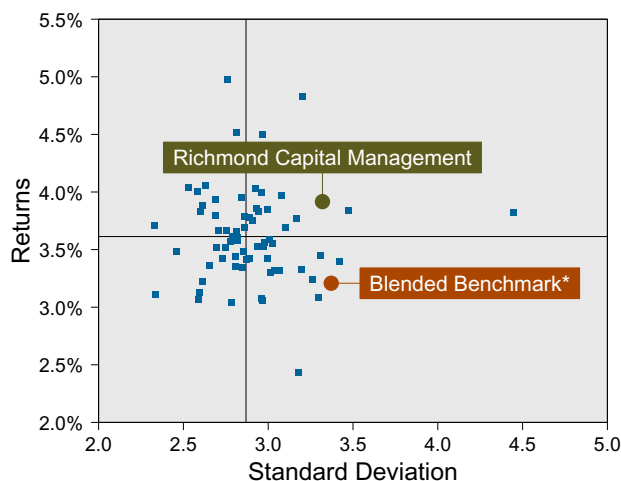
Performance vs CAI Core Bond Fixed-Inc Style (Gross)



Relative Return vs Blended Benchmark*



CAI Core Bond Fixed-Inc Style (Gross) Annualized Five Year Risk vs Return

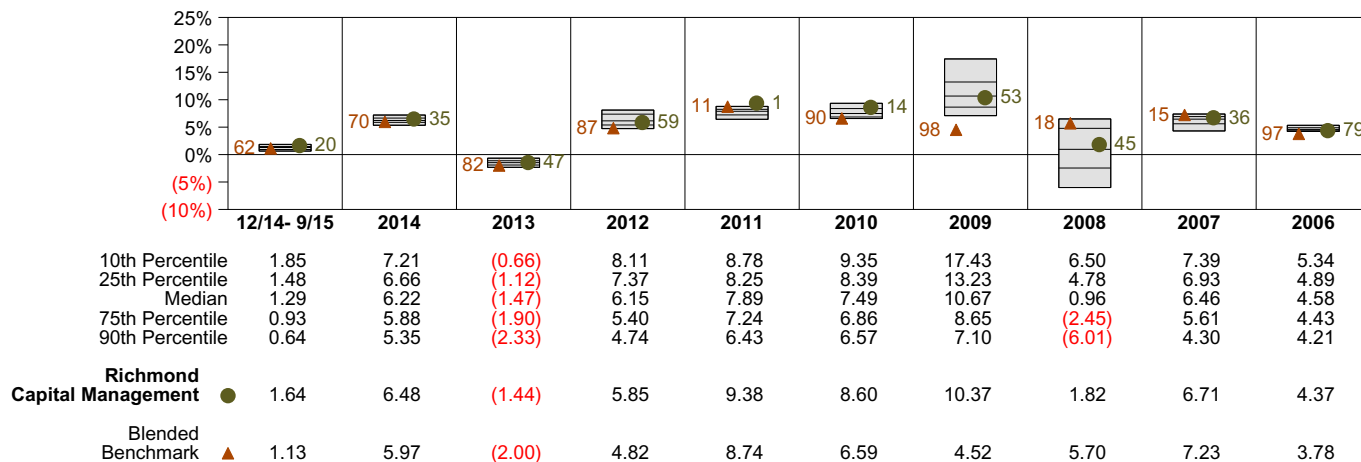


Richmond Capital Management Return Analysis Summary

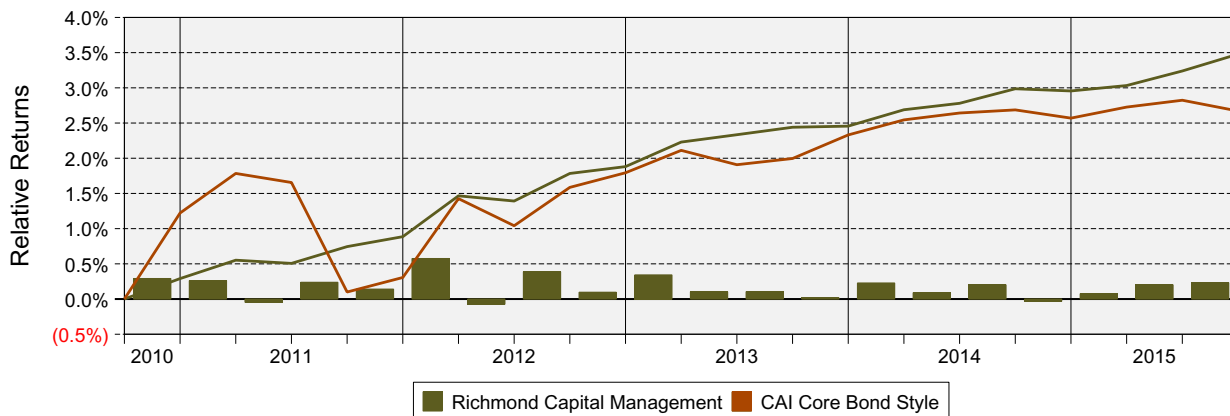
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

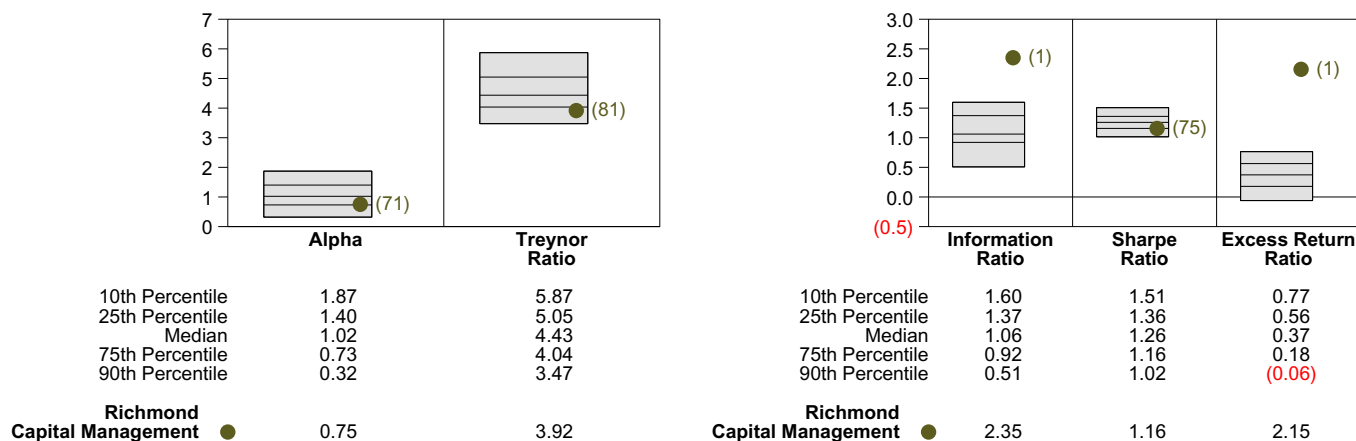
Performance vs CAI Core Bond Fixed-Inc Style (Gross)



Cumulative and Quarterly Relative Return vs Blended Benchmark



Risk Adjusted Return Measures vs Blended Benchmark Rankings Against CAI Core Bond Fixed-Inc Style (Gross) Five Years Ended September 30, 2015

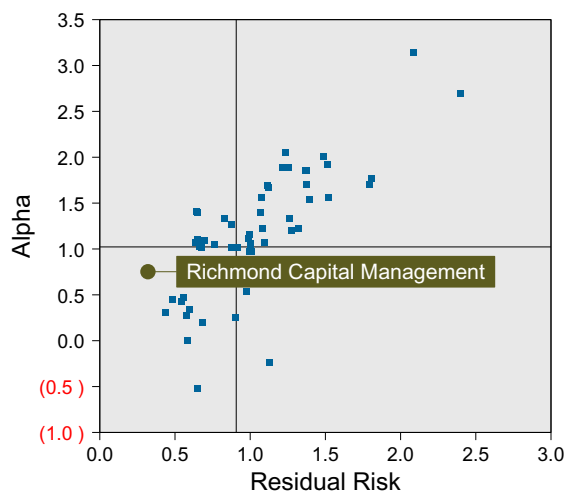
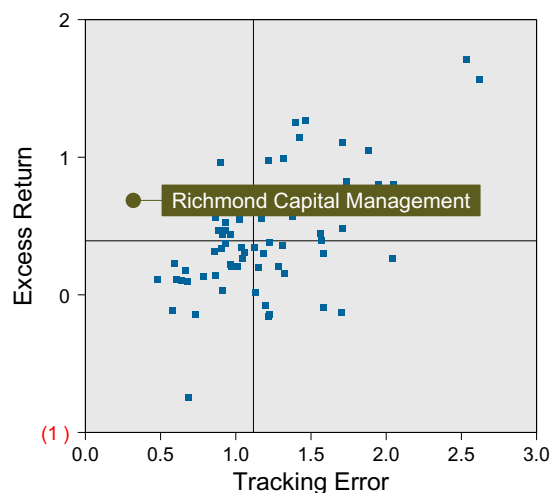


Richmond Capital Management Risk Analysis Summary

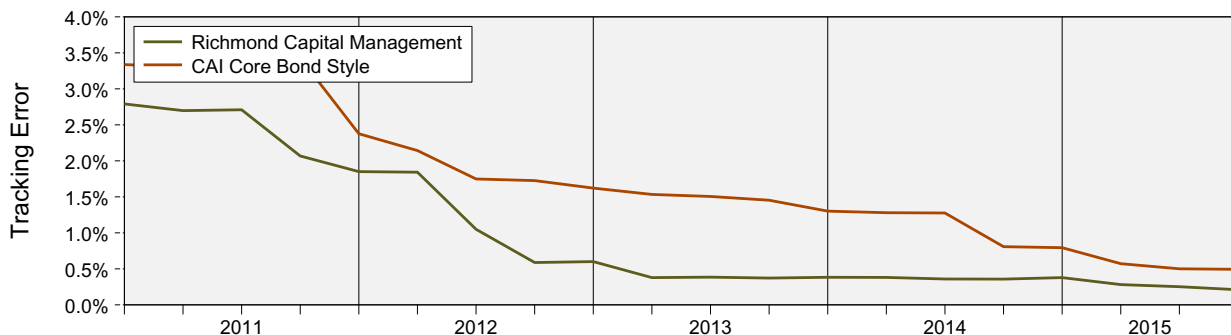
Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third chart shows tracking error patterns versus the benchmark over time. The last two charts show the ranking of the manager's risk statistics versus the peer group.

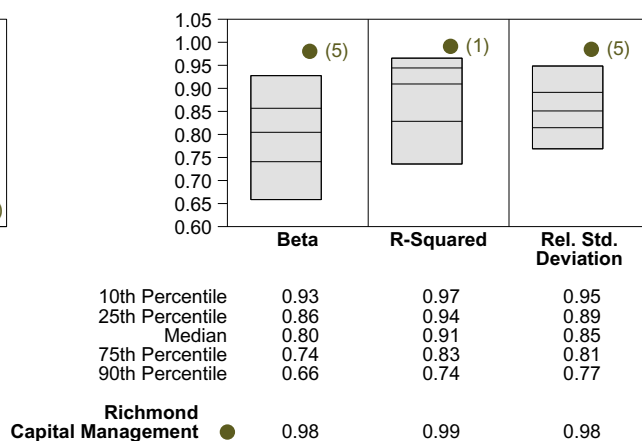
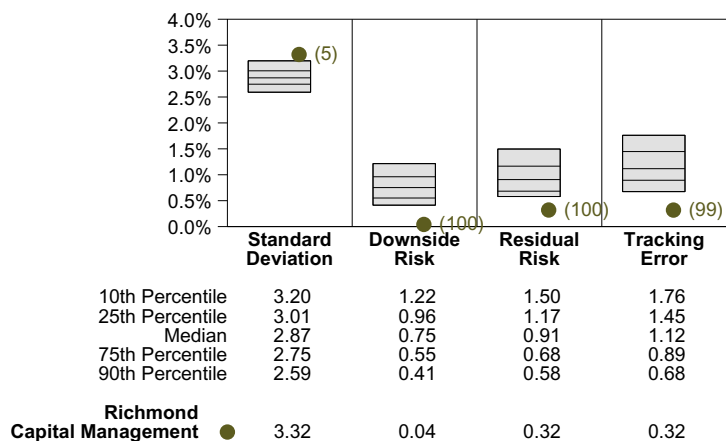
Risk Analysis vs CAI Core Bond Fixed-Inc Style (Gross) Five Years Ended September 30, 2015



Rolling 12 Quarter Tracking Error vs Blended Benchmark



Risk Statistics Rankings vs Blended Benchmark Rankings Against CAI Core Bond Fixed-Inc Style (Gross) Five Years Ended September 30, 2015

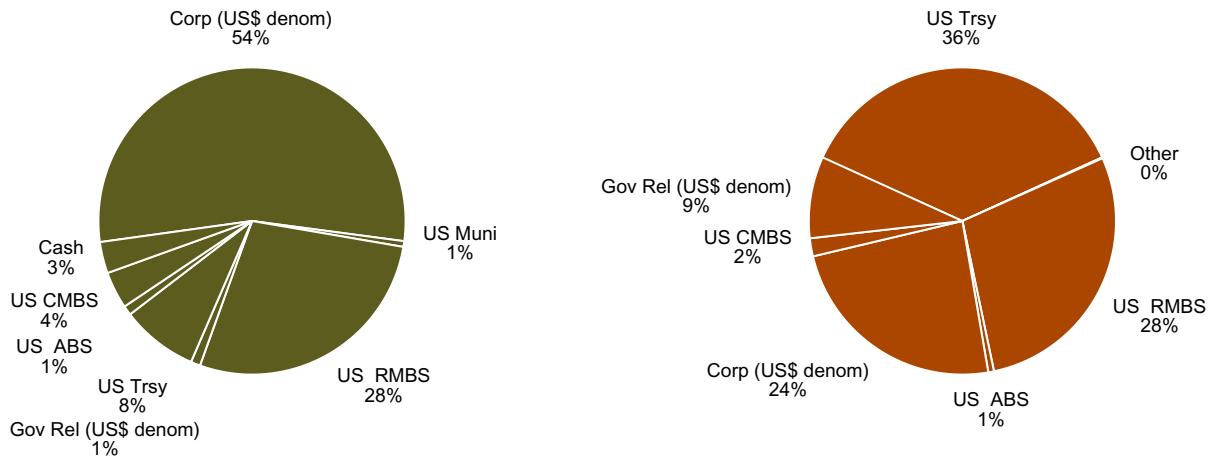


Richmond Capital Management Portfolio Characteristics Summary As of September 30, 2015

Portfolio Structure Comparison

The charts below compare the structure of the portfolio to that of the index from the three perspectives that have the greatest influence on return. The first chart compares the two portfolios across sectors. The second chart compares the duration distribution. The last chart compares the distribution across quality ratings.

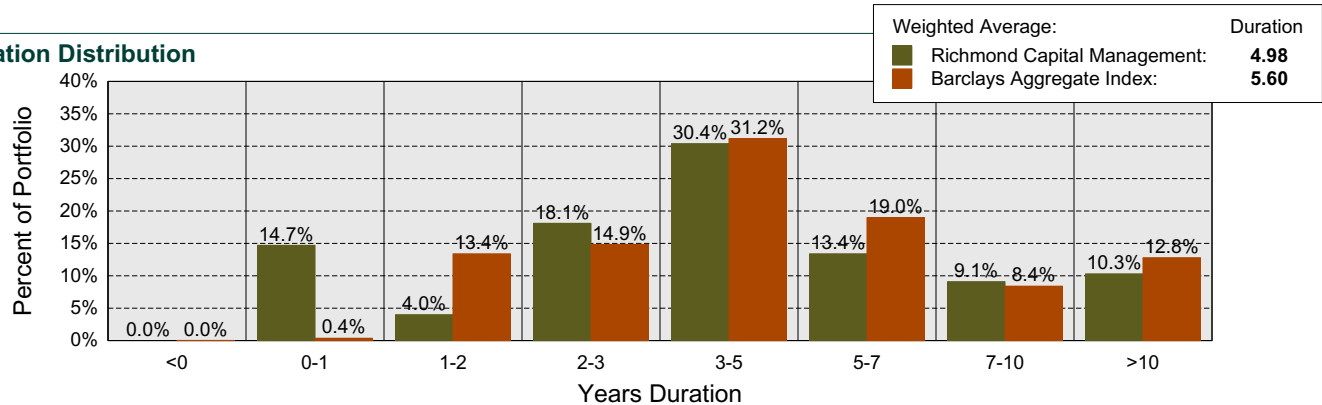
Sector Allocation



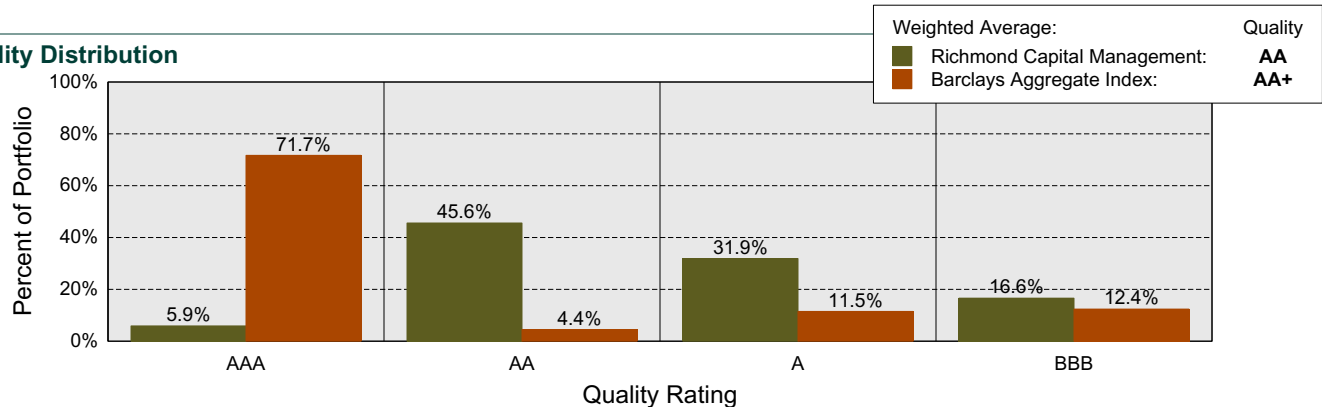
Richmond Capital Management

Barclays Aggregate Index

Duration Distribution



Quality Distribution

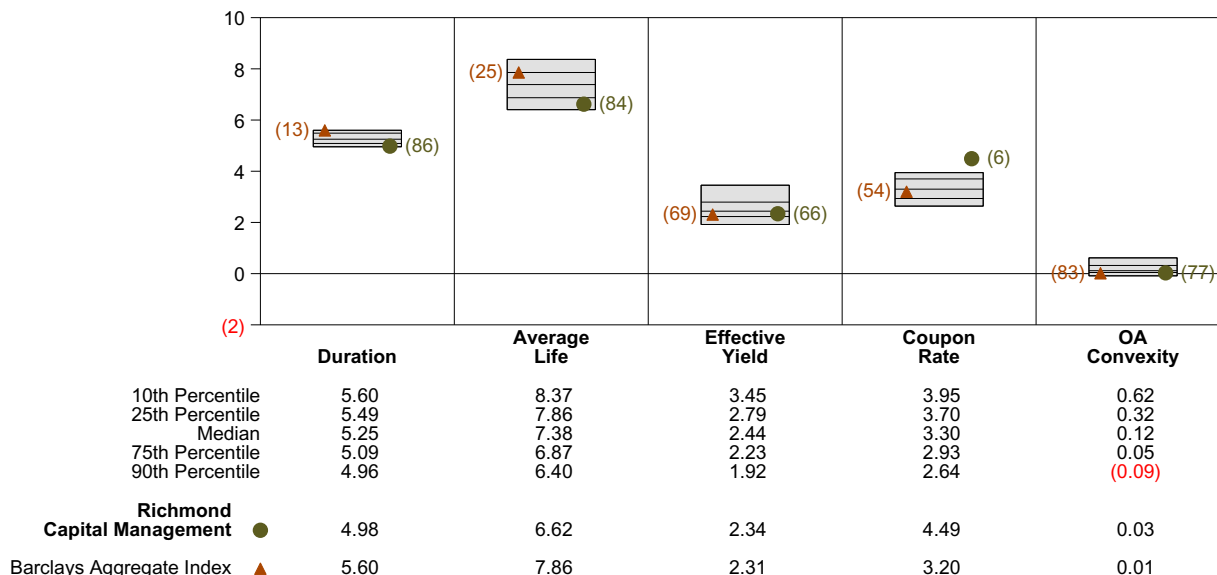


Richmond Capital Management Bond Characteristics Analysis Summary

Portfolio Characteristics

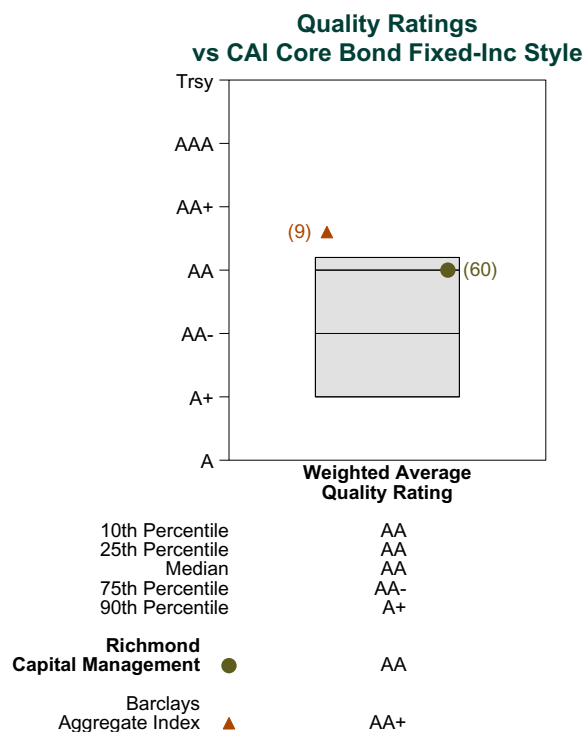
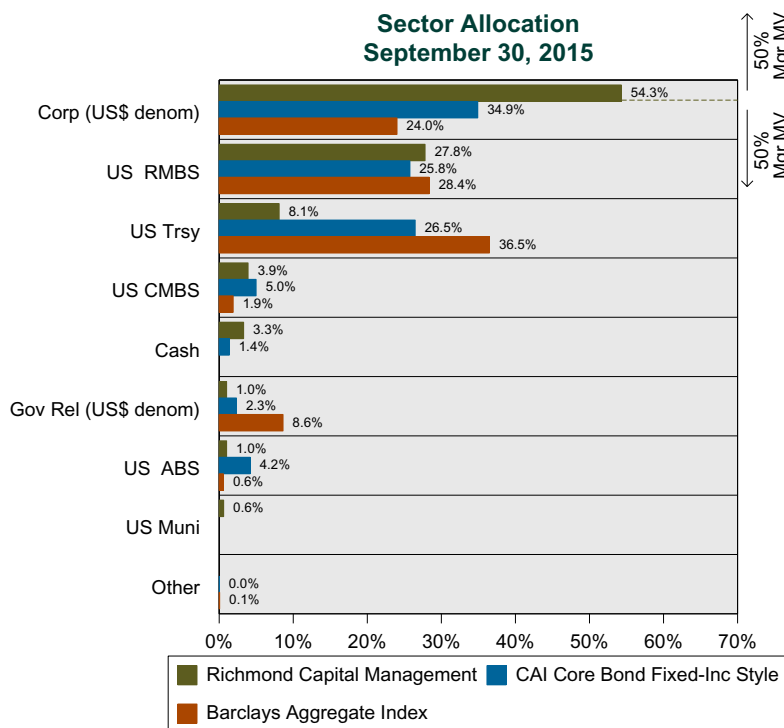
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Fixed Income Portfolio Characteristics Rankings Against CAI Core Bond Fixed-Inc Style as of September 30, 2015



Sector Allocation and Quality Ratings

The first graph compares the manager's sector allocation with the average allocation across all the members of the manager's style. The second graph compares the manager's weighted average quality rating with the range of quality ratings for the style.



Heitman Period Ended September 30, 2015

Investment Philosophy

Heitman America Real Estate Trust, L.P. is a Delaware limited partnership, organized as a perpetual-life, core open-ended commingled fund to invest in real estate assets. The Fund seeks to deliver to its investors a combination of current income return and moderate appreciation. In acquiring individual assets for HART, Heitman adheres to the following principles: Buy in major markets and build a portfolio that is diversified by property type, economic exposure and geography. Buy assets with strong site attributes, such as proximity to amenities, complementary land uses and transportation networks. Buy well-constructed assets with features that will continue to appeal to tenants over long periods of time.

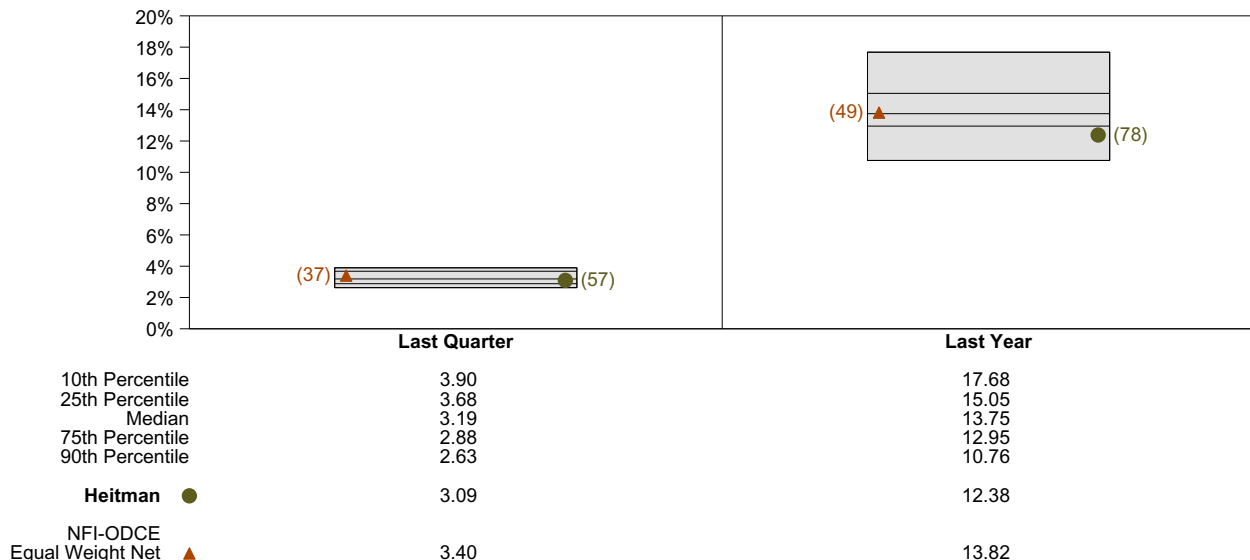
Quarterly Summary and Highlights

- Heitman's portfolio posted a 3.09% return for the quarter placing it in the 57 percentile of the CAI Open-End Real Estate Funds group for the quarter and in the 78 percentile for the last year.
- Heitman's portfolio underperformed the NFI-ODCE Equal Weight Net by 0.31% for the quarter and underperformed the NFI-ODCE Equal Weight Net for the year by 1.44%.

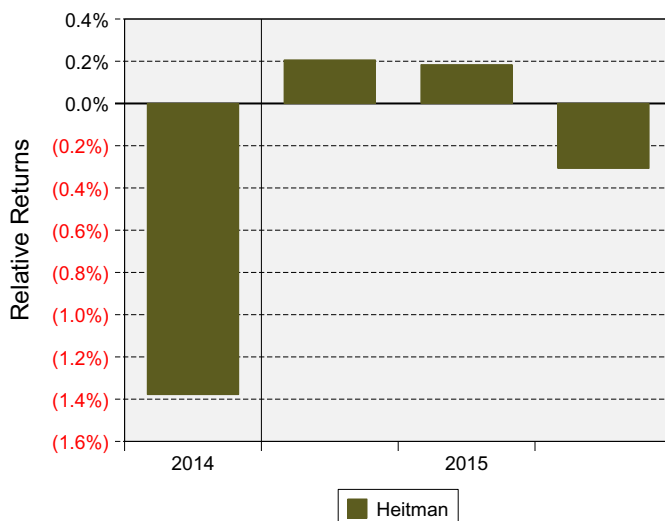
Quarterly Asset Growth

Beginning Market Value	\$13,247,948
Net New Investment	\$0
Investment Gains/(Losses)	\$409,964
Ending Market Value	\$13,657,912

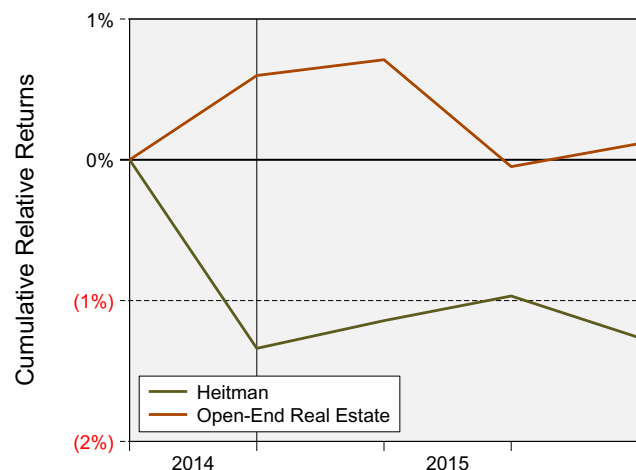
Performance vs CAI Open-End Real Estate Funds (Net)



Relative Returns vs NFI-ODCE Equal Weight Net



Cumulative Returns vs NFI-ODCE Equal Weight Net



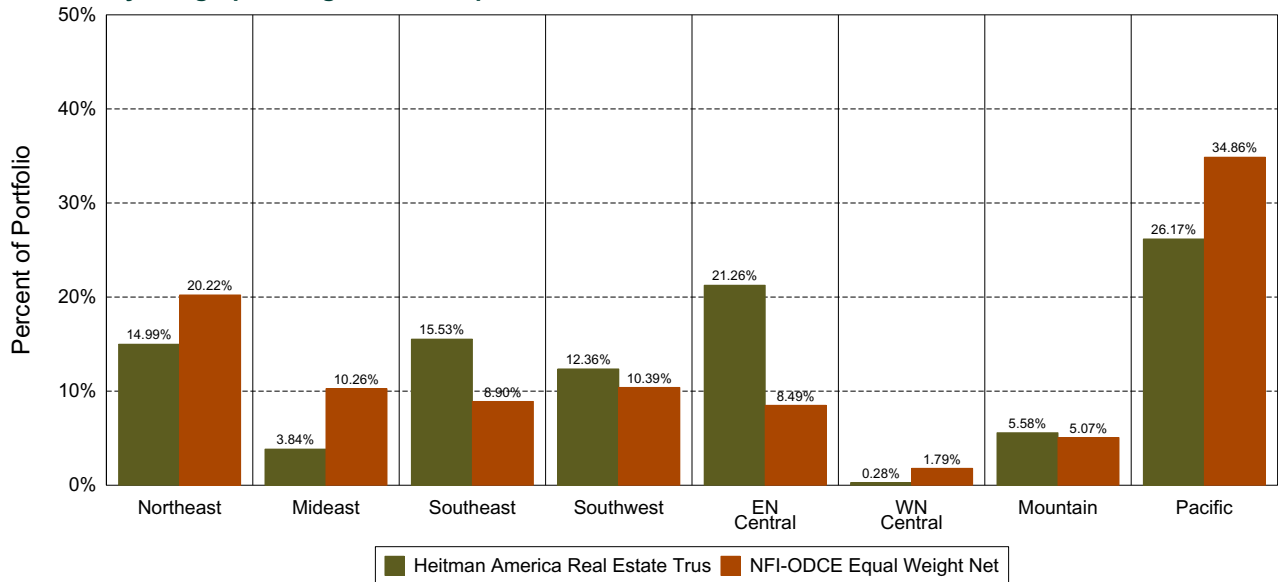
Heitman America Real Estate Trust

Real Estate Diversification Analysis as of September 30, 2015

Diversification Analysis

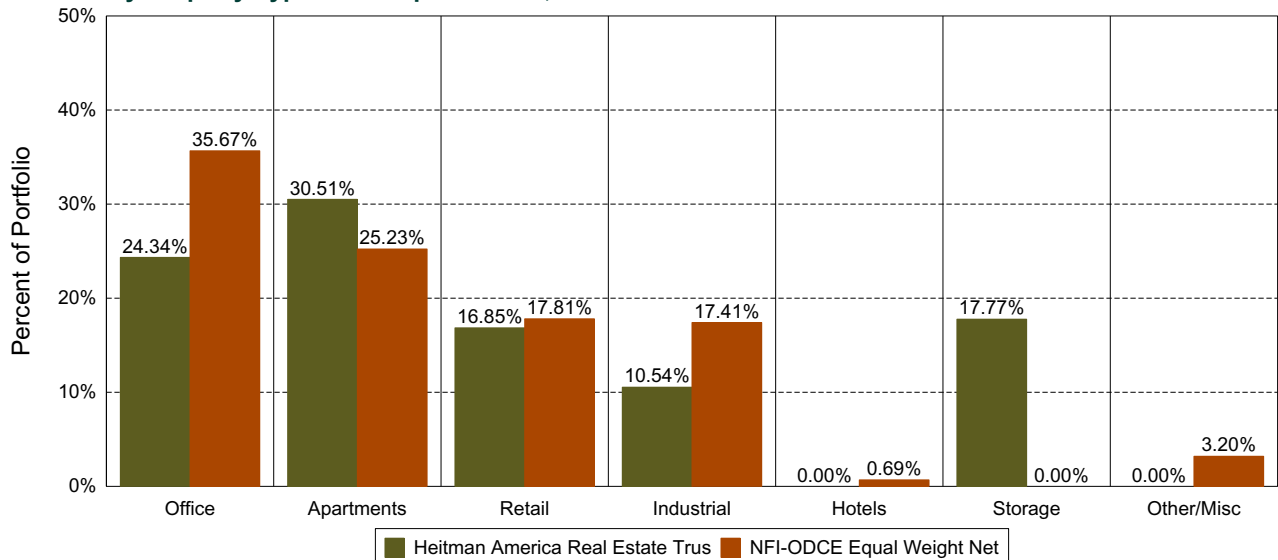
The following charts provide information on the diversification of the portfolio with regards to both Geographic Region and Property Type. Similar information is provided on the relevant market index for comparison.

Diversification by Geographic Region as of September 30, 2015



Heitman America Real Estate Trust	14.99%	3.84%	15.53%	12.36%	21.26%	0.28%	5.58%	26.17%
NFI-ODCE Equal Weight Net	20.22%	10.26%	8.90%	10.39%	8.49%	1.79%	5.07%	34.86%

Diversification by Property Type as of September 30, 2015



Heitman America Real Estate Trust	24.34%	30.51%	16.85%	10.54%	0.00%	17.77%	0.00%
NFI-ODCE Equal Weight Net	35.67%	25.23%	17.81%	17.41%	0.69%	0.00%	3.20%

Equity Market Indicators

The market indicators included in this report are regarded as measures of equity or fixed income performance results. The returns shown reflect both income and capital appreciation.

Russell 2000 Growth contains those Russell 2000 securities with a greater than average growth orientation. Securities in this index tend to exhibit higher price-to-book and price-earning ratios, lower dividend yields and higher forecasted growth values than the Value universe.

Russell 2000 Index is composed of the 2000 smallest stocks in the Russell 3000 Index, representing approximately 11% of the U.S. equity market capitalization.

Russell 2000 Value contains those Russell 2000 securities with a less than average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-earning ratios, higher dividend yields and lower forecasted growth values than the Growth universe.

Standard & Poor's 500 Index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index is capitalization-weighted, with each stock weighted by its proportion of the total market value of all 500 issues. Thus, larger companies have a greater effect on the index.

Standard & Poor's MidCap Index is a composite of 400 medium-capitalization, domestic common stocks. Stocks in this index are not included in the Standard & Poor's 500 Index. The index is capitalization-weighted.

International Equity Market Indicators

The market indicators included in this report are regarded as measures of equity or fixed income performance results. The returns shown reflect both income and capital appreciation.

MSCI ACWI ex US Index The MSCI ACWI ex US(All Country World Index) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the US. As of May 27, 2010 the MSCI ACWI consisted of 45 country indices comprising 24 developed and 21 emerging market country indices. The developed market country indices included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. The emerging market country indices included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

Morgan Stanley Capital International (MSCI) EAFE Index is composed of approximately 1000 equity securities representing the stock exchanges of Europe, Australia, New Zealand and the Far East. The index is capitalization-weighted and is expressed in terms of U.S. dollars.

Morgan Stanley Capital Intl (MSCI) Emerging Markets Free Index is composed of about 549 equity securities representing the stock exchanges of 13 countries in Central Asia and the Far East, Latin America, Europe, and the Middle East. Only 20% of Korea's market capitalization is included in this index. The index is market capitalization-weighted and is expressed in terms of U.S. dollars.

Fixed Income Market Indicators

The market indicators included in this report are regarded as measures of equity or fixed income performance results. The returns shown reflect both income and capital appreciation.

90-Day U.S. Treasury Bills provide a measure of riskless return. The rate of return is the average interest rate available on the beginning of each month for a Treasury Bill maturing in ninety days.

Barclays Aggregate Bond Index is a combination of the Mortgage Backed Securities Index and the intermediate and long-term components of the Government/Credit Bond Index.

Barclays Capital Govt/Credit Bond Index is a composite of all publicly issued, fixed rate, non-convertible, domestic bonds. The issues are rated at least BBB, have a minimum outstanding principal of \$100 million for U.S. Government issues or \$50 million for other bonds, and have a maturity of at least one year. The index is capitalization-weighted.

International Fixed Income Market Indicators

The market indicators included in this report are regarded as measures of equity or fixed income performance results. The returns shown reflect both income and capital appreciation.

CitiGroup Non-U.S. Dollar World Government Bond Index is composed of the CitiGroup World Government Bond Index excluding U.S. bonds. The index includes all fixed-rate government bonds in 10 countries having remaining maturities of one year or longer with amounts outstanding of at least the equivalent of US\$ 100 million. The index is capitalization-weighted and is expressed in terms of U.S. dollars.

General Price Level Market Indicators

The market indicators included in this report are regarded as measures of equity or fixed income performance results. The returns shown reflect both income and capital appreciation.

Consumer Price Index is a measure of the average change in prices for a fixed market basket of goods and services. This market basket is based on the spending patterns of urban wage earners and clerical workers, who represent 40 percent of the total civilian population.

Callan Associates Databases

In order to provide comparative investment results for use in evaluating a fund's performance, Callan Associates gathers rate of return data from investment managers. These data are then grouped by type of assets managed and by the type of investment manager. Except for mutual funds, the results are for tax-exempt fund assets. The databases, excluding mutual funds, represent investment managers who handle over 80% of all tax-exempt fund assets.

Equity Funds

Equity funds concentrate their investments in common stocks and convertible securities. The funds included maintain well-diversified portfolios.

Core International Equity Style Managers whose portfolio holdings and characteristics are similar to that of the broader developed market as represented by the MSCI EAFE Index, with the objective of adding value over and above the index, typically from country, sector, or issue selection. The Core portfolio is broadly diversified and exhibits similar risk characteristics to the developed market as measured by low residual risk with Beta and R-Squared values close to 1.00 and combined growth and value z-score values close to 0. Exposure to emerging markets and smaller capitalization stocks is limited.

Domestic Equity Database - The Domestic Equity Database is a broad collection of actively managed separate account domestic equity products.

International Emerging Markets Equity - The International Emerging Market Equity Database consists of all separate account international equity products that concentrate on newly emerging second and third world countries in the regions of the Far East, Africa, Europe, and Central and South America.

Fixed Income Funds

Fixed Income funds concentrate their investments in bonds, preferred stocks, and money market securities. The funds included maintain well-diversified portfolios.

Domestic Fixed-Income Database - The Domestic Fixed-Income Database is a broad collection of separate account domestic fixed-income products.

International Non-U.S. Dollar Fixed-Income - The International Non-U.S. Dollar Fixed-Income Database consists of all separate account international fixed-income funds that do not generally invest in U.S. fixed-income securities.

Balanced Funds

Balanced funds diversify their investments among common stocks, bonds, preferred stocks and money market securities. The funds included maintain well-diversified equity and fixed income portfolios.

Domestic Balanced Database - The Domestic Balanced Database consists of all separate account domestic balanced funds.

Common Stock Portfolio Characteristics

All Portfolio Characteristics are derived by first calculating the characteristics for each security, and then calculating the weighted average of these values for the portfolio.

Dividend Yield - The total amount of dividends paid out for a stock over the preceding twelve months divided by the closing price of a share of the common stock.

Five Year Beta - Beta measures the sensitivity of rates of return on a fund to general market movements. As such, the Beta for a portfolio is a reflection of the risk of the securities in the portfolio as compared to the broader market. This value is a composite of the individual Beta values within a portfolio. The Beta computation is based on the weighted average of the five year historical Betas of each security in a portfolio.

Growth in Dividends - This value represents a weighted average five year annual growth rate of dividends per common stock share. The rates of growth in dividends for trailing twelve month periods are calculated using the dividend-per-share values for each time period. The five-year growth in dividends figure is calculated for each security in a portfolio. From these individual values, a weighted average value is calculated for the portfolio. The number of shares in each time period is adjusted to reflect any splits, mergers, or other capital changes. In this case, dividends are ex-dividends, meaning that the dividend has been declared and a buyer of the stock after the ex-dividend date does not receive the dividend.

Growth in Earnings - This value represents a weighted average five year annual growth rate of earnings per common stock share. The rates of growth in earnings for trailing twelve month periods are calculated using the earnings-per-share values for each time period. The five-year growth in earnings figure is calculated for each security in a portfolio. From these individual values, a weighted average value is calculated for the portfolio. The number of shares in each time period is adjusted to reflect any splits, mergers, or other capital changes. In this case, the earnings per share is fully diluted and excludes extraordinary items and discontinued operations. Fully diluted earnings per share are earnings that are reduced, or diluted, by assuming the conversion of all securities that are convertible into equities.

Issue Diversification - A measure of portfolio concentration in individual issues (securities). This number represents how many different securities (names) comprise the most concentrated half of the portfolio assets (half of the assets are in how many names?). This measure is useful in evaluating the concentration/diversification of portfolios made up of many issues but concentrated in a small subset of those issues (e.g. 100 stocks with 50% of assets in 10 stocks, Issue Diversification = 10).

Number of Securities - This is a simple portfolio diversification measure representing the number of unique non-cash securities (names) currently held in the portfolio. This measure does not address potential concentration of assets within these securities (see Issue Concentration).

Price/Book Value - The Price to Book Value is a measure of value for a company. It is equal to the market value of all the shares of common stock divided by the book value of the company. The book value is the sum of capital surplus, common stock, and retained earnings.

Price/Earnings Ratio - The Price to Earnings Ratio (P/E) is a measure of value for a company. It is equal to the price of a share of common stock divided by the earnings per share for a twelve-month period.

Return on Assets - Return on Assets is a measure of a company's profitability, specifically relating profits to the total investments required to achieve the profits. It is equal to income divided by total assets. Income is after all expenses, including income taxes and minority interest, but before provision for dividends, extraordinary items, and discontinued operations. Total assets includes the sum of all current, non-current, and intangible assets.

Common Stock Portfolio Characteristics

Return on Equity - Return on Equity is a measure of a company's profitability, specifically relating profits to the equity investment employed to achieve the profits. Return on Equity focuses on the returns accruing to the residual owners of a company, the equityholders. It is equal to income divided by total common equity. Income is after all expenses, including income taxes and minority interest, but before provision for dividends, extraordinary items, and discontinued operations. Common equity includes common stock outstanding, capital surplus, and retained earnings.

Total Debt/Assets - The Debt to Assets ratio is a measure of the level of total debt of a company as a portion of the assets of the company. It is equal to short-term and long-term debt divided by total assets. Total assets include the sum of all current, non-current, and intangible assets.

Fixed Income Portfolio Characteristics

All Portfolio Characteristics are derived by first calculating the characteristics for each security, and then calculating the market value weighted average of these values for the portfolio.

Allocation by Sector - Sector allocation is one of the tools which managers often use to add value without impacting the duration of the portfolio. The sector weights exhibit can be used to contrast a portfolio's weights with those of the index to identify any significant sector bets.

Average Coupon - The average coupon is the market value weighted average coupon of all securities in the portfolio. The total portfolio coupon payments per year are divided by the total portfolio par value.

Average Moody's Rating for Total Portfolio - A measure of the credit quality as determined by the individual security ratings. The ratings for each security, from Moody's Investor Service, are compiled into a composite rating for the whole portfolio. Quality symbols range from Aaa+ (highest investment quality - lowest credit risk) to C (lowest investment quality - highest credit risk).

Average Option Adjusted (Effective) Convexity - Convexity is a measure of the portfolio's exposure to interest rate risk. It is a measure of how much the duration of the portfolio will change given a change in interest rates. Generally, securities with negative convexities are considered to be risky in that changes in interest rates will result in disadvantageous changes in duration. When a security's duration changes it indicates that the stream of expected future cash-flows has changed, generally having a significant impact on the value of the security. The option adjusted convexity for each security in the portfolio is calculated using models developed by Lehman Brothers and Salomon Brothers which determine the expected stream of cash-flows for the security based on various interest rate scenarios. Expected cash-flows take into account any put or call options embedded in the security, any expected sinking-fund paydowns or any expected mortgage principal prepayments.

Average Option Adjusted (Effective) Duration - Duration is one measure of the portfolio's exposure to interest rate risk. Generally, the higher a portfolio's duration, the more that its value will change in response to interest rate changes. The option adjusted duration for each security in the portfolio is calculated using models developed by Lehman Brothers and Salomon Brothers which determine the expected stream of cash-flows for the security based on various interest rate scenarios. Expected cash-flows take into account any put or call options embedded in the security, any expected sinking-fund paydowns or any expected mortgage principal prepayments.

Average Price - The average price is equal to the portfolio market value divided by the number of securities in the portfolio. Portfolios with an average price above par will tend to generate more current income than those with an average price below par.

Average Years to Expected Maturity - This is a measure of the market-value-weighted average of the years to expected maturity across all of the securities in the portfolio. Expected years to maturity takes into account any put or call options embedded in the security, any expected sinking-fund paydowns or any expected mortgage principal prepayments.

Average Years to Stated Maturity - The average years to stated maturity is the market value weighted average time to stated maturity for all securities in the portfolio. This measure does not take into account imbedded options, sinking fund paydowns, or prepayments.

Current Yield - The current yield is the current annual income generated by the total portfolio market value. It is equal to the total portfolio coupon payments per year divided by the current total portfolio market value.

Fixed Income Portfolio Characteristics

Duration Dispersion - Duration dispersion is the market-value weighted standard deviation of the portfolio's individual security durations around the total portfolio duration. The higher the dispersion, the more variable the security durations relative to the total portfolio duration ("barbellness"), and the smaller the dispersion, the more concentrated the holdings' durations around the overall portfolio's ("bulletness"). The purpose of this statistic is to gauge the "bulletness" or "barbellness" of a portfolio relative to its total duration and to that of its benchmark index.

Effective Yield - The effective yield is the actual total annualized return that would be realized if all securities in the portfolio were held to their expected maturities. Effective yield is calculated as the internal rate of return, using the current market value and all expected future interest and principal cash flows. This measure incorporates sinking fund paydowns, expected mortgage principal prepayments, and the exercise of any "in-the-money" imbedded put or call options.

Weighted Average Life - The weighted average life of a security is the weighted average time to payment of all remaining principal. It is calculated by multiplying each expected future principal payment amount by the time left to the payment. This amount is then divided by the total amount of principal remaining. Weighted average life is commonly used as a measure of the investment life for pass-through security types for comparison to non-pass-through securities.

Research and Educational Programs

The Callan Investments Institute provides research that keeps clients updated on the latest industry trends while helping them learn through carefully structured educational programs.

Recent Research

Please visit www.callan.com/research to see all of our publications.

Fixed Income Benchmark Review This annual report compares characteristics for Barclays, Citi, Credit Suisse, and JP Morgan fixed income indices versus various Callan Manager peer groups.

Real Indicators: The Metrics of Real Estate In this video, Avery Robinson, CAIA, discusses the development of real estate indicator metrics and what they say about the current market.

The Education of Beta Video Eugene Podkaminer, CFA, describes the reasons he decided to explore the topic of “smart beta”.



The Education of Beta: Can Alternative Indexes Make Your Portfolio Smarter? Reprinted in the Journal of Investing, Eugene Podkaminer explores how “smart beta” strategies are put together, how they have performed over the past decade, and how they can be used by investors.

Real Assets Reporter, Summer/Fall 2015 Data and insights on real estate and other real asset investment topics, including listed infrastructure.

Target Date Funds: Finding the Right Vehicle for the Road to Retirement Author Jimmy Veneruso presents key findings and highlights some questions plan sponsors may consider when evaluating target date funds.

Hedge Fund Monitor, 2nd Quarter 2015 Author Jim McKee's essay, Zen and the Art of Selling Short, including quarterly performance provides a snapshot of the asset class.

Private Markets Trends, Summer 2015 Gary Robertson summarizes the market environment, recent events, performance, and other issues involving private equity.

DC Observer, 2nd Quarter 2015 Cover story: What Do You See Through the Brokerage Window? Plus the Callan DC Index™.

Summary, June Workshop: Fiduciary Tidal Wave, Navigating DC's Uncharted Waters Shared observations from Callan's 2015 DC Trends Survey, client experiences, and case studies.

Capital Market Review, 2nd Quarter 2015 Insights on the economy and recent performance in equities, fixed income, alternatives, real estate, and more.

Inside Callan's Database, 2nd Quarter 2015 This report graphs performance and risk data from Callan's proprietary database alongside relevant market indices.



Beating the Heat: Five Best Practices for Endowments and Foundations Ellen Brownell presents five ways endowments and foundations can keep their cool when asset allocation conversations heat up.

2015 Nuclear Decommissioning Funding Study Author Julia Moriarty covers power utilities with an ownership interest in the operating and non-operating nuclear reactors in the U.S.

Events

Did you miss out on a Callan conference or workshop? Event summaries and speakers' presentations are available on our website: <https://www.callan.com/education/CII/>



The **October Regional Workshop**, to be held October 21 in New York and October 22 in Atlanta, looks at where **Real Assets Meet the Real World**. In this workshop, we look at real assets' various roles in institutional portfolios. We dive into the challenges that arise during implementation—challenges as unique as investors themselves.

Also, save the date for our annual **National Conference** in San Francisco, January 25-27, 2016.

For more information about research or educational events, please contact Anna West: 415.974.5060 / institute@callan.com

The Center for Investment Training Educational Sessions

The Center for Investment Training, better known as the “Callan College,” provides a foundation of knowledge for industry professionals who are involved in the investment decision-making process. It was founded in 1994 to provide clients and non-clients alike with basic- to intermediate-level instruction. Our next session is:

Introduction to Investments

Chicago, October 27-28, 2015

2016 dates TBD, please check our website for updates

This session familiarizes fund sponsor trustees, staff, and asset management advisors with basic investment theory, terminology, and practices. It lasts one-and-a-half days and is designed for individuals who have less than two years of experience with asset-management oversight and/or support responsibilities. Tuition for the Introductory “Callan College” session is \$2,350 per person. Tuition includes instruction, all materials, breakfast and lunch on each day, and dinner on the first evening with the instructors.

Customized Sessions

The “Callan College” is equipped to customize a curriculum to meet the training and educational needs of a specific organization. These tailored sessions range from basic to advanced and can take place anywhere—even at your office.

Learn more at <https://www.callan.com/education/college/> or contact Kathleen Cunnie: 415.274.3029 / cunnie@callan.com

Education: By the Numbers

500

Attendees (on average) of the Institute's annual National Conference

50+

Unique pieces of research the Institute generates each year

3,300

Total attendees of the “Callan College” since 1994

1980

Year the Callan Investments Institute was founded



“We think the best way to learn something is to teach it. Entrusting client education to our consultants and specialists ensures that they have a total command of their subject matter. This is one reason why education and research have been cornerstones of our firm for more than 40 years.”

Ron Peyton, Chairman and CEO

List of Managers That Do Business with Callan Associates Inc.

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Manager Name	Educational Services	Consulting Services
1607 Capital Partners, LLC		Y
Aberdeen Asset Management	Y	Y
Acadian Asset Management, Inc.	Y	
Advisory Research	Y	
Affiliated Managers Group		Y
AllianceBernstein	Y	
Allianz Global Investors U.S. LLC	Y	Y
Allianz Life Insurance Company of North America		Y
Altrinsic Global Advisors, LLC		Y
American Century Investment Management	Y	
Analytic Investors	Y	
Apollo Global Management	Y	
AQR Capital Management	Y	
Ares Management	Y	
Ariel Investments	Y	
Aristotle Capital Management	Y	
Aronson + Johnson + Ortiz	Y	
Artisan Holdings		Y
Atlanta Capital Management Co., L.L.C.	Y	Y
Aviva Investors	Y	
AXA Rosenberg Investment Management	Y	
Babson Capital Management LLC	Y	
Baillie Gifford International LLC	Y	Y
Baird Advisors	Y	Y
Bank of America		Y
Baring Asset Management	Y	
Baron Capital Management	Y	
BlackRock	Y	
BMO Asset Management	Y	
BNP Paribas Investment Partners	Y	
BNY Mellon Asset Management	Y	Y
Boston Company Asset Management, LLC (The)	Y	Y

List of Managers That Do Business with Callan Associates Inc. (continued)

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Manager Name	Educational Services	Consulting Services
Boston Partners	Y	Y
Brandes Investment Partners, L.P.	Y	Y
Brandywine Global Investment Management, LLC	Y	
Brown Brothers Harriman & Company	Y	
Cadence Capital Management	Y	
Capital Group	Y	
CastleArk Management, LLC		Y
Causeway Capital Management	Y	
Central Plains Advisors, Inc.		Y
Chartwell Investment Partners	Y	
ClearBridge Investments, LLC (fka ClearBridge Advisors)	Y	
Cohen & Steers	Y	Y
Columbia Management Investment Advisors, LLC	Y	Y
Columbus Circle Investors	Y	Y
Corbin Capital Partners	Y	
Cornerstone Investment Partners, LLC	Y	
Cramer Rosenthal McGlynn, LLC	Y	
Crawford Investment Council		Y
Credit Suisse Asset Management	Y	
Crestline Investors	Y	Y
Cutwater Asset Management	Y	
DB Advisors	Y	Y
DE Shaw Investment Management LLC	Y	
Delaware Investments	Y	Y
DePrince, Race & Zollo, Inc.	Y	Y
Deutsche Asset & Wealth Management	Y	Y
Diamond Hill Investments	Y	
Donald Smith & Co., Inc.	Y	
DSM Capital Partners		Y
Duff & Phelps Investment Mgmt.	Y	Y
Eagle Asset Management, Inc.		Y
EARNEST Partners, LLC	Y	
Eaton Vance Management	Y	Y
Epoch Investment Partners	Y	
Fayez Sarofim & Company		Y
Federated Investors	Y	Y
Fir Tree Partners	Y	
First Eagle Investment Management	Y	
First Hawaiian Bank		Y
First State Investments	Y	
Fisher Investments	Y	
Franklin Templeton	Y	Y

List of Managers That Do Business with Callan Associates Inc. (continued)

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Manager Name	Educational Services	Consulting Services
Fred Alger Management Co., Inc.	Y	
Fuller & Thaler Asset Management	Y	
GAM (USA) Inc.	Y	
Garcia Hamilton & Associates	Y	
GE Asset Management	Y	Y
Geneva Capital Management	Y	
Goldman Sachs Asset Management	Y	Y
Grand-Jean Capital Management	Y	Y
GMO (fka Grantham, Mayo, Van Otterloo & Co., LLC)	Y	
Great Lakes Advisors, Inc.		Y
The Guardian Life Insurance Company of America		Y
Guggenheim Investments Asset Management (fka Security Global)	Y	
The Hampshire Companies	Y	
Harbor Capital		Y
Hartford Funds	Y	
Hartford Investment Management Co.	Y	Y
Heightman Capital Management Corporation		Y
Henderson Global Investors	Y	Y
Hotchkis & Wiley	Y	
HSBC Global Asset Management	Y	
Income Research & Management	Y	
Insight Investment Management		Y
Institutional Capital LLC	Y	
INTECH Investment Management	Y	
Invesco	Y	Y
Investec Asset Management	Y	
Jacobs Levy Equity Management		Y
Janus Capital Group (fka Janus Capital Management, LLC)	Y	Y
Jensen Investment Management		Y
J.M. Hartwell	Y	
J.P. Morgan Asset Management	Y	Y
KeyCorp		Y
Lazard Asset Management	Y	Y
LMCG Investments (fka Lee Munder Capital Group)	Y	
Legal & General Investment Management America	Y	
Lincoln National Corporation		Y
Logan Circle Partners, L.P.	Y	
The London Company	Y	
Longview Partners	Y	
Loomis, Sayles & Company, L.P.	Y	Y
Lord Abbett & Company	Y	Y
Los Angeles Capital Management	Y	

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Manager Name	Educational Services	Consulting Services
LSV Asset Management	Y	
Lyrical Partners	Y	
MacKay Shields LLC	Y	Y
Man Investments	Y	
Manulife Asset Management	Y	
Martin Currie	Y	
Marvin & Palmer Associates, Inc.	Y	
MFS Investment Management	Y	Y
MidFirst Bank		Y
Mondrian Investment Partners Limited	Y	Y
Montag & Caldwell, Inc.	Y	Y
Morgan Stanley Alternative Investment Partners	Y	
Morgan Stanley Investment Management	Y	Y
Mount Lucas Management LP	Y	
Mountain Lake Investment Management LLC		Y
MUFG Union Bank, N.A.		Y
Neuberger Berman, LLC (fka, Lehman Brothers)	Y	Y
Newton Capital Management	Y	
Northern Lights Capital Group		Y
Northern Trust Global Investment Services	Y	Y
Nuveen Investments Institutional Services Group LLC	Y	
Old Mutual Asset Management	Y	Y
OppenheimerFunds, Inc.	Y	
Pacific Investment Management Company	Y	
Palisade Capital Management LLC	Y	
Paradigm Asset Management	Y	
Parametric Portfolio Associates	Y	
Peregrine Capital Management, Inc.	Y	Y
Philadelphia International Advisors, LP	Y	
PineBridge Investments (formerly AIG)	Y	
Pinnacle Asset Management	Y	
Pioneer Investment Management, Inc.	Y	
PNC Capital Advisors (fka Allegiant Asset Mgmt)	Y	Y
Polen Capital Management	Y	
Principal Financial Group		Y
Principal Global Investors	Y	Y
Private Advisors	Y	
Prudential Fixed Income Management	Y	
Prudential Investment Management, Inc.	Y	Y
Putnam Investments, LLC	Y	Y
Pzena Investment Management, LLC	Y	
Pyramis Global Advisors	Y	

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Manager Name	Educational Services	Consulting Services
Rainier Investment Management	Y	
RBC Global Asset Management (U.S.) Inc.	Y	Y
Research Affiliates		Y
Regions Financial Corporation		Y
RCM		Y
Rothschild Asset Management, Inc.	Y	Y
RS Investments	Y	
Russell Investment Management	Y	
Sankaty Advisors, LLC	Y	
Santander Global Facilities		Y
Schroder Investment Management North America Inc.	Y	Y
Scout Investments	Y	
SEI Investments		Y
SEIX Investment Advisors, Inc.	Y	
Select Equity Group	Y	
Smith Affiliated Capital Corporation	Y	
Smith Graham and Company		Y
Smith Group Asset Management		Y
Standard Life Investments	Y	
Standish (fka, Standish Mellon Asset Management)	Y	
State Street Global Advisors	Y	
Stone Harbor Investment Partners, L.P.	Y	Y
Systematic Financial Management	Y	
T. Rowe Price Associates, Inc.	Y	Y
Taplin, Canida & Habacht	Y	
Timberland Investment Resources	Y	
TCW Asset Management Company	Y	
Thompson, Siegel & Walmsley LLC	Y	
USAA Real Estate Company	Y	
Van Eck	Y	
Versus Capital Group		Y
Victory Capital Management Inc.	Y	
Vontobel Asset Management	Y	
Voya Investment Management (fka ING)	Y	
Vulcan Value Partners, LLC		Y
Waddell & Reed Asset Management Group	Y	Y
WCM Investment Management	Y	
WEDGE Capital Management		Y
Wellington Management Company, LLP	Y	
Wells Capital Management	Y	
Wells Fargo Private Bank		Y
Western Asset Management Company	Y	

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Manager Name	Educational Services	Consulting Services
William Blair & Co., Inc.	Y	Y

Retirement Board**Meeting Date:** 11/19/2015**Re:** Heitman Money Manager**Submitted For:** Johnna Morris, Interim Finance
Director, Finance Department

Information**SUBJECT:**

Report From Money Managers

Attachments

Ceredex Presentation

Emerald Presentation

Morgan Stanley Presentation

Richmond Capital Presentation

Wm. Blair Presentation

Heitman Presentation

Form Review

Form Started By: Queen Thompkins

Final Approval Date: 11/16/2015

Started On: 11/16/2015 11:26 AM



Presentation for City of Fort Pierce Retirement and Benefit System

Third Quarter 2015

November 19, 2015
Fort Pierce, Florida

Brett Barner, CFA
Portfolio Manager
Ceredex Value Advisors
301 E. Pine Street, Suite 500
Orlando, Florida 32801
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Steve Loncar
Client Portfolio Manager
Ceredex Value Advisors
301 E. Pine Street, Suite 500
Orlando, Florida 32801
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steve.loncar@ceredexvalue.com

Sarah Thompson
Portfolio Specialist
Ceredex Value Advisors
301 E. Pine Street, Suite 500
Orlando, Florida 32801
407-674-1250
sarah.thompson@ceredexvalue.com



Ceredex Overview and Investment Team	Section 1
What Defines Us, Investment Philosophy, and Investment Process	Section 2
Performance Review	Section 3
Appendix	Section 4
Glossary	
Disclosures	



OUR FIRM

- Value Equity investing roots trace back to 1989
- Approximately \$10.4 billion AUM* in three primary strategies
- Headquartered in Orlando, Florida

OUR INVESTMENT STRATEGIES

	Large Cap Value	Mid-Cap Value	Small Cap Value
Assets	\$3.5 billion	\$4.4 billion	\$2.4 billion
Lead Manager Experience	33 Years	19 Years	30 Years

OUR INVESTMENT PROFESSIONALS*

- 13 Investment Professionals
- 3 Portfolio Managers have worked together for 19 years
- 10 CFA Charterholders

*As of September 30, 2015 (includes sub-advisory relationships and separate accounts).
Effective April 20, 2012, the Small Cap Value Equity Strategy is closed to new investors.



PORTFOLIO MANAGERS

Mills Riddick, CFA

Large Cap Value Lead Portfolio Manager

Donald Wordell, CFA

Mid-Cap Value Lead Portfolio Manager

Brett Barner, CFA

Small Cap Value Lead Portfolio Manager

RESEARCH ANALYSTS

Charlie Carter, CFA

Consumer Staples
Consumer Discretionary

Jennifer Graff, CFA

Industrials

Melissa Miller, CFA

Financials

Cody Smith, CFA

Health Care
Technology

Nicole Blakley, CFA

Energy
Materials

Jason Fraser, CFA

Financials
Telecom

Hein Hanekom, CFA

Utilities

David Maynard

Industrials

CLIENT SERVICE

Steve Loncar

Client Portfolio Manager

Sarah Thompson

Portfolio Specialist

RIDGEWORTH EQUITY SECURITIES TRADERS

Joe Ward, CFA

Large Cap Value Lead Trader
Mid-Cap Value Lead Trader

Stephen P. Smith, CFA

Small Cap Value Lead Trader



How We Define Ourselves

- Traditional Value
- Bottom Up Stock Selection
- Fundamental Research Focus

What Differentiates Us

- Dividend Focus
- Buy and Sell Decision Equally Important
- Equity Investing Equal Parts Art and Science

Our Process

- Dividends
- Valuation
- Fundamentals

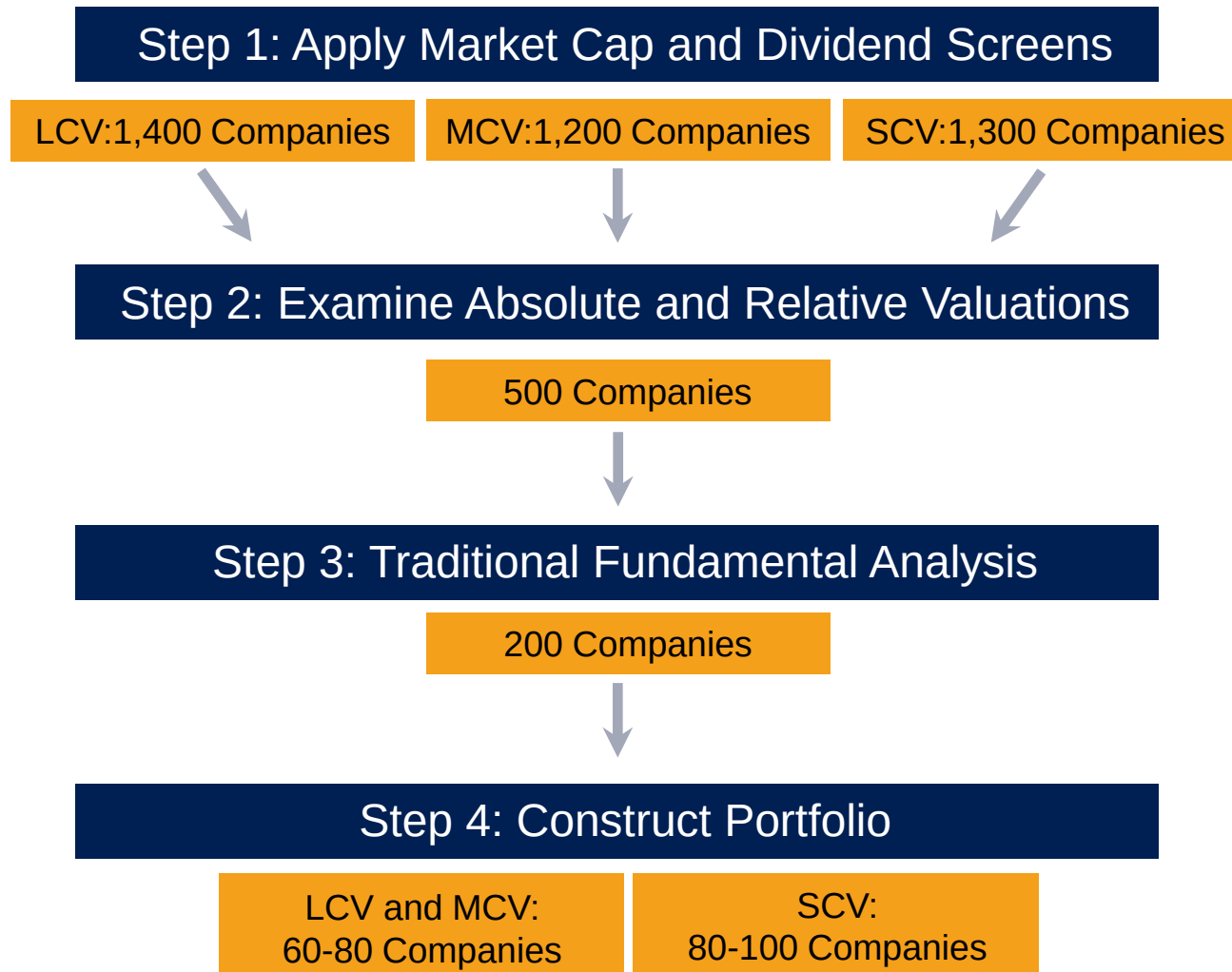


Principles that have enabled the approach to be successful.

Dividend Orientation

Valuation Approach

Fundamentals





Stock requires all three for purchase, but only one could trigger a sell:

Dividend Policy Change

- Eliminated – Automatic Sell
- Cut unexpectedly – Reevaluate Fundamentals
- Cut expectedly – Retain

Relative Value Weakens

- Stock Reaches its Previously Established Price Target
- More Attractive Risk/Reward Prospects

Fundamentals Deteriorate

- Cyclical
- Structural
- Timing of Catalyst Extended



Dividend Required

Dividends Reduce Duration

Margin of Safety

Diversity Among &
Within Sectors



Portfolio Composition



Assets		Market Value	% of Total
Total Portfolio	\$	6,737,231.78	100.0%
Total Equities	\$	6,553,715.75	97.3%
Total Cash and Equivalents	\$	183,516.03	2.7%

Period Ending September 30, 2015. Source: Advent Portfolio Exchange, November 13, 2015.

Past performance is not indicative of future results.

This perspective was prepared for City of Fort Pierce Retirement and Benefit System, specific one-on-one presentation.



Account Activity Summary - Quarter

Beginning Portfolio Market Value 6/30/15	\$	7,317,589.75
Additions	\$	0.03
Withdrawals	\$	(16,449.03)
Net Additions/Withdrawals	\$	(16,449.00)
Portfolio Earnings		
Net Accrued Income		
Interest and Dividends	\$	38,558.42
Gains/Losses	\$	(602,467.39)
Total Portfolio Earnings	\$	(563,908.97)
Ending Portfolio Market Value 9/30/15	\$	6,737,231.78
Net Change	\$	(580,357.97)

Period Ending September 30, 2015. Source: Advent Portfolio Exchange, November 13, 2015.

Past performance is not indicative of future results.

This perspective was prepared for City of Fort Pierce Retirement and Benefit System, specific one-on-one presentation.



Account Activity Summary - Annual

Beginning Portfolio Market Value 9/30/14	\$	7,379,885.68
Additions	\$	8,786.40
Withdrawals	\$	(1,073,972.12)
Net Additions/Withdrawals	\$	(1,065,185.72)
Portfolio Earnings		
Net Accrued Income		
Interest and Dividends	\$	186,789.21
Gains/Losses	\$	235,742.60
Total Portfolio Earnings	\$	422,531.81
Ending Portfolio Market Value 9/30/15	\$	6,737,231.78
Net Change	\$	(642,653.90)

Period Ending September 30, 2015. Source: Advent Portfolio Exchange, November 13, 2015.

Past performance is not indicative of future results.

This perspective was prepared for City of Fort Pierce Retirement and Benefit System, specific one-on-one presentation.



Inception to Date Reconciliation

City of Fort Pierce Retirement & Benefit System Inception to Date Statement of Cash Flow January 5, 1999 through September 30, 2015		
\$ Original Investment		\$ 5,459,900.00
+ Subsequent Contributions		\$ 1,328,125.88
- Subsequent Withdrawals		\$ (18,301,915.14)
- Management Fees		\$ (1,055,446.31)
+ Total Investment Earnings		\$ 19,306,567.35
+ Income	\$ 2,654,280.46	
+/- Capital Appreciation (Depreciation)	\$ 16,652,286.89	
Total Assets as of September 30, 2015		\$ 6,737,231.78

Period Ending September 30, 2015. Source: Advent Portfolio Exchange, SunTrust Portfolio View, November 13, 2015.
See Investment Performance in Appendix.

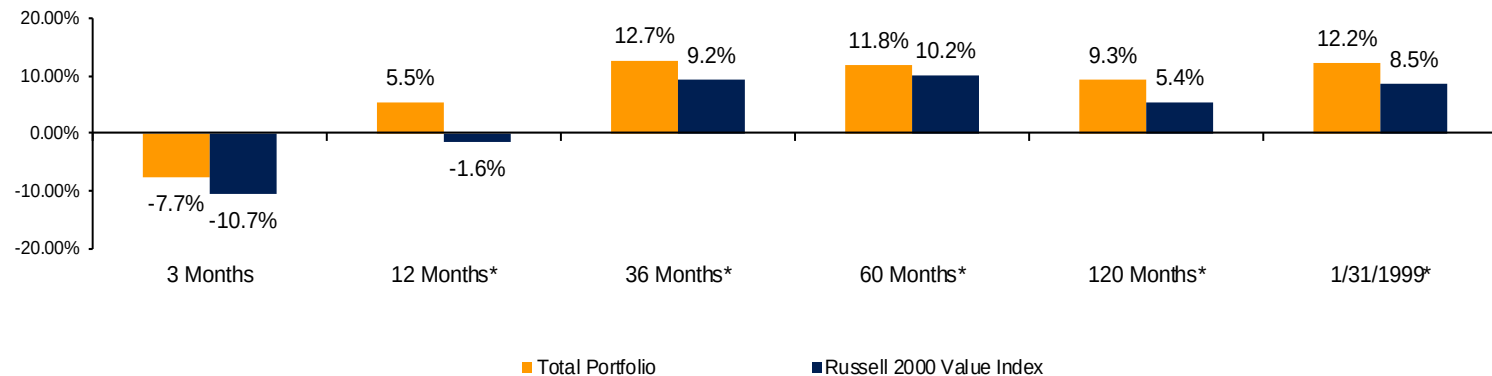
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Performance Comparisons

	<u>3 Months</u>	<u>12 Months*</u>	<u>36 Months*</u>	<u>60 Months*</u>	<u>120 Months*</u>	Inception To Date <u>1/31/1999*</u>
Total Portfolio	-7.73%	5.49%	12.70%	11.84%	9.30%	12.24%
Russell 2000 Index	-11.92%	1.25%	11.02%	11.73%	6.55%	7.25%
Russell 2000 Value Index	-10.73%	-1.60%	9.18%	10.17%	5.35%	8.52%



Period Ending September 30, 2015. Source: Advent Portfolio Exchange, November 13, 2015.

*Annualized returns

Past performance is not indicative of future results.

The comparative performance contained herein reflects annualized returns for specific time periods, are gross of all fees, are not indicative of actual annual returns, and may not be relied upon for investment decisions. See Investment Performance disclosure in Appendix.

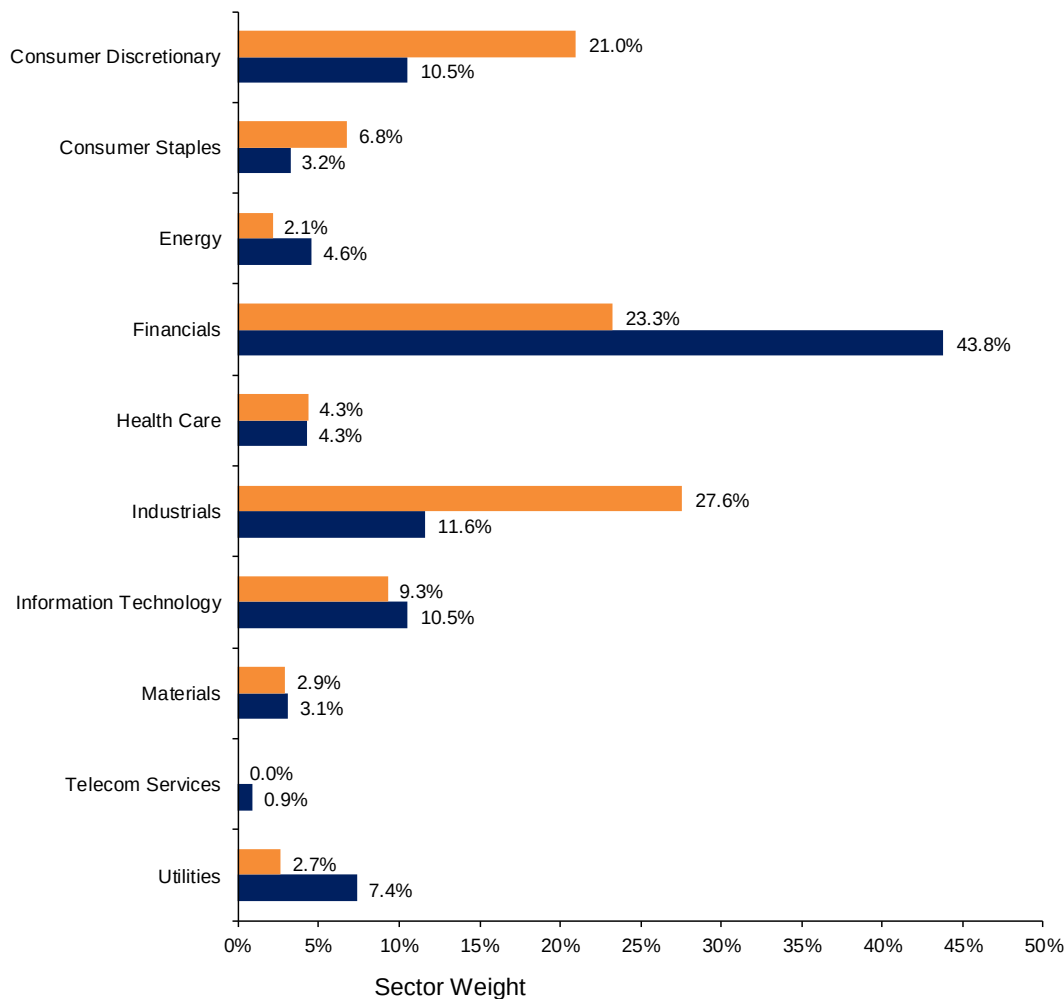
This perspective was prepared for City of Fort Pierce Retirement and Benefit System, specific one-on-one presentation.



Sector Concentration*

● Portfolio

● Russell 2000 Value



Portfolio Characteristics*

Characteristic	Portfolio	Russell 2000 Value
Market Cap (billion)	\$2.0	\$1.6
Dividend Yield	2.5%	2.4%
Price-to-Earnings (12 months trailing)	20.6	15.0
Price-to-Book	1.9	1.3
Price-to-Sales	0.9	0.9

Top 10 Holdings*

Security	%
Fair Isaac Corporation	4.3
Progressive Waste Solutions Ltd.	3.6
Hanover Insurance Group, Inc.	3.2
HSN, Inc.	3.1
AMC Entertainment Holdings, Inc.	2.9
Plantronics, Inc.	2.7
Energizer Holdings, Inc.	2.7
Guess?, Inc.	2.6
Herman Miller, Inc.	2.6
Hill-Rom Holdings, Inc.	2.5

* Period Ending September 30, 2015. Source: FactSet, November 13, 2015.

Past performance is not indicative of future results.

Portfolio characteristics, sector analysis, and holdings exclude cash and may change at any time without notice.

See Holdings Disclosure, Sector Weightings and Portfolio Characteristics in Appendix.

This perspective was prepared for City of Fort Pierce Retirement and Benefit System, specific one-on-one presentation.



Top 10 Holdings

Security	Description
Fair Isaac Corp.	Fair Isaac Corporation develops analytic, software, and data management solutions that enable businesses to automate, enhance, and connect decisions to business performance. The company offers analytical solutions, credit scoring, and credit account management solutions and services to banks, credit reporting agencies, credit card processing agencies, insurers, retailers, healthcare organizations, and public agencies, as well as licenses its products.
Progressive Waste Solutions	Progressive Waste Solutions Ltd. operates as a vertically integrated non-hazardous solid waste management company in North America. It operates through Canada, the U.S. Northeast, and the U.S. South segments. The company engages in the collection, transfer, disposal, and recycling of non-hazardous solid waste to commercial, industrial, and residential customers. It also owns and operates a power generating plant fuelled by landfill gas; and offers methane gas.
Hanover Insurance Group Inc.	The Hanover Insurance Group, Inc., through its subsidiaries, provides various property and casualty insurance products and services in the United States and internationally. It operates through four segments: Commercial Lines, Personal Lines, Chaucer, and Other.
HSN Inc.	HSN, Inc. operates as an interactive multi-channel retailer in the United States. It operates through two segments, HSN and Cornerstone. The HSN segment offers jewelry, apparel and accessories, beauty and health, and home products, as well as household, home design, electronics, culinary, and other products through television home shopping programming broadcast on the HSN television networks, the HSN.com Website, mobile applications, and outlet stores.
AMC Entertainment Holdings	AMC Entertainment Holdings, Inc., through its subsidiaries, operates as a theatrical exhibition company in the United States and internationally. As of December 31, 2014, the company owned, operated, or held interests in 348 theatres with a total of 4,960 screens primarily in North America. The company was founded in 1920 and is headquartered in Leawood, Kansas. AMC Entertainment Holdings, Inc. is a subsidiary of Dalian Wanda Group Co., Ltd.
Plantronics Inc.	Plantronics, Inc. designs, manufactures, and markets lightweight communications headsets, telephone headset systems, other communication endpoints, and accessories for the business and consumer markets under the Plantronics brand worldwide. The company also manufactures and markets specialty telephone products under the Clarity brand.
Energizer Holdings Inc.	Energizer Holdings, Inc. manufactures and markets primary batteries and portable lighting products under the Energizer and EVEREADY brands worldwide. The company offers lithium, performance alkaline, alkaline, carbon zinc, silver zinc, zinc air, nickel metal hydride, nickel cadmium, and lithium ion batteries; and hearing aid, photo, and specialty batteries, as well as battery chargers. It also provides flash lights, hands free lighting products, area lights, novelty lighting products, and kids lights.
Guess? Inc.	Guess?, Inc. designs, markets, distributes, and licenses lifestyle collections of contemporary apparel and accessories for men, women, and children that reflect the American lifestyle and European fashion sensibilities. The company's clothing collection includes jeans, pants, skirts, dresses, shorts, blouses, shirts, jackets, knitwear, and intimate apparel. Guess , Inc.
Miller (Herman) Inc.	Herman Miller, Inc. engages in the research, design, manufacture, and distribution of office furniture systems, seating products, other freestanding furniture elements, textiles, and related services in the United States and internationally.
Hill-Rom Holdings Inc.	Hill-Rom Holdings, Inc. operates as a medical technology company worldwide. The company operates through three segments: North America, Surgical and Respiratory Care, and International. It provides patient care systems, including various bed systems, as well as mobility solutions; and patient/resident room solutions, which include architectural products and health care furniture.

Period Ending September 30, 2015. Source: Factset, November 13, 2015.

Past performance is not indicative of future results. Data subject to change. See Holding Disclosure in Appendix.

This perspective was prepared for City of Fort Pierce Retirement and Benefit System, specific one-on-one presentation.



Performance Review - Portfolio Holdings

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	Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
City of Fort Pierce				\$ 6,572,865.25		\$ 6,737,231.78	100.00%
Currency				\$ 183,516.03		\$ 183,516.03	2.73%
	183,516	US Dollar	\$ 1.00	\$ 183,516.03		\$ 183,516.03	2.73%
Common stock				\$ 6,389,349.22		\$ 6,553,715.75	97.27%
Consumer Discretionary				\$ 1,284,055.79		\$ 1,372,373.36	20.41%
	7,500	Amc Entertainment Holdings Inc	\$ 21.02	\$ 157,650.00	\$ 25.19	\$ 188,925.00	2.81%
	1,100	Cheesecake Factory Inc/the	\$ 46.44	\$ 51,084.00	\$ 53.96	\$ 59,356.00	0.88%
	7,400	Chico's Fas Inc	\$ 16.80	\$ 124,320.00	\$ 15.73	\$ 116,402.00	1.73%
	693	Destination Maternity Corp	\$ 17.86	\$ 12,376.98	\$ 9.22	\$ 6,389.46	0.10%
	8,065	Guess? Inc	\$ 27.24	\$ 219,690.60	\$ 21.36	\$ 172,268.40	2.56%
	3,500	Hsn Inc	\$ 37.90	\$ 132,650.00	\$ 57.24	\$ 200,340.00	2.98%
	1,700	Mdc Partners Inc	\$ 19.24	\$ 32,699.46	\$ 18.43	\$ 31,331.00	0.47%
	800	Meredith Corp	\$ 33.50	\$ 26,795.70	\$ 42.58	\$ 34,064.00	0.51%
	5,000	Regal Entertainment Group	\$ 18.59	\$ 92,961.53	\$ 18.69	\$ 93,450.00	1.39%
	1,400	Ruth's Hospitality Group Inc	\$ 12.80	\$ 17,920.00	\$ 16.24	\$ 22,736.00	0.34%
	2,000	Scholastic Corp	\$ 32.58	\$ 65,160.00	\$ 38.96	\$ 77,920.00	1.16%
	3,100	Sonic Automotive Inc	\$ 13.92	\$ 43,157.52	\$ 20.42	\$ 63,379.50	0.94%
	3,900	Sotheby's	\$ 38.05	\$ 148,395.00	\$ 31.98	\$ 124,722.00	1.85%
	2,700	Thor Industries Inc	\$ 38.99	\$ 105,273.00	\$ 51.80	\$ 139,860.00	2.08%
	1,900	Wolverine World Wide Inc	\$ 28.38	\$ 53,922.00	\$ 21.64	\$ 41,230.00	0.61%
Consumer Staples				\$ 454,037.67		\$ 446,574.00	6.61%
	3,700	B&g Foods Inc	\$ 35.80	\$ 132,466.02	\$ 36.45	\$ 135,985.00	2.01%
	4,500	Energizer Holdings Inc	\$ 40.53	\$ 182,366.65	\$ 38.71	\$ 174,195.00	2.59%
	1,500	Inter Parfums Inc	\$ 26.72	\$ 40,080.00	\$ 24.81	\$ 37,410.00	0.55%
	1,300	Sanderson Farms Inc	\$ 73.25	\$ 95,225.00	\$ 68.57	\$ 90,077.00	1.33%
	100	Wd-40 Co	\$ 39.00	\$ 3,900.00	\$ 89.07	\$ 8,907.00	0.13%
Energy				\$ 404,384.00		\$ 140,145.00	2.08%
	2,800	Bristow Group Inc	\$ 47.00	\$ 131,600.00	\$ 26.16	\$ 73,248.00	1.09%
	2,900	Carbo Ceramics Inc	\$ 79.26	\$ 229,854.00	\$ 18.99	\$ 55,071.00	0.82%
	900	Tidewater Inc	\$ 47.70	\$ 42,930.00	\$ 13.14	\$ 11,826.00	0.18%
Financials				\$ 1,306,170.08		\$ 1,525,672.16	22.62%
	2,100	Alexander & Baldwin Inc	\$ 40.81	\$ 85,706.16	\$ 34.33	\$ 72,093.00	1.07%
	1,000	Banco Latinoamericano De Comercio Exterior Sa	\$ 12.44	\$ 12,440.00	\$ 23.15	\$ 23,150.00	0.34%
	1,834	Bank Of Hawaii Corp	\$ 53.16	\$ 97,495.44	\$ 63.49	\$ 116,440.66	1.73%
	2,800	Cohen & Steers Inc	\$ 33.73	\$ 94,444.00	\$ 27.45	\$ 76,860.00	1.14%
	100	Cubsmart	\$ 15.94	\$ 1,594.00	\$ 27.21	\$ 2,737.00	0.04%

Period Ending September 30, 2015. Source: Advent Portfolio Exchange, November 13, 2015.

See Holdings Disclosure in Appendix.

This perspective was prepared for City of Fort Pierce Retirement and Benefit System, specific one-on-one presentation.



Performance Review - Portfolio Holdings

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	Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
	2,500	Evercore Partners Inc	\$ 27.82	\$ 69,550.00	\$ 50.24	\$ 125,600.00	1.87%
	2,700	Hanover Insurance Group Inc/the	\$ 42.78	\$ 115,506.00	\$ 77.70	\$ 209,790.00	3.12%
	2,700	Horace Mann Educators Corp	\$ 20.86	\$ 56,307.70	\$ 33.22	\$ 89,694.00	1.33%
	13,500	Medical Properties Trust Inc	\$ 12.40	\$ 167,399.91	\$ 11.06	\$ 152,258.00	2.22%
	600	Monmouth Real Estate Investment Corp	\$ 8.32	\$ 4,992.00	\$ 9.75	\$ 5,850.00	0.09%
	400	Oppenheimer Holdings Inc	\$ 26.83	\$ 10,732.00	\$ 20.01	\$ 8,004.00	0.12%
	7,900	Parkway Properties Inc/md	\$ 18.72	\$ 147,888.00	\$ 15.56	\$ 122,924.00	1.83%
	2,000	Post Properties Inc	\$ 47.16	\$ 94,320.00	\$ 58.29	\$ 117,460.00	1.73%
	3,500	Primerica Inc	\$ 43.14	\$ 150,972.35	\$ 45.07	\$ 157,745.00	2.35%
	400	Stancorp Financial Group Inc	\$ 43.47	\$ 17,388.00	\$ 114.20	\$ 45,680.00	0.68%
	2,200	Tanger Factory Outlet Centers Inc	\$ 31.14	\$ 68,501.52	\$ 32.97	\$ 72,534.00	1.08%
	1,600	Trustco Bank Corp Ny	\$ 4.66	\$ 7,456.00	\$ 5.84	\$ 9,449.00	0.14%
	2,300	Umb Financial Corp	\$ 44.99	\$ 103,477.00	\$ 50.81	\$ 117,403.50	1.74%
Health Care				\$ 240,607.54		\$ 283,679.80	4.21%
	800	Ensign Group Inc/the	\$ 7.81	\$ 6,248.00	\$ 42.63	\$ 34,164.00	0.51%
	3,200	Hill-rom Holdings Inc	\$ 43.35	\$ 138,717.76	\$ 51.99	\$ 166,368.00	2.47%
	1,900	Landauer Inc	\$ 46.71	\$ 88,739.08	\$ 36.99	\$ 70,803.50	1.05%
	190	Steris Corp	\$ 36.33	\$ 6,902.70	\$ 64.97	\$ 12,344.30	0.18%
Industrials				\$ 1,777,240.45		\$ 1,809,556.01	26.83%
	2,600	Aar Corp	\$ 26.13	\$ 67,938.00	\$ 18.97	\$ 49,322.00	0.73%
	3,400	Abm Industries Inc	\$ 26.48	\$ 90,042.00	\$ 27.31	\$ 93,398.00	1.38%
	4,300	Advanced Drainage Systems Inc	\$ 28.82	\$ 123,912.89	\$ 28.93	\$ 124,399.00	1.85%
	1,300	Bwx Technologies Inc	\$ 25.65	\$ 33,343.48	\$ 26.36	\$ 34,268.00	0.51%
	500	China Yuchai International Ltd	\$ 16.42	\$ 8,210.00	\$ 12.37	\$ 6,185.00	0.09%
	2,500	Clarcor Inc	\$ 53.22	\$ 133,055.16	\$ 47.68	\$ 119,200.00	1.77%
	7,600	Covanta Holding Corp	\$ 20.16	\$ 153,240.86	\$ 17.45	\$ 134,520.00	1.97%
	2,200	Emcor Group Inc	\$ 33.94	\$ 74,668.00	\$ 44.25	\$ 97,350.00	1.45%
	2,300	Fortress Transportation & Infrastructure Investors Llc	\$ 14.23	\$ 32,734.33	\$ 12.83	\$ 29,509.00	0.44%
	2,900	Forward Air Corp	\$ 47.78	\$ 138,563.65	\$ 41.49	\$ 120,321.00	1.79%
	1,500	Granite Construction Inc	\$ 33.44	\$ 50,160.00	\$ 29.67	\$ 44,700.00	0.66%
	5,800	Herman Miller Inc	\$ 25.65	\$ 148,770.00	\$ 28.84	\$ 168,127.50	2.49%
	157	Interface Inc	\$ 6.03	\$ 946.71	\$ 22.44	\$ 3,523.08	0.05%
	6,700	Kelly Services Inc	\$ 18.60	\$ 124,638.54	\$ 14.14	\$ 94,738.00	1.41%
	3,700	Knoll Inc	\$ 15.95	\$ 59,015.00	\$ 21.98	\$ 81,326.00	1.21%
	2,000	Luxfer Holdings Plc	\$ 20.96	\$ 41,920.00	\$ 10.79	\$ 21,580.00	0.32%
	900	Matthews International Corp	\$ 43.24	\$ 38,916.00	\$ 48.97	\$ 44,073.00	0.66%

Period Ending September 30, 2015. Source: Advent Portfolio Exchange, November 13, 2015.

See Holdings Disclosure in Appendix.

This perspective was prepared for City of Fort Pierce Retirement and Benefit System, specific one-on-one presentation.



Performance Review - Portfolio Holdings

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	Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
	1,219	Msa Safety Inc	\$ 53.78	\$ 65,557.82	\$ 39.97	\$ 48,723.43	0.72%
	14,500	Mueller Water Products Inc	\$ 8.92	\$ 129,386.87	\$ 7.66	\$ 111,070.00	1.65%
	800	Nn Inc	\$ 22.77	\$ 18,214.26	\$ 18.50	\$ 14,800.00	0.22%
	8,800	Progressive Waste Solutions Ltd	\$ 15.69	\$ 138,108.88	\$ 26.42	\$ 233,992.00	3.46%
	300	Sun Hydraulics Corp	\$ 28.66	\$ 8,598.00	\$ 27.47	\$ 8,268.00	0.12%
	500	Tennant Co	\$ 25.21	\$ 12,605.00	\$ 56.18	\$ 28,090.00	0.42%
	2,000	Tetra Tech Inc	\$ 26.58	\$ 53,160.00	\$ 24.31	\$ 48,620.00	0.72%
	1,700	Viad Corp	\$ 18.55	\$ 31,535.00	\$ 28.99	\$ 49,453.00	0.73%
Information Technology				\$ 512,090.69		\$ 608,523.42	9.05%
	1,557	Badger Meter Inc	\$ 61.06	\$ 95,071.95	\$ 58.06	\$ 90,399.42	1.34%
	800	Black Box Corp	\$ 27.99	\$ 22,392.00	\$ 14.74	\$ 11,880.00	0.18%
	5,700	Daktronics Inc	\$ 13.97	\$ 79,651.79	\$ 8.67	\$ 49,419.00	0.73%
	3,300	Fair Isaac Corp	\$ 55.40	\$ 182,820.00	\$ 84.50	\$ 278,850.00	4.15%
	3,500	Plantronics Inc	\$ 37.76	\$ 132,154.95	\$ 50.85	\$ 177,975.00	2.65%
Materials				\$ 249,671.00		\$ 192,414.00	2.86%
	1,300	A Schulman Inc	\$ 23.65	\$ 30,745.00	\$ 32.47	\$ 42,211.00	0.63%
	1,600	Carpenter Technology Corp	\$ 42.51	\$ 68,016.00	\$ 29.77	\$ 47,632.00	0.71%
	800	Haynes International Inc	\$ 51.93	\$ 41,544.00	\$ 37.84	\$ 30,272.00	0.45%
	36,700	Hecla Mining Co	\$ 2.98	\$ 109,366.00	\$ 1.97	\$ 72,299.00	1.08%
Utilities				\$ 161,092.00		\$ 174,778.00	2.60%
	1,500	Allete Inc	\$ 48.55	\$ 72,825.00	\$ 50.49	\$ 75,735.00	1.13%
	200	Avista Corp	\$ 20.58	\$ 4,116.00	\$ 33.25	\$ 6,650.00	0.10%
	1,500	California Water Service Group	\$ 21.15	\$ 31,725.00	\$ 22.12	\$ 33,180.00	0.49%
	1,100	Northwestern Corp	\$ 47.66	\$ 52,426.00	\$ 53.83	\$ 59,213.00	0.88%

Period Ending September 30, 2015. Source: Advent Portfolio Exchange, November 13, 2015.
See Holdings Disclosure in Appendix.

This perspective was prepared for City of Fort Pierce Retirement and Benefit System, specific one-on-one presentation.

Appendix



**Active Position**

Absolute portfolio weight minus the benchmark portfolio weight.

Free Cash Flow Yield

Cash flow from operations for a particular year less capital expenditures divided by the diluted weighted average shares outstanding for that fiscal year.

Free cash flow per share for the current fiscal year divided by current stock price.

Market Capitalization

The total dollar value of all outstanding shares. It is calculated by multiplying the number of shares outstanding by the current price of one share.

Operating Margin

Operating income divided by revenues, expressed as a percentage.

Price to Sales Ratio (P/S)

A stock's capitalization divided by its sales over a trailing 12 months. The value is the same whether the calculation is done for the whole company or a per-share basis.

Return on Equity (ROE)

Equal to a fiscal year's after-tax income (after preferred stock dividends but before common stock dividends) divided by book value, expressed as a percentage.

Tracking Error

Tracking error is the standard deviation of the difference between the periodic total returns of a portfolio of stocks and those of a benchmark. An estimated tracking error estimates the likelihood that a portfolio will outperform or underperform its benchmark by a certain amount or more at the end of a specified period.



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INDEXES REFERENCED

Russell 1000 Value: Is an unmanaged index which is comprised of the securities in the Russell 1000 Index, as defined by Russell Investment Group, with less-than-average growth orientation. Companies in this index generally have low price-to-book and price-to-earnings ratios, higher dividend yields, and lower forecasted growth values.

Russell Midcap Value: Is an unmanaged index which measures the performance of those securities found in the Russell Midcap universe, as defined by Russell Investment Group, with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value Index.

Russell 2000 Value: Is an unmanaged index which is comprised of the securities in the Russell 2000 Index, as defined by Russell Investment Group, with a less-than-average growth orientation. Companies in this index generally have low price-to-book and price-to-earnings ratios.

Investors cannot invest directly in an index.

INVESTMENT PERFORMANCE

Past performance is not indicative of future results. Unless otherwise stated as net-of-fees, performance data related to accounts managed by Ceredex represents returns gross of investment management fees, i.e., performance has not been reduced by advisory fees and other expenses that may be incurred. See Ceredex's Form ADV, Part 2 for a description of investment advisory fees. The performance information reported herein may be for a variety of products which have different methods of presenting performance data, i.e. net of fees, gross of fees, or a combination of these. This information should not be evaluated independent of or without reference to the investment advisory agreement that more specifically addresses applicable investment advisory fees.

Fees have a compounding effect on cumulative results. For example, assume the account achieves a 10% annual return prior to the deduction of fees each year for a period of ten years. If an annual fee of 0.5% of assets under management were charged each of the ten years, the resulting annual average return net of fees would be reduced to 9.48%.

INVESTMENT RISKS

All investments involve risk. Equity securities (stocks) may be more volatile and carry more risk than other forms of investments. Value-based investments are subject to the risk that the broad market may not recognize their intrinsic value. Dividends reflect past performance and there is no guarantee they will continue to be paid. Small capitalization stocks typically carry additional risks since smaller companies generally have a higher risk of failure. Mid-capitalization stocks typically carry additional risks since smaller companies generally have a higher risk of failure. Securities of mid-cap companies may be more volatile and less liquid than the securities of large-cap companies. There is no guarantee a specific investment strategy will be successful. Individual investors are advised to consult with their investment professional about their specific financial needs and goals before making any investment decisions.

SECTOR WEIGHTINGS AND PORTFOLIO CHARACTERISTICS

The sector weightings and portfolio characteristics are presented as of the date shown on this presentation, and may change without notice. A complete list of sector weightings and individual security positions for any specific period are available upon request.

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MPT STATISTICS/OTHER MEASUREMENTS

Alpha - is defined as the difference between the average realized return of a portfolio manager with private information and the expected return of the passive strategy based upon public information with equal systematic risk.

Beta – is a measure of an investment's volatility, relative to an appropriate asset class.

R-Squared – a statistical measure of how well a regression line approximates real data points; an r-squared of 1.0 (100%) indicates a perfect fit. r-squared measures how well the Capital Asset Pricing Model predicts the actual performance of an investment or portfolio.

Sharpe Ratio - also known as Reward-to-Volatility-Ratio, indicates the excess return per unit of risk associated with the excess return. The higher the Sharpe Ratio, the better the performance.

Standard Deviation – a statistical measurement of dispersion about an average, which, for a mutual fund, depicts how widely the returns varied over a certain period of time.

PORTFOLIO CHARACTERISTICS DEFINITIONS

30 Day SEC Yield – is calculated by dividing the net investment income per share for the 30 days ended on the date of calculation by the offering price per share on that date. The figure is compounded and annualized.

3-5 Year EPS Growth – Analyst's estimated 3-5 year growth in earnings.

Price-to-Book (P/B) – A stock's capitalization divided by its book value. The value is the same whether the calculation is done for the whole company or a per-share basis.

Price-to-Earning P/E – The price of the stock divided by its historical earnings per share.

Price-to-Earning P/E (FY1) – The P/E ratio is equal to a stock's market capitalization divided by its projected after-tax earnings the next 12-months.

Return on Equity – Equal to a fiscal year's after tax income (after preferred stock dividends but before common stock dividends) divided by book value, expressed as a percentage.

Thank You





Emerald Advisers, Inc. Small Capitalization Growth

Prepared for:



Data as of September 30, 2015



DRIVEN BY RESEARCH

Inception to Date Statement of Cashflow

Original Investment	\$4,841,219.58
Contributions	\$1,000,000.00
Withdrawals	-\$5,018,226.94
Management Fees	-\$558,603.26
1Q04	-\$1,499.47
2Q04	-\$10,496.24
3Q04	-\$4,804.83
4Q04	-\$10,840.63
1Q05	-\$10,406.50
2Q05	-\$10,663.78
3Q05	-\$11,314.23
4Q05	-\$11,689.52
1Q06	-\$13,377.49
2Q06	-\$12,840.88
3Q06	-\$12,400.84
4Q06	-\$12,973.99
1Q07	-\$13,372.71
2Q07	-\$12,999.35
3Q07	-\$11,334.91
4Q07	-\$10,462.07
1Q08	-\$9,129.24
2Q08	-\$9,499.07
3Q08	-\$9,102.94
4Q08	-\$7,072.70

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DRIVEN BY RESEARCH

Inception to Date Statement of Cashflow

Management Fees

1Q09	-\$6,610.24
2Q09	-\$7,486.93
3Q09	-\$8,601.21
4Q09	-\$10,134.48
1Q10	-\$11,610.98
2Q10	-\$10,760.62
3Q10	-\$12,001.66
4Q10	-\$12,532.52
1Q11	-\$13,664.03
2Q11	-\$13,554.81
3Q11	-\$9,250.42
4Q11	-\$10,427.46
1Q12	-\$12,332.14
2Q12	-\$11,474.10
3Q12	-\$12,193.85
4Q12	-\$12,038.06
1Q13	-\$13,565.10
2Q13	-\$14,234.57
3Q13	-\$16,471.32
4Q13	-\$16,650.18
1Q14	-\$17,075.62
2Q14	-\$16,699.88
3Q14	-\$15,959.43

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Inception to Date Statement of Cashflow

Management Fees		
4Q14	-\$17,095.17	
1Q15	-\$17,115.17	
2Q15	-\$18,215.70	
3Q15	-\$14,566.22	
Total Investment Earnings		\$6,738,680.62
Income	\$183,867.75	
Capital Appreciation/Depreciation	\$6,554,812.87	
Total Assets as of September 30, 2015		\$7,003,070.00
Total Assets as of November 9, 2015		\$7,263,896.49



DRIVEN BY RESEARCH

Corporate Profile

Parent Company: Emerald Asset Management, Inc.

- Incorporated November, 1991 • S-Corporation / 100% ESOP-Owned
- \$3.7 Billion Firm-Wide Assets Under Management as of September 30, 2015
- Driven by In-depth Fundamental, Bottom-up Research

Emerald Asset Management

Emerald Advisers

Small Cap Growth
Small Cap Value
Mid Cap Growth
All Cap Growth

Emerald Mutual Fund Advisers Trust

Mutual Funds

Emerald Growth Fund
Emerald Small Cap Value Fund
Emerald Insights Fund
Emerald Banking & Finance Fund

Affiliated Advisers:

EmStone Advisers LLC

Intermediate Gov't Credit
Core Aggregate
Low Duration

Emerald Direct Lending Advisers LLC

Emerald Direct Lending Fund I, L.P.

Emerald Managed Yield Plus
Collective Investment Fund

Emerald Direct Lending Institutional
Series Fund, L.P.

Partial Client List

Public

Commonwealth of Pa.
Contra Costa County (CA)
State of Illinois Teachers'
18 Pennsylvania Counties

Corporate

Independence Blue Cross
Carpenter Technology
Shands Healthcare

Endowments

Lower Susquehanna Synod of the ELCA
Shippensburg University Foundation

Taft-Hartley

UFCW Tri-State Pension Fund
MARTA (Metropolitan Atlanta
Rapid Transit Authority)

Sub-Advisory Relationships

Prudential Investments

It is not known whether the clients approve or disapprove of Emerald services provided through its subsidiaries. Emerald did not use performance-based data to determine which clients are included on this list. Clients were selected based upon their general name recognition and as a representative sampling of the types of accounts managed. Performance-based data was not used to determine which clients are included on this list. Clients were selected based on a sampling of the types of accounts managed.

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Small Cap Growth Product Snapshot

Objective: Long-term growth of capital by delivering alpha during both up and down markets.

Product Inception: October, 1992

Number of Holdings: 110 – 120

Average Position: 1/2 – 2%

Weighted Average Market Cap: \$1.8 billion

**3-5 Year Projected Growth Rate
of Portfolio Holdings:** 21.6%

Assets Under Management in Diversified SCG Strategy:

Institutional Accounts:	\$1.3 billion
Emerald Growth Fund	\$707 million
Sub-Advised:	\$589 million

Institutional Accounts

Public Plans / Government:	72%
Corporate	26%
Taft Hartley / Union:	1%
Endowment / Foundation:	2%

*DRIVEN BY RESEARCH***The Emerald Advantage**

Emerald demonstrates an ongoing commitment to “The Five P’s”
- Embedded in its corporate culture since its founding in 1992

- **People**

- Portfolio management team has 79 years collective experience; together since 1994
- Teamwork Environment: 14 analysts with 14 years average tenure

- **Philosophy**

- Active management uncovers extraordinary opportunities in small-cap markets
- We work to maximize return and minimize risk by capitalizing on inherent inefficiencies

- **Process**

- Disciplined focus grounded by Emerald 10-Step Research Process
- Focused & Consistent investment style adhering to growth and small-cap mandates
- Emerald’s entrepreneurial culture generates alpha by discovering and exploiting trends
- Demonstrated ability to invest (when risk/reward is appropriate) in the Biotech Industry (10%+ of index) and pre-profit companies (20%+ of index)

- **Persistence**

- Remaining true to our fundamental bottom-up process irrespective of market cycles
- Demonstrated by a 20+ year record of portfolio attribution and performance

- **Performance**

- Consistent long-term outperformance and consistent upside/downside market capture

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Research-Driven Active Portfolio Management

- Top line & bottom line growth drives stock values higher.
- Seek to maximize returns and minimize risks by capitalizing on the inefficiencies inherent in small-cap markets.
 - Over 380 of the Russell 2000 companies are covered by two or fewer sell-side brokerage firms, as compiled by FactSet.
- Dedicated to intense fundamental, bottom-up research designed to identify unrecognized, under-researched companies.
- In-house fundamental investment research is the key to outperforming benchmark market indices.
- Industry & scientific expertise across all sectors.



DRIVEN BY RESEARCH

**Team Emerald
Managers & Analysts**

Coverage & Average Firm Tenure



Kenneth G. Mertz, CFA
Chief Investment Officer
Portfolio Manager
Financial Services / 23 Yrs.



Stacey L. Sears, MBA
Portfolio Manager
Consumer / 23 Yrs.



Joseph W. Garner, MBA
Director of Research
Portfolio Manager
Consumer Goods / Technology
Transportation / 21 Yrs.



David Volpe, CFA, MA
Deputy Chief Investment Officer
Portfolio Manager
Energy / 16 Yrs.



Stephen Amsterdam
Associate Portfolio Manager
Semiconductors / Technology
Gaming / 12 Yrs.



Steven E. Russell, Esq., MBA
Portfolio Manager
Financial Services / Technology
Communications / 15 Yrs.



Derek Fisher
Technology / Professional
Services / 18 Yrs.



Scott Blumenthal, MBA
Basic Materials / Industrials
Capital Goods / Engineering
Defense / Aerospace
Construction / 11 Yrs.



Joseph A. Besecker, MD, FAAP
Biotechnology / Emerging Pharma
Medical Devices / 14 Yrs.



Alfred Cooke, MD, FASC
Medical Devices / Diagnostics
Surgical Products / 13 Yrs.



Nishit Trivedi, PhD, MBBS, MBA
Molecular Diagnostics / Hospitals
Medical Devices / 9 Yrs.



Terry M. Smith, PhD, MBA
Biotechnology / Drugs & Pharma.
Managed Care / 8 Yrs.



Andrew Rohrer
Agriculture / Automotive
Transportation / 7 Yrs.



Nathan R. Jones, PhD, MBA
Technology / 2 Years

14 Professionals
**14 Yrs. Avg. Firm Tenure
&
23 Yrs. Avg. Industry
Experience**

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DRIVEN BY RESEARCH

Investment Research Process

Emerald's research team focuses on providing fundamental research and analysis of every investment opportunity, utilizing a proprietary process initiated in 1992.



10-Step Process

1. **Review SEC Filings, Press Releases and News Stories**

The process includes monitoring relevant media sources such as industry press, financial press and popular press.

2. **Meet with Management**

Conduct on-site meetings with management across the organization in areas such as executive management, marketing, product development, operations and finance. The Emerald Research Team conducts approximately 2,000 meetings per year.

3. **Interview Customers**

Interview customers to determine (1) the critical factors driving their buy decision, (2) what competitors or alternatives were considered, (3) level of satisfaction with the quality of the product or service, and (4) likelihood of generating repeat business.

4. **Interview Competitors**

Interview competitors to determine their strengths and weaknesses, as well the competitors' perception of the strengths and weaknesses of the company.

5. **Interview Suppliers**

Interview suppliers to determine their ability to supply the products/services required by the company. Also, assess the extent of potential supply chain bottlenecks.

6. **Interview Distributors**

Interview distributors to determine potential issues and opportunities in the company's distribution channel such as inventory levels, demand drivers and competitive pressures.

7. **Develop Financial and Valuation Models**

Develop a financial model to analyze financial performance and estimate future cash flows, earnings and financing needs. Use a valuation model to analyze relative and absolute valuation.

8. **Review Third-Party Research**

Review published research from sell-side analysts and industry research firms to compare our data points and financial estimates. Also, use third party research to assess security-specific and industry-specific sentiment.

9. **Publish an internal research report**

Publish an internal research report summarizing the company's business, competitive advantages, management strengths/weaknesses, growth drivers and risks, as well as stating investment conclusions and recommendations.

10. **Communicate, Communicate, Communicate**

The entire research team meets formally twice per week and informally on an ongoing basis with the portfolio management team to discuss the fundamentals of all current and potential holdings. Internal discussions are held throughout the process.



DRIVEN BY RESEARCH

Small Cap Growth Portfolio Management Team



Kenneth G. Mertz II, CFA
*Chief Investment Officer/
Portfolio Manager*

Stacey L. Sears
*Portfolio Manager /
Analyst*

Joseph W. Garner
*Portfolio Manager /
Director of Research*

Investment Experience

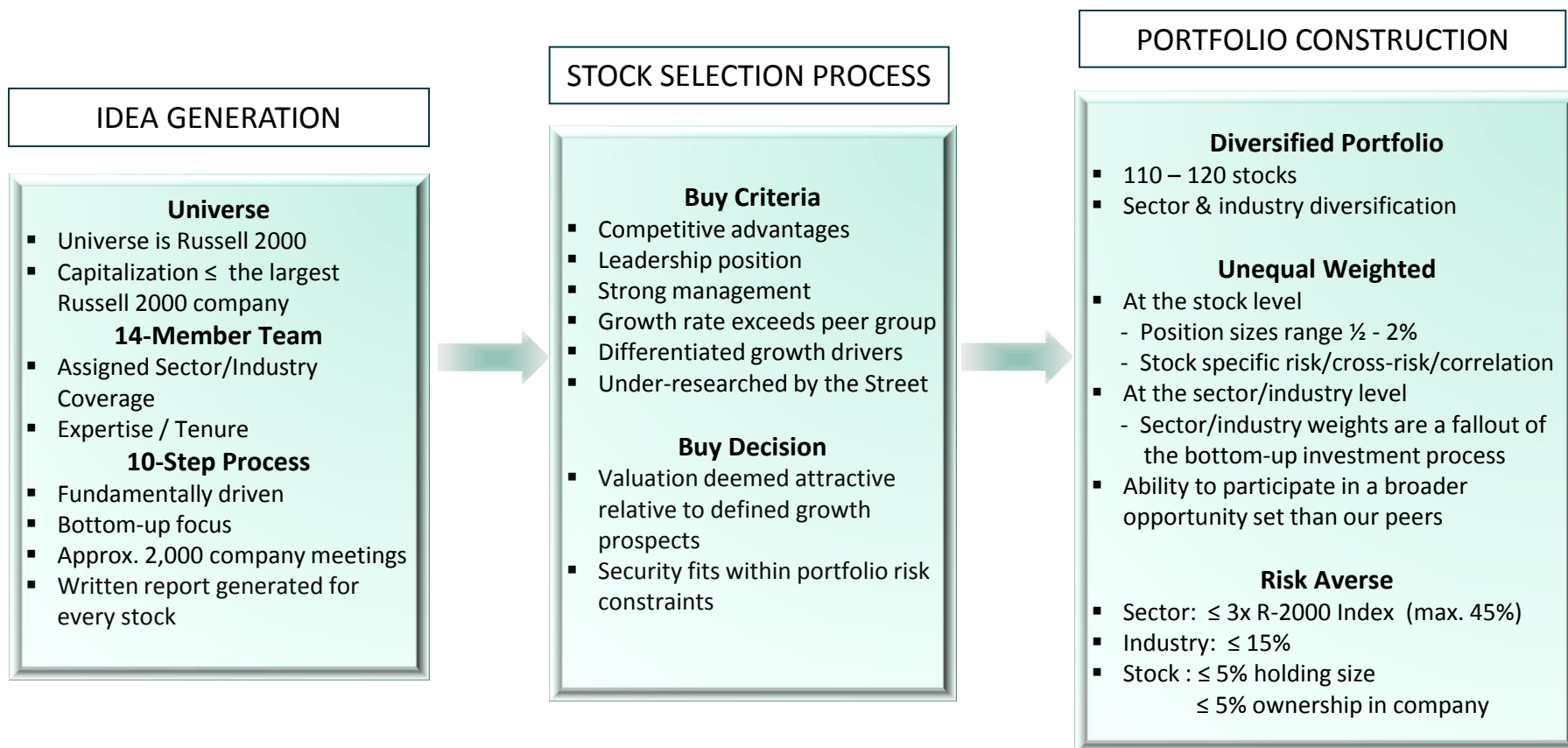
37 Yrs.

21 Yrs.

21 Yrs.



Stock Selection is a Fundamentally Driven Process





DRIVEN BY RESEARCH

Preliminary Performance
as of September 30, 2015

RATE OF RETURN REPORTED GROSS

GROSS PERFORMANCE	QTD	YTD	1 Year*	3 Year*	5 Year*	Incept**
Portfolio	-9.66	6.15	19.11	19.59	19.20	10.28
RUSSELL 2000G TOTAL RETURN	-13.06	-5.47	4.04	12.84	13.26	7.60

**Annualized **Since Inception-Mar 17, 2004*

Performance Disclaimer - The performance information reflected is approved for "One-on-One" client presentations only. The performance figures do not reflect the deduction of investment fees; the investment advisory fees are described in Part II of Emerald Advisers' Form ADV. For example, if a client placed \$100,000 under management and a hypothetical gross return of 10% were achieved, the investment assets before fees would have grown to \$259,374 in ten years. However, if an advisory fee of 1% of average net assets were charged, investment assets would have grown to \$234,573, or an annual compounded rate of 8.9%. This includes all reinvestment of dividends

Information contained herein should be used for one-on-one presentations only and should be accompanied by this disclosure.



DRIVEN BY RESEARCH

Performance
as of September 30, 2015

PERFORMANCE REVIEW

RATE OF RETURN REPORTED GROSS

		MARKET VALUE (\$)	TOTAL	RUSSELL 2000G TOTAL RETURN
Monthly				
	September	7,003,070	-5.02	-6.32
	August	7,391,326	-7.27	-7.58
	July	7,970,600	2.58	0.41
Quarterly				
	3rdQtr	7,003,070	-9.66	-13.06
Yearly				
	2015 YTD	7,003,070	6.15	-5.47
	2014	7,733,365	8.29	5.60
	2013	8,178,646	50.62	43.30
	2012	5,753,631	18.54	14.59
	2011	4,894,644	-0.23	-2.91
	2010	5,870,649	29.73	29.09
	2009	5,224,800	34.89	34.47
	2008	3,105,499	-36.22	-38.54
	2007	4,913,104	2.93	7.05
	2006	6,252,795	13.01	13.35
	2005	5,567,745	9.79	4.15
	2004 YTD	5,114,889	6.05	8.26
Cumulative			209.62	132.31
Annualized			10.28	7.60

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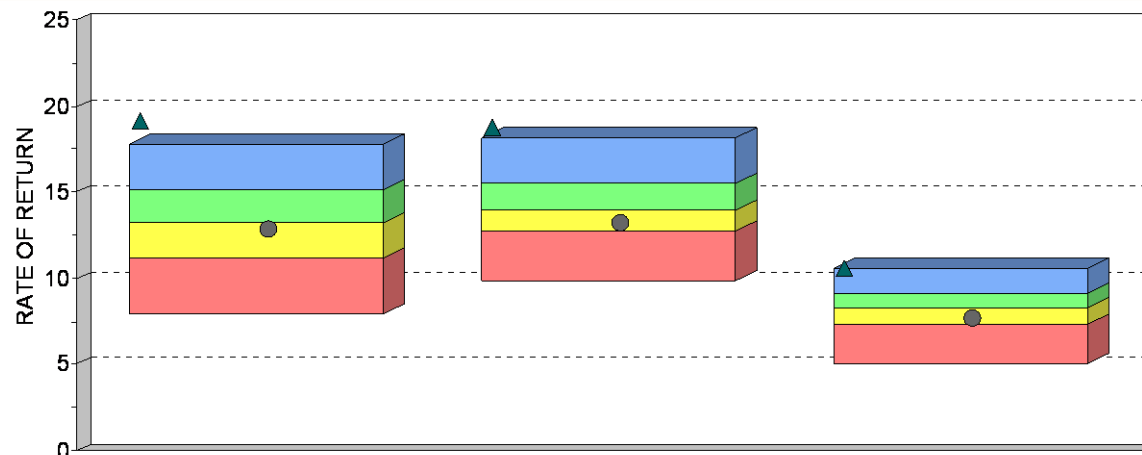
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SCG Universe Comparison as of September 30, 2015

RATE OF RETURN REPORTED GROSS



	3 Years		5 Years		10 Years	
HIGH (0.05)		17.78		18.10		10.54
FIRST QUARTILE		15.14		15.45		9.11
MEDIAN		13.19		13.91		8.24
THIRD QUARTILE		11.14		12.77		7.34
LOW (0.95)		7.94		9.90		5.03
MEAN		13.15		14.09		8.18
VALID COUNT		146		143		114

	3 Years		5 Years		10 Years	
	VALUE	RANK	VALUE	RANK	VALUE	RANK
▲ Emerald Advisers Emerald Div. Sm.	19.16	1	18.78	1	10.52	1
● Russell 2000 Growth	12.85	53	13.26	64	7.67	67

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Source: PSN, Universe: Small Cap Growth, Inception: 10/1/92

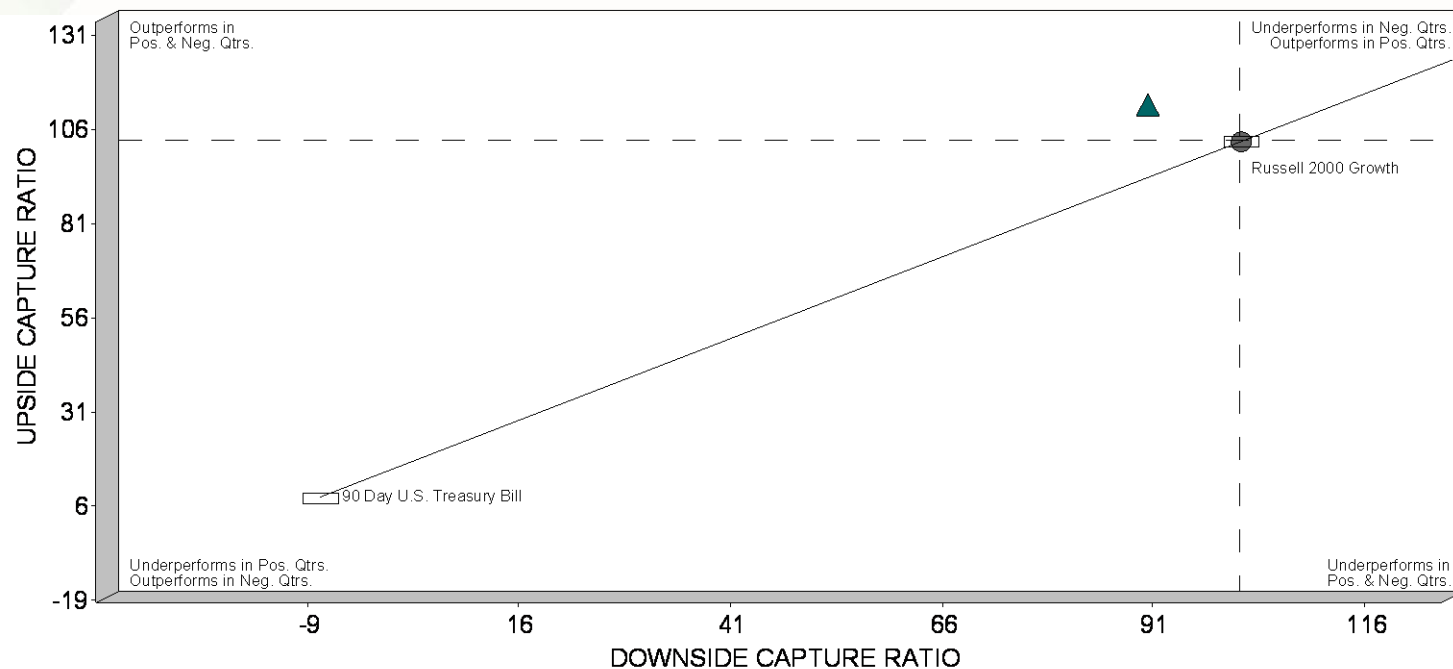
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Market Capture Since Inception as of September 30, 2015

RATE OF RETURN REPORTED GROSS



	Up Mkt Cap Retrn	Up Cap Ratio	Dnside Cap Return	Dnside Cap Ratio	R-Squared
▲ Emerald Advisers Emerald Div. Sm.	48.44	109.68	-29.33	88.88	0.84
● Russell 2000 Growth	44.16	100.00	-33.00	100.00	1.00

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Source: PSN, Inception Date: 10/1/92

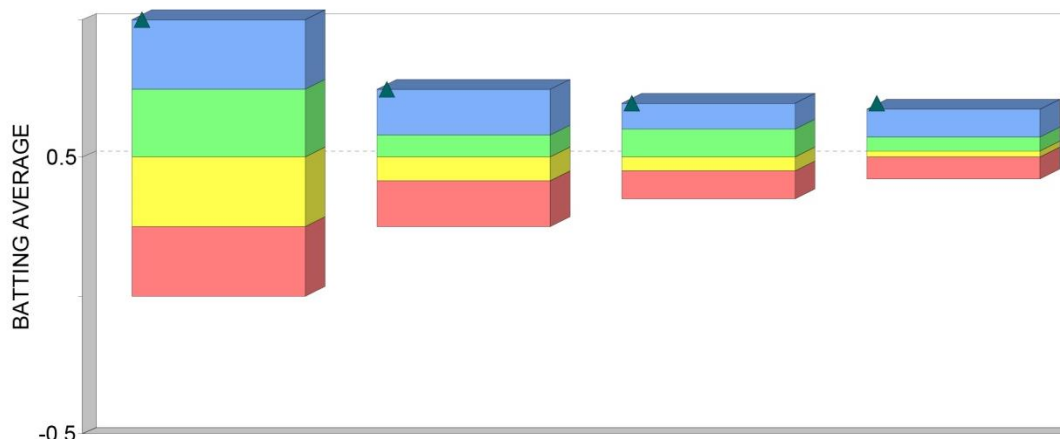
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Batting Average
as of September 30, 2015

RATE OF RETURN REPORTED GROSS



	1 Year		3 Years		5 Years		10 Years	
HIGH (0.05)	1.00		0.75		0.70		0.68	
FIRST QUARTILE	0.75		0.58		0.60		0.57	
MEDIAN	0.50		0.50		0.50		0.53	
THIRD QUARTILE	0.25		0.42		0.45		0.50	
LOW (0.95)	0.00		0.25		0.35		0.42	
MEAN	0.47		0.51		0.53		0.53	
VALID COUNT	155		146		143		114	
	1 Year		3 Years		5 Years		10 Years	
	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK
▲ Emerald Advisers Emerald Div. Sm.	1.00	1	0.75	1	0.70	1	0.70	1
● Russell 2000 Growth	0.00	99	0.00	99	0.00	99	0.00	99

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Source: PSN, Universe: Small Cap Growth

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3rd Qtr. 2015 Performance Review

- The market spent the quarter building the wall of worry brick by brick with concerns over slowing global growth at the foundation.
- Concerns over the growth contagion were further stoked by the Federal Reserve's decision not to raise rates in September, citing global economic developments as a source of concern. All of these factors conspired to drive a surge in volatility and a swoon in markets across the globe.
- Small capitalization stocks led large capitalization stocks to the downside, with the Russell 2000 declining 11.92% in the quarter, nearly doubling the 6.8% decline in the Russell 1000.
- Within the Russell 2000, the Growth component of the index led to the downside declining 13.06%, outpacing the Russell 2000 Value's decline of 10.73%.
- At the sector level, energy, healthcare and materials led to the downside. (Source: Russell Investments)

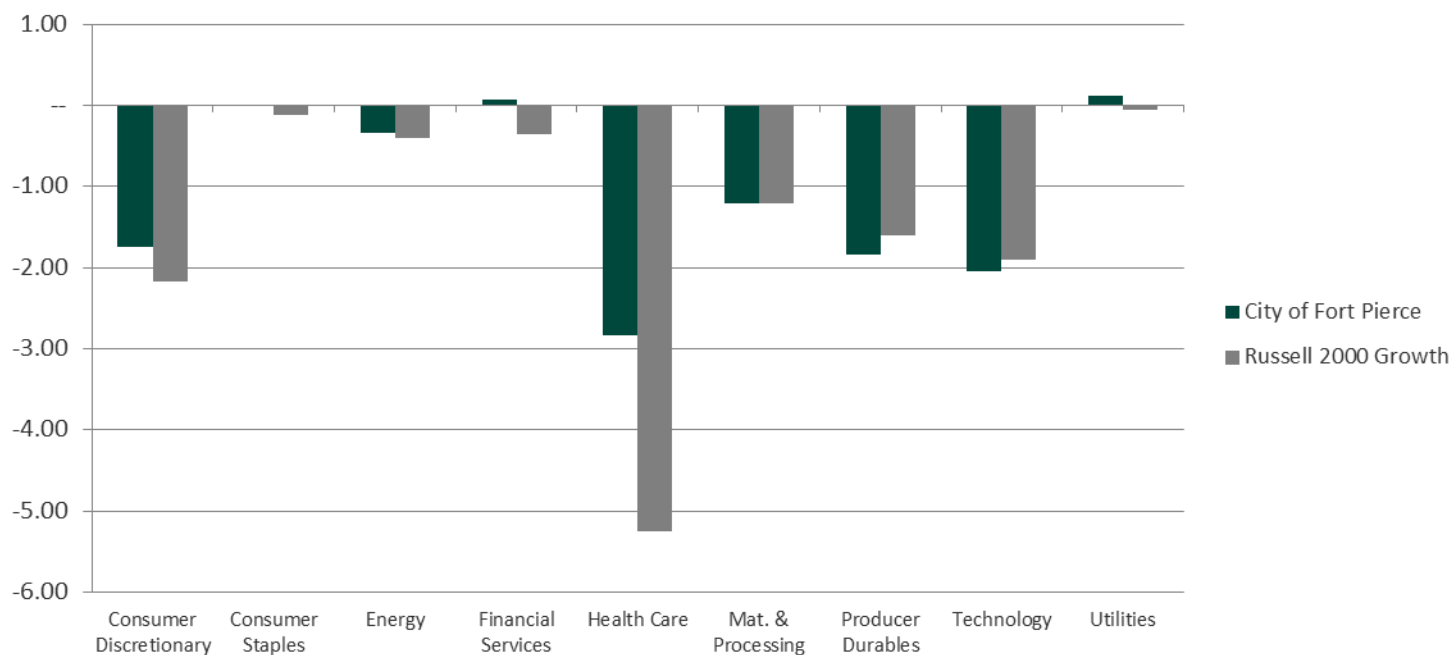
<u>Russell Sector</u>	<u>R2000 Growth</u>	<u>R2000</u>	<u>R2000 Value</u>
Technology	-10.84%	-11.15%	-11.79%
Healthcare	-17.97%	-17.12%	-11.39%
Consumer Discretionary	-11.13%	-12.02%	-13.63%
Consumer Staples	-4.09%	-3.88%	-3.57%
Energy	-27.18%	-33.59%	-35.41%
Materials & Processing	-17.44%	-19.94%	-23.92%
Producer Durables	-13.71%	-15.31%	-16.76%
Financial Services	-3.74%	-4.96%	-5.22%
Utilities	-4.96%	-1.92%	-1.39%
Source: Russell Investments			



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3rd Qtr. 2015 Perf. Attribution
as of September 30, 2015

- Emerald outperformed the Russell 2000 Growth Index for the quarter driven by a combination of allocation and stock selection effect within the healthcare, consumer discretionary, financial services and utilities sectors.



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Portfolio Performance Summary

Contributors

Performance within the healthcare sector was the largest contributor to return. Outperformance was driven by both the portfolio's relative underweight position and stock selection within the biotechnology and pharmaceutical industries.

Performance within the financial services sector also contributed to the portfolio's relative outperformance as a result of both the portfolio's relative overweight position and stock selection.

Also contributing to return was performance within the consumer discretionary and utilities sectors.

Top 5 Contributors to Return

Depomed, Inc.

LendingTree, Inc.

ZS Pharma, Inc.

Vonage Holdings Corp.

MicroStrategy Inc.



Portfolio Performance Summary

Detractors

Modestly offsetting the aforementioned contributors was relative underperformance within the producer durables sector. At the industry level, holdings within the aerospace, air transport and scientific instrument industries detracted from performance.

Top 5 Detractors to Return

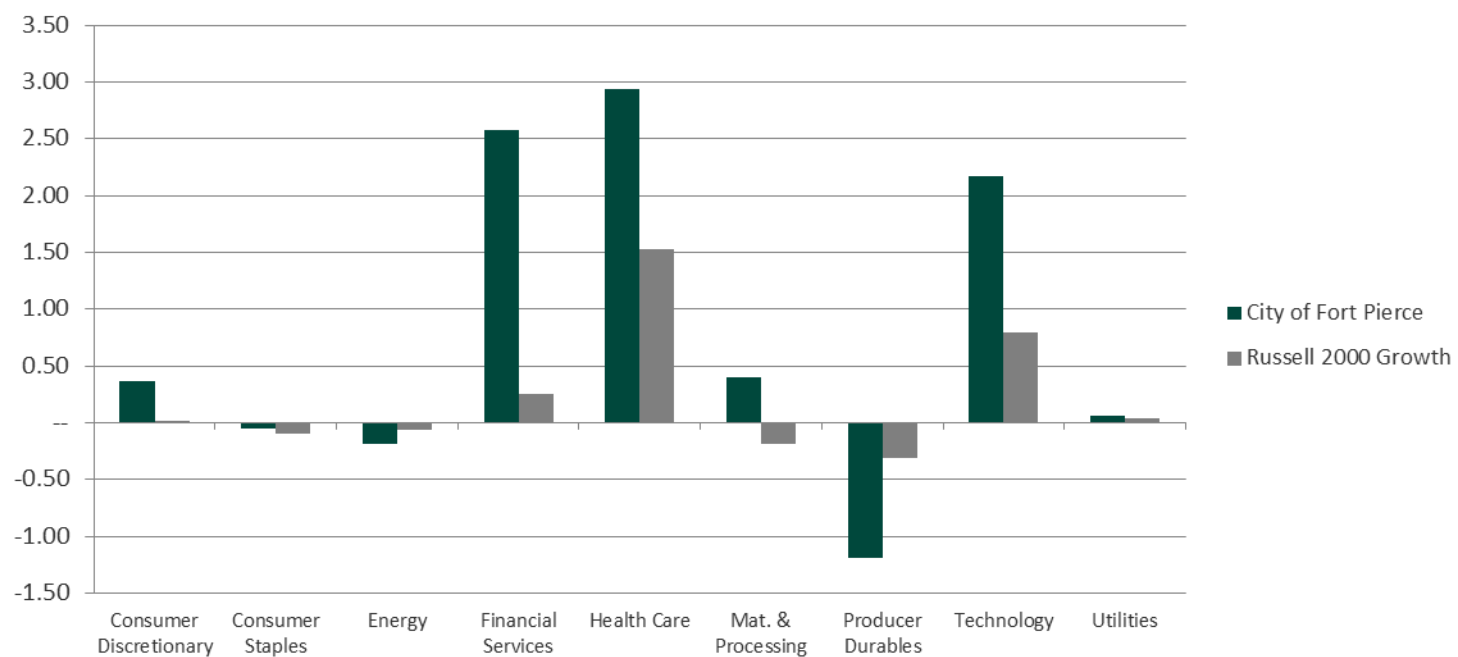
Astronics Corporation

Trex Company, Inc.

Gigamon, Inc.

OvaScience, Inc.

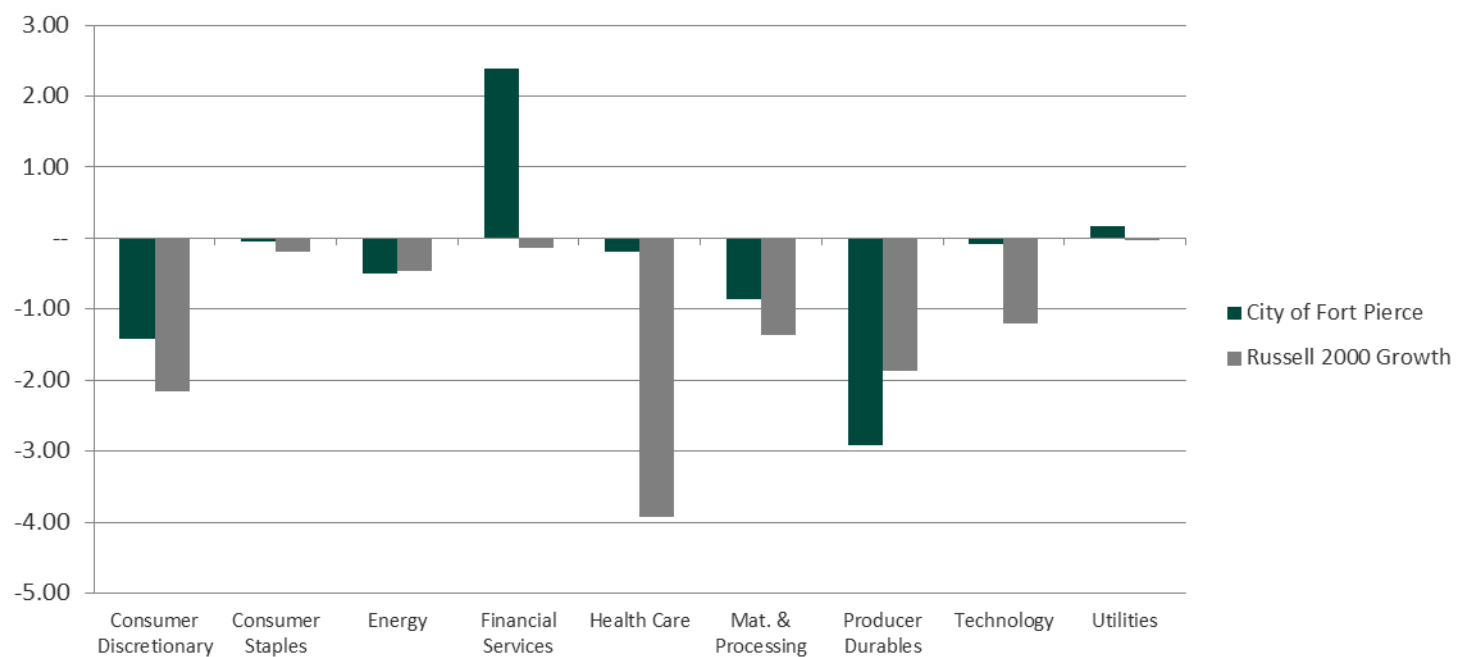
MacroGenics, Inc.

*DRIVEN BY RESEARCH*2nd Qtr. 2015 Perf. Attribution



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6-Month Perf. Attribution
as of September 30, 2015





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Portfolio
as of September 30, 2015

Portfolio Sector Allocation vs. Benchmark

Sector		Emerald	Russell 2000 Growth*	Russell 2000*
Consumer Discretionary	↑	18.0%	19.8%	15.4%
Consumer Staples		0.0%	3.4%	3.1%
Energy		0.7%	1.3%	2.6%
Financial Services	↑	18.0%	9.7%	26.7%
Health Care	↓	21.0%	26.5%	15.3%
Materials & Processing		6.0%	6.7%	5.4%
Producer Durables	↓	9.0%	12.0%	12.2%
Technology	↓	23.3%	19.1%	14.4%
Utilities	↑	2.6%	1.4%	4.9%
Cash		1.4%	0.0%	0.0%

* Source: Frank Russell Company – see full disclosure p.17



Indicates weighting changed **0.5% or greater** from previous quarter.

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DRIVEN BY RESEARCH

Portfolio
as of September 30, 2015

Top Ten Holdings

	<i>Company</i>	<i>Ticker</i>	<i>Sector</i>	<i>% Held</i>
1.	EPAM Systems, Inc.	EPAM	Technology	2.48
2.	Bank of the Ozarks, Inc.	OZRK	Financial Services	2.02
3.	Apogee Enterprises, Inc.	APOG	Materials & Processing	1.98
4.	Imperva, Inc.	IMPV	Technology	1.88
5.	Acadia Healthcare Company, Inc.	ACHC	Health Care	1.86
6.	Opus Bank	OPB	Financial Services	1.86
7.	Vonage Holdings Corp.	VG	Technology	1.84
8.	LendingTree, Inc.	TREE	Financial Services	1.82
9.	MicroStrategy, Inc.	MSTR	Technology	1.82
10.	Red Robin Gourmet Burgers, Inc.	RRGB	Consumer Discretionary	1.79



DRIVEN BY RESEARCH

Portfolio
as of September 30, 2015

Portfolio Characteristics vs. Benchmark

Characteristic	Emerald SCG Model	Russell 2000 Growth*
Projected Growth Rate (3-5 Year)**	21.6%	18.2%
P/E Ratio***	19.7x	19.1x
R ² vs. Russell 2000 Growth	0.95	1.00
Yield (%)	0.22	0.71
Price / Book Value***	3.0x	3.7x
Median Market Cap (By No. of Stocks)	\$1,147 mm	\$761 mm
Wgt. Average Market Cap	\$1,800 mm	\$1,956 mm
Turnover (Trailing 12 mos.)	63%	---

* Source: Frank Russell Company – see full disclosure p.17

** Database estimate, Emerald's internal estimates are higher.

*** In order to better reflect Emerald's characteristics relative to the Russell Indices, Emerald is now calculating its P/E and Price/Book ratios based on a weighted harmonic average in line with Russell's calculation methodology.

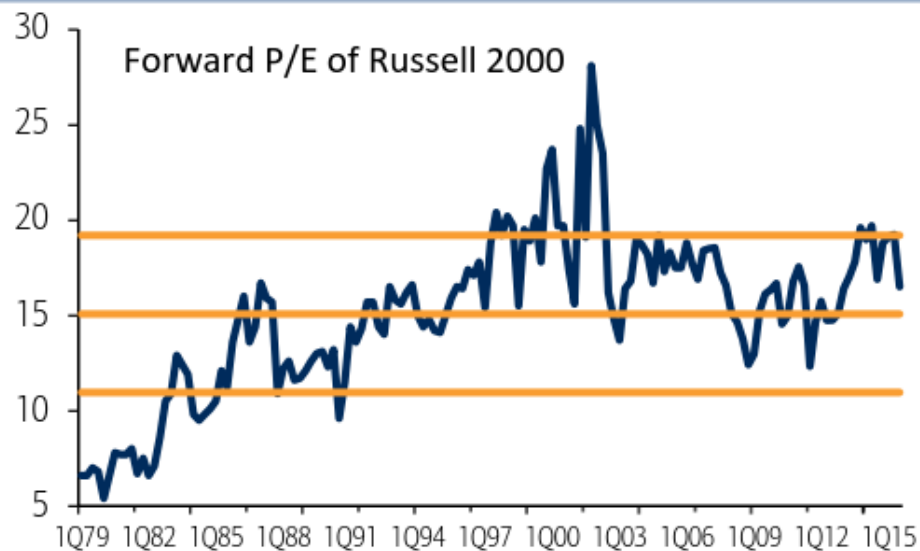
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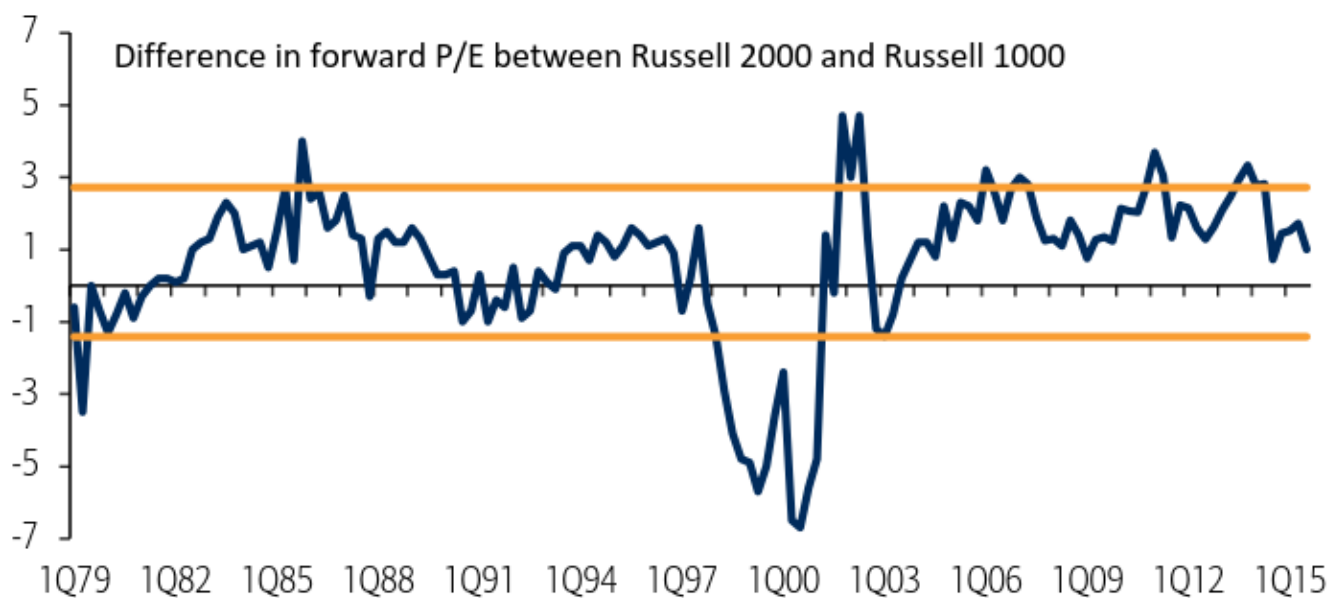
- **Portfolio positioning:**
 - Overweight positions: Financial services, technology and utilities sectors
 - Underweight positions: Consumer discretionary, consumer staples, healthcare, and producer durables sectors.
- **While we believe developed markets, and the U.S. in particular, are likely to continue upon their growth paths, the slowdown in emerging markets and the impact to the U.S. manufacturing and export base is yet another factor gating the rate of domestic growth.**
- **Although the impact to domestic economic growth resulting from the slowdown in manufacturing and exports remains indeterminate at this point, Emerald continues to believe that the U.S. is likely to remain an area of strength amidst the global growth malaise. We anticipate domestic consumption and construction will continue to provide insulation from the pressure emanating from the rest of the world.**
- **The dovish tone of the recently released September Federal Open Market Committee (FOMC) minutes appear to support the “lower for longer” sentiment as the committee remains unconvinced that inflation is progressing toward their 2% target. We believe that the ongoing reassessment of the Federal Reserve’s next step and the rate of domestic economic growth are likely to continue to be a point of volatility between now and year end.**
- **Given the compression in valuation metrics and investor sentiment that has shifted materially to the negative (as measured by the Investors Intelligence bull/bear ratio which fell to 0.70 - the lowest level since March 2009), if global growth does stabilize, the market could be setting up for a rally into year-end.**



Chart 9: At "just" 16.5x, Russell 2000's P/E back to levels not seen since 2013



Source: BofA Merrill Lynch Small Cap Research; Russell Investment Group.

**Chart 10: The gap in P/E narrowed back to 1.0x**

Source: Russell Investment Group; BofA Merrill Lynch Small Cap Research



- **Innovation continues to drive secular investment opportunities**
 - Emerald continues to view the healthcare sector favorably given the resurgence in innovation in drug development, particularly in the areas of orphan drugs and oncology, as well as select opportunities within medical devices and services.
 - The major secular technology trends we believe will define the enterprise in the second half of 2015 include strong datacenter spending, carrier infrastructure spending in core and metro segments, cyber security, and the emergence of the “Internet of Things”. On the consumer side of the technology sector, we believe mobile gaming, 4K television, the connected home and in-car infotainment will be secular themes that accelerate as the year progresses.
 - The recovery from the 2007-2009 financial crisis has driven opportunities for innovative, new business models in the financial services and banking markets.
- **Believe stock selection will be the key driver of relative outperformance**



DRIVEN BY RESEARCH

Portfolio Holdings as of September 30, 2015

PORTFOLIO APPRAISAL

	Cost Basis				Market Value			Unrealized Gain/Loss	Current Yield	Estimated Annual Income
	Quantity	Average		Current Price	Total Value	% Portfolio				
		Cost	Total Cost							
Cash/Cash Equivalent										
LIQUID ASSETS			98,485.31		98,485.31	1.4	0.0	0.0	0	
PRINCIPAL CASH			98,485.31		98,485.31	1.4	0.00	0.0	0.00	
TOTAL Cash/Cash Equivalent			98,485.31		98,485.31	1.4	0.0	0.0	0	
Equity										
CONSUMER DISCRETIONARY			1,195,630.38		1,260,784.28	18.0	65,153.9	0.4	5,355	
AMERICAN EAGLE OUTFITTERS INC.	5,244	15.14	79,413.00	15.63	81,963.72	1.2	2,550.72	3.2	2,622.00	
HOMEAWAY INC	1,726	30.68	52,953.05	26.54	45,808.04	0.7	-7,145.01	0.0	0.00	
DIVERSIFIED RSTRNT HLDGS INC	3,431	5.69	19,517.91	2.70	9,263.70	0.1	-10,254.21	0.0		
BURLINGTON STORES INC	1,770	52.87	93,582.61	51.04	90,340.80	1.3	-3,241.81	0.0	0.00	
CHEGG INC	9,186	9.16	84,106.93	7.21	66,231.06	0.9	-17,875.87	0.0	0.00	
CHUY'S HOLDINGS INC	2,740	28.26	77,433.45	28.40	77,816.00	1.1	382.55	0.0	0.00	
FIVE BELOW	2,012	36.58	73,597.64	33.58	67,562.96	1.0	-6,034.68	0.0	0.00	
MARINEMAX INC	1,675	19.83	33,216.09	14.13	23,667.75	0.3	-9,548.34	0.0	0.00	
JACK IN THE BOX INC	1,414	50.37	71,223.66	77.04	108,934.56	1.6	37,710.90	1.6	1,696.80	
MATTHEWS INTL CORP CL A	819	48.62	39,820.49	48.97	40,106.43	0.6	285.94	1.1	425.88	
MALIBU BOATS INC-CLASS A	1,535	18.43	28,286.98	13.98	21,459.30	0.3	-6,827.68	0.0	0.00	
PANDORA MEDIA INC	1,040	17.89	18,608.87	21.34	22,193.60	0.3	3,584.73	0.0	0.00	
DAVE & BUSTER'S ENTERTAINMENT INC.	2,342	22.58	52,882.27	37.83	88,597.86	1.3	35,715.59	0.0	0.00	
PLANET FITNESS INC	1,680	17.28	29,036.49	17.14	28,795.20	0.4	-241.29	0.0	0.00	
RENTRAK CORP	1,888	53.19	100,422.39	54.07	102,084.16	1.5	1,661.77	0.0	0.00	
RED ROBIN GOURMET BURGERS INC	1,631	38.56	62,894.78	75.74	123,531.94	1.8	60,637.16	0.0	0.00	
MADDEN STEVEN LTD	2,250	39.22	88,246.92	36.62	82,395.00	1.2	-5,851.92	0.0	0.00	
SEQUENTIAL BRANDS GROUP INC	5,100	12.87	65,659.89	14.47	73,797.00	1.1	8,137.11	0.0	0.00	
INTERFACE INC	3,050	23.94	73,010.96	22.44	68,442.00	1.0	-4,568.96	0.9	610.00	
TILLY'S INC-CLASS A SHRS	3,670	11.07	40,631.68	7.36	27,011.20	0.4	-13,620.48	0.0	0.00	
TILE SHOP HLDGS INC	900	12.32	11,084.32	11.98	10,782.00	0.2	-302.32	0.0	0.00	
ENERGY			76,791.36		50,263.82	0.7	-26,527.5	0.0	0	
MAGNUM HUNTER RES CORP WT EXP 041516	1,932	0.00	0.01	0.00	0.02	0.0	0.01	0.0	0.00	
REX ENERGY CORPORATION	6,500	4.89	31,811.65	2.07	13,455.00	0.2	-18,356.65	0.0	0.00	

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DRIVEN BY RESEARCH

Portfolio Holdings as of September 30, 2015

PORTFOLIO APPRAISAL

	Cost Basis			Market Value			Unrealized Gain/Loss	Current Yield	Estimated Annual Income
	Quantity	Average	Total Cost	Current Price	Total Value	% Portfolio			
		Cost							
Equity									
ENERGY			76,791.36		50,263.82	0.7	-26,527.5	0.0	0
SYNERGY RESOURCES CORPORATION	3,756	11.98	44,979.70	9.80	36,808.80	0.5	-8,170.90	0.0	0.00
FINANCIAL SERVICES			928,493.26		1,259,348.76	18.0	330,855.5	0.6	7,534
ATLAS FINANCIAL HOLDINGS INC	880	16.20	14,259.94	18.50	16,280.00	0.2	2,020.06	0.0	0.00
BOFI HLDG INC	315	87.37	27,522.04	128.83	40,581.45	0.6	13,059.41	0.0	0.00
CONNECTONE BANCORP INC	3,613	19.11	69,046.01	19.30	69,730.90	1.0	684.89	1.6	1,083.90
COBIZ INC	2,016	10.61	21,394.72	13.01	26,228.16	0.4	4,833.44	1.4	362.88
CUSTOMERS BANCORP INC	1,516	15.24	23,106.97	25.70	38,961.20	0.6	15,854.23	0.0	0.00
FCB FINANCIAL HOLDINGS INC	2,588	21.98	56,879.01	32.62	84,420.56	1.2	27,541.55	0.0	0.00
FIRST NBC BANK HOLDING CO	2,201	28.19	62,052.18	35.04	77,123.04	1.1	15,070.86	0.0	0.00
GSV CAP CORP	4,006	7.89	31,589.72	7.85	31,447.10	0.4	-142.62	0.0	0.00
LIVE OAK BANCSHARES INC	2,160	18.20	39,321.79	19.64	42,422.40	0.6	3,100.61	0.1	21.60
MARCUS & MILLICHAP INC	1,235	33.99	41,977.08	45.99	56,797.65	0.8	14,820.57	0.0	0.00
OPUS BANK	3,355	29.85	100,160.47	38.24	128,295.20	1.8	28,134.73	0.6	738.10
BANK OF THE OZARKS INC	3,188	13.92	44,384.37	43.76	139,506.88	2.0	95,122.51	1.3	1,785.28
PINNACLE FINL PARTNERS INC	1,590	48.90	77,749.08	49.41	78,561.90	1.1	812.82	1.0	763.20
PACIFIC PREMIER BANCORP	2,221	10.87	24,139.61	20.32	45,130.72	0.6	20,991.11	0.0	0.00
PRIVATEBANCORP INC	2,030	38.42	77,991.05	38.33	77,809.90	1.1	-181.15	0.1	81.20
LENDINGTREE INC	1,350	56.46	76,221.65	93.03	125,590.50	1.8	49,368.85	0.0	0.00
VIRTU FINANCIAL INC CLASS A	2,810	22.30	62,663.12	22.92	64,405.20	0.9	1,742.08	4.2	2,697.60
WALKER & DUNLOP INC	4,450	17.54	78,034.45	26.08	116,056.00	1.7	38,021.55	0.0	0.00
HEALTH CARE			1,227,138.02		1,467,837.09	21.0	240,699.1	0.0	654
ABAXIS INC	1,221	52.20	63,738.21	43.99	53,711.79	0.8	-10,026.42	1.0	537.24
ACADIA HEALTHCAREPANY INC	1,940	16.36	31,737.75	66.27	128,563.80	1.8	96,826.05	0.0	0.00
ADAMAS PHARMACEUTICALS INC	1,927	16.77	32,315.25	16.74	32,257.98	0.5	-57.27	0.0	0.00
AIMMUNE THERAPEUTICS INC	220	16.00	3,520.00	25.32	5,570.40	0.1	2,050.40	0.0	0.00
ATRICURE INC	3,441	19.95	68,650.54	21.91	75,392.31	1.1	6,741.77	0.0	0.00
BELLICUM PHARMACEUTICALS INC	890	25.06	22,305.18	14.53	12,931.70	0.2	-9,373.48	0.0	0.00
BLUEBIRD BIO INC	271	37.49	10,160.22	85.55	23,184.05	0.3	13,023.83	0.0	0.00
CONFORMIS INC	1,318	16.44	21,670.80	18.06	23,803.08	0.3	2,132.28	0.0	0.00

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DRIVEN BY RESEARCH

Portfolio Holdings
as of September 30, 2015

PORTFOLIO APPRAISAL

	Quantity	Cost Basis		Market Value			Unrealized Gain/Loss	Current Yield	Estimated Annual Income
		Average Cost	Total Cost	Current Price	Total Value	% Portfolio			
Equity									
HEALTH CARE			1,227,138.02		1,467,837.09	21.0	240,699.1	0.0	654
CANTEL MEDICAL CORP	1,165	46.90	54,641.24	56.70	66,055.50	0.9	11,414.26	0.2	116.50
CHIMERIX INC	944	40.05	37,804.02	38.20	36,060.80	0.5	-1,743.22	0.0	0.00
CEPHEID	1,540	37.69	58,042.09	45.20	69,608.00	1.0	11,565.91	0.0	0.00
AMICUS THERAPEUTICS INC	5,785	12.02	69,509.56	13.99	80,932.15	1.2	11,422.59	0.0	0.00
INTERCEPT PHARMACEUTICAL	270	142.68	38,523.69	165.86	44,782.20	0.6	6,258.51	0.0	0.00
IMPRIVATA INC	1,500	17.69	26,532.15	17.77	26,655.00	0.4	122.85	0.0	0.00
INOGEN INC	876	20.50	17,958.16	48.55	42,529.80	0.6	24,571.64	0.0	0.00
INSMED INC	2,643	21.33	56,363.70	18.57	49,080.51	0.7	-7,283.19	0.0	0.00
K2M GROUP HOLDINGS INC	3,418	15.59	53,278.44	18.60	63,574.80	0.9	10,296.36	0.0	0.00
MACROGENICS INC	2,071	27.36	56,667.94	21.42	44,360.82	0.6	-12,307.12	0.0	0.00
NEUROCRINE BIOSCIENCES, INC	1,437	26.38	37,908.30	39.79	57,178.23	0.8	19,269.93	0.0	0.00
NEOS THERAPEUTICS INC	1,810	17.81	32,241.37	21.01	38,028.10	0.5	5,786.73	0.0	0.00
OVASCIENCE INC	1,670	27.10	45,251.85	8.49	14,178.30	0.2	-31,073.55	0.0	0.00
PENUMBRA INC	80	30.00	2,400.00	40.10	3,208.00	0.0	808.00	0.0	0.00
PORTOLA PHARMACEUTICALS INC	1,049	27.05	28,375.71	42.62	44,708.38	0.6	16,332.67	0.0	0.00
RELYPISA INC	1,350	23.07	31,141.89	18.51	24,988.50	0.4	-6,153.39	0.0	0.00
SAREPTA THERAPEUTICS INC	1,932	16.05	31,017.54	32.11	62,036.52	0.9	31,018.98	0.0	0.00
TELADOC INC	700	26.79	18,752.35	22.29	15,603.00	0.2	-3,149.35	0.0	0.00
VEEVA SYSTEMS INC	4,495	27.22	122,355.53	23.41	105,227.95	1.5	-17,127.58	0.0	0.00
WELLCARE HEALTH PLANS INC	1,254	69.23	86,818.82	86.18	108,069.72	1.5	21,250.90	0.0	0.00
INTREXON CORP	1,468	20.33	29,845.03	31.80	46,682.40	0.7	16,837.37	0.0	0.00
ZIOPHARM ONCOLOGY INC	2,470	5.23	12,906.05	9.01	22,254.70	0.3	9,348.65	0.0	0.00
ZS PHARMA INC	710	34.80	24,704.65	65.66	46,618.60	0.7	21,913.95	0.0	0.00
MATERIALS & PROCESSING			397,551.55		418,844.41	6.0	21,292.9	0.5	1,909
APOGEE ENTERPRISES INC	3,054	33.24	101,512.55	44.65	136,361.10	1.9	34,848.55	1.0	1,343.76
HEADWATERS INC	2,380	20.19	48,055.73	18.80	44,744.00	0.6	-3,311.73	0.0	0.00
INSTALLED BUILDING PRODUCTS	1,490	22.92	34,155.02	25.28	37,667.20	0.5	3,512.18	0.0	0.00
MILACRON HOLDINGS CORP	1,470	20.00	29,400.00	17.55	25,798.50	0.4	-3,601.50	0.0	0.00
PGT, INC.	3,580	14.83	53,109.19	12.28	43,962.40	0.6	-9,146.79	0.0	0.00

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DRIVEN BY RESEARCH

Portfolio Holdings
as of September 30, 2015

PORTFOLIO APPRAISAL

	Quantity	Cost Basis		Market Value			Unrealized Gain/Loss	Current Yield	Estimated Annual Income
		Average Cost	Total Cost	Current Price	Total Value	% Portfolio			
Equity									
MATERIALS & PROCESSING			397,551.55		418,844.41	6.0	21,292.9	0.5	1,909
POLYONE CORPORATION	1,414	34.05	48,152.51	29.34	41,486.76	0.6	-6,665.75	1.4	565.60
TREX INC	2,665	31.21	83,166.55	33.33	88,824.45	1.3	5,657.90	0.0	0.00
PRODUCER DURABLES			680,500.14		631,414.36	9.0	-49,085.8	0.6	3,820
ALARM.COM HOLDINGS INC	3,030	16.67	50,506.38	11.66	35,329.80	0.5	-15,176.58	0.0	0.00
ASTRONICS CORP	1,123	48.52	54,484.76	40.43	45,402.89	0.6	-9,081.87	0.0	0.00
FARO TECHNOLOGIES INC	1,978	47.24	93,440.66	35.00	69,230.00	1.0	-24,210.66	0.0	0.00
KFORCE INC	4,102	21.08	86,470.94	26.28	107,800.56	1.5	21,329.62	1.7	1,804.88
KORN FERRY INTERNATIONAL	1,460	29.60	43,218.66	33.07	48,282.20	0.7	5,063.54	1.2	584.00
KNOLL INC	1,696	18.40	31,208.19	21.98	37,278.08	0.5	6,069.89	2.2	814.08
ROADRUNNER TRNSN SVCS HLDG	2,351	25.56	60,089.28	18.40	43,258.40	0.6	-16,830.88	0.0	0.00
SPIRIT AIRLS INC	1,935	25.12	48,600.18	47.30	91,525.50	1.3	42,925.32	0.0	0.00
TENNANT CO	771	69.34	53,459.41	56.18	43,314.78	0.6	-10,144.63	1.4	616.80
TUTOR PERINI CORPORATION	3,615	30.32	109,609.87	16.46	59,502.90	0.8	-50,106.97	0.0	0.00
VIRGIN AMERICA INC	1,475	33.50	49,411.81	34.23	50,489.25	0.7	1,077.44	0.0	0.00
TECHNOLOGY			1,388,762.33		1,634,043.62	23.3	245,281.3	0.0	0
ARC DOCUMENT SOLUTIONS INC	5,542	9.28	51,450.28	5.95	32,974.90	0.5	-18,475.38	0.0	0.00
CAVIUM INC	991	34.02	33,716.91	61.37	60,817.67	0.9	27,100.76	0.0	0.00
CIENA CORP	2,090	22.21	46,418.62	20.72	43,304.80	0.6	-3,113.82	0.0	0.00
CORNERSTONE ONDEMAND INC	2,160	37.65	81,333.89	33.00	71,280.00	1.0	-10,053.89	0.0	0.00
CHANNELADVISOR CORP	3,209	24.86	79,780.46	9.94	31,897.46	0.5	-47,883.00	0.0	0.00
EPAM SYSTEMS INC	2,296	32.17	73,873.21	74.52	171,097.92	2.4	97,224.71	0.0	0.00
EVERYDAY HEALTH INC	983	16.05	15,772.36	9.14	8,984.62	0.1	-6,787.74	0.0	0.00
GIGAMON INC	2,739	27.10	74,228.41	20.01	54,807.39	0.8	-19,421.02	0.0	0.00
GLU MOBILE INC	14,930	4.77	71,195.40	4.37	65,244.10	0.9	-5,951.30	0.0	0.00
GTT COMMUNICATIONS INC	4,494	12.79	57,457.88	23.26	104,530.44	1.5	47,072.56	0.0	0.00
GUIDEWIRE SOFTWARE INC	1,518	39.76	60,354.46	52.58	79,816.44	1.1	19,461.98	0.0	0.00
IMPERVA INC	1,980	32.35	64,048.49	65.48	129,650.40	1.9	65,601.91	0.0	0.00
INOVALON HOLDIN	1,010	21.27	21,483.94	20.83	21,038.30	0.3	-445.64	0.0	0.00
IPG PHOTONICS CORP	858	58.05	49,807.39	75.97	65,182.26	0.9	15,374.87	0.0	0.00

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DRIVEN BY RESEARCH

Portfolio Holdings as of September 30, 2015

PORTFOLIO APPRAISAL

	Quantity	Cost Basis		Market Value			Unrealized Gain/Loss	Current Yield	Estimated Annual Income
		Average Cost	Total Cost	Current Price	Total Value	% Portfolio			
Equity									
TECHNOLOGY			1,388,762.33		1,634,043.62	23.3	245,281.3	0.0	0
INPHI CORP	1,881	11.33	21,316.52	24.04	45,219.24	0.6	23,902.72	0.0	0.00
MODEL N INC	3,609	11.29	40,748.74	10.01	36,126.09	0.5	-4,622.65	0.0	0.00
MICROSEMI CORP	3,045	24.27	73,916.10	32.82	99,936.90	1.4	26,020.80	0.0	0.00
MICROSTRATEGY INC	639	157.78	100,819.55	196.47	125,544.33	1.8	24,724.78	0.0	0.00
MA-COM TECHNOLOGY SOLUTIONS	540	32.64	17,622.97	28.99	15,654.60	0.2	-1,968.37	0.0	0.00
PROOFPOINT INC	1,510	31.91	48,188.45	60.32	91,083.20	1.3	42,894.75	0.0	0.00
PIXELWORKS INC	3,270	7.47	24,439.24	3.61	11,804.70	0.2	-12,634.54	0.0	0.00
QLIK TECHNOLOGIES INC	3,126	28.55	89,258.44	36.45	113,942.70	1.6	24,684.26	0.0	0.00
SIGMA DESIGNS INC	3,220	10.73	34,544.23	6.89	22,185.80	0.3	-12,358.43	0.0	0.00
SUPER MICRO COMPUTER INC	1,991	34.22	68,133.26	27.26	54,274.66	0.8	-13,858.60	0.0	0.00
SYNCHRONOSS TECHNOLOGIES INC	1,701	41.47	70,538.75	32.80	55,792.80	0.8	-14,745.95	0.0	0.00
SYNAPTICS INC	265	69.11	18,314.38	82.46	21,851.90	0.3	3,537.52	0.0	0.00
UTILITIES			155,535.86		181,752.86	2.6	26,217.0	0.0	0
8X8 INC NEW	6,646	7.91	52,566.24	8.27	54,962.42	0.8	2,396.18	0.0	0.00
VONAGE HOLDINGS CORP	21,563	4.78	102,969.62	5.88	126,790.44	1.8	23,820.82	0.0	0.00
TOTAL Equity			6,050,402.91		6,904,289.20	98.6	853,886.3	0.3	19,271
TOTAL Dividend Accruals					295.00	0.0			
TOTAL MANAGED			6,148,888.22		7,003,069.51	100	853,886.3	0.3	19,271

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Russell Disclosure

Notice:

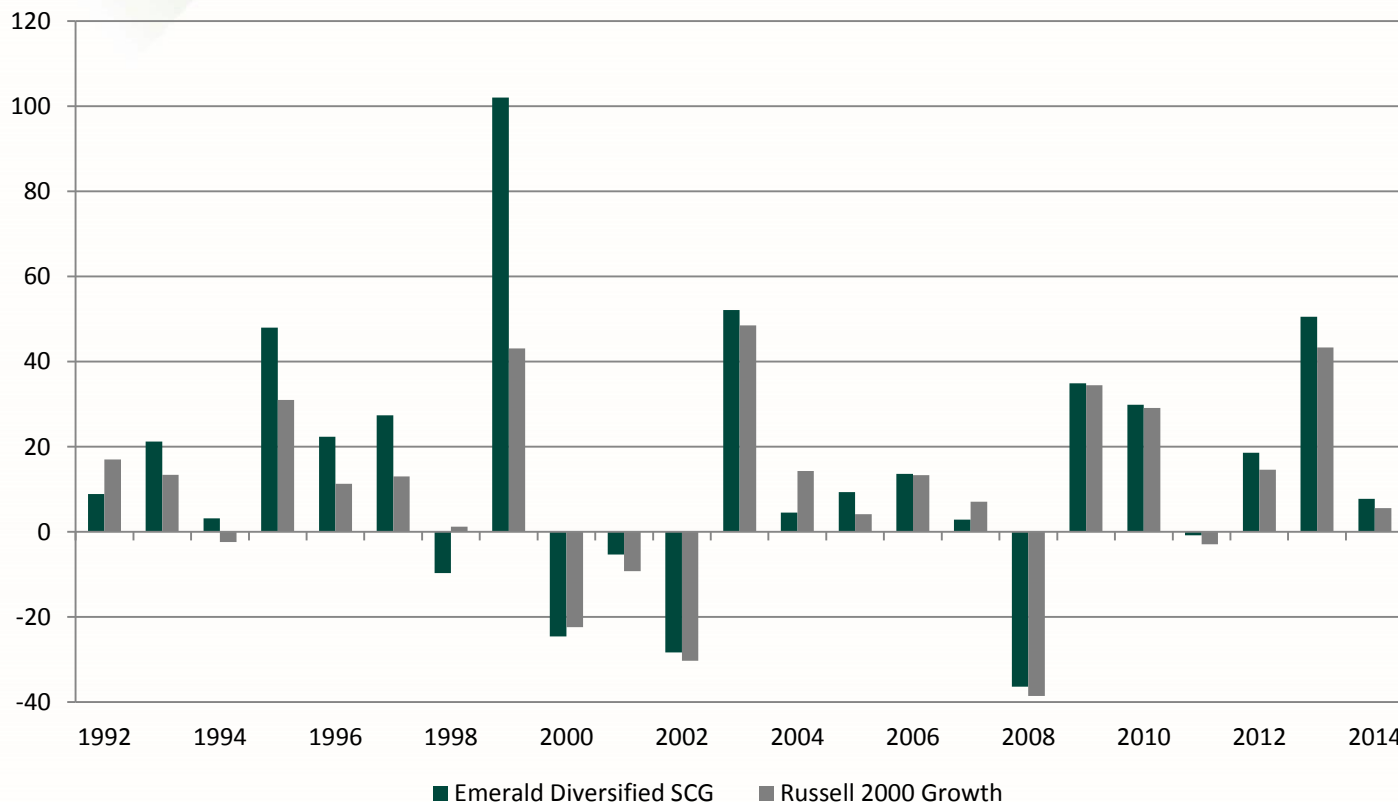
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DRIVEN BY RESEARCH

Div. Small Cap Growth Calendar Year Performance as of December 31, 2014 (Gross)

RATE OF RETURN REPORTED GROSS



Emerald has
outperformed in
18 of the 22 full
calendar years we
have been in
business.

Performance Disclaimer - The performance information reflected is approved for "One-on-One" client presentations only. The performance figures do not reflect the deduction of investment fees; the investment advisory fees are described in Part II of Emerald Advisers' Form ADV. For example, if a client placed \$100,000 under management and a hypothetical gross return of 10% were achieved, the investment assets before fees would have grown to \$259,374 in ten years. However, if an advisory fee of 1% of average net assets were charged, investment assets would have grown to \$234,573, or an annual compounded rate of 8.9%. This includes all reinvestment of dividends.

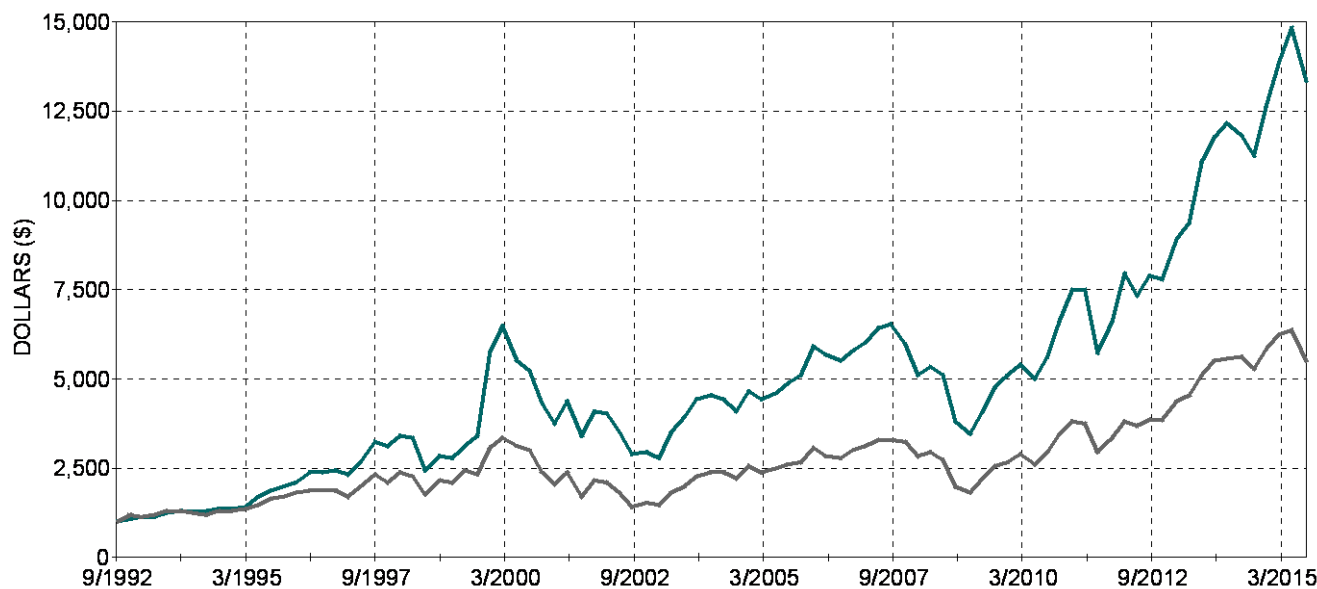
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DRIVEN BY RESEARCH

Growth of \$1,000,000 Investment (Gross) 10/01/1992 – 09/30/2015

RATE OF RETURN REPORTED GROSS



	Since Inception
Emerald Advisers Emerald Div. Sm.	13,351
Russell 2000 Growth	5,521

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Source: PSN from 9/30/92- 9/30/15, Inception Date: 10/1/92

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Emerald Foundation

We support the communities in which we live and work as well as initiatives throughout the country.

In addition to working diligently to provide superior investment returns, Team Emerald continuously sustains its involvement with both local and national organizations committed to aiding various vital community needs and services. Because of Emerald's diverse group of investment products and extensive research commitments we recognize our obligation to be an involved member of the communities in which we work and live. Since its founding in 1991, Emerald has supported community initiatives, organizations and schools that provide much-needed services to area residents. In 2005 Emerald Asset Management was selected as the *Corporate Citizen of the Year* by the Central Penn Business Journal. The Emerald Foundation is a 501(c)3 nonprofit organization founded to help “give back” to the community. A partial list of organizations supported by the Foundation includes:

ALS	Children Deserve A Chance	Boys and Girls Club Foundation	
American Red Cross	Cal Ripken, Sr. Foundation	Keystone Care	PA Breast Cancer Coalition
American Cancer Society	Cystic Fibrosis	Lititz Lions Club	St. Jude's Research Hospital
Boy Scouts of America	Kimmel Cancer Center	Lancaster County CASA	No Greater Sacrifice

The Emerald Foundation joins hands with community and national charitable organizations devoted to encouraging initiatives focusing primarily on Youth, Education and Healthcare Research, both locally and throughout the country. To help meet the challenges facing communities the Foundation encourages initiatives by seeking meaningful collaboration among other nonprofits, local businesses and private individuals helping to promote and strengthen every individual's commitment to community. In addition to the corporate sponsorships and participation in events, we encourage members of Team Emerald to actively work in their communities to make a difference. Emerald executives have held senior leadership positions in a number of philanthropic and charitable organizations including the Leukemia & Lymphoma Society, Boys Club, Millersville University Foundation, Pennsylvania State University Research Foundation, Berks Conservancy, and Keystone Care.

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DRIVEN BY RESEARCH

Emerald Differentiators

- ✓ In-House Research Orientation
- ✓ 10-Step Repeatable Process
- ✓ Skill set of Research Analysts
- ✓ Team Approach to Rapidly Changing Sectors
 - Health Care Team
 - Technology Team
- ✓ 23 Years of Institutional Research Knowledge
- ✓ Longevity of Research Team
- ✓ Always True to Growth and Cap Size Mandates



DRIVEN BY RESEARCH

Emerald Differentiators

- ✓ Ability to invest, analyze, evaluate and properly value pre-profit opportunities
- ✓ Ability to participate in all various opportunities by using a 110-120 stock portfolio
- ✓ Examines the entire Russell 2000 universe for idea generation
- ✓ Over 20 years of generating alpha using the same Process, Philosophy & Portfolio Management
- ✓ Unequal weighted manager, base weightings on each company's fundamental outlook, company specific risk and risk structure of the existing portfolio
- ✓ Able to participate in all cap size opportunities
- ✓ Unique portfolio construction risk constraints



- ***Stability of Emerald***
 - Employee-owned, 23 years as a growing boutique investment manager
 - Low turnover of investment professionals
- ***Strong Fundamental Research***
 - Time tested 10-step equity research process
 - Approximately 2,000 company meetings a year by award winning research team
 - 16 experienced equity investment professionals
- ***Adherence to Philosophy / Process***
 - Former CIOs with deep understanding of plan sponsor needs
 - Managers remain true to style
 - Committed to company-wide culture of compliance
- ***Experience***
 - 23 years average equity investment experience
 - Experienced client services team providing exemplary service to clients
- ***Performance***
 - Superior long-term, risk-adjusted returns

Morgan Stanley Investment Management

City of Fort Pierce Retirement and Benefit System

November 19, 2015

Table of Contents

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Section 2	International Equity Team and Process Overview
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Section 4	International Equity Outlook and Strategy
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This material authorized for distribution only when preceded or accompanied by an effective Private Placement Memorandum, which describes in detail the Fund's investment policies, management fees and other matter of interest to the prospective investor. Please read the memorandum carefully before you invest. Morgan Stanley & Co. Incorporated is the distributor of this portfolio. Foreign investing involves certain risks, including currency fluctuations and controls, restrictions on foreign investments, less governmental supervision and regulation, less liquidity and the potential for market volatility and political instability.

Section 1

City of Fort Pierce Retirement and Benefit System
International Equity Investment Summary

Pooled International Equity Trust Portfolio

Data as of September 30, 2015

Original Investment (September 1, 1991)	\$ 2,767,286.72
+ Contributions	3,295,000.00
-Withdrawals	(14,881,563.00)
- Investment Management Fees	(2,156,729.81)
+ Interest Income	265,428.59
+ Dividend Income	6,292,946.81
+ Realized Gain/(Loss)	12,813,926.32
- Other Expenses	(13,824,87)
+/- Market Appreciation/(Depreciation)	4,628,160.92
Market Value	\$11,496,587.60 ¹

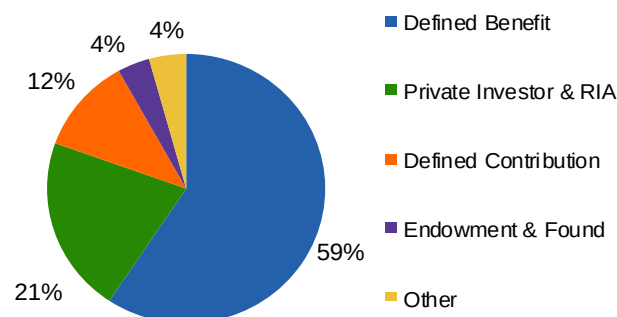
1. State Street custodial accounting information reflects time period beginning January 1993. Data not available for client inception of September 1, 1991. Fund Accounting Systems changed effective August 1, 2001. All cumulative numbers past July 31, 2001 should be considered estimates. Our figures represent investments in the Morgan Stanley Investment Management International Equity Trust.

Section 2

International Equity
Team and Process Overview

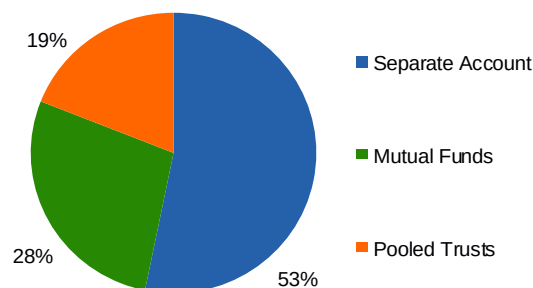
International Equity - Our Clients

International Equity AUM: **\$15.9B¹**



Other includes Bank Trust, Broker Dealer, Corporate Assets, Insurance, Government Agency and Investment Managers

By Vehicle



We are fortunate to have long term relationships:

- **90% of our 49 Pooled Trust clients** have been with us for **more than 10 years**
 - This includes 6 since 1990 and 4 since 1989.

Our clients are among the largest U.S. retirement funds².

- We manage money for:
 - **Five** of the **Top Fifteen Largest Retirement Funds**
 - **Fourteen** separate account clients rank in the **Top 200 Largest Retirement Funds**
 - **Five** of the **Top Ten Largest Corporate Funds**
 - **Four** of the **Top Ten Largest Defined Contribution Plans**

Consultants believe our strategy helps meet their clients' needs:

- We manage over **\$12 Bn** in assets where **investment consultants are involved**, including investment consultant retirement plans.

Source: MSIM, Pension and Investments
Data as of September 30, 2015

1. The assets under management figure include assets managed globally under this strategy within a number of separate products, jurisdictions and mandates.

2. Pensions and Investments Top 1,000 Largest Retirement Funds, February 2015. Retirement Fund rankings based on total assets as of September 30, 2014.

Portfolio Management Team

- Boutique within Morgan Stanley Investment Management
- Compensation linked to economics of product with significant portion in units of funds under the firm's compensation plan
- Team combines fundamental research with portfolio management
- Portfolio specialists link portfolio team to client
- **Assets Under Management⁵:**
International Equity \$15.9Bn
Global Quality \$4.0Bn
Global Franchise \$13.1Bn
Total: \$33.0Bn

Investment Team ¹					
Christian Derold Managing Director (23/9 years)		William Lock – Head Managing Director (23/21 years)		Bruno Paulson² Managing Director (21/6 years)	
Vladimir Demine Executive Director (13/6 years)	Dirk Hoffmann-Becking³ Executive Director (17/2 years)	Nic Sochovsky Executive Director (17/<1 years)	Marcus Watson Vice President (7/7 years)	Alex Gabriele Vice President (6/3 years)	Richard Perrott Vice President (10/<1 years)

Portfolio Specialist Team ⁴	
International Equity	Global Franchise / Global Quality
Cathy Colecchi Managing Director (32/32 years)	Laura Bottega Managing Director (17/9 years)
Nancy Jean Norton Executive Director (32/12 years)	Jill Ytuarte Executive Director (17/11 years)
Jill Ytuarte Executive Director (17/11 years)	Alistair Corden-Lloyd Executive Director (23/18 years)
Sean McDermott Vice President (11/3 years)	Munenori Yoshimi Executive Director (21/16 years)
	Monica Carta Vice President (13/13 years)
	Anna Baron Vice President (25/14 years)

1. As of September 30, 2015. Years of investment experience / years on International Equity Team.

2. Years of investment experience (7 years as a consultant, 14 years in financial services)/years on International Equity Team.

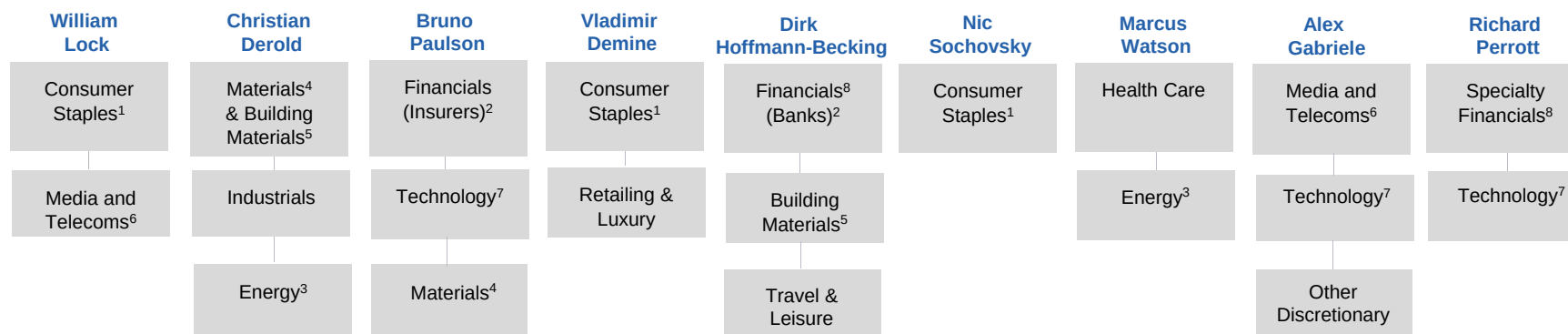
3. Years of investment experience (5 years as a consultant, 12 years in financial services)/years on International Equity Team.

4. As of September 30, 2015. Years of industry experience / years with the Firm.

5. AUM as of September 30, 2015. The assets under management figures include assets managed globally under this strategy within a number of separate products, jurisdictions and mandates

Team members may change from time to time.

Primary Research Responsibilities



- Chart denotes primary responsibilities but high degree of cross coverage and overlapping responsibility.
- We are generalist stock pickers with sector responsibilities, and we are organized by sector rather than geographic coverage.

External Resources

Valuation Screens
Sell-Side Analysts
Industry Consultants

Internal Resources

Trading
Global Fixed Income
Morgan Stanley Offices

1. Coverage by William Lock, Vladimir Demine and Nic Sochovsky
2. Dual coverage by Dirk Hoffmann-Becking and Bruno Paulson
3. Dual coverage by Christian Derold and Marcus Watson
4. Materials dual coverage by Christian Derold and Bruno Paulson
5. Building Materials dual coverage by Christian Derold and Dirk Hoffmann-Becking
6. Dual coverage by William Lock and Alex Gabriele
7. Coverage by Bruno Paulson, Alex Gabriele and Richard Perrott
8. Dual Coverage by Richard Perrott and Dirk Hoffmann-Becking

The primary research responsibilities may change from time to time, without prior notice.

Investment Philosophy

Quality at the right price

We Believe:

- The best route to attractive long term returns is through compounding and capital preservation
- Superior business companies can generate attractive returns over the long term
- Valuation is important; we look to buy these companies at a discount to their long term intrinsic value

Our Goal¹:

- To outperform the MSCI EAFE Index over a full market cycle while providing:
 - attractive absolute returns in rising markets
 - a measure of downside protection in challenging markets

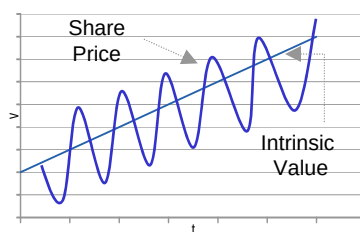
Source: Morgan Stanley Investment Management

1. This goal is a target only and no guarantee is made that it will be achieved. A full market cycle is generally 3-5 years. MSCI EAFE index is a reporting benchmark. It is not possible to invest directly in any index. There is no assurance that a portfolio will achieve its investment objective or an investment strategy will work under all market conditions.

How We Categorize Businesses

- Ideally buy “Compounders” at a discount to intrinsic value but true “Compounders” are scarce and rarely cheap
- “Cash Cows” at discount to intrinsic value are next best
- Avoid “Value Traps” or “Cash Cows” transitioning to “Value Traps”
- In reality, most companies contain a mix of all three. It is important to identify the hand of cards correctly

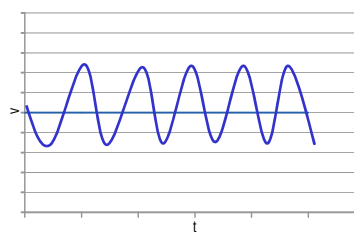
Compounder



- High unlevered returns on operating capital, opportunities to grow capital base at high returns
- High barriers to entry, preferably intangible assets
- Strong market structure, few competitors
- Disciplined use of free cash flow

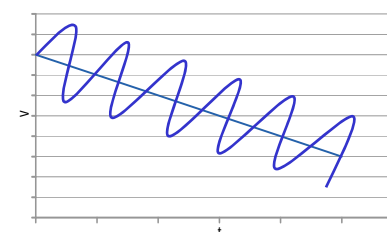
v = Intrinsic Value
t = Time

Cyclical “Cash Cow”



- Returns on capital close to cost of capital, regulated returns or high degree of cyclicity
- Mature business, few new investment opportunities
- Competitive market structures

Value Trap



- Low and structurally declining returns on capital
- High capital intensity, high fixed cost base
- Many competitors, new entrants
- Technology or IP risk, product obsolescence

For illustrative purposes only. There is no guarantee any security within each category will perform as outlined above.

Investment Process

A disciplined bottom-up approach

1. Quantitative Screens	Initial Liquidity, Valuation and Quality Metrics (~ 1000 stocks) • Is free float > \$2B? • Is stock attractively priced on absolute basis and relative to global peers? • Does stock possess desirable economic characteristics?
2. Kicking the Tyres	Assess Franchise, Financial Strength and Management (~ 300 - 400 stocks) • Look for dominant market shares and effective barriers to entry • Are Returns on Operating Capital Employed improving, stable or fading? • How does management allocate capital? How are management paid?
3. Assess Fair Value	Determine Long Term Fair Value • Focus on free cash flow, not accounting numbers • Why may the market be wrong? • Is there a catalyst to realize value?
4. Portfolio Construction & Maintenance	Meet Weekly to Review Portfolio & Stock Candidates (~ 55 - 90 stocks) • Does new idea offer better risk/reward tradeoff? • Stock weighting influenced by level of conviction, risk/reward tradeoff, liquidity • Continuous re-evaluation and maintenance research • No prescribed industry or country limits; 5% max in any 1 security

Risk Management

Seek to minimize risks that can jeopardize long term compounding

- We believe we are fallible and stress-test our assumptions about individual stocks accordingly
- We believe that cap-weighted benchmarks are inherently risky
- We worry about quality and price while indices do not
- We do not care about tracking error!

Risks We Worry About

- **Company Risk**
 - Understand the specific risks facing the company we are buying
 - Look for resilient franchises
 - Understand motivations of management
- **Valuation Risk**
 - Aim to avoid overpaying by emphasizing free cash-flow yields versus local bond yields
- **Financial Risk**
 - Prefer strong balance sheets with the ability to cover interest and other fixed charges
- **Portfolio Risk**
 - Seek to maintain broad diversification by country, sector and number of holdings

Risks We don't

- **Tracking error**
- **Missing out on latest investment trend**
- **Short term “noise”**

The views and opinions expressed herein are those of the portfolio management team as of the date of the presentation.

Asymmetric Return Profile

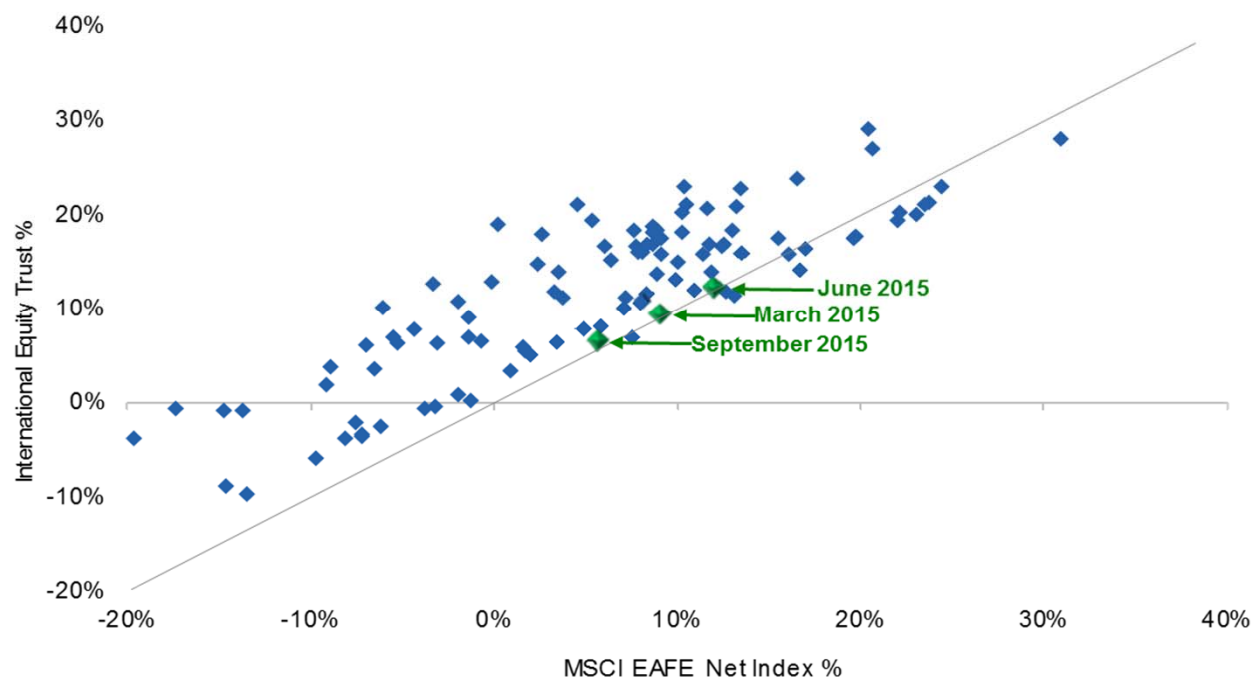
Morgan Stanley International Equity Trust – USD

Rolling 3 Year Periods Since Inception through September 30, 2015

The inception date of the Morgan Stanley International Equity Trust is September 30, 1986

Quarterly Data

- This strategy has exhibited:
 - Asymmetrical performance
 - Strong capital preservation characteristics
 - Strongest outperformance in down periods
 - Weakest relative performance in concentrated, momentum-driven “up” markets



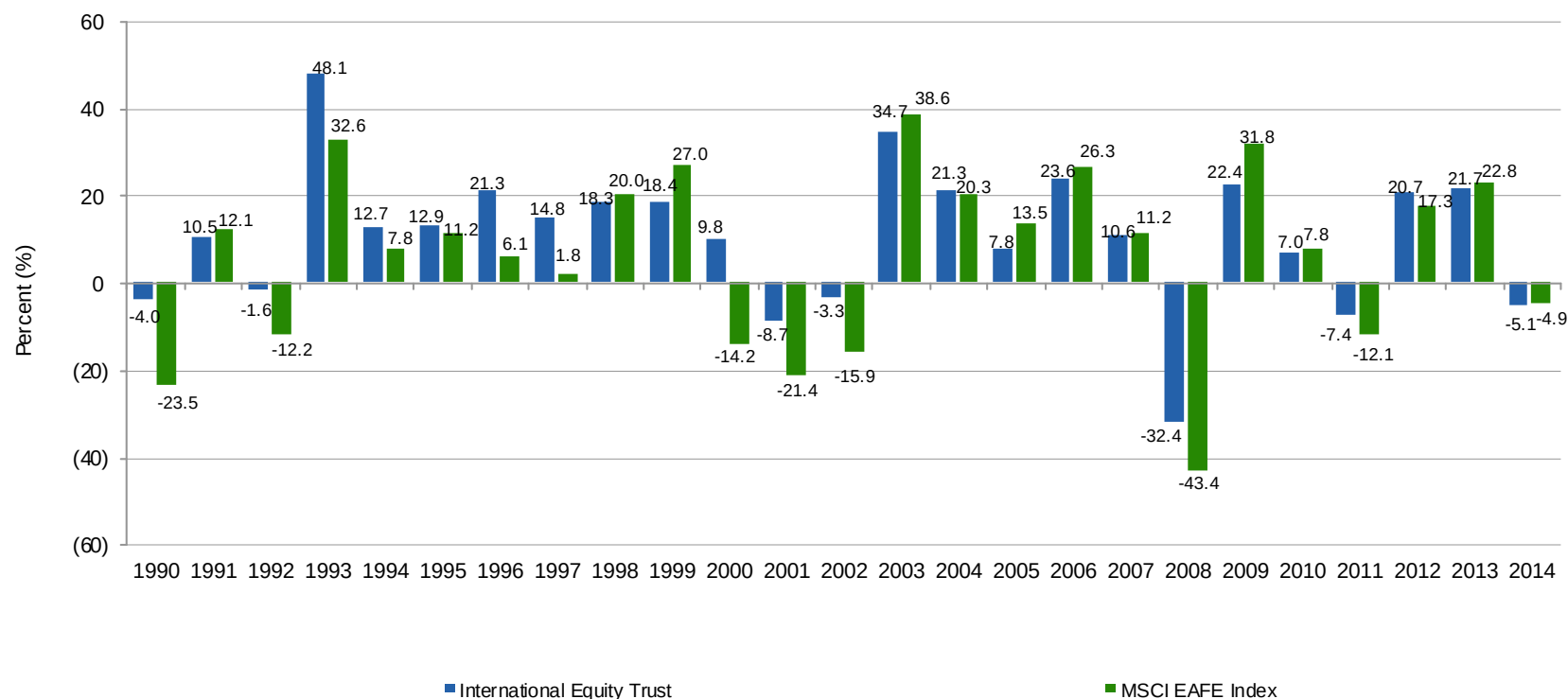
Past performance should not be construed as a guarantee of future performance. Performance returns reflect the average annual rates of return. The Morgan Stanley International Equity Trust investment returns are GROSS of custody as well as investment management fees, in USD terms, and assume the reinvestment of all dividends and income. If expenses were deducted returns would have been lower. Investment returns and principal value will fluctuate and an investor's shares, when redeemed, may be worth more or less than their original cost. Performance returns are compared to those of an unmanaged index and are considered to be a relevant comparison to the portfolio. Comparisons of performance assume the reinvestment of all dividends and income.

International Equity Trust

Presented in USD Terms

Calendar Year Performance Returns

The inception date of the Morgan Stanley International Equity Trust is September 30, 1986



Source: Morgan Stanley Investment Management

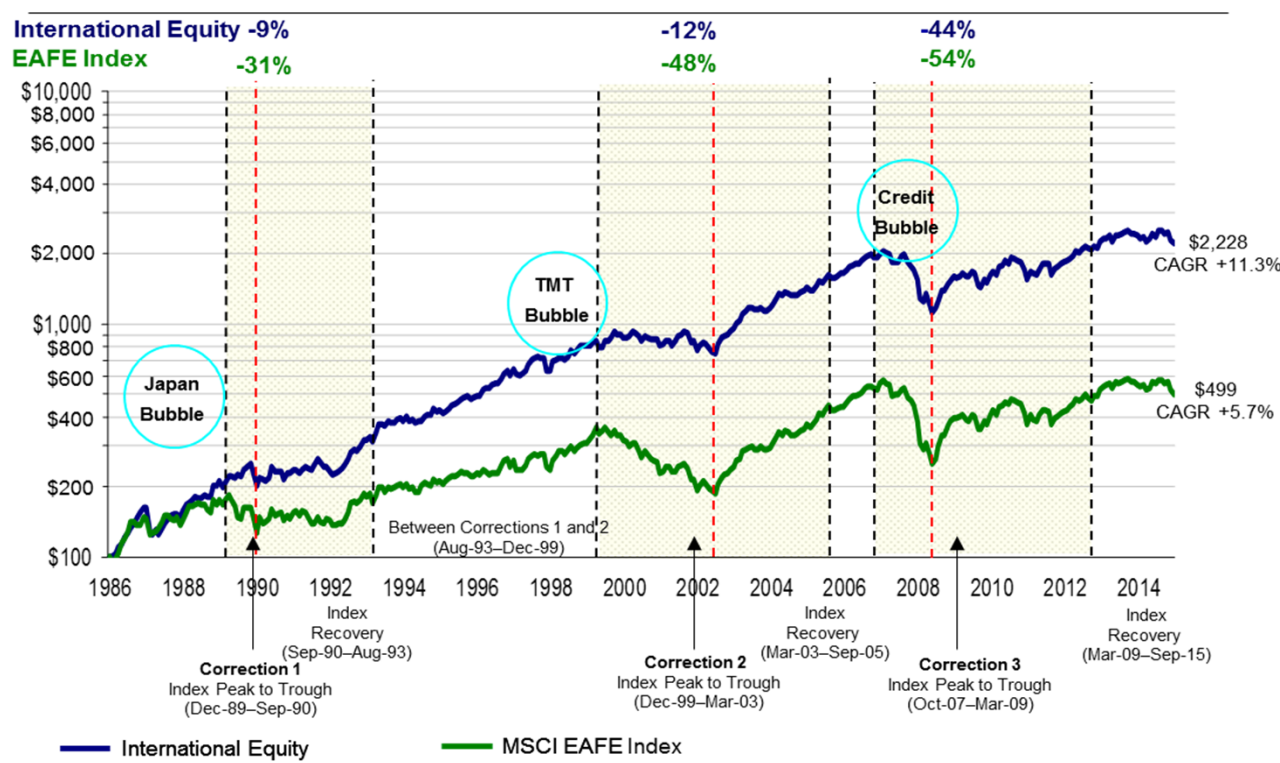
Past performance should not be construed as a guarantee of future performance. Performance returns reflect the average annual rates of return. The Morgan Stanley International Equity Trust investment returns are GROSS of custody as well as investment management fees, in USD terms, and assume the reinvestment of all dividends and income. If expenses were deducted, returns would have been lower. Investment returns and principal value will fluctuate and an investor's shares, when redeemed, may be worth more or less than their original cost. Performance returns are compared to those of an unmanaged index and are considered to be a relevant comparison to the portfolio. Comparisons of performance assume the reinvestment of all dividends and income.

The Power of Compounding

Morgan Stanley International Equity Trust – USD

Since Inception through September 30, 2015

- \$100 invested in the portfolio worth \$2,228 v \$499 invested in the index as of September 30, 2015
- Our value discipline has identified and helped avoid the 3 great asset bubbles of the last 25 years



Source: MSCI, Morgan Stanley Investment Management; as of September 30, 2015

Past performance is no guarantee of future results. The returns represent the Morgan Stanley International Equity Trust and are presented GROSS of custody as well as investment management fees. Had fees been included, returns would be lower and results may be less favorable. Returns are quoted in USD terms and include the reinvestment of all dividends and income. The inception date of the Morgan Stanley International Equity Trust is September 30, 1986. Please refer to section 2 of the presentation for the Trust's annualized investment performance.

Section 3

International Equity
Performance and Portfolio Positioning

City of Fort Pierce Retirement and Benefit System

Morgan Stanley International Equity Trust – USD

Annualized Returns

	Periods Ending September 30, 2015							Since Inception (%)
	YTD (%)	3Q (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	20 Years (%)	
International Equity Trust (Gross)	-1.97	-9.03	-6.91	6.41	6.30	4.53	8.57	9.93
International Equity Trust (Net)	-2.46	-9.19	-7.54	5.71	5.59	3.86	7.83	9.14
MSCI EAFE Index	-5.28	-10.23	-8.66	5.63	3.98	2.97	4.39	5.22
Excess Gross Returns (bps)	331	120	175	78	232	156	418	471

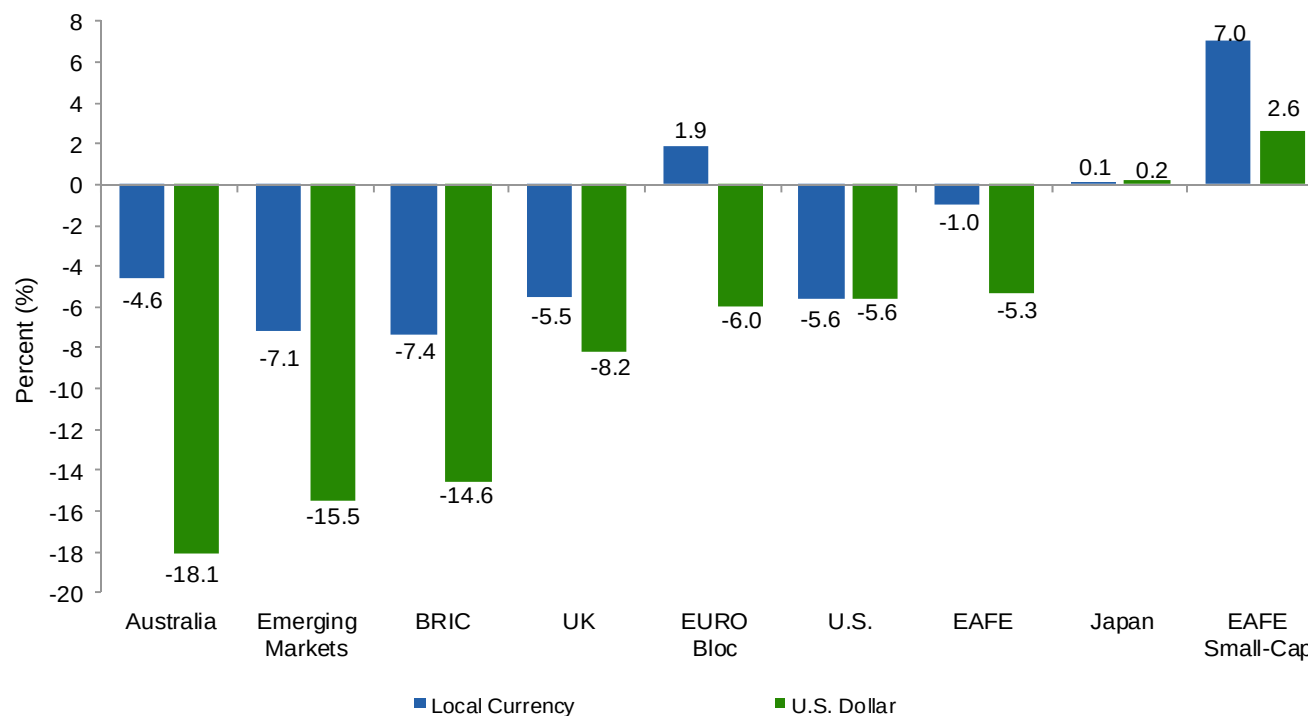
City of Fort Pierce Retirement and Benefit System

- Market Value as of September 30, 2015: \$11,496,587.60
- Inception Date: September 1, 1991

Past performance should not be construed as a guarantee of future performance. Performance returns reflect the average annual rates of return. Returns less than one year are not annualized. The Morgan Stanley International Equity Trust investment returns are shown gross and net of investment management fees, in USD terms and assume the reinvestment of all dividends and income and would be lower if expenses were deducted. Investment returns and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Performance returns are compared to those of an unmanaged index and are considered to be a relevant comparison to the portfolio. The comparison index is the MSCI EAFE Index with Net Dividends reinvested. Investments in foreign markets entail special risks such as currency, political, economic, and market risks. The risks of investing in emerging-market countries are greater than the risks generally associated with foreign investments.

Index Regional Returns – YTD 2015

MSCI Official Indices

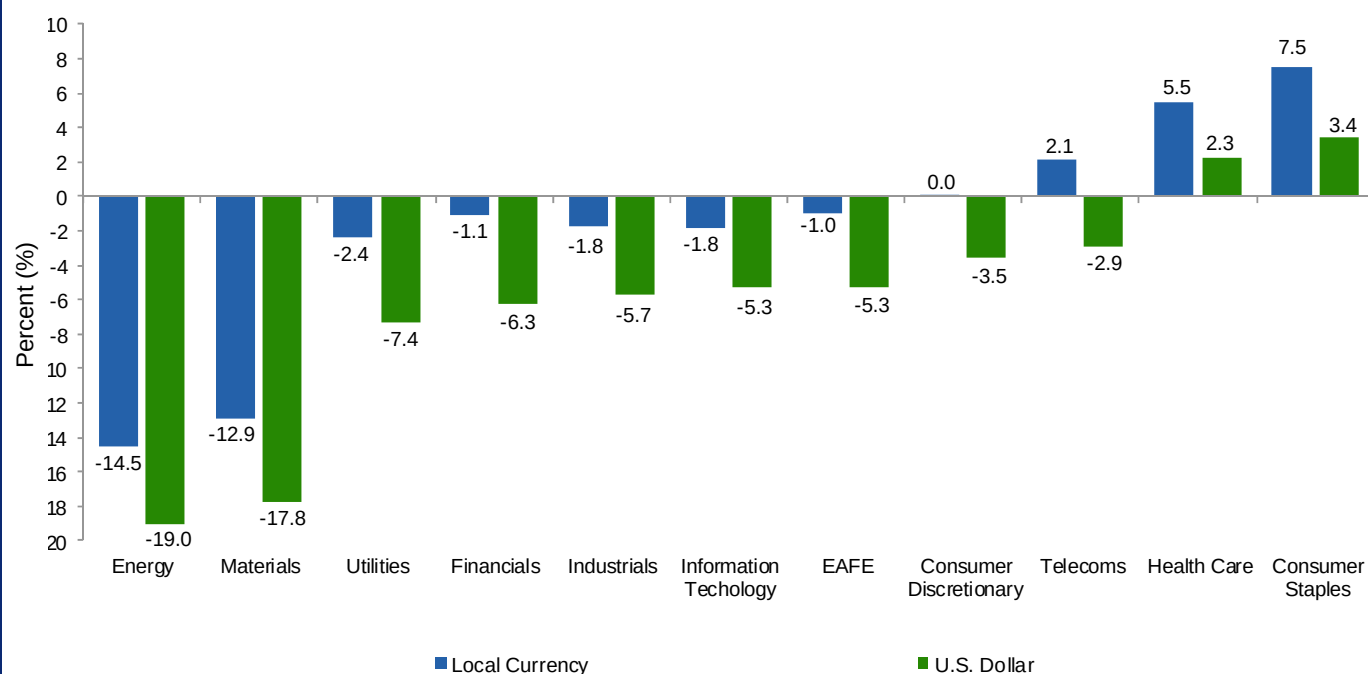


Source: FactSet

Data as of September 30, 2015. **Past performance is no guarantee of future results.** For illustrative purposes only and should not be deemed as a recommendation to buy or sell securities in the countries or regions shown above. MSCI indices are unmanaged and it is not possible to invest directly in an index.

Index Sector Returns – YTD 2015

MSCI EAFE Net Official Index



Source: FactSet.

Data as of September 30, 2015. **Past performance is no guarantee of future results.** For illustrative purposes only and should not be deemed as a recommendation to buy or sell securities in the sectors shown. MSCI EAFE is an unmanaged index and it is not possible to invest directly in an index.

Sector Attribution – YTD 2015

Morgan Stanley International Equity Trust - USD

Data as of September 30, 2015¹

Top Five Relative Contributors³:

• Reckitt Benckiser	+76bps
• British American Tobacco	+44bps
• Unilever	+34bps
• Nestle	+33bps
• Sampo Japan Nipponkoa	+29bps

Top Five Relative Detractors³:

• Barrick Gold	-44bps
• Vallourec	-43bps
• Hitachi	-40bps
• Weir Group	-39bps
• Santos	-32bps

	Sector Performance		Average Sector Weightings		Performance Attribution		
	Portfolio %	Index %	Portfolio %	Index %	Selection %	Allocation %	Total %
Consumer Staples	5.93	3.42	25.29	11.19	0.52	1.35	1.87
Financials	0.27	-6.30	18.52	26.02	1.14	0.13	1.27
Materials	-13.68	-17.77	8.01	7.31	0.38	-0.04	0.34
Telecoms	10.39	-2.36	2.92	5.08	0.18	-0.04	0.14
Utilities	0.00	-7.35	0.00	3.67	0.00	0.09	0.09
Consumer Discretionary	-3.61	-3.79	9.84	12.80	0.06	-0.02	0.04
Energy	-20.95	-19.03	4.71	5.23	-0.08	0.10	0.02
Health Care	0.18	2.30	14.15	11.39	-0.21	0.18	-0.02
Industrials	-13.90	-6.22	8.60	12.50	-0.69	0.07	-0.63
Information Technology	-17.18	-5.21	5.22	4.82	-0.64	-0.01	-0.65
Cash ²	0.02	0.00	2.75	0.00	0.00	-0.05	-0.05
Hedging	0.02	0.00	-0.02	0.00	0.00	-0.08	-0.08
Total	-3.01	-5.28	100.00	100.00	0.66	1.61	2.27
Other ²	1.04	0.00					1.04
Total Returns	-1.97	-5.28					3.31

Source: Morgan Stanley Investment Management and FactSet

1. Portfolio weight is an average for the period from January 1, 2015 through September 30, 2015. Index MSCI EAFE Net. Attribution total return may differ from reported total return due to differing methodologies. Returns are Gross of fees, quoted in USD terms, and include the reinvestment of all dividends and income. Had fees been included, returns would be lower and results may differ. Past performance is no guarantee of future results. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned in the sectors shown. The holdings identified do not represent all of the securities purchased, sold, or recommended for advisory clients. To obtain the methodology of the return attribution analysis, a list showing every holding's contribution to the overall performance during the measurement periods, and/or if you have any questions, please contact your Morgan Stanley representative. Each portfolio is actively managed; therefore, holdings referenced may or may not be currently represented in each portfolio.

2. "Other" is the difference between the buy-and-hold attribution and official portfolio returns Gross of Fees. It reflects the Net impact of cash flows and security transactions. Additional contributors can include differences in pricing sources and fair valuation practices between systems used to calculate these returns. In volatile or illiquid markets and for high turnover portfolios, these differences can become increasingly significant. Attribution considers the total return of each security (price appreciation and dividend income). Management Fees and expenses are not considered by the attribution. The 'Cash' line in the attribution includes cash balances as well as other cash instruments.

3. Contribution is gross and relative to the index. We do not own companies listed in italics.

Current Portfolio

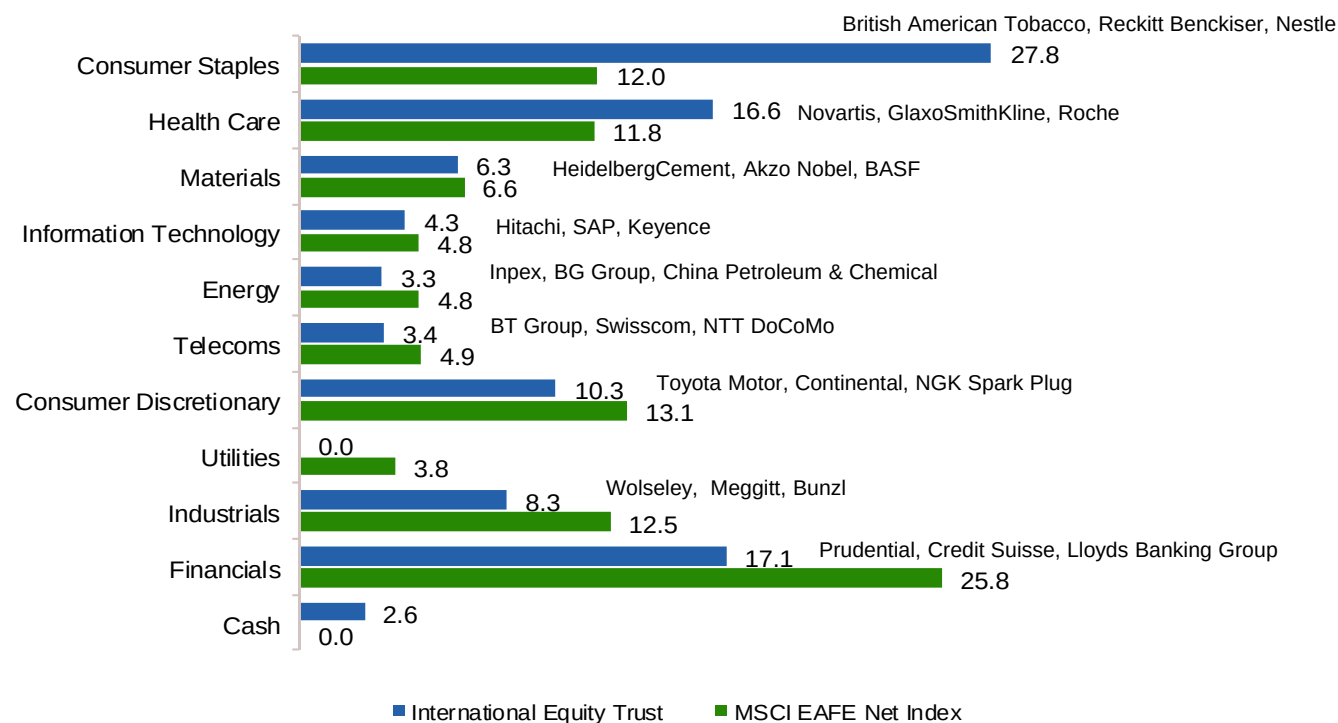
Sector Weightings

Morgan Stanley International Equity Trust

Largest Portfolio Holdings within Each Sector

Data as of September 30, 2015

- Sector weights result from bottom-up stock selection process
- Overweight defensive sectors (50.4 versus 32.5%)
- Underweight cyclical sectors (49.6% versus 67.5%)



Source: Morgan Stanley Investment Management
 Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the industries shown above. Up to the three largest holdings are stated for each sector.

Financials Underweight Dissected

Morgan Stanley International Equity Trust

- Remain heavily underweight banks with no direct exposure to PIIGS banks. Our strategy remains choosy and opportunistic. Few bank franchises can beat their cost of capital – de-levering and forced alterations to the business model require a heavy discount to account for the considerable risks
- Strongly overweight insurers given their limited solvency, liquidity and regulatory risks. Wary of exposure to vulnerable sovereigns and low long-run interest rates

Financials Weighting	MSCI EAFE	Portfolio
Banks	13.1	5.8
Capital Markets	2.1	2.1
Diversified	1.2	0.0
Insurance	5.6	8.0
Real Estate	<u>3.8</u>	<u>1.2</u>
Financials	25.8	17.1

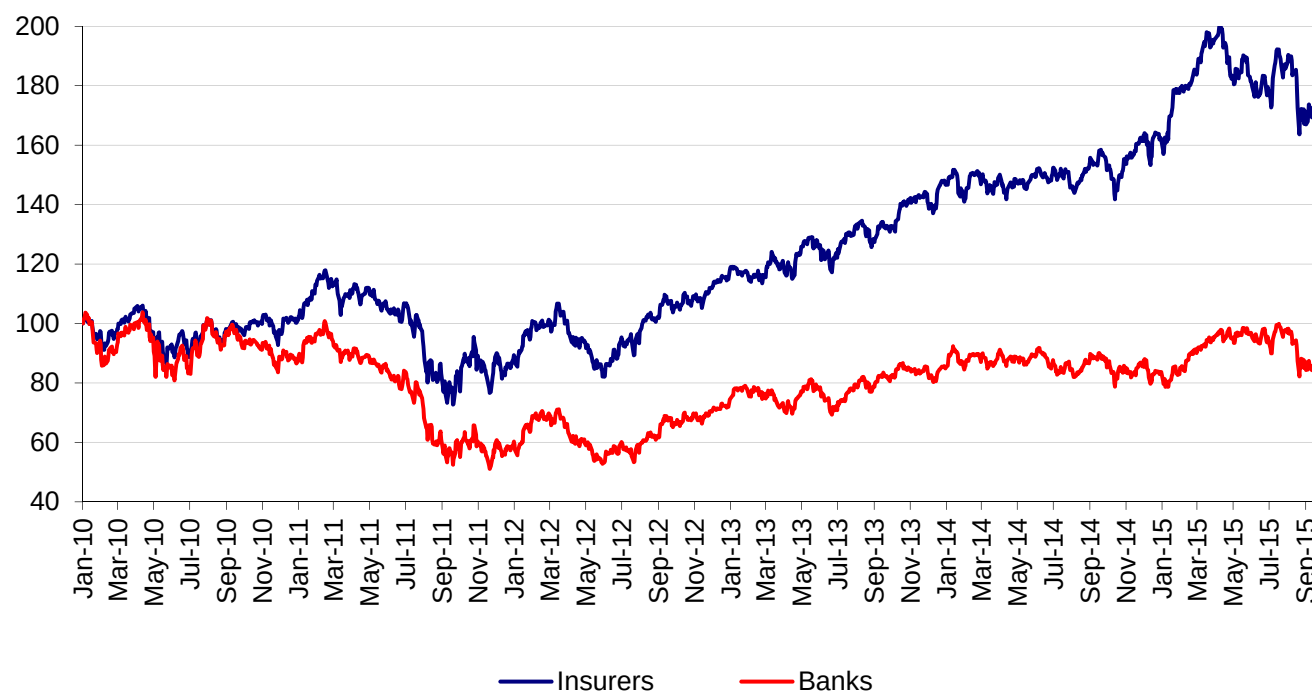
Banks Weighting	MSCI EAFE	Portfolio	Main Holdings
UK	2.7	2.0	Lloyds Banking Group
Japan	2.2	1.1	SMFG, Sumitomo Mitsui Trust Holdings
France	0.9	0.0	
Australia	2.3	0.0	
Spain	1.4	0.0	
Italy	0.8	0.0	
Other	<u>2.8</u>	<u>2.7</u>	KBC (Belgium), Nordea (Sweden)
	13.1	5.8	

Insurance Weighting	MSCI EAFE	Portfolio	Main Holdings
UK	1.3	4.1	Prudential, Admiral, Aviva (formerly Friends Life)
Switzerland	0.7	1.2	Zurich Insurance Group
Japan	0.6	1.9	Sompo Japan Nipponkoa (NKSJ), MS&AD Insurance
Australia	0.4	0.0	
France	0.5	0.8	AXA
Germany	0.9	0.0	
Other	<u>1.2</u>	<u>0.0</u>	
	5.6	8.0	

The views and opinions are those of the portfolio management team as of the date of this presentation, are subject to change, and may not be representative of the firm as a whole.

Source: MSCI and FactSet
Data as of September 30, 2015. Subject to change daily. Up to three largest holdings, when available, are provided for each weighting. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the countries or industries shown above.

European Insurers Versus Banks



Source: Bloomberg
STOXX600 European Banks (SX7P)
STOXX600 European Insurance (SXIP)
Data of September 30, 2015. Index rebased to 100 in January 2010. **Past performance is not indicative of future results.** Provided for informational purposes only and is not a recommendation to buy or sell any security.

- Wary of industrial metals given increasing supply and concerns over Chinese demand
- Remain overweight construction materials where earnings are at cyclical lows but offer high operational leverage to any economic recovery

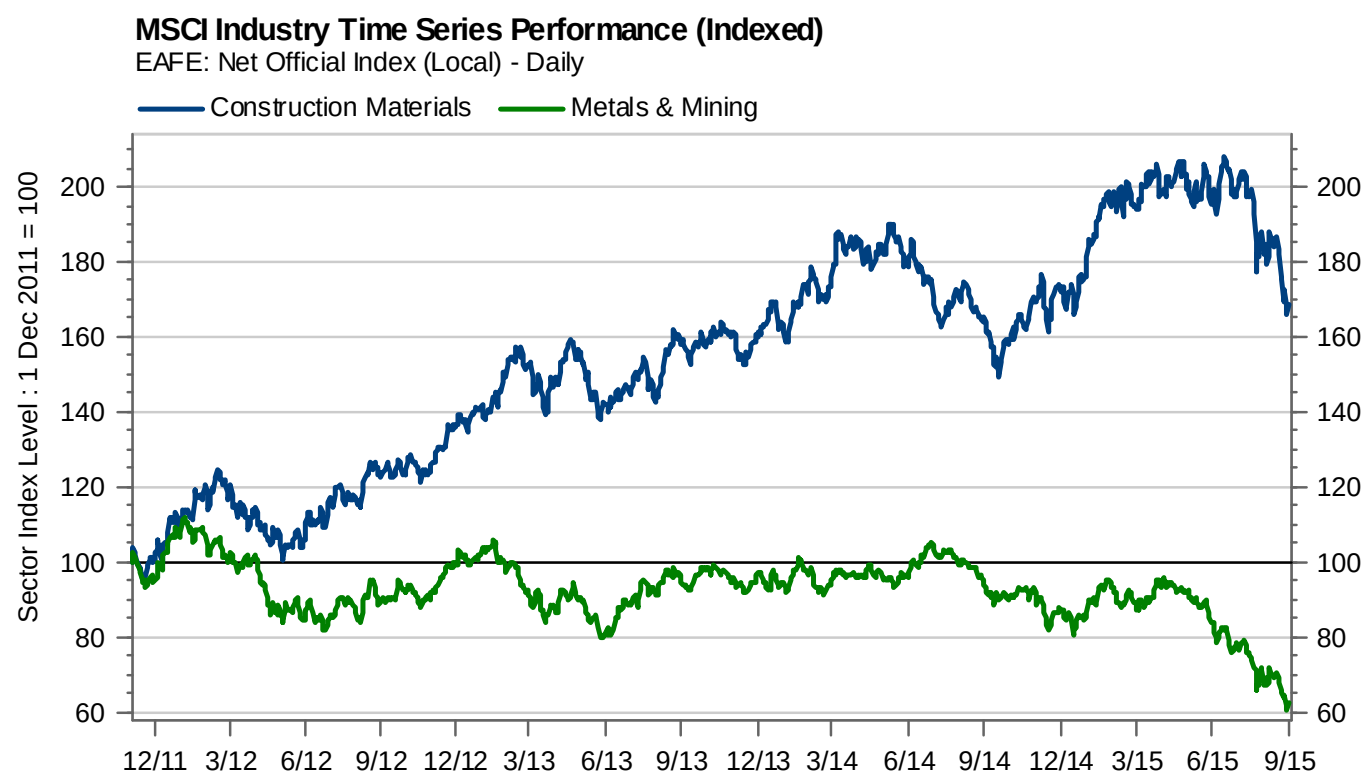
Materials Dissected

Morgan Stanley International Equity Trust

Industry Sub Group	MSCI EAFE (%)	Portfolio (%)	Holdings
Metals and Mining	2.2	1.4	Barrick Gold, Turquoise Hill Resources
Chemicals	3.4	2.5	Akzo Nobel, BASF, Nitto Denko
Construction Materials	0.6	2.4	HeidelbergCement, CRH
Paper and Forest Products	0.2	0.0	
Containers and Packaging	0.2	0.0	
	6.6	6.3	

Source: MSCI and FactSet
 Data as of September 30, 2015. Subject to change daily. Up to five largest holdings, when available, are stated for each sector.
 Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the industries shown above.

Metals and Mining versus Building Materials



Source: MSCI, FactSet
Data of September 30, 2015. **Past performance is not indicative of future results.** Provided for illustrative purposes only and should not be deemed as a recommendation to buy or sell any securities in the industries shown above.

Industrials Dissected

Morgan Stanley International Equity Trust

- Underweight heavy capital goods with preference for distributors

Industry Sub Group	MSCI EAFE (%)	Portfolio (%)	Holdings
Capital Goods	8.8	7.0	Wolseley, Meggitt, Bunzl, Smiths Group, Travis Perkins, Weir Group, Vallourec
Commercial and Professional Services	1.2	1.3	Experian, Aggreko
Transportation	2.7	0.0	
	12.5	8.3	

Source: MSCI and FactSet
Data as of September 30, 2015. Subject to change daily. Up to three largest holdings, when available, are stated for each sector. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the industries shown above.

Energy Dissected

Morgan Stanley International Equity Trust

Industry Sub Group	MSCI EAFE (%)	Portfolio (%)	Holdings
Diversified "Super-Majors" ¹	2.9	0.0	
Other Oil, Gas and Consumable Fuels ²	1.6	3.2	Inpex, BG Group, China Petroleum & Chemical, ENI
Energy Equipment and Services	0.3	0.1	WorleyParsons
	4.8	3.3	

Source: MSCI and FactSet

Data as of September 30, 2015. Subject to change daily. Up to five largest holdings, when available, are stated for each sector. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the industries shown above.

¹ Defined as Royal Dutch Shell, Total, BP within EAFE.

² Oil, Gas and Consumable Fuels ex-Super-Majors.

Consumer Discretionary Dissected

Morgan Stanley International Equity Trust

Industry Sub Group	MSCI EAFE (%)	Portfolio (%)	Holdings
Automobiles and Components	5.2	6.1	Toyota, Continental, NGK Spark Plug
Consumer Durables and Apparel	3.0	0.6	Sekisui House
Consumer Services	1.2	0.0	
Media	2.0	3.6	RELX ¹ , Publicis
Retailing	1.7	0.0	
	13.1	10.3	

Source: MSCI and FactSet

Data as of September 30, 2015. Subject to change daily. Up to three largest holdings, when available, are stated for each sector. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the industries shown above.

1. RELX is the renamed Reed Elsevier. This holding is split between UK (1.06%) and Netherlands (1.05%) listings.

Country Weightings

Morgan Stanley International Equity Trust

Data as of September 30, 2015

Region	International Equity Trust (%)	MSCI EAFE Net Index (%)	Currency Hedge ¹ (%)
Australasia/Oceania	0.1	6.6	
Australia	0.1	6.4	
New Zealand	0.0	0.1	
Europe Euro	25.5	30.7	
Austria	0.0	0.2	
Belgium	1.5	1.3	
Finland	0.0	0.9	
France	7.7	10.1	
Germany	8.3	8.9	
Ireland	1.0	0.4	
Italy	0.4	2.6	
Netherlands	6.6	2.8	
Portugal	0.0	0.1	
Spain	0.0	3.5	
Europe Non-Euro	51.8	35.3	
Denmark	0.0	1.8	
Norway	0.0	0.6	
Sweden	1.2	3.0	
Switzerland	16.1	9.7	
United Kingdom	34.5	20.3	
Far East	18.6	26.8	
China	0.8	0.0	
Hong Kong	0.0	3.0	
Japan	17.9	22.5	-8.7
Singapore	0.0	1.3	
Middle East	0.0	0.6	
Israel	0.0	0.6	
North America	1.4	0.0	
Canada	1.4	0.0	
United States	0.0	0.0	+8.7
Cash	2.6	0.0	

- Country weights result from bottom-up stock selection process
- Currency hedging primarily used for defensive purposes

¹ Yen hedged to US dollar.
Source: Morgan Stanley Investment Management, MSCI and FactSet. Subject to change daily.
Provided for informational purposes only and should not be deemed as a recommendation to buy or sell securities mentioned or securities in the regions shown above.

Regional Breakdown

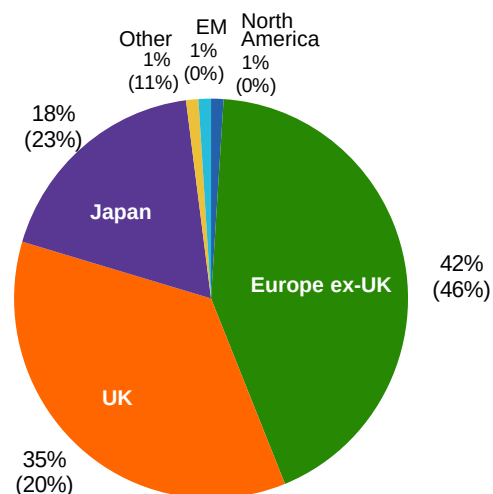
Indirect Exposure to Emerging Markets^{1,2,3}

Selected Company EM Exposure

• Sinopec	100%
• British American Tobacco	59%
• Unilever	57%
• Prudential	45%
• Nestlé	40%

Listed Exposure

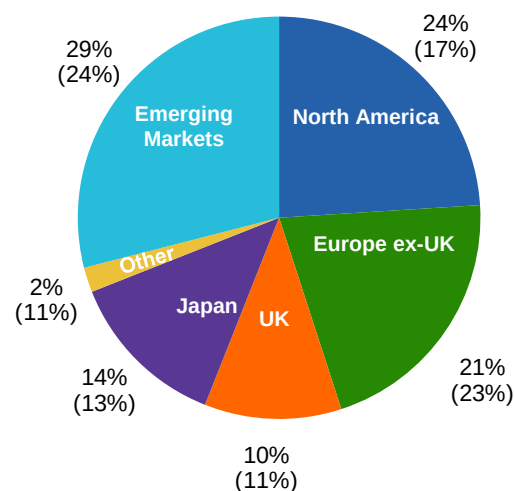
International Equity Trust
(Index weight)



■ North America ■ Europe ex UK ■ UK ■ Japan ■ Other Developed Markets ■ Emerging Markets

Sales Exposure

International Equity Trust
(Index weight)



Source: MSCI, FactSet and Company Reports

Data as of September 30, 2015. Updated quarterly. The portfolio is actively managed, therefore holdings may not be current. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the countries or regions shown above. Holdings and weightings are subject to change.

1. Weighted Regional Exposure – Percentage of Company Sales.

2. Index data shown is the MSCI EAFE Index

3. Data as of September 30, 2015. Securities shown are for illustrative purposes only and percentages represent the weighted average based on revenues from emerging market sales 40% or above. Holdings identified do not represent all securities purchased, sold, or recommended to our advisory clients. You should not assume that investments in the securities identified were or will be profitable.

Top Ten Holdings

Morgan Stanley International Equity Trust

Data as of September 30, 2015

Security	Industry	Country	(%)
British American Tobacco	Tobacco	United Kingdom	4.9
Reckitt Benckiser	Household Products	United Kingdom	4.9
Nestlé	Food Products	Switzerland	4.9
Unilever	Personal Products	Netherlands	4.3
Novartis	Pharmaceuticals	Switzerland	3.7
GlaxoSmithKline	Pharmaceuticals	United Kingdom	3.4
Roche	Pharmaceuticals	Switzerland	3.3
Sanofi	Pharmaceuticals	France	3.2
Prudential	Insurance	United Kingdom	2.6
Japan Tobacco	Tobacco	Japan	2.5
Total			37.6

Source: Morgan Stanley Investment Management.
Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the industries and countries shown above.

Significant Movements in the Portfolio – YTD 2015

Morgan Stanley International Equity Trust

Major Transactions: January 1, 2015 to September 30, 2015¹

Portfolio Turnover

January 1, 2015 to September 30, 2015:
21.78%

Initial Purchases	Additions	Reductions	Final Sales
BT Group	Imperial Tobacco	Diageo	HSBC
KBC	GlaxoSmithKline	Reckitt Benckiser	BNP Paribas
	HSBC	Sompo Japan Nipponkoa	BHP Billiton
	Japan Tobacco	Prudential	Glencore
	Pernod Ricard	CRH	AIA
	RELX²	NTT DoCoMo	LVMH
	Prudential	British American Tobacco	Svenska Handelsbanken
	Credit Suisse	BG Group	Santos
	Bunzl	Sekisui House	Kering
	Lloyds Banking Group	Nestlé	Rio Tinto
	Bayer	MS&AD Insurance	Indivior (Reckitt Benckiser Spin-off)
	Swisscom	Zurich Insurance Group	Hermes (LVMH Spin-off)
	CRH	AXA	
	NGK Spark Plug	Imperial Tobacco	
	Continental	Weir Group	
	BASF	Continental	
	Akzo Nobel	ENI	

Source: Morgan Stanley Investment Management

1. All information is provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned. There is no guarantee that the securities shown, or holdings in general, will perform well. Holdings are subject to change. Significant movement is based on at least 25 basis point weight changes for the period shown.

Companies listed in bold font are transactions that have taken place from July 1, 2015 through to September 30, 2015

Companies listed in bold italic font are where additions have been made to new positions during the period from July 1, 2015 through to September 30, 2015

2. RELX is the renamed Reed Elsevier. This holding is split equally between UK and Netherlands listings

Significant Movements in the Portfolio – YTD 2015

Morgan Stanley International Equity Trust

Major Transactions: January 1, 2015 to September 30, 2015¹

Initial Purchases	Additions	Reductions	Final Sales
	British American Tobacco	Toyota	
	AXA	Novartis	
	Weir Group		

Source: Morgan Stanley Investment Management

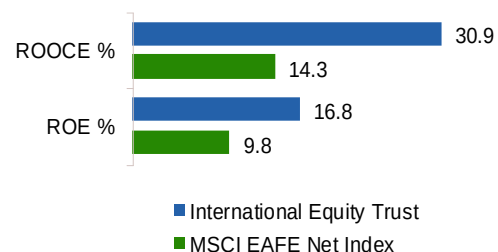
1. All information is provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned. There is no guarantee that the securities shown, or holdings in general, will perform well. Holdings are subject to change. Significant movement is based on at least 25 basis point weight changes for the period shown.
Companies listed in bold font are transactions that have taken place from July 1, 2015 through to September 30, 2015
Companies listed in bold italic font are where additions have been made to new positions during the period

Portfolio Characteristics

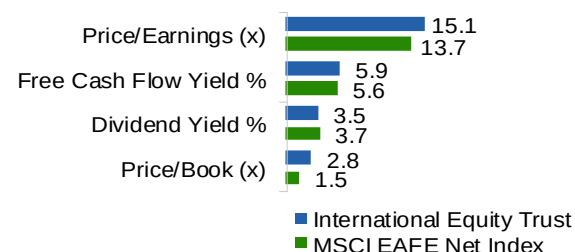
Morgan Stanley International Equity Trust

Data as of September 30, 2015

Quality Ratios^{1,2}



Valuation Ratios^{1,2}



Market Cap Weights

	International Equity Trust %	MSCI EAFE Net Index %
Mega Cap > \$100bn	26	12
Large Cap \$50-100bn	28	23
Mid Cap \$10-50 bn	35	43
Small/Mid Cap \$1-10bn	11	23
Weighted Average Market Cap (\$bn)	73.6	48.5

Source: Morgan Stanley Investment Management, FactSet/Worldscope, MSCI

1. ROOCE (Return on Operating Capital Employed) = Ebita(Earnings Before Interest, Taxes and Amortization / PPE (Property, Plant, Equipment) +trade working capital ex Financials (excludes goodwill). ROOCE, ROE, Price/Book ratio are last reported. Price/Earnings ratio, Free Cash Flow (operating cash flow minus capex), and Dividend Yield are calculated using an average of the FactSet Consensus forecasted earnings per share, free cash flow, and dividend yield for the next 12 months for the underlying companies in the International Equity Portfolio as of September 30, 2015. Forecasted yields are not representative of the fund's yield. There is no guarantee that any International Equity portfolio will necessarily yield similar results over the next year.
2. Ratio methodology: Index names (sum of numerator/sum of denominator). Portfolio names (weighted sum of numerator/weighted sum of denominator)

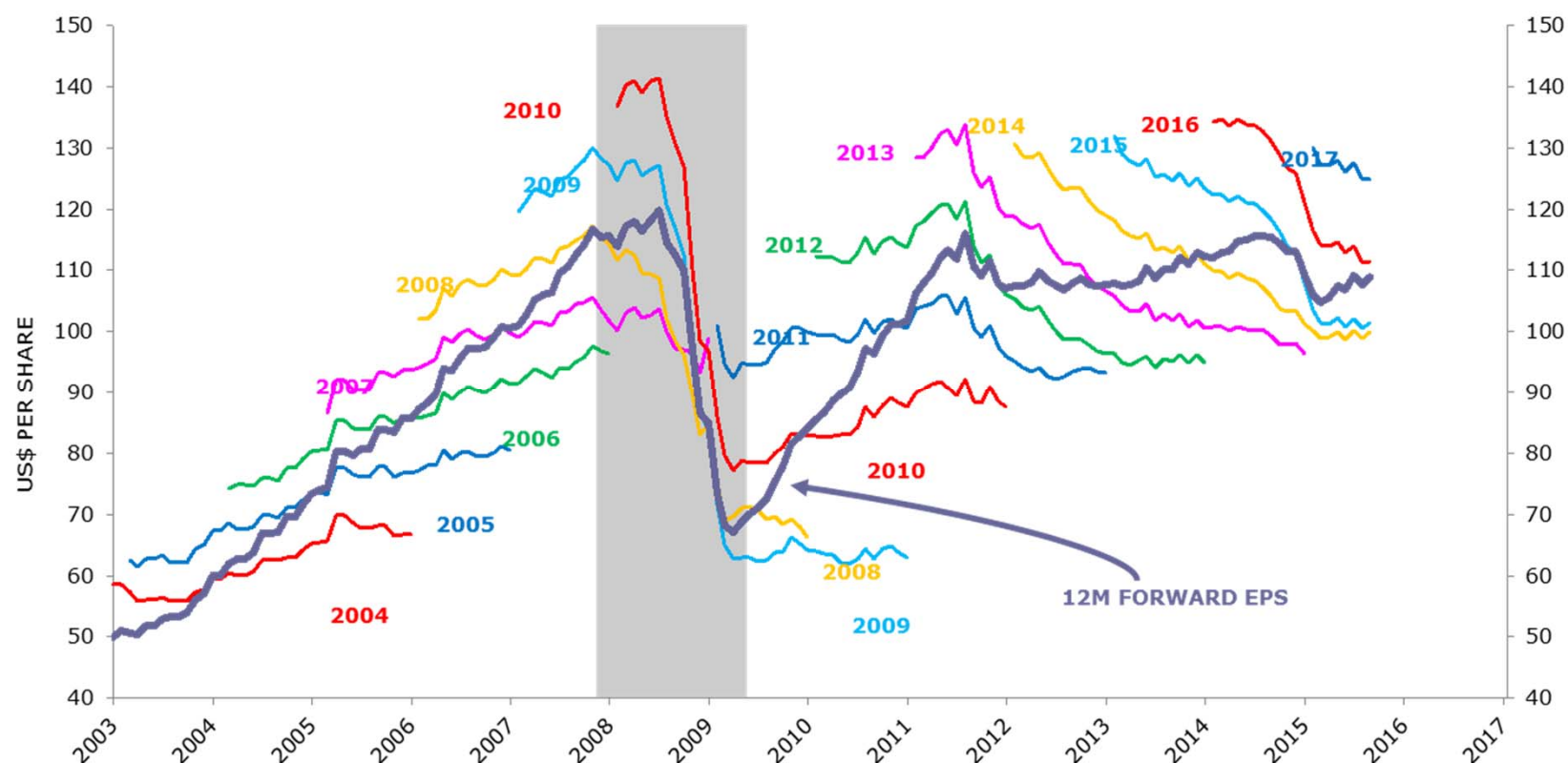
Information shown is for illustrative purposes only and is subject to change daily. **Past performance is no guarantee of future results.** There is no guarantee that forecasts and estimates will come to pass due to changing market and economic conditions.

Section 4

International Equity
Outlook and Strategy

How much longer can the re-rating continue when earnings disappoint consistently?

MSCI Developed markets forward earnings by calendar year and 12M forward



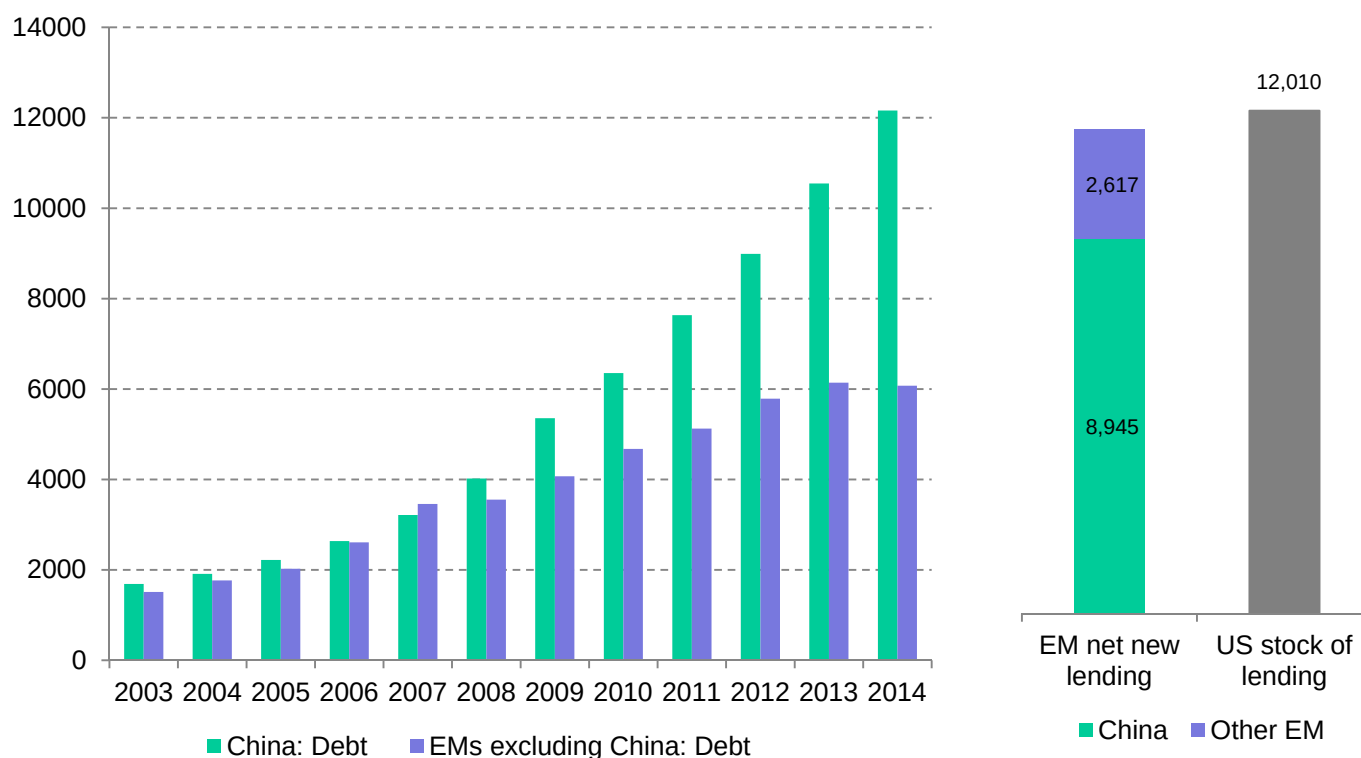
Source: MSCI, IBES datastream, Gerard Minack Associates. Data as of September 15, 2015.

Past performance is no guarantee of future results. The lines represent consensus estimates over time. The end point of each line is effectively the reported earnings level. So the falls in the lines reflect estimates being reduced i.e. disappointing sell-side expectations. Each of the thinner lines are the consensus estimates for the calendar year, and the thicker line is the blended 12M forward EPS

China's problems have been well known – but the narrative has changed in June

Corporate debt (loans and Debt Securities)

In USD bn



Source: IMF Global Financial Stability Report October 2015, data as of year end 2014

Note: EM = emerging market economy; figure depicts major EMs. Debt includes bank credit and bond financing. Credit by nonbanks is excluded, possibly leading to a significant underestimation of corporate debt in countries with large nonbanking sectors such as China. At the same time, in China, the bulk of fiscal borrowing occurs off budget through local government financing vehicles and is recorded as private credit, although most of it is fiscal (see Arslanalp and others).

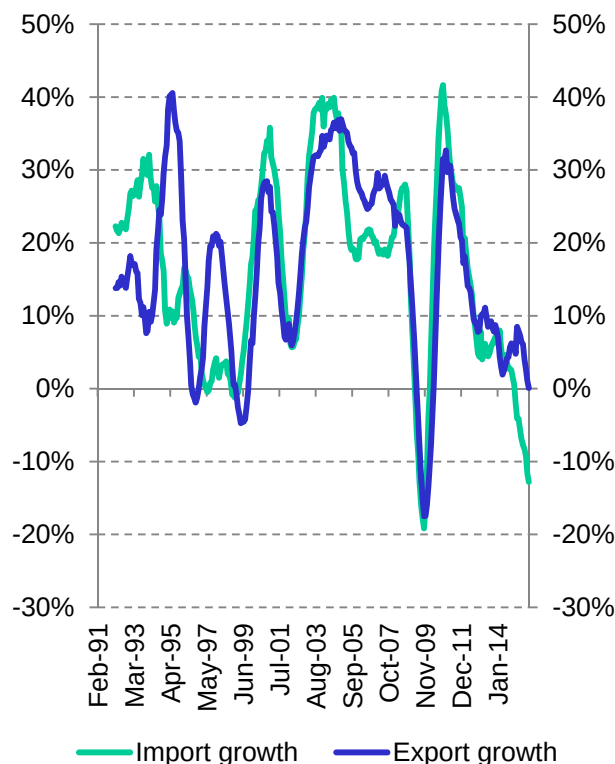
- China and other EMs have built up an enormous amount of leverage in a very short period of time after the financial crisis
- The market had been less concerned about that and generally believed:
 - The Chinese government is all powerful
 - The Chinese government has huge resources to deal with the problem
 - The Chinese government is extremely smart
- The handling of the equity sell-off in the summer of 2015 showed that at least one and maybe all three of these assumptions may be questionable

Two ways the Chinese economy may affect growth in developed markets

- In order to preserve the current account surplus, China has dramatically cut imports (in particular, Commodities), leading to a sharp decline in the economics of commodity exporting countries and the Metals & Mining sector.
- This may well expand to other sectors as the growth rate in China continues to drop
- On the other hand, falling producer prices and a stable prime lending rate has pushed real interest rates for producers to above 10%.
- Unless that situation reverses, China will likely have to cut rates, which should bring about a further de-valuation of the Renminbi, in turn exporting (even more of) their deflation to the world

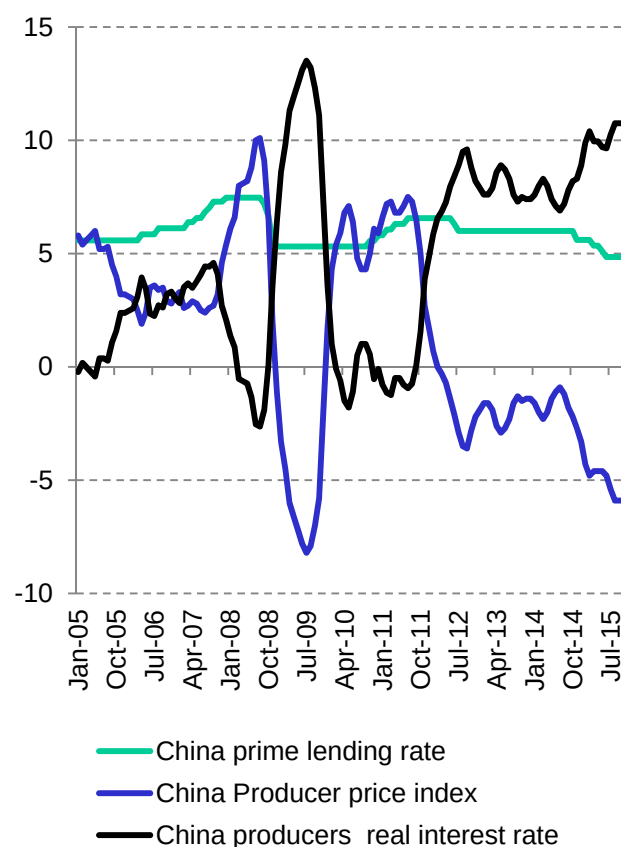
Chinese Import and Export growth (12m rolling)

In USD, 12M rolling, %



Chinese Prime lending rate and Producer price inflation

, %



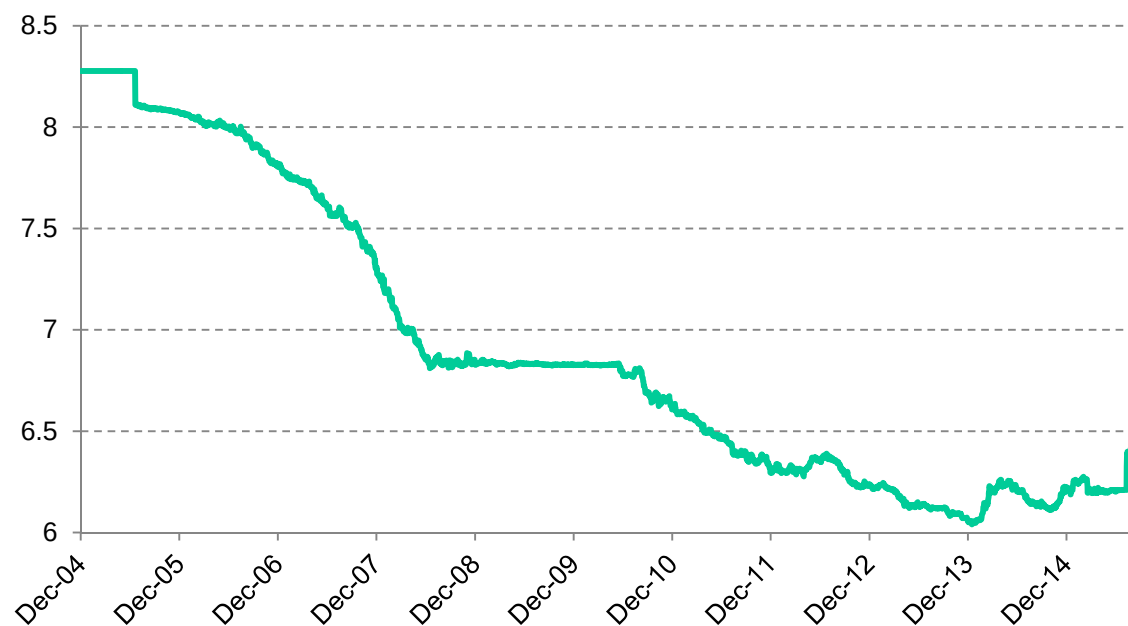
Source: Chinese Bureau of Statistics, Bloomberg, data as of end September 2015

The views and opinions are those of the portfolio management team as of the date of this presentation and are not representative of the Firm as a whole

Further de-valuation of the Renminbi to come?

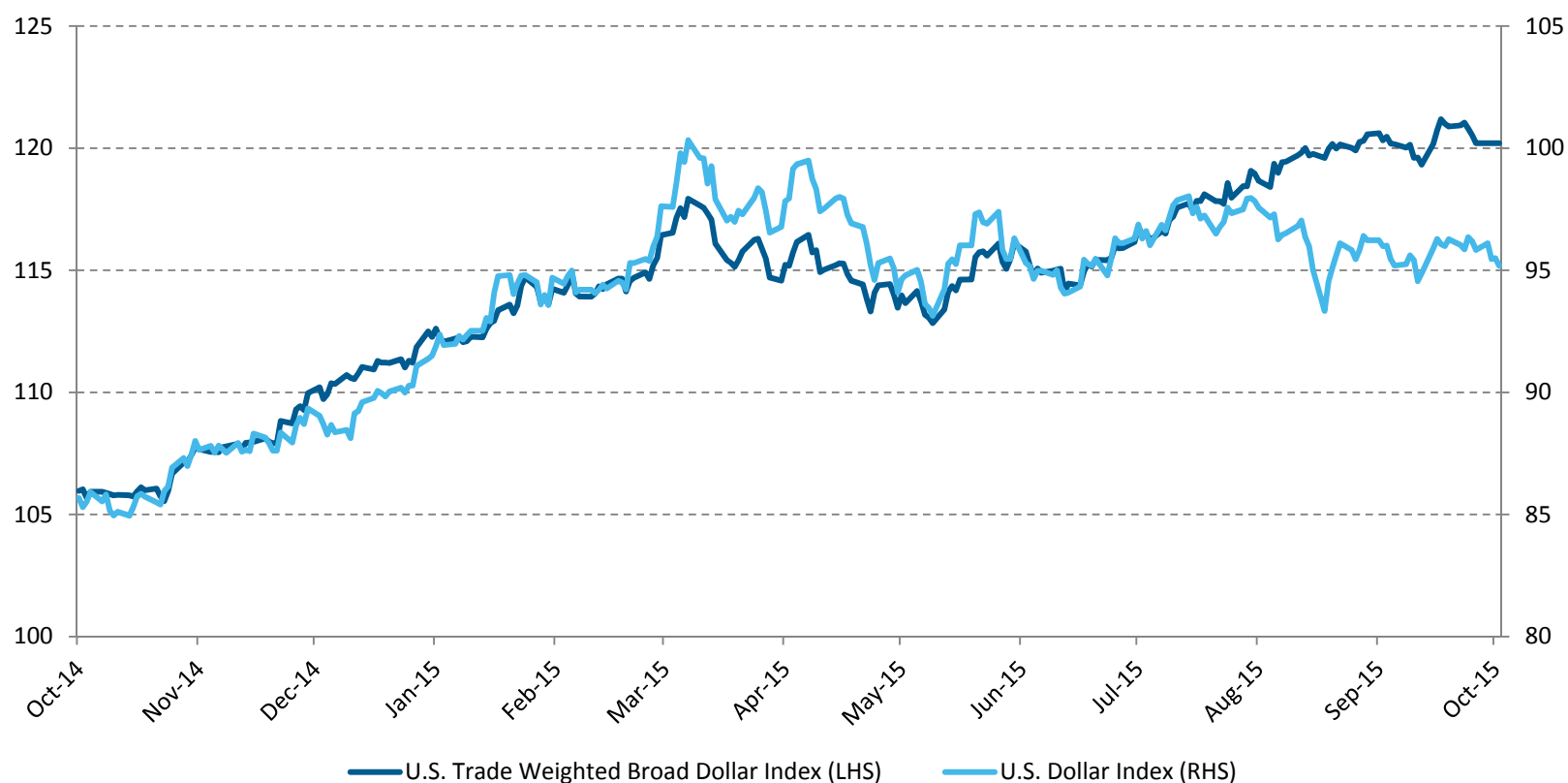
USDCNY spot exchange rate

USD in Renminbi



Source: Bloomberg, data as of October 14, 2015

The Fed already sees tightening as the broad based USD continues to strengthen

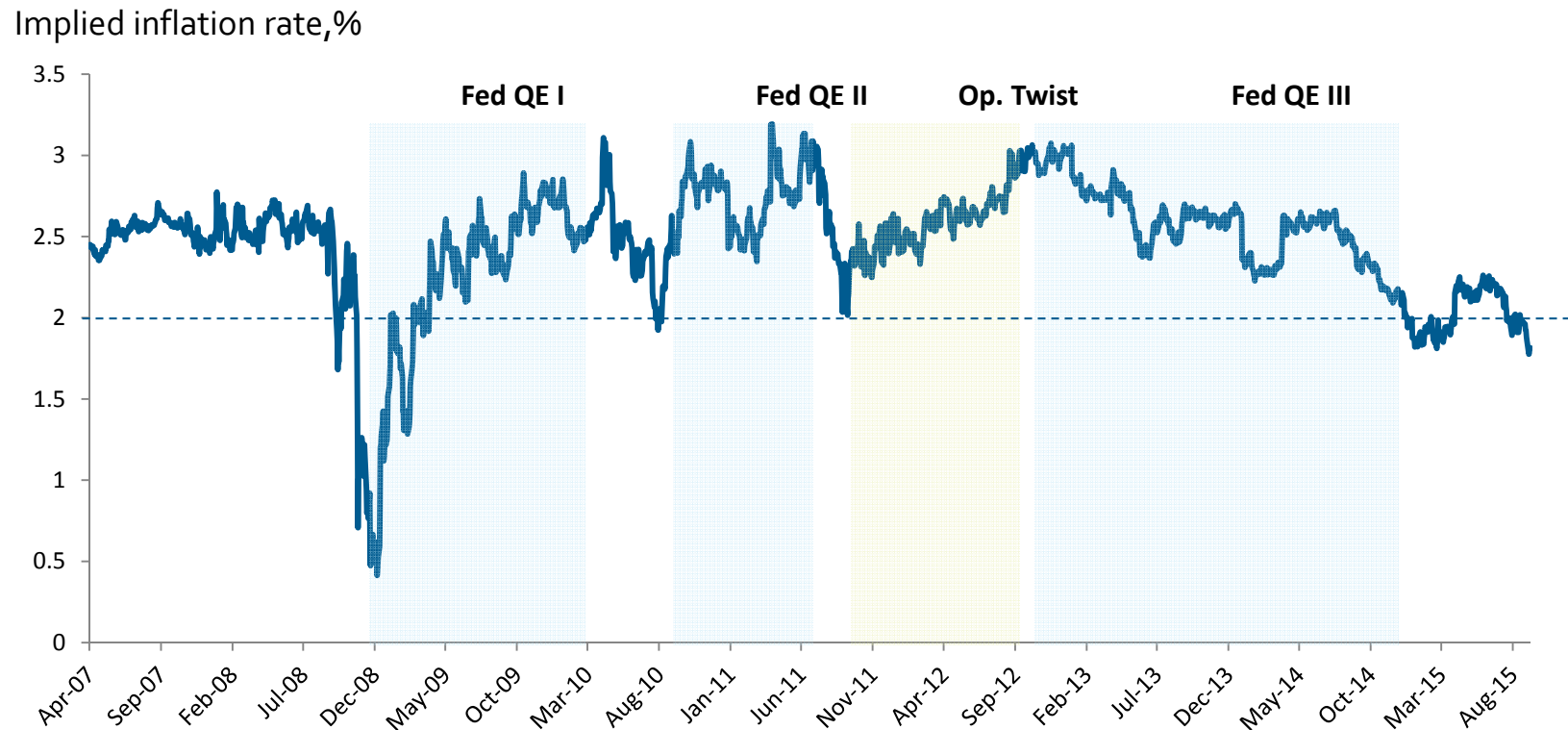


Source: Bloomberg. Data as of October 8, 2015.

The U.S. Dollar Index is calculated via averaging the exchanges rates between the dollar and some of the major world currencies (EUR, JPY, GBP, CAD, SEK, CHF). The U.S. Trade Weighted Broad Dollar Index is far broader, with weightings according to the size of U.S. trading partners.

And US long term inflation expectations have dropped to levels where previously the Fed initiated another round of QE

US 5 Year / 5 Year (measures Year 5 to Year 10 implied inflation rate)



Source: Bloomberg. Data as of September 30, 2015.

Note: The 5Y5Y calculates the market implied expectation for the period from Year 5 to year 10 of the upcoming 10Y time period

“Quality” – What Re-rating?

- S&P issues ‘quality’ ratings for equities based on factors such as earnings stability and balance sheet robustness
- High and low quality indices for top and bottom quality tranches of S&P500 were established in 2010 dating back to 1997
- High quality re-rated in 2000-2 and 2008-9, but in general the last decade has seen a de-rating of quality. Currently high quality versus low quality is back to 2000 and 2008 lows

S&P 500 High versus Low Quality Indices¹



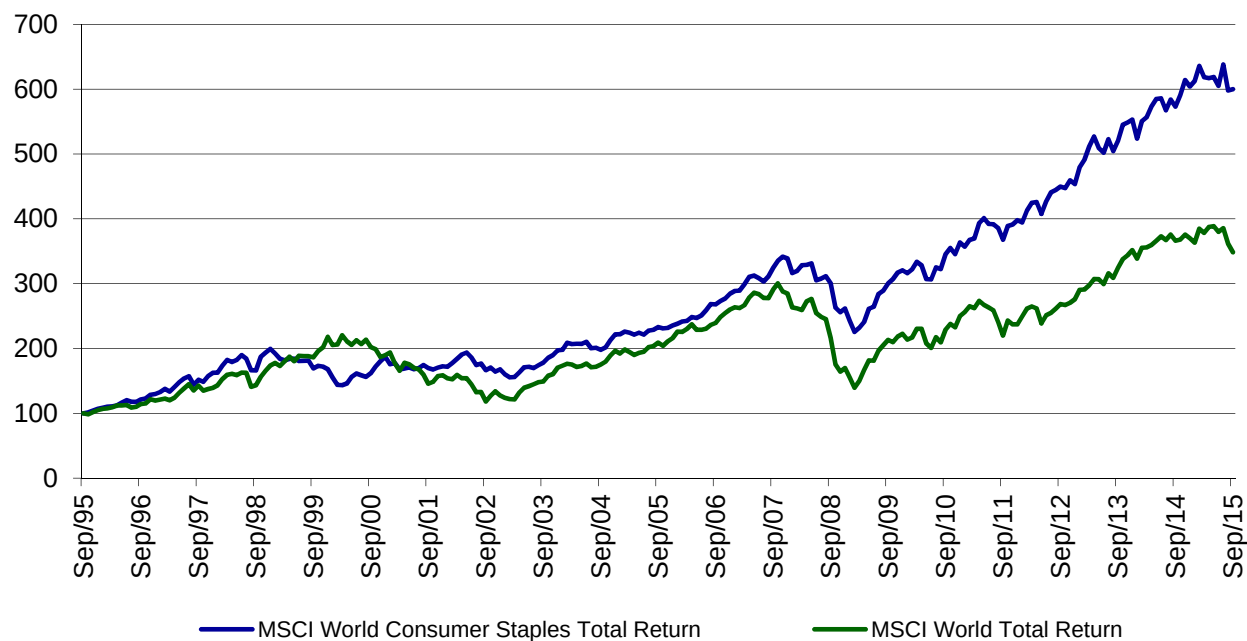
Data at September 30, 2015

1. The Standard & Poor's 500® Index (S&P 500®) measures the performance of the large cap segment of the U.S. equities market, covering approximately 75% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the U.S. economy. It is not possible to invest directly in an index. The S&P 500 High Quality Rankings Index is designed to provide exposure to constituents of the S&P 500 identified as high quality stocks – stocks with Quality Rankings of A- and above. The S&P 500 Low Quality Rankings Index is designed to provide exposure to those constituents of the S&P 500 identified as low quality stocks – stocks with Quality Rankings of B and below (excluding companies with scores of D or in liquidation). **Past performance is no guarantee of future results.** Provided for illustrative purposes only.

2. Index is High Quality Index / Low Quality Index x 100

Staples Have Outperformed The Market Over The Last Two Decades

Total Return: Staples versus MSCI World

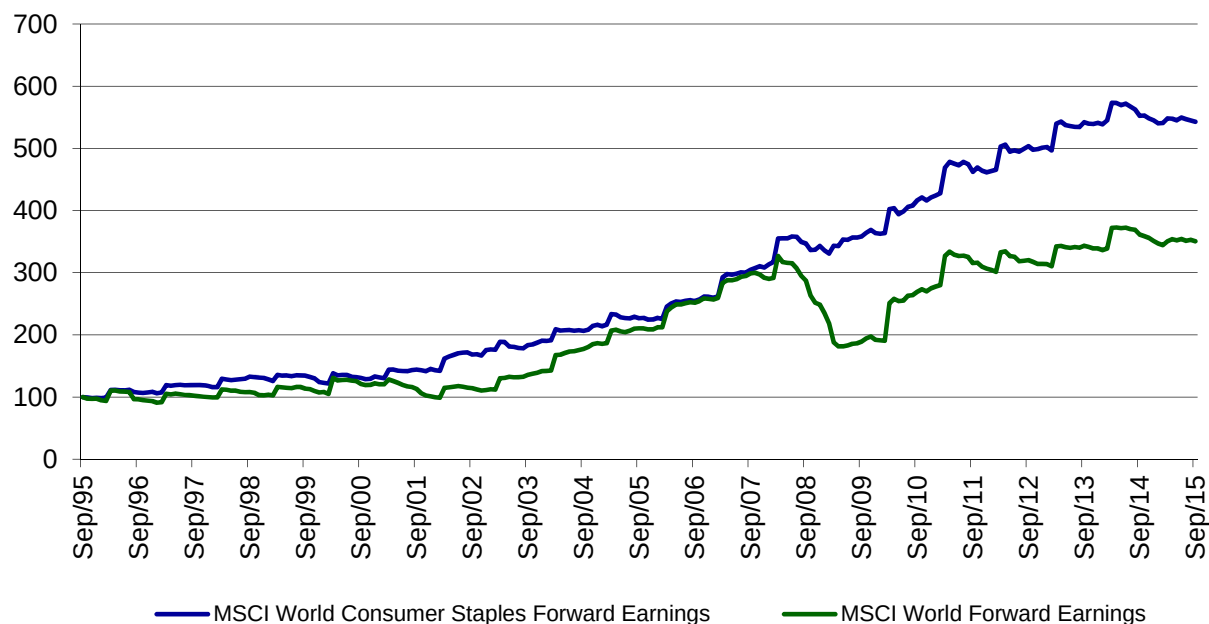


Source: Factset, MSIM analysis. Data as at September 30, 2015. Dividends reinvested for both series.

Past performance is no guarantee of future results. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell any security. It is not possible to invest directly in an index. The MSCI World Consumer Staples Index was launched on Sep 15, 1999. Data prior to the launch date is back-tested data (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance -- whether actual or back-tested -- is no indication or guarantee of future performance.

...Due to Far Better Earnings Growth...

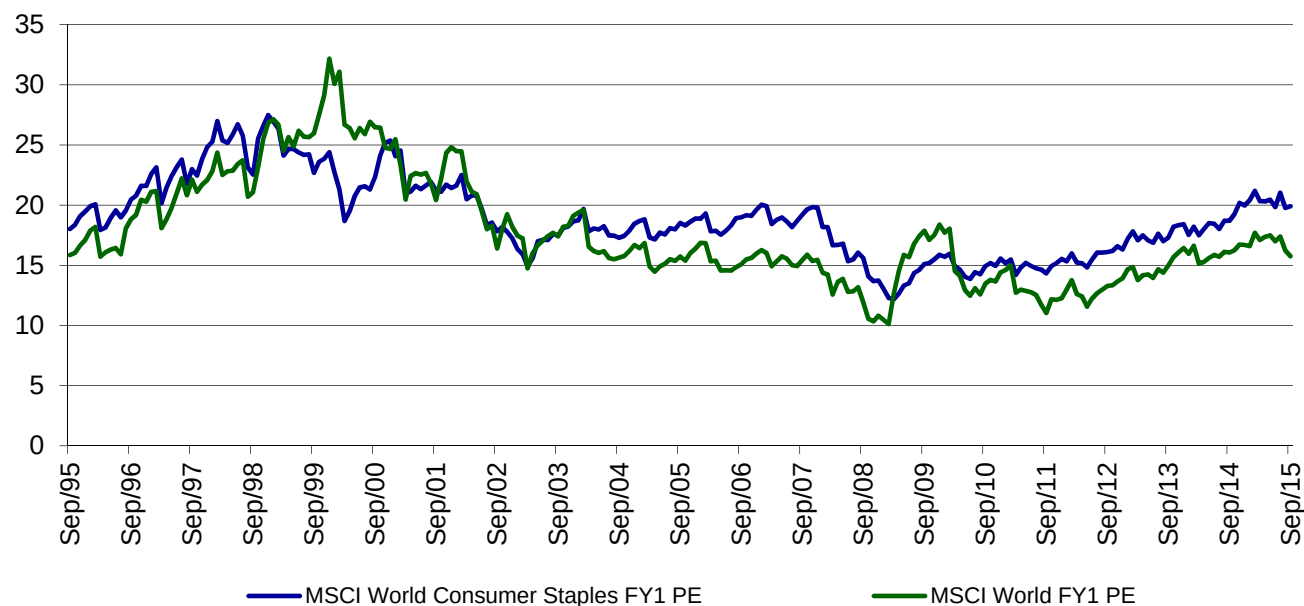
Earnings Growth: Staples versus MSCI World



Source: Factset, MSIM analysis. Data as at September 30, 2015. Dividends reinvested for both series. **Past performance is not guarantee of future results.** Provided for informational purposes only and should not be deemed as a recommendation to buy or sell any security. Forecasts/estimates are subject to change and may not necessarily come to pass due to changing markets and economic conditions. It is not possible to invest directly in an index. The MSCI World Consumer Staples Index was launched on Sep 15, 1999. Data prior to the launch date is back-tested data (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance -- whether actual or back-tested -- is no indication or guarantee of future performance.

...Rather Than Any Major Relative PE Shift

FY1 Forward PEs: Staples versus MSCI World

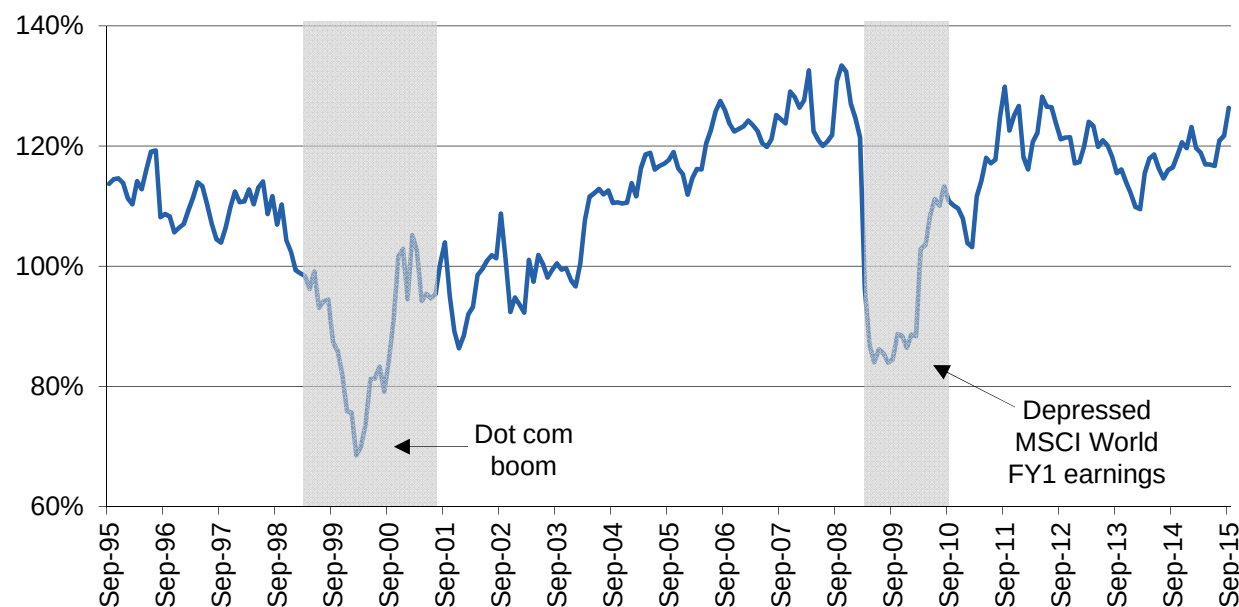


Data as of September 30, 2015.

Source: Factset, MSIM analysis. For illustrative purposes only. **Past performance is not indicative of future results.** Forecasts/estimates are subject to change and may not necessarily come to pass due to changing markets and economic conditions. It is not possible to invest directly in an index. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell any security. The MSCI World Consumer Staples Index was launched on Sep 15, 1999. Data prior to the launch date is back-tested data (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance -- whether actual or back-tested -- is no indication or guarantee of future performance.

Staples Relative PE Multiple Reasonable by 'Normal' Historical Standards

MSCI World Staples Relative FY1 Forward PE Multiple



Source: Factset, MSIM analysis.

Data as at September 30, 2015. Earnings shown are those of the MSCI World Consumer Staples relative to the MSCI World Index. **Past performance is not indicative of future results.** It is not possible to invest directly in an index. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell any security. Forecasts/estimates are subject to change and may not necessarily come to pass due to changing markets and economic conditions. The MSCI World Consumer Staples Index was launched on Sep 15, 1999. Data prior to the launch date is back-tested data (i.e. calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Past performance -- whether actual or back-tested -- is no indication or guarantee of future performance.

Outlook

- Valuations still high even after market retreat
- The world has continued to lever up
- Global growth continues to disappoint – with weakness now in Emerging Markets
- Falling commodity prices and Emerging Market weakness exporting deflation to Developed Markets. “Normalization” of interest rates may well continue to be delayed.
- Political and policy risk remains high globally, particularly in Europe

As of September 30, 2015. The information reflects the views of the Portfolio Management Team at the time of this writing. These views may change in response to changing economic and market conditions.

2015 Strategy

- Both earnings growth expectations and valuations still look uncomfortably high
- Clear pockets of value (Pharma, Insurance, Telecoms and Japan) have largely closed over the past 2-3 years
- Case for commodities still weak: many hard commodities still well above cost, and both supply and demand problematic
- Pricing power crucial in deflationary world... and under threat in several areas, notably Industrials
- We believe, global, high quality, steady compounders with rock solid balance sheets and sustainable dividends still offer the best potential risk/reward trade-off

As of September 30, 2015. The information reflects the views of the Portfolio Management Team at the time of this writing. These views may change in response to changing economic and market conditions.

Important Disclosures

Morgan Stanley Investment Management International Equity Trust (the "Trust") is a privately offered unregistered fund whose units are offered for investment only to qualified employee benefit plans and certain governmental plans pursuant to a confidential offering memorandum. The Trust is not currently registered, and does not propose in the future to be, registered as an investment company under the U.S. Investment Company Act of 1940, as amended. Morgan Stanley Investment Management Inc. is the sponsor of the Trust and Morgan Stanley Investment Management Limited is the investment manager of the Trust; both of which are registered with the U.S. Securities and Exchange Commission as investment advisers under the U.S. Investment Advisers Act of 1940, as amended.

Past performance is no guarantee of future results. Returns are gross of fees and assume the reinvestment of all dividends and income. Periods less than one year are not annualized. Returns are compared to an unmanaged market index and assumes the reinvestment of dividends and income. The index shown is not meant to depict the performance of any specific investment, should not be considered an investment, and does not include any expenses, fees or sales charges, which would lower performance. An investor can not invest directly in an index.

Any views and opinions herein are those of the team only as of September 30, 2015 are not necessarily those of Morgan Stanley, and are subject to change at any time due to market or economic conditions. All information provided is for informational purposes only. Any forecasts or estimates herein are not necessarily those of Morgan Stanley, and may not actually come to pass.

This material has been prepared solely for informational purposes and is not an offer, or a solicitation of an offer, to buy or sell any security or instrument or to participate in any trading strategy. Sector and Country allocation data was generated from Morgan Stanley Investment Management's internal accounting records and is preliminary. The Trust has fair valuation policies and procedures to value foreign equity securities held by the Trust that become stale as a result of events that occur after the foreign markets close but before the Trust calculates its net asset value. These fair value adjustments are reflected in the net asset value of the Trust but are not reflected in MSIM's internal accounting records. The values of securities used to calculate the net asset value of the Trust could therefore differ from the information contained in this report. Using security values that do not reflect such fair value adjustments increases the comparability of the information to the stated benchmark.

Risk Factors

Equity Securities. In general, prices of equity securities are more volatile than those of fixed income securities. **Risks of International Investing.** Any investment in foreign equity securities may involve a greater degree of risk than an investment in domestic equity securities. Among other things, foreign securities investments may carry the risks of less publicly available information, more volatile markets, less strict securities regulation, less favorable tax provisions, and a greater likelihood of war and expropriation of personal property than investments in domestic securities. **Liquidity.** A withdrawing subscriber may, at the discretion of MSIM, receive securities owned by the Trust in lieu of cash. The risk of loss and delay in liquidating these securities will be borne by the subscriber, with the result that such subscriber may receive less cash than it would have received on the date of withdrawal. **ERISA Issues.** MSIM anticipates that most or all of the subscribers will be entities subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and their participation will require special consideration of certain factors that are described in more detail in the Memorandum. **Federal Income Taxation.** The Trust has received a determination letter from the Internal Revenue Service as to the tax-exempt status of the Trust. MSIM, and the Trustee intend to comply with the provisions of ERISA and the Internal Revenue Code at all times. However, if for any reason the Trust should lose its tax-exempt status as a group trust, it would terminate pursuant to the terms of the Agreement of Trust.

Morgan Stanley

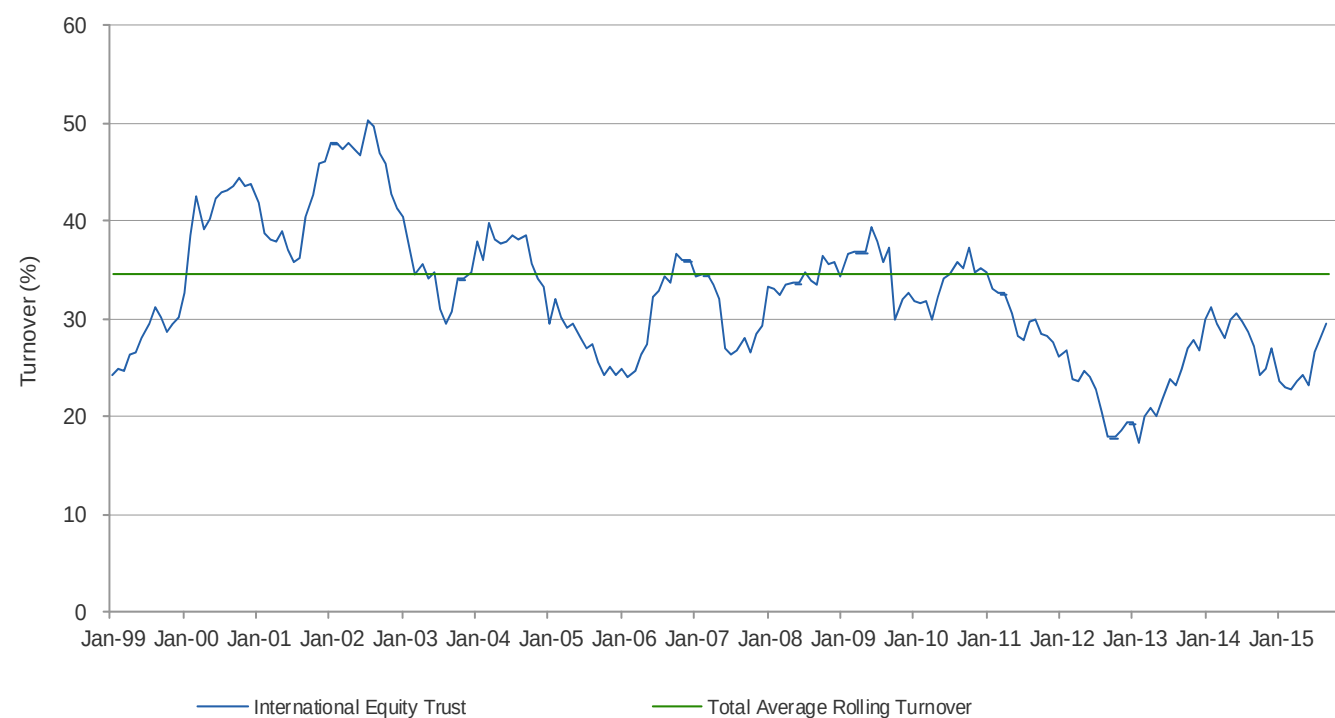
For the Exclusive Use of City of Fort Pierce Retirement and Benefit System and May Not be Redistributed

Section 5

Appendix

12 Month Rolling Turnover

Morgan Stanley International Equity Trust



Source: Morgan Stanley Investment Management

Data from January 1, 1999 to September 30, 2015. **Past Performance is not indicative of future results.** Subject to change daily. Provided for informational purposes only. Turnover calculated as: (Total of the lesser of buys or sales over 12 month period / Averaged market values over period) x 100.

Country Attribution – YTD 2015

Morgan Stanley International Equity Trust (%)

Data as of September 30, 2015¹

	Country Performance		Country Weightings		Attribution		Total
	Portfolio	Benchmark	Portfolio	Benchmark	Selection	Allocation	
United Kingdom	-1.51	-8.23	33.36	20.35	2.20	-0.27	1.93
Switzerland	-0.06	-1.57	15.20	9.38	0.26	0.27	0.53
Germany	-3.76	-8.91	7.61	9.11	0.40	0.04	0.44
Netherlands	2.59	-1.60	5.75	2.75	0.28	0.12	0.40
Australia	-53.99	-17.91	1.01	6.97	-0.36	0.75	0.39
Spain	0.00	-13.85	0.00	3.45	0.00	0.31	0.31
Singapore	0.00	-21.06	0.00	1.42	0.00	0.24	0.24
Ireland	11.64	8.88	1.29	0.36	0.03	0.15	0.18
Hong Kong	19.05	-8.00	0.49	3.08	0.05	0.08	0.12
Belgium	2.87	-1.36	0.78	1.31	0.10	0.00	0.10
Sweden	-3.76	-7.27	1.48	3.01	0.06	0.02	0.09
Norway	0.00	-14.54	0.00	0.64	0.00	0.05	0.05
New Zealand	0.00	-20.66	0.00	0.14	0.00	0.02	0.02
Finland	0.00	-6.96	0.00	0.85	0.00	0.01	0.01
Portugal	0.00	-3.22	0.00	0.15	0.00	0.00	0.00
Austria	0.00	-3.17	0.00	0.19	0.00	0.00	0.00
Israel	0.00	1.36	0.00	0.60	0.00	-0.03	-0.03
China	-21.32	0.00	0.91	0.00	0.00	-0.15	-0.15
Italy	-5.06	4.74	0.55	2.37	-0.04	-0.19	-0.23
Denmark	0.00	15.69	0.00	1.66	0.00	-0.30	-0.30
France	-7.17	-1.77	8.28	9.79	-0.36	-0.09	-0.45
Canada	-33.91	0.00	1.68	0.00	0.00	-0.54	-0.54
Japan	-2.80	0.20	18.86	22.25	-0.56	-0.13	-0.68
Cash ²	0.02	0.00	2.73	0.00	0.00	-0.13	-0.13
Total	-3.01	-5.28	100.0	100.0	2.07	0.20	2.27
Other ²	1.04	0.00					1.04
Total Returns	-1.97	-5.28					3.31

Source: Morgan Stanley Investment Management, FactSet

1. Portfolio weight is an average for the period from January 1, 2015 through September 30, 2015. Index MSCI EAFE Net. **Past performance is not indicative of future results.** Attribution total return may differ from reported total return due to differing methodologies. Returns are Gross of fees, quoted in USD terms, and include the reinvestment of all dividends and income. Had fees been included, returns would be lower and results may differ. Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities in the countries shown above.

2. "Other" is the difference between the buy-and-hold attribution and official portfolio returns Gross of Fees. It reflects the Net impact of cash flows and security transactions. Additional contributors can include differences in pricing sources and fair valuation practices between systems used to calculate these returns. In volatile or illiquid markets and for high turnover portfolios, these differences can become increasingly significant. Attribution considers the total return of each security (price appreciation and dividend income). Management Fees and expenses are not considered by the attribution. The 'Cash' line in the attribution includes cash balances as well as other cash instruments.

Long Term Sector Attribution

Morgan Stanley International Equity Trust – USD

Cumulative Returns for January 1, 1999 – December 31, 2014¹

- Stock selection has accounted for 78% of the strategy's long term performance

	Sector Performance		Average Sector Weightings		Performance Attribution		
	Portfolio (%)	Index (%)	Portfolio (%)	Index (%)	Selection (%)	Allocation (%)	Total (%)
Consumer Staples	472.4	188.6	20.0	9.0	29.1	11.5	40.6
Information Technology	245.3	3.4	5.8	6.2	17.9	0.7	18.6
Financials	62.5	34.9	16.4	25.4	13.2	3.3	16.5
Health Care	338.0	150.2	8.9	8.8	12.0	3.0	15.0
Materials	310.8	216.2	8.4	7.9	7.2	5.9	13.0
Consumer Discretionary	185.9	99.6	8.7	12.0	9.0	2.4	11.5
Industrials	224.0	140.2	8.4	11.0	8.8	1.6	10.3
Telecoms	70.2	36.8	7.6	7.1	5.2	0.2	5.4
Utilities	138.8	82.4	4.5	5.0	1.9	3.0	4.9
Energy	137.2	128.9	8.0	7.7	2.4	1.5	3.8
Cash ²	25.4	-	3.4	-	-	-3.7	-3.7
Hedging	-2.4	-	-0.0	-	-	0.9	0.9
Total	220.7	83.9	100.0	100.0	106.5	30.3	136.7
Other ²	-4.8	1.1	-	-	-	-	-5.9
Total Returns	215.9	85.0	-	-	-	-	130.8

Source: Morgan Stanley Investment Management and FactSet

1. Portfolio weight is an average for the period January 1, 1999 through December 31, 2014. Index MSCI EAFE Net Index. **Past performance is not indicative of future results.** Attribution total return may differ from reported total return due to differing methodologies. Returns are Gross of fees, quoted in USD terms, and include the reinvestment of all dividends and income. Had fees been included, returns would be lower and results may differ. Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities in the sectors shown above.
2. Other² is the difference between the buy-and-hold attribution and official portfolio returns Gross of Fees. It reflects the Net impact of cash flows and security transactions. Additional contributors can include differences in pricing sources and fair valuation practices between systems used to calculate these returns. In volatile or illiquid markets and for high turnover portfolios, these differences can become increasingly significant. Attribution considers the total return of each security (price appreciation and dividend income). Management Fees and expenses are not considered by the attribution. The 'Cash' line in the attribution includes cash balances as well as other cash instruments and derivatives (e.g., currency forwards) that can be held by the portfolio for hedging purposes.

Appendix - Biographies

Portfolio Management Team

William Lock

Managing Director

william.lock@morganstanley.com

William is a portfolio manager and head of the London-based International Equity team. He joined Morgan Stanley in 1994 and has 23 years of investment experience. Prior to joining the firm, he worked at Credit Suisse First Boston's Corporate Finance Group, and was a management consultant with Arthur D. Little. William received a B.A. in modern history from Keble College, Oxford.

Christian Derold

Managing Director

christian.derold@morganstanley.com

Christian is a portfolio manager for the London-based International Equity team. He joined Morgan Stanley in 2006 and has 23 years of investment experience. Prior to joining the firm, Christian was director of research at Millgate Capital, a long short equity hedge fund. Prior to this, he worked at the State of Wisconsin Investment Board where he managed the Board's international equity portfolio. Christian received an M.A. in business administration from the University of Economics and Business Administration in Vienna, Austria.

Bruno Paulson

Managing Director

bruno.paulson@morganstanley.com

Bruno is a portfolio manager for the London-based International Equity team. He joined Morgan Stanley in 2009. Prior to joining the firm, Bruno worked for Sanford Bernstein in London, where he was a Senior Analyst covering the financial sector, particularly banks and insurers, for eight years. Previously, he was a manager at the Boston Consulting Group where he focused on the financial services industry. Bruno has an MBA from INSEAD where he received the Ford Prize for graduating top of class. He was also a Research Fellow in Political Economy at Nuffield College, Oxford, and received a B.A. in Politics, Philosophy and Economics with 1st Class Honors from Keble College, Oxford.

Team members may change from time to time.

Portfolio Management Team

Vladimir Demine, CFA

Executive Director

vladimir.demine@morganstanley.com

Vladimir is a portfolio manager for the London-based International Equity team. He joined Morgan Stanley in 2009 and has 13 years of investment management experience. Prior to joining the firm, Vladimir worked for UBS Global Asset Management in London, where he was an analyst responsible for stock selection of consumer staples holdings in key client mandates. Vladimir received an M.Sc. in investment management with Distinction from City University (CASS) Business School and a Master's in finance with Distinction from St Petersburg State University of Economics and Finance.

Dirk Hoffmann-Becking

Executive Director

dirk.hoffmann-becking@morganstanley.com

Dirk is a portfolio manager for the London-based International Equity team. He joined Morgan Stanley in 2013 and has 17 years of investment experience. Prior to joining the firm, Dirk worked for Société Générale as Global Head of Bank Sector Research. Previously, was a senior research analyst covering European Banks at Sanford Bernstein. Prior to that, Dirk spent five years as a consultant for McKinsey & Company and three years as a strategy manager at ABN Amro. Dirk has a Ph.D. in Law (magna cum laude) from Christian Albrechts University of Kiel, Germany and trained and worked as a lawyer at Freshfields Bruckhaus Deringer.

Nic Sochovsky

Executive Director

nic.sochovsky@morganstanley.com

Nic is a portfolio manager for the London-based International Equity team. He joined Morgan Stanley in 2015 and has 17 years of industry experience. Prior to joining the team, Nic worked for Credit Suisse within a top industry ranked consumer staples team covering Food manufacturing, HPC, beverages and tobacco. Before that he headed the consumer research team at Unicredit and was a senior analyst at Merrill Lynch and Lehman Brothers covering pan-European Food manufacturing and HPC. Nic received a B.A. in Economics from Sheffield University

Team members may change from time to time.

Portfolio Management Team

Marcus Watson

Vice President

marcus.watson@morganstanley.com

Marcus is a portfolio manager for the London-based International Equity team. He joined Morgan Stanley in 2008. He received a B.Sc in psychology from the University of Newcastle Upon Tyne.

Alex Gabriele, CFA

Vice President

alexander.gabriele@morganstanley.com

Alex is a member of the London-based International Equity team and joined Morgan Stanley in 2012. He has 6 years of investment experience from a London based hedge fund. Previously, Alex was responsible for stock selection across the cyclical universe, predominantly in Asia ex-Japan. Alex holds a B.A in Natural Sciences from Trinity College, Cambridge.

Richard Perrott, CFA

Vice President

richard.perrott@morganstanley.com

Richard is a research analyst for the London-based International Equity team. He joined Morgan Stanley in 2015 and has 10 years of industry experience. Prior to joining the team, Richard was an equity research analyst at Autonomous Research covering specialty financials. Before that Richard covered financials at Berenberg Bank and financials and healthcare at Sanford Bernstein. Richard received an M.A in Mathematics and Philosophy from St Edmund Hall, Oxford.

Team members may change from time to time.

Portfolio Specialist Team

Catherine M. Colecchi

Managing Director

catherine.colecchi@morganstanley.com

Catherine is a portfolio specialist for the International Equity and Global Franchise products managed from London and works with clients based in the Americas. She joined Morgan Stanley in 1983 and MSIM in 1997, and has 19 years of investment experience. Previously she was a foreign exchange trader with assignments in Morgan Stanley's New York and London offices. Catherine received a BA from Vassar College and is a member of Phi Beta Kappa.

Nancy Jean Norton

Executive Director

nancy.norton@morganstanley.com

Nancy is a portfolio specialist for the International Equity products managed from London and works with North American-based clients. She re-joined Morgan Stanley Investment Management in 2011 and has 32 years of institutional investment experience. Prior to re-joining the firm, she was a Senior Vice President and Senior Relationship Manager at Cohen & Steers Capital Management, Director and Senior Relationship Manager at Deutsche Asset Management, Vice President and Principal Manager of Fiduciary Services at J.P. Morgan Asset Management. At MSIM, Nancy was Vice President in the Fiduciary Advisory Group. Nancy received a BA from St. John's University.

Jill Ytuarte

Executive Director

jill.ytuarte@morganstanley.com

Jill is a portfolio specialist for the London-based International Equity team and works with North America based clients. She joined Morgan Stanley Investment Management in 2004 and has 17 years of investment industry experience. Prior to joining the firm, Jill served as a management consultant at Kasina and before that was an assistant vice president of Institutional Marketing at AllianceBernstein. Jill received a B.A., magna cum laude, from Adelphi University Honors College, studied English Literature at St. Anne's College, Oxford University, and earned an M.B.A. from Columbia Business School.

Sean McDermott

Vice President

sean.mcdermott1@morganstanley.com

Sean is a portfolio specialist for the International Equity products managed from London and works with North American-based clients. He joined Morgan Stanley in 2012 and has 11 years of investment experience. Prior to joining the firm, Sean was a Vice President and Relationship Manager at Cohen & Steers Capital Management. Previously, he was a client service and sales associate at Robeco Investment Management and a legal assistant at Office of the Corporation Counsel. Sean received a B.A. from the College of the Holy Cross.

Team members may change from time to time.

THIRD QUARTER 2015
INVESTMENT UPDATE

for

CITY OF FORT PIERCE
RETIREMENT AND BENEFIT SYSTEM



RICHMOND CAPITAL MANAGEMENT
Experience, Knowledge, Service

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

Performance Summary

As of September 30, 2015

	City of Fort Pierce Retirement and Benefit System	Barclays Aggregate Index★	Value Added
3rd Quarter, 2015	1.46%	1.23%	+0.23%
Year to Date	1.65%	1.13%	+0.52%
Fiscal Year to Date (1 year)	3.44%	2.94%	+0.50%
Annualized: 3 Years	2.34%	1.77%	+0.57%
5 Years	3.92%	3.21%	+0.71%
10 Years	5.39%	4.67%	+0.72%
Annualized Since Inception (8/1/1989)	6.96%	6.39%	+0.57%

Fiscal Year End September 30th

★Barclays Govt/Credit from 8/1/89 to 5/31/13, Barclays Aggregate from 6/1/13 forward

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

Portfolio Review

As of September 30, 2015

Cash Flows Since Inception <i>Through September 30, 2015</i>	
Market Value <i>(8/1/1989)</i>	\$12,816,948
Change in Market Value of Holdings	5,098,580
Interest Earned	62,061,263
Contributions/ <i>Withdrawals</i>	26,506,983 (57,142,216)
Total	\$49,341,558

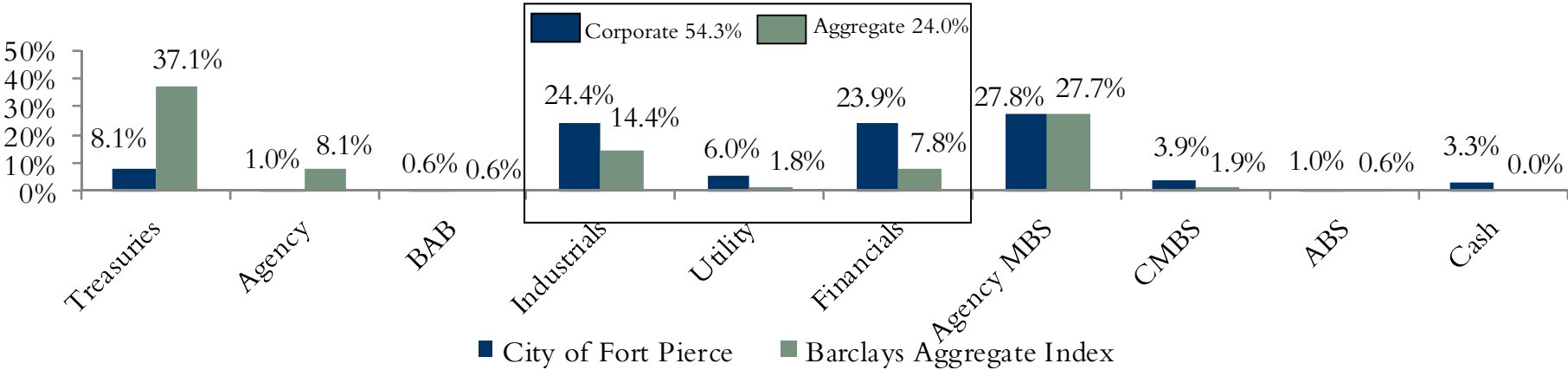
Portfolio Review <i>Through September 30, 2015</i>	
Average Maturity	6.62 Years
Portfolio Duration <i>(Barclays Aggregate)</i>	4.98 Years 5.43 Years
Average Yield to Maturity	2.34%
<i>(Barclays Aggregate)</i>	2.20%
Average Quality	AA

Statistics in this report are calculated by Bond Edge Fixed Income Analytic models.

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

As of September 30, 2015

Quality Distribution		
	City of Fort Pierce	Barclays Aggregate Index
AAA	45.1%	72.6%
AA	2.9%	3.6%
A	34.9%	11.5%
BAA	17.1%	12.3%



Statistics in this report are calculated by Bond Edge Fixed Income Analytic models.

STRATEGY FOR TODAY'S MARKET

As of September 30, 2015

- » Income dominates return over the long term. We are presently overweight short and intermediate maturity corporate bonds and take comfort in the high quality of our holdings.
- » Diversify, diversify, and diversify! Portfolio has exposure to 82 credits.
- » Our mortgage holdings are currently duration neutral to the index. We continue to focus on specified pools with attractive prepayment characteristics.
- » Interest rates are low. The portfolio is defensively postured with duration 0.45 years less than the Barclays Aggregate Index. We cannot forecast when interest rates will rise, but view our duration strategy as an inexpensive insurance policy for our portfolios.
- » Yield curve is very positively sloped. The portfolio is defensively postured in the 1-5 year maturities.

November 19, 2015

Cliff Kalish
Client Relationship Manager

City of Fort Pierce

International Growth

William Blair

Compliance Disclosure

The information about the William Blair Fund's holdings contained in this presentation are as of the date specified on the holdings page and are subject to change thereafter. Information about the Fund's holdings should not be considered investment advice. There is no guarantee that the Fund will continue to hold any one particular security or stay invested in any one particular sector. Holdings are subject to change at any time.

As used in this document, "William Blair" refers to William Blair Investment Management, LLC and the Investment Management division of William Blair & Company, L.L.C. unless otherwise noted. For more information about William Blair, please see <http://www.williamblair.com/About-William-Blair.aspx>

Performance cited represents past performance. Past Performance does not guarantee future results and current performance may be lower or higher than the data quoted. Investment returns and principal will fluctuate with market and economic conditions and you may have a gain or loss when you sell shares. Current performance may be lower or higher than the data quoted.

Most recent month-end performance information for William Blair Funds is available by visiting the William Blair Funds Web site at www.williamblairfunds.com, or by calling the William Blair Funds at 1-800-742-7272.

Please carefully consider the Fund's investment objective, risks, charges, and expenses before investing. This and other information is contained in the Fund's prospectus, which you may obtain by calling 1-800-742-7272. Read it carefully before you invest or send money.

Investments are subject to market risk.

International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk. Investing in emerging markets can increase these risks.

Investing in smaller companies involves special risks, including higher volatility and lower liquidity.

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Overview

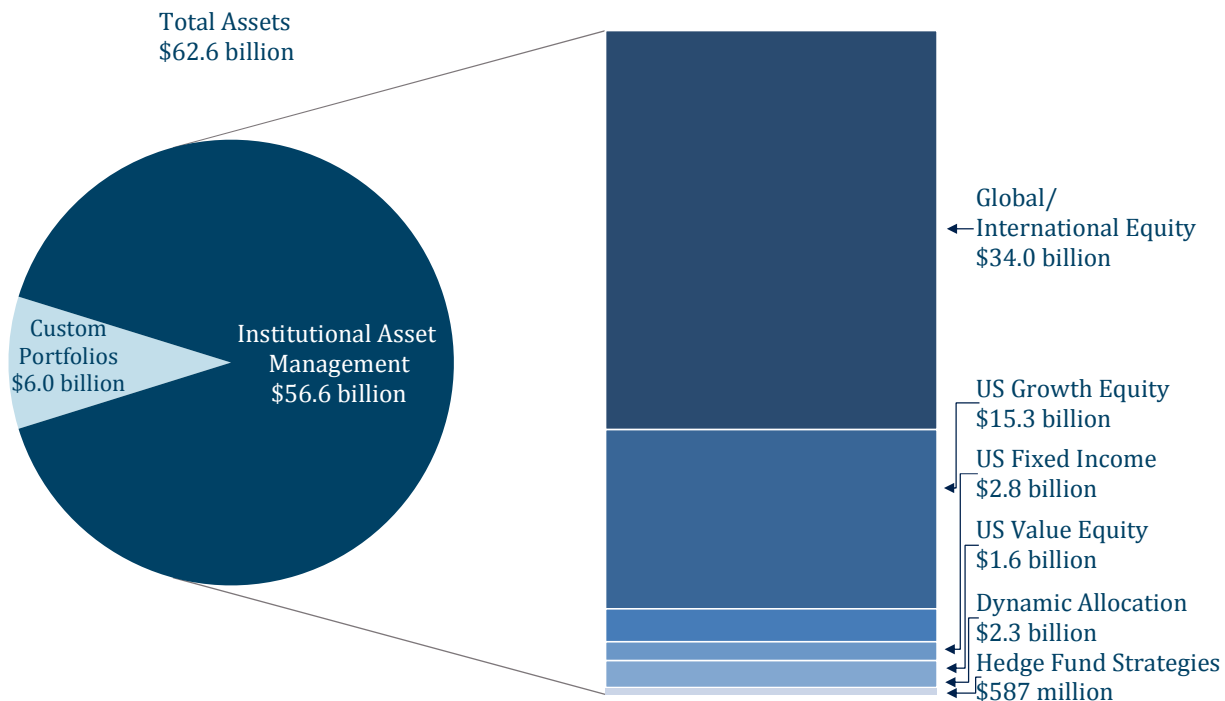
Photos courtesy of Casey Preyss, Ken McAtamney, Stephanie Braming and Alaina Anderson



Overview – Asset Management Capabilities

William Blair has been active in investment management for institutional and individual clients since its founding.

A number of clients who invested with us in our early years remain with us decades later. Our asset base has grown substantially in recent years.



As of September 30, 2015.

International and Global Portfolio Strategies

The non-U.S. and global strategy suite reflects the changing global opportunity set and our philosophy of constantly expanding our horizons to capitalize on new opportunities.

- The Focused Leaders strategies comprise high quality leaders across the corporate life cycle in terms of products, services, and execution
- The All Cap strategies reflect broad exposure to high quality companies across the market capitalization spectrum
- The Small Capitalization strategies are designed to capture a broader array of small and micro-cap opportunities with more limited liquidity
- Developed Plus represents our version of EAFE plus with limited emerging markets exposure

	International	Emerging Markets	Global
Focused Leaders	International Leaders \$3.5 billion	Emerging Markets Leaders \$3.4 billion	Global Leaders \$2.4 billion
All Cap	International Growth (Closed 6/12) \$15 billion	Emerging Markets Growth (Closed 6/11) \$3.9 billion	
Small Cap	International Small Cap Growth (Closed 3/11) \$2.7 billion	Emerging Markets Small Cap Growth (Closed 10/13) \$1.3 billion	Global Small Cap Growth \$59 million
Targeted Opportunities	International Developed Plus \$1.6 billion		

Assets as of September 30, 2015. International Developed Plus includes ADR strategy assets.

International Investment Team

Portfolio Management					
International Growth	International Leaders	Developed Plus	International Small Cap	Emerging Markets Strategies	Equity Specialists
Stephanie Braming, CFA, Partner BA, DePauw University MBA, University of Chicago • 11 years WB/24 years industry Simon Fennell, Partner MA, University of Edinburgh MBA, Cornell University • 4 years WB/23 years industry Jeffrey Urbina, CFA, Partner BS, Northwestern MM, Kellogg School of Mgmt. • 18 years WB/29 years industry	Ken McAtamney, Partner BA, Michigan State MBA, Indiana University • 10 years WB/25 years industry Simon Fennell, Partner MA, University of Edinburgh MBA, Cornell University • 4 years WB/23 years industry	David Merjan, CFA, Partner BA, Dickinson College MIM, Thunderbird School • 17 years WB/28 years industry Jack Murphy, CFA, Partner¹ BA, Villanova University • 10 years WB/19 years industry	Stephanie Braming, CFA, Partner BA, DePauw University MBA, University of Chicago • 11 years WB/24 years industry Andy Flynn, CFA, Partner BA, University of Kansas MBA, UNC – Chapel Hill • 10 years WB/25 years industry Jeffrey Urbina, CFA, Partner BS, Northwestern MM, Kellogg School of Mgmt. • 18 years WB/29 years industry	Emerging Markets Growth Jeffrey Urbina, CFA, Partner BS, Northwestern MM, Kellogg School of Management • 18 years WB/29 years industry Casey Preyss, CFA, Partner BS, BA, Ohio State University MBA, University of Chicago • 15 years WB/16 years industry Todd McClone, CFA, Partner BA, BBA, University of Wisconsin–Madison • 15 years WB/23 years industry <u>Emerging Leaders/Small Cap</u> Todd McClone, CFA, Partner Jeffrey Urbina, CFA, Partner	Bob Duwa, CFA Partner BA, Loras College • 5 years WB/26 years industry Romina Graiver B.S.c., Masters in Economy of Industry and Services, Pantheon Sorbonne • 3 years WB/16 years industry Blake Pontius, CFA BA, Michigan State MBA, DePaul • 10 years WB/18 years industry
Fundamental Research Team ²					
Strategy Research	Sector Research			Systematic Research	
	Consumer	Financials	Healthcare		
	Vivian Lin Thurston, CFA BA, Peking University MA and MS, University of Illinois Dan Su, CFA BA, Beijing Foreign Studies University MBA, University of Chicago Rita Spitz, CFA, Partner BBA, University of Wisconsin–Madison MBA, University of Chicago	Joel Gombert, CFA, Partner BS, University of Illinois MBA, University of Chicago D.J. Neiman, CFA, Partner BS, Miami University MBA, University of Michigan Alaina Anderson, CFA, Partner BS, University of Pennsylvania MBA, University of Chicago	Thomas Sternberg, CFA BS, Duke University MBA, University of Chicago Kwesi Smith, CFA BS, University of Virginia Richard Reznick, Ph.D. BS, University of Illinois Ph.D., Yale University		
	Industrials	Information Technology	Resources		
	Andrew Siepker, CFA BS, University of Nebraska Anil Daka, CFA Bachelor of Technology, Metallurgical Engineering, Indian Institute of Technology MBA, University of North Carolina Taylor Cope, CFA MA, University of St. Andrews	William Benton, CFA, CPA, Partner BS, University of Illinois MBA, Tuck School Drew Buckley, CFA, CPA BS, University of Colorado	William De Allaupe, CFA BS, Montclair State University MBA, University of Chicago		
	Emerging Markets Small Cap Generalist		Global Generalist		
	Travis Cope , MA, University of St. Andrews		Daniel Hill , CFA, BS, Univ. of Nebraska MBA, Kellogg School of Management		
	Research Associates (9)				
	Implementation/Trading Team ³				
Asia/Pacific	Europe	Americas & Fx	Portfolio and Trade Order Management	International Trade Specialists	
Daniel Iannessa BS, University of Dayton Nathan Fisher, CFA Penn State University Malik Nicholson Southern Maine University	Nicola Hynds Simon Johnstone	Terry O’Bryan, Partner, Head of International Trading BS, University of Vermont	Tim Randick BS, Western Illinois University Monika Budyn BS, University of Illinois Chicago	Kristin Gaffud BS, University of Notre Dame Michael LaDuke BS, Indiana University	

As of October 2015. 1. Jack Murphy also serves as Director of Research. 2. Fundamental Research Team average 8 years at William Blair and 15 years in the industry. 3. Traders, excluding Portfolio and Trade Order Management and International Trade Specialists, average 5 years at William Blair and 14 years in the industry.

Market Overview/Strategy

Photos courtesy of Vivian Thurston and Andrew Siepker



London

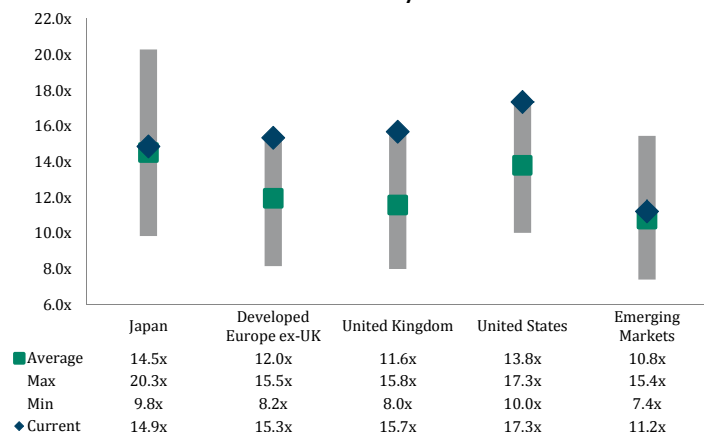


Mumbai

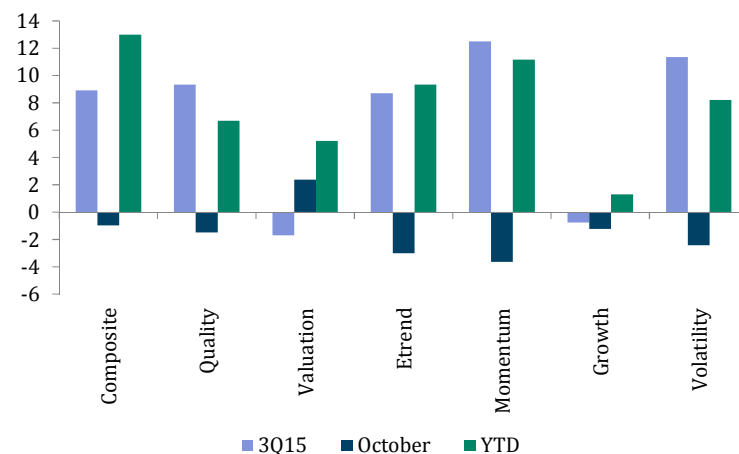
Global Equity Market Environment

Regional Valuations and Earnings Revisions 10/31/15 vs. 10 Year History

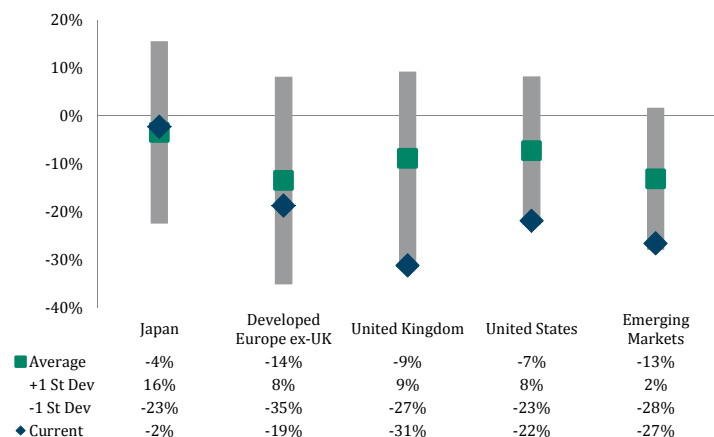
FY2 P/E



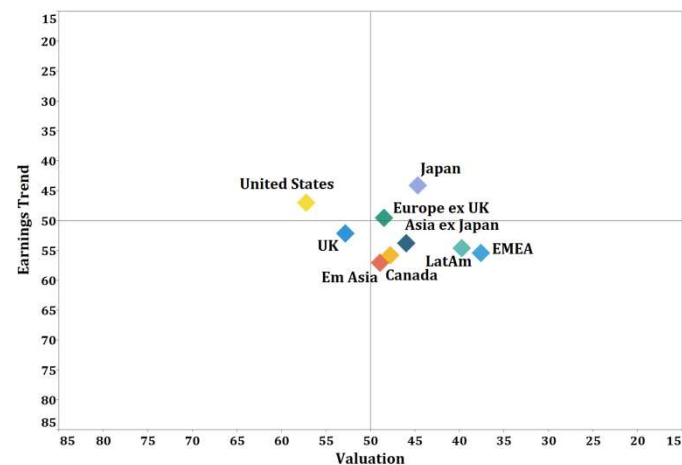
MSCI ACWI IMI Quant Model Performance Quintile 1 - Quintile 5 (%)



Earnings Revision Ratio



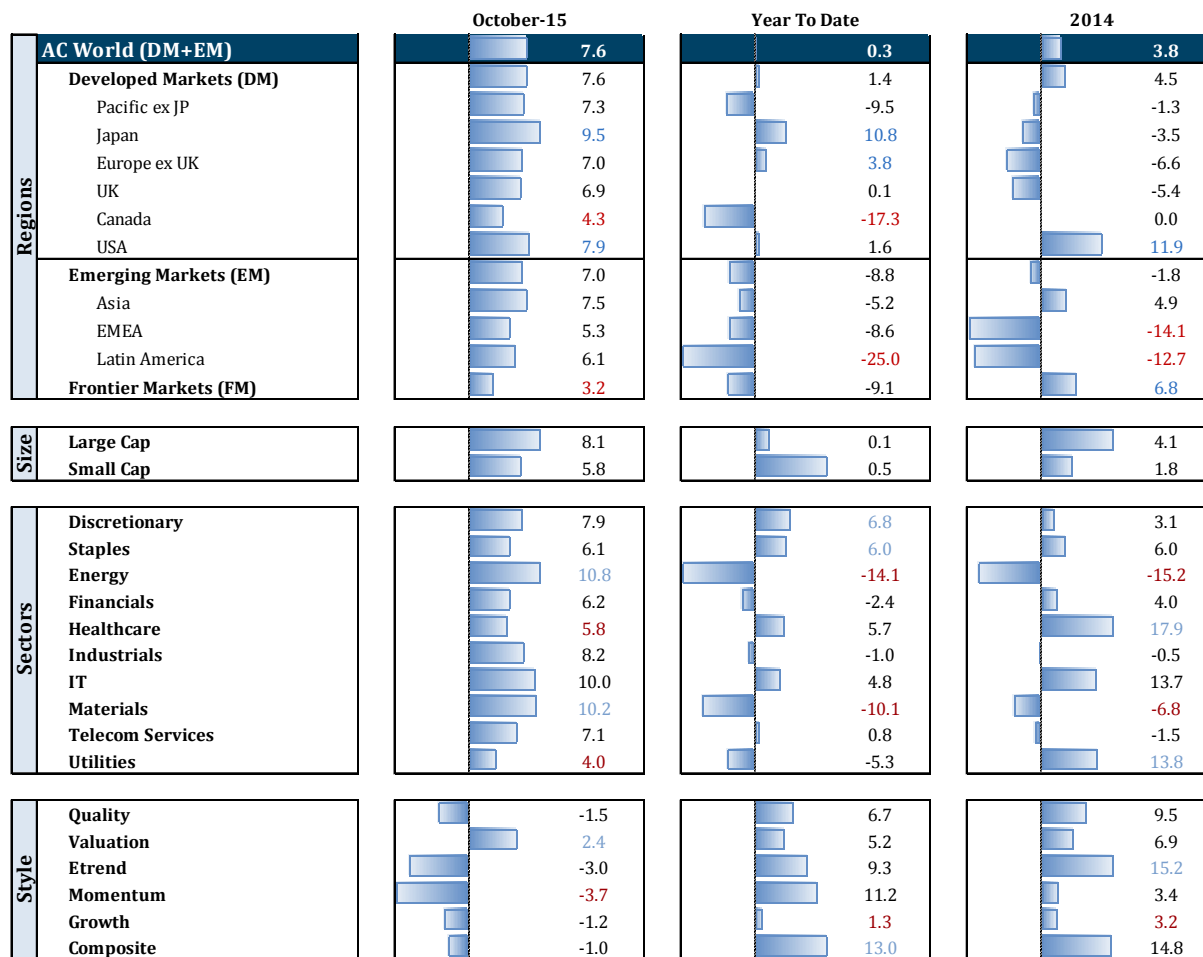
Global Earnings Trend and Valuation by Region



Source: William Blair Quantitative Models, Datastream, FactSet, MSCI. Past performance does not guarantee future results. Data as of October 31, 2015.

Market Performance – Global Markets

October 31, 2015

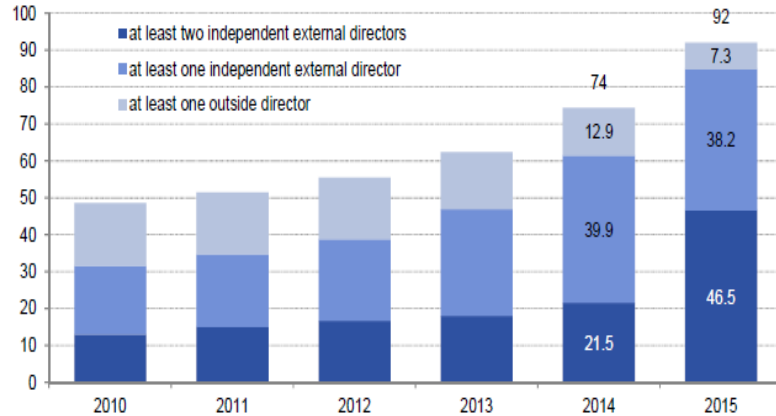


Regional performance is based on IMI region/country indexes. Sector and style values are based on the MSCI ACWI IMI Index. Size values are based on the MSCI ACWI Index. Style values reflect the Quintile 1 minus Quintile 5 spread of William Blair's proprietary quantitative models. Sectors are based on Global Industry Classification (GICS) sectors. Large Cap and Small Cap based on MSCI Global Investable Market Index Methodology. Data in blue reflects the top 20% (highest) values by region, country, sector, and style. Data in red reflects the bottom 20% (lowest) values by region, country, sector, and style.

Past returns are no guarantee of future performance. A direct investment in an unmanaged index is not possible. The Morgan Stanley Capital International (MSCI) All Country World IMI Index is an unmanaged index that includes developed markets and emerging markets. Calculated in FactSet. All index returns are net of dividends.

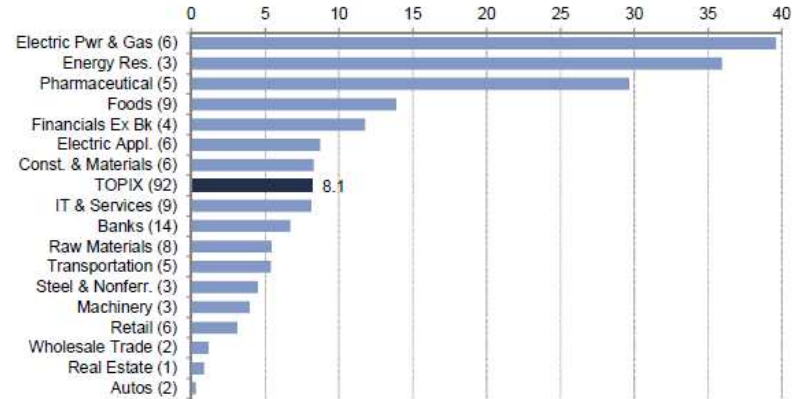
Japan: Corporate Performance and Governance Improvement

TSE Company Appointments of External and Independent Directors (%)



As of 6/16/2015

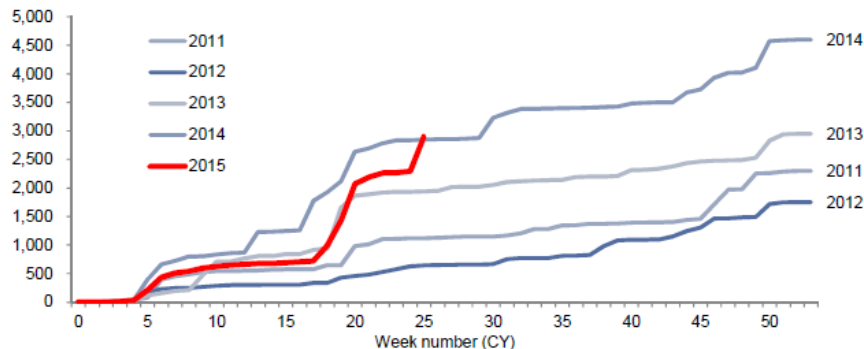
Percentage of Companies Below 5% ROE Threshold (TSE Companies > ¥100bn Mkt Cap)



Note: Market cap values as of June 17, 2015. Figures in parentheses by each sector denote the number of companies.

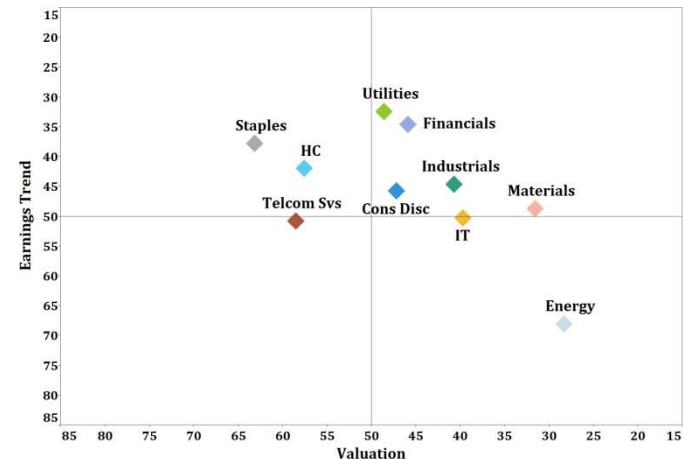
As of 6/17/2015

Announced Share Buybacks (¥bn)



As of 6/19/2015

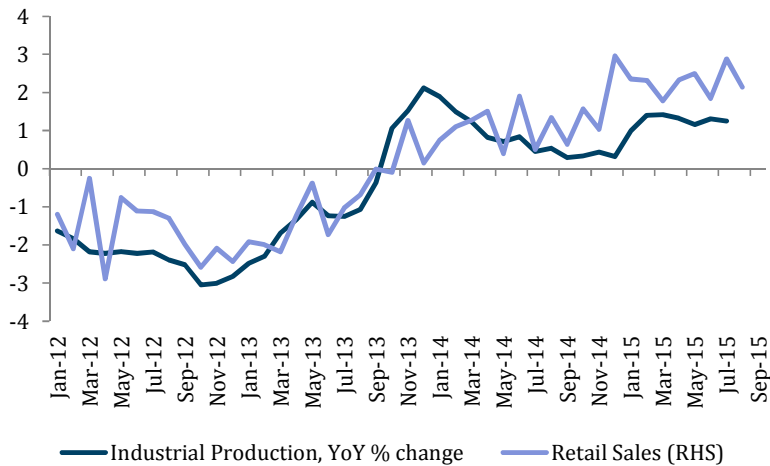
Japan Earnings Trend and Valuation by Sector



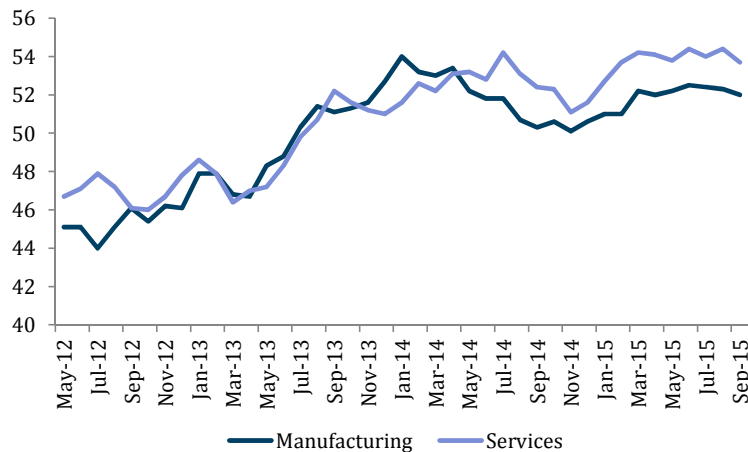
Source: Goldman Sachs, Summit – William Blair Investment Management’s proprietary research management & investment process platform. 1 is Best, 100 is Worst. Japan earnings trend based on MSCI Japan IMI Index. A direct investment in an unmanaged index is not possible. Sectors based on Global Industry Classification Sectors (GICS). Data as of October 31, 2015 unless otherwise noted on chart.

Euro Area: Growth on Track

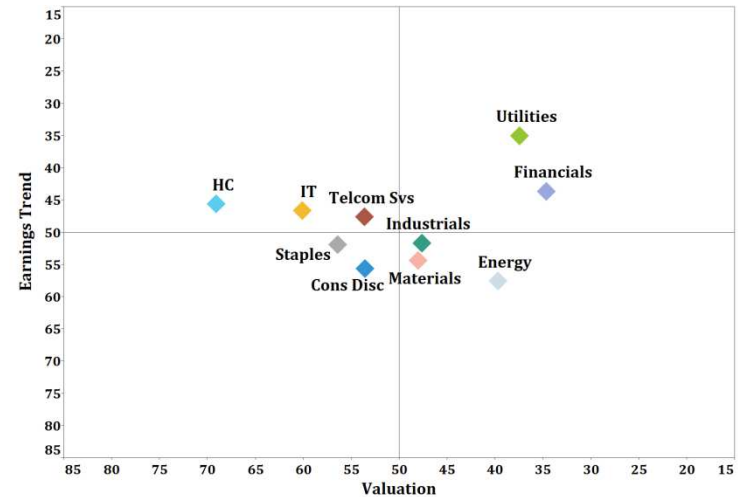
Industrial Production and Retail Sales, YoY% change



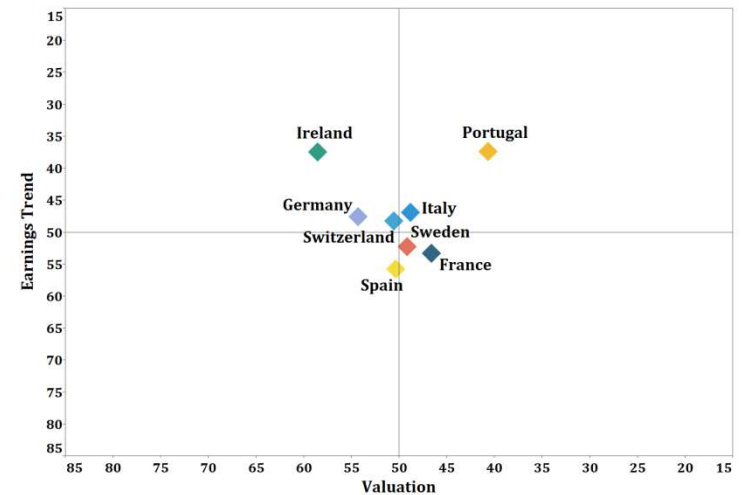
Euro Area PMIs



Europe ex-UK Earnings Trend and Valuation by Sector

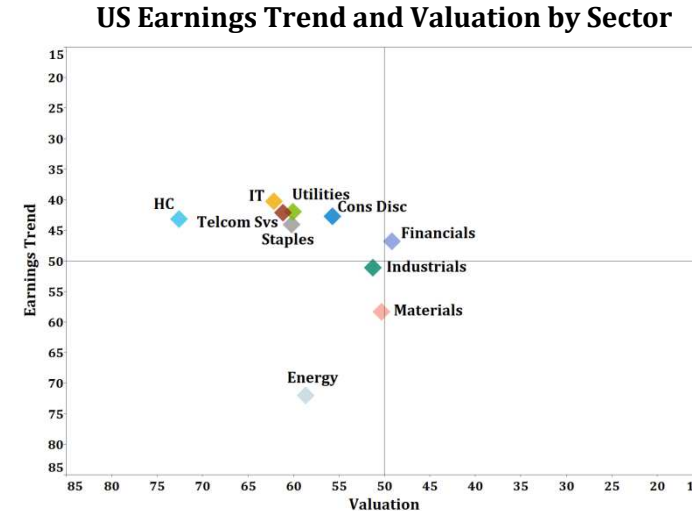
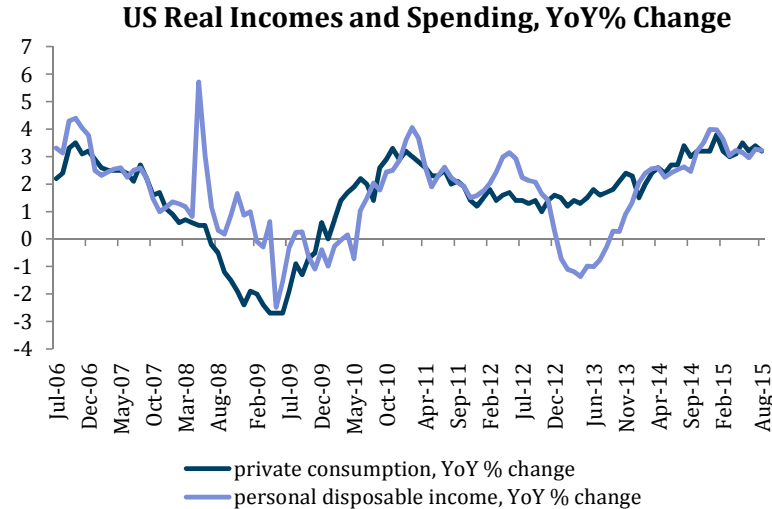
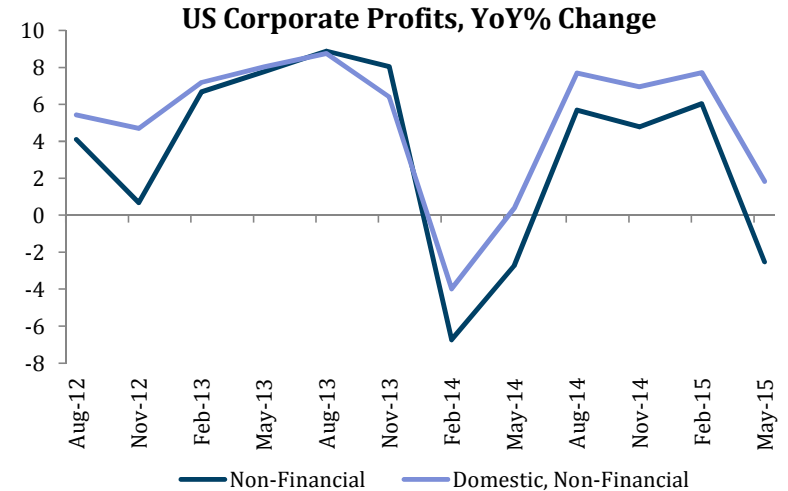
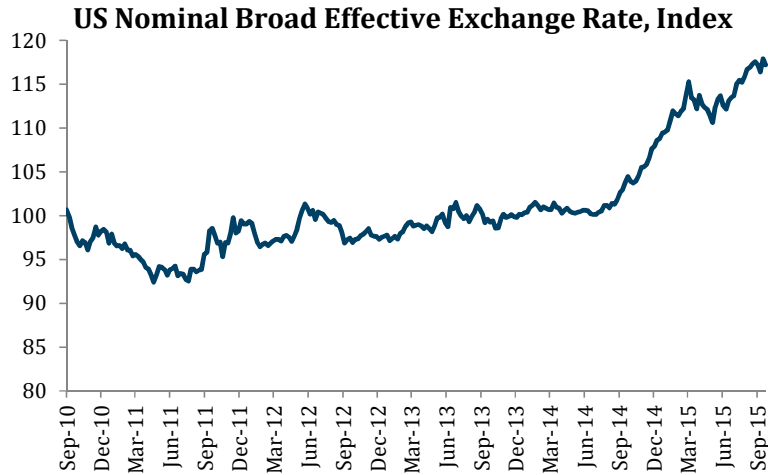


Europe ex-UK Earnings Trend and Valuation by Country



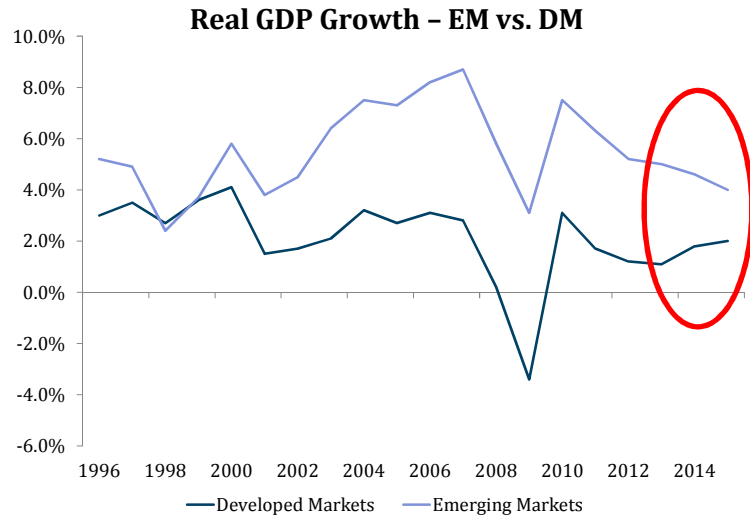
Source: Datastream, William Blair, Summit – William Blair Investment Management’s proprietary research management & investment process platform. 1 is Best, 100 is Worst. Europe ex-UK earnings trend based on MSCI Europe ex-UK IMI Index. A direct investment in an unmanaged index is not possible. Sectors based on Global Industry Classification Sectors (GICS). Past performance does not guarantee future results. Data as of October 31, 2015 unless otherwise noted on chart.

US: Dollar Strength $\Rightarrow$ Corporate Profit Weakness... But No Recession

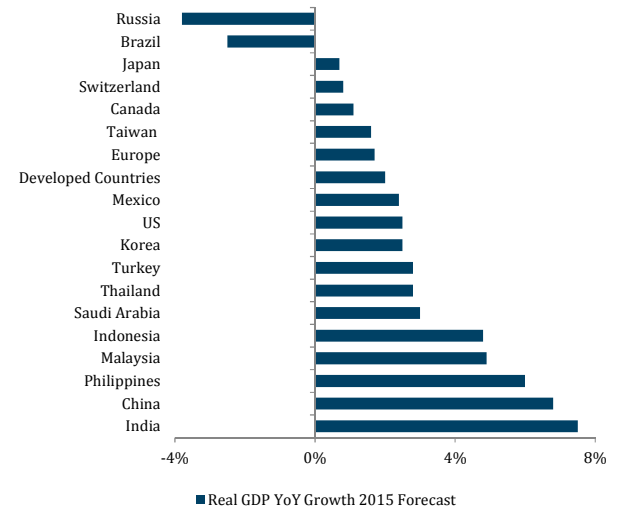


Source: JP Morgan, FactSet, Bloomberg, Datastream, Summit – William Blair Investment Management’s proprietary research management & investment process platform. 1 is Best, 100 is Worst. US earnings trend based on MSCI US IMI Index. A direct investment in an unmanaged index is not possible. Sectors based on Global Industry Classification Sectors (GICS). Data as of October 31, 2015 unless otherwise noted on chart.

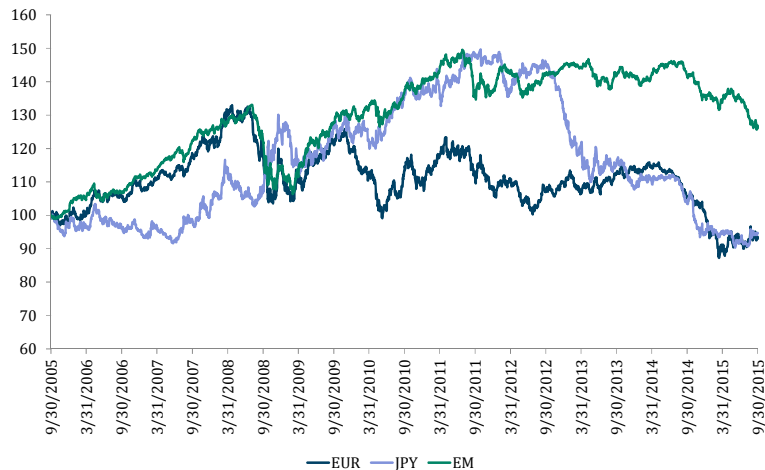
EM Fundamentals: Economies, FX and Corporate Performance



Substantial Difference in Growth Expectations



EM FX, Euro and Yen vs. USD, Sep 2005 = 100



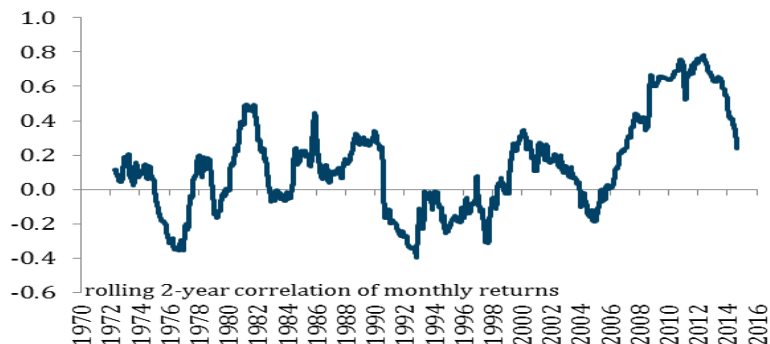
Aggregate Earnings Revisions – EM vs. DM ex-US



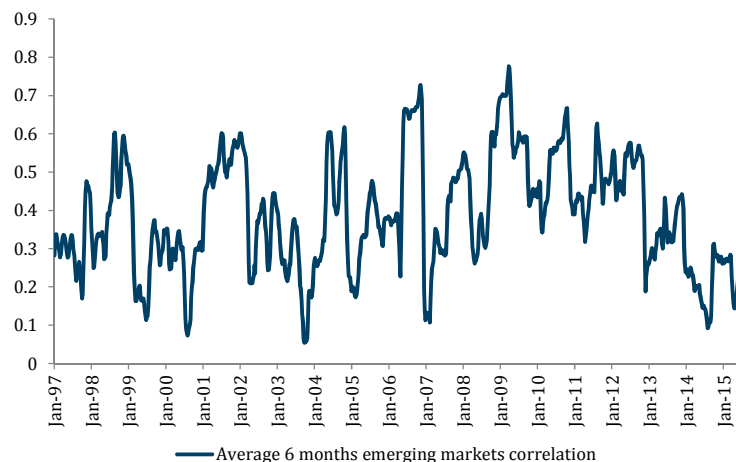
Source: Bloomberg, Emerging Advisors Group. Data as of October 31, 2015 unless otherwise noted on chart. Manufacturing Emerging Markets include: Bulgaria, China, Croatia, Czech Republic, Estonia, Hong Kong, Hungary, India, Israel, Korea, Lithuania, Malaysia, Mexico, Philippines, Poland, Poland, Romania, Singapore, Slovak Republic, Slovenia, Taiwan, Thailand, Turkey, Vietnam. Commodity Emerging Markets include: Argentina, Brazil, Chile, Colombia, Ecuador, Egypt, Indonesia, Kazakhstan, Latvia, Nigeria, Peru, Russia, Saudi Arabia, South Africa, Ukraine, UEA, Venezuela.

Falling Commodity Prices Results in Greater Dispersion of Returns...

Correlation of EM equities & Commodity Prices (GSCI)



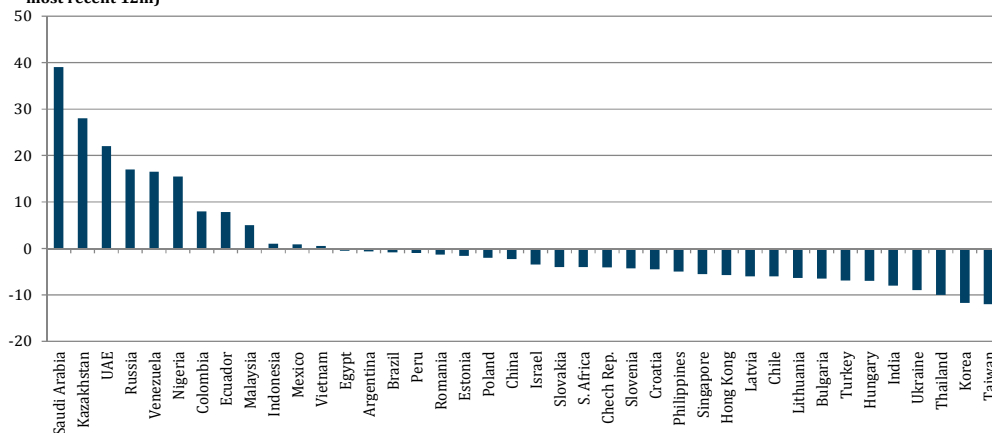
EM Correlations Have Declined



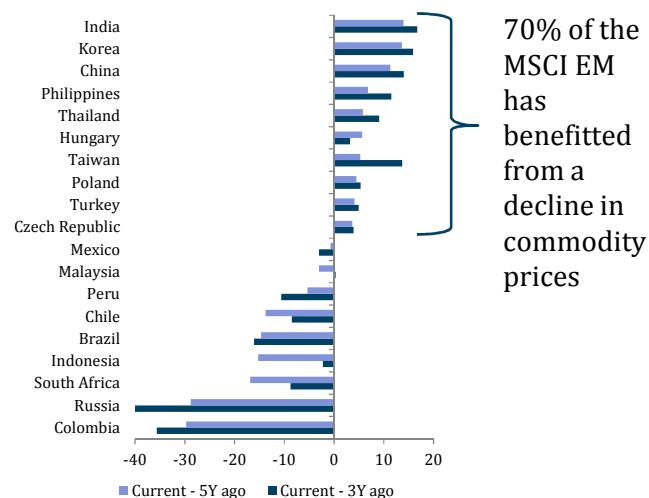
... Country Selection Is Key

Winners and Losers from Weak Oil Prices

Net fuel exports (% GDP, most recent 12m)



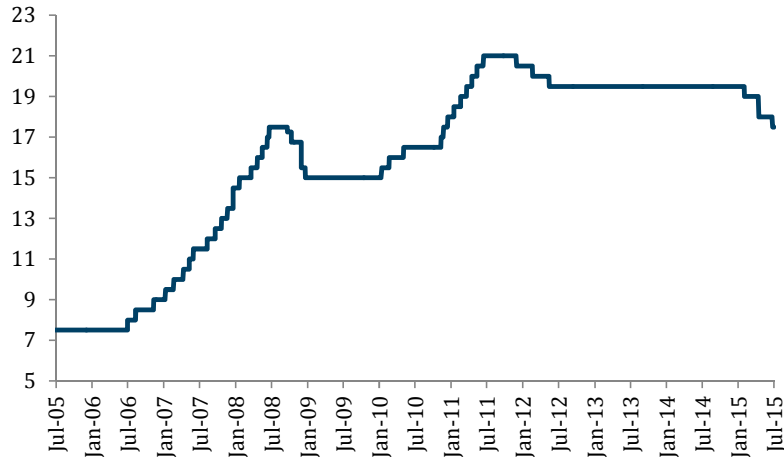
Change in Terms of Trade



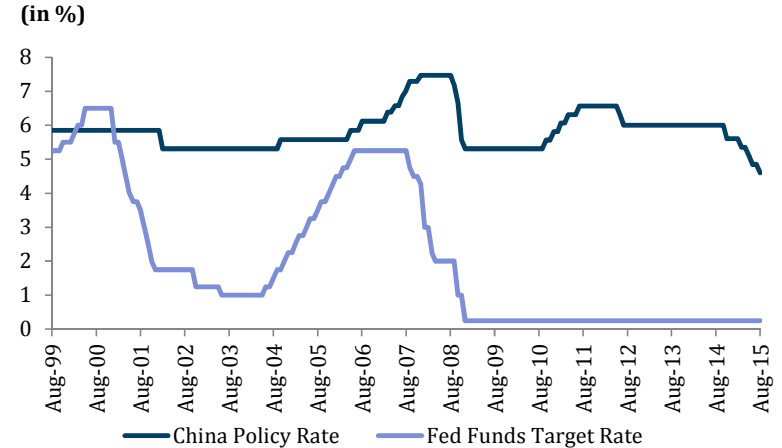
Source: Bloomberg, EM Advisors Group, Goldman Sachs. Data as of July 31, 2015 unless otherwise noted on chart.

Additional Stimulus Should Continue to Support the Economy

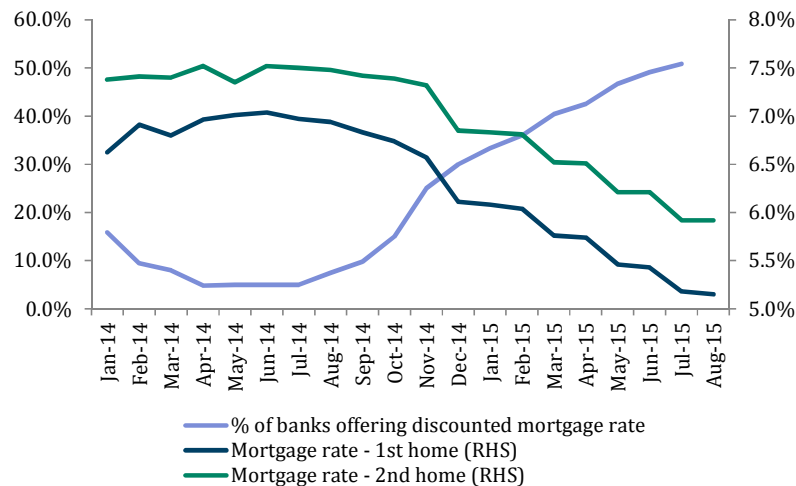
China RRR



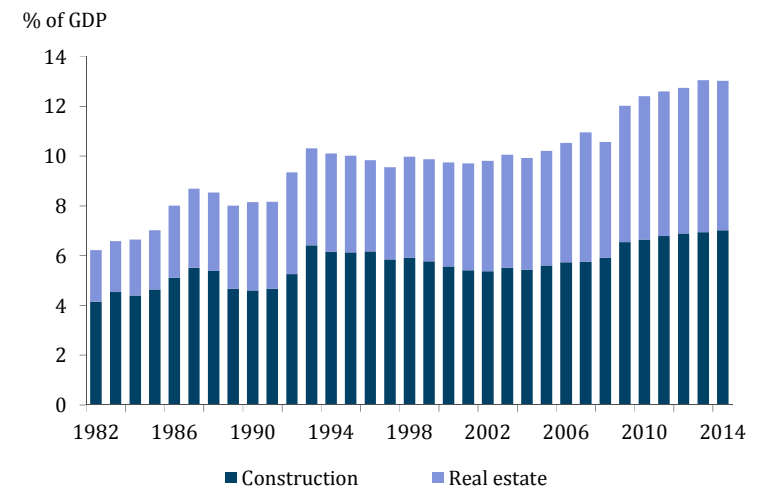
China Interest Rate



Mortgage Rates for Home Purchases are Coming Down



Property Market is Key



Source: Bloomberg, Mizuho Research. Data as of July 31, 2015 unless otherwise noted on chart.

Portfolio Analytics and Performance

Photos courtesy of Alaina Anderson and D.J. Neiman



Barcelona



Tokyo

Portfolio Design: International Growth Structure Guidelines

September 30, 2015

Benchmark:

MSCI ACWI ex-US IMI

Position Size:

Dependent on market cap, float, trading volume, price volatility, and fundamental risk/reward

Range:

0.15–4.00% at initial purchase

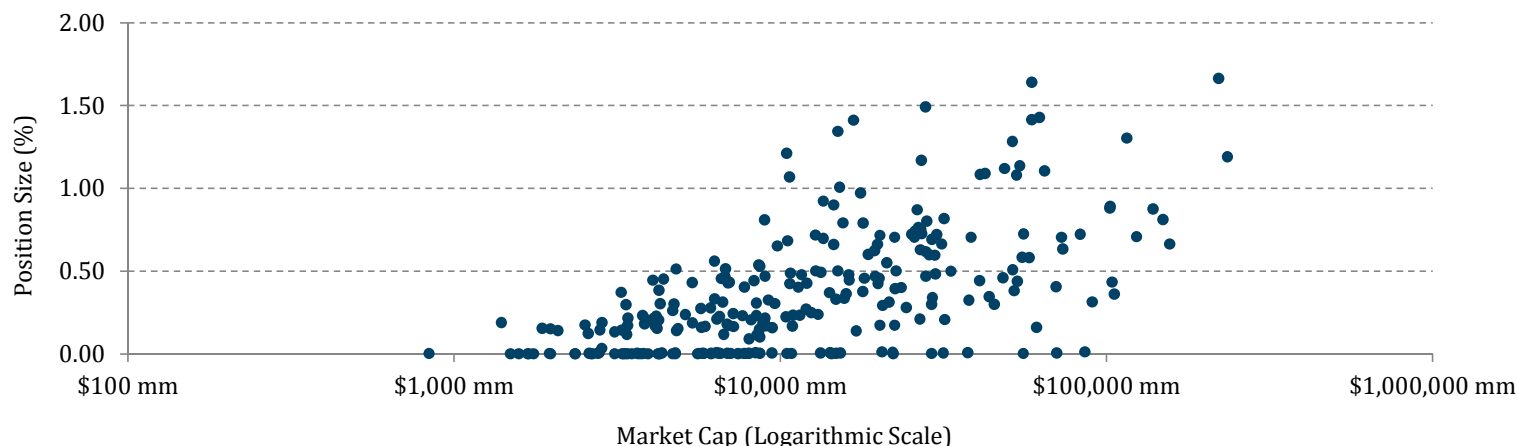
Number of holdings:

180–240

Geographic Exposure	
Region	Range
Pacific ex-Japan	0–15%
Japan	5–25%
Europe + ME ex-U.K.	20–50%
United Kingdom	10–30%
Canada	0–15%
Emerging Asia	0–20%
EMEA	0–10%
Latin America	0–15%
Note: Total Emerging Markets	10–35%

Sector Exposure	
Sector	Range
Discretionary	5–25%
Staples	0–20%
Energy	5–20%
Financials	5–35%
Healthcare	5–15%
Industrials	5–25%
IT	0–20%
Materials	0–15%
Telecom Services	0–10%
Utilities	0–10%

Capitalization	
Market Cap	Range
Large Cap	20–70%
Mid Cap	25–55%
Small Cap	10–35%



Policy ranges subject to change at any time.

Portfolio Characteristics – Institutional International Growth Fund

As of October 31, 2015

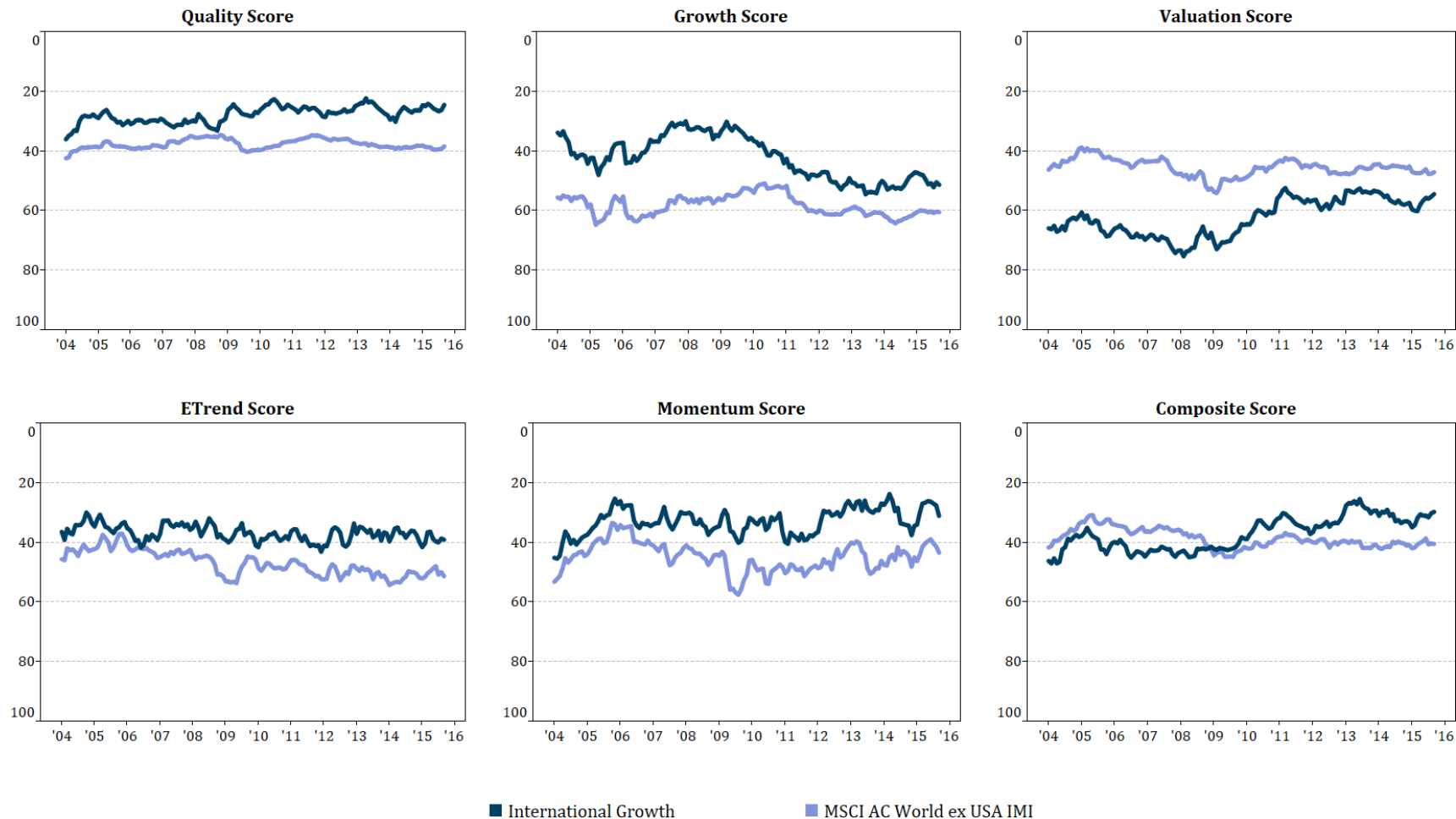
	Institutional International Growth Fund	MSCI AC World ex-US IMI	Difference
Quality			
WB Quality Model (Percentile)	24	38	
Return on Equity (%)	18.5	13.2	41%
Cash Flow ROIC (%)	17.7	12.6	40%
Debt/Equity (%)	75.6	86.6	-13%
Growth			
WB Growth Model (Percentile)	51	60	
Long-Term Growth (%)	11.9	10.4	15%
5-Year Historic EPS Growth (%)	17.2	13.1	31%
Reinvestment Rate (%)	13.8	8.7	59%
Earnings Trend			
WB Earnings Trend Model (Percentile)	41	53	
EPS Est Rev Breadth (%)	-0.2	-6.9	6.7
Valuation			
WB Valuation Model (Percentile)	53	48	
P/E (next 12 months)	15.4	14.2	8%
P/E (trailing 12 months)	17.7	16.6	7%
Dividend Yield (%)	2.3	3.0	-24%
Other			
WB Composite Model (Percentile)	30	42	
Float-adj. weighted average market cap (\$m)	32,544	36,104	-10%
Number of Holdings ¹	192	6,071	
Active Share	81	--	

1. Counts the William Blair China A-Shares Fund as a single holding.

Calculated in FactSet; Market cap calculated in Eagle. The index is comparable to the strategy in terms of investment approach but contains significantly more securities. The MSCI AC World ex-US IMI Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the U.S. Not intended as investment advice.

International Growth Portfolio Characteristics

September 30, 2015



Aggregate scores shown above based on William Blair proprietary quantitative model. For individual and composite ranks, 1 is best and 100 is worst.

City of Fort Pierce Retirement and Benefit System Portfolio

As of October 31, 2015

Original Investment (10/2/2003)	\$10,392,820
+ Contributions	0
- Withdrawals	12,677,816
- (Investment Management Fees & Other Expenses ¹)	1,556,033
+ Dividend Income and Capital Gain Distribution	8,700,862
+/- Market Appreciation/(Depreciation)	9,313,565
Market Value	\$14,173,398

1. The investment management fee and other expenses are estimates.

Performance Summary – Institutional International Growth Fund

For periods ending October 31, 2015

The table below shows the William Blair Institutional International Growth Fund's performance in comparison to its benchmark, the MSCI ACWI ex-US IMI Index (net).

Performance (%)	QTD	YTD	1 Year	Annualized		
				3 Years	5 Years	10 Years
Institutional International Growth Fund	6.52	1.77	0.09	7.62	5.38	5.36
MSCI ACWI ex-US IMI Index (net)	7.24	-1.17	-3.89	5.05	2.81	4.41

Calendar Year Performance (%)	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Institutional International Growth Fund	-2.66	18.90	24.11	-13.66	20.10	42.83	-51.99	18.49	23.45	22.76
MSCI ACWI ex-US IMI Index (net)	-3.89	15.82	17.04	-14.31	12.73	43.60	-45.99	16.13	26.51	17.68

Institutional International Growth Fund Expense Ratio (no expense cap in place):

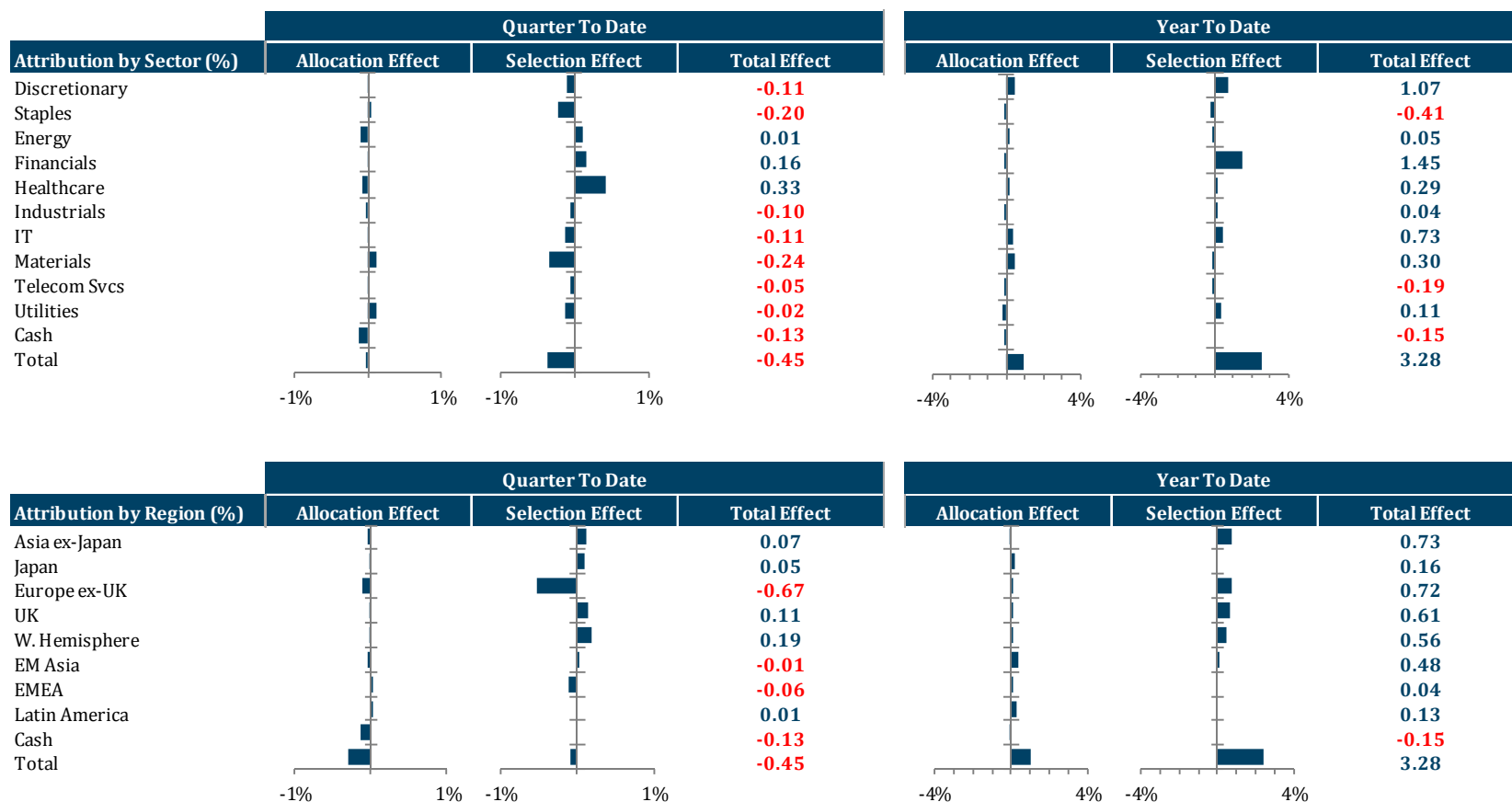
Gross
0.97%

Performance cited represents past performance. Past Performance does not guarantee future results and current performance may be lower or higher than the data quoted. Results shown are average annual returns, which assume reinvestment of dividends and capital gains. Investment returns and principal will fluctuate with market and economic conditions and you may have a gain or loss when you sell shares. For the most current month-end performance information, please call 1-800-742-7272, or visit our Web site at www.williamblairfunds.com. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk. Investing in emerging markets can increase these risks.

The Morgan Stanley Capital International (MSCI) AC World ex-U.S. IMI Index (net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the United States. This series approximates the minimum possible dividend reinvestment. An index is unmanaged, does not incur fees or expenses, and cannot be invested in directly.

Performance Attribution – Institutional International Growth Fund

For periods ending October 31, 2015



Attribution by segment is based on estimated returns of equities held within the segments listed. All stocks held during a measurement period, including purchases and sales, are included. Cash is not allocated among segments. Calculations are for attribution analysis only and are not intended to represent simulated performance history. The actual returns may be higher or lower. We calculate attribution using Opturo. Opturo runs transactions-based attribution, taking into account all trading activity. Interaction effect is reallocated into Allocation effect. Investment performance assumes reinvestment of dividends and capital gains and is gross of investment management fees and net of transaction costs. Performance results will be reduced by the fees incurred in the management of the account. For example, on an account with a 1% fee, and gross performance of 20% over one year, the annual total return on a net of fee basis will result in performance of 18.85%. A \$1,000,000 initial investment would grow to approximately \$1,440,000 gross of fees, versus \$1,412,532 net of fees, over a two year period, assuming an annual return of 20%. Investment management fees are described in William Blair & Company's Form ADV Part 2A. Past performance is not indicative of future returns. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk. The MSCI AC World ex-US IMI Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the U.S. Not intended as investment advice.

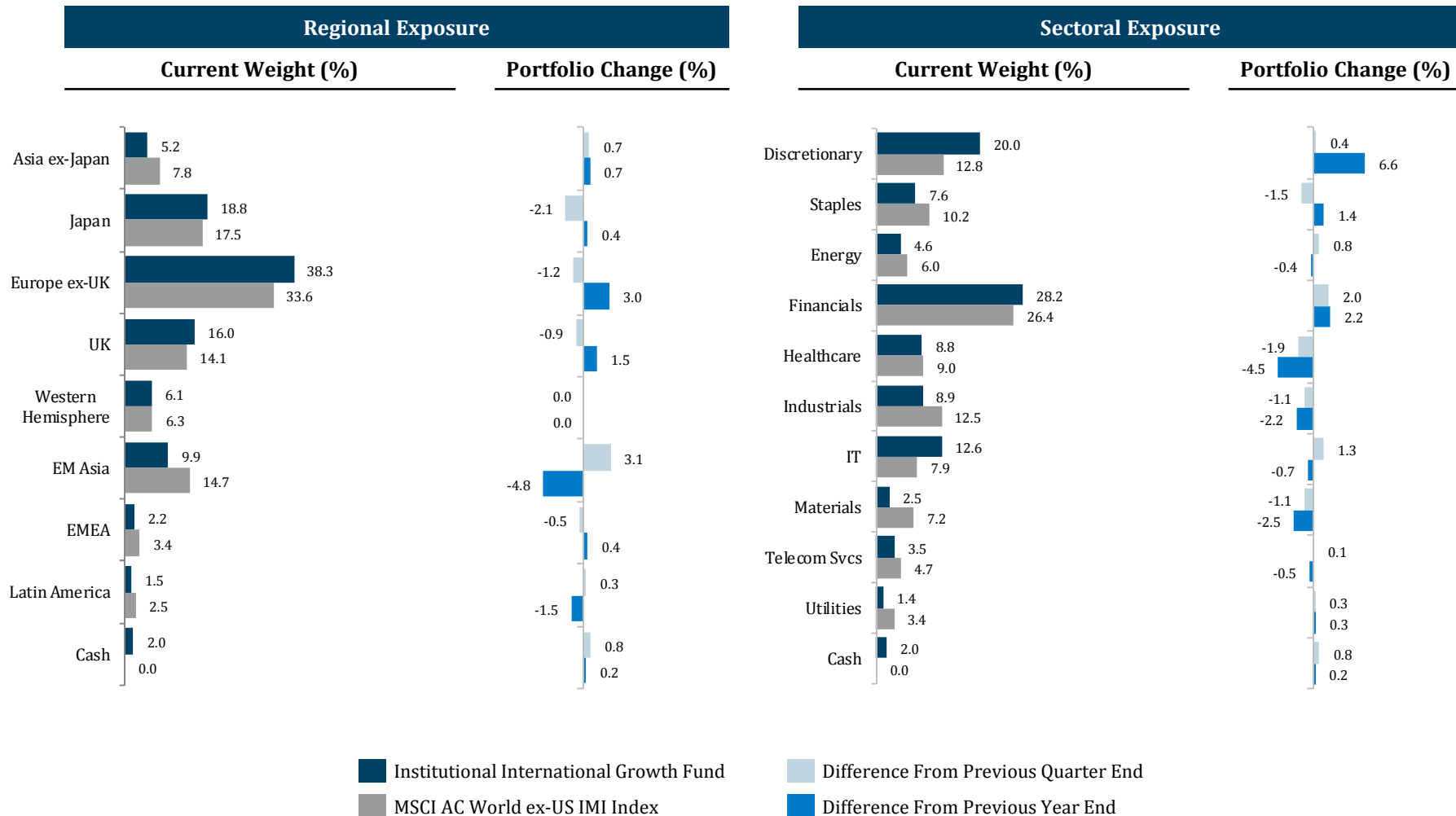
Positioning and Strategy

Photos courtesy of Ken McAtamney, Drew Buckley, Joel Gomberg, Andy Flynn and Jack Murphy



Portfolio Positioning – Institutional International Growth Fund

As of October 31, 2015



Cash incorporates cash equivalents, accruals, and currency forwards when we hold these positions. Region and sector distribution calculated in Eagle based on Global Industry Classification (GICS) Sectors. The MSCI AC World ex-US IMI Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the U.S. Not intended as investment advice.

Holdings: Institutional International Growth Fund

September 30, 2015

	Portfolio Weight		Portfolio Weight		Portfolio Weight
Pacific Ex Japan	4.53	Japan (Continued)		Europe+ME Ex UK (Continued)	
Australia	2.02	Japan (Continued)		Denmark	2.05
Macquarie Group Ltd	0.79	Daiwa House Industry Co Ltd	0.48	Novo Nordisk A/S-B	0.88
Telstra Corp Ltd	0.46	Shionogi & Co Ltd	0.48	Pandora A/S	0.67
Aust And Nz Banking Group	0.39	Nidec Corp	0.46	Novozymes A/S-B Shares	0.50
Rea Group Ltd	0.22	Rakuten Inc	0.46	Finland	1.85
Lend Lease Group	0.16	Suruga Bank Ltd	0.46	Sampo Oyj-A Shs	1.18
Hong Kong	1.91	Tsuruha Holdings Inc	0.45	Kone Oyj-B	0.47
Aia Group Ltd	1.43	Daikin Industries Ltd	0.45	Elisa Oyj	0.19
Techtronic Industries Co Ltd	0.47	Asahi Group Holdings Ltd	0.33	France	8.07
China High Precision Automat	0.00	Temp Holdings Co Ltd	0.31	Axa SA	1.43
Singapore	0.60	Daicel Corp	0.31	Cap Gemini	1.02
Dbs Group Holdings Ltd	0.60	Casio Computer Co Ltd	0.30	Total SA	0.90
Japan	20.94	Secom Co Ltd	0.25	Unibail-Rodamco Se	0.73
Japan	20.94	Makita Corp	0.25	Veolia Environnement	0.72
Fuji Heavy Industries Ltd	1.51	Alps Electric Co Ltd	0.24	Essilor International	0.71
Orix Corp	1.42	Omron Corp	0.23	Valeo SA	0.69
Sumitomo Mitsui Financial Gr	1.30	Pola Orbis Holdings Inc	0.22	Safran SA	0.67
Hoya Corp	0.93	M3 Inc	0.22	Christian Dior Se	0.50
Astellas Pharma Inc	0.81	Scsk Corp	0.21	Publicis Groupe	0.37
Murata Manufacturing Co Ltd	0.73	Tadano Ltd	0.20	Hermes International	0.33
Kddi Corp	0.73	Nissan Chemical Industries	0.18	Total Sa-Scrip	0.00
Mitsubishi Ufj Financial Gro	0.73	Sysmex Corp	0.17	Germany	5.70
Asahi Kasei Corp	0.66	It Holdings Corp	0.16	Prosiebensat.1 Media Se	1.22
Keyence Corp	0.64	Nitori Holdings Co Ltd	0.15	Continental AG	1.10
Tokio Marine Holdings Inc	0.62	Fuji Electric Co Ltd	0.13	Bayerische Motoren Werke AG	0.59
Japan Tobacco Inc	0.59	Haseko Corp	0.12	Brenntag AG	0.45
Nomura Research Institute Lt	0.53	Hitachi Capital Corp	0.03	Tui Ag-Di	0.43
Trend Micro Inc	0.52	Europe+ME Ex UK	39.53	Basf Se	0.41
Kao Corp	0.50	Belgium	1.19	Bayer Ag-Reg	0.37
Sumitomo Realty & Developmen	0.50	Kbc Groep NV	0.88	Vonovia Se	0.24
Meiji Holdings Co Ltd	0.49	Telenet Group Holding NV	0.32	Deutsche Wohnen Ag-Br	0.22
Fanuc Corp	0.49				

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Holdings: Institutional International Growth Fund

September 30, 2015

	Portfolio Weight		Portfolio Weight		Portfolio Weight
Europe+ME Ex UK (Continued)		Europe+ME Ex UK (Continued)		UK (Continued)	
Germany (Continued)		Spain (Continued)		United Kingdom (Continued)	
Zalando Se	0.21	Banco Bilbao Vizcaya Argenta	0.44	Easyjet PLC	1.08
Wirecard AG	0.17	Industria De Diseno Textil	0.44	Next PLC	0.98
Fielmann AG	0.16	Distribuidora Internacional	0.24	Wolseley PLC	0.79
Dialog Semiconductor PLC	0.14	Viscofan SA	0.15	Compass Group PLC	0.77
Ireland	2.26	Mapfre SA	0.09	Wpp PLC	0.76
Shire PLC	1.09	Repsol SA	0.00	Relx PLC	0.63
Smurfit Kappa Group PLC	0.57	Sweden	2.26	Whitbread PLC	0.50
Icon PLC	0.39	Atlas Copco Ab-A Shs	0.70	Bunzl PLC	0.48
Kingspan Group PLC	0.21	Assa Abloy Ab-B	0.67	Provident Financial PLC	0.44
Israel	2.04	Swedbank Ab - A Shares	0.28	Berkeley Group Holdings	0.43
Teva Pharmaceutical-Sp Adr	1.13	Hexagon Ab-B Shs	0.24	Capita PLC	0.43
Check Point Software Tech	0.91	Hexpol AB	0.19	Intercontinental Hotels Grou	0.41
Italy	2.39	Intrum Justitia AB	0.18	Sse PLC	0.40
Intesa Sanpaolo	1.66	Switzerland	6.60	Taylor Wimpey PLC	0.31
Banca Generali Spa	0.38	Novartis Ag-Reg	1.68	Derwent London PLC	0.28
Azimut Holding Spa	0.19	Nestle Sa-Reg	1.20	Merlin Entertainment	0.28
Yoox Spa	0.16	Partners Group Holding AG	0.82	Schroders PLC	0.27
Luxembourg	0.26	Actelion Ltd-Reg	0.70	Sage Group Plc/The	0.24
Eurofins Scientific	0.26	Lonza Group Ag-Reg	0.52	Hiscox Ltd	0.23
Netherlands	1.54	Clariant Ag-Reg	0.43	Hikma Pharmaceuticals PLC	0.18
Royal Dutch Shell Plc-A Shs	0.82	Geberit Ag-Reg	0.41	Arm Holdings PLC	0.18
Nxp Semiconductors NV	0.72	Cie Financiere Richemon-Br A	0.35	Babcock Intl Group PLC	0.18
Norway	0.60	Syngenta Ag-Reg	0.35	Halma PLC	0.17
Telenor Asa	0.47	Luxoft Holding Inc	0.14	Just Eat PLC	0.16
Gjensidige Forsikring Asa	0.12	UK	16.90	Ubm PLC	0.15
Portugal	0.31	United Kingdom	16.90	Inchcape PLC	0.14
Jeronimo Martins	0.31	Itv PLC	1.36		
Spain	2.43	Unilever PLC	1.32		
Amadeus It Holding Sa-A Shs	0.61	Prudential PLC	1.15		
Bankinter SA	0.46	Reckitt Benckiser Group PLC	1.12		
		Bt Group PLC	1.09		

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Holdings: Institutional International Growth Fund

September 30, 2015

	Portfolio Weight		Portfolio Weight		Portfolio Weight
W Hemisphere	6.14	South Korea	1.18	Latin America	1.27
Canada	6.14	Samsung Electronics Co Ltd	0.71	Brazil	0.89
Enbridge Inc	0.83	Sk Hynix Inc	0.30	Ambev Sa-Adr	0.64
Alimentation Couche-Tard -B	0.75	Amorepacific Corp	0.18	Bb Seguridade Participacoes	0.25
Brookfield Asset Manage-CI A	0.73	Taiwan	1.60	Mexico	0.39
Suncor Energy Inc	0.71	Taiwan Semiconductor-Sp Adr	0.88	Fomento Economico Mex-Sp Adr	0.21
Toronto-Dominion Bank	0.71	Fubon Financial Holding Co	0.37	Arca Continental Sab De Cv	0.17
Canadian Natural Resources	0.56	Largan Precision Co Ltd	0.23	Cash	1.17
Dollarama Inc	0.54	Ctbc Financial Holding Co Lt	0.12	Total	100.00
Ci Financial Corp	0.33	EMEA	2.71		
Intact Financial Corp	0.33	South Africa	2.40		
Canadian Natl Railway Co	0.30	Steinhoff Intl Holdings Ltd	0.71		
Constellation Software Inc	0.19	Naspers Ltd-N Shs	0.51		
Valeant Pharmaceuticals Inte	0.16	Firststrand Ltd	0.43		
EM Asia	6.81	Mtn Group Ltd	0.40		
China	2.21	Bidvest Group Ltd	0.24		
Tencent Holdings Ltd	0.67	Sanlam Ltd	0.11		
China Overseas Land & Invest	0.60	United Arab Emirates	0.31		
Netease Inc-Adr	0.34	Dubai Islamic Bank	0.17		
Ping An Insurance Group Co-H	0.32	First Gulf Bank	0.14		
William Blair China A-Shares Fund, Llc *	0.28				
India	1.82				
Hdfc Bank Limited	0.45				
Axis Bank Ltd	0.38				
Maruti Suzuki India Ltd	0.32				
Housing Development Finance	0.30				
Hindustan Unilever Ltd	0.21				
Adani Ports And Special Econ	0.16				

*Positions within William Blair Funds may also include cash equivalents, accruals, and currency forwards that are not represented in the portfolio's total cash weighting.

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Holdings: China A-Shares

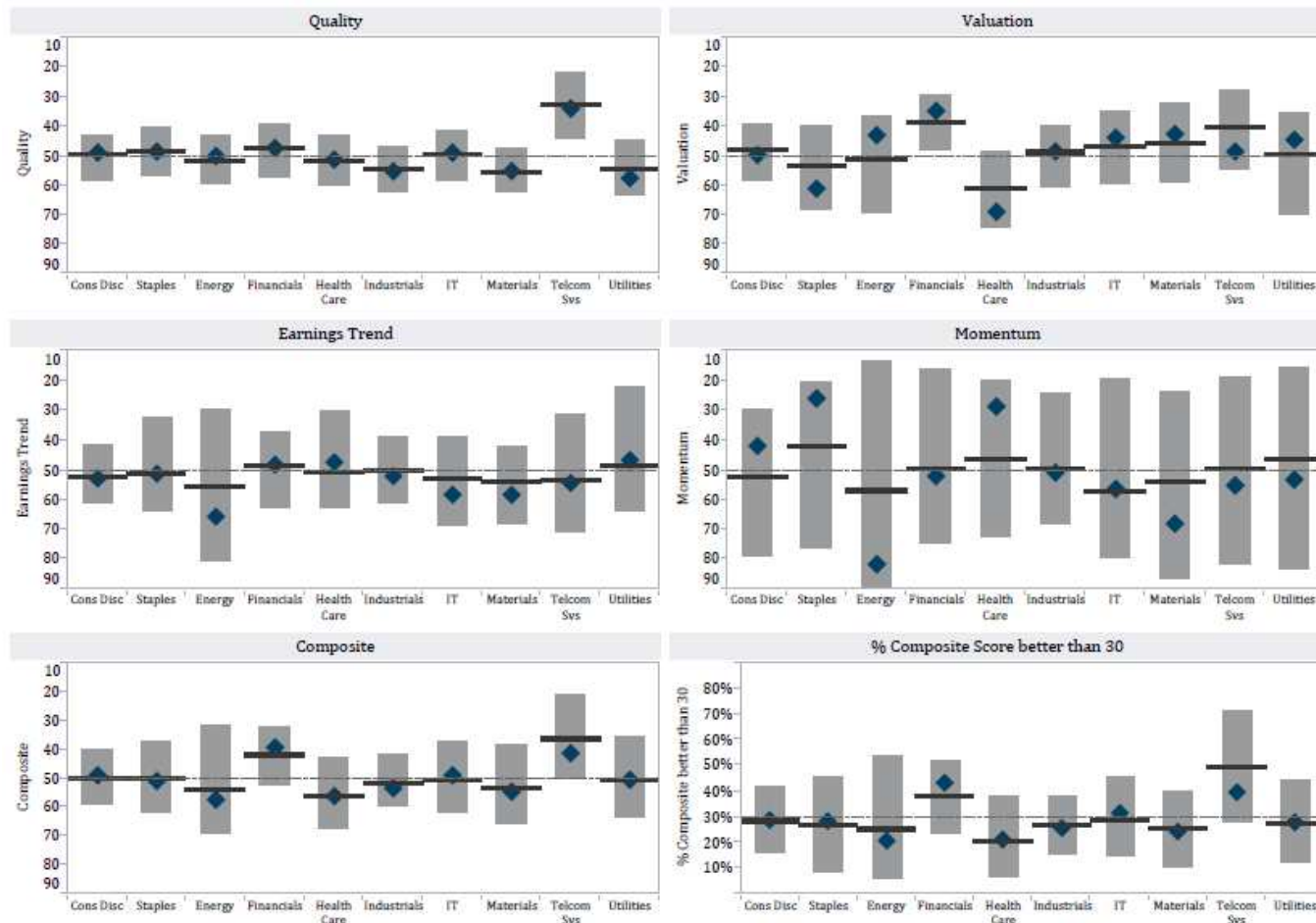
September 30, 2015

	Portfolio Weight		Portfolio Weight		Portfolio Weight
CONSUMER DISCRETIONARY	19.07	FINANCIALS	13.14	INFORMATION TECHNOLOGY	10.19
Gree Electric Appliances I-A	2.29	Ping An Insurance Group Co-A	4.12	Hangzhou Hikvision Digital-A	4.50
China International Travel-A	1.75	China Vanke Co Ltd -A	3.49	Wangsu Science & Technolog-A	1.50
Qingdao Haier Co Ltd-A	1.75	China Merchants Bank-A	2.05	Inspur Electronic Informat-A	0.79
Guangdong Advertising Grou-A	1.67	China Pacific Insurance Gr-A	1.87	Aisino Co Ltd-A	0.69
China South Publishing -A	1.51	Bank Of Ningbo Co Ltd -A	1.61	Dhc Software Co Ltd -A	0.56
Hangzhou Robam Appliances-A	1.36	HEALTH CARE	10.95	Hengbao Co Ltd-A	0.56
Huayi Brothers Media Corp-A	0.98	Topchoice Medical Investme-A	2.41	Sanan Optoelectronics Co L-A	0.56
Zhejiang Supor Cookware Co-A	0.87	Jiangsu Hengrui Medicine C-A	2.40	Grg Banking Equipment Co -A	0.55
Chongqing Changan Automob-A	0.78	Huadong Medicine Co Ltd-A	2.26	China Aviation Optical -A	0.47
Saic Motor Corp Ltd-A	0.68	Yunnan Baiyao Group Co Ltd-A	1.18	MATERIALS	1.41
Guangdong Alpha Animation-A	0.66	Shanghai Fosun Pharmaceuti-A	1.17	Shenzhen Mys Environmental-A	0.50
Beijing Gehua Catv Network-A	0.51	Tasly Pharmaceutical Group-A	1.01	Lianhe Chemical Technology-A	0.47
Suofeiya Home Collection C-A	0.49	Aier Eye Hospital Group Co-A	0.53	Org Packaging Co Ltd-A	0.43
Songcheng Performance Deve-A	0.46	INDUSTRIALS	14.21	TELECOMMUNICATION SERVICES	0.00
Weifu High-Technology Grp-A	0.46	Shanghai International Air-A	2.72	UTILITIES	2.70
Zhejiang Huace Film & Tv-A	0.44	Zhejiang Chint Electrics-A	2.61	Sdic Power Holdings Co Ltd-A	2.17
Wanda Cinema Line Co Ltd-A	0.43	Bluefocus Communication Gr-A	1.86	China National Nuclear Pow-A	0.53
Jiangling Motors Corp Ltd-A	0.40	Zhengzhou Yutong Bus Co -A	1.06	Cash	17.33
Zhejiang Semir Garment Co-A	0.40	Spring Airlines Co Ltd-A	0.85	Total	100.00
Fuyao Group Glass Industr-A	0.40	Crrc Corp Ltd-A	0.85		
Luthai Textile Co Ltd - A	0.39	Xiamen International Air-A	0.73		
Huayu Automotive Systems -A	0.38	Beijing Originwater Techno-A	0.73		
CONSUMER STAPLES	11.00	Xinjiang Goldwind Sci&Tech-A	0.71		
Kweichow Moutai Co Ltd-A	2.73	China Avionics Systems Co -A	0.45		
Foshan Haitian Flavouring -A	2.29	Focused Photonics Hangzhou-A	0.43		
Shanghai Jahwa United Co -A	1.78	Hongfa Technology Co Ltd-A	0.42		
Inner Mongolia Yili Indus-A	1.52	Canny Elevator Co Ltd-A	0.40		
Yonghui Superstores Co Ltd-A	1.48	Avic Helicopter Co Ltd-A	0.38		
By-Health Co Ltd-A	0.43				
Shandong Denghai Seeds Co-A	0.42				
Hebei Chengde Lolo Co-A	0.34				
ENERGY	0.00				

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Strategy

MSCI AC World ex-US IMI: All Cap by Sector (Averages)

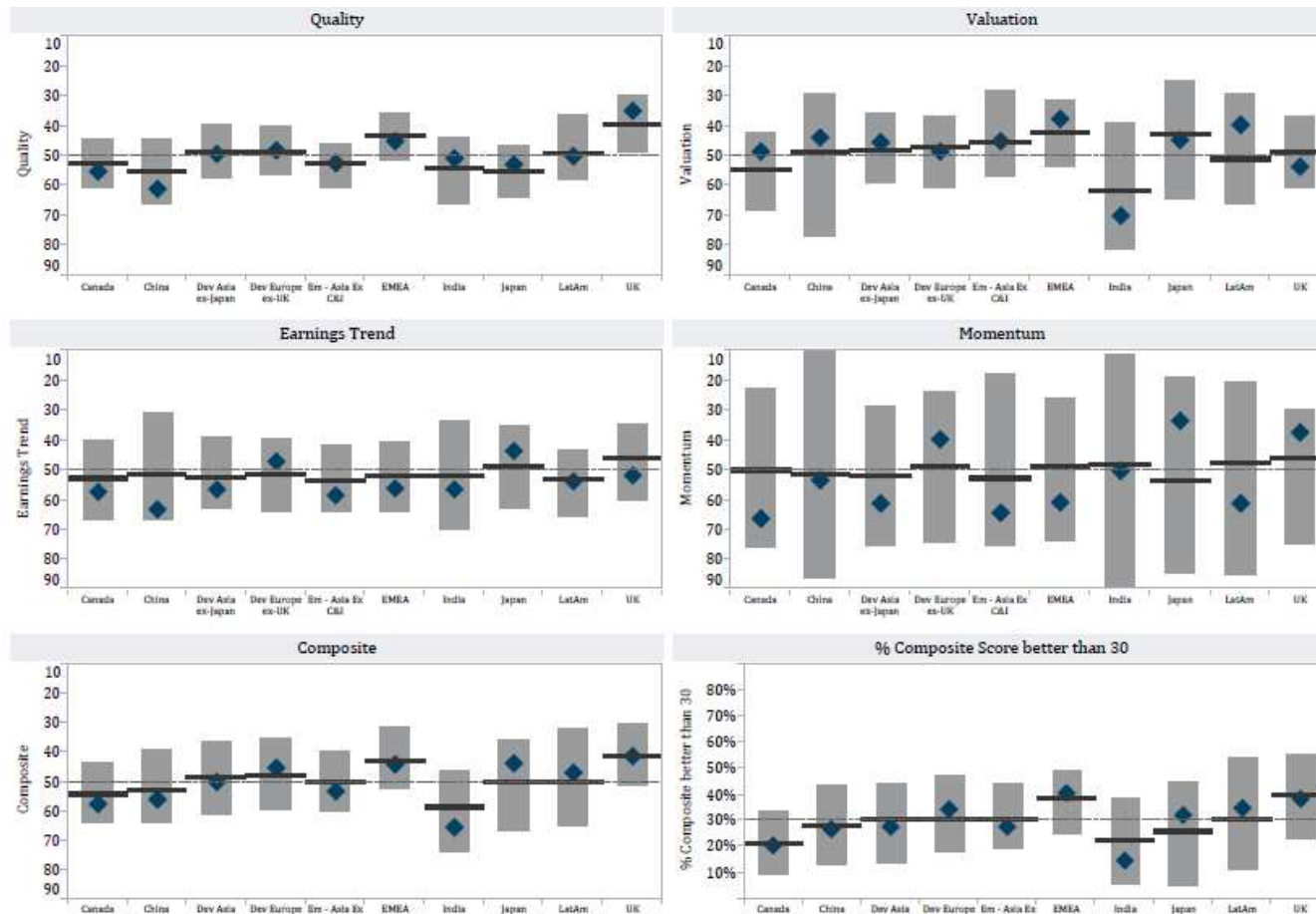


Source: Summit – William Blair’s proprietary research management & investment process platform.

As of September 30, 2015. Grey bar: 10-year range of monthly scores; Black line: 10-year average; Blue diamond: Current score. Scores shown above based on William Blair’s proprietary quantitative model. For individual and composite ranks, 1 is best and 100 is worst. Size values are based on the MSCI ACWI Index. Style values reflect the Quintile 1 minus Quintile 5 spread of William Blair’s proprietary quantitative model. Sectors are based on Global Industry Classification (GICS) sectors. Large Cap and Small Cap based on MSCI Global Investable Market Index Methodology. A direct investment in an unmanaged index is not possible.

Strategy

MSCI AC World ex-US IMI: All Cap by Region (Averages)



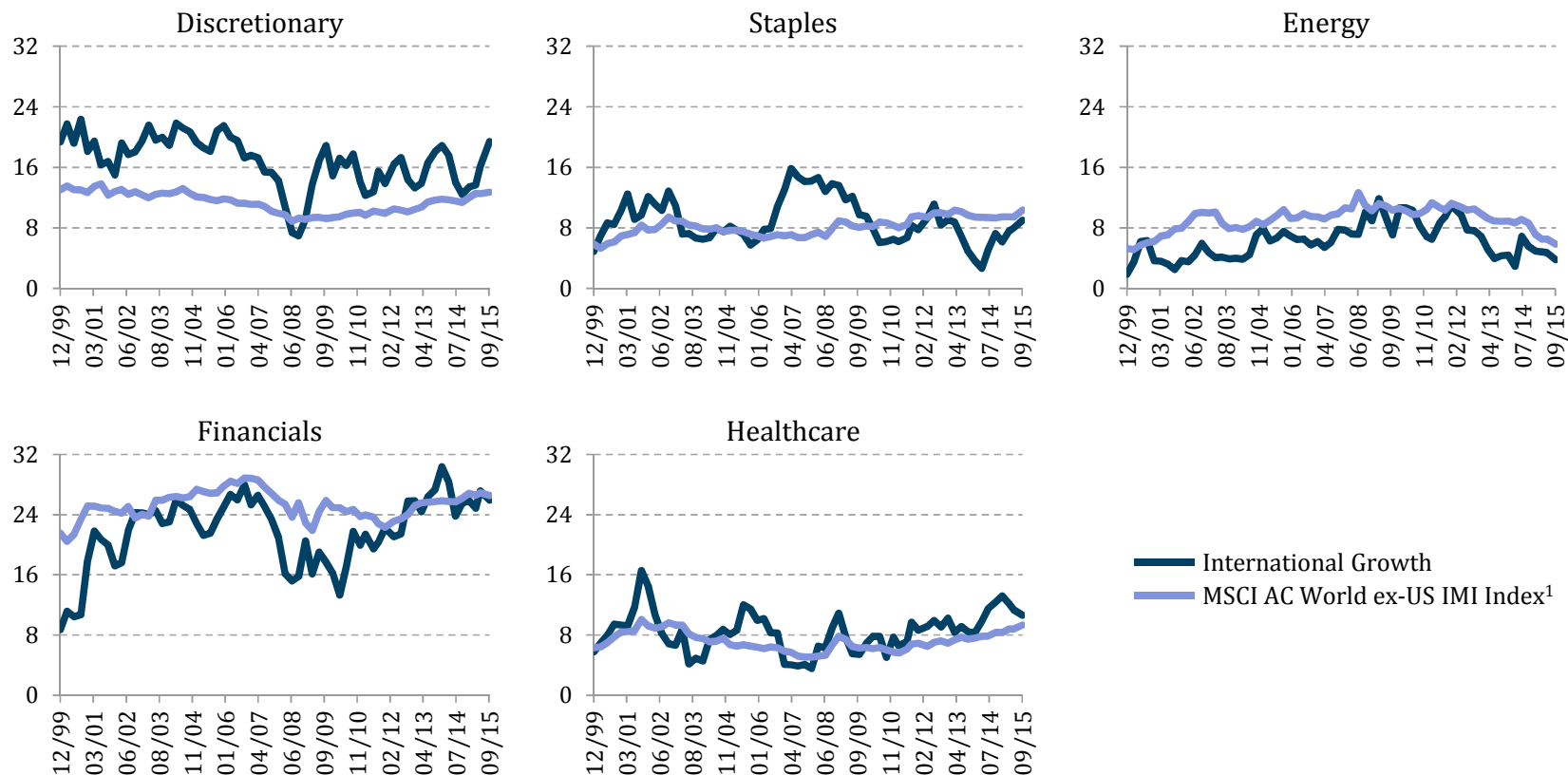
Source: Summit – William Blair’s proprietary research management & investment process platform.

As of September 30, 2015. Grey bar: 10-year range of monthly scores; Black line: 10-year average; Blue diamond: Current score. Scores shown above based on William Blair’s proprietary quantitative model. For individual and composite ranks, 1 is best and 100 is worst. Regional performance is based on IMI region/country indexes. Size values are based on the MSCI ACWI Index. Style values reflect the Quintile 1 minus Quintile 5 spread of William Blair’s proprietary quantitative model. Large Cap and Small Cap based on MSCI Global Investable Market Index Methodology. A direct investment in an unmanaged index is not possible.

Historical International Growth Sector Weightings

September 30, 2015

% of Portfolio



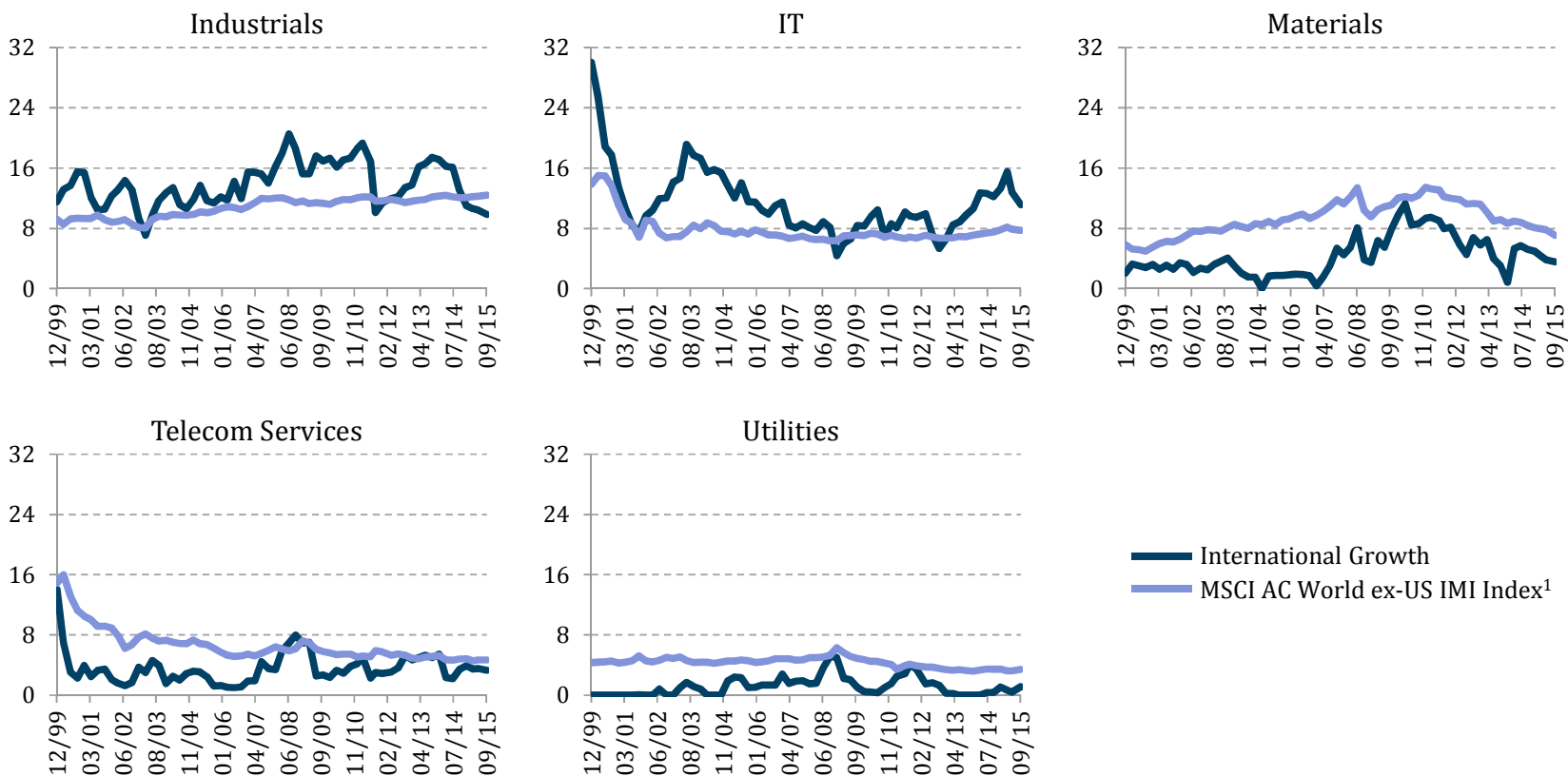
1. Prior to 3/31/03, benchmark data is taken from the MSCI AC World ex-US Index.

The data shown above is taken from a representative account. The index is comparable to the strategy in terms of investment approach but contains significantly more securities. Cash incorporates cash equivalents, accruals, and currency forwards when we hold these positions. Cash is a residual of the stock selection process. Sectors based on GICS (Global Industry Classification Sectors). Calculated in Eagle.

Historical International Growth Sector Weightings

September 30, 2015

% of Portfolio



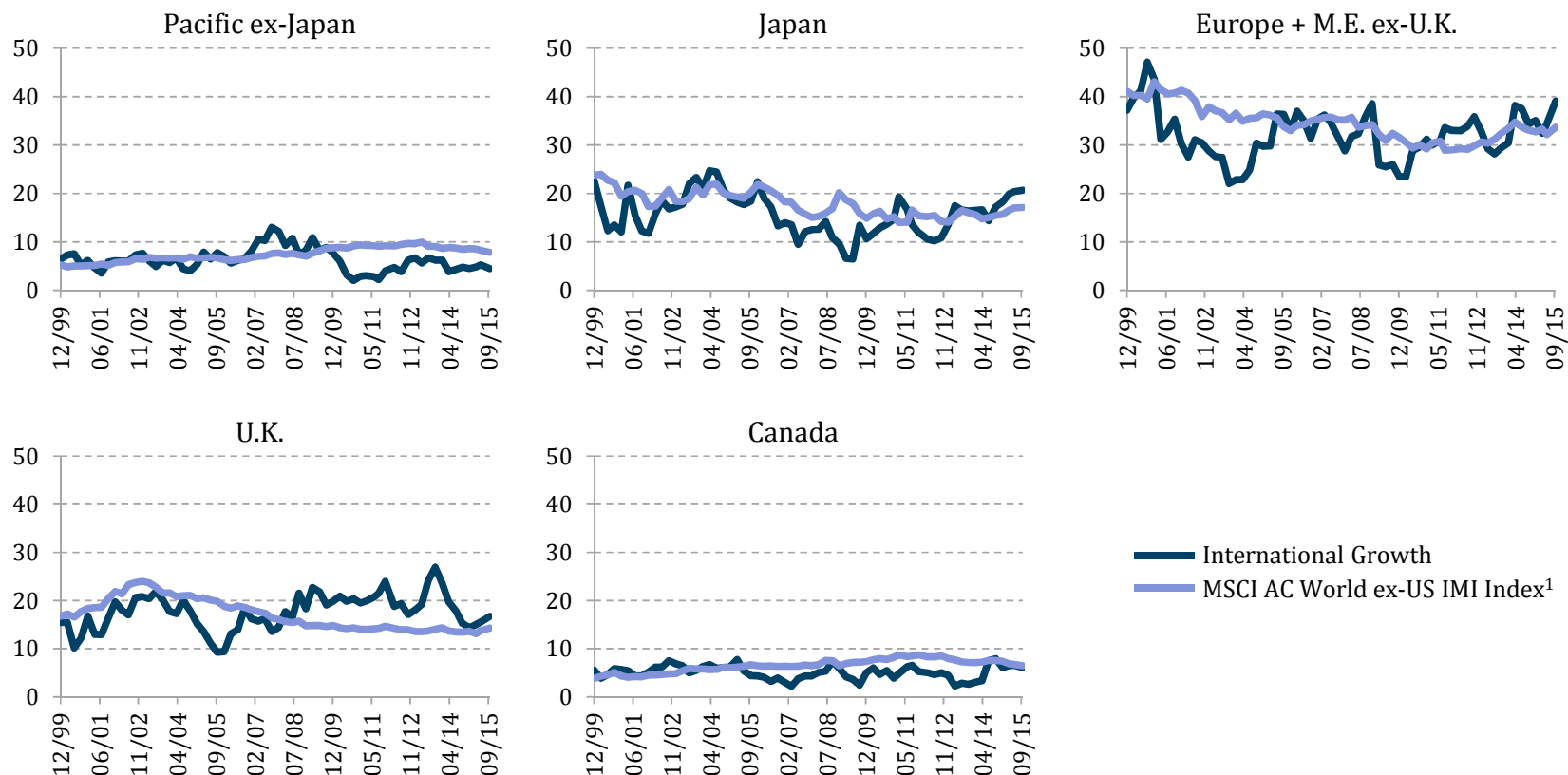
1. Prior to 3/31/03, benchmark data is taken from the MSCI AC World ex-US Index.

The data shown above is taken from a representative account. The index is comparable to the strategy in terms of investment approach but contains significantly more securities. Cash incorporates cash equivalents, accruals, and currency forwards when we hold these positions. Cash is a residual of the stock selection process. Sectors based on GICS (Global Industry Classification Sectors). Calculated in Eagle.

Historical International Growth Regional Weightings

September 30, 2015

% of Portfolio



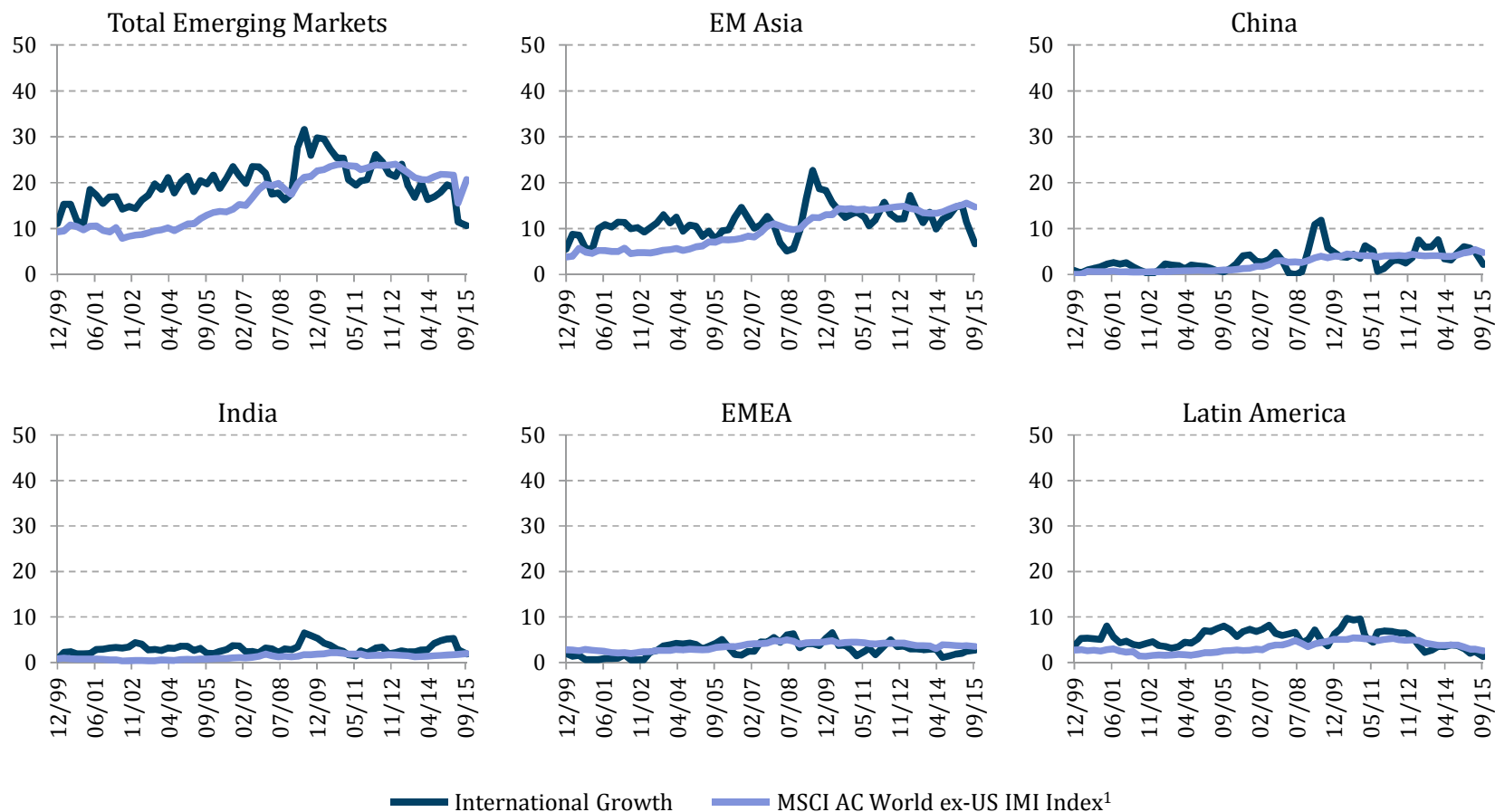
1. Prior to 3/31/03, benchmark data is taken from the MSCI AC World ex-US Index.

The data shown above is taken from a representative account. The index is comparable to the strategy in terms of investment approach but contains significantly more securities. Cash incorporates cash equivalents, accruals, and currency forwards when we hold these positions. Cash is a residual of the stock selection process. Calculated in Eagle.

Historical International Growth Regional Weightings

September 30, 2015

% of Portfolio



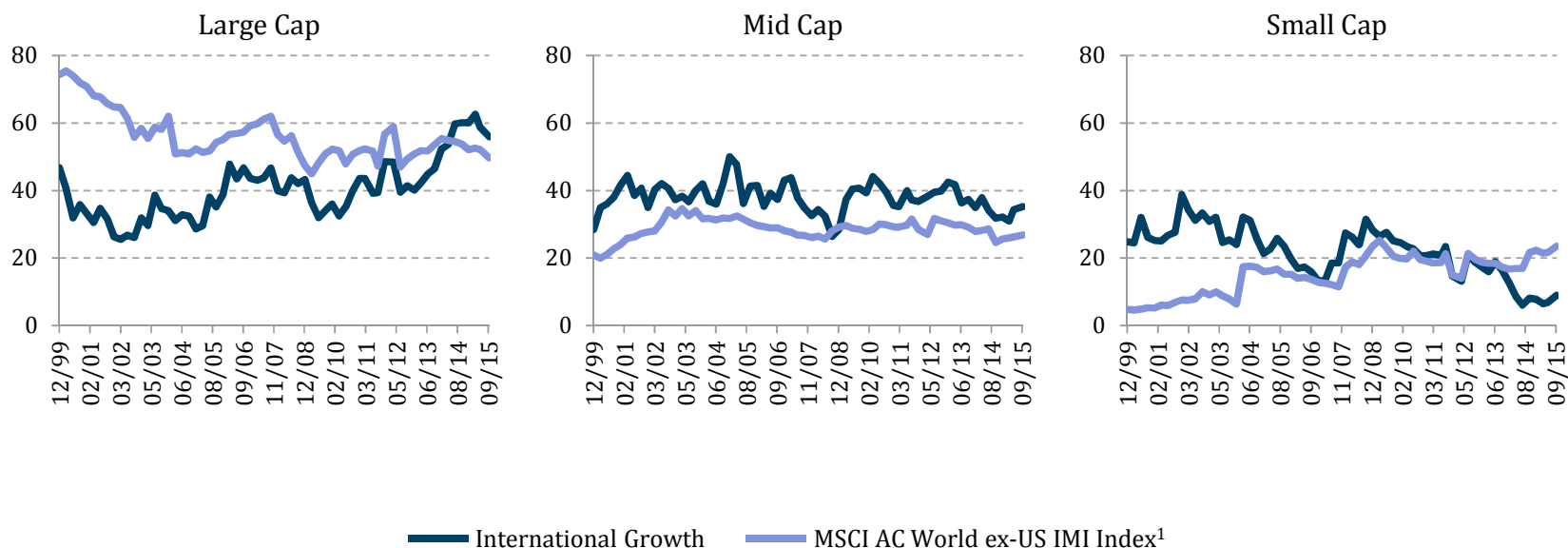
1. Prior to 3/31/03, benchmark data is taken from the MSCI AC World ex-US Index.

The data shown above is taken from a representative account. The index is comparable to the strategy in terms of investment approach but contains significantly more securities. Cash incorporates cash equivalents, accruals, and currency forwards when we hold these positions. Cash is a residual of the stock selection process. Calculated in Eagle.

Historical International Growth Market Cap Weightings

September 30, 2015

% of Portfolio



1. Prior to 3/31/03, benchmark data is taken from the MSCI AC World ex-US Index.

Beginning with 3Q 1998, market caps were defined by small, mid, and large caps as \$1.5 billion, \$1.5 billion to \$10 billion, and over \$10 billion, respectively. Beginning with 1Q 2004, these figures were adjusted to \$2 billion, \$2 billion to \$12 billion, and over \$12 billion. Beginning with 4Q 2007, these figures were adjusted to \$3 billion, \$3 billion to \$15 billion, and over \$15 billion. Beginning with 3Q 2014, these figures were adjusted to \$4 billion, \$4 billion to \$15 billion, and over \$15 billion. The data shown above is taken from a representative account. The index is comparable to the strategy in terms of investment approach but contains significantly more securities. Cash incorporates cash equivalents, accruals, and currency forwards when we hold these positions. Cash is a residual of the stock selection process. Calculated in Eagle.

Appendix

Photos courtesy of Blake Pontius, Raffaella Lutschg and Tongwei Wu



Chicago



London



Shanghai



Sydney



Zurich

International Growth Performance in Various Environments

Arithmetic Avg Quarterly Return (%)

		<u>Portfolio</u>	<u>Benchmark</u>	
All Quarters (4Q96 - 3Q15)		3.0	1.6	
<i>Quarters in which:</i>	<i>Outperformance</i>			
Index Rose	✓	9.3	7.7	(47/76 Qs)
Index Declined	✓	-7.1	-8.3	(29/76 Qs)
MSCI Growth (Net) Outperformed	✓	3.9	1.6	(37/76 Qs)
MSCI Value(Net) Outperformed	✓	2.2	1.6	(39/76 Qs)
MSCI Small Cap (Net) Outperformed	✓	4.8	3.3	(39/76 Qs)
MSCI EAFE (Net) Outperformed	✓	-1.9	-2.5	(33/76 Qs)
MSCI EM IMI (Net) Outperformed	✓	6.9	5.0	(40/76 Qs)

Consistent outperformance in a variety of market environments. Annualized return of 9.88% vs. 4.40% for the benchmark since we began managing international equity in house (10/1/96–9/30/15).

Inception of the current William Blair team is 9/30/1996, when we began managing the International Growth Strategy in house. Prior to 9/30/1996 the strategy was sub-advised by Framlington International. Composite inception 11/30/1992.

Investment performance assumes reinvestment of dividends and capital gains and is gross of investment management fees and net of transaction costs. Performance results will be reduced by the fees incurred in the management of the account. For example, on an account with a 1% fee, and gross performance of 20% over one year, the annual total return on a net of fee basis will result in performance of 18.85%. A \$1,000,000 initial investment would grow to approximately \$1,440,000 gross of fees, versus \$1,412,532 net of fees, over a two year period, assuming an annual return of 20%. Investment management fees are described in William Blair's Form ADV Part 2A. Past performance is not indicative of future returns. Returns for periods greater than one year are annualized. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk. The Morgan Stanley Capital International (MSCI) AC World ex-US Index is an unmanaged index that includes developed and emerging markets. This benchmark is a comparable market proxy. Gross performance shown includes commissions but excludes investment management fees. Deduction of such fees would reduce returns shown and have a compounding effect over time. Based on data from the William Blair International Growth Fund, which is closed to new investors. Calculations are for attribution analysis only and are not intended to represent simulated performance history. Regional attribution is based on estimated US\$ price-only returns of equities held within regions for the period Q4 1996 to Q3 2003. Beginning Q3 2003, the returns represent the estimated total equity-only returns of securities held within regions. All stocks held during a measurement period, including purchases and sales, are included. Cash is not allocated among regions and all returns are exclusive of cash. A rounding discrepancy may occur when calculating backup data.

International Growth

Performance analysis by geography

10/01/1996 to 9/30/2015	Portfolio	Index
United Kingdom		
Cumulative	609.9%	211.4%
Annualized	10.9%	6.2%
Europe + ME ex-UK		
Cumulative	647.3%	215.6%
Annualized	11.2%	6.2%
Japan		
Cumulative	168.8%	8.7%
Annualized	5.3%	0.4%
Pacific ex-Japan		
Cumulative	300.8%	206.8%
Annualized	7.6%	6.1%
Canada		
Cumulative	789.6%	311.8%
Annualized	12.2%	7.7%

Inception of the current William Blair team is 9/30/1996, when we began managing the International Growth Strategy in house. Prior to 9/30/1996 the strategy was sub-advised by Framlington International. Composite inception 11/30/1992.

Investment performance assumes reinvestment of dividends and capital gains and is gross of investment management fees and net of transaction costs. Performance results will be reduced by the fees incurred in the management of the account. For example, on an account with a 1% fee, and gross performance of 20% over one year, the annual total return on a net of fee basis will result in performance of 18.85%. A \$1,000,000 initial investment would grow to approximately \$1,440,000 gross of fees, versus \$1,412,532 net of fees, over a two year period, assuming an annual return of 20%. Investment management fees are described in William Blair's Form ADV Part 2A. Past performance is not indicative of future returns. Returns for periods greater than one year are annualized. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk. Based on data from the William Blair International Growth Fund. Calculations are for attribution analysis only and are not intended to represent simulated performance history. All stocks held during the measurement period, including purchases and sales, are included. Cash is not allocated among regions and all returns are exclusive of cash. (1) MSCI UK IMI (net), (2) MSCI Europe ex UK IMI (net), (3) MSCI Japan IMI (net), (4) MSCI Pacific ex-Japan IMI (net), and (5) MSCI Canada IMI (net). This information may be supplied as a supplement to the International Developed Plus composite performance. A rounding discrepancy may occur when calculating backup data.

International Growth

Performance Analysis by subsector

10/1/96 to 9/30/15	Portfolio	Index
Developed Large/Mid Cap ¹		
Cumulative	460.3%	117.5%
Annualized	9.5%	4.2%
Developed Small Cap ²		
Cumulative	675.1%	171.4%
Annualized	11.4%	5.4%
Emerging Markets ³		
Cumulative	654.1%	102.5%
Annualized	11.2%	3.8%

Inception of the current William Blair team is 9/30/1996, when we began managing the International Growth Strategy in house. Prior to 9/30/1996 the strategy was sub-advised by Framlington International. Composite inception 11/30/1992.

Investment performance assumes reinvestment of dividends and capital gains and is gross of investment management fees and net of transaction costs. Performance results will be reduced by the fees incurred in the management of the account. For example, on an account with a 1% fee, and gross performance of 20% over one year, the annual total return on a net of fee basis will result in performance of 18.85%. A \$1,000,000 initial investment would grow to approximately \$1,440,000 gross of fees, versus \$1,412,532 net of fees, over a two year period, assuming an annual return of 20%. Investment management fees are described in William Blair's Form ADV Part 2A. Past performance is not indicative of future returns. Returns for periods greater than one year are annualized. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk. The Morgan Stanley Capital International (MSCI) AC World ex-US Index is an unmanaged index that includes developed and emerging markets. This benchmark is a comparable market proxy. Gross performance shown includes commissions but excludes investment management fees. Deduction of such fees would reduce returns shown and have a compounding effect over time. Based on data from the William Blair International Growth Fund. Calculations are for attribution analysis only and are not intended to represent simulated performance history. Prior to Q3 1998, small cap is defined as companies with a market capitalization of under \$1 billion. From Q3 1998 to Q4 2003, small cap is defined as companies with a market capitalization of under \$1.5 billion. From Q4 2003 to Q4 2007, small cap is defined as companies with a market capitalization of under \$2 billion. Beginning Q4 2007, small cap is defined as companies with a market capitalization of under \$3 billion. Beginning with Q3 2014, small cap is defined as companies with a market capitalization of under \$4 billion, mid cap is adjusted to \$4 billion to \$15 billion, and large cap to over \$15 billion. For the Large/Mid Cap and Small Cap Segments, is a price-only estimate based on the average month-end market values during the quarter prior for Q4 1998. From Q4 1998 to Q4 1999, Large/Mid Cap and Small Cap segment performance is a total-return estimate based on a monthly buy-and-hold calculation. Beginning Q1 2000, Large/Mid Cap and Small Cap segment performance is a total return estimate based on a daily buy-and-hold calculation. Developed market companies without readily available market capitalization data and cash are excluded. Emerging markets return data represents the returns of the Emerging Markets Growth composite until 1/1/2007 and then the emerging portion of international growth thereafter. Indices: (1) MSCI EAFE; (2) MSCI World ex-US Small Cap (Net); (3) MSCI EM IMI. For consistency, index returns prior to Q4 1998 are price-only except for emerging markets. Beginning with Q4 1998, index returns are total return. Source: FactSet Portfolio Analysis and SPAR.

Sample Research Report

Recommendation Report

ABC Corporation (ABC DC)

Outperform

Vivian Lin Thurston

Date of Recommendation: 4/13/2015

Investment Management Research		Global Quant Scores	
Rating	Outperform	Composite	22
	<i>Leader</i>	Quality	2
Symbol	ABC DC	Valuation	85
Exchange	COPENHAGEN STOCK	Earnings Trend	18
	EXCHANGE	Price Momentum	4
Headquarters	Denmark	Volatility	29
Focus Country	Denmark		
GICS Sector	Consumer Discretionary	[Scale: 1 = Best 100 = Worst]	
GICS Industry	Textiles, Apparel & Luxury Goods	Blair LTG Estimate	15.2%

Investment Conclusion (Last Modified: 10/21/2015)

What is the mix of long term characteristics, current fundamentals and thematic considerations that make the stock attractive? What is the case for sustaining or enhancing fundamental expectations and valuation? Are you currently recommending purchase or anticipating a development that would suggest a better opportunity is likely in the foreseeable future?

Business Activities and Segment Analysis (Last Modified: 10/21/2015)

Briefly describe the company's primary business units, products or end markets. Frame in terms of clarifying the mix of revenues and profits.

Financial/Trading Data		Estimate Summary		
Price (DKK)	760.00	GAAP	Street	Author
Market Cap (\$ mm)	95,514	LTG (DKK)	21.7	25.0
Mkt Cap Float Adj (\$ mm)	80,890.6	EPS FYA(DKK)	24.70	9.32
YTD % Change	52.8	FY1	34.09	15.97
Shares Outstanding (mm)	122.3	FY2	46.91	20.53
Dividend Yield (%)	1.2	FY3	55.25	23.10
3mo ADT Value (\$ m)	378.80	P/E FYA	30.8	28.7
IM Holdings (USD)		FY1	22.3	16.8
		FY2	16.2	13.0
		FY3	13.8	11.6
		REV FYA(DKK)	11,942	6,652
		FY1	16,160	8,780
		FY2	18,909	9,936
		FY3	21,415	10,927

All report statistics are as of most recent close.

FYA Reported: 12/31/2014

Author Date: 11/25/2013

For illustrative purposes only.

William Blair

Sample Research Report

Recommendation Report

ABC Corporation (ABC DC)

Outperform

Vivian Lin Thurston

Date of Recommendation: 4/13/2015

Investment Analysis

Qualitative Assessment: Management / Business Model (Last Modified: 10/21/2015)

Quality Model : 2

Evaluate the company relative to peers, competitors and general corporate standards - How strong is management and how durable is the business model? 1) Rate management on execution, control, strategy, continuity, culture and values, and stakeholder commitment. 2) Assess the strengths of the business model. Does the company have a sustainable competitive advantage? Proprietary products? Dominant or improving market share? Best-in-class cost structure? Unique asset base? 3) Review the company's financial performance - margins, returns, cash flow and balance sheet strength.

Decomposition of Long Term Growth Outlook (Last Modified: 10/21/2015)

Blair LTG Estimate (%) : 15.2

What is the likely range of earnings growth over the next 3-5 years? What is the composition of growth in terms of organic vs. acquired, price vs. volume, revenue vs. margin expansion? Are growth projections realistic or biased? Are there any issues that argue for a different growth metric other than EPS?

Current Fundamental Performance / Expectations (Last Modified: 10/21/2015)

ETrend Model : 18

Assess current growth trends in the context of valuation and long term expectations. What is the direction of forecasts? Are operating and reporting earnings in line? How predictable are near term earnings? If current and expected growth is below the long term nor, what are the prospects for improvement?

Valuation (Last Modified: 10/21/2015)

Valuation Model : 85

Assess valuation relative to market expectations considering future growth, incremental returns, historic and comparable norms. What are the valuation variables (cyclicality, risk)? What is or may be changing to drive a re-rating- growth potential, profitability, risk, competition, management?

Governance / Environmental / Social Considerations (Last Modified: 10/21/2015)

GMI Global: B GMI Home: C GMI Sector: B

MSCI IVA Rating: AA Goldman Sachs ESG Rating: -

Highlight any overall conclusions or concerns.

Governance Considerations (Last Modified: 10/21/2015)

GMI Global: B GMI Home: C GMI Sector: B

The key focus is on transparency, oversight, shareholder value creation, accounting policies. Does the company practice good governance? How are executives compensated? Is it in line with shareholder interests and executive performance? Are there concerns about alignment of interests between management and outside shareholders (particularly when the company is closely held)? Is the board focused on shareholder interests and is it accountable? Is there an independent audit function and, if so, has it found significant issues? Does it report on these issues for shareholders? How conservative/aggressive are accounting practices?

Environmental Considerations (Last Modified: 10/21/2015)

GMI Global: A GMI Home: B GMI Sector: B

The key focus is on resource management, product innovation, renewable energy/water use, reporting. Is this relevant? What is the company's environment reporting / disclosure? Does it use resources effectively and minimize impact of operations? Have there been any past environmental issues? Any areas of concern?

Social Considerations (Last Modified: 10/21/2015)

GMI Global: C GMI Home: C GMI Sector: C

For illustrative purposes only.

Sample Research Report

Recommendation Report

ABC Corporation (ABC DC)

Outperform

Vivian Lin Thurston

Date of Recommendation: 4/13/2015

The key focus is on human rights at the company and the supply chain, labor/management relations, product/workplace safety and community relations. What is the relationship between labor and management? Are there any other areas of concern here, including the company's history and policy supporting human rights, workplace safety, product safety, community relations, resource use, or specific political risks?

Accounting / Disclosure / Transparency (Last Modified: 10/21/2015)

How does the company rate on these issues? Any concerns about corporate structure, shareholder rights, compensation, hidden risks, information flow, board of directors?

Thematic Issues / Risks (Last Modified: 10/21/2015)

What market trends or sector issues are reflected in the company's risk/reward picture? What exogenous developments might affect the fundamentals or valuation?

Key Metrics / Events / Catalysts (Last Modified: 10/21/2015)

Any identifiable milestones, events or conditions that may provide feedback on the stock's prospects?

Contact With Management (Last Modified: 10/21/2015)

Highlight any recent interactions with management. How well do we know this management team?

For illustrative purposes only.

Sample Research Report

Quant Model Factors

Focus Country	Denmark	Eligibility List	Yes
GICS Sector	Consumer Discretionary	Research Agenda	No
GICS Industry	Textiles, Apparel & Luxury Goods	IM Hldgs (USD) (as of)	
GICS Industry Group	Consumer Durables & Apparel	Market Cap (USD mm)	95,514.00

ABC Corporation (ABC DC)

Outperform

Vivian Lin Thurston

4/13/2015

Composite Model	Value	Percentile	Ind Rel
COMPOSITE MODEL SCORE	-	22	-
Quality Model	Value	Percentile	Ind Rel
QUALITY MODEL SCORE	-	2	1
<i>Sustainable Value Creation</i>	-	1	1
Cash Flow ROIC	47.2	3	2
Cash Flow ROIC 3 Year Avg	44.3	3	2
ROE LTM (Financials Only)	-	-	-
Productivity Factor (ex. Financials, Ind Rel)	-	2	2
Oper ROA 5 yr Avg (%)	31.3	2	4
ROE 5yr Avg (%)	44.1	3	2
FCF Margin 3 Year Avg (ex Financials, Ind Grp Rel)	25.0	3	4
Gross Profit / Assets (ex Financials, Ind Grp Rel)	84.3	5	5
EVA Margin (Ind Grp Rel)	22.7	2	2
<i>Earnings Quality</i>	-	49	33
Balance Sheet Accruals Component	52	46	32
Cash Flow Accruals	6.9	62	42
NTM EPS Standard Error 3 Year Average	2.2	31	21
<i>Financial Strength</i>	-	21	16
Altman Z-Score (Ind Grp Rel)	6.8	4	2
Merton Distance to Default (Ind Grp Rel - Higher is better)	12.2	25	11
Net Debt / EBITDA (ex Financials, Ind Grp Rel)	.1	49	38
<i>Banks Only</i>	-	-	-
Tangible Equity to Assets	-	-	-
NPL to Loans	-	-	-
Cost Income Ratio	-	-	-
Risk Adjusted Income	-	-	-
Loans to Deposits	-	-	-
Tier 1 Factor	-	-	-
Pretax Income plus Loan Loss Reserves/Market Cap	-	-	-
1 Year Change in Loan Loss Reserves/Assets	-	-	-

Valuation	Value	Percentile	Ind Rel
VALUATION MODEL SCORE	-	85	71
<i>Earnings / Cash Flow Based Factors</i>	-	85	70
Free Cash Flow Yield (ex Financials)	3.4	50	40
Enterprise Value / EBITDA (ex Financials)	18.8	86	74
Dividend Yield	1.2	80	68
Cash Flow Yield Rel to 3 yr Avg (ex Financials)	70.2	80	63
Price / NTM Earnings	17.0	56	51
<i>Asset-Based Factors</i>	-	100	99
Enterprise Value / Sales (Ind Rel, ex Financials)	6.9	93	94
Price to Tangible Book	108.6	100	98
Enterprise Value / Invested Capital	12.8	99	97
<i>Model-Based Factors</i>	-	52	38
EVA PRVlt	60	39	30
StarMine Intrinsic Value (IV) Model	1.0	71	53
StarMine Ind Rel Valuation	-	75	74
AFG Percent to Target Current	92.1	11	5
Earnings Trend Model	Value	Percentile	Ind Rel
EARNINGS TREND MODEL SCORE	-	18	9
<i>Earnings Revisions</i>	-	15	9
StarMine ARM	80	21	13
3M EPS FY1 Revisions / Book Value per Share 3M Ago	.7	9	6
3M EPS FY2 Revisions / Book Value per Share 3M Ago	.2	17	11
EPS Est Rev Breadth 1 month (%)	.0	38	26
<i>Momentum</i>	-	47	32
EVA Momentum	7.4	9	1
Quality Momentum (6M Change in Percentile)	-1	61	44
FY0 - FY5 Growth Momentum (6M Change in Growth Rate)	2.1	19	13
3M Change in 3M Revision (FY1 and FY2 Avg)	-2.4	92	90
<i>Earnings Surprise</i>	-	42	35
Standardized Unexpected Earnings (SUE)	.3	46	38
StarMine Predicted Surprise	.5	31	14

For illustrative purposes only.

Sample Research Report

ESG Factors				ABC Corporation (ABC DC)	
Focus Country	Denmark	Eligibility List	Yes	Outperform	
GICS Sector	Consumer Discretionary	Research Agenda	No	Vivian Lin Thurston	
GICS Industry	Textiles, Apparel & Luxury Goods	IM Hldgs (USD) (as of)		4/13/2015	
GICS Industry Group	Consumer Durables & Apparel	Market Cap (USD mm)	95,514.00		

ESG Overview		Global	Home	Sector	Impact
GMI Global ESG Score		B	C	B	
GMI Global ESG Score (Previous)		B	C	B	
MSCI IVA Rating		AA	-	-	
Goldman Sachs ESG Rating		-			
QUALITY MODEL SCORE		2			
Governance		Global	Home	Sector	Impact
Governance		B	C	B	84.4%
Governance - Board		Global	Home	Sector	Impact
Governance Board		B	C	B	31.2%
Audit Committee Industry Expert					
Comp Committee Independence					
Auditor Fees					
Risk Management Expertise					
Governance - Pay		Global	Home	Sector	Impact
Governance Pay		C	C	C	21.9%
Performance Targets					
CEO Equity Policy					
Clawbacks					
CEO Pay Perks & Other Comp					
Governance - Ownership / Control		Global	Home	Sector	Impact
Governance Shareholder		B	C	B	12.5%
Indexed Company					
Shareholder Action by Written Consent					
Cumulative Voting					
Governance - Accounting		Global	Home	Sector	Impact
Accounting		C	C	C	18.0%
Asset-Liability Valuation					
Environmental		Global	Home	Sector	Impact
Environmental		A	B	B	0.0%
High Environmental Impact Company					
Social		Global	Home	Sector	Impact
Social		C	C	C	15.6%
High Social Impact Company					
Pay Linked to Sustainability					

Sustainability Board Oversight
Sustainability Reporting Framework
UN Global Compact
Workplace Safety Reporting



For illustrative purposes only. For GMI ratings, 100 is best.

Biographies – International Team

Portfolio Management:

Stephanie G. Braming, CFA, Partner

Stephanie Braming is a Portfolio Manager for the International Small Cap Growth and International Growth strategies. Joining the firm in 2004 as an International and Global Equity Product Specialist, she has been instrumental in portfolio construction, portfolio design and has had a leadership role in the enhancement of the firm's systematic research tools. She has also led the design and launch of several strategies including China A-Share and Japan. Stephanie also served as portfolio manager for the Japan strategy from inception in 2013 to close in 2015. Prior to joining the firm, Stephanie was a Principal at Mercer Investment Consulting, where she was responsible for the strategic investment direction of her institutional clients. Prior to her role at Mercer, Stephanie worked at the Federal Reserve Bank of Chicago. She is a member of the CFA Institute and the CFA Society of Chicago where she served on the Society's Board of Directors. Education: B.A. DePauw University; M.B.A., University of Chicago Booth School of Business.

Simon Fennell, Partner

Simon Fennell is a Portfolio Manager for the International Growth and International Leaders strategies. He joined William Blair in 2011 as a TMT Research Analyst focusing on idea generation and strategy more broadly. Prior to joining William Blair, Simon was a Managing Director in the Equities division at Goldman Sachs in London and Boston, where he was responsible for institutional, equity research coverage for European and International stocks. Previously, Simon was in the Corporate Finance Group at Lehman Brothers in London and Hong Kong, working in the M&A and Debt Capital Markets Groups. Education: M.A., University of Edinburgh; M.B.A., Johnson Graduate School of Management, Cornell University.

Andrew G. Flynn, CFA, Partner

Andy Flynn is a Portfolio Manager on the Global Small Cap Growth and International Small Cap Growth strategies. Since joining William Blair in 2005, Andy has served as a U.S. Industrials and Consumer analyst as well as a non-U.S. Consumer, Healthcare and IT analyst. Before joining the firm, Andy was employed as a Senior Equity Analyst and Portfolio Manager at Northern Trust specializing in mid and small capitalization growth companies. Prior to that he worked as a Senior Equity Analyst at Scudder Kemper Investments and began his career at Fidelity Investments as a Research Assistant. Andy is a member of the CFA Institute and the CFA Society of Chicago. Education: B.A., Economics, University of Kansas; M.B.A., Finance emphasis, University of North Carolina at Chapel Hill.

Kenneth J. McAtamney, Partner

Ken McAtamney is a Portfolio Manager for the William Blair Global Leaders and International Leaders strategies. He joined William Blair in 2005 and previously served as co-director of research, as well as mid-large cap Industrials and Healthcare analyst. Prior to joining William Blair, Ken was a Vice President for Goldman Sachs and Co., responsible for institutional equity research coverage for both international and domestic equity, and he was a Corporate Banking Officer with NBD Bank. Education: B.A., Michigan State University; M.B.A., Indiana University.

Todd M. McClone, CFA, Partner

Todd McClone is a Portfolio Manager for the Emerging Markets strategies. Prior to joining William Blair in 2000, he was a senior research analyst specializing in international equity for Strong Capital Management. Previously, he was a Corporate Finance Research Analyst with Piper Jaffray. At Piper Jaffray, he worked with the corporate banking financials team on a variety of transactions including initial public offerings, mergers and acquisitions and subordinated debt offerings as well as issued fairness opinions and conducted private company valuations. Education: B.B.A. and B.A., University of Wisconsin – Madison.

David Merjan, CFA, Partner

David Merjan is a Portfolio Manager for the International ADR strategy and International Developed Plus strategy. Prior to joining William Blair in 1998, David was with Hughes Electronics in Los Angeles in various capacities, including the Corporate Treasury department where he focused on international mergers and acquisitions and managed corporate currency and interest rate portfolios as well as in the pension management subsidiary of Hughes where he managed an international equity fund. David is a member of the CFA Institute. Education: B.A., Dickinson College; M.I.M., American Graduate School of International Management.

Biographies – International Team

Jack Murphy, CFA, Partner

Jack Murphy is a Portfolio Manager for the International Developed Plus strategy and is the Co-Director of Global Research for Investment Management. Since joining the International team, Jack has served as research analyst conducting mid-large cap non-U.S. Consumer research. Prior to joining the International team, Jack was a Research Analyst within William Blair's sell-side Research Department focusing on e-commerce and hardline retailers. He joined the firm in 2005. Previously, Jack worked at Credit Suisse First Boston for nearly six years as an equity research analyst covering a broad range of retail companies. Before CSFB, he worked as an equity research analyst at Lehman Brothers and as an equity research associate at Salomon Brothers. Prior to sell-side research, he worked as a financial analyst for General Electric Capital, having graduated from GE's Financial Management Program. Education: B.A., Economics, magna cum laude, Villanova University.

Casey K. Preyss, CFA, Partner

Casey Preyss is a Portfolio Manager for the Emerging Markets Growth and China A-Shares strategies. Since joining William Blair in 2000, Casey has been a research analyst covering Industrials, IT and Resources and has also served as the Global Industrials Sector Team Leader. Prior to his fundamental research responsibilities Casey was a Quantitative Analyst with the team. Prior to joining the firm, Casey was with Thomas White International as an International Equity Research Sales Associate. Education: B.S. B.A., The Ohio State University; M.B.A., University of Chicago Booth School of Business.

Jeffrey A. Urbina, CFA, Partner

Jeff Urbina, who joined William Blair in 1996, is a Portfolio Manager for the William Blair International Growth, International Small Cap Growth, and Emerging Markets strategies. He is also a member of the firm's executive committee. Previously, he was a Senior Vice President and Portfolio Manager of the Van Kampen American Capital Navigator Fund, an emerging market equity fund listed on the Luxembourg exchange. While at Van Kampen, he also served as the Director of Research and was a member of the Investment Policy Committee for the firm. Prior to joining Van Kampen in 1991, Jeff spent almost 15 years in the commercial banking business with Citibank where he was a Vice President and Senior Relationship Manager in the bank's real estate group, and with Harris Bank in Chicago where he was an International Banking Officer. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.A., Northwestern University; M.M., Northwestern University Kellogg Graduate School of Management.

Robert J. Duwa, CFA, Partner

As an International and Global Equity Specialist, Bob participates in the team's decision-making meetings, conducts portfolio analysis and is responsible for communicating current portfolio structure and outlook to clients, consultants, and prospects. Bob joined William Blair in 2010 as a Senior Client Relationship Manager responsible for institutional clients. Previously, he was a Senior Consultant and Practice Leader with DeMarche Associates, Inc. for 11 years where he was responsible for the strategic investment direction for a wide range of institutional clients. At DeMarche, he was also president and founder of Discretionary Management Services, a registered investment advisor providing OCIO services. Prior to DeMarche, Bob worked in institutional investment management for Boatmen's Trust Company. He is a member of the CFA Society of Chicago. Education: B.A. Finance, Loras College.

Romina Graiver

As an International and Global Equity Specialist, Romina participates in the team's decision-making meetings, conducts portfolio analysis and is responsible for communicating current portfolio structure and outlook to clients, consultants, and prospects. Romina joined William Blair in 2012 as a Senior Client Relationship Manager and Product Specialist. Prior to joining William Blair, Romina worked at BNP Paribas Investment Partners as Deputy-Head of the International Equity Investment team in charge of product development and investors communication. Prior to that role, she was a Product Specialist for Model-driven Equity Investments and a Marketing Manager before that. Education: B.Sc. in International Business and M.Sc. in Economics from University of Pantheon-Sorbonne, Paris, France.

Blake S. Pontius, CFA

As the International and Global Equity Specialist, Blake Pontius participates in the team's decision-making meetings, conducts portfolio analysis and is responsible for communicating current portfolio structure and outlook to clients, consultants, and prospects. Previously, he was a Client Relationship Manager responsible for senior level relations with the firm's institutional International Growth clients. Prior to joining William Blair in 2005, Blake was with UBS Global Asset Management in consultant relations/communications and a Senior Analyst at Mercer Investment Consulting. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.A., Economics, with honors, Michigan State University; M.B.A., Finance, with distinction, DePaul University.

Biographies – International Team

Research:

Alaina Anderson, CFA, Partner

Alaina Anderson is an International Research Analyst covering all cap Real Estate stocks. Prior to joining William Blair in 2006, Alaina was a Senior Analyst in the Investments Department of the MacArthur Foundation. Her responsibilities included providing research support for internally managed portfolios, as well as investment manager due diligence, selection and monitoring for the Foundation's U.S., Non-U.S. and hedge fund portfolios. Prior to her tenure with the MacArthur Foundation, Alaina served as an investor relations consultant with Ashton Partners and a financial advisor with UBS Painewebber. Alaina is a trustee of Lawrence Hall Youth Services and a member of the CFA Society of Chicago. B.S., University of Pennsylvania Wharton School; M.B.A., University of Chicago Booth School of Business.

William W. Benton, CFA, CPA, Partner

William Benton is the Information Technology Sector Team Leader and Research Analyst focused on non-U.S. mid-large cap Technology and Telecom stocks. Prior to joining Investment Management in 2007, he was previously a Research Analyst within the Technology sector of William Blair's sell-side research group for 10 years. In this position, William was twice named "Best on the Street" in The Wall Street Journal's annual analyst survey. He joined William Blair in 1997. Prior to that, he worked at SBC Warburg, U.S. Cellular, May Department Store, and Monsanto. He is a member of the CFA Society of Chicago and holds the Certified Management Accountant designation. Education: B.S., Finance, University of Illinois Urbana-Champaign; M.B.A., Dartmouth College (Tuck Scholar), Amos Tuck School of Business Administration.

Drew Buckley, CFA, CPA

Drew Buckley is an International Research Analyst covering the small cap Tech, Media, and Telecom (TMT) sector. He joined William Blair in 2008 as a Global Research Associate, focused on the TMT industries. Prior to joining the firm, Drew spent two years at Ernst & Young LLP in New York where he served as a Senior Associate in the Investment Management Assurance practice. He is a member of the CFA Society of Chicago and holds the Certified Public Accountant designation. Education: B.S., Business, University of Colorado – Boulder.

Taylor Cope, CFA

Taylor Cope is an International Research Analyst covering the small cap Industrials and Resources sectors. Prior to joining the firm in 2007 as a Research Associate, Taylor was a Research Analyst at Giuliani Capital Advisors in Chicago, where he was responsible for new opportunity generation, deal support and industry intelligence in the Retail, Consumer and Financial sectors. He is a member of the CFA Institute and the CFA Society of Chicago. Education: M.A. (Hons), University of St. Andrews, Scotland.

Travis Cope

Travis Cope is an Emerging Markets Small Cap Generalist Research Analyst. Prior to this role, he served as an International Research Analyst covering the small cap Resources sector. Travis joined William Blair in 2008 as a Global Research Associate, supporting the Global Energy team under the guidance of research analysts. Prior to joining the firm, he was an Analyst at Macquarie Bank in Chicago, where he engaged in Corporate Restructuring advisory. Education: M.A., International Relations and Modern History, University of St. Andrews, Scotland.

Anil Daka, CFA

Anil Daka is an International Research Analyst covering the mid-cap Industrials sector. Prior to joining the firm in 2011 as an Associate Analyst, Anil was an Equity Analyst at Morningstar Inc., where he was responsible for equity research coverage in the industrials sector. He is a member of the CFA Institute and the CFA Society of Chicago. Education: Bachelor of Technology, Metallurgical Engineering, Indian Institute of Technology; M.B.A., University of North Carolina.

William De Allaume, CFA

William De Allaume is an International Research Analyst covering the mid-large cap Resources sector. Prior to joining William Blair, he was Managing Director and Sector Head at UBS Global Asset Management, where he was responsible for Energy, Materials, Utility and Transport sectors. He also worked in asset consulting at Bankers Trust Company prior to graduate school. He is a member of the CFA Society of Chicago. Education: B.S., Montclair State University; M.B.A., Analytic Finance and M.A., International Relations, University of Chicago.

Biographies – International Team

Joel Gomberg, CFA, Partner

Joel Gomberg is the Global Financials Sector Team Leader, and conducts mid-large cap non-U.S. Financials research. He joined the firm in 1997 as an equity analyst following the Finance industry, including Commercial Banks, Global Investment Banks, Exchanges, Retail Brokers and Commercial Property Service companies and was group head of the Financials sector. In this role, Joel was included in The Wall Street Journal's annual analyst survey, "Best on the Street" three times. Previously, Joel was an equity analyst at Duff & Phelps and Howe Barnes Investments covering specialty finance and bank stocks. He also worked at Northern Trust Company, primarily in commercial banking and credit policy. Education: B.S., University of Illinois at Urbana-Champaign; M.B.A., University of Chicago Booth School of Business.

Daniel Hill, CFA

Daniel Hill is a Global Generalist Research Analyst. Prior to this role, he served as an International and Global Research Associate, supporting the Global Financial team under the guidance of research analysts. Daniel joined William Blair in 2005 as an Investment Accountant. He is a member of the CFA Institute, the CFA Society of Chicago. Education: B.S., Finance, University of Nebraska; M.B.A., Northwestern University's Kellogg Graduate School of Management.

D.J. Neiman, CFA, Partner

D.J. Neiman is an International Research Analyst covering small cap Financials stocks. Before transitioning to the International Growth team, he was an analyst in William Blair's sell-side research group, covering the Financials sector with a focus on the asset management and advisory investment banking industries. Previously, he was a senior accountant with William Blair Funds and a fund analyst at Scudder Kemper Investments. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.S., Miami University; M.B.A., high distinction, University of Michigan Ross School of Business.

Richard Reznick, Ph.D.

Richard Reznick is an International Research Analyst covering Healthcare stocks. He joined William Blair in 2010 as a Research Associate in Equity Research focusing primarily on the Biotechnology sector. Previously, Richard worked at Abbott Laboratories where he served as a Product Specialist in the Abbott Diagnostics Division. Education: B.S., Biology, University of Illinois at Urbana-Champaign; Ph.D., Biology, Yale University.

Andrew J. Siepker, CFA

Andrew Siepker is an International Research Analyst covering the large cap Industrials sector. Andy joined William Blair in 2006 and most recently was a Research Analyst, conducting non-US Consumer research. Previously, he worked on William Blair's sell-side as a Research Associate, focusing on e-commerce and hardline retailers. Prior to joining William Blair, he worked as a financial analyst in a finance training program at First Data Corporation. Andrew is a member of the CFA Society of Chicago. Education: B.S. Finance, highest distinction, University of Nebraska.

Kwesi Smith, CFA

Kwesi Smith is an International Research Analyst covering Healthcare stocks. Prior to joining William Blair, Kwesi spent ten years at TimesSquare Capital Management as an equity research analyst. During his tenure, Kwesi supported their research efforts across a variety of sectors including Healthcare, Technology, Media/Cable, Defense, and Consumer before focusing on Healthcare. Prior to his role at TimesSquare, Kwesi worked at MetLife Investments as a Technology, Media/Cable, and Telecom fixed income research analyst and provided credit analysis across a variety of fixed income asset classes including high yield, private placement, leveraged finance, and investment grade public corporates. He is a member of the CFA Institute. Education: B.S., University of Virginia McIntire School of Commerce.

Rita Spitz, CFA, Partner

Rita Spitz is the Consumer Sector Team Leader and International Research Analyst focused on small cap Consumer stocks. Previously, Rita was a Research Analyst covering U.S. large and mid-cap consumer companies and also served as the Director of Research from 2001-2008. Rita joined William Blair & Company in 1986 and was a Research Analyst for the firm's sell-side covering Advertising and Marketing firms for thirteen years. Rita is a member of the CFA Society of Chicago, the CFA Institute and The Economic Club of Chicago. She has served as an advisor to the Financial Accounting Standards Board between 2002 and 2006 as a member of the Financial Accounting Standards Advisory Council and from 2012 to present as a member of the Investment Advisory Committee. Rita also is a trustee of the Music Institute of Chicago and The Joffrey Ballet. Education: B.B.A., Finance and Spanish, University of Wisconsin-Madison; M.B.A., University of Chicago Booth School of Business.

Biographies – International Team

Thomas A. Sternberg, CFA

Tommy Sternberg is an International Research Analyst covering Healthcare stocks. He joined William Blair in 2004 as a Research Associate in Investment Management focusing primarily on the Healthcare industry. Previously, Tommy spent two years at Oak Brook Bank where he served as an equity analyst in the Investment Management and Trust Department. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.S., Economics, Duke University; M.B.A., University of Chicago Booth School of Business.

Dan Su, CFA

Dan Su is an International Research Analyst covering the small cap Consumer sector. She joined William Blair in 2013. Previously, Dan was a Senior Equity Analyst at Morningstar covering global apparel and internet service companies. Prior to her experience with Morningstar, Dan held various positions in corporate strategy for media and technology companies in China and Singapore. Dan is a member of the CFA Institute and the CFA Society of Chicago. Education: B.A., Beijing Foreign Studies University; M.B.A., University of Chicago Booth School of Business.

Vivian Lin Thurston, CFA

Vivian Lin Thurston is an International Research Analyst covering the large cap Consumer sector. Prior to joining William Blair, she was Vice President and Consumer Sector Head at Calamos Investments, where she was responsible for international consumer stock selection and research. Prior to that, she was an Executive Director and Senior Investment Analyst at UBS Global Asset Management/Brinson Partners, responsible for stock selection and research for consumer sectors in the US and Emerging Markets. She also held roles at Mesirow Financial, China Agribusiness Development Trust and Investment Corporation, and Vanke previously. She is a member of the CFA Institute and the CFA Society of Chicago. She is also the Founder and President of Chinese Finance Association of America, a 501 (C) non-profit organization. Education: B.A., Sociology, Peking University; M.A., Sociology and M.S., Finance, University of Illinois Urbana-Champaign.

Biographies

Systematic Research:

Spiro Voulgaris, Partner

Spiro Voulgaris joined William Blair in 2007 as a Senior Quantitative Analyst in Investment Management. He brings to the firm approximately 15 years experience as a quantitative analyst and strategist. Prior to joining the firm, Spiro was a Senior Quantitative Analyst with Neuberger Berman for five years and subsequently worked alongside the same investment professionals for an additional three years while with Northern Trust. He was also with Lehman Brothers for six years where he was a Strategist and Quantitative Analyst for their global and U.S. Investment Strategy teams in London and New York. Education: B.A., Economics, University of Chicago; M.B.A., with a concentration in Statistics and International Finance, University of Chicago Booth School of Business.

Andrew Kominik, CFA

Andrew Kominik joined William Blair in 2003. After serving as a marketing analyst and portfolio construction analyst, Andrew moved into his current role, Quantitative Portfolio Analyst, in 2007. He primarily supports equity management teams in the use of internal and external quantitative models to evaluate portfolio risk and performance. Andrew also develops and programs multifactor quantitative models that are used by the fundamental equity analysts and portfolio managers. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.A., History, Brandeis University; M.B.A., with concentrations in Econometrics & Statistics and Finance, University of Chicago Booth School of Business.

Paul Teetor

Paul Teetor joined William Blair in 2015. He is a quantitative developer in the Investment Management area, developing applications and tools for quantitative analysis and portfolio management. Prior to joining William Blair, he was a consultant to securities traders, portfolio managers, and risk managers in the Chicago area, developing quantitative software applications. His other experience in the financial services industry included work with market makers, hedge funds, and mortgage portfolio management. He is the author of the "R Cookbook," published by O'Reilly Media, and a member of the American Statistical Association. Education: B.S, Computer Science, Cornell University; M.S., Computer Science, Northwestern University; M.S., Applied Statistics, DePaul University.

Darragh Grogan

Darragh Grogan joined William Blair in 2008 as a software engineer providing support for trading and reconciliation. He joined the quantitative research team as a quantitative developer in 2011. He is responsible for building and maintaining our proprietary quantitative research platform. Previously, Darragh worked as a senior software engineer at Accenture and Fidelity. Education: Bachelor of Commerce, National University of Ireland, Galway. Higher Diploma in Applied Science – Software Development and Design, National University of Ireland, Galway. Master of Science – Advanced Software Engineering, University College Dublin.

Strategy Research:

Melissa McGrane, CFA

Melissa McGrane joined William Blair in 2001 and has been in her current role as a quantitative strategy analyst since 2007. She joined the research team in 2004 as a research associate focusing on companies in the consumer and financial sectors. Previously, she spent three years as a fixed income associate within the department. Melissa is a member of the CFA Institute and the CFA Society of Chicago. Education: B.S. in Economics and Business Administration, Coe College, magna cum laude; M.B.A., University of Chicago Booth School of Business.

Olga Bitel

Olga Bitel joined William Blair in 2009. She is responsible for economic research across all regions and sectors. Prior to joining the firm, Olga was a Senior Economist at the National Institute of Economic and Social Research in London, U.K., where she was responsible for macroeconomic forecasting and thematic research projects for international organizations and government bodies. Education: B.A., University of Chicago; M.Sc. Economics, London School of Economics and Political Science.

Biographies – Client Service Team

John V. McLaughlin, CFA, Partner

John McLaughlin is head of institutional client relationship management. Before joining William Blair in his current role in 2004, John was with Brinson Partners/UBS Global Asset Management for 14 years. Before that, he was an advisor on structured financed and leveraged buyouts with the former First Chicago Corporation for 10 years. Education: B.A. and M.A., University of Nebraska; M.B.A., Arizona State University.

Douglas J. Kryscio, CFA

Doug Kryscio is a senior client relationship manager. Before joining William Blair in 2011, he was a partner and Midwest and Great Lakes market business leader with Mercer Investment Counseling for 11 years. While at Mercer, Doug was also a senior analyst, associate, and principal. Before joining Mercer, he was a portfolio manager for First Chicago. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.B.A., finance, with department honors, University of Kentucky; M.B.A., finance, with distinction, DePaul University. Distinctions: Phi Kappa Phi and Delta Mu Delta National Honor Society.

John J. Manley, CFA

John Manley is a senior client relationship manager. Before joining William Blair in 2014, he was a partner with Meketa Investment Group, where he served as investment consultant to various defined-benefit, defined-contribution, annuity, foundation, non-profit, and health and welfare fund plan sponsors. His consulting work included investment policy design and asset-allocation modeling in addition to the analysis of manager and fund performance. Before joining Meketa, John was a senior research analyst at Kobren Insight Management and a client account manager at Brown Brothers Harriman. He is a member of the CFA Institute and the Chicago Security Analysts Society, and has passed level I of the Chartered Alternative Investment Analyst (CAIA) exam. Education: B.A., economics and government, Hamilton College.

Stephen J. Weeks

Steve Weeks is a senior client relationship manager. Before joining William Blair in 2015, Steve was senior vice president of marketing, consultant relations, and client services at Columbus Circle Investors (CCI). Before joining CCI in April 2005, Steve was a director and senior investment specialist for Principal Global Investors and the founding partner of GlobeFlex Capital, L.P., where he was responsible for institutional marketing and client service. Education: B.S., finance, University of Arizona.

Julie Stevens, CFA

Julie Stevens joined William Blair in 2000 as a member of Investment Management's Operations team. She is the Head of Client Services. She has been a member of the Client Services team since May of 2004. Previously, she spent three years at Bank One as a Financial Analyst for the Asset Liability Management Department. She is a member of the CFA Institute and the CFA Society of Chicago. Education: B.S., Indiana University; M.B.A., University of Chicago Booth School of Business.

Cliff Kalish

Cliff Kalish is a Client Relationship Manager. He joined William Blair in 2011. Previously, Cliff was a Client Relationship Manager at Calamos Investments for six years. Prior to that, Cliff was a Research Analyst at Ellwood Associates for five years. Cliff is a Level III Candidate in the CFA program. Education: B.S. in Consumer Economics with option in Finance, University of Illinois at Urbana-Champaign.

Dana Denizman

Dana Denizman joined William Blair in 1999 as a member of the Small Cap Growth Team. Currently, she is a Senior Client Services Associate, responsible for both international and domestic accounts, and has been a member of the Client Services Team since May 2004. Previously, she spent four years at PaineWebber in various positions, including Registered Sales Assistant, Branch Office Administrator and in the Management Development Program. Prior to that, Dana spent four years at American Century as a Client Service Representative. Education: B.A., University of Iowa.

Matt Brady

Matt Brady joined William Blair in May 2015. He is a member of the Client Services Team as a Client Service Associate. He is responsible for both international and domestic accounts. Previously, Matt was an Analyst on the Product Development & Management Team for BMO Global Asset Management. Education: BBA, Finance and Risk Management, University of Wisconsin-Madison.

Biographies – Client Service Team

Luke Hepler

Luke Hepler joined William Blair in 2015 as a member of Investment Management Institutional Client Service. He is a Client Service Associate, responsible for both international and domestic accounts. Previously, Luke was a Research Analyst at Ellwood Associates. Education: B.S., Finance, Northern Michigan University.

Jennifer Pinner

Jennifer Pinner joined William Blair in 2014 as a member of Investment Management Institutional Client Service. She is a Client Service Associate, responsible for both international and domestic accounts. Previously, she spent eight years at Northern Trust in various positions, including Senior Consultant and Senior Account Manager for the Corporate and Institutional Services team. Education: B.S., DePaul University; M.B.A., Saint Xavier University Graham School of Management.

Thomas Riesenber

Tom Riesenber is a Client Service Associate responsible for both international and domestic accounts. He joined Investment Management in November 2014. Previously, Tom was an International Accounting Analyst at William Blair for three years. Prior to that, Tom was a Financial Reporting Analyst at the Northern Trust Company for four years. Education: B.S.B.A. in Finance, Creighton University.

Mark Selby

Mark Selby joined William Blair in 2013 as a member of Investment Management Institutional Client Service. He is a Client Service Associate, responsible for both international and domestic accounts. Previously, Mark was a Consultant at Ennis Knupp & Associates for over five years. Education: B.S., Finance, Illinois State University.

Glossary – Terms

Active Share: A measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index.

Alpha: A measure of a portfolio's return in excess of the market return, after both have been adjusted for risk. It is a mathematical estimate of the amount of return expected from a portfolio above and beyond the market return at any point in time. For example, an alpha of 1.25 indicates that a stock is projected to rise 1.25% in price in a year over the return of the market, or the return when the market return is zero. When an investment price is low relative to its alpha, it is undervalued, and considered a good selection.

Beta: A quantitative measure of the volatility of the portfolio relative to the overall market, represented by a comparable benchmark. A beta above 1 is more volatile than the overall market, while a beta below 1 is less volatile, and could be expected to rise and fall more slowly than the market.

Developed Markets: Using the Morgan Stanley Capital International (MSCI) geographic definition, this region includes: United Kingdom, Europe (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Spain, Sweden and Switzerland), Japan, Pacific Asia (Australia, Hong Kong, New Zealand, and Singapore) and the Western Hemisphere (Canada and other Americas).

Debt to Total Capital Ratio: This figure is the percentage of each company's invested capital that consists of debt. Companies with a high Debt to Total Capital level may be considered more risky. From a portfolio perspective, the portfolio Debt to Total Capital Ratio is a weighted average of the individual holdings' Debt to Total Capital Ratio.

Emerging Markets: Using MSCI's geographic definition, this region includes: Emerging Markets Asia (China, India, Indonesia, Malaysia, S Korea, Taiwan, and Thailand), Emerging Markets Europe, Mid-East and Africa (Czech Republic, Hungary, Poland, Russia, Turkey, Egypt, Morocco, and S Africa), and Latin America (Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela).

EPS (Earnings Per Share) Growth Rate (Projected): This measure represents the weighted average of forecasted growth in earnings expected to be experienced by the stocks within the portfolio over the next year. From a portfolio perspective, the portfolio EPS Growth Rate is a weighted average of the individual holdings' EPS Growth Rate.

EV/EBITDA (Enterprise Value/Earnings Before Interest, Taxes and Depreciation-Amortization): The EV/EBITDA ratio is useful for global comparisons because it ignores the distorting effects of individual countries' taxation policies. It's used to find attractive takeover candidates. Enterprise value is a better measure than market cap for takeovers because it takes into account the debt which the acquirer will have to assume. Therefore, a company with a low EV/EBITDA ratio can be viewed as a good takeover candidate.

EV/IC: (Enterprise Value/Invested Capital) Ratio: Enterprise Value (EV), which is market capitalization minus cash plus debt divided by Invested Capital (IC), which is the sum of common stock, preferred stock and long-term debt. This number will get you a simple multiple. If it is below 1.0, then it means that the company is selling below book value and theoretically below its liquidation value.

Information Ratio: A measure of risk-adjusted return. The annualized excess return of the portfolio relative to a respective benchmark, divided by the annualized tracking error relative to that same benchmark. The higher the measure, the higher the risk-adjusted return.

PBVn (Price/Book Value) Ratio: The PBV Ratio measures the value of a company's common stock relative to its shareholder's equity. A price-to-book multiple above one means that the price of the company's common stock is higher than its common shareholder's equity. A price-to-book multiple below one means that the price of the company's common stock are less than its break-up value, and the shares may be undervalued.

PCF (Price/CashFlow): Some analysts favor the price/cash flow over the price-earnings (PE) ratio as a measure of a company's value. Cash flow is a measure of a company's financial health. It equals cash receipts minus cash payments over a given period of time.

P/E (Price/Earnings) Ratio: This is the most common measure of how expensive a stock is. Simply, it is the cost an investor in a given stock must pay per dollar of current annual earnings. A high P/E generally indicates that the market is paying more to obtain the stock because it has confidence in the company's ability to increase its earnings. Conversely, a low P/E often indicates that the market has less confidence that the company's earnings will increase rapidly or steadily, and therefore will not pay as much for its stock.

R-squared: A measurement of how closely the portfolio's performance correlates with the performance of its benchmark, such as the MSC AC World Free ex US Index. In other words, it is a measurement of what portion of a portfolio's performance can be explained by the performance of the overall market or index. Ranges from 0 to 1, where 0 indicates no correlation and 1 indicates perfect correlation.

Risk (Standard Deviation): A measure of the portfolio's risk. A higher standard deviation represents a greater dispersion of returns, and thus a greater amount of risk. The annualized standard deviation is calculated using monthly returns.

Sharpe-Ratio: A risk-adjusted measure calculated using standard deviation and excess return (Portfolio return – Risk Free Rate) to determine reward per unit of risk. The higher the Sharpe ratio, the better the portfolio's historic risk-adjusted performance.

Tracking Error: Tracking Error measures the extent to which a portfolio tracks its benchmark. The tracking error of an index portfolio should be lower than that of an active portfolio. The tracking error will always be greater than zero if the portfolio is anything other than a replication of the benchmark.

Trailing 1-Year Turnover: This figure reflects the portfolio's trading activity by calculating the amount of the portfolio's holdings bought or sold over the prior year, expressed as a percentage of the portfolio's average market value. Turnover figures may be related to the amount of trading costs experienced by the portfolio.

Weighted Average Market Capitalization: Market capitalization refers to the total market value of each company's outstanding shares. The Weighted Average Market Capitalization for a portfolio is calculated as the average market capitalization of the stocks within the portfolio, weighted by the amount of each stock owned.

Weighted Median Market Capitalization: This calculation represents the median market capitalization of the stocks in the portfolio, weighted by the amount of each stock owned.

Glossary – Indices

Bank of America Merrill Lynch 1-Year U.S. Treasury Note Index: An unmanaged index comprised of a single U.S. Treasury Bill issued at the beginning of each month and held for a full month. Each month the index is rebalanced and the issue selected is the outstanding U.S. Treasury Note that matures closest to, but not beyond one year from the rebalancing date.

Bank of America Merrill Lynch 3-Month Treasury Bill Index: An unmanaged index tracking 3-month U.S. government securities.

Barclays U.S. Aggregate Bond Index: A broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid ARM pass-throughs), asset-backed securities and commercial mortgage backed securities.

Barclays Intermediate Govt./Credit Bond Index (formerly the Lehman Index): A fixed-rate government and corporate bonds rated investment grade or higher.

Barclay's Multiverse Index: Provides a broad-based measure of the global fixed-income bond market. The index represents the union of the Global Aggregate Index and the Global High-Yield Index and captures investment grade and high yield securities in all eligible currencies. Standalone indices such as the Euro Floating-Rate ABS Index and the Chinese Aggregate Index are excluded. The Multiverse Index family includes a wide range of standard and customized sub-indices by sector, quality, maturity, and country.

Barclays U.S. Intermediate Aggregate Bond Index: A broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid ARM pass-throughs), asset-backed securities and commercial mortgage backed securities with maturities between one and 10 years.

Merrill Lynch 1-Year U.S. Treasury Note Index: Comprised of a single U.S. Treasury Bill issued at the beginning of each month and held for a full month. Each month the index is rebalanced and the issue selected is the outstanding U.S. Treasury Note that matures closest to, but not beyond one year from the rebalancing date.

Merrill Lynch 3-Month Treasury Bill Index: An unmanaged index tracking 3-month U.S. government securities.

MSCI (Morgan Stanley Capital International): MSCI indices are the most widely used benchmarks by global portfolio managers. MSCI offers international investors performance benchmarks for 51 national stock markets as well as regional, sector, industry group, and industry aggregations.

MSCI All Country World ex-US EAFE Index: An unmanaged index that includes developed and emerging markets outside the United States.

MSCI China A Index: A free-float weighted equity index, designed to measure performance of China A share securities listed on either the Shanghai or Shenzhen Stock Exchanges. The index was developed with a base value of 1000 as of November 30, 2004.

MSCI All Country World ex-US Small Cap Index: A free float-adjusted market capitalization index designed to measure global developed and emerging market small capitalization equity performance, excluding the U.S.

MSCI EAFE Index: A free float-adjusted market capitalization index which captures large and mid cap representation across Developed Markets countries around the world, excluding the U.S. and Canada.

MSCI EAFE IMI Index: A free float-adjusted market capitalization index which captures large, mid and small cap representation across Developed Markets countries around the world, excluding the U.S. and Canada.

MSCI EAFE Growth Index: A free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada.

MSCI All Country World ex-US Index: An unmanaged index that includes developed and emerging markets.

MSCI All Country World ex-US IMI Index: A free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the US.

MSCI All Country World IMI Index: A free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets.

MSCI All Country World ex-US IMI Growth Index: A free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the US. It includes those MSCI All Country World ex-US IMI Index securities with higher price-to-book ratios and higher forecasted growth rates.

MSCI World ex-US Growth Index: A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets, excluding the U.S., with higher price-to-book ratios and higher forecasted growth rates.

MSCI World ex-US Index: A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets, excluding the U.S.

MSCI All Country World ex-US Small Cap Index: A free float-adjusted market capitalization index designed to measure global developed and emerging market small capitalization equity performance, excluding the U.S.

MSCI Emerging Markets IMI Index: A free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

MSCI Emerging Markets Small Cap Index: A free float-adjusted market capitalization index that is designed to measure equity market performance of small cap companies in emerging markets.

MSCI Emerging Markets Large Cap Index: A free float-adjusted market capitalization index that is designed to measure equity market performance of large cap companies in emerging markets.

MSCI World ex-US Small Cap Index: An unmanaged index that includes non-US developed markets.

Russell 1000 Index: Measures the performance of the 1000 largest companies in the Russell 3000 Index, which represents approximately 90% of the total market capitalization of the U.S. market.

Russell 1000 Growth Index: Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value Index: Measures the performance of the large cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Index: Measures the performance of the 2000 smallest companies in the Russell 3000 index, which represents approximately 8% of the total market capitalization of the Russell 3000 index.

Russell 2000 Growth Index: Measures the performance of those Russell 2000 companies with higher price-to book ratios and higher forecasted growth values.

Russell 2000 Value Index: Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2500 Index: Measures the performance of the 2500 smallest companies in the Russell 3000 Index.

Russell 2500 Growth Index: Measures the performance of those Russell 2500 companies with higher price-to book ratios and higher forecasted growth values.

Russell 2500 Value Index: Measures the performance of those Russell 2500 companies with lower price-to book ratios and lower forecasted growth values.

Russell 3000 Index: Measures the performance of the 3000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

Russell 3000 Growth Index: Measures the performance of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell Midcap Index: Measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 27% of the total market capitalization of the Russell 1000 companies.

Russell Midcap Growth Index: Measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values.

Russell Midcap Value Index: Measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values.

S&P 500 Index: The Standard & Poor's 500 Index (S&P 500) is an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. Companies included in the index are selected by the S&P Index Committee, a team of analysts and economists at Standard & Poor's. The S&P 500 is a market value weighted index—each stock's weight is proportionate to its market value.

A direct investment in an unmanaged index is not possible.

Composite Disclosure

International Growth

Calendar Year	Total Gross Asset-Weighted Return	Total Net Asset-Weighted Return	MSCI ACWI ex US IMI blend (net)	Composite 3-Yr Standard Deviation	Benchmark 3-Yr Standard Deviation	Number of Portfolios	Dispersion	Composite Assets End of Period (mm)	Percent Non-Fee Paying	Percent of Total Firm Assets
2005	23.07%	21.99%	17.68%	11.60	11.55	26	0.84%	\$10,105.35	0.00%	30.09%
2006	25.04%	23.95%	26.51%	11.06	10.23	27	0.49%	\$13,514.52	0.00%	31.59%
2007	19.73%	18.68%	16.13%	12.00	10.65	27	0.62%	\$16,377.91	0.00%	33.45%
2008	-52.27%	-52.73%	-45.99%	23.75	21.13	24	0.72%	\$6,906.24	0.00%	26.37%
2009	46.32%	45.01%	43.60%	26.53	25.52	23	0.73%	\$9,739.15	0.00%	26.58%
2010	21.19%	20.22%	12.73%	27.77	27.57	40	0.77%	\$14,599.87	0.00%	33.04%
2011	-13.05%	-13.74%	-14.31%	20.43	22.79	41	0.52%	\$11,567.14	0.00%	28.08%
2012	23.94%	22.95%	17.04%	18.02	19.29	41	0.58%	\$14,265.48	0.00%	28.75%
2013	21.14%	20.17%	15.82%	15.41	16.24	40	0.27%	\$16,962.01	0.00%	27.35%
2014	-1.40%	-2.18%	-3.89%	12.03	12.78	38	0.23%	\$15,481.25	0.00%	24.55%

Disclosures:

William Blair Investment Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. William Blair Investment Management has been independently verified for the periods January 1, 1993 through December 31, 2014. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The International Growth Composite has been examined for the periods presented through December 31, 2014. The verification and performance examination reports are available upon request. For purposes of compliance with GIPS, the Firm is defined as all accounts managed by William Blair Investment Management. William Blair Investment Management includes William Blair Investment Management, LLC and some accounts managed by William Blair & Company, L.L.C. William Blair Investment Management, LLC and William Blair & Company, L.L.C. are investment advisers registered with the United States Securities and Exchange Commission ("SEC"). Registration with the SEC does not imply a certain level of skill or training.

International Growth invests in a broad range of companies based in developed and emerging markets outside of the United States. Companies have had and are expected to maintain superior growth, profitability and quality relative to local markets. The strategy will occasionally include the use of forward currency contracts to hedge some of the foreign currency exposure which accompanies investment in foreign currency-denominated securities. The benchmark that best reflects the composite's investment strategy is the MSCI All Country World Ex US Investable Market Index (IMI) Net, which is a free float-adjusted market capitalization index that is designed to measure equity market performance, net of withholding taxes, in the global developed and emerging markets, excluding the US. Portfolio and composite returns are calculated daily. Prior to January 2009, portfolio returns were calculated monthly using a time-weighted monthly linked return formula with adjustments for cash flows and composites were calculated monthly by weighting portfolio returns based on beginning of month market value. Valuations and returns are denominated in U.S. Dollars. Accrual accounting is used for dividends. The dividend accruals included in portfolio valuations are net of applicable withholding taxes. Pending withholding tax reclaims are not accrued for in the portfolio valuations. Portfolios must have an initial market value greater than or equal to \$1 million to be included in the composite. New accounts are added to the composite at the beginning of the month following the first full calendar month under management. Prior to July 2007, new accounts were added to the composite at the beginning of the quarter following two full calendar months under management. Portfolios that change investment strategies are transferred between composites in the first full monthly period the portfolio is managed under the new style. Portfolios will be excluded from their composite the first month immediately following their last complete month of authorized management by the Firm. For all periods, portfolios are removed from this composite, in the event of a significant cash flow, for the month during which the flow occurs. Portfolios are typically added back into the composite the following month. A portfolio is determined to have a significant cash flow if the accumulated net external flows of cash and/or securities during a month total more than 25% of the beginning of month portfolio market value. Additional information regarding the treatment of significant cash flows is available upon request. Composite dispersion measures represent the consistency of a firm's composite performance with respect to the individual portfolio returns within a composite. The dispersion of annual returns is measured by the asset-weighted standard deviation of the gross returns in the composite. Dispersion includes only those portfolios that have been included in the composite for the entire year. This eliminates any inaccuracies created by annualizing partial year returns. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. Performance results are stated gross and net of max investment advisory fees. The management fee schedule is as follows:

Up to \$20,000,000:	0.80%
Next \$30,000,000:	0.60%
Next \$50,000,000:	0.50%
Next \$50,000,000:	0.45%
Next \$50,000,000:	0.40%
Over \$200,000,000:	0.30%

The maximum fee is 0.80%.

The International Growth Composite was created in October, 2001. From creation through July, 2014, the composite was named International Growth All Cap Growth. Prior to July, 2002, the only account in the composite was a mutual fund. A complete list and description of firm composites is available upon request. Additional information regarding policies for valuing portfolios, calculating performance and preparing compliant presentations is also available upon request. Past performance is not indicative of future results.

Accrual Basis (Gross of Fees):

Activity	Ownership %	Shares	Beginning Market Value	Contributions	Redemptions	Distributions Declared	Net Income	Realized Appreciation / (Depreciation)	Unrealized Appreciation / (Depreciation)	Ending Market Value	Value per Share
March 31, 2015	0.2573%	104.5406	12,231,584	104,342	-	(122,989)	146,725	(32)	304,241	12,663,871	1,024.6416
June 30, 2015	0.2582%	87.1495	12,663,871	89,297	-	(136,071)	155,588	(131)	374,594	13,147,148	1,056.3032
August 11, 2015	0.2450%	95.4271	13,147,148	100,800	-	-	73,911	-	(1,037)	13,320,822	1,062.1128
September 30, 2015	0.2417%	-	13,320,822	-	-	(169,432)	91,491	-	281,975	13,524,856	1,078.3803
Year to date		287.1172	\$ 12,231,584	\$ 294,439	\$ -	\$ (428,492)	\$ 467,715	\$ (163)	\$ 959,773	\$ 13,524,856	\$ 1,078.3803
Since Inception		12,541.9980		\$ 12,354,702	\$ -	\$ (635,606)	\$ 660,182	\$ (1,868)	\$ 1,147,446	\$ 13,524,856	\$ 1,078.3803

Cash Basis (Net of Fees):

Net Income										
Activity	Beginning Market Value	Contributions	Distributions Paid	Redemptions	Before Fees	Asset Mgmt Fees	After Fees	Realized Appreciation / (Depreciation)	Unrealized Appreciation / (Depreciation)	Ending Market Value
March 31, 2015	12,335,926	104,342	(104,342)	-	146,725	(33,692)	113,033	(32)	304,241	12,753,168
June 30, 2015	12,753,168	89,297	(89,297)	-	155,588	(35,271)	120,317	(131)	374,594	13,247,948
August 11, 2015	13,247,948	100,800	(100,800)	-	73,911	(16,479)	57,432	-	(1,037)	13,304,343
September 30, 2015	13,304,343	-	-	-	91,491	(19,897)	71,594	-	281,975	13,657,912
Year to date	\$ 12,335,926	\$ 294,439	\$ (294,439)	\$ -	\$ 467,715	\$ (105,339)	\$ 362,376	\$ (163)	\$ 959,773	\$ 13,657,912
Since Inception		\$ 12,354,702	\$ (354,702)	\$ -	\$ 660,182	\$ (147,848)	\$ 512,334	\$ (1,868)	\$ 1,147,446	\$ 13,657,912

Original Capital Commitment	\$ 17,000,000
Unfunded Capital Commitment	\$ 5,000,000
DRIP to Date	\$ 354,702
Redemptions to Date	\$ -

Contributions:			
Share Activity:	# of Shares	Type	Amount
July 7, 2014	6,795.8974	Original	\$ 6,604,787
October 16, 2014	60.8107	DRIP	60,263
December 2, 2014	5,398.1727	Original	5,395,213
January 15, 2015	104.5406	DRIP	104,342
April 16, 2015	87.1495	DRIP	89,297
July 16, 2015	95.4271	DRIP	100,800

Grand Total Contributions	12,541.9980	\$ 12,354,702

Note: In accordance with the limited partnership agreement, the limited partners have directly engaged the general partner to provide asset management services. Accordingly, such fees are not included in the Fund's ending market value. The Gross of Fee amounts disclosed above represent the investor's share of the Fund, which exclude asset management fees, and the Net of Fee amounts reflect their investment in the Fund net of their directly engaged asset management fees.



Retirement Board**Meeting Date:** 11/19/2015**Re:****Submitted For:** Johnna Morris, Interim Finance
Director, Finance Department

Information**SUBJECT:**
CONSENT AGENDA

Attachments

Consent Agenda 11-19-15

Form ReviewForm Started By: Queen Thompson
Final Approval Date: 11/13/2015

Started On: 11/13/2015 12:42 PM

**CONSENT AGENDA
REFUND OF MEMBER CONTRIBUTIONS
NOVEMBER 19, 2015
BOARD
MEETING**

CITY	AGENCY	PERIOD	DATE OF TERMINATION	DATE OF REFUND	TOTAL AMOUNT OF REFUND	TAX DEBIT	NET AMOUNT	CHECK NUMBER
						-	-	
						-	-	

- - - -

POLICE	AGENCY	PERIOD	DATE OF TERMINATION	DATE OF REFUND	TOTAL AMOUNT OF REFUND	TAX DEBIT	NET AMOUNT	CHECK NUMBER
ERIKA GERSTNER	POLICE	1	5/28/2014	10/30/15	4,559.29	-	4,559.29	254949
ERIKA GERSTNER	POLICE	1	5/28/2014	10/30/15	972.83	-	972.83	254947

5,532.12 - - 5,532.12

U.A.

						-	-	
ARCHANGEL MORIVAL	U.A.	1	7/20/2015	10/30/15	1,907.07	381.41	1,525.66	254946

1,907.07 381.41 - 1,525.66

TOTAL: \$ 7,439.19 \$ 381.41 \$ - \$ 7,057.78

Retirement Board**Meeting Date:** 11/19/2015**Re:** Miscellaneous**Submitted For:** Johnna Morris, Interim Finance
Director, Finance Department

Information**SUBJECT:**

MISCELLANEOUS INFORMATION

Attachments

Cypen Newsletter - 11-12-2015

Cypen Newsletter - 11/5/2015

Financial Report

Form Review

Form Started By: Queen Thompkins

Final Approval Date: 11/09/2015

Started On: 11/09/2015 04:47 PM



CYPEN & CYPEN

NEWSLETTER

for

NOVEMBER 12, 2015

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Stephen H. Cypen, Esq., Founding Editor

Adam Levinson, Esq., Contributing Editor

Never Forget September 11, 2001

and

Always Remember May 2, 2011

1. NEW YORK CITY'S PENSION MANAGERS WERE PAID OVER \$700 MILLION IN 2015: Wall Street managers were paid an astounding \$708 million in fiscal year 2015 to handle the city's pension system -- but did such a terrible job that taxpayers were forced to cough up \$9.9 billion to make up for their shortfalls. Most of those costs, moreover, were kept

secret. Management fees jumped by \$178 million from \$530 million the year before. But New York City's Comptroller Scott Stringer says the vast majority of the increase stems from the discovery of previously undisclosed incentive fees according to the nypost.com. For too long, incentive fees have been hidden from public view, and there was a sense from money managers that they could get away with it. Real estate, private equity and hedge fund managers typically reported only the net profit on an investment without a breakdown of performance and other fees deducted from the gross. As one expert put it: it is like selling your house and having the agent say, here are your proceeds. But we are not saying how much we sold the house for, how much we charged you in commission and how much we charged you in fees. The comptroller is evaluating whether the fees were justified. Last year, the U.S. Securities and Exchange Commission found more than half of 400 private equity firms it examined charged inflated fees. The pension funds have guaranteed returns for retirees. If those targets are not met by the money managers, the city must make up the difference. Last year, taxpayers plowed 12.3% of the entire city budget -- almost \$10 billion -- into the employee pension system, which currently has \$162.9 billion in assets. More than 200 outside companies manage the investments, each charging a variety of fees. The comptroller said it took detective work to uncover the hidden payments -- and he expects to find more. We will not be satisfied until we know -- and can report -- all of the fees the city's pension funds are paying. Extra costs mean the pension funds may not get the best bang for the buck. These hidden fees are a drag on investment returns. They enhance the compensation of Wall Street, and

beg the question -- to whose benefit are these investments being made? Stringer's chief investment officer, Scott Evans, sent a letter last month to all pension money managers, demanding a complete history of all the fees they have charged. Those who do not comply by December 31st may be shut out of further investments, he warned. The California Public Employees' Retirement System, the nation's biggest pension fund, has taken similar steps in recent months.

2. 2016 MEDICARE PARTS A & B PREMIUMS AND DEDUCTIBLES ANNOUNCED: Centers for Medicare & Medicaid Services announced the 2016 premiums and deductibles for the Medicare inpatient hospital (Part A) and physician and outpatient hospital services (Part B) programs. The entire release can be found at <https://www.cms.gov/Newsroom/MediaReleaseDatabase/Press-releases/2015-Press-releases-items/2015-11-10.html>.

3. MILITARY MEMBERS OPPOSE PENSION REFORM: Service members who expect to make a career out of the military prefer to stay with a traditional pension rather than opt for the retirement reforms recently proposed by Congress. According to plansponsor.com, the latest results of the First Command Financial Behaviors Index reveal that 70% of middle-class military families (commissioned officers and senior NCOs in pay grades E-6 and above with household incomes of at least \$50,000) who say they are likely to serve to full retirement want to be grandfathered into the current retirement system. The findings are consistent with monthly survey data collected since the Military

Compensation and Retirement Modernization Commission announced its proposal to restructure the traditional 20-year retirement system as a blended program that includes a reduced pension in exchange for a lump sum bonus and a new 401(k) type plan. ([See C & C Newsletter for February 5, 2015, Item 8](#)). However, the survey found many career military members are open to the idea of retirement reform for their non-career colleagues (that is, the people who would otherwise leave service without any government-sponsored retirement savings). Sixty-six percent of survey respondents are in favor of the proposed blended retirement system. When asked to explain why, those in favor of the proposed system said it will increase the amount of people who would be eligible for benefits and provide more financial benefits for service members. (Sounds to us like it's "I got mine, I don't care about yours"). The traditional 20-year retirement system has been an important part of our nation's commitment to ensuring lifetime retirement security for generations of our men and women in uniform. Military retirement reform is too big an issue to push through quickly. Caution should be used for proposes of moving forward at a slow and intentional pace that reassures our service members and encourages a continued public debate.

4. THE MOST TERRIFYING RETIREMENT STATISTIC YET?: If you thought American workers were having a tough go saving for retirement, a statistic from *The Motley Fool* will overly shock you. It is no secret that far too many Americans are not saving enough to retire comfortably and on their own terms. No matter what study you analyze, the reality is the same across the board Americans are poor savers, and many are facing

a money shortfall in their retirement years if they do not adjust their present course. Not including defined saving accounts such as a 401(k), about 25% say they do not have any emergency funds saved up. Another quarter had enough in emergency savings to cover up to, but not more than, three months of expenses. (Most experts recommend six months of emergency savings, at minimum.) Yet, a savings shortfall by workers may not be the scariest retirement statistic: only 40% have created a financial plan, which means 60% of American workers are essentially closing their eyes, throwing a dart, and hoping that everything works out okay. Further, just one in six (17%) admitted to using financial tools or resources that were provided by their employer to aid in their ability to save. In other words, a majority of Americans potentially have nothing saved for retirement because they lack the skills to understand where to start and how effectively to deploy the capital they have saved. About half affirm they are saving regularly for retirement, although 37% of respondents admitted that they cannot really afford to save any money toward their retirement. Additionally, 91% suggested that they want help saving for retirement and covering their long-term needs.

5. THE FUTURE OF SOCIAL SECURITY; ANSWERS TO KEY QUESTIONS: In light of financial challenges facing Social Security's benefit programs, including the projected depletion of the Disability Insurance trust fund in 2016, U.S. Government Accountability Office has updated and expanded on its 2005 guide on Social Security. This updated guide is intended to describe, in a concise and easy-to-understand way, the complexities of Social Security retirement and

disability programs, the challenges these programs face and the options available to address these challenges. The guide also includes a framework for evaluating policy options. The guide has five sections, as follows:

- **Section I: How Does Social Security Work?** This section explains how Social Security works, including the benefits that are provided through the Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) programs, and how the programs are funded.
- **Section II. Why Is There a Need for Changes to Social Security?** This section explains the financial and other challenges facing both programs, including their causes and broader implications for the federal budget.
- **Section III. What are the options for addressing Social Security's challenges?** The third section presents a range of policy options that have been proposed to address challenges for the OASI program. Options to alter OASI benefits could also apply to the DI program.
- **Section IV. What are the options for addressing challenges specific to the DI program?** The fourth section presents a range of policy options that have been proposed to address challenges for the DI program.
- **Section V: A Framework for Evaluation.** The fifth section of this guide provides a framework for evaluating the various policy options.

6. SURVEY OF EMPLOYEES WITHOUT WORKPLACE RETIREMENT

PLANS: Greenwald & Associates conducted an online survey for the state of California of employees without workplace retirement plans. The following come from the report of findings released October 2015:

- California uncovered workers are interested in a retirement savings program that automatically enrolls them but gives them the option not to participate.
- Most would participate in the program only about a quarter would opt out, regardless of whether the deferral rate is 3% or 5%.
- Automatic escalation is not a deal breaker for participation for most; liquidity is a somewhat larger potential barrier.
- There is a clear preference for savings in the program to be invested for long term growth rather than for protecting against loss.
- Other key features of the program are appealing large majorities say each of seven program features tested are highly attractive.
- The vast majority of uncovered workers have the desire and the ability to put at least some money aside for retirement, but most have not done much, if anything, to build a retirement nest egg.
- The leading barriers for not saving more for retirement include low earnings and the debt burden they carry these two issues are the primary reasons for over half of uncovered workers.
- Most prefer online interaction with the proposed plan through a

website or email, but there is a segment who requires talking by phone to customer service.

7. LAW FIRMS HAVE HIGHEST AVERAGE RETIREMENT ACCOUNT BALANCES (SURPRISE):

Workers at law firms might be the most set for retirement, as that industry had the highest average 401(k) participant account balance -- \$186,176 -- according to the 2014 PLANSPONSOR Defined Contribution Survey. They are followed by utilities (\$129,703); accounting firms (\$120,216); Fortune 1000 companies (\$111,550); and research and development (R&D) companies (\$110,071). The 401(k) participation rate is highest among labor unions, with 89.1% of labor union workers participating in their retirement plan, followed by credit unions (87.9%), pharmaceuticals (86.3%), utilities (86.3%) and accounting firms (86.2%). Labor unions also had the highest average participant deferral rate (9.4%), followed by R&D companies (8.3%), pharmaceuticals (8.1%), aerospace and defense companies (7.9%), and colleges and universities (7.8%). Hard to believe that doctors did not make the list.

8. WHAT IT IS LIKE FOR A POLICEMAN'S FAMILY IN TODAY'S ANTI-LAW ENFORCEMENT CULTURE:

Despite constant threats over their loved one's profession, a police family is speaking out to show the public a different side of law enforcement life. A side that often gets drowned out by hate-fueled headlines and negative opinions of the law enforcement community. The following short video basically says it all. Watch it at: <http://www.leoaffairs.com/featured/this-is-what-its-like->

for-a-policemans-family-in-todays-anti-law-enforcement-culture/?utm_source=feedburner&utm_medium=email&utm_campaign=Feed%3A+leoaffairs+%28LEOAFFAIRS.COM%29.

9. RETIREMENT AGE IS A MAGIC NUMBER: It is how much Social Security per month a person born in 1960 or later could receive depending on which age they start their benefits according to International Foundation of Employee Benefit Plans. Pre-retirees apparently do not know much about Social Security. Or at least that is what a recent survey says. In fact, only 9% of consumers believe they are very knowledgeable about how Social Security benefits are determined, according to a survey released in September by the Financial Planning Association and AARP. If that is the case, what is the bare minimum you should know about Social Security? Here's what experts had to say.

- **Full Retirement Age.** Your age at the time you elect retirement benefits affects the amount of your Social Security benefit and, in many cases, your spouse's benefit, too. You can elect to receive your benefit anytime from 62 to age 70, but there is a certain age when you are entitled to full or unreduced retirement benefits. That would be your full retirement age.
- **Reduced Benefits.** Start taking your benefits before your FRA and your monthly payment will be reduced. That reduction could be anywhere from 20% to 35% depending on your FRA and whether it is your or your spouse's benefit. The most important thing pre-

retirees need to know about Social Security is the consequences of filing for benefits before full retirement age. Their benefit will be permanently reduced, causing them to give up many tens of thousands of dollars in benefits over their lifetime. Spousal strategies can add as much as \$60,000 to a household's lifetime benefits. But those who file for Social Security before FRA cannot use such strategies unless they catch it within the first 12 months of filing. That date is when you can withdraw your application and start over at full retirement age, and can take advantage of these spousal strategies.

- **Increased Benefits.** If, however, you delay retirement benefits until after your FRA, you are likely eligible for delayed retirement credits, or DRCs. In essence, you can use these credits to increase permanently the amount of your old-age benefit. In essence, you would earn a credit for each month (two-thirds of 1% per month or 8% per year) in the period beginning with the month you hit FRA and ending with the month you turn 70. So, a person born in 1960 whose benefit was \$1,000 per month at FRA could get \$1,240 a month if he waits until age 70 to claim his Social Security benefit. By contrast, that same person would receive just \$700 if he claimed Social Security at age 62. If you factor in cost-of-living adjustments at 1.5%, the difference between taking your benefit at 62 vs. 70 could be 88%, says David Cechanowicz, director of education for Social Security Timing, a software program used by financial professionals to run benefit calculations. And that, he says, is almost a "doubling of the higher earner's

benefit."

- **Know Your FRA.** Your FRA depends on when you were born. For those born in 1960 or later, your FRA is age 67. For those born in 1937 or earlier, the FRA was 65. And for those born from 1938 to 1959, your FRA is somewhere in between.
- **Consider Your Spouse.** By waiting until at least FRA, if not age 70, someone's monthly benefit will be higher than if he or she had claimed it earlier. It also means that any survivor benefit that might eventually be paid will be higher, as well.
- **Working and Waiting.** Once you reach FRA, you can earn as much as you might like and receive a full Social Security benefit at the same time. These additional earnings can possibly increase someone's monthly payment amount, because retirement benefits are calculated by averaging someone's highest 35 years of earnings, no matter when those years occur.
- **Do not Decide in a Vacuum.** A Social Security filing decision should not be made in a vacuum. The decision on when and how to file for Social Security, should be made as part of the overall retirement income plan with your financial goals, life expectancies and financial fears in mind.

10. TOP 20 PLACES FOR MILLENNIALS TO WORK: Want to attract the best young talent? Great Places to Work has assembled its top picks of employers with fantastic benefits and great working environments -- just the sort of places Millennials are flocking to for work in 2015. Here are the top 20:

- **Power Home Remodeling Group.** Nearly all of Power Home Remodeling Group's employees praise the company's culture and leadership, including the opportunities to advance, the supportive atmosphere and the yearly all-paid vacation to Mexico. Whatever their reasons, employees are proud to help customers find green solutions to home remodeling. Culture is king at this family-owned company.
- **David Weekley Homes.** There is a particular attentiveness to Team Members' spiritual well-being, with a chaplain service and Employee Assistance Program available to those who need it.
- **Allied Wallet.** The company creates strong ties among staff through frequent gifts, special events, fun parties and free Friday lunches where everybody sits and eats together.
- **Pinnacle Financial Partners.** When the firm succeeds, everyone benefits. All associates receive stock shares -- on top of commissions -- and non-commissioned staff receive bonuses that were worth \$14.5 million alone last year.
- **Acuity.** When employees describe ACUITY, one word comes up a lot: generous. That goes for this insurance company's extensive charitable endeavors, as well as the 8% company contribution to 401(k) accounts, profit sharing and 50-pound gift boxes at the holidays.
- **Ultimate Software.** Employees say Ultimate Software has effectively built its workplace around their well-being. There are Vitamix blenders for fresh smoothies in every office, the health

insurance is free and the company frequently sends its teams to tropical locales to recognize accomplishments.

- **Workday.** Workday offers unlimited time off, the opportunity to work overseas and employee clubs for everything from hiking to meditation.
- **The Boston Consulting Group.** BCG is a consulting firm specializing in business strategy and general management. Perks include the Polaris Award to project teams that deliver quantifiable results to clients and fun awards to individuals for off-beat or unique reasons like special hobbies or quirks.
- **SAS.** Employees describe SAS as a workplace that seeks to go a bit above and beyond. Many companies offer a gym, but few even have indoor swimming pools.
- **Edward Jones.** Edward Jones is invested in its people's success, making sure they have the training, guidance and work/life balance they need to thrive.
- **Chili's Grill & Bar.** People who work for Chili's overwhelmingly describe a welcoming, flexible workplace quick to celebrate their team's achievements.
- **World Wide Technology.** The global IT company rewards its employees well for their efforts, with profit sharing and spot bonuses.
- **Intuitive Research and Technology Corporation.** The aerospace engineering firm's reticence to lay people off during funding dry spells has fostered strong loyalty among employees. And overall, team members paint a picture of appreciative,

understanding managers who wholly embody the principles they tout.

- **Burns & McDonnell.** The engineering and architecture firm is 100% employee-owned, so everyone has an equal piece of the action. Being able to see how their own bottom lines benefit from their hard work inspires them to collaborate and go the extra mile.
- **Plante Moran.** The certified public accounting firm shines at listening, seeking feedback and responding with changes, from an initiative for women in leadership to dropping a client that treated staff badly.
- **Atlantic Health System.** The northern New Jersey and eastern Pennsylvania health care provider is like one big family. It is no wonder that 95% of employees say it is a friendly place to work, and that they want to work here for a long time.
- **Kimpton Hotels & Restaurants.** “Free to be me” could be the motto at Kimpton Hotels & Restaurants, where staff are not only allowed to be themselves at work, they are actively encouraged to express their uniqueness.
- **Credit Acceptance.** The auto credit provider believes comfort is important to the company, so jeans and flip-flops can be every-day attire, and locations come equipped with relaxation rooms, ping pong tables and video games. Other perks include uncapped sales commissions, performance bonuses, flexible schedules, regular drawings for meals, concert tickets, sporting events and restaurant gift cards.
- **Standard Pacific Homes.** The construction and real estate

company has an open-door policy among company leaders, who frequently travel to divisions across the country to motivate employees.

- **Kimley-Horn.** A land planning and design consultant, is the kind of employer where the CEO takes a new hire to lunch, and managers consider how different generations communicate.

11. NAKED WOMAN COVERED IN KETCHUP ARRESTED FOR INCITING A RIOT IN MIAMI BEACH: The 22-year-old Kendall woman strutted into the Johnny Rockets on Ocean Drive, topless and laughing -- but of course. And then things really got crazy. As witnesses filmed, the girl untied her bikini bottom and placed a steel chair leg into her buttocks (?). Video of the incident went viral -- no kidding. The woman has been arrested on charges of indecent exposure, lewd and lascivious behavior, and disorderly conduct. The woman later confessed to the incident on Instagram, as she appeared still naked. Would you like fries with that, Ma'am?

12. THE INCOMPARABLE THOMAS JEFFERSON: Thomas Jefferson's portrait is on the Two Dollar Bill. Jefferson was a remarkable man who started learning very early in life and never stopped.

At 5, began studying under his cousin's tutor.

At 9, studied Latin, Greek and French.

At 14, studied classical literature and additional languages.

At 16, entered the College of William and Mary.

Also could write in Greek with one hand while writing the same in Latin

with the other.

At 19, studied law for 5 years starting under George Wythe.

At 23, started his own law practice.

At 25, was elected to the Virginia House of Burgesses.

At 31, wrote the widely circulated "Summary View of the Rights of British America" and retired from his law practice.

At 32, was a delegate to the Second Continental Congress.

At 33, wrote the Declaration of Independence.

At 33, took three years to revise Virginia's legal code and wrote a Public Education bill and a statute for Religious Freedom.

At 36, was elected the second Governor of Virginia succeeding Patrick Henry.

At 40, served in Congress for two years.

At 41, was the American minister to France and negotiated commercial treaties with European nations along with Ben Franklin and John Adams.

At 46, served as the first Secretary of State under George Washington.

At 53, served as Vice President and was elected president of the American Philosophical Society.

At 55, drafted the Kentucky Resolutions and became the active head of Republican Party.

At 57, was elected the third president of the United States.

At 60, obtained the Louisiana Purchase doubling the nation's size.

At 61, was elected to a second term as President.

At 65, retired to Monticello.

At 80, helped President Monroe shape the Monroe Doctrine.

At 81, almost single-handedly created the University of Virginia and

served as its first president.

At 83, died on the 50th anniversary of the Signing of the Declaration of Independence.

13. 45TH ANNUAL POLICE OFFICERS' AND FIREFIGHTERS'

PENSION TRUSTEES' CONFERENCE: The 45th Annual Police Officers' and Firefighters' Pension Trustees' Conference will be held on November 17-19, 2015. You may access information and updates about the Conference, including area maps, a copy of the program when completed and links to register at the Radisson in Celebration, Florida. Please continue to check the FRS website for updates regarding the program at www.myflorida.com/frs/mpf. All police officer and firefighter plan participants, board of trustee members, plan sponsors and anyone interested in the administration and operation of the Chapters 175 and 185 pension plans should take advantage of this unique, insightful and informative program.

14. ON SECOND THOUGHT...MAYBE THEY WERE WRONG?: There is no reason for an individual to have a computer in his home. – Ken Olson, president, chairman and founder of Digital Equipment Corporation, in a talk given to a 1977 World Future Society meeting in Boston.

15. TODAY IN HISTORY: In 1939, Jews in Lodz, Poland ordered to wear yellow star of David.

16. KEEP THOSE CARDS AND LETTERS COMING: Several readers regularly supply us with suggestions or tips for newsletter items. Please feel free to send us or point us to matters you think would be of interest to our readers. Subject to editorial discretion, we may print them. Rest assured that we will not publish any names as referring sources.

17. PLEASE SHARE OUR NEWSLETTER: Our newsletter readership is not limited to the number of people who choose to enter a free subscription. Many pension board administrators provide hard copies in their meeting agenda. Other administrators forward the newsletter electronically to trustees. In any event, please tell those you feel may be interested that they can subscribe to their own free copy of the newsletter at <http://www.cypen.com/subscribe.htm>.

18. REMEMBER, YOU CAN NEVER OUTLIVE YOUR DEFINED RETIREMENT BENEFIT.

* * * * *

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CYPEN & CYPEN

NEWSLETTER

for

NOVEMBER 5, 2015

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Stephen H. Cypen, Esq., Founding Editor

Adam Levinson, Esq., Contributing Editor

Never Forget September 11, 2001

and

Always Remember May 2, 2011

1. RESEARCH BURSTS FIVE COMMON RETIREMENT MYTHS:

Conventional wisdom has it that workers plan their retirement around the amount of money they have saved. But nearly half of American workers plan to stop working on a specific date, regardless of how much they have for retirement. This myth is one of several debunked

in new research from Fidelity Investments, reported in plansponsor.com, which surveyed retirement savers and recent retirees on the nonfinancial factors that influence retirement decisions. Results of the survey contradict many commonly held beliefs about how people view retirement and what factors contribute to their decision to retire (or not retire). Here are the top five myths:

- **People will not retire until they have enough money.** One of the more surprising results from the research is that nearly all respondents do not link their retirement to their level of savings. When asked if time or money was more important in their decision to retire, results were surprisingly split: 49% indicated their retirement date is tied to a specific date, not to money or a specific level of savings. They want to ensure they have enough time to enjoy their retirement, and if necessary, plan to adapt their retirement lifestyle based on how much they have saved. The other 51% said their finances would determine when they retire, and that they want to have enough savings to enjoy their retirement.
- **Retirement means spending time with your spouse.** While a healthy percentage of men want to spend time with their wives (60%), a greater number of women are more interested in spending time with their grandchildren (70%) than with their husbands (43%).
- **Many retirees struggle to get by and live with regret.**

Despite the notion that today's retirees are unhappy and forced to live frugally, 82% of recent retirees believe they retired at the right time, and 85% say retirement is the most rewarding time of their lives.

- **People work in retirement because they have to.** When asked why they are working in retirement, 61% indicated that they like what they do, and 50% said feeling valued was an important reason to continue working in retirement.
- **Retirement is all about travel and hobbies.** While some retirees said they plan to volunteer and pursue activities they could not get to while they were working, 72% said their top reason to retire was to have more leisure time -- the freedom to do whatever they wanted, even if that meant simply relaxing and doing nothing.

2. PENSION ACCOUNTING RETURNS TO THE WILD WEST?: The pension accounting world before 1987 was a wild place, says ebnbenefitnews.com. The pre-1987 pension world posed problems through inconsistencies and potentially misleading reporting of pension accounting costs. Statement of Financial Accounting Standards No. 87 put an end to all the commotion, by standardizing rules for pension expense accounting. As a result, the last 35 years have been relatively peaceful. Unfortunately, new statements and interpretations are about to shatter that serenity. Plan sponsors may soon find themselves embroiled with actuaries and auditors in a

melee of expense reporting options, including:

- Redefining operating expense. Pension accounting cost has traditionally been reported by plan sponsors as an operating expense, similar to the cost of labor and equipment needed to run their business. This expense is not a monolithic entry, however. Rather, it has four major components:
 - Service cost: value of benefit accruals for employees during the year (zero for frozen plans).
 - Interest cost: expected growth of the liability due to the loss of discounting over the next year.
 - Amortization payment on accumulated gains and losses (due to interest rates, asset performance and demographic experience different from what was expected).
 - Expected return on plan assets (income offsetting other expenses).

Of these four items, only service cost has the compensation characteristics of an actual operating expense. The other components fall into net investment or re-measurement categories that are the result of economic factors outside of business operations. Recognizing this situation, the Financial Accounting Standards Board is currently considering a proposal to categorize only the service cost component as an operating expense, moving the other three entries to a separate line item. *Rating: Good.*

- Separate discount rate for service cost. Accounting liabilities are

the present value of expected benefit payments discounted to the measurement date using a discount rate, which FAS 87 suggests can be estimated by high quality bond yields. In the good old days, actuaries often chose a Moody's Aa rate rounded to the nearest quarter point as the discount rate, and auditors accepted this approach. But the rise of financial economics now demands it be defined as a single rate that produces the same liability as discounting cash flows along the length of a high-quality corporate bond yield curve. This single rate is then used to determine the plan's total liability and interest cost, as well as service cost. Financial economics' application to pension liabilities has spawned a cottage industry of experts pushing the boundaries of yield curve knowledge at reasonable hourly billing rates. These experts now understand benefit payments tied to service cost lie farther out on the curve, where spot rates are generally higher. So, they argue that the discount rate for the overall liability is too low to use for service cost, and, consequently, overstates it. A separate, usually higher, discount rate strictly for service cost would be more appropriate theoretically and would also reduce operating expense for non-frozen plans. *Rating:* Not necessarily bad.

- “Granular” interest cost. Interest cost used to be a very simple concept -- multiply the liability by the discount rate to reflect the passage of time. But yield curve thinking is now challenging even this simple idea. A large defined benefit plan sponsor

recently adopted a “granular” interest cost method. Rather than multiplying the total liability by a single discount rate, this granular approach multiplies the liabilities attributable to each single future year by the corresponding spot rate on the yield curve. Each “grain” of interest cost is then added to obtain the total. While this calculation may sound equivalent to the current method, the spot rate approach tends to produce lower interest cost in normal yield curve environments. The spot rate approach implicitly assumes the effective discount rate will increase over the next year. The assumed actuarial gains from the rising rates offsets interest growth of liabilities. These interest cost “savings” do not just disappear. They become structural actuarial losses to the plan. The plan sponsor recognizes these losses each year, so there is no impact to their overall expense. Most plan sponsors, however, use an accounting method that defers the majority of losses, only recognizing a small fraction each year. For them, this method would provide lower overall accounting expense. But it also risks building unnecessarily large unrecognized losses, potentially inhibiting future business transactions or plan terminations. All of these things happen at a time when unrecognized net losses are already at historically high levels.

Rating: Ugly.

3. TEN STATES WITH THE LOWEST FINANCIAL WELL-BEING:

We recently looked at states with the highest financial well-being --

([see C & C Newsletter for October 15, 2015, Item 6](#)). The following are from a report reviewed in [ebnbenefitnews.com](#):

- **Mississippi.** Mississippi, the Magnolia State, is the only state to rank in the lowest 5th quintile in all categories. [What about football?]
- **Tennessee.** The Volunteer State is the only state in the bottom five to mark one category above the 4th quintile, ranking No. 29 in terms of residents who have worried about finances in the past week.
- **Georgia.** The Peach State is close to Louisiana, coming in 34th in comparative standard of living and ranking in the lower 5th quintiles in all other categories.
- **Louisiana.** People in the Bayou State are in the lowest quintile in all categories except for the comparative standard of living, where the state ranked No. 33.
- **Kentucky.** Residents in the Bluegrass State are 49th in two categories: having enough money for health care and worrying about money in the past week.
- **Alabama.** Alabama is on par with South Carolina, except in one category. The state ranked No. 24 in terms of the number of citizens who say they have had no money worries in the past week.
- **South Carolina.** South Carolina ranked in in the lowest quartile for all categories in the report except for comparative financial

standard of living, in which it took the 28th spot.

- **West Virginia.** The Mountain State ranked in the second quartile in terms of residents who feel they have enough money to do what they want.
- **Arkansas.** Arkansas ranks pretty flat across financial well-being for its citizens. The state ranked No. 33 in terms of how worried residents are about money and No. 32 in comparative standard of living.
- **North Carolina.** The Tar Heel State has made the top 10 list of states with poor overall financial well-being. The state did, however, make the 2nd highest quintile in compared satisfaction with the standard of living.

4. DIARY OF A (MAD?) ACTUARY: Retired Actuary Richard Berger has penned a personal history of his professional life, in The Society of Actuaries' *The Actuary*. The tagline sort of says it all: The Prevalence and Attractiveness of DB Plans Have Declined Over the Past 35 Years. What Does The Future Hold? The story begins when Berger, then a transit bus driver, took a pay-cut to become an actuary in 1978. A venture through time and comes right up through Berger's recent retirement. Here is a short conclusion:

The switch to a DC retirement system has its own well-known problems. Individual participants may not be temperamentally or intellectually prepared to be investment managers, and there is the

common failure to appreciate the necessity of beginning saving early in your career. Unfortunately, the funding flexibility that used to offset the fixity (yes, it is a word) of the DB promise has been replaced with funding rigidity. To revive the DB plan market, flexibility will have to be reintroduced, perhaps by allowing the benefit to be variable in reaction to investment returns or converting retirement plans into whole lifetime vehicles for a range of needs. The regulatory framework needs to be cut back and left alone for an extended period time. (Or allow plan sponsors to exit their DB plans if future changes prove burdensome). The future is likely to be different from what we can expect (ask any actuary!), but the likelihood is that there will be a role for actuaries in the DB world for quite a while. In addition, the supply of actuaries is likely to shrink as those who grew up with ERISA ride off into the actuarial sunset. No profession is a guarantee of employment and prosperity, so flexibility and adaptability are essential if you decide to be a DB actuary.

Read the entire article at:

<https://www.soa.org/search.aspx?searchterm=Richard+Berger>. Hey, Richard, now you can stop looking at your shoes.

5. TOP 25 MID-SIZE EMPLOYERS: From innovative work-life benefits to food delivery perks, these medium-sized employers are at the forefront of pioneering programs, landing them on Great Place to Work's list of 2015's top places to work. From ebnbenefitnews.com here are some of the reasons employees rated their employers so

high:

- **Intuitive Research and Technology.** Intuitive provides a generous allowance per year to each full-time employee to help pay for whatever voluntary benefit choices they make. The benefits allowance is paid out on a per-pay-period basis, and if it's not used for benefits, becomes additional income.
- **Atlassian.** Software company Atlassian covers 100% of employees' health insurance premiums for the entire family, keeping in line with the employer's "Play, as a team" value and culture, where everyone is supported.
- **ESL Federal Credit Union.** Year-round, ESL plans a wide variety of events and special activities specifically designed for employees to keep them informed and engaged. Some events are business-related; others are purely social (and open to family members).
- **4imprint, Inc.** Occasionally, employees need to deal with unexpected situations that require time off but they lack enough paid time-off to meet their needs. To help associates in this situation, 4imprint established a "Donate PTO Time" program that allows associates to donate a portion of their accumulated paid time-off to assist a co-worker in need.
- **Squarespace.** Website developer Squarespace presents new employees with welcome gift bags filled with various goodies ranging from branded moleskin notebooks, caramels made by a Squarespace customer based in Portland, and more.

- **Etsy.** Etsy covers 100% of employee premiums for standard medical and dental plans, including premiums for eligible dependents. Additionally, the employer provides employees around the world with an additional 40 hours of paid time-off to volunteer with an organization they're passionate about.
- **Assurance.** Each quarter Assurance employees each earn "chips" by completing activities such as submitting ideas to the suggestion box or referring a new client or employee. Each chip counts as a chance to spin the Assurance "Wang Chung Wheel" at quarterly Assurance Casinos for a chance to win up to \$300 cash.
- **Cirrus Logic.** The monthly "Cirrus Logic Rocks!" concert events held on the company's outdoor deck feature local musicians from Austin's great live-music scene.
- **Centro.** Centro flies all new hires to Chicago for a three-day new-hire orientation which includes dinner with an executive and a themed happy hour.
- **HubSpot.** Employee engagement and teamwork is fostered by sending workers to executive-hosted mystery dinners, where they only find out the day of the event who they are going with and where they are going.

The next 15 are: Peckham, Inc.; Hagerty; Holder Construction Company; Marco, Inc.; eVestment; Point B, Inc.; West Monroe Partners; Clif Bar & Company; Capco; Yext; American Transmission Company; EKS&H LLP; Walker & Dunlop; Xactly Corporation; Roth

Staffing.

6. FOUR REASONS WHY PLAN SPONSORS SHOULD CARE ABOUT OUTCOMES: Nevin Adams, of National Association of Plan Advisors, finds it obvious why participants have a vested interest (literally) in the retirement income -- outcome, really -- of their retirement savings plans. Here are four reasons why plan sponsors should care about outcomes.

- You want your employees to appreciate your benefit plans. If you are responsible for benefit plans in your organization, you have a very real interest in how your workforce (and management team) view those benefits.
- You do not want your employees worrying about their finances at work. Any number of workplace surveys bears out the impact that external concerns -- particularly, external financial concerns -- have on morale and productivity at work. These concerns do not even touch on the vulnerability to theft and misuse of organizational resources that can tempt financially vulnerable workers.
- You want your employees to retire on time. Workers who think they cannot afford to retire are likely to try to extend their working careers potentially complicating succession planning and your ability to attract or retain new talent.
- You want your plan to work. There are employers who only offer a workplace retirement plan because everybody else does, who

are willing to just “set it and forget it,” who, hearing that workers are not taking advantage of the benefit they worked so hard to set up, shrug and say “it is up to them.” But that is not you. Is it?

7. U.S. CONTINUES DECLINE IN GLOBAL PENSION INDEX

RANKING: The United States has continued its decline in the most recent ranking of the Melbourne Mercer Global Pension index, slipping from 13th place in 2014 to 14th in the 2015. This drop reflects a continuation from the 2013 ranking, where the US placed 11th among the 25 countries surveyed. Now in its seventh year, the MMGPI measured 25 retirement income systems against more than 50 indicators under the sub-indices of adequacy, sustainability and integrity. The US retirement system continues to rank in the middle of the pack. Concerns over the adequacy of the typical level of benefits provided under the US system contribute to the lackluster score. The lack of employer-provided supplemental retirement benefits for many Americans, and the relatively low labor force participation rates of older workers are also contributing factors to the US ranking. There has been a series of regulatory changes to address these issues, but additional action could improve the adequacy and sustainability of the US system. The MMGPI acknowledges that there is room for improvement in all countries’ retirement income systems. Suggested measures to improve the United States’ system include:

- Raising the minimum pension for low-income pensioners.
- Adjusting the level of mandatory contributions to increase the net replacement for media-income earners.

- Improving the vesting of benefits for all plan members and maintaining the real value of retained benefits through to retirement.
- Reducing pre-retirement leakage by further limiting the access to funds before retirement.
- Introducing a requirement that part of the retirement benefit must be taking as an income stream.

8. 45TH ANNUAL POLICE OFFICERS' AND FIREFIGHTERS'

PENSION TRUSTEES' CONFERENCE: The 45th Annual Police Officers' and Firefighters' Pension Trustees' Conference will be held on November 17-19, 2015. You may access information and updates about the Conference, including area maps, a copy of the program when completed and links to register at the Radisson in Celebration, Florida. Please continue to check the FRS website for updates regarding the program at www.myflorida.com/frs/mpf. All police officer and firefighter plan participants, board of trustee members, plan sponsors and anyone interested in the administration and operation of the Chapters 175 and 185 pension plans should take advantage of this unique, insightful and informative program.

9. ON SECOND THOUGHT...MAYBE THEY WERE WRONG?: X-rays will prove to be a hoax. Lord Kelvin, President of the Royal Society, 1883.

10. TODAY IN HISTORY: In 1946, John F. Kennedy (Democrat,

Massachusetts) elected to U.S. House of Representatives.

11. TODAY IN HISTORY (CORRECTED): In our October 29, 2015 Newsletter (see Item 11) we said that in 1929, “Black Tuesday” Stock Market crashes triggers “Great Depression.” One of our scholarly readers, who regularly correct our Newsletter informed us that Black Monday refers to Monday, October 19, 1987, when stock markets around the world crashed, shedding a huge value in a very short time. The crash began in Hong Kong and spread west to Europe, hitting the United States after other markets had already declined by a significant margin. The Dow Jones Industrial Average (DJIA) fell exactly 508 points to 1,738.74 (22.61%). In Australia and New Zealand, the 1987 crash is also referred to as “Black Tuesday” because of the time zone difference. The terms Black Monday and Black Tuesday are also respectively applied to October 28 and October 29, 1929, which occurred after Black Thursday on October 24, which started the Stock Market Crash of 1929.

Of course, the term “Blue Monday” refers to Fats Domino’s hang over.

12. KEEP THOSE CARDS AND LETTERS COMING: Several readers regularly supply us with suggestions or tips for newsletter items. Please feel free to send us or point us to matters you think would be of interest to our readers. Subject to editorial discretion, we may print them. Rest assured that we will not publish any names as referring sources.

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**CITY OF FORT PIERCE
RETIREMENT AND BENEFIT SYSTEM
FINANCIAL REPORT
OCTOBER 31, 2015**

	OCTOBER 31, 2014	OCTOBER 31, 2015
Beginning Market Balance	179,120,149	174,289,423 *
Plus Income:		
Investments Earnings	(166,409)	(267,476)
Unrealized Gains on Investments	2,831,566	202,307
Total Investments	2,665,157	(65,170)
Employer Contributions	480,949	465,450
Employee Contributions	136,774	171,305
Total Contributions	617,724	636,756
Total Receipts	3,282,881	571,586
Less Expenses:		
Investment Expenses	61,772	36,177
Professional Fees	0	0
Administrative Expenses	11,154	12,393
Member Refunds	41,108	7,058
Retiree Benefits	1,038,478	1,058,636
Total Expenses	1,152,511	1,114,264
Ending Market Balance	181,250,519	173,746,745

*Unaudited