FUND EVALUATION REPORT

San Jose Federated City Employees' Retirement System

Quarterly Review
September 30, 2012

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Executive Summary
As of September 30, 2012

Conditions as of September 30, 2012[1]

Earnings	↔	Domestic earnings remain close to historic highs, but revenue growth has recently shown signs of slowing. At the end of 2011 sales for the S&P 500 grew at a rate of close to 8% from one year prior, while September 2012 sales are estimated to have grown only 1.6% from the same quarter one year ago. If this trend continues going forward it could weigh on domestic equities. Earnings for companies in the EAFE index and emerging markets have declined year-to-date, with the decline being more prominent in the EAFE index.
Credit Spreads	↓	In a reversal of the prior quarter trend, credit spreads compressed in the third quarter as investors moved back into "riskier" fixed income securities. Year-to-date, domestic high yield and investment grade corporate bond spreads fell 150 and 80 basis points, respectively. Spreads for developed international and emerging market bonds fell as well, though the decline was larger in emerging markets.
Commodities	↑	Commodities rebounded broadly from their difficult second quarter. Energy commodities led the way, with gasoline up close to 30%. Precious metals rallied as additional easing by the Federal Reserve was beneficial to the sector. Gold and silver rose 10.6% and 25.2%, respectively, during the quarter. Industrial metals increased as well, based on signs of a stabilizing global economy and the additional monetary stimulus.
Currencies	↓	The U.S. dollar weakened against most major currencies due in part to the Federal Reserve's decision to launch its third round of quantitative easing (QE3). The euro strengthened during the quarter (+1.6%) as the European Central Bank (ECB) announced further supportive measures. Several "riskier" currencies had the strongest performance relative to the dollar during the quarter, particularly the Indian rupee and Russian ruble.

[1] Sources: FactSet, Bloomberg, U.S. Treasury. Standard & Poor's. Data is as of September 30, 2012.

The value of the San Jose Federated City Employee' Retirement System assets was $1.942 billion on September 30, 2012, up approximately $170.5 million since the end of the previous quarter.

- Net inflows during the third quarter totaled approximately $73 million. In July 2012, the City of San Jose paid the Annual Required Contribution for fiscal year 2013 in one lump sum contribution.
- Third quarter performance for the Retirement System was 4.6%, net of fees, based on physical exposures, and was 5.2% net of fees when taking into account the Russell Investments overlay, bringing the calendar year-to-date return to 8.0% net of fees, with the overlay.
- The Retirement System's standard deviation of total returns for the year ended September 30, 2012 was 11.5%.
- The Retirement System outperformed the Policy Benchmark by 1.3% during the third quarter.
  - Portfolio allocation contributed approximately 1.2% of the outperformance for the Total Fund compared to the Policy Benchmark. Global equities and real assets contributed to the positive allocation effect during the third quarter.
  - Active management contributed approximately 0.1% of the outperformance for the Total Fund compared to the Policy Benchmark. Fixed Income managers compared favorably to the benchmarks for the asset class.
- Transition update:
  - During the third quarter, $48.4 million and $51.0 million, respectively, were added to Real Assets investments with Credit Suisse and First Quadrant.
  - Subsequent to the end of the third quarter, several managers were terminated on October 1, 2012, as part of the transition of assets being managed by Russell Investments. Active strategies terminated were Calamos, MacKay Shields, and Seix.

Manager Highlights

- The Retirement System's global equity manager Artisan Global Value, which manages the largest allocation of the Retirement System's active managers, continues to post very strong performance. Artisan's return for the third quarter was 8.2% net of fees, compared to 6.6% for the MSCI ACWI Value Index. Over the trailing one-year period, Artisan has returned 28.0% net of fees compared with 19.5% for the benchmark. Artisan is a bottom-up, fundamental manager, and the largest contributors to portfolio performance for the third quarter came from a variety of industries, and included Google, insurance broker Aon, Lloyds, advertising firm Publicis, and liquor producer Diageo.
- Eagle Small Cap Growth outperformed the Russell 2000 Growth Index during the third quarter. Eagle's return was 6.9% net of fees, compared to 4.8% for the benchmark. Eagle's outperformance was led by strength in consumer discretionary and industrial stock picks.
- Both Credit Suisse and First Quadrant underperformed the Dow Jones-UBS Commodity Index (which can be used as a proxy for the broad commodities market) during the third quarter, but they have both outperformed the index since inception.
- RS Investments Small Cap Value was up 7.5% during the third quarter, comfortably ahead of the Russell 2000 Value, which returned 5.7%. As a manager which focuses on bottom-up stock selection, RS added value with stock picks across multiple industries, including technology, energy, and consumer discretionary.

Investment Manager	Asset Class	Changes/ Announcements	Performance Concerns	Meketa Recommendation	Comments
Artisan	Global Equity	Yes	---	Hold	Filed for IPO
Eagle	U.S. Small Cap Growth	Yes	---	Hold	Hired new analyst
RS Investments	U.S. Small Cap Value	Yes	---	Hold	Hired new analyst
First Quadrant	Commodities	Yes	---	Hold	Personnel changes
Credit Suisse	Commodities	---	---	---	
Medley	Private Debt	---	---	---	
White Oak	Private Debt	---	---	---	
GSO	Private Debt	---	---	---	

Artisan

- Artisan announced that Artisan Partners Asset Management has filed a registration statement with the SEC for a proposed initial public offering. This filing is not unexpected, as the company originally filed for an initial public offering in 2011, but later withdrew the offering due to unfavorable market conditions.

Eagle

- Eagle hired Tariq Siddiqi, CFA. He is a senior research analyst and will be an additional resource covering the ever-changing technology sector. Mr. Siddiqi has come to Eagle with nine years of experience as a portfolio co-manager and equities analyst. He earned his bachelor's degree from the Rochester Institute of Technology and has held his Chartered Financial Analyst designation since 2006.

RS Investments

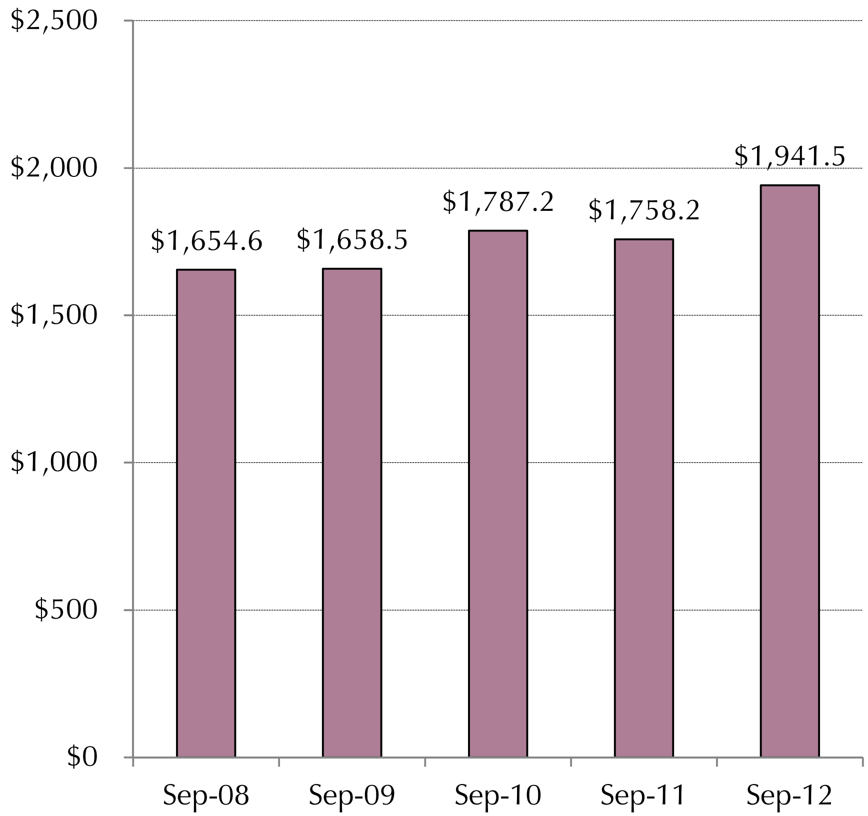
- RS Investments hired James Bruce. Mr. Bruce spent the last ten years managing a global natural resources portfolio in Australia. Prior to that, he spent eight years in the mining industry, managing both above and below-ground mines and conducting business development initiatives. He is a mining engineer by trade and adds a complementary skillset to our debate-oriented process, which is aimed at mitigating both financial and technical risks.

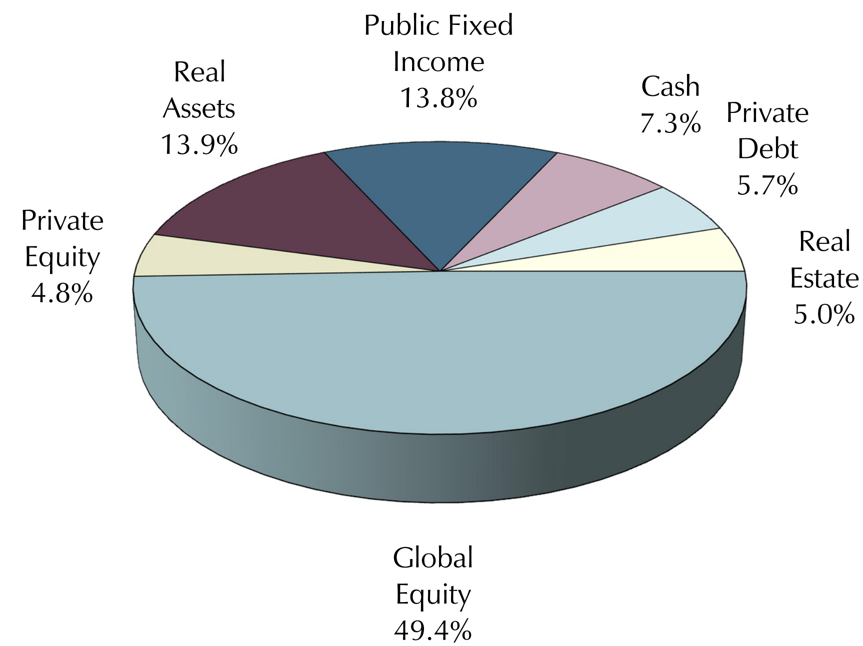
First Quadrant

- Two long serving partners at First Quadrant have started the transition process to retire from the firm. The firm has begun a search to replace Curt Ketterer, currently First Quadrant's COO. Ken Ferguson, co-head of the firm's Global Macro Strategies, will not be replaced. Rather, his responsibilities will be absorbed by current members of the investment team.

Plan Summary
As of September 30, 2012

Aggregate Assets as of 9/30/12





The diversification pie chart does not include the impact of the overlay.

Aggregate Assets
Asset Summary as of 9/30/12

	Market Value 9/30/12 ($ mm)	% of Retirement System	Russell Overlay Net Position[1] (%)	Adopted Sub-Asset Allocation (%)	Target Allocation (%)	Target Range (%)	Market Value 6/30/12 ($ mm)
Total Fund Aggregate	**1,941.5**	**100.0**	**100.0**	**100**	**NA**	**NA**	**1,771.0**
Equity and Real Estate Assets	1,150.2	59.2	58.9	40	45	38-52	1,180.7
Global Equity	959.9	49.4	48.7	26	NA	NA	991.3
Real Estate	97.3	5.0	5.4	5	NA	NA	93.8
Private Equity	93.1	4.8	4.9	9	NA	NA	95.6
Hedge Fund Assets	0.0	0.0	0.0	25	25	20-30	0.0
Real Assets	270.0	13.9	20.4	20	20	15-25	155.6
Fixed Income Assets	379.3	19.5	20.6	15	10	5-20	284.2
Public Fixed Income	268.5	13.8	15.2	10	NA	NA	194.4
Private Debt	110.8	5.7	5.4	5	NA	NA	89.8
Cash[2]	142.0	7.3	0.1	0	NA	NA	150.5

[1] Data in the column titled "Russell Overlay Net Position" is provided by Russell Investments.

[2] Cash includes the cash account, cash equitized in the Russell Investments Overlay program, cash from private manager distributions, and residuals from the Terminated Manager Account. As of 9/30/12, Russell Investments Overlay equitized $150.4 million in cash. Total cash for the Fund, including cash at managers, totaled $151.7 million.

Aggregate Assets
Portfolio Roster as of 9/30/12

	Market Value 9/30/12 ($ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 6/30/12 ($ mm)
Total Fund Aggregate	**1,941.5**	**NA**	**100.0**			**1,771.0**
Equity and Real Estate Assets	**1,150.2**	**100.0**	**59.2**	**45**	**38-52**	**1,180.7**
Global Equity	**959.9**	**100.0**	**49.4**			**991.3**[1]
Northern Trust MSCI ACWI Index[2]	336.8	35.1	17.3			315.1
Artisan Global Value	98.4	10.2	5.1			90.9
Northern Trust Russell 3000 Index	94.1	9.8	4.8			88.6
Russell Investments MSCI EAFE Small Cap	93.7	9.8	4.8			87.6
Northern Trust MSCI Emerging Markets Index	91.7	9.6	4.7			85.1
Eagle Small-Cap Growth	63.6	6.6	3.3			59.5
RS Investments Small Cap Value	62.1	6.5	3.2			57.7
Russell Investments MSCI EAFE Growth	59.7	6.2	3.1			56.1
Calamos Global Convertibles	59.7	6.2	3.1			57.8

[1] Total Global Equity composite includes $92.7 million of residual cash remaining from terminated manager accounts. This cash was equitized by Russell Investments before being transferred to investments in Real Assets in August 2012.
[2] Northern Trust MSCI ACWI includes exposure to the MSCI ACWI (ex. U.S.) and the Russell 3000 Index to simulate MSCI ACWI exposure.

	Market Value 9/30/12 ($ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 6/30/12 ($ mm)
Equity and Real Estate Assets (continued)						
Real Estate	**97.3**	**100.0**	**5.0**			**93.8**
Core Real Estate	**49.0**	**50.4**	**2.5**			**48.2**
PRISA I	30.2	31.1	1.6			29.8
American Core Realty Fund, LLC	18.8	19.3	1.0			18.4
Private Real Estate[1]	**48.2**	**49.6**	**2.5**			**45.6**
DRA Growth & Income Fund V	17.6	18.1	0.9			17.4
Fidelity Real Estate Growth Fund III, L.P.	13.3	13.7	0.7			12.4
DRA Growth & Income Fund VI	9.0	9.3	0.5			9.0
DRA Growth & Income Fund VII	5.3	5.5	0.3			4.3
GEAM Value Add Realty Partners, L.P.	3.0	3.1	0.2			2.5
Private Equity[1]	**93.1**	**100.0**	**4.8**			**95.6**
Pantheon USA Fund VII	29.4	31.6	1.5			29.3
Pathway Private Equity Fund VIII	26.3	28.3	1.4			28.8
Pantheon Global Secondary Fund III	24.6	26.4	1.3			24.5
Partners Group Secondary 2008	9.6	10.3	0.5			9.7
Great Hill Equity Partners IV	3.2	3.4	0.2			3.2

[1] Fair values are based on reported value as of 6/30/12, adjusted for cash flows through 9/30/12.

	Market Value 9/30/12 ($ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 6/30/12 ($ mm)
Real Assets	**270.0**	**100.0**	**13.9**	**20**	**15-25**	**155.6**
CS Compound Risk Parity Commodity Index	135.3	50.1	7.0			79.1
First Quadrant Risk Parity Commodity Index	134.7	49.9	6.9			76.5
Fixed Income Assets	**379.3**	**100.0**	**19.5**	**10**	**5-20**	**284.2**
Public Fixed Income	**268.5**	**100.0**	**13.8**			**194.4**
Russell Investments Barclays U.S. TIPS	126.6	47.1	6.5			124.9
Northern Trust Intermediate Gov't 1-10 Year	100.0	37.2	5.2			0.0
MacKay Shields High Yield Active Core	27.0	10.0	1.4			26.1
Seix Credit Dislocation	14.0	5.2	0.7			14.0
Northern Trust Long Term Credit Bond Index	1.0	< 1.0	0.0			29.4
Private Debt	**110.8**	**100.0**	**5.7**			**89.8**
Medley Opportunity Fund II[1]	41.8	37.7	2.2			33.6
GSO Direct Lending Account	36.5	32.9	1.9			32.3
White Oak Direct Lending Account	32.5	29.3	1.7			23.8

[1] Fair values are based on reported value as of 6/30/12, adjusted for cash flows through 9/30/12.

Aggregate Assets
Portfolio Roster as of 9/30/12

	Market Value 9/30/12 ($ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 6/30/12 ($ mm)
Cash[1]	**142.0**	**100.0**	**7.3**			**150.5**
Total Cash (Including Cash at Managers)	*151.7*					*354.0*
Russell Investments Overlay Equitized Cash	*150.4*					*332.1*

[1] Cash includes the cash account, cash equitized in the Russell Investments Overlay program, cash from private manager distributions, and residuals from the Terminated Manager Account. As of 9/30/12, Russell Investments Overlay equitized $150.4 million in cash. Total cash for the Fund, including cash at managers, totaled $151.7 million.

Aggregate Assets
Performance as of 9/30/12

	3Q12/ Fiscal YTD (%)	Calendar YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Total Fund Aggregate	**5.2**	**8.1**	**12.3**	**7.5**	**1.7**	**7.7**	**1/1/94**	**7.5**
Net of Fees	**5.2**	**8.0**	**12.2**	**7.4**	**1.5**	**7.4**		**7.3**
Total Fund Aggregate ex Overlay	**4.6**	**8.1**	**12.4**	**7.6**	**1.8**	**7.7**		**7.5**
Net of Fees ex Overlay	**4.6**	**8.0**	**12.3**	**7.4**	**1.6**	**7.4**		**7.3**
CPI (inflation)	*0.8*	*2.5*	*2.0*	*2.3*	*2.1*	*2.5*		*2.5*
San Jose FCERS Policy Benchmark[1]	*3.9*	*7.8*	*11.9*	*7.6*	*2.1*	*7.4*		*7.4*
San Jose FCERS Custom Benchmark[2]	*5.1*	*8.8*	*13.2*	*NA*	*NA*	*NA*		*NA*
Master Trust Public Funds > $1 billion (Median)[3]	*4.8*	*10.6*	*16.3*	*9.6*	*2.3*	*7.9*		*NA*

1 Please see page 29 of the Plan Summary for composition of the Policy Benchmark.
2 Custom Benchmark consists of the individual benchmarks that comprise the Policy Benchmark weighted accordingly to actual allocations and re-adjusted monthly.
3 Master Trust universe data provided by InvestMetrics.

	3Q12/ Fiscal YTD (%)	Calendar YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Total Fund Aggregate								
Equity and Real Estate Assets	**5.6**	**10.9**	**NA**	**NA**	**NA**	**NA**	**1/1/12**	**10.9**
Global Equity	6.6	11.9	19.4	NA	NA	NA	5/1/10	6.2
MSCI ACWI IMI	*6.8*	*13.0*	*21.1*	*7.6*	*-1.7*	*9.0*		*5.6*
Real Estate[1]	2.1	7.0	9.7	6.4	-4.0	6.9	1/1/94	8.2
NCREIF Property (lagged one qtr.)	*2.3*	*7.8*	*11.0*	*10.9*	*2.3*	*8.3*		*9.2*
Private Equity	-0.6	5.6	3.2	11.8	2.9	NA	1/1/06	3.4
Venture Economics PE Composite (lagged one qtr.)	*0.2*	*10.4*	*5.7*	*15.3*	*4.9*	*11.0*		*9.7*
Real Assets	**7.6**	**3.9**	**3.4**	**NA**	**NA**	**NA**	**5/1/10**	**4.6**
Custom Risk Parity Benchmark[2]	*7.3*	*4.4*	*3.5*	*NA*	*NA*	*NA*		*NA*
S&P Global Infrastructure Index	*3.9*	*8.4*	*14.6*	*6.6*	*-2.0*	*NA*		*6.5*
Dow Jones-Commodity U.S. Index	*9.7*	*5.6*	*5.9*	*5.2*	*-3.6*	*4.0*		*4.1*
CPI-U + 5%	*2.1*	*6.4*	*7.1*	*7.4*	*7.2*	*7.6*		*7.6*

1 All manager returns are presented one quarter lagged with the exception of the American Core Realty Fund and PRISA, which are not lagged.
2 Risk Parity Benchmark returns provided by Staff.

	3Q12/ Fiscal YTD (%)	Calendar YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Total Fund Aggregate (continued)								
Fixed Income Assets	**2.9**	**6.4**	**NA**	**NA**	**NA**	**NA**	**1/1/12**	**6.4**
Public Fixed Income	2.1	5.2	7.4	7.6	7.5	6.6	1/1/94	6.6
Barclays U.S. TIPS	*2.1*	*6.2*	*9.1*	*9.3*	*7.9*	*6.6*		*NA*
Barclays U.S. TIPS 1-5 Years	*1.1*	*2.2*	*3.1*	*4.4*	*4.7*	*NA*		*NA*
Barclays Intermediate Gov't Bond Index	*0.6*	*1.7*	*2.4*	*4.1*	*5.2*	*4.2*		*5.4*
Private Debt[1]	4.4	8.2	12.4	NA	NA	NA	12/1/10	9.7
3 Month Libor + 5%	*1.3*	*4.1*	*5.5*	*5.4*	*6.4*	*NA*		*5.4*

[1] Manager returns for Medley are lagged one quarter; returns for White Oak and GSO are not lagged.

Aggregate Assets Performance as of 9/30/12

	3Q12/ Fiscal YTD (%)	Calendar YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Equity and Real Estate Assets	**5.6**	**10.9**	**NA**	**NA**	**NA**	**NA**	**1/1/12**	**10.9**
Global Equity	**6.6**	**11.9**	**19.4**	**NA**	**NA**	**NA**	**5/1/10**	**6.2**
Northern Trust MSCI ACWI Index[1]	6.9	13.2	21.7	NA	NA	NA	6/1/10	10.9
Net of Fees	6.9	13.2	21.6	NA	NA	NA		10.8
MSCI ACWI	*6.8*	*12.9*	*21.0*	*7.2*	*-2.1*	*8.6*		*10.4*
Artisan Global Value	8.2	15.7	28.6	NA	NA	NA	3/1/11	9.6
Net of Fees	8.2	15.3	28.0	NA	NA	NA		8.9
MSCI ACWI Value	*6.6*	*11.5*	*19.5*	*5.4*	*-3.3*	*8.8*		*-1.6*
Peer Global Equity	*6.7*	*13.2*	*22.7*	*8.4*	*NA*	*NA*		*0.8*
Peer Ranking (percentile)	*13*	*31*	*10*	*NA*	*NA*	*NA*		*8*
Northern Trust Russell 3000 Index	6.2	16.2	30.3	13.5	1.5	8.6	9/1/99	3.4
Net of Fees	6.2	16.2	30.3	13.5	1.5	8.6		3.4
Russell 3000	*6.2*	*16.1*	*30.2*	*13.3*	*1.3*	*8.5*		*3.3*
Russell Investments MSCI EAFE Small Cap	7.0	15.0	16.2	NA	NA	NA	6/1/10	10.9
Net of Fees	7.0	14.9	16.2	NA	NA	NA		10.9
MSCI EAFE Small Cap	*7.9*	*13.2*	*12.6*	*4.7*	*-3.0*	*11.2*		*9.8*

[1] Northern Trust MSCI ACWI includes exposure to the MSCI ACWI (ex. U.S.) and the Russell 3000 Index to simulate MSCI ACWI exposure.

	3Q12/ Fiscal YTD (%)	Calendar YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Equity and Real Estate Assets (continued)								
Northern Trust MSCI Emerging Markets Index	7.7	11.9	16.7	NA	NA	NA	5/1/10	1.7
Net of Fees	7.7	11.8	16.6	NA	NA	NA		1.5
MSCI Emerging Markets	*7.7*	*12.0*	*16.9*	*5.6*	*-1.3*	*17.0*		*1.9*
Eagle Small-Cap Growth	6.9	15.1	27.8	17.1	6.3	14.2	6/1/98	7.1
Net of Fees	6.9	14.8	27.3	16.5	5.7	13.5		6.4
Russell 2000 Growth	*4.8*	*14.1*	*31.2*	*14.2*	*3.0*	*10.5*		*3.9*
Peer Small Cap Growth	*5.4*	*14.4*	*29.9*	*15.4*	*3.7*	*11.6*		*7.9*
Peer Ranking (percentile)	*22*	*41*	*68*	*29*	*13*	*2*		*74*
RS Investments Small Cap Value	7.5	14.8	29.8	NA	NA	NA	8/1/10	13.5
Net of Fees	7.3	14.2	28.9	NA	NA	NA		12.7
Russell 2000 Value	*5.7*	*14.4*	*32.6*	*11.7*	*1.3*	*9.7*		*11.9*
Peer Small Cap Value	*5.4*	*13.5*	*32.1*	*13.6*	*3.6*	*11.8*		*13.5*
Peer Ranking (percentile)	*16*	*37*	*63*	*NA*	*NA*	*NA*		*50*
Russell Investments MSCI EAFE Growth	6.5	11.2	15.6	NA	NA	NA	6/1/10	9.4
Net of Fees	6.5	11.2	15.6	NA	NA	NA		9.4
MSCI EAFE Growth	*6.4*	*10.5*	*14.8*	*4.3*	*-4.2*	*7.8*		*8.9*

	3Q12/ Fiscal YTD (%)	Calendar YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Equity and Real Estate Assets (continued)								
Calamos Global Convertibles	3.2	4.0	7.0	NA	NA	NA	11/1/09	6.4
Net of Fees	3.2	3.8	6.6	NA	NA	NA		5.9
Merrill Lynch Global 300 Convertible Index	*4.0*	*10.0*	*12.8*	*6.5*	*1.7*	*NA*		*7.1*
Real Estate[1]	**2.1**	**7.0**	**9.7**	**6.4**	**-4.0**	**6.9**	**1/1/94**	**8.2**
Core Real Estate	**1.8**	**7.2**	**10.2**	**11.1**	**NA**	**NA**	**7/1/09**	**7.2**
PRISA I	1.8	7.6	11.1	13.9	-2.4	NA	7/1/04	5.5
Net of Fees	1.5	6.9	10.1	12.7	-3.4	NA		4.5
NFI – ODCE Equal Weight	*2.8*	*8.5*	*11.8*	*11.9*	*-1.5*	*6.3*		*5.6*
American Core Realty Fund, LLC	2.6	8.6	11.6	10.0	-1.1	NA	1/1/07	1.3
Net of Fees	2.3	7.7	10.4	8.8	-2.1	NA		0.3
NFI – ODCE Equal Weight	*2.8*	*8.5*	*11.8*	*11.9*	*-1.5*	*6.3*		*0.9*

[1] All manager returns are presented one quarter lagged with the exception of the American Core Realty Fund and PRISA, which are not lagged.

	3Q12/ Fiscal YTD (%)	Calendar YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Equity and Real Estate Assets (continued)								
Private Real Estate[1]	**2.4**	**6.9**	**9.3**	**2.2**	**NA**	**NA**	**7/1/09**	**-5.3**
DRA Growth & Income Fund V	0.9	3.8	4.0	-0.3	-1.7	NA	12/1/05	1.0
NCREIF Property (1-quarter lagged)	*2.3*	*7.8*	*11.0*	*10.9*	*2.3*	*8.3*		*6.6*
Fidelity Real Estate Growth Fund III, L.P.	2.5	10.4	15.6	-7.4	NA	NA	12/1/07	-27.1
NCREIF Property (1-quarter lagged)	*2.3*	*7.8*	*11.0*	*10.9*	*2.3*	*8.3*		*2.3*
DRA Growth & Income Fund VI	0.6	2.9	26.5	10.8	NA	NA	12/1/07	4.1
NCREIF Property (1-quarter lagged)	*2.3*	*7.8*	*11.0*	*10.9*	*2.3*	*8.3*		*2.3*
DRA Growth & Income Fund VII	5.6	NA	NA	NA	NA	NA	3/1/12	7.3
NCREIF Property (1-quarter lagged)	*2.3*	*7.8*	*11.0*	*10.9*	*2.3*	*8.3*		*7.8*
GEAM Value Add Realty Partners, L.P.	16.2	16.5	13.6	-40.1	-42.1	NA	12/1/06	-43.4
NCREIF Property (1-quarter lagged)	*2.3*	*7.8*	*11.0*	*10.9*	*2.3*	*8.3*		*4.8*

[1] Returns are time-weighted. Meketa Investment Group recommends that the Trustees use dollar-weighted (IRR) returns as shown in the quarterly Private Markets report in order to evaluate private markets managers.

	3Q12/ Fiscal YTD (%)	Calendar YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Equity and Real Estate Assets (continued)								
Private Equity[1]	**-0.6**	**5.6**	**3.2**	**11.8**	**2.9**	**NA**	**1/1/06**	**3.4**
Pantheon USA Fund VII	0.2	8.1	6.6	11.9	NA	NA	1/1/07	NA
Venture Economics PE Composite (lagged one qtr.)	*0.2*	*10.4*	*5.7*	*15.3*	*4.9*	*11.0*		*8.2*
Pathway Private Equity Fund VIII	-1.4	11.0	7.5	15.0	NA	NA	8/1/04	NA
Venture Economics PE Composite (lagged one qtr.)	*0.2*	*10.4*	*5.7*	*15.3*	*4.9*	*11.0*		*12.2*
Pantheon Global Secondary Fund III	0.1	0.2	-4.9	6.6	NA	NA	1/1/07	NA
Venture Economics PE Composite (lagged one qtr.)	*0.2*	*10.4*	*5.7*	*15.3*	*4.9*	*11.0*		*8.2*
Partners Group Secondary 2008	-2.8	2.6	-2.9	14.9	NA	NA	12/1/08	NA
Venture Economics PE Composite (lagged one qtr.)	*0.2*	*10.4*	*5.7*	*15.3*	*4.9*	*11.0*		*5.7*
Great Hill Equity Partners IV	-1.0	9.3	41.5	17.8	NA	NA	10/1/08	NA
Venture Economics PE Composite (lagged one qtr.)	*0.2*	*10.4*	*5.7*	*15.3*	*4.9*	*11.0*		*5.5*
Real Assets	**7.6**	**3.9**	**3.4**	**NA**	**NA**	**NA**	**5/1/10**	**4.6**
Credit Suisse Compound Risk Parity Commodity Index[2]	7.7	4.6	3.5	NA	NA	NA	4/1/11	-5.3
Custom Risk Parity Benchmark[3]	*7.3*	*4.4*	*3.5*	*NA*	*NA*	*NA*		*-5.4*
Dow Jones-Commodity U.S. Index	*9.7*	*5.6*	*5.9*	*5.2*	*-3.6*	*4.0*		*-8.5*

[1] Returns are time-weighted and are shown beginning in June 2009. Meketa Investment Group recommends that the Trustees use dollar-weighted (IRR) returns as shown in the quarterly Private Markets report in order to evaluate private markets managers.
[2] Performance is net of fees.
[3] Risk Parity Benchmark returns provided by Staff.

	3Q12/ Fiscal YTD (%)	Calendar YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Real Assets (continued)	**7.6**	**3.9**	**3.4**	**NA**	**NA**	**NA**	**5/1/10**	**4.6**
First Quadrant Risk Parity Commodity Index[1]	6.9	0.2	-2.5	NA	NA	NA	4/1/11	-7.8
Custom Risk Parity Benchmark[2]	*7.3*	*4.4*	*3.5*	*NA*	*NA*	*NA*		*-5.4*
Dow Jones-Commodity U.S. Index	*9.7*	*5.6*	*5.9*	*5.2*	*-3.6*	*4.0*		*-8.5*
Fixed Income Assets	**2.9**	**6.4**	**NA**	**NA**	**NA**	**NA**	**1/1/12**	**6.4**
Public Fixed Income	**2.1**	**5.2**	**7.4**	**7.6**	**7.5**	**6.6**	**1/1/94**	**6.6**
Russell Investments Barclays U.S. TIPS	1.3	3.0	5.0	NA	NA	NA	5/1/10	7.2
Net of Fees	1.3	3.0	4.9	NA	NA	NA		7.2
TIPS Blended Benchmark[3]	*1.6*	*4.2*	*6.2*	*NA*	*NA*	*NA*		*7.8*
Barclays U.S. TIPS	*2.1*	*6.2*	*9.1*	*9.3*	*7.9*	*6.6*		*9.5*
Barclays U.S. TIPS 1-5 years	*1.1*	*2.2*	*3.1*	*4.4*	*4.7*	*NA*		*3.8*
MacKay Shields High Yield Active Core	3.4	10.1	15.4	11.6	NA	NA	5/1/09	14.3
Net of Fees	3.4	9.8	15.0	11.1	NA	NA		13.8
Merrill Lynch U.S. High Yield BB/B	*4.5*	*11.3*	*17.8*	*12.0*	*8.3*	*9.7*		*16.6*
Barclays High Yield	*4.5*	*12.1*	*19.4*	*12.9*	*9.3*	*11.0*		*18.9*
Peer High Yield	*4.5*	*12.2*	*19.0*	*12.6*	*8.5*	*10.5*		*18.1*
Peer Ranking (percentile)	*94*	*NA*	*92*	*84*	*NA*	*NA*		*93*

[1] Performance is net of fees.
[2] Risk Parity Benchmark returns provided by Staff.
[3] The TIPS Blended Benchmark consists of 50% Barclays U.S. TIPS and 50% Barclays U.S. TIPS 1-5 years. Prior to January 1, 2012 it was comprised of 100% Russell Investments Barclays U.S. TIPS.

	3Q12/ Fiscal YTD (%)	Calendar YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Performance Inception Date	Since Inception (%)
Fixed Income Assets (continued)								
Seix Credit Dislocation	0.1	2.9	4.9	4.6	NA	NA	5/1/09	6.6
Net of Fees	0.1	2.8	4.6	4.2	NA	NA		6.3
CSFB Leveraged Loan	*3.1*	*7.8*	*10.7*	*7.8*	*4.5*	*5.6*		*12.8*
Northern Trust Long Term Credit Bond Index	5.1	11.0	14.4	NA	NA	NA	5/1/10	13.9
Net of Fees	5.1	11.0	14.4	NA	NA	NA		13.9
Barclays Long U.S. Credit	*5.2*	*11.3*	*14.9*	*12.7*	*10.6*	*8.6*		*13.9*
Private Debt[1,2]	**4.4**	**8.2**	**12.4**	**NA**	**NA**	**NA**	**12/1/10**	**9.7**
Medley Opportunity Fund II	2.5	6.8	8.2	NA	NA	NA	4/1/11	3.4
3 Month Libor + 5%	*1.3*	*4.1*	*5.5*	*5.4*	*6.4*	*NA*		*5.4*
GSO Direct Lending Account	4.4	14.7	15.5	NA	NA	NA	1/1/11	23.2
3 Month Libor + 5%	*1.3*	*4.1*	*5.5*	*5.4*	*6.4*	*NA*		*5.4*
White Oak Direct Lending Account	7.2	5.0	14.4	NA	NA	NA	12/1/10	12.9
3 Month Libor + 5%	*1.3*	*4.1*	*5.5*	*5.4*	*6.4*	*NA*		*5.4*

[1] Manager returns for Medley are lagged one quarter; returns for White Oak and GSO are not lagged.
[2] Returns are time-weighted. Meketa Investment Group recommends that the Trustees use dollar-weighted (IRR) returns as shown in the quarterly Private Markets report in order to evaluate private markets managers.

Aggregate Assets
Calendar Year Performance

	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)
Total Fund Aggregate[1]	**-1.4**	**13.0**	**19.4**	**-23.8**	**8.8**	**13.0**	**6.7**	**11.4**	**24.4**	**-3.9**
Net of Fees	**-1.5**	**12.8**	**19.1**	**-24.0**	**8.5**	**12.7**	**6.4**	**11.1**	**24.0**	**-4.2**
Total Fund Aggregate ex Overlay[1]	**-1.3**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Net of Fees ex Overlay	**-1.5**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
CPI (inflation)	*3.0*	*1.5*	*2.7*	*0.1*	*4.1*	*2.5*	*3.4*	*3.3*	*1.9*	*2.4*
San Jose FCERS Policy Benchmark[2]	*-1.7*	*14.4*	*19.0*	*-22.8*	*8.2*	*13.5*	*6.7*	*10.8*	*20.6*	*-5.9*
San Jose FCERS Custom Benchmark[3]	*-2.6*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*
Master Trust Public Funds > $1 billion (Median)[4]	*0.7*	*12.5*	*19.4*	*-24.2*	*7.9*	*NA*	*NA*	*NA*	*NA*	*NA*

1 Represents performance which is gross of fees for public market managers and net of fees for private market managers.
2 Please see page 29 of the Plan Summary for composition of the Policy Benchmark.
3 Custom Benchmark consists of the individual benchmarks that comprise the Policy Benchmark weighted accordingly to actual allocations and re-adjusted monthly.
4 Master Trust universe data provided by InvestMetrics.

Aggregate Assets
Calendar Year Performance

	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)
Total Fund Aggregate										
Equity and Real Estate Assets	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Global Equity	-6.9	NA	NA	NA	NA	NA	NA	NA	NA	NA
MSCI ACWI IMI	*-7.9*	*14.3*	*36.4*	*-42.3*	*11.2*	*20.9*	*11.5*	*16.4*	*35.5*	*-17.6*
Real Estate[1,2]	14.9	7.7	-37.7	-5.4	23.4	13.2	22.9	10.3	28.7	10.7
NCREIF Property (lagged one qtr.)	*14.3*	*13.1*	*-16.9*	*-6.5*	*15.8*	*16.6*	*20.1*	*14.5*	*9.0*	*6.7*
Private Equity[2]	15.6	10.9	-13.5	-4.0	15.5	-3.5	NA	NA	NA	NA
Venture Economics PE Composite (lagged one qtr.)	*12.0*	*15.7*	*-6.6*	*-7.1*	*26.6*	*18.6*	*30.4*	*15.9*	*7.3*	*-14.1*
Real Assets	**-6.5**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Custom Risk Parity Benchmark[3]	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*
S&P Global Infrastructure Index	*-0.4*	*5.8*	*25.3*	*-39.0*	*23.2*	*NA*	*NA*	*NA*	*NA*	*NA*
Dow Jones-Commodity U.S. Index	*-13.4*	*16.7*	*18.7*	*-36.6*	*11.1*	*-2.7*	*21.4*	*9.1*	*23.9*	*25.9*
CPI-U + 5%	*8.1*	*6.6*	*7.8*	*5.1*	*9.3*	*7.7*	*8.7*	*8.5*	*7.1*	*7.6*

[1] All manager returns are presented one quarter lagged with the exception of the American Core Realty Fund and PRISA, which are not lagged.
[2] Returns are time-weighted on an aggregate level and dollar-weighted (IRR) on an individual manager basis.
[3] Risk Parity Benchmark returns provided by Staff.

	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)
Total Fund Aggregate (continued)										
Fixed Income Assets	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Public Fixed Income	8.7	7.2	15.9	-1.3	6.7	5.8	0.8	6.3	9.0	10.5
Barclays U.S. TIPS	*13.6*	*6.3*	*11.4*	*-2.4*	*11.6*	*0.4*	*2.8*	*8.5*	*8.4*	*16.6*
Barclays U.S. TIPS 1-5 Years	*4.9*	*3.9*	*11.5*	*-2.5*	*10.3*	*2.4*	*1.6*	*NA*	*NA*	*NA*
Barclays Intermediate Gov't Bond Index	*6.1*	*5.0*	*-0.3*	*10.4*	*8.5*	*3.8*	*1.7*	*2.3*	*2.3*	*9.6*
Private Debt[1]	10.6	NA	NA	NA	NA	NA	NA	NA	NA	NA
3 Month Libor + 5%	*5.4*	*5.3*	*5.9*	*8.7*	*10.7*	*10.5*	*8.6*	*NA*	*NA*	*NA*

[1] Manager returns for Medley are lagged one quarter; returns for White Oak and GSO are not lagged.

	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)
Equity and Real Estate Assets										
Global Equity	**-6.9**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Northern Trust MSCI ACWI Index[1]	-7.1	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-7.1	NA	NA	NA	NA	NA	NA	NA	NA	NA
MSCI ACWI	*-7.3*	*12.7*	*34.6*	*-42.2*	*11.7*	*21.0*	*10.8*	*15.2*	*34.0*	*-19.3*
Artisan Global Value	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
MSCI ACWI Value	*-7.3*	*10.2*	*31.7*	*-41.5*	*6.7*	*25.6*	*10.8*	*19.1*	*39.0*	*-19.3*
Northern Trust Russell 3000 Index	1.1	17.2	28.9	-37.3	5.3	15.8	6.2	12.0	31.2	-21.4
Net of Fees	1.1	17.2	NA	NA	NA	NA	NA	NA	NA	NA
Russell 3000	*1.0*	*16.9*	*28.3*	*-37.3*	*5.1*	*15.7*	*6.1*	*11.9*	*31.1*	*-21.5*
Russell Investments MSCI EAFE Small Cap	-13.3	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-13.3	NA	NA	NA	NA	NA	NA	NA	NA	NA
MSCI EAFE Small Cap	*-15.9*	*22.0*	*46.8*	*-47.0*	*1.4*	*19.3*	*26.2*	*30.8*	*61.3*	*-7.8*
Northern Trust MSCI Emerging Markets Index	-18.7	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-18.8	NA	NA	NA	NA	NA	NA	NA	NA	NA
MSCI Emerging Markets	*-18.4*	*18.9*	*78.5*	*-53.3*	*39.4*	*32.2*	*34.0*	*25.6*	*55.8*	*-6.2*

[1] Northern Trust MSCI ACWI includes exposure to the MSCI ACWI (ex. U.S.) and the Russell 3000 Index to simulate MSCI ACWI exposure.

	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)
Equity and Real Estate Assets (continued)										
Eagle Small-Cap Growth	-2.3	34.4	41.3	-35.8	12.7	21.4	4.2	20.8	44.7	-22.5
Net of Fees	-2.9	33.7	39.5	-36.1	12.0	20.7	3.6	20.0	43.8	-23.0
Russell 2000 Growth	*-2.9*	*29.1*	*34.5*	*-38.5*	*7.0*	*13.3*	*4.2*	*14.3*	*48.5*	*-30.3*
RS Investments Small Cap Value	-7.1	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-7.9	NA	NA	NA	NA	NA	NA	NA	NA	NA
Russell 2000 Value	*-5.5*	*24.5*	*20.6*	*-28.9*	*-9.8*	*23.5*	*4.7*	*22.2*	*46.0*	*-11.4*
Russell Investments MSCI EAFE Growth	-10.4	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-10.5	NA	NA	NA	NA	NA	NA	NA	NA	NA
MSCI EAFE Growth	*-12.1*	*12.2*	*29.4*	*-42.7*	*16.5*	*22.3*	*13.3*	*16.1*	*32.0*	*-16.0*
Calamos Global Convertibles	-1.3	11.5	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-1.8	11.0	NA	NA	NA	NA	NA	NA	NA	NA
Merrill Lynch Global 300 Convertible Index	*-5.7*	*11.7*	*36.3*	*-29.3*	*6.5*	*12.8*	*6.0*	*NA*	*NA*	*NA*

	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)
Equity and Real Estate Assets (continued)										
Real Estate[1]	**14.9**	**7.7**	**-37.7**	**-5.4**	**23.4**	**13.2**	**22.9**	**10.3**	**28.7**	**10.7**
Core Real Estate	**16.3**	**14.2**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
PRISA I	19.1	18.4	-34.2	-13.0	17.5	16.2	23.3	NA	NA	NA
Net of Fees	17.9	17.1	-34.9	-13.7	16.5	15.1	22.1	NA	NA	NA
NFI – ODCE Equal Weight	*16.0*	*16.1*	*-30.7*	*-10.4*	*16.1*	*16.1*	*20.2*	*12.6*	*9.1*	*5.3*
American Core Realty Fund, LLC	15.1	11.2	-30.0	-5.3	17.3	NA	NA	NA	NA	NA
Net of Fees	13.8	10.1	-30.7	-6.2	16.2	NA	NA	NA	NA	NA
NFI – ODCE Equal Weight	*16.0*	*16.1*	*-30.7*	*-10.4*	*16.1*	*16.1*	*20.2*	*12.6*	*9.1*	*5.3*
Private Real Estate	**13.7**	**1.8**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
NCREIF Property (1-quarter lagged)	*16.1*	*5.8*	*-22.1*	*5.3*	*17.3*	*17.6*	*19.2*	*12.4*	*7.8*	*5.7*

[1] All manager returns are presented one quarter lagged with the exception of the American Core Realty Fund and PRISA, which are not lagged.

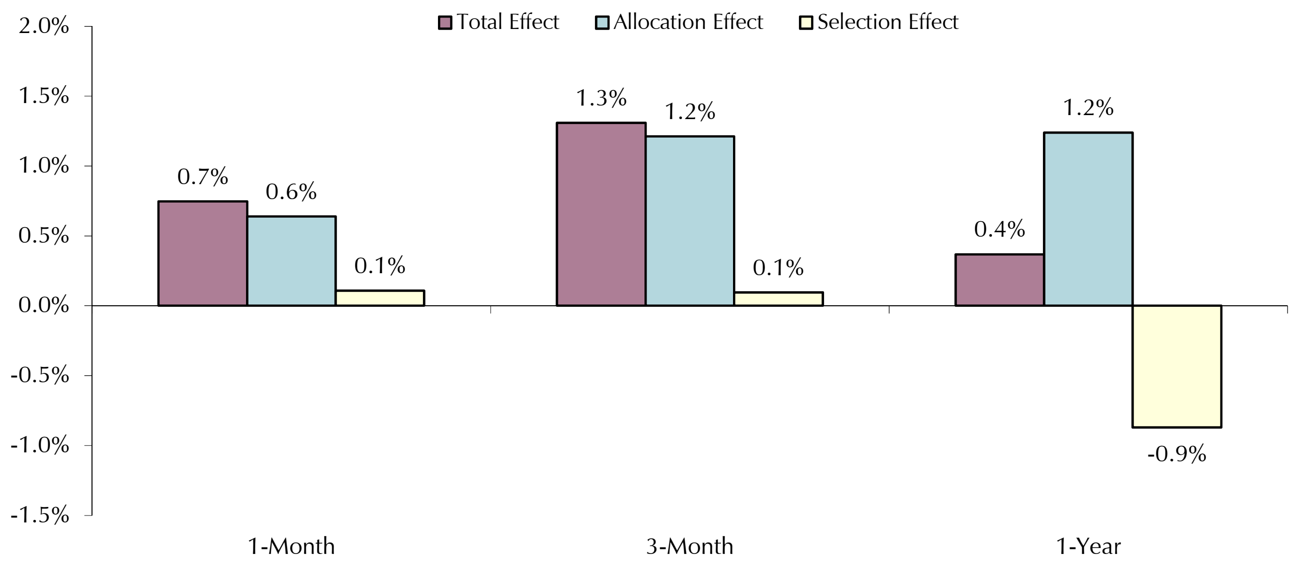
	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)
Real Assets	**-6.5**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Credit Suisse Compound Risk Parity Commodity Index[1]	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Custom Risk Parity Benchmark[2]	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*
Dow Jones-Commodity U.S. Index	*-13.4*	*16.7*	*18.7*	*-36.6*	*11.1*	*-2.7*	*21.4*	*9.1*	*23.9*	*25.9*
First Quadrant Risk Parity Commodity Index[1]	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Custom Risk Parity Benchmark[2]	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*
Dow Jones-Commodity U.S. Index	*-13.4*	*16.7*	*18.7*	*-36.6*	*11.1*	*-2.7*	*21.4*	*9.1*	*23.9*	*25.9*
Fixed Income Assets										
Public Fixed Income	**8.7**	**7.2**	**15.9**	**-1.3**	**6.7**	**5.8**	**0.8**	**6.3**	**9.0**	**10.5**
Russell Investments Barclays U.S. TIPS	11.2	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	11.2	NA	NA	NA	NA	NA	NA	NA	NA	NA
TIPS Blended Benchmark[3]	*11.2*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*
Barclays U.S. TIPS	*13.6*	*6.3*	*11.4*	*-2.4*	*11.6*	*0.4*	*2.8*	*8.5*	*8.4*	*16.6*
Barclays U.S. TIPS 1-5 years	*4.9*	*3.9*	*11.5*	*-2.5*	*10.3*	*2.4*	*1.6*	*NA*	*NA*	*NA*
MacKay Shields High Yield Active Core	4.8	13.7	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	4.3	13.2	NA	NA	NA	NA	NA	NA	NA	NA
Merrill Lynch U.S. High Yield BB/B	*5.4*	*14.5*	*46.1*	*-23.7*	*2.7*	*10.7*	*3.4*	*9.9*	*23.0*	*-1.3*
Barclays High Yield	*5.0*	*15.1*	*58.2*	*-26.2*	*1.9*	*11.8*	*2.7*	*11.1*	*29.0*	*-1.4*

[1] Performance is net of fees.
[2] Risk Parity Benchmark returns provided by Staff.
[3] The TIPS Blended Benchmark consists of 50% Barclays U.S. TIPS and 50% Barclays U.S. TIPS 1-5 years. Prior to January 1, 2012 it was comprised of 100% Russell Investments Barclays U.S. TIPS.

	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)
Fixed Income Assets (continued)										
Seix Credit Dislocation	1.0	7.8	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	0.7	7.5	NA	NA	NA	NA	NA	NA	NA	NA
CSFB Leveraged Loan	*1.8*	*10.0*	*44.9*	*-28.8*	*1.9*	*7.2*	*5.7*	*5.6*	*11.0*	*1.1*
Northern Trust Long Term Credit Bond Index	16.9	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	16.8	NA	NA	NA	NA	NA	NA	NA	NA	NA
Barclays Long U.S. Credit	*17.1*	*10.7*	*16.8*	*-3.9*	*3.6*	*3.5*	*3.8*	*9.4*	*10.4*	*11.9*
Private Debt[1,2]	**10.6**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
3 Month Libor + 5%	*5.4*	*5.3*	*5.9*	*8.7*	*10.7*	*10.5*	*8.6*	*NA*	*NA*	*NA*

[1] Manager returns for Medley are lagged one quarter; returns for White Oak and GSO are not lagged.
[2] Returns are time-weighted. Meketa Investment Group recommends that the Trustees use dollar-weighted (IRR) returns as shown in the quarterly Private Markets report in order to evaluate private markets managers.

Performance Attribution: Total Fund vs. Policy Benchmark
as of 9/30/12



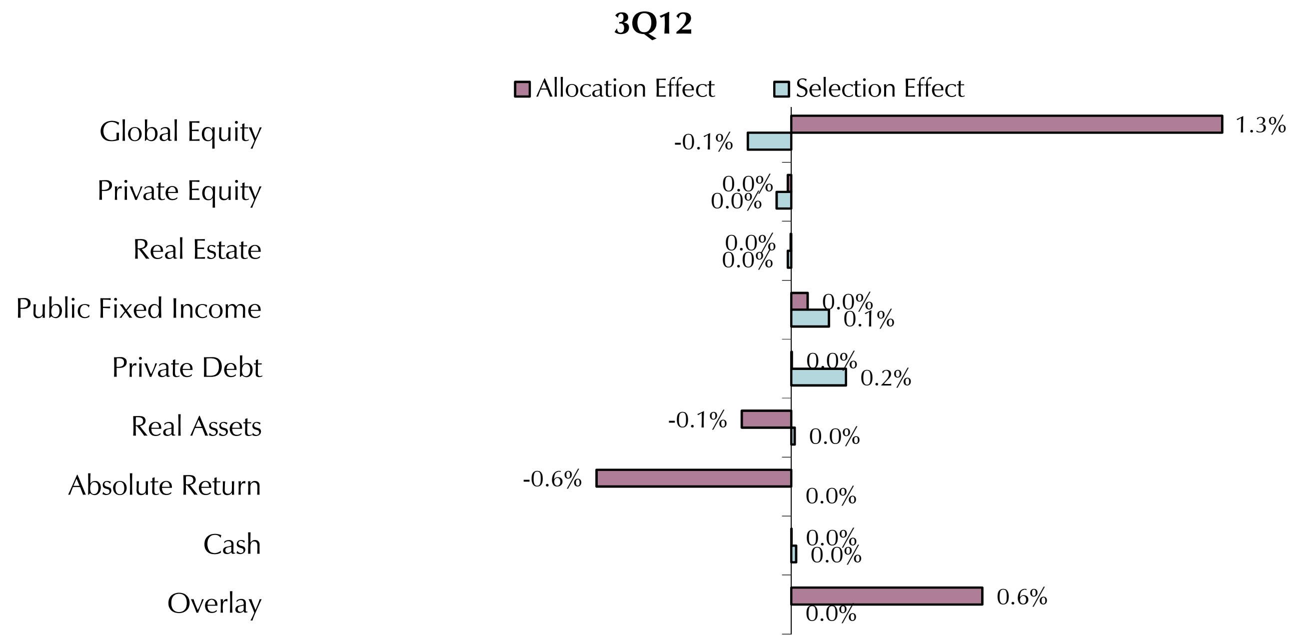
Total Effect: The total effect is the difference between the performance of the total fund and the return for the policy benchmark. The total effect is calculated by adding the allocation effect and the selection effect.

Allocation Effect: The allocation effect measures the impact of over- and under-weighting the fund allocations compared to the target allocations. The allocation effect is calculated by subtracting the Policy Benchmark return from the Custom Benchmark return.

Selection Effect: The selection effect measures the contribution of active management. For this analysis, the interaction effect, which measures the combined impact of selection and allocation, is included in the selection effect. Therefore, the selection effect is calculated by subtracting the Custom Benchmark return from the Total Fund return.

Performance Attribution (Total Fund): Asset Class vs. Policy Benchmark

as of 9/30/12

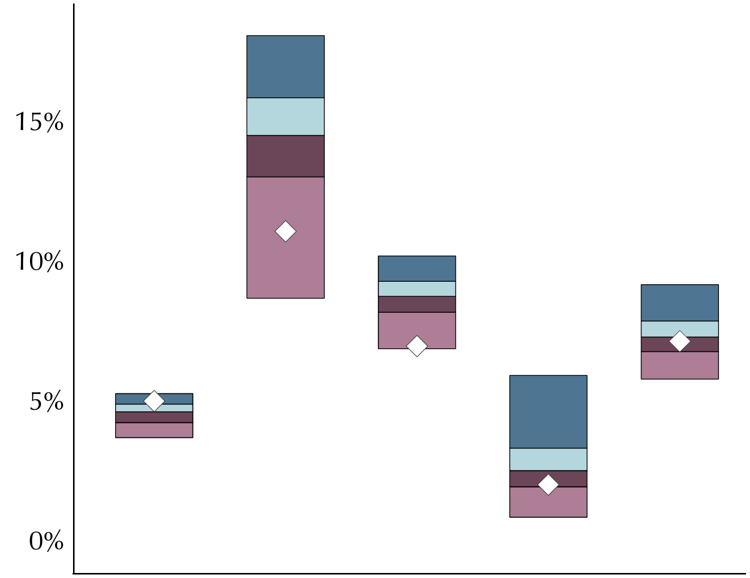


Allocation Effect: The allocation effect measures the impact of over- and under-weighting the fund allocations compared to the target allocations at the Total Fund level. The allocation effect is calculated by subtracting the asset class benchmark return from the asset class custom benchmark return.

Selection Effect: The selection effect measures the contribution of active management at the Total Fund level. For this analysis, the interaction effect, which measures the combined impact of selection and allocation, is included in the selection effect. Therefore, the selection effect is calculated by subtracting the asset class custom benchmark return from the asset class contribution to the Total Fund return.

Aggregate Assets Universe Comparison as of 9/30/12

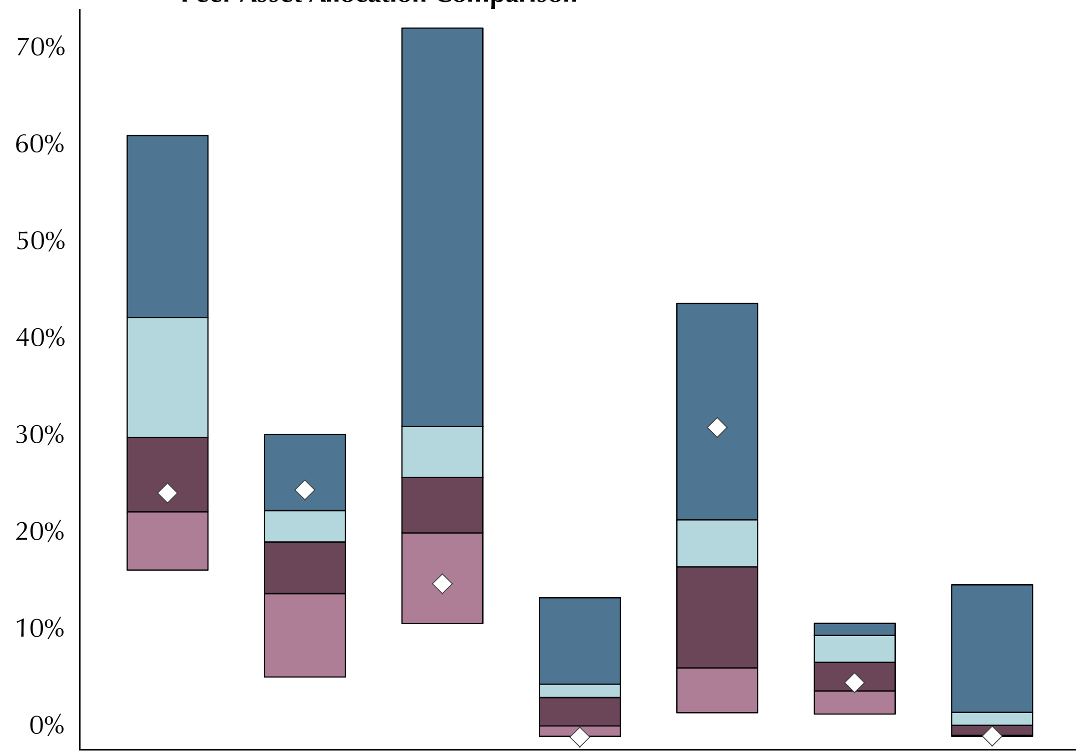
Total Fund Aggregate vs. Public Funds >$1 billion[1]



	3Q12 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Total Fund Aggregate	**5.2**	**12.3**	**7.5**	**1.7**	**7.7**
25th percentile	5.1	17.9	10.2	3.2	8.6
Median	4.8	16.3	9.6	2.3	7.9
75th Percentile	4.3	14.6	8.9	1.6	7.3
Population	74	74	70	69	60

[1] Master Trust universe data provided by InvestMetrics.

Peer Asset Allocation Comparison[1,2]



	US Equity	Intl. Equity	US Fixed Income	Intl. Fixed Income	Alternative Inv.	Real Estate	Cash
San Jose Allocation (Russell Overlay Net Position)	24.2	24.5	15.2	0.0	30.7	5.4	0.1
1st Quartile	41.6	22.5	30.8	5.3	21.6	10.1	2.5
Median	29.7	19.4	25.8	3.9	16.9	7.4	1.2
3rd Quartile	22.3	14.2	20.3	1.1	6.9	4.6	0.2
Population	55	47	57	24	32	20	28

1 Based on Russell Investments overlay net positions as of 9/30/12.
2 Master Trust universe data provided by InvestMetrics.

Policy Benchmark Description

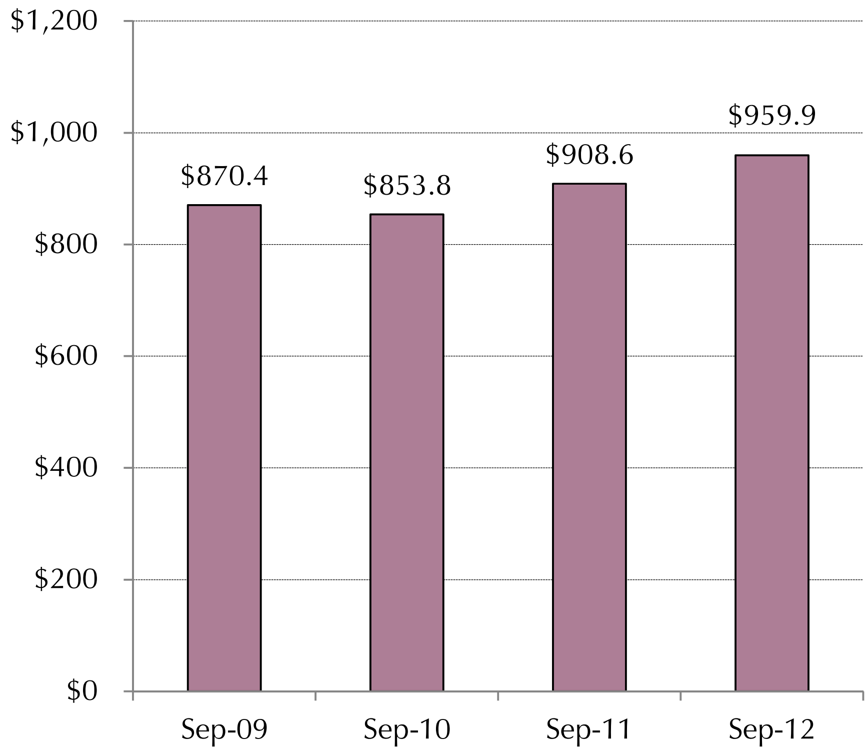
Time Period		Composition
1/1/2012-Present	31%	MSCI ACWI IMI
	9	Venture Economics Private Equity
	5	NCREIF Property
	2.5	Barclays Intermediate Government
	1.25	Barclays U.S. TIPS
	1.25	Barclays U.S. TIPS 1-5 Years
	5	3-Month LIBOR + 5%
	10	Risk Parity Commodities
	10	CPI-U + 5%
	25	HFRI Fund of Funds Composite
4/1/2011-12/31/2011	16%	MSCI ACWI
	9	MSCI ACWI Value
	5	MSCI Emerging Markets
	5	MSCI EAFE Small Cap
	3	MSCI EAFE Growth
	3	Russell 3000
	2.5	Russell 2000 Growth
	2.5	Russell 2000 Value
	7.5	Russell Investments Barclays U.S. TIPS
	5	Barclays Intermediate Government
	2.5	Barclays Long U.S. Credit
	2.5	Merrill Lynch High Yield BB/B
	2.5	CSFB Leveraged Loan
	3	ML 300 Global Convertibles
	5	HFRI Weighted Composite
	5	NCREIF Property
	6	Venture Economics Private Equity
	8	Custom Risk Parity Benchmark
	2	S&P Global Infrastructure
	5	3-Month LIBOR + 5%

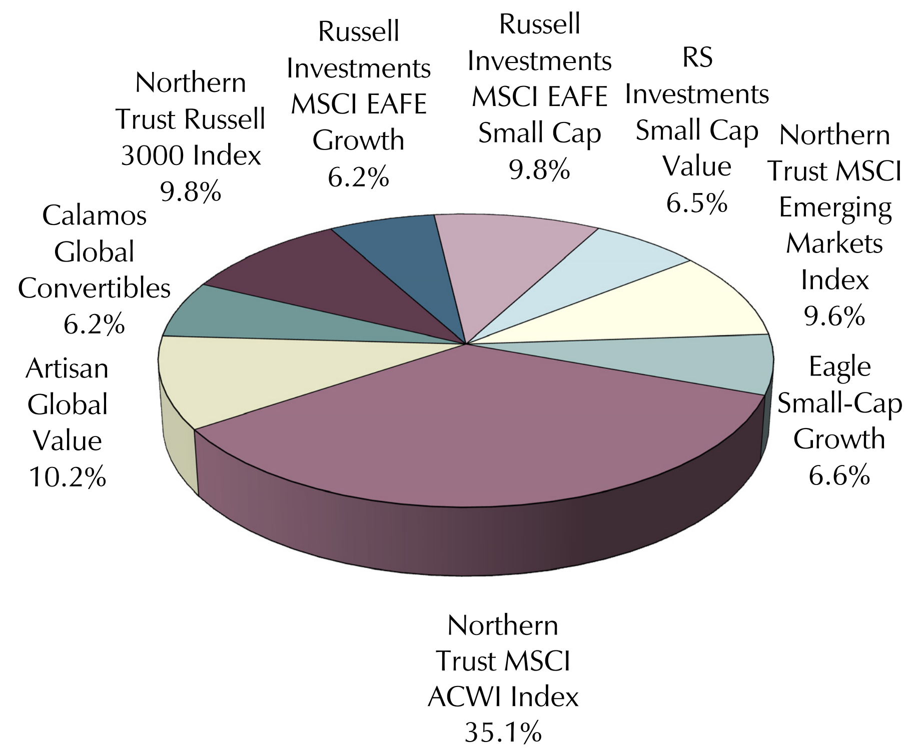
Time Period		Composition
4/1/2010-3/31/2011	16%	MSCI ACWI
	9	MSCI ACWI Value
	5	MSCI Emerging Markets
	5	MSCI EAFE Small Cap
	3	MSCI EAFE Growth
	3	Russell 3000
	2.5	Russell 2000 Growth
	2.5	Russell 2000 Value
	7.5	Russell Investments Barclays U.S. TIPS
	5	Barclays Intermediate Government
	2.5	Barclays Long U.S. Credit
	2.5	Merrill Lynch High Yield BB/B
	2.5	CSFB Leveraged Loan
	3	ML 300 Global Convertibles
	5	HFRI Weighted Composite
	5	NCREIF Property
	6	Venture Economics Private Equity
	8	Dow-Jones UBS Commodities
	2	S&P Global Infrastructure
	5	3-Month LIBOR + 5%
7/1/09 – 3/31/2010	34%	Russell 1000
	9	Russell 2000
	29	Barclays Aggregate
	7	S&P Citigroup WGBI
	15	MSCI ACWI ex U.S.
	6	NCREIF Property

Plan Detail

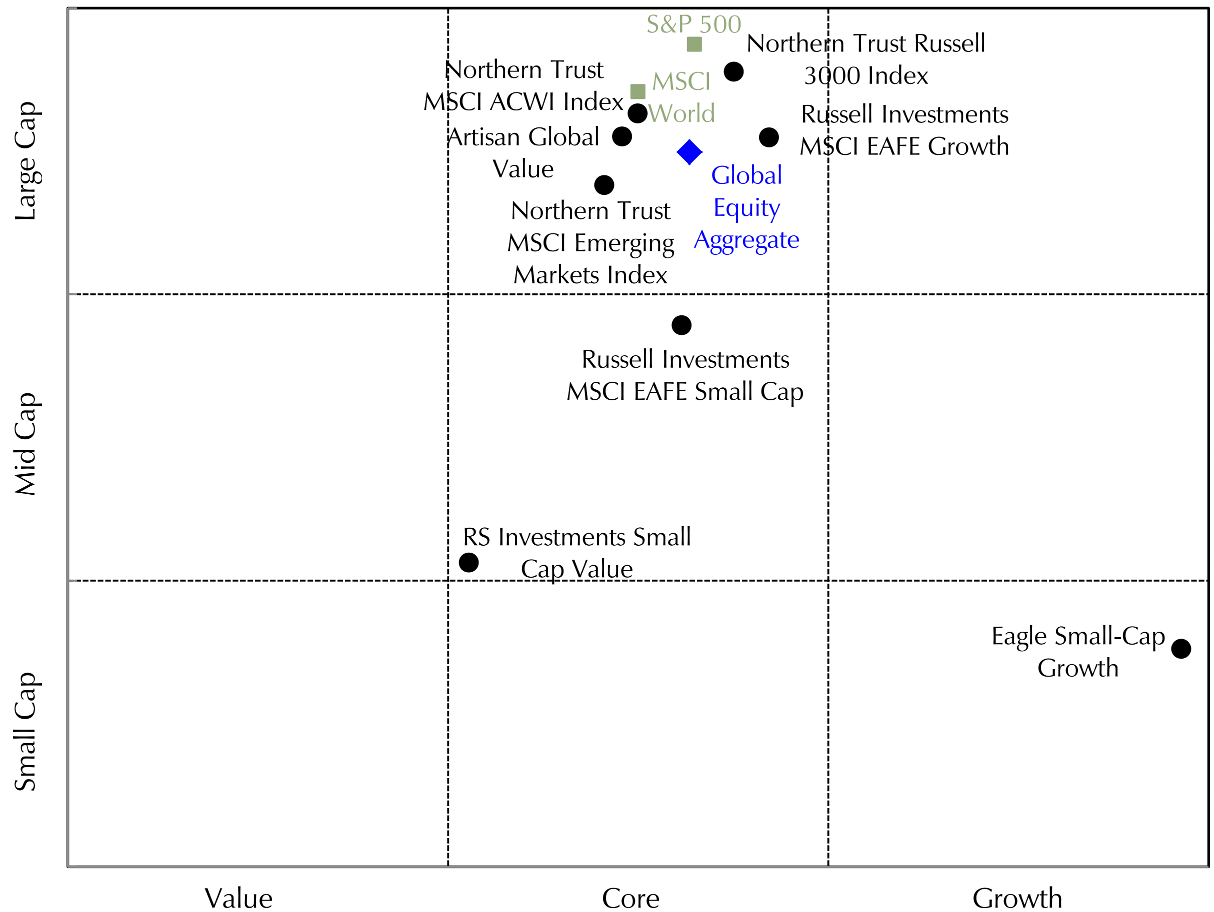
Global Equity Assets
As of September 30, 2012

Global Equity Assets as of 9/30/12





Global Equity Assets
Style as of 9/30/12



Global Equity Assets Characteristics as of 9/30/12

Capitalization Structure:	Aggregate Global Equity 9/30/12	MSCI ACWI IMI 9/30/12	Aggregate Global Equity 6/30/12
Weighted Average Market Cap. (US$ billion)	55.8	71.3	51.1
Median Market Cap. (US$ billion)	2.3	1.0	2.2
Large (% over US$10 billion)	61	71	59
Medium (% US$2 billion to US$10 billion)	25	20	26
Small (% under US$2 billion)	14	8	15

Fundamental Structure:	Aggregate Global Equity 9/30/12	MSCI ACWI IMI 9/30/12	Aggregate Global Equity 6/30/12
Price-Earnings Ratio	20	19	18
Price-Book Value Ratio	3.0	2.9	2.8
Dividend Yield (%)	2.5	2.7	2.5
Historical Earnings Growth Rate (%)	8	7	8
Projected Earnings Growth Rate (%)	12	12	12

Global Equity Assets
Diversification as of 9/30/12

Diversification:	Aggregate Global Equity 9/30/12	MSCI ACWI IMI 9/30/12	Aggregate Global Equity 6/30/12
Number of Holdings	5,216	8,611	5,254
% in 5 largest holdings	4	5	4
% in 10 largest holdings	7	8	7

Largest Five Holdings:	% of Portfolio	Economic Sector
Apple Computer	1.1	Technology Hardware
Google	0.8	Software & Services
ExxonMobil	0.8	Energy
Johnson & Johnson	0.7	Pharmaceuticals & Biotech
Oracle	0.6	Software & Services

Global Equity Assets
Sector Allocation as of 9/30/12

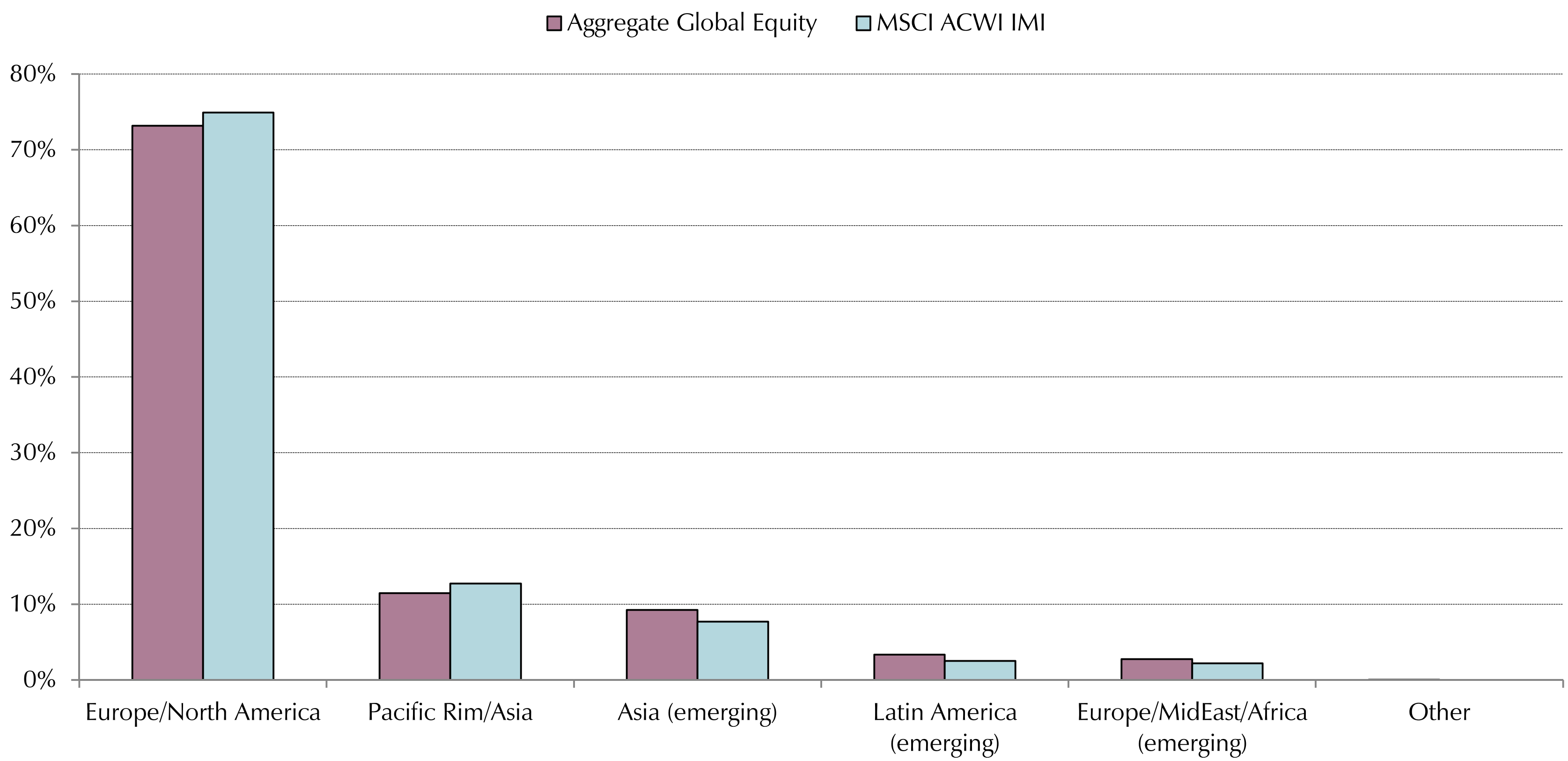
Sector Allocation (%):	Aggregate Global Equity 9/30/12	MSCI ACWI IMI 9/30/12	Aggregate Global Equity 6/30/12
Information Technology	14	13	14
Consumer Discretionary	12	11	12
Industrials	12	11	12
Health Care	9	9	9
Materials	8	8	8
Consumer Staples	10	10	9
Utilities	3	4	3
Financials	19	20	19
Telecom	3	4	3
Energy	9	11	9

Global Equity Assets
Country & Region Breakdown as of 9/30/12

	Aggregate Global Equity 9/30/12 (%)	MSCI ACWI IMI 9/30/12 (%)
Europe/North America	**73.2**	**74.9**
United Kingdom	8.9	8.2
Switzerland	3.1	2.8
United States	47.9	47.7
Sweden	1.0	1.1
France	2.7	3.0
Germany	2.1	2.9
Canada	2.5	4.5
Pacific Rim/Asia	**11.5**	**12.7**
Japan	7.2	7.4
Australia	2.5	3.2

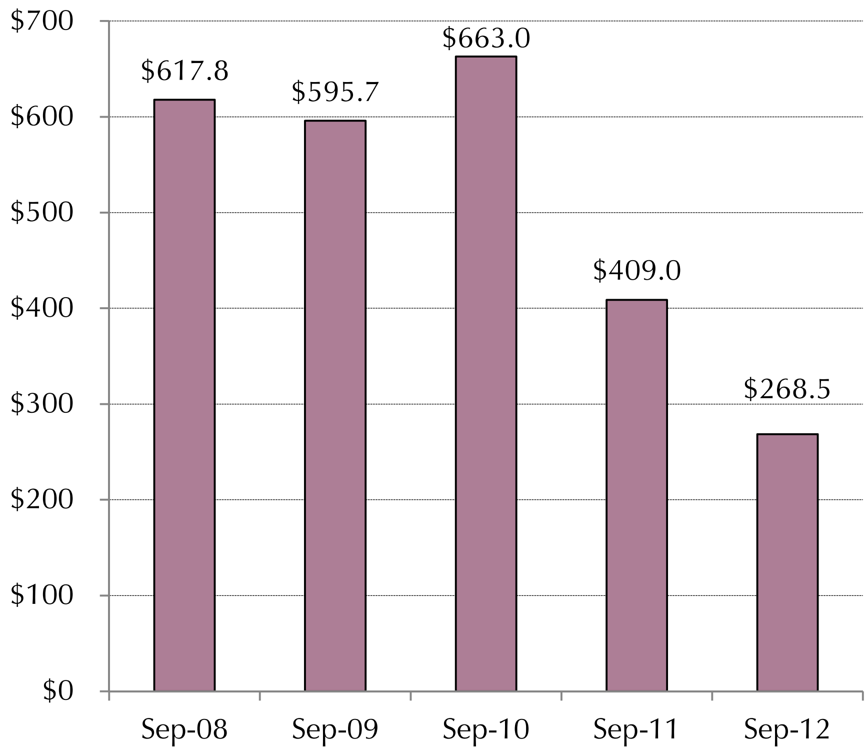
	Aggregate Global Equity 9/30/12 (%)	MSCI ACWI IMI 9/30/12 (%)
Asia (emerging)	**9.2**	**7.7**
China	2.7	2.1
South Korea	2.4	2.0
India	1.1	0.9
Taiwan	1.7	1.5
Latin America (emerging)	**3.4**	**2.5**
Brazil	1.9	1.5
Europe/MidEast/Africa (emerging)	**2.8**	**2.2**
South Africa	1.2	1.0
Other	**0.0**	**0.0**

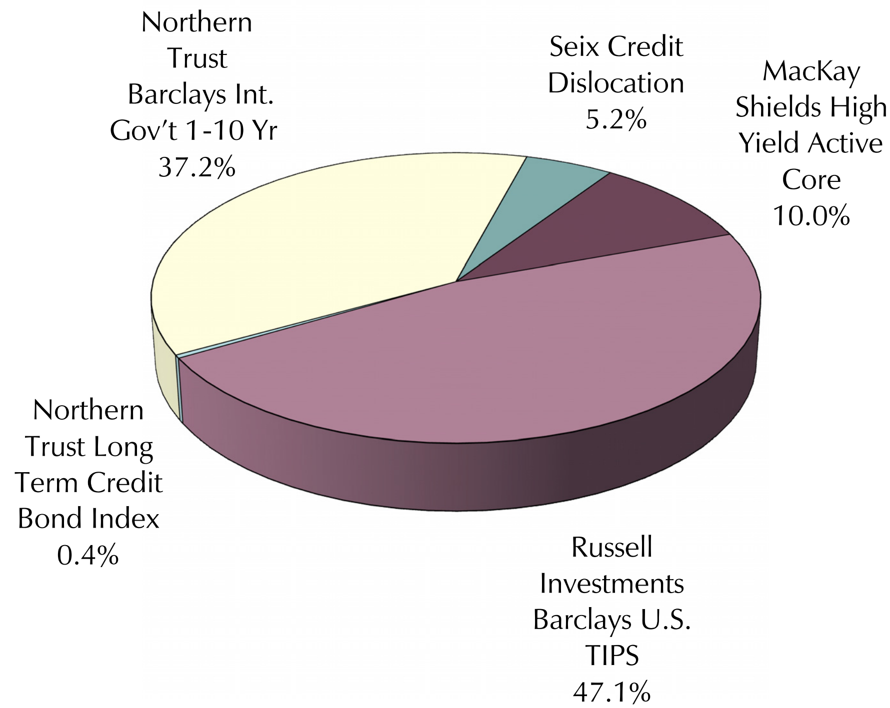
Global Equity Assets
Region Breakdown as of 9/30/12



Public Fixed Income Assets
As of September 30, 2012

Public Fixed Income Assets as of 9/30/12



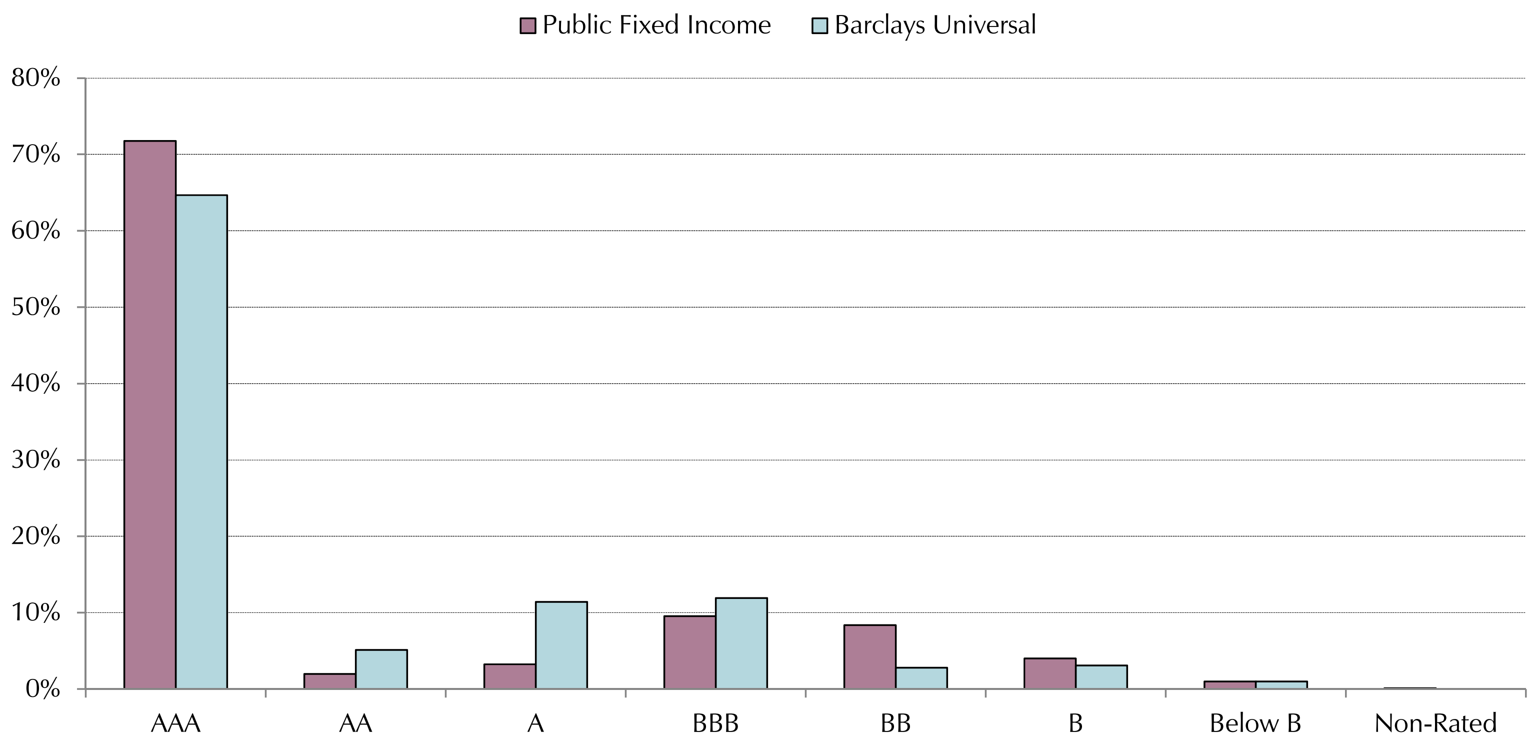


Public Fixed Income Assets
Risk as of 9/30/12

Risk: (sixty months)	Aggregate Public Fixed Income 9/30/12	Barclays Universal 9/30/12
Annualized Return (%)	7.5	6.6
Standard Deviation (%)	4.9	4.0
Best Monthly Return (%)	4.8	3.8
Worst Monthly Return (%)	-3.8	-3.6
Beta	1.11	1.00
Correlation (R^2) to Index	0.89	1.00
Correlation to Total Fund Return	0.61	NA
Sharpe Measure (risk-adjusted return)	1.37	1.50
Information Ratio	0.40	NA

Public Fixed Income Assets
Characteristics as of 9/30/12

Duration & Yield:	Aggregate Public Fixed Income 9/30/12	Barclays Universal 9/30/12	Aggregate Public Fixed Income 6/30/12
Average Effective Duration (years)	3.1	4.8	5.3
Yield to Maturity (%)	1.4	2.0	3.2



Public Fixed Income Assets Diversification as of 9/30/12

	Aggregate Public Fixed Income 9/30/12	Barclays Universal 9/30/12	Aggregate Public Fixed Income 6/30/12
Market Allocation (%):			
United States	90	84	86
Foreign (developed markets)	8	10	13
Foreign (emerging markets)	1	6	1
Currency Allocation (%):			
Non-U.S. Dollar Exposure	4	0	6
Sector Allocation (%):			
U.S. Treasury-Nominal	26	31	0
U.S. Treasury-TIPS	39	0	50
U.S. Agency	4	8	0
Mortgage Backed	0	26	0
Corporate	7	28	20
Bank Loans	3	0	5
Local & Provincial Government	0	1	1
Sovereign & Supranational	0	4	1
Commercial Mortgage Backed	0	2	0
Asset Backed	0	0	0
Cash Equivalent	4	0	1
Other[1]	18	0	22

[1] For the purpose of portfolio characteristics, the convertible bond mandate is included in Public Fixed Income Assets.

Portfolio Reviews
As of September 30, 2012

Global Equity Portfolios Reviews
As of September 30, 2012

Northern Trust MSCI ACWI Index Portfolio Detail as of 9/30/12

Mandate: Global Equities
Active/Passive: Passive
Market Value: $336.8 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 6/1/2010
Account Type: Commingled Fund

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
0.05% on all assets

Liquidity Constraints:
Daily

Strategy:
The Northern Trust All Country World Index (ACWI) strategy seeks to match, as closely as possible, the performance of the Morgan Stanley Capital International All Country World (ex. U.S.) Index. This passive strategy gives low cost, broad exposure to developed and emerging equity markets.

Performance (%):	3Q12	1 YR	Since 6/1/10
Northern Trust MSCI ACWI Index[1]	**6.9**	**21.7**	**10.9**
Net of Fees[1]	**6.9**	**21.6**	**10.8**
MSCI ACWI	6.8	21.0	10.4

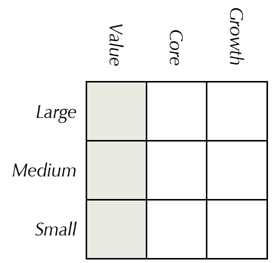
	9/30/12		6/30/12	
Capitalization Structure:	**NT MSCI ACWI**	**MSCI ACWI**	**NT MSCI ACWI**	**MSCI ACWI**
Weighted Average Market Cap. (US$ billion)	73.9	81.4	67.8	75.0
Median Market Cap. (US$ billion)	2.6	7.3	2.5	6.9
Large (% over US$10 billion)	76	82	74	80
Medium (% US$2 billion to US$10 billion)	20	18	22	19
Small (% under US$2 billion)	4	1	4	1
Fundamental Structure:				
Price-Earnings Ratio	19	19	18	17
Price-Book Value Ratio	2.9	3.0	2.8	2.9
Dividend Yield (%)	2.8	2.7	2.8	2.9
Historical Earnings Growth Rate (%)	8	8	7	8
Projected Earnings Growth Rate (%)	12	12	11	11
Sector Allocation (%):				
Financials	21	20	20	19
Industrials	11	10	11	10
Materials	8	7	8	7
Consumer Discretionary	11	10	11	10
Health Care	10	9	9	9
Utilities	4	4	4	4
Telecom	4	5	5	5
Information Technology	12	13	12	13
Energy	11	11	10	11
Consumer Staples	10	11	10	11
Diversification:				
Number of Holdings	4,796	2,440	4,832	2,445
% in 5 largest holdings	5	6	5	6
% in 10 largest holdings	8	10	8	10
Region Allocation (%):				
Europe/North America	75	75	75	75
Pacific Rim/Asia	12	12	13	13
Asia (emerging)	8	8	7	7
Latin America (emerging)	3	3	3	3
Europe/MidEast/Africa (emerging)	2	2	2	2
Other	0	0	0	0

Largest Five Holdings:		Industry
Apple Computer	1.9	Technology Hardware
ExxonMobil	1.3	Energy
Nestle	0.7	Food Beverage & Tobacco
General Electric	0.7	Capital Goods
Chevron	0.7	Energy

[1] Northern Trust MSCI ACWI includes exposure to the MSCI ACWI (ex. U.S.) and the Russell 3000 Index to simulate MSCI ACWI exposure.

Artisan Global Value
Portfolio Detail as of 9/30/12

Mandate:	International Equities, Developed Markets
Active/Passive:	Active
Market Value:	$98.4 million
Portfolio Manager:	David Samra Dan O'Keefe
Location:	San Francisco, California
Inception Date:	3/1/2011
Account Type:	Separately Managed



Fee Schedule:
0.80% on first $50 mm; 0.60% on next $50 mm; 0.50% thereafter

Liquidity Constraints:
Daily

Strategy:
Artisan employs a bottom-up investment approach seeking to identify undervalued quality businesses that offer the potential for superior risk/reward outcomes. Artisan runs a somewhat concentrated portfolio of 40 to 60 stocks. They are benchmark-agnostic, and willing to have exposures that are materially different than the benchmark.

Guidelines:
Benchmark = MSCI ACWI; Max. % per country other than U.S. = 35%; Max. % per industry = 25%; Max. % in debt securities = 10%; Max % outside developed markets = 10% above benchmark weighting

Performance (%):	**3Q12**	**1 YR**	**Since 3/1/11**
Artisan Global Value	**8.2**	**28.6**	**9.6**
Net of Fees	**8.2**	**28.0**	**8.9**
MSCI ACWI Value	6.6	19.5	-1.6
Peer Global Equity	6.7	22.7	0.8
Peer Ranking (percentile)	*13*	*10*	*8*

	9/30/12		**6/30/12**	
Capitalization Structure:	**Artisan Global Value**	**MSCI ACWI Value**	**Artisan Global Value**	**MSCI ACWI Value**
Weighted Average Market Cap. (US$ billion)	62.5	81.3	53.2	76.8
Median Market Cap. (US$ billion)	18.5	6.6	15.3	6.3
Large (% over US$10 billion)	81	83	73	82
Medium (% US$2 billion to US$10 billion)	19	16	21	18
Small (% under US$2 billion)	0	1	6	1
Fundamental Structure:				
Price-Earnings Ratio	18	16	16	15
Price-Book Value Ratio	3.0	1.9	2.7	1.8
Dividend Yield (%)	2.3	3.6	2.1	3.8
Historical Earnings Growth Rate (%)	7	1	5	1
Projected Earnings Growth Rate (%)	12	8	11	7
Sector Allocation (%):				
Information Technology	19	5	18	5
Consumer Discretionary	16	6	17	6
Consumer Staples	15	6	12	6
Financials	30	31	29	30
Industrials	8	9	7	9
Health Care	8	10	8	10
Materials	2	6	1	6
Utilities	0	6	0	6
Telecom	0	7	0	7
Energy	3	15	9	15
Diversification:				
Number of Holdings	44	1,337	43	1,343
% in 5 largest holdings	21	9	22	9
% in 10 largest holdings	39	15	40	15
Region Allocation (%):				
Americas	61	52	66	52
Europe	34	24	29	23
Pacific Rim	4	12	5	13
Other	0	12	0	12

Largest Five Holdings:		**Industry**
Compass Group	4.9	Consumer Services
Google	4.7	Software & Services
Oracle	3.9	Software & Services
TE Connectivity	3.9	Technology Hardware
Aon PLC	3.9	Insurance

Northern Trust Russell 3000 Index Portfolio Detail as of 9/30/12

Mandate: Domestic Equities
Active/Passive: Passive
Market Value: $94.1 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 9/1/1999
Account Type: Commingled Fund

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
0.02% on all assets

Liquidity Constraints:
Daily

Strategy:
The Northern Trust strategy seeks to replicate the return of the Russell 3000 Index. Northern Trust employs a proprietary process in combination with low-cost trade execution to accomplish this objective. To efficiently manage cash flows, Northern Trust seeks to maximize the liquidity of trade lists and match the relevant benchmark's systemic risk. The result is a portfolio that tightly tracks the index while incurring lower transaction costs.

Performance (%):	3Q12	1 YR	3 YR	5 YR	Since 9/1/99
Northern Trust Russell 3000 Index	**6.2**	**30.3**	**13.5**	**1.5**	**3.4**
Net of Fees	**6.2**	**30.3**	**13.5**	**1.5**	**3.4**
Russell 3000	6.2	30.2	13.3	1.3	3.3

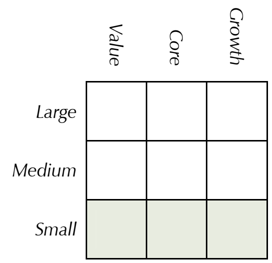
Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Northern Trust Russell 3000 Index	**20.7%**	**1.00**	**0.04**	**NA**	**1.00**
Russell 3000	20.7	1.00	0.03	NA	1.00

	9/30/12		6/30/12	
Capitalization Structure:	**NT Russell 3000**	**Russell 3000**	**NT Russell 3000**	**Russell 3000**
Weighted Average Market Cap. (US$ billion)	100.0	99.9	90.4	90.5
Median Market Cap. (US$ billion)	1.2	1.0	1.3	1.0
Large (% over US$10 billion)	76	75	75	75
Medium (% US$2 billion to US$10 billion)	18	18	18	18
Small (% under US$2 billion)	7	7	7	7
Fundamental Structure:				
Price-Earnings Ratio	21	21	20	20
Price-Book Value Ratio	3.4	3.4	3.4	3.4
Dividend Yield (%)	2.0	1.8	1.9	1.8
Historical Earnings Growth Rate (%)	9	9	9	9
Projected Earnings Growth Rate (%)	11	11	12	12
Sector Allocation (%):				
Consumer Discretionary	12	12	12	12
Telecom	3	3	3	3
Consumer Staples	9	9	10	10
Information Technology	19	19	19	19
Utilities	4	4	4	4
Health Care	12	12	12	12
Industrials	11	11	11	11
Energy	10	10	10	10
Financials	16	16	16	16
Materials	4	4	4	4
Diversification:				
Number of Holdings	2,666	2,961	2,581	2,993
% in 5 largest holdings	11	11	11	11
% in 10 largest holdings	17	17	17	17

Largest Ten Holdings:		**Industry**
Apple Computer	3.9	Technology Hardware
ExxonMobil	2.7	Energy
General Electric	1.5	Capital Goods
Chevron	1.4	Energy
IBM	1.4	Software & Services
Microsoft	1.4	Software & Services
AT&T	1.4	Telecommunication Services
Google	1.2	Software & Services
Procter & Gamble	1.2	Household/Personal Products
Johnson & Johnson	1.2	Pharmaceuticals & Biotech

Russell Investments MSCI EAFE Small Cap Portfolio Detail as of 9/30/12

Mandate: Global Equities
Active/Passive: Passive
Market Value: $93.7 million
Portfolio Manager: Russell Investments (Transition Manager)
Location: Tacoma, Washington
Inception Date: 6/1/2010
Account Type: Separately Managed



Fee Schedule:
Base fee of $50,000. In addition 0.05% on first $200 mm; 0.03% on next $200 mm; 0.015% thereafter. Fee applies to aggregated Russell Investment accounts

Liquidity Constraints:
Daily

Strategy:
Russell Investments manages an optimized portfolio with a Tracking Error target of 2.0% to the MSCI EAFE Small Cap Index.

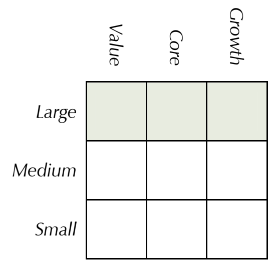
Performance (%):	**3Q12**	**1 YR**	**Since 6/1/10**
Russell Investments MSCI EAFE Small Cap	**7.0**	**16.2**	**10.9**
Net of Fees	**7.0**	**16.2**	**10.9**
MSCI EAFE Small Cap	7.9	12.6	9.8

	9/30/12		**6/30/12**	
Capitalization Structure:	**MSCI EAFE SC**	**MSCI EAFE Small Cap**	**MSCI EAFE SC**	**MSCI EAFE Small Cap**
Weighted Average Market Cap. (US$ billion)	15.9	1.6	14.7	1.4
Median Market Cap. (US$ million)	878.3	629.8	797.6	600.5
Large (% over US$10 billion)	37	0	35	0
Medium (% US$2 billion to US$10 billion)	28	29	28	24
Small (% under US$2 billion)	35	71	37	76
Fundamental Structure:				
Price-Earnings Ratio	20	19	19	18
Price-Book Value Ratio	2.6	2.1	2.3	2.0
Dividend Yield (%)	3.0	3.3	3.2	3.6
Historical Earnings Growth Rate (%)	7	5	7	4
Projected Earnings Growth Rate (%)	14	9	8	12
Sector Allocation (%):				
Industrials	25	21	29	22
Telecom	3	1	3	1
Health Care	7	6	6	5
Consumer Staples	7	7	7	7
Information Technology	9	9	9	9
Utilities	2	2	2	2
Energy	5	5	5	5
Materials	10	10	10	10
Consumer Discretionary	17	19	16	18
Financials	14	20	14	20
Diversification:				
Number of Holdings	462	2,249	467	2,274
% in 5 largest holdings	7	2	10	1
% in 10 largest holdings	12	3	15	3
Region Allocation (%):				
Americas	2	0	3	0
Europe	57	55	57	54
Pacific Rim	40	45	40	46
Other	1	0	1	0

Largest Five Holdings:		**Industry**
Dassault Systemes	1.8	Software & Services
Grifols Sa	1.3	Pharmaceuticals & Biotech
Rolls Royce	1.2	Capital Goods
WPP PLC	1.2	Media
JGC	1.1	Capital Goods

Northern Trust MSCI Emerging Markets Index
Portfolio Detail as of 9/30/12

Mandate: Global Equities
Active/Passive: Passive
Market Value: $91.7 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 5/1/2010
Account Type: Commingled Fund



Fee Schedule:
0.15% on all assets

Liquidity Constraints:
Daily

Strategy:
The Northern Trust strategy seeks to replicate the return of the MSCI Emerging Markets index. Northern Trust employs a proprietary process in combination with low-cost trade execution to accomplish this objective. To efficiently manage cash flows, Northern Trust seeks to maximize the liquidity of trade lists and match the benchmark's risk profile. The result is a diversified portfolio that tightly tracks the index while incurring lower transaction costs.

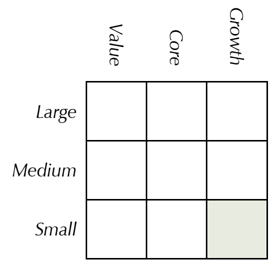
Performance (%):	3Q12	1 YR	Since 5/1/10
Northern Trust MSCI Emerging Markets Index	**7.7**	**16.7**	**1.7**
Net of Fees	**7.7**	**16.6**	**1.5**
MSCI Emerging Markets	7.7	16.9	1.9

	9/30/12		6/30/12	
Capitalization Structure:	**NT MSCI EM**	**MSCI Emerging Markets**	**NT MSCI EM**	**MSCI Emerging Markets**
Weighted Average Market Cap. (US$ billion)	44.0	44.6	41.1	41.7
Median Market Cap. (US$ billion)	4.9	4.9	4.6	4.6
Large (% over US$10 billion)	65	66	63	64
Medium (% US$2 billion to US$10 billion)	31	31	33	32
Small (% under US$2 billion)	3	3	4	4
Fundamental Structure:				
Price-Earnings Ratio	17	17	15	15
Price-Book Value Ratio	2.8	2.8	2.6	2.6
Dividend Yield (%)	3.0	3.0	3.2	3.2
Historical Earnings Growth Rate (%)	15	15	15	15
Projected Earnings Growth Rate (%)	12	12	13	13
Sector Allocation (%):				
Energy	13	13	13	13
Financials	25	25	25	25
Materials	12	12	12	12
Utilities	4	4	4	4
Consumer Staples	8	8	8	8
Telecom	8	8	8	8
Health Care	1	1	1	1
Information Technology	14	14	14	14
Consumer Discretionary	8	8	8	8
Industrials	6	7	7	7
Diversification:				
Number of Holdings	852	817	853	819
% in 5 largest holdings	10	11	10	10
% in 10 largest holdings	16	16	16	16
Region Allocation (%):				
Asia	60	61	60	60
Latin America	22	21	22	22
Europe, Middle East and Africa	18	18	18	18
Other	0	0	0	0

Largest Five Holdings:		**Industry**
Samsung	3.7	Semiconductors
Taiwan Semiconductor	2.1	Semiconductors
China Mobile	1.8	Telecommunication Services
America Movil	1.4	Telecommunication Services
China Const Bank	1.4	Banks

Eagle Small-Cap Growth Portfolio Detail as of 9/30/12

Mandate: Domestic Equities
Active/Passive: Active
Market Value: $63.6 million
Portfolio Manager: Bert L. Boksen, CFA
Location: St. Petersburg, Florida
Inception Date: 6/1/1998
Account Type: Separately Managed



Fee Schedule:
0.75% on first $3 mm; 0.70% on next $7 mm; 0.60% on next $40 mm; 0.50% thereafter

Liquidity Constraints:
Daily

Strategy:
Eagle Asset Management seeks to capture the significant long-term capital appreciation potential of small, rapidly growing, under-researched companies. The market capitalization of these companies falls within the market cap range of the Russell 2000 Index at the time of purchase. Since the small company sector historically has been less efficient than the large capitalization sector, they believe that conducting extensive proprietary research on companies that are not widely followed or owned institutionally should enable Eagle to capitalize on market inefficiencies and thus outperform the Russell 2000 Growth Index.

Guidelines:
Maximum of 5% in one issuer, and maximum of 5% preferred stock.

Performance (%):	**3Q12**	**1 YR**	**3 YR**	**5 YR**	**Since 6/1/98**
Eagle Small-Cap Growth	**6.9**	**27.8**	**17.1**	**6.3**	**7.1**
Net of Fees	**6.9**	**27.3**	**16.5**	**5.7**	**6.4**
Russell 2000 Growth	4.8	31.2	14.2	3.0	3.9
Peer Small Cap Growth	5.4	29.9	15.4	3.7	7.9
Peer Ranking (percentile)	*22*	*68*	*29*	*13*	*74*

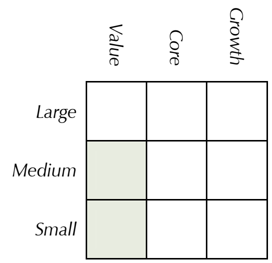
Risk: (sixty months)	**Standard Deviation**	**Beta**	**Sharpe Measure**	**Info. Ratio**	**Correlation to Index**
Eagle Small-Cap Growth	**27.3%**	**0.97**	**0.20**	**0.71**	**0.98**
Russell 2000 Growth	26.8	1.00	0.08	NA	1.00

	9/30/12		**6/30/12**	
Capitalization Structure:	**Eagle**	**Russell 2000 Growth**	**Eagle**	**Russell 2000 Growth**
Weighted Average Market Cap. (US$ billion)	1.5	1.5	1.4	1.4
Median Market Cap. (US$ billion)	1.3	0.6	1.2	0.6
Large (% over US$10 billion)	0	0	0	0
Medium (% US$2 billion to US$10 billion)	23	26	20	20
Small (% under US$2 billion)	77	74	80	80
Fundamental Structure:				
Price-Earnings Ratio	32	30	31	29
Price-Book Value Ratio	3.6	4.3	3.3	4.3
Dividend Yield (%)	0.5	0.6	0.5	0.7
Historical Earnings Growth Rate (%)	13	11	12	12
Projected Earnings Growth Rate (%)	19	18	18	19
Sector Allocation (%):				
Materials	6	4	6	4
Consumer Discretionary	18	16	16	16
Energy	7	6	8	5
Financials	7	7	7	7
Utilities	0	0	0	0
Health Care	22	22	20	22
Telecom	0	1	0	1
Consumer Staples	4	5	4	5
Industrials	15	17	16	17
Information Technology	21	22	23	22
Diversification:				
Number of Holdings	100	1,112	97	1,135
% in 5 largest holdings	13	3	13	3
% in 10 largest holdings	21	5	22	5

Largest Ten Holdings:		**Industry**
Genesco	3.2	Retailing
Vitamin Shoppe	2.5	Retailing
Geospace Technologies	2.5	Energy
Sirona Dental Systems	2.4	Health Equipment & Services
Obagi Medical Products	2.0	Pharmaceuticals & Biotech
Centene	1.8	Health Equipment & Services
Huron Consulting Group	1.8	Commercial & Professional Services
Bally Technologies	1.8	Consumer Services
Quaker Chemical	1.7	Materials
Lufkin Industries	1.6	Energy

RS Investments Small Cap Value
Portfolio Detail as of 9/30/12

Mandate: Domestic Equities
Active/Passive: Active
Market Value: $62.1 million
Portfolio Manager: Team
Location: San Francisco, California
Inception Date: 8/1/2010
Account Type: Separately Managed



Fee Schedule:
1.00% on first $30 mm; 0.80% on next $20 mm; 0.60% thereafter

Liquidity Constraints:
Daily

Strategy:
RS employs a bottom-up, fundamental stock picking approach to portfolio management. The investment team seeks to optimize risk-adjusted returns through deep company-specific fundamental research. When evaluating investments for the strategy, RS Investments employs a return-on-capital analysis, combining balance sheet and cash flow analysis. RS believes that stock price performance is more highly correlated to improving returns on capital than it is to traditional valuation measurements like price-to-earnings, price-to-sales or price to book value. The strategy typically invests most of its assets in securities of U.S. companies but may also invest up to 15% of its assets in foreign securities.

Guidelines:
Position size <9%, industry exposure <25%, maximum 10% non U.S.

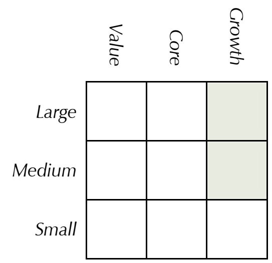
Performance (%):	3Q12	1 YR	Since 8/1/10
RS Investments Small Cap Value	**7.5**	**29.8**	**13.5**
Net of Fees	**7.5**	**29.1**	**12.8**
Russell 2000 Value	5.7	32.6	11.9
Peer Small Cap Value	5.4	32.1	13.5
Peer Ranking (percentile)	*16*	*63*	*50*

	9/30/12		6/30/12	
Capitalization Structure:	**RS SCV**	**Russell 2000 Value**	**RS SCV**	**Russell 2000 Value**
Weighted Average Market Cap. (US$ billion)	2.9	1.1	2.8	1.0
Median Market Cap. (US$ billion)	2.5	0.4	2.5	0.4
Large (% over US$10 billion)	0	0	0	0
Medium (% US$2 billion to US$10 billion)	72	12	73	8
Small (% under US$2 billion)	28	88	27	92
Fundamental Structure:				
Price-Earnings Ratio	20	22	16	21
Price-Book Value Ratio	2.3	1.5	2.0	1.4
Dividend Yield (%)	1.9	2.1	1.3	2.0
Historical Earnings Growth Rate (%)	0	0	0	0
Projected Earnings Growth Rate (%)	10	11	11	10
Sector Allocation (%):				
Information Technology	21	12	23	13
Health Care	9	5	8	5
Consumer Discretionary	15	12	15	11
Energy	9	6	8	6
Utilities	9	7	9	7
Materials	7	6	9	5
Telecom	0	1	0	1
Industrials	12	13	9	13
Consumer Staples	1	3	0	3
Financials	17	36	20	36
Diversification:				
Number of Holdings	45	1,406	39	1,419
% in 5 largest holdings	25	2	25	2
% in 10 largest holdings	44	4	44	4

Largest Ten Holdings:		**Industry**
Peyto Exploration & Develpmt	6.2	Energy
Calpine	5.5	Utilities
GameStop	5.0	Retailing
Compass Minerals	4.7	Materials
AOL	4.0	Software & Services
Acxiom	4.0	Software & Services
Aimia	3.8	Media
Waste Connections	3.8	Commercial & Professional Services
Integrated Device Technology	3.6	Semiconductors
Harman International Inds	3.6	Consumer Durable & Apparel

Russell Investments MSCI EAFE Growth
Portfolio Detail as of 9/30/12

Mandate: Global Equities
Active/Passive: Passive
Market Value: $59.7 million
Portfolio Manager: Russell Investments (Transition Manager)
Location: Tacoma, Washington
Inception Date: 6/1/2010
Account Type: Separately Managed



Fee Schedule:
0.05% on first $200 mm; 0.03% on next $200 mm; 0.015% thereafter

Liquidity Constraints:
Daily

Strategy:
Russell Investments manages an optimized portfolio with a Tracking Error target of 2.0% to the MSCI EAFE Small Cap Index.

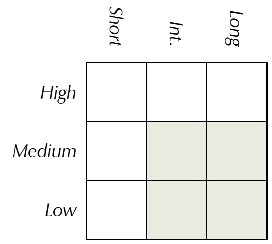
Performance (%):	3Q12	1 YR	Since 6/1/10
Russell Investments MSCI EAFE Growth	**6.5**	**15.7**	**9.4**
Net of Fees	**6.5**	**15.6**	**9.4**
MSCI EAFE Growth	6.4	14.8	8.9

	9/30/12		6/30/12	
Capitalization Structure:	**MSCI EAFE Growth**	**MSCI EAFE Growth**	**MSCI EAFE Growth**	**MSCI EAFE Growth**
Weighted Average Market Cap. (US$ billion)	62.2	48.8	58.3	46.5
Median Market Cap. (US$ billion)	12.7	7.1	12.0	6.9
Large (% over US$10 billion)	84	78	82	76
Medium (% US$2 billion to US$10 billion)	14	22	16	24
Small (% under US$2 billion)	2	0	2	0
Fundamental Structure:				
Price-Earnings Ratio	18	19	18	19
Price-Book Value Ratio	3.2	3.6	3.0	3.3
Dividend Yield (%)	3.2	2.8	3.3	2.9
Historical Earnings Growth Rate (%)	6	8	6	8
Projected Earnings Growth Rate (%)	15	16	11	14
Sector Allocation (%):				
Financials	15	9	14	8
Health Care	12	11	12	11
Telecom	3	2	3	2
Utilities	2	1	2	2
Materials	13	13	14	13
Information Technology	7	7	7	7
Energy	4	5	4	5
Industrials	14	16	14	16
Consumer Staples	19	21	19	21
Consumer Discretionary	10	14	11	15
Diversification:				
Number of Holdings	320	529	320	526
% in 5 largest holdings	13	12	14	12
% in 10 largest holdings	21	19	21	20
Region Allocation (%):				
Americas	1	0	1	0
Europe	67	65	66	64
Pacific Rim	32	35	33	36
Other	0	0	0	0

Largest Five Holdings:		Industry
Nestle	4.3	Food Beverage & Tobacco
Roche	2.5	Pharmaceuticals & Biotech
British American Tobacco	2.5	Food Beverage & Tobacco
HSBC Holdings PLC	2.3	Banks
GlaxoSmithKline	1.8	Pharmaceuticals & Biotech

Calamos Global Convertibles
Portfolio Detail as of 9/30/12

Mandate: Global Equity
Active/Passive: Active
Market Value: $59.7 million
Portfolio Manager: John P Calamos/ Nick P Calamos
Location: Naperville, Illinois
Inception Date: 11/1/2009
Account Type: Separately Managed



Fee Schedule:
0.50% on all assets

Liquidity Constraints:
Daily

Strategy:
Calamos seeks to leverage their capital structure research by investing in global convertible securities, in order to generate consistent alpha and manage downside volatility. The portfolio construction process incorporates top-down and bottom-up analysis. Top-down considerations focus on the global macroeconomic environment, sectors and the identification of long-term secular themes that they believe will influence growth opportunities for decades to come. For bottom-up research, they first determine the intrinsic value of the company and then utilize quantitative and qualitative analysis to value the securities within the company's capital structure. Investment candidates emerge from the intersection of the top-down and bottom-up considerations. These investments are vetted more extensively within the context of the overall portfolio. Calamos continually monitors risk characteristics to ensure that the strategy maintains appropriate diversification and risk/reward characteristics.

Guidelines:
<5% in single issuer. Investments in minimum of five countries. Allocation to single sector <1.5x sector weight of benchmark.

Performance (%):	3Q12	1 YR	Since 11/1/09
Calamos Global Convertibles	**3.2**	**7.0**	**6.4**
Net of Fees	**3.2**	**6.6**	**5.9**
Merrill Lynch Global 300 Convertible Index	4.0	12.8	7.1

	9/30/12		6/30/12	
Duration & Yield:	**Calamos**	**ML Global 300 Convertible**	**Calamos**	**ML Global 300 Convertible**
Average Effective Duration (years)	2.9	3.0	3.1	3.0
Yield to Maturity (%)	0.9	2.6	1.0	2.9
Quality Structure (%):				
Average Quality	BBB	BB+	BBB	BB+
AAA (includes Treasuries and Agencies)	0	0	0	4
AA	11	5	11	2
A	17	14	17	14
BBB	44	29	41	29
BB	24	34	26	33
B	5	15	4	15
Below B	0	3	0	4
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	0	0	0	0
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	4	0	4	0
Other	96	100	96	100
Market Allocation (%):				
United States	49	51	55	51
Foreign (developed markets)	45	40	43	40
Foreign (emerging markets)	6	9	3	8
Currency Allocation (%):				
Non-U.S. Dollar Exposure	25	35	25	35

Real Assets Portfolio Reviews
As of September 30, 2012

Credit Suisse Compound Risk Parity Commodity Index Portfolio Detail as of 9/30/12

Mandate: Commodity
Active/Passive: Active
Market Value: $135.3 million
Portfolio Manager: Christopher Burton
Location: New York, New York
Inception Date: 4/1/2011
Account Type: Commingled Fund

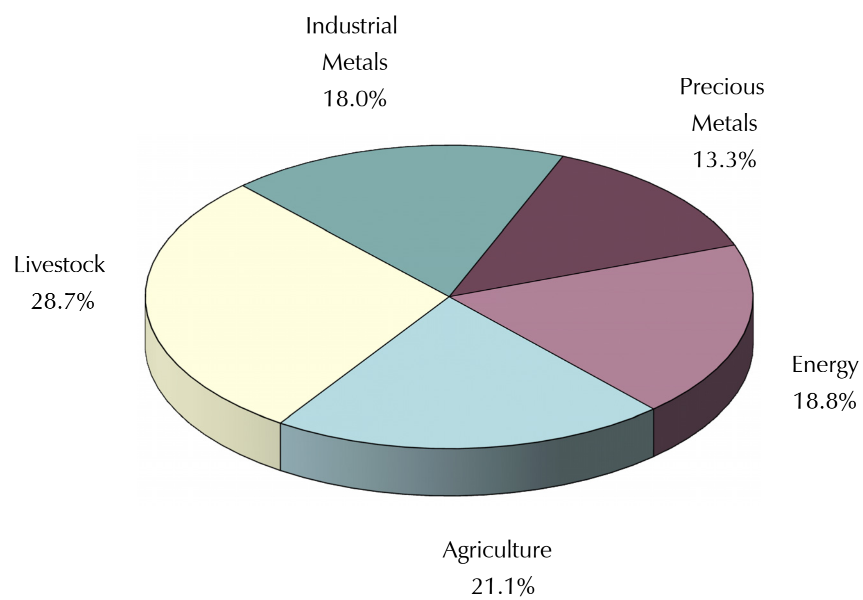
Fee Schedule:
0.42% on first $100 mm; 0.37% thereafter

Liquidity Constraints:
Daily

Strategy:
Credit Suisse Asset Management (CSAM) seeks to provide a commodity-based investment return with reduced risk, measured by standard deviation, versus traditional commodity indices. The team aims to capture the spot return of commodities while employing active management techniques to exploit commodity market inefficiencies. The commodities team at CSAM utilizes futures to replicate the risk-based index. The portfolio consists of five commodity complexes (energy, industrial metals, precious metals, agriculture, and livestock) and 24 commodities included in the S&P- Goldman Sachs Commodities Index. CSAM allocates 20% of capital to each of the commodity complexes. Within each commodity complex, the strategy equal weights the specific commodities. The portfolio is rebalanced on a monthly basis. Active strategies used by CSAM seek to exploit the time period (roll date) the fund purchases commodities, using a quantitative and qualitative assessment. Collateral for the fund is actively managed and invested in U.S. Treasuries and agency securities.

Performance (%):	3Q12	1 YR	Since 4/1/11
Credit Suisse Compound Risk Parity Commodity Index[1]	**7.7**	**3.5**	**-5.3**
Custom Risk Parity Benchmark[2]	7.3	3.5	-5.4
Dow Jones-Commodity U.S. Index	9.7	5.9	-8.5

Current Allocation:



[1] Performance is net of fees.
[2] Risk Parity benchmark returns provided by staff.

First Quadrant Risk Parity Commodity Index Portfolio Detail as of 9/30/12

Mandate: Commodity (net of fees)
Active/Passive: Active
Market Value: $134.7 million
Portfolio Manager: Team
Location: Pasadena, California
Inception Date: 4/1/2011
Account Type: Commingled Fund

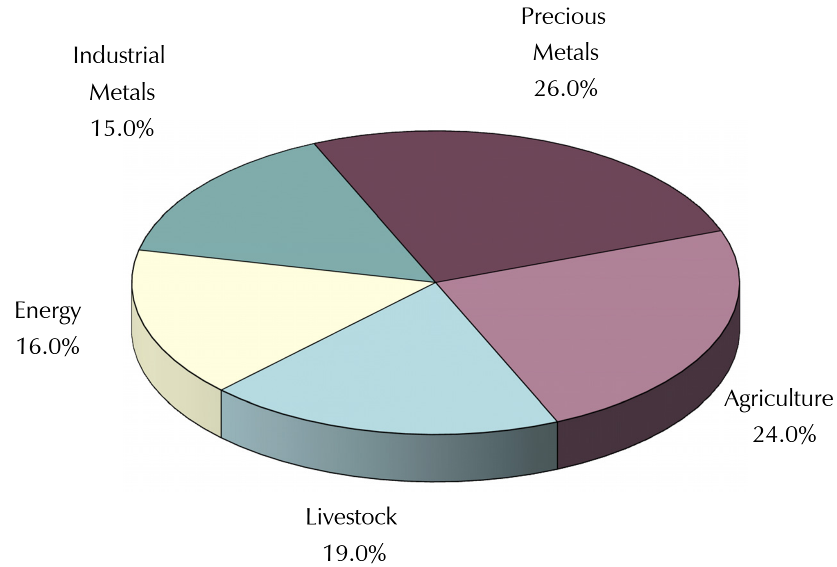
Fee Schedule:
0.35% on all assets

Liquidity Constraints:
Monthly

Strategy:
First Quadrant believes that there are inherent flaws to commodity indices, and they seek to produce a strategy which providing investors a higher correlation to inflation over the long run. First Quadrant utilizes futures and swaps to gain exposure to five commodity complexes, representing twenty specific commodities, and targets 20% risk to each of the commodity complexes. The complexes are energy, industrial metals, precious metals, agriculture, and livestock. The firm employs a quantitative methodology and uses risk as the weighting for each commodity product, making adjustments to the allocations depending upon the perceived volatility environment (high risk, low risk, or moderate risk). The firm will modify the investment exposure based upon the predicted environment ranging from 88% (in a high volatility environment) to 146% (in a low volatility environment). Collateral for the portfolio is actively managed and invested in U.S. Treasuries and agency securities.

Performance (%):	3Q12	1 YR	Since 4/1/11
First Quadrant Risk Parity Commodity Index[1]	**6.9**	**-2.5**	**-7.8**
Custom Risk Parity Benchmark[2]	7.3	3.5	-5.4
Dow Jones-Commodity U.S. Index	9.7	5.9	-8.5

Current Allocation:

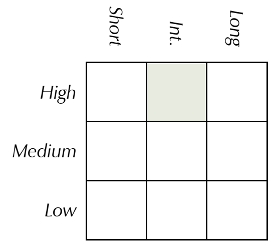


1 Performance is net of fees.
2 Risk Parity benchmark returns provided by staff.

Fixed Income Portfolio Reviews
As of September 30, 2012

Russell Investments Barclays U.S. TIPS Portfolio Detail as of 9/30/12

Mandate:	Fixed Income
Active/Passive:	Passive
Market Value:	$126.6 million
Portfolio Manager:	Russell Investments (Transition Manager)
Location:	Tacoma, Washington
Inception Date:	5/1/2010
Account Type:	Separately Managed



Fee Schedule:
Base fee of $50,000. In addition 0.05% on first $200 mm; 0.03% on next $200 mm; 0.015% thereafter. Fee applies to aggregated Russell Investment accounts.

Liquidity Constraints:
Daily

Strategy:
Russell Investments seeks to construct a portfolio of U.S. TIPS securities subject to Staff's guidelines.

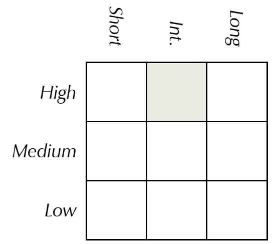
Performance (%):	3Q12	1 YR	Since 5/1/10
Russell Investments Barclays U.S. TIPS	**1.3**	**5.0**	**7.2**
Net of Fees	**1.3**	**4.9**	**7.2**
TIPS Blended Benchmark[1]	1.6	6.2	7.8
Barclays U.S. TIPS	2.1	9.1	9.5
Barclays U.S. TIPS 1-5 years	1.1	3.1	3.8

	9/30/12		6/30/12	
Quality Structure (%):	**Barclays U.S. TIPS**	**Barclays TIPS**	**Barclays U.S. TIPS**	**Barclays TIPS**
Average Quality	AAA	AAA	AAA	AAA
AAA (includes Treasuries and Agencies)	100	100	100	100
AA	0	0	0	0
A	0	0	0	0
BBB	0	0	0	0
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	100	100	100	100
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	0	0	0	0
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	100	100	100	100
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

[1] The TIPS Blended Benchmark consists of 50% Barclays U.S. TIPS and 50% Barclays U.S. TIPS 1-5 years. Prior to January 1, 2012 it was comprised of 100% Russell Investments Barclays U.S. TIPS.

Northern Trust Barclays Int. Gov't 1-10 yr Portfolio Detail as of 9/30/12

Mandate: Fixed Income
Active/Passive: Active
Market Value: $100.0 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 10/1/2012
Account Type: Commingled Fund



Fee Schedule:
0.05% on all assets

Liquidity Constraints:
Daily

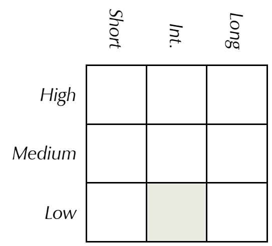
Strategy:
The Northern Trust 1-10 Year Intermediate Government Bond Index Fund seeks to replicate the return of the Barclays Intermediate Government Bond Index. The Fund invests in investment-grade securities covering the intermediate Treasury and Agency sectors of the United States bond and debt market. The Fund may make limited use of interest rate futures and/or options for the purpose of maintaining market exposure. The Fund may not participate in securities lending.

Performance (%):
The Northern Trust Barclays Int. Gov't 1-10 yr strategy was funded on the last day of the quarter. Performance inception will begin in October 2012.

	9/30/12	
Duration & Yield:	**NTGI Int Gov't 1-10 yr**	**Barclays IT Gov't**
Average Effective Duration (years)	3.6	3.7
Yield to Maturity (%)	0.6	0.6
Quality Structure (%):		
Average Quality	AAA	AAA
AAA (includes Treasuries and Agencies)	100	96
AA	0	4
A	0	0
BBB	0	0
BB	0	0
B	0	0
Below B	0	0
Non-Rated	0	0
Sector Allocation (%):		
U.S. Treasury-Nominal	87	87
U.S. Treasury-TIPS	0	0
U.S. Agency	13	13
Mortgage Backed	0	0
Corporate	0	0
Bank Loans	0	0
Local & Provincial Government	0	0
Sovereign & Supranational	0	0
Commercial Mortgage Backed	0	0
Asset Backed	0	0
Cash Equivalent	0	0
Other	0	0
Market Allocation (%):		
United States	100	100
Foreign (developed markets)	0	0
Foreign (emerging markets)	0	0
Currency Allocation (%):		
Non-U.S. Dollar Exposure	0	0

MacKay Shields High Yield Active Core Portfolio Detail as of 9/30/12

Mandate: High Yield
Active/Passive: Active
Market Value: $27.0 million
Portfolio Manager: Dan Roberts, Ph.D.
Location: New York, New York
Inception Date: 5/1/2009
Account Type: Separately Managed



Fee Schedule:
0.425% on all assets

Liquidity Constraints:
Daily

Strategy:
The High Yield Active Core Investment Team believes that attractive risk-adjusted returns and, ultimately, attractive absolute returns are generated by a strategy of yield capture and error avoidance. Based on the observation that bonds, even high yield bonds, have a limited upside, but a 100% downside potential, this simple observation leads to the most fundamental element of the High Yield Active Core investment philosophy: the high yield market does not reward inappropriately high levels of risk. When this view is considered in combination with the observation that, over any given cycle, total return is driven almost entirely by income, this is the team's goal: capture the yield offered by the market by investing in stable, quality credits; aggressively protect this yield through a variety of risk control measures; resist the temptation to augment returns by "stretching" for the yield offered by the market's riskiest credits; and manage risk relative to the client's benchmark.

Guidelines:
Average rating of BB- or better. Maximum of 20% bank loans, and maximum of 5% CCC.

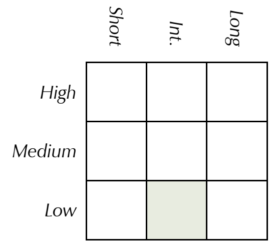
Performance (%):	**3Q12**	**1 YR**	**3 YR**	**Since 5/1/09**
MacKay Shields High Yield Active Core	**3.4**	**15.4**	**11.6**	**14.3**
Net of Fees	**3.4**	**15.0**	**11.1**	**13.8**
Merrill Lynch U.S. High Yield BB/B	4.5	17.8	12.0	16.6
Barclays High Yield	4.5	19.4	12.9	18.9
Peer High Yield	4.5	19.0	12.6	18.1
Peer Ranking (percentile)	*94*	*92*	*84*	*93*

Risk: (forty-one months)	**Standard Deviation**	**Beta**	**Sharpe Measure**	**Info. Ratio**	**Correlation to Index**
MacKay Shields High Yield Active Core	**6.8%**	**0.76**	**2.07**	**Neg.**	**0.88**
Merrill Lynch U.S. High Yield BB/B	8.1	1.00	2.05	NA	1.00

	9/30/12		**6/30/12**	
Duration & Yield:	**Mackay High Yield**	**Merrill Lynch U.S. High Yield BB/B**	**Mackay High Yield**	**Merrill Lynch U.S. High Yield BB/B**
Average Effective Duration (years)	2.7	4.3	3.3	4.3
Yield to Maturity (%)	5.3	5.7	5.9	6.5
Quality Structure (%):				
Average Quality	BB+	BB-	BB-	B+
AAA (includes Treasuries and Agencies)	18	0	1	0
AA	0	0	0	0
A	0	0	0	0
BBB	18	0	18	0
BB	30	51	41	52
B	22	49	23	48
Below B	12	0	16	0
Non-Rated	1	0	1	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	81	100	97	100
Bank Loans	1	0	1	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	18	0	1	0
Other	1	0	1	0
Market Allocation (%):				
United States	96	87	94	87
Foreign (developed markets)	3	13	5	13
Foreign (emerging markets)	1	0	1	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

Seix Credit Dislocation
Portfolio Detail as of 9/30/12

Mandate: High Yield
Active/Passive: Active
Market Value: $14.0 million
Portfolio Manager: Michael McEachern, CFA
Location: Upper Saddle River, New Jersey
Inception Date: 5/1/2009
Account Type: Separately Managed



Fee Schedule:
0.30% on all assets

Liquidity Constraints:
Daily

Strategy:
Seix manages a diversified credit portfolio employing primarily a buy and hold strategy to generate attractive absolute returns as acceptable risk levels. Sales or exchanges occur due to credit impaired assets or defaults. The portfolio will be comprised primarily of high yield floating rate bank loans, with a maximum of 20% in high yield corporate bonds.

Guidelines:
Average Credit quality of BB- or better. Maximum of 20% high yield bonds, and maximum of 5% rated C or lower

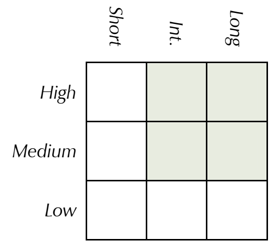
Performance (%):	3Q12	1 YR	3 YR	Since 5/1/09
Seix Credit Dislocation	**0.1**	**4.9**	**4.6**	**6.6**
Net of Fees	**0.1**	**4.6**	**4.2**	**6.3**
CSFB Leveraged Loan	3.1	10.7	7.8	12.8

Risk: (forty-one months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Seix Credit Dislocation	**4.8%**	**0.64**	**1.34**	**Neg.**	**0.79**
CSFB Leveraged Loan	6.3	1.00	2.02	NA	1.00

	9/30/12		6/30/12	
Duration & Yield:	**Seix**	**CSFB Leveraged Loan**	**Seix**	**CSFB Leveraged Loan**
Average Effective Duration (years)	0.4	0.3	0.5	0.3
Yield to Maturity (%)	2.7	5.2	3.9	5.2
Quality Structure (%):				
Average Quality	BBB-	B	BB-	B
AAA (includes Treasuries and Agencies)	32	0	2	0
AA	0	0	0	0
A	0	0	0	0
BBB	0	0	0	0
BB	37	37	41	38
B	31	54	57	52
Below B	0	4	0	4
Non-Rated	0	6	0	7
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	8	0	8	0
Bank Loans	60	100	89	100
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	32	0	2	0
Other	0	0	0	0
Market Allocation (%):				
United States	100	100	100	100
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

Northern Trust Long Term Credit Bond Index
Portfolio Detail as of 9/30/12

Mandate: Fixed Income
Active/Passive: Passive
Market Value: $1.0 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 5/1/2010
Account Type: Commingled Fund



Fee Schedule:
0.04% on all assets

Liquidity Constraints:
Daily

Strategy:
The Northern Trust Long Term Credit Bond Index strategy seeks to replicate the returns of the Barclays Long Term Credit Index. The Fund is passively managed, employing statistical methods to replicate performance and composition of the index.

Performance (%):	**3Q12**	**1 YR**	**Since 5/1/10**
Northern Trust Long Term Credit Bond Index	**5.1**	**14.4**	**13.9**
Net of Fees	**5.1**	**14.4**	**13.9**
Barclays Long U.S. Credit	5.2	14.9	13.9

	9/30/12		**6/30/12**	
Duration & Yield:	**NT Barclays LT Credit**	**Barclays Long U.S. Credit**	**NT Barclays LT Credit**	**Barclays Long U.S. Credit**
Average Effective Duration (years)	13.7	13.7	13.7	13.7
Yield to Maturity (%)	4.3	4.3	4.7	4.7
Quality Structure (%):				
Average Quality	A-	A	A	A
AAA (includes Treasuries and Agencies)	3	3	3	3
AA	12	12	12	12
A	41	41	42	42
BBB	44	44	43	43
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	2	2	2	2
Mortgage Backed	0	0	0	0
Corporate	78	78	78	78
Bank Loans	0	0	0	0
Local & Provincial Government	12	12	13	13
Sovereign & Supranational	8	8	7	7
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	78	78	79	79
Foreign (developed markets)	21	21	20	20
Foreign (emerging markets)	1	1	1	1
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

Global Macroeconomic Outlook
September 2012

Current Global Conditions

Economic Growth	↓	Economic growth continues to slow globally, due to elevated unemployment levels across developed economies, harsh austerity measures in Europe, and waning export demand in emerging economies. U.S. second quarter GDP growth was 1.3%, down from the 4.1% level at the end of 2011. Estimates for third quarter GDP growth range from 1.5% to 2.0%. In the Euro-zone, GDP declined by 0.5% in the second quarter and is forecasted to fall between 0.5% and 1.0% in the third quarter. Although emerging economies continue to experience higher growth than developed economies, their growth continues to slow too. In China, third quarter growth was 7.4%, well below the close to 10% level in early 2011.
Employment	↔	At the end of September, the U.S. unemployment rate was 7.8%, a 0.4% decline from the end of the prior quarter and the first reading below 8.0% since January 2009. Despite the recent decline in the unemployment rate, 12.1 million people remain unemployed in the U.S. and the labor force participation rate (the percentage of the population that is employed or looking for employment) remains at levels not seen since the early 1980s. Unemployment in the Euro-zone continues to make new highs, reaching 11.4% at the end of August. Spain and Greece continue to have the highest unemployment rates at close to 25%, with rates of over 50% for youth.
Inflation	↓	The trailing twelve-month U.S. inflation rate was 2.0% at the end of September, a level close to half the recent high of 3.9% in September 2011. After declining in the four previous months, energy prices rose in August and September, driven by gasoline prices. Euro-zone twelve-month inflation through September is estimated to be 2.7%, up 0.3% from the end of the second quarter due primarily to higher energy prices. The trailing twelve-month inflation rate in China fell to 1.9% in September, a level less than a third of the recent 6.5% peak.
Interest Rates	↓	Central banks globally continue to keep interest rates extremely low as a means to stimulate growth. The U.S. and Japan continued to maintain short-term rates near zero, while the Bank of England kept rates at 0.5%. Due to the on-going economic turmoil in Europe, the ECB cut short-term rates in July by 0.25% to 0.75%, a record low. The yield on 10-year Treasuries finished the third quarter at 1.7%, the same level as the end of the prior quarter. Of note, the yield fell to 1.4% during the quarter, establishing a new record low. Due to slowing inflation and weakening economic data, emerging economies continue to loosen monetary policy as well. In China, policymakers cut interest rates in July by 0.31% to 6.0%, the second cut this year. China's recent interest rate cuts are the first since 2008.

Global Economic Outlook

We believe economic growth will remain subdued globally for the remainder of 2012 and into 2013.

- GDP growth is likely to remain subdued into 2013 in the emerging economies due to lower demand for exports from the developed economies.
- Thus far in 2012, GDP growth levels have come in below consensus projections. In the European Union growth was forecasted to be slow, but positive, in 2012, but has actually declined. In China, actual growth has been over 2% below what was projected.

	IMF 2012 Real GDP Forecast (%)	2012 Actual Real GDP (%)
U.S.	1.8%	1.7%
European Union	1.4	-0.3
China	9.0	6.7

Source: "IMF 2012 Real GDP Forecast" represents the IMF's September 2011 projections. The source for the"2012 Actual Real GDP" is FactSet and Thomson Reuters and is through June 30, 2012.

- Slow growth globally should keep inflation at moderate levels. The possibility of inflationary pressures returning in emerging economies exists as policymakers move to more stimulative regimes. Deflation continues to be a risk in the developed world.

Global Economic Outlook, Continued

Europe, the emerging markets, and the U.S. have pursued additional monetary stimulus.

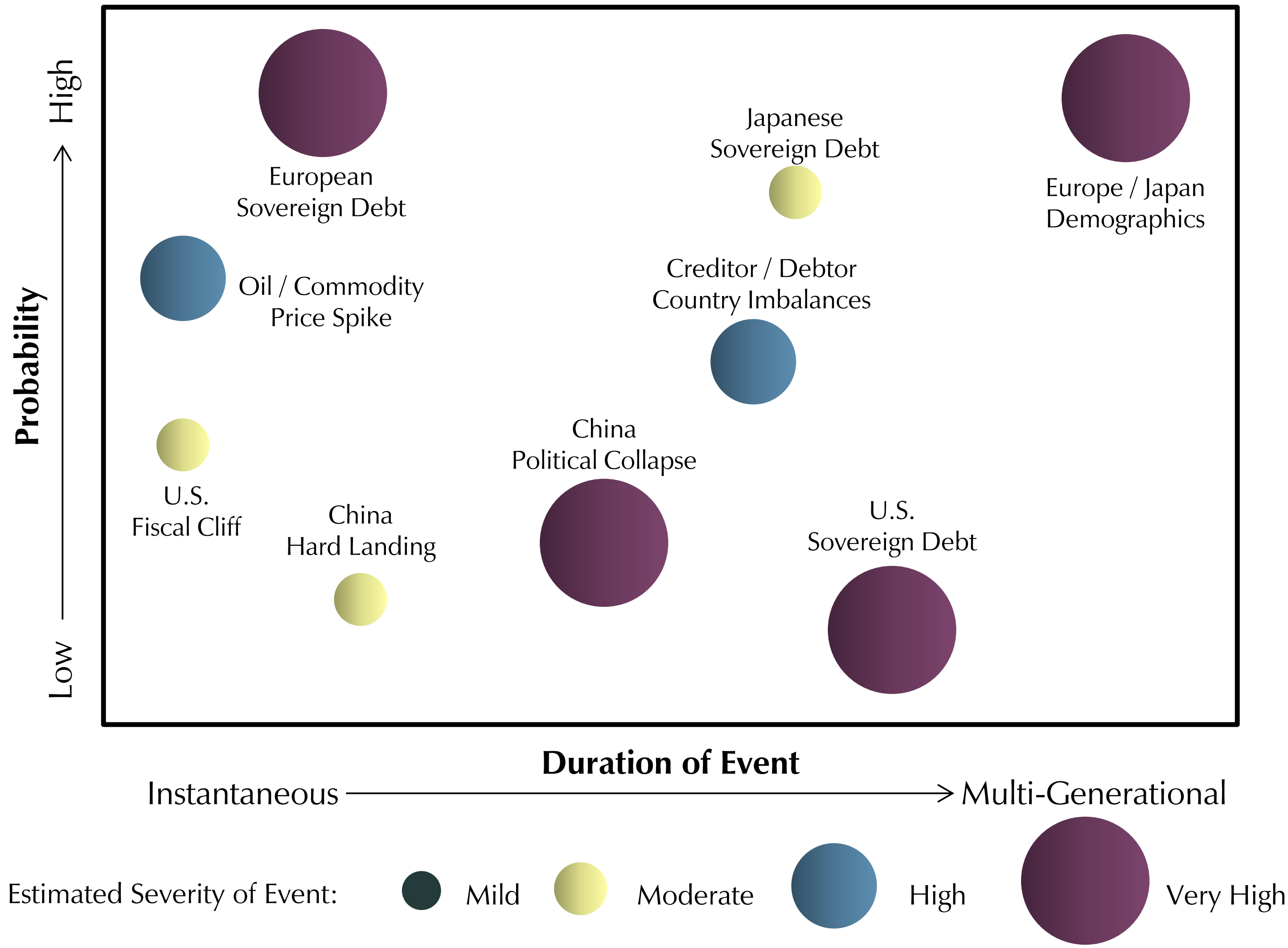
- Due to sluggish growth rates and a stalling employment recovery in the U.S., the Federal Reserve announced its third round of quantitative easing ("QE3") in September, as well as extended its pledge to keep interest rates low until the middle of 2015.
- The European Central Bank (ECB) continues to provide further monetary support, in an effort to prevent the on-going sovereign debt crisis in the region from unraveling. In the third quarter, the ECB cut interest rates to a record low level and announced its potentially unlimited bond-buying program.
- In China, it is likely policymakers will continue to cut interest rates and reduce bank reserve requirements, due to diminished exports and a credit contraction from European banks.

Additional fiscal stimulus looks unlikely for the remainder of 2012.

- Tax increases and spending cuts scheduled to take place in early 2013 create a "fiscal cliff" that could weigh substantially on the U.S. economy and potentially lead to another recession. This issue is likely to come more into focus after the election.
- It is likely that a short-term resolution will be reached, though it may not come until close to the year-end deadline.
- In September, Spain announced its austerity budget for 2013, which focuses primarily on spending cuts. The likelihood of Spain requiring a bailout is growing as the country continues to struggle with slow growth and one of the highest unemployment rates in the Euro-zone.

Three issues remain of primary concern: 1) the solvency of sovereign governments and banks in Europe, 2) slowing growth in China, and 3) a slow growing U.S. economy that is susceptible to recession.

Macroeconomic Risk Matrix



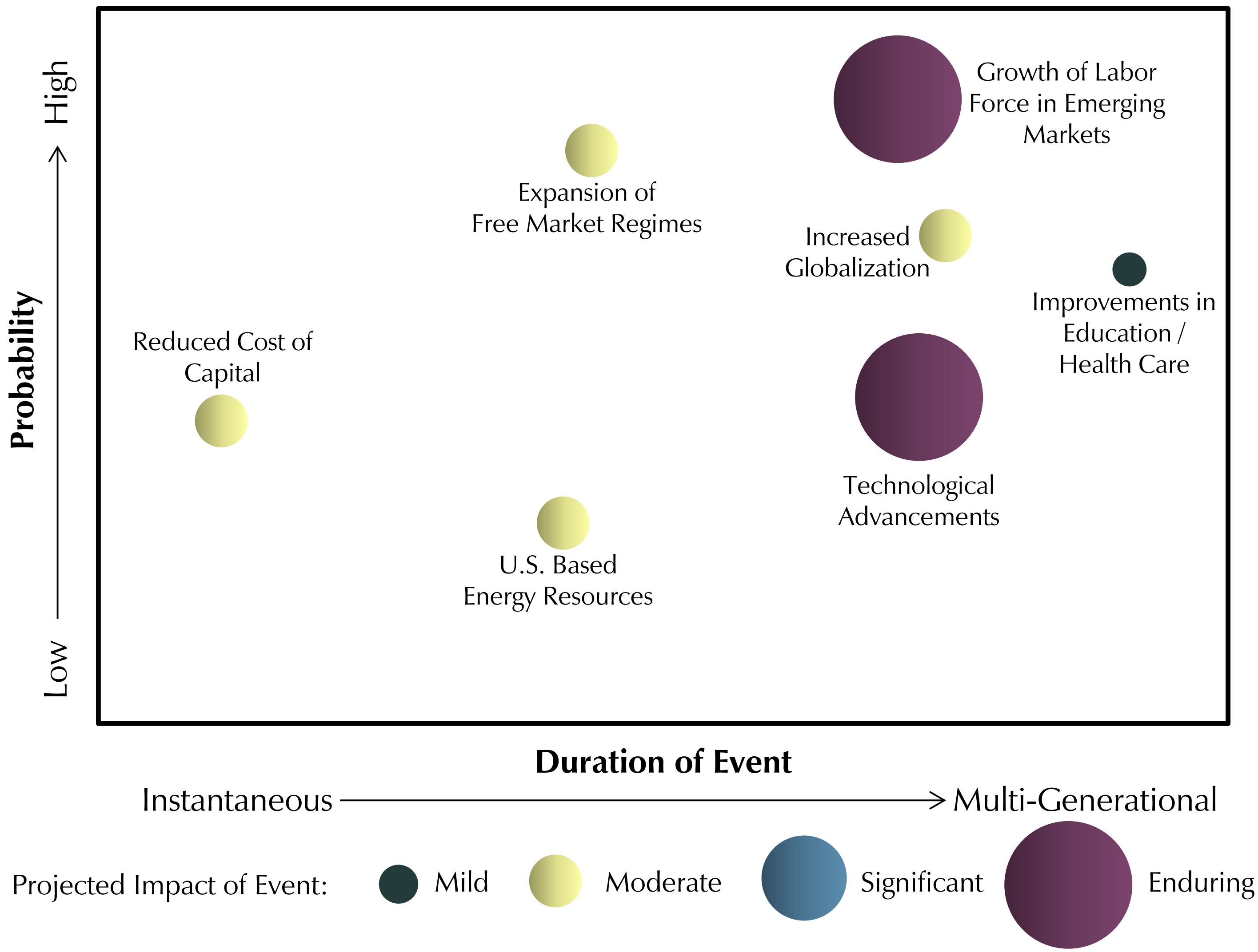
Macroeconomic Risk Overviews

European Sovereign Debt	The crisis is rooted in structural issues in the Euro-zone related to the combination of a single currency (euro) combined with 17 fiscal authorities. Several negative outcomes are possible from the sovereign debt crisis, including sequential sovereign default, a break-up of the euro, bank failures, political regime change, and rapid de-leveraging/deflation.
U.S./Japan Sovereign Debt	Similar to the sovereign debt crisis in Europe, the potential crises in Japan and the U.S. are founded on very large and growing fiscal debt burdens, combined with slow growth. However, unlike Europe, Japan and the U.S. both have single fiscal and monetary authorities. Thus, central banks can (and did) print money to avoid the risk of default.
Europe/Japan Demographics	In Japan and Europe birth rates have declined, resulting in populations becoming older and smaller relative to the rest of the world. These demographic trends will have a negative long-term impact on GDP growth and fiscal budgets, amplifying debt problems.
Oil/Commodity Price Spike	A sharp rise in commodity prices (particularly oil) could weigh on global growth. As key inputs to the manufacturing process and transportation, commodity price increases can destroy real incomes and wealth and result in less consumption of other goods.
China Hard Landing	In 2011, to cool off the real estate market "asset bubble" that resulted from the large government stimulus after the GFC, the Chinese government increased bank reserve requirements and interest rates to rein in liquidity. However, monetary policy is not an exact science, particularly in an economy as large as China, so it is possible they will overshoot their mark. A hard landing for China would likely result in slower growth for the global economy and softer prices for commodities for which China is a major consumer. We consider China missing its GDP target by 2% a hard landing. Going into the year China was targeting an 8% growth rate equating to a 6% growth rate qualifying as a hard landing.
U.S. Fiscal Cliff	To stimulate the economy after the GFC, the Federal Reserve decreased interest rates to historic lows and initiated a massive asset purchase program. The Federal government ran annual deficits of 7% to 9% of GDP. These monetary and fiscal stimulus efforts have kept GDP growth positive in the face of significant private sector deleveraging. The U.S. Fiscal Cliff represents the expiration of significant fiscal stimulus ($600 billion) at the end of 2012. If not continued, the removal of this stimulus may push the economy into recession.

Macroeconomic Risk Overviews, Continued

China Political Collapse	The longer-term structural issues in China largely relate to the move from a centralized, state-controlled, closed economy to an open, liberal, capitalistic economy. The structural concerns with the China model are numerous: wealth distribution, inflation, unemployment, social safety nets, pollution, demographics, etc. Reduced control from the state (e.g., foreign exchange, export subsidies, banking) will limit the state's ability to manage economic performance.
Creditor/Debtor Country Imbalances	The acceleration of global trade created increasing imbalances among countries that are net exporters (e.g., China, Japan, Germany, major oil producers) and those that are net importers (e.g., U.S., U.K, and periphery Europe). These imbalances appear to reflect market manipulation (e.g., subsidies, central bank influence) more than differences in global competitiveness. Unwinding global trade imbalances would be painful for all involved, especially if done quickly.

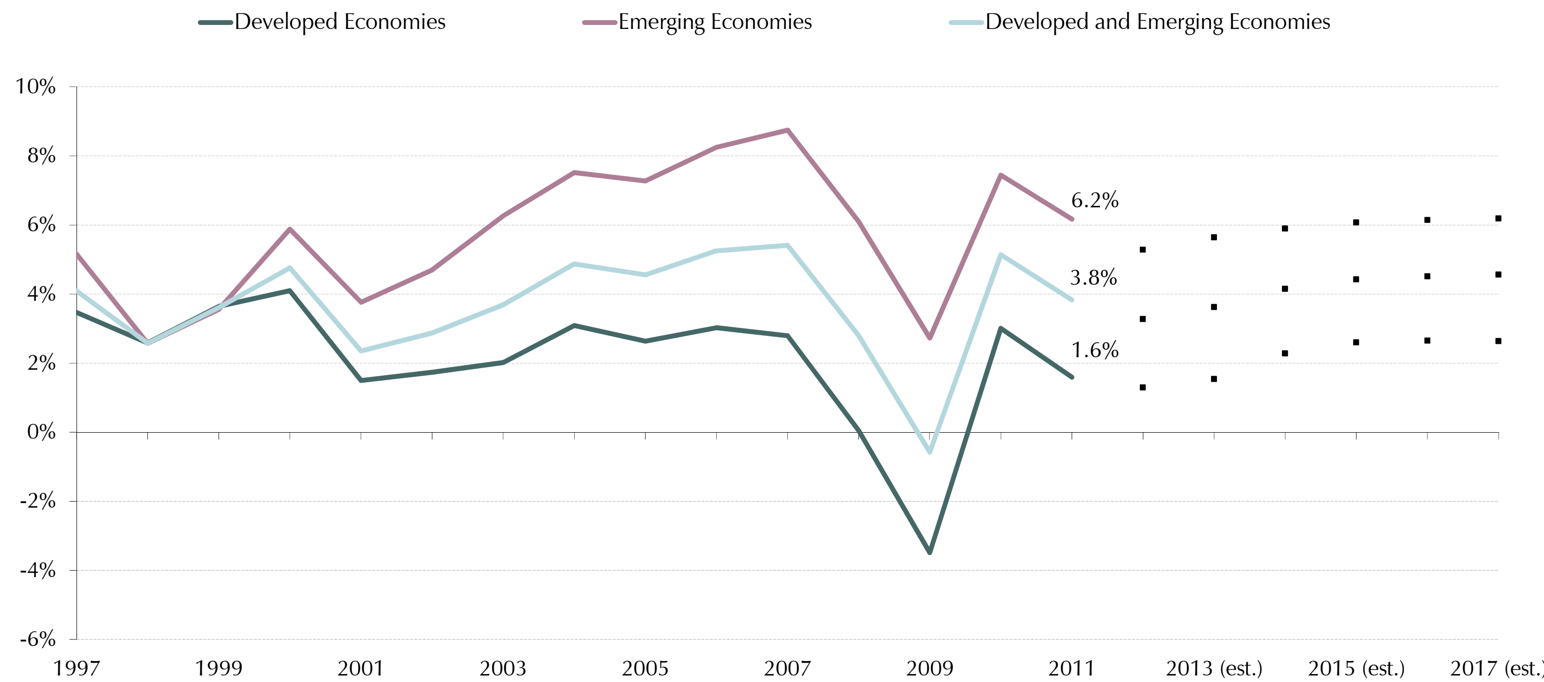
Positive Macroeconomic Trends Matrix



Positive Macroeconomic Trends Overviews

Reduced Cost of Capital	Central banks globally have reduced interest rates to historic lows to stimulate growth. Although this has had a muted impact thus far in light of global de-leveraging and restrictive bank lending, it should become increasingly stimulative as the de-leveraging process progresses.
Expansion of Free Market Regimes	The "Arab Spring" saw multiple regimes overturned in the Middle East and North Africa, sparked by civil unrest over high poverty levels, rising unemployment, and soaring food costs. Although several of these countries are struggling with the transition from the old regime (e.g., Egypt), it is likely that increased social and economic freedoms will be beneficial for long-term growth.
Growth of Labor Force in Emerging Markets	In emerging economies, the labor force and the labor force participation rate have been steadily growing. The growing labor force in the emerging economies should increase consumption globally, which in turn will drive GDP growth and create jobs.
Increased Globalization	The pace of globalization has accelerated, particularly in emerging economies. Increased trade and investment, as well as access to foreign capital and export markets for corporations, should lead to lower costs, higher efficiencies, and higher global growth.
Improvements in Education/Healthcare	Literacy rates and average life spans have increased globally, particularly in the emerging economies. Higher literacy rates will likely be a driver of future growth, as the ability to read helps people learn new skills and improve existing skills. When people live longer it increases incentives to make long-term investments in human capital (i.e., education and training), resulting in a more productive work force and ultimately more growth.
Technological Advancements / Process Enhancements	Technological advancement, particularly in computers and software, as well as in crop harvesting, should support global growth. Increases in technology lead to higher output with the same resources. The benefits of advancements in technology can take the form of decreasing the cost of existing products or of developing new or improved items.
U.S. Based Energy Resources	Fracking technologies have allowed the U.S. to extract large new supplies of natural gas and oil from rocks. The large new supply of natural gas has decreased U.S. prices to levels considerably below the rest of the world. For oil, production is projected to continue to grow over time. This, coupled with declining consumption, should reduce the country's reliance on foreign oil imports going forward.

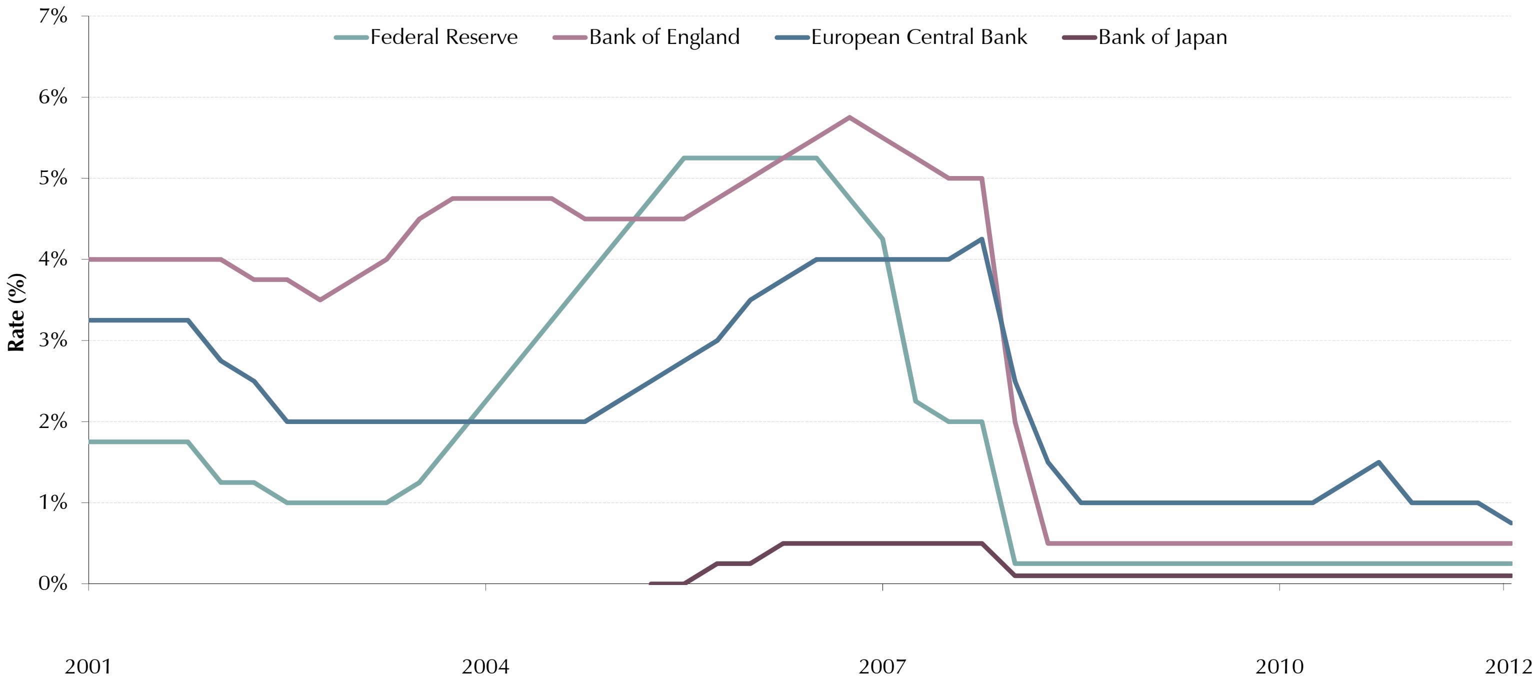
Global Gross Domestic Product (Real GDP) Growth



Source: IMF. Estimates for 2012-2017 are from the IMF.

- Real GDP growth continues to slow globally, a trend that is likely to continue in the short-term.
- The International Monetary Fund (IMF) recently lowered its 2012 (3.3%) and 2013 (3.6%) forecasts for world real GDP growth by 26 basis points and 45 basis points, respectively.
- Emerging economies continue to grow at close to four times the rate of developed economies, but they, too, have slowed recently.

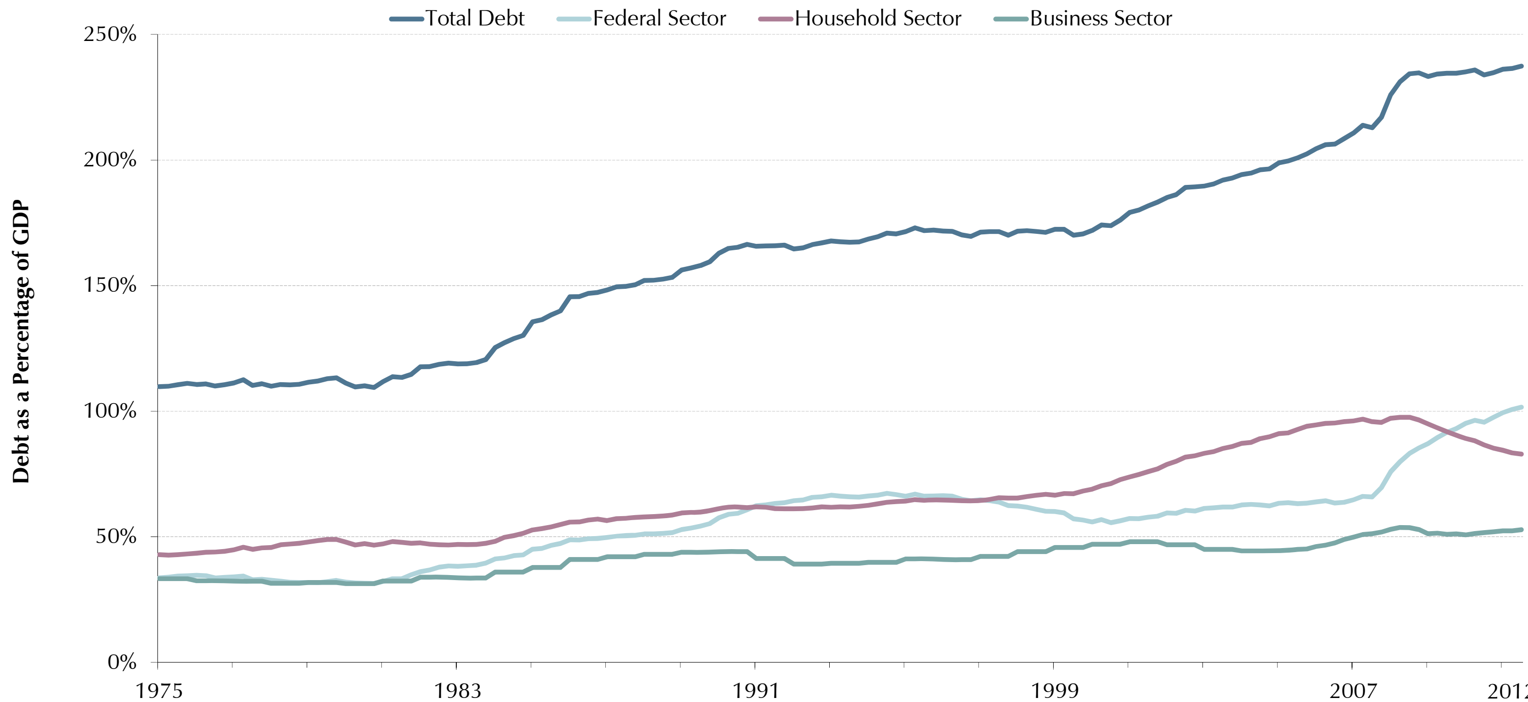
Central Bank Target Interest Rates



Source: Bloomberg. Data is as of September 30, 2012.

- In an attempt to stimulate growth, and fight deflationary pressures, central banks worldwide continue to maintain interest rates at historic low levels.
- In September, the U.S. Federal Reserve announced that it would extend its pledge to keep interest rates at close to zero to the middle of 2015.
- The European Central Bank (ECB) cut interest rates in July by 0.25% to 0.75%, a record low, in light of the continuing sovereign debt issues in the region.

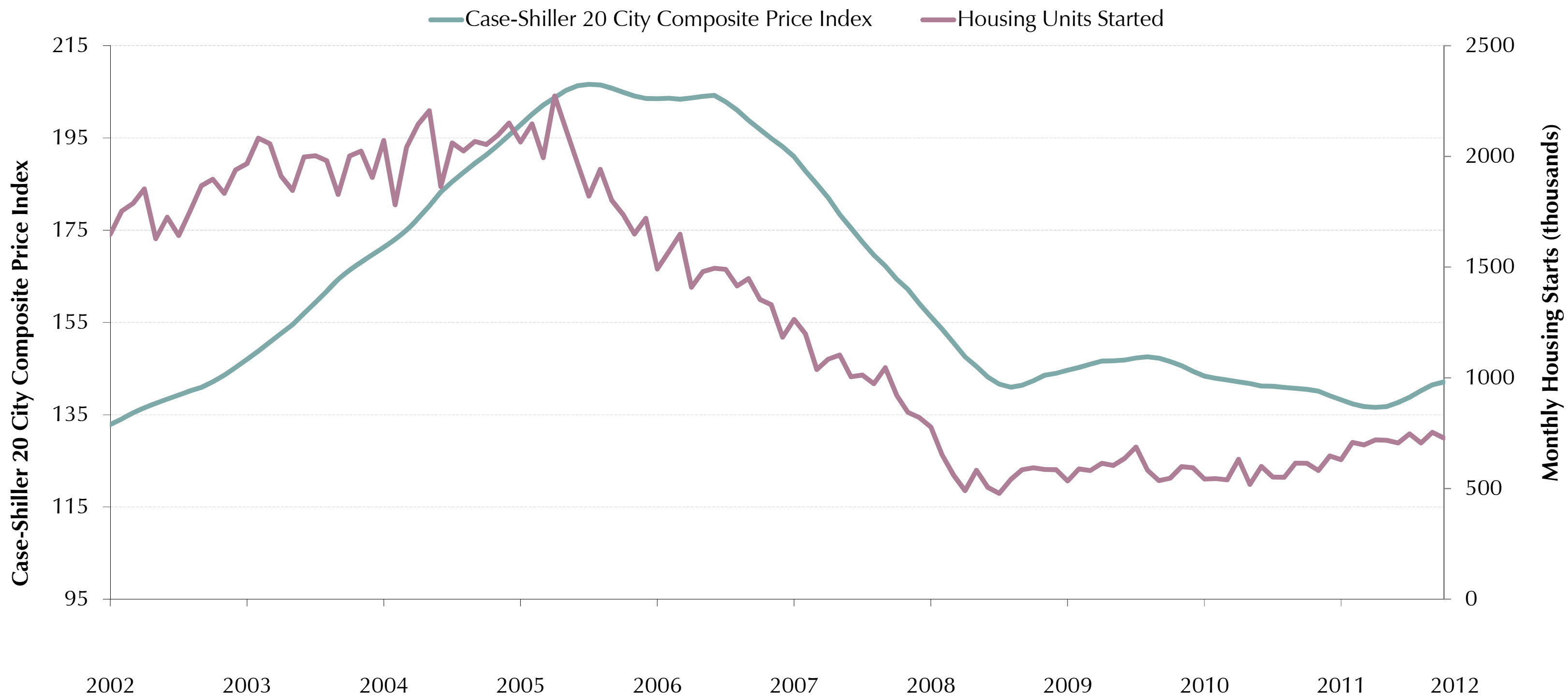
U.S. Debt as a Percentage of GDP



Source: Federal Reserve and Treasury Direct. Data is as of June 30, 2012.

- Aggregate debt levels in the U.S. continue to grow, driven by the increase of government debt, which is now over 100% of GDP.
- The household sector debt level declined over the last few years from close to 100% of GDP to 83% of GDP, but remains well above its historical average.

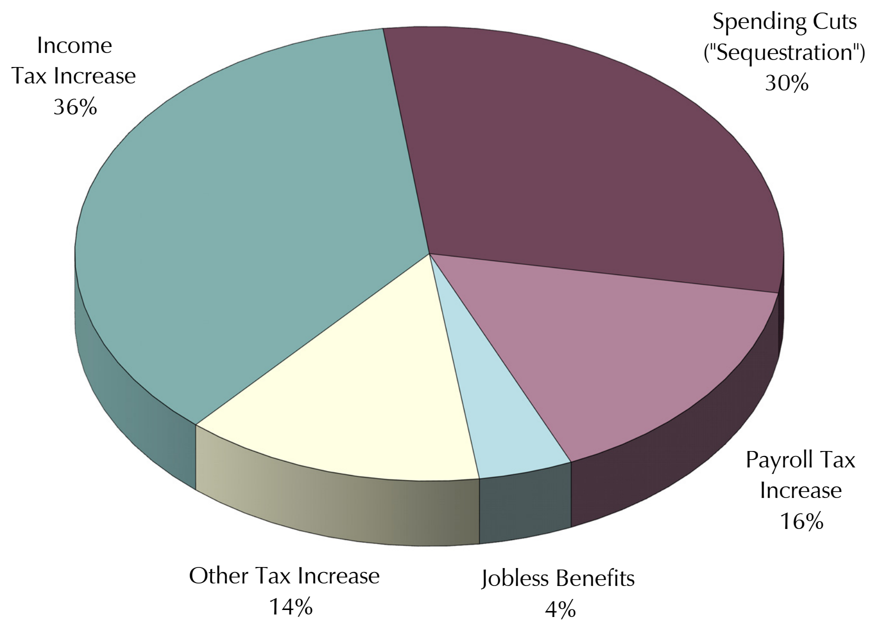
U.S. Housing Market



Source: S&P, Factset. Data is as of July 31, 2012

- The U.S. housing market is showing signs of stabilizing.
- Historically low mortgage rates and increasing rents have made purchasing homes an attractive option for many, but bank lending standards remain strict in the aftermath of the Global Financial Crisis.

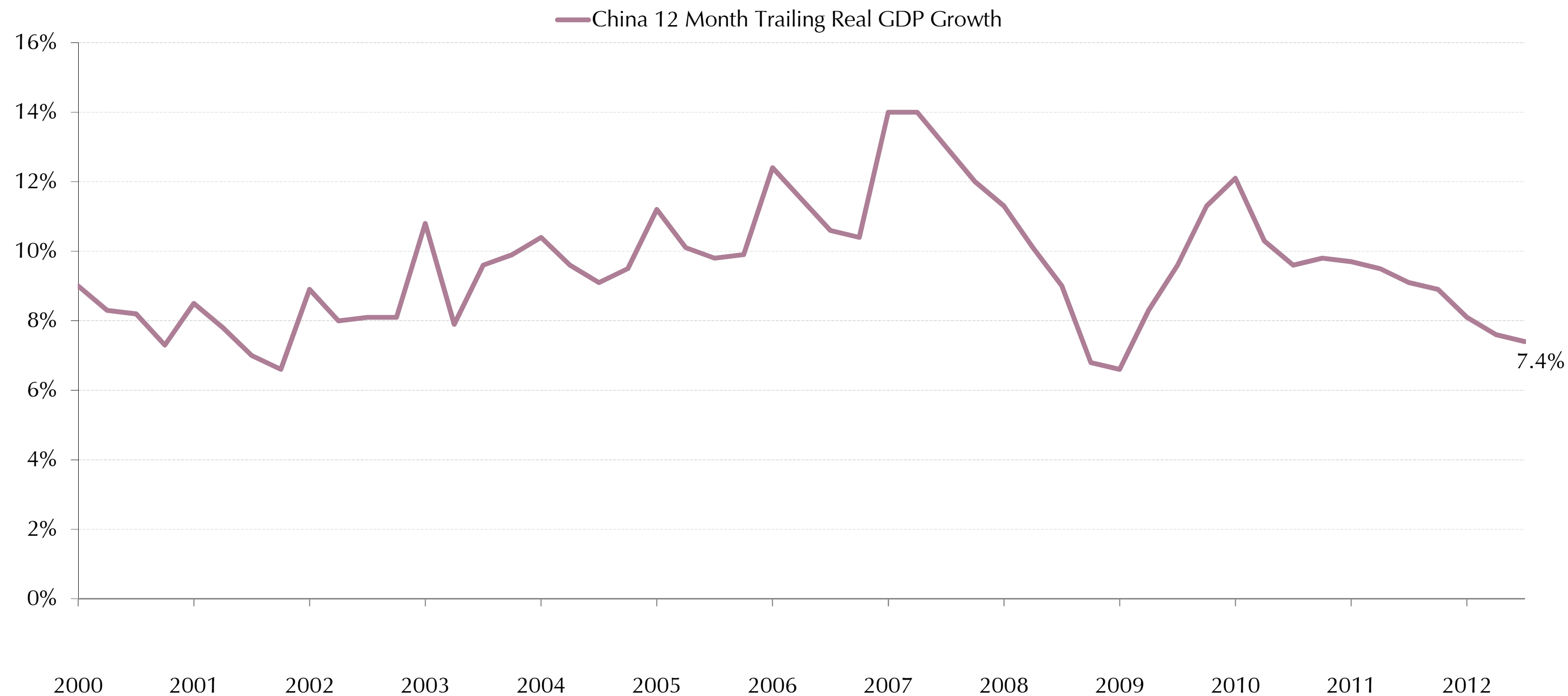
U.S. Fiscal Cliff Components
$606 billion



Source: Congressional budget Office, "Economic Effects of Reducing the Fiscal Restraint Scheduled to Occur in 2013," May 2012.

- In early 2013, tax increases and spending cuts totaling over $600 billion are scheduled to take place.
- The largest component (36%) of the $600 billion "fiscal cliff" is the expiration of the Bush-era tax cuts.
- If allowed to take place, these measures could weigh heavily on the U.S. economy and possibly result in another recession.

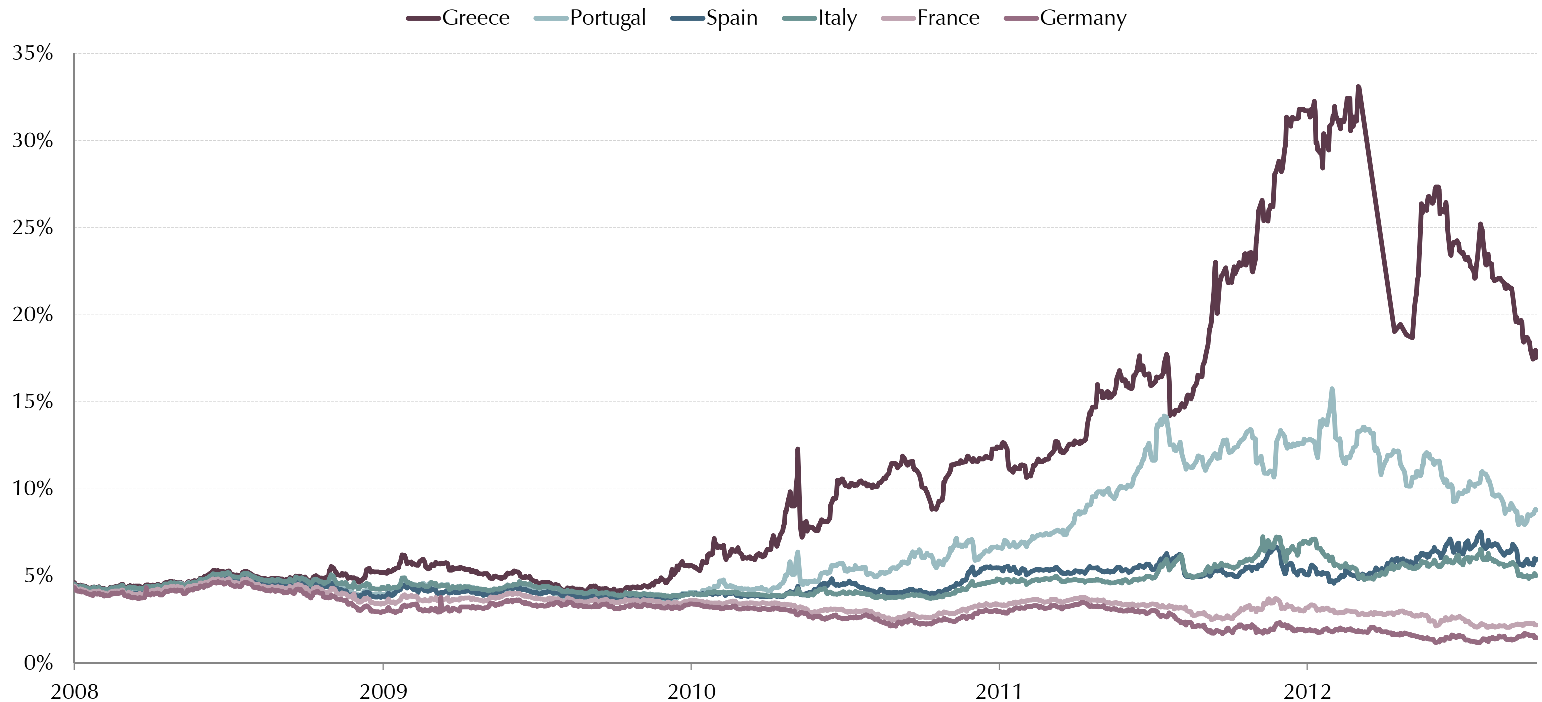
China Real Gross Domestic Product (GDP) Growth



Source: Factset. Data is as of September 30, 2012.

- Real GDP growth in China continues to decline from its close to 10% level in early 2011, in the face of slowing export demand from the U.S. and Europe and the expiration of prior stimulus.
- In response to the slowing growth, and in light of waning inflationary pressures, the Chinese government has recently transitioned to a more stimulative regime, cutting interest rates and reducing bank reserve requirements.
- Monetary policy is not an exact science and the possibility of China experiencing a "hard landing" still remains.

European Bond Yields



Source: Factset. Data is as of September 30, 2012.

- The yield differential between government bonds in peripheral European countries and governments bonds in the core was relatively small prior to 2010.
- Subsequently, yield spreads began to expand, particularly in Greece, as the sovereign debt crisis in the region unfolded.
- In September, yield spreads compressed for peripheral countries in response to the ECB's announcement of a new, and potentially unlimited, bond buying program designed to bring down borrowing costs.

Summary

The global economy is facing three primary concerns: the solvency of sovereign governments and banks in Europe, slow growth in the U.S., and slowing growth in China.

- We expect GDP growth to remain subdued for the balance of 2012 and into 2013 due to continued deleveraging and austerity measures in the developed economies as well as lower demand for exports in the emerging economies.
- Slow growth globally should keep inflation subdued in the near-term. In developed economies the risk of deflation remains, while the potential for the return of inflationary pressures exists in emerging economies as monetary policy is loosened.
- Continued monetary stimulus in Europe, the emerging economies, and the U.S. is likely, as the political will for additional fiscal stimulus wanes with time and higher government debt levels.

Capital Markets Outlook

Conditions as of September 30, 2012[1]

Earnings	⟷	Domestic earnings remain close to historic highs, but revenue growth has recently shown signs of slowing. At the end of 2011 sales for the S&P 500 grew at a rate of close to 8% from one year prior, while September 2012 sales are estimated to have grown only 1.6% from the same quarter one year ago. If this trend continues going forward it could weigh on domestic equities. Earnings for companies in the EAFE index and emerging markets have declined year-to-date, with the decline being more prominent in the EAFE index.
Credit Spreads	↓	In a reversal of the prior quarter trend, credit spreads compressed in the third quarter as investors moved back into "riskier" fixed income securities. Year-to-date, domestic high yield and investment grade corporate bond spreads fell 150 and 80 basis points, respectively. Spreads for developed international and emerging market bonds fell as well, though the decline was larger in emerging markets.
Commodities	↑	Commodities rebounded broadly from their difficult second quarter. Energy commodities led the way, with gasoline up close to 30%. Precious metals rallied as additional easing by the Federal Reserve was beneficial to the sector. Gold and silver rose 10.6% and 25.2%, respectively, during the quarter. Industrial metals increased as well, based on signs of a stabilizing global economy and the additional monetary stimulus.
Currencies	↓	The U.S. dollar weakened against most major currencies due in part to the Federal Reserve's decision to launch its third round of quantitative easing (QE3). The euro strengthened during the quarter (+1.6%) as the European Central Bank (ECB) announced further supportive measures. Several "riskier" currencies had the strongest performance relative to the dollar during the quarter, particularly the Indian rupee and Russian ruble.

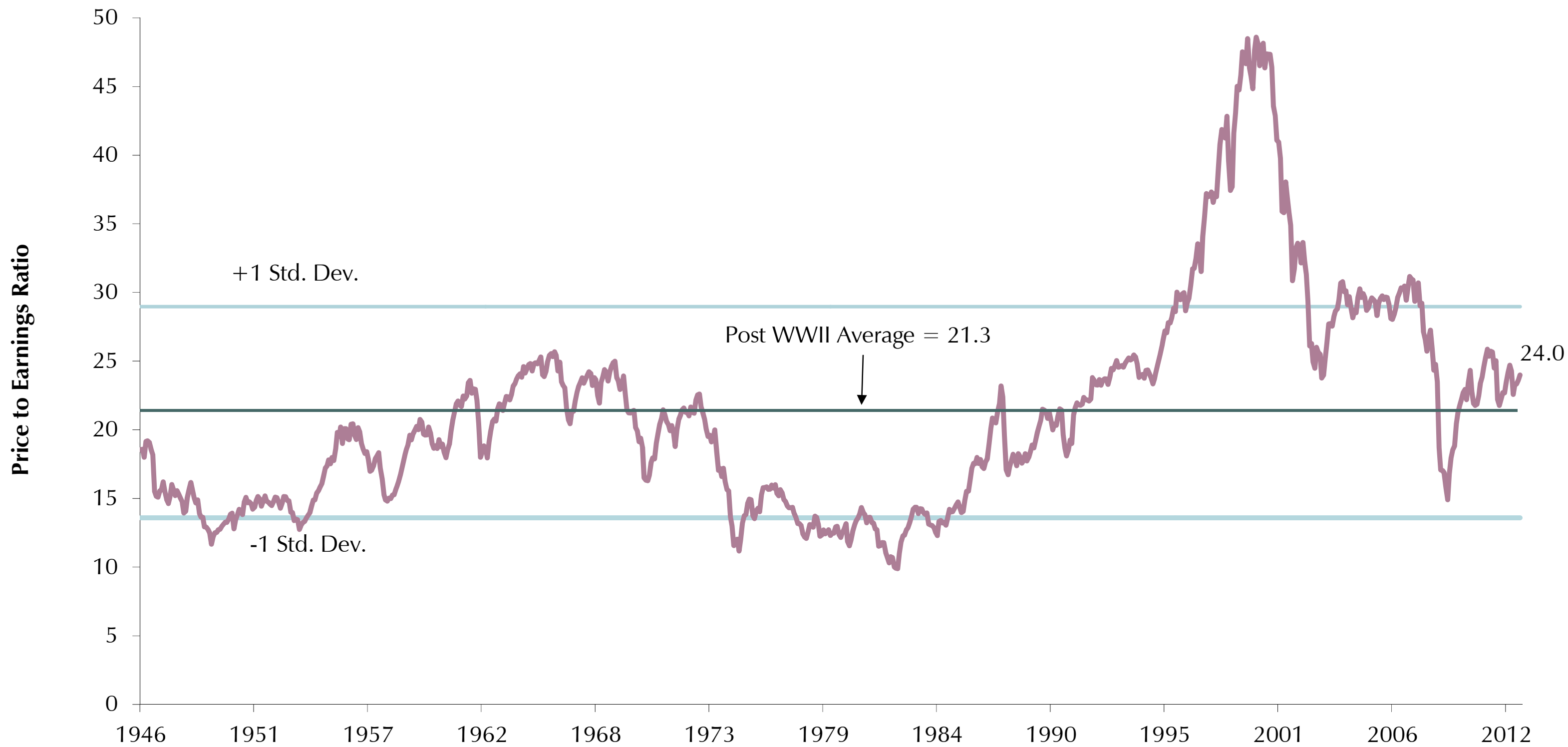
[1] Sources: FactSet, Bloomberg, U.S. Treasury. Standard & Poor's. Data is as of September 30, 2012.

Capital Markets Outlook[1]

- Investors are faced with two primary issues in the near-term: 1) historically low bond yields, and 2) the potential for deteriorating earnings, particularly in the U.S. and Europe.
  - The price of the U.S. stock market relative to ten-year average earnings increased during the quarter, remaining above its historical average (24x versus 21x).
  - The relative richness of small cap domestic stocks compared to large cap domestic stocks recently declined from its 2011 high, but remains 12% above its long-term average.
  - Developed international and emerging market stocks are trading at lower valuations than U.S. stocks and more than one standard deviation below their respective historical averages. It is likely that sovereign debt issues in Europe and slowing growth in emerging economies due to lower export demand are weighing down valuations.
  - Uncertainties around global demand (particularly from emerging markets) and geopolitical tensions (e.g., Iran) could cause heightened volatility in commodity prices in the near-term.
    - Gold increased $170/ounce (+10.6%) to $1,774/ounce during the third quarter.
    - Crude oil prices rebounded during the quarter from its close to 20% fall in the prior quarter. Crude oil finished the quarter at $92.19/barrel (+8.5%), but reached close to $100/barrel in September.
  - The yield spread on corporate bonds relative to Treasuries finished the quarter at the long-term average for investment grade bonds (1.6%) and below the long-term average for high yield bonds (5.5% versus 5.7%).
  - The yield on the ten-year Treasury was virtually unchanged during the quarter at 1.7%. In July, the yield did make a new record low of 1.4%.

[1] Sources: FactSet, U.S. Treasury, Standard & Poor's. Data is as of September 30, 2012, unless otherwise noted.

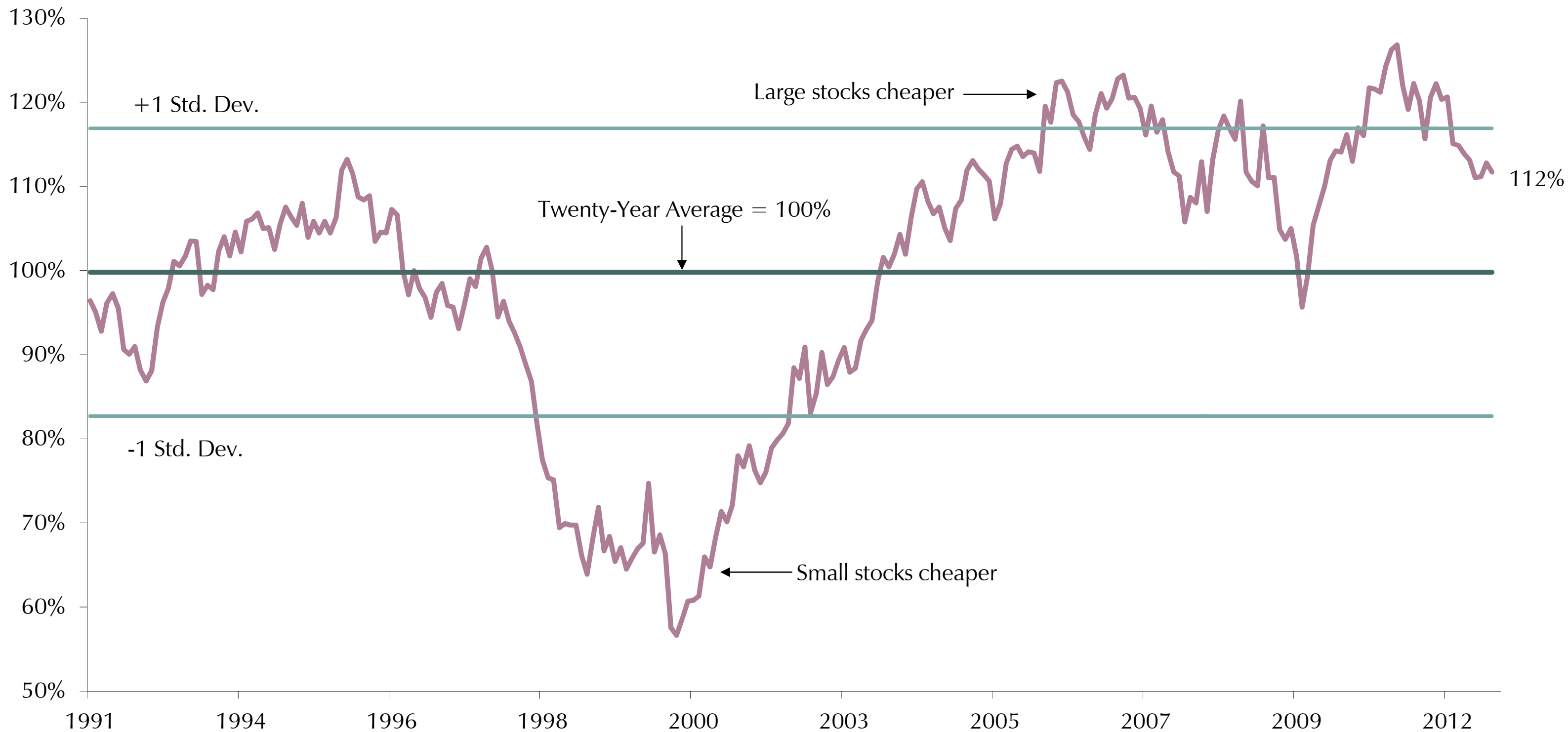
Domestic Equity Cyclically Adjusted P/E (S&P 500)[1]



- Valuations increased during the third quarter due in part to the anticipation, and subsequent announcement, of the Federal Reserve's third round of quantitative easing (QE3).
- At quarter-end, the cyclically adjusted P/E ratio was 24.0x, a level above its post-WWII average of 21.3x.

[1] Source: Standard & Poor's. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of September 30, 2012.

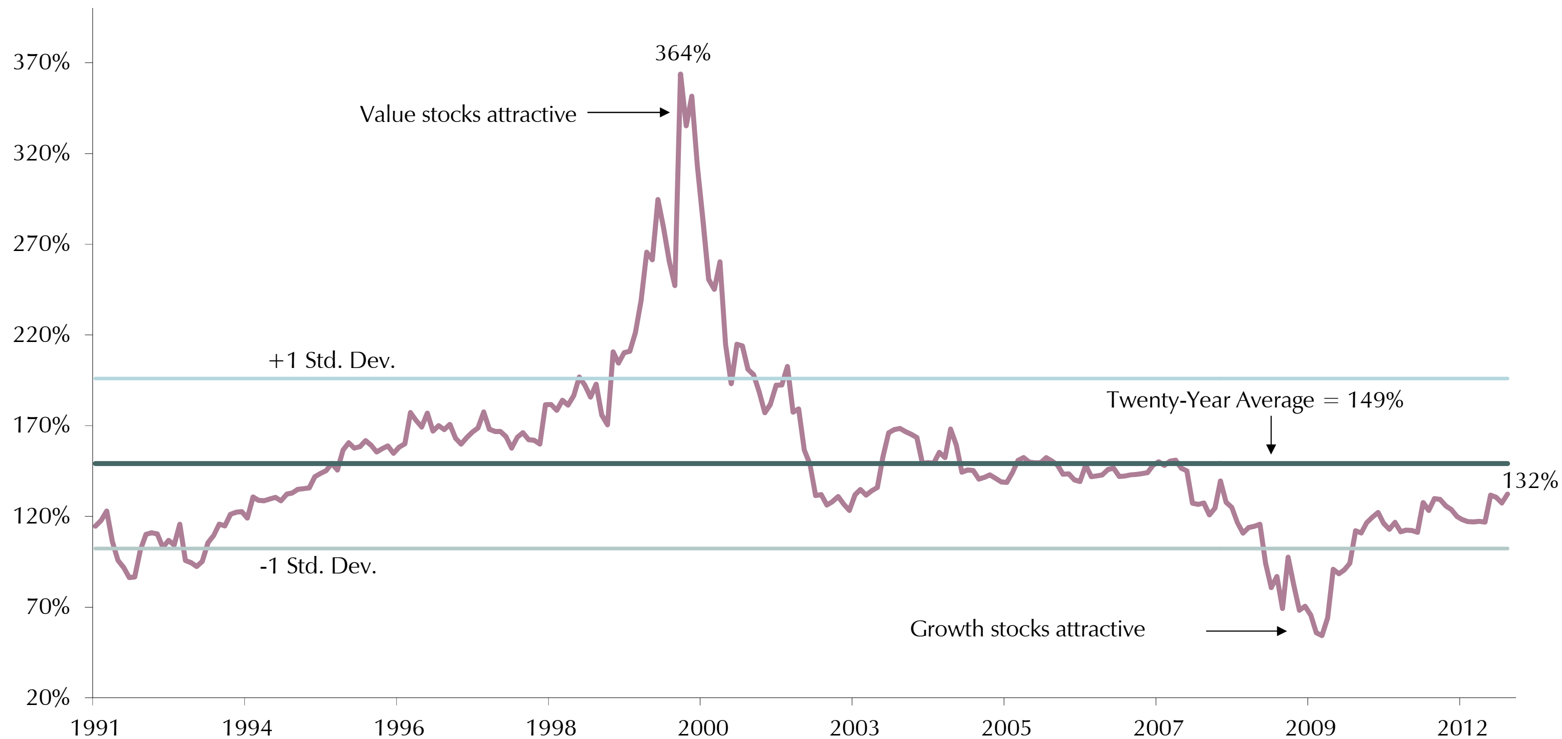
Russell 2000 P/E (small cap) vs. Russell 1000 P/E (large cap)[1]



- The ratio of small cap (Russell 2000) P/Es to large cap (Russell 1000) P/Es increased slightly during the third quarter.
- Although the ratio has gradually declined over the past year, it remains above its long-term average (112% vs. 100%), signaling potential underperformance of small cap stocks relative to large cap stocks.

[1] Source: FactSet. Earnings figures represent 12-month "as reported" earnings. Data is as of September 30, 2012.

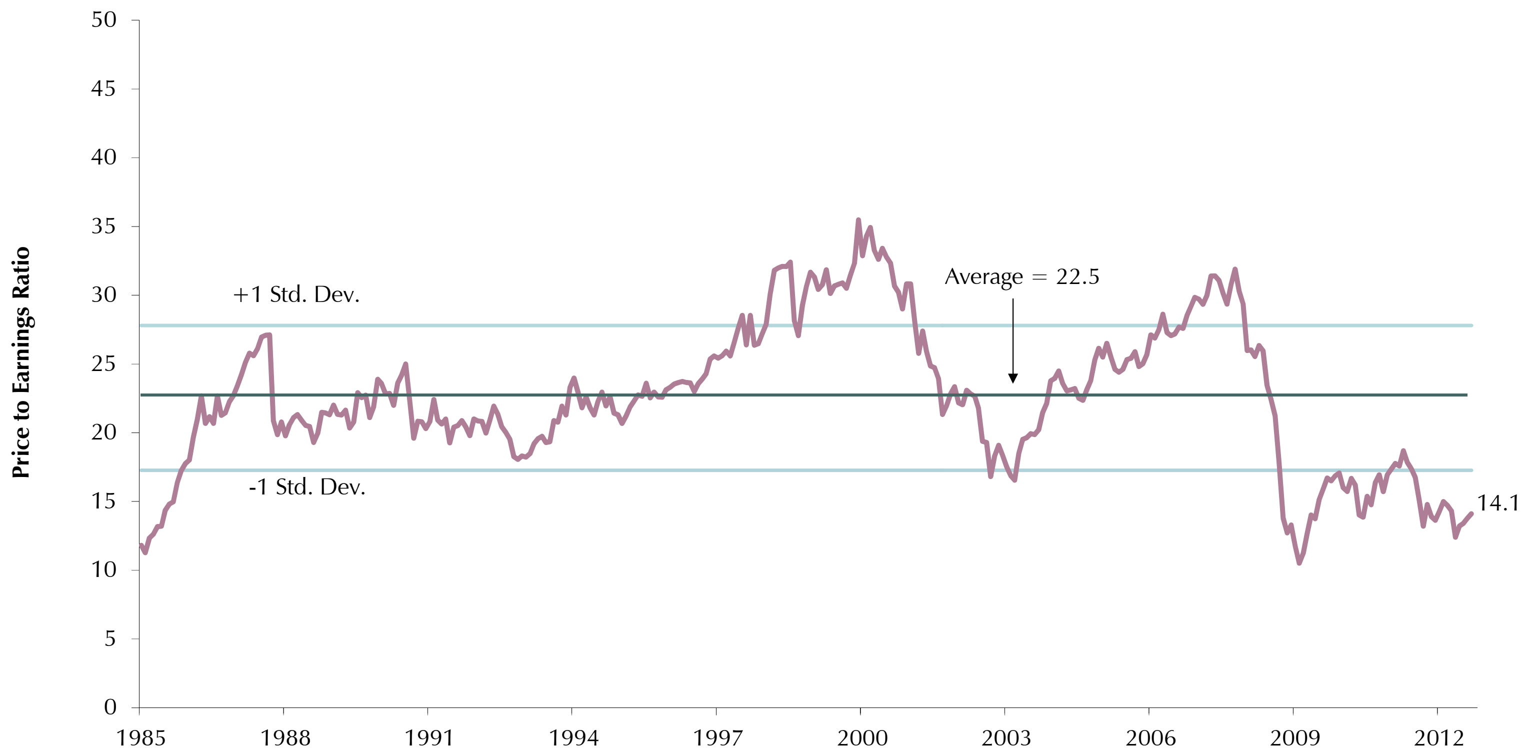
Russell 3000 Growth P/E vs. Russell 3000 Value P/E[1]



- Over the three-year period ending September 30, growth stocks have outpaced value stocks by close to 3% per year.
- Since the lows of late 2009, the ratio of growth stock P/Es to value stock P/Es has more than doubled, but remains below its twenty-year average.

[1] Source: FactSet. Earnings figures represent 12-month "as reported" earnings. Data is as of September 30, 2012.

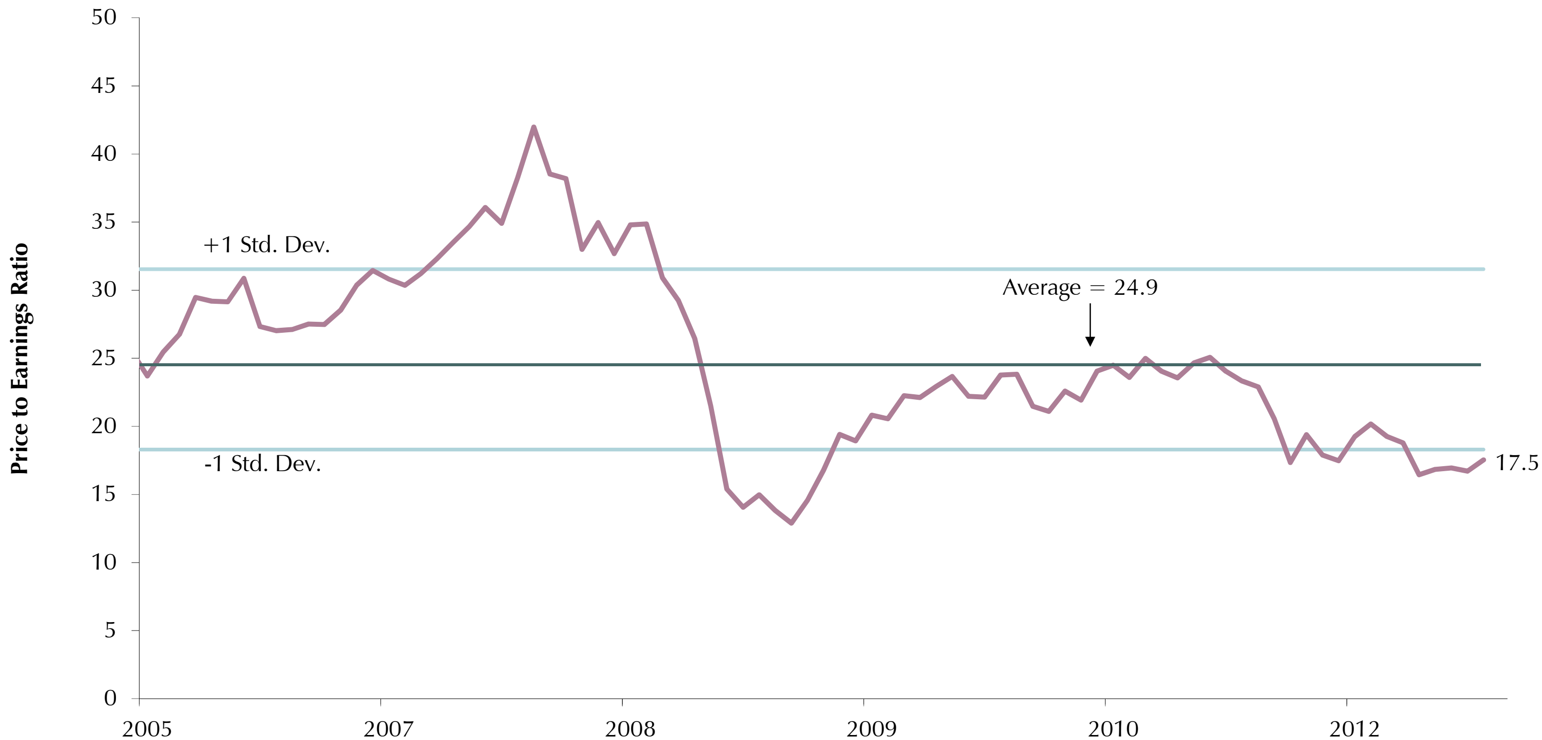
Developed International Equity Cyclically Adjusted P/E (MSCI EAFE ex. Japan)[1]



- The European Central Bank's announcement of a potentially unlimited bond buying program, as well as their pledge to support the Euro, helped developed foreign market valuations during the quarter.
- Despite the quarterly increase, valuations remain more than one standard deviation below their historical average.
- Sovereign debt concerns in Europe and the slowing pace of economic growth likely account for the low valuation levels.

[1] Source: MSCI and FactSet. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of September 30, 2012.

Emerging Market Equity Cyclically Adjusted P/E (MSCI Emerging Markets)[1]



- Valuations for emerging market equities increased during the quarter, but remained more than one standard deviation below their (relatively brief) historical average, as growth continued to slow, most notably in China.
- Emerging market equities are trading at lower valuations than U.S. equities but at higher valuations than other developed market equities.

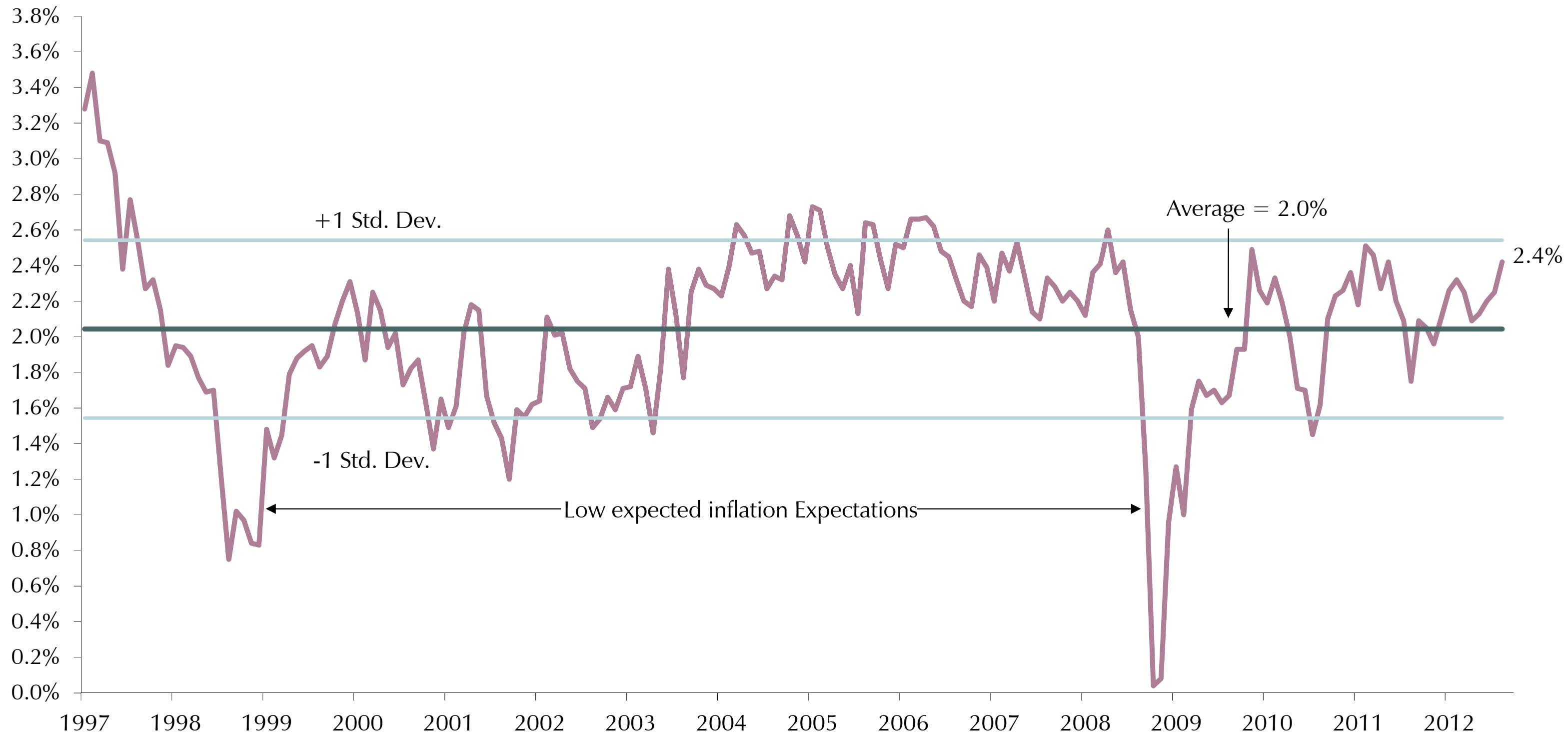
[1] Source: MSCI and FactSet. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of September 30, 2012.

Ten-Year Treasury Yields[1]

- At quarter-end, ten-year Treasury yields were 1.7%, virtually unchanged from the prior quarter. Of note, the yield fell as low as 1.4% during July, establishing a new record low.
- Despite their low yields, U.S. Treasuries may continue to be perceived as a safe haven in light of the myriad of uncertainties facing the global economy.

[1] Source: U.S. Treasury. Data is as of September 30, 2012.

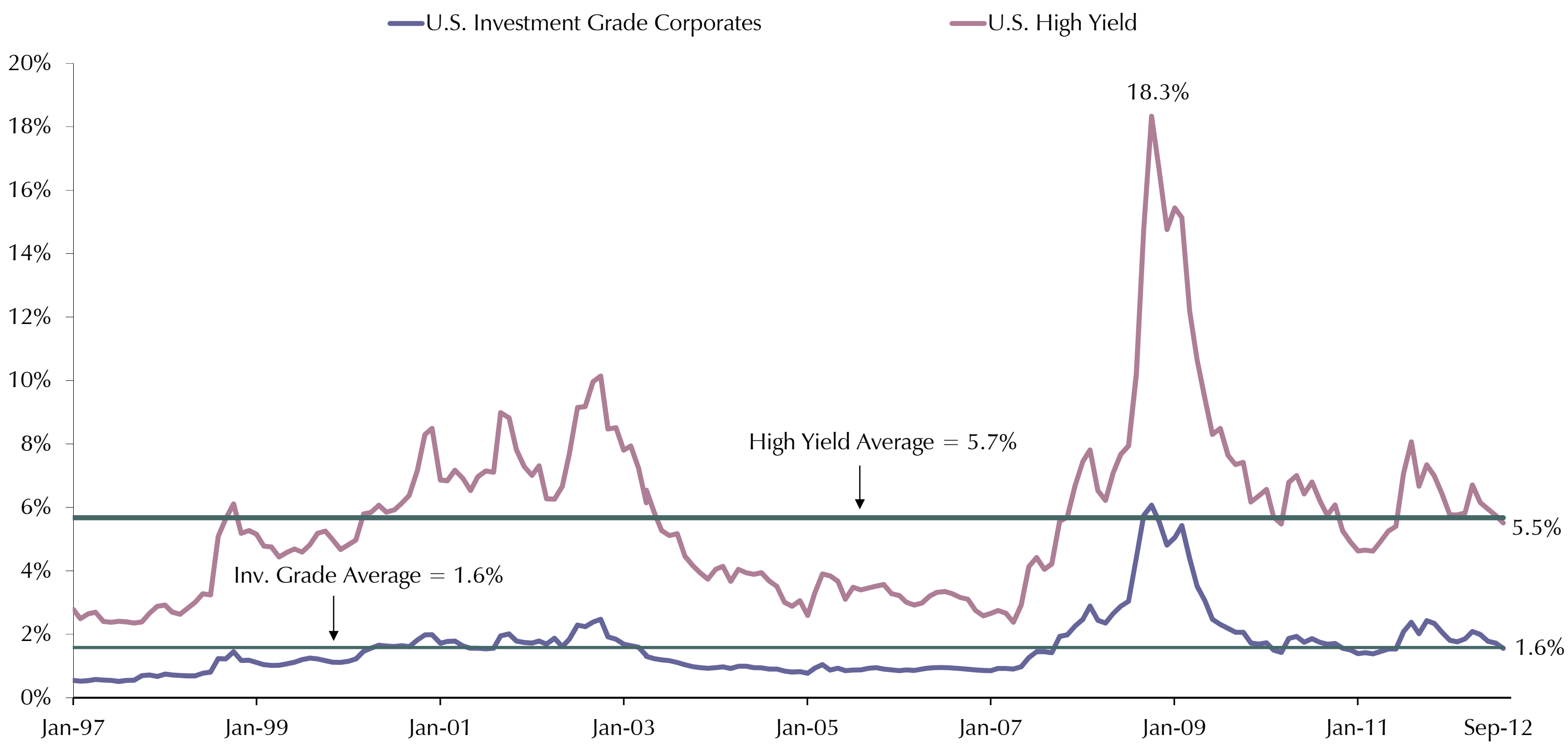
Ten-Year Breakeven Inflation (TIPS vs. Treasuries)[1]



- Breakeven (or expected) inflation, the difference between the nominal yield on a ten-year Treasury and the real yield on a ten-year TIPS, increased during the third quarter to a level 0.4% above its long-term average, as the real yield on TIPS declined 0.3% to -0.8%.
- The actual one-year inflation rate was 2.0% at quarter-end, as measured by the Consumer Price Index (CPI), 40 basis points below the ten year breakeven inflation rate.

[1] Source: U.S. Treasury and Federal Reserve. Data is as of September 30, 2012.

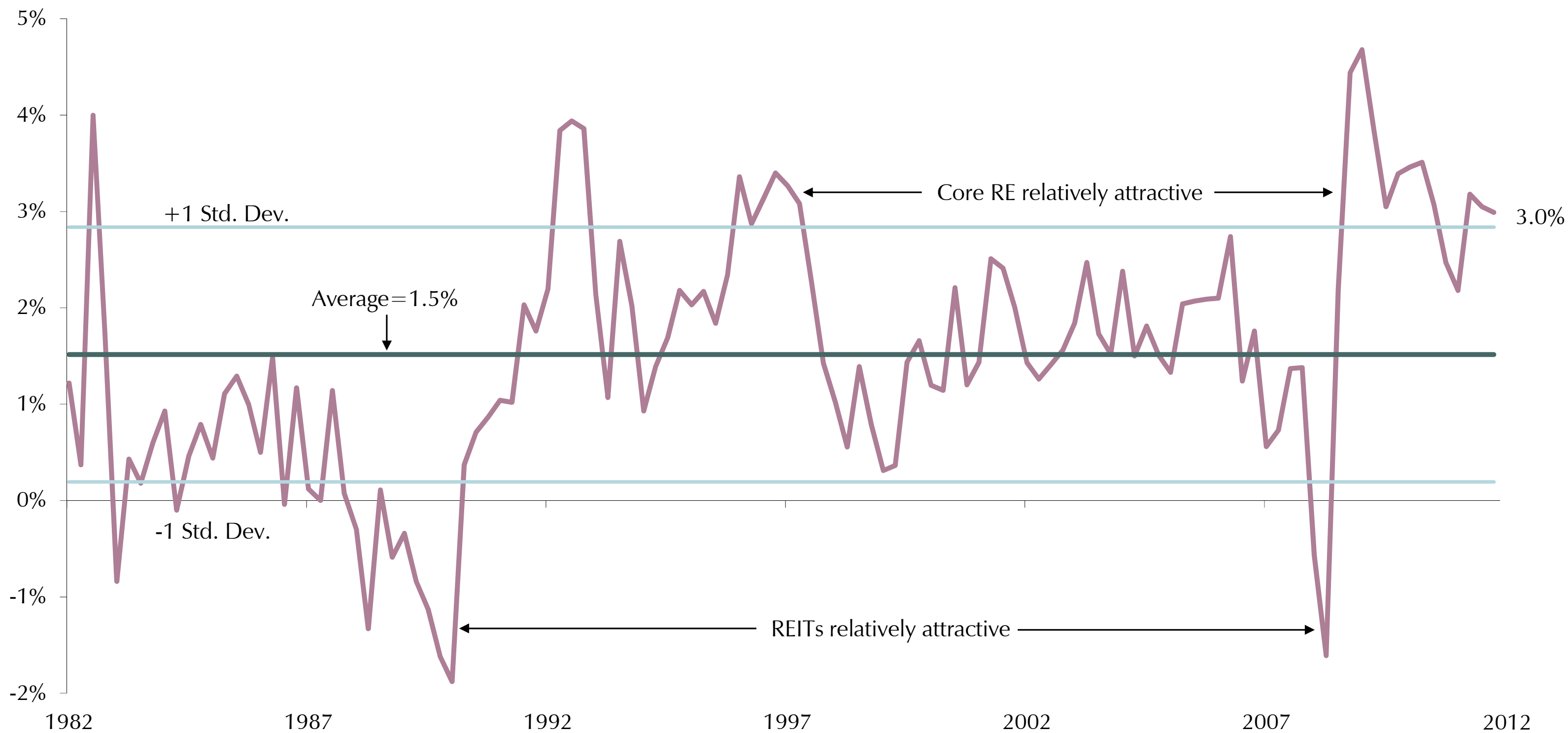
Credit Spreads vs. U.S. Treasury Bonds[1]



- Credit spreads compressed in the third quarter for both high yield and investment grade corporate bonds. High yield spreads decreased the most, down approximately 40 basis points to 5.5%, a level below the historic average.

[1] Source: Barclays Capital. High Yield is proxied by the Barclays High Yield index and Investment Grade Corporates is proxied by the Barclays U.S. Corporate Investment Grade index. Data is as of September 30, 2012.

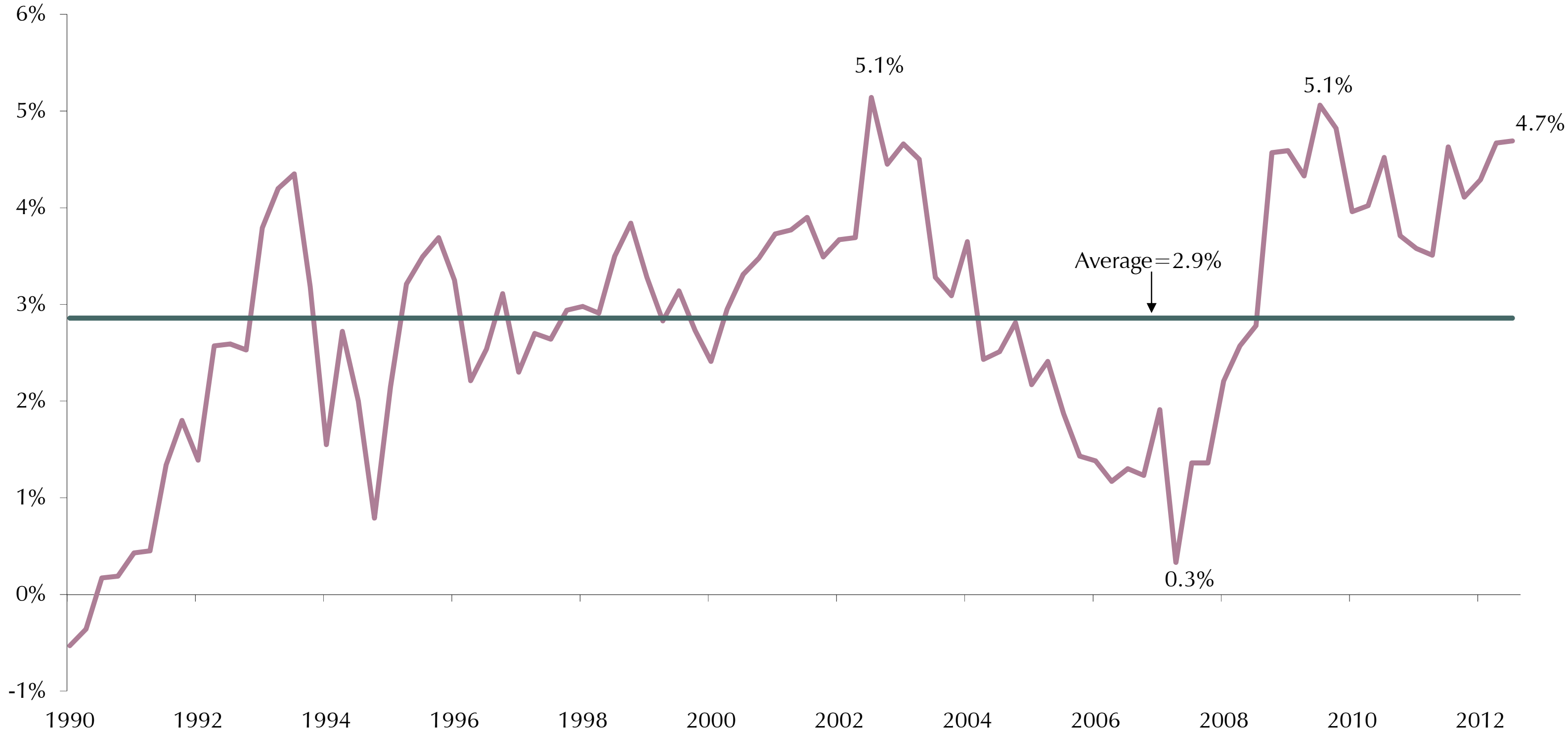
Core Real Estate vs. REITs[1]



- The spread between core real estate cap rates and REIT yields was 3.0% at the end of the third quarter, a level more than one standard deviation above its long-term average.

[1] Sources: FactSet and NCREIF. Core Real Estate is proxied by the transaction-based cap rate for the NCREIF NPI index and REITs are proxied by the yield for the NAREIT Equity index. NPI transactional capitalization rates are calculated on a quarterly basis. September 30, 2012 data is not yet available for the NCREIF NPI. Data is as of June 30, 2012, for the NCREIF NPI and September 30, 2012, for the NAREIT Equity index.

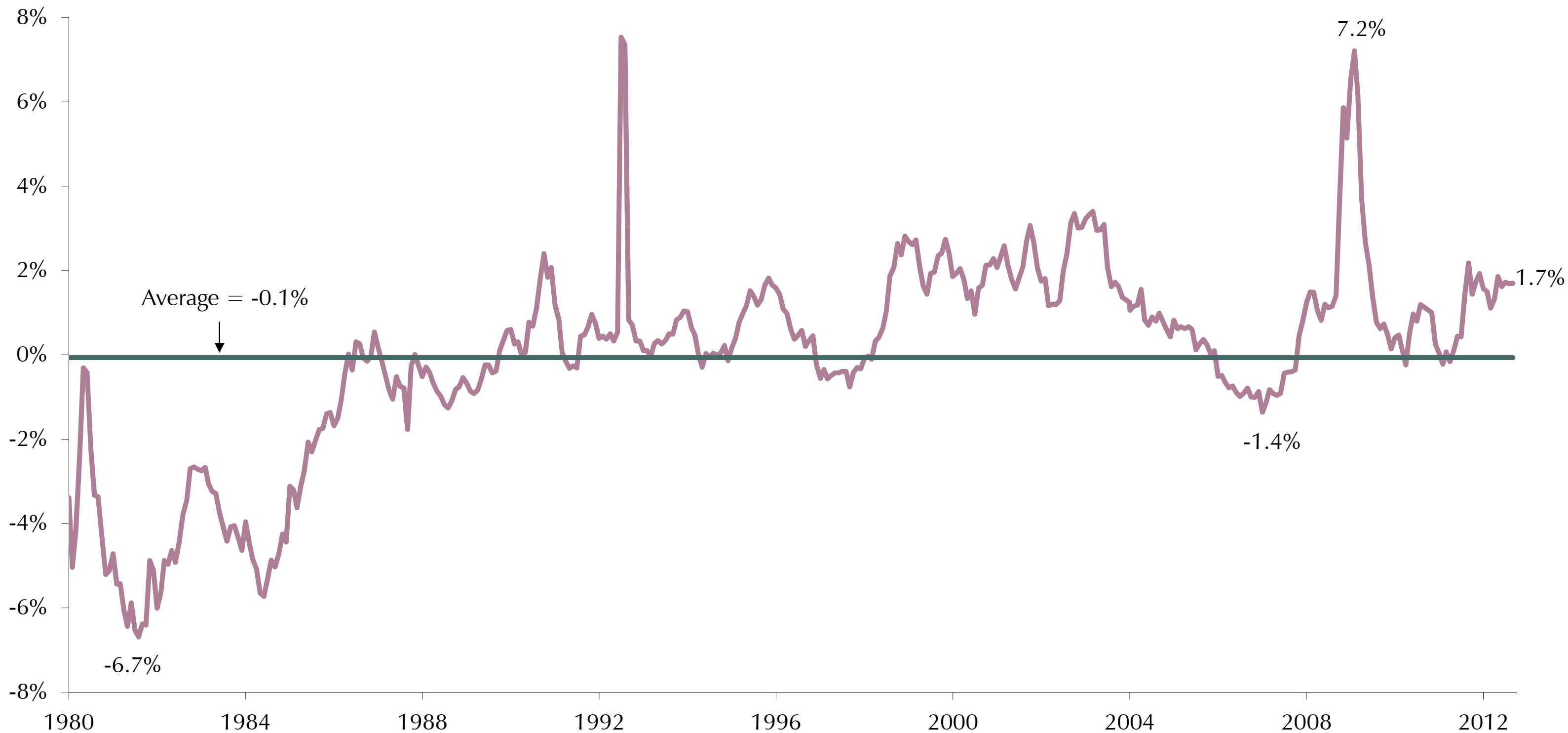
Core Real Estate Spread vs. Ten-Year Treasury[1]



- Core real estate spreads finished the quarter at 4.7%, close to the highs of September 2009 and 1.8% above their historical average.

[1] Source: NCREIF, U.S. Treasury. NPI transactional capitalization rates are calculated on a quarterly basis. September 30, 2012 data is not yet available for the NCREIF NPI. Data is as of June 30, 2012, for the NCREIF NPI and September 30, 2012, for the ten-year Treasury.

REITs Dividend Yield Spread vs. Ten-Year Treasury[1]



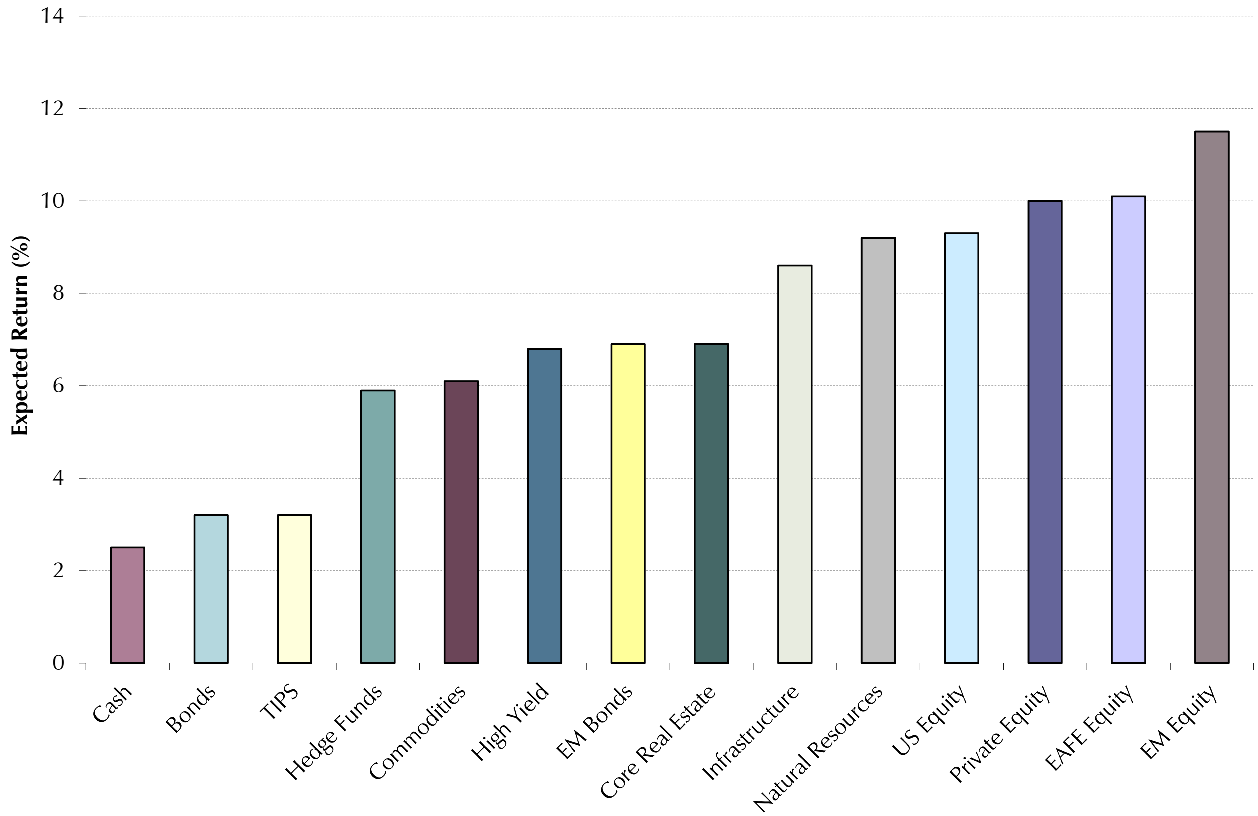
- For the quarter, REIT yield spreads increased 10 basis points to 1.7%, as REIT yields increased slightly and Treasury yields remained virtually unchanged.

[1] Source: NAREIT, U.S. Treasury. REITs are proxied by the yield for the NAREIT Equity index. Data is as of September 30, 2012.

Summary and Conclusions

- Current valuations reflect an environment of unusually high economic risk and uncertainty.
  - Continued uncertainty portends considerable volatility in the capital markets.
- We are currently recommending that clients position their portfolios defensively:
  - Maintain U.S. and EAFE equity exposure near the lower end of allocation ranges.
    - Favor higher quality stocks within the U.S.
    - Reduce or eliminate overweight position in U.S. small cap stocks.
    - Maintain a neutral position on U.S. growth versus value stocks.
  - Allocate the offsetting excess broadly across fixed income markets.
    - This may include TIPS, core bonds, emerging market debt, high yield bonds, and bank loans.
  - Maintain or increase emerging market equities near target.
    - Emerging market equities can be more volatile than U.S. stocks.
    - However, they currently offer lower valuations and more attractive growth prospects.

Long-Term Outlook[1]

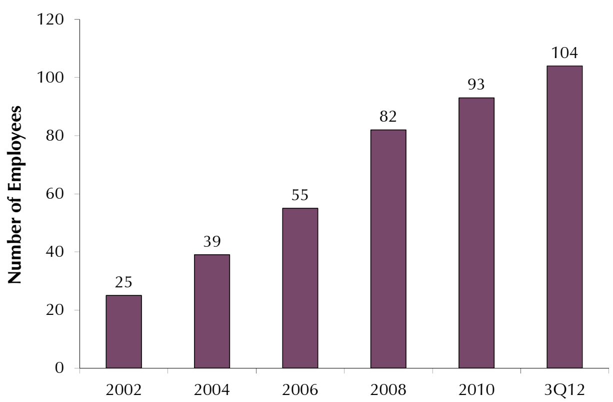


[1] Twenty-year expected returns based upon Meketa Investment Group's 2012 Annual Asset Study.

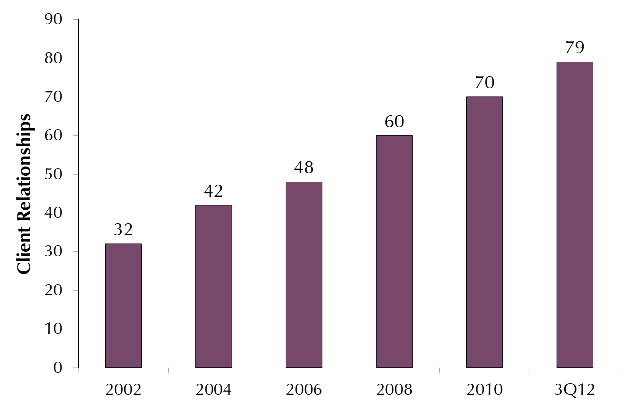
Meketa Investment Group
Corporate Update

- Staff of 104, including 61 investment professionals and 19 CFA charterholders
- 79 clients, with over 160 funds throughout the United States
- Significant investment in staff and resources
- Offices in Boston, Miami, and San Diego
- Clients have aggregate assets of approximately $470 billion
  - Over $20 billion in assets committed to alternative investments
    - Private Equity
    - Infrastructure
    - Natural Resources
    - Real Estate
    - Hedge Funds
    - Commodities

Employee Growth



Client Growth



Meketa Investment Group is proud to work for 3.2 million American families everyday

Asset Classes Followed Intensively by Meketa Investment Group

Domestic Equities

- Passive
- Enhanced Index
- Large Cap
- Midcap
- Small Cap
- Microcap
- 130/30

International Equities

- Large Cap Developed
- Small Cap Developed
- Emerging Markets
- Frontier Markets

Private Equity

- Buyouts
- Venture Capital
- Private Debt
- Special Situations
- Secondaries
- Fund of Funds

Real Assets

- Public REITs
- Core Real Estate
- Value Added Real Estate
- Opportunistic Real Estate
- Infrastructure
- Timber
- Natural Resources
- Commodities

Fixed Income

- Short-Term
- Core
- Core Plus
- TIPS
- High Yield
- Bank Loans
- Distressed
- Global
- Emerging Markets

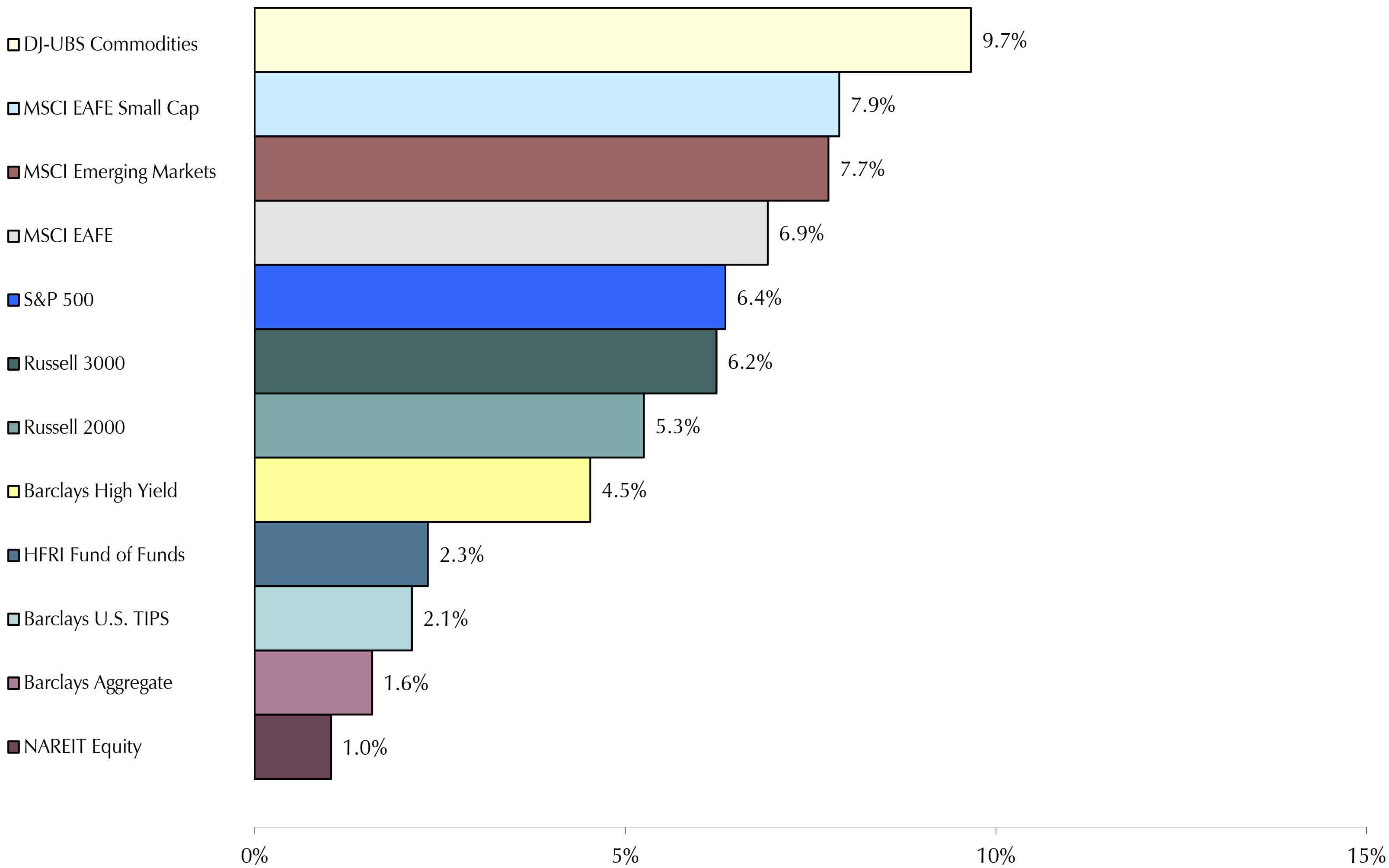
Hedge Funds

- Long/Short Equity
- Event Driven
- Relative Value
- Fixed Income Arbitrage
- Multi Strategy
- Market Neutral
- Global Macro
- Fund of Funds
- Portable Alpha

Appendices

The World Markets
Third Quarter of 2012

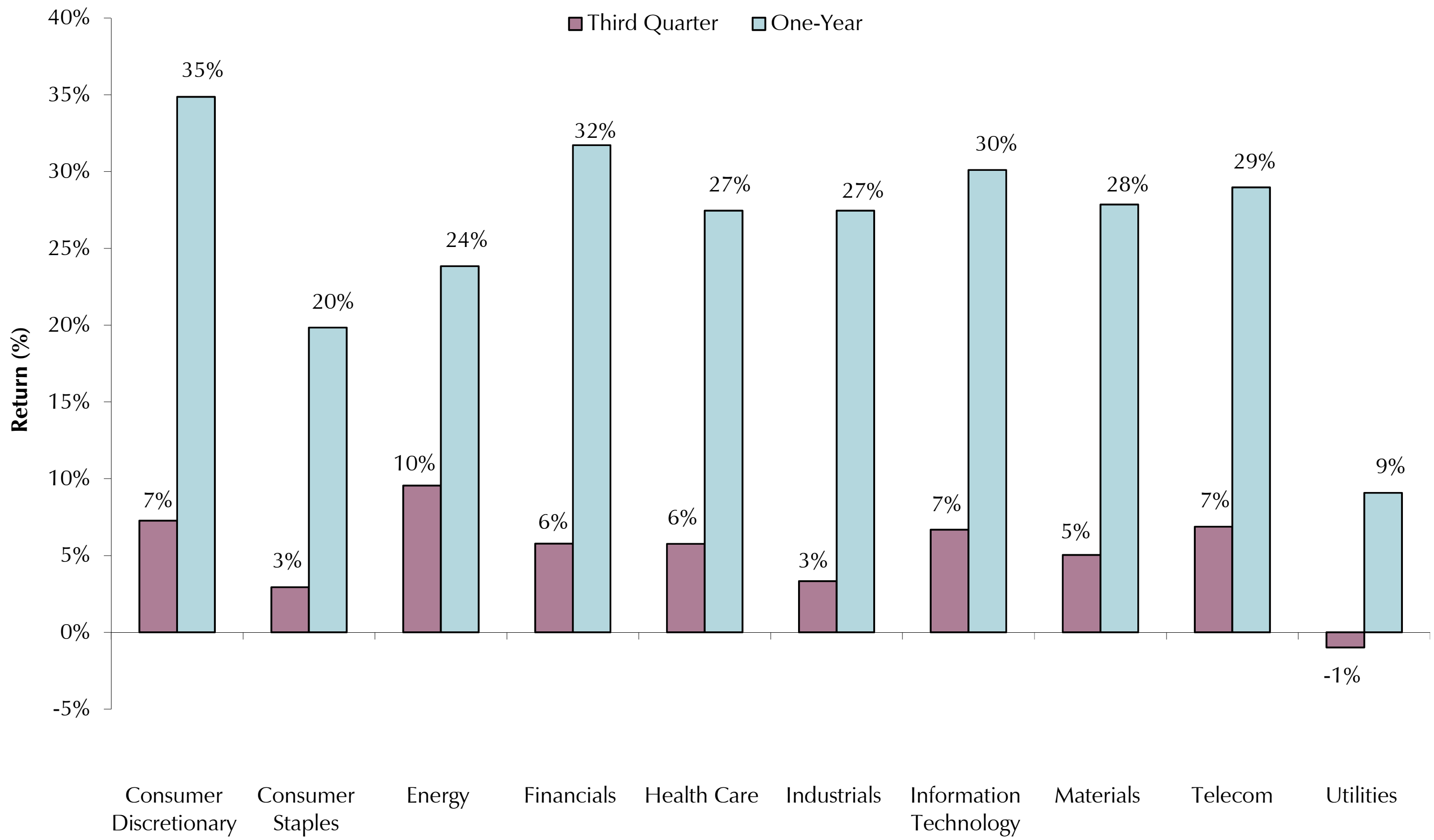
The World Markets
Third Quarter of 2012



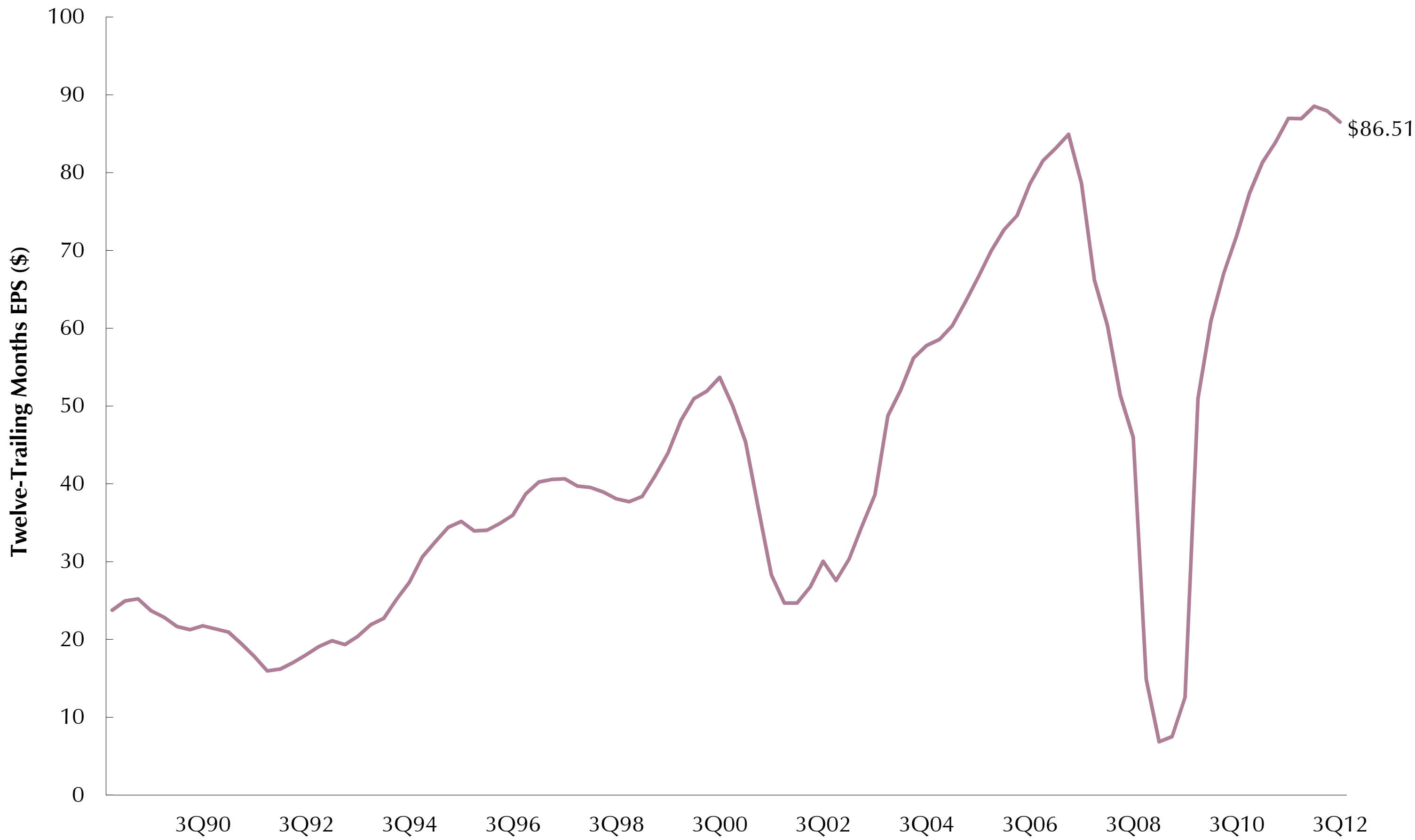
Index Returns

	3Q12 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Domestic Equity						
Russell 3000	6.2	16.1	30.2	13.3	1.3	8.5
Russell 1000	6.3	16.3	30.1	13.3	1.2	8.4
Russell 1000 Growth	6.1	16.8	29.2	14.7	3.2	8.4
Russell 1000 Value	6.5	15.7	30.9	11.8	-0.9	8.2
Russell MidCap	5.6	14.0	28.0	14.3	2.2	11.2
Russell MidCap Growth	5.3	13.9	26.7	14.7	2.5	11.1
Russell MidCap Value	5.8	14.0	29.3	13.9	1.7	11.0
Russell 2000	5.3	14.2	31.9	13.0	2.2	10.2
Russell 2000 Growth	4.8	14.1	31.2	14.2	3.0	10.5
Russell 2000 Value	5.7	14.4	32.6	11.7	1.3	9.7
Foreign Equity						
MSCI ACWI (ex. U.S.)	7.4	10.4	14.5	3.2	-4.1	9.8
MSCI EAFE	6.9	10.1	13.8	2.1	-5.2	8.2
MSCI EAFE (local currency)	4.7	9.1	13.5	1.3	-6.2	4.9
MSCI EAFE Small Cap	7.9	13.2	12.6	4.7	-3.0	11.2
MSCI Emerging Markets	7.7	12.0	16.9	5.6	-1.3	17.0
MSCI Emerging Markets (local currency)	5.9	11.1	16.4	5.8	0.0	14.9
Fixed Income						
Barclays Universal	2.0	4.9	6.4	6.7	6.6	5.7
Barclays Aggregate	1.6	4.0	5.2	6.2	6.5	5.3
Barclays U.S. TIPS	2.1	6.2	9.1	9.3	7.9	6.6
Barclays High Yield	4.5	12.1	19.4	12.9	9.3	11.0
JPMorgan GBI-EM Global Diversified	4.8	12.1	12.7	9.4	8.7	NA
Other						
NAREIT Equity	1.0	16.1	33.8	20.7	2.3	11.5
DJ-UBS Commodities	9.7	5.6	5.9	5.2	-3.6	4.0
HFRI Fund of Funds	2.3	3.3	2.9	1.5	-1.6	3.6

S&P Sector Returns

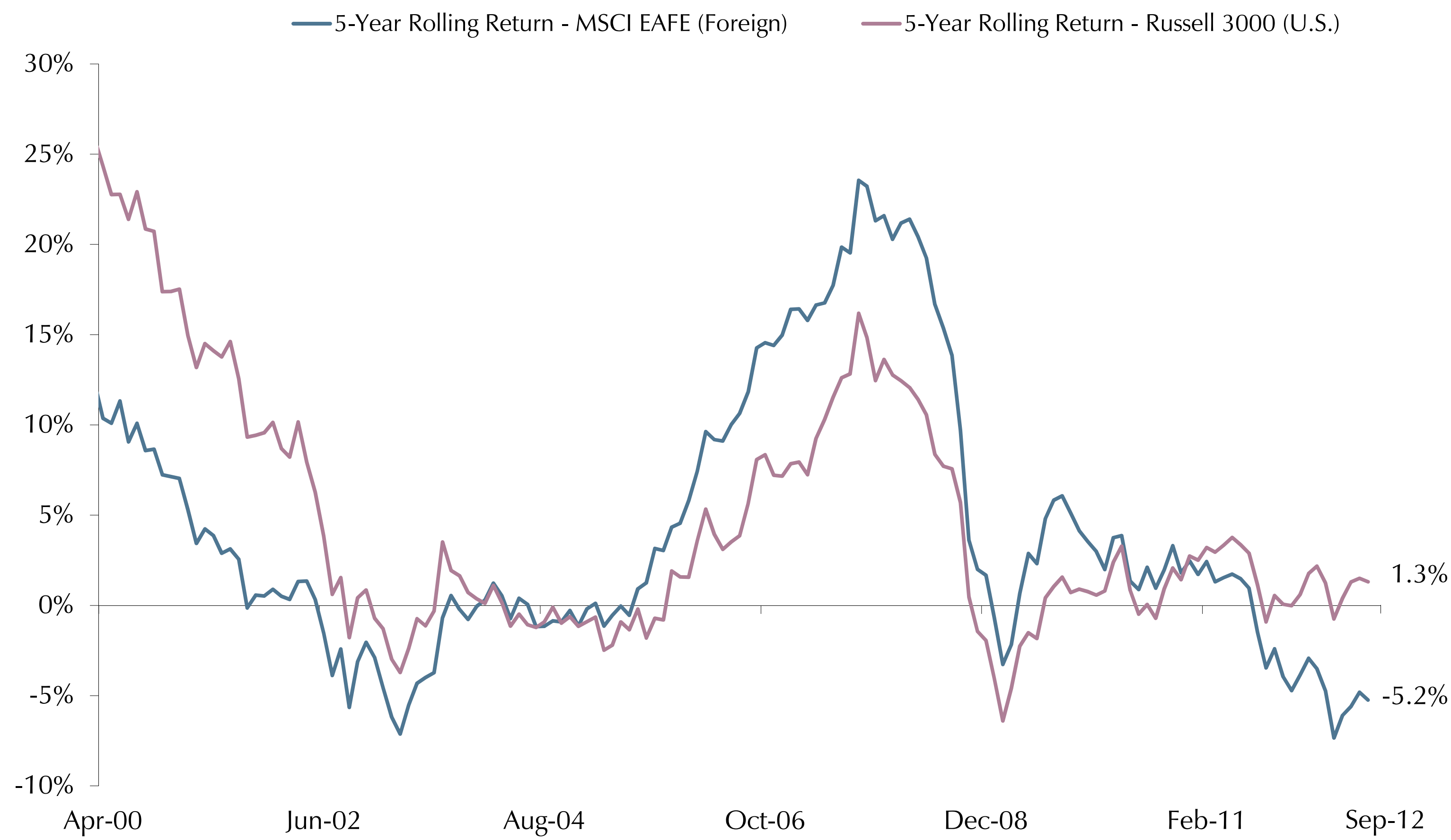


S&P 500 Earnings Per Share[1]

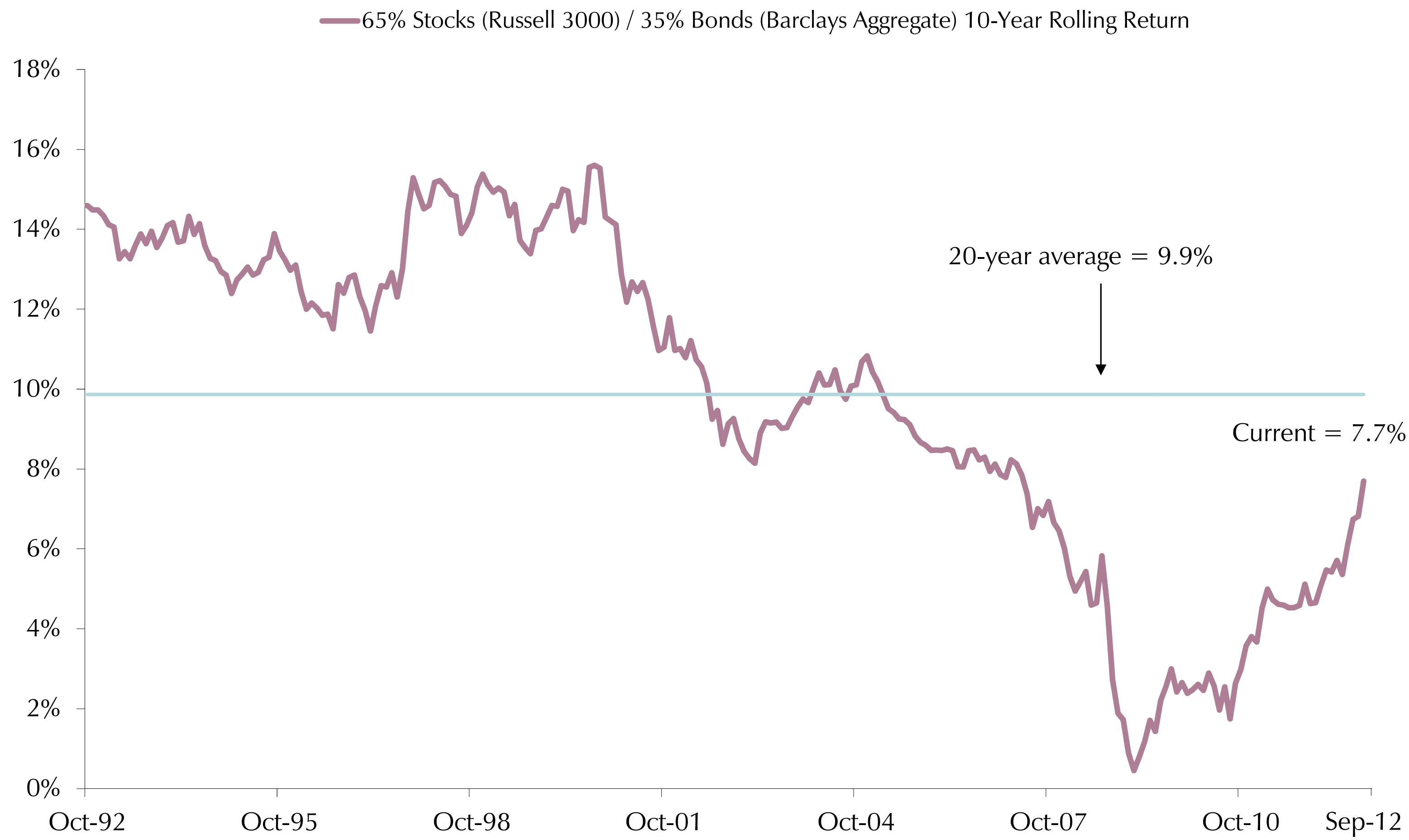


[1] The September 30, 2012 number is based on the approximately 98% of S&P 500 companies that reported earnings to date.

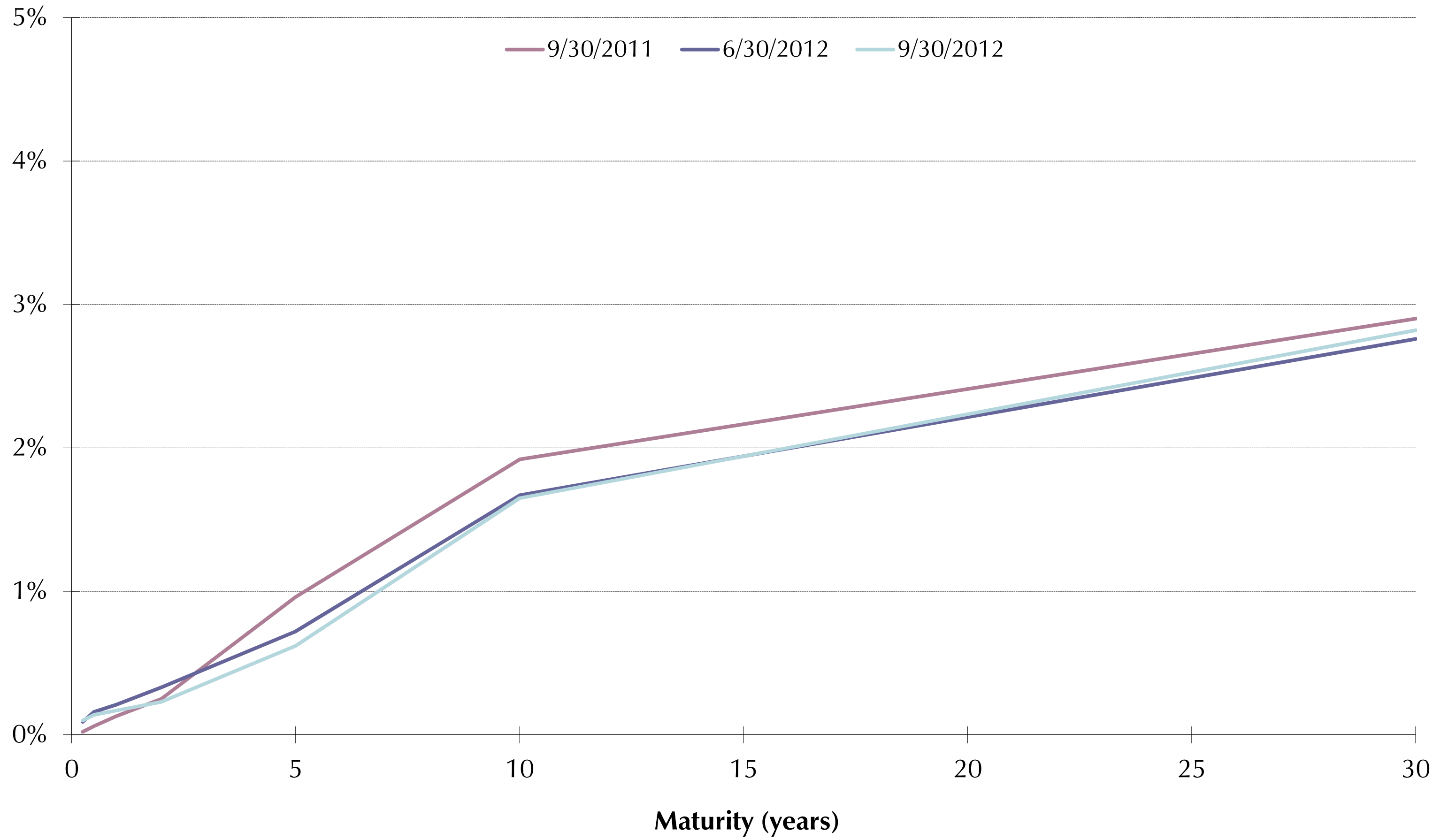
Equity Markets



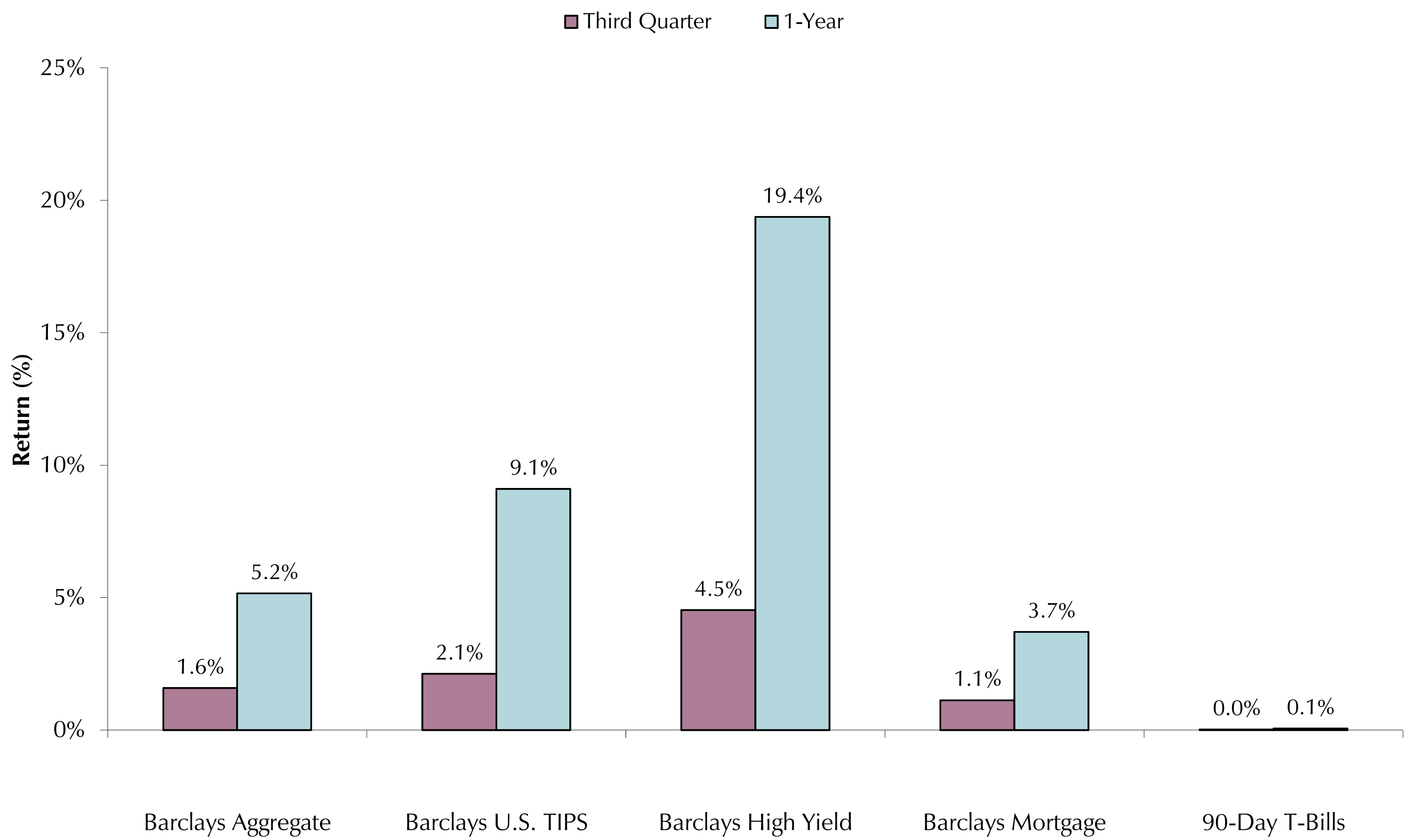
Rolling Ten-Year Returns: 65% Stocks and 35% Bonds



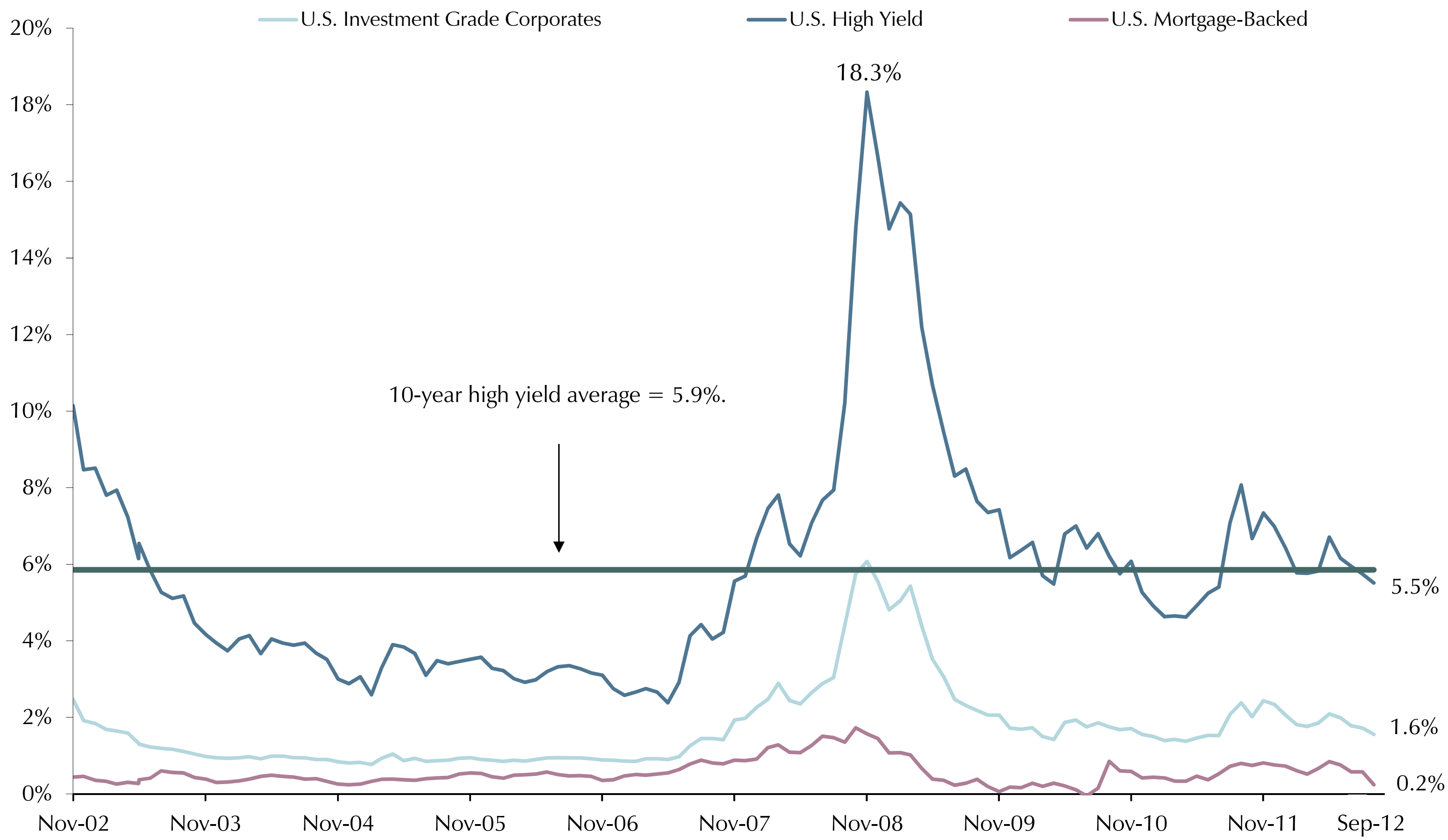
Treasury Yields



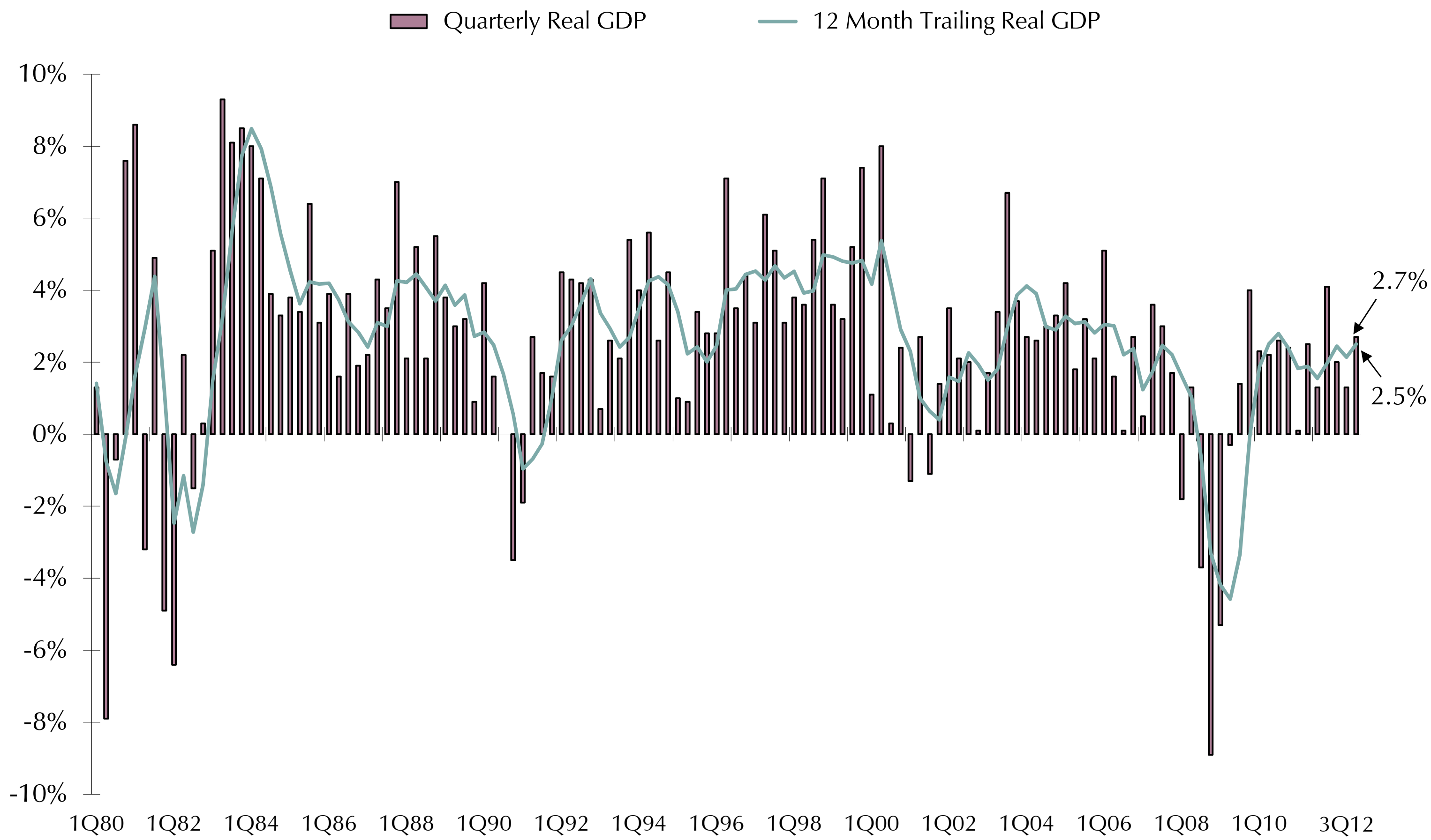
U.S. Fixed Income Markets



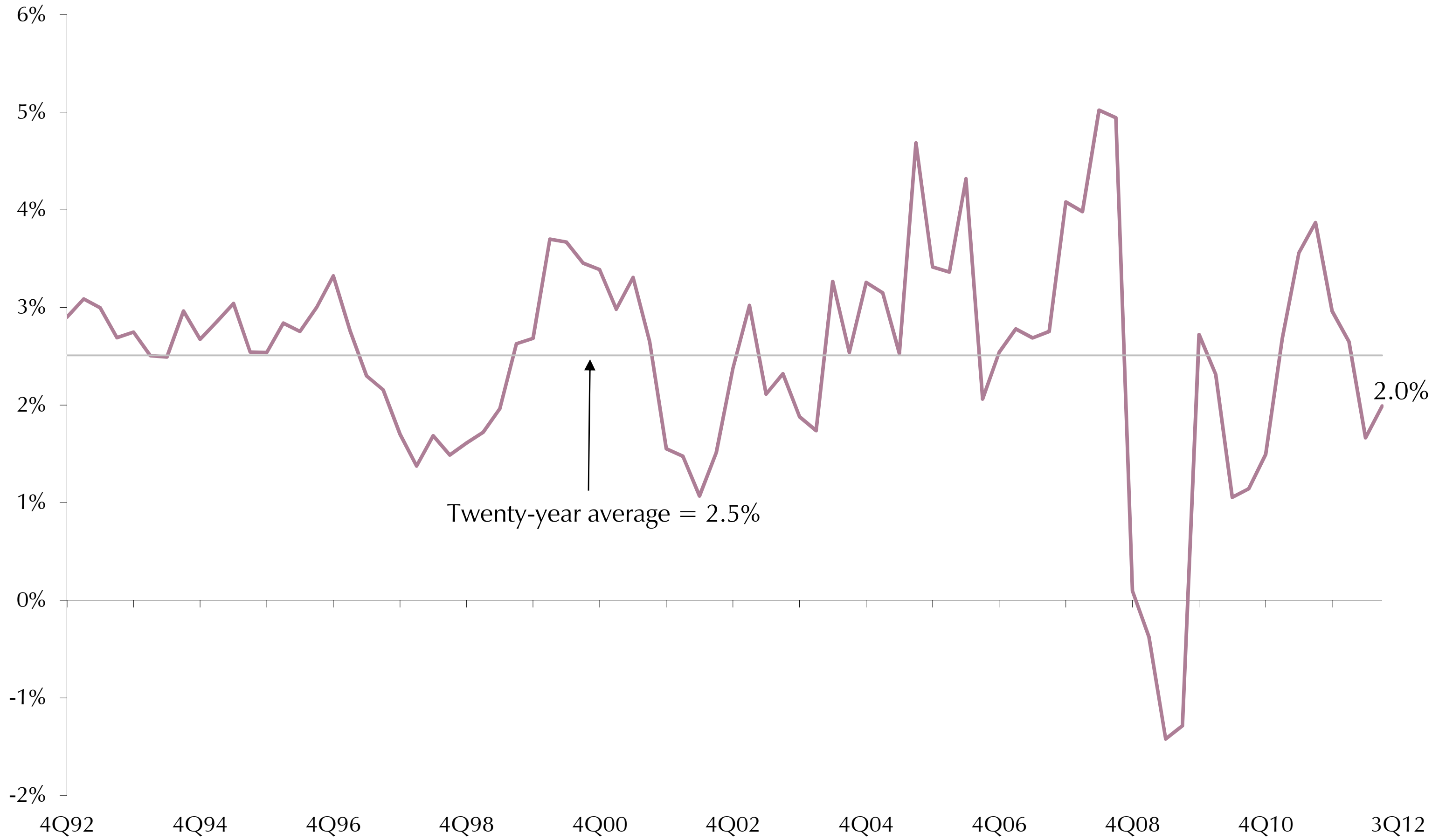
Credit Spreads vs. U.S. Treasury Bonds



Real Gross Domestic Product (GDP) Growth

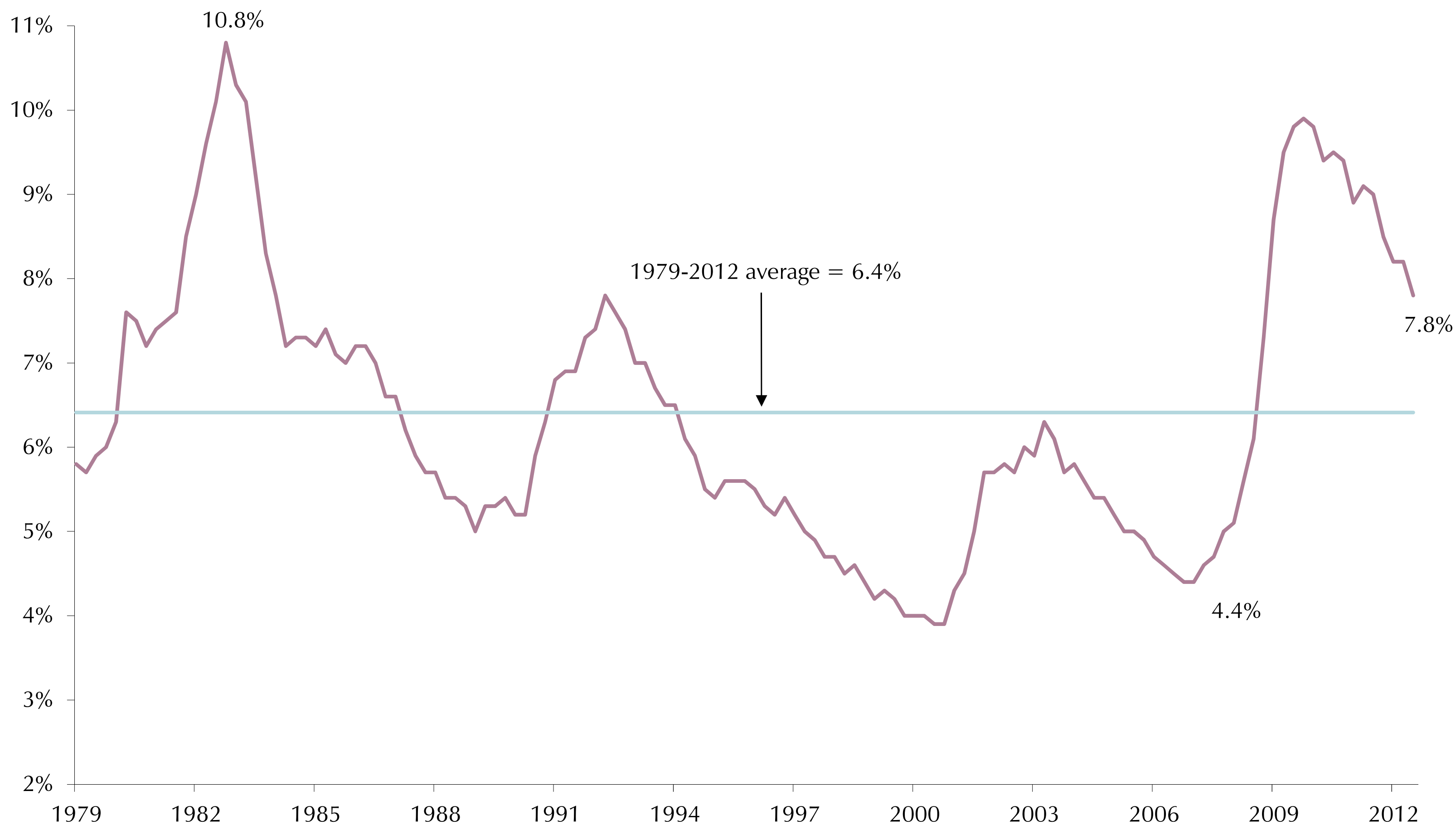


U.S. Inflation (CPI)
Trailing Twelve Months[1]



[1] Data is non-seasonally adjusted CPI, which may be volatile in the short-term.

U.S. Unemployment



Glossary and Notes
As of September 30, 2012

Credit Risk: Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security.)

Duration: Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

Information Ratio: This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Market Capitalization: For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

Market Weighted: Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

Maturity: The date on which a loan, bond, mortgage or other debt/security becomes due and is to be paid off.

Prepayment Risk: The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

Price-Book Value (P/B) Ratio: The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about is future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

Quality Rating: The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

Standard Deviation: A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

STIF Account: Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

Style: The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

Yield to Maturity: The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a "basis book." For example, a 5% bond pays $5 a year interest on each $100 par value. To figure its current yield, divide $5 by $95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay $100 for the bond that can be bought now for $95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\%\text{ (discount)}}{5\text{ (yrs. to maturity)}} = \begin{array}{c}1\%\text{ pro rata, plus}\\ 5.26\%\text{ (current yield)}\end{array} = 6.26\%\text{ (yield to maturity)}$$

Sources: Investment Terminology, International Foundation of Employee Benefit Plans, 1999.
The Handbook of Fixed Income Securities, Fabozzi, Frank J., 1991.

Notes

The Russell Indices ®, TM, SM are trademarks/service marks of the Frank Russell Company.

Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.