



# Town of Wilton - OPEB Plan

Quarterly Investment Review - Third Quarter 2014



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# Introduction to the Defined Benefit Fiduciary Governance Calendar



This quarter, we are introducing our new Fiduciary Governance Calendar for Defined Benefit plan clients. This calendar serves to establish a framework around the fiduciary governance process.

## What's included:

- Administrative Fee review
- Peer Benchmarking
- Funded Status review
- Portfolio Structure
- Fee Analysis
- Legislative update
- Liability Analysis
- Pension Landscape
- Investment Policy

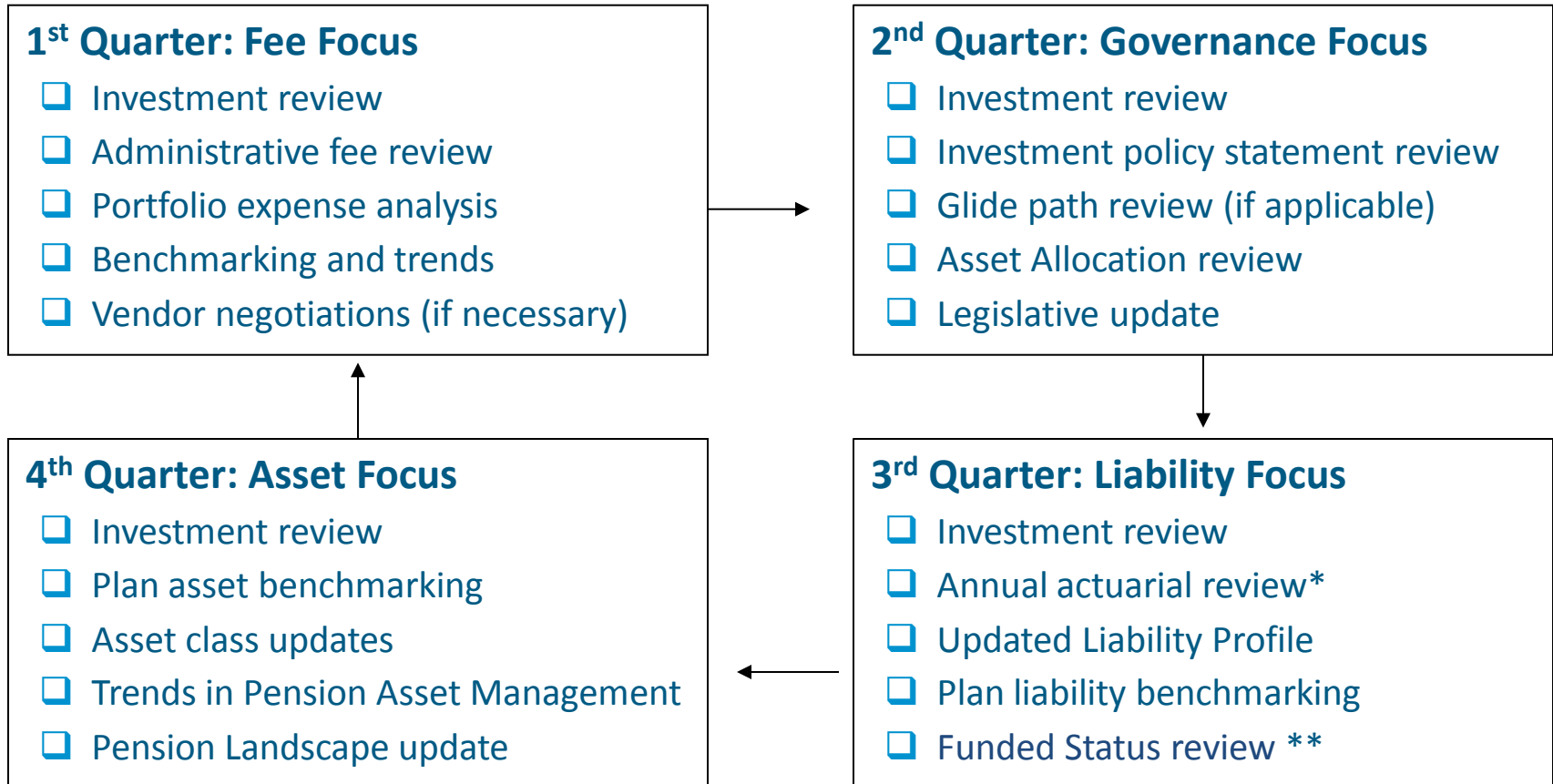
## Why?

- Discussing these topics on a regular basis can help to establish a strong foundation of fiduciary governance and create the “Fiduciary Trail.” Adherence to a structured governance process is the best way for committees to achieve their investment goals. The calendar will help ensure that quarterly meetings are orderly and productive.

## What can you expect?

- Going forward, we will be including additional materials based on the quarterly calendar topics for the committee to discuss with their consultant. Every meeting will continue to include a review of the portfolio and underlying investments, as well as provide the opportunity to review ongoing projects and facilitate open discussion.

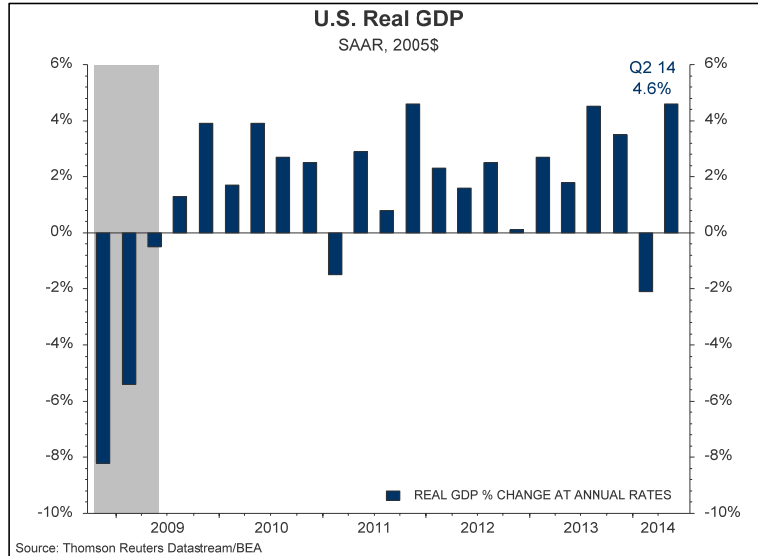
# Defined Benefit Fiduciary Governance Calendar



\* Timing of actuarial and liability review dependent on client's individual plan and /or fiscal year and actuarial input

\*\* Funded Status as determined by client preference (ex: accounting, funding, termination etc.); Incremental fees may be generated from actuarial service provider for updated data

# Economic & Market Review

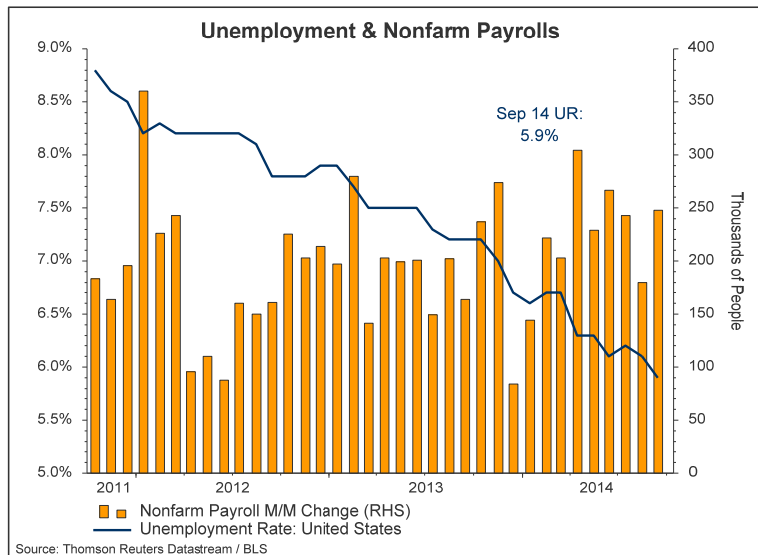


**Monetary policy in the United States has been diverging from Europe and Japan** as the Federal Reserve nears the end of its bond buying program. Meanwhile, the European Central Bank and Bank of Japan have continued their stimulative measures.

After declining in the first quarter, **U.S. GDP growth rebounded in the second quarter, posting a 4.6% annualized growth rate.** This gain marked the highest growth rate since the end of 2011. Business investment and consumer spending, in particular, contributed to the growth rate in the period.

**September turned out to be another strong month for the job market** with the economy adding 248,000 jobs in September. On average, the U.S. economy has added 227,000 jobs per month in 2014. The **unemployment rate fell to 5.9%**, the lowest level since 2008.

The **U.S. economy continued to show signs of expansion in September, with the ISM Manufacturing Index coming in at 56.6**, although this was down from August's reading of 59.



**Equity markets posted mixed results** in the period as a sell-off in September erased earlier gains. Despite taking a pause from the strong gains in the first half of the year, U.S. equities were among the best performers in the period. Strength in the domestic economy helped U.S. equities outpace their international counterparts.

It was a **challenging quarter for international equities** as signs of slowing growth in Europe caused concern among investors. Emerging markets also posted challenging results as growth concerns in China weighed on the market. **Currency weakness was a major contributor to the challenging results for international equities, as the U.S. dollar was strong against many currencies.**

Despite a **higher level of volatility** during the period, the **10-year U.S. Treasury ended the quarter at 2.52%**, not much of a change from its yield of 2.53% as of the end of June.

# Index Results

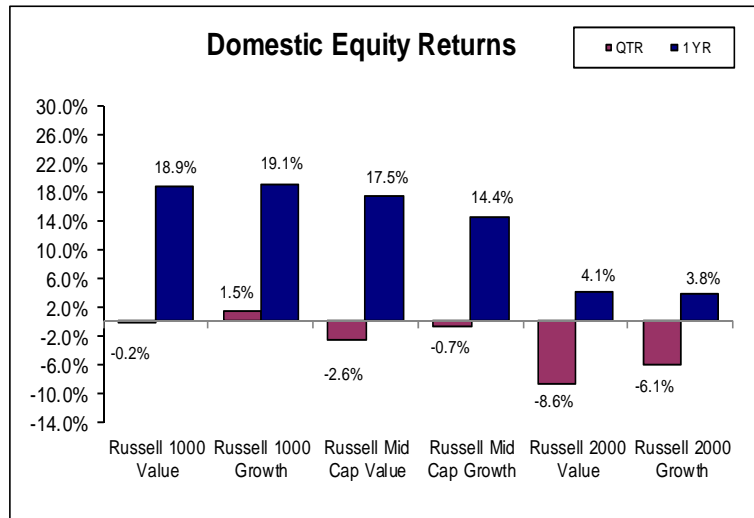


U.S. EQUITY	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
S&P 500	1.1	8.3	19.7	23.0	15.7	8.1
Russell 1000	0.7	8.0	19.0	23.2	15.9	8.5
Russell 1000 Value	(0.2)	8.1	18.9	23.9	15.3	7.8
Russell 1000 Growth	1.5	7.9	19.1	22.4	16.5	8.9
Russell Mid Cap	(1.7)	6.9	15.8	23.8	17.2	10.3
Russell Mid Cap Value	(2.6)	8.2	17.5	24.7	17.2	10.2
Russell Mid Cap Growth	(0.7)	5.7	14.4	22.7	17.1	10.2
Russell 2000	(7.4)	(4.4)	3.9	21.3	14.3	8.2
Russell 2000 Value	(8.6)	(4.7)	4.1	20.6	13.0	7.3
Russell 2000 Growth	(6.1)	(4.0)	3.8	21.9	15.5	9.0
Russell 3000	0.0	7.0	17.8	23.1	15.8	8.4
FTSE NAREIT Equity REITs Index	(3.1)	14.0	13.1	16.7	15.9	8.4
INTERNATIONAL EQUITY	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
MSCI ACWI ex-US	(5.3)	0.0	4.8	11.8	6.0	7.1
MSCI EAFE	(5.9)	(1.4)	4.3	13.6	6.6	6.3
MSCI EAFE Value	(6.2)	(0.6)	5.7	13.9	5.5	5.9
MSCI EAFE Growth	(5.5)	(2.2)	2.9	13.3	7.6	6.6
MSCI EAFE Small Cap	(7.8)	(2.7)	3.0	14.5	8.9	8.0
MSCI EM (Emerging Markets)	(3.5)	2.4	4.3	7.2	4.4	10.7
FIXED INCOME	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
Barclays U.S. Aggregate Bond	0.2	4.1	4.0	2.4	4.1	4.6
Barclays U.S. Gov/Credit Bond	0.2	4.1	4.1	2.5	4.3	4.6
Barclays Gov/Credit Long Bond	1.0	13.0	12.9	4.7	8.0	7.0
Barclays U.S. High Yield	(1.9)	3.5	7.2	11.1	10.6	8.3
Barclays U.S. TIPS	(2.0)	3.7	1.6	1.3	4.5	4.6
BofA Merrill 3-Month T-Bill	0.0	0.0	0.0	0.1	0.1	1.6
NON-TRADITIONAL	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
Bloomberg Commodity Index	(11.8)	(5.6)	(6.6)	(5.3)	(1.4)	(1.0)
HFRI Fund of Funds Index	0.6	2.7	6.4	5.3	3.5	3.5
CPI (quarter lag)	1.0	1.4	2.2	1.9	2.1	2.3

Source: Morningstar, S&P, Russell, FTSE, MSCI, Barclays, BofA Merrill Lynch, Bloomberg, HFRI

As of September 30, 2014

# Domestic Equity Review



Continued strength in economic reports helped domestic equity markets produce some of the better returns from around the world, although returns varied by capitalization and style. Overall, **the S&P 500 returned 1.1%** for the quarter as strong GDP growth and positive economic signs helped boost returns.

**Large capitalization stocks** in the United States produced modestly positive returns and **were much stronger than small caps**. The Russell 2000 Index declined 7.4% in the quarter as investors grew concerned about valuations and the impact that potentially higher interest rates may have on smaller capitalization stocks.

From a style perspective, **growth stocks outpaced value stocks** in the period. Poor returns from the energy sector weighed on value stocks. Meanwhile, strong results in the information technology sector propelled growth-related stocks.

3Q 2014		
S&P 500 Index	Ending Weight	Return
Consumer Discretionary	11.7%	0.3%
Consumer Staples	9.5%	2.0%
Energy	9.7%	-8.6%
Financials	16.3%	2.3%
Health Care	13.9%	5.5%
Industrials	10.3%	-1.1%
Information Technology	19.7%	4.8%
Materials	3.5%	0.2%
Telecom. Services	2.4%	3.1%
Utilities	3.0%	-4.0%
<b>Total</b>	<b>100%</b>	<b>1.1%</b>

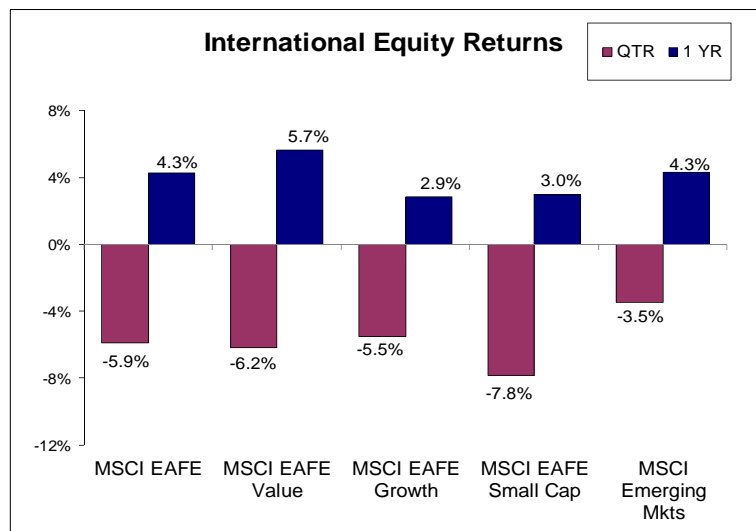
Source: Morningstar, S&P, Russell

There was significant dispersion among sector returns in the S&P 500 for the quarter. **Energy stocks were hit the hardest**, declining 8.6% as oil prices declined. Industrial stocks also ended lower. Meanwhile, the information technology and health care sectors posted solid gains, leading the way in the S&P 500. The information technology sector benefited from solid gains made by Apple, which announced new products during the period.

**Reversing the results from the second quarter**, higher quality stocks outperformed lower quality stocks in the period, as they benefitted from an increase in volatility.



# International Equity Review



MSCI Country Results	Local	USD
United Kingdom	-0.9%	-6.1%
France	-0.7%	-8.4%
Germany	-3.7%	-11.2%
Japan	5.8%	-2.3%
China	1.6%	1.4%
India	5.1%	2.3%
Brazil	1.6%	-8.6%
Russia	-4.7%	-15.4%

Source: Morningstar, MSCI

**International equities trailed U.S. equities, as economic growth in developed markets has not kept pace with the U.S.** The MSCI EAFE Index fell 5.9% in U.S. dollar terms, with significant weakness coming from the currency effect.

**Within developed markets outside the United States, growth stocks outpaced value stocks. Large capitalization stocks led small cap stocks in the period.** Within the emerging markets, smaller caps beat larger caps, though there was not much of a differential from a style perspective.

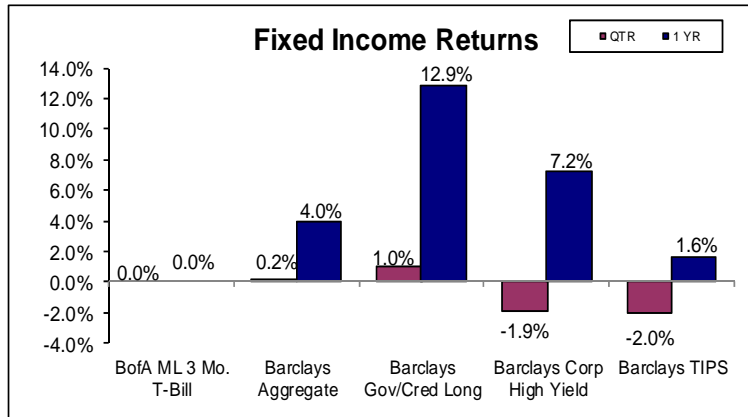
**European equities lagged** in the period as concerns surrounding a potential economic slowdown grew. It was reported that the **Eurozone’s GDP was flat in the second quarter** when compared to the first quarter, increasing concerns the area may fall back into recession. Meanwhile, the European Central Bank continued its accommodative monetary policy. The weakness in the euro weighed on returns in U.S. dollar terms.

**Japanese stocks posted losses in U.S. dollar terms** due to the weakness of the yen. It was reported that GDP declined at an annualized rate of 7.1% in the second quarter as consumption spiked earlier in the year prior to the consumption tax increase that took effect in the second quarter.

**After posting a strong start to the quarter, weakness in September resulted in emerging market equities declining this quarter**, although they still outpaced developed markets outside the U.S. Russian equities experienced some of the most significant declines, as sanctions related to the Ukraine situation weighed on the country.

The **U.S. dollar posted gains against the yen and euro**, rising significantly against each of these currencies as monetary policy in the U.S. looks to become less accommodative on a comparative basis. Emerging market currencies were also weak against the dollar, with the Russian ruble and Brazilian real posting notable declines.

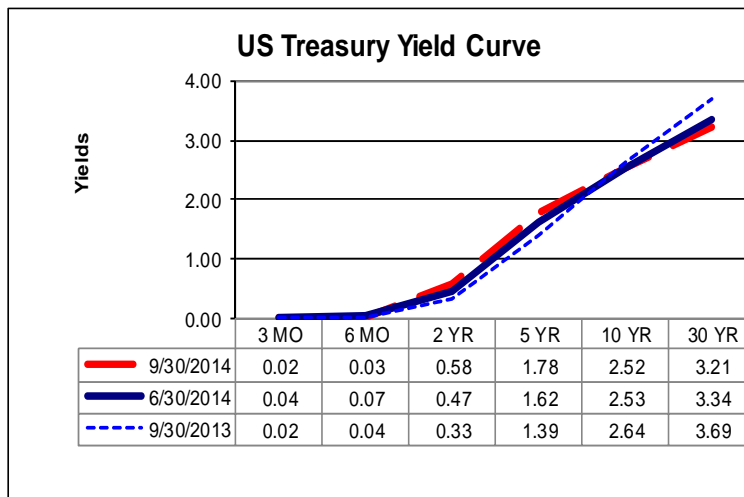
# Fixed Income Review



The **yield curve flattened in the period** as the expectation that the Fed will end its bond purchasing program in October impacted short-term rates. Meanwhile, the 10-year Treasury ended the period with little change from the end of June, although volatility increased during the quarter.

The Barclays U.S. Aggregate Bond Index produced relatively muted returns in the period, posting a slight gain of 0.2%. **Treasuries outperformed in the period** as investors grew risk averse due to concerns surrounding global growth and the possibility of interest rates rising.

**Corporate spreads widened** but remain at levels below historical averages. New issuance of corporate bonds continues to be on pace to set a new record in 2014.



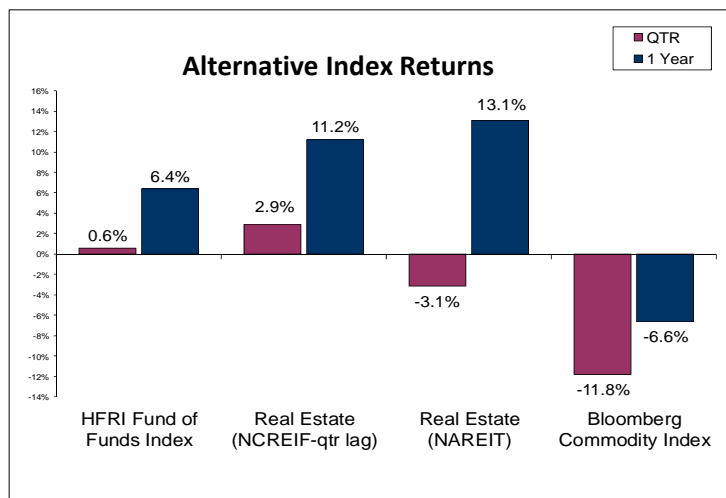
**High yield bonds had a difficult quarter, with the Barclays Corporate U.S. High Yield Index declining 1.9% for the quarter** as mutual fund outflows weighed on high yield bonds.

**Performance in the securitized sector fluctuated during the period, although spreads ended wider.** The market continues to anticipate the impact of the end of the Fed's monthly purchase program.

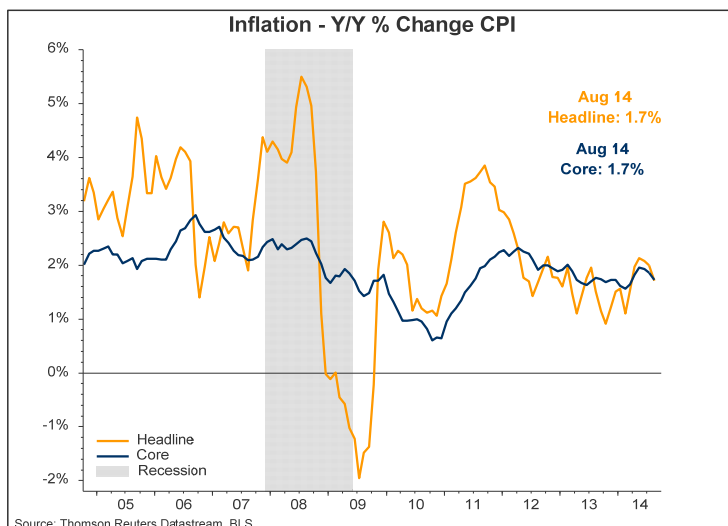
**Rates continued to move lower for European government bonds** in the period, as the European Central Bank's accommodative monetary policy has been impacting interest rates within Europe. Meanwhile, both the euro and yen were weak against the dollar, hampering these returns in U.S. dollar terms. Concerns about rates moving higher in the U.S. and increased volatility weighed on emerging market bonds, which experienced widening spreads.

Source: Morningstar, Barclays, BofA Merrill Lynch, US Department of the Treasury

# Alternatives Review



Source: Morningstar, FTSE, Bloomberg, HFRI



Source: Thomson Reuters Datastream, BLS

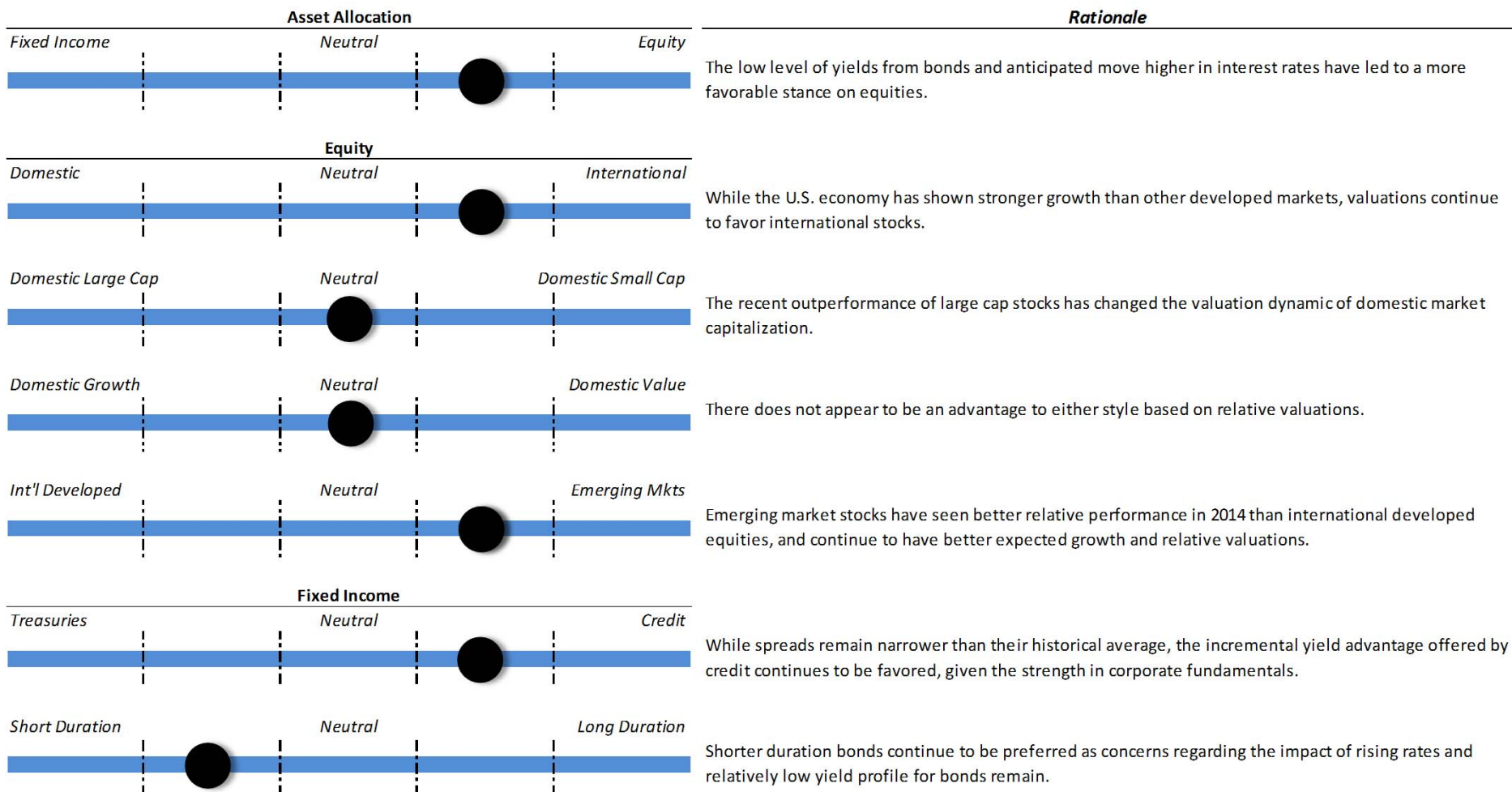
**Hedge funds posted a narrow gain in the third quarter**, as measured by the HFRI Fund of Funds Index. Results this quarter benefited from a strong month of August. Macro/CTA strategies performed well, as they were able to navigate monetary policy and broader economic trends in the global economy. Meanwhile, relative value arbitrage and event driven strategies lagged this quarter.

**Improved operating fundamentals, limited new supply delivery, and positive NOI growth continued to drive price appreciation in the commercial real estate markets.** Capital flows and transaction activity maintained a robust pace, supported by these improving fundamentals, very favorable debt financing and lower long term interest rates. **Dispersion amongst property sectors and capital markets continued to shrink** on improved tenant demand, higher lease rates, and investors' willingness to deploy capital across a wider risk-return spectrum.

**Global property stock sold off in the third quarter**, alongside the broader equity markets. Despite support from private market valuations, interest rate concerns and significant equity issuance hurt share prices in the U.S. (3.1%). Europe declined (-7.2%) on renewed fears of economic slowdown in the region. Domestic currency concerns and economic weakness in Japan and Australia drove negative returns in Asia (-4.9%), while Hong Kong was a point of strength.

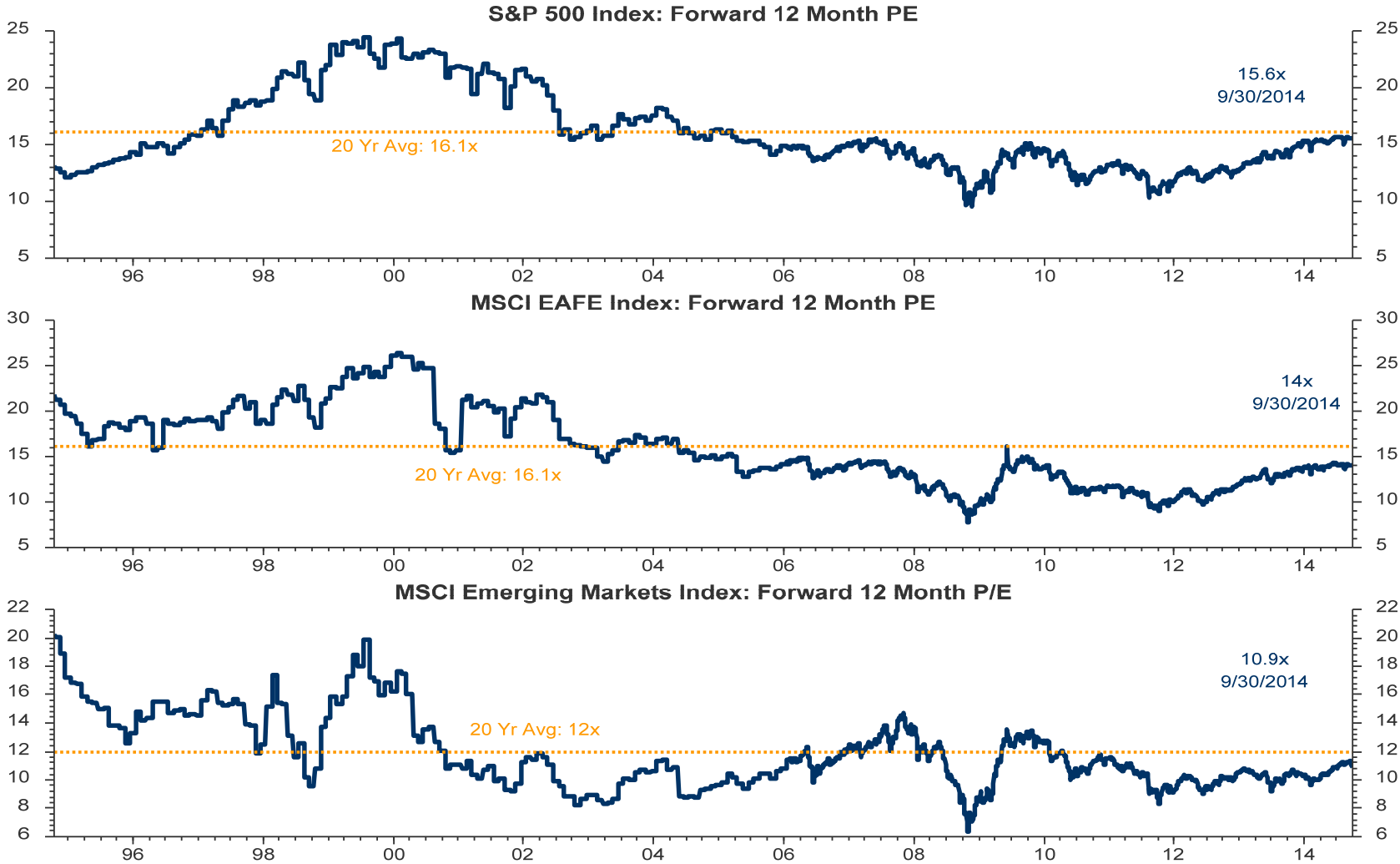
**It was a challenging quarter for commodities**, as measured by the Bloomberg Commodity Index (-11.8%). Most sectors were hit hard in the period. Energy declined (-12.1%) as oil prices fell on concerns over global growth. Precious metals were also weak in the period (-11.3%), with both gold and silver declining as the strength of the U.S. dollar weighed on metals. The weakest area was agriculture, which posted double digit losses (-18.1%) as good weather led to abundant crop supplies.

# Market Viewpoints



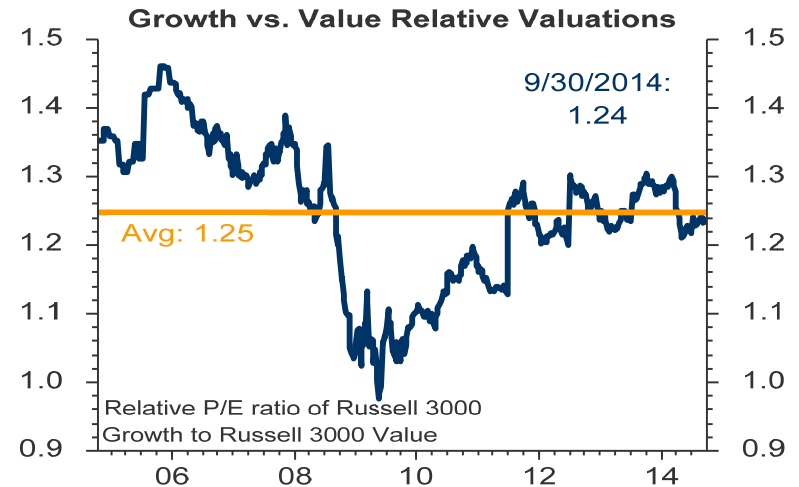
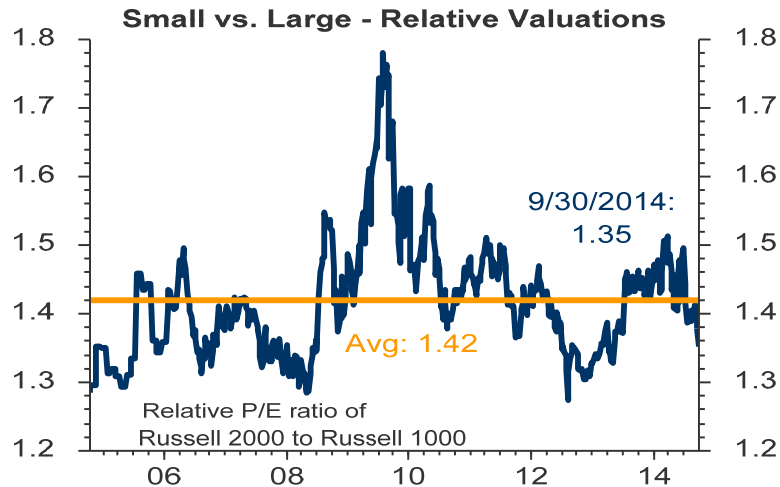
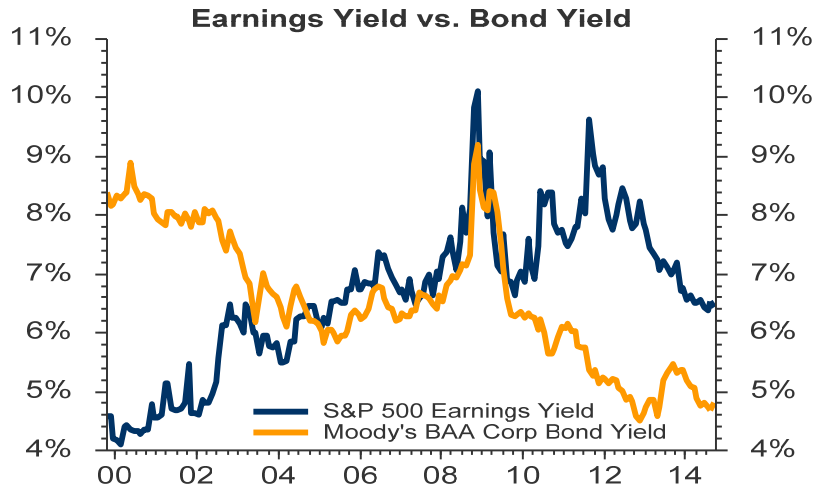
These viewpoints represent FIA's general assessment of the highlighted capital markets comparisons over the next twelve months. These opinions are subject to modification as conditions in the markets change. Clients should utilize these rankings in conjunction with other considerations that may be relevant to their particular circumstances.

# Global Valuations



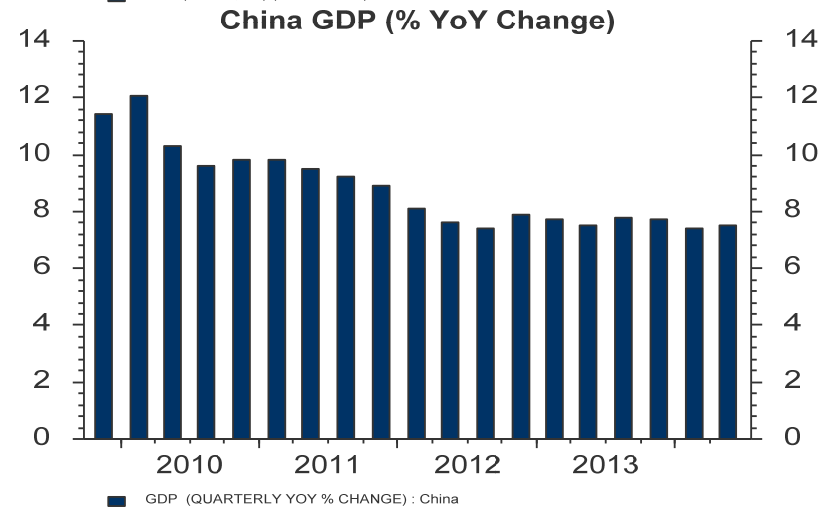
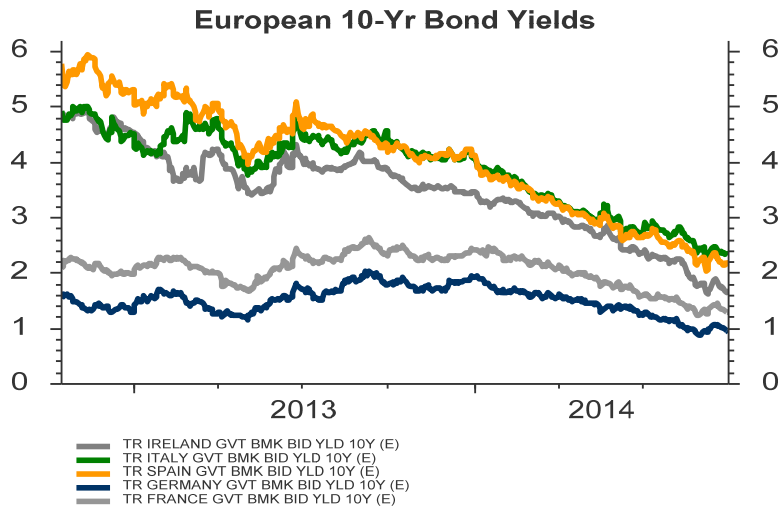
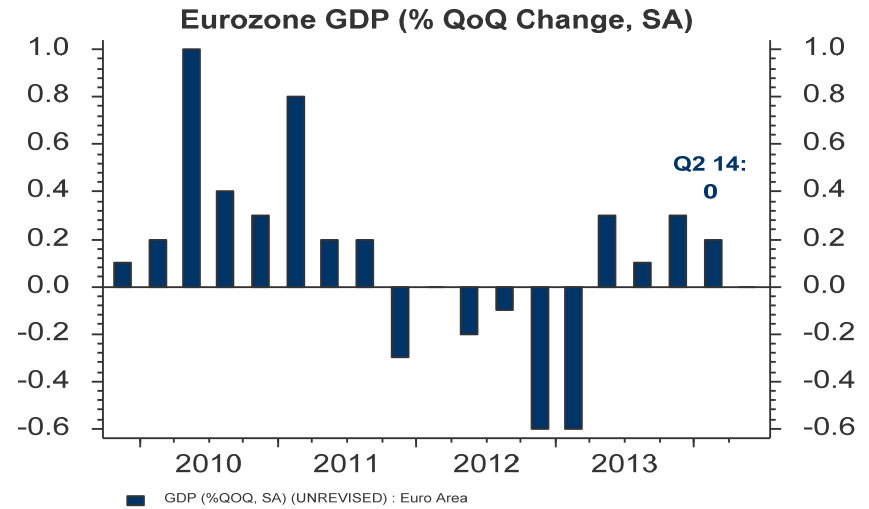
Source: Thomson Reuters Datastream, MSCI, Standard & Poors, IBES

# U.S. Market Viewpoints



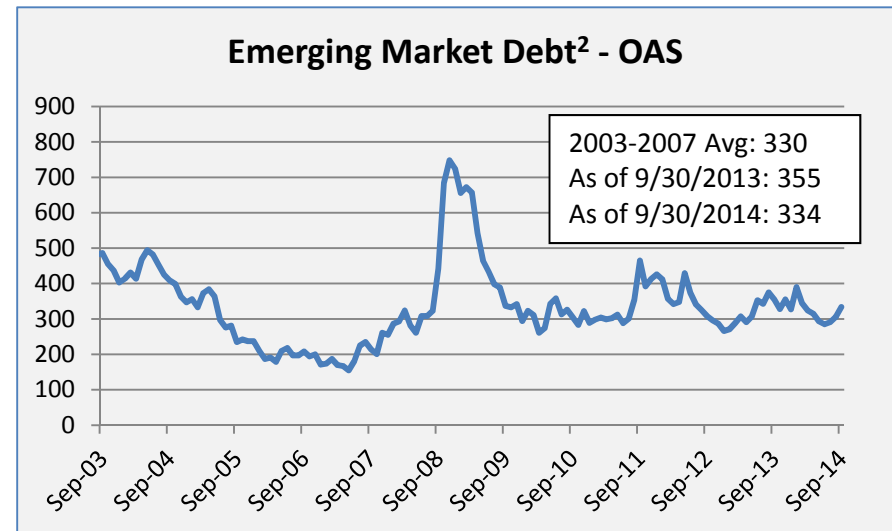
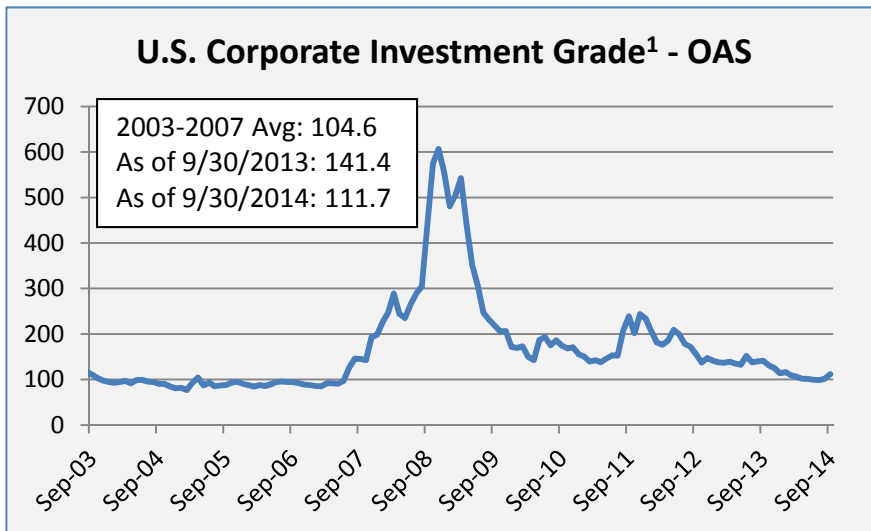
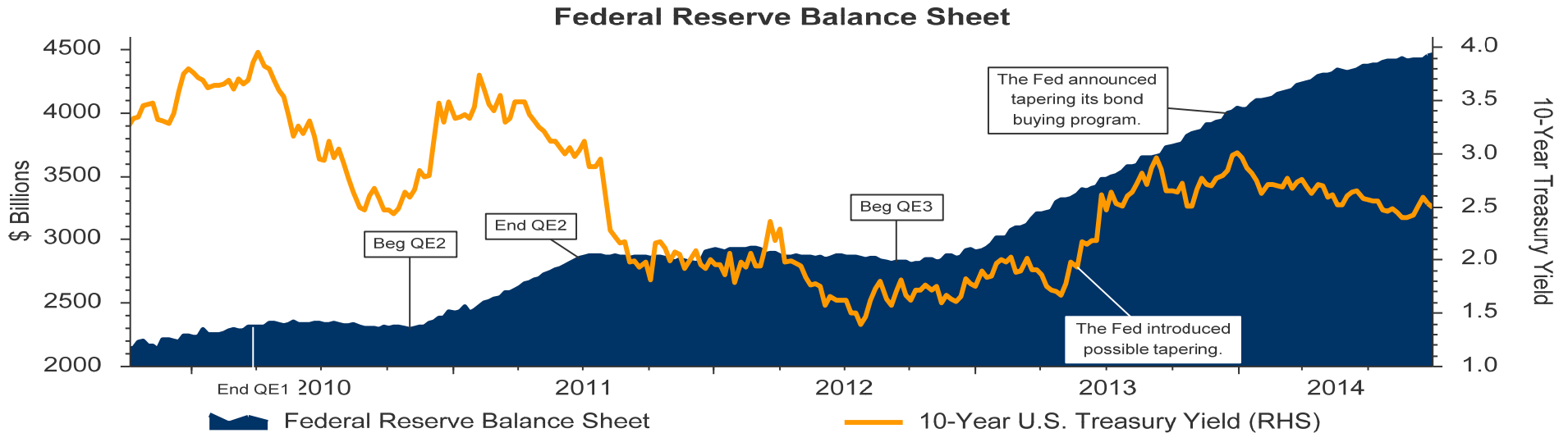
Source: Thomson Reuters Datastream, Standard & Poor's, Moody's, Russell, IBES, Institute for Supply Management

# International Market Viewpoints



Source: Thomson Reuters Datastream, MSCI, National Bureau of Statistics of China, IBES, EuroStat, Federal Reserve

# Fixed Income Environment



OAS: Option Adjusted Spread, Sources: Thomson Reuters Datastream, Barclays, J.P. Morgan, Babson Capital Management; <sup>1</sup>Barclays U.S. Corporate Investment Grade Index, <sup>2</sup>J.P. Morgan EMBI Global Index



## Asset Allocation

### OPEB Plan

As of September 30, 2014

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
<b>OPEB Plan</b>	<b>5,005,983</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>
<b>Total Short Term Liquidity</b>	<b>329,636</b>	<b>6.6</b>	<b>5.0</b>	<b>1.6</b>
Wells Fargo Cash	5,347	0.1	0.0	0.1
Webster Cash	324,289	6.5	5.0	1.5
<b>Fixed Income</b>	<b>1,986,436</b>	<b>39.7</b>	<b>40.0</b>	<b>-0.3</b>
Vanguard Interm-Term Investment-Grade	751,243	15.0	15.0	0.0
Blackrock Strategic Income Opportunities Fund	250,932	5.0	5.0	0.0
Eaton Vance Floating Rate	245,032	4.9	5.0	-0.1
Templeton Global Bond	250,446	5.0	5.0	0.0
Vanguard Short Term Invst Grade Adm	244,208	4.9	5.0	-0.1
Vanguard Short Term Inflation Protection	244,575	4.9	5.0	-0.1
<b>Domestic Equity</b>	<b>1,502,597</b>	<b>30.0</b>	<b>30.0</b>	<b>0.0</b>
Vanguard Total Stock Mkt Idx Instl	1,502,597	30.0	30.0	0.0
<b>International Equity</b>	<b>952,290</b>	<b>19.0</b>	<b>20.0</b>	<b>-1.0</b>
Vanguard Total International Stock	474,618	9.5	10.0	-0.5
Europacific Growth R6	477,672	9.5	10.0	-0.5
<b>Real Estate</b>	<b>235,024</b>	<b>4.7</b>	<b>5.0</b>	<b>-0.3</b>
Vanguard REIT Index	235,024	4.7	5.0	-0.3

# Total Plan Performance Summary - Wilton, Town of

As of September 30, 2014

## Account Reconciliation

	QTR	YTD	Since Inception	Inception Date
<b>OPEB Plan</b>				<b>05/01/2012</b>
Beginning Market Value	4,400,692	4,210,695	2,652,035	
Net Contributions	646,970	601,016	1,678,519	
Total Gain/Loss	<b>-41,679</b>	194,272	675,428	
Ending Market Value	5,005,983	5,005,983	5,005,983	

## Wilton OPEB Plan Benchmark Composition

Allocation Mandate	Weight (%)
90 Day U.S. Treasury Bill	5.0
Barclays Aggregate Index	20.0
Barclays U.S. Credit 5-10 Year Index	15.0
Barclays U.S. Treasury: U.S. TIPS Index	5.0
CRSP U.S. Total Market TR Index	30.0
MSCI AC World ex USA (Net)	10.0
FTSE Global ex USA All Cap Index (Net)	10.0
MSCI U.S. REIT Index	5.0

## Trailing Performance Summary

	QTR	YTD	Jul-2014 To Sep-2014	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>OPEB Plan</b>	<b>-0.9</b>	<b>4.6</b>	<b>-0.9</b>	<b>8.2</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>8.8</b>	<b>05/01/2012</b>
Wilton OPEB Plan Benchmark	<b>-1.3</b>	4.1	<b>-1.3</b>	8.0	10.8	N/A	N/A	N/A	8.0	
Difference	0.4	0.5	0.4	0.2	N/A	N/A	N/A	N/A	0.8	

## Calendar Year Performance Summary

	2013	2012	2011	2010	2009	2008	2007	2006
<b>OPEB Plan</b>	<b>11.9</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Wilton OPEB Plan Benchmark	11.5	10.9	1.4	N/A	N/A	N/A	N/A	N/A
Difference	0.4	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## Historical Hybrid Composition

OPEB Plan

As of September 30, 2014

Allocation Mandate	Weight (%)	Allocation Mandate	Weight (%)
Feb-2010		Jun-2013	
Barclays U.S. Aggregate Float Adjusted	45.0	90 Day U.S. Treasury Bill	15.0
MSCI US Broad Market Index	35.0	Barclays Aggregate Index	25.0
FTSE All World - Ex US	20.0	Barclays U.S. Treasury: U.S. TIPS Index	5.0
Sep-2010		CRSP U.S. Total Market TR Index	30.0
Barclays U.S. Aggregate Float Adjusted	40.0	FTSE Global ex USA All Cap Index (Net)	20.0
MSCI US Broad Market Index	33.0	MSCI U.S. REIT Index	5.0
FTSE All World - Ex US	20.0	Aug-2014	
MSCI U.S. REIT Index	2.0	90 Day U.S. Treasury Bill	5.0
Barclays 20-30 Year Treasury Strips	5.0	Barclays Aggregate Index	20.0
Nov-2010		Barclays U.S. Credit 5-10 Year Index	15.0
Barclays U.S. Aggregate Float Adjusted	40.0	Barclays U.S. Treasury: U.S. TIPS Index	5.0
MSCI US Broad Market Index	32.0	CRSP U.S. Total Market TR Index	30.0
FTSE All World - Ex US	20.0	MSCI AC World ex USA (Net)	10.0
Barclays 20-30 Year Treasury Strips	5.0	FTSE Global ex USA All Cap Index (Net)	10.0
MSCI U.S. REIT Index	3.0	MSCI U.S. REIT Index	5.0
Feb-2011			
Barclays U.S. Aggregate Float Adjusted	45.0		
MSCI US Broad Market Index	30.0		
FTSE All World - Ex US	20.0		
MSCI U.S. REIT Index	5.0		
May-2012			
90 Day U.S. Treasury Bill	15.0		
Barclays Aggregate Index	25.0		
Barclays U.S. Treasury: U.S. TIPS Index	5.0		
MSCI US Broad Market Index	30.0		
MSCI AC World ex USA (Net)	20.0		
MSCI U.S. REIT Index	5.0		

# Manager Performance Overview

## OPEB Plan

As of September 30, 2014

	QTR	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
<u>Short Term Liquidity</u>							
<b>Wells Fargo Cash</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>N/A</b>	<b>N/A</b>	<b>0.0</b>	<b>05/01/2012</b>
90 Day U.S. Treasury Bill	0.0	0.0	0.0	0.1	0.1	0.1	
<u>Fixed Income</u>							
<b>Vanguard Interm-Term Investment-Grade</b>	<b>-0.0 (34)</b>	<b>4.6 (58)</b>	<b>5.1 (67)</b>	<b>4.7 (55)</b>	<b>N/A</b>	<b>5.8 (48)</b>	<b>06/01/2010</b>
Barclays U.S. Credit 5-10 Year Index	-0.2	5.8	6.7	5.5	7.0	6.6	
IM U.S. Corporate Bonds (MF) Median	-0.2	4.8	6.0	5.1	6.1	5.7	
<b>Blackrock Strategic Income Opportunities Fund</b>	<b>-0.1 (34)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>2.1 (16)</b>	<b>03/01/2014</b>
Barclays Aggregate Index	0.2	4.1	4.0	2.4	4.1	2.0	
Libor (3 month)	0.1	0.2	0.2	0.3	0.3	0.1	
IM Alternative Credit Focus (MF) Median	-0.5	1.8	3.6	4.1	5.2	0.9	
<b>Eaton Vance Floating Rate</b>	<b>-0.5 (25)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>0.4 (67)</b>	<b>03/01/2014</b>
S&P/LSTA Leveraged Loan Index	-0.5	2.1	3.8	6.7	6.5	1.3	
IM U.S. Bank Loans (MF) Median	-0.7	1.2	2.9	6.2	5.8	0.5	
<b>Templeton Global Bond</b>	<b>0.1 (15)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>4.4 (2)</b>	<b>03/01/2014</b>
Citigroup World Government Bond	-3.8	1.0	-0.1	-0.5	1.6	-1.7	
IM Global Fixed Income (MF) Median	-1.6	2.8	3.6	3.3	3.7	1.3	
<b>Vanguard Short Term Invst Grade Adm</b>	<b>-0.1 (48)</b>	<b>1.6 (4)</b>	<b>2.3 (6)</b>	<b>2.6 (13)</b>	<b>N/A</b>	<b>2.8 (9)</b>	<b>06/01/2010</b>
Barclays U.S. Credit 1-5 Year Index	-0.1	1.6	2.2	2.9	3.7	3.3	
IM U.S. Short Term Investment Grade (MF) Median	-0.1	0.7	1.0	1.6	2.0	1.7	
<b>Vanguard Short Term Inflation Protection</b>	<b>-1.4 (9)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-0.3 (88)</b>	<b>03/01/2014</b>
Barclays U.S. TIPS 0-5 Year	-1.4	0.4	0.2	0.6	2.2	-0.2	
IM U.S. TIPS (MF) Median	-2.2	2.8	1.0	1.0	3.9	0.6	

Returns for periods less than one year are not annualized.

^More information on custom indexes, which may be used in this report, can be found on the Custom Index Description page in the back of your report.

## Manager Performance Overview

### OPEB Plan

As of September 30, 2014

	QTR	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
<u>Domestic Equity</u>							
<b>Vanguard Total Stock Mkt Idx Instl</b>	<b>0.0 (30)</b>	<b>7.0 (25)</b>	<b>17.7 (25)</b>	<b>23.1 (32)</b>	<b>N/A</b>	<b>17.0 (16)</b>	<b>06/01/2010</b>
CRSP US Total Market Spliced Index^	0.0	7.0	17.8	23.1	15.8	17.0	
IM U.S. Multi-Cap Core Equity (MF) Median	-1.0	5.2	15.3	21.7	14.2	15.2	
<u>International Equity</u>							
<b>Vanguard Total International Stock</b>	<b>-5.5 (50)</b>	<b>0.0 (28)</b>	<b>4.9 (28)</b>	<b>N/A</b>	<b>N/A</b>	<b>9.3 (74)</b>	<b>05/01/2012</b>
FTSE Global All Cap ex US Spliced Index^	-5.3	0.4	5.2	12.0	5.9	9.2	
IM International Large Cap Core Equity (MF) Median	-5.6	-1.7	3.8	13.5	6.0	10.8	
<b>Europacific Growth R6</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-2.9 (20)</b>	<b>09/01/2014</b>
MSCI AC World ex USA (Net)	-5.3	0.0	4.8	11.8	6.0	-4.8	
IM International Large Cap Core Equity (MF) Median	-5.6	-1.7	3.8	13.5	6.0	-3.9	
<u>Real Estate</u>							
<b>Vanguard REIT Index</b>	<b>-3.1 (55)</b>	<b>14.0 (27)</b>	<b>13.2 (42)</b>	<b>16.6 (20)</b>	<b>N/A</b>	<b>13.3 (14)</b>	<b>06/01/2010</b>
MSCI U.S. REIT Index	-3.1	14.0	13.2	16.6	16.0	13.4	
IM Real Estate Sector (MF) Median	-3.1	13.3	12.9	15.8	15.1	12.5	

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Your performance may differ slightly if the fund was purchased during the previous month. Actual performance is captured at the total plan level.

Mutual fund performance stated above may differ slightly from the current share class's historical performance due to share class exchanges.

Peer group comparisons are calculated using the Fund's NET return versus the applicable peer group. Mutual Fund (MF) peer group comparisons are reported on a NET return basis. Separate Account and Commingled Fund (SA+CF) peer group comparisons are reported on a GROSS return basis.

Returns for periods less than one year are not annualized.

^More information on custom indexes, which may be used in this report, can be found on the Custom Index Description page in the back of your report.

## Manager Commentary

OPEB Plan

As of September 30, 2014

Manager	Status
<b>Fixed Income</b>	
Vanguard Int-Tm Inv;Adm (VFIDX)	Maintain
BlackRock:Str Inc Opp;I (BSIIX)	Maintain
Eaton Vance Flt Rt;Ins (EIBLX)	Maintain
Templeton Gl Bond;Adv (TGBAX)	Maintain
Vanguard Sh-Tm Inv;Adm (VFSUX)	Maintain
Vanguard ST InPS Idx;Adm (VTAPX)	Maintain
<b>Domestic Equity</b>	
Vanguard T StMk Idx;Sig (VTSSX)	Maintain
<b>International Equity</b>	
American Funds EuPc;R-6 (RERGX)	Maintain
Vanguard Tot I Stk;Sig (VTSGX)	Maintain
<b>Real Estate</b>	
Vanguard REIT Idx;Sig (VGRSX)	Maintain

## Manager Gain/Loss Summary

### OPEB Plan

	Market Value As of 07/01/2014	Net Flows	Return On Investment	Market Value As of 09/30/2014
<u>Short Term Liquidity</u>				
Wells Fargo Cash	32,312	-26,966	2	5,347
Webster Cash	593,626	-269,064	-273	324,289
<b>Total Short Term Liquidity</b>	<b>625,937</b>	<b>-296,030</b>	<b>-271</b>	<b>329,636</b>
<u>Fixed Income</u>				
Vanguard Inter-Term Investment-Grade	522,347	230,000	-1,104	751,243
Blackrock Strategic Income Opportunities Fund	108,410	143,000	-478	250,932
Eaton Vance Floating Rate	106,038	140,000	-1,006	245,032
Templeton Global Bond	111,081	140,000	-635	250,446
Vanguard Short Term Invst Grade Adm	209,389	35,000	-181	244,208
Vanguard Short Term Inflation Protection	212,863	35,000	-3,288	244,575
<b>Total Fixed Income</b>	<b>1,270,128</b>	<b>723,000</b>	<b>-6,692</b>	<b>1,986,436</b>
<u>Domestic Equity</u>				
Vanguard Total Stock Mkt Idx Instl	1,354,691	150,000	-2,095	1,502,597
<b>Total Domestic Equity</b>	<b>1,354,691</b>	<b>150,000</b>	<b>-2,095</b>	<b>1,502,597</b>
<u>International Equity</u>				
Vanguard Total International Stock	916,964	-398,000	-44,345	474,618
Europacific Growth R6	-	458,000	19,672	477,672
<b>Total International Equity</b>	<b>916,964</b>	<b>60,000</b>	<b>-24,673</b>	<b>952,290</b>
<u>Real Estate</u>				
Vanguard REIT Index	232,972	10,000	-7,948	235,024
<b>Total Real Estate</b>	<b>232,972</b>	<b>10,000</b>	<b>-7,948</b>	<b>235,024</b>
<b>Total OPEB Plan</b>	<b>4,400,692</b>	<b>646,970</b>	<b>-41,679</b>	<b>5,005,983</b>

## Market Values & Flow Summary

### OPEB Plan

Since Inception Ending September 30, 2014

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
Jun-2012	-	-	-	2,584,821	N/A
Sep-2012	2,584,821	52,505	108,286	2,745,613	4.4
Dec-2012	2,745,613	-28,346	48,881	2,766,147	1.8
Mar-2013	2,766,147	-42,296	122,759	2,846,610	4.5
Jun-2013	2,846,610	-112,997	-27,166	2,706,447	-0.8
Sep-2013	2,706,447	1,184,916	132,639	4,024,003	4.4
Dec-2013	4,024,003	48,525	138,167	4,210,695	3.4
Mar-2014	4,210,695	-38,329	92,501	4,264,867	2.1
Jun-2014	4,264,867	-7,625	143,450	4,400,692	3.4
Sep-2014	4,400,692	646,970	-41,679	5,005,983	-0.9

Net cash flows excluding investment management fees paid may differ from gross cash flow figures shown elsewhere in this report.

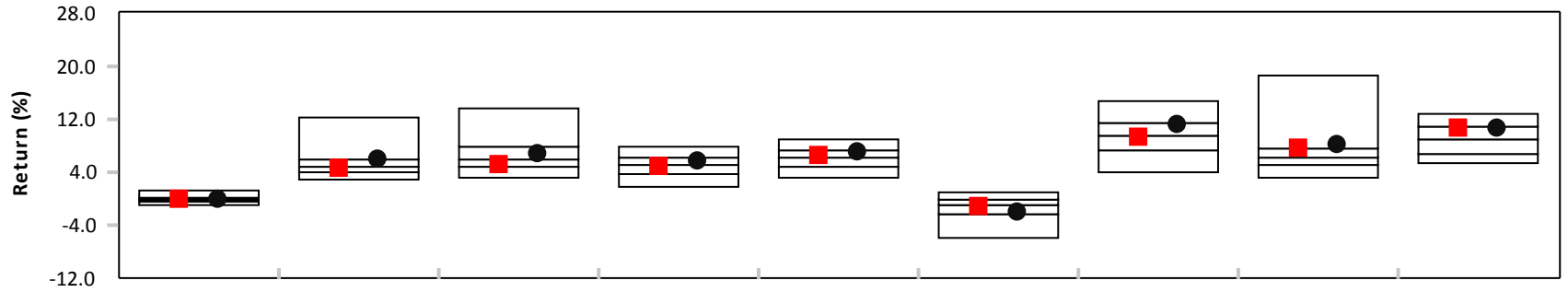


# Manager Evaluation

Vanguard Int-Tm Inv;Adm

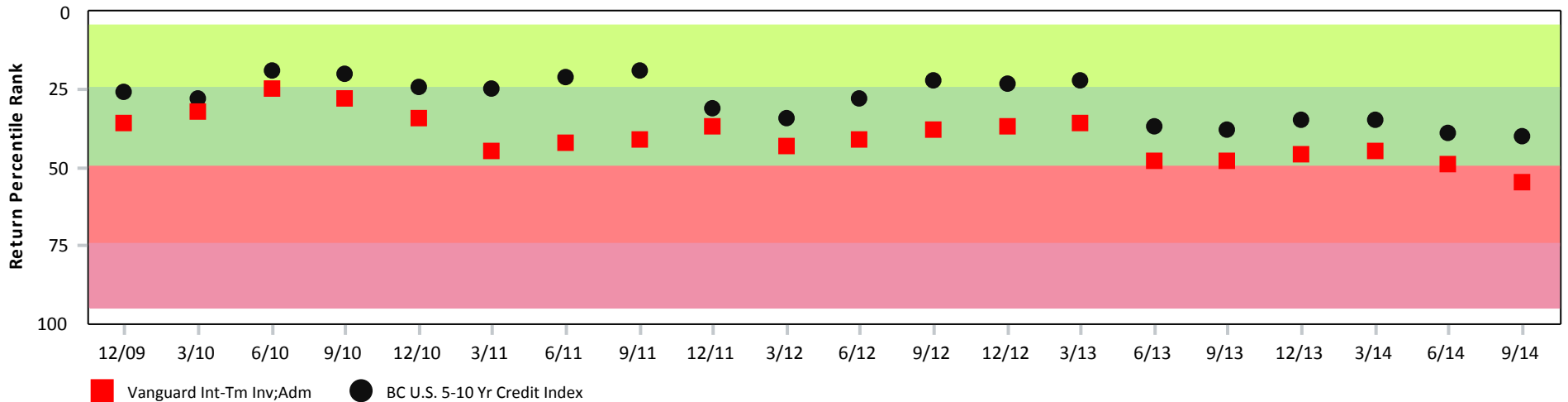
As of September 30, 2014

## Peer Group Analysis vs. IM U.S. Corporate Bonds (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
■ Vanguard Int-Tm Inv;Adm	0.0 (34)	4.6 (58)	5.1 (67)	4.7 (55)	6.4 (43)	-1.3 (58)	9.2 (52)	7.6 (26)	10.6 (28)
● BC U.S. 5-10 Yr Credit Index	-0.2 (46)	5.8 (31)	6.7 (41)	5.5 (40)	7.0 (35)	-2.0 (72)	11.3 (29)	8.2 (23)	10.5 (29)
5th Percentile	1.3	12.4	13.7	7.7	9.0	1.0	14.9	18.6	12.7
1st Quartile	0.1	6.1	7.8	6.3	7.3	-0.2	11.5	7.7	10.8
Median	-0.2	4.8	6.0	5.1	6.1	-0.9	9.4	6.2	8.9
3rd Quartile	-0.5	4.0	4.7	3.7	4.8	-2.3	7.3	5.2	6.8
95th Percentile	-0.9	3.0	3.0	1.7	3.2	-6.0	3.9	3.3	5.4

## 3 Year Rolling Percentile Ranking vs. IM U.S. Corporate Bonds (MF)

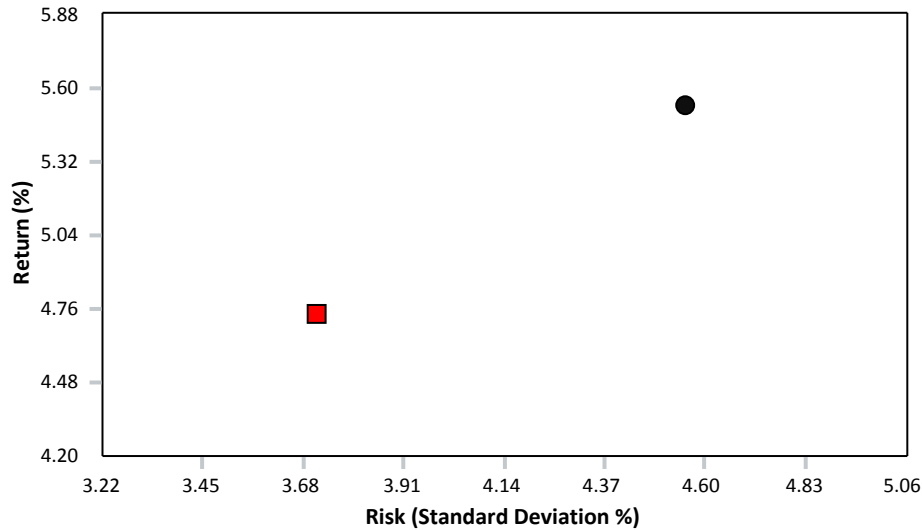


Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

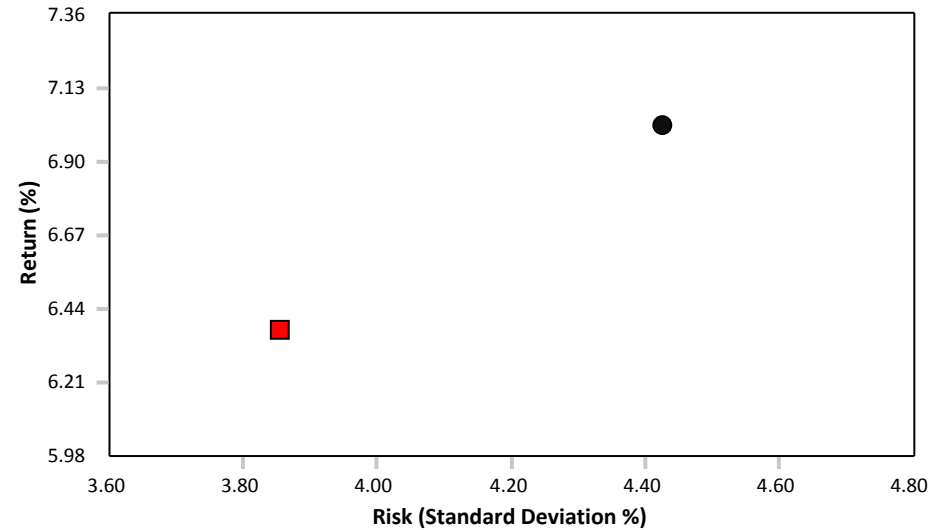
Vanguard Int-Tm Inv;Adm  
As of September 30, 2014

## 3 Year Risk and Return



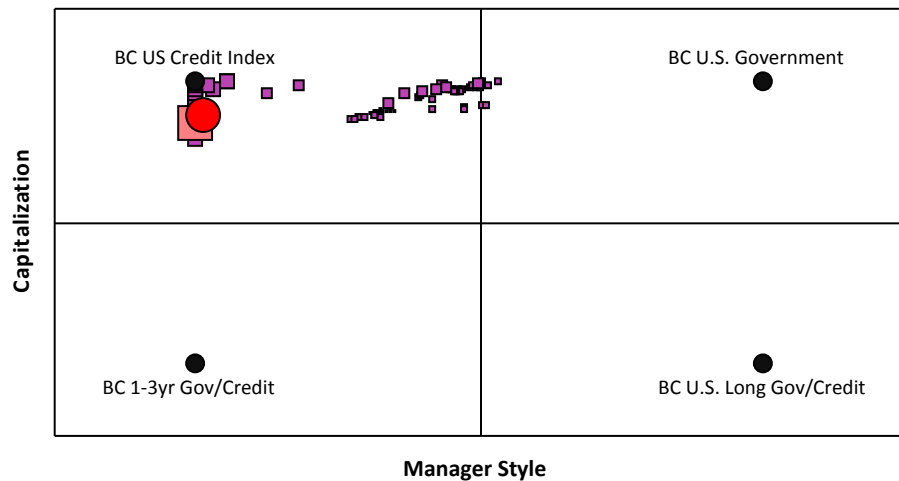
■ Vanguard Int-Tm Inv;Adm    ● BC U.S. 5-10 Yr Credit Index

## 5 Year Risk and Return



■ Vanguard Int-Tm Inv;Adm    ● BC U.S. 5-10 Yr Credit Index

## Style Map - 3 Years



■ Style History    ■ Sep-2014    ● Average Style Exposure

## MPT Statistics vs. BC U.S. 5-10 Yr Credit Index

	3 Years	5 Years
Return	4.7	6.4
Standard Deviation	3.7	3.9
vs. BC U.S. 5-10 Yr Credit Index		
Alpha	0.3	0.4
Beta	0.8	0.9
R-Squared	1.0	1.0
Consistency	38.9	40.0
Up Market Capture	82.0	87.8
Down Market Capture	77.4	82.1
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	1.3	1.6

Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Int-Tm Inv;Adm

As of September 30, 2014

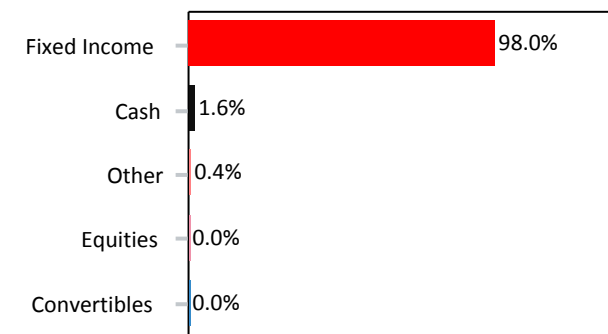
### Mutual Fund Information

Fund Name :	Vanguard Fixed Income Securities Funds: Vanguard Intermediate-Term Investment-Grade Fund; Admiral Shares	Portfolio Assets :	\$18,105 Million
Fund Family :	Vanguard Group Inc	Fund Assets :	\$15,185 Million
Ticker :	VFIDX	Portfolio Manager :	Auwaerter/Nassour
Inception Date :	02/12/2001	PM Tenure :	2001--2008
Portfolio Turnover :	100%		

### Fund Investment Policy

The Fund seeks to provide a high level of income consistent with the maintenance of principal and liquidity by investing primarily in investment grade corporate bonds with expected average maturities of 5-10 years.

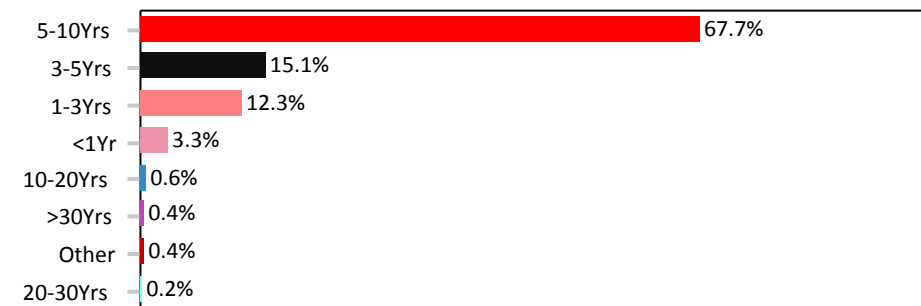
### Asset Allocation as of 09/30/14      Top 10 Securities as of 09/30/14      Fixed Income Characteristics as of 09/30/14



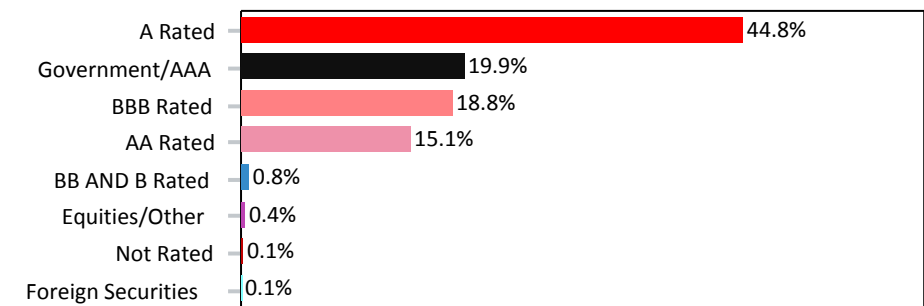
Corporate Notes/Bonds	78.2 %
Treasury Notes/Bonds	7.3 %
Asset Backed Securities	6.1 %
GNMA and Other Mtg Backed	4.6 %
US\$ Denominated Fgn. Gvt.	1.6 %
Government Agency Securities	0.1 %
Fgn. Currency Denominated Bonds	0.1 %

Avg. Coupon	3.76 %
Nominal Maturity	N/A
Effective Maturity	6.43 Years
Duration	5.24 Years
SEC 30 Day Yield	3.4
Avg. Credit Quality	A

### Maturity Distribution as of 09/30/14



### Quality Allocation as of 09/30/14

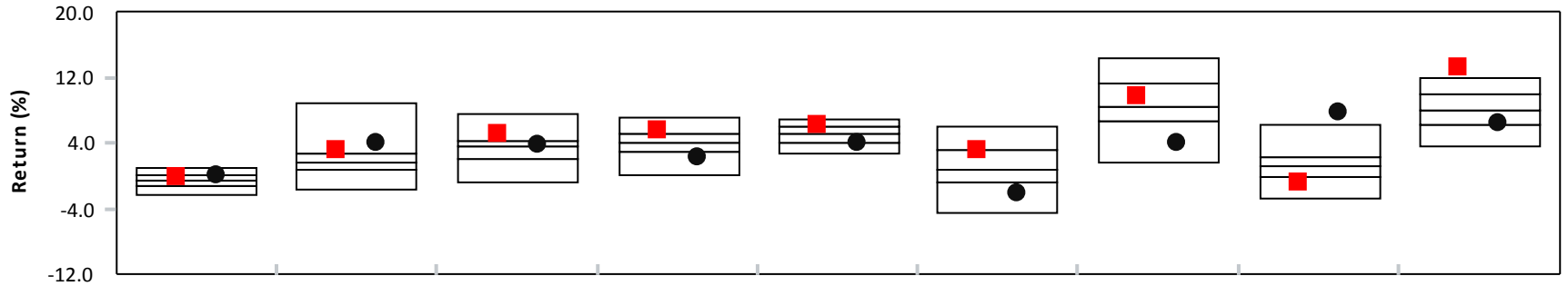


Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

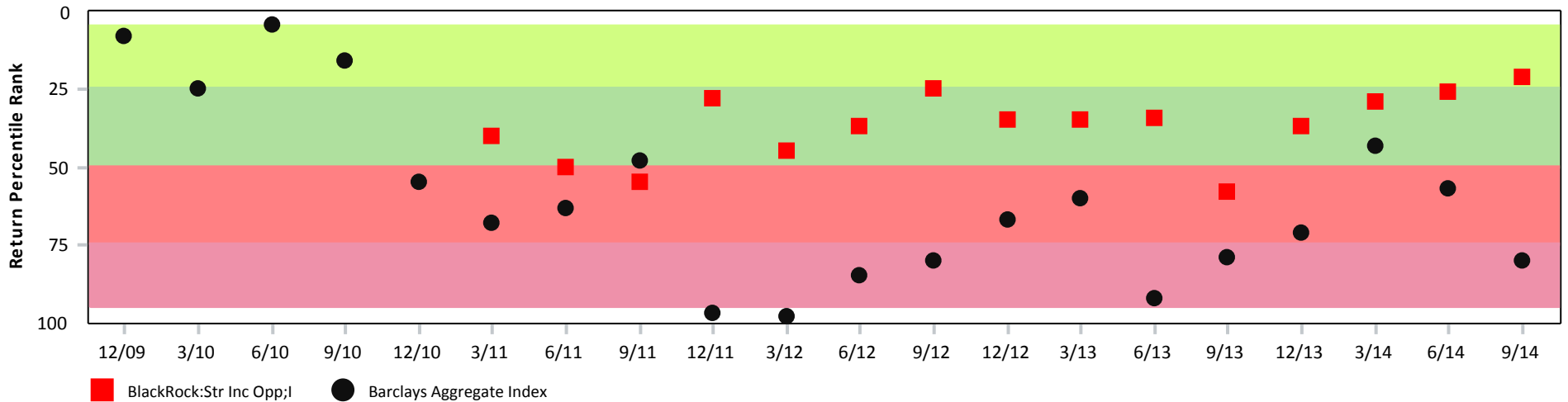
**BlackRock:Str Inc Opp;l**  
As of September 30, 2014

## Peer Group Analysis vs. IM Alternative Credit Focus (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
■ BlackRock:Str Inc Opp;l	-0.1 (34)	3.2 (19)	5.3 (14)	5.6 (21)	6.4 (16)	3.3 (26)	9.9 (36)	-0.7 (85)	13.4 (1)
● Barclays Aggregate Index	0.2 (23)	4.1 (12)	4.0 (37)	2.4 (80)	4.1 (70)	-2.0 (92)	4.2 (88)	7.8 (1)	6.5 (74)
5th Percentile	1.0	9.0	7.7	7.2	6.9	6.1	14.4	6.2	12.1
1st Quartile	0.1	2.9	4.4	5.3	6.1	3.3	11.3	2.4	10.2
Median	-0.5	1.8	3.6	4.1	5.2	0.9	8.6	1.3	8.1
3rd Quartile	-1.1	0.8	2.2	2.9	4.1	-0.7	6.8	-0.1	6.3
95th Percentile	-2.2	-1.7	-0.6	0.0	2.8	-4.6	1.7	-2.7	3.6

## 3 Year Rolling Percentile Ranking vs. IM Alternative Credit Focus (MF)

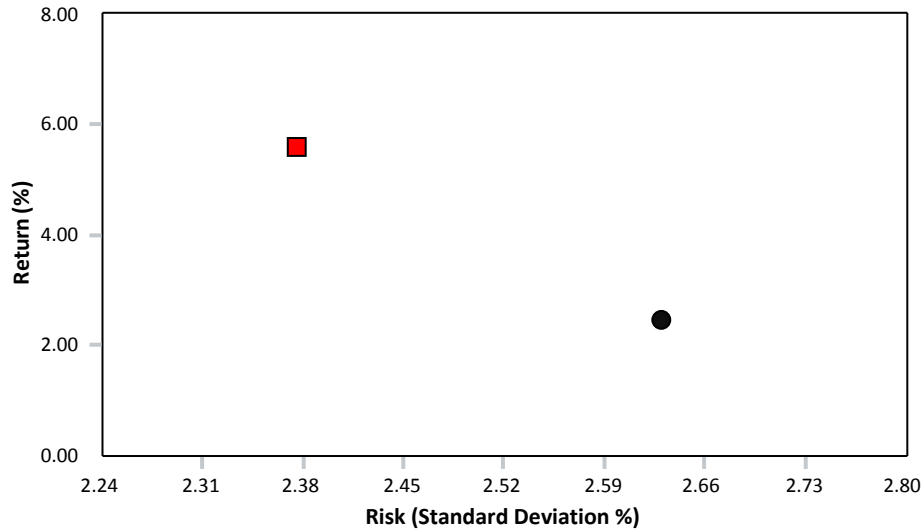


Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

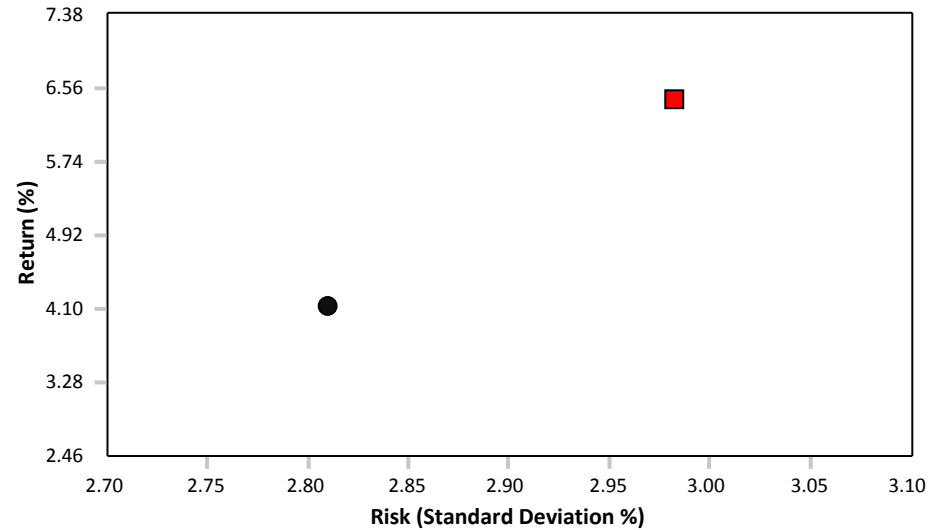
**BlackRock:Str Inc Opp;l**  
As of September 30, 2014

## 3 Year Risk and Return



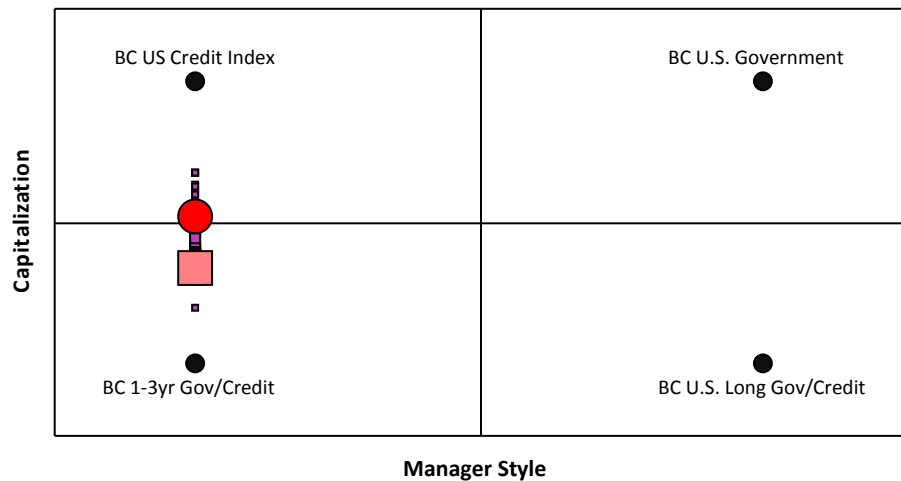
■ BlackRock:Str Inc Opp;l    ● Barclays Aggregate Index

## 5 Year Risk and Return



■ BlackRock:Str Inc Opp;l    ● Barclays Aggregate Index

## Style Map - 3 Years



■ Style History    ■ Sep-2014    ● Average Style Exposure

## MPT Statistics vs. Barclays Aggregate Index

	3 Years	5 Years
Return	5.6	6.4
Standard Deviation	2.4	3.0
vs. Barclays Aggregate Index		
Alpha	4.6	4.9
Beta	0.4	0.4
R-Squared	0.2	0.1
Consistency	63.9	60.0
Up Market Capture	103.6	93.5
Down Market Capture	-15.8	-18.5
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	2.3	2.1

Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## BlackRock:Str Inc Opp;I

As of September 30, 2014

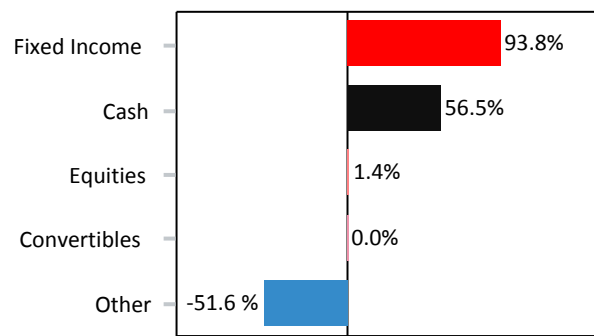
### Mutual Fund Information

Fund Name :	BlackRock Funds II: BlackRock Strategic Income Opportunities Portfolio; Institutional Shares	Portfolio Assets :	\$20,530 Million
Fund Family :	BlackRock Inc	Fund Assets :	\$15,687 Million
Ticker :	BSIIX	Portfolio Manager :	Rieder/Miller
Inception Date :	02/05/2008	PM Tenure :	2010--2011
Portfolio Turnover :	1,413%		

### Fund Investment Policy

The Fund seeks total return as is consistent with the preservation of capital. The Fund will invest opportunistically across the spectrum of fixed income sectors and securities. Allocations to all sectors are unconstrained and the fund may invest in non-investment-grade, non-dollar-denominated and emerging markets.

### Asset Allocation as of 09/30/14



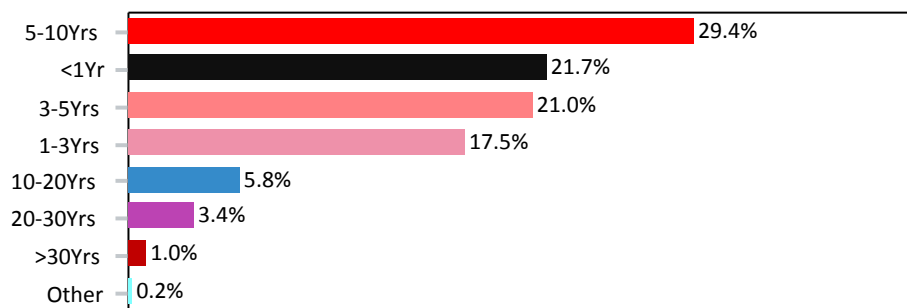
### Top 10 Securities as of 09/30/14

BlackRock Liquidity TempFund;Institutional	2.0 %
Citigroup Capital XIII PFD	0.3 %
American Capital Agency Corp	0.2 %
Two Harbors Investment Corp	0.1 %
Delta Air Lines Inc ORD	0.1 %
Allstate Corp DR	0.1 %
United Continental Holdings Inc ORD	0.1 %
Capital One Financial Corp DR	0.1 %
Comcast Corp ORD	0.1 %
Verizon Communications Inc ORD	0.1 %

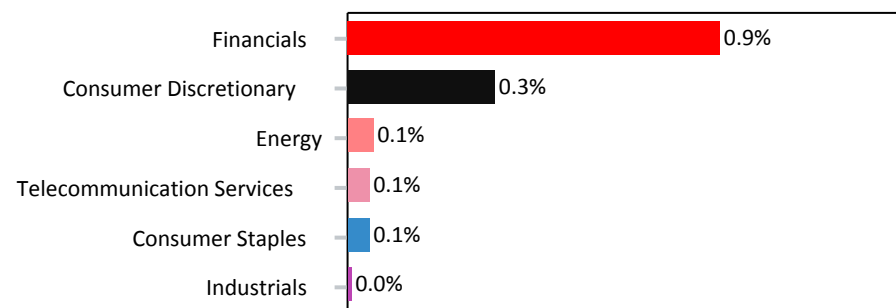
### Fixed Income Characteristics as of 09/30/14

Avg. Coupon	N/A
Nominal Maturity	N/A
Effective Maturity	6.10 Years
Duration	1.40 Years
SEC 30 Day Yield	4.4
Avg. Credit Quality	A

### Maturity Distribution as of 09/30/14



### Quality Allocation as of 09/30/14

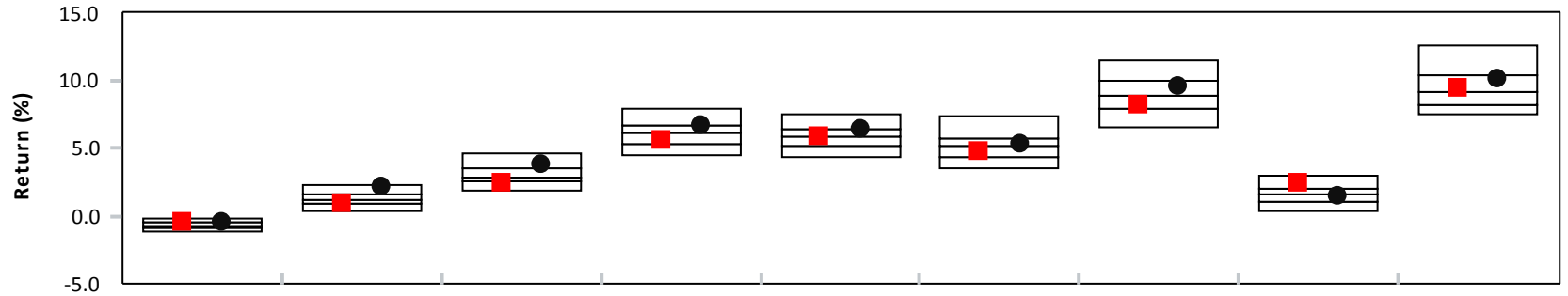


Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

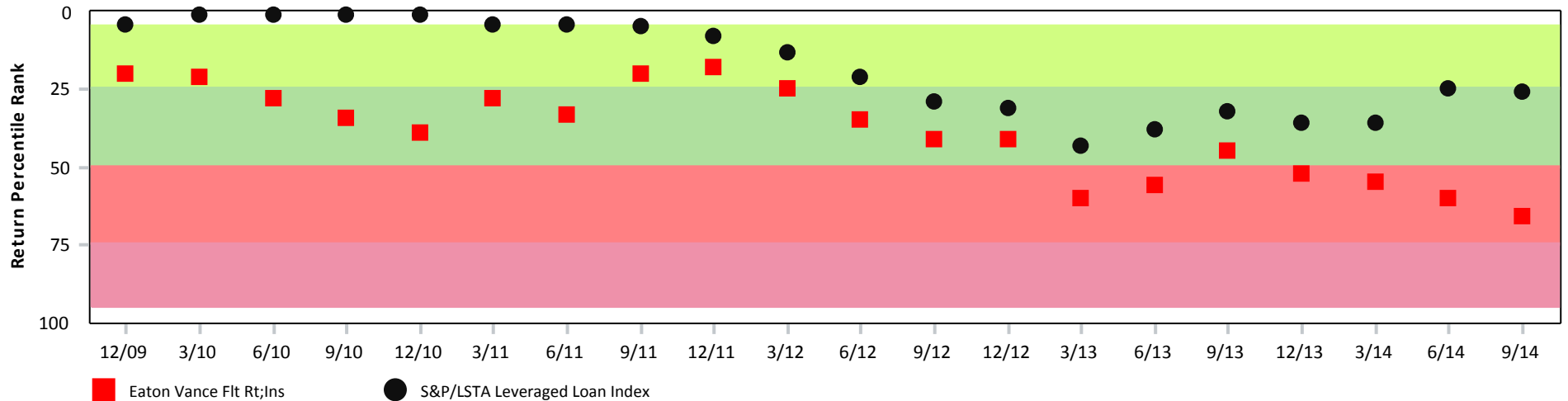
Eaton Vance Flt Rt;Ins  
As of September 30, 2014

## Peer Group Analysis vs. IM U.S. Bank Loans (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
■ Eaton Vance Flt Rt;Ins	-0.5 (25)	0.9 (78)	2.5 (79)	5.6 (66)	5.9 (49)	4.8 (62)	8.3 (67)	2.4 (15)	9.6 (44)
● S&P/LSTA Leveraged Loan Index	-0.5 (24)	2.1 (10)	3.8 (15)	6.7 (26)	6.5 (26)	5.3 (44)	9.7 (31)	1.5 (52)	10.2 (33)
5th Percentile	-0.1	2.3	4.6	7.9	7.5	7.5	11.5	3.0	12.6
1st Quartile	-0.5	1.6	3.5	6.7	6.5	5.8	10.1	2.1	10.4
Median	-0.7	1.2	2.9	6.2	5.8	5.2	8.9	1.6	9.2
3rd Quartile	-0.8	0.9	2.5	5.4	5.2	4.3	7.9	1.1	8.3
95th Percentile	-1.1	0.4	1.9	4.6	4.4	3.6	6.6	0.4	7.5

## 3 Year Rolling Percentile Ranking vs. IM U.S. Bank Loans (MF)

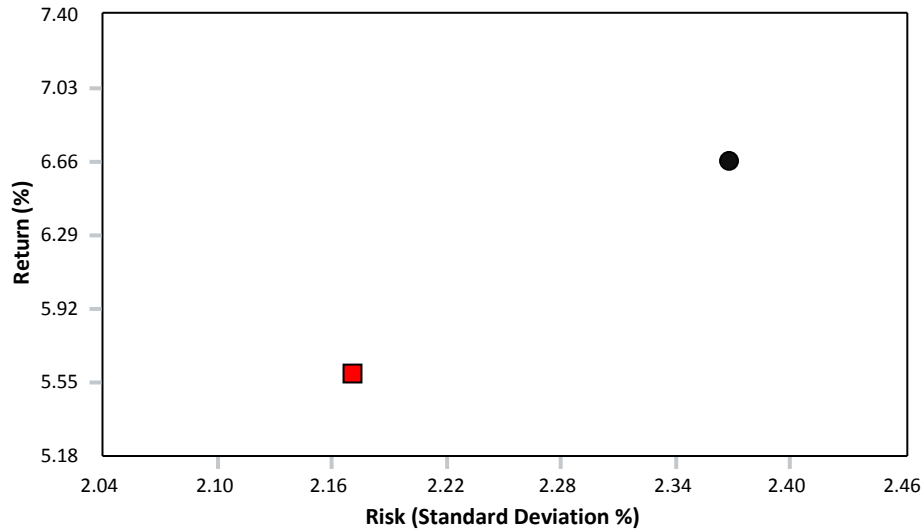


Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

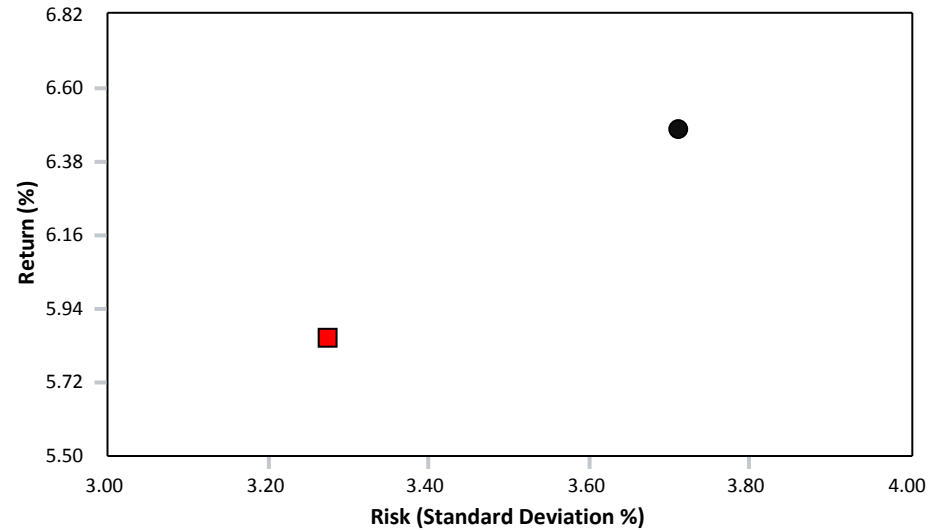
Eaton Vance Flt Rt;Ins  
As of September 30, 2014

## 3 Year Risk and Return



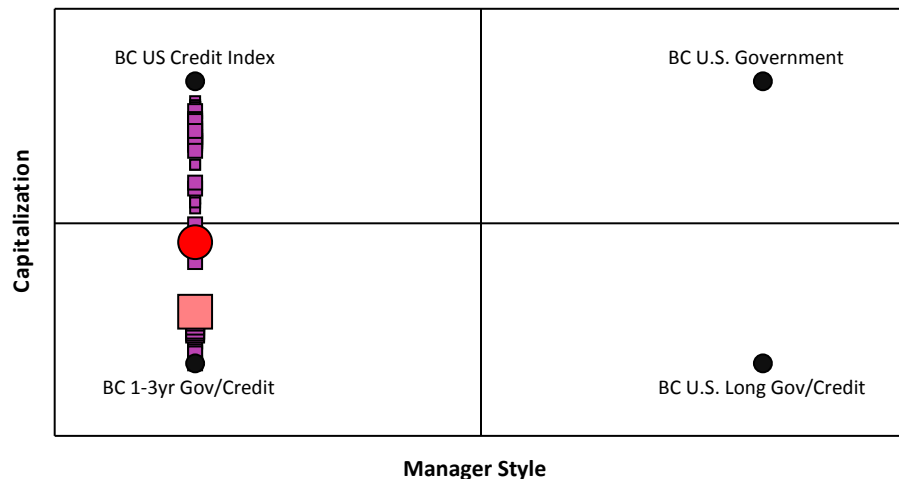
■ Eaton Vance Flt Rt;Ins      ● S&P/LSTA Leveraged Loan Index

## 5 Year Risk and Return



■ Eaton Vance Flt Rt;Ins      ● S&P/LSTA Leveraged Loan Index

## Style Map - 3 Years



■ Style History      ■ Sep-2014      ● Average Style Exposure

## MPT Statistics vs. S&P/LSTA Leveraged Loan Index

	3 Years	5 Years
Return	5.6	5.9
Standard Deviation	2.2	3.3
vs. S&P/LSTA Leveraged Loan Index		
Alpha	-0.4	0.2
Beta	0.9	0.9
R-Squared	1.0	1.0
Consistency	33.3	38.3
Up Market Capture	85.7	89.3
Down Market Capture	96.0	85.5
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	2.5	1.7

Mutual fund data sourced from Lipper Analytical Services.



# Manager Evaluation

## Eaton Vance Flt Rt;Ins

As of September 30, 2014

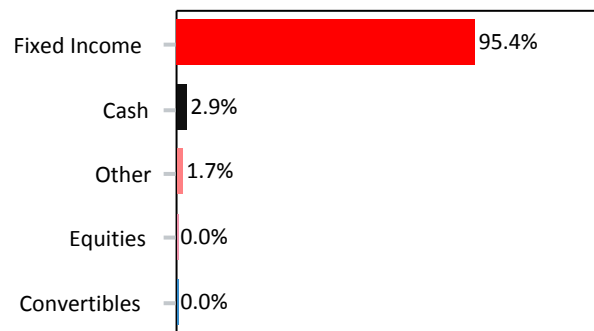
### Mutual Fund Information

Fund Name :	Eaton Vance Mutual Funds Trust: Eaton Vance Floating-Rate Fund; Institutional Shares	Portfolio Assets :	\$12,288 Million
Fund Family :	Eaton Vance Management	Fund Assets :	\$8,740 Million
Ticker :	EIBLX	Portfolio Manager :	Page/Russ
Inception Date :	01/30/2001	PM Tenure :	2001--2007
Portfolio Turnover :	32%		

### Fund Investment Policy

The Fund seeks to provide a high level of current income. To do so, the Fund invests primarily in senior secured floating rate loans and high yield, high risk corporate bonds. The Fund invests at least 65% of its assets in debt obligations issued in connection with corporations who are restructuring.

### Asset Allocation as of 09/30/14



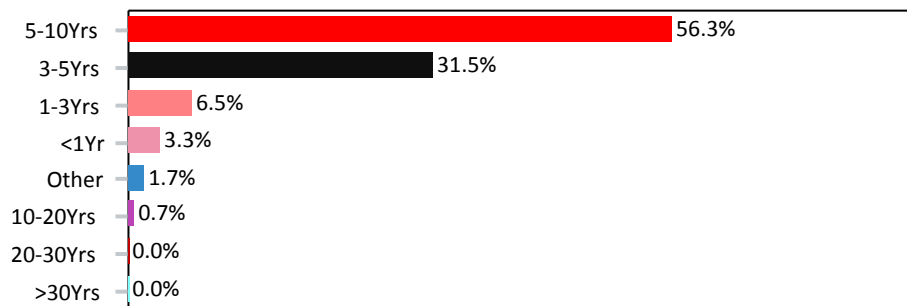
### Top 10 Securities as of 09/30/14

Corporate Notes/Bonds	95.4 %
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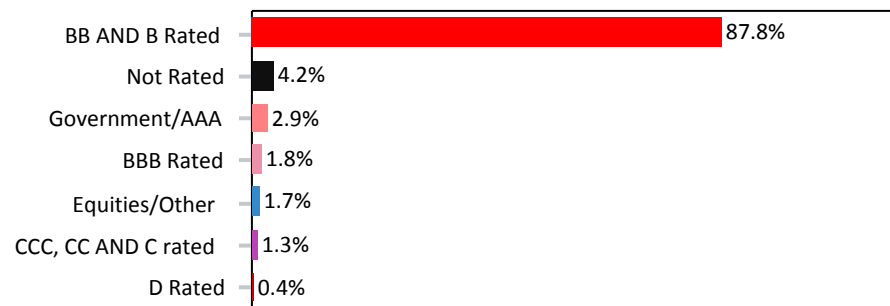
### Fixed Income Characteristics as of 09/30/14

Avg. Coupon	4.36 %
Nominal Maturity	5.11 Years
Effective Maturity	N/A
Duration	0.17 Years
SEC 30 Day Yield	3.8
Avg. Credit Quality	BB

### Maturity Distribution as of 09/30/14



### Quality Allocation as of 09/30/14



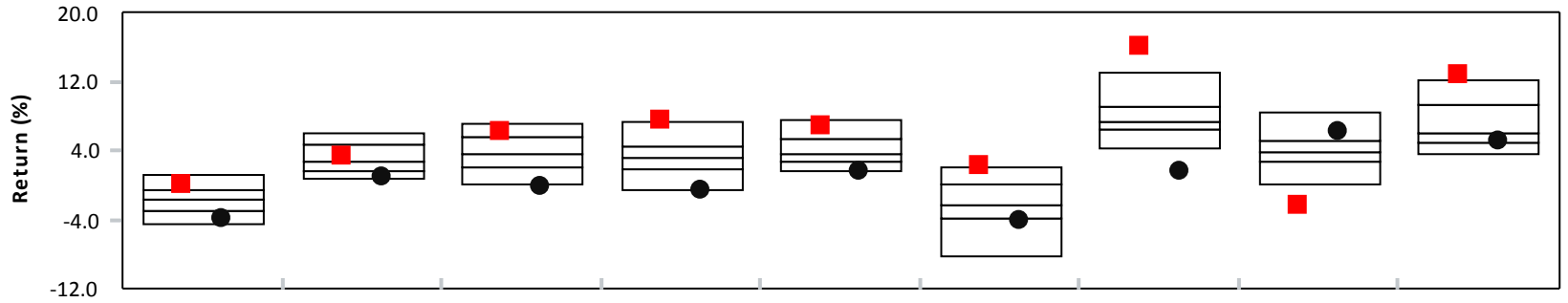
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Templeton Global Bond Adv

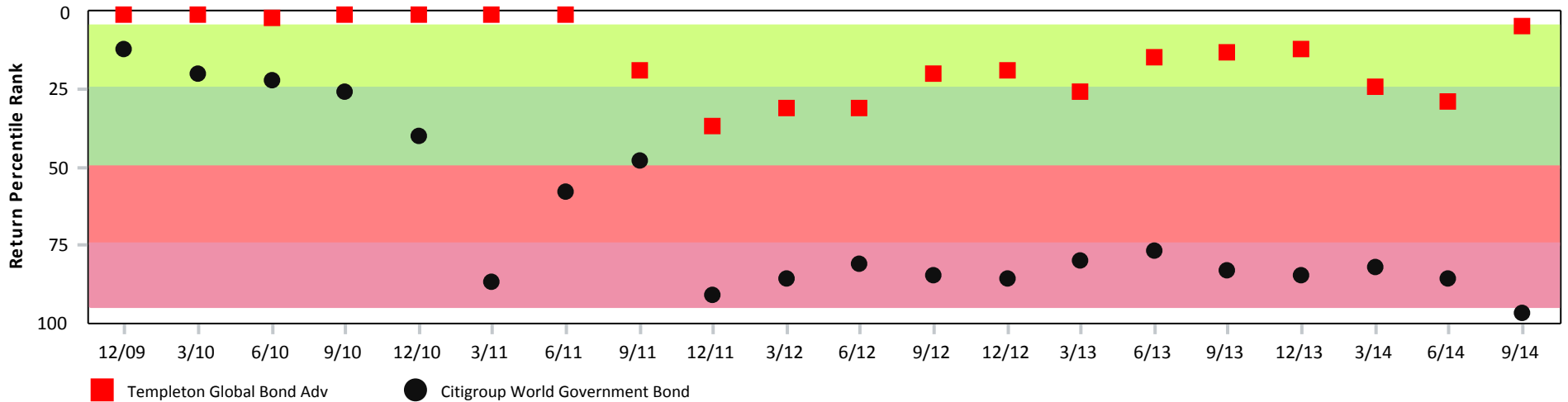
As of September 30, 2014

### Peer Group Analysis vs. IM Global Fixed Income (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
■ Templeton Global Bond Adv	0.1 (15)	3.5 (39)	6.3 (13)	7.6 (5)	6.9 (10)	2.4 (5)	16.2 (3)	-2.2 (98)	13.0 (4)
● Citigroup World Government Bond	-3.8 (91)	1.0 (93)	-0.1 (97)	-0.5 (97)	1.6 (96)	-4.0 (80)	1.6 (100)	6.4 (17)	5.2 (68)
5th Percentile	1.3	6.0	7.3	7.3	7.7	2.0	13.2	8.5	12.3
1st Quartile	-0.5	4.8	5.6	4.5	5.4	0.2	9.2	5.2	9.3
Median	-1.6	2.8	3.6	3.3	3.7	-2.4	7.4	3.9	6.2
3rd Quartile	-2.9	1.8	2.1	1.9	2.8	-3.7	6.5	2.8	5.0
95th Percentile	-4.4	0.8	0.1	-0.5	1.7	-8.2	4.4	0.2	3.6

### 3 Year Rolling Percentile Ranking vs. IM Global Fixed Income (MF)



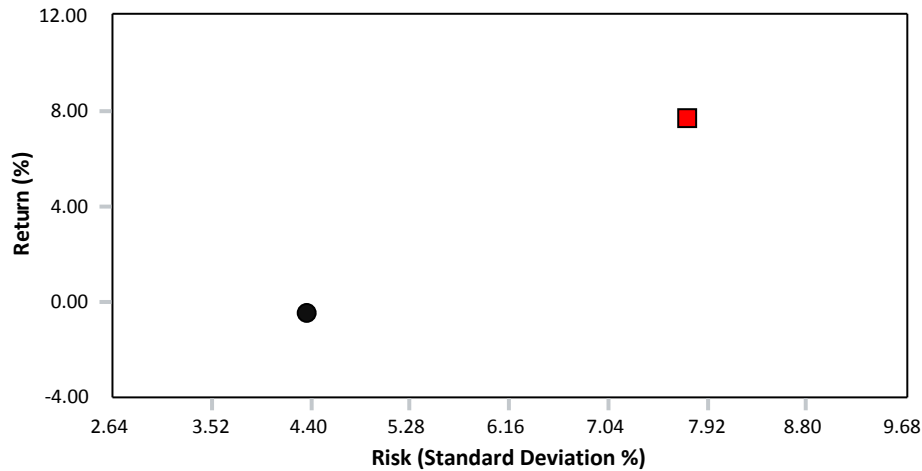
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Templeton Global Bond Adv

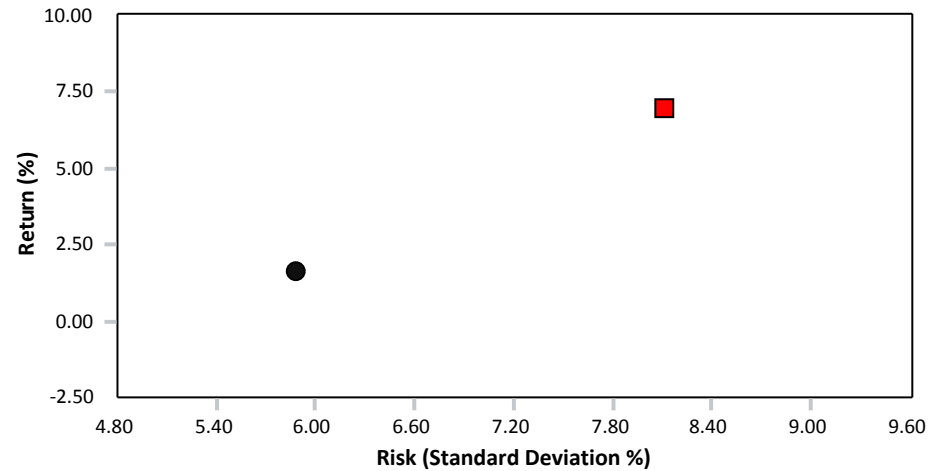
As of September 30, 2014

### 3 Year Risk and Return



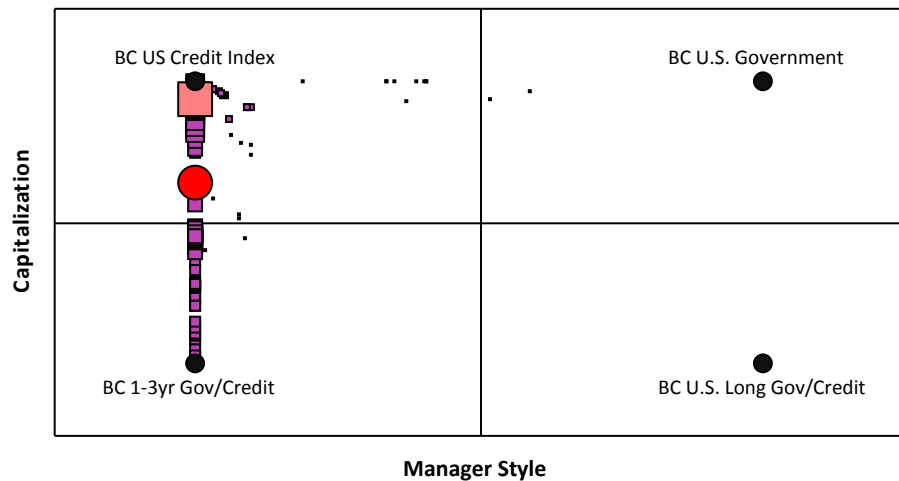
- Templeton Global Bond Adv
- Citigroup World Government Bond

### 5 Year Risk and Return



- Templeton Global Bond Adv
- Citigroup World Government Bond

### Style Map - 3 Years



- Style History
- Sep-2014
- Average Style Exposure

### MPT Statistics vs. Citigroup World Government Bond

	3 Years	5 Years
Return	7.6	6.9
Standard Deviation	7.7	8.1
vs. Citigroup World Government Bond		
Alpha	8.3	6.3
Beta	0.7	0.5
R-Squared	0.2	0.1
Consistency	69.4	61.7
Up Market Capture	163.5	113.1
Down Market Capture	34.6	39.3
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	1.0	0.9

Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Templeton Global Bond Adv

As of September 30, 2014

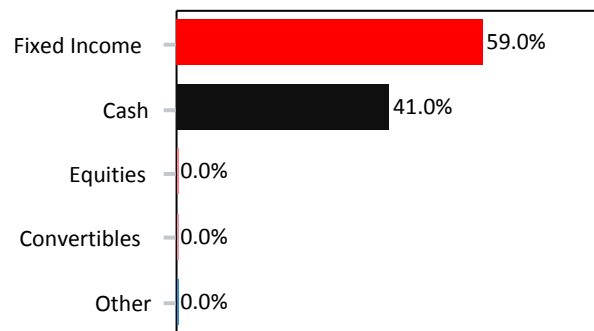
### Mutual Fund Information

Fund Name :	Templeton Income Trust: Templeton Global Bond Fund; Advisor Class Shares	Portfolio Assets :	\$73,129 Million
Fund Family :	Franklin Templeton Investments	Fund Assets :	\$38,726 Million
Ticker :	TGBAX	Portfolio Manager :	Hasenstab/Desai
Inception Date :	01/02/1997	PM Tenure :	2001--2011
Portfolio Turnover :	42%		

### Fund Investment Policy

The Fund seeks current income with capital appreciation and growth of income by investing at least 80% of its net assets in "bonds." In addition, the Fund's assets will be invested in issuers located in at least three countries including the U.S.

### Asset Allocation as of 09/30/14



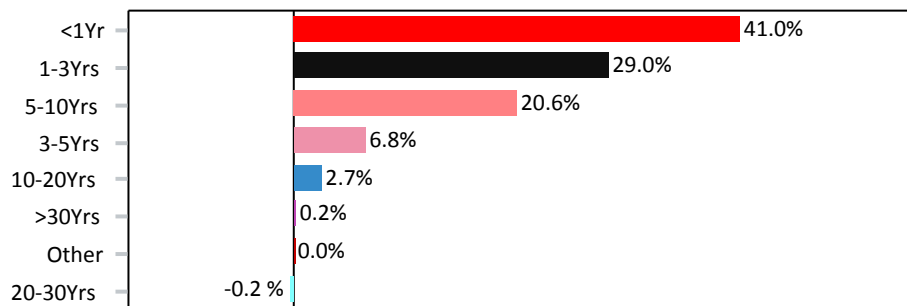
### Top 10 Securities as of 09/30/14

Fgn. Currency Denominated Bonds 84.0 %

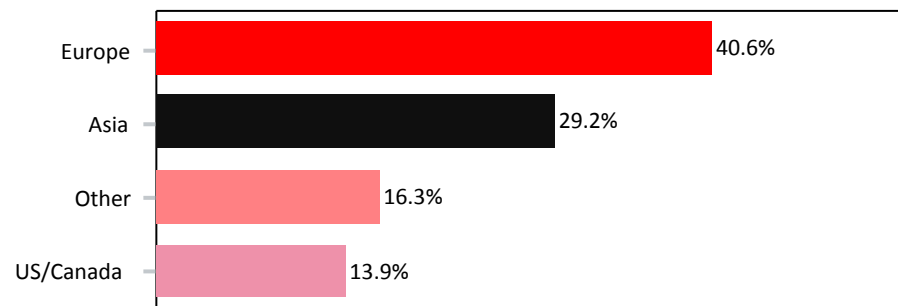
### Fixed Income Characteristics as of 09/30/14

Avg. Coupon	N/A
Nominal Maturity	N/A
Effective Maturity	2.59 Years
Duration	1.65 Years
SEC 30 Day Yield	3.9
Avg. Credit Quality	N/A

### Maturity Distribution as of 09/30/14



### Quality Allocation as of 09/30/14



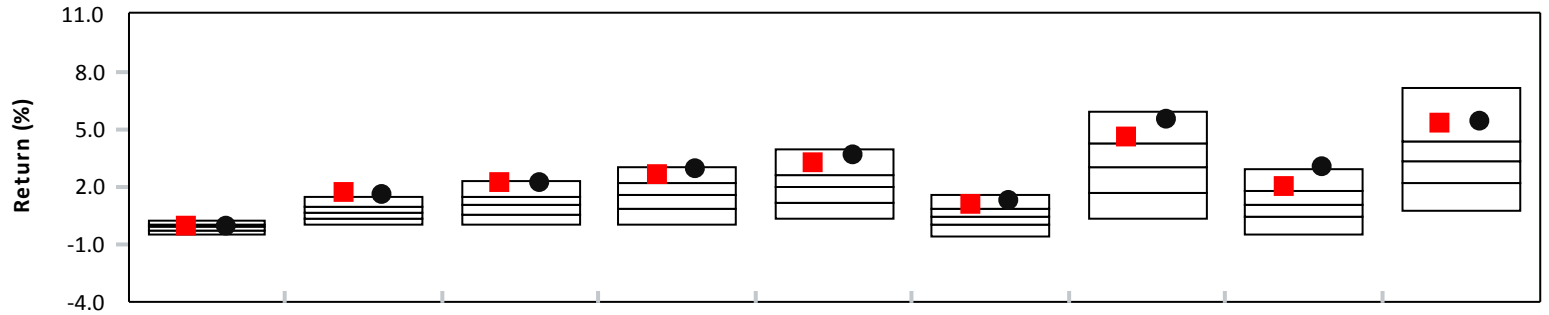
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Short-Term Investment-Grade Adm

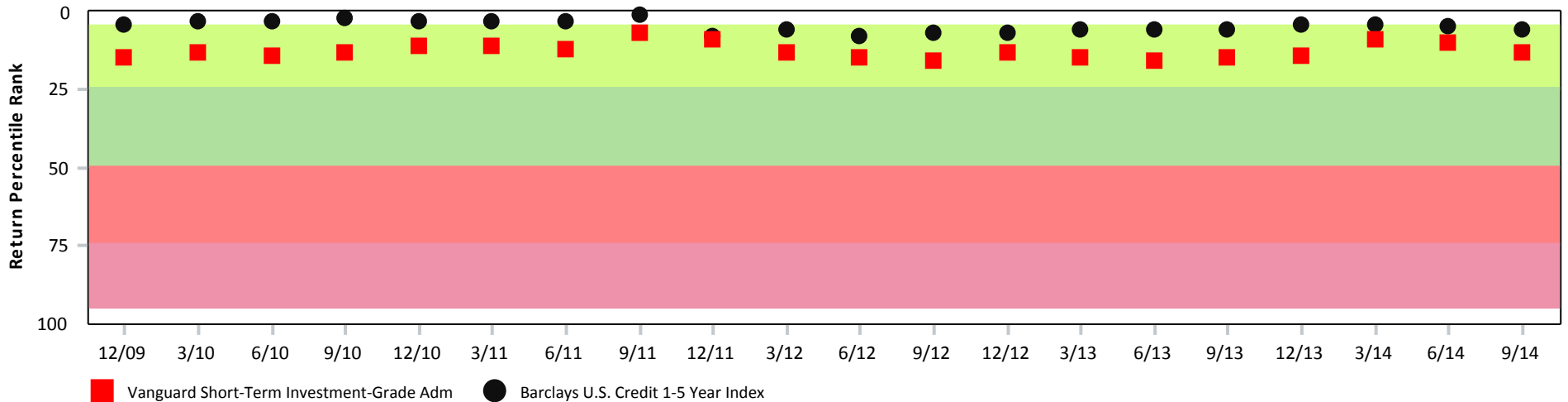
As of September 30, 2014

### Peer Group Analysis vs. IM U.S. Short Term Investment Grade (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
■ Vanguard Short-Term Investment-Grade Adm	-0.1 (48)	1.6 (4)	2.3 (6)	2.6 (13)	3.2 (13)	1.1 (21)	4.6 (18)	2.0 (17)	5.3 (13)
● Barclays U.S. Credit 1-5 Year Index	-0.1 (52)	1.6 (4)	2.2 (6)	2.9 (6)	3.7 (7)	1.2 (15)	5.5 (9)	3.0 (5)	5.4 (11)
5th Percentile	0.2	1.5	2.3	3.0	4.0	1.6	5.9	2.9	7.2
1st Quartile	0.1	1.0	1.5	2.2	2.7	0.9	4.3	1.7	4.4
Median	-0.1	0.7	1.0	1.6	2.0	0.4	3.0	1.1	3.4
3rd Quartile	-0.2	0.4	0.5	0.9	1.2	0.0	1.7	0.4	2.2
95th Percentile	-0.5	0.0	0.0	0.1	0.3	-0.6	0.4	-0.5	0.7

### 3 Year Rolling Percentile Ranking vs. IM U.S. Short Term Investment Grade (MF)



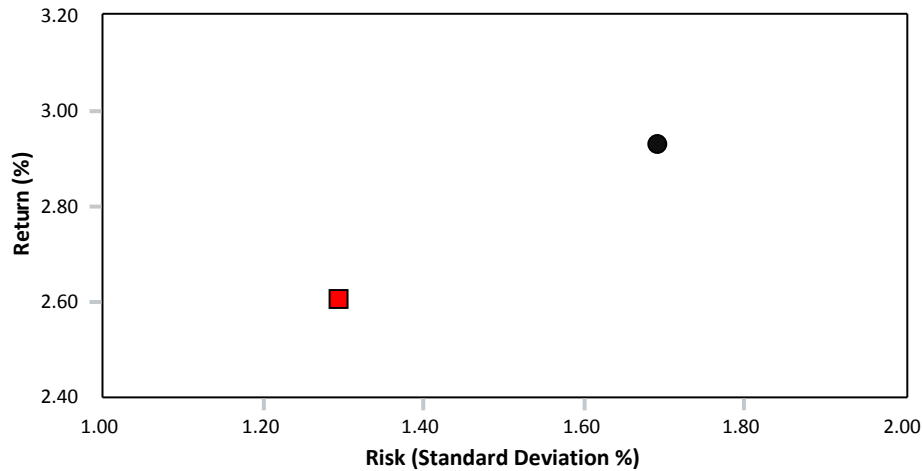
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Short-Term Investment-Grade Adm

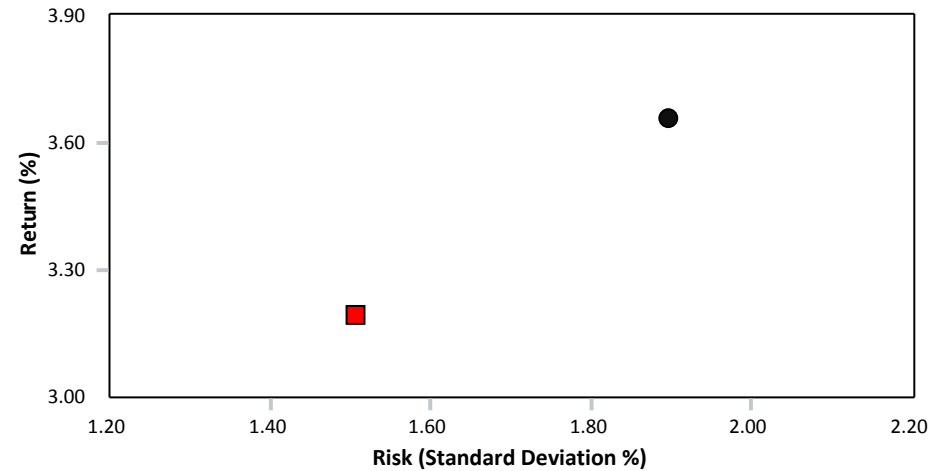
As of September 30, 2014

### 3 Year Risk and Return



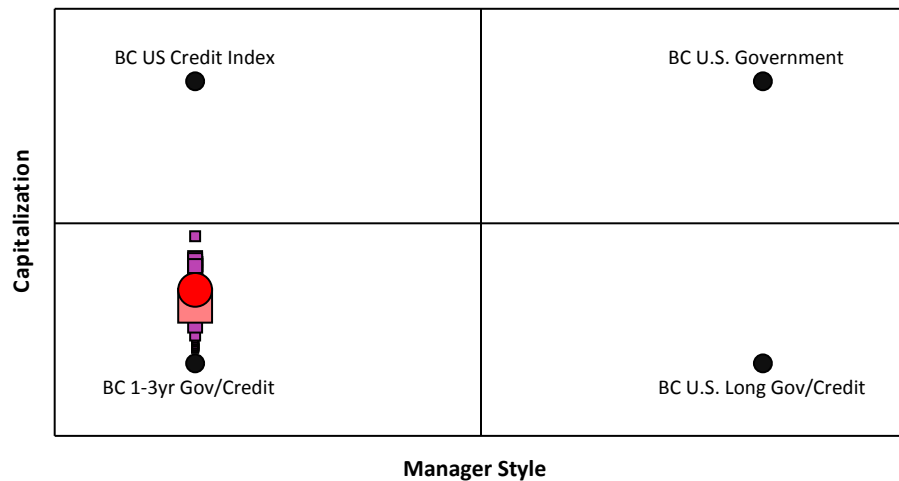
- Vanguard Short-Term Investment-Grade Adm
- Barclays U.S. Credit 1-5 Year Index

### 5 Year Risk and Return



- Vanguard Short-Term Investment-Grade Adm
- Barclays U.S. Credit 1-5 Year Index

### Style Map - 3 Years



### MPT Statistics vs. Barclays U.S. Credit 1-5 Year Index

	3 Years	5 Years
Return	2.6	3.2
Standard Deviation	1.3	1.5
vs. Barclays U.S. Credit 1-5 Year Index		
Alpha	0.4	0.4
Beta	0.8	0.8
R-Squared	1.0	0.9
Consistency	41.7	36.7
Up Market Capture	82.3	83.4
Down Market Capture	67.1	72.4
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	2.0	2.0

Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Short-Term Investment-Grade Adm

As of September 30, 2014

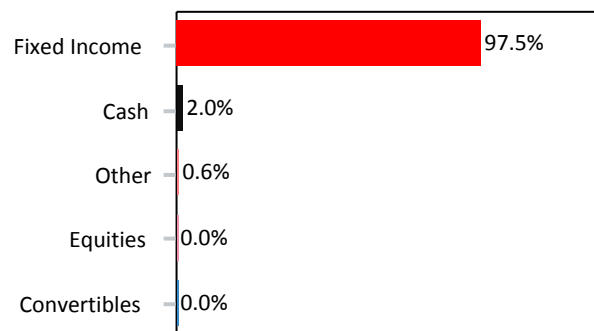
### Mutual Fund Information

Fund Name :	Vanguard Fixed Income Securities Funds: Vanguard Short-Term Investment-Grade Fund; Admiral Shares	Portfolio Assets :	\$51,326 Million
Fund Family :	Vanguard Group Inc	Fund Assets :	\$32,395 Million
Ticker :	VFSUX	Portfolio Manager :	Auwaerter/Nassour
Inception Date :	02/12/2001	PM Tenure :	2001--2008
Portfolio Turnover :	122%		

### Fund Investment Policy

The Fund seeks a high level of current income and capital appreciation by investing primarily in investment-grade fixed income securities that have an average maturity of one to three years.

### Asset Allocation as of 09/30/14



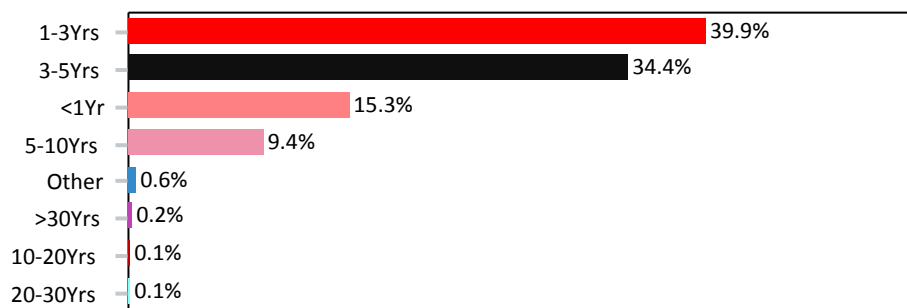
### Top 10 Securities as of 09/30/14

Corporate Notes/Bonds	65.9 %
Asset Backed Securities	10.1 %
Treasury Notes/Bonds	8.8 %
GNMA and Other Mtg Backed	8.2 %
US\$ Denominated Fgn. Gvt.	4.3 %
Fgn. Currency Denominated Bonds	0.7 %
Government Agency Securities	0.1 %

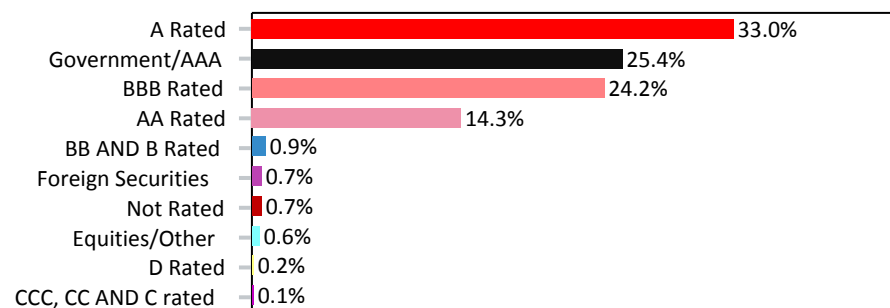
### Fixed Income Characteristics as of 09/30/14

Avg. Coupon	3.29 %
Nominal Maturity	N/A
Effective Maturity	3.12 Years
Duration	2.39 Years
SEC 30 Day Yield	2.0
Avg. Credit Quality	A

### Maturity Distribution as of 09/30/14



### Quality Allocation as of 09/30/14



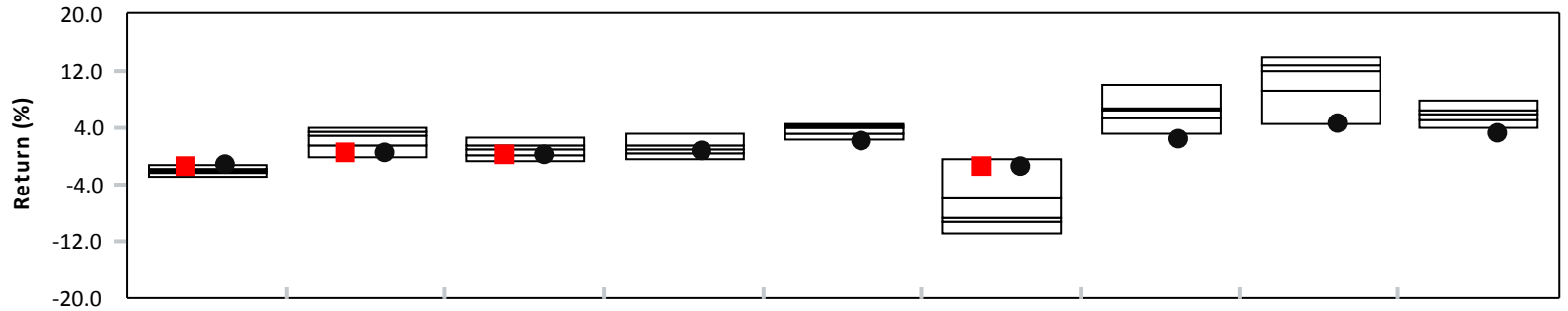
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Short Term Inflation Prot; Adm

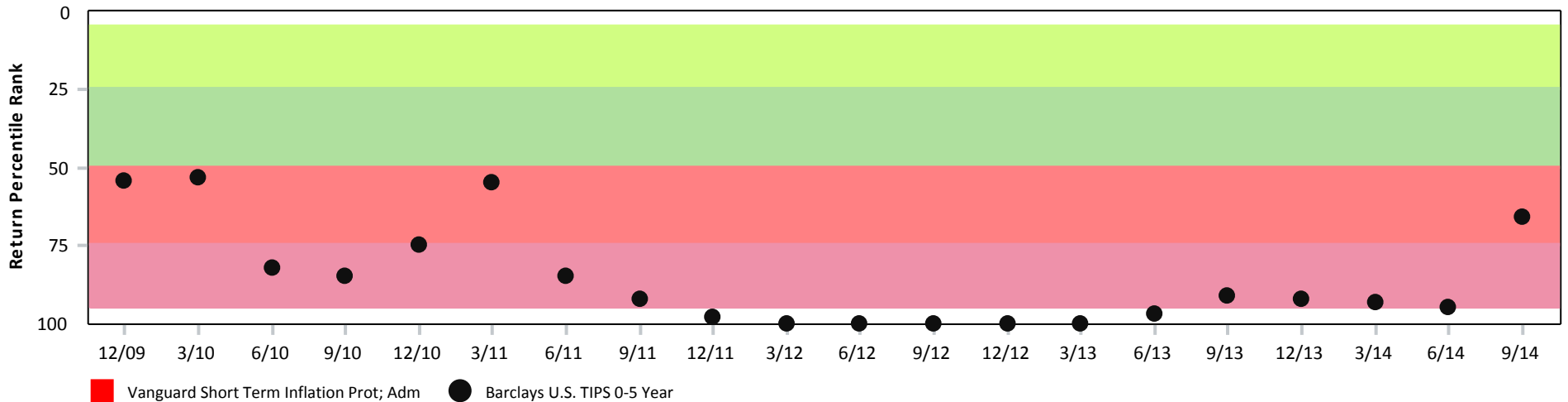
As of September 30, 2014

### Peer Group Analysis vs. IM U.S. TIPS (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
■ Vanguard Short Term Inflation Prot; Adm	-1.4 (9)	0.3 (91)	0.1 (79)	N/A	N/A	-1.5 (7)	N/A	N/A	N/A
● Barclays U.S. TIPS 0-5 Year	-1.4 (8)	0.4 (89)	0.2 (74)	0.6 (66)	2.2 (98)	-1.6 (8)	2.4 (98)	4.5 (95)	3.3 (97)
5th Percentile	-1.3	4.1	2.6	3.1	4.6	-0.5	10.0	13.8	7.8
1st Quartile	-1.9	3.4	1.5	1.5	4.2	-5.8	6.9	12.9	6.4
Median	-2.2	2.8	1.0	1.0	3.9	-8.7	6.3	11.9	5.9
3rd Quartile	-2.4	1.6	0.1	0.5	3.2	-9.3	5.5	9.2	5.2
95th Percentile	-2.9	-0.2	-0.8	-0.4	2.4	-10.8	3.2	4.4	3.9

### 3 Year Rolling Percentile Ranking vs. IM U.S. TIPS (MF)



Mutual fund data sourced from Lipper Analytical Services.

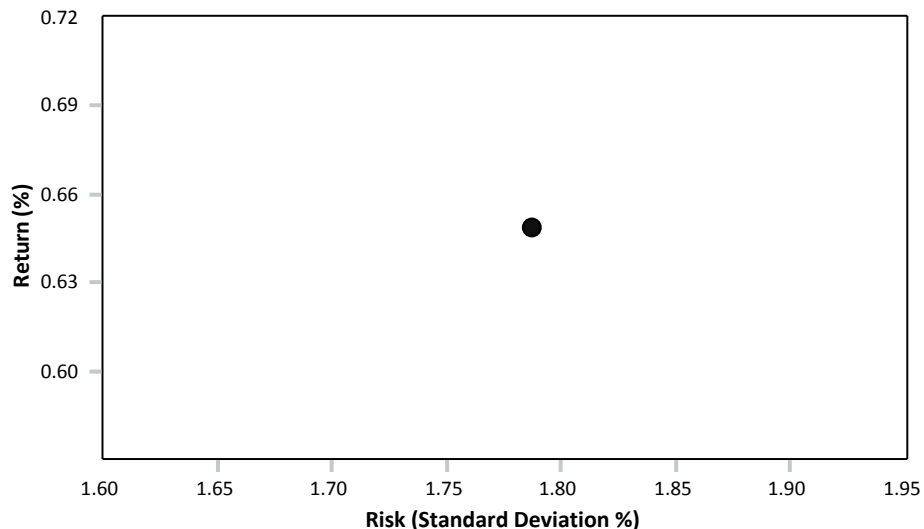


# Manager Evaluation

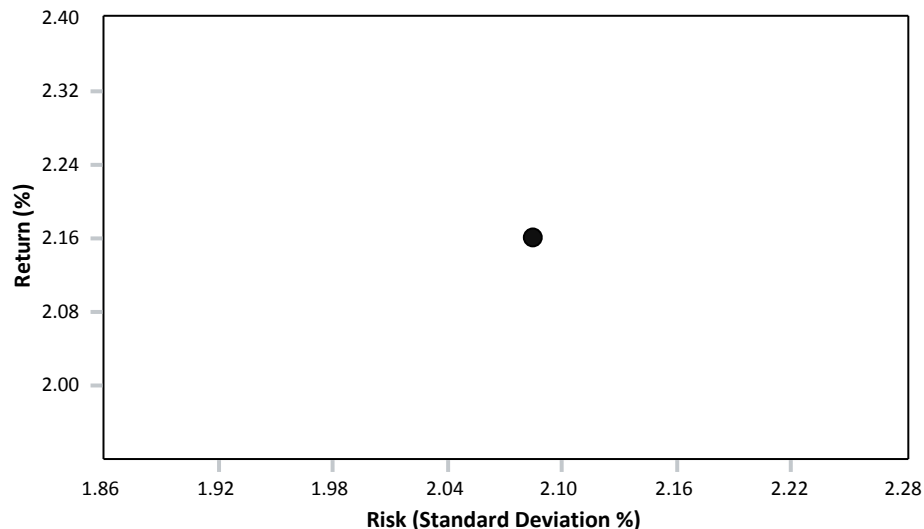
## Vanguard Short Term Inflation Prot; Adm

As of September 30, 2014

### 3 Year Risk and Return



### 5 Year Risk and Return



### Style Map - 3 Years

Not Enough Data.

### MPT Statistics vs. Barclays U.S. TIPS 0-5 Year

	3 Years	5 Years
Return	N/A	N/A
Standard Deviation	N/A	N/A
vs. Barclays U.S. TIPS 0-5 Year		
Alpha	N/A	N/A
Beta	N/A	N/A
R-Squared	N/A	N/A
Consistency	N/A	N/A
Up Market Capture	N/A	N/A
Down Market Capture	N/A	N/A
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	N/A	N/A

# Manager Evaluation

## Vanguard Short Term Inflation Prot; Adm

As of September 30, 2014

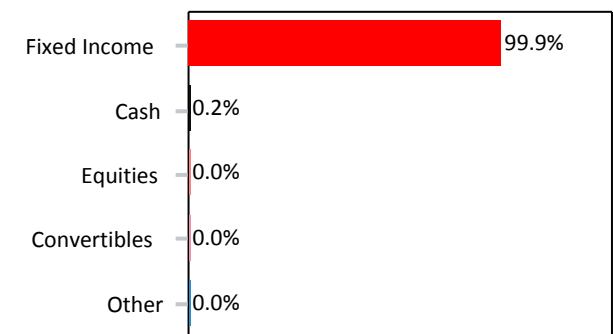
### Mutual Fund Information

Fund Name :	Vanguard Malvern Funds: Vanguard Short-Term Inflation-Protected Securities Index Fund; Admiral Class Shares	Portfolio Assets :	\$10,077 Million
Fund Family :	Vanguard Group Inc	Fund Assets :	\$1,518 Million
Ticker :	VTAPX	Portfolio Manager :	Barrickman/Wright-Casparius
Inception Date :	10/16/2012	PM Tenure :	2012--2012
Portfolio Turnover :	13%		

### Fund Investment Policy

The Fund seeks to track the performance of a benchmark index, Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index, that measures the investment return of inflation-protected public obligations of the U.S. Treasury with remaining maturities of less than five years.

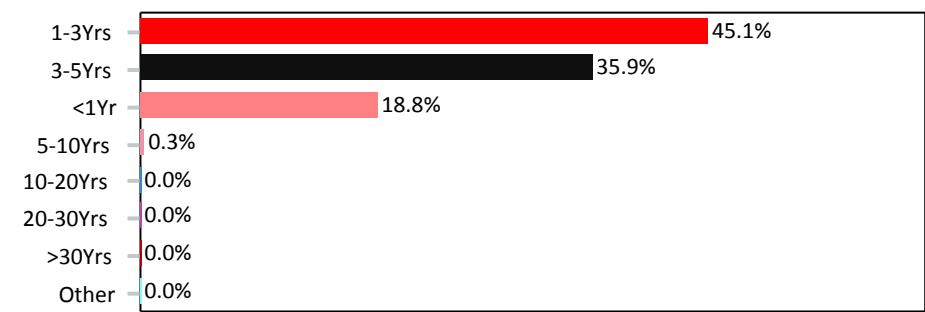
### Asset Allocation as of 09/30/14      Top 10 Securities as of 09/30/14      Fixed Income Characteristics as of 09/30/14



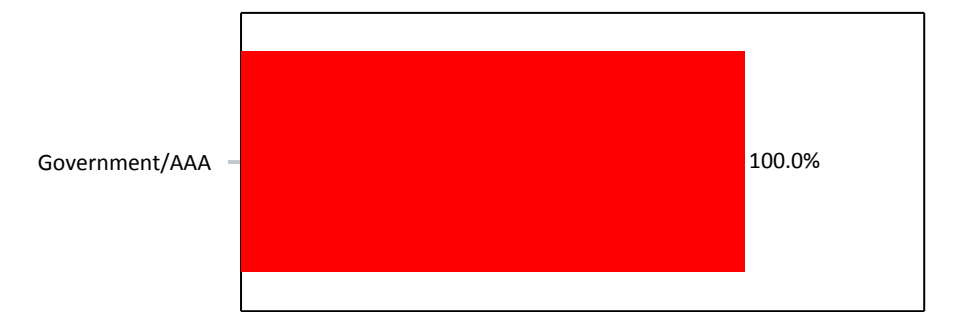
Treasury Notes/Bonds 99.9 %

Avg. Coupon	1.10 %
Nominal Maturity	N/A
Effective Maturity	2.43 Years
Duration	2.39 Years
SEC 30 Day Yield	N/A
Avg. Credit Quality	AAA

### Maturity Distribution as of 09/30/14



### Quality Allocation as of 09/30/14



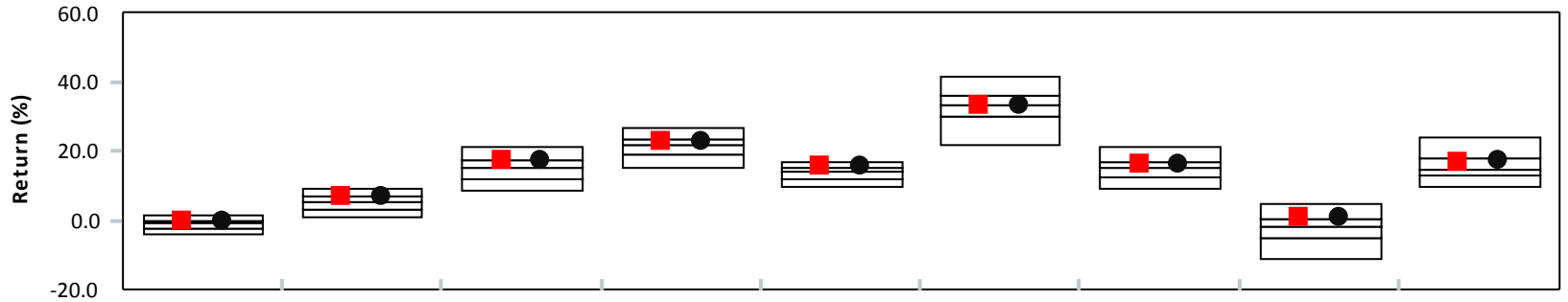
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Total Stock Mkt Idx Signal

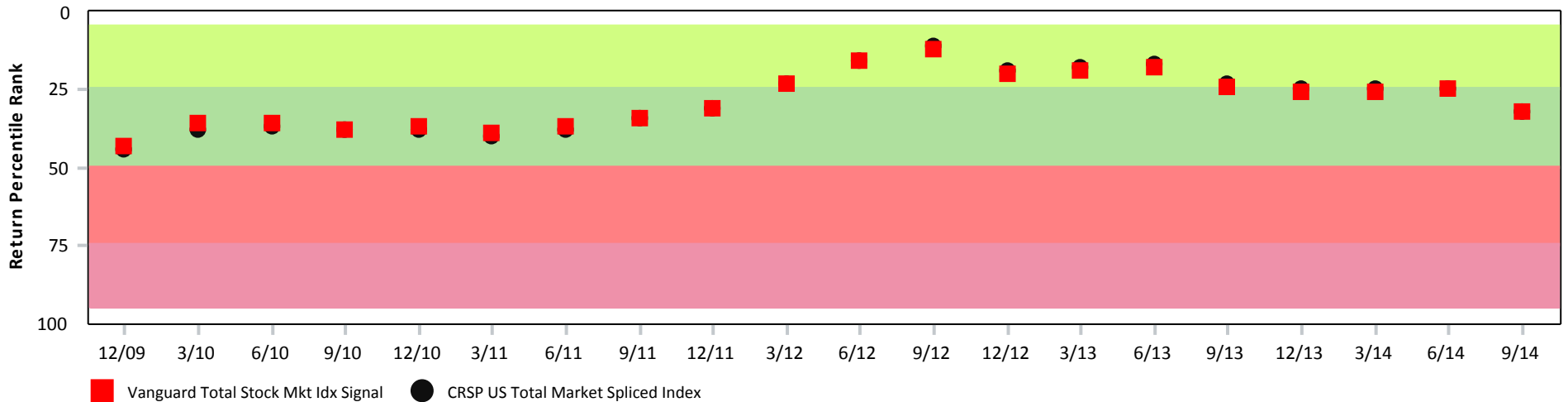
As of September 30, 2014

### Peer Group Analysis vs. IM U.S. Multi-Cap Core Equity (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
■ Vanguard Total Stock Mkt Idx Signal	0.0 (30)	7.0 (25)	17.7 (25)	23.1 (32)	15.8 (19)	33.5 (47)	16.4 (33)	1.1 (17)	17.2 (31)
● CRSP US Total Market Spliced Index	0.0 (30)	7.0 (25)	17.8 (24)	23.1 (32)	15.8 (18)	33.5 (47)	16.4 (32)	1.1 (18)	17.3 (30)
5th Percentile	1.5	9.3	21.4	26.7	17.1	41.6	21.3	5.1	24.3
1st Quartile	0.1	6.9	17.7	23.4	15.6	36.4	17.1	0.2	18.3
Median	-1.0	5.2	15.3	21.7	14.2	33.3	15.2	-2.1	14.8
3rd Quartile	-2.5	3.1	12.1	19.3	12.3	30.0	12.6	-5.1	13.0
95th Percentile	-4.2	0.7	8.6	15.2	9.7	21.9	9.2	-11.4	9.8

### 3 Year Rolling Percentile Ranking vs. IM U.S. Multi-Cap Core Equity (MF)



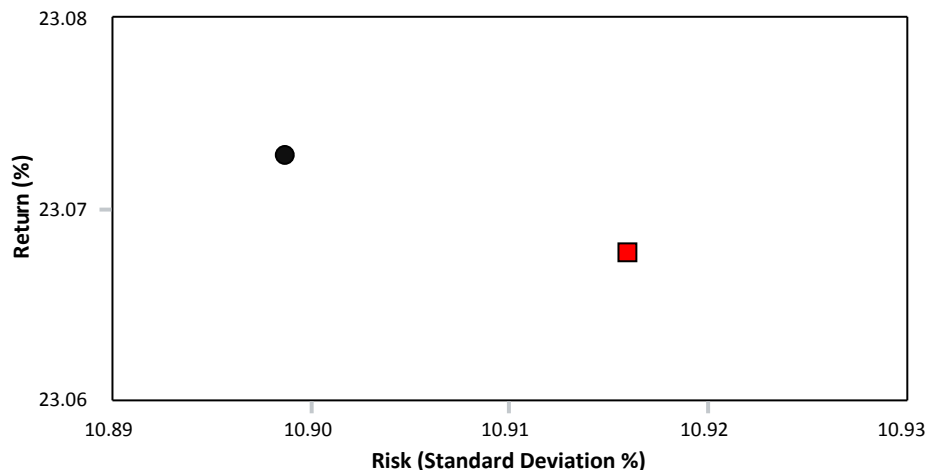
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Total Stock Mkt Idx Signal

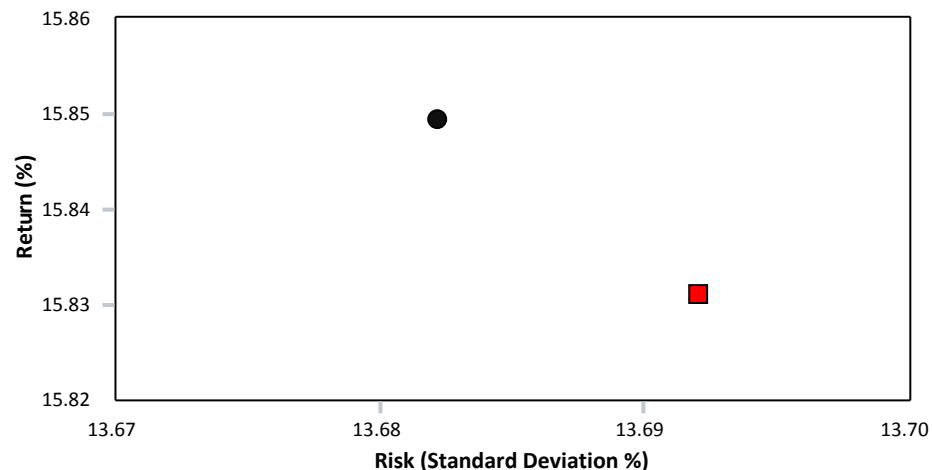
As of September 30, 2014

### 3 Year Risk and Return



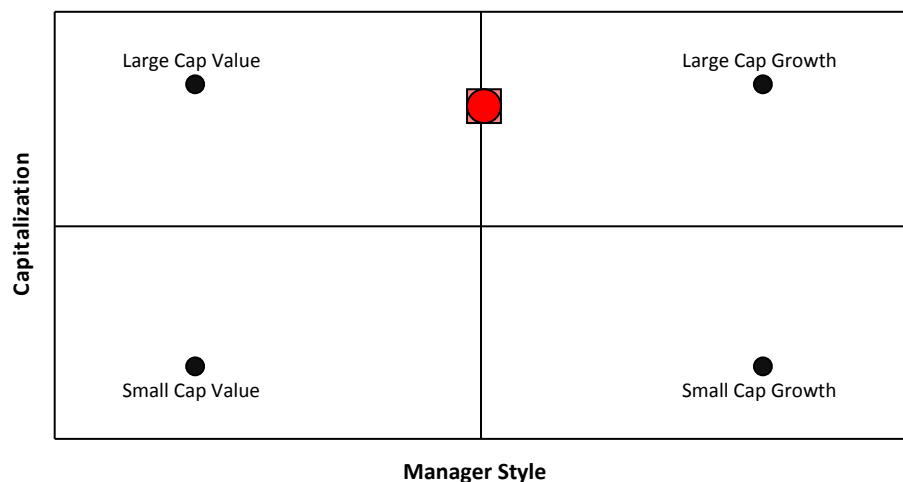
- Vanguard Total Stock Mkt Idx Signal
- CRSP US Total Market Spliced Index

### 5 Year Risk and Return



- Vanguard Total Stock Mkt Idx Signal
- CRSP US Total Market Spliced Index

### Style Map - 3 Years



- Style History
- Sep-2014
- Average Style Exposure

### MPT Statistics vs. CRSP US Total Market Spliced Index

	3 Years	5 Years
Return	23.1	15.8
Standard Deviation	10.9	13.7
vs. CRSP US Total Market Spliced Index		
Alpha	0.0	0.0
Beta	1.0	1.0
R-Squared	1.0	1.0
Consistency	47.2	45.0
Up Market Capture	100.1	100.0
Down Market Capture	100.4	100.2
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	2.0	1.1

# Manager Evaluation

## Vanguard Total Stock Mkt Idx Signal

As of September 30, 2014

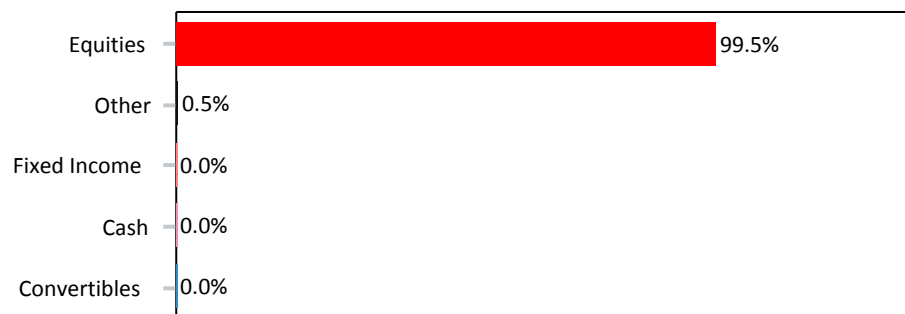
### Mutual Fund Information

Fund Name :	Vanguard Index Funds: Vanguard Total Stock Market Index Fund; Signal Class Shares	Portfolio Assets :	\$355,358 Million
Fund Family :	Vanguard Group Inc	Fund Assets :	\$7,295 Million
Ticker :	VTSSX	Portfolio Manager :	Gerard C. O'Reilly
Inception Date :	09/01/2006	PM Tenure :	2006
Portfolio Turnover :	4%		

### Fund Investment Policy

The Fund seeks to track the performance of a benchmark index that measures the investment return of the overall stock market. The Fund employs a "passive management" approach designed to track the performance of the CRSP US Total Market Index.

### Asset Allocation as of 09/30/14



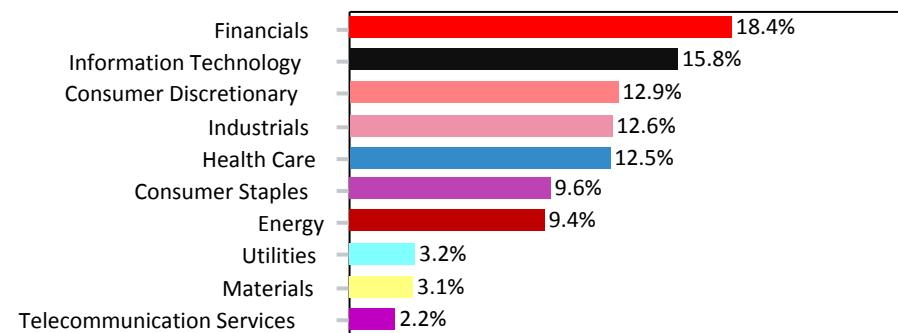
### Top 10 Securities as of 09/30/14

Apple Inc ORD	2.8 %
Exxon Mobil Corp ORD	1.9 %
Microsoft Corp ORD	1.5 %
Johnson & Johnson ORD	1.3 %
Wells Fargo & Co ORD	1.2 %
General Electric Co ORD	1.2 %
Chevron Corp ORD	1.1 %
Berkshire Hathaway Inc ORD	1.1 %
JPMorgan Chase & Co ORD	1.0 %
Procter & Gamble Co ORD	1.0 %

### Equity Characteristics as of 09/30/14

Total Securities	3,733
Avg. Market Cap	\$101,717 Million
P/E	23.9
P/B	4.7
Div. Yield	2.3%
Annual EPS	17.3
5Yr EPS	11.7
3Yr EPS Growth	13.5

### Sector Allocation as of 09/30/14



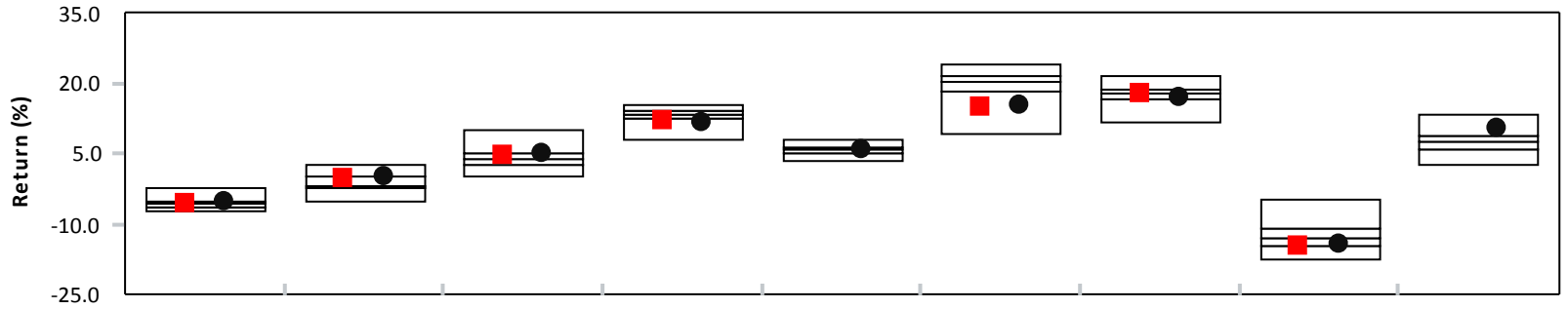
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Total Intl Stock Index Signal

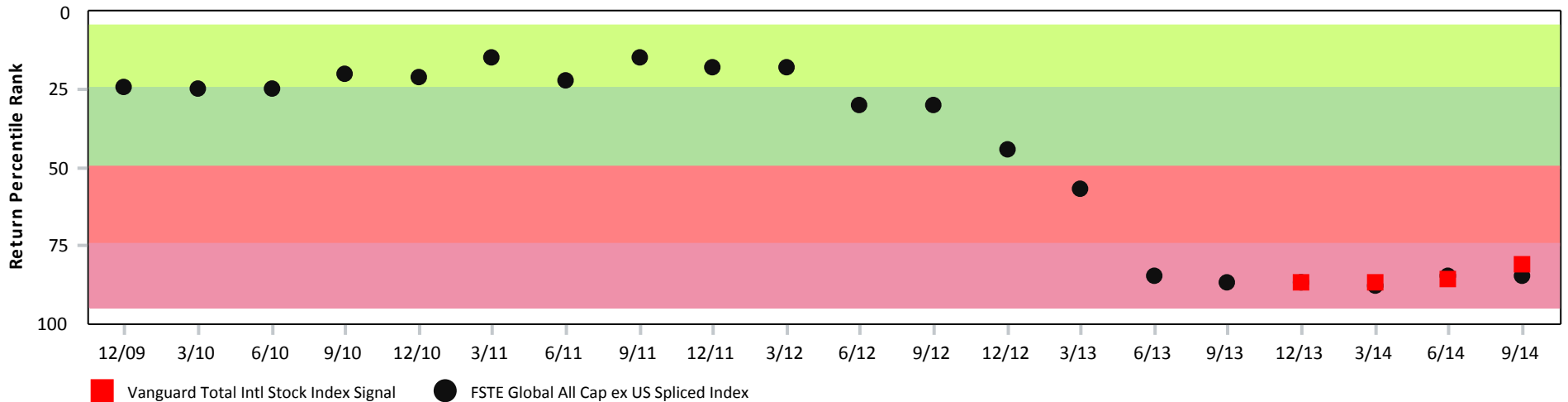
As of September 30, 2014

### Peer Group Analysis vs. IM International Large Cap Core Equity (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
■ Vanguard Total Intl Stock Index Signal	-5.5 (50)	0.0 (28)	4.9 (28)	12.4 (81)	N/A	15.1 (84)	18.2 (48)	-14.5 (75)	N/A
● FSTE Global All Cap ex US Spliced Index	-5.3 (47)	0.4 (25)	5.2 (24)	12.0 (85)	5.9 (52)	15.8 (81)	17.0 (74)	-14.3 (75)	10.4 (17)
5th Percentile	-2.4	2.8	10.0	15.7	8.0	24.4	21.9	-4.9	13.4
1st Quartile	-5.0	0.3	5.1	14.2	6.6	21.7	19.1	-10.9	9.0
Median	-5.6	-1.7	3.8	13.5	6.0	20.4	18.0	-12.9	7.5
3rd Quartile	-6.2	-2.4	2.8	12.5	5.2	18.6	17.0	-14.5	6.2
95th Percentile	-7.1	-5.0	0.3	8.0	3.6	9.4	11.6	-17.6	2.9

### 3 Year Rolling Percentile Ranking vs. IM International Large Cap Core Equity (MF)



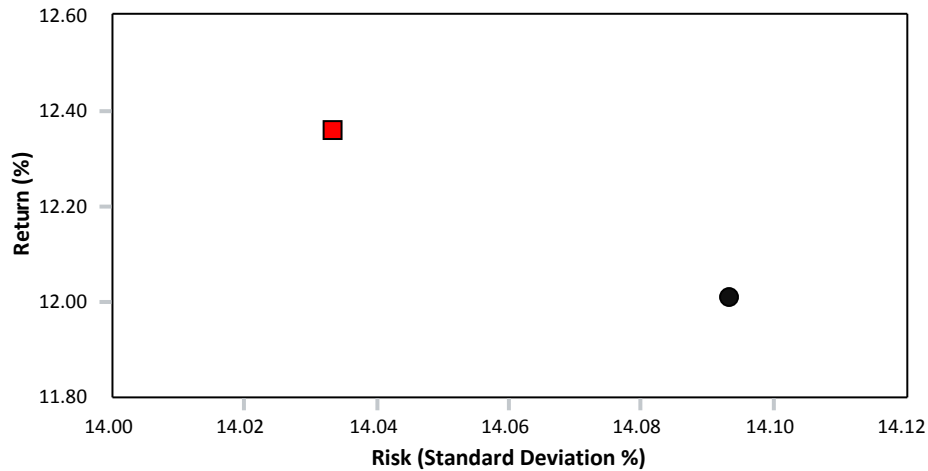
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Total Intl Stock Index Signal

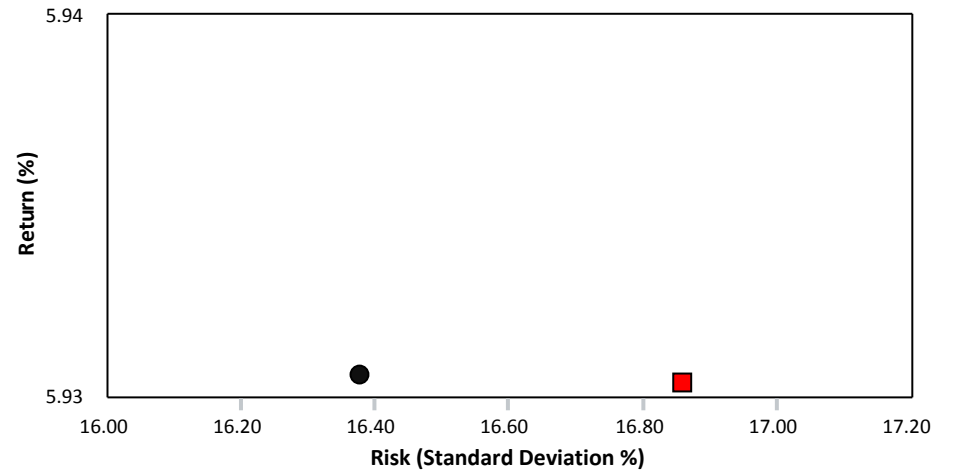
As of September 30, 2014

### 3 Year Risk and Return



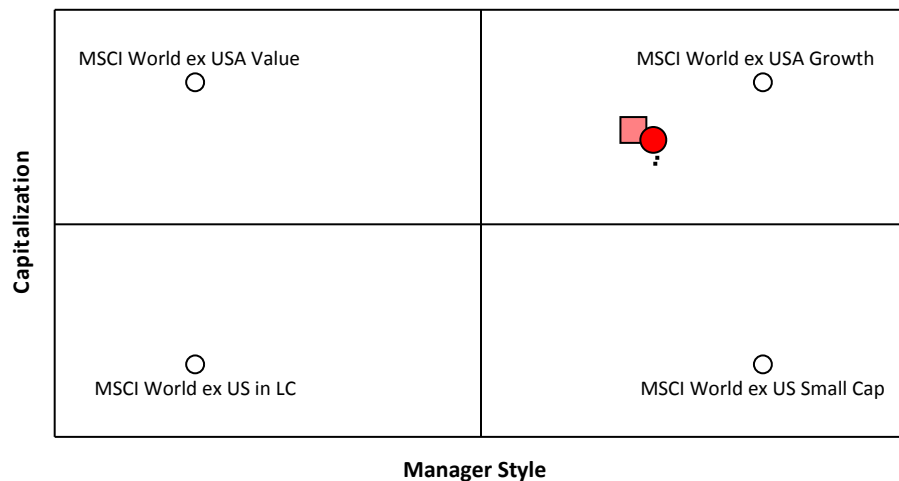
- Vanguard Total Intl Stock Index Signal
- FSTE Global All Cap ex US Spliced Index

### 5 Year Risk and Return



- Vanguard Total Intl Stock Index Signal
- FSTE Global All Cap ex US Spliced Index

### Style Map - 3 Years



- Style History
- Sep-2014
- Average Style Exposure

### MPT Statistics vs. FSTE Global All Cap ex US Spliced Index

	3 Years	5 Years
Return	12.4	5.9
Standard Deviation	14.0	16.9
vs. FSTE Global All Cap ex US Spliced Index		
Alpha	0.5	-0.1
Beta	1.0	1.0
R-Squared	1.0	1.0
Consistency	52.8	51.7
Up Market Capture	101.8	103.8
Down Market Capture	101.1	104.8
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	0.9	0.4

Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Total Intl Stock Index Signal

As of September 30, 2014

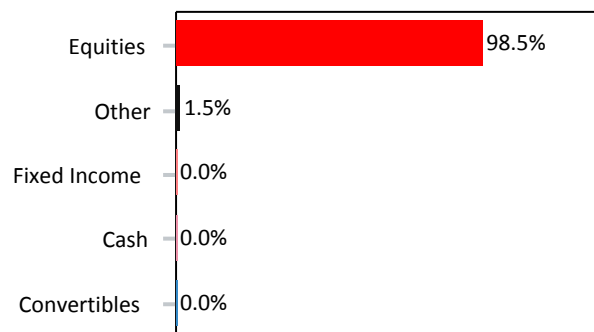
### Mutual Fund Information

Fund Name :	Vanguard STAR Funds: Vanguard Total International Stock Index Fund; Signal Shares	Portfolio Assets :	\$129,885 Million
Fund Family :	Vanguard Group Inc	Fund Assets :	\$2,433 Million
Ticker :	VTSGX	Portfolio Manager :	Michael Perre
Inception Date :	11/30/2010	PM Tenure :	2010
Portfolio Turnover :	5%		

### Fund Investment Policy

The Fund seeks to track the performance of the FTSE Global All Cap ex US Index, a free-float-adjusted market capitalization weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States.

### Asset Allocation as of 09/30/14



### Top 10 Securities as of 09/30/14

Nestle SA ORD	1.1 %
Novartis AG ORD	1.0 %
HSBC Holdings PLC ORD	0.9 %
Roche Holding AG ORD	0.9 %
Royal Dutch Shell PLC ORD	0.7 %
Toyota Motor Corp ORD	0.7 %
BP PLC ORD	0.7 %
Total SA ORD	0.6 %
Sanofi SA ORD	0.6 %
Commonwealth Bank of Australia ORD	0.6 %

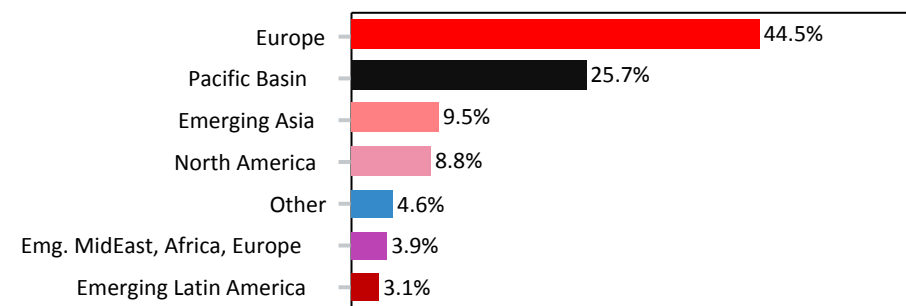
### Top 5 Countries as of 09/30/14

Japan	15.0 %
United Kingdom	12.8 %
Canada	7.5 %
Switzerland	6.3 %
France	6.1 %

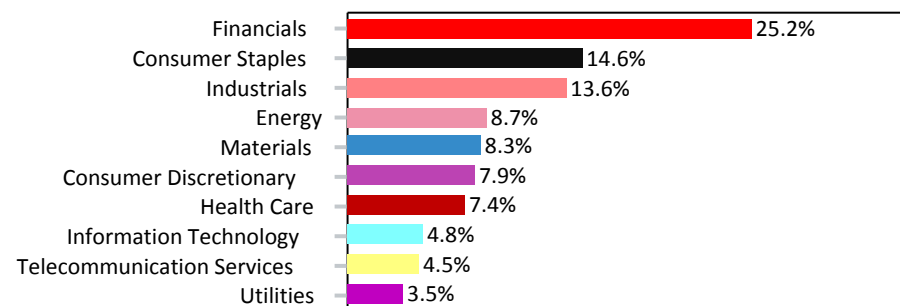
### Equity Characteristics as of 09/30/14

Total Securities	5,596
Avg. Market Cap	\$51,036 Million
P/E	20.9
P/B	2.9
Div. Yield	3.0%
Annual EPS	16.7

### Region Allocation as of 09/30/14



### Sector Allocation as of 09/30/14



Mutual fund data sourced from Lipper Analytical Services.

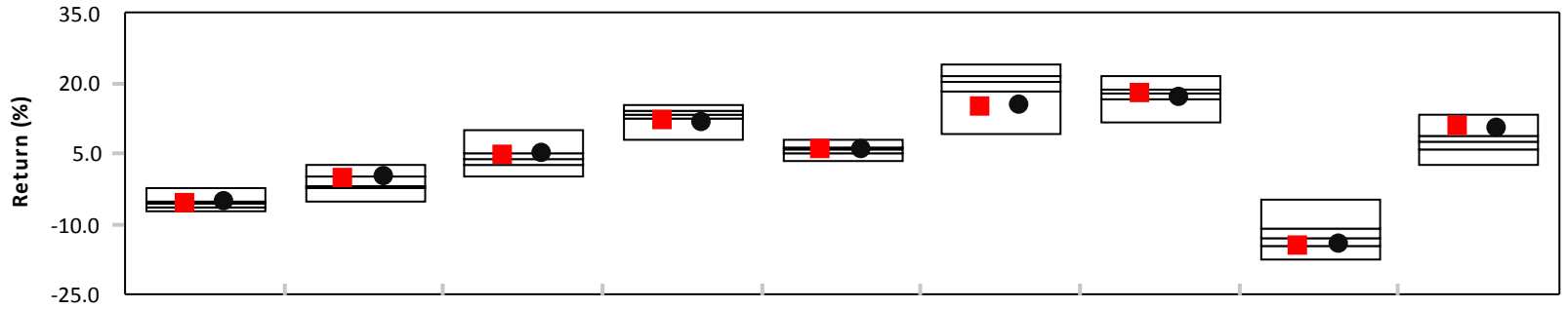


# Manager Evaluation

## Vanguard Total Intl Stock Index Inv

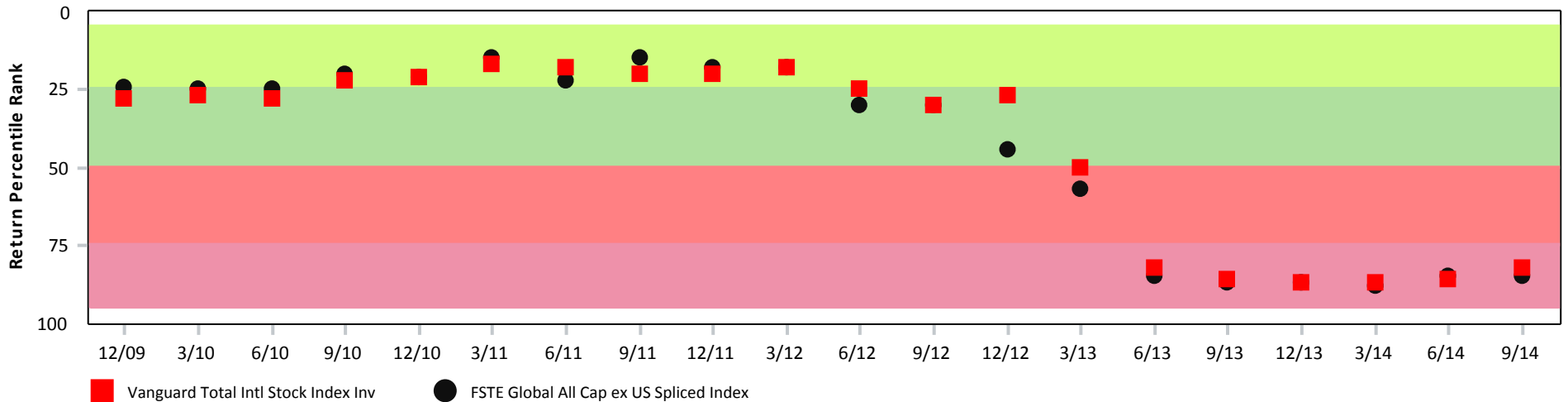
As of September 30, 2014

### Peer Group Analysis vs. IM International Large Cap Core Equity (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
■ Vanguard Total Intl Stock Index Inv	-5.6 (50)	-0.1 (29)	4.8 (30)	12.3 (82)	5.9 (55)	15.0 (85)	18.1 (48)	-14.6 (76)	11.1 (12)
● FSTE Global All Cap ex US Spliced Index	-5.3 (47)	0.4 (25)	5.2 (24)	12.0 (85)	5.9 (52)	15.8 (81)	17.0 (74)	-14.3 (75)	10.4 (17)
5th Percentile	-2.4	2.8	10.0	15.7	8.0	24.4	21.9	-4.9	13.4
1st Quartile	-5.0	0.3	5.1	14.2	6.6	21.7	19.1	-10.9	9.0
Median	-5.6	-1.7	3.8	13.5	6.0	20.4	18.0	-12.9	7.5
3rd Quartile	-6.2	-2.4	2.8	12.5	5.2	18.6	17.0	-14.5	6.2
95th Percentile	-7.1	-5.0	0.3	8.0	3.6	9.4	11.6	-17.6	2.9

### 3 Year Rolling Percentile Ranking vs. IM International Large Cap Core Equity (MF)



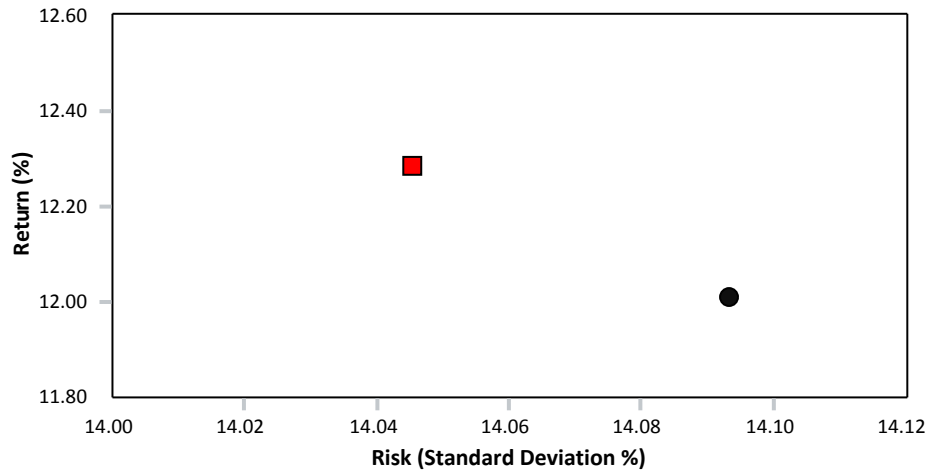
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Total Intl Stock Index Inv

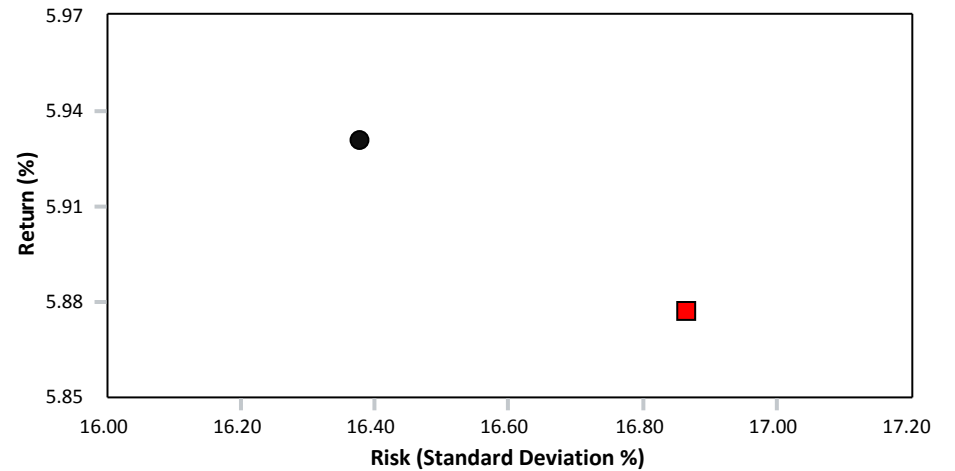
As of September 30, 2014

### 3 Year Risk and Return



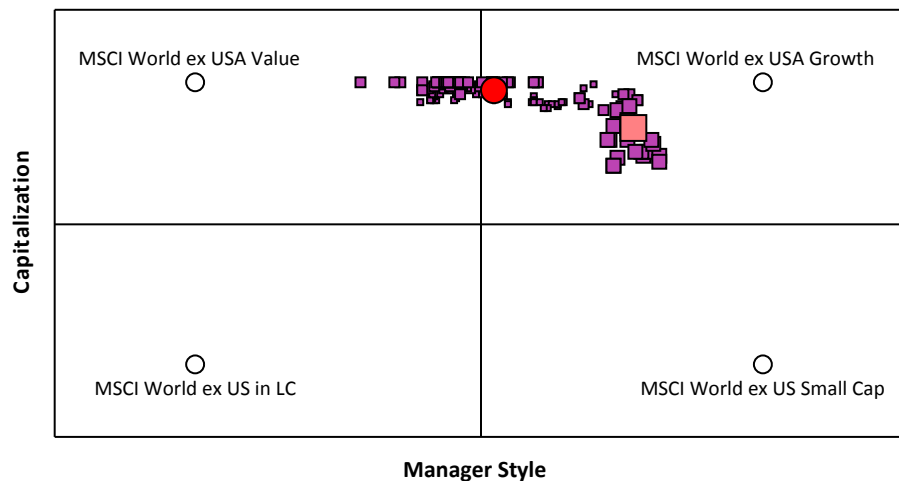
- Vanguard Total Intl Stock Index Inv
- FSTE Global All Cap ex US Spliced Index

### 5 Year Risk and Return



- Vanguard Total Intl Stock Index Inv
- FSTE Global All Cap ex US Spliced Index

### Style Map - 3 Years



- Style History
- Sep-2014
- Average Style Exposure

### MPT Statistics vs. FSTE Global All Cap ex US Spliced Index

	3 Years	5 Years
Return	12.3	5.9
Standard Deviation	14.0	16.9
vs. FSTE Global All Cap ex US Spliced Index		
Alpha	0.4	-0.1
Beta	1.0	1.0
R-Squared	1.0	1.0
Consistency	55.6	55.0
Up Market Capture	101.6	103.6
Down Market Capture	101.3	104.9
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	0.9	0.4

Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Total Intl Stock Index Inv

As of September 30, 2014

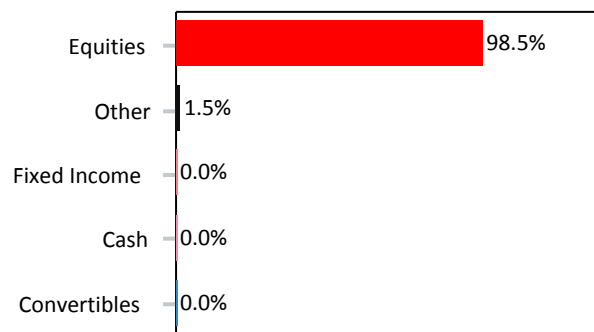
### Mutual Fund Information

Fund Name :	Vanguard STAR Funds: Vanguard Total International Stock Index Fund; Investor Shares	Portfolio Assets :	\$129,885 Million
Fund Family :	Vanguard Group Inc	Fund Assets :	\$49,661 Million
Ticker :	VGTSX	Portfolio Manager :	Michael Perre
Inception Date :	04/29/1996	PM Tenure :	2008
Portfolio Turnover :	5%		

### Fund Investment Policy

The Fund seeks to track the performance of the FTSE Global All Cap ex US Index, a free-float-adjusted market capitalization weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States.

### Asset Allocation as of 09/30/14



### Top 10 Securities as of 09/30/14

Nestle SA ORD	1.1 %
Novartis AG ORD	1.0 %
HSBC Holdings PLC ORD	0.9 %
Roche Holding AG ORD	0.9 %
Royal Dutch Shell PLC ORD	0.7 %
Toyota Motor Corp ORD	0.7 %
BP PLC ORD	0.7 %
Total SA ORD	0.6 %
Sanofi SA ORD	0.6 %
Commonwealth Bank of Australia ORD	0.6 %

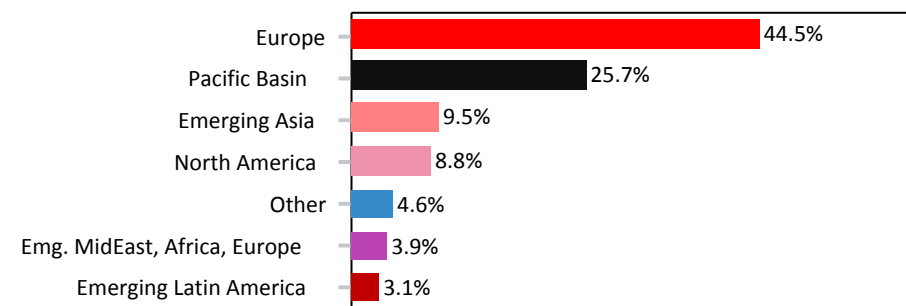
### Top 5 Countries as of 09/30/14

Japan	15.0 %
United Kingdom	12.8 %
Canada	7.5 %
Switzerland	6.3 %
France	6.1 %

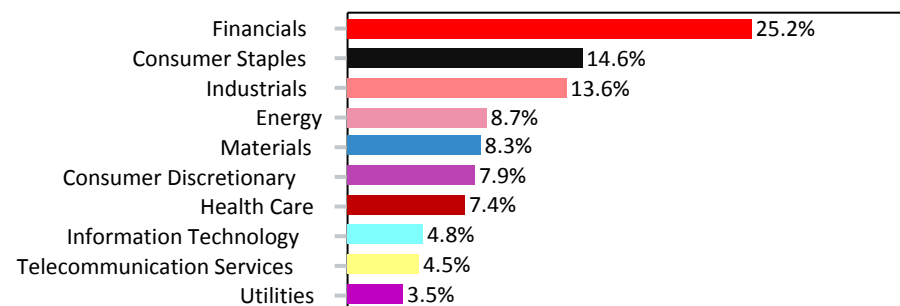
### Equity Characteristics as of 09/30/14

Total Securities	5,596
Avg. Market Cap	\$51,036 Million
P/E	20.9
P/B	2.9
Div. Yield	3.0%
Annual EPS	16.7

### Region Allocation as of 09/30/14



### Sector Allocation as of 09/30/14



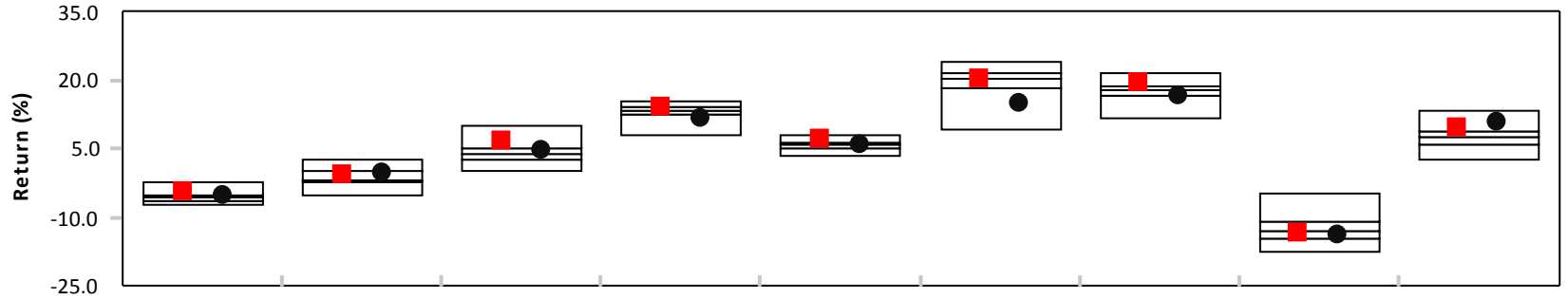
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## American Funds EuroPacific Gr R6

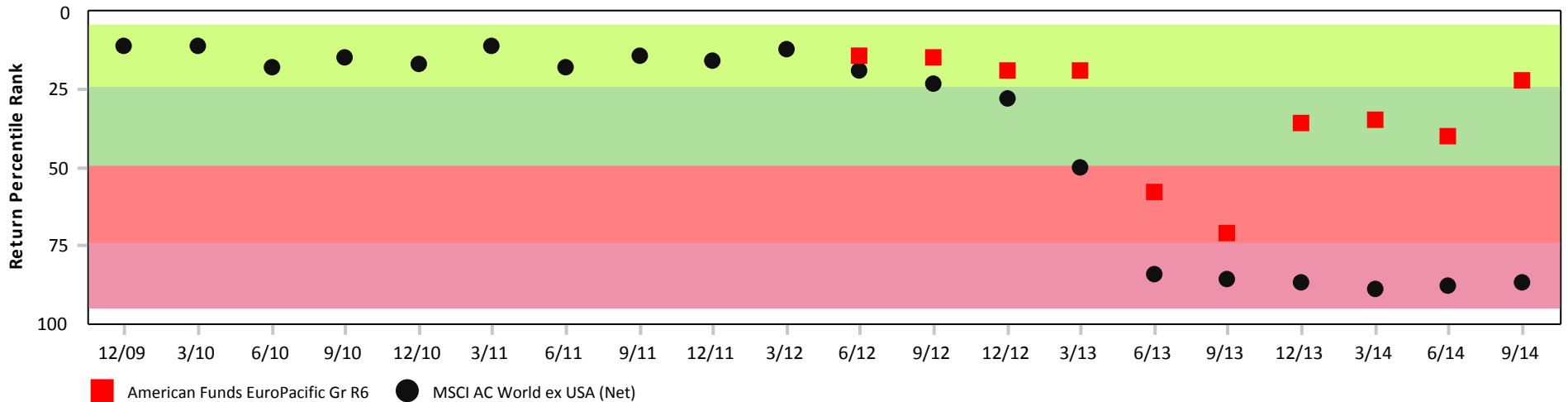
As of September 30, 2014

### Peer Group Analysis vs. IM International Large Cap Core Equity (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
■ American Funds EuroPacific Gr R6	-4.2 (9)	-0.7 (32)	7.0 (18)	14.4 (22)	7.1 (19)	20.6 (46)	19.6 (21)	-13.3 (62)	9.8 (21)
● MSCI AC World ex USA (Net)	-5.3 (46)	0.0 (28)	4.8 (30)	11.8 (87)	6.0 (49)	15.3 (84)	16.8 (77)	-13.7 (69)	11.2 (12)
5th Percentile	-2.4	2.8	10.0	15.7	8.0	24.4	21.9	-4.9	13.4
1st Quartile	-5.0	0.3	5.1	14.2	6.6	21.7	19.1	-10.9	9.0
Median	-5.6	-1.7	3.8	13.5	6.0	20.4	18.0	-12.9	7.5
3rd Quartile	-6.2	-2.4	2.8	12.5	5.2	18.6	17.0	-14.5	6.2
95th Percentile	-7.1	-5.0	0.3	8.0	3.6	9.4	11.6	-17.6	2.9

### 3 Year Rolling Percentile Ranking vs. IM International Large Cap Core Equity (MF)



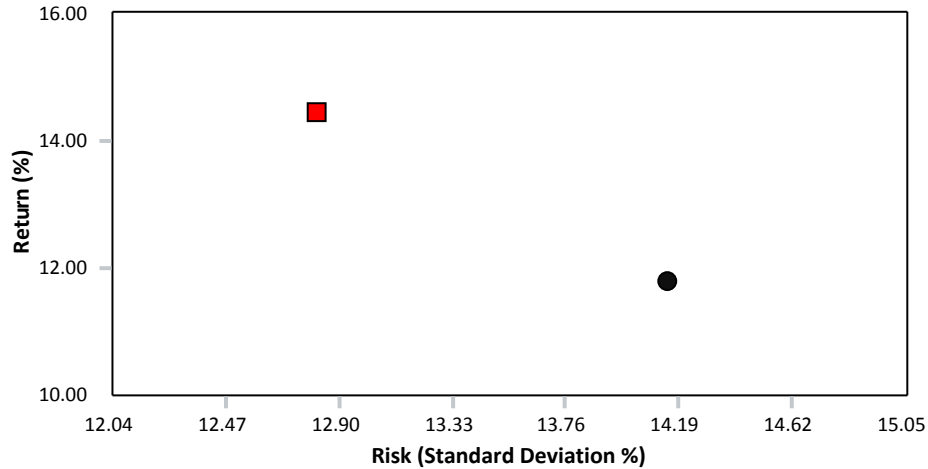
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## American Funds EuroPacific Growth R6

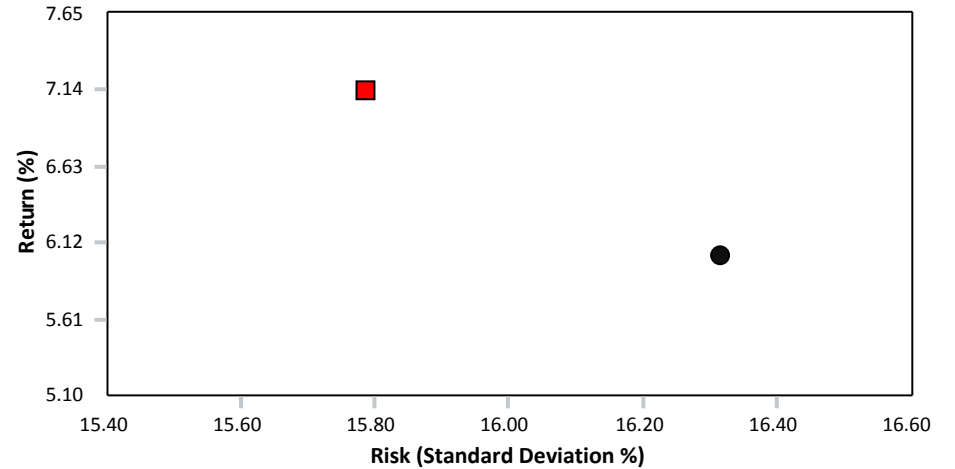
As of September 30, 2014

### 3 Year Risk and Return



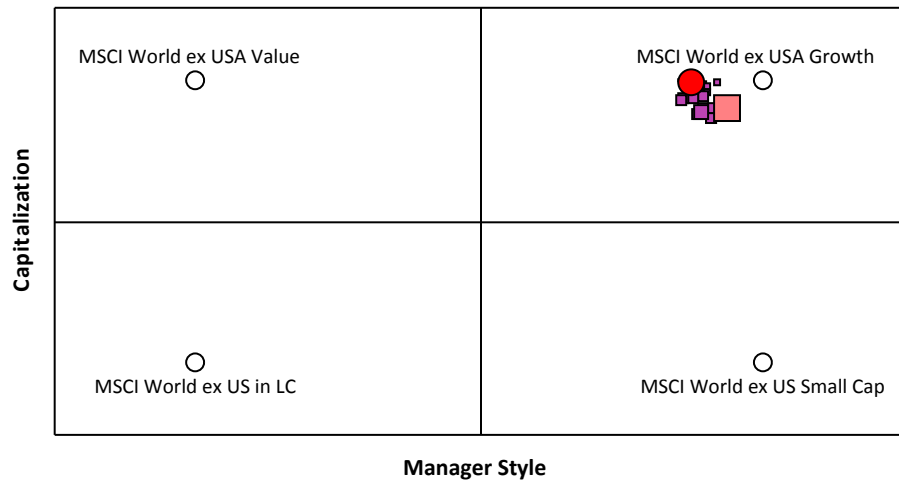
- American Funds EuroPacific Growth R6
- MSCI AC World ex USA (Net)

### 5 Year Risk and Return



- American Funds EuroPacific Growth R6
- MSCI AC World ex USA (Net)

### Style Map - 3 Years



- Style History
- Sep-2014
- Average Style Exposure

### MPT Statistics vs. MSCI AC World ex USA (Net)

	3 Years	5 Years
Return	14.4	7.1
Standard Deviation	12.8	15.8
vs. MSCI AC World ex USA (Net)		
Alpha	3.7	1.3
Beta	0.9	1.0
R-Squared	0.9	1.0
Consistency	50.0	45.0
Up Market Capture	97.6	98.1
Down Market Capture	79.2	92.2
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	1.1	0.5

Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## American Funds EuroPacific Growth R6

As of September 30, 2014

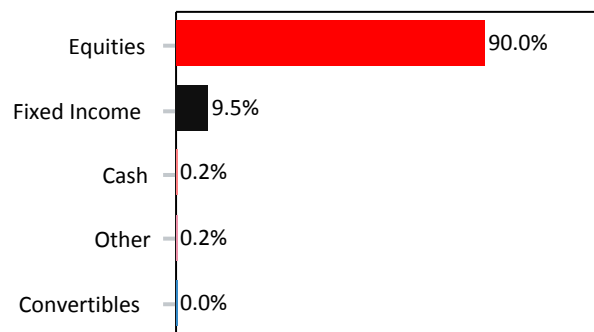
### Mutual Fund Information

Fund Name :	EuroPacific Growth Fund; Class R-6 Shares	Portfolio Assets :	\$126,369 Million
Fund Family :	American Funds	Fund Assets :	\$35,338 Million
Ticker :	RERGX	Portfolio Manager :	Team Managed
Inception Date :	05/01/2009	PM Tenure :	
Portfolio Turnover :	28%		

### Fund Investment Policy

The Fund seeks to provide long-term growth of capital by investing in companies based outside the United States. The Fund invests in companies based chiefly in Europe and the Pacific Basin, ranging from small firms to large corporations.

### Asset Allocation as of 09/30/14



### Top 10 Securities as of 09/30/14

Novo Nordisk A/S ORD	4.7 %
Bayer AG ORD	2.5 %
Softbank Corp ORD	2.2 %
Novartis AG ORD	2.1 %
Prudential PLC ORD	1.8 %
Samsung Electronics Co Ltd ORD	1.7 %
Associated British Foods PLC ORD	1.7 %
Barclays PLC ORD	1.7 %
Baidu Inc DR	1.3 %
British American Tobacco PLC ORD	1.3 %

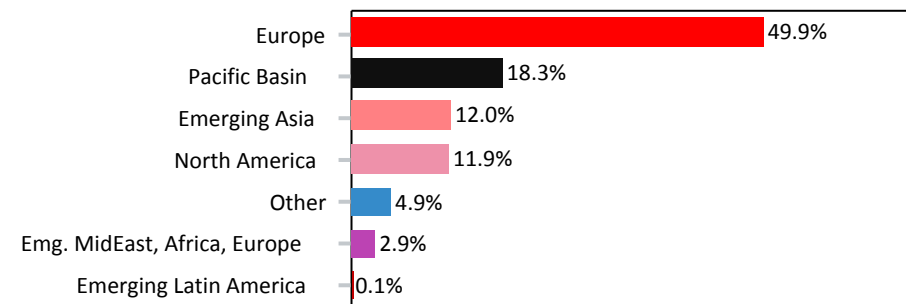
### Top 5 Countries as of 09/30/14

United Kingdom	12.3 %
Japan	12.3 %
United States	8.8 %
Germany	7.8 %
France	6.9 %

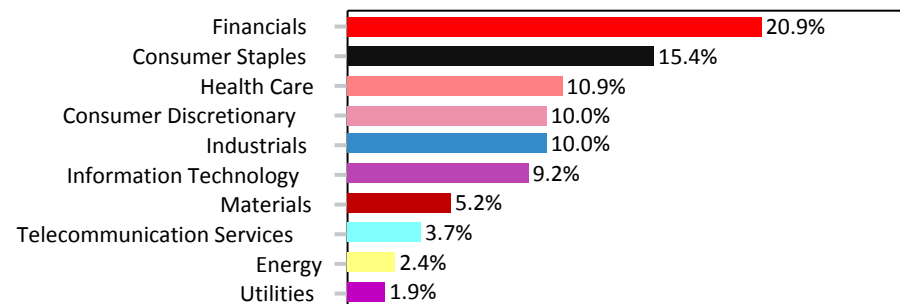
### Equity Characteristics as of 09/30/14

Total Securities	412
Avg. Market Cap	\$61,716 Million
P/E	25.2
P/B	4.6
Div. Yield	2.1%
Annual EPS	18.1

### Region Allocation as of 09/30/14



### Sector Allocation as of 09/30/14



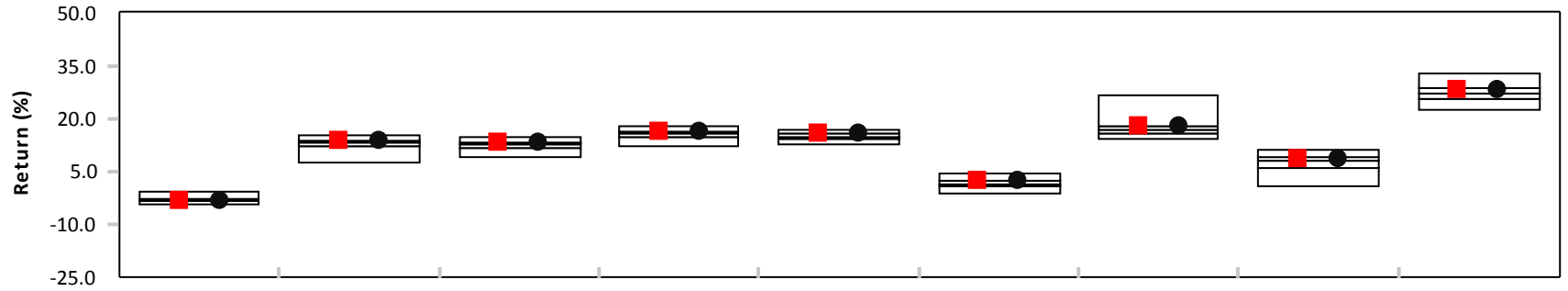
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard REIT Index Signal

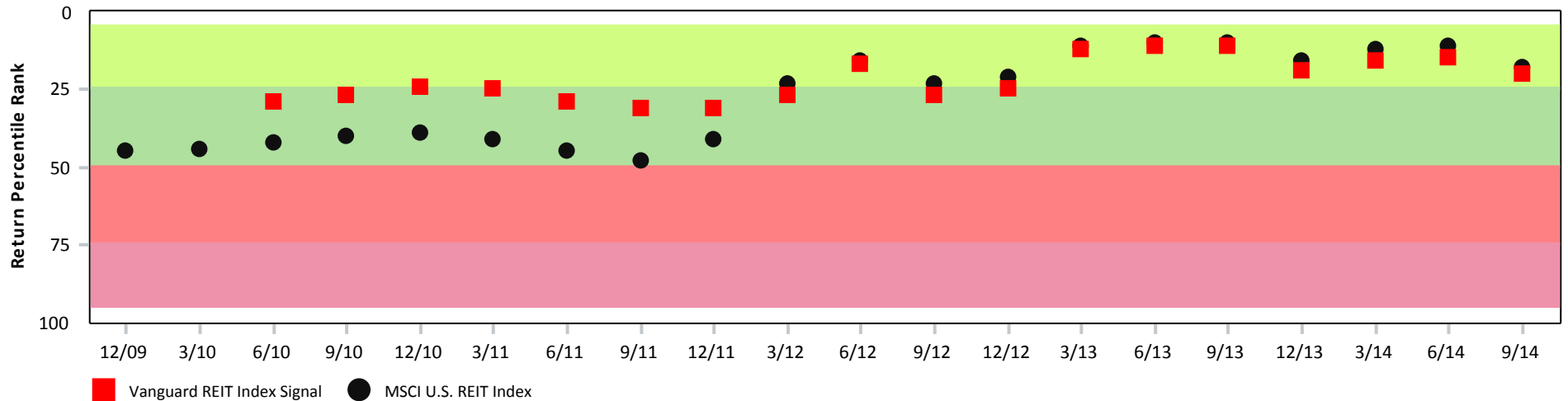
As of September 30, 2014

### Peer Group Analysis vs. IM Real Estate Sector (MF)



	QTR	YTD	1 Year	3 Years	5 Years	2013	2012	2011	2010
■ Vanguard REIT Index Signal	-3.1 (55)	14.0 (27)	13.2 (42)	16.6 (20)	15.9 (15)	2.4 (29)	17.7 (30)	8.6 (39)	28.5 (32)
● MSCI U.S. REIT Index	-3.1 (50)	14.0 (23)	13.2 (36)	16.6 (18)	16.0 (12)	2.5 (28)	17.8 (28)	8.7 (38)	28.5 (32)
5th Percentile	-0.9	15.1	14.6	18.1	16.9	4.7	26.8	11.2	33.0
1st Quartile	-2.7	14.0	13.5	16.3	15.7	2.7	18.0	9.3	29.0
Median	-3.1	13.3	12.9	15.8	15.1	1.6	16.8	7.9	27.5
3rd Quartile	-3.4	12.5	11.9	14.9	14.4	0.7	15.8	5.8	25.7
95th Percentile	-4.5	7.7	9.0	12.5	12.7	-1.4	14.4	0.8	22.6

### 3 Year Rolling Percentile Ranking vs. IM Real Estate Sector (MF)



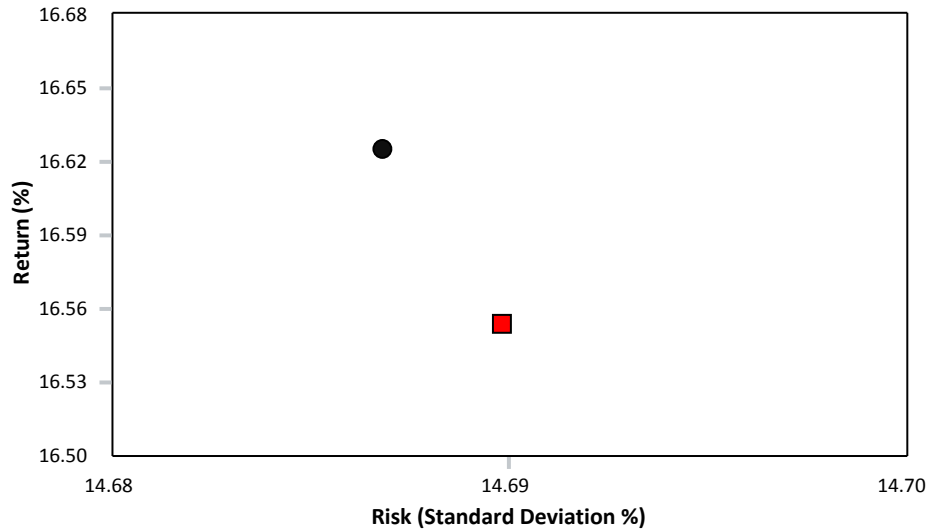
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard REIT Index Signal

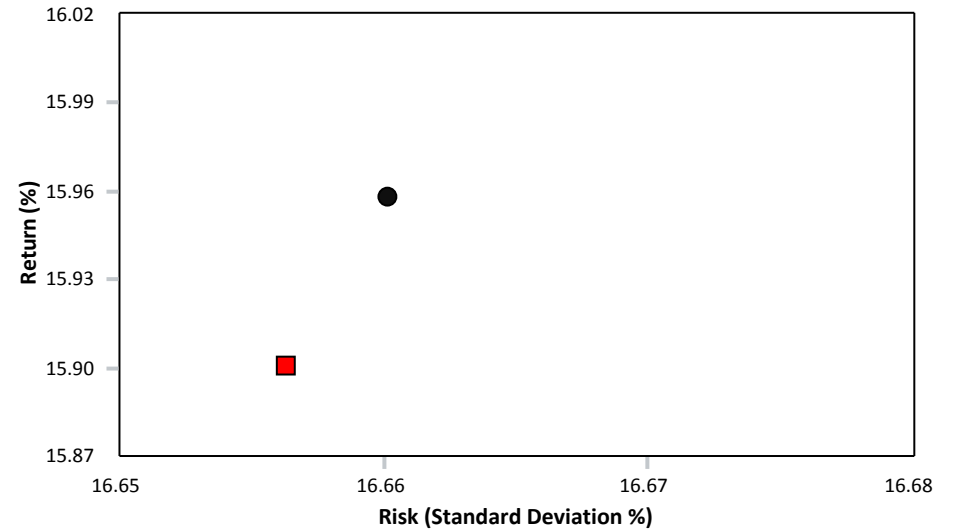
As of September 30, 2014

### 3 Year Risk and Return



■ Vanguard REIT Index Signal    ● MSCI U.S. REIT Index

### 5 Year Risk and Return



■ Vanguard REIT Index Signal    ● MSCI U.S. REIT Index

### Style Map - 3 Years



■ Style History    ■ Sep-2014    ● Average Style Exposure

### MPT Statistics vs. MSCI U.S. REIT Index

	3 Years	5 Years
Return	16.6	15.9
Standard Deviation	14.7	16.7
vs. MSCI U.S. REIT Index		
Alpha	-0.1	0.0
Beta	1.0	1.0
R-Squared	1.0	1.0
Consistency	44.4	46.7
Up Market Capture	99.9	99.9
Down Market Capture	100.3	100.1
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	1.1	1.0

Mutual fund data sourced from Lipper Analytical Services.



# Manager Evaluation

## Vanguard REIT Index Signal

As of September 30, 2014

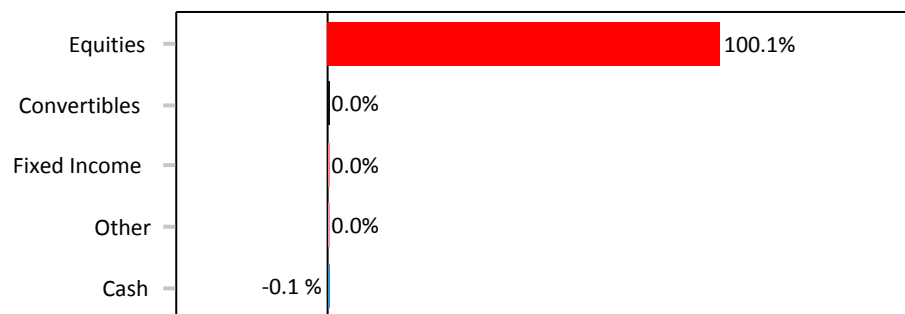
### Mutual Fund Information

Fund Name :	Vanguard Specialized Funds: Vanguard REIT Index Fund; Signal Shares	Portfolio Assets :	\$43,100 Million
Fund Family :	Vanguard Group Inc	Fund Assets :	\$1,558 Million
Ticker :	VGRSX	Portfolio Manager :	Gerard C. O'Reilly
Inception Date :	06/04/2007	PM Tenure :	2007
Portfolio Turnover :	11%		

### Fund Investment Policy

The Fund seeks to track the investment performance of the Morgan Stanley REIT Index by investing at least 98% of its assets in stocks issued by real estate investment trusts.

### Asset Allocation as of 09/30/14



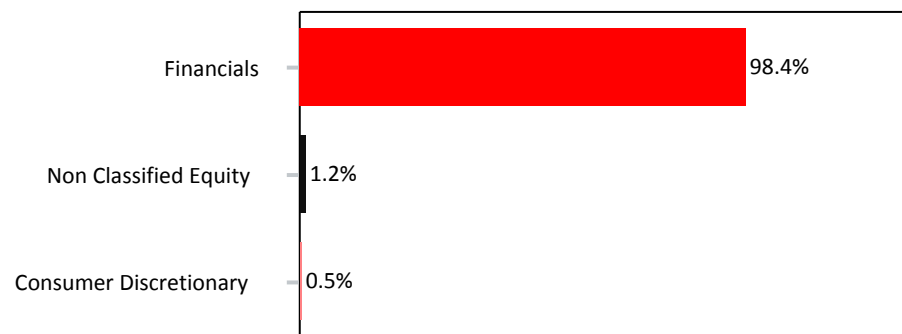
### Top 10 Securities as of 09/30/14

Simon Property Group Inc ORD	8.6 %
Public Storage ORD	4.1 %
Equity Residential ORD	3.6 %
Prologis Inc ORD	3.4 %
HCP Inc ORD	3.1 %
Ventas Inc ORD	3.1 %
AvalonBay Communities Inc ORD	3.0 %
Health Care REIT Inc ORD	3.0 %
Boston Properties Inc ORD	3.0 %
Vornado Realty Trust ORD	3.0 %

### Equity Characteristics as of 09/30/14

Total Securities	139
Avg. Market Cap	\$14,414 Million
P/E	46.7
P/B	3.3
Div. Yield	3.8%
Annual EPS	24.6
5Yr EPS	5.1
3Yr EPS Growth	15.8

### Sector Allocation as of 09/30/14



## Fee Analysis - OPEB Plan

As of September 30, 2014

MANAGER	TARGET ALLOCATION	FEE SCHEDULE
Vanguard Interm-Term Investment-Grade	12.5%	0.10%
BlackRock Strategic Income Opportunities Fund	2.5%	0.68%
Eaton Vance Floating Rate Fund	2.5%	0.74%
Templeton Global Bond Fund	2.5%	0.65%
Vanguard Short Term Invst Grade Adm	5.0%	0.10%
Vanguard Short Term Inflation Protection	5.0%	0.10%
Vanguard Total Stock Mkt Idx Instl	30.0%	0.05%
Vanguard Total International Stock	20.0%	0.14%
Vanguard REIT Index	5.0%	0.10%
<b>AVERAGE WEIGHTED FEE</b>		<b>0.12%</b>

*DISCLOSURE: The figures on this page have been obtained from sources we deem to be reliable. FIA has not independently verified this information.*

## Prospectus Links

As of September 30, 2014

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<u>FUND FAMILY</u>	<u>WEB SITE</u>
Blackrock	<a href="http://www.blackrock.com">www.blackrock.com</a>
Eaton Vance	<a href="http://www.eatonvance.com">www.eatonvance.com</a>
Templeton	<a href="http://www.franklintempleton.com">www.franklintempleton.com</a>
Vanguard	<a href="http://www.vanguard.com">www.vanguard.com</a>

## Custom Index Descriptions

**CRSP U.S. Large Cap Growth Spliced Index** – Following May 1, 2013: CRSP U.S. Large Cap Growth TR. Periods prior to May 1, 2013: MSCI U.S. Prime Market Growth.

**CRSP U.S. Large Cap Spliced Index** – Following February 1, 2013: CRSP U.S. Large Cap TR. Periods prior to February 1, 2013: MSCI U.S. Prime Market 750.

**CRSP U.S. Large Cap Value Spliced Index** – Following May 1, 2013: CRSP U.S. Large Cap Value TR. Periods prior to May 1, 2013: MSCI U.S. Prime Market Value.

**CRSP U.S. Mid Cap Growth Spliced Index** – Following May 1, 2013: CRSP U.S. Mid Cap Growth TR. Periods prior to May 1, 2013: MSCI U.S. Mid Cap Growth.

**CRSP U.S. Mid Cap Spliced Index** – Following February 1, 2013: CRSP U.S. Mid Cap TR. Periods prior to February 1, 2013: MSCI U.S. Mid Cap 450.

**CRSP U.S. Small Cap Growth Spliced Index** – Following May 1, 2013: CRSP U.S. Small Cap Growth TR. Periods prior to May 1, 2013: MSCI U.S. Small Cap Growth.

**CRSP U.S. Small Cap Spliced Index** – Following February 1, 2013: CRSP U.S. Small Cap TR. Periods prior to February 1, 2013: MSCI U.S. Small Cap 1750.

**CRSP U.S. Small Cap Value Spliced Index** – Following May 1, 2013: CRSP U.S. Small Cap Value TR. Periods prior to May 1, 2013: MSCI U.S. Small Cap Value.

**CRSP U.S. Total Market Spliced Index** – Following June 1, 2013: CRSP U.S. Total Market TR. Periods prior to June 1, 2003: MSCI U.S. Broad Market.

**FTSE Developed Asia Pacific Spliced Index** – Following April 1, 2013: FTSE Developed Asia Pacific. Periods prior to April 1, 2013: MSCI Pacific.

**FTSE Developed Europe Spliced Index** – Following April 1, 2013: FTSE Developed Europe. Periods prior to April 1, 2013: MSCI Europe.

**FTSE Developed ex NA Spliced Index** – Following May 1, 2013: FTSE Developed ex North America. Periods prior to May 1, 2013: MSCI EAFE.

**FTSE Emerging Markets Spliced Index** – Following July 1, 2013: FTSE Emerging Markets (net). Periods Between February 1, 2013 and July 1, 2013: FTSE Emerging Markets Transition. Periods Prior to February 1, 2013: MSCI Emerging Markets.

**FTSE Global All Cap ex U.S. Spliced Index** – Following June 1, 2013: FTSE Global ex USA All Cap. Periods between January 1, 2011 and July 1, 2013: MSCI ACWI ex USA IMI ND. Periods prior to January 1, 2011: MSCI EAFE + EM ND USD.

**MSCI AC World ex USA (net) Spliced Index** – Following January 1, 2001: MSCI AC World ex USA (net). Prior to January 1, 2001: MSCI AC World ex USA.

**MSCI AC World ex USA Growth (net) Spliced Index** – Following January 1, 2001: MSCI AC World ex USA Growth (net). Periods between January 1, 1997 and January 1, 2001: MSCI AC World ex USA Growth. Periods prior to January 1, 1997: MSCI AC World ex USA.

**MSCI AC World ex USA Value (net) Spliced Index** – Following January 1, 2001: MSCI AC World ex USA Value (net). Periods between January 1, 1997 and January 1, 2001: MSCI AC World ex USA Value. Periods prior to January 1, 1997: MSCI AC World ex USA.

## Statistics Definitions

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Statistics	Description
Sharpe Ratio	-- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.
Alpha	-- A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the portfolio's historical performance not explained by movements of the market, or a portfolio's non-systematic return.
Beta	-- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk.
R-Squared	-- The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. High R-Square means a higher correlation of the portfolio's performance to the appropriate benchmark.
Treyner Ratio	-- Similar to Sharpe ratio, but focuses on beta rather than excess risk (standard deviation). Represents the excess rate of return over the risk free rate divided by the beta. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.
Tracking Error	-- A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark.
Information Ratio	-- Measured by dividing the active rate of return by the tracking error. The higher the Information Ratio, the more value-added contribution by the manager.
Consistency	-- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance.
Excess Return	-- Arithmetic difference between the managers return and the risk-free return over a specified time period.
Active Return	-- Arithmetic difference between the managers return and the benchmark return over a specified time period.
Excess Risk	-- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Up Market Capture	-- The ratio of average portfolio return over the benchmark during periods of positive benchmark return. Higher values indicate better product performance.
Down Market Capture	-- The ratio of average portfolio return over the benchmark during periods of negative benchmark return. Lower values indicate better product performance.