

INSTITUTIONAL PLAN SPONSORS SEE HIGHER SECOND QUARTER GAINS



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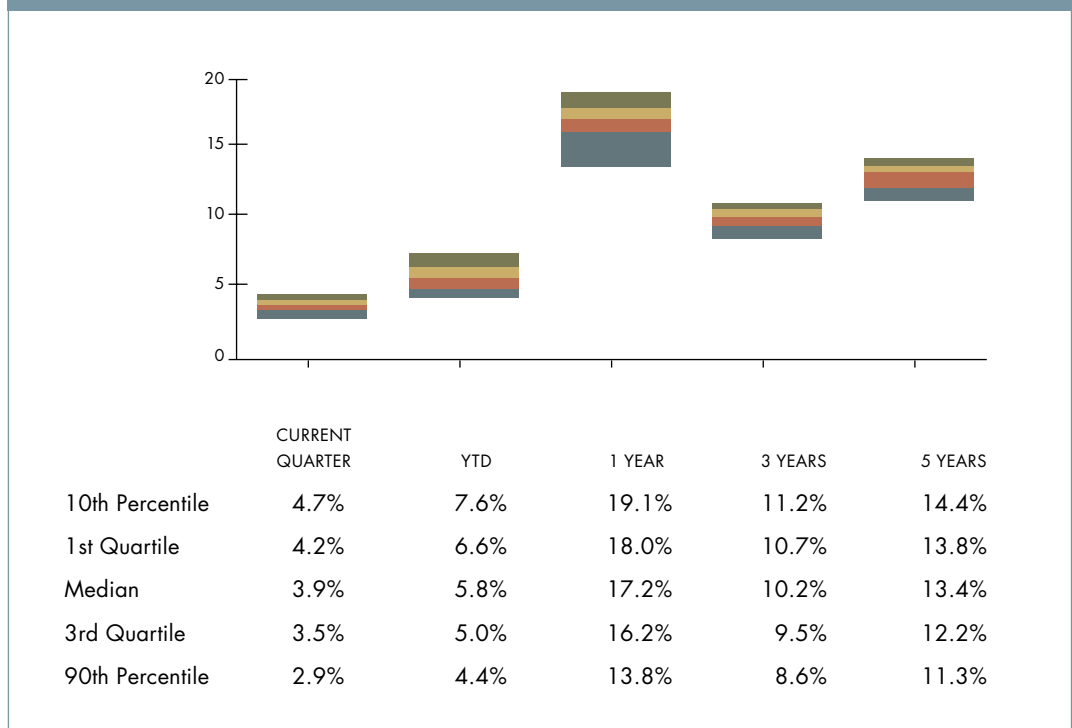
Public Funds posted another quarterly gain in the second quarter of 2014 with the median plan returning 3.9%. This is the eighth consecutive quarter that Public Funds have produced positive results, boosting longer time-period returns. The one-, three- and five-year returns were 17.1%, 10.5% and 12.4%, respectively.

Within the Public Funds universe, domestic equities comprise the largest allocation, at 32.6%, as of June 30, 2014. Despite some macro-economic concerns and a downward revision of the U.S. gross domestic product (GDP), the U.S. equity bull market continued into the second quarter. Broad-based domestic equity indexes such as the S&P 500 and Russell 3000 posted outstanding gains of

5.2% and 4.9%, respectively. Large cap stocks outperformed small cap stocks during the quarter, but midcap value was the top performing U.S. equity sub-asset class, with the Russell Midcap Value Index returning 5.6%.

Non-U.S. stocks posted solid gains in the second quarter, with emerging markets outperforming developed markets overall. The MSCI EAFE Index and the MSCI ACWI ex US Index finished the quarter with gains of 4.3% and 5.2%, respectively. Emerging market equities rebounded in the second quarter with the BRIC countries leading the way. The MSCI Emerging Markets Index posted a very solid gain of 6.7%. As of March 31, 2014, the Public Funds composite allocation to international equities was 22.9%.

PUBLIC FUNDS – TOTAL RETURNS JUNE 30, 2014



The domestic and foreign fixed income allocations within the Public Funds universe were 19.5% and 4.0%, respectively, at the end of the second quarter. Domestic fixed income, represented by the Barclays Capital U.S. Aggregate Bond Index, posted a gain of 2.0% for the quarter. Foreign fixed income, represented by the Citigroup WGBI ex-U.S. index, also showed a gain in the quarter of 2.3%.

Real estate and private equity allocations within the Public Funds composite were 4.4% and 6.4%, respectively, at the end of the quarter. Real estate markets continued to improve in the quarter with the Wilshire U.S. REIT Index returning 7.2%.

After eight straight quarterly gains, public funds are happy to see their longer-period returns much closer or even exceeding their long-term return assumptions.

COMPOSITE ASSET ALLOCATION – PUBLIC FUNDS				
	Current	1 Year Ago	3 Years Ago	5 Years Ago
U.S. Equity	33%	33%	34%	35%
Global/Non-U.S. Equity	23%	22%	21%	17%
U.S. Fixed Income	19%	20%	23%	27%
Global/Non-U.S. Bonds	4%	4%	4%	4%
Private Equity/Hedge Funds	10%	10%	8%	7%
Cash & Other	11%	3%	10%	10%

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If you would like to participate in our universe analysis and receive more in-depth information, please contact your relationship manager.

Returns are shown gross of fees. Index returns assume reinvestment of dividends and earnings and do not reflect the deduction of any trading costs or other expenses. It is not possible to invest directly in an index. Periods greater than one year are annualized. Past performance does not indicate future results.