Tucson Supplemental Retirement System

International Value Equity
Client Review
February 28, 2013

Causeway Capital Management LLC
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15th Floor
Los Angeles, CA 90025
www.causewaycap.com

Solely for one-on-one presentations to institutional clients and prospective institutional clients and their advisers.

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Causeway

Business Update- *as of December 2012*

Assets under management are approximately $16 billion

Causeway Strategies Include:

- Value
  - International Value Equity- $12.4bn
  - International Value Select- $826m
  - Global Value Equity- $1.0bn
- Emerging Markets Equity- $451m
- Opportunities
  - International Opportunities (International + Emerging Markets)- $1.7bn
  - Global Opportunities (Global + Emerging Markets)
- Global Absolute Return- $62m

Total Causeway staff is 55 employees, including 14 fundamental and 4 quantitative research professionals

Effective November 2012, Causeway is 100% owned by its employees

Organizational Structure

SALES/CLIENT SERVICE		ADMINISTRATION		PORTFOLIO MANAGEMENT	
Mark Cone *Chief Marketing Officer* *Executive Vice President*		**Gracie Fermelia** *Chief Operating Officer* *Chief Compliance Officer*		**Harry Hartford** *President* *Head of Fundamental Research* *Portfolio Manager*	**Sarah Ketterer** *Chief Executive Officer* *Portfolio Manager*
Paul O'Grady *Director of National Accounts*	Eric Crabtree *Chief Client Service Officer*	Turner Swan *General Counsel* *Compliance Officer*	Richard Ingram *Head Trader*	Jonathan Eng *Portfolio Manager*	Arjun Jayaraman *Head of Quantitative Research* *Portfolio Manager*
Jerry MacDonald *Director of Sales*	Sarah Van Ness *Relationship Manager*	Gretchen Corbell *Attorney*	Steve Kinomoto *Trader*	James Doyle *Portfolio Manager*	Duff Kuhnert *Portfolio Manager*
Kevin Moutes *Product Manager*	Joy Scarola *Client Service Associate*	Nicolas Chang *Compliance Manager*	Pete Petersen *Head of Technology*	Kevin Durkin *Portfolio Manager*	Joe Gubler *Research Associate*
Jason Betley *Director of Sales*		Kevin Hu *Compliance Specialist*	Steve Cooper *Technology*	Conor Muldoon *Portfolio Manager*	Seung Han *Research Associate*
Preston Patton *Director of Sales*		Jaime Rochon *Human Resources*	Kumar Mahadeva *Technology*	Foster Corwith *Research Associate*	
David Hissey *East Coast Sales Associate*		Daniel Pham *Controller*	Taline Hagopian *Technology*	Alessandro Valentini *Research Associate*	
McKenzie Stuckman West *Coast Internal Sales*		Keisha Moore *Head of Operations*		Victor Liu *Research Associate*	
Teddy Levitt *Southern Internal Sales*		Jason Aiello *Operations*		Ellen Lee *Research Associate*	
		Carolyn Jessie *Operations*		James Pak *Research Associate*	
		Katie Tran *Operations*		Andrew Ralph *Research Associate*	
		James Villaroman *Operations*		Steven Nguyen *Research Associate*	
				Fusheng Li *Research Associate*	

Research Team/ Professional Staff

NAME	POSITION	Yrs w/ Team	Yrs Exp
Sarah Ketterer	Portfolio Manager	23	27
Harry Hartford	Portfolio Manager	19	29
James Doyle	Portfolio Manager	16	20
Jonathan Eng	Portfolio Manager	17	21
Kevin Durkin	Portfolio Manager	14	17
Conor Muldoon, CFA	Portfolio Manager	9	17
Foster Corwith, CFA	Research Associate	7	12
Alessandro Valentini,CFA	Research Associate	6	11
Victor Liu, CFA	Research Associate	8	12
Ellen Lee	Research Associate	5	9
James Pak	Research Associate	3	10
Andrew Ralph	Research Associate	2	6
Steven Nguyen, CFA	Research Associate	1	10
Fusheng Li, MD, PhD	Research Associate	1	3
Arjun Jayaraman, PhD, CFA	Head of Quantitative Research, PM	7	15
Duff Kuhnert, CFA	Quantitative Research, PM	17	18
Joe Gubler, CFA	Research Associate	8	8
Seung Han	Research Associate	3	6

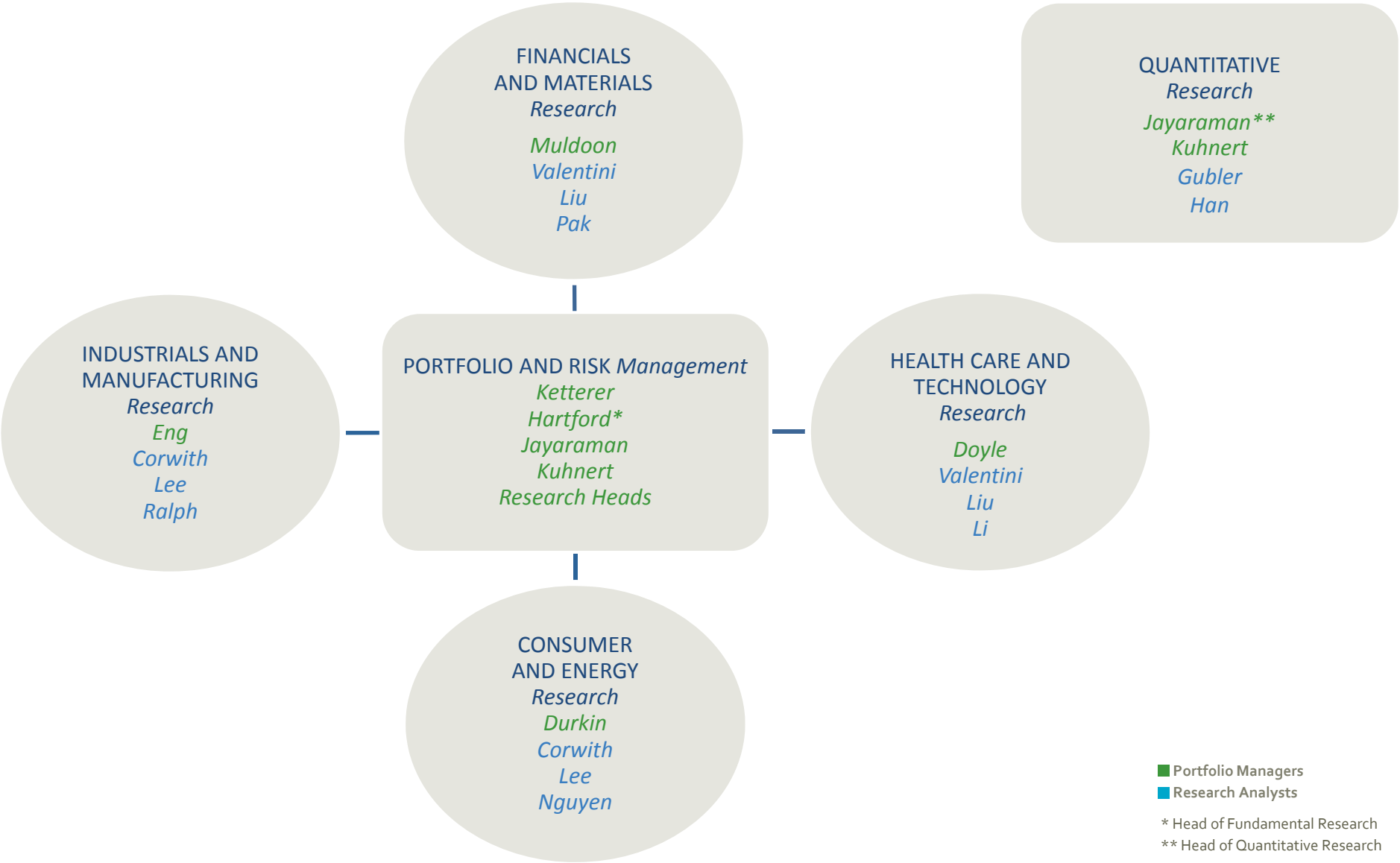
Client List

CORPORATE	SUB-ADVISORY	PUBLIC	TAFT-HARTLEY/UNION
AGL Resources Inc	American Beacon International Equity Fund	County of Los Angeles Deferred Compensation and Thrift Plan	Amalgamated Bank
Albemarle Corporation	CIBC Asset Management Inc.	Fire and Police Employees' Retirement System of the City of Baltimore	1199 Health Care Employees Pension Fund
Ameren Master Retirement Trust	Fortigent, LLC	Hydro One	1199 SEIU Greater New York Pension Fund
American Airlines, Inc.	Harbor Capital	Intrust Superannuation Fund	Central Pennsylvania Teamsters
Archer Daniels Midland	Legg Mason Private Portfolio Group, LLC	Memphis Light, Gas and Water Retirement and Pension System	Central States, Southeast and Southwest Areas Pension Fund
Arrowood Indemnity Company	Principal Funds, Inc. – International Value Fund I	Ohio Police and Fire Pension	Healthcare Employees' Pension Plan-Manitoba
BAE Systems	Harbor Global Value Fund	Public School Retirement System of the City of St. Louis	Northern CA Pharmacists, Clerks and Drug Employers Pension Plan
Danaher Corporation	HC Capital Trust	Salt River Project Employees' Retirement Plan	Twin City Minnesota Nurses Association Pension Trust
Deluxe Corporation	The Northern Trust Company	San Francisco Employees' Retirement System	
Flowers Foods, Inc.	SEI Institutional International Trust	Teachers' Retirement System of Oklahoma	
General Mills	SEI Institutional Investments Trust	The Educational Employees' Supplementary Retirement System of Fairfax County	
Illinois Tool Works Inc.	SEI Investments Canada Company	The Prince George's County Police Pension Plan	
Mutual of Omaha	SEI Investments: SMAP/IMAP Managed Account Program	The Prince George's County Fire Service Pension Plan	
OGE Energy Corporation	SEI Adviser Managed Trust: Tactical Offensive Equity Fund	Prince George's County Comprehensive and Supplemental Pension Plans	
Oncor Retirement Plan	13 Confidential Sub-Advisory	Tucson Supplemental Retirement System	
Reichhold, Inc.		2 Confidential Public Plans	
Rockwell Automation, Inc.			
Rockwell Collins, Inc			
2 Confidential Corporate			

CHARITABLE	MUTUAL FUNDS	TAXABLE TRUSTS/FUNDS	ENDOWMENT/FOUNDATION
Banner Health	Causeway International Value Fund	2 Confidential Family Trusts/Funds	1 Confidential Foundation
Cedars-Sinai Medical Center	Causeway Emerging Markets Fund		
Christian Brothers Investment Services, Inc.	Causeway Global Value Fund		
R.W. Grand Lodge of Pennsylvania	Causeway International Opportunities Fund		
Via Christi Health Systems	Causeway Global Absolute Return Fund		
2 Confidential Socially-Responsible			

All separate account and group trust clients included. It is not known whether the listed clients approve or disapprove of Causeway or its investment advisory services.

Research and Portfolio Management



Fundamental Research Matrix *(arranged by GICS sector)*

CONSUMER DISCRETIONARY	CONSUMER STAPLES	ENERGY	FINANCIALS	HEALTH CARE
Durkin Eng Corwith Lee Ralph	Durkin Corwith Nguyen	Durkin Lee	Muldoon Liu Valentini Pak	Doyle Durkin Valentini Li
INDUSTRIALS	**INFORMATION TECHNOLOGY**	**MATERIALS**	**TELECOM SERVICES**	**UTILITIES**
Eng Corwith Lee Ralph	Doyle Liu Li	Muldoon Eng Corwith Pak	Doyle Liu	Durkin Lee Nguyen

Portfolio Managers
Research Analysts

Investment Philosophy & Process

INTERNATIONAL VALUE EQUITY

Value manager

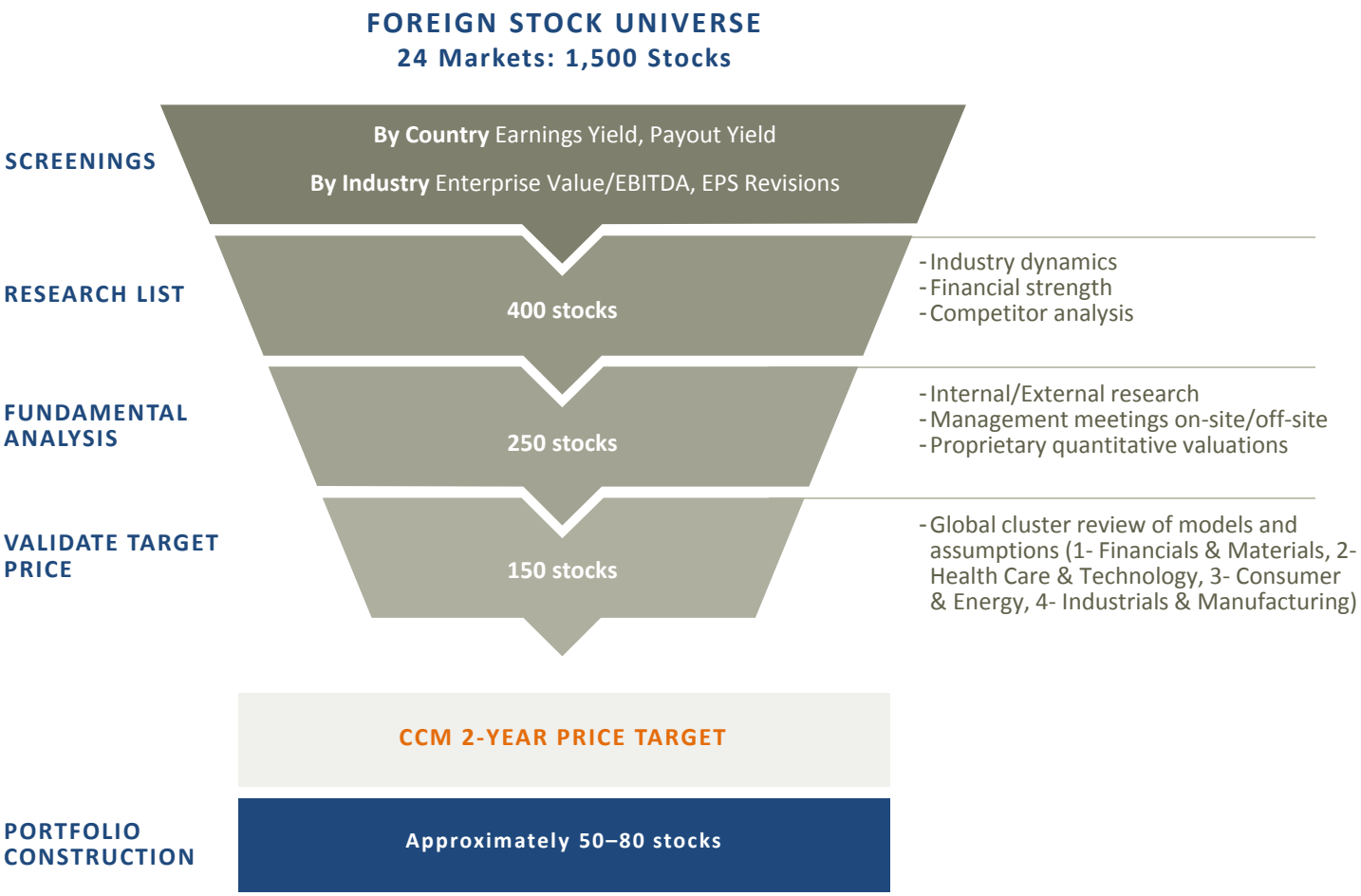
- Active, bottom-up stock selection
- Meticulous fundamental research

Focus on controlling risk

- View risk as volatility of returns, not tracking error
- Risk is controlled using proprietary quantitative tools

Team approach

- Provides continuity of the investment process



Portfolio Snapshot

as of December 31, 2012

ASSETS

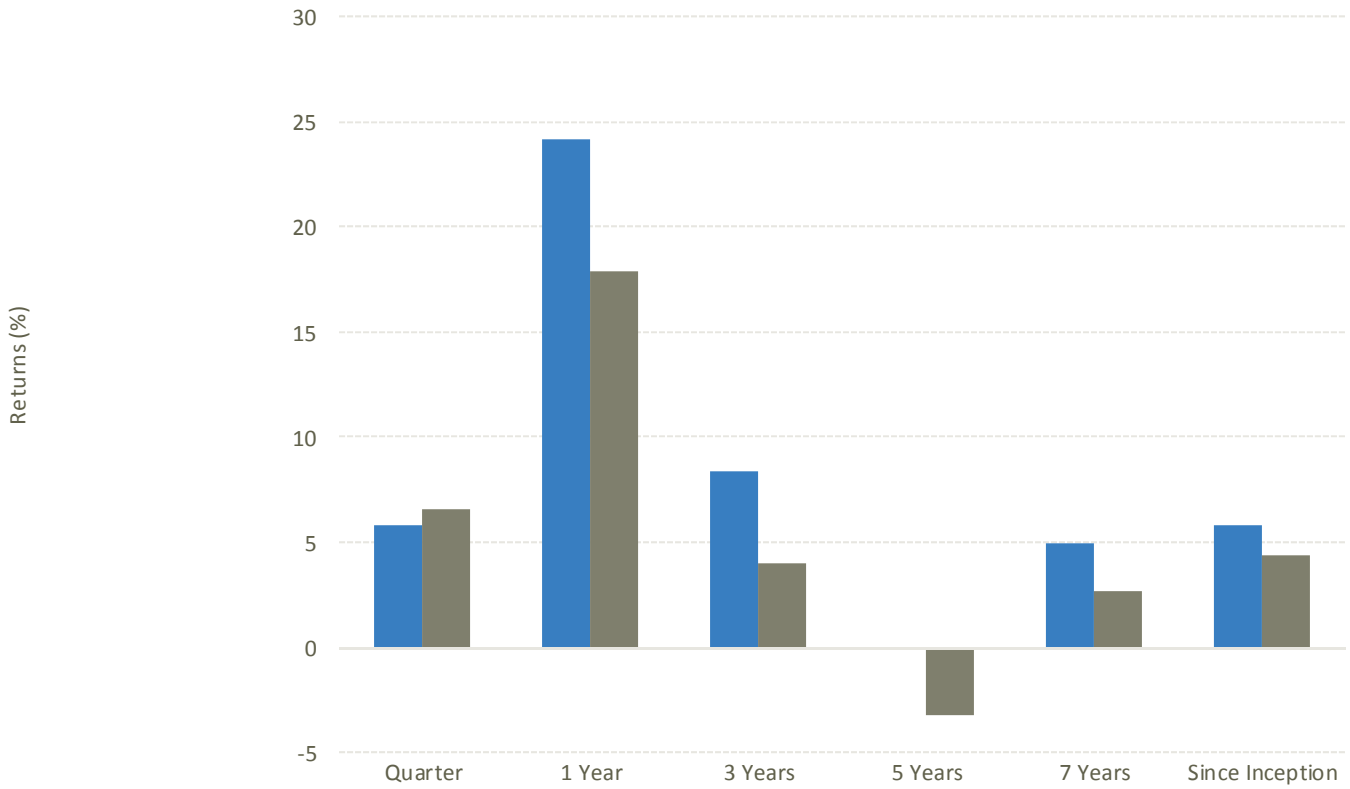
Total Assets	$45,835,208
Equity	98.41%
Cash	1.63%
Accrued Income	0.03%
Currency Forwards Unrealized Gain/Loss	-0.06%

CHARACTERISTICS

	Portfolio	MSCI EAFE
FY2 Price/Earnings	11.2 x	11.7 x
Price/Book Value	1.7 x	1.4 x
Return on Equity	17.2 %	15.9 %
Dividend Yield	3.4 %	3.4 %
No. of Holdings	59	909
Wtd Avg Mkt Cap (Mn $US)	45,998	47,414

Performance

RETURNS (GROSS OF FEES) *for the periods ended December 31, 2012*



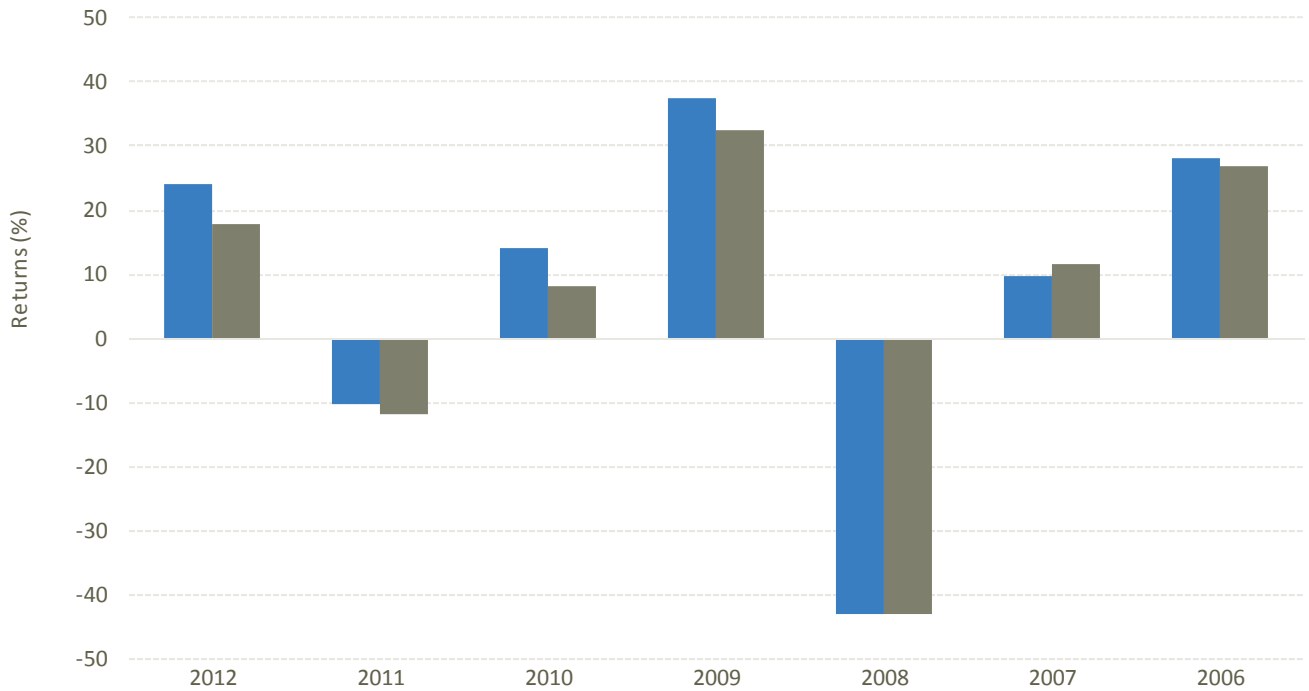
	Quarter	1 Year	3 Years	5 Years	7 Years	Since Inception
TUCSON	5.85	24.14	8.33	-0.03	4.99	5.82
MSCI EAFE	6.60	17.90	4.04	-3.21	2.67	4.37

Performance Inception Date: 01/14/2005

Account returns are calculated daily. Monthly account returns are calculated by geometrically linking the daily returns. Returns are calculated monthly by weighting monthly account returns by the beginning market value. Returns include the reinvestment of interest, dividends and any capital gains. Returns are calculated gross of withholding taxes on dividends, interest and capital gains. The gross performance presented is before management and custody fees but after trading expenses. Returns greater than one year, if any, are annualized. Past performance is no guarantee of future performance.

Performance

CALENDAR YEAR RETURNS (GROSS OF FEES)



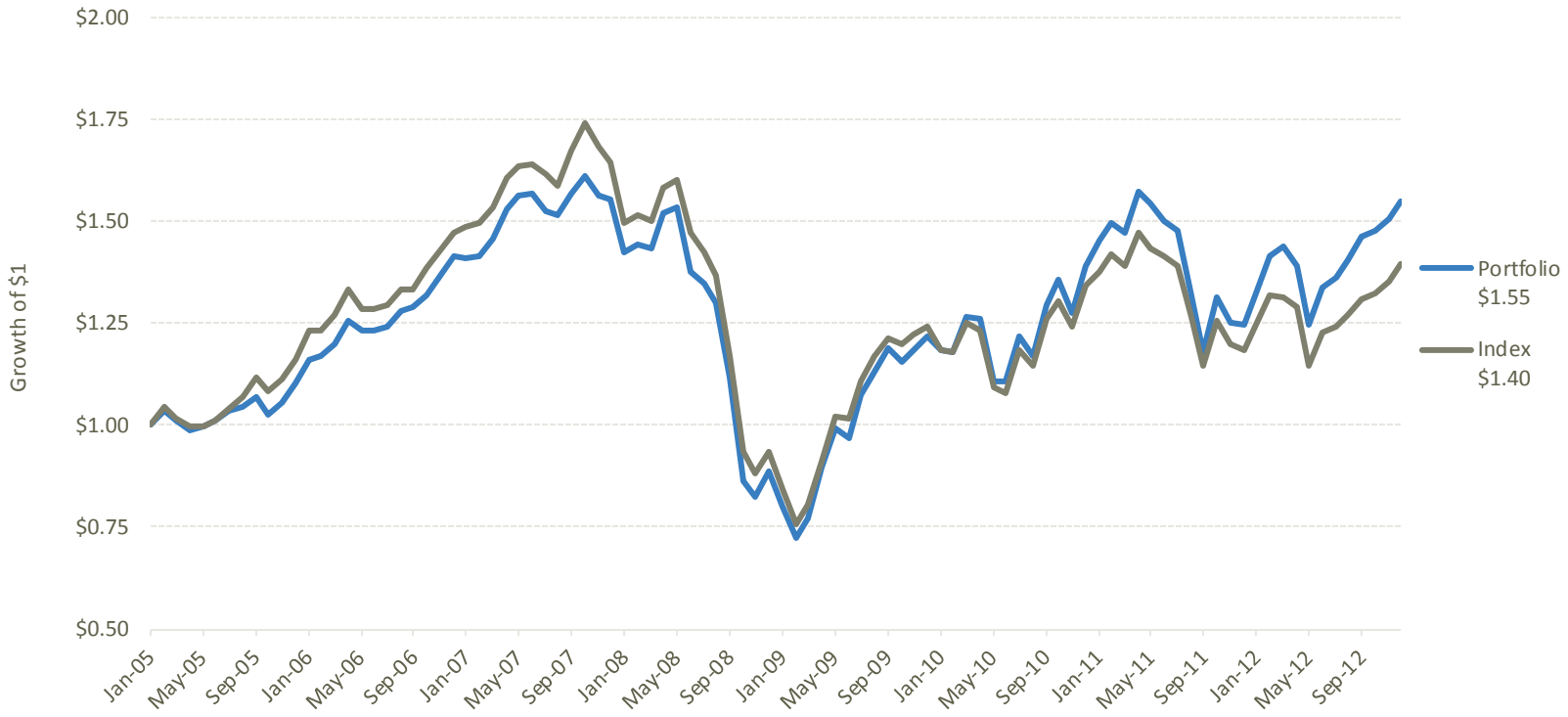
	2012	2011	2010	2009	2008	2007	2006
TUCSON	24.14	-10.24	14.08	37.37	-42.83	9.82	28.23
MSCI EAFE	17.90	-11.73	8.21	32.46	-43.06	11.63	26.86

Performance Inception Date: 01/14/2005

Account returns are calculated daily. Monthly account returns are calculated by geometrically linking the daily returns. Returns are calculated monthly by weighting monthly account returns by the beginning market value. Returns include the reinvestment of interest, dividends and any capital gains. Returns are calculated gross of withholding taxes on dividends, interest and capital gains. The gross performance presented is before management and custody fees but after trading expenses. Past performance is no guarantee of future performance.

Growth of $1.00

CUMULATIVE UNIT VALUES *to December 31, 2012*



Performance Inception Date: 01/14/2005

This chart illustrates cumulative performance starting at the first full month following the account's inception. Account returns are calculated daily. Monthly account returns are calculated by geometrically linking the daily returns. Returns are calculated monthly by weighting monthly account returns by the beginning market value. Returns include the reinvestment of interest, dividends and any capital gains. Returns are calculated gross of withholding taxes on dividends, interest and capital gains. The gross performance presented is before management and custody fees but after trading expenses. Past performance is no guarantee of future performance.

Geographic Exposure and Index Performance

WEIGHTS *as of December 31, 2012*

	PORTFOLIO (%)	MSCI EAFE (%)
Euro		
Austria	0.0	0.3
Belgium	0.0	1.2
Finland	0.0	0.8
France	11.2	9.6
Germany	15.0	8.8
Greece	0.0	0.1
Ireland	2.2	0.3
Italy	1.1	2.3
Netherlands	8.0	2.5
Portugal	0.0	0.2
Spain	3.2	3.0
	40.7	**28.9**
Other Europe		
Denmark	0.0	1.2
Norway	0.0	0.9
Sweden	1.2	3.2
Switzerland	10.6	8.7
United Kingdom	22.8	22.6
	34.6	**36.5**
Pacific		
Australia	0.0	8.9
Hong Kong	3.6	3.1
Japan	13.7	20.0
New Zealand	0.0	0.1
Singapore	3.1	1.9
South Korea	2.8	0.0
	23.2	**34.1**
Africa / Mideast		
Israel	0.0	0.5
	0.0	**0.5**
SUBTOTAL	98.4	100.0
CASH	1.6	-
TOTAL	100.0	100.0

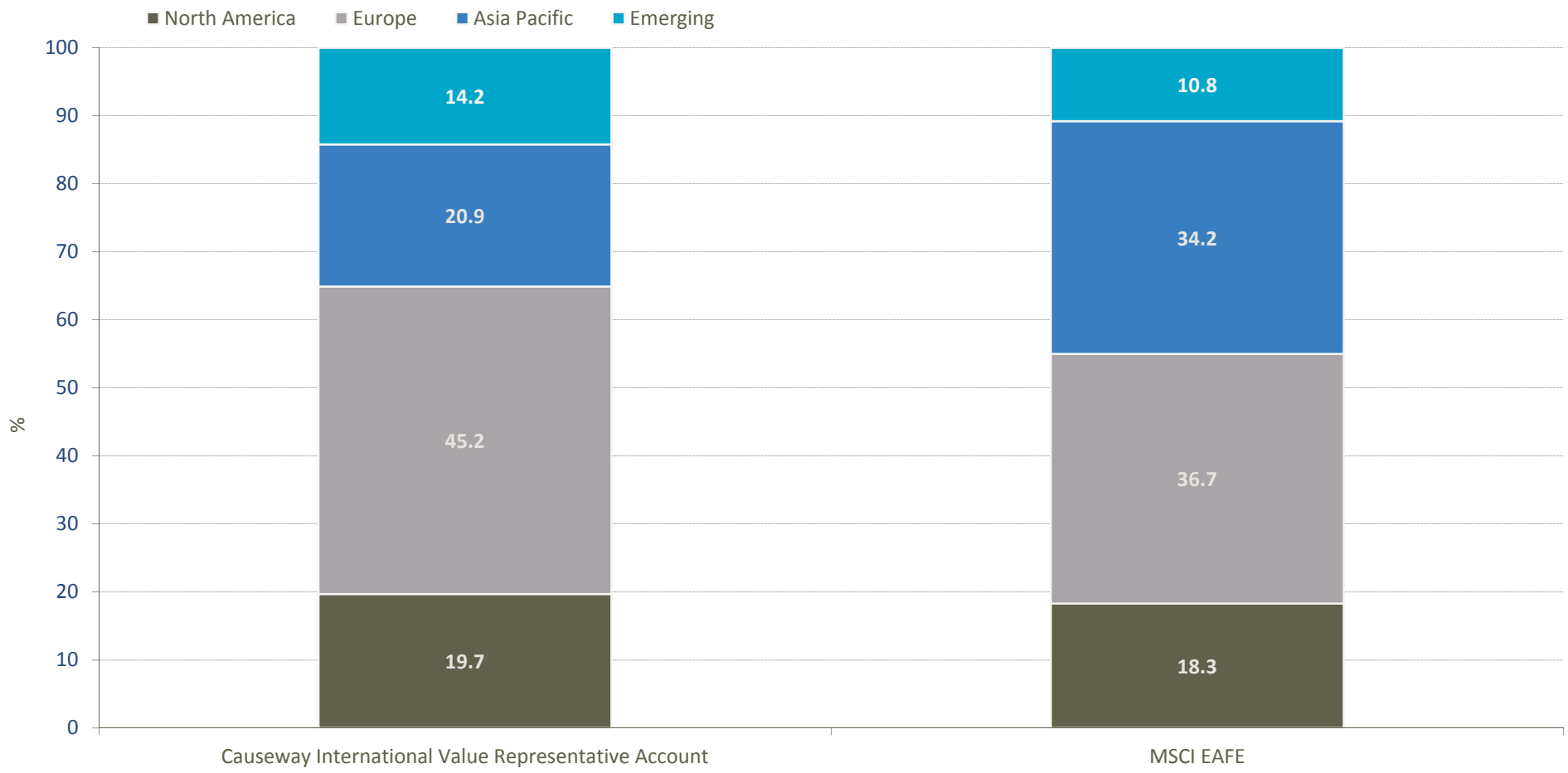
INDEX RETURNS* *for the year-to-date through December 31, 2012*

	USD %	LOCAL (%)
Euro		
Austria	27.0	25.1
Belgium	40.7	38.6
Finland	16.5	14.7
France	22.8	20.9
Germany	32.1	30.1
Greece	5.7	4.1
Ireland	6.3	4.7
Italy	13.5	11.7
Netherlands	21.2	19.3
Portugal	5.0	3.4
Spain	4.7	3.1
Other Europe		
Denmark	31.9	30.4
Norway	19.7	11.6
Sweden	23.4	17.1
Switzerland	21.5	18.9
United Kingdom	15.3	10.2
Pacific		
Australia	22.3	20.8
Hong Kong	28.3	28.0
Japan	8.4	21.8
New Zealand	30.4	23.3
Singapore	31.0	23.5
South Korea	21.5	12.9
Africa / Mideast		
Israel	-3.9	-6.2

Source: MSCI

Developed Markets Have Economic Exposure to Emerging Markets

GEOGRAPHIC EXPOSURE BY COMPANY REVENUES

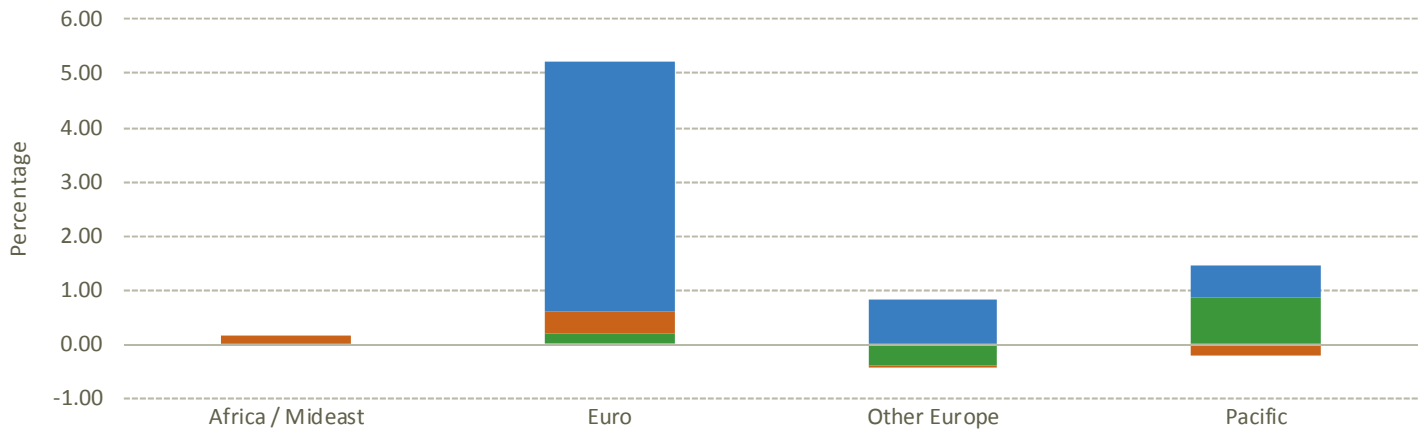


Data sources: FactSet, Bloomberg, Causeway Analytics

Causeway estimates are based on latest available revenues reported by companies in the portfolio on 12/31/12, proportionate to holding weights. Israel is classified as emerging.

Regional Attribution

PORTFOLIO vs. MSCI EAFE *for the year-to-date through December 31, 2012*



	Africa / Mideast	Euro	Other Europe	Pacific
Stock Selection	0.00	4.62	0.82	0.60
Country Allocation	0.17	0.40	-0.02	-0.22
Currency Allocation	-0.02	0.22	-0.39	0.87

Performance attribution is based on the equity portion of the portfolio

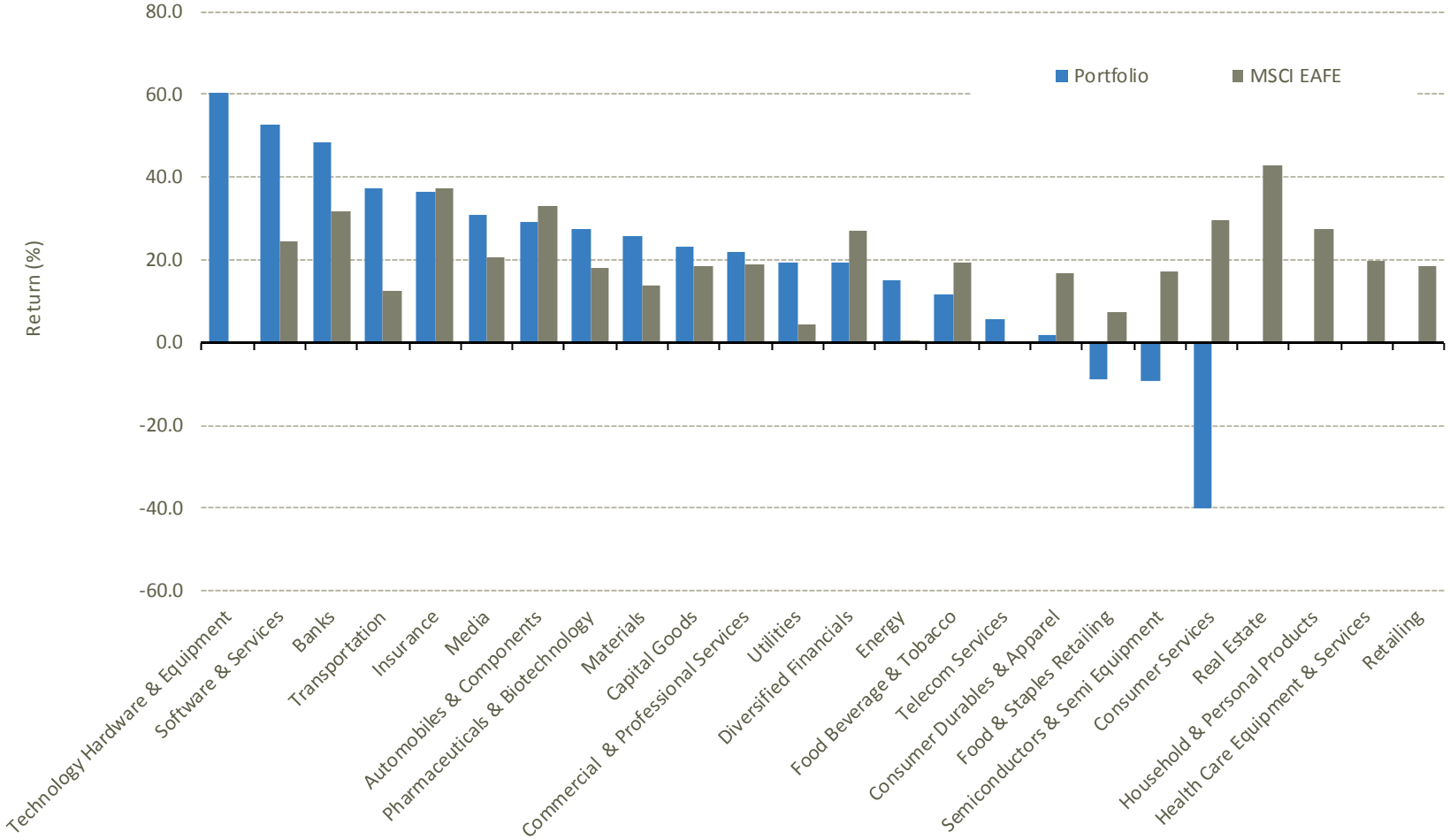
Stock Selection: Positive - Relative outperformance (6.03%) was due to holdings in Japan, France, Netherlands, Ireland, and United Kingdom.

Country Allocation: Positive - Relative outperformance (0.33%) resulted from overweighting in Germany, Spain, and France; relative underperformance resulted from overweighting in Ireland along with underweighting in Greece.

Currency: Positive - Relative outperformance (0.68%) resulted from underweighting in Japanese Yen as well as overweighting in South Korean Won and Euro; relative underperformance resulted from underweighting in Australian Dollar along with overweighting in British Pound.

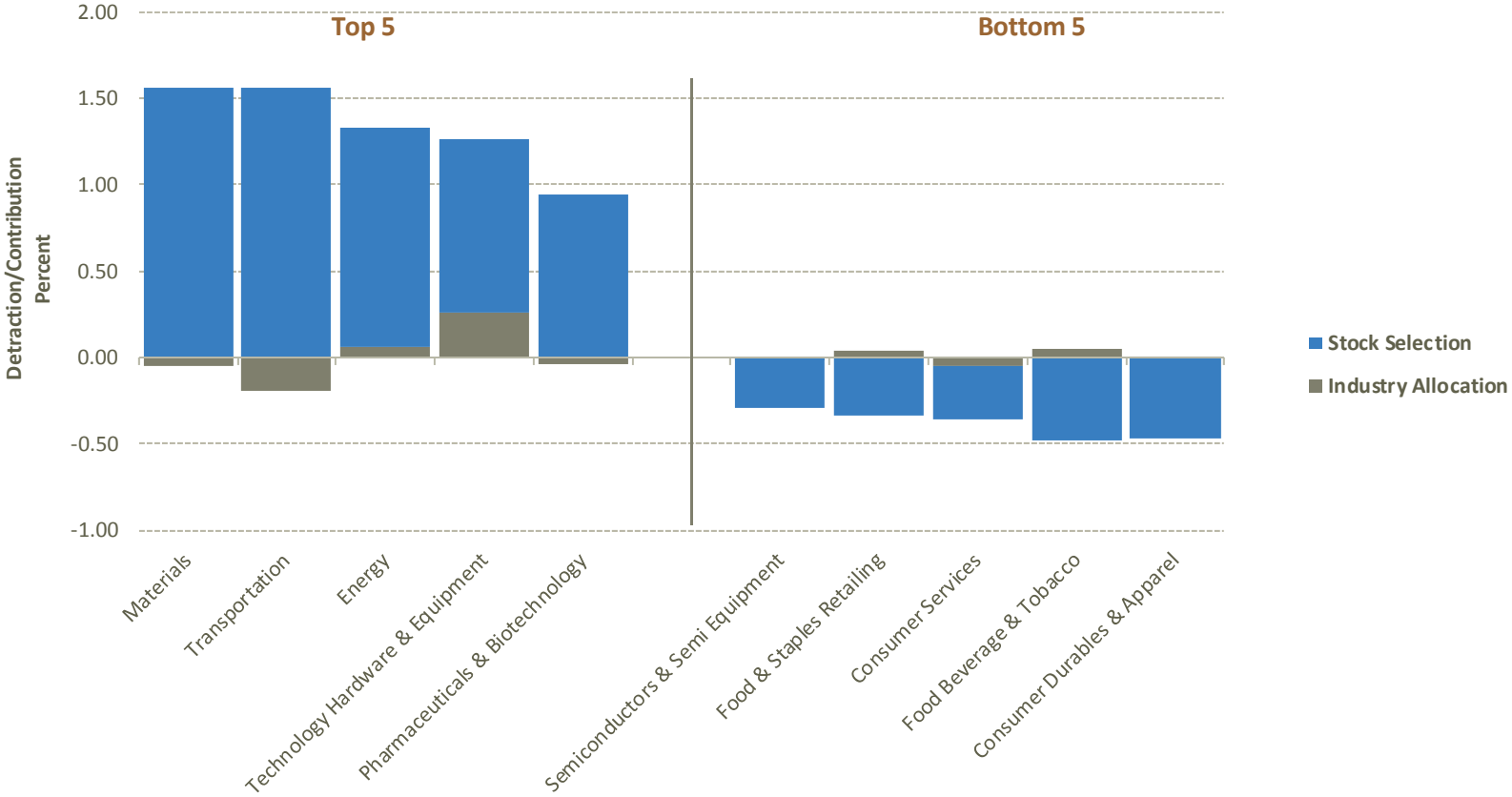
Industry Performance

RETURNS *for the year-to-date through December 31, 2012*



Industry Attribution

PORTFOLIO vs. MSCI EAFE *for the year-to-date through December 31, 2012*



Stock Selection: Positive - Relative outperformance (7.34%) was due to holdings in Transportation, Materials, Energy, Technology Hardware & Equipment, and Pharmaceuticals & Biotechnology.

Industry Allocation: Negative - Relative underperformance (-1.09%) resulted from overweighting in Transportation and Materials; relative outperformance resulted from overweighting in Energy as well as underweighting in Technology Hardware & Equipment and Food Beverage & Tobacco.

Significant Contributors and Detractors

for the year-to-date through December 31, 2012

Largest Absolute Contributors

Company Name	Weight[1]	Return	Contribution to Return[2]	Country	Industry Group
AKZO NOBEL	3.6%	40.3%	1.17%	Netherlands	Materials
TOYOTA MOTOR CORP	3.1%	41.4%	1.05%	Japan	Automobiles & Components
REED ELSEVIER NV	3.5%	30.9%	0.97%	Netherlands	Media
SANOFI	2.8%	33.8%	0.92%	France	Pharmaceuticals & Biotechnology
BARCLAYS PLC	1.6%	60.2%	0.90%	United Kingdom	Banks
HSBC HOLDINGS PLC	2.5%	43.9%	0.82%	United Kingdom	Banks
DEUTSCHE POST AG	1.4%	49.0%	0.81%	Germany	Transportation
GEMALTO	0.0%	60.3%	0.76%	France	Technology Hardware & Equipment
JGC CORP	2.4%	31.0%	0.76%	Japan	Capital Goods
MUNICH RE	1.6%	53.7%	0.73%	Germany	Insurance

Largest Absolute Detractors

Company Name	Weight[1]	Return	Contribution to Return[2]	Country	Industry Group
EURASIAN NATURAL RESOURCES	0.0%	-54.1%	-0.46%	United Kingdom	Materials
BG GROUP PLC	1.5%	-18.5%	-0.33%	United Kingdom	Energy
OPAP SA	0.0%	-39.9%	-0.21%	Greece	Consumer Services
SANKYO CO LTD GUNMA	0.5%	-18.5%	-0.14%	Japan	Consumer Durables & Apparel
TESCO PLC	2.5%	-8.8%	-0.12%	United Kingdom	Food & Staples Retailing
TOKYO ELECTRON LTD	1.0%	-9.4%	-0.07%	Japan	Semiconductors & Semi Equipment
VODAFONE GROUP PLC	1.6%	-4.6%	-0.07%	United Kingdom	Telecom Services
BANK OF YOKOHAMA LTD/THE	0.4%	3.3%	0.00%	Japan	Banks
BP PLC	0.0%	-0.9%	0.00%	United Kingdom	Energy
MEDIASET ESPANA COMUNICACION SA	0.0%	44.7%	0.00%	Spain	Media

(1) Ending period weights

(2) Geometric average using daily returns and weights

Significant Changes

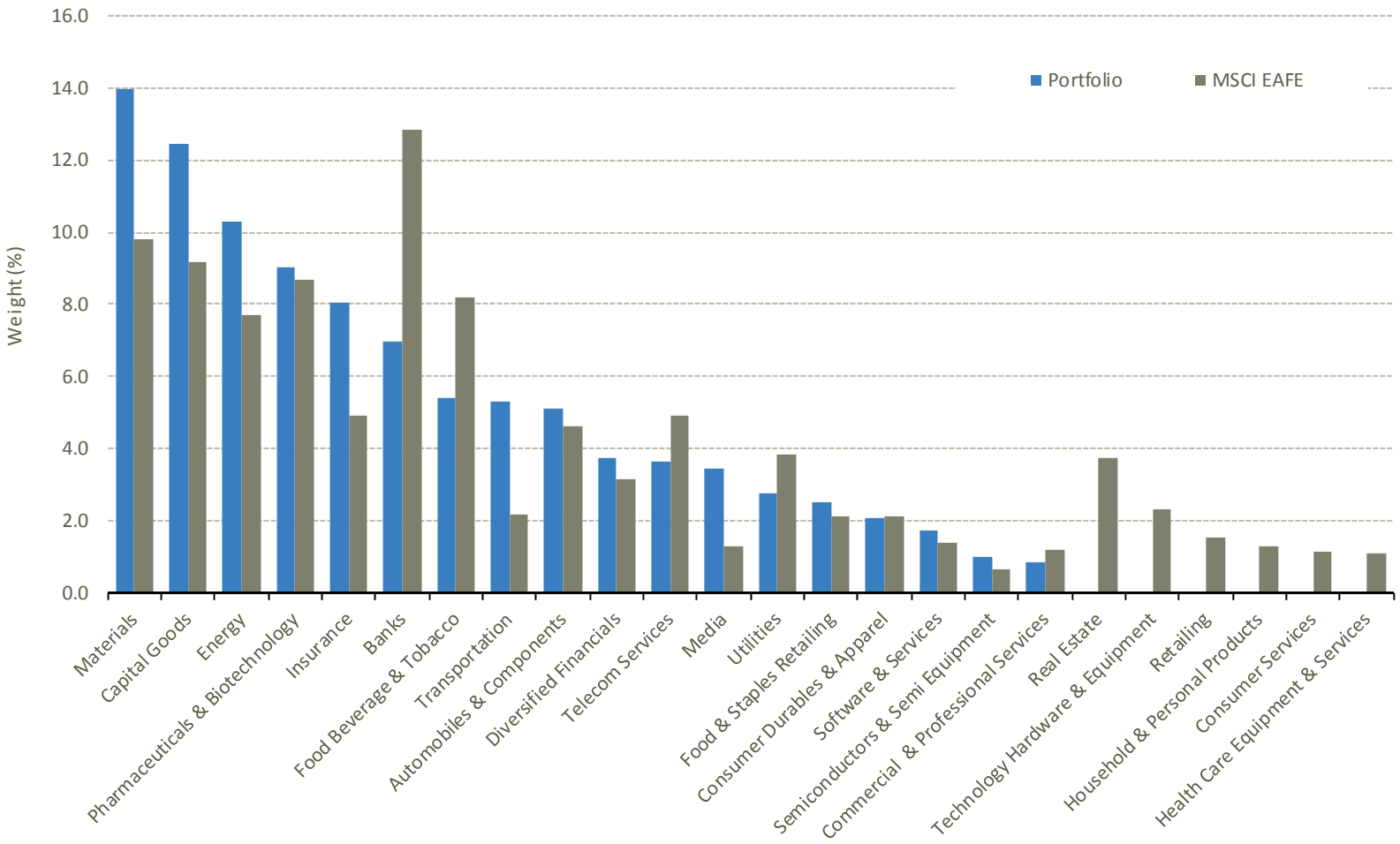
for the year-to-date through December 31, 2012

Increases	Country	Industry Group	% Beginning Weight	% Ending Weight	Reason*
TOTAL SA	France	Energy	0.00%	2.14%	IL, ER
DAIMLER AG	Germany	Automobiles & Components	0.00%	2.02%	CD, ER
DEUTSCHE BOERSE AG	Germany	Diversified Financials	0.00%	1.60%	CD, ER
CNOOC LTD	Hong Kong	Energy	0.00%	1.50%	IL, ER
BG GROUP PLC	United Kingdom	Energy	0.00%	1.47%	IL, ER
FANUC LTD	Japan	Capital Goods	0.00%	1.04%	CD, ER
BASF AG	Germany	Materials	0.00%	0.50%	CD
CHINA MERCHANTS HLDGS INTL	Hong Kong	Transportation	0.00%	0.50%	CD, ER
BANK OF YOKOHAMA LTD/THE	Japan	Banks	0.00%	0.43%	CD, ER
RED ELECTRICA DE ESPANA	Spain	Utilities	0.00%	0.30%	IL, ER
Decreases	**Country**	**Industry Group**	**% Beginning Weight**	**% Ending Weight**	**Reason***
GEMALTO	France	Technology Hardware & Equipment	1.51%	0.00%	RV
HONDA MOTOR CO LTD	Japan	Automobiles & Components	2.06%	0.00%	RV
AIR LIQUIDE	France	Materials	1.61%	0.00%	RV
SMC CORP	Japan	Capital Goods	1.80%	0.00%	RV
HYUNDAI HEAVY INDUSTRIES	South Korea	Capital Goods	1.22%	0.00%	RV
TNT EXPRESS NV	Netherlands	Transportation	0.70%	0.00%	RV
BP PLC	United Kingdom	Energy	1.23%	0.00%	RV
BANCO SANTANDER CENTRAL HISP	Spain	Banks	0.87%	0.00%	RV
VINCI SA	France	Capital Goods	0.60%	0.00%	RV
EURASIAN NATURAL RESOURCES	United Kingdom	Materials	0.97%	0.00%	RV

***Key: CD = Cyclical discount ER = Earnings revision IL = Industry Laggard PR = Political risk RV = Relative value RB = Rebalance of security weightings**

Industry Exposure

WEIGHTS *as of December 31, 2012*



Top 10 Holdings

as of December 31, 2012

Aggregate Weight: 28.7%

1. **AKZO NOBEL - Materials - Netherlands** **3.6%**
   Akzo Nobel produces and markets specialty chemicals, coatings, and paints. The Company manufactures polymers, catalysts, pulp and paper chemicals, salt, base chemicals, paint, automobile finishes, and industrial coatings.

2. **REED ELSEVIER - Media - Netherlands** **3.5%**
   Reed Elsevier PLC is a holding company. The Company is a publisher and information provider. Reed Elsevier, through its subsidiaries, publishes information for the scientific and medical professions, legal, and business to business sector.

3. **TOYOTA MOTOR CORP - Automobiles & Components - Japan** **3.1%**
   Toyota Motor Corporation manufactures, sells, leases, and repairs passenger cars, trucks, buses, and their related parts worldwide. The Company also operates financing services through their subsidiaries. Toyota Motor builds homes, produces pleasure boats, and develops intelligent transportation systems including radar cruise control and electronic toll collection systems.

4. **SANOFI - Pharmaceuticals & Biotechnology - France** **2.8%**
   Sanofi is a global pharmaceutical company that researches, develops and manufactures prescription pharmaceuticals and vaccines. The Company develops cardiovascular, thrombosis, metabolic disorder, central nervous system, internal medicine and oncology drugs, and vaccines.

5. **KT&G CORP - Food Beverage & Tobacco - South Korea** **2.8%**
   KT&G Corporation processes, produces, and sells cigarettes and other tobacco products. The Company, through its subsidiaries, manufactures ginseng products such as red ginseng tea and herbal medicines. KT&G is also involved in real estate development of its former factory sites.

6. **NOVARTIS AG - Pharmaceuticals & Biotechnology - Switzerland** **2.7%**
   Novartis manufactures pharmaceutical and nutrition products. The Company produces treatments for hypertension, fungal infections, skin conditions, arthritis, cancer, cardiovascular diseases, arteriosclerosis and other conditions, animal health products, baby food, and clinical nutrition products for healthcare organizations.

7. **BRITISH AMERICAN TOBACCO PLC - Food Beverage & Tobacco - United Kingdom** **2.6%**
   British American Tobacco is the holding company for a group of companies that manufacture, market and sell cigarettes and other tobacco products, including cigars and roll-your-own tobacco. The Company's international brands include "State Express 555", "Lucky Strike", "Kent", and "Benson & Hedges".

8. **LINDE AG - Materials - Germany** **2.6%**
   Linde AG is a gases and engineering company. The Gases Division offers a wide range of industrial and medical gases mainly used in energy sector, steel production, chemical processing, as well as in food processing. The Engineering Division develops olefin plants, natural gas plants and air separation plants, as well as hydrogen and synthesis gas plants.

9. **TESCO PLC - Food & Staples Retailing - United Kingdom** **2.5%**
   Tesco PLC is a food retailer. The Group operates stores in the United Kingdom, Republic of Ireland, Czech Republic, Hungary, Poland, Slovakia, Turkey, Japan, Malaysia, South Korea, China, Thailand, and the United States.

10. **HSBC HLDGS - Banks - United Kingdom** **2.5%**
    HSBC Holdings PLC is the holding company for the HSBC Group. The Company provides a variety of international banking and financial services, including retail and corporate banking, trade, trusteeship, securities, custody, capital markets, treasury, private and investment banking, and insurance. The Group operates worldwide.

Investment Outlook

Global Economy

- Aided by low interest rates and unconventional monetary policy, US economy should continue to recover gradually.
- European economies will likely remain stagnant through 2013, as fiscal consolidation outweighs the long-term benefits of structural reform.
- Yen weakness and calls for the establishment of a minimum inflation target may aid recovery in Japan.
- Emerging economies will continue growing at a faster pace than developed, but growth will not be uniform. Growth in many countries will remain susceptible to political and regulatory interference.

Equity Markets

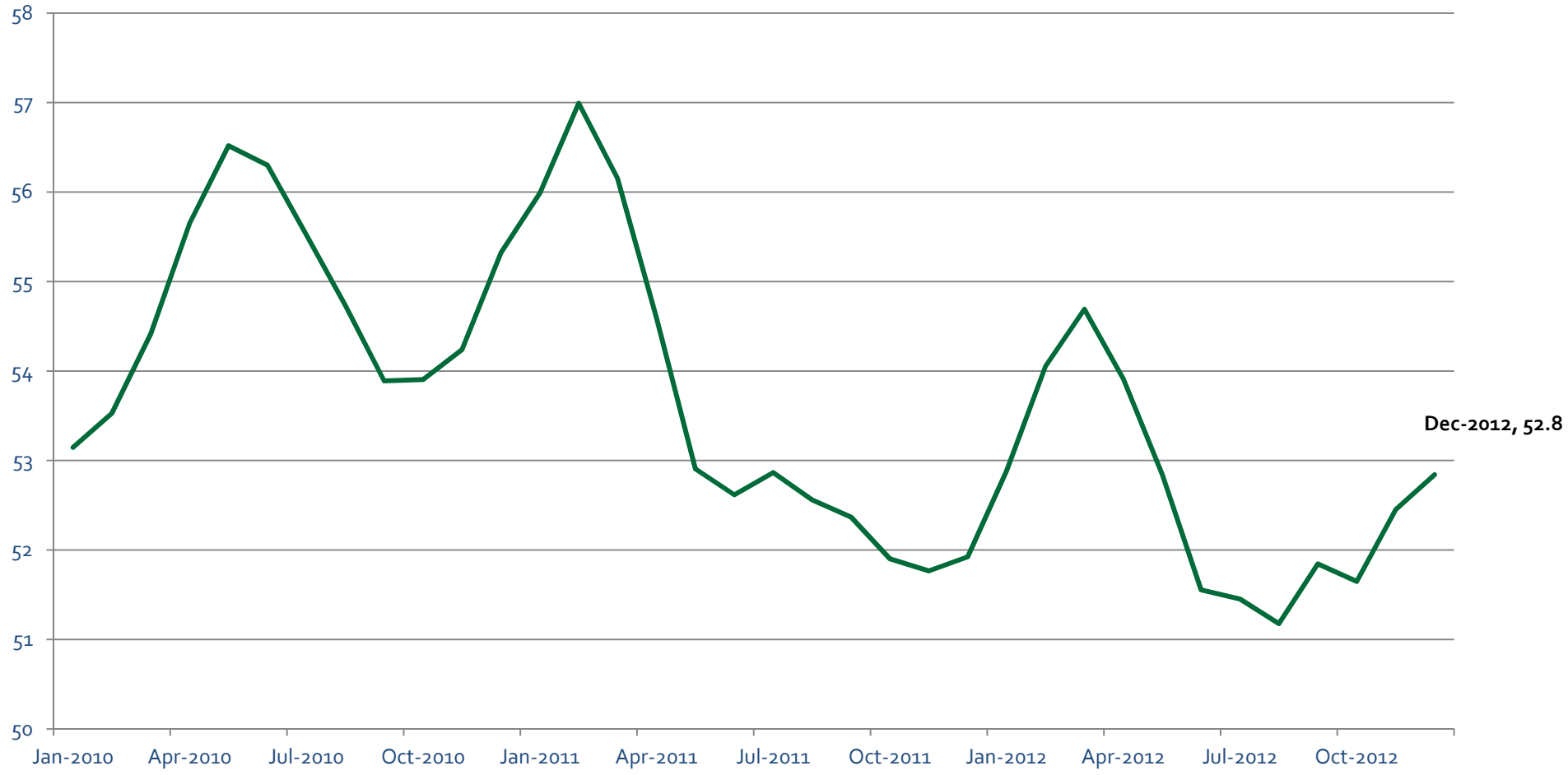
- The sector and country rotation from defensives to cyclicals and financials that began in Q4-12 should continue through Q1-13.
- Significant market appreciation from current levels will depend on a narrowing equity risk premium.
- Lack of attractive alternative investment opportunities, coupled with cheap and plentiful liquidity, may cause equity valuations to rise.

Portfolio

- Valuations are undemanding.
- Equity dividend yields are competitive with fixed income.
- Corporate balance sheets remain healthy.

Global Growth Has Turned the Corner

GLOBAL COMPOSITE PMI* (JPMORGAN)- 3 MONTH AVERAGE

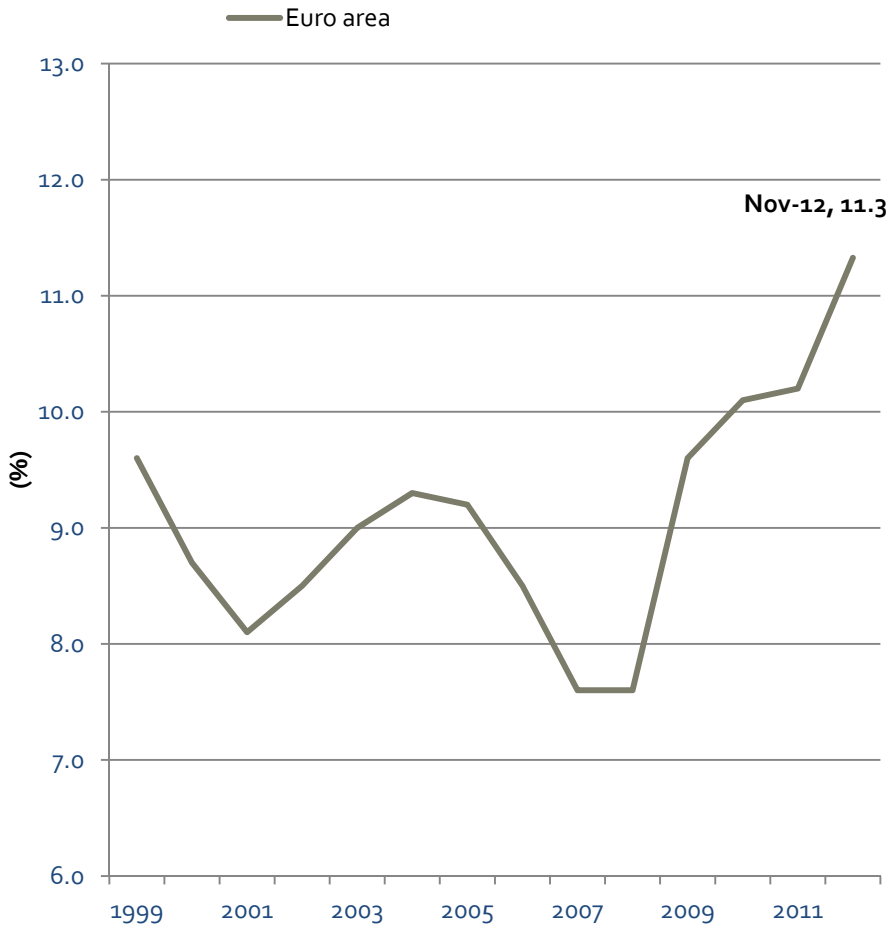


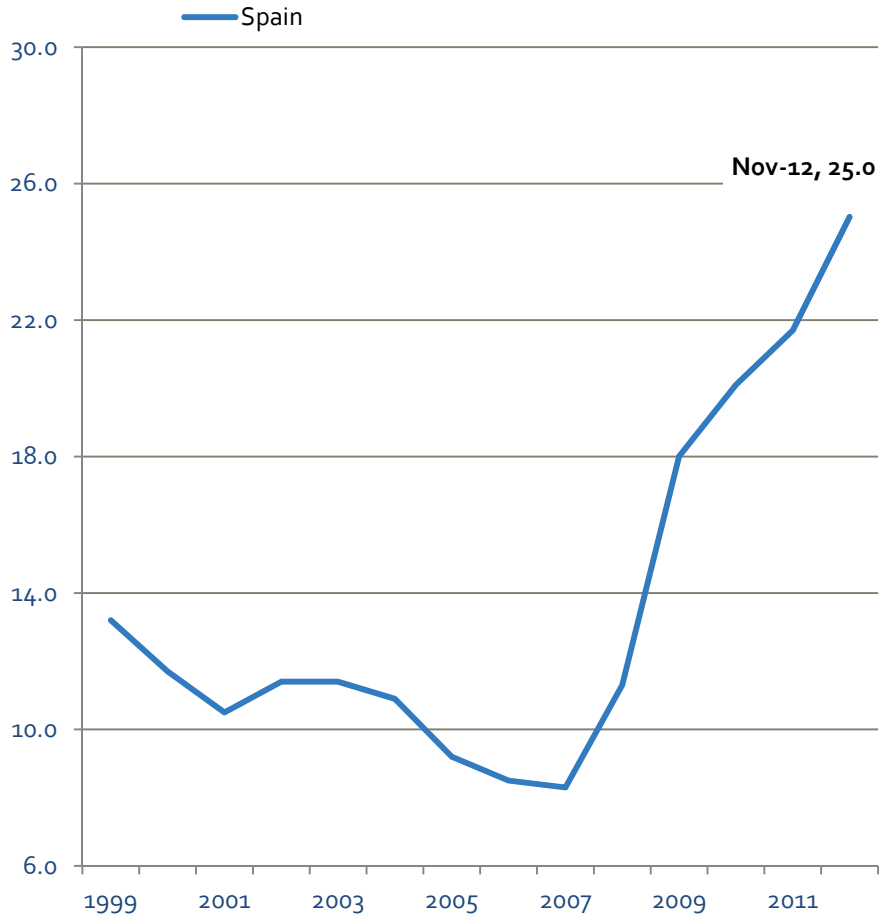
**Purchasing Managers' Index*

Data source: ISI Group

Europe Faces a Challenging Economic Backdrop

UNEMPLOYMENT RATE, ANNUAL AVERAGE, 1999-2012*



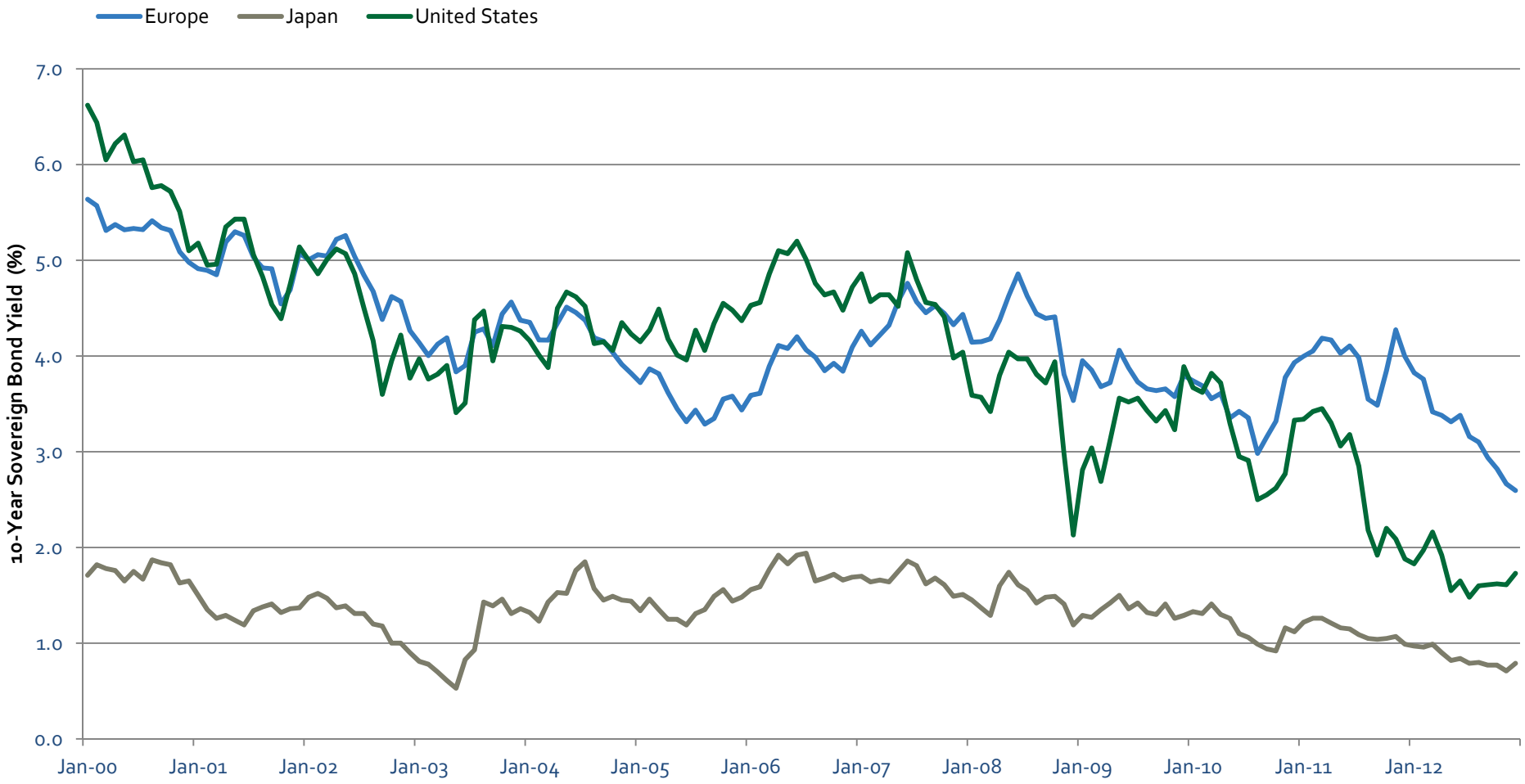


**2012 is an average of monthly rates for Jan-Nov 2012*

Data source: European Commission

Monetary Policy: Low Yields and Quantitative Easing

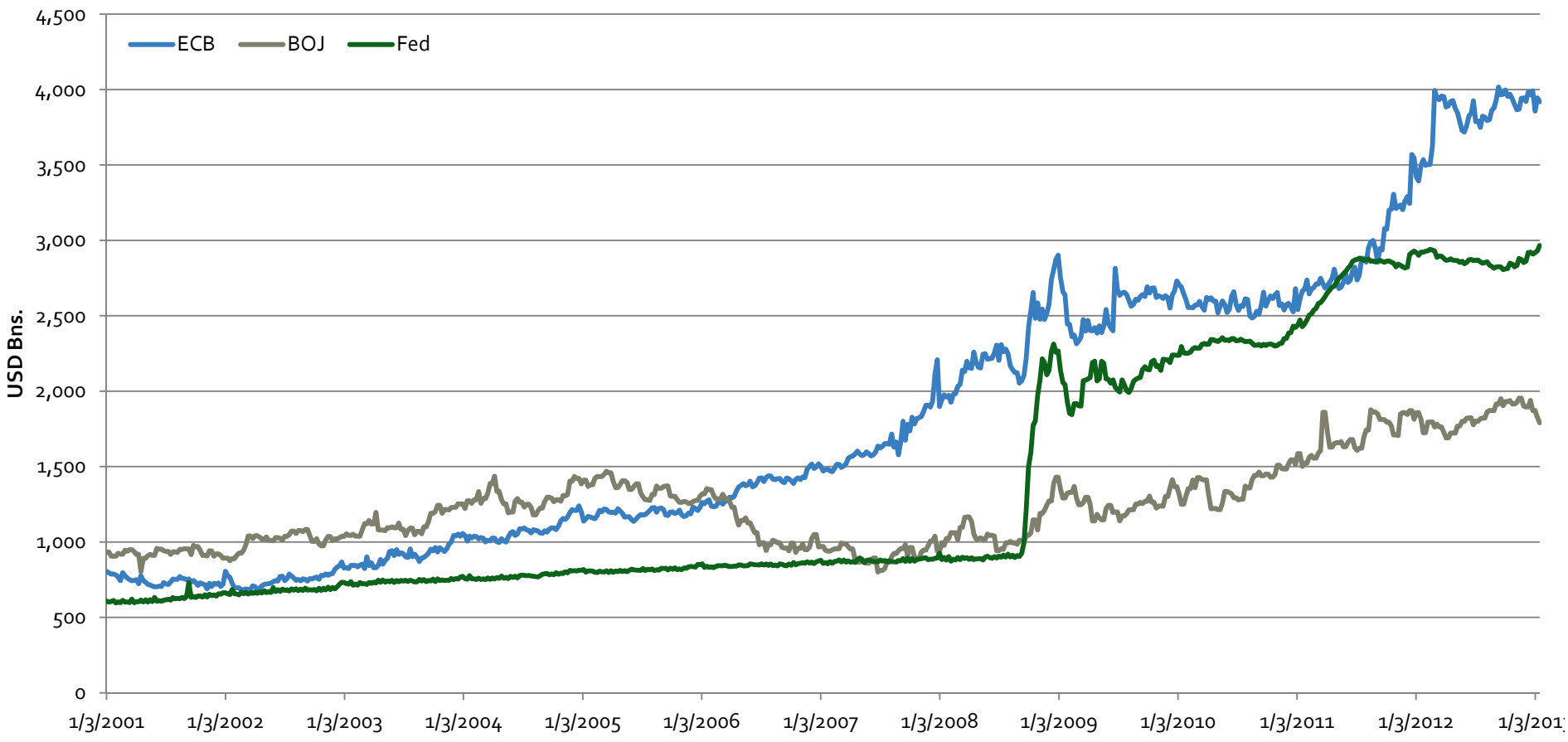
REGIONAL SOVEREIGN BOND YIELDS, JANUARY 2001-DECEMBER 2012



Data source: Morgan Stanley Research

Monetary Policy: Low Yields and Quantitative Easing

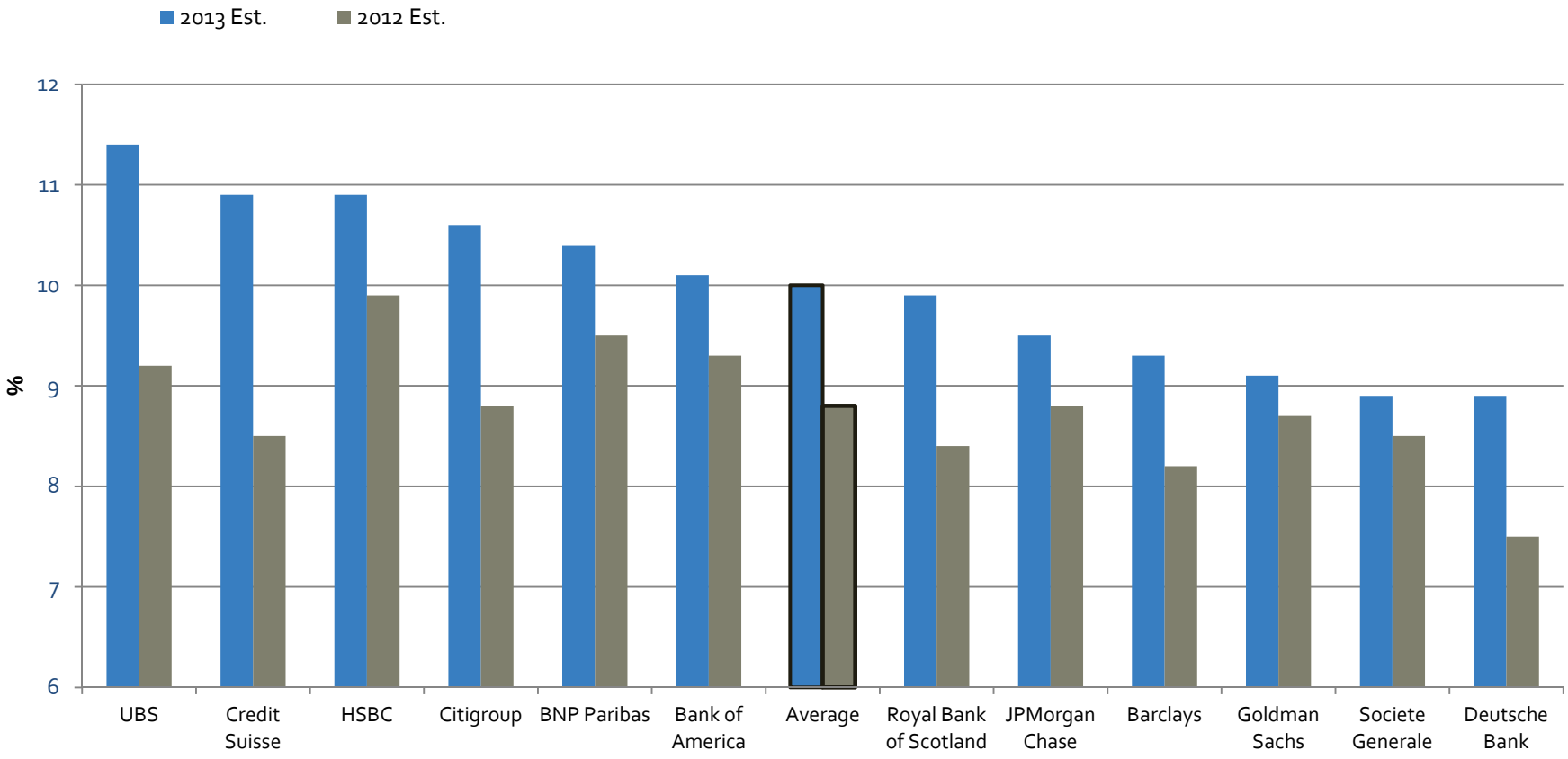
CENTRAL BANK BALANCE SHEETS, JANUARY 2001-DECEMBER 2012



Data source: Bloomberg

Banks Have Raised Significant Capital

BASEL 3 LOOK THROUGH- CORE TIER 1 RATIO (%)

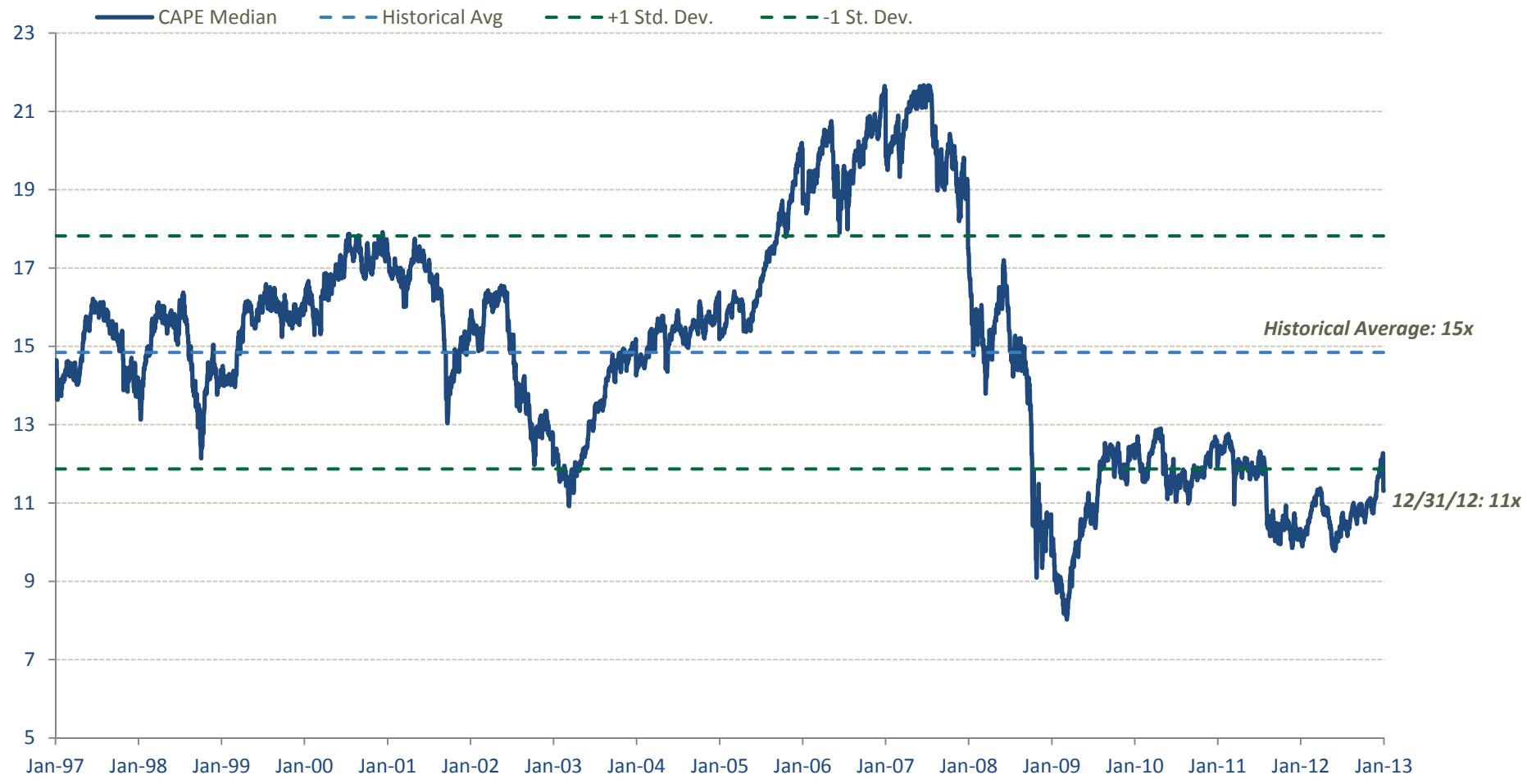


Core Tier 1 Ratio= Common Equity / Risk-Weighted Assets

Data source: Morgan Stanley Research.

Cyclically Adjusted Price-to-Earnings (CAPE) Ratios Near Historic Lows

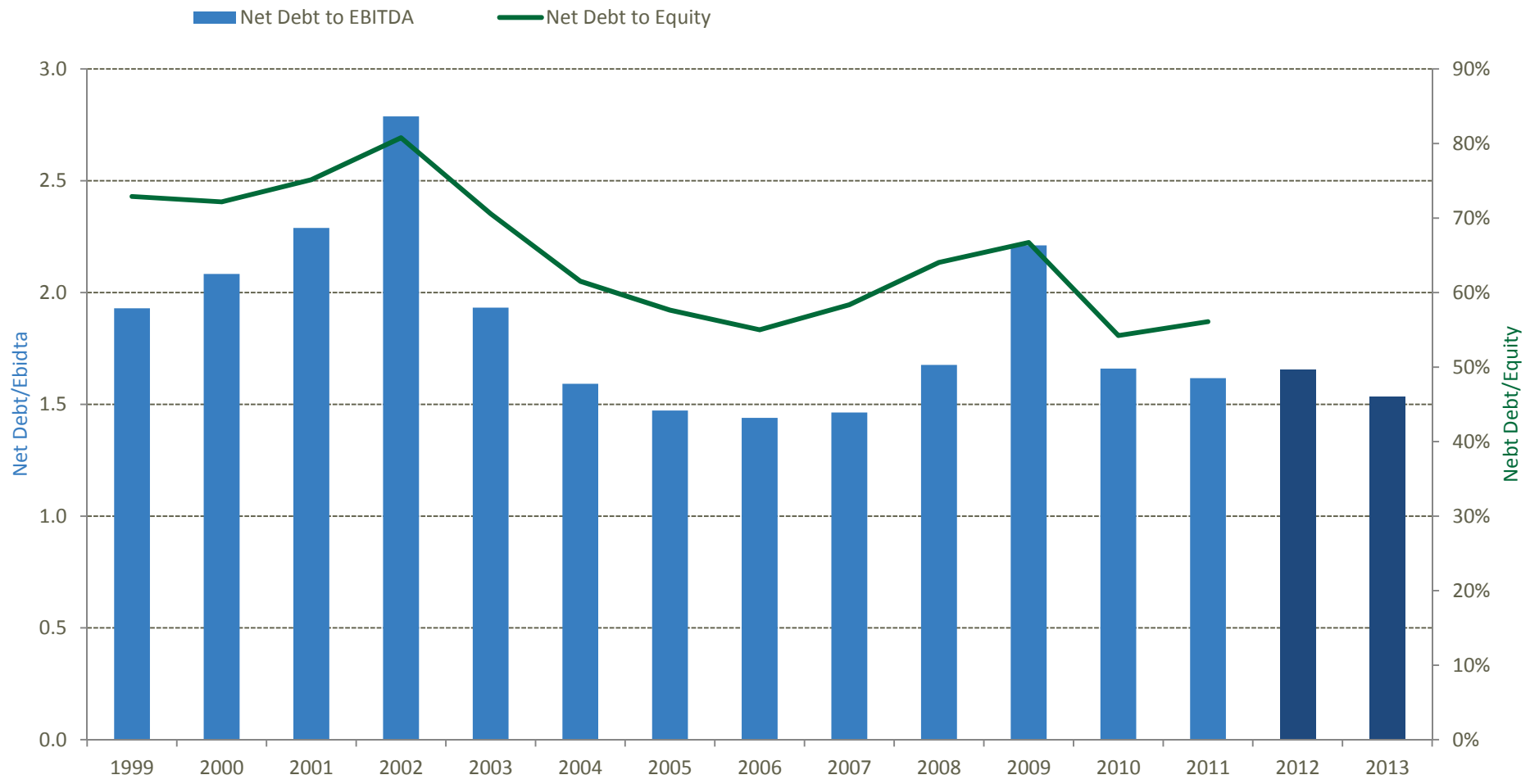
MSCI EAFE: CAPE MEDIAN (10 YEAR INFLATION-ADJUSTED)



Data source: FactSet

International Equities ex-Financials are at Cycle Low Debt Ratios

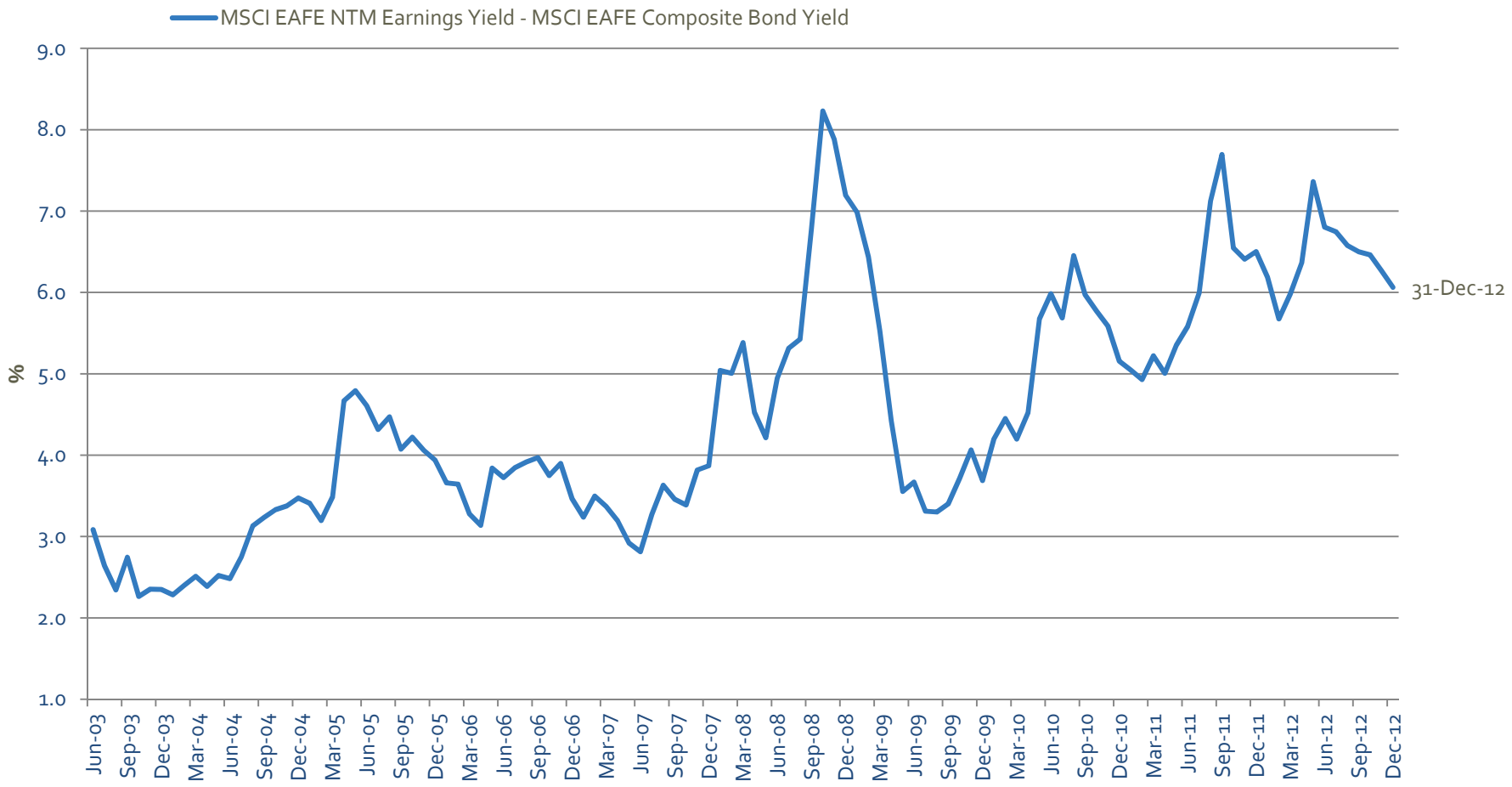
MSCI EAFE EX-FINANCIALS



Data source: FactSet

Equity Risk Premiums are Moderating from High Levels

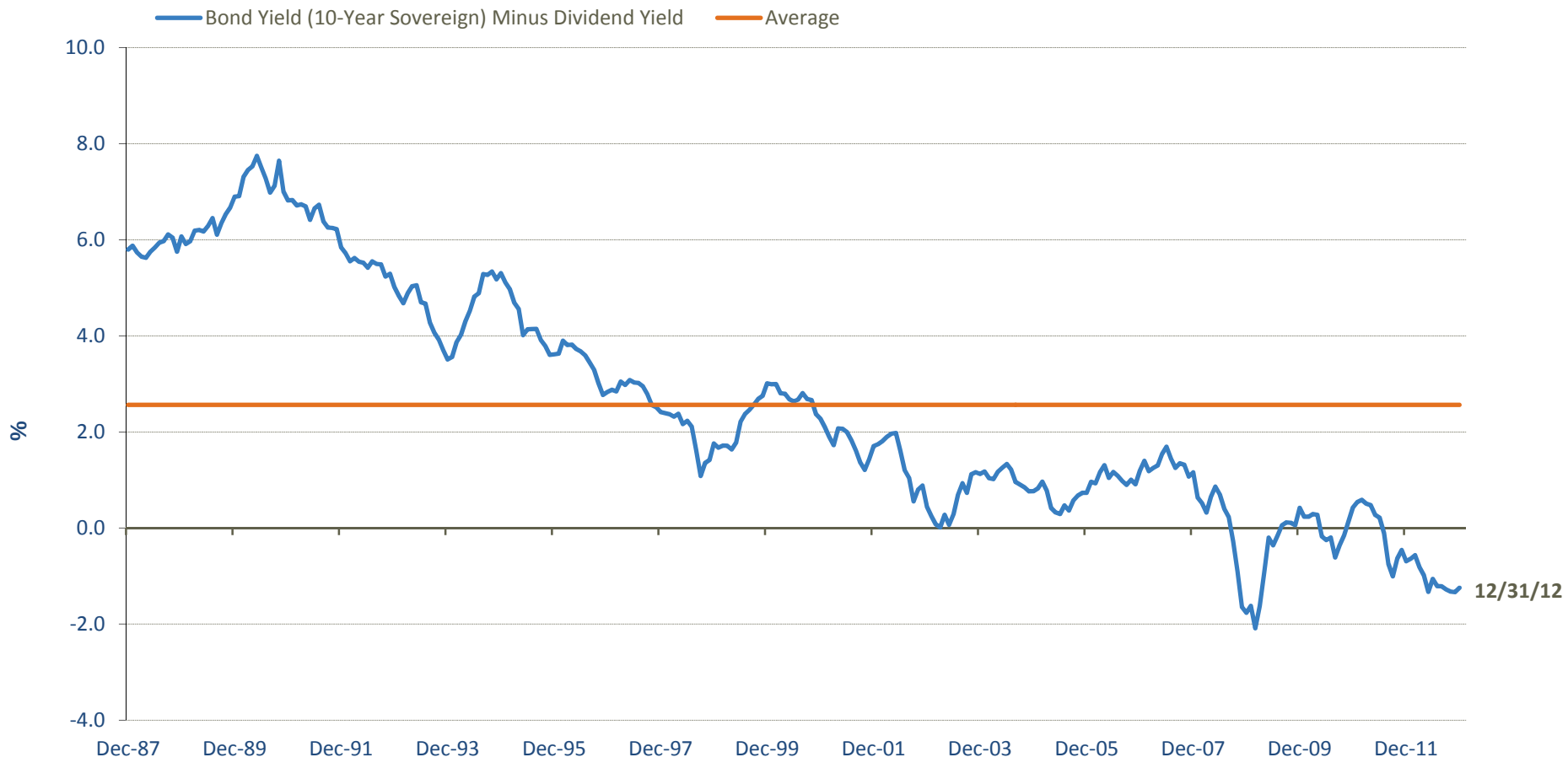
MSCI EAFE NTM EARNINGS YIELD- MSCI EAFE COMPOSITE BOND YIELD (10-YEAR SOVEREIGN), JUNE 2003-DECEMBER 2012



Data source: FactSet

Equities Are Attractive Versus Bonds

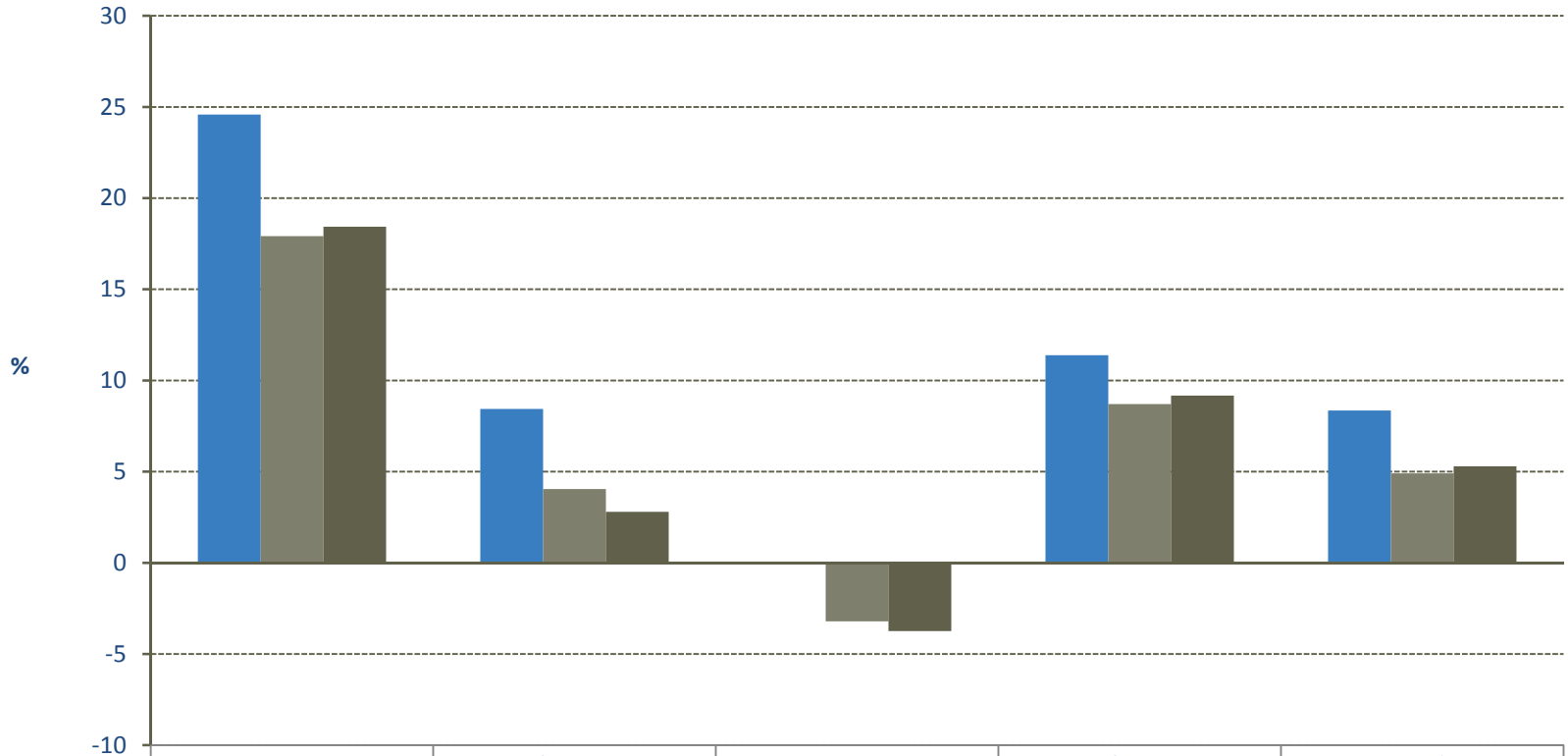
MSCI EAFE UNIVERSE, JANUARY 1988-DECEMBER 2012



Data sources: FactSet, Causeway Analytics

Causeway International Value Equity Composite Performance

RETURNS (GROSS OF FEES), *for the periods ended December 31, 2012*

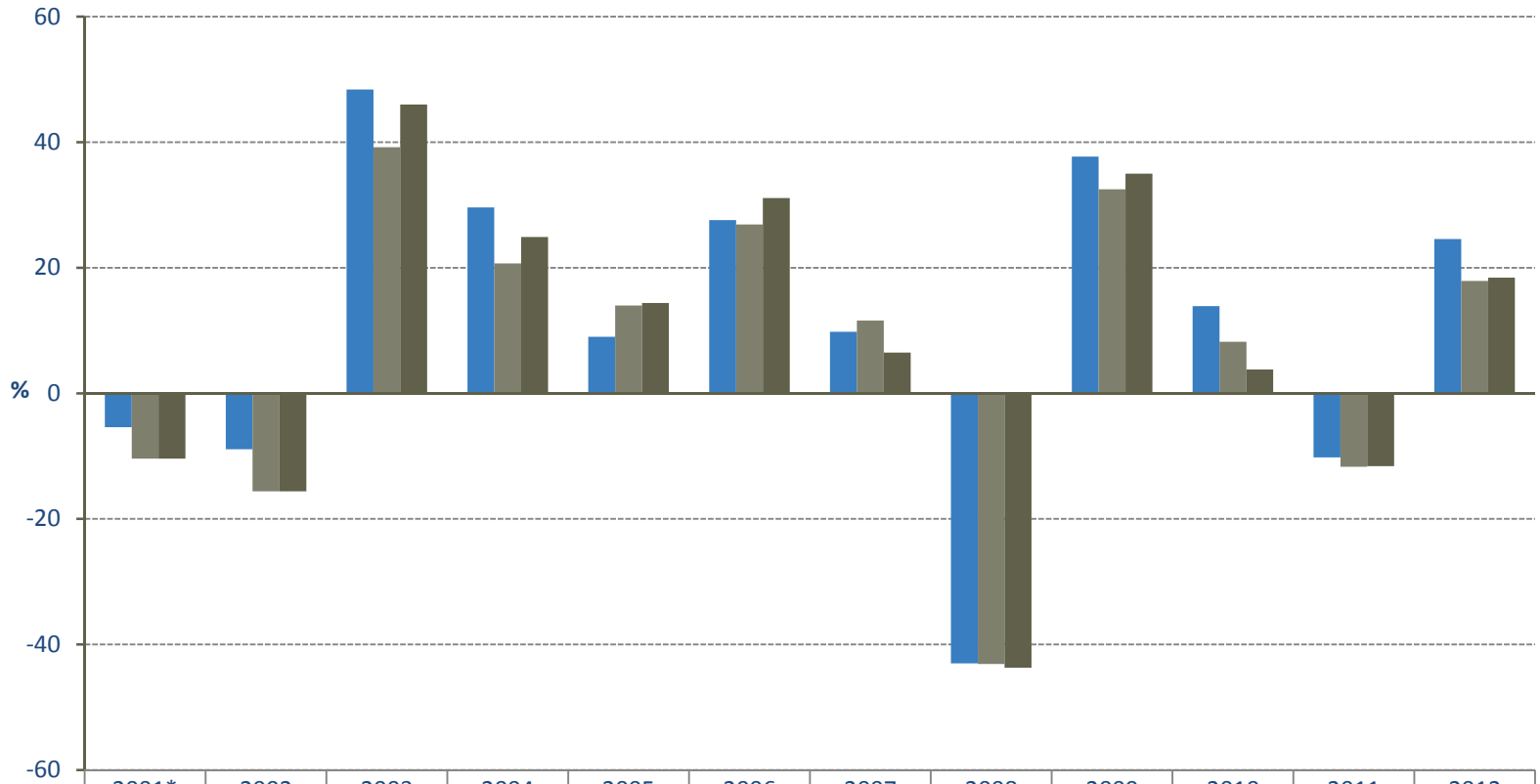


	1 year	3 years	5 years	10 years	Inception
Causeway International Value	24.6	8.4	0.0	11.4	8.4
MSCI EAFE	17.9	4.0	-3.2	8.7	4.9
MSCI EAFE Value	18.4	2.8	-3.7	9.2	5.3

Inception is June 11, 2001. Returns in USD. See important disclosures at end of presentation. This information supplements the composite presentation at the end of this report.

Causeway International Value Equity Composite Performance

RETURNS (GROSS OF FEES), *by calendar year*

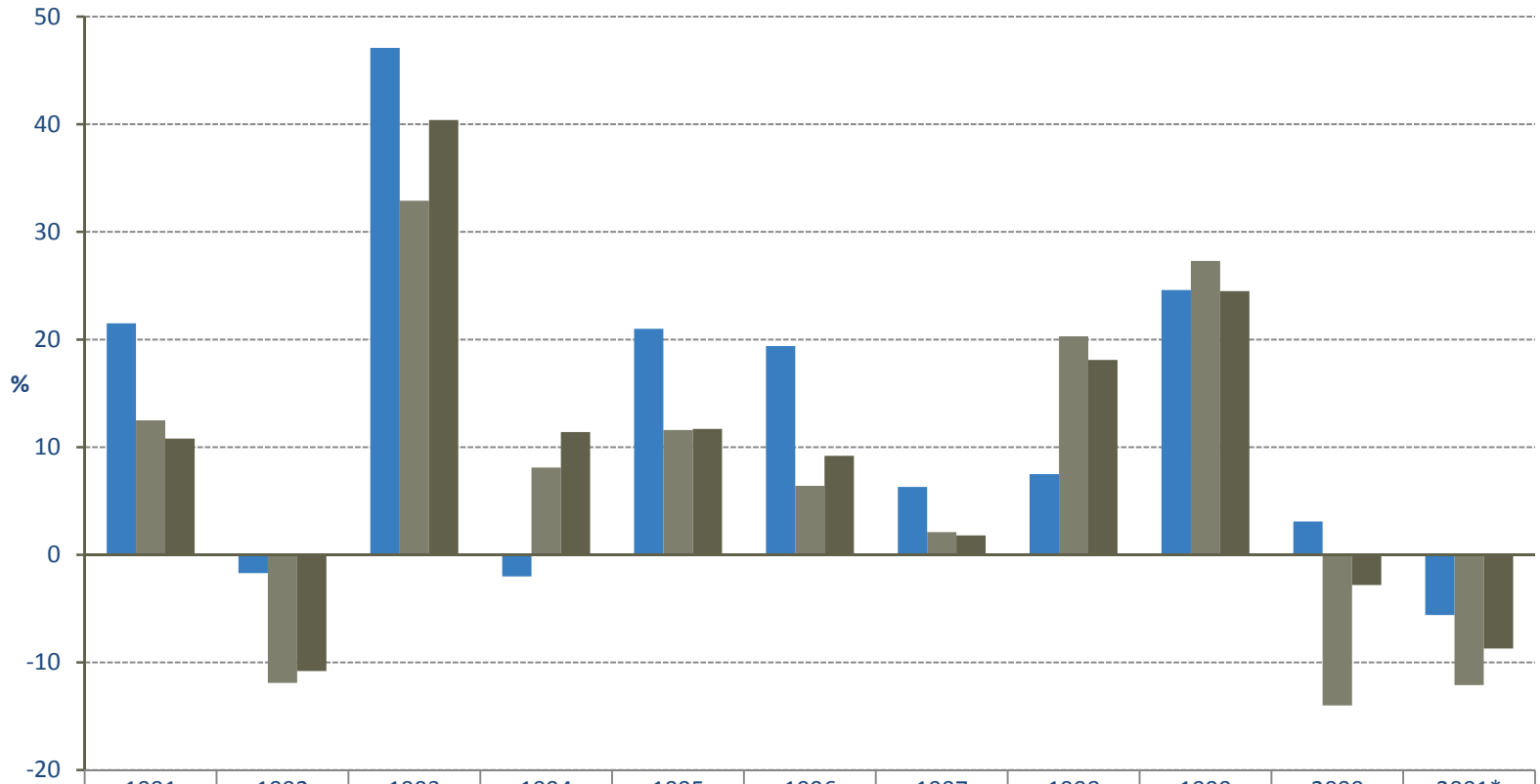


	2001*	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Causeway International Value	-5.4	-8.9	48.4	29.6	9.0	27.6	9.8	-43.0	37.7	13.9	-10.2	24.6
MSCI EAFE	-10.4	-15.6	39.2	20.7	14.0	26.9	11.6	-43.1	32.5	8.2	-11.7	17.9
MSCI EAFE Value	-10.4	-15.6	46.0	24.9	14.4	31.1	6.5	-43.7	35.0	3.8	-11.6	18.4

**Partial period shown: June 11, 2001 – December 31, 2001 . Returns in USD. See important disclosures at end of presentation. This information supplements the composite presentation at the end of this report.*

Supplemental Performance Information

RETURNS (GROSS OF FEES), *by calendar year*

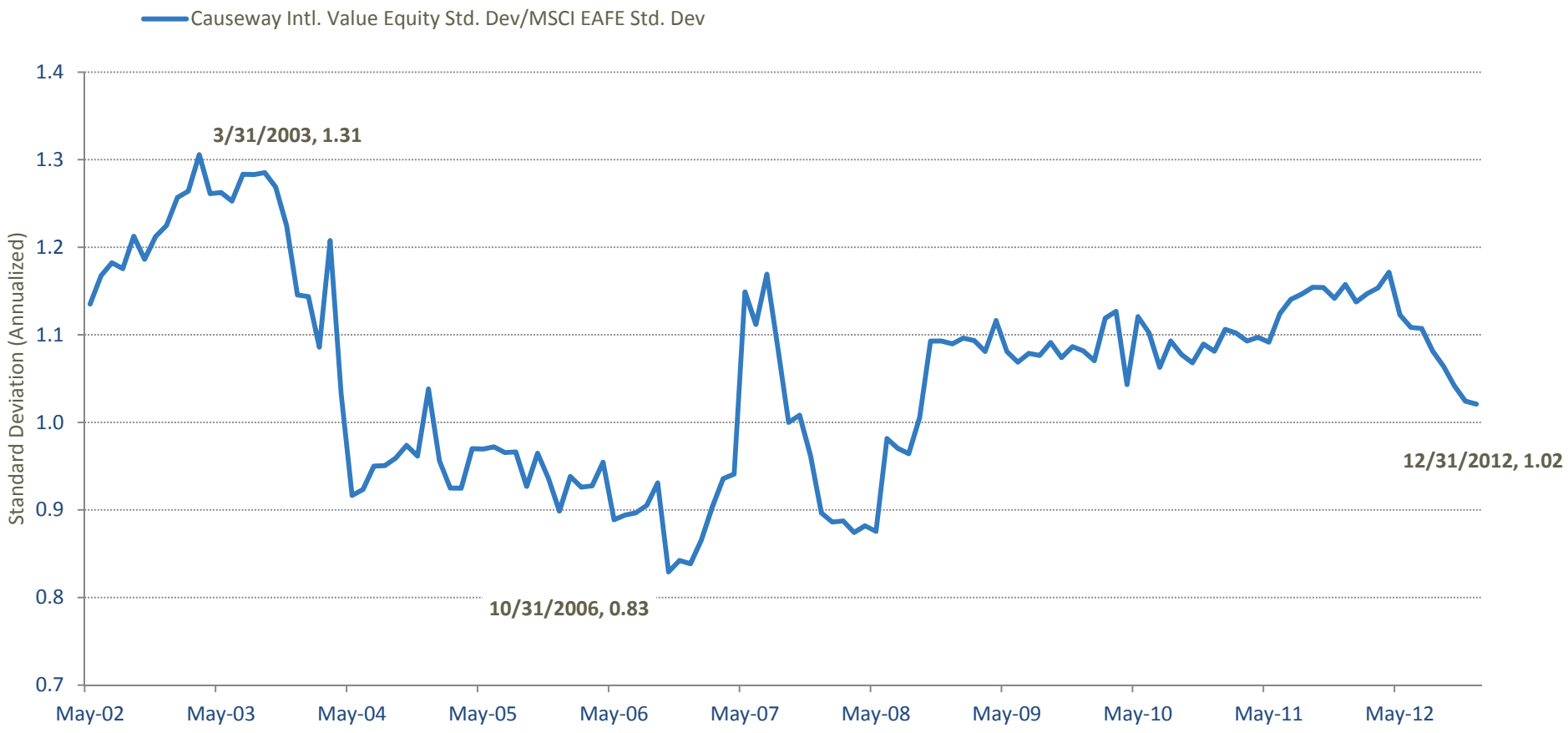


	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001*
Causeway International Value	21.5	-1.7	47.1	-2.0	21.0	19.4	6.3	7.5	24.6	3.1	-5.6
MSCI EAFE	12.5	-11.9	32.9	8.1	11.6	6.4	2.1	20.3	27.3	-14.0	-12.1
MSCI EAFE Value	10.8	-10.8	40.4	11.4	11.7	9.2	1.8	18.1	24.5	-2.8	-8.7

**Partial period shown: January 1, 2001-June 11, 2001. Returns in USD. The performance presented from 1990 through June 11, 2001 is that of Mercury HW International Value Fund Class I shares (without sales charges). See important disclosures at end of presentation. This information supplements the composite presentation at the end of this report.*

Risk Management

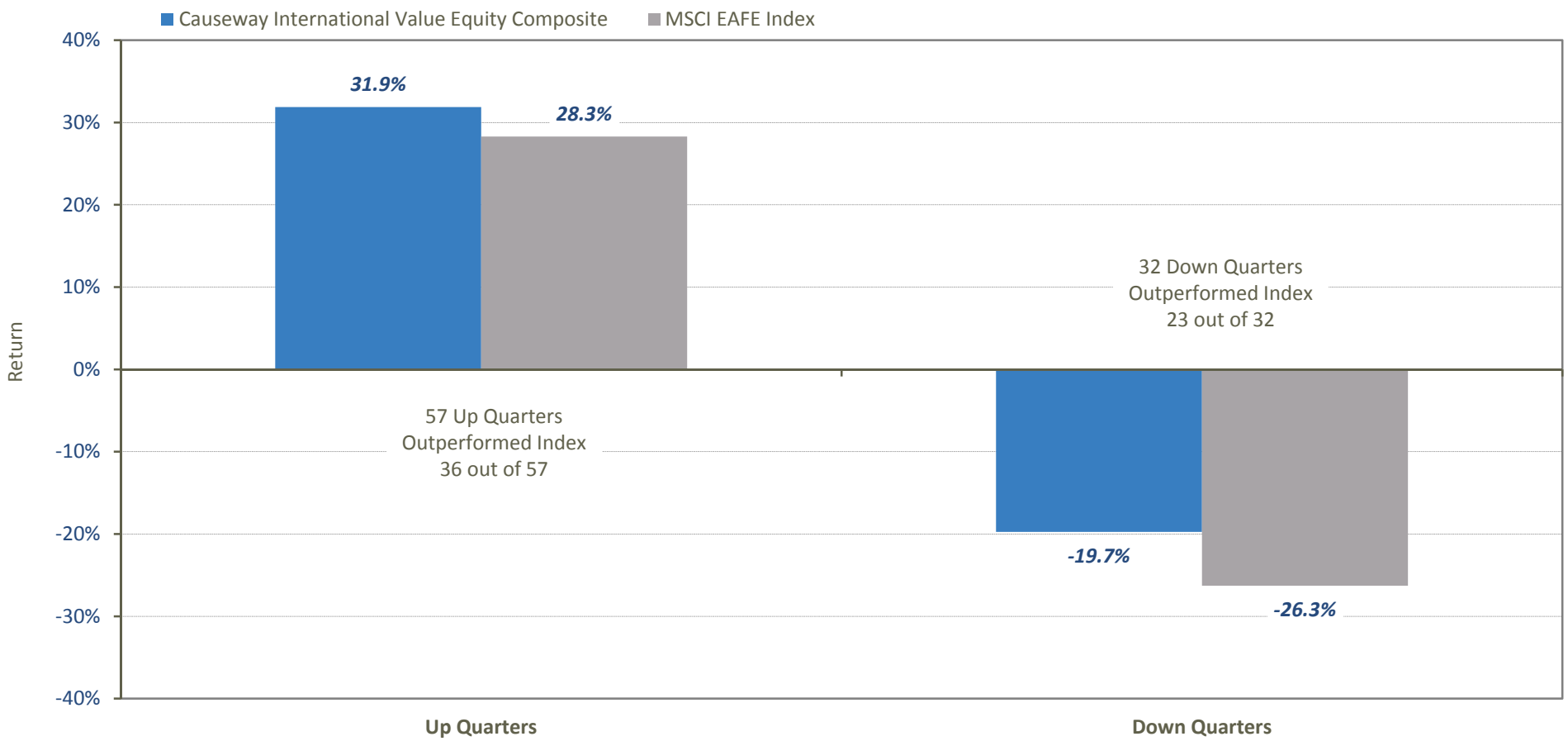
HISTORICAL TRAILING 12 MONTH VOLATILITY, CAUSEWAY INTERNATIONAL VALUE EQUITY/MSCI EAFE



Data sources: FactSet

Capital Preservation Leads to Competitive Performance

ANNUALIZED TOTAL RETURN PERFORMANCE (GROSS OF FEES), OCTOBER 1, 1990-DECEMBER 31, 2012

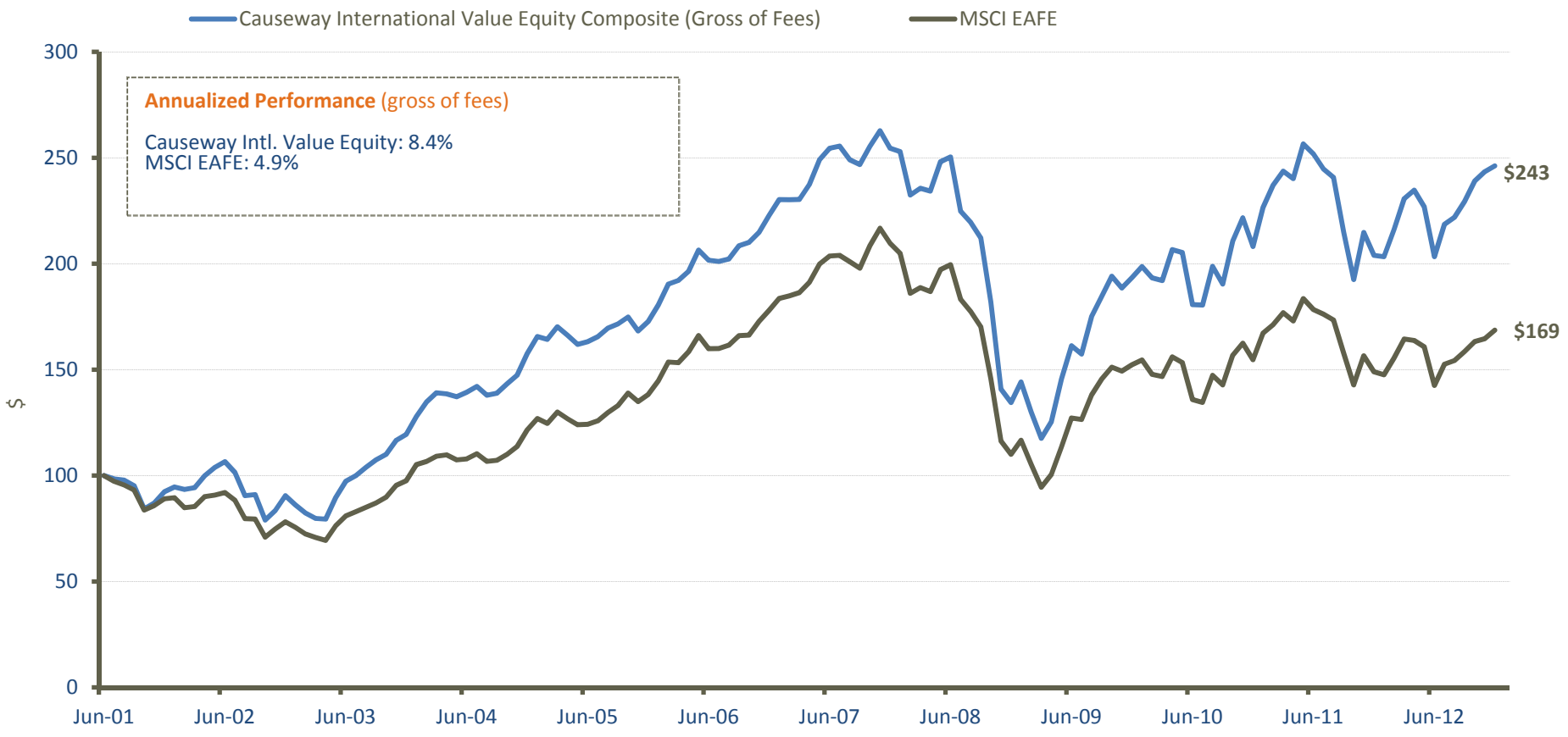


Data sources: FactSet, Causeway Analytics

Returns in USD. The performance presented from 1990 through June 11, 2001 is that of Mercury HW International Value Fund Class I shares (without sales charges). The performance thereafter is that of Causeway's International Value Equity Composite. See important disclosures at end of presentation. This information supplements the composite presentation at the end of this report.

Causeway International Value Equity Performance versus MSCI EAFE

GROWTH OF $100, *Inception June 11, 2001 to December 31, 2012*



Data source: FactSet

Returns in USD. The performance presented is that of Causeway's International Value Equity Composite. See important disclosures at end of presentation. This information supplements the composite presentation at the end of this report.

Portfolio Holdings

as of December 31, 2012

COUNTRY / SECURITY	INDUSTRY GROUP	SHARES	COST USD$	MARKET VALUE USD$	ACCRUED INCOME USD$	WEIGHT
Equity						
British Pound Equity						
REXAM PLC	Materials	90,124	416,623.18	638,720.16	0.00	1.39%
Total for British Pound Equity			**416,623.18**	**638,720.16**	**0.00**	**1.39%**
France						
BNP PARIBAS SA	Banks	10,569	703,500.47	593,382.82	0.00	1.29%
LEGRAND SA	Capital Goods	22,681	915,242.93	953,140.25	0.00	2.08%
TECHNIP SA	Energy	7,142	418,008.41	817,681.32	0.00	1.78%
TOTAL SA	Energy	19,097	956,796.93	982,167.40	0.00	2.14%
AXA SA	Insurance	28,059	561,192.78	493,853.20	0.00	1.08%
SANOFI	Pharmaceuticals & Biotechnology	13,571	1,013,731.05	1,277,302.16	0.00	2.79%
Total for France			**4,568,472.57**	**5,117,527.15**	**0.00**	**11.17%**
Germany						
DAIMLER AG	Automobiles & Components	17,035	830,652.25	927,997.63	0.00	2.02%
SIEMENS AG	Capital Goods	8,006	865,257.21	867,624.52	0.00	1.89%
DEUTSCHE BOERSE AG	Diversified Financials	12,059	716,380.19	734,668.94	0.00	1.60%
MUENCHENER RUECKVERSICHERUNGS AG	Insurance	3,992	566,155.16	715,770.60	0.00	1.56%
BASF SE	Materials	2,464	164,053.56	231,131.97	0.00	0.50%
LINDE AG	Materials	6,928	821,565.99	1,205,663.81	0.00	2.63%
BAYER AG	Pharmaceuticals & Biotechnology	7,647	420,541.15	724,776.31	0.00	1.58%
SAP AG	Software & Services	9,974	532,898.63	798,051.50	0.00	1.74%
DEUTSCHE POST AG	Transportation	29,713	566,329.20	650,277.92	0.00	1.42%
Total for Germany			**5,483,833.34**	**6,855,963.20**	**0.00**	**14.96%**
Hong Kong						
YUE YUEN INDUSTRIAL HOLDINGS LTD	Consumer Durables & Apparel	216,039	526,280.92	721,909.22	0.00	1.58%
CNOOC LTD	Energy	317,000	587,591.77	686,280.86	0.00	1.50%
CHINA MERCHANTS HOLDINGS INTERNATIONAL C	Transportation	72,000	215,515.45	230,839.20	0.00	0.50%
Total for Hong Kong			**1,329,388.14**	**1,639,029.28**	**0.00**	**3.58%**

Portfolio Holdings

as of December 31, 2012

COUNTRY / SECURITY	INDUSTRY GROUP	SHARES	COST USD$	MARKET VALUE USD$	ACCRUED INCOME USD$	WEIGHT
Ireland						
SMURFIT KAPPA GROUP PLC	Materials	38,751	775,781.43	453,031.63	0.00	0.99%
RYANAIR HOLDINGS PLC	Transportation	16,800	453,340.67	575,904.00	0.00	1.26%
Total for Ireland			**1,229,122.10**	**1,028,935.63**	**0.00**	**2.24%**
Italy						
SNAM SPA	Utilities	111,975	530,611.37	518,760.91	0.00	1.13%
Total for Italy			**530,611.37**	**518,760.91**	**0.00**	**1.13%**
Japan						
TOYOTA MOTOR CORP	Automobiles & Components	30,700	1,188,373.73	1,422,003.12	0.00	3.10%
BANK OF YOKOHAMA LTD/THE	Banks	43,000	198,705.58	198,924.42	0.00	0.43%
FANUC CORP	Capital Goods	2,600	420,319.91	478,713.93	0.00	1.04%
JGC CORP	Capital Goods	35,000	611,584.83	1,083,212.86	0.00	2.36%
SANKYO CO LTD	Consumer Durables & Apparel	5,900	332,940.02	233,707.28	0.00	0.51%
SONY FINANCIAL HOLDINGS INC	Insurance	49,300	884,179.29	878,066.27	0.00	1.92%
SHIN-ETSU CHEMICAL CO LTD	Materials	9,800	471,761.68	592,771.64	0.00	1.29%
TOKYO ELECTRON LTD	Semiconductors & Semi Equipment	10,200	366,054.69	464,199.39	0.00	1.01%
KDDI CORP	Telecom Services	13,400	867,218.47	943,803.85	0.00	2.06%
Total for Japan			**5,341,138.20**	**6,295,402.76**	**0.00**	**13.73%**
Netherlands						
AKZO NOBEL NV	Materials	25,194	1,539,327.51	1,652,307.88	0.00	3.60%
REED ELSEVIER NV	Media	107,826	1,566,681.80	1,590,024.80	0.00	3.47%
POSTNL NV	Transportation	109,908	967,429.18	422,823.39	0.00	0.92%
Total for Netherlands			**4,073,438.49**	**3,665,156.07**	**0.00**	**8.00%**
Singapore						
SEMBCORP MARINE LTD	Capital Goods	142,000	574,394.87	534,752.35	0.00	1.17%
SEMBCORP INDUSTRIES LTD	Capital Goods	74,000	290,475.72	318,051.58	0.00	0.69%
SINGAPORE AIRLINES LTD	Transportation	64,000	446,627.87	563,241.92	0.00	1.23%
Total for Singapore			**1,311,498.46**	**1,416,045.85**	**0.00**	**3.09%**

Portfolio Holdings

as of December 31, 2012

COUNTRY / SECURITY	INDUSTRY GROUP	SHARES	COST USD$	MARKET VALUE USD$	ACCRUED INCOME USD$	WEIGHT
South Korea						
KT&G CORP	Food Beverage & Tobacco	16,705	933,275.54	1,260,784.16	0.00	2.75%
Total for South Korea			**933,275.54**	**1,260,784.16**	**0.00**	**2.75%**
Spain						
TECNICAS REUNIDAS SA	Energy	15,121	820,462.48	699,433.47	0.00	1.53%
RED ELECTRICA CORP SA	Utilities	2,814	116,597.89	138,381.28	0.00	0.30%
ENAGAS SA	Utilities	28,979	504,973.40	616,639.50	0.00	1.35%
Total for Spain			**1,442,033.77**	**1,454,454.25**	**0.00**	**3.17%**
Sweden						
SKANDINAVISKA ENSKILDA BANKEN AB	Banks	63,409	392,189.46	538,524.97	0.00	1.17%
Total for Sweden			**392,189.46**	**538,524.97**	**0.00**	**1.17%**
Switzerland						
UBS AG	Diversified Financials	63,409	1,079,609.15	988,525.08	0.00	2.16%
ZURICH INSURANCE GROUP AG	Insurance	3,159	399,547.75	840,007.21	0.00	1.83%
GIVAUDAN SA	Materials	839	715,263.19	882,675.48	0.00	1.93%
NOVARTIS AG	Pharmaceuticals & Biotechnology	19,915	985,360.49	1,249,922.71	0.00	2.73%
ROCHE HOLDING AG	Pharmaceuticals & Biotechnology	4,448	599,211.04	894,119.19	0.00	1.95%
Total for Switzerland			**3,778,991.62**	**4,855,249.67**	**0.00**	**10.59%**

Portfolio Holdings

as of December 31, 2012

COUNTRY / SECURITY	INDUSTRY GROUP	SHARES	COST USD$	MARKET VALUE USD$	ACCRUED INCOME USD$	WEIGHT
United Kingdom						
BARCLAYS PLC	Banks	168,117	640,598.97	717,066.01	0.00	1.56%
HSBC HOLDINGS PLC	Banks	108,385	1,196,363.85	1,136,868.92	0.00	2.48%
BALFOUR BEATTY PLC	Capital Goods	140,904	680,892.30	626,876.22	0.00	1.37%
ROLLS-ROYCE HOLDINGS PLC	Capital Goods	58,814	424,899.13	835,078.49	0.00	1.82%
MICHAEL PAGE INTERNATIONAL PLC	Commercial & Professional Services	59,767	209,635.61	383,744.55	0.00	0.84%
BG GROUP PLC	Energy	40,857	803,793.30	672,427.06	0.00	1.47%
PETROFAC LTD	Energy	32,953	791,749.41	869,354.99	0.00	1.90%
TESCO PLC	Food & Staples Retailing	211,819	1,179,213.34	1,156,878.80	0.00	2.52%
BRITISH AMERICAN TOBACCO PLC	Food Beverage & Tobacco	23,802	683,109.88	1,207,510.44	0.00	2.63%
AVIVA PLC	Insurance	125,601	1,021,187.22	761,527.52	0.00	1.66%
RIO TINTO PLC	Materials	13,055	536,182.27	745,166.34	0.00	1.63%
VODAFONE GROUP PLC	Telecom Services	281,684	698,815.11	707,186.18	13,323.26	1.57%
Total for United Kingdom			**8,866,440.39**	**9,819,685.52**	**13,323.26**	**21.45%**
Total for Equity			**39,697,056.63**	**45,104,239.58**	**13,323.26**	**98.43%**
Forward						
Euro Forward						
USD/EUR FWD 20130219 SSB USD	Forward	857,422	857,421.57	857,421.57	0.00	1.87%
EUR/USD FWD 20130219 SSB USD	Forward	-671,500	-857,421.57	-885,529.54	0.00	-1.93%
Total for EUR/USD FWD 20130219 SSB USD	**Forward**		**0.00**	**-28,107.97**	**0.00**	**-0.06%**
Total for Euro Forward			**0.00**	**-28,107.97**	**0.00**	**-0.06%**
Total for Forward			**0.00**	**-28,107.97**	**0.00**	**-0.06%**

Portfolio Holdings

as of December 31, 2012

COUNTRY / SECURITY	INDUSTRY GROUP	SHARES	COST USD$	MARKET VALUE USD$	ACCRUED INCOME USD$	WEIGHT
Cash & Cash Equivalents						
EURO	Cash & Cash Equivalents	0	0.07	0.07	0.00	0.00%
YEN JAPAN	Cash & Cash Equivalents	-1	-0.01	-0.01	0.00	0.00%
BRITISH POUNDS	Cash & Cash Equivalents	4,470	7,265.70	7,265.70	0.00	0.02%
US DOLLARS	Cash & Cash Equivalents	738,488	738,487.74	738,487.74	0.00	1.61%
Total for Cash & Cash Equivalents			**745,753.50**	**745,753.50**	**0.00**	**1.63%**
Portfolio Assets						
		Equity Market Value		45,104,239.58		98.41%
		Equity Accrued Income		13,323.26		0.03%
Total for Equity				**45,117,562.84**		**98.43%**
Total for Cash & Cash Equivalents				**745,753.50**		**1.63%**
Total for Forwards				**-28,107.97**		**-0.06%**
Total Portfolio Assets				**USD$ 45,835,208.37**		

Important Disclosures

CAUSEWAY CAPITAL MANAGEMENT LLC

INTERNATIONAL VALUE EQUITY
SCHEDULE OF INVESTMENT PERFORMANCE RESULTS
FOR THE PERIOD FROM JUNE 11, 2001 (Inception) THROUGH DECEMBER 31, 2012
COMPOSITE INCEPTION DATE: June 2001 COMPOSITE CREATION DATE: June 2001

Year	Gross-of-Fees Return (%)	Net-of-Fees Return (%)	Benchmark Return (%)[a]	Number of Portfolios in Composite at End of Period	Composite Dispersion (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)[a]	Composite Assets at End of Period ($ millions)	Total Firm Assets at End of Period ($ millions)	Percentage of Firm Assets at End of Period	Percentage of Composite Assets in Bundled Fee Portfolios at End of Period
2001[b]	(5.39)	(5.45)	(11.78)	9	N/M	N/A	N/A	996.57	1,278.49	77.95	0.00
2002	(8.90)	(9.19)	(15.66)	14	0.54	N/A	N/A	1,566.29	2,259.30	69.33	13.87
2003	48.39	47.82	39.17	15	0.42	N/A	N/A	2,445.87	5,466.29	44.74	17.22
2004	29.55	28.99	20.70	29	0.69	17.72	15.45	4,509.76	10,823.91	41.66	15.47
2005*	8.98	8.49	14.02	41	0.57	12.43	11.39	6,908.47	14,967.46	46.16	13.17
2006*	27.55	27.02	26.86	44	0.34	8.84	9.29	8,830.90	18,476.08	47.80	13.15
2007*	9.84	9.39	11.63	42	0.43	8.42	9.41	8,371.15	17,599.18	47.57	14.69
2008*	(42.97)	(43.22)	(43.06)	36	0.43	19.91	19.26	4,027.87	8,645.12	46.59	15.10
2009*	37.74	37.12	32.46	31	0.71	25.21	23.65	4,181.38	10,192.08	41.03	8.01
2010*	13.91	13.42	8.21	34	0.57	28.37	26.28	5,402.52	12,187.57	44.33	6.23
2011	(10.16)	(10.54)	(11.73)	35	0.32	24.66	22.45	5,433.67	11,676.22	46.54	6.60
2012	24.58	24.07	17.90	41	0.32	21.13	19.32	7,215.47	16,189.98	44.57	7.48

N/M – Not considered meaningful for 5 portfolios or less for the full year.
a- Not covered by the report of independent accountants.
b- Partial period shown (June 11, 2001 – December 31, 2001).
** In January 2011, the Firm assets were revised to include non-discretionary accounts managed by Causeway. The previously stated AUM (in millions) was $14,813 in 2005, $18,191, in 2006, $17,263 in 2007, $8,407 in 2008, $9,783 in 2009 and $11,690 in 2010.*

Important Disclosures

Causeway Capital Management LLC ("Causeway") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Causeway has been independently verified for the periods June 11, 2001 through December 31, 2011.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The International Value Equity Composite ("International Composite") has been examined for the periods June 11, 2001 through December 31, 2011. The verification and performance examination reports are available upon request.

The Firm, Causeway, is organized as a Delaware limited liability company and began operations in June 2001. It is registered as an investment adviser with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. Causeway manages international, global, and emerging markets equity assets for corporations, pension plans, public retirement plans, Taft-Hartley pension plans, endowments and foundations, mutual funds, charities, private trusts and funds, wrap fee programs, and other institutions. The Firm includes all discretionary and non-discretionary accounts managed by Causeway.

The International Composite includes all U.S. dollar denominated, discretionary accounts in the international value equity strategy which do not apply a minimum market capitalization requirement of $2.5 billion or higher ($5 billion or higher prior to November 2008), permit investments in South Korean companies after October 2003, do not regularly experience daily external cash flows, and are not constrained by socially responsible investment restrictions. The international value equity strategy seeks long-term growth of capital and income through investment primarily in equity securities of companies in developed countries located outside the U.S. New accounts are included in the International Composite after the first full month under management, except as noted below. Terminated accounts are included in the International Composite through the last full month under management. From June 2001 through November 2001, the International Composite included a non-fee-paying account with total assets of approximately $2 million. This was the sole account in the International Composite from June through September 2001. The account was included in the International Composite at account inception because it was fully invested at inception. A complete list and description of Firm composites is available upon request.

Account returns are calculated daily. Monthly account returns are calculated by geometrically linking the daily returns. The return of the International Composite is calculated monthly by weighting monthly account returns by the beginning market values. Valuations and returns are computed and stated in U.S. dollars. Returns include the reinvestment of interest, dividends and any capital gains. Returns are calculated gross of withholding taxes on dividends, interest income, and capital gains. The Firm's policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Past performance is no guarantee of future performance. Composite dispersion, if applicable, is calculated using the equal-weighted standard deviation of all portfolios that were included in the International Composite for the entire year. The three-year annualized ex-post standard deviation quantifies the variability of the composite or benchmark returns over the preceding 36-month period.

The Morgan Stanley Capital International Europe, Australasia, Far East ("MSCI EAFE") Index benchmark is an arithmetical average weighted by market value of the performance of approximately 1,000 non-U.S. companies representing 22 stock markets in Europe, Australasia, New Zealand and the Far East. The Index is gross of withholding taxes, assumes reinvestment of dividends and capital gains, and assumes no management, custody, transaction or other expenses. Accounts in the International Composite may invest in countries not included in the MSCI EAFE Index.

Gross-of-fees returns are presented before management, performance and custody fees but after trading expenses. Net-of-fees returns are presented after the deduction of actual management fees, performance-based fees, and all trading expenses, but before custody fees. For bundled fee portfolios, net-of-fees returns are presented after the deduction of actual management fees, all trading expenses, custody fees, and fund accounting fees. Causeway's basic management fee schedules are described in its Firm brochure pursuant to Part 2 of Form ADV. The basic separate account annual fee schedule for international value equity assets under management is: 0.75% of the first $10 million; 0.65% of the next $40 million; 0.50% of the next $50 million; and 0.45% thereafter. Accounts in the International Composite may have different fee schedules or pay performance-based fees or bundled fees. Bundled fees include management, custody, and fund accounting fees.

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Biographies

HARRY W. HARTFORD President, Portfolio Manager

Current Position

Mr. Hartford is the president and a fundamental portfolio manager of Causeway since June 2001.

Prior Experience

From 1996 to June 2001, Mr. Hartford was a managing director for the Hotchkis and Wiley division of MLIM ("HW-MLIM") and co-head of the firm's HW-MLIM International and Global Value team. Mr. Hartford and the HW-MLIM international team were responsible for approximately $3.4 billion in international and global assets under management, including the $1.1 billion Mercury HW International Value Fund. From 1994 to 1996, Mr. Hartford was a portfolio manager for Hotchkis and Wiley. From 1984 to 1994, Mr. Hartford was with The Investment Bank of Ireland, where he gained ten years experience in both international and global equity management. At IBI, he managed the Bank's U.S. asset base of $1.5 billion invested primarily in international equities. During this time, Mr. Hartford also managed the Irish Investment Fund, a closed-end country fund quoted on the NYSE. Prior to that, he was responsible for the management of a range of international unit trusts and global funds registered in the U.K. and the Isle of Man. Before entering the investment business, Mr. Hartford lectured in micro and macro Economics at Oklahoma State University.

Education

Mr. Hartford has a BA, with honors, in Economics from the University of Dublin, Trinity College, an MSc in Economics from Oklahoma State University, and is a Phi Kappa Phi member.

ERIC P. CRABTREE Chief Client Service Officer

Current Position

Mr. Crabtree is the chief client service officer of Causeway. He joined the firm in May 2004.

Prior Experience

From March of 2000 to April 2004, Mr. Crabtree was a senior vice president with Roxbury Capital Management where he was responsible for client service and business development for the firm's western United States institutional and high net worth clients and their advisers. From 1995 to December 1999, Mr. Crabtree was a principal and chief operating officer of Finacorp Securities where he was responsible for marketing high quality fixed income securities. His additional responsibilities included training, compliance and client service. Mr. Crabtree began his career in the financial services industry in April 1993 as a financial consultant at Merrill Lynch.

Education

Mr. Crabtree has a BA in English Literature from Bucknell University and an MBA from the Marshall School of Business at the University of Southern California.

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Tucson Supplemental Retirement System | Fourth Quarter 2012

Quarterly Investment Review

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Executive Summary

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Market Highlights

Returns of the Major Capital Markets						
				Periods Ending 12/31/2012		
	Fourth Quarter	Year-to-Date	1-Year	3-Year[1]	5-Year[1]	10-Year[1]
Equity						
MSCI All Country World IMI	2.99%	16.38%	16.38%	7.02%	-0.73%	8.60%
MSCI All Country World	2.88%	16.13%	16.13%	6.63%	-1.16%	8.11%
Dow Jones U.S. Total Stock Market	0.18%	16.38%	16.38%	11.40%	2.21%	7.95%
Russell 3000	0.25%	16.42%	16.42%	11.20%	2.04%	7.68%
S&P 500	-0.38%	16.00%	16.00%	10.87%	1.66%	7.10%
Russell 2000	1.85%	16.35%	16.35%	12.25%	3.56%	9.72%
MSCI All Country World ex-U.S. IMI	5.74%	17.04%	17.04%	4.18%	-2.59%	10.16%
MSCI All Country World ex-U.S.	5.85%	16.83%	16.83%	3.87%	-2.89%	9.74%
MSCI EAFE	6.57%	17.32%	17.32%	3.56%	-3.69%	8.21%
MSCI EAFE (100% Hedged)	7.03%	13.79%	13.79%	-0.08%	-6.67%	3.19%
MSCI EAFE (Local Currency)	7.52%	17.31%	17.31%	2.60%	-4.25%	5.43%
MSCI Emerging Markets	5.58%	18.22%	18.22%	4.66%	-0.91%	16.52%
Fixed Income						
Barclays Global Aggregate	-0.48%	4.31%	4.31%	5.16%	5.44%	5.98%
Barclays Aggregate	0.22%	4.23%	4.23%	6.21%	5.96%	5.19%
Barclays Long Gov't	-0.70%	3.78%	3.78%	13.62%	9.58%	7.64%
Barclays Long Credit	1.30%	12.79%	12.79%	13.50%	10.41%	8.23%
Barclays Long Gov't/Credit	0.45%	8.77%	8.77%	13.65%	10.16%	7.96%
Barclays High Yield	3.29%	15.81%	15.81%	11.86%	10.33%	10.62%
SSB Non-U.S. WGBI	-2.36%	1.51%	1.51%	3.95%	5.24%	6.38%
JP Morgan EMBI Global (Emerging Markets)	3.33%	18.54%	18.54%	12.94%	10.47%	11.56%
Commodities						
Dow Jones-UBS Commodity	-6.33%	-1.06%	-1.06%	0.07%	-5.17%	4.09%
Goldman Sachs Commodity	-3.28%	0.08%	0.08%	2.54%	-8.12%	2.75%
Hedge Funds						
HFRI Fund-Weighted Composite[2]	1.27%	6.16%	6.16%	3.50%	1.50%	6.66%
HFRI Fund of Funds[2]	1.77%	5.25%	5.25%	1.60%	-1.67%	3.67%
Real Estate						
NAREIT U.S. Equity REITS	2.58%	18.06%	18.06%	17.83%	5.45%	11.63%
NCREIF ODCE[3]	2.06%	9.77%	9.77%	13.30%	-2.00%	5.72%
Private Equity						
Thomson Reuters VentureXpert[4]	-0.07%	5.28%	4.57%	15.18%	4.46%	11.44%
Infrastructure						
Macquarie Global Infrastructure - North America	-1.33%	4.13%	4.13%	11.72%	2.82%	11.96%

MSCI Indices and NCREIF ODCE show net retuns. MSCI EAFE (100% Hedged) shows price return; all other indices show total returns.

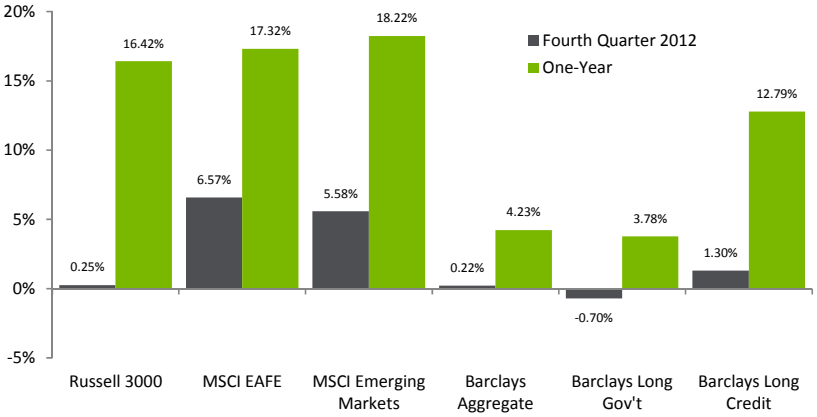
[1] Periods are annualized.

[2] Latest 5 months of HFR data are estimated by HFR and may change in the future.

[3] Fourth quarter return is preliminary.

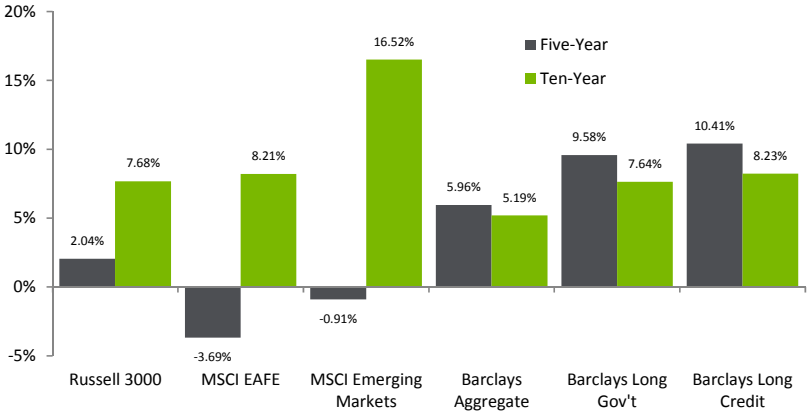
[4] Benchmark is as of 06/30/2012.

SHORT TERM RETURNS AS OF 12/31/2012



Source: Russell, MSCI, Barclays

LONG TERM ANNUALIZED RETURNS AS OF 12/31/2012



Source: Russell, MSCI, Barclays

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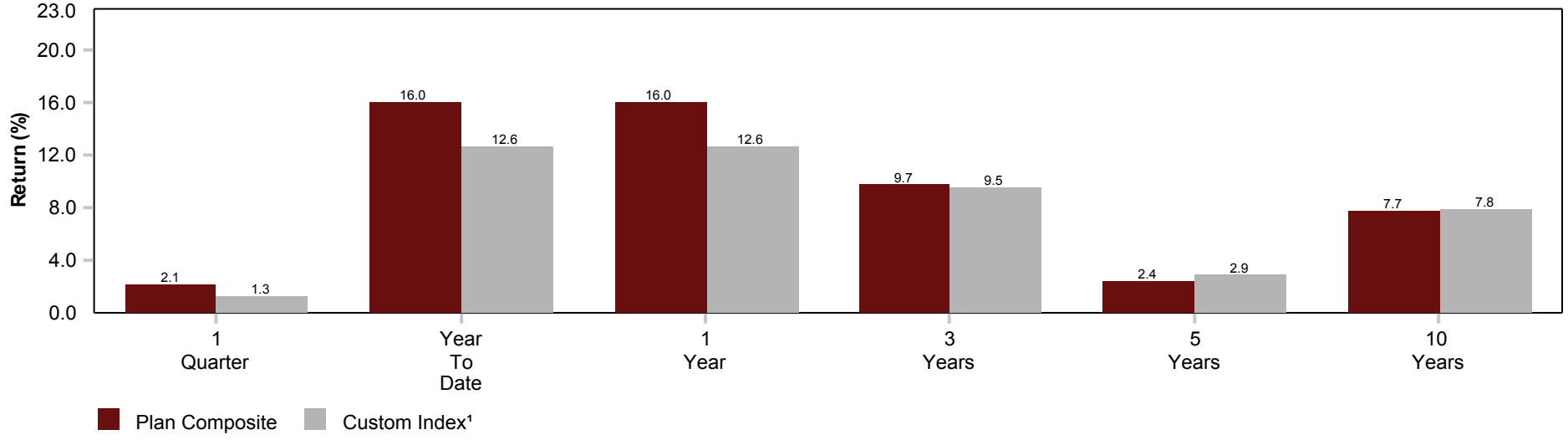
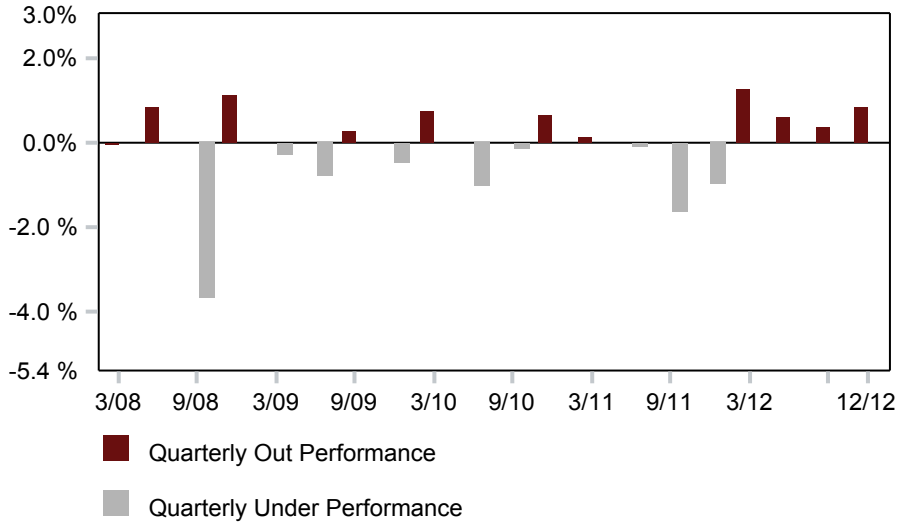
Total Plan Performance Summary

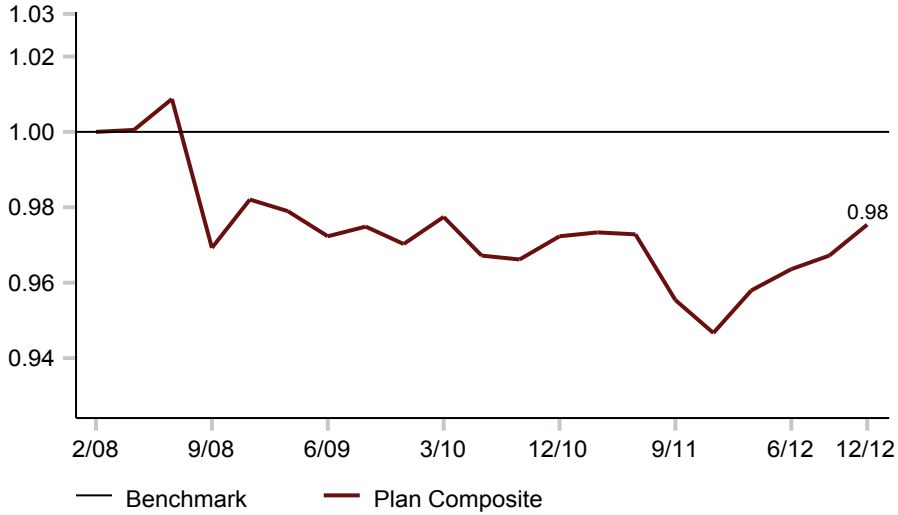
Return Summary



Quarterly Excess Performance - 5 Years



Ratio of Cumulative Wealth - 5 Years



¹ The custom index is currently composed of 36% S&P 500, 10% Russell 2500, 15% MSCI ACWI ex-U.S., 26% Barclays Aggregate, 8% NCREIF ODCE, and 5% CPI+4%. See appendix for prior composition.

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As of December 31, 2012

Trailing Period Performance

	Allocation		Performance(%)														
	Market Value ($M)	%	1 Quarter		1 Year		3 Years		5 Years		10 Years		Since Inception (Max 10 Yrs)		Inception Date
Plan Composite	**606.7**	**100.0**	**2.1**	**(24)**	**16.0**	**(3)**	**9.7**	**(11)**	**2.4**	**(85)**	**7.7**	**(20)**	**7.7**	**(20)**	**01/01/2003**
Custom Index[1]			*1.3*	*(60)*	*12.6*	*(52)*	*9.5*	*(14)*	*2.9*	*(66)*	*7.8*	*(18)*	*7.8*	*(18)*	
Large Cap U.S. Equity	**216.4**	**35.7**	**0.2**		**18.3**		**11.0**		**0.4**		**6.9**		**6.9**		**01/01/2003**
Alliance S&P 500 Index	66.3	10.9	-0.4	(62)	16.0	(49)	10.9	(45)	1.8	(63)	7.1	(82)	7.1	(82)	01/01/2003
S&P 500 Index			*-0.4*	*(60)*	*16.0*	*(48)*	*10.9*	*(48)*	*1.7*	*(65)*	*7.1*	*(83)*	*7.1*	*(83)*	
PIMCO StocksPLUS	30.6	5.0	0.2	(41)	22.7	(3)	14.3	(3)	4.7	(7)	-		6.0	(13)	03/31/2006
S&P 500 Index			*-0.4*	*(60)*	*16.0*	*(48)*	*10.9*	*(48)*	*1.7*	*(65)*	*7.1*	*(83)*	*3.8*	*(72)*	
BlackRock Russell 1000 Value Index	61.3	10.1	1.5	(44)	17.6	(29)	11.0	(39)	0.8	(72)	7.5	(70)	7.5	(70)	01/01/2003
Russell 1000 Value Index			*1.5*	*(44)*	*17.5*	*(30)*	*10.9*	*(41)*	*0.6*	*(74)*	*7.4*	*(73)*	*7.4*	*(73)*	
T. Rowe Price Large Cap Growth[2]	58.3	9.6	-0.5	(46)	18.6	(22)	11.0	(42)	4.7	(16)	9.5	(19)	10.9	(29)	02/01/2012
Russell 1000 Growth Index			*-1.3*	*(68)*	*15.3*	*(53)*	*11.4*	*(39)*	*3.1*	*(36)*	*7.5*	*(62)*	*8.8*	*(49)*	
Small/Mid Cap U.S. Equity	**61.1**	**10.1**	**2.6**		**18.2**		**14.9**		**5.2**		**10.8**		**10.8**		**01/01/2003**
Champlain Mid Cap	30.2	5.0	1.2	(90)	13.1	(70)	12.4	(59)	6.3	(10)	12.3	(11)	15.8	(61)	07/09/2010
Russell Midcap Index			*2.9*	*(35)*	*17.3*	*(38)*	*13.2*	*(34)*	*3.6*	*(50)*	*10.6*	*(52)*	*17.0*	*(44)*	
Pyramis Small Cap	30.9	5.1	3.9	(15)	23.5	(4)	17.2	(11)	6.6	(19)	12.7	(10)	12.7	(10)	01/01/2003
Russell 2000 Index			*1.9*	*(68)*	*16.3*	*(53)*	*12.2*	*(81)*	*3.6*	*(76)*	*9.7*	*(88)*	*9.7*	*(88)*	
International Equity	**85.4**	**14.1**	**5.4**		**22.0**		**4.6**		**-3.1**		**8.3**		**8.3**		**01/01/2003**
Causeway International Value Equity	45.9	7.6	5.8	(65)	24.1	(10)	8.3	(20)	0.0	(27)	-		5.4	(45)	01/14/2005
MSCI EAFE Index			*6.6*	*(41)*	*17.3*	*(53)*	*3.6*	*(71)*	*-3.7*	*(84)*	*8.2*	*(90)*	*3.5*	*(86)*	
Aberdeen EAFE Plus[3]	39.5	6.5	4.8	(79)	15.9	(80)	8.7	(22)	2.1	(17)	12.3	(40)	6.1	(53)	04/02/2012
MSCI AC World ex U.S. Index			*5.8*	*(61)*	*16.8*	*(74)*	*3.9*	*(75)*	*-2.9*	*(74)*	*9.7*	*(68)*	*5.0*	*(65)*	
Fixed Income	**155.2**	**25.6**	**1.5**		**10.2**		**7.7**		**7.1**		**6.7**		**6.7**		**01/01/2003**
BlackRock U.S. Debt Fund^	59.1	9.7	0.2	(83)	4.3	(90)	6.3	(84)	6.1	(77)	5.3	(79)	4.3	(90)	01/05/2012
Barclays Aggregate Index			*0.2*	*(84)*	*4.2*	*(92)*	*6.2*	*(88)*	*5.9*	*(82)*	*5.2*	*(85)*	*4.2*	*(92)*	
PIMCO Fixed Income	96.1	15.8	2.4	(4)	13.4	(4)	9.2	(22)	8.0	(30)	7.5	(13)	7.5	(13)	01/01/2003
*Custom Index**			*1.9*	*(11)*	*10.6*	*(17)*	*8.1*	*(53)*	*7.8*	*(33)*	*6.7*	*(39)*	*6.7*	*(39)*	

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As of December 31, 2012

Trailing Period Performance

	Allocation		Performance(%)						
	Market Value ($M)	%	1 Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception (Max 10 Yrs)	Inception Date
Real Estate	**45.4**	**7.5**	**3.6**	**12.4**	**13.2**	**-2.3**	**6.5**	**6.5**	**01/01/2003**
JPM Strategic Property Fund	31.2	5.1	2.8 (28)	11.8 (84)	14.0 (65)	0.0 (28)	7.8 (-)	7.8 (-)	01/01/2003
NCREIF ODCE Index			*2.4 (60)*	*10.9 (89)*	*14.4 (60)*	*-1.1 (35)*	*6.7 (-)*	*6.7 (-)*	
LaSalle Income and Growth Fund IV	2.8	0.5	4.3 (8)	4.5 (100)	0.0 (100)	-9.7 (82)	-	-3.0 (-)	07/06/2005
NCREIF ODCE Index			*2.4 (60)*	*10.9 (89)*	*14.4 (60)*	*-1.1 (35)*	*6.7 (-)*	*4.7 (-)*	
JPM Income and Growth Fund	11.4	1.9	6.0 (2)	17.7 (8)	21.0 (8)	-6.3 (77)	-	1.0 (-)	11/01/2005
NCREIF ODCE Index			*2.4 (60)*	*10.9 (89)*	*14.4 (60)*	*-1.1 (35)*	*6.7 (-)*	*4.1 (-)*	
Infrastructure	**41.4**	**6.8**							
Macquarie European Infrastructure Fund III	22.2	3.7							
SteelRiver Infrastructure North America	19.2	3.2							
Cash Fund	1.8	0.3	0.0	0.1	0.2	0.8	2.0	2.0	01/01/2003

[1] The custom index is currently composed of 36% S&P 500, 10% Russell 2500, 15% MSCI ACWI ex-U.S., 26% Barclays Aggregate, 8% NCREIF ODCE, and 5% CPI+4%.
[2] T. Rowe Price replaced Friess on 02/01/2012.
[3] Aberdeen replaced Artio on 04/02/2012.
^ BlackRock replaced the Internally Managed Bond account on 01/05/2012.
* The custom index is currently composed of 25% Barclays Mortgage, 25% Barclays Credit, 25% Barclays High Yield, and 25% JPMorgan EMBI Global. Prior to 02/01/2012, the custom index was composed of 70% Barclays Mortgage, 15% Barclays Credit, and 15% Barclays High Yield.

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As of December 31, 2012

Calendar Year Performance

	Performance(%)									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Plan Composite	**25.7 (3)**	**12.0 (15)**	**7.7 (22)**	**13.7 (21)**	**8.5 (36)**	**-27.5 (85)**	**17.5 (69)**	**14.0 (28)**	**-0.2 (59)**	**16.0 (3)**
Custom Index[1]	*25.2 (5)*	*11.8 (17)*	*6.7 (43)*	*14.6 (10)*	*7.5 (60)*	*-26.1 (76)*	*18.9 (57)*	*13.8 (30)*	*2.5 (11)*	*12.6 (52)*
Large Cap U.S. Equity	**34.4**	**12.8**	**5.6**	**12.0**	**6.2**	**-39.3**	**22.8**	**17.2**	**-1.3**	**18.3**
Alliance S&P 500 Index	28.5 (54)	10.8 (66)	5.0 (80)	15.8 (46)	5.6 (68)	-36.7 (57)	26.3 (53)	15.4 (39)	2.0 (49)	16.0 (49)
S&P 500 Index	*28.7 (51)*	*10.9 (66)*	*4.9 (81)*	*15.8 (46)*	*5.5 (71)*	*-37.0 (61)*	*26.5 (52)*	*15.1 (45)*	*2.1 (49)*	*16.0 (48)*
PIMCO StocksPLUS	-	-	-	-	6.2 (62)	-41.2 (90)	43.0 (4)	20.6 (5)	1.1 (60)	22.7 (3)
S&P 500 Index	*28.7 (51)*	*10.9 (66)*	*4.9 (81)*	*15.8 (46)*	*5.5 (71)*	*-37.0 (61)*	*26.5 (52)*	*15.1 (45)*	*2.1 (49)*	*16.0 (48)*
BlackRock Russell 1000 Value Index	30.0 (56)	16.5 (37)	7.1 (62)	22.3 (16)	0.0 (76)	-36.7 (61)	20.1 (79)	15.7 (38)	0.5 (49)	17.6 (29)
Russell 1000 Value Index	*30.0 (56)*	*16.5 (37)*	*7.1 (63)*	*22.2 (16)*	*-0.2 (77)*	*-36.8 (63)*	*19.7 (80)*	*15.5 (41)*	*0.4 (50)*	*17.5 (30)*
T. Rowe Price Large Cap Growth[2]	38.9 (12)	11.3 (35)	8.4 (42)	6.9 (70)	9.4 (75)	-40.4 (69)	54.3 (3)	16.8 (45)	-1.2 (59)	18.6 (22)
Russell 1000 Growth Index	*29.7 (46)*	*6.3 (79)*	*5.3 (69)*	*9.1 (53)*	*11.8 (60)*	*-38.4 (49)*	*37.2 (35)*	*16.7 (46)*	*2.6 (26)*	*15.3 (53)*
Small/Mid Cap U.S. Equity	**41.8**	**16.4**	**11.3**	**14.4**	**3.0**	**-39.6**	**40.9**	**27.8**	**0.3**	**18.2**
Champlain Mid Cap	39.6 (27)	15.8 (84)	13.0 (46)	10.3 (86)	16.6 (11)	-25.7 (1)	28.9 (86)	21.2 (86)	3.5 (14)	13.1 (70)
Russell Midcap Index	*40.1 (26)*	*20.2 (28)*	*12.7 (60)*	*15.3 (32)*	*5.6 (68)*	*-41.5 (54)*	*40.5 (21)*	*25.5 (33)*	*-1.5 (42)*	*17.3 (38)*
Pyramis Small Cap	41.8 (59)	21.0 (47)	15.1 (8)	14.8 (66)	5.4 (31)	-42.0 (87)	47.5 (14)	34.3 (15)	-2.9 (64)	23.5 (4)
Russell 2000 Index	*47.3 (31)*	*18.3 (70)*	*4.6 (82)*	*18.4 (25)*	*-1.6 (62)*	*-33.8 (35)*	*27.2 (65)*	*26.9 (65)*	*-4.2 (74)*	*16.3 (53)*
International Equity	**31.0**	**17.8**	**13.2**	**30.9**	**14.4**	**-43.1**	**30.9**	**12.0**	**-16.3**	**22.0**
Causeway International Value Equity	-	-	8.3 (97)	28.4 (50)	9.8 (56)	-42.8 (67)	37.4 (33)	14.1 (31)	-10.2 (42)	24.1 (10)
MSCI EAFE Index	*38.6 (74)*	*20.2 (78)*	*13.5 (64)*	*26.3 (66)*	*11.2 (44)*	*-43.4 (71)*	*31.8 (59)*	*7.8 (60)*	*-12.1 (63)*	*17.3 (53)*
Aberdeen EAFE Plus[3]	33.3 (66)	21.9 (18)	18.4 (39)	29.0 (23)	15.5 (65)	-39.7 (25)	43.6 (30)	15.0 (33)	-3.7 (3)	15.9 (83)
MSCI AC World ex U.S. Index	*40.8 (20)*	*20.9 (22)*	*16.6 (58)*	*26.7 (39)*	*16.7 (55)*	*-45.5 (60)*	*41.4 (33)*	*11.2 (67)*	*-13.7 (66)*	*16.8 (77)*
Fixed Income	**8.2**	**5.5**	**3.8**	**6.1**	**7.8**	**-2.3**	**15.4**	**7.0**	**6.1**	**10.2**
BlackRock U.S. Debt Fund^	4.2 (62)	4.4 (66)	2.5 (76)	4.4 (59)	7.1 (39)	5.4 (29)	6.0 (87)	6.8 (76)	7.9 (44)	4.3 (90)
Barclays Aggregate Index	*4.1 (67)*	*4.3 (71)*	*2.4 (83)*	*4.3 (69)*	*7.0 (45)*	*5.2 (32)*	*5.9 (88)*	*6.5 (84)*	*7.8 (51)*	*4.2 (92)*
PIMCO Fixed Income	9.7 (18)	6.4 (14)	4.3 (5)	7.1 (10)	8.0 (4)	-5.8 (67)	19.9 (29)	8.1 (71)	6.2 (83)	13.4 (4)
*Custom Index**	*7.3 (42)*	*5.7 (23)*	*2.5 (76)*	*6.1 (18)*	*5.9 (60)*	*1.0 (37)*	*14.2 (54)*	*7.3 (92)*	*6.4 (79)*	*10.6 (17)*

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As of December 31, 2012

Calendar Year Performance

	Performance(%)									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Real Estate	**10.5**	**12.3**	**24.8**	**17.5**	**16.0**	**-12.9**	**-29.7**	**12.1**	**15.4**	**12.4**
JPM Strategic Property Fund	10.5 (41)	12.3 (71)	25.1 (12)	16.6 (61)	16.7 (49)	-8.1 (38)	-26.5 (34)	14.2 (61)	16.0 (42)	11.8 (84)
NCREIF ODCE Index	*9.3 (70)*	*13.1 (54)*	*21.4 (35)*	*16.3 (63)*	*16.0 (53)*	*-10.0 (48)*	*-29.8 (51)*	*16.4 (50)*	*16.0 (42)*	*10.9 (89)*
LaSalle Income and Growth Fund IV	-	-	-	21.7 (12)	8.6 (87)	-17.7 (80)	-27.2 (38)	0.4 (100)	-4.7 (100)	4.5 (100)
NCREIF ODCE Index	*9.3 (70)*	*13.1 (54)*	*21.4 (35)*	*16.3 (63)*	*16.0 (53)*	*-10.0 (48)*	*-29.8 (51)*	*16.4 (50)*	*16.0 (42)*	*10.9 (89)*
JPM Income and Growth Fund	-	-	-	20.9 (15)	18.1 (30)	-27.1 (88)	-44.1 (85)	17.1 (35)	28.5 (5)	17.7 (8)
NCREIF ODCE Index	*9.3 (70)*	*13.1 (54)*	*21.4 (35)*	*16.3 (63)*	*16.0 (53)*	*-10.0 (48)*	*-29.8 (51)*	*16.4 (50)*	*16.0 (42)*	*10.9 (89)*

[1] The custom index is currently composed of 36% S&P 500, 10% Russell 2500, 15% MSCI ACWI ex-U.S., 26% Barclays Aggregate, 8% NCREIF ODCE, and 5% CPI+4%.
[2] T. Rowe Price replaced Friess on 02/01/2012.
[3] Aberdeen replaced Artio on 04/02/2012.
^ BlackRock replaced the Internally Managed Bond account on 01/05/2012.
* The custom index is currently composed of 25% Barclays Mortgage, 25% Barclays Credit, 25% Barclays High Yield, and 25% JPMorgan EMBI Global. Prior to 02/01/2012, the custom index was composed of 70% Barclays Mortgage, 15% Barclays Credit, and 15% Barclays High Yield.

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Commentary

- The **TSRS Plan** returned 2.1% during the fourth quarter, which exceeded the performance of the custom index by 0.8% and placed it at the 24th percentile of the PARIS Public Funds <$1 B Universe. PIMCO StocksPLUS, T. Rowe Price, Pyramis, PIMCO Fixed Income, and all three real estate funds contributed positively to the plan's quarterly performance while Champlain, Causeway, and Aberdeen detracted from relative performance. Over the last twelve months, the plan returned 16.0%, gross of fees, exceeding the custom index by 3.4% and placing it at the 3rd percentile of the universe.

- The two equity index managers, **Alliance** and **BlackRock**, continued to track their respective benchmarks well.

- **PIMCO StocksPLUS**, an enhanced indexing product, outperformed its benchmark, the S&P 500 Index, by 0.6% (0.2% versus -0.4%, respectively) during the quarter. The allocation to fixed income helped performance, specifically exposure to bonds of financial firms, non-agency mortgage-backed securities, and currency strategies that benefit from a depreciating yen versus the U.S. dollar. Since its inception in the TSRS Plan almost seven years ago, the product has outperformed the S&P 500 Index by 2.2% on an annualized basis.

- Large cap growth manager **T. Rowe Price** outperformed the Russell 1000 Growth Index by 0.8% (-0.5% versus -1.3%, respectively) during the quarter. The portfolio was helped by stock selection in the consumer discretionary, technology, and telecom sectors.

- Mid cap manager **Champlain** underperformed the Russell Mid Cap Index by 1.7% (1.2% versus 2.9%, respectively) during the fourth quarter. Performance was hurt by stock selection in the consumer discretionary, energy, and materials sectors. Performance since inception into the TSRS Plan 2-1/2 years ago has lagged the benchmark by 1.2% (15.8% versus 17.0%) on an annualized basis.

- Small cap manager **Pyramis** exceeded the performance of the Russell 2000 Index by 2.0% (3.9% versus 1.9%, respectively) during the quarter. Strong stock selection in the health care, consumer discretionary, and consumer staples sectors contributed positively to relative performance. Over the last twelve months, Pyramis outperformed the benchmark by 7.2% (23.5% versus 16.3%) and ranks at the 4th percentile of the peer group.

Commentary

- International value manager **Causeway** underperformed its benchmark, the MSCI EAFE Index, by 0.8% (5.8% versus 6.6%) during the fourth quarter. Strong stock selection in the industrials sector detracted from performance. On a country basis, stock selection in Japan, South Korea, and Singapore hurt performance. Over the last twelve months, Causeway has exceeded its benchmark by 6.8% (24.1% versus 17.3%, respectively).

- International growth manager **Aberdeen** returned 4.8% during the fourth quarter, which trailed the performance of its benchmark by 1.0%. Stock selection in the financials sector hurt relative performance. On a country basis, stock selection in Switzerland, France, and Australia detracted from returns.

- **BlackRock U.S. Debt Index** returned 0.2% during the quarter, matching the performance of its benchmark.

- **PIMCO**'s fixed income portfolio returned 2.4% during the quarter, exceeding the performance of its custom index by 0.5%. An underweight to U.S. duration and exposure to non-agency mortgages and municipal bonds helped performance. For the trailing twelve months, the PIMCO portfolio outperformed its benchmark by 2.8% (13.4% versus 10.6%).

- The **Strategic Property** real estate portfolio managed by **J.P. Morgan** outperformed the NCREIF ODCE index by 0.4% for the quarter (2.8%, versus 2.4%, respectively). For the trailing twelve months, the strategy exceeded the performance of its benchmark by 0.9%, returning 11.8% versus 10.9%, respectively.

- The **LaSalle Income and Growth IV** real estate portfolio has begun the process of selling a number of properties as the late-2013 liquidation date approaches. The fund made a cash distribution of $0.7 M to TSRS in December.

- The **J.P. Morgan Income and Growth** real estate portfolio outperformed the NCREIF ODCE during the quarter, returning 6.0% versus 2.4%, respectively. Fund performance was comprised of appreciation of 4.6% and income of 1.4%. For the trailing twelve months, the strategy has outperformed the benchmark by 6.8% (17.7% versus 10.9%).

- The **SteelRiver** North American infrastructure portfolio is too early in its investment cycle to have meaningful performance.

- The **Macquarie** European infrastructure portfolio is too early in its investment cycle to have meaningful performance.

Quantitative Watch List Factors

§ 1 year performance (measured on a quarterly basis, before fees)

- Fixed Income and Real Estate Portfolios:
  - Underperform benchmark by 2.0% and bottom 25% in peer group for two consecutive quarters
- Passively Managed Portfolios:
  - Underperform benchmark by 0.5%
- Actively Managed Equity Portfolios:
  - Underperform benchmark by 5.0% and bottom 25% in peer group for two consecutive quarters

§ 3 year performance (annualized, measured on rolling quarterly basis, before fees)

- Actively Managed Portfolios:
  - Underperform benchmark and bottom 60% in peer group for two consecutive quarters
- Passively Managed Portfolios:
  - Underperform benchmark by 0.3%

Qualitative Watch List Factors

- A change in the portfolio manager assigned to TSRS;
- The departure of one or more key investment professionals;
- Violation of an investment guideline;
- A change in the ownership or control of the investment management organization; or
- Regulatory investigation (e.g., SEC, Attorney General, etc.), particularly an investigation involving senior members of the firm or product team.

Watch List Procedure

Any investment manager that is on watch list will be reviewed at subsequent Board meetings to determine why it is not meeting the stated benchmarks and if further action is warranted. An investment manager can be removed from watch list for one of three reasons:

- The investment performance changes so that it meets or exceeds its investment benchmarks.
- The Board understands why the investment manager is not meeting or exceeding its stated benchmark and is comfortable that the fund is still meeting the objectives for which it was chosen.
- The qualitative watch list factor has been rectified or the Board understands and feels comfortable with the investment manager's action to address the violation.
- The Board replaces the fund.

Watch List Overview

		Benchmark Relative Performance	Peer Ranking	Sep -10	Dec -10	Mar -11	Jun -11	Sep -11	Dec -11	Mar-12	Jun-12	Sep-12	Dec-12	Comments
Alliance	1 Year	-0.50%	N/A											
	3 Year	-0.30%	N/A											
	Qualitative													
PIMCO StocksPLUS	1 Year	-5.00%	Bottom 25%											
	3 Year	0.00%	Bottom 60%											
	Qualitative													
Blackrock Russell 1000 Value	1 Year	-0.50%	N/A											
	3 Year	-0.30%	N/A											
	Qualitative													
T. Rowe Price Large Cap Growth	1 Year	-5.00%	Bottom 25%											T. Rowe Price slightly lags the benchmark over the 3-year period, but has only been in the Plan for three quarters of a year.
	3 Year	0.00%	Bottom 60%											
	Qualitative													
Champlain Mid Cap	1 Year	-5.00%	Bottom 25%											Champlain lags the benchmark over the 3-year period, but has only been in the Plan for 2-1/2 years.
	3 Year	0.00%	Bottom 60%											
	Qualitative													
Pyramis	1 Year	-5.00%	Bottom 25%											
	3 Year	0.00%	Bottom 60%											
	Qualitative													

X Indicates failure to meet objective

Indicates Watch List (two consecutive periods of not meeting objective)

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Watch List Overview

		Benchmark Relative Performance	Peer Ranking	Sep -10	Dec -10	Mar -11	Jun -11	Sep -11	Dec -11	Mar-12	Jun-12	Sep -12	Dec -12	Comments
Causeway	1 Year	-5.00%	Bottom 25%											
	3 Year	0.00%	Bottom 60%											
	Qualitative													
Aberdeen	1 Year	-5.00%	Bottom 25%											
	3 Year	0.00%	Bottom 60%											
	Qualitative													
BlackRock U.S. Debt Index	1 Year	-0.50%	N/A											
	3 Year	-0.30%	N/A											
	Qualitative													
PIMCO	1 Year	-2.00%	Bottom 25%											
	3 Year	0.00%	Bottom 60%											
	Qualitative													
JP Morgan Strategic Property	1 Year	-2.00%	Bottom 25%		X	X								The fund lags the benchmark by 0.4% over the three-year period and ranks at the 65th percentile of the peer group.
	3 Year	0.00%	Bottom 60%									X	X	
	Qualitative													

X Indicates failure to meet objective

Indicates Watch List (two consecutive periods of not meeting objective)

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Watch List Overview

		Benchmark Relative Performance	Peer Ranking	Sep -10	Dec -10	Mar -11	Jun -11	Sep -11	Dec -11	Mar-12	Jun-12	Sep -12	Dec -12	Comments
LaSalle	1 Year	-2.00%	Bottom 25%	X	X	X	X	X	X	X	X	X	X	Until the fund makes significant realizations via property sales, performance for the portfolio is not very meaningful.
	3 Year	0.00%	Bottom 60%	X	X	X	X	X	X	X	X	X	X	
	Qualitative													
JP Morgan Income and Growth	1 Year	-2.00%	Bottom 25%	X										
	3 Year	0.00%	Bottom 60%	X	X	X	X	X	X	X				
	Qualitative													
SteelRiver Infrastructure North America	1 Year	-2.00%	Bottom 25%											Until the fund generates significant income or makes realizations via property sales, performance for the portfolio is not very meaningful.
	3 Year	0.00%	Bottom 60%											
	Qualitative													
Macquaire European Infrastructure	1 Year	-2.00%	Bottom 25%											Until the fund generates significant income or makes realizations via property sales, performance for the portfolio is not very meaningful.
	3 Year	0.00%	Bottom 60%											
	Qualitative													

X Indicates failure to meet objective

Indicates Watch List (two consecutive periods of not meeting objective)

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Total Plan

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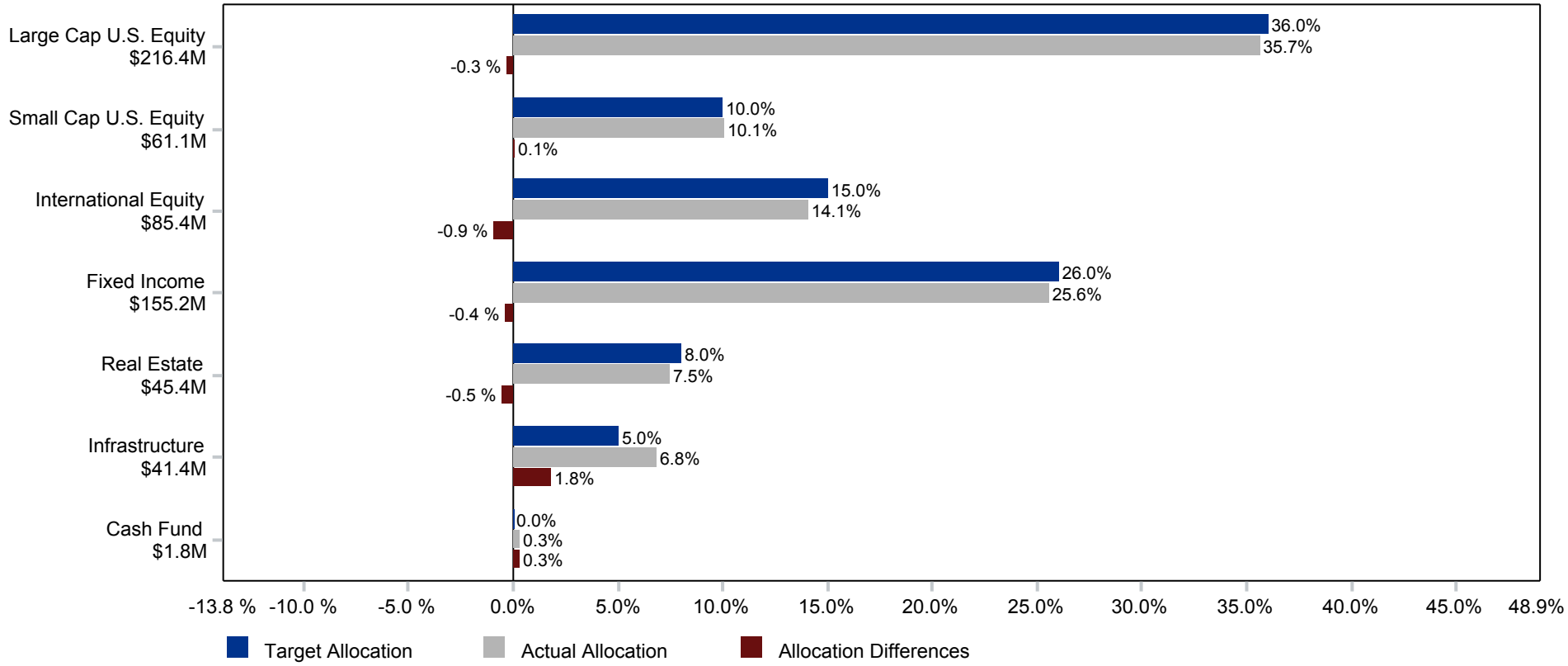
Asset Allocation vs. Target Allocation

	Market Value ($M)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
Plan Composite	606.7	100.0	100.0	N/A	N/A
Large Cap U.S. Equity	216.4	35.7	36.0	31.0	41.0
Small Cap U.S. Equity	61.1	10.1	10.0	6.0	14.0
International Equity	85.4	14.1	15.0	13.0	17.0
Fixed Income	155.2	25.6	26.0	21.0	31.0
Real Estate	45.4	7.5	8.0	6.0	10.0
Infrastructure	41.4	6.8	5.0	3.0	7.0
Cash Fund	1.8	0.3	0.0	0.0	0.0



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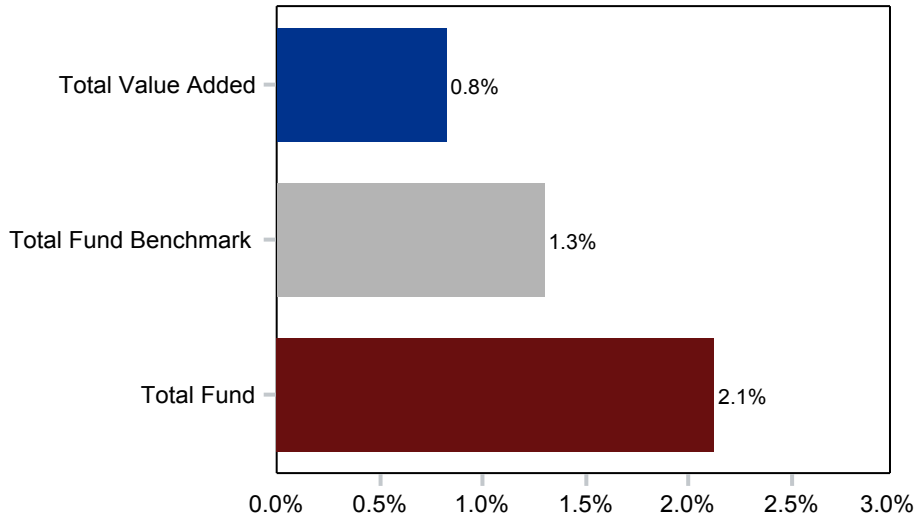
1 Quarter Ending December 31, 2012

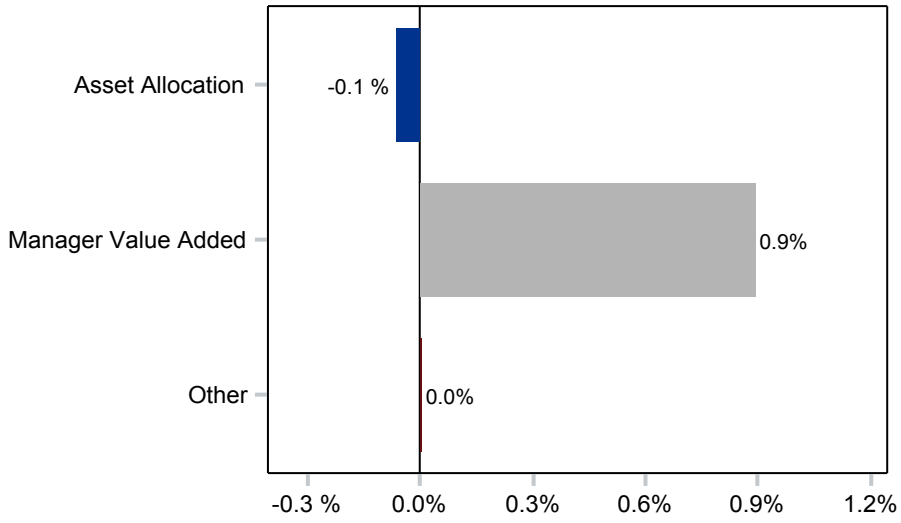
Total Fund Attribution

Plan Composite vs. Custom Index

Total Fund Performance

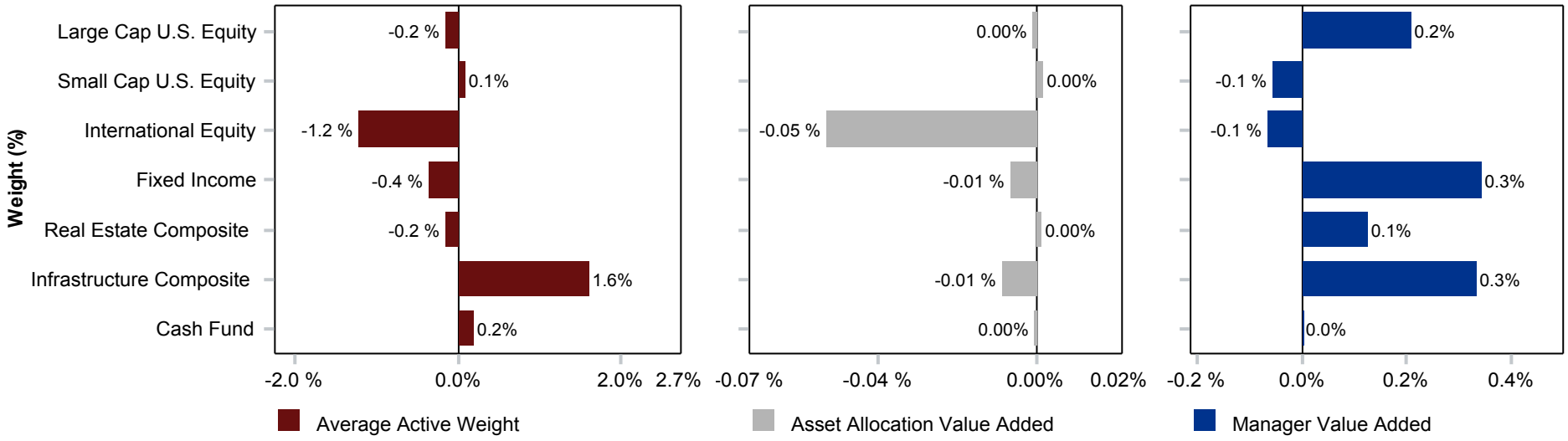


Total Value Added:0.8%



Total Asset Allocation:-0.1 %

Total Manager Value Added:0.9%



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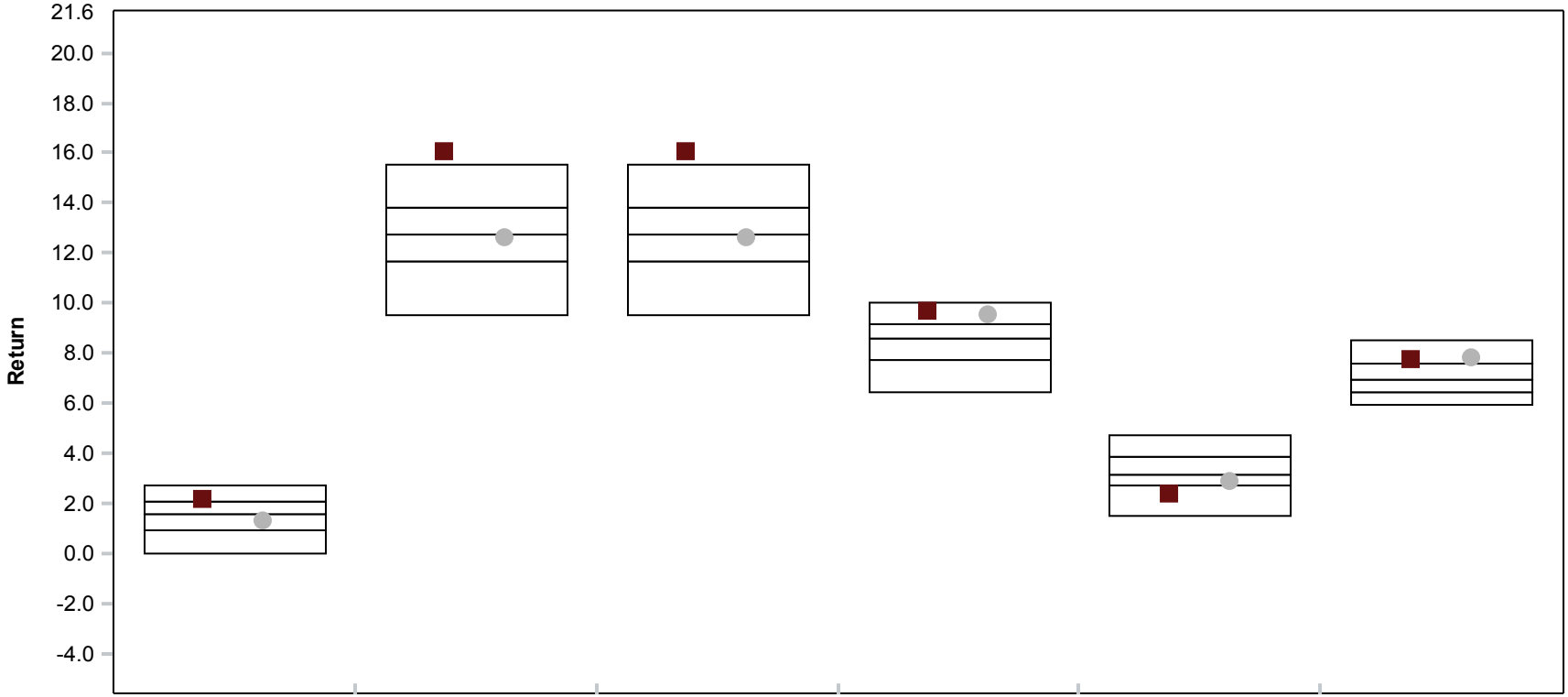
Plan Sponsor Peer Group Analysis

All Public Plans < $1B[1]



	1 Quarter	2012	1 Year	3 Years	5 Years	10 Years
■ Plan Composite	2.13 (24)	16.02 (3)	16.02 (3)	9.68 (11)	2.36 (85)	7.73 (20)
● Custom Index	1.30 (60)	12.63 (52)	12.63 (52)	9.50 (14)	2.88 (66)	7.81 (18)
1st Quartile	2.09	13.82	13.82	9.17	3.86	7.57
Median	1.58	12.71	12.71	8.55	3.13	6.95
3rd Quartile	0.89	11.67	11.67	7.72	2.68	6.41
Population	235	232	232	214	193	94

[1] The PARIS All Public Plans <$1 B Universe (Before Fees) consists of 225 Federal, State, and Local pension plans with an average plan size of $145 million as of June 30, 2012.
Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

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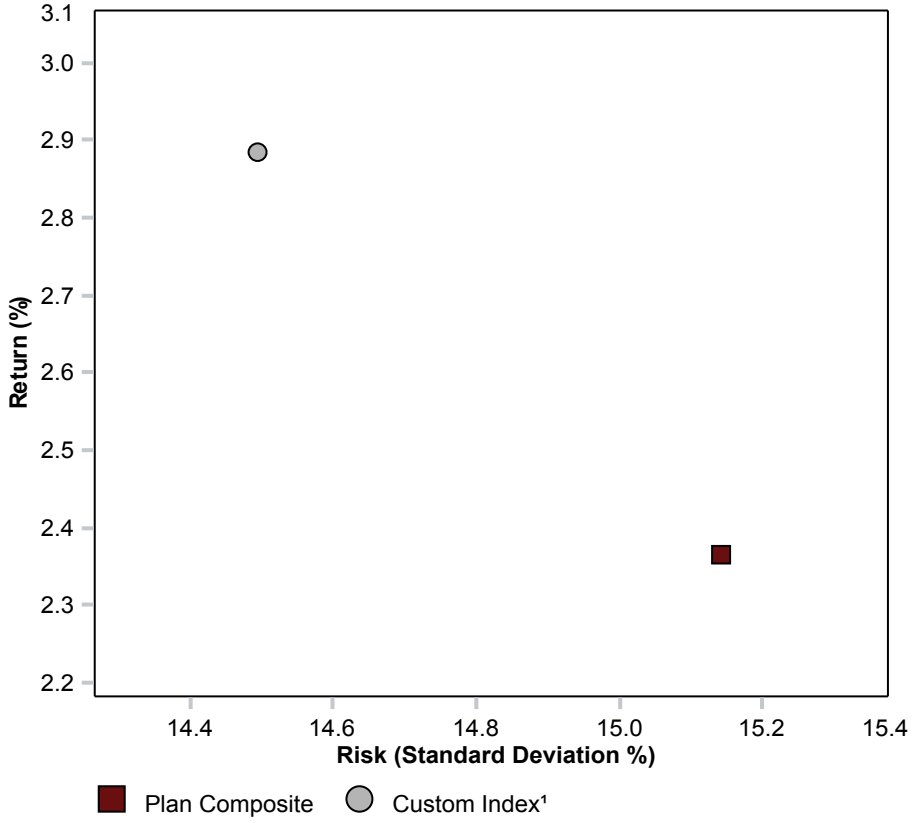
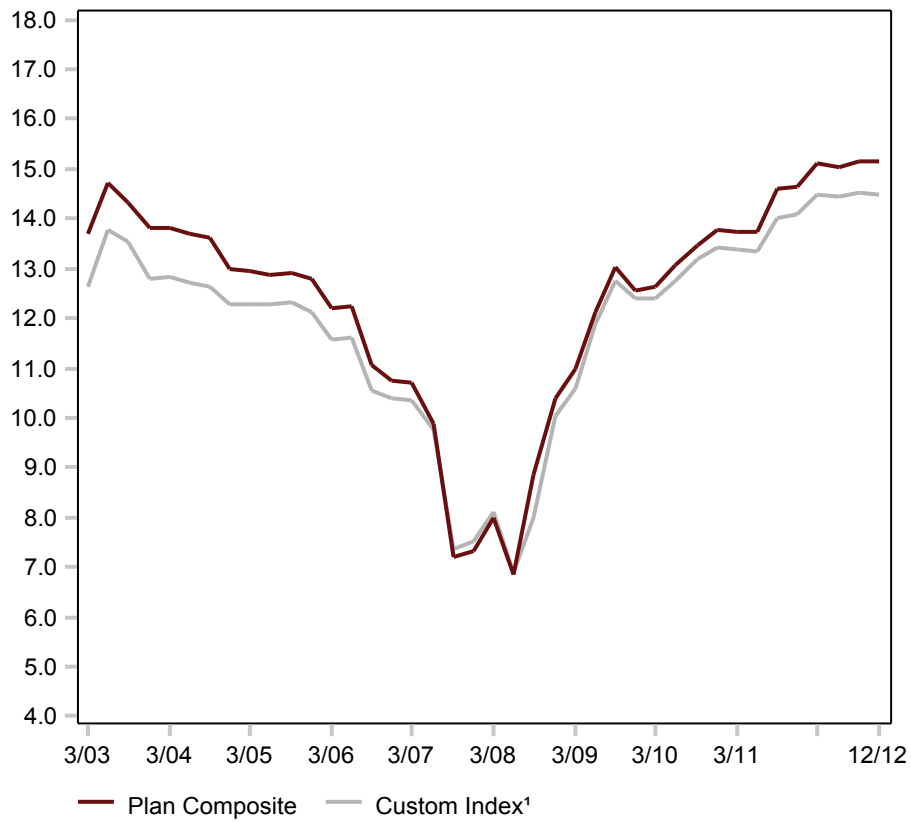
Plan Composite Risk Profile

Annualized Return vs. Annualized Standard Deviation 5 Years



Rolling 5 Years Standard Deviation



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Plan Composite	-0.41	2.21	-0.19	0.98	0.20	-0.54	1.03	2.36	15.15	0.99
Custom Index¹	0.00	0.00	N/A	1.00	0.24	0.00	1.00	2.88	14.49	1.00
Citigroup 3 Month T-Bill	-3.48	14.66	-0.24	0.20	N/A	0.49	-0.01	0.44	0.37	-0.45

¹ The custom index is currently composed of 36% S&P 500, 10% Russell 2500, 15% MSCI ACWI ex-U.S., 26% Barclays Aggregate, 8% NCREIF ODCE, and 5% CPI+4%. See appendix for prior composition.

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U.S. Equity

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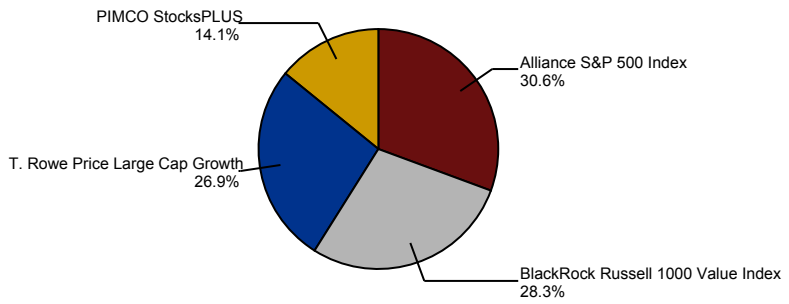
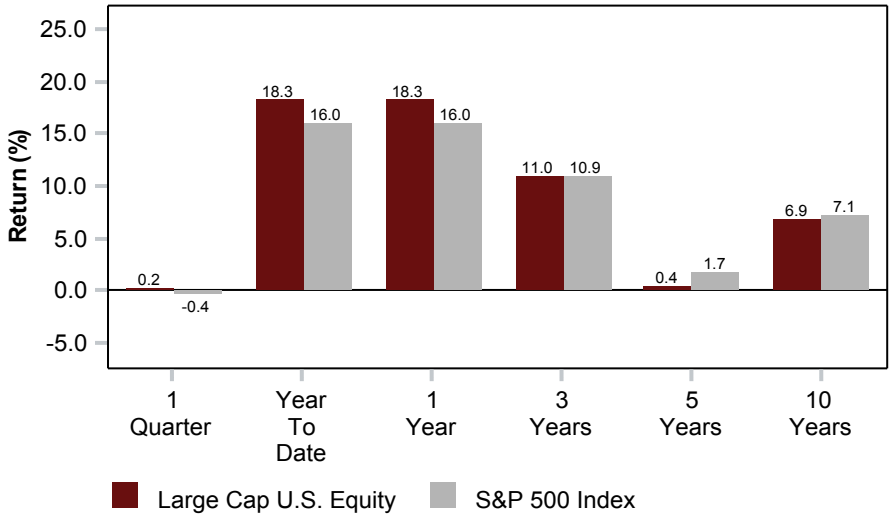
Large Cap U.S. Equity Portfolio Overview

Current Allocation

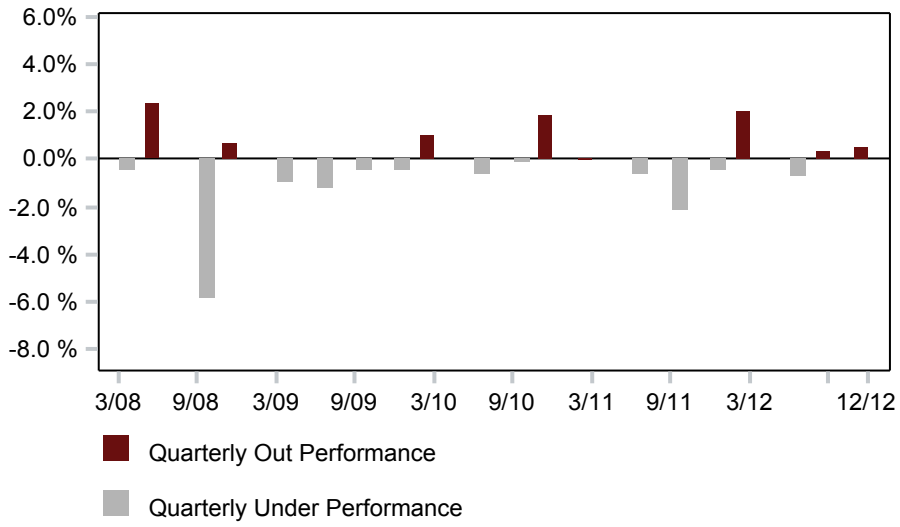
December 31, 2012 : $216M



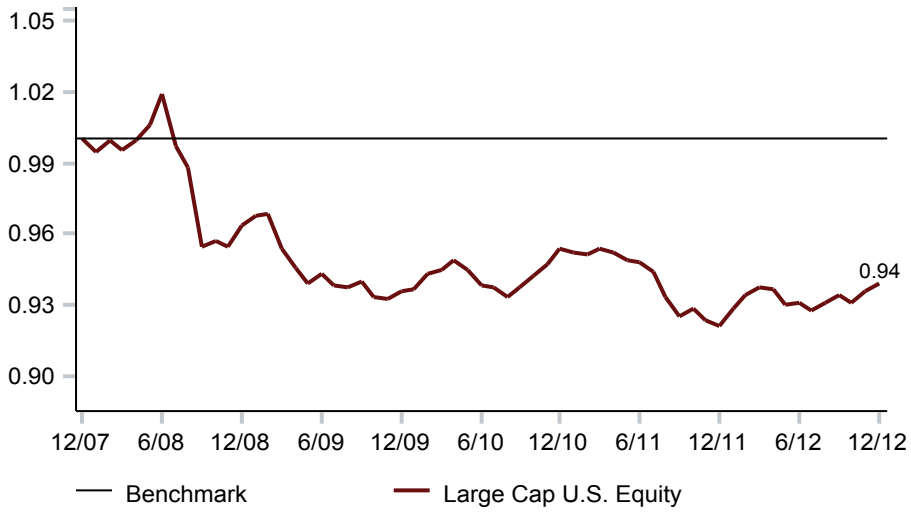
Return Summary



Quarterly Excess Performance - 5 Years



Ratio of Cumulative Wealth - 5 Years



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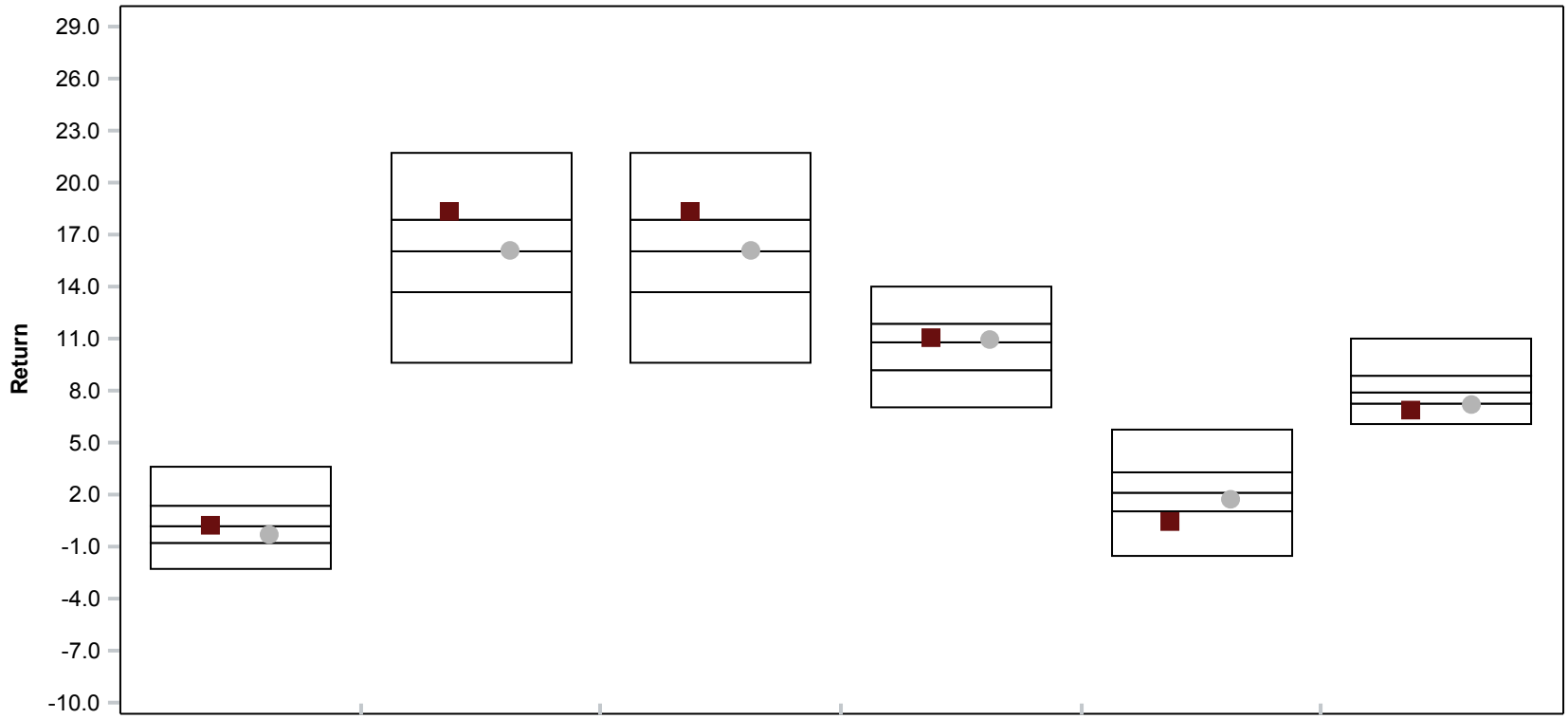
Peer Group Analysis

IM U.S. Large Cap Equity



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
■ Large Cap U.S. Equity	0.20 (47)	18.29 (22)	18.29 (22)	11.01 (44)	0.40 (85)	6.86 (85)
● S&P 500 Index	-0.38 (65)	16.00 (51)	16.00 (51)	10.87 (48)	1.66 (61)	7.10 (80)
1st Quartile	1.37	17.85	17.85	11.82	3.24	8.89
Median	0.12	16.02	16.02	10.77	2.06	7.93
3rd Quartile	-0.77	13.73	13.73	9.18	1.01	7.20
Population	1,070	1,059	1,059	1,032	969	708

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

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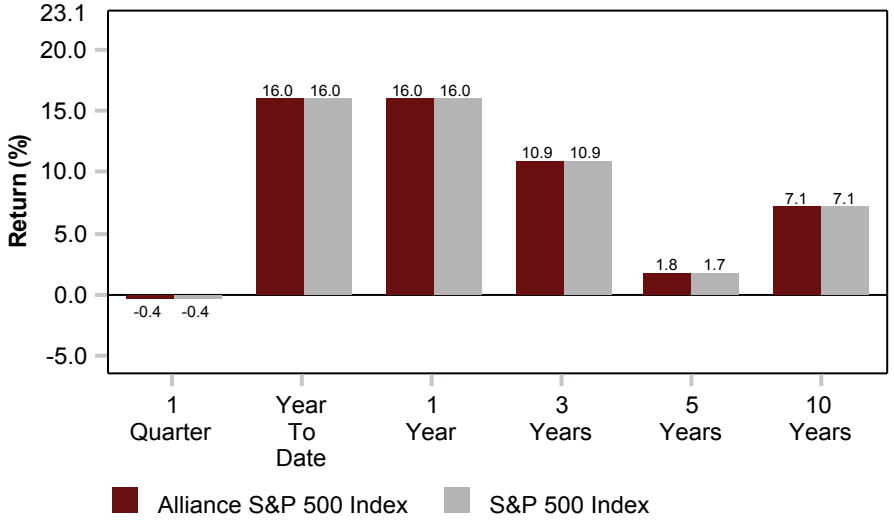
Alliance S&P 500 Index Performance Summary

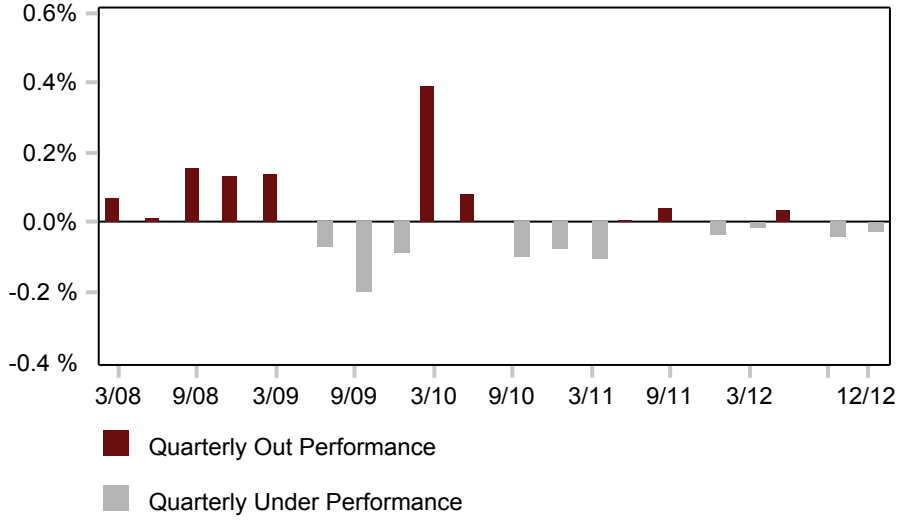
Account Information

Account Name:	Alliance S&P 500 Index
Inception Date:	10/01/1988
Account Structure:	Separate Account
Asset Class:	US Equity
Benchmark:	S&P 500 Index
Peer Group:	IM U.S. Large Cap Core Equity (SA+CF)

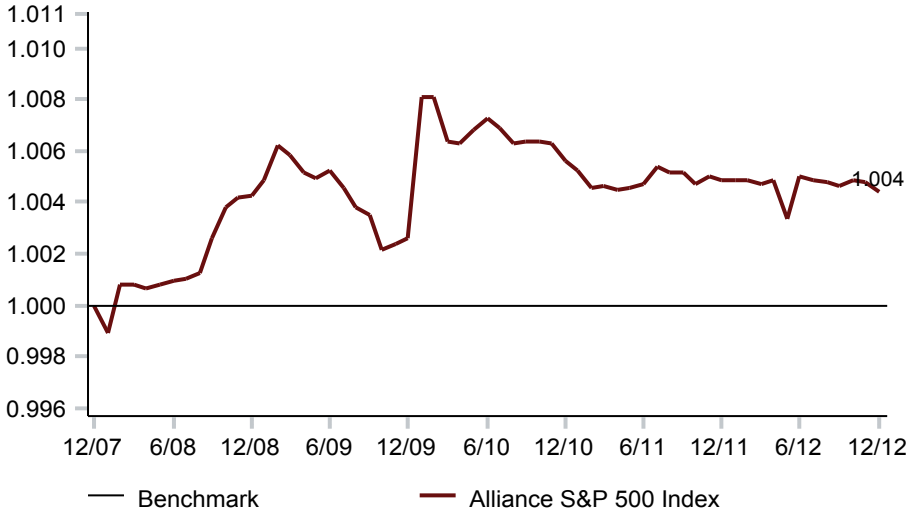
Return Summary



Quarterly Excess Performance - 5 Years



Ratio of Cumulative Wealth - 5 Years



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Alliance S&P 500 Index Portfolio Analysis (Holdings-based)

Benchmark: S&P 500 Index

Portfolio Characteristics	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	105,632	105,387
Median Mkt. Cap ($M)	12,621	12,621
Price/Earnings ratio	15.07	15.08
Price/Book ratio	2.53	2.53
5 Yr. EPS Growth Rate (%)	6.51	6.47
Current Yield (%)	2.27	2.27
Beta (5 Years, Monthly)	0.99	1.00
Number of Stocks	502	500

Segments	Market Value ($)	Allocation (%)
Domestic Equity	65,912,595.97	99.46
Cash Equivalent	359,934.10	0.54

Top Ten Equity Holdings	Portfolio Weight (%)	Index Weight (%)	Active Weight (%)	Quarter Return (%)
Apple Inc	3.92	3.93	-0.01	-19.85
Exxon Mobil Corp	3.13	3.10	0.03	-4.75
General Electric Co	1.73	1.73	0.00	-6.74
Chevron Corp	1.66	1.66	0.00	-6.41
International Business Machines Corp	1.62	1.60	0.02	-7.25
Microsoft Corp	1.58	1.59	-0.01	-9.49
AT&T Inc	1.52	1.50	0.02	-9.54
Johnson & Johnson	1.51	1.52	-0.01	2.62
Google Inc	1.49	1.48	0.01	-6.25
Pfizer Inc	1.47	1.45	0.02	1.84
% of Portfolio	19.63	19.56		

Ten Best Performers	Portfolio Weight (%)	Index Weight (%)	Quarter Return (%)
Netflix Inc	0.04	0.04	70.08
Genworth Financial Inc	0.03	0.03	43.59
Abercrombie & Fitch Co.	0.03	0.03	41.99
First Solar Inc	0.01	0.01	39.33
CarMax Inc	0.06	0.07	32.65
Ford Motor Co	0.39	0.39	31.93
Bank of America Corp	0.98	0.98	31.61
NYSE Euronext	0.06	0.06	29.59
ADT Corp (The)	0.08	0.08	29.51
Tenet Healthcare Corp	0.03	0.03	29.47
% of Portfolio	1.71	1.72	

Ten Worst Performers	Portfolio Weight (%)	Index Weight (%)	Quarter Return (%)
Best Buy Co. Inc.	0.02	0.02	-30.13
Advanced Micro Devices Inc	0.01	0.01	-28.78
Apollo Group Inc	0.02	0.02	-27.99
Western Union Co	0.06	0.06	-24.60
Pitney Bowes Inc.	0.02	0.02	-20.35
Verisign Inc	0.05	0.05	-20.27
Apple Inc	3.92	3.93	-19.85
J. C. Penney Company Inc.	0.02	0.02	-18.86
Darden Restaurants Inc.	0.04	0.05	-18.42
Alexion Pharmaceuticals Inc	0.15	0.14	-18.06
% of Portfolio	4.31	4.32	

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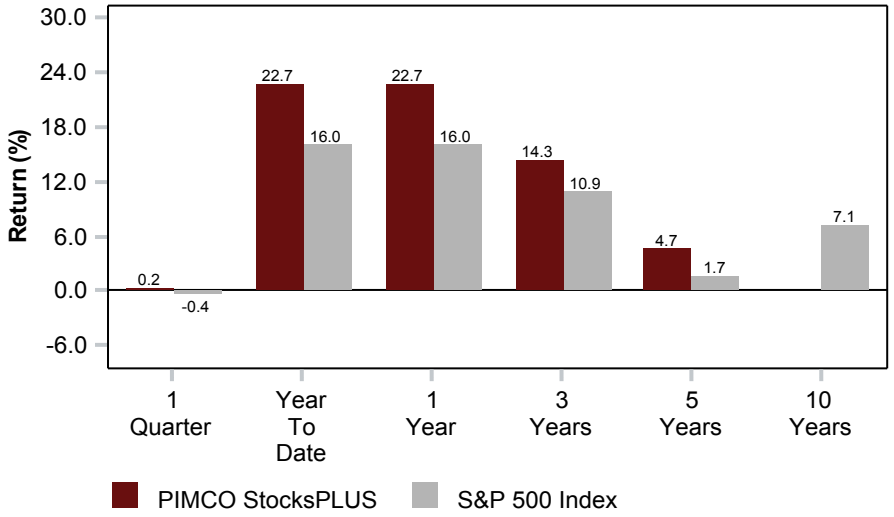
PIMCO StocksPLUS Performance Summary

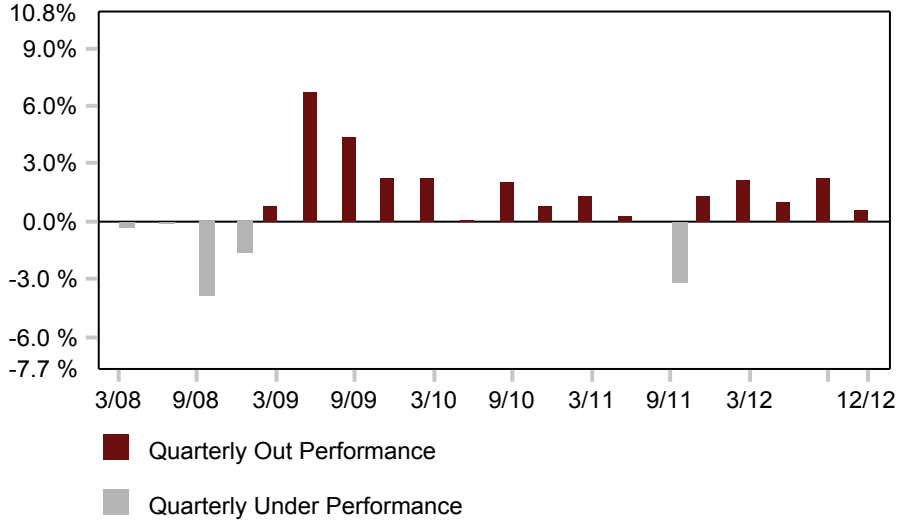
Account Information

Account Name:	PIMCO StocksPLUS
Inception Date:	03/31/2006
Account Structure:	Commingled Fund
Asset Class:	US Balanced
Benchmark:	S&P 500 Index
Peer Group:	IM U.S. Large Cap Core Equity (SA+CF)

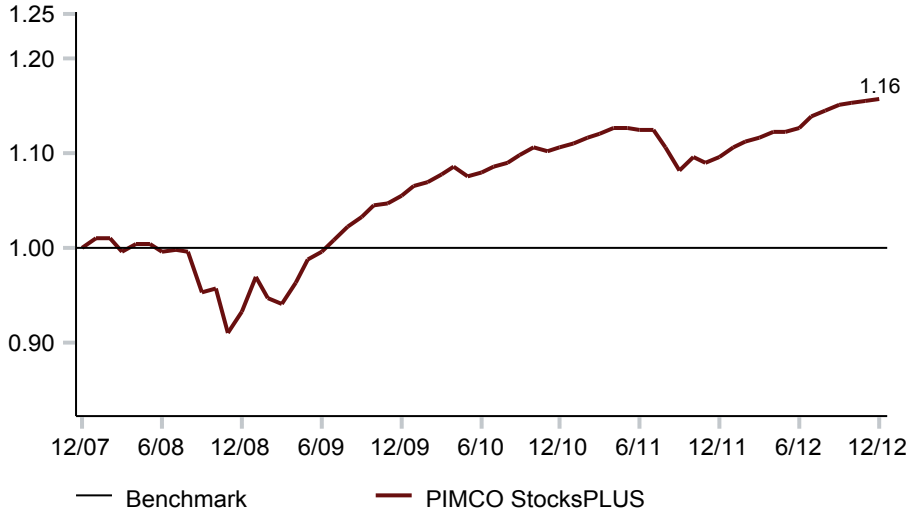
Return Summary



Quarterly Excess Performance - 5 Years



Ratio of Cumulative Wealth - 5 Years



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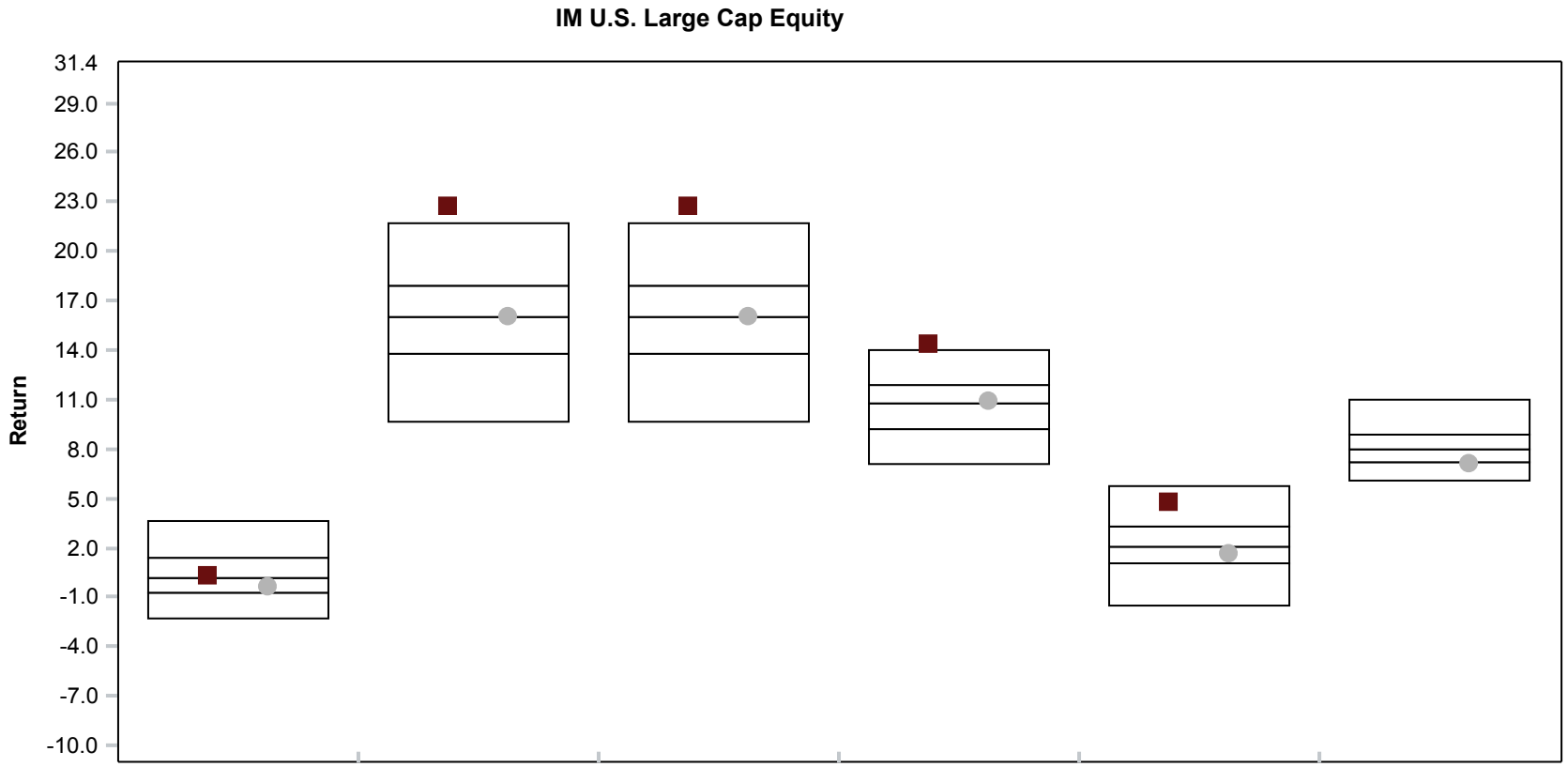
Peer Group Analysis



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
■ PIMCO StocksPLUS	0.24 (46)	22.68 (4)	22.68 (4)	14.35 (4)	4.70 (10)	N/A
● S&P 500 Index	-0.38 (65)	16.00 (51)	16.00 (51)	10.87 (48)	1.66 (61)	7.10 (80)
1st Quartile	1.37	17.85	17.85	11.82	3.24	8.89
Median	0.12	16.02	16.02	10.77	2.06	7.93
3rd Quartile	-0.77	13.73	13.73	9.18	1.01	7.20
Population	1,070	1,059	1,059	1,032	969	708

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

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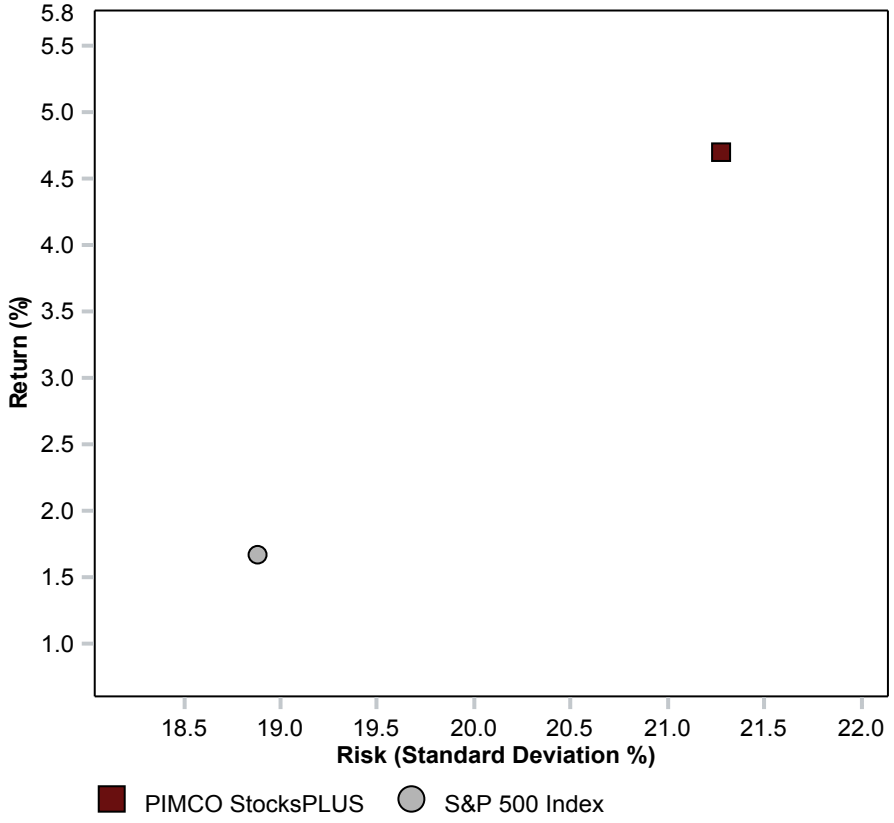
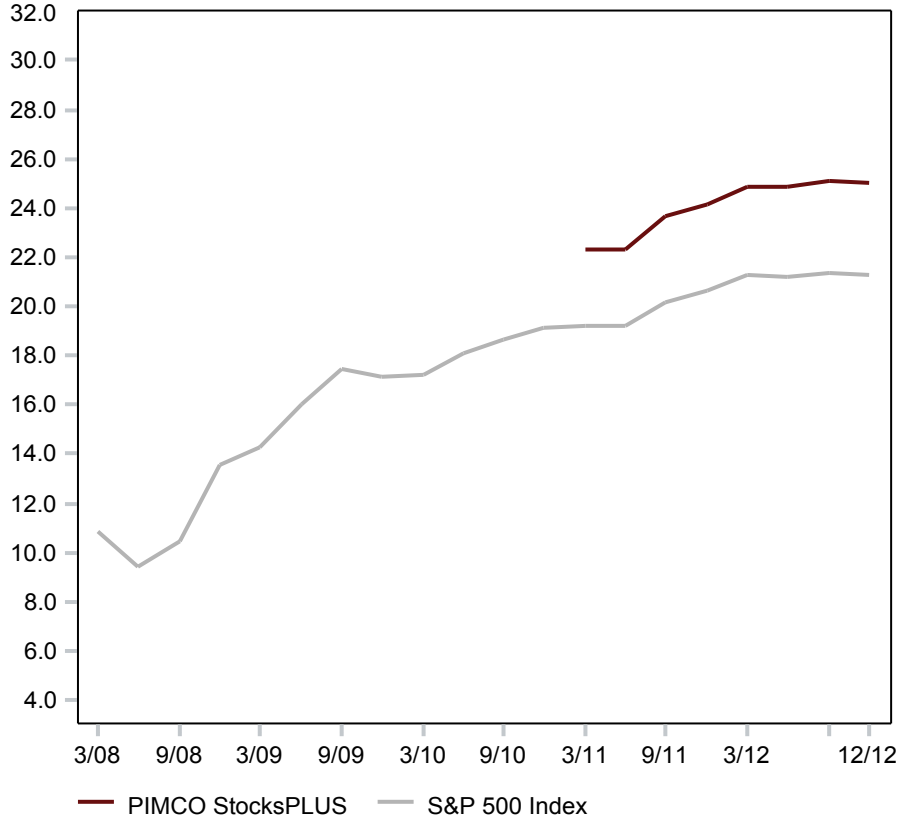
PIMCO StocksPLUS Risk Profile

Annualized Return vs. Annualized Standard Deviation 5 Years



Rolling 5 Years Standard Deviation



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
PIMCO StocksPLUS	3.44	4.44	0.78	0.97	0.30	3.11	1.11	4.70	21.29	0.98
S&P 500 Index	0.00	0.00	N/A	1.00	0.16	0.00	1.00	1.66	18.88	1.00
Citigroup 3 Month T-Bill	-3.03	18.95	-0.16	0.10	N/A	0.45	0.00	0.44	0.22	-0.32

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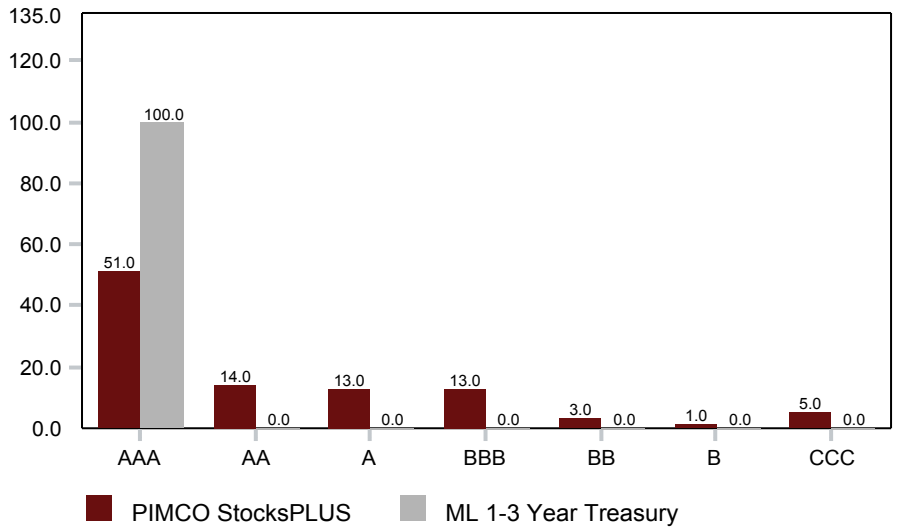
Portfolio Characteristics

PIMCO StocksPLUS vs. ML 1-3 Year Treasury

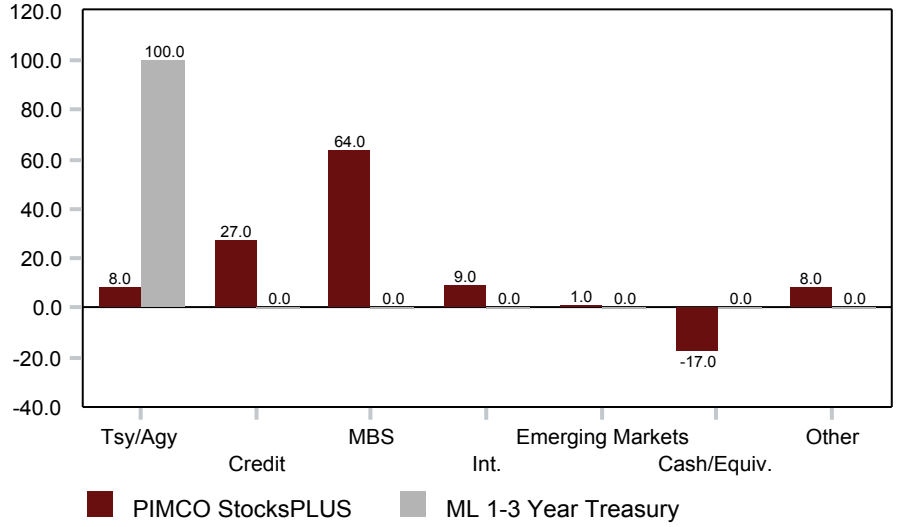
Portfolio Characteristics

	Portfolio	Benchmark
Avg. Maturity	3.42	1.83
Avg. Quality	AA+	AAA
Coupon Rate (%)	2.05	1.54
Effective Duration	N/A	N/A
Yield To Maturity (%)	2.00	N/A
Holdings Count	380	72

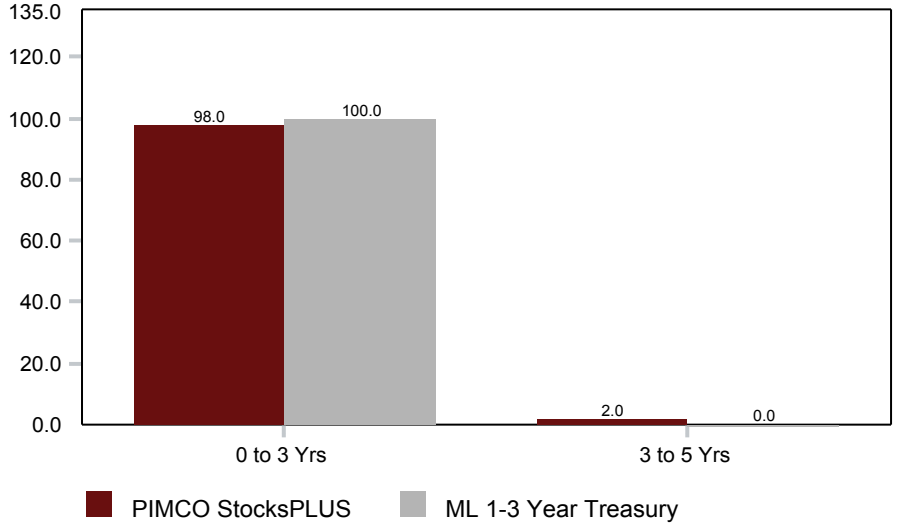
Credit Quality Distribution (%)



Sector Distribution (%)



Maturity Distribution (%)



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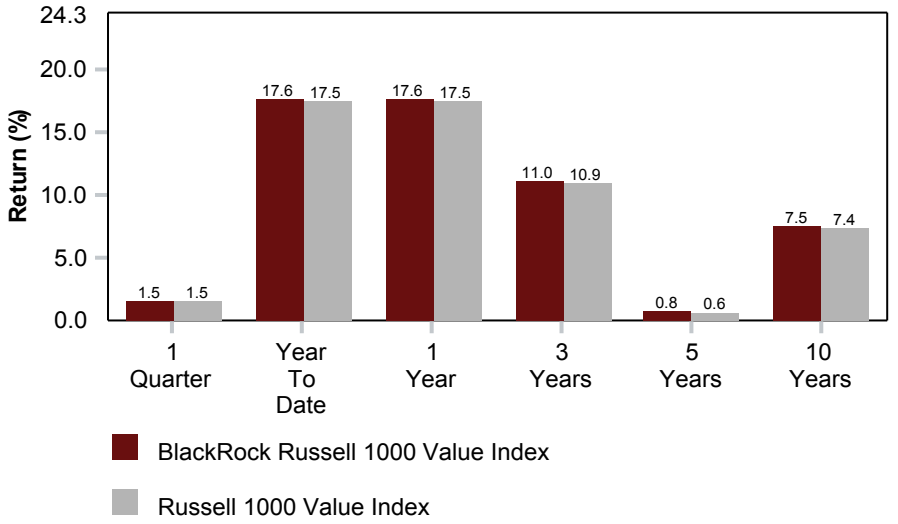
BlackRock Russell 1000 Value Index Performance Summary

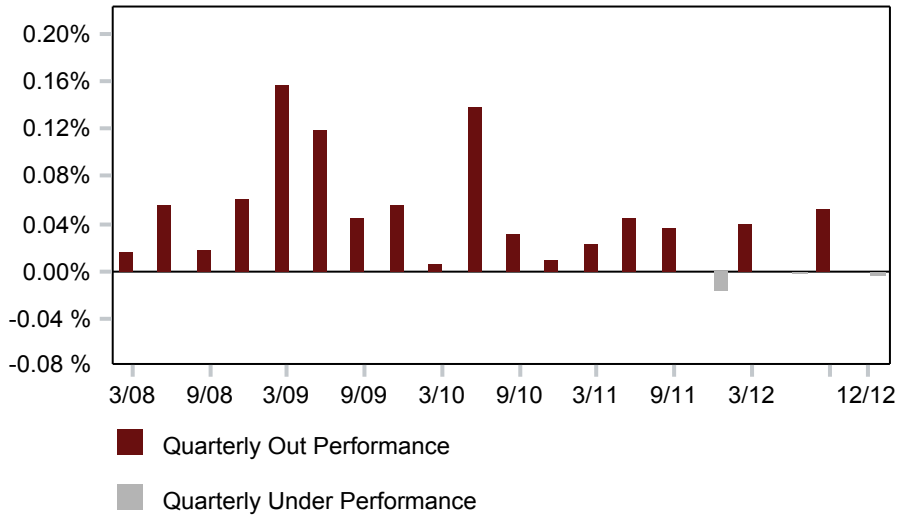
Account Information

Account Name:	BlackRock Russell 1000 Value Index
Inception Date:	04/01/2001
Account Structure:	Commingled Fund
Asset Class:	US Equity
Benchmark:	Russell 1000 Value Index
Peer Group:	IM U.S. Large Cap Value Equity (SA+CF)

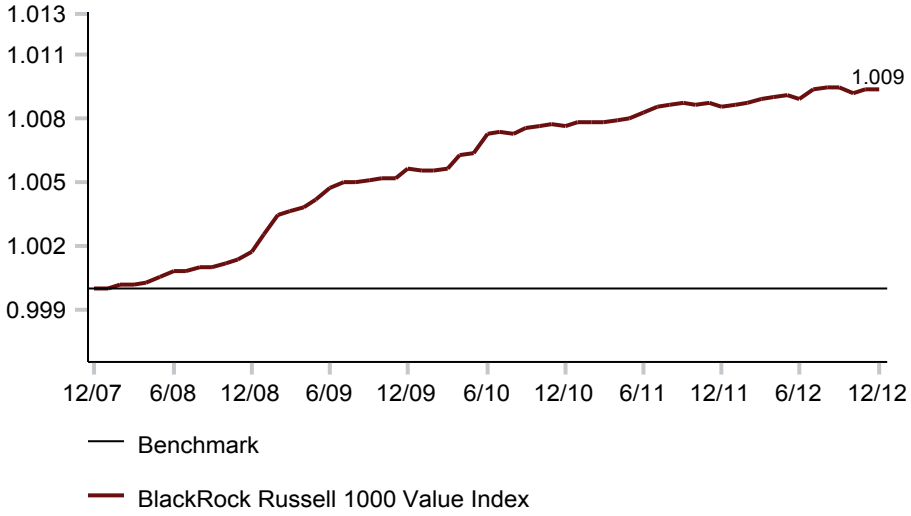
Return Summary



Quarterly Excess Performance - 5 Years



Ratio of Cumulative Wealth - 5 Years



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Portfolio Analysis (Holdings-based)

Benchmark: Russell 1000 Value Index

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	89,601	89,601
Median Mkt. Cap ($M)	5,035	5,035
Price/Earnings ratio	13.62	13.62
Price/Book ratio	1.81	1.81
5 Yr. EPS Growth Rate (%)	-2.24	-2.24
Current Yield (%)	2.56	2.56
Beta (5 Years, Monthly)	1.00	1.00
Number of Stocks	696	696

No data found.

Top Ten Equity Holdings

	Portfolio Weight (%)	Index Weight (%)	Active Weight (%)	Quarter Return (%)
Exxon Mobil Corp	5.42	5.42	0.00	-4.75
General Electric Co	2.98	2.98	0.00	-6.74
Chevron Corp	2.85	2.85	0.00	-6.41
AT&T Inc	2.64	2.64	0.00	-9.54
Pfizer Inc	2.51	2.51	0.00	1.84
Procter & Gamble Co (The)	2.31	2.31	0.00	-1.33
Wells Fargo & Co	2.24	2.24	0.00	-0.35
JPMorgan Chase & Co	2.24	2.24	0.00	9.42
Berkshire Hathaway Inc	2.14	2.14	0.00	1.70
Johnson & Johnson	2.00	2.00	0.00	2.62
% of Portfolio	27.33	27.33		

Ten Best Performers

	Portfolio Weight (%)	Index Weight (%)	Quarter Return (%)
Clearwire Corp	0.01	0.01	115.67
Green Mountain Coffee Roasters Inc	0.01	0.01	74.14
Alpha Natural Resources Inc	0.03	0.03	48.25
Stratasys Ltd	0.02	0.02	47.33
Genworth Financial Inc	0.05	0.05	43.59
Abercrombie & Fitch Co.	0.05	0.05	41.99
Jefferies Group Inc.	0.04	0.04	36.89
Liberty Ventures	0.03	0.03	36.50
Cree Inc.	0.05	0.05	33.23
CarMax Inc	0.09	0.09	32.65
% of Portfolio	0.38	0.38	

Ten Worst Performers

	Portfolio Weight (%)	Index Weight (%)	Quarter Return (%)
Best Buy Co. Inc.	0.04	0.04	-30.13
Allscripts Healthcare Solutions Inc	0.02	0.02	-24.15
Spirit Aerosystems Holdings Inc	0.02	0.02	-23.59
MBIA Inc.	0.01	0.01	-22.51
ServiceNow Inc	0.00	0.00	-22.36
Pitney Bowes Inc.	0.01	0.01	-20.35
Verisign Inc	0.01	0.01	-20.27
Marvell Technology Group Ltd	0.04	0.04	-20.14
Sears Holdings Corp	0.02	0.02	-19.93
J. C. Penney Company Inc.	0.04	0.04	-18.86
% of Portfolio	0.21	0.21	

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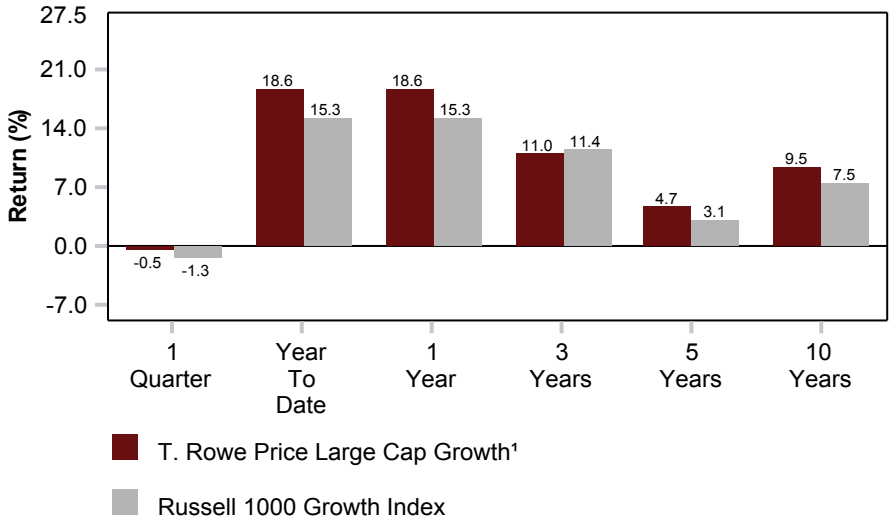
T. Rowe Price Large Cap Growth[1] Performance Summary

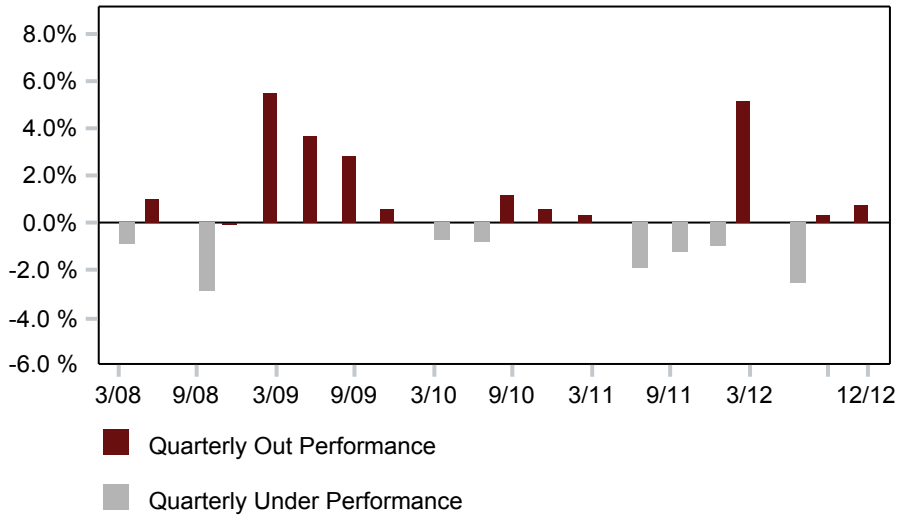
Account Information

Account Name:	T. Rowe Price Large Cap Growth
Inception Date:	02/01/2012
Account Structure:	Separate Account
Asset Class:	US Equity
Benchmark:	Russell 1000 Growth Index
Peer Group:	IM U.S. Large Cap Growth Equity (SA+CF)

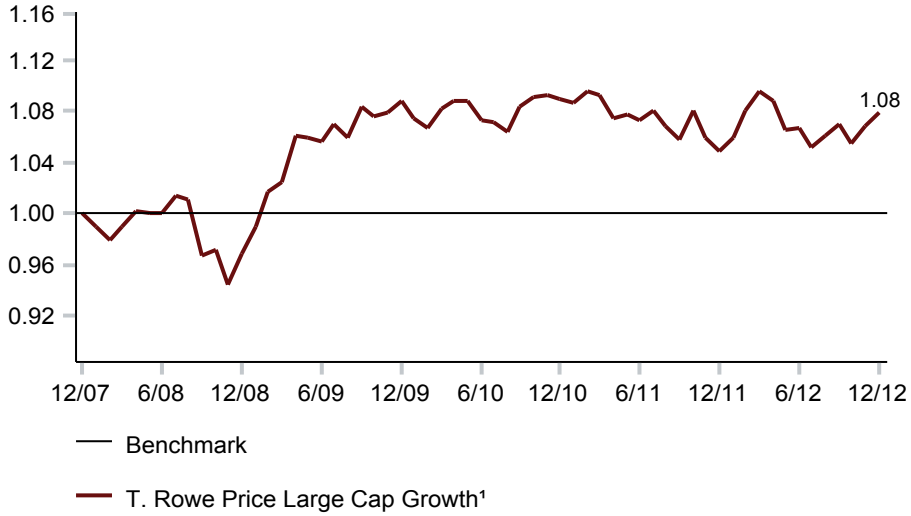
Return Summary



Quarterly Excess Performance - 5 Years



Ratio of Cumulative Wealth - 5 Years



[1] T. Rowe Price replaced Friess on February 1, 2012. Prior performance is that of the manager's separate account composite.

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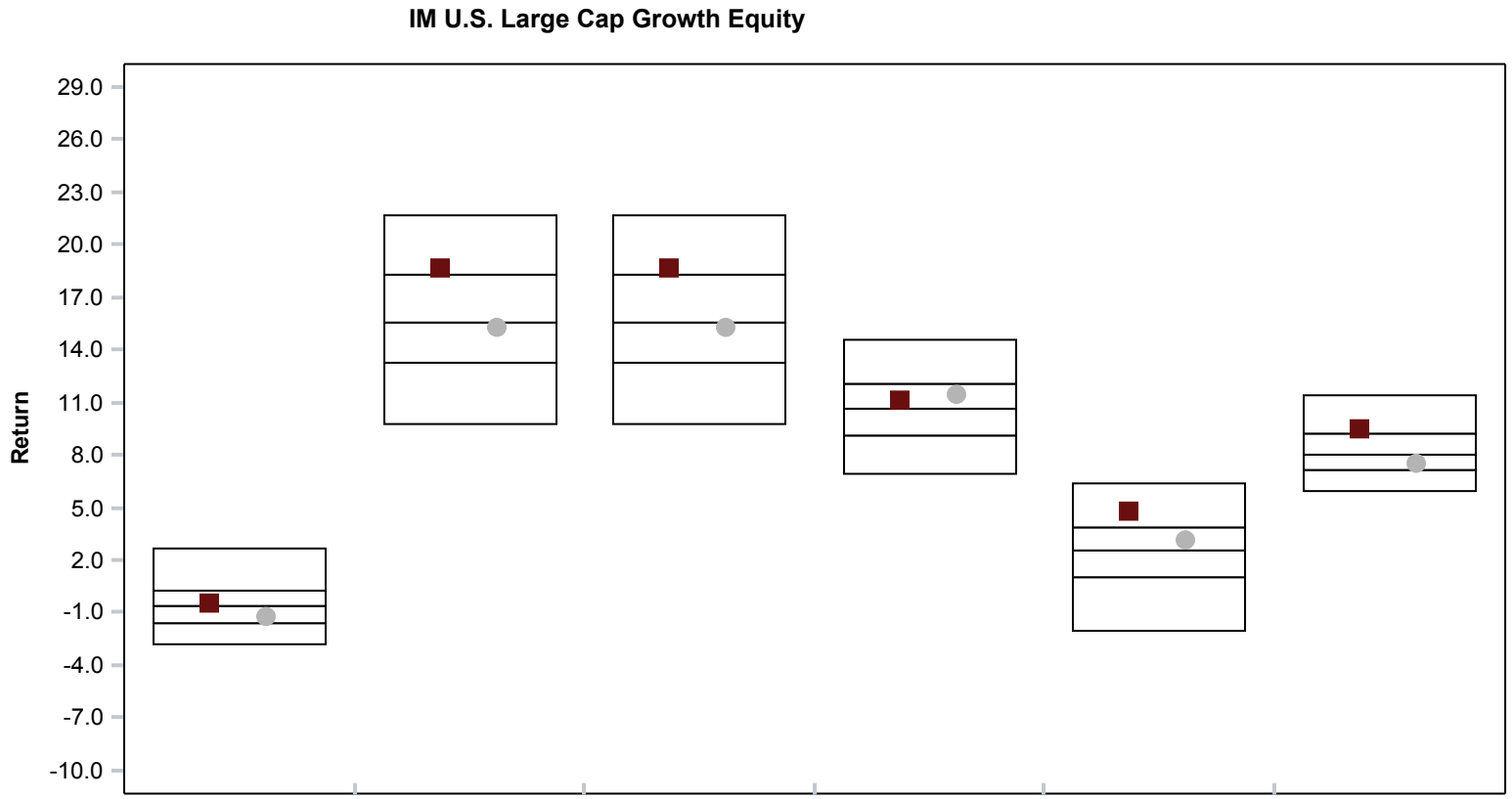
Peer Group Analysis



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
■ T. Rowe Price Large Cap Growth	-0.50 (46)	18.63 (22)	18.63 (22)	11.04 (42)	4.71 (16)	9.45 (19)
● Russell 1000 Growth Index	-1.32 (68)	15.26 (53)	15.26 (53)	11.35 (39)	3.12 (36)	7.52 (62)
1st Quartile	0.29	18.29	18.29	12.10	3.85	9.24
Median	-0.62	15.60	15.60	10.62	2.52	8.02
3rd Quartile	-1.59	13.25	13.25	9.07	1.05	7.08
Population	299	296	296	285	274	209

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

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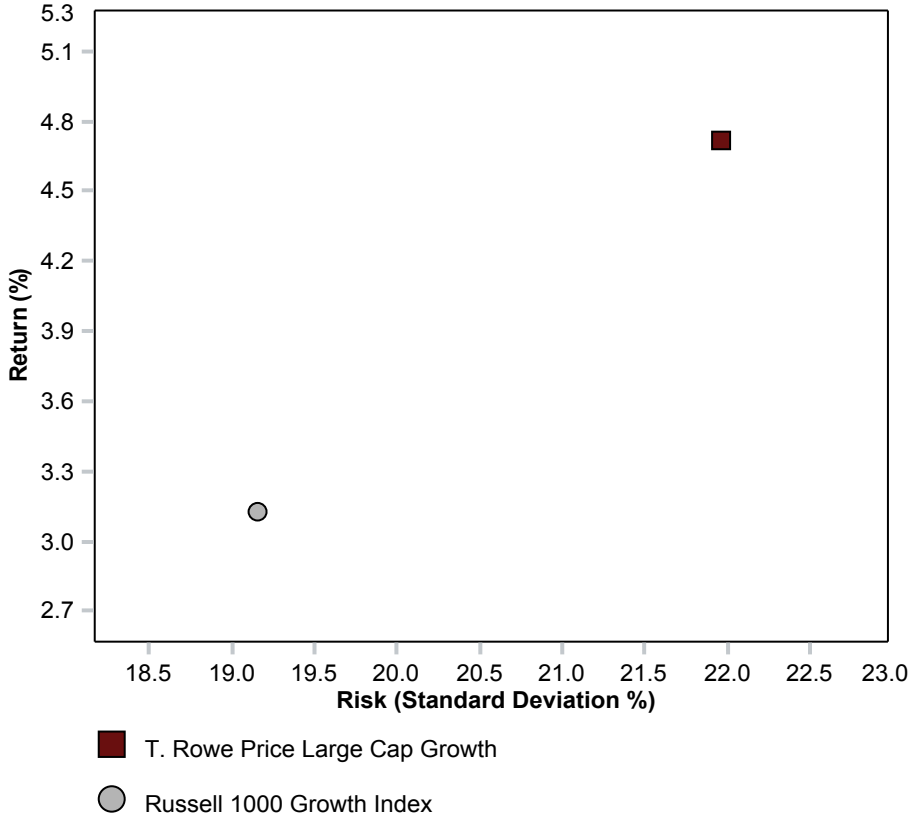
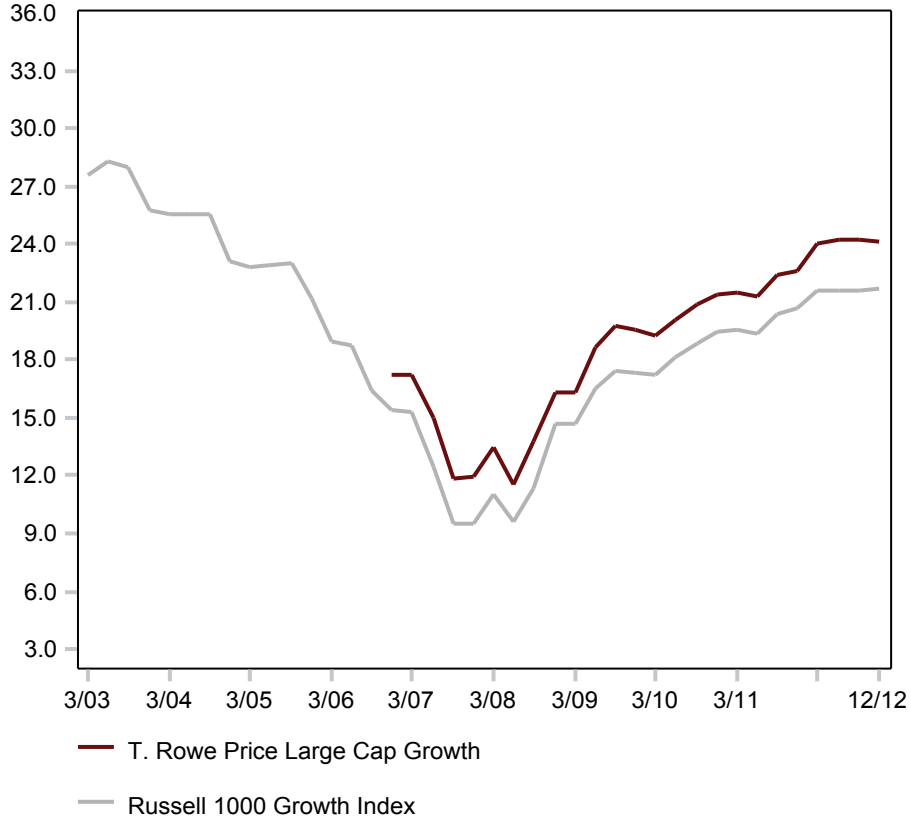
T. Rowe Price Large Cap Growth Risk Profile

Annualized Return vs. Annualized Standard Deviation 5 Years



Rolling 5 Years Standard Deviation



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
T. Rowe Price Large Cap Growth	2.11	4.87	0.43	0.96	0.30	1.50	1.13	4.71	21.97	0.98
Russell 1000 Growth Index	0.00	0.00	N/A	1.00	0.23	0.00	1.00	3.12	19.15	1.00
Citigroup 3 Month T-Bill	-4.52	19.23	-0.23	0.12	N/A	0.46	0.00	0.44	0.22	-0.34

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T. Rowe Price Large Cap Growth Portfolio Analysis (Holdings-based)

Benchmark: Russell 1000 Growth Index

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	82,255	97,859
Median Mkt. Cap ($M)	19,640	6,353
Price/Earnings ratio	22.30	17.95
Price/Book ratio	3.57	3.97
5 Yr. EPS Growth Rate (%)	19.36	16.01
Current Yield (%)	0.79	1.79
Beta (5 Years, Monthly)	1.13	1.00
Number of Stocks	71	571

Segments	Market Value ($)	Allocation (%)
Domestic Equity	57,960,627.00	99.46
Cash Equivalent	314,510.84	0.54

Top Ten Equity Holdings

	Portfolio Weight (%)	Index Weight (%)	Active Weight (%)	Quarter Return (%)
Apple Inc	8.63	7.04	1.59	-19.85
Google Inc	4.94	2.59	2.35	-6.25
Amazon.com Inc	4.07	1.28	2.79	-1.36
Danaher Corp	3.06	0.16	2.90	1.41
Gilead Sciences Inc	2.74	0.79	1.95	10.73
Priceline.Com Inc	2.68	0.44	2.24	0.21
MasterCard Inc	2.63	0.75	1.88	8.88
Crown Castle International Corp	2.49	0.30	2.19	12.57
Juniper Networks Inc	2.42	0.00	2.42	14.96
Union Pacific Corp	2.30	0.85	1.45	6.51
% of Portfolio	35.96	14.20		

Ten Best Performers

	Portfolio Weight (%)	Index Weight (%)	Quarter Return (%)
Netflix Inc	0.54	0.07	70.08
Atmel Corp	0.72	0.00	24.53
Facebook Inc	0.52	0.16	22.90
United Continental Holdings Inc	0.88	0.11	19.90
Lowe's Cos Inc.	0.80	0.07	18.04
Precision Castparts Corp.	2.06	0.39	15.99
Juniper Networks Inc	2.42	0.00	14.96
TD AMERITRADE Holding Corp	0.90	0.00	13.25
Visa Inc	0.76	1.12	13.15
McKesson Corp	2.04	0.32	12.95
% of Portfolio	11.64	2.24	

Ten Worst Performers

	Portfolio Weight (%)	Index Weight (%)	Quarter Return (%)
TIBCO Software Inc	0.52	0.05	-27.28
Apple Inc	8.63	7.04	-19.85
Alexion Pharmaceuticals Inc	0.97	0.25	-18.06
Edwards Lifesciences Corp	1.34	0.15	-16.02
Dollar Tree Inc	0.22	0.13	-16.01
Baidu Inc	1.14	0.00	-14.20
Express Scripts Holding Co	1.12	0.62	-13.78
Tractor Supply Co	0.59	0.09	-10.44
Nuance Communications Inc	0.49	0.08	-10.33
Range Resources Corp.	1.46	0.14	-10.02
% of Portfolio	16.48	8.55	

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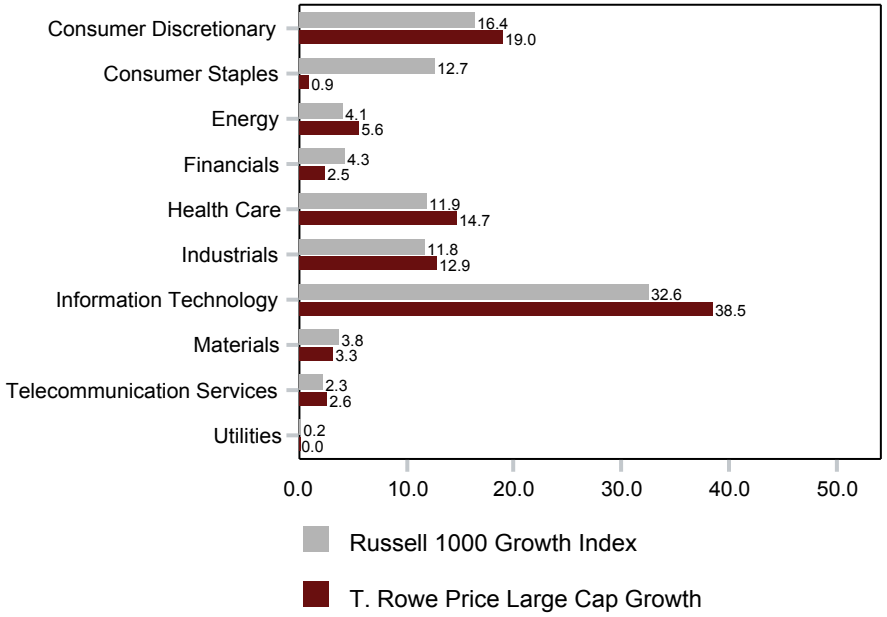
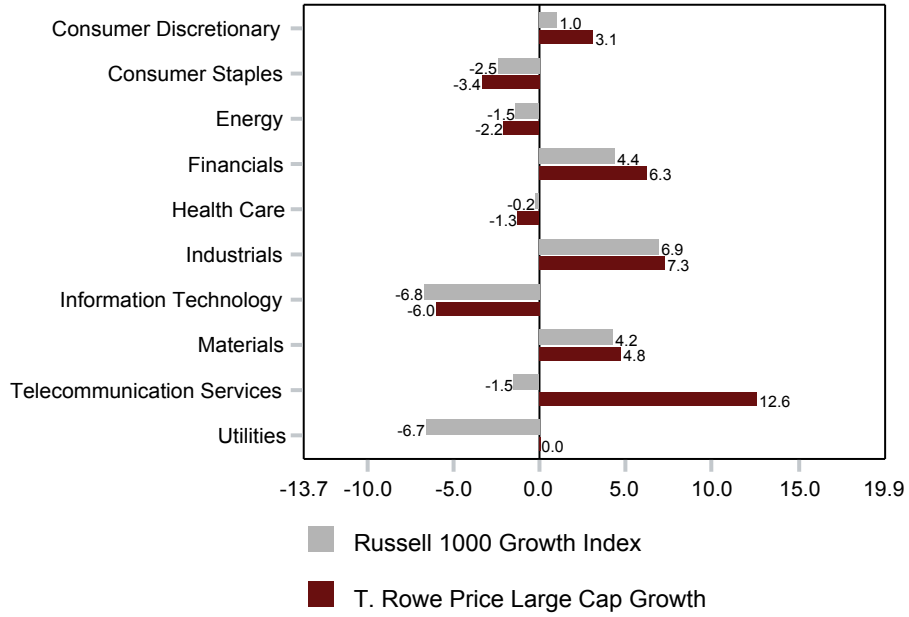
T. Rowe Price Large Cap Growth Sector Attribution (Holdings-based)

Sector Weights (%)



Sector Returns (%)



	Attribution			
	Stock	Sector	Interaction	Total
Consumer Discretionary	0.3	0.1	0.1	0.5
Consumer Staples	-0.1	0.1	0.1	0.1
Energy	0.0	0.0	0.0	0.0
Financials	0.1	-0.1	0.0	-0.1
Health Care	-0.1	0.0	0.0	-0.1
Industrials	0.0	0.1	0.0	0.1
Information Technology	0.3	-0.3	0.0	0.0
Materials	0.0	0.0	0.0	0.0
Telecommunication Services	0.3	0.0	0.0	0.4
Utilities	0.0	0.0	0.0	0.0
Total	0.8	-0.1	0.2	0.9

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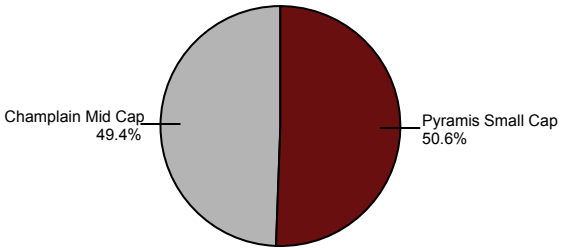
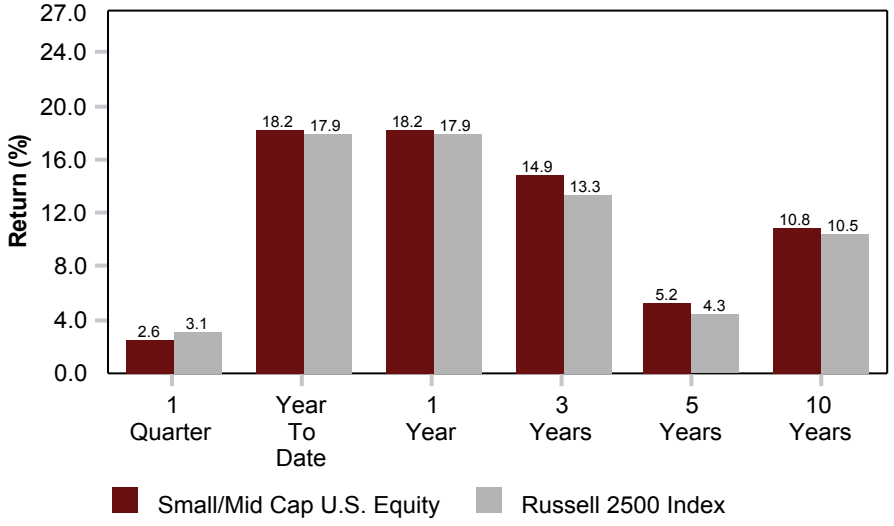
Small/Mid Cap U.S. Equity Portfolio Overview

Current Allocation

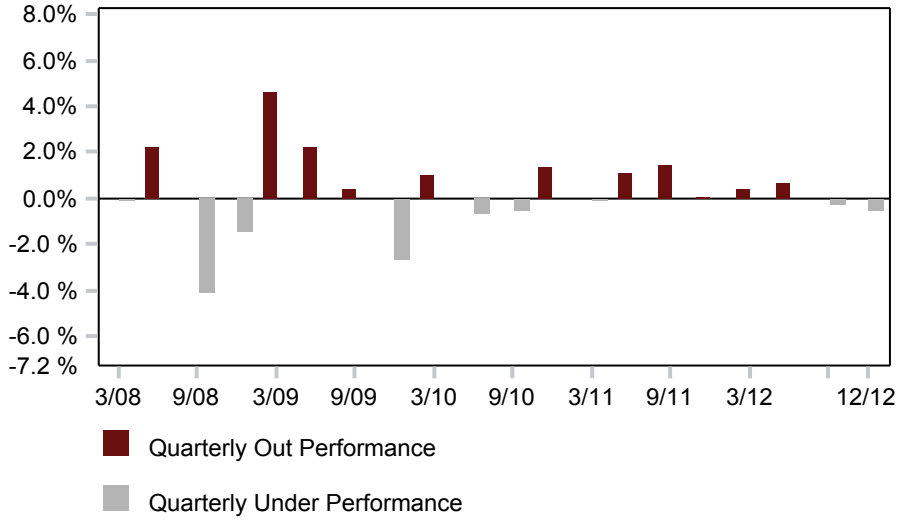
December 31, 2012 : $61M



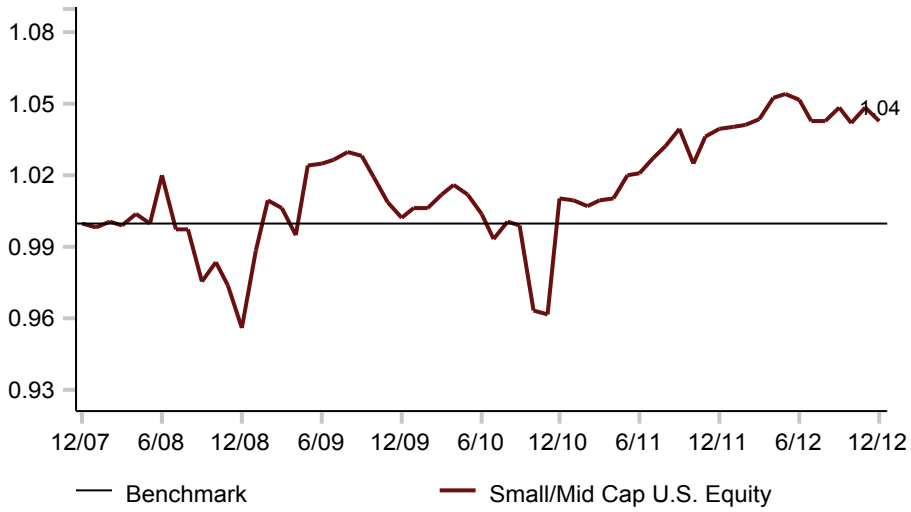
Return Summary



Quarterly Excess Performance - 5 Years



Ratio of Cumulative Wealth - 5 Years



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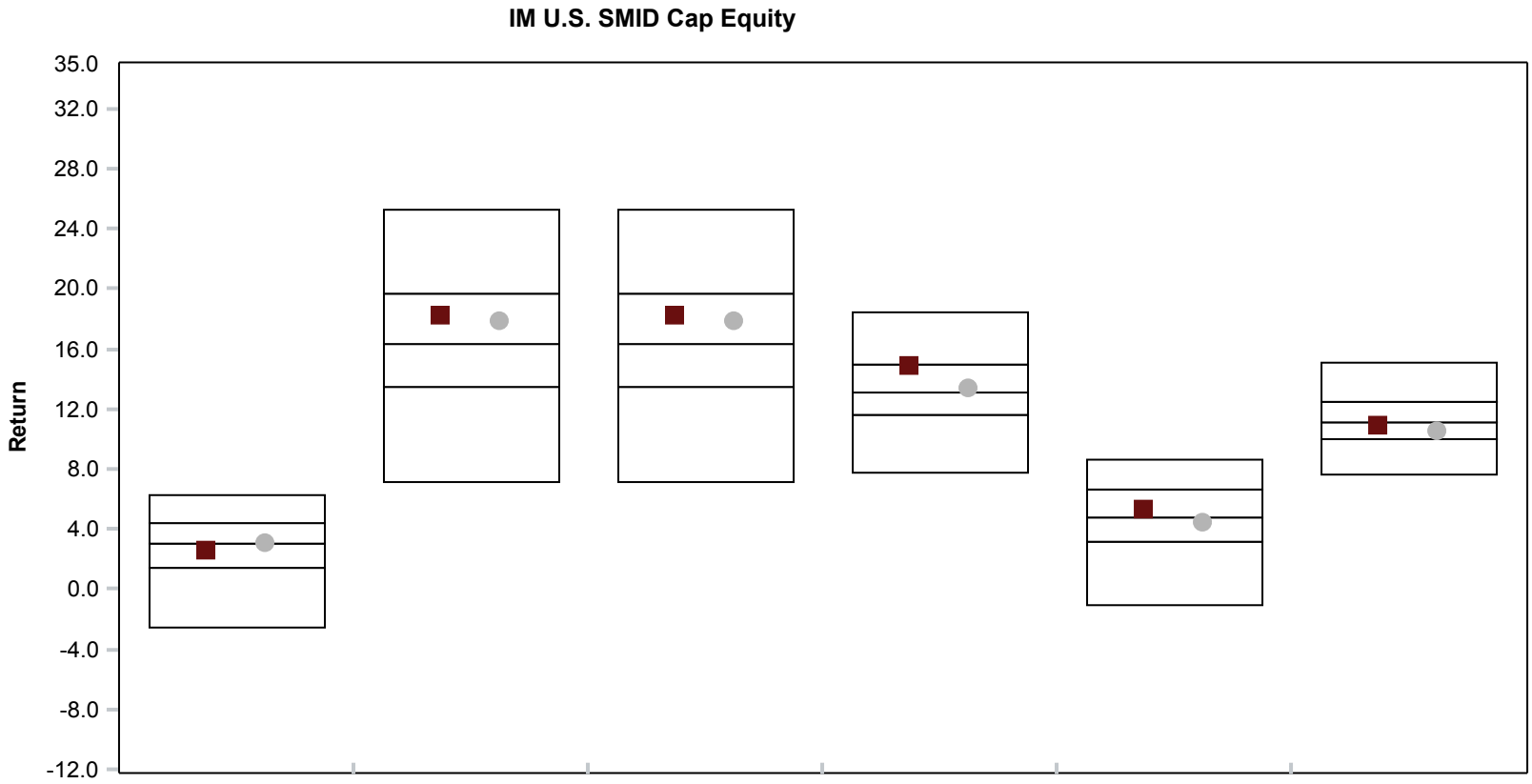
Peer Group Analysis



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
■ Small/Mid Cap U.S. Equity	2.56 (59)	18.23 (36)	18.23 (36)	14.86 (27)	5.23 (43)	10.82 (61)
● Russell 2500 Index	3.10 (50)	17.88 (39)	17.88 (39)	13.34 (48)	4.34 (59)	10.49 (69)
1st Quartile	4.35	19.71	19.71	14.99	6.69	12.43
Median	3.03	16.29	16.29	13.14	4.82	11.14
3rd Quartile	1.41	13.45	13.45	11.66	3.22	10.05
Population	225	224	224	213	193	133

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

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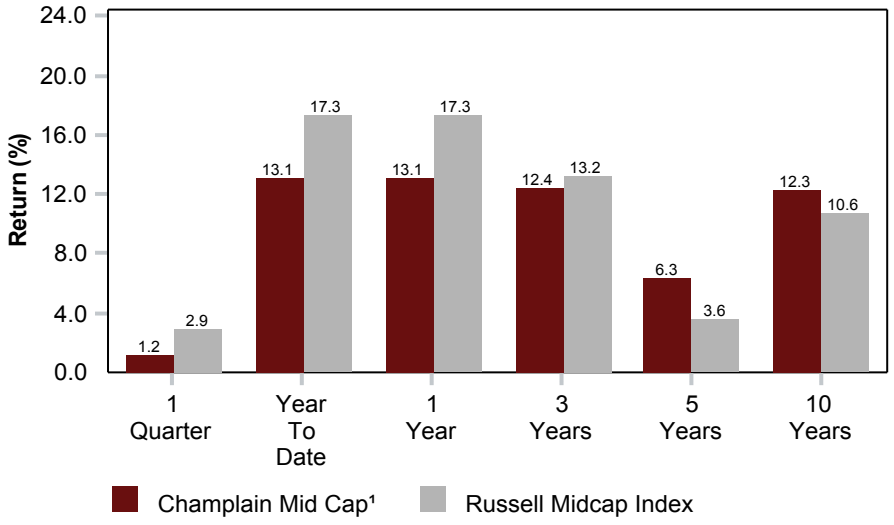
Champlain Mid Cap[1] Performance Summary

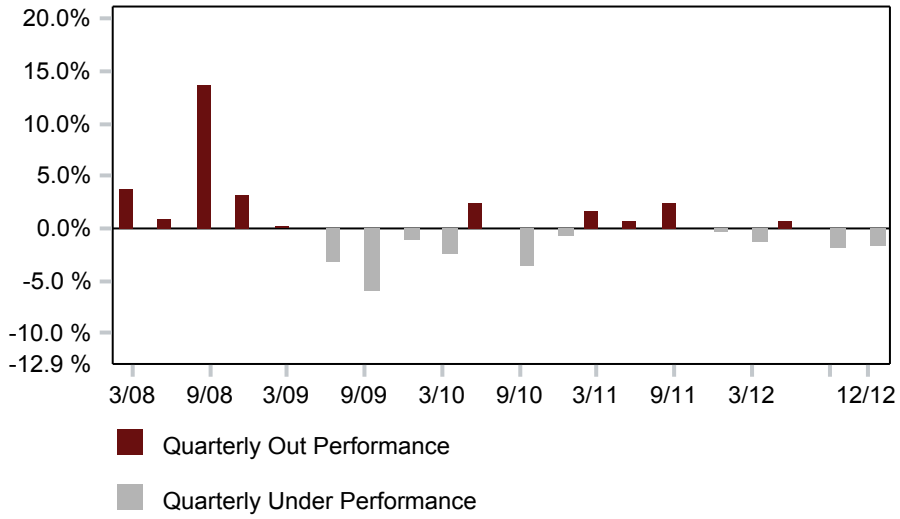
Account Information

Account Name:	Champlain Mid Cap
Inception Date:	07/09/2010
Account Structure:	Separate Account
Asset Class:	US Equity
Benchmark:	Russell Midcap Index
Peer Group:	IM U.S. Mid Cap Core Equity (SA+CF)

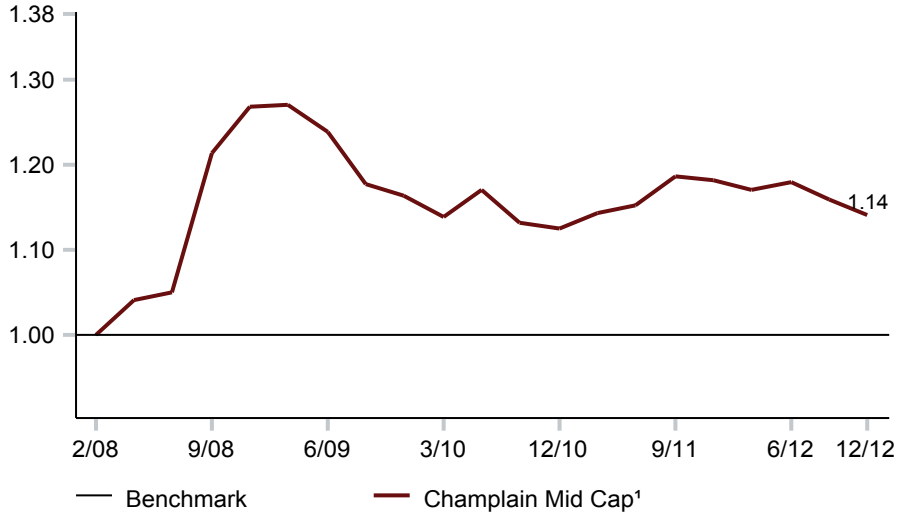
Return Summary



Quarterly Excess Performance - 5 Years



Ratio of Cumulative Wealth - 5 Years



[1] The inception date of the Champlain separate account was 07/09/2010. Performance during the beginning of July includes the return of TCW's portfolio before it was transitioned to Champlain. Prior performance is that of Champlain's separate account composite.

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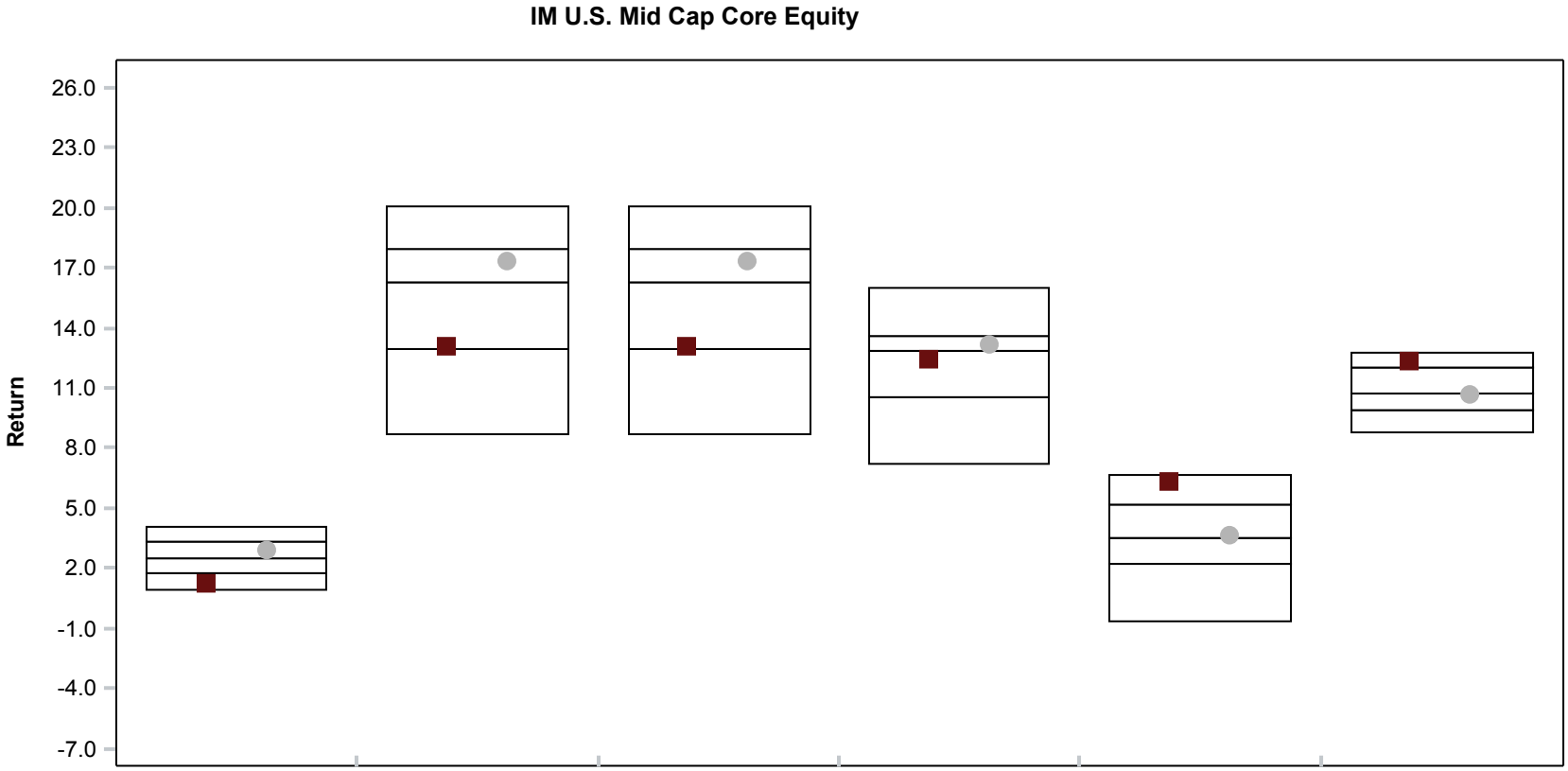
Peer Group Analysis



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
■ Champlain Mid Cap	1.22 (90)	13.05 (70)	13.05 (70)	12.36 (59)	6.32 (10)	12.31 (11)
● Russell Midcap Index	2.88 (35)	17.28 (38)	17.28 (38)	13.15 (34)	3.57 (50)	10.65 (52)
1st Quartile	3.32	17.95	17.95	13.55	5.20	12.03
Median	2.53	16.26	16.26	12.87	3.53	10.72
3rd Quartile	1.74	12.91	12.91	10.58	2.25	9.89
Population	30	30	30	30	28	20

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

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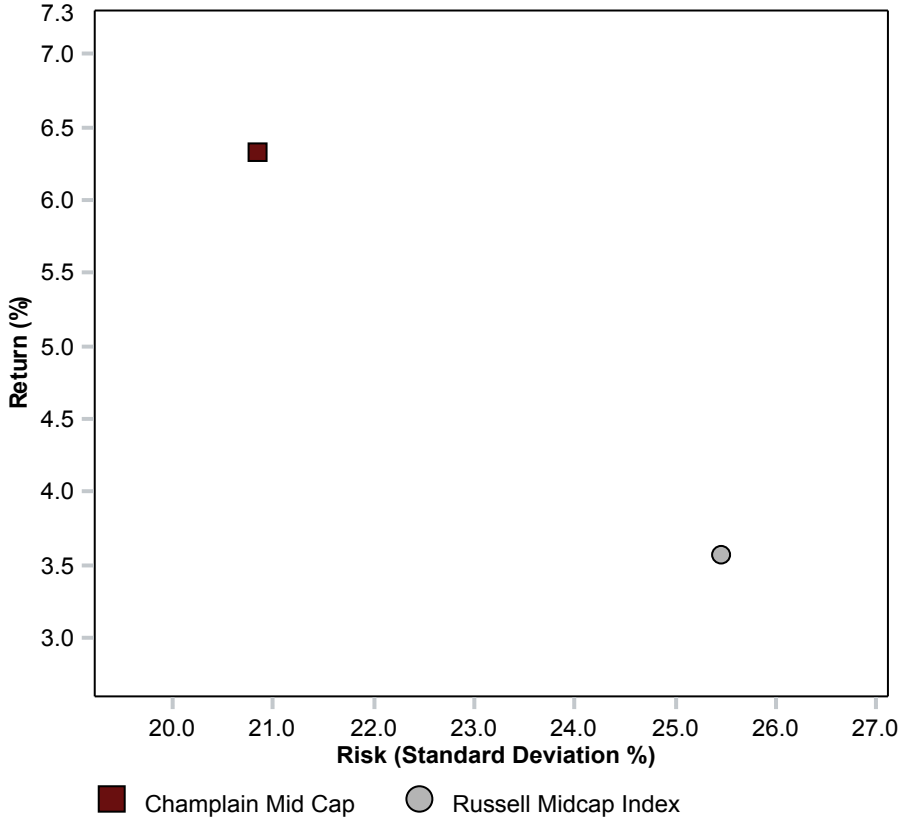
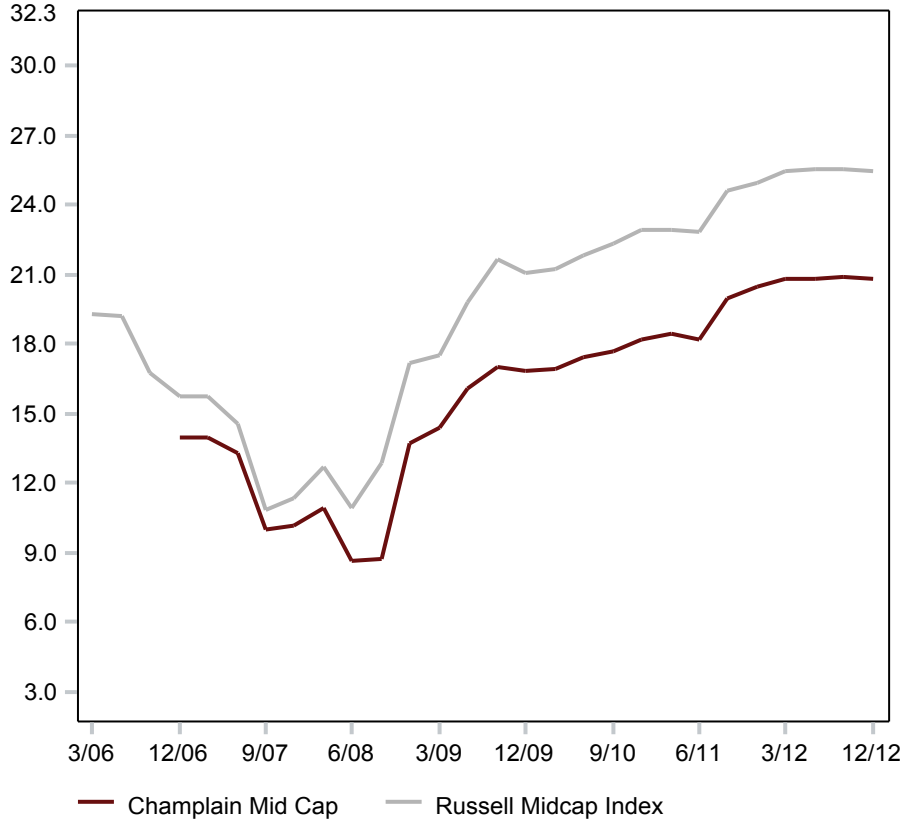
Champlain Mid Cap Risk Profile

Annualized Return vs. Annualized Standard Deviation 5 Years



Rolling 5 Years Standard Deviation



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Champlain Mid Cap	1.55	7.74	0.20	0.93	0.38	3.04	0.79	6.32	20.85	0.96
Russell Midcap Index	0.00	0.00	N/A	1.00	0.25	0.00	1.00	3.57	25.48	1.00
Citigroup 3 Month T-Bill	-6.46	25.63	-0.25	0.18	N/A	0.48	-0.01	0.44	0.37	-0.42

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Champlain Mid Cap Portfolio Analysis (Holdings-based)

Benchmark: Russell Midcap Index

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	7,352	8,842
Median Mkt. Cap ($M)	5,799	4,316
Price/Earnings ratio	17.19	17.53
Price/Book ratio	2.60	2.44
5 Yr. EPS Growth Rate (%)	7.49	5.31
Current Yield (%)	1.34	1.71
Beta (5 Years, Quarterly)	0.79	1.00
Number of Stocks	75	798

Segments	Market Value ($)	Allocation (%)
Domestic Equity	29,364,056.80	97.27
Cash Equivalent	824,431.69	2.73

Top Ten Equity Holdings

	Portfolio Weight (%)	Index Weight (%)	Active Weight (%)	Quarter Return (%)
Willis Group Holdings Plc	2.66	0.00	2.66	-8.45
Dover Corp	2.64	0.28	2.36	11.07
Northern Trust Corp	2.56	0.25	2.31	8.75
Life Technologies Corp	2.50	0.20	2.30	0.36
Parker-Hannifin Corp	2.46	0.30	2.16	2.31
Denbury Resources Inc.	2.36	0.15	2.21	0.25
CareFusion Corp	2.35	0.15	2.20	0.67
Intuit Inc.	2.31	0.40	1.91	1.29
Whiting Petroleum Corp	2.27	0.12	2.15	-8.46
Heinz (H J) Co	2.26	0.43	1.83	4.00
% of Portfolio	24.37	2.28		

Ten Best Performers

	Portfolio Weight (%)	Index Weight (%)	Quarter Return (%)
Ralcorp Holdings Inc.	2.11	0.11	22.81
Solera Holdings Inc	1.98	0.09	22.20
Tupperware Brands Corp	1.94	0.08	20.27
Flowers Foods Inc.	1.46	0.06	16.10
Illumina Inc	1.76	0.16	15.36
Gardner Denver Inc.	0.54	0.08	13.47
Esterline Technologies Corp.	1.30	0.00	13.31
IDEX Corporation	1.63	0.09	11.95
Dover Corp	2.64	0.28	11.07
Pentair Ltd	1.17	0.24	11.02
% of Portfolio	16.53	1.19	

Ten Worst Performers

	Portfolio Weight (%)	Index Weight (%)	Quarter Return (%)
TIBCO Software Inc	0.67	0.08	-27.28
Arcos Dorados Holdings Inc	0.82	0.00	-21.80
Concho Resources Inc	1.07	0.19	-14.98
John Wiley & Sons Inc.	1.30	0.04	-14.78
MICROS Systems Inc	1.73	0.08	-13.67
St. Jude Medical Inc.	1.18	0.26	-13.67
Bed Bath & Beyond Inc.	1.20	0.30	-11.25
Oil States International Inc.	0.82	0.09	-9.97
Mead Johnson Nutrition Co	0.79	0.31	-9.67
Avon Products Inc.	1.13	0.14	-9.58
% of Portfolio	10.71	1.49	

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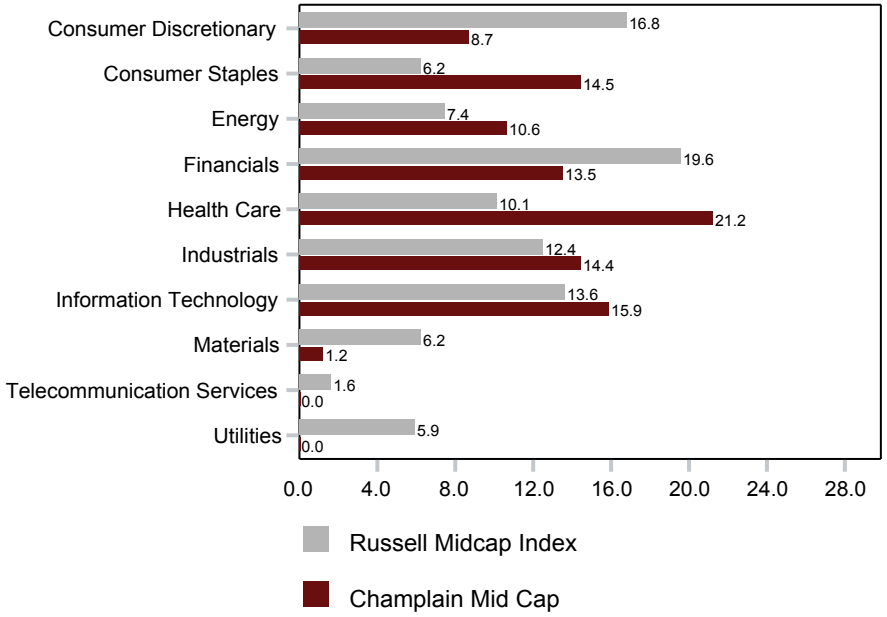
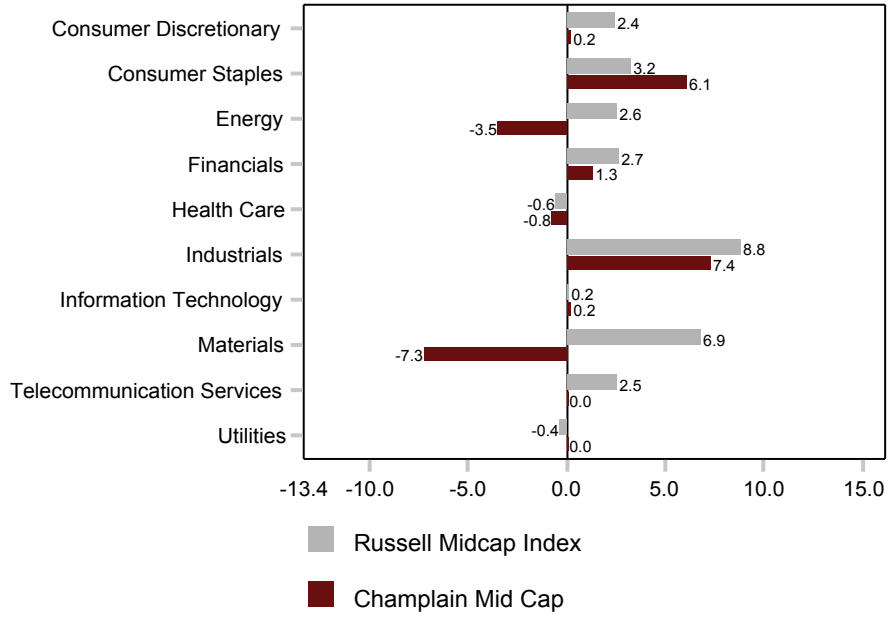
Champlain Mid Cap Sector Attribution (Holdings-based)

Sector Weights (%)



Sector Returns (%)



	Attribution			
	Stock	Sector	Interaction	Total
Consumer Discretionary	-0.4	0.0	0.2	-0.2
Consumer Staples	0.2	0.0	0.2	0.5
Energy	-0.5	0.0	-0.2	-0.7
Financials	-0.3	0.0	0.1	-0.2
Health Care	0.0	-0.4	0.0	-0.4
Industrials	-0.2	0.1	0.0	-0.1
Information Technology	0.0	-0.1	0.0	0.0
Materials	-0.9	-0.2	0.7	-0.4
Telecommunication Services	0.0	0.0	0.0	0.0
Utilities	0.0	0.2	0.0	0.2
Total	-2.0	-0.3	1.0	-1.3

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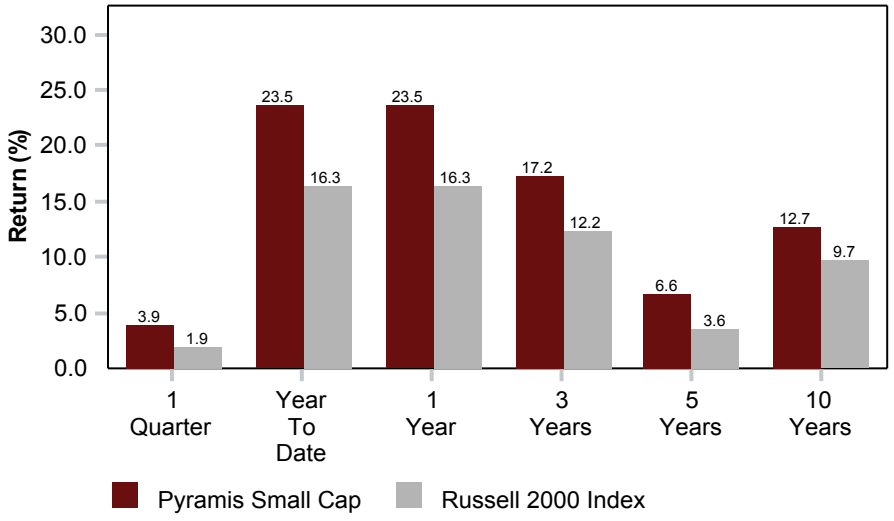
Pyramis Small Cap Performance Summary

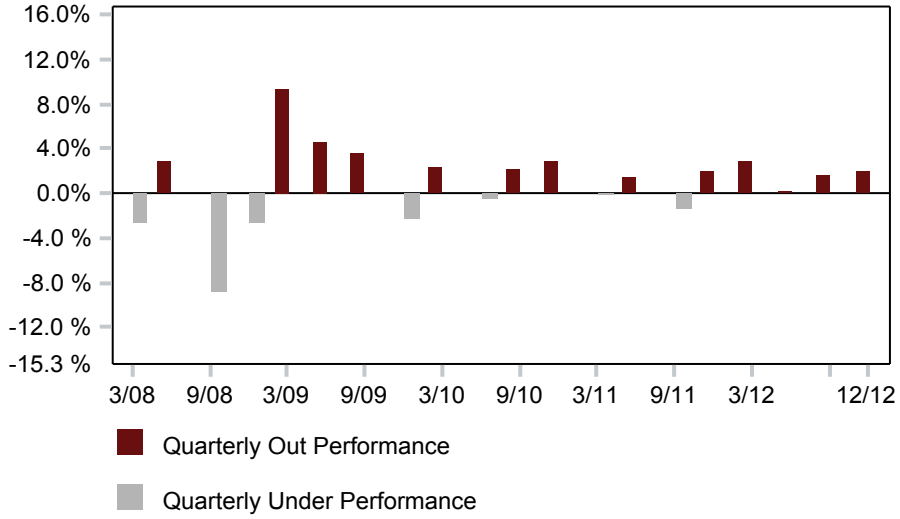
Account Information

Account Name:	Pyramis Small Cap
Inception Date:	07/01/1998
Account Structure:	Separate Account
Asset Class:	US Equity
Benchmark:	Russell 2000 Index
Peer Group:	IM U.S. Small Cap Core Equity (SA+CF)

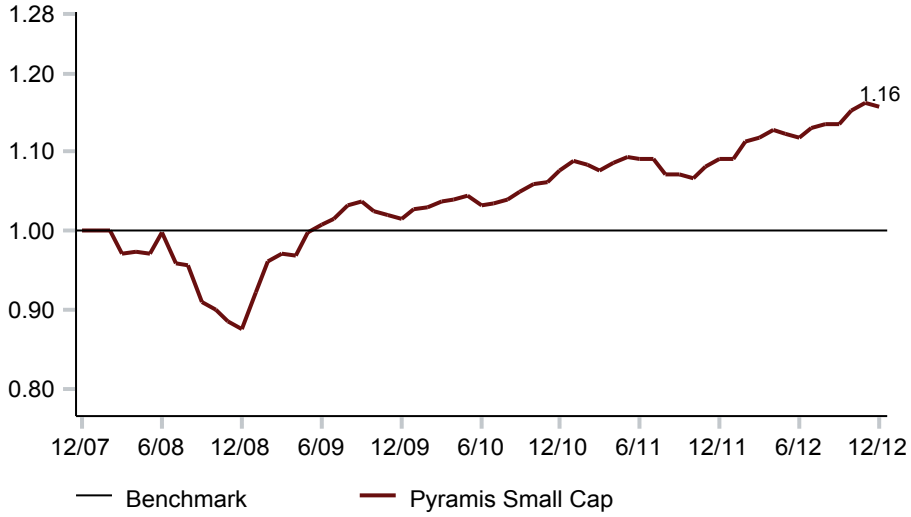
Return Summary



Quarterly Excess Performance - 5 Years



Ratio of Cumulative Wealth - 5 Years



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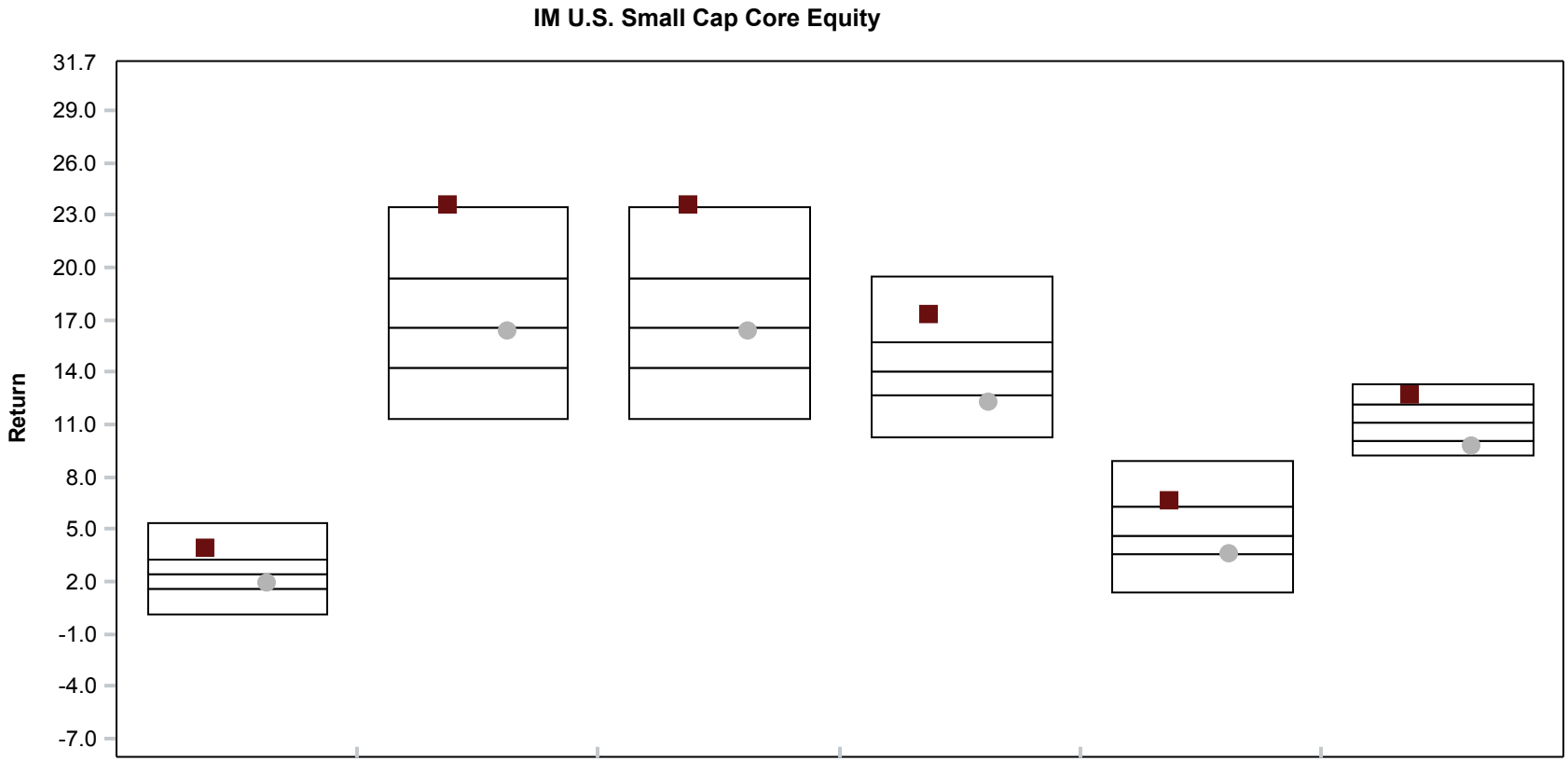
Peer Group Analysis



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
■ Pyramis Small Cap	3.86 (15)	23.54 (4)	23.54 (4)	17.24 (11)	6.63 (19)	12.66 (10)
● Russell 2000 Index	1.85 (68)	16.35 (53)	16.35 (53)	12.25 (81)	3.56 (76)	9.72 (88)
1st Quartile	3.31	19.38	19.38	15.76	6.25	12.17
Median	2.40	16.53	16.53	14.02	4.62	11.11
3rd Quartile	1.60	14.23	14.23	12.64	3.58	10.06
Population	127	127	127	119	109	70

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

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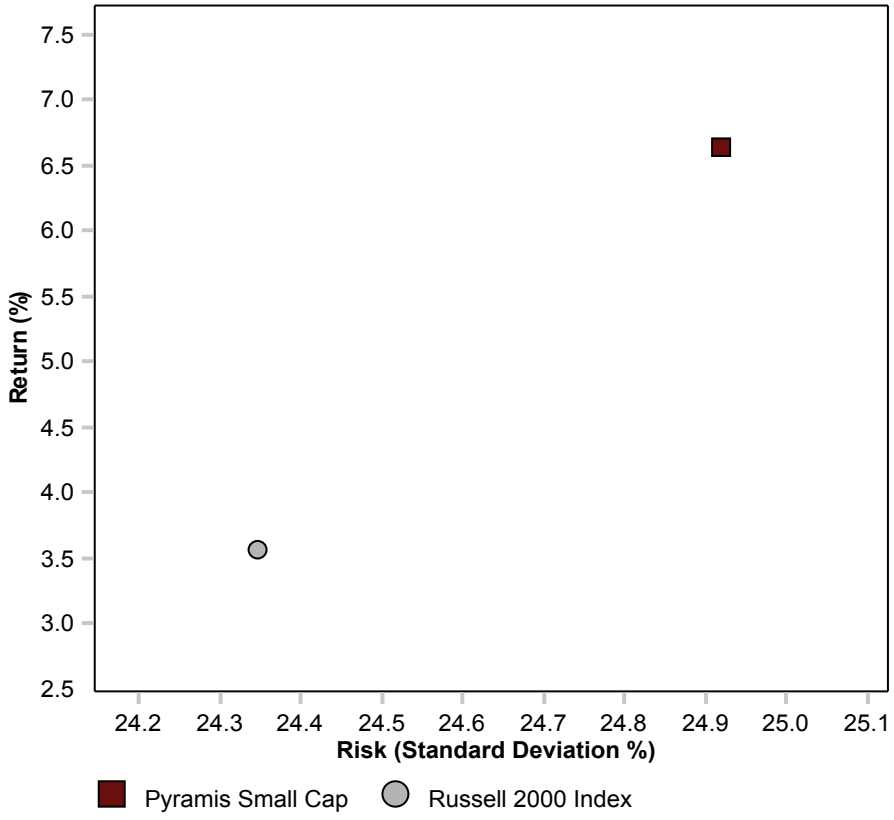
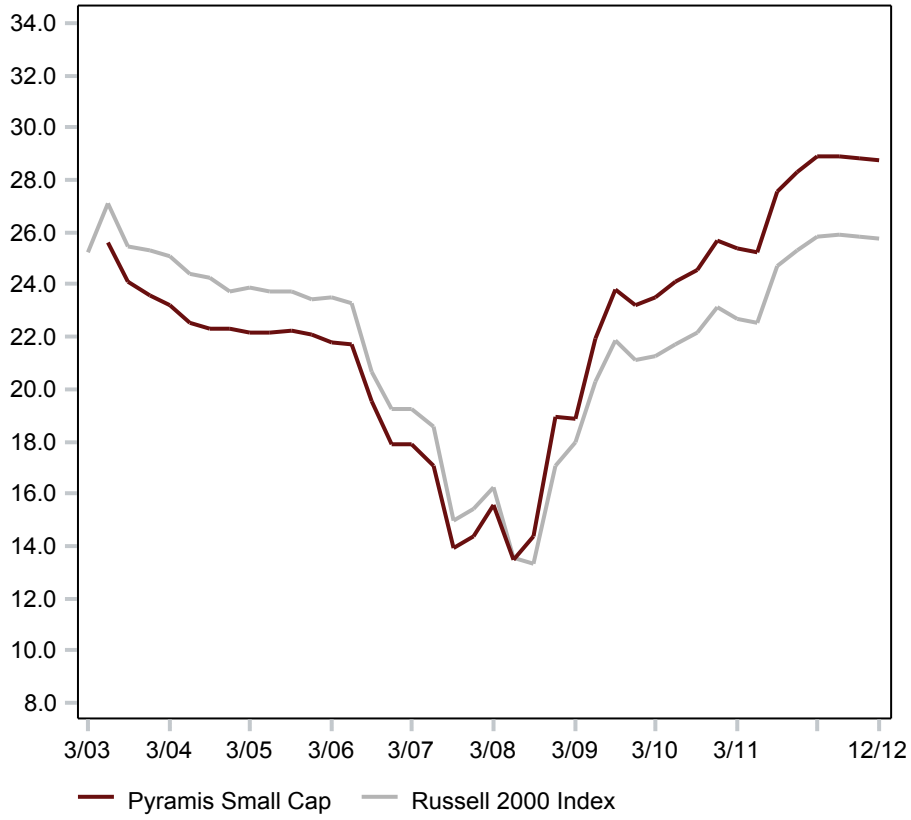
Pyramis Small Cap Risk Profile

Annualized Return vs. Annualized Standard Deviation 5 Years



Rolling 5 Years Standard Deviation



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Pyramis Small Cap	3.09	5.16	0.60	0.96	0.37	3.12	1.00	6.63	24.92	0.98
Russell 2000 Index	0.00	0.00	N/A	1.00	0.25	0.00	1.00	3.56	24.35	1.00
Citigroup 3 Month T-Bill	-6.09	24.40	-0.25	0.06	N/A	0.45	0.00	0.44	0.22	-0.24

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Pyramis Small Cap Portfolio Analysis (Holdings-based)

Benchmark: Russell 2000 Index

Portfolio Characteristics	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	2,319	1,325
Median Mkt. Cap ($M)	1,640	512
Price/Earnings ratio	16.66	16.42
Price/Book ratio	2.35	2.09
5 Yr. EPS Growth Rate (%)	8.26	5.06
Current Yield (%)	0.91	1.50
Beta (5 Years, Monthly)	1.00	1.00
Number of Stocks	239	1,978

Segments	Market Value ($)	Allocation (%)
Domestic Equity	30,527,788.50	98.76
Cash Equivalent	383,914.10	1.24

Top Ten Equity Holdings	Portfolio Weight (%)	Index Weight (%)	Active Weight (%)	Quarter Return (%)
Carlisle Companies Inc	1.06	0.00	1.06	13.60
Colfax Corp	1.05	0.00	1.05	10.03
Jarden Corp	0.94	0.00	0.94	-2.16
American Campus Communities Inc	0.91	0.00	0.91	5.92
Monolithic Power Systems Inc	0.91	0.06	0.85	18.06
Tenneco Inc	0.89	0.18	0.71	25.39
Berry Petroleum Co	0.84	0.15	0.69	-17.23
Multi-Color Corp	0.80	0.03	0.77	3.82
Ashland Inc	0.77	0.00	0.77	12.66
WESCO International Inc	0.76	0.00	0.76	17.88
% of Portfolio	8.93	0.42		

Ten Best Performers	Portfolio Weight (%)	Index Weight (%)	Quarter Return (%)
ANADIGICS Inc	0.28	0.01	81.30
YM BioSciences Inc	0.33	0.00	55.98
Stratasys Ltd	0.28	0.00	47.33
Geospace Technologies Corp	0.28	0.09	45.20
M/I Homes Inc	0.58	0.05	37.02
Cooper Tire & Rubber Co	0.56	0.13	32.78
Capital Senior Living Corp	0.30	0.04	29.16
Brunswick Corp	0.54	0.22	28.81
MasTec Inc.	0.46	0.11	26.55
Ocwen Financial Corp	0.69	0.31	26.19
% of Portfolio	4.30	0.96	

Ten Worst Performers	Portfolio Weight (%)	Index Weight (%)	Quarter Return (%)
Responsys Inc	0.26	0.02	-41.74
Amarin Corp PLC	0.22	0.00	-35.67
NuVasive Inc	0.26	0.06	-32.52
Solazyme Inc	0.24	0.02	-31.59
Ebix Inc	0.29	0.04	-31.51
LivePerson Inc	0.39	0.06	-27.44
Mako Surgical Corp	0.22	0.04	-26.19
Cirrus Logic Inc.	0.69	0.16	-24.54
Envivio Inc	0.03	0.00	-22.37
HMS Holdings Corp	0.55	0.19	-22.37
% of Portfolio	3.15	0.59	

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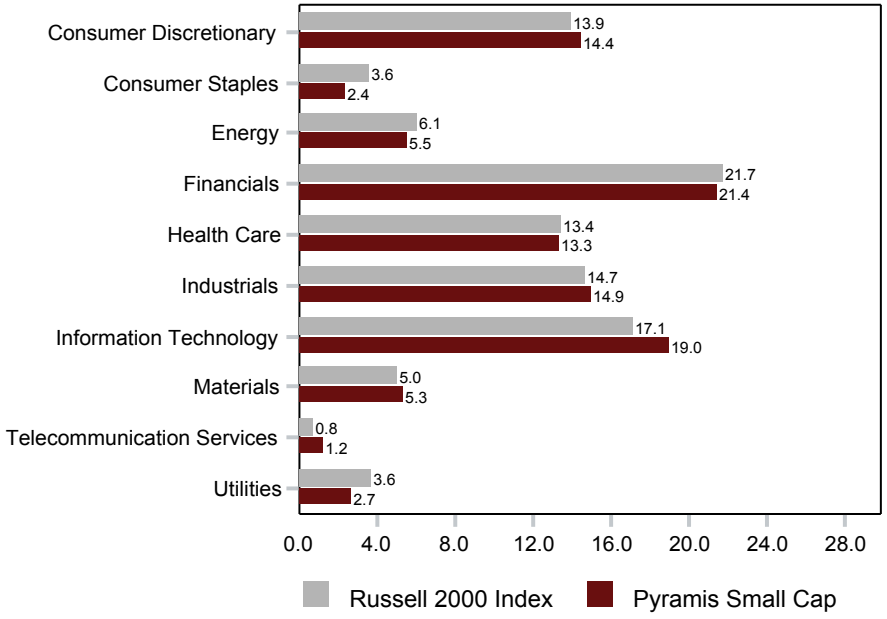
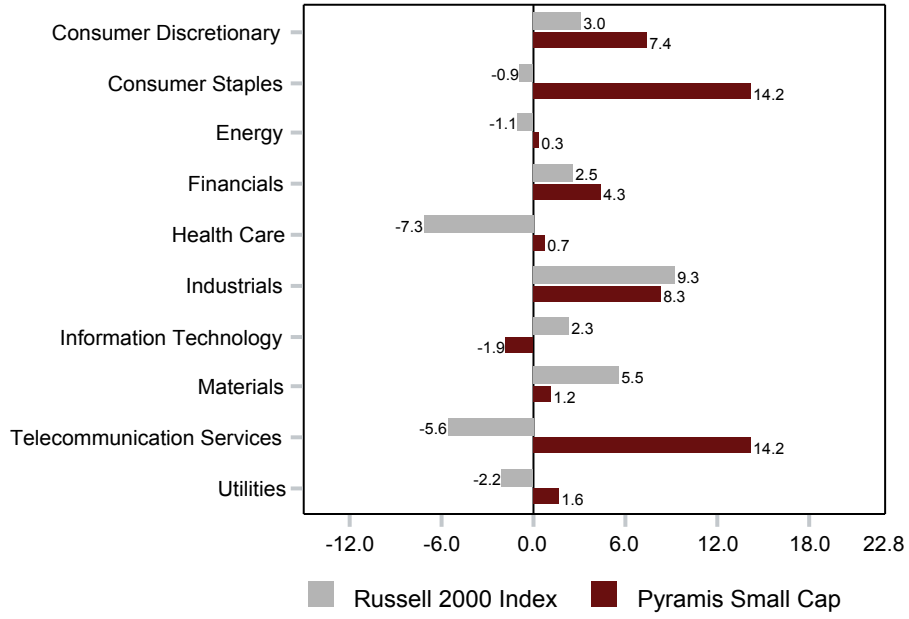
Pyramis Small Cap Sector Attribution (Holdings-based)

Sector Weights (%)



Sector Returns (%)



	Attribution			
	Stock	Sector	Interaction	Total
Consumer Discretionary	0.6	0.0	0.0	0.6
Consumer Staples	0.5	0.0	-0.2	0.4
Energy	0.1	0.0	0.0	0.1
Financials	0.4	0.0	0.0	0.4
Health Care	1.1	0.0	0.0	1.1
Industrials	-0.1	0.0	0.0	-0.1
Information Technology	-0.7	0.0	-0.1	-0.8
Materials	-0.2	0.0	0.0	-0.2
Telecommunication Services	0.1	0.0	0.1	0.2
Utilities	0.1	0.0	0.0	0.1
Total	1.9	0.1	-0.2	1.8

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International Equity

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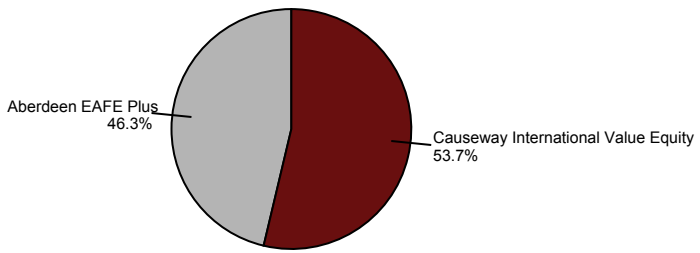
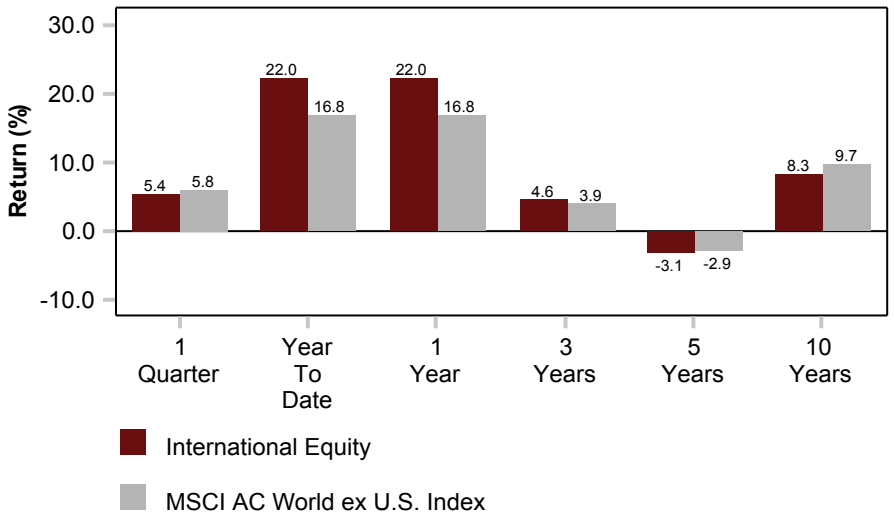
International Equity Portfolio Overview

Current Allocation

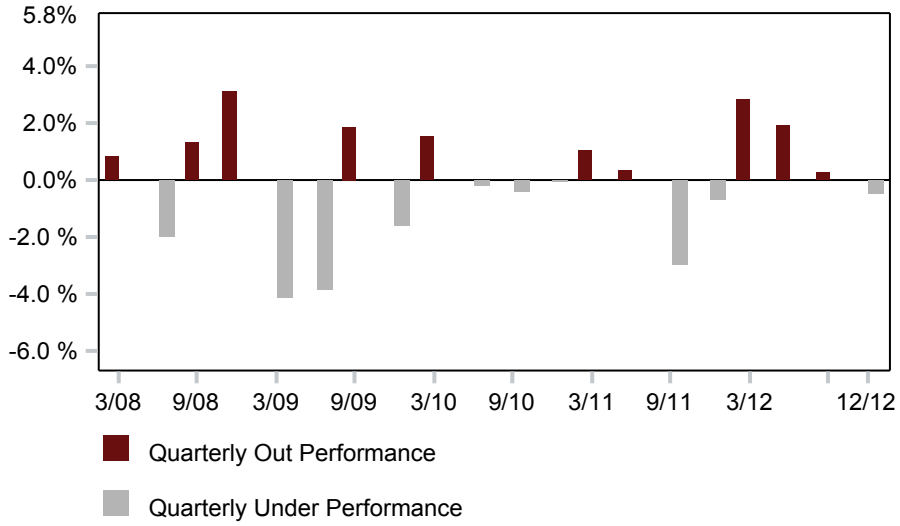
December 31, 2012 : $85M



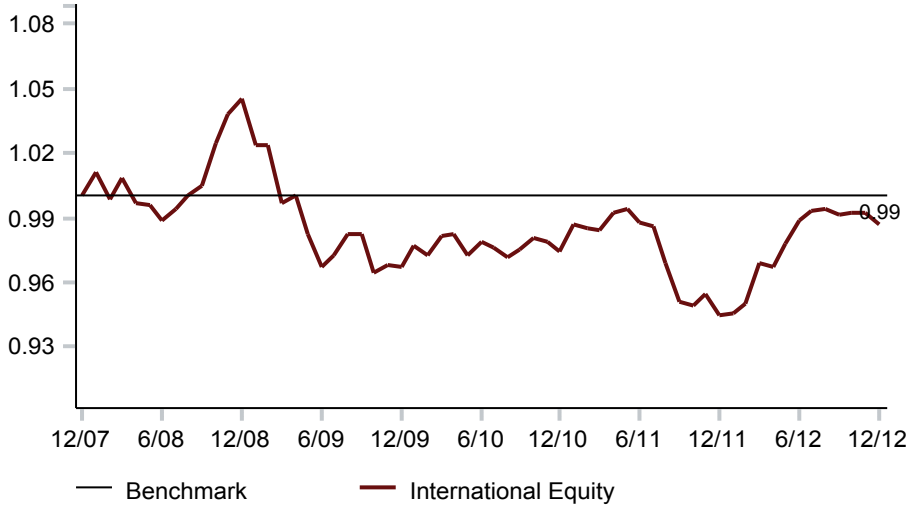
Return Summary



Quarterly Excess Performance - 5 Years



Ratio of Cumulative Wealth - 5 Years



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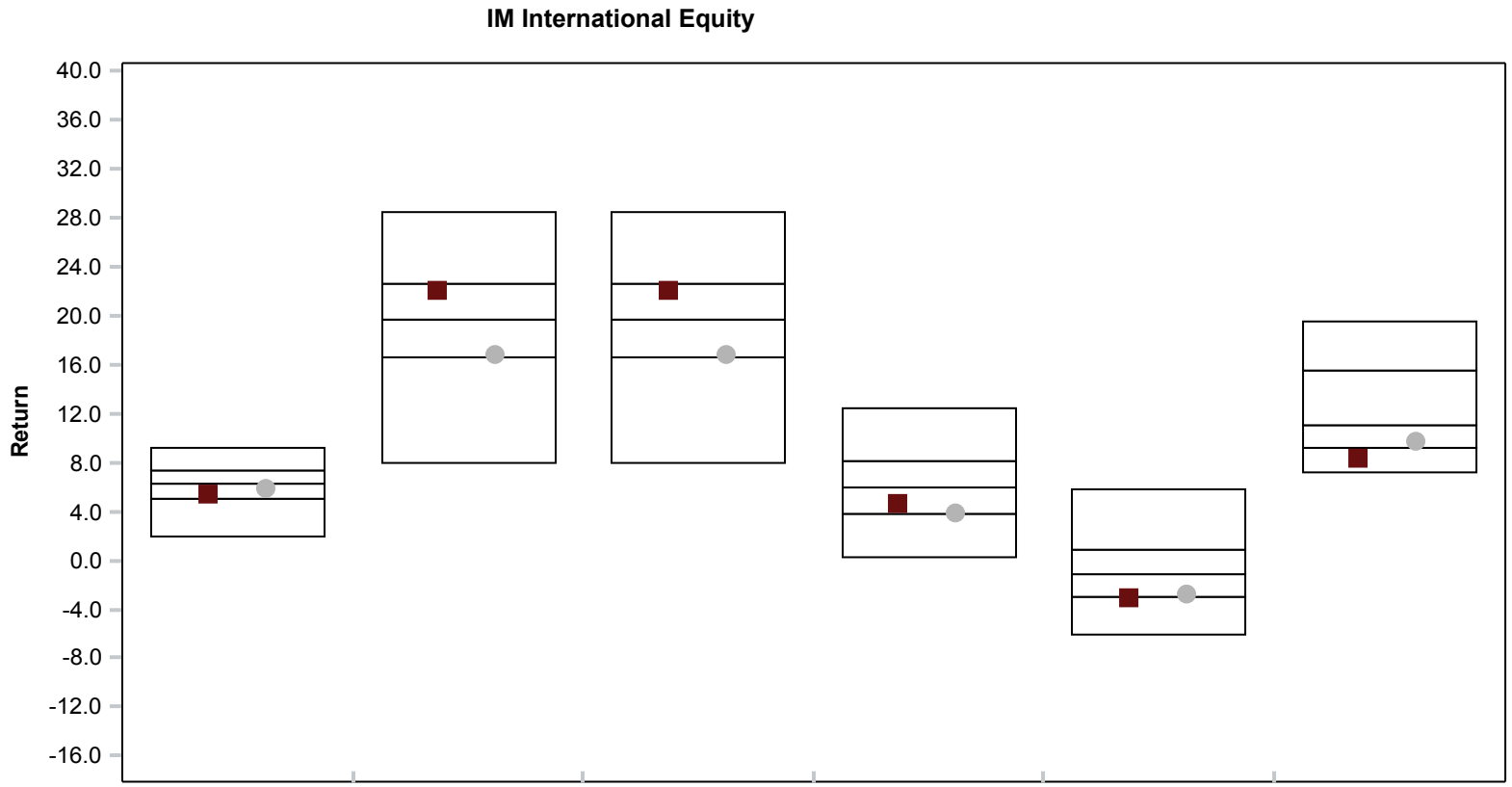
Peer Group Analysis



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
International Equity	5.37 (71)	22.05 (31)	22.05 (31)	4.58 (66)	-3.15 (77)	8.34 (87)
MSCI AC World ex U.S. Index	5.85 (61)	16.83 (74)	16.83 (74)	3.87 (75)	-2.89 (74)	9.74 (68)
1st Quartile	7.35	22.69	22.69	8.13	0.83	15.51
Median	6.26	19.72	19.72	5.95	-1.18	11.01
3rd Quartile	5.08	16.57	16.57	3.87	-3.02	9.23
Population	869	854	854	796	731	468

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

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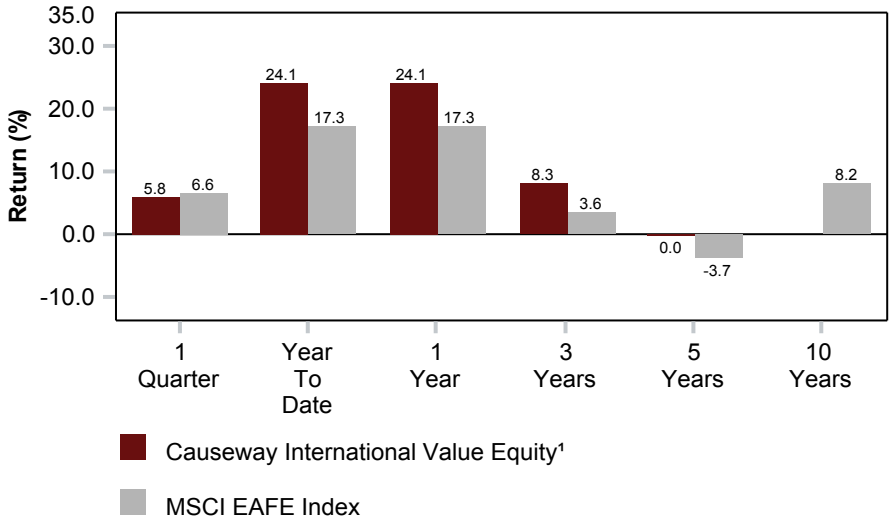
Causeway International Value Equity[1] Performance Summary

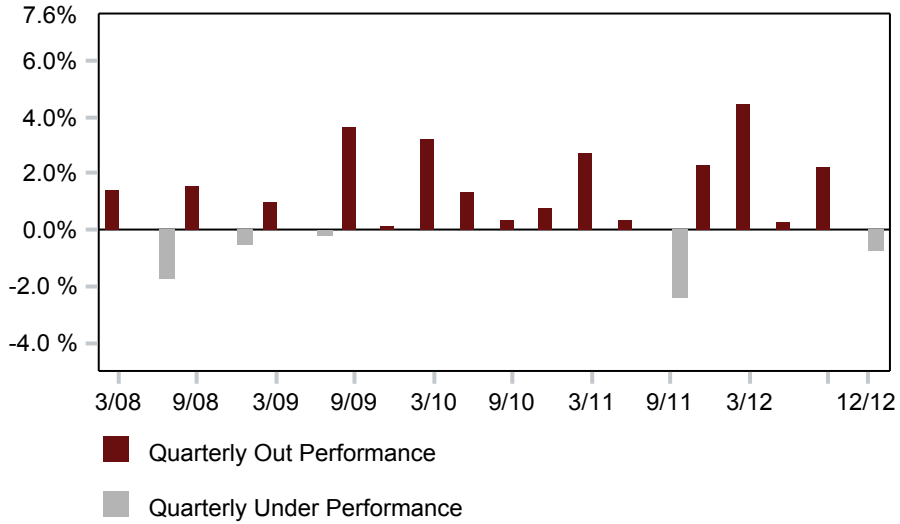
Account Information

Account Name:	Causeway International Value Equity
Inception Date:	01/14/2005
Account Structure:	Separate Account
Asset Class:	International Equity
Benchmark:	MSCI EAFE Index (net)
Peer Group:	IM International Large Cap Value Equity (SA+CF)

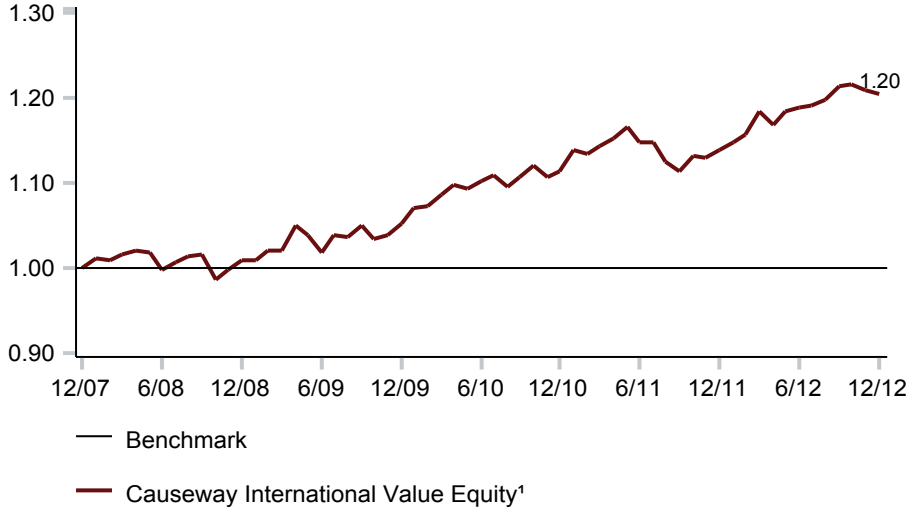
Return Summary



Quarterly Excess Performance - 5 Years



Ratio of Cumulative Wealth - 5 Years



[1] Performance prior to 01/01/2005 is that of the Causeway International Value composite.

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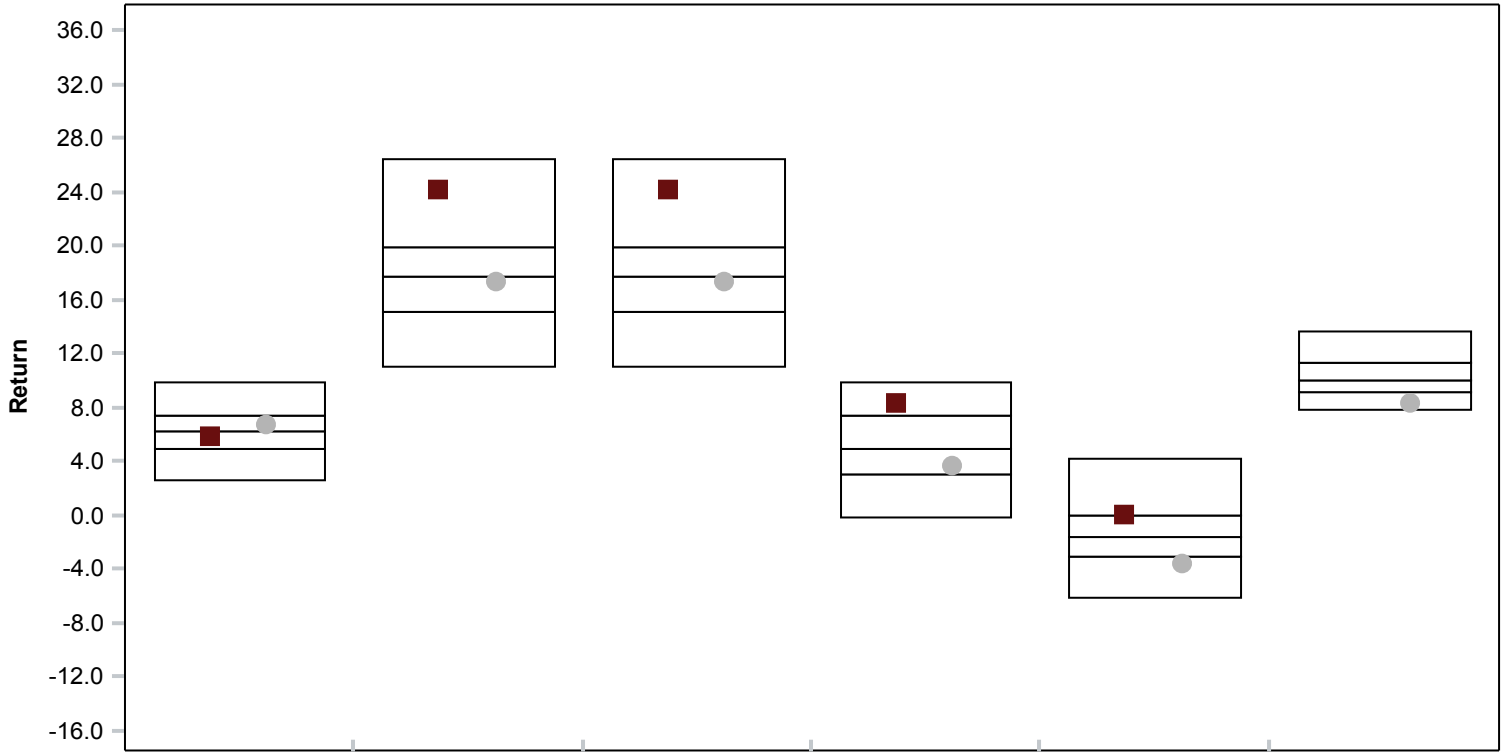
Peer Group Analysis

IM International Large Cap Value Equity



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
■ Causeway International Value Equity	5.84 (65)	24.10 (10)	24.10 (10)	8.31 (20)	-0.05 (27)	N/A
● MSCI EAFE Index	6.57 (41)	17.32 (53)	17.32 (53)	3.56 (71)	-3.69 (84)	8.21 (90)
1st Quartile	7.44	19.90	19.90	7.39	-0.01	11.24
Median	6.19	17.70	17.70	4.88	-1.71	10.04
3rd Quartile	4.94	15.02	15.02	3.03	-3.14	9.13
Population	145	143	143	137	130	91

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

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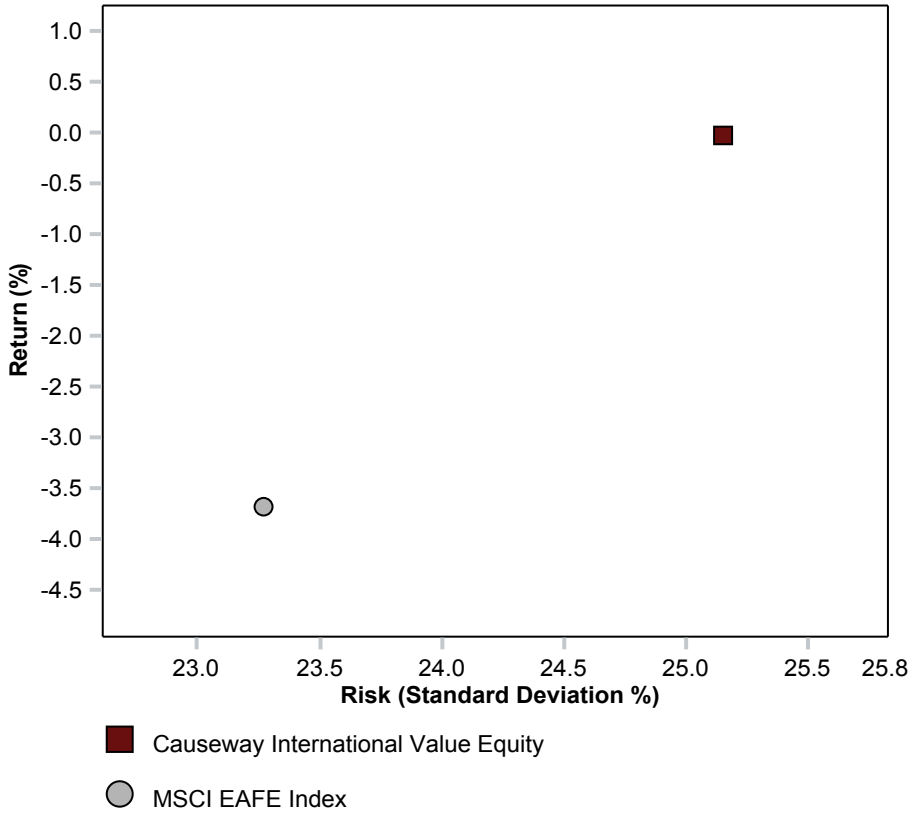
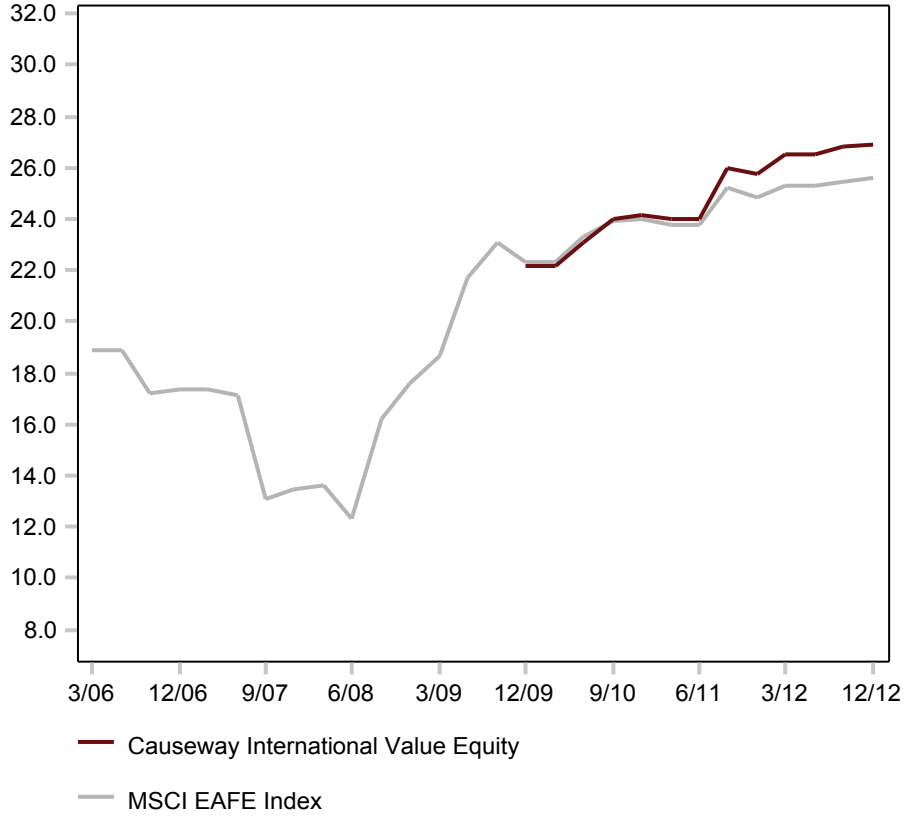
Causeway International Value Equity Risk Profile

Annualized Return vs. Annualized Standard Deviation 5 Years



Rolling 5 Years Standard Deviation



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Causeway International Value Equity	4.18	3.97	1.05	0.98	0.11	4.33	1.07	-0.05	25.16	0.99
MSCI EAFE Index	0.00	0.00	N/A	1.00	-0.06	0.00	1.00	-3.69	23.27	1.00
Citigroup 3 Month T-Bill	1.40	23.34	0.06	0.09	N/A	0.44	0.00	0.44	0.22	-0.30

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Causeway International Value Equity Portfolio Analysis (Holdings-based)

Benchmark: MSCI EAFE Index

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	47,393	56,036
Median Mkt. Cap ($M)	18,627	7,629
Price/Earnings ratio	13.44	13.71
Price/Book ratio	1.97	1.92
5 Yr. EPS Growth Rate (%)	1.77	-0.79
Current Yield (%)	3.28	3.40
Beta (5 Years, Monthly)	1.07	1.00
Number of Stocks	59	909

Segments	Market Value ($)	Allocation (%)
International Equity	45,076,216.58	98.22
Cash Equivalent	816,251.21	1.78

Top Ten Equity Holdings

	Portfolio Weight (%)	Index Weight (%)	Active Weight (%)	Quarter Return (%)
Akzo Nobel NV	3.66	0.14	3.52	16.78
Reed Elsevier NV	3.52	0.09	3.43	10.16
Toyota Motor Corp	3.15	1.17	1.98	18.52
Sanofi	2.83	1.03	1.80	10.26
Kt&G Corp	2.81	0.00	2.81	-0.14
Novartis AG	2.77	1.32	1.45	2.50
British American Tobacco PLC	2.68	0.90	1.78	-1.21
Linde AG	2.67	0.29	2.38	0.94
Tesco PLC	2.56	0.40	2.16	3.37
HSBC Holdings PLC	2.52	1.76	0.76	12.49
% of Portfolio	29.17	7.10		

Ten Best Performers

	Portfolio Weight (%)	Index Weight (%)	Quarter Return (%)
UBS AG	2.19	0.52	27.96
Barclays PLC	1.59	0.45	23.43
Rio Tinto PLC	1.65	0.70	22.49
Toyota Motor Corp	3.15	1.17	18.52
Axa, Paris	1.09	0.28	18.04
BNP Paribas	1.32	0.52	18.01
Aviva PLC	1.69	0.16	17.78
Akzo Nobel NV	3.66	0.14	16.78
Smurfit Kappa Group PLC	1.00	0.00	15.61
Muenchener Rueckversicherungs	1.59	0.29	14.70
% of Portfolio	18.93	4.23	

Ten Worst Performers

	Portfolio Weight (%)	Index Weight (%)	Quarter Return (%)
BG Group PLC	1.49	0.51	-18.48
Sankyo Co Ltd	0.52	0.02	-15.24
Vodafone Group PLC	1.57	1.13	-9.74
Kddi Corp	2.09	0.17	-9.59
Balfour Beatty PLC	1.39	0.03	-7.61
Jgc Corp	2.40	0.06	-7.59
Sembcorp Marine Ltd	1.19	0.03	-7.05
Sembcorp Industries Ltd	0.71	0.04	-7.01
Bank of Yokohama Ltd	0.44	0.05	-3.01
British American Tobacco PLC	2.68	0.90	-1.21
% of Portfolio	14.48	2.94	

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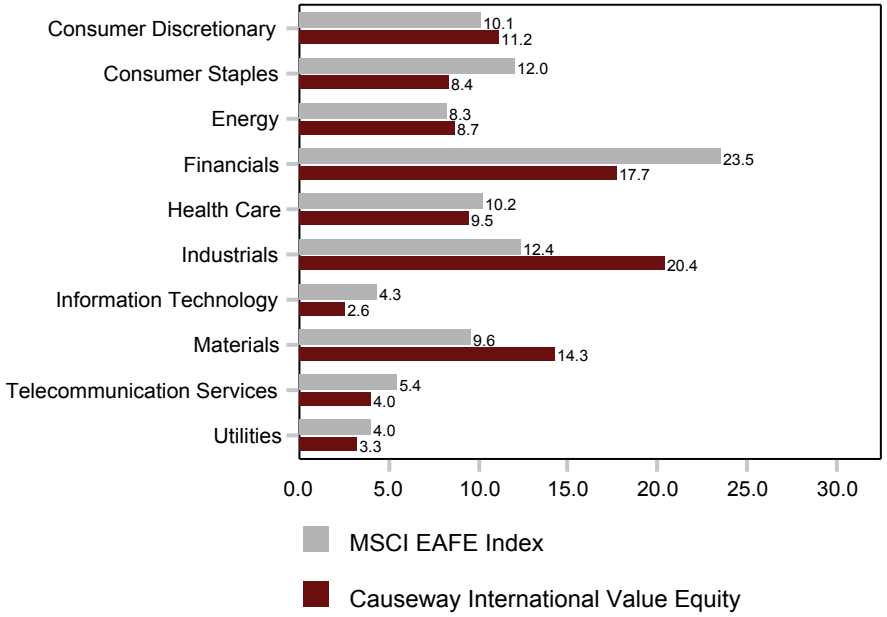
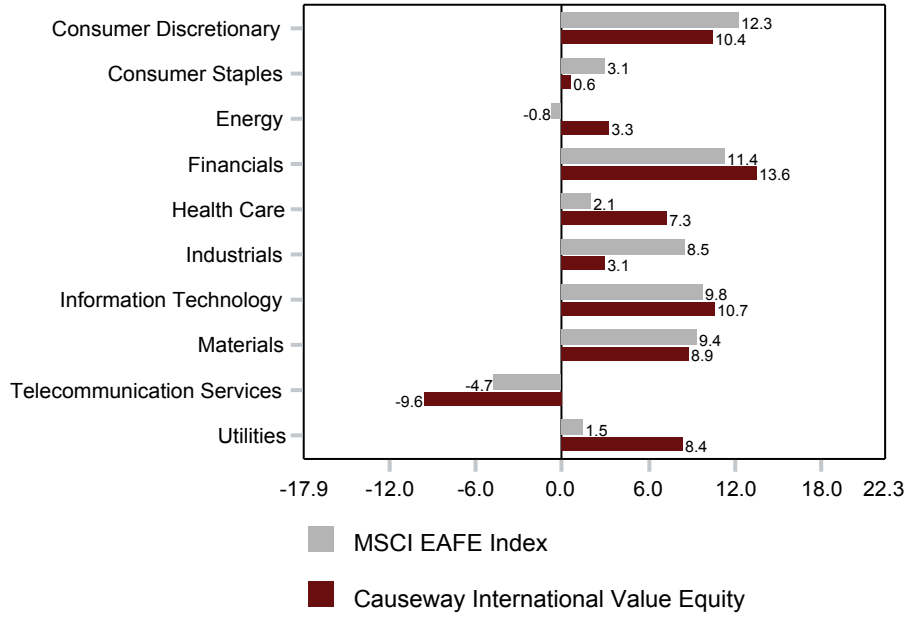
Causeway International Value Equity Sector Attribution (Holdings-based)

Sector Weights (%)



Sector Returns (%)



	Attribution			
	Stock	Sector	Interaction	Total
Consumer Discretionary	-0.2	0.1	0.0	-0.2
Consumer Staples	-0.3	0.1	0.1	-0.1
Energy	0.3	0.0	0.0	0.3
Financials	0.5	-0.3	-0.1	0.1
Health Care	0.5	0.0	0.0	0.5
Industrials	-0.7	0.2	-0.4	-1.0
Information Technology	0.0	-0.1	0.0	0.0
Materials	0.0	0.1	0.0	0.1
Telecommunication Services	-0.3	0.2	0.1	0.0
Utilities	0.3	0.0	-0.1	0.3
Total	0.2	0.3	-0.5	0.0

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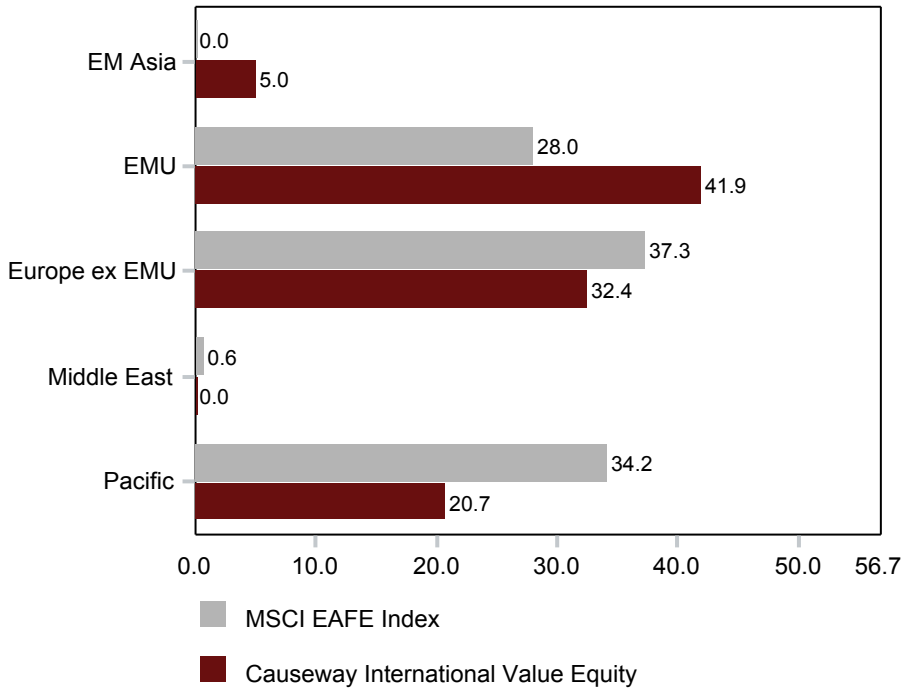
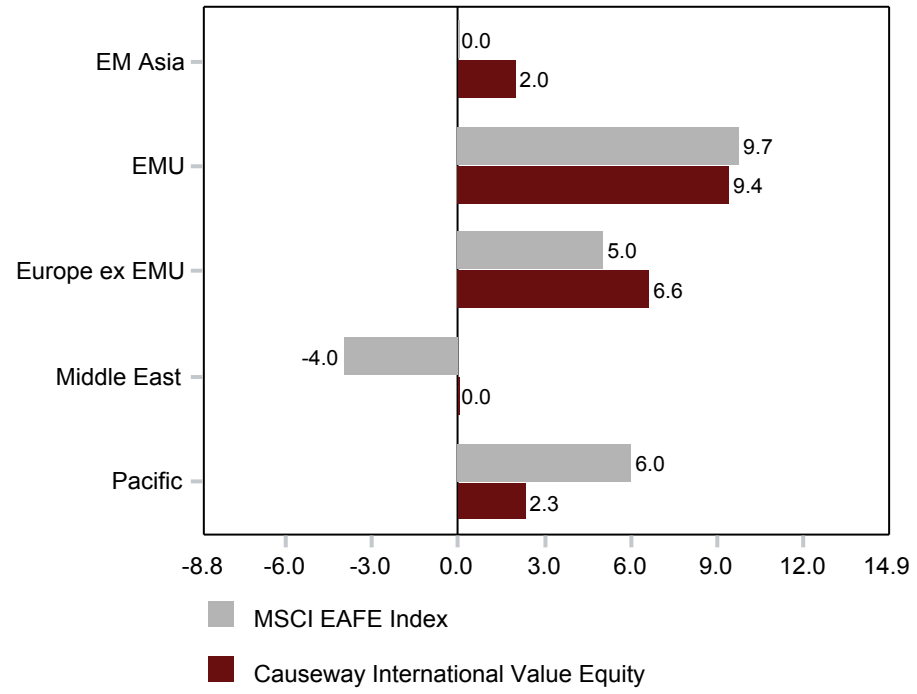
Causeway International Value Equity Country/Region Attribution (Holdings-based)

Allocation



Performance



	Attribution			
	Stock	Region	Interaction	Total
EM Asia	0.00	-0.23	0.00	-0.23
EMU	-0.10	0.44	-0.05	0.29
Europe ex EMU	0.59	0.08	-0.08	0.59
Middle East	0.00	0.06	0.00	0.06
Pacific	-1.24	0.09	0.49	-0.66
Total	-0.75	0.43	0.37	0.05

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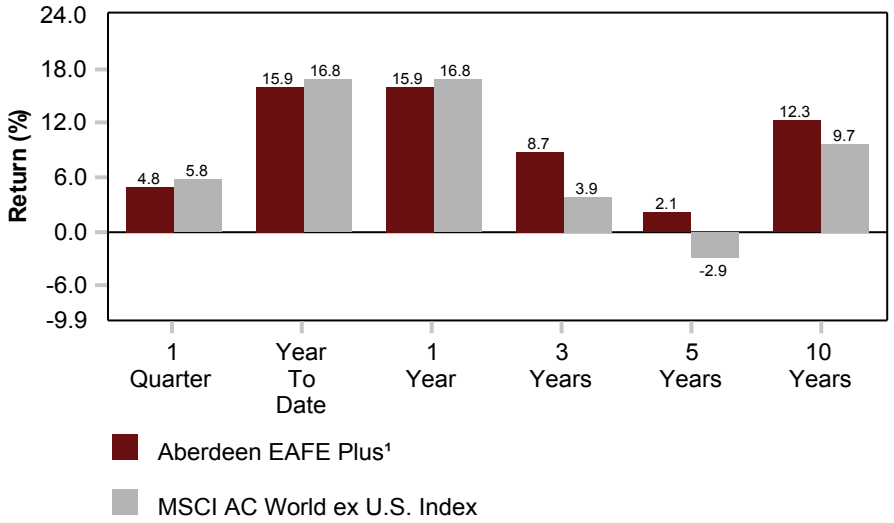
Aberdeen EAFE Plus[1] Performance Summary

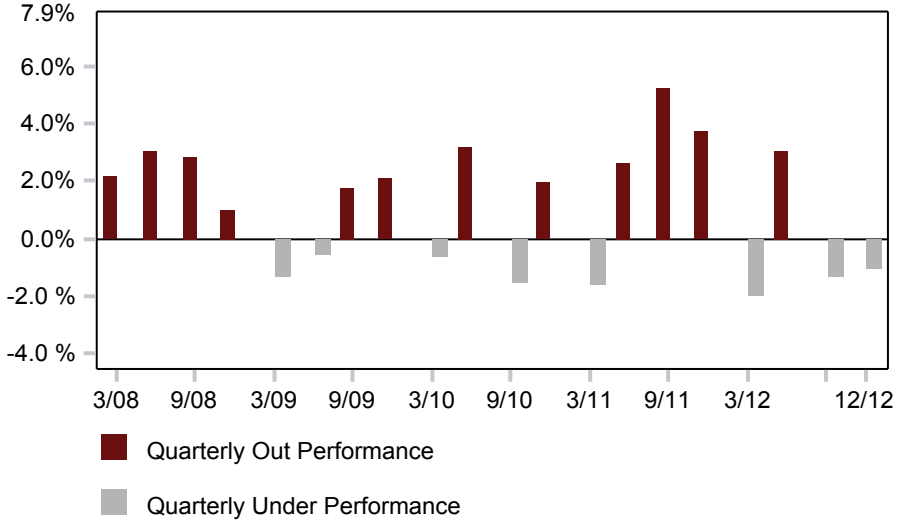
Account Information

Account Name:	Aberdeen EAFE Plus
Inception Date:	04/02/2012
Account Structure:	Commingled Fund
Asset Class:	International Equity
Benchmark:	MSCI AC World ex U.S. Index (Net)
Peer Group:	IM International Equity (SA+CF)

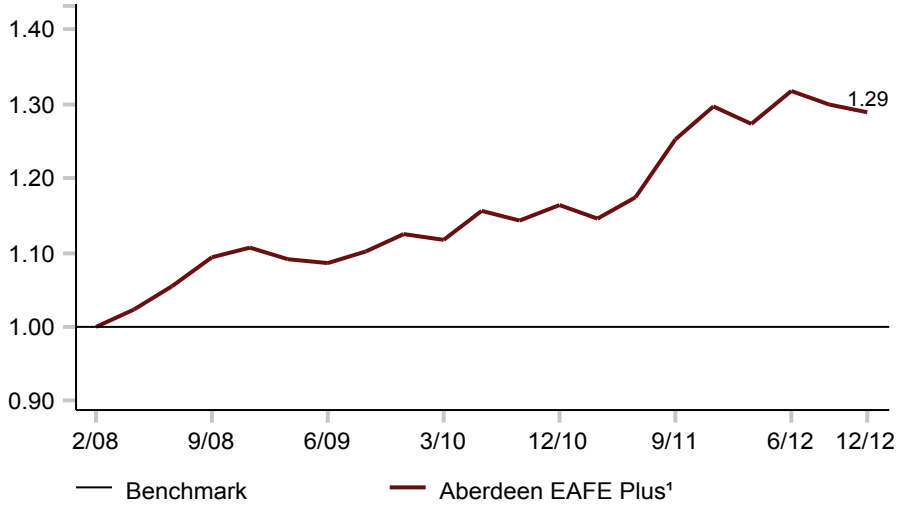
Return Summary



Quarterly Excess Performance - 5 Years



Ratio of Cumulative Wealth - 5 Years



[1] Performance prior to April 2012 is that of the manager's separate account composite.

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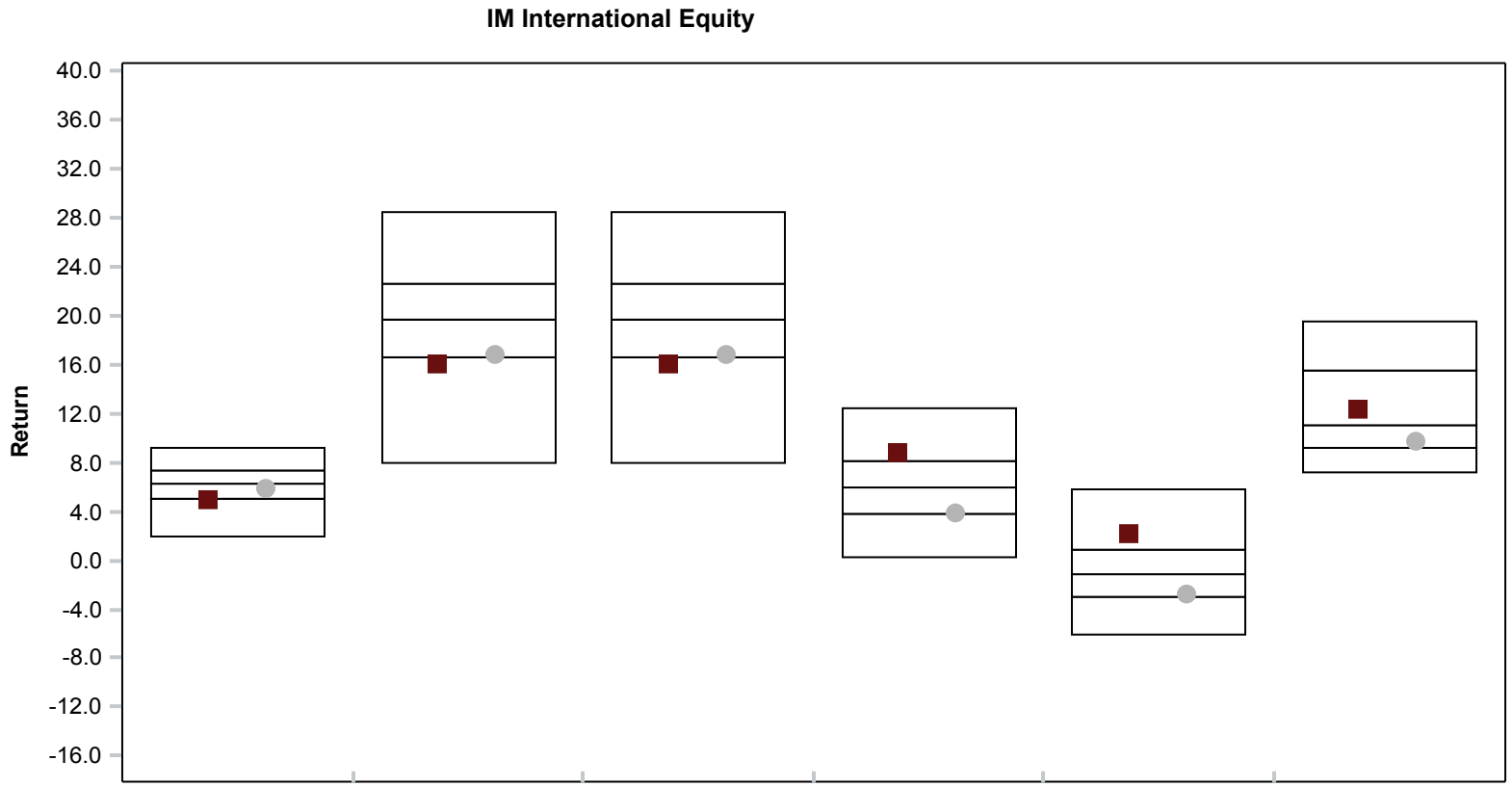
Peer Group Analysis



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
■ Aberdeen EAFE Plus	4.82 (79)	15.94 (80)	15.94 (80)	8.69 (22)	2.14 (17)	12.29 (40)
● MSCI AC World ex U.S. Index	5.85 (61)	16.83 (74)	16.83 (74)	3.87 (75)	-2.89 (74)	9.74 (68)
1st Quartile	7.35	22.69	22.69	8.13	0.83	15.51
Median	6.26	19.72	19.72	5.95	-1.18	11.01
3rd Quartile	5.08	16.57	16.57	3.87	-3.02	9.23
Population	869	854	854	796	731	468

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

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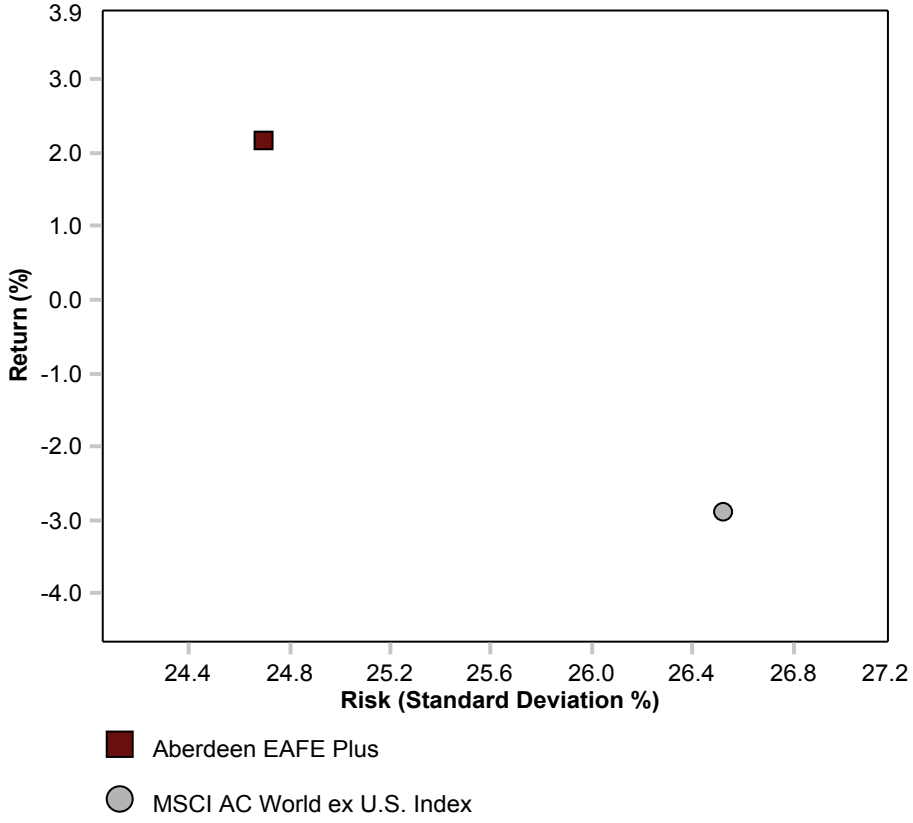
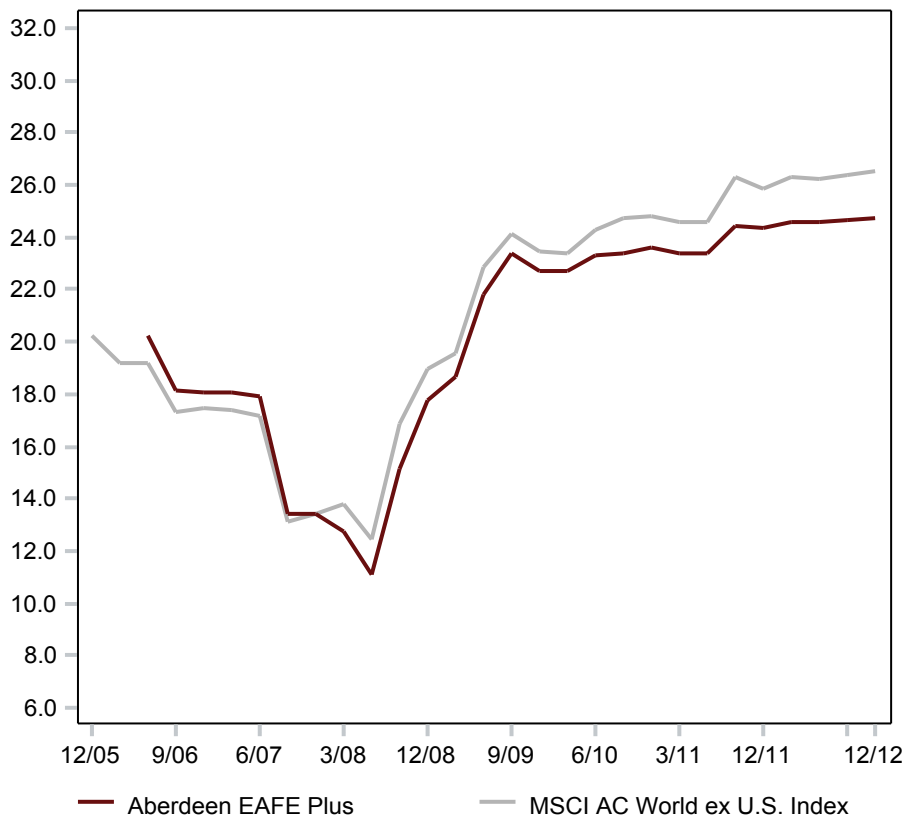
Aberdeen EAFE Plus Risk Profile

Annualized Return vs. Annualized Standard Deviation 5 Years



Rolling 5 Years Standard Deviation



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Aberdeen EAFE Plus	4.53	4.28	1.06	0.98	0.19	4.66	0.92	2.14	24.70	0.99
MSCI AC World ex U.S. Index	0.00	0.00	N/A	1.00	0.01	0.00	1.00	-2.89	26.53	1.00
Citigroup 3 Month T-Bill	-0.21	26.68	-0.01	0.17	N/A	0.45	-0.01	0.44	0.37	-0.41

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Aberdeen EAFE Plus Portfolio Analysis (Holdings-based)

Benchmark: MSCI AC World ex U.S. Index

Portfolio Characteristics	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($M)	78,952	50,756
Median Mkt. Cap ($M)	39,727	6,466
Price/Earnings ratio	14.07	13.33
Price/Book ratio	1.90	1.96
5 Yr. EPS Growth Rate (%)	-0.85	1.62
Current Yield (%)	3.41	3.17
Beta (5 Years, Quarterly)	0.92	1.00
Number of Stocks	45	1,827

Segments	Market Value ($)	Allocation (%)
International Equity	39,536,731.41	100.00

Top Ten Equity Holdings	Portfolio Weight (%)	Index Weight (%)	Active Weight (%)	Quarter Return (%)
Taiwan Semiconductor Manufacturing Co Ltd	4.63	0.51	4.12	8.96
Roche Holding AG	4.52	0.88	3.64	7.52
British American Tobacco PLC	4.45	0.61	3.84	-1.21
Novartis AG	4.10	0.90	3.20	2.50
Samsung Electronics Co Ltd	4.00	0.10	3.90	17.20
Vodafone Group PLC	3.98	0.77	3.21	-9.74
Nestle SA, Cham Und Vevey	3.62	1.31	2.31	3.19
Zurich Insurance Group AG	3.21	0.24	2.97	6.71
Tenaris SA, Luxembourg	3.09	0.06	3.03	3.52
Standard Chartered PLC	3.04	0.38	2.66	13.11
% of Portfolio	38.64	5.76		

Ten Best Performers	Portfolio Weight (%)	Index Weight (%)	Quarter Return (%)
Banco Bradesco Sa Brad	2.58	0.06	28.17
Canon Inc	1.56	0.27	22.98
Rio Tinto PLC	1.23	0.48	22.49
Vale SA	2.35	0.25	22.41
Schneider Electric SA	1.22	0.24	22.00
Schindler Holding AG, Hergiswil	1.17	0.04	17.24
Atlas Copco AB	1.17	0.11	17.23
Samsung Electronics Co Ltd	4.00	0.10	17.20
HSBC Holdings PLC	1.97	1.20	14.60
Fanuc Corp	1.71	0.22	13.84
% of Portfolio	18.96	2.97	

Ten Worst Performers	Portfolio Weight (%)	Index Weight (%)	Quarter Return (%)
Qbe Insurance Group Ltd	1.61	0.08	-15.97
Petroleo Brasileiro Sa Petrobras Petr	1.76	0.25	-12.51
Vodafone Group PLC	3.98	0.77	-9.74
Wood Group (John) PLC	0.91	0.00	-9.01
GDF Suez	1.38	0.16	-8.27
Daito Trust Construction Co Ltd	1.40	0.04	-6.60
Potash Corporation of Saskatchewan Inc	1.79	0.22	-5.95
Nordea Bank AB	1.93	0.16	-3.63
British American Tobacco PLC	4.45	0.61	-1.21
Royal Dutch Shell PLC	2.99	0.58	0.83
% of Portfolio	22.20	2.87	

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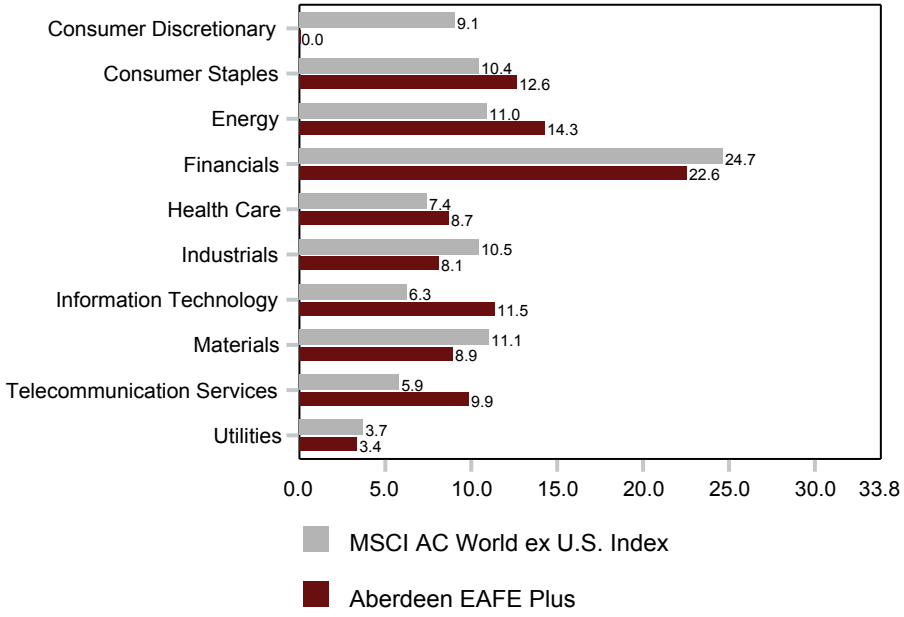
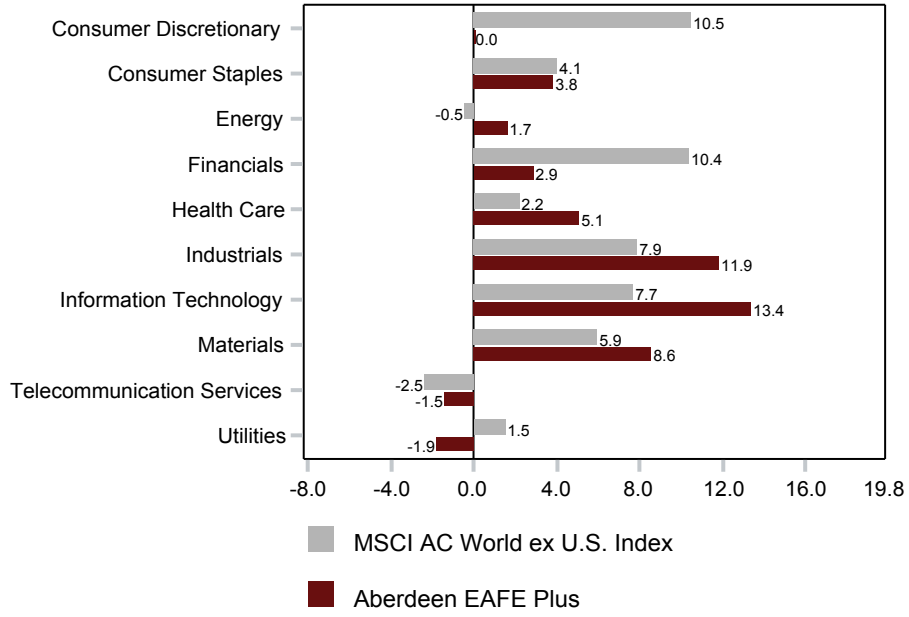
Aberdeen EAFE Plus Sector Attribution (Holdings-based)

Sector Weights (%)



Sector Returns (%)



	Attribution			
	Stock	Sector	Interaction	Total
Consumer Discretionary	0.0	-0.4	0.0	-0.4
Consumer Staples	0.0	0.0	0.0	-0.1
Energy	0.2	-0.2	0.1	0.1
Financials	-1.9	-0.1	0.2	-1.8
Health Care	0.2	0.0	0.0	0.2
Industrials	0.4	0.0	-0.1	0.3
Information Technology	0.4	0.1	0.3	0.7
Materials	0.3	0.0	-0.1	0.2
Telecommunication Services	0.1	-0.3	0.0	-0.2
Utilities	-0.1	0.0	0.0	-0.1
Total	-0.4	-1.1	0.5	-1.1

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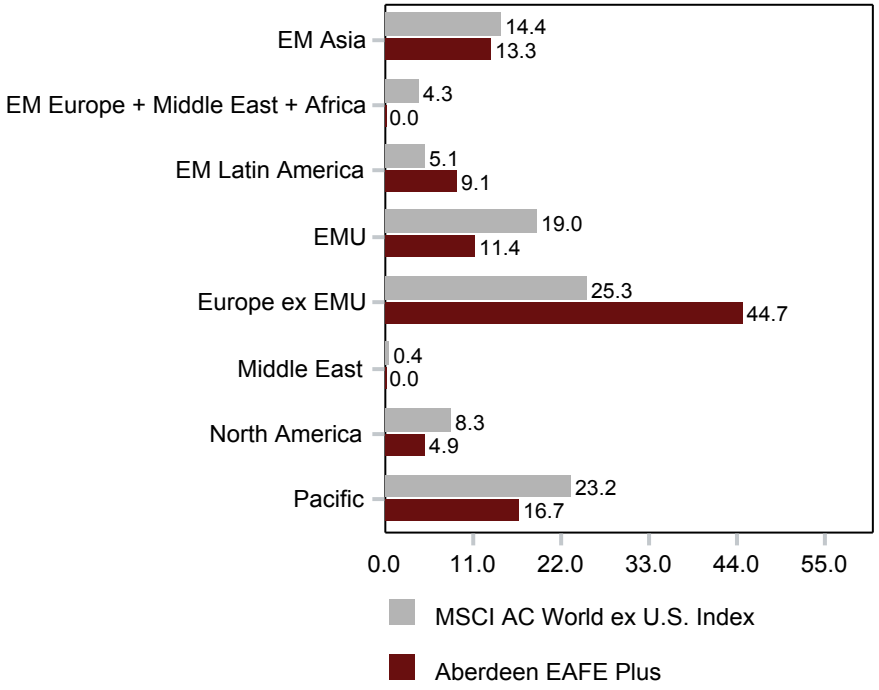
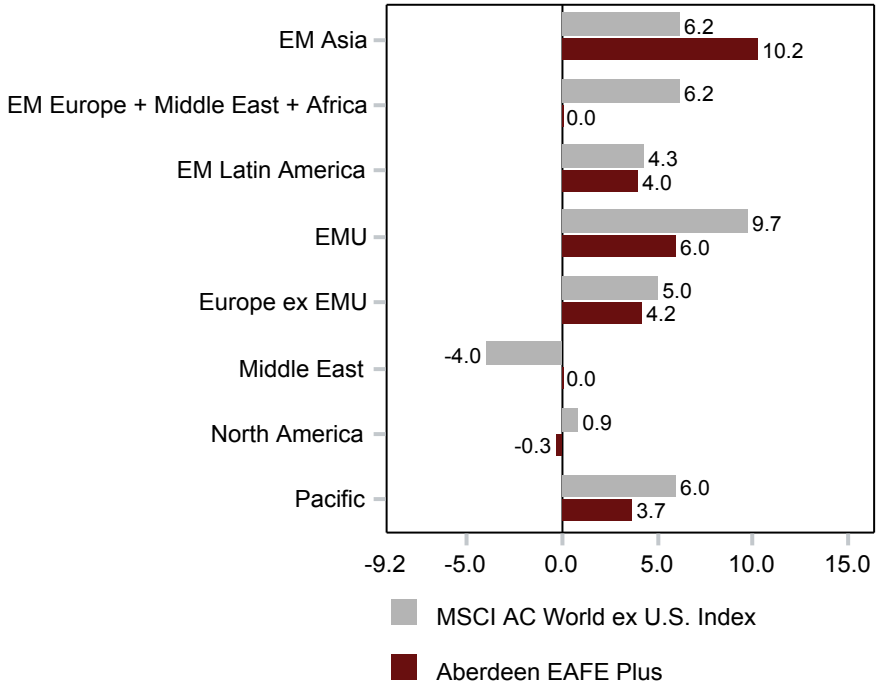
Aberdeen EAFE Plus Country/Region Attribution (Holdings-based)

Allocation



Performance



	Attribution			
	Stock	Region	Interaction	Total
EM Asia	0.58	0.00	-0.05	0.54
EM Europe + Middle East + Africa	0.00	-0.01	0.00	-0.01
EM Latin America	-0.02	-0.07	-0.01	-0.09
EMU	-0.71	-0.29	0.28	-0.71
Europe ex EMU	-0.22	-0.17	-0.17	-0.56
Middle East	0.00	0.04	0.00	0.04
North America	-0.10	0.17	0.04	0.12
Pacific	-0.53	0.00	0.15	-0.38
Total	-0.98	-0.33	0.25	-1.06

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Fixed Income

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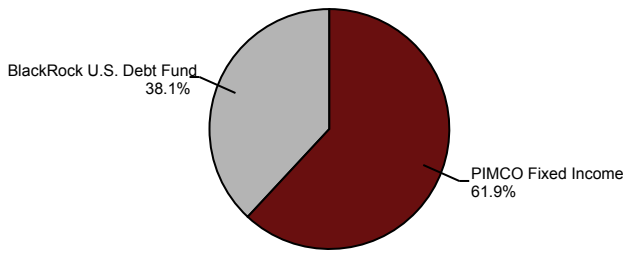
As of December 31, 2012

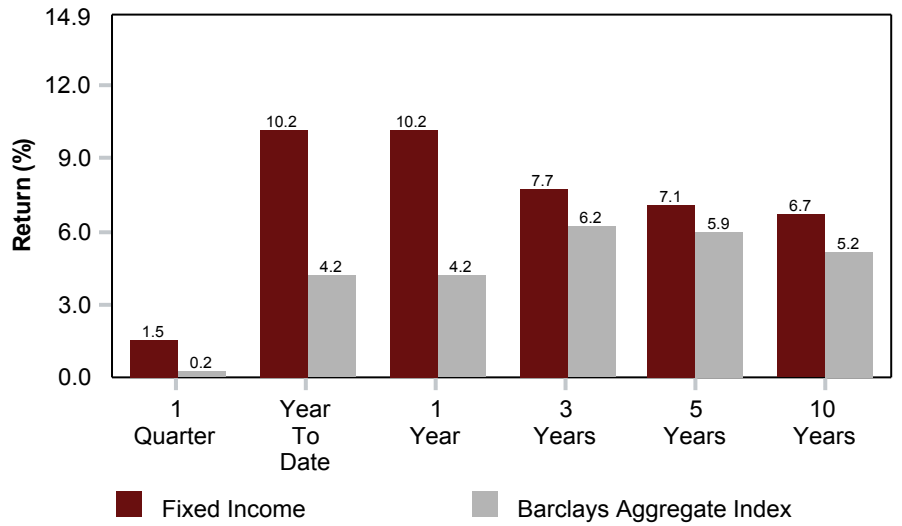
Fixed Income Portfolio Overview

Current Allocation

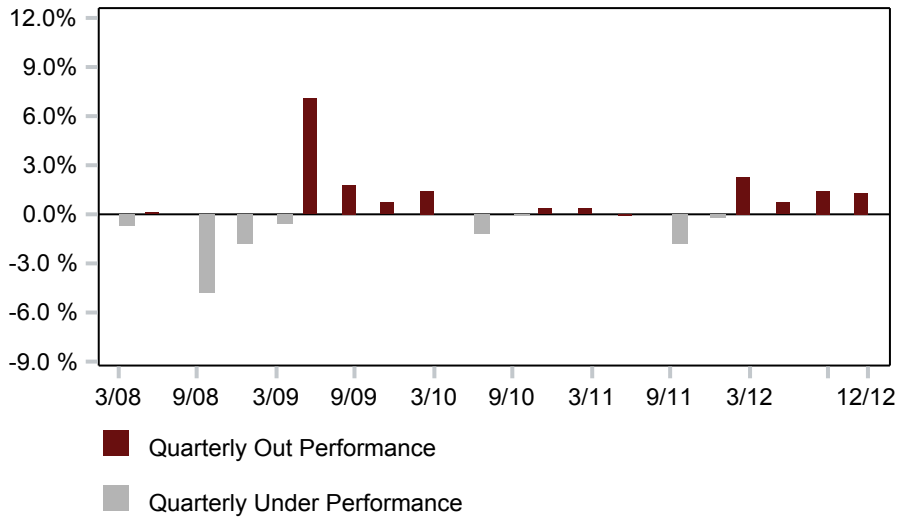
December 31, 2012 : $155M



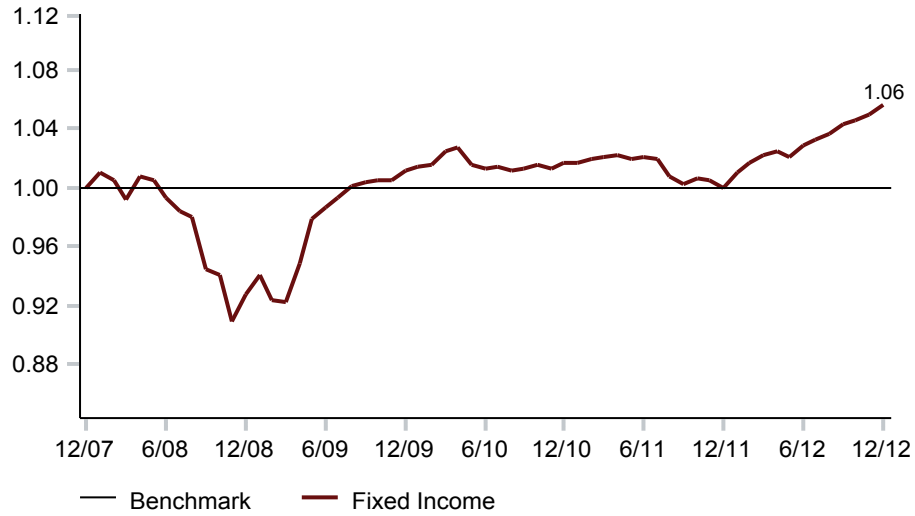
Return Summary



Quarterly Excess Performance - 5 Years



Ratio of Cumulative Wealth - 5 Years



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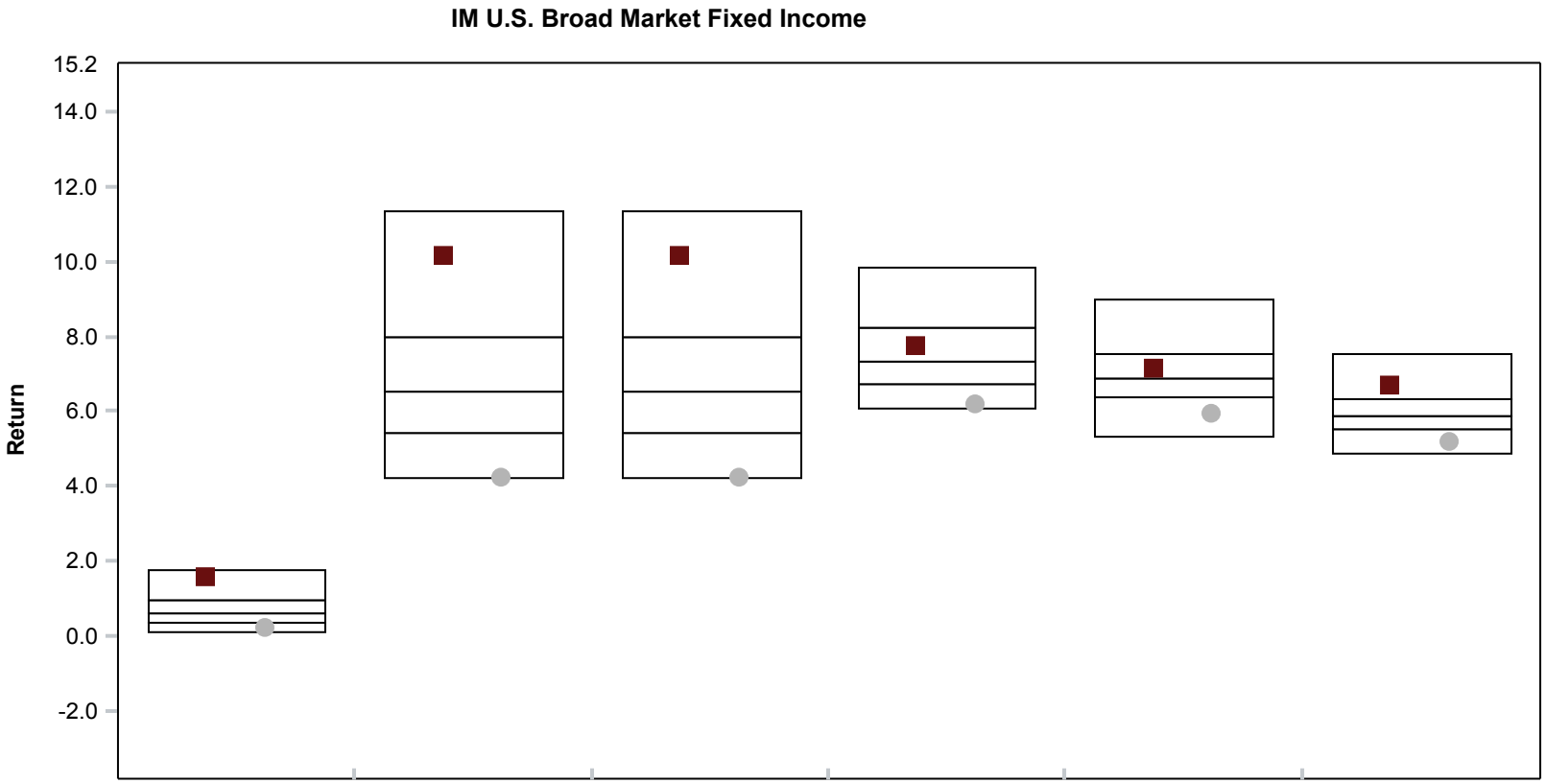
As of December 31, 2012

Peer Group Analysis



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
■ Fixed Income	1.54 (9)	10.15 (11)	10.15 (11)	7.73 (40)	7.11 (40)	6.69 (18)
● Barclays Aggregate Index	0.21 (90)	4.21 (95)	4.21 (95)	6.19 (94)	5.95 (89)	5.18 (90)
1st Quartile	0.98	7.99	7.99	8.23	7.53	6.33
Median	0.61	6.54	6.54	7.32	6.86	5.88
3rd Quartile	0.36	5.43	5.43	6.73	6.40	5.52
Population	318	317	317	307	300	262

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

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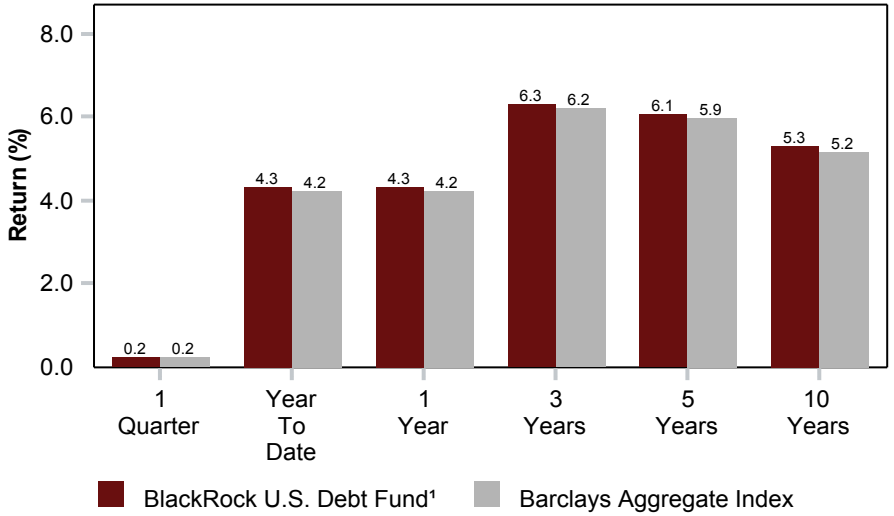
BlackRock U.S. Debt Fund[1] Performance Summary

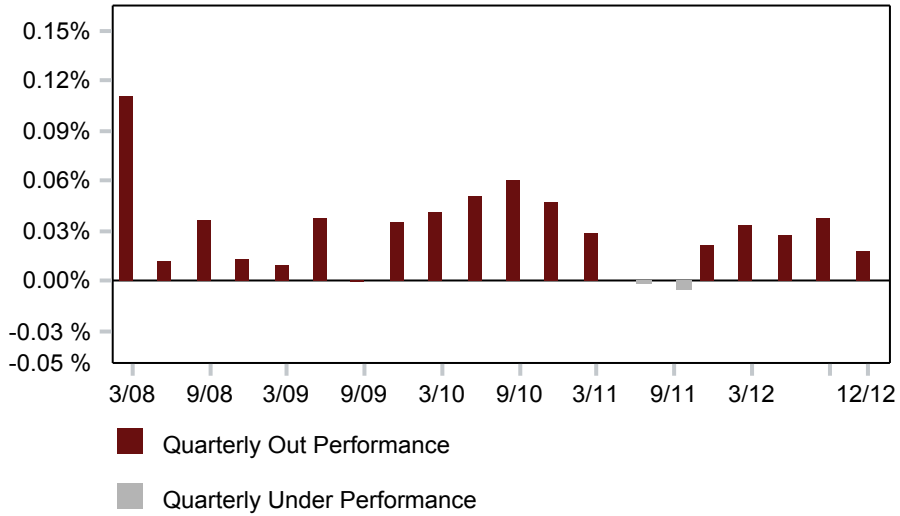
Account Information

Account Name:	BlackRock U.S. Debt Fund
Inception Date:	01/05/2012
Account Structure:	Commingled Fund
Asset Class:	US Fixed Income
Benchmark:	Barclays Aggregate Index
Peer Group:	IM U.S. Broad Market Core Fixed Income (SA+CF)

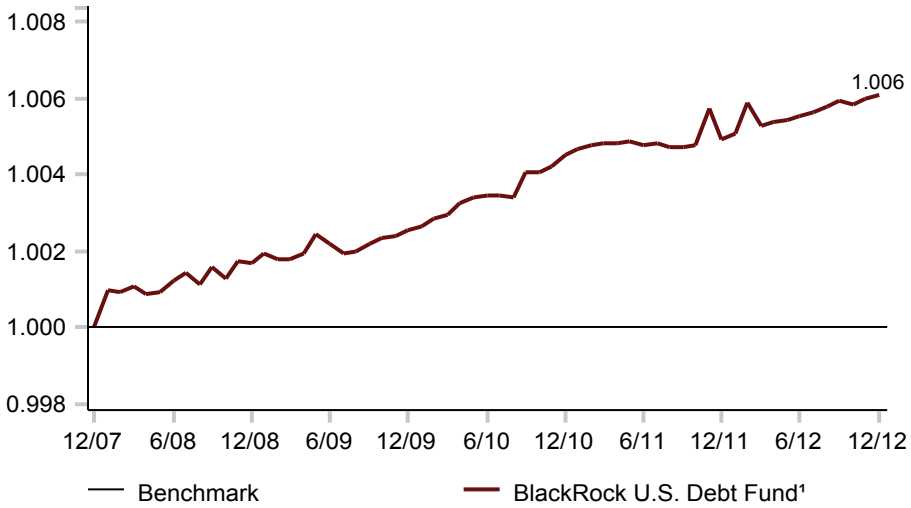
Return Summary



Quarterly Excess Performance - 5 Years



Ratio of Cumulative Wealth - 5 Years



[1] Performance prior to January 2012 is that of the manager's separate account composite.

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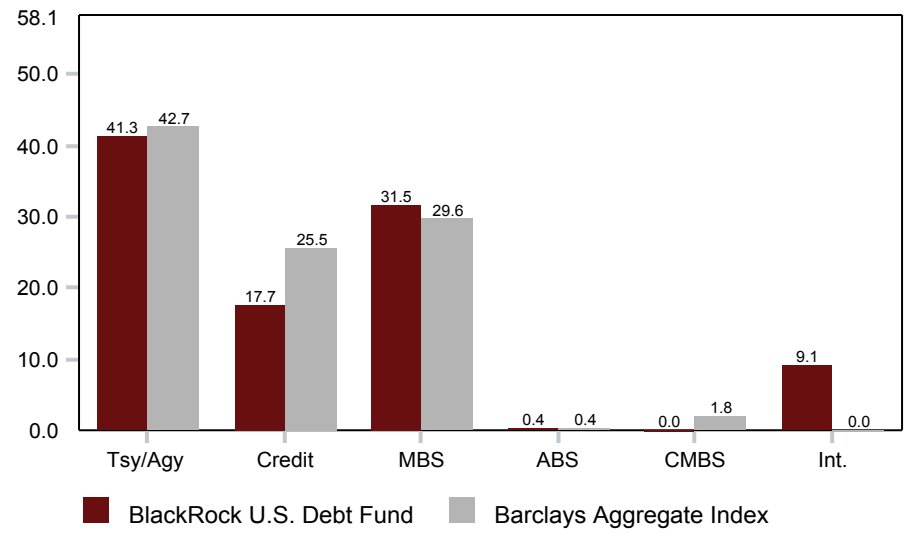
Portfolio Characteristics

BlackRock U.S. Debt Fund vs. Barclays Aggregate Index

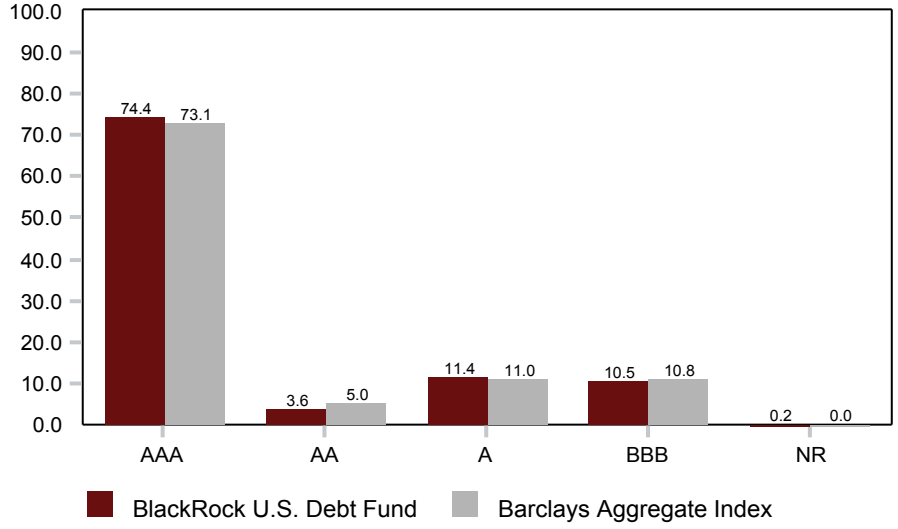
Portfolio Characteristics

	Portfolio	Benchmark
Avg. Quality	AA	AA+/AA
Avg. Maturity	6.40	6.96
Effective Duration	4.93	5.06
Yield To Maturity (%)	1.50	1.74
Holdings Count	4,665	8,078

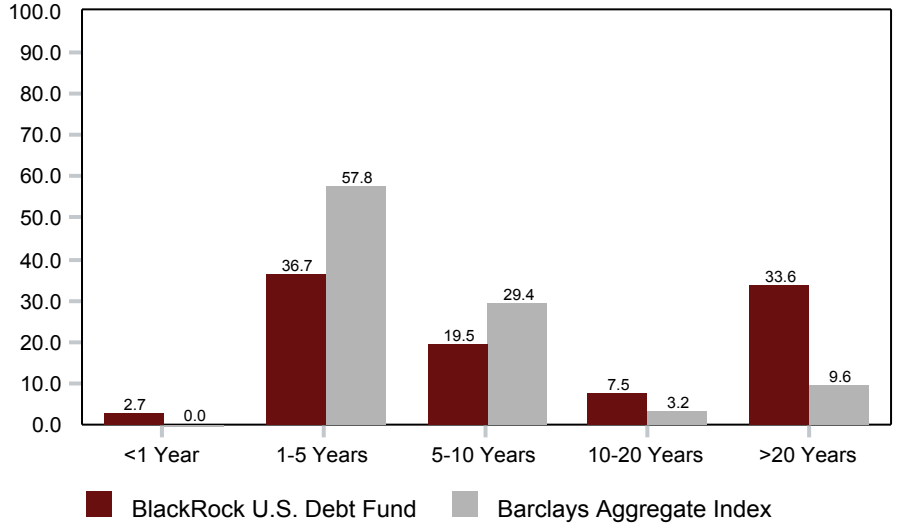
Sector Distribution (%)



Credit Quality Distribution (%)



Maturity Distribution (%)



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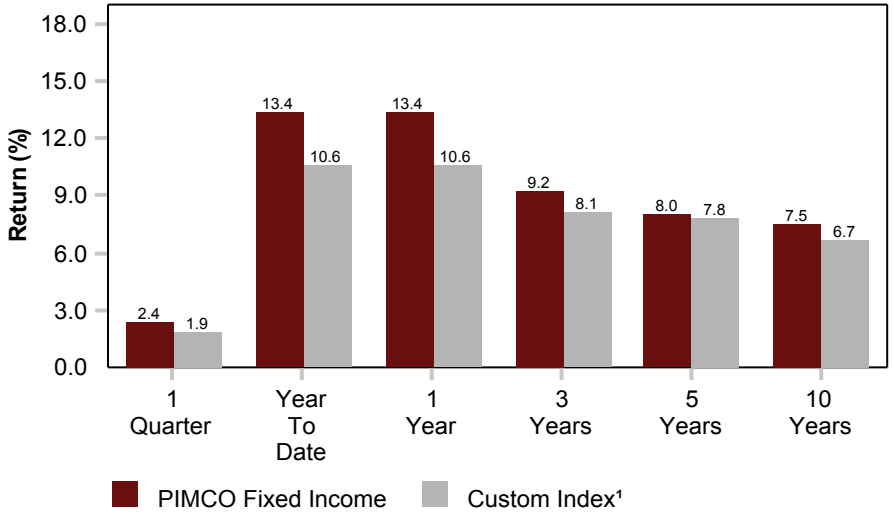
PIMCO Fixed Income Performance Summary

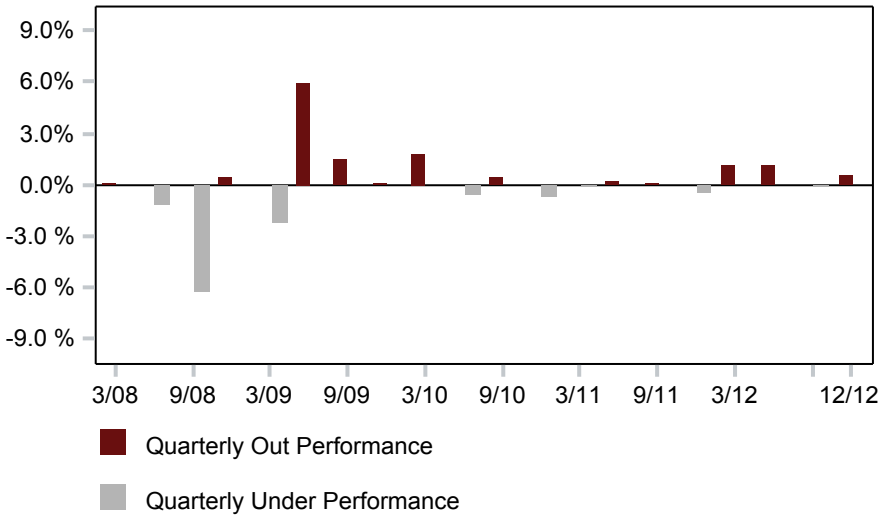
Account Information

Account Name:	PIMCO Fixed Income
Inception Date:	07/01/2002
Account Structure:	Separate Account
Asset Class:	US Fixed Income
Benchmark:	Custom Index
Peer Group:	IM U.S. Broad Market Core + Fixed Income (SA+CF)

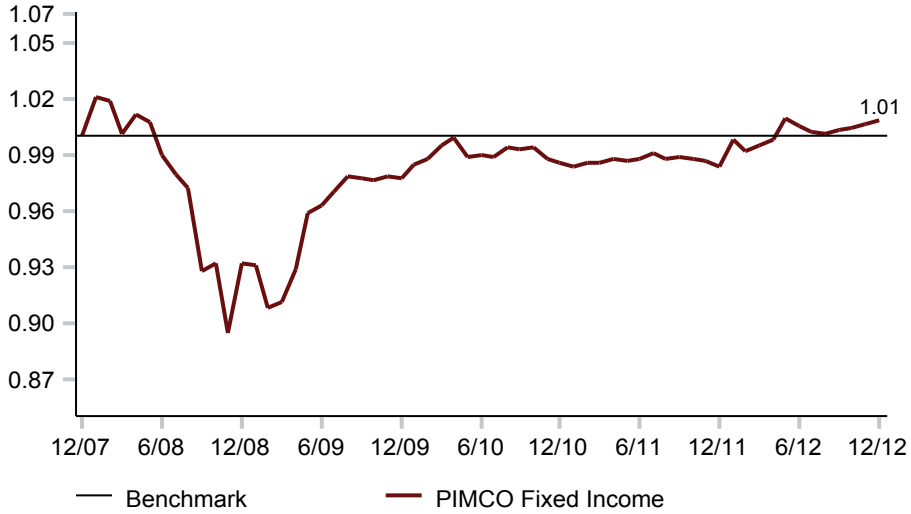
Return Summary



Quarterly Excess Performance - 5 Years



Ratio of Cumulative Wealth - 5 Years



¹ The custom index is currently composed of 25% Barclays Mortgage, 25% Barclays Credit, 25% Barclays High Yield, and 25% JPMorgan EMBI Global. Prior to 02/01/2012, the custom index was composed of 70% Barclays Mortgage, 15% Barclays Credit, and 15% Barclays High Yield.

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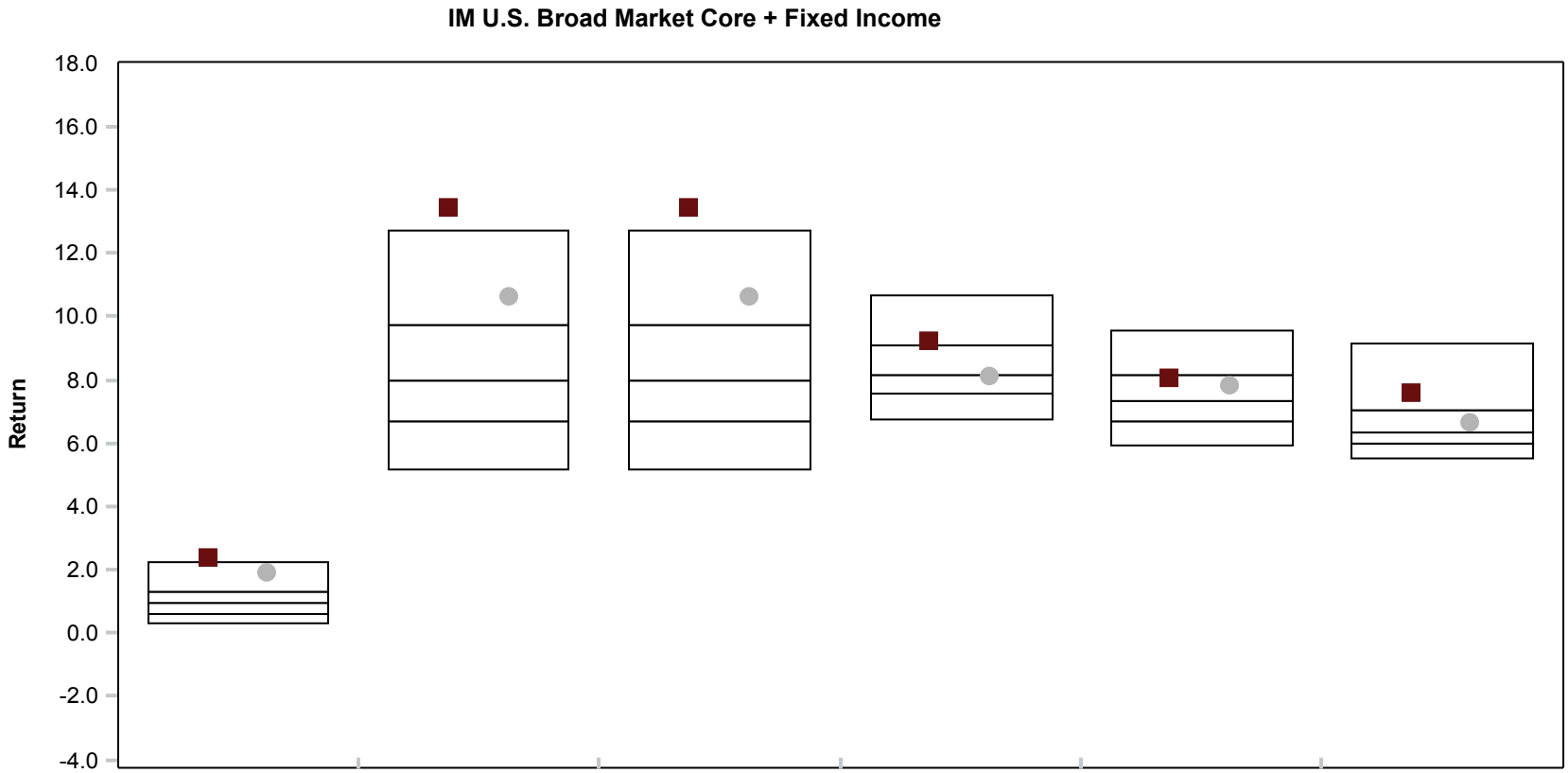
Peer Group Analysis



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
■ PIMCO Fixed Income	2.38 (4)	13.40 (4)	13.40 (4)	9.21 (22)	8.01 (30)	7.55 (13)
● Custom Index	1.86 (11)	10.62 (17)	10.62 (17)	8.09 (53)	7.82 (33)	6.65 (39)
1st Quartile	1.30	9.75	9.75	9.07	8.15	7.01
Median	0.98	7.96	7.96	8.17	7.30	6.33
3rd Quartile	0.63	6.66	6.66	7.56	6.69	5.96
Population	130	130	130	123	120	102

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

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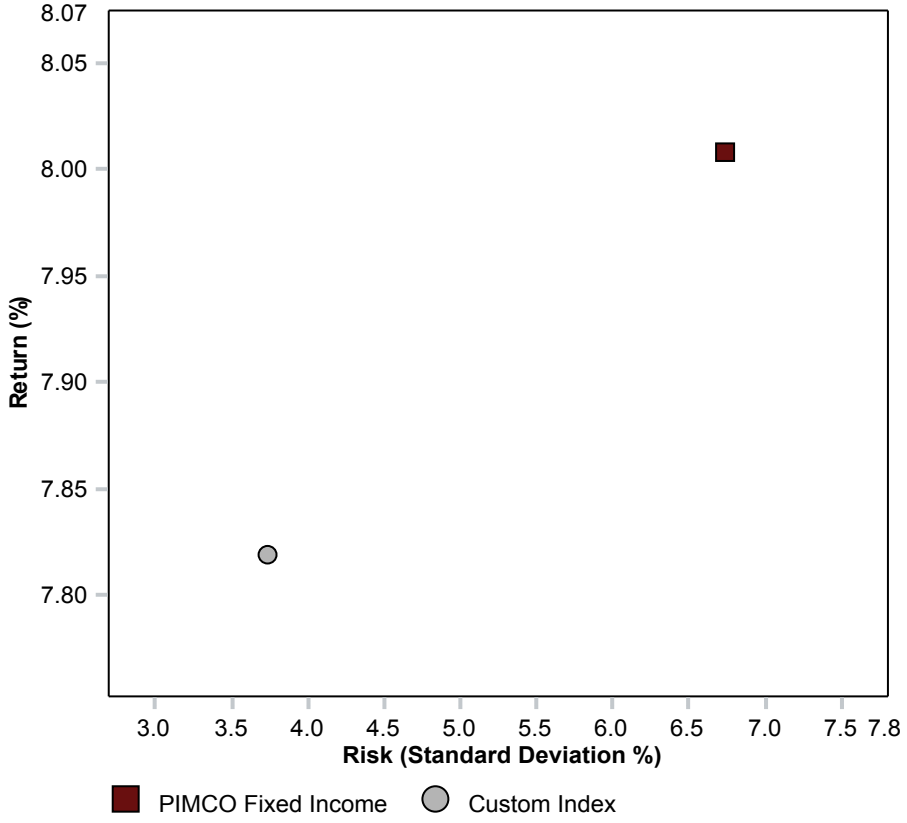
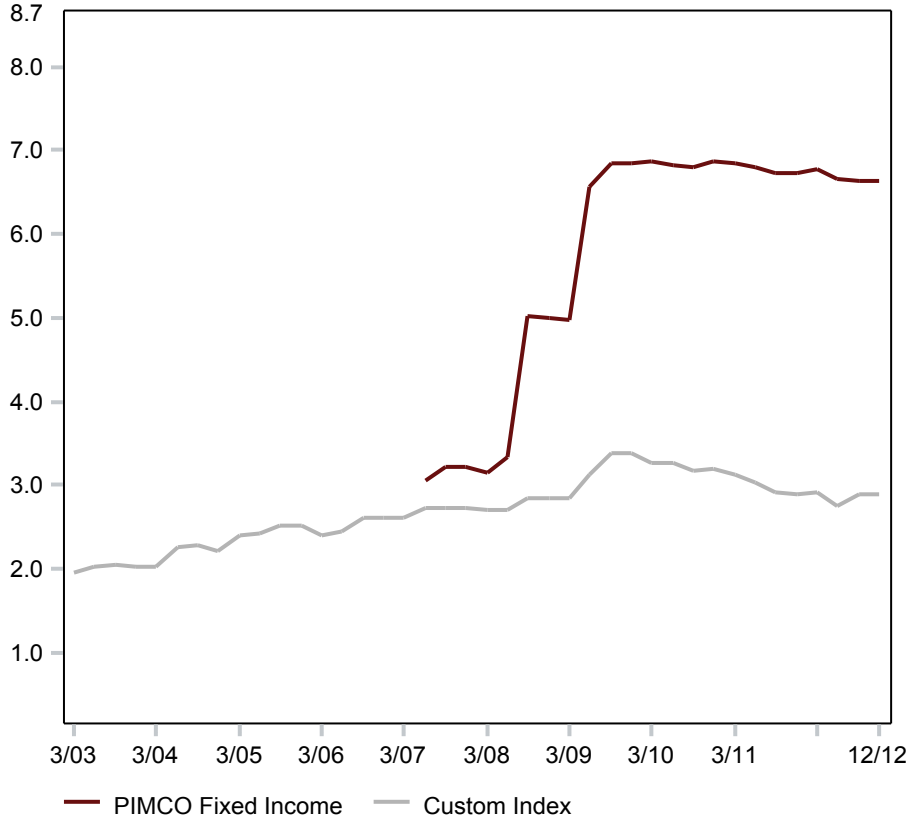
PIMCO Fixed Income Risk Profile

Annualized Return vs. Annualized Standard Deviation 5 Years



Rolling 5 Years Standard Deviation



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
PIMCO Fixed Income	0.33	4.40	0.08	0.63	1.10	-2.91	1.43	8.01	6.74	0.79
Custom Index	0.00	0.00	N/A	1.00	1.89	0.00	1.00	7.82	3.74	1.00
Citigroup 3 Month T-Bill	-7.18	3.80	-1.89	0.06	N/A	0.55	-0.01	0.44	0.22	-0.24

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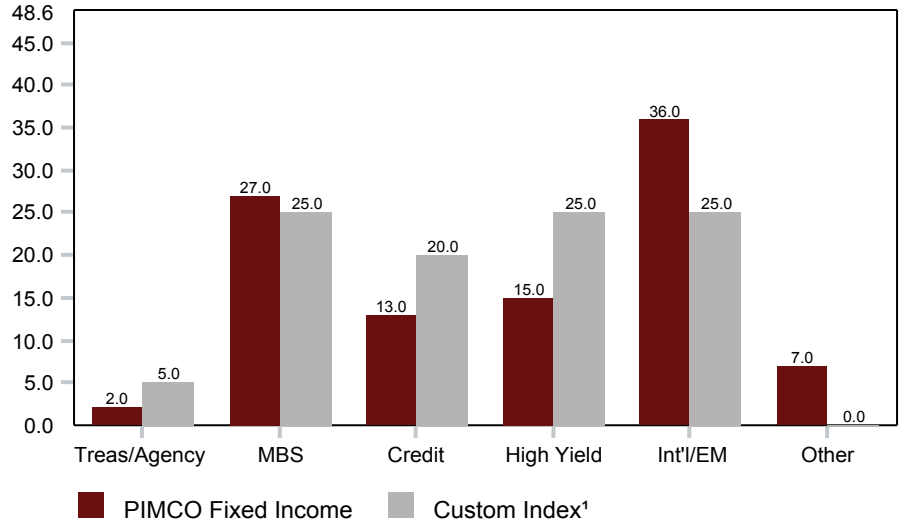
Portfolio Characteristics

PIMCO Fixed Income vs. Custom Index[1]

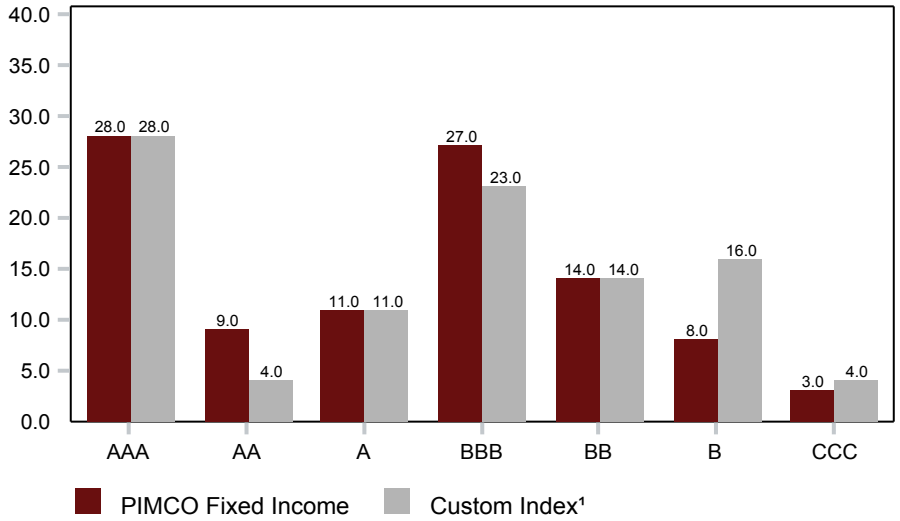
Portfolio Characteristics

	Portfolio	Benchmark
Avg. Quality	BBB	BBB
Avg. Maturity	7.92	5.62
Modified Duration	4.66	5.52
Yield To Maturity (%)	3.77	2.96
Holdings Count	231	7,961

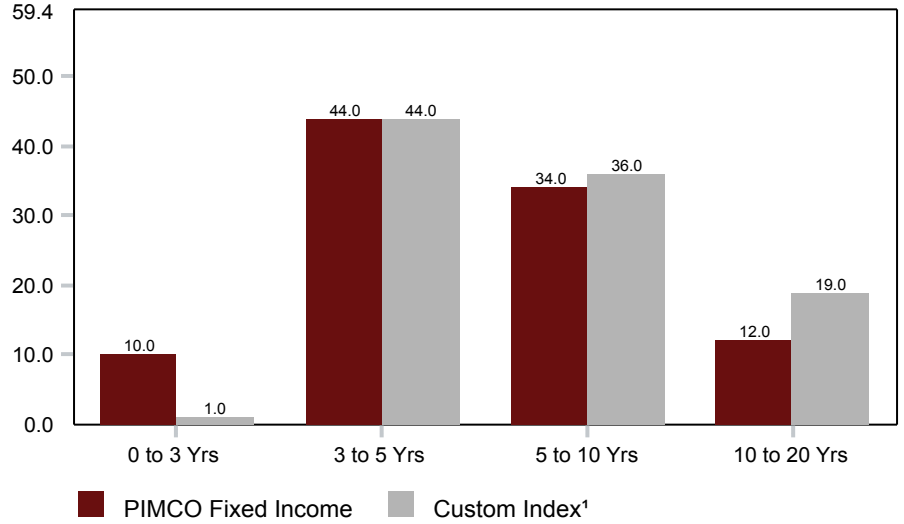
Sector Distribution (%)



Credit Quality Distribution (%)



Maturity Distribution (%)



[1] The custom index is composed of 25% Barclays Mortgage, 25% Barclays Credit, 25% Barclays High Yield, and 25% JPMorgan EMBI Global.

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Real Estate

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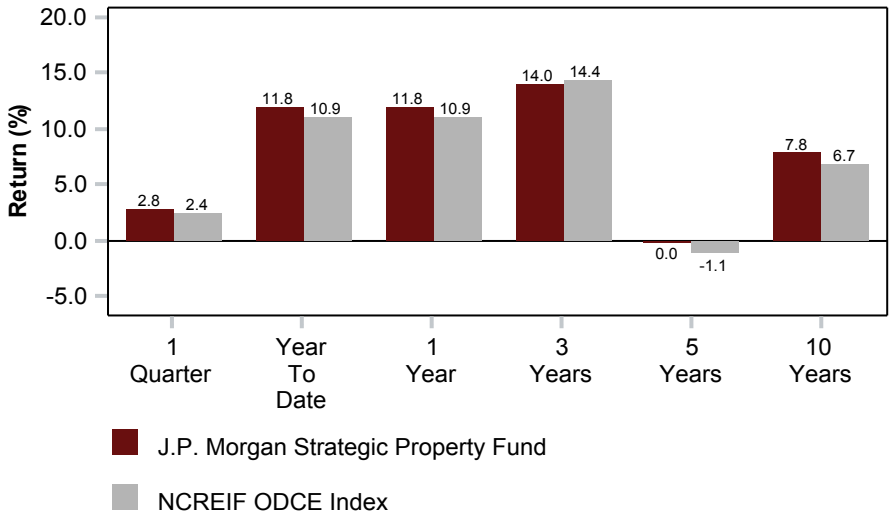
J.P. Morgan Strategic Property Fund Performance Summary

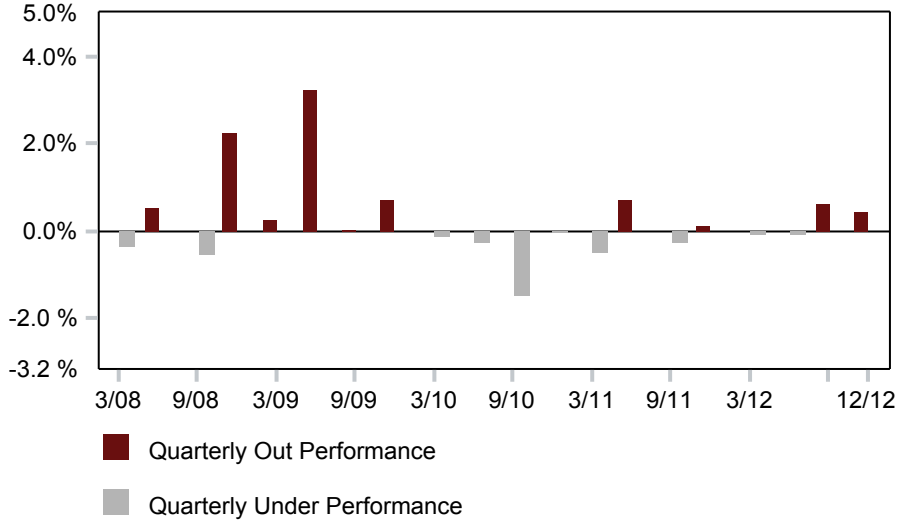
Account Information

Account Name:	JPM Strategic Property Fund
Inception Date:	10/01/2000
Account Structure:	Commingled Fund
Asset Class:	US Private Real Estate
Benchmark:	NCREIF ODCE Index (Gross)
Peer Group:	IM U.S. Open End Private Real Estate (SA+CF)

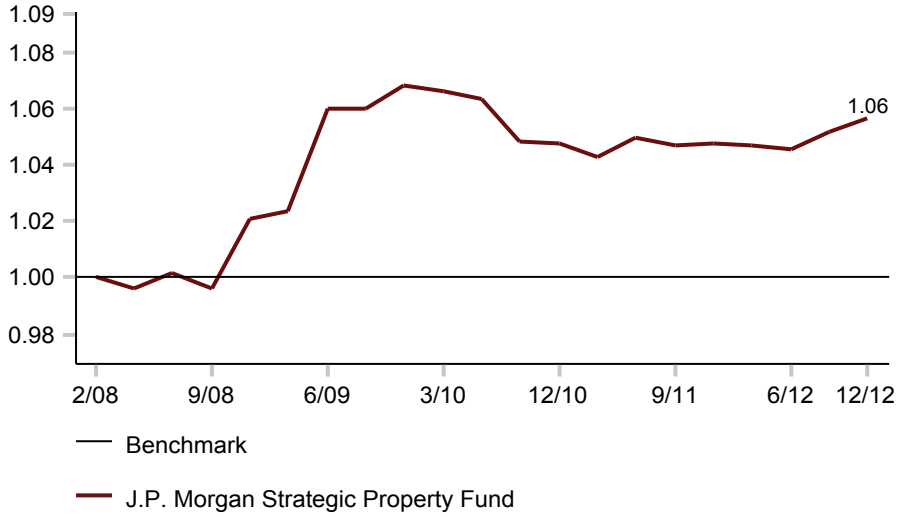
Return Summary



Quarterly Excess Performance - 5 Years



Ratio of Cumulative Wealth - 5 Years



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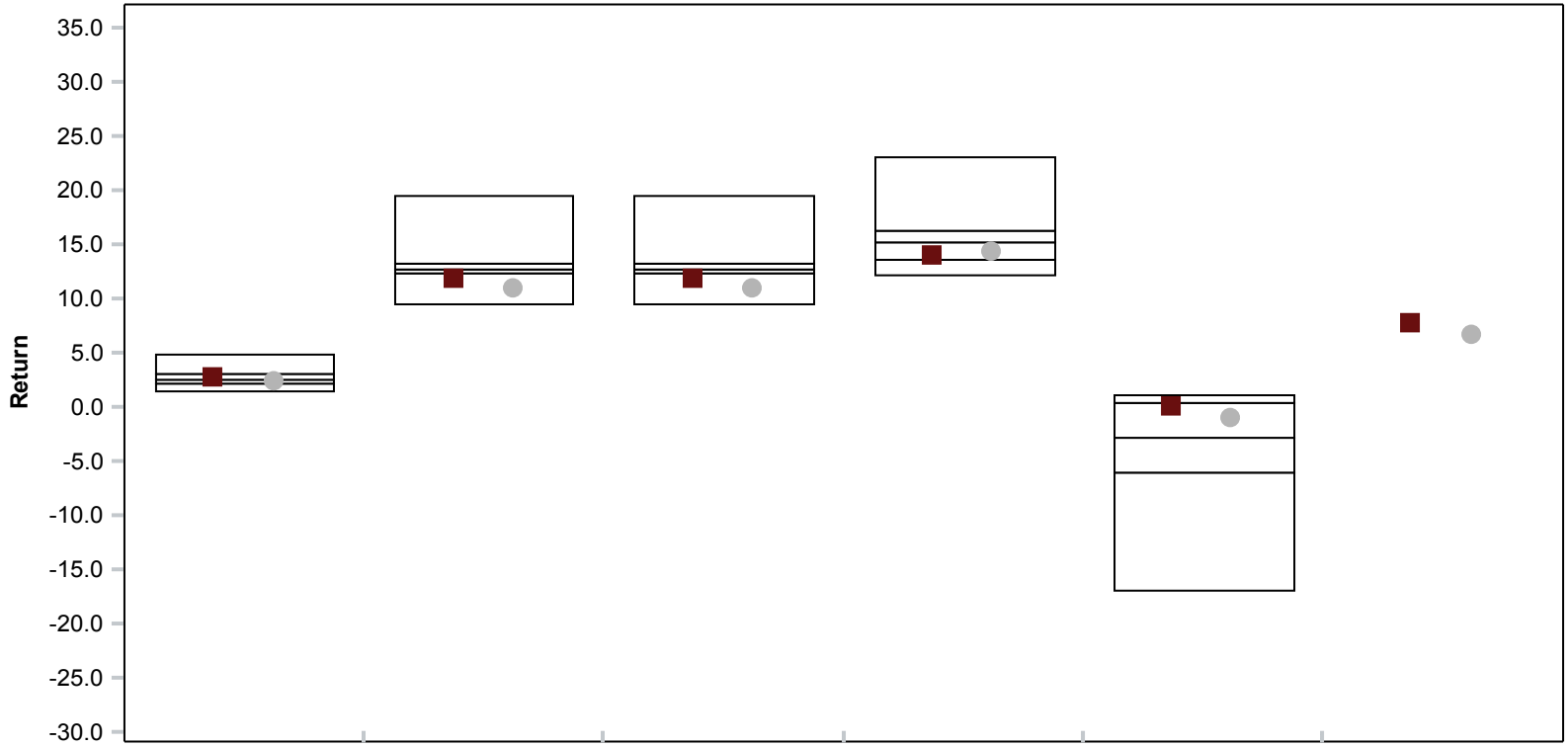
Peer Group Analysis

IM U.S. Open End Private Real Estate



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
■ JPM Strategic Property Fund	2.78 (28)	11.84 (84)	11.84 (84)	13.98 (65)	0.00 (28)	7.77 (N/A)
● NCREIF ODCE Index	2.35 (60)	10.94 (89)	10.94 (89)	14.40 (60)	-1.09 (35)	6.71 (N/A)
1st Quartile	3.00	13.26	13.26	16.36	0.40	N/A
Median	2.57	12.75	12.75	15.14	-2.83	N/A
3rd Quartile	2.19	12.42	12.42	13.59	-5.96	N/A
Population	11	11	11	11	10	6

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.

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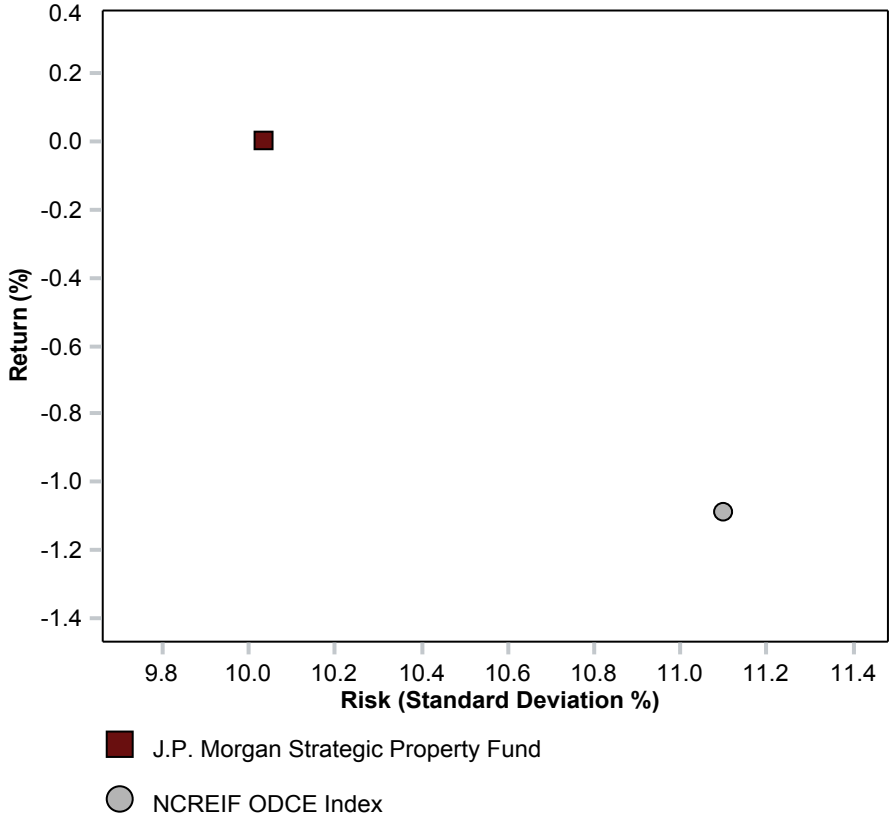
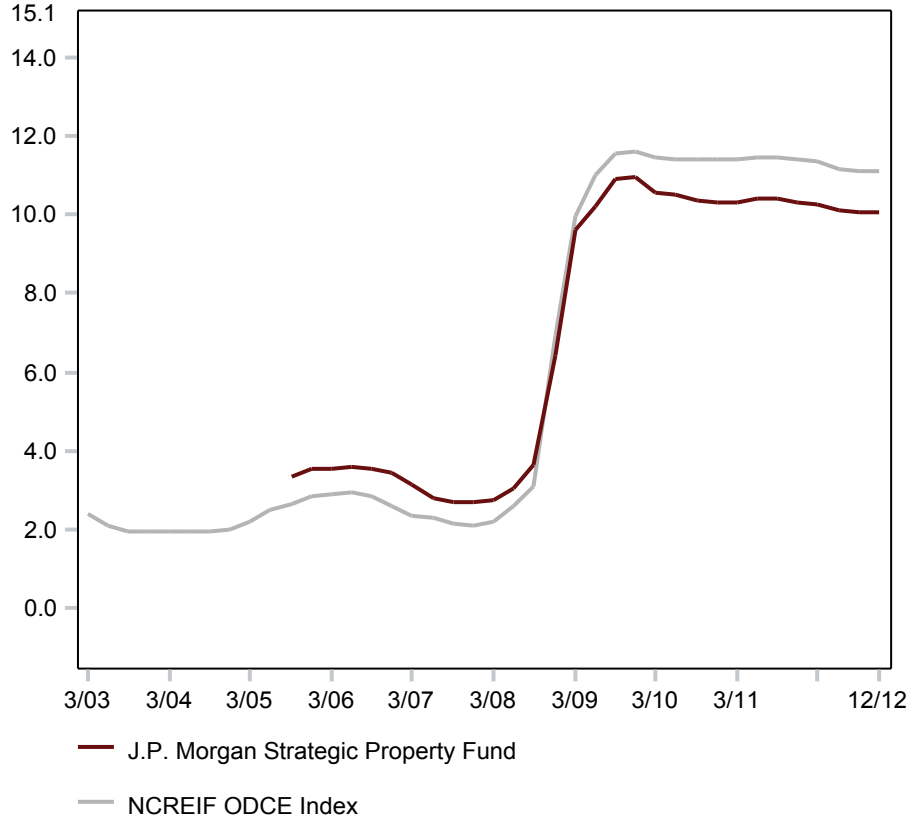
J.P. Morgan Strategic Property Fund Risk Profile

Annualized Return vs. Annualized Standard Deviation 5 Years



Rolling 5 Years Standard Deviation



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
J.P. Morgan Strategic Property Fund	0.97	1.96	0.50	0.98	0.01	0.93	0.89	0.00	10.03	0.99
NCREIF ODCE Index	0.00	0.00	N/A	1.00	-0.08	0.00	1.00	-1.09	11.10	1.00
Citigroup 3 Month T-Bill	0.89	11.15	0.08	0.01	N/A	0.44	0.00	0.44	0.37	-0.11

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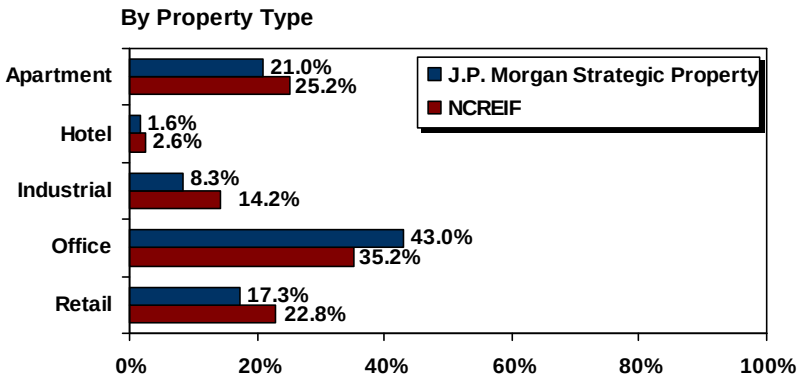
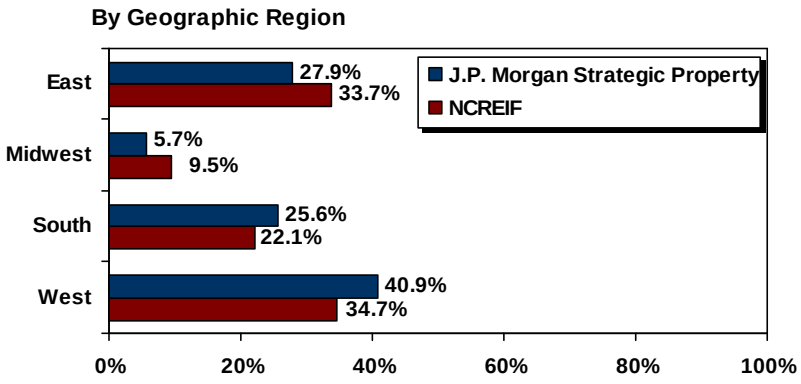
J.P. Morgan Strategic Property Fund

Portfolio Information as of December 31, 2012





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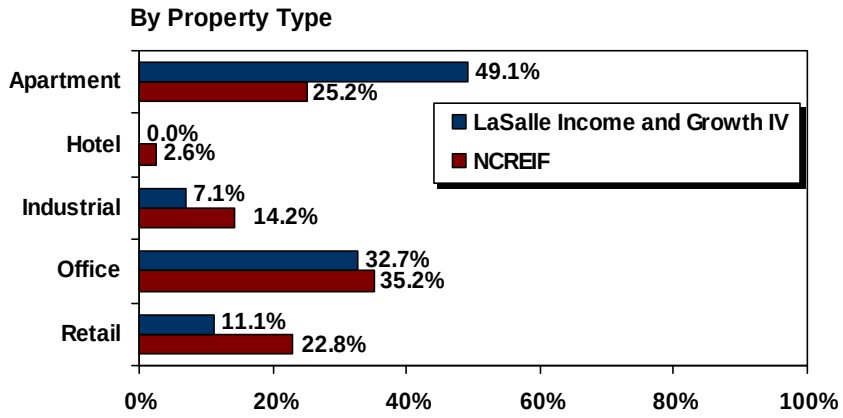
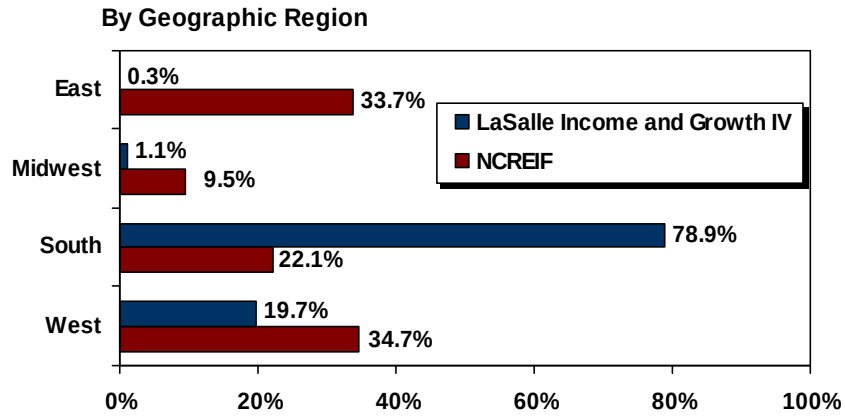
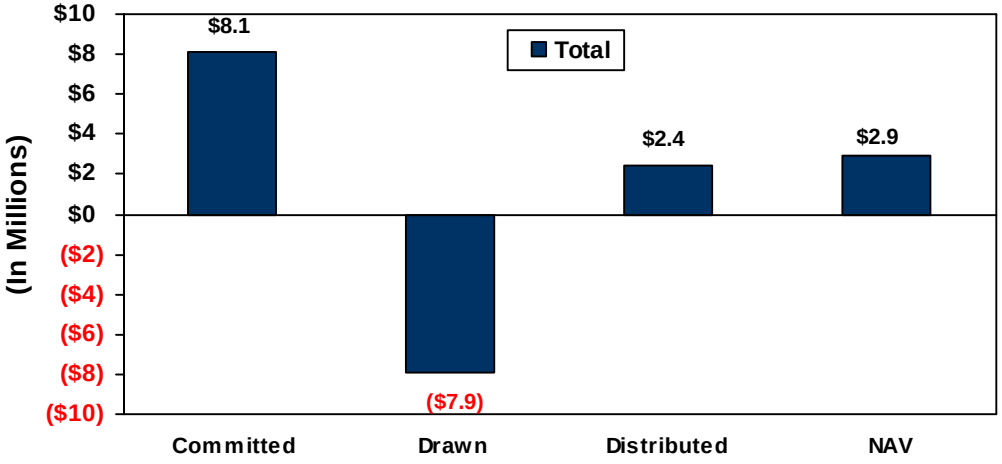
LaSalle Income and Growth IV [1,2]

Portfolio Information as of December 31, 2012







[1] Funding for the LaSalle Income and Growth IV strategy began on 07/06/2005.
[2] The characteristics shown are an estimate and were provided by the manager.

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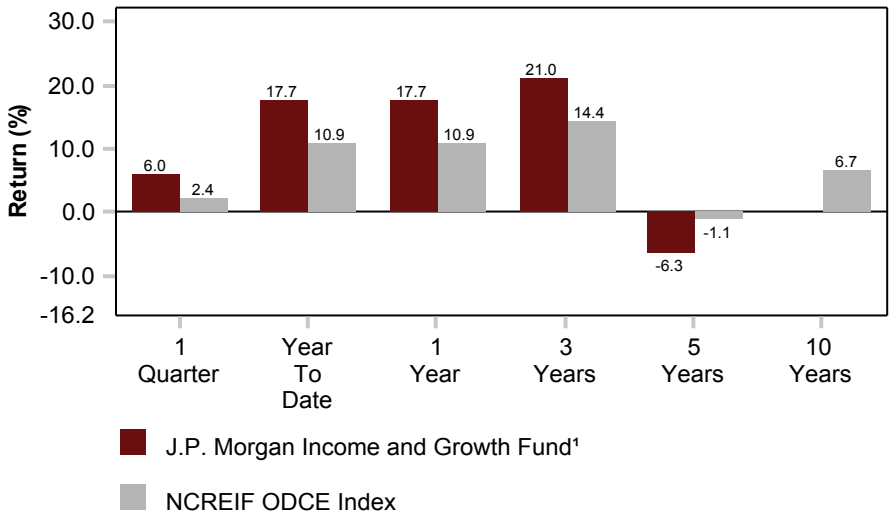
J.P. Morgan Income and Growth Fund[1] Performance Summary

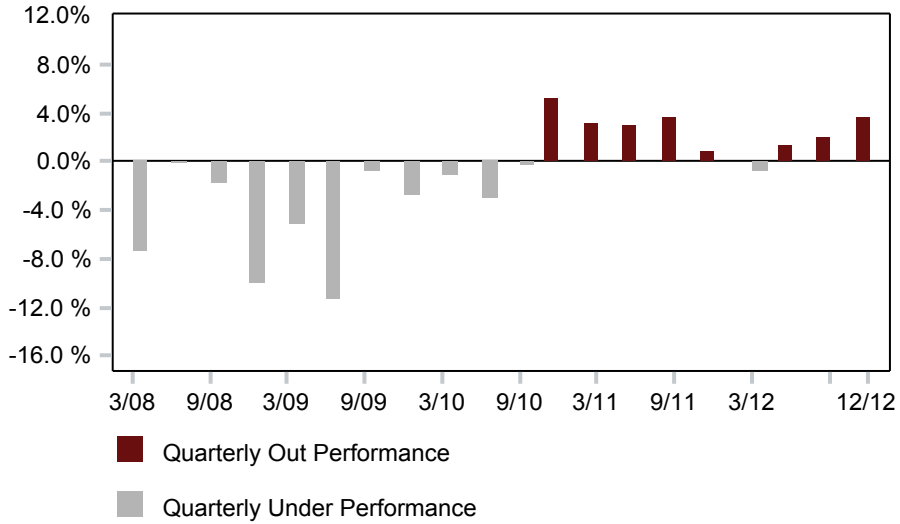
Account Information

Account Name:	JPM Income and Growth Fund
Inception Date:	11/01/2005
Account Structure:	Commingled Fund
Asset Class:	US Private Real Estate
Benchmark:	NCREIF ODCE Index (Gross)
Peer Group:	IM U.S. Open End Private Real Estate (SA+CF)

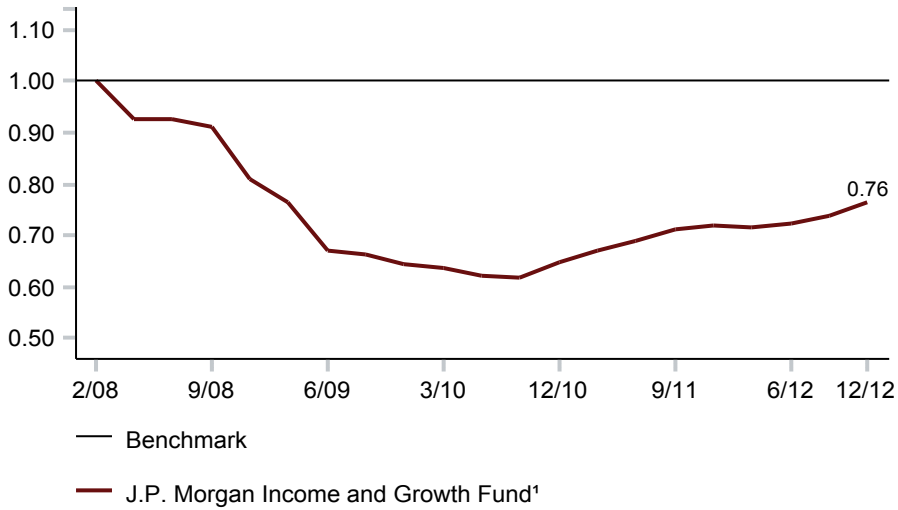
Return Summary



Quarterly Excess Performance - 5 Years



Ratio of Cumulative Wealth - 5 Years



[1] The J.P. Morgan Income and Growth strategy was funded during the fourth quarter of 2005. Prior performance is that of the commingled fund, which was provided by the manager.

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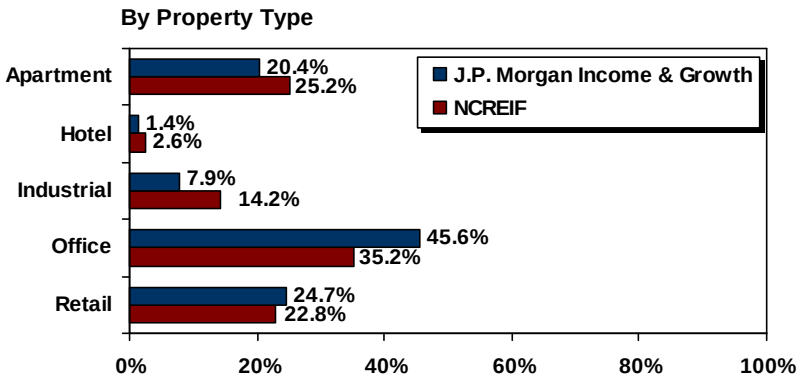
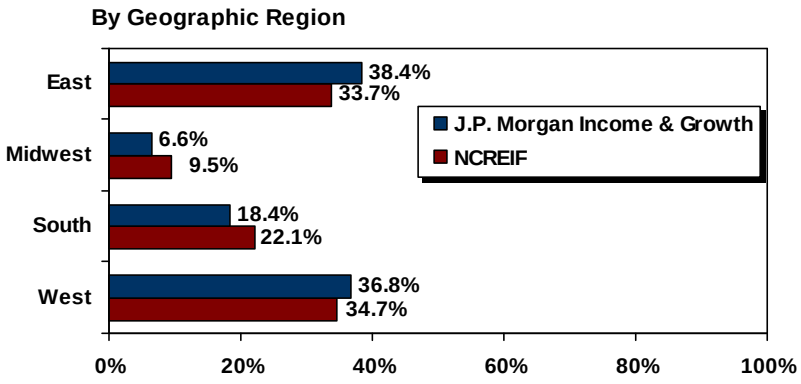
J.P. Morgan Income and Growth Fund

Portfolio Information as of December 31, 2012





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Infrastructure

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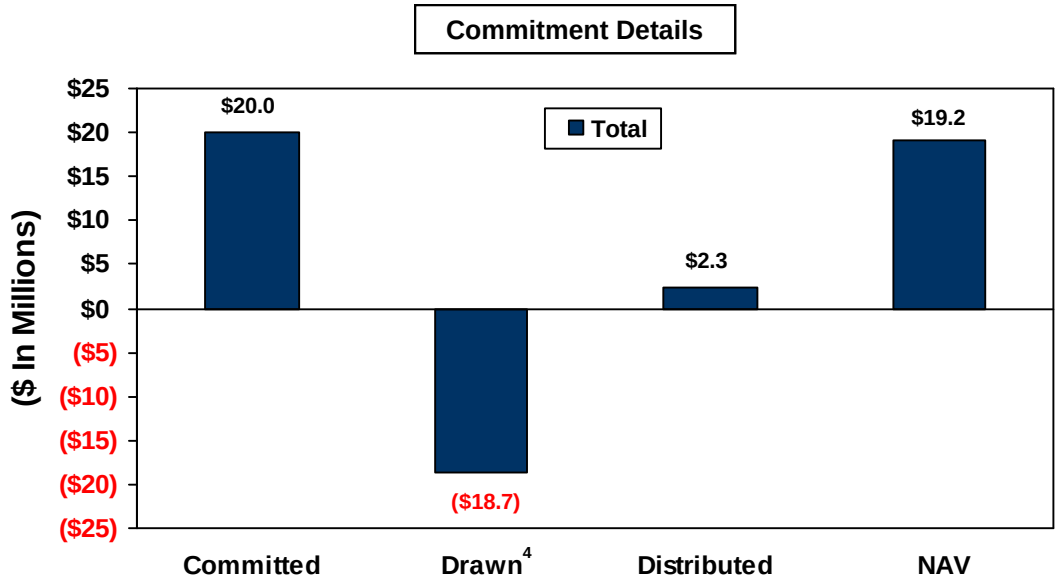
SteelRiver Infrastructure Fund North America [1,2]

Portfolio Information as of December 31, 2012

Fund Investments[3]	Sector	Date of Purchase	Purchase Amount	Current Value	Allocation
Seaonus/Portus Companies[3]	Transportation	December 2007	$117.5 MM	$132.8 MM	7.2%
Natural Gas Pipeline Co of America	Energy Distribution	December 2007	768.8 MM	497.5 MM	26.8%
Trans Bay Cable LLC	Energy Distribution	June 2008	154.3 MM	285.5 MM	15.4%
Peoples Natural Gas Company	Energy Distribution	February 2010	384.0 MM	635.8 MM	34.3%
Peoples TWP LLC	Energy Distribution	May 2011	76.8 MM	128.1 MM	6.9%
Patriot Rail Corp	Transportation	June 2012	170.7 MM	175.3 MM	9.4%
Total			$1,672.1 MM	$1,855.0 MM	100.0%



[1] Babcock & Brown was renamed SteelRiver on May 29, 2009.
[2] Funding began in September 2008.
[3] Formerly the ICS Companies.
[4] Drawn amount is net of $6.7 MM in returned capital.

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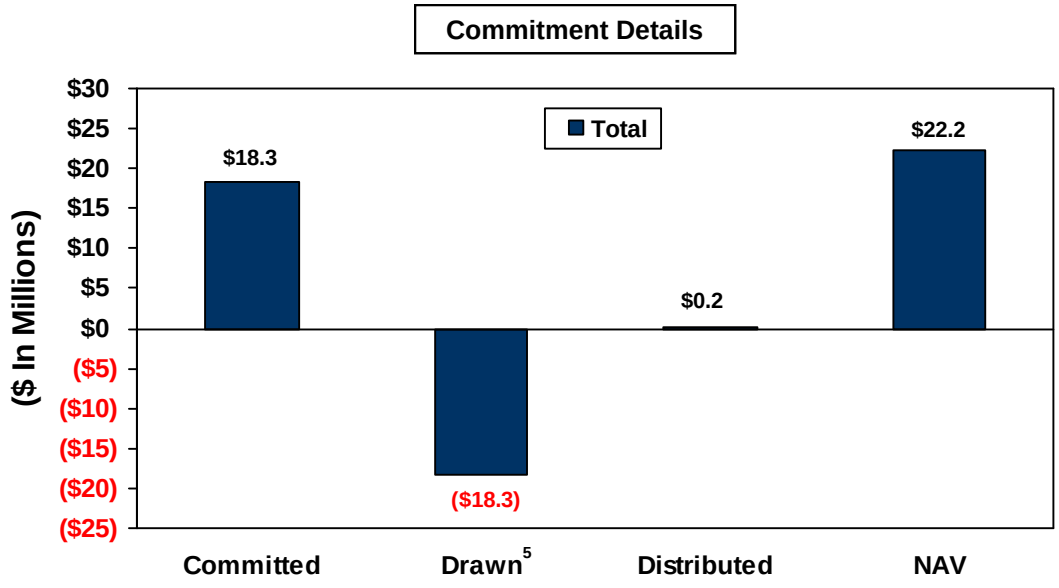
Macquarie European Infrastructure Fund III [1,2]

Portfolio Information as of December 31, 2012

Fund Investments	Sector	Date of Purchase	Purchase Amount	Current Value	Allocation
Brussells Airport	Transportation	November 2008	$531.4 MM	$838.2 MM	39.5%
Copenhagen Airport	Transportation	November 2008	693.2 MM	953.3 MM	44.9%
Ceske Radiokomunikace	Communication	January 2011	65.0 MM	58.5 MM	2.8%
Thyssengas	Energy Transmission	February 2011	219.7 MM	153.6 MM	7.2%
Net Cash and Equivalents			0.0 MM	119.9 MM	5.6%
Total			$1,509.3 MM	$2,123.4 MM	100.0%



[1] Funding began in October 2008. Original commitment was €12.9 MM, equivalent to $20 MM. However, a weakening Euro decreased the commitment to $18.3 MM.
[2] U.S. Dollar amounts are translated from Euros using an exchange rate of 1.32 USD per Euro.

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Capital Market Environment

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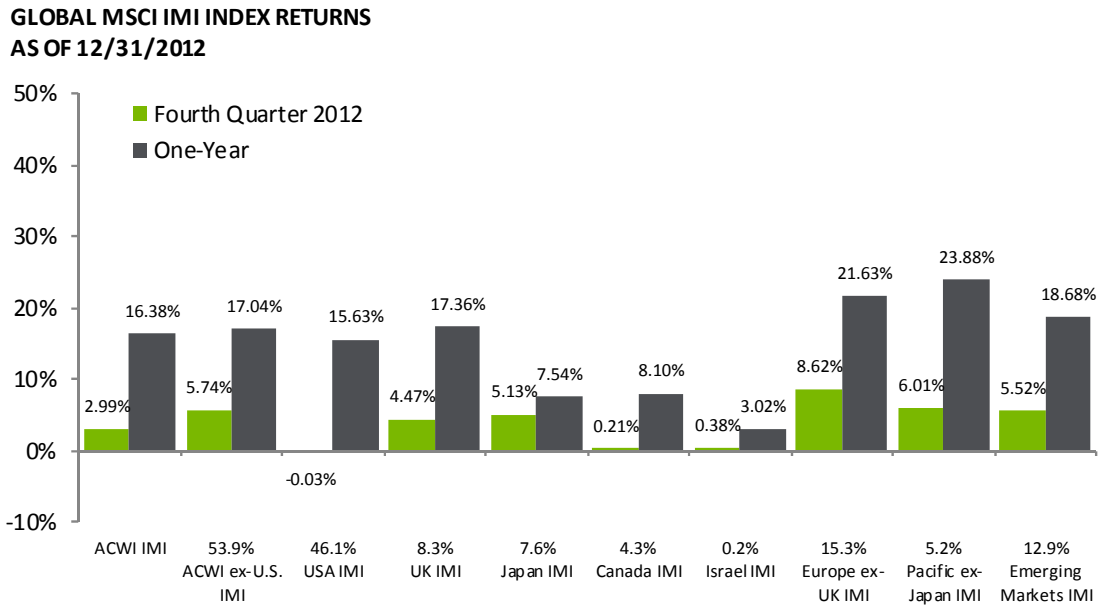
Global Equity Markets



Source: MSCI

- Positive economic data and a lessening of Eurozone debt crisis worries helped during the fourth quarter, but the impending "fiscal cliff" kept risk appetites in check.
- Most equity markets around the world posted positive returns during the quarter. The best performing market was Europe ex-UK, and the worst performing market was the U.S. with "fiscal cliff" concerns impeding equities in the U.S.

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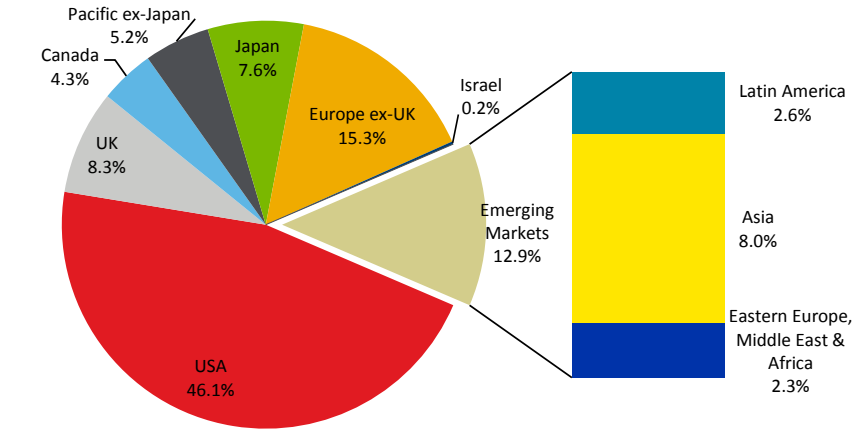
Global Equity Markets

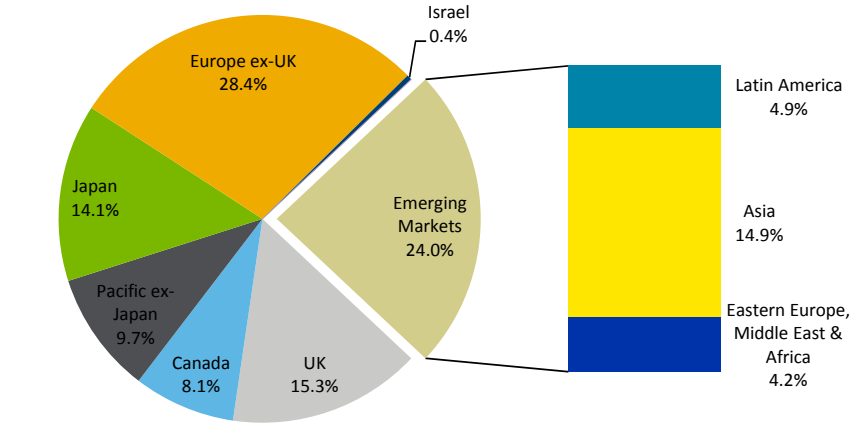
MSCI ALL COUNTRY WORLD IMI INDEX
GEOGRAPHIC ALLOCATION AS OF 12/31/2012



Source: MSCI

- The two exhibits on this slide illustrate the percent each country/region represents of the global equity market as measured by the MSCI All Country World IMI Index and the MSCI All Country World ex-U.S. IMI Index.

MSCI ALL COUNTRY WORLD EX-U.S. IMI INDEX
GEOGRAPHIC ALLOCATION AS OF 12/31/2012



Source: MSCI

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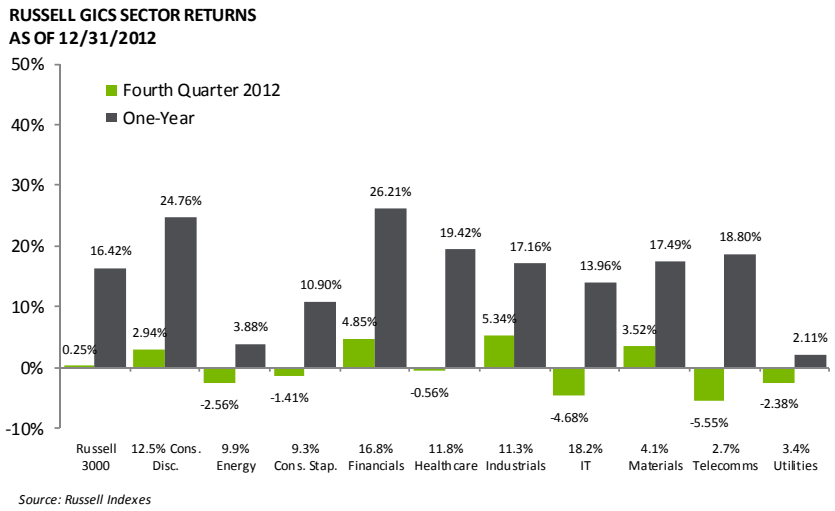
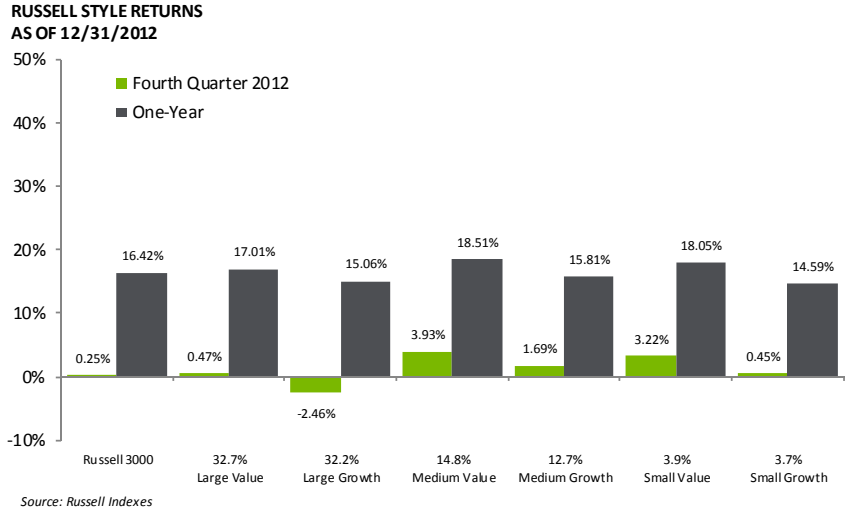
U.S. Equity Markets





- Generally positive U.S. economic data was overshadowed by the “fiscal cliff,” which led to significant uncertainty during the quarter.
- The Russell 3000 rose 0.25% during the quarter and returned 16.42% during 2012.
- The Industrials, Financials, and Materials sectors were the best performing sectors during the fourth quarter, posting returns of 5.34%, 4.85%, and 3.52%, respectively. The Telecommunications and Information Technology sectors were the worst performing areas, producing returns of -5.55% and -4.68%, respectively, during the fourth quarter.
- Mid cap outperformed both small cap and large cap during the fourth quarter. Value outperformed growth across all capitalization segments of the market during the quarter.

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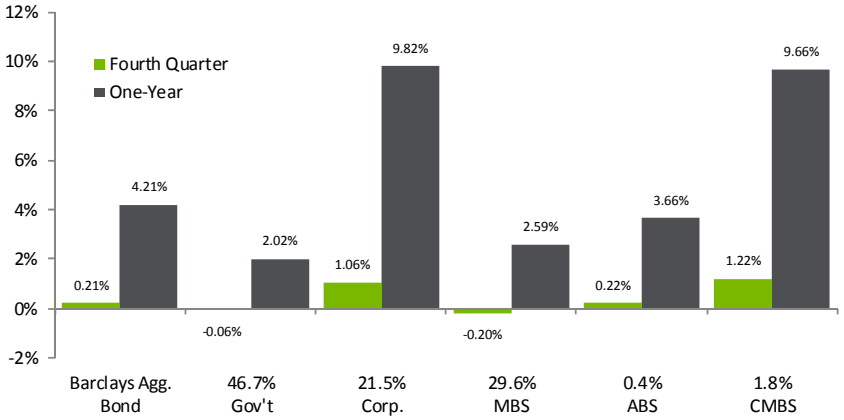
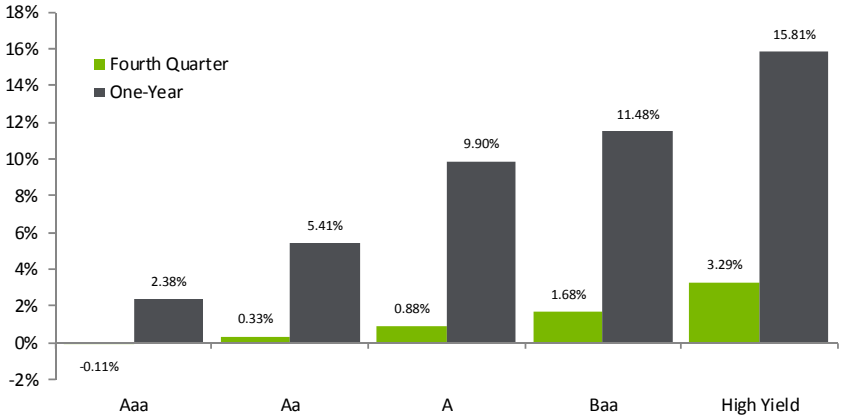
U.S. Fixed Income Markets

BARCLAYS AGGREGATE RETURNS BY SECTOR
AS OF 12/31/2012



Source: Barclays Live

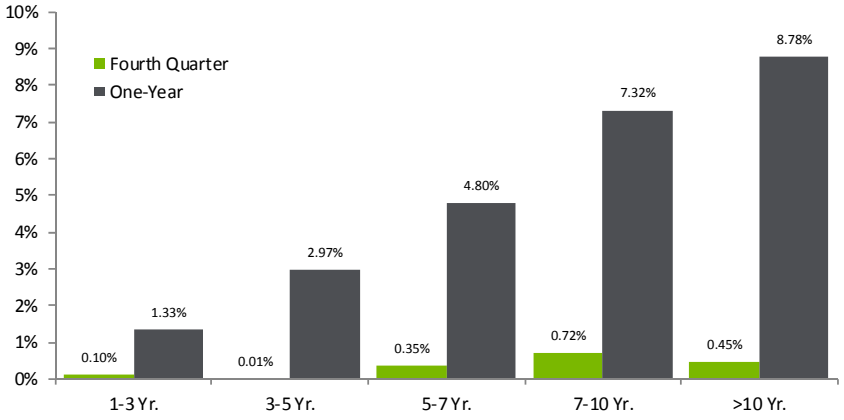
BARCLAYS AGGREGATE RETURNS BY QUALITY AND HIGH YIELD RETURNS
AS OF 12/31/2012



Source: Barclays Live

- The Barclays Aggregate Bond Index returned 0.21% in the fourth quarter.
- Corporate bonds and commercial mortgage-backed securities were the strongest performing sectors, returning 1.06% and 1.22%, respectively, over the course of the fourth quarter.
- In the investment grade market, lower quality bonds outperformed higher quality bonds. This held true for the quarter and for the full year 2012.
- High yield bonds outperformed investment grade bonds as investors sought yield in a low interest rate environment.
- From a maturity perspective, the 7-10 year range performed the strongest with a return of 0.72% during the fourth quarter.

BARCLAYS AGGREGATE RETURNS BY MATURITY
AS OF 12/31/2012



Source: Barclays Live

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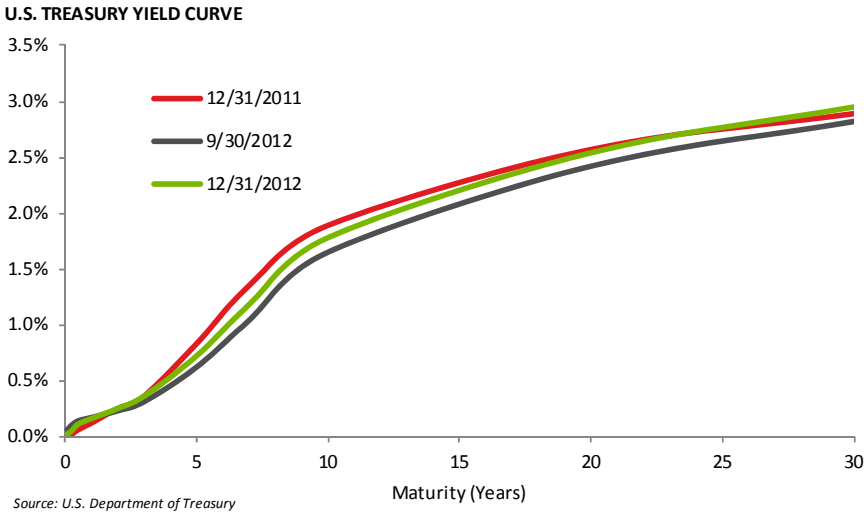
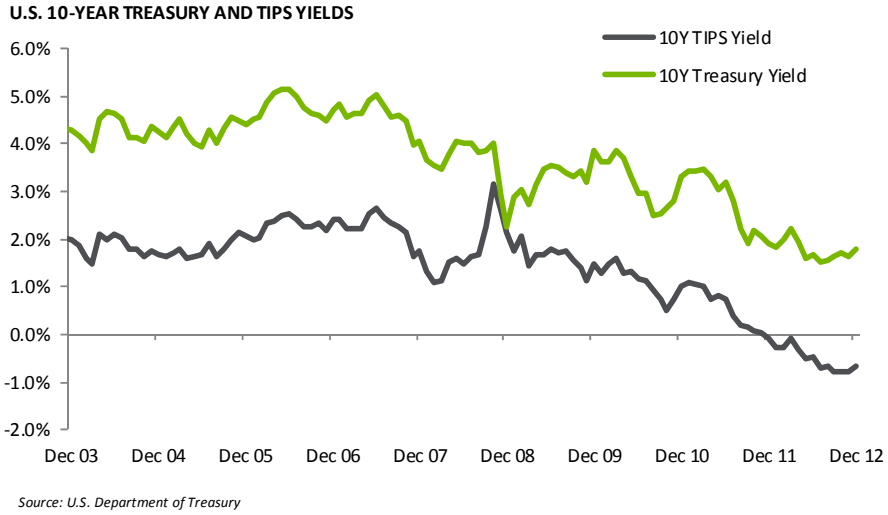
U.S. Fixed Income Markets





- The Treasury yield curve steepened during the quarter; both the intermediate (1 to 10 years) and the long-term segments of the yield curve rose.
- The 10-year U.S. Treasury yield ended the quarter at a yield of 1.78%, roughly 13 basis points higher than its level at the beginning of the quarter.
- 10-year TIPS yields remained in negative territory, but rose by 10 basis points to -0.67% over the quarter.

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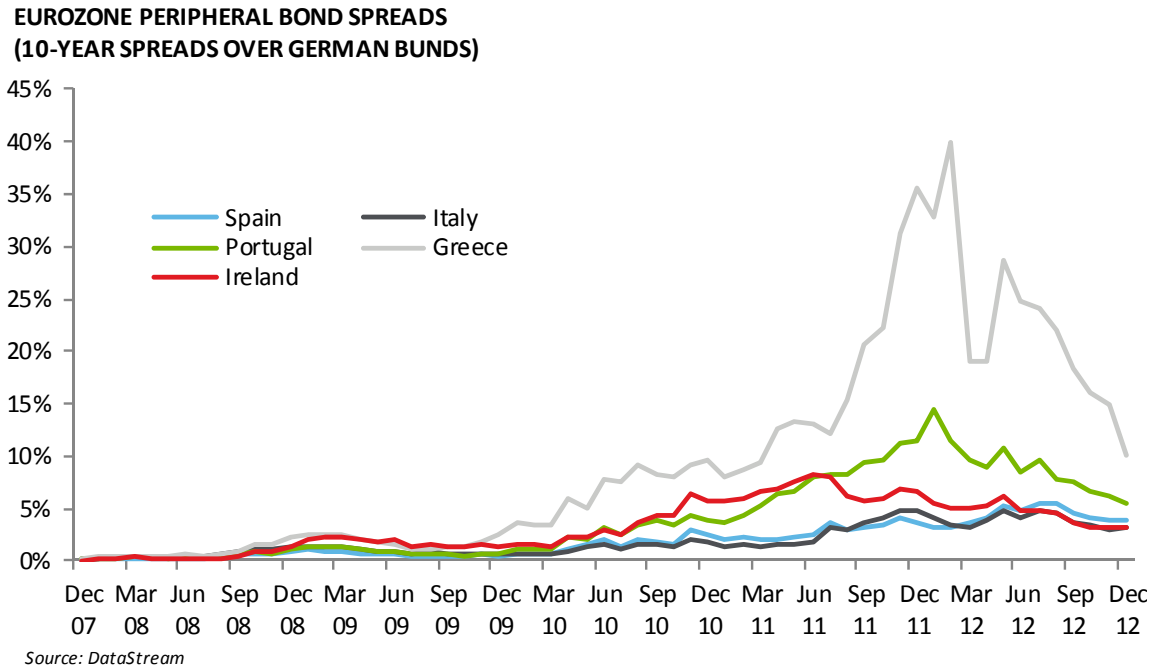


- Greece was one of the focal points of the Eurozone debt crisis during the quarter as speculation rose on whether it would obtain a second tranche of bailout funds. On November 26, European leaders, the European Central Bank, and the International Monetary Fund reached an agreement to release the next €34 billion tranche of bailout money to Greece. This was generally viewed positively by market participants and led to a reduction in Greek spreads over German Bunds.

- 10-year yield spreads over German Bunds decreased for the rest of the Eurozone periphery as well over the quarter.

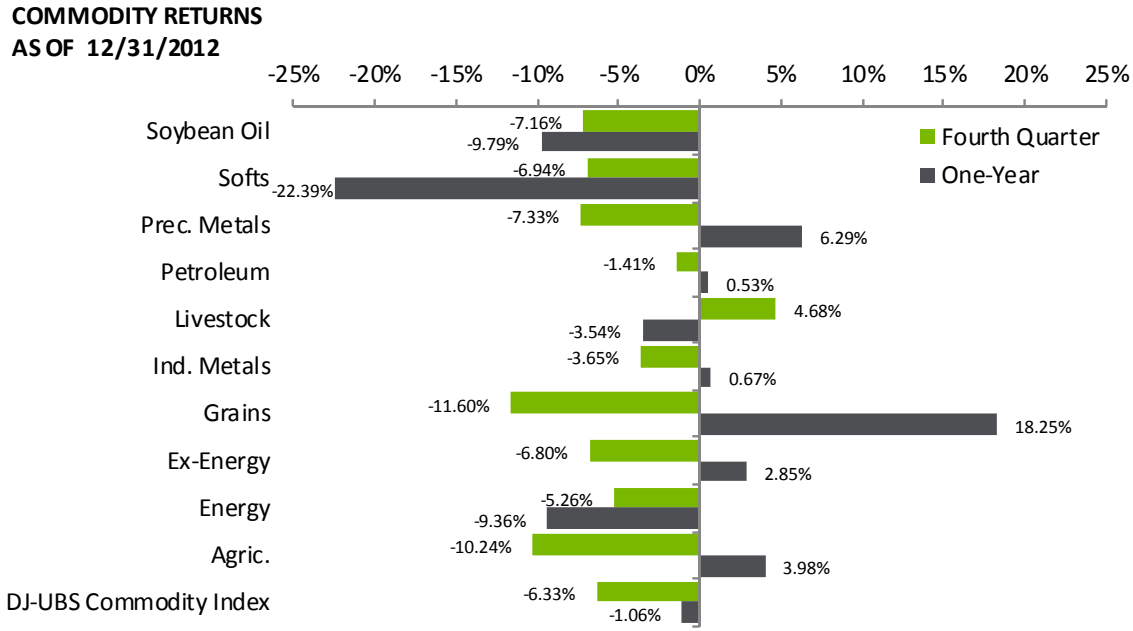
Credit Spreads

Spread (bps)	12/31/2012	9/30/2012	12/31/2011	Quarterly Change (bps)	1-Year Change (bps)
U.S. Aggregate	53	49	87	4	-34
Long Gov't	4	4	6	0	-1
Long Credit	180	191	239	-11	-59
Long Gov't/Credit	109	114	131	-5	-22
MBS	50	24	75	26	-26
CMBS	124	155	308	-31	-184
ABS	43	44	99	-1	-56
Corporate	141	156	234	-15	-93
High Yield	511	551	699	-40	-188
Global Emerging Markets	293	332	464	-39	-171

Source: Barclays Live

- Credit spreads fell across most markets during the quarter with the exception of MBS.
- Fixed income markets that saw the largest drops in spreads were High Yield, Global Emerging Markets, and CMBS.
- Credit spreads across every segment as of December 31, 2012 were lower relative to a year prior.

Commodities



Source: Dow Jones

- Driven by negative returns across most market sectors, the Dow Jones-UBS Commodity Index decreased by 6.33% during the fourth quarter.
- The strongest and only positive performing segment of the market was livestock with a return of 4.68% during the quarter.
- Grains and Agriculture were the worst performing sectors of the market during the fourth quarter with returns of -11.60% and -10.24%, respectively.

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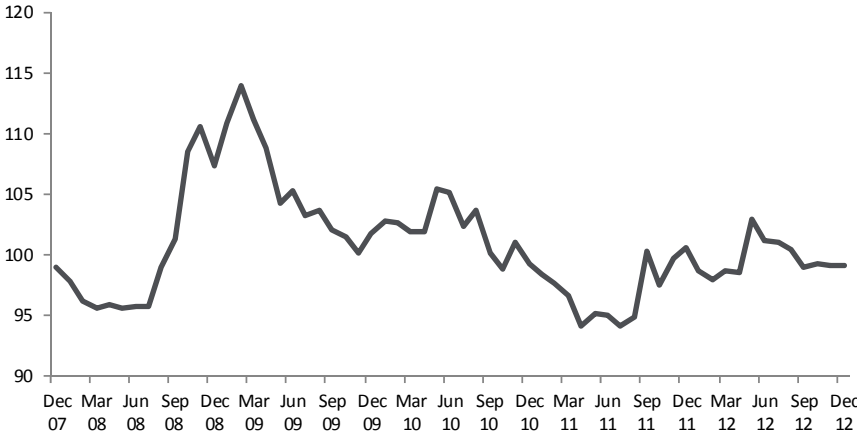
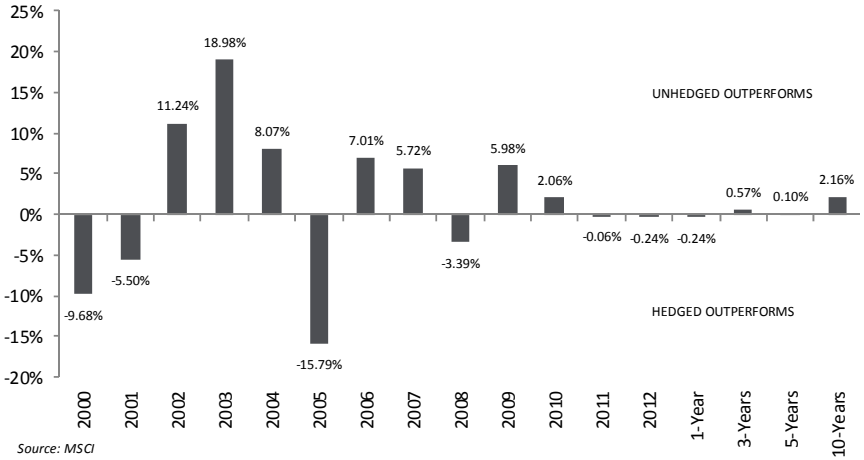
Currency

TRADE WEIGHTED U.S. DOLLAR INDEX
(1997 = 100)



Source: Federal Reserve

DIFFERENCE BETWEEN MSCI EAFE UNHEDGED AND HEDGED INDICES
AS OF 12/31/2012



Source: MSCI

- As measured through the broad trade weighted U.S. dollar index, the U.S. dollar marginally appreciated during the quarter and the one-year period.

- The MSCI EAFE Unhedged Index slightly underperformed the MSCI EAFE 100% Hedged Index during the year-to-date period reflecting the appreciation of the U.S. dollar. The Unhedged index outperformed the Hedged index during the trailing 3-, 5-, and 10-year periods.

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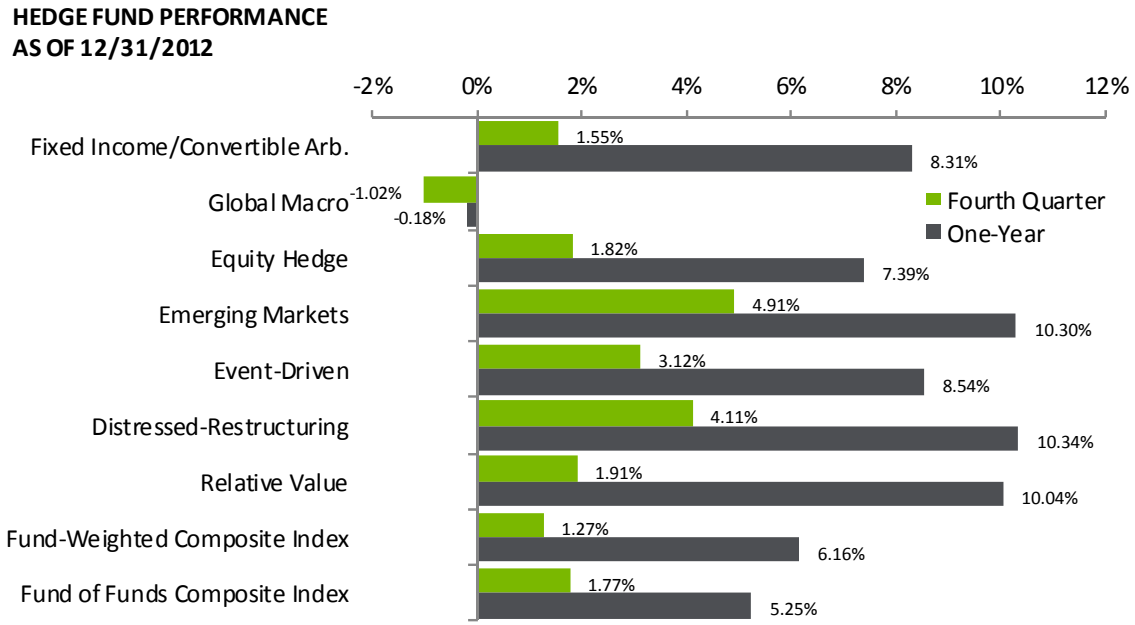
Hedge Fund Markets Overview

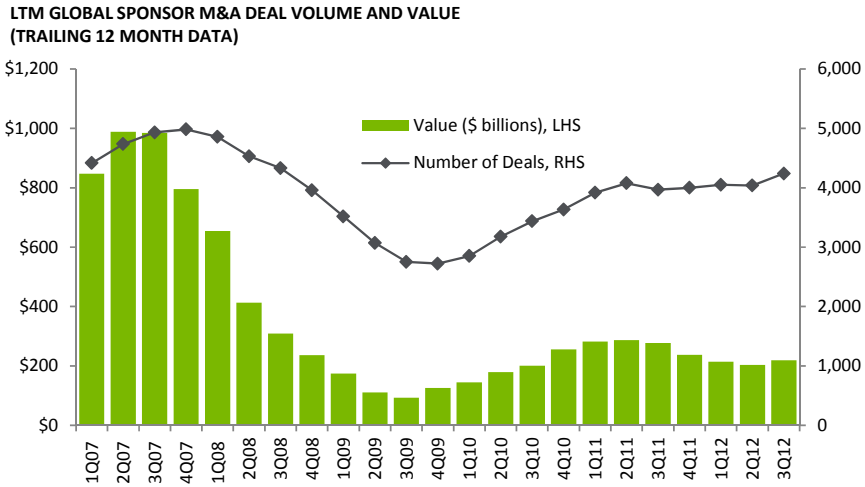


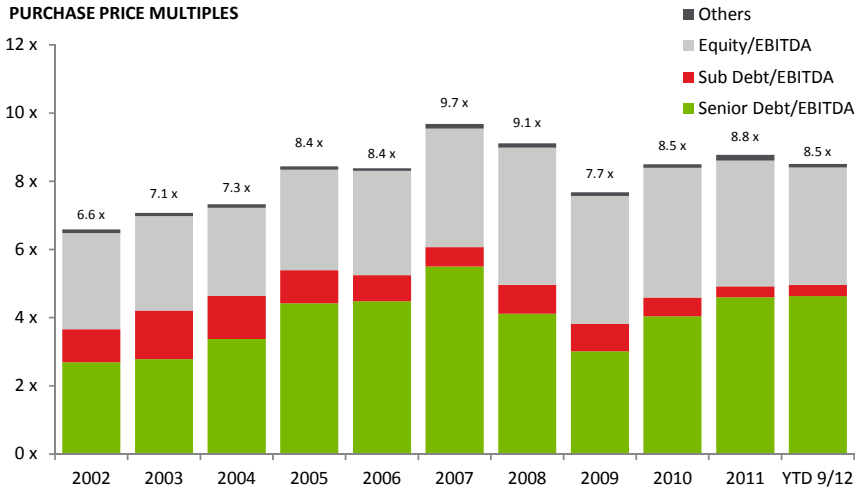
Source: HFR

- Except for Global Macro, all major hedge fund strategies types posted positive returns in the fourth quarter and for the full year 2012. The HFRI Fund-Weighted Composite Index and the HFRI Fund of Funds Composite Index produced returns of 1.27% and 1.77%, respectively, during the fourth quarter.

- Emerging Markets and Distressed-Restructuring strategies were the strongest performers during the quarter gaining 4.91% and 4.11%, respectively.

Private Equity Market Overview – Q3 2012





- **Fundraising:** Continues to improve: LTM levels ($263B) healthy but not excessive levels. Remains well below pre-crisis levels ($490B). Overhang significant ($785B) but decreasing.
- **Buyout:** Deal volume vacillating quarter to quarter, but flat to slightly trending up. Small and middle market deals comprise bulk of activity although increasing activity seen in the large market. Purchase price multiples remained relatively steady for last three years; large cap is above its 10 year average while middle market is below its 10 year average. European activity remains slow due to economic uncertainty.
- **Venture capital:** YTD investment levels ($20B) lagging strong levels in 2011. Meaningful shift over last 1.5 years to later stage deals with a commensurate increase in series C in pre-money valuations and a decrease in series A and B pre-money valuations; YTD exit activity down 14% due to reduced M&A activity, number of IPOs flat with 2011.
- **Mezzanine:** U.S. mezzanine lenders continue to target smaller transactions as getting squeezed out of larger transactions in favor of high yield. YTD sub debt usage in large cap deals represented smallest percentage of total purchase price multiple in last 15 years.
- **Distressed Debt:** Investment activity remains low due to high refinance activity and continued low high-yield default rates; looking forward to 2013-2014 attractive opportunities exist primarily in mid to lower cap market due to fragile economy and reduced leveraged loan capacity.
- **Secondaries:** $16 billion raised YTD expect second highest year of fundraising; YTD volume of $18.5 billion lagging 2011 but still robust. Pricing discounts flat at 11% for Buyout and decreasing slightly to 25% for Venture.
- **Infrastructure:** YTD Fundraising down from 2011, new infrastructure debt funds being raised. Activity plateaued at lower levels due to debt availability and increased regulation in Europe.

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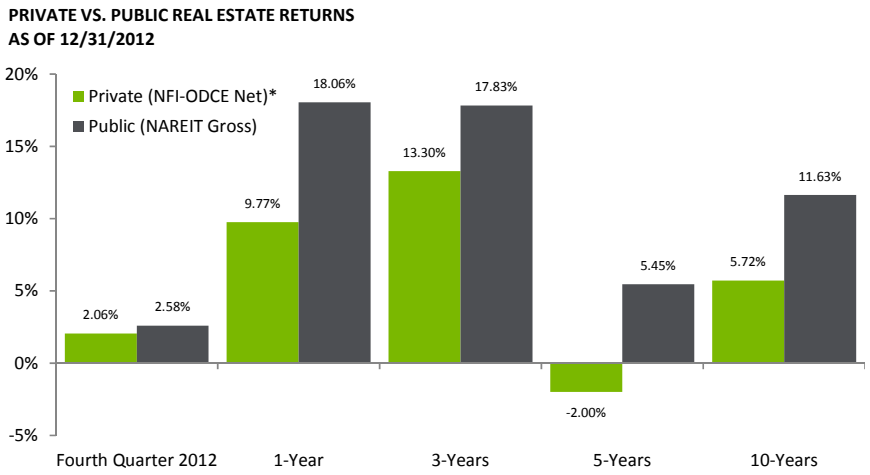
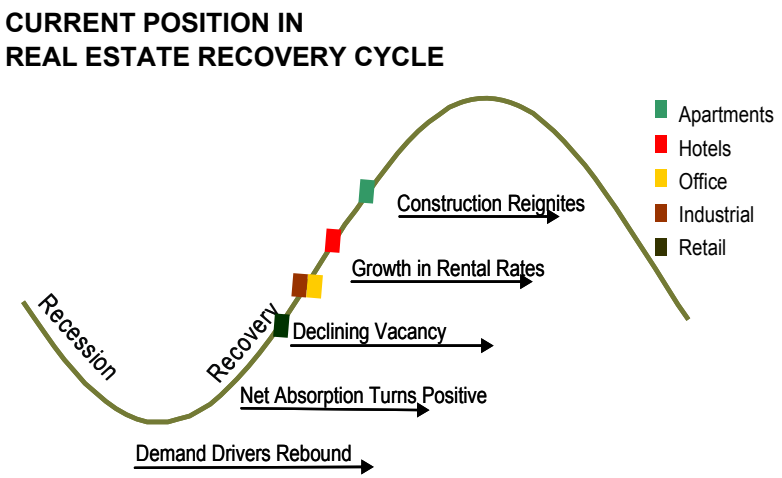
U.S. Commercial Real Estate Markets



*Fourth quarter returns are preliminary
Sources: NCREIF, NAREIT



2013 U.S. Real Estate Outlook:

- The U.S. economy is expected to remain in a slow-growth mode for much of 2013. While still supporting a continuation of measured improvements in real estate fundamentals (e.g., net absorption, occupancies, and now more broadly some rent growth), the pace of improvement is expected to remain modest.
- Real Estate returns are expected to continue their path of moderation given the sector's robust pricing rebound over the past few years. Consensus forecast range for the NPI is 6%–9% (Core real estate), which is still generally in line with the sector's long-term average.
  - If Core buyers accept lower yields for real estate absent attractive income alternatives in other asset classes, returns could reach the high end of the range. On the flip side, policies meant to address long term government fiscal issues could deliver a short term economic shock placing returns at the lower end of the range, at best.
- Uncertainty stemming from the negative scenarios that could play out through multiple macro economic/political issues will likely keep investors cautious in early 2013. Thus we expect growth in transaction volumes to remain muted versus typical rebound periods. We anticipate the market will continue to seek the safety of current yield provided by Core, which remains historically attractive relative to other asset classes.
  - The current low interest rate environment continues to support price recovery/growth and this is expected to persist as the U.S. Federal Reserve has indicated it will support a low interest rate environment until sustained economic growth is evident.
- New supply is expected to become more noticeable in 2013, first entering through the apartment sector, though select industrial development has also begun. As an asset class, however, new deliveries are still well restrained.
  - The ramp up in multifamily supply is expected to slow that segment's positive momentum in 2013, though not derail it—selective pruning of apartment holdings in high supply markets should be up for consideration.

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After Fees Performance Summary

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As of December 31, 2012

Trailing Period Performance (After Fees)

	Performance(%)				
	1 Quarter	1 Year	3 Years	5 Years	10 Years
Plan Composite	**2.0 (26)**	**15.4 (3)**	**9.1 (15)**	**1.8 (90)**	**7.2 (24)**
Custom Index[1]	*1.3 (57)*	*12.6 (46)*	*9.5 (8)*	*2.9 (45)*	*7.8 (11)*
Large Cap U.S. Equity	**0.2**	**18.0**	**10.7**	**0.1**	**6.6**
Alliance S&P 500 Index	-0.4 (58)	15.9 (40)	10.9 (30)	1.7 (50)	7.1 (63)
S&P 500 Index	*-0.4 (58)*	*16.0 (38)*	*10.9 (30)*	*1.7 (50)*	*7.1 (62)*
PIMCO StocksPLUS	-0.1 (50)	21.8 (4)	14.0 (2)	4.5 (6)	-
S&P 500 Index	*-0.4 (58)*	*16.0 (38)*	*10.9 (30)*	*1.7 (50)*	*7.1 (62)*
BlackRock Russell 1000 Value Index	1.5 (41)	17.6 (25)	11.0 (28)	0.8 (57)	7.5 (54)
Russell 1000 Value Index	*1.5 (41)*	*17.5 (26)*	*10.9 (30)*	*0.6 (64)*	*7.4 (57)*
T. Rowe Price Large Cap Growth[2]	-0.6 (45)	18.0 (21)	10.5 (41)	4.2 (15)	8.9 (18)
Russell 1000 Growth Index	*-1.3 (64)*	*15.3 (46)*	*11.4 (27)*	*3.1 (27)*	*7.5 (47)*
Small/Mid Cap U.S. Equity	**2.4**	**17.3**	**14.0**	**4.4**	**10.0**
Champlain Mid Cap	1.0 (92)	12.1 (76)	11.4 (60)	5.4 (12)	11.4 (19)
Russell Midcap Index	*2.9 (32)*	*17.3 (21)*	*13.2 (13)*	*3.6 (39)*	*10.6 (37)*
Pyramis Small Cap	3.7 (15)	22.6 (3)	16.4 (10)	5.8 (17)	11.8 (9)
Russell 2000 Index	*1.9 (63)*	*16.3 (43)*	*12.2 (65)*	*3.6 (52)*	*9.7 (61)*
International Equity	**5.2**	**21.2**	**3.8**	**-3.9**	**7.5**
Causeway International Value Equity	5.7 (60)	23.3 (17)	7.6 (23)	-0.7 (32)	-
MSCI EAFE Index	*6.6 (37)*	*17.3 (62)*	*3.6 (69)*	*-3.7 (74)*	*8.2 (78)*
Aberdeen EAFE Plus[3]	4.6 (79)	15.0 (80)	7.8 (22)	1.3 (17)	11.4 (40)
MSCI AC World ex U.S. Index	*5.8 (55)*	*16.8 (66)*	*3.9 (65)*	*-2.9 (63)*	*9.7 (55)*
Fixed Income	**1.5**	**9.8**	**7.5**	**6.8**	**6.4**
BlackRock U.S. Debt Fund^	0.2 (68)	4.3 (85)	6.3 (67)	6.1 (65)	5.3 (49)
Barclays Aggregate Index	*0.2 (73)*	*4.2 (86)*	*6.2 (75)*	*5.9 (72)*	*5.2 (64)*
PIMCO Fixed Income	2.3 (4)	12.9 (4)	8.8 (24)	7.6 (33)	7.1 (16)
*Custom Index**	*1.9 (10)*	*10.6 (14)*	*8.1 (44)*	*7.8 (26)*	*6.7 (26)*

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As of December 31, 2012

Trailing Period Performance (After Fees)

	Performance(%)				
	1 Quarter	1 Year	3 Years	5 Years	10 Years
Real Estate	**3.3**	**11.1**	**11.9**	**-3.5**	**5.3**
JPM Strategic Property Fund	2.5 (29)	10.7 (84)	12.9 (66)	-1.0 (28)	6.7 (-)
NCREIF ODCE Index (Net)	*2.1 (61)*	*9.7 (90)*	*13.3 (60)*	*-2.0 (34)*	*5.7 (-)*
LaSalle Income and Growth Fund IV	4.0 (8)	3.0 (100)	-1.6 (100)	-11.2 (83)	-
NCREIF ODCE Index (Net)	*2.1 (61)*	*9.7 (90)*	*13.3 (60)*	*-2.0 (34)*	*5.7 (-)*
JPM Income and Growth Fund	5.7 (2)	16.3 (8)	19.2 (8)	-7.8 (79)	-
NCREIF ODCE Index (Net)	*2.1 (61)*	*9.7 (90)*	*13.3 (60)*	*-2.0 (34)*	*5.7 (-)*

[1] The custom index is currently composed of 36% S&P 500, 10% Russell 2500, 15% MSCI ACWI ex-U.S., 26% Barclays Aggregate, 8% NCREIF ODCE, and 5% CPI+4%.
[2] T. Rowe Price replaced Friess on 02/01/2012.
[3] Aberdeen replaced Artio on 04/02/2012.
^ BlackRock replaced the Internally Managed Bond account on 01/05/2012.
* The custom index is currently composed of 25% Barclays Mortgage, 25% Barclays Credit, 25% Barclays High Yield, and 25% JPMorgan EMBI Global. Prior to 02/01/2012, the custom index was composed of 70% Barclays Mortgage, 15% Barclays Credit, and 15% Barclays High Yield.

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Custom Index Composition

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Custom Index Composition

Index	Jul-12 through Present	Jul-10 through Jun-12	Jan-09 through Jun-10	Jul-06 through Dec-08	Jan-05 through Jun-06	Jul-02 through Dec-04	Prior to Jul-02
S&P 500 Index	36%	36%	36%	38%	41%	41%	41%
Russell 2000 Index	10%	10%	10%	11%	11%	11%	11%
MSCI ACWI ex-U.S.	15%	15%	15%	15%	15%	15%	15%
Barclays Aggregate Bond Index	26%	23%	23%	25%	25%	28%	23%
Barclays High Yield Index	0%	3%	3%	3%	3%	0%	0%
Solomon Bros Non-U.S. Government Index	0%	0%	0%	0%	0%	0%	5%
NCREIF ODCE	8%	8%	8%	8%	5%	5%	5%
CPI + 4%	5%	5%	5%	0%	0%	0%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

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Manager InBriefs

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InBrief

Global Investment Management

Aberdeen Asset Management — EAFE Plus

Review Date	Current Rating	Previous Rating
September 2012	Buy	No Change

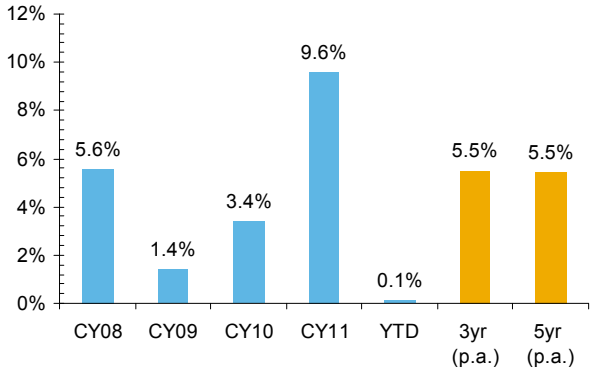
Overall Rating

We find the current global/international equity team to be of good quality with extensive resources. Performance has been strong under varying market conditions with good risk management integrated into company analysis. . Assets under management for the team have grown significantly in the last couple of years and we closely monitor any impact that this growth in assets has on the performance of the portfolio.

Component Ratings

	Rating	*Previous Rating*
Overall	Buy	*No Change*
Business	3	*No Change*
Staff	3	*No Change*
Process	3	*No Change*
Risk	3	*No Change*
ODD	Pass	*No Change*
Performance	3	*No Change*
T&C	3	*No Change*

Relative Performance to September 30, 2012



Composite performance (USD) is gross of fees relative to MSCI AC World ex U.S. Index. CY = calendar year. Source: the manager

Firm Summary

Head Office Location	Aberdeen, Scotland	**Parent Name**	Aberdeen Asset Management Plc
Firm AUM	$286.5 billion	**Investment Staff**	292
Equity AUM	$146.7 billion	**Equity Staff**	95

Portfolio Strategy Characteristics

Team Location	Edinburgh	**Team Head**	Stephen Docherty
Strategy Inception	January 2003*	**Strategy Size**	$6.4 billion
Number of Holdings	40 – 60	**Annual Turnover**	20 – 30% p.a.
Benchmark	MSCI All Country World ex U.S. Index		
Performance Objective	3% outperformance over a rolling three year period		
Risk Tolerance Target	3 – 9% p.a. tracking error range		

Note: AUM and Staff numbers as at September 30, 2012

* The Fund had been in existence prior to this but was managed by a different team and process.

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Investment Manager Evaluation

Rating Sheet		
Factor	**Rating**	**Comments**
Business	3	Aberdeen Asset Management ("Aberdeen") is a dedicated, independent fund manager with its primary listing in the UK. The global/international equity team and its related strategies have experienced significant growth in assets under management over the last couple of years and we would like to see more clarity around capacity management. While key team members have invested their own assets in the product ensuring some alignment of interests, we would prefer to see the remuneration linked to the success of the global/international equity product rather than the overall firm.
Investment Staff	3	The global/international equity team has been stable since Stephen Docherty took over the leadership in 2003. All the team members are generalists and make use of the broad regional teams' research. We find the key individuals in the team to be experienced and of good quality
Investment Process	3	Aberdeen implements a consistent internal research methodology with a high focus on company meetings. The global equity team picks names from the list of stocks rated "Buy" by regional analysts and thereby leverages off an extensive analyst base. The team will do their own thorough research on potential stocks, though this part of the process is less structured in particular with respect to sector and regional comparison. The portfolio will be fairly concentrated with 40 to 60 stocks and we believe there will be a slight structural bias to Asia and Emerging Markets. The strategy can invest up to 30% of the total portfolio in Emerging Markets companies.
Risk Management	3	Risk management is integrated into the investment process primarily through individual company analysis. In addition, the team will use risk tools to identify unintended risk and will adjust the portfolio if necessary.
Operational Due Diligence	Pass	The Charles River systems are used for trading. In addition, there is a detailed manual checking procedure. We believe the scalability of the systems will be tested if Aberdeen continues to see an ongoing significant increase in its client base for this strategy.
Performance Analysis	3	The product has had strong performance in both rising and falling markets. Most of the outperformance can be attributed to good stock selection which is in line with the investment process. Historically the product has also benefited from general exposure to Asia and Emerging Markets.
Terms & Conditions	3	Aberdeen has responded promptly to our requests for information. Fees are slightly above average for this type of product. In terms of ESG, Aberdeen actively considers non-financial factors that may impact a company's business, and appears to have fully integrated the appraisal of such criteria into their investment process.

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Rating Sheet		
Factor	**Rating**	**Comments**
Overall Rating	**Buy**	We find the current global/international equity team to be of good quality with extensive resources. Performance has been strong under varying market conditions with good risk management integrated into company analysis. Assets under management for the team have grown significantly in the last couple of years and we closely monitor any impact on the portfolio.

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Ratings Explanation

Below we describe the criteria which we use to rate fund management organizations and their specific investment products. Each criterion, except for Operational Due Diligence ("ODD"), is individually rated from 1 to 4, where:

1 = Weak
2 = Average
3 = Above Average
4 = Strong

The ODD factor can be assigned a Pass, Conditional Pass, or Fail rating and can be interpreted as follows:

Pass – Our research indicates that the manager has acceptable operational controls and procedures in place.

Conditional Pass – We have specific concerns that the manager needs to address within a reasonable established timeframe.

Fail – Our research indicates that the manager has critical operational weaknesses and we recommend that clients formally review the appointment.

An overall rating is then derived for the product from the individual ratings. We do not assign a fixed weight to each criterion to establish the overall rating; instead we consider each case individually. The overall rating score can be interpreted as follows:

Buy	=	We recommend purchase of this investment product
Buy (Closed)	=	We recommend purchase of this investment product, however it is closed to new investors
Hold	=	We recommend client investments in this product are maintained
Sell	=	We recommend termination of client investments in this product
In Review	=	The rating is under review as we evaluate factors that may cause us to change the current rating.

The comments and assertions reflect our views of the specific investment product and our opinion of its strengths and weaknesses.

Disclaimer

This document has been produced by the Global Investment Management Team of Aon plc. Nothing in this document should be treated as an authoritative statement of the law on any particular aspect or in any specific case. It should not be taken as financial advice and action should not be taken as a result of this document alone. Consultants will be pleased to answer questions on its contents but cannot give individual financial advice. Individuals are recommended to seek independent financial advice in respect of their own personal circumstances.

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InBrief

Global Investment Management

Champlain Investment Partners — Mid Cap Core

Review Date	Current Rating	Previous Rating
January 2013	Buy	Buy

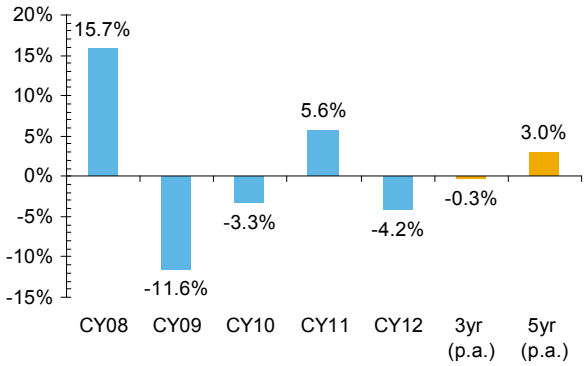
Overall Rating

The Champlain Mid Cap Core strategy remains Buy-rated. We believe the investment team is made up of talented and experienced investors that have consistently applied the firm's investment process within this strategy. The investment team has demonstrated an ability to develop unique insights on portfolio holdings which has led to attractive long-term results for this product. We are confident in this team's ability to continue to add value for clients over full market cycles.

Component Ratings

	Rating	*Previous Rating*
Overall	Buy	*No Change*
Business	4	*No Change*
Staff	3	*No Change*
Process	4	*No Change*
Risk	3	*No Change*
ODD	Pass	*No Change*
Performance	3	*No Change*
T&C	2	*No Change*

Relative Performance to December 2012



Composite performance (USD) is gross of fees relative to Russell Mid Cap Index. CY = calendar year. Source: eVestment

Firm Summary

Head Office Location	Burlington, VT	**Parent Name**	100% Employee-owned
Firm AUM	$4.6 billion	**Investment Staff**	11
Equity AUM	$4.6 billion	**Equity Staff**	11

Portfolio Strategy Characteristics

Team Location	Burlington, VT	**Team Head**	Scott Brayman
Strategy Inception	March 2004	**Strategy Size**	$1.5 billion
Number of Holdings	50-75	**Annual Turnover**	40%
Benchmark	Russell Mid Cap Index		
Performance Objective	Outperform the benchmark over a full market cycle		
Risk Tolerance Target	Unconstrained		

Note: AUM and staff numbers as of September 2012.

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Investment Manager Evaluation

Rating Sheet		
Factor	**Rating**	**Comments**
Business	4	Champlain Investment Partners is 100% employee-owned by eight individuals. Equity interests are broadly distributed with Scott Brayman and Judy O'Connell having the largest stakes; however, no individual owns more than 25% of the firm. The senior professionals of the organization have continued to demonstrate a commitment to remaining independent. We believe the broad distribution of equity within the investment team has favorably aligned the interests of clients with that of the firm's employees. The firm is dedicated to managing two investment strategies - Mid Cap Core and Small Cap Core Equity - and has shown good capacity management by closing the Small Cap Core strategy to new investors at a conservative asset level. We would expect the firm to apply the same discipline with respect to the Mid Cap Core strategy. Champlain has a diverse set of clients and has experienced few client terminations over the history of the firm. The firm's client base is primarily institutional which we view positively.
Investment Staff	3	The investment staff is led by Scott Brayman who serves as the firm's Chief Investment Officer. He is supported by a team of three senior analysts and five associate analysts. The three senior analysts have all collectively worked together with Mr. Brayman since the firm's inception year (2004). Champlain has continued to build out its investment team with the addition of multiple associate analysts over the past several years. It appears that these analysts have transitioned well into the structure of the organization. The newest addition to the team was Jason Wyman, who joined during 2012 from Dwight Asset Management. Mr. Wyman's background is primarily quantitative. The firm anticipates that Mr. Wyman's quantitative analysis will enable the team to evaluate the firm's investment discipline, risk management, and portfolio attribution in greater detail. We have found that Champlain has assembled a team of individuals with unique backgrounds and perspectives that are collaboratively shared within the organization. We believe the talent level and skill of the investment team is above average, and also view the team dynamic within the organization to be particularly strong.

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Rating Sheet		
Factor	**Rating**	**Comments**
Investment Process	4	The investment process is predicated on various qualitative sector factors that eliminate the majority of the investable universe for the Mid Cap strategy. Champlain takes a conservative view with respect to its definition of quality that relies heavily on evaluating company management, management's capital allocation abilities, as well as the durability of the firm's business model which typically includes stable earnings growth, low debt, and high return on capital. The investment team applies a rigorous valuation framework to each investment idea primarily through the use of discounted cash flow analysis. Champlain remains disciplined in purchasing names trading below the firm's estimate of fair value and incrementally trimming and eventually selling positions that reach the firm's fair value target. We have found that the team's rigorous discipline with respect to the firm's definition of quality and valuation of respective names is consistent, thorough, and repeatable. We believe the firm's fundamental research efforts as well as its dedication to investing in quality companies are distinguishing characteristics of this investment approach.
Risk Management	3	The firm does not have an independent risk team and they do not use risk models to evaluate total portfolio risk. However, the firm's investment discipline has led to consistent preservation of capital during down market environments through the firm's quality sector factors and rigorous valuation analysis.
Operational Due Diligence	Pass	Policies and procedures in place with regards to trading and compliance appear satisfactory.
Performance Analysis	3	Clients should expect this strategy to struggle on a relative basis during periods of strong absolute performance for the benchmark (i.e., benchmark returns greater than 15% over a twelve-month period). The investment discipline will also struggle when lower quality names materially outperform the highest quality names (generally defined by ROIC). Over full market cycles we believe this strategy will continue to add value for clients and provide strong down market protection as the strategy has done over its historical track record.
Terms & Conditions	2	Investment management fees for the firm's separate account and mutual fund vehicles are higher than its peer group median. Client service provided by the organization has been satisfactory.
Overall Rating	**Buy**	The Champlain Mid Cap Core strategy remains Buy-rated. We believe the investment team is made up of talented and experienced investors that have consistently applied the firm's investment process within this strategy. The investment team has demonstrated an ability to develop unique insights on portfolio holdings which has led to attractive long-term results for this product. We are confident in this team's ability to continue to add value for clients over full market cycles.

Manager Updates and Monitoring

Major Developments	There are no major developments to report at this time.
Key Monitoring Points	There are no key monitoring points to report at this time.

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Ratings Explanation

Below we describe the criteria which we use to rate fund management organizations and their specific investment products. Each criterion, except for Operational Due Diligence ("ODD"), is individually rated from 1 to 4, where:

1 = Weak
2 = Average
3 = Above Average
4 = Strong

The ODD factor can be assigned a Pass, Conditional Pass, or Fail rating and can be interpreted as follows:

Pass – Our research indicates that the manager has acceptable operational controls and procedures in place.

Conditional Pass – We have specific concerns that the manager needs to address within a reasonable established timeframe.

Fail – Our research indicates that the manager has critical operational weaknesses and we recommend that clients formally review the appointment.

An overall rating is then derived for the product from the individual ratings. We do not assign a fixed weight to each criterion to establish the overall rating; instead we consider each case individually. The overall rating score can be interpreted as follows:

Buy	=	We recommend purchase of this investment product
Buy (Closed)	=	We recommend purchase of this investment product, however it is closed to new investors
Hold	=	We recommend client investments in this product are maintained
Sell	=	We recommend termination of client investments in this product
In Review	=	The rating is under review as we evaluate factors that may cause us to change the current rating.

The comments and assertions reflect our views of the specific investment product and our opinion of its strengths and weaknesses.

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InTotal

Global Investment Management

Pyramis Global Advisors — Small Cap Core

Review Date	Current Rating	Previous Rating
November 2012	Hold	No Change

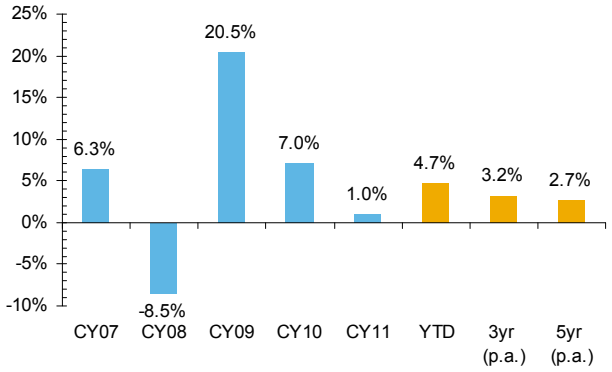
Overall Rating

We rate the Pyramis Small Cap Core strategy a Hold. While we believe that portfolio manager, Ethan Hugo, has demonstrated promise in his ability to navigate difficult market environments, we have reservations as it relates to the depth of the analyst support that he has access to. In addition, we believe that his track record on this strategy, as well as in portfolio management in general, is too short to use as a gauge for his capabilities in various market environments. This rating has the potential to be revised upward pending additional exposure to Mr. Hugo and members of his staff, as well as comfort achieved around the depth and magnitude of the analysts' contribution.

Component Ratings

	Rating	*Previous Rating*
Overall	Hold	*No Change*
Business	2	*No Change*
Staff	2	*No Change*
Process	2	*No Change*
Risk	2	*No Change*
ODD	Pass	*No Change*
Performance	2	*No Change*
T&C	2	*No Change*

Relative Performance to September 2012



Composite performance (USD) is gross of fees relative to Russell 2000 Index. CY = calendar year. Source: eVestment Alliance

Firm Summary

Head Office Location	Smithfield, RI	**Parent Name**	FMR, LLC
Firm AUM	$190 billion	**Investment Staff**	N/A
Equity AUM	$79.1 billion	**Equity Staff**	N/A

Strategy Characteristics

Team Location	Smithfield, RI	**Team Head**	Ethan Hugo
Strategy Inception	January 1995	**Strategy Size**	$1.3 billion
Number of Holdings	200-300	**Annual Turnover**	75%-125%
Benchmark	Russell 2000 Index		
Performance Objective	Outperform the benchmark by 3% per year		
Risk Tolerance Target	3-5%		

Note: AUM and Staff numbers as of September 2012

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Investment Manager Evaluation

Rating Sheet		
Factor	**Rating**	**Comments**
Business	2	Pyramis Global Advisors is Fidelity's institutional asset management arm. The firm has seen positive net inflows into its strategies year-to-date as of September 30, 2012. Further, the firm has also seen consistent net inflows into the small cap core strategy in recent years, which is notable, given the decline in search activity for small cap mandates. New product development is an ongoing concern with regards to the organization. New products are steadily being launched by Pyramis, as the firm continues its effort to create a full and complete product list to present to the institutional market. Product development appears to be driven by growth decisions as opposed to specific client demands.
Investment Staff	2	The lead portfolio manager for the small cap core strategy is Ethan Hugo, who assumed his role in 2008. Mr. Hugo is supported by the Pyramis small cap team, which is comprised of research analysts and portfolio managers, as well as the equity research and high yield research teams that sit within the Fidelity organization. The research analysts from both Fidelity and Pyramis are sector and/or industry specific in their coverage and are primarily responsible for identifying and ranking securities for strategies across the firm's platform. Mr. Hugo is primarily responsible for theme development and portfolio construction, although he remains actively involved in the fundamental research efforts of the analyst team. We believe that, throughout his short tenure as a portfolio manager, Mr. Hugo has exhibited skill in navigating various market environments, while adhering to the underlying philosophy and approach that defines the strategy. In addition, Mr. Hugo's approach to portfolio theme development is well-supported by a strong understanding of inter-sector dynamics and the fundamentals driving sector and company specific growth. However, we continue to have reservations about the research staff supporting Mr. Hugo. While the support is robust, it is also difficult to gauge the strongest sources of value add, given the sheer number of analysts that Mr. Hugo interacts with at any given time. Moreover, given the rotational nature of the Fidelity analyst staff, it is difficult to assess whether or not Mr. Hugo will benefit from consistent research methodologies and views. Finally, a significant percentage of analysts' variable compensation is contingent upon 1 year stock performance, which does not align well with a strategy that is intended to be more long-term focused.

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Rating Sheet		
Factor	**Rating**	**Comments**
Investment Process	2	The objective of the strategy is to invest in companies that have faster, more consistent growth relative to their peers, attractive valuations, and high or improving operating quality. In addition, Mr. Hugo prefers to capture these companies when they are experiencing a transition or fundamental change that is either unrecognized or unappreciated by the market, but that have the potential to create significant upside potential. Ideas are generally identified by the analysts, who also conduct the fundamental research on attractive ideas. Research focuses on, but is not limited to, understanding company leadership and strategy, sources of earnings, and posture within an industry. Analysts also dedicate time to building out earnings and valuation models. Using all of the necessary data points, Mr. Hugo develops portfolio themes as a guide to his portfolio construction approach, which is sector neutral, devoid of major growth or value bets, and relatively neutral to factor exposure such as momentum. We view the sector neutrality of the portfolio to be positive as it has the potential to weather different market environments, particularly those that are challenged. In addition, we believe that Mr. Hugo's access to a wide range of research resources, as provided by the analyst teams, can be beneficial in his efforts to build comprehensive industry and sector views. However, we continue to have neutral sentiment as it relates to the uniqueness of the analysts' research methodologies and views. Also, given the small size of dedicated Pyramis small cap team, we question whether certain sectors have enough coverage and if the support is appropriate for the diversified nature of the portfolio.
Risk Management	2	The strategy is managed according to constraints on portfolio size, cash levels, and sector/industry exposure. In addition, the portfolio is subject to review by the Chief Investment Officer, who meets with the portfolio manager quarterly to discuss and amend major risks exposures at the aggregate portfolio level. Mr. Hugo also has real-time access to risk reports that highlight various risk factors. While we believe that the appropriate measures are in place to provide insights on the positioning of the portfolio, additional time is needed to understand how these measures impact portfolio construction and if those impacts have been positive for investors.
Operational Due Diligence	Pass	Policies and procedures in place appear to be satisfactory from both a trading and compliance standpoint.
Performance Analysis	2	Performance has been strong relative to the Russell 2000 Index for both short- and long-term periods. Strong stock selection has been the primary driver of performance, though the sector neutrality of the strategy has also been a benefit. While we acknowledge the strong run of the portfolio in difficult markets, we also recognize that the track record under Mr. Hugo remains short and believe additional time is needed to observe his capabilities over a longer time period. Also, further clarification is needed with regards to the level of analyst contribution to portfolio performance.
Terms & Conditions	2	Fees are average for an institutional small cap core mandate. Client service has been average.

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Rating Sheet		
Factor	**Rating**	**Comments**
Overall Rating	**Hold**	We rate the Pyramis Small Cap Core strategy a Hold. While we believe that portfolio manager, Ethan Hugo, has demonstrated promise in his ability to navigate difficult market environments, we have reservations as it relates to the depth of the analyst support that he has access to. In addition, we believe that his track record on this strategy, as well as in portfolio management in general, is too short to use as a gauge for his capabilities in various market environments. This rating has the potential to be revised upward pending additional exposure to Mr. Hugo and members of his staff, as well as comfort achieved around the depth and magnitude of the analysts' contribution.

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Manager Profile

Overview

Pyramis Global Advisors was formed by Fidelity in 2005 to focus on institutional clients. The firm offers traditional long only equity, long-short equity, fixed income, and asset allocation strategies.

Since its inception, Pyramis has continued to launch new strategies in an attempt to offer a full suite of investment products to its current and potential institutional client base.

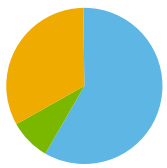
Business

- During 2012, the firm introduced new hires at the management and senior investment staff level. Earlier in the year, Michael Jones, who previously served as head of US asset management at Columbia Management Investment Advisers, was named Chair and President of Pyramis. In addition to Mr. Jones, a global head of consultant relations and distribution and a senior research lead (to be located in London) were hired. Both individuals are slated to begin their tenures during November 2012.
- In an effort to continue the expansion of its global capabilities, the firm is in the process of opening an office in Tokyo. This office will house a number of research staff who will support the firm's global and international strategies.
- Pyramis continues to cater to a diverse client base, which includes defined benefit and contribution plans as well as endowments and foundations, Taft Hartley plans, and a number of sub-advisory relationships. Its total asset base also represents a wide range of equity, fixed income, and alternative mandates. 50% of its assets under management are equity mandates.

Client Base

Pyramis

Firmwide AUM as of Sep 2012 : USD$190bn



Institutional
Retail
Sub-Advisory
Other

Data sourced from eVestment Alliance

Pyramis

Equity AUM as of Sep 2012 : USD$79.1bn

Global
US
International / EAFE
European (inc UK)
Japan
Dev. Asia / Pacific ex-Japan
Emerging market

Data sourced from eVestment Alliance

- AUM totaled $190 billion as of September 30, 2012.
- AUM for the small cap core strategy totaled $1.3 billion as of September 30, 2012.

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Investment Staff

Key Staff	Position	Date Joined	Years of Experience
Ethan Hugo	Portfolio Manager	2005	17

- Ethan Hugo is the sole portfolio manager for the small cap core strategy. Prior to assuming his portfolio management duties in 2008, he served as an analyst within the research team at Pyramis. Mr. Hugo is supported by individuals from various arms of the Fidelity/Pyramis organization, including members of the Fidelity global research and small cap teams, the Pyramis (general) research team, and the Pyramis small cap team. In addition, Mr. Hugo often relies on the Fidelity High Income Research team for additional analysis.
- At present, the Pyramis Small Cap team is comprised of 6 dedicated research analysts and 3 portfolio managers. Of those 6 analysts, 3 are dedicated to the domestic strategies. The team is open to hiring opportunistically as there are certain sectors, such as information technology, consumers, healthcare, and financials that could use deeper coverage. However, Mr. Hugo prefers that the team remain small as to maximize efficiency and communication.
- While Pyramis is an arm of the Fidelity organization, there are slight differences in how its research analysts approach the stock universe. The Fidelity analysts are segregated by sector and are tasked with the responsibility of assigning ratings to all stocks within their specific sectors. Conversely, Pyramis analysts, while also sector-specific in coverage, focus more on identifying best ideas within the stock universe for analysis as opposed to engaging in a ratings exercise.

Investment Process

Process

Idea Generation - Stock ideas emerge from various channels, including (but not limited to) meetings with company management, industry conferences, individual networks, and quantitative screens. While the research analysts from both Fidelity and Pyramis teams are primarily responsible for identifying and ranking stock ideas within their respective sectors/universes, the portfolio manager will often participate in the exercise of identifying ideas. Generally, 500+ ideas become eligible for additional analysis. The majority of stock ideas are provided by the analyst teams and the quantitative screen(s). Ideas that are generally the most favorable are those that are undergoing a fundamental change that is largely underappreciated or unrecognized by the market, but that have the potential to drive upside potential.

Fundamental Research – As with idea generation, the research analysts are responsible for conducting both the fundamental and valuation work on companies that look promising for investment. Within their respective sectors, analysts seek to gain a comprehensive view of a company, particularly its business structure and strategy, and will do so by conducting meetings with company affiliates, industry players, suppliers, competitors, and customers. In addition, analysts seek to understand the valuation of a company by utilizing various valuation methodologies. The portfolio manager generally participates alongside the analysts in their vetting of companies and will spend time learning overarching sector and industry trends, mainly for the purpose of building or adjusting expectations on stock ideas.

Portfolio Construction - Ideas that emerge with the highest conviction from the fundamental research process are eligible for portfolio inclusion. The portfolio is constructed with a sector neutral approach where the portfolio's risk exposures are similar to that of the Russell 2000 Index. The largest positions tend to be companies that are assigned the highest conviction by both the portfolio manager and the analysts, though weightings are driven by a combination of opinion, potential contribution to diversification, and liquidity. Typical portfolio contains 200-300 holdings with turnover ranging between 75%-125% per year.

Risk Management

- The portfolio is managed to the following constraints:
  - Position size - +/- 1.75% of benchmark weight at time of purchase
  - Sector exposure - +/- 2.50% relative to benchmark
  - Tracking error – 300-500 basis points relative to benchmark

The portfolio is also subject to ongoing monitoring. Pyramis provides a proprietary risk management platform that allow for portfolio managers to view areas of risk on a real time and pre-/post-trade basis. On a quarterly basis, a chief investment officer meets with the portfolio manager to review the portfolio.

Operational Due Diligence

- Pyramis Global Advisors Trust Company is registered with the State of New Hampshire Office of the Bank Commissioner and is regulated by this government entity as opposed to the Securities and Exchange Commission (SEC). The New Hampshire Banking division conducted a routine examination of Pyramis Global Advisors in May 2010. According to Pyramis, there were no material issues identified during the examination.
- Pyramis does not have a COO. Pyramis does have a Governance, Risk, Compliance, and Treasury Group responsible for Pyramis' compliance program.
- Pyramis Compliance is responsible for reviewing client guidelines and coding those guidelines into the firm's proprietary compliance monitoring system.
- Pyramis does not disclose the number of trade errors, but the firm has an "Error Policy" to handle them appropriately and rapidly.
- Pyramis has an appropriate disaster recovery plan (Business Continuity Plan) in place.

Terms & Conditions

Separate Account (minimum of $50 million or local country equivalent):

- First $25 million: 80 bps
- Balance: 65 bps

Commingled Fund (minimum of $5 million or local country equivalent):

- First $25 million: 80 bps
- Balance: 65 bps

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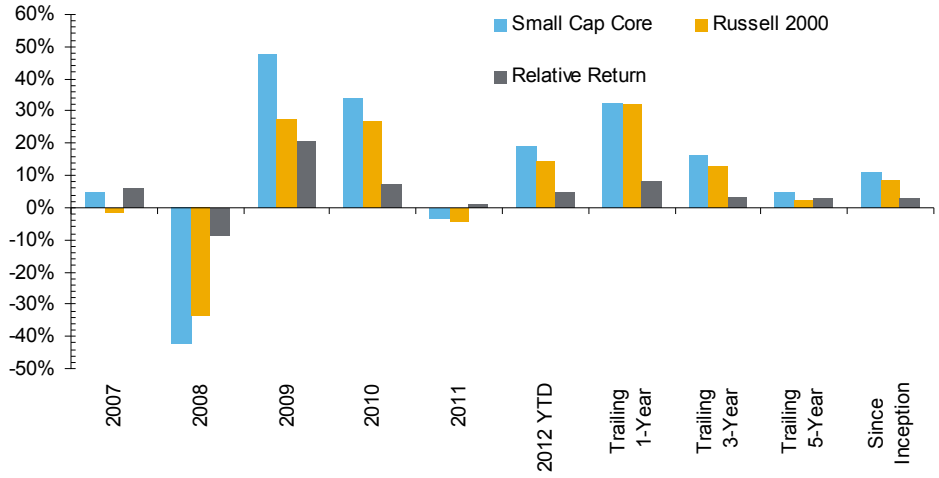
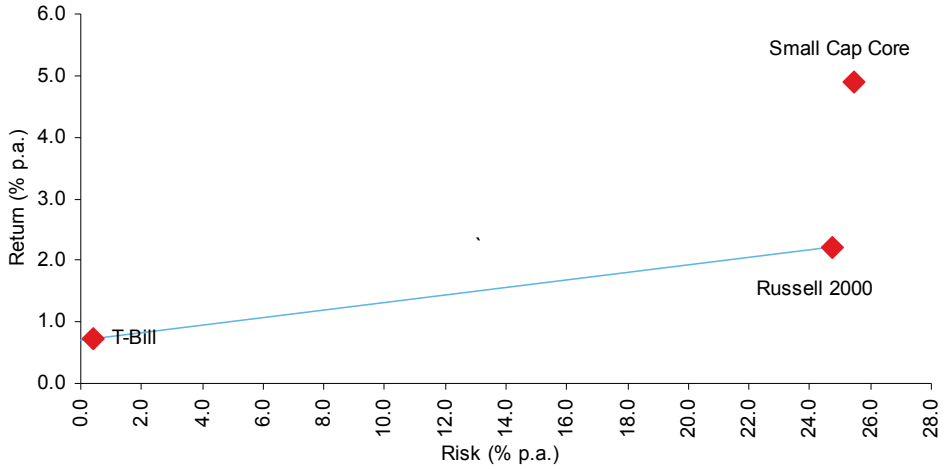
Performance and Risk Metrics

Historic Performance (Inception: January 1995)



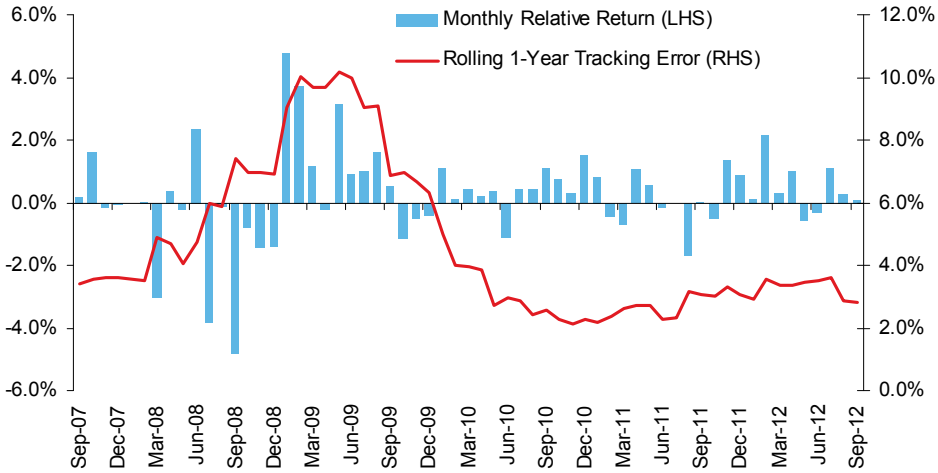
Risk – Return

5 Years Ending 9/30/2012



Monthly Return and 12-Month Rolling Tracking Error

5 Years Ending 9/30/2012



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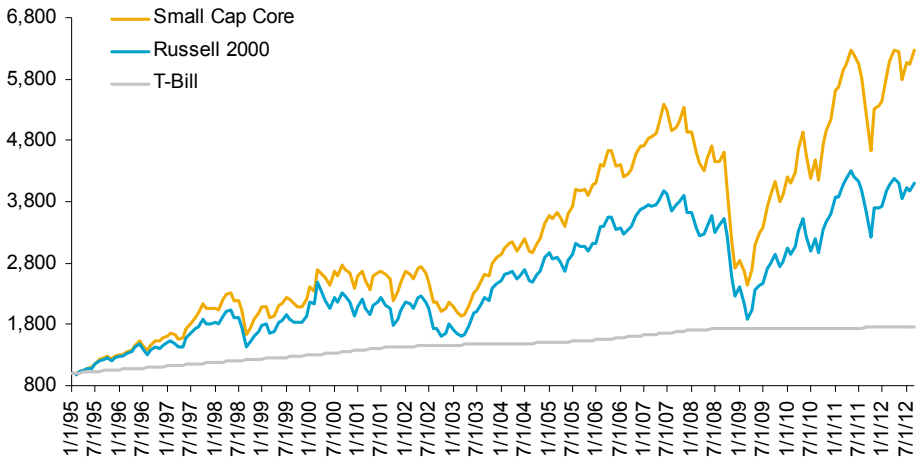
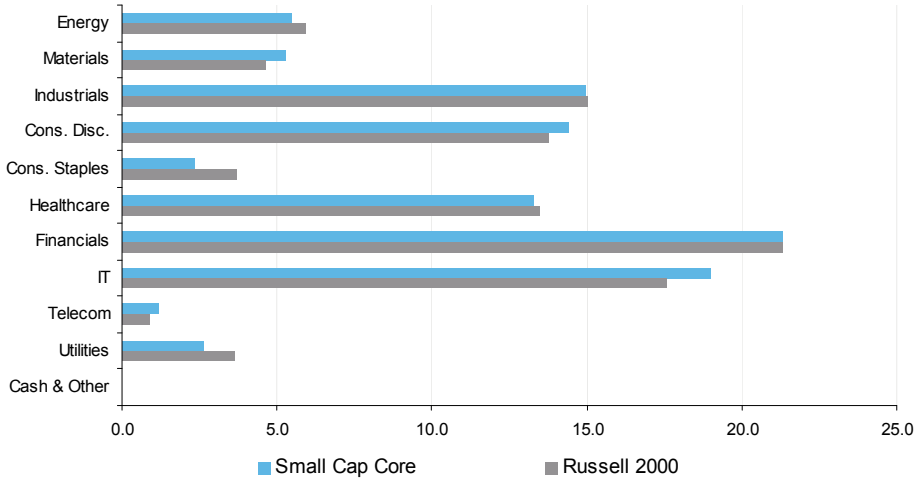
Growth of $1,000 (Inception: January 1995)



Sector Allocation Quarter Ending 9/30/2012



Notes Composite performance (USD) is gross of fees and sourced from eVestment Alliance.

Ratings Explanation

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Presentation To:

Tucson Supplemental Retirement System

U.S. Large-Cap Growth Strategy

February 28, 2013

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Portfolio Specialist

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T. Rowe Price — Presenters

Portfolio Specialist

Ronald H. Taylor
Vice President — Portfolio Specialist: U.S. Equities
- 24 years of investment experience;
- 9 years with T. Rowe Price.

Institutional Sales

John Masdea, CFA
Vice President – Institutional Sales
- 10 years of investment experience;
- 2 years with T. Rowe Price.

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- Your Institutional Team
- Biographical Backgrounds
- Performance Statistics Glossary

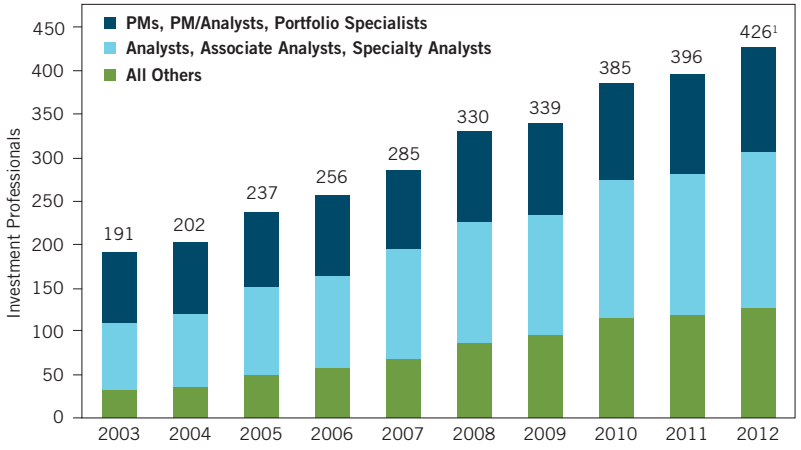
6 **Full Portfolio Holdings**

Overview

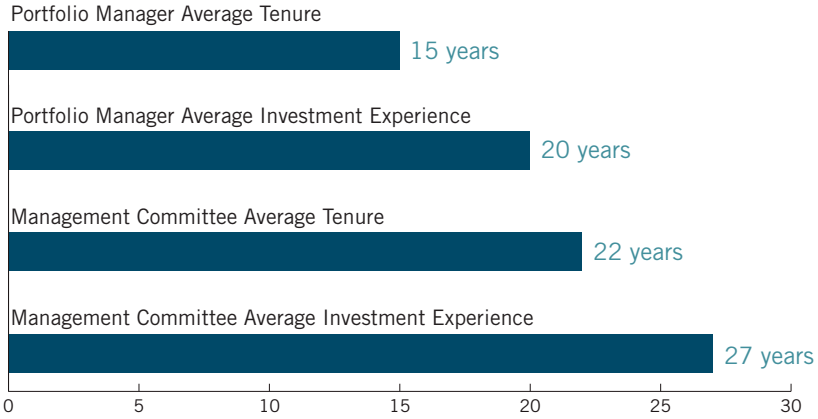
T. Rowe Price Update

As of 31 December 2012

Continued Investment in Our Global Research Team



Long Tenure Perpetuates Our Philosophy and Investment Approach



- **Financial Strength and Strategic Investment:**
  - Strong balance sheet with $2.2 billion in cash and mutual fund investment holdings and no outstanding long-term debt
  - Steady growth in firm-wide assets to $576.8 billion under management,[2] with a compound annual growth rate of 15.2% in total AUM over 10 years
  - Diversity of assets:
    - U.S. Equity 60.2%, International Equity 12.8%, U.S. Fixed Income 20.9%, and International Fixed Income 6.1%[3]
    - Institutional accounts represent over 50% of the firm's assets under management

[1] 74 portfolio managers, 4 portfolio manager/analysts, 11 associate portfolio managers, 2 regional portfolio managers, 9 sector portfolio managers, 140 research analysts/credit analysts, 28 quantitative analysts, 12 asset allocation analysts, 2 distribution management specialist/analysts, 23 associate analysts, 20 portfolio specialists/generalists, 3 specialty analysts, 44 traders, 14 trading assistants, 2 economists, 24 portfolio modeling associates, 2 solutions associates, and 12 management associates.

[2] The combined assets under management of the T. Rowe Price group of companies. The T. Rowe Price group of companies includes T. Rowe Price Associates, Inc., T. Rowe Price International Ltd, T. Rowe Price Hong Kong Limited, T. Rowe Price Singapore Private Ltd., and T. Rowe Price (Canada), Inc.

[3] Equity includes Balanced/Asset Allocation assets; International includes Global assets in addition to International assets.

T. Rowe Price Update

Thoughtful Expansion Building on Our Capabilities

- **Fixed Income—An Important Dimension to T. Rowe Price**
  - Experienced Professionals: Portfolio managers and analysts average 13 years of industry experience
  - Multi-Sector Expertise: Successful and long-term track records in both specialized and broad multi-sector strategies
  - Strong Credit Research: Deep research team issuing credit ratings independent of rating agencies
  - Global Collaboration: Global research and collaboration with Equity Division enhances our credit research

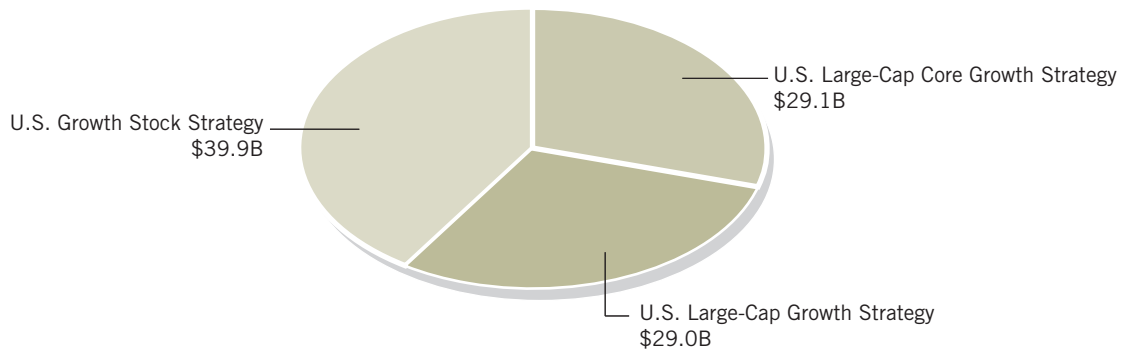
- **Global Equity—Leveraging Our Global Research Capabilities to Unlock the Best Ideas**
  - Global Collaboration: Worldwide network of over 250 investment professionals
  - Measured Growth: Broadened our portfolio of international and global equity investment offerings
  - Continued Investment in Key Capabilities: Added to our proprietary global research resources

Providing global capabilities with local presence.

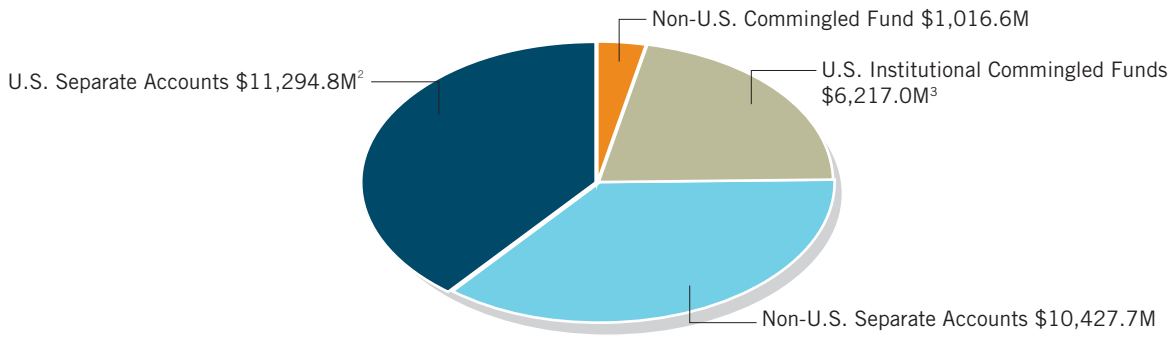
[1] The Toronto office is a branch of T. Rowe Price (Canada), Inc.
[2] New products launched within existing investment strategies.
[2] As of 31 December 2012

U.S. Large-Cap Growth Assets Under Management

Total U.S. Large-Cap Growth Equity Assets: $98.0 Billion[1]
As of 31 December 2012
Figures Shown in U.S. Dollars



U.S. Large-Cap Growth Strategy Assets: $29.0 Billion
As of 31 December 2012
Figures Shown in U.S. Dollars



Large-Cap Growth investing is a significant business for T. Rowe Price.

[1] The total U.S. large-cap growth equity assets of the T. Rowe Price group of companies.
[2] Corporate, Public, Non-Profit, Taft-Hartley, Endowments/Foundations, and Sub-Advisory clients.
[3] Includes a U.S.-registered mutual fund and a common trust fund.

This information is not intended to be an offer or solicitation of the sale of any product to any investor in which distribution or purchase is not authorized based on the investor's domicile. The T. Rowe Price Mutual Funds are not registered for sale outside of the U.S. The T. Rowe Price Funds SICAV are Luxembourg-registered funds available to non-U.S. institutions domiciled in qualifying jurisdictions. The T. Rowe Price Common Trust Funds are Maryland-registered common trust funds available to ERISA qualified retirement plans and certain governmental and church retirement plans.

Numbers may not total due to rounding.

Client Objective

Tucson Supplemental Retirement System
Total Assets = $61,077,350
Inception Date: 1 February 2012
As of 31 January 2013
Figures Shown in U.S. Dollars

- **Objective**
  - Seeks to provide long-term capital appreciation by investing primarily in common stocks of large growth companies.

- **Mandate**
  - U.S. Large-Cap Growth Strategy: Separately Managed Portfolio
    Strategy Assets as of 31 December 2012: $29.0 Billion

- **Benchmark**
  - Russell 1000 Growth Index

Investment Team and Process

U.S. Large-Cap Growth Investment Team

As of 31 December 2012

U.S. Large-Cap Growth Strategy
Portfolio Management Team
Stability | Depth | Collaboration

Robert W. Sharps, CFA[1]
Portfolio Manager (LCG)

- 17 years of investment experience
- 15 years with T. Rowe Price
- BS, Towson University
- MBA, The Wharton School, University of Pennsylvania

Joseph Fath, CPA
Associate Portfolio Manager (LCG)

- 12 years of investment experience
- 10 years with T. Rowe Price
- BS, University of Illinois, Urbana-Champaign
- MBA, The Wharton School, University of Pennsylvania

Larry J. Puglia, CFA, CPA
Portfolio Manager (LCCG)

- 23 years of investment experience
- 22 years with T. Rowe Price
- BBA, University of Notre Dame
- MBA, The Darden School, University of Virginia

Robert Bartolo, CFA, CPA
Portfolio Manager (GSF)

- 15 years of investment experience
- 10 years with T. Rowe Price
- BS, University of Southern California
- MBA, The Wharton School, University of Pennsylvania

Ronald H. Taylor
Portfolio Specialist

- 24 years of investment experience
- 9 years with T. Rowe Price
- BA, University of California, Los Angeles
- MBA, Harvard Business School

Craig S. Watson, CPA
Portfolio Specialist

- 17 years of investment experience
- 5 years with T. Rowe Price
- BS, Hampton University
- MBA, The Wharton School, University of Pennsylvania

Equity Research Team
135 Research Analysts | Industry Specialists[2]

Extensive collaboration among investment professionals enhances idea generation.

[1] Lead portfolio manager for U.S. Large-Cap Growth Strategy.
[2] 8 sector portfolio managers, 96 analysts, 23 associate analysts, 5 quantitative analysts, and 3 specialty analysts as of 31 December 2012.

Equity Research Team

As of 1 January 2013

DIRECTOR OF GLOBAL EQUITY HEAD OF EQUITY RESEARCH

William J. Stromberg, CFA *BAL*

DIRECTORS OF EQUITY RESEARCH

Kamran Baig *LON*
EMEA and Latin America

Anna M. Dopkin, CFA *BAL*
North America

Charles G. Pepin *BAL*
North America

Jason B. Polun, CFA *BAL*
North America

Kes Visuvalingam, CFA *SGP*
Asia

ASSOCIATE DIRECTORS OF EQUITY RESEARCH

Viral Patel *SYD*
Australia

Eric C. Moffett *HKG*
Asia

HEALTH CARE

Ziad Bakri, CFA, MD *BAL*
U.S. Biotech

Mark Bussard, MD *BAL*
Medtech, Dental, Orthopedic

Simon Cheng, CFA *HKG*
Asia Ex-Japan HC Services

Melissa Gallagher, Ph.D. *LON*
O.U.S. Pharma

Kris H. Jenner, MD, D. Phil[1] *BAL*
U.S. Pharma & Biotech

Graham M. McPhail *BAL*
HC Services

Paul O'Sullivan *SYD*
Hospital Supply, Pharma, HC Services

Taymour R. Tamaddon, CFA *BAL*
Hospital Supply, Life Sciences and Ophthalmology

Jean-Pierre Thibaud, CFA *LON*
LatAm HC

Rouven Wool-Lewis, Ph.D. *BAL*
HC Services

John Xie *HKG*
Asia HC Services (ex Pharma)

BUSINESS SERVICES

Andrew Fones *BAL*
IT Consulting, Staffing, Education

Clark R. Shields *BAL*
Transaction Processors, Financial Services Related, Other

BAL Baltimore
BA Buenos Aires
LON London
SYD Sydney
SGP Singapore
HKG Hong Kong
TOK Tokyo

FINANCIAL SERVICES

Malik Asif *LON*
Africa & Middle East Banks

Hari Balkrishna *LON*
Canada, Scandinavian, UK Banks

Jon Friar *BAL*
Regional Banks

Christopher T. Fortune, CFA *BAL*
Banks (Smaller)/Thrifts

Nina Jones, CPA *BAL*
Real Estate

Yoichiro Kai, CMA *SGP*
Japan Financials/Real Estate

Aden Lau *SGP*
Non-Bank Financials, Infrastructure Finance

David M. Lee, CFA[1] *BAL*
Real Estate

Ian C. McDonald, CFA *BAL*
Canadian Ins Companies; Financial Exchanges, Life Ins.

Jihong Min *SGP*
South East Asia and Korea Banking

Eric C. Moffett *HKG*
Asia Ex-Japan Real Estate

Sridhar Nishtala *SGP*
Asia Ex-Japan Ins

Paul O'Sullivan *SYD*
Major & Regional Banks, Asset Managers, P&C & Speciality Ins, Speciality Finance

Viral Patel *SYD*
Australian REITS

Frederick Rizzo, CFA *LON*
European Banks

Matt Snowling, CFA *BAL*
Financial Services Companies

Gabriel Solomon *BAL*
Multi-line, P&C Ins

Mitchell Todd, CA *LON*
Europe Ins/Financials

Eric L. Veiel, CFA[1] *BAL*
Asset Managers, Investment Banks, Money Center Banks

Marta Yago *LON*
European Real Estate, Asset Managers and Brokerage Firms, Rating Agencies

TECHNOLOGY

Kennard W. Allen[1] *BAL*
Hardware, Software

Rhett K. Hunter *BAL*
Smid-Cap Generalist

Jai Kapadia *HKG*
Asia Ex-Japan Tech Materials

Shalin Mody, CFA *BAL*
Smid-Cap Telecom Equipment, Semiconductors

Tobias Mueller *LON*
Europe Semiconductors, Software

Hiroaki Owaki, CFA *TOK*
Japan Generalist

Adam Poussard, CFA *BAL*
Semiconductor Capital Equipment

Joshua K. Spencer, CFA[1] *BAL*
Semiconductors & Equipment

Thomas H. Watson, CFA *BAL*
Software

Justin P. White, CFA *BAL*
Storage, Network Equipment

Nalin Yogasundram *BAL*
Alt Energy

Alison Yip *HKG*
Asia Ex-Japan Generalist

MEDIA/TELECOM

Archibald Ciganer, CFA *TOK*
Japan Media, Telecom Services

Jim Friedland *BAL*
Media Companies

Paul D. Greene *BAL*
Adv, Diversified Media, Radio, TV

Randal Jenneke[1] *SYD*
Australia Media

Ryan Martyn *SYD*
Australia/New Zealand Telecom

Daniel Martino, CFA[1] *BAL*
Telecom Services & Cable

Corey Shull, CFA *BAL*
Media, Internet

Justin P. White, CFA *BAL*
Internet Infrastructure, Cable

Christopher Whitehouse *LON*
Europe Media, Telecom Services

Wenli Zheng *HKG*
Asia Telecom, Internet

CONSUMER/RETAIL

Paulina Amieva *LON*
Latin America & South Africa Retail

Francisco M. Alonso *BAL*
Soft Goods, Hard Goods, Discount Stores, Textiles, Apparel

Ira W. Carnahan, CFA *BAL*
Soft Goods, Toys, Nutrition, Diet and Direct Sellers, Outdoor Equipment

Archibald Ciganer, CFA *TOK*
Japan Consumer

Jessie Ding *HKG*
Consumer Discretionary

Barry Henderson *BAL*
Hard Goods, Discount Stores, Gaming

Randal Jenneke[1] *SYD*
Australia Gaming

Michael Lasota *BAL*
Cruise Lines, Commercial Brokers, Lodging

Ian C. McDonald, CFA *BAL*
Housing

Sridhar Nishtala *SGP*
Retail, Consumer Products, Leisure

Paul O'Sullivan *SYD*
Apparel & Footwear, Specialty Retail

Viral Patel *SYD*
Australia Food & Beverage Retailers

Robert T. Quinn, Jr. *BAL*
Food, Beverage, Tobacco, Personal Care, Cosmetics, Conglomerates (Multi-Cap)

Sebastian Schrott *LON*
European Retail and Luxury Goods

Amit Seth *BAL*
Branded Apparel, Footwear

Vivian Si *BAL*
Soft Good, Textiles, Apparel

Jonty Starbuck, CFA *LON*
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Ashley R. Woodruff, CFA *BAL*
Restaurants, Supermarkets

INDUSTRIALS

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Latin America Airlines

Hari Balkrishna *LON*
Europe Autos

Sheena Barbosa, CFA *HKG*
Asia Ex-Japan Infrastructure

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Env Services, Ind Manufacturing, Agriculture Equipment, Capital Goods, Mega Conglomerates

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Archibald Ciganer, CFA *TOK*
Japan Transport

Andrew Davis *BAL*
Airlines, Railroads, Trucking

Eric DeVilbiss, CFA *BAL*
Agriculture

Jin Jeong, CPA *LON*
Europe Capital Goods, Auto

Jai Kapadia *HKG*
Asia Ex-Japan Conglomerates

Ryan Martyn *SYD*
Australia Building Materials

Susanta Mazumdar[1] *SGP*
Asia Ex-Japan Infrastructure

Sridhar Nishtala *SGP*
Airlines

Curt J. Organt, CFA *BAL*
Smid-Cap Generalist, Distribution

Austin M. Powell, CFA *TOK*
Japan Ind Manufacturing

Vivek Rajeswaran *BAL*
Waste Management

David L. Rowlett, CFA *BAL*
Aerospace and Defense

Jeneiv Shah, CFA *LON*
Eastern Europe Autos, Transport, Airlines

John C. A. Sherman *LON*
Aerospace and Defense, Transport, Logistics

Clark R. Shields *BAL*
Air Freight, Logistics

Eunbin Song, CFA *SGP*
Steel, Shipbuilding, E&C, Asia Ex-Japan Power Equipment

John Xie *HKG*
Asia Transport

Christopher Yip, CFA *HKG*
Asia Ex-Japan Ind Manufacturing

NATURAL RESOURCES

Haider Ali *SGP*
Asia Ex-Japan Oil and Gas, Mining, Non-ferrous Metals

Malik Asif *LON*
Middle East Petrochemicals

Sheena Barbosa, CFA *HKG*
Asia Ex-Japan Utilities

Ryan N. Burgess, CFA *BAL*
Chemicals, Utilities

Archibald Ciganer, CFA *TOK*
Japan Utilities

Shawn T. Driscoll *BAL*
E&P, Coal, E&C

Shinwoo Kim *BAL*
Energy Services

Jeremy Kokemor, CFA *BAL*
Smid-Cap Metals

Steven D. Krichbaum, CFA[1] *BAL*
Small-Cap Utilities

Ben Landy *BAL*
E&C Fertilizer, Ind Gases

Ryan Martyn *SYD*
Australia Energy, Chemicals, E&P

Susanta Mazumdar[1] *SGP*
Asia Ex-Japan Utilities, Energy

Heather K. McPherson[1] *BAL*
Paper, Forest Products

Timothy E. Parker, CFA[1] *BAL*
Energy Service, E&P, Global Energy Majors

Craig Pennington, CFA *LON*
Global Energy Majors, E&P, Refining

Rick de los Reyes[1] *BAL*
Metals & Mining

Naoto Saito *TOK*
E&C, Japan Energy, Chemicals, Trading Companies

Ami Shah *LON*
Europe Utilities

Jeneiv Shah, CFA *LON*
Eastern Europe Mid-Cap Oils

Thomas Shelmerdine *SYD*
Australia Metals & Mining

John C. A. Sherman *LON*
Chemicals

John Williams, CFA *BAL*
Energy

Nalin Yogasundram *BAL*
Alt Energy

REGIONAL GENERALISTS

Ulle Adamson, CFA *LON*
EMEA

Martin Baylac *BA*
Latin America

José Costa Buck[1] *BA*
Latin America

Simon Cheng, CFA *HKG*
Greater China Small-Cap

Luis Fananas *LON*
Europe Small-Cap

Vishnu Gopal *HKG*
Asia Ex-Japan Small-Cap

Ben Griffiths, CFA *LON*
Europe Small-Cap

Leigh Innes, CFA[1] *LON*
EMEA Generalist

Tetsuji Inoue *TOK*
Japan Smid-Cap

Jai Kapadia *HKG*
India Small-Cap

Mark Lawrence, CFA *LON*
Middle East and Africa

Francisco Sersale *BA*
Latin America

Miki Takeyama, CMA *TOK*
Japan Smid-Cap

Sin Dee Tan, CFA *LON*
Europe Small-Cap

Verena Wachnitz, CFA *BA*
Latin America

Hiroshi Watanabe, CFA *TOK*
Japan Smid-Cap

135 Equity Research Professionals worldwide.[2]

[1] Also has portfolio management responsibilities.

[2] 8 sector portfolio managers, 96 research analysts, 23 associate research analysts, 5 quantitative analysts, and 3 specialty analysts as of 31 December 2012.
Highlighted names reflect analysts with coverage responsibilities for portfolio holdings.

Fundamental Research and Analysis

- **Analysts are industry specialists across capitalization and investment styles**
  - Evaluate impact of all competitors within an industry group
- **Fundamental, bottom-up approach to company research**
  - Industry and company dynamics, management team quality, and financial fundamentals are central considerations
- **"Push/pull" relationship between Analysts and Portfolio Managers**
  - Multiple signaling tools communicate Analysts' conviction and urgency
  - Portfolio Managers "stress test" Analysts' recommendations to independently confirm conclusions
  - Valuation assessment is a key consideration
- **Compensation of our professionals is closely linked to investment performance**
  - Quantitative measurement of ratings/impact
  - Qualitative assessment of overall contribution
  - Performance-based bonuses
  - Equity participation

Extensive analyst interaction across industry groups, sectors, and asset classes promotes a broad perspective and timely decision-making.

Our U.S. Large-Cap Growth Philosophy

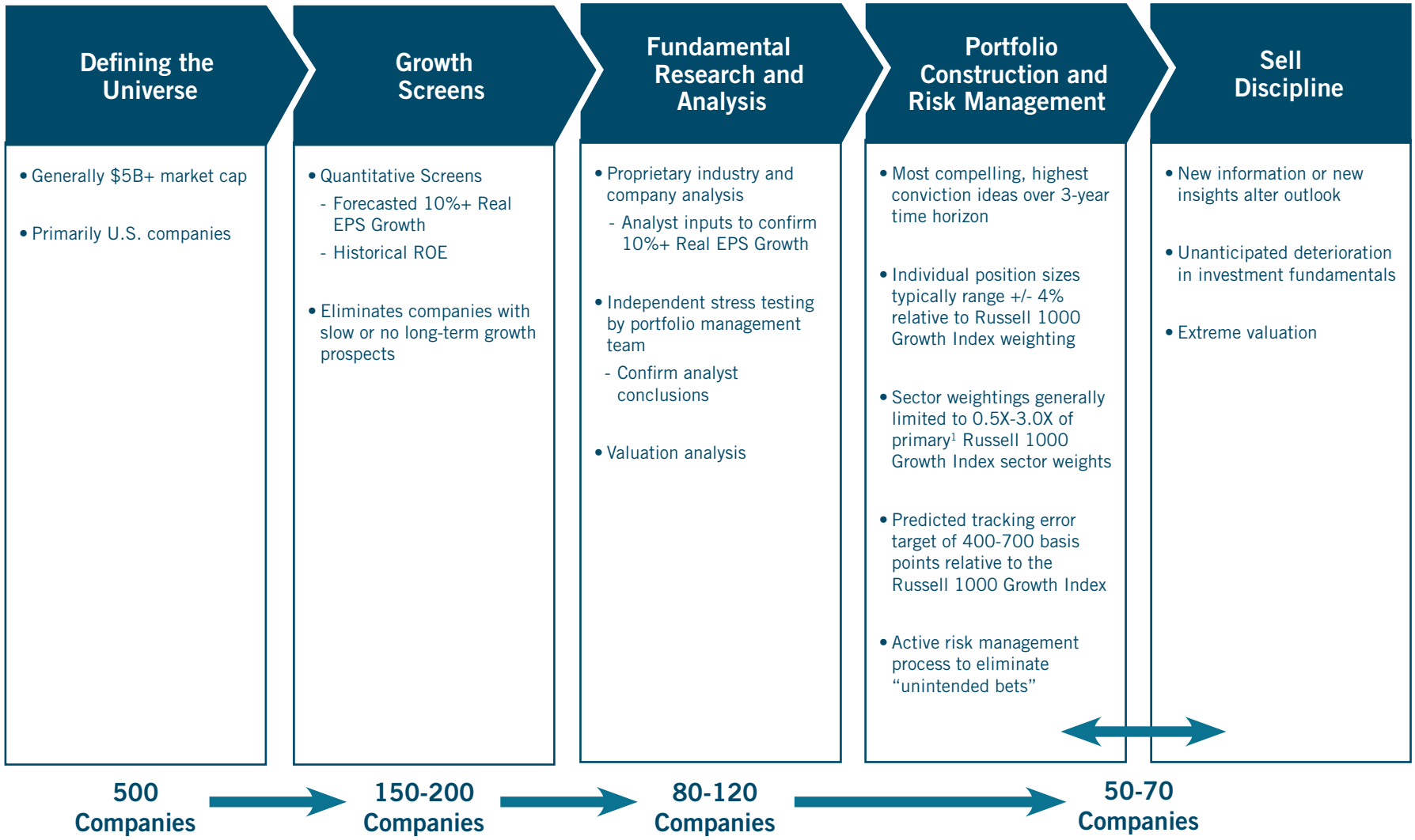
Our experience shows…

- **Long-term growth in earnings and cash flow drive stockholder returns**
- **Rapid growth is often fueled by innovation. Innovation drives lasting change. Companies positioned to exploit change are among the most durable growth investments.**
- **Robust investment results can be produced by capitalizing on two inefficiencies in the U.S. Large-Cap Growth universe**
  - The market systematically overestimates the ability of large U.S. companies to grow at double-digit rates
  - Short-term momentum and sentiment are often overemphasized by investors

Our objective is to produce robust investment results by understanding and exploiting these inefficiencies.

U.S. Large–Cap Growth Investment Process

Our research-driven, bottom-up approach is the engine for our investment idea generation



Superior information and implementation can produce robust investment results.

[1] Sectors representing 10%+ of the Russell 1000 Growth Index.

Fundamental Research Analysis

135 equity research professionals[1] worldwide who are industry specialists across capitalization and investment styles.

Industry Analysis

Secular Analysis

Industry Growth Prospects

- Unit volume growth
- Price stability/pricing power

Cyclical Analysis

Industry Conditions

- Capacity additions/ reductions
- Demand drivers

Company Analysis

Qualitative Analysis

Market Position

- Market share
- Brand/reputation, technology, intellectual property
- Cost position/ structural advantage

Management Team Quality

- Strategy
- Capital allocation
- Information systems

Quantitative Analysis

Financial Strength

- Free cash flow generation
- Level and direction of margins
- Level and direction of ROIC
- Balance sheet strength

Valuation Analysis

Confirm Attractive Valuation

- Relative valuation
- P/FCF
- P/E
- PEG Ratio
- EV/EBITDA

In-depth company analysis provides portfolio managers with sound, long-term investment ideas.

[1] 8 sector portfolio managers, 96 analysts, 23 associate analysts, 5 quantitative analysts, and 3 specialty analysts as of 31 December 2012.

Performance Review

Performance Summary

As of 31 December 2012

I. Market Overview

	Fourth Quarter	One Year
S&P 500 Index	-0.38%	16.00%
Russell 1000 Growth Index	-1.32	15.26
Russell 1000 Value Index	1.52	17.51
Nasdaq	-3.10	15.91
Russell 2000 Index	1.85	16.35

- **Markets struggled to hold gains for year**
- **Global economic growth remained muted**
- **Small-cap stocks outperformed large-caps**

Past performance cannot guarantee future results.

II. Sector Performance Russell 1000 Growth Index

Fourth Quarter

Top Three Performers	Bottom Three Performers
Industrials and Business Services	Information Technology
Financials	Utilities
Materials	Consumer Staples

One Year

Top Three Performers	Bottom Three Performers
Health Care	Utilities
Financials	Energy
Consumer Discretionary	Consumer Staples

III. Portfolio Performance Fourth Quarter

Tucson Supplemental Retirement System

Major Absolute Contributors	Major Absolute Detractors
Netflix	Apple
Juniper Networks	Google
Crown Castle International	Express Scripts Holding
Precision Castparts	Edwards Lifesciences
Gilead Sciences	TIBCO Software

III. Portfolio Performance One Year

U.S. Large-Cap Growth Representative Portfolio[1]

Major Absolute Contributors	Major Absolute Detractors
Apple	Groupon
Crown Castle International	Baidu
Gilead Sciences	Atmel
Amazon.com	TIBCO Software
MasterCard	JPMorgan Chase

IV. Significant Trades Fourth Quarter

Tucson Supplemental Retirement System

Major Purchases	Major Sales
Lowe's (N)	Stryker (E)
Visa (N)	UPS
Ecolab (N)	Starbucks
Cognizant Technology Solutions	Southwestern Energy (E)
Home Depot (N)	Informatica (E)

V. Market Outlook

- **Investors remain cautious amid economic growth and policy concerns**
- **Equity valuations remain reasonable, despite strong performance**
- **Quality, large-cap stocks offer solid risk/reward prospects**

(N) New holding.
(E) Eliminated.

[1] The representative portfolio is an account in the composite we believe most closely reflects current portfolio management style for the strategy. Performance is not a consideration in the selection of the representative portfolio. The characteristics of the representative portfolio shown may differ from those of the composite and of the other accounts in the composite. Information regarding the representative portfolio and the other accounts in the composite is available upon request.

Supplemental information.

The specific securities identified and described above do not represent all of the securities purchased, sold, or recommended for the portfolio, and no assumptions should be made that the securities identified and discussed were or will be profitable.

The information shown does not reflect any ETFs that may be held in the portfolio.

Total Return Performance

U.S. Large-Cap Growth Composite

Periods Ended 31 December 2012
Figures Shown in U.S. Dollars

	Three Months	Since Client Performance Inception 1 February 2012	One Year	Annualized			
				Three Years	Five Years	Seven Years	Ten Years
Tucson Supplemental Retirement System (Gross of Fees)	-0.47%	10.93%	N/A	N/A	N/A	N/A	N/A
Tucson Supplemental Retirement System (Net of Fees)	-0.59	10.42	N/A	N/A	N/A	N/A	N/A
U.S. Large-Cap Growth Composite (Gross of Fees)	-0.36	10.79[3]	18.51%	10.99%	4.69%	5.66%	9.44%
U.S. Large-Cap Growth Composite (Net of Fees)[1]	-0.49	10.28[3]	17.93	10.44	4.17	5.14	8.90
Russell 1000 Growth Index	-1.32	8.77	15.26	11.35	3.12	5.16	7.52
Value Added (Gross of Fees)[2]	0.85	2.16	3.25	-0.36	1.57	0.50	1.92

[1] Net of fees performance reflects the deduction of the highest applicable management fee (Model Net Fee) that would be charged based on the fee schedule appropriate to you for this mandate, without the benefit of breakpoints. Please be advised that the composite may include other investment products that are subject to management fees that are inapplicable to you but are in excess of the Model Net Fee. Therefore, the actual performance of all the portfolios in the composite on a net fee basis will be different and may be lower than the Model Net Fee performance. However, such Model Net Fee performance is intended to provide the most appropriate example of the impact management fees would have by applying management fees relevant to you to the gross performance of the composite. Past performance cannot guarantee future results.

Supplemental information. See "GIPS® Disclosure" for additional performance information.

[2] Value Added is shown as the U.S. Large-Cap Growth Composite (Gross of Fees) versus the Russell 1000 Growth Index for all periods except for "Three Months" and "Since Client Performance Inception," which is shown as the portfolio (Gross of Fees) versus the Russell 1000 Growth index.

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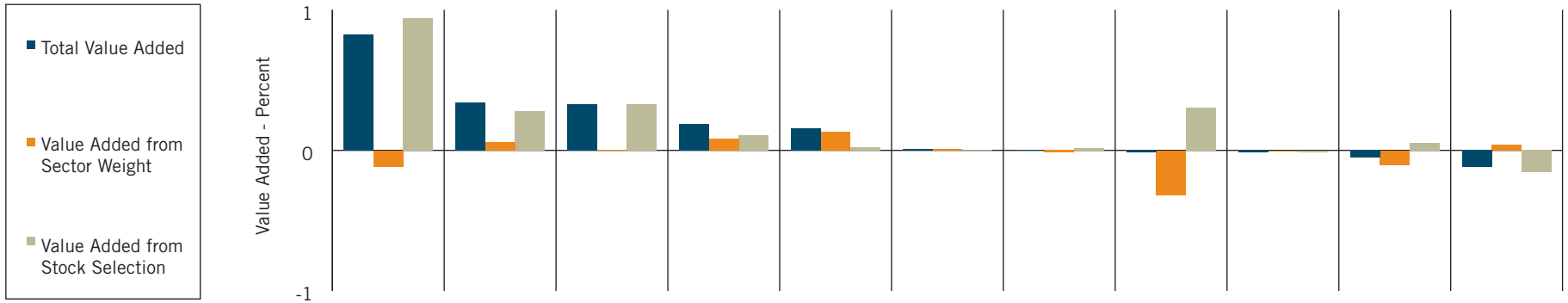
[3] Calculated from 31 January 2012 through 31 December 2012, as performance returns are run month end.

Attribution Analysis

Tucson Supplemental Retirement System vs. Russell 1000 Growth Index

Three Months Ended 31 December 2012
Figures Shown in U.S. Dollars

Sector



	Total	Consumer Discretionary	Telecom Services	Industrials & Business Services	Consumer Staples	Utilities	Materials	Information Technology	Energy	Financials	Health Care
Over (Under) Weight	-	4.3	0.2	0.9	-11.3	-0.2	-0.2	5.8	1.0	-2.1	1.7
Portfolio Weight (Ending)	100.0	21.0	2.5	13.6	1.2	0.0	3.8	36.7	5.0	2.5	13.7
Index Weight (Ending)	100.0	16.7	2.3	12.7	12.5	0.2	4.0	30.9	4.0	4.6	12.0
Portfolio Performance	-0.5	2.3	12.6	7.7	-2.0	0.0	4.8	-6.0	-2.1	6.6	-1.2
Index Performance	-1.3	1.0	-1.5	6.9	-2.5	-6.7	4.2	-6.8	-1.5	4.5	-0.2

Numbers may not add to 100% due to rounding; all numbers are percentages.

Analysis represents the equity-only performance of the portfolio as calculated by the Wilshire Atlas attribution model and is exclusive of cash, trusts, mutual funds, de-listed securities, and other non-equity holdings. Returns will not match official TRP performance because Wilshire uses different pricing and exchange rate sources and does not capture intra-day trading or fair-value pricing. Performance for each security is obtained in the local currency and, if necessary, is converted using an exchange rate determined by an independent third party.

Source: Wilshire Atlas, MSCI/S&P GICS Sectors; Analysis by T. Rowe Price Associates, Inc. T. Rowe Price uses the MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. Each year, MSCI and S&P make changes to the GICS structure. The last change occurred on 1 July 2010. T. Rowe Price will adhere to all future updates to GICS for prospective reporting.

Figures are shown gross of fees.

Past performance cannot guarantee future results.

Key Performance Drivers in Fourth Quarter 2012

Three Months Ended 31 December 2012

- **CONTRIBUTORS:**

Consumer Discretionary

- Stock selection in the sector contributed to relative performance during the quarter.
- Shares of NFLX were up sharply during the quarter as video streaming traffic data indicate they are keeping competitors at bay. In addition, the company announced an exclusive deal to carry Disney movies.

Telecommunication Services

- Stock selection contributed to relative results as CCI, our only holding in the sector, continued to benefit from demand for higher data capacity to support smartphone and tablet technology.

Industrials and Business Services

- Stock selection and an overweight position to the best performing sector in the index helped relative performance during the quarter.
- Aerospace names were among the top performers, as PCP announced in November it will be acquiring Titanium Metals, and UAL benefitted from lower fuel prices further integration of United and Continental.

- **DETRACTORS:**

Health Care

- Stock selection hurt relative performance.
- After a strong run, EW shares pulled back on a reduction in the number of a specific type of cardiovascular procedure being performed by surgeons. ESRX was another poor performer, after they released a negative 2013 outlook, driven by persistently high unemployment and a weak business climate.

Financials

- Our underweight to the sector hurt relative performance as financials was the second-best performing sector in the index. The sector was helped by banks continuing to improve their balance sheets, and a slight ease in lender restrictions that helped boost consumer loan demand.

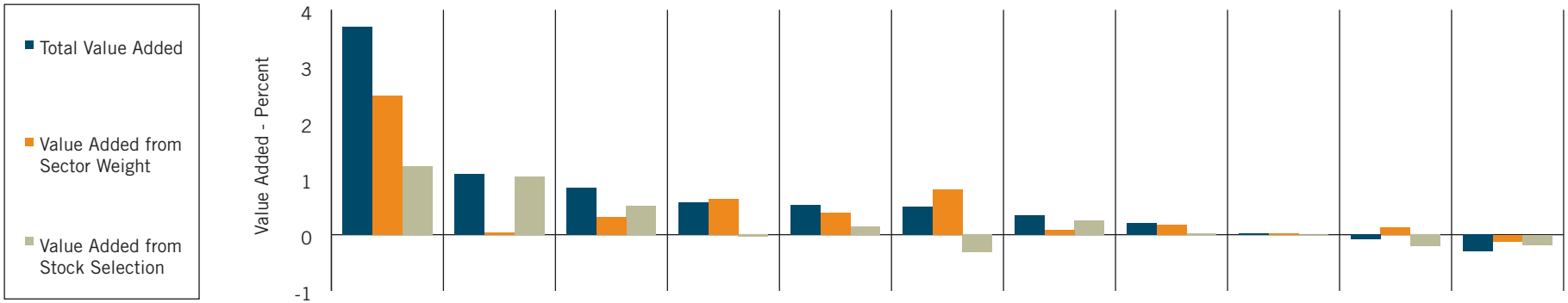
The specific securities mentioned above comprised 8.4% of the portfolio as of 31 December 2012.
The information shown does not reflect any ETFs that may be held in the portfolio.

Attribution Analysis

U.S. Large-Cap Growth Representative Portfolio[1] vs. Russell 1000 Growth Index

One Year Ended 31 December 2012
Figures Shown in U.S. Dollars

Sector



	Total	Telecom Services	Health Care	Consumer Staples	Information Technology	Energy	Materials	Consumer Discretionary	Utilities	Industrials & Business Services	Financials
Over (Under) Weight	-	0.2	1.8	-11.2	5.8	1.0	-0.2	4.3	-0.2	0.9	-2.1
Portfolio Weight (Ending)	100.0	2.5	13.8	1.3	36.7	5.0	3.8	21.0	0.0	13.6	2.5
Index Weight (Ending)	100.0	2.3	12.0	12.4	30.9	4.0	4.0	16.6	0.2	12.7	4.6
Portfolio Performance	18.9	61.1	27.8	5.2	16.8	3.3	25.4	20.2	0.0	13.7	25.6
Index Performance	15.2	15.4	23.8	9.7	16.5	8.8	18.2	20.2	-3.9	14.8	22.3

[1] The representative portfolio is an account in the composite we believe most closely reflects current portfolio management style for the strategy. Performance is not a consideration in the selection of the representative portfolio. The characteristics of the representative portfolio shown may differ from those of the composite and of the other accounts in the composite. Information regarding the representative portfolio and the other accounts in the composite is available upon request.

Supplemental information.
Numbers may not add to 100% due to rounding; all numbers are percentages.

Analysis represents the equity-only performance of the portfolio as calculated by the Wilshire Atlas attribution model and is exclusive of cash, trusts, mutual funds, de-listed securities, and other non-equity holdings. Returns will not match official TRP performance because Wilshire uses different pricing and exchange rate sources and does not capture intra-day trading or fair-value pricing. Performance for each security is obtained in the local currency and, if necessary, is converted using an exchange rate determined by an independent third party.

Source: Wilshire Atlas, MSCI/S&P GICS Sectors; Analysis by T. Rowe Price Associates, Inc. T. Rowe Price uses the MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. Each year, MSCI and S&P make changes to the GICS structure. The last change occurred on 1 July 2010. T. Rowe Price will adhere to all future updates to GICS for prospective reporting.

Figures are shown gross of fees.

Past performance cannot guarantee future results.

Key One-Year Performance Drivers

One Year Ended December 31, 2012

- **CONTRIBUTORS:**

Telecommunication Services

– Stock selection drove relative outperformance, as our only holding, CCI, benefitted from demand for higher wireless data capacity due to the consumer adoption of smartphones and tablet computers.

Health Care

– Stock selection and an overweight position to the best-performing sector in the index contributed to relative performance.
– Our biotechnology holdings performed well, as GILD advanced trials of its hepatitis C treatment, bringing the product closer to market, and HGSI received a take-out offer at a significant premium.

Consumer Staples

– The sector remains our largest underweight (-11%), which helped relative performance in the period as investors favored more cyclical names.
– We maintain a relatively small exposure to the consumer staples sector, as most companies do not offer the potential for double-digit earnings growth over the long term, in our view.

Information Technology

– An overweight position and stock selection contributed to strong relative performance, driven by computers and peripherals company AAPL, and our software, and internet software and services holdings (CRM, EBAY, LNKD).
– We continue to favor companies driven by the convergence of communications & computing, and to avoid those legacy companies not well positioned for this trend (CSCO, ORCL, HPQ).

- **DETRACTORS:**

Financials

– Stock selection was negative during the period, led by JPM, which suffered heavy trading losses in May. AMTD struggled with other online brokers as persistent low interest rates and low trading volumes have led to a decline in profit.
– Our underweight position also hurt relative performance, as the sector was helped by banks continuing to improve their balance sheets, and easing lender restrictions that helped boost consumer loan demand.

Industrials and Business Services

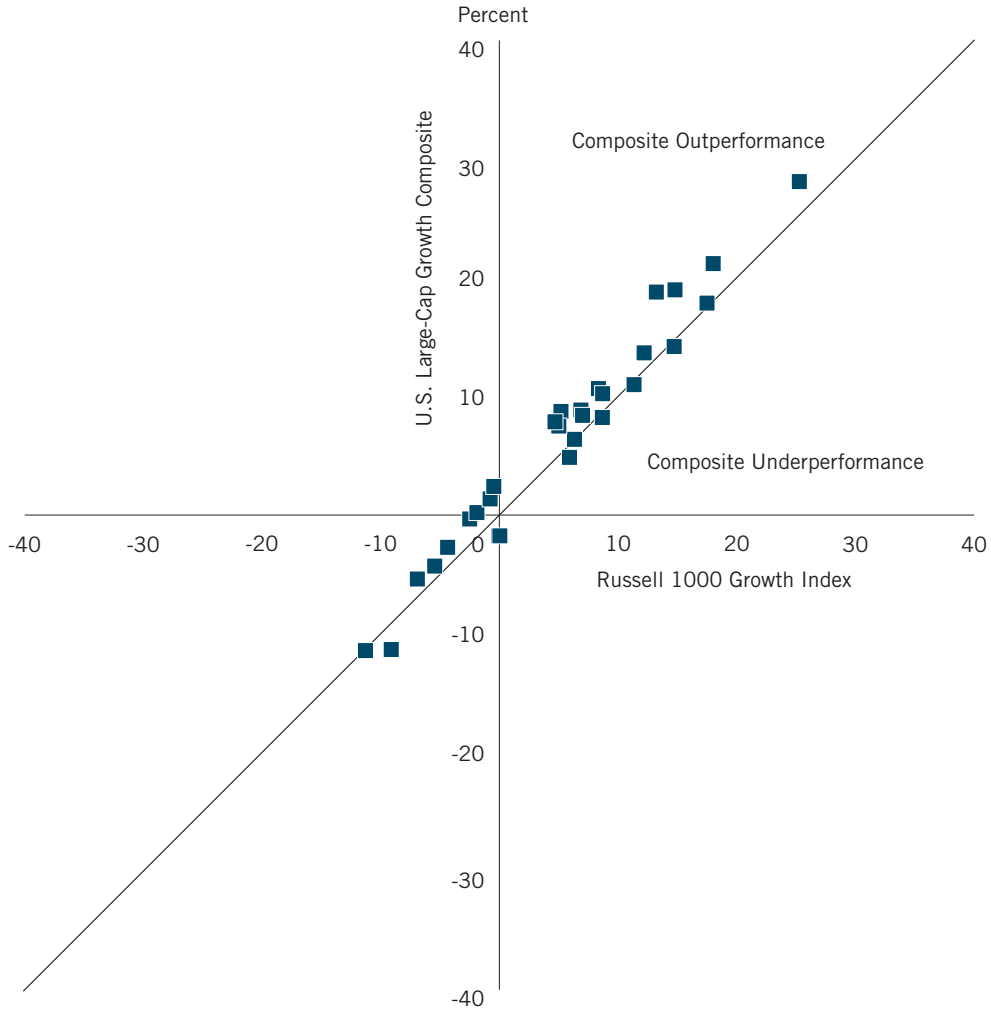
– Stock selection was negative during the period, but was partially mitigated by an overweight position.
– Shares of BA were up modestly, but underperformed the broader industrials sector during 2012. Although the company faced labor issues and some technical problems with its 787 Dreamliner, the backlog for new commercial aircraft orders remains strong going into 2013.

The specific securities mentioned above comprised 20.7% of the portfolio as of 31 December 2012.
The information shown does not reflect any ETFs that may be held in the portfolio.

Total Return Performance

Three-Year Rolling Quarterly Returns (Annualized Gross of Fees) — U.S. Large-Cap Growth Composite vs. Russell 1000 Growth Index

Calculated Quarterly from 31 December 2002 to 31 December 2012
Figures Shown in U.S. Dollars



Each point represents the performance of the composite and its benchmark for a 3-year annualized period. Points above the diagonal represent outperformance relative to the benchmark. Points below the diagonal represent relative underperformance.

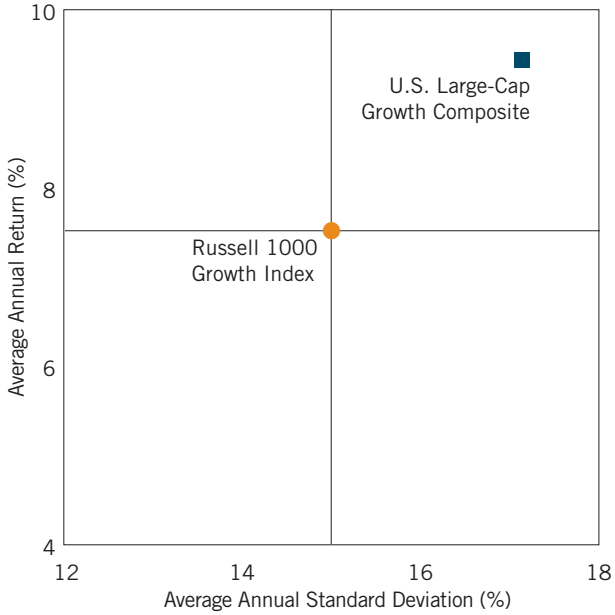
Figures shown gross of fees. Returns would have been lower as the result of the deduction of applicable fees. Past performance cannot guarantee future results.

Supplemental information.

Total Return Performance

Risk/Return Characteristics

10 Years Ended 31 December 2012
Figures Shown in U.S. Dollars



	10 Years	
	U.S. Large-Cap Growth Composite	Russell 1000 Growth Index
Annualized Total Return	9.44%	7.52%
Annualized Standard Deviation	17.13%	15.00%
Historical Tracking Error	4.24%	0.00%
Beta	1.11	1.00
R-Squared	0.95	1.00
Alpha	1.37%	0.00%
Sharpe Ratio	0.45	0.39
Information Ratio	0.36	0.00

Statistics are based on monthly gross returns. Returns would have been lower as the result of the deduction of applicable fees. Past performance cannot guarantee future results.

Supplemental information.

Portfolio Review

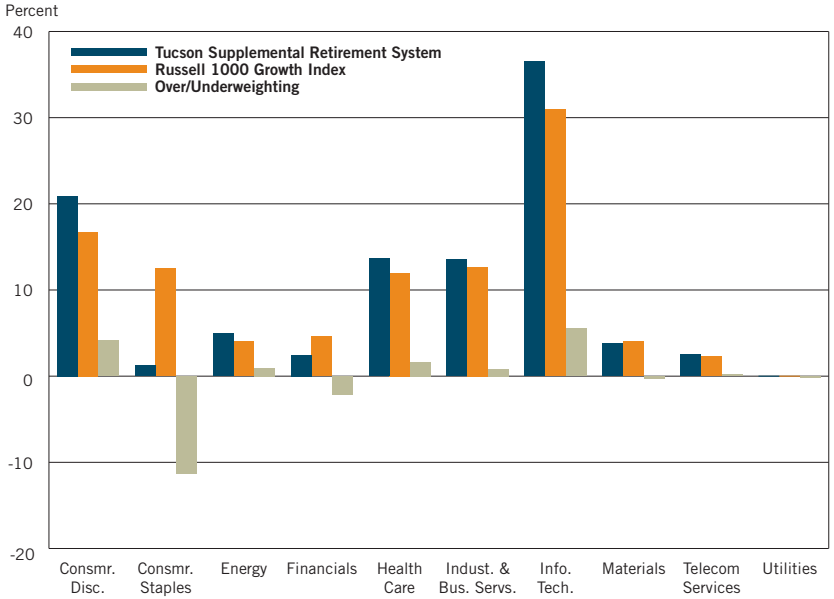
Portfolio Snapshot

As of 31 December 2012, Market Capitalizations Shown in U.S. Dollars

Top 10 Holdings

Company	% of Portfolio
Apple	8.6%
Google	4.9
Amazon.com	4.0
Danaher	3.0
Gilead Sciences	2.7
priceline.com	2.7
MasterCard	2.6
Crown Castle International	2.5
Juniper Networks	2.4
Qualcomm	2.3
Total	35.8%

Sector Weightings



Portfolio Characteristics

	Tucson Supplemental Retirement System	Russell 1000 Growth Index
Projected Earnings Growth Rate[1]	16.8%	12.5%
Price to Earnings (12 Months Forward)[1]	18.9X	15.4X
Investment Weighted Average Market Capitalization (Millions)	$86,076	$100,067
Number of Holdings	70	571
20 Largest Holdings	55%	38%
Portfolio Turnover (Last 3 Months)	8.5%	N/A

[1] Source: IBES.

The specific securities identified and described above do not represent all of the securities purchased, sold, or recommended for the portfolio, and no assumptions should be made that the securities identified and discussed were or will be profitable.

The information shown does not reflect any ETFs that may be held in the portfolio.

Numbers may not total due to rounding.

Statistics are investment-weighted median unless otherwise noted.

T. Rowe Price uses the MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. Each year, MSCI and S&P make changes to the GICS structure. The last change occurred on 1 July 2010. T. Rowe Price will adhere to all future updates to GICS for prospective reporting.

10 Largest Over/Underweights

Tucson Supplemental Retirement System Relative to the Russell 1000 Growth Index
As of 31 December 2012

10 Largest Overweights	% of Portfolio	% of Index	Difference
Danaher	3.0%	0.2%	2.9%
Amazon.com	4.1	1.3	2.8
Juniper Networks	2.4	0.0	2.4
Google	4.9	2.6	2.3
priceline.com	2.7	0.4	2.2
Crown Castle International	2.5	0.3	2.2
Carnival	2.1	0.0	2.1
Gilead Sciences	2.7	0.8	1.9
MasterCard	2.6	0.8	1.9
McKesson	2.0	0.3	1.7

10 Largest Underweights	% of Portfolio	% of Index	Difference
IBM	0.0%	3.0%	-3.0%
Microsoft	0.0	2.9	-2.9
Coca-Cola	0.0	2.0	-2.0
Philip Morris International	0.0	1.9	-1.9
Oracle	0.0	1.8	-1.8
Verizon Communications	0.0	1.7	-1.7
PepsiCo	0.0	1.5	-1.5
Abbott Laboratories	0.0	1.4	-1.4
Schlumberger	0.0	1.3	-1.3
Wal-Mart	0.0	1.3	-1.3

The specific securities identified and described above do not represent all of the securities purchased, sold, or recommended for the portfolio, and no assumptions should be made that the securities identified and discussed were or will be profitable.
The information shown does not reflect any ETFs that may be held in the portfolio.
Numbers may not total due to rounding.

Portfolio by Market Capitalization

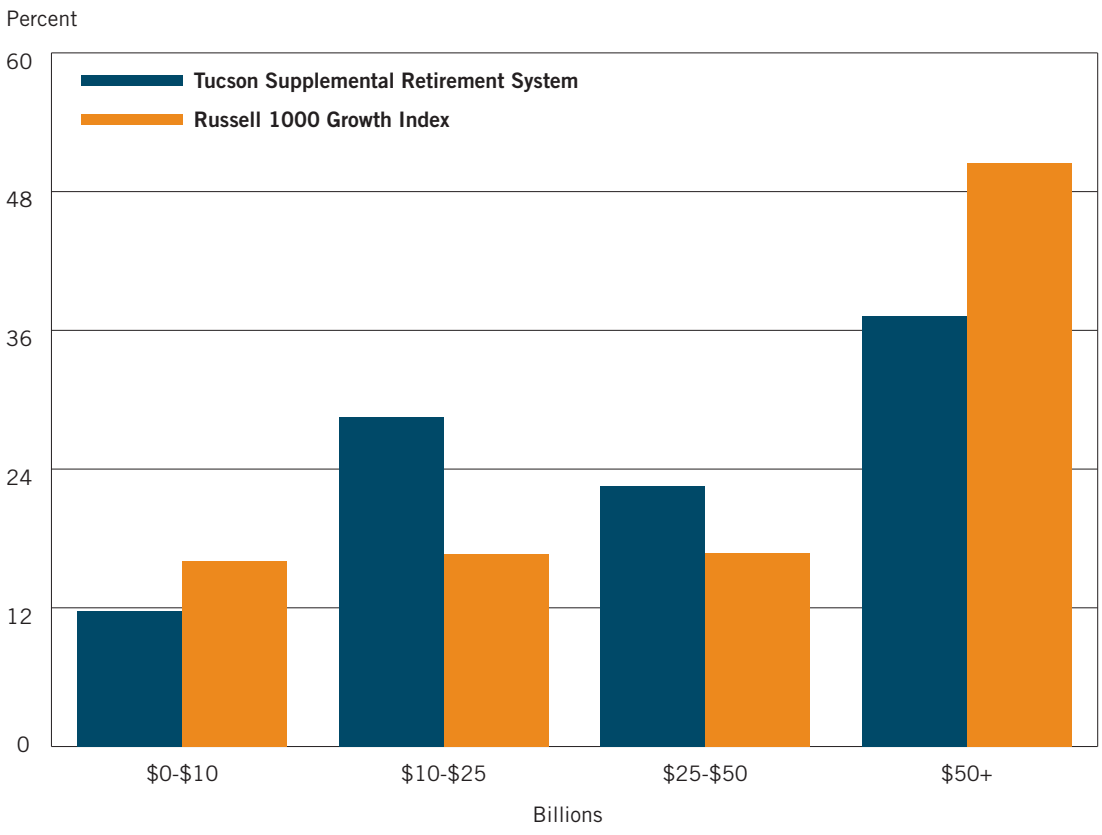
Tucson Supplemental Retirement System
As of 31 December 2012
Market Capitalizations Shown in U.S. Dollars

$0 - $10 Billion 12%	$10 - $25 Billion 29%	$25 - $50 Billion 23%	$50+ Billion 37%
Akamai Technologies	Alexion Pharmaceuticals	Baidu	Amazon.com
Atmel	Broadcom	Biogen Idec	Apple
Catamaran	Cognizant Technology Solutions	Carnival	Boeing
Chipotle Mexican Grill	Crown Castle International	Celgene	eBay
Cimarex Energy	Ecolab	Danaher	EMC
Dollar Tree	Edwards Lifesciences	EOG Resources	Facebook
D. R. Horton	Fastenal	Express Scripts Holding	Gilead Sciences
Fossil	Juniper Networks	Franklin Resources	Google
IHS	Liberty Global	Las Vegas Sands	Home Depot
Monster Beverage	LinkedIn	Lowe's	MasterCard
Netflix	McKesson	Praxair	Qualcomm
Nuance Communications	Michael Kors Holdings	Precision Castparts	Union Pacific
TD Ameritrade Holding	Pioneer Natural Resources	priceline.com	UnitedHealth Group
TIBCO Software	Rackspace Hosting	Starbucks	UPS
TSC	Ralph Lauren		Visa
United Continental	Range Resources		
	Red Hat		
	Regeneron Pharmaceuticals		
	Salesforce.com		
	SanDisk		
	Sherwin-Williams		
	Starwood Hotels & Resorts Worldwide		
	Valeant Pharmaceuticals International		
	Whole Foods Market		
	Williams Companies		

The securities mentioned above represent 100% of the publicly traded common equity securities held by the portfolio.
The specific securities identified and described above do not represent all of the securities purchased, sold, or recommended for the portfolio, and no assumptions should be made that the securities identified and discussed were or will be profitable.
The information shown does not reflect any ETFs that may be held in the portfolio.
Numbers may not total due to rounding.

Market Capitalization Range

Tucson Supplemental Retirement System
As of 31 December 2012
Market Capitalizations Shown in U.S. Dollars



Exhibits

Additional Performance Information
GIPS® Disclosure
Fee Schedule
Monitoring and Risk Management Elements
Your Institutional Team
Biographical Backgrounds
Performance Statistics Glossary

Total Return Performance

U.S. Large-Cap Growth Composite

Periods Ended 31 December 2012
Figures Shown in U.S. Dollars

			Annualized			
	Three Months	One Year	Three Years	Five Years	Seven Years	Ten Years
U.S. Large-Cap Growth Composite (Gross of Fees)	-0.36%	18.51%	10.99%	4.69%	5.66%	9.44%
U.S. Large-Cap Growth Composite (Net of Fees)[1]	-0.49	17.93	10.44	4.17	5.14	8.90
Russell 1000 Growth Index	-1.32	15.26	11.35	3.12	5.16	7.52
Value Added (Gross of Fees)	0.96	3.25	-0.36	1.57	0.50	1.92

Calendar Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
U.S. Large-Cap Growth Composite (Gross of Fees)	38.91%	11.35%	8.38%	6.88%	9.41%	-40.39%	54.28%	16.77%	-1.19%	18.51%
U.S. Large-Cap Growth Composite (Net of Fees)[1]	38.24	10.80	7.84	6.35	8.87	-40.70	53.54	16.19	-1.68	17.93
Russell 1000 Growth Index	29.75	6.30	5.26	9.07	11.81	-38.44	37.21	16.71	2.64	15.26
Value Added (Gross of Fees)	9.16	5.05	3.12	-2.19	-2.40	-1.95	17.07	0.06	-3.83	3.25

[1] Net of fees performance reflects the deduction of the highest applicable management fee (Model Net Fee) that would be charged based on the fee schedule appropriate to you for this mandate, without the benefit of breakpoints. Please be advised that the composite may include other investment products that are subject to management fees that are inapplicable to you but are in excess of the Model Net Fee. Therefore, the actual performance of all the portfolios in the composite on a net fee basis will be different and may be lower than the Model Net Fee performance. However, such Model Net Fee performance is intended to provide the most appropriate example of the impact management fees would have by applying management fees relevant to you to the gross performance of the composite. Past performance cannot guarantee future results.

Supplemental information. See "GIPS® Disclosure" for additional performance information.

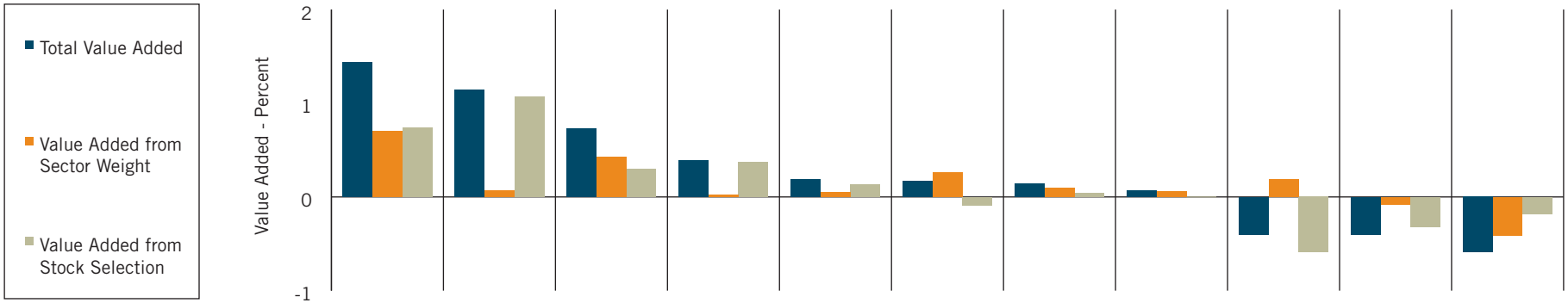
Russell Investment Group is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

Attribution Analysis

U.S. Large-Cap Growth Representative Portfolio[1] vs. Russell 1000 Growth Index

Five Years Ended 31 December 2012
Figures Shown in U.S. Dollars

Sector



	Total	Information Technology	Health Care	Telecom Services	Materials	Energy	Industrials & Business Services	Utilities	Consumer Discretionary	Financials	Consumer Staples
Over (Under) Weight	-	5.8	1.8	0.2	-0.2	1.0	0.9	-0.2	4.3	-2.1	-11.2
Portfolio Weight (Ending)	100.0	36.7	13.8	2.5	3.8	5.0	13.6	0.0	21.0	2.5	1.3
Index Weight (Ending)	100.0	30.9	12.0	2.3	4.0	4.0	12.7	0.2	16.6	4.6	12.4
Portfolio Performance	4.6	7.3	5.8	13.9	3.8	-4.4	1.2	-10.9	4.1	-6.9	2.8
Index Performance	3.1	4.2	4.6	3.2	0.0	-3.3	2.1	-8.0	8.4	-3.1	7.5

[1] The representative portfolio is an account in the composite we believe most closely reflects current portfolio management style for the strategy. Performance is not a consideration in the selection of the representative portfolio. The characteristics of the representative portfolio shown may differ from those of the composite and of the other accounts in the composite. Information regarding the representative portfolio and the other accounts in the composite is available upon request.

Supplemental information.

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Source: Wilshire Atlas, MSCI/S&P GICS Sectors; Analysis by T. Rowe Price Associates, Inc. T. Rowe Price uses the MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. Each year, MSCI and S&P make changes to the GICS structure. The last change occurred on 1 July 2010. T. Rowe Price will adhere to all future updates to GICS for prospective reporting.

Figures are shown gross of fees.

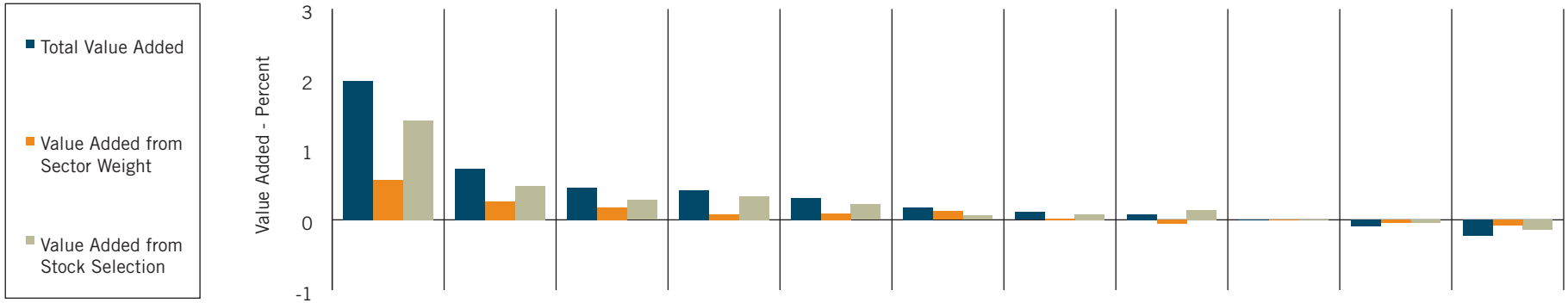
Past performance cannot guarantee future results.

Attribution Analysis

U.S. Large Cap Growth Representative Portfolio[1] vs. Russell 1000 Growth Index

10 Years Ended 31 December 2012
Figures Shown in U.S. Dollars

Sector



	Total	Health Care	Telecom Services	Information Technology	Consumer Discretionary	Energy	Industrials & Business Services	Materials	Utilities	Financials	Consumer Staples
Over (Under) Weight	-	1.8	0.2	5.8	4.3	1.0	0.9	-0.2	-0.2	-2.1	-11.2
Portfolio Weight (Ending)	100.0	13.8	2.5	36.7	21.0	5.0	13.6	3.8	0.0	2.5	1.3
Index Weight (Ending)	100.0	12.0	2.3	30.9	16.6	4.0	12.7	4.0	0.2	4.6	12.4
Portfolio Performance	9.5	8.9	21.2	10.1	9.9	15.6	7.6	11.6	-5.6	2.2	5.4
Index Performance	7.5	6.7	15.0	9.0	8.9	11.5	7.8	10.1	14.8	3.4	7.9

[1] The representative portfolio is an account in the composite we believe most closely reflects current portfolio management style for the strategy. Performance is not a consideration in the selection of the representative portfolio. The characteristics of the representative portfolio shown may differ from those of the composite and of the other accounts in the composite. Information regarding the representative portfolio and the other accounts in the composite is available upon request.

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Source: Wilshire Atlas, MSCI/S&P GICS Sectors; Analysis by T. Rowe Price Associates, Inc. T. Rowe Price uses the MSCI/S&P Global Industry Classification Standard (GICS) for sector and industry reporting. Each year, MSCI and S&P make changes to the GICS structure. The last change occurred on 1 July 2010. T. Rowe Price will adhere to all future updates to GICS for prospective reporting.

Figures are shown gross of fees.

Past performance cannot guarantee future results.

GIPS® Disclosure

U.S. Large-Cap Growth Composite

Period Ended December 31, 2012
Figures Shown in U.S. dollar

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Gross Annual Returns (%)	38.91	11.35	8.38	6.88	9.41	-40.39	54.28	16.77	-1.19	18.51
Net Annual Returns (%)[1]	38.24	10.80	7.84	6.35	8.87	-40.70	53.54	16.19	-1.68	17.93
Russell 1000 Growth Index (%)	29.75	6.30	5.26	9.07	11.81	-38.44	37.21	16.71	2.64	15.26
Composite 3-Yr St. Dev.	N/A	17.14	10.75	9.53	9.45	18.26	22.12	24.88	20.11	18.52
Russell 1000 Growth Index 3-Yr St. Dev.	22.66	15.45	9.53	8.31	8.54	16.40	19.73	22.11	17.76	15.66
Composite Dispersion	N/A	N/A	0.10	0.10	0.46	0.33	0.65	0.26	0.26	0.33
Comp. Assets (Millions)	74.5	1,996.5	3,577.5	9,396.6	13,390.4	7,690.5	9,411.7	12,924.7	13,123.1	18,460.5
# of Accts. in Comp.	2	8	12	35	48	45	42	45	46	51
Total Firm Assets (Billions)	188.0	234.7	268.9	333.8	397.5	275.7	395.2	485.0	493.1	579.8

[1]Reflects deduction of highest applicable fee schedule without benefit of breakpoints. Investment return and principal value will vary. Past performance cannot guarantee future results. **See below for further information related to net of fee calculations.**

T. Rowe Price ("TRP") has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). TRP has been independently verified for the 10-year period ended June 30, 2012 by KPMG LLP. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.
TRP is a U.S. investment management firm with various investment advisers registered with the U.S. Securities and Exchange Commission, the U.K. Financial Services Authority, and other regulatory bodies in various countries and holds itself out as such to potential clients for GIPS purposes. TRP further defines itself under GIPS as a discretionary investment manager providing services primarily to institutional clients with regard to various mandates, which include U.S., international, and global strategies but excluding the services of the Private Asset Management group. The minimum asset level for equity portfolios to be included in composites is $5 million and prior to January 2002 the minimum was $1 million. The minimum asset level for fixed income and asset allocation portfolios to be included in composites is $10 million; prior to October 2004 the minimum was $5 million; and prior to January 2002 the minimum was $1 million. Valuations are computed and performance reported in U.S. dollars.
Gross performance returns are presented before management and all other fees, where applicable, but after trading expenses. Net of fees performance reflects the deduction of the highest applicable management fee that would be charged based on the fee schedule appropriate to you for this mandate, without the benefit of breakpoints. Gross and net performance returns are net of nonreclaimable withholding taxes on dividends, interest income, and capital gains. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Dispersion is measured by the standard deviation across asset-weighted portfolio returns represented within a composite for the full year. Dispersion is not calculated for the composites in which there are five or fewer portfolios.
Some portfolios may trade futures, options, and other potentially high-risk derivatives which generally represent less than 10% of a portfolio.
Benchmarks are taken from published sources and may have different calculation methodologies, pricing times, and foreign exchange sources from the composite.
Composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow greater than or equal to 25% of portfolio assets. The temporary removal of such an account occurs at the beginning of the measurement period in which the significant cash flow occurs and the account re-enters the composite on the last day of the current month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request.

The firm's list of composite descriptions and/or a presentation that adheres to the GIPS® standards are available upon request.

Fee Schedule

U.S. Large-Cap Growth Composite

As of 31 December 2012
Figures Shown in U.S. Dollars

The U.S. Large-Cap Growth Composite seeks long-term capital appreciation by investing primarily in common stocks of large-cap growth companies based in the U.S.
(Created June 2006)

First $50 million	50 basis points
Next $50 million	45 basis points
Above $100 million	40 basis points on all assets[1]
Above $200 million	35 basis points on all assets[1]
Minimum separate account size	$50 million

[1] A transitional credit is applied to the fee schedule as assets approach or fall below the breakpoint.

Monitoring and Risk Management Elements

- **Equity Steering Committee Oversight**
  - Periodic review by senior investment professionals promotes consistency of the strategy's investment process and portfolio construction.

- **Quantitative Risk Management Tools**
  - Wilshire Variance Analysis enables portfolio managers to review performance attribution versus benchmarks from a holdings-based perspective.
  - Barra risk analysis provides managers with a common risk factor tool to analyze their strategy versus a benchmark.
  - Zephyr returns-based style analysis allows portfolio managers to analyze the style and size consistency of their strategy versus a benchmark.

Your Institutional Team

Tucson Supplemental Retirement System

Primary Contact:

David B. Orlando
Institutional Client Service Executive
Phone: 415-772-1103 Fax: 415-772-1111
E-mail: david_orlando@troweprice.com

Serves as your main point of contact and provides a link to the resources of T. Rowe Price.

Conducts portfolio reviews, coordinates reporting, and gets answers to your questions.

Secondary Contact:

John D. Plowright, CFA
Institutional Client Service Executive
Phone: 415-772-1117 Fax: 415-772-1111
E-mail: john_plowright@troweprice.com

Available to address your questions and concerns when your primary contact is unavailable.

Operations:

Dawn Williamson
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Addresses contributions and distributions to and from your account, works closely with your primary client service contact and investment support to resolve operational issues, and coordinates review of legal agreements.

Your client service team is your partner in getting you the information you need.

Biographical Backgrounds

T. Rowe Price — Presenters

Ronald Taylor

Ron Taylor is a portfolio specialist in the Equity Division of T. Rowe Price. He is a member of the U.S. Large-Cap Growth strategy team working closely with institutional clients, consultants, and prospects. Mr. Taylor is a vice president of T. Rowe Price Group, Inc.

Mr. Taylor has 24 years of investment experience, nine of which have been at T. Rowe Price. Prior to joining the firm in 2003, he was employed by Zurich Scudder Investments as an equity product specialist and later as the director of Institutional Client Service. Ron also previously worked for Chancellor Capital Management as an equity product specialist and at Putnam Investments as an equity analyst and later in new business development and client service. He began his career as a high-yield bond analyst at Columbia Savings & Loan.

Mr. Taylor earned a B.A. in economics from the University of California, Los Angeles, and an M.B.A. from Harvard Business School.

John F. Masdea, CFA

John Masdea is a vice president of T. Rowe Price Group, Inc., and T. Rowe Price Associates, Inc. He is a U.S. institutional sales executive for Global Investment Services, the organization responsible for the firm's institutional business worldwide.

Mr. Masdea has 10 years of experience in institutional investment management sales. Prior to joining T. Rowe Price in 2010, he was vice president of institutional sales for RS Investments.

John earned an M.B.A. from Oxford University, and a B.S. in physiology from the University of Southern California. He is a series 6 and 63 registered representative and has earned the Chartered Financial Analyst designation.

Performance Statistics Glossary

Alpha – A measure of a strategy's risk-adjusted performance. Alpha represents the difference between a strategy's actual returns and its expected performance, given its level of risk as measured by beta. The difference is expressed as an annualized percentage.

Beta – A measure of the market risk of a strategy showing how responsive the strategy is to a given market index, such as the S&P 500 Index (an index for equity strategies) or the Barclays Government/Corporate Bond Index (an index for fixed income strategies). By definition, the beta of the benchmark index is 1.00. A strategy with a 1.10 beta is expected to perform 10% better than the index in up markets and 10% worse in down markets. Usually, higher betas represent riskier investments.

Earnings Growth Rate (Current Fiscal Year) – Measures the annualized percent change in earnings per share from the prior fiscal year to the current fiscal year.

Historical Tracking Error – Standard deviation of the strategy's excess return over the market benchmark.

Information Ratio – A measure of the significance or quality of alpha. It is defined as the ratio of alpha to the standard deviation of alpha. A larger number is better – either a very strong alpha score or a consistent alpha with low standard deviation.

Market Capitalization – A measure of a company's total value and is equal to the total dollar value of all outstanding shares.

Median – Represents the midpoint of market capitalization of stocks in a portfolio where 50% of holdings are above the value.
Investment-Weighted Median – Represents the breakpoint where 50% of the weights are above the value.
Investment-Weighted Average – Sum of each holding's market capitalization multiplied by its weight in the portfolio.

Price to Book Ratio – Used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value (book value is simply total assets minus intangible assets and liabilities).

Price-to-Earnings Ratio (12 Months Forward) – P/E is a valuation measure calculated by dividing the price of a stock by the analysts' forecast of the next 12 months expected earnings. The ratio is a measure of how much investors are willing to pay for the company's future earnings. The higher the P/E, the more investors are paying for a company's earnings growth in the next 12 months.

Price-to-Earnings Ratio (Current Fiscal Year) – P/E is a valuation measure calculated by dividing the price of a stock by its reported earnings per share from the latest fiscal year. The ratio is a measure of how much investors are willing to pay for the company's earnings. The higher the P/E, the more investors are paying for a company's current earnings.

Price-to-Earnings Ratio (Next Fiscal Year) – P/E is a valuation measure calculated by dividing the price of a stock by its estimated earnings for the next fiscal year. The ratio is a measure of how much investors are willing to pay for the company's future earnings. The higher the P/E, the more investors are paying for the company's expected earnings growth in the next fiscal year.

Projected Earnings Growth Rate (IBES) – A company's expected earnings per share growth rate for a given time period based on the forecast from the Institutional Broker's Estimate System, which is commonly referred to as IBES.

Return on Equity (Current Fiscal Year) – ROE is a valuation measure calculated by dividing the company's current fiscal year net income by shareholders' equity (i.e., the company's book value). Return on equity measures how much a company earns on each dollar that common stock investors have put into the company. It indicates how effectively and efficiently a company and its management are using stockholder investments.

R-Squared – Measures the percentage of a strategy's movement that is explained by movements in the benchmark index. R-Squared helps indicate the accuracy of a strategy's alpha and beta.

Sharpe Ratio – A risk-adjusted measure, which is calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better the strategy's historical risk-adjusted performance.

Standard Deviation – Indicates the volatility of a strategy's total returns as measured against its mean performance. Unlike alpha, beta, and R-Squared, which are compared with a benchmark index, standard deviation is strategy-specific. In general, the higher the standard deviation, the greater the volatility or risk.

Turnover – A measurement of how frequently assets within a fund are bought and sold by the managers.

Full Portfolio Holdings

Full Portfolio Holdings

As of 31 December 2012

	Security Name	%Assets +Accrd
CONSUMER DISCRETIONARY		**20.90 %**
Hotels Restaurants & Leisure		**7.96 %**
CCL	Carnival	2.14
CMG	Chipotle Mexican Grill	1.02
HOT	Starwood Hotels & Resorts Worldwid	1.46
LVS	Las Vegas Sands	1.67
SBUX	Starbucks	1.67
Household Durables		**0.74 %**
DHI	D. R. Horton	0.74
Internet & Catalog Retail		**7.25 %**
AMZN	Amazon.com	4.05
NFLX	Netflix	0.54
PCLN	priceline.com	2.66
Media		**0.52 %**
LBTYA	Liberty Global	0.52
Multiline Retail		**0.22 %**
DLTR	Dollar Tree	0.22
Specialty Retail		**1.90 %**
HD	Home Depot	0.51
LOW	Lowe's	0.80
TSCO	TSC	0.59
Textiles, Apparel & Luxury Goods		**2.32 %**
FOSL	Fossil	1.26
KORS	Michael Kors Holdings	0.52
RL	Ralph Lauren	0.54
CONSUMER STAPLES		**1.21 %**
Beverages		**0.69 %**
MNST	Monster Beverage	0.69
Food & Staples Retailing		**0.52 %**
WFM	Whole Foods Market	0.52
ENERGY		**4.98 %**

Rounding may cause figures to vary from 100.00%.

Full Portfolio Holdings

As of 31 December 2012

	Security Name	%Assets +Accrd
Oil, Gas & Consumable Fuels		**4.98 %**
EOG	EOG Resources	0.95
PXD	Pioneer Natural Resources	0.79
RRC	Range Resources	1.45
WMB	Williams Companies	0.66
XEC	Cimarex Energy	1.13
FINANCIALS		**2.45 %**
Capital Markets		**2.45 %**
AMTD	TD Ameritrade Holding	0.90
BEN	Franklin Resources	1.55
HEALTH CARE		**13.65 %**
Biotechnology		**5.84 %**
ALXN	Alexion Pharmaceuticals	0.97
BIIB	Biogen Idec	1.08
CELG	Celgene	0.69
GILD	Gilead Sciences	2.72
REGN	Regeneron Pharmaceuticals	0.38
Health Care Equipment & Supplies		**1.33 %**
EW	Edwards Lifesciences	1.33

	Security Name	%Assets +Accrd
Health Care Providers & Services		**5.45 %**
CTRX	Catamaran	0.79
ESRX	Express Scripts Holding	1.11
MCK	McKesson	2.03
UNH	UnitedHealth Group	1.52
Pharmaceuticals		**1.04 %**
VRX	Valeant Pharmaceuticals Internationa	1.04
INDUSTRIALS & BUSINESS SERVICES		**13.53 %**
Aerospace & Defense		**4.32 %**
BA	Boeing	2.27
PCP	Precision Castparts	2.05
Air Freight & Logistics		**0.89 %**
UPS	UPS	0.89
Airlines		**0.88 %**
UAL	United Continental	0.88
Commercial Services & Supplies		**0.56 %**

Rounding may cause figures to vary from 100.00%.

Full Portfolio Holdings

As of 31 December 2012

	Security Name	%Assets +Accrd
IHS	IHS	0.56
Industrial Conglomerates		**3.04 %**
DHR	Danaher	3.04
Road & Rail		**2.29 %**
UNP	Union Pacific	2.29
Trading Companies & Distributors		**1.56 %**
FAST	Fastenal	1.56
INFORMATION TECHNOLOGY		**36.50 %**
Communications Equipment		**4.69 %**
JNPR	Juniper Networks	2.40
QCOM	Qualcomm	2.29
Computers & Peripherals		**11.60 %**
AAPL	Apple	8.59
EMC	EMC	1.48
SNDK	SanDisk	1.52
Internet Software & Services		**9.92 %**

	Security Name	%Assets +Accrd
AKAM	Akamai Technologies	0.65
BIDU	Baidu	1.14
EBAY	eBay	1.60
FB	Facebook	0.52
GOOG	Google	4.93
LNKD	LinkedIn	0.59
RAX	Rackspace Hosting	0.50
It Services		**4.57 %**
CTSH	Cognizant Technology Solutions	1.21
MA	MasterCard	2.61
V	Visa	0.75
Semiconductor And Semiconductor Equipment		**1.98 %**
ATML	Atmel	0.72
BRCM	Broadcom	1.26
Software		**3.73 %**
CRM	Salesforce.com	1.64
NUAN	Nuance Communications	0.48
RHT	Red Hat	1.09

Rounding may cause figures to vary from 100.00%.

Full Portfolio Holdings

As of 31 December 2012

	Security Name	%Assets +Accrd
TIBX	TIBCO Software	0.52
MATERIALS		**3.76 %**
Chemicals		**3.76 %**
ECL	Ecolab	0.60
PX	Praxair	1.84
SHW	Sherwin-Williams	1.32
OTHER RESERVES		**0.54 %**
Cash		**-0.07 %**
	U S Dollars	-0.07
Short Term Obligations		**0.61 %**
19499899	COLLECTIVE US GOVT STIF 3	0.61
TELECOMMUNICATION SERVICES		**2.48 %**
Wireless Telecommunication Services		**2.48 %**
CCI	Crown Castle International	2.48

Total Mkt Val+Accrd (USD): 58,308,337.65

Rounding may cause figures to vary from 100.00%.