

Franklin Regional Retirement System Performance Review

March 2015

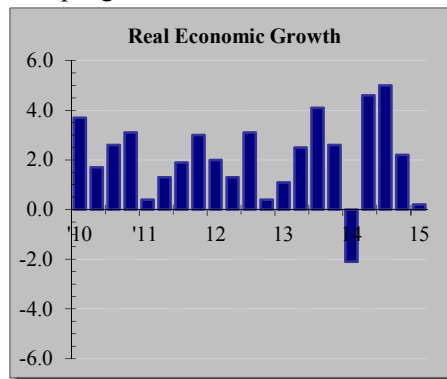


DAHAB ASSOCIATES
New York Massachusetts Pennsylvania Florida

ECONOMIC ENVIRONMENT

Despite a March Dwindle the economy advances

In spite of severe winter weather, volatile oil prices, and concerns about possible Fed interest rate hikes, the economy continued to expand albeit slowly into its sixth year (0.2% GDP growth rate.) Overseas trends were largely improved compared to late 2014; the European and Japanese economies were in the black and China's gains continued at only a slightly lower rate. Two other global pluses were the easing of the Ukrainian crisis and progress in the Iranian nuclear negotiations. However, terrorism and



combat continued to destabilize several African and Middle Eastern countries.

The pluses and minuses, both domestically and globally, translated into a modest 0.2% expansion in the first quarter which followed the more typical fourth quarter GDP growth rate of 2.2%. The following are the highlights for jobs, housing,

manufacturing, consumer confidence, commodity moves, and Fed activity:

- March jobs gains fell dramatically to 126,000. The hiring rate had averaged well over 200,000 per month during the prior 12-month period. The good news was that the unemployment rate remained steady at 5.5%. Year-over-year, unemployment has fallen by 1.1% or 1.8 million workers. Still, 2.6 million job seekers had been unemployed for at least 27 weeks and represented nearly 30% of the total. One bright note was a 0.3% uptick in wages, indicating some labor market tightening. Many economists viewed the low March figure as an anomaly due to winter weather and the West Coast longshoremen's slowdown.
- Housing prices climbed 5.6% for the fiscal year ended February. For the latest three-months, the gains were 1.3%. CoreLogic reports that the low-end housing market has shown the fastest price growth for the year, as those prices were up 9.3% vs. 4.8% for the high-end market.

- The Institute of Supply Management (ISM) reported slowing, but still net positive gains in the manufacturing and service sectors. From February to March, the manufacturing index dropped slightly from 52.9% to 51.5%. While still in expansion mode, the ISM reflected continuing challenges from the West Coast goods backup; a mixed impact from falling energy prices; the harsh winter; and the strong US dollar's effect on higher imports. The most positive sectors were paper and wood products and transportation equipment. The weakest sectors were clothing and related products, and also energy. The ISM non-manufacturing (service) index performed better, posting 56.5% in March; this was down a bit from 56.9% in February. Service sector expansion has been steaming ahead for 67 consecutive months! The majority of companies in the ISM survey were optimistic for business.
- The Consumer Confidence Index gained ground from February when it stood at 98.8 to March when it advanced to 101.3. This gain represented an improved short-term outlook for both jobs and wages.
- The US dollar continued to rise against other currencies -- by another 8.8%.
- CPI inflation remained low, but has moved closer to the 2%/year threshold. Continuing slow wage growth and abundant and cheap import goods (in US \$) have kept price creep at bay. The March CPI increased slightly by 0.2% from the prior month. Economists expect a more significant bump in CPI should the Fed hike short-term interest rates.
- The Federal Reserve Board is in the enviable position of having successfully ended its QE3 program and is currently poised to raise the Fed Funds interest rate. The question on everyone's minds is when? Apparently, the Fed was enamored with healthy economic data through February, only to be surprised by March's economic numbers that revealed very low jobs growth and other sluggish economic indicators. Before any interest rate changes can be made, the Fed has a delicate balancing act. It must consider the economic effects of low gas prices and slow growth in consumer spending, with slowly rising housing prices and listless exports and weigh these against very strong jobs growth during the last fiscal year and currently very low inflation and the strong dollar.

DOMESTIC EQUITIES

Growth and Small-Cap Stocks Set the Pace

Most of the major indices continued climbing in Q1. The S&P 500 and DJIA gained 0.9% and 0.3%, respectively, while the NASDAQ added 3.8%. Small cap growth stocks were the best performers up 6.6%. Small caps in general did better than large caps with the Russell 1000 gaining 1.6% vs. 4.3% for the Russell 2000. One reason for the disparity is that smaller-sized companies have less overseas business in an expensive US dollar environment. There also was a marked difference between the performance of growth and value stocks. While the Russell 3000 Growth Index (comprising essentially all publicly-traded growth stocks) returned 4.0%, the Russell 3000 Value Index actually lost 0.5%. REITs continued to do well, as the MSCI US REIT Index climbed 4.8%.

S&P sector returns ranged from +8.6% (Consumer Service) to -6.7% (Transportation). Autos and other consumer durables gained 4.0%, as did tech companies. Consumer non-durables (e.g. food and drugs) followed closely with a 3.3% gain. The utilities, finance, and energy sectors were all in the red. In part, these declines represented recent investor moves from higher dividend to more growth-oriented companies.

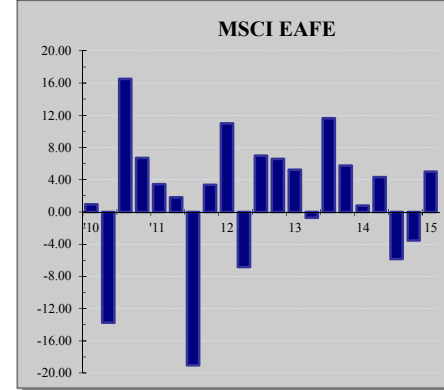
As of quarter-end, the S&P 500 dividend rate remained steady at 2.0%. Price/earnings ratios (using trailing 12-month earnings) moved up to 22.3, which is relatively high. Still, almost half of the companies have much lower P/Es, between 10 and 20.

INTERNATIONAL EQUITIES

EAFE Rebounds, but Not Emerging Markets

The MSCI EAFE Index rebounded by 5.0% in the first quarter, as Europe rallied and Japan's economy recovered from the imposition of a new personal tax. Euro country stock markets averaged a 5.3% advance, thanks

to the European Central Bank's quantitative easing program and increased exports spurred by the falling Euro. Germany, the largest European component, did particularly well (+8.4%), as Daimler, VW and BMW auto sales soared. Two of its drug stocks, Novo Nordisk and Beyer, also performed well. French and Italian shares also participated, gaining 4.8% and 6.8%. Shares in Spain fell 0.6%, partly attributable to internal political turmoil. Surprisingly, the UK market lost almost 1% despite a slowly improving economy.



Ongoing British national elections helped.

Australian shares rose 3.1%. This was mainly because investors drove up high-dividend Australian bank shares. In spite of the continued slide in most metals prices, manufacturer BHP Billiton also surged, after reporting a higher than anticipated profit. Japanese stock prices rose a healthy 10.3%, boosted by strong corporate earnings and in anticipation that companies there would begin to raise dividends. Another important factor was that Hong Kong was up 6%, based largely on insurance company gains.

Emerging markets as a whole returned 2.3%. The BRIC Index, combining just the four largest EM countries, moved up 3.6%. But the devil is in the details, as Brazil lost almost 15% for the second straight quarter. That country's dismal performance reflected: (1) further depreciation of the Brazilian real; (2) economic recession; (3) a downgrading of the country's sovereign debt by two rating agencies; and most critically; (4) whether newly re-elected President Rousseff was personally involved with the scandal involving oil giant Petrobras. These negative factors are no longer new, but remain punishing in the marketplace. Russian equities were the big surprise to the upside. Bouncing back from the abyss, that market gained 18.6%, in all likelihood because President Putin hasn't added any new threats toward his neighbors lately and oil prices have stabilized at current low levels.

The Indian stock market gained 5.4% based on moves by that country's reform-minded government. Investor confidence was bolstered by the

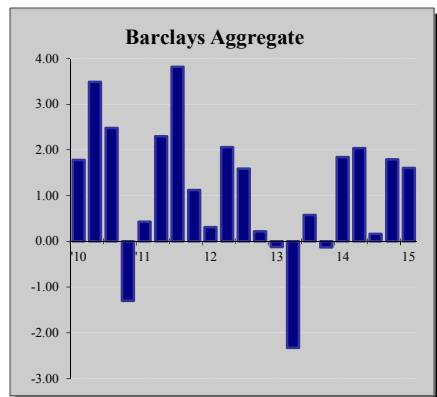
announcement of a modest budget, emphasizing needed infrastructure spending and new social welfare programs. China, the largest component of the EM Index, advanced 8.1% amid continued monetary easing, which tempered investor worries of a slowing economy.

Greek shares tumbled another 29.3% due to that country's precarious finances and its new left-wing government's renewed pleas for further relief from EU restrictions.

BOND MARKET

Tepid, but Still Positive

US Treasuries and investment grade bonds gained ground from both price appreciation (due to declining yields) and income. Combined, the Barclays



Aggregate returned 1.6%. During the quarter, however, yields were quite volatile. In February, alone, yields climbed 40 points on concerns that the Fed would raise rates sooner rather than later. Treasury bonds, comprising almost 36% of the index also earned 1.6%; corporates had a solid performance (+2.3%); mortgage-backed debt, suffering a bit from anticipated prepayments, gained a lower 1.1%.

Asset-backed securities (ABS) were up 0.9%, while commercial mortgage debt (CMBS) posted +1.8%, in sync with commercial real estate demand.

The long maturity Treasury sector was the sweet spot of the market, as Treasuries with maturities of 20-years and longer turned in a healthy 4.2%. Long-dated corporate bonds also performed well, earning 3.3%. Industrial, utility and financial bonds participated almost equally. On the flip side, holders of such long-dated securities were taking a risk that interest rates would not climb soon. When the Fed does begin to raise rates, long bonds should feel the biggest impact and will cease to be the sweet spot.

High yield/junk bonds performed better than their investment grade counterparts, advancing 2.5%. This sector is dominated by energy-related bonds, a sub-sector that has gained ground due to stabilizing oil prices. As

a result, energy debt earned 2.4% compared to a 10.6% loss in the prior quarter. There was no significant difference in returns from the highest to lowest rated junk bond credits. BA-rated names, the highest grade junk bonds, gained 2.7%; single B was right behind, adding 2.6%; and CAA earned 2.0%. However, the lowest-rated CAA-D issues dropped 2.8%.

CASH EQUIVALENTS

Zero Return until the Fed Moves

Parking assets temporarily in Treasury bills or money market funds is either a bet that interest rates will climb reasonably soon or that the equity market is at or near its high. T-bills out to one-year maturity earned essentially zero for the quarter.

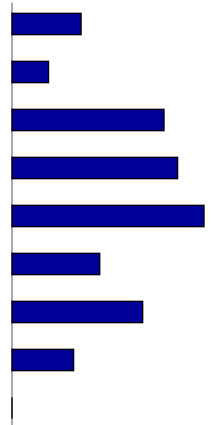
MARKET SUMMARY

ECONOMIC STATISTICS

	CURRENT QTR	LAST QTR
GDP	0.2	2.2
Unemployment	5.5	5.6
CPI All Items Year/Year	-0.10	0.80
Fed Funds Rate	0.25	0.25
Industrial Capacity	79.1	79.5
US Dollars per Euro	1.07	1.21

MAJOR INDEX QUARTER RETURNS

INDEX	PERFORMANCE
Russell 3000	1.8
S&P 500	0.9
Russell Mid	4.0
Russell 2000	4.3
MSCI EAFE	5.0
MSCI Emg Mkts	2.3
NCREIF ODCE	3.4
Barclays Agg	1.6
90 Day Tbills	0.0



EQUITY RETURN DISTRIBUTIONS

	QUARTER			TRAILING YEAR		
	VAL	COR	GRO	VAL	COR	GRO
LC	-0.7	1.6	3.8	9.3	12.7	16.1
MC	2.4	4.0	5.4	11.7	13.7	15.6
SC	2.0	4.3	6.6	4.4	8.2	12.1

MARKET SUMMARY

- * GDP grew at a rate of 0.2% in the first quarter.
- * Unemployment ticked down to 5.5%, from 5.6% in Q4.
- * Year over year, unadjusted CPI declined by 0.1%.
- * Small cap domestic stocks tended to outperform their large and mid counterparts. Between growth and value styles, the former beat the latter across cap sizes.
- * The US dollar strengthened significantly in Q1.

INVESTMENT RETURN

On March 31st, 2015, the Franklin Regional Retirement System's Composite portfolio was valued at \$121,061,302, representing an increase of \$1,221,738 from the December quarter's ending value of \$119,839,564. Last quarter, the Fund posted withdrawals totaling \$1,852,074, which offset the portfolio's net investment return of \$3,073,812. Income receipts totaling \$603,851 plus net realized and unrealized capital gains of \$2,469,961 combined to produce the portfolio's net investment return.

For the cumulative period since December 2009, the fund has recorded net withdrawals totaling \$4.2 million and posted net investment gains of \$54.1 million. For the period since December 2009, if the total fund had returned a compounded nominal rate of 8.0% it would have been valued at \$102.8 million or \$18.2 million less than the actual value as of March 31st, 2015.

RELATIVE PERFORMANCE

Total Fund

The Franklin Regional Policy Index is the weighted return of each asset classes' benchmark in proportion to its target allocation.

In the first quarter, the Composite portfolio gained 2.6%, which was 0.2% above the Franklin Regional Policy Index's return of 2.4% and ranked in the 41st percentile of the Public Fund universe. Over the trailing year, the portfolio returned 8.2%, which was 0.7% less than the benchmark's 8.9% performance, and ranked in the 33rd percentile. Since December 2009, the portfolio returned 11.2% on an annualized basis and ranked in the 7th percentile. For comparison, the Franklin Regional Policy Index returned an annualized 11.1% over the same period.

PRIT Core

The Custom Core Index is a target-weighted passive index of the asset classes used in the PRIT Core Fund. Among the indices used is the Cambridge Private Equity Index. A flat return for the quarter was assumed, due to the unavailability of performance.

The PRIT core portfolio returned 2.7% in the first quarter, equal to the Custom Core Index's return of 2.7% and ranked in the 31st percentile of the Public Fund universe. Over the trailing twelve-month period, the prit core portfolio returned 8.2%; that return was 1.4% greater than the benchmark's 6.8% return, and ranked in the 32nd percentile. Since December 2009, this component returned 10.2% per annum and ranked in the 38th percentile. The Custom Core Index returned an annualized 9.4% over the same time frame.

Domestic Equity

The Custom Equity Index is the weighted return of the S&P 500, S&P 400, and Russell 2000 indices based on the System's equity manager target allocations.

For the first quarter, the domestic equity segment returned 2.1%, which was 1.3% less than the Franklin County Equity Index's return of 3.4% and ranked in the 64th percentile of the Domestic Equity universe. Over the trailing twelve-month period, this segment's return was 8.1%, which was 2.6% below the benchmark's 10.7% return, ranking in the 74th percentile. Since December 2009, this component returned 16.3% annualized and ranked in the 44th percentile. The Franklin County Equity Index returned an annualized 15.8% during the same period.

International Equity

The international equity segment returned 5.0% during the first quarter; that return was equal to the MSCI EAFE Index's return of 5.0% and ranked in the 37th percentile of the International Equity universe.

Real Estate

During the first quarter, the real estate component returned 3.3%, which was 0.1% less than the NCREIF NFI-ODCE Index's return of 3.4%. Over the trailing twelve-month period, this segment returned 14.6%, which was 1.2% greater than the benchmark's 13.4% performance. Since December 2009, this component returned 14.8% annualized, while the NCREIF NFI-ODCE Index returned an annualized 13.9% over the same period.

Fixed Income

During the first quarter, the fixed income segment gained 1.7%, which was 0.1% above the Barclays Aggregate Index's return of 1.6% and ranked in the 46th percentile of the Core Fixed Income universe. Over the trailing twelve-month period, this segment's return was 6.4%, which was 0.7% greater than the benchmark's 5.7% performance, ranking in the 11th percentile. Since December 2009, this component returned 5.4% per annum and ranked in the 26th percentile. For comparison, the Barclays Aggregate Index returned an annualized 4.6% over the same period.

Franklin Regional Retirement System
Total Fund Asset Allocation Analysis
As of March 31, 2015

Total Fund Assets \$ 121,061,302

Allocation by Manager						
	PRIT Fund Actual Allocation	FRRS Allocation	Target Allocation	Target Dollars	Actual Dollars	+/- Dollars
<u>PRIT Core Fund</u>	<u>100.0%</u>	<u>45.5%</u>	<u>45.0%</u>	\$ 54,477,586	\$ 55,707,017	\$ 1,229,431
Domestic Equity	19.7%	9.1%			\$ 10,979,853	
Int'l Equity	16.3%	7.5%			\$ 9,052,390	
E.M. Int'l Equity	6.4%	3.0%			\$ 3,581,961	
Core Fixed Income	15.8%	7.2%			\$ 8,773,855	
Value Added Fixed Income*	8.3%	3.8%			\$ 4,618,112	
Real Estate	8.6%	4.0%			\$ 4,813,086	
Timber/Natural Resources	3.9%	1.8%			\$ 2,172,017	
Alternatives-Private Equity	11.1%	5.1%			\$ 6,166,210	
Hedge Funds	8.8%	4.0%			\$ 4,884,948	
Port. Alpha Wind down	1.0%	0.5%			\$ 569,882.78	
Overlay	0.2%	0.0%			\$ 94,701.93	
<u>Separate Accounts</u>		<u>54.0%</u>	<u>55.0%</u>			
Polen Capital		6.4%	6.0%	\$ 7,263,678	\$ 7,768,935	\$ 505,257
O'Shaughnessy		6.1%	6.0%	\$ 7,263,678	\$ 7,369,371	\$ 105,693
Seizert		5.1%	5.0%	\$ 6,053,065	\$ 6,214,090	\$ 161,025
Daruma		4.7%	5.0%	\$ 6,053,065	\$ 5,655,979	\$ (397,086)
Systematic		5.0%	5.0%	\$ 6,053,065	\$ 6,067,634	\$ 14,569
PRIT International		4.7%	5.0%	\$ 6,053,065	\$ 5,651,864	\$ (401,201)
PRIT RE		10.5%	10.0%	\$ 12,106,130	\$ 12,735,166	\$ 629,036
Prudential		0.0%	0.0%	\$ -	\$ 90	\$ 90
IR&M		10.7%	13.0%	\$ 15,737,969	\$ 12,945,665	\$ (2,792,304)
Cash		0.8%	0.0%	\$ -	\$ 945,491	\$ 945,491

*Includes Distressed Debt

Allocation by Asset Class						
	Actual Allocation	Target Allocation		Actual Allocation	Target Allocation	
Franklin County Total Fund	(%)	(%)	+/- Percent	(\$)	(\$)	+/- Dollars
Domestic Equity	36.4%	35.0%	1.4%	\$ 44,055,862	\$ 42,371,456	\$ 1,684,406
Int'l Equity	15.1%	15.0%	0.1%	\$ 18,286,215	\$ 18,159,195	\$ 127,020
Fixed Income	21.8%	25.0%	-3.2%	\$ 26,337,632	\$ 30,265,326	\$ (3,927,694)
Real Estate	14.5%	14.0%	0.5%	\$ 17,548,342	\$ 16,948,582	\$ 599,760
Timber	1.8%	2.0%	-0.2%	\$ 2,172,017	\$ 2,421,226	\$ (249,209)
Alternatives-Private Equity	5.1%	5.0%	0.1%	\$ 6,166,210	\$ 6,053,065	\$ 113,145
Hedge Funds	4.5%	4.0%	0.5%	\$ 5,549,533	\$ 4,842,452	\$ 707,081
Cash	0.8%	0.0%	0.8%	\$ 945,491	\$ -	\$ 945,491
	100.0%	100.0%		\$ 121,061,302	\$ 121,061,302	

EXECUTIVE SUMMARY

PERFORMANCE SUMMARY

	Quarter	YTD	-----Annualized-----		
			1 Year	3 Years	Since 12/09
Total Gross/Fees	2.6	2.6	8.2	11.8	11.2
<i>PUBLIC FUND RANK</i>	(41)	(41)	(33)	(7)	(7)
Total Net/Fees	2.4	2.4	7.6	11.2	10.6
POLICY INDEX	2.4	2.4	8.9	11.6	11.1
PRIT Core	2.7	2.7	8.2	10.9	10.2
<i>PUBLIC FUND RANK</i>	(31)	(31)	(32)	(20)	(38)
CUSTOM CORE IDX	2.7	2.7	6.8	9.5	9.4
Domestic Equity	2.1	2.1	8.1	18.3	16.3
<i>DOMESTIC EQUITY RANK</i>	(64)	(64)	(74)	(27)	(44)
CUSTOM EQ INDEX	3.4	3.4	10.7	16.5	15.8
PRIT EQUITY	1.8	1.8	11.8	16.4	15.2
S&P 500	0.9	0.9	12.7	16.1	14.9
S&P 400	5.3	5.3	12.2	17.0	16.8
RUSSELL 3000	1.8	1.8	12.4	16.4	15.2
RUSSELL 1000	1.6	1.6	12.7	16.4	15.2
RUSSELL 1000G	3.8	3.8	16.1	16.3	15.8
RUSSELL 1000V	-0.7	-0.7	9.3	16.4	14.5
RUSSELL MID	4.0	4.0	13.7	18.1	17.2
RUSSELL 2000	4.3	4.3	8.2	16.3	15.7
International Equity	5.0	5.0	----	----	----
<i>INTERNATIONAL EQUITY RANK</i>	(37)	(37)	----	----	----
MSCI EAFE	5.0	5.0	-0.5	9.5	6.5
Real Estate	3.3	3.3	14.6	12.7	14.8
NCREIF ODCE	3.4	3.4	13.4	12.6	13.9
Fixed Income	1.7	1.7	6.4	4.4	5.4
<i>CORE FIXED INCOME RANK</i>	(46)	(46)	(11)	(10)	(26)
BARCLAYS AGG	1.6	1.6	5.7	3.1	4.6
PRIT FIXED	3.9	3.9	17.3	7.0	7.1
GOV/CREDIT	1.8	1.8	5.9	3.4	4.8
INT AGGREGATE	1.3	1.3	4.3	2.4	3.8
INT GOV/CREDIT	1.4	1.4	3.6	2.3	3.6

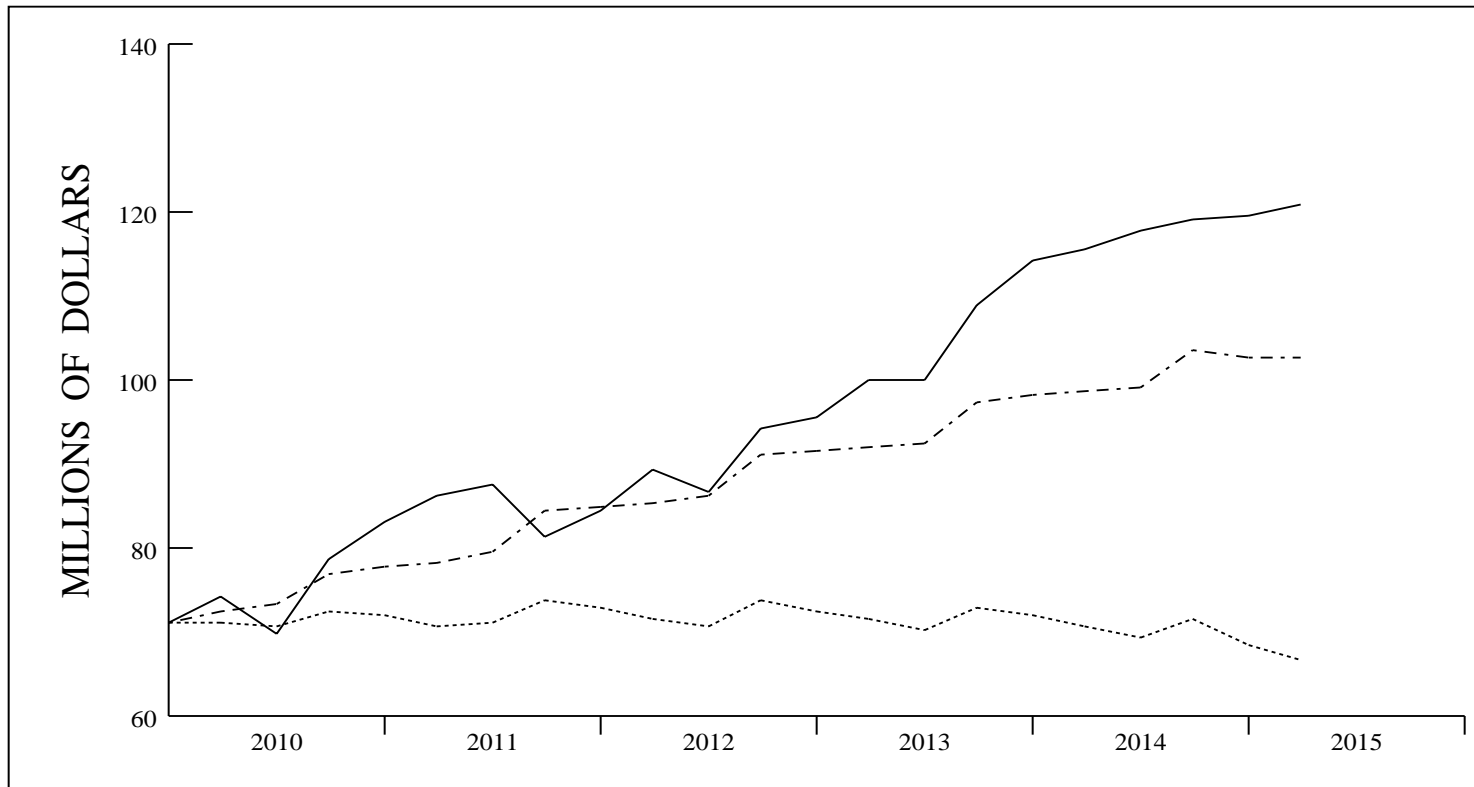
ASSET ALLOCATION

PRIT Core	46.0%	\$ 55,707,017
Domestic Equity	26.6%	32,183,868
Int'l Equity	4.7%	5,651,864
Real Estate	10.5%	12,735,256
Fixed Income	10.7%	12,945,665
Cash	1.5%	1,837,632
Total Portfolio	100.0%	\$ 121,061,302

INVESTMENT RETURN

Market Value 12/2014	\$ 119,839,564
Contribs / Withdrawals	- 1,852,074
Income	603,851
Capital Gains / Losses	2,469,961
Market Value 3/2015	\$ 121,061,302

INVESTMENT GROWTH

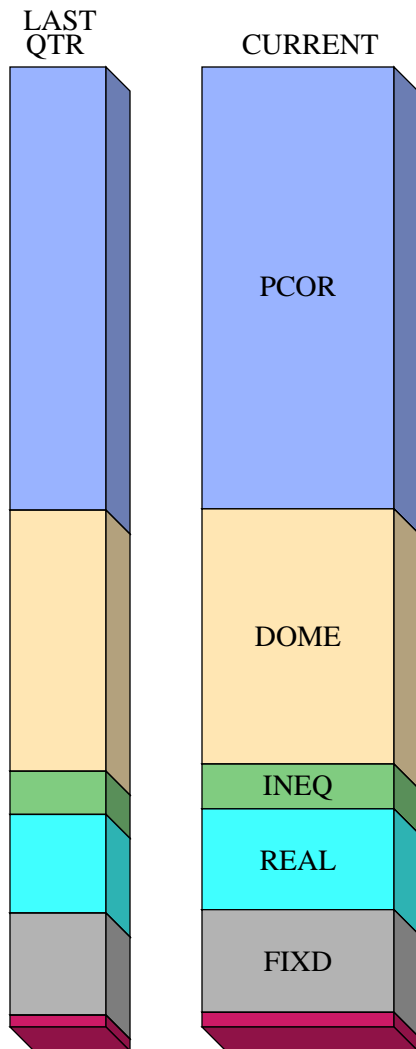


—	ACTUAL RETURN
- - -	8.0%
.....	0.0%

VALUE ASSUMING	
8.0% RETURN	\$ 102,816,283

	LAST QUARTER	PERIOD 12/09 - 3/15
BEGINNING VALUE	\$ 119,839,564	\$ 71,206,530
NET CONTRIBUTIONS	- 1,852,074	- 4,222,792
<u>INVESTMENT RETURN</u>	<u>3,073,812</u>	<u>54,077,564</u>
ENDING VALUE	\$ 121,061,302	\$ 121,061,302
INCOME	603,851	10,949,887
<u>CAPITAL GAINS (LOSSES)</u>	<u>2,469,961</u>	<u>43,127,676</u>
INVESTMENT RETURN	3,073,812	54,077,564

ASSET ALLOCATION








	<u>VALUE</u>	<u>PERCENT</u>	<u>TARGET</u>	<u>DIFFERENCE</u> <u>+ / -</u>
■ PRIT CORE	\$ 55,707,017	46.0%	45.0%	1.0%
■ DOMESTIC EQUITY	32,183,868	26.6%	27.0%	-0.4%
■ INTERNATIONAL EQUITY	5,651,864	4.7%	5.0%	-0.3%
■ REAL ESTATE	12,735,256	10.5%	10.0%	0.5%
■ FIXED INCOME	12,945,665	10.7%	13.0%	-2.3%
■ CASH & EQUIVALENT	1,837,632	1.5%	0.0%	1.5%
<u>TOTAL FUND</u>	<u>\$ 121,061,302</u>	<u>100.0%</u>		

MANAGER PERFORMANCE SUMMARY








Name	(Universe)	Quarter	YTD	1 Year	3 Years	5 Years
Total Portfolio	(Public Fund)	2.6 (41)	2.6 (41)	8.2 (33)	11.8 (7)	10.8 (9)
<i>Franklin Regional Policy Index</i>		<i>2.4 ---</i>	<i>2.4 ---</i>	<i>8.9 ---</i>	<i>11.6 ---</i>	<i>10.9 ---</i>
PRIT Core Fund	(Public Fund)	2.7 (31)	2.7 (31)	8.2 (32)	10.9 (20)	10.0 (31)
<i>Custom Core Index</i>		<i>2.7 ---</i>	<i>2.7 ---</i>	<i>6.8 ---</i>	<i>9.5 ---</i>	<i>9.2 ---</i>
Polen Capital	(LC Growth)	3.7 (55)	3.7 (55)	20.9 (6)	13.3 (90)	---- ----
<i>Russell 1000 Growth</i>		<i>3.8 ---</i>	<i>3.8 ---</i>	<i>16.1 ---</i>	<i>16.3 ---</i>	<i>15.6 ---</i>
O'Shaughnessy	(LC Value)	2.2 (20)	2.2 (20)	9.6 (57)	19.9 (10)	---- ----
<i>Russell 1000 Value</i>		<i>-0.7 ---</i>	<i>-0.7 ---</i>	<i>9.3 ---</i>	<i>16.4 ---</i>	<i>13.8 ---</i>
Seizert Capital	(Mid Cap)	2.2 (91)	2.2 (91)	6.1 (91)	21.1 (8)	---- ----
<i>Russell Mid Cap</i>		<i>4.0 ---</i>	<i>4.0 ---</i>	<i>13.7 ---</i>	<i>18.1 ---</i>	<i>16.2 ---</i>
Daruma Ginkgo	(Small Cap)	-0.4 (95)	-0.4 (95)	-2.9 (94)	14.9 (77)	12.8 (89)
<i>Russell 2000</i>		<i>4.3 ---</i>	<i>4.3 ---</i>	<i>8.2 ---</i>	<i>16.3 ---</i>	<i>14.6 ---</i>
Systematic	(SC Value)	2.3 (66)	2.3 (66)	---- ----	---- ----	---- ----
<i>Russell 2000 Value</i>		<i>2.0 ---</i>	<i>2.0 ---</i>	<i>4.4 ---</i>	<i>14.8 ---</i>	<i>12.5 ---</i>
PRIT Int'l Eq.	(Intl Eq)	5.0 (37)	5.0 (37)	---- ----	---- ----	---- ----
<i>MSCI EAFE</i>		<i>5.0 ---</i>	<i>5.0 ---</i>	<i>-0.5 ---</i>	<i>9.5 ---</i>	<i>6.6 ---</i>
PRIT Core R.E.		3.3 ----	3.3 ----	14.6 ----	12.8 ----	---- ----
<i>NCREIF NFI-ODCE Index</i>		<i>3.4 ---</i>	<i>3.4 ---</i>	<i>13.4 ---</i>	<i>12.6 ---</i>	<i>14.5 ---</i>
IR&M	(Core Fixed)	1.7 (46)	1.7 (46)	6.4 (11)	4.4 (10)	5.3 (24)
<i>Barclays Aggregate Index</i>		<i>1.6 ---</i>	<i>1.6 ---</i>	<i>5.7 ---</i>	<i>3.1 ---</i>	<i>4.4 ---</i>

MANAGER VALUE ADDED

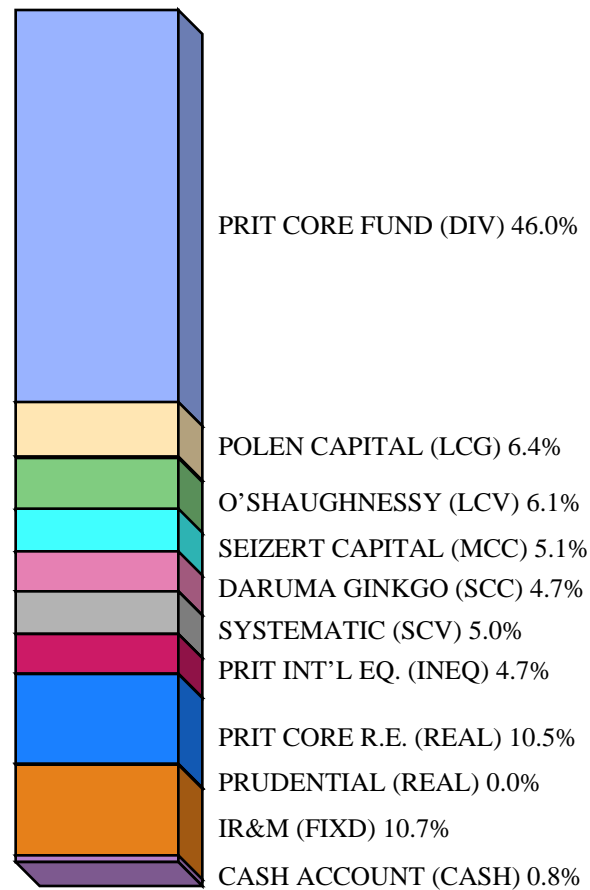
Most Recent Quarter

Manager	Benchmark	Value Added Vs. Benchmark
PRIT Core Fund	Custom Core Idx	0.0
Polen Capital	Russell 1000G	-0.1
O'Shaughnessy	Russell 1000V	2.9 
Seizert Capital	Russell Mid	 -1.8
Daruma Ginkgo	Russell 2000	 -4.7
Systematic	Russell 2000V	0.3 
PRIT Int'l Eq.	MSCI EAFE	0.0
PRIT Core R.E.	NCREIF ODCE	-0.1
IR&M	Barclays Agg	0.1
Total Portfolio	Policy Index	0.2 

Trailing Twelve Months

Manager	Benchmark	Value Added Vs. Benchmark
PRIT Core Fund	Custom Core Idx	1.4 
Polen Capital	Russell 1000G	4.8 
O'Shaughnessy	Russell 1000V	0.3
Seizert Capital	Russell Mid	 -7.6
Daruma Ginkgo	Russell 2000	 -11.1
Systematic	Russell 2000V	N/A
PRIT Int'l Eq.	MSCI EAFE	N/A
PRIT Core R.E.	NCREIF ODCE	1.2 
IR&M	Barclays Agg	0.7 
Total Portfolio	Policy Index	 -0.7

MANAGER ALLOCATION AND TARGET SUMMARY

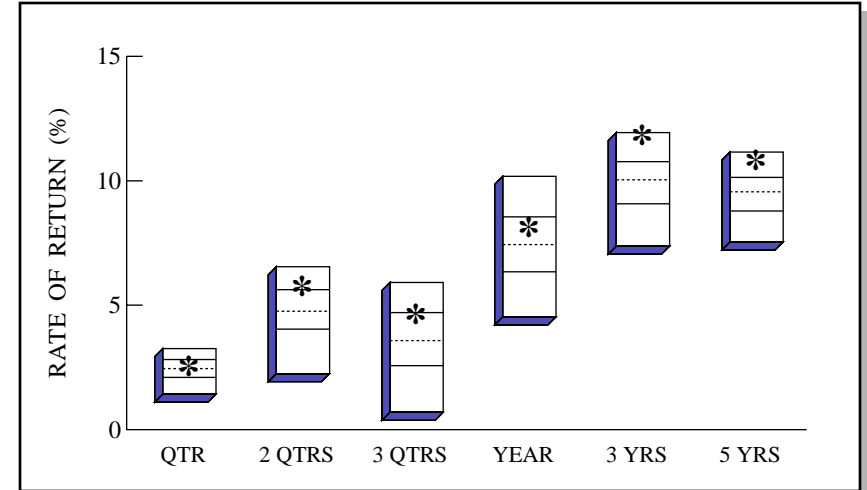
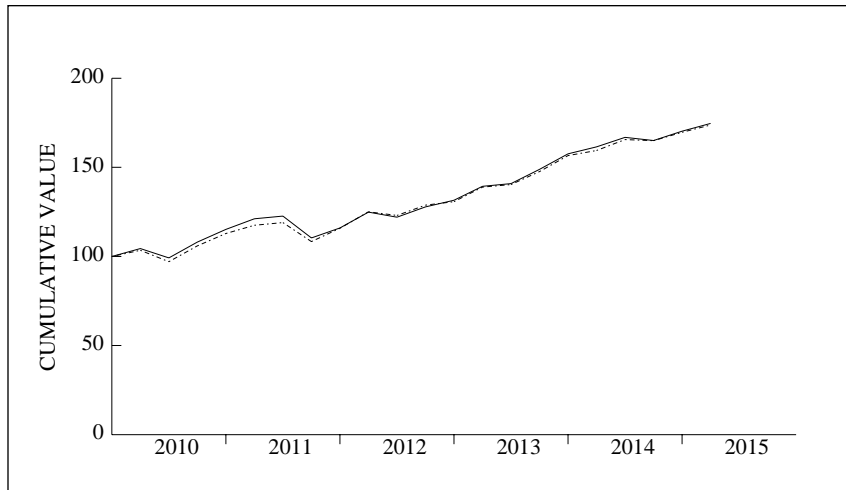


Name	Market Value	Percent	Target
PRIT Core Fund (DIV)	\$55,707,017	46.0	45.0
Polen Capital (LCG)	\$7,768,935	6.4	6.0
O'Shaughnessy (LCV)	\$7,369,371	6.1	6.0
Seizert Capital (MCC)	\$6,214,090	5.1	5.0
Daruma Ginkgo (SCC)	\$5,655,979	4.7	5.0
Systematic (SCV)	\$6,067,634	5.0	5.0
PRIT Int'l Eq. (INEQ)	\$5,651,864	4.7	5.0
PRIT Core R.E. (REAL)	\$12,735,166	10.5	10.0
Prudential (REAL)	\$90	0.0	0.0
IR&M (FIXD)	\$12,945,665	10.7	13.0
Cash Account (CASH)	\$945,491	0.8	0.0
Total Fund	\$121,061,302	100.0	100.0

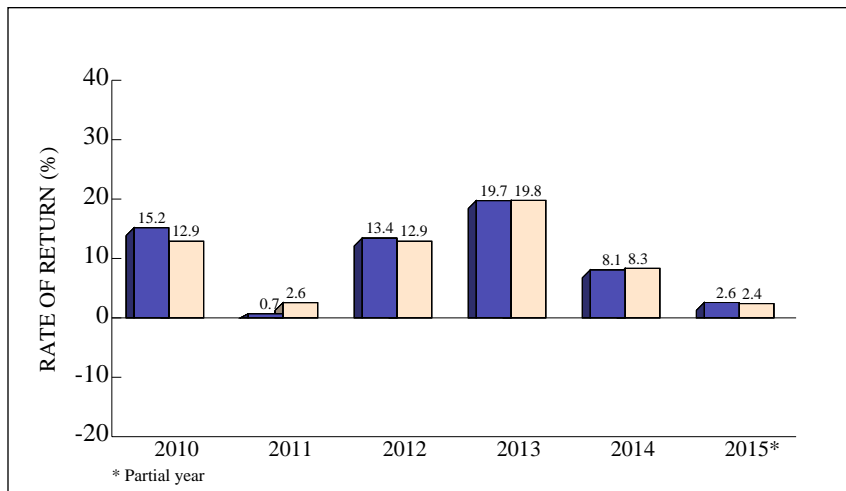
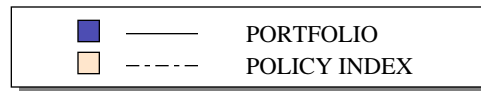
INVESTMENT RETURN SUMMARY - ONE QUARTER

Name	Quarter Total Return	Market Value December 31st, 2014	Net Cashflow	Net Investment Return	Market Value March 31st, 2015
PRIT Core Fund (DIV)	2.7	55,311,285	-1,100,699	1,496,431	55,707,017
Polen Capital (LCG)	3.7	8,278,864	-773,000	263,071	7,768,935
O'Shaughnessy (LCV)	2.2	7,207,941	-202	161,632	7,369,371
Seizert Capital (MCC)	2.2	6,082,752	0	131,338	6,214,090
Daruma Ginkgo (SCC)	-0.4	5,690,978	-13,938	-21,061	5,655,979
Systematic (SCV)	2.3	5,928,376	0	139,258	6,067,634
PRIT Int'l Eq. (INEQ)	5.0	5,382,799	-2,567	271,632	5,651,864
PRIT Core R.E. (REAL)	3.3	12,340,970	-18,342	412,538	12,735,166
Prudential (REAL)	---	91	0	-1	90
IR&M (FIXD)	1.7	12,726,981	0	218,684	12,945,665
Cash (CASH)	---	0	0	0	0
Cash Account (CASH)	---	888,527	56,674	290	945,491
Total Fund	2.6	119,839,564	-1,852,074	3,073,812	121,061,302

TOTAL RETURN COMPARISONS



Public Fund Universe



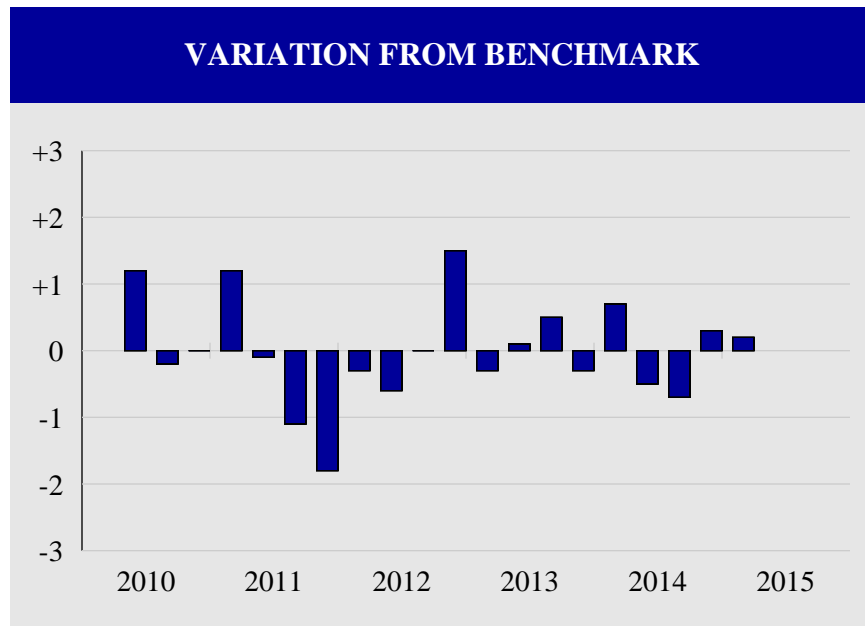
* Partial year

	<u>QTR</u>	<u>2QTRS</u>	<u>3QTRS</u>	<u>YEAR</u>	-----ANNUALIZED-----	
					<u>3 YRS</u>	<u>5 YRS</u>
RETURN	2.6	5.8	4.7	8.2	11.8	10.8
(RANK)	(41)	(21)	(26)	(33)	(7)	(9)
5TH %ILE	3.3	6.6	5.9	10.2	11.9	11.2
25TH %ILE	2.8	5.6	4.7	8.6	10.8	10.1
MEDIAN	2.5	4.8	3.6	7.4	10.0	9.6
75TH %ILE	2.1	4.0	2.6	6.3	9.1	8.8
95TH %ILE	1.4	2.3	0.7	4.5	7.4	7.5
Policy Idx	2.4	5.3	4.9	8.9	11.6	10.9

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

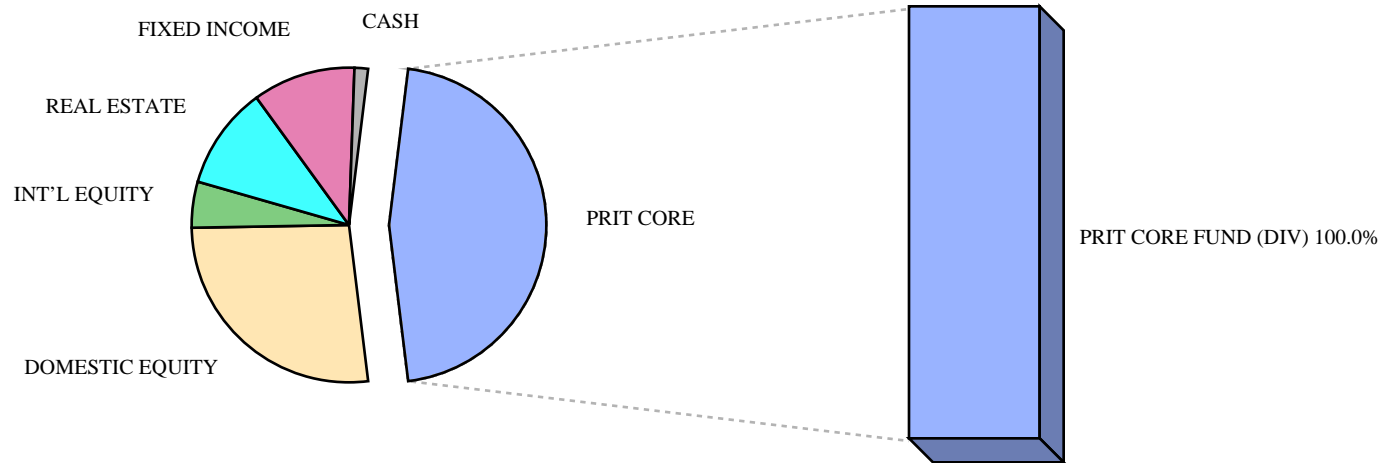
COMPARATIVE BENCHMARK: FRANKLIN REGIONAL POLICY INDEX



Total Quarters Observed	20
Quarters At or Above the Benchmark	10
Quarters Below the Benchmark	10
Batting Average	.500

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/10	-5.0	-6.2	1.2
9/10	9.0	9.2	-0.2
12/10	6.6	6.6	0.0
3/11	5.2	4.0	1.2
6/11	1.3	1.4	-0.1
9/11	-10.1	-9.0	-1.1
12/11	5.1	6.9	-1.8
3/12	7.7	8.0	-0.3
6/12	-2.2	-1.6	-0.6
9/12	4.7	4.7	0.0
12/12	3.0	1.5	1.5
3/13	5.9	6.2	-0.3
6/13	1.1	1.0	0.1
9/13	5.7	5.2	0.5
12/13	5.8	6.1	-0.3
3/14	2.5	1.8	0.7
6/14	3.3	3.8	-0.5
9/14	-1.1	-0.4	-0.7
12/14	3.1	2.8	0.3
3/15	2.6	2.4	0.2

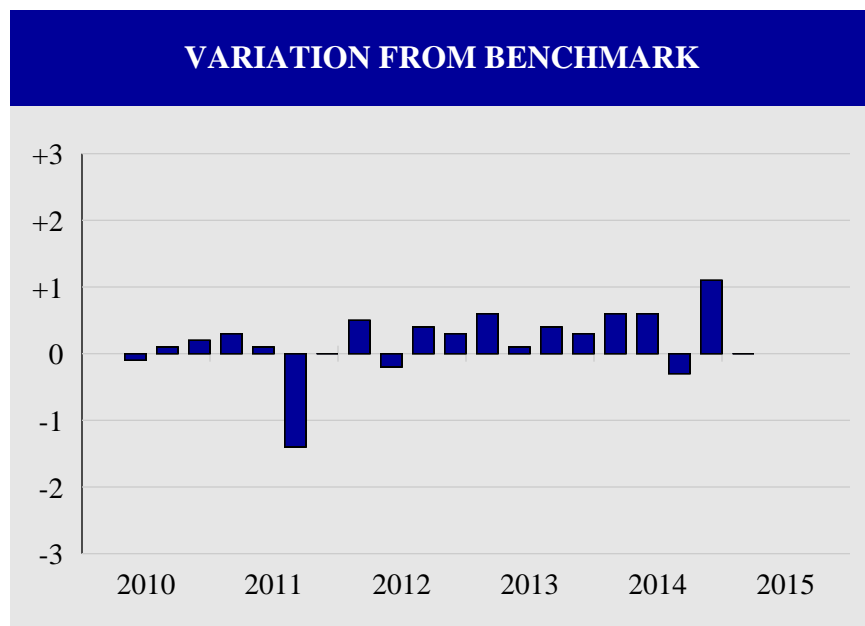
PRIT CORE MANAGER SUMMARY



TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
PRIT CORE FUND	(Public Fund)	2.7 (31)	2.7 (31)	8.2 (32)	10.9 (20)	10.0 (31)	\$55,707,017
<i>Custom Core Index</i>		2.7 ----	2.7 ----	6.8 ----	9.5 ----	9.2 ----	----

PRIT CORE QUARTERLY PERFORMANCE SUMMARY

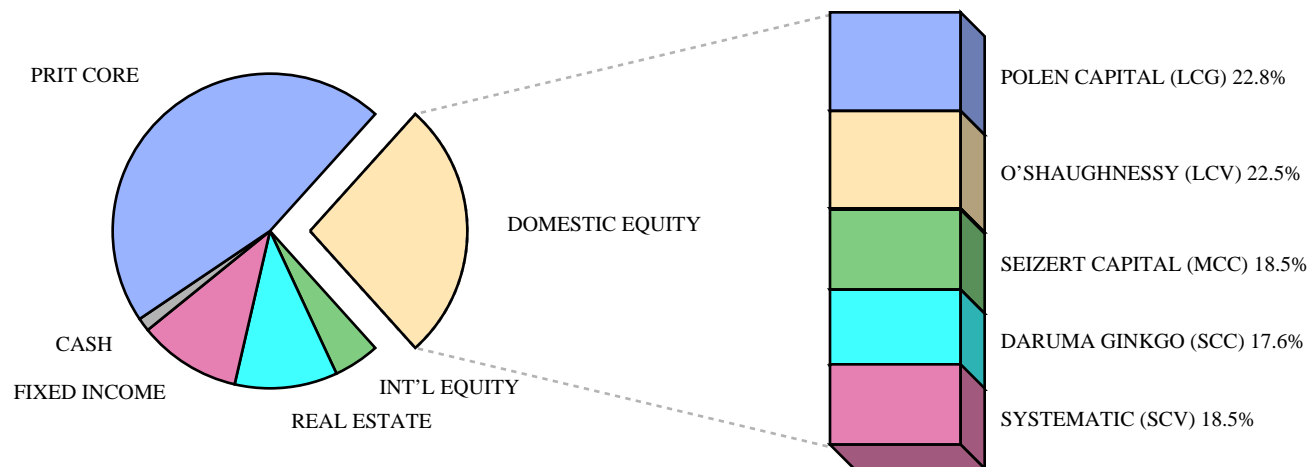
COMPARATIVE BENCHMARK: CUSTOM CORE INDEX



Total Quarters Observed	20
Quarters At or Above the Benchmark	16
Quarters Below the Benchmark	4
Batting Average	.800

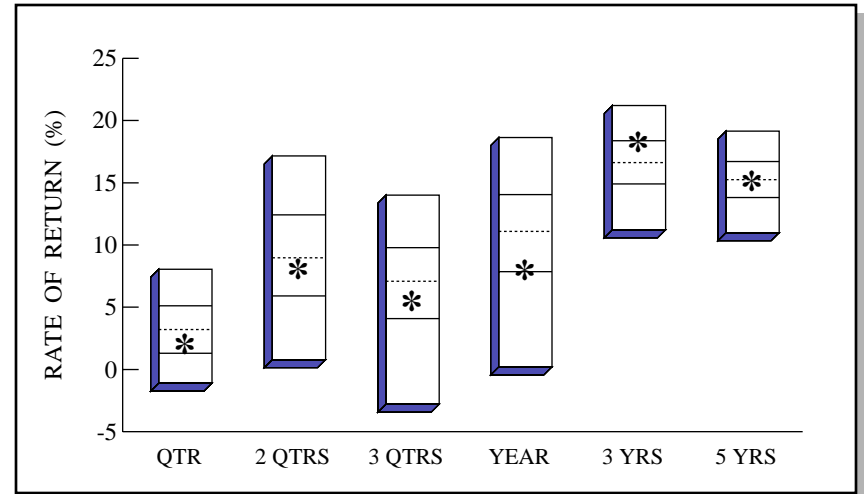
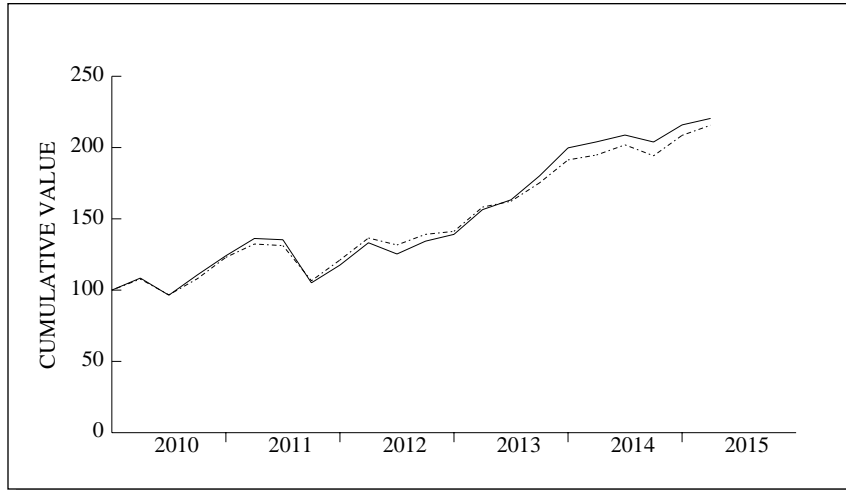
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/10	-5.0	-4.9	-0.1
9/10	8.9	8.8	0.1
12/10	6.1	5.9	0.2
3/11	4.3	4.0	0.3
6/11	1.7	1.6	0.1
9/11	-9.0	-7.6	-1.4
12/11	3.7	3.7	0.0
3/12	7.3	6.8	0.5
6/12	-1.5	-1.3	-0.2
9/12	4.4	4.0	0.4
12/12	3.1	2.8	0.3
3/13	4.6	4.0	0.6
6/13	0.2	0.1	0.1
9/13	5.1	4.7	0.4
12/13	4.9	4.6	0.3
3/14	2.7	2.1	0.6
6/14	4.1	3.5	0.6
9/14	-0.8	-0.5	-0.3
12/14	2.1	1.0	1.1
3/15	2.7	2.7	0.0

DOMESTIC EQUITY MANAGER SUMMARY

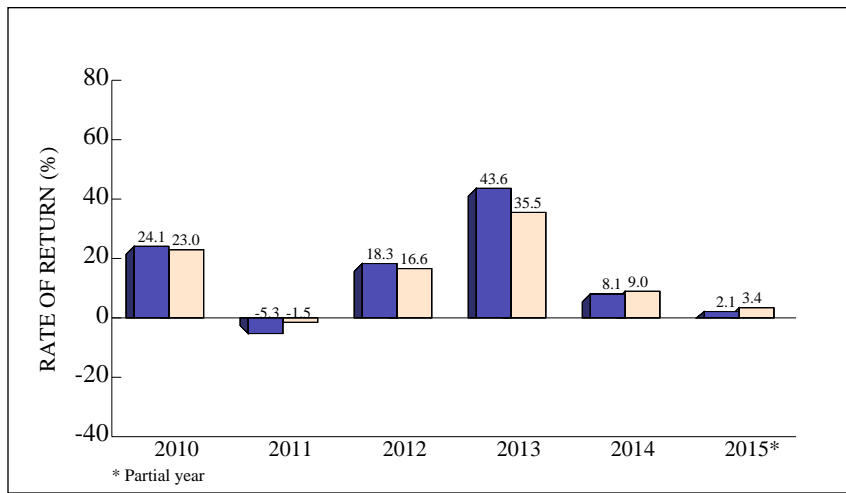


TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
POLEN CAPITAL	(Large Cap Growth)	3.7 (55)	3.7 (55)	20.9 (6)	13.3 (90)	---- ----	\$7,768,935
<i>Russell 1000 Growth</i>		<i>3.8 ----</i>	<i>3.8 ----</i>	<i>16.1 ----</i>	<i>16.3 ----</i>	<i>15.6 ----</i>	<i>----</i>
O'SHAUGHNESSY	(Large Cap Value)	2.2 (20)	2.2 (20)	9.6 (57)	19.9 (10)	---- ----	\$7,369,371
<i>Russell 1000 Value</i>		<i>-0.7 ----</i>	<i>-0.7 ----</i>	<i>9.3 ----</i>	<i>16.4 ----</i>	<i>13.8 ----</i>	<i>----</i>
SEIZERT CAPITAL	(Mid Cap)	2.2 (91)	2.2 (91)	6.1 (91)	21.1 (8)	---- ----	\$6,214,090
<i>Russell Mid Cap</i>		<i>4.0 ----</i>	<i>4.0 ----</i>	<i>13.7 ----</i>	<i>18.1 ----</i>	<i>16.2 ----</i>	<i>----</i>
DARUMA GINKGO	(Small Cap)	-0.4 (95)	-0.4 (95)	-2.9 (94)	14.9 (77)	12.8 (89)	\$5,655,979
<i>Russell 2000</i>		<i>4.3 ----</i>	<i>4.3 ----</i>	<i>8.2 ----</i>	<i>16.3 ----</i>	<i>14.6 ----</i>	<i>----</i>
SYSTEMATIC	(Small Cap Value)	2.3 (66)	2.3 (66)	---- ----	---- ----	---- ----	\$6,067,634
<i>Russell 2000 Value</i>		<i>2.0 ----</i>	<i>2.0 ----</i>	<i>4.4 ----</i>	<i>14.8 ----</i>	<i>12.5 ----</i>	<i>----</i>

DOMESTIC EQUITY RETURN COMPARISONS



Domestic Equity Universe



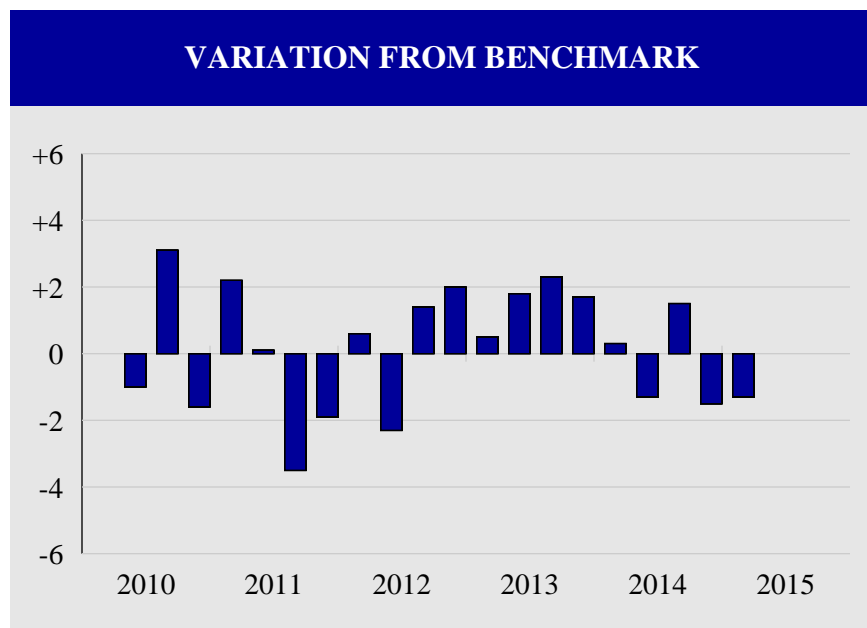
* Partial year

	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED----- 3 YRS	5 YRS
RETURN	2.1	8.1	5.6	8.1	18.3	15.2
(RANK)	(64)	(57)	(65)	(74)	(27)	(51)
5TH %ILE	8.1	17.2	14.0	18.6	21.2	19.2
25TH %ILE	5.1	12.4	9.8	14.0	18.4	16.7
MEDIAN	3.2	9.0	7.1	11.1	16.6	15.3
75TH %ILE	1.3	5.9	4.1	7.9	14.9	13.8
95TH %ILE	-1.1	0.8	-2.8	0.2	11.2	11.0
Equity Index	3.4	11.1	6.8	10.7	16.5	14.9

Domestic Equity Universe

DOMESTIC EQUITY QUARTERLY PERFORMANCE SUMMARY

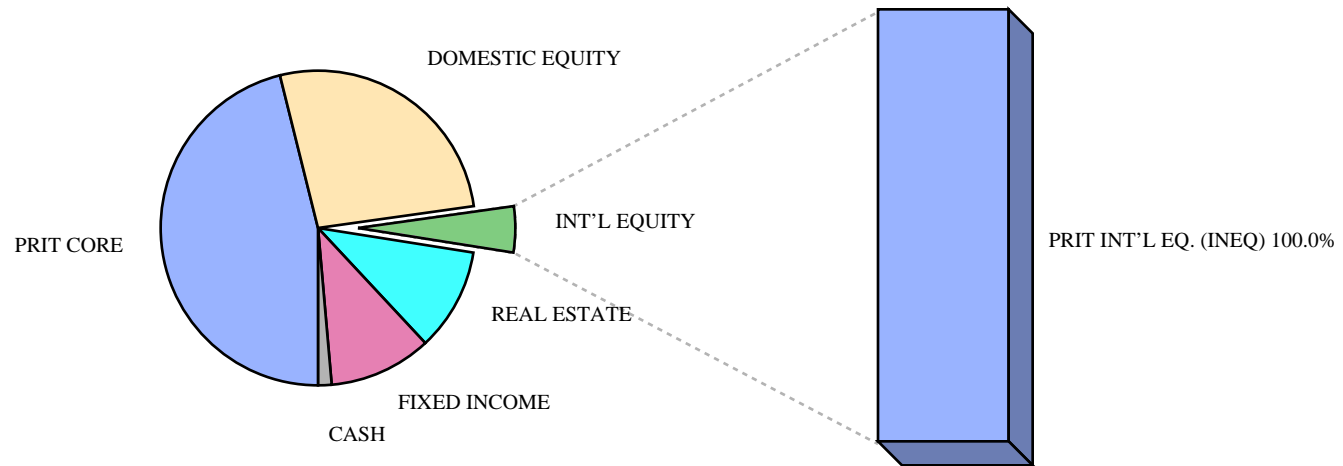
COMPARATIVE BENCHMARK: FRANKLIN COUNTY EQUITY INDEX



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/10	-11.2	-10.2	-1.0
9/10	14.8	11.7	3.1
12/10	12.2	13.8	-1.6
3/11	9.8	7.6	2.2
6/11	-0.7	-0.8	0.1
9/11	-22.3	-18.8	-3.5
12/11	11.8	13.7	-1.9
3/12	13.3	12.7	0.6
6/12	-5.9	-3.6	-2.3
9/12	7.1	5.7	1.4
12/12	3.5	1.5	2.0
3/13	12.5	12.0	0.5
6/13	4.4	2.6	1.8
9/13	10.3	8.0	2.3
12/13	10.9	9.2	1.7
3/14	2.1	1.8	0.3
6/14	2.3	3.6	-1.3
9/14	-2.3	-3.8	1.5
12/14	5.9	7.4	-1.5
3/15	2.1	3.4	-1.3

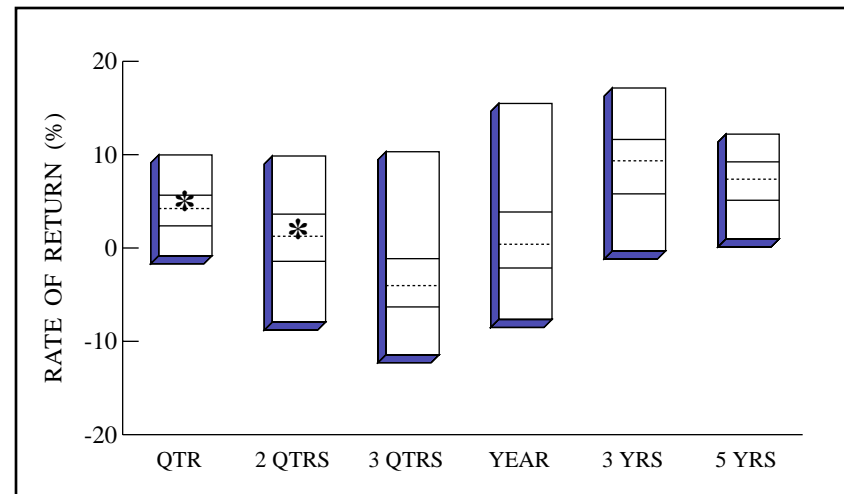
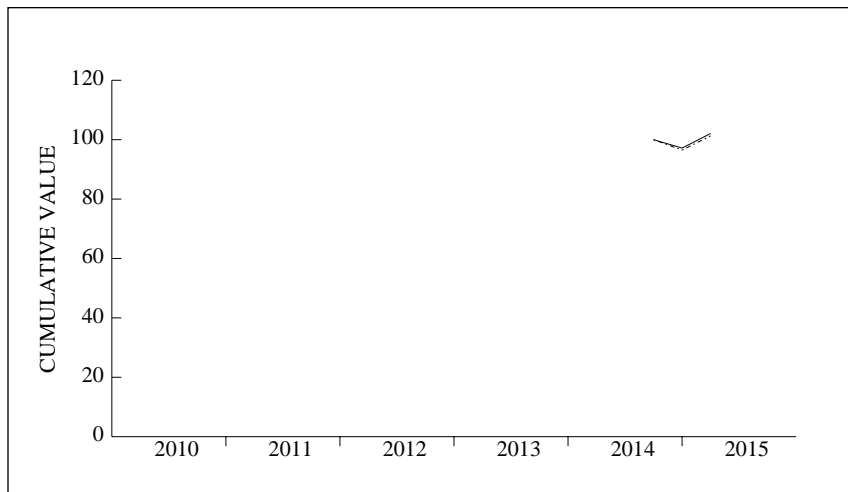
Total Quarters Observed	20
Quarters At or Above the Benchmark	12
Quarters Below the Benchmark	8
Batting Average	.600

INTERNATIONAL EQUITY MANAGER SUMMARY

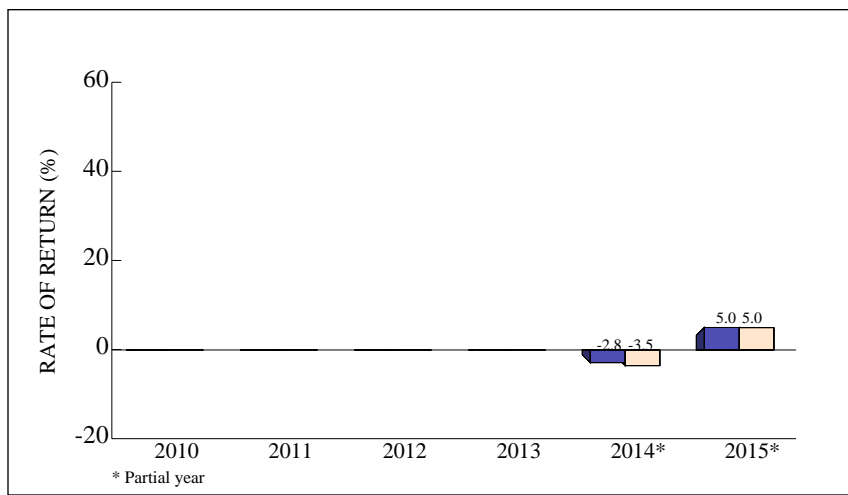
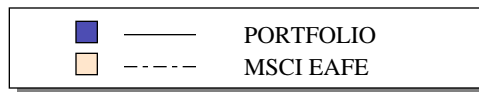


TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
PRIT INT'L EQ.	(International Equity)	5.0 (37)	5.0 (37)	----	----	----	\$5,651,864
<i>MSCI EAFE</i>		5.0 ----	5.0 ----	-0.5 ----	9.5 ----	6.6 ----	----

INTERNATIONAL EQUITY RETURN COMPARISONS



International Equity Universe



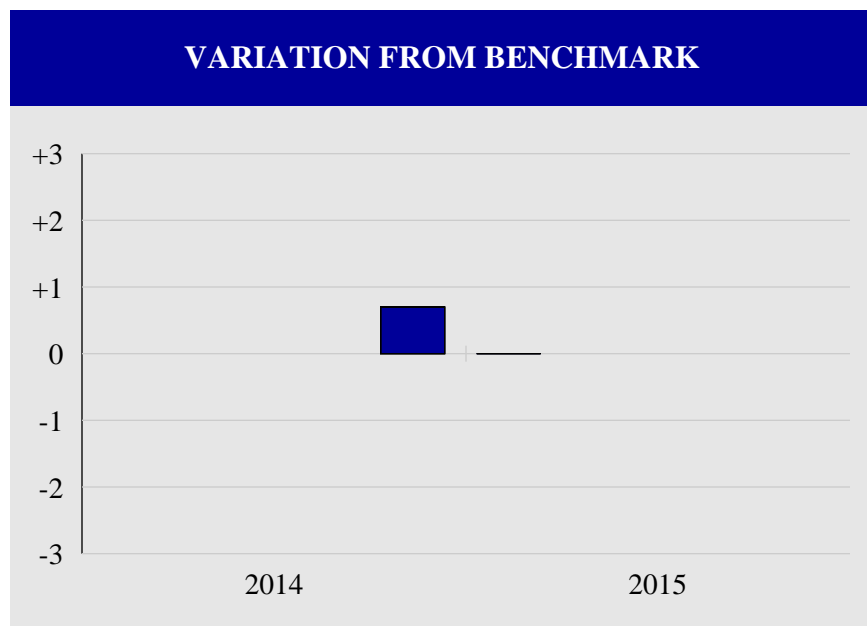
* Partial year

	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	5.0	2.1	----	----	----	----
(RANK)	(37)	(42)	----	----	----	----
5TH %ILE	10.0	9.9	10.3	15.5	17.2	12.2
25TH %ILE	5.7	3.6	-1.1	3.9	11.6	9.2
MEDIAN	4.2	1.3	-4.0	0.4	9.3	7.4
75TH %ILE	2.4	-1.4	-6.3	-2.1	5.8	5.1
95TH %ILE	-0.8	-8.0	-11.4	-7.7	-0.3	1.0
MSCI EAFE	5.0	1.3	-4.6	-0.5	9.5	6.6

International Equity Universe

INTERNATIONAL EQUITY QUARTERLY PERFORMANCE SUMMARY

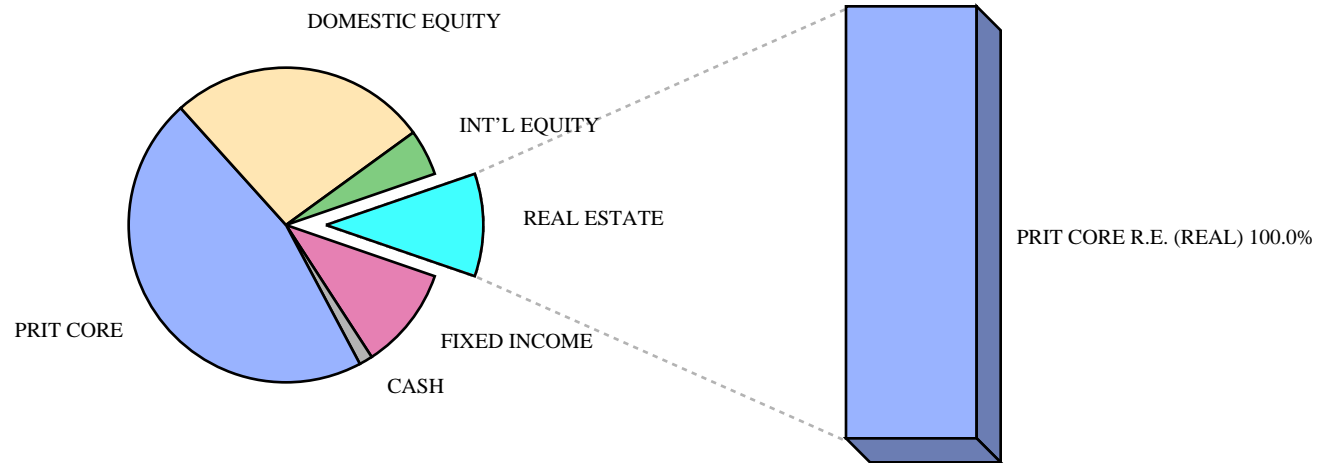
COMPARATIVE BENCHMARK: MSCI EAFE



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/14	-2.8	-3.5	0.7
3/15	5.0	5.0	0.0

Total Quarters Observed	2
Quarters At or Above the Benchmark	2
Quarters Below the Benchmark	0
Batting Average	1.000

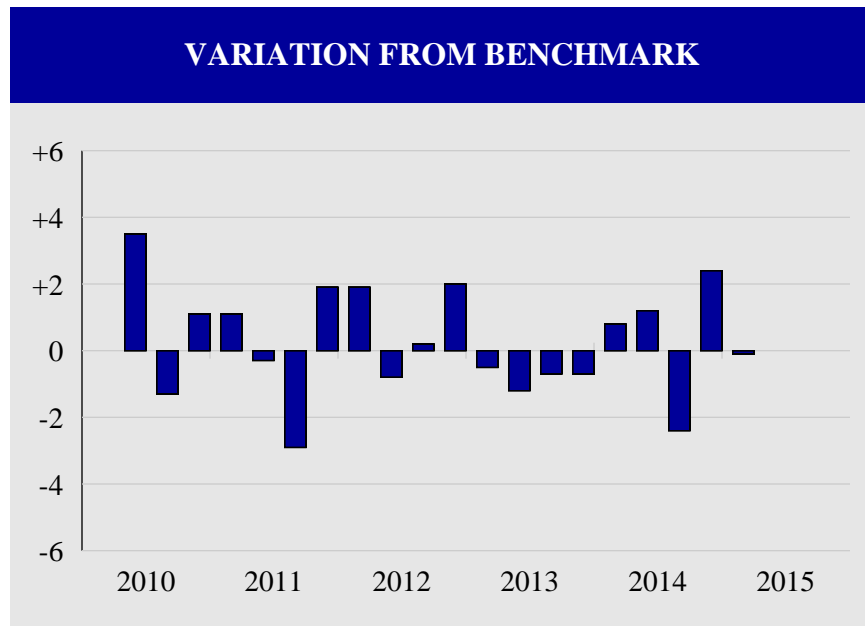
REAL ESTATE MANAGER SUMMARY



MANAGER	(UNIVERSE)	TOTAL RETURNS AND RANKINGS					MARKET VALUE
		QTR	YTD	1 YEAR	3 YEARS	5 YEARS	
PRIT CORE R.E.		3.3 ---	3.3 ---	14.6 ---	12.8 ---	---- ---	\$12,735,166
<i>NCREIF NFI-ODCE Index</i>		<i>3.4 ---</i>	<i>3.4 ---</i>	<i>13.4 ---</i>	<i>12.6 ---</i>	<i>14.5 ---</i>	---

REAL ESTATE QUARTERLY PERFORMANCE SUMMARY

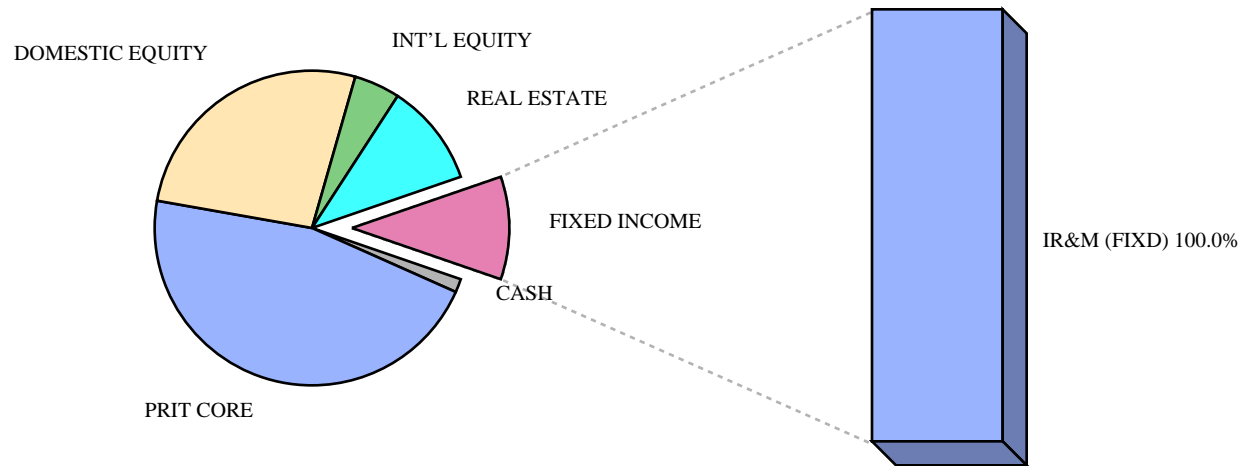
COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/10	7.9	4.4	3.5
9/10	4.1	5.4	-1.3
12/10	6.1	5.0	1.1
3/11	5.1	4.0	1.1
6/11	4.3	4.6	-0.3
9/11	0.6	3.5	-2.9
12/11	4.9	3.0	1.9
3/12	4.7	2.8	1.9
6/12	1.7	2.5	-0.8
9/12	3.0	2.8	0.2
12/12	4.3	2.3	2.0
3/13	2.2	2.7	-0.5
6/13	2.7	3.9	-1.2
9/13	2.9	3.6	-0.7
12/13	2.5	3.2	-0.7
3/14	3.3	2.5	0.8
6/14	4.1	2.9	1.2
9/14	0.8	3.2	-2.4
12/14	5.7	3.3	2.4
3/15	3.3	3.4	-0.1

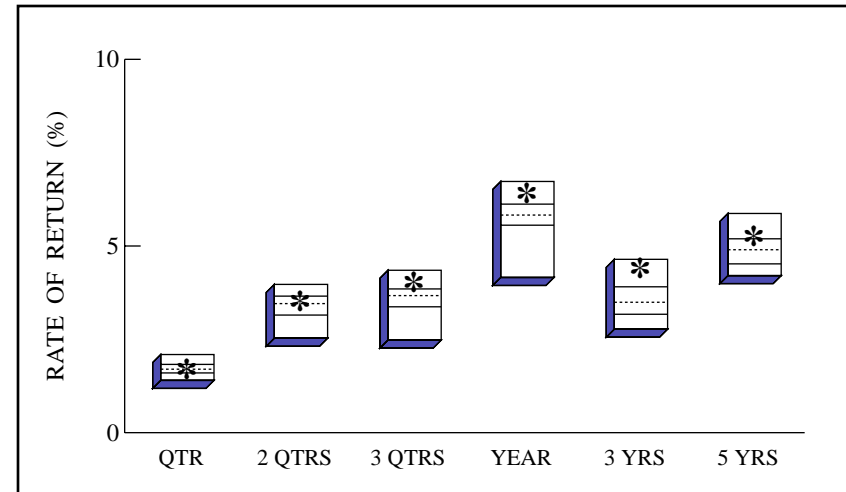
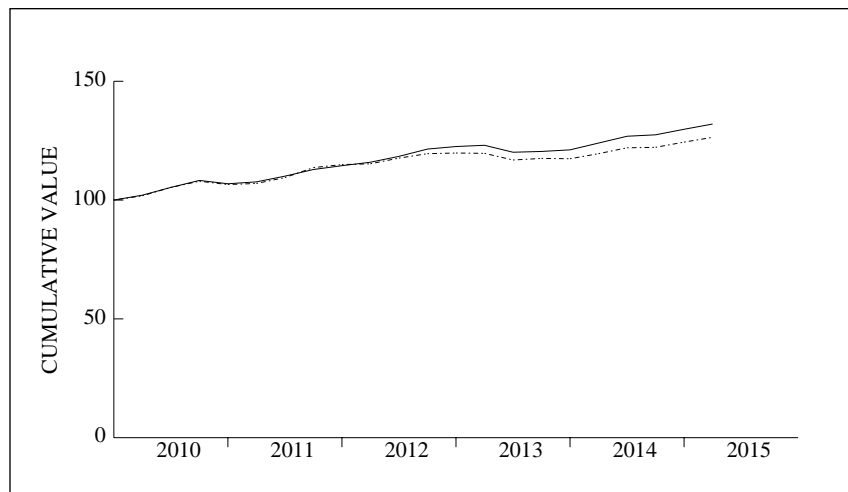
Total Quarters Observed	20
Quarters At or Above the Benchmark	10
Quarters Below the Benchmark	10
Batting Average	.500

FIXED INCOME MANAGER SUMMARY

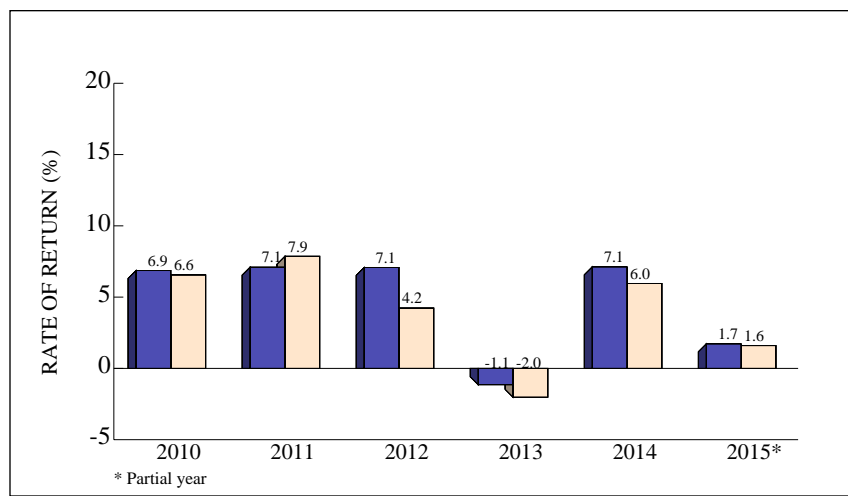


TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
IR&M	(Core Fixed Income)	1.7 (46)	1.7 (46)	6.4 (11)	4.4 (10)	5.3 (24)	\$12,945,665
<i>Barclays Aggregate Index</i>		1.6 ----	1.6 ----	5.7 ----	3.1 ----	4.4 ----	----

FIXED INCOME RETURN COMPARISONS



Core Fixed Income Universe

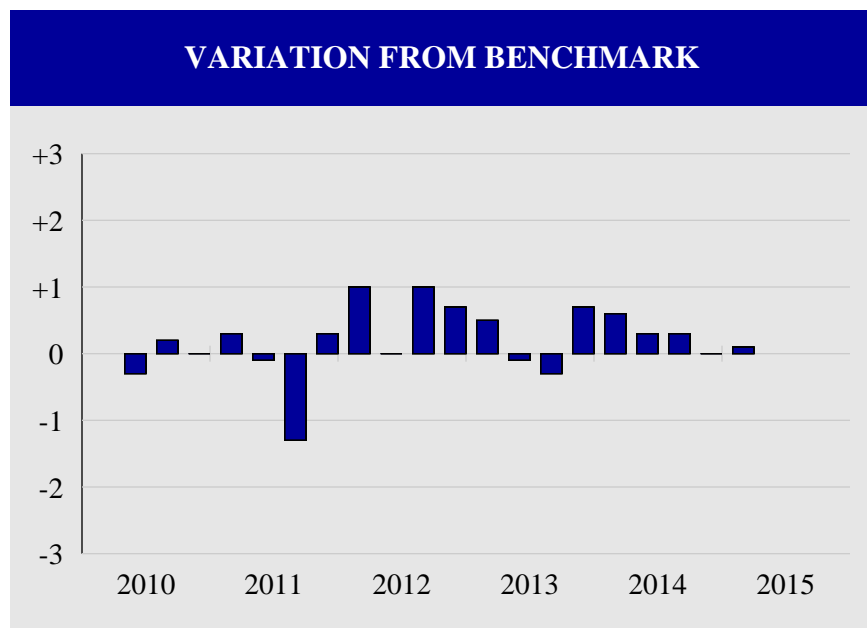


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	1.7	3.5	4.1	6.4	4.4	5.3
(RANK)	(46)	(35)	(14)	(11)	(10)	(24)
5TH %ILE	2.1	4.0	4.4	6.7	4.6	5.9
25TH %ILE	1.8	3.7	3.9	6.1	3.9	5.2
MEDIAN	1.7	3.5	3.7	5.8	3.5	4.9
75TH %ILE	1.6	3.2	3.4	5.6	3.2	4.5
95TH %ILE	1.4	2.5	2.5	4.2	2.8	4.2
Agg Index	1.6	3.4	3.6	5.7	3.1	4.4

Core Fixed Income Universe

FIXED INCOME QUARTERLY PERFORMANCE SUMMARY

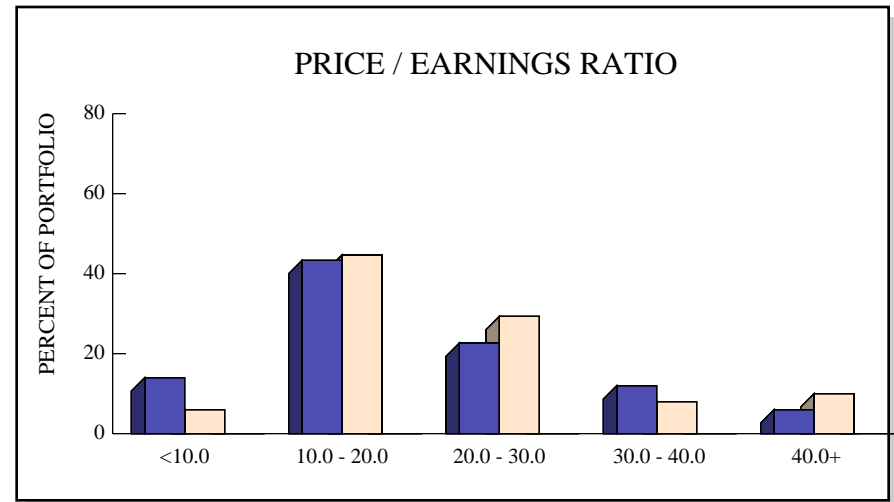
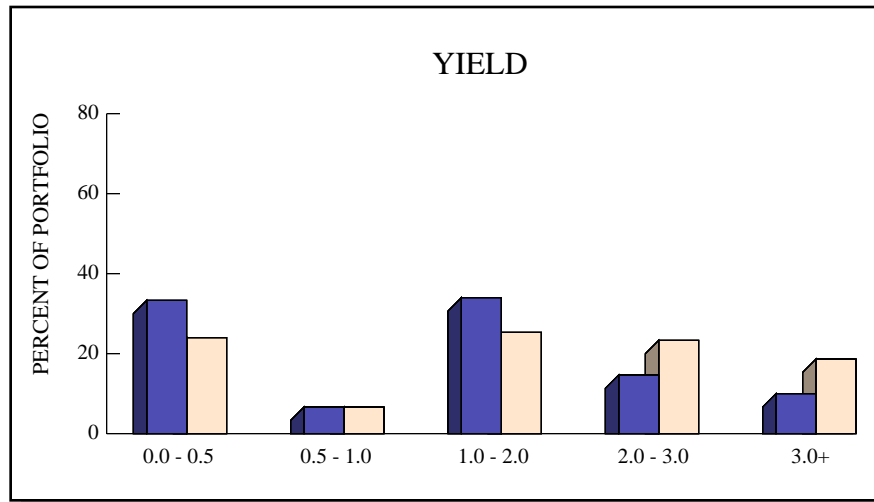
COMPARATIVE BENCHMARK: BARCLAYS AGGREGATE INDEX



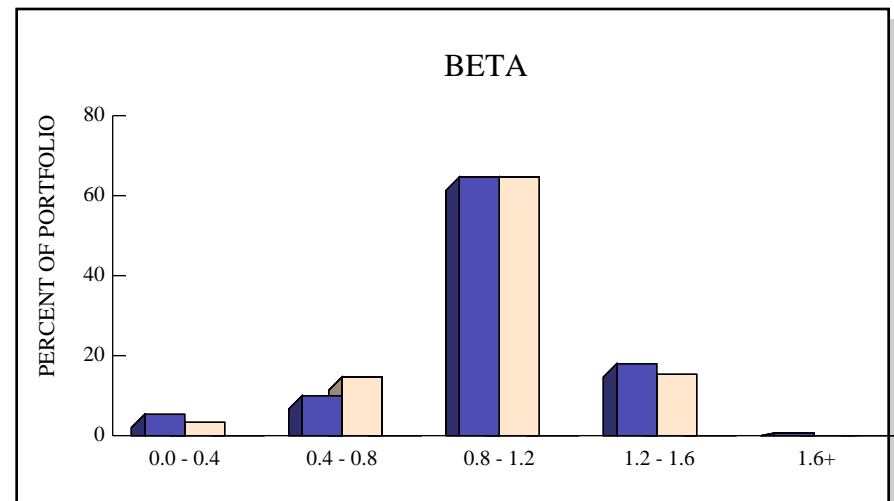
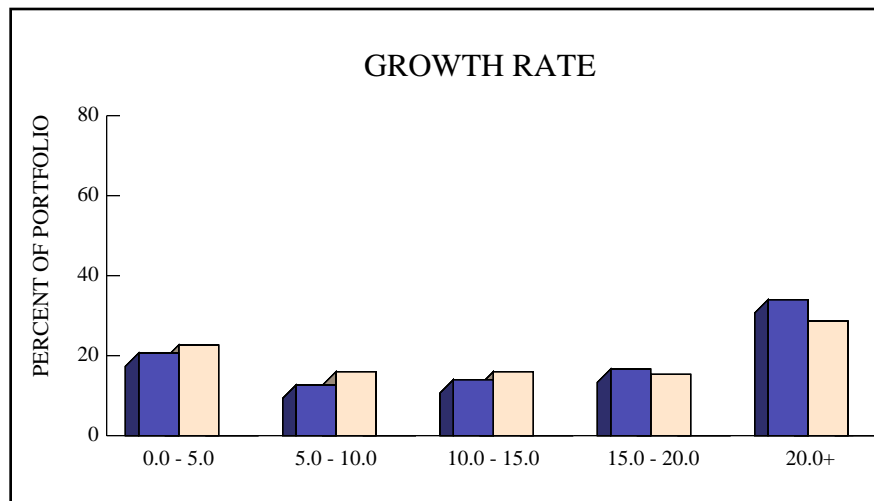
Total Quarters Observed	20
Quarters At or Above the Benchmark	15
Quarters Below the Benchmark	5
Batting Average	.750

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/10	3.2	3.5	-0.3
9/10	2.7	2.5	0.2
12/10	-1.3	-1.3	0.0
3/11	0.7	0.4	0.3
6/11	2.2	2.3	-0.1
9/11	2.5	3.8	-1.3
12/11	1.4	1.1	0.3
3/12	1.3	0.3	1.0
6/12	2.1	2.1	0.0
9/12	2.6	1.6	1.0
12/12	0.9	0.2	0.7
3/13	0.4	-0.1	0.5
6/13	-2.4	-2.3	-0.1
9/13	0.3	0.6	-0.3
12/13	0.6	-0.1	0.7
3/14	2.4	1.8	0.6
6/14	2.3	2.0	0.3
9/14	0.5	0.2	0.3
12/14	1.8	1.8	0.0
3/15	1.7	1.6	0.1

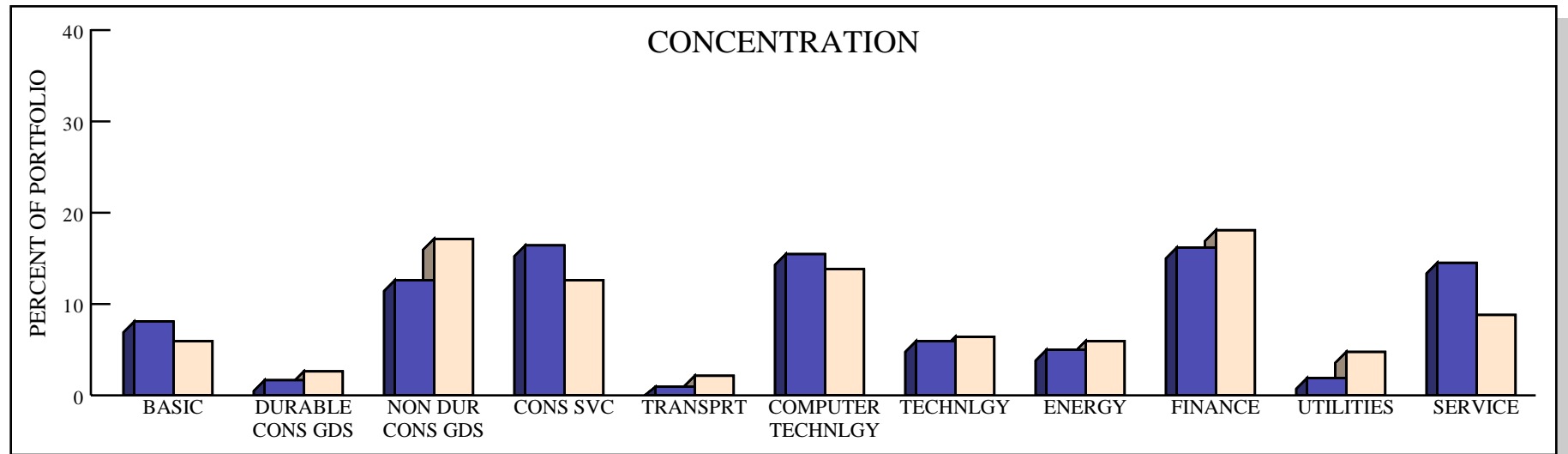
STOCK CHARACTERISTICS



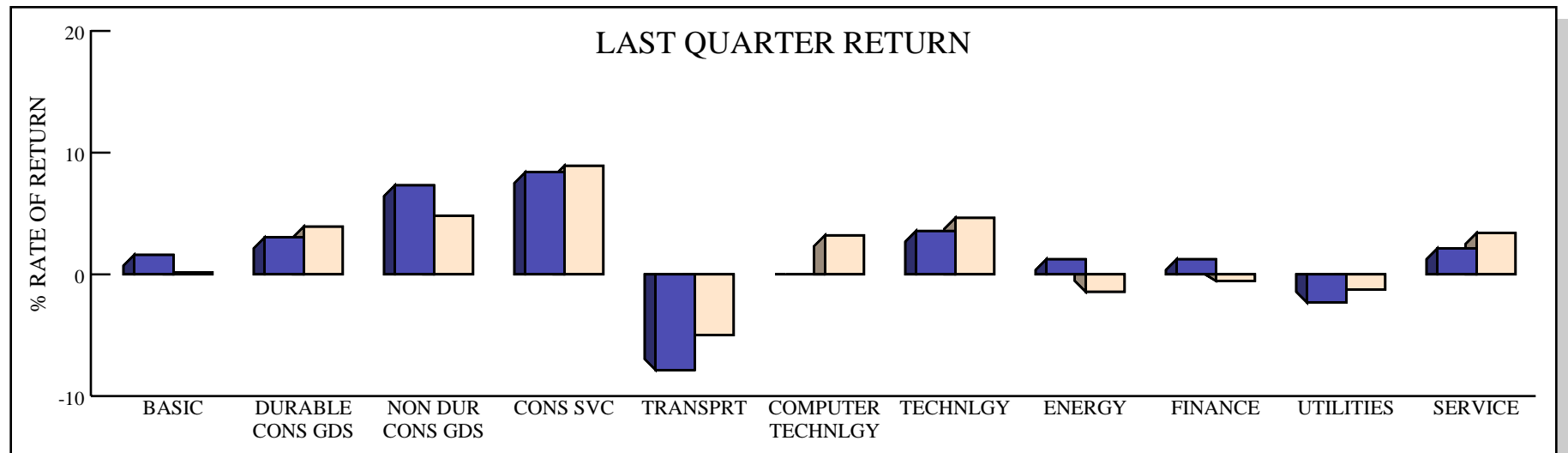
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	387	1.6%	16.5%	19.0	0.98
RUSSELL 3000	3,016	1.8%	15.6%	22.3	0.97



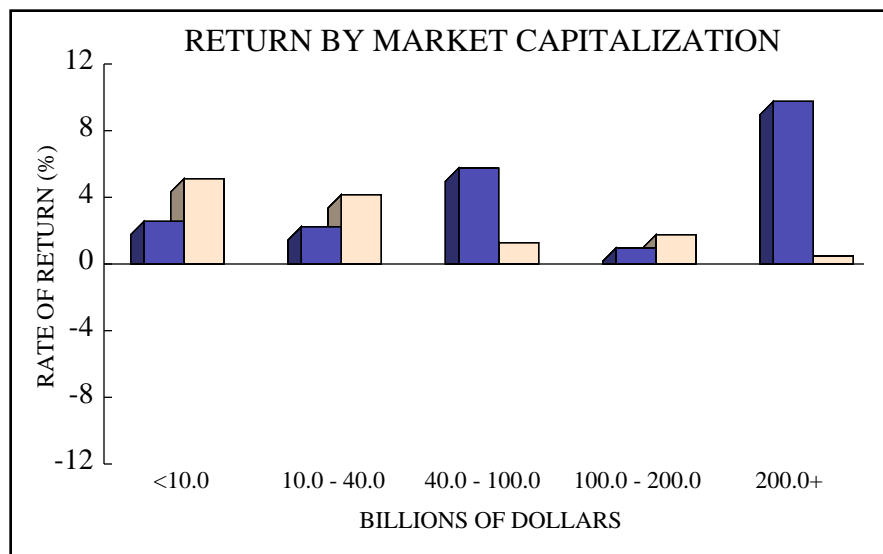
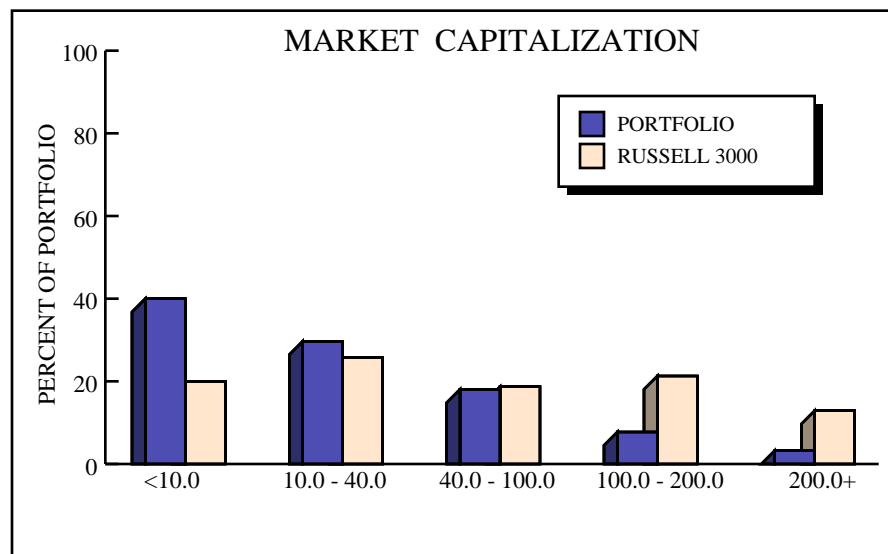
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL 3000



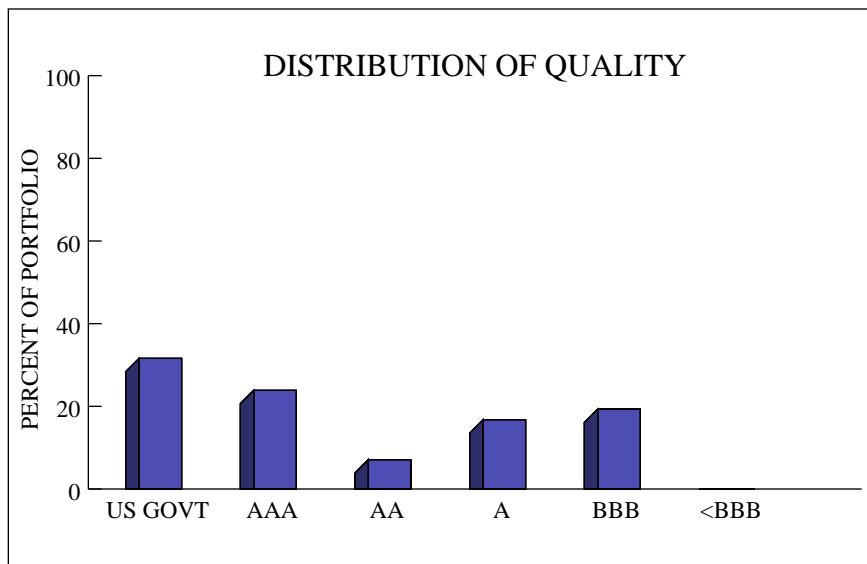
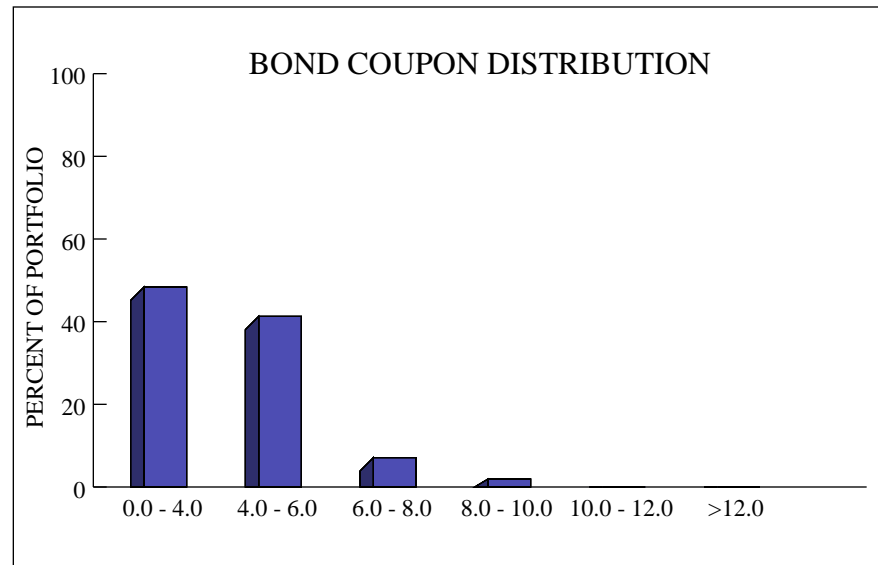
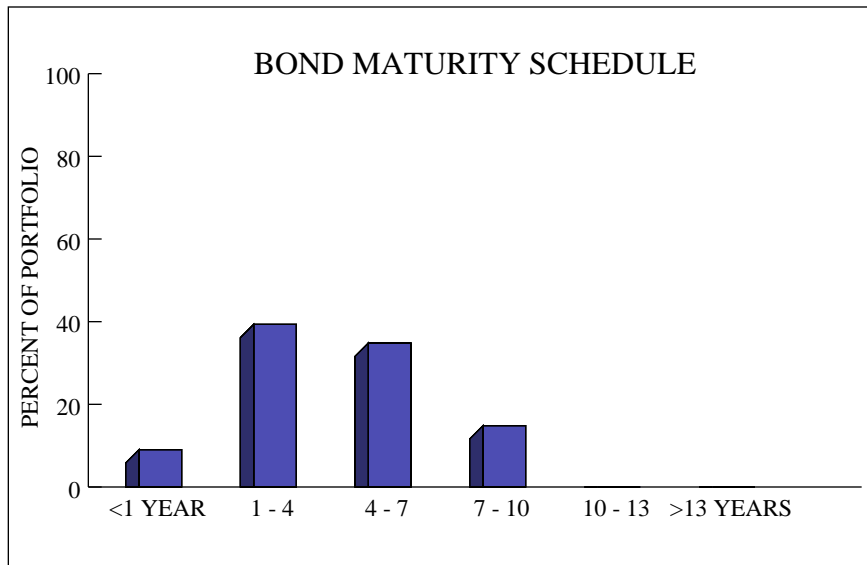
TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	VISA INC-CLASS A SHARES	\$ 547,874	1.70%	-0.1%	Finance	\$ 128.5 B
2	NIKE INC -CL B	495,129	1.54%	4.6%	NonDur Cons Goods	68.9 B
3	ABBOTT LABORATORIES	473,956	1.47%	3.4%	NonDur Cons Goods	69.9 B
4	ORACLE CORP	441,856	1.37%	-3.8%	Computer Tech	188.4 B
5	APPLE INC	441,727	1.37%	13.1%	Computer Tech	724.8 B
6	STARBUCKS CORP	427,949	1.33%	15.7%	Consumer Service	71.0 B
7	NETAPP INC	405,733	1.26%	-14.0%	Computer Tech	11.1 B
8	PRICELINE GROUP INC/THE	405,124	1.26%	2.1%	Service	60.5 B
9	TJX COMPANIES INC	404,469	1.26%	2.4%	Consumer Service	47.9 B
10	GOOGLE INC-CL C	403,876	1.25%	4.1%	Computer Tech	186.7 B

BOND CHARACTERISTICS



	PORTFOLIO	BARCLAYS AGG
No. of Securities	219	9,290
Duration	5.56	5.45
YTM	2.52	2.06
Average Coupon	3.91	3.24
Avg Maturity / WAL	3.92	7.72
Average Quality	AAA-AA	USG-AAA

APPENDIX - MAJOR MARKET INDEX RETURNS

Economic Data	Style	QTR	YTD	1 Year	3 years	5 Years
Consumer Price Index	Economic Data	0.6	0.6	-0.1	1.0	1.7
Domestic Equity	Style	QTR	YTD	1 Year	3 years	5 Years
Russell 3000	Broad Equity	1.8	1.8	12.4	16.4	14.7
S&P 500	Large Cap Core	0.9	0.9	12.7	16.1	14.5
Russell 1000	Large Cap	1.6	1.6	12.7	16.4	14.7
Russell 1000 Growth	Large Cap Growth	3.8	3.8	16.1	16.3	15.6
Russell 1000 Value	Large Cap Value	-0.7	-0.7	9.3	16.4	13.8
Russell Mid Cap	Midcap	4.0	4.0	13.7	18.1	16.2
Russell Mid Cap Growth	Midcap Growth	5.4	5.4	15.6	17.4	16.4
Russell Mid Cap Value	Midcap Value	2.4	2.4	11.7	18.6	15.8
Russell 2000	Small Cap	4.3	4.3	8.2	16.3	14.6
Russell 2000 Growth	Small Cap Growth	6.6	6.6	12.1	17.8	16.6
Russell 2000 Value	Small Cap Value	2.0	2.0	4.4	14.8	12.5
International Equity	Style	QTR	YTD	1 Year	3 years	5 Years
MSCI EAFE	Developed Markets Equity	5.0	5.0	-0.5	9.5	6.6
MSCI EAFE Growth	Developed Markets Growth	6.0	6.0	1.5	9.4	7.4
MSCI EAFE Value	Developed Markets Value	4.0	4.0	-2.4	9.6	5.9
MSCI All Country World Ex US	Foreign Equity	3.6	3.6	-0.6	6.9	5.3
MSCI Emerging Markets	Emerging Markets Equity	2.3	2.3	0.8	0.7	2.1
Domestic Fixed Income	Style	QTR	YTD	1 Year	3 years	5 Years
Barclays Aggregate Index	Core Fixed Income	1.6	1.6	5.7	3.1	4.4
Barclays Capital Gov't Bond	Treasuries	1.6	1.6	5.2	2.3	3.8
Barclays Capital Credit Bond	Corporate Bonds	2.2	2.2	6.7	4.9	6.2
Intermediate Aggregate	Core Intermediate	1.3	1.3	4.3	2.4	3.6
ML/BoA 1-3 Year Treasury	Short Term Treasuries	0.5	0.5	1.0	0.5	0.9
CSFB High Yield	High Yield Bonds	2.6	2.6	1.4	7.1	8.3
Alternative Assets	Style	QTR	YTD	1 Year	3 years	5 Years
Barclays Global Ex US	International Treasuries	-3.7	-3.7	-9.2	-3.4	-1.1
NCREIF NFI-ODCE Index	Real Estate	3.4	3.4	13.4	12.6	14.5
HFRI FOF Composite	Hedge Funds	2.5	2.5	5.4	5.4	3.5

APPENDIX - DISCLOSURES

- * The Policy index is a policy-weighted passive index and was constructed as follows:
40% Russell 3000 Index / 25% Barclays Aggregate Index / 15% EAFE Index / 10% NCREIF NFI-ODCE/ 2.5% NCREIF Timber / 7.5% S&P 500
- * The Custom Equity index was constructed as follows:
44.5% Russell 2000 index / 33.3% S&P 500 index / 22.2% S&P 400 index
- * The Custom PRIT Core Policy Index is a policy-weighted passive index and was constructed as follows:
For all periods through December 2010:

26.0% Russell 3000	20.0% MSCI EAFE	5.0% MSCI Emerging Markets
15.0% Barclays Aggregate	5.0% CSFB Hi Yield	10.0% Cambridge Private Equity
10.0% NCREIF NFI-ODCE	4.0% NCREIF Timber	5.0% HFRI Fund of Funds Composite

 For all periods Since December 2010:

24.0% Russell 3000	20.0% MSCI EAFE	5.0% MSCI Emerging Markets
13.0% Barclays Aggregate	6.0% CSFB Hi Yield	10.0% Cambridge Private Equity
10.0% NCREIF NFI-ODCE	4.0% NCREIF Timber	8.0% HFRI Fund of Funds Composite
- * In July, 2014, the separately managed Daruma portfolio was divested and the proceeds were invested in the commingled Daruma Ginkgo Fund.
- * Performance for the Cambridge Private Equity Index is unavailable for the current quarter, a flat return of 0% is assumed.
- * Dahab Associates utilizes data provided by a custodian and other vendors it believes are reliable. However, it cannot assume responsibility for errors and omissions therefrom.
- * All returns were calculated on a time-weighted basis, and are gross of fees unless otherwise noted.
- * All returns for periods greater than one year are annualized.
- * All values are in US dollars.

FRANKLIN REGIONAL RETIREMENT SYSTEM
PRIT - CORE FUND
PERFORMANCE REVIEW
MARCH 2015

INVESTMENT RETURN

On March 31st, 2015, the Franklin Regional Retirement System's PRIT Core Fund was valued at \$55,707,017, representing an increase of \$395,732 from the December quarter's ending value of \$55,311,285. Last quarter, the Fund posted withdrawals totaling \$1,100,699, which offset the portfolio's net investment return of \$1,496,431. Income receipts totaling \$311,784 plus net realized and unrealized capital gains of \$1,184,647 combined to produce the portfolio's net investment return.

For the cumulative period since December 2009, the fund has recorded net withdrawals totaling \$13.1 million and posted net investment gains of \$27.3 million. For the period since December 2009, if the total fund had returned a compounded nominal rate of 8.0% it would have been valued at \$48.7 million or \$7.0 million less than the actual value as of March 31st, 2015.

RELATIVE PERFORMANCE

Total Portfolio

In the first quarter, the PRIT Core Fund gained 2.7%, which was equal to the Custom Core Index's return of 2.7% and ranked in the 31st percentile of the Public Fund universe. Over the trailing year, the portfolio returned 8.2%, which was 1.4% greater than the benchmark's 6.8% performance, and ranked in the 32nd percentile. Since December 2009, the portfolio returned 10.2% on an annualized basis and ranked in the 38th percentile. For comparison, the Custom Core Index returned an annualized 9.4% over the same period.

PRIT Core

Performance was primarily favorable across the PRIT sleeves in the first quarter, but underperformance and negative returns led to a 20 basis point shortfall. Global Equity (41.9% allocation) posted a 2.8% gain, 10 basis points less than the benchmark. Core Fixed Income outperformed (3.9% vs. 3.7%). However, its Value-Added equivalent delivered a 100 basis point deficit. Total Real Estate

matched the market, while Timber/Natural Resources lost 1.6%.

PRIT Domestic Equity

More than three-quarters of the Domestic Equity sleeve was represented in the SSGA S&P 500 index fund and the SSGA Russell 2500 index fund (12.2% and 2.6%, respectively, lending a passively managed quality to the portfolio.

Large cap manager Intech gained 3.0% for the quarter, beating the S&P 500 by 200 basis points. PIMCO Domestic gained 1.5%, while the aforementioned SSGA S&P 500 mimicked the bellwether's 1.0% advance.

Performance across small cap managers was less favorable. Summit Creek gained 5.1% compared to a 6.6% advance by the Russell 2000 Growth index. Huber dipped 1.1%. Smid cap manager SouthernSun returned 6.8%, besting the Russell 2500 index by 160 basis points. The Domestic Equity sleeve matched the benchmark's return (1.8%) by quarter's end.

PRIT International Equity

In the first quarter, the PRIT International Equity sleeve represented 16.1% of the PRIT portfolio and rose 5.0%, which was 10 basis points better than the Custom MSCI EAFE Standard Index Net Dividends (+4.4%).

All managers of the sleeve outperformed the benchmark, save the SSGA World Ex-US fund, which unfavorably represented nearly half of the segment's allocation. This fund returned 4.1%. Marathon and Baillie Gifford posted returns of 6.1% and 6.2%, respectively, helping to boost the sleeve's return.

PRIT Emerging Markets Equity

Last quarter, several of the portfolios in this segment were terminated and assets were transferred to new portfolios. The Acadian and Wasatch portfolios remained in the fund. The Emerging

Markets segment added only 0.4% for the quarter, compared to 2.3% for the MSCI Emerging Markets index. The segment was much closer to tracking this benchmark over the trailing five years, with a 2.0% return, vs. 2.1% for the index.

PRIT Hedge Funds

The HFRI Fund of Funds benchmark offered a low hurdle for a fourth straight quarter, as the sleeve exceeded its return by 60 basis points (3.1% vs. 2.5%). Direct Hedge Funds (6.8% PRIT weight, or 73.1% of the sleeve allocation) gained 3.4% for the quarter, while returning 8.2% and 8.6% in the one- and three-year periods. PAAMCO matched the benchmark.

PRIT Real Estate

The PRIT Real Estate sleeve represented 9.5% of the PRIT portfolio (excluding 0.5% in debt), and returned 3.3% for the quarter, matching benchmark performance. However, the Private Real Estate component – representing 83.3% of the sleeve – sagged as a result of underperforming returns delivered by core managers. Invesco Core (1.8% allocation) returned 1.2%, while Lasalle, AEW, and JP Morgan gained 2.5%, 3.1%, and 2.7%, respectively.

Conversely, REITs (2.0%) posted gains of 4.6%, leading the FTSE EPRA NAREIT Developed Net Total Return index by 50 basis points. Centersquare gained 4.8% in the quarter, and accounted for most of the REIT component's benchmark outperformance.

PRIT Fixed Income

In the first quarter, the PRIT Core Fixed Income sleeve gained 3.9%, besting the hybrid index's return of 3.7%. The fundamental core elements made up 28.5% of the sleeve, including the Loomis Sayles Core manager which posted a return of 2.1%, better than the Barclays Aggregate index by 50 basis points.

The BlackRock STRIPS represented 51.9% of the Core Fixed

Income allocation. This component gained 5.6%, which was expectedly consistent with the Barclays US Treasury STRIPS 20+ Year index. Total Inflation-linked Bonds increased 2.6%, and comprised 19.8% of the sleeve. Conversely, the Value-Added Fixed Income decidedly underperformed, remaining unchanged for the quarter compared to the benchmark's 1.0% gain. Distressed Debt represented 26.8% of the sleeve and lost 1.4%, which was 400 basis points less than the NYU Salomon Center Combined Defaulted Public Bond & Bank Loan index. Emerging Market Debt (1.7% allocation) underperformed as well, while high yield bonds and bank loans performed consistently with the index.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 12/09
Total Gross/Fees	2.7	2.7	8.2	10.9	10.2
<i>PUBLIC FUND RANK</i>	(31)	(31)	(32)	(20)	(38)
Total Net/Fees	2.6	2.6	7.7	10.3	9.6
CUSTOM CORE IDX	2.7	2.7	6.8	9.5	9.4
PRIT Core	2.7	2.7	8.2	10.9	10.2
<i>PUBLIC FUND RANK</i>	(31)	(31)	(32)	(20)	(38)
CUSTOM CORE IDX	2.7	2.7	6.8	9.5	9.4

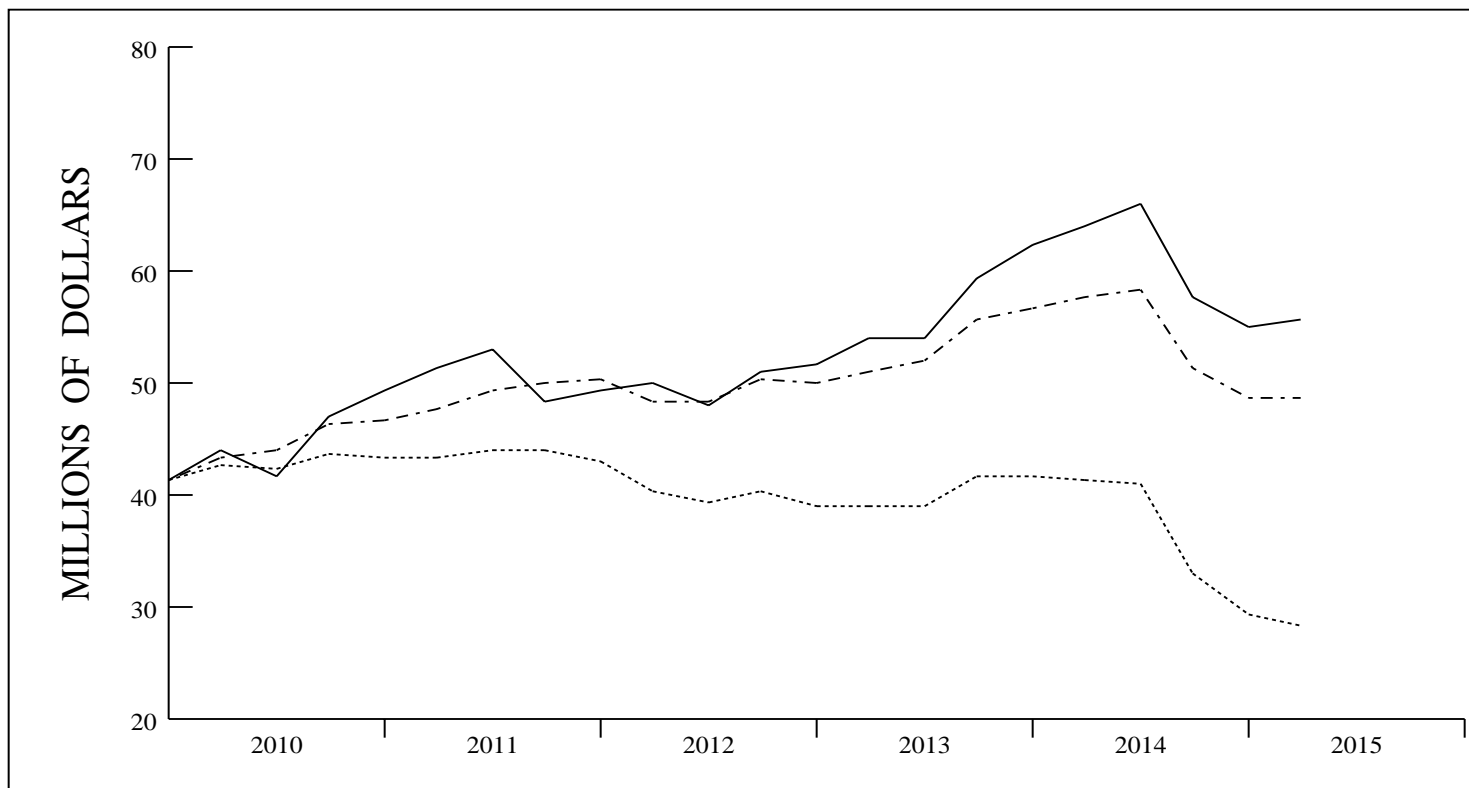
ASSET ALLOCATION

PRIT Core	100.0%	\$ 55,707,017
Total Portfolio	100.0%	\$ 55,707,017

INVESTMENT RETURN

Market Value 12/2014	\$ 55,311,285
Contribs / Withdrawals	- 1,100,699
Income	311,784
Capital Gains / Losses	1,184,647
Market Value 3/2015	\$ 55,707,017

INVESTMENT GROWTH

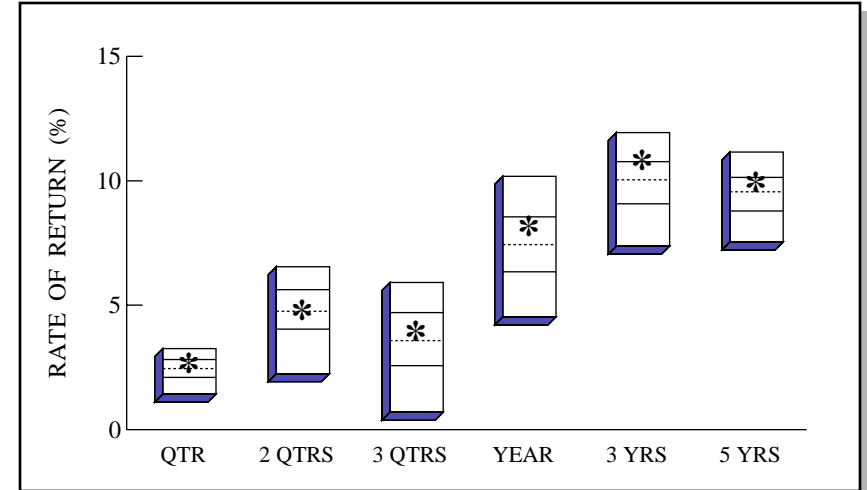
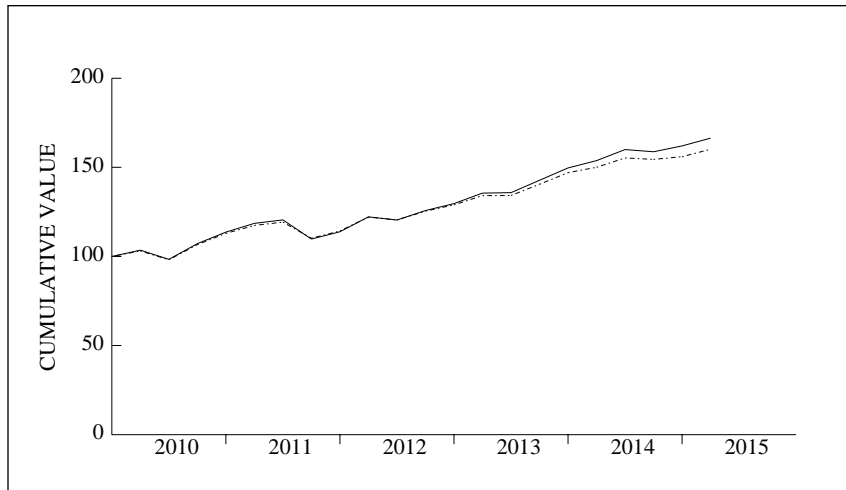


—	ACTUAL RETURN
- - -	8.0%
.....	0.0%

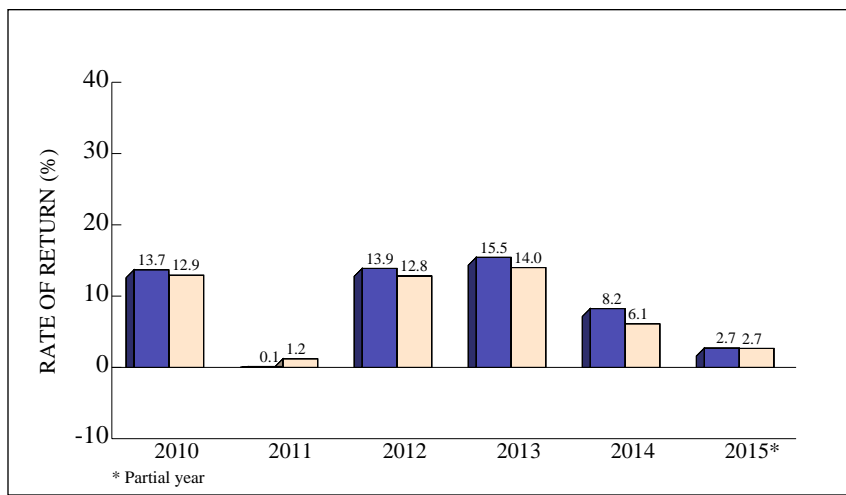
VALUE ASSUMING	
8.0% RETURN	\$ 48,736,434

	LAST QUARTER	PERIOD 12/09 - 3/15
BEGINNING VALUE	\$ 55,311,285	\$ 41,496,600
NET CONTRIBUTIONS	- 1,100,699	- 13,120,483
<u>INVESTMENT RETURN</u>	<u>1,496,431</u>	<u>27,330,900</u>
ENDING VALUE	\$ 55,707,017	\$ 55,707,017
INCOME	311,784	8,055,591
<u>CAPITAL GAINS (LOSSES)</u>	<u>1,184,647</u>	<u>19,275,308</u>
INVESTMENT RETURN	1,496,431	27,330,900

TOTAL RETURN COMPARISONS



Public Fund Universe

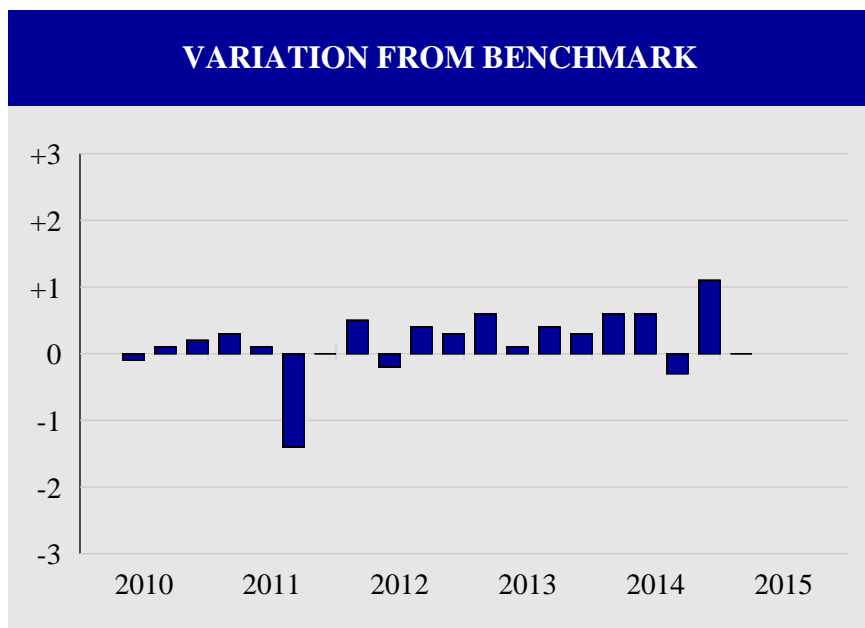


	<u>QTR</u>	<u>2QTRS</u>	<u>3QTRS</u>	<u>YEAR</u>	-----ANNUALIZED-----	
					<u>3 YRS</u>	<u>5 YRS</u>
RETURN	2.7	4.9	4.0	8.2	10.9	10.0
(RANK)	(31)	(45)	(41)	(32)	(20)	(31)
5TH %ILE	3.3	6.6	5.9	10.2	11.9	11.2
25TH %ILE	2.8	5.6	4.7	8.6	10.8	10.1
MEDIAN	2.5	4.8	3.6	7.4	10.0	9.6
75TH %ILE	2.1	4.0	2.6	6.3	9.1	8.8
95TH %ILE	1.4	2.3	0.7	4.5	7.4	7.5
PRIT Index	2.7	3.7	3.1	6.8	9.5	9.2

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: CUSTOM CORE INDEX



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/10	-5.0	-4.9	-0.1
9/10	8.9	8.8	0.1
12/10	6.1	5.9	0.2
3/11	4.3	4.0	0.3
6/11	1.7	1.6	0.1
9/11	-9.0	-7.6	-1.4
12/11	3.7	3.7	0.0
3/12	7.3	6.8	0.5
6/12	-1.5	-1.3	-0.2
9/12	4.4	4.0	0.4
12/12	3.1	2.8	0.3
3/13	4.6	4.0	0.6
6/13	0.2	0.1	0.1
9/13	5.1	4.7	0.4
12/13	4.9	4.6	0.3
3/14	2.7	2.1	0.6
6/14	4.1	3.5	0.6
9/14	-0.8	-0.5	-0.3
12/14	2.1	1.0	1.1
3/15	2.7	2.7	0.0

Total Quarters Observed	20
Quarters At or Above the Benchmark	16
Quarters Below the Benchmark	4
Batting Average	.800

**PRIT MANAGER RETURNS AND ALLOCATIONS
AS OF MARCH 31, 2015**

PORTFOLIO	QTR	ANNUALIZED			% Allocation
		1 YEAR	3 YEARS	5 YEARS	
Domestic Equity	1.8	11.8	16.4	14.6	19.4
Intech	3.0	16.4	17.8	15.6	1.6
PIMCO Domestic	1.5	12.7	17.2	15.7	1.5
SSgA S&P 500	1.0	12.7	16.2	---	12.2
Summit Creek	5.1	7.4	---	---	0.3
Frontier	2.7	4.7	---	---	0.3
Huber	-1.1	-7.6	---	---	0.4
RiverBridge	1.9	6.3	---	---	0.3
SouthernSun	6.8	7.0	---	---	0.3
SSgA Russell 2500	5.1	10.0	16.9	---	2.6
<i>S&P 500</i>	<i>0.9</i>	<i>12.7</i>	<i>16.1</i>	<i>14.5</i>	---
<i>Russell 2500</i>	<i>5.2</i>	<i>10.1</i>	<i>17.1</i>	<i>15.5</i>	---
International Equity	5.0	-0.2	10.1	7.6	16.1
SSgA World Ex-US	4.1	-1.1	9.0	6.5	7.8
Marathon Asset Management	6.1	0.7	11.7	9.3	3.9
Baillie Gifford	6.2	0.2	10.4	8.4	2.9
Mondrian	5.4	1.9	10.6	7.3	1.3
FIS	5.0	-2.3	---	---	0.2
<i>MSCI EAFE</i>	<i>5.0</i>	<i>-0.5</i>	<i>9.5</i>	<i>6.6</i>	---
<i>ACWI EX US</i>	<i>3.6</i>	<i>-0.6</i>	<i>6.9</i>	<i>5.3</i>	---
Emerging Markets Equity	0.4	-0.6	0.6	2.0	6.4
SSgA Emerging Markets	2.6	1.5	1.2	---	1.7
AQR Emerging	---	---	---	---	0.7
Baillie Gifford EMM	---	---	---	---	0.9
Driehaus Capital	---	---	---	---	0.9
Harding Loevner	---	---	---	---	0.6
Pzena	---	---	---	---	0.8
Emerging Markets Transition	---	---	---	---	0.3
Acadian	5.0	7.3	---	---	0.2
Wasatch	1.2	5.6	---	---	0.2
<i>MSCI Emerging Markets</i>	<i>2.3</i>	<i>0.8</i>	<i>0.7</i>	<i>2.1</i>	---

**PRIT MANAGER RETURNS AND ALLOCATIONS
AS OF MARCH 31, 2015**

PORTFOLIO	QTR	ANNUALIZED			% Allocation
		1 YEAR	3 YEARS	5 YEARS	
Core Fixed Income	3.9	17.3	7.0	7.1	15.6
Blackrock Passive	1.6	5.8	3.1	4.5	0.5
PIMCO Core	1.5	5.4	3.9	4.7	1.4
Loomis Sayles Core	2.1	6.9	4.7	5.8	2.1
Community Capital Management	1.6	5.2	3.2	4.0	0.0
AFL - CIO Housing Investment	1.6	6.1	3.2	4.4	0.2
Access Capital - ETI	1.3	5.9	3.1	4.0	0.2
BlackRock STRIPS	5.6	37.2	---	---	8.1
Blackrock TIPS	1.5	3.1	0.6	4.3	1.0
Blackrock ILBs	3.1	9.6	3.9	5.6	2.1
<i>Barclays Aggregate</i>	<i>1.6</i>	<i>5.7</i>	<i>3.1</i>	<i>4.4</i>	---
<i>Barclays STRIPS 20+Yrs</i>	<i>5.5</i>	<i>37.1</i>	---	---	---
<i>Barclays US TIPS</i>	<i>1.4</i>	<i>3.1</i>	<i>0.6</i>	<i>4.3</i>	---
<i>Barclays ILB US Hedged</i>	<i>2.4</i>	<i>9.0</i>	<i>3.3</i>	<i>5.2</i>	---
<i>Barclays Aggregate A or Better</i>	<i>1.5</i>	<i>5.5</i>	<i>2.8</i>	<i>4.1</i>	---
Value-Added Fixed Income	0.0	0.0	5.3	7.3	8.2
Fidelity	2.3	1.1	7.6	9.3	0.5
Loomis Sayles High Yield	2.1	4.5	8.5	9.8	0.5
Shenkman	3.4	3.1	6.6	7.9	0.5
Eaton Vance	2.0	2.6	4.4	5.0	0.8
ING	2.4	3.7	6.0	6.0	0.7
Ashmore	1.9	-0.9	2.7	6.6	0.8
PIMCO EMD	2.3	2.3	3.6	6.3	0.5
Investec	-3.6	-9.5	---	---	0.5
Pictet	-4.2	10.6	---	---	0.7
Stone Harbor	-3.0	-12.3	---	---	0.5
Distressed Debt	-1.4	5.3	13.7	12.3	2.2
<i>ML Master High Yield</i>	<i>2.5</i>	<i>2.1</i>	<i>7.5</i>	<i>8.4</i>	---
<i>JPM EMBI</i>	<i>2.0</i>	<i>5.6</i>	<i>5.4</i>	<i>7.1</i>	---

**PRIT MANAGER RETURNS AND ALLOCATIONS
AS OF MARCH 31, 2015**

PORTFOLIO	QTR	ANNUALIZED			% Allocation
		1 YEAR	3 YEARS	5 YEARS	
Private Equity	3.3	13.4	18.3	17.6	11.0
Total Special Equity	1.5	11.3	17.8	17.2	8.2
Total Venture Capital	10.2	22.1	22.3	21.2	2.5
<i>Cambridge Private Equity (Lagged)</i>	<i>0.7</i>	<i>11.4</i>	<i>15.2</i>	<i>15.4</i>	<i>---</i>
Private Real Estate	2.7	14.0	13.2	14.1	7.5
Invesco Core	1.2	13.1	12.9	14.7	1.8
Lasalle	2.5	12.3	13.0	14.3	2.2
AEW	3.1	16.1	13.1	---	1.5
JP Morgan	2.7	12.2	8.4	13.7	1.1
TA Associates	3.3	12.7	9.9	11.2	1.8
Non-Core	3.4	12.5	14.8	---	0.7
Canyon Johnson II	1.5	7.5	-2.0	-2.7	0.0
Intercontinental IV	-5.1	21.7	9.8	8.1	0.0
New Boston Urban I	-4.1	0.5	3.2	4.1	0.0
Portfolio Debt	---	---	---	---	---
<i>NCREIF ODCE</i>	<i>3.4</i>	<i>13.4</i>	<i>12.6</i>	<i>14.5</i>	<i>---</i>
REITS	4.6	16.3	12.3	12.3	2.0
Invesco Global REIT	4.3	16.8	---	---	0.5
Centersquare Global REIT	9.0	4.8	---	---	1.3
Invesco Transition	4.2	---	---	---	0.2
<i>NAREIT</i>	<i>4.0</i>	<i>22.7</i>	<i>14.0</i>	<i>15.6</i>	<i>---</i>
<i>FTSE EPRA NAREIT</i>	<i>4.0</i>	<i>14.8</i>	<i>11.8</i>	<i>11.0</i>	<i>---</i>

**PRIT MANAGER RETURNS AND ALLOCATIONS
AS OF MARCH 31, 2015**

PORTFOLIO	QTR	ANNUALIZED			% Allocation
		1 YEAR	3 YEARS	5 YEARS	
Timber	0.4	9.0	9.0	6.4	2.7
Forest	1.1	8.9	9.5	6.6	1.8
The Campbell Group	-1.1	9.7	7.7	---	0.9
<i>NCREIF Timber</i>	<i>6.0</i>	<i>10.5</i>	<i>9.3</i>	<i>5.8</i>	---
Natural Resources - Public	-1.1	-17.5	-1.9	0.8	0.6
Jennison	-1.6	-23.8	-5.9	-1.4	0.3
T. Rowe Price NR	-0.6	-10.4	2.2	2.9	0.3
<i>Lipper NR Global Fund Index</i>	<i>-1.2</i>	<i>-18.2</i>	<i>-3.0</i>	<i>-1.3</i>	---
Natural Resources - Private	-12.3	-7.0	-2.3	6.5	0.5
Hedge Funds (Net)	3.1	6.7	8.6	6.1	9.3
Arden HFOF Liquidation	0.8	2.1	---	---	0.1
Ivy Liquidation	1.8	11.2	6.4	2.4	0.0
PAAMCO	2.5	2.5	9.1	5.9	2.3
Direct Hedge Funds	3.4	8.2	8.6	---	6.8
<i>HFRI FOF</i>	<i>2.5</i>	<i>5.4</i>	<i>5.4</i>	<i>3.5</i>	---
Portable Alpha Wind Down (Net)	-1.1	0.4	-0.8	-1.0	0.1
Austin Capital	-0.2	-10.7	-11.8	-11.4	0.0
Crestline	-2.0	2.9	0.4	1.7	0.0
Strategic	-0.3	0.7	0.8	-0.9	0.0
<i>HFRI FOF</i>	---	---	---	---	---
Overlay	2.3	7.6	---	---	1.0
Clifton	3.3	10.5	---	---	0.3
Overlay Cash	---	---	---	---	.

All sleeve-level returns include cash allocations; the sum of the manager allocations may not add up to the total.

Source: PRIM Board

FRANKLIN REGIONAL RETIREMENT SYSTEM
POLEN CAPITAL MANAGEMENT - LARGE CAP GROWTH FUND
PERFORMANCE REVIEW
MARCH 2015

INVESTMENT RETURN

On March 31st, 2015, the Franklin Regional Retirement System's Polen Capital Management Large Cap Growth Fund was valued at \$7,768,935, a decrease of \$509,929 from the December ending value of \$8,278,864. Last quarter, the account recorded a net withdrawal of \$773,000, which overshadowed the fund's net investment return of \$263,071. Income receipts totaling \$15,614 and realized and unrealized capital gains of \$247,457 combined to produce the portfolio's net investment return.

Since March 2012, the account has recorded net withdrawals totaling \$228,035 while posting net investment gains totaling \$2.7 million. Since March 2012, if the account earned a compounded nominal rate of 8.0% it would have been valued at \$6.5 million or \$1.2 million less than the actual value as of March 31st, 2015.

RELATIVE PERFORMANCE

For the first quarter, the Polen Capital Management Large Cap Growth Fund gained 3.7%, which was 0.1% below the Russell 1000 Growth Index's return of 3.8% and ranked in the 55th percentile of the Large Cap Growth universe. Over the trailing twelve-month period, this portfolio returned 20.9%, which was 4.8% greater than the benchmark's 16.1% performance, and ranked in the 6th percentile. Since March 2012, the portfolio returned 13.3% annualized and ranked in the 90th percentile. The Russell 1000 Growth returned an annualized 16.3% over the same time frame.

ASSET ALLOCATION

On March 31st, 2015, domestic equities comprised 94.6% of the total portfolio (\$7.4 million), while cash & equivalents comprised the remaining 5.4% (\$417,920).

ANALYSIS

By quarter's end, the Polen Capital portfolio was concentrated in five of the eleven industry sectors utilized in our data analysis. The portfolio was overweight in each instance with respect to the Russell 1000 Growth index. Nondurable Consumer Goods, Consumer Service, and Computer Technology comprised nearly three-quarters of the total allocation.

The portfolio did not match or beat the benchmark in any of the invested sectors. Consumer Service (23.0% allocation) was a standout underperformer, posting a 4.3% advance relative to the index's 9.0%. While Nondurable Consumer Goods and Computer Technology were more equitable, the excess weight magnified the negative selection effects. Avoiding Basic and Transportation benefitted the portfolio, as those sectors suffered poor returns for the index.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 03/12
Total Gross/Fees	3.7	3.7	20.9	13.3	13.3
<i>LARGE CAP GROWTH RANK</i>	(55)	(55)	(6)	(90)	(90)
Total Net/Fees	3.5	3.5	20.1	12.6	12.6
RUSSELL 1000G	3.8	3.8	16.1	16.3	16.3
Domestic Equity	3.8	3.8	21.9	14.0	14.0
<i>LARGE CAP GROWTH RANK</i>	(53)	(53)	(5)	(83)	(83)
RUSSELL 1000G	3.8	3.8	16.1	16.3	16.3

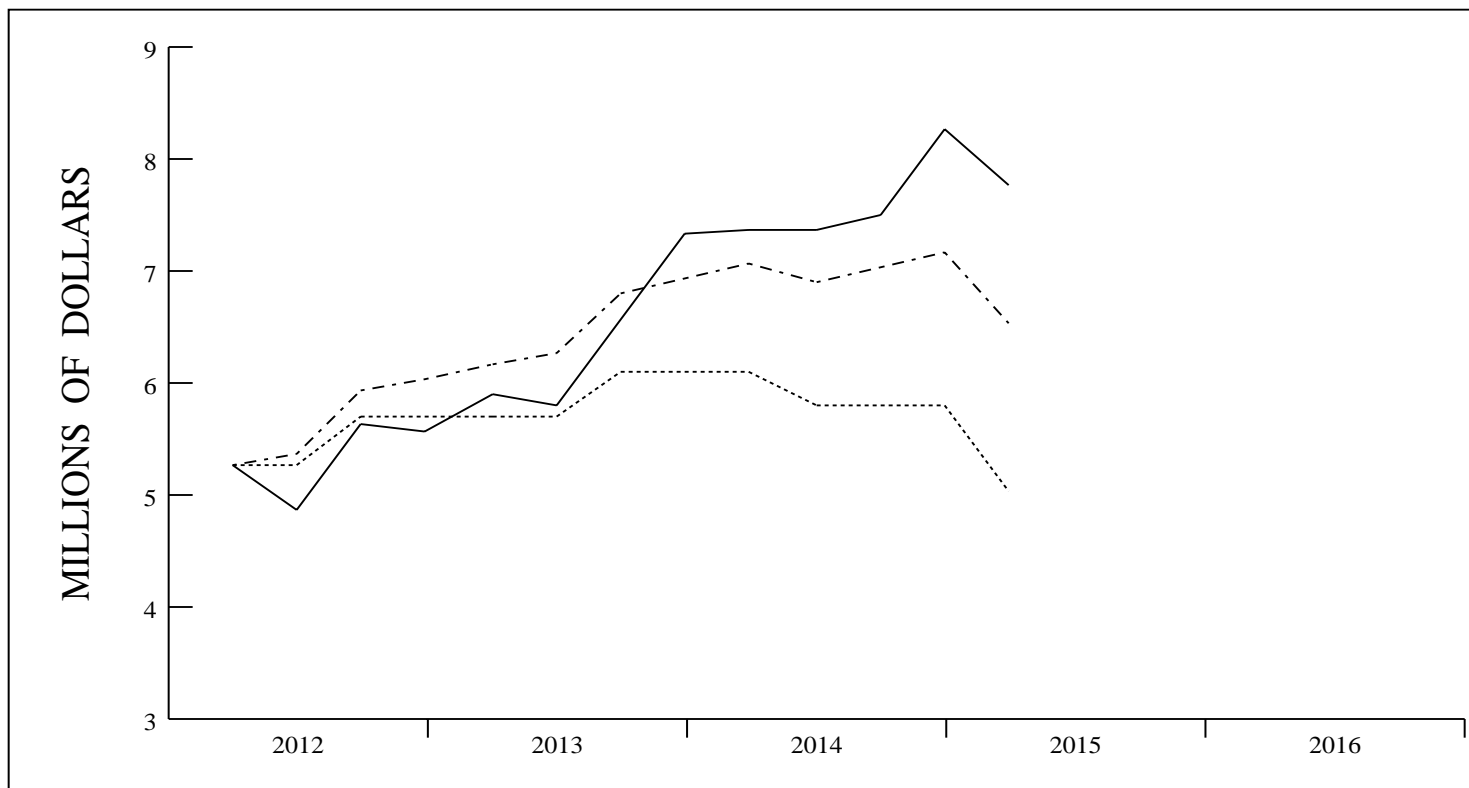
ASSET ALLOCATION

Domestic Equity	94.6%	\$ 7,351,015
Cash	5.4%	417,920
Total Portfolio	100.0%	\$ 7,768,935

INVESTMENT RETURN

Market Value 12/2014	\$ 8,278,864
Contribs / Withdrawals	-773,000
Income	15,614
Capital Gains / Losses	247,457
Market Value 3/2015	\$ 7,768,935

INVESTMENT GROWTH

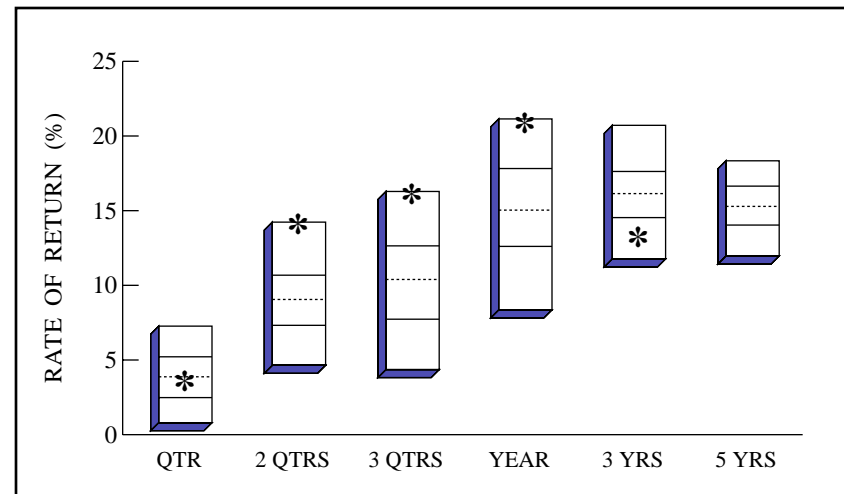
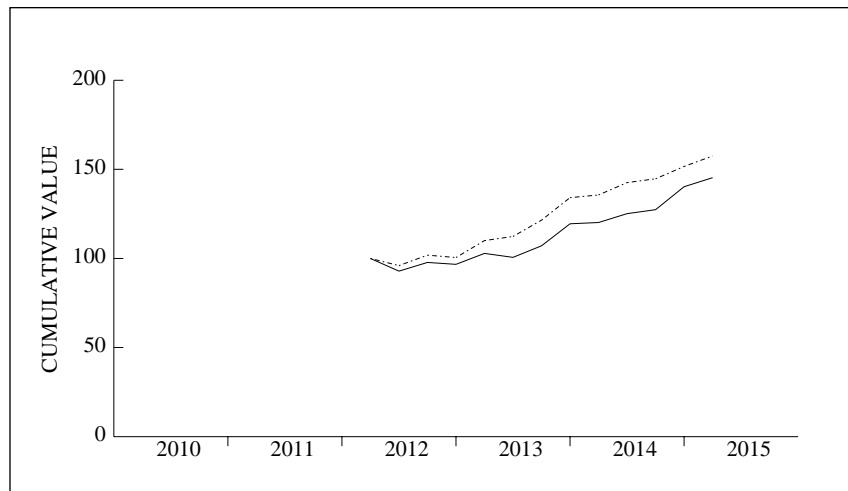


— ACTUAL RETURN
 - - - 8.0%
 0.0%

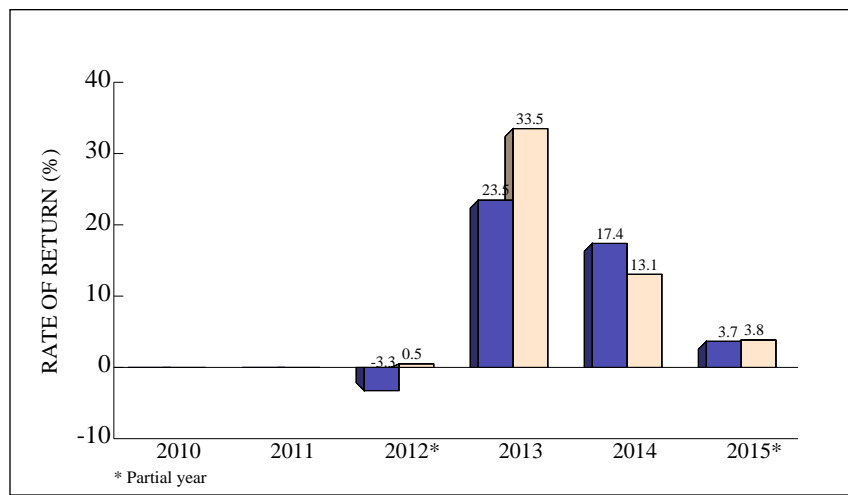
VALUE ASSUMING
 8.0% RETURN \$ 6,534,788

	LAST QUARTER	PERIOD 3/12 - 3/15
BEGINNING VALUE	\$ 8,278,864	\$ 5,273,154
NET CONTRIBUTIONS	-773,000	-228,035
INVESTMENT RETURN	263,071	2,723,816
ENDING VALUE	\$ 7,768,935	\$ 7,768,935
INCOME	15,614	216,525
CAPITAL GAINS (LOSSES)	247,457	2,507,291
INVESTMENT RETURN	263,071	2,723,816

TOTAL RETURN COMPARISONS

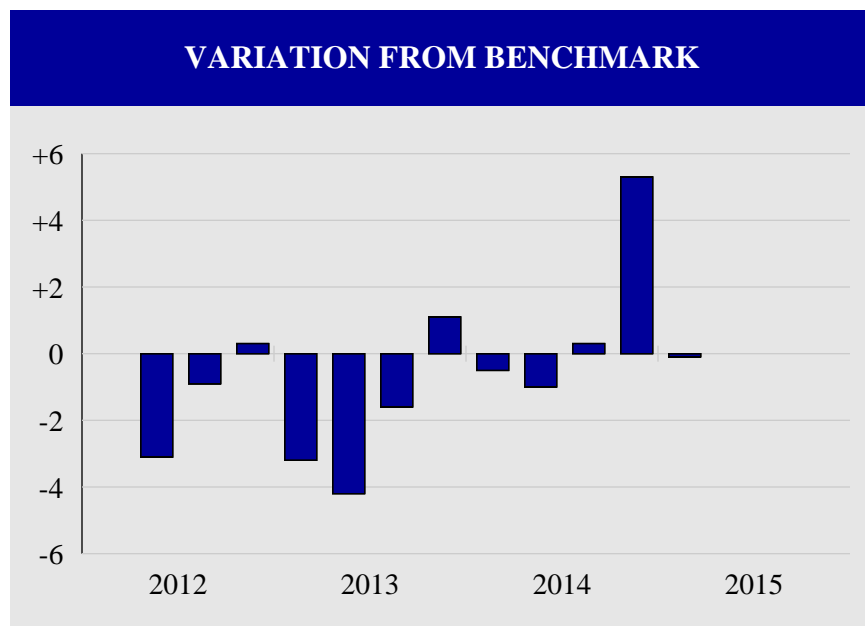


Large Cap Growth Universe



	QTR	2QTRS	3QTRS	YEAR	3 YRS	5 YRS
RETURN	3.7	14.1	16.2	20.9	13.3	----
(RANK)	(55)	(6)	(6)	(6)	(90)	----
5TH %ILE	7.3	14.2	16.3	21.1	20.7	18.3
25TH %ILE	5.2	10.7	12.7	17.8	17.6	16.6
MEDIAN	3.9	9.1	10.4	15.0	16.2	15.3
75TH %ILE	2.5	7.3	7.7	12.6	14.5	14.0
95TH %ILE	0.8	4.7	4.4	8.4	11.8	12.0
Russ 1000G	3.8	8.8	10.4	16.1	16.3	15.6

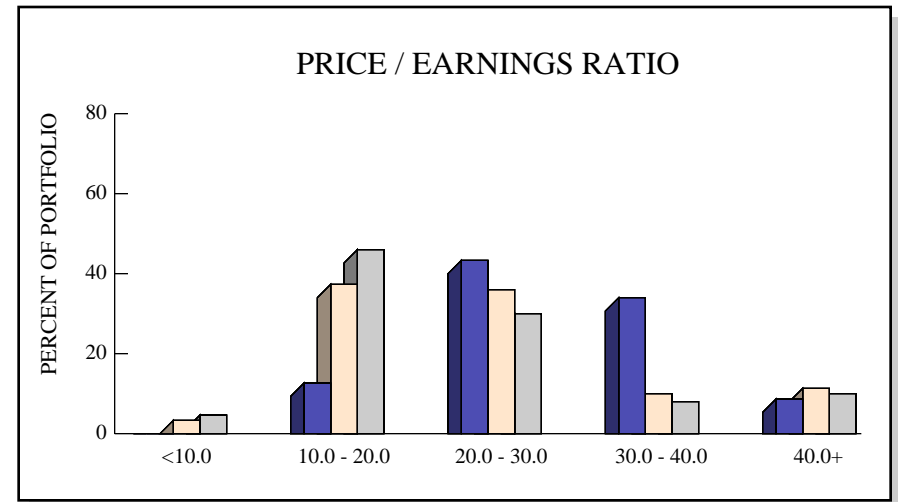
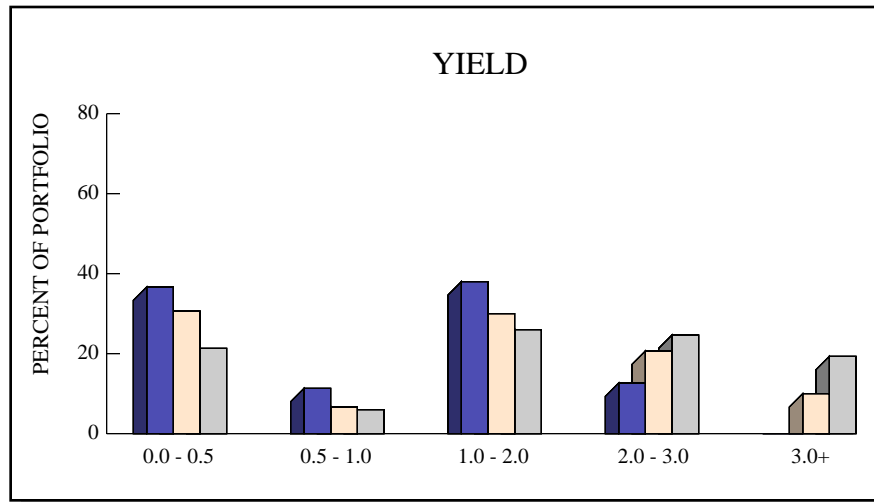
Large Cap Growth Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**COMPARATIVE BENCHMARK: RUSSELL 1000 GROWTH**

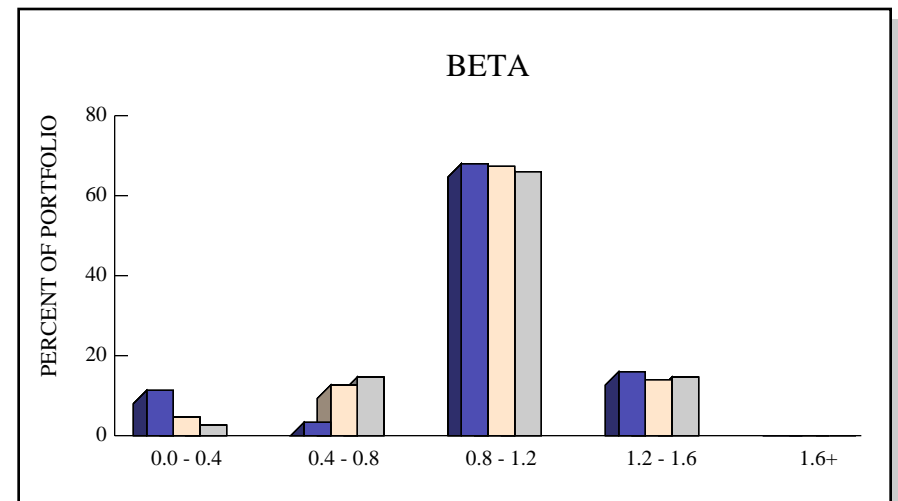
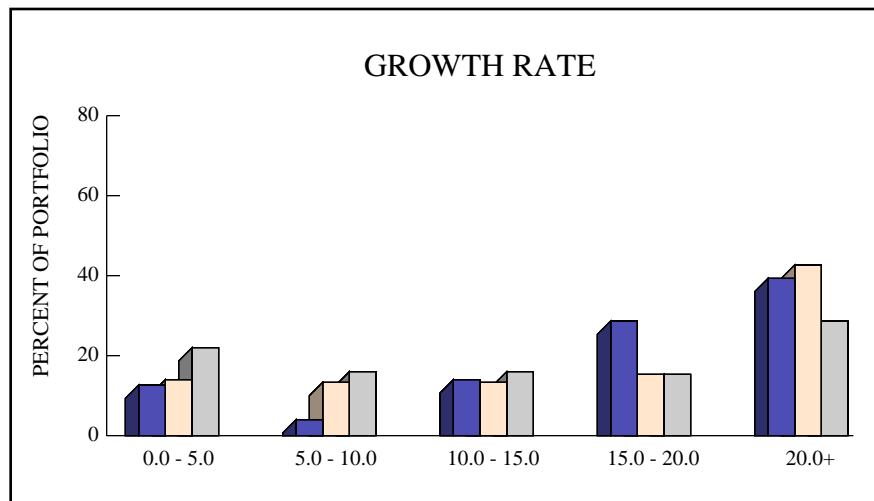
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/12	-7.1	-4.0	-3.1
9/12	5.2	6.1	-0.9
12/12	-1.0	-1.3	0.3
3/13	6.3	9.5	-3.2
6/13	-2.1	2.1	-4.2
9/13	6.5	8.1	-1.6
12/13	11.5	10.4	1.1
3/14	0.6	1.1	-0.5
6/14	4.1	5.1	-1.0
9/14	1.8	1.5	0.3
12/14	10.1	4.8	5.3
3/15	3.7	3.8	-0.1

Total Quarters Observed	12
Quarters At or Above the Benchmark	4
Quarters Below the Benchmark	8
Batting Average	.333

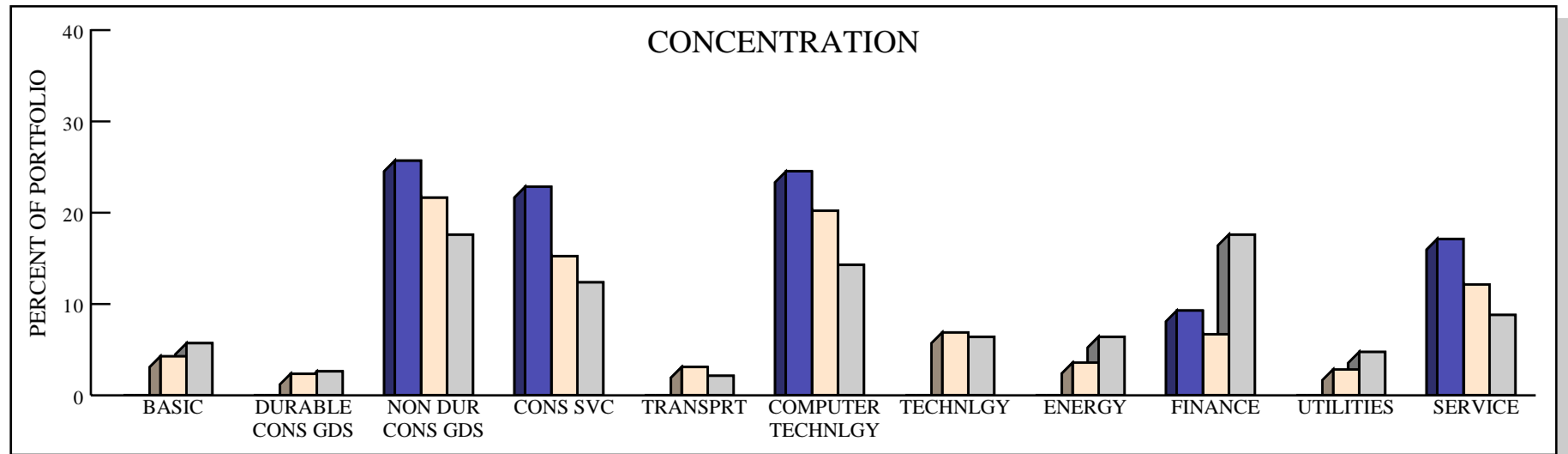
STOCK CHARACTERISTICS



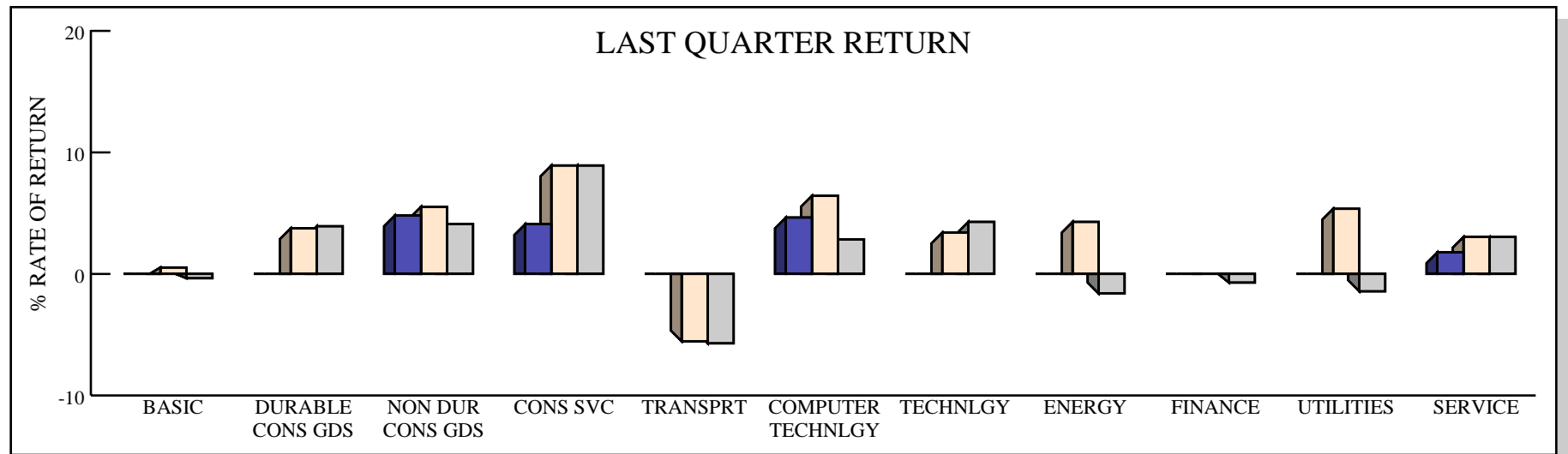
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
■ PORTFOLIO	22	0.9%	17.5%	27.9	0.90
■ RUSSELL 1000G	679	1.5%	20.7%	24.2	0.96
■ RUSSELL 1000	1,036	1.9%	15.8%	22.4	0.97



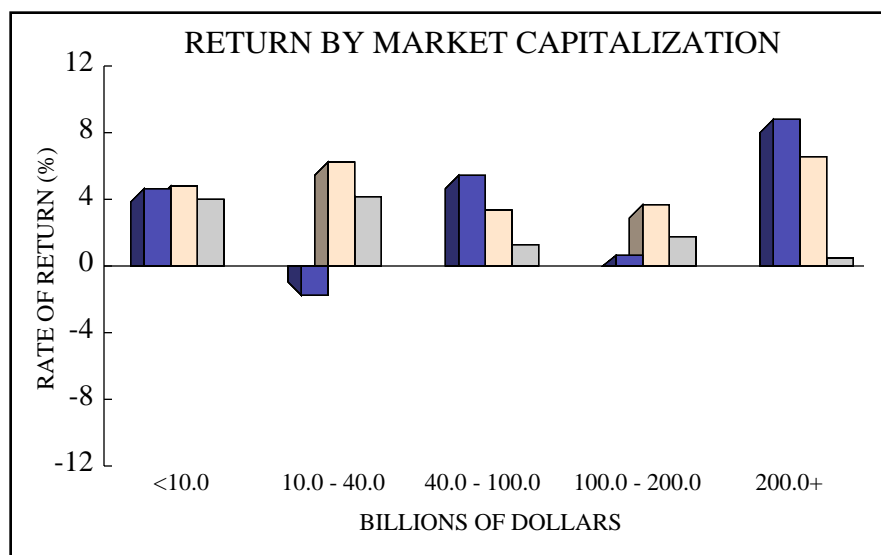
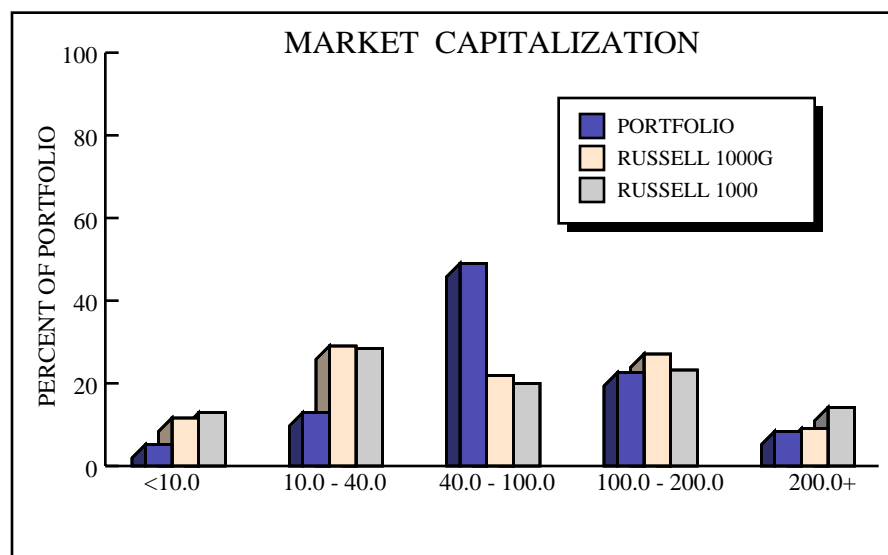
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO
 ■ RUSSELL 1000 GROWTH
 ■ RUSSELL 1000



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	VISA INC-CLASS A SHARES	\$ 547,874	7.45%	-0.1%	Finance	\$ 128.5 B
2	NIKE INC -CL B	495,129	6.74%	4.6%	NonDur Cons Goods	68.9 B
3	ABBOTT LABORATORIES	473,956	6.45%	3.4%	NonDur Cons Goods	69.9 B
4	ORACLE CORP	441,856	6.01%	-3.8%	Computer Tech	188.4 B
5	STARBUCKS CORP	427,949	5.82%	15.7%	Consumer Service	71.0 B
6	PRICELINE GROUP INC/THE	405,124	5.51%	2.1%	Service	60.5 B
7	TJX COMPANIES INC	404,469	5.50%	2.4%	Consumer Service	47.9 B
8	GOOGLE INC-CL C	403,876	5.49%	4.1%	Computer Tech	186.7 B
9	APPLE INC	373,414	5.08%	13.1%	Computer Tech	724.8 B
10	REGENERON PHARMACEUTICALS	365,247	4.97%	10.1%	NonDur Cons Goods	45.4 B

FRANKLIN REGIONAL RETIREMENT SYSTEM
O'SHAUGHNESSY ASSET MANAGEMENT - MARKET LEADERS VALUE
PERFORMANCE REVIEW
MARCH 2015

INVESTMENT RETURN

On March 31st, 2015, the Franklin Regional Retirement System's O'Shaughnessy Asset Management Market Leaders Value portfolio was valued at \$7,369,371, representing an increase of \$161,430 from the December quarter's ending value of \$7,207,941. Last quarter, the Fund posted withdrawals totaling \$202, which partially offset the portfolio's net investment return of \$161,632. Income receipts totaling \$39,662 plus net realized and unrealized capital gains of \$121,970 combined to produce the portfolio's net investment return.

For the cumulative period since March 2012, the fund has recorded net withdrawals totaling \$1.4 million and posted net investment gains of \$3.7 million. For the period since March 2012, if the total fund had returned a compounded nominal rate of 8.0% it would have been valued at \$4.9 million or \$2.5 million less than the actual value as of March 31st, 2015.

RELATIVE PERFORMANCE

Total Fund

In the first quarter, the O'Shaughnessy Asset Management Market Leaders Value portfolio gained 2.2%, which was 2.9% above the Russell 1000 Value Index's return of -0.7% and ranked in the 20th percentile of the Large Cap Value universe. Over the trailing year, the portfolio returned 9.6%, which was 0.3% greater than the benchmark's 9.3% performance, and ranked in the 57th percentile. Since March 2012, the portfolio returned 19.9% on an annualized basis and ranked in the 10th percentile. For comparison, the Russell 1000 Value returned an annualized 16.4% over the same period.

ASSET ALLOCATION

On March 31st, 2015, domestic equities comprised 98.4% of the total portfolio (\$7.3 million), while cash & equivalents totaled 1.6% (\$116,740).

STOCK ANALYSIS

At the end of the quarter, the O'Shaughnessy portfolio was diversified across all eleven industry sectors represented in our analysis. Compared to the Russell 1000 Value index, the portfolio was overweight in the Basic, Consumer Service, Technology, Energy, and Service sector, while notably underweight in Nondurable Consumer Goods, Finance, and Utilities.

The portfolio outperformed in seven of the eleven invested sectors, as positive selection effects – enlarged by overweight allocations – helped the O'Shaughnessy account surge 290 basis ahead of the benchmark. Basic, Consumer Service, and Technology (40.7% combined weight) each beat the benchmark. The index's substantial 29.7% position in Finance incurred negative returns compared to the portfolio's 2.8% increase. Losses sustained by the Computer Technology and Service sectors were offset by excess returns elsewhere.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 03/12
Total Gross/Fees	2.2	2.2	9.6	19.9	19.9
<i>LARGE CAP VALUE RANK</i>	(20)	(20)	(57)	(10)	(10)
Total Net/Fees	2.1	2.1	9.0	19.3	19.3
RUSSELL 1000V	-0.7	-0.7	9.3	16.4	16.4
Domestic Equity	2.3	2.3	9.7	20.3	20.3
<i>LARGE CAP VALUE RANK</i>	(20)	(20)	(54)	(7)	(7)
RUSSELL 1000V	-0.7	-0.7	9.3	16.4	16.4

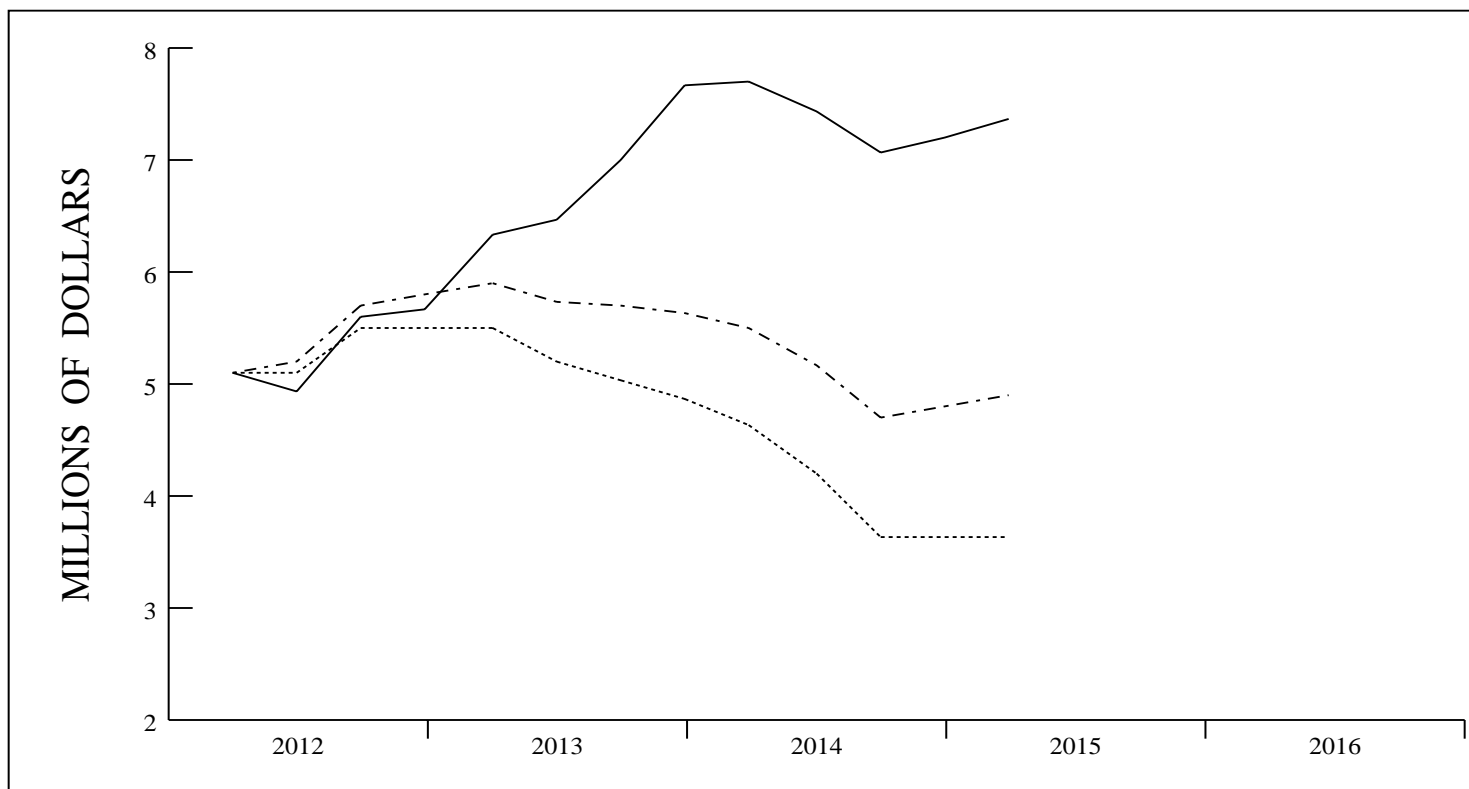
ASSET ALLOCATION

Domestic Equity	98.4%	\$ 7,252,631
Cash	1.6%	116,740
Total Portfolio	100.0%	\$ 7,369,371

INVESTMENT RETURN

Market Value 12/2014	\$ 7,207,941
Contribs / Withdrawals	-202
Income	39,662
Capital Gains / Losses	121,970
Market Value 3/2015	\$ 7,369,371

INVESTMENT GROWTH

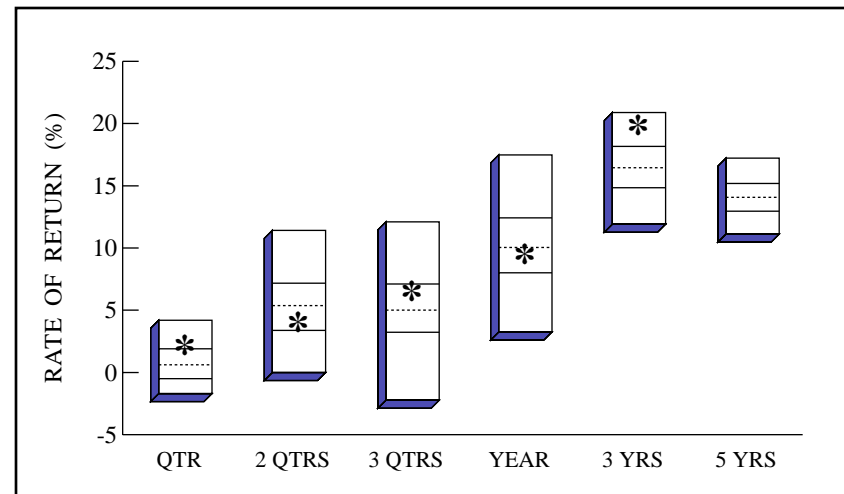
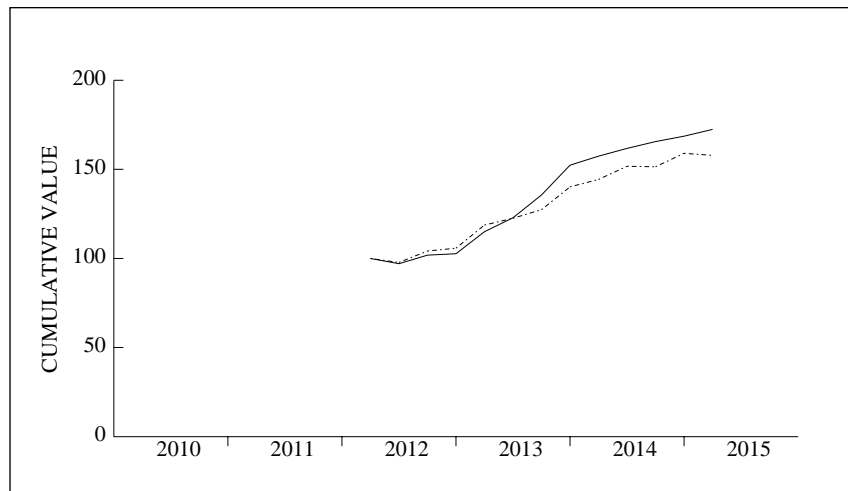


—	ACTUAL RETURN
- - -	8.0%
.....	0.0%

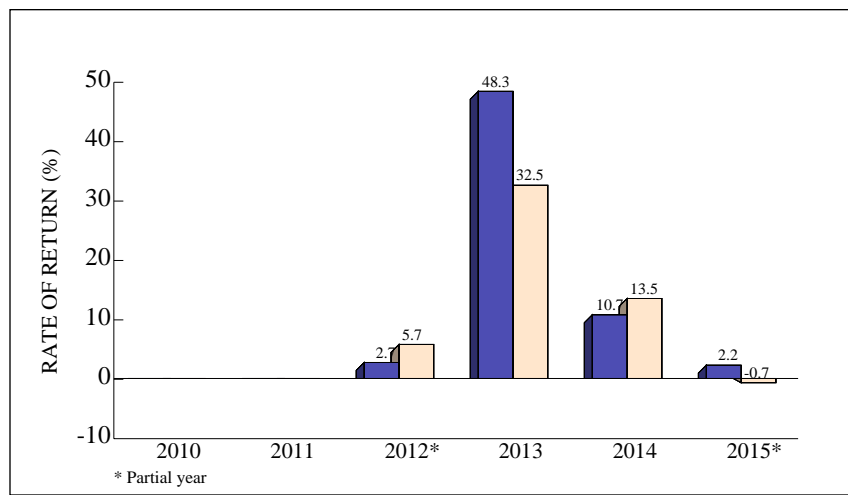
VALUE ASSUMING	
8.0% RETURN	\$ 4,913,733

	LAST QUARTER	PERIOD 3/12 - 3/15
BEGINNING VALUE	\$ 7,207,941	\$ 5,103,112
NET CONTRIBUTIONS	-202	- 1,442,884
INVESTMENT RETURN	161,632	3,709,143
ENDING VALUE	\$ 7,369,371	\$ 7,369,371
INCOME	39,662	529,723
CAPITAL GAINS (LOSSES)	121,970	3,179,420
INVESTMENT RETURN	161,632	3,709,143

TOTAL RETURN COMPARISONS

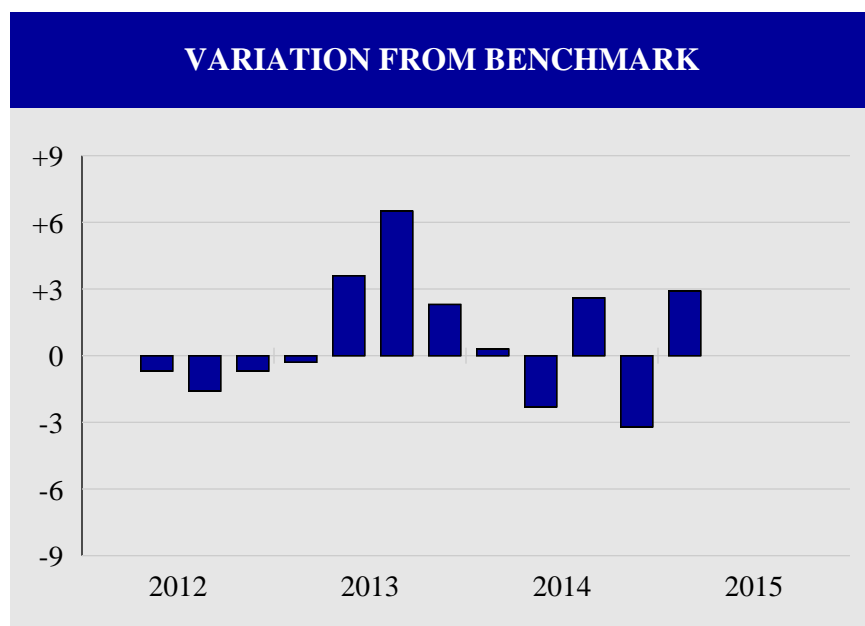


Large Cap Value Universe



	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	2.2	4.1	6.6	9.6	19.9	---
(RANK)	(20)	(68)	(30)	(57)	(10)	---
5TH %ILE	4.2	11.4	12.1	17.5	20.9	17.2
25TH %ILE	1.9	7.2	7.1	12.4	18.2	15.2
MEDIAN	0.6	5.4	5.0	10.0	16.5	14.1
75TH %ILE	-0.5	3.4	3.2	8.0	14.9	13.0
95TH %ILE	-1.7	0.0	-2.2	3.3	11.9	11.1
Russ 1000V	-0.7	4.2	4.0	9.3	16.4	13.8

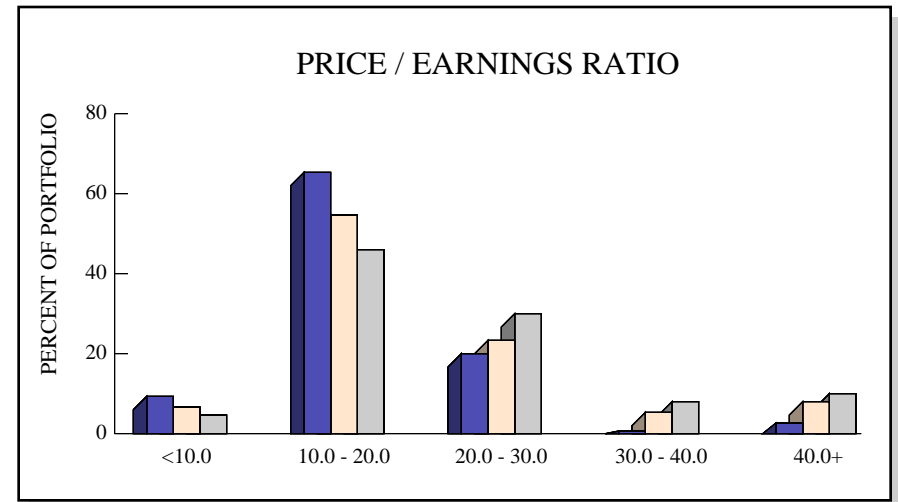
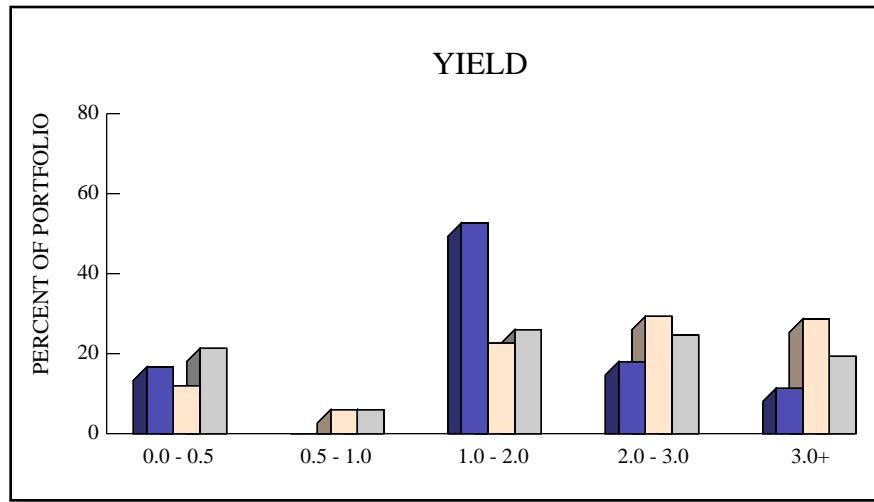
Large Cap Value Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**COMPARATIVE BENCHMARK: RUSSELL 1000 VALUE**

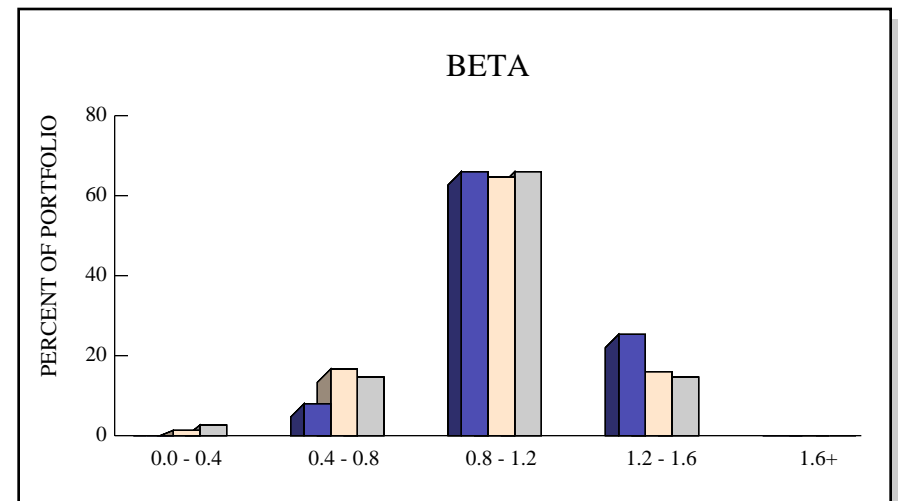
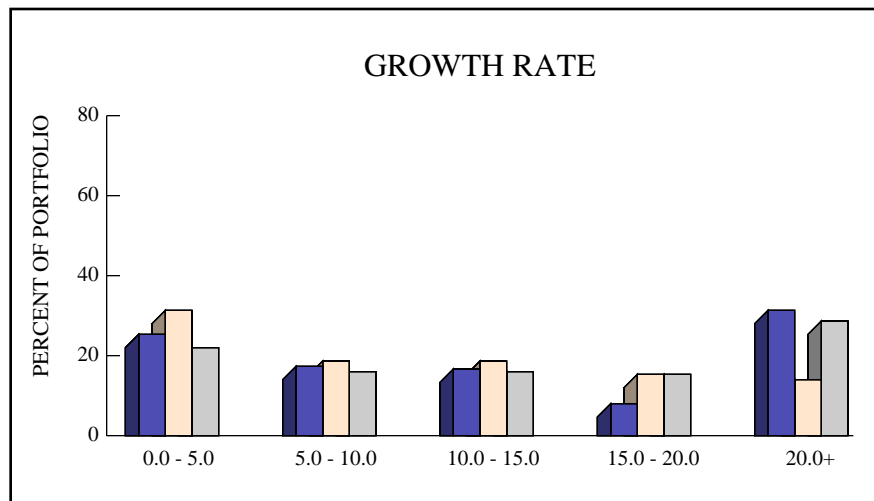
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/12	-2.9	-2.2	-0.7
9/12	4.9	6.5	-1.6
12/12	0.8	1.5	-0.7
3/13	12.0	12.3	-0.3
6/13	6.8	3.2	3.6
9/13	10.4	3.9	6.5
12/13	12.3	10.0	2.3
3/14	3.3	3.0	0.3
6/14	2.8	5.1	-2.3
9/14	2.4	-0.2	2.6
12/14	1.8	5.0	-3.2
3/15	2.2	-0.7	2.9

Total Quarters Observed	12
Quarters At or Above the Benchmark	6
Quarters Below the Benchmark	6
Batting Average	.500

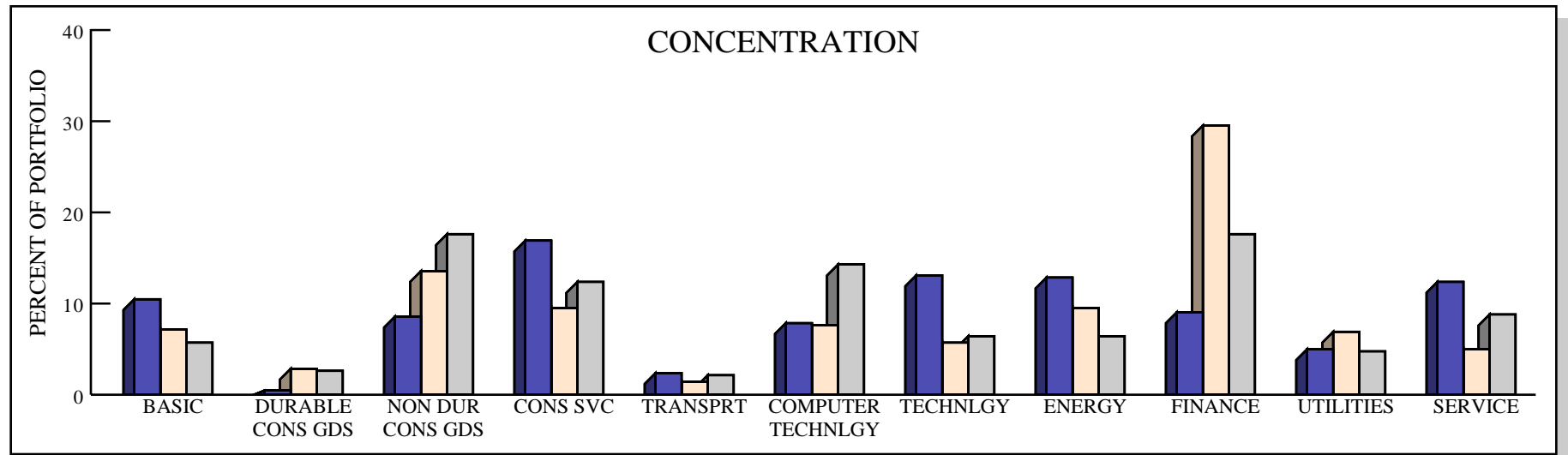
STOCK CHARACTERISTICS



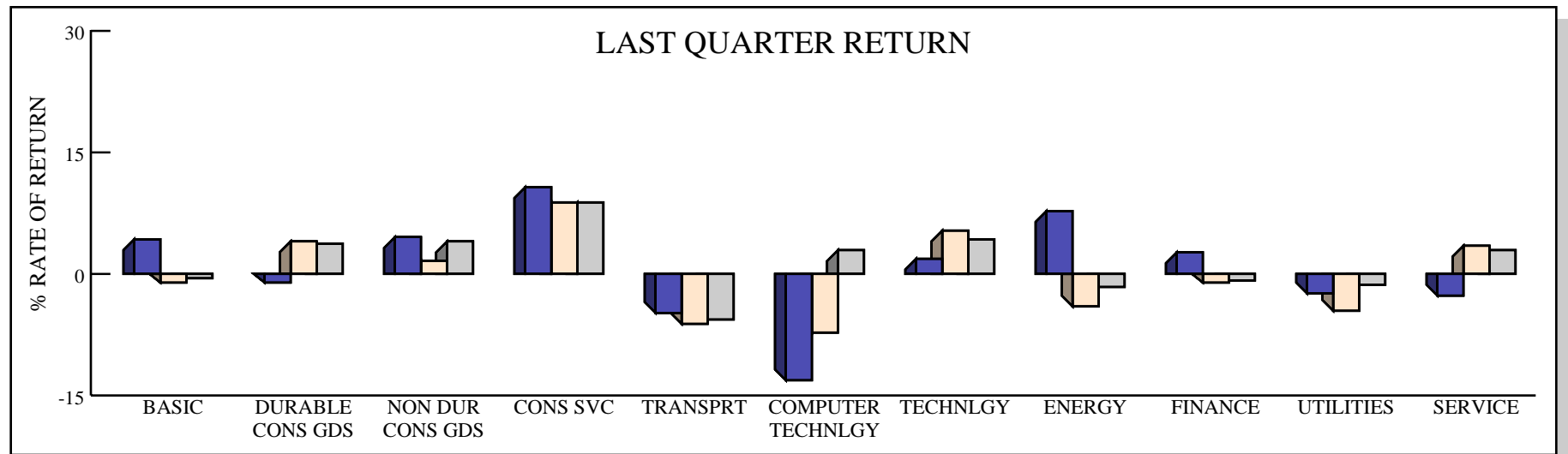
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	59	1.9%	16.7%	16.5	1.06
RUSSELL 1000V	700	2.3%	10.4%	20.4	0.99
RUSSELL 1000	1,036	1.9%	15.8%	22.4	0.97



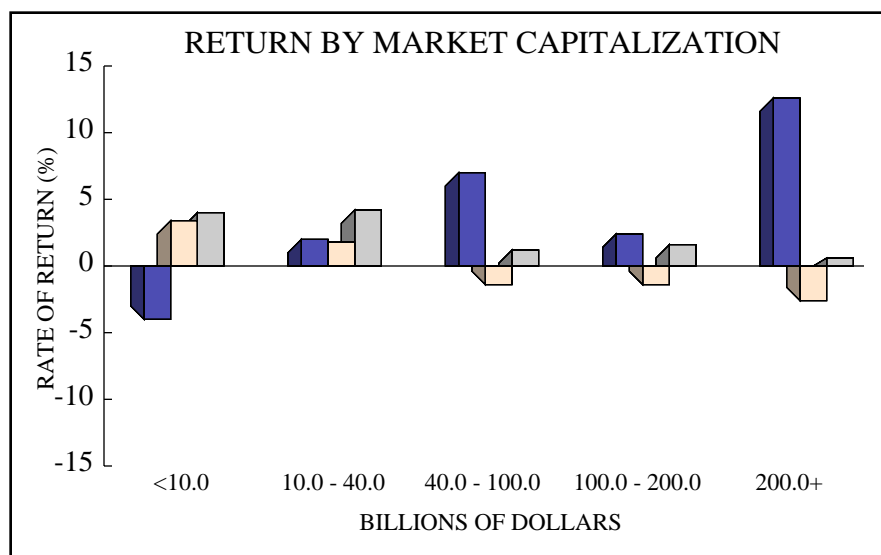
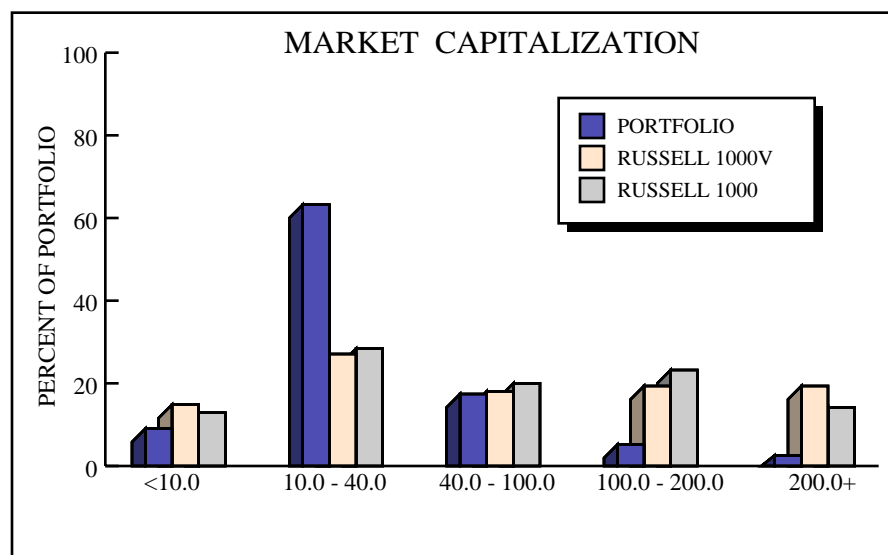
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO
 ■ RUSSELL 1000 VALUE
 ■ RUSSELL 1000



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	MARATHON PETROLEUM CORP	\$ 343,109	4.73%	13.9%	Energy	\$ 28.0 B
2	NORTHROP GRUMMAN CORP	328,841	4.53%	9.6%	Technology	31.9 B
3	COCA-COLA ENTERPRISES	292,295	4.03%	0.5%	NonDur Cons Goods	10.3 B
4	PHILLIPS 66	274,235	3.78%	10.2%	Energy	42.6 B
5	LYONDELLBASELL INDU-CL A	255,498	3.52%	11.4%	Basic	41.9 B
6	TRAVELERS COS INC/THE	249,456	3.44%	2.7%	Finance	34.8 B
7	SEAGATE TECHNOLOGY	246,258	3.40%	-20.9%	Computer Tech	17.1 B
8	LOWE'S COS INC	222,203	3.06%	8.4%	Consumer Service	70.8 B
9	CENTURYLINK INC	220,394	3.04%	-11.2%	Utilities	19.6 B
10	CORNING INC	205,572	2.83%	-0.5%	Basic	28.8 B

FRANKLIN REGIONAL RETIREMENT SYSTEM
SEIZERT CAPITAL PARTNERS
PERFORMANCE REVIEW
MARCH 2015

INVESTMENT RETURN

On March 31st, 2015, the Franklin Regional Retirement System's Seizert Capital Partners portfolio was valued at \$6,214,090, representing an increase of \$131,338 from the December quarter's ending value of \$6,082,752. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$131,338 in net investment returns. Income receipts totaling \$22,715 plus net realized and unrealized capital gains of \$108,623 combined to produce the portfolio's net investment return figure.

For the cumulative period since June 2011, the account has recorded net withdrawals totaling \$1.9 million and net investment gains of \$3.1 million. Since June 2011, if the total account had earned a compounded nominal rate of 8.0% it would have been worth \$4.5 million or \$1.8 million less than the actual value as of March 31st, 2015.

RELATIVE PERFORMANCE

During the first quarter, the Seizert Capital Partners portfolio gained 2.2%, which was 1.8% below the Russell Mid Cap's return of 4.0% and ranked in the 91st percentile of the Mid Cap universe. Over the trailing year, the portfolio returned 6.1%, which was 7.6% below the benchmark's 13.7% performance, ranking in the 91st percentile. Since June 2011, the account returned 15.9% on an annualized basis and ranked in the 30th percentile. For comparison, the Russell Mid Cap returned an annualized 15.1% over the same period.

ASSET ALLOCATION

On March 31st, 2015, domestic equities comprised 95.8% of the total portfolio (\$6.0 million), while cash & equivalents totaled 4.2% (\$259,910).

STOCK ANALYSIS

By quarter's end, the Seizert portfolio was invested in eight of the eleven industry sectors in our analysis. Compared to the Russell Mid Cap index, the portfolio was overweight in the Basic, Computer Technology, Finance, and Service sectors, while underweight in Nondurable Consumer Goods and Consumer Service. Transportation, Technology, and Utilities were left unfunded.

The portfolio underperformed in each of the overweight sectors, including Computer Technology, Finance, and Service, which commanded a combined 68.9% allocation. Moreover, the Basic, Computer Technology, and Energy sectors sustained losses against the gains of the benchmark. Selection effects favored the Seizert account in Durable Consumer Goods, Nondurable Consumer Goods, and Consumer Service, but represented a comparatively small aspect of the portfolio.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 06/11
Total Gross/Fees	2.2	2.2	6.1	21.1	15.9
<i>MID CAP RANK</i>	(91)	(91)	(91)	(8)	(30)
Total Net/Fees	2.0	2.0	5.3	20.3	15.1
RUSSELL MID	4.0	4.0	13.7	18.1	15.1
Domestic Equity	2.3	2.3	6.3	22.0	16.7
<i>MID CAP RANK</i>	(90)	(90)	(90)	(3)	(14)
RUSSELL MID	4.0	4.0	13.7	18.1	15.1

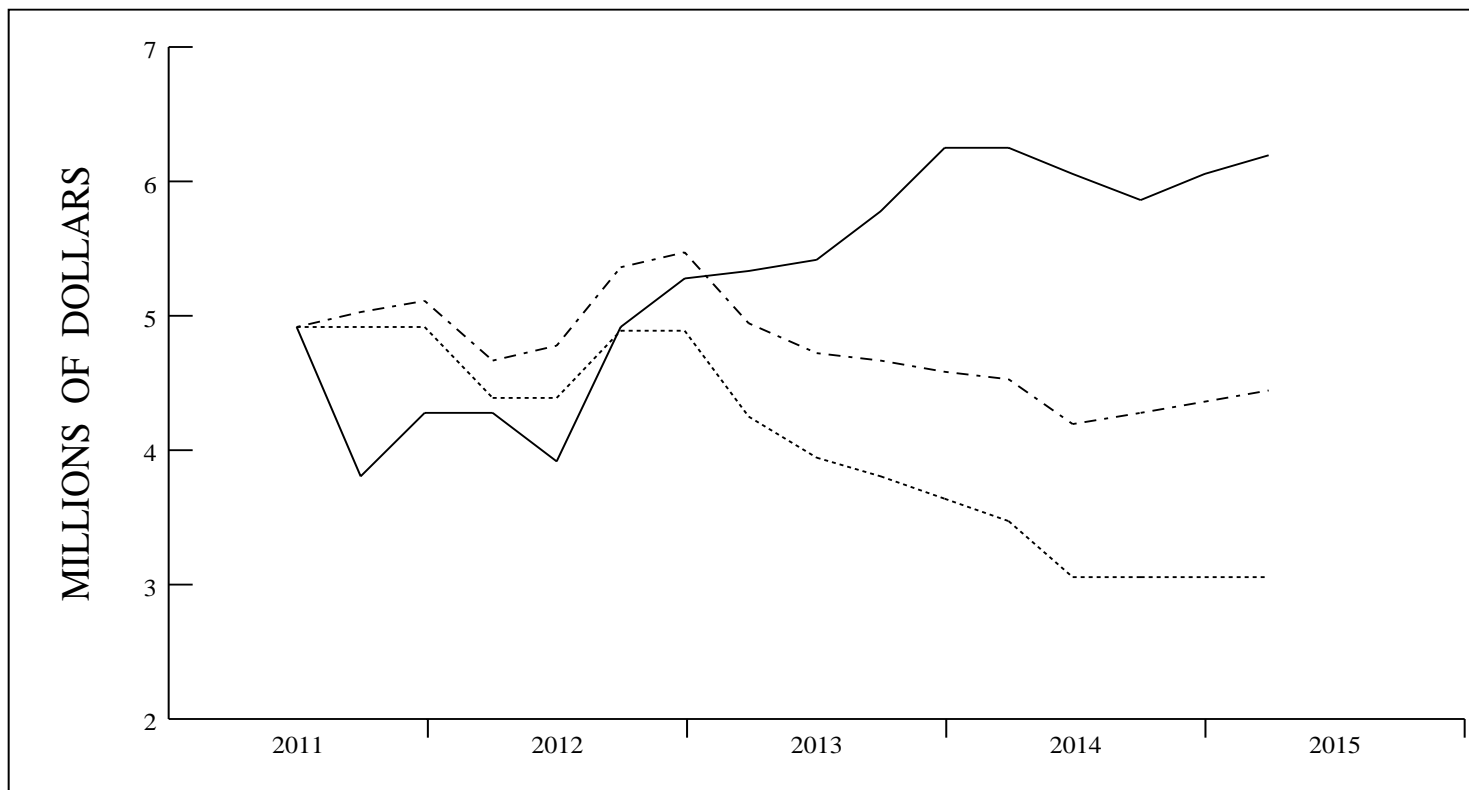
ASSET ALLOCATION

Domestic Equity	95.8%	\$ 5,954,180
Cash	4.2%	259,910
Total Portfolio	100.0%	\$ 6,214,090

INVESTMENT RETURN

Market Value 12/2014	\$ 6,082,752
Contribs / Withdrawals	0
Income	22,715
Capital Gains / Losses	108,623
Market Value 3/2015	\$ 6,214,090

INVESTMENT GROWTH

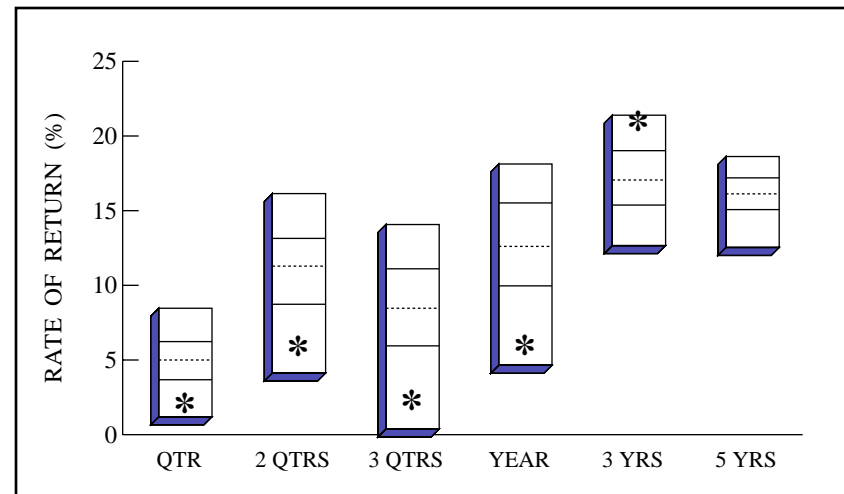
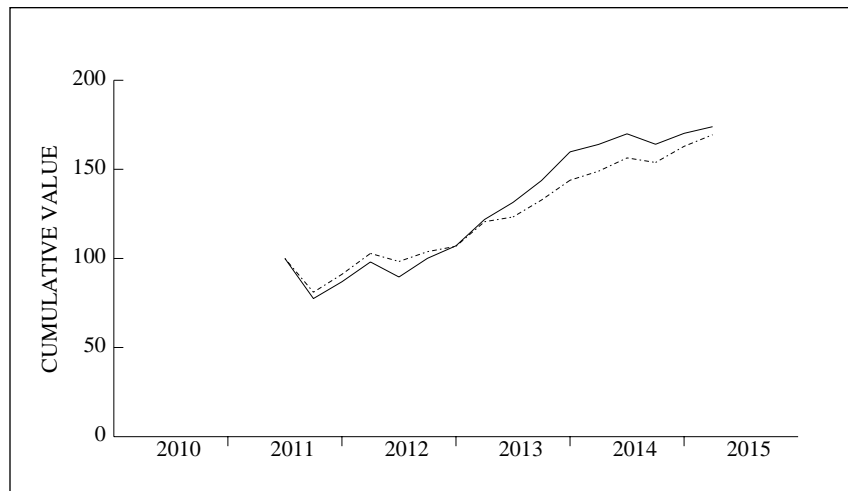


— ACTUAL RETURN
 - - - 8.0%
 . . . 0.0%

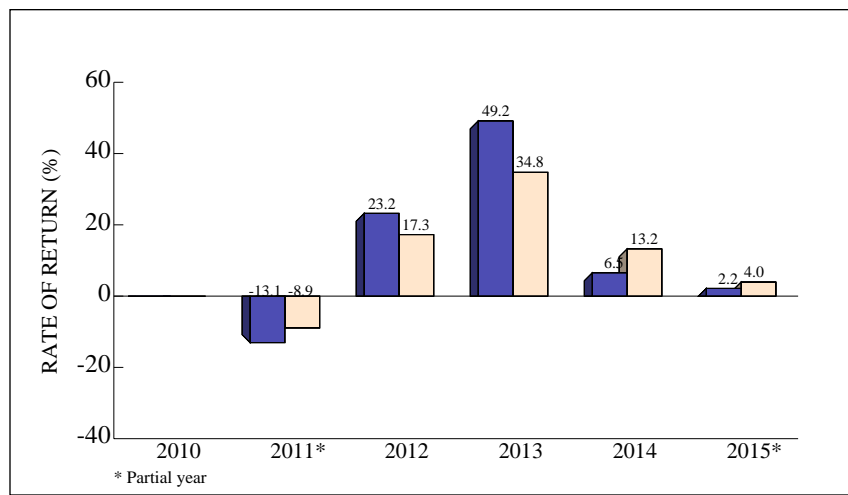
VALUE ASSUMING
 8.0% RETURN \$ 4,453,818

	LAST QUARTER	PERIOD 6/11 - 3/15
BEGINNING VALUE	\$ 6,082,752	\$ 4,935,067
NET CONTRIBUTIONS	0	- 1,861,000
INVESTMENT RETURN	131,338	3,140,023
ENDING VALUE	\$ 6,214,090	\$ 6,214,090
INCOME	22,715	307,980
CAPITAL GAINS (LOSSES)	108,623	2,832,043
INVESTMENT RETURN	131,338	3,140,023

TOTAL RETURN COMPARISONS



Mid Cap Universe

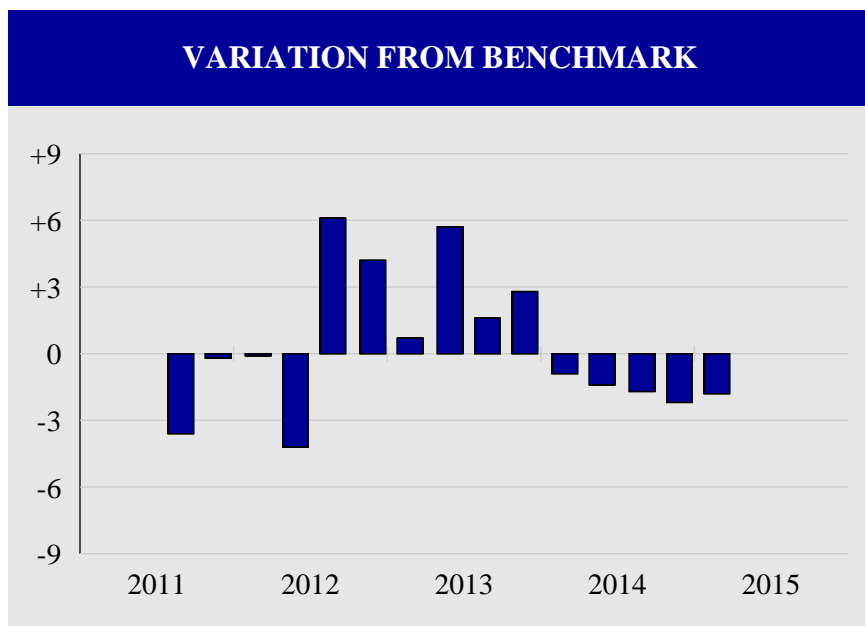


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED----- 3 YRS	5 YRS
RETURN	2.2	6.0	2.3	6.1	21.1	----
(RANK)	(91)	(91)	(91)	(91)	(8)	----
5TH %ILE	8.5	16.2	14.1	18.1	21.4	18.6
25TH %ILE	6.2	13.1	11.1	15.5	19.0	17.2
MEDIAN	5.0	11.3	8.5	12.6	17.1	16.1
75TH %ILE	3.7	8.7	6.0	10.0	15.4	15.1
95TH %ILE	1.2	4.1	0.4	4.7	12.7	12.5
Russ MC	4.0	10.1	8.3	13.7	18.1	16.2

Mid Cap Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

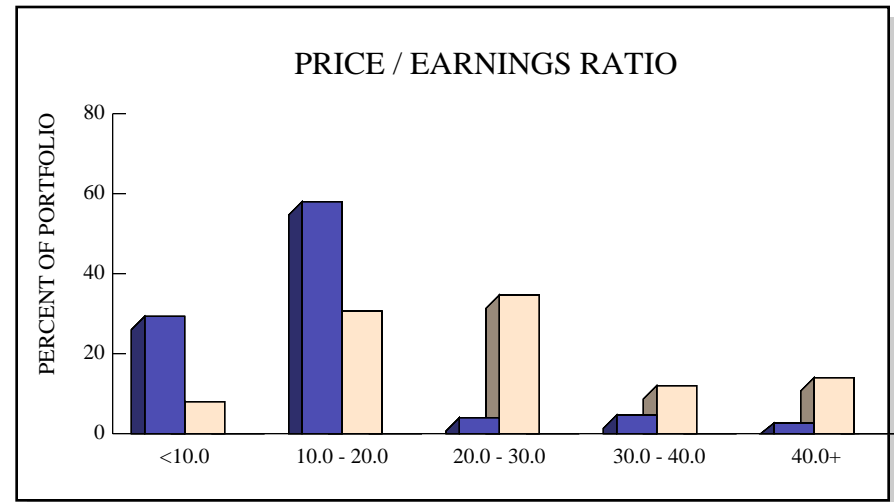
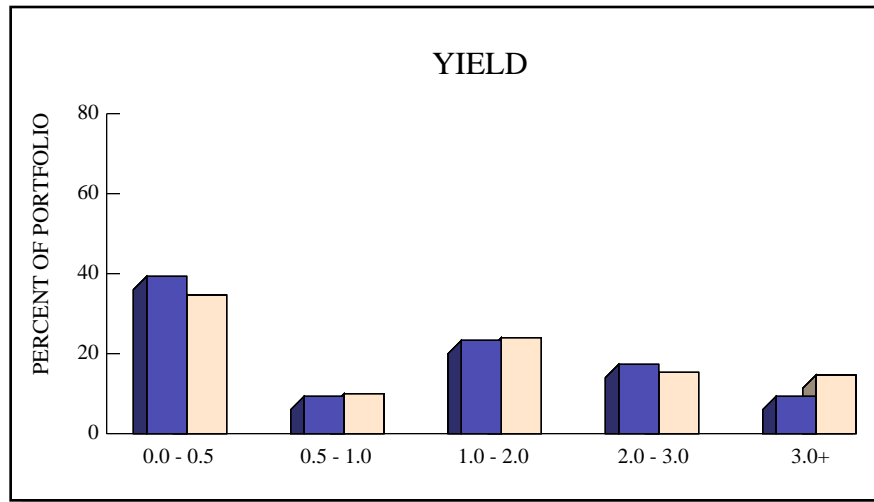
COMPARATIVE BENCHMARK: RUSSELL MID CAP



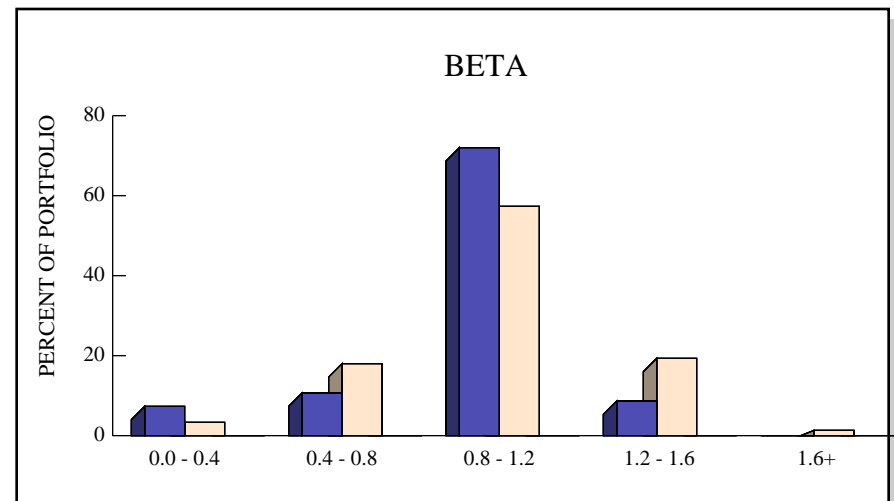
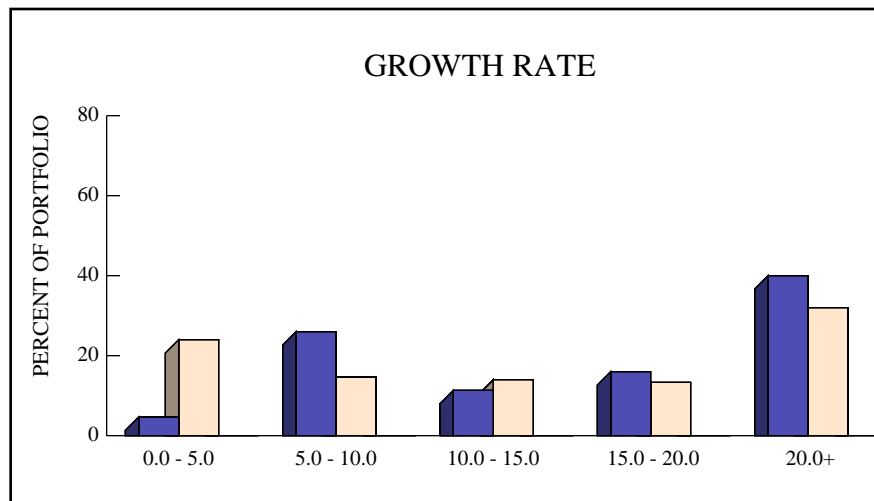
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/11	-22.5	-18.9	-3.6
12/11	12.1	12.3	-0.2
3/12	12.8	12.9	-0.1
6/12	-8.6	-4.4	-4.2
9/12	11.7	5.6	6.1
12/12	7.1	2.9	4.2
3/13	13.7	13.0	0.7
6/13	7.9	2.2	5.7
9/13	9.3	7.7	1.6
12/13	11.2	8.4	2.8
3/14	2.6	3.5	-0.9
6/14	3.6	5.0	-1.4
9/14	-3.4	-1.7	-1.7
12/14	3.7	5.9	-2.2
3/15	2.2	4.0	-1.8

Total Quarters Observed	15
Quarters At or Above the Benchmark	6
Quarters Below the Benchmark	9
Batting Average	.400

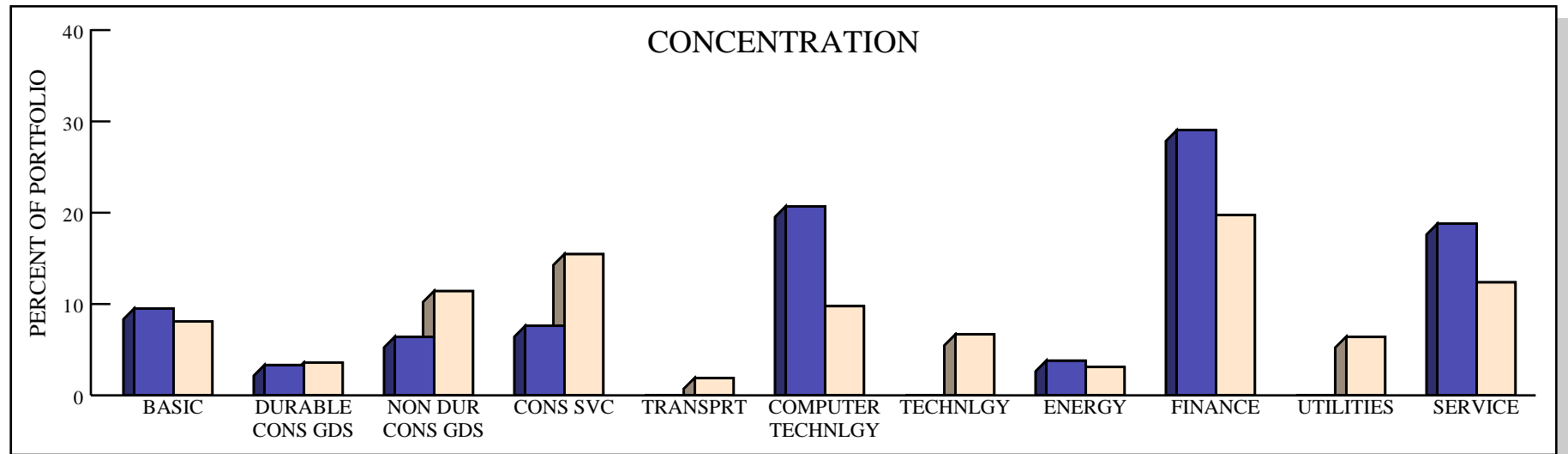
STOCK CHARACTERISTICS



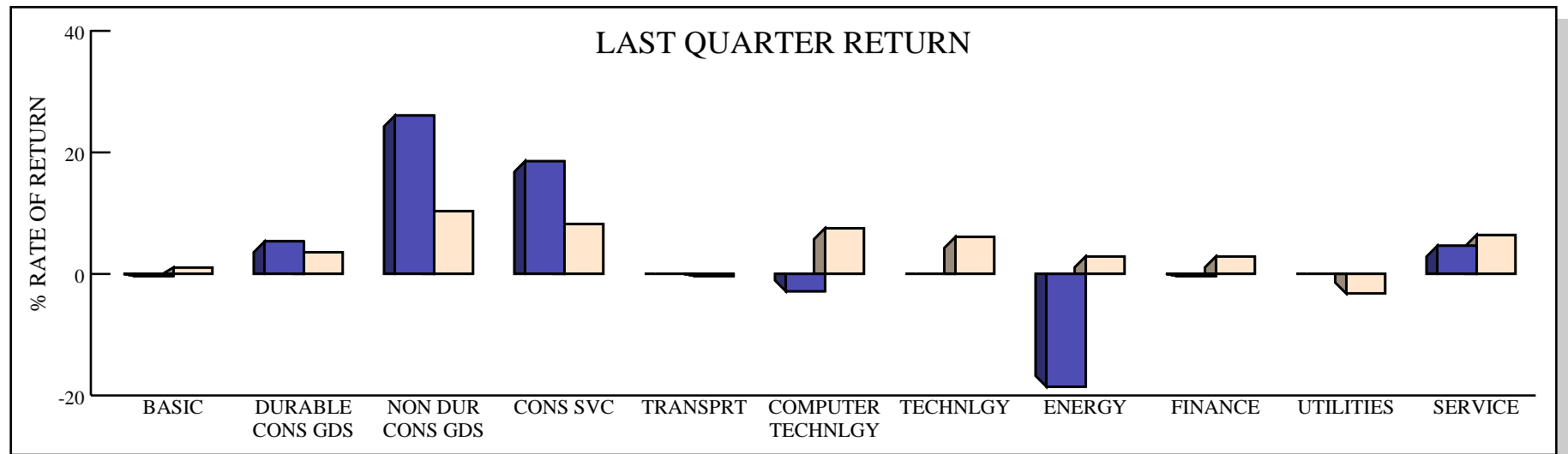
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	30	1.8%	21.9%	11.0	0.96
RUSSELL MID	841	1.5%	17.2%	24.9	0.98



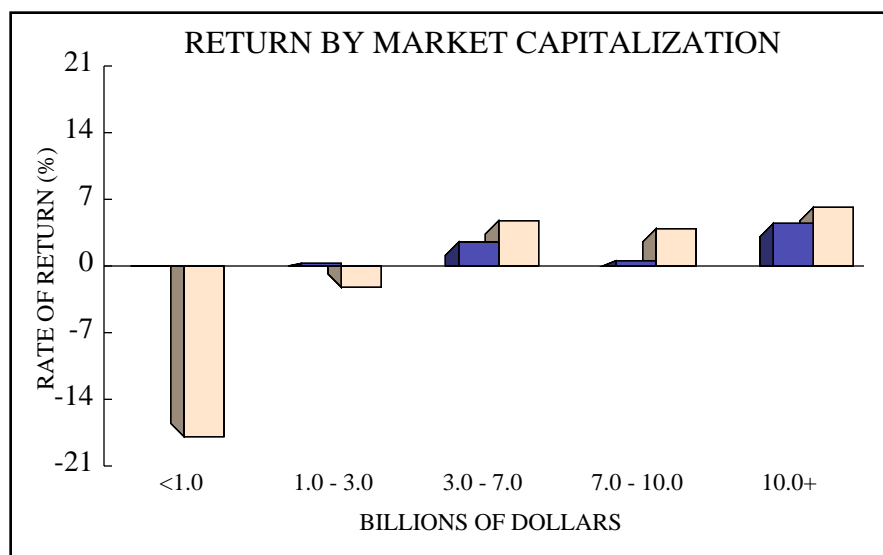
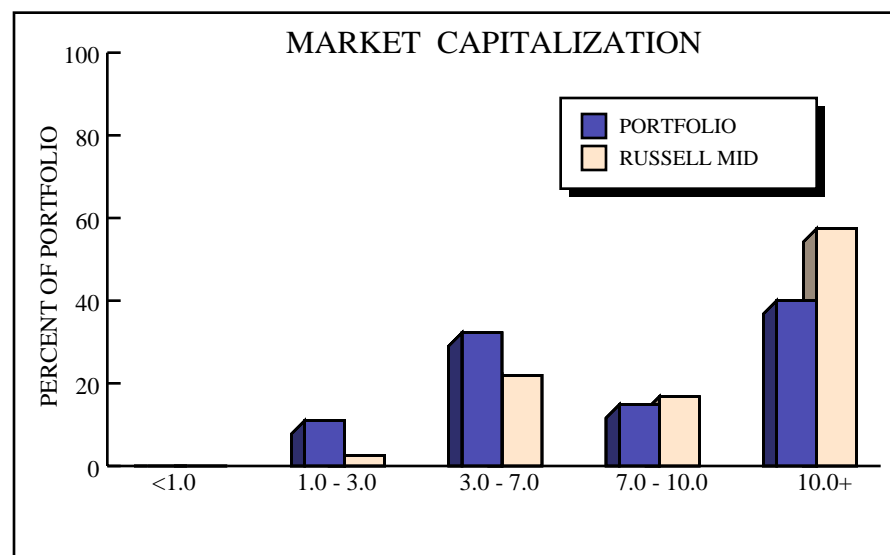
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL MID CAP



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	WESTERN UNION CO	\$ 300,288	5.04%	16.8%	Service	\$ 10.9 B
2	ASSURED GUARANTY LTD	277,966	4.67%	2.0%	Finance	4.1 B
3	CIGNA CORP	271,177	4.55%	25.8%	Consumer Service	33.5 B
4	DISH NETWORK CORP-A	247,662	4.16%	-3.9%	Service	15.7 B
5	VISTEON CORP	235,216	3.95%	-9.8%	Basic	4.3 B
6	TESSERA TECHNOLOGIES INC	233,866	3.93%	13.2%	Computer Tech	2.1 B
7	LIBERTY BROADBAND-C	232,173	3.90%	13.6%	Finance	4.2 B
8	NETAPP INC	230,277	3.87%	-14.0%	Computer Tech	11.1 B
9	LIBERTY MEDIA CORP - C	228,818	3.84%	9.1%	Service	8.7 B
10	CHECK POINT SOFTWARE TECH	225,663	3.79%	4.3%	Computer Tech	15.1 B

FRANKLIN REGIONAL RETIREMENT SYSTEM
DARUMA - GINKGO FUND
PERFORMANCE REVIEW
MARCH 2015

INVESTMENT RETURN

On March 31st, 2015, the Franklin Regional Retirement System's Daruma Ginkgo Fund was valued at \$5,655,979, a decrease of \$34,999 from the December ending value of \$5,690,978. Last quarter, the account recorded total net withdrawals of \$13,938 in addition to \$21,061 in net investment losses. Because there were no income receipts during the first quarter, the portfolio's net investment losses were entirely made up of capital losses (realized and unrealized).

For the cumulative period since December 2009, the portfolio has posted net withdrawals totaling \$9.3 million and recorded net investment gains totaling \$7.2 million. For the period since December 2009, if the fund returned a compounded nominal rate of 8.0% it would have been valued at \$1.1 million or \$4.6 million less than the actual value as of March 31st, 2015.

RELATIVE PERFORMANCE

In July, 2014, the separately managed Daruma portfolio was divested and the proceeds were invested in the Daruma Ginkgo Fund. The domestic equity return will not match the total return on a historical basis due to the cash allocation in the separately managed Daruma portfolio.

For the first quarter, the Daruma Ginkgo Fund returned -0.4%, which was 4.7% less than the Russell 2000 Index's return of 4.3% and ranked in the 95th percentile of the Small Cap universe. Over the trailing twelve-month period, the portfolio returned -2.9%, which was 11.1% less than the benchmark's 8.2% return, and ranked in the 94th percentile. Since December 2009, the portfolio returned 14.5% on an annualized basis and ranked in the 84th percentile. For comparison, the Russell 2000 returned an annualized 15.7% over the same period.

ASSET ALLOCATION

This portfolio was fully invested in the Daruma Ginkgo Fund at the end of the quarter.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 12/09
Total Gross/Fees	-0.4	-0.4	-2.9	14.9	14.5
<i>SMALL CAP RANK</i>	(95)	(95)	(94)	(77)	(84)
Total Net/Fees	-0.6	-0.6	-4.0	13.8	13.4
RUSSELL 2000	4.3	4.3	8.2	16.3	15.7
Domestic Equity	-0.4	-0.4	-3.0	15.6	15.1
<i>SMALL CAP RANK</i>	(95)	(95)	(94)	(70)	(79)
RUSSELL 2000	4.3	4.3	8.2	16.3	15.7
RUSSELL 2000G	6.6	6.6	12.1	17.8	17.4
RUSSELL 2000V	2.0	2.0	4.4	14.8	14.0

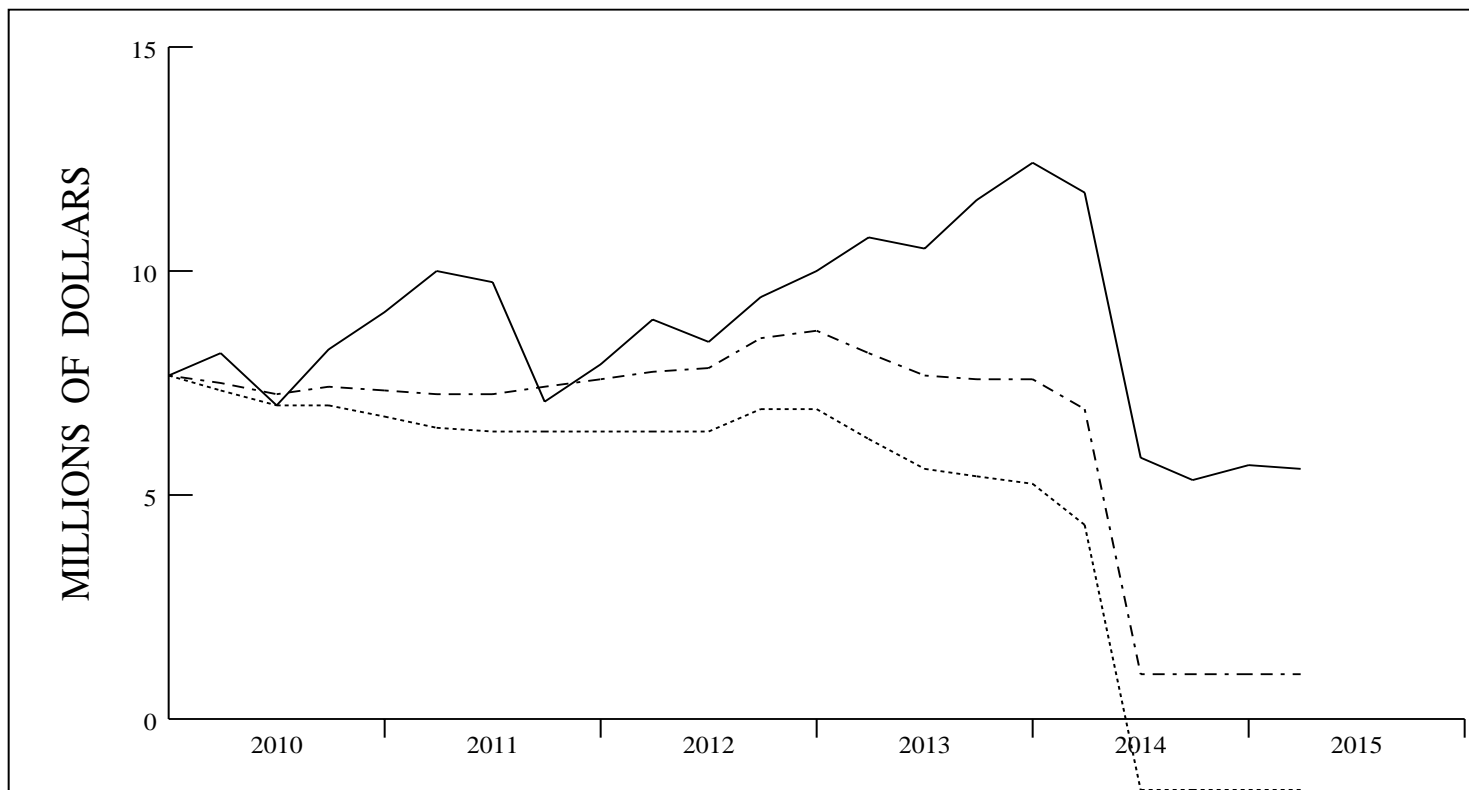
ASSET ALLOCATION

Domestic Equity	100.0%	\$ 5,655,979
Total Portfolio	100.0%	\$ 5,655,979

INVESTMENT RETURN

Market Value 12/2014	\$ 5,690,978
Contribs / Withdrawals	- 13,938
Income	0
Capital Gains / Losses	- 21,061
Market Value 3/2015	\$ 5,655,979

INVESTMENT GROWTH

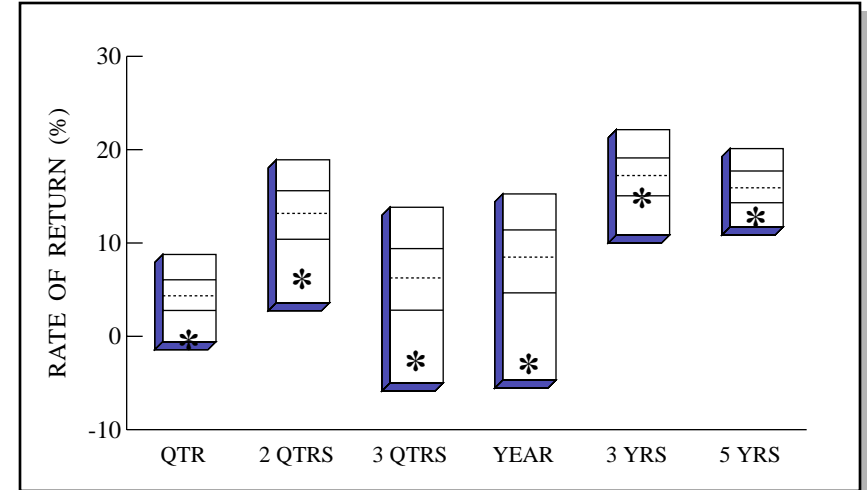
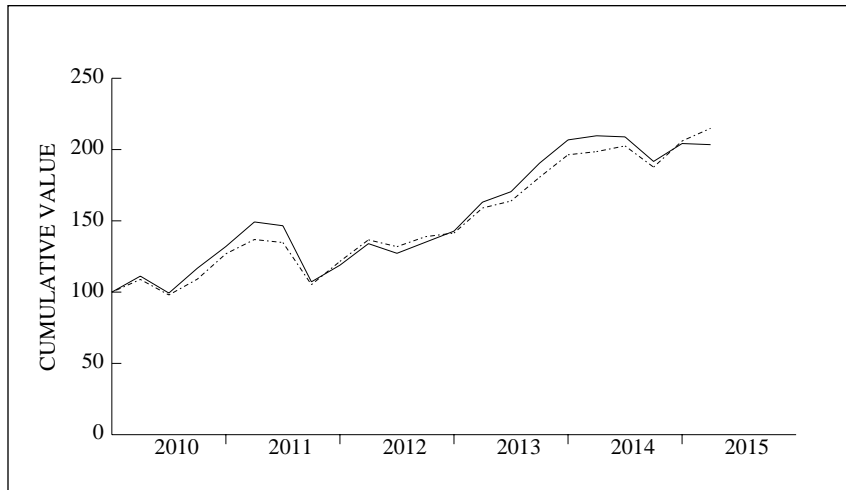


— ACTUAL RETURN
 - - - 8.0%
 0.0%

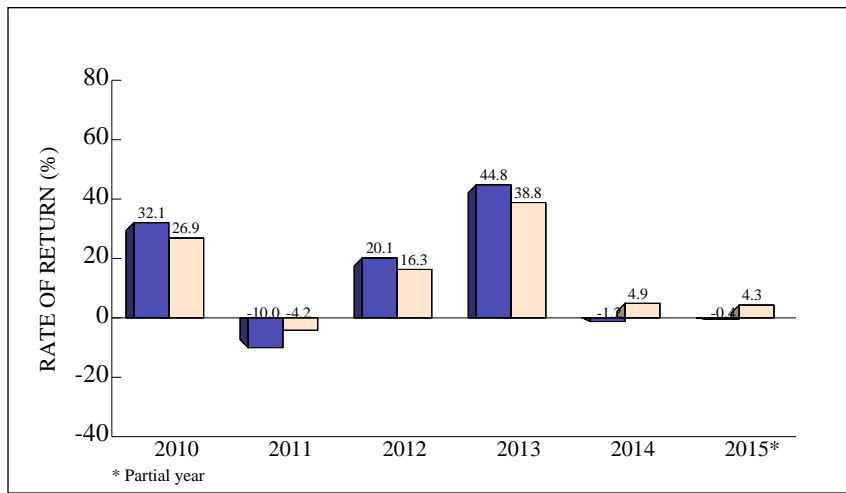
VALUE ASSUMING
 8.0% RETURN \$ 1,059,672

	LAST QUARTER	PERIOD 12/09 - 3/15
BEGINNING VALUE	\$ 5,690,978	\$ 7,735,102
NET CONTRIBUTIONS	- 13,938	- 9,292,395
INVESTMENT RETURN	- 21,061	7,213,272
ENDING VALUE	\$ 5,655,979	\$ 5,655,979
INCOME	0	182,944
CAPITAL GAINS (LOSSES)	- 21,061	7,030,328
INVESTMENT RETURN	- 21,061	7,213,272

TOTAL RETURN COMPARISONS

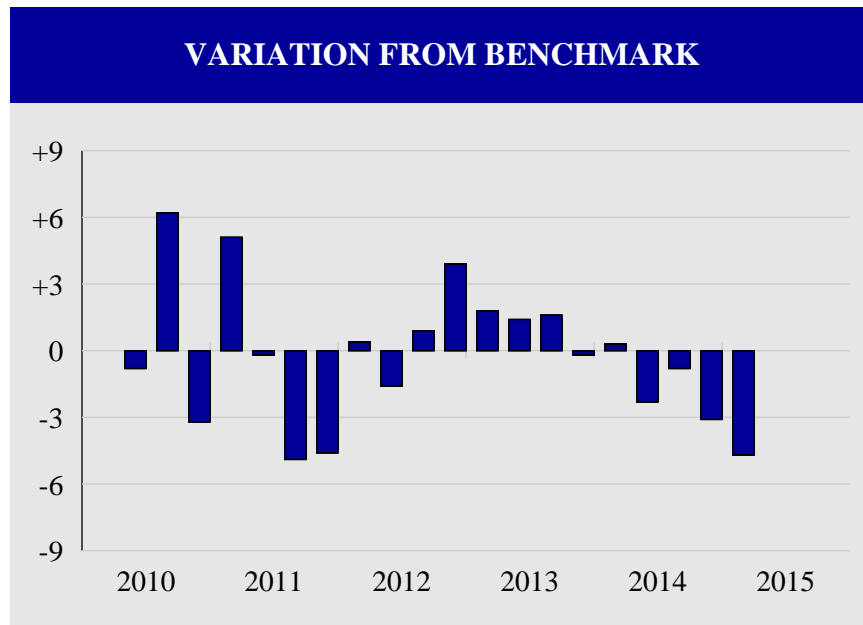


Small Cap Universe



	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED----- 3 YRS	5 YRS
RETURN	-0.4	6.2	-2.6	-2.9	14.9	12.8
(RANK)	(95)	(91)	(93)	(94)	(77)	(89)
5TH %ILE	8.8	18.9	13.8	15.3	22.1	20.1
25TH %ILE	6.1	15.6	9.4	11.4	19.1	17.7
MEDIAN	4.3	13.2	6.3	8.5	17.2	15.9
75TH %ILE	2.8	10.4	2.8	4.7	15.1	14.3
95TH %ILE	-0.6	3.6	-5.0	-4.7	10.9	11.7
Russ 2000	4.3	14.5	6.0	8.2	16.3	14.6

Small Cap Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**COMPARATIVE BENCHMARK: RUSSELL 2000**

Total Quarters Observed	20
Quarters At or Above the Benchmark	9
Quarters Below the Benchmark	11
Batting Average	.450

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/10	-10.7	-9.9	-0.8
9/10	17.5	11.3	6.2
12/10	13.1	16.3	-3.2
3/11	13.0	7.9	5.1
6/11	-1.8	-1.6	-0.2
9/11	-26.8	-21.9	-4.9
12/11	10.9	15.5	-4.6
3/12	12.8	12.4	0.4
6/12	-5.1	-3.5	-1.6
9/12	6.1	5.2	0.9
12/12	5.7	1.8	3.9
3/13	14.2	12.4	1.8
6/13	4.5	3.1	1.4
9/13	11.8	10.2	1.6
12/13	8.5	8.7	-0.2
3/14	1.4	1.1	0.3
6/14	-0.3	2.0	-2.3
9/14	-8.2	-7.4	-0.8
12/14	6.6	9.7	-3.1
3/15	-0.4	4.3	-4.7

FRANKLIN REGIONAL RETIREMENT SYSTEM
SYSTEMATIC FINANCIAL
PERFORMANCE REVIEW
MARCH 2015

INVESTMENT RETURN

On March 31st, 2015, the Franklin Regional Retirement System's Systematic Financial portfolio was valued at \$6,067,634, representing an increase of \$139,258 from the December quarter's ending value of \$5,928,376. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$139,258 in net investment returns. Income receipts totaling \$25,566 plus net realized and unrealized capital gains of \$113,692 combined to produce the portfolio's net investment return figure.

For the cumulative period since June 2014, the account has recorded \$121,684 in net investment gains. For the period since June 2014, if the total fund returned a compounded nominal rate of 8.0% it would have been worth \$6.3 million or \$231,619 more than its actual value as of March 31st, 2015.

RELATIVE PERFORMANCE

For the first quarter, the Systematic Financial portfolio gained 2.3%, which was 0.3% greater than the Russell 2000 Value Index's return of 2.0% and ranked in the 66th percentile of the Small Cap Value universe.

ASSET ALLOCATION

At the end of the first quarter, domestic equities comprised 98.4% of the total portfolio (\$6.0 million), while cash & equivalents totaled 1.6% (\$97,571).

STOCK ANALYSIS

At the end of the quarter, the Systematic portfolio was invested in all eleven sectors represented in our analysis. With respect to the Russell 2000 Value index, the portfolio was notably overweight in the Basic, Consumer Service, Computer Technology, and Technology sectors. Utilities and Finance were underweight, though the latter position was the most heavily weighted of all sectors.

The portfolio underperformed the benchmark in the majority of the invested sectors, but negative selection effects were offset by an outperformance in the Technology and Finance sectors. The portfolio delivered shortfalls in the overweight Basic, Nondurable Consumer Goods, Computer Technology, and Energy sectors. However, the heavily weighted Finance sector (20.5% portfolio allocation vs. 40.3% index allocation) favored the Systematic account for the quarter, lifting the total return over the benchmark 30 basis points.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	3 Years	Since 06/14
Total Gross/Fees	2.3	2.3	----	----	2.0
<i>SMALL CAP VALUE RANK</i>	(66)	(66)	----	----	(63)
Total Net/Fees	2.1	2.1	----	----	1.4
RUSSELL 2000V	2.0	2.0	4.4	14.8	2.0
Domestic Equity	2.4	2.4	----	----	2.0
<i>SMALL CAP VALUE RANK</i>	(66)	(66)	----	----	(63)
RUSSELL 2000V	2.0	2.0	4.4	14.8	2.0

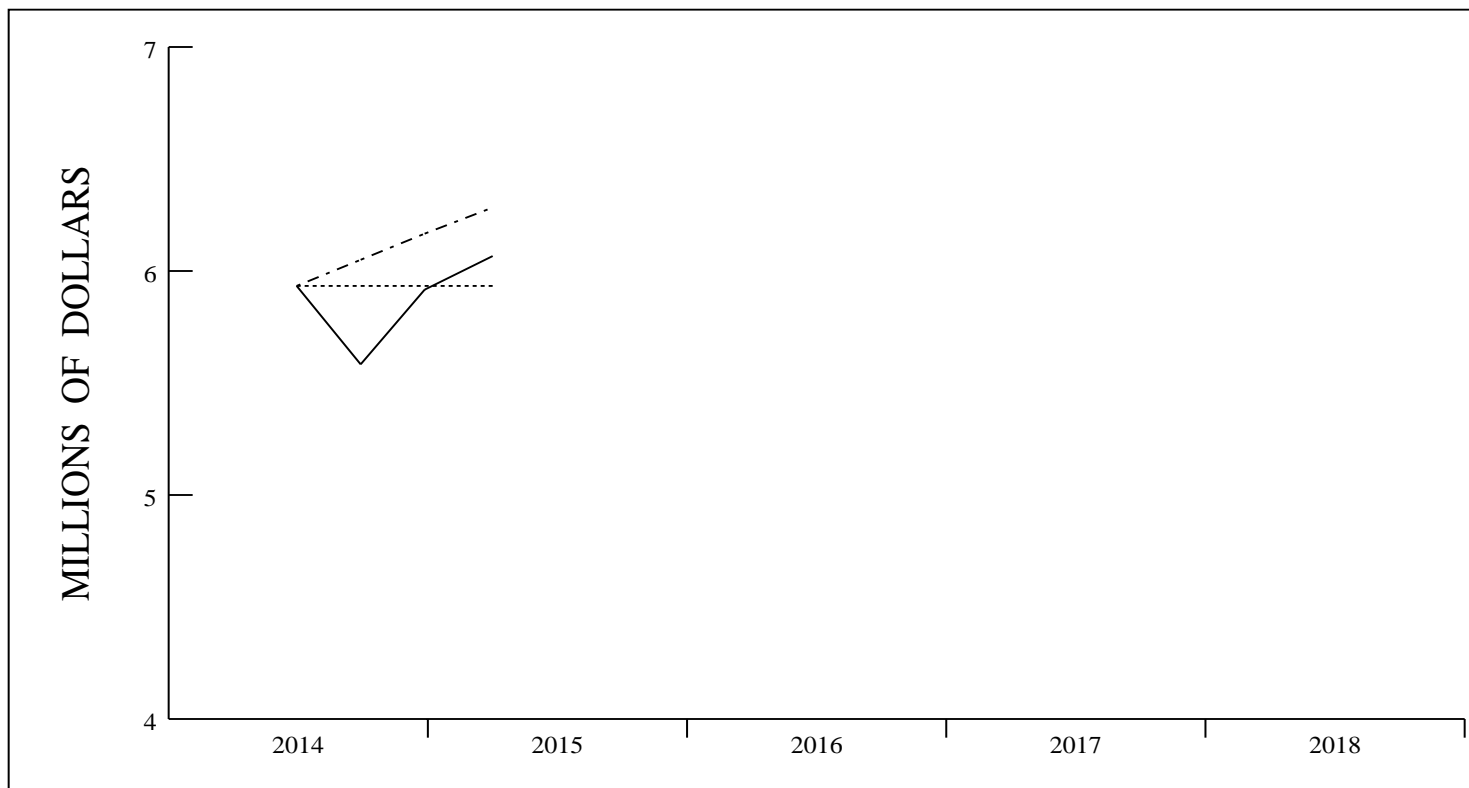
ASSET ALLOCATION

Domestic Equity	98.4%	\$ 5,970,063
Cash	1.6%	97,571
Total Portfolio	100.0%	\$ 6,067,634

INVESTMENT RETURN

Market Value 12/2014	\$ 5,928,376
Contribs / Withdrawals	0
Income	25,566
Capital Gains / Losses	113,692
Market Value 3/2015	\$ 6,067,634

INVESTMENT GROWTH

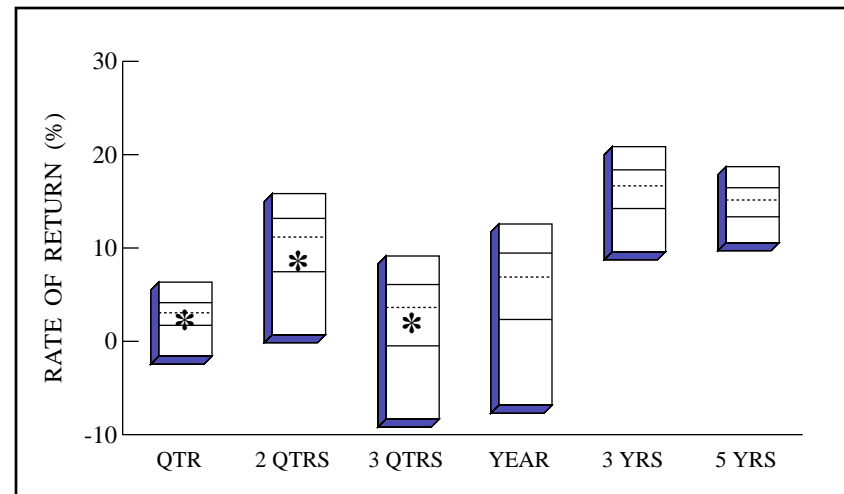
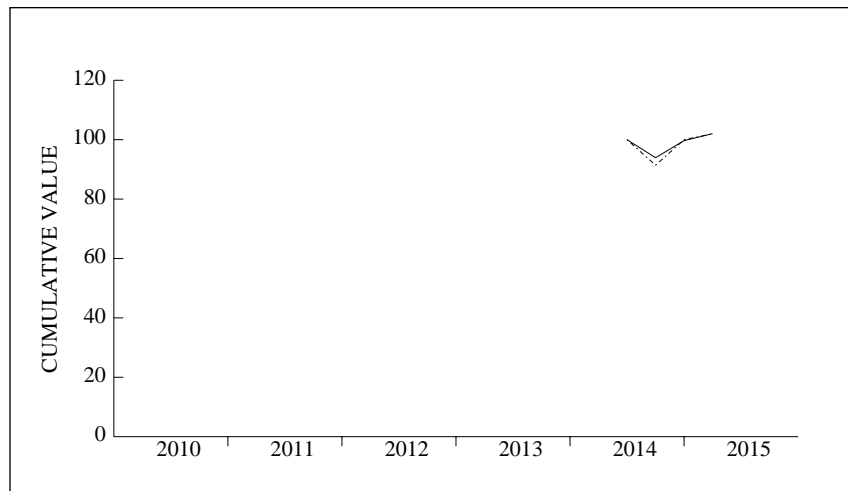


—	ACTUAL RETURN
- - - - -	8.0%
.....	0.0%

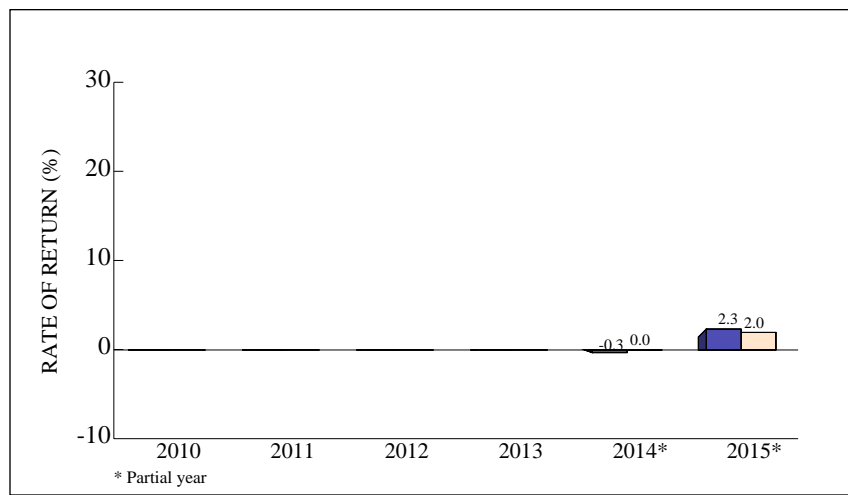
VALUE ASSUMING	
8.0% RETURN	\$ 6,299,253

	LAST QUARTER	PERIOD 6/14 - 3/15
BEGINNING VALUE	\$ 5,928,376	\$ 5,945,950
NET CONTRIBUTIONS	0	0
<u>INVESTMENT RETURN</u>	<u>139,258</u>	<u>121,684</u>
ENDING VALUE	\$ 6,067,634	\$ 6,067,634
INCOME	25,566	78,362
<u>CAPITAL GAINS (LOSSES)</u>	<u>113,692</u>	<u>43,322</u>
INVESTMENT RETURN	139,258	121,684

TOTAL RETURN COMPARISONS



Small Cap Value Universe



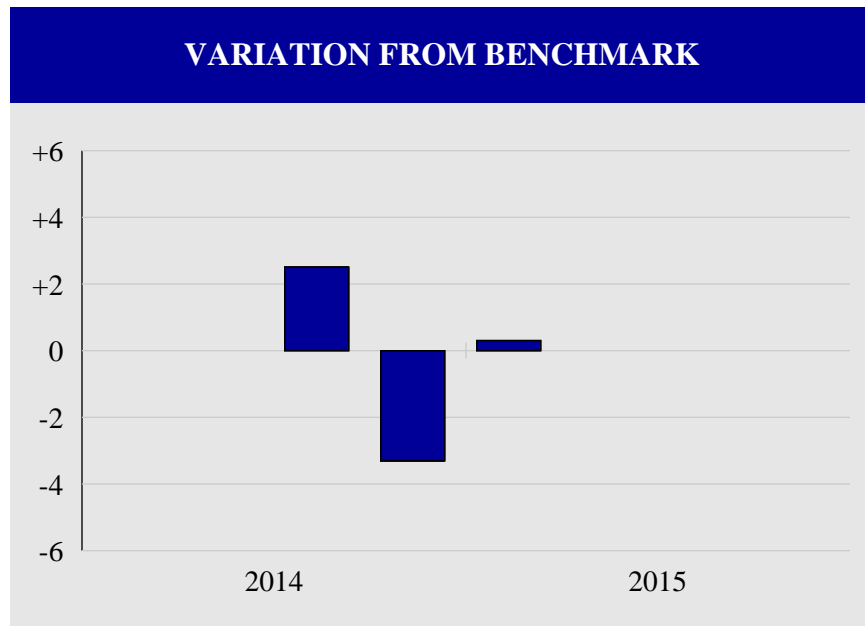
* Partial year

	<u>QTR</u>	<u>2QTRS</u>	<u>3QTRS</u>	<u>YEAR</u>	-----ANNUALIZED-----	
					<u>3 YRS</u>	<u>5 YRS</u>
RETURN	2.3	8.6	2.0	---	---	---
(RANK)	(66)	(70)	(63)	---	---	---
5TH %ILE	6.3	15.8	9.1	12.6	20.9	18.7
25TH %ILE	4.1	13.2	6.1	9.5	18.4	16.5
MEDIAN	3.1	11.2	3.6	6.9	16.7	15.2
75TH %ILE	1.7	7.5	-0.5	2.3	14.2	13.3
95TH %ILE	-1.6	0.7	-8.4	-6.9	9.6	10.6
Russ 2000V	2.0	11.6	2.0	4.4	14.8	12.5

Small Cap Value Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

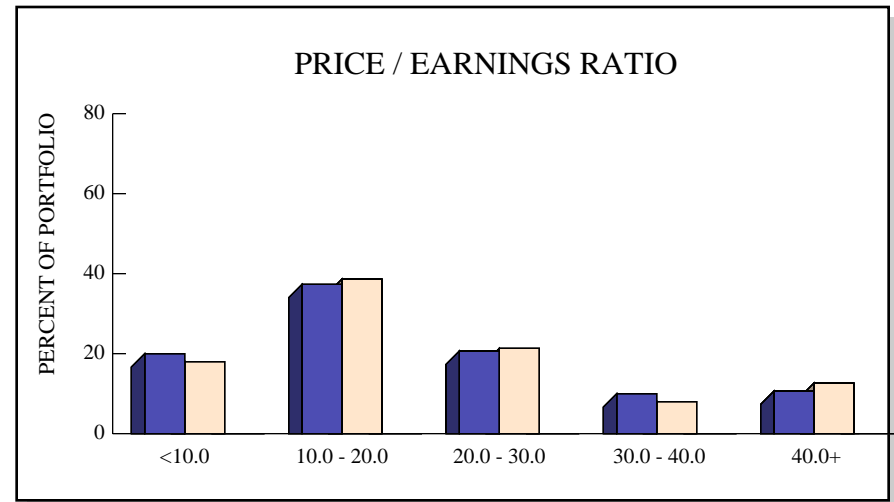
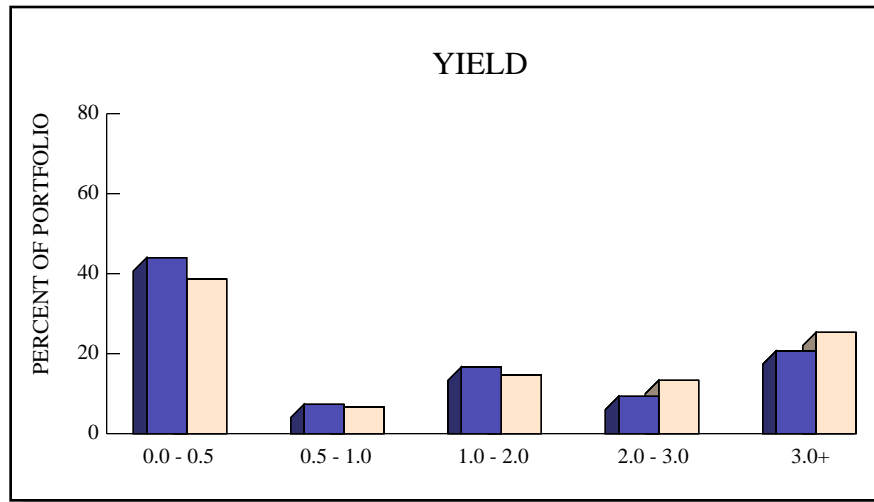
COMPARATIVE BENCHMARK: RUSSELL 2000 VALUE



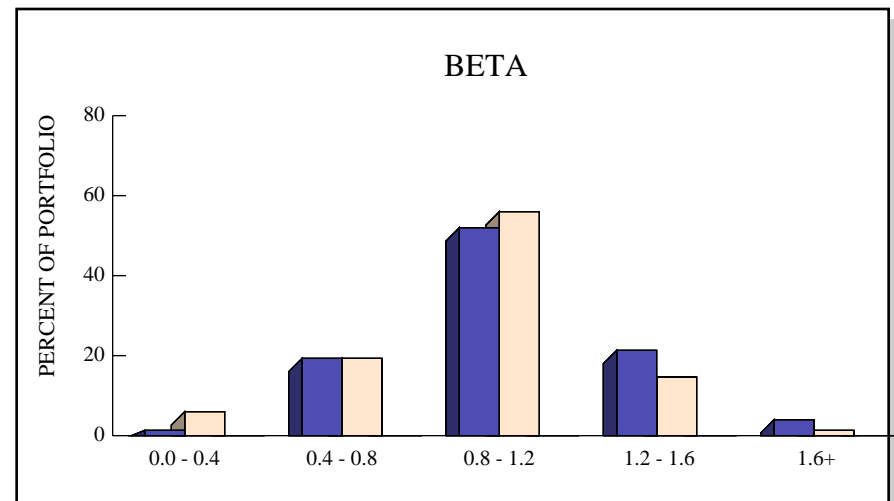
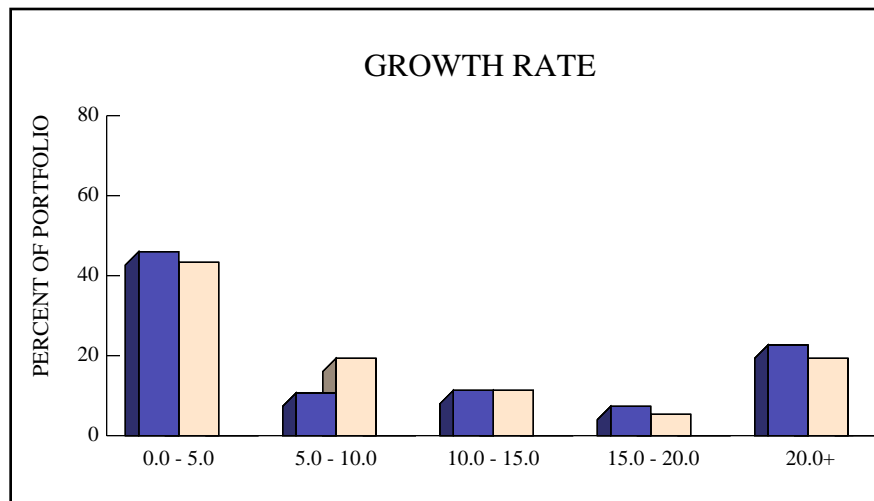
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/14	-6.1	-8.6	2.5
12/14	6.1	9.4	-3.3
3/15	2.3	2.0	0.3

Total Quarters Observed	3
Quarters At or Above the Benchmark	2
Quarters Below the Benchmark	1
Batting Average	.667

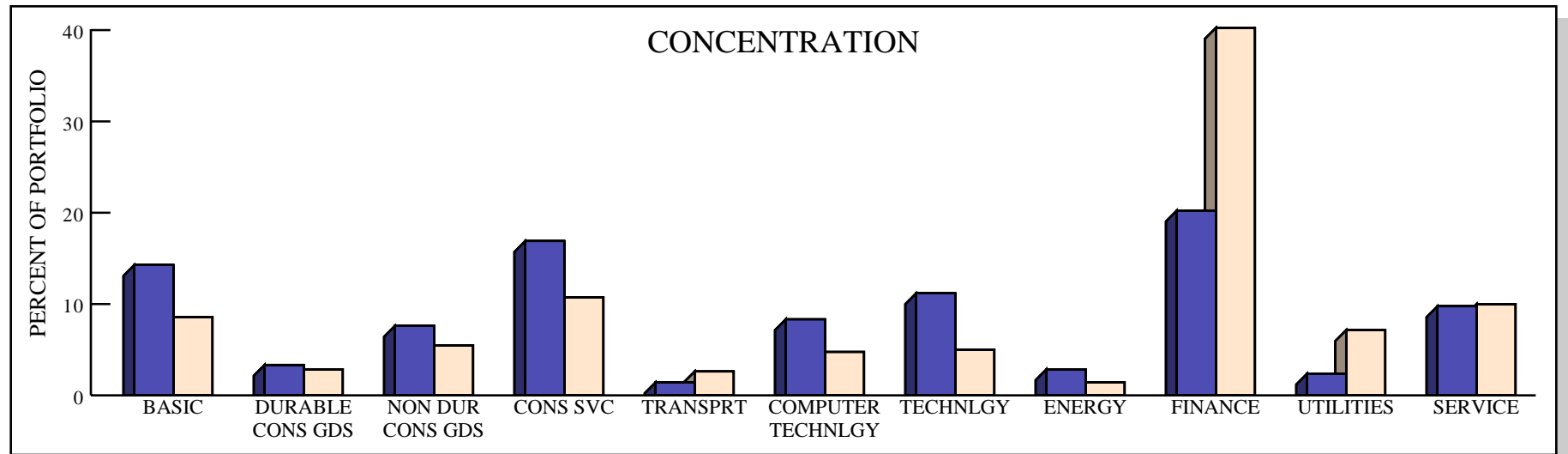
STOCK CHARACTERISTICS



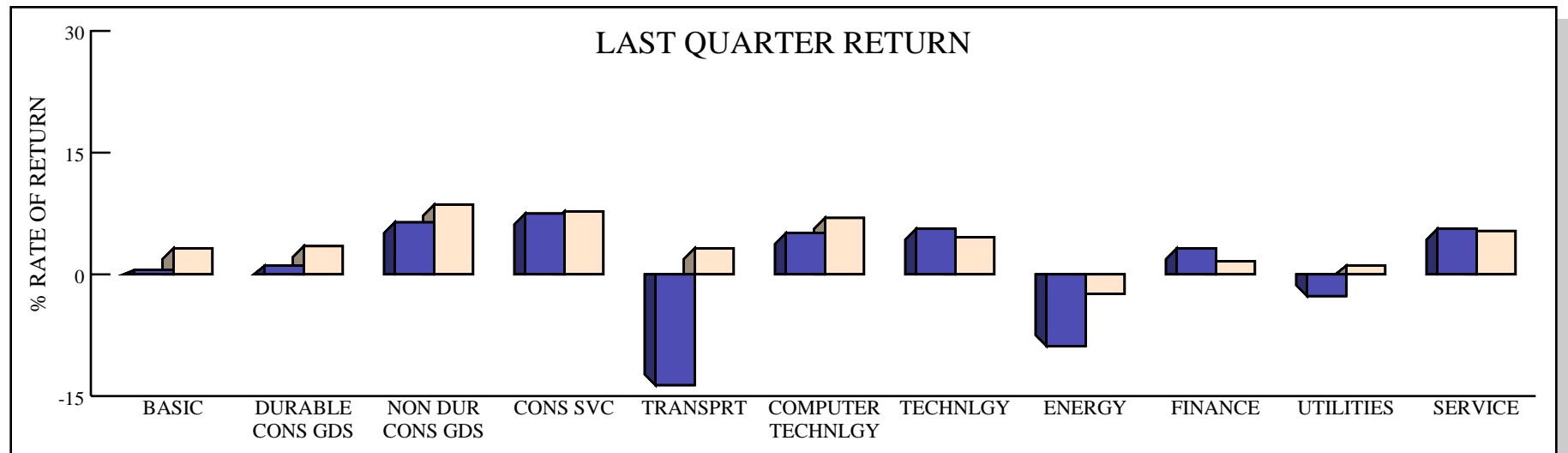
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	279	1.8%	9.1%	20.0	1.01
RUSSELL 2000V	1,357	2.0%	8.6%	20.2	0.93



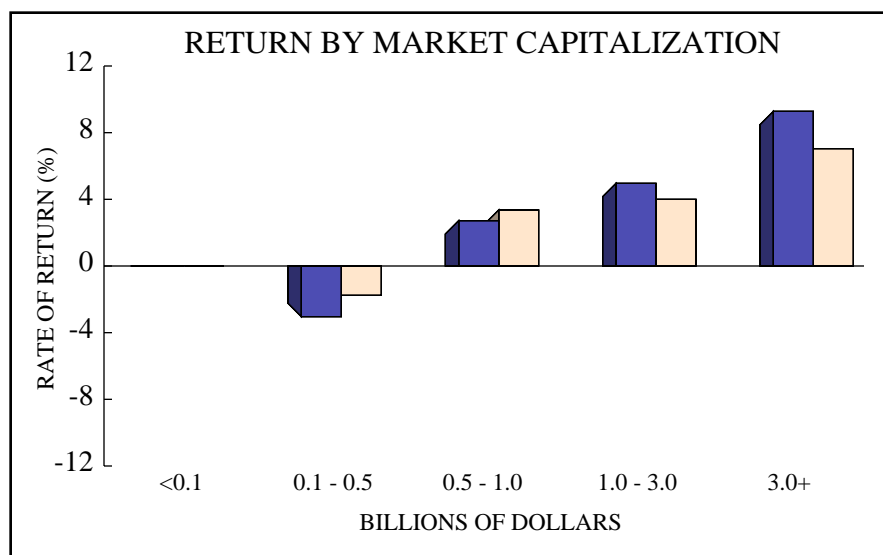
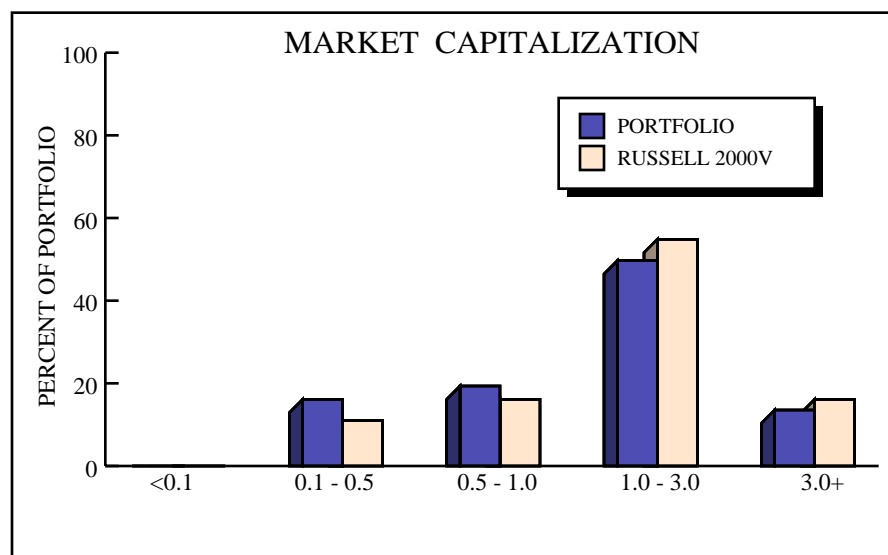
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL 2000 VALUE



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	ZAGG INC	\$ 30,302	.51%	27.7%	Consumer Service	\$ 0.3 B
2	ALMOST FAMILY INC	29,061	.49%	54.4%	Consumer Service	0.4 B
3	METHODE ELECTRONICS INC	27,754	.46%	29.0%	Technology	1.8 B
4	GREEN PLAINS INC	27,408	.46%	15.4%	Basic	1.1 B
5	SCHULMAN (A.) INC	27,233	.46%	19.3%	Basic	1.4 B
6	OLIN CORP	26,113	.44%	41.3%	Basic	2.5 B
7	AMERICAN EAGLE OUTFITTERS	26,047	.44%	23.8%	Consumer Service	3.3 B
8	PROVIDENCE SERVICE CORP	26,029	.44%	45.8%	Consumer Service	0.8 B
9	UIL HOLDINGS CORP	25,967	.43%	18.9%	Utilities	2.9 B
10	GENERAL CABLE CORP	25,673	.43%	16.7%	Basic	0.8 B

FRANKLIN REGIONAL RETIREMENT SYSTEM
PRIT - INT'L EQUITY
PERFORMANCE REVIEW
MARCH 2015

INVESTMENT RETURN

On March 31st, 2015, the Franklin Regional Retirement System's PRIT International Equity portfolio was valued at \$5,651,864, a \$269,065 increase from the December quarter's ending value of \$5,382,799. Over the last three months, the Fund recorded a net withdrawal of \$2,567, which only partially offset the portfolio's net investment gain of \$271,632. Income receipts totaling \$40,875 plus net realized and unrealized capital gains of \$230,757 combined to produce last quarter's net investment return figure.

For the cumulative period since September 2014, the portfolio has recorded net withdrawals totaling \$5,131 while recording \$114,165 in net investment gains. Since September 2014, if the fund returned a compounded nominal rate of 8.0% it would have been worth \$5.8 million or \$103,183 more than the actual value as of March 31st, 2015.

RELATIVE PERFORMANCE

In the first quarter, the PRIT International Equity portfolio gained 5.0%, which was equal to the MSCI EAFE Index's return of 5.0% and ranked in the 37th percentile of the International Equity universe.

ASSET ALLOCATION

This portfolio was fully invested in the PRIT International Equity portfolio at the end of the quarter.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	3 Years	Since 09/14
Total Gross/Fees	5.0	5.0	----	----	2.1
<i>INTERNATIONAL EQUITY RANK</i>	(37)	(37)	----	----	(42)
Total Net/Fees	5.0	5.0	----	----	2.0
MSCI EAFE	5.0	5.0	-0.5	9.5	1.3
International Equity	5.0	5.0	----	----	2.1
<i>INTERNATIONAL EQUITY RANK</i>	(37)	(37)	----	----	(42)
MSCI EAFE	5.0	5.0	-0.5	9.5	1.3

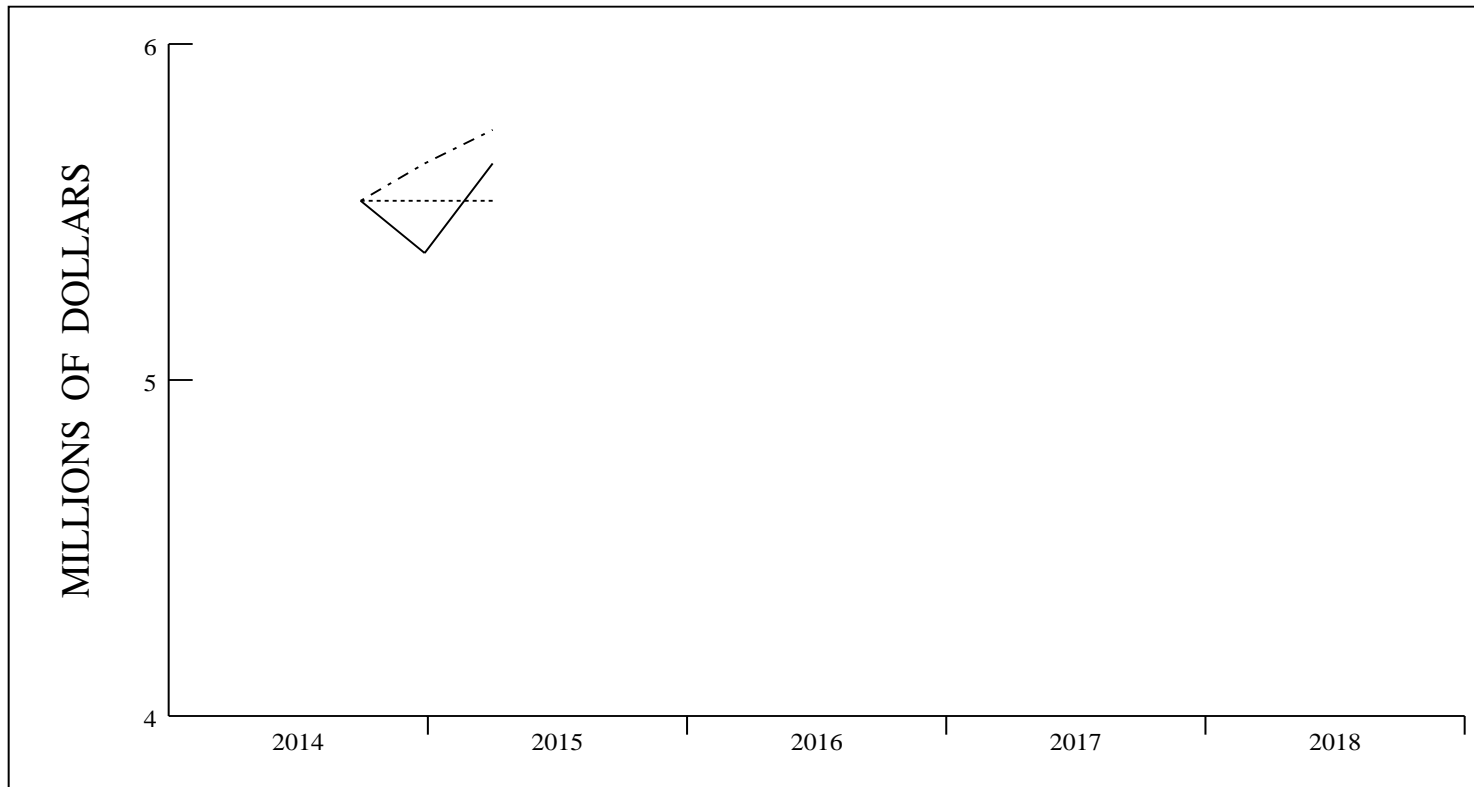
ASSET ALLOCATION

Int'l Equity	100.0%	\$ 5,651,864
Total Portfolio	100.0%	\$ 5,651,864

INVESTMENT RETURN

Market Value 12/2014	\$ 5,382,799
Contribs / Withdrawals	-2,567
Income	40,875
Capital Gains / Losses	230,757
Market Value 3/2015	\$ 5,651,864

INVESTMENT GROWTH

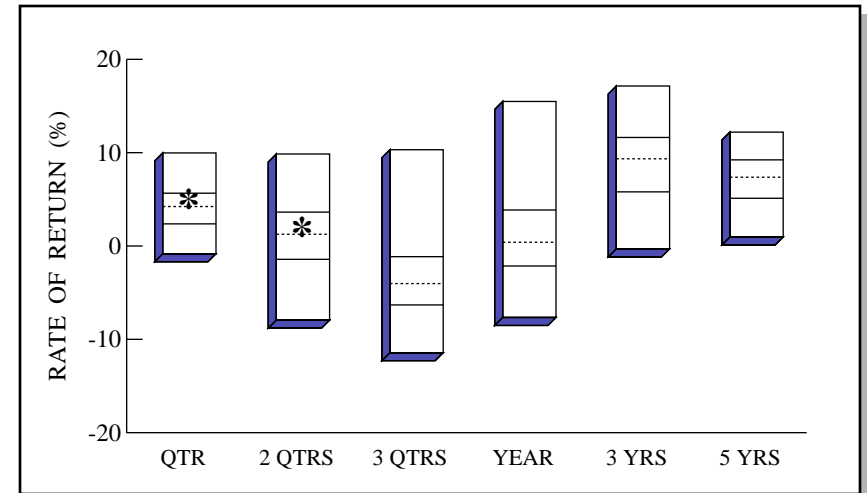
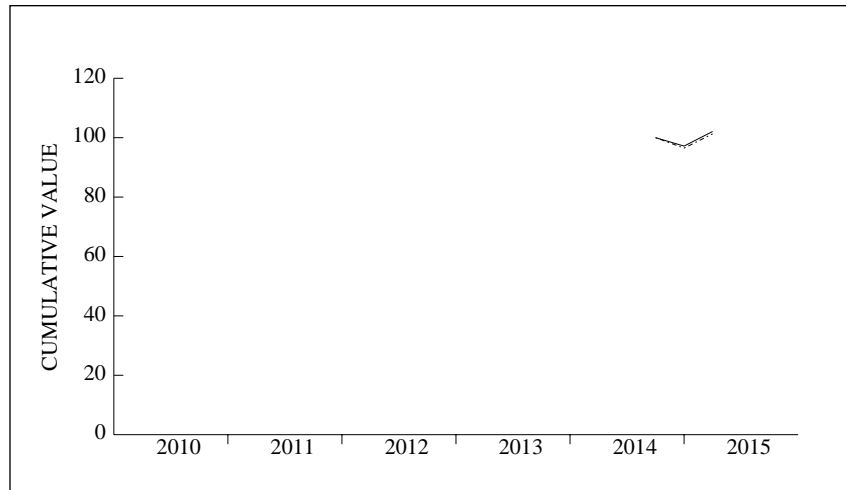


—	ACTUAL RETURN
- - - - -	8.0%
.....	0.0%

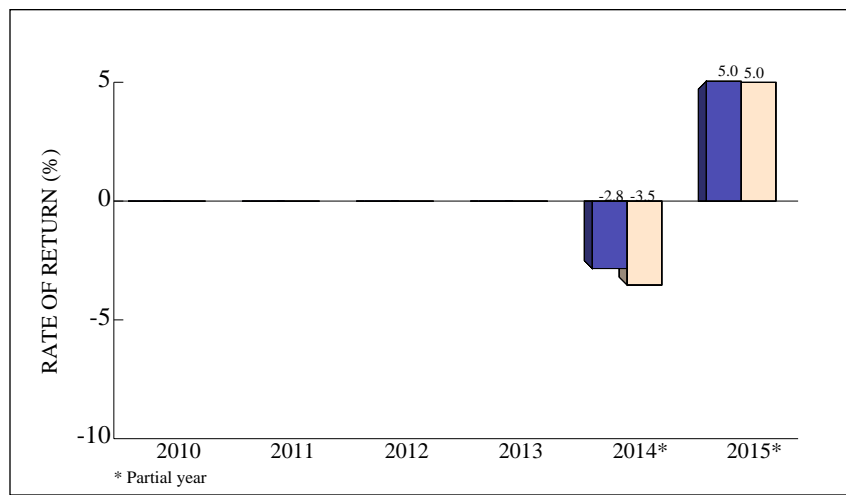
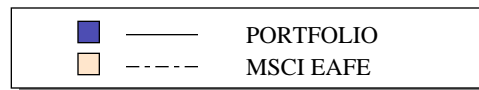
VALUE ASSUMING	
8.0% RETURN	\$ 5,755,047

	LAST QUARTER	PERIOD 9/14 - 3/15
BEGINNING VALUE	\$ 5,382,799	\$ 5,542,830
NET CONTRIBUTIONS	- 2,567	- 5,131
<u>INVESTMENT RETURN</u>	<u>271,632</u>	<u>114,165</u>
ENDING VALUE	\$ 5,651,864	\$ 5,651,864
INCOME	40,875	53,035
<u>CAPITAL GAINS (LOSSES)</u>	<u>230,757</u>	<u>61,130</u>
INVESTMENT RETURN	271,632	114,165

TOTAL RETURN COMPARISONS



International Equity Universe



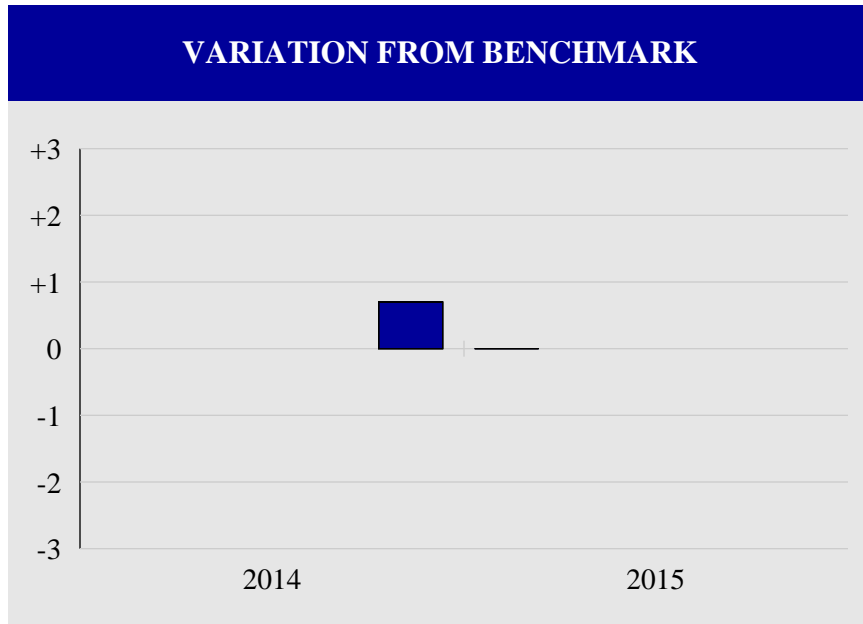
* Partial year

	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	5.0	2.1	----	----	----	----
(RANK)	(37)	(42)	----	----	----	----
5TH %ILE	10.0	9.9	10.3	15.5	17.2	12.2
25TH %ILE	5.7	3.6	-1.1	3.9	11.6	9.2
MEDIAN	4.2	1.3	-4.0	0.4	9.3	7.4
75TH %ILE	2.4	-1.4	-6.3	-2.1	5.8	5.1
95TH %ILE	-0.8	-8.0	-11.4	-7.7	-0.3	1.0
MSCI EAFE	5.0	1.3	-4.6	-0.5	9.5	6.6

International Equity Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: MSCI EAFE



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/14	-2.8	-3.5	0.7
3/15	5.0	5.0	0.0

Total Quarters Observed	2
Quarters At or Above the Benchmark	2
Quarters Below the Benchmark	0
Batting Average	1.000

FRANKLIN REGIONAL RETIREMENT SYSTEM
PRIT - CORE REAL ESTATE ACCOUNT
PERFORMANCE REVIEW
MARCH 2015

INVESTMENT RETURN

On March 31st, 2015, the Franklin Regional Retirement System's PRIT Core Real Estate Account portfolio was valued at \$12,735,166, representing an increase of \$394,196 from the December quarter's ending value of \$12,340,970. Last quarter, the Fund posted withdrawals totaling \$18,342, which partially offset the portfolio's net investment return of \$412,538. Income receipts totaling \$147,344 plus net realized and unrealized capital gains of \$265,194 combined to produce the portfolio's net investment return.

For the cumulative period since September 2010, the fund has recorded net contributions totaling \$8.5 million, and recorded net investment gains of \$3.0 million. For the period since September 2010, if the total fund had returned a compounded nominal rate of 8.0% it would have been valued at \$11.4 million or \$1.3 million less than the actual value as of March 31st, 2015.

RELATIVE PERFORMANCE

In the first quarter, the PRIT Core Real Estate Account portfolio gained 3.3%, which was 0.1% less than the NCREIF NFI-ODCE Index's return of 3.4%. Over the trailing twelve-month period, the portfolio returned 14.6%, which was 1.2% above the benchmark's 13.4% return. Since September 2010, the account returned 13.3% on an annualized basis, while the NCREIF NFI-ODCE Index returned an annualized 13.8% over the same time frame.

ASSET ALLOCATION

This portfolio was fully invested in the PRIT Core Real Estate Fund at the end of the quarter.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 09/10
Total Gross/Fees	3.3	3.3	14.6	12.8	13.3
Total Net/Fees	3.2	3.2	13.9	12.1	12.7
NCREIF ODCE	3.4	3.4	13.4	12.6	13.8
Real Estate	3.3	3.3	14.6	12.8	13.3
NCREIF ODCE	3.4	3.4	13.4	12.6	13.8

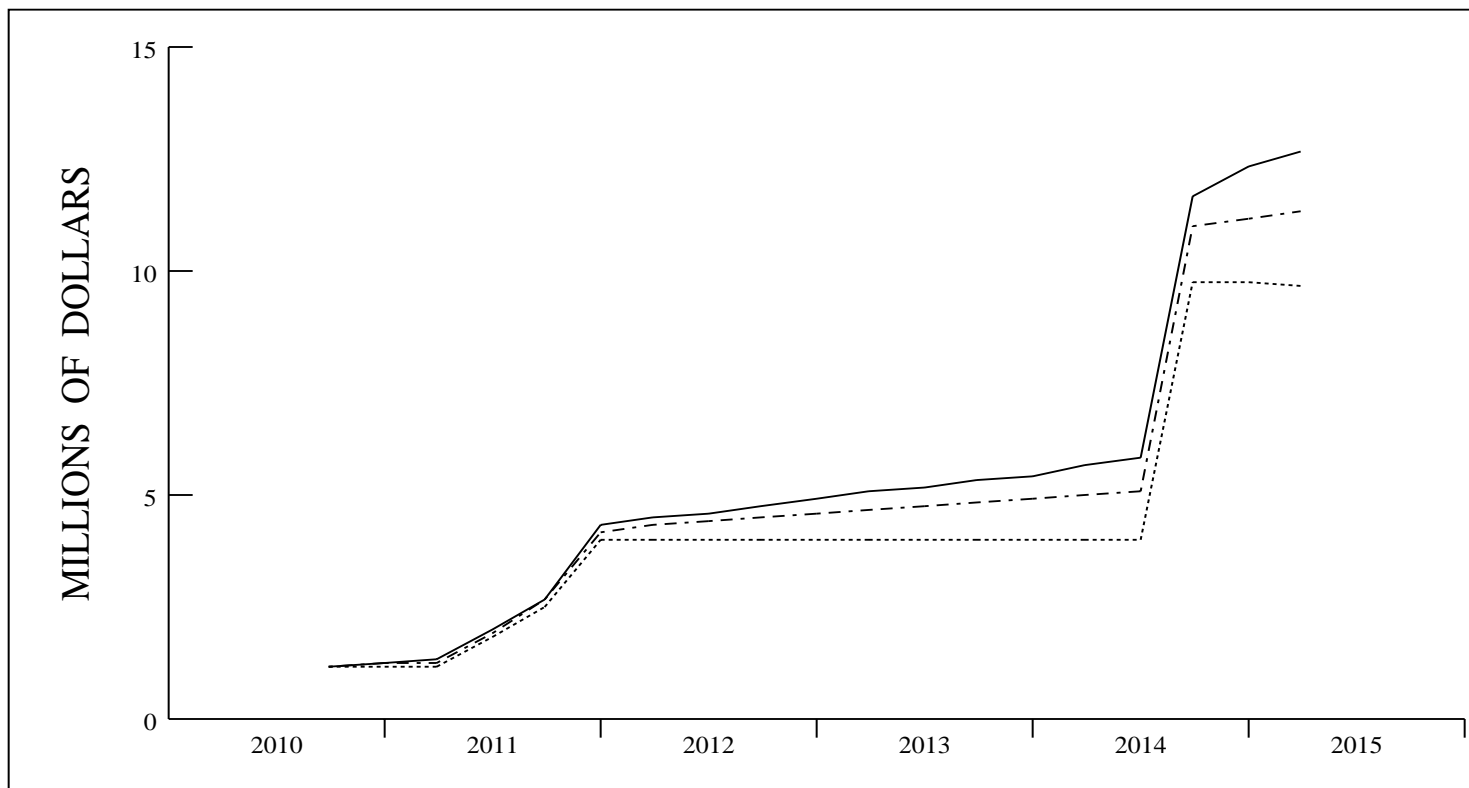
ASSET ALLOCATION

Real Estate	100.0%	\$ 12,735,166
Total Portfolio	100.0%	\$ 12,735,166

INVESTMENT RETURN

Market Value 12/2014	\$ 12,340,970
Contribs / Withdrawals	- 18,342
Income	147,344
Capital Gains / Losses	265,194
Market Value 3/2015	\$ 12,735,166

INVESTMENT GROWTH



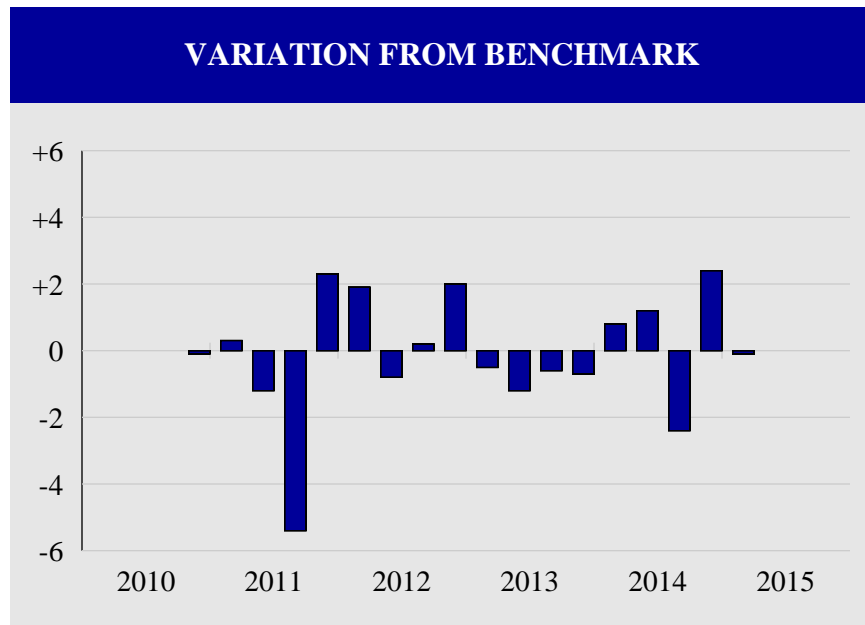
—	ACTUAL RETURN
- - -	8.0%
· · ·	0.0%

VALUE ASSUMING	
8.0% RETURN	\$ 11,396,594

	LAST QUARTER	PERIOD 9/10 - 3/15
BEGINNING VALUE	\$ 12,340,970	\$ 1,247,572
NET CONTRIBUTIONS	- 18,342	8,499,537
INVESTMENT RETURN	412,538	2,988,057
ENDING VALUE	\$ 12,735,166	\$ 12,735,166
INCOME	147,344	1,149,711
CAPITAL GAINS (LOSSES)	265,194	1,838,346
INVESTMENT RETURN	412,538	2,988,057

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/10	4.9	5.0	-0.1
3/11	4.3	4.0	0.3
6/11	3.4	4.6	-1.2
9/11	-1.9	3.5	-5.4
12/11	5.3	3.0	2.3
3/12	4.7	2.8	1.9
6/12	1.7	2.5	-0.8
9/12	3.0	2.8	0.2
12/12	4.3	2.3	2.0
3/13	2.2	2.7	-0.5
6/13	2.7	3.9	-1.2
9/13	3.0	3.6	-0.6
12/13	2.5	3.2	-0.7
3/14	3.3	2.5	0.8
6/14	4.1	2.9	1.2
9/14	0.8	3.2	-2.4
12/14	5.7	3.3	2.4
3/15	3.3	3.4	-0.1

Total Quarters Observed	18
Quarters At or Above the Benchmark	8
Quarters Below the Benchmark	10
Batting Average	.444

FRANKLIN REGIONAL RETIREMENT SYSTEM
INCOME RESEARCH & MANAGEMENT - CORE BOND FUND
PERFORMANCE REVIEW
MARCH 2015

INVESTMENT RETURN

On March 31st, 2015, the Franklin Regional Retirement System's Income Research & Management Core Bond Fund was valued at \$12,945,665, representing an increase of \$218,684 from the December quarter's ending value of \$12,726,981. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$218,684 in net investment returns. Since there were no income receipts for the first quarter, the portfolio's net investment return was the result of net realized and unrealized capital gains totaling \$218,684.

For the cumulative period since December 2009, the portfolio has posted net contributions totaling \$1.8 million, and recorded net investment gains totaling \$2.9 million. For the period since December 2009, if the fund had returned a compounded nominal rate of 8.0% it would have been valued at \$14.7 million or \$1.7 million more than the actual value as of March 31st, 2015.

RELATIVE PERFORMANCE

For the first quarter, the Income Research & Management Core Bond Fund returned 1.7%, which was 0.1% greater than the Barclays Aggregate Index's return of 1.6% and ranked in the 46th percentile of the Core Fixed Income universe. Over the trailing year, this portfolio returned 6.4%, which was 0.7% above the benchmark's 5.7% return, ranking in the 11th percentile. Since December 2009, the account returned 5.4% on an annualized basis and ranked in the 26th percentile. For comparison, the Barclays Aggregate Index returned an annualized 4.6% over the same time frame.

ASSET ALLOCATION

The portfolio was fully invested in the IR&M Core Bond Fund at the end of the quarter.

ANALYSIS

At the end of the quarter, approximately 30% of the total bond portfolio was comprised of USG quality securities. The remainder of the portfolio consisted of corporate securities, rated AAA through BBB, giving the portfolio an overall average quality rating of AAA-AA. The average maturity of the portfolio was 3.92 years, less than the Barclays Aggregate Index's 7.72-year maturity. The average coupon was 3.91%.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 12/09
Total Gross/Fees	1.7	1.7	6.4	4.4	5.4
<i>CORE FIXED INCOME RANK</i>	(46)	(46)	(11)	(10)	(26)
Total Net/Fees	1.6	1.6	6.0	4.0	5.1
BARCLAYS AGG	1.6	1.6	5.7	3.1	4.6
Fixed Income	1.7	1.7	6.4	4.4	5.4
<i>CORE FIXED INCOME RANK</i>	(46)	(46)	(11)	(10)	(26)
BARCLAYS AGG	1.6	1.6	5.7	3.1	4.6
GOV/CREDIT	1.8	1.8	5.9	3.4	4.8

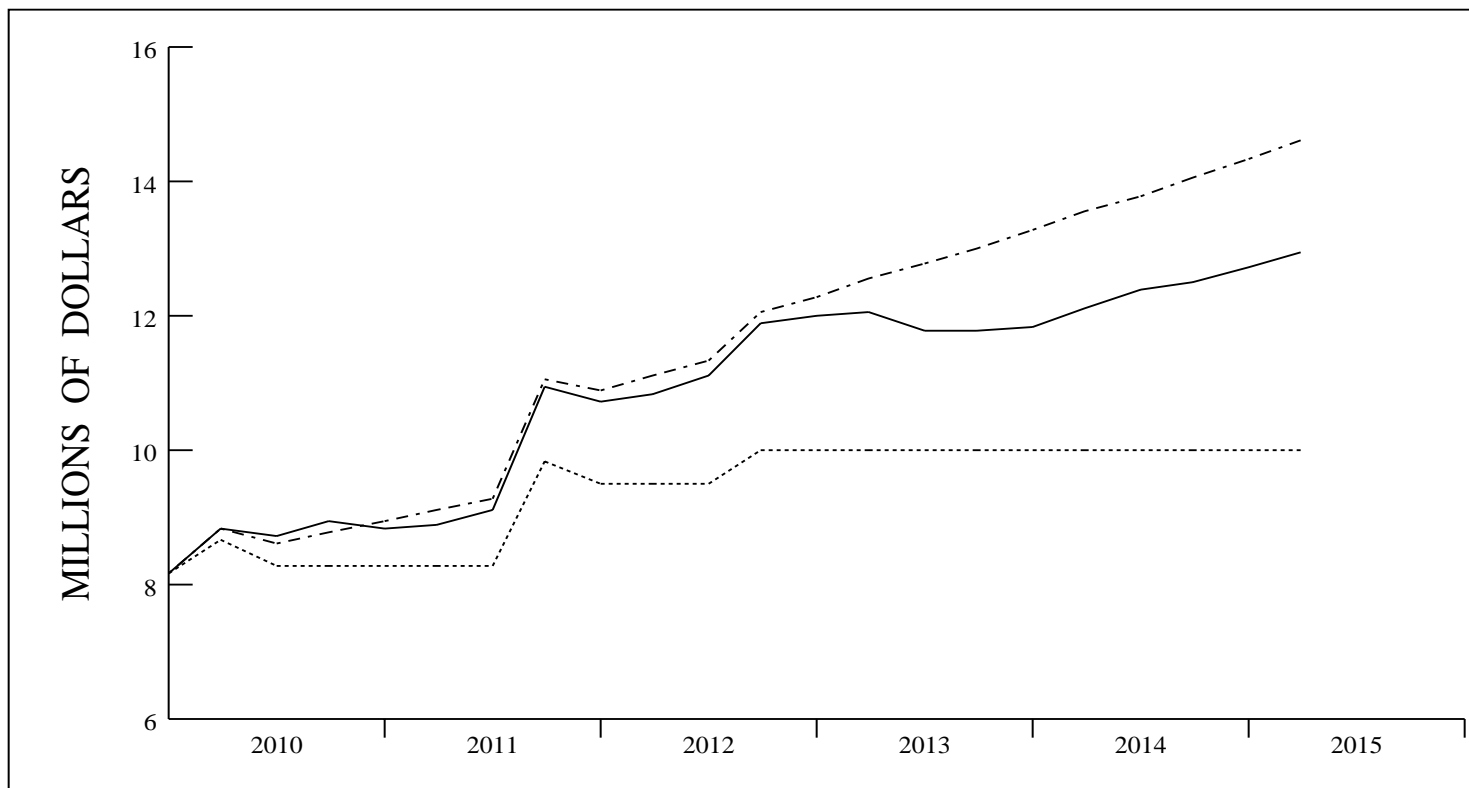
ASSET ALLOCATION

Fixed Income	100.0%	\$ 12,945,665
Total Portfolio	100.0%	\$ 12,945,665

INVESTMENT RETURN

Market Value 12/2014	\$ 12,726,981
Contribs / Withdrawals	0
Income	0
Capital Gains / Losses	218,684
Market Value 3/2015	\$ 12,945,665

INVESTMENT GROWTH

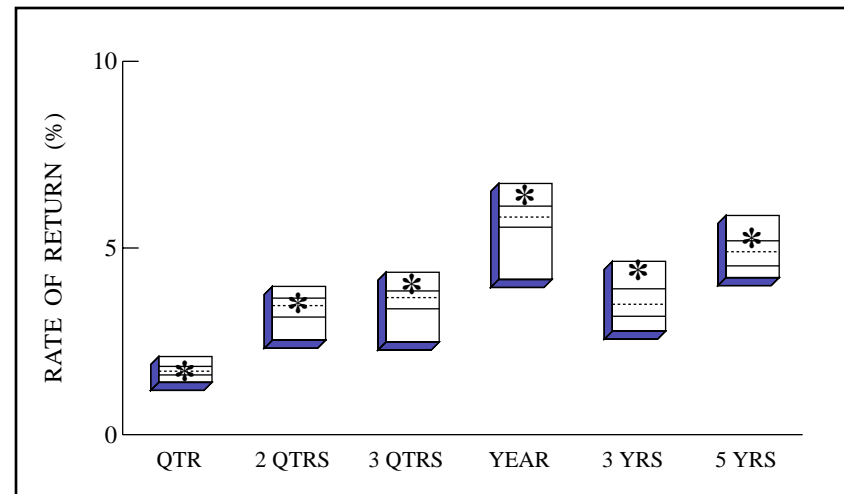
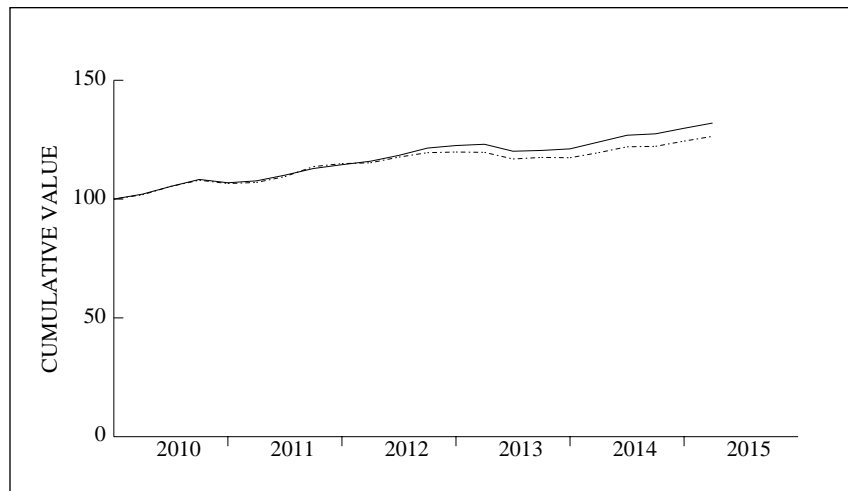


— ACTUAL RETURN
 - - - 8.0%
 0.0%

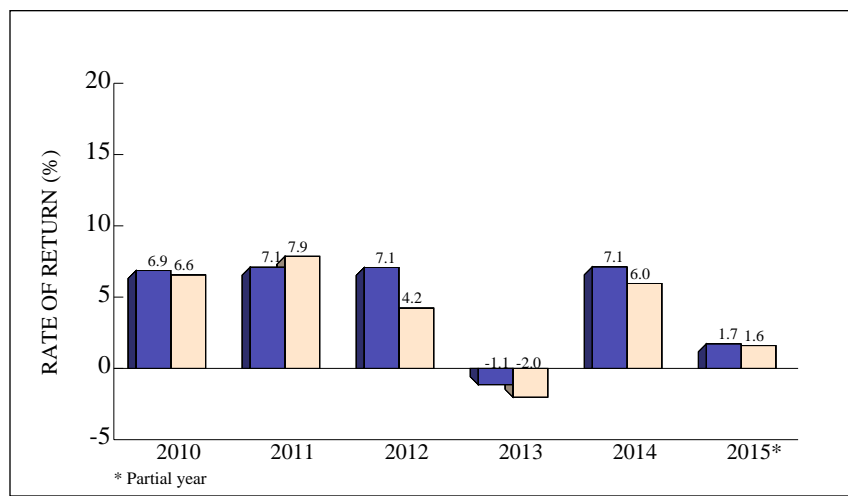
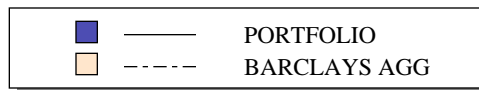
VALUE ASSUMING
 8.0% RETURN \$ 14,651,227

	LAST QUARTER	PERIOD 12/09 - 3/15
BEGINNING VALUE	\$ 12,726,981	\$ 8,184,877
NET CONTRIBUTIONS	0	1,822,000
INVESTMENT RETURN	218,684	2,938,788
ENDING VALUE	\$ 12,945,665	\$ 12,945,665
INCOME	0	5
CAPITAL GAINS (LOSSES)	218,684	2,938,783
INVESTMENT RETURN	218,684	2,938,788

TOTAL RETURN COMPARISONS

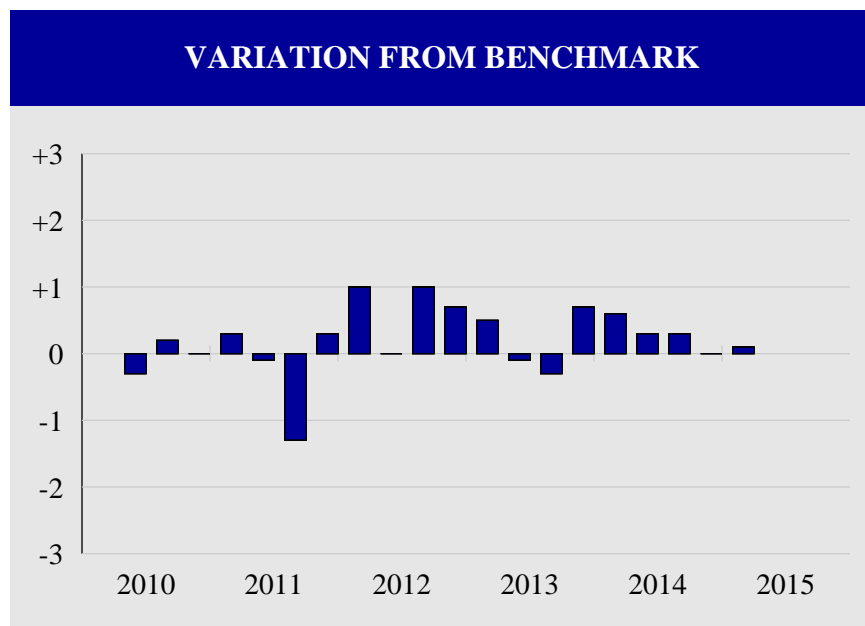


Core Fixed Income Universe



	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	1.7	3.5	4.1	6.4	4.4	5.3
(RANK)	(46)	(35)	(14)	(11)	(10)	(24)
5TH %ILE	2.1	4.0	4.4	6.7	4.6	5.9
25TH %ILE	1.8	3.7	3.9	6.1	3.9	5.2
MEDIAN	1.7	3.5	3.7	5.8	3.5	4.9
75TH %ILE	1.6	3.2	3.4	5.6	3.2	4.5
95TH %ILE	1.4	2.5	2.5	4.2	2.8	4.2
Agg Index	1.6	3.4	3.6	5.7	3.1	4.4

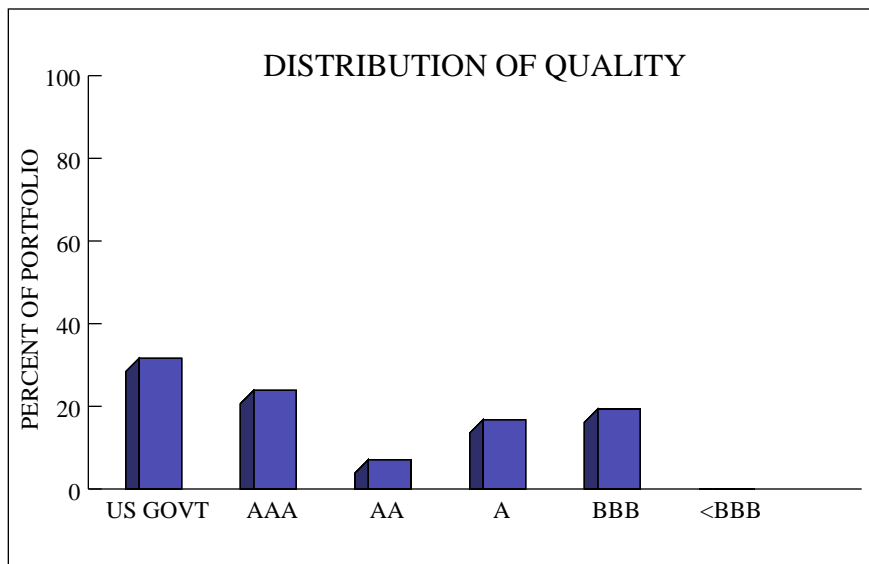
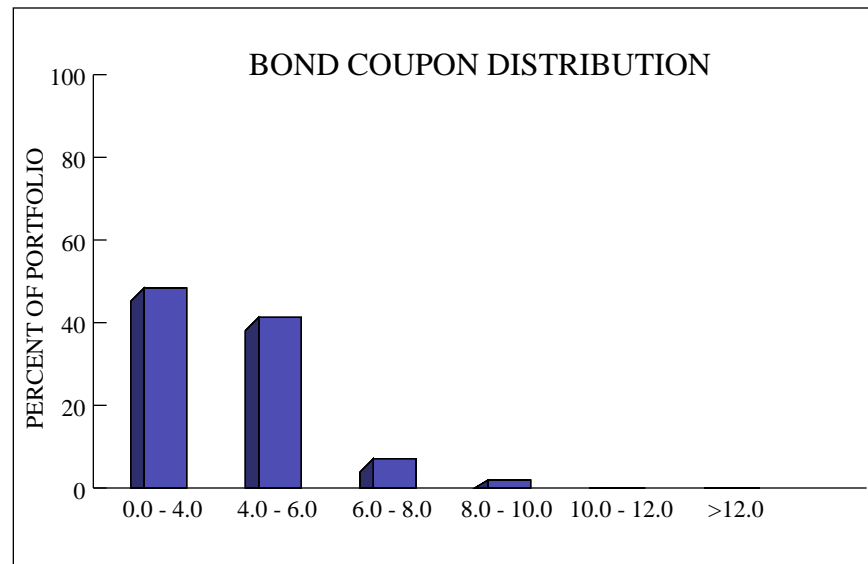
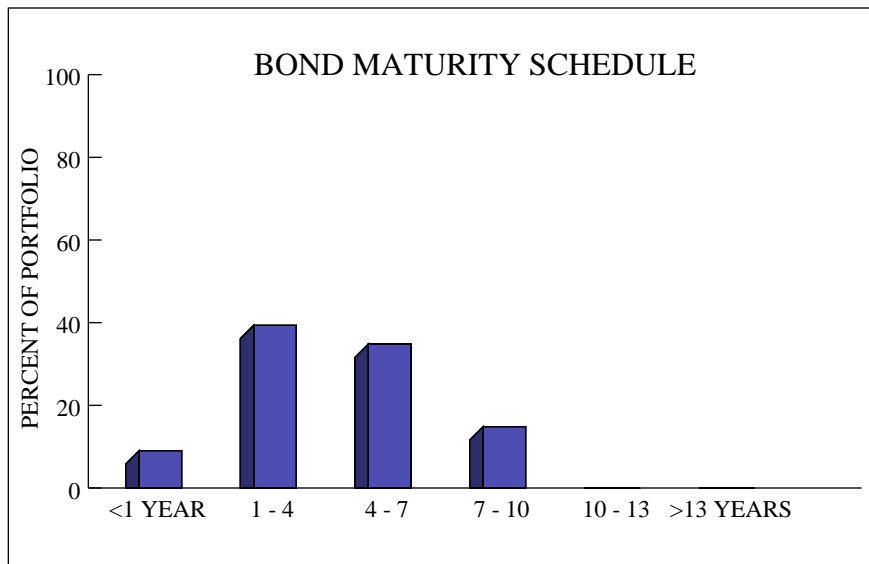
Core Fixed Income Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**COMPARATIVE BENCHMARK: BARCLAYS AGGREGATE INDEX**

Total Quarters Observed	20
Quarters At or Above the Benchmark	15
Quarters Below the Benchmark	5
Batting Average	.750

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/10	3.2	3.5	-0.3
9/10	2.7	2.5	0.2
12/10	-1.3	-1.3	0.0
3/11	0.7	0.4	0.3
6/11	2.2	2.3	-0.1
9/11	2.5	3.8	-1.3
12/11	1.4	1.1	0.3
3/12	1.3	0.3	1.0
6/12	2.1	2.1	0.0
9/12	2.6	1.6	1.0
12/12	0.9	0.2	0.7
3/13	0.4	-0.1	0.5
6/13	-2.4	-2.3	-0.1
9/13	0.3	0.6	-0.3
12/13	0.6	-0.1	0.7
3/14	2.4	1.8	0.6
6/14	2.3	2.0	0.3
9/14	0.5	0.2	0.3
12/14	1.8	1.8	0.0
3/15	1.7	1.6	0.1

BOND CHARACTERISTICS



	PORTFOLIO	BARCLAYS AGG
No. of Securities	219	9,290
Duration	5.56	5.45
YTM	2.52	2.06
Average Coupon	3.91	3.24
Avg Maturity / WAL	3.92	7.72
Average Quality	AAA-AA	USG-AAA