

Franklin Regional Retirement System Performance Review

June 2015

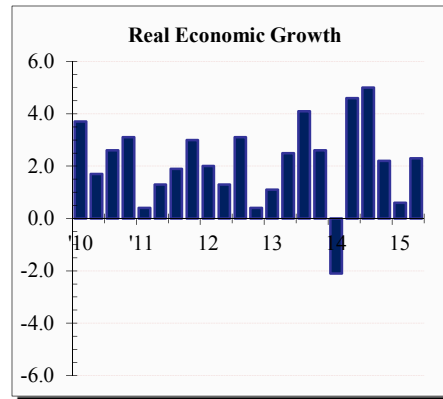


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ECONOMIC ENVIRONMENT

A Stressful Quarter, but Mostly Positive

The Bureau of Economic Analysis estimates the economy expanded at a rate of 2.3% in the second quarter, following a revised expansion of 0.6%



in the first quarter. The second quarter saw very good job growth. Even more positive was the housing story. Finally, new and existing home sales were on a tear and at their highest levels since before the Great Recession. Consumer confidence soared; manufacturing and services data show definite growth trends; and both the US dollar and commodity prices stabilized.

The Fed remained wary, ever mindful of the Greek debt crisis, weak emerging market economies, and stagnant wages. Factoring in troubling geopolitical issues, particularly in the Middle East, it is little wonder that investors remained jittery. Below are more details:

- Q2 real GDP expanded at a 2.3% annual rate. This advance estimate comes with a revised 0.6% figure for first quarter growth, which was up from the previous Q1 estimate of -0.2%.
- The June jobs report was encouraging, with 223,000 new hires and an unemployment rate of only 5.3%. However, the Bureau of Labor Statistics made a 60,000 downward revision to job gains for April and May. The number of unemployed seeking work dropped 375,000 to 8.3 million and the number of long-term unemployed (longer than 27 weeks) fell significantly, to 2.1 million. These declines reflected job seekers who stopped looking for employment as well as baby boomers beginning to retire in large numbers. Very modest 2% wage gains, for the latest 12-month period, suggest that the demand for workers is running barely ahead of supply.
- Existing home sales increased to 5.35 million, the highest in six-years. These gains were fueled, in part, by sales to first-time buyers. Supply remained tight, leading to the median existing home price of

\$228,700, 7.9% higher than just one year ago. During May, existing homes were on the market for an average of only 40-days.

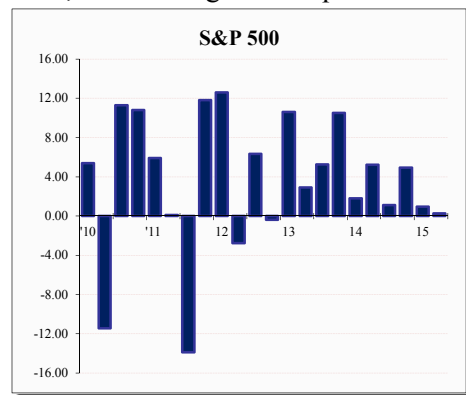
- The Institute of Supply Management (ISM) provided encouraging news for both the manufacturing and service sectors. The Manufacturing Index has now expanded for the 30th straight month and registered 53.5%, a 0.7% increase from May (any percentage above 50% indicates expansion). New orders climbed to 56%, with 11 out of eighteen industries showing growth. Only oil, coal, metals, plastics and machinery declined appreciably. On the service front, the Non-Manufacturing Index stood at 56%, up 0.3% in June. New service-related orders rose 0.4% to 58.3%, with most service sectors participating in the growth. Overall, the service part of the economy has shown growth for 65 consecutive months!
- Consumer confidence rose sharply from May to June; the Consumer Confidence Index climbed from 94.6 to 101.4. At the same time, consumers voiced more confidence regarding business conditions for the next six-months. Combined, the confidence data suggests that retail spending will rise further. The apparent peaking of gasoline prices, at levels well below a year ago, also may help to spur spending.
- In general, commodity prices turned the corner after a disastrous first quarter. The composite of 33 commodity prices was up 3.2%. Various metals were the only commodity sectors in the red. Precious metals fell 5.3% while the gold component fell just 1%. Tin incurred the greatest loss (-16.7%) and energy earned the biggest gain (+13.8%). Grains were in 2nd place, gaining 8.3%, with the wheat and corn components climbing 20.3% and 14.7%, respectively. Soft commodities rose 5.5%, with coffee essentially unchanged. Finally, livestock prices were mixed as hog prices soared 19%, while cattle dropped 8.2%.
- June saw a 0.3% increase for CPI, on a seasonally adjusted basis. That translates to 0.1% over the last 12 months. Miniscule wage growth and a stabilizing of oil prices contributed to continuously low CPI numbers. The US dollar didn't see further price appreciation vs. other major currencies, but still kept a lid on import price inflation.

- As of June 17th, Federal Reserve Board Chair Yellen stated that economic activity was expanding moderately. She also noted that inflation was tame and that both capital expenditures and exports were weak. She probably viewed the July 3rd jobs report as net positive, but not necessarily sustaining. The Board's minutes also revealed several concerns: (1) the Greek debt crisis; (2) painfully slow growth among emerging market countries; and (3) a possible market and economic bubble in China, the world's second largest economy. All told, it is now unclear whether the long-anticipated interest rate hike will occur anytime soon. Despite positive economic indicators, US and off-shore equity markets were volatile and weak amidst the uncertainty.

DOMESTIC EQUITIES

Greek Turmoil Kept Investors Skittish

Domestic equities were quite volatile during the quarter, especially in June, but managed to squeeze out a slight gain. The broad market



(captured by the Russell 3000 Index) was just above zero, or 0.1%. The other three bellwether indices were also subdued. The S&P 500 moved up 0.3%, the DJIA fell 0.3% and the tech-laden NASDAQ posted the best result of +2.0%. Small cap stocks did relatively better than large caps (+0.4% vs. +0.1%), yet mid-caps were the worst performers (-1.5%).

Growth style indices overall performed better than the value indices, but the differences were small. However, within small caps, the growth index was up 2% while the value segment was down 1.2%. The primary reason for the decline in the small cap value index was that REIT stocks within the sector plummeted; the NAREIT Equity Index dropped 9.1%, as interest rates rose.

Only a minority of S&P sectors provided any zip in the second quarter. Basic industries gained 3.1%, buoyed by firmer commodity prices and

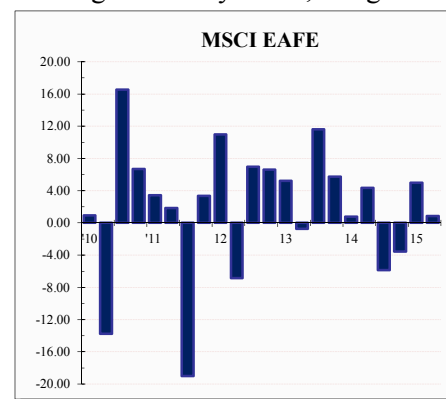
manufacturing growth. Financial stocks also did relatively well, advancing 2.7%, as investors were betting that higher interest rates would ultimately boost bank earnings. Consumer services and non-durable consumer goods each added slightly more than 2%, in sync with moderately higher consumer spending. The energy, technology, and utilities sectors were all in the red, with utilities dropping 4.7%. Note that utility losses typically have an inverse correlation with higher interest rates.

As of quarter-end, the S&P 500 dividend rate remained steady at 2.0%. Price/earnings ratios (using trailing 12-month earnings) inched up to 22.4, which is clearly high.

INTERNATIONAL EQUITIES

China and Greece Set the Slow Pace

The MSCI EAFE Index landed in positive territory, but not by much. The index gained only 0.8%, weighed down by Greek debt concerns and a



gradually slowing Chinese economy. Germany's market, awash in Greek debt, was the big loser within the Euro Zone, falling 5.1%. Investors were also concerned about the level of German exports to Russia and China. Surprisingly, investors did not tie Greece to the other peripheral Euro countries that had their own bailout issues. Ireland (+8.5%), Italy (+3.0%) and

Portugal (+2.7%) each saw positive returns. Only the Spanish market lost ground and that damage was small (-1.9%). France, the other major Euro country, advanced 1%. The EU's newly initiated quantitative easing program might have provided a tail wind for European stocks. However, the Greek crisis proved to be a spoiler, especially for the German and French markets.

The British stock market gained 3%, as that economy is growing and a bitterly-fought national election ended with the unexpected victory of the Conservative Party. The Party rhetoric, distancing that country from the EU's problems, may also have been investor-positive.

Australia and New Zealand were in investors' crosshairs and not favorably. Both countries provide resources to China and investors anticipated that China's insatiable demand for raw materials would slacken. In addition, the New Zealand dollar depreciated almost 10%. The bottom line was a 6.2% fall in the Aussie market and almost double that or an 11.9% decline in New Zealand shares.

Japan, and to a lesser extent Hong Kong, were bright spots within EAFE. The Japanese economy was turning around in response to Prime Minister Abe's stimulus program and Japanese consumers were loosening their purse strings a bit. Further, the yen weakened modestly against the US dollar, aiding its export-driven economy. As a result, Japanese stocks rose 3.1%. Hong Kong gained 5.6%, benefiting from an infusion of money from mainland Chinese investors into Hong Kong stocks. The Chinese investments more than offset continued problems with Macau-based casinos.

Emerging markets earned 0.8%, equaling that of the non-US developed markets and exceeding that of the broad US market. While there were exceptions, most EM returns were unexciting.

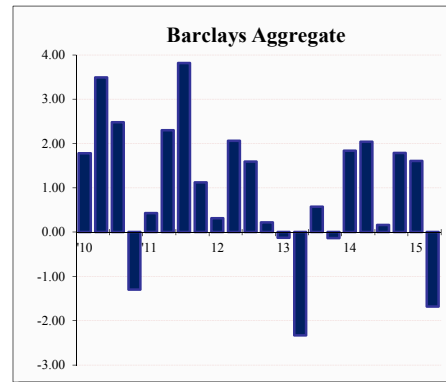
The BRIC Index, which includes the four largest EM countries, climbed 4.7%. Brazil fended off continued high inflation and slow growth to bounce back 7%. Its huge energy company, Petrobras, rebounded due to internal reforms and steady oil prices. President Rousseff's June visit to the US also sent an encouraging signal. Russia earned 7.7%, reflecting a bottoming of its energy export prices, its own monetary easing and somewhat diminished Ukrainian military fears. India disappointed with a loss of 3.6%, which came on the heels of a tremendous run up after last year's election of a business-friendly, reform-minded government. Lastly, China advanced 6.2% despite a moderately slowing economy; however, its stock market was buoyed by accommodative banking policies and steamy real estate construction.

Combined, Latin American markets, excluding Brazil, were flat for the quarter. Columbia performed relatively well, gaining 3.5%, after plunging 19% in the prior quarter. By comparison, Mexico and Peru rose only fractionally and Chile lost 3%.

BOND MARKET

Rates Up and Returns Down

Interest rates were quite volatile, ending the quarter higher, which depressed bond prices and returns for the quarter. There were three contributing factors: (1) a rebound in economic activity after a negative first quarter, (2) less-than-normal liquidity among corporate bonds, and most importantly (3) investor expectation that the Fed would finally raise



rates before year-end. Higher rates impacted the long end far more significantly than short-duration instruments. While the two-year Treasury yield rose by nine basis points, the 10-year climbed 43 basis points and the 30-year shot up 58 basis points.

The Barclays Aggregate Index lost 1.7%, breaking a string of quarterly gains.

High yield bonds broke even for the quarter, as the price declines offset the high income. Energy bonds, representing more than 14% of all high yield issues, performed best. That sector gained 2% compared to fractional gains or losses in other sectors. There was no obvious return pattern among the high yield credit ratings. BAs, the highest-rated junk bonds, lost a nominal 0.4%. Yet single Bs gained 0.4% and CAAs, 0.5%. The true junk, rated CA down to single D, crashed 18.8%!

The G-6 (G7 x-US) Global Treasury Index fell 1.4%, in line with US Treasuries. The worst performers were Italy (-2.6%) and Japan (-2.2%), reflecting their weaker currencies. Canada lost a fractional 0.1%, while Germany and France lost 1% and 1.6% each. The UK was the only country to avoid the red ink, as its sovereign debt climbed 2.1%. British currency appreciation was a contributing factor.

CASH EQUIVALENTS

Waiting for the Fed

Once again, T-bill returns were dead in the water.

MARKET SUMMARY

ECONOMIC STATISTICS

	CURRENT QTR	LAST QTR
GDP	2.3	0.6
Unemployment	5.3	5.5
CPI All Items Year/Year	0.10	-0.10
Fed Funds Rate	0.25	0.25
Industrial Capacity	78.4	79.0
US Dollars per Euro	1.12	1.07

MAJOR INDEX QUARTER RETURNS

INDEX		PERFORMANCE
Russell 3000	0.1	
S&P 500	0.3	
Russell Mid	-1.5	
Russell 2000	0.4	
MSCI EAFE	0.8	
MSCI Emg Mkts	0.8	
NCREIF ODCE	3.8	
Barclays Agg	-1.7	
90 Day Tbills	0.0	

EQUITY RETURN DISTRIBUTIONS

	QUARTER			TRAILING YEAR		
	VAL	COR	GRO	VAL	COR	GRO
LC	0.1	0.1	0.1	4.1	7.4	10.6
MC	-2.0	-1.5	-1.1	3.7	6.6	9.5
SC	-1.2	0.4	2.0	0.8	6.5	12.4

MARKET SUMMARY

- * The BEA estimates GDP expanded at a rate of 2.3% in Q2.
- * Seasonally adjusted unemployment dropped to 5.3%
- * CPI increased by 0.1% year over year.
- * Large cap stocks grew by a paltry 10 basis points, while mid cap names lost ground in the 1 - 2% range. Small caps had mixed results with growth earning 2% and value slipping -1.2%.
- * The US dollar weakened relative to the Euro.

INVESTMENT RETURN

On June 30th, 2015, the Franklin Regional Retirement System was valued at \$119,679,209, a decrease of \$1,382,713 from the March ending value of \$121,061,922. Last quarter, the account recorded total net withdrawals of \$1,341,354 in addition to \$41,359 in net investment losses. The fund's net investment loss was a result of income receipts totaling \$833,195 and realized and unrealized capital losses totaling \$874,554.

Since December 2009, the account has recorded net withdrawals totaling \$5.6 million while posting net investment gains totaling \$54.0 million. Since December 2009, if the account earned a compounded nominal rate of 8.0% it would have been valued at \$103.5 million or \$16.2 million less than the actual value as of June 30th, 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.

For the second quarter, the Composite portfolio returned 0.0%, which was 0.2% below the Franklin Regional Policy Index's return of 0.2% and ranked in the 38th percentile of the Public Fund universe. Over the trailing twelve-month period, this portfolio returned 4.6%, which was 0.5% less than the benchmark's 5.1% performance, and ranked in the 19th percentile. Since December 2009, the portfolio returned 10.7% annualized and ranked in the 8th percentile. The Franklin Regional Policy Index returned an annualized 10.6% over the same time frame.

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.

In the second quarter, the PRIT core portion of the portfolio returned 0.0%, which was 0.7% less than the Custom Core Index's return of 0.7% and ranked in the 40th percentile of the Public Fund universe. Over the trailing twelve months, this segment returned 3.9%, which was equal to the benchmark's 3.9% return, and ranked in the 37th percentile. Since December 2009, this component returned 9.7% on an annualized basis and ranked in the 39th percentile. For comparison, the Custom Core Index returned an annualized 9.1% during the same period.

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.

The domestic equity segment returned -0.4% last quarter, 0.5% below the Franklin County Equity Index's return of 0.1% and ranked in the 68th percentile of the Domestic Equity universe. Over the trailing year, this segment returned 5.2%, 1.7% less than the benchmark's 6.9% performance, and ranked in the 69th percentile. Since December 2009, this component returned 15.4% on an annualized basis and ranked in the 49th percentile. The Franklin County Equity Index returned an annualized 15.0% during the same period.

International Equity

The international equity component gained 1.4% during the second quarter, 0.6% above the MSCI EAFE Index's return of 0.8% and ranked in the 54th percentile of the International Equity universe.

Real Estate

During the second quarter, the real estate component returned 1.8%, which was 2.0% below the NCREIF NFI-ODCE Index's return of 3.8%. Over the trailing twelve-month period, this segment returned 12.0%, which was 2.4% less than the benchmark's 14.4% return. Since December 2009, this component returned 14.4% annualized, while the NCREIF NFI-ODCE Index returned an annualized 14.0% over the same period.

Fixed Income

During the second quarter, the fixed income segment returned -1.5%, which was 0.2% greater than the Barclays Aggregate Index's return of -1.7% and ranked in the 34th percentile of the Core Fixed Income universe. Over the trailing twelve months, this component returned 2.5%, which was 0.7% greater than the benchmark's 1.8% performance, and ranked in the 16th percentile. Since December 2009, this component returned 4.9% per annum and ranked in the 30th percentile. For comparison, the Barclays Aggregate Index returned an annualized 4.0% during the same time frame.

ASSET ALLOCATION

At the end of the second quarter, PRIT core comprised 46.0% of the total portfolio (\$55.0 million), while domestic equities totaled 26.4% (\$31.6 million). The account's international equity segment was valued at \$5.9 million, representing 4.9% of the portfolio, while the real estate component's \$12.9 million totaled 10.8%. The portfolio's fixed income represented 10.7% and the remaining 1.2% was comprised of cash & equivalents (\$1.5 million).

Franklin Regional Retirement System
Total Fund Asset Allocation Analysis
As of June 30, 2015

Total Fund Assets \$ 119,679,209

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>	\$ 53,855,644	\$ 55,046,801	\$ 1,191,157
Domestic Equity	19.5%	9.0%			\$ 10,717,612	
Int'l Equity	17.1%	7.9%			\$ 9,407,498	
E.M. Int'l Equity	6.6%	3.0%			\$ 3,627,584	
Core Fixed Income	13.9%	6.4%			\$ 7,623,982	
Value Added Fixed Income*	8.4%	3.8%			\$ 4,607,417	
Real Estate	9.6%	4.4%			\$ 5,262,474	
Timber/Natural Resources	3.9%	1.8%			\$ 2,152,330	
Alternatives-Private Equity	11.4%	5.2%			\$ 6,280,840	
Hedge Funds	8.6%	4.0%			\$ 4,734,025	
Port. Alpha Wind down	0.1%	0.0%			\$ 27,523.40	
Overlay	1.1%	0.1%			\$ 605,514.81	
<u>Separate Accounts</u>		<u>54.0%</u>	<u>55.0%</u>			
Polen Capital		6.1%	6.0%	\$ 7,180,753	\$ 7,357,860	\$ 177,107
O'Shaughnessy		6.1%	6.0%	\$ 7,180,753	\$ 7,246,811	\$ 66,058
Seizert		5.2%	5.0%	\$ 5,983,960	\$ 6,188,023	\$ 204,063
Daruma		4.7%	5.0%	\$ 5,983,960	\$ 5,638,517	\$ (345,443)
Systematic		4.9%	5.0%	\$ 5,983,960	\$ 5,905,757	\$ (78,203)
PRIT International		4.9%	5.0%	\$ 5,983,960	\$ 5,887,656	\$ (96,304)
PRIT RE		10.8%	10.0%	\$ 11,967,921	\$ 12,942,473	\$ 974,552
Prudential		0.0%	0.0%	\$ -	\$ 90	\$ 90
IR&M		10.7%	13.0%	\$ 15,558,297	\$ 12,750,147	\$ (2,808,150)
Cash		0.6%	0.0%	\$ -	\$ 715,074	\$ 715,074

*Includes Distressed Debt

Allocation by Asset Class						
	Actual Allocation	Target Allocation		Actual Allocation	Target Allocation	
Franklin County Total Fund	(%)	(%)	+/- Percent	(\$)	(\$)	+/- Dollars
Domestic Equity	36.0%	35.0%	1.0%	\$ 43,054,580	\$ 41,887,723	\$ 1,166,857
Int'l Equity	15.8%	15.0%	0.8%	\$ 18,922,738	\$ 17,951,881	\$ 970,857
Fixed Income	20.9%	25.0%	-4.1%	\$ 24,981,546	\$ 29,919,802	\$ (4,938,256)
Real Estate	15.2%	14.0%	1.2%	\$ 18,205,037	\$ 16,755,089	\$ 1,449,948
Timber	1.8%	2.0%	-0.2%	\$ 2,152,330	\$ 2,393,584	\$ (241,254)
Alternatives-Private Equity	5.2%	5.0%	0.2%	\$ 6,280,840	\$ 5,983,960	\$ 296,880
Hedge Funds	4.1%	4.0%	0.1%	\$ 5,367,063	\$ 4,787,168	\$ 579,895
Cash	<u>0.6%</u>	<u>0.0%</u>	0.6%	\$ 715,074	\$ -	\$ 715,074
	100.0%	100.0%		\$ 119,679,209	\$ 119,679,209	

EXECUTIVE SUMMARY

PERFORMANCE SUMMARY

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 12/09
Total Gross/Fees	0.0	2.5	4.6	12.7	10.7
<i>PUBLIC FUND RANK</i>	(38)	(36)	(19)	(8)	(8)
Total Net/Fees	-0.2	2.3	4.1	12.0	10.1
POLICY INDEX	0.2	2.6	5.1	12.3	10.6
PRIT Core	0.0	2.7	3.9	11.4	9.7
<i>PUBLIC FUND RANK</i>	(40)	(31)	(37)	(33)	(39)
CUSTOM CORE IDX	0.7	3.4	3.9	10.2	9.1
Domestic Equity	-0.4	1.7	5.2	20.5	15.4
<i>DOMESTIC EQUITY RANK</i>	(68)	(70)	(69)	(26)	(49)
CUSTOM EQ INDEX	0.1	3.5	6.9	17.9	15.0
PRIT EQUITY	0.1	2.0	6.7	17.7	14.5
S&P 500	0.3	1.2	7.4	17.3	14.2
S&P 400	-1.1	4.2	6.4	18.6	15.8
RUSSELL 3000	0.1	1.9	7.3	17.7	14.5
RUSSELL 1000	0.1	1.7	7.4	17.7	14.5
RUSSELL 1000G	0.1	4.0	10.6	18.0	15.1
RUSSELL 1000V	0.1	-0.6	4.1	17.3	13.8
RUSSELL MID	-1.5	2.4	6.6	19.3	16.0
RUSSELL 2000	0.4	4.8	6.5	17.8	15.0
International Equity	1.4	6.5	----	----	----
<i>INTERNATIONAL EQUITY RANK</i>	(54)	(44)	----	----	----
MSCI EAFE	0.8	5.9	-3.8	12.5	6.3
Real Estate	1.8	5.2	12.0	12.8	14.4
NCREIF ODCE	3.8	7.3	14.4	13.1	14.0
Fixed Income	-1.5	0.2	2.5	3.2	4.9
<i>CORE FIXED INCOME RANK</i>	(34)	(39)	(16)	(14)	(30)
BARCLAYS AGG	-1.7	-0.1	1.8	1.8	4.0
PRIT FIXED	-7.8	-4.3	4.7	3.3	5.2
GOV/CREDIT	-2.1	-0.3	1.7	1.8	4.2
INT AGGREGATE	-0.7	0.6	1.9	1.7	3.5
INT GOV/CREDIT	-0.6	0.8	1.7	1.6	3.4

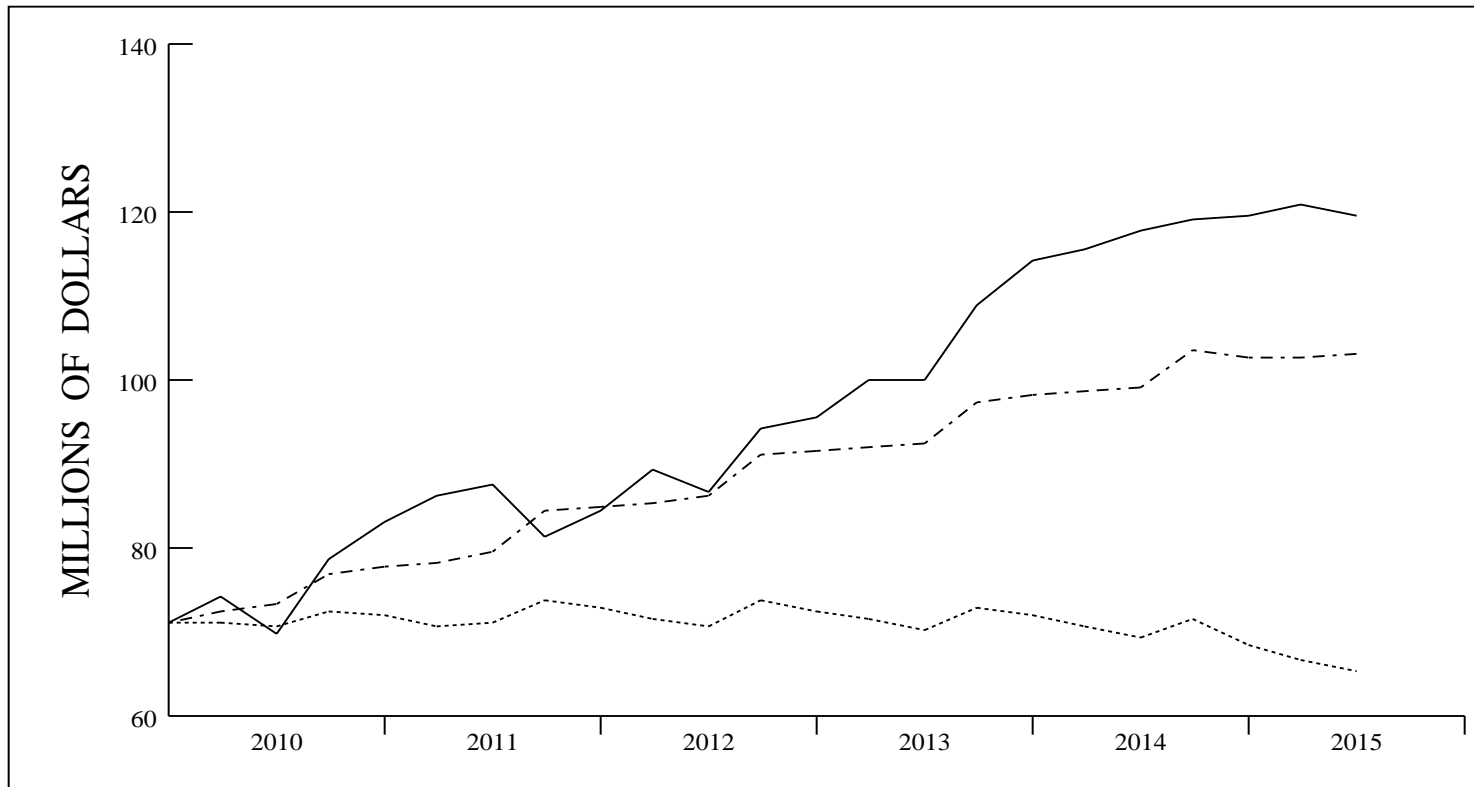
ASSET ALLOCATION

PRIT Core	46.0%	\$ 55,046,801
Domestic Equity	26.4%	31,568,541
Int'l Equity	4.9%	5,887,656
Real Estate	10.8%	12,942,563
Fixed Income	10.7%	12,750,147
Cash	1.2%	1,483,501
Total Portfolio	100.0%	\$ 119,679,209

INVESTMENT RETURN

Market Value 3/2015	\$ 121,061,922
Contribs / Withdrawals	- 1,341,354
Income	833,195
Capital Gains / Losses	-874,554
Market Value 6/2015	\$ 119,679,209

INVESTMENT GROWTH

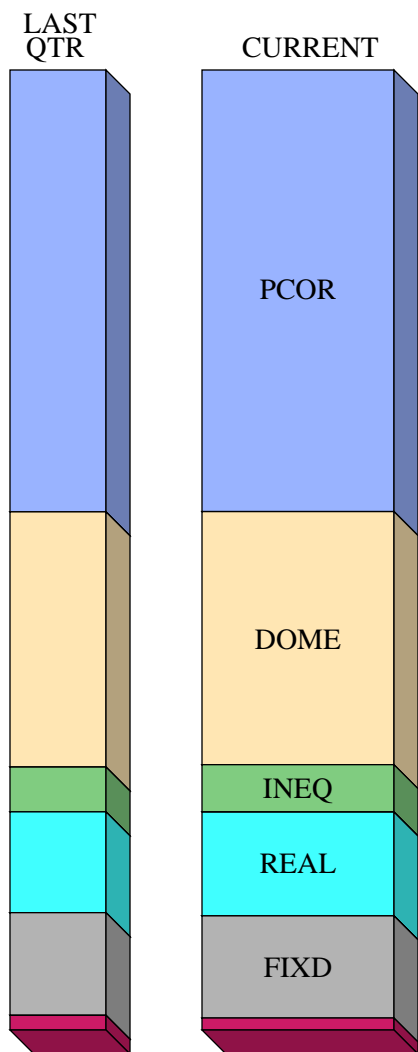


— ACTUAL RETURN
 - - - 8.0%
 0.0%

VALUE ASSUMING
 8.0% RETURN \$ 103,458,897

	LAST QUARTER	PERIOD 12/09 - 6/15
BEGINNING VALUE	\$ 121,061,922	\$ 71,206,530
NET CONTRIBUTIONS	- 1,341,354	- 5,564,146
<u>INVESTMENT RETURN</u>	<u>- 41,359</u>	<u>54,036,824</u>
ENDING VALUE	\$ 119,679,209	\$ 119,679,209
INCOME	833,195	11,783,082
<u>CAPITAL GAINS (LOSSES)</u>	<u>-874,554</u>	<u>42,253,744</u>
INVESTMENT RETURN	- 41,359	54,036,824

ASSET ALLOCATION



	<u>VALUE</u>	<u>PERCENT</u>	<u>TARGET</u>	<u>DIFFERENCE</u> <u>+ / -</u>
■ PRIT CORE	\$ 55,046,801	46.0%	45.0%	1.0%
■ DOMESTIC EQUITY	31,568,541	26.4%	27.0%	-0.6%
■ INTERNATIONAL EQUITY	5,887,656	4.9%	5.0%	-0.1%
■ REAL ESTATE	12,942,563	10.8%	10.0%	0.8%
■ FIXED INCOME	12,750,147	10.7%	13.0%	-2.3%
■ CASH & EQUIVALENT	1,483,501	1.2%	0.0%	1.2%
<u>TOTAL FUND</u>	<u>\$ 119,679,209</u>	<u>100.0%</u>		

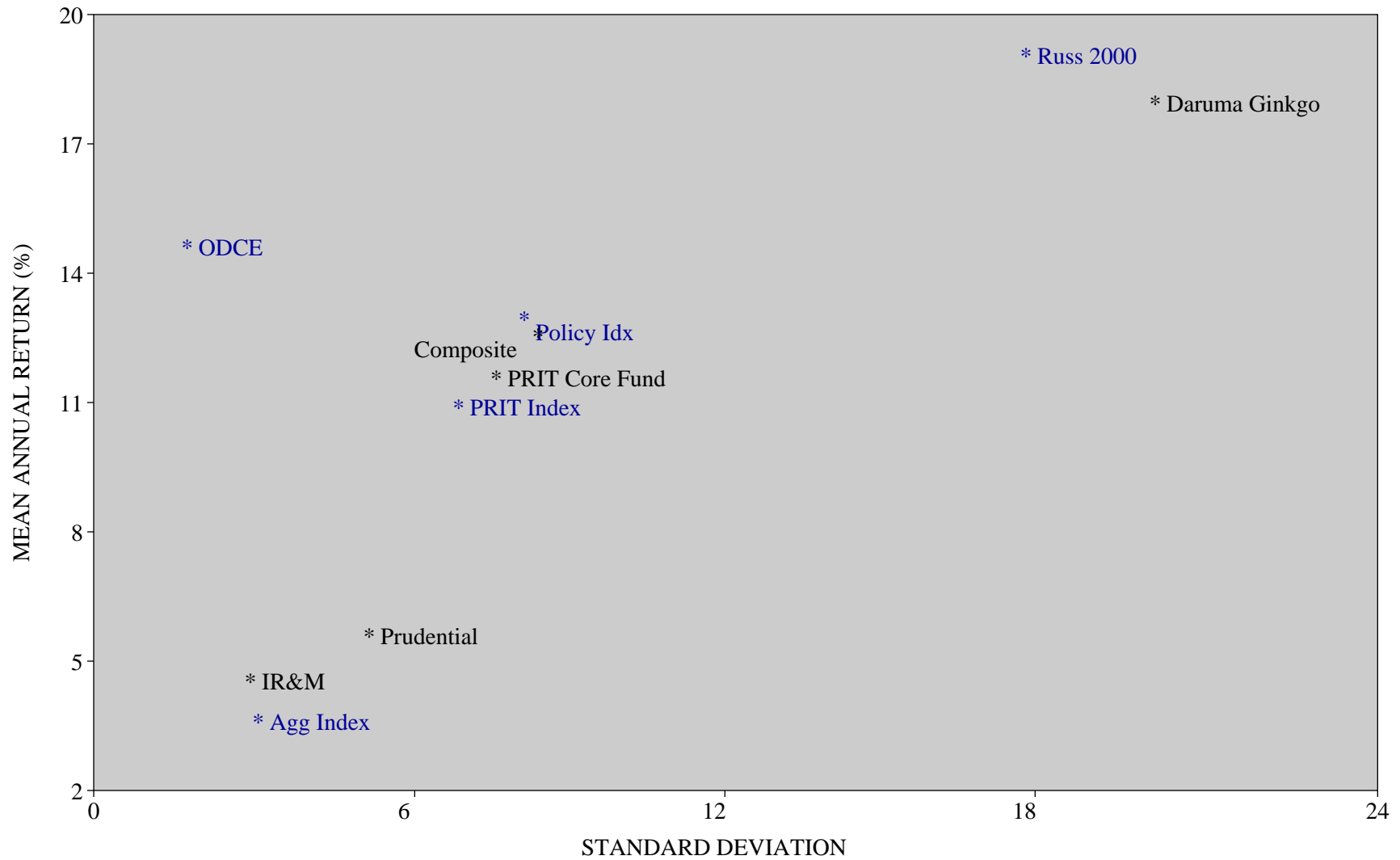
MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	YTD	1 Year	3 Years	5 Years
Total Portfolio	(Public Fund)	0.0 (38)	2.5 (36)	4.6 (19)	12.7 (8)	12.0 (13)
<i>Franklin Regional Policy Index</i>		<i>0.2 ----</i>	<i>2.6 ----</i>	<i>5.1 ----</i>	<i>12.3 ----</i>	<i>12.4 ----</i>
PRIT Core Fund	(Public Fund)	0.0 (40)	2.7 (31)	3.9 (37)	11.4 (33)	11.1 (44)
<i>Custom Core Index</i>		<i>0.7 ----</i>	<i>3.4 ----</i>	<i>3.9 ----</i>	<i>10.2 ----</i>	<i>10.5 ----</i>
Polen Capital	(LC Growth)	2.5 (6)	6.3 (27)	19.1 (3)	17.1 (72)	---- ----
<i>Russell 1000 Growth</i>		<i>0.1 ----</i>	<i>4.0 ----</i>	<i>10.6 ----</i>	<i>18.0 ----</i>	<i>18.6 ----</i>
O'Shaughnessy	(LC Value)	-1.7 (93)	0.5 (55)	4.8 (55)	20.4 (22)	---- ----
<i>Russell 1000 Value</i>		<i>0.1 ----</i>	<i>-0.6 ----</i>	<i>4.1 ----</i>	<i>17.3 ----</i>	<i>16.5 ----</i>
Seizert Capital	(Mid Cap)	-0.4 (57)	1.7 (87)	1.9 (94)	24.6 (2)	---- ----
<i>Russell Mid Cap</i>		<i>-1.5 ----</i>	<i>2.4 ----</i>	<i>6.6 ----</i>	<i>19.3 ----</i>	<i>18.2 ----</i>
Daruma Ginkgo	(Small Cap)	-0.1 (66)	-0.4 (95)	-2.6 (95)	16.9 (76)	15.4 (87)
Systematic	(Small Cap)	-2.7 (98)	-0.4 (95)	-0.7 (90)	---- ----	---- ----
<i>Russell 2000</i>		<i>0.4 ----</i>	<i>4.8 ----</i>	<i>6.5 ----</i>	<i>17.8 ----</i>	<i>17.1 ----</i>
PRIT Int'l Eq.	(Intl Eq)	1.4 (54)	6.5 (44)	---- ----	---- ----	---- ----
<i>MSCI EAFE</i>		<i>0.8 ----</i>	<i>5.9 ----</i>	<i>-3.8 ----</i>	<i>12.5 ----</i>	<i>10.0 ----</i>
PRIT Core R.E.		1.8 ----	5.2 ----	12.0 ----	12.8 ----	---- ----
<i>NCREIF NFI-ODCE Index</i>		<i>3.8 ----</i>	<i>7.3 ----</i>	<i>14.4 ----</i>	<i>13.1 ----</i>	<i>14.4 ----</i>
IR&M	(Core Fixed)	-1.5 (34)	0.2 (39)	2.5 (16)	3.2 (14)	4.3 (24)
<i>Barclays Aggregate Index</i>		<i>-1.7 ----</i>	<i>-0.1 ----</i>	<i>1.8 ----</i>	<i>1.8 ----</i>	<i>3.4 ----</i>

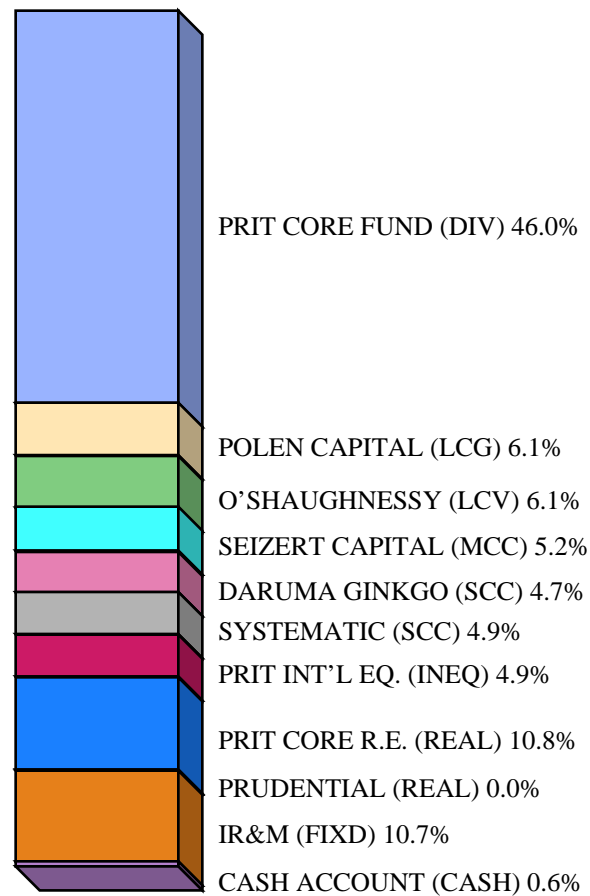
MANAGER VALUE ADDED

Portfolio	Benchmark	1 Quarter	1 Year	3 Years	5 Years
PRIT Core Fund	Custom Core Idx	-0.7	0.0	1.2	0.6
Polen Capital	Russell 1000G	2.4	8.5	-0.9	N/A
O'Shaughnessy	Russell 1000V	-1.8	0.7	3.1	N/A
Seizert Capital	Russell Mid	1.1	-4.7	5.3	N/A
Daruma Ginkgo	Russell 2000	-0.5	-9.1	-0.9	-1.7
Systematic	Russell 2000	-3.1	-7.2	N/A	N/A
PRIT Int'l Eq.	MSCI EAFE	0.6	N/A	N/A	N/A
PRIT Core R.E.	NCREIF ODCE	-2.0	-2.4	-0.3	N/A
IR&M	Barclays Agg	0.2	0.7	1.4	0.9
Total Portfolio	Policy Index	-0.2	-0.5	0.4	-0.4

RISK-RETURN SUMMARY - 5 YEAR HISTORY



MANAGER ALLOCATION AND TARGET SUMMARY

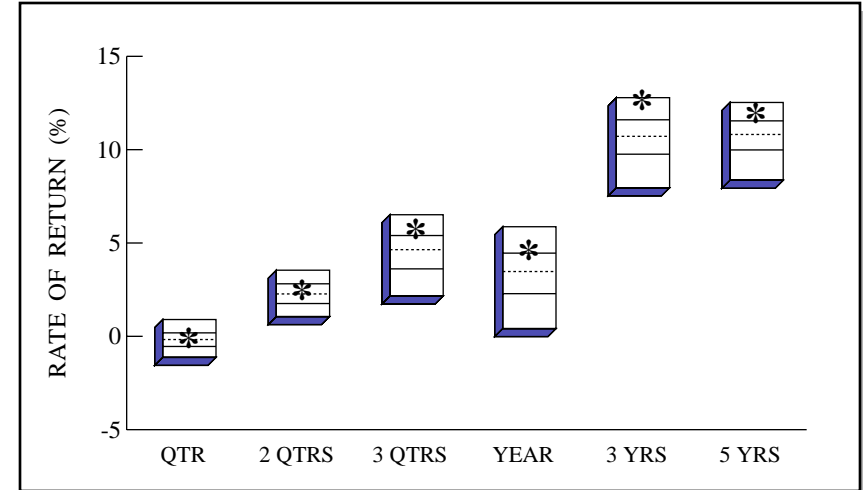
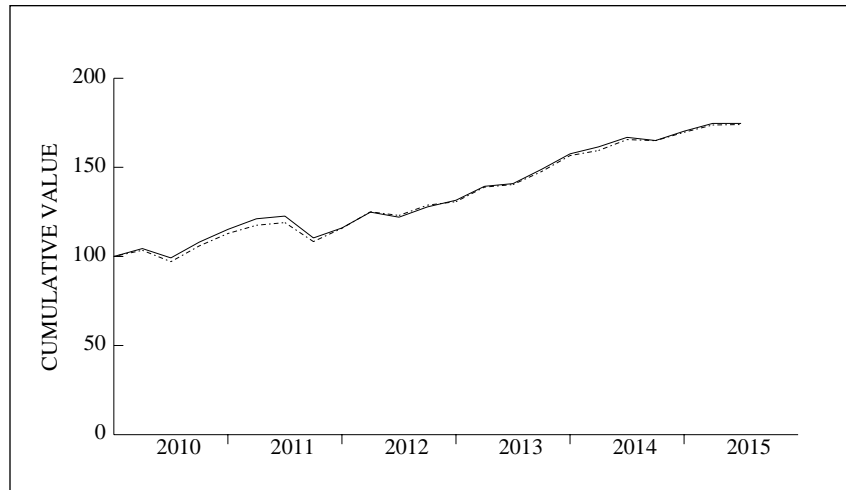


Name	Market Value	Percent	Target
PRIT Core Fund (DIV)	\$55,046,801	46.0	45.0
Polen Capital (LCG)	\$7,357,860	6.1	6.0
O'Shaughnessy (LCV)	\$7,246,811	6.1	6.0
Seizert Capital (MCC)	\$6,188,023	5.2	5.0
Daruma Ginkgo (SCC)	\$5,638,517	4.7	5.0
Systematic (SCC)	\$5,905,757	4.9	5.0
PRIT Int'l Eq. (INEQ)	\$5,887,656	4.9	5.0
PRIT Core R.E. (REAL)	\$12,942,473	10.8	10.0
Prudential (REAL)	\$90	0.0	0.0
IR&M (FIXD)	\$12,750,147	10.7	13.0
Cash Account (CASH)	\$715,074	0.6	0.0
Total Fund	\$119,679,209	100.0	100.0

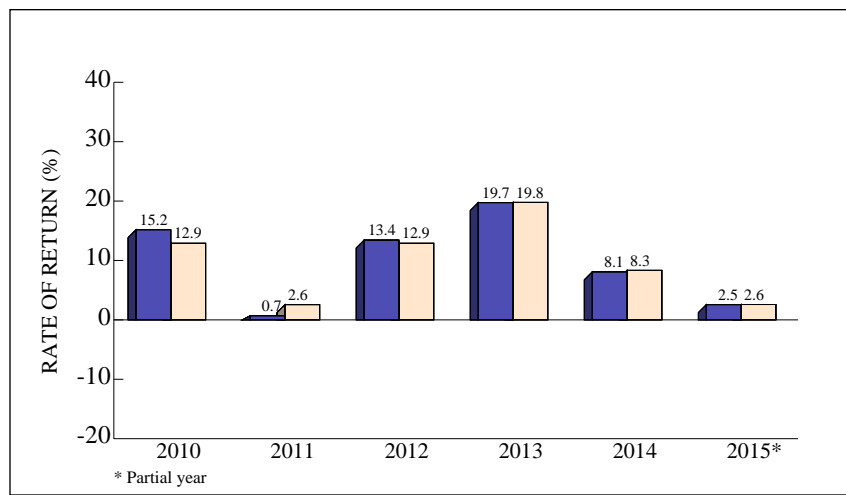
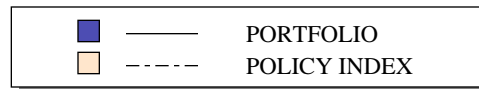
INVESTMENT RETURN SUMMARY - ONE QUARTER

Name	Quarter Total Return	Market Value March 31st, 2015	Net Cashflow	Net Investment Return	Market Value June 30th, 2015
PRIT Core Fund (DIV)	0.0	55,707,017	-635,319	-24,897	55,046,801
Polen Capital (LCG)	2.5	7,768,935	-596,253	185,178	7,357,860
O'Shaughnessy (LCV)	-1.7	7,369,371	-109	-122,451	7,246,811
Seizert Capital (MCC)	-0.4	6,214,090	0	-26,067	6,188,023
Daruma Ginkgo (SCC)	-0.1	5,655,979	-13,858	-3,604	5,638,517
Systematic (SCC)	-2.7	6,067,634	-7	-161,870	5,905,757
PRIT Int'l Eq. (INEQ)	1.4	5,651,864	157,352	78,440	5,887,656
PRIT Core R.E. (REAL)	1.8	12,735,166	-22,492	229,799	12,942,473
Prudential (REAL)	0.0	90	0	0	90
IR&M (FIXD)	-1.5	12,946,285	0	-196,138	12,750,147
Cash Account (CASH)	---	945,491	-230,668	251	715,074
Total Fund	0.0	121,061,922	-1,341,354	-41,359	119,679,209

TOTAL RETURN COMPARISONS



Public Fund Universe

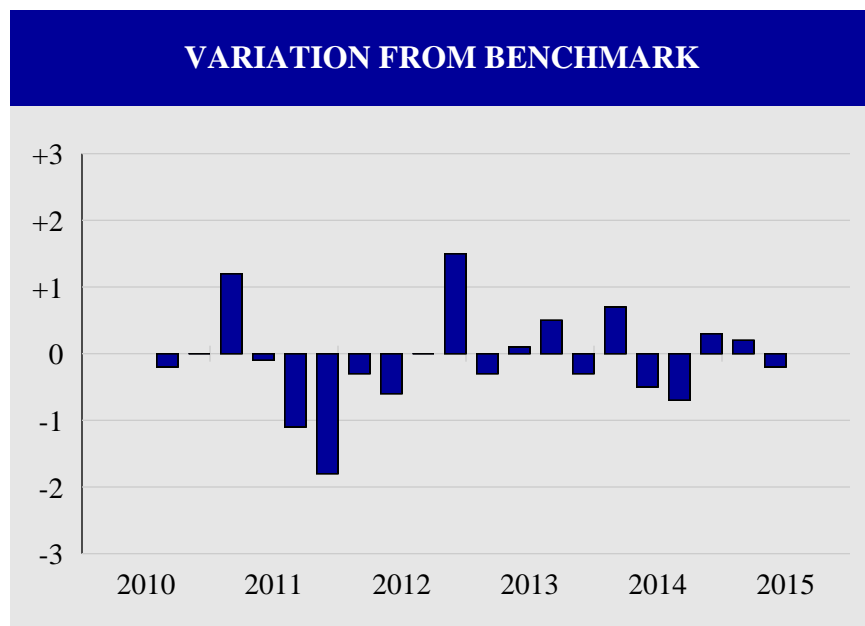


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED----- 3 YRS	5 YRS
RETURN	0.0	2.5	5.8	4.6	12.7	12.0
(RANK)	(38)	(36)	(14)	(19)	(8)	(13)
5TH %ILE	0.9	3.5	6.5	5.9	12.8	12.5
25TH %ILE	0.2	2.8	5.4	4.5	11.6	11.5
MEDIAN	-0.2	2.3	4.6	3.5	10.7	10.8
75TH %ILE	-0.5	1.8	3.6	2.3	9.8	10.0
95TH %ILE	-1.1	1.1	2.2	0.4	8.0	8.4
Policy Idx	0.2	2.6	5.5	5.1	12.3	12.4

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

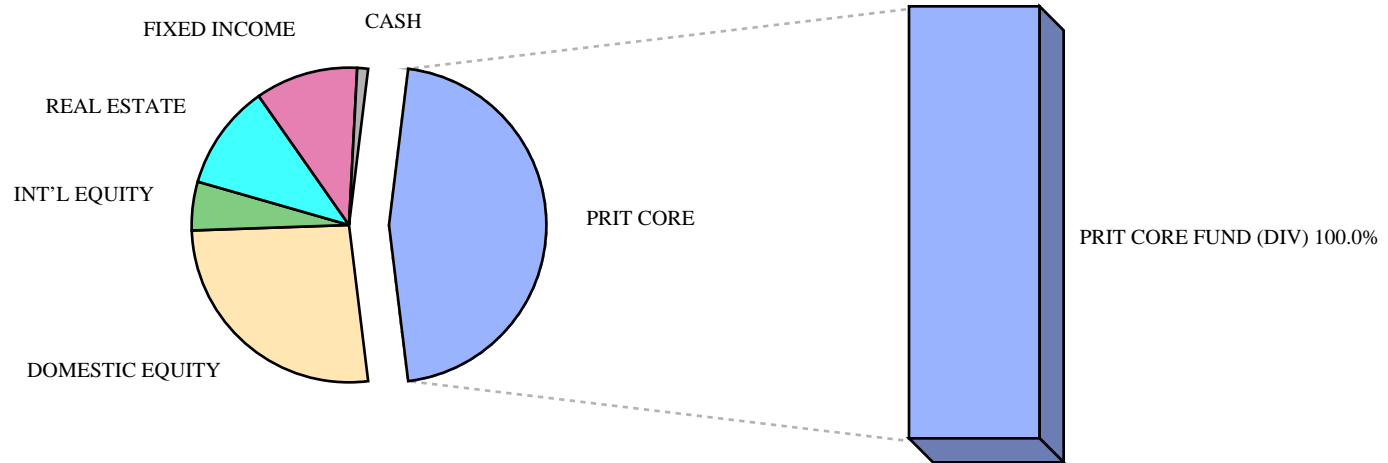
COMPARATIVE BENCHMARK: FRANKLIN REGIONAL POLICY INDEX



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
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
6/15	0.0	0.2	-0.2

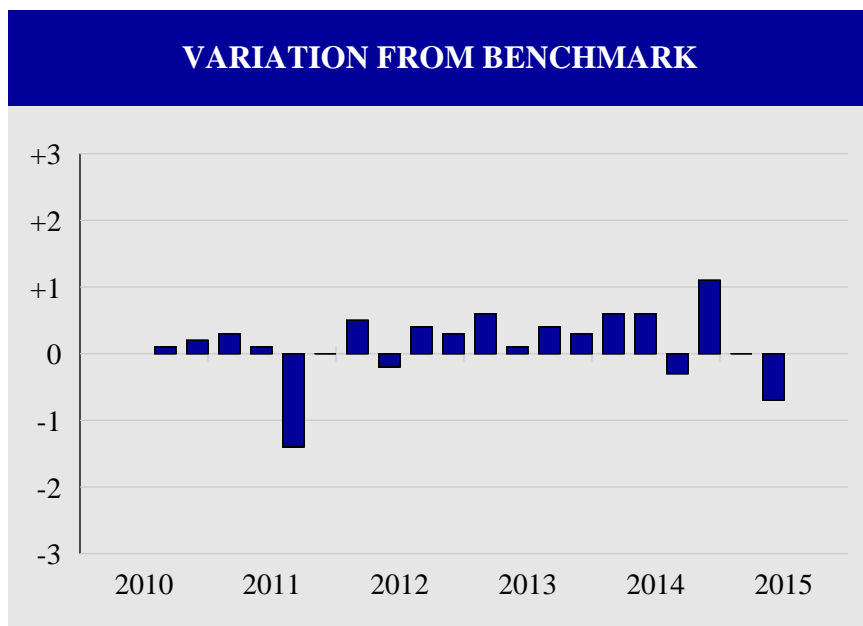
PRIT CORE MANAGER SUMMARY



TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
PRIT CORE FUND	(Public Fund)	0.0 (40)	2.7 (31)	3.9 (37)	11.4 (33)	11.1 (44)	\$55,046,801
<i>Custom Core Index</i>		<i>0.7 ---</i>	<i>3.4 ---</i>	<i>3.9 ---</i>	<i>10.2 ---</i>	<i>10.5 ---</i>	<i>---</i>

PRIT CORE QUARTERLY PERFORMANCE SUMMARY

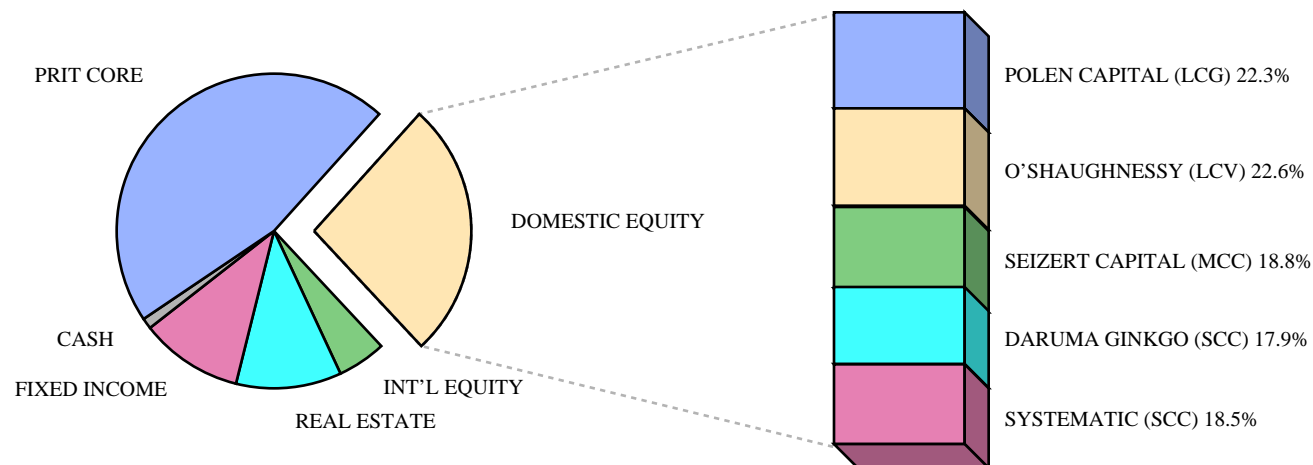
COMPARATIVE BENCHMARK: CUSTOM CORE INDEX



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

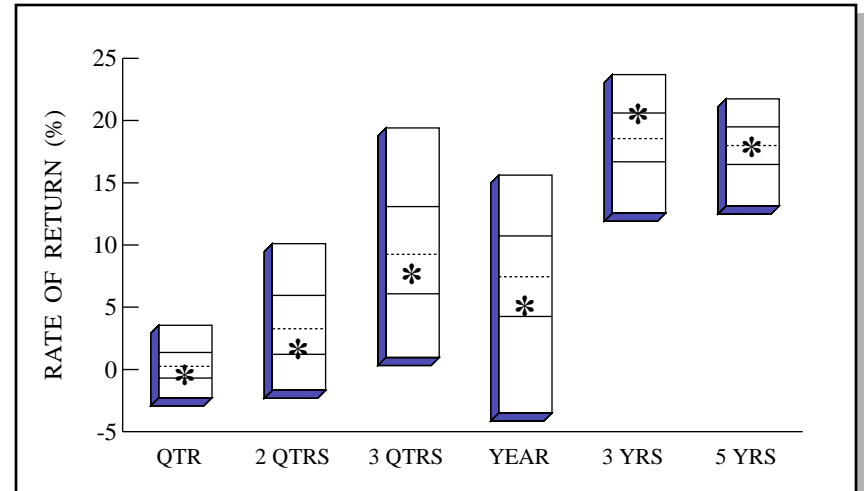
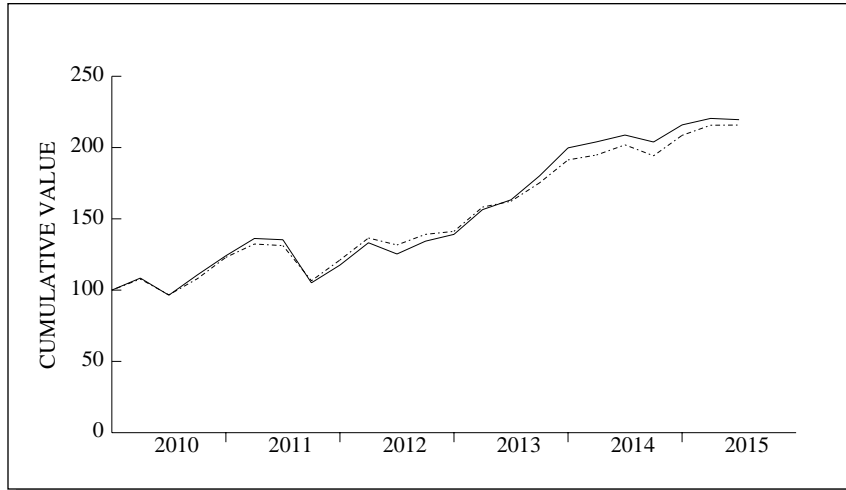
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/10	8.9	8.8	0.1
12/10	6.1	5.9	0.2
3/11	4.3	4.0	0.3
6/11	1.7	1.6	0.1
9/11	-9.0	-7.6	-1.4
12/11	3.7	3.7	0.0
3/12	7.3	6.8	0.5
6/12	-1.5	-1.3	-0.2
9/12	4.4	4.0	0.4
12/12	3.1	2.8	0.3
3/13	4.6	4.0	0.6
6/13	0.2	0.1	0.1
9/13	5.1	4.7	0.4
12/13	4.9	4.6	0.3
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
6/15	0.0	0.7	-0.7

DOMESTIC EQUITY MANAGER SUMMARY

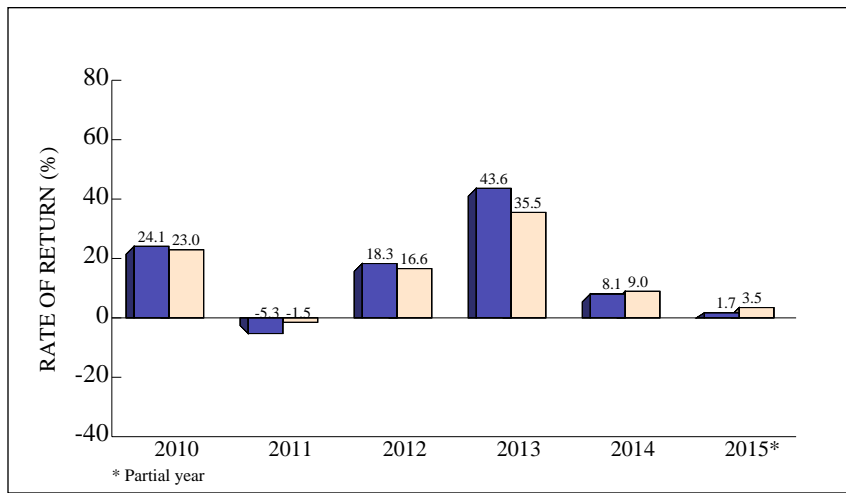


TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
POLEN CAPITAL	(Large Cap Growth)	2.5 (6)	6.3 (27)	19.1 (3)	17.1 (72)	----	\$7,357,860
<i>Russell 1000 Growth</i>		<i>0.1</i> ----	<i>4.0</i> ----	<i>10.6</i> ----	<i>18.0</i> ----	<i>18.6</i> ----	----
O'SHAUGHNESSY	(Large Cap Value)	-1.7 (93)	0.5 (55)	4.8 (55)	20.4 (22)	----	\$7,246,811
<i>Russell 1000 Value</i>		<i>0.1</i> ----	<i>-0.6</i> ----	<i>4.1</i> ----	<i>17.3</i> ----	<i>16.5</i> ----	----
SEIZERT CAPITAL	(Mid Cap)	-0.4 (57)	1.7 (87)	1.9 (94)	24.6 (2)	----	\$6,188,023
<i>Russell Mid Cap</i>		<i>-1.5</i> ----	<i>2.4</i> ----	<i>6.6</i> ----	<i>19.3</i> ----	<i>18.2</i> ----	----
DARUMA GINKGO	(Small Cap)	-0.1 (66)	-0.4 (95)	-2.6 (95)	16.9 (76)	15.4 (87)	\$5,638,517
SYSTEMATIC	(Small Cap)	-2.7 (98)	-0.4 (95)	-0.7 (90)	----	----	\$5,905,757
<i>Russell 2000</i>		<i>0.4</i> ----	<i>4.8</i> ----	<i>6.5</i> ----	<i>17.8</i> ----	<i>17.1</i> ----	----

DOMESTIC EQUITY RETURN COMPARISONS



Domestic Equity Universe

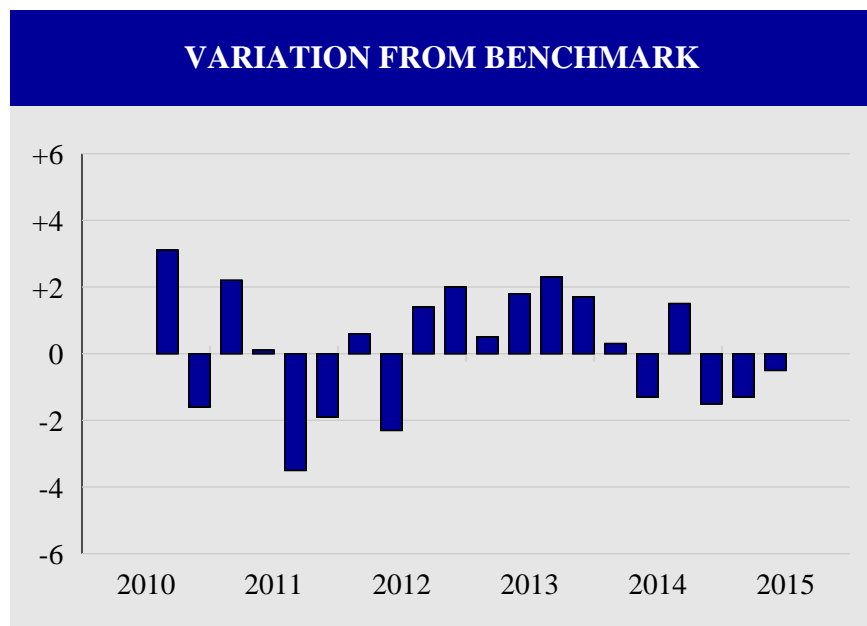


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED----- 3 YRS	5 YRS
RETURN	-0.4	1.7	7.7	5.2	20.5	17.9
(RANK)	(68)	(70)	(62)	(69)	(26)	(52)
5TH %ILE	3.5	10.1	19.4	15.6	23.7	21.7
25TH %ILE	1.4	6.0	13.1	10.7	20.6	19.5
MEDIAN	0.3	3.3	9.3	7.5	18.6	18.0
75TH %ILE	-0.7	1.2	6.1	4.3	16.7	16.5
95TH %ILE	-2.3	-1.7	1.0	-3.5	12.6	13.1
Equity Index	0.1	3.5	11.1	6.9	17.9	17.4

Domestic Equity Universe

DOMESTIC EQUITY QUARTERLY PERFORMANCE SUMMARY

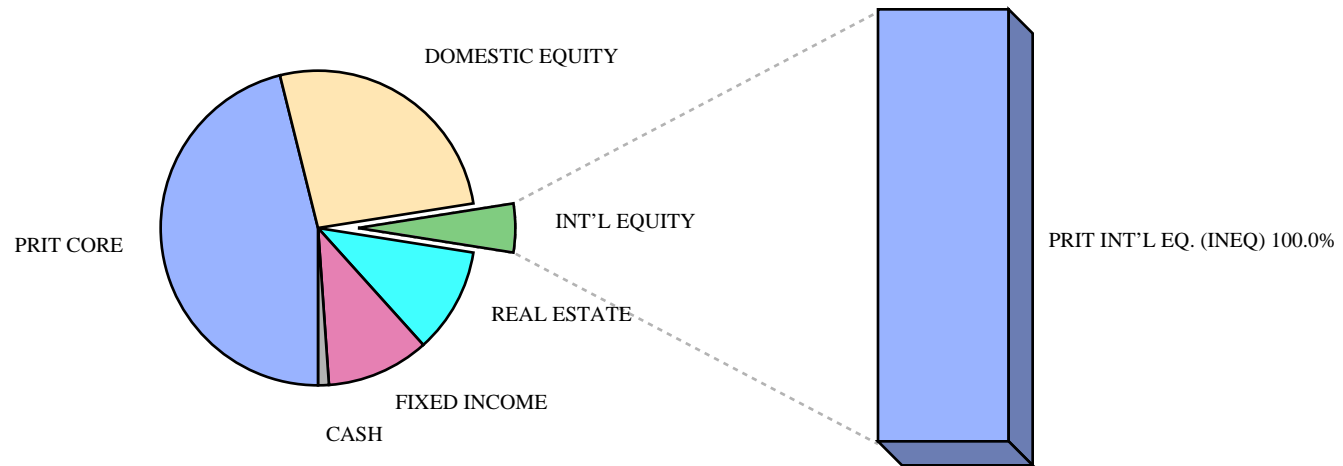
COMPARATIVE BENCHMARK: FRANKLIN COUNTY EQUITY INDEX



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

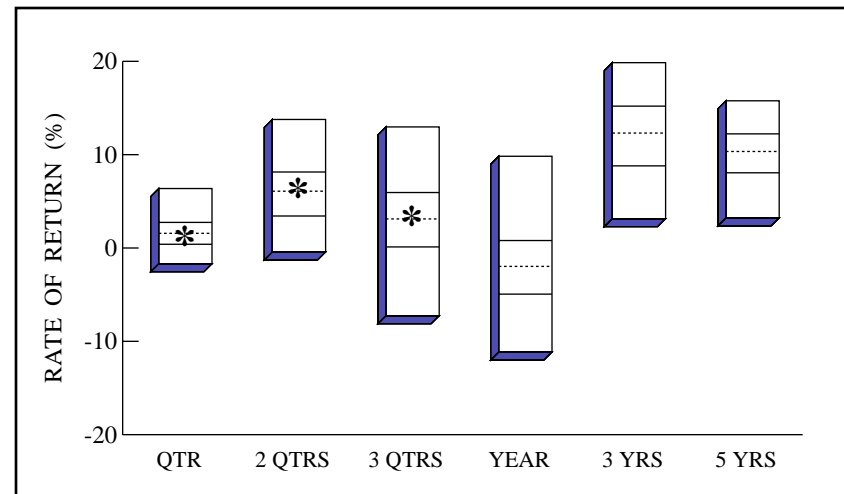
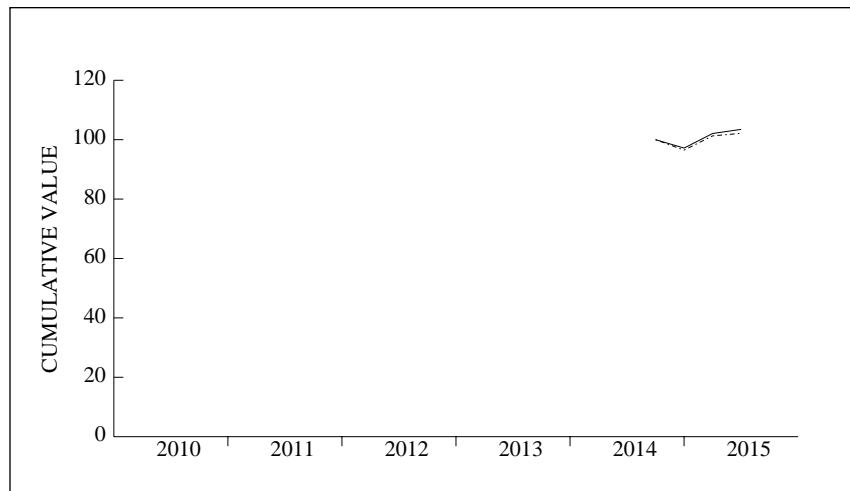
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/10	14.8	11.7	3.1
12/10	12.2	13.8	-1.6
3/11	9.8	7.6	2.2
6/11	-0.7	-0.8	0.1
9/11	-22.3	-18.8	-3.5
12/11	11.8	13.7	-1.9
3/12	13.3	12.7	0.6
6/12	-5.9	-3.6	-2.3
9/12	7.1	5.7	1.4
12/12	3.5	1.5	2.0
3/13	12.5	12.0	0.5
6/13	4.4	2.6	1.8
9/13	10.3	8.0	2.3
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
6/15	-0.4	0.1	-0.5

INTERNATIONAL EQUITY MANAGER SUMMARY

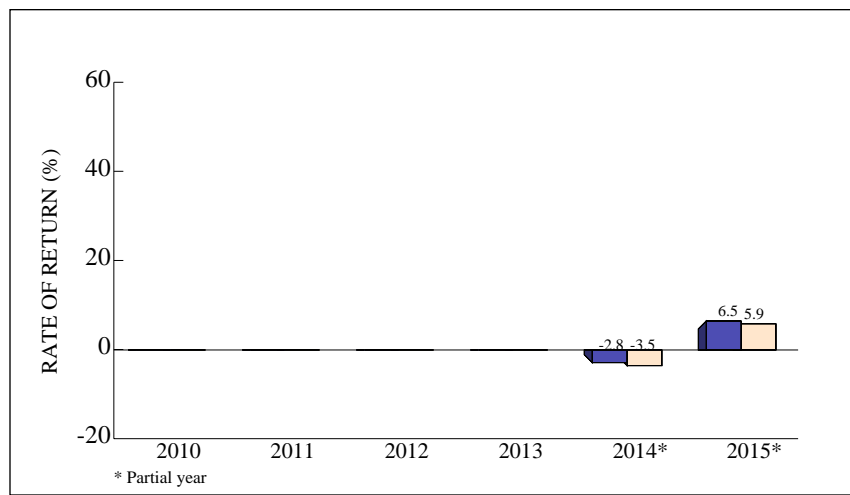


TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
PRIT INT'L EQ.	(International Equity)	1.4 (54)	6.5 (44)	----	----	----	\$5,887,656
<i>MSCI EAFE</i>		<i>0.8</i> ----	<i>5.9</i> ----	<i>-3.8</i> ----	<i>12.5</i> ----	<i>10.0</i> ----	----

INTERNATIONAL EQUITY RETURN COMPARISONS



International Equity Universe

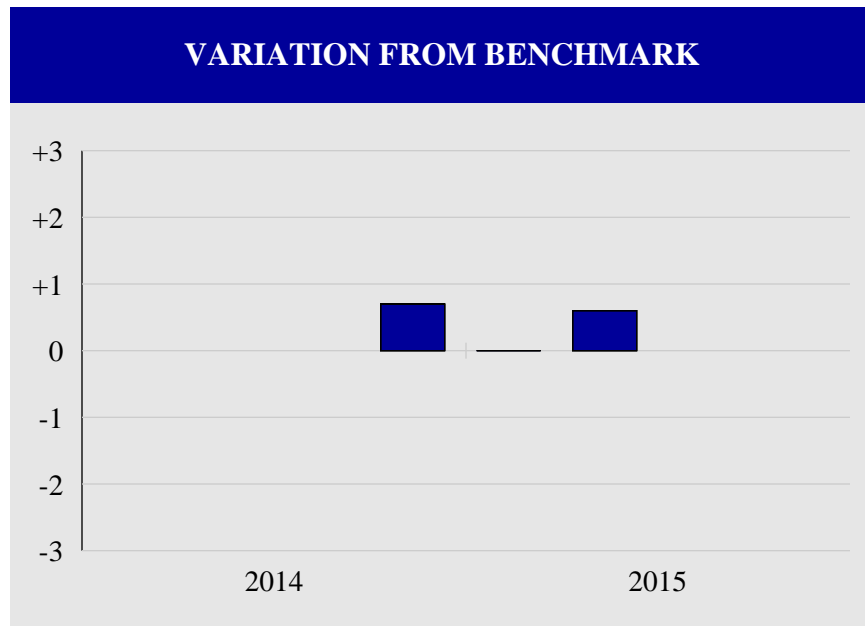


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	1.4	6.5	3.5	---	---	---
(RANK)	(54)	(44)	(49)	---	---	---
5TH %ILE	6.4	13.8	13.0	9.8	19.9	15.8
25TH %ILE	2.7	8.1	5.9	0.8	15.2	12.2
MEDIAN	1.6	6.1	3.1	-2.0	12.3	10.3
75TH %ILE	0.4	3.4	0.1	-4.9	8.8	8.1
95TH %ILE	-1.7	-0.4	-7.3	-11.2	3.2	3.2
MSCI EAFE	0.8	5.9	2.1	-3.8	12.5	10.0

International Equity Universe

INTERNATIONAL EQUITY QUARTERLY PERFORMANCE SUMMARY

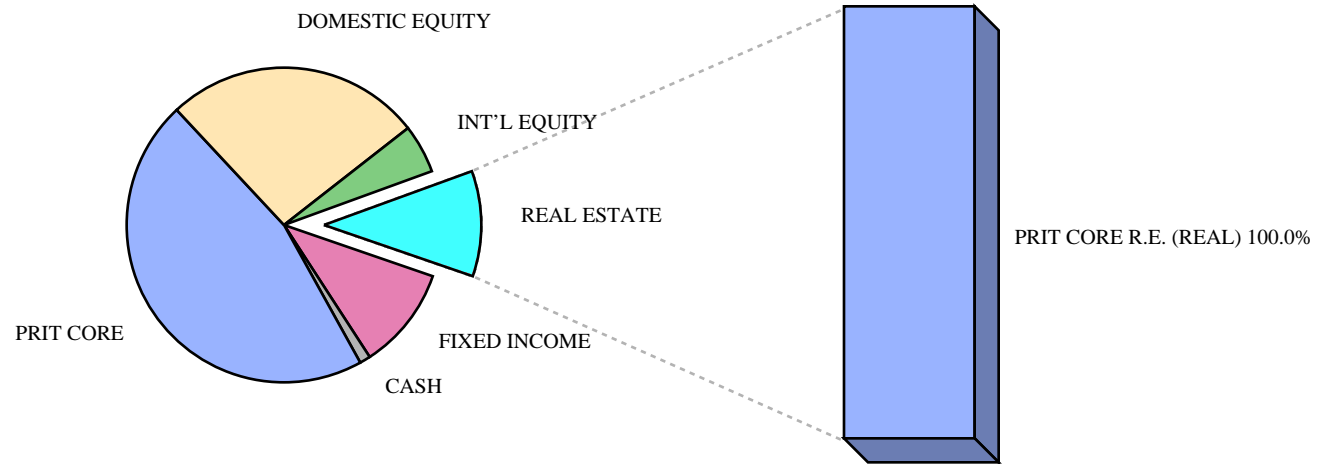
COMPARATIVE BENCHMARK: MSCI EAFE



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/14	-2.8	-3.5	0.7
3/15	5.0	5.0	0.0
6/15	1.4	0.8	0.6

Total Quarters Observed	3
Quarters At or Above the Benchmark	3
Quarters Below the Benchmark	0
Batting Average	1.000

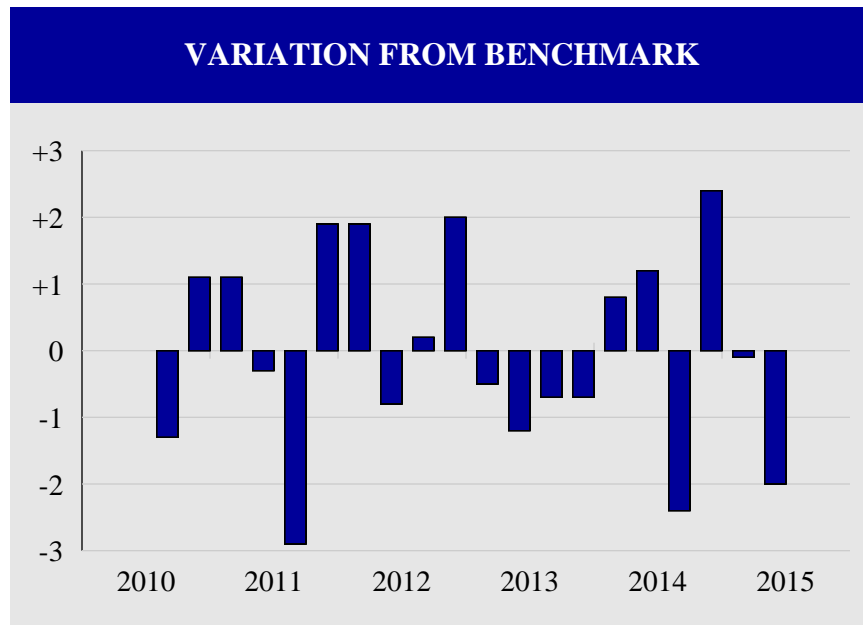
REAL ESTATE MANAGER SUMMARY



MANAGER	(UNIVERSE)	TOTAL RETURNS AND RANKINGS					MARKET VALUE
		QTR	YTD	1 YEAR	3 YEARS	5 YEARS	
PRIT CORE R.E.		1.8 ---	5.2 ---	12.0 ---	12.8 ---	---- ---	\$12,942,473
<i>NCREIF NFI-ODCE Index</i>		<i>3.8 ---</i>	<i>7.3 ---</i>	<i>14.4 ---</i>	<i>13.1 ---</i>	<i>14.4 ---</i>	---

REAL ESTATE QUARTERLY PERFORMANCE SUMMARY

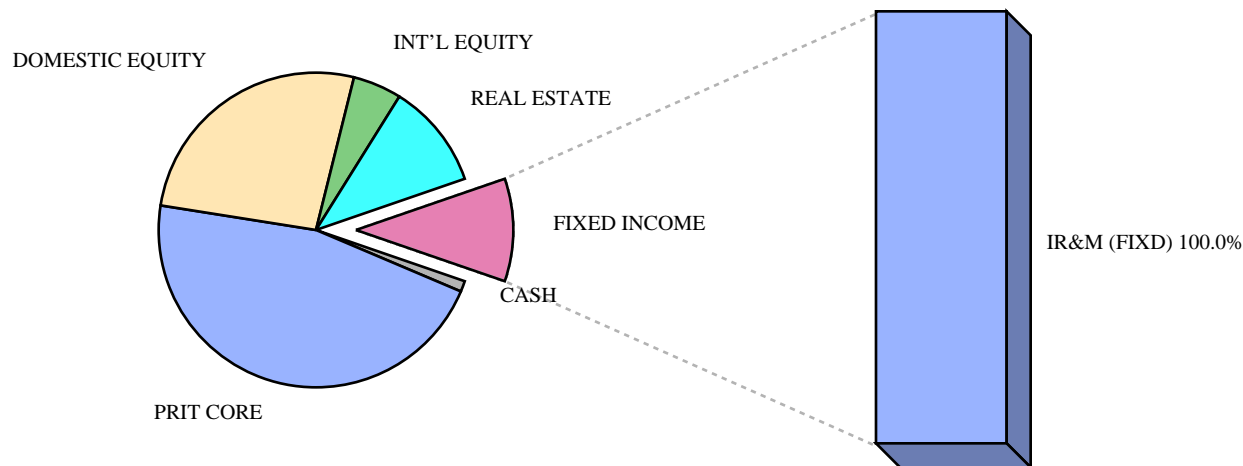
COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX



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

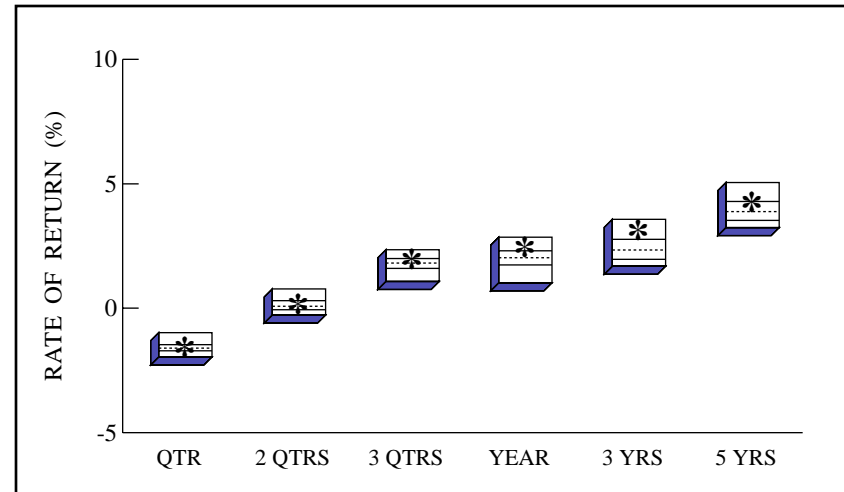
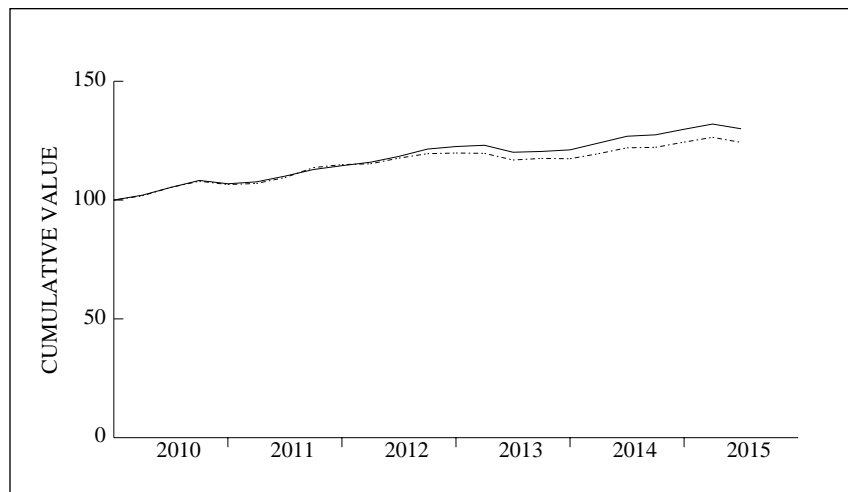
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/10	4.1	5.4	-1.3
12/10	6.1	5.0	1.1
3/11	5.1	4.0	1.1
6/11	4.3	4.6	-0.3
9/11	0.6	3.5	-2.9
12/11	4.9	3.0	1.9
3/12	4.7	2.8	1.9
6/12	1.7	2.5	-0.8
9/12	3.0	2.8	0.2
12/12	4.3	2.3	2.0
3/13	2.2	2.7	-0.5
6/13	2.7	3.9	-1.2
9/13	2.9	3.6	-0.7
12/13	2.5	3.2	-0.7
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
6/15	1.8	3.8	-2.0

FIXED INCOME MANAGER SUMMARY

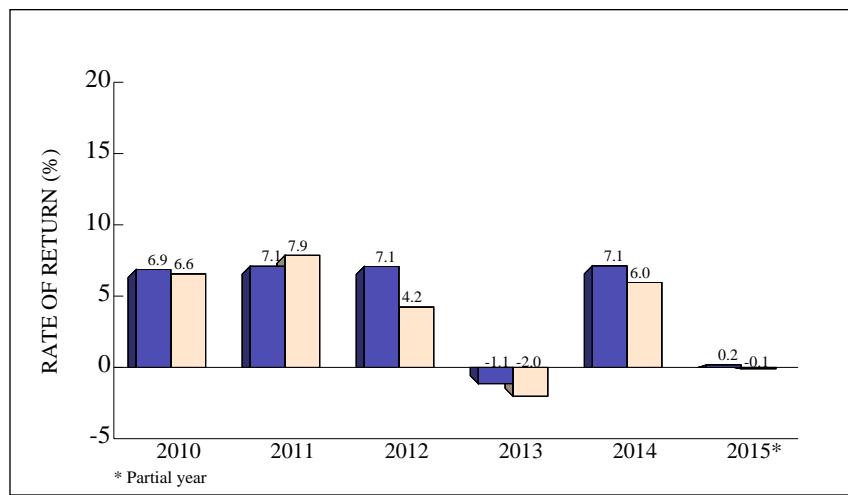


TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
IR&M	(Core Fixed Income)	-1.5 (34)	0.2 (39)	2.5 (16)	3.2 (14)	4.3 (24)	\$12,750,147
<i>Barclays Aggregate Index</i>		-1.7 ----	-0.1 ----	1.8 ----	1.8 ----	3.4 ----	----

FIXED INCOME RETURN COMPARISONS



Core Fixed Income Universe

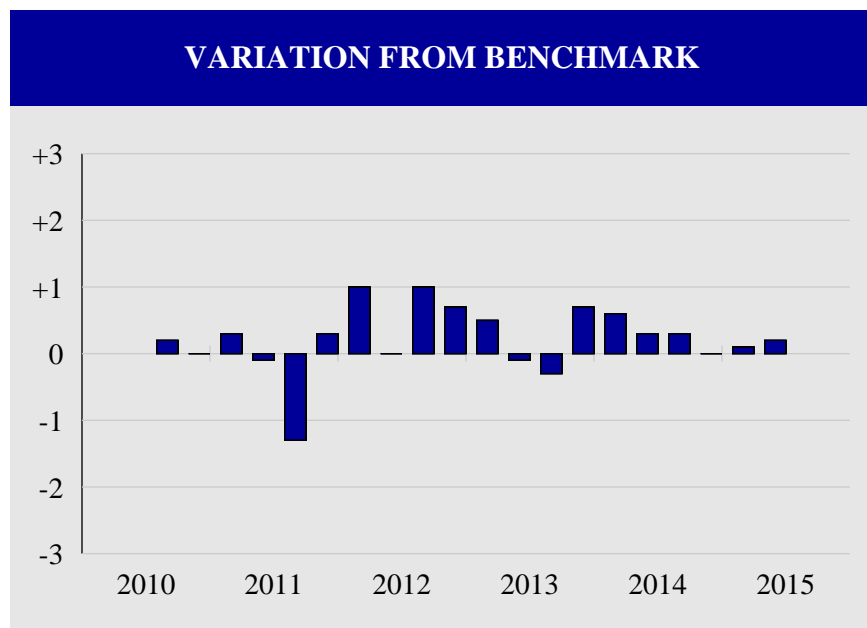


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-1.5	0.2	2.0	2.5	3.2	4.3
(RANK)	(34)	(39)	(29)	(16)	(14)	(24)
5TH %ILE	-1.0	0.8	2.4	2.9	3.6	5.1
25TH %ILE	-1.5	0.3	2.0	2.3	2.8	4.3
MEDIAN	-1.6	0.1	1.8	2.0	2.3	3.9
75TH %ILE	-1.7	-0.1	1.6	1.7	2.0	3.5
95TH %ILE	-2.0	-0.3	1.1	1.0	1.7	3.2
Agg Index	-1.7	-0.1	1.7	1.8	1.8	3.4

Core Fixed Income Universe

FIXED INCOME QUARTERLY PERFORMANCE SUMMARY

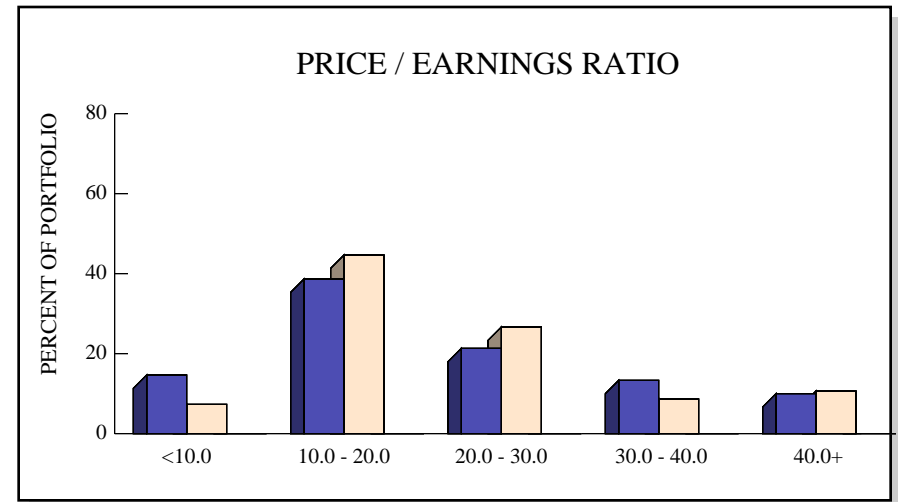
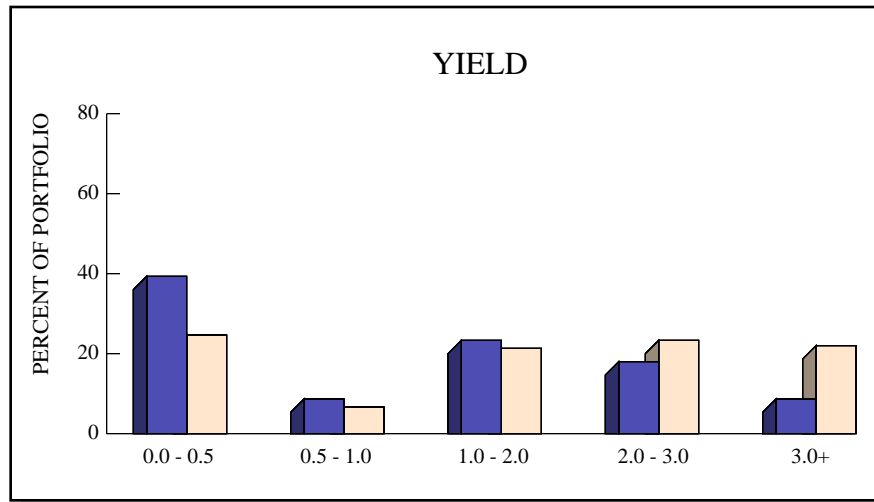
COMPARATIVE BENCHMARK: BARCLAYS AGGREGATE INDEX



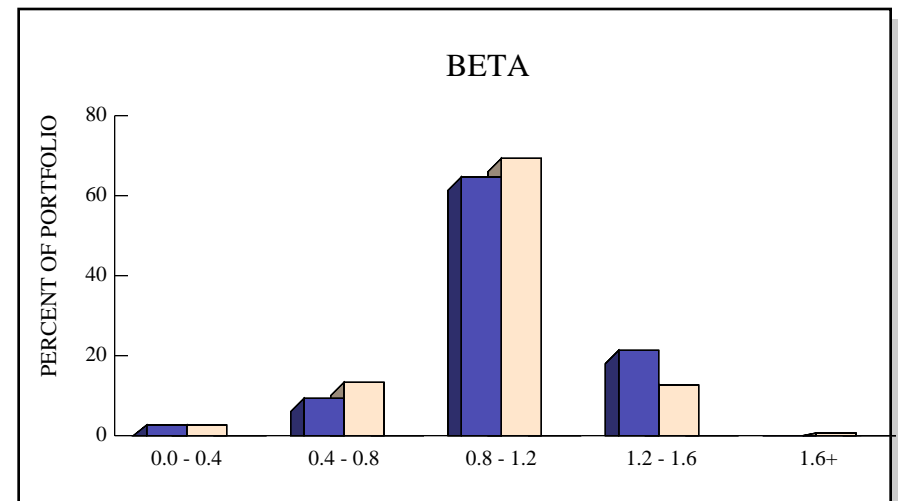
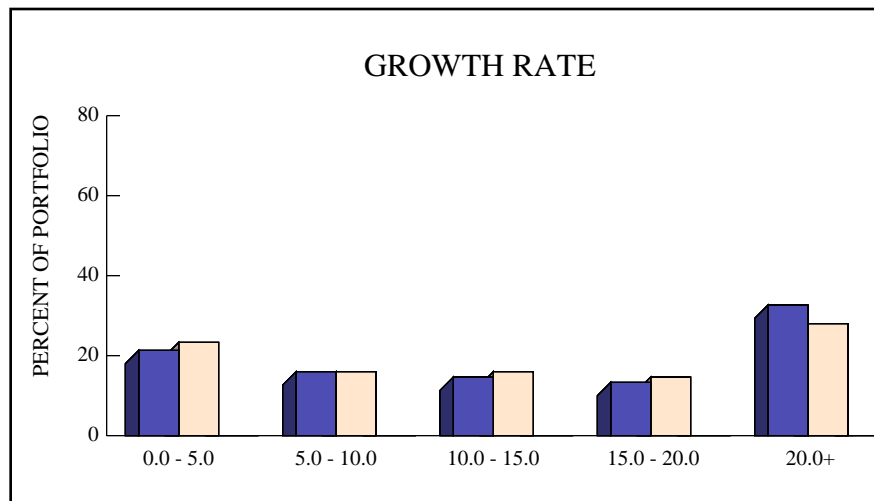
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/10	2.7	2.5	0.2
12/10	-1.3	-1.3	0.0
3/11	0.7	0.4	0.3
6/11	2.2	2.3	-0.1
9/11	2.5	3.8	-1.3
12/11	1.4	1.1	0.3
3/12	1.3	0.3	1.0
6/12	2.1	2.1	0.0
9/12	2.6	1.6	1.0
12/12	0.9	0.2	0.7
3/13	0.4	-0.1	0.5
6/13	-2.4	-2.3	-0.1
9/13	0.3	0.6	-0.3
12/13	0.6	-0.1	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
6/15	-1.5	-1.7	0.2

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

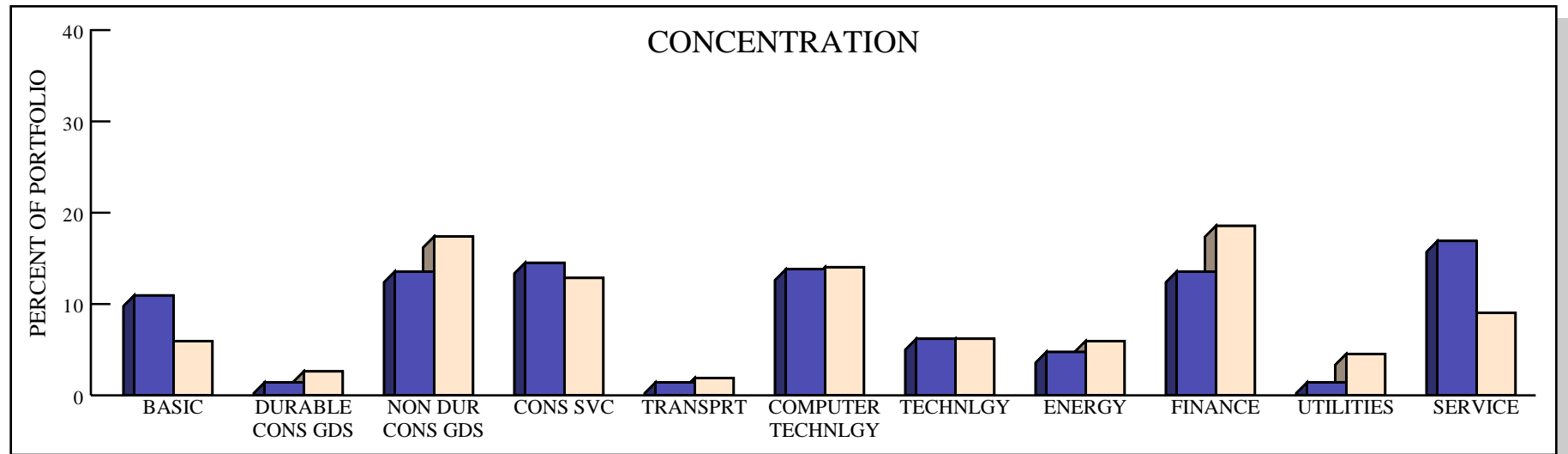
STOCK CHARACTERISTICS



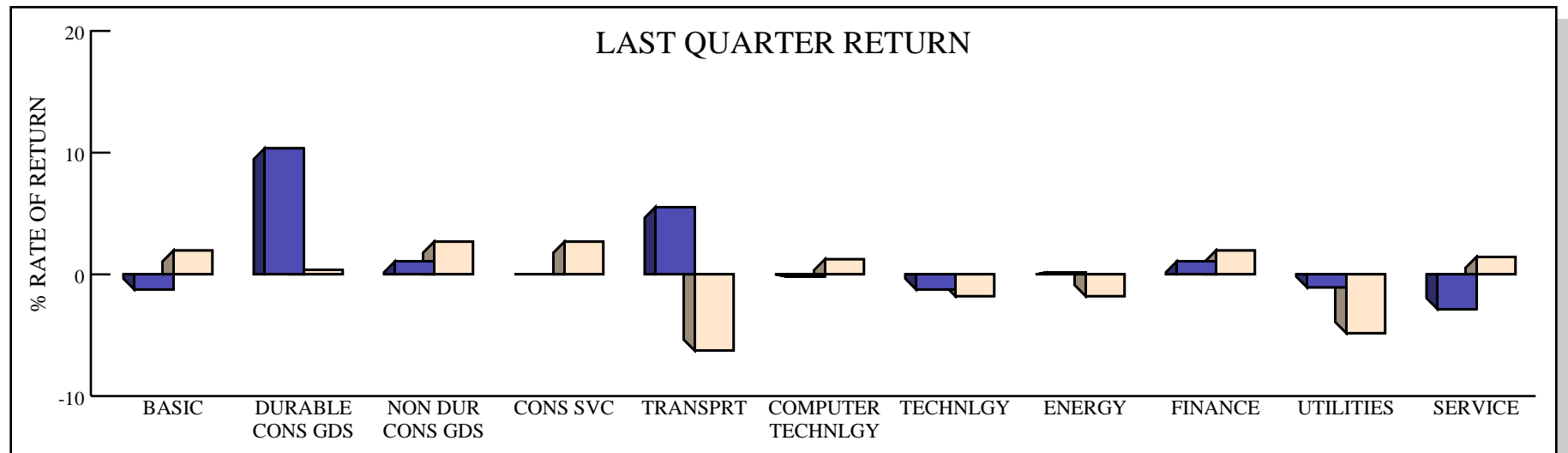
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	457	1.5%	15.4%	21.0	1.03
RUSSELL 3000	3,004	1.9%	15.2%	22.3	0.97



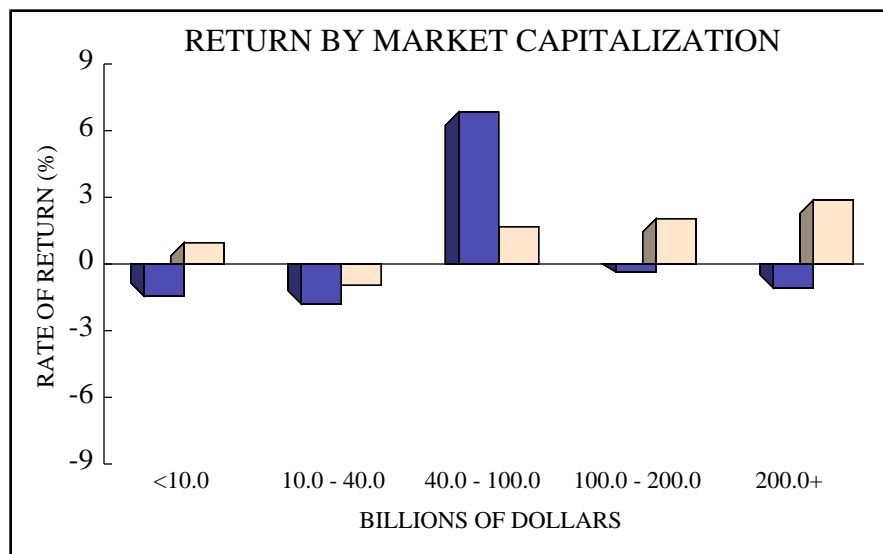
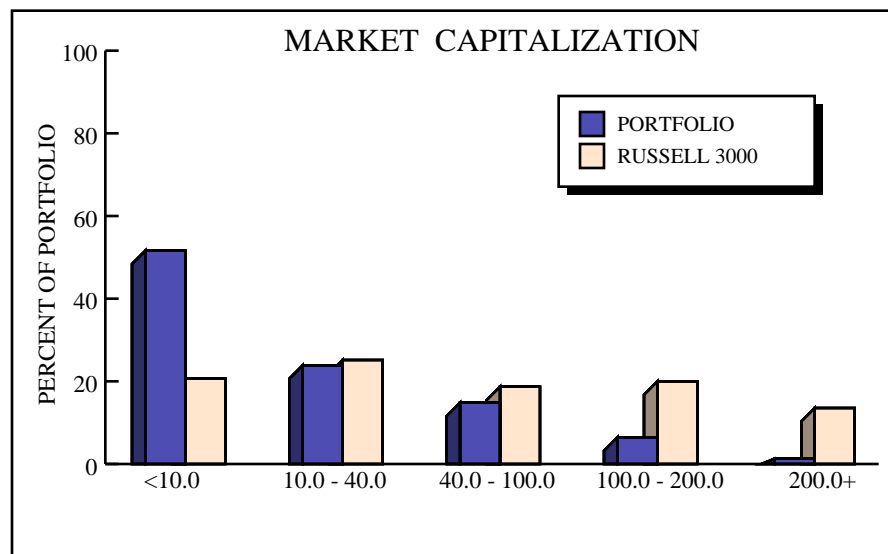
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL 3000



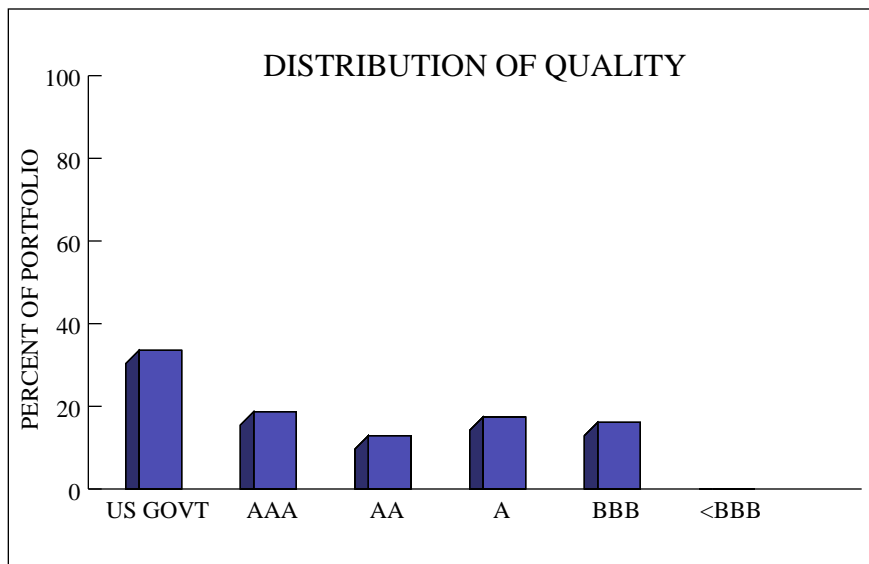
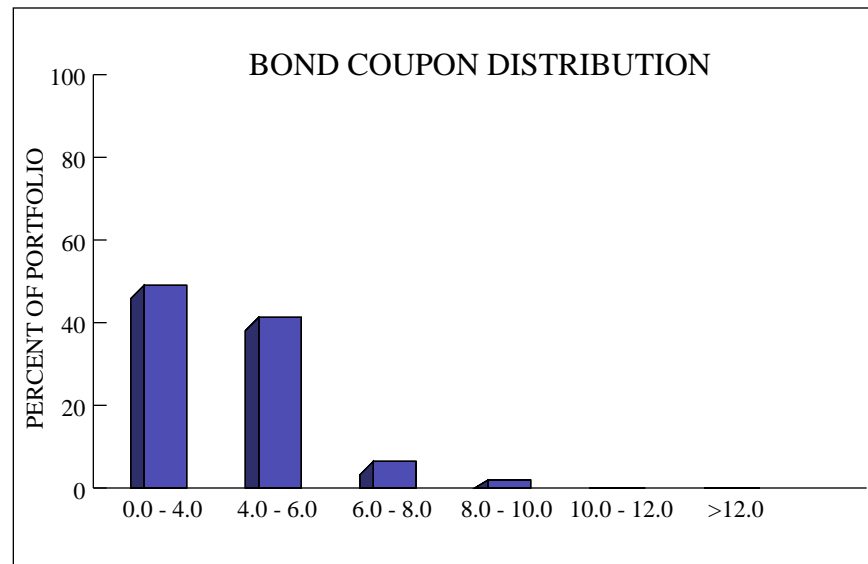
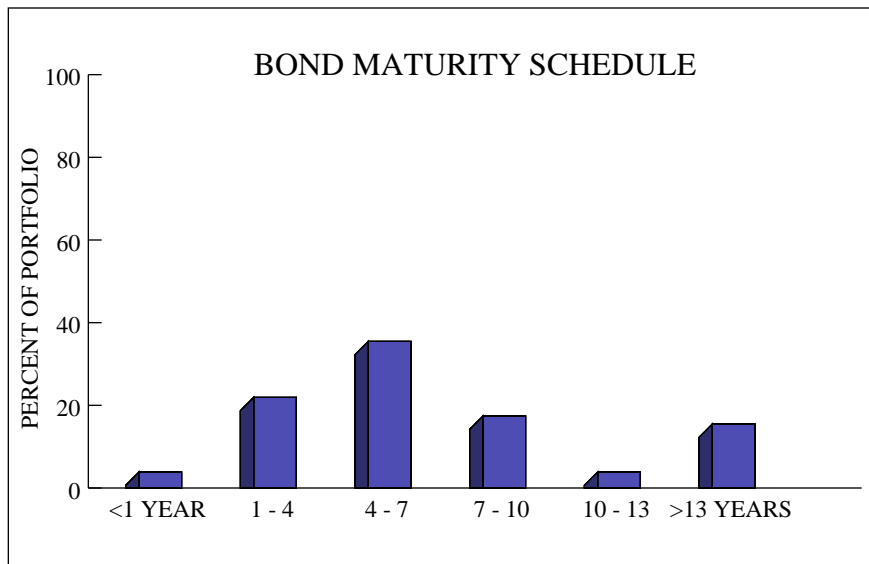
TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	VISA INC-CLASS A SHARES	\$ 520,144	1.65%	2.8%	Finance	\$ 131.4 B
2	NIKE INC -CL B	493,651	1.56%	7.9%	NonDur Cons Goods	73.7 B
3	ABBOTT LABORATORIES	465,278	1.47%	6.4%	NonDur Cons Goods	73.1 B
4	STARBUCKS CORP	448,692	1.42%	13.5%	Consumer Service	80.4 B
5	NETAPP INC	397,656	1.26%	-10.5%	Computer Tech	9.6 B
6	REGENERON PHARMACEUTICALS	383,618	1.22%	13.0%	NonDur Cons Goods	51.7 B
7	ORACLE CORP	382,447	1.21%	-6.3%	Computer Tech	174.7 B
8	PRICELINE GROUP INC/THE	371,893	1.18%	-1.1%	Service	59.7 B
9	GOOGLE INC-CL C	354,988	1.12%	-4.8%	Computer Tech	177.9 B
10	TJX COMPANIES INC	353,943	1.12%	-5.3%	Consumer Service	45.0 B

BOND CHARACTERISTICS



	PORTFOLIO	BARCLAYS AGG
No. of Securities	210	9,496
Duration	5.59	5.63
YTM	2.73	2.39
Average Coupon	3.82	3.22
Avg Maturity / WAL	8.04	7.87
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	1.1	1.6	0.1	1.3	1.9
Domestic Equity	Style	QTR	YTD	1 Year	3 years	5 Years
Russell 3000	Broad Equity	0.1	1.9	7.3	17.7	17.5
S&P 500	Large Cap Core	0.3	1.2	7.4	17.3	17.3
Russell 1000	Large Cap	0.1	1.7	7.4	17.7	17.6
Russell 1000 Growth	Large Cap Growth	0.1	4.0	10.6	18.0	18.6
Russell 1000 Value	Large Cap Value	0.1	-0.6	4.1	17.3	16.5
Russell Mid Cap	Midcap	-1.5	2.4	6.6	19.3	18.2
Russell Mid Cap Growth	Midcap Growth	-1.1	4.2	9.5	19.2	18.7
Russell Mid Cap Value	Midcap Value	-2.0	0.4	3.7	19.1	17.7
Russell 2000	Small Cap	0.4	4.8	6.5	17.8	17.1
Russell 2000 Growth	Small Cap Growth	2.0	8.7	12.4	20.1	19.3
Russell 2000 Value	Small Cap Value	-1.2	0.8	0.8	15.5	14.8
International Equity	Style	QTR	YTD	1 Year	3 years	5 Years
MSCI EAFE	Developed Markets Equity	0.8	5.9	-3.8	12.5	10.0
MSCI EAFE Growth	Developed Markets Growth	1.2	7.2	-1.0	12.5	10.5
MSCI EAFE Value	Developed Markets Value	0.5	4.5	-6.6	12.4	9.5
MSCI All Country World Ex US	Foreign Equity	0.7	4.3	-4.8	9.9	8.2
MSCI Emerging Markets	Emerging Markets Equity	0.8	3.1	-4.8	4.1	4.0
Domestic Fixed Income	Style	QTR	YTD	1 Year	3 years	5 Years
Barclays Aggregate Index	Core Fixed Income	-1.7	-0.1	1.8	1.8	3.4
Barclays Capital Gov't Bond	Treasuries	-1.5	0.1	2.3	0.9	2.6
Barclays Capital Credit Bond	Corporate Bonds	-2.9	-0.8	0.9	3.0	4.9
Intermediate Aggregate	Core Intermediate	-0.7	0.6	1.9	1.7	2.9
ML/BoA 1-3 Year Treasury	Short Term Treasuries	0.1	0.7	0.9	0.5	0.7
CSFB High Yield	High Yield Bonds	0.3	2.9	-0.7	6.6	8.3
Alternative Assets	Style	QTR	YTD	1 Year	3 years	5 Years
Barclays Global Ex US	International Treasuries	-1.5	-5.1	-12.9	-3.8	-1.9
NCREIF NFI-ODCE Index	Real Estate	3.8	7.3	14.4	13.1	14.4
HFRI FOF Composite	Hedge Funds	0.1	2.6	3.8	6.2	4.1

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
JUNE 2015

INVESTMENT RETURN

On June 30th, 2015, the Franklin Regional Retirement System's PRIT Core Fund was valued at \$55,046,801, a decrease of \$660,216 from the March ending value of \$55,707,017. Last quarter, the account recorded total net withdrawals of \$635,319 in addition to \$24,897 in net investment losses. The fund's net investment loss was a result of income receipts totaling \$459,673 and realized and unrealized capital losses totaling \$484,570.

Since December 2009, the account has recorded net withdrawals totaling \$13.8 million while posting net investment gains totaling \$27.3 million. Since December 2009, if the account earned a compounded nominal rate of 8.25% it would have been valued at \$49.8 million or \$5.2 million less than the actual value as of June 30th, 2015.

RELATIVE PERFORMANCE

Total Portfolio

For the second quarter, the PRIT Core Fund returned 0.0%, which was 0.7% below the Custom Core Index's return of 0.7% and ranked in the 40th percentile of the Public Fund universe. Over the trailing twelve-month period, this portfolio returned 3.9%, which was equal to the benchmark's 3.9% performance, and ranked in the 37th percentile. Since December 2009, the portfolio returned 9.7% annualized and ranked in the 39th percentile. The Custom Core Index returned an annualized 9.1% over the same time frame.

PRIT Core

Performance was primarily favorable across the PRIT sleeves in the second quarter, but underperformance and negative returns led to an 80 basis point shortfall. Domestic Equity (19.2% allocation) posted a 0.1% gain, 10 basis points less than the benchmark. Core Fixed Income mirrored the index with a -7.9% return, while Value-added Fixed Income posted a 0.8% gain to the benchmark's 0.1% loss. Real Estate (10.0%) outpaced the index by 30 basis points (1.8% vs.

1.5%). However, the Hedge Funds sleeve dropped 50 basis points compared to the index's 0.1% gain.

PRIT Domestic Equity

Large Cap managers accounted for 15.0% of the sleeve's 19.2% Core allocation, or 78.1% of the segment. The SSgA S&P 500 index fund (12.0% allocation) returned 0.2%, consistent with the index. Weakness in Intech and PIMCO Domestic (-1.0% and 0.2%, respectively) dragged Large Cap returns below the benchmark, contributing to the sleeve's underperformance.

Summit Creek (Small Cap Growth) returned 1.7% compared to the Russell 2000 Growth index's 2.0% gain. The Smid Cap Core segment (2.9% allocation) also trailed the benchmark, returning -0.5%, while the benchmark lost 0.3%.

PRIT International Equity

The International Equity sleeve (16.9%) represented a strong-performing sleeve in the second quarter, returning 1.5% compared to the custom index's 0.7%.

SSgA World Ex-US index fund returned 1.1%, and accounted for 8.4% of the total Core portfolio, while Marathon Asset Management rose 3.1%, whose selection effects were compounded by a 4.0% allocation. FIS inched up just 0.1%, but represented a small piece of the sleeve.

PRIT Emerging Markets Equity

Two new managers were added to the Emerging Markets Equity sleeve: Acadian Frontier and City of London. The Emerging Markets segment added 1.3% for the quarter, compared to 1.0% for the sleeve benchmark. For the 1-year period, the sleeve lost 5.9% compared to the benchmark's 3.9% loss, while the 3-year period also underperformed (4.2% vs. 4.5%)

PRIT Hedge Funds

The HFRI Fund of Funds benchmark continues to offer a low performance hurdle, a gain of 0.1%. However, the Hedge Fund sleeve sustained a 60 basis point deficit. Direct Hedge Funds (6.6% PRIT weight, or 72.5% of the sleeve allocation) gained lost 1.0% for the quarter, while returning 4.4% and 8.8% in the one- and three-year periods. PAAMCO (2.0% allocation) beat the benchmark by 70 basis points (0.8% vs. 0.1%).

PRIT Real Estate

The PRIT Real Estate sleeve represented 10.0% of the PRIT portfolio (including 1.6% in debt), and returned 1.8% for the quarter, exceeding benchmark performance by 30 basis points. The Private Real Estate component – representing 81.0% of the sleeve – beat the NCREIF Property index (One quarter lag), despite underperforming returns delivered by core managers. Invesco Core (1.8% allocation) returned 1.5%, while Lasalle, AEW, JP Morgan, and TA Associates gained 4.2%, 4.9%, 2.7%, and 3.1%, respectively. However, Total Leveraged Separate Accounts posted a benchmark-beating 4.1% gain when accounting for the -1.6% debt allocation.

Additionally, sleeve's REIT managers (1.9% combined) were better able to curb extensive losses compared to the FTSE EPRA NAREIT Developed Net Total Return index by 20 basis points (-6.5% vs. -6.7%). Centersquare lost 6.5% in the quarter, and accounted for most of the REIT component's benchmark outperformance.

PRIT Fixed Income

In the second quarter, the PRIT Core Fixed Income sleeve lost 7.9%, matching the hybrid index's return. The fundamental core elements made up 32.1% of the sleeve, including the Loomis Sayles Core manager which posted a return of -1.3%, trailing the Barclays Aggregate index by 40 basis points.

The BlackRock STRIPS account represented 46.0% of the Core Fixed Income allocation. This component sustained a -14.3% return, which was expectedly consistent with the Barclays US Treasury STRIPS 20+ Year index. Total Inflation-linked Bonds also dipped, losing 2.3%, and comprised 21.9% of the sleeve, trailing the hybrid index by 30 basis points.

Conversely, the Value-Added Fixed Income outperformed, gaining 0.8% for the quarter compared to the benchmark's 0.1% loss. Distressed Debt represented 26.5% of the sleeve and gained 2.0%, which was 210 basis points greater than the NYU Salomon Center Combined Defaulted Public Bond & Bank Loan index. Emerging Market Debt (1.7% allocation) similarly outperformed, while high yield bonds and bank loans outpaced the benchmark across the board.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 12/09
Total Gross/Fees	0.0	2.7	3.9	11.4	9.7
<i>PUBLIC FUND RANK</i>	(40)	(31)	(37)	(33)	(39)
Total Net/Fees	-0.2	2.4	3.4	10.8	9.1
CUSTOM CORE IDX	0.7	3.4	3.9	10.2	9.1
PRIT Core	0.0	2.7	3.9	11.4	9.7
<i>PUBLIC FUND RANK</i>	(40)	(31)	(37)	(33)	(39)
CUSTOM CORE IDX	0.7	3.4	3.9	10.2	9.1

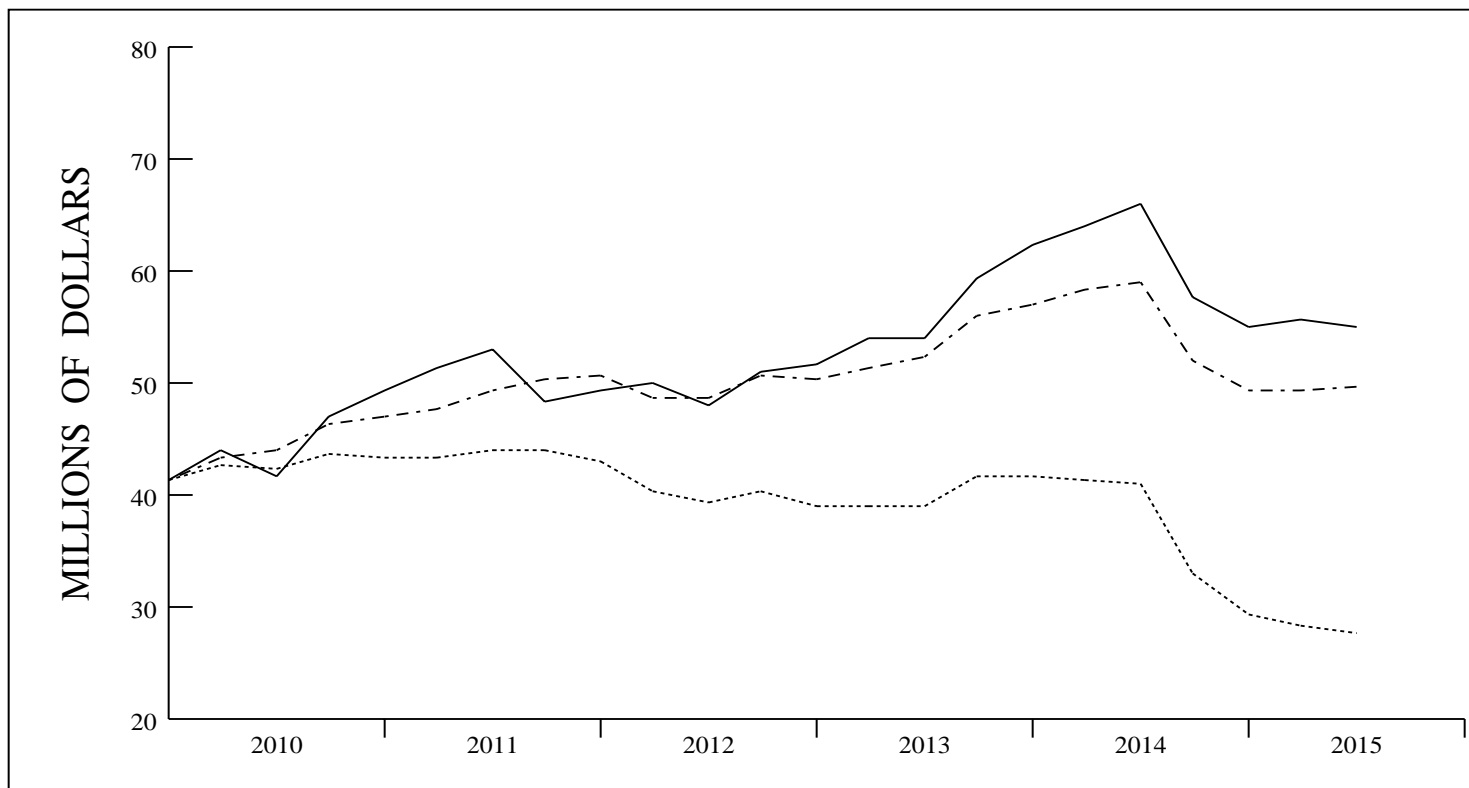
ASSET ALLOCATION

PRIT Core	100.0%	\$ 55,046,801
Total Portfolio	100.0%	\$ 55,046,801

INVESTMENT RETURN

Market Value 3/2015	\$ 55,707,017
Contribs / Withdrawals	-635,319
Income	459,673
Capital Gains / Losses	-484,570
Market Value 6/2015	\$ 55,046,801

INVESTMENT GROWTH

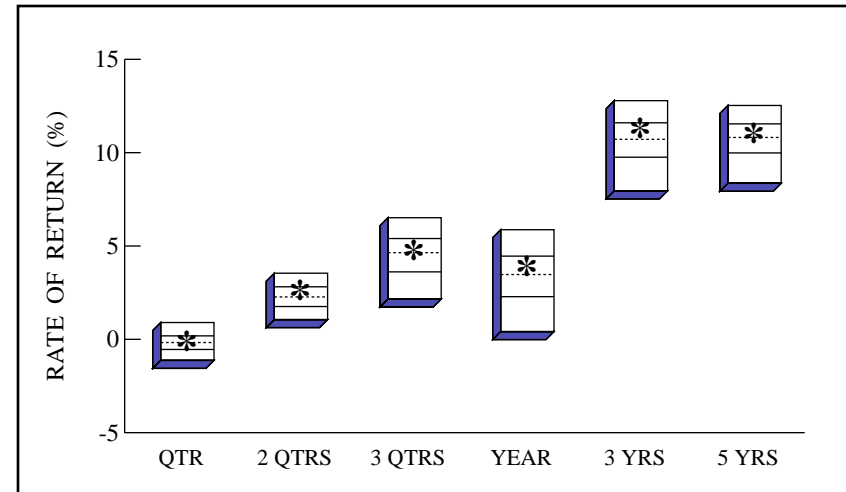
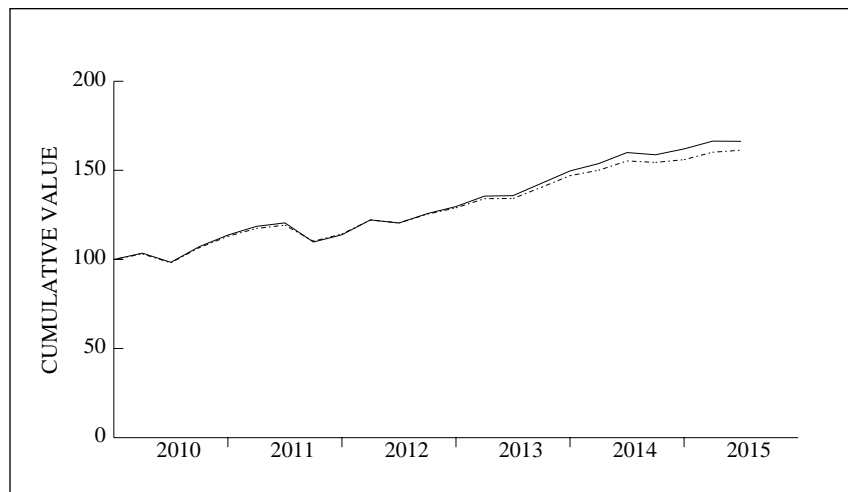


—	ACTUAL RETURN
- - -	8.25%
.....	0.0%

VALUE ASSUMING	
8.25% RETURN	\$ 49,841,851

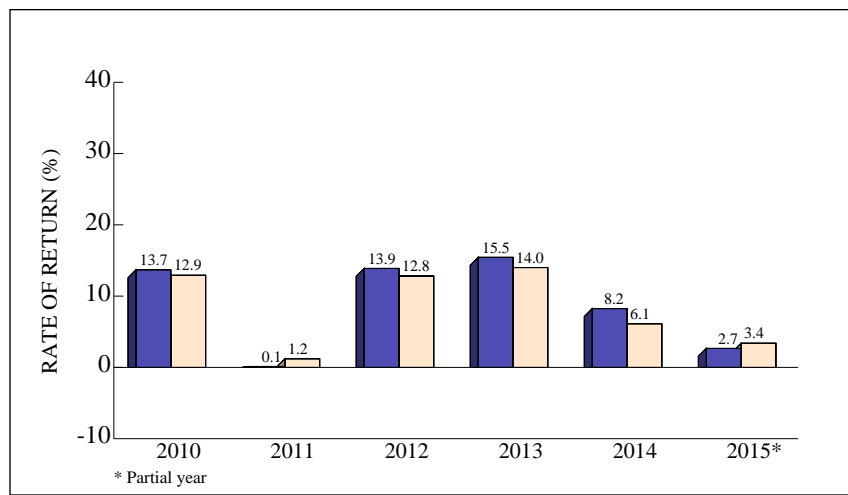
	LAST QUARTER	PERIOD 12/09 - 6/15
BEGINNING VALUE	\$ 55,707,017	\$ 41,496,600
NET CONTRIBUTIONS	-635,319	- 13,755,802
INVESTMENT RETURN	- 24,897	27,306,004
ENDING VALUE	\$ 55,046,801	\$ 55,046,801
INCOME	459,673	8,515,264
CAPITAL GAINS (LOSSES)	-484,570	18,790,740
INVESTMENT RETURN	- 24,897	27,306,004

TOTAL RETURN COMPARISONS



■ ——— PORTFOLIO
■ - - - - CUSTOM CORE IDX

Public Fund Universe

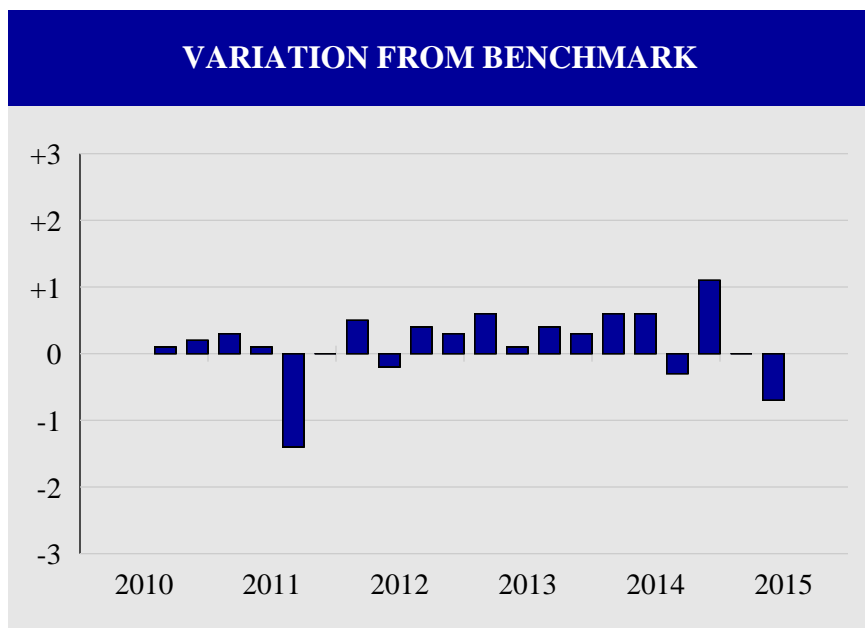


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED----- 3 YRS	5 YRS
RETURN	0.0	2.7	4.8	3.9	11.4	11.1
(RANK)	(40)	(31)	(46)	(37)	(33)	(44)
5TH %ILE	0.9	3.5	6.5	5.9	12.8	12.5
25TH %ILE	0.2	2.8	5.4	4.5	11.6	11.5
MEDIAN	-0.2	2.3	4.6	3.5	10.7	10.8
75TH %ILE	-0.5	1.8	3.6	2.3	9.8	10.0
95TH %ILE	-1.1	1.1	2.2	0.4	8.0	8.4
PRIT Index	0.7	3.4	4.4	3.9	10.2	10.5

Public Fund Universe

TOTAL PORTFOLIO 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
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
6/15	0.0	0.7	-0.7

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

INVESTMENT RETURN

On June 30th, 2015, the Franklin Regional Retirement System's Polen Capital Management Large Cap Growth Fund was valued at \$7,357,860, a decrease of \$411,075 from the March ending value of \$7,768,935. Last quarter, the account recorded a net withdrawal of \$596,253, which overshadowed the fund's net investment return of \$185,178. Income receipts totaling \$28,227 and realized and unrealized capital gains of \$156,951 combined to produce the portfolio's net investment return.

Since March 2012, the account has recorded net withdrawals totaling \$824,288 while posting net investment gains totaling \$2.9 million. Since March 2012, if the account earned a compounded nominal rate of 9.0% it would have been valued at \$6.3 million or \$1.1 million less than the actual value as of June 30th, 2015.

RELATIVE PERFORMANCE

For the second quarter, the Polen Capital Management Large Cap Growth Fund gained 2.5%, which was 2.4% above the Russell 1000 Growth Index's return of 0.1% and ranked in the 6th percentile of the Large Cap Growth universe. Over the trailing twelve-month period, this portfolio returned 19.1%, which was 8.5% greater than the benchmark's 10.6% performance, and ranked in the 3rd percentile. Since March 2012, the portfolio returned 13.1% annualized and ranked in the 84th percentile. The Russell 1000 Growth returned an annualized 15.0% over the same time frame.

ASSET ALLOCATION

On June 30th, 2015, domestic equities comprised 95.5% of the total portfolio (\$7.0 million), while cash & equivalents comprised the remaining 4.5% (\$332,765).

ANALYSIS

By the end of the quarter, the Polen Capital portfolio was concentrated in five of the eleven industry sectors in our data analysis. With respect to the Russell 1000 Growth index, the portfolio was overweight in all five represented sectors, which include Nondurable Consumer Goods, Consumer Service, Computer Technology, Finance, and Service.

The portfolio's concentrated allocations served the account well in the second quarter: Superior performance in the Nondurable Consumer Goods, Consumer Service, and Finance sectors was enlarged by a combined 58.9% allocation. The positive selection effects lifted the portfolio above the benchmark 240 basis points.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 03/12
Total Gross/Fees	2.5	6.3	19.1	17.1	13.1
<i>LARGE CAP GROWTH RANK</i>	(6)	(27)	(3)	(72)	(84)
Total Net/Fees	2.3	5.9	18.2	16.3	12.3
RUSSELL 1000G	0.1	4.0	10.6	18.0	15.0
RUSSELL 1000	0.1	1.7	7.4	17.7	15.1
S&P 500	0.3	1.2	7.4	17.3	14.9
Domestic Equity	2.6	6.5	19.9	18.0	13.7
<i>LARGE CAP GROWTH RANK</i>	(6)	(24)	(2)	(59)	(74)
RUSSELL 1000G	0.1	4.0	10.6	18.0	15.0

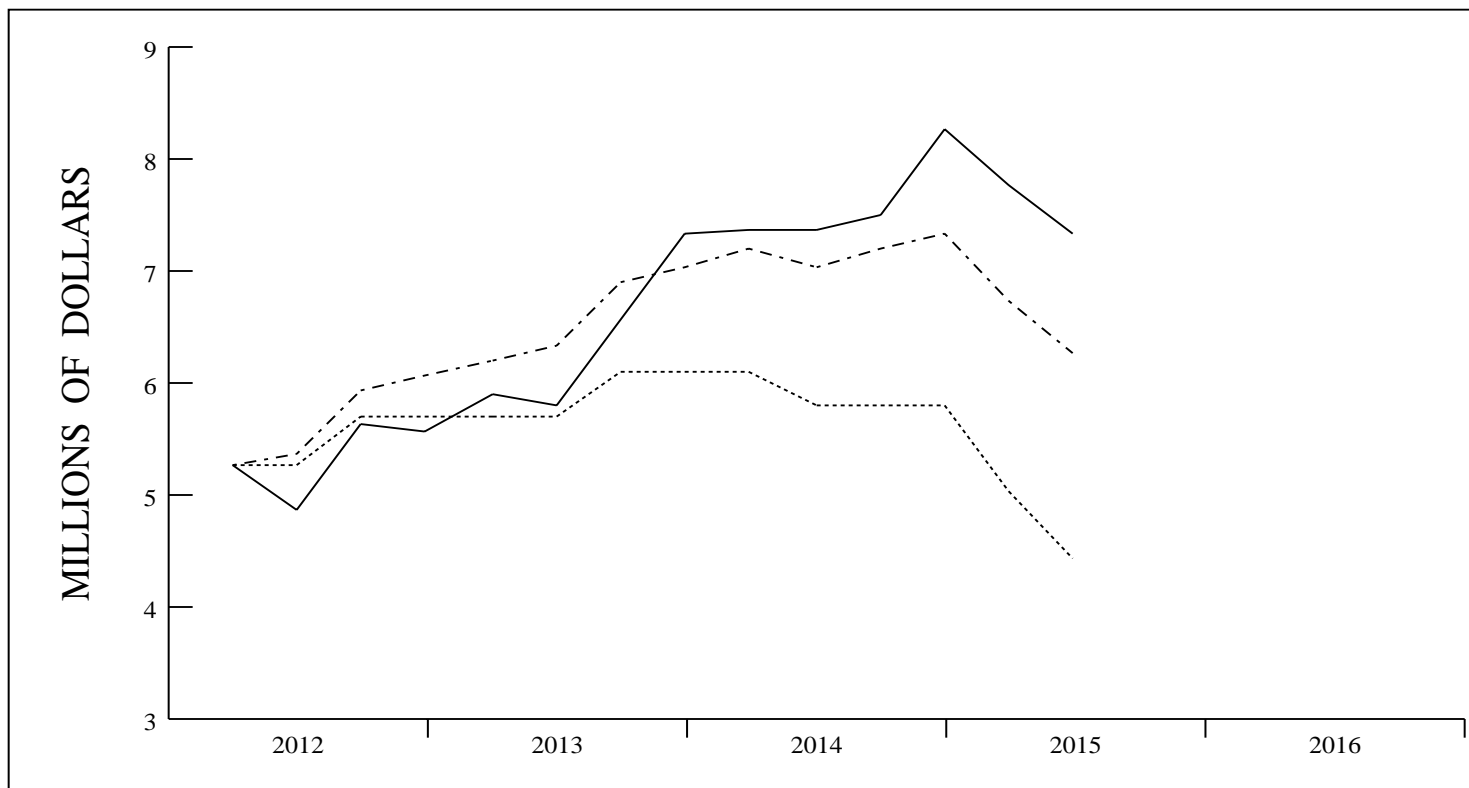
ASSET ALLOCATION

Domestic Equity	95.5%	\$ 7,025,095
Cash	4.5%	332,765
Total Portfolio	100.0%	\$ 7,357,860

INVESTMENT RETURN

Market Value 3/2015	\$ 7,768,935
Contribs / Withdrawals	-596,253
Income	28,227
Capital Gains / Losses	156,951
Market Value 6/2015	\$ 7,357,860

INVESTMENT GROWTH

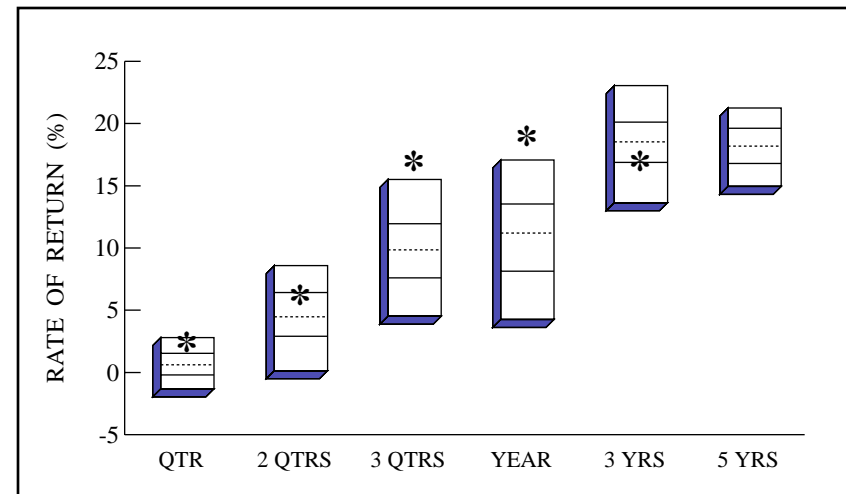
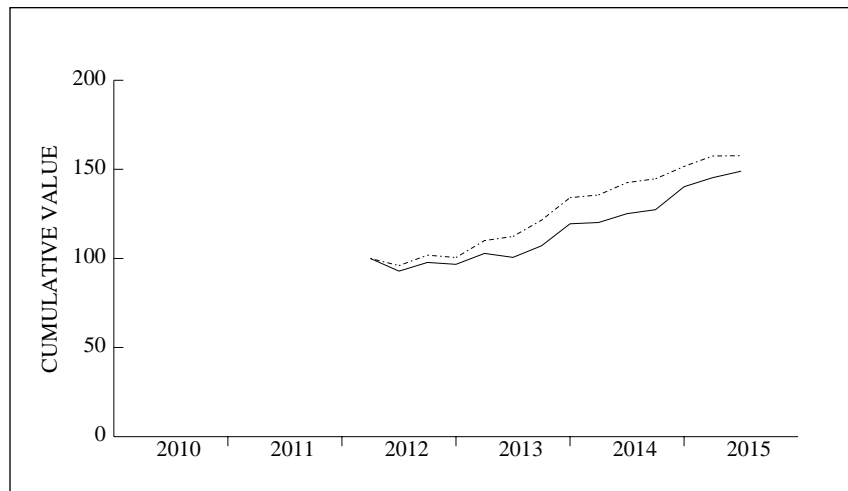


—	ACTUAL RETURN
- - - - -	9.0%
.....	0.0%

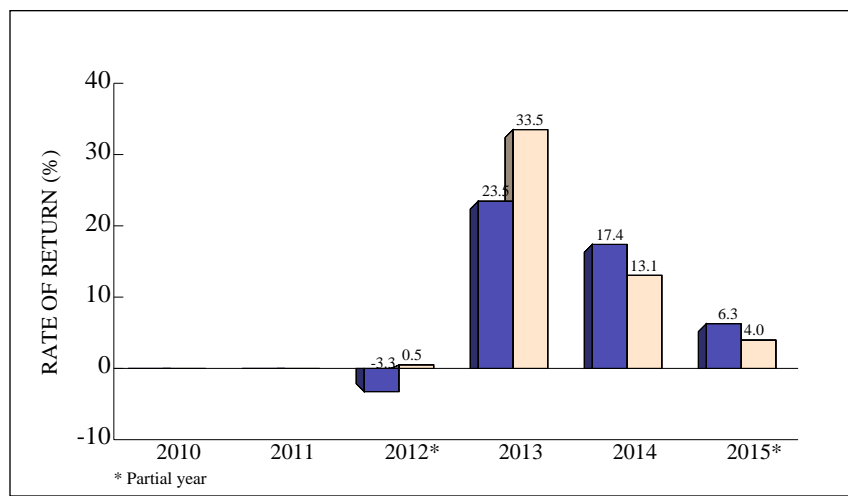
VALUE ASSUMING	
9.0% RETURN	\$ 6,279,460

	LAST QUARTER	PERIOD 3/12 - 6/15
BEGINNING VALUE	\$ 7,768,935	\$ 5,273,154
NET CONTRIBUTIONS	-596,253	-824,288
INVESTMENT RETURN	185,178	2,908,994
ENDING VALUE	\$ 7,357,860	\$ 7,357,860
INCOME	28,227	244,752
CAPITAL GAINS (LOSSES)	156,951	2,664,242
INVESTMENT RETURN	185,178	2,908,994

TOTAL RETURN COMPARISONS

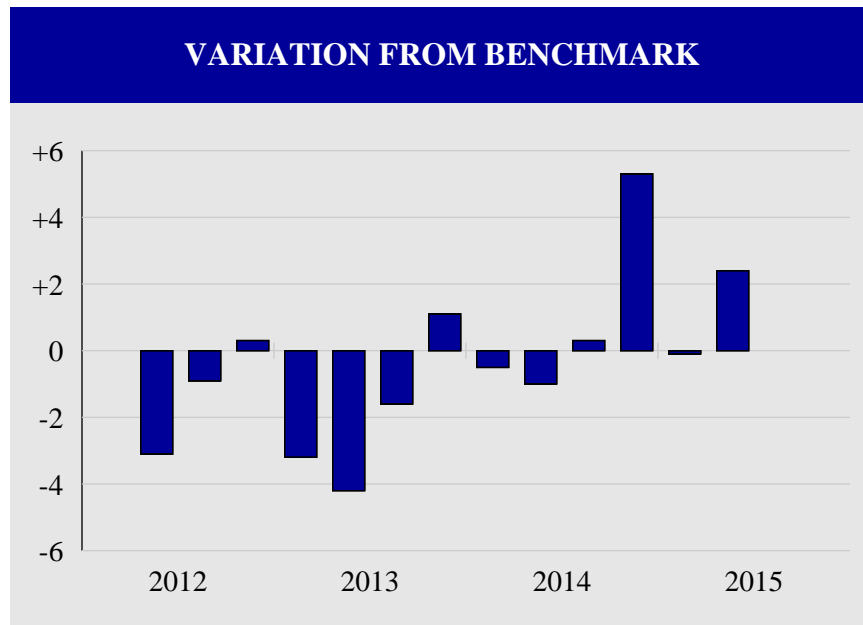


Large Cap Growth Universe



	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED----- 3 YRS	5 YRS
RETURN	2.5	6.3	17.0	19.1	17.1	---
(RANK)	(6)	(27)	(3)	(3)	(72)	---
5TH %ILE	2.8	8.6	15.5	17.1	23.0	21.3
25TH %ILE	1.5	6.4	11.9	13.5	20.1	19.6
MEDIAN	0.6	4.5	9.9	11.2	18.5	18.2
75TH %ILE	-0.2	2.9	7.6	8.1	16.9	16.8
95TH %ILE	-1.3	0.1	4.5	4.3	13.7	14.9
Russ 1000G	0.1	4.0	9.0	10.6	18.0	18.6

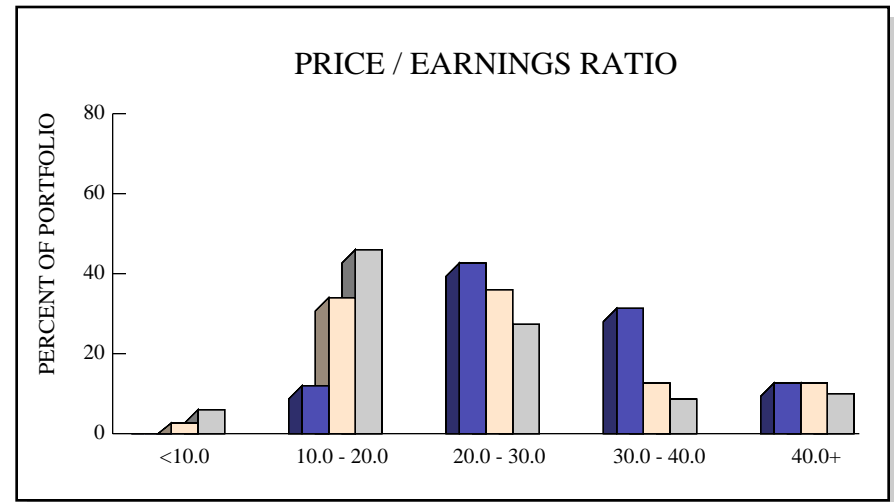
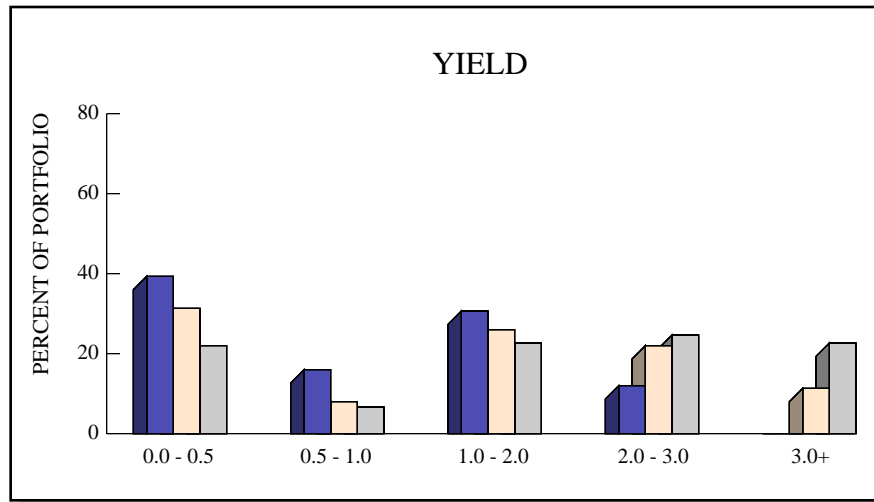
Large Cap Growth Universe

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

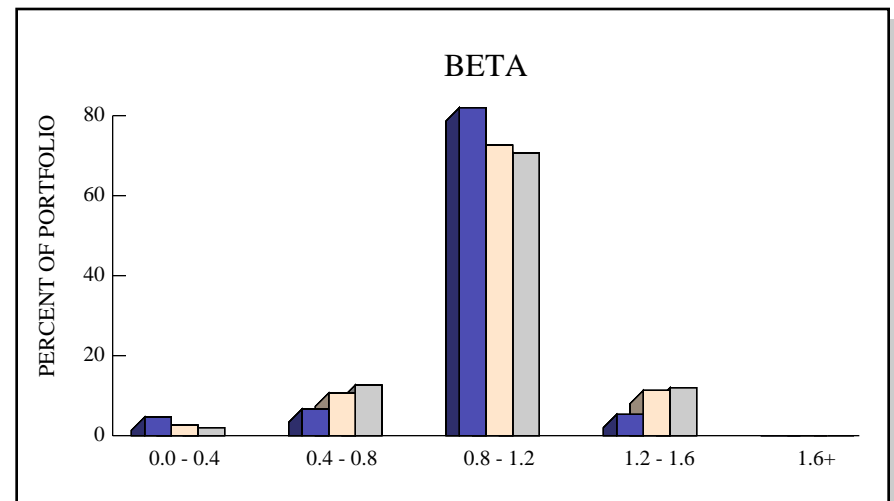
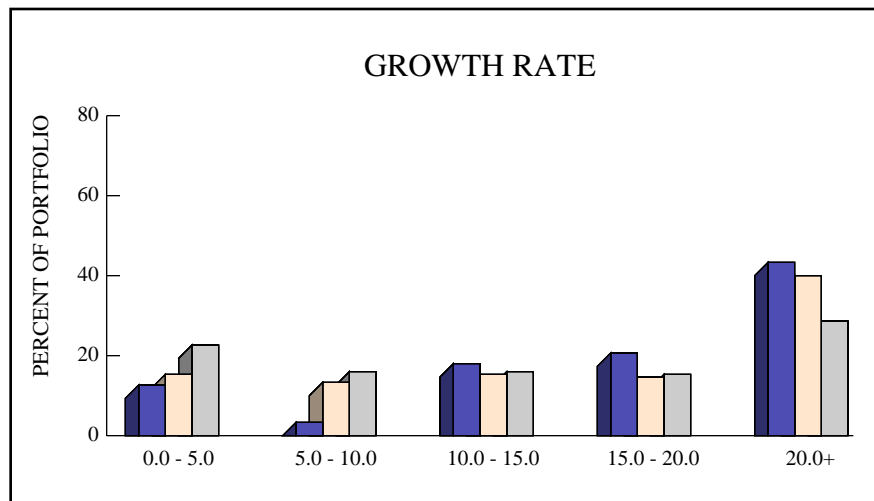
Total Quarters Observed	13
Quarters At or Above the Benchmark	5
Quarters Below the Benchmark	8
Batting Average	.385

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
6/15	2.5	0.1	2.4

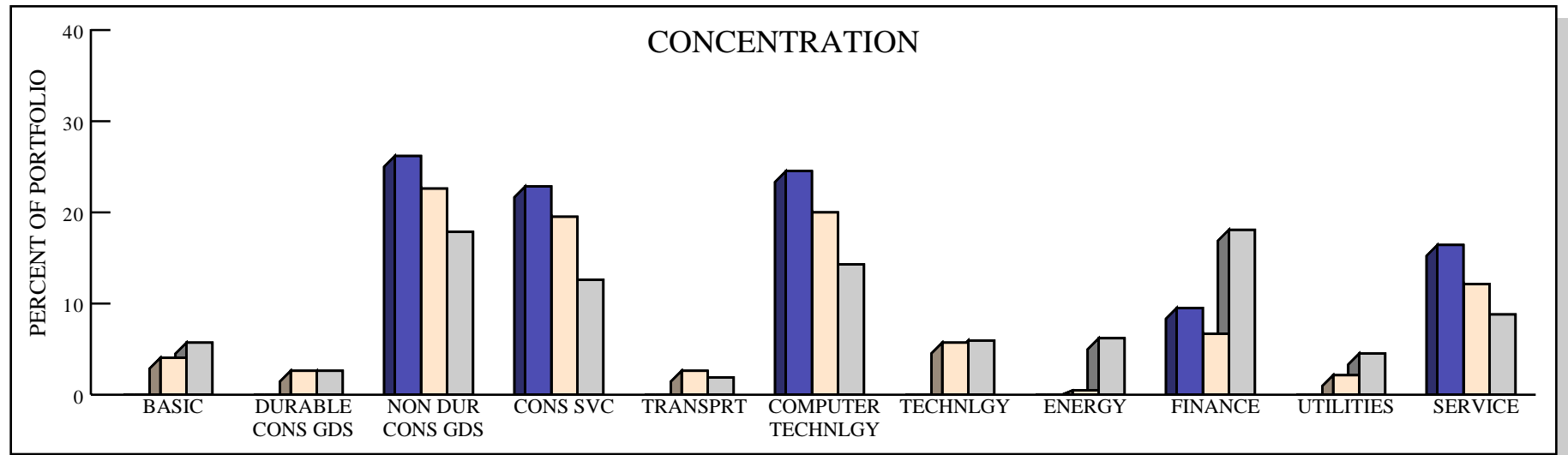
STOCK CHARACTERISTICS



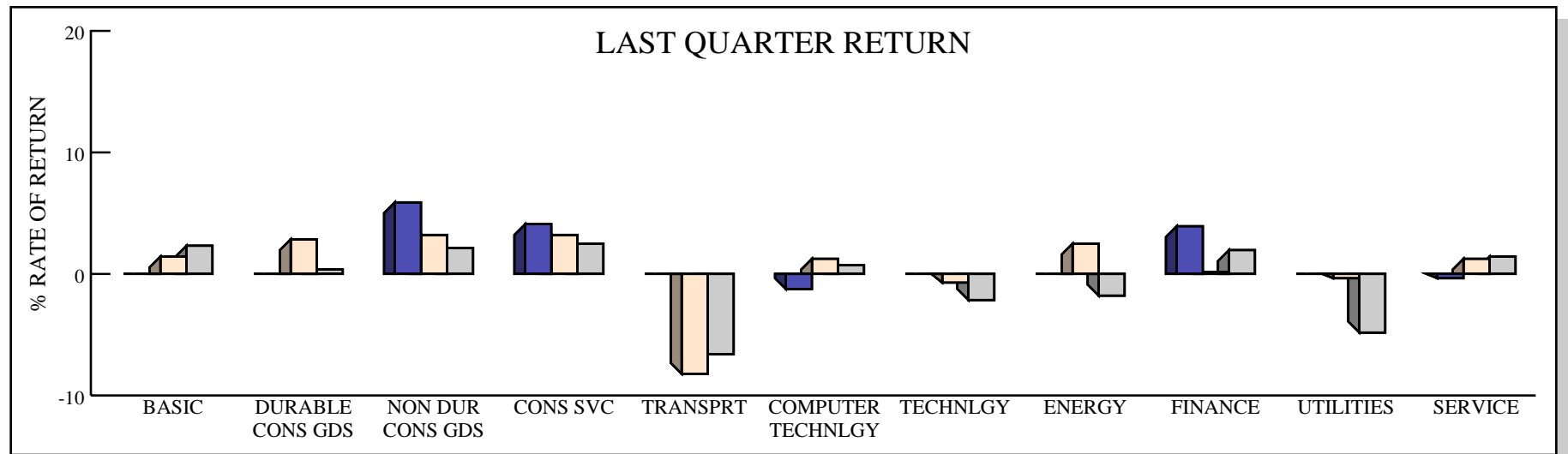
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	22	0.9%	18.8%	30.2	0.97
RUSSELL 1000G	644	1.5%	19.5%	26.3	0.96
RUSSELL 1000	1,029	2.0%	15.4%	22.5	0.98



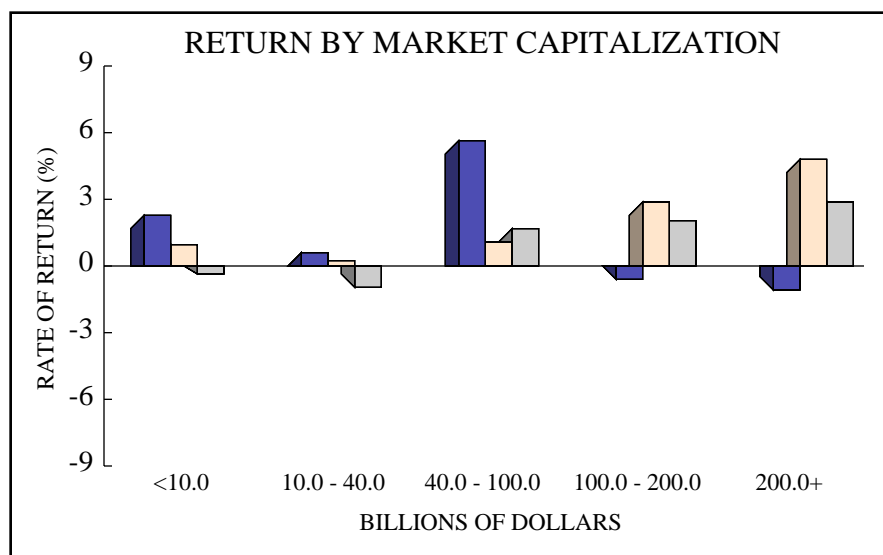
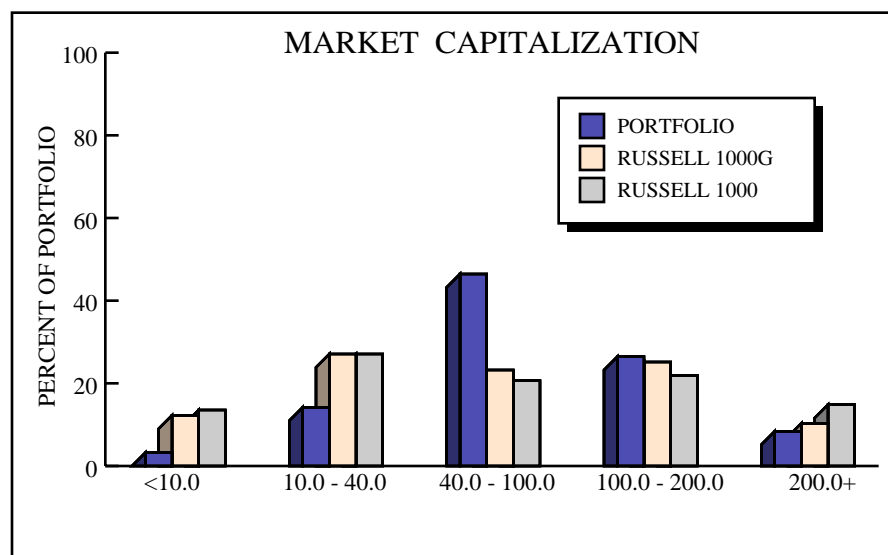
STOCK INDUSTRY ANALYSIS



■ 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	\$ 520,144	7.40%	2.8%	Finance	\$ 131.4 B
2	NIKE INC -CL B	493,651	7.03%	7.9%	NonDur Cons Goods	73.7 B
3	ABBOTT LABORATORIES	465,278	6.62%	6.4%	NonDur Cons Goods	73.1 B
4	STARBUCKS CORP	448,692	6.39%	13.5%	Consumer Service	80.4 B
5	REGENERON PHARMACEUTICALS	383,618	5.46%	13.0%	NonDur Cons Goods	51.7 B
6	ORACLE CORP	382,447	5.44%	-6.3%	Computer Tech	174.7 B
7	PRICELINE GROUP INC/THE	371,893	5.29%	-1.1%	Service	59.7 B
8	GOOGLE INC-CL C	354,988	5.05%	-4.8%	Computer Tech	177.9 B
9	TJX COMPANIES INC	353,943	5.04%	-5.3%	Consumer Service	45.0 B
10	APPLE INC	349,323	4.97%	1.2%	Computer Tech	722.6 B

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

INVESTMENT RETURN

On June 30th, 2015, the Franklin Regional Retirement System's O'Shaughnessy Asset Management Market Leaders Value portfolio was valued at \$7,246,811, a decrease of \$122,560 from the March ending value of \$7,369,371. Last quarter, the account recorded total net withdrawals of \$109 in addition to \$122,451 in net investment losses. The fund's net investment loss was a result of income receipts totaling \$42,851 and realized and unrealized capital losses totaling \$165,302.

Since March 2012, the account has recorded net withdrawals totaling \$1.4 million while posting net investment gains totaling \$3.6 million. Since March 2012, if the account earned a compounded nominal rate of 9.0% it would have been valued at \$5.2 million or \$2.1 million less than the actual value as of June 30th, 2015.

RELATIVE PERFORMANCE

Total Fund

In the second quarter, the O'Shaughnessy Asset Management Market Leaders Value portfolio lost 1.7%, which was 1.8% less than the Russell 1000 Value Index's return of 0.1% and ranked in the 93rd percentile of the Large Cap Value universe. Over the trailing twelve-month period, the portfolio returned 4.8%, which was 0.7% greater than the benchmark's 4.1% return, and ranked in the 55th percentile. Since March 2012, the account returned 17.6% on an annualized basis and ranked in the 14th percentile. For comparison, the Russell 1000 Value returned an annualized 15.1% over the same time frame.

ASSET ALLOCATION

At the end of the second quarter, domestic equities comprised 98.5% of the total portfolio (\$7.1 million), while cash & equivalents totaled 1.5% (\$105,183).

STOCK ANALYSIS

At the end of the quarter, the O'Shaughnessy portfolio was diversified across all eleven industry sectors utilized in our analysis. With respect to the Russell 1000 Value index, the portfolio was overweight in the Basic, Consumer Service, Technology, and Service sectors, while featuring underweight allocations in Nondurable Consumer Goods, Computer Technology, Finance, and Utilities.

The portfolio sustained index-trailing losses in four sectors, including the overweight Consumer Service and Service sectors, which drove overall underperformance. Durable Consumer Goods and Nondurable Consumer Goods handily outperformed the benchmark, but light and underweight allocations curbed positive selection effects.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 03/12
Total Gross/Fees	-1.7	0.5	4.8	20.4	17.6
<i>LARGE CAP VALUE RANK</i>	(93)	(55)	(55)	(22)	(14)
Total Net/Fees	-1.8	0.3	4.2	19.8	17.0
RUSSELL 1000V	0.1	-0.6	4.1	17.3	15.1
RUSSELL 1000	0.1	1.7	7.4	17.7	15.1
S&P 500	0.3	1.2	7.4	17.3	14.9
Domestic Equity	-1.7	0.5	4.9	20.8	18.0
<i>LARGE CAP VALUE RANK</i>	(94)	(55)	(54)	(17)	(10)
RUSSELL 1000V	0.1	-0.6	4.1	17.3	15.1

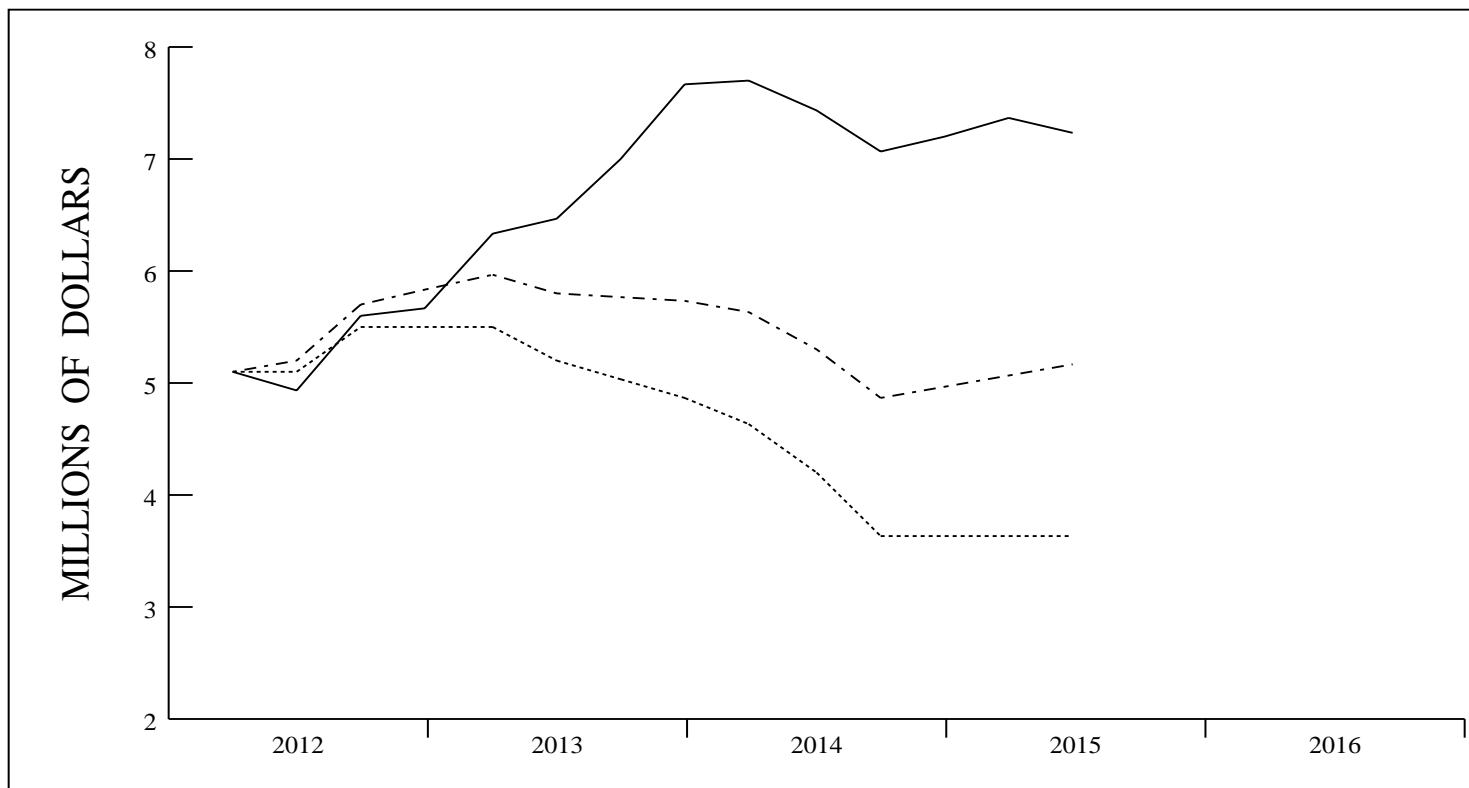
ASSET ALLOCATION

Domestic Equity	98.5%	\$ 7,141,628
Cash	1.5%	105,183
Total Portfolio	100.0%	\$ 7,246,811

INVESTMENT RETURN

Market Value 3/2015	\$ 7,369,371
Contribs / Withdrawals	-109
Income	42,851
Capital Gains / Losses	-165,302
Market Value 6/2015	\$ 7,246,811

INVESTMENT GROWTH

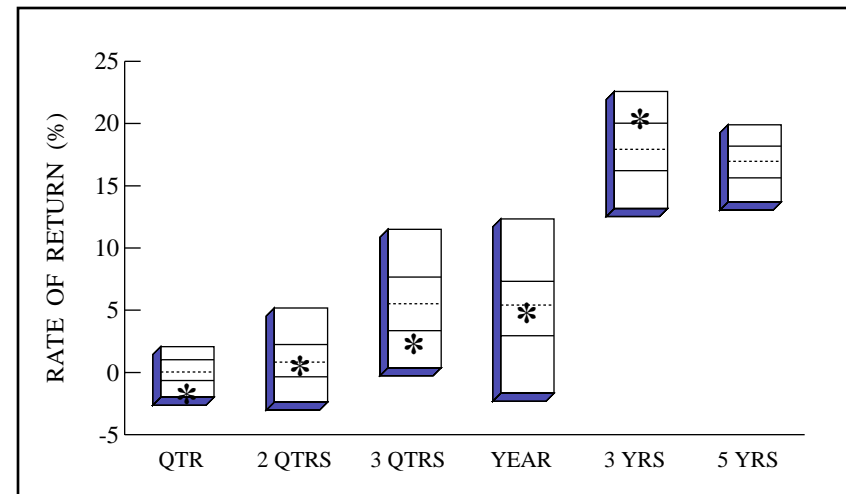
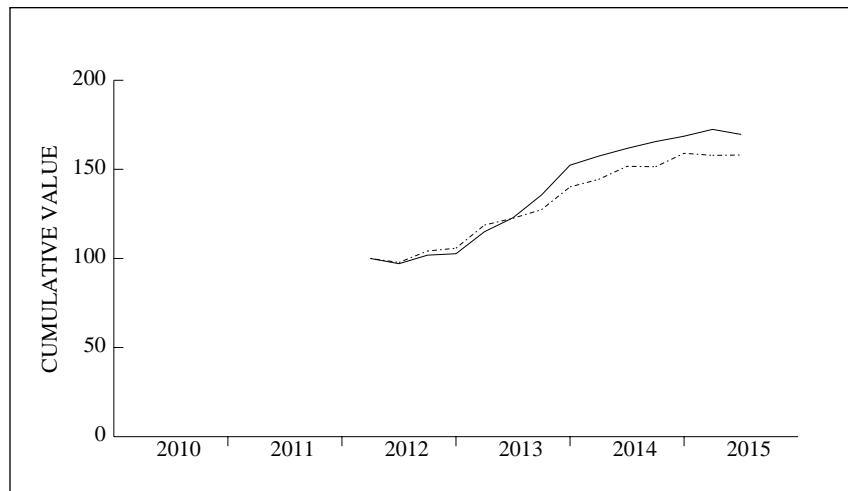


— ACTUAL RETURN
 - - - 9.0%
 0.0%

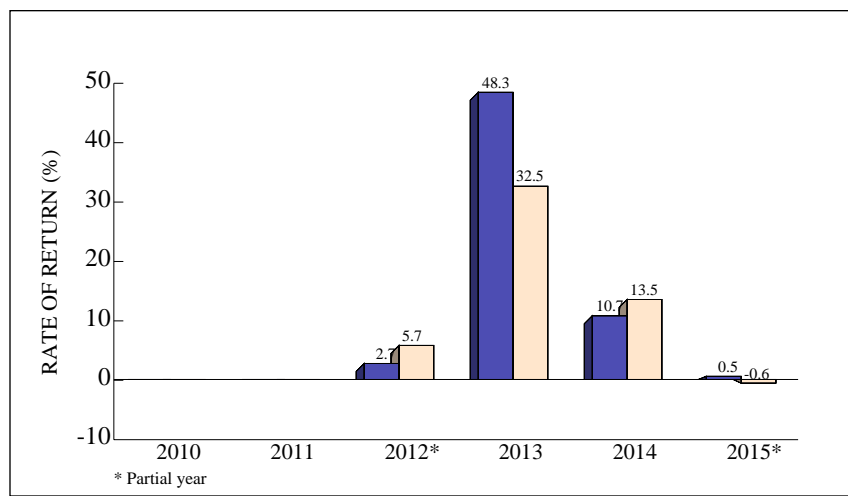
VALUE ASSUMING
 9.0% RETURN \$ 5,196,172

	LAST QUARTER	PERIOD 3/12 - 6/15
BEGINNING VALUE	\$ 7,369,371	\$ 5,103,112
NET CONTRIBUTIONS	-109	-1,442,993
INVESTMENT RETURN	-122,451	3,586,692
ENDING VALUE	\$ 7,246,811	\$ 7,246,811
INCOME	42,851	572,574
CAPITAL GAINS (LOSSES)	-165,302	3,014,118
INVESTMENT RETURN	-122,451	3,586,692

TOTAL RETURN COMPARISONS

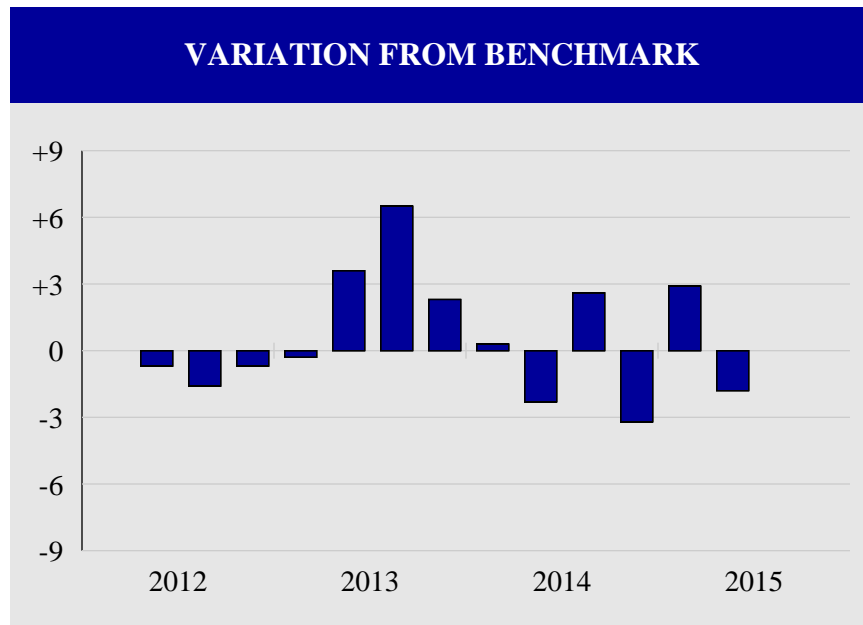


Large Cap Value Universe



	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-1.7	0.5	2.4	4.8	20.4	---
(RANK)	(93)	(55)	(87)	(55)	(22)	---
5TH %ILE	2.1	5.2	11.5	12.3	22.6	19.9
25TH %ILE	1.0	2.3	7.7	7.3	20.0	18.2
MEDIAN	0.0	0.8	5.5	5.4	17.9	17.0
75TH %ILE	-0.7	-0.4	3.4	2.9	16.2	15.6
95TH %ILE	-2.0	-2.4	0.4	-1.7	13.2	13.7
Russ 1000V	0.1	-0.6	4.3	4.1	17.3	16.5

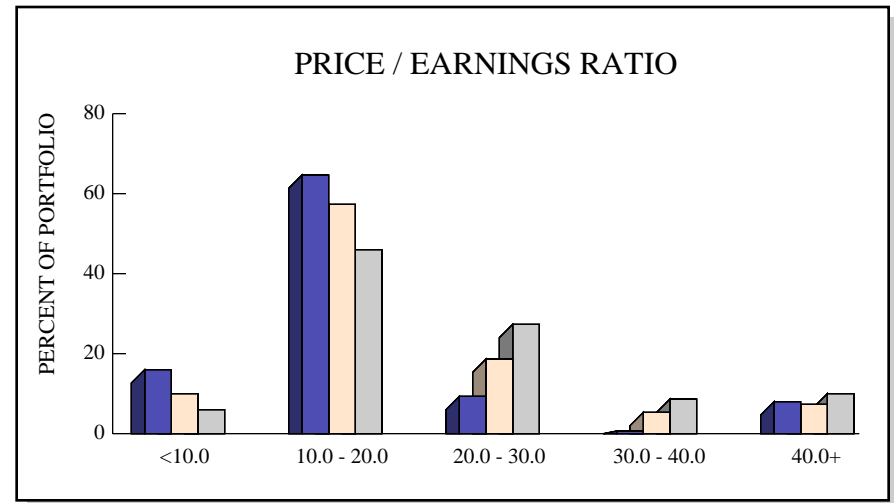
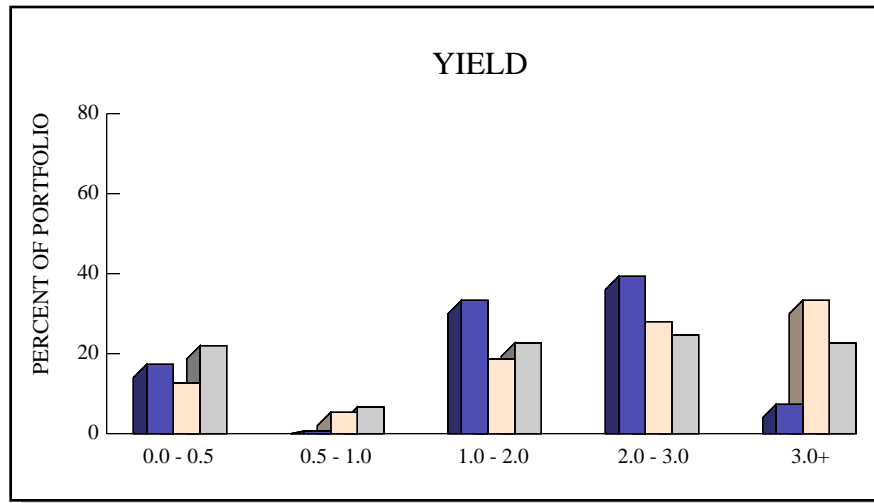
Large Cap Value Universe

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

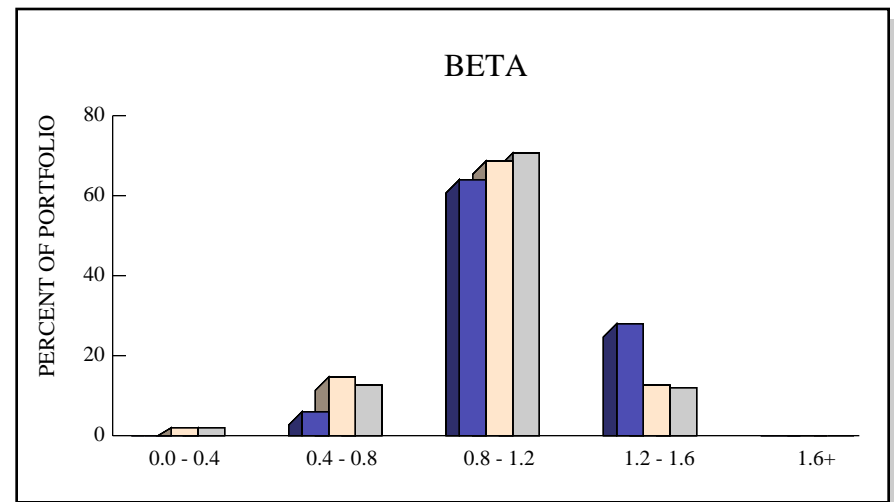
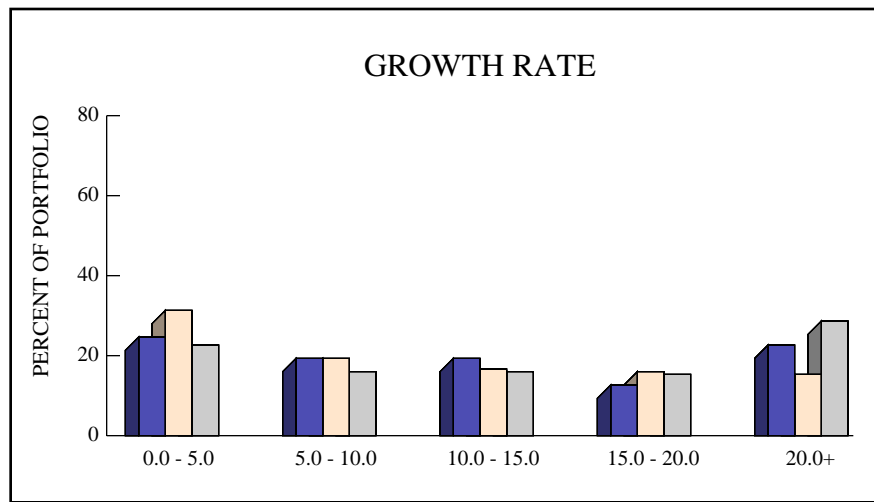
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/12	-2.9	-2.2	-0.7
9/12	4.9	6.5	-1.6
12/12	0.8	1.5	-0.7
3/13	12.0	12.3	-0.3
6/13	6.8	3.2	3.6
9/13	10.4	3.9	6.5
12/13	12.3	10.0	2.3
3/14	3.3	3.0	0.3
6/14	2.8	5.1	-2.3
9/14	2.4	-0.2	2.6
12/14	1.8	5.0	-3.2
3/15	2.2	-0.7	2.9
6/15	-1.7	0.1	-1.8

Total Quarters Observed	13
Quarters At or Above the Benchmark	6
Quarters Below the Benchmark	7
Batting Average	.462

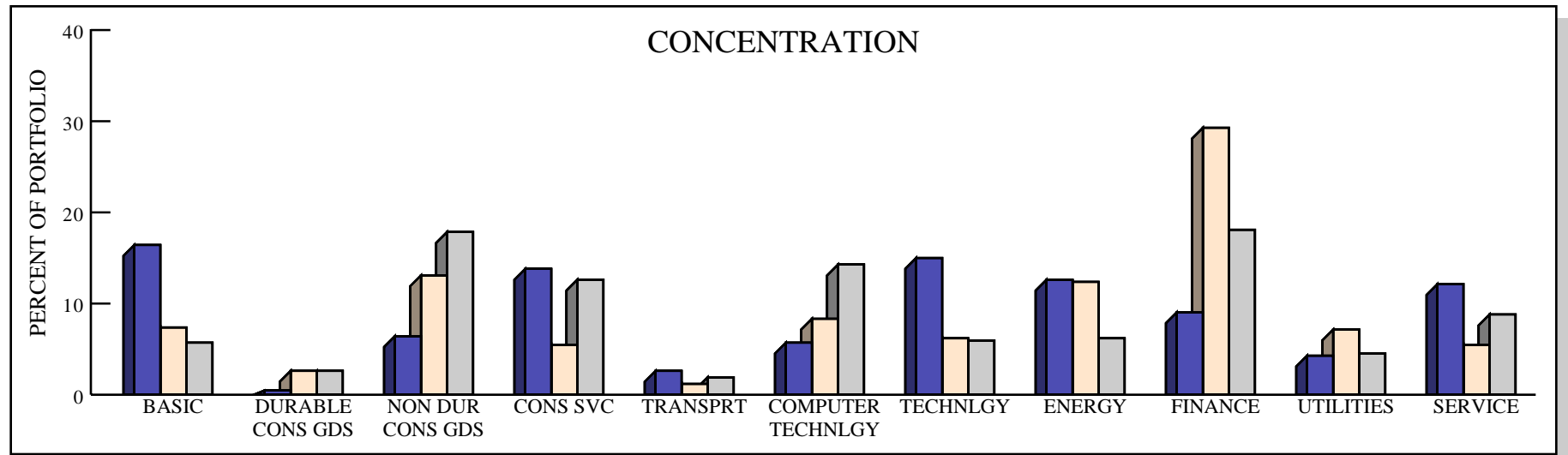
STOCK CHARACTERISTICS



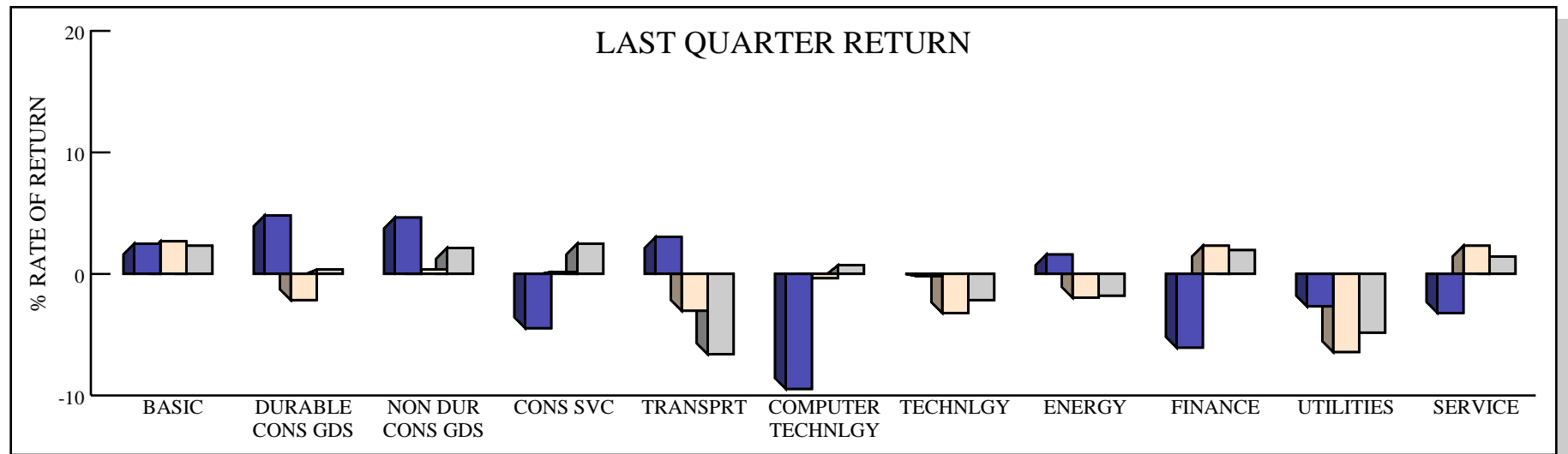
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	57	2.0%	12.4%	16.4	1.08
RUSSELL 1000V	684	2.4%	10.9%	18.9	0.99
RUSSELL 1000	1,029	2.0%	15.4%	22.5	0.98



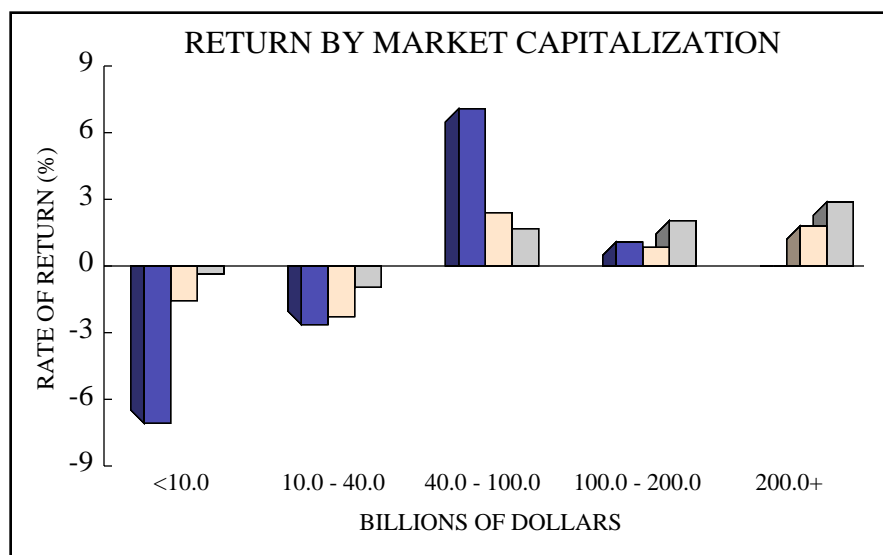
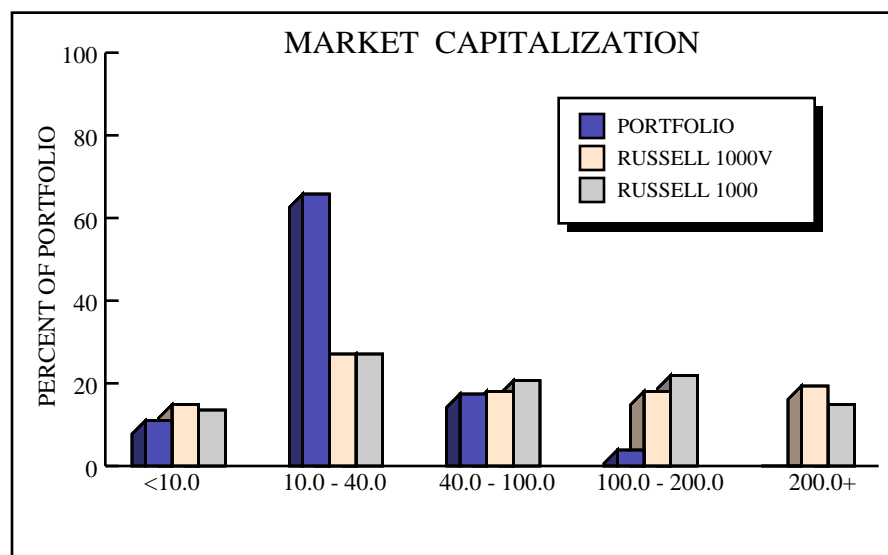
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO
 ■ RUSSELL 1000 VALUE
 ■ RUSSELL 1000



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	LYONDELLBASELL INDU-CL A	\$ 329,918	4.62%	18.6%	Basic	\$ 49.0 B
2	NORTHROP GRUMMAN CORP	324,081	4.54%	-1.0%	Technology	30.7 B
3	MARATHON PETROLEUM CORP	319,823	4.48%	2.6%	Energy	28.4 B
4	PHILLIPS 66	311,848	4.37%	3.1%	Energy	43.6 B
5	COCA-COLA ENTERPRISES	287,269	4.02%	-1.1%	NonDur Cons Goods	10.1 B
6	TRAVELERS COS INC/THE	274,031	3.84%	-10.0%	Finance	30.8 B
7	MOSAIC CO/THE	266,764	3.74%	2.3%	Basic	16.3 B
8	KONINKLIJKE PHILIPS NVR- NY	265,344	3.72%	-10.2%	Technology	24.3 B
9	ILLINOIS TOOL WORKS	260,775	3.65%	-5.0%	Basic	33.8 B
10	HESS CORP	233,277	3.27%	-1.1%	Energy	19.2 B

FRANKLIN REGIONAL RETIREMENT SYSTEM
SEIZERT CAPITAL PARTNERS
PERFORMANCE REVIEW
JUNE 2015

INVESTMENT RETURN

On June 30th, 2015, the Franklin Regional Retirement System's Seizert Capital Partners portfolio was valued at \$6,188,023, a decrease of \$26,067 from the March ending value of \$6,214,090. Last quarter, the account recorded no net contributions or withdrawals, while recording a net investment loss for the quarter of \$26,067. Net investment loss was composed of income receipts totaling \$23,429 and \$49,496 in net realized and unrealized capital losses.

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 10.0% it would have been worth \$5.0 million or \$1.2 million less than the actual value as of June 30th, 2015.

RELATIVE PERFORMANCE

During the second quarter, the Seizert Capital Partners portfolio lost 0.4%, which was 1.1% above the Russell Mid Cap's return of -1.5% and ranked in the 57th percentile of the Mid Cap universe. Over the trailing year, the portfolio returned 1.9%, which was 4.7% below the benchmark's 6.6% performance, ranking in the 94th percentile. Since June 2011, the account returned 14.7% on an annualized basis and ranked in the 33rd percentile. For comparison, the Russell Mid Cap returned an annualized 13.6% over the same period.

ASSET ALLOCATION

On June 30th, 2015, domestic equities comprised 95.9% of the total portfolio (\$5.9 million), while cash & equivalents totaled 4.1% (\$250,789).

STOCK ANALYSIS

By quarter's end, the Seizert portfolio was invested in eight of eleven industry sectors included in our analysis. Compared to the Russell Mid Cap index, the portfolio was overweight in the Basic, Computer Technology, Finance, and Service sectors, and carried a nearly 80% combined allocation. Nondurable Consumer Goods and Consumer Service were underweight, while Transportation, Technology, and Utilities were left unfunded.

Despite mixed selection effects across overweight sectors, the Seizert portfolio outperformed the benchmark by 110 basis points. The overweight Computer Technology and Service sectors sustained index-trailing losses, while the additionally overweight Basic, Durable Consumer Goods, and Finance sectors offset the negative selection effects. Moreover, the portfolio preserved value by avoiding the Transportation and Utilities sectors, which served up -10.5% and -6.6% returns for the benchmark.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 06/11
Total Gross/Fees	-0.4	1.7	1.9	24.6	14.7
<i>MID CAP RANK</i>	(57)	(87)	(94)	(2)	(33)
Total Net/Fees	-0.6	1.4	1.2	23.8	14.0
RUSSELL MID	-1.5	2.4	6.6	19.3	13.6
S&P 400	-1.1	4.2	6.4	18.6	13.0
RUSSELL MID	-1.5	2.4	6.6	19.3	13.6
Domestic Equity	-0.4	1.8	2.0	25.7	15.4
<i>MID CAP RANK</i>	(57)	(86)	(94)	(1)	(19)
RUSSELL MID	-1.5	2.4	6.6	19.3	13.6

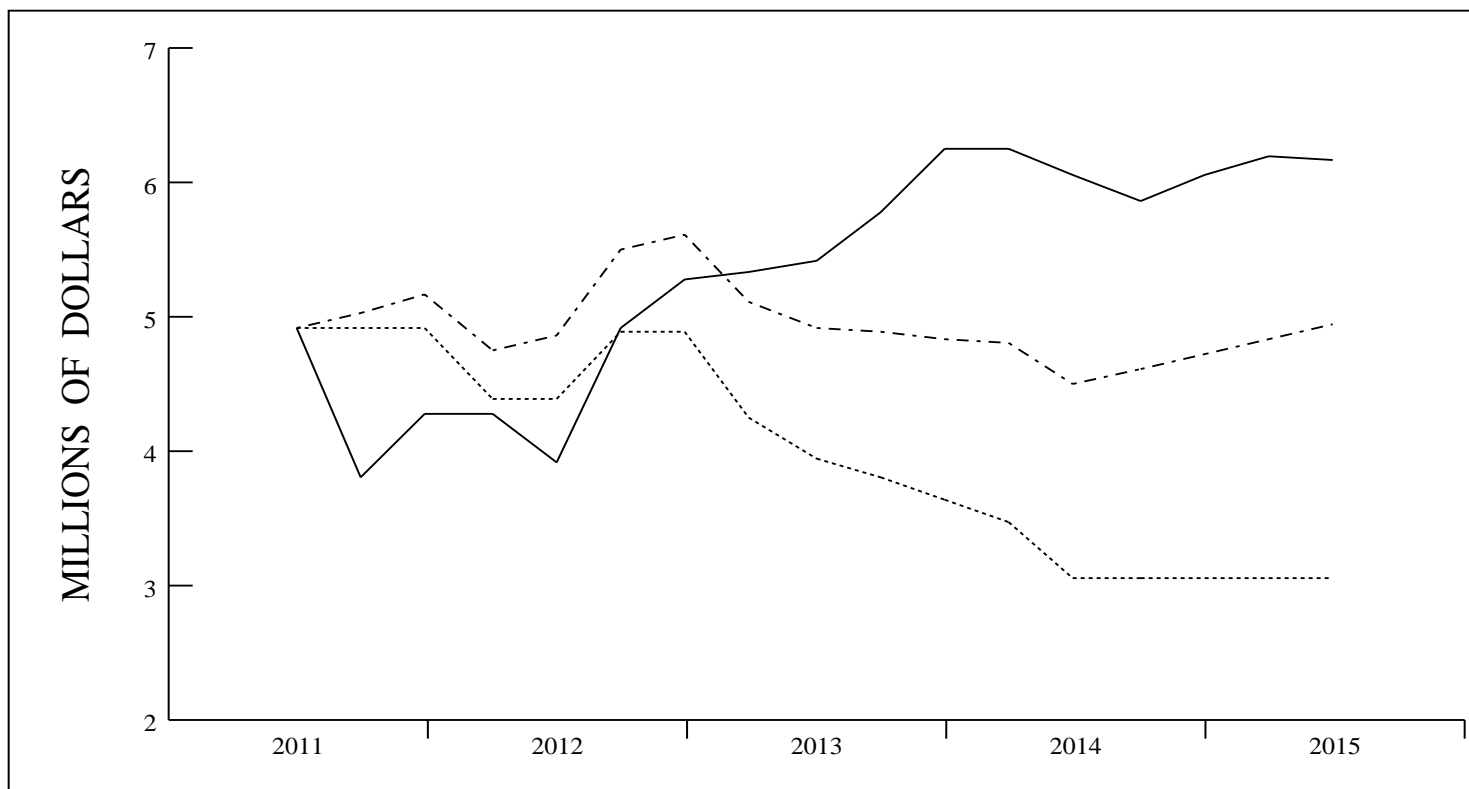
ASSET ALLOCATION

Domestic Equity	95.9%	\$ 5,937,234
Cash	4.1%	250,789
Total Portfolio	100.0%	\$ 6,188,023

INVESTMENT RETURN

Market Value 3/2015	\$ 6,214,090
Contribs / Withdrawals	0
Income	23,429
Capital Gains / Losses	-49,496
Market Value 6/2015	\$ 6,188,023

INVESTMENT GROWTH

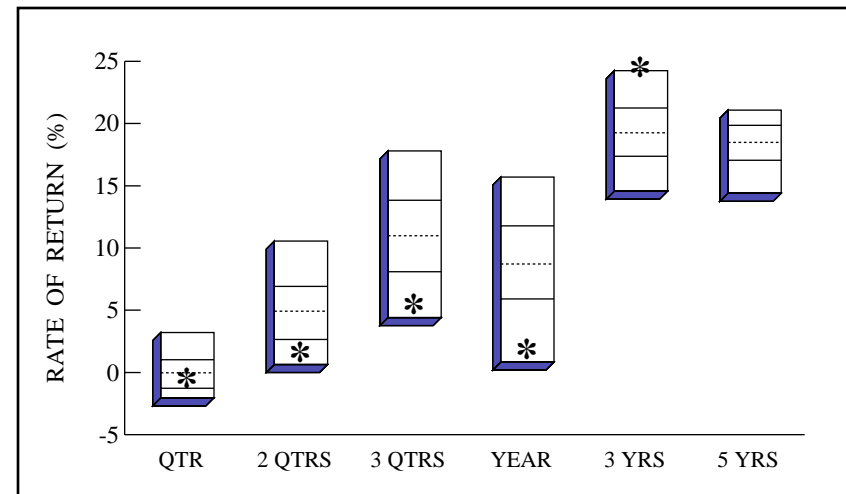
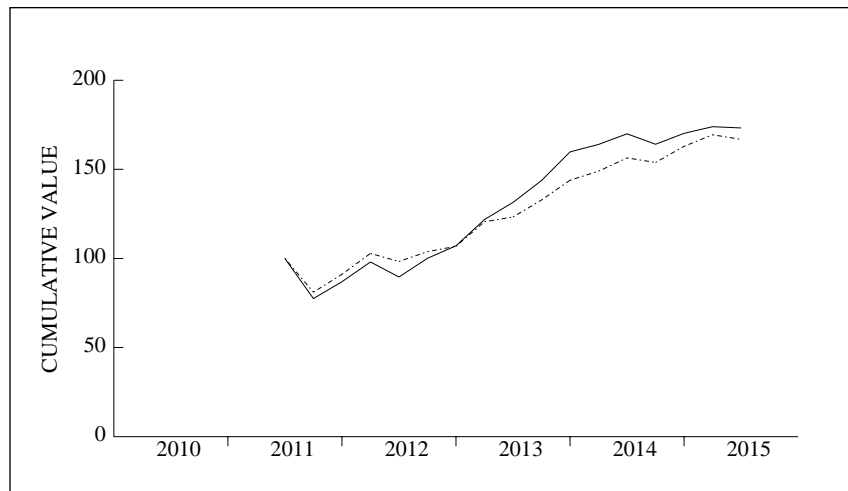


— ACTUAL RETURN
 - - - 10.0%
 0.0%

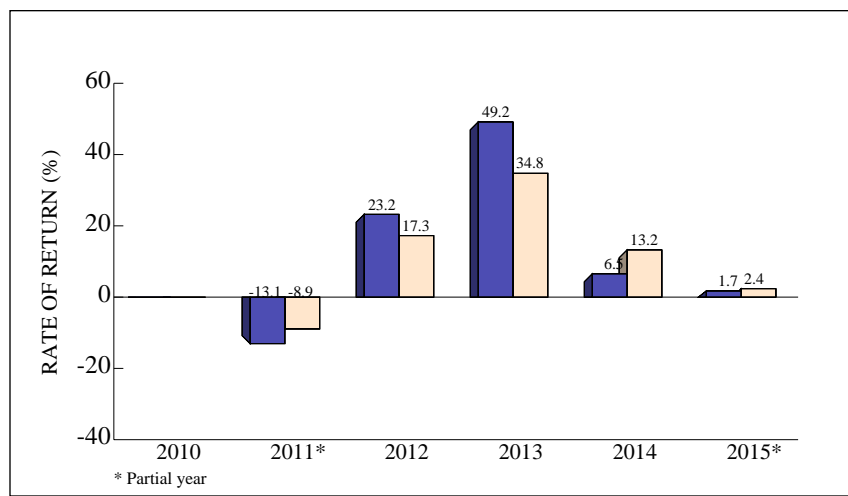
VALUE ASSUMING
 10.0% RETURN \$ 4,968,565

	LAST QUARTER	PERIOD 6/11 - 6/15
BEGINNING VALUE	\$ 6,214,090	\$ 4,935,067
NET CONTRIBUTIONS	0	- 1,861,000
INVESTMENT RETURN	- 26,067	3,113,956
ENDING VALUE	\$ 6,188,023	\$ 6,188,023
INCOME	23,429	331,409
CAPITAL GAINS (LOSSES)	- 49,496	2,782,547
INVESTMENT RETURN	- 26,067	3,113,956

TOTAL RETURN COMPARISONS

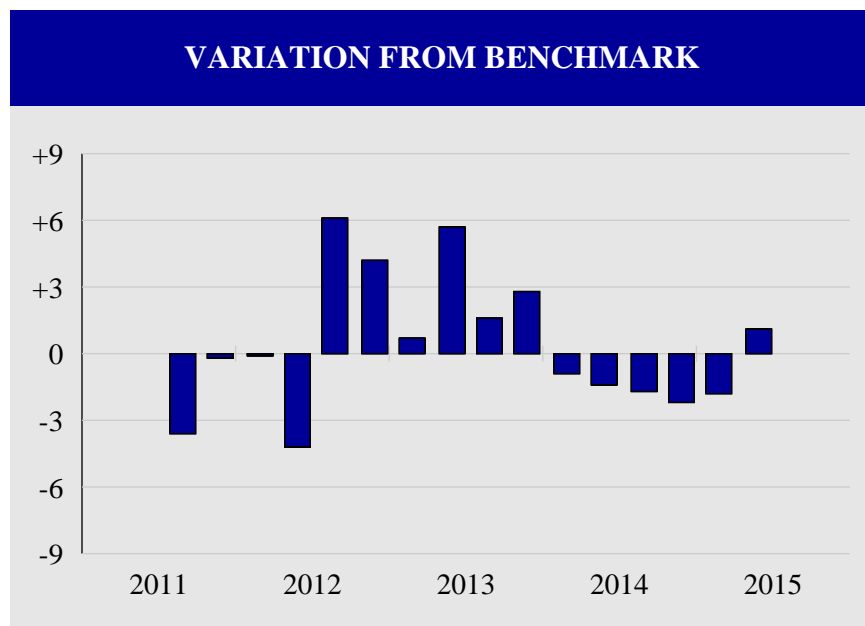


Mid Cap Universe



	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED----- 3 YRS	5 YRS
RETURN	-0.4	1.7	5.5	1.9	24.6	----
(RANK)	(57)	(87)	(90)	(94)	(2)	----
5TH %ILE	3.2	10.6	17.8	15.7	24.2	21.1
25TH %ILE	1.0	6.9	13.8	11.8	21.3	19.9
MEDIAN	0.0	4.9	11.0	8.7	19.3	18.5
75TH %ILE	-1.3	2.6	8.1	5.9	17.4	17.1
95TH %ILE	-2.1	0.6	4.4	0.8	14.6	14.4
Russ MC	-1.5	2.4	8.4	6.6	19.3	18.2

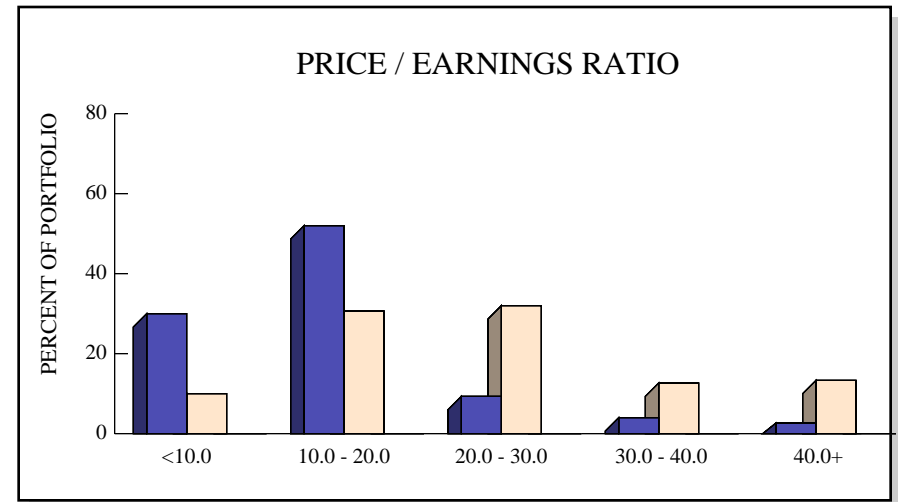
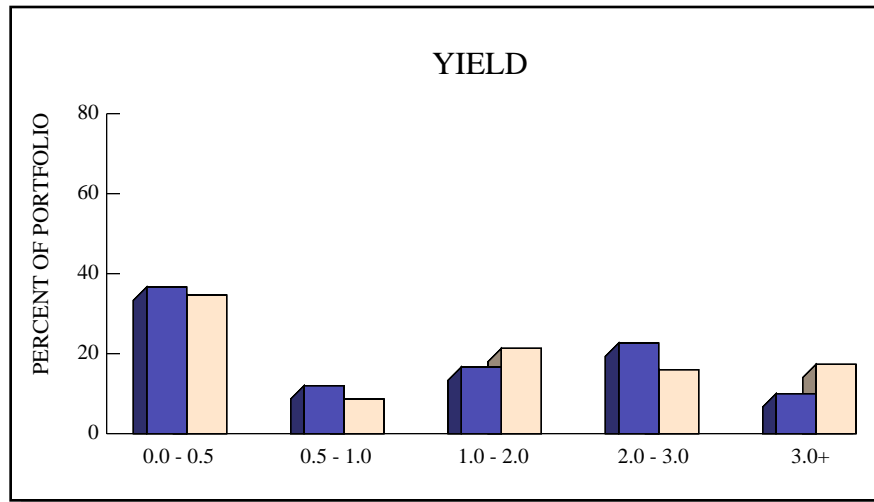
Mid Cap Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**COMPARATIVE BENCHMARK: RUSSELL MID CAP**

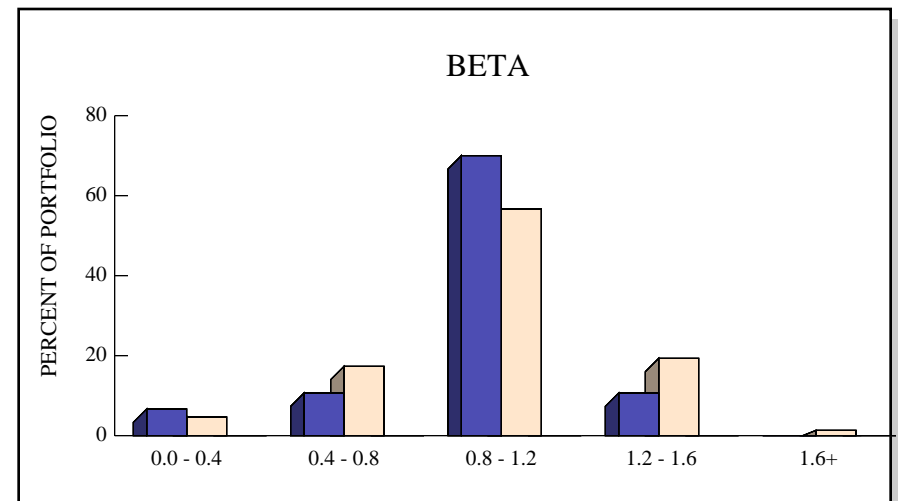
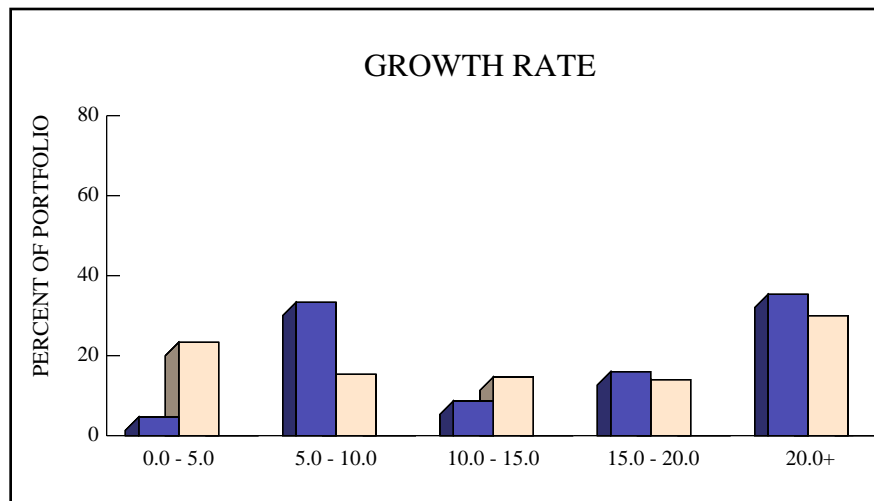
Total Quarters Observed	16
Quarters At or Above the Benchmark	7
Quarters Below the Benchmark	9
Batting Average	.438

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
6/15	-0.4	-1.5	1.1

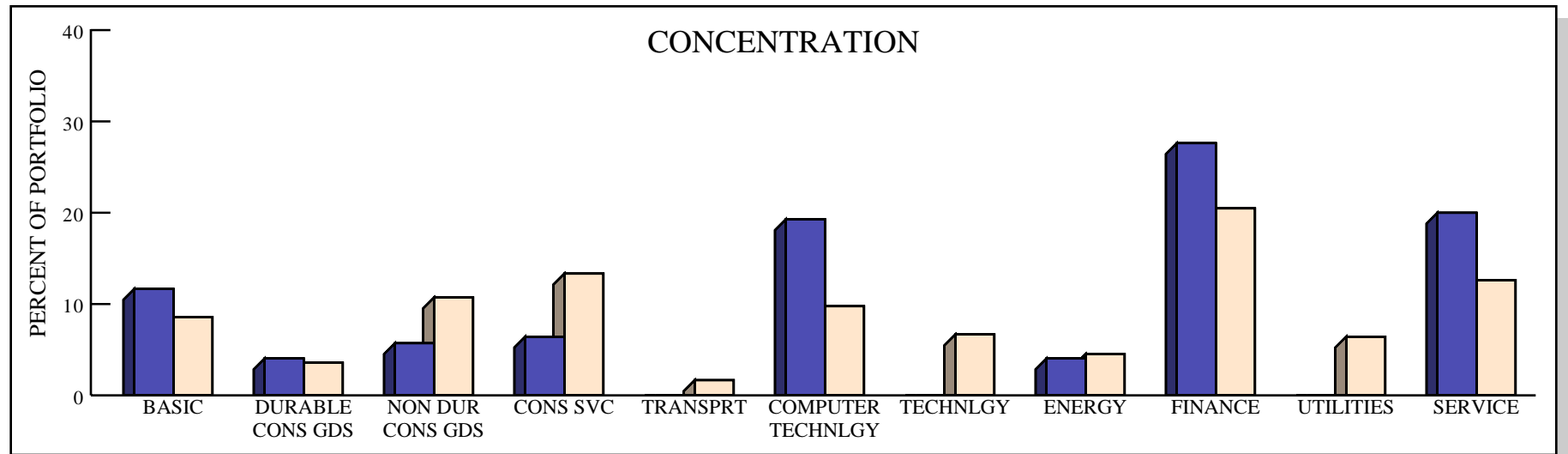
STOCK CHARACTERISTICS



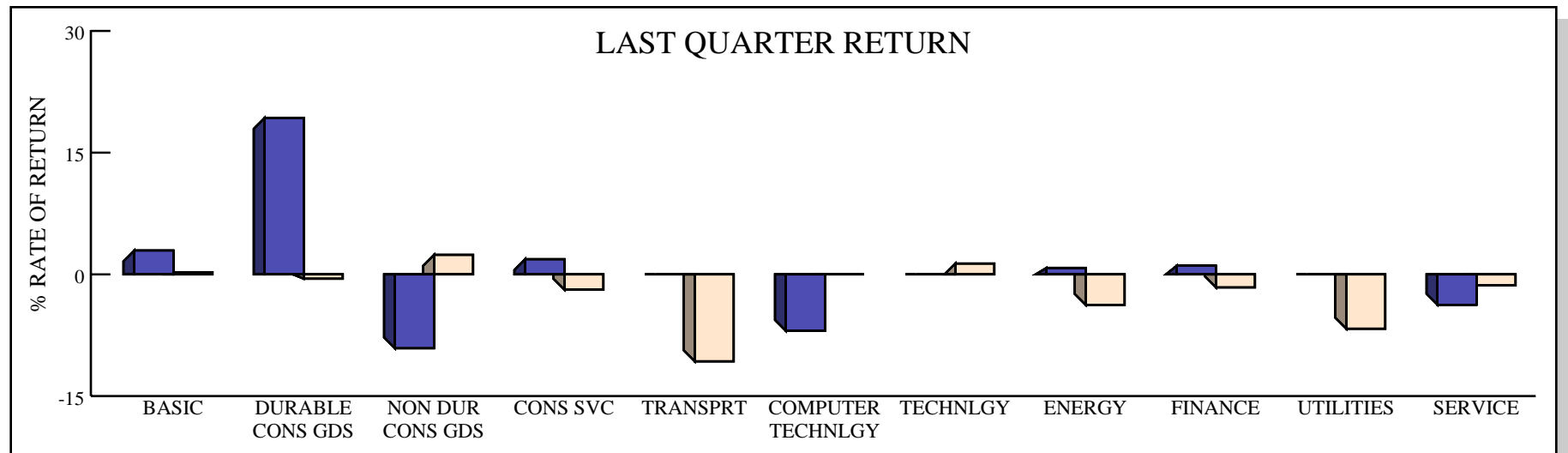
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	30	1.9%	18.4%	11.3	0.96
RUSSELL MID	829	1.7%	15.8%	23.7	0.97



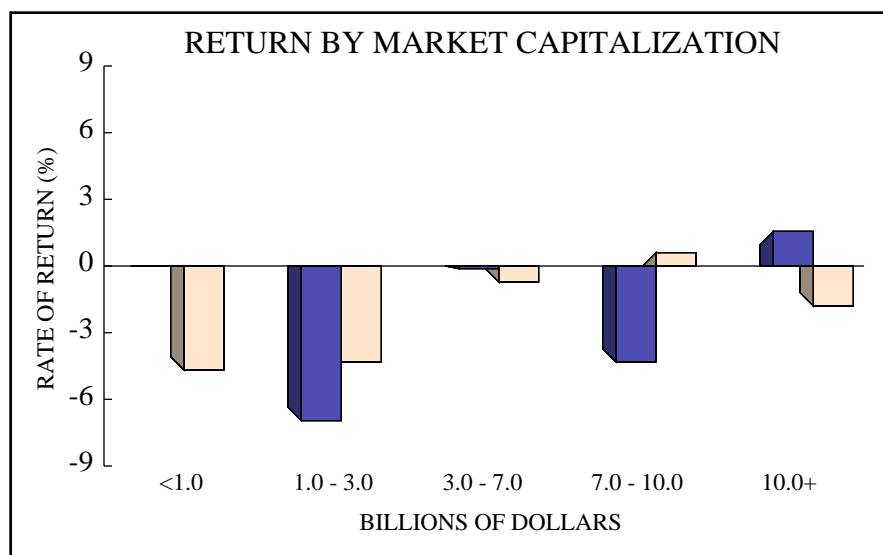
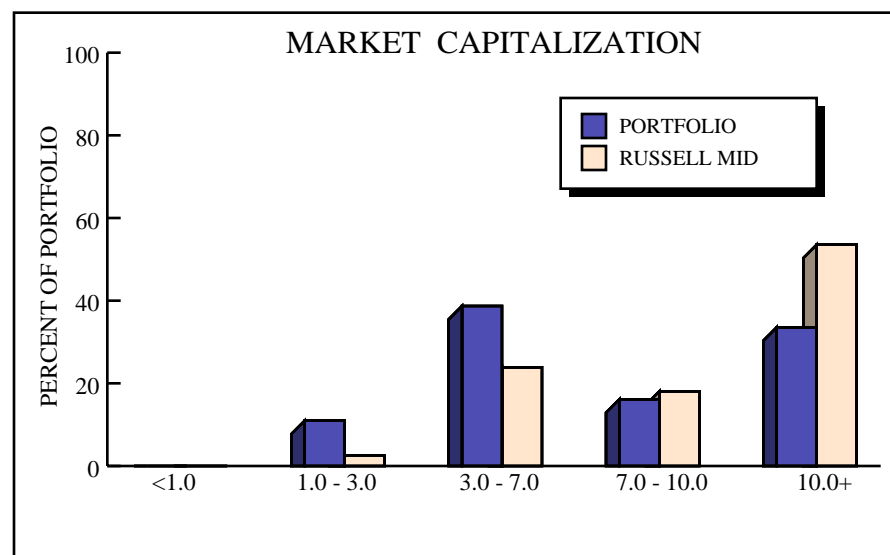
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL MID CAP



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	CHICAGO BRIDGE & IRON CO NV	\$ 261,759	4.41%	1.7%	Basic	\$ 5.4 B
2	VISTEON CORP	256,151	4.31%	8.9%	Basic	4.7 B
3	DISH NETWORK CORP-A	254,657	4.29%	-3.4%	Service	15.2 B
4	ASSURED GUARANTY LTD	252,687	4.26%	-8.6%	Finance	3.6 B
5	AGCO CORP	247,107	4.16%	19.4%	Durable Cons Goods	5.0 B
6	NETAPP INC	241,497	4.07%	-10.5%	Computer Tech	9.6 B
7	REGIONS FINANCIAL CORP	239,803	4.04%	10.1%	Finance	13.9 B
8	FIFTH THIRD BANCORP	234,704	3.95%	11.1%	Finance	16.9 B
9	ZIONS BANCORPORATION	226,782	3.82%	17.7%	Finance	6.4 B
10	DISCOVERY COMMUNICATIONS-C	219,829	3.70%	5.5%	Service	8.5 B

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

INVESTMENT RETURN

On June 30th, 2015, the Franklin Regional Retirement System's Daruma Ginkgo Fund was valued at \$5,638,517, a decrease of \$17,462 from the March ending value of \$5,655,979. Last quarter, the account recorded total net withdrawals of \$13,858 in addition to \$3,604 in net investment losses. Because there were no income receipts during the second quarter, the portfolio's net investment losses were entirely made up of capital losses (realized and unrealized).

For the cumulative period since June 2010, the portfolio has posted net withdrawals totaling \$8.6 million and recorded net investment gains totaling \$7.2 million. For the period since June 2010, if the fund returned a compounded nominal rate of 10.0% it would have been valued at \$1.4 million or \$4.3 million less than the actual value as of June 30th, 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 second quarter, the Daruma Ginkgo Fund returned -0.1%, which was 0.5% less than the Russell 2000 Index's return of 0.4% and ranked in the 66th percentile of the Small Cap universe. Over the trailing twelve-month period, the portfolio returned -2.6%, which was 9.1% less than the benchmark's 6.5% return, and ranked in the 95th percentile. Since June 2010, the portfolio returned 15.4% on an annualized basis and ranked in the 87th percentile. For comparison, the Russell 2000 returned an annualized 17.1% 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	5 Years
Total Gross/Fees	-0.1	-0.4	-2.6	16.9	15.4
<i>SMALL CAP RANK</i>	(66)	(95)	(95)	(76)	(87)
Total Net/Fees	-0.3	-0.9	-3.6	15.8	14.3
RUSSELL 2000	0.4	4.8	6.5	17.8	17.1
Domestic Equity	-0.1	-0.4	-2.7	17.6	16.1
<i>SMALL CAP RANK</i>	(66)	(95)	(95)	(72)	(83)
RUSSELL 2000	0.4	4.8	6.5	17.8	17.1
RUSSELL 2000G	2.0	8.7	12.4	20.1	19.3
RUSSELL 2000V	-1.2	0.8	0.8	15.5	14.8

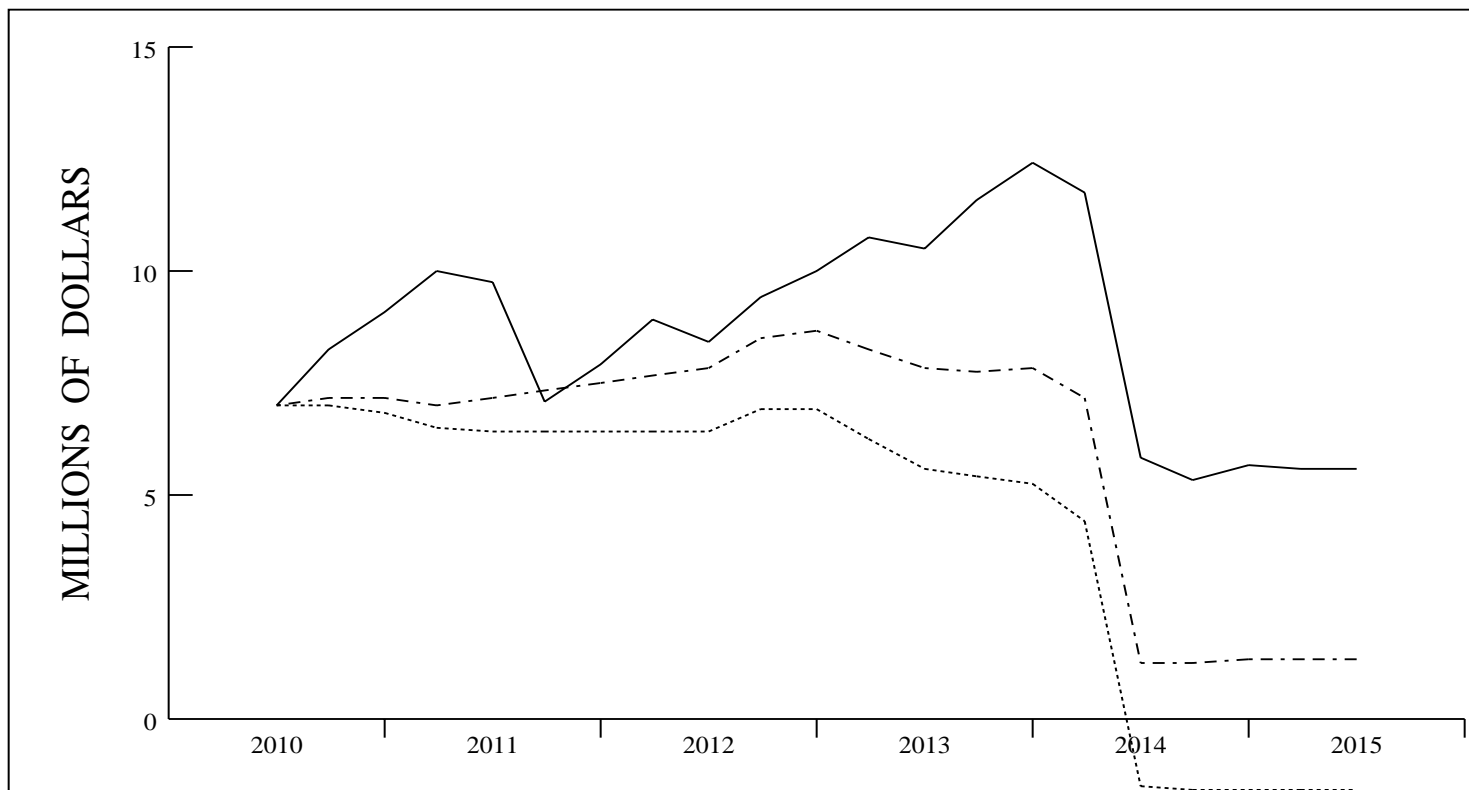
ASSET ALLOCATION

Domestic Equity	100.0%	\$ 5,638,517
Total Portfolio	100.0%	\$ 5,638,517

INVESTMENT RETURN

Market Value 3/2015	\$ 5,655,979
Contribs / Withdrawals	- 13,858
Income	0
Capital Gains / Losses	- 3,604
Market Value 6/2015	\$ 5,638,517

INVESTMENT GROWTH

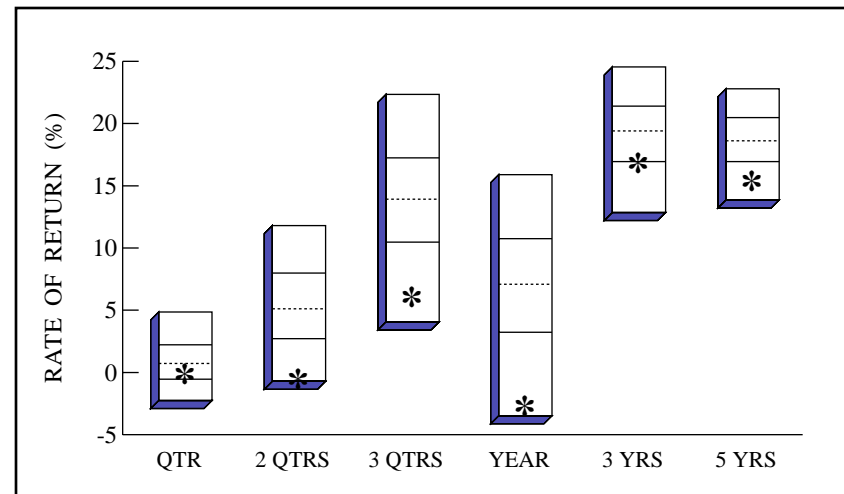
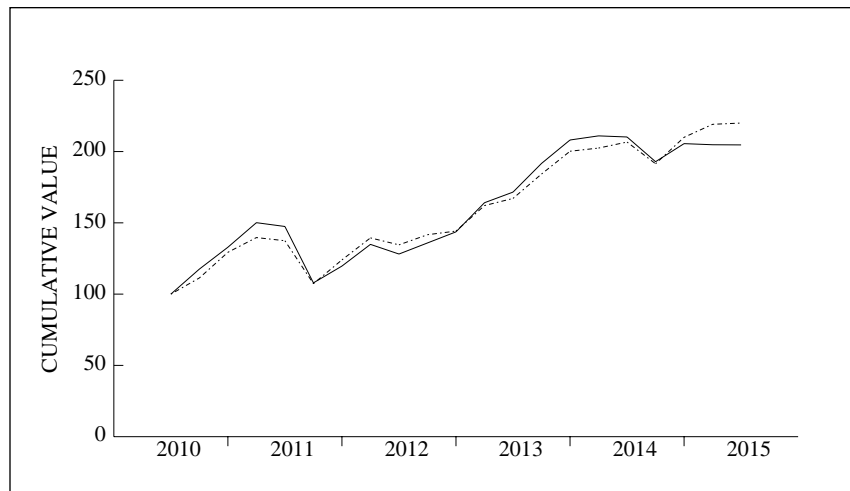


— ACTUAL RETURN
 - - - 10.0%
 . . . 0.0%

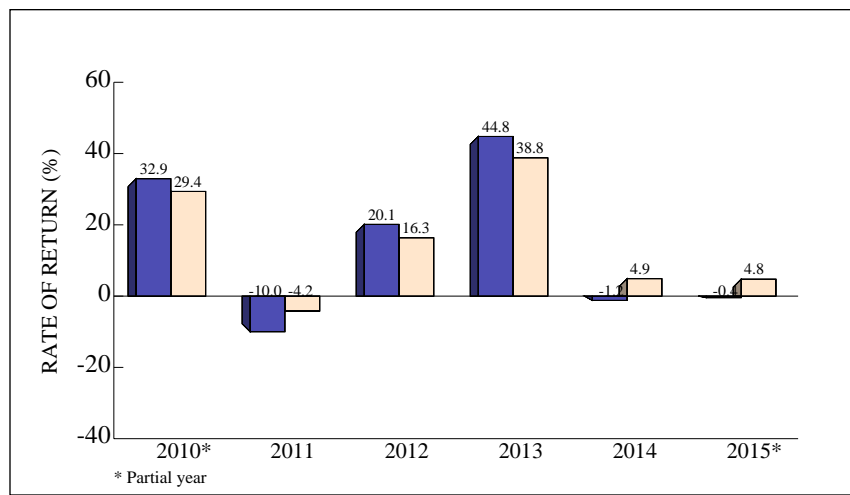
VALUE ASSUMING
 10.0% RETURN \$ 1,378,718

	LAST QUARTER	PERIOD 6/10 - 6/15
BEGINNING VALUE	\$ 5,655,979	\$ 7,054,833
NET CONTRIBUTIONS	- 13,858	- 8,605,253
INVESTMENT RETURN	- 3,604	7,188,937
ENDING VALUE	\$ 5,638,517	\$ 5,638,517
INCOME	0	164,931
CAPITAL GAINS (LOSSES)	- 3,604	7,024,006
INVESTMENT RETURN	- 3,604	7,188,937

TOTAL RETURN COMPARISONS

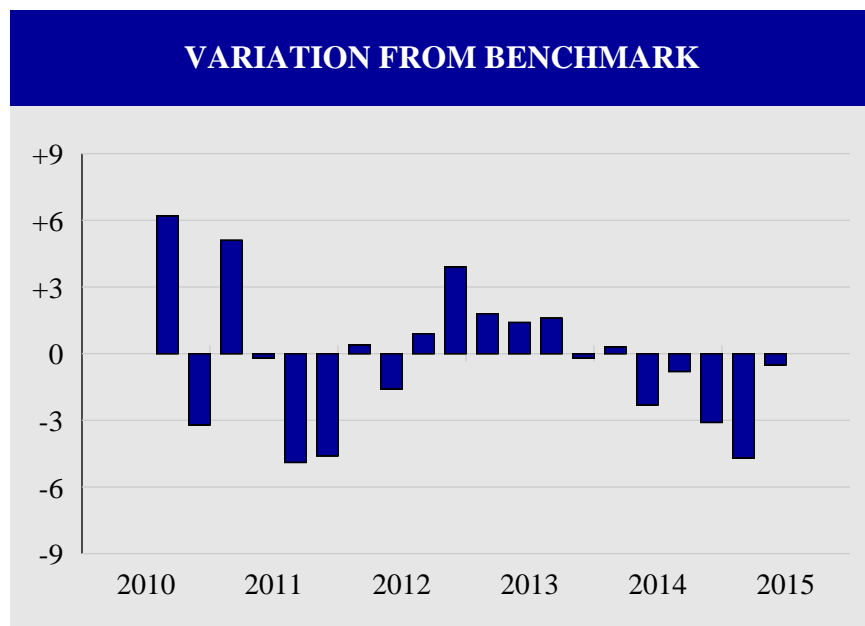


Small Cap Universe



	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED----- 3 YRS	5 YRS
RETURN	-0.1	-0.4	6.1	-2.6	16.9	15.4
(RANK)	(66)	(95)	(92)	(95)	(76)	(87)
5TH %ILE	4.9	11.8	22.3	15.9	24.6	22.8
25TH %ILE	2.2	8.0	17.2	10.7	21.4	20.5
MEDIAN	0.7	5.1	13.9	7.1	19.4	18.6
75TH %ILE	-0.6	2.7	10.5	3.2	17.0	16.9
95TH %ILE	-2.3	-0.7	4.1	-3.5	12.9	13.9
Russ 2000	0.4	4.8	14.9	6.5	17.8	17.1

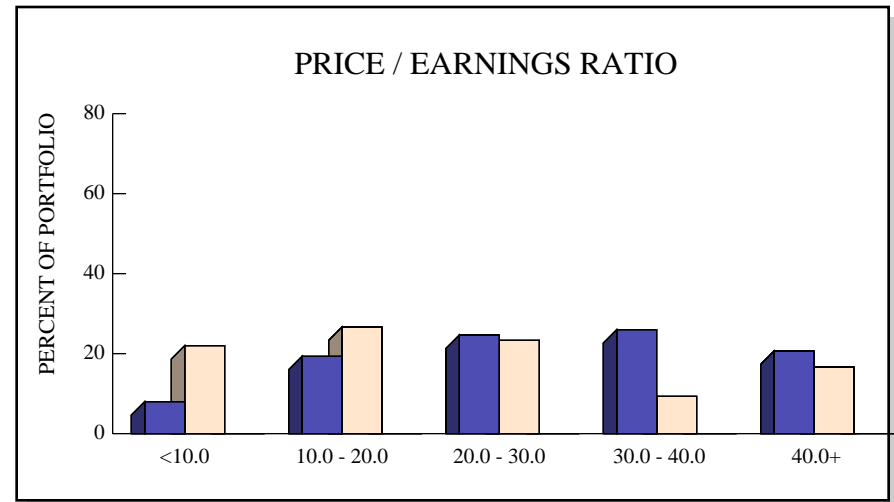
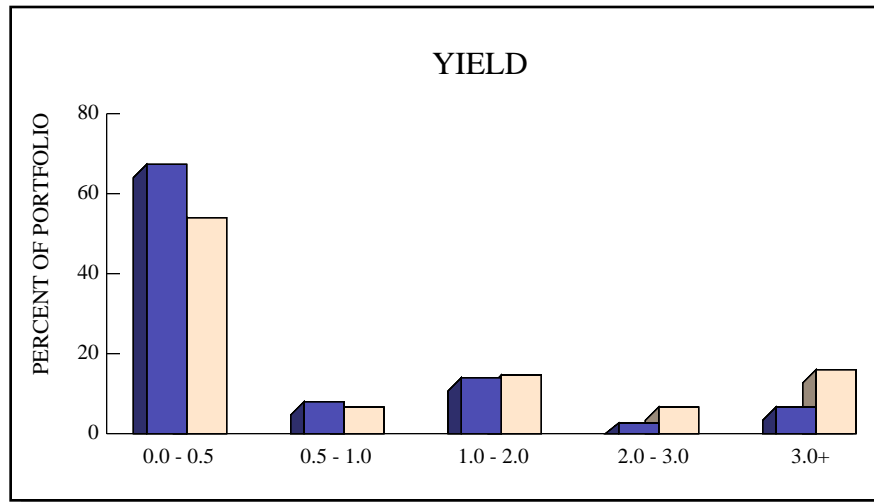
Small Cap Universe

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

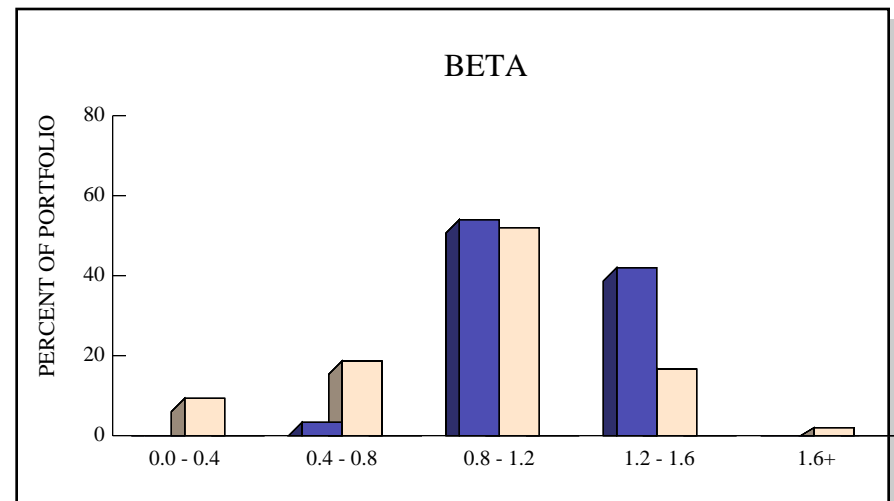
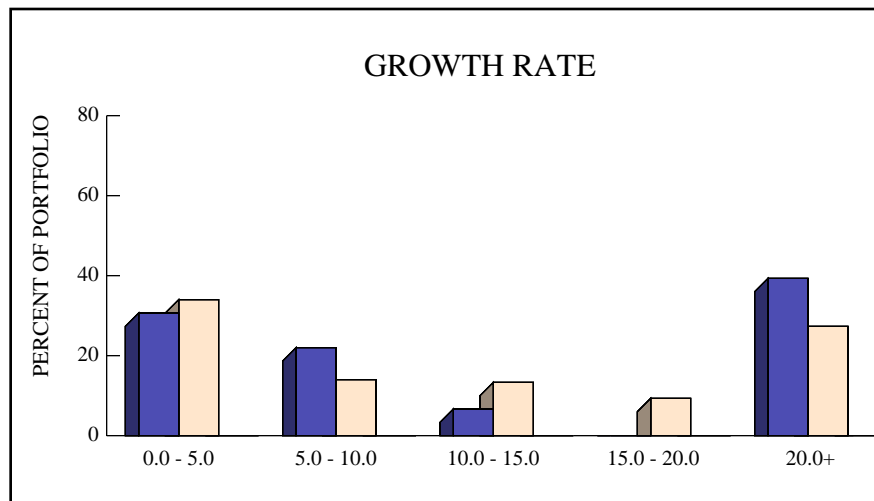
Total Quarters Observed	20
Quarters At or Above the Benchmark	9
Quarters Below the Benchmark	11
Batting Average	.450

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
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
6/15	-0.1	0.4	-0.5

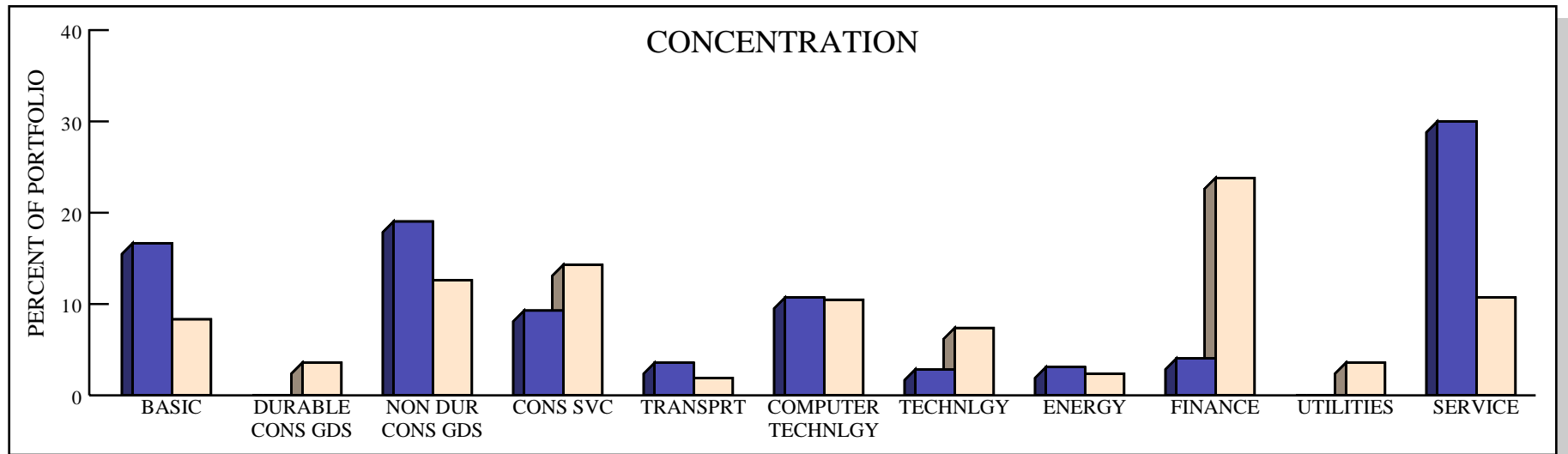
STOCK CHARACTERISTICS



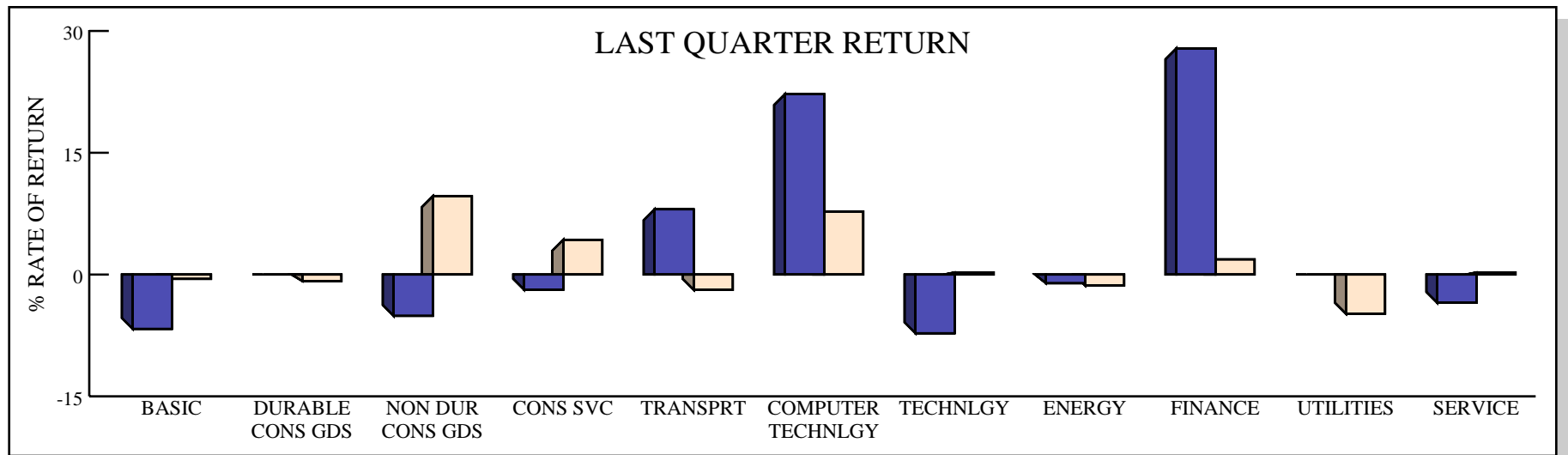
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	32	0.6%	16.0%	28.8	1.17
RUSSELL 2000	1,975	1.3%	12.6%	20.3	0.92



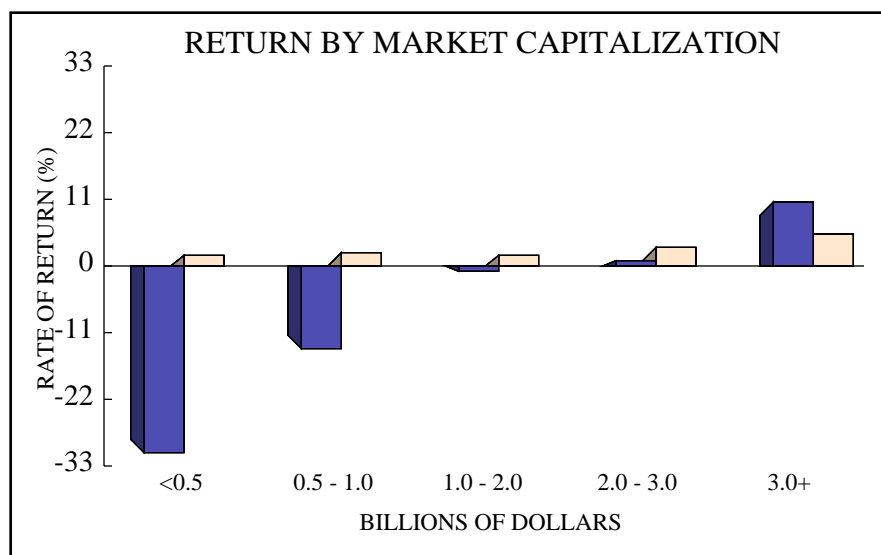
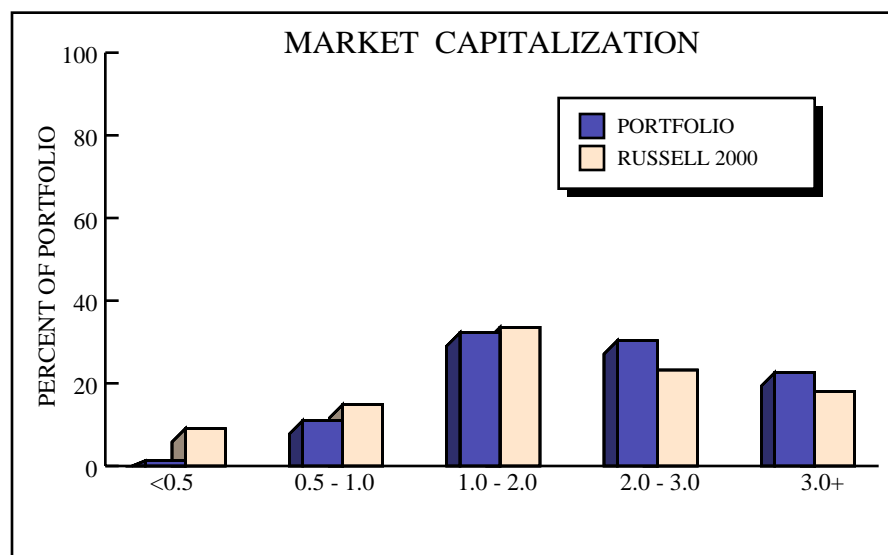
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL 2000



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	TEXAS CAPITAL BANCSHARES INC	\$ 240,993	4.27%	27.9%	Finance	\$ 2.8 B
2	ELECTRONICS FOR IMAGING	235,868	4.18%	4.2%	Computer Tech	2.0 B
3	SCHULMAN (A.) INC	216,370	3.84%	-8.8%	Basic	1.3 B
4	BEACON ROOFING SUPPLY INC	210,017	3.72%	6.1%	Service	1.6 B
5	HEALTHSOUTH CORP	209,020	3.71%	4.3%	Consumer Service	4.2 B
6	ACXIOM CORP	208,657	3.70%	-4.9%	Service	1.4 B
7	BRUNSWICK CORP	205,118	3.64%	-0.9%	Basic	4.7 B
8	SCORPIO TANKERS INC	202,294	3.59%	8.2%	Transportation	1.8 B
9	DIGITALGLOBE INC	200,199	3.55%	-18.4%	Service	2.0 B
10	ON ASSIGNMENT INC	200,014	3.55%	2.4%	Service	2.0 B

FRANKLIN REGIONAL RETIREMENT SYSTEM
SYSTEMATIC FINANCIAL
PERFORMANCE REVIEW
JUNE 2015

INVESTMENT RETURN

On June 30th, 2015, the Franklin Regional Retirement System's Systematic Financial portfolio was valued at \$5,905,757, a decrease of \$161,877 from the March ending value of \$6,067,634. Last quarter, the account recorded total net withdrawals of \$7 in addition to \$161,870 in net investment losses. The fund's net investment loss was a result of income receipts totaling \$29,685 and realized and unrealized capital losses totaling \$191,555.

Since June 2014, the account has recorded net withdrawals totaling \$7, while posting net investment losses totaling \$40,186. Since June 2014, if the account had earned a compounded nominal rate of 8.0% it would have been valued at \$6.4 million or \$515,862 more than the actual value as of June 30th, 2015.

RELATIVE PERFORMANCE

For the second quarter, the Systematic Financial portfolio lost 2.7%, which was 3.1% below the Russell 2000 Index's return of 0.4% and ranked in the 98th percentile of the Small Cap universe. Over the trailing twelve-month period, this portfolio returned -0.7%, which was 7.2% less than the benchmark's 6.5% performance, and ranked in the 90th percentile. Since June 2014, the portfolio returned -0.7% and ranked in the 90th percentile. The Russell 2000 returned 6.5% over the same time frame.

ASSET ALLOCATION

On June 30th, 2015, domestic equities comprised 98.7% of the total portfolio (\$5.8 million), while cash & equivalents totaled 1.3% (\$79,690).

STOCK ANALYSIS

By the end of the quarter, the Systematic portfolio was diversified across all eleven sectors in our industry analysis. With respect to the Russell 2000 index, the portfolio was overweight in the Basic, Consumer Service, and Technology sectors. Nondurable Consumer Goods, Computer Technology, Finance, and Service were underweight. The Durable Consumer Goods, Transportation, and Utilities closely tracked index allocation.

Negative selection effects pervaded the Systematic portfolio in the second quarter, as eight of the eleven invested sectors failed to outpace the benchmark. Moreover, seven of those sectors delivered negative returns, most notably the overweight Basic, Consumer Service, and Technology sectors. Durable Consumer Goods, Transportation, and Utilities outperformed, but lightweight allocations checked positive effects.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	3 Years	Since 06/14
Total Gross/Fees	-2.7	-0.4	-0.7	----	-0.7
<i>SMALL CAP RANK</i>	(98)	(95)	(90)	----	(90)
Total Net/Fees	-2.9	-0.8	-1.5	----	-1.5
RUSSELL 2000	0.4	4.8	6.5	17.8	6.5
RUSSELL 2000G	2.0	8.7	12.4	20.1	12.4
RUSSELL 2000V	-1.2	0.8	0.8	15.5	0.8
Domestic Equity	-2.7	-0.4	-0.7	----	-0.7
<i>SMALL CAP RANK</i>	(98)	(95)	(90)	----	(90)
RUSSELL 2000	0.4	4.8	6.5	17.8	6.5

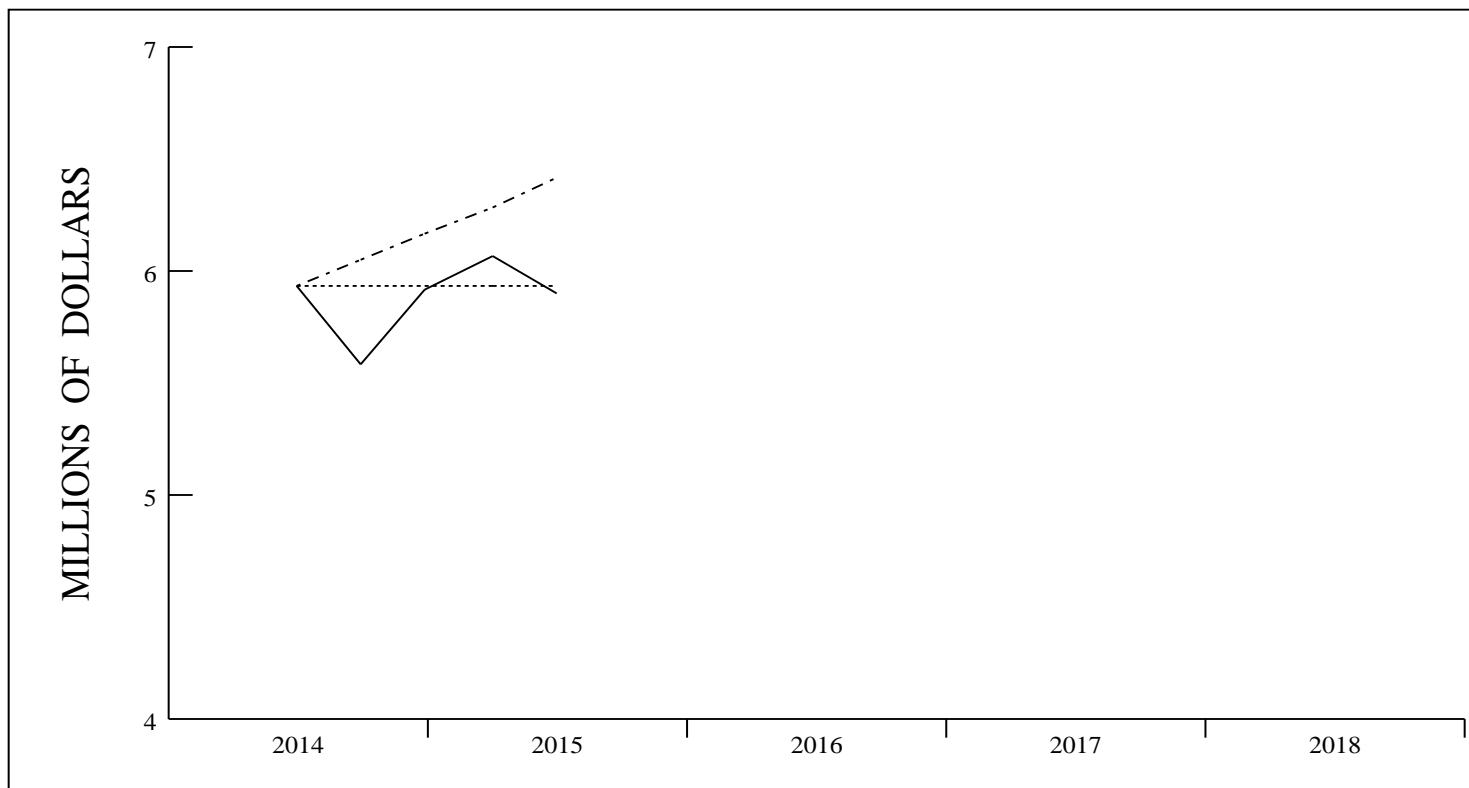
ASSET ALLOCATION

Domestic Equity	98.7%	\$ 5,826,067
Cash	1.3%	79,690
Total Portfolio	100.0%	\$ 5,905,757

INVESTMENT RETURN

Market Value 3/2015	\$ 6,067,634
Contribs / Withdrawals	-7
Income	29,685
Capital Gains / Losses	-191,555
Market Value 6/2015	\$ 5,905,757

INVESTMENT GROWTH

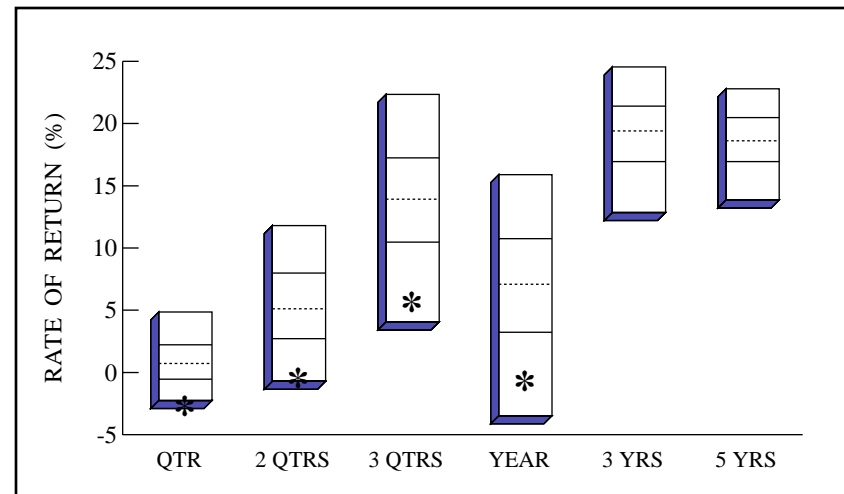
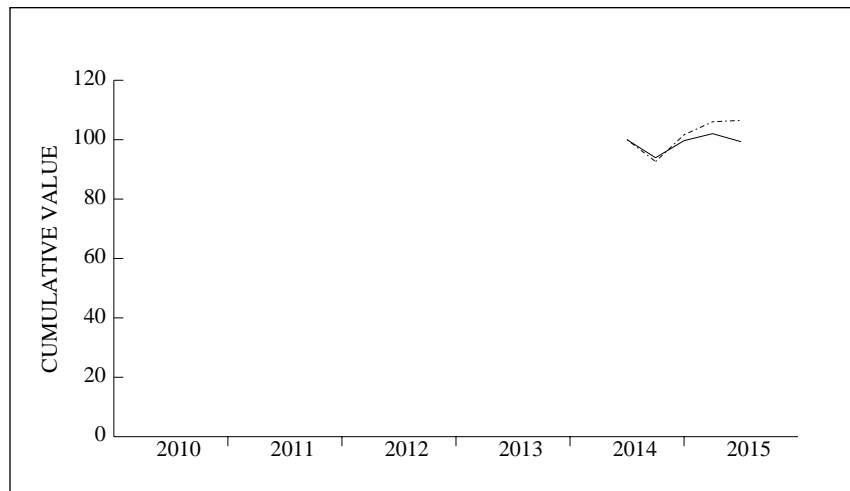


—	ACTUAL RETURN
- - - - -	8.0%
.....	0.0%

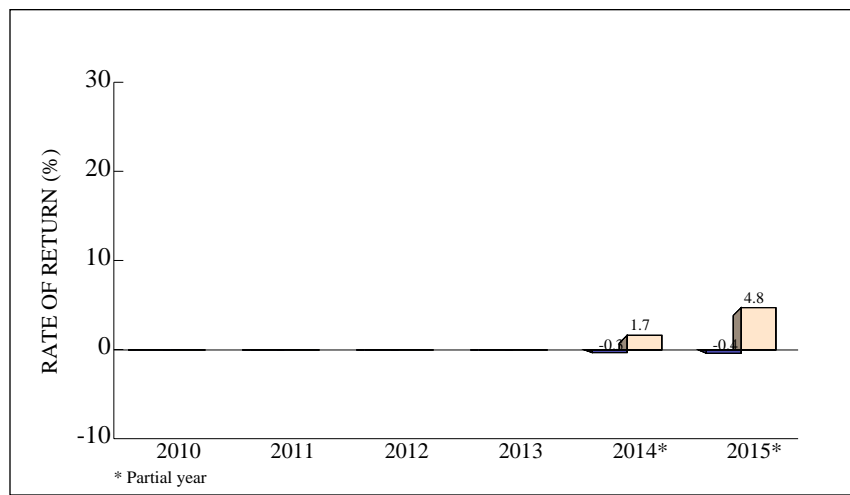
VALUE ASSUMING	
8.0% RETURN	\$ 6,421,619

	LAST QUARTER	PERIOD 6/14 - 6/15
BEGINNING VALUE	\$ 6,067,634	\$ 5,945,950
NET CONTRIBUTIONS	- 7	- 7
INVESTMENT RETURN	-161,870	- 40,186
ENDING VALUE	\$ 5,905,757	\$ 5,905,757
INCOME	29,685	108,047
CAPITAL GAINS (LOSSES)	-191,555	-148,233
INVESTMENT RETURN	-161,870	- 40,186

TOTAL RETURN COMPARISONS



Small Cap Universe



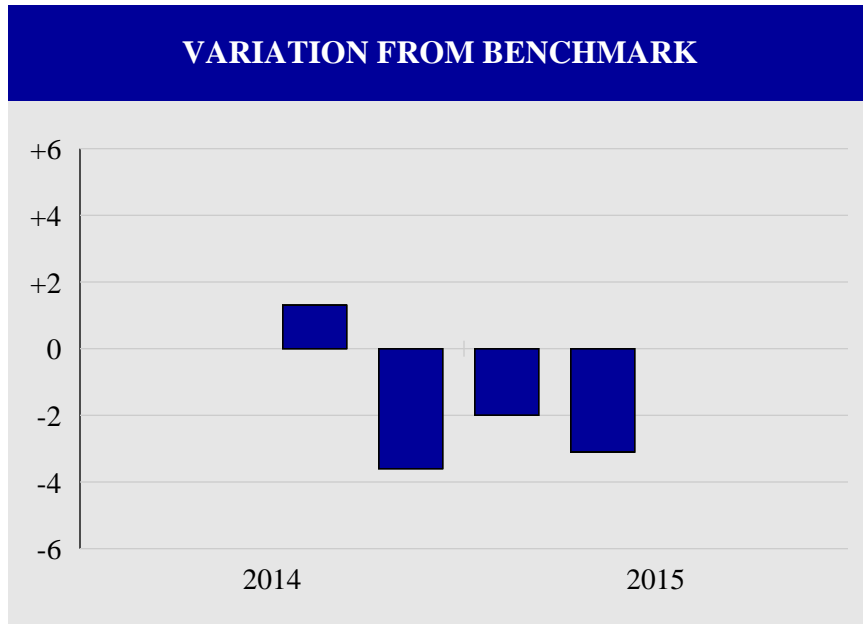
* Partial year

	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-2.7	-0.4	5.7	-0.7	----	----
(RANK)	(98)	(95)	(93)	(90)	----	----
5TH %ILE	4.9	11.8	22.3	15.9	24.6	22.8
25TH %ILE	2.2	8.0	17.2	10.7	21.4	20.5
MEDIAN	0.7	5.1	13.9	7.1	19.4	18.6
75TH %ILE	-0.6	2.7	10.5	3.2	17.0	16.9
95TH %ILE	-2.3	-0.7	4.1	-3.5	12.9	13.9
Russ 2000	0.4	4.8	14.9	6.5	17.8	17.1

Small Cap Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

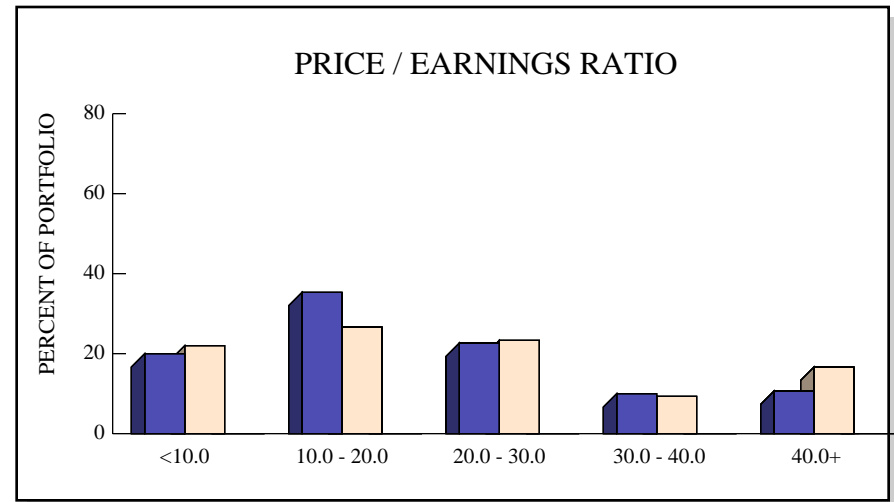
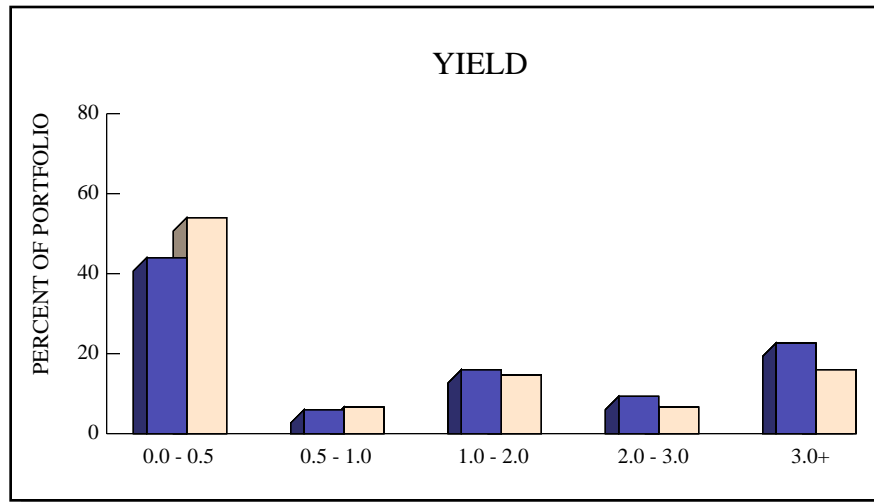
COMPARATIVE BENCHMARK: RUSSELL 2000



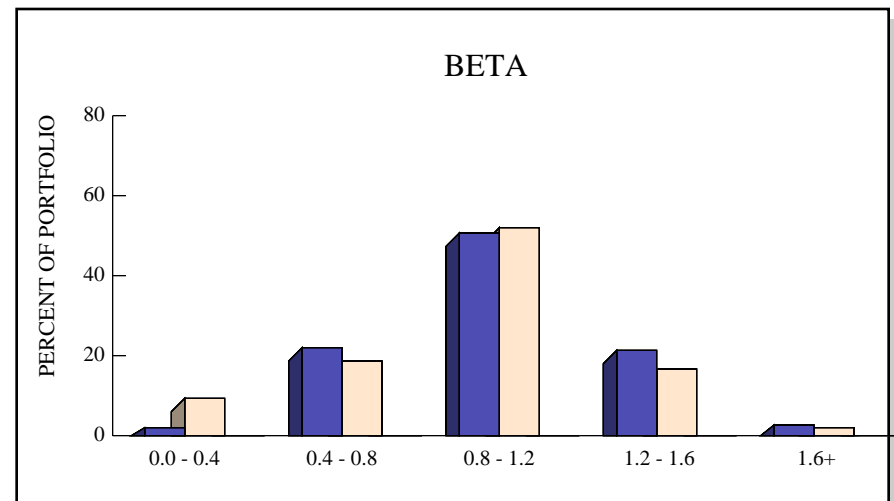
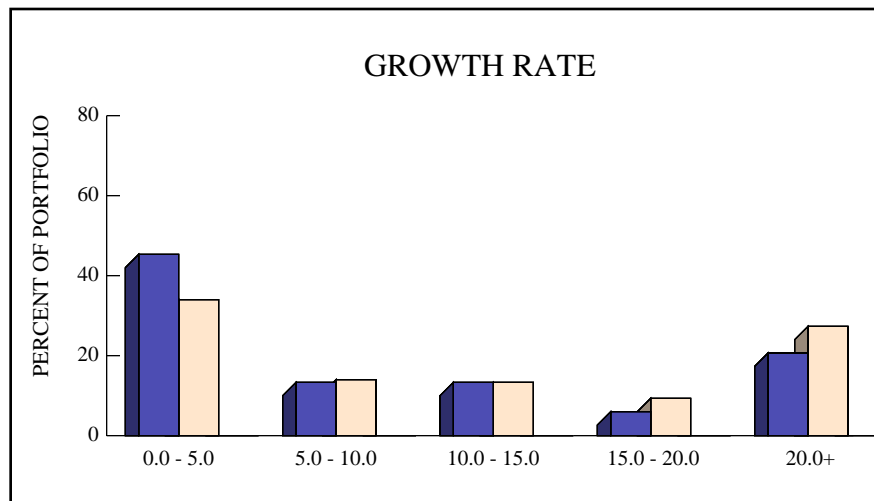
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/14	-6.1	-7.4	1.3
12/14	6.1	9.7	-3.6
3/15	2.3	4.3	-2.0
6/15	-2.7	0.4	-3.1

Total Quarters Observed	4
Quarters At or Above the Benchmark	1
Quarters Below the Benchmark	3
Batting Average	.250

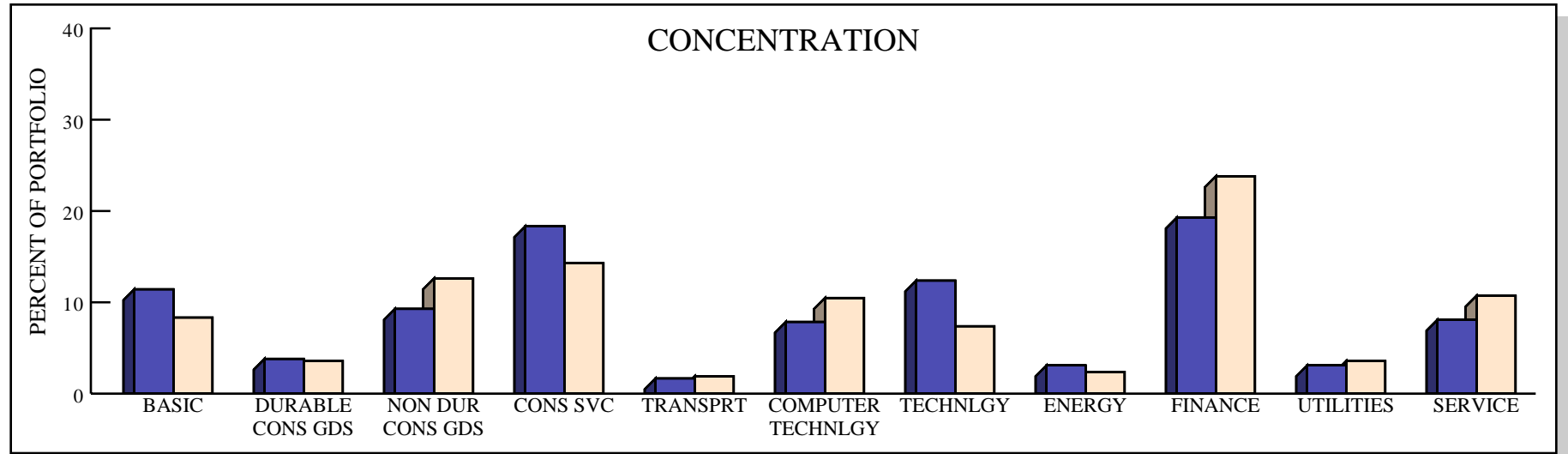
STOCK CHARACTERISTICS



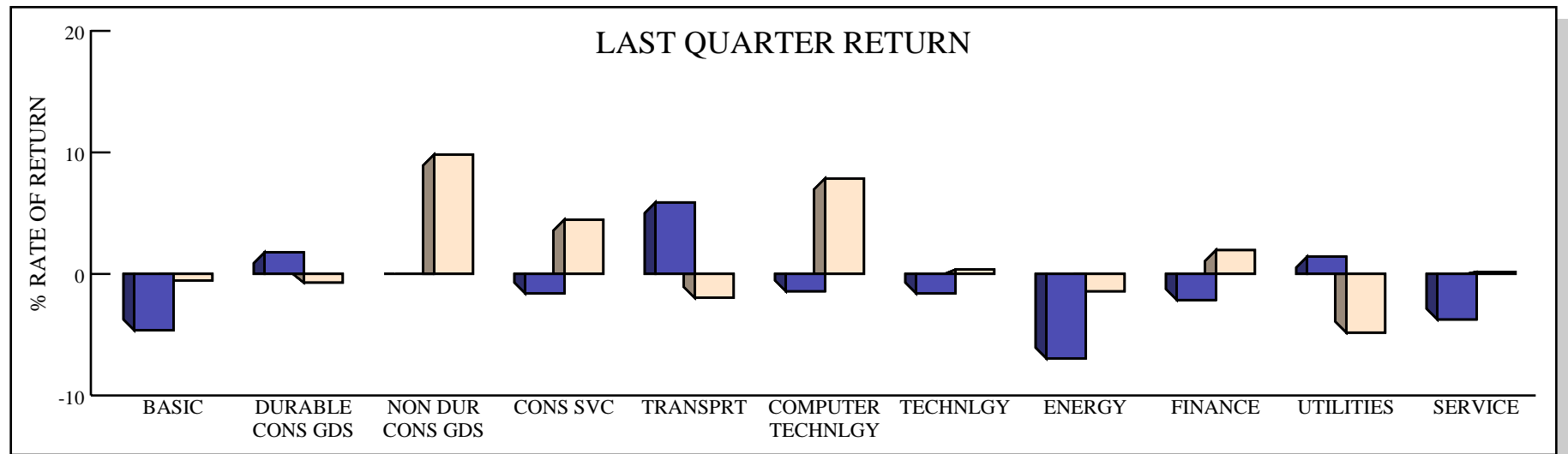
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	325	1.9%	9.4%	20.6	0.99
RUSSELL 2000	1,975	1.3%	12.6%	20.3	0.92



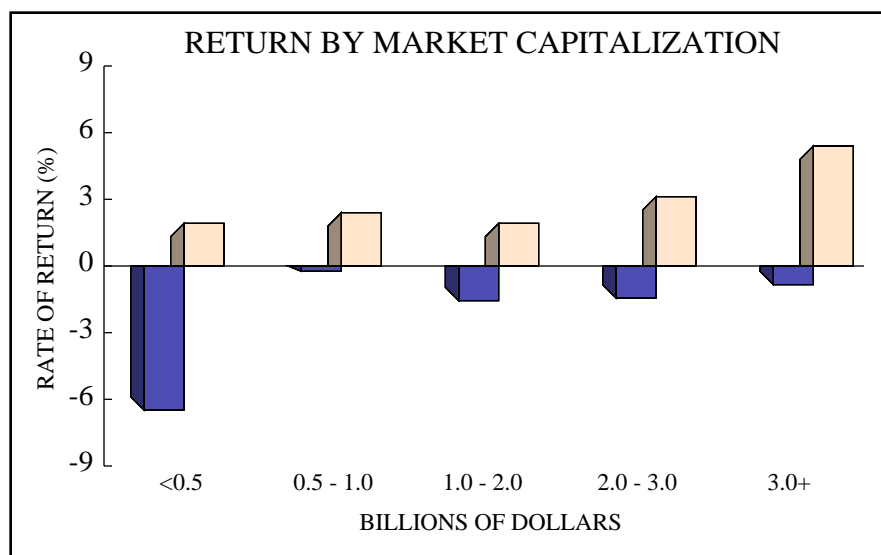
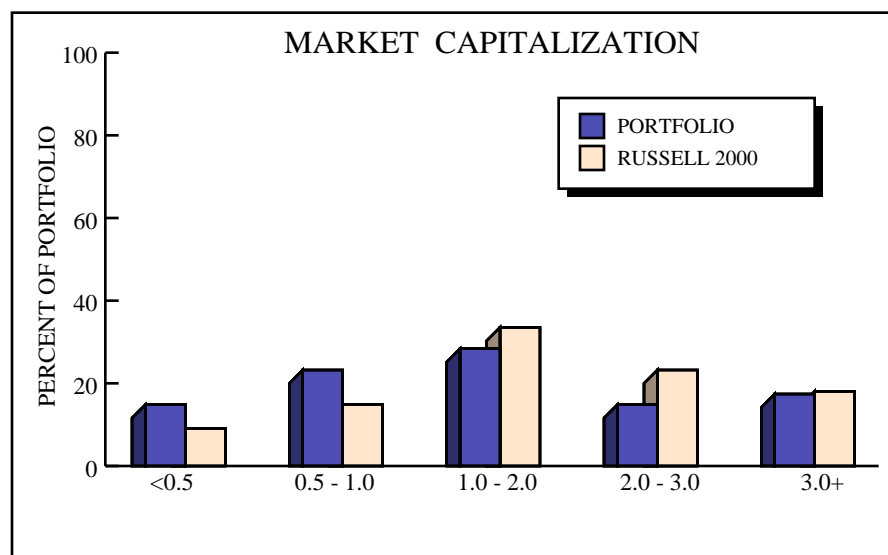
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL 2000



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	STEPAN CO	\$ 25,702	.44%	30.2%	NonDur Cons Goods	\$ 1.2 B
2	SILVER STANDARD RESOURCES	23,393	.40%	38.6%	Basic	0.5 B
3	QUANEX BUILDING PRODUCTS	23,144	.40%	8.8%	Basic	0.7 B
4	LIFEPOINT HEALTH INC	23,042	.40%	18.4%	Consumer Service	3.9 B
5	ALMOST FAMILY INC	22,549	.39%	-10.7%	Consumer Service	0.4 B
6	INTELIQUENT INC	22,540	.39%	17.6%	Utilities	0.6 B
7	THORATEC CORP	22,062	.38%	6.4%	Technology	2.4 B
8	BANNER CORPORATION	22,048	.38%	4.8%	Finance	1.0 B
9	VCA INC	22,036	.38%	-0.8%	Consumer Service	4.5 B
10	EAGLE BANCORP INC	21,980	.38%	14.5%	Finance	1.5 B

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

INVESTMENT RETURN

On June 30th, 2015, the Franklin Regional Retirement System's PRIT International Equity portfolio was valued at \$5,887,656, representing an increase of \$235,792 from the March quarter's ending value of \$5,651,864. Last quarter, the Fund posted net contributions equaling \$157,352 plus a net investment gain equaling \$78,440. Total net investment return was the result of income receipts, which totaled \$69,114 and net realized and unrealized capital gains of \$9,326.

For the cumulative period since September 2014, the fund has recorded net contributions totaling \$152,221, and recorded net investment gains of \$192,605. For the period since September 2014, if the total fund returned a compounded nominal rate of 9.0% it would have been valued at \$6.1 million or \$177,799 more than the actual value as of June 30th, 2015.

RELATIVE PERFORMANCE

In the second quarter, the PRIT International Equity portfolio gained 1.4%, which was 0.6% above the MSCI EAFE Index's return of 0.8% and ranked in the 54th 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	1.4	6.5	----	----	3.5
<i>INTERNATIONAL EQUITY RANK</i>	(54)	(44)	----	----	(49)
Total Net/Fees	1.3	6.4	----	----	3.3
MSCI EAFE	0.8	5.9	-3.8	12.5	2.1
ACWI EX US	0.7	4.3	-4.8	9.9	0.4
MSCI EMG MKTS	0.8	3.1	-4.8	4.1	-1.5
International Equity	1.4	6.5	----	----	3.5
<i>INTERNATIONAL EQUITY RANK</i>	(54)	(44)	----	----	(49)
MSCI EAFE	0.8	5.9	-3.8	12.5	2.1

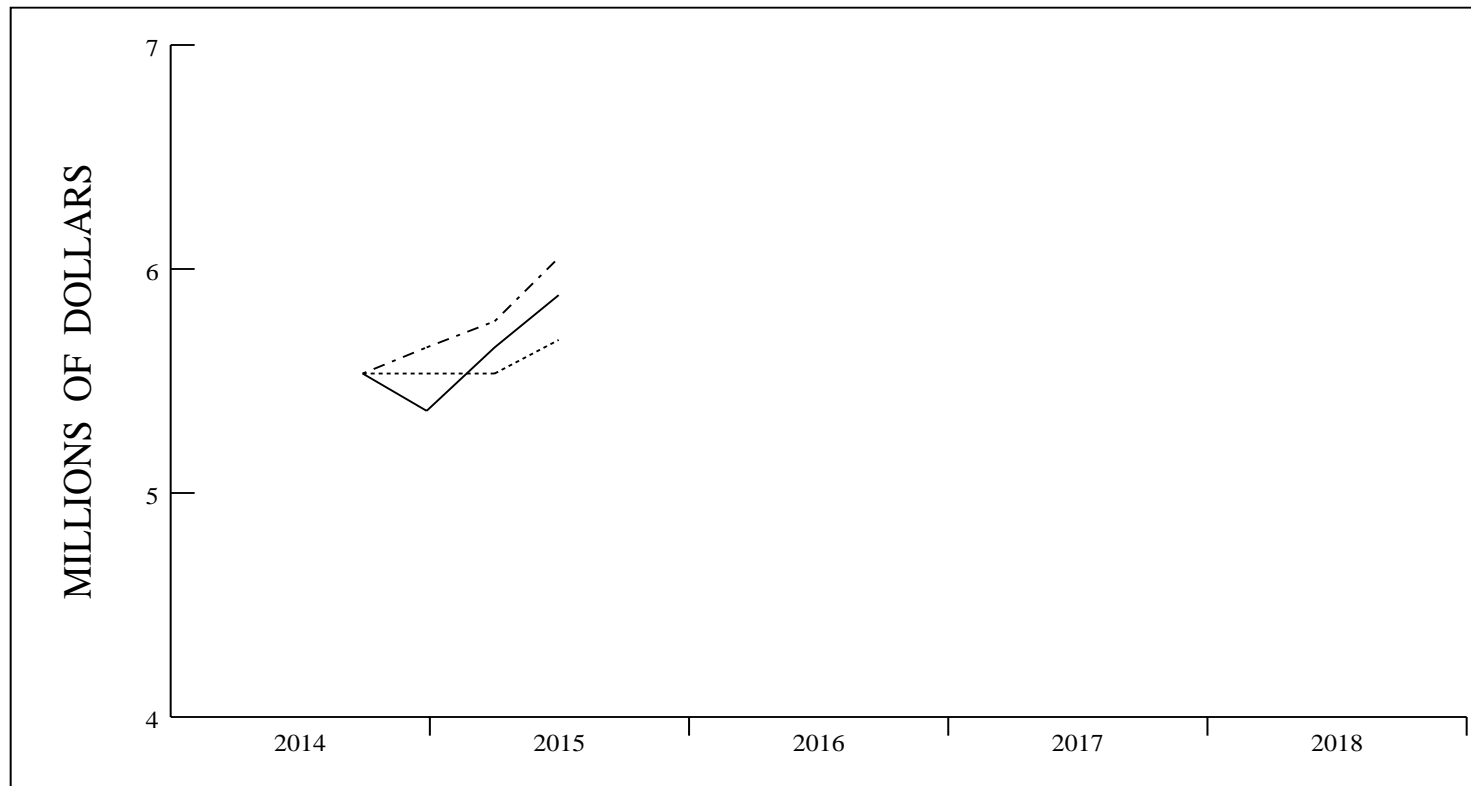
ASSET ALLOCATION

Int'l Equity	100.0%	\$ 5,887,656
Total Portfolio	100.0%	\$ 5,887,656

INVESTMENT RETURN

Market Value 3/2015	\$ 5,651,864
Contribs / Withdrawals	157,352
Income	69,114
Capital Gains / Losses	9,326
Market Value 6/2015	\$ 5,887,656

INVESTMENT GROWTH

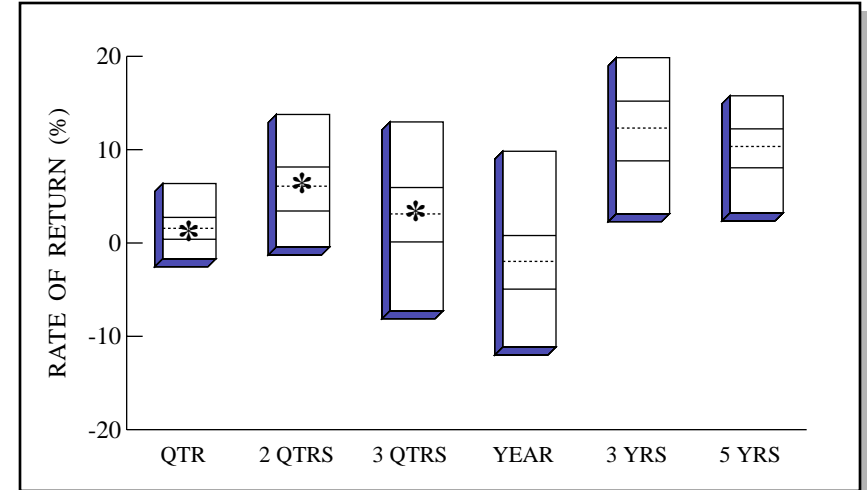
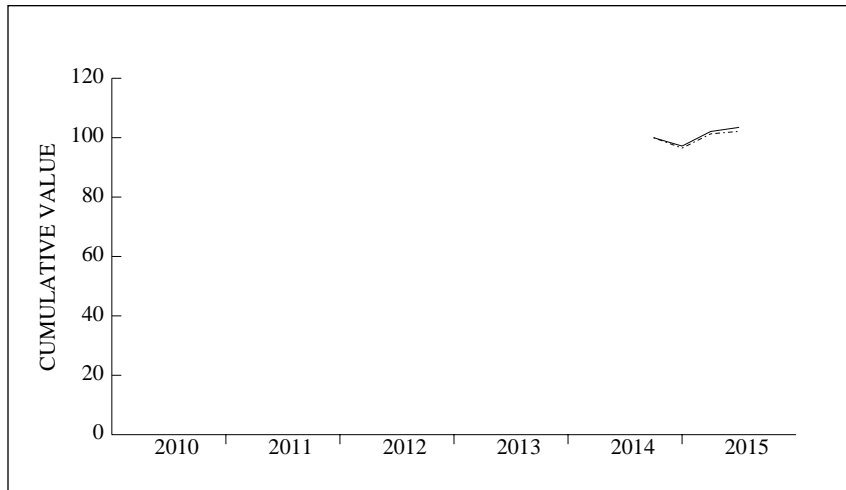


————	ACTUAL RETURN
- - - - -	9.0%
.....	0.0%

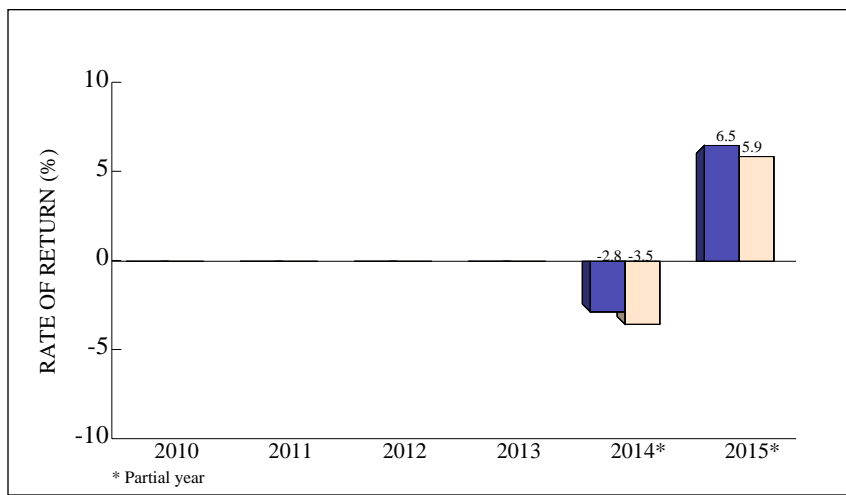
VALUE ASSUMING	
9.0% RETURN	\$ 6,065,455

	LAST QUARTER	PERIOD 9/14 - 6/15
BEGINNING VALUE	\$ 5,651,864	\$ 5,542,830
NET CONTRIBUTIONS	157,352	152,221
INVESTMENT RETURN	78,440	192,605
ENDING VALUE	\$ 5,887,656	\$ 5,887,656
INCOME	69,114	122,149
CAPITAL GAINS (LOSSES)	9,326	70,456
INVESTMENT RETURN	78,440	192,605

TOTAL RETURN COMPARISONS



International Equity Universe

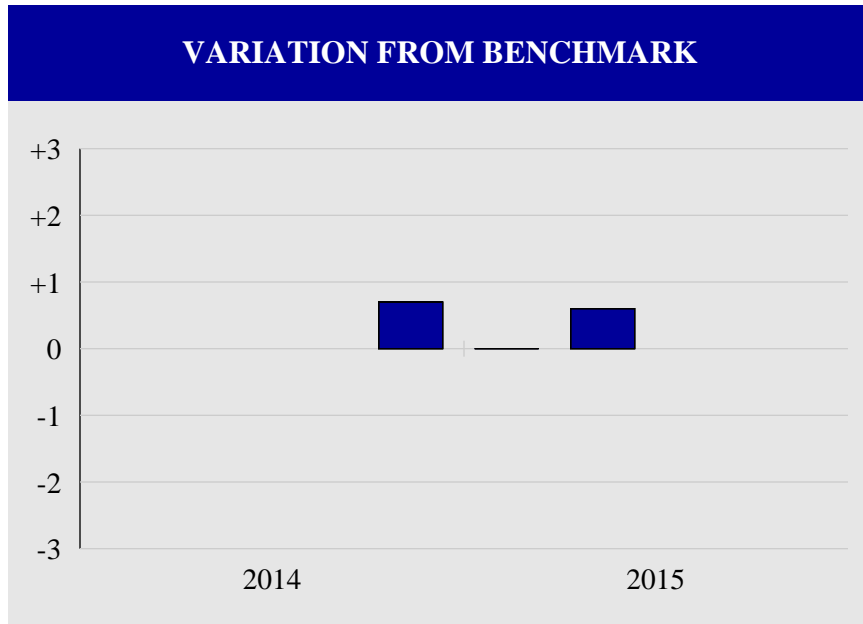


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	1.4	6.5	3.5	---	---	---
(RANK)	(54)	(44)	(49)	---	---	---
5TH %ILE	6.4	13.8	13.0	9.8	19.9	15.8
25TH %ILE	2.7	8.1	5.9	0.8	15.2	12.2
MEDIAN	1.6	6.1	3.1	-2.0	12.3	10.3
75TH %ILE	0.4	3.4	0.1	-4.9	8.8	8.1
95TH %ILE	-1.7	-0.4	-7.3	-11.2	3.2	3.2
MSCI EAFE	0.8	5.9	2.1	-3.8	12.5	10.0

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
6/15	1.4	0.8	0.6

Total Quarters Observed	3
Quarters At or Above the Benchmark	3
Quarters Below the Benchmark	0
Batting Average	1.000

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

INVESTMENT RETURN

On June 30th, 2015, the Franklin Regional Retirement System's PRIT Core Real Estate Account portfolio was valued at \$12,942,473, representing an increase of \$207,307 from the March quarter's ending value of \$12,735,166. Last quarter, the Fund posted withdrawals totaling \$22,492, which partially offset the portfolio's net investment return of \$229,799. Income receipts totaling \$179,966 plus net realized and unrealized capital gains of \$49,833 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 \$3.2 million. For the period since September 2010, if the total fund had returned a compounded nominal rate of 8.25% it would have been valued at \$11.7 million or \$1.3 million less than the actual value as of June 30th, 2015.

RELATIVE PERFORMANCE

In the second quarter, the PRIT Core Real Estate Account portfolio gained 1.8%, which was 2.0% less than the NCREIF NFI-ODCE Index's return of 3.8%. Over the trailing twelve-month period, the portfolio returned 12.0%, which was 2.4% below the benchmark's 14.4% return. Since September 2010, the account returned 13.0% on an annualized basis, while the NCREIF NFI-ODCE Index returned an annualized 13.9% 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	1.8	5.2	12.0	12.8	13.0
Total Net/Fees	1.6	4.9	11.3	12.2	12.3
NCREIF ODCE	3.8	7.3	14.4	13.1	13.9
Real Estate	1.8	5.2	12.0	12.8	13.0
NCREIF ODCE	3.8	7.3	14.4	13.1	13.9

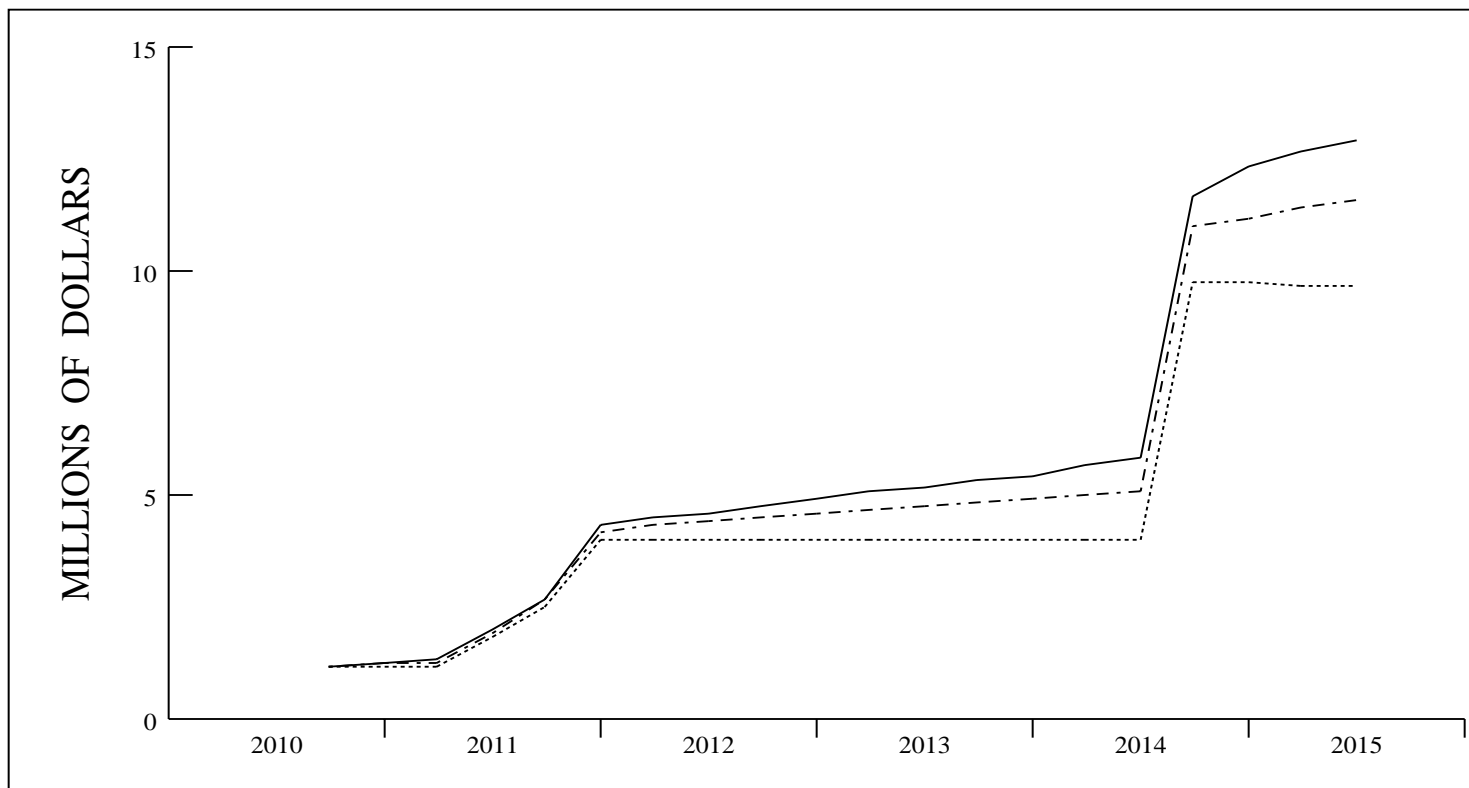
ASSET ALLOCATION

Real Estate	100.0%	\$ 12,942,473
Total Portfolio	100.0%	\$ 12,942,473

INVESTMENT RETURN

Market Value 3/2015	\$ 12,735,166
Contribs / Withdrawals	- 22,492
Income	179,966
Capital Gains / Losses	49,833
Market Value 6/2015	\$ 12,942,473

INVESTMENT GROWTH



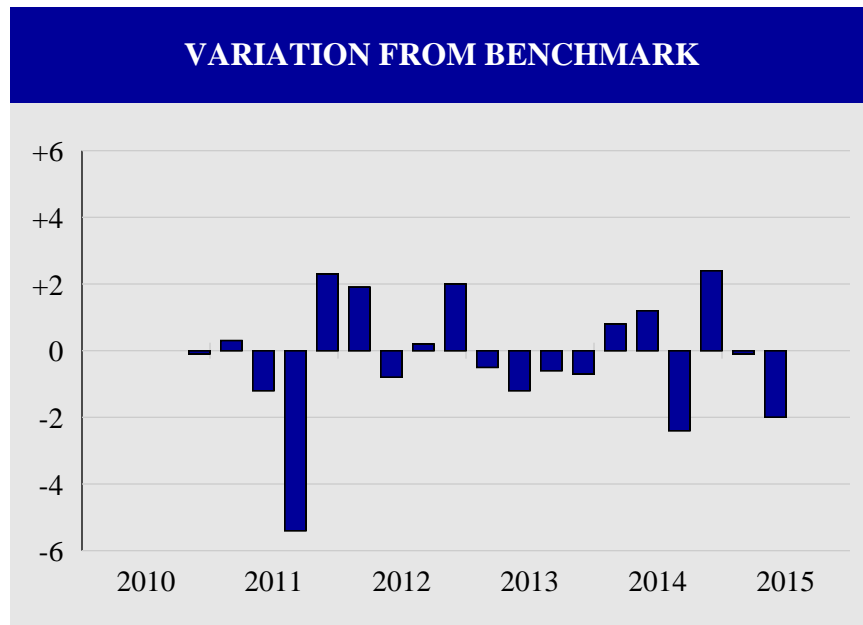
— ACTUAL RETURN
 - - - 8.25%
 . . . 0.0%

VALUE ASSUMING
 8.25% RETURN \$ 11,659,943

	LAST QUARTER	PERIOD 9/10 - 6/15
BEGINNING VALUE	\$ 12,735,166	\$ 1,247,572
NET CONTRIBUTIONS	- 22,492	8,477,045
INVESTMENT RETURN	229,799	3,217,856
ENDING VALUE	\$ 12,942,473	\$ 12,942,473
INCOME	179,966	1,329,677
CAPITAL GAINS (LOSSES)	49,833	1,888,179
INVESTMENT RETURN	229,799	3,217,856

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
6/15	1.8	3.8	-2.0

Total Quarters Observed	19
Quarters At or Above the Benchmark	8
Quarters Below the Benchmark	11
Batting Average	.421

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

INVESTMENT RETURN

On June 30th, 2015, the Franklin Regional Retirement System's Income Research & Management Core Bond Fund was valued at \$12,750,147, a decrease of \$196,138 from the March ending value of \$12,946,285. Last quarter, the account recorded no net contributions or withdrawals, while recording a net investment loss for the quarter of \$196,138. Since there were no income receipts for the second quarter, net investment losses were the result of capital losses (realized and unrealized).

Since December 2009, the account has recorded net contributions totaling \$1.8 million, and generated net investment gains totaling \$2.7 million. Since December 2009, if the account had earned a compounded nominal rate of 6.0% it would have been valued at \$13.5 million or \$797,388 more than the actual value as of June 30th, 2015.

RELATIVE PERFORMANCE

For the second quarter, the Income Research & Management Core Bond Fund lost 1.5%, which was 0.2% above the Barclays Aggregate Index's return of -1.7% and ranked in the 34th percentile of the Core Fixed Income universe. Over the trailing twelve-month period, this portfolio returned 2.5%, which was 0.7% greater than the benchmark's 1.8% performance, and ranked in the 16th percentile. Since December 2009, the portfolio returned 4.9% annualized and ranked in the 30th percentile. The Barclays Aggregate Index returned an annualized 4.0% 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, USG rated securities comprised nearly 35% of the bond portfolio, while corporate securities, rated AAA through BBB, comprised the remainder, giving the portfolio an overall average quality rating of AAA-AA. The average maturity of the portfolio was 8.04 years, longer than the Barclays Aggregate Index's 7.87-year maturity. The average coupon was 3.82%.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 12/09
Total Gross/Fees	-1.5	0.2	2.5	3.2	4.9
<i>CORE FIXED INCOME RANK</i>	(34)	(39)	(16)	(14)	(30)
Total Net/Fees	-1.6	0.0	2.1	2.8	4.5
BARCLAYS AGG	-1.7	-0.1	1.8	1.8	4.0
Fixed Income	-1.5	0.2	2.5	3.2	4.9
<i>CORE FIXED INCOME RANK</i>	(34)	(39)	(16)	(14)	(30)
BARCLAYS AGG	-1.7	-0.1	1.8	1.8	4.0
GOV/CREDIT	-2.1	-0.3	1.7	1.8	4.2

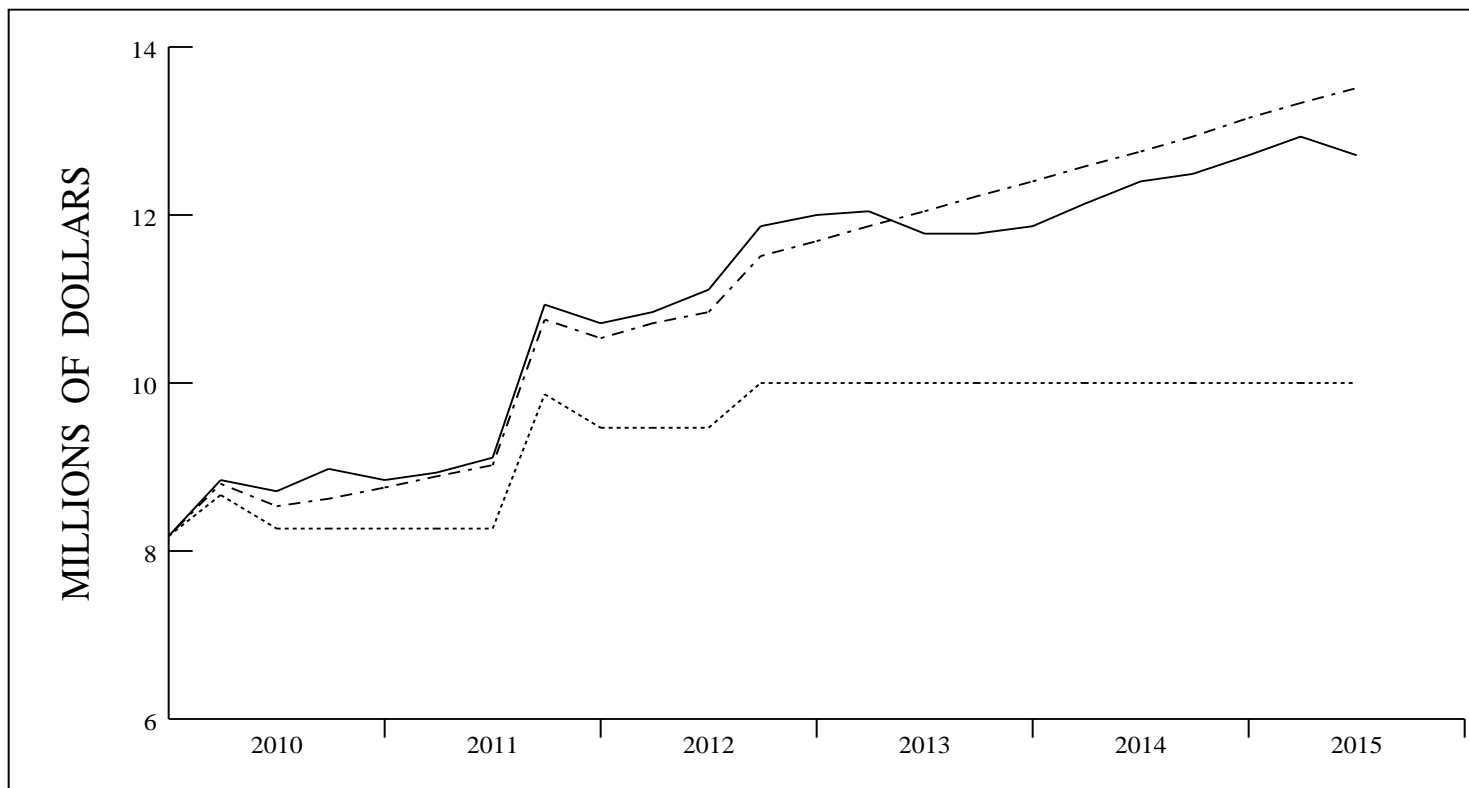
ASSET ALLOCATION

Fixed Income	100.0%	\$ 12,750,147
Total Portfolio	100.0%	\$ 12,750,147

INVESTMENT RETURN

Market Value 3/2015	\$ 12,946,285
Contribs / Withdrawals	0
Income	0
Capital Gains / Losses	-196,138
Market Value 6/2015	\$ 12,750,147

INVESTMENT GROWTH

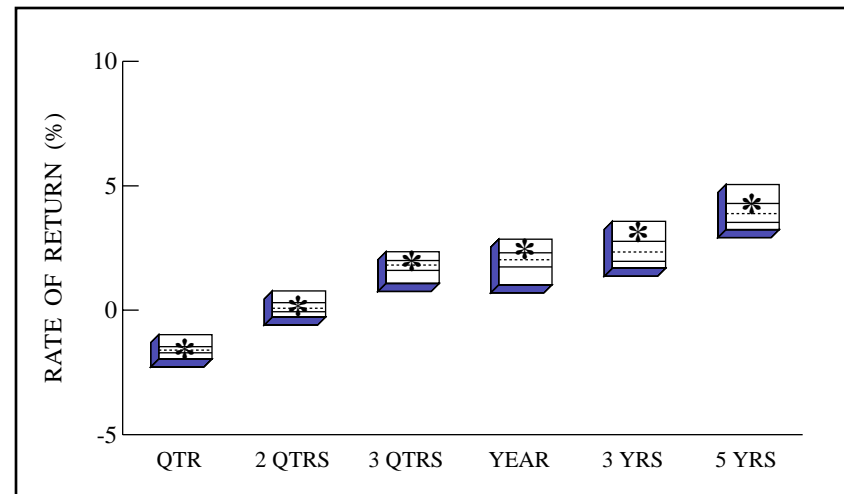
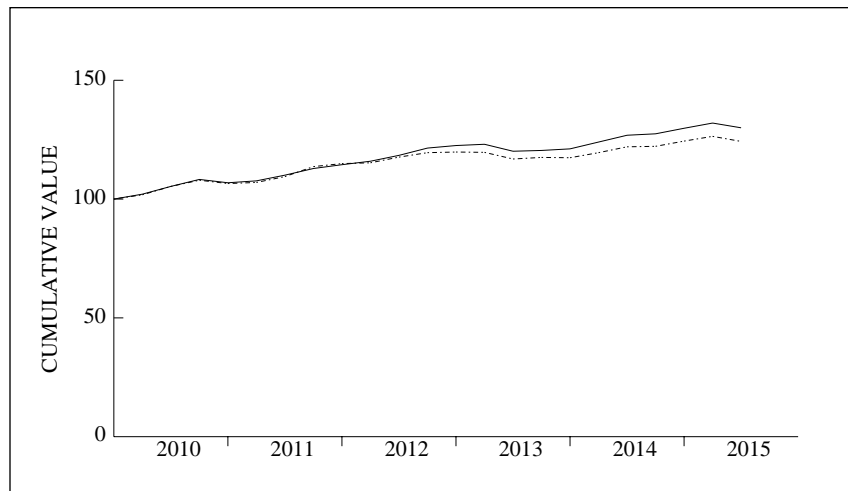


— ACTUAL RETURN
 - - - 6.0%
 0.0%

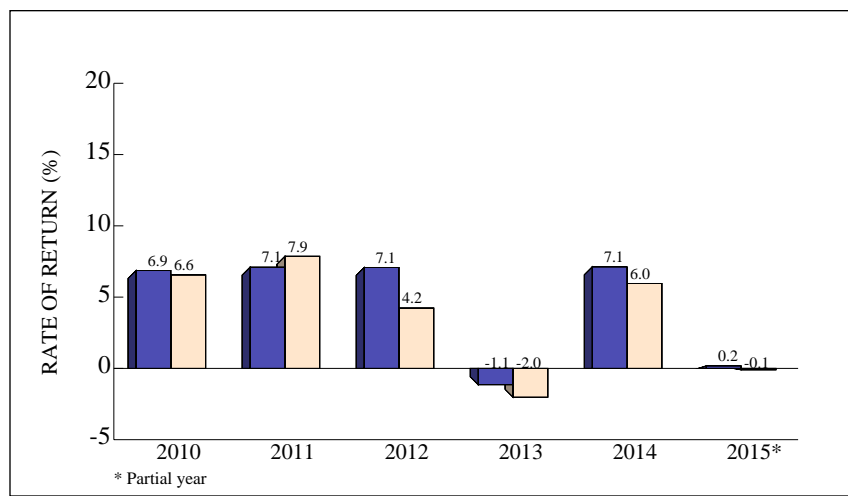
VALUE ASSUMING
 6.0% RETURN \$ 13,547,535

	LAST QUARTER	PERIOD 12/09 - 6/15
BEGINNING VALUE	\$ 12,946,285	\$ 8,184,877
NET CONTRIBUTIONS	0	1,822,000
INVESTMENT RETURN	-196,138	2,743,270
ENDING VALUE	\$ 12,750,147	\$ 12,750,147
INCOME	0	5
CAPITAL GAINS (LOSSES)	-196,138	2,743,265
INVESTMENT RETURN	-196,138	2,743,270

TOTAL RETURN COMPARISONS

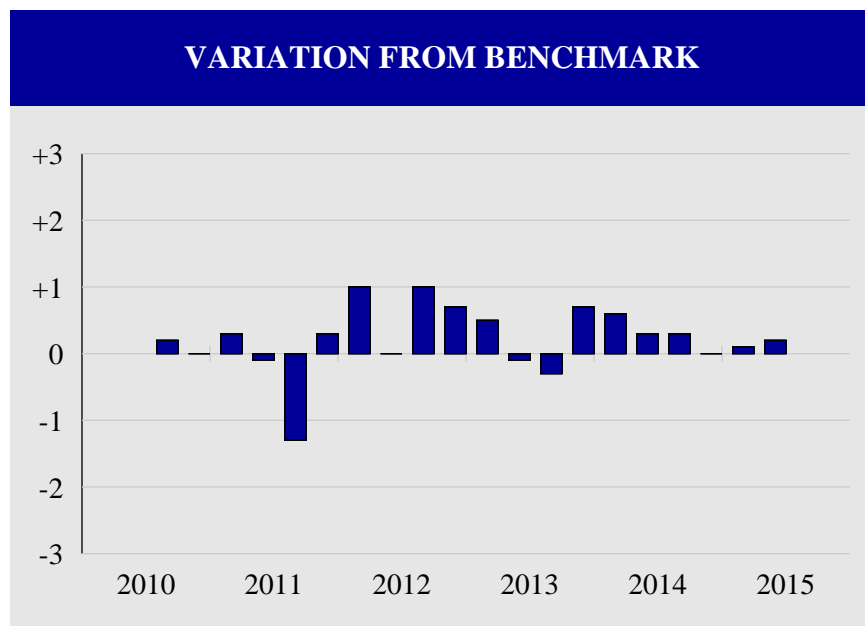


Core Fixed Income Universe



	QTR	2QTRS	3QTRS	YEAR	3 YRS	5 YRS
RETURN	-1.5	0.2	2.0	2.5	3.2	4.3
(RANK)	(34)	(39)	(29)	(16)	(14)	(24)
5TH %ILE	-1.0	0.8	2.4	2.9	3.6	5.1
25TH %ILE	-1.5	0.3	2.0	2.3	2.8	4.3
MEDIAN	-1.6	0.1	1.8	2.0	2.3	3.9
75TH %ILE	-1.7	-0.1	1.6	1.7	2.0	3.5
95TH %ILE	-2.0	-0.3	1.1	1.0	1.7	3.2
Agg Index	-1.7	-0.1	1.7	1.8	1.8	3.4

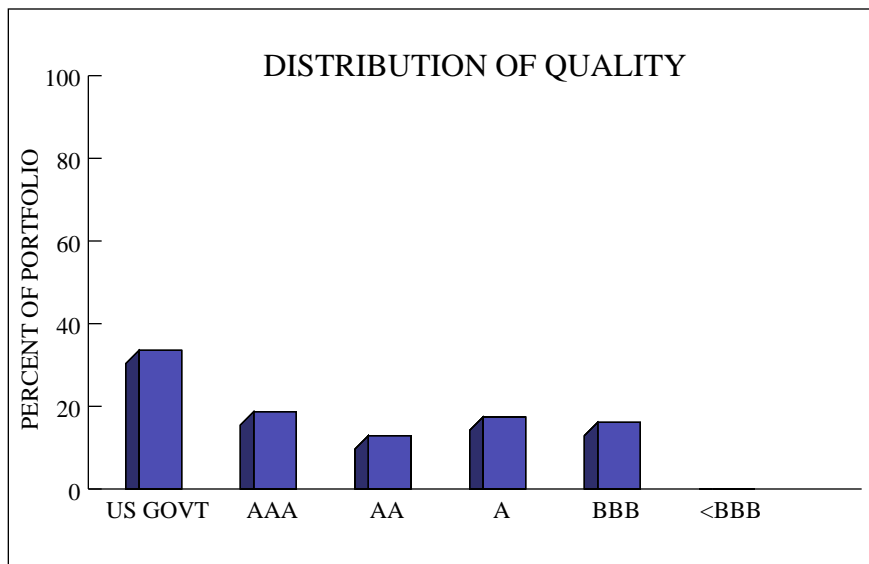
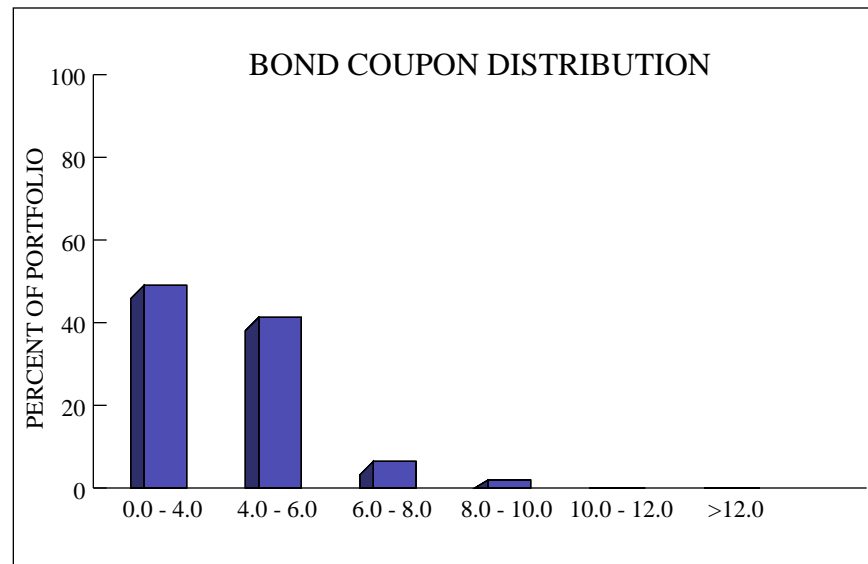
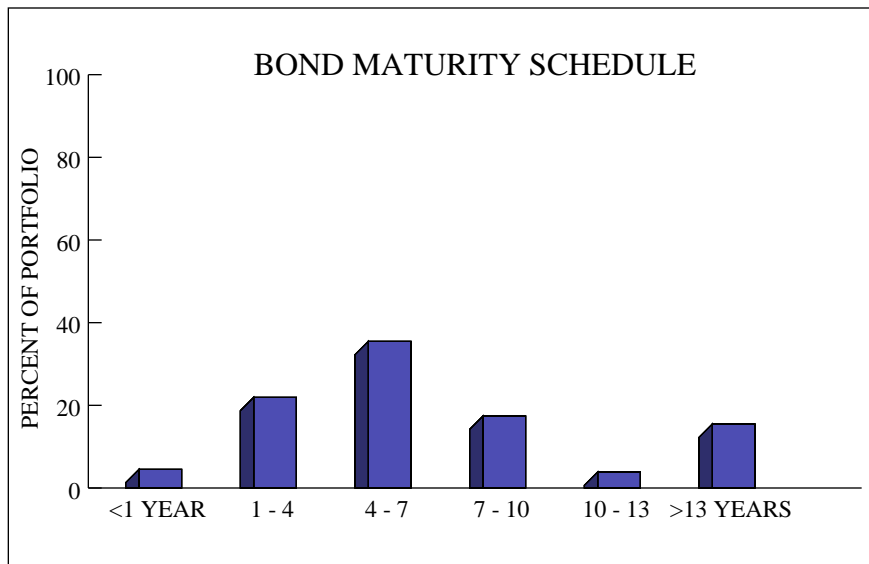
Core Fixed Income Universe

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

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

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
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
6/15	-1.5	-1.7	0.2

BOND CHARACTERISTICS



	PORTFOLIO	BARCLAYS AGG
No. of Securities	210	9,496
Duration	5.59	5.63
YTM	2.73	2.39
Average Coupon	3.82	3.22
Avg Maturity / WAL	8.04	7.87
Average Quality	AAA-AA	USG-AAA