

Franklin Regional Retirement System

Performance Review
September 2015

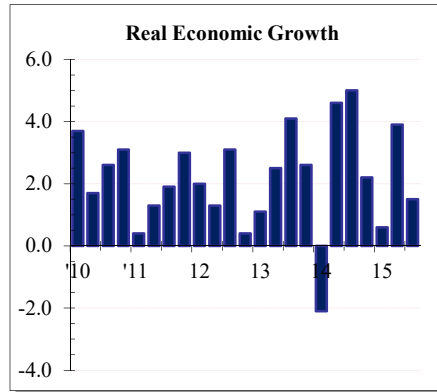


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ECONOMIC ENVIRONMENT

Troubles abroad but Positive News at Home

Global concerns dominated the news during the summer. While the Greek crisis was averted early in the quarter and a nuclear deal with Iran seemed likely, there remained several worrisome developments. ISIS military gains and Russian involvement in Syria dominated daily headlines and a slower Chinese economy and havoc among raw materials-driven emerging market countries also caused investor angst. Domestically, the 2nd and 3rd quarters brought mostly good news. Corporations as well as the average consumer expressed confidence through increased spending. Housing starts and sales of preexisting homes strengthened. On the other hand, job growth appeared to be losing momentum and inflation remained tame, in part because of a strong dollar and absolutely low energy prices. The Fed's uncertainty about this mix of statistics and events troubled investors greatly. Details follow:



absolutely low energy prices. The Fed's uncertainty about this mix of statistics and events troubled investors greatly. Details follow:

- Third quarter real GDP expanded by a disappointing 1.5% (about a full point below expectations), according to the BEA's advance estimate, significantly slower than the second quarter GDP's 3.9%. The slower pace was attributed primarily to a reduction in inventories.
- Jobs increased a disappointing 142,000 in September. Together with a downwardly revised July and August jobs reports, the third quarter averaged 167,000 jobs per month. [Anything less than 200,000 per month is considered weak]. In September, the strongest gains were in health care, IT and retail sectors. By comparison, the mining sector was the weakest link, losing 10,000 jobs. The average workweek and payroll were steady at 34.5 hours/week and \$25.09/hour, respectively.
- Home prices rose a modest 1.2% in August and close to 7%, year-over-year. The greatest regional growth occurred in Colorado, Washington, Oregon and New York. While Nevada, Florida, Arizona

and Rhode Island home prices advanced, more than all other states, they still remain the furthest off their previous peaks. Importantly, demand still exceeds supply, as the median home price is predicted to be \$220,000 by year-end.

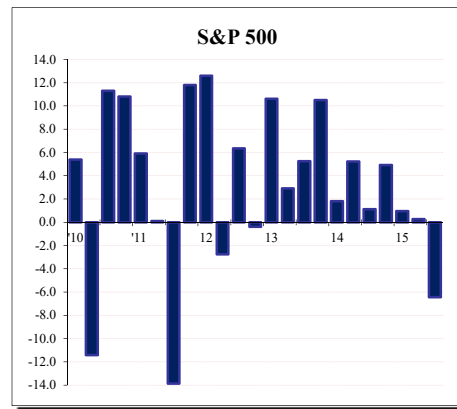
- September represented the 33rd consecutive month of manufacturing expansion. All of the ISM manufacturing indices registered more than 50%, indicating continued growth. However, the number of sectors reporting growth fell to seven out of 18. Printing, textiles, furniture and food were strongest, while metals, apparel, oil and coal were weakest.
- Consumer confidence increased still more in September, despite the weak jobs report. Consumers are particularly encouraged about their present job situations as the Present Situation Index climbed from 116 to 121 in September. The one note of caution came from those consumers claiming that jobs are "hard to get;" that indicator increased from 21.7% to 24.3% in one month.
- After stabilizing in Q2, a composite of 33 commodities fell 9.3% in the third quarter and 13.3% Y-T-D. This was mainly attributable to China's weaker economy. As the world index's chief raw materials importer, China has a disproportionate impact on commodity markets. As a result, China's slowing demand drove falling prices. Precious metals fell 7.7%, energy plunged almost 20% and grains dipped 5.8%. Only tin, sugar and rice appreciated in price.
- Inflation remained tame throughout the third quarter, still below the 2% per year trigger for a possible Fed rate hike. Stagnant wage growth, cheaper imports, falling oil prices and steady prices among other consumer products and services again kept down the September CPI (-0.2%).
- After assessing economic conditions at its September meetings, the Fed again decided against an interest rate increase. Board members did applaud increases in consumer and corporate spending as well as strong housing demand. However, they also expressed concern about slowing jobs growth and a CPI stuck at levels well below the 2% threshold. The meeting minutes also took note of the weak global economy. In the end, Janet Yellen and her team wanted to see more robust global and domestic data before raising rates.

DOMESTIC EQUITIES

The Worst in a Long While

Bad news in the market swamped good news this past quarter. Three negative events, all involving China, dominated the financial news: (1) China's obvious economic slowdown to 6.9%, (2) its surprise devaluation of the renminbi (RMB), and (3) its tepid responses to crashing Chinese stock prices. The economic slowdown mainly impacted emerging markets and their stock prices, but also the US commodity sector. The RMB devaluation further boosted the dollar, partially dampening US exports. Falling Chinese stock prices caused investor apprehension far beyond its borders, while the Fed's own global economic worries added fuel to the negative market tone.

Following ten consecutive quarterly advances for the S&P 500, the index dropped 6.4%. Further, the S&P was technically in correction territory (>10% decline) from its May peak through September 29th.



The DJIA (-7.0%) and NASDAQ (-7.1%) results fared no better. Larger-sized companies outperformed the smaller names, as the Russell 1000 fell 6.8% and the Russell 2000 dropped almost 12%. Large growth stocks lost less than their value counterparts: -5.3% vs. -8.4%. However, small growth stocks performed far worse than small value stocks: -13.1% vs. -10.7%. Real estate stocks were the one

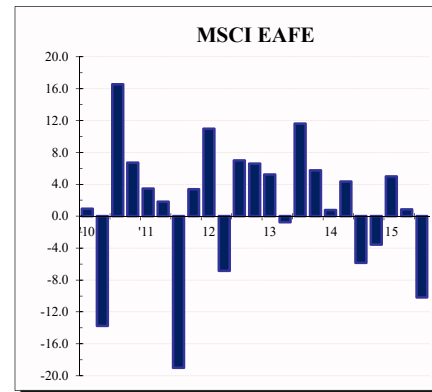
notable exception, with the Wilshire REIT Index posting a +2.9% return. REIT investors looked favorably on the sector's high dividends and strong demand.

As of quarter-end, the S&P 500 dividend rate ticked up to 2.2%, with 54% of the S&P components showing payout rates above 2%. Price/earnings ratios (using trailing 12-month earnings) declined modestly to 22.0, but still remain high. However, because of stock price declines, almost half of the companies now have P/E's between 10 and 20.

INTERNATIONAL EQUITIES

A Sea of Red Ink

The MSCI EAFE Index dropped 10.2% and no component country escaped the red ink. The Euro regional market dropped 8.9% and Germany, its biggest player, dropped more than the region as a whole (-10.9%).



Contributing to Germany's decline was the announcement of Volkswagen's willful deception regarding diesel engine emissions. The French market fell 6.4% and Italy's was down 4.3%. Portugal and Spain's weak economies each dropped more than 11%. In spite of a successful election for the Conservatives and a growing economy, the UK market slid 10%. Australia's heavy tilt toward commodity companies resulted in a 15.3% shortfall. Due to

significant trading relationships with China the Japan and Singapore markets dropped 11.7% and 19.5%, respectively. Predictably, Hong Kong's ties to mainland China cost 16.2% in lost return.

The Canadian market, which is not an EAFE component, shed 14%. Its story is similar to Australia's, in which energy and other commodities make up a significant share of its GDP.

Emerging markets suffered worst of all, compared to the US and developed markets. MSCI EM plummeted a staggering 17.8%. Just like the developed markets, each EM country component experienced a loss. The BRIC Index, which includes the four largest EM countries, was pummeled 21%. Brazil incurred the greatest loss, dropping almost 34%! Brazil's market was hit so hard because it is a commodities based economy with heavy reliance on its Chinese trading partner. Alleged corruption at the very top levels of Brazil's government and a collapsing real currency added fuel to Brazil's mounting woes. On the Russian front, stocks lost 14.4% amidst ongoing western sanctions and military meddling in both the Ukraine and Syria. As expected, China's market plunged 22.7%, in sync with its economic troubles.

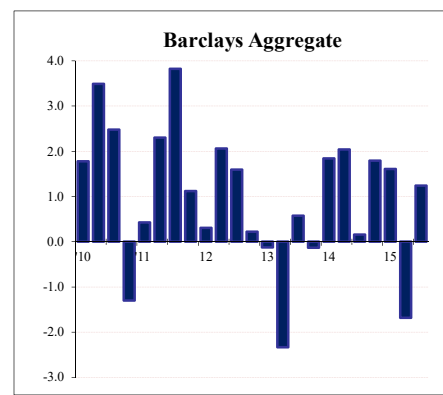
Greece held a snap election, re-electing PM Tsipras who convincingly vowed to implement more reforms. In turn, the EU granted Greece much-needed bailout funds, but despite the new calm, the Greek stock market plunged 35.8%. Turkish shares plummeted 19.5%. Turkey experienced major political unrest as it dealt with a flood of Syrian refugees and also found itself besieged by both ISIS and PKK rebels. The Malaysian market also incurred a hefty loss (-18.2%), which reflected a slowing economy and widening political scandal. Equities in Taiwan (-16.4%) and South Korea (-11.8%) were not spared. Taiwan's losses, in particular, reflected its ties to the mainland. Even excluding Brazil, the Latin America's markets nose-dived more than 24%. The markets of Columbia and Peru fell 23.2% and 21.5%, respectively. By comparison, Chile (-13.6%) and Mexico (-11.9%) almost looked good.

There is an old economic saying that “when America sneezes, the rest of the world gets the flu.” However, in the third quarter, China was the source of the contagion.

BOND MARKET

Flight-to-Quality

A pronounced flight-to-quality on the part of investors moved interest rates down all across the Treasury yield curve. The desire for safer investments pushed treasury and investment grade corporate issues up in price.



Further, the Fed's inaction on interest rates and its concern about the global economy extended longer maturity gains. Except for two-year Treasury's which only dropped 2 basis points in yield, the rest of the yield curve declined roughly 30 basis points. The 10-year yield fell from 2.33% in June to 2.06% by quarter-end.

The Barclays Aggregate Index gained 1.2% after losing 1.7% in the June quarter. The large Treasury bond component performed better, gaining 1.8%. Corporates added just 0.8%, but masked a wide spread among industrials (0.3%), financials (1.5%) and utilities (2.0%). Clearly,

investors favored the relative certainty of longer-maturity utilities in a volatile market environment. Among corporates, the top three credit ratings averaged gains between 1.3% and 1.5%. However, BAA issues lost 0.7%. The mortgage-backed sector advanced 1.3% on strong fundamentals

High yield bonds went the way of equities during the quarter, as the average return was -4.9%. Energy and metals/mining bonds took huge losses of 15.9% and 13.2%, respectively. Together, these two sectors comprise over 17% of the high yield index. The lower the credit rating the worse was the return. The lowest-rated CA-D category collapsed 28.6%.

The G-6 (G7 x-US) Global Treasury Index rose 2.2% and was somewhat higher than the US Treasury return. Italy (4.3%) and Japan (3.0%) were the clear leaders. The UK and Canada were in negative territory, losing 0.5% and 5.9%, respectively.

While emerging market bonds lost ground, the amount was a surprisingly low -2.4%. The loss could easily been much worse among EM countries given the volatility around the world, i.e. hemorrhaging economies, sporadic military adventures, political dysfunction, and continued currency weakness. Results varied wildly, from a low of -18.6% to a high of +46.9%. Two Latin American countries represented the lows. Ecuador gave up 18.6% and troubled Brazil was close behind with a loss of 14.5%. Ukrainian bonds averaged a 46.9% advance, after gaining 35.8% in the prior quarter as the new military cease fire negotiated with Russia continued to hold. For now, Greek bonds continue to be untradeable.

CASH EQUIVALENTS

Zero, Especially after the Fed Balked

T-bills and money market funds continued to produce negligible yields. When the Fed finally does raise the Fed Funds rate, these short-term instruments may produce a measurable return.

MARKET SUMMARY

ECONOMIC STATISTICS

	CURRENT QTR	LAST QTR
GDP	1.5	3.9
Unemployment	5.1	5.3
CPI All Items Year/Year	0.00	0.10
Fed Funds Rate	0.25	0.25
Industrial Capacity	77.5	77.6
US Dollars per Euro	1.12	1.12

MAJOR INDEX QUARTER RETURNS

INDEX	PERFORMANCE
Russell 3000	-7.2
S&P 500	-6.4
Russell Mid	-8.0
Russell 2000	-11.9
MSCI EAFE	-10.2
MSCI Emg Mkts	-17.8
NCREIF ODCE	3.7
Barclays Agg	1.2
90 Day Tbills	0.0

EQUITY RETURN DISTRIBUTIONS

	QUARTER			TRAILING YEAR			
	VAL	COR	GRO	VAL	COR	GRO	
LC	-8.4	-6.8	-5.3	LC	-4.4	-0.6	3.2
MC	-8.0	-8.0	-8.0	MC	-2.1	-0.2	1.5
SC	-10.7	-11.9	-13.1	SC	-1.6	1.2	4.1

MARKET SUMMARY

- * 3rd quarter GDP growth was estimated at 1.5%.
- * Seasonally adjusted unemployment fell to 5.1%.
- * CPI was flat year over year.
- * Domestic Equities lost ground across the board. Large cap names fared better than small cap stocks. In the large cap space, growth outperformed value, while the reverse was true for small cap.
- * The US dollar weakened slightly relative to the Euro.

INVESTMENT RETURN

On September 30th, 2015, the Franklin Regional Retirement System's Composite portfolio was valued at \$117,054,497, a decrease of \$2,624,712 from the June ending value of \$119,679,209. Last quarter, the account recorded total net contributions of \$2,558,135, which partially offset the account's \$5,182,847 net investment loss for the period. The fund's net investment loss was a result of income receipts totaling \$665,689 and realized and unrealized capital losses totaling \$5,848,536.

Since September 2010, the account has recorded net withdrawals totaling \$4.7 million while posting net investment gains totaling \$42.9 million. Since September 2010, if the account earned a compounded nominal rate of 8.0% it would have been valued at \$110.6 million or \$6.5 million less than the actual value as of September 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 third quarter, the Composite portfolio lost 4.2%, which was 0.1% above the Franklin Regional Policy Index's return of -4.3% and ranked in the 16th percentile of the Public Fund universe. Over the trailing twelve-month period, this portfolio returned 1.3%, which was 0.3% greater than the benchmark's 1.0% performance, and ranked in the 10th percentile. Since September 2010, the portfolio returned 9.1% annualized and ranked in the 9th percentile. The Franklin Regional Policy Index returned an annualized 9.5% 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 third quarter, the prit core portion of the portfolio returned -3.9%, which was 0.1% greater than the Custom Core Index's return of -4.0% and ranked in the 10th percentile of the Public Fund universe. Over the trailing twelve months, this segment returned 0.7%, which was 0.5% greater than the benchmark's 0.2% return, and ranked in the 20th percentile. Since September 2010, this component returned 8.3% on an annualized basis and ranked in the 30th percentile. For comparison, the Custom Core Index returned an annualized 7.7% 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 -9.0% last quarter, 0.4% above the Franklin County Equity Index's return of -9.4% and ranked in the 60th percentile of the Domestic Equity universe. Over the trailing year, this segment returned -2.0%, 2.7% less than the benchmark's 0.7% performance, and ranked in the 70th percentile. Since September 2010, this component returned 12.6% on an annualized basis and ranked in the 66th percentile. The Franklin County Equity Index returned an annualized 12.6% during the same period.

International Equity

The international equity component lost 9.7% during the third quarter, 0.5% above the MSCI EAFE Index's return of -10.2% and ranked in the 40th percentile of the International Equity universe. Over the trailing year, the international equity portfolio returned -6.5%; that return was 1.8% above the benchmark's -8.3% performance, and ranked in the 43rd percentile.

Real Estate

During the third quarter, the real estate component returned 2.6%, which was 1.1% less than the NCREIF NFI-ODCE Index's return of 3.7%. Over the trailing twelve-month period, this segment returned 14.1%, which was 0.8% less than the benchmark's 14.9% return. Since September 2010, this component returned 14.0% annualized, while the NCREIF NFI-ODCE Index returned an annualized 14.0% over the same time frame.

Fixed Income

In the third quarter, the fixed income component returned 0.9%, which was 0.3% less than the Barclays Aggregate Index's return of 1.2% and ranked in the 79th percentile of the Core Fixed Income universe. Over the trailing twelve-month period, this component returned 2.9%, which was equal to the benchmark's 2.9% return, ranking in the 66th percentile. Since September 2010, this component returned 3.9% annualized and ranked in the 23rd percentile. For comparison, the Barclays Aggregate Index returned an annualized 3.1% during the same period.

ASSET ALLOCATION

At the end of the third quarter, the core comprised 47.4% of the total portfolio (\$55.5 million), while domestic equities totaled 24.7% (\$28.9 million). The account's international equity segment was valued at \$5.3 million, representing 4.5% of the portfolio, while the real estate component's \$13.3 million totaled 11.3%. The portfolio's fixed income represented 11.0% and the remaining 1.0% was comprised of cash & equivalents (\$1.2 million).

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

Total Fund Assets \$ 117,054,497

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>47.4%</u>	<u>45.0%</u>	\$ 52,674,524	\$ 55,510,973	\$ 2,836,449
Domestic Equity	18.9%	9.0%			\$ 10,497,125	
Int'l Equity	16.4%	7.8%			\$ 9,126,004	
E.M. Int'l Equity	6.8%	3.2%			\$ 3,774,746	
Core Fixed Income	13.7%	6.5%			\$ 7,593,901	
Value Added Fixed Income*	8.6%	4.1%			\$ 4,785,046	
Real Estate	10.4%	4.9%			\$ 5,762,039	
Timber/Natural Resources	3.9%	1.8%			\$ 2,153,826	
Alternatives-Private Equity	11.9%	5.6%			\$ 6,594,704	
Hedge Funds	7.9%	3.8%			\$ 4,390,918	
Port. Alpha Wind down	0.1%	0.0%			\$ 27,755.49	
Overlay	1.5%	0.7%			\$ 804,909.11	
<u>Separate Accounts</u>		<u>52.6%</u>	<u>55.0%</u>			
Polen Capital		6.3%	6.0%	\$ 7,023,270	\$ 7,427,474	\$ 404,204
O'Shaughnessy		5.5%	6.0%	\$ 7,023,270	\$ 6,484,709	\$ (538,561)
Seizert		4.6%	5.0%	\$ 5,852,725	\$ 5,427,289	\$ (425,436)
Daruma		4.2%	5.0%	\$ 5,852,725	\$ 4,916,972	\$ (935,753)
Systematic		4.5%	5.0%	\$ 5,852,725	\$ 5,225,782	\$ (626,943)
PRIT International		4.5%	5.0%	\$ 5,852,725	\$ 5,316,308	\$ (536,417)
PRIT RE		11.3%	10.0%	\$ 11,705,450	\$ 13,262,527	\$ 1,557,077
Prudential		0.0%	0.0%	\$ -	\$ 90	\$ 90
IR&M		11.0%	13.0%	\$ 15,217,085	\$ 12,861,242	\$ (2,355,843)
Cash		0.5%	0.0%	\$ -	\$ 621,131	\$ 621,131

*Includes Distressed Debt

Allocation by Asset Class						
	Actual Allocation	Target Allocation		Actual Allocation	Target Allocation	
Franklin County Total Fund	(%)	(%)	+/- Percent	(\$)	(\$)	+/- Dollars
Domestic Equity	34.2%	35.0%	-0.8%	\$ 39,979,351	\$ 40,969,074	\$ (989,723)
Int'l Equity	15.6%	15.0%	0.6%	\$ 18,217,058	\$ 17,558,175	\$ 658,884
Fixed Income	21.6%	25.0%	-3.4%	\$ 25,240,189	\$ 29,263,624	\$ (4,023,435)
Real Estate	16.3%	14.0%	2.3%	\$ 19,024,656	\$ 16,387,630	\$ 2,637,026
Timber	1.8%	2.0%	-0.2%	\$ 2,153,826	\$ 2,341,090	\$ (187,264)
Alternatives-Private Equity	5.6%	5.0%	0.6%	\$ 6,594,704	\$ 5,852,725	\$ 741,979
Hedge Funds	4.5%	4.0%	0.5%	\$ 5,223,583	\$ 4,682,180	\$ 541,403
Cash	<u>0.5%</u>	<u>0.0%</u>	<u>0.5%</u>	\$ 621,131	\$ -	\$ 621,131
	100.0%	100.0%		\$ 117,054,497	\$ 117,054,497	

EXECUTIVE SUMMARY

PERFORMANCE SUMMARY

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	5 Years
Total Gross/Fees	-4.2	-1.8	1.3	9.4	9.1
<i>PUBLIC FUND RANK</i>	(16)	(19)	(10)	(3)	(9)
Total Net/Fees	-4.4	-2.2	0.7	8.8	8.5
POLICY INDEX	-4.3	-1.8	1.0	9.0	9.5
PRIT Core	-3.9	-1.4	0.7	8.3	8.3
<i>PUBLIC FUND RANK</i>	(10)	(14)	(20)	(17)	(30)
CUSTOM CORE IDX	-4.0	-0.8	0.2	7.3	7.7
Domestic Equity	-9.0	-7.4	-2.0	14.2	12.6
<i>DOMESTIC EQUITY RANK</i>	(60)	(75)	(70)	(31)	(66)
CUSTOM EQ INDEX	-9.4	-6.2	0.7	12.0	12.6
PRIT EQUITY	-7.3	-5.5	-0.6	12.4	13.2
S&P 500	-6.4	-5.3	-0.6	12.4	13.3
S&P 400	-8.5	-4.7	1.4	13.1	12.9
RUSSELL 3000	-7.2	-5.4	-0.5	12.5	13.3
RUSSELL 1000	-6.8	-5.2	-0.6	12.7	13.4
RUSSELL 1000G	-5.3	-1.5	3.2	13.6	14.5
RUSSELL 1000V	-8.4	-9.0	-4.4	11.6	12.3
RUSSELL MID	-8.0	-5.8	-0.2	13.9	13.4
RUSSELL 2000	-11.9	-7.7	1.2	11.0	11.7
International Equity	-9.7	-3.8	-6.5	----	----
<i>INTERNATIONAL EQUITY RANK</i>	(40)	(43)	(43)	----	----
MSCI EAFE	-10.2	-4.9	-8.3	6.1	4.4
Real Estate	2.6	8.0	14.1	12.6	14.0
NCREIF ODCE	3.7	11.3	14.9	13.4	14.0
Fixed Income	0.9	1.1	2.9	2.6	3.9
<i>CORE FIXED INCOME RANK</i>	(79)	(71)	(66)	(11)	(23)
BARCLAYS AGG	1.2	1.1	2.9	1.7	3.1
PRIT FIXED	3.2	-1.2	6.2	3.7	4.7
GOV/CREDIT	1.2	0.9	2.8	1.6	3.1
INT AGGREGATE	1.1	1.7	3.0	1.6	2.7
INT GOV/CREDIT	1.0	1.8	2.7	1.4	2.4

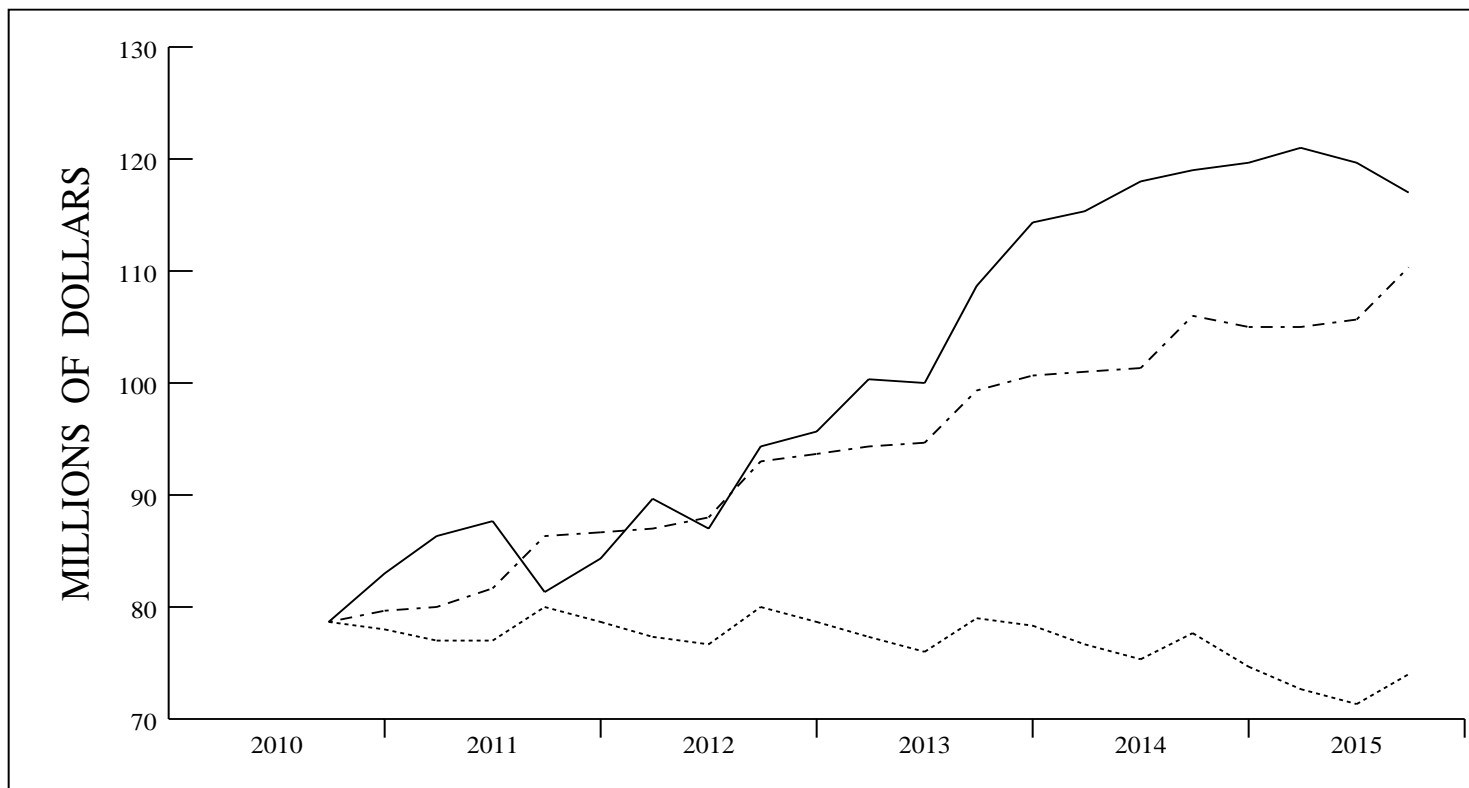
ASSET ALLOCATION

PRIT Core	47.4%	\$ 55,510,973
Domestic Equity	24.7%	28,910,523
Int'l Equity	4.5%	5,316,308
Real Estate	11.3%	13,262,617
Fixed Income	11.0%	12,861,242
Cash	1.0%	1,192,834
Total Portfolio	100.0%	\$ 117,054,497

INVESTMENT RETURN

Market Value 6/2015	\$ 119,679,209
Contribs / Withdrawals	2,558,135
Income	665,689
Capital Gains / Losses	-5,848,536
Market Value 9/2015	\$ 117,054,497

INVESTMENT GROWTH

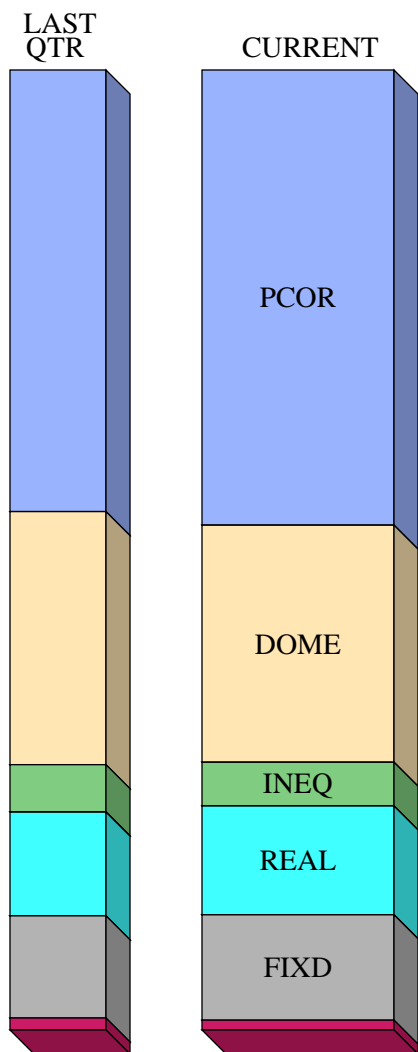


—	ACTUAL RETURN
- - -	8.0%
· · ·	0.0%

VALUE ASSUMING	
8.0% RETURN	\$ 110,577,600

	LAST QUARTER	PERIOD 9/10 - 9/15
BEGINNING VALUE	\$ 119,679,209	\$ 78,857,680
NET CONTRIBUTIONS	2,558,135	- 4,686,738
INVESTMENT RETURN	- 5,182,847	42,883,556
ENDING VALUE	\$ 117,054,497	\$ 117,054,497
INCOME	665,689	11,262,199
CAPITAL GAINS (LOSSES)	- 5,848,536	31,621,356
INVESTMENT RETURN	- 5,182,847	42,883,556

ASSET ALLOCATION































	<u>VALUE</u>	<u>PERCENT</u>	<u>TARGET</u>	<u>DIFFERENCE</u> <u>+ / -</u>
■ PRIT CORE	\$ 55,510,973	47.4%	45.0%	2.4%
■ DOMESTIC EQUITY	28,910,523	24.7%	27.0%	-2.3%
■ INTERNATIONAL EQUITY	5,316,308	4.5%	5.0%	-0.5%
■ REAL ESTATE	13,262,617	11.3%	10.0%	1.3%
■ FIXED INCOME	12,861,242	11.0%	13.0%	-2.0%
■ CASH & EQUIVALENT	1,192,834	1.0%	0.0%	1.0%
<u>TOTAL FUND</u>	<u>\$ 117,054,497</u>	<u>100.0%</u>		

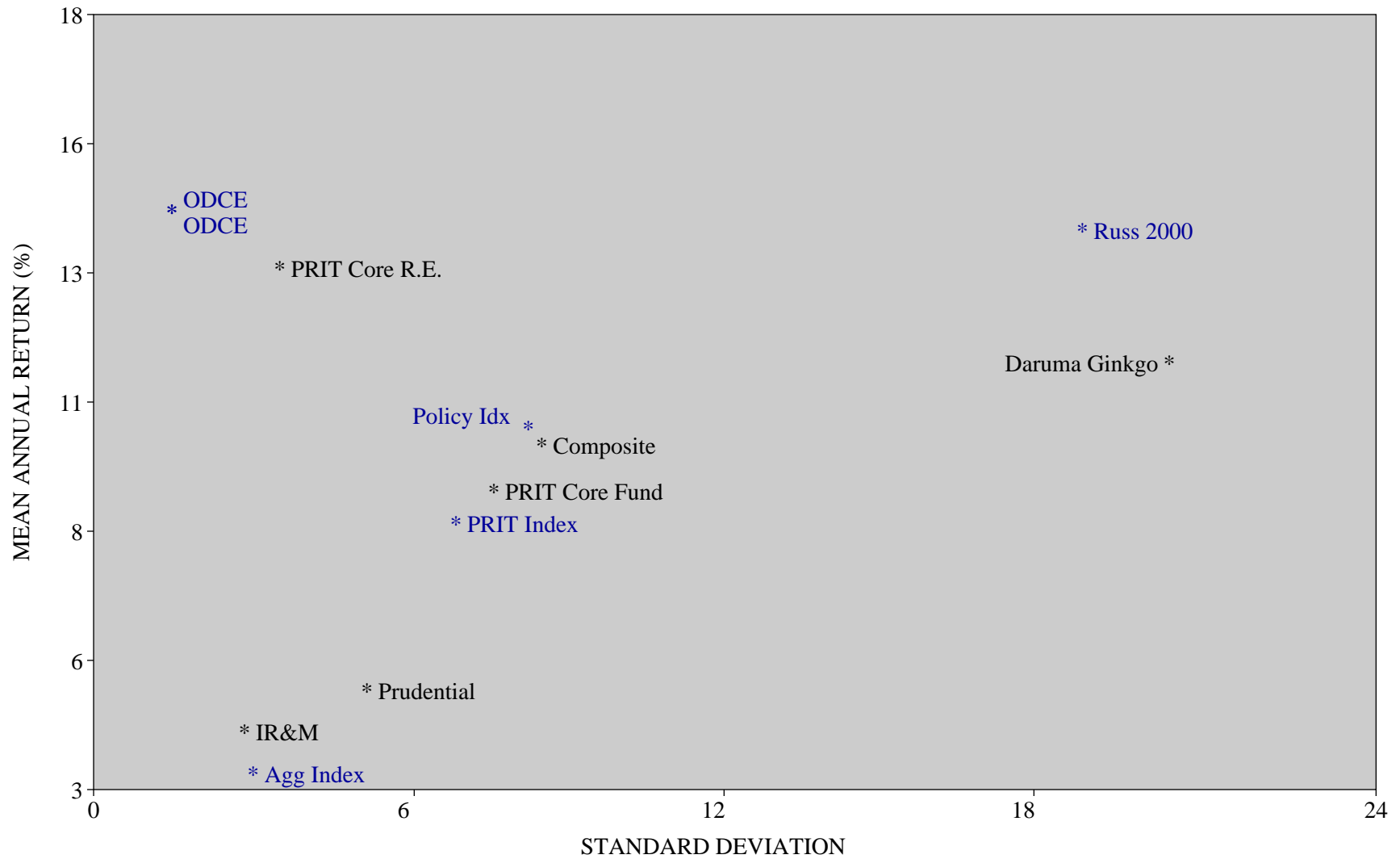
MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	YTD	1 Year	3 Years	5 Years
Total Portfolio	(Public Fund)	-4.2 (16)	-1.8 (19)	1.3 (10)	9.4 (3)	9.1 (9)
<i>Franklin Regional Policy Index</i>		-4.3 ----	-1.8 ----	1.0 ----	9.0 ----	9.5 ----
PRIT Core Fund	(Public Fund)	-3.9 (10)	-1.4 (14)	0.7 (20)	8.3 (17)	8.3 (30)
<i>Custom Core Index</i>		-4.0 ----	-0.8 ----	0.2 ----	7.3 ----	7.7 ----
Polen Capital	(LC Growth)	0.9 (1)	7.3 (2)	18.1 (1)	15.5 (23)	---- ----
<i>Russell 1000 Growth</i>		-5.3 ----	-1.5 ----	3.2 ----	13.6 ----	14.5 ----
O'Shaughnessy	(LC Value)	-10.5 (84)	-10.0 (83)	-8.4 (90)	14.2 (23)	---- ----
<i>Russell 1000 Value</i>		-8.4 ----	-9.0 ----	-4.4 ----	11.6 ----	12.3 ----
Seizert Capital	(Mid Cap)	-12.3 (92)	-10.8 (97)	-7.4 (96)	14.9 (32)	---- ----
<i>Russell Mid Cap</i>		-8.0 ----	-5.8 ----	-0.2 ----	13.9 ----	13.4 ----
Daruma Ginkgo	(Small Cap)	-12.6 (77)	-13.0 (95)	-7.2 (92)	9.6 (85)	8.8 (96)
Systematic	(Small Cap)	-11.5 (67)	-11.9 (93)	-6.4 (91)	---- ----	---- ----
<i>Russell 2000</i>		-11.9 ----	-7.7 ----	1.2 ----	11.0 ----	11.7 ----
PRIT Int'l Eq.	(Intl Eq)	-9.7 (40)	-3.8 (43)	-6.5 (43)	---- ----	---- ----
<i>MSCI EAFE</i>		-10.2 ----	-4.9 ----	-8.3 ----	6.1 ----	4.4 ----
PRIT Core R.E.		2.6 ----	8.0 ----	14.1 ----	12.6 ----	12.9 ----
<i>NCREIF NFI-ODCE Index</i>		3.7 ----	11.3 ----	14.9 ----	13.4 ----	14.0 ----
IR&M	(Core Fixed)	0.9 (79)	1.1 (71)	2.9 (66)	2.6 (11)	3.9 (23)
<i>Barclays Aggregate Index</i>		1.2 ----	1.1 ----	2.9 ----	1.7 ----	3.1 ----

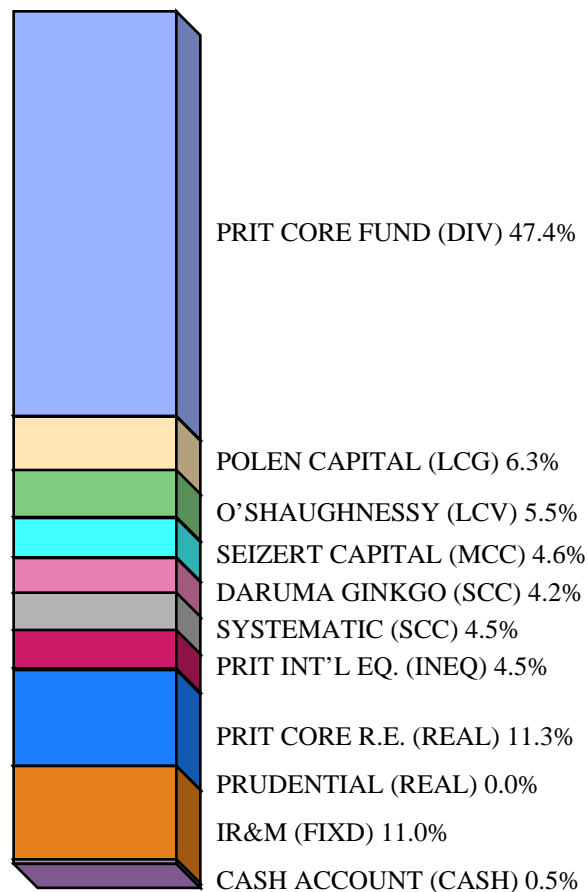
MANAGER VALUE ADDED

Portfolio	Benchmark	1 Quarter	1 Year	3 Years	5 Years
PRIT Core Fund	Custom Core Idx	0.1	0.5	1.0 	0.6 
Polen Capital	Russell 1000G	6.2 	14.9 	1.9 	N/A
O'Shaughnessy	Russell 1000V	 -2.1	 -4.0	2.6 	N/A
Seizert Capital	Russell Mid	 -4.3	 -7.2	1.0 	N/A
Daruma Ginkgo	Russell 2000	 -0.7	 -8.4	 -1.4	 -2.9
Systematic	Russell 2000	0.4 	 -7.6	N/A	N/A
PRIT Int'l Eq.	MSCI EAFE	0.5 	1.8 	N/A	N/A
PRIT Core R.E.	NCREIF ODCE	 -1.1	 -0.8	 -0.8	 -1.1
IR&M	Barclays Agg	 -0.3	0.0	0.9 	0.8 
Total Portfolio	Policy Index	0.1 	0.3 	0.4 	 -0.4

RISK-RETURN SUMMARY - 5 YEAR HISTORY



MANAGER ALLOCATION AND TARGET SUMMARY

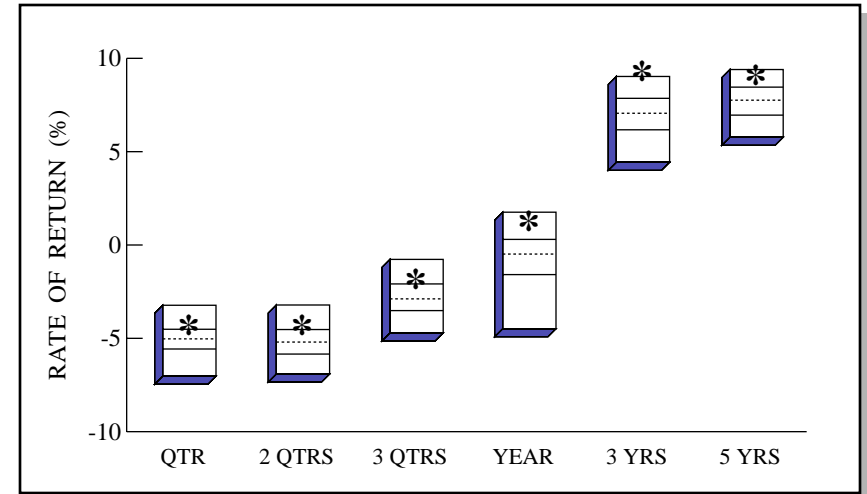
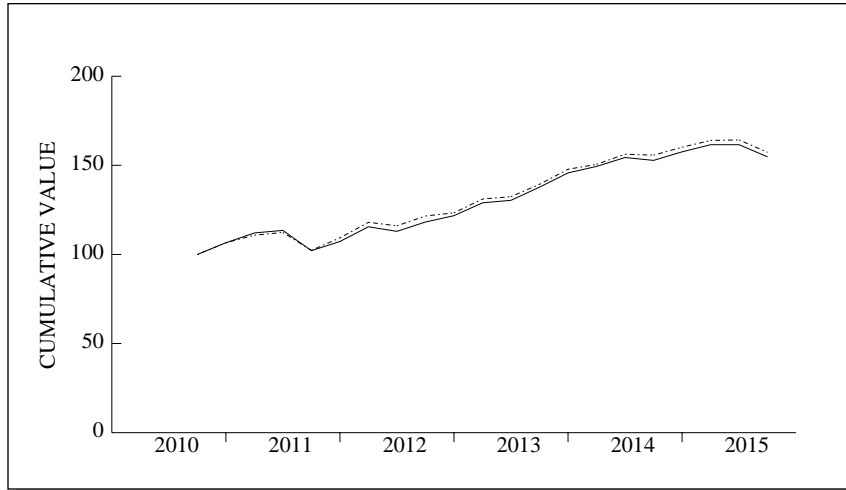


Name	Market Value	Percent	Target
PRIT Core Fund (DIV)	\$55,510,973	47.4	45.0
Polen Capital (LCG)	\$7,427,474	6.3	6.0
O'Shaughnessy (LCV)	\$6,484,709	5.5	6.0
Seizert Capital (MCC)	\$5,427,289	4.6	5.0
Daruma Ginkgo (SCC)	\$4,916,972	4.2	5.0
Systematic (SCC)	\$5,225,782	4.5	5.0
PRIT Int'l Eq. (INEQ)	\$5,316,308	4.5	5.0
PRIT Core R.E. (REAL)	\$13,262,527	11.3	10.0
Prudential (REAL)	\$90	0.0	0.0
IR&M (FIXD)	\$12,861,242	11.0	13.0
Cash Account (CASH)	\$621,131	0.5	0.0
Total Fund	\$117,054,497	100.0	100.0

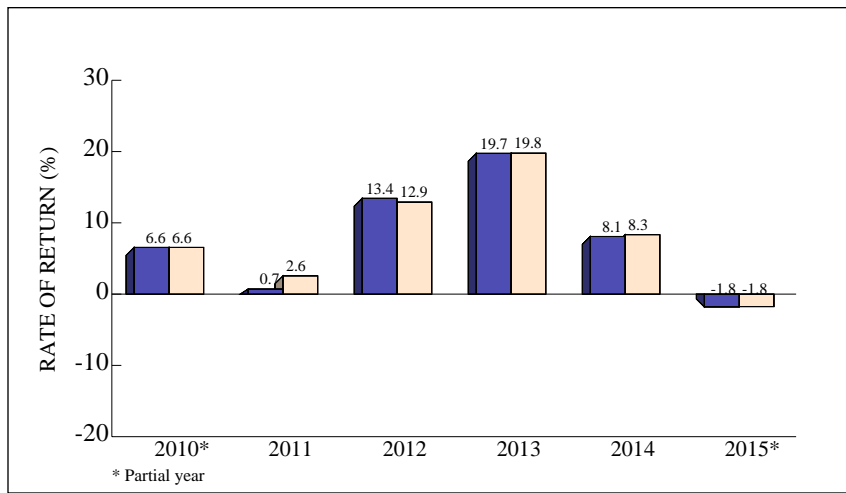
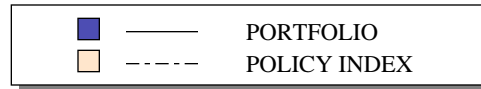
INVESTMENT RETURN SUMMARY - ONE QUARTER

Name	Quarter Total Return	Market Value June 30th, 2015	Net Cashflow	Net Investment Return	Market Value September 30th, 2015
PRIT Core Fund (DIV)	-3.9	55,046,801	2,687,026	-2,222,854	55,510,973
Polen Capital (LCG)	0.9	7,357,860	0	69,614	7,427,474
O'Shaughnessy (LCV)	-10.5	7,246,811	-345	-761,757	6,484,709
Seizert Capital (MCC)	-12.3	6,188,023	-22	-760,712	5,427,289
Daruma Ginkgo (SCC)	-12.6	5,638,517	-13,566	-707,979	4,916,972
Systematic (SCC)	-11.5	5,905,757	-2	-679,973	5,225,782
PRIT Int'l Eq. (INEQ)	-9.7	5,887,656	-2,605	-568,743	5,316,308
PRIT Core R.E. (REAL)	2.6	12,942,473	-17,914	337,968	13,262,527
Prudential (REAL)	0.0	90	0	0	90
IR&M (FIXD)	0.9	12,750,147	0	111,095	12,861,242
Cash Account (CASH)	---	715,074	-94,437	494	621,131
Total Fund	-4.2	119,679,209	2,558,135	-5,182,847	117,054,497

TOTAL RETURN COMPARISONS



Public Fund Universe



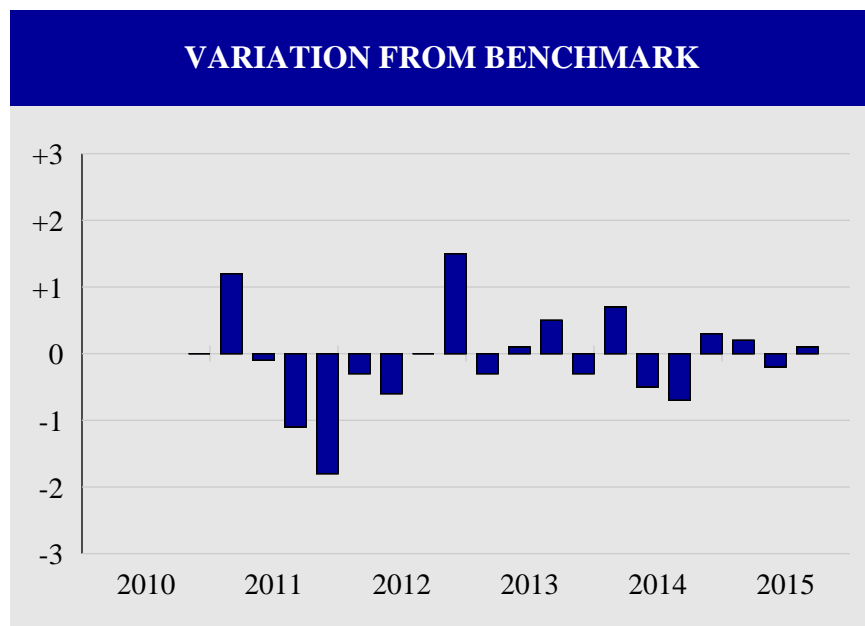
* Partial year

	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-4.2	-4.3	-1.8	1.3	9.4	9.1
(RANK)	(16)	(20)	(19)	(10)	(3)	(9)
5TH %ILE	-3.2	-3.2	-0.8	1.8	9.0	9.4
25TH %ILE	-4.5	-4.5	-2.1	0.3	7.9	8.5
MEDIAN	-5.0	-5.2	-2.9	-0.5	7.1	7.8
75TH %ILE	-5.6	-5.9	-3.5	-1.6	6.2	7.0
95TH %ILE	-7.0	-6.9	-4.7	-4.5	4.4	5.8
Policy Idx	-4.3	-4.1	-1.8	1.0	9.0	9.5

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

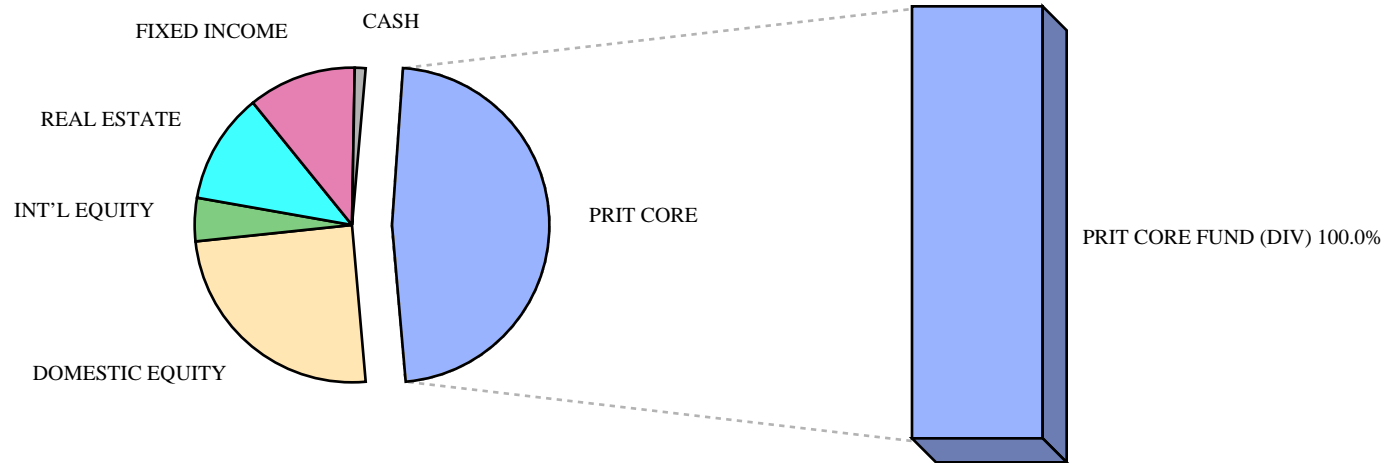
COMPARATIVE BENCHMARK: FRANKLIN REGIONAL POLICY INDEX



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

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
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
9/15	-4.2	-4.3	0.1

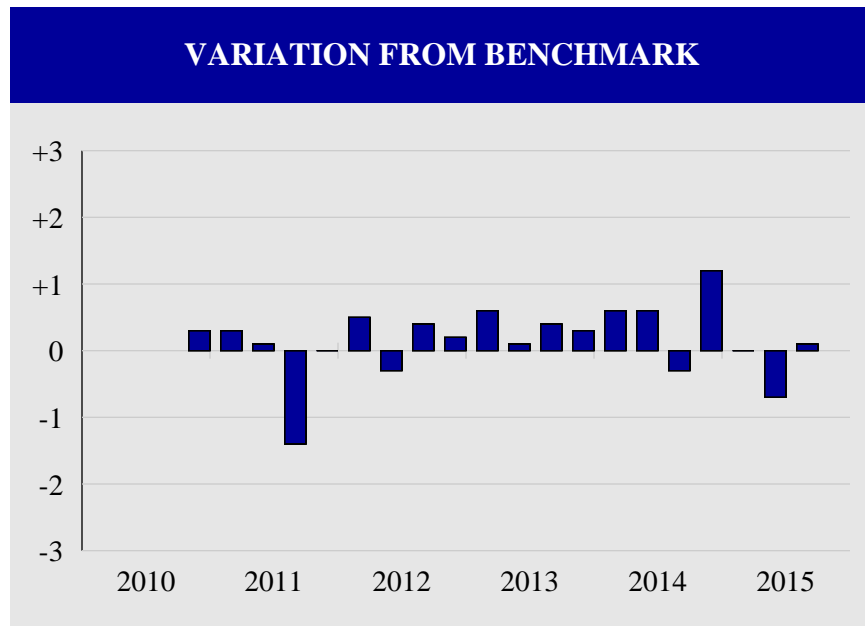
PRIT CORE MANAGER SUMMARY



TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
PRIT CORE FUND	(Public Fund)	-3.9 (10)	-1.4 (14)	0.7 (20)	8.3 (17)	8.3 (30)	\$55,510,973
<i>Custom Core Index</i>		<i>-4.0 ---</i>	<i>-0.8 ---</i>	<i>0.2 ---</i>	<i>7.3 ---</i>	<i>7.7 ---</i>	<i>---</i>

PRIT CORE QUARTERLY PERFORMANCE SUMMARY

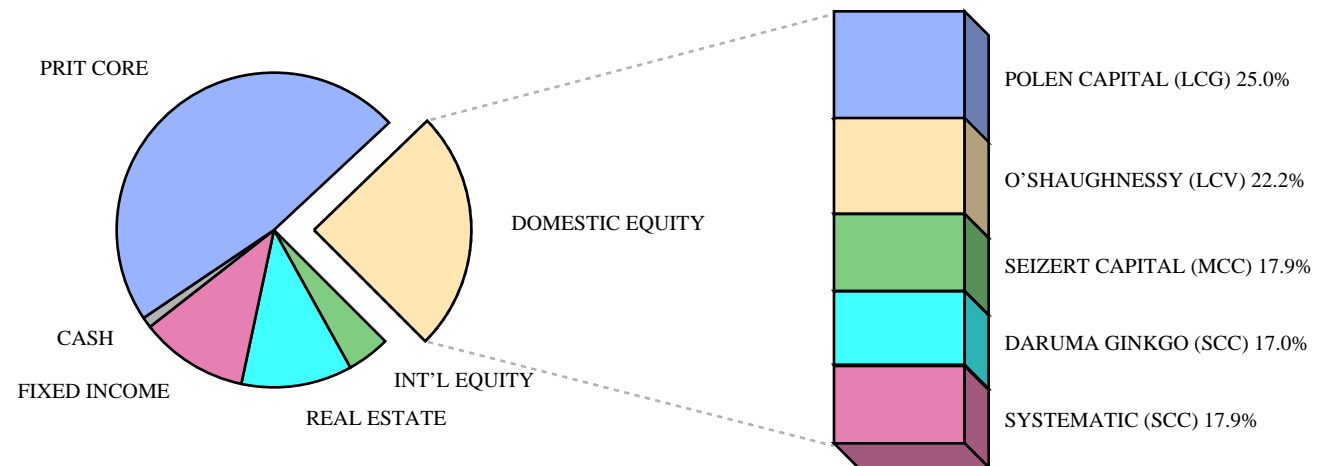
COMPARATIVE BENCHMARK: CUSTOM CORE INDEX



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

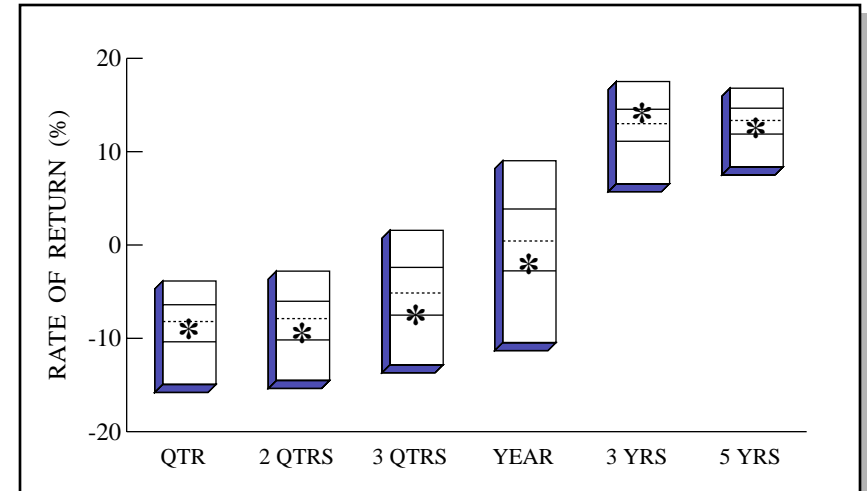
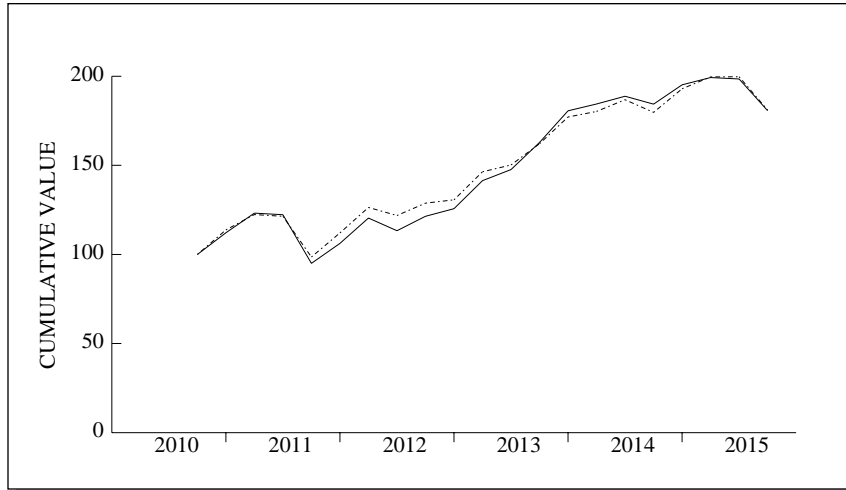
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/10	6.1	5.8	0.3
3/11	4.3	4.0	0.3
6/11	1.7	1.6	0.1
9/11	-9.0	-7.6	-1.4
12/11	3.7	3.7	0.0
3/12	7.3	6.8	0.5
6/12	-1.5	-1.2	-0.3
9/12	4.4	4.0	0.4
12/12	3.1	2.9	0.2
3/13	4.6	4.0	0.6
6/13	0.2	0.1	0.1
9/13	5.1	4.7	0.4
12/13	4.9	4.6	0.3
3/14	2.7	2.1	0.6
6/14	4.1	3.5	0.6
9/14	-0.8	-0.5	-0.3
12/14	2.1	0.9	1.2
3/15	2.7	2.7	0.0
6/15	0.0	0.7	-0.7
9/15	-3.9	-4.0	0.1

DOMESTIC EQUITY MANAGER SUMMARY

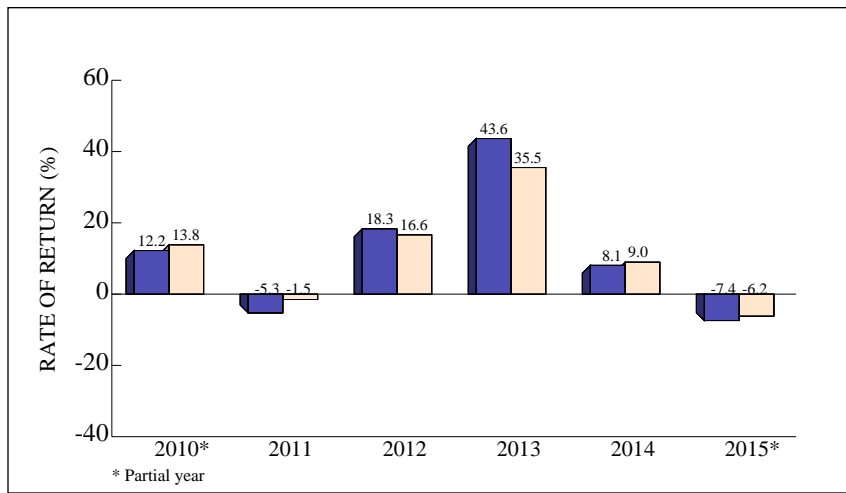


TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
POLEN CAPITAL	(Large Cap Growth)	0.9 (1)	7.3 (2)	18.1 (1)	15.5 (23)	----	\$7,427,474
<i>Russell 1000 Growth</i>		<i>-5.3</i> ----	<i>-1.5</i> ----	<i>3.2</i> ----	<i>13.6</i> ----	<i>14.5</i> ----	----
O'SHAUGHNESSY	(Large Cap Value)	-10.5 (84)	-10.0 (83)	-8.4 (90)	14.2 (23)	----	\$6,484,709
<i>Russell 1000 Value</i>		<i>-8.4</i> ----	<i>-9.0</i> ----	<i>-4.4</i> ----	<i>11.6</i> ----	<i>12.3</i> ----	----
SEIZERT CAPITAL	(Mid Cap)	-12.3 (92)	-10.8 (97)	-7.4 (96)	14.9 (32)	----	\$5,427,289
<i>Russell Mid Cap</i>		<i>-8.0</i> ----	<i>-5.8</i> ----	<i>-0.2</i> ----	<i>13.9</i> ----	<i>13.4</i> ----	----
DARUMA GINKGO	(Small Cap)	-12.6 (77)	-13.0 (95)	-7.2 (92)	9.6 (85)	8.8 (96)	\$4,916,972
SYSTEMATIC	(Small Cap)	-11.5 (67)	-11.9 (93)	-6.4 (91)	----	----	\$5,225,782
<i>Russell 2000</i>		<i>-11.9</i> ----	<i>-7.7</i> ----	<i>1.2</i> ----	<i>11.0</i> ----	<i>11.7</i> ----	----

DOMESTIC EQUITY RETURN COMPARISONS



Domestic Equity Universe

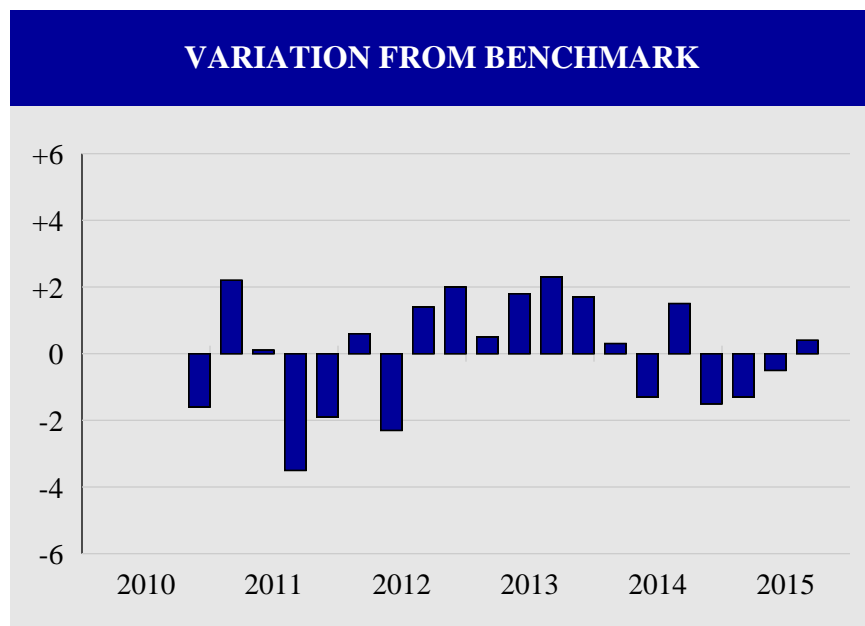


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-9.0	-9.3	-7.4	-2.0	14.2	12.6
(RANK)	(60)	(67)	(75)	(70)	(31)	(66)
5TH %ILE	-3.9	-2.8	1.6	9.0	17.5	16.8
25TH %ILE	-6.4	-6.0	-2.4	3.9	14.6	14.7
MEDIAN	-8.2	-7.9	-5.2	0.4	13.0	13.4
75TH %ILE	-10.4	-10.2	-7.5	-2.8	11.1	11.9
95TH %ILE	-14.9	-14.5	-12.8	-10.5	6.6	8.4
Equity Index	-9.4	-9.3	-6.2	0.7	12.0	12.6

Domestic Equity Universe

DOMESTIC EQUITY QUARTERLY PERFORMANCE SUMMARY

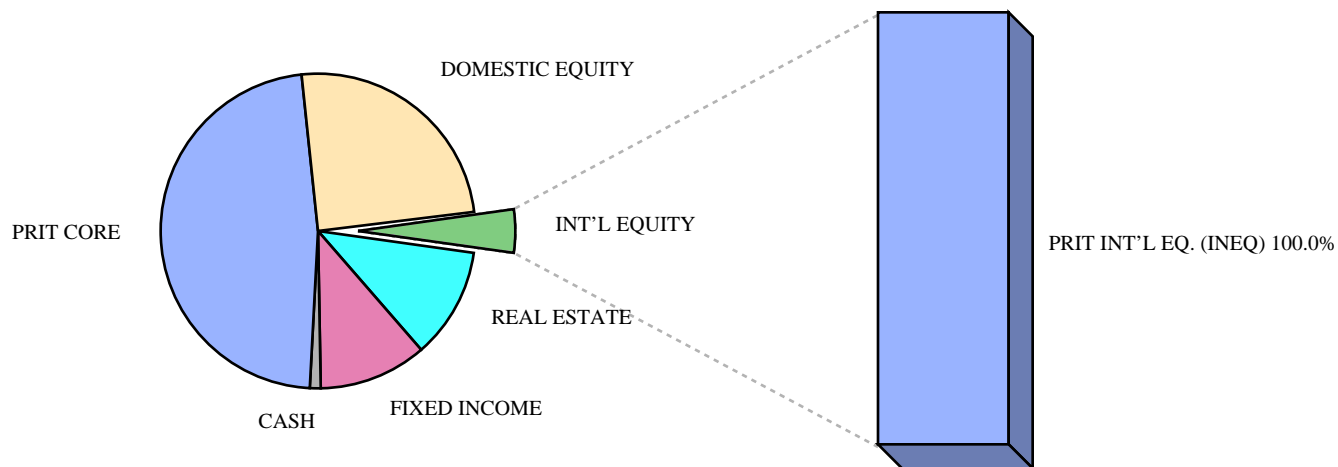
COMPARATIVE BENCHMARK: FRANKLIN COUNTY EQUITY INDEX



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

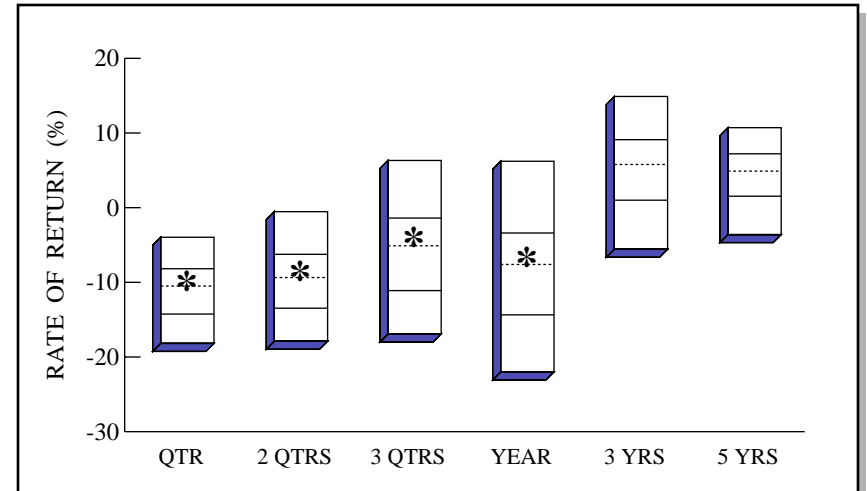
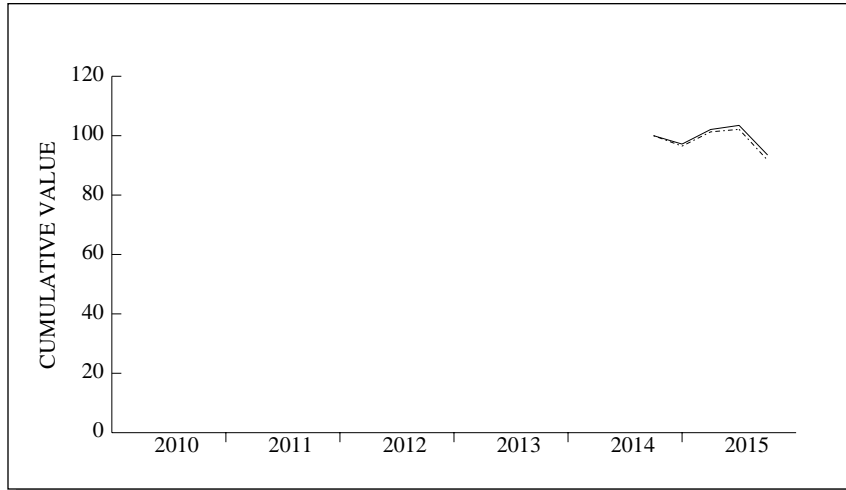
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/10	12.2	13.8	-1.6
3/11	9.8	7.6	2.2
6/11	-0.7	-0.8	0.1
9/11	-22.3	-18.8	-3.5
12/11	11.8	13.7	-1.9
3/12	13.3	12.7	0.6
6/12	-5.9	-3.6	-2.3
9/12	7.1	5.7	1.4
12/12	3.5	1.5	2.0
3/13	12.5	12.0	0.5
6/13	4.4	2.6	1.8
9/13	10.3	8.0	2.3
12/13	10.9	9.2	1.7
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
9/15	-9.0	-9.4	0.4

INTERNATIONAL EQUITY MANAGER SUMMARY

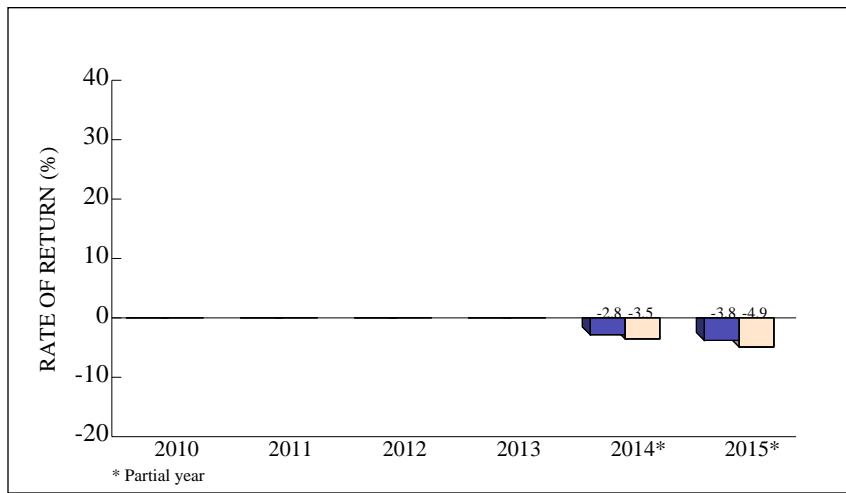


TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
PRIT INT'L EQ.	(International Equity)	-9.7 (40)	-3.8 (43)	-6.5 (43)	---- ----	---- ----	\$5,316,308
<i>MSCI EAFE</i>		<i>-10.2 ----</i>	<i>-4.9 ----</i>	<i>-8.3 ----</i>	<i>6.1 ----</i>	<i>4.4 ----</i>	----

INTERNATIONAL EQUITY RETURN COMPARISONS



International Equity Universe

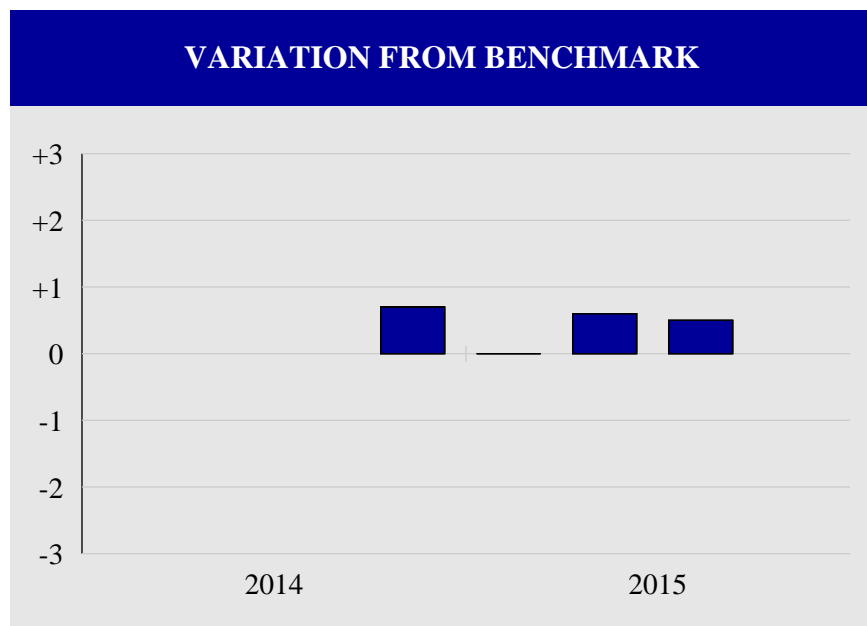


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-9.7	-8.4	-3.8	-6.5	----	----
(RANK)	(40)	(42)	(43)	(43)	----	----
5TH %ILE	-4.0	-0.5	6.3	6.2	14.9	10.7
25TH %ILE	-8.2	-6.3	-1.4	-3.4	9.1	7.2
MEDIAN	-10.5	-9.4	-5.1	-7.6	5.8	4.9
75TH %ILE	-14.3	-13.5	-11.1	-14.4	1.0	1.6
95TH %ILE	-18.2	-17.9	-16.9	-22.0	-5.6	-3.6
MSCI EAFE	-10.2	-9.4	-4.9	-8.3	6.1	4.4

International Equity Universe

INTERNATIONAL EQUITY QUARTERLY PERFORMANCE SUMMARY

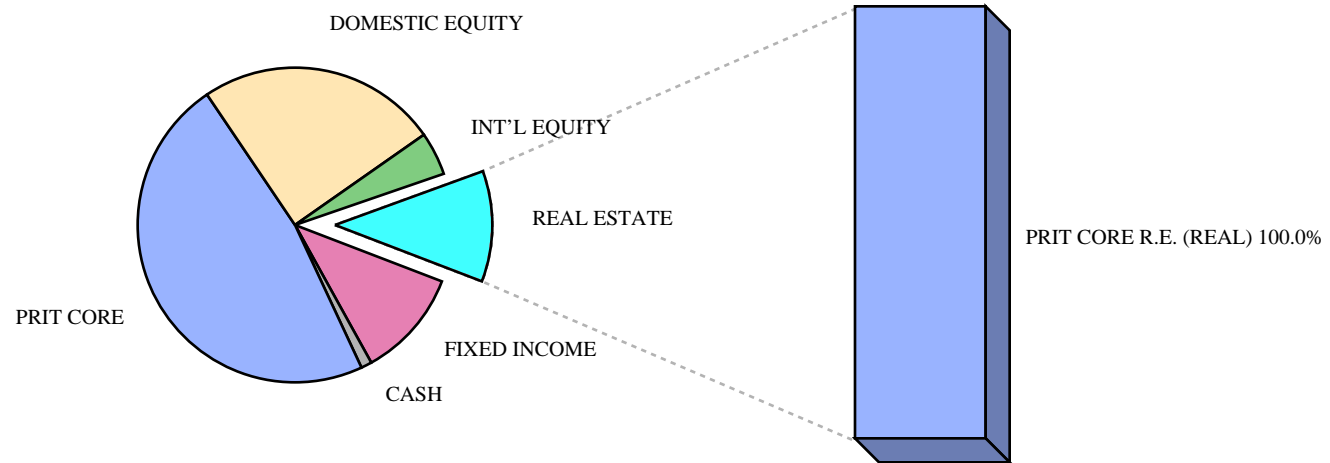
COMPARATIVE BENCHMARK: MSCI EAFE



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
9/15	-9.7	-10.2	0.5

Total Quarters Observed	4
Quarters At or Above the Benchmark	4
Quarters Below the Benchmark	0
Batting Average	1.000

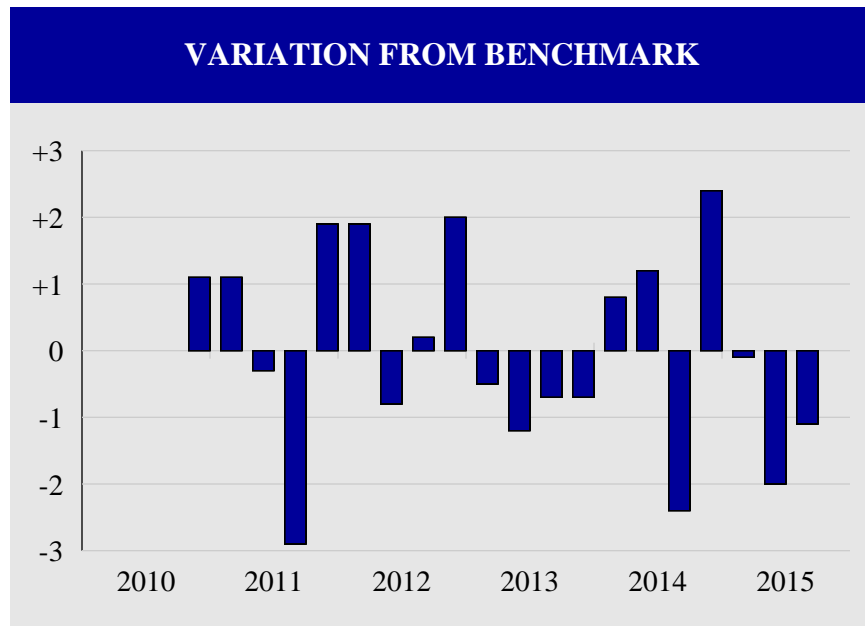
REAL ESTATE MANAGER SUMMARY



		TOTAL RETURNS AND RANKINGS					
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
PRIT CORE R.E.		2.6 ---	8.0 ---	14.1 ---	12.6 ---	12.9 ---	\$13,262,527
<i>NCREIF NFI-ODCE Index</i>		<i>3.7 ---</i>	<i>11.3 ---</i>	<i>14.9 ---</i>	<i>13.4 ---</i>	<i>14.0 ---</i>	---

REAL ESTATE QUARTERLY PERFORMANCE SUMMARY

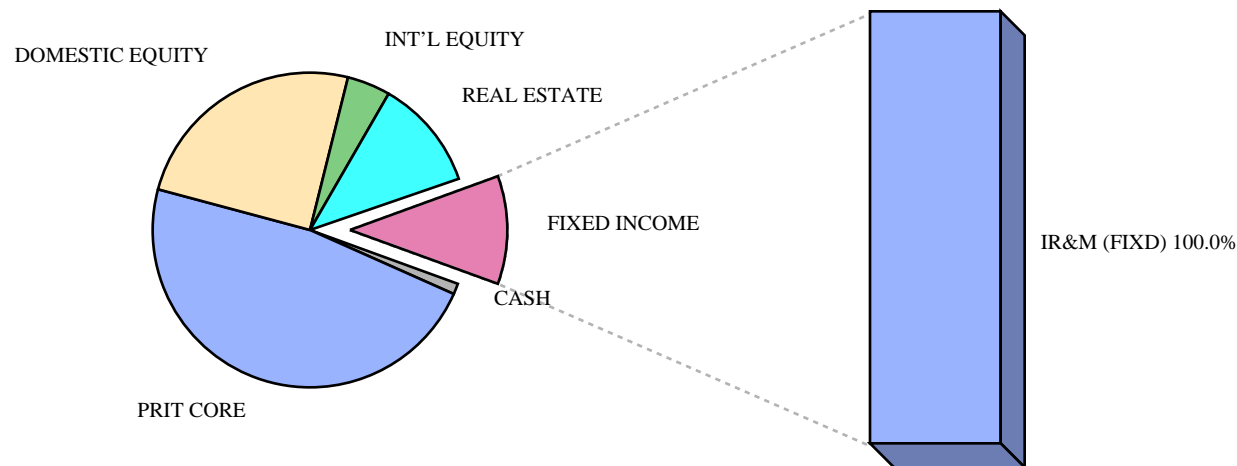
COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX



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

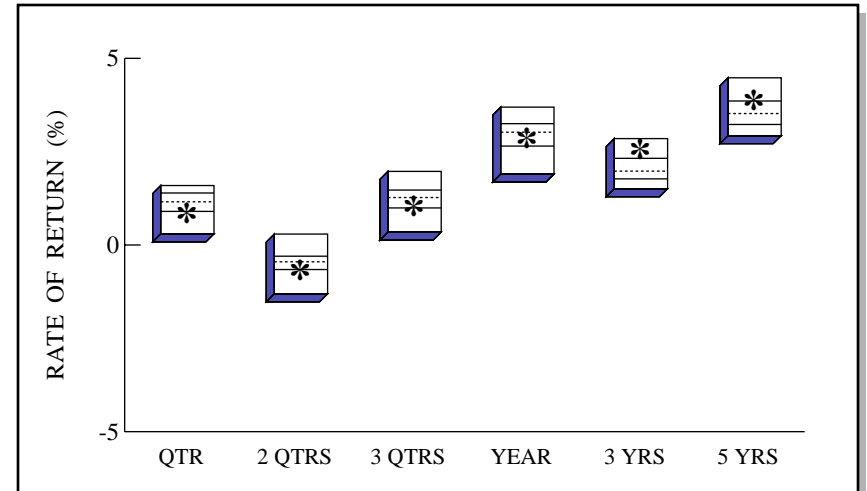
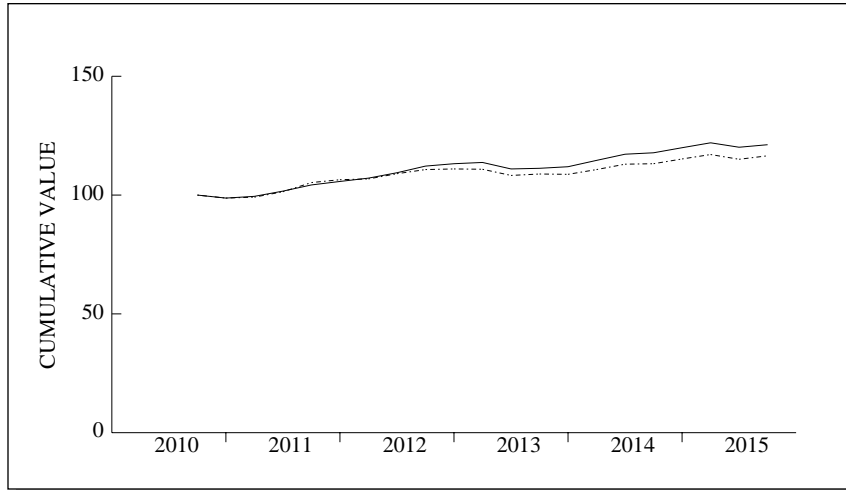
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/10	6.1	5.0	1.1
3/11	5.1	4.0	1.1
6/11	4.3	4.6	-0.3
9/11	0.6	3.5	-2.9
12/11	4.9	3.0	1.9
3/12	4.7	2.8	1.9
6/12	1.7	2.5	-0.8
9/12	3.0	2.8	0.2
12/12	4.3	2.3	2.0
3/13	2.2	2.7	-0.5
6/13	2.7	3.9	-1.2
9/13	2.9	3.6	-0.7
12/13	2.5	3.2	-0.7
3/14	3.3	2.5	0.8
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
9/15	2.6	3.7	-1.1

FIXED INCOME MANAGER SUMMARY

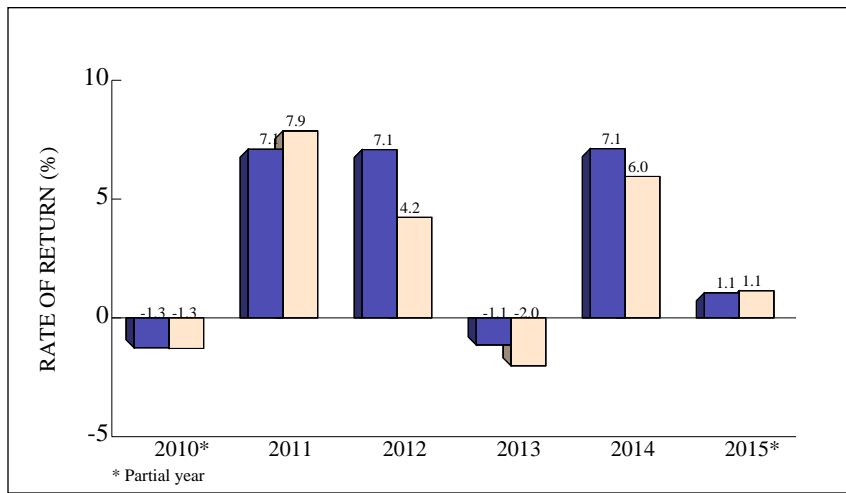


TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
IR&M	(Core Fixed Income)	0.9 (79)	1.1 (71)	2.9 (66)	2.6 (11)	3.9 (23)	\$12,861,242
<i>Barclays Aggregate Index</i>		<i>1.2 ----</i>	<i>1.1 ----</i>	<i>2.9 ----</i>	<i>1.7 ----</i>	<i>3.1 ----</i>	<i>----</i>

FIXED INCOME RETURN COMPARISONS

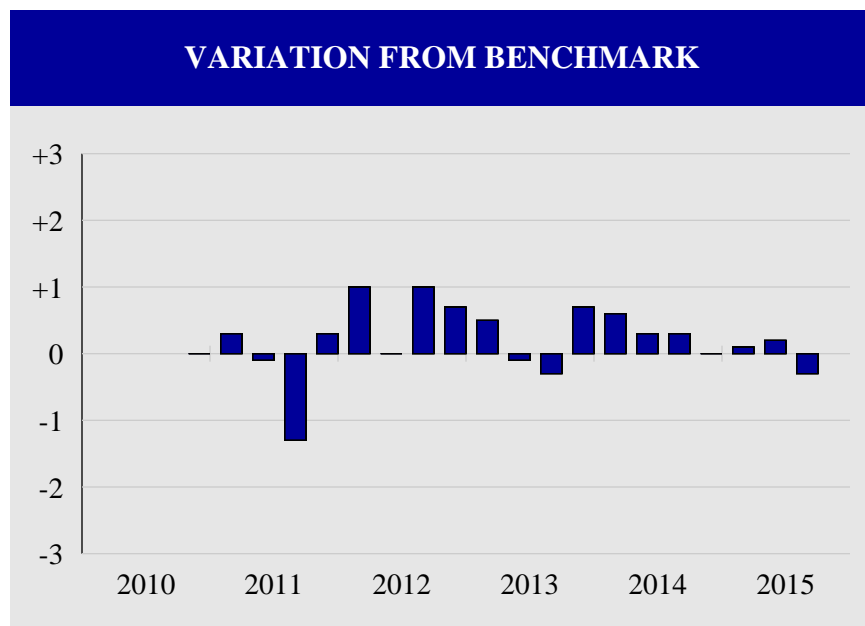


Core Fixed Income Universe



	QTR	2QTRS	3QTRS	YEAR	3 YRS	5 YRS
RETURN	0.9	-0.7	1.1	2.9	2.6	3.9
(RANK)	(79)	(75)	(71)	(66)	(11)	(23)
5TH %ILE	1.6	0.3	2.0	3.7	2.9	4.5
25TH %ILE	1.4	-0.3	1.5	3.3	2.3	3.9
MEDIAN	1.2	-0.5	1.3	3.0	2.0	3.5
75TH %ILE	0.9	-0.7	1.0	2.7	1.8	3.2
95TH %ILE	0.3	-1.3	0.3	1.9	1.5	2.9
Agg Index	1.2	-0.5	1.1	2.9	1.7	3.1

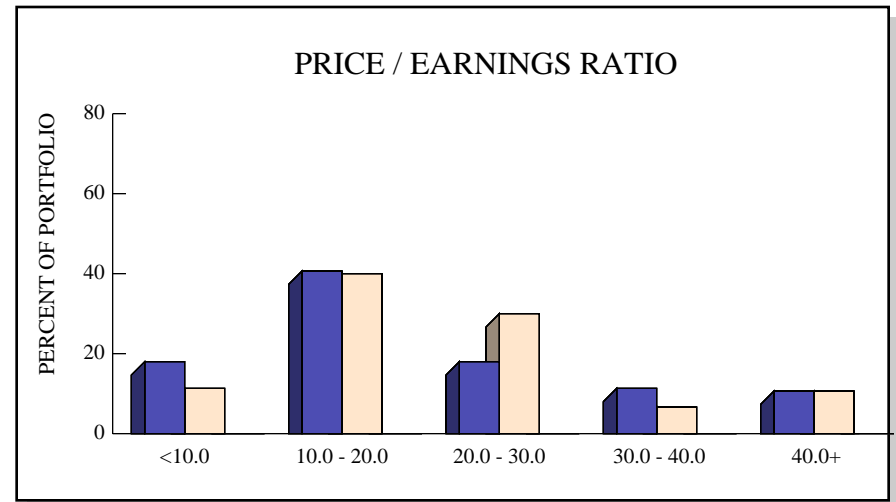
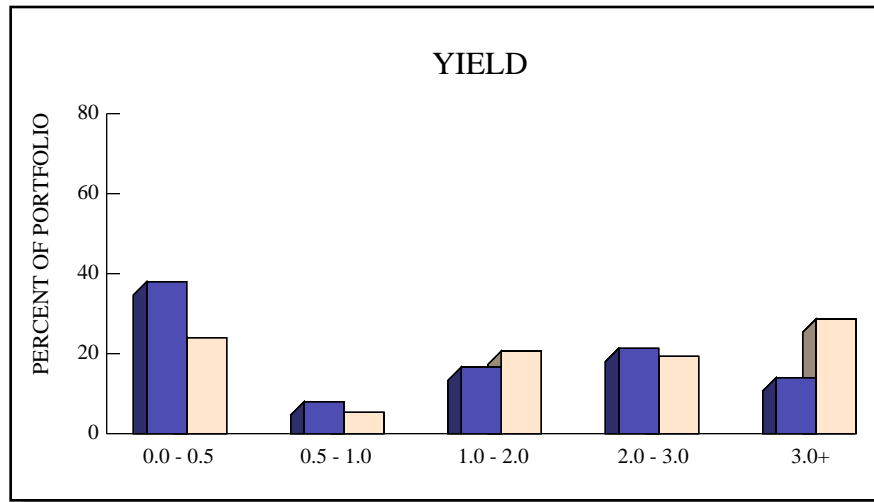
Core Fixed Income Universe

FIXED INCOME QUARTERLY PERFORMANCE SUMMARY**COMPARATIVE BENCHMARK: BARCLAYS AGGREGATE INDEX**

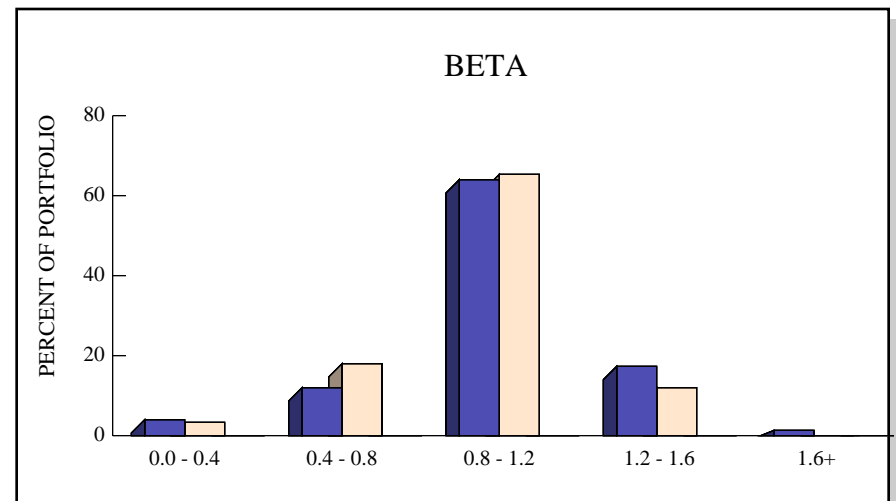
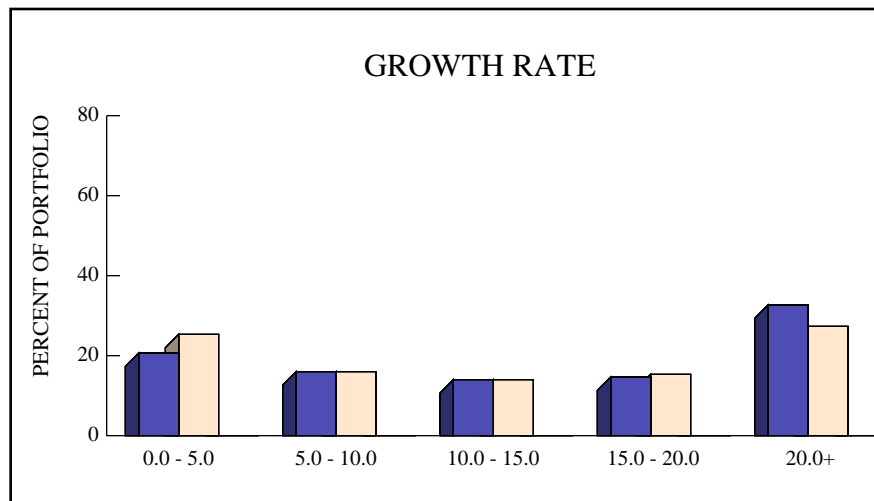
Total Quarters Observed	20
Quarters At or Above the Benchmark	15
Quarters Below the Benchmark	5
Batting Average	.750

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
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
9/15	0.9	1.2	-0.3

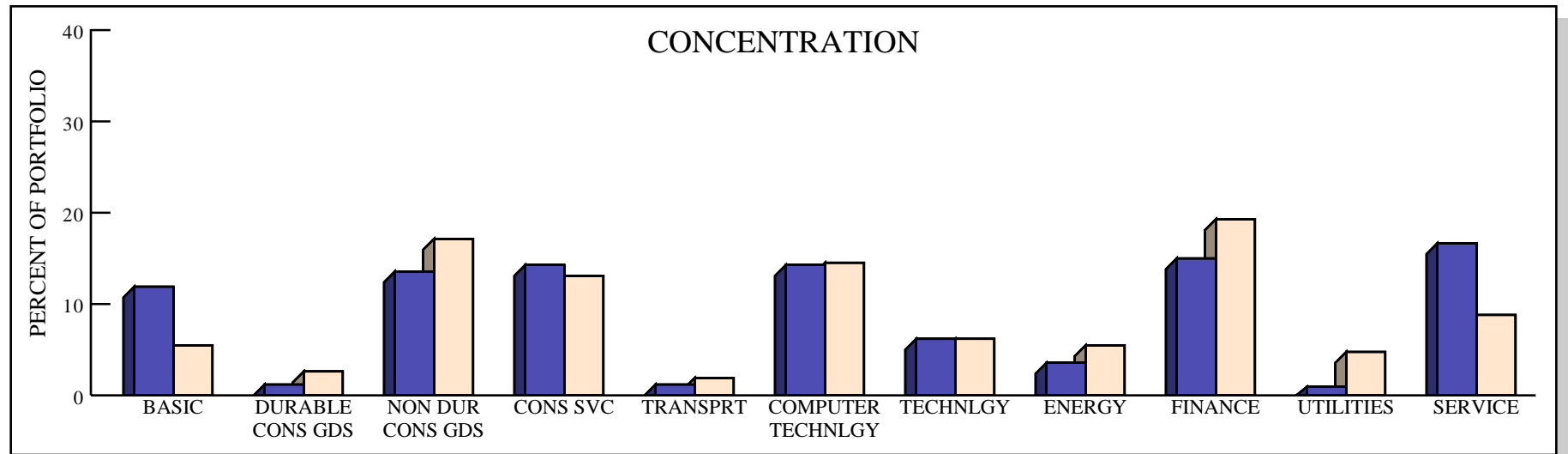
STOCK CHARACTERISTICS



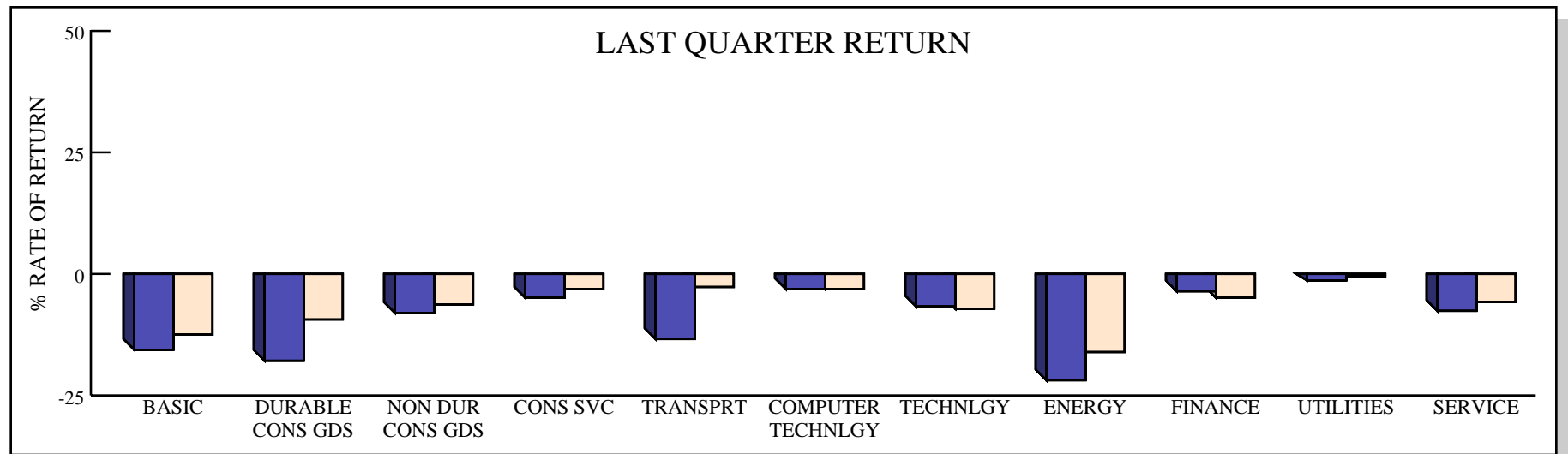
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	433	1.6%	15.9%	20.2	0.99
RUSSELL 3000	2,985	2.1%	14.4%	21.8	0.96



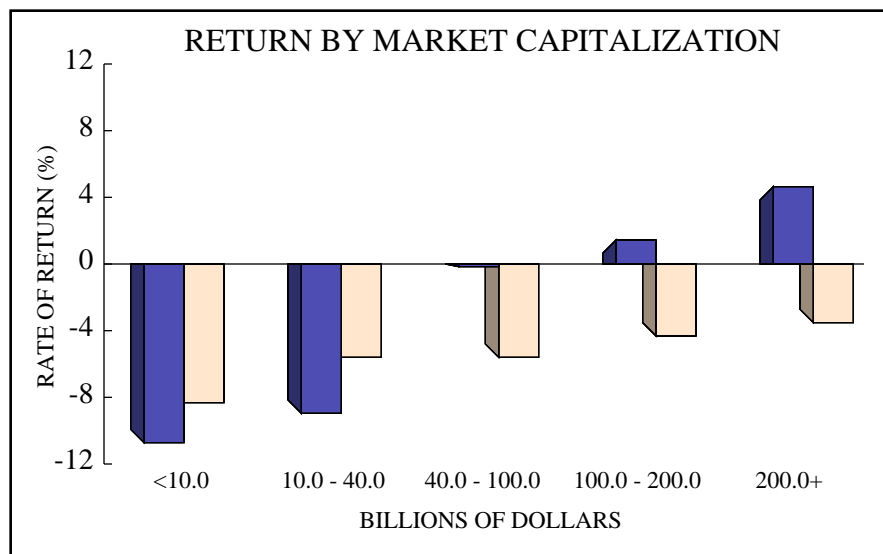
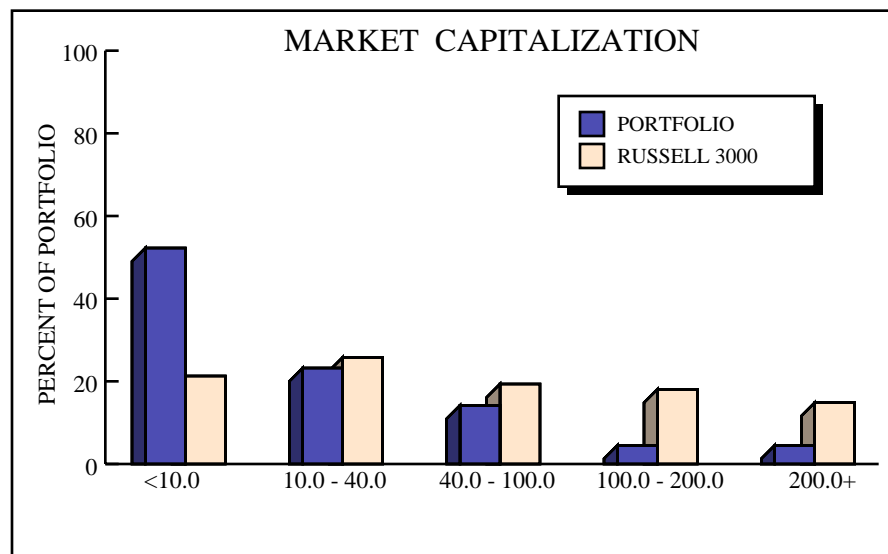
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL 3000



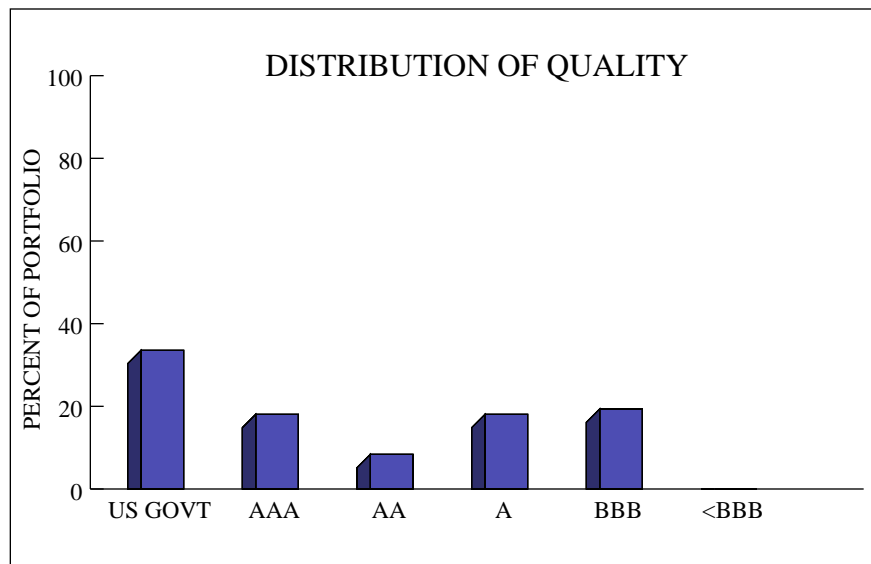
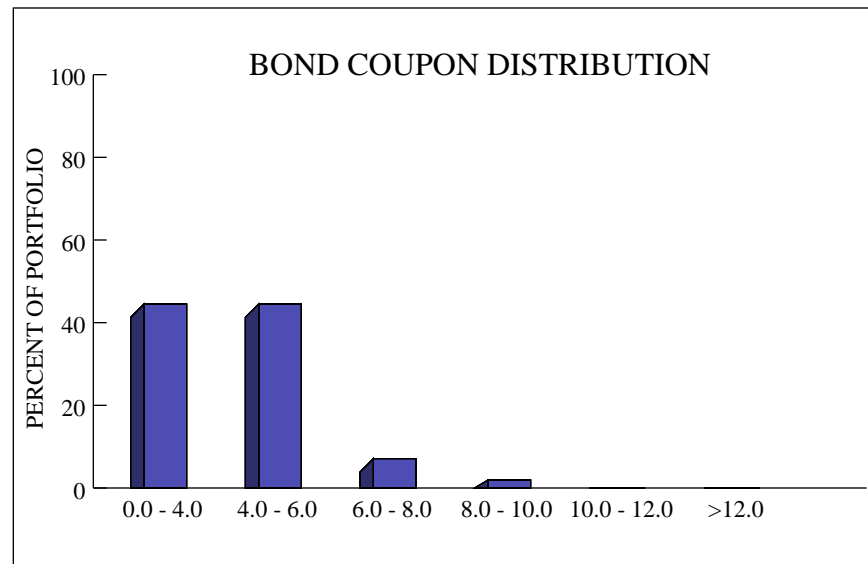
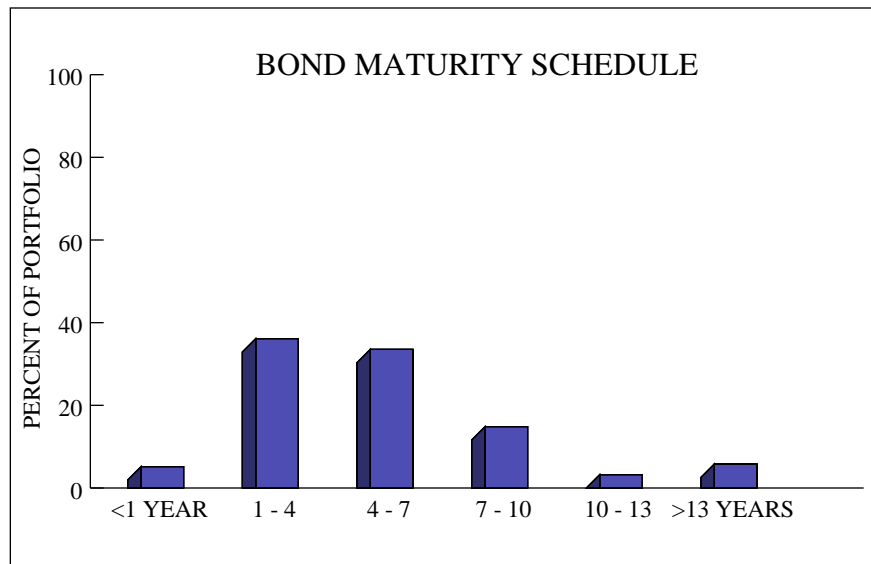
TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	NIKE INC -CL B	\$ 559,514	1.94%	14.1%	NonDur Cons Goods	\$ 83.4 B
2	VISA INC-CLASS A SHARES	537,636	1.86%	3.9%	Finance	135.9 B
3	STARBUCKS CORP	473,875	1.64%	6.3%	Consumer Service	84.4 B
4	GOOGLE INC-CL C	416,768	1.44%	16.9%	Computer Tech	209.3 B
5	PRICELINE GROUP INC/THE	401,979	1.39%	7.4%	Service	62.7 B
6	ABBOTT LABORATORIES	378,269	1.31%	-17.5%	NonDur Cons Goods	59.9 B
7	TJX COMPANIES INC	378,097	1.31%	8.2%	Consumer Service	48.2 B
8	NETAPP INC	372,960	1.29%	-5.6%	Computer Tech	8.7 B
9	REGENERON PHARMACEUTICALS	353,506	1.22%	-8.8%	NonDur Cons Goods	47.3 B
10	NESTLE SA-SPONS ADR	347,835	1.20%	4.3%	NonDur Cons Goods	239.9 B

BOND CHARACTERISTICS



	PORTFOLIO	BARCLAYS AGG
No. of Securities	260	9,590
Duration	5.84	5.60
YTM	2.97	2.31
Average Coupon	4.04	3.20
Avg Maturity / WAL	5.51	7.86
Average Quality	AAA-AA	USG-AAA

APPENDIX - MAJOR MARKET INDEX RETURNS

Economic Data	Style	QTR	YTD	1 Year	3 years	5 Years
Consumer Price Index	Economic Data	-0.3	1.3	0.0	0.9	1.8
Domestic Equity	Style	QTR	YTD	1 Year	3 years	5 Years
Russell 3000	Broad Equity	-7.2	-5.4	-0.5	12.5	13.3
S&P 500	Large Cap Core	-6.4	-5.3	-0.6	12.4	13.3
Russell 1000	Large Cap	-6.8	-5.2	-0.6	12.7	13.4
Russell 1000 Growth	Large Cap Growth	-5.3	-1.5	3.2	13.6	14.5
Russell 1000 Value	Large Cap Value	-8.4	-9.0	-4.4	11.6	12.3
Russell Mid Cap	Midcap	-8.0	-5.8	-0.2	13.9	13.4
Russell Mid Cap Growth	Midcap Growth	-8.0	-4.1	1.5	14.0	13.6
Russell Mid Cap Value	Midcap Value	-8.0	-7.7	-2.1	13.7	13.1
Russell 2000	Small Cap	-11.9	-7.7	1.2	11.0	11.7
Russell 2000 Growth	Small Cap Growth	-13.1	-5.5	4.1	12.9	13.3
Russell 2000 Value	Small Cap Value	-10.7	-10.1	-1.6	9.2	10.2
International Equity	Style	QTR	YTD	1 Year	3 years	5 Years
MSCI All Country World Ex US	Foreign Equity	-12.1	-8.3	-11.8	2.8	2.3
MSCI EAFE	Developed Markets Equity	-10.2	-4.9	-8.3	6.1	4.4
MSCI EAFE Growth	Developed Markets Growth	-8.7	-2.1	-4.3	6.9	5.2
MSCI EAFE Value	Developed Markets Value	-11.7	-7.7	-12.2	5.2	3.6
MSCI Emerging Markets	Emerging Markets Equity	-17.8	-15.2	-19.0	-4.9	-3.3
Domestic Fixed Income	Style	QTR	YTD	1 Year	3 years	5 Years
Barclays Aggregate Index	Core Fixed Income	1.2	1.1	2.9	1.7	3.1
Barclays Capital Gov't Bond	Treasuries	1.7	1.8	3.7	1.3	2.5
Barclays Capital Credit Bond	Corporate Bonds	0.5	-0.3	1.5	2.0	4.1
Intermediate Aggregate	Core Intermediate	1.1	1.7	3.0	1.6	2.7
ML/BoA 1-3 Year Treasury	Short Term Treasuries	0.3	1.0	1.2	0.5	0.7
CSFB High Yield	High Yield Bonds	-2.9	-0.1	-1.6	4.1	6.4
Alternative Assets	Style	QTR	YTD	1 Year	3 years	5 Years
Barclays Global Ex US	International Treasuries	1.4	-3.8	-6.8	-4.6	-2.0
NCREIF NFI-ODCE Index	Real Estate	3.7	11.3	14.9	13.4	14.0
HFRI FOF Composite	Hedge Funds	-3.7	-1.1	-0.1	4.1	2.7

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.
- * Dahab Associates uses the modified duration measure to present average duration.
- * All values are in US dollars.

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

INVESTMENT RETURN

On September 30th, 2015, the Franklin Regional Retirement System's PRIT Core Fund was valued at \$55,510,973, representing an increase of \$464,172 from the June quarter's ending value of \$55,046,801. Last quarter, the Fund posted net contributions totaling \$2,687,026, which overshadowed the account's \$2,222,854 net investment loss that was sustained during the quarter. The fund's net investment loss was a result of income receipts totaling \$370,266 and realized and unrealized capital losses totaling \$2,593,120.

Since December 2009, the account has recorded net withdrawals totaling \$11.1 million while posting net investment gains totaling \$25.1 million. Since December 2009, if the account earned a compounded nominal rate of 8.25% it would have been valued at \$53.6 million or \$2.0 million less than the actual value as of September 30th, 2015.

RELATIVE PERFORMANCE

Total Portfolio

For the third quarter, the PRIT Core Fund lost 3.9%, which was 0.1% above the Custom Core Index's return of -4.0% and ranked in the 10th percentile of the Public Fund universe. Over the trailing twelve-month period, this portfolio returned 0.7%, which was 0.5% greater than the benchmark's 0.2% performance, and ranked in the 20th percentile. Since December 2009, the portfolio returned 8.5% annualized and ranked in the 27th percentile. The Custom Core Index returned an annualized 7.9% over the same time frame.

PRIT Core

Performance was primarily favorable across the PRIT sleeves in the third quarter, resulting in a 20 basis point lead by the end of the three-month period. Domestic Equity (18.6% allocation) posted a 7.3% loss, roughly equal to the benchmark. The International Equity sleeve surpassed the blended index by 70 basis points, and featured a 16.2% weight. Core Fixed Income delivered a 3.2% gain, short of the

benchmark by 20 basis points, while Value-added Fixed Income (8.5% allocation) posted a -3.5% return, superior to the index by 510 basis points. Real Estate (10.8%) outpaced the index by 30 basis points (2.6% vs. 2.3%). However, the Hedge Funds sleeve returned -4.5% return compared to the benchmark's -3.7% performance.

PRIT Domestic Equity

Large Cap managers accounted for 14.7% of the sleeve's 18.6% Core allocation, or 79.0% of the segment. The SSgA S&P 500 index fund (11.8% allocation) returned -6.6%, unexpectedly 20 basis points weaker than the S&P 500 index upon which it's based. Intech (1.4% allocation; -4.7% return) outpaced the benchmark.

Summit Creek (Small Cap Growth) posted a -9.0% return compared to the Russell 2000 Growth index's 13.0% loss. Total Small/Smid Cap Equity segment (3.9% allocation) finished above the benchmark, returning -10.3%, while the benchmark lost 10.6%.

PRIT International Equity

The International Equity sleeve (16.2%) bested the benchmark in the third quarter, delivering a -9.7% return against the MSCI EAFE Net Dividends Index's 10.3% loss.

SSgA World Ex-US index fund returned -10.2%, and accounted for 8.1% of the total Core portfolio - half of the sleeve - while Marathon Asset Management dipped 7.5%, whose comparatively positive selection effects were compounded by a 3.9% allocation.

PRIT Emerging Markets Equity

Emerging Markets segment also posted superior returns relative to the benchmark in the third quarter (-15.8% vs. -17.5%). For the 1-year period, the sleeve lost 5.8% compared to the benchmark's 6.8% loss, while the 3- and 5-year periods also outperformed.

PRIT Hedge Funds

The HFRI Fund of Funds benchmark continues to offer a low performance hurdle, a loss of 3.7%. However, the Hedge Fund sleeve sustained an 80 basis point deficit. Direct Hedge Funds (6.8% PRIT weight, or 81.0% of the sleeve allocation) lost 4.3% for the quarter, while returning -0.4% and 6.2% in the one- and three-year periods. PAAMCO (1.5% allocation) also trailed the benchmark, returning -5.2%.

PRIT Real Estate

The PRIT Real Estate sleeve represented 10.8% of the PRIT portfolio (including 1.7% in debt), and returned 2.6% for the quarter, exceeding benchmark performance by 30 basis points. The Private Real Estate component – representing 80.6% of the sleeve – beat the NCREIF Property index (One quarter lag), despite underperforming returns delivered by the majority of core managers. Invesco Core (1.9% allocation) returned 2.2%, while Lasalle, AEW, JP Morgan, and TA Associates gained 2.7%, 2.4%, 3.1%, and 3.5%, respectively. However, Total Leveraged Separate Accounts posted a benchmark-beating 3.2% gain when accounting for the -1.7% debt allocation.

Additionally, the sleeve's REIT managers (2.0% combined) were better able to curb losses compared to the FTSE EPRA NAREIT Developed Net Total Return index by 70 basis points (-0.8% vs. -1.5%). Centersquare lost 0.8% 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 posted a 3.2% gain, short of the hybrid index's return by 20 basis points. The fundamental core elements made up 37.5% of the sleeve, including the Loomis Sayles Core manager which posted a return of 1.1%, trailing the Barclays Aggregate index by 10 basis points.

The BlackRock STRIPS account represented 39.7% of the Core Fixed Income allocation. This component delivered a 7.6% return, which was expectedly consistent with the Barclays US Treasury STRIPS 20+ Year index. Total Inflation-linked Bonds dipped, losing 0.5%, and comprised 22.8% of the sleeve, trailing the hybrid index by 50 basis points.

Conversely, the Value-Added Fixed Income outperformed, returning -3.5% for the quarter compared to the benchmark's 8.6% loss. Distressed Debt represented 27.1% of the sleeve and gained 0.8%, which was 19.0% greater than the NYU Salomon Center Combined Defaulted Public Bond & Bank Loan index.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 12/09
Total Gross/Fees	-3.9	-1.4	0.7	8.3	8.5
<i>PUBLIC FUND RANK</i>	(10)	(14)	(20)	(17)	(27)
Total Net/Fees	-4.1	-1.7	0.2	7.7	7.9
CUSTOM CORE IDX	-4.0	-0.8	0.2	7.3	7.9
PRIT Core	-3.9	-1.4	0.7	8.3	8.5
<i>PUBLIC FUND RANK</i>	(10)	(14)	(20)	(17)	(27)
CUSTOM CORE IDX	-4.0	-0.8	0.2	7.3	7.9

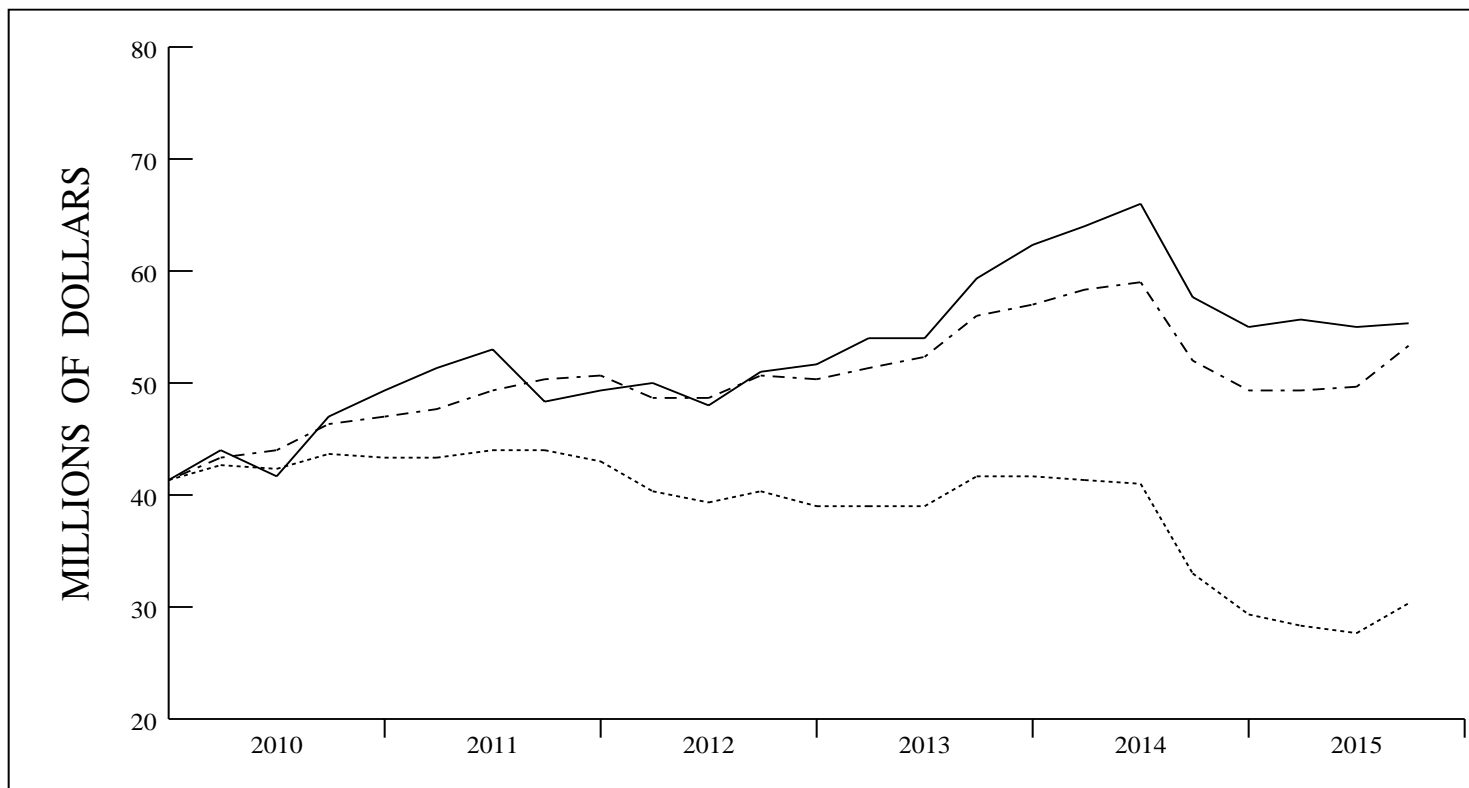
ASSET ALLOCATION

PRIT Core	100.0%	\$ 55,510,973
Total Portfolio	100.0%	\$ 55,510,973

INVESTMENT RETURN

Market Value 6/2015	\$ 55,046,801
Contribs / Withdrawals	2,687,026
Income	370,266
Capital Gains / Losses	-2,593,120
Market Value 9/2015	\$ 55,510,973

INVESTMENT GROWTH

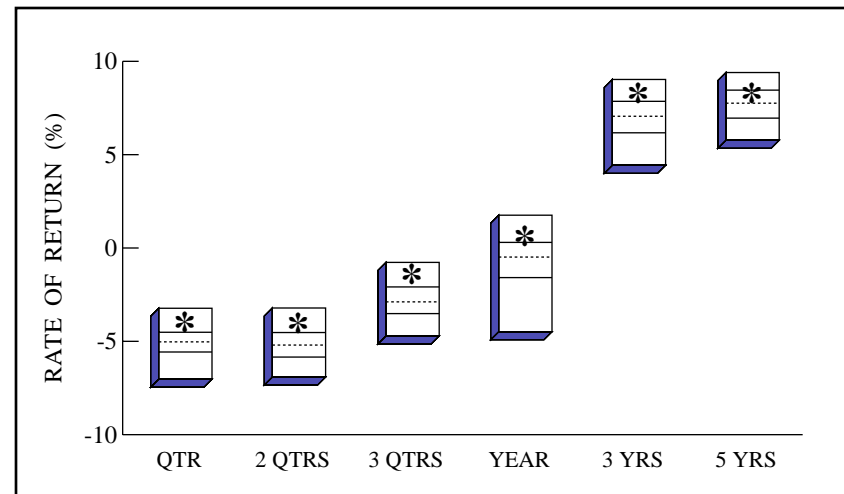
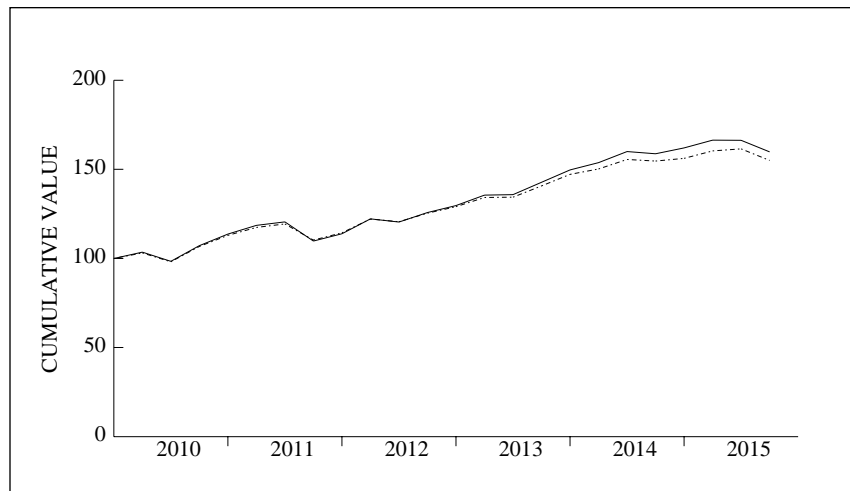


—	ACTUAL RETURN
- - -	8.25%
.....	0.0%

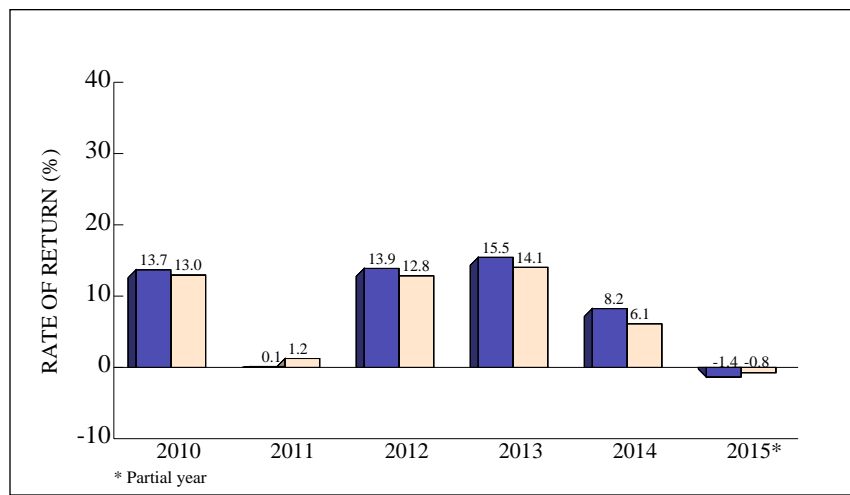
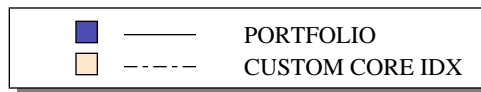
VALUE ASSUMING	
8.25% RETURN	\$ 53,557,576

	LAST QUARTER	PERIOD 12/09 - 9/15
BEGINNING VALUE	\$ 55,046,801	\$ 41,496,600
NET CONTRIBUTIONS	2,687,026	- 11,068,776
INVESTMENT RETURN	<u>- 2,222,854</u>	<u>25,083,148</u>
ENDING VALUE	\$ 55,510,973	\$ 55,510,973
INCOME	370,266	8,885,530
CAPITAL GAINS (LOSSES)	<u>- 2,593,120</u>	<u>16,197,619</u>
INVESTMENT RETURN	- 2,222,854	25,083,148

TOTAL RETURN COMPARISONS



Public Fund Universe



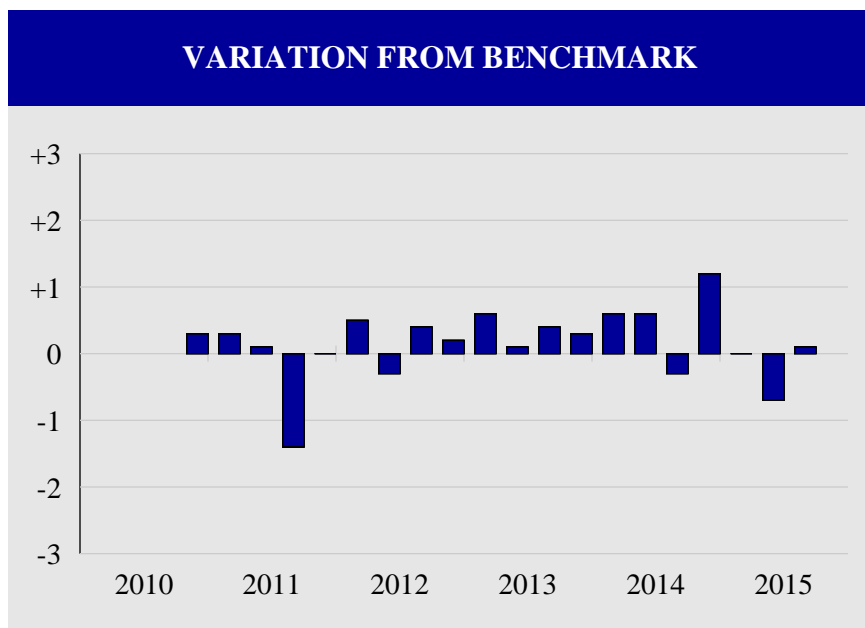
* Partial year

	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED----- 3 YRS	5 YRS
RETURN	-3.9	-4.0	-1.4	0.7	8.3	8.3
(RANK)	(10)	(15)	(14)	(20)	(17)	(30)
5TH %ILE	-3.2	-3.2	-0.8	1.8	9.0	9.4
25TH %ILE	-4.5	-4.5	-2.1	0.3	7.9	8.5
MEDIAN	-5.0	-5.2	-2.9	-0.5	7.1	7.8
75TH %ILE	-5.6	-5.9	-3.5	-1.6	6.2	7.0
95TH %ILE	-7.0	-6.9	-4.7	-4.5	4.4	5.8
PRIT Index	-4.0	-3.3	-0.8	0.2	7.3	7.7

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
12/10	6.1	5.8	0.3
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	-1.2	-0.3
9/12	4.4	4.0	0.4
12/12	3.1	2.9	0.2
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	0.9	1.2
3/15	2.7	2.7	0.0
6/15	0.0	0.7	-0.7
9/15	-3.9	-4.0	0.1

**PRIT MANAGER RETURNS AND ALLOCATIONS
AS OF SEPTEMBER 30, 2015**

PORTFOLIO	QTR	ANNUALIZED			% Allocation
		1 YEAR	3 YEARS	5 YEARS	
Domestic Equity	-7.3	-0.6	12.3	13.2	18.6
Intech	-4.7	3.4	13.9	14.4	1.4
PIMCO Domestic	-7.8	-1.8	12.2	14.0	1.5
SSgA S&P 500	-6.6	-0.8	12.5	---	11.8
Summit Creek	-9.0	4.3	---	---	0.3
Frontier	-7.1	2.1	---	---	0.3
Huber	-13.9	-15.0	---	---	0.4
RiverBridge	-7.3	6.5	---	---	0.3
SouthernSun	-14.4	-13.2	---	---	0.2
SSgA Russell 2500	-10.3	0.4	12.2	---	2.4
<i>S&P 500</i>	<i>-6.4</i>	<i>-0.6</i>	<i>12.4</i>	<i>13.3</i>	---
<i>Russell 2500</i>	<i>-10.3</i>	<i>0.4</i>	<i>12.4</i>	<i>12.7</i>	---
International Equity	-9.7	-6.5	6.7	5.4	16.2
SSgA World Ex-US	-10.2	-8.8	5.6	4.2	8.1
Marathon Asset Management	-7.5	-1.5	9.6	7.5	3.9
Baillie Gifford	-11.1	-6.2	5.7	5.5	2.8
Mondrian	-9.7	-7.7	7.1	5.1	1.2
FIS	-8.5	-3.8	---	---	0.2
<i>MSCI EAFE</i>	<i>-10.2</i>	<i>-8.3</i>	<i>6.1</i>	<i>4.4</i>	---
<i>ACWI EX US</i>	<i>-12.1</i>	<i>-11.8</i>	<i>2.8</i>	<i>2.3</i>	---
Emerging Markets Equity	-15.8	-17.7	-4.2	-2.8	6.8
SSgA Emerging Markets	-17.5	-17.9	-4.3	-2.9	1.7
AQR Emerging	-17.5	---	---	---	0.9
Baillie Gifford EMM	-16.9	---	---	---	1.0
Driehaus Capital	-13.4	---	---	---	0.9
Harding Loevner	-15.6	---	---	---	0.6
Pzena	-15.5	---	---	---	0.9
Emerging Markets Transition	---	---	---	---	0.0
Acadian	-15.1	-13.9	8.7	---	0.2
Wasatch	-12.8	-10.4	-0.3	---	0.2
Acadian Frontier	-5.8	---	---	---	0.1
City of London	-9.1	---	---	---	0.2
<i>MSCI Emerging Markets</i>	<i>-17.8</i>	<i>-19.0</i>	<i>-4.9</i>	<i>-3.3</i>	---

**PRIT MANAGER RETURNS AND ALLOCATIONS
AS OF SEPTEMBER 30, 2015**

PORTFOLIO	QTR	ANNUALIZED			% Allocation
		1 YEAR	3 YEARS	5 YEARS	
Core Fixed Income	3.2	6.2	3.7	4.7	13.6
Blackrock Passive	1.2	2.8	1.7	3.1	1.4
PIMCO Core	0.1	2.4	1.7	3.2	1.3
Loomis Sayles Core	1.1	3.8	2.9	4.5	1.9
Community Capital Management	1.7	2.8	2.3	3.3	0.0
AFL - CIO Housing Investment	1.5	3.8	2.0	3.3	0.2
Access Capital - ETI	0.9	3.6	2.3	3.4	0.2
BlackRock STRIPS	7.6	11.6	---	---	5.4
Blackrock TIPS	-1.2	-0.9	-1.9	2.5	1.0
Blackrock ILBs	-0.5	2.0	1.8	3.9	2.1
<i>Barclays Aggregate</i>	<i>1.2</i>	<i>2.9</i>	<i>1.7</i>	<i>3.1</i>	---
<i>Barclays STRIPS 20+Yrs</i>	<i>7.6</i>	<i>11.5</i>	---	---	---
<i>Barclays US TIPS</i>	<i>-1.2</i>	<i>-0.8</i>	<i>-1.8</i>	<i>2.6</i>	---
<i>Barclays ILB US Hedged</i>	<i>0.0</i>	<i>2.4</i>	<i>1.5</i>	<i>3.7</i>	---
<i>Barclays Aggregate A or Better</i>	<i>1.5</i>	<i>3.5</i>	<i>1.7</i>	<i>2.9</i>	---
Value-Added Fixed Income	-3.5	-4.7	2.4	5.4	8.5
Fidelity	-3.1	-1.5	4.8	7.4	0.5
Loomis Sayles High Yield	-5.5	-2.9	4.6	7.2	0.5
Shenkman	-4.6	-1.3	3.4	5.7	0.5
Eaton Vance	-1.0	1.4	3.1	4.5	0.8
ING	-0.5	2.9	4.5	5.6	0.8
Ashmore	-3.8	-3.8	-0.2	3.8	0.8
PIMCO EMD	-4.8	-5.5	-0.6	3.5	0.5
Investec	-10.3	-19.1	-8.2	---	0.5
Pictet	-9.0	-18.4	-8.8	---	0.8
Stone Harbor	-11.6	-21.3	-10.5	---	0.5
Distressed Debt	0.8	1.3	12.1	11.7	2.3
<i>ML Master High Yield</i>	<i>-4.9</i>	<i>-3.6</i>	<i>3.5</i>	<i>5.9</i>	---
<i>JPM EMBI</i>	<i>-2.1</i>	<i>-1.1</i>	<i>1.4</i>	<i>4.6</i>	---

**PRIT MANAGER RETURNS AND ALLOCATIONS
AS OF SEPTEMBER 30, 2015**

PORTFOLIO	QTR	ANNUALIZED			% Allocation
		1 YEAR	3 YEARS	5 YEARS	
Private Equity	5.7	17.7	20.4	18.8	11.8
Total Special Equity	5.7	16.2	19.9	18.3	8.7
Total Venture Capital	6.0	25.2	24.6	22.8	2.8
<i>Cambridge Private Equity (Lagged)</i>	3.8	8.9	15.9	15.7	---
Private Real Estate	3.4	15.7	14.4	14.4	8.7
Invesco Core	2.2	11.3	13.3	13.5	1.9
Lasalle	2.7	12.3	13.4	14.2	2.6
AEW	2.4	17.8	14.6	---	1.9
JP Morgan	3.1	15.4	9.8	12.5	1.3
TA Associates	3.5	11.5	10.6	11.6	2.0
Non-Core	5.6	17.5	10.8	---	0.8
Canyon Johnson II	-11.7	-11.3	-5.0	-4.7	0.0
Intercontinental IV	15.5	70.0	25.1	18.0	0.0
New Boston Urban I	2.9	1.4	4.1	5.2	0.0
Portfolio Debt	---	---	---	---	-1.9
<i>NCREIF ODCE</i>	3.7	14.9	13.4	14.0	---
REITS	-0.8	4.8	7.3	8.7	2.0
Invesco Global REIT	-0.7	4.2	7.7	---	0.4
Centersquare Global REIT	-0.8	5.4	7.7	---	1.3
Invesco Transition	-0.7	4.2	---	---	0.2
<i>NAREIT</i>	-0.8	5.9	8.4	11.4	---
<i>FTSE EPRA NAREIT</i>	-3.2	1.7	5.8	7.0	---

**PRIT MANAGER RETURNS AND ALLOCATIONS
AS OF SEPTEMBER 30, 2015**

PORTFOLIO	QTR	ANNUALIZED			% Allocation
		1 YEAR	3 YEARS	5 YEARS	
Timber	0.2	7.7	9.2	6.5	2.8
Forest	1.9	9.6	9.8	6.8	1.9
The Campbell Group	-3.1	3.9	7.6	---	0.9
<i>NCREIF Timber</i>	<i>0.8</i>	<i>9.3</i>	<i>9.8</i>	<i>6.3</i>	---
Natural Resources - Public	-19.9	-35.8	-8.7	-4.7	0.5
Jennison	-22.6	-41.3	-12.5	-7.9	0.2
T. Rowe Price NR	-17.2	-29.9	-4.5	-1.4	0.3
<i>Lipper NR Global Fund Index</i>	<i>-20.8</i>	<i>-34.5</i>	<i>-9.3</i>	<i>-5.6</i>	---
Natural Resources - Private	-2.8	-15.9	-3.2	4.3	0.4
Hedge Funds (Net)	-4.5	-0.8	6.2	4.8	8.4
Arden HFOF Liquidation	-2.9	-1.4	5.5	---	0.1
Ivy Liquidation	-1.7	2.6	6.1	2.4	0.0
PAAMCO	-5.2	-2.2	6.7	4.9	1.5
Direct Hedge Funds	-4.3	-0.4	6.2	---	6.8
<i>HFRI FOF</i>	<i>-3.7</i>	<i>-0.1</i>	<i>4.1</i>	<i>2.7</i>	---
Portable Alpha Wind Down (Net)	-3.6	-8.7	-3.8	-3.0	0.0
Austin Capital	0.2	3.5	-11.8	-11.1	0.0
Crestline	-4.2	-13.4	-4.3	-1.7	0.0
Strategic	-3.5	-6.4	-1.3	-2.6	0.0
<i>HFRI FOF</i>	<i>-3.7</i>	<i>-0.1</i>	<i>4.1</i>	<i>2.7</i>	---
Overlay	-3.9	-0.8	---	---	0.9
Clifton	-6.3	-2.4	---	---	0.2
Overlay Cash	---	---	---	---	0.7

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

Source: PRIM Board

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

INVESTMENT RETURN

On September 30th, 2015, the Franklin Regional Retirement System's Polen Capital Management Large Cap Growth Fund was valued at \$7,427,474, representing an increase of \$69,614 from the June quarter's ending value of \$7,357,860. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$69,614 in net investment returns. Income receipts totaling \$14,537 plus net realized and unrealized capital gains of \$55,077 combined to produce the portfolio's net investment return figure.

For the cumulative period since March 2012, the account has recorded net withdrawals totaling \$824,288 and net investment gains of \$3.0 million. Since March 2012, if the total account had earned a compounded nominal rate of 9.0% it would have been worth \$6.4 million or \$1.0 million less than the actual value as of September 30th, 2015.

RELATIVE PERFORMANCE

During the third quarter, the Polen Capital Management Large Cap Growth Fund gained 0.9%, which was 6.2% above the Russell 1000 Growth Index's return of -5.3% and ranked in the 1st percentile of the Large Cap Growth universe. Over the trailing year, the portfolio returned 18.1%, which was 14.9% above the benchmark's 3.2% performance, ranking in the 1st percentile. Since March 2012, the account returned 12.4% on an annualized basis and ranked in the 40th percentile. For comparison, the Russell 1000 Growth returned an annualized 12.1% over the same period.

ASSET ALLOCATION

On September 30th, 2015, domestic equities comprised 97.3% of the total portfolio (\$7.2 million), while cash & equivalents totaled 2.7% (\$200,912).

ANALYSIS

At the end of the quarter, the Polen portfolio was concentrated in five of the eleven industry sectors represented in our analysis. Compared to the Russell 1000 Growth index, the portfolio was overweight in each of these sectors, which include Nondurable Consumer Goods, Consumer Service, Computer Technology, Finance, and Service.

Selection effects favored the portfolio in each of the invested sectors, effecting a 620 basis point outperformance by quarter's end. Consumer Service, Computer Technology, Finance, and Service delivered positive returns relative to the benchmark's losses, while the Nondurable Consumer Goods sector lost just 1.1% compared to the index's -5.6% performance.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 03/12
Total Gross/Fees	0.9	7.3	18.1	15.5	12.4
<i>LARGE CAP GROWTH RANK</i>	(1)	(2)	(1)	(23)	(40)
Total Net/Fees	0.7	6.7	17.2	14.7	11.6
RUSSELL 1000G	-5.3	-1.5	3.2	13.6	12.1
RUSSELL 1000	-6.8	-5.2	-0.6	12.7	11.7
S&P 500	-6.4	-5.3	-0.6	12.4	11.6
Domestic Equity	1.0	7.5	18.9	16.3	13.0
<i>LARGE CAP GROWTH RANK</i>	(1)	(2)	(1)	(16)	(27)
RUSSELL 1000G	-5.3	-1.5	3.2	13.6	12.1

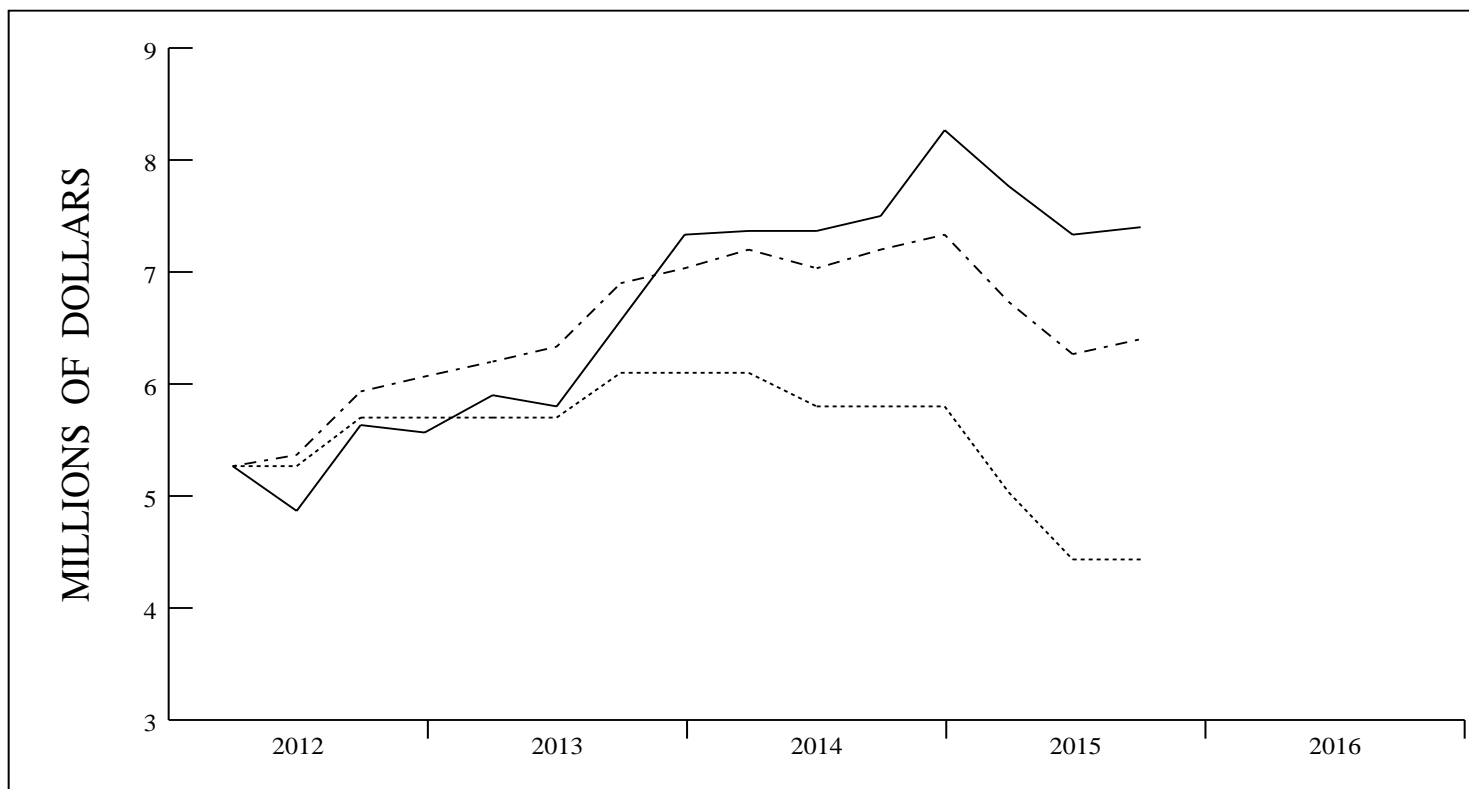
ASSET ALLOCATION

Domestic Equity	97.3%	\$ 7,226,562
Cash	2.7%	200,912
Total Portfolio	100.0%	\$ 7,427,474

INVESTMENT RETURN

Market Value 6/2015	\$ 7,357,860
Contribs / Withdrawals	0
Income	14,537
Capital Gains / Losses	55,077
Market Value 9/2015	\$ 7,427,474

INVESTMENT GROWTH

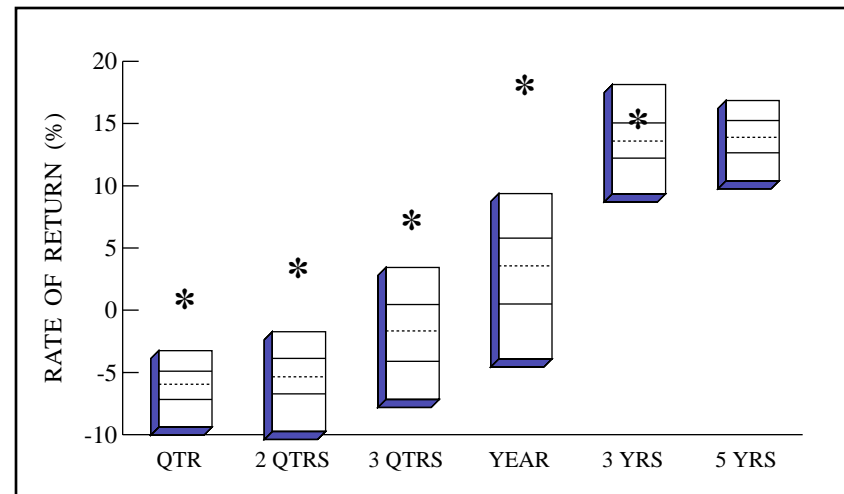
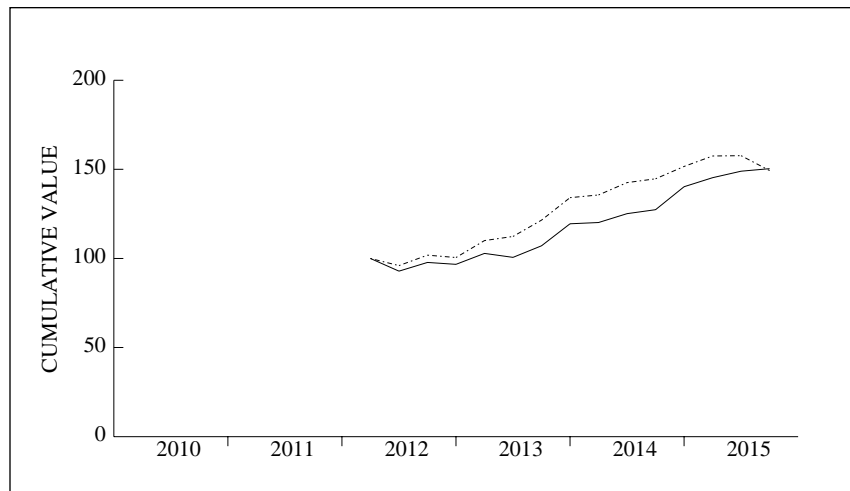


—	ACTUAL RETURN
- - -	9.0%
.....	0.0%

VALUE ASSUMING	
9.0% RETURN	\$ 6,416,215

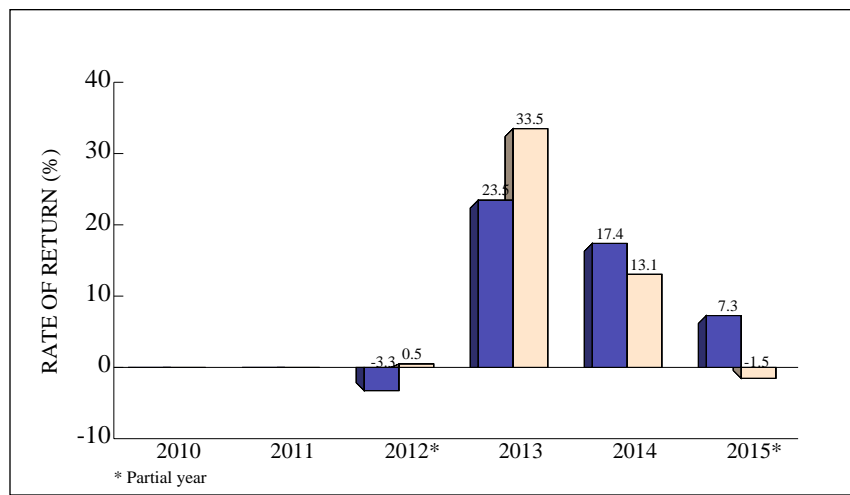
	LAST QUARTER	PERIOD 3/12 - 9/15
BEGINNING VALUE	\$ 7,357,860	\$ 5,273,154
NET CONTRIBUTIONS	0	-824,288
INVESTMENT RETURN	69,614	2,978,608
ENDING VALUE	\$ 7,427,474	\$ 7,427,474
INCOME	14,537	259,289
CAPITAL GAINS (LOSSES)	55,077	2,719,319
INVESTMENT RETURN	69,614	2,978,608

TOTAL RETURN COMPARISONS



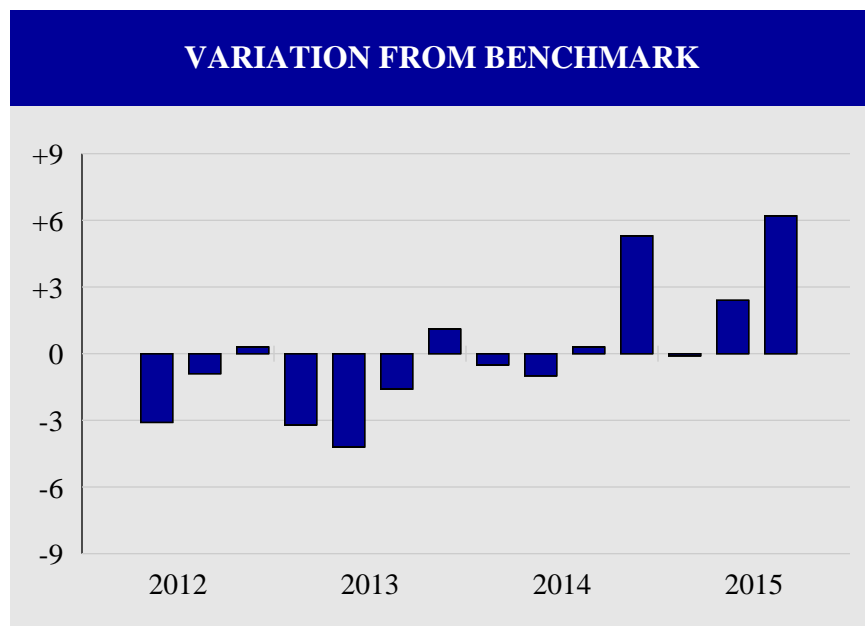
■ ——— PORTFOLIO
■ - - - - RUSSELL 1000G

Large Cap Growth Universe



	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	0.9	3.5	7.3	18.1	15.5	---
(RANK)	(1)	(1)	(2)	(1)	(23)	---
5TH %ILE	-3.3	-1.7	3.4	9.4	18.1	16.8
25TH %ILE	-4.9	-3.9	0.5	5.8	15.0	15.2
MEDIAN	-6.0	-5.4	-1.7	3.6	13.6	13.9
75TH %ILE	-7.2	-6.7	-4.1	0.5	12.2	12.6
95TH %ILE	-9.4	-9.7	-7.2	-3.9	9.3	10.4
Russ 1000G	-5.3	-5.2	-1.5	3.2	13.6	14.5

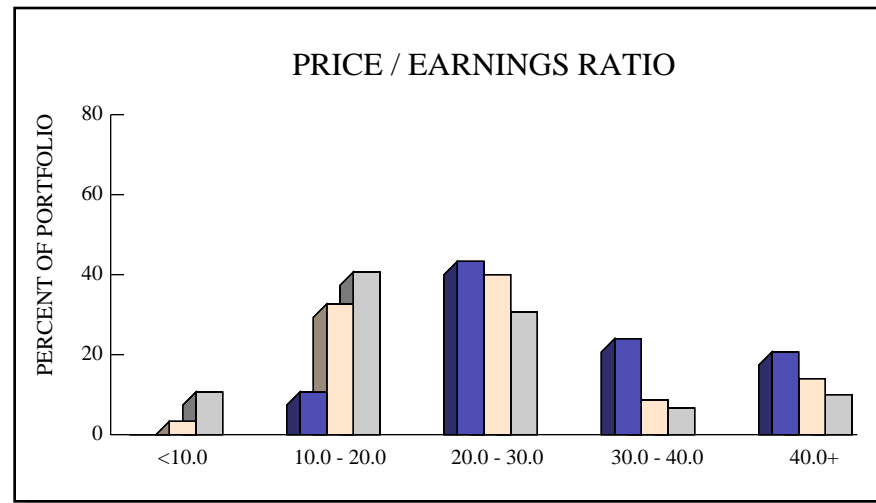
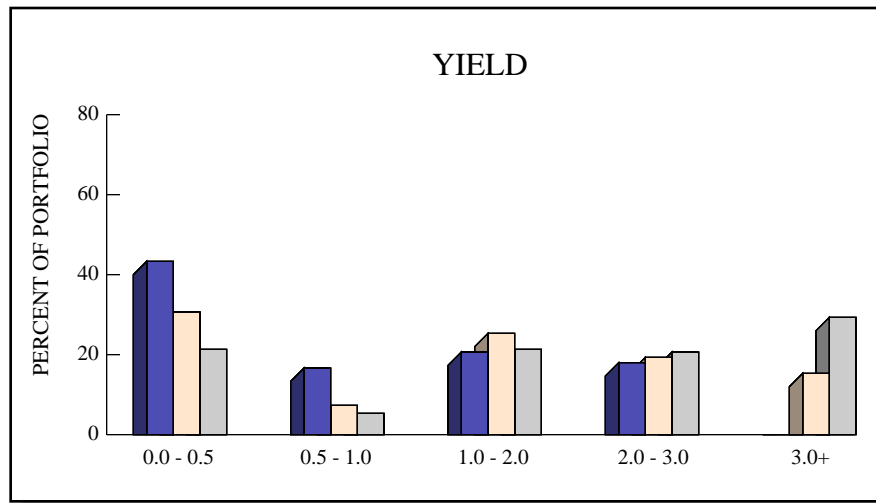
Large Cap Growth Universe

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

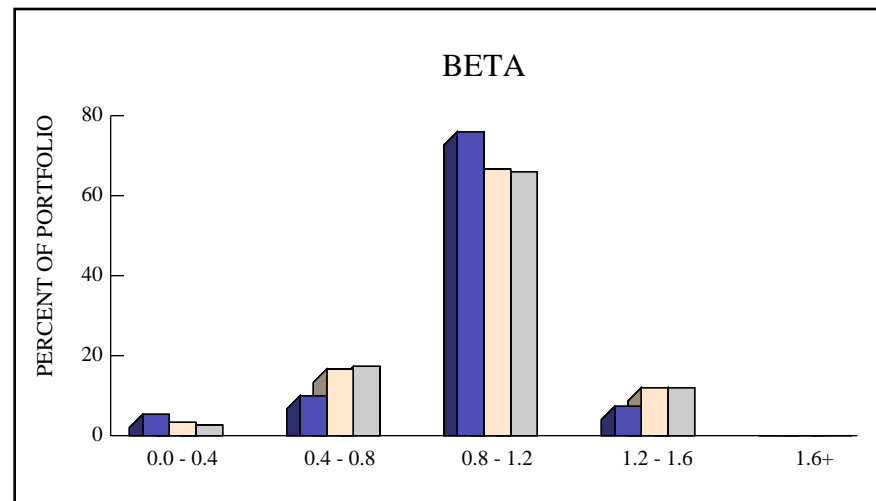
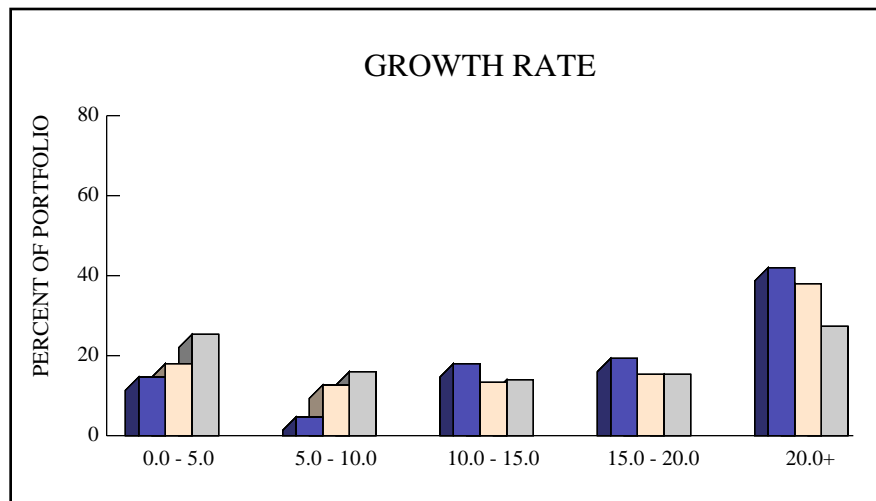
Total Quarters Observed	14
Quarters At or Above the Benchmark	6
Quarters Below the Benchmark	8
Batting Average	.429

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
9/15	0.9	-5.3	6.2

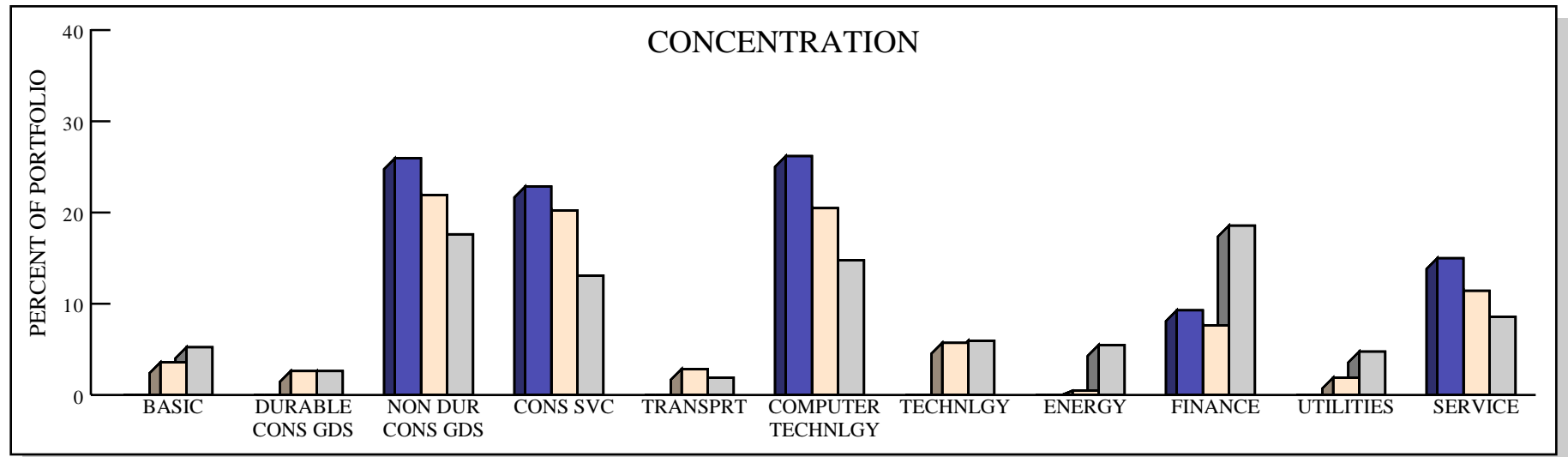
STOCK CHARACTERISTICS



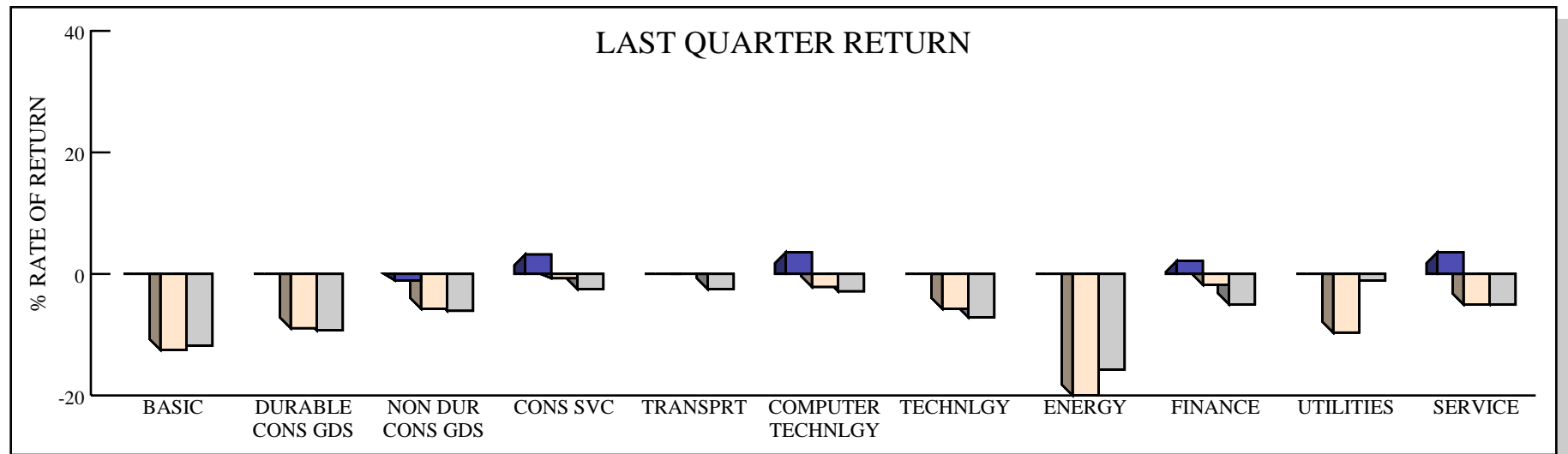
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	21	0.8%	18.5%	31.1	0.94
RUSSELL 1000G	642	1.6%	18.5%	25.8	0.96
RUSSELL 1000	1,031	2.1%	14.5%	21.9	0.96



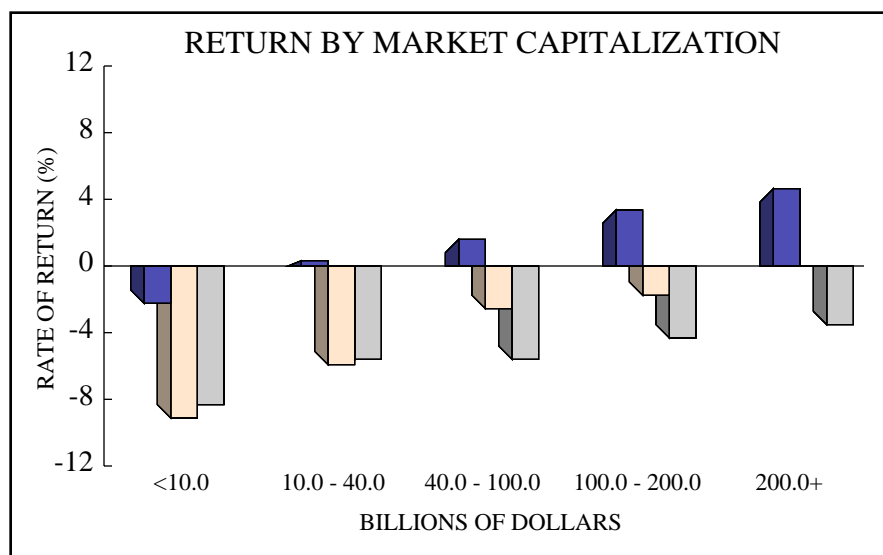
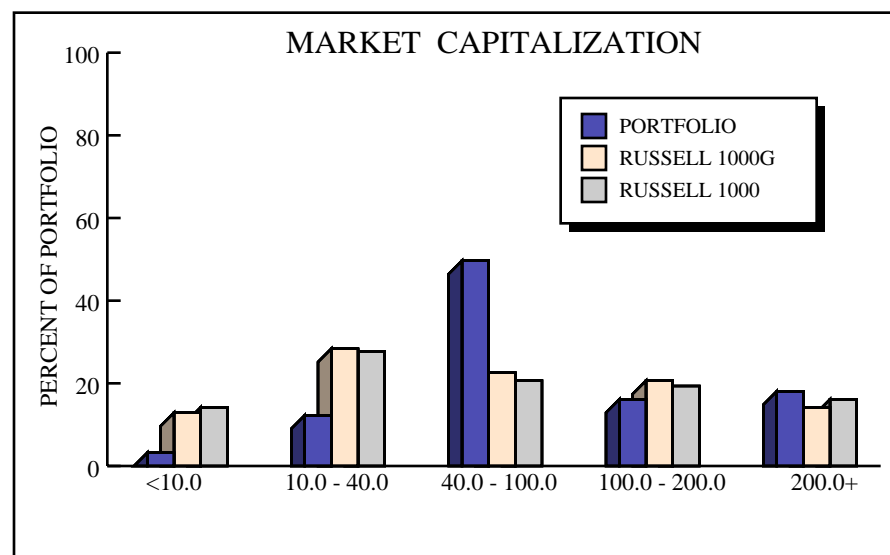
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO
 ■ RUSSELL 1000 GROWTH
 ■ RUSSELL 1000



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	NIKE INC -CL B	\$ 559,514	7.74%	14.1%	NonDur Cons Goods	\$ 83.4 B
2	VISA INC-CLASS A SHARES	537,636	7.44%	3.9%	Finance	135.9 B
3	STARBUCKS CORP	473,875	6.56%	6.3%	Consumer Service	84.4 B
4	GOOGLE INC-CL C	416,768	5.77%	16.9%	Computer Tech	209.3 B
5	PRICELINE GROUP INC/THE	401,979	5.56%	7.4%	Service	62.7 B
6	ABBOTT LABORATORIES	378,269	5.23%	-17.5%	NonDur Cons Goods	59.9 B
7	TJX COMPANIES INC	378,097	5.23%	8.2%	Consumer Service	48.2 B
8	REGENERON PHARMACEUTICALS	353,506	4.89%	-8.8%	NonDur Cons Goods	47.3 B
9	NESTLE SA-SPONS ADR	347,835	4.81%	4.3%	NonDur Cons Goods	239.9 B
10	ACCENTURE PLC-CL A	347,251	4.81%	2.1%	Service	61.6 B

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

INVESTMENT RETURN

On September 30th, 2015, the Franklin Regional Retirement System's O'Shaughnessy Asset Management Market Leaders Value portfolio was valued at \$6,484,709, a decrease of \$762,102 from the June ending value of \$7,246,811. Last quarter, the account recorded total net withdrawals of \$345 in addition to \$761,757 in net investment losses. The fund's net investment loss was a result of income receipts totaling \$43,771 and realized and unrealized capital losses totaling \$805,528.

Since March 2012, the account has recorded net withdrawals totaling \$1.4 million while posting net investment gains totaling \$2.8 million. Since March 2012, if the account earned a compounded nominal rate of 9.0% it would have been valued at \$5.3 million or \$1.2 million less than the actual value as of September 30th, 2015.

RELATIVE PERFORMANCE

Total Fund

For the third quarter, the O'Shaughnessy Asset Management Market Leaders Value portfolio lost 10.5%, which was 2.1% below the Russell 1000 Value Index's return of -8.4% and ranked in the 84th percentile of the Large Cap Value universe. Over the trailing twelve-month period, this portfolio returned -8.4%, which was 4.0% less than the benchmark's -4.4% performance, and ranked in the 90th percentile. Since March 2012, the portfolio returned 12.7% annualized and ranked in the 25th percentile. The Russell 1000 Value returned an annualized 11.1% over the same time frame.

ASSET ALLOCATION

On September 30th, 2015, domestic equities comprised 99.1% of the total portfolio (\$6.4 million), while cash & equivalents comprised the remaining 0.9% (\$59,829).

STOCK ANALYSIS

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

Underperformance in overweight sectors determined the portfolio 210 basis deficit in the third quarter. The Basic, Consumer Service, and Service sectors – comprising more than 40% of the total weight – produced losses that significantly exceeded those of the benchmark. The overweight Technology sector beat the index, while Nondurable Consumer Goods posted gains vs. the losses of the benchmark. However, negative selection effects prevailed by quarter's end.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 03/12
Total Gross/Fees	-10.5	-10.0	-8.4	14.2	12.7
<i>LARGE CAP VALUE RANK</i>	(84)	(83)	(90)	(23)	(25)
Total Net/Fees	-10.6	-10.4	-8.9	13.6	12.1
RUSSELL 1000V	-8.4	-9.0	-4.4	11.6	11.1
RUSSELL 1000	-6.8	-5.2	-0.6	12.7	11.7
S&P 500	-6.4	-5.3	-0.6	12.4	11.6
Domestic Equity	-10.7	-10.2	-8.5	14.4	12.9
<i>LARGE CAP VALUE RANK</i>	(86)	(84)	(91)	(20)	(21)
RUSSELL 1000V	-8.4	-9.0	-4.4	11.6	11.1

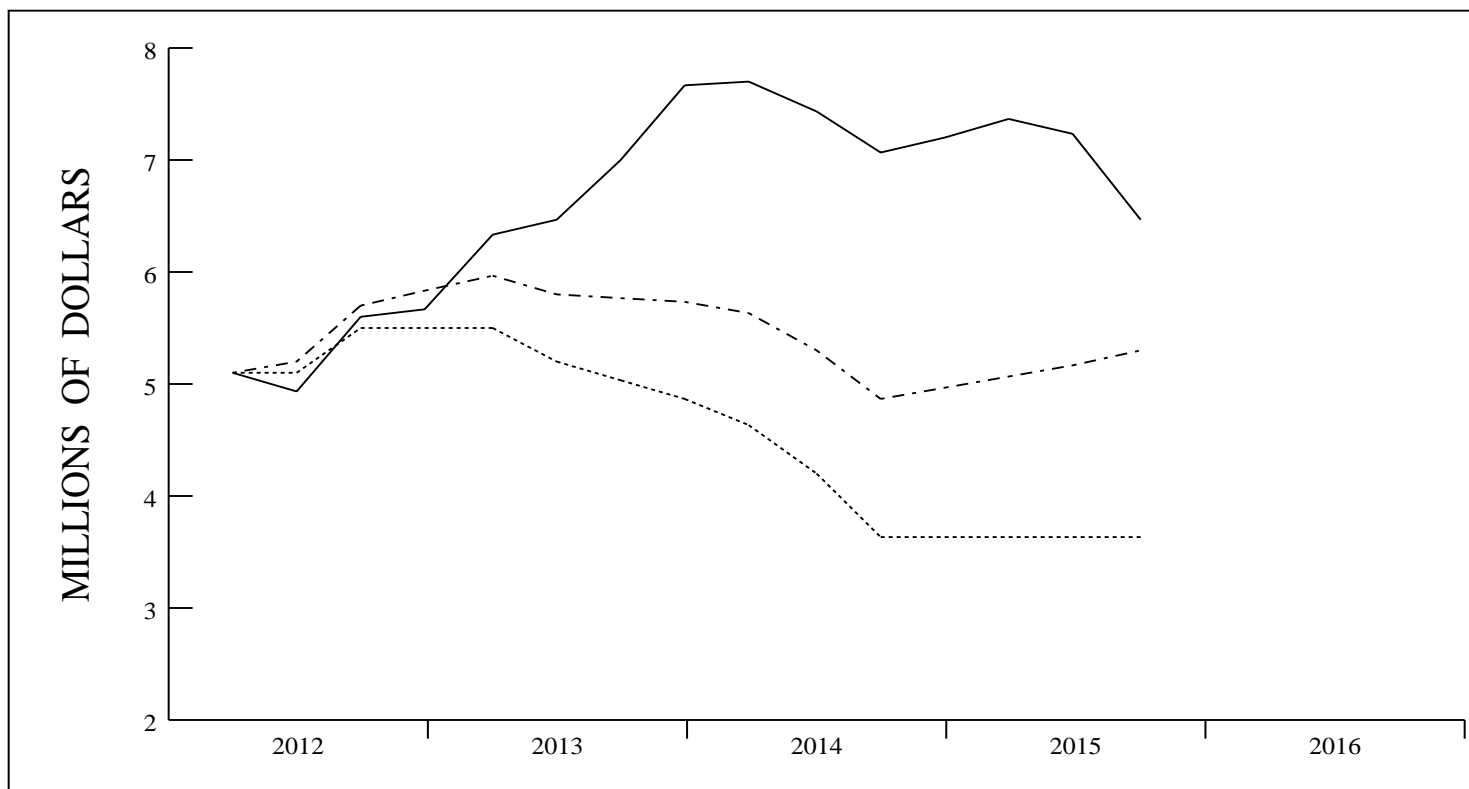
ASSET ALLOCATION

Domestic Equity	99.1%	\$ 6,424,880
Cash	0.9%	59,829
Total Portfolio	100.0%	\$ 6,484,709

INVESTMENT RETURN

Market Value 6/2015	\$ 7,246,811
Contribs / Withdrawals	-345
Income	43,771
Capital Gains / Losses	-805,528
Market Value 9/2015	\$ 6,484,709

INVESTMENT GROWTH

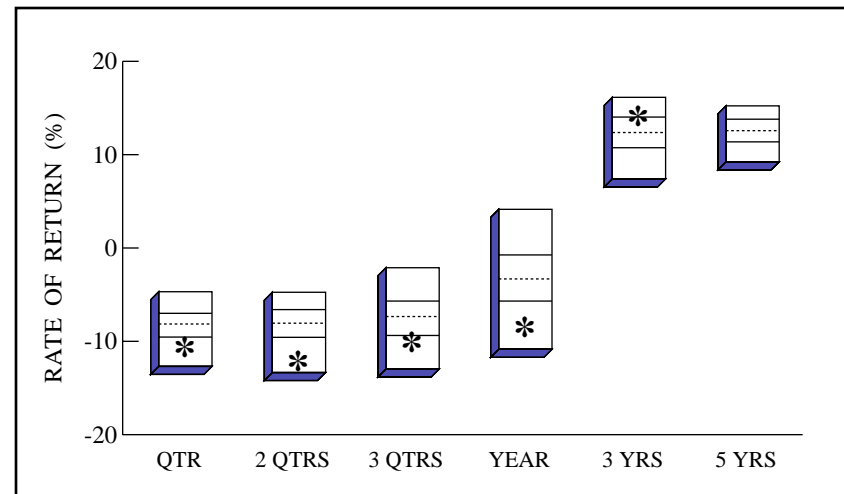
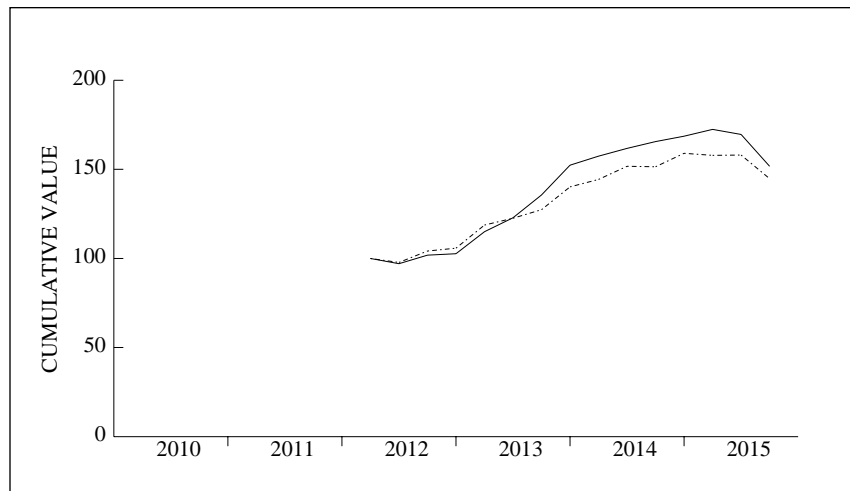


—	ACTUAL RETURN
- - -	9.0%
.....	0.0%

VALUE ASSUMING	
9.0% RETURN	\$ 5,308,986

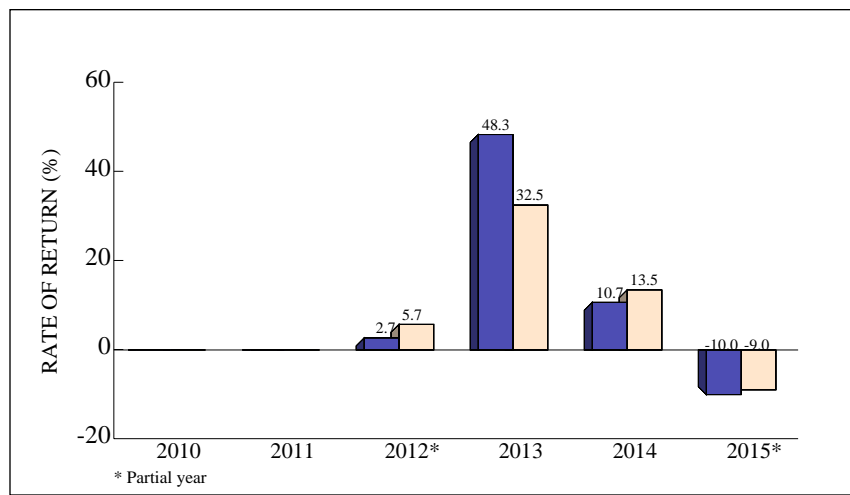
	LAST QUARTER	PERIOD 3/12 - 9/15
BEGINNING VALUE	\$ 7,246,811	\$ 5,103,112
NET CONTRIBUTIONS	-345	-1,443,338
INVESTMENT RETURN	<u>-761,757</u>	<u>2,824,935</u>
ENDING VALUE	\$ 6,484,709	\$ 6,484,709
INCOME	43,771	616,345
CAPITAL GAINS (LOSSES)	<u>-805,528</u>	<u>2,208,590</u>
INVESTMENT RETURN	-761,757	2,824,935

TOTAL RETURN COMPARISONS



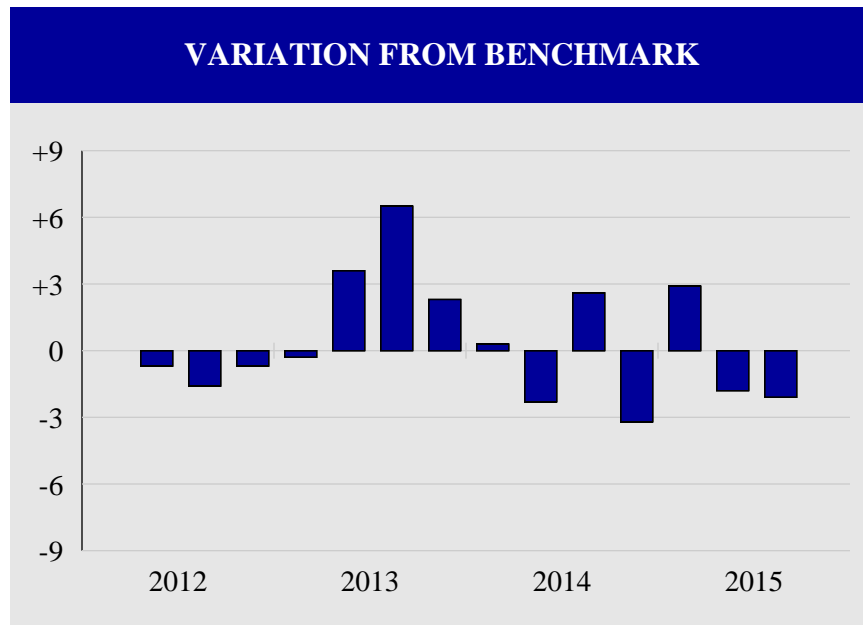
■ ——— PORTFOLIO
■ - - - - RUSSELL 1000V

Large Cap Value Universe



	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-10.5	-12.0	-10.0	-8.4	14.2	---
(RANK)	(84)	(93)	(83)	(90)	(23)	---
5TH %ILE	-4.7	-4.8	-2.1	4.1	16.2	15.2
25TH %ILE	-7.0	-6.6	-5.7	-0.7	14.0	13.8
MEDIAN	-8.1	-8.1	-7.4	-3.3	12.4	12.6
75TH %ILE	-9.5	-9.6	-9.4	-5.7	10.8	11.4
95TH %ILE	-12.7	-13.3	-13.0	-10.9	7.4	9.2
Russ 1000V	-8.4	-8.3	-9.0	-4.4	11.6	12.3

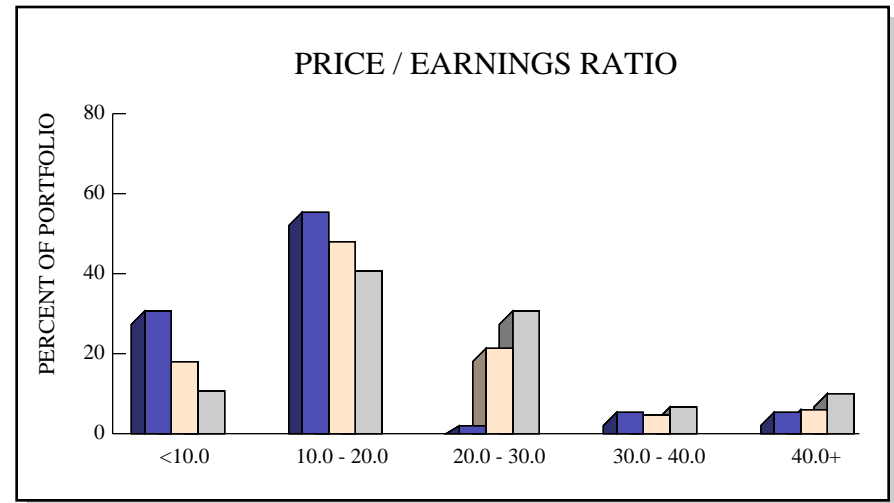
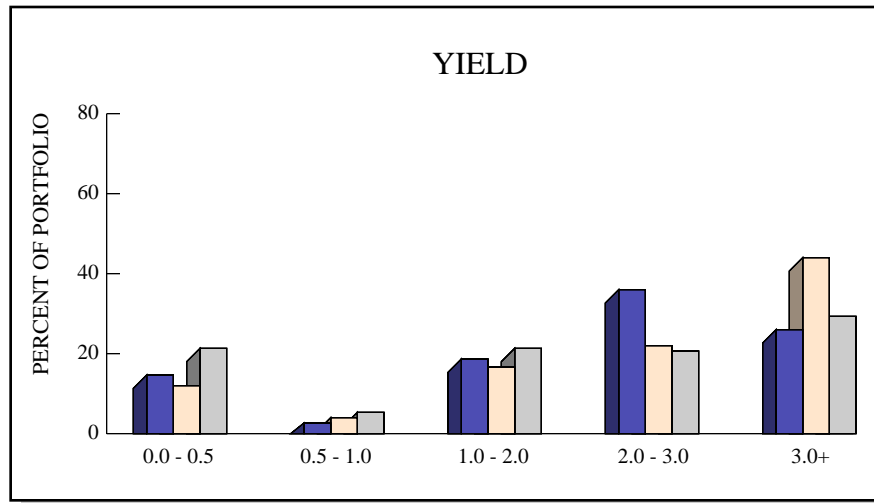
Large Cap Value Universe

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

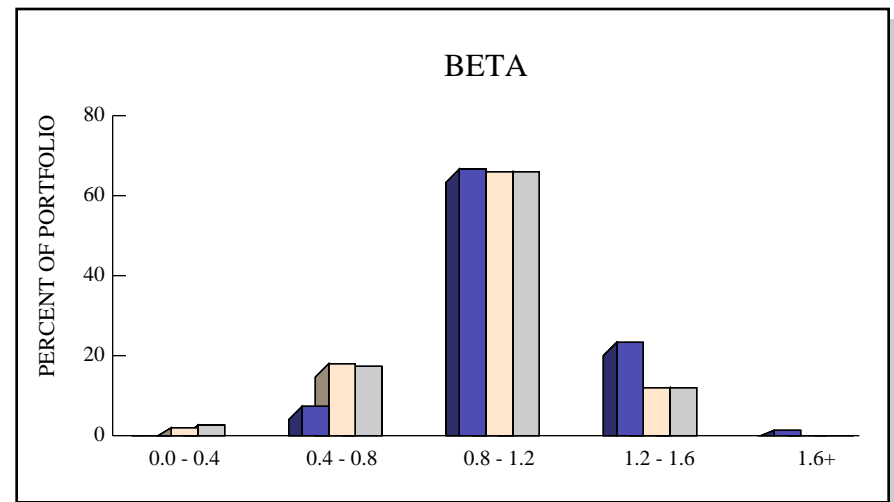
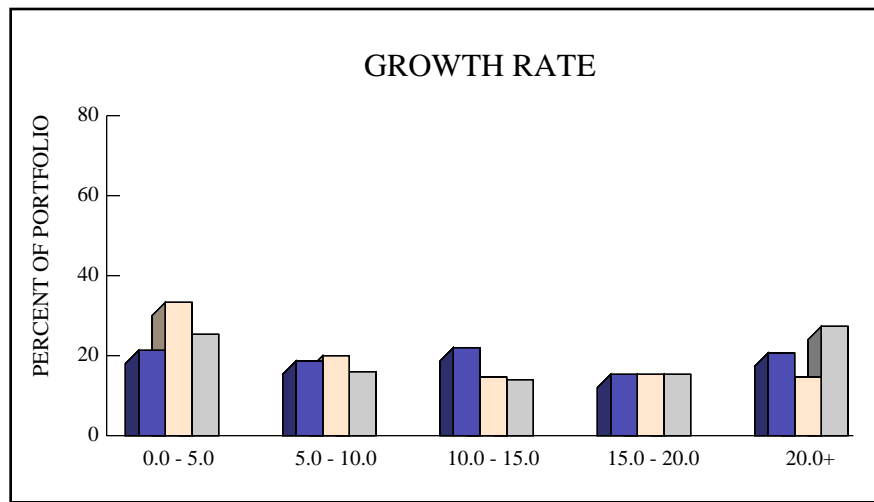
Total Quarters Observed	14
Quarters At or Above the Benchmark	6
Quarters Below the Benchmark	8
Batting Average	.429

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
9/15	-10.5	-8.4	-2.1

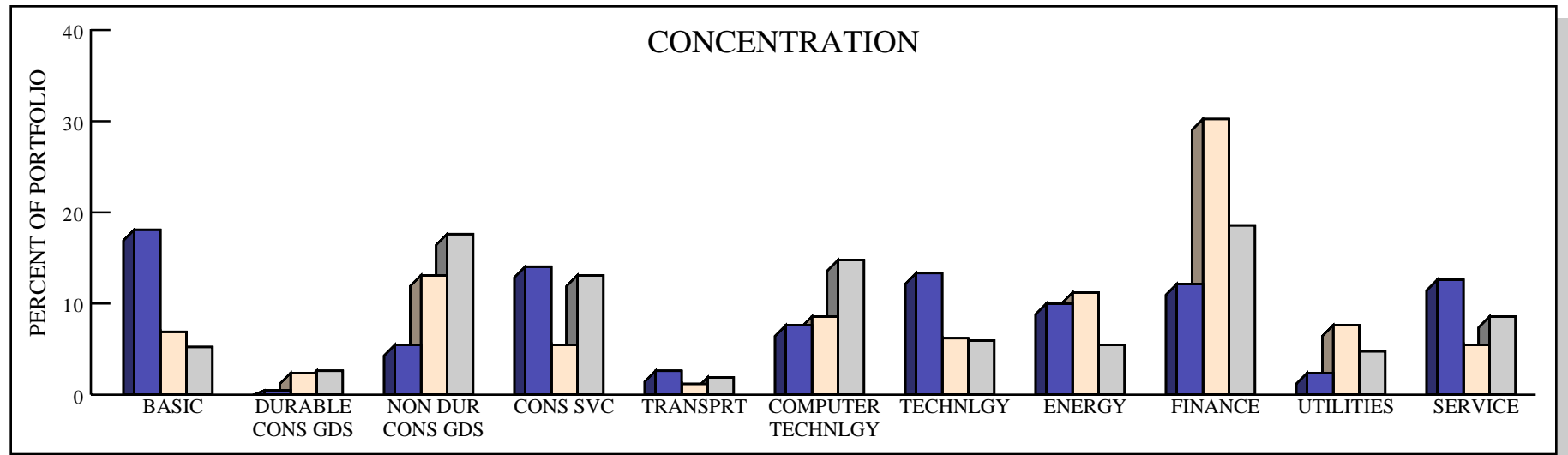
STOCK CHARACTERISTICS



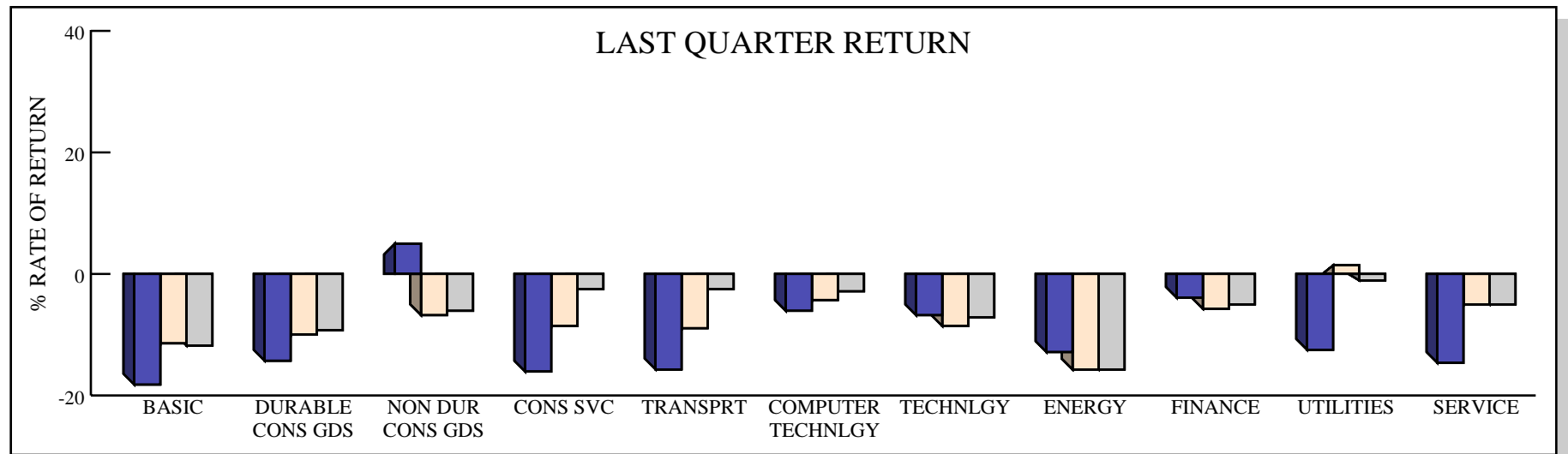
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	56	2.3%	13.5%	14.8	1.07
RUSSELL 1000V	689	2.7%	10.0%	18.1	0.97
RUSSELL 1000	1,031	2.1%	14.5%	21.9	0.96



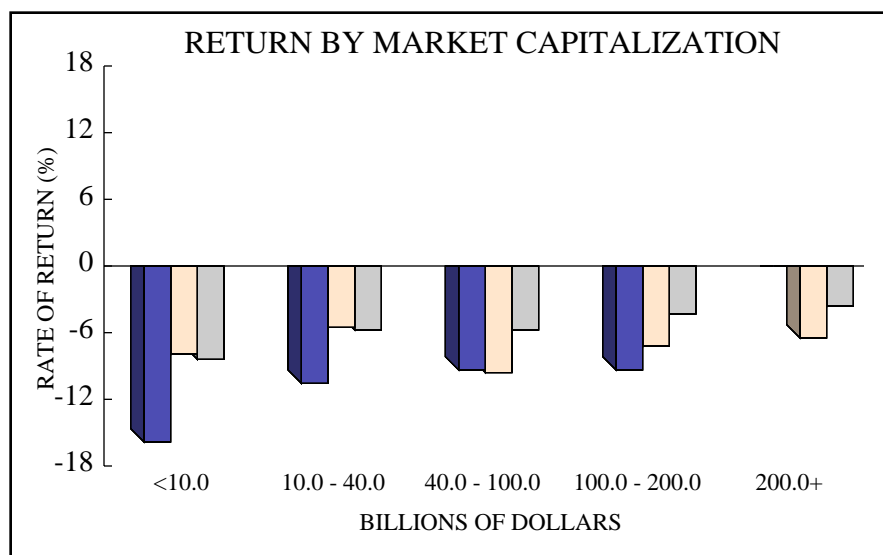
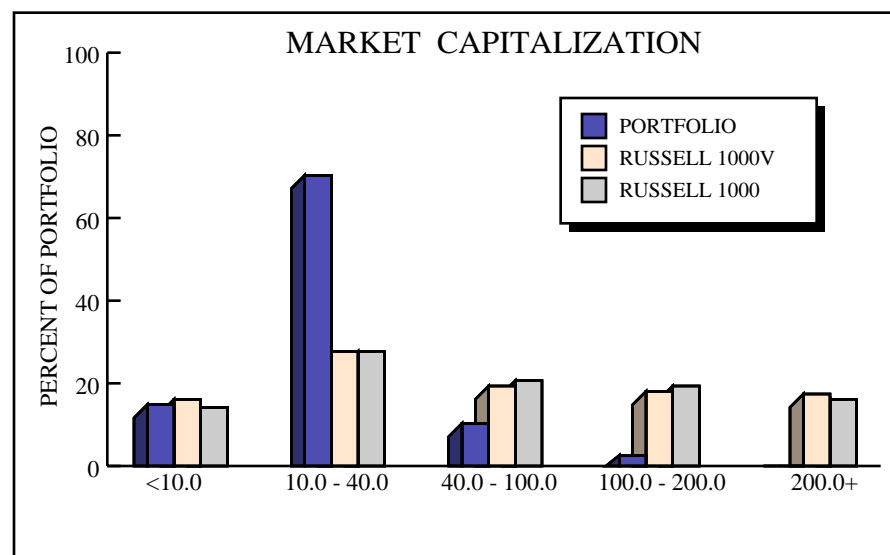
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL 1000 VALUE ■ RUSSELL 1000



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	KONINKLIJKE PHILIPS NVR- NY	\$ 321,379	5.00%	-7.9%	Technology	\$ 22.3 B
2	TRAVELERS COS INC/THE	296,599	4.62%	3.5%	Finance	31.0 B
3	NORTHROP GRUMMAN CORP	294,395	4.58%	5.1%	Technology	31.1 B
4	COCA-COLA ENTERPRISES	293,678	4.57%	11.9%	NonDur Cons Goods	11.1 B
5	LYONDELLBASELL INDU-CL A	265,668	4.13%	-18.6%	Basic	38.8 B
6	ILLINOIS TOOL WORKS	258,536	4.02%	-9.7%	Basic	30.1 B
7	PHILLIPS 66	239,280	3.72%	-4.0%	Energy	41.3 B
8	BED BATH & BEYOND INC	236,120	3.68%	-17.3%	Consumer Service	9.7 B
9	MARATHON PETROLEUM CORP	208,717	3.25%	-10.9%	Energy	24.8 B
10	MOSAIC CO/THE	198,357	3.09%	-32.8%	Basic	10.5 B

FRANKLIN REGIONAL RETIREMENT SYSTEM
SEIZERT CAPITAL PARTNERS
PERFORMANCE REVIEW
SEPTEMBER 2015

INVESTMENT RETURN

On September 30th, 2015, the Franklin Regional Retirement System's Seizert Capital Partners portfolio was valued at \$5,427,289, a decrease of \$760,734 from the June ending value of \$6,188,023. Last quarter, the account recorded total net withdrawals of \$22 in addition to \$760,712 in net investment losses. The fund's net investment loss was a result of income receipts totaling \$25,030 and realized and unrealized capital losses totaling \$785,742.

Since June 2011, the account has recorded net withdrawals totaling \$1.9 million while posting net investment gains totaling \$2.4 million. Since June 2011, if the account earned a compounded nominal rate of 10.0% it would have been valued at \$5.1 million or \$338,936 less than the actual value as of September 30th, 2015.

RELATIVE PERFORMANCE

For the third quarter, the Seizert Capital Partners portfolio lost 12.3%, which was 4.3% below the Russell Mid Cap's return of -8.0% and ranked in the 92nd percentile of the Mid Cap universe. Over the trailing twelve-month period, this portfolio returned -7.4%, which was 7.2% less than the benchmark's -0.2% performance, and ranked in the 96th percentile. Since June 2011, the portfolio returned 10.3% annualized and ranked in the 52nd percentile. The Russell Mid Cap returned an annualized 10.6% over the same time frame.

ASSET ALLOCATION

On September 30th, 2015, domestic equities comprised 95.2% of the total portfolio (\$5.2 million), while cash & equivalents comprised the remaining 4.8% (\$260,875).

STOCK ANALYSIS

At the end of the third quarter, the Seizert account was invested in eight of the eleven sectors reflected in our data analysis. With respect to the Russell Mid Cap index, the portfolio was overweight in the Basic, Computer Technology, Finance, and Service sectors, comprising 85.1% of the total allocation. Nondurable Consumer Goods, Consumer Service, and Energy were underweight, while Transportation, Technology, and Utilities were left unfunded.

Of the four heavily overweight sectors, three underperformed: Computer Technology, Finance, and Service. Selection effects were additionally unfavorable in the Durable Consumer Goods, Nondurable Consumer Goods, and Consumer Service sectors. The overweight Basic sector narrowly outpaced the index (-14.6% vs -14.9%), but the marginal advantage was decidedly offset by negative effects overall.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 06/11
Total Gross/Fees	-12.3	-10.8	-7.4	14.9	10.3
<i>MID CAP RANK</i>	(92)	(97)	(96)	(32)	(52)
Total Net/Fees	-12.5	-11.3	-8.1	14.1	9.6
RUSSELL MID	-8.0	-5.8	-0.2	13.9	10.6
S&P 400	-8.5	-4.7	1.4	13.1	9.9
RUSSELL MID	-8.0	-5.8	-0.2	13.9	10.6
Domestic Equity	-12.8	-11.3	-7.8	15.6	10.8
<i>MID CAP RANK</i>	(94)	(98)	(96)	(26)	(44)
RUSSELL MID	-8.0	-5.8	-0.2	13.9	10.6

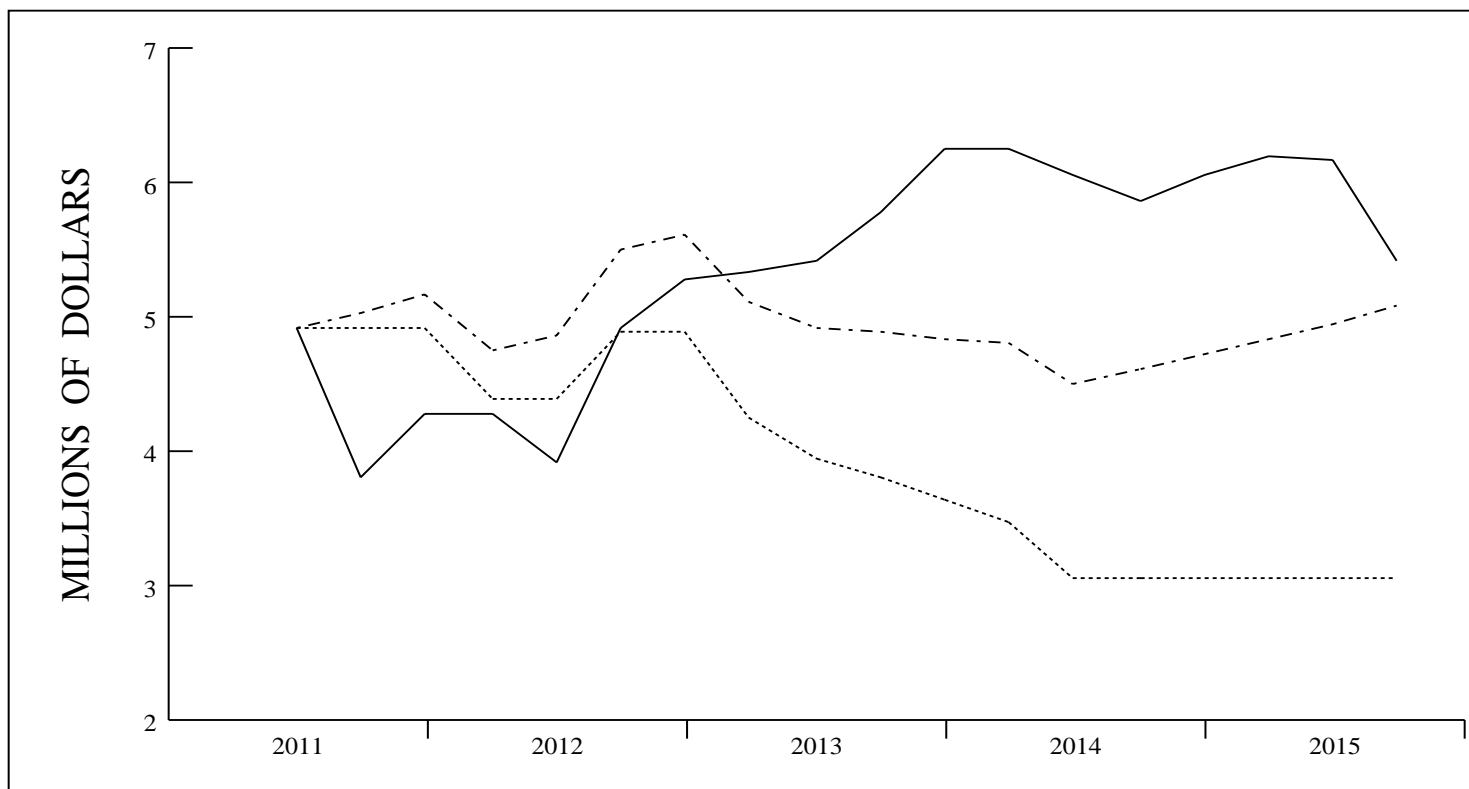
ASSET ALLOCATION

Domestic Equity	95.2%	\$ 5,166,414
Cash	4.8%	260,875
Total Portfolio	100.0%	\$ 5,427,289

INVESTMENT RETURN

Market Value 6/2015	\$ 6,188,023
Contribs / Withdrawals	- 22
Income	25,030
Capital Gains / Losses	-785,742
Market Value 9/2015	\$ 5,427,289

INVESTMENT GROWTH

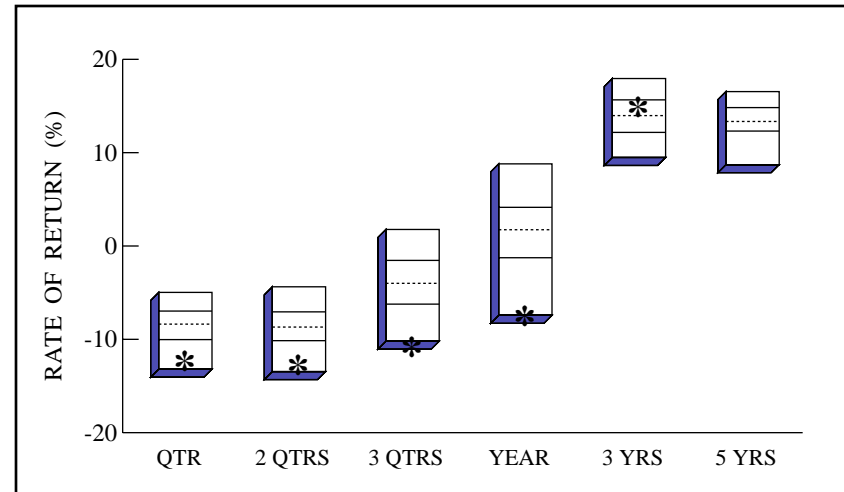
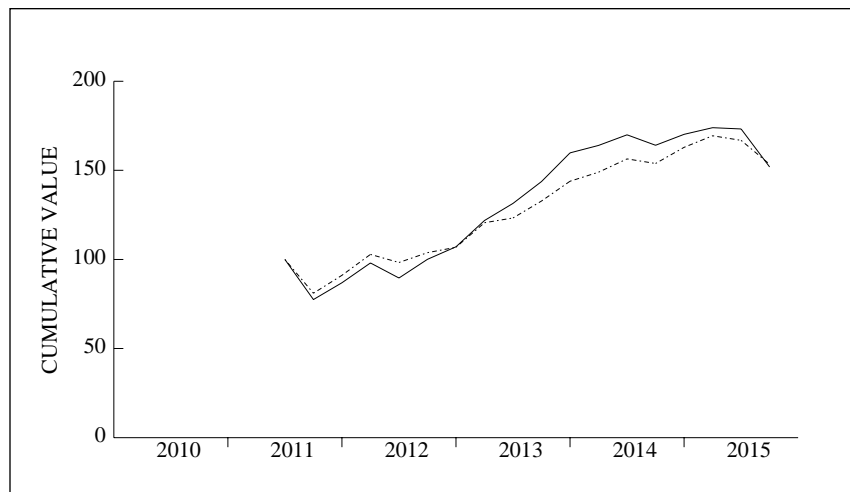


—	ACTUAL RETURN
- - -	10.0%
.....	0.0%

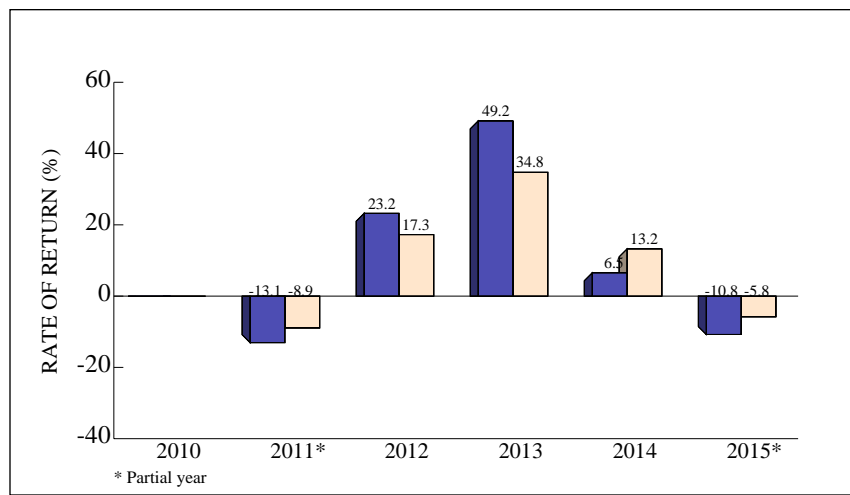
VALUE ASSUMING	
10.0% RETURN	\$ 5,088,353

	LAST QUARTER	PERIOD 6/11 - 9/15
BEGINNING VALUE	\$ 6,188,023	\$ 4,935,067
NET CONTRIBUTIONS	- 22	- 1,861,022
INVESTMENT RETURN	<u>-760,712</u>	<u>2,353,244</u>
ENDING VALUE	\$ 5,427,289	\$ 5,427,289
INCOME	25,030	356,439
CAPITAL GAINS (LOSSES)	<u>-785,742</u>	<u>1,996,805</u>
INVESTMENT RETURN	-760,712	2,353,244

TOTAL RETURN COMPARISONS

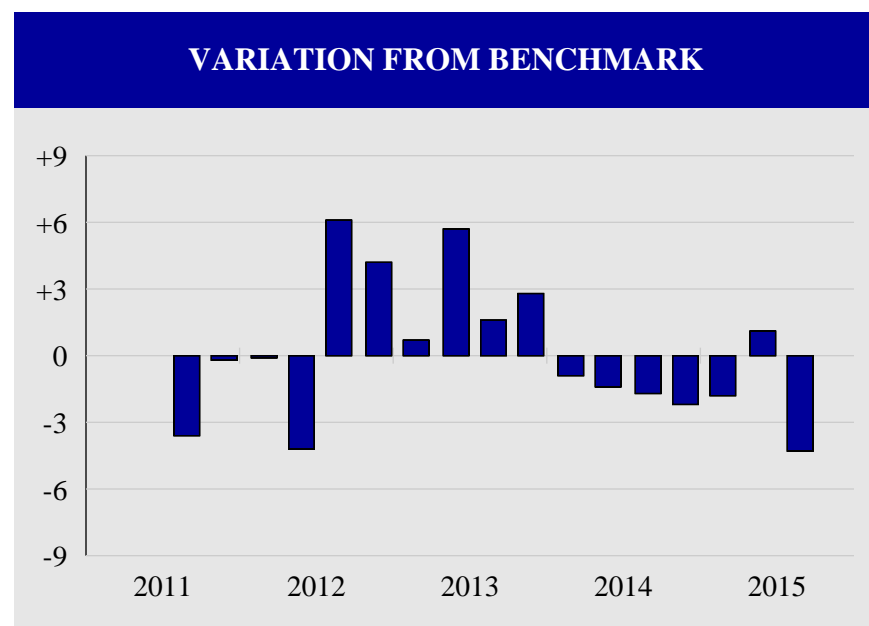


Mid Cap Universe



	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED----- 3 YRS	5 YRS
RETURN	-12.3	-12.7	-10.8	-7.4	14.9	---
(RANK)	(92)	(93)	(97)	(96)	(32)	---
5TH %ILE	-5.0	-4.4	1.8	8.8	17.9	16.6
25TH %ILE	-7.0	-7.1	-1.5	4.2	15.7	14.8
MEDIAN	-8.4	-8.7	-4.0	1.7	14.0	13.4
75TH %ILE	-10.0	-10.1	-6.2	-1.3	12.2	12.3
95TH %ILE	-13.2	-13.5	-10.2	-7.4	9.5	8.7
Russ MC	-8.0	-9.4	-5.8	-0.2	13.9	13.4

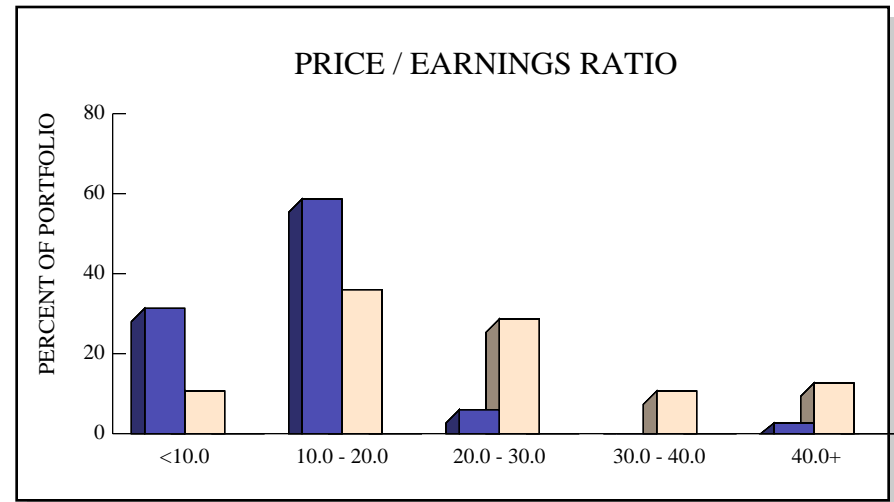
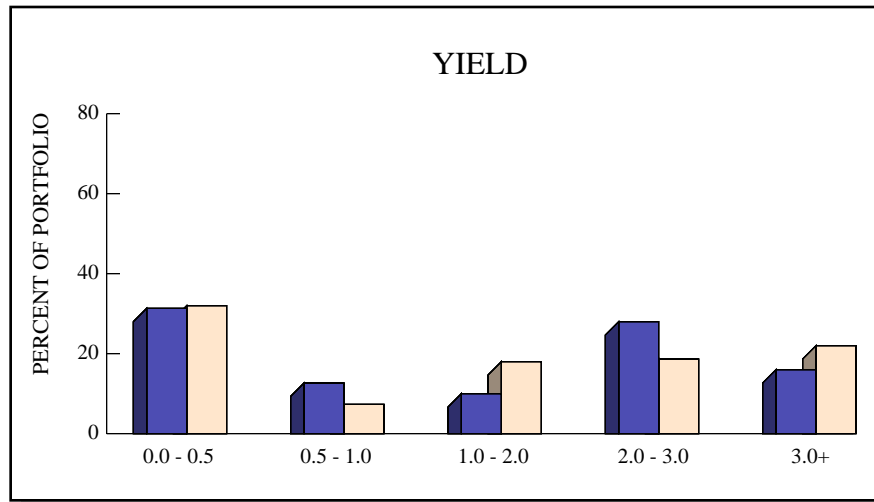
Mid Cap Universe

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

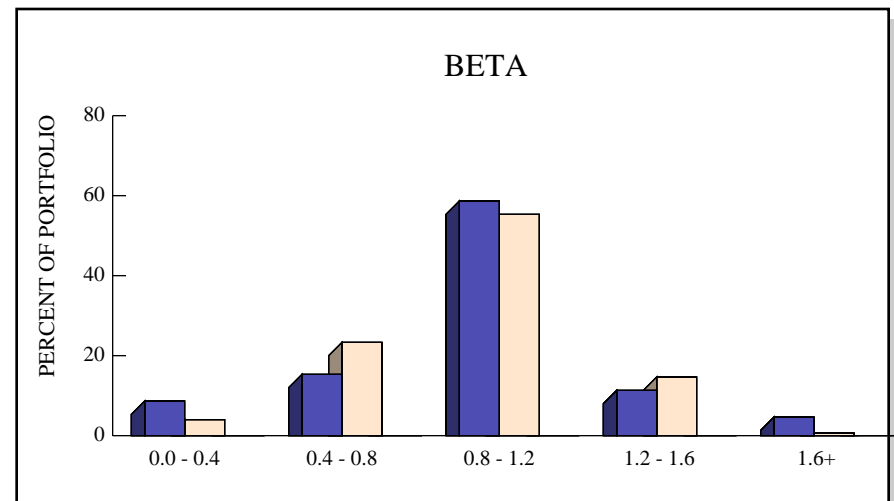
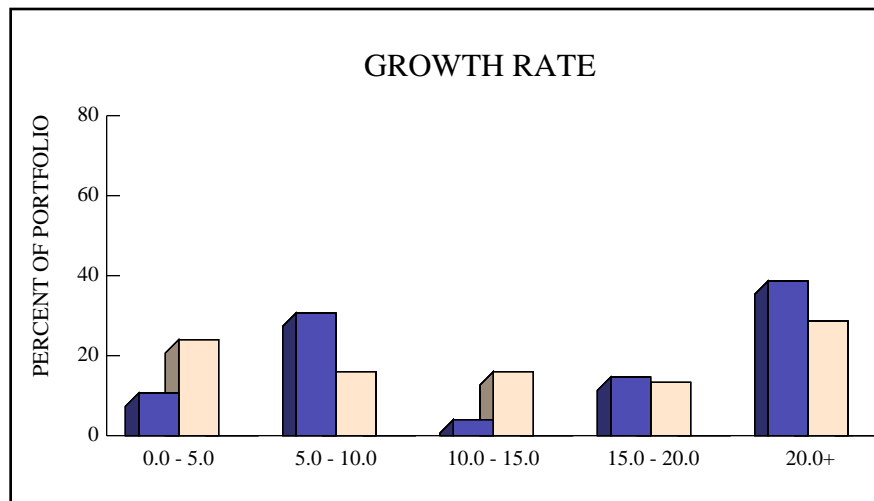
Total Quarters Observed	17
Quarters At or Above the Benchmark	7
Quarters Below the Benchmark	10
Batting Average	.412

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
9/15	-12.3	-8.0	-4.3

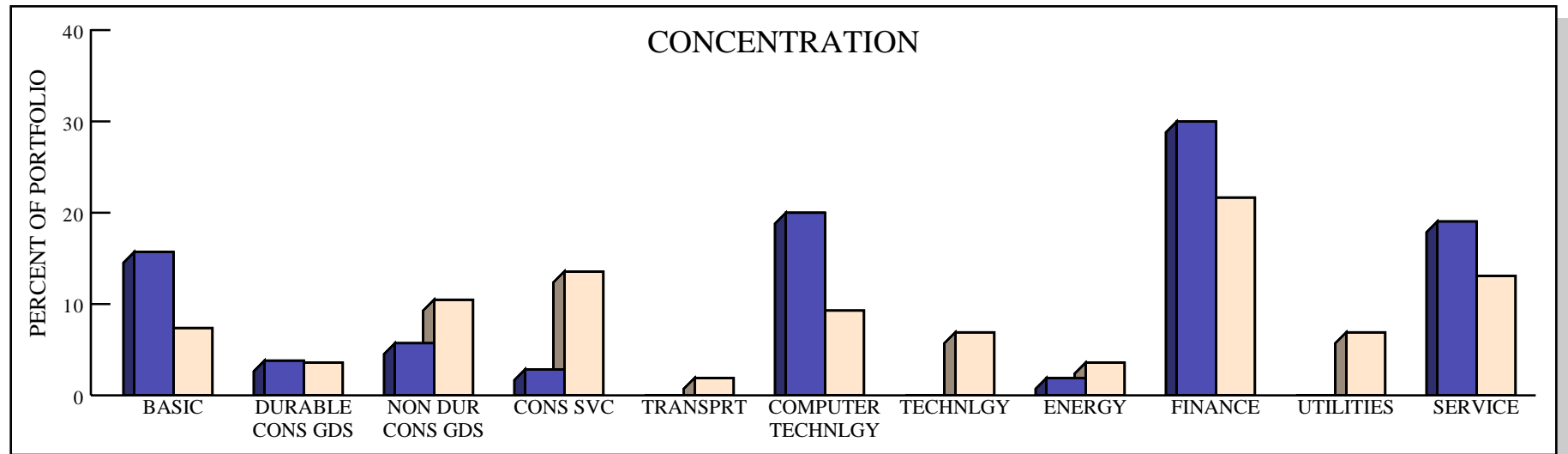
STOCK CHARACTERISTICS



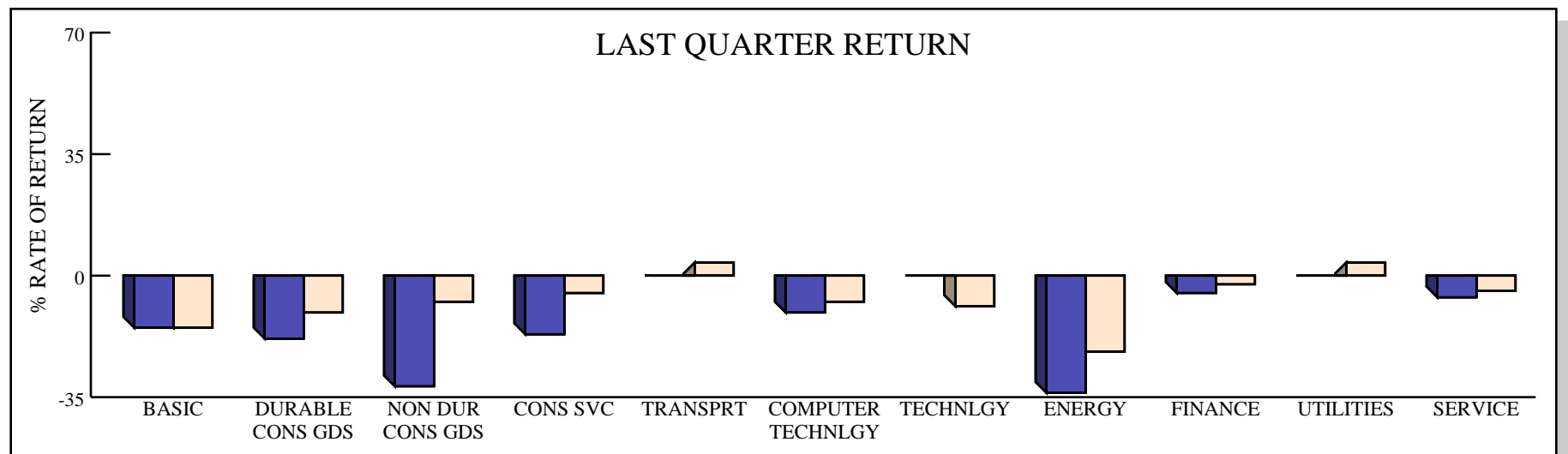
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	28	2.2%	18.9%	9.4	0.94
RUSSELL MID	829	1.9%	15.3%	23.0	0.93



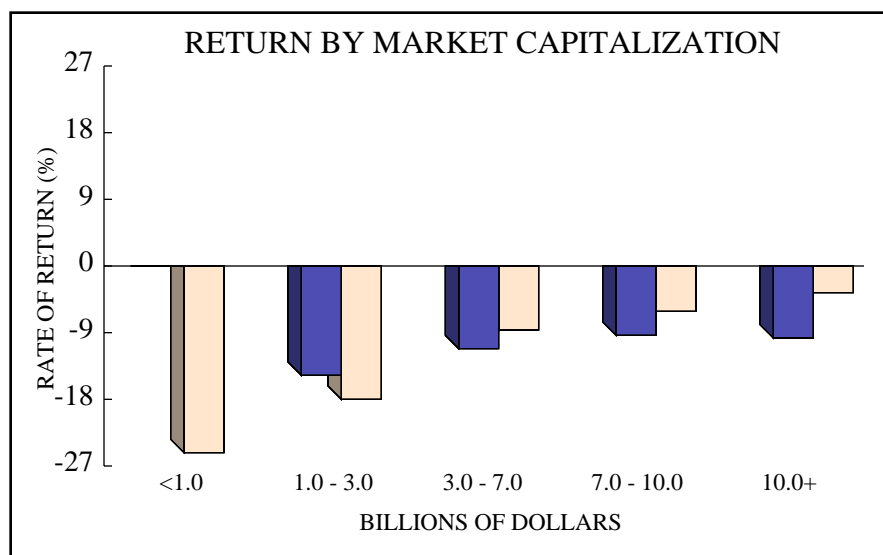
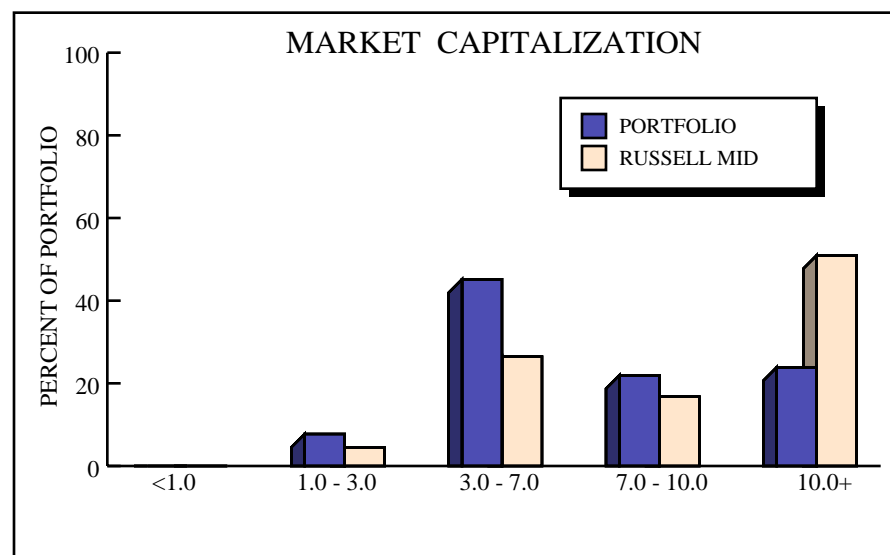
STOCK INDUSTRY ANALYSIS



■ 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	\$ 273,218	5.29%	-20.6%	Basic	\$ 4.2 B
2	ASSURED GUARANTY LTD	263,325	5.10%	4.7%	Finance	3.7 B
3	VISTEON CORP	247,026	4.78%	-3.6%	Basic	4.1 B
4	SYMANTEC CORP	245,595	4.75%	-15.5%	Computer Tech	13.3 B
5	LIBERTY MEDIA CORP - C	243,322	4.71%	-4.0%	Service	7.7 B
6	NETAPP INC	226,499	4.38%	-5.6%	Computer Tech	8.7 B
7	DISCOVERY COMMUNICATIONS-C	220,869	4.28%	-21.9%	Service	6.7 B
8	FIFTH THIRD BANCORP	213,172	4.13%	-8.5%	Finance	15.3 B
9	LIBERTY BROADBAND-C	209,899	4.06%	0.0%	Finance	3.8 B
10	REGIONS FINANCIAL CORP	208,554	4.04%	-12.4%	Finance	11.9 B

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

INVESTMENT RETURN

On September 30th, 2015, the Franklin Regional Retirement System's Daruma Ginkgo Fund was valued at \$4,916,972, a decrease of \$721,545 from the June ending value of \$5,638,517. Last quarter, the account recorded total net withdrawals of \$13,566 in addition to \$707,979 in net investment losses. Because there were no income receipts during the third quarter, the portfolio's net investment losses were entirely made up of capital losses (realized and unrealized).

For the cumulative period since September 2010, the portfolio has posted net withdrawals totaling \$8.6 million and recorded net investment gains totaling \$5.2 million. For the period since September 2010, if the fund returned a compounded nominal rate of 10.0% it would have been valued at \$3.1 million or \$1.8 million less than the actual value as of September 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 third quarter, the Daruma Ginkgo Fund returned -12.6%, which was 0.7% less than the Russell 2000 Index's return of -11.9% and ranked in the 77th percentile of the Small Cap universe. Over the trailing twelve-month period, the portfolio returned -7.2%, which was 8.4% less than the benchmark's 1.2% return, and ranked in the 92nd percentile. Since September 2010, the portfolio returned 8.8% on an annualized basis and ranked in the 96th percentile. For comparison, the Russell 2000 returned an annualized 11.7% over the same period.

EQUITY ANALYSIS

At quarter's end, the Daruma portfolio was invested across nine of the eleven sectors included in our analysis. Compared to the Russell 2000 Index, the portfolio was overweight in the Basic, Nondurable Consumer Goods, Transportation, Energy and Service sectors. Conversely, the portfolio was underweight in the Consumer Service, Computer Technology, Technology and Finance sectors. The Durable Consumer Goods and Utilities sectors remained void of any holdings.

Last quarter, the portfolio was once again met with mixed results. Out of the nine invested sectors, four outperformed while four underperformed. The Service sector's return almost equaled its counterpart's. The decision to overweight both the Nondurable Consumer Goods and Service sectors proved adverse amplifying these negative returns. This resulted in the Daruma portfolio lagging the market by 70 basis points.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	5 Years
Total Gross/Fees	-12.6	-13.0	-7.2	9.6	8.8
<i>SMALL CAP RANK</i>	(77)	(95)	(92)	(85)	(96)
Total Net/Fees	-12.8	-13.6	-8.2	8.5	7.7
RUSSELL 2000	-11.9	-7.7	1.2	11.0	11.7
Domestic Equity	-12.6	-13.0	-7.2	10.2	9.3
<i>SMALL CAP RANK</i>	(77)	(95)	(92)	(82)	(95)
RUSSELL 2000	-11.9	-7.7	1.2	11.0	11.7
RUSSELL 2000G	-13.1	-5.5	4.1	12.9	13.3
RUSSELL 2000V	-10.7	-10.1	-1.6	9.2	10.2

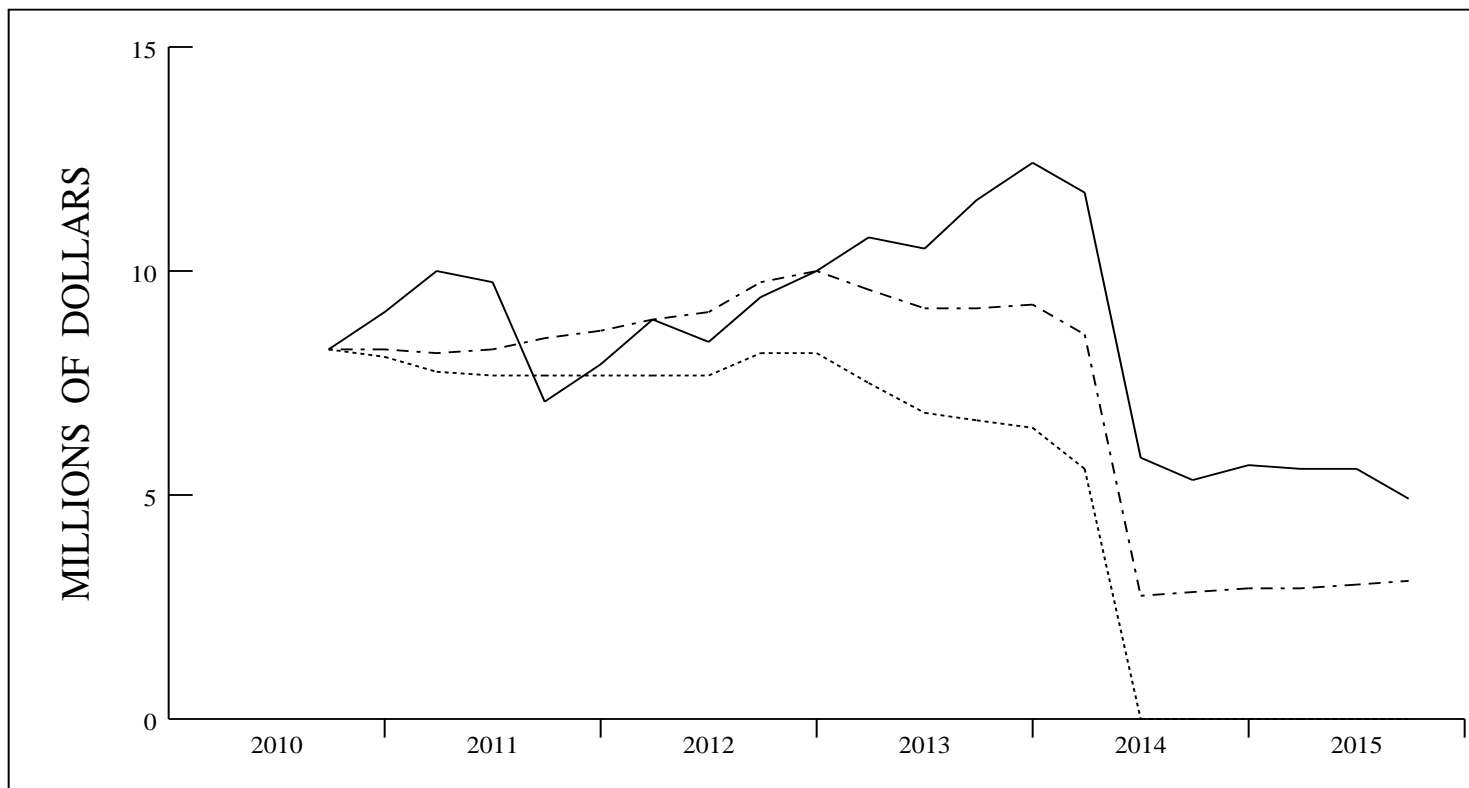
ASSET ALLOCATION

Domestic Equity	100.0%	\$ 4,916,972
Total Portfolio	100.0%	\$ 4,916,972

INVESTMENT RETURN

Market Value 6/2015	\$ 5,638,517
Contribs / Withdrawals	- 13,566
Income	0
Capital Gains / Losses	-707,979
Market Value 9/2015	\$ 4,916,972

INVESTMENT GROWTH

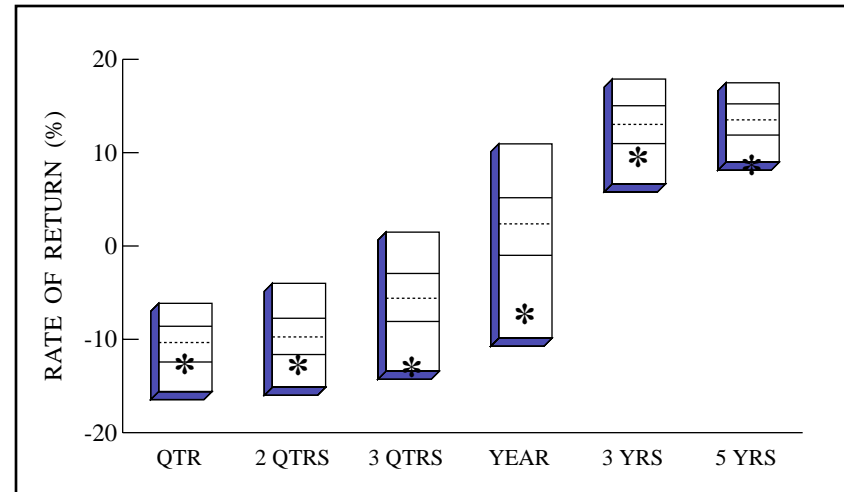
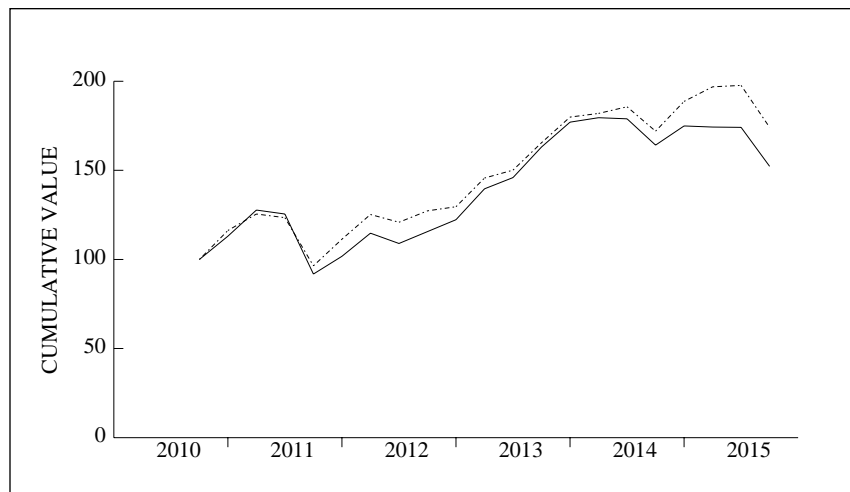


— ACTUAL RETURN
 - - - 10.0%
 0.0%

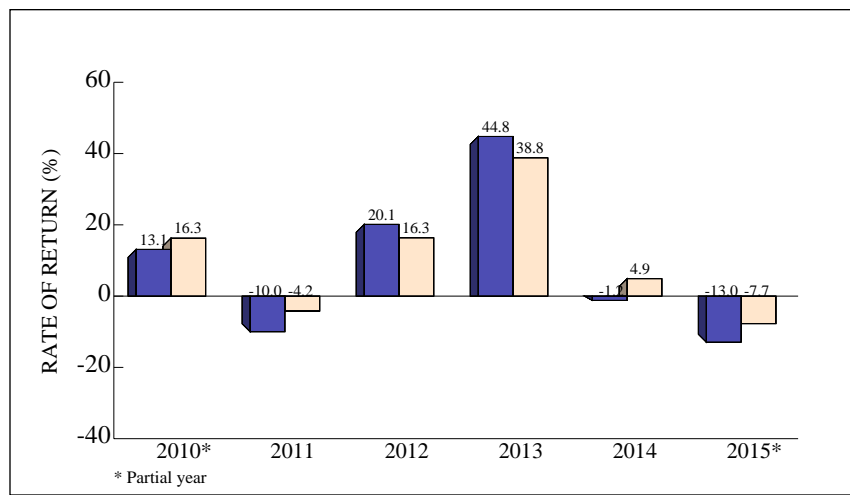
VALUE ASSUMING
 10.0% RETURN \$ 3,115,076

	LAST QUARTER	PERIOD 9/10 - 9/15
BEGINNING VALUE	\$ 5,638,517	\$ 8,286,960
NET CONTRIBUTIONS	- 13,566	- 8,614,819
INVESTMENT RETURN	-707,979	5,244,831
ENDING VALUE	\$ 4,916,972	\$ 4,916,972
INCOME	0	157,396
CAPITAL GAINS (LOSSES)	-707,979	5,087,435
INVESTMENT RETURN	-707,979	5,244,831

TOTAL RETURN COMPARISONS



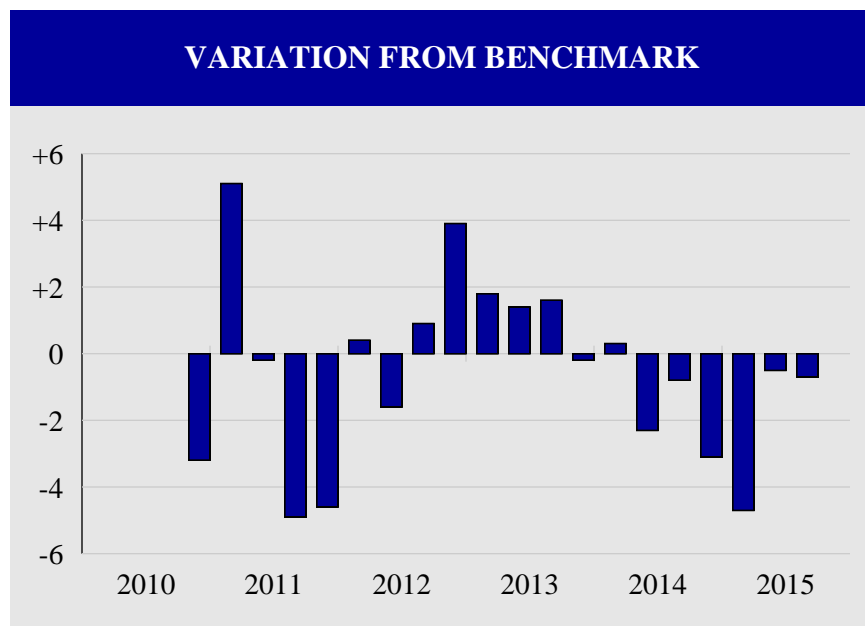
Small Cap Universe



* Partial year

	QTR	2QTRS	3QTRS	YEAR	3 YRS	5 YRS
RETURN	-12.6	-12.6	-13.0	-7.2	9.6	8.8
(RANK)	(77)	(84)	(95)	(92)	(85)	(96)
5TH %ILE	-6.1	-4.0	1.5	10.9	17.9	17.5
25TH %ILE	-8.6	-7.8	-2.9	5.2	15.0	15.2
MEDIAN	-10.3	-9.7	-5.6	2.4	13.0	13.5
75TH %ILE	-12.4	-11.6	-8.1	-1.0	11.0	11.9
95TH %ILE	-15.6	-15.1	-13.4	-9.9	6.7	9.0
Russ 2000	-11.9	-11.5	-7.7	1.2	11.0	11.7

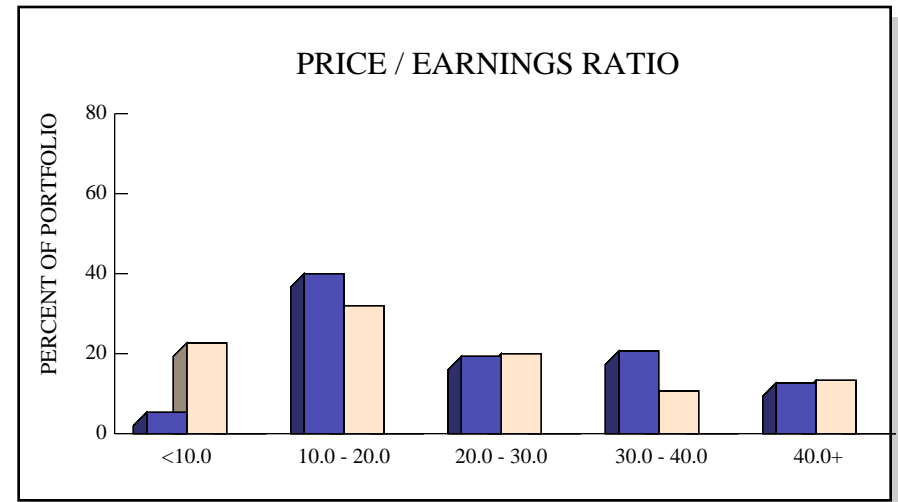
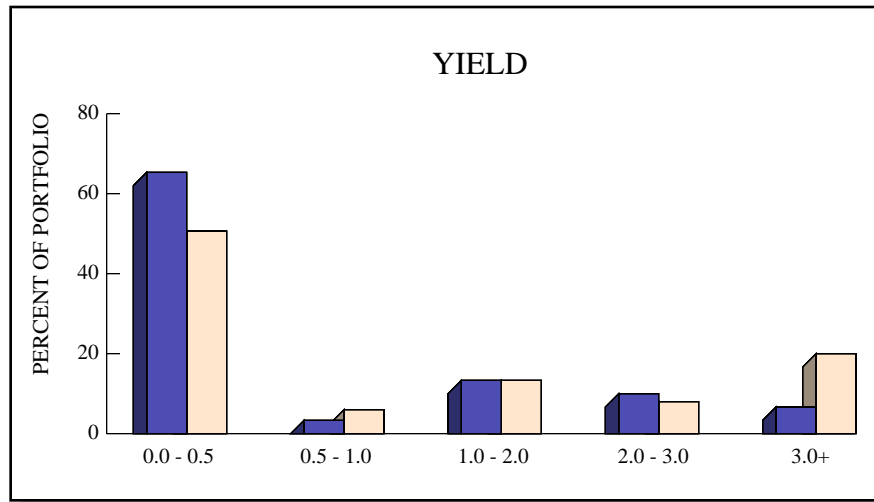
Small Cap Universe

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

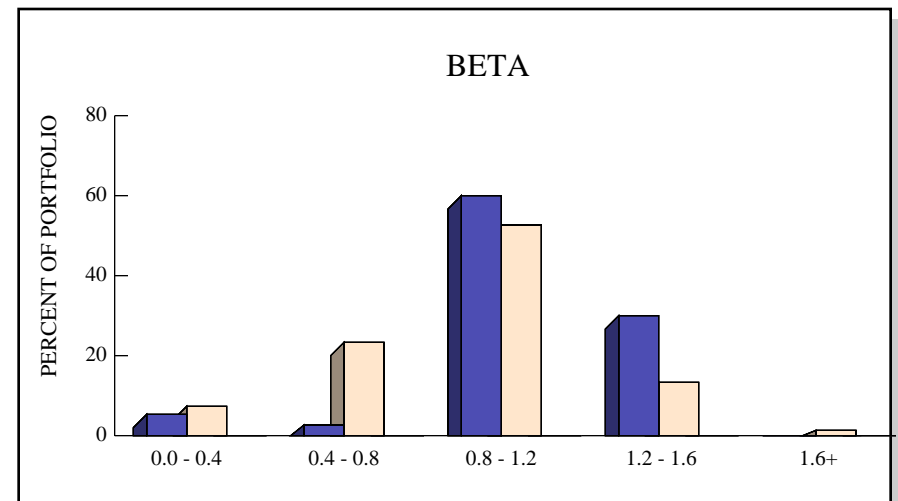
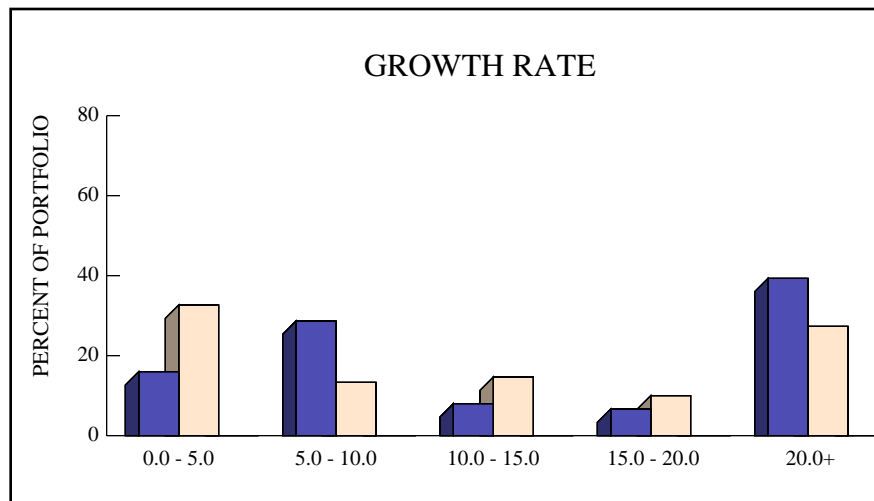
Total Quarters Observed	20
Quarters At or Above the Benchmark	8
Quarters Below the Benchmark	12
Batting Average	.400

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
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
9/15	-12.6	-11.9	-0.7

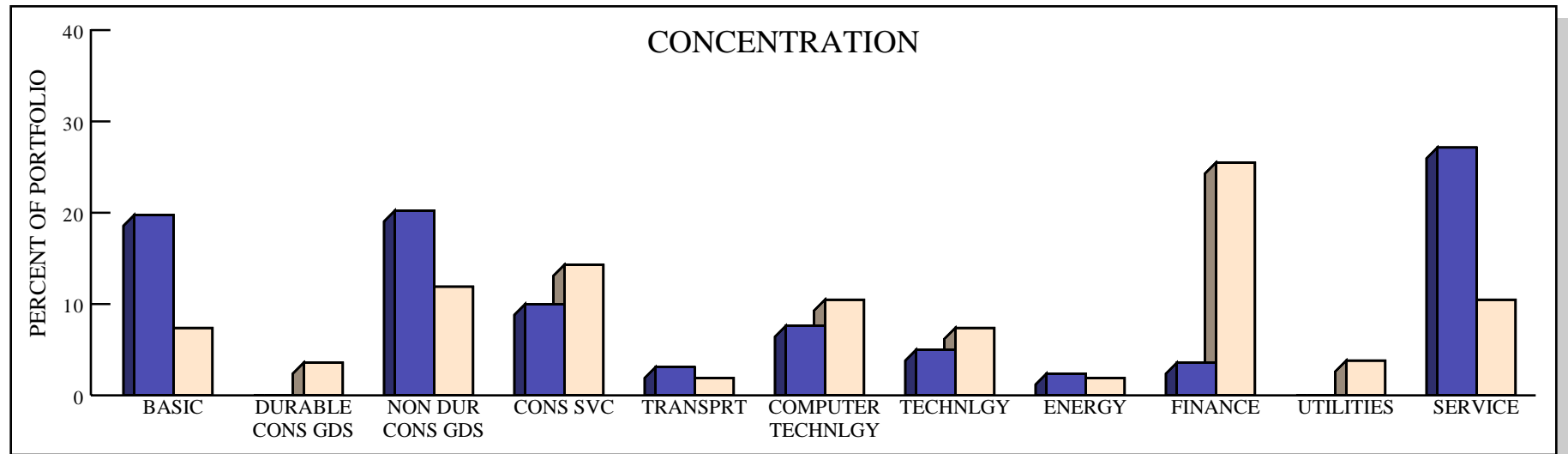
STOCK CHARACTERISTICS



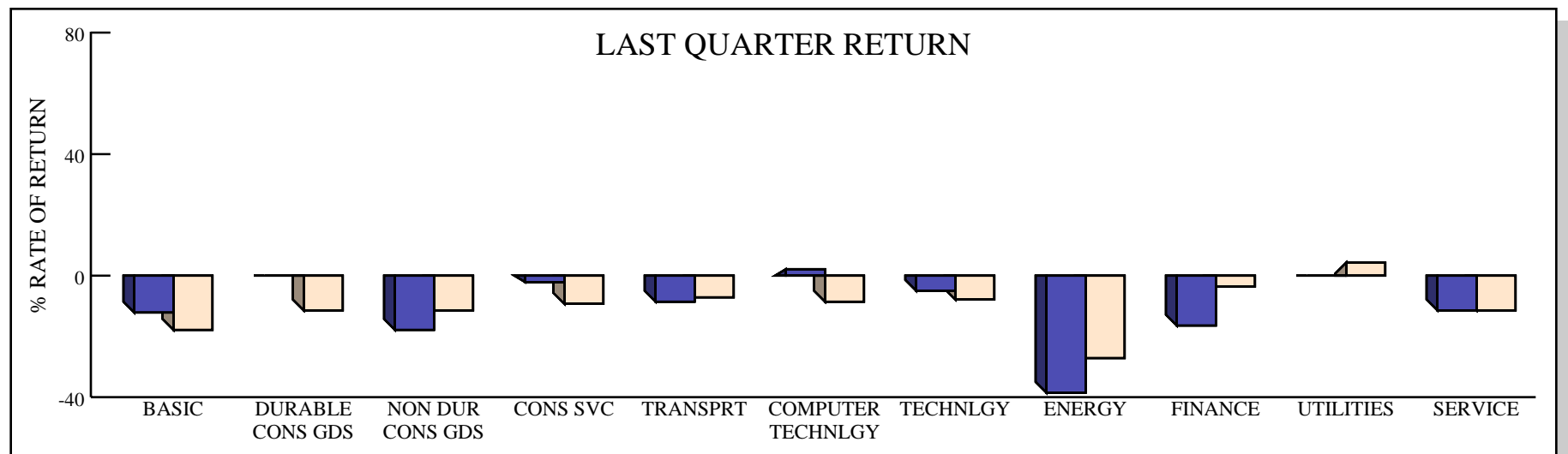
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	31	0.8%	19.1%	25.9	1.05
RUSSELL 2000	1,954	1.6%	12.8%	19.8	0.90



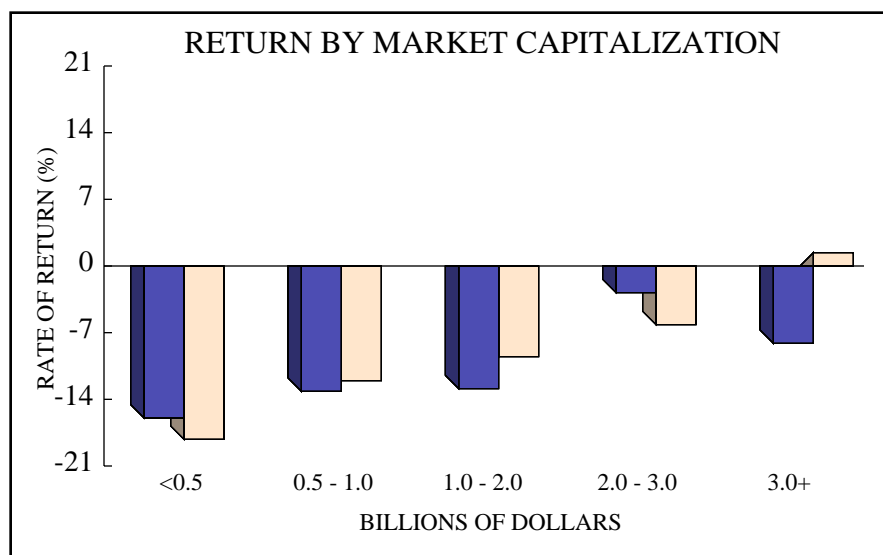
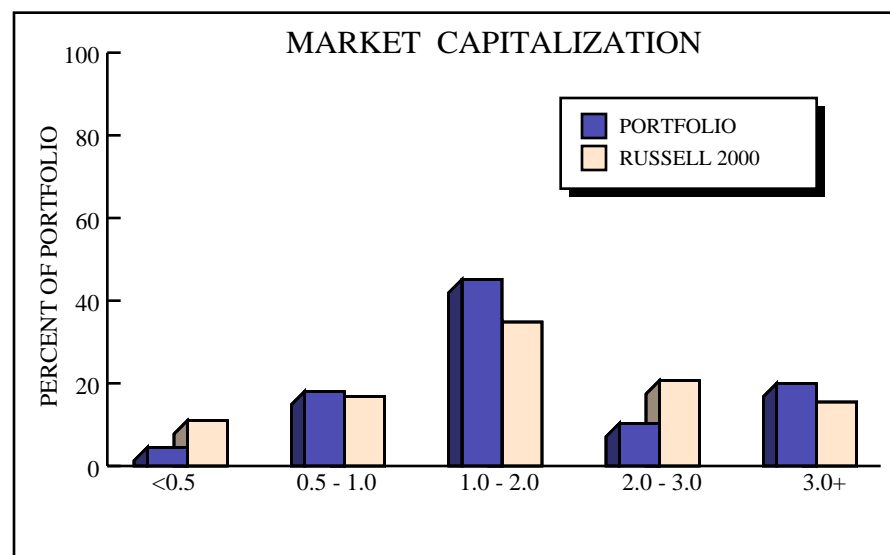
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL 2000



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	ACXIOM CORP	\$ 212,716	4.33%	12.4%	Service	\$ 1.5 B
2	CADENCE DESIGN SYS INC	199,148	4.05%	5.2%	Computer Tech	6.0 B
3	BRUNSWICK CORP	189,118	3.85%	-5.6%	Basic	4.4 B
4	ELECTRONICS FOR IMAGING	186,580	3.79%	-0.5%	Computer Tech	2.0 B
5	BEACON ROOFING SUPPLY INC	185,843	3.78%	-2.2%	Service	1.6 B
6	ENTEGRIS INC	182,721	3.72%	-9.5%	NonDur Cons Goods	1.9 B
7	TEXAS CAPITAL BANCSHARES INC	181,006	3.68%	-15.8%	Finance	2.4 B
8	CONSTANT CONTACT INC	179,691	3.65%	-15.7%	Service	0.8 B
9	DIEBOLD INC	178,382	3.63%	-14.0%	Basic	1.9 B
10	FORWARD AIR CORP	172,308	3.50%	-20.3%	Service	1.3 B

FRANKLIN REGIONAL RETIREMENT SYSTEM
SYSTEMATIC FINANCIAL
PERFORMANCE REVIEW
SEPTEMBER 2015

INVESTMENT RETURN

On September 30th, 2015, the Franklin Regional Retirement System's Systematic Financial portfolio was valued at \$5,225,782, a decrease of \$679,975 from the June ending value of \$5,905,757. Last quarter, the account recorded total net withdrawals of \$2 in addition to \$679,973 in net investment losses. The fund's net investment loss was a result of income receipts totaling \$27,770 and realized and unrealized capital losses totaling \$707,743.

Since June 2014, the account has recorded net withdrawals totaling \$9, while posting net investment losses totaling \$720,159. Since June 2014, if the account had earned a compounded nominal rate of 8.0% it would have been valued at \$6.5 million or \$1.3 million more than the actual value as of September 30th, 2015.

RELATIVE PERFORMANCE

For the third quarter, the Systematic Financial portfolio lost 11.5%, which was 0.4% above the Russell 2000 Index's return of -11.9% and ranked in the 67th percentile of the Small Cap universe. Over the trailing twelve-month period, this portfolio returned -6.4%, which was 7.6% less than the benchmark's 1.2% performance, and ranked in the 91st percentile. Since June 2014, the portfolio returned -9.8% annualized and ranked in the 90th percentile. The Russell 2000 returned an annualized -5.0% over the same time frame.

ASSET ALLOCATION

On September 30th, 2015, domestic equities comprised 99.0% of the total portfolio (\$5.2 million), while cash & equivalents comprised the remaining 1.0% (\$50,087).

STOCK ANALYSIS

By quarter-end, the Systematic portfolio was invested in all eleven sectors represented in our stock analysis. With respect to the Russell 2000 index, the portfolio was overweight in the Basic, Consumer Service, Technology, Energy, and Service sectors, while underweight in Nondurable Consumer Goods, Computer Technology, and Finance.

Selection effects were mixed in the third quarter, as the portfolio underperformed the benchmark in four of the eleven invested sectors, and closely mirrored index returns in six others, while Utilities outperformed. However, the slight advantages in the Basic, Consumer Service, and Finance were enlarged by overweight allocations. Transportation and Computer Technology underperformed, but lightweight allocation checked negative effects. The overweight Energy sector exceeded benchmark losses, however, while the underallocated Utilities sector doubled the gains of the index.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 06/14
Total Gross/Fees	-11.5	-11.9	-6.4	----	-9.8
<i>SMALL CAP RANK</i>	(67)	(93)	(91)	----	(90)
Total Net/Fees	-11.7	-12.4	-7.2	----	-10.5
RUSSELL 2000	-11.9	-7.7	1.2	11.0	-5.0
RUSSELL 2000G	-13.1	-5.5	4.1	12.9	-1.9
RUSSELL 2000V	-10.7	-10.1	-1.6	9.2	-8.1
Domestic Equity	-11.6	-12.0	-6.5	----	-10.0
<i>SMALL CAP RANK</i>	(68)	(93)	(91)	----	(90)
RUSSELL 2000	-11.9	-7.7	1.2	11.0	-5.0

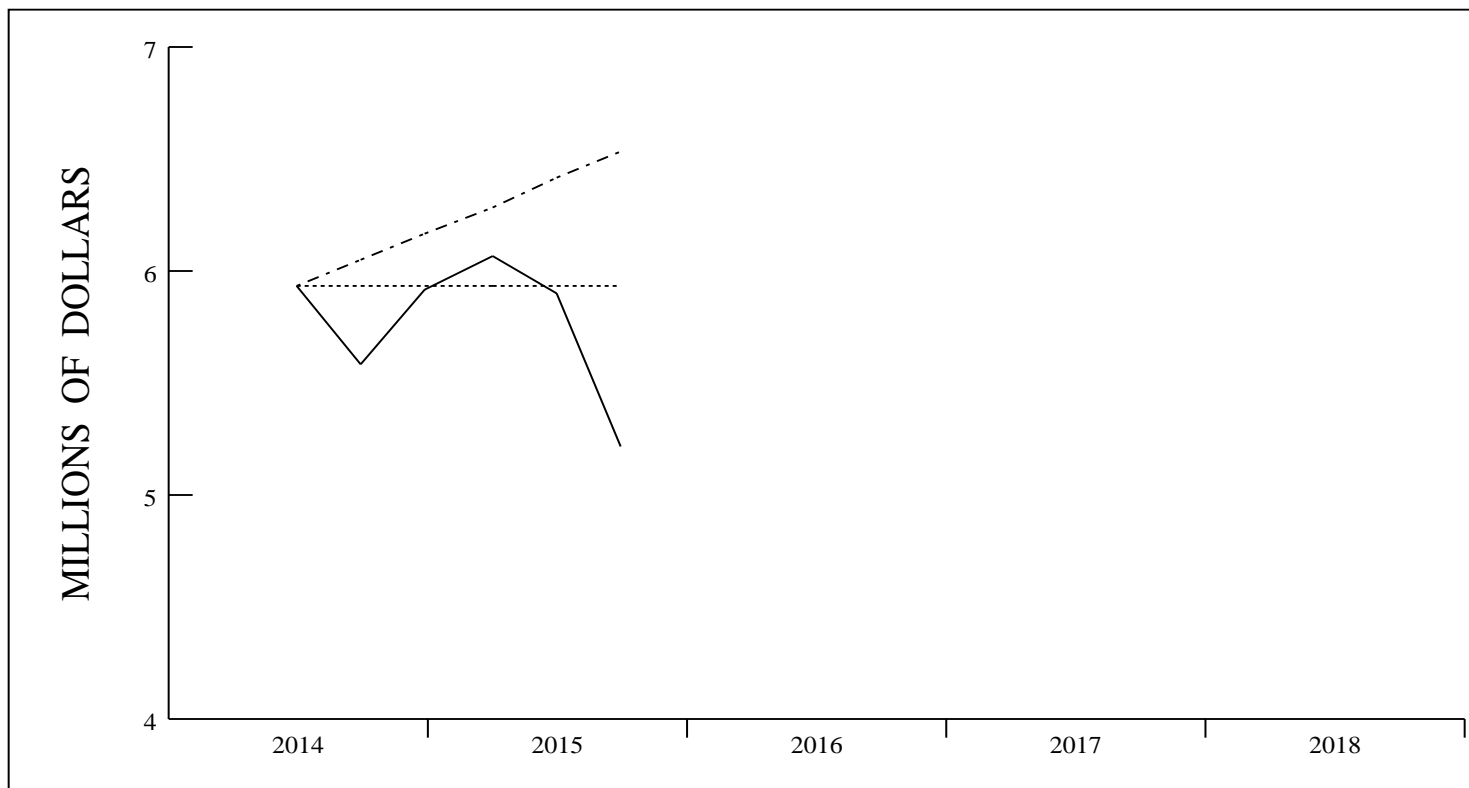
ASSET ALLOCATION

Domestic Equity	99.0%	\$ 5,175,695
Cash	1.0%	50,087
Total Portfolio	100.0%	\$ 5,225,782

INVESTMENT RETURN

Market Value 6/2015	\$ 5,905,757
Contribs / Withdrawals	-2
Income	27,770
Capital Gains / Losses	-707,743
Market Value 9/2015	\$ 5,225,782

INVESTMENT GROWTH

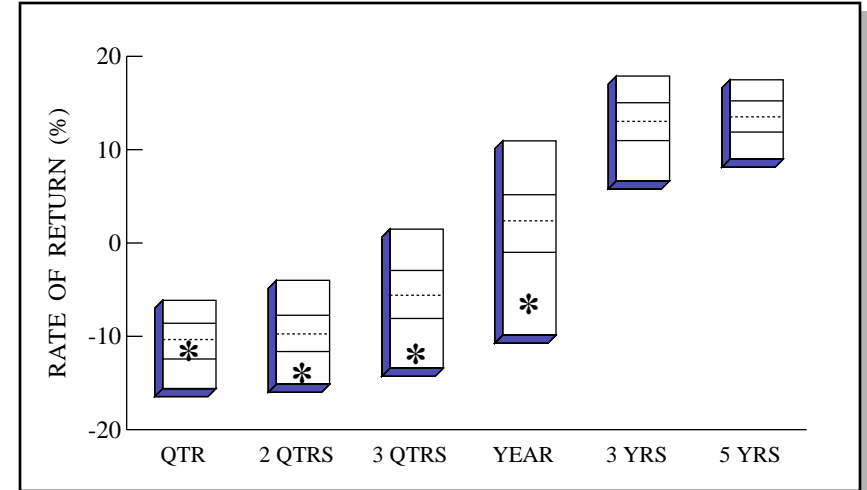
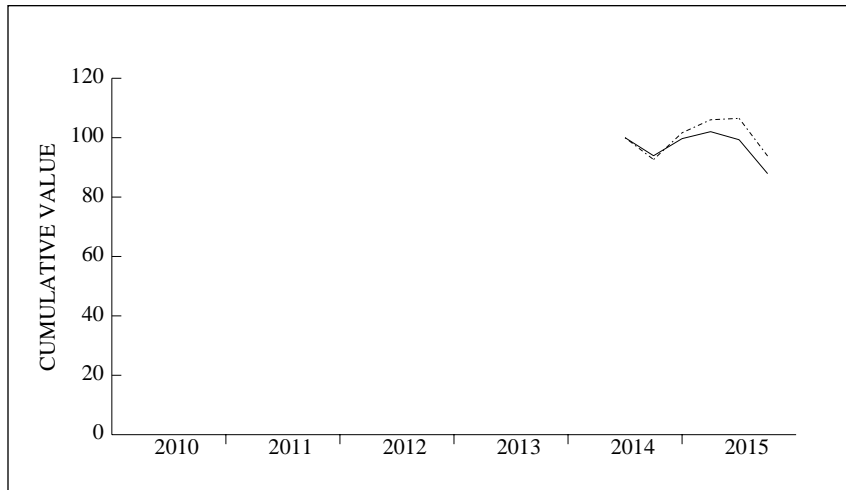


—	ACTUAL RETURN
- - - - -	8.0%
.....	0.0%

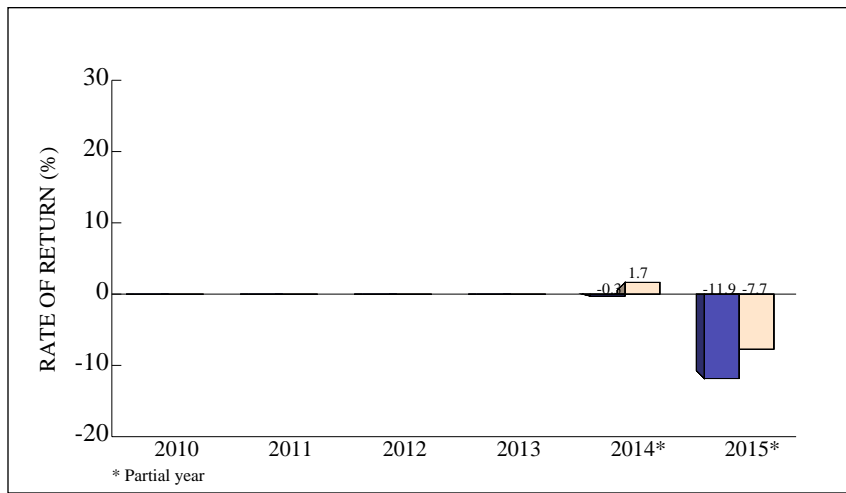
VALUE ASSUMING	
8.0% RETURN	\$ 6,546,367

	LAST QUARTER	PERIOD 6/14 - 9/15
BEGINNING VALUE	\$ 5,905,757	\$ 5,945,950
NET CONTRIBUTIONS	- 2	- 9
INVESTMENT RETURN	-679,973	-720,159
ENDING VALUE	\$ 5,225,782	\$ 5,225,782
INCOME	27,770	135,817
CAPITAL GAINS (LOSSES)	-707,743	-855,976
INVESTMENT RETURN	-679,973	-720,159

TOTAL RETURN COMPARISONS



Small Cap Universe



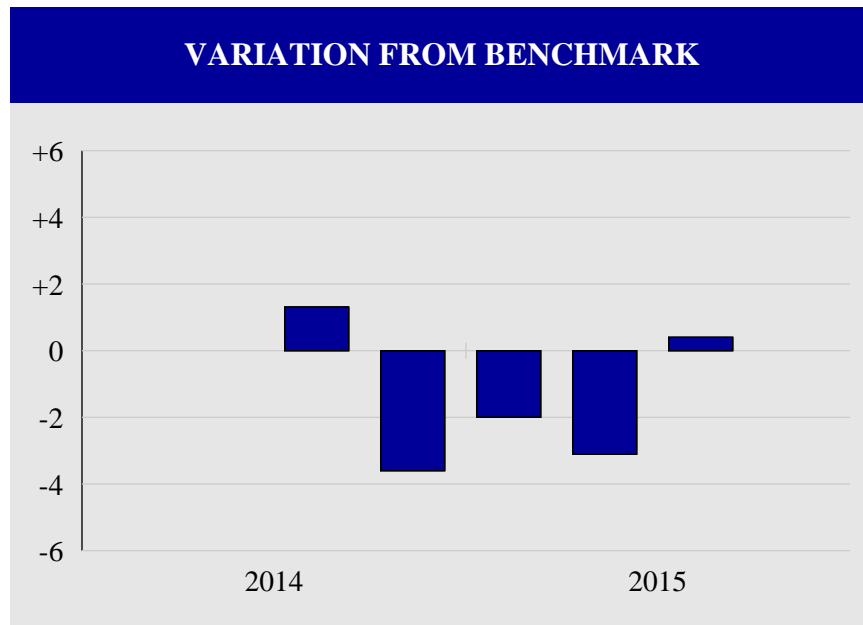
* Partial year

	<u>QTR</u>	<u>2QTRS</u>	<u>3QTRS</u>	<u>YEAR</u>	-----ANNUALIZED-----	
					<u>3 YRS</u>	<u>5 YRS</u>
RETURN	-11.5	-13.9	-11.9	-6.4	----	----
(RANK)	(67)	(91)	(93)	(91)	----	----
5TH %ILE	-6.1	-4.0	1.5	10.9	17.9	17.5
25TH %ILE	-8.6	-7.8	-2.9	5.2	15.0	15.2
MEDIAN	-10.3	-9.7	-5.6	2.4	13.0	13.5
75TH %ILE	-12.4	-11.6	-8.1	-1.0	11.0	11.9
95TH %ILE	-15.6	-15.1	-13.4	-9.9	6.7	9.0
Russ 2000	-11.9	-11.5	-7.7	1.2	11.0	11.7

Small Cap Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

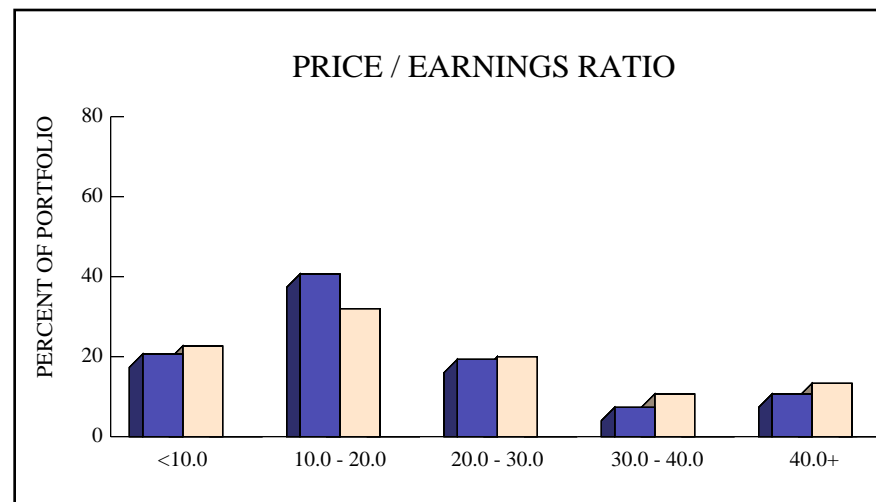
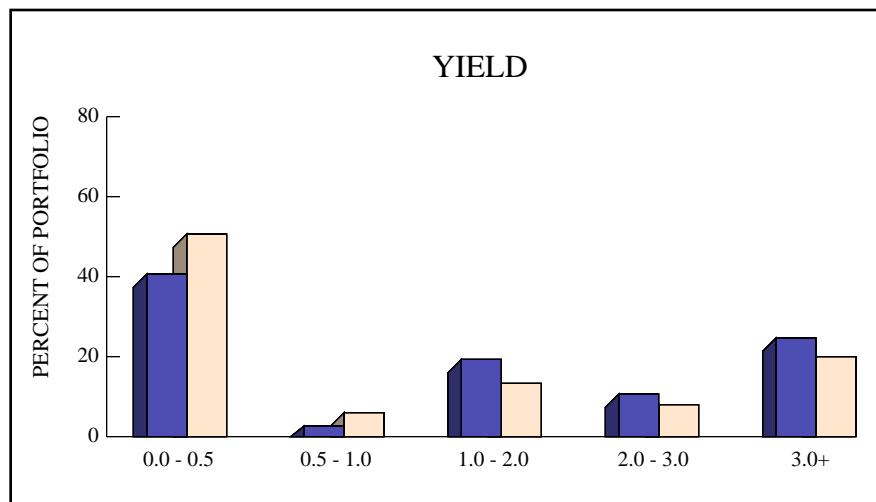
COMPARATIVE BENCHMARK: RUSSELL 2000



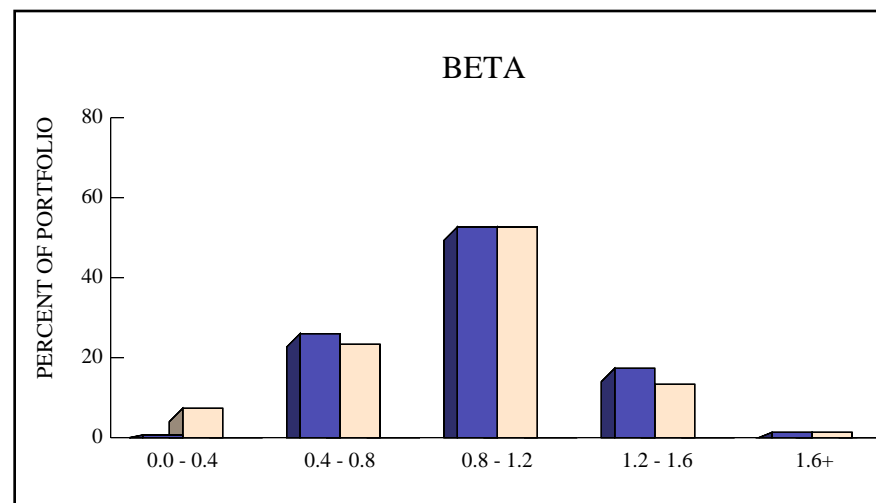
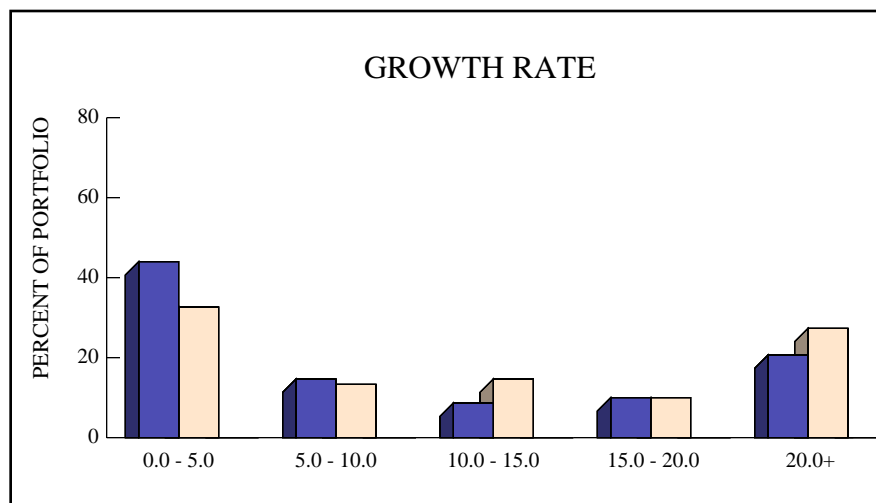
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/14	-6.1	-7.4	1.3
12/14	6.1	9.7	-3.6
3/15	2.3	4.3	-2.0
6/15	-2.7	0.4	-3.1
9/15	-11.5	-11.9	0.4

Total Quarters Observed	5
Quarters At or Above the Benchmark	2
Quarters Below the Benchmark	3
Batting Average	.400

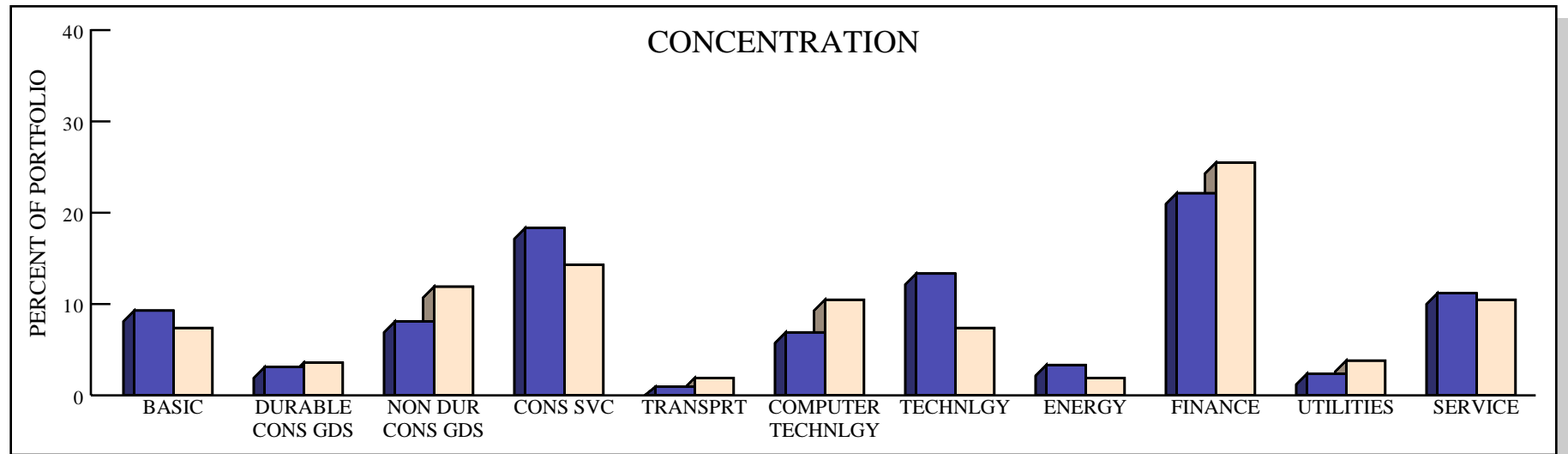
STOCK CHARACTERISTICS



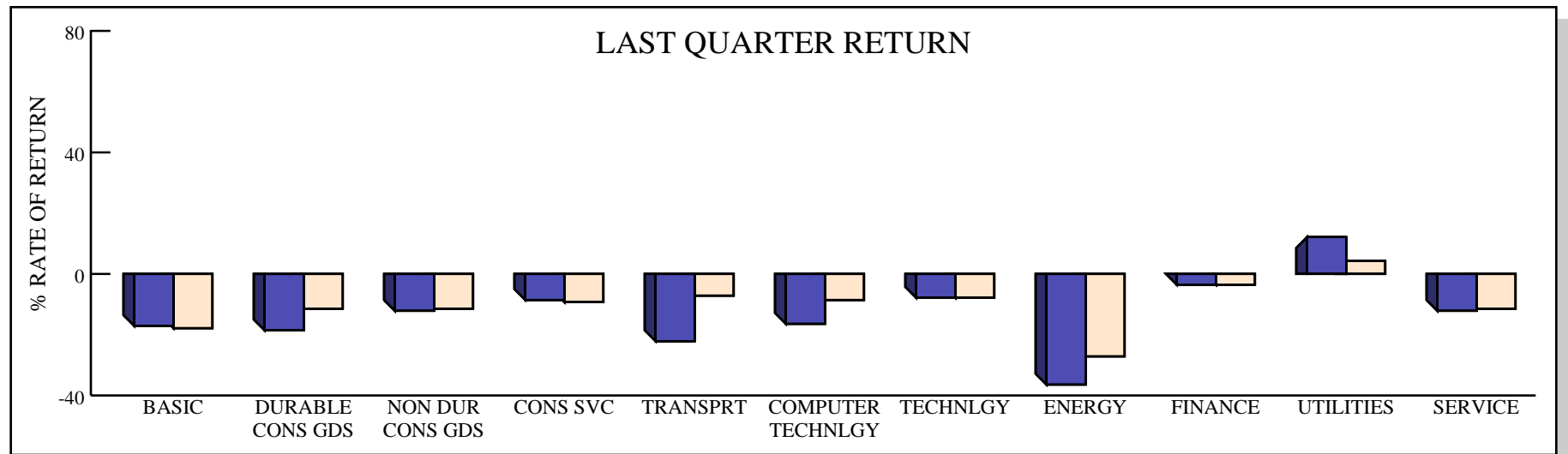
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	304	2.2%	8.7%	19.8	0.96
RUSSELL 2000	1,954	1.6%	12.8%	19.8	0.90



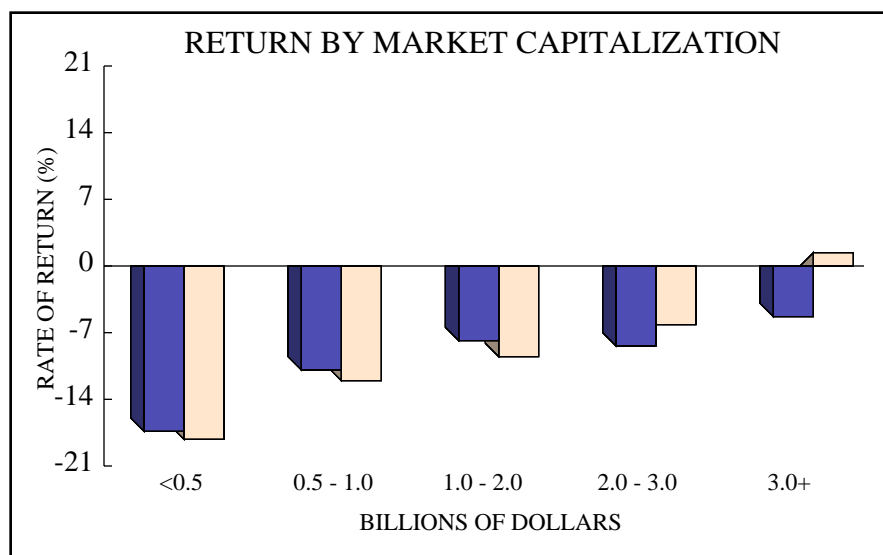
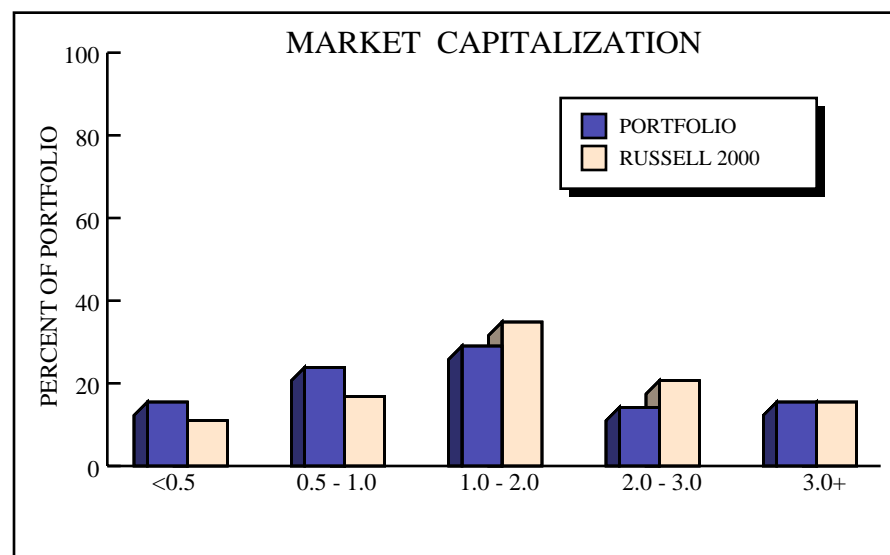
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL 2000



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	JABIL CIRCUIT INC	\$ 22,594	.44%	5.4%	Technology	\$ 4.3 B
2	INVESTORS REAL ESTATE TRUST	21,053	.41%	10.1%	Finance	1.0 B
3	EAGLE BANCORP INC	20,703	.40%	3.5%	Finance	1.5 B
4	CASH AMERICA INTL INC	20,698	.40%	7.0%	Consumer Service	0.7 B
5	SYNAPTICS INC	20,615	.40%	-4.9%	Computer Tech	3.0 B
6	INTELIQUENT INC	20,432	.39%	22.0%	Utilities	0.8 B
7	BANNER CORPORATION	20,063	.39%	0.0%	Finance	1.0 B
8	PMC - SIERRA INC	20,039	.39%	-20.9%	Computer Tech	1.3 B
9	REGIS CORP	19,847	.38%	-16.9%	Consumer Service	0.7 B
10	AVISTA CORP	19,784	.38%	9.5%	Utilities	2.1 B

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

INVESTMENT RETURN

On September 30th, 2015, the Franklin Regional Retirement System's PRIT International Equity portfolio was valued at \$5,316,308, a decrease of \$571,348 from the June ending value of \$5,887,656. Last quarter, the account recorded total net withdrawals of \$2,605 in addition to \$568,743 in net investment losses. The fund's net investment loss was a result of income receipts totaling \$37,477 and realized and unrealized capital losses totaling \$606,220.

Since September 2014, the account has recorded net contributions totaling \$149,616, while posting net investment losses totaling \$376,138. Since September 2014, if the account had earned a compounded nominal rate of 9.0% it would have been valued at \$6.2 million or \$878,608 more than the actual value as of September 30th, 2015.

RELATIVE PERFORMANCE

For the third quarter, the PRIT International Equity portfolio lost 9.7%, which was 0.5% above the MSCI EAFE Index's return of -10.2% and ranked in the 40th percentile of the International Equity universe. Over the trailing twelve-month period, this portfolio returned -6.5%, which was 1.8% greater than the benchmark's -8.3% performance, and ranked in the 43rd percentile. Since September 2014, the portfolio returned -6.5% and ranked in the 43rd percentile. The MSCI EAFE Index returned -8.3% over the same time frame.

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	-9.7	-3.8	-6.5	----	-6.5
<i>INTERNATIONAL EQUITY RANK</i>	(40)	(43)	(43)	----	(43)
Total Net/Fees	-9.7	-3.9	-6.7	----	-6.7
MSCI EAFE	-10.2	-4.9	-8.3	6.1	-8.3
ACWI EX US	-12.1	-8.3	-11.8	2.8	-11.8
MSCI EMG MKTS	-17.8	-15.2	-19.0	-4.9	-19.0
International Equity	-9.7	-3.8	-6.5	----	-6.5
<i>INTERNATIONAL EQUITY RANK</i>	(40)	(43)	(43)	----	(43)
MSCI EAFE	-10.2	-4.9	-8.3	6.1	-8.3

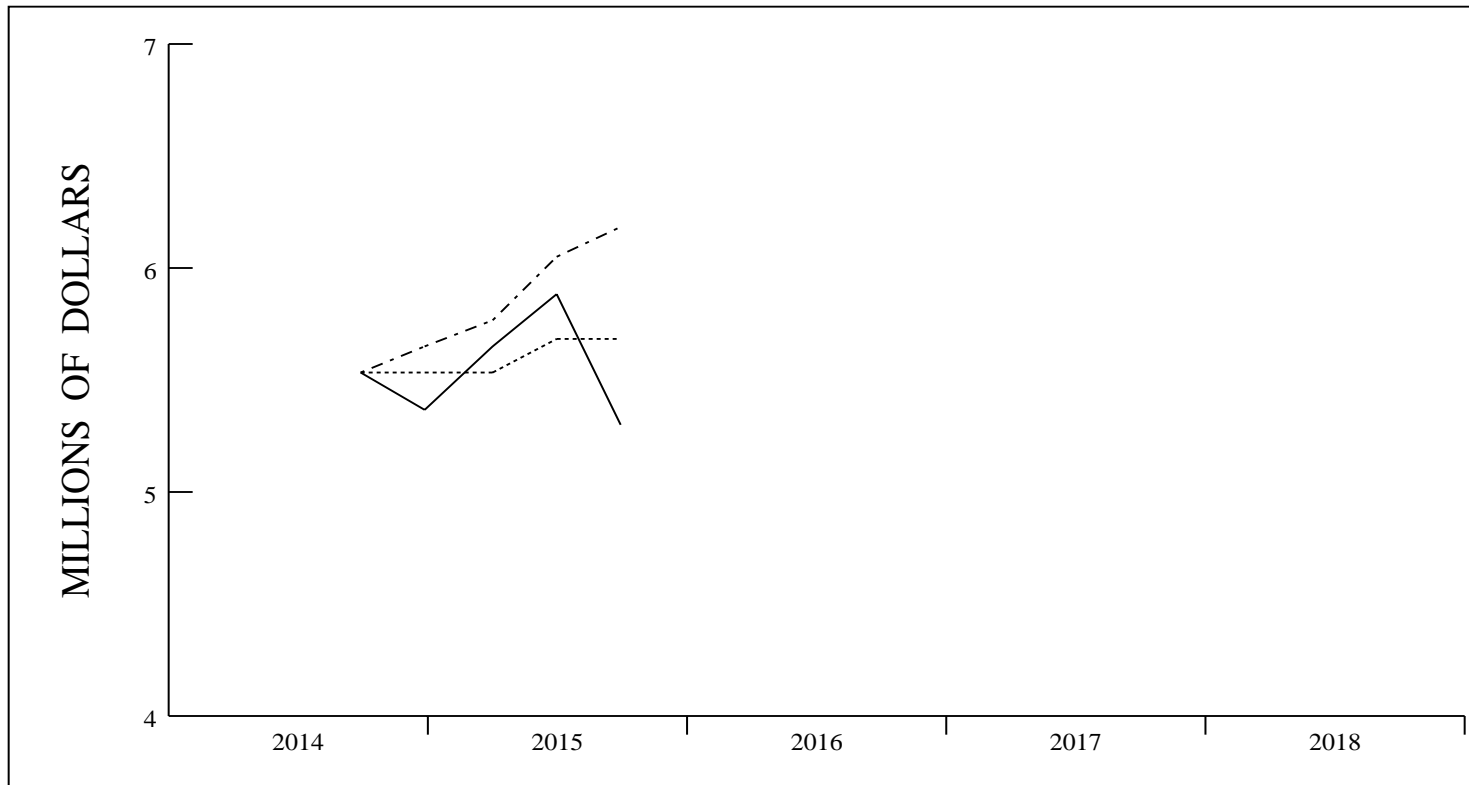
ASSET ALLOCATION

Int'l Equity	100.0%	\$ 5,316,308
Total Portfolio	100.0%	\$ 5,316,308

INVESTMENT RETURN

Market Value 6/2015	\$ 5,887,656
Contribs / Withdrawals	-2,605
Income	37,477
Capital Gains / Losses	-606,220
Market Value 9/2015	\$ 5,316,308

INVESTMENT GROWTH

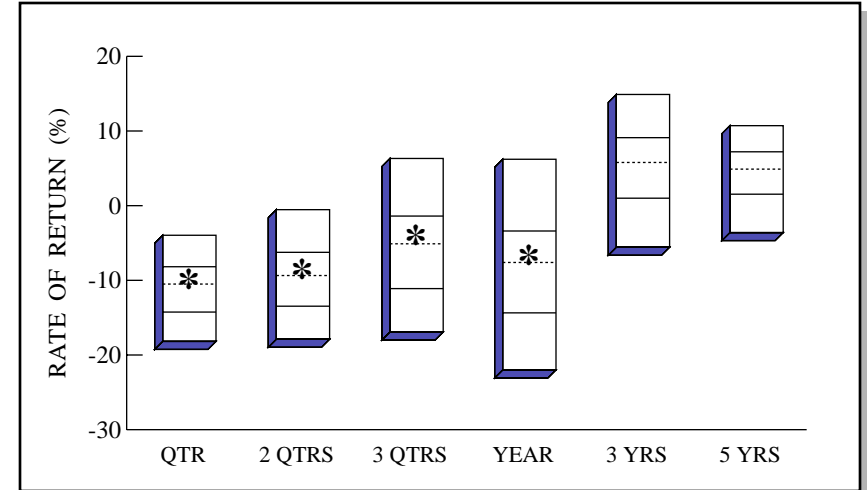
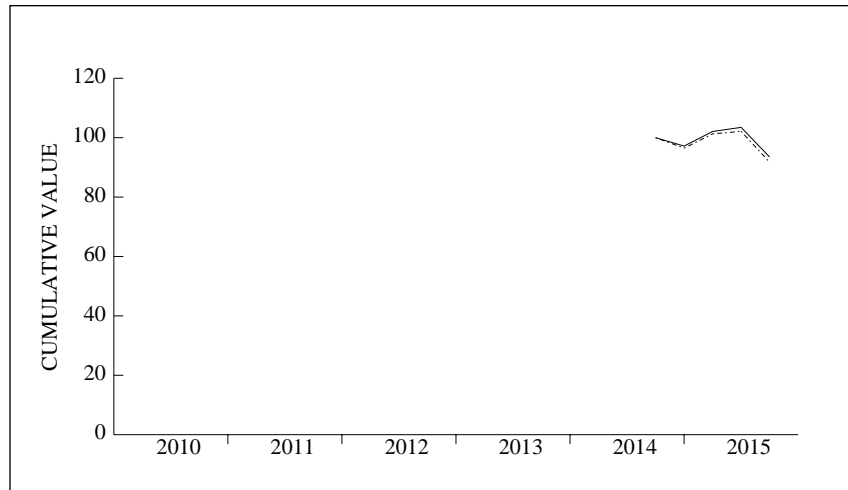


——— ACTUAL RETURN
 - - - - - 9.0%
 0.0%

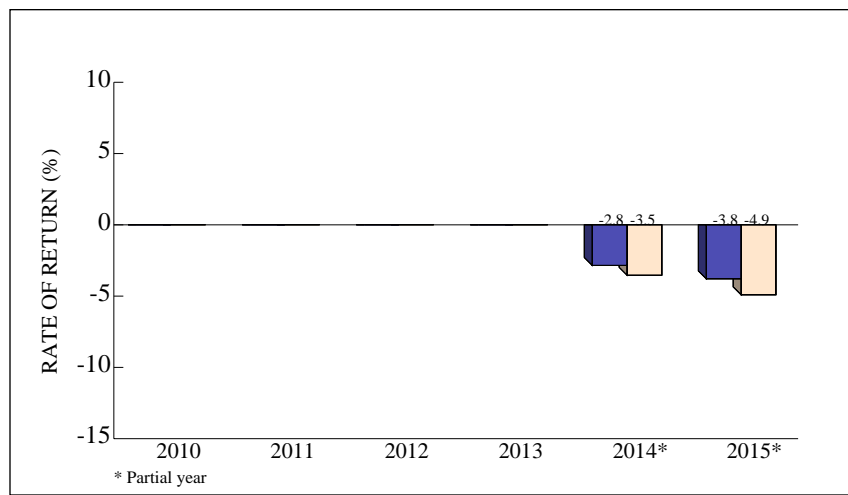
VALUE ASSUMING
 9.0% RETURN \$ 6,194,916

	LAST QUARTER	PERIOD 9/14 - 9/15
BEGINNING VALUE	\$ 5,887,656	\$ 5,542,830
NET CONTRIBUTIONS	- 2,605	149,616
INVESTMENT RETURN	-568,743	-376,138
ENDING VALUE	\$ 5,316,308	\$ 5,316,308
INCOME	37,477	159,626
CAPITAL GAINS (LOSSES)	-606,220	-535,764
INVESTMENT RETURN	-568,743	-376,138

TOTAL RETURN COMPARISONS



International Equity Universe

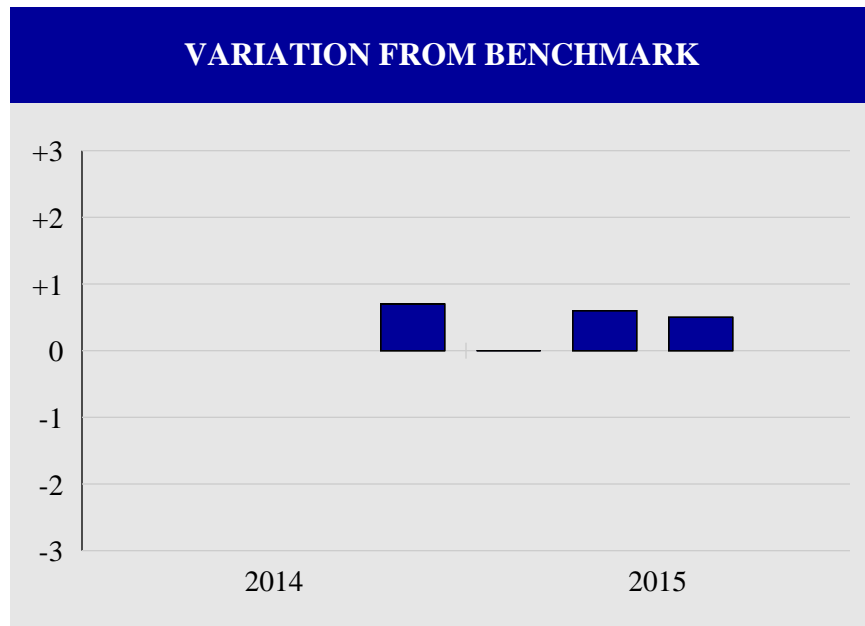


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-9.7	-8.4	-3.8	-6.5	----	----
(RANK)	(40)	(42)	(43)	(43)	----	----
5TH %ILE	-4.0	-0.5	6.3	6.2	14.9	10.7
25TH %ILE	-8.2	-6.3	-1.4	-3.4	9.1	7.2
MEDIAN	-10.5	-9.4	-5.1	-7.6	5.8	4.9
75TH %ILE	-14.3	-13.5	-11.1	-14.4	1.0	1.6
95TH %ILE	-18.2	-17.9	-16.9	-22.0	-5.6	-3.6
MSCI EAFE	-10.2	-9.4	-4.9	-8.3	6.1	4.4

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
9/15	-9.7	-10.2	0.5

Total Quarters Observed	4
Quarters At or Above the Benchmark	4
Quarters Below the Benchmark	0
Batting Average	1.000

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

INVESTMENT RETURN

On September 30th, 2015, the Franklin Regional Retirement System's PRIT Core Real Estate Account portfolio was valued at \$13,262,527, representing an increase of \$320,054 from the June quarter's ending value of \$12,942,473. Last quarter, the Fund posted withdrawals totaling \$17,914, which partially offset the portfolio's net investment return of \$337,968. Income receipts totaling \$146,343 plus net realized and unrealized capital gains of \$191,625 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 \$3.6 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 \$11.9 million or \$1.4 million less than the actual value as of September 30th, 2015.

RELATIVE PERFORMANCE

In the third quarter, the PRIT Core Real Estate Account portfolio gained 2.6%, which was 1.1% less than the NCREIF NFI-ODCE Index's return of 3.7%. Over the trailing twelve-month period, the portfolio returned 14.1%, which was 0.8% below the benchmark's 14.9% return. Since September 2010, the account returned 12.9% on an annualized basis, while the NCREIF NFI-ODCE Index returned an annualized 14.0% 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	5 Years
Total Gross/Fees	2.6	8.0	14.1	12.6	12.9
Total Net/Fees	2.5	7.5	13.4	12.0	12.2
NCREIF ODCE	3.7	11.3	14.9	13.4	14.0
Real Estate	2.6	8.0	14.1	12.6	12.9
NCREIF ODCE	3.7	11.3	14.9	13.4	14.0

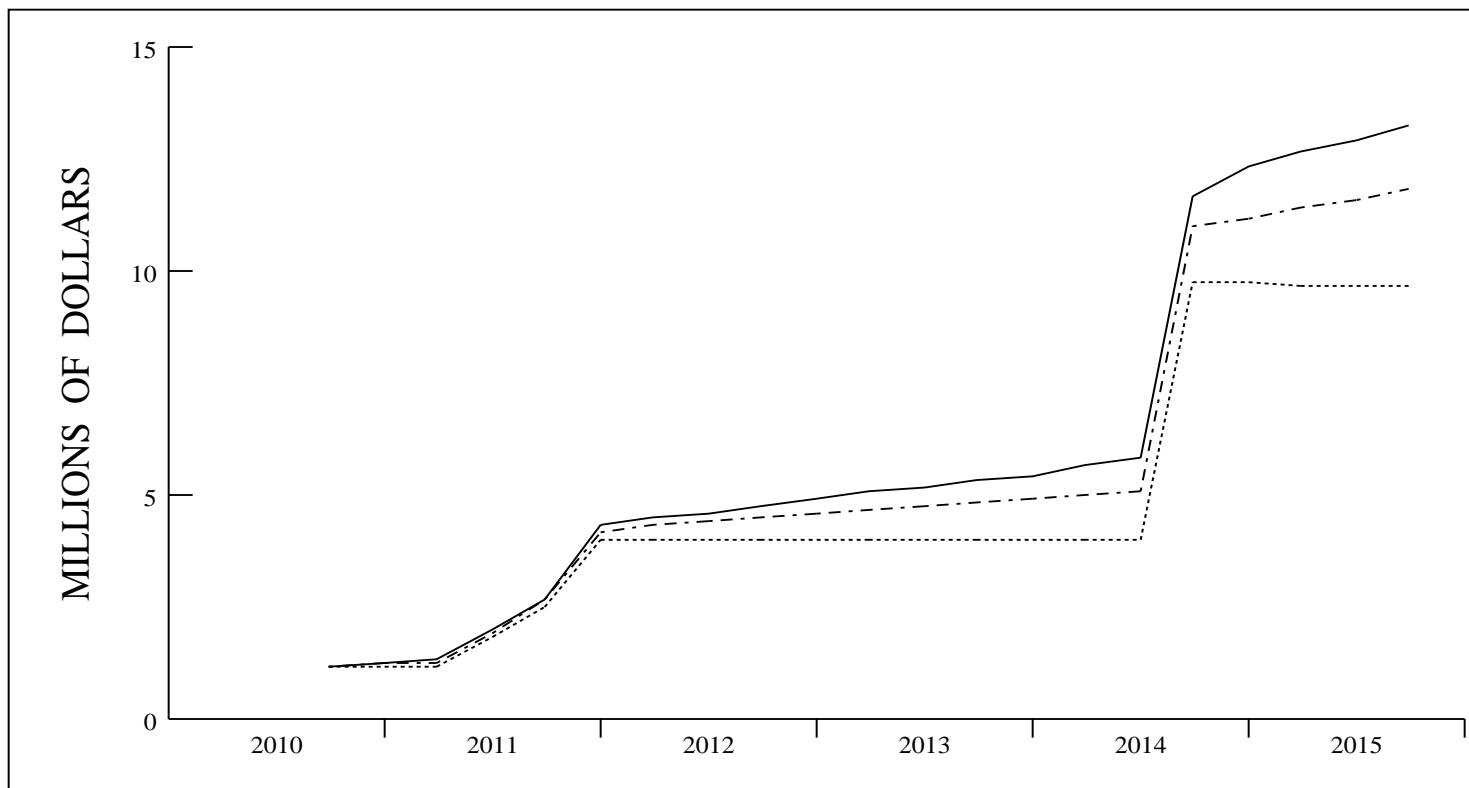
ASSET ALLOCATION

Real Estate	100.0%	\$ 13,262,527
Total Portfolio	100.0%	\$ 13,262,527

INVESTMENT RETURN

Market Value 6/2015	\$ 12,942,473
Contribs / Withdrawals	- 17,914
Income	146,343
Capital Gains / Losses	191,625
Market Value 9/2015	\$ 13,262,527

INVESTMENT GROWTH



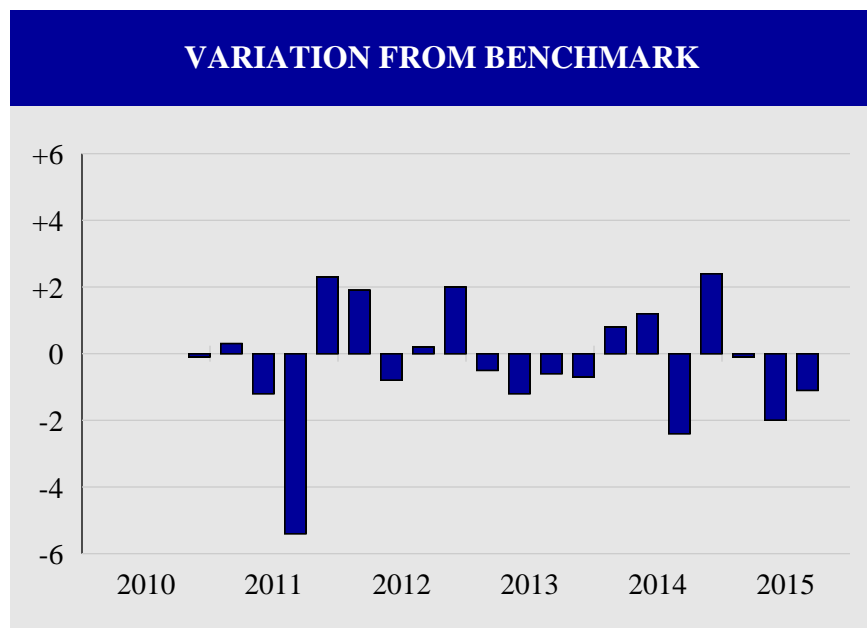
— ACTUAL RETURN
 - - - 8.25%
 . . . 0.0%

VALUE ASSUMING
 8.25% RETURN \$ 11,875,344

	LAST QUARTER	PERIOD 9/10 - 9/15
BEGINNING VALUE	\$ 12,942,473	\$ 1,247,572
NET CONTRIBUTIONS	- 17,914	8,459,131
INVESTMENT RETURN	<u>337,968</u>	<u>3,555,824</u>
ENDING VALUE	\$ 13,262,527	\$ 13,262,527
INCOME	146,343	1,476,020
CAPITAL GAINS (LOSSES)	<u>191,625</u>	<u>2,079,804</u>
INVESTMENT RETURN	337,968	3,555,824

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
9/15	2.6	3.7	-1.1

Total Quarters Observed	20
Quarters At or Above the Benchmark	8
Quarters Below the Benchmark	12
Batting Average	.400

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

INVESTMENT RETURN

On September 30th, 2015, the Franklin Regional Retirement System's Income Research & Management Core Bond Fund was valued at \$12,861,242, which represented an \$111,095 increase from the June quarter's ending value of \$12,750,147. There were no net contributions or withdrawals recorded to the portfolio last quarter, making the entire increase in value the product of net investment returns. In the absence of income receipts during the quarter, the portfolio's net investment return was the product of \$111,095 in realized and unrealized capital gains.

Since December 2009, the fund has recorded net contributions totaling \$1.8 million, and has recorded net investment gains of \$2.9 million. For the period since December 2009, if the account returned a compounded nominal rate of 6.0% it would have been worth \$13.7 million or \$885,087 more than the actual value as of September 30th, 2015.

RELATIVE PERFORMANCE

In the third quarter, the Income Research & Management Core Bond Fund gained 0.9%, which was 0.3% below the Barclays Aggregate Index's return of 1.2% and ranked in the 79th percentile of the Core Fixed Income universe. Over the trailing twelve-month period, this portfolio returned 2.9%, which was equal to the benchmark's 2.9% performance, and ranked in the 66th percentile. Since December 2009, the portfolio returned 4.8% on an annualized basis and ranked in the 28th percentile. The Barclays Aggregate Index returned an annualized 4.1% over the same period.

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, nearly 35% of the total bond portfolio was comprised of USG quality securities. The remainder of the portfolio consisted of corporate securities, rated AAA through BBB, giving the portfolio an overall average quality rating of AAA-AA. The average maturity of the portfolio was 5.51 years, less than the Barclays Aggregate Index's 7.86-year maturity. The average coupon was 4.04%.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 12/09
Total Gross/Fees	0.9	1.1	2.9	2.6	4.8
<i>CORE FIXED INCOME RANK</i>	(79)	(71)	(66)	(11)	(28)
Total Net/Fees	0.8	0.8	2.5	2.2	4.5
BARCLAYS AGG	1.2	1.1	2.9	1.7	4.1
Fixed Income	0.9	1.1	2.9	2.6	4.8
<i>CORE FIXED INCOME RANK</i>	(79)	(71)	(66)	(11)	(28)
BARCLAYS AGG	1.2	1.1	2.9	1.7	4.1
GOV/CREDIT	1.2	0.9	2.8	1.6	4.2

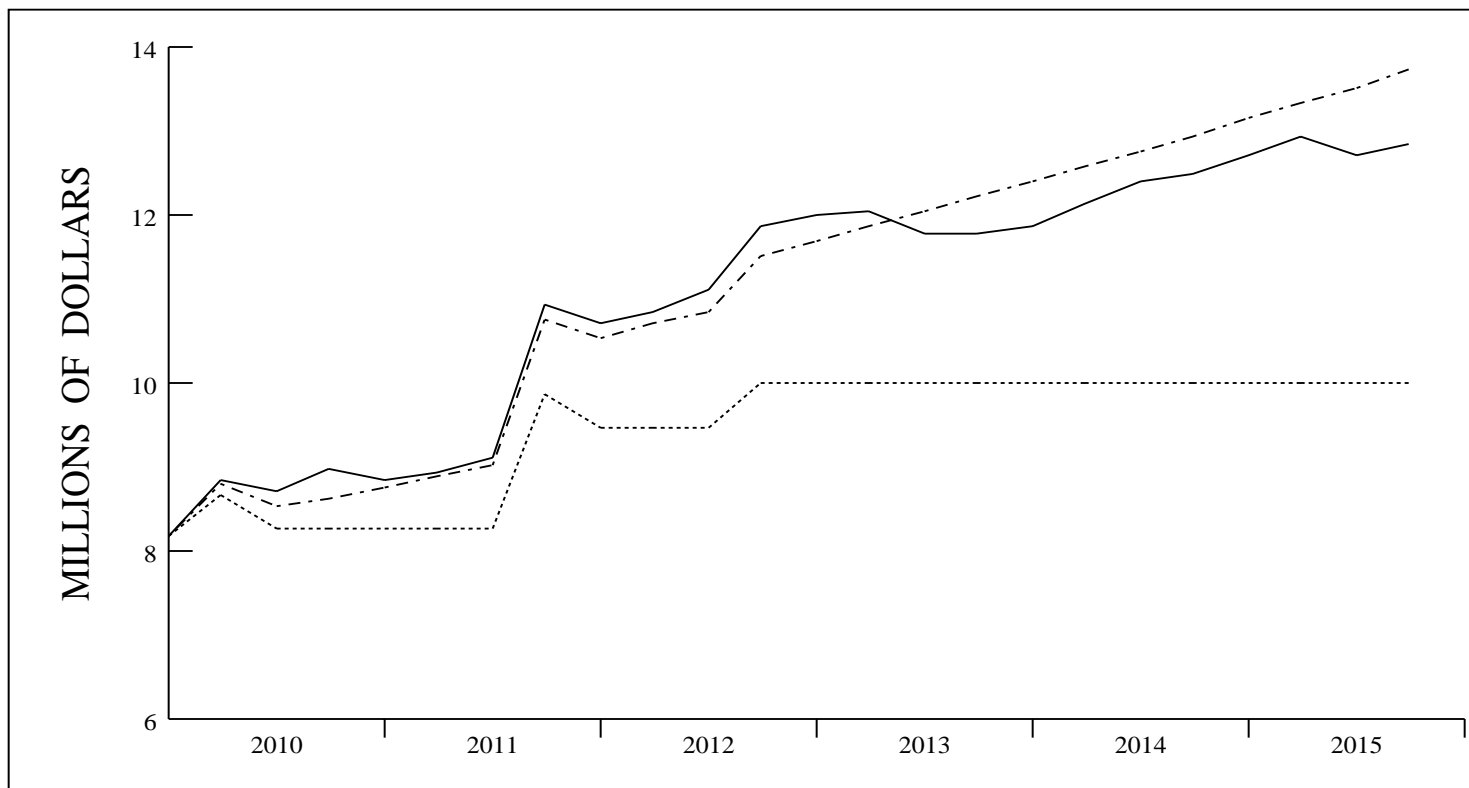
ASSET ALLOCATION

Fixed Income	100.0%	\$ 12,861,242
Total Portfolio	100.0%	\$ 12,861,242

INVESTMENT RETURN

Market Value 6/2015	\$ 12,750,147
Contribs / Withdrawals	0
Income	0
Capital Gains / Losses	111,095
Market Value 9/2015	\$ 12,861,242

INVESTMENT GROWTH

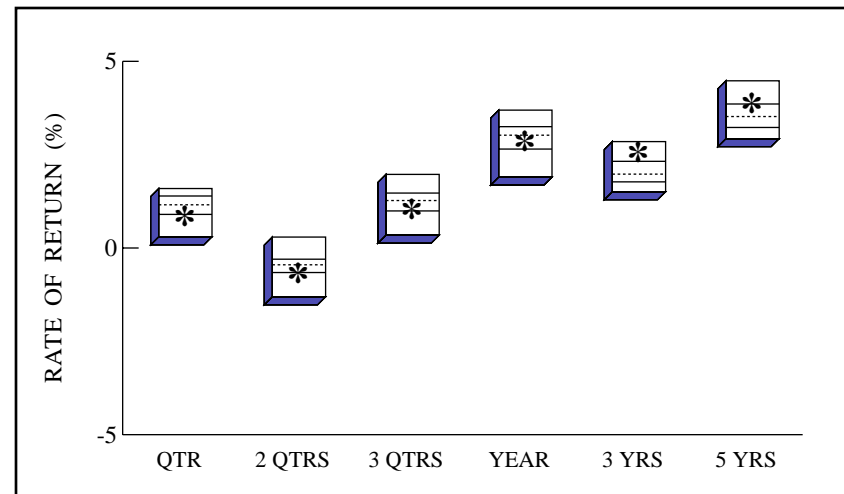
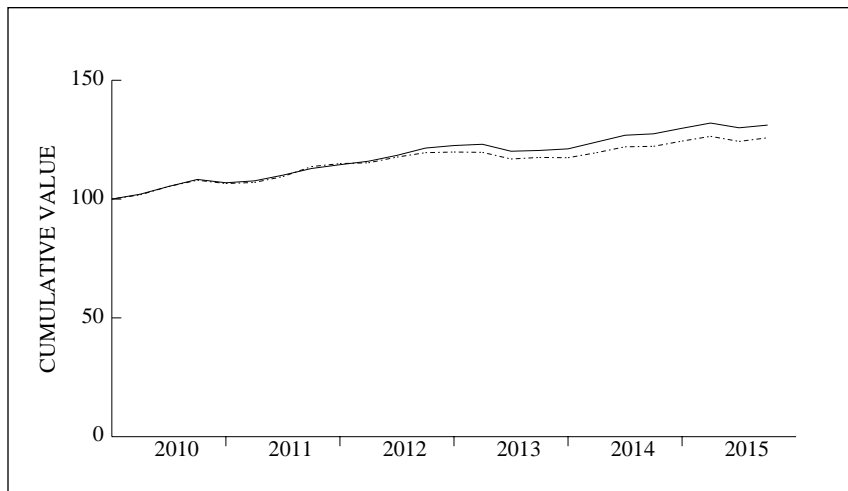


— ACTUAL RETURN
 - - - 6.0%
 . . . 0.0%

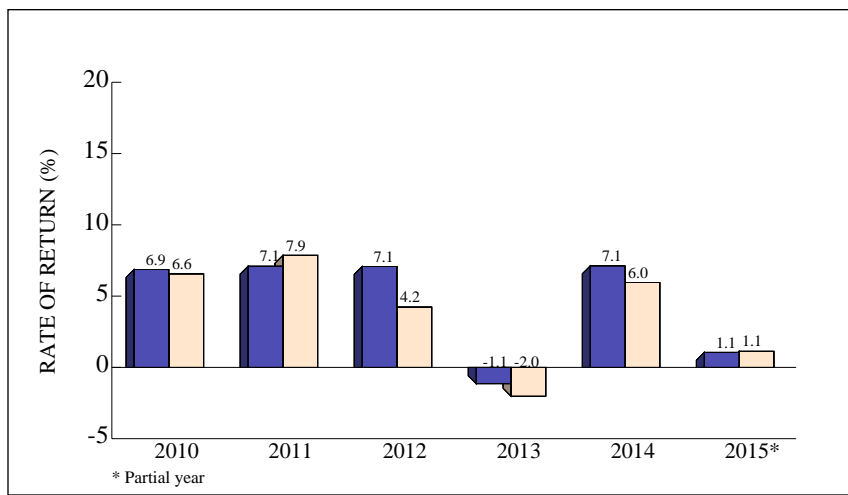
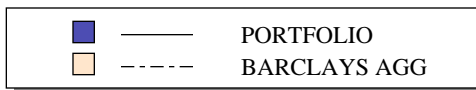
VALUE ASSUMING
 6.0% RETURN \$ 13,746,329

	LAST QUARTER	PERIOD 12/09 - 9/15
BEGINNING VALUE	\$ 12,750,147	\$ 8,184,877
NET CONTRIBUTIONS	0	1,822,000
INVESTMENT RETURN	111,095	2,854,365
ENDING VALUE	\$ 12,861,242	\$ 12,861,242
INCOME	0	5
CAPITAL GAINS (LOSSES)	111,095	2,854,360
INVESTMENT RETURN	111,095	2,854,365

TOTAL RETURN COMPARISONS

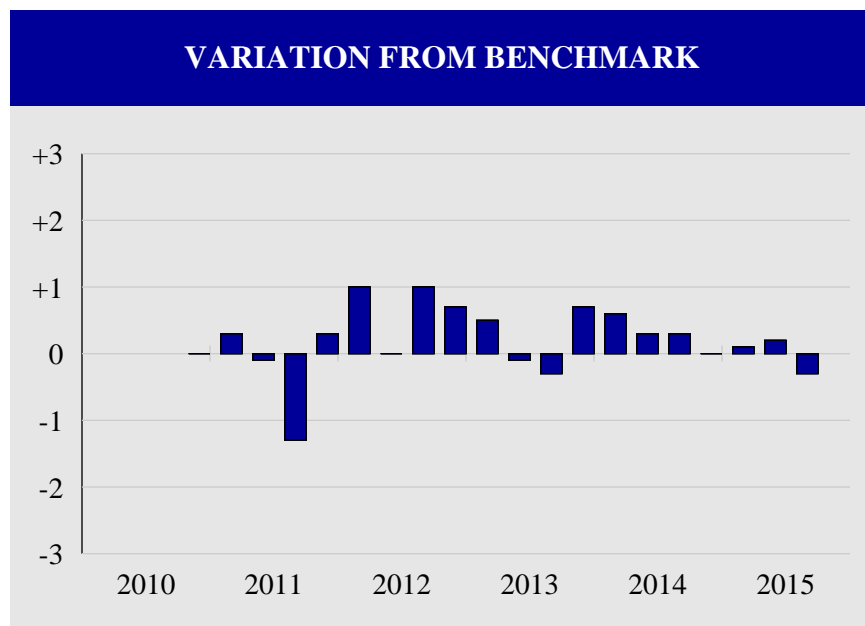


Core Fixed Income Universe



	QTR	2QTRS	3QTRS	YEAR	3 YRS	5 YRS
RETURN	0.9	-0.7	1.1	2.9	2.6	3.9
(RANK)	(79)	(75)	(71)	(66)	(11)	(23)
5TH %ILE	1.6	0.3	2.0	3.7	2.9	4.5
25TH %ILE	1.4	-0.3	1.5	3.3	2.3	3.9
MEDIAN	1.2	-0.5	1.3	3.0	2.0	3.5
75TH %ILE	0.9	-0.7	1.0	2.7	1.8	3.2
95TH %ILE	0.3	-1.3	0.3	1.9	1.5	2.9
Agg Index	1.2	-0.5	1.1	2.9	1.7	3.1

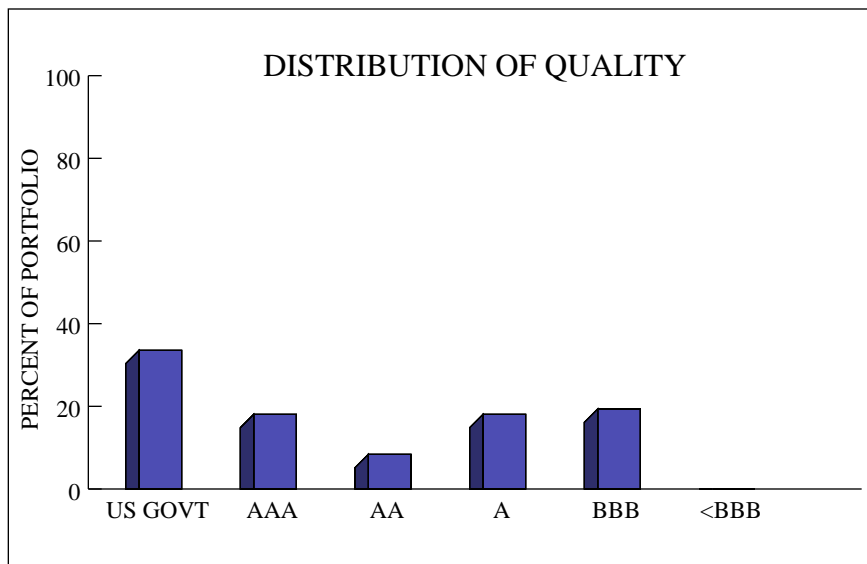
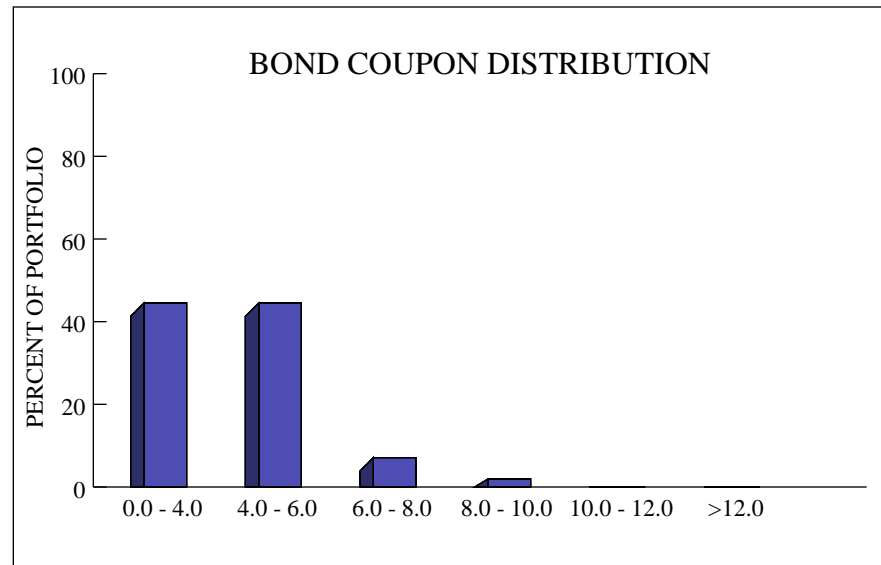
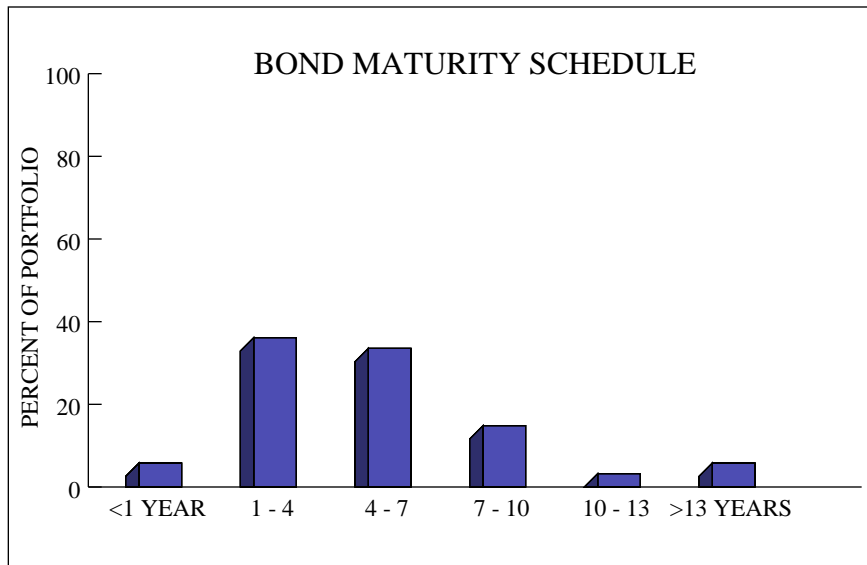
Core Fixed Income Universe

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

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

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
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
9/15	0.9	1.2	-0.3

BOND CHARACTERISTICS



	PORTFOLIO	BARCLAYS AGG
No. of Securities	260	9,590
Duration	5.84	5.60
YTM	2.97	2.31
Average Coupon	4.04	3.20
Avg Maturity / WAL	5.51	7.86
Average Quality	AAA-AA	USG-AAA