

FRANKLIN REGIONAL RETIREMENT SYSTEM

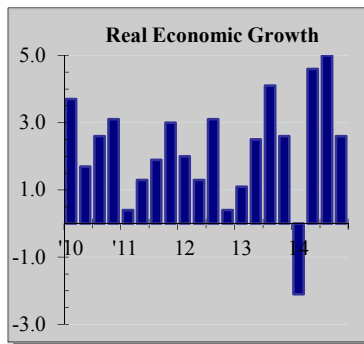
**PERFORMANCE REVIEW
DECEMBER 2014**



ECONOMIC ENVIRONMENT

Looking Pretty Good

The second half of 2014 was a very bright period for the U.S. economy after a long sluggish recovery. That growth came in spite of several major issues, including economic malaise in both Europe and Japan, the horrific Ebola crisis and Russian intransigence. Rapidly falling oil and gas prices put extra cash into the hands of consumers and made for a better Christmas. The effect of the drop in gasoline prices equated to better than a \$1,200 tax cut for the average American family and was the strongest stimulus since 2009.



Despite these issues (and in part because of them), the US economy expanded at its fastest rate since 1999. Q3 GDP grew at a 5% annual rate and the Q4 advance estimate came in at 2.6%. Growth was attributable to substantial job gains, growth in the manufacturing and service sectors, higher consumer confidence, and steady and reassuring Fed announcements. More details follow:

- Real GDP growth in Q3 increased at a 5% annual rate – higher still than the prior quarter; however, the Q4 growth rate was 2.6%. A key driver was increased federal spending, particularly for defense. Personal consumption expenditures (PCE) also grew. Imports were down while exports were up, further spurring growth.
- December payrolls rose by 252,000, as the unemployment rate fell to 5.6%. Just a year earlier, unemployment was at 6.7%; in fairness, part of the drop reflected those workers who stopped looking for work. For the full year, average job growth was 246,000 per month vs. 194,000 a year earlier. The only, yet important, downside was the data related to hourly wage rates. Wages have risen just 1.7% for the year, while economists had been hoping for a much stronger uptick. Without wage gains, personal consumption and consumer confidence are constrained.
- Housing consultant CoreLogic reported that home prices gained 5.5% for the fiscal year ended November (latest data available).

The five states with the highest year-over-year gains were Michigan (9.0%); Colorado (8.8%); Texas (8.5%); Nevada (7.9%); and North Dakota (7.9%). Nationally, however, prices remain roughly 13% below their April 2006 peak.

- The Institute of Supply Management (ISM) reported continuing advances in both the manufacturing and service sectors of the economy. December marked the 19th consecutive month for manufacturing growth. The ISM Manufacturing Index registered 55.5% (greater than 50% represents expansion). Eleven manufacturing industries showed positive growth vs. seven that were contracting. The ISM Non-manufacturing Index (service index) recorded a 56.2% level – up for the 59th consecutive month. Twelve service industries experienced positive activity vs. five that contracted.
- Consumer confidence grew modestly from November to December. The Consumer Confidence Index stands at 92.6. This was the highest reading in years, reflecting the consumer's favorable assessment of current economic and labor market conditions. As a result, the so-called Present Situation Index hit 98.6, its highest level since February 2008. Still, consumers remained cautious. For example, 27.7% of those surveyed still thought jobs were hard to find. Importantly, CEO confidence improved a bit in the 4th quarter.
- CPI inflation remained low. Abundant agricultural and energy supplies helped to dampen retail prices. In addition, very small increases in real wages curtailed consumer demand. The December CPI actually dipped slightly (-0.6). For the year as a whole, consumer prices only rose 0.8%.
- Certain industrial metals including nickel, zinc, and aluminum were the only commodities in the S&P/Goldman Sachs Commodity Index to advance in 2014 and the combined index slid 33.1% for the year. Most commodities fell dramatically. The steepest declines were in the energy sector, which fell an amazing 43%!
- The Fed made good on its promise to end its bond purchasing program (QE3), designed to help boost lending activity and thereby strengthen the economy.

DOMESTIC EQUITIES

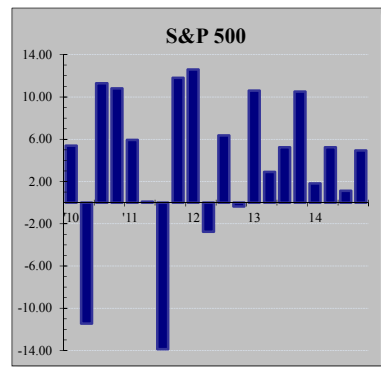
Positive Quarter and Double Digit Advances for the Year

All of the popular market indices advanced in Q4. The bellwether S&P 500 and DJIA climbed 4.9% and 5.2%, respectively. The tech-laden NASDAQ gained a modestly higher 5.7%. Small caps experienced a strong turnaround, as the Russell 2000 Index added 9.7% and its growth stock component pushed slightly above 10%. Unlike earlier quarters, growth and value stocks marched up together, whether they were large-cap, mid-cap or small-cap. The one exception was in the liquid real estate market (REITs). That sector, viewed as part of the small-cap value space, rocketed up 12.9% in line with the economy's increasing strength. The overall domestic market, represented by the Russell 3000 Index, advanced 5.2%.

For the full year, large and mid-cap stocks gained double-digit returns. The Russell 1000 (large caps) and Russell Midcap Indices each added a healthy 13.2%. However, small-cap stocks trailed considerably, with the Russell 2000 Index posting a much lower 4.9%. Again, real estate was the sector that dazzled investors as the NAREIT Index shot up 28%.

S&P sector returns varied widely. At the top was the small-sized transportation sector where companies earned an average of 13.9%, a clear indicator of economic strength. Consumer service also performed well (+11.8%). Autos and other manufacturing helped propel consumer durables up 10.9%. Financials and tech companies (excluding computer technology) each earned more than 8%. Utilities, which were thought to be fully priced, climbed 6.7% more. Consumer non-durables were mixed, but collectively added 5.9%. Finally, it's no surprise that energy stock prices fell dramatically. The sector dropped 9.1%, after an 8.6% third quarter decline, reflecting pummeled oil prices. While investors grieved, consumers celebrated their good fortune as they filled up for the holiday travel season.

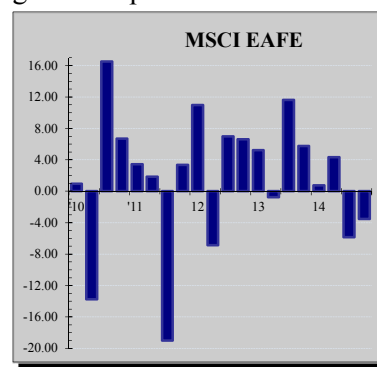
As of year-end, half of the S&P components saw dividend yields of 2% or less and a trailing year price/earnings ratio of 20x or greater. One could argue that the market has become fully priced.



INTERNATIONAL EQUITIES

Currency Weakness Offsets Any Local Gains

No surprise that the MSCI EAFE Index fell 3.5% during the fourth quarter, given the perfect storm that was brewing abroad. The stew of bad factors



were (1) the EU is mired in stagnant growth; (2) trading sanctions against Russia have exacerbated the falling price of oil; (3) the commodity-based Australian economy continued to lose steam; and (4) Japan's consumers showed a preference for savings over spending. The euro, pound, ruble and yen all lost value vs. the US dollar. Returns to US investors suffered accordingly. The Euro market fell 5%

for the period. Germany, the largest Euro component, eased back just 0.4%. The high-performing Daimler auto shares helped mitigate the loss. French shares fell 5.8%. The declines in the energy giant Total and drug maker Sanofi contributed to the pullback. Financially-strapped Italy dropped 13.4%. Shares in Spain (-8.2%) and Portugal (-23%) also suffered. Ireland was the sole exception, as its shares rose 1.9%. The UK market fell 4.2%, in spite of a slowly improving economy.

Australian shares gave back 3.6%, reflecting falling commodity prices, reduced exports and the currency factor. Japanese companies lost a relatively modest 2.4%. Recognizing the weak yen, Prime Minister Abe's government and central bank have taken aggressive steps to shore up Japan's economy. Toyota, Fuji Heavy Industries and Sony helped that market, while lower Honda earnings nicked the index. Hong Kong bounced back more than 3% as pro-democracy demonstrations ended and the real estate market stabilized. The tiny Israeli market was also in positive territory, increasing 1.4%. On the flip side, Hong Kong gaming companies continued to hurt and Canadian shares (not an EAFE component) shed 4.6%, hit by falling commodity prices, particularly oil.

EAFE performance for the full year was a disappointing -4.5%. Most individual EAFE markets were also in the red. A few exceptions included Ireland (+2.6%), Hong Kong (+5.1%), and Israel (+23.7%). Aside from falling oil prices, the same economic, currency, and geopolitical factors depressed most countries' returns throughout the year.

Emerging markets dropped sharply (-4.4%) last quarter, affected by falling commodity prices, currency weakness and the near collapse of the Russian economy. While China turned in positive results, virtually every other country return was in negative territory.

The BRIC Index, combining the four largest EM countries, fell 4.1%. Brazil lost almost 15%. That country's performance attribution included currency depreciation, weak economic growth, and investor uncertainty regarding the re-election of President Rouseff. Russian equities also plunged (-32.8%). Predictably, President Putin's military adventure in Ukraine and subsequent western sanctions created major unease, but the plummeting oil price and the ruble's freefall snowballed into a grim economic picture for Russia. India took a pause (-0.7%) after two quarters of strong performance. China, the largest component of the EM Index, advanced a surprising 7.2% due to targeted stimulus measures.

Eastern Europe markets (excluding Russia) swooned on fears of Russia's military. The combined loss in these markets was 14%. Poland fell 13.9% and Hungary declined 12.8%. Greece, swamped by a tidal wave of political unrest and austerity, saw its shares plunge almost 29%.

Turkey recovered from an 11.8% decline in Q3 to advance 11.6% in Q4.

Asian markets showed mixed results. The Philippines and Indonesia each advanced 0.7%, while Taiwan was up 1.7%. However, Thailand slid 6.4%; South Korea fell 7.7%; and Malaysia lost 10.5%, owing its downfall to lost confidence in its airline infrastructure and by implication, its government, after its recent spate of plane crashes and inadequate public relations in the aftermath.

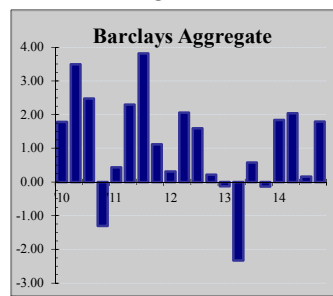
Latin America markets, including Brazil, skidded 13.3%. Mexican shares also fell in the double digits (-12.2%), as the country has had to address peso devaluation, the disappearance of 43 of its college students, falling oil prices, and the struggles of telecom giant America Movil. Progress in disarming the dominant drug cartels proved not enough of an offset.

For the year, EM lost a modest 1.8%. There were several pluses among EM countries. Indonesia surged 27%; Philippines soared 26.4%; and India climbed 23.9%, as all three embraced new leaders who promised economic reforms and growth. Turkey advanced 19%. China, an also-ran by comparison, gained 8.3%. Bringing up the rear with spectacular losses were Russia (-45.9%), Greece (-39.9%) and, to a lesser extent, Brazil (-13.7%). Each had its own problems; but, among the common threads were oil's price drop and weak or dysfunctional governments.

BOND MARKET

Investors Sought Safety in US Treasuries

Investment grade bonds reversed course from the lackluster 3rd quarter.



Still, the fourth quarter turnaround was generally less dramatic than that of the stock market. The Barclays Aggregate Index advanced 1.8%. Treasuries, corporate debt, and mortgage-backed debt performed in line with the aggregate. Asset-backed securities (ABS) were up a fractional 0.6%, while commercial mortgage debt (CMBS) posted +1.3%.

The long maturity Treasury sector was the clear winner as Treasuries with maturities of 20-years and longer turned in an astounding 9.4%.

The Aggregate Index was well into positive territory for the full year, returning 6.0%. This performance beat both 2012 returns (+4.2%) and those of 2013 (-2.0%).

High yield/junk bonds disappointed investors again, as the Barclays High Yield Corporate Index was down 1% for the quarter. Those investors who took on more credit risk by buying lower credit ratings suffered more. BA-rated names, the highest grade of junk bonds, were the best performers, gaining 0.9%, while the lowest-rated CAA-D issues plunged almost 24%. Energy companies that had issued junk bonds were an important part of this market. These energy issues fell a whopping 10.6% due to falling oil prices, thereby hammering the entire junk bond market! For the year, the return for the High Yield Index was a modestly positive 2.5%.

Combined, the G-6 (G-7 x-US) Global Treasuries lost 3.3%. Canada, France, Germany, and Italy sovereign returns were closely packed, all falling between 1% and 2%. Japan's government debt fell more (-6.4%). The UK was the only country to gain ground (+2.6%). Full year return for the G-6 index was -3.5%.

CASH EQUIVALENTS

Zero Return Still Applies

The Federal Reserve Board's most recent announcement indicates that short-term interest rates will remain in the zero-to-0.25% range.

MARKET SUMMARY

ECONOMIC STATISTICS

	CURRENT QTR	LAST QTR
GDP	2.6	5.0
Unemployment	5.6	5.9
CPI All Items Year/Year	0.80	1.70
Fed Funds Rate	0.25	0.25
Industrial Capacity	79.7	79.5
US Dollars per Euro	1.21	1.26

MAJOR INDEX QUARTER RETURNS

INDEX	PERFORMANCE
Russell 3000	5.2
S&P 500	4.9
Russell Mid	5.9
Russell 2000	9.7
MSCI EAFE	-3.5
MSCI Emg Mkts	-4.4
NCREIF ODCE	3.3
Barclays Agg	1.8
90 Day Tbills	0.0

EQUITY RETURN DISTRIBUTIONS

	QUARTER			TRAILING YEAR		
	VAL	COR	GRO	VAL	COR	GRO
LC	5.0	4.9	4.8	13.5	13.2	13.1
MC	6.1	5.9	5.8	14.7	13.2	11.9
SC	9.4	9.7	10.1	4.2	4.9	5.6

MARKET SUMMARY

- * GDP grew by 2.6% in Q4 (advance estimate), following a 5% expansion in Q3.
- * Unemployment continued to fall to 5.6%.
- * CPI ticked up by 0.8% year over year.
- * Domestic markets grew across all styles and cap sizes. Small cap stocks gained at a faster pace, while large cap stocks followed behind mid and small caps in Q4.
- * The US Dollar strengthened relative to the Euro.

INVESTMENT RETURN

On December 31st, 2014, the Franklin Regional Retirement System was valued at \$119,839,564, representing an increase of \$559,964 from the September quarter's ending value of \$119,279,600. Last quarter, the Fund posted withdrawals totaling \$3,122,486, which offset the portfolio's net investment return of \$3,682,450. Income receipts totaling \$539,706 plus net realized and unrealized capital gains of \$3,142,744 combined to produce the portfolio's net investment return.

For the cumulative period since December 2009, the fund has recorded net withdrawals totaling \$2.4 million and posted net investment gains of \$51.0 million. For the period since December 2009, if the total fund had returned a compounded nominal rate of 8.0% it would have been valued at \$102.7 million or \$17.2 million less than the actual value as of December 31st, 2014.

RELATIVE PERFORMANCE

Total Fund

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

In the fourth quarter, the Composite portfolio gained 3.1%, which was 0.3% above the Franklin Regional Policy Index's return of 2.8% and ranked in the 13th percentile of the Public Fund universe. Over the trailing year, the portfolio returned 8.1%, which was 0.2% less than the benchmark's 8.3% performance, and ranked in the 15th percentile. Since December 2009, the portfolio returned 11.2% on an annualized basis and ranked in the 7th percentile. For comparison, the Franklin Regional Policy Index returned an annualized 11.2% over the same period.

PRIT Core

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

The PRIT core portfolio returned 2.1% in the fourth quarter, 1.1% greater than the Custom Core Index's return of 1.0% and ranked in the 55th percentile of the Public Fund universe. Over the trailing twelve-month period, the prit core portfolio returned 8.2%; that return was 2.1% greater than the benchmark's 6.1% return, and ranked in the 13th percentile. Since December 2009, this component returned 10.1% per annum and ranked in the 37th percentile. The Custom Core Index returned an annualized 9.3% over the same time frame.

Domestic Equity

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

The domestic equity portfolio returned 5.9% in the fourth quarter, 1.5% less than the Franklin County Equity Index's return of 7.4% and ranked in the 43rd percentile of the All Cap universe. Over the trailing twelve-month period, the domestic equity portfolio returned 8.1%; that return was 0.9% less than the benchmark's 9.0% return, and ranked in the 62nd percentile. Since December 2009, this component returned 16.6% per annum and ranked in the 35th percentile. The Franklin County Equity Index returned an annualized 15.8% over the same time frame.

International Equity

During the fourth quarter, the international equity portion of the portfolio lost 2.8%, which was 0.7% greater than the MSCI EAFE Index's return of -3.5% and ranked in the 51st percentile of the International Equity universe.

Real Estate

During the fourth quarter, the real estate segment returned 5.7%, which was 2.4% above the NCREIF NFI-ODCE Index's return of 3.3%. Over the trailing twelve-month period, this segment returned 14.6%, which was 2.1% above the benchmark's 12.5% return. Since December 2009, this component returned 14.8% per annum, while the NCREIF NFI-ODCE Index returned an annualized 13.9% over the same time frame.

Fixed Income

For the fourth quarter, the fixed income segment gained 1.8%, which was equal to the Barclays Aggregate Index's return of 1.8% and ranked in the 35th percentile of the Core Fixed Income universe. Over the trailing twelve-month period, the fixed income portfolio returned 7.1%, which was 1.1% greater than the benchmark's 6.0% return, ranking in the 11th percentile. Since December 2009, this component returned 5.4% per annum and ranked in the 25th percentile. For comparison, the Barclays Aggregate Index returned an annualized 4.5% over the same period.

Franklin Regional Retirement System
 Total Fund Asset Allocation Analysis
 As of December 31, 2014

Total Fund Assets \$ 119,839,564

Allocation by Manager						
	PRIT Fund Actual Allocation	FRRS Allocation	Target Allocation	Target Dollars	Actual Dollars	+/- Dollars
<u>PRIT Core Fund</u>	<u>100.0%</u>	<u>45.9%</u>	<u>45.0%</u>	\$ 53,927,804	\$ 55,311,285	\$ 1,383,481
Domestic Equity	19.8%	9.1%			\$ 10,935,041	
Int'l Equity	15.8%	7.3%			\$ 8,750,245	
E.M. Int'l Equity	6.5%	3.0%			\$ 3,617,358	
Core Fixed Income	15.5%	7.1%			\$ 8,567,718	
Value Added Fixed Income*	8.4%	3.9%			\$ 4,651,679	
Real Estate	9.6%	4.4%			\$ 5,287,759	
Timber/Natural Resources	4.0%	1.9%			\$ 2,217,983	
Alternatives-Private Equity	11.1%	5.1%			\$ 6,161,677	
Hedge Funds	8.7%	4.0%			\$ 4,812,082	
Port. Alpha Wind down	0.5%	0.2%			\$ 271,025.30	
Overlay	0.1%	0.0%			\$ 38,717.90	
<u>Separate Accounts</u>		<u>53.8%</u>	<u>55.0%</u>			
Polen Capital		6.9%	6.0%	\$ 7,190,374	\$ 8,278,864	\$ 1,088,490
O'Shaughnessy		6.0%	6.0%	\$ 7,190,374	\$ 7,207,941	\$ 17,567
Seizert		5.1%	5.0%	\$ 5,991,978	\$ 6,082,752	\$ 90,774
Daruma		4.7%	5.0%	\$ 5,991,978	\$ 5,690,978	\$ (301,000)
Systematic		4.9%	5.0%	\$ 5,991,978	\$ 5,928,376	\$ (63,602)
PRIT International		4.5%	5.0%	\$ 5,991,978	\$ 5,382,799	\$ (609,179)
PRIT RE		10.3%	10.0%	\$ 11,983,956	\$ 12,340,970	\$ 357,014
Prudential		0.0%	0.0%	\$ -	\$ 91	\$ 91
IR&M		10.6%	13.0%	\$ 15,579,143	\$ 12,726,981	\$ (2,852,162)
Cash		0.7%	0.0%	\$ -	\$ 888,527	\$ 888,527

*Includes Distressed Debt

Allocation by Asset Class						
	Actual Allocation	Target Allocation		Actual Allocation	Target Allocation	+/- Dollars
Franklin County Total Fund	(%)	(%)	+/- Percent	(\$)	(\$)	
Domestic Equity	36.8%	35.0%	1.8%	\$ 44,123,952	\$ 41,943,847	\$ 2,180,105
Int'l Equity	14.8%	15.0%	-0.2%	\$ 17,750,402	\$ 17,975,935	\$ (225,532)
Fixed Income	21.7%	25.0%	-3.3%	\$ 25,946,378	\$ 29,959,891	\$ (4,013,513)
Real Estate	14.7%	14.0%	0.7%	\$ 17,628,820	\$ 16,777,539	\$ 851,281
Timber	1.9%	2.0%	-0.1%	\$ 2,217,983	\$ 2,396,791	\$ (178,809)
Alternatives-Private Equity	5.1%	5.0%	0.1%	\$ 6,161,677	\$ 5,991,978	\$ 169,699
Hedge Funds	4.2%	4.0%	0.2%	\$ 5,121,825	\$ 4,793,583	\$ 328,242
Cash	0.7%	0.0%	0.7%	\$ 888,527	\$ -	\$ 888,527
	100.0%	100.0%		\$ 119,839,564	\$ 119,839,564	

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	-----Annualized-----		
			1 Year	3 Years	5 Years
Total Gross/Fees	3.1	8.1	8.1	13.7	11.2
<i>PUBLIC FUND RANK</i>	(13)	(15)	(15)	(10)	(7)
Total Net/Fees	3.0	7.5	7.5	13.0	10.6
POLICY INDEX	2.8	8.3	8.3	13.6	11.2
PRIT Core	2.1	8.2	8.2	12.5	10.1
<i>PUBLIC FUND RANK</i>	(55)	(13)	(13)	(37)	(37)
CUSTOM CORE IDX	1.0	6.1	6.1	10.9	9.3
Domestic Equity	5.9	8.1	8.1	22.5	16.6
<i>ALL CAP RANK</i>	(43)	(62)	(62)	(22)	(35)
CUSTOM EQ INDEX	7.4	9.0	9.0	19.9	15.8
PRIT EQUITY	5.2	11.7	11.7	20.4	15.6
S&P 500	4.9	13.7	13.7	20.4	15.4
S&P 400	6.3	9.8	9.8	20.0	16.5
RUSSELL 3000	5.2	12.6	12.6	20.5	15.6
RUSSELL 1000	4.9	13.2	13.2	20.6	15.6
RUSSELL 1000G	4.8	13.1	13.1	20.3	15.8
RUSSELL 1000V	5.0	13.5	13.5	20.9	15.4
RUSSELL MID	5.9	13.2	13.2	21.4	17.2
RUSSELL 2000	9.7	4.9	4.9	19.2	15.5
International Equity	-2.8	----	----	----	----
<i>INTERNATIONAL EQUITY RANK</i>	(51)	----	----	----	----
MSCI EAFE	-3.5	-4.5	-4.5	11.6	5.8
Real Estate	5.7	14.6	14.6	13.2	14.8
NCREIF ODCE	3.3	12.5	12.5	12.4	13.9
Fixed Income	1.8	7.1	7.1	4.3	5.4
<i>CORE FIXED INCOME RANK</i>	(35)	(11)	(11)	(11)	(25)
BARCLAYS AGG	1.8	6.0	6.0	2.7	4.5
PRIT FIXED	7.5	15.2	15.2	6.0	6.7
GOV/CREDIT	1.8	6.0	6.0	2.8	4.7
INT AGGREGATE	1.2	4.1	4.1	2.2	3.7
INT GOV/CREDIT	0.9	3.1	3.1	2.0	3.5

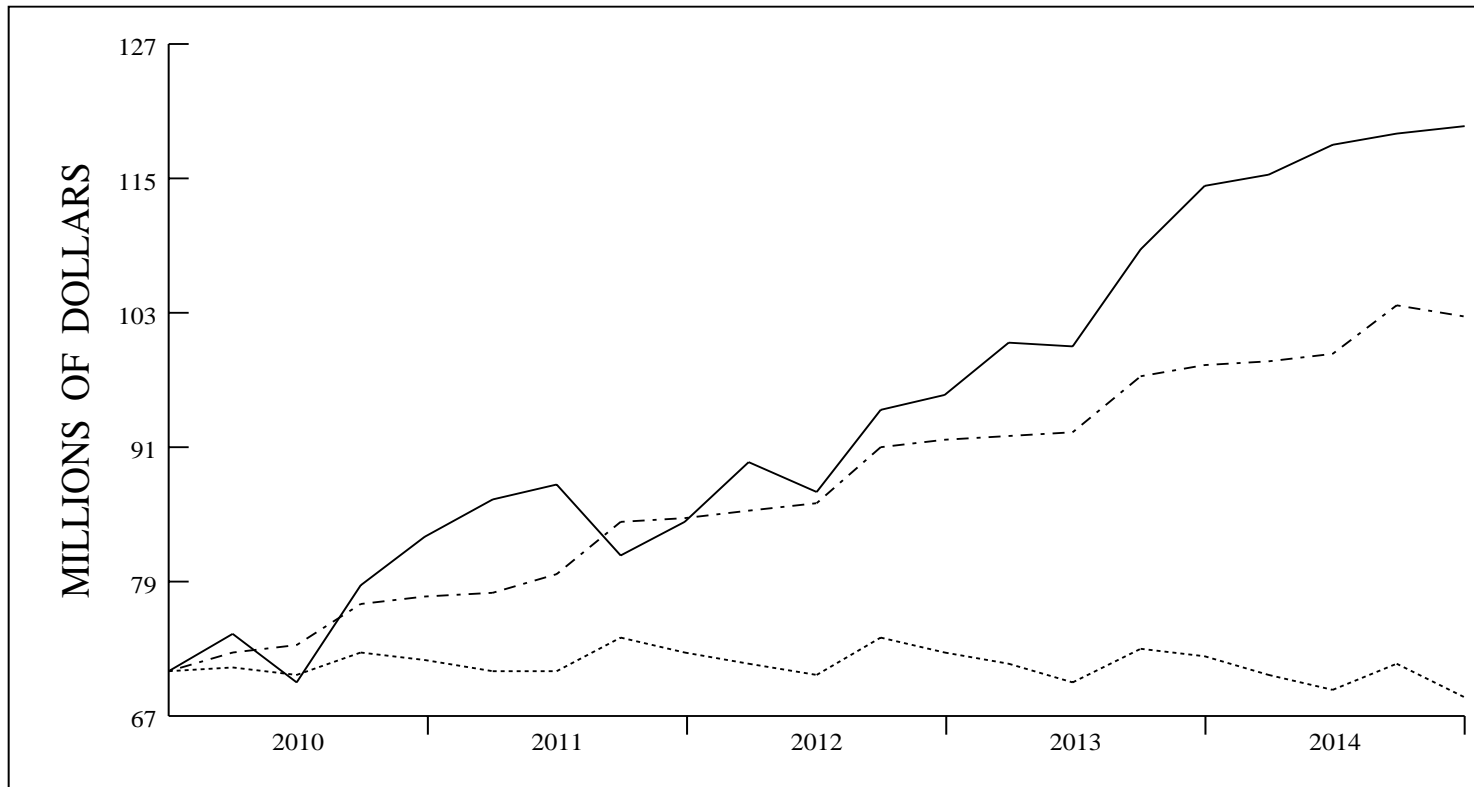
ASSET ALLOCATION

PRIT Core	46.2%	\$ 55,311,285
Domestic Equity	27.2%	32,602,752
Int'l Equity	4.5%	5,382,799
Real Estate	10.3%	12,341,061
Fixed Income	10.6%	12,726,981
Cash	1.2%	1,474,686
Total Portfolio	100.0%	\$ 119,839,564

INVESTMENT RETURN

Market Value 9/2014	\$ 119,279,600
Contribs / Withdrawals	- 3,122,486
Income	539,706
Capital Gains / Losses	3,142,744
Market Value 12/2014	\$ 119,839,564

INVESTMENT GROWTH

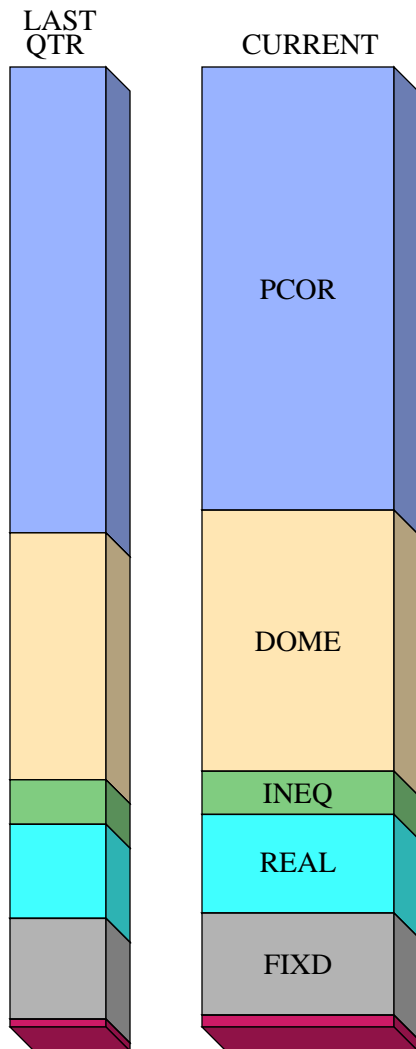


— ACTUAL RETURN
 - - - 8.0%
 . . . 0.0%

VALUE ASSUMING
 8.0% RETURN
 \$ 102,689,389

	LAST QUARTER	PERIOD 12/09 - 12/14
BEGINNING VALUE	\$ 119,279,600	\$ 71,206,530
NET CONTRIBUTIONS	- 3,122,486	- 2,370,715
<u>INVESTMENT RETURN</u>	<u>3,682,450</u>	<u>51,003,748</u>
ENDING VALUE	\$ 119,839,564	\$ 119,839,564
INCOME	539,706	10,353,025
<u>CAPITAL GAINS (LOSSES)</u>	<u>3,142,744</u>	<u>40,650,724</u>
INVESTMENT RETURN	3,682,450	51,003,748

ASSET ALLOCATION












	<u>VALUE</u>	<u>PERCENT</u>	<u>TARGET</u>	<u>DIFFERENCE</u> <u>+ / -</u>
■ PRIT CORE	\$ 55,311,285	46.2%	45.0%	1.2%
■ DOMESTIC EQUITY	32,602,752	27.2%	27.0%	0.2%
■ INTERNATIONAL EQUITY	5,382,799	4.5%	5.0%	-0.5%
■ REAL ESTATE	12,341,061	10.3%	10.0%	0.3%
■ FIXED INCOME	12,726,981	10.6%	13.0%	-2.4%
■ CASH & EQUIVALENT	1,474,686	1.2%	0.0%	1.2%
<u>TOTAL FUND</u>	<u>\$ 119,839,564</u>	<u>100.0%</u>		

MANAGER PERFORMANCE SUMMARY









Name	(Universe)	Quarter	YTD	1 Year	3 Years	5 Years
Total Portfolio	(Public Fund)	3.1 (13)	8.1 (15)	8.1 (15)	13.7 (10)	11.2 (7)
<i>Franklin Regional Policy Index</i>		2.8 ----	8.3 ----	8.3 ----	13.6 ----	11.2 ----
PRIT Core Fund	(Public Fund)	2.1 (55)	8.2 (13)	8.2 (13)	12.5 (37)	10.1 (37)
<i>Custom Core Index</i>		1.0 ----	6.1 ----	6.1 ----	10.9 ----	9.3 ----
Polen Capital	(LC Growth)	10.1 (2)	17.4 (4)	17.4 (4)	---- ----	---- ----
<i>Russell 1000 Growth</i>		4.8 ----	13.1 ----	13.1 ----	20.3 ----	15.8 ----
O'Shaughnessy	(LC Value)	1.8 (93)	10.7 (73)	10.7 (73)	---- ----	---- ----
<i>Russell 1000 Value</i>		5.0 ----	13.5 ----	13.5 ----	20.9 ----	15.4 ----
Seizert Capital	(Mid Cap)	3.7 (81)	6.5 (76)	6.5 (76)	25.1 (5)	---- ----
<i>Russell Mid Cap</i>		5.9 ----	13.2 ----	13.2 ----	21.4 ----	17.2 ----
Daruma Ginkgo	(Small Cap)	6.6 (72)	-1.2 (87)	-1.2 (87)	19.8 (56)	15.4 (75)
<i>Russell 2000</i>		9.7 ----	4.9 ----	4.9 ----	19.2 ----	15.5 ----
Systematic	(SC Value)	6.1 (70)	---- ----	---- ----	---- ----	---- ----
<i>Russell 2000 Value</i>		9.4 ----	4.2 ----	4.2 ----	18.3 ----	14.3 ----
PRIT Int'l Eq.	(Intl Eq)	-2.8 (51)	---- ----	---- ----	---- ----	---- ----
<i>MSCI EAFE</i>		-3.5 ----	-4.5 ----	-4.5 ----	11.6 ----	5.8 ----
PRIT Core R.E.		5.7 ----	14.6 ----	14.6 ----	13.2 ----	---- ----
<i>NCREIF NFI-ODCE Index</i>		3.3 ----	12.5 ----	12.5 ----	12.4 ----	13.9 ----
IR&M	(Core Fixed)	1.8 (35)	7.1 (11)	7.1 (11)	4.3 (11)	5.4 (25)
<i>Barclays Aggregate Index</i>		1.8 ----	6.0 ----	6.0 ----	2.7 ----	4.5 ----

MANAGER VALUE ADDED

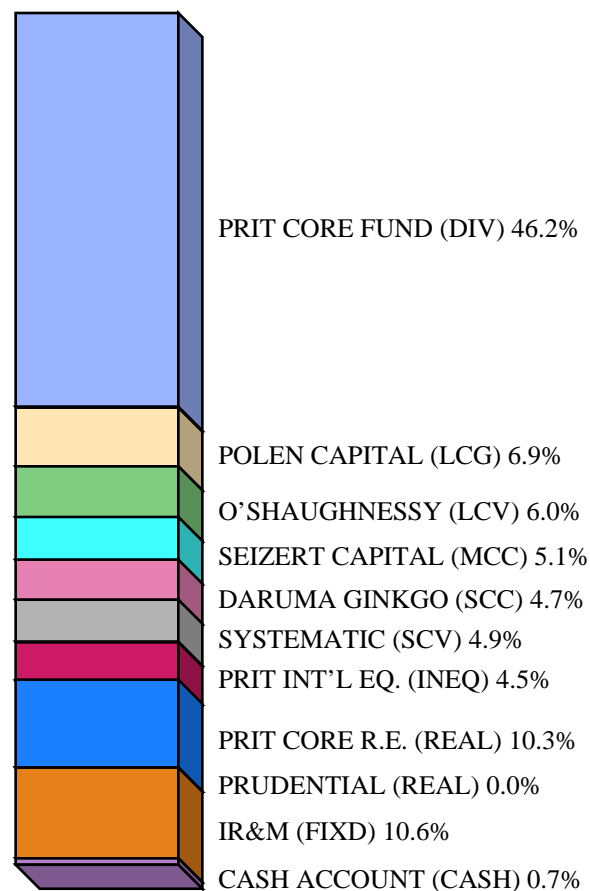
Most Recent Quarter

Manager	Benchmark	Value Added Vs. Benchmark
PRIT Core Fund	Custom Core Idx	1.1 
Polen Capital	Russell 1000G	5.3 
O'Shaughnessy	Russell 1000V	 -3.2
Seizert Capital	Russell Mid	 -2.2
Daruma Ginkgo	Russell 2000	 -3.1
Systematic	Russell 2000V	 -3.3
PRIT Int'l Eq.	MSCI EAFE	0.7 
PRIT Core R.E.	NCREIF ODCE	2.4 
IR&M	Barclays Agg	0.0
Total Portfolio	Policy Index	0.3 

Trailing Twelve Months

Manager	Benchmark	Value Added Vs. Benchmark
PRIT Core Fund	Custom Core Idx	2.1 
Polen Capital	Russell 1000G	4.3 
O'Shaughnessy	Russell 1000V	 -2.8
Seizert Capital	Russell Mid	 -6.7
Daruma Ginkgo	Russell 2000	 -6.1
Systematic	Russell 2000V	N/A
PRIT Int'l Eq.	MSCI EAFE	N/A
PRIT Core R.E.	NCREIF ODCE	2.1 
IR&M	Barclays Agg	1.1 
Total Portfolio	Policy Index	 -0.2

MANAGER ALLOCATION SUMMARY

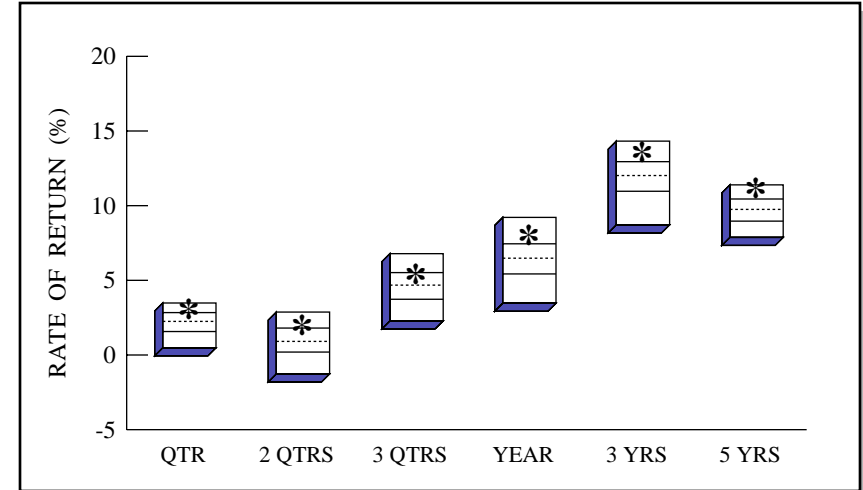
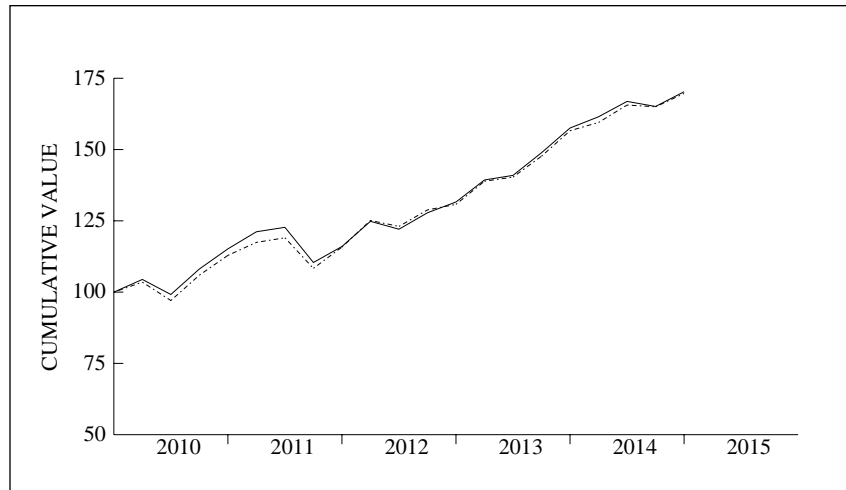


Name	Market Value	Percent	Target
PRIT Core Fund (DIV)	\$55,311,285	46.2	45.0
Polen Capital (LCG)	\$8,278,864	6.9	6.0
O'Shaughnessy (LCV)	\$7,207,941	6.0	6.0
Seizert Capital (MCC)	\$6,082,752	5.1	5.0
Daruma Ginkgo (SCC)	\$5,690,978	4.7	5.0
Systematic (SCV)	\$5,928,376	4.9	5.0
PRIT Int'l Eq. (INEQ)	\$5,382,799	4.5	5.0
PRIT Core R.E. (REAL)	\$12,340,970	10.3	10.0
Prudential (REAL)	\$91	0.0	0.0
IR&M (FIXD)	\$12,726,981	10.6	13.0
Cash Account (CASH)	\$888,527	0.7	0.0
Total Fund	\$119,839,564	100.0	100.0

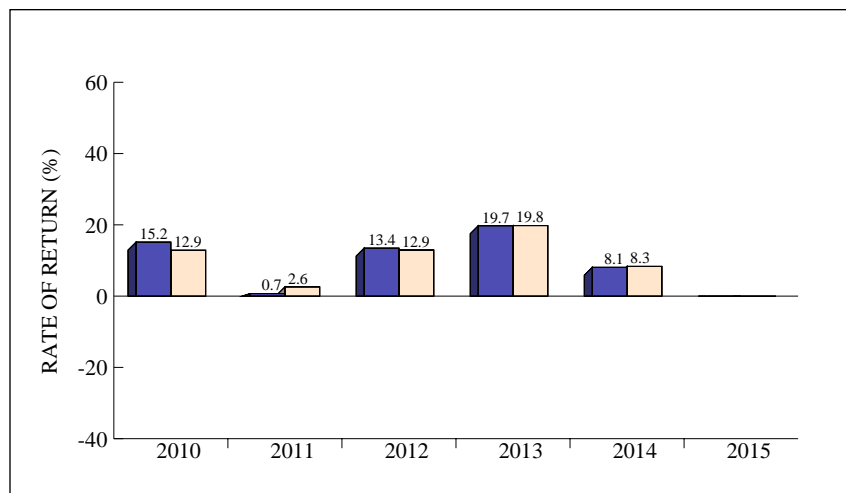
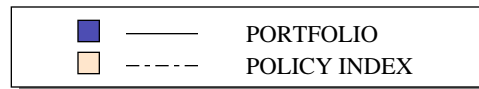
INVESTMENT RETURN SUMMARY - ONE QUARTER

Name	Quarter Total Return	Market Value September 30th, 2014	Net Cashflow	Net Investment Return	Market Value December 31st, 2014
PRIT Core Fund (DIV)	2.1	57,883,205	-3,721,289	1,149,369	55,311,285
Polen Capital (LCG)	10.1	7,518,453	-35	760,446	8,278,864
O'Shaughnessy (LCV)	1.8	7,079,452	-94	128,583	7,207,941
Seizert Capital (MCC)	3.7	5,863,771	0	218,981	6,082,752
Daruma Ginkgo (SCC)	6.6	5,353,647	-13,777	351,108	5,690,978
Systematic (SCV)	6.1	5,585,395	0	342,981	5,928,376
PRIT Int'l Eq. (INEQ)	-2.8	5,542,830	-2,564	-157,467	5,382,799
PRIT Core R.E. (REAL)	5.7	11,698,788	-20,780	662,962	12,340,970
Prudential (REAL)	---	92	0	-1	91
IR&M (FIXD)	1.8	12,501,879	0	225,102	12,726,981
Cash (CASH)	---	0	0	0	0
Cash Account (CASH)	---	252,088	636,053	386	888,527
Total Fund	3.1	119,279,600	-3,122,486	3,682,450	119,839,564

TOTAL RETURN COMPARISONS



Public Fund Universe

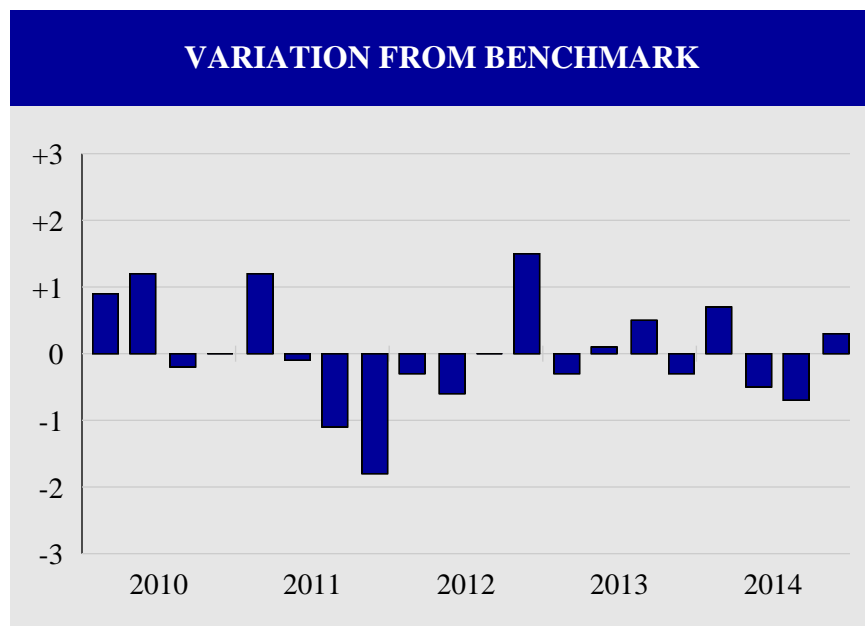


	<u>QTR</u>	<u>2QTRS</u>	<u>3QTRS</u>	<u>YEAR</u>	<u>-----ANNUALIZED-----</u> <u>3 YRS</u>	<u>5 YRS</u>
RETURN	3.1	2.0	5.5	8.1	13.7	11.2
(RANK)	(13)	(19)	(28)	(15)	(10)	(7)
5TH %ILE	3.5	2.9	6.8	9.2	14.3	11.4
25TH %ILE	2.8	1.8	5.5	7.4	13.0	10.5
MEDIAN	2.3	0.9	4.7	6.5	12.0	9.8
75TH %ILE	1.6	0.2	3.7	5.4	11.0	9.0
95TH %ILE	0.5	-1.3	2.3	3.5	8.7	7.9
<i>Policy Idx</i>	<i>2.8</i>	<i>2.5</i>	<i>6.4</i>	<i>8.3</i>	<i>13.6</i>	<i>11.2</i>

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

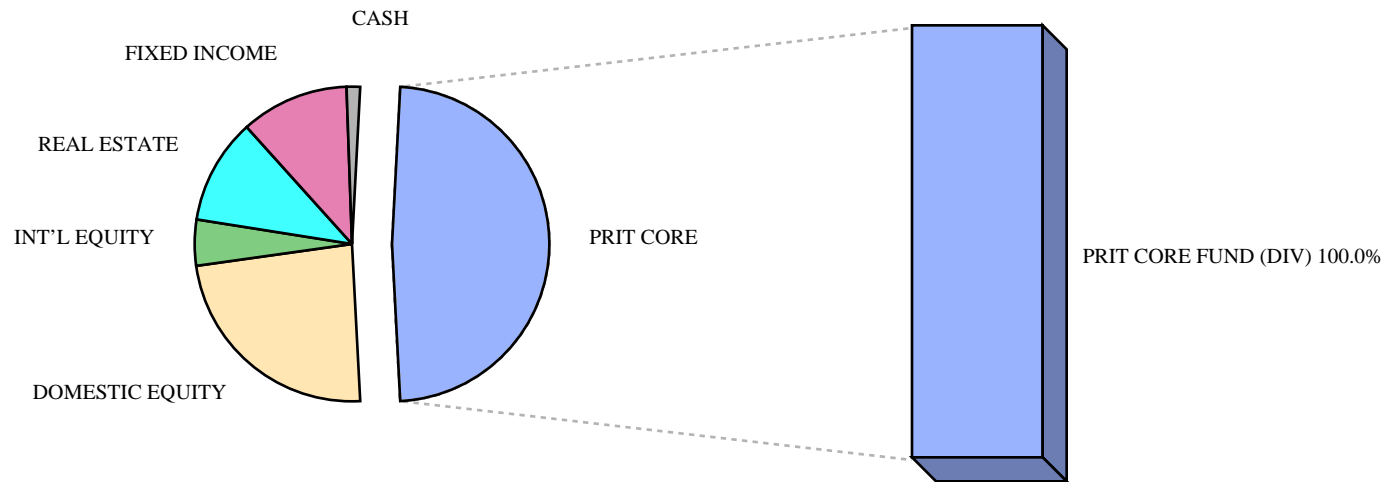
COMPARATIVE BENCHMARK: FRANKLIN REGIONAL POLICY INDEX



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
3/10	4.4	3.5	0.9
6/10	-5.0	-6.2	1.2
9/10	9.0	9.2	-0.2
12/10	6.6	6.6	0.0
3/11	5.2	4.0	1.2
6/11	1.3	1.4	-0.1
9/11	-10.1	-9.0	-1.1
12/11	5.1	6.9	-1.8
3/12	7.7	8.0	-0.3
6/12	-2.2	-1.6	-0.6
9/12	4.7	4.7	0.0
12/12	3.0	1.5	1.5
3/13	5.9	6.2	-0.3
6/13	1.1	1.0	0.1
9/13	5.7	5.2	0.5
12/13	5.8	6.1	-0.3
3/14	2.5	1.8	0.7
6/14	3.3	3.8	-0.5
9/14	-1.1	-0.4	-0.7
12/14	3.1	2.8	0.3

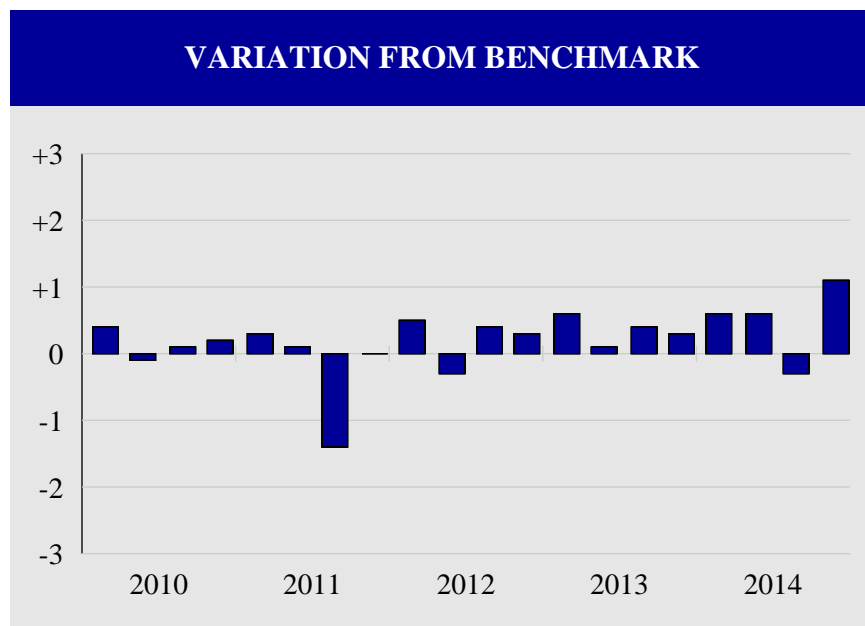
PRIT CORE MANAGER SUMMARY



TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
PRIT CORE FUND	(Public Fund)	2.1 (55)	8.2 (13)	8.2 (13)	12.5 (37)	10.1 (37)	\$55,311,285
<i>Custom Core Index</i>		<i>1.0 ---</i>	<i>6.1 ---</i>	<i>6.1 ---</i>	<i>10.9 ---</i>	<i>9.3 ---</i>	<i>---</i>

PRIT CORE QUARTERLY PERFORMANCE SUMMARY

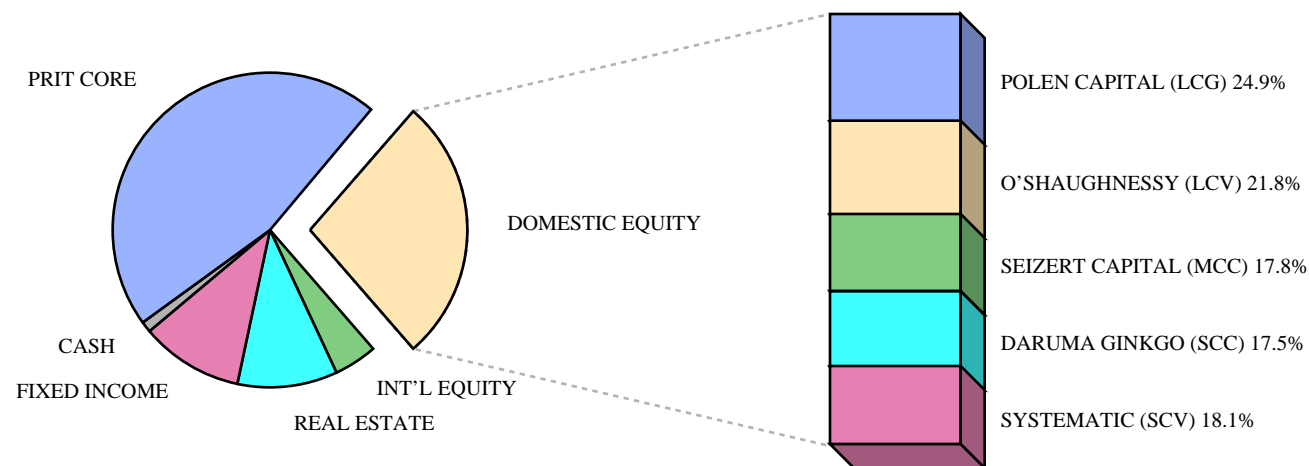
COMPARATIVE BENCHMARK: CUSTOM CORE INDEX



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

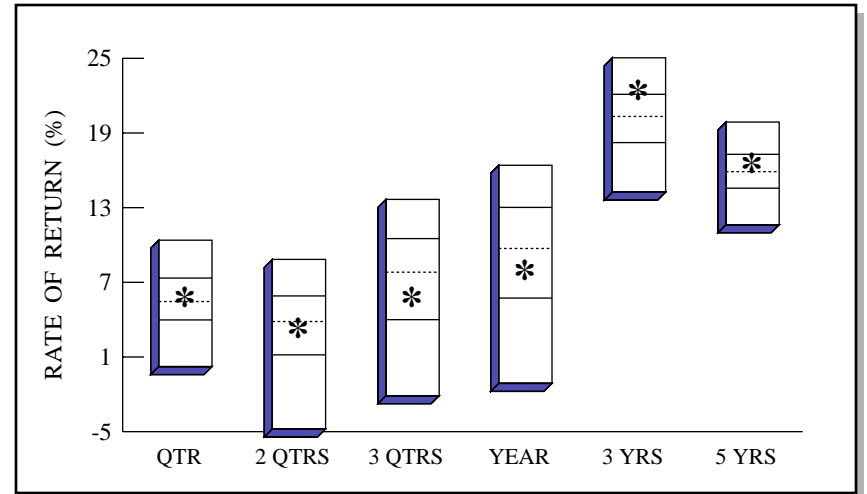
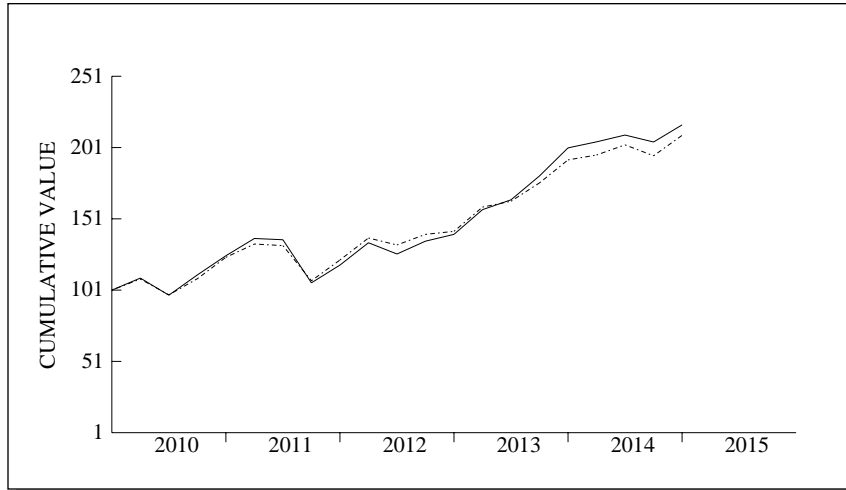
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
3/10	3.5	3.1	0.4
6/10	-5.0	-4.9	-0.1
9/10	8.9	8.8	0.1
12/10	6.1	5.9	0.2
3/11	4.3	4.0	0.3
6/11	1.7	1.6	0.1
9/11	-9.0	-7.6	-1.4
12/11	3.7	3.7	0.0
3/12	7.3	6.8	0.5
6/12	-1.5	-1.2	-0.3
9/12	4.4	4.0	0.4
12/12	3.1	2.8	0.3
3/13	4.6	4.0	0.6
6/13	0.2	0.1	0.1
9/13	5.1	4.7	0.4
12/13	4.9	4.6	0.3
3/14	2.7	2.1	0.6
6/14	4.1	3.5	0.6
9/14	-0.8	-0.5	-0.3
12/14	2.1	1.0	1.1

DOMESTIC EQUITY MANAGER SUMMARY

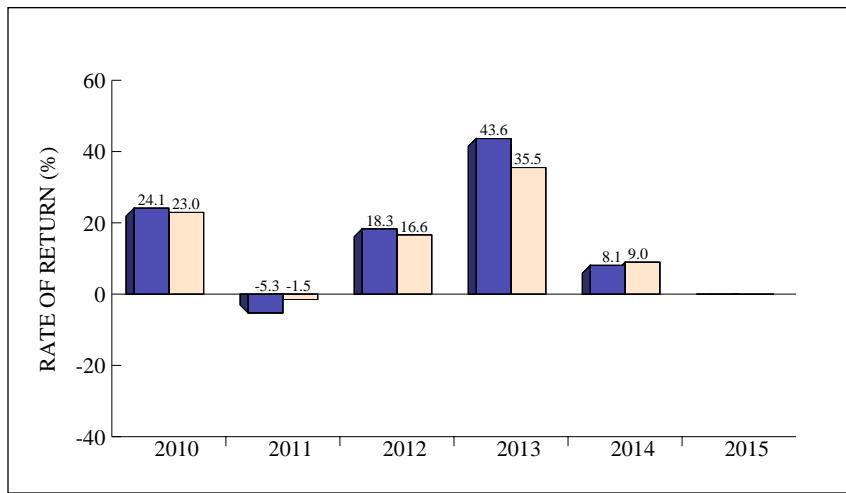


TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
POLEN CAPITAL	(Large Cap Growth)	10.1 (2)	17.4 (4)	17.4 (4)	---- ----	---- ----	\$8,278,864
<i>Russell 1000 Growth</i>		<i>4.8 ----</i>	<i>13.1 ----</i>	<i>13.1 ----</i>	<i>20.3 ----</i>	<i>15.8 ----</i>	----
O'SHAUGHNESSY	(Large Cap Value)	1.8 (93)	10.7 (73)	10.7 (73)	---- ----	---- ----	\$7,207,941
<i>Russell 1000 Value</i>		<i>5.0 ----</i>	<i>13.5 ----</i>	<i>13.5 ----</i>	<i>20.9 ----</i>	<i>15.4 ----</i>	----
SEIZERT CAPITAL	(Mid Cap)	3.7 (81)	6.5 (76)	6.5 (76)	25.1 (5)	---- ----	\$6,082,752
<i>Russell Mid Cap</i>		<i>5.9 ----</i>	<i>13.2 ----</i>	<i>13.2 ----</i>	<i>21.4 ----</i>	<i>17.2 ----</i>	----
DARUMA GINKGO	(Small Cap)	6.6 (72)	-1.2 (87)	-1.2 (87)	19.8 (56)	15.4 (75)	\$5,690,978
<i>Russell 2000</i>		<i>9.7 ----</i>	<i>4.9 ----</i>	<i>4.9 ----</i>	<i>19.2 ----</i>	<i>15.5 ----</i>	----
SYSTEMATIC	(Small Cap Value)	6.1 (70)	---- ----	---- ----	---- ----	---- ----	\$5,928,376
<i>Russell 2000 Value</i>		<i>9.4 ----</i>	<i>4.2 ----</i>	<i>4.2 ----</i>	<i>18.3 ----</i>	<i>14.3 ----</i>	----

DOMESTIC EQUITY RETURN COMPARISONS



All Cap Universe

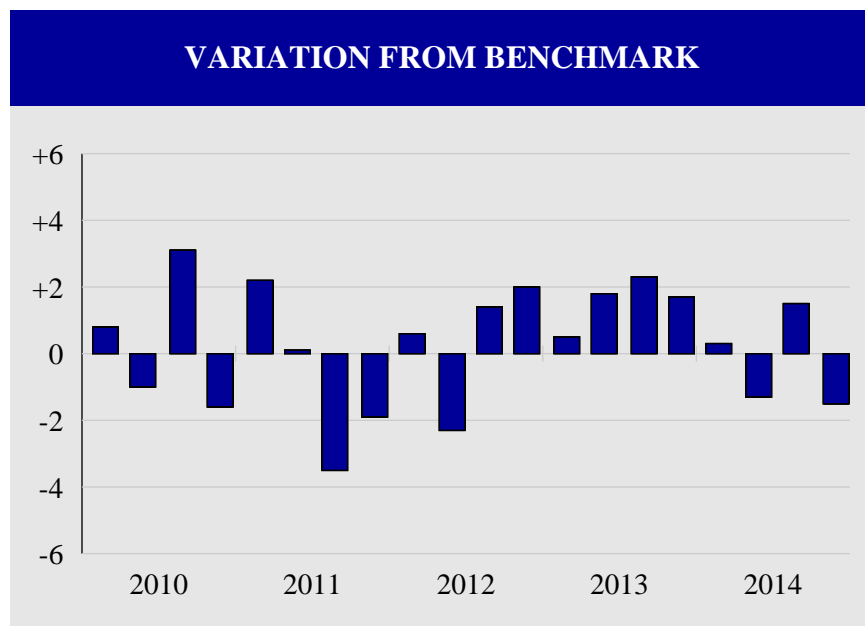


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED----- 3 YRS	5 YRS
RETURN	5.9	3.4	5.8	8.1	22.5	16.6
(RANK)	(43)	(55)	(63)	(62)	(22)	(35)
5TH %ILE	10.4	8.8	13.7	16.4	25.1	19.9
25TH %ILE	7.3	5.9	10.5	13.0	22.1	17.3
MEDIAN	5.5	3.9	7.8	9.7	20.3	15.9
75TH %ILE	4.0	1.2	4.0	5.7	18.2	14.6
95TH %ILE	0.2	-4.8	-2.1	-1.1	14.2	11.6
Equity Index	7.4	3.3	7.1	9.0	19.9	15.8

All Cap Universe

DOMESTIC EQUITY QUARTERLY PERFORMANCE SUMMARY

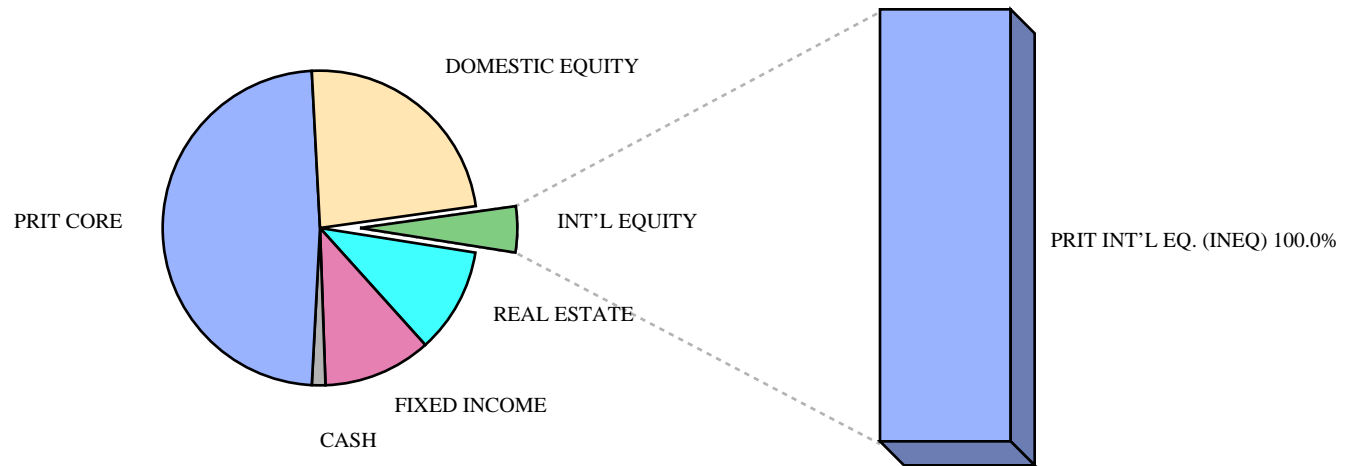
COMPARATIVE BENCHMARK: FRANKLIN COUNTY EQUITY INDEX



Total Quarters Observed	20
Quarters At or Above the Benchmark	13
Quarters Below the Benchmark	7
Batting Average	.650

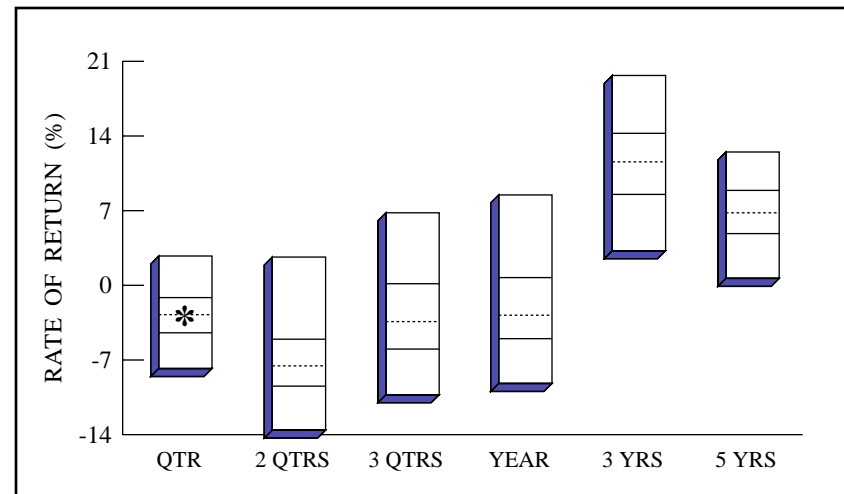
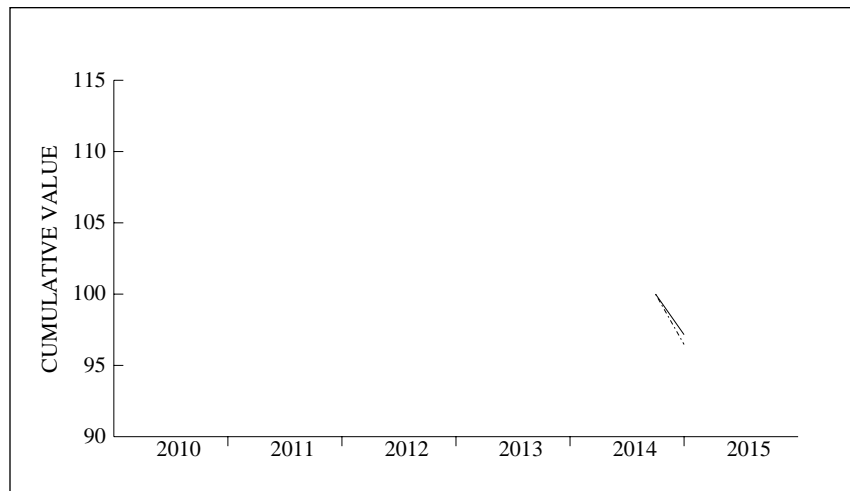
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
3/10	8.5	7.7	0.8
6/10	-11.2	-10.2	-1.0
9/10	14.8	11.7	3.1
12/10	12.2	13.8	-1.6
3/11	9.8	7.6	2.2
6/11	-0.7	-0.8	0.1
9/11	-22.3	-18.8	-3.5
12/11	11.8	13.7	-1.9
3/12	13.3	12.7	0.6
6/12	-5.9	-3.6	-2.3
9/12	7.1	5.7	1.4
12/12	3.5	1.5	2.0
3/13	12.5	12.0	0.5
6/13	4.4	2.6	1.8
9/13	10.3	8.0	2.3
12/13	10.9	9.2	1.7
3/14	2.1	1.8	0.3
6/14	2.3	3.6	-1.3
9/14	-2.3	-3.8	1.5
12/14	5.9	7.4	-1.5

INTERNATIONAL EQUITY MANAGER SUMMARY

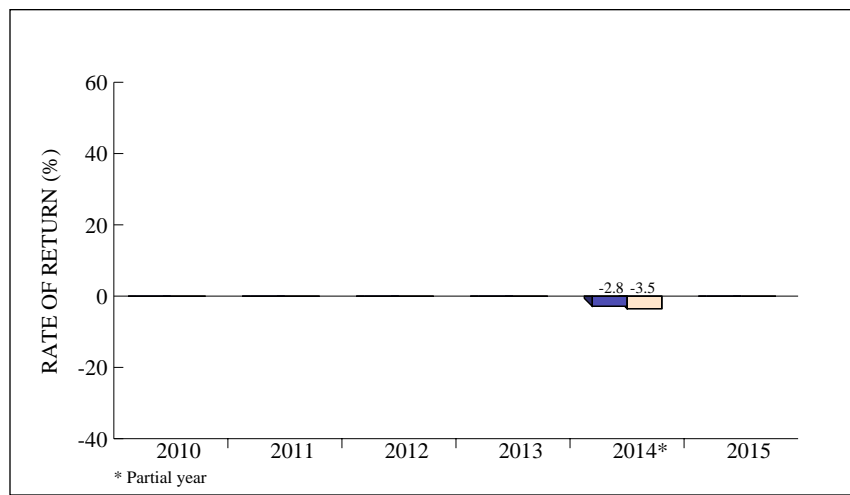


		TOTAL RETURNS AND RANKINGS						
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE	
PRIT INT'L EQ.		-2.8 ---	--- ---	--- ---	--- ---	--- ---	\$5,382,799	
<i>MSCI EAFE</i>		<i>-3.5 ---</i>	<i>-4.5 ---</i>	<i>-4.5 ---</i>	<i>11.6 ---</i>	<i>5.8 ---</i>	---	

INTERNATIONAL EQUITY RETURN COMPARISONS



International Equity Universe



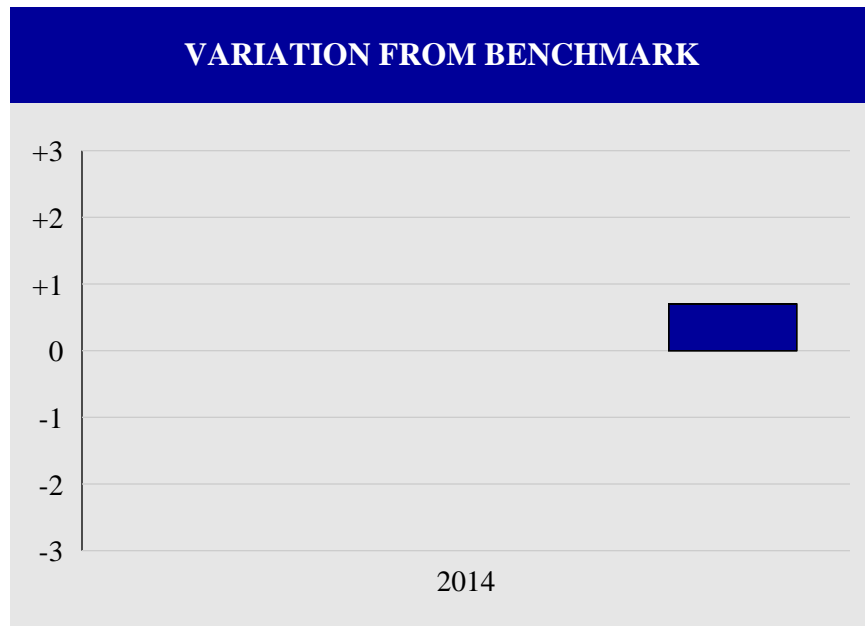
* Partial year

	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-2.8	---	---	---	---	---
(RANK)	(51)	---	---	---	---	---
5TH %ILE	2.7	2.6	6.8	8.5	19.7	12.5
25TH %ILE	-1.1	-5.1	0.2	0.7	14.3	8.9
MEDIAN	-2.8	-7.6	-3.4	-2.8	11.6	6.8
75TH %ILE	-4.5	-9.4	-6.0	-5.0	8.5	4.9
95TH %ILE	-7.8	-13.6	-10.3	-9.2	3.2	0.7
MSCI EAFE	-3.5	-9.2	-5.2	-4.5	11.6	5.8

International Equity Universe

INTERNATIONAL EQUITY QUARTERLY PERFORMANCE SUMMARY

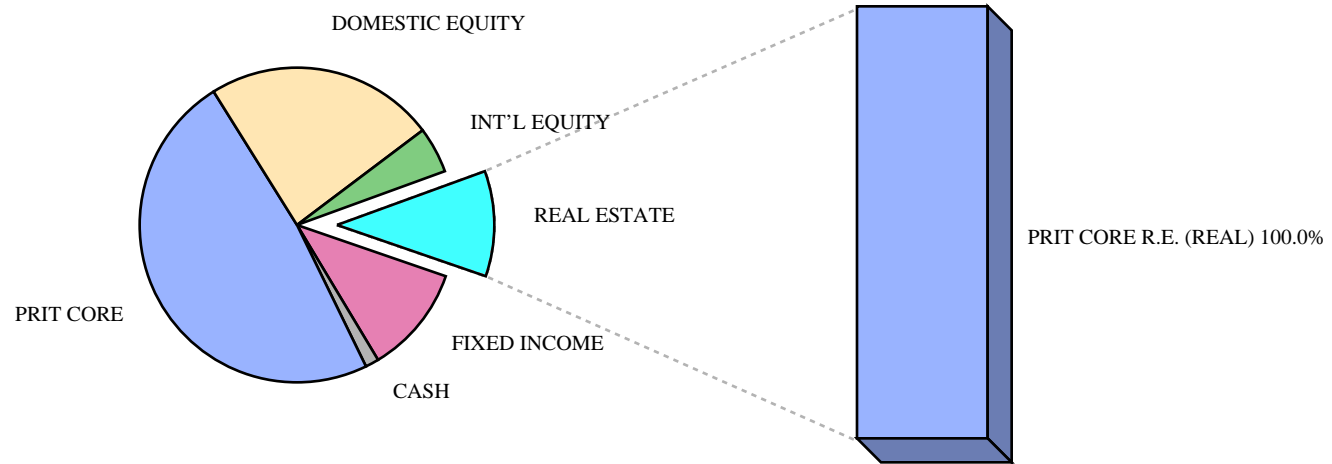
COMPARATIVE BENCHMARK: MSCI EAFE



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/14	-2.8	-3.5	0.7

Total Quarters Observed	1
Quarters At or Above the Benchmark	1
Quarters Below the Benchmark	0
Batting Average	1.000

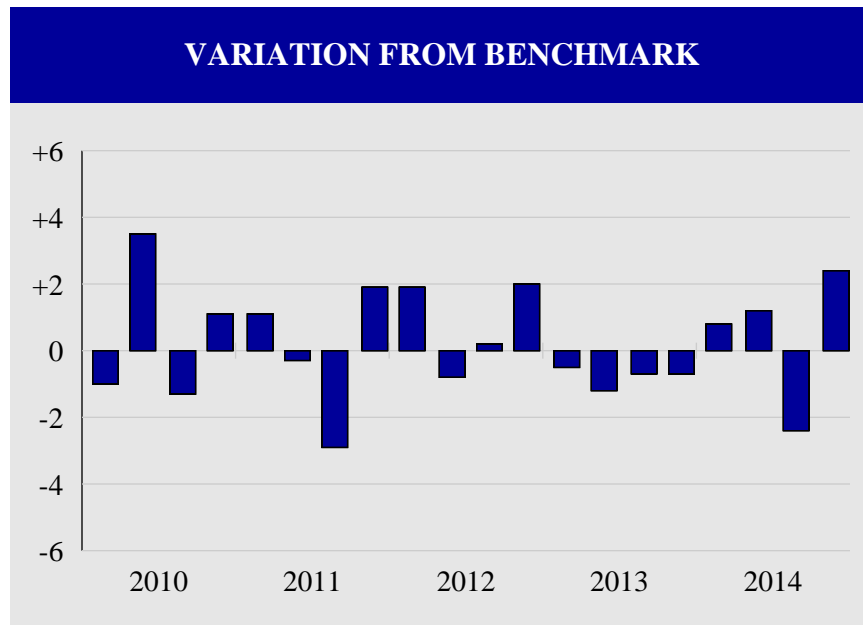
REAL ESTATE MANAGER SUMMARY



MANAGER	(UNIVERSE)	TOTAL RETURNS AND RANKINGS					MARKET VALUE
		QTR	YTD	1 YEAR	3 YEARS	5 YEARS	
PRIT CORE R.E.		5.7 ---	14.6 ---	14.6 ---	13.2 ---	---- ---	\$12,340,970
<i>NCREIF NFI-ODCE Index</i>		<i>3.3 ---</i>	<i>12.5 ---</i>	<i>12.5 ---</i>	<i>12.4 ---</i>	<i>13.9 ---</i>	---

REAL ESTATE QUARTERLY PERFORMANCE SUMMARY

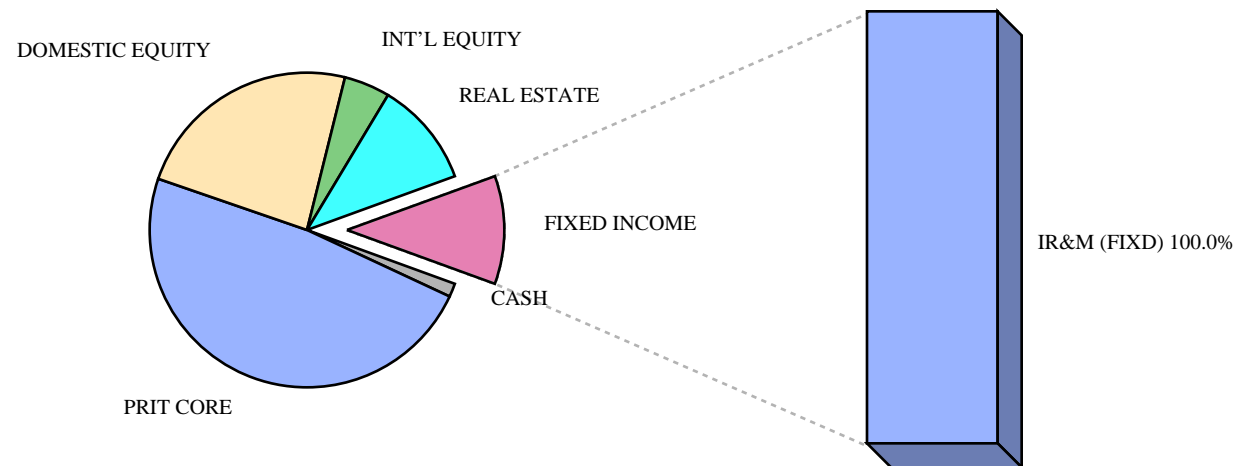
COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX



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

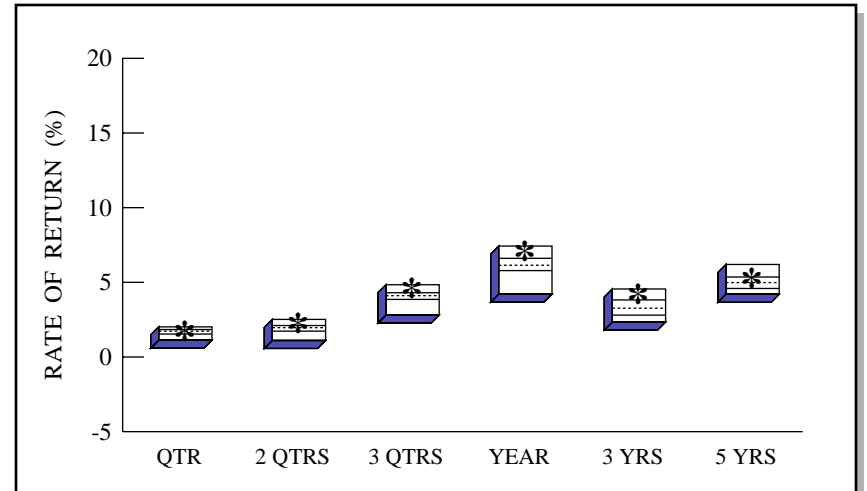
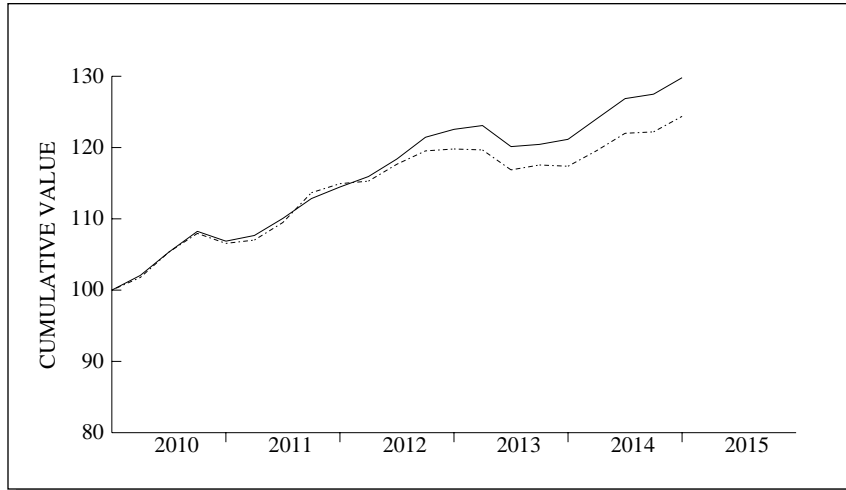
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
3/10	-0.2	0.8	-1.0
6/10	7.9	4.4	3.5
9/10	4.1	5.4	-1.3
12/10	6.1	5.0	1.1
3/11	5.1	4.0	1.1
6/11	4.3	4.6	-0.3
9/11	0.6	3.5	-2.9
12/11	4.9	3.0	1.9
3/12	4.7	2.8	1.9
6/12	1.7	2.5	-0.8
9/12	3.0	2.8	0.2
12/12	4.3	2.3	2.0
3/13	2.2	2.7	-0.5
6/13	2.7	3.9	-1.2
9/13	2.9	3.6	-0.7
12/13	2.5	3.2	-0.7
3/14	3.3	2.5	0.8
6/14	4.1	2.9	1.2
9/14	0.8	3.2	-2.4
12/14	5.7	3.3	2.4

FIXED INCOME MANAGER SUMMARY

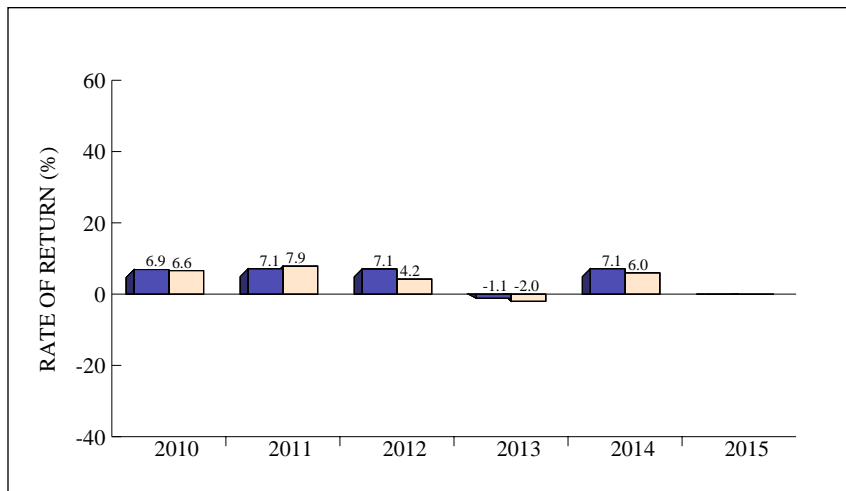


TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
IR&M	(Core Fixed Income)	1.8 (35)	7.1 (11)	7.1 (11)	4.3 (11)	5.4 (25)	\$12,726,981
<i>Barclays Aggregate Index</i>		1.8 ----	6.0 ----	6.0 ----	2.7 ----	4.5 ----	----

FIXED INCOME RETURN COMPARISONS

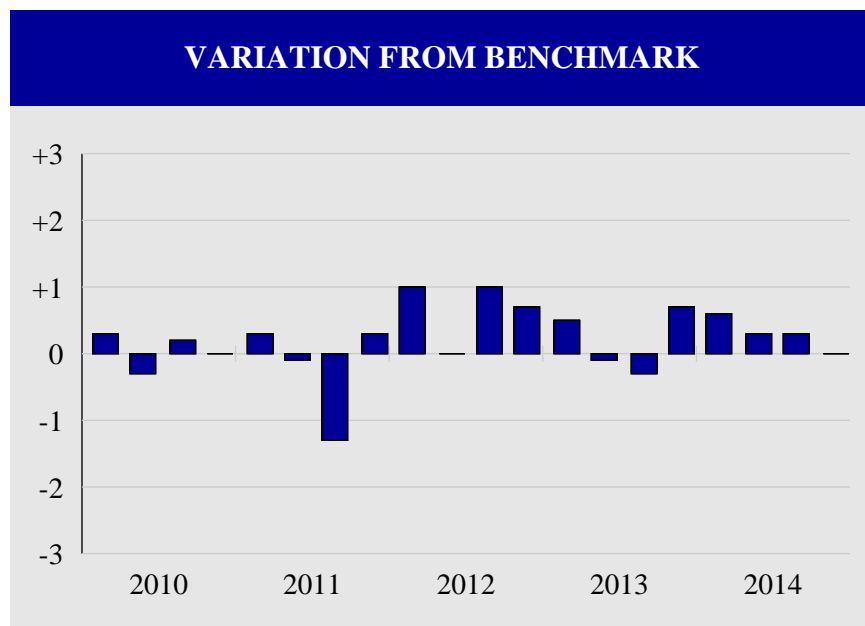


Core Fixed Income Universe



	QTR	2QTRS	3QTRS	YEAR	3 YRS	5 YRS
RETURN	1.8	2.3	4.7	7.1	4.3	5.4
(RANK)	(35)	(12)	(9)	(11)	(11)	(25)
5TH %ILE	2.0	2.5	4.8	7.4	4.6	6.2
25TH %ILE	1.8	2.1	4.3	6.6	3.8	5.4
MEDIAN	1.7	2.0	4.1	6.1	3.3	5.0
75TH %ILE	1.5	1.7	3.9	5.8	2.8	4.6
95TH %ILE	1.1	1.1	2.8	4.2	2.3	4.2
Agg Index	1.8	2.0	4.0	6.0	2.7	4.5

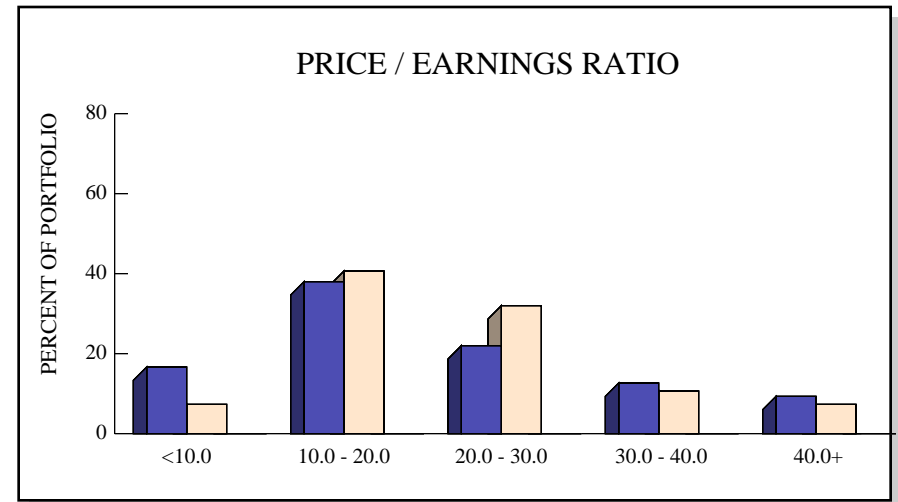
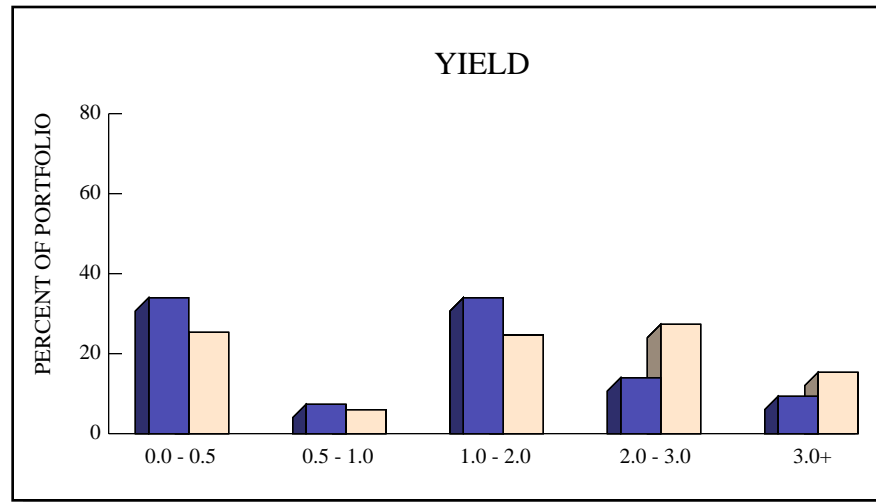
Core Fixed Income Universe

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

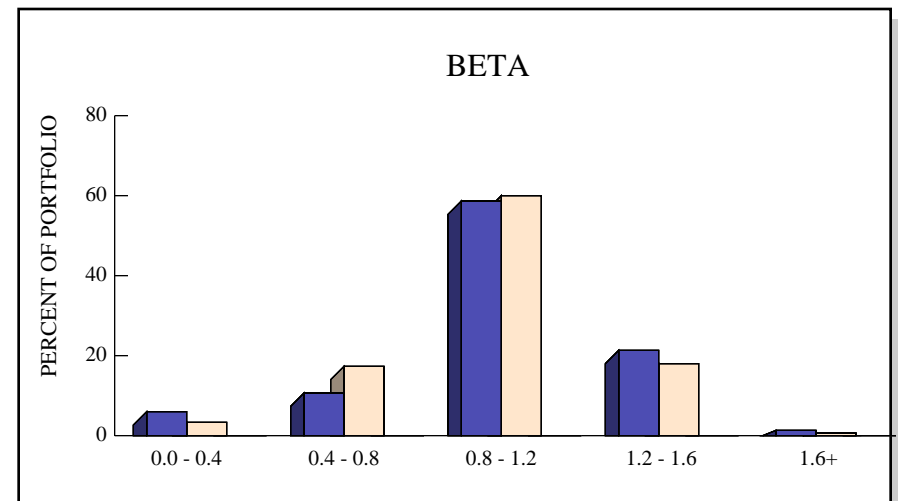
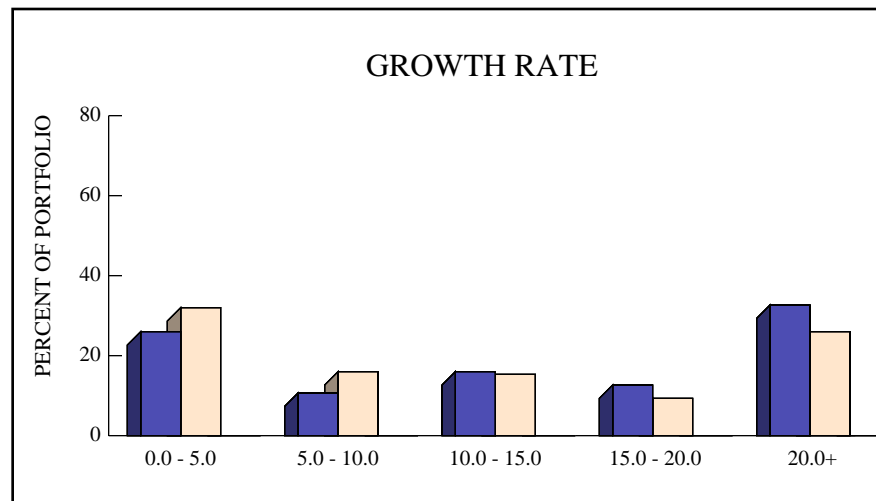
Total Quarters Observed	20
Quarters At or Above the Benchmark	15
Quarters Below the Benchmark	5
Batting Average	.750

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

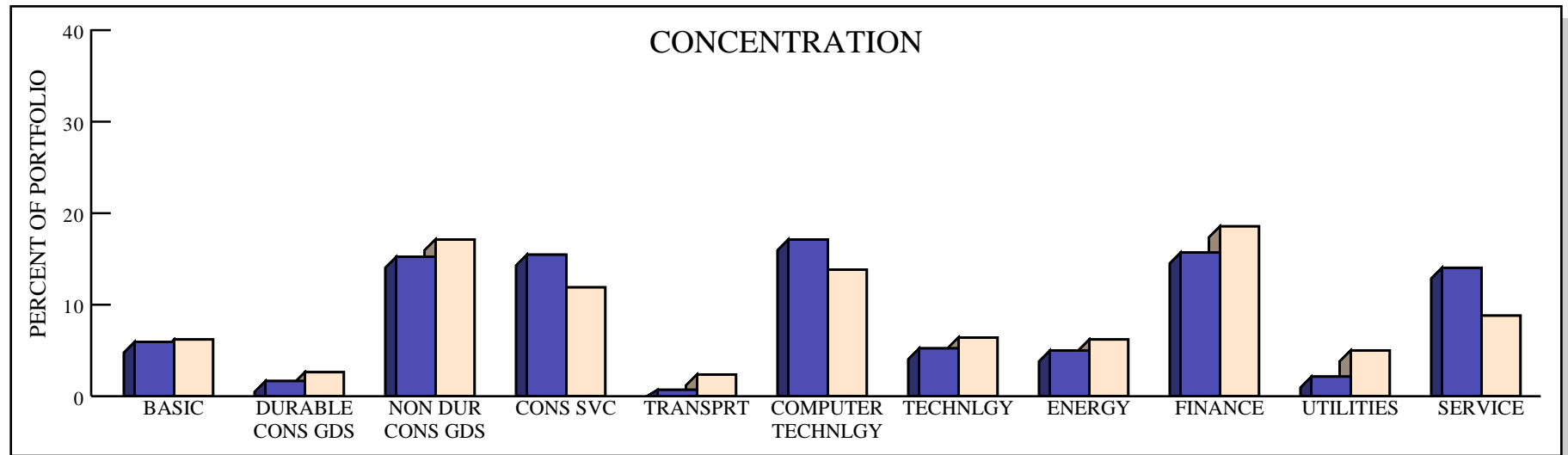
STOCK CHARACTERISTICS



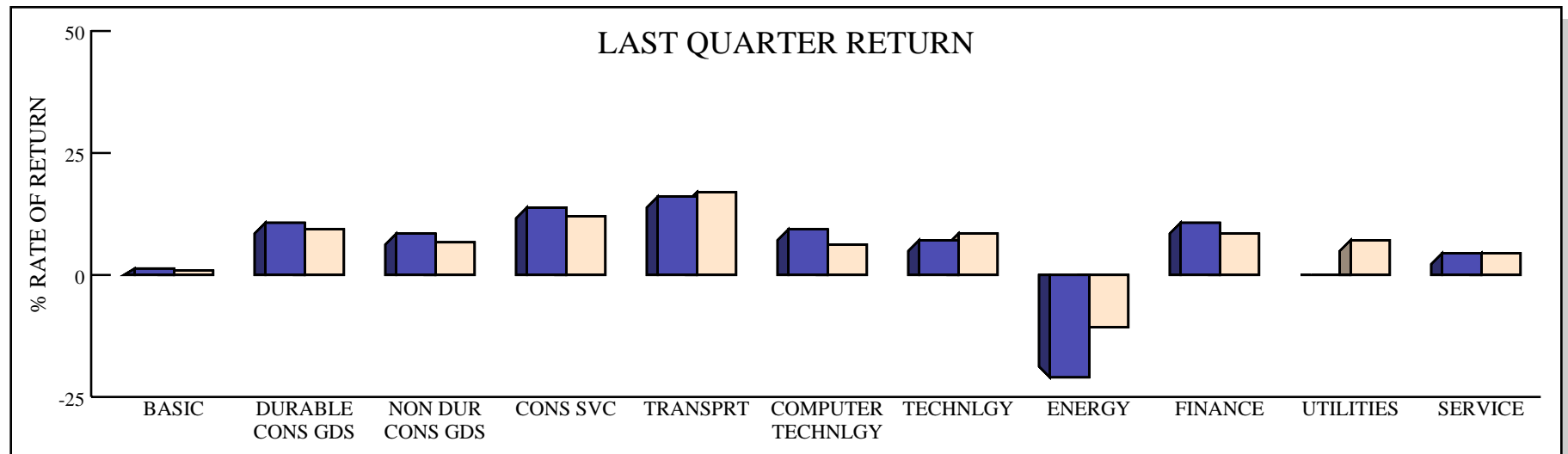
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	384	1.5%	15.7%	21.6	0.98
RUSSELL 3000	3,054	1.8%	12.1%	22.4	0.97



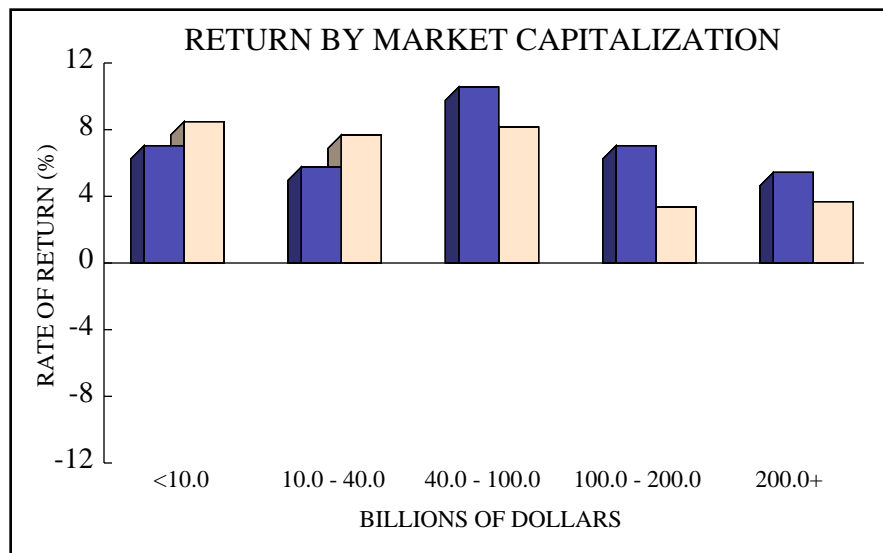
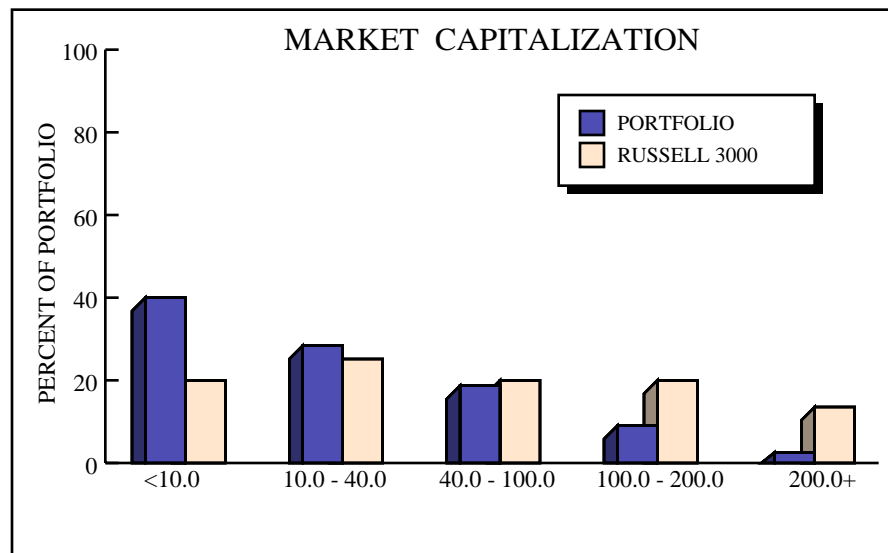
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL 3000



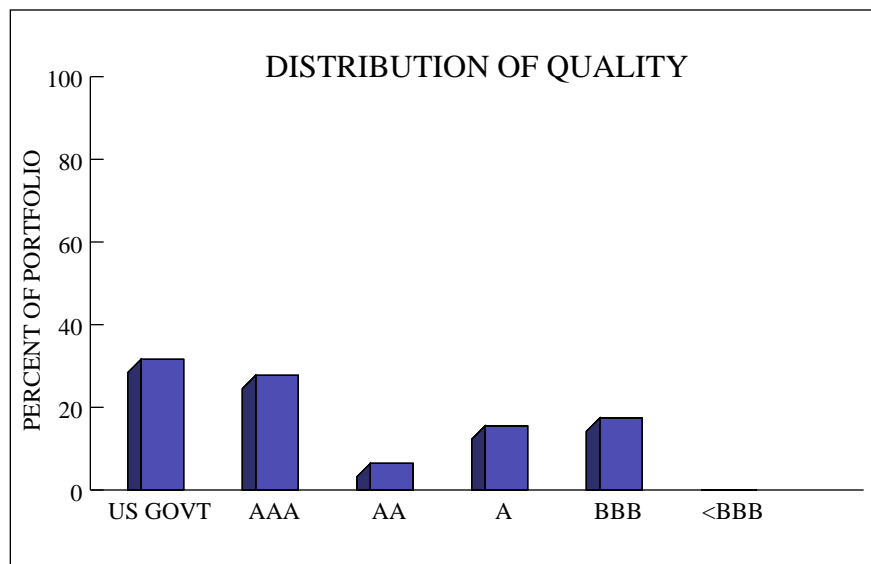
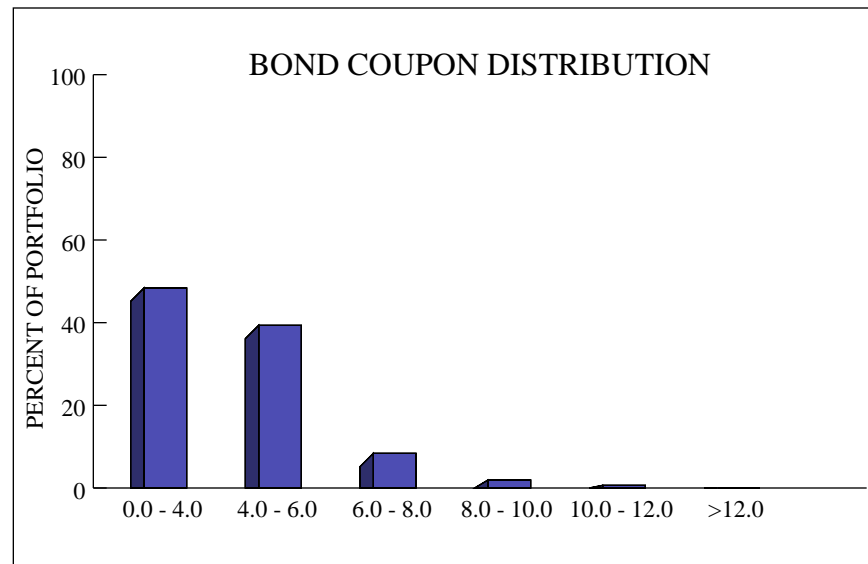
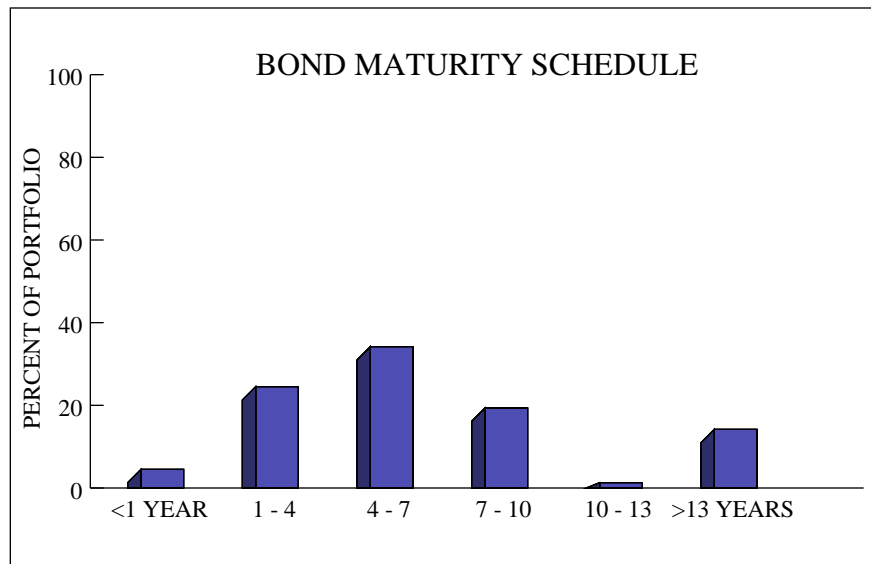
TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	VISA INC-CLASS A SHARES	\$ 605,420	1.86%	23.0%	Finance	\$ 129.4 B
2	NIKE INC -CL B	524,498	1.61%	8.1%	NonDur Cons Goods	65.8 B
3	ORACLE CORP	509,285	1.56%	17.7%	Computer Tech	197.5 B
4	ABBOTT LABORATORIES	509,176	1.56%	8.7%	NonDur Cons Goods	67.8 B
5	PRICELINE GROUP INC/THE	442,401	1.36%	-1.6%	Service	59.7 B
6	TJX COMPANIES INC	433,700	1.33%	16.2%	Consumer Service	47.5 B
7	GOOGLE INC-CL C	430,069	1.32%	-8.8%	Computer Tech	178.6 B
8	APPLE INC	426,067	1.31%	10.0%	Computer Tech	647.4 B
9	ALLERGAN INC	413,700	1.27%	19.3%	NonDur Cons Goods	63.3 B
10	STARBUCKS CORP	409,347	1.26%	9.1%	Consumer Service	61.4 B

BOND CHARACTERISTICS



	PORTFOLIO	BARCLAYS AGG
No. of Securities	217	9,079
Duration	5.70	5.55
YTM	2.61	2.25
Average Coupon	4.02	3.28
Avg Maturity / WAL	7.70	7.69
Average Quality	AAA-AA	USG-AAA

APPENDIX - MAJOR MARKET INDEX RETURNS

Domestic Equity	Style	QTR	YTD	1 Year	3 years	5 Years
Russell 3000	Broad Equity	5.2	12.6	12.6	20.5	15.6
S&P 500	Large Cap Core	4.9	13.7	13.7	20.4	15.4
Russell 1000	Large Cap Core	4.9	13.2	13.2	20.6	15.6
Russell 1000 Growth	Large Cap Growth	4.8	13.1	13.1	20.3	15.8
Russell 1000 Value	Large Cap Value	5.0	13.5	13.5	20.9	15.4
Russell Mid Cap	Midcap	5.9	13.2	13.2	21.4	17.2
Russell Mid Cap Growth	Midcap Growth	5.8	11.9	11.9	20.7	16.9
Russell Mid Cap Value	Midcap Value	6.1	14.7	14.7	22.0	17.4
Russell 2000	Small Cap	9.7	4.9	4.9	19.2	15.5
Russell 2000 Growth	Small Cap Growth	10.1	5.6	5.6	20.1	16.8
Russell 2000 Value	Small Cap Value	9.4	4.2	4.2	18.3	14.3
International Equity	Style	QTR	YTD	1 Year	3 years	5 Years
MSCI EAFE	Developed Markets Equity	-3.5	-4.5	-4.5	11.6	5.8
MSCI EAFE Growth	Developed Markets Growth	-2.3	-4.1	-4.1	11.4	6.6
MSCI EAFE Value	Developed Markets Value	-4.8	-4.9	-4.9	11.6	5.0
MSCI All Country World Ex US	Foreign Equity	-3.8	-3.4	-3.4	9.5	4.9
MSCI Emerging Markets	Emerging Markets Equity	-4.4	-1.8	-1.8	4.4	2.1
Domestic Fixed Income	Style	QTR	YTD	1 Year	3 years	5 Years
Barclays Aggregate Index	Core Fixed Income	1.8	6.0	6.0	2.7	4.5
Barclays Gov/Credit	Gov/Credit	1.8	6.0	6.0	2.8	4.7
Barclays Capital Gov't Bond	Treasuries	1.9	4.9	4.9	1.4	3.7
Barclays Capital Credit Bond	Corporate Bonds	1.8	7.5	7.5	4.8	6.3
Intermediate Aggregate	Core Intermediate	1.2	4.1	4.1	2.2	3.7
Intermediate Gov/Credit	Gov / Credit Intermediate	0.9	3.1	3.1	2.0	3.5
ML/BoA 1-3 Year Treasury	Short Term Treasuries	0.2	0.6	0.6	0.3	1.0
CSFB High Yield	High Yield Bonds	-1.6	1.9	1.9	7.9	8.7
Alternative Assets	Style	QTR	YTD	1 Year	3 years	5 Years
Barclays Global Ex US	International Treasuries	-3.1	-2.8	-2.8	-1.8	-0.7
NCREIF NFI-ODCE Index	Real Estate	3.3	12.5	12.5	12.4	13.9
HFRI FOF Composite	Hedge Funds	0.9	3.3	3.3	5.7	3.3

APPENDIX - DISCLOSURES

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

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

 For all periods Since December 2010:

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

FRANKLIN REGIONAL RETIREMENT SYSTEM
PRIT - CORE FUND
PERFORMANCE REVIEW
DECEMBER 2014

INVESTMENT RETURN

On December 31st, 2014, the Franklin Regional Retirement System's PRIT Core Fund was valued at \$55,311,285, representing a decrease of \$2,571,920 relative to the September ending value of \$57,883,205. Over the last three months, the portfolio recorded \$3,721,289 in net withdrawals, which overshadowed the fund's net investment return of \$1,149,369. The portfolio's net investment return figure was the result of income receipts, which totaled \$302,816 plus \$846,553 in net realized and unrealized capital gains.

Since December 2009, the portfolio has recorded net withdrawals totaling \$12.0 million and posted net investment gains of \$25.8 million. Since December 2009, if the account returned a compounded nominal rate of 8.0% it would have been worth \$48.9 million or \$6.4 million less than the actual value as of December 31st, 2014.

RELATIVE PERFORMANCE

Total Portfolio

In the fourth quarter, the PRIT Core Fund gained 2.1%, which was 1.1% above the Custom Core Index's return of 1.0% and ranked in the 55th percentile of the Public Fund universe. Over the trailing twelve-month period, the portfolio returned 8.2%, which was 2.1% above the benchmark's 6.1% performance, and ranked in the 13th percentile. Since December 2009, the portfolio returned 10.1% annualized and ranked in the 37th percentile. The Custom Core Index returned an annualized 9.3% over the same period.

PRIT Core

Performance was superior across most PRIT Core sleeves last quarter. Global Equity led the benchmark by 40 basis points (0.6% vs. 0.2%), and carried a 42.2% allocation, representing the most heavily weighted PRIT position. Core Fixed Income matched the benchmark return (7.5%), while the Value-Added variety sustained losses better than said benchmark (-2.2% vs. -4.2%).

Private Equity also matched the index's return with a 3.7% gain, while total Real Estate handily outperformed (5.7% vs. 3.7%). The Hedge Fund sleeve bested the benchmark by 30 basis points, and represented 9.2% of the total allocation. The PRIT Core portfolio outpaced the benchmark by 110 basis points.

PRIT Domestic Equity

63.0% of the overall Domestic Equity sleeve was passively managed within the SSGA S&P 500 index fund, and an additional 12.8% was held in the SSGA Russell 2500 index fund, lending a passively managed quality to the sleeve.

Large cap manager Intech gained 6.3% for the quarter, beating the S&P 500 by 140 basis points. PIMCO Domestic narrowly underperformed, posting a 4.8% gain, while the aforementioned SSGA S&P 500 mimicked the bellwether's 4.9% advance.

Performance across small cap managers was less favorable. Summit Creek gained 7.2% compared to a 10.1% advance by the Russell 2000 Growth index. Huber in fact dipped 1.1%. Smid cap manager SouthernSun also fell, ceding 3.0% of value for the quarter. The SSGA Russell 2500 index fund climbed 6.9%. The Domestic Equity sleeve trailed the benchmark by quarter's end (+5.2% vs. 5.5%).

PRIT International Equity

In the fourth quarter, the PRIT International Equity sleeve represented 15.6% of the PRIT portfolio and fell 2.8%, which was 80 basis points better than the 3.6% loss posted by the Custom MSCI EAFE Standard Index Net Dividends. All managers of the sleeve either matched or beat benchmark performance without posting positive returns.

The passively managed SSGA World Ex-US fund represented nearly half of the sleeve and returned -3.4% for the quarter, which was 0.2% in excess of the benchmark. Marathon and Baillie Gifford posted losses of 2.6% and 1.6%, respectively, helping to support sleeve performance.

PRIT Hedge Funds

The HFRI Fund of Funds benchmark offered a low hurdle for a third straight quarter, as the sleeve outpaced it by 30 basis points (1.2% vs. 0.9%)

The hedge fund sleeve's weighty 8.7% allocation served to negatively impact the portfolio's overall relative performance, despite outperformance. Over the trailing twelve months ending December, the PRIT account's total hedge fund positions gained 5.6%, compared to the benchmark's 3.4% return. For the 3-year and 5-year periods, the sleeve returned 8.9% and 5.9%, respectively. For comparison, the index returned 5.7% and 3.3% over the same date ranges.

Direct Hedge Fund holdings composed of 72.8% of the hedge fund sleeve, and nearly doubled benchmark performance (1.7% vs. 0.9%). While this account carried substantial weight in the sleeve, PAAMCO's 0.2% loss dragged down total performance, while gaining 3.8% and 9.2% over the trailing 1- and 3-year periods.

PRIT Real Estate

By the end of the quarter, the PRIT Real Estate sleeve returned a quality 5.7% and represented 9.6% of the total Core portfolio. For comparison, the custom benchmark, a blend comprised of 80% NCREIF Property index and 20% FTSE EPRA NAREIT Developed Total Return index, 3.7%, as the sleeve outperformed by 200 basis points.

Total Private Real Estate, representing 70.1% of the sleeve, advanced 4.8%, 220 basis points ahead of the NCREIF Property index for the quarter. Most notably, Invesco Core, AEW, and JP Morgan posted returns in excess of 6.0% (6.1%, 6.3%, and 6.3%), and comprised 40.0% of the Real Estate sleeve.

While the collective performance of all REIT holdings posted returns similar to the FTSE EPRA NAREIT Developed Net Total Return

index (8.2% and 8.1%), the segment's 26.2% weight in the sleeve served to buoy performance. Centersquare Global REITs gained 8.5% for the quarter. Over the trailing twelve months, this account (13.1% sleeve allocation) fared similarly well, returning 16.6% compared to the benchmark's 15.8% advance.

PRIT Fixed Income

In the fourth quarter, the PRIT Core Fixed Income sleeve gained 7.5%, consistent with the sleeve's hybrid benchmark. The fundamental core elements made up 26.1% of the sleeve, including the Loomis Sayles Core manager which posted a return of 2.0%, better than the Barclays Aggregate index by 20 basis points.

The BlackRock STRIPS account saw an allocation increase last quarter, comprising 51.0 % of the sleeve compared to the prior quarter's 36.8% representation. This segment expectedly neared the Barclays US Treasury STRIPS 20+ Year index, posting a substantial 14.6% gain compared to the sleeve benchmark's 7.5% return. Total TIPS and Inflation-linked Bonds inched 1.6% ahead, and comprised 19.6% of the sleeve, somewhat counteracting the double-digit burst of the STRIPS.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	5 Years
Total Gross/Fees	2.1	8.2	8.2	12.5	10.1
<i>PUBLIC FUND RANK</i>	(55)	(13)	(13)	(37)	(37)
Total Net/Fees	1.9	7.7	7.7	11.9	9.6
CUSTOM CORE IDX	1.0	6.1	6.1	10.9	9.3
PRIT Core	2.1	8.2	8.2	12.5	10.1
<i>PUBLIC FUND RANK</i>	(55)	(13)	(13)	(37)	(37)
CUSTOM CORE IDX	1.0	6.1	6.1	10.9	9.3

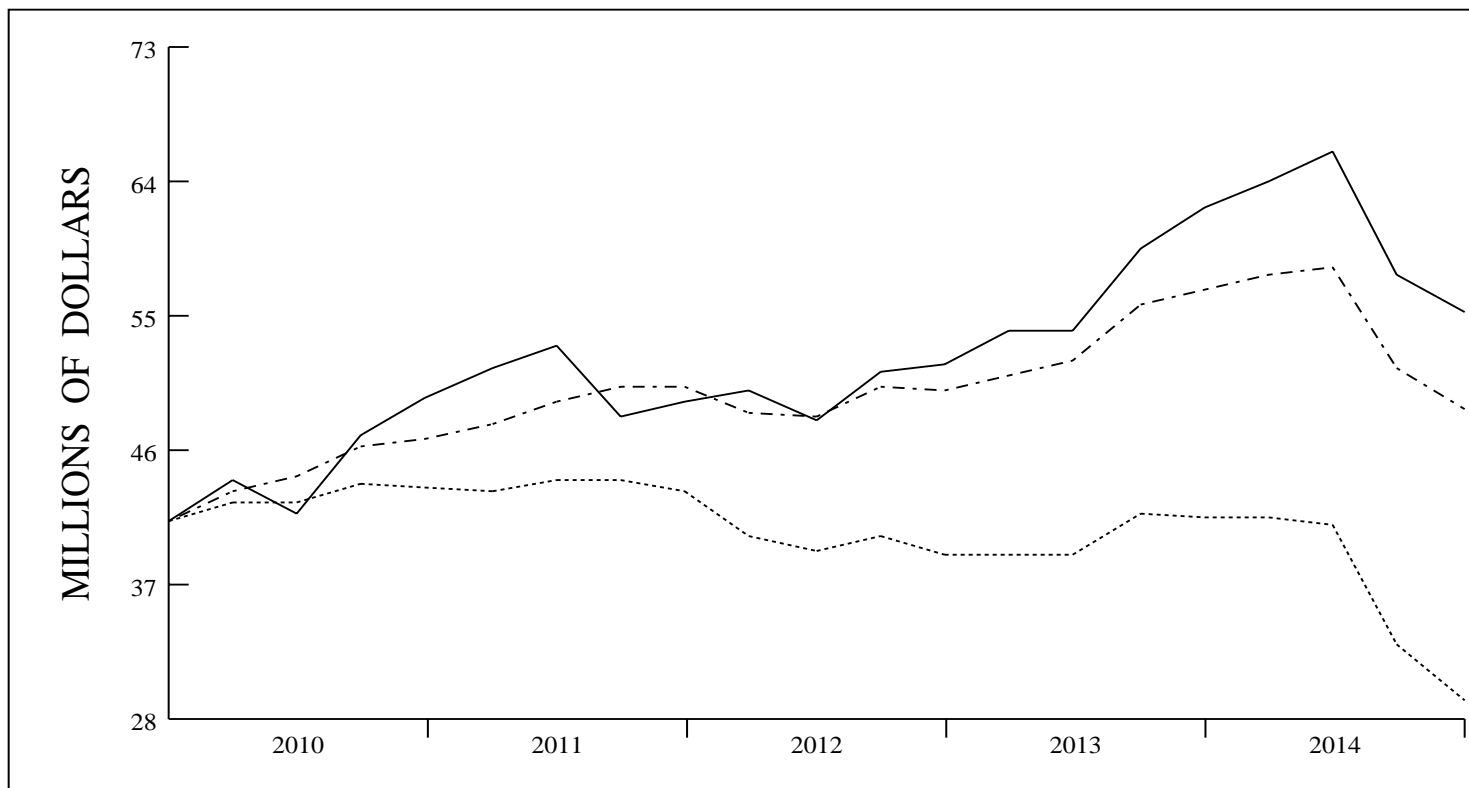
ASSET ALLOCATION

PRIT Core	100.0%	\$ 55,311,285
Total Portfolio	100.0%	\$ 55,311,285

INVESTMENT RETURN

Market Value 9/2014	\$ 57,883,205
Contribs / Withdrawals	- 3,721,289
Income	302,816
Capital Gains / Losses	846,553
Market Value 12/2014	\$ 55,311,285

INVESTMENT GROWTH

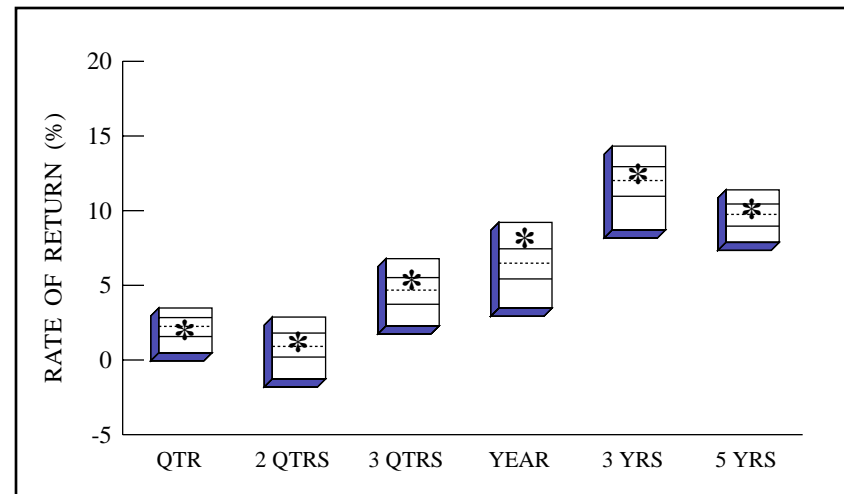
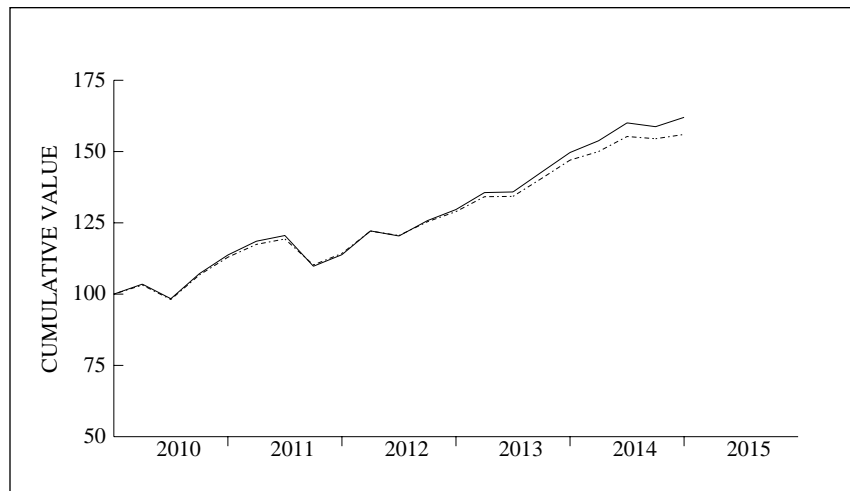


— ACTUAL RETURN
 - - - 8.0%
 0.0%

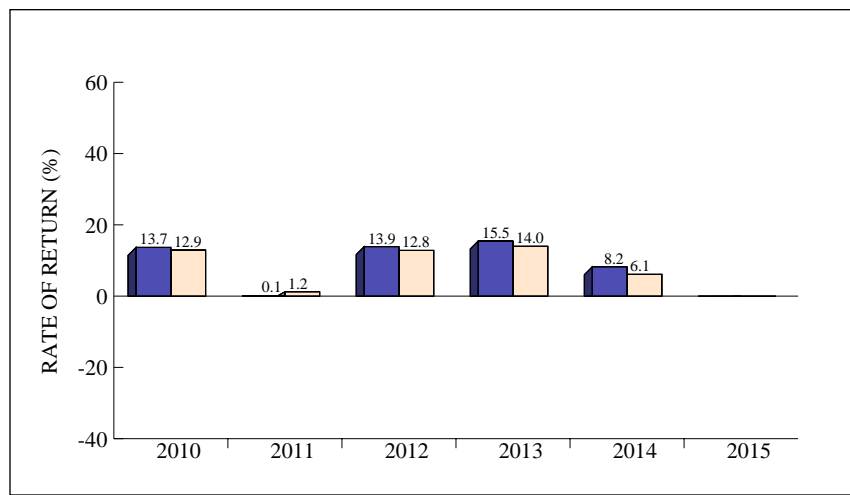
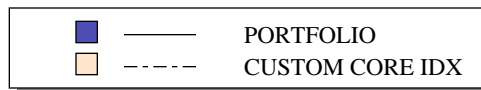
VALUE ASSUMING
 8.0% RETURN
 \$ 48,891,193

	LAST QUARTER	PERIOD 12/09 - 12/14
BEGINNING VALUE	\$ 57,883,205	\$ 41,496,600
NET CONTRIBUTIONS	- 3,721,289	- 12,019,784
<u>INVESTMENT RETURN</u>	<u>1,149,369</u>	<u>25,834,468</u>
ENDING VALUE	\$ 55,311,285	\$ 55,311,285
INCOME	302,816	7,743,807
CAPITAL GAINS (LOSSES)	<u>846,553</u>	<u>18,090,662</u>
INVESTMENT RETURN	1,149,369	25,834,468

TOTAL RETURN COMPARISONS



Public Fund Universe

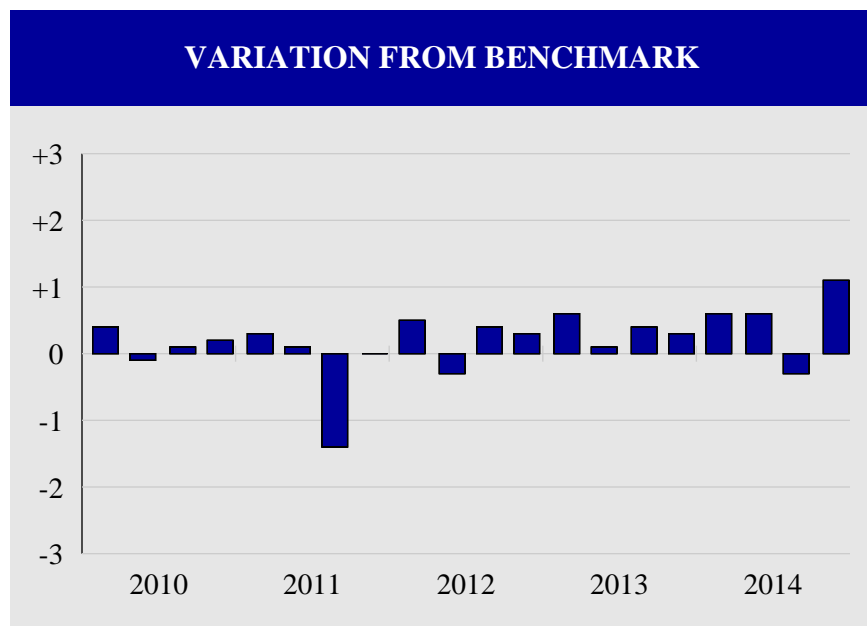


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED----- 3 YRS	5 YRS
RETURN	2.1	1.2	5.4	8.2	12.5	10.1
(RANK)	(55)	(43)	(29)	(13)	(37)	(37)
5TH %ILE	3.5	2.9	6.8	9.2	14.3	11.4
25TH %ILE	2.8	1.8	5.5	7.4	13.0	10.5
MEDIAN	2.3	0.9	4.7	6.5	12.0	9.8
75TH %ILE	1.6	0.2	3.7	5.4	11.0	9.0
95TH %ILE	0.5	-1.3	2.3	3.5	8.7	7.9
PRIT Index	1.0	0.5	4.0	6.1	10.9	9.3

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
3/10	3.5	3.1	0.4
6/10	-5.0	-4.9	-0.1
9/10	8.9	8.8	0.1
12/10	6.1	5.9	0.2
3/11	4.3	4.0	0.3
6/11	1.7	1.6	0.1
9/11	-9.0	-7.6	-1.4
12/11	3.7	3.7	0.0
3/12	7.3	6.8	0.5
6/12	-1.5	-1.2	-0.3
9/12	4.4	4.0	0.4
12/12	3.1	2.8	0.3
3/13	4.6	4.0	0.6
6/13	0.2	0.1	0.1
9/13	5.1	4.7	0.4
12/13	4.9	4.6	0.3
3/14	2.7	2.1	0.6
6/14	4.1	3.5	0.6
9/14	-0.8	-0.5	-0.3
12/14	2.1	1.0	1.1

PRIT MANAGER RETURNS AND ALLOCATIONS
AS OF DECEMBER 31, 2014

PORTFOLIO	QTR	ANNUALIZED			% Allocation
		1 YEAR	3 YEARS	5 YEARS	
Domestic Equity	5.2	11.7	20.4	15.6	19.5
Intech	6.3	15.0	20.8	16.2	1.6
PIMCO Domestic	4.8	13.7	21.8	16.9	1.5
SSgA S&P 500	4.9	13.6	20.6	---	12.3
Summit Creek	7.2	1.4	---	---	0.3
Frontier	7.1	6.2	---	---	0.3
Huber	-1.1	-8.9	---	---	0.4
RiverBridge	9.6	3.9	---	---	0.3
SouthernSun	-3.0	2.1	---	---	0.2
SSgA Russell 2500	6.9	7.1	---	---	2.5
<i>S&P 500</i>	<i>4.9</i>	<i>13.7</i>	<i>20.4</i>	<i>15.5</i>	---
<i>Russell 2500</i>	<i>6.8</i>	<i>7.1</i>	<i>20.0</i>	<i>16.4</i>	---
International Equity	-2.8	-3.6	12.2	7.1	15.6
SSgA World Ex-US	-3.4	-3.9	11.4	6.0	7.7
Marathon Asset Management	-2.6	-4.2	13.7	8.9	3.7
Baillie Gifford	-1.6	-3.4	12.9	8.0	2.8
Mondrian	-3.1	0.6	10.9	5.6	1.2
FIS	-1.5	-3.2	0.0	---	0.2
<i>MSCI EAFE</i>	<i>-3.5</i>	<i>-4.5</i>	<i>11.6</i>	<i>5.8</i>	---
<i>ACWI EX US</i>	<i>-3.8</i>	<i>-3.4</i>	<i>9.5</i>	<i>4.9</i>	---
Emerging Markets Equity	-3.8	-1.9	5.0	2.5	6.5
SSgA Emerging Markets	-4.2	-1.3	4.9	---	3.4
Ashmore - EMM	-1.9	-6.7	5.0	1.6	0.9
GMO	-5.5	-6.4	1.8	1.0	0.9
T. Rowe Price EM	-2.5	2.6	6.4	3.6	1.0
Acadian	-5.1	10.2	---	---	0.2
Wasatch	-1.6	2.1	---	---	0.2
<i>MSCI Emerging Markets</i>	<i>-4.4</i>	<i>-1.8</i>	<i>4.4</i>	<i>2.1</i>	---

PRIT MANAGER RETURNS AND ALLOCATIONS
AS OF DECEMBER 31, 2014

PORTFOLIO	QTR	ANNUALIZED			% Allocation
		1 YEAR	3 YEARS	5 YEARS	
Core Fixed Income	7.5	15.2	6.0	6.7	15.3
Blackrock Passive	1.8	6.1	2.7	4.5	0.5
PIMCO Core	1.9	5.3	4.3	5.0	1.5
Loomis Sayles Core	2.0	7.3	4.4	6.0	2.1
BlackRock STRIPS	14.6	---	---	---	7.8
Blackrock TIPS	-0.1	3.6	0.4	4.1	1.0
Blackrock ILBs	2.4	9.1	3.4	5.3	2.1
Access Capital - ETI	1.7	6.2	3.1	4.0	0.2
Community Capital Management	0.7	5.2	2.8	4.2	0.0
AFL - CIO Housing Investment	1.8	6.3	2.8	4.5	0.2
<i>Barclays Aggregate</i>	<i>1.8</i>	<i>6.0</i>	<i>2.7</i>	<i>4.5</i>	<i>---</i>
<i>Barclays STRIPS 20+Yrs</i>	<i>14.6</i>	<i>---</i>	<i>---</i>	<i>---</i>	<i>---</i>
<i>Barclays US TIPS</i>	<i>0.0</i>	<i>3.6</i>	<i>0.4</i>	<i>4.1</i>	<i>---</i>
<i>Barclays ILB US Hedged</i>	<i>2.6</i>	<i>9.0</i>	<i>2.9</i>	<i>5.0</i>	<i>---</i>
<i>Barclays Aggregate A or Better</i>	<i>1.9</i>	<i>5.6</i>	<i>2.3</i>	<i>4.1</i>	<i>---</i>
Value-Added Fixed Income	-2.0	3.0	7.1	8.5	8.3
Fidelity	-1.1	1.9	9.2	9.7	0.5
Loomis Sayles High Yield	-0.1	5.9	10.8	10.6	0.5
Shenkman	-0.3	2.5	6.9	7.8	0.5
Eaton Vance	0.0	1.4	4.8	5.5	0.8
ING	0.4	2.6	6.6	6.3	0.7
Ashmore	-4.2	0.2	4.3	7.3	0.8
PIMCO EMD	-3.5	2.7	4.6	6.7	0.5
Investec	-5.0	-4.2	---	---	0.5
Pictet	-5.2	-5.6	---	---	0.8
Stone Harbor	-7.6	-7.6	---	---	0.5
Distressed Debt	-0.1	12.6	15.9	14.4	2.2
<i>ML Master High Yield</i>	<i>-1.1</i>	<i>2.5</i>	<i>8.4</i>	<i>8.9</i>	<i>---</i>
<i>JPM EMBI</i>	<i>-1.7</i>	<i>5.5</i>	<i>5.3</i>	<i>7.3</i>	<i>---</i>

PRIT MANAGER RETURNS AND ALLOCATIONS
AS OF DECEMBER 31, 2014

PORTFOLIO	QTR	ANNUALIZED			% Allocation
		1 YEAR	3 YEARS	5 YEARS	
Private Equity	2.0	20.1	19.0	18.2	11.1
Total Special Equity	1.7	18.9	19.4	18.3	8.5
Total Venture Capital	3.1	26.6	19.5	20.1	2.4
<i>Cambridge Private Equity (Lagged)</i>	<i>1.7</i>	<i>18.1</i>	<i>16.9</i>	<i>16.6</i>	---
Private Real Estate	4.8	14.5	13.0	13.6	7.0
Investco Core	6.1	13.9	13.4	15.3	1.6
Lasalle	2.4	12.5	12.8	13.5	2.3
AEW	6.3	15.1	12.3	---	1.5
JP Morgan	6.3	10.2	7.4	13.7	0.9
TA Associates	1.2	12.5	10.3	10.1	1.7
Non-Core	4.6	9.9	11.7	---	0.6
Canyon Johnson II	-0.7	0.6	-2.2	-5.1	0.0
Intercontinental IV	20.5	34.5	11.5	7.4	0.0
New Boston Urban I	0.9	2.5	7.5	7.9	0.0
Portfolio Debt	---	---	---	---	-1.6
<i>NCREIF ODCE</i>	<i>3.3</i>	<i>12.5</i>	<i>12.4</i>	<i>13.9</i>	---
REITS	8.2	15.4	15.5	12.3	2.6
Invesco Global REIT	7.8	16.6	---	---	0.4
Centersquare Global REIT	8.5	16.6	---	---	1.3
Invesco Transition	7.9	13.2	---	---	0.9
<i>NAREIT</i>	<i>12.9</i>	<i>28.0</i>	<i>16.4</i>	<i>16.9</i>	---
<i>FTSE EPRA NAREIT</i>	<i>7.0</i>	<i>14.7</i>	<i>15.1</i>	<i>10.9</i>	---

PRIT MANAGER RETURNS AND ALLOCATIONS
AS OF DECEMBER 31, 2014

PORTFOLIO	QTR	ANNUALIZED			% Allocation
		1 YEAR	3 YEARS	5 YEARS	
Timber	5.3	10.6	9.1	6.5	2.7
Forest	6.0	9.6	9.3	6.6	1.9
The Campbell Group	3.8	13.3	8.1	---	0.9
<i>NCREIF Timber</i>	<i>6.0</i>	<i>10.5</i>	<i>9.3</i>	<i>5.8</i>	---
Natural Resources - Public	-17.2	-12.8	0.3	1.4	0.7
Jennison	-21.6	-18.2	-3.6	-0.8	0.3
T. Rowe Price NR	-12.4	-6.9	4.4	3.6	0.3
<i>Lipper NR Global Fund Index</i>	<i>-15.4</i>	<i>-14.8</i>	<i>-0.5</i>	<i>-0.6</i>	---
Natural Resources - Private	1.2	8.7	2.9	9.6	0.5
Hedge Funds (Net)	1.2	5.6	8.9	5.9	9.2
Arden HFOF Liquidation	-0.9	4.2	---	---	0.1
Ivy Liquidation	1.4	11.3	6.5	2.1	0.0
PAAMCO	-0.2	3.8	9.2	5.9	2.3
Direct Hedge Funds	1.7	6.4	8.6	---	6.7
<i>HFRI FOF</i>	<i>0.9</i>	<i>3.4</i>	<i>5.7</i>	<i>3.3</i>	---
Portable Alpha Wind Down (Net)	0.1	-0.7	-1.9	-0.3	0.1
Austin Capital	2.9	-14.2	-14.0	-11.1	0.0
Crestline	0.0	1.8	0.1	2.6	0.0
Strategic	-0.6	0.0	-1.1	-0.5	0.0
<i>HFRI FOF</i>	<i>0.9</i>	<i>3.4</i>	<i>5.7</i>	<i>3.3</i>	---
Overlay	2.6	6.6	---	---	0.5
Clifton	3.3	8.9	---	---	0.3

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
DECEMBER 2014

INVESTMENT RETURN

On December 31st, 2014, the Franklin Regional Retirement System's Polen Capital Management Large Cap Growth Fund was valued at \$8,278,864, representing an increase of \$760,411 from the September quarter's ending value of \$7,518,453. Last quarter, the Fund posted withdrawals totaling \$35, which partially offset the portfolio's net investment return of \$760,446. Income receipts totaling \$20,013 plus net realized and unrealized capital gains of \$740,433 combined to produce the portfolio's net investment return.

For the cumulative period since March 2012, the fund has recorded net contributions totaling \$544,965, and recorded net investment gains of \$2.5 million. For the period since March 2012, if the total fund had returned a compounded nominal rate of 8.0% it would have been valued at \$7.2 million or \$1.1 million less than the actual value as of December 31st, 2014.

RELATIVE PERFORMANCE

In the fourth quarter, the Polen Capital Management Large Cap Growth Fund gained 10.1%, which was 5.3% above the Russell 1000 Growth Index's return of 4.8% and ranked in the 2nd percentile of the Large Cap Growth universe. Over the trailing year, the portfolio returned 17.4%, which was 4.3% greater than the benchmark's 13.1% performance, and ranked in the 4th percentile. Since March 2012, the portfolio returned 13.1% on an annualized basis and ranked in the 90th percentile. For comparison, the Russell 1000 Growth returned an annualized 16.4% over the same period.

ASSET ALLOCATION

On December 31st, 2014, domestic equities comprised 97.9% of the total portfolio (\$8.1 million), while cash & equivalents totaled 2.1% (\$176,421).

ANALYSIS

At the end of the quarter, the Polen Capital portfolio was concentrated in five of the eleven sectors. With respect to the Russell 1000 Growth index, the portfolio was overweight in each of the invested industry segments. Basic, Durable Consumer Goods, Transportation, Technology, Energy, and Utilities were left unfunded.

The Polen Capital account significantly outperformed the benchmark in the fourth quarter, as each of the five funded sectors edged out the index counterparts. The Nondurable Consumer Goods – representing 30.0% of the total portfolio – posted a 11.1% gain, fueled by strong up performances from Nike (8.1%), Abbott Laboratories (8.7%), and Allergan Inc. (19.3%). Additionally, the portfolio avoided the significant, market-wide losses in the Energy sector. By quarter's end, the account outpaced the benchmark by 530 basis points.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 03/12
Total Gross/Fees	10.1	17.4	17.4	----	13.1
<i>LARGE CAP GROWTH RANK</i>	(2)	(4)	(4)	----	(90)
Total Net/Fees	9.9	16.6	16.6	----	12.4
RUSSELL 1000G	4.8	13.1	13.1	20.3	16.4
Domestic Equity	10.6	18.3	18.3	----	13.8
<i>LARGE CAP GROWTH RANK</i>	(2)	(4)	(4)	----	(83)
RUSSELL 1000G	4.8	13.1	13.1	20.3	16.4

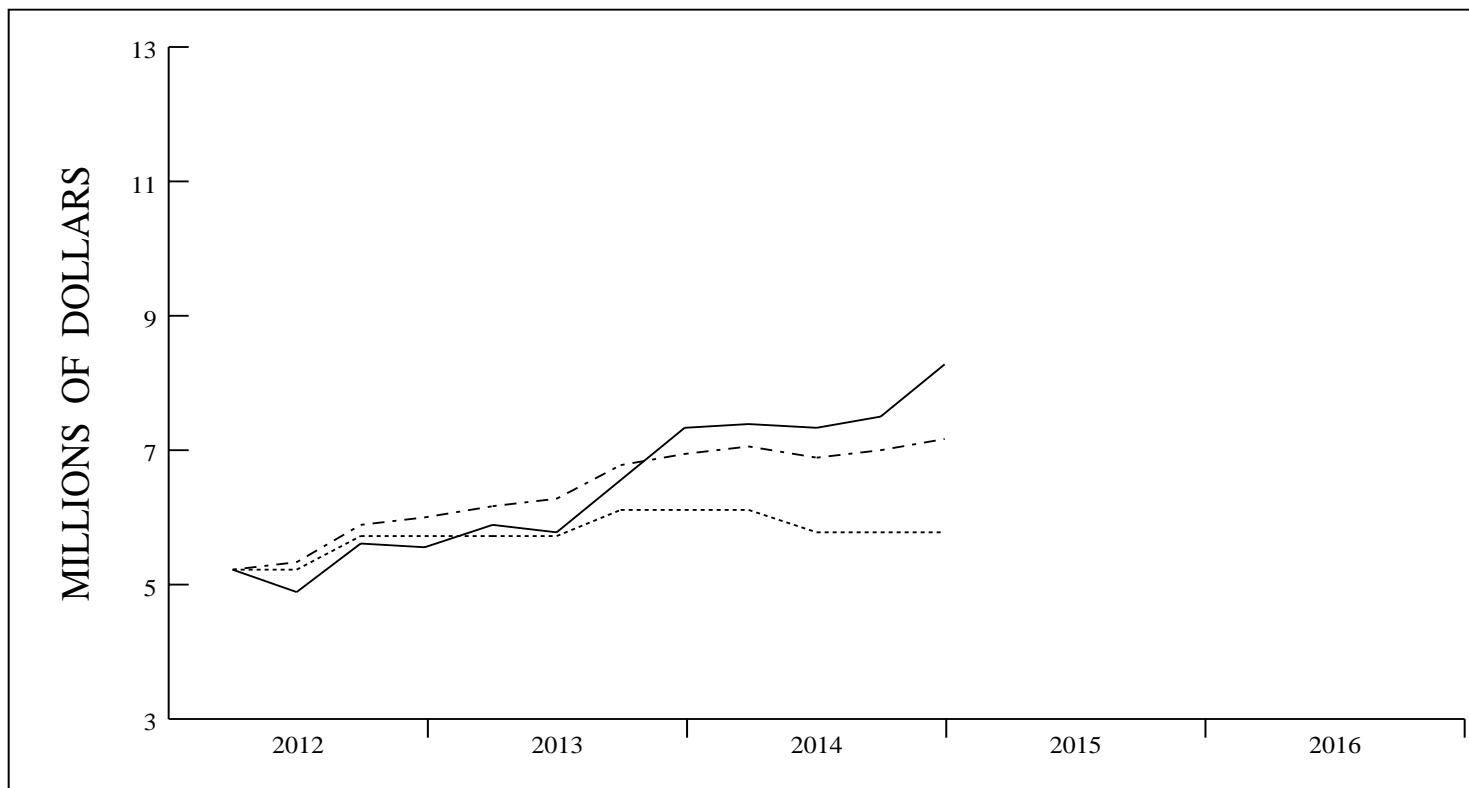
ASSET ALLOCATION

Domestic Equity	97.9%	\$ 8,102,443
Cash	2.1%	176,421
Total Portfolio	100.0%	\$ 8,278,864

INVESTMENT RETURN

Market Value 9/2014	\$ 7,518,453
Contribs / Withdrawals	- 35
Income	20,013
Capital Gains / Losses	740,433
Market Value 12/2014	\$ 8,278,864

INVESTMENT GROWTH

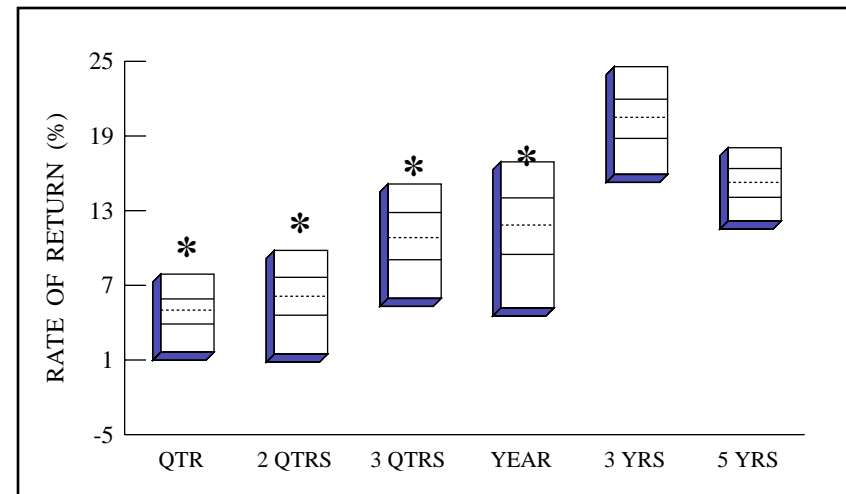
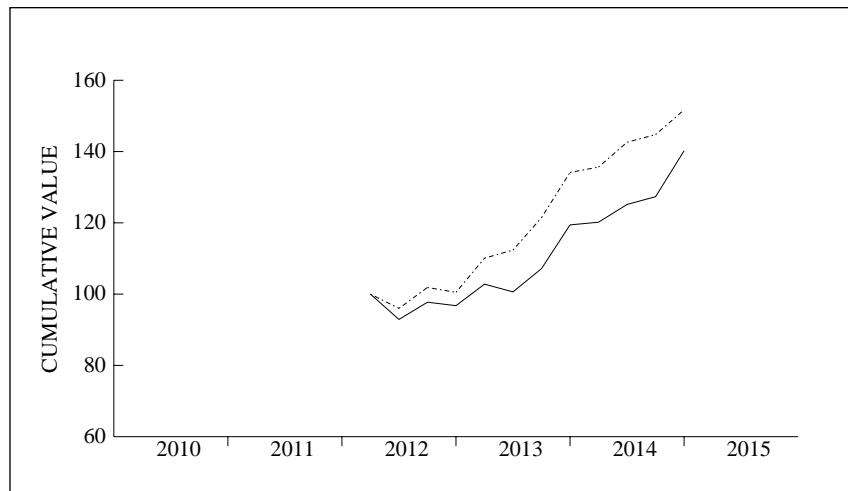


— ACTUAL RETURN
 - - - 8.0%
 0.0%

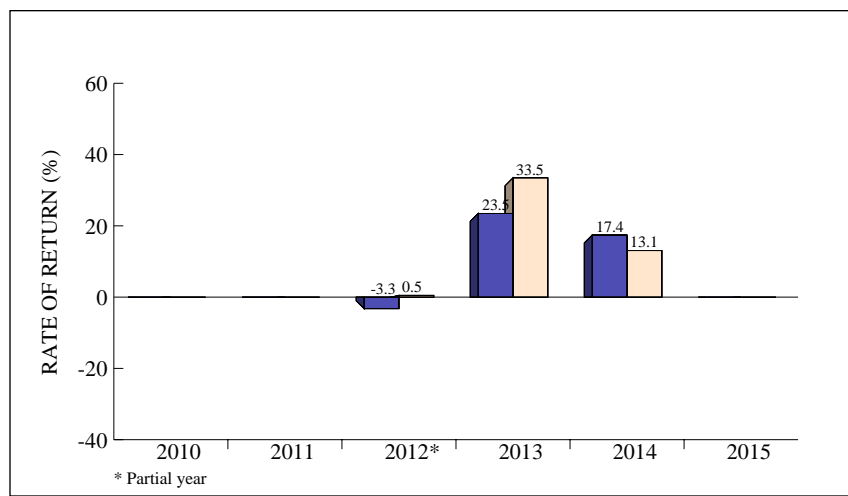
VALUE ASSUMING
 8.0% RETURN
 \$ 7,179,570

	LAST QUARTER	PERIOD 3/12 - 12/14
BEGINNING VALUE	\$ 7,518,453	\$ 5,273,154
NET CONTRIBUTIONS	- 35	544,965
INVESTMENT RETURN	760,446	2,460,745
ENDING VALUE	\$ 8,278,864	\$ 8,278,864
INCOME	20,013	200,911
CAPITAL GAINS (LOSSES)	740,433	2,259,834
INVESTMENT RETURN	760,446	2,460,745

TOTAL RETURN COMPARISONS

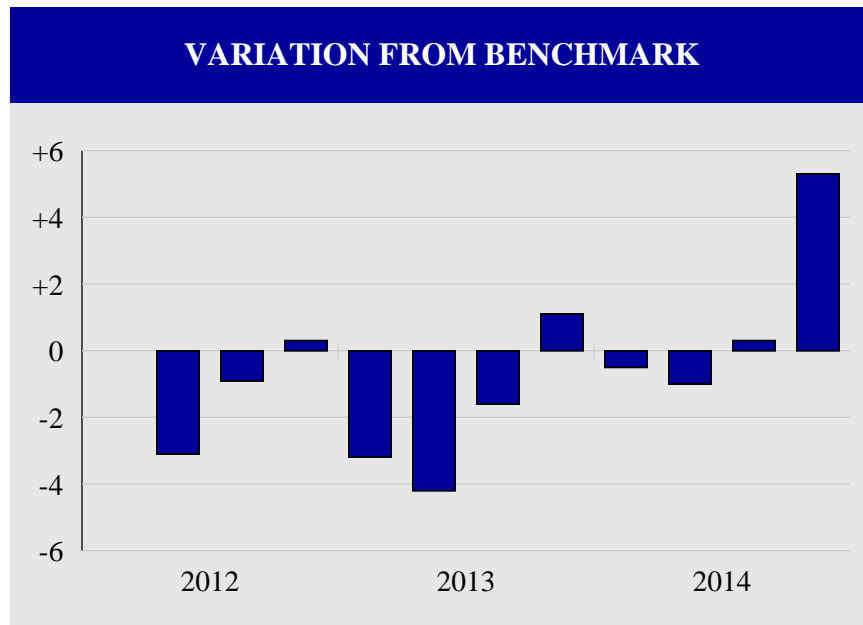


Large Cap Growth Universe



	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	10.1	12.1	16.7	17.4	----	----
(RANK)	(2)	(3)	(4)	(4)	----	----
5TH %ILE	7.9	9.8	15.2	16.9	24.6	18.1
25TH %ILE	5.9	7.7	12.9	14.0	22.0	16.4
MEDIAN	5.0	6.1	10.8	11.9	20.5	15.3
75TH %ILE	3.9	4.6	9.1	9.5	18.8	14.1
95TH %ILE	1.6	1.5	6.0	5.2	15.9	12.2
Russ 1000G	4.8	6.4	11.8	13.1	20.3	15.8

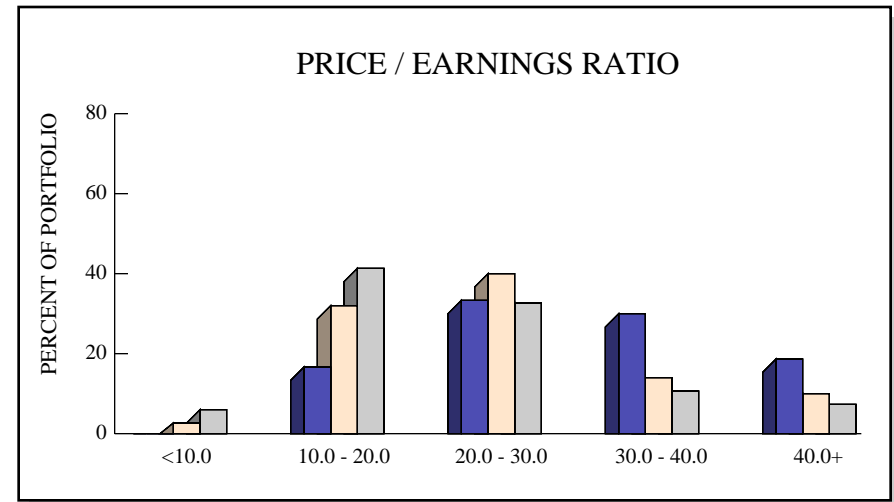
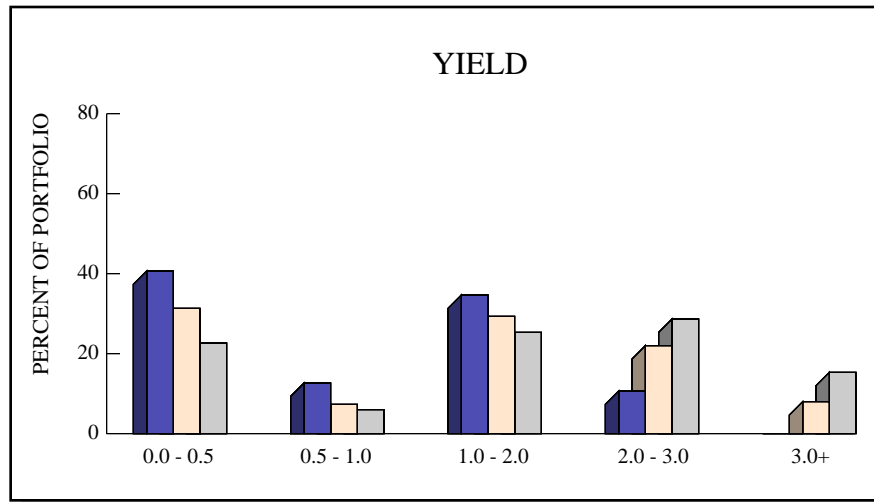
Large Cap Growth Universe

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

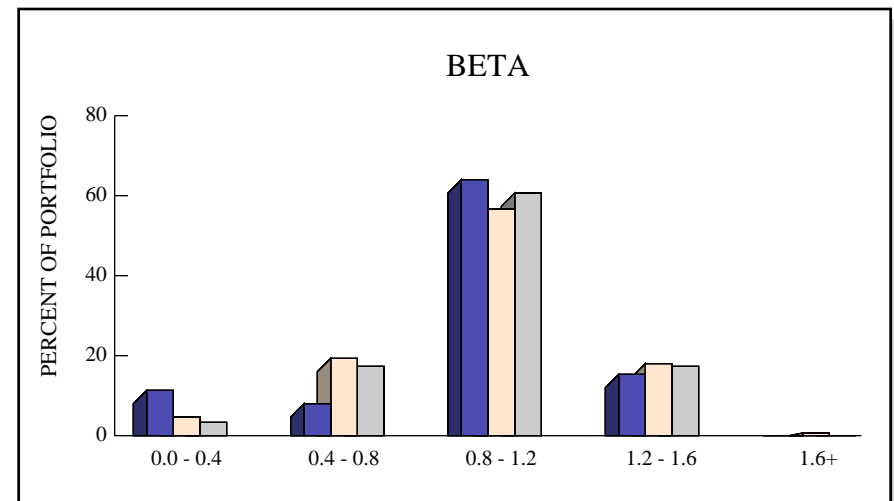
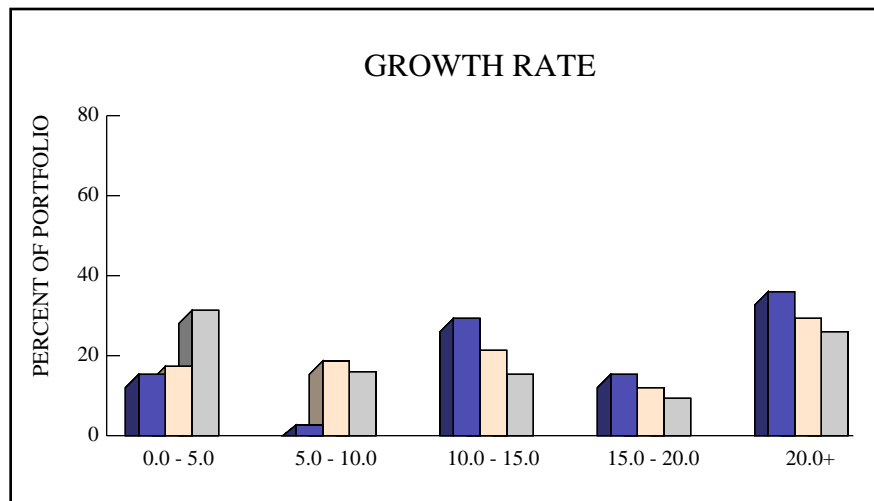
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/12	-7.1	-4.0	-3.1
9/12	5.2	6.1	-0.9
12/12	-1.0	-1.3	0.3
3/13	6.3	9.5	-3.2
6/13	-2.1	2.1	-4.2
9/13	6.5	8.1	-1.6
12/13	11.5	10.4	1.1
3/14	0.6	1.1	-0.5
6/14	4.1	5.1	-1.0
9/14	1.8	1.5	0.3
12/14	10.1	4.8	5.3

Total Quarters Observed	11
Quarters At or Above the Benchmark	4
Quarters Below the Benchmark	7
Batting Average	.364

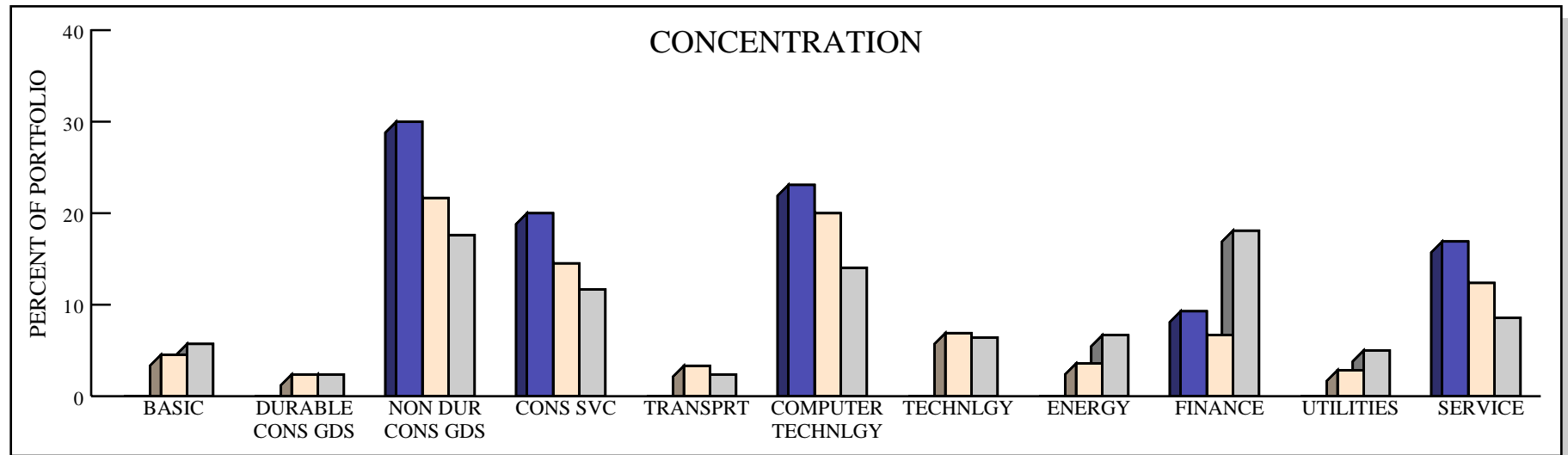
STOCK CHARACTERISTICS



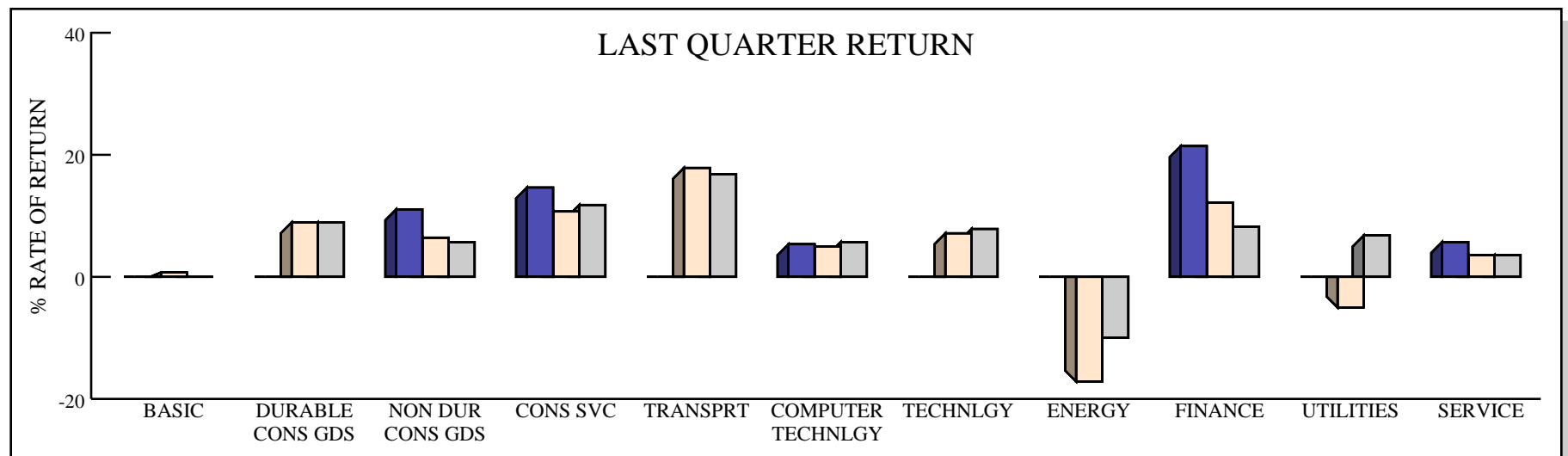
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	22	0.8%	17.9%	34.9	0.90
RUSSELL 1000G	682	1.4%	15.3%	25.3	0.96
RUSSELL 1000	1,043	1.8%	12.1%	22.6	0.97



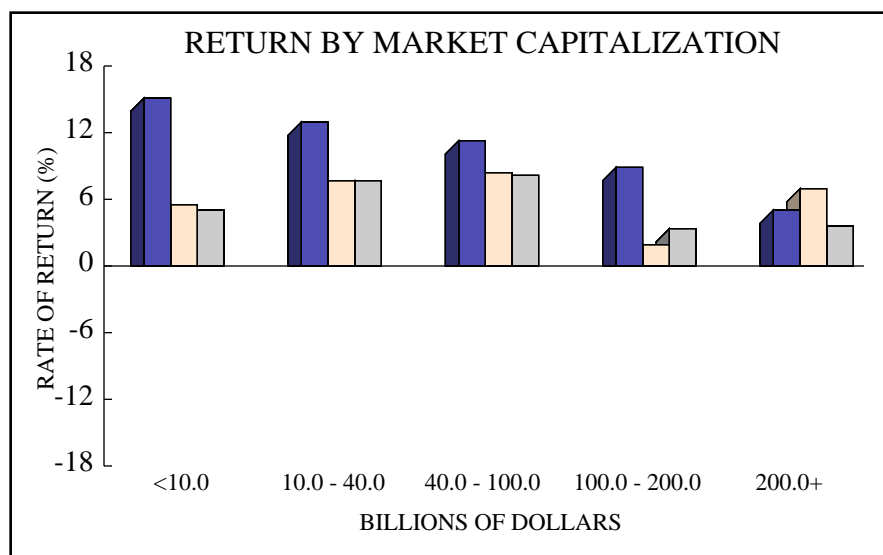
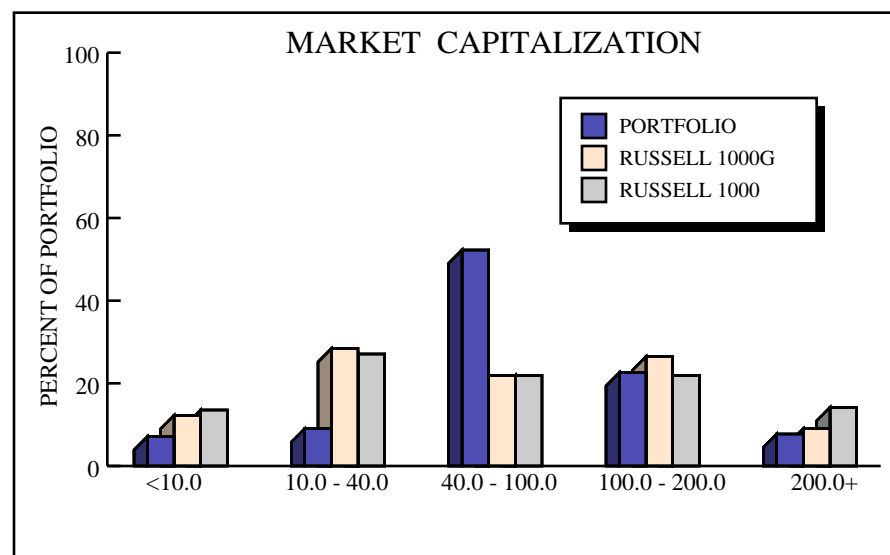
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO
 ■ RUSSELL 1000 GROWTH
 ■ RUSSELL 1000



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	VISA INC-CLASS A SHARES	\$ 605,420	7.47%	23.0%	Finance	\$ 129.4 B
2	NIKE INC -CL B	524,498	6.47%	8.1%	NonDur Cons Goods	65.8 B
3	ORACLE CORP	509,285	6.29%	17.7%	Computer Tech	197.5 B
4	ABBOTT LABORATORIES	509,176	6.28%	8.7%	NonDur Cons Goods	67.8 B
5	PRICELINE GROUP INC/THE	442,401	5.46%	-1.6%	Service	59.7 B
6	TJX COMPANIES INC	433,700	5.35%	16.2%	Consumer Service	47.5 B
7	GOOGLE INC-CL C	430,069	5.31%	-8.8%	Computer Tech	178.6 B
8	ALLERGAN INC	413,700	5.11%	19.3%	NonDur Cons Goods	63.3 B
9	STARBUCKS CORP	409,347	5.05%	9.1%	Consumer Service	61.4 B
10	ACCENTURE PLC-CL A	377,603	4.66%	10.4%	Service	56.1 B

FRANKLIN REGIONAL RETIREMENT SYSTEM
O'SHAUGHNESSY ASSET MANAGEMENT - MARKET LEADERS VALUE
PERFORMANCE REVIEW
DECEMBER 2014

INVESTMENT RETURN

On December 31st, 2014, the Franklin Regional Retirement System's O'Shaughnessy Asset Management Market Leaders Value portfolio was valued at \$7,207,941, representing an increase of \$128,489 from the September quarter's ending value of \$7,079,452. Last quarter, the Fund posted withdrawals totaling \$94, which partially offset the portfolio's net investment return of \$128,583. Income receipts totaling \$41,293 plus net realized and unrealized capital gains of \$87,290 combined to produce the portfolio's net investment return.

For the cumulative period since March 2012, the fund has recorded net withdrawals totaling \$1.4 million and posted net investment gains of \$3.5 million. For the period since March 2012, if the total fund had returned a compounded nominal rate of 8.0% it would have been valued at \$4.8 million or \$2.4 million less than the actual value as of December 31st, 2014.

RELATIVE PERFORMANCE

Total Fund

In the fourth quarter, the O'Shaughnessy Asset Management Market Leaders Value portfolio gained 1.8%, which was 3.2% below the Russell 1000 Value Index's return of 5.0% and ranked in the 93rd percentile of the Large Cap Value universe. Over the trailing year, the portfolio returned 10.7%, which was 2.8% less than the benchmark's 13.5% performance, and ranked in the 73rd percentile. Since March 2012, the portfolio returned 20.9% on an annualized basis and ranked in the 13th percentile. For comparison, the Russell 1000 Value returned an annualized 18.4% over the same period.

ASSET ALLOCATION

On December 31st, 2014, domestic equities comprised 98.6% of the total portfolio (\$7.1 million), while cash & equivalents totaled 1.4% (\$101,497).

STOCK ANALYSIS

At the end of the quarter, the O'Shaughnessy portfolio was invested across ten of the eleven industry sectors in our data analysis. With respect to the Russell 1000 Value index, the portfolio was overweight in the Consumer Service, Computer Technology, Technology, Energy, and Service, while most notably underweight in the Finance sector.

Negative selection effects determined the portfolio sizable underperformance last quarter, as it failed to outpace market returns in all but one sector (Computer Technology). Stock selection was decidedly weak in the Utilities and Service sectors, which turned in negative returns for the portfolio compared to positive returns posted by the index. The account missed quality returns in the Durable Consumer Goods sector (9.2%) by leaving it unfunded. The overweight Technology and Energy sectors each sustained substantial deficits, as the portfolio underperformed the benchmark by 180 basis points.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 03/12
Total Gross/Fees	1.8	10.7	10.7	----	20.9
<i>LARGE CAP VALUE RANK</i>	(93)	(73)	(73)	----	(13)
Total Net/Fees	1.7	10.1	10.1	----	20.3
RUSSELL 1000V	5.0	13.5	13.5	20.9	18.4
Domestic Equity	1.8	10.9	10.9	----	21.3
<i>LARGE CAP VALUE RANK</i>	(93)	(71)	(71)	----	(10)
RUSSELL 1000V	5.0	13.5	13.5	20.9	18.4

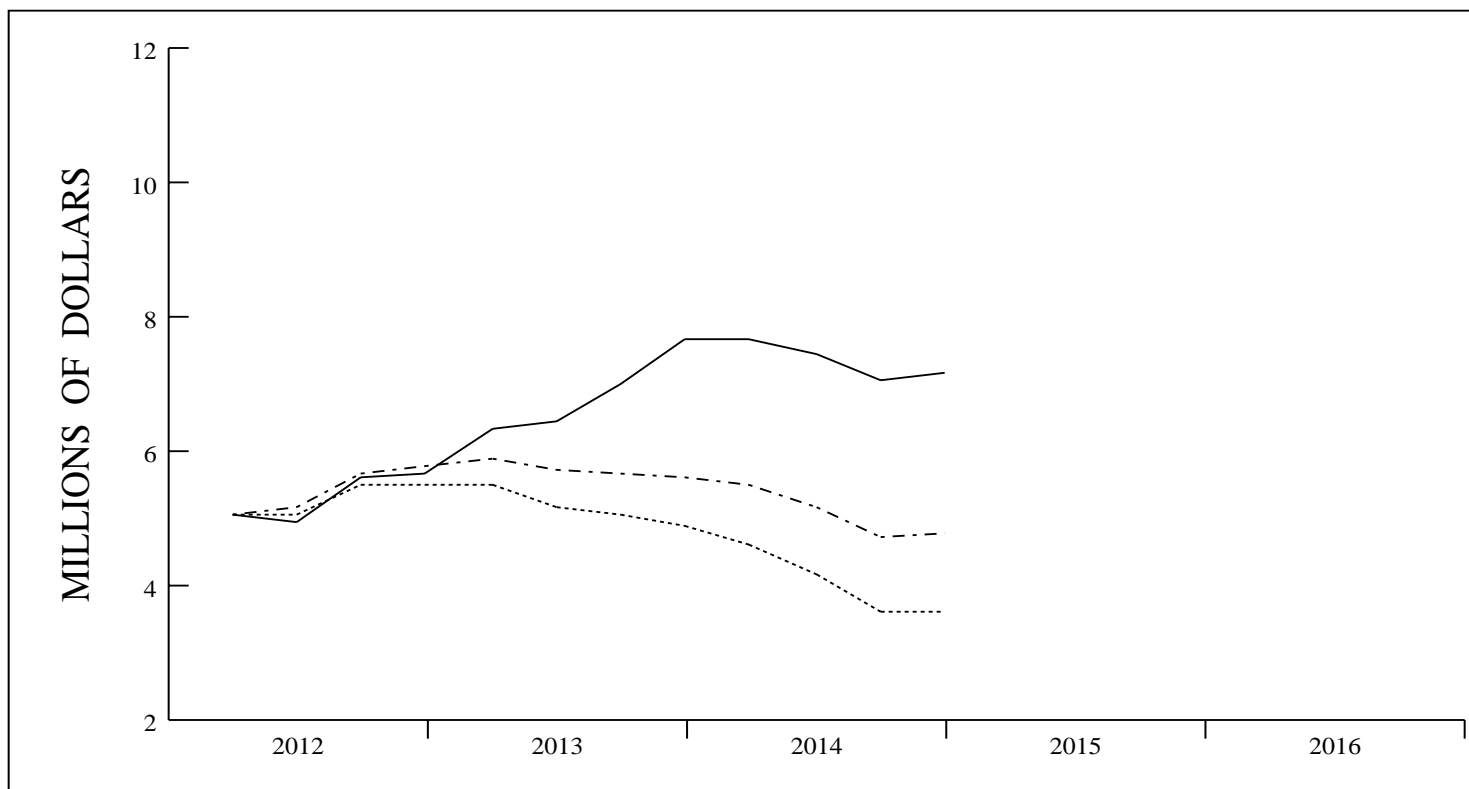
ASSET ALLOCATION

Domestic Equity	98.6%	\$ 7,106,444
Cash	1.4%	101,497
Total Portfolio	100.0%	\$ 7,207,941

INVESTMENT RETURN

Market Value 9/2014	\$ 7,079,452
Contribs / Withdrawals	- 94
Income	41,293
Capital Gains / Losses	87,290
Market Value 12/2014	\$ 7,207,941

INVESTMENT GROWTH

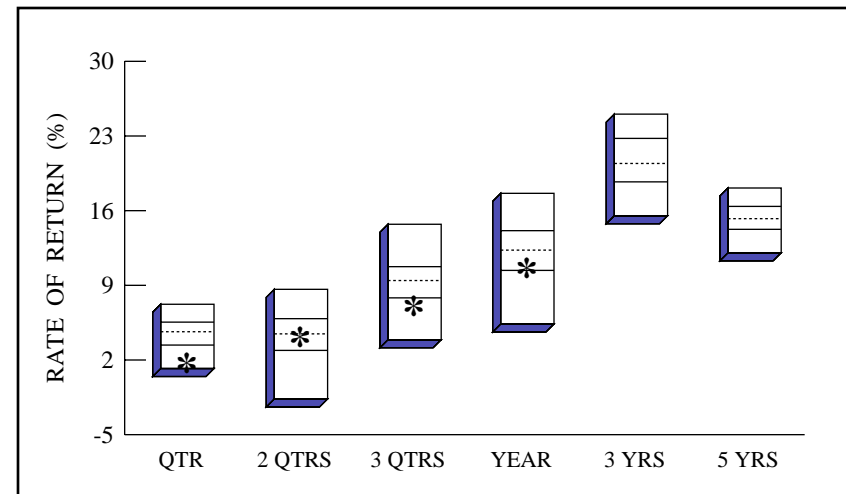
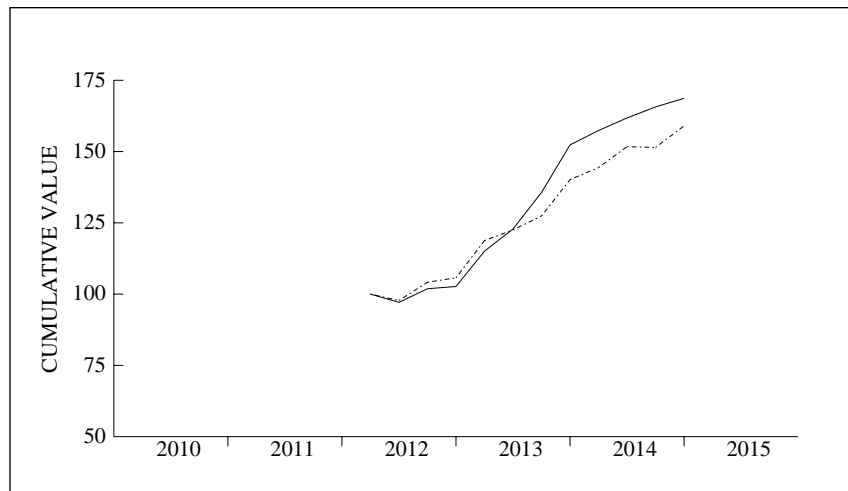


— ACTUAL RETURN
 - - - 8.0%
 0.0%

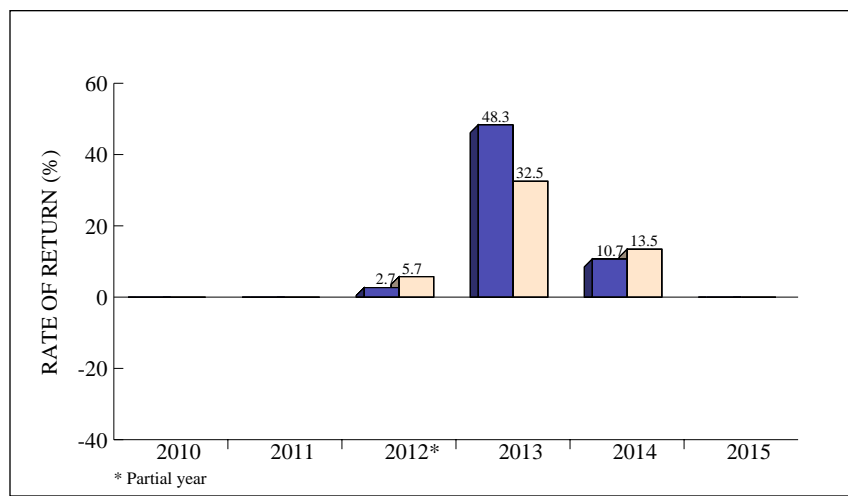
VALUE ASSUMING
 8.0% RETURN
 \$ 4,820,307

	LAST QUARTER	PERIOD 3/12 - 12/14
BEGINNING VALUE	\$ 7,079,452	\$ 5,103,112
NET CONTRIBUTIONS	- 94	- 1,442,682
INVESTMENT RETURN	128,583	3,547,511
ENDING VALUE	\$ 7,207,941	\$ 7,207,941
INCOME	41,293	490,061
CAPITAL GAINS (LOSSES)	87,290	3,057,450
INVESTMENT RETURN	128,583	3,547,511

TOTAL RETURN COMPARISONS

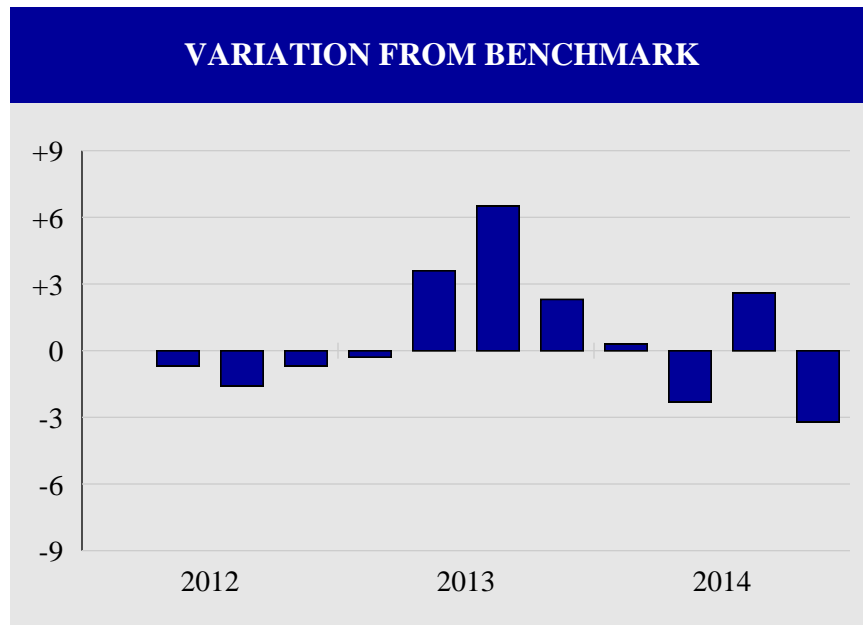


Large Cap Value Universe



	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	1.8	4.2	7.2	10.7	----	----
(RANK)	(93)	(56)	(83)	(73)	----	----
5TH %ILE	7.2	8.6	14.7	17.6	25.1	18.1
25TH %ILE	5.6	5.9	10.8	14.1	22.8	16.4
MEDIAN	4.6	4.4	9.5	12.3	20.4	15.3
75TH %ILE	3.4	2.9	7.8	10.4	18.7	14.3
95TH %ILE	1.2	-1.7	3.9	5.4	15.5	12.1
Russ 1000V	5.0	4.8	10.1	13.5	20.9	15.4

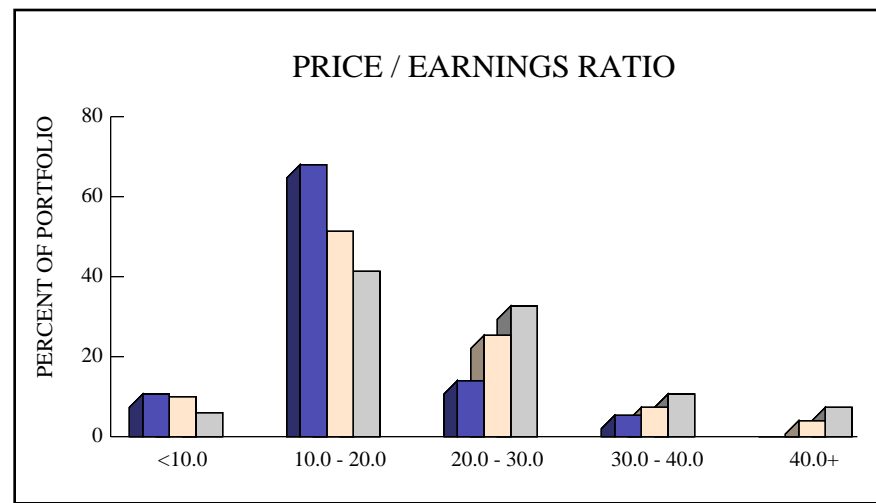
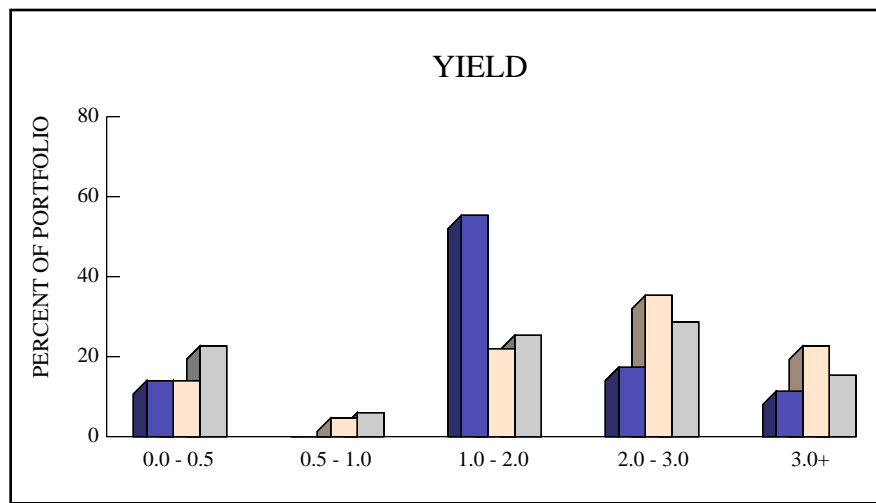
Large Cap Value Universe

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

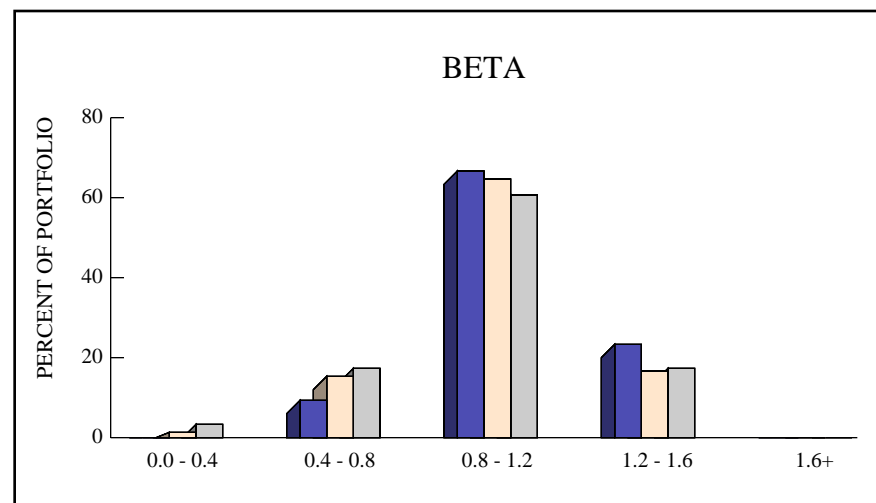
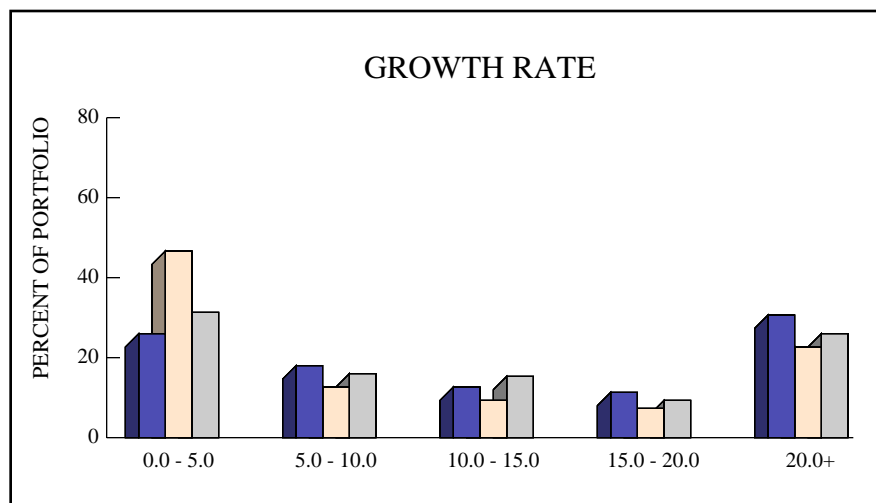
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/12	-2.9	-2.2	-0.7
9/12	4.9	6.5	-1.6
12/12	0.8	1.5	-0.7
3/13	12.0	12.3	-0.3
6/13	6.8	3.2	3.6
9/13	10.4	3.9	6.5
12/13	12.3	10.0	2.3
3/14	3.3	3.0	0.3
6/14	2.8	5.1	-2.3
9/14	2.4	-0.2	2.6
12/14	1.8	5.0	-3.2

Total Quarters Observed	11
Quarters At or Above the Benchmark	5
Quarters Below the Benchmark	6
Batting Average	.455

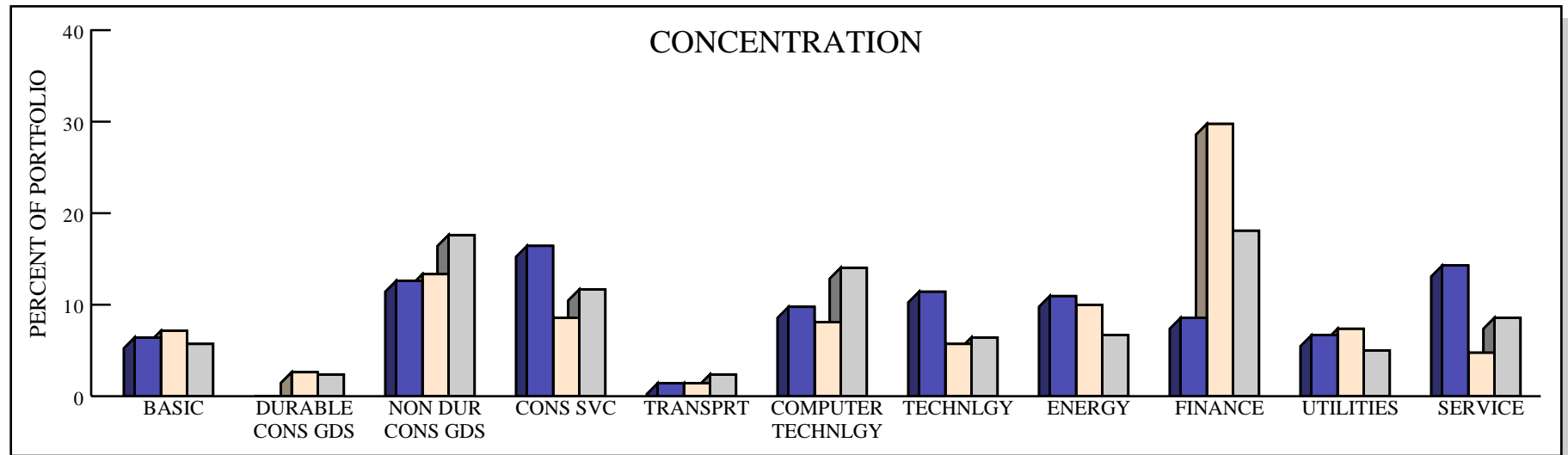
STOCK CHARACTERISTICS



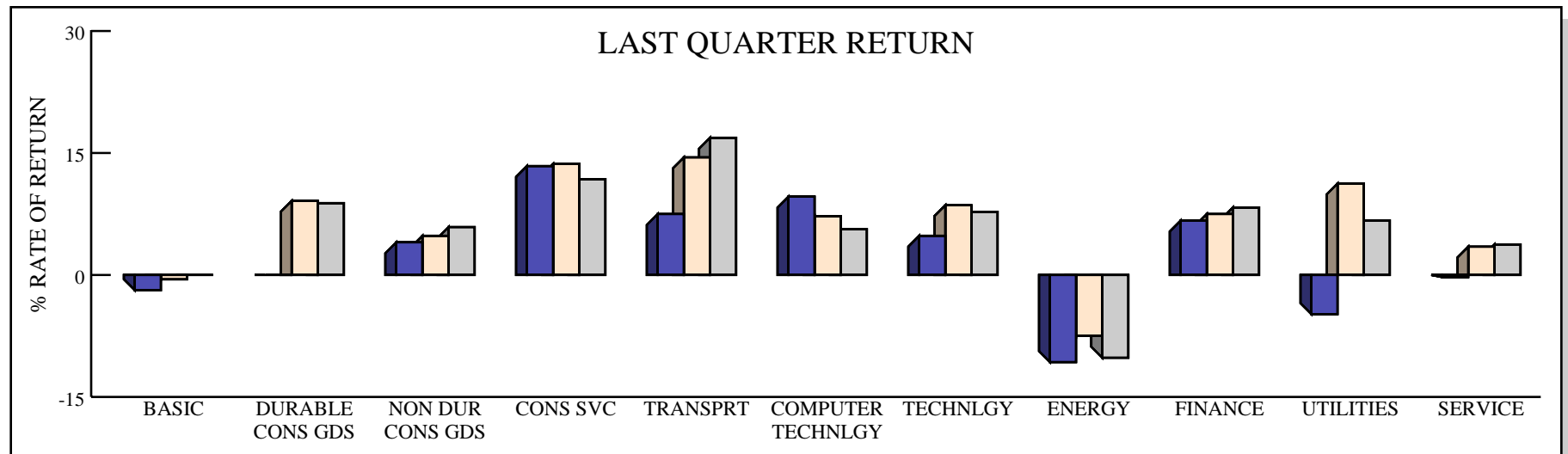
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
■ PORTFOLIO	61	1.9%	16.7%	16.6	1.05
■ RUSSELL 1000V	704	2.2%	8.7%	20.0	0.99
■ RUSSELL 1000	1,043	1.8%	12.1%	22.6	0.97



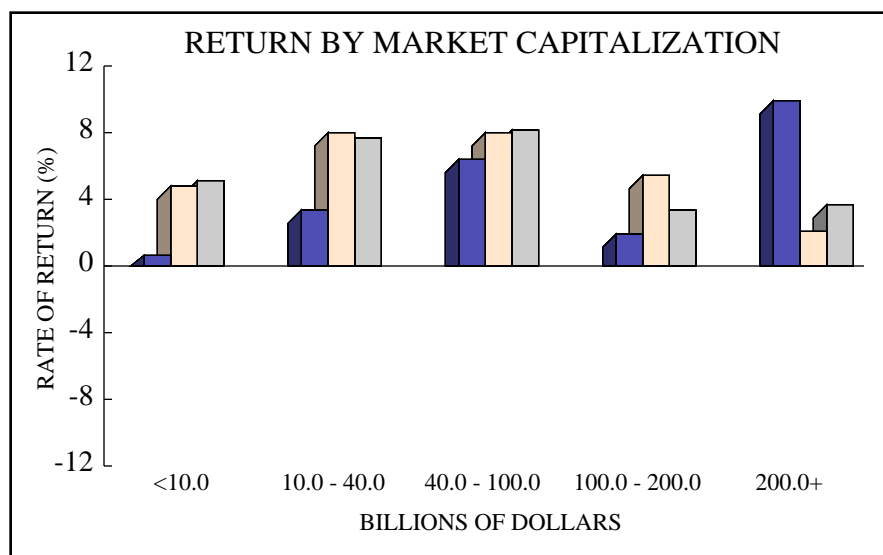
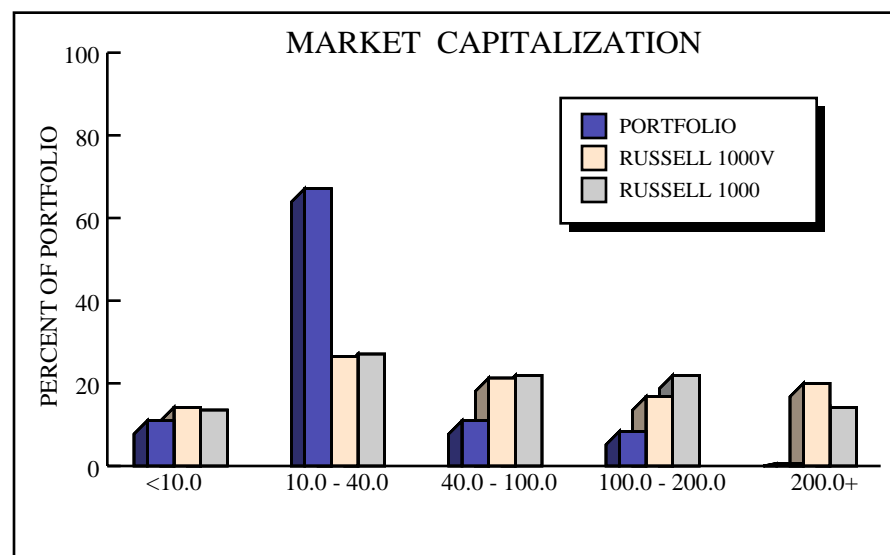
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO
 ■ RUSSELL 1000 VALUE
 ■ RUSSELL 1000



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	NORTHROP GRUMMAN CORP	\$ 322,047	4.53%	12.3%	Technology	\$ 29.8 B
2	SEAGATE TECHNOLOGY	316,341	4.45%	16.8%	Computer Tech	21.8 B
3	MARATHON PETROLEUM CORP	305,801	4.30%	7.1%	Energy	25.3 B
4	COCA-COLA ENTERPRISES	292,427	4.11%	0.2%	NonDur Cons Goods	10.7 B
5	CENTURYLINK INC	252,481	3.55%	-1.8%	Utilities	22.6 B
6	TRAVELERS COS INC/THE	244,196	3.44%	13.2%	Finance	35.1 B
7	CF INDUSTRIES HOLDINGS INC	233,567	3.29%	-2.0%	NonDur Cons Goods	13.6 B
8	PFIZER INC	221,726	3.12%	6.2%	NonDur Cons Goods	196.3 B
9	VIACOM INC-CLASS A	219,177	3.08%	-1.5%	Service	3.8 B
10	LOWE'S COS INC	213,830	3.01%	30.3%	Consumer Service	66.9 B

FRANKLIN REGIONAL RETIREMENT SYSTEM
SEIZERT CAPITAL PARTNERS
PERFORMANCE REVIEW
DECEMBER 2014

INVESTMENT RETURN

On December 31st, 2014, the Franklin Regional Retirement System's Seizert Capital Partners portfolio was valued at \$6,082,752, representing an increase of \$218,981 from the September quarter's ending value of \$5,863,771. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$218,981 in net investment returns. Income receipts totaling \$30,445 plus net realized and unrealized capital gains of \$188,536 combined to produce the portfolio's net investment return figure.

For the cumulative period since June 2011, the account has recorded net withdrawals totaling \$1.9 million and net investment gains of \$3.0 million. Since June 2011, if the total account had earned a compounded nominal rate of 8.0% it would have been worth \$4.4 million or \$1.7 million less than the actual value as of December 31st, 2014.

RELATIVE PERFORMANCE

During the fourth quarter, the Seizert Capital Partners portfolio gained 3.7%, which was 2.2% below the Russell Mid Cap's return of 5.9% and ranked in the 81st percentile of the Mid Cap universe. Over the trailing year, the portfolio returned 6.5%, which was 6.7% below the benchmark's 13.2% performance, ranking in the 76th percentile. Since June 2011, the account returned 16.4% on an annualized basis and ranked in the 15th percentile. For comparison, the Russell Mid Cap returned an annualized 15.0% over the same period.

ASSET ALLOCATION

On December 31st, 2014, domestic equities comprised 95.6% of the total portfolio (\$5.8 million), while cash & equivalents totaled 4.4% (\$268,618).

STOCK ANALYSIS

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

Selection effects were mixed in the fourth quarter, but leaving certain well-performing sectors vacant led to a substantial total portfolio underperformance. The highly concentrated Computer Technology sector (26.3% allocation) nearly doubled the returns of the benchmark (14.0% vs. 7.2%). Conversely, the Finance sector (29.3% allocation) sustained a marginal underperformance, somewhat offsetting the aforementioned positive gains. The vacant Transportation, Technology, and Utilities posted quality returns of 17.3%, 8.3%, and 10.4%, invoking substantial negative allocation effects. The portfolio trailed the benchmark by 220 basis points by the end of the quarter.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 06/11
Total Gross/Fees	3.7	6.5	6.5	25.1	16.4
<i>MID CAP RANK</i>	(81)	(76)	(76)	(5)	(15)
Total Net/Fees	3.6	5.8	5.8	24.3	15.7
RUSSELL MID	5.9	13.2	13.2	21.4	15.0
Domestic Equity	3.9	6.8	6.8	26.3	17.2
<i>MID CAP RANK</i>	(78)	(74)	(74)	(2)	(9)
RUSSELL MID	5.9	13.2	13.2	21.4	15.0

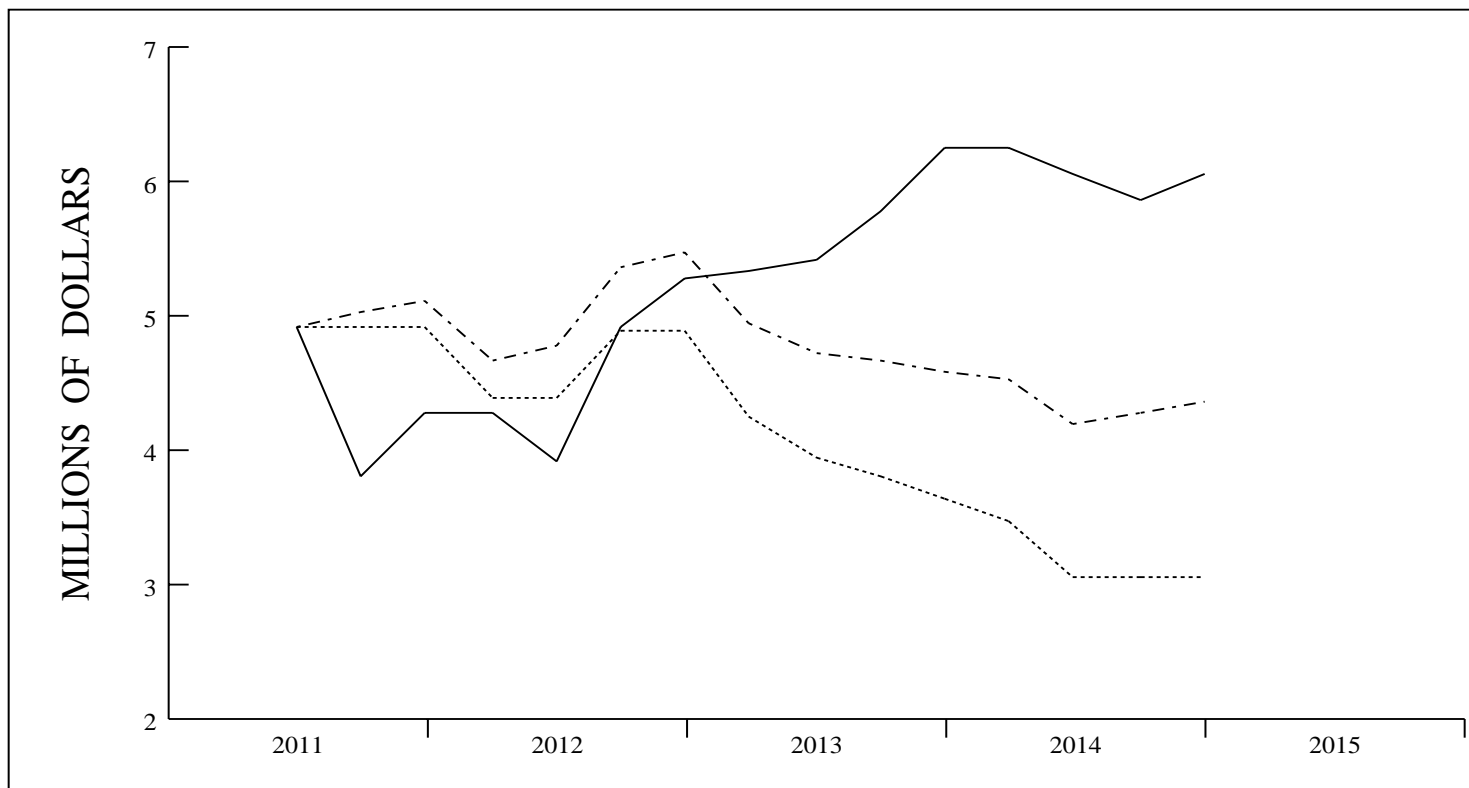
ASSET ALLOCATION

Domestic Equity	95.6%	\$ 5,814,134
Cash	4.4%	268,618
Total Portfolio	100.0%	\$ 6,082,752

INVESTMENT RETURN

Market Value 9/2014	\$ 5,863,771
Contribs / Withdrawals	0
Income	30,445
Capital Gains / Losses	188,536
Market Value 12/2014	\$ 6,082,752

INVESTMENT GROWTH

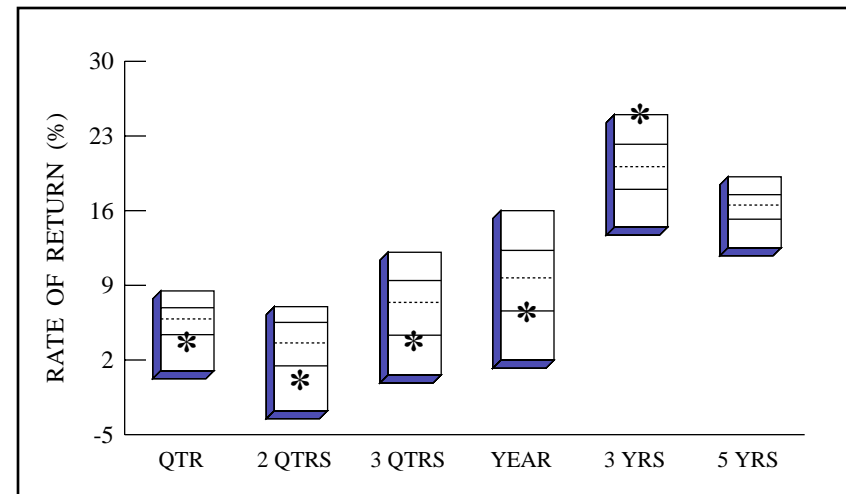
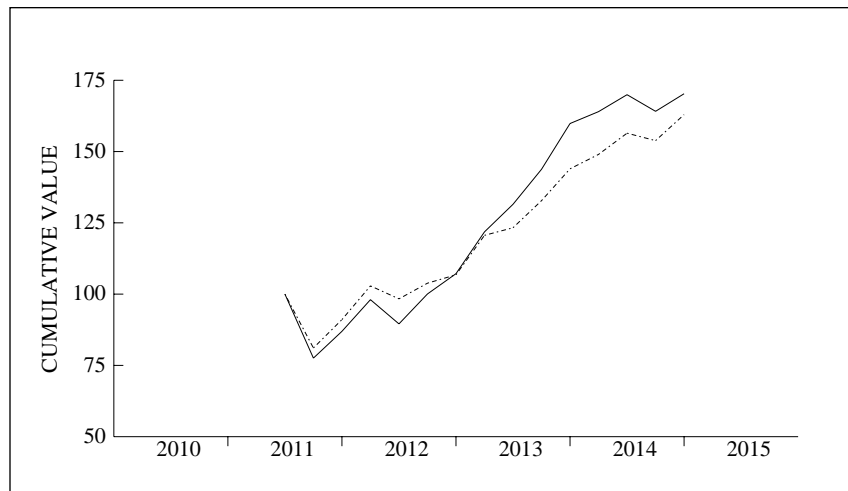


— ACTUAL RETURN
 - - - 8.0%
 . . . 0.0%

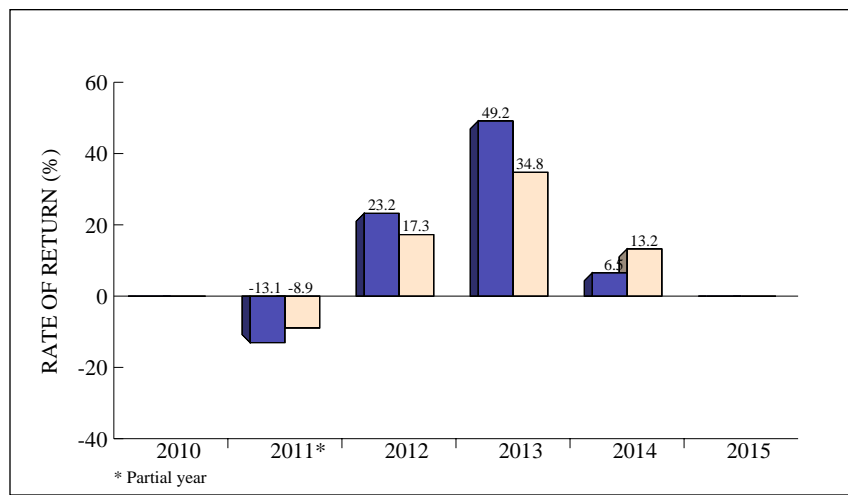
VALUE ASSUMING
 8.0% RETURN
 \$ 4,368,956

	LAST QUARTER	PERIOD 6/11 - 12/14
BEGINNING VALUE	\$ 5,863,771	\$ 4,935,067
NET CONTRIBUTIONS	0	- 1,861,000
<u>INVESTMENT RETURN</u>	<u>218,981</u>	<u>3,008,685</u>
ENDING VALUE	\$ 6,082,752	\$ 6,082,752
INCOME	30,445	285,265
<u>CAPITAL GAINS (LOSSES)</u>	<u>188,536</u>	<u>2,723,420</u>
INVESTMENT RETURN	218,981	3,008,685

TOTAL RETURN COMPARISONS

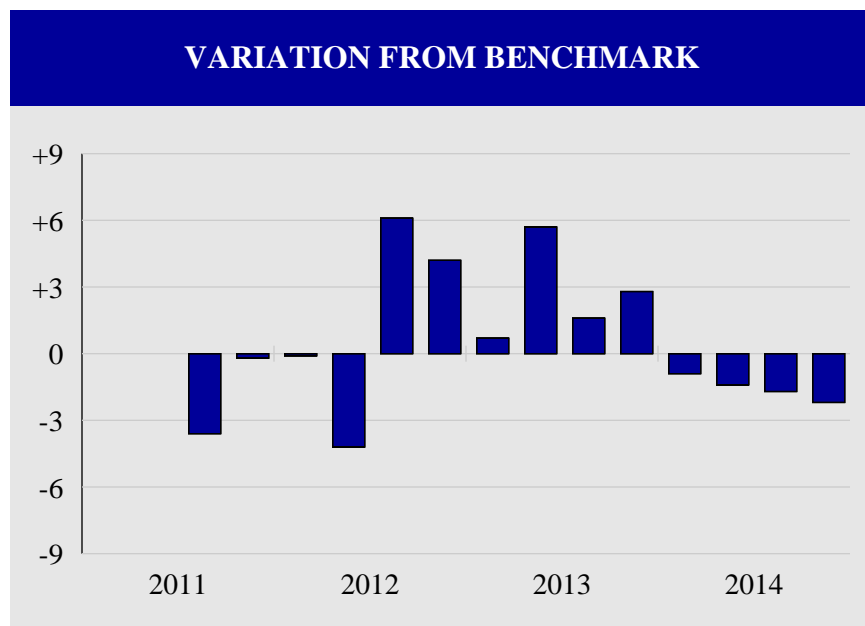


Mid Cap Universe



	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED----- 3 YRS	5 YRS
RETURN	3.7	0.2	3.8	6.5	25.1	----
(RANK)	(81)	(85)	(83)	(76)	(5)	----
5TH %ILE	8.5	7.0	12.1	16.0	25.0	19.2
25TH %ILE	6.9	5.5	9.5	12.3	22.2	17.5
MEDIAN	5.9	3.6	7.4	9.7	20.1	16.5
75TH %ILE	4.4	1.5	4.3	6.6	18.0	15.2
95TH %ILE	1.0	-2.8	0.6	2.0	14.5	12.5
Russ MC	5.9	4.2	9.4	13.2	21.4	17.2

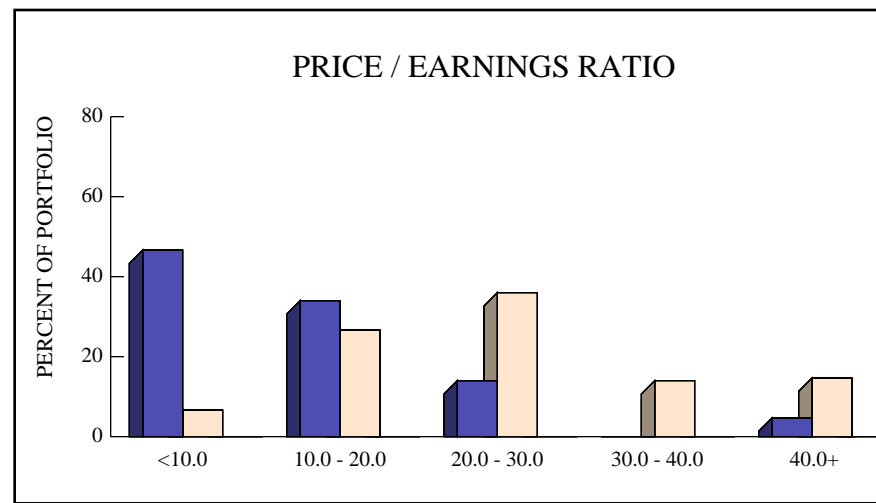
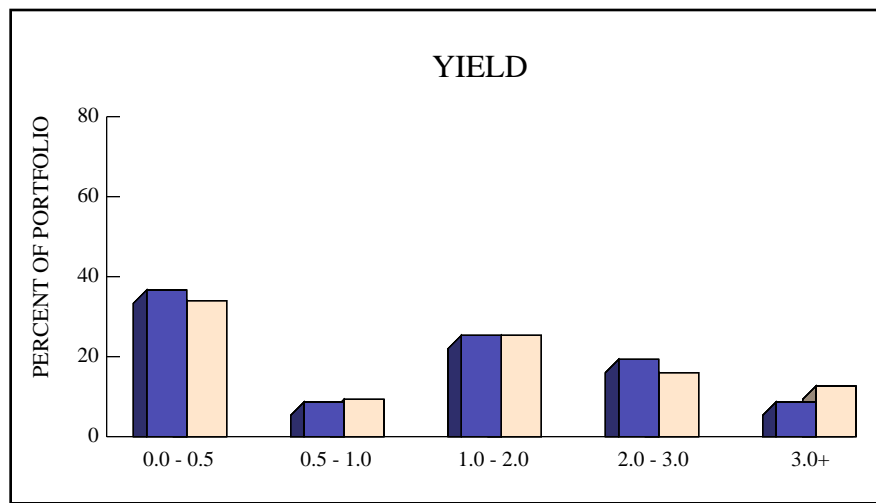
Mid Cap Universe

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

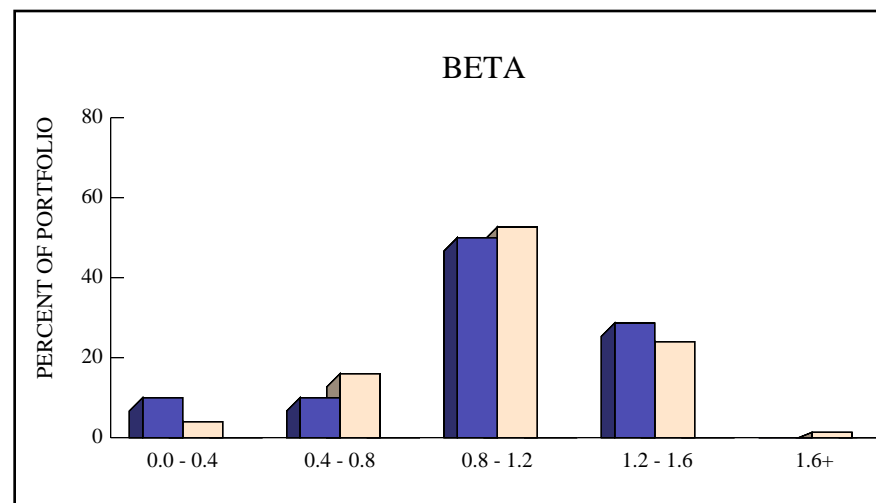
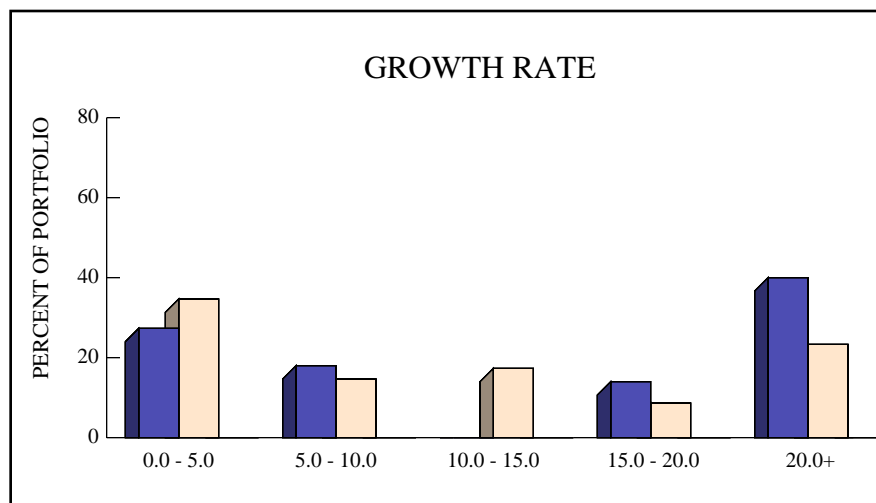
Total Quarters Observed	14
Quarters At or Above the Benchmark	6
Quarters Below the Benchmark	8
Batting Average	.429

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
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

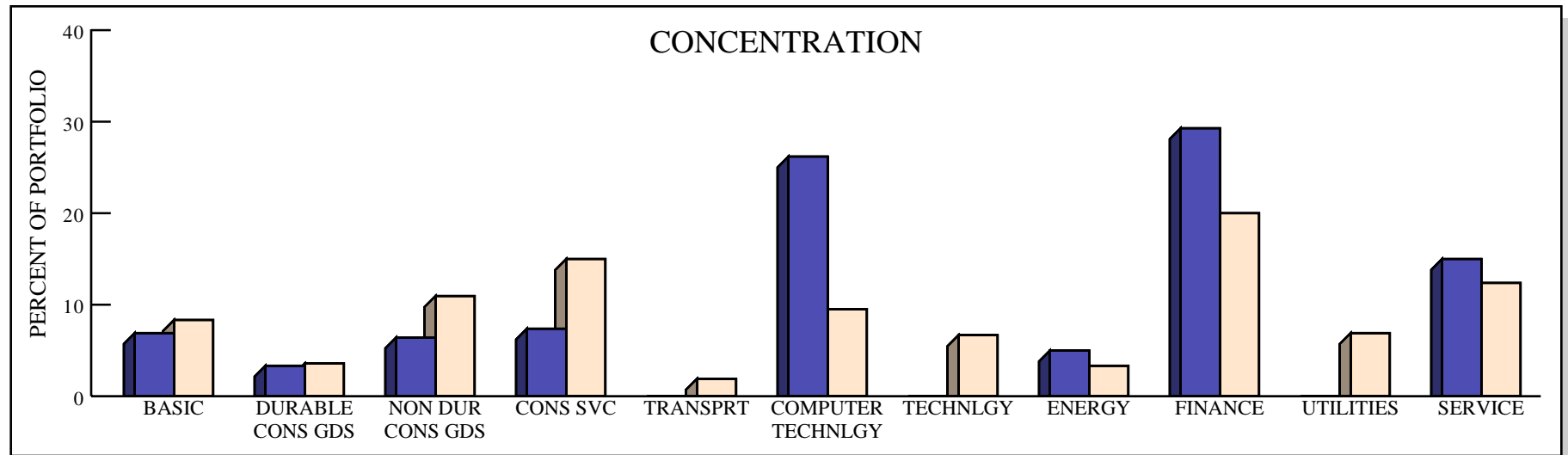
STOCK CHARACTERISTICS



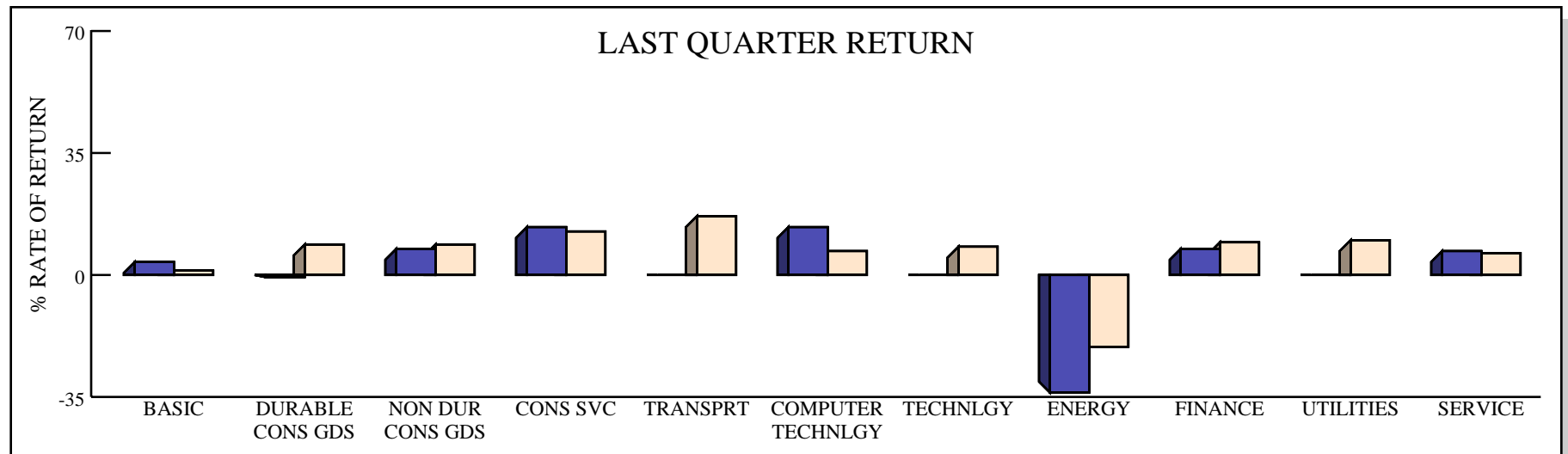
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	29	1.8%	17.9%	11.3	0.94
RUSSELL MID	846	1.5%	11.3%	26.6	1.00



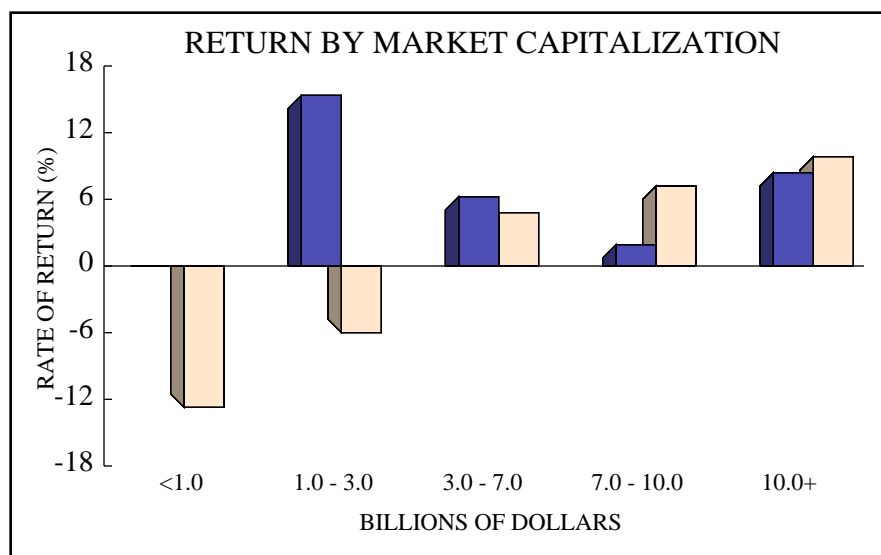
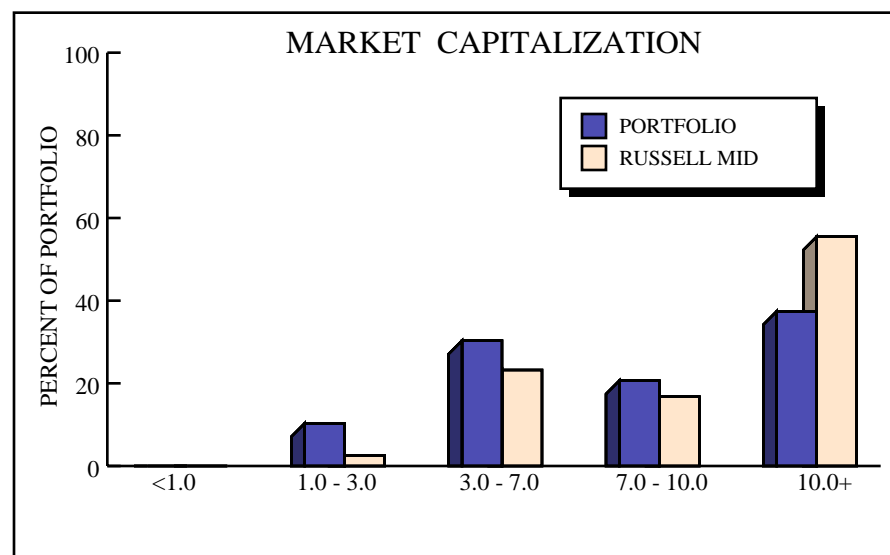
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL MID CAP



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	TESSERA TECHNOLOGIES INC	\$ 318,443	5.48%	35.2%	Computer Tech	\$ 1.9 B
2	ASSURED GUARANTY LTD	273,753	4.71%	17.7%	Finance	4.2 B
3	MARVELL TECHNOLOGY GROUP LTD	273,470	4.70%	8.0%	Computer Tech	7.4 B
4	CHECK POINT SOFTWARE TECH	268,317	4.61%	13.5%	Computer Tech	15.0 B
5	VISTEON CORP	260,738	4.48%	9.9%	Basic	4.7 B
6	WESTERN UNION CO	258,441	4.45%	12.4%	Service	9.4 B
7	DISH NETWORK CORP-A	257,666	4.43%	12.9%	Service	16.2 B
8	SYMANTEC CORP	246,464	4.24%	9.7%	Computer Tech	17.7 B
9	NETAPP INC	225,695	3.88%	-3.1%	Computer Tech	12.9 B
10	REGIONS FINANCIAL CORP	220,862	3.80%	5.6%	Finance	14.5 B

FRANKLIN REGIONAL RETIREMENT SYSTEM
DARUMA - GINKGO FUND
PERFORMANCE REVIEW
DECEMBER 2014

INVESTMENT RETURN

On December 31st, 2014, the Franklin Regional Retirement System's Daruma Ginkgo Fund was valued at \$5,690,978, representing an increase of \$337,331 from the September quarter's ending value of \$5,353,647. Last quarter, the Fund posted withdrawals totaling \$13,777, which partially offset the portfolio's net investment return of \$351,108. Since there were no income receipts for the fourth quarter, the portfolio's net investment return figure was the product of net realized and unrealized capital gains totaling \$351,108.

For the cumulative period since December 2009, the account has posted net withdrawals totaling \$9.3 million and recorded net investment gains totaling \$7.2 million. Since December 2009, if the portfolio had returned a compounded nominal rate of 8.0% it would have been valued at \$1.1 million or \$4.6 million less than its actual value as of December 31st, 2014.

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 fourth quarter, the Daruma Ginkgo Fund returned 6.6%, which was 3.1% less than the Russell 2000 Index's return of 9.7% and ranked in the 72nd percentile of the Small Cap universe. Over the trailing year, the portfolio returned -1.2%, which was 6.1% below the benchmark's 4.9% performance, ranking in the 87th percentile. Since December 2009, the account returned 15.4% on an annualized basis and ranked in the 75th percentile. For comparison, the Russell 2000 returned an annualized 15.5% over the same period.

ASSET ALLOCATION

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

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	5 Years
Total Gross/Fees	6.6	-1.2	-1.2	19.8	15.4
<i>SMALL CAP RANK</i>	(72)	(87)	(87)	(56)	(75)
Total Net/Fees	6.3	-2.3	-2.3	18.6	14.2
RUSSELL 2000	9.7	4.9	4.9	19.2	15.5
Domestic Equity	6.6	-1.3	-1.3	20.7	16.0
<i>SMALL CAP RANK</i>	(72)	(87)	(87)	(43)	(65)
RUSSELL 2000	9.7	4.9	4.9	19.2	15.5
RUSSELL 2000G	10.1	5.6	5.6	20.1	16.8
RUSSELL 2000V	9.4	4.2	4.2	18.3	14.3

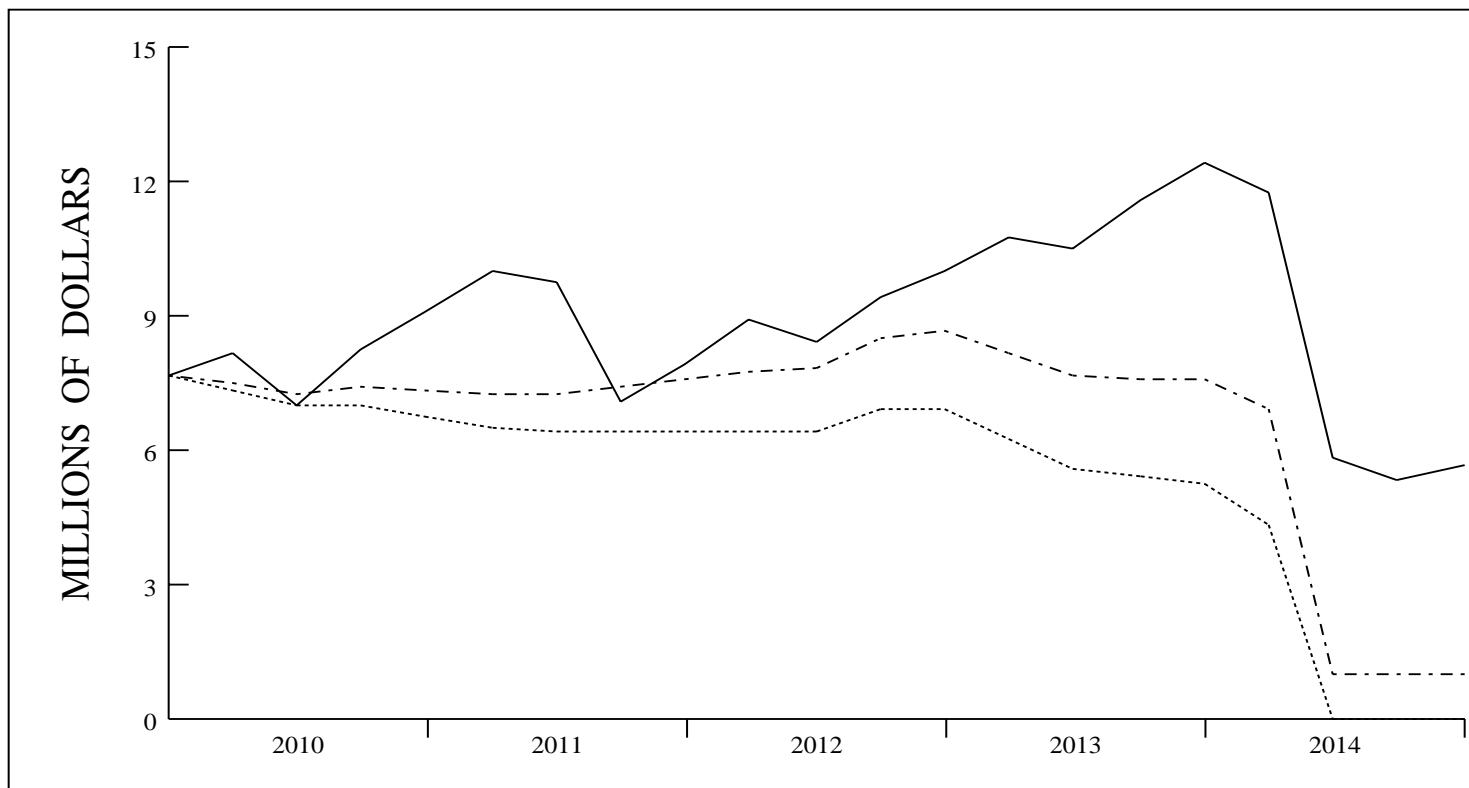
ASSET ALLOCATION

Domestic Equity	100.0%	\$ 5,690,978
Total Portfolio	100.0%	\$ 5,690,978

INVESTMENT RETURN

Market Value 9/2014	\$ 5,353,647
Contribs / Withdrawals	- 13,777
Income	0
Capital Gains / Losses	351,108
Market Value 12/2014	\$ 5,690,978

INVESTMENT GROWTH

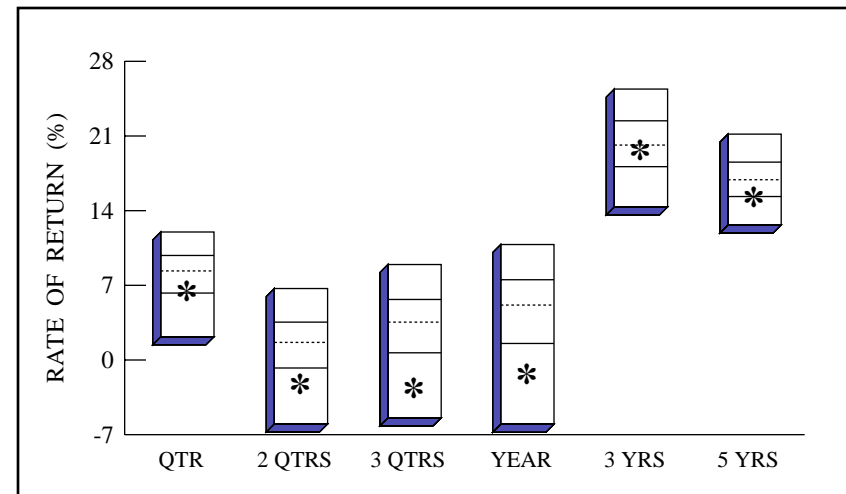
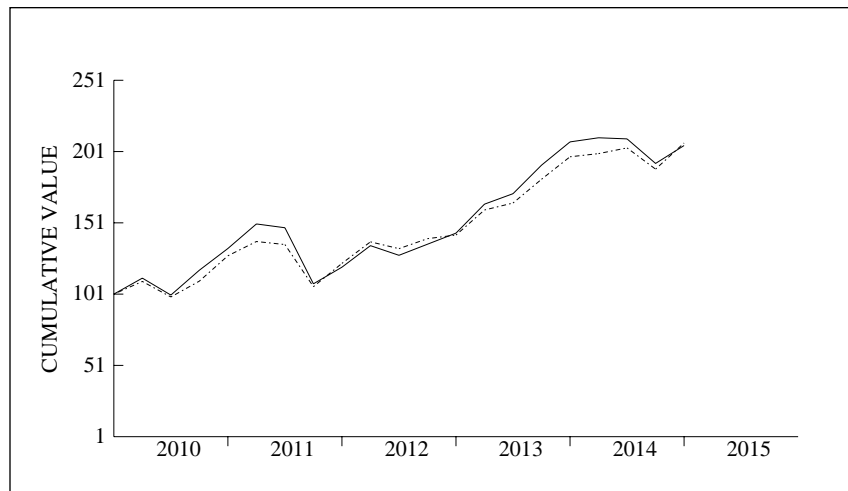


— ACTUAL RETURN
 - - - 8.0%
 0.0%

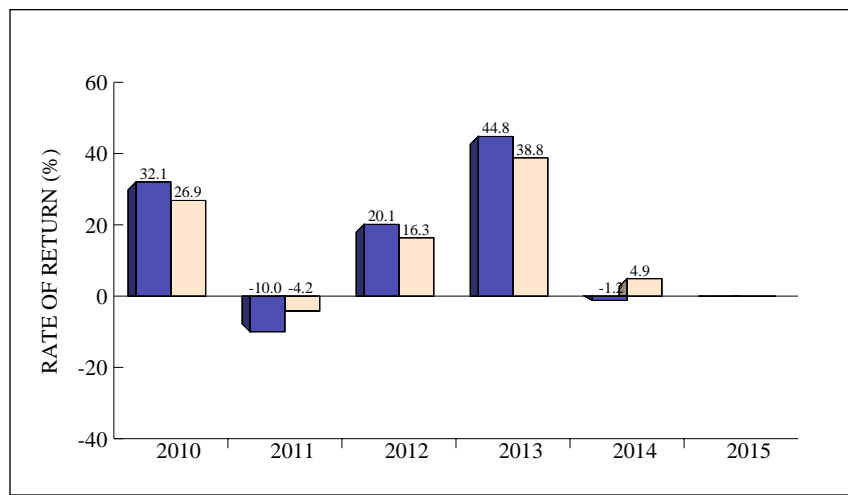
VALUE ASSUMING
 8.0% RETURN
 \$ 1,053,309

	LAST QUARTER	PERIOD 12/09 - 12/14
BEGINNING VALUE	\$ 5,353,647	\$ 7,735,102
NET CONTRIBUTIONS	- 13,777	- 9,278,457
<u>INVESTMENT RETURN</u>	<u>351,108</u>	<u>7,234,333</u>
ENDING VALUE	\$ 5,690,978	\$ 5,690,978
INCOME	0	182,944
<u>CAPITAL GAINS (LOSSES)</u>	<u>351,108</u>	<u>7,051,389</u>
INVESTMENT RETURN	351,108	7,234,333

TOTAL RETURN COMPARISONS

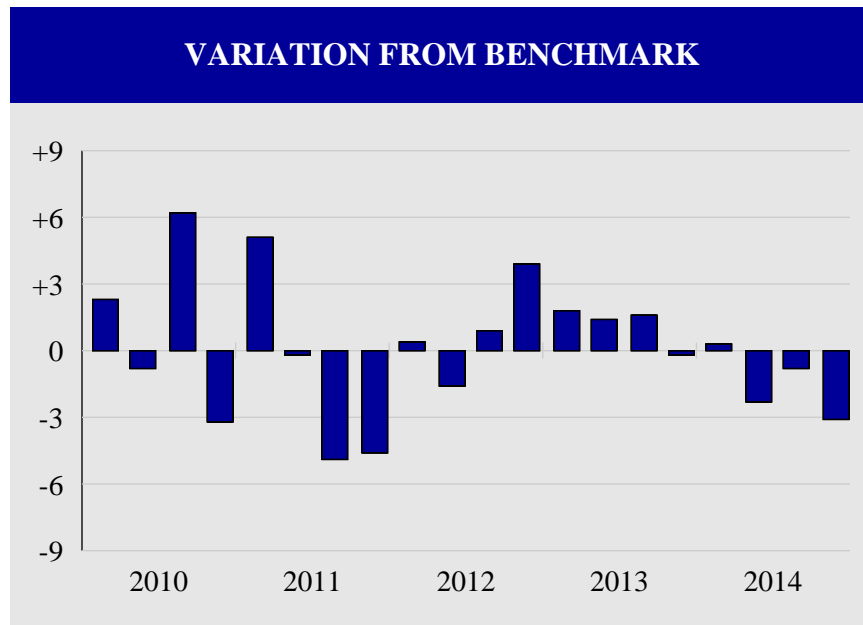


Small Cap Universe



	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED----- 3 YRS	5 YRS
RETURN	6.6	-2.2	-2.6	-1.2	19.8	15.4
(RANK)	(72)	(85)	(89)	(87)	(56)	(75)
5TH %ILE	12.0	6.7	9.0	10.8	25.4	21.2
25TH %ILE	9.8	3.5	5.7	7.5	22.4	18.6
MEDIAN	8.4	1.6	3.6	5.2	20.1	16.9
75TH %ILE	6.3	-0.8	0.7	1.6	18.1	15.3
95TH %ILE	2.2	-6.0	-5.4	-6.0	14.4	12.7
Russ 2000	9.7	1.7	3.7	4.9	19.2	15.5

Small Cap Universe

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

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
3/10	11.2	8.9	2.3
6/10	-10.7	-9.9	-0.8
9/10	17.5	11.3	6.2
12/10	13.1	16.3	-3.2
3/11	13.0	7.9	5.1
6/11	-1.8	-1.6	-0.2
9/11	-26.8	-21.9	-4.9
12/11	10.9	15.5	-4.6
3/12	12.8	12.4	0.4
6/12	-5.1	-3.5	-1.6
9/12	6.1	5.2	0.9
12/12	5.7	1.8	3.9
3/13	14.2	12.4	1.8
6/13	4.5	3.1	1.4
9/13	11.8	10.2	1.6
12/13	8.5	8.7	-0.2
3/14	1.4	1.1	0.3
6/14	-0.3	2.0	-2.3
9/14	-8.2	-7.4	-0.8
12/14	6.6	9.7	-3.1

FRANKLIN REGIONAL RETIREMENT SYSTEM
SYSTEMATIC FINANCIAL
PERFORMANCE REVIEW
DECEMBER 2014

INVESTMENT RETURN

On December 31st, 2014, the Franklin Regional Retirement System's Systematic Financial portfolio was valued at \$5,928,376, representing an increase of \$342,981 from the September quarter's ending value of \$5,585,395. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$342,981 in net investment returns. Income receipts totaling \$28,168 plus net realized and unrealized capital gains of \$314,813 combined to produce the portfolio's net investment return figure.

Over the cumulative period since June 2014, the account has had no contributions or withdrawals, while sustaining a net investment loss totaling \$17,574. Since June 2014, if the account had returned a compounded nominal rate of 8.0% it would have been valued at \$6.2 million or \$250,838 more than its actual value as of December 31st, 2014.

RELATIVE PERFORMANCE

For the fourth quarter, the Systematic Financial portfolio gained 6.1%, which was 3.3% below the Russell 2000 Value Index's return of 9.4% and ranked in the 70th percentile of the Small Cap Value universe.

ASSET ALLOCATION

At the end of the fourth quarter, domestic equities comprised 99.3% of the total portfolio (\$5.9 million), while cash & equivalents comprised the remaining 0.7% (\$39,623).

STOCK ANALYSIS

By the end of the fourth quarter, the Systematic portfolio was diversified across all eleven industry sectors utilized in our analysis. With respect to the Russell 2000 Value index, the portfolio was overweight in the Basic, Durable Consumer Goods, Nondurable Consumer Goods, Consumer Service, Computer Technology, Technology, and Energy sector, while underweight in Transportation, Finance, Utilities, and Service sectors.

The portfolio failed to outpace the benchmark in all but three industry sectors, which include Durable Consumer Goods, Transportation, and Utilities. The overweight Basic, Consumer Service, Computer Technology, and Energy sectors each underperformed, and largely determined the total portfolio's 330 basis point deficit.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	3 Years	Since 06/14
Total Gross/Fees	6.1	----	----	----	-0.3
<i>SMALL CAP VALUE RANK</i>	(70)	----	----	----	(57)
Total Net/Fees	5.9	----	----	----	-0.7
RUSSELL 2000V	9.4	4.2	4.2	18.3	0.0
Domestic Equity	6.2	----	----	----	-0.3
<i>SMALL CAP VALUE RANK</i>	(69)	----	----	----	(58)
RUSSELL 2000V	9.4	4.2	4.2	18.3	0.0

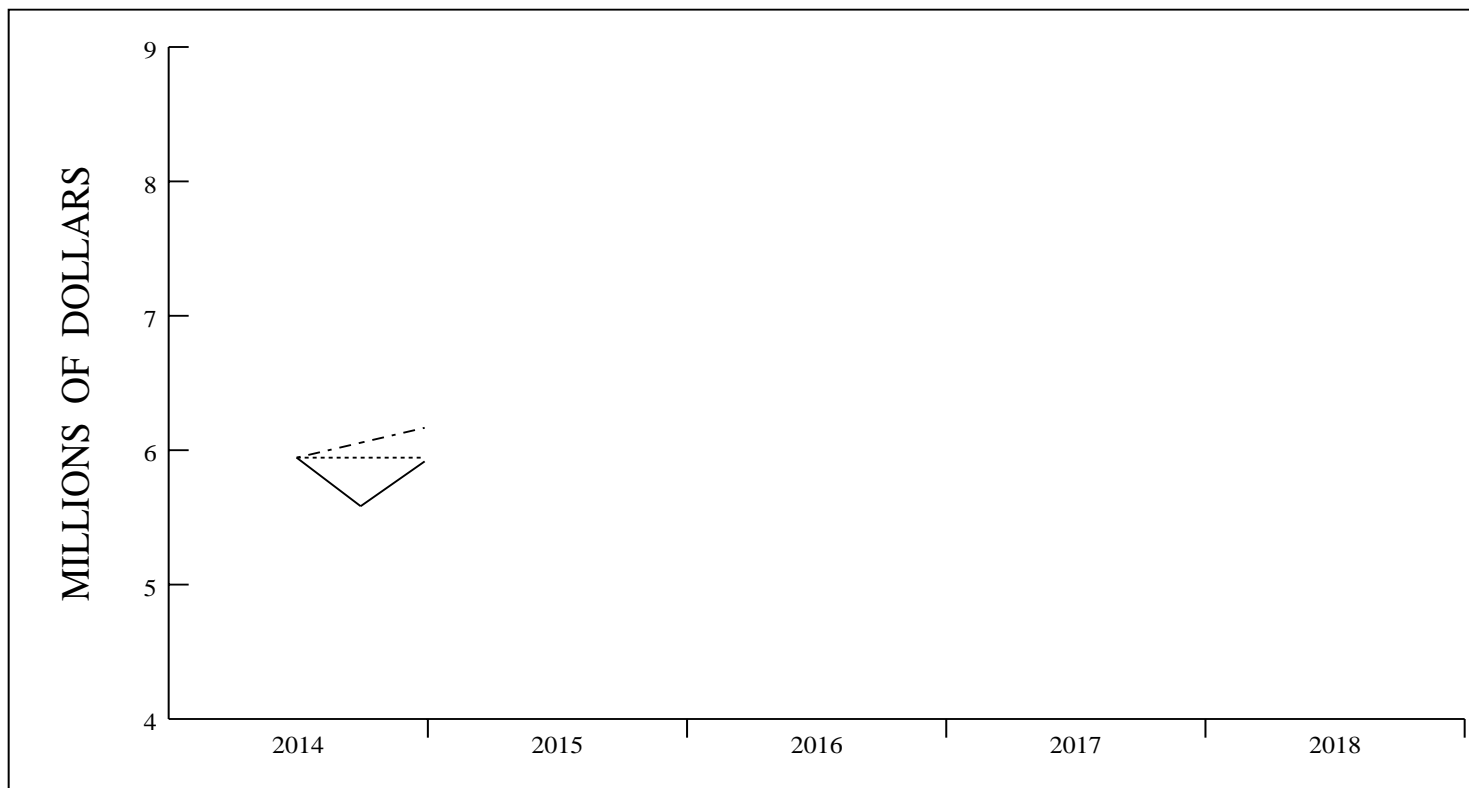
ASSET ALLOCATION

Domestic Equity	99.3%	\$ 5,888,753
Cash	0.7%	39,623
Total Portfolio	100.0%	\$ 5,928,376

INVESTMENT RETURN

Market Value 9/2014	\$ 5,585,395
Contribs / Withdrawals	0
Income	28,168
Capital Gains / Losses	314,813
Market Value 12/2014	\$ 5,928,376

INVESTMENT GROWTH

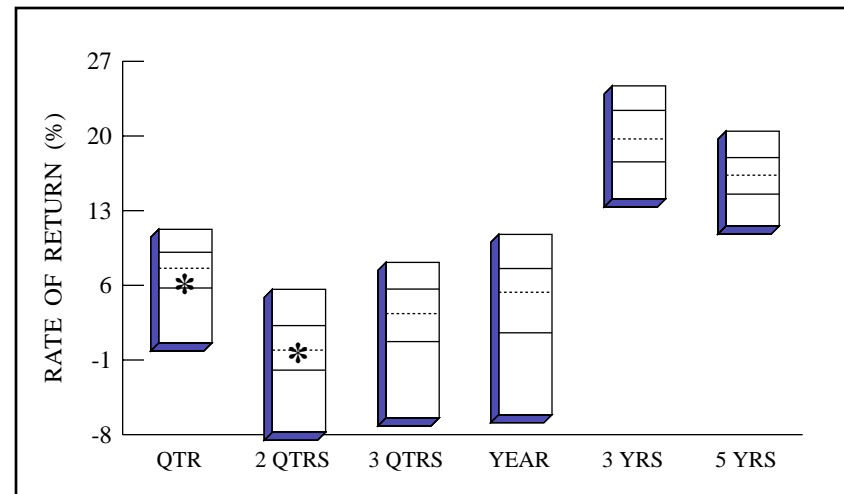
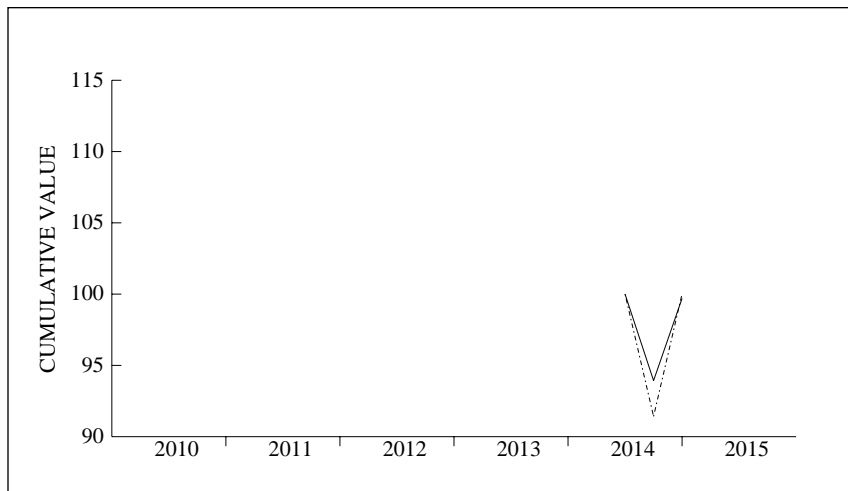


————	ACTUAL RETURN
- - - - -	8.0%
.....	0.0%

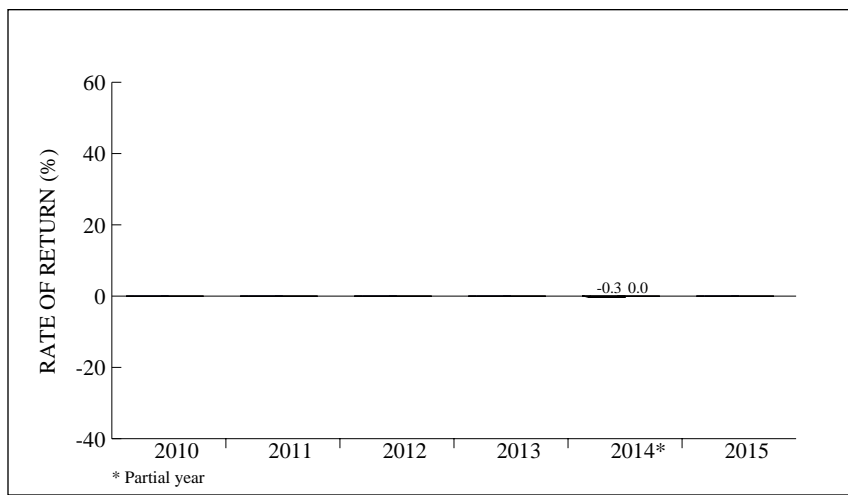
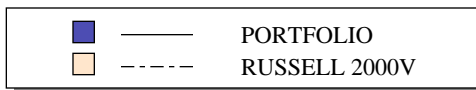
VALUE ASSUMING 8.0% RETURN
\$ 6,179,214

	LAST QUARTER	PERIOD 6/14 - 12/14
BEGINNING VALUE	\$ 5,585,395	\$ 5,945,950
NET CONTRIBUTIONS	0	0
<u>INVESTMENT RETURN</u>	<u>342,981</u>	<u>- 17,574</u>
ENDING VALUE	\$ 5,928,376	\$ 5,928,376
INCOME	28,168	52,796
<u>CAPITAL GAINS (LOSSES)</u>	<u>314,813</u>	<u>- 70,370</u>
INVESTMENT RETURN	342,981	- 17,574

TOTAL RETURN COMPARISONS



Small Cap Value Universe

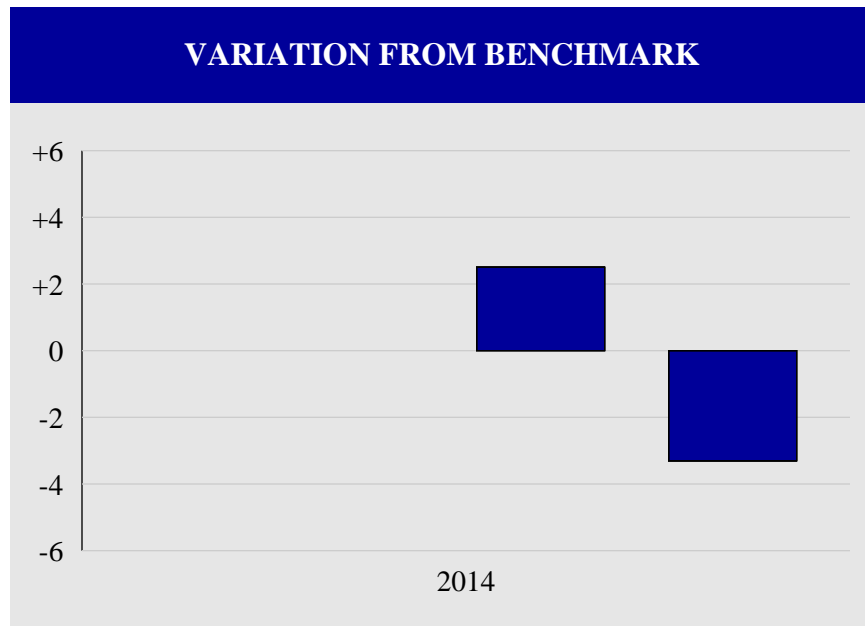


	<u>QTR</u>	<u>2QTRS</u>	<u>3QTRS</u>	<u>YEAR</u>	<u>-----ANNUALIZED-----</u> <u>3 YRS</u>	<u>5 YRS</u>
RETURN	6.1	-0.3	---	---	---	---
(RANK)	(70)	(57)	---	---	---	---
5TH %ILE	11.3	5.6	8.2	10.8	24.7	20.5
25TH %ILE	9.1	2.2	5.7	7.6	22.4	18.0
MEDIAN	7.6	-0.1	3.4	5.3	19.7	16.3
75TH %ILE	5.8	-1.9	0.7	1.6	17.6	14.6
95TH %ILE	0.6	-7.8	-6.4	-6.1	14.1	11.6
Russ 2000V	9.4	0.0	2.4	4.2	18.3	14.3

Small Cap Value Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

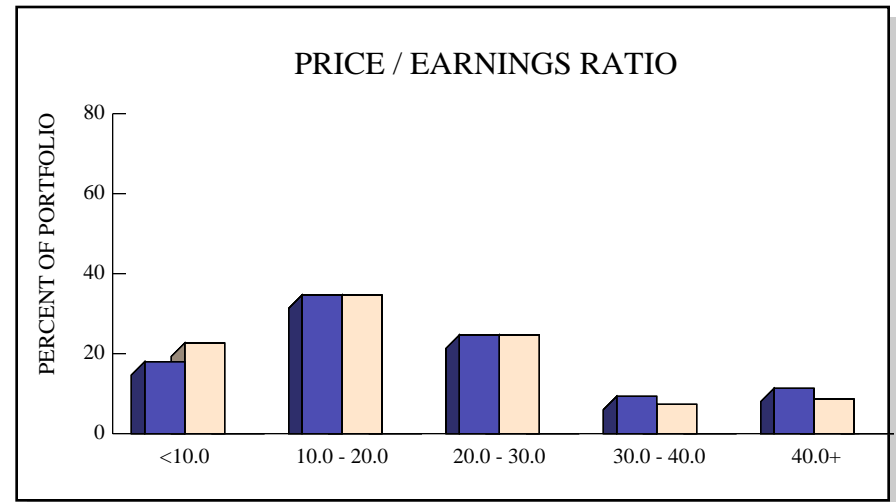
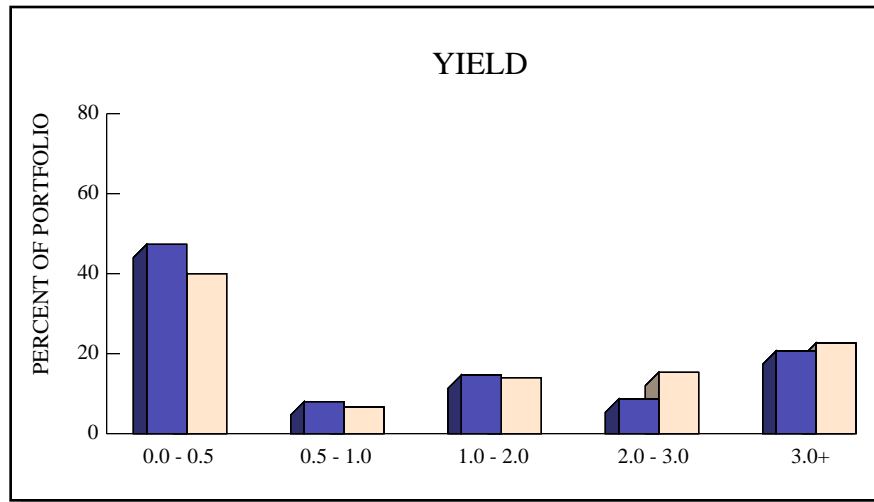
COMPARATIVE BENCHMARK: RUSSELL 2000 VALUE



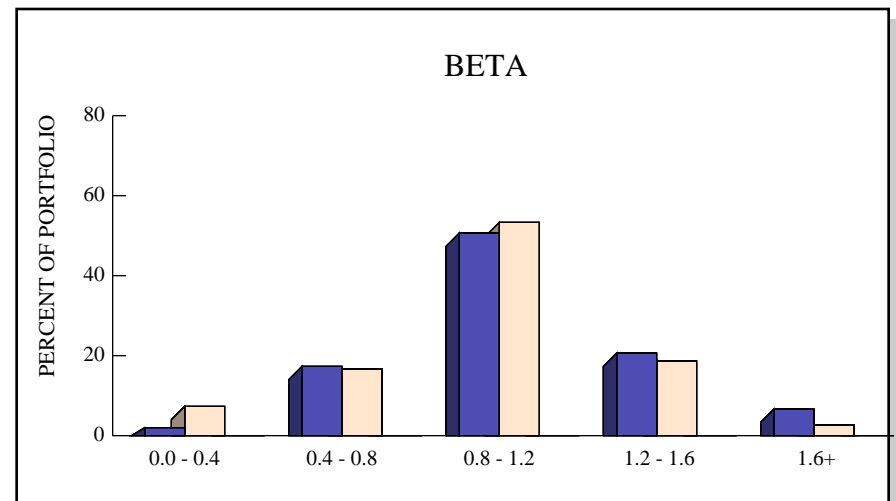
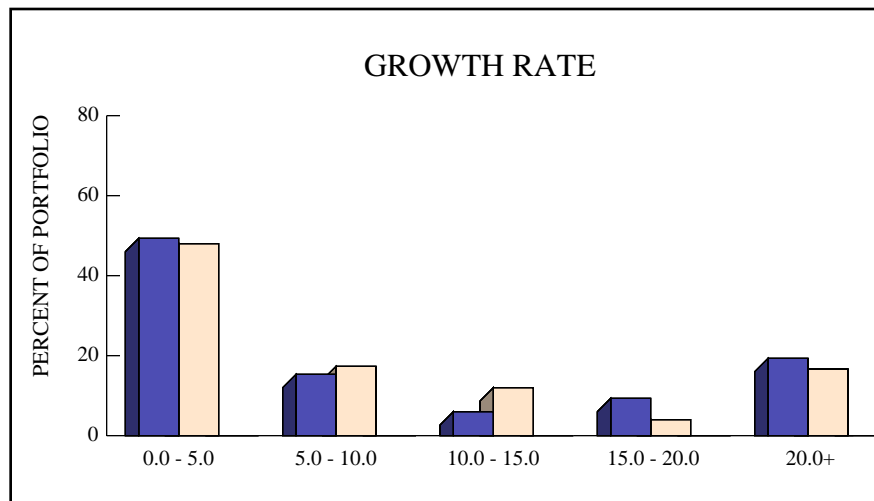
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/14	-6.1	-8.6	2.5
12/14	6.1	9.4	-3.3

Total Quarters Observed	2
Quarters At or Above the Benchmark	1
Quarters Below the Benchmark	1
Batting Average	.500

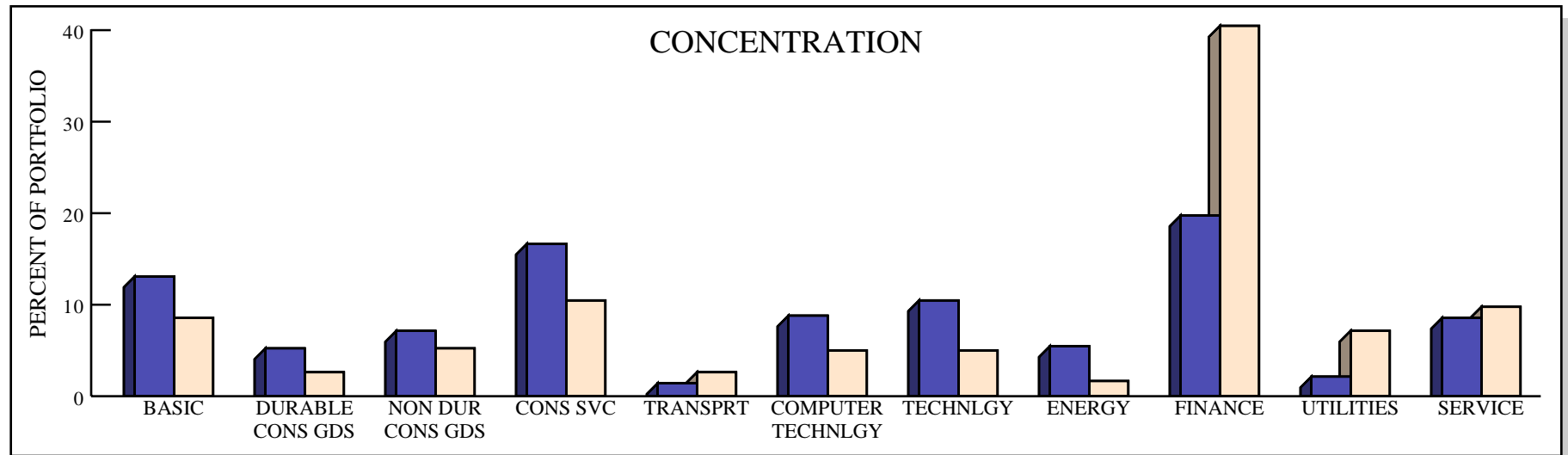
STOCK CHARACTERISTICS



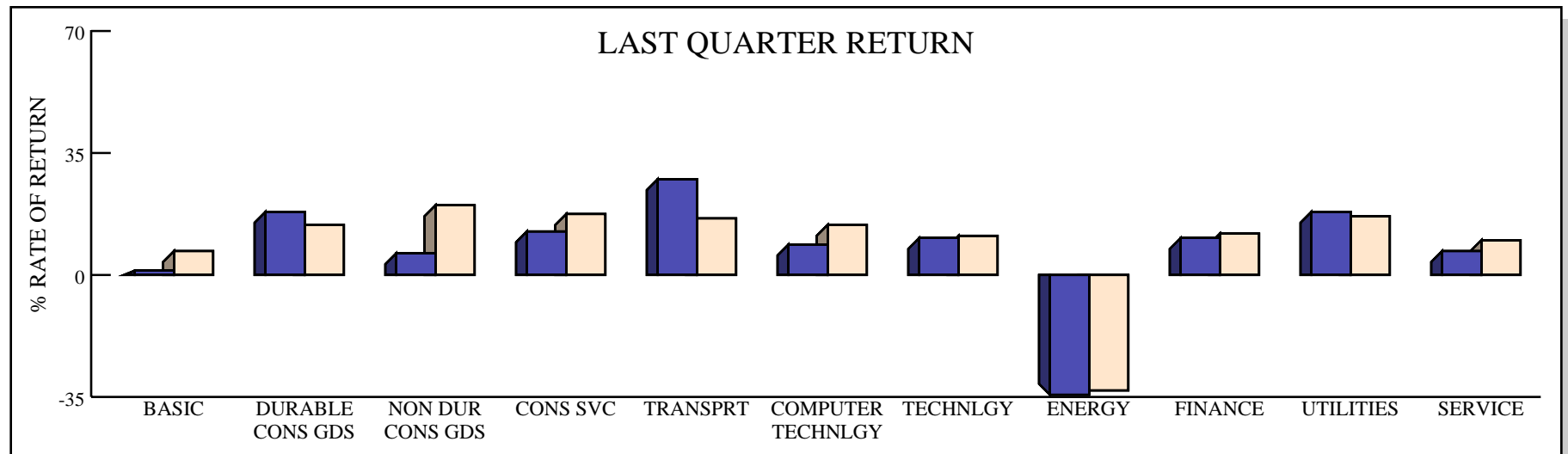
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	275	1.8%	7.6%	20.1	1.06
RUSSELL 2000V	1,377	1.9%	8.1%	17.6	0.96



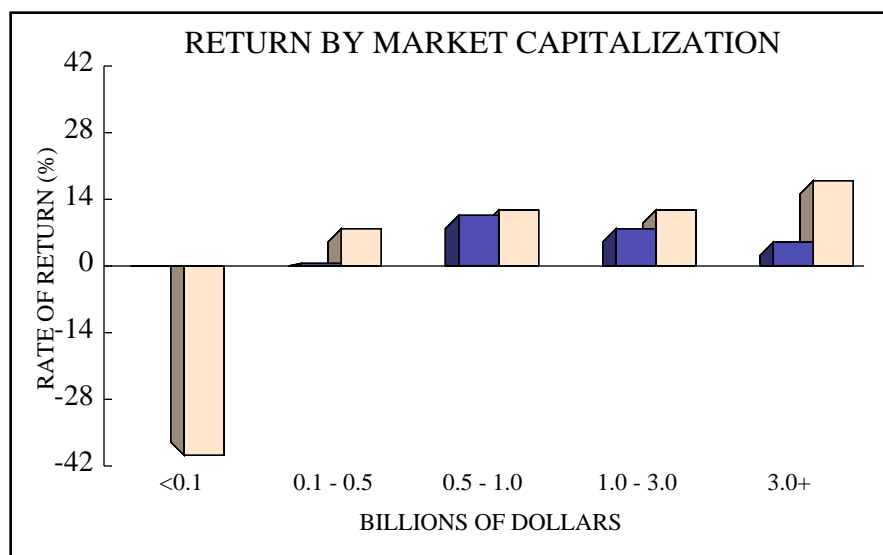
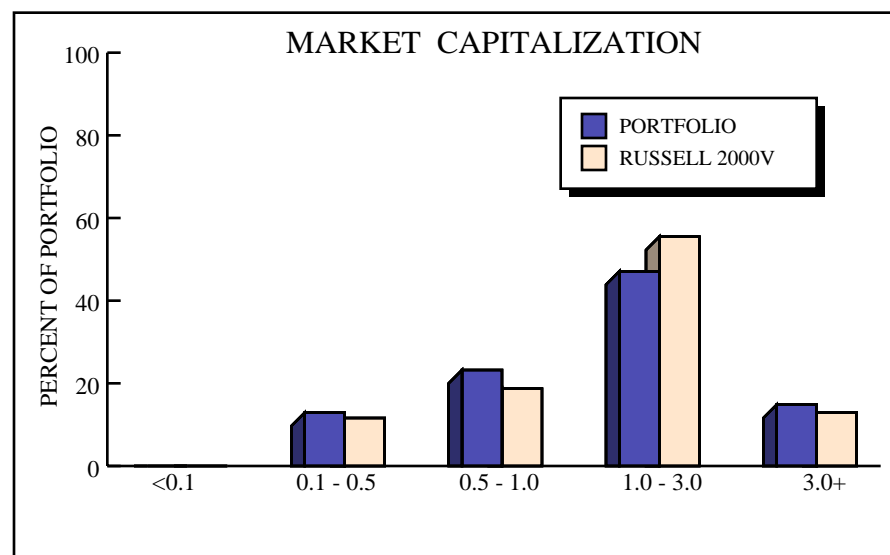
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL 2000 VALUE



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	PIONEER ENERGY SERVICES CORP	\$ 26,592	.45%	-60.5%	Energy	\$ 0.4 B
2	NABORS INDUSTRIES LTD	25,960	.44%	-42.6%	Energy	3.8 B
3	GRAN TIERRA ENERGY INC	25,429	.43%	-30.5%	Energy	1.1 B
4	GREENBRIER COMPANIES INC	25,253	.43%	-26.8%	Basic	1.4 B
5	GULFMARK OFFSHORE INC-CL A	24,908	.42%	-21.1%	Technology	0.6 B
6	AFFYMETRIX INC	24,576	.42%	23.7%	Technology	0.7 B
7	WABASH NATIONAL CORP	24,535	.42%	-7.2%	Durable Cons Goods	0.9 B
8	ROGERS CORP	24,432	.41%	48.7%	Basic	1.5 B
9	TUTOR PERINI CORP	24,311	.41%	-8.8%	Service	1.2 B
10	BRINK'S CO/THE	24,288	.41%	2.3%	Service	1.2 B

FRANKLIN REGIONAL RETIREMENT SYSTEM
PRIT - INT'L EQUITY
PERFORMANCE REVIEW
DECEMBER 2014

INVESTMENT RETURN

On December 31st, 2014, the Franklin Regional Retirement System's PRIT International Equity portfolio was valued at \$5,382,799, a decrease of \$160,031 from the September ending value of \$5,542,830. Last quarter, the account recorded total net withdrawals of \$2,564 in addition to \$157,467 in net investment losses. The fund's net investment loss was a result of income receipts totaling \$12,160 and realized and unrealized capital losses totaling \$169,627.

RELATIVE PERFORMANCE

During the fourth quarter, the PRIT International Equity portfolio lost 2.8%, which was 0.7% greater than the MSCI EAFE Index's return of -3.5% and ranked in the 51st percentile of the International Equity universe.

ASSET ALLOCATION

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

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	3 Years	Since 09/14
Total Gross/Fees	-2.8	----	----	----	-2.8
<i>INTERNATIONAL EQUITY RANK</i>	(51)	----	----	----	(51)
Total Net/Fees	-2.9	----	----	----	-2.9
MSCI EAFE	-3.5	-4.5	-4.5	11.6	-3.5
International Equity	-2.8	----	----	----	-2.8
<i>INTERNATIONAL EQUITY RANK</i>	(51)	----	----	----	(51)
MSCI EAFE	-3.5	-4.5	-4.5	11.6	-3.5

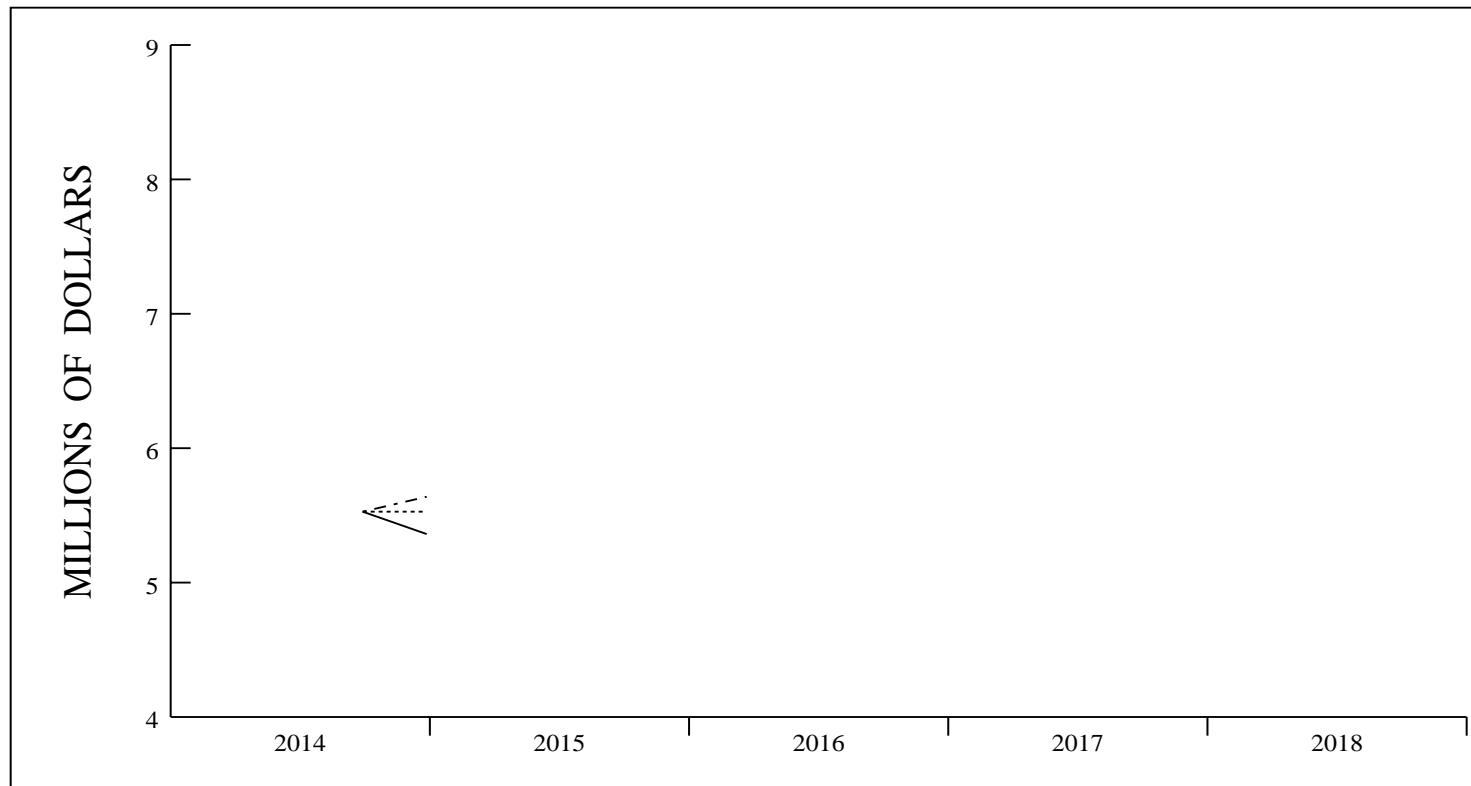
ASSET ALLOCATION

Int'l Equity	100.0%	\$ 5,382,799
Total Portfolio	100.0%	\$ 5,382,799

INVESTMENT RETURN

Market Value 9/2014	\$ 5,542,830
Contribs / Withdrawals	-2,564
Income	12,160
Capital Gains / Losses	-169,627
Market Value 12/2014	\$ 5,382,799

INVESTMENT GROWTH

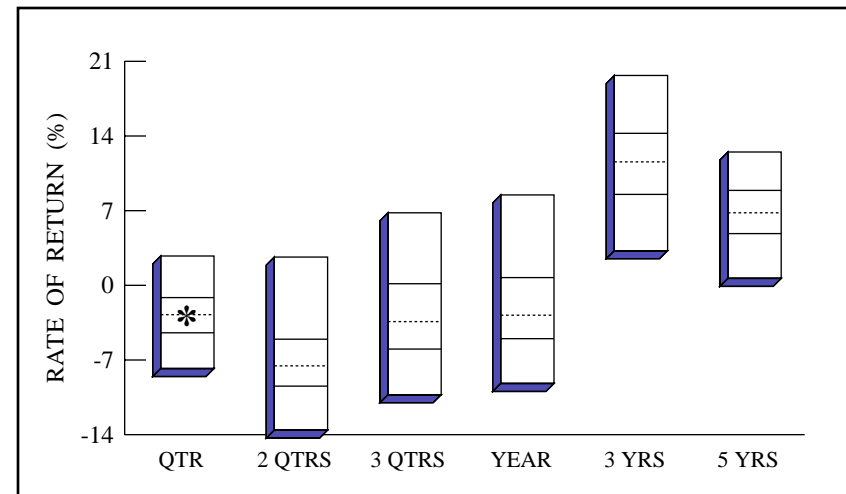
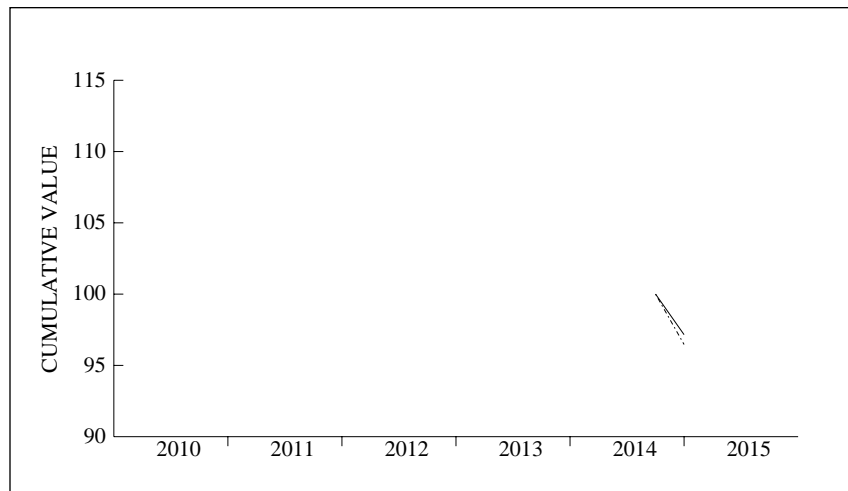


— ACTUAL RETURN
 - - - 8.0%
 . . . 0.0%

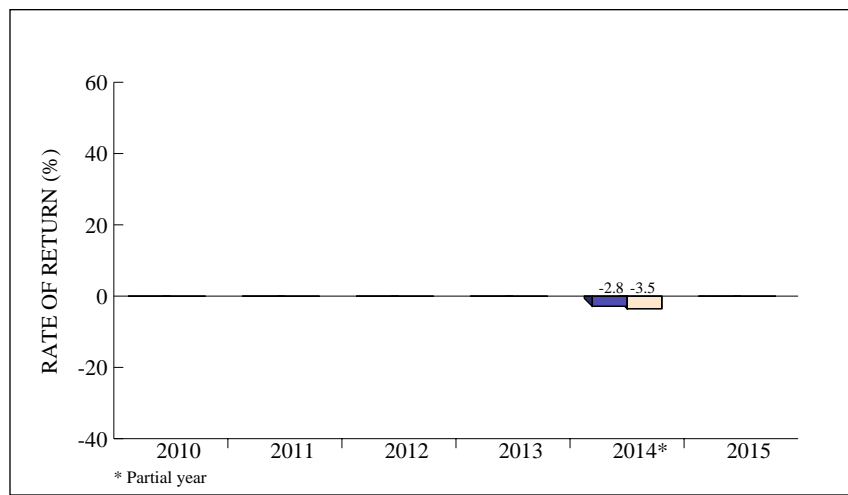
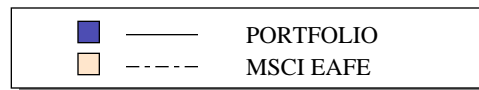
VALUE ASSUMING
 8.0% RETURN
 \$ 5,647,920

	LAST QUARTER	PERIOD 9/14 - 12/14
BEGINNING VALUE	\$ 5,542,830	\$ 5,542,830
NET CONTRIBUTIONS	- 2,564	- 2,564
INVESTMENT RETURN	-157,467	-157,467
ENDING VALUE	\$ 5,382,799	\$ 5,382,799
INCOME	12,160	12,160
CAPITAL GAINS (LOSSES)	-169,627	-169,627
INVESTMENT RETURN	-157,467	-157,467

TOTAL RETURN COMPARISONS



International Equity Universe



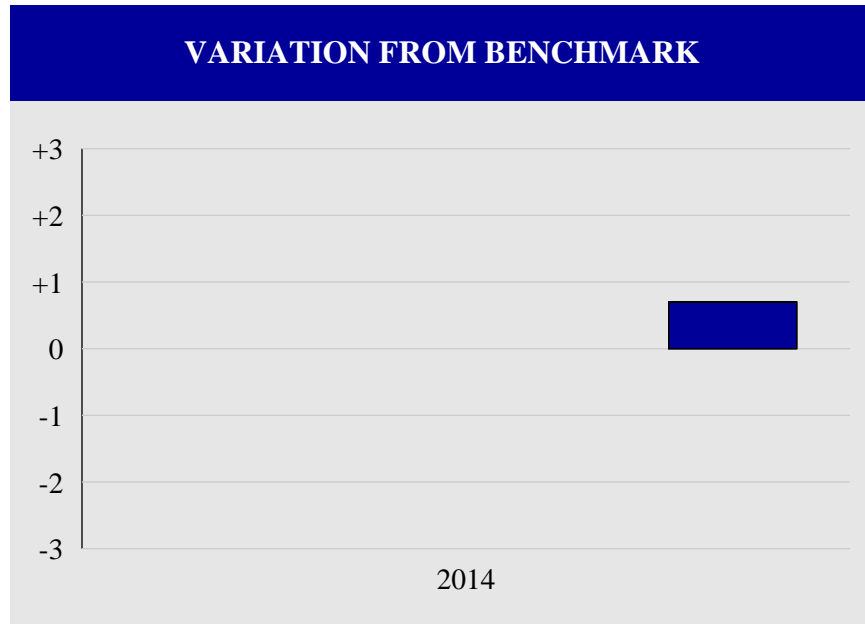
* Partial year

	<u>QTR</u>	<u>2QTRS</u>	<u>3QTRS</u>	<u>YEAR</u>	<u>-----ANNUALIZED-----</u> <u>3 YRS</u>	<u>5 YRS</u>
RETURN	-2.8	---	---	---	---	---
(RANK)	(51)	---	---	---	---	---
5TH %ILE	2.7	2.6	6.8	8.5	19.7	12.5
25TH %ILE	-1.1	-5.1	0.2	0.7	14.3	8.9
MEDIAN	-2.8	-7.6	-3.4	-2.8	11.6	6.8
75TH %ILE	-4.5	-9.4	-6.0	-5.0	8.5	4.9
95TH %ILE	-7.8	-13.6	-10.3	-9.2	3.2	0.7
MSCI EAFE	-3.5	-9.2	-5.2	-4.5	11.6	5.8

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

Total Quarters Observed	1
Quarters At or Above the Benchmark	1
Quarters Below the Benchmark	0
Batting Average	1.000

FRANKLIN REGIONAL RETIREMENT SYSTEM
PRIT - CORE REAL ESTATE ACCOUNT
PERFORMANCE REVIEW
DECEMBER 2014

INVESTMENT RETURN

On December 31st, 2014, the Franklin Regional Retirement System's PRIT Core Real Estate Account portfolio was valued at \$12,340,970, representing an increase of \$642,182 from the September quarter's ending value of \$11,698,788. Last quarter, the Fund posted withdrawals totaling \$20,780, which partially offset the portfolio's net investment return of \$662,962. Income receipts totaling \$97,929 plus net realized and unrealized capital gains of \$565,033 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 \$2.6 million. For the period since September 2010, if the total fund had returned a compounded nominal rate of 8.0% it would have been valued at \$11.2 million or \$1.1 million less than the actual value as of December 31st, 2014.

RELATIVE PERFORMANCE

In the fourth quarter, the PRIT Core Real Estate Account portfolio gained 5.7%, which was 2.4% greater than the NCREIF NFI-ODCE Index's return of 3.3%. Over the trailing twelve-month period, the portfolio returned 14.6%, which was 2.1% above the benchmark's 12.5% return. Since September 2010, the account returned 13.2% on an annualized basis, while the NCREIF NFI-ODCE Index returned an annualized 13.8% over the same time frame.

ASSET ALLOCATION

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

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 09/10
Total Gross/Fees	5.7	14.6	14.6	13.2	13.2
Total Net/Fees	5.5	13.9	13.9	12.6	12.6
NCREIF ODCE	3.3	12.5	12.5	12.4	13.8
Real Estate	5.7	14.6	14.6	13.2	13.2
NCREIF ODCE	3.3	12.5	12.5	12.4	13.8

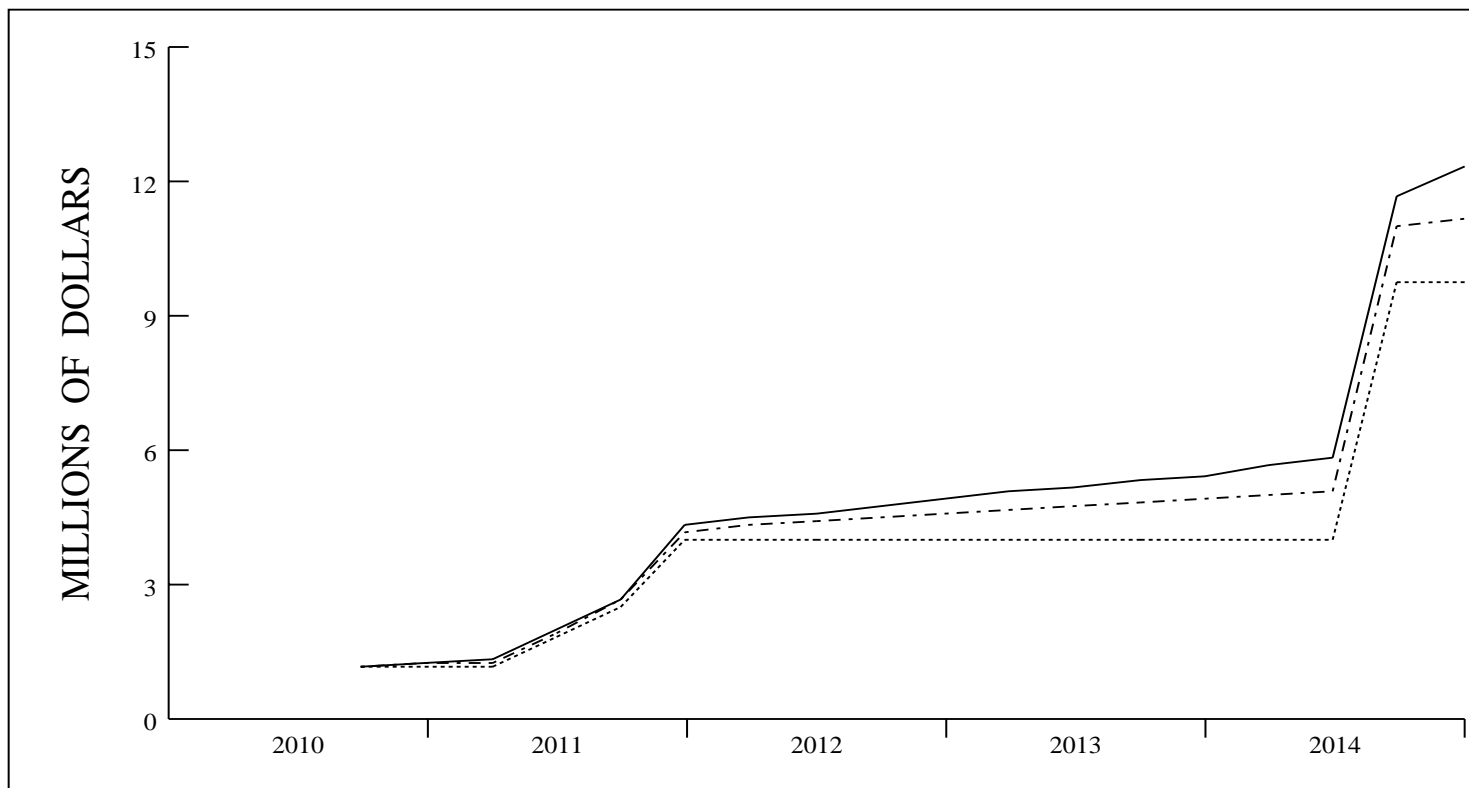
ASSET ALLOCATION

Real Estate	100.0%	\$ 12,340,970
Total Portfolio	100.0%	\$ 12,340,970

INVESTMENT RETURN

Market Value 9/2014	\$ 11,698,788
Contribs / Withdrawals	- 20,780
Income	97,929
Capital Gains / Losses	565,033
Market Value 12/2014	\$ 12,340,970

INVESTMENT GROWTH



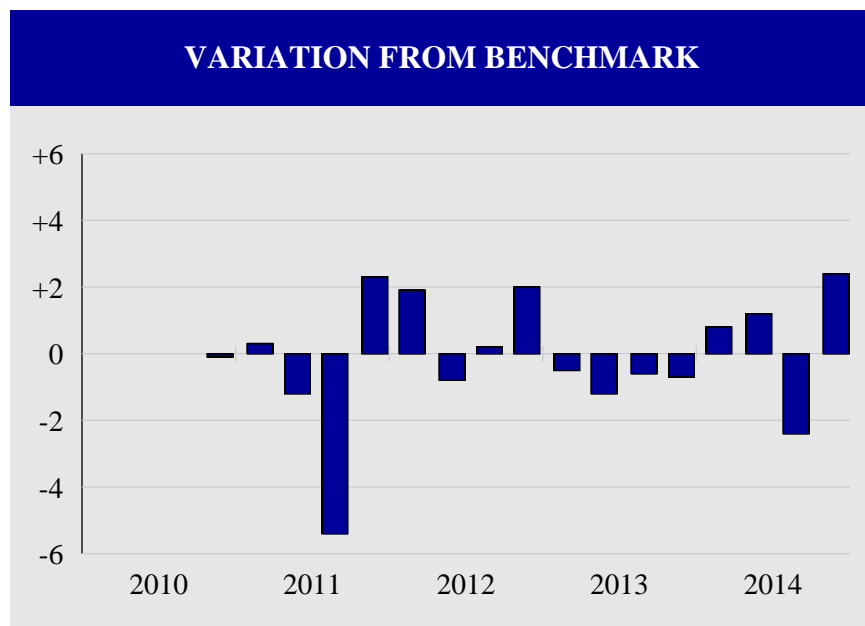
— ACTUAL RETURN
 - - - 8.0%
 0.0%

VALUE ASSUMING
 8.0% RETURN
 \$ 11,197,485

	LAST QUARTER	PERIOD 9/10 - 12/14
BEGINNING VALUE	\$ 11,698,788	\$ 1,247,572
NET CONTRIBUTIONS	- 20,780	8,517,879
<u>INVESTMENT RETURN</u>	<u>662,962</u>	<u>2,575,519</u>
ENDING VALUE	\$ 12,340,970	\$ 12,340,970
INCOME	97,929	1,002,367
CAPITAL GAINS (LOSSES)	<u>565,033</u>	<u>1,573,152</u>
INVESTMENT RETURN	662,962	2,575,519

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX



Total Quarters Observed	17
Quarters At or Above the Benchmark	8
Quarters Below the Benchmark	9
Batting Average	.471

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

FRANKLIN REGIONAL RETIREMENT SYSTEM
INCOME RESEARCH & MANAGEMENT - CORE BOND FUND
PERFORMANCE REVIEW
DECEMBER 2014

INVESTMENT RETURN

As of December 31st, 2014, the Franklin Regional Retirement System's Income Research & Management Core Bond Fund was valued at \$12,726,981, representing an increase of \$225,102 from the September quarter's ending value of \$12,501,879. Over the last three months, the fund recorded no net contributions or withdrawals and recorded \$225,102 in net investment returns. Barring income receipts for the fourth quarter, the portfolio's net investment return was the product of net realized and unrealized capital gains totaling \$225,102.

For the cumulative period since December 2009, the portfolio has posted net contributions totaling \$1.8 million, and has recorded net investment gains totaling \$2.7 million. Since December 2009, if the total account had earned a compounded nominal rate of 8.0% it would have been worth \$14.4 million or \$1.6 million more than the actual value as of December 31st, 2014.

RELATIVE PERFORMANCE

During the fourth quarter, the Income Research & Management Core Bond Fund returned 1.8%, which was equal to the Barclays Aggregate Index's return of 1.8% and ranked in the 35th percentile of the Core Fixed Income universe. Over the trailing twelve-month period, the portfolio returned 7.1%, which was 1.1% above the benchmark's 6.0% return, and ranked in the 11th percentile. Since December 2009, the portfolio returned 5.4% annualized and ranked in the 25th percentile. For comparison, the Barclays Aggregate Index returned an annualized 4.5% 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, USG rated securities comprised approximately 30% of the bond portfolio, while corporate securities, rated AAA through BBB, comprised the remainder, giving the portfolio an overall average quality rating of AAA-AA. The average maturity of the portfolio was 7.70 years, longer than the Barclays Aggregate Index's 7.69-year maturity. The average coupon was 4.0%.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	5 Years
Total Gross/Fees	1.8	7.1	7.1	4.3	5.4
<i>CORE FIXED INCOME RANK</i>	(35)	(11)	(11)	(11)	(25)
Total Net/Fees	1.7	6.7	6.7	3.9	5.0
BARCLAYS AGG	1.8	6.0	6.0	2.7	4.5
Fixed Income	1.8	7.1	7.1	4.3	5.4
<i>CORE FIXED INCOME RANK</i>	(35)	(11)	(11)	(11)	(25)
BARCLAYS AGG	1.8	6.0	6.0	2.7	4.5
GOV/CREDIT	1.8	6.0	6.0	2.8	4.7

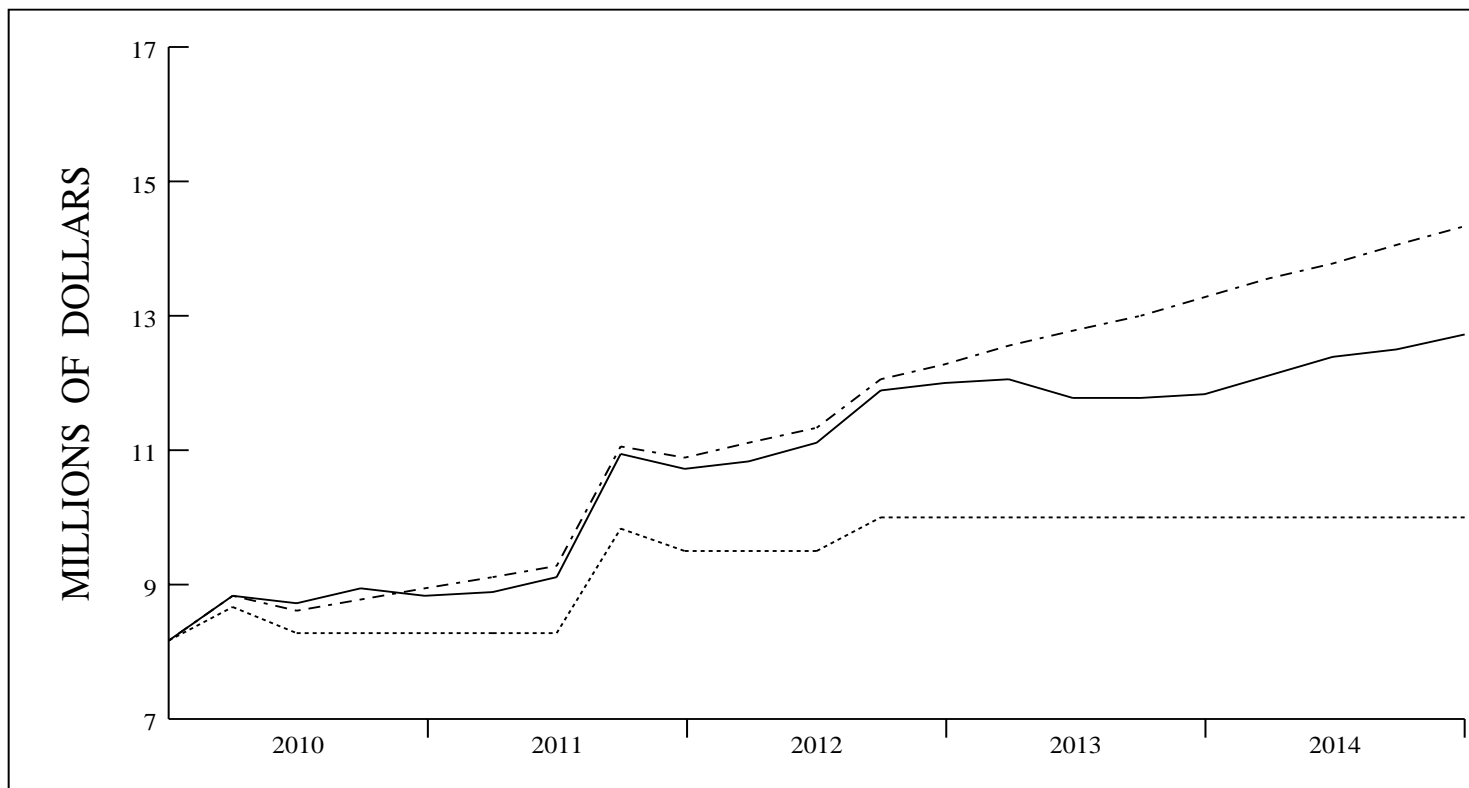
ASSET ALLOCATION

Fixed Income	100.0%	\$ 12,726,981
Total Portfolio	100.0%	\$ 12,726,981

INVESTMENT RETURN

Market Value 9/2014	\$ 12,501,879
Contribs / Withdrawals	0
Income	0
Capital Gains / Losses	225,102
Market Value 12/2014	\$ 12,726,981

INVESTMENT GROWTH

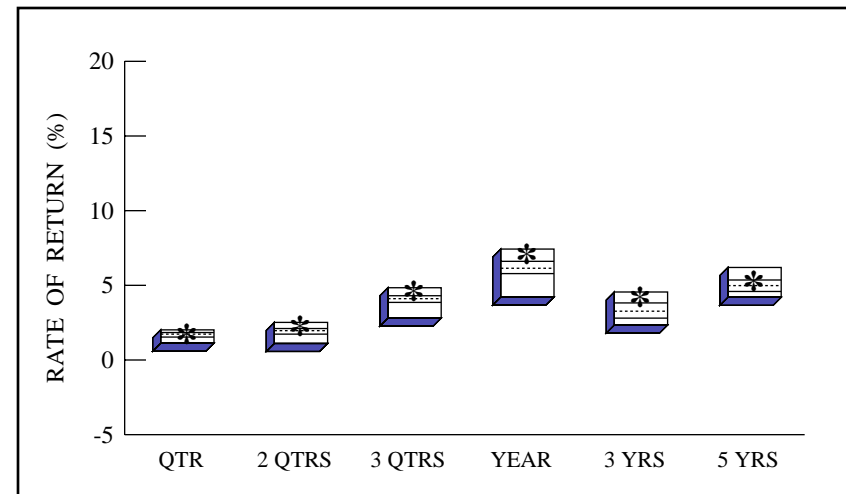
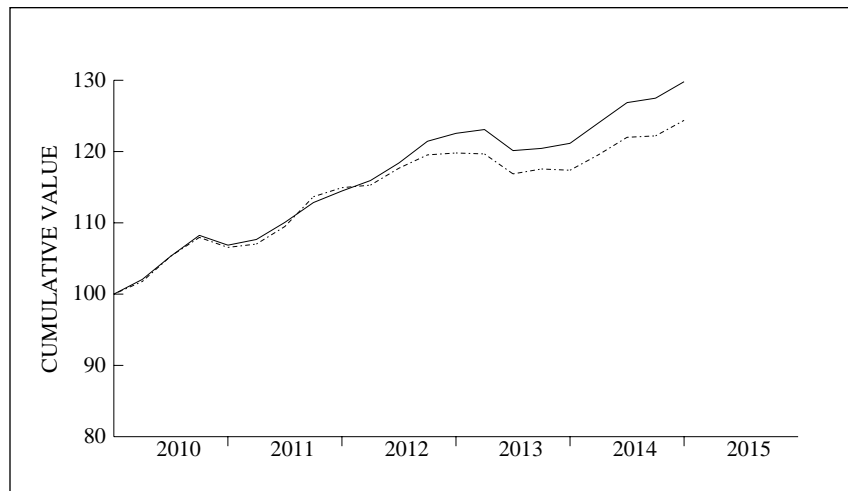


— ACTUAL RETURN
 - - - 8.0%
 0.0%

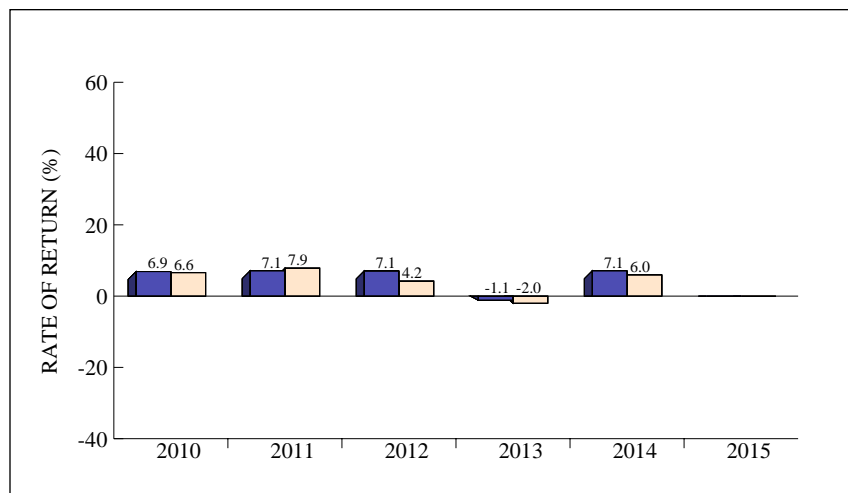
VALUE ASSUMING
 8.0% RETURN
 \$ 14,372,071

	LAST QUARTER	PERIOD 12/09 - 12/14
BEGINNING VALUE	\$ 12,501,879	\$ 8,184,877
NET CONTRIBUTIONS	0	1,822,000
INVESTMENT RETURN	225,102	2,720,104
ENDING VALUE	\$ 12,726,981	\$ 12,726,981
INCOME	0	5
CAPITAL GAINS (LOSSES)	225,102	2,720,099
INVESTMENT RETURN	225,102	2,720,104

TOTAL RETURN COMPARISONS

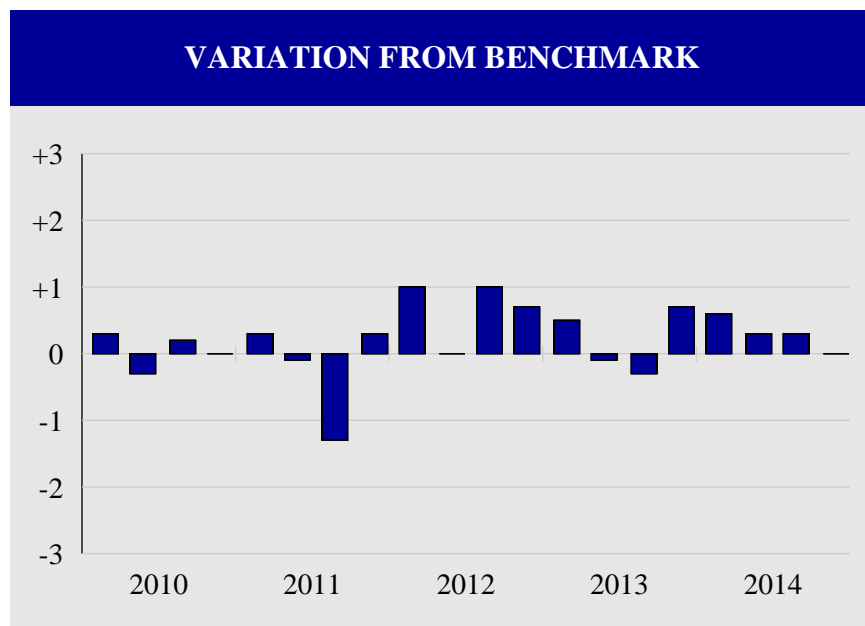


Core Fixed Income Universe



	QTR	2QTRS	3QTRS	YEAR	3 YRS	5 YRS
RETURN	1.8	2.3	4.7	7.1	4.3	5.4
(RANK)	(35)	(12)	(9)	(11)	(11)	(25)
5TH %ILE	2.0	2.5	4.8	7.4	4.6	6.2
25TH %ILE	1.8	2.1	4.3	6.6	3.8	5.4
MEDIAN	1.7	2.0	4.1	6.1	3.3	5.0
75TH %ILE	1.5	1.7	3.9	5.8	2.8	4.6
95TH %ILE	1.1	1.1	2.8	4.2	2.3	4.2
Agg Index	1.8	2.0	4.0	6.0	2.7	4.5

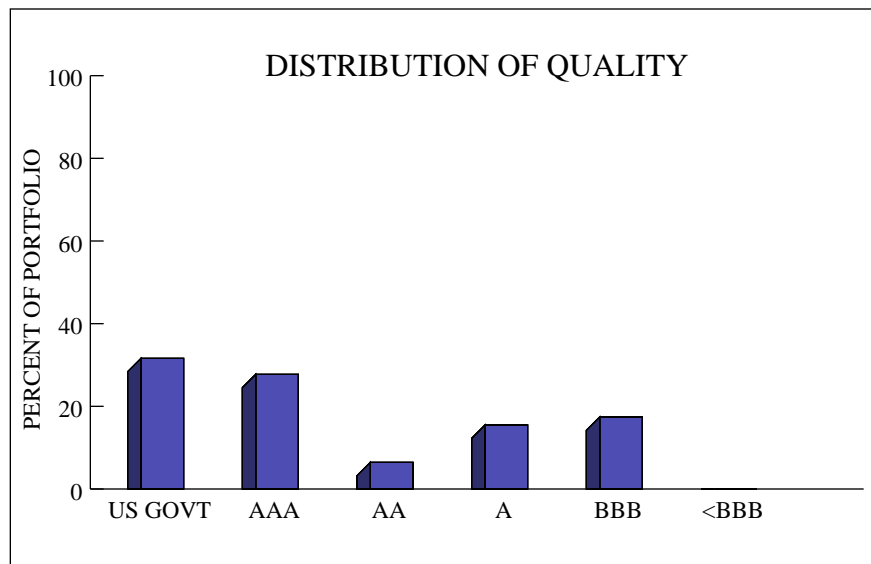
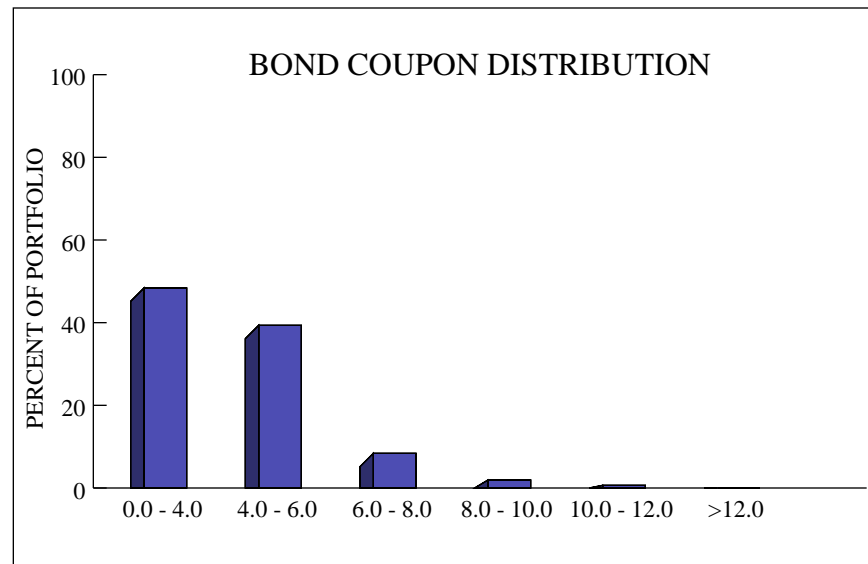
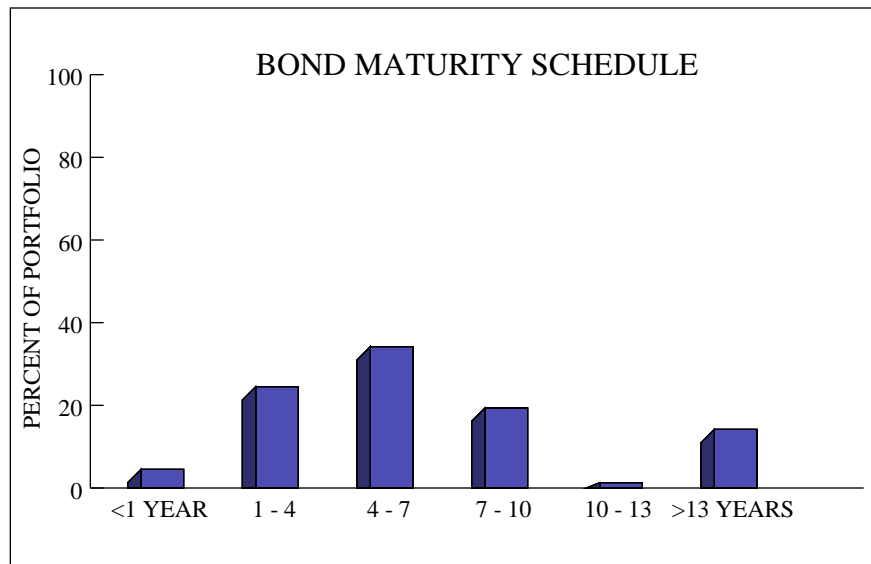
Core Fixed Income Universe

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

BOND CHARACTERISTICS



	PORTFOLIO	BARCLAYS AGG
No. of Securities	217	9,079
Duration	5.70	5.55
YTM	2.61	2.25
Average Coupon	4.02	3.28
Avg Maturity / WAL	7.70	7.69
Average Quality	AAA-AA	USG-AAA