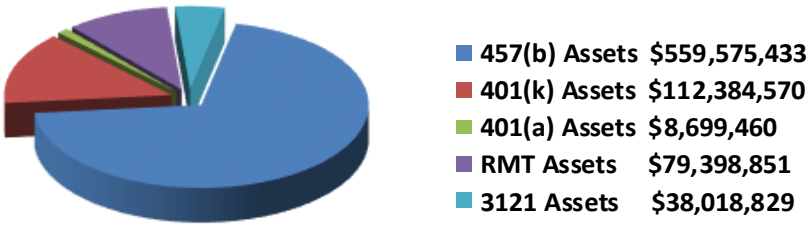
SST BENEFITS CONSULTING

COUNTY OF SAN BERNARDINO
EXECUTIVE SUMMARY
DEFINED CONTRIBUTION PLANS
4th QUARTER 2014

	4TH QUARTER %	1 YEAR %	3 YEAR %	5 YEAR %
457(b) Plan Performance	3.19	7.58	17.47	12.81
Customized Benchmark	4.71	10.82	17.29	13.90
DIFFERENCE	**-1.52**	**-3.25**	**0.18**	**-1.09**
401(k) Plan Performance	3.33	7.78	17.63	12.98
Customized Benchmark	5.22	11.46	18.15	14.65
DIFFERENCE	**-1.89**	**-3.68**	**-0.52**	**-1.66**
Retirement Medical Trust	2.71	7.26	14.42	11.39
Customized Benchmark	4.21	10.44	15.07	12.66
DIFFERENCE	**-1.49**	**-3.18**	**-0.65**	**-1.27**

PORTFOLIO COMPOSITION AND ANALYSIS

The total assets in the County of San Bernardino's defined contribution plans increased from $775 million as of September 30, 2014 to $798 million, an increase of 2.92%. The 457 assets in the Ameritrade Self Directed Brokerage Account (SDBA) is remaining constant at $1.9 million. The 401(k) assets in the SDBA are also somewhat constant at $483,000.



457 PLAN CASH POSITION:

The stable value crediting rate was increased from 2.00% in the third quarter of 2014 to 2.20% in the fourth quarter of 2014. The Portfolio Yield Calculated Net Crediting Rate and actual crediting rate for 1Q15 is 2.60%. The anticipated reduction in crediting rate with the Committee's decision to reduce the duration of the Stabilizer portfolio, moving from a Core Plus strategy to an Intermediate Aggregate Plus strategy to align the portfolio to be more sensitive to increases in short term interest rates, did not occur. While the strategy was designed to make the portfolio more responsive to short term fluctuations in the fixed income space, the broad U.S. fixed income market posted a healthy gain for the quarter and the year. The 457 assets in the Stabilizer slightly decreased from 29.1% to 28.7% mostly because of contributions, accumulated earnings and the net effect of the mutual fund portfolio.

401(k) PLAN CASH POSITION:

The assets in the Stabilizer increased from 27.4% to 27.8% mostly because of contributions.

RETIREMENT MEDICAL TRUST CASH POSITION:

Interest bearing assets in the RMT remained somewhat stable with the percentage of assets in the fixed interest account decreasing from 66.7% in the Voya General account to 65.9%.

457 PLAN MUTUAL FUNDS POSITION:

The underperformance to the customized benchmark for the one (1) year period is due primarily to the underperformance of nearly one half of the actively managed mutual funds in this volatile market cycle. All of the index funds in the portfolio performed as expected when adjusted for expense and tracking error. Investment performance of the actively managed funds that will be remaining in the portfolio were split between winners and losers. The winners were led by Dodge & Cox International Stock (4.94% outperformance), Invesco Small Cap Value (4.09% outperformance) and Voya Global Real Estate (2.29% outperformance). Retractors included Baron Growth (2.41% underperformance), and Pioneer Global High Yield (2.83% underperformance). The customized index is devoid of expenses while the mutual funds do have an expense structure.

The Sharpe Ratio is a tool that helps determine if the risk the fund or portfolio is taking to achieve the performance is worthwhile. The Sharpe Ratio for the 457 increased from 1.75 to 1.81.

The Standard Deviation is a measurement of the volatility of the portfolio's short term return from the average long term return. The three (3) year Standard Deviation for the portfolio is 9.13, which is higher than the benchmark of 8.21.

The Alpha, a measurement of the value added by the investment manager is -1.39**.** Beta is a measure of the degree of change in value that can be expected given a change in value in the comparable index. The Beta is 1.10 over three (3) years.

The top 25 stocks in the mutual fund portfolio represent 13.8% of the portfolio led by Gilead Sciences with 1.22% of assets followed by Apple, Inc. with 0.98% of assets.

401(k) MUTUAL FUNDS POSITION:

The Sharpe Ratio for the 401(k) portfolio is 1.83. The three (3) year Standard Deviation for the portfolio is 9.13, which is higher than the benchmark of 8.56. The Alpha is -1.31 and the Beta is 1.05.

The top 25 stocks in the mutual fund portfolio represent 14.2% of the portfolio led by Gilead Sciences with 1.18% of assets followed by Amazon.com, Inc. with 0.92% of assets.

RETIREMENT MEDICAL TRUST (RMT) MUTUAL FUNDS POSITION:

With the RMT heavily weighted to the ING General Account, the gains or losses of any one fund has little effect on the total portfolio.

The Sharpe Ratio for the RMT portfolio is 1.76. The three (3) year Standard Deviation for the portfolio is 7.83, which is higher than the benchmark of 6.92. The Alpha is -2.15 and the Beta is 1.11.

The top 25 stocks in the mutual fund portfolio represent 11.4% of the portfolio led by Apple, Inc. with 1.27% of assets followed by Microsoft, Inc. with 0.72% of assets.

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PERFORMANCE OF INDEX FUNDS VS. ACTIVELY MANAGED FUNDS	4TH QTR %	1 YEAR %	3 YEAR %	5 YEAR %
LARGE CAP				
Vanguard Institutional Index	**4.93**	**13.40**	**20.12**	**15.17**
American Funds Growth Fund of America	2.82	9.39	20.95	13.64
TIAA-CREF Growth & Income	4.20	11.02	20.02	14.94
Wells Fargo Advantage Growth	4.81	4.05	17.62	17.45
Parnassus Core Equity	6.34	14.57	21.03	14.81
Columbia Diversified Equity Income	4.21	11.82	18.87	12.96
Main Stay ICAP Select Equity	5.10	8.57	17.53	13.40
MID CAP				
Vanguard Mid Cap Index	**6.64**	**13.53**	**21.02**	**16.80**
Baron Growth	7.29	4.59	19.13	16.33
Voya Mid Cap Opportunities	6.95	8.61	17.30	15.66
Fidelity Adv Leveraged Company Stock	0.61	5.64	23.29	15.92
Columbia Small/Mid Cap Value	6.27	6.74	19.61	14.11
SMALL CAP				
Vanguard Small Cap Index	**6.83**	**7.29**	**20.30**	**16.64**
Loomis Sayles Small Cap Growth	8.26	0.99	18.00	17.34
Invesco Small Cap Value	6.42	7.43	24.05	17.91
Perkins Small Cap Value	7.16	7.34	14.93	11.58

In the fourth quarter, six (6) out of thirteen (13) actively managed funds outperformed the lower cost index funds. Only three (3) funds over the past one (1) year outperformed their benchmarks.

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LARGE GROWTH:

FUND # 1	AMERICAN FUNDS GROWTH FUND OF AMERICA	RGAGX

IMPLEMENTATION: MAR 2003 ASSETS: $ 70,123,039 BEST FIT INDEX: RUSSELL 1000 GROWTH M* ANALYST RATING: Bronze

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	9.39	20.95	13.64	10.00	19.41	14.09	**-0.61**	**1.54**	**-0.45**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	3	26.2	0.88	2.65	1.99	9.99	0.34%
PEER AVERAGES			1.08	-2.22	1.70	10.92	1.20%

Active	Ticker/ ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Style	Style Drift	R^2	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	RGAGX	1	1	1	0	0	0	1	1	2	7	7	7	5
		81.8/ 60.2	12	96.2	13.7/ 13.9	94.8/ 103.4	-0.73	33.5	37		LCG	LCG	LCG	LCG

GFA is underperforming the peer over the one (1) and five (5) year periods, but by very small margins. Given that 8% of the portfolio is in cash and nearly 12% is in foreign domiciled companies, the performance is actually better than we would expect. Foreign stocks posted a loss for 2014 while domestic stocks hit a new high. The fund maintains superior risk-adjusted returns versus the peer over the three (3) and five (5) year periods.

The fund's overweight to Energy & Financials versus the Russell 1000 Growth hurt returns in the prior quarter while the underweights to Consumer Staples and the cash position also detracted. The fund's positioning is similar as in the past in terms of its cash levels and well below the historical foreign allocation (averaged 17%, currently 12%).

Recommendation: No action at this time.

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FUND # 2	TIAA-CREF GROWTH & INCOME	TIGRX

IMPLEMENTATION: NOV 2011 ASSETS: $ 13,629,630 BEST FIT INDEX: RUSSELL 1000 GROWTH M* ANALYST RATING: Bronze

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	11.02	20.02	14.94	10.00	19.41	14.09	**1.02**	**0.61**	**0.85**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	4	9.8	1.02	-0.25	1.89	10.06	0.45%
PEER AVERAGES			1.08	-2.22	1.70	10.92	1.20%

Active	Ticker/ ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Style	Style Drift	R^2	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	TIGRX	1	1	1	1	0	0	1	1	2	8	8	8	8
		57.3/ 86.9	11.2	97.6	13.4/ 15.2	98.7/ 101.8	-0.3	18	15		LCG	LCG	LCG	LCG

This fund will be transitioning to the Vanguard Institutional Index.

SST BENEFITS CONSULTING

FUND # 3	WELLS FARGO ADV GROWTH			SGRNX
IMPLEMENTATION: FEB 2012	ASSETS: $ 4,955,442	BEST FIT INDEX: RUSSELL 1000 GROWTH	M* ANALYST RATING:	Bronze

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	4.05	17.62	17.45	10.00	19.41	14.09	**-5.95**	**-1.79**	**3.36**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	4	12.7	1.17	-5.56	1.30	13.19	0.75%
PEER AVERAGES			1.08	-2.22	1.70	10.92	1.20%

Active	Ticker/ ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Style	Style Drift	R^2	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	SGRNX	0	1	1	1	1	1	1	1	2	9	9	9	9
		100.0/ 17.1	10.6	86.8	15.9/ 17.5	113.4/ 112.6	0.29	20.5	19		LCG	LCG	LCG	LCG

This fund will be transitioning to the Vanguard Institutional Index.

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LARGE BLEND:

FUND # 4	PARNASSUS CORE EQUITY			PRILX
IMPLEMENTATION: AUG 2010	ASSETS: $ 12,656,780	BEST FIT INDEX: RUSSELL 1000	M* ANALYST RATING:	Silver

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	14.57	21.03	14.81	10.96	19.00	13.88	**3.61**	**2.03**	**0.93**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	4	13.7	0.89	2.80	2.27	8.66	0.69%
PEER AVERAGES			1.02	-1.53	1.85	13.60	1.10%

Active	Ticker/ ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Style	Style Drift	R^2	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	PRILX	1	1	1	1	1	0	1	1	2	9	9	9	9
		-15.2/ 86.5	10.9	92.1	12.0/ 15	90.0/ 86.1	-0.18	21.5	21		LCB	LCB	LCB	LCB

This fund will be transitioning to the Vanguard Institutional Index.

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FUND # 5	VANGUARD INSTITUTIONAL INDEX	VINIX

IMPLEMENTATION: MAY 2008 ASSETS: $ 30,035,941 BEST FIT INDEX: S&P 500 M* ANALYST RATING: Gold

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	13.40	20.12	15.17	13.69	20.41	15.45	-0.29	-0.29	-0.28

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	4	14.1	1.00	-0.03	2.09	9.10	0.04%
PEER AVERAGES			1.00	0.00	2.24	9.10	N/A

Passive	Ticker/ ID	Style				Peer Group				Qual.	Score			
		Style	Style Drift	R^2	Tracking Error	TE Rank	Expense Rank	Return Rank	SR Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	VINIX	1	1	1	1	1	1	1	1	2	10	10	10	10
		-6.6/ 98.2	3.5	99.5	0.7	43	4	13	4		LCB-P	LCB-P	LCB-P	LCB-P

This large cap blend index is performing as expected adjusted for tracking error and expense.

RECOMMENDATION: No action at this time.

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LARGE VALUE:

FUND # 6	COLUMBIA DIVERSIFIED EQUITY INCOME		CDEYX
IMPLEMENTATION: MAY 2008	ASSETS: $ 19,060,676	BEST FIT INDEX: RUSSELL 1000 VALUE	M* ANALYST RATING: NEUTRAL

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	11.82	18.87	12.96	10.21	18.33	13.45	**1.61**	**0.54**	**-0.49**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	3	1.5	0.98	-0.72	1.96	9.20	0.64%
PEER AVERAGES			0.99	-1.52	1.82	13.36	1.14%

Active	Ticker/ ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Style	Style Drift	R^2	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	CDEYX	1	1	1	0	0	0	0	0	0	3	3	3	3
		-53.2/ 89.1	9.7	96.6	14.0/ 13.2	95.1/ 105.7	-0.85	75	82	T	LCV	LCV	LCV	LCV

This fund will be transitioning to the Vanguard Institutional Index.

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FUND # 7	MAINSTAY ICAP SEL EQUITY	ICSLX

IMPLEMENTATION: MAY 2008 ASSETS: $ 3,993,113 BEST FIT INDEX: RUSSELL 1000 VALUE M* ANALYST RATING: Bronze

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	8.57	17.53	13.40	10.21	18.33	13.45	**-1.64**	**-0.80**	**-0.05**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	4	17.1	1.02	-3.17	1.69	9.91	0.90%
PEER AVERAGES			0.99	-1.52	1.82	13.36	1.14%

Active	Ticker/ ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Style	Style Drift	R^2	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	ICSLX	1	1	1	0	0	0	0	0	2	5	6	6	6
		-56.2/ 85.4	10.4	96.6	13.5/ 13.5	94.0/ 102	-0.78	70.5	76.5		LCV	LCV	LCV	LCV

This fund will be transitioning to the Vanguard Institutional Index.

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MID CAP GROWTH:

FUND # 8	BARON GROWTH			BGRIX
IMPLEMENTATION: MAR 2003	ASSETS: $ 19,260,510	BEST FIT INDEX: RUSSELL MID CAP GROWTH	M* ANALYST RATING:	Bronze

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	4.59	19.13	16.33	7.00	18.21	14.76	**-2.41**	**0.92**	**1.57**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	4	20.1	0.80	3.09	1.72	10.59	1.05%
PEER AVERAGES			1.11	-3.72	1.49	15.89	1.31%

Active	Ticker/ ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Style	Style Drift	R^2	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	BGRIX	1	1	1	1	1	0	1	1	2	9	9	9	8
		29.0/ -27.4	15.8	90.8	14.8/ 16.4	93.0/ 91	-0.11	14	14.5		MCG	MCG	MCG	MCG

The weighted-average market cap continues to be below the mid-cap growth average and above the small cap growth average at $4.2 billion (MCG is $11.7B and SCG is $1.7B). There is a significant overweight to REITs (8% versus 2.7% for the index and 3.6% for the peer) and an underweight to Technology (this is nothing new).

Baron continues to perform more like a small-cap growth fund, though it is trailing that category for the most recent one (1) year period also. Mid cap growth funds had a good year in 2014 and Baron Growth did not keep up; in fact it trailed the Russell Mid Cap Growth index, the Russell 2500 Growth Index, the Russell 2000 Growth Index and the Mid Cap Peer Group. It did beat the Small Cap Growth Peer Group. Over the three (3) and five (5) year periods the fund is beating the small and mid-growth peer groups. Baron has always compared itself to the Russell 2000 Growth Index.

Overall, we see nothing that would cause us long term concern.

Recommendation: No action at this time.

SST BENEFITS CONSULTING

FUND # 9	VOYA MID CAP OPPORTUNITIES	IMOZX

IMPLEMENTATION: MAY 2011 ASSETS: $ 9,895,131 BEST FIT INDEX: RUSSELL MID CAP GROWTH M* ANALYST RATING: N/A

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	8.61	17.30	15.66	7.00	18.21	14.76	**1.61**	**-0.91**	**0.90**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	4	9.5	1.11	-1.38	1.49	11.28	0.88%
PEER AVERAGES			1.11	-3.72	1.49	15.89	1.31%

Active	Ticker/ ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Style	Style Drift	R^2	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	IMOZX	1	1	1	1	0	0	0	0	2	6	7	8	8
		96.4/ -3.3	6.4	97.5	15.4/ 15.9	97.0/ 100.5	-0.42	57	83.5		MCG	MCG	MCG	MCG

This fund will be transitioning to the Vanguard Mid Cap Index.

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MID CAP BLEND:

FUND # 10	FIDELITY ADV LEV CO STOCK			FLVIX
IMPLEMENTATION: MAY 2008	ASSETS: $ 5,788,432	BEST FIT INDEX: RUSSELL MIDCAP	M* ANALYST RATING:	Silver

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	5.64	23.29	15.92	8.56	19.46	14.91	**-2.92**	**3.83**	**1.01**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	3	11.5	1.00	1.61	1.84	11.81	0.82%
PEER AVERAGES			1.08	-2.50	1.64	11.09	1.21%

Active	Ticker/ ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Style	Style Drift	R^2	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	FLVIX	0	0	1	0	0	0	1	1	2	5	5	7	7
		-17.9/ -27.6	38.5	92.1	18.6/ 15.9	111.7/ 129.3	-0.24	5.5	8.5		MCV	MCB	MCB	MCB

This fund will be transitioning to the Vanguard Mid Cap Index.

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FUND # 11	VANGUARD MID CAP INDEX		VMCIX
IMPLEMENTATION: MAY 2008	ASSETS: $ 11,677,711	BEST FIT INDEX: SPLICED MID CAP INDEX	M* ANALYST RATING: Gold

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	13.53	21.02	16.80	13.83	21.32	17.10	-0.30	-0.30	-0.30

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	4	16.7	0.97	0.47	1.90	10.48	0.08%
PEER AVERAGES			1.00	N/A	2.04	10.43	N/A

Passive	Ticker/ ID	Style				Peer Group				Qual.	Score			
		Style	Style Drift	R^2	Tracking Error	TE Rank	Expense Rank	Return Rank	SR Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	VMCIX	1	0	1	1	1	1	1	1	2	9	9	9	9
		19.0/ 5.1	8.1	99.3	0.9	14	7	7	6		MCB-P	MCB-P	MCB-P	MCB-P

This mid cap blend index is performing as expected adjusted for expense and tracking error.

Recommendation: No action at this time.

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MID CAP VALUE:

FUND # 12	COLUMBIA SMALL/MID CAP VALUE	RSCMX

IMPLEMENTATION: MAY 2008 ASSETS: $ 20,404,614 BEST FIT INDEX: RUSSELL MID CAP VALUE M* ANALYST RATING: N/A

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	6.74	19.61	14.11	9.31	19.93	15.05	**-2.57**	**-0.32**	**-0.94**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	3	1.3	0.96	0.60	1.68	11.14	0.85%
PEER AVERAGES			1.06	-1.50	1.76	10.74	1.25%

Active	Ticker/ ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Style	Style Drift	R^2	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	RSCMX	1	1	1	0	0	0	0	0	0	3	3	2	2
		-30.0/ -18.4	19.4	95.2	16.0/ 14.3	97.4/ 114.5	-0.87	64.5	60	T	MCV	MCV	MCV	MCV

This fund will be transitioning to the Vanguard Mid Cap Index.

SST BENEFITS CONSULTING

SMALL GROWTH:

FUND # 13	LOOMIS SAYLES SMALL CAP GROWTH			LSSIX
IMPLEMENTATION: DEC 2012	ASSETS: $ 2,666,883	BEST FIT INDEX: RUSSELL 2000 GROWTH	M* ANALYST RATING:	Silver

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	0.99	18.00	17.34	2.44	18.07	15.53	**-1.45**	**-0.07**	**1.81**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	4	10.0	0.93	-0.41	1.28	13.79	0.94%
PEER AVERAGES			1.16	-4.56	1.30	13.65	1.38%

Active	Ticker/ ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Style	Style Drift	R^2	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	LSSIX	1	1	1	1	1	1	1	1	2	10	10	10	10
		88.3/ -84.4	11.3	93.8	17.0/ 17.4	90.3/ 83.5	0.13	20.5	20		SCG	SCG	SCG	SCG

This fund will be transitioning to the Vanguard Small Cap Index.

SST BENEFITS CONSULTING

SMALL BLEND:

FUND # 14	VANGUARD SMALL CAP INDEX			VSCIX
IMPLEMENTATION: MAY 2008	ASSETS: $ 5,624,420	BEST FIT INDEX: SPLICED SMALL CAP INDEX	M* ANALYST RATING:	Gold

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	7.29	20.30	16.64	7.54	20.53	16.83	-0.25	-0.23	-0.19

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	4	23.1	0.97	1.21	1.62	12.01	0.08%
PEER AVERAGES			1.00	N/A	1.70	11.98	N/A

Passive	Ticker/ ID	Style				Peer Group				Qual.	Score			
		Style	Style Drift	R^2	Tracking Error	TE Rank	Expense Rank	Return Rank	SR Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	VSCIX	1	0	1	1	0	1	1	1	2	8	9	9	9
		-8.0/ -57.2	8.7	96.8	2.6	89	5	8	3		SCB-P	SCB-P	SCB-P	SCB-P

This small cap blend index is performing as expected adjusted for expense and tracking error.

RECOMMENDATION: No action at this time.

SST BENEFITS CONSULTING

SMALL VALUE:

FUND # 15	**INVESCO SMALL CAP VALUE**			**VSMIX**
IMPLEMENTATION: MAY 2011	ASSETS: $ 5,301,774	BEST FIT INDEX: RUSSELL 2000 VALUE	M* ANALYST RATING:	Bronze

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	7.43	24.05	17.91	3.34	17.72	13.97	**4.09**	**6.33**	**3.94**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	5	4.6	1.11	1.85	1.52	15.04	0.87%
PEER AVERAGES			1.16	-4.96	1.36	12.72	1.36%

Active	Ticker/ ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Style	Style Drift	R^2	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	VSMIX	0	0	1	1	1	1	1	1	2	8	8	8	8
		24.8/ -69.6	45.8	88.1	20.0/ 17.9	113.8/ 102.6	0.52	3.5	17.5		SCV	SCV	SCV	SCV

The management team of this fund started in July 2010 and only manage this fund. All three managers have at least $500,000 invested in the fund. 2014 was the third straight year finishing in the top quartile; the fund has finished in the top 7% of funds in the category for each of the last three (3) calendar years and is in the top 1% for the most recent 10 year period (which includes performance years where this management team was not on the fund). The fund ranks in the top 7%, 2% and 3% for the one (1), three (3) and five (5) year respective periods. On a risk-adjusted basis the fund has also outperformed the index and peer over all time periods.

A small cap value fund with a management team focused on finding value stocks and succeeding has not been the norm in this category. This fund is not so focused on a specific style box, instead looking for value across the entire small cap spectrum and a portion of the mid cap spectrum. With a 22% stake in “Micro” caps, the fund is underweight the index, but nearly four times the peer group weighting. Overall, Invesco Small Cap Value has 22% in micro, 38% in small cap and 37% in mid cap stocks.

Historically, performance of this magnitude is not persistent.

Recommendation: No action at this time.

SST BENEFITS CONSULTING

FUND # 16	PERKINS SMALL CAP VALUE		JDSNX
IMPLEMENTATION: NOV 2010	ASSETS: $ 19,550,856	BEST FIT INDEX: RUSSELL 2000 VALUE	M* ANALYST RATING: N/A

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	7.34	14.93	11.58	3.34	17.72	13.97	**4.00**	**-2.79**	**-2.39**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	4	29.9	0.96	-3.54	1.44	10.19	0.60%
PEER AVERAGES			1.16	-4.96	1.36	12.72	1.36%

Active	Ticker/ ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Style	Style Drift	R^2	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	JDSNX	1	1	1	1	0	0	0	0	2	6	7	5	6
		-42.0/ -42.8	18.5	95.4	13.6/ 11.8	77.0/ 78.3	-0.46	91.5	89		SCV	SCV	SCV	SCV

This fund will be transitioning to the Vanguard Small Cap Index.

SST BENEFITS CONSULTING

INTERNATIONAL STOCK:

FUND # 17	AMERICAN FUNDS CAPITAL WORLD G/I	RWIGX

IMPLEMENTATION: MAY 2008 ASSETS: $ 34,196,619 BEST FIT INDEX: MSCI WORLD NR M* ANALYST RATING: Gold

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	4.13	15.80	9.06	2.79	14.11	9.54	**1.34**	**1.69**	**-0.48**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	3	21.8	0.96	1.09	1.52	10.14	0.45%
PEER AVERAGES			0.75	6.71	1.26	11.11	1.31%

Active	Ticker/ ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Style	Style Drift	R^2	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	RWIGX	1	1	1	0	0	0	1	1	2	7	7	6	5
		4.4/ 77.8	11.6	96.5	14.5/ 9.4	95.1/ 101.3	-0.52	37.5	48		GE	GE	GE	GE

CWGI is outperforming over all periods versus the peer and index with the exception of the five (5) year versus peer (underperforming by only 0.48%). Given that this fund is still overweight non-US and has a cash component of 5%+, the returns are better than we would expect. Domestic stocks far outpaced foreign and emerging markets in 2014.

A heavy overweight to Healthcare and good stock selection within that sector helped offset poor stock and sector selection elsewhere in the portfolio.

The portfolio is currently 41% domestic versus 52% for the MSCI ACWI, allocations to emerging markets are similar. Other than a foreign overweight, management deviates from the index in Healthcare, Financial Services and Information Technology. An underweight in the Energy sector was additive to returns as oil fell, though stock selection within that sector was slightly negative.

For participants interested in a portfolio of very large, high quality, mostly dividend paying companies with global reach, this fund is tough to beat.

Recommendation: No action at this time.

SST BENEFITS CONSULTING

FUND # 18	DFA INTERNATIONAL SMALL COMPANY			DFISX
IMPLEMENTATION: AUG 2009	ASSETS: $ 12,285,804	BEST FIT INDEX: MSCI EAFE SM CAP NR	M* ANALYST RATING:	Silver

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	-6.49	12.19	8.11	-5.05	12.79	8.37	**-1.44**	**-0.60**	**-0.26**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	3	16.1	0.98	3.33	0.93	13.59	0.54%
PEER AVERAGES			0.90	4.34	1.03	12.71	1.41%

Active	Ticker/ ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Style	Style Drift	R^2	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	DFISX	1	1	1	1	1	1	0	0	2	8	8	8	8
		19.2/ -100	6.5	97.2	17.0/ 8.3	98.1/ 97.1	0.05	60.5	60.5		ISMB	ISMB	ISMB	ISMB

This fund will be transitioning to the Vanguard International Total Stock Market Index.

SST BENEFITS CONSULTING

FUND # 19	DODGE & COX INTERNATIONAL STOCK			DODFX
IMPLEMENTATION: MAY 2008	ASSETS: $ 12,738,031	BEST FIT INDEX: MSCI WORLD EX US NR USD	M* ANALYST RATING:	Gold

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	-0.04	15.09	7.76	-4.98	10.22	5.04	**4.94**	**4.87**	**2.72**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	5	13.7	1.04	5.37	1.09	13.92	0.64%
PEER AVERAGES			0.94	1.63	0.83	16.65	1.30%

Active	Ticker/ ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Style	Style Drift	R^2	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	DODFX	1	1	1	1	1	1	1	1	2	10	10	10	10
		1.9/ 55.7	24	95.9	17.9/ 7.9	108.3/ 99.6	0.56	15	15.5		ILCB	ILCB	ILCB	ILCB

Dodge & Cox International Stock is closed to new investors as of January 16th. The fund is now over $60 billion in assets; the only international fund larger is American Funds EuroPacific Growth. Yet, size has not hurt performance.

The fund has a healthy emerging markets stake (23%), but has not been hurt by poor performance over the past years in that area. International Stock actually managed to eke out a game last year despite losses in most foreign markets. -0.04% is not great, but it is better than 91% of the managers in this category.

We don't expect much to change at the fund with the closing other than a smaller monthly inflow.

The fund continues to have a higher weighted-average market cap than the peers and index and has moved toward the Foreign Blend category over the past three (3) years (from Value).

Dodge and Cox doesn't shy away from their convictions, the top three sectors account for 66% of the assets, as follows:

	DODFX	Index	Peer
Financial Services	26%	24%	21%
Technology	26%	8%	8%
Healthcare	14%	9%	11%

While the Financial Services sector is relatively similar to the index and peer, the Technology and Healthcare sectors represent significant departures.

Recommendation: No action at this time.

SST BENEFITS CONSULTING

FUND # 20	OPPENHEIMER INTERNATIONAL GROWTH			OIGIX
IMPLEMENTATION: AUG 2013	ASSETS: $ 4,869,320	BEST FIT INDEX: MSCI WORLD EX US GROWTH	M* ANALYST RATING:	Silver

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	-7.00	12.44	8.42	-3.92	10.84	6.13	**-3.08**	**1.60**	**2.29**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	5	18.8	0.90	4.23	1.01	12.57	0.71%
PEER AVERAGES			0.90	2.57	0.90	12.33	1.38%

Active	Ticker/ ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Style	Style Drift	R^2	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	OIGIX	0	1	1	1	1	1	1	1	2	9	9	9	9
		97.2/ -12.8	9.5	94.3	16.3/ 8.7	104.3/ 93.8	0.59	5	3		ILCG	ILCG	ILCG	ILCG

This fund will be transitioning to the Vanguard International Total Stock Market Index.

SST BENEFITS CONSULTING

BONDS:

FUND # 21	LOOMIS SAYLES INV GRADE BOND	LSIIX

IMPLEMENTATION: MAY 2008 ASSETS: $ 14,990,155 BEST FIT INDEX: BARCLAYS US CREDIT TR USD M* ANALYST RATING: Gold

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	5.07	6.08	6.92	3.63	5.62	6.57	**1.44**	**0.46**	**0.35**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	5	18.1	0.96	-1.77	1.24	4.86	0.58%
PEER AVERAGES			0.94	3.04	1.35	4.13	1.04%

Active	Ticker/ ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Style	Style Drift	R^2	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	LSIIX	0	1	0	1	1	1	1	1	0	6	6	6	6
		19.0/ -25.6	10.8	22.6	5.0/ 7	141.0/ 102.7	0.57	5	41	S	CFI	CFI	CFI	CFI

This fund is not your typical bond fund, but it also is not too out of the ordinary. Investment Grade can own stocks (but no more than 5%), currencies (currently 31%) and will hold below investment grade bonds (ironic, considering the name). You will also find convertibles and non-US bonds, giving management plenty of flexibility. This flexibility comes at a price, occasionally that price is wide variation from the index or peer. This fund is not for those participants looking for investment grade bonds paying a simple coupon, instead it is for those who are willing to take some risk in bonds for a better return with more limited downside than high yield.

We agree with Morningstar's assessment "…for those with a long time horizon and the stomach for volatility, this remains a strong choice."

Recommendation: No action at this time.

SST BENEFITS CONSULTING

FUND # 22	OPPENHEIMER INTERNATIONAL BOND		OIBIX
IMPLEMENTATION: MAY 2008	ASSETS: $ 3,751,811	BEST FIT INDEX: MSTAR GLOBAL EX US GOVT BOND	M* ANALYST RATING: NEUTRAL

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	0.55	2.31	2.78	1.72	2.56	3.61	**-1.17**	**-0.25**	**-0.83**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	4	5.8	1.30	-0.77	0.46	5.61	0.56%
PEER AVERAGES			1.08	-0.25	0.67	4.88	1.06%

Active	Ticker/ ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Style	Style Drift	R^2	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	OIBIX	0	0	0	1	0	1	0	0	1	3	3	3	5
		12.4/ -14.7	38.7	70.6	7.6/ 3	128.3/ 138.2	0.03	60	61.5	S	GFI	GFI	GFI	GFI

This fund invests across both developing and emerging market economies and currently has about 58% of assets in Currency and Interest Rate strategies and 35% in Credit Strategies (the remainder in cash). Assets are heavy in Europe with 11% in the UK and another 20% in major Euro countries. Returns have been mostly middling for the past five (5) years against the peer, though the peer group has a very disparate group of fund types. On a risk-adjusted basis the fund hasn't kept pace with the peer group either and tends to be more volatile.

Morningstar recently pointed out that "The managers are willing to take a substantial amount of foreign currency risk and make liberal use of derivatives to take currency and country exposures. They take a long-term perspective and argue that select exposures to foreign currencies, particularly in emerging markets, can add value over U.S. dollar-denominated debt."

Given the allocation to emerging market bonds, which have struggled over the past few years but may be due for a stronger period (assuming the dollar doesn't continue to strengthen), the fund may be poised for a good run compared to the peers, but only time will tell.

Recommendation: Remain on Watch List due to investment performance.

SST BENEFITS CONSULTING

FUND # 23	PIONEER GLOBAL HIGH YIELD		GHYYX
IMPLEMENTATION: MAY 2008	ASSETS: $ 4,738,238	BEST FIT INDEX: BARCLAYS GLOBAL HY	M* ANALYST RATING: N/A

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	-1.72	6.39	6.95	1.11	7.41	7.86	**-2.83**	**-1.02**	**-0.91**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	2	13.4	1.16	-2.60	1.10	5.70	0.82%
PEER AVERAGES			0.75	5.24	1.61	4.65	1.08%

Active	Ticker/ ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Style	Style Drift	R^2	Risk / Return	Up / Down	Info Ratio	Return Rank	Info Ratio Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	GHYYX	1	1	1	0	0	0	0	0	2	5	5	5	8
		99.9/ -99.9	0.5	90.5	7.6/ 6.9	99.8/ 132.5	-0.78	88	56.5		HY	HY	HY	HY

This fund invests in US High Yield, International High Yield and emerging markets bonds. The allocation to foreign bonds will average between 30% - 60% and is currently at around 40% with 28% in emerging market bonds and 11% in International High Yield. The remainder is in US High Yield, Convertibles, Bank Loans, CMBS, ABS and a smattering of other below investment grade fixed income assets.

Comparing this fund to the High Yield Peer Group makes this fund look entirely unappealing, however, we would argue that this comparison is not a deep enough look. There is no global high yield category and so this fund falls into the domestic high yield peer group, a peer group that has done very well over the years since the financial crisis. High yield and emerging market bonds outside the US have not done nearly as well and over the past two (2) years have especially struggled. Thus, while the fund is trailing the peer group, it isn't trailing by a large margin considering the headwinds it experiences due to its different portfolio structure.

We would argue that the exposure to global high yield and emerging markets bonds provides greater diversification and that the returns in this fund have actually been reasonable and on-par with what we should expect.

Recommendation: Place on Watch List due to investment performance.

SST BENEFITS CONSULTING

BALANCED ALLOCATION:

FUND # 24	AMERICAN FUNDS INCOME FUND OF AMERICA			RIDGX
IMPLEMENTATION: MAY 2008	ASSETS: $ 11,836,791	BEST FIT INDEX: MORNINGSTAR MODERATE	M* ANALYST RATING:	Silver

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	8.50	12.86	11.23	6.21	11.72	9.43	**2.29**	**1.14**	**1.80**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	5	23.0	0.58	3.85	1.95	6.43	0.29%
PEER AVERAGES			0.99	1.36	1.70	6.71	0.94%

Asset Allocation	Ticker/ ID	Style			Risk/Return			Peer Group		Qual.	Score			
		Risk Level	Style Diversity	R^2	Risk / Return	Up / Down	Info Ratio	Return Rank	SR Rank	(2pt. max)	31-Dec 2014	30-Sep 2014	30-Jun 2014	31-Mar 2014
	RIDGX	1	1	1	1	1	1	1	1	2	10	10	10	10
		8.6	64.9/ 35.2	93.7	8.6/ 11.5	101.6/ 88.5	0.61	4.5	2.5		MOD	MOD	MOD	MOD

This fund will be transitioning to the Moderate Allocation Fund.

SST BENEFITS CONSULTING

TARGET FUNDS:

FUND # 25	VANGUARD TARGET RETIREMENT INCOME			VTINX
IMPLEMENTATION: DEC 2009	ASSETS: $ 4,005,338	BEST FIT INDEX: MORNINGSTAR CONSERVATIVE INC	M* ANALYST RATING:	Gold

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	5.35	6.40	6.72	5.76	6.73	6.97	-0.41	-0.33	-0.25

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	4	1.9	0.80	1.31	1.77	3.60	0.16%
PEER AVERAGES			1.00	N/A	1.98	3.55	0.50%

Target Date fund review summary follows fund #29.

FUND # 26	VANGUARD TARGET RETIREMENT 2020			VTWNX
IMPLEMENTATION: DEC 2009	ASSETS: $ 11,944,913	BEST FIT INDEX: MORNINGSTAR MODERATE 2020	M* ANALYST RATING:	Gold

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	6.92	11.57	9.54	7.37	11.96	9.93	-0.45	-0.39	-0.39

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	5	1.9	0.99	1.31	1.75	6.46	0.16%
PEER AVERAGES			1.00	N/A	1.92	6.40	0.52%

Target Date fund review summary follows fund #29.

SST BENEFITS CONSULTING

FUND # 27	VANGUARD TARGET RETIREMENT 2030			VTHRX
IMPLEMENTATION: DEC 2009	ASSETS: $ 11,657,922	BEST FIT INDEX: MORNINGSTAR MODERATE 2030	M* ANALYST RATING:	Gold

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	6.98	13.69	10.63	7.51	14.10	11.03	-0.53	-0.41	-0.40

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	4	1.9	0.87	1.33	1.68	7.90	0.17%
PEER AVERAGES			1.00	N/A	1.85	7.82	0.53%

Target Date fund review summary follows fund #29.

FUND # 28	VANGUARD TARGET RETIREMENT 2040			VFORX
IMPLEMENTATION: DEC 2009	ASSETS: $ 8,859,945	BEST FIT INDEX: MORNINGSTAR MODERATE 2040	M* ANALYST RATING:	Gold

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	6.95	15.33	11.44	7.61	15.78	11.87	-0.66	-0.45	-0.43

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	4	1.9	0.96	1.34	1.64	9.05	0.18%
PEER AVERAGES			1.00	N/A	1.81	8.94	0.52%

Target Date fund review summary follows fund #29.

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FUND # 29	VANGUARD TARGET RETIREMENT 2050			VFIFX
IMPLEMENTATION: DEC 2009	ASSETS: $ 4,439,185	BEST FIT INDEX: MORNINGSTAR MODERATE 2050	M* ANALYST RATING:	Gold

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	6.98	15.34	11.45	7.61	15.78	11.87	-0.63	-0.44	-0.42

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	4	1.9	0.96	1.36	1.64	9.04	0.18%
PEER AVERAGES			1.00	N/A	1.81	8.94	0.51%

This target date series is performing as expected adjusted for expense and tracking error. The equity portion is well diversified with 44% giant cap, 30% large cap, 18% mid cap, 6% small cap and 2% micro exposure. The bond portion has an average credit quality of AA, no holdings below investment grade and has an average effective duration of 5.85 years. The glidepath is “to” and levels off at five (5) years after the “zero” year.

Recommendation: No action at this time.

SST BENEFITS CONSULTING

SPECIALTY:

FUND # 30	VOYA GLOBAL REAL ESTATE			IGLIX
IMPLEMENTATION: MAY 2008	ASSETS: $ 6,657,652	BEST FIT INDEX: S&P DEVELOPED PROPERTY	M* ANALYST RATING:	Bronze

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	13.96	14.15	10.17	11.67	14.58	9.92	**2.29**	**-0.43**	**0.25**

	M*	MGR TENURE	BETA	ALPHA	SHARPE	3 YR STD DEV	EXP RATIO
FUND STATISTICS	3	13.2	0.96	0.05	1.09	12.91	0.97%
PEER AVERAGES			0.90	2.08	1.13	13.04	1.43%

This is a tough category to gain exposure to without buying two separate mutual funds. The advantage of this fund is that it combines domestic and foreign Real Estate exposure into a single package. Returns have not been outstanding, but they haven't varied much from the peer and index either. While we would like to see the fund best its index and peer group, given the lack of competition in this space, it's enough that it keeps up and essentially provides the return of global real estate portfolio (albeit at a higher price than we would desire).

Participants in this fund may be disappointed by the recent returns when compared against domestic REITs which had a blowout 2014 (up 30%+), but we think they will be happy when the cycle comes full circle.

Recommendation: Remove from Watch List due to improved investment performance.

SST BENEFITS CONSULTING

ASSET ALLOCATION:

FUND # 31	ASSET ALLOCATION FUNDS AGGRESSIVE		
IMPLEMENTATION: MAY 2008	ASSETS: $ 36,906,984	BEST FIT INDEX: MORNINGSTAR AGGRESSIVE	M* ANALYST RATING: N/A

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	5.71	15.18	10.66	5.34	14.92	11.25	**0.37**	**0.26**	**-0.59**

FUND # 32	ASSET ALLOCATION FUNDS MODERATE		
IMPLEMENTATION: MAY 2008	ASSETS: $ 51,382,341	BEST FIT INDEX: MORNINGSTAR MODERATE	M* ANALYST RATING: N/A

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	6.22	12.55	9.46	5.42	11.40	8.90	**0.80**	**1.15**	**0.56**

FUND # 33	ASSET ALLOCATION FUNDS CONSERVATIVE		
IMPLEMENTATION: MAY 2008	ASSETS: $ 21,252,083	BEST FIT INDEX: MORNINGSTAR CONSERVATIVE	M* ANALYST RATING: N/A

	ACTUAL RETURN			PEER AVERAGE			DIFFERENCE		
	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR	1 YR	3 YR	5 YR
RATES OF RETURN	4.24	7.83	6.53	3.21	6.57	5.61	**1.03**	**1.26**	**0.92**

The asset allocation models are performing as expected.

Recommendation: No action at this time.

SST BENEFITS CONSULTING

WATCH LIST*

The Watch List contains funds that did not meet the criteria outlined in the County of San Bernardino's Investment Policy. Specifically, "if a fund does not meet or exceed the designated benchmark for both the three (3) and five (5) year periods it must be placed on the Watch List." There are other reasons for a fund to be placed on the Watch List including ownership or manager change.

It is recommended that the following funds remain on, or be removed from, the Watch List:

ACTION	FUND #	TICKER	FUND NAME	INVESTMENT POLICY	QUARTER ADDED
⚠	**22**	OIBIX	OPPENHEIMER INTERNATIONAL BOND	Remain on Watch List due to investment performance. The 3 / 5 Information Ratios have changed from 0.15 / (0.15) to (0.03) / (0.20)	3Q 2013
⚠	**23**	GHYYX	PIONEER GLOBAL HIGH YIELD	Place on Watch List due to investment performance. The 3 / 5 Information Ratios are 0.66 / 0.31	4Q 2014
✔	**30**	IGLIX	VOYA GLOBAL REAL ESTATE	Remove from Watch List due to improved investment performance. The 3 / 5 Information Ratios have changed from (0.29) / (0.07) to 0.01 / 0.12	3Q 2014

***Note: Mutual funds transitioning are not listed on this report.**

SST BENEFITS CONSULTING

COUNTY OF SAN BERNARDINO
INVESTMENT OPTIONS SPECTRUM

TARGET ALLOCATION	ASSET ALLOCATION	SPECIALTY	BONDS	BALANCED ALLOCATION	DOMESTIC EQUITY			INTERNATIONAL - GLOBAL EQUITY
					LARGE VALUE	LARGE BLEND	LARGE GROWTH	
Vanguard Ret Inc	Aggressive Allocation	Voya Global Real Est	Loomis Sayles Inv	AmFunds Inc	Columbia Div Equity Inc	Parnassus Core Equity	AmFunds Growth Fund	AmFunds Cap World
Vanguard Ret 2020	Moderate Allocation		Oppenheimer Intl		MainStay ICAP Sel Equity	Vanguard Institutional Idx	TIAA-CREF G/I	DFA Intl Sm Company
Vanguard Ret 2030	Conservative Allocation		Pioneer Global HY				Wells Fargo Adv Growth	Dodge & Cox Intl
Vanguard Ret 2040								Oppenheimer Intl Gr
Vanguard Ret 2050								
					MID CAP VALUE	MID CAP BLEND	MID CAP GROWTH	
					Columbia Sm/Mid Cap Value	Fidelity Adv Lev Co Stk	Baron Growth	
						Vanguard Mid Cap Idx	Voya Mid Cap Opp	
					SMALL VALUE	SMALL BLEND	SMALL GROWTH	
					Invesco SmCap Value	Vanguard SmCap Index	Loomis Sayles SmCap Gr	
					Perkins SmCap Value			

Funds to the left have potentially more inflation risk and less investment risk

Funds to the right have potentially less inflation risk and more investment risk

MUTUAL FUND FORWARD LOOKING RATING SCALE

As mutual fund investors, we have received quantitative and qualitative analysis that provides investors with a look back at how and why a mutual fund performed as it did. Morningstar® is a dominant player in mutual fund analytics. Their quantitative star rating for funds is a backward looking achievement test. The star system takes into account performance category peers after adjusting for risk and sales charges over three (3), five (5) and ten (10) year periods with the greatest weight on the ten (10) year achievement.

Morningstar® has developed a more qualitative approach to evaluating the potential for funds to outperform their benchmarks and peer groups. This is a forward looking approach that uses a methodology based on five qualitative and numeric factors or pillars.

The five pillars are:

1. **PROCESS**
2. **PERFORMANCE**
3. **PEOPLE**
4. **PARENT**
5. **PRICE**

Performance is viewed in the context of risk taken, with a focus on downside risk. The Morningstar® analysts consider that the fundamentals and risks of a fund's holdings are as important as past performance, perhaps more so.

Morningstar® assigns three medal ratings, Gold, Silver and Bronze, along with a Neutral and Negative rating. Morningstar® has only completed 500-600 mutual fund assessments with this new process. So many funds will have an "N/A" instead of one of the five ratings. We expect that nearly all funds will have a rating by the end of 2012.

The ratings should be interpreted as follows:

GOLD Gold

A Gold rating indicates an expectation that the fund will outperform its relative performance benchmark and peer group within the context of the level of risk taken over the long term, (usually five years or a full market cycle). To earn a Gold rating a fund must distinguish itself across the five pillars.

SILVER Silver

Funds in this category have notable advantages across most, but perhaps not all of the five pillars. Funds that have a high price may be the reason for the Silver rating.

BRONZE Bronze

Funds with a Bronze rating have advantages that outweigh any disadvantages across the five pillars. Like Silver, Bronze rated funds may be working their way up or down the scale.

NEUTRAL

These are funds where the Morningstar analysts do not have a strong positive or negative conviction. For example, a fund that combines an overly benchmark conscious strategy with competitive fees could receive this rating because the strategy lends itself to average performance.

NEGATIVE

These funds have at least one major flaw that is likely to hamper future performance. For example, a fund that combines an overly benchmark conscious strategy with high fees could receive this rating because its strategy lends itself to underperformance.

N/A

Morningstar® analysts have not completed their evaluation of this particular fund.

CONCLUSION

- One caution is that a fund with a Gold rating is not necessarily suitable for all investors.
- The People pillar is more critical in concentrated funds whose success is tied to stock picking.
- The expense is a critical factor in all funds, but particularly index funds.
- This rating system does not replace the Morningstar® star system but rather supplements it.
- Finally, there are skeptics of this rating system. We think it may take some time to evaluate the effectiveness of this forward rating system.