

**CITY OF BISMARCK DEFERRED SICK LEAVE FUND
INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2014**

	July-14					Current FYTD		Prior Year FY14		3 Years Ended 6/30/2014		5 Years Ended 6/30/2014	
	Market Value	Allocation		Month		Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net
		Actual	Policy	Gross ⁽¹⁾	Net								
TOTAL DEFERRED SICK LEAVE FUND	843,182	100.0%	100.0%	-0.75%	-0.77%	-0.75%	-0.77%	12.53%	12.32%	9.47%	9.25%	11.58%	11.33%
<i>POLICY TARGET BENCHMARK</i>				<i>-0.90%</i>	<i>-0.90%</i>	<i>-0.90%</i>	<i>-0.90%</i>	<i>9.97%</i>	<i>9.97%</i>	<i>6.63%</i>	<i>6.63%</i>	<i>8.29%</i>	<i>8.29%</i>
ATTRIBUTION ANALYSIS													
Asset Allocation				0.00%	0.00%	0.00%	0.00%	-0.02%	-0.02%	0.06%	0.06%		
Manager Selection				0.15%	0.13%	0.15%	0.13%	2.58%	2.38%	2.79%	2.56%		
TOTAL RELATIVE RETURN				0.15%	0.13%	0.15%	0.13%	2.56%	2.35%	2.84%	2.61%	3.29%	3.04%
LARGE CAP DOMESTIC EQUITY													
Los Angeles Capital	37,779	4.5%	4.5%	-0.74%	-0.74%	-0.74%	-0.74%	25.79%	25.57%	17.16%	16.94%	7.73%	7.51%
Russell 1000 Growth				-1.53%	-1.53%	-1.53%	-1.53%	26.92%	26.92%	16.26%	16.26%	7.47%	7.47%
LSV	37,521	4.4%	4.5%	-1.45%	-1.51%	-1.45%	-1.51%	28.33%	28.01%	19.09%	18.79%	8.24%	7.86%
Russell 1000 Value				-1.70%	-1.70%	-1.70%	-1.70%	23.81%	23.81%	16.92%	16.92%	6.67%	6.67%
LA Capital	25,062	3.0%	3.0%	-0.80%	-0.80%	-0.80%	-0.80%	24.29%	24.15%	17.14%	16.95%	8.08%	7.81%
Russell 1000				-1.62%	-1.62%	-1.62%	-1.62%	25.36%	25.36%	16.63%	16.63%	7.12%	7.12%
Clifton Group	25,046	3.0%	3.0%	-1.43%	-1.43%	-1.43%	-1.43%	24.75%	24.63%	16.93%	16.80%	19.96%	19.63%
S&P 500				-1.38%	-1.38%	-1.38%	-1.38%	24.61%	24.61%	16.58%	16.58%	18.83%	18.83%
TOTAL LARGE CAP DOMESTIC EQUITY	125,408	14.9%	15.0%	-1.12%	-1.13%	-1.12%	-1.13%	26.07%	25.85%	17.73%	17.51%	19.57%	19.28%
Russell 1000				-1.62%	-1.62%	-1.62%	-1.62%	25.36%	25.36%	17.02%	17.02%	19.10%	19.10%
SMALL CAP DOMESTIC EQUITY													
Research Affiliates	15,306	1.8%	2.5%	-5.61%	-5.61%	-5.61%	-5.61%	24.68%	24.29%	16.34%	15.88%	22.98%	22.51%
Clifton	26,801	3.2%	2.5%	-6.13%	-6.13%	-6.13%	-6.13%	24.67%	24.17%	15.76%	15.30%	22.16%	21.67%
TOTAL SMALL CAP DOMESTIC EQUITY	42,107	5.0%	5.0%	-5.85%	-5.85%	-5.85%	-5.85%	24.78%	24.34%	16.10%	15.64%	22.49%	22.01%
Russell 2000				-6.05%	-6.05%	-6.05%	-6.05%	23.64%	23.64%	14.57%	14.57%	20.21%	20.21%
INTERNATIONAL EQUITY													
Capital Group	33,224	3.9%	4.0%	-1.99%	-2.07%	-1.99%	-2.07%	20.70%	20.25%	8.58%	8.03%	12.11%	11.55%
LSV	33,412	4.0%	4.0%	-1.53%	-1.62%	-1.53%	-1.62%	27.25%	26.77%	9.54%	9.04%	12.20%	11.69%
MSCI EAFE				-1.97%	-1.97%	-1.97%	-1.97%	23.57%	23.57%	8.10%	8.10%	11.11%	11.11%
DFA	8,168	1.0%	1.0%	4.18%	-3.51%	-3.51%	-3.51%	36.58%	35.75%	12.25%	11.48%	16.48%	15.74%
Vanguard (1)	8,244	1.0%	1.0%	-2.08%	-2.08%	-2.08%	-2.08%	29.97%	29.46%	9.31%	8.86%	14.93%	14.49%
S&P/Citigroup Broad Market Index < \$2BN				-1.27%	-1.27%	-1.27%	-1.27%	26.39%	26.39%	8.21%	8.21%	8.21%	13.10%
TOTAL INTERNATIONAL EQUITY	83,048	9.8%	10.0%	-1.97%	-2.04%	-1.97%	-2.04%	25.76%	25.26%	9.31%	8.77%	12.94%	12.39%
MSCI EAFE				-1.97%	-1.97%	-1.97%	-1.97%	23.57%	23.57%	8.10%	8.10%	11.11%	11.11%
FIXED INCOME													
Western Asset	172,918	20.5%	20.6%	-0.09%	-0.13%	-0.09%	-0.13%	6.13%	5.99%	5.69%	5.52%	8.72%	8.54%
Prudential	43,880	5.2%	5.2%	-0.21%	-0.21%	-0.21%	-0.21%	6.71%	6.42%	6.06%	5.76%	8.55%	8.25%
PIMCO (DISCO) (1)	28,169	3.3%	3.3%	0.00%	0.00%	0.00%	0.00%	12.02%	12.02%	N/A	N/A	N/A	N/A
PIMCO (BRAVO II) (1)	4,733	0.6%	0.6%	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
BC Aggregate				-0.25%	-0.25%	-0.25%	-0.25%	4.37%	4.37%	3.66%	3.66%	4.85%	4.85%
Declaration (Total Return) (1)	47,960	5.7%	5.7%	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
3m LIBOR				0.02%	0.02%	0.02%	0.02%						
State Street	77,316	9.2%	9.1%	-0.11%	-0.11%	-0.11%	-0.11%	4.26%	4.23%	N/A	N/A	N/A	N/A
BC Gov/Credit				-0.11%	-0.11%	-0.11%	-0.11%	4.28%	4.28%				
Wells Capital	175,609	20.8%	20.6%	-0.20%	-0.20%	-0.20%	-0.20%	10.01%	9.79%	7.70%	7.48%	10.19%	9.97%
BC US Credit BAA				-1.40%	-1.40%	-1.40%	-1.40%	9.46%	9.46%	7.12%	7.12%	9.05%	9.05%
TOTAL FIXED INCOME	550,585	65.3%	65.0%	-0.12%	-0.13%	-0.12%	-0.13%	7.76%	7.60%	7.48%	7.29%	9.42%	9.23%
BC Aggregate				-0.25%	-0.25%	-0.25%	-0.25%	4.37%	4.37%	3.66%	3.66%	4.85%	4.85%
CASH EQUIVALENTS													
Northern Trust (1)	42,034			0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	N/A	N/A	N/A	N/A
TOTAL CASH EQUIVALENTS	42,034	5.0%	5.0%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.17%	0.17%	0.24%	0.24%
90 Day T-Bill				0.00%	0.00%	0.00%	0.00%	0.06%	0.06%	0.08%	0.08%	0.11%	0.11%

NOTE: Monthly returns and market values are preliminary and subject to change.

Effective July 1, 2013, net of fee returns are calculated on a cash basis in the month paid. Prior years were accrual based and split evenly over the 12 months of the fiscal year.

(1) All limited partnership-type (and mutual funds as of 7/1/14) investment returns will only be reported net of fees, which is standard practice by the investment consultant.