

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

	August-14					July-14					Current FYTD		Prior Year FY14		3 Years Ended 6/30/2014		5 Years Ended 6/30/2014	
	Allocation		Month			Allocation		Month			Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net
	Market Value	Actual	Policy	Gross ⁽¹⁾	Net	Market Value	Actual	Policy	Gross ⁽¹⁾	Net								
TOTAL DEFERRED SICK LEAVE FUND	856,310	100.0%	100.0%	1.61%	1.58%	843,182	100.0%	100.0%	-0.75%	-0.77%	0.84%	0.80%	12.53%	12.32%	9.47%	9.25%	11.58%	11.33%
<i>POLICY TARGET BENCHMARK</i>				<i>1.57%</i>	<i>1.57%</i>				<i>-0.90%</i>	<i>-0.90%</i>	<i>0.65%</i>	<i>0.65%</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%	0.00%	0.00%	-0.02%	-0.02%	0.06%	0.06%		
Manager Selection				0.04%	0.01%				0.15%	0.13%	0.19%	0.15%	2.58%	2.38%	2.79%	2.56%		
TOTAL RELATIVE RETURN				0.04%	0.01%				0.15%	0.13%	0.19%	0.15%	2.56%	2.35%	2.84%	2.61%	3.29%	3.04%
LARGE CAP DOMESTIC EQUITY																		
Los Angeles Capital	38,665	4.5%	4.5%	4.15%	4.11%	37,779	4.5%	4.5%	-0.74%	-0.74%	3.38%	3.34%	25.79%	25.57%	17.16%	16.94%	7.73%	7.51%
<i>Russell 1000 Growth</i>				4.58%	4.58%				-1.53%	-1.53%	2.98%	2.98%	26.92%	26.92%	16.26%	16.26%	7.47%	7.47%
LSV	38,309	4.5%	4.5%	3.79%	3.79%	37,521	4.4%	4.5%	-1.45%	-1.51%	2.28%	2.22%	28.33%	28.01%	19.09%	18.79%	8.24%	7.86%
<i>Russell 1000 Value</i>				3.68%	3.68%				-1.70%	-1.70%	1.91%	1.91%	23.81%	23.81%	16.92%	16.92%	6.67%	6.67%
LA Capital	25,741	3.0%	3.0%	3.77%	3.74%	25,062	3.0%	3.0%	-0.80%	-0.80%	2.94%	2.91%	24.29%	24.15%	17.14%	16.95%	8.08%	7.81%
<i>Russell 1000</i>				4.13%	4.13%				-1.62%	-1.62%	2.45%	2.45%	25.36%	25.36%	16.63%	16.63%	7.12%	7.12%
Clifton Group	25,635	3.0%	3.0%	4.15%	4.08%	25,046	3.0%	3.0%	-1.43%	-1.43%	2.66%	2.59%	24.75%	24.63%	16.93%	16.80%	19.96%	19.63%
<i>S&P 500</i>				4.00%	4.00%				-1.38%	-1.38%	2.57%	2.57%	24.61%	24.61%	16.58%	16.58%	18.83%	18.83%
TOTAL LARGE CAP DOMESTIC EQUITY	128,350	15.0%	15.0%	3.96%	3.93%	125,408	14.9%	15.0%	-1.12%	-1.13%	2.80%	2.75%	26.07%	25.85%	17.73%	17.51%	19.57%	19.28%
<i>Russell 1000</i>				4.13%	4.13%				-1.62%	-1.62%	2.45%	2.45%	25.36%	25.36%	17.02%	17.02%	19.10%	19.10%
SMALL CAP DOMESTIC EQUITY																		
Research Affiliates	13,822	1.6%	2.5%	4.49%	4.40%	15,306	1.8%	2.5%	-5.61%	-5.61%	-1.37%	-1.45%	24.68%	24.29%	16.34%	15.88%	22.98%	22.51%
Clifton	29,014	3.4%	2.5%	5.27%	5.06%	26,801	3.2%	2.5%	-6.13%	-6.13%	-1.18%	-1.38%	24.67%	24.17%	15.76%	15.30%	22.16%	21.67%
TOTAL SMALL CAP DOMESTIC EQUITY	42,836	5.0%	5.0%	4.97%	4.81%	42,107	5.0%	5.0%	-5.85%	-5.85%	-1.17%	-1.32%	24.78%	24.34%	16.10%	15.64%	22.49%	22.01%
<i>Russell 2000</i>				4.96%	4.96%				-6.05%	-6.05%	-1.39%	-1.39%	23.64%	23.64%	14.57%	14.57%	20.21%	20.21%
INTERNATIONAL EQUITY																		
Capital Group	34,251	4.0%	4.0%	0.05%	0.05%	33,224	3.9%	4.0%	-1.99%	-2.07%	-1.93%	-2.02%	20.70%	20.25%	8.58%	8.03%	12.11%	11.55%
LSV	34,269	4.0%	4.0%	-0.45%	-0.45%	33,412	4.0%	4.0%	-1.53%	-1.62%	-1.97%	-2.06%	27.25%	26.77%	9.54%	9.04%	12.20%	11.69%
<i>MSCI EAFE</i>				-0.15%	-0.15%				-1.97%	-1.97%	-2.12%	-2.12%	23.57%	23.57%	8.10%	8.10%	11.11%	11.11%
DFA	8,465	1.0%	1.0%	4.18%	0.66%	8,168	1.0%	1.0%	4.18%	-3.51%	-2.87%	-2.87%	36.58%	35.75%	12.25%	11.48%	16.48%	15.74%
Vanguard (1)	8,533	1.0%	1.0%	0.62%	0.62%	8,244	1.0%	1.0%	-2.08%	-2.08%	-1.47%	-1.47%	29.97%	29.46%	9.31%	8.86%	14.93%	14.49%
<i>S&P/Citigroup Broad Market Index < \$2BN</i>				0.63%	0.63%				-1.27%	-1.27%	-0.65%	-0.65%	26.39%	26.39%	8.21%	8.21%	8.21%	13.10%
TOTAL INTERNATIONAL EQUITY	85,517	10.0%	10.0%	-0.03%	-0.03%	83,048	9.8%	10.0%	-1.97%	-2.04%	-2.00%	-2.07%	25.76%	25.26%	9.31%	8.77%	12.94%	12.39%
<i>MSCI EAFE</i>				-0.15%	-0.15%				-1.97%	-1.97%	-2.12%	-2.12%	23.57%	23.57%	8.10%	8.10%	11.11%	11.11%
FIXED INCOME																		
Western Asset	175,031	20.4%	20.6%	1.23%	1.23%	172,918	20.5%	20.6%	-0.09%	-0.13%	1.14%	1.10%	6.13%	5.99%	5.69%	5.52%	8.72%	8.54%
Prudential	44,363	5.2%	5.2%	1.22%	1.15%	43,880	5.2%	5.2%	-0.21%	-0.21%	1.01%	0.94%	6.71%	6.42%	6.06%	5.76%	8.55%	8.25%
PIMCO (DISCO) (1)	27,409	3.2%	3.2%	0.62%	0.62%	28,169	3.3%	3.3%	0.00%	0.00%	0.62%	0.62%	12.02%	12.02%	N/A	N/A	N/A	N/A
PIMCO (BRAVO II) (1)	4,577	0.5%	0.5%	0.00%	0.00%	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
<i>BC Aggregate</i>				1.10%	1.10%				-0.25%	-0.25%	0.85%	0.85%	4.37%	4.37%	3.66%	3.66%	4.85%	4.85%
Declaration (Total Return) (1)	48,870	5.7%	5.7%	-0.03%	-0.03%	47,960	5.7%	5.7%	0.00%	0.00%	-0.03%	-0.03%	N/A	N/A	N/A	N/A	N/A	N/A
<i>3m LIBOR</i>				0.02%	0.02%				0.02%	0.02%	0.04%	0.04%						
State Street	78,541	9.2%	9.1%	1.20%	1.20%	77,316	9.2%	9.1%	-0.11%	-0.11%	1.08%	1.08%	4.26%	4.23%	N/A	N/A	N/A	N/A
<i>BC Gov/Credit</i>				1.20%	1.20%				-0.11%	-0.11%	1.09%	1.09%	4.28%	4.28%				
Wells Capital	178,245	20.8%	20.6%	1.62%	1.57%	175,609	20.8%	20.6%	-0.20%	-0.20%	1.42%	1.37%	10.01%	9.79%	7.70%	7.48%	10.19%	9.97%
<i>BC US Credit BAA</i>				1.61%	1.61%				-1.40%	-1.40%	0.18%	0.18%	9.46%	9.46%	7.12%	7.12%	9.05%	9.05%
TOTAL FIXED INCOME	557,035	65.1%	65.0%	1.20%	1.17%	550,585	65.3%	65.0%	-0.12%	-0.13%	1.07%	1.04%	7.76%	7.60%	7.48%	7.29%	9.42%	9.23%
<i>BC Aggregate</i>				1.10%	1.10%				-0.25%	-0.25%	0.85%	0.85%	4.37%	4.37%	3.66%	3.66%	4.85%	4.85%

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	Allocation			Month		Allocation			Month		Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net
	Market Value	Actual	Policy	Gross ⁽¹⁾	Net	Market Value	Actual	Policy	Gross ⁽¹⁾	Net								
CASH EQUIVALENTS																		
Northern Trust (1)	42,572			0.00%	0.00%	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	42,572	5.0%	5.0%	0.00%	0.00%	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%	0.01%	0.01%	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.