

CITY OF BISMARCK DEFERRED SICK LEAVE FUND  
INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2015

|  | September-15   |               |               |                      |                |                      |               |                | August-15     |               |                      |               | July-15        |               |               |                      | Current FYTD         |                | Prior Year FY15      |               | 3 Years Ended 6/30/2015 |               | 5 Years Ended 6/30/2015 |               |               |
|--|----------------|---------------|---------------|----------------------|----------------|----------------------|---------------|----------------|---------------|---------------|----------------------|---------------|----------------|---------------|---------------|----------------------|----------------------|----------------|----------------------|---------------|-------------------------|---------------|-------------------------|---------------|---------------|
|  | Allocation     |               | Quarter       |                      |                |                      | Month         |                |               |               | Allocation           |               | Month          |               |               |                      | Gross <sup>(1)</sup> | Net            | Gross <sup>(1)</sup> | Net           | Gross <sup>(1)</sup>    | Net           | Gross <sup>(1)</sup>    | Net           |               |
|  | Market Value   | Actual        | Policy        | Gross <sup>(1)</sup> | Net            | Gross <sup>(1)</sup> | Net           | Market Value   | Actual        | Policy        | Gross <sup>(1)</sup> | Net           | Market Value   | Actual        | Policy        | Gross <sup>(1)</sup> |                      |                |                      |               |                         |               |                         |               | Net           |
| <b>TOTAL DEFERRED SICK LEAVE FUND</b>                  | <b>850,301</b> | <b>100.0%</b> | <b>100.0%</b> | <b>-2.42%</b>        | <b>-2.48%</b>  | <b>-0.98%</b>        | <b>-0.98%</b> | <b>858,597</b> | <b>100.0%</b> | <b>100.0%</b> | <b>-2.08%</b>        | <b>-2.14%</b> | <b>877,889</b> | <b>100.0%</b> | <b>100.0%</b> | <b>0.64%</b>         | <b>0.64%</b>         | <b>-2.42%</b>  | <b>-2.48%</b>        | <b>3.11%</b>  | <b>2.95%</b>            | <b>8.49%</b>  | <b>8.29%</b>            | <b>9.06%</b>  | <b>8.84%</b>  |
| <b>POLICY TARGET BENCHMARK</b>                         |                |               |               | <b>-1.89%</b>        | <b>-1.89%</b>  | <b>-0.72%</b>        | <b>-0.72%</b> |                |               |               | <b>-2.04%</b>        | <b>-2.04%</b> |                |               |               | <b>0.89%</b>         | <b>0.89%</b>         | <b>-1.89%</b>  | <b>-1.89%</b>        | <b>2.31%</b>  | <b>2.31%</b>            | <b>5.88%</b>  | <b>5.88%</b>            | <b>6.62%</b>  | <b>6.62%</b>  |
| ATTRIBUTION ANALYSIS                                   |                |               |               |                      |                |                      |               |                |               |               |                      |               |                |               |               |                      |                      |                |                      |               |                         |               |                         |               |               |
| Asset Allocation                                       |                |               |               | <b>-0.02%</b>        | <b>-0.02%</b>  | <b>0.00%</b>         | <b>0.00%</b>  |                |               |               | <b>-0.01%</b>        | <b>-0.01%</b> |                |               |               | <b>0.00%</b>         | <b>0.00%</b>         | <b>-0.02%</b>  | <b>-0.02%</b>        | <b>-0.04%</b> | <b>-0.04%</b>           | <b>-0.01%</b> | <b>-0.01%</b>           | <b>0.00%</b>  | <b>0.00%</b>  |
| Manager Selection                                      |                |               |               | <b>-0.52%</b>        | <b>-0.57%</b>  | <b>-0.25%</b>        | <b>-0.25%</b> |                |               |               | <b>-0.03%</b>        | <b>-0.08%</b> |                |               |               | <b>-0.25%</b>        | <b>-0.25%</b>        | <b>-0.52%</b>  | <b>-0.57%</b>        | <b>0.84%</b>  | <b>0.69%</b>            | <b>2.62%</b>  | <b>2.42%</b>            | <b>2.44%</b>  | <b>2.22%</b>  |
| <b>TOTAL RELATIVE RETURN</b>                           |                |               |               | <b>-0.54%</b>        | <b>-0.59%</b>  | <b>-0.26%</b>        | <b>-0.26%</b> |                |               |               | <b>-0.04%</b>        | <b>-0.09%</b> |                |               |               | <b>-0.25%</b>        | <b>-0.25%</b>        | <b>-0.54%</b>  | <b>-0.59%</b>        | <b>0.80%</b>  | <b>0.65%</b>            | <b>2.61%</b>  | <b>2.42%</b>            | <b>2.44%</b>  | <b>2.22%</b>  |
| <b>LARGE CAP DOMESTIC EQUITY</b>                       |                |               |               |                      |                |                      |               |                |               |               |                      |               |                |               |               |                      |                      |                |                      |               |                         |               |                         |               |               |
| Los Angeles Capital                                    | 39,403         | 4.6%          | 4.5%          | -4.79%               | -4.83%         | -2.26%               | -2.26%        | 39,715         | 4.6%          | 4.5%          | -5.44%               | -5.48%        | 41,173         | 4.7%          | 4.5%          | 3.02%                | 3.02%                | -4.79%         | -4.83%               | 12.53%        | 12.32%                  | 18.94%        | 18.72%                  | 19.00%        | 18.78%        |
| <b>Russell 1000 Growth</b>                             |                |               |               | <b>-5.29%</b>        | <b>-5.29%</b>  | <b>-2.47%</b>        | <b>-2.47%</b> |                |               |               | <b>-6.07%</b>        | <b>-6.07%</b> |                |               |               | <b>3.39%</b>         | <b>3.39%</b>         | <b>-5.29%</b>  | <b>-5.29%</b>        | <b>10.56%</b> | <b>10.56%</b>           | <b>17.99%</b> | <b>17.99%</b>           | <b>18.59%</b> | <b>18.59%</b> |
| LSV  | 37,619         | 4.4%          | 4.5%          | -8.15%               | -8.21%         | -2.87%               | -2.87%        | 38,157         | 4.4%          | 4.5%          | -6.09%               | -6.15%        | 39,842         | 4.5%          | 4.5%          | 0.70%                | 0.70%                | -8.15%         | -8.21%               | 7.16%         | 6.87%                   | 22.14%        | 21.84%                  | 18.93%        | 18.62%        |
| <b>Russell 1000 Value</b>                              |                |               |               | <b>-8.40%</b>        | <b>-8.40%</b>  | <b>-3.02%</b>        | <b>-3.02%</b> |                |               |               | <b>-5.96%</b>        | <b>-5.96%</b> |                |               |               | <b>0.44%</b>         | <b>0.44%</b>         | <b>-8.40%</b>  | <b>-8.40%</b>        | <b>4.13%</b>  | <b>4.13%</b>            | <b>17.34%</b> | <b>17.34%</b>           | <b>16.50%</b> | <b>16.50%</b> |
| LA Capital   | 25,675         | 3.0%          | 3.0%          | -5.29%               | -5.32%         | -2.08%               | -2.08%        | 25,830         | 3.0%          | 3.0%          | -5.74%               | -5.76%        | 26,858         | 3.1%          | 3.0%          | 2.60%                | 2.60%                | -5.29%         | -5.32%               | 8.45%         | 8.31%                   | 17.90%        | 17.74%                  | 17.94%        | 17.71%        |
| <b>Russell 1000</b>                                    |                |               |               | <b>-6.83%</b>        | <b>-6.83%</b>  | <b>-2.74%</b>        | <b>-2.74%</b> |                |               |               | <b>-6.02%</b>        | <b>-6.02%</b> |                |               |               | <b>1.93%</b>         | <b>1.93%</b>         | <b>-6.83%</b>  | <b>-6.83%</b>        | <b>7.37%</b>  | <b>7.37%</b>            | <b>17.73%</b> | <b>17.73%</b>           | <b>17.58%</b> | <b>17.58%</b> |
| Clifton Group  | 25,120         | 3.0%          | 3.0%          | -6.35%               | -6.41%         | -2.55%               | -2.55%        | 25,396         | 3.0%          | 3.0%          | -5.83%               | -5.90%        | 26,445         | 3.0%          | 3.0%          | 2.06%                | 2.06%                | -6.35%         | -6.41%               | 7.17%         | 7.10%                   | 17.37%        | 17.28%                  | 17.76%        | 17.60%        |
| <b>S&amp;P 500</b>                                     |                |               |               | <b>-6.44%</b>        | <b>-6.44%</b>  | <b>-2.47%</b>        | <b>-2.47%</b> |                |               |               | <b>-6.03%</b>        | <b>-6.03%</b> |                |               |               | <b>2.10%</b>         | <b>2.10%</b>         | <b>-6.44%</b>  | <b>-6.44%</b>        | <b>7.42%</b>  | <b>7.42%</b>            | <b>17.31%</b> | <b>17.31%</b>           | <b>17.34%</b> | <b>17.34%</b> |
| <b>TOTAL LARGE CAP DOMESTIC EQUITY</b>                 | <b>127,817</b> | <b>15.0%</b>  | <b>15.0%</b>  | <b>-6.20%</b>        | <b>-6.25%</b>  | <b>-2.46%</b>        | <b>-2.46%</b> | <b>129,097</b> | <b>15.0%</b>  | <b>15.0%</b>  | <b>-5.77%</b>        | <b>-5.82%</b> | <b>134,318</b> | <b>15.3%</b>  | <b>15.0%</b>  | <b>2.05%</b>         | <b>2.05%</b>         | <b>-6.20%</b>  | <b>-6.25%</b>        | <b>9.02%</b>  | <b>8.83%</b>            | <b>19.39%</b> | <b>19.19%</b>           | <b>18.49%</b> | <b>18.26%</b> |
| <b>Russell 1000</b>                                    |                |               |               | <b>-6.83%</b>        | <b>-6.83%</b>  | <b>-2.74%</b>        | <b>-2.74%</b> |                |               |               | <b>-6.02%</b>        | <b>-6.02%</b> |                |               |               | <b>1.93%</b>         | <b>1.93%</b>         | <b>-6.83%</b>  | <b>-6.83%</b>        | <b>7.37%</b>  | <b>7.37%</b>            | <b>17.73%</b> | <b>17.73%</b>           | <b>17.60%</b> | <b>17.60%</b> |
| <b>SMALL CAP DOMESTIC EQUITY</b>                       |                |               |               |                      |                |                      |               |                |               |               |                      |               |                |               |               |                      |                      |                |                      |               |                         |               |                         |               |               |
| Research Affiliates                                    | 12,266         | 1.4%          | 2.5%          | -11.43%              | -11.50%        | -5.19%               | -5.19%        | 12,481         | 1.5%          | 2.5%          | -4.55%               | -4.63%        | 12,784         | 1.5%          | 2.5%          | -2.13%               | -2.13%               | -11.43%        | -11.50%              | 5.51%         | 5.18%                   | 19.78%        | 19.39%                  | 18.02%        | 17.58%        |
| Clifton  | 30,249         | 3.6%          | 2.5%          | -11.63%              | -12.06%        | -4.76%               | -4.76%        | 30,642         | 3.6%          | 2.5%          | -6.11%               | -6.56%        | 32,036         | 3.6%          | 2.5%          | -1.18%               | -1.18%               | -11.63%        | -12.06%              | 8.24%         | 8.03%                   | 19.20%        | 18.83%                  | 18.55%        | 18.13%        |
| <b>TOTAL SMALL CAP DOMESTIC EQUITY</b>                 | <b>42,514</b>  | <b>5.0%</b>   | <b>5.0%</b>   | <b>-11.58%</b>       | <b>-11.90%</b> | <b>-4.89%</b>        | <b>-4.89%</b> | <b>43,124</b>  | <b>5.0%</b>   | <b>5.0%</b>   | <b>-5.66%</b>        | <b>-6.01%</b> | <b>44,820</b>  | <b>5.1%</b>   | <b>5.0%</b>   | <b>-1.45%</b>        | <b>-1.45%</b>        | <b>-11.58%</b> | <b>-11.90%</b>       | <b>7.46%</b>  | <b>7.23%</b>            | <b>19.75%</b> | <b>19.38%</b>           | <b>18.45%</b> | <b>18.03%</b> |
| <b>Russell 2000</b>                                    |                |               |               | <b>-11.92%</b>       | <b>-11.92%</b> | <b>-4.91%</b>        | <b>-4.91%</b> |                |               |               | <b>-6.28%</b>        | <b>-6.28%</b> |                |               |               | <b>-1.16%</b>        | <b>-1.16%</b>        | <b>-11.92%</b> | <b>-11.92%</b>       | <b>6.49%</b>  | <b>6.49%</b>            | <b>17.81%</b> | <b>17.81%</b>           | <b>17.08%</b> | <b>17.08%</b> |
| <b>INTERNATIONAL EQUITY</b>                            |                |               |               |                      |                |                      |               |                |               |               |                      |               |                |               |               |                      |                      |                |                      |               |                         |               |                         |               |               |
| Capital Group  | 33,102         | 3.9%          | 4.0%          | -13.68%              | -13.79%        | -5.10%               | -5.10%        | 33,409         | 3.9%          | 4.0%          | -7.71%               | -7.83%        | 34,056         | 3.9%          | 4.0%          | -1.45%               | -1.45%               | -13.68%        | -13.79%              | -1.35%        | -1.73%                  | 12.88%        | 12.43%                  | 9.57%         | 9.06%         |
| LSV  | 33,994         | 4.0%          | 4.0%          | -10.43%              | -10.52%        | -5.33%               | -5.33%        | 34,394         | 4.0%          | 4.0%          | -6.75%               | -6.84%        | 34,687         | 4.0%          | 4.0%          | 1.46%                | 1.46%                | -10.43%        | -10.52%              | -3.33%        | -3.73%                  | 14.09%        | 13.63%                  | 9.55%         | 9.08%         |
| <b>MSCI EAFE</b>                                       |                |               |               | <b>-10.23%</b>       | <b>-10.23%</b> | <b>-5.08%</b>        | <b>-5.08%</b> |                |               |               | <b>-7.36%</b>        | <b>-7.36%</b> |                |               |               | <b>2.08%</b>         | <b>2.08%</b>         | <b>-10.23%</b> | <b>-10.23%</b>       | <b>-4.22%</b> | <b>-4.22%</b>           | <b>11.97%</b> | <b>11.97%</b>           | <b>8.38%</b>  | <b>8.38%</b>  |
| DFA  | 8,909          | 1.0%          | 1.0%          | -9.22%               | -9.22%         | 4.18%                | -3.99%        | 8,888          | 1.0%          | 1.0%          | 4.18%                | -4.27%        | 8,723          | 1.0%          | 1.0%          | 4.18%                | -1.23%               | -9.22%         | -9.22%               | -3.27%        | -3.27%                  | 18.16%        | 17.72%                  | 13.38%        | 12.80%        |
| Vanguard (1)   | 9,221          | 1.1%          | 1.0%          | -6.86%               | -6.86%         | -3.08%               | -3.08%        | 9,113          | 1.1%          | 1.0%          | -4.99%               | -4.99%        | 9,011          | 1.0%          | 1.0%          | 1.15%                | 1.15%                | -6.86%         | -6.86%               | 0.57%         | 0.57%                   | 16.56%        | 16.27%                  | 12.11%        | 11.76%        |
| <b>S&amp;P/Citigroup Broad Market Index &lt; \$2BN</b> |                |               |               | <b>-8.35%</b>        | <b>-8.35%</b>  | <b>-3.41%</b>        | <b>-3.41%</b> |                |               |               | <b>-4.29%</b>        | <b>-4.29%</b> |                |               |               | <b>-0.87%</b>        | <b>-0.87%</b>        | <b>-8.35%</b>  | <b>-8.35%</b>        | <b>1.14%</b>  | <b>1.14%</b>            | <b>14.70%</b> | <b>14.70%</b>           | <b>14.70%</b> | <b>11.08%</b> |
| <b>TOTAL INTERNATIONAL EQUITY</b>                      | <b>85,226</b>  | <b>10.0%</b>  | <b>10.0%</b>  | <b>-11.24%</b>       | <b>-11.32%</b> | <b>-4.86%</b>        | <b>-4.86%</b> | <b>85,804</b>  | <b>10.0%</b>  | <b>10.0%</b>  | <b>-6.69%</b>        | <b>-6.78%</b> | <b>86,477</b>  | <b>9.9%</b>   | <b>10.0%</b>  | <b>-0.01%</b>        | <b>-0.01%</b>        | <b>-11.24%</b> | <b>-11.32%</b>       | <b>-2.11%</b> | <b>-2.43%</b>           | <b>14.23%</b> | <b>13.79%</b>           | <b>10.22%</b> | <b>9.74%</b>  |
| <b>MSCI EAFE</b>                                       |                |               |               | <b>-10.23%</b>       | <b>-10.23%</b> | <b>-5.08%</b>        | <b>-5.08%</b> |                |               |               | <b>-7.36%</b>        | <b>-7.36%</b> |                |               |               | <b>2.08%</b>         | <b>2.08%</b>         | <b>-10.23%</b> | <b>-10.23%</b>       | <b>-4.22%</b> | <b>-4.22%</b>           | <b>11.97%</b> | <b>11.97%</b>           | <b>8.38%</b>  | <b>8.38%</b>  |
| <b>FIXED INCOME</b>                                    |                |               |               |                      |                |                      |               |                |               |               |                      |               |                |               |               |                      |                      |                |                      |               |                         |               |                         |               |               |
| Western Asset  | 176,202        | 20.7%         | 20.8%         | 0.82%                | 0.79%          | 0.21%                | 0.21%         | 178,200        | 20.8%         | 20.8%         | -0.32%               | -0.36%        | 182,003        | 20.7%         | 20.9%         | 0.94%                | 0.94%                | 0.82%          | 0.79%                | 2.76%         | 2.62%                   | 3.68%         | 3.52%                   | 5.54%         | 5.38%         |
| Prudential   | 50,433         | 5.9%          | 5.2%          | 0.53%                | 0.46%          | 0.13%                | 0.13%         | 51,048         | 5.9%          | 5.2%          | -0.29%               | -0.36%        | 52,138         | 5.9%          | 5.2%          | 0.70%                | 0.70%                | 0.53%          | 0.46%                | 2.32%         | 2.05%                   | 3.67%         | 3.38%                   | 5.72%         | 5.43%         |
| PIMCO (DISCO II) (1)                                   | 22,319         | 2.6%          | 2.6%          | 0.39%                | 0.39%          | -0.29%               | -0.29%        | 22,384         | 2.6%          | 2.6%          | 0.39%                | 0.39%         | 22,297         | 2.5%          | 2.5%          | 0.30%                | 0.30%                | 0.39%          | 0.39%                | 4.32%         | 4.32%                   | N/A           | N/A                     | N/A           | N/A           |
| PIMCO (BRAVO II) (1)                                   | 9,960          | 1.2%          | 1.2%          | 0.00%                | 0.00%          | 0.00%                | 0.00%         | 9,960          | 1.2%          | 1.2%          | 0.00%                | 0.00%         | 9,960          | 1.1%          | 1.1%          | 0.00%                | 0.00%                | 0.00%          | 0.00%                | 10.36%        | 10.36%                  | N/A           | N/A                     | N/A           | N/A           |
| <b>BC Aggregate</b>                                    |                |               |               | <b>1.23%</b>         | <b>1.23%</b>   | <b>0.68%</b>         | <b>0.68%</b>  |                |               |               | <b>-0.14%</b>        | <b>-0.14%</b> |                |               |               | <b>0.70%</b>         | <b>0.70%</b>         | <b>1.23%</b>   | <b>1.23%</b>         | <b>1.85%</b>  | <b>1.85%</b>            | <b>1.82%</b>  | <b>1.82%</b>            | <b>3.35%</b>  | <b>3.35%</b>  |
| Declaration (Total Return) (1)                         | 44,609         | 5.2%          | 5.2%          | 0.89%                | 0.89%          | 0.53%                | 0.53%         | 44,973         | 5.2%          | 5.2%          | 0.05%                | 0.05%         | 45,761         | 5.2%          | 5.2%          | 0.31%                | 0.31%                | 0.89%          | 0.89%                | 3.55%         | 3.55%                   | N/A           | N/A                     | N/A           | N/A           |
| <b>3m LIBOR</b>  |                |               |               | <b>0.08%</b>         | <b>0.08%</b>   | <b>0.03%</b>         | <b>0.03%</b>  |                |               |               | <b>0.03%</b>         | <b>0.03%</b>  |                |               |               | <b>0.02%</b>         | <b>0.02%</b>         | <b>0.08%</b>   | <b>0.08%</b>         | <b>0.26%</b>  | <b>0.26%</b>            |               |                         |               |               |
| State Street   | 77,298         | 9.1%          | 9.1%          | 1.20%                | 1.19%          | 0.70%                | 0.70%         | 77,798         | 9.1%          | 9.1%          | -0.24%               | -0.24%        | 79,367         | 9.0%          | 9.1%          | 0.74%                | 0.74%                | 1.20%          | 1.19%                | 1.70%         | 1.66%                   | N/A           | N/A                     | N/A           | N/A           |
| <b>BC Gov/Credit</b>                                   |                |               |               | <b>1.20%</b>         | <b>1.20%</b>   | <b>0.70%</b>         | <b>0.70%</b>  |                |               |               | <b>-0.23%</b>        | <b>-0.23%</b> |                |               |               | <b>0.73%</b>         | <b>0.73%</b>         | <b>1.20%</b>   | <b>1.20%</b>         | <b>1.68%</b>  | <b>1.68%</b>            |               |                         |               |               |
| Wells Capital  | 171,316        | 20.1%         | 20.8%         | -0.44%               | -0.48%         | 0.01%                | 0.01%         | 173,605        | 20.2%         | 20.8%         | -0.91%               | -0.96%        | 178,380        | 20.3%         | 20.9%         | 0.47%                | 0.47%                | -0.44%         | -0.48%               | 0.96%         | 0.78%                   | 4.65%         | 4.44%                   | 6.61%         | 6.40%         |
| <b>BC US Credit BAA</b>                                |                |               |               | <b>-0.74%</b>        | <b>-0.74%</b>  | <b>-0.04%</b>        | <b>-0.04%</b> |                |               |               | <b>-1.05%</b>        | <b>-1.05%</b> |                |               |               | <b>0.35%</b>         | <b>0.35%</b>         | <b>-0.74%</b>  | <b>-0.74%</b>        | <b>-1.37%</b> | <b>-1.37%</b>           | <b>3.19%</b>  | <b>3.19%</b>            | <b>5.16%</b>  | <b>5.16%</b>  |
| <b>TOTAL FIXED INCOME</b>                              | <b>552,136</b> | <b>64.9%</b>  | <b>65.0%</b>  | <b>0.42%</b>         | <b>0.39%</b>   | <b>0.19%</b>         | <b>0.19%</b>  | <b>557,968</b> | <b>65.0%</b>  | <b>65.0%</b>  | <b>-0.39%</b>        | <b>-0.42%</b> | <b>569,907</b> | <b>64.9%</b>  | <b>65.0%</b>  | <b>0.62%</b>         | <b>0.62%</b>         | <b>0.42%</b>   | <b>0.39%</b>         | <b>2.40%</b>  | <b>2.27%</b>            | <b>5.00%</b>  | <b>4.83%</b>            | <b>6.51%</b>  | <b>6.34%</b>  |
| <b>BC Aggregate</b>                                    |                |               |               | <b>1.23%</b>         | <b>1.23%</b>   | <b>0.68%</b>         | <b>0.68%</b>  |                |               |               | <b>-0.14%</b>        | <b>-0.14%</b> |                |               |               | <b>0.70%</b>         | <b>0.70%</b>         | <b>1.23%</b>   | <b>1.23%</b>         | <b>1.85%</b>  | <b>1.85%</b>            | <b>1.82%</b>  | <b>1.82%</b>            | <b>3.35%</b>  | <b>3.35%</b>  |
| <b>CASH</b>  |                |               |               |                      |                |                      |               |                |               |               |                      |               |                |               |               |                      |                      |                |                      |               |                         |               |                         |               |               |