SEI New ways. New answers.®

October 2012

Additional Information for the Proposal of Fiduciary Management Services for FELRA

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Additional Questions

1. Please provide any comments or concerns your firm may have with the current Investment Policy Statement and if so, what amendments/changes would you propose?

SEI's Commentary on the Current Investment Policy Statement

SEI is comfortable with most of the Investment Policy Statement (IPS), but would want to expand certain areas and help further customize based on our experience with IPS documentation and the details of SEI's Fiduciary Management Solution implementation.

A few sample recommendations are listed below.

- **Expanding breadth of asset classes** - We recommend additional asset classes not currently included in the IPS. These include, but are not limited to, emerging markets debt, emerging markets equity, structured investment vehicles, U.S. managed volatility and dynamic asset allocation strategies (to be explained in more detail in section 2).
- **Active asset allocation** - SEI takes a comprehensive approach to active asset management. This approach includes manager selection, security selection by Fund sub-advisers, manager allocation by SEI portfolio managers, risk management across portfolios and asset allocation across asset classes. Strategic asset allocation is the foundation of a client's portfolio; however, by taking a more active view on asset allocation, we aim to exploit short term market inefficiencies in order to generate excess returns or limit overall risk.
- **Portfolio rebalancing** - We recommend language to allow the Fiduciary Manager to modify or suspend their rebalancing procedures if they have prudently determined that such suspension is in the best interest of the portfolio. In times of severe market distress it may not be appropriate to rebalance monthly or quarterly.
- **Portfolio guidelines** - We recommend additional guidelines for sub-categories within equity and fixed income and guidelines for alternative investments.

2. After reviewing the enclosed info, please set forth how you would propose to structure the portfolio for each Fund (legacy and new). This explanation should include:

• Asset allocation (including asset classes and asset subclasses), portfolio structure (number of managers, use of active vs. passive strategies), types of accounts (separately managed, limited partnership vehicles, commingled funds, etc)

We have reviewed the information available for your plans and are recommending the following investment proposal for the FELRA Legacy and New Plans. The proposals for each plan include a current recommendation and a long term recommendation.

Portfolio asset allocation is a strategic decision for the Fund that must take into account many factors including goals of the Trustees, goals and objectives of the Fund itself, actuarial rates and Plan funded status. We used several assumptions in our analysis, described below, which should be refined with the Trustees prior to any implementation. A key component within these portfolios is active asset management. In order to actively manage a client's asset allocation in an effective manner, SEI first establishes a point of view. The point of view is developed by combining both a top-down, macroeconomic perspective with a bottom-up, underlying investment management perspective. SEI holds a bi-weekly roundtable meeting to integrate the views of our Portfolio Strategies Group, Investment Strategies Group, Risk Management Group and Fund sub-advisers, which are then implemented across client portfolios through SEI's Dynamic Asset Allocation Strategy.

Legacy Fund

Status

This is a frozen pension plan with an expected solvency horizon of approximately 10 years.

Goal

The goal is to maximize returns with attention to volatility in order to extend the life of the Fund within reasonable expectations.

Constraints

- 8.00% return on asset assumption
- 10 year time horizon
- Liquidity needs in consideration of negative cash flows to make benefit payouts, particularly during later years
- Portfolio diversification that accounts for declining asset values due to net cash outflows

Potential Solutions

A potential solution is a diversified, high return portfolio which includes alternative asset classes initially, but with short term lock-ups and return payoff expectations. The portfolio would incorporate certain strategies to take advantage of changing economic conditions, points of view of return opportunities, and a need for timely investment implementation.

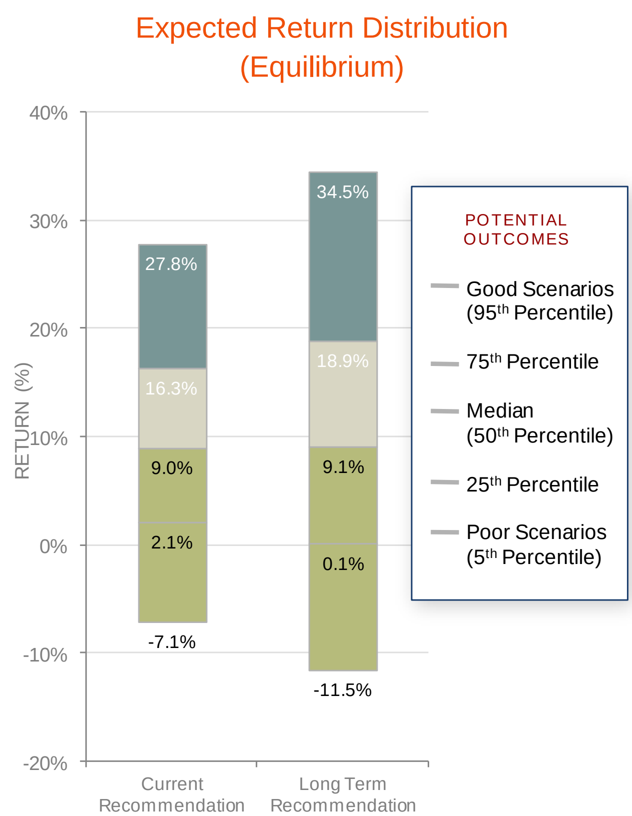
Portfolio 1/Current Recommendation

- Fully diversified with an allocation to alternative asset classes
- Risk Management portion of portfolio to include both core fixed income and enhanced income due to current interest rate environment and outlook
- Alternative asset classes with a lower than optimal allocation due to cash outflows (i.e., negative cash flows) balanced with a need to meet desired return on assets over the first five years
- Dynamic Asset Allocation Strategy (described on page 7)
- Within the Large Cap allocation, we recommend a 50% active and 50% passive implementation
- Strategic weight exposure to Emerging Markets Debt and Emerging Markets Equity

Portfolio 2/Long Term Recommendation

- Fully diversified across public market assets
- No allocation to alternatives as liquidity becomes primary focus
- Core fixed income allocation only (however there is flexibility to implement strategies appropriate to the economic environment throughout the liquidity horizon)
- Dynamic Asset Allocation Strategy (described on page 7)
- Within the Large Cap allocation, we recommend a 50% active and 50% passive implementation
- Strategic weight exposure to Emerging Markets Debt and Emerging Markets Equity

Asset Class	Current Recommendation	Long Term Recommendation
Large Cap Equity	11.1	17.8
Large Cap Index	11.1	17.7
Small Cap Equity	2.8	4.4
World Equity ex-US	13.0	20.7
Core Fixed Income	1.7	3.1
US High Yield	3.7	5.9
Emerging Markets Debt	2.8	4.4
Dynamic Asset Allocation	3.8	6.0
Total Return Enhancement Exposure	**50.0**	**80.0**
Core Fixed Income	15.0	20.0
Enhanced Income	10.0	-
Total Risk Management Exposure	**25.0**	**20.0**
Special Situations	8.3	-
Core Property	8.3	-
Structured Credit	8.4	-
Total Alternatives/ Other Exposure	**25.0**	**-**
Portfolio Metrics		
Expected Return (equilibrium)	9.0%	9.1%
Expected Return (simulations)	7.3%	7.5%
Standard Deviation	10.6%	14.0%
Risk of Loss (5th percentile)	-7.1%	-11.5%



Illustrations shown are based on capital market assumptions; see disclosure for additional detail.

New Plan Fund

Status

This is a start-up fund that is effective January 2013. It has a low early liability and low early benefit payouts. Overall positive cash flow is expected, as well as, an assumed desire to maintain fully funded status with assumed retention of an 8.00% actuarial rate.

Goal

The goal is to minimize volatility to help the Fund remain fully funded while still meeting the long term expected actuarial rate of 8.00%.

Constraints

- 8.00% expected return
- Qualified investor status in early years that is assumed to not be met (unless Fund may be combined with Legacy Plan for this purpose)

Potential Solutions

A potential solution is a low volatility portfolio that is diversified across public markets. As the Fund grows, the portfolio would have further diversification into alternative asset classes. The portfolio would incorporate certain strategies to take advantage of changing economic conditions, points of view of return opportunities, and a need for timely investment implementation.

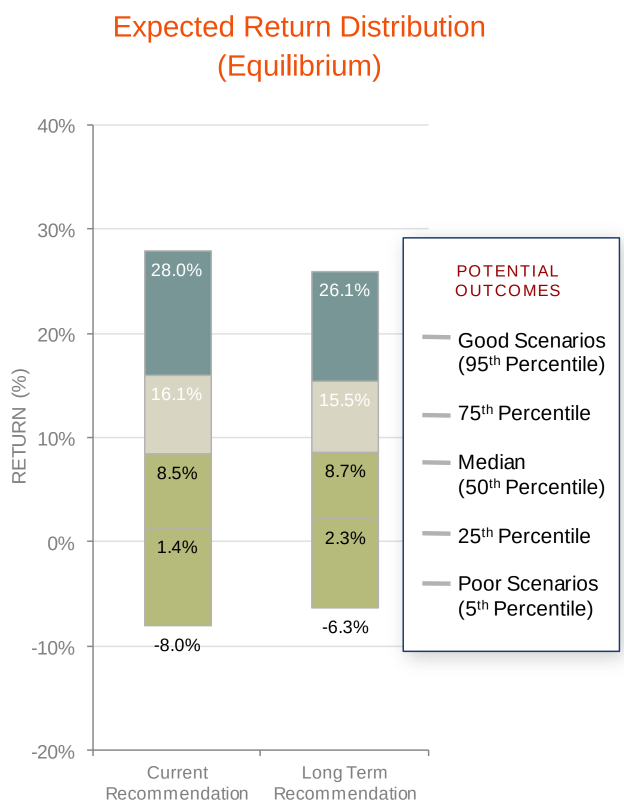
Portfolio 1/Current Recommendation:

- Implementation to include U.S. managed volatility equity strategy, international and emerging markets equity and no alternative investments
- Risk Management portion of the portfolio to include core fixed income and enhanced income due to current interest rate environment and outlook
- Dynamic Asset Allocation Strategy (described on page 7)
- Dedicated passive Large Cap strategy

Portfolio 2/Long Term Recommendation:

- Implementation to include alternative investments
- Implementation to include U.S. managed volatility equity strategy, international and emerging markets equity and no alternative investments
- Core fixed income allocation only (however there is flexibility to implement strategies appropriate to the economic environment throughout the liquidity horizon)
- Dynamic Asset Allocation Strategy (described on page 7)
- Dedicated Large Cap strategy is passive

Asset Class	Current Recommendation	Long Term Recommendation
US Managed Volatility	14.5	11.1
Large Cap Index	14.4	11.1
Small Cap Equity	3.6	2.8
World Equity ex-US	16.8	13.0
Core Fixed Income	2.4	1.7
US High Yield	4.8	3.7
Emerging Markets Debt	3.6	2.8
Dynamic Asset Allocation	4.9	3.8
Total Return Enhancement Exposure	**65.0**	**50.0**
Core Fixed Income	17.5	15.0
Enhanced Income	17.5	15.0
Total Risk Management Exposure	**35.0**	**30.0**
Special Situations	-	6.7
Core Property	-	6.7
Structured Credit	-	6.6
Total Alternatives/Other Exposure	**-**	**20.0**
Portfolio Metrics		
Expected Return (equilibrium)	8.5%	8.7%
Expected Return (simulations)	6.8%	7.0%
Standard Deviation	11.0%	9.9%
Risk of Loss (5th percentile)	-8.0%	-6.3%



Illustrations shown are based on capital market assumptions; see disclosure for additional detail.

Dynamic Asset Allocation Strategy

The goal of this strategy is to serve as an active overlay to a broader strategic portfolio allocation. The allocation among asset classes will be active, based on the views of current market conditions and outlook for each asset class. The strategy may obtain its exposures to a particular asset class by investing directly (e.g., in equity and fixed income securities and other instruments) or indirectly (e.g., through the use of other pooled investment vehicles and derivative instruments, principally futures contracts, forward contracts, options and swaps). The proportional investments in each asset class may change from time to time as risk-adjusted return expectations shift.

Manager Diversification & Investment Vehicles

The most common vehicle used by our clients is the institutional mutual fund; however, we use separately managed accounts when appropriate for our client. The SEI strategies are institutional mutual funds that implement independent separate account investment managers. SEI has the discretion to make hiring and firing decisions of the investment managers. Other types of pooled vehicles, like Collective Investment Trusts, are commonly used for SEI's alternative investment strategies. We believe commingled vehicles would be best for the Fund's implementation. With commingled vehicles, SEI will be able to leverage the Legacy Plan assets to give the New Plan added diversification, greater flexibility and a more competitive fee schedule.

The number of investment managers is dependent on the investment portfolio implemented for the Fund. To illustrate the depth and number of managers, below is the investment strategies within our Fiduciary Management Solution.

Domestic Equity

SEI Large Cap Index Strategy
State Street Global Advisors – Passive

SEI S&P 500 Index Strategy
State Street Global Advisors – Passive

SEI US Managed Volatility Strategy
Aronson Johnson Ortiz
Analytic Investors
LSV Asset Management*

SEI Large Cap Equity Strategy
AQR Capital Management – Quantitative Core
Aronson Johnson Ortiz – Quantitative Relative Value
Brown Investment Advisory, Inc. – Growth
Delaware Investments – Growth
LSV Asset Management* – Quantitative Contrarian Value
Waddell & Reed Asset Mgmt. – Core
WestEnd Advisors – Core

SEI US Large Cap Disciplined Equity Strategy
Analytic Investors – Quantitative Factor Rotation
INTECH – Quantitative Volatility Capture
Lazard Asset Management – Core
Quantitative Mgt Associates – Quantitative Bias Exploitation
Declaration Management & Research – Enhanced Cash
Hyperion Brookfield Asset Management – Enhanced Cash
GE Asset Management – Core

SEI US Small Cap II Equity Strategy
AllianceBernstein L.P. – Growth
AQR Capital Mgmt. – Quantitative Core
Fiduciary Management Associates – Growth
Lee Munder Capital Group – Relative Value
Timberline Asset Management – Growth

SEI US Small/Mid Cap Equity Strategy
AllianceBernstein L.P. – Growth
Century Capital Management – Growth
Integrity Asset Management – Opportunistic Value
Janus Capital Management – Quality Growth
Lee Munder Capital Group – Relative Value
LSV Asset Management* – Contrarian Value
Robeco Weiss Peck & Greer – Value
Security Capital – REIT
Timberline Asset Management, LLC – Growth
Wellington Management Company LLP – Core
Wellington Management Company LLP – Growth
William Blair and Company, LLC – Relative Value

SEI Real Estate Strategy
Security Capital Management – REIT
Urdang Securities Management – REIT

International Equity

SEI World Equity ex US Strategy
Acadian Asset Management – Quant Value/Momentum
EARNEST Partners – Core/Relative Value Tilt
JO Hambro Capital Management – GAR
McKinley Capital Management – Quantitative Momentum
NFJ Investment Group – Contrarian Value w/ Dividend Focus
Thornburg Investment Management – Core

SEI Emerging Markets Equity Strategy
The Boston Company Asset Management – Relative Value
Delaware Investments – Intrinsic Value
JO Hambro Capital Management – Growth
Lazard Asset Management – Growth
Neuberger Berman – QuaRP
PanAgora Asset Mgt. Company – Quant Value/Momentum

Fixed Income

SEI GNMA Strategy
Wellington Management Company LLP

SEI Real Return Strategy
Wellington Management Company LLP

SEI US Core Fixed Income Strategy
JP Morgan Asset Management – Security Selector w/ MBS focus
Jennison Associates – Security Selector w/ Corporate Bond Focus
Western Asset Management – Macro/Sector Rotator
Metropolitan West Asset Management – Macro/Value-Oriented
Wells Capital Management – Security Selection

SEI US Core Fixed Income Plus Strategy
80% US Core Fixed Income Strategy
10% High Yield Strategy
10% Emerging Debt Strategy

SEI Long Duration Bond Strategy
Metropolitan West Asset Management – Macro/Value-Oriented
Jennison Associates – Security Selector w/ Corporate Bond Focus
Income Research & Management – Security Selector w/ Corporate Bond Focus
Legal & General Inv. Mgt. America – Security Selector w/ Corporate Bond Focus

SEI High Yield Bond Strategy
Ares Management LLC – Opportunistic
Brigade Capital Management, LLC – Opportunistic
Delaware Investments – Fundamental
Guggenheim Investment Management, LLC – Relative Value
JP Morgan Asset Management – Relative Value

SEI Emerging Markets Debt Strategy
Ashmore Inv Mgmt. Ltd – Opportunistic
ING Investment Management – Macro
Stone Harbor Investment Partners – Relative Value

SEI Short and Intermediate-Term Gov't Strategy
Wellington Management Company LLP

SEI Ultra Short Duration Bond Strategy
Wellington Management Company LLP
Logan Circle Partners, L.P.

SEI Cash Management Strategies
Money Market Funds
Custom Separate Accounts

SEI Dynamic Asset Allocation Strategy
State Street Global Advisors

SEI Multi-Asset Real Return Strategy
AllianceBernstein L.P.
Credit Suisse Commodity Return Strategy Fund

SEI Alternative Investments
Hedge Fund Strategies
Private Equity Strategies
Structured Credit Strategies
Real Estate Strategies

Sub-Adviser Diversification as of September 2012. *As of June 30, 2012, SEI Investments Company has a 40% minority ownership interest in LSV Asset Management and 2.37% of SEI Investments Management Corporation assets under management are allocated to LSV.

Active versus Passive

We have the ability to implement fully active or active/passive mixed implementations and will build the most appropriate strategy to fit the Fund's needs. It is not unusual for a client's Large Cap asset allocation to have half of the allocation active and the other half passive. Measuring the trade-offs between active and passive management is a critical part of SEI's Advice Process. We consider the best approach to achieve the Fund's goals, considering the different risk tolerances associated with those goals. The process incorporates a wide variety of factors including:

- Overall Plan Trustee attitude toward active management
- Individual asset class characteristics (including historical levels of alpha and forecast of future expected levels)
- Required rate of return and evaluation time horizon

We believe active management is the best way to help investors meet their goals in an ever-changing environment. SEI has demonstrated the ability to add value through active management across various asset classes. Through active management we are able to:

- Measure the sustainability of alpha sources
- Monitor the sub-advisers' ability to exploit an inefficiency
- Monitor capital markets and analyze the impact of evolution

The assumption of active risk is evaluated separately for each asset class as the characteristics of each asset class vary greatly.

- **Your proposed fee, assuming that type of portfolio**

SEI Fee Schedule

The following fee quote is for the SEI recommended current asset allocation for the Legacy Plan. The tiered fee schedule would also incorporate the New Plan assets once it is funded. It is important to note that our all-inclusive fee structure proposed to the Fund includes fees for advisory services, investment managers and custody; there will be no additional fees beyond those stated in this document for the services offered. Any investment management fees received by SEI Investments Management Corporation on SEI Fund products are offset or rebated against our proposed management fees.

SEI fee proposal for the Legacy Fund	Assets: $600,000,000
	SEI Portfolio(1)
Public Market Assets	**Fee**
First $200 Million	0.42%
Next $200 Million	0.39%
Over $400 Million	0.36%
Public Market Weighted Average	0.40%
Alternative Assets(2)	**Fee**
SEI Special Situations Fund	0.85%
SEI Structured Credit Fund	0.85%
SEI Core Property Fund	1.25%
Optional	**Fee**
Custody	Included

(1) The fee quote above is based on SEI's current recommended asset allocation for the Legacy Plan. The portfolio is weighted: 11.10% SEI US Large Cap Equity Strategy, 11.10% SEI US Large Cap Index Strategy, 2.80% SEI Small Cap II Equity Strategy, 13.00% SEI World Equity ex-U.S. Strategy, 3.80% SEI Dynamic Asset Allocation Strategy, 16.70% SEI Core Fixed Income Strategy, 10.00% SEI Enhanced Libor Income Strategy, 3.70% SEI High Yield Bond Strategy, 2.80% SEI Emerging Markets Debt Strategy, 8.30% SEI Core Property Fund, 8.40% SEI Structured Credit Fund and 8.30% SEI Special Situations Fund.

(2) Additional fee disclosures: SEI Opportunity Fund (0.85% plus administrative expenses), SEI Special Situations Fund (0.85% plus administrative expenses), SEI Structured Credit Fund (0.85% plus administrative expenses) and SEI Core Property Fund (1.25% plus administrative expenses). Any addition of these and other asset classes will be fully approved by client and documented within the Investment Policy Statement.

For the fees proposed, the Fund will receive all of the services below:

- Payment of all specialist sub-adviser fees
- Strategic advice unique to the Fund's goals and objectives
- Portfolio structure - multiple asset classes
- Financial modeling
- Transition management
- Asset allocation analysis and implementation
- Active portfolio management and measurement to goals
- Consolidated performance reporting and measurement
- Secure internet website
- Access to SEI's investment research and research team
- Dedicated Relationship Management Team including regular visits, meetings and travel expenses
- Custody

In Comparison to the Competition

When comparing SEI's fee during your evaluation process, please compare our all-inclusive fee versus the fee your current or proposed service providers charge including investment manager and mutual fund fees, as well as, the level of passive and/or in-house investment management services. Please also consider into your total cost any additional ad hoc fees, such as travel costs, additional asset allocation studies or special research projects the Fund may want conducted.

- **How you would envision transitioning the existing portfolio of the legacy Fund into the structure you propose and the associated costs and issues you anticipate**

This will include a detailed pre-trade analysis of the portfolio(s) that highlights portfolio liquidity and will give you a very close approximation of the costs you can expect to incur. When the portfolio has been fully transitioned, you will receive a complete, in-depth post-trade report illustrating the results and the cost of the transition. We will also provide you with an electronic "transition binder" containing all of the necessary documentation required for the transition and ongoing service with SEI including:

- Agreements
- Project plan and timeline
- SEI key contact list
- Prospectuses for the SEI Funds
- Form ADV (Part 2)
- Sample termination/notification letters
- Prohibited Transaction Exemption 86-128
- Sample Investment Policy Statement
- Pre-trade analysis (once asset list is provided to SEI)

Sample Notification Letters

We will provide you with sample notification letters for your managers and custodian (if applicable). In these letters, you will inform them when the asset transition will take place as well as what information we need from them in order to conduct the transition activities. Once the termination letters have been sent to the managers and custodian, we take complete ownership of the process. We feel by owning the coordination of this process, it allows us to apply our expertise and ensure that the transition proceeds in a timely and efficient manner.

Dedicated Transition Team

We will assign a dedicated Transition team to manage the process. The team includes:

- **Transition Manager** - Responsible for managing the entire transition process for you. This includes coordinating all activities with terminated providers (i.e., managers, trustee) and all internal teams within SEI. The transition manager will also host weekly conference calls to update you on the status of the transition.
- **Transition Trading Desk** - Responsible for the coordination and execution of all required liquidation and settlement activities.
- **Account Manager** - Responsible for establishing new client accounts, reporting requirements and internet access.
- **Investment Analyst** - Responsible for providing analytical support on investment transition and coordinating cash flows with SEI managers

Timeframe

Specific time-frames are dependent on your availability; however a typical conversion takes 6-8 weeks. The following is a sample transition timeline.

SEI Asset Transition Plan - Investment Management and Custodial Services

Task	Responsibility	Week Ending 11/16	11/23	11/30	12/7	12/14	12/21	12/28	1/4
Planning, Documentation & Termination Tasks									
Send SEI current manager lineup	FELRA	■							
Send SEI asset list for pre-trade	FELRA	■							
Send FELRA agreements	SEI	■							
Send FELRA mutual fund prospectus, Form ADV	SEI	■							
Conduct kick-off conference call	FELRA/SEI	■							
Send SEI contact information for custodian & managers	FELRA		■						
Execute agreements	FELRA/SEI		■						
Conduct calls with managers to review transition plan & action steps	SEI		■						
Draft & send FELRA sample termination/notification letters	SEI		■						
Verbally contact current managers & custodian to inform of transition	FELRA		■						
Conduct call with custodian to review transition plan & action steps	SEI		■						
Terminate custodian & managers via written letters (cc: SEI)	FELRA			■					
Send SEI current asset list; Setup SEI on custodian's web reporting platform	Custodian			■					
Send SEI requested documentation to assume role of custodian	FELRA			■					
Update overlap and pre-trade analysis	SEI				■				
Implement SEI Portfolio									
Execute custodian new manager documentation	SEI				■				
Execute authorized signer form for custodian	SEI/FELRA				■				
Execute required commingled/mutual fund redemption form(s)	FELRA					■			
Execute & fax the custodian redemption form(s)	FELRA					■			
Establish new account & performance composite reports	SEI					■			
Separate account managers cease trading on Dec. 20	Managers						■		
Send SEI final certified trading lists by Dec. 28	Custodian							■	
Sell the legacy comingled/mutual funds on trade date Dec. 31	Managers/ Custodian								■
Purchase SEI strategy to maintain market exposure on Dec. 31	SEI								■
Deliver cash & securities to SEI on T+3	Custodian								■
Execute residual purchases to invest any remaining cash	SEI								■
Receive & book alternative assets to SEI system	SEI								■
Distribute web access to FELRA	SEI								■

SEI as Investment Manager: December 31, 2012

SEI as Custodian: January 4, 2013

3. Discuss how you would address both the negative cash flows from the legacy plan as well as the incoming cash flows for the new plan and describe how cash flows for both would impact the portfolio structure both at the outset of the relationship and over time.

Cash Flow Management

SEI would manage both the negative cash flows from the legacy plan as well as the incoming cash flows for the new plan. As previously described, we have provided a current and long term recommendation to help manage the cash flows of each plan, based on the information provided.

Cash flow expectations must be incorporated in any portfolio analysis and development (i.e., liability driven investing for multiemployer funds). As previously described, negative cash flows in the Legacy Plan will be critical in evaluating the needed liquidity and the appropriate portfolio allocations (especially as we consider that net outflows will initially come from the public markets, thereby resulting in rising allocations to the alternative asset classes). In the SEI model, public market funds do not have the same liquidity requirements, making overall cash flow management more attainable. Therefore, our current portfolio recommendation will include allocations to alternative asset classes, but at levels lower than what we might otherwise recommend. In later years, we do recommend that illiquid asset classes be removed to enhance the liquidity management of the fund.

The net positive cash flow for the New Plan is more easily managed. As the asset pool builds, each percentage portion of the portfolio allocation will remain the same while the total dollars in each increases. As this fund increases in size, additional asset classes and opportunities may become available (i.e. alternatives), for which SEI will monitor and discuss with the Trustees regularly to ensure the most efficient portfolios are used at all times.

Disclosures

SEI develops forward-looking, long-term capital market assumptions for risk, return, and correlations for a variety of global asset classes, interest rates, and inflation. These assumptions are created using a combination of historical analysis, current market environment assessment and by applying our own judgment. We believe this approach is less biased than using pure historical data, which is often biased by a particular time period or event.

The asset class assumptions are aggregated into a diversified portfolio, so that each portfolio can then be simulated through time using a Monte Carlo simulation approach. This approach enables us to develop scenarios across a wide variety of market environments so that we can educate our clients with regard to the potential impact of market variability over time. Ultimately, the value of these assumptions is not in their accuracy as point estimates, but in their ability to capture relevant relationships and changes in those relationships as a function of economic and market influences.

Short Term Capital Market Assumptions

	Compound Return	Arithmetic Return	Risk
Cash	1.68%	1.68%	0.80%
Large Cap	8.14%	9.96%	19.10%
Small Cap	9.16%	11.90%	23.40%
Dev Equity x US	8.69%	10.77%	20.40%
EM Equity	8.66%	13.25%	30.30%
World Equity ex-US	9.08%	11.14%	20.30%
US Private Equity	10.59%	12.61%	20.10%
US Core Fixed	2.65%	2.87%	6.60%
Long Duration	2.85%	3.57%	12.00%
US Long Corporate	3.72%	4.45%	12.10%
High Yield	7.63%	8.37%	12.20%
EM Debt	8.33%	10.21%	19.40%
Real Return	2.18%	2.27%	4.30%
US Managed Vol	7.50%	8.66%	15.20%
Global Managed Vol	7.75%	8.56%	12.70%
Core Property	6.05%	6.43%	8.70%
REIT	8.46%	11.15%	23.20%
Structured Credit	8.71%	10.91%	21.00%
Special Situations	7.23%	7.78%	10.50%
Hedge Fund of Funds	4.54%	4.78%	7.00%
Multi Asset Real Return	3.40%	3.85%	9.50%
Dynamic AA Fund	9.53%	11.17%	18.10%

Inflation	2.0%

Correlations	Cash	Large Cap	Small Cap	Dev Equity x US	EM Equity	World Equity ex-US	US Private Equity	US Core Fixed	Long Duration	High Yield	US Long Corporate Fund	EM Debt	Real Return	US Managed Vol	Global Managed Vol	Core Property	Structured Credit	Special Situations	Hedge Fund of Funds	Multi Asset Real Return	Dynamic AA Fund
Cash	1.00																				
Large Cap	0.00	1.00																			
Small Cap	0.00	0.85	1.00																		
Dev Equity x US	0.00	0.82	0.75	1.00																	
EM Equity	0.00	0.75	0.50	0.61	1.00																
World Equity ex-US	0.00	0.80	0.69	0.98	0.76	1.00															
US Private Equity	0.00	0.80	0.70	0.66	0.58	0.72	1.00														
US Core Fixed	0.30	0.30	0.20	0.23	-0.10	0.19	0.40	1.00													
Long Duration	0.20	0.30	0.20	0.23	-0.10	0.14	0.40	0.95	1.00												
High Yield	0.00	0.60	0.60	0.47	0.55	0.53	0.65	0.40	0.30	1.00											
Long Corporate	0.20	0.30	0.20	0.23	-0.10	0.14	0.40	0.95	0.95	0.30	1.00										
EM Debt	0.20	0.55	0.50	0.42	0.65	0.53	0.52	0.35	0.25	0.60	0.25	1.00									
Real Return	0.20	0.00	0.15	0.04	0.00	0.03	0.30	0.70	0.65	0.30	0.65	0.25	1.00								
US Managed Vol	0.00	1.00	0.85	0.82	0.75	0.86	0.80	0.30	0.30	0.60	0.30	0.55	0.00	1.00							
Global Managed Vol	0.00	0.97	0.85	0.90	0.75	0.93	0.80	0.30	0.30	0.60	0.30	0.55	0.00	0.97	1.00						
Core Property	0.00	0.30	0.10	0.26	0.05	0.21	0.10	0.00	0.00	0.15	0.00	0.05	0.00	0.30	0.30	1.00					
Structured Credit	0.00	0.50	0.50	0.42	0.45	0.49	0.55	0.00	-0.05	0.80	-0.05	0.45	0.10	0.50	0.50	0.15	1.00				
Special Situations	0.03	0.56	0.50	0.47	0.50	0.53	0.50	0.26	0.25	0.55	0.25	0.45	0.20	0.56	0.55	0.20	0.00	1.00			
Hedge Fund of Funds	0.06	0.67	0.60	0.52	0.55	0.57	0.60	0.29	0.30	0.60	0.30	0.50	0.20	0.67	0.65	0.20	0.00	0.99	1.00		
Multi Asset Real Return	0.05	0.15	0.30	0.15	0.30	0.20	0.30	0.35	0.30	0.40	0.30	0.30	0.60	0.15	0.15	0.10	0.60	0.20	0.20	1.00	
Dynamic AA Fund	0.00	0.99	0.84	0.79	0.75	0.84	0.80	0.35	0.30	0.65	0.30	0.65	0.00	0.99	0.95	0.30	0.50	0.60	0.70	0.15	1.00

Long Term Capital Market Assumptions

	Compound Return	Arithmetic Return	Risk
Cash	4.00%	4.00%	0.80%
Large Cap	9.13%	10.96%	19.10%
Small Cap	10.16%	12.90%	23.40%
Dev Equity x US	9.69%	11.77%	20.40%
EM Equity	9.66%	14.25%	30.30%
World Equity ex-US	10.08%	12.14%	20.30%
US Private Equity	11.58%	13.61%	20.10%
US Core Fixed	6.49%	6.71%	6.60%
Long Duration	6.50%	7.22%	12.00%
US Long Corporate	6.79%	7.52%	12.10%
High Yield	8.13%	8.87%	12.20%
EM Debt	8.82%	10.71%	19.40%
Real Return	5.35%	5.44%	4.30%
US Managed Vol	8.50%	9.66%	15.20%
Global Managed Vol	8.75%	9.56%	12.70%
Core Property	7.05%	7.43%	8.70%
REIT	9.45%	12.15%	23.20%
Structured Credit	9.20%	11.41%	21.00%
Special Situations	10.40%	10.95%	10.50%
Hedge Fund of Funds	7.71%	7.95%	7.00%
Multi Asset Real Return	7.56%	8.01%	9.50%
Dynamic AA Fund	9.54%	11.18%	18.10%

Inflation	2.5%

Correlations	Cash	Large Cap	Small Cap	Dev Equity x US	EM Equity	World Equity ex-US	US Private Equity	US Core Fixed	Long Duration	High Yield	US Long Corporate Fund	EM Debt	Real Return	US Managed Vol	Global Managed Vol	Core Property	Structured Credit	Special Situations	Hedge Fund of Funds	Multi Asset Real Return	Dynamic AA Fund
Cash	1.00																				
Large Cap	0.00	1.00																			
Small Cap	0.00	0.85	1.00																		
Dev Equity x US	0.00	0.82	0.75	1.00																	
EM Equity	0.00	0.75	0.50	0.61	1.00																
World Equity ex-US	0.00	0.80	0.69	0.98	0.76	1.00															
US Private Equity	0.00	0.80	0.70	0.66	0.58	0.72	1.00														
US Core Fixed	0.30	0.30	0.20	0.23	-0.10	0.19	0.40	1.00													
Long Duration	0.20	0.30	0.20	0.23	-0.10	0.14	0.40	0.95	1.00												
High Yield	0.00	0.60	0.60	0.47	0.55	0.53	0.65	0.40	0.30	1.00											
Long Corporate	0.20	0.30	0.20	0.23	-0.10	0.14	0.40	0.95	0.95	0.30	1.00										
EM Debt	0.20	0.55	0.50	0.42	0.65	0.53	0.52	0.35	0.25	0.60	0.25	1.00									
Real Return	0.20	0.00	0.15	0.04	0.00	0.03	0.30	0.70	0.65	0.30	0.65	0.25	1.00								
US Managed Vol	0.00	1.00	0.85	0.82	0.75	0.86	0.80	0.30	0.30	0.60	0.30	0.55	0.00	1.00							
Global Managed Vol	0.00	0.97	0.85	0.90	0.75	0.93	0.80	0.30	0.30	0.60	0.30	0.55	0.00	0.97	1.00						
Core Property	0.00	0.30	0.10	0.26	0.05	0.21	0.10	0.00	0.00	0.15	0.00	0.05	0.00	0.30	0.30	1.00					
Structured Credit	0.00	0.50	0.50	0.42	0.45	0.49	0.55	0.00	-0.05	0.80	-0.05	0.45	0.10	0.50	0.50	0.15	1.00				
Special Situations	0.03	0.56	0.50	0.47	0.50	0.53	0.50	0.26	0.25	0.55	0.25	0.45	0.20	0.56	0.55	0.20	0.00	1.00			
Hedge Fund of Funds	0.06	0.67	0.60	0.52	0.55	0.57	0.60	0.29	0.30	0.60	0.30	0.50	0.20	0.67	0.65	0.20	0.00	0.99	1.00		
Multi Asset Real Return	0.05	0.15	0.30	0.15	0.30	0.20	0.30	0.35	0.30	0.40	0.30	0.30	0.60	0.15	0.15	0.10	0.60	0.20	0.20	1.00	
Dynamic AA Fund	0.00	0.99	0.84	0.79	0.75	0.84	0.80	0.35	0.30	0.65	0.30	0.65	0.00	0.99	0.95	0.30	0.50	0.60	0.70	0.15	1.00