# International Union of Operating Engineers Local #487

Second Quarter Review

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SEI New ways. New answers.®

August 21, 2014

# Agenda

- Capital Markets Review
- Plans Assets and Metrics
- Appendix

# Capital Markets Review

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# Global market review

## Market review

- Despite weather-related setbacks to growth early in the year, global economic activity appears to be firming
- The second quarter saw lower levels of volatility across asset classes with equity markets leading primary markets
- U.S. markets were led by large caps, though small caps made up ground after struggling in Q1
- Central bank policy efforts also remain supportive of investor risk taking, but policy divergence has begun
- In fixed income, yields declined, but overall risk taking was rewarded as seen by strong gains in emerging markets debt

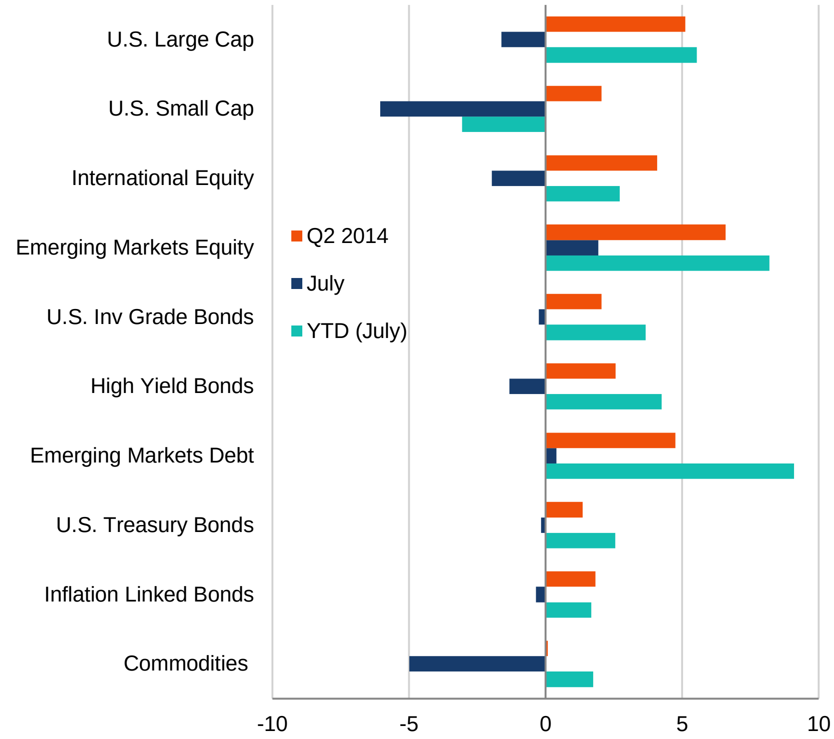
## Strategy positioning

- Within equities, pro-cyclicality positioning was a slight headwind as defensive sectors outperformed
- Falling rates negatively impacted duration positioning in fixed income however allocations to non-treasury sectors contributed positively

## Market and economic outlook

- While developed market equity valuations are somewhat elevated and credit spreads narrow, we think it's premature to adopt a strongly defensive investment stance
- We believe the current bull market can continue as long as favorable trends remain intact in several key areas: the labor market, interest rates, consumer attitudes, and valuations

**Financial Markets Performance through July 2014 (%**




U.S. Large Cap = Russell 1000, U.S. Small Cap = Russell 2000, International Equity = MSCI EAFE, Emerging Markets Equity = MSCI EME, U.S. Investment Grade Bonds = Barclays U.S. Aggregate, High Yield = BofA ML Master II HY Constrained, Emerging Markets Debt = JP Morgan EMBI Global Diversified, Treasury = Treasury component of the Barclays U.S. Aggregate, Inflation Linked = Barclays 1-5 Year TIPS, Commodities = DJ UBS Commodity Index. Source: SEI, FactSet.

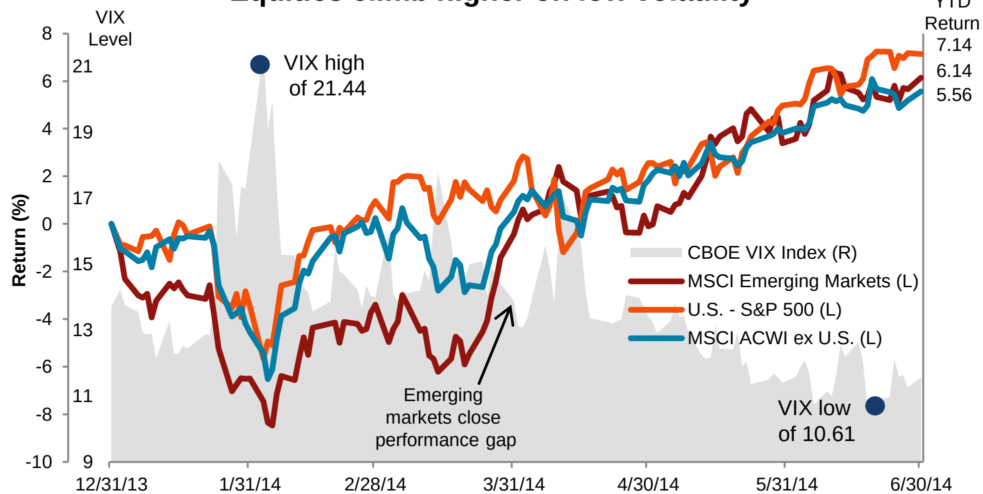
# Equity markets review

- Following a volatile first quarter, global equities continued to move higher on relaxed tensions domestically and abroad.
- The Fed continued tapering their asset purchases and suggested that they believe the downtick in growth and uptick in inflation are both temporary occurrences.
  - Global monetary policies—low rates, quantitative easing and extraordinary stimulus efforts—continue to provide a tailwind for stocks.
- The U.S. equity market saw gains through the quarter, benefitting from better economic data, continued low long-term government bond rates and a meaningful reduction in volatility.
  - All U.S. sectors were positive, with falling real rates providing a surprise boost to defensive equity names. Utilities, Energy, and Healthcare continue to lead in 2014.
  - While the correction of small caps versus large caps was strong within March and April, small cap stocks have already made up significant ground toward the end of the quarter.

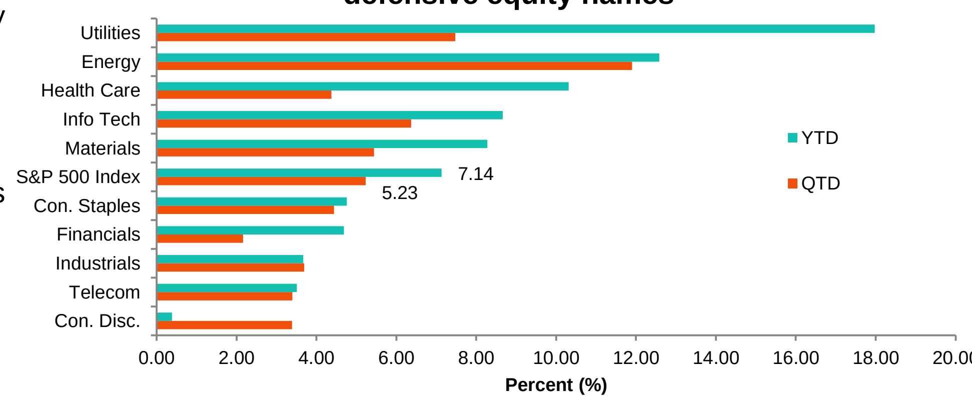
## Portfolio impact

- Pro-cyclical positioning and quality growth exposures acted as headwinds for relative return during the period, which was dominated by more defensive areas of the equity market.
- Positive security selection within equity portfolios created an offset and was beneficial in 2014.

**Equities climb higher on low volatility**




**Falling real rates have provided a surprise boost to defensive equity names**



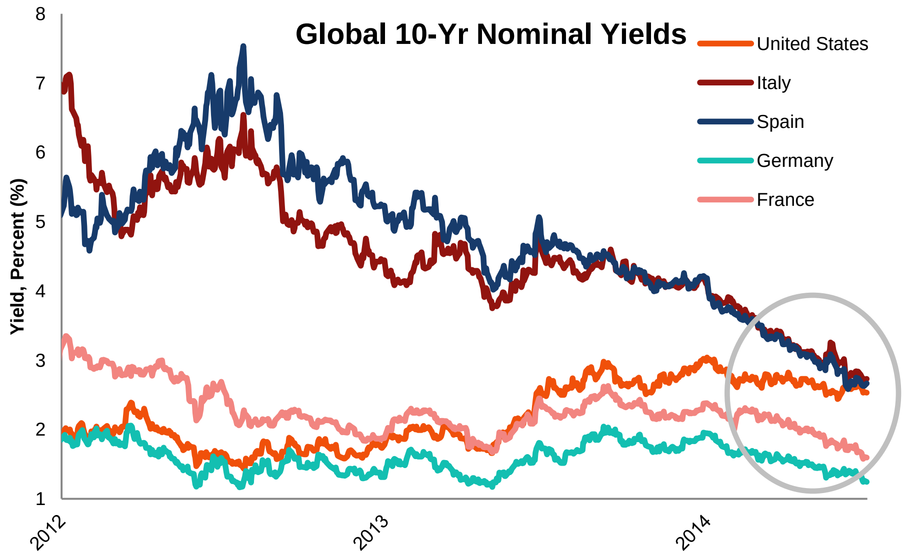

Source: Top Chart – FactSet, SEI. Bottom Chart: S&P, FactSet, SEI.

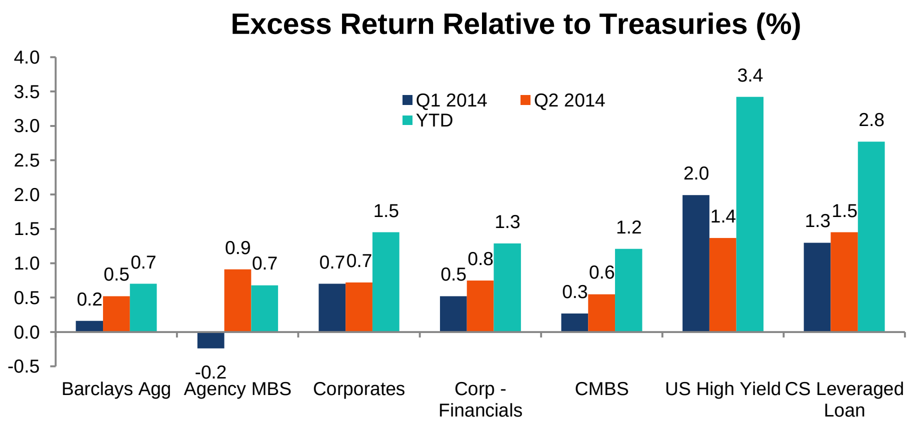
# Fixed income review

- U.S. interest rates fell as real rates continued to settle lower and inflation expectations moved modestly higher.
  - The Fed reassured markets that accommodative monetary policy would stay in place.
  - U.S. yields saw additional increased pressure as peripheral European sovereign bonds rallied substantially.
  - Improved peripheral sovereign bond markets were favorable for the banking system and economic conditions across Europe.
- Interest in riskier assets also continued as investors sought higher-yielding assets and exposure. Excess returns over Treasuries in these sectors continued.
  - Despite the heavy supply, investment-grade bond spreads tightened following a strong year for corporate earnings coupled with an economic recovery and progress on regulation.
- Emerging markets performed strongly as investors continue to reevaluate a taper-related impact and hunt for yield in 2014.

## Portfolio impact

- Financials performed well as balance sheets continued to strengthen. Portfolios remain overweight this sector.
- Our short duration posturing was a detractor during the quarter, however a curve flattening bias contributed favorably.
- Exposures to credit strategies such as high yield and bank loans continued to provide gains given the overall low return environment. Strategic exposure to emerging markets debt was an additional tailwind.




Source: Top Chart: FactSet. Bottom Chart: Barclays, SEI

# Plan Assets and Performance

# Relative-return oriented strategies

| Relative Return Strategies | July | Q2 2014 | YTD (July) | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|
| **SIIT Large Cap Fund** | **-1.45** | **4.58** | **4.71** | **35.54** | **17.34** | **0.98** | **14.29** | **29.94** |
| Russell 1000 Index | -1.62 | 5.12 | 5.53 | 33.11 | 16.42 | 1.50 | 16.10 | 28.43 |
| **SIIT Small Cap Fund** | **-5.30** | **1.95** | **-2.40** | **41.89** | **14.37** | **-4.90** | **24.68** | **38.05** |
| Russell 2000 Index | -6.05 | 2.05 | -3.06 | 38.82 | 16.35 | -4.18 | 26.85 | 27.17 |
| **SIIT U.S. Managed Volatility Fund** | **-2.26** | **4.37** | **6.55** | **30.03** | **13.39** | **10.78** | **16.09** | **15.64** |
| Russell 3000 Index | -1.97 | 4.87 | 4.83 | 33.55 | 16.42 | 1.03 | 16.93 | 28.34 |
| **SIIT World Equity Ex-US Fund** | **-1.72** | **4.95** | **3.23** | **18.32** | **18.70** | **-12.75** | **13.40** | **35.30** |
| MSCI All Country World ex US Index | -0.99 | 5.03 | 4.51 | 15.29 | 16.83 | -13.71 | 11.15 | 41.45 |
| **SIT Emerging Markets Equity Fund** | **0.25** | **7.49** | **6.44** | **1.60** | **19.23** | **-21.88** | **19.86** | **78.22** |
| MSCI Emerging Markets Index | 1.93 | 6.60 | 8.19 | -2.60 | 18.22 | -18.42 | 18.88 | 78.51 |

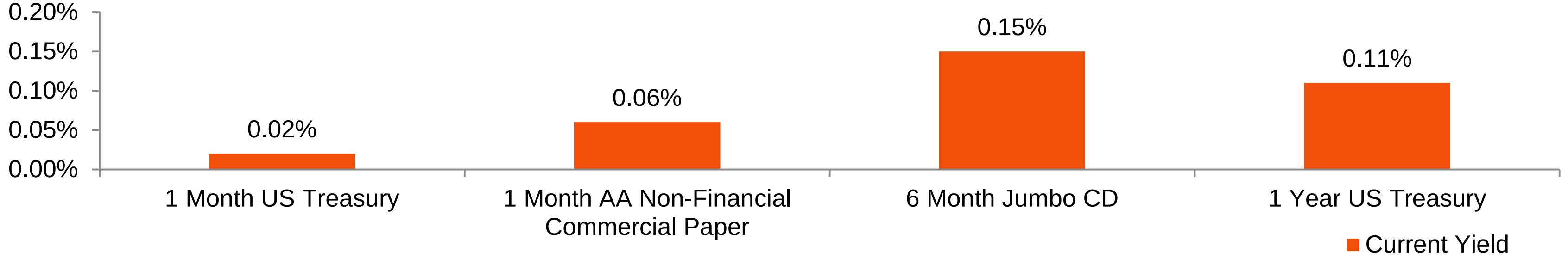
Data as of 7/31/2014, Source: SEI. Gross Fund Performance reflects the effective performance of the underlying mutual funds that are selected or recommended by SIMC to implement an institutional client's investment strategy. Gross Fund Performance does not reflect the impact of fund level management fees, fund administration or shareholder servicing fees, all of which, if applicable are used to offset the account level investment management fees the client pays to SIMC. Gross Fund Performance does reflect certain operational expenses charged by the funds and the reinvestment of dividends and other earnings. The inclusion of the fund level expenses that the client incurs but that are offset against the client's account level investment management fees would reduce the Gross Fund Performance of the mutual funds.

# Relative-return oriented strategies

| Relative Return Strategies | July | Q2 2014 | YTD (July) | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|
| **SIIT Core Fixed Income** | **-0.04** | **2.30** | **4.42** | **-1.10** | **7.23** | **8.12** | **9.96** | **15.55** |
| Barclays U.S. Aggregate Bond Index | -0.25 | 2.04 | 3.66 | -2.02 | 4.21 | 7.84 | 6.54 | 5.93 |
| **SIIT High Yield Bond** | **-0.98** | **2.50** | **4.49** | **8.32** | **17.24** | **5.58** | **17.97** | **58.84** |
| BofA ML U.S. High Yield Constrained Index | -1.32 | 2.57 | 4.24 | 7.41 | 15.55 | 4.37 | 15.07 | 58.10 |
| **SIIT Opportunistic Income Fund** | **0.27** | **1.03** | **2.26** | **2.77** | **7.50** | **1.60** | **7.38** | **15.93** |
| BofA ML 3Mo Deposit Offered Rate Constant Maturity Index | 0.02 | 0.06 | 0.14 | 0.24 | 0.51 | 0.27 | 0.33 | 0.99 |
| **SIIT Emerging Markets Debt** | **-0.29** | **4.98** | **7.61** | **-8.42** | **19.15** | **5.96** | **15.82** | **43.08** |
| 50% JPM EMBI GD / 50% GBI- EM GD Index* | -0.33 | 4.39 | 6.99 | -7.10 | 17.18 | 7.35 | 12.24 | 29.82 |
| JPM EMBI Global Diversified Index | 0.40 | 4.75 | **9.10** | -5.25 | 17.44 | 7.35 | 12.24 | 29.82 |

Data as of 7/31/2014, Source: SEI. * Prior to 6/30/2012, benchmark is 100% JPM EMBI Global Diversified . Gross Fund Performance reflects the effective performance of the underlying mutual funds that are selected or recommended by SIMC to implement an institutional client's investment strategy. Gross Fund Performance does not reflect the impact of fund level management fees, fund administration or shareholder servicing fees, all of which, if applicable are used to offset the account level investment management fees the client pays to SIMC. Gross Fund Performance does reflect certain operational expenses charged by the funds and the reinvestment of dividends and other earnings. The inclusion of the fund level expenses that the client incurs but that are offset against the client's account level investment management fees would reduce the Gross Fund Performance of the mutual funds.

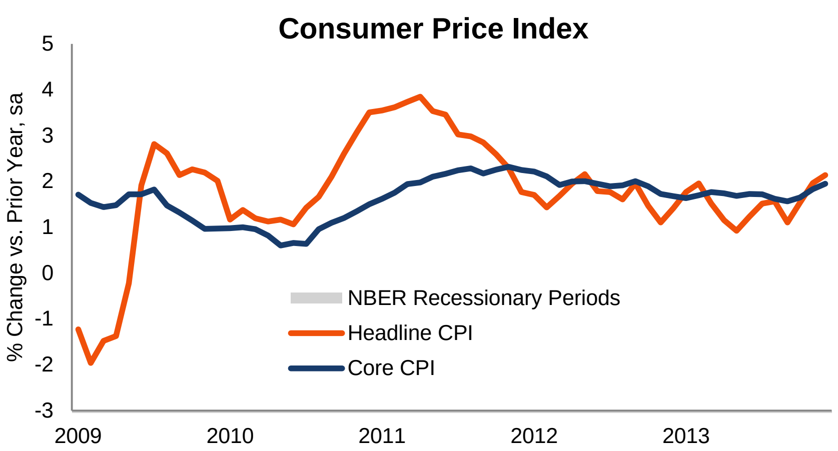
# Goals-based strategies: Liquidity-management strategies

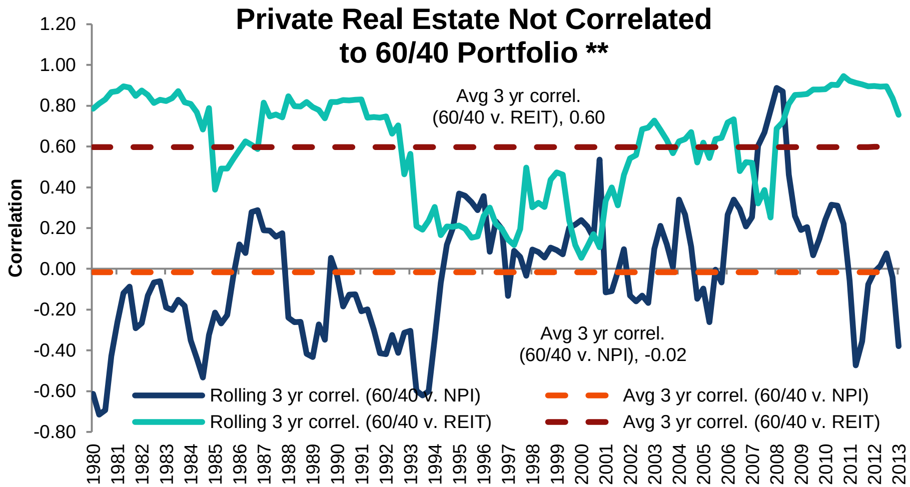



| Strategy | Q2 2014 | YTD (June) | 2013 | 2012 | 2011 | 2010 | 2009 | Duration | Current Yield | SEC 30-Day Yield |
|---|---|---|---|---|---|---|---|---|---|---|
| **SIIT Ultra Short Duration Fund** | **0.29** | **0.66** | **1.03** | **2.93** | | | | **0.76** | **0.80** | **0.93** |
| Barclays Short US Treasury 9-12 Month Index | 0.06 | 0.14 | 0.25 | 0.23 | | | | 0.89 | 0.12 | n/a |

Please Note: The information for the Fund should only be shared with investors who are qualified and accredited to invest in this Fund. Performance as of 6/30/2014. Characteristics as of 6/30/2014, Source: Bloomberg, Federal Reserve Bank of St. Louis, Bankrate.com. Source: SEI. Gross Fund Performance reflects the effective performance of the underlying mutual funds that are selected or recommended by SIMC to implement an institutional client's investment strategy. Gross Fund Performance does not reflect the impact of fund level management fees, fund administration or shareholder servicing fees, all of which, if applicable are used to offset the account level investment management fees the client pays to SIMC. Gross Fund Performance does reflect certain operational expenses charged by the funds and the reinvestment of dividends and other earnings. The inclusion of the fund level expenses that the client incurs but that are offset against the client's account level investment management fees would reduce the Gross Fund Performance of the mutual funds.

# Goals-based strategies: Diversification, yield and inflation management - Real estate



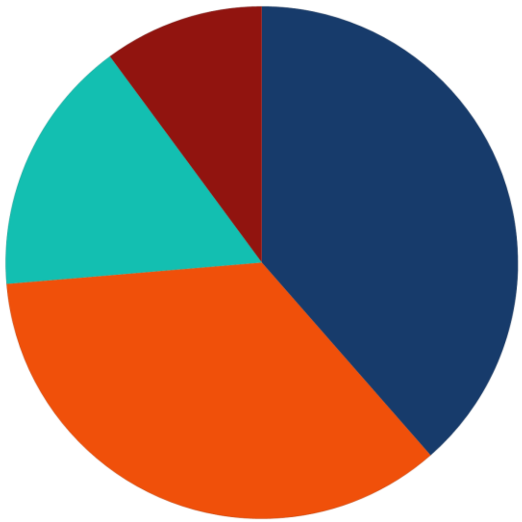




| Strategy | Q2 2014 | YTD (June) | 2013 | 2012 | 2011 | 2010 | 2009 | Yield |
|---|---|---|---|---|---|---|---|---|
| **Core Property Fund (Net)** | **2.81** | **4.99** | **13.82** | **11.48** | **11.79‡** | **n/a** | **n/a** | **4.56** |
| NCREIF Property Index (NPI) | 2.91 | 5.73 | 10.98 | 10.54 | 14.30 | 13.10 | -16.8 | 5.48 |
| NFI – ODCE | 2.93 Est | 5.52 Est | 13.94 | 10.94 | 16.0 | 16.4 | -29.8 | 5.16 Est |
| Consumer Price Index (CPI) | 0.68* | 2.08* | 1.50 | 1.74 | 2.96 | 1.50 | 2.72 | n/a |
| Barclays US Aggregate Bond Index | 2.04 | 3.93 | -2.02 | 4.21 | 7.84 | 6.54 | 5.93 | 2.53 |

* CPI as of May 2014. Source: SEI, DataStream. All data as of 6/30/2014. Net Return is gross return less admin fee ‡The 2011 return for the SEI Core Property Fund includes a cash-drag, as the fund initially held significant cash prior to becoming more fully invested during the first year of operation. ** 60/40 Portfolio is composed of 60% S&P 500 Index and 40% Barclays Aggregate U.S. Bond Index. Avg REIT correlation uses Dow Jones U.S. Select REIT Index (float adjusted). Please Note: The information for the Fund should only be shared with investors who are qualified and accredited to invest in this Fund. Performance data quoted is past performance. Past performance is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI.

# Asset Allocation – Pension 6/30/14

## Current portfolio allocation



| Asset Class | | Total Market Value | % Allocation |
|---|---|---|---|
| US Equity | $ | 22,159,799 | 38.6% |
| Fixed Income | $ | 20,191,821 | 35.1% |
| World Equity x-US | $ | 9,323,221 | 16.2% |
| Real Estate / Property | $ | 5,813,898 | 10.1% |
| **TOTAL** | **$** | **57,488,738** | **100%** |

| Manager/Asset | Style | Total Market Value | | % Allocation |
|---|---|---|---|---|
| SEI LARGE CAP FUND | US Equity | $ | 19,302,553 | 33.6% |
| SEI WORLD EQUITY EX-US FUND | World Equity x-US | $ | 6,949,177 | 12.1% |
| SEI CORE PROPERTY COLLECTIVE INVEST TR | Real Estate / Property | $ | 5,813,898 | 10.1% |
| SEI OPPORTUNISTIC INCOME FD - A | Other Fixed Income | $ | 5,543,432 | 9.6% |
| SEI CORE FIXED INCOME FUND | Core Fixed Income | $ | 4,497,408 | 7.8% |
| SEI ULTRA SHORT DURATION, CLASS A | Short Duration Fixed Income | $ | 4,412,237 | 7.7% |
| SEI EMERGING MARKETS DEBT FUND | Emerging Markets Fixed Income | $ | 3,499,311 | 6.1% |
| SEI SMALL CAP FUND | US Equity | $ | 2,857,246 | 5.0% |
| SEI EMERGING MARKETS EQUITY FUND | World Equity x-US | $ | 2,374,044 | 4.1% |
| SEI HIGH YIELD BOND FUND | High Yield Fixed Income | $ | 2,239,433 | 3.9% |
| CASH & ACCRUED INCOME | | $ | 0 | 0.0% |
| | **TOTALS** | **$** | **57,488,738** | **100%** |

**Alternative, Property and Private Assets valuations may be reported on a monthly or quarterly lag.**

# Portfolio Performance – Pension 6/30/14

## Total Portfolio Returns

| | 1 Month | 3 Month | YTD | 1 Year | 3 Year | FYTD | ITD |
|---|---|---|---|---|---|---|---|
| **TOTAL PORTFOLIO RETURNS (Gross)** | 1.54% | 3.43% | 5.16% | 16.29% | 10.51% | 3.43% | 12.22% |
| **TOTAL PORTFOLIO RETURNS (Net)** | 1.49% | 3.27% | 4.84% | 15.65% | 9.87% | 3.27% | 11.58% |
| *TOTAL INDEX* | *1.34%* | *3.31%* | *5.04%* | *14.82%* | *9.19%* | *3.31%* | *10.76%* |

## Asset Growth

| | 1 Month | 3 Month | YTD | Fiscal YTD (03/31) | Since Inception (05/31/10) |
|---|---|---|---|---|---|
| Beginning Market Value | $56,777,801 | $56,146,761 | $55,887,137 | $56,146,761 | $18,296,533 |
| Net Cash Flows | ($150,000) | ($531,790) | ($1,153,972) | ($531,790) | $17,703,396 |
| Net Funds for Investment | $56,627,801 | $55,614,972 | $54,733,165 | $55,614,972 | $35,999,929 |
| Investment Gain/Loss | $860,937 | $1,873,766 | $2,755,573 | $1,873,766 | $21,488,810 |
| **Ending Market Value** | **$57,488,738** | **$57,488,738** | **$57,488,738** | **$57,488,738** | **$57,488,738** |

Inception date 5/31/10; Historical Total Index can be provided upon request.

### Portfolio Note

Market Value as of 7/31: $56,927,002
1 Month Return as of 7/31: -0.70% (gross)

## Total Index

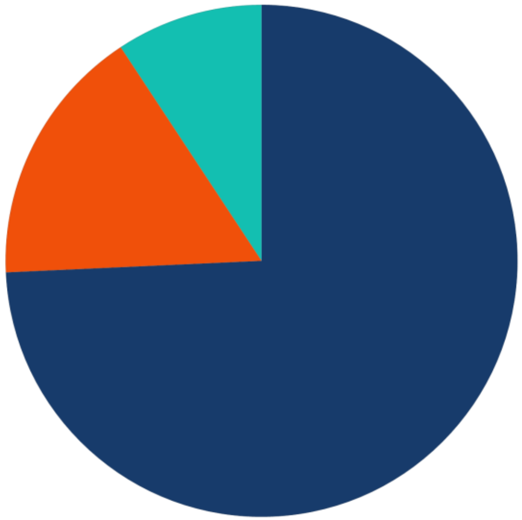
**04/01/14 - 06/30/14**

33.00% RUSSELL 1000 TR
18.00% BARCLAY US AGG TRIX
12.00% MSCI AC WRLD X US NR USD
10.00% BOFAML USD LIBOR 3M CON MAT TR
10.00% HIST BLND: CORE PROPERTY IDX
8.00% BARCLAY SH TR 9-12M TRIX
5.00% RUSSELL 2000 TR
4.00% MSCI EM (EMG MKT) NR USD

The Portfolio Return numbers are calculated using Gross Fund Performance, using the Modified Dietz method of calculation, which considers the timing of cash flows during the periods. Gross Fund Performance reflects the effective performance of the underlying mutual funds that are selected or recommended by SIMC to implement an institutional client's investment strategy. Gross Fund Performance does not reflect the impact of fund level management fees, fund administration or shareholder servicing fees, all of which, if applicable are used to offset the account level investment management fees the client pays to SIMC. Gross Fund Performance does reflect certain operational expenses charged by the funds and the reinvestment of dividends and other earnings. The inclusion of the fund level expenses that the client incurs but that are offset against the client's account level investment management fees would reduce the Gross Fund Performance of the mutual funds. Alternative, Property and Private Assets performance may be reported on a monthly or quarterly lag. If applicable, Alternative, Property and Private Assets performance is calculated net of administrative fees; however, SEI Offshore Opportunity Fund Ltd. and SEI Offshore Opportunity Fund II Ltd. Class A performance is net of investment management and administrative fees.
Net Portfolio Returns deduct a 0.64% annual fee for all periods to demonstrate the impact that SIMC's investment management fee had on the portfolio performance. However, this is a hypothetical calculation, as it does not reflect the actual fees paid by the client during the period. Please see your client invoice for actual fees paid.

# Asset Allocation – Health & Welfare 6/30/14

## Current portfolio allocation



| Asset Class | | Total Market Value | % Allocation |
|---|---|---|---|
| Fixed Income | $ | 2,428,460 | 74.3% |
| US Equity | $ | 537,682 | 16.4% |
| World Equity x-US | $ | 303,450 | 9.3% |
| **TOTAL** | **$** | **3,269,592** | **100%** |

| Manager/Asset | Style | | Total Market Value | % Allocation |
|---|---|---|---|---|
| SEI OPPORTUNISTIC INCOME FD - A | Other Fixed Income | $ | 804,744 | 24.6% |
| SEI CORE FIXED INCOME FUND | Core Fixed Income | $ | 651,368 | 19.9% |
| SEI ULTRA SHORT DURATION, CLASS A | Short Duration Fixed Income | $ | 639,893 | 19.6% |
| SEI WORLD EQUITY EX-US FUND | World Equity x-US | $ | 234,237 | 7.2% |
| SEI LARGE CAP FUND | US Equity | $ | 205,735 | 6.3% |
| SEI EMERGING MARKETS DEBT FUND | Emerging Markets Fixed Income | $ | 201,430 | 6.2% |
| SEI U.S. MANAGED VOLATILITY FUND | US Equity | $ | 201,258 | 6.2% |
| SEI HIGH YIELD BOND FUND | High Yield Fixed Income | $ | 131,025 | 4.0% |
| SEI SMALL CAP FUND | US Equity | $ | 130,688 | 4.0% |
| SEI EMERGING MARKETS EQUITY FUND | World Equity x-US | $ | 69,213 | 2.1% |
| CASH & ACCRUED INCOME | | $ | 0 | 0.0% |
| | **TOTALS** | **$** | **3,269,592** | **100%** |

# Portfolio Performance – Health & Welfare 6/30/14

## Total Portfolio Returns

| | 1 Month | 3 Month | YTD | 1 Year | 3 Year | FYTD | ITD |
|---|---|---|---|---|---|---|---|
| **TOTAL PORTFOLIO RETURNS (Gross)** | 0.81% | 2.30% | 3.73% | 8.93% | 7.07% | 2.30% | 8.02% |
| **TOTAL PORTFOLIO RETURNS (Net)** | 0.78% | 2.20% | 3.53% | 8.53% | 6.67% | 2.20% | 7.62% |
| *TOTAL INDEX* | *0.62%* | *1.74%* | *2.83%* | *6.68%* | *5.23%* | *1.74%* | *6.07%* |

## Asset Growth

| | 1 Month | 3 Month | YTD | Fiscal YTD (03/31) | Since Inception (05/31/10) |
|---|---|---|---|---|---|
| Beginning Market Value | $3,044,915 | $3,003,005 | $2,964,534 | $3,003,005 | $2,311,721 |
| Net Cash Flows | $200,000 | $199,047 | $198,075 | $199,047 | $186,713 |
| Net Funds for Investment | $3,244,915 | $3,202,052 | $3,162,609 | $3,202,052 | $2,498,434 |
| Investment Gain/Loss | $24,677 | $67,540 | $106,983 | $67,540 | $771,158 |
| **Ending Market Value** | **$3,269,592** | **$3,269,592** | **$3,269,592** | **$3,269,592** | **$3,269,592** |

Inception date 5/31/10; Historical Total Index can be provided upon request.

### Portfolio Note

Market Value as of 7/31: $3,250,666
1 Month Return as of 7/31: -0.56%

## Total Index

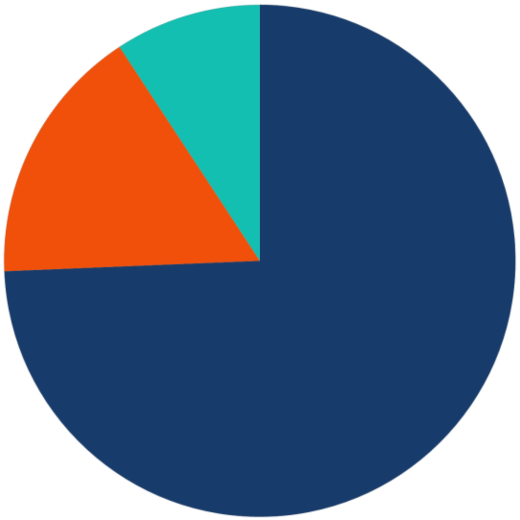
**04/01/14 - 06/30/14**

30.00% BARCLAY US AGG TRIX
25.00% BOFAML USD LIBOR 3M CON MAT TR
20.00% BARCLAY SH TR 9-12M TRIX
7.00% MSCI AC WRLD X US NR USD
6.00% MSCI USA MINIMUM VOLATILITY IX
6.00% RUSSELL 1000 TR
4.00% RUSSELL 2000 TR
2.00% MSCI EM (EMG MKT) NR USD

The Portfolio Return numbers are calculated using Gross Fund Performance, using the Modified Dietz method of calculation, which considers the timing of cash flows during the periods. Gross Fund Performance reflects the effective performance of the underlying mutual funds that are selected or recommended by SIMC to implement an institutional client's investment strategy. Gross Fund Performance does not reflect the impact of fund level management fees, fund administration or shareholder servicing fees, all of which, if applicable are used to offset the account level investment management fees the client pays to SIMC. Gross Fund Performance does reflect certain operational expenses charged by the funds and the reinvestment of dividends and other earnings. The inclusion of the fund level expenses that the client incurs but that are offset against the client's account level investment management fees would reduce the Gross Fund Performance of the mutual funds. Alternative, Property and Private Assets performance may be reported on a monthly or quarterly lag. If applicable, Alternative, Property and Private Assets performance is calculated net of administrative fees; however, SEI Offshore Opportunity Fund Ltd. and SEI Offshore Opportunity Fund II Ltd. Class A performance is net of investment management and administrative fees.
Net Portfolio Returns deduct a 0.40% annual fee for all periods to demonstrate the impact that SIMC's investment management fee had on the portfolio performance. However, this is a hypothetical calculation, as it does not reflect the actual fees paid by the client during the period. Please see your client invoice for actual fees paid.

# Asset Allocation – Apprentice & Training 6/30/14

## Current portfolio allocation



| Asset Class | | Total Market Value | % Allocation |
|---|---|---|---|
| Fixed Income | $ | 416,973 | 74.4% |
| US Equity | $ | 91,994 | 16.4% |
| World Equity x-US | $ | 51,903 | 9.3% |
| **TOTAL** | **$** | **560,870** | **100%** |

| Manager/Asset | Style | | Total Market Value | % Allocation |
|---|---|---|---|---|
| SEI OPPORTUNISTIC INCOME FD - A | Other Fixed Income | $ | 138,491 | 24.7% |
| SEI CORE FIXED INCOME FUND | Core Fixed Income | $ | 111,699 | 19.9% |
| SEI ULTRA SHORT DURATION, CLASS A | Short Duration Fixed Income | $ | 110,103 | 19.6% |
| SEI WORLD EQUITY EX-US FUND | World Equity x-US | $ | 40,180 | 7.2% |
| SEI LARGE CAP FUND | US Equity | $ | 34,652 | 6.2% |
| SEI EMERGING MARKETS DEBT FUND | Emerging Markets Fixed Income | $ | 34,179 | 6.1% |
| SEI U.S. MANAGED VOLATILITY FUND | US Equity | $ | 34,060 | 6.1% |
| SEI SMALL CAP FUND | US Equity | $ | 23,282 | 4.2% |
| SEI HIGH YIELD BOND FUND | High Yield Fixed Income | $ | 22,502 | 4.0% |
| SEI EMERGING MARKETS EQUITY FUND | World Equity x-US | $ | 11,722 | 2.1% |
| CASH & ACCRUED INCOME | | $ | 0 | 0.0% |
| | **TOTALS** | **$** | **560,870** | **100%** |

# Portfolio Performance – Apprentice & Training 6/30/14

## Total Portfolio Returns

| | 1 Month | 3 Month | YTD | 1 Year | 3 Year | FYTD | ITD |
|---|---|---|---|---|---|---|---|
| **TOTAL PORTFOLIO RETURNS (Gross)** | 0.82% | 2.37% | 3.62% | 6.80% | 6.06% | 2.37% | 5.98% |
| **TOTAL PORTFOLIO RETURNS (Net)** | 0.79% | 2.27% | 3.42% | 6.40% | 5.66% | 2.27% | 5.58% |
| *TOTAL INDEX* | *0.62%* | *1.74%* | *2.60%* | *4.56%* | *3.99%* | *1.74%* | *3.89%* |

## Asset Growth

| | 1 Month | 3 Month | YTD | Fiscal YTD (03/31) | Since Inception (05/31/10) |
|---|---|---|---|---|---|
| Beginning Market Value | $556,430 | $548,417 | $562,280 | $548,417 | $502,056 |
| Net Cash Flows | $0 | ($156) | ($20,320) | ($156) | ($70,270) |
| Net Funds for Investment | $556,430 | $548,261 | $541,960 | $548,261 | $431,786 |
| Investment Gain/Loss | $4,439 | $12,608 | $18,909 | $12,608 | $129,083 |
| **Ending Market Value** | **$560,870** | **$560,870** | **$560,870** | **$560,870** | **$560,870** |

Inception date 5/31/10; Historical Total Index can be provided upon request.

### Portfolio Note

Market Value as of 7/31: $557,559
1 Month Return as of 7/31: -0.56% (gross)

## Total Index

**05/01/14 - 06/30/14**

30.00% BARCLAY US AGG TRIX
25.00% BOFAML USD LIBOR 3M CON MAT TR
20.00% BARCLAY SH TR 9-12M TRIX
7.00% MSCI AC WRLD X US NR USD
6.00% MSCI USA MINIMUM VOLATILITY IX
6.00% RUSSELL 1000 TR
4.00% RUSSELL 2000 TR
2.00% MSCI EM (EMG MKT) NR USD

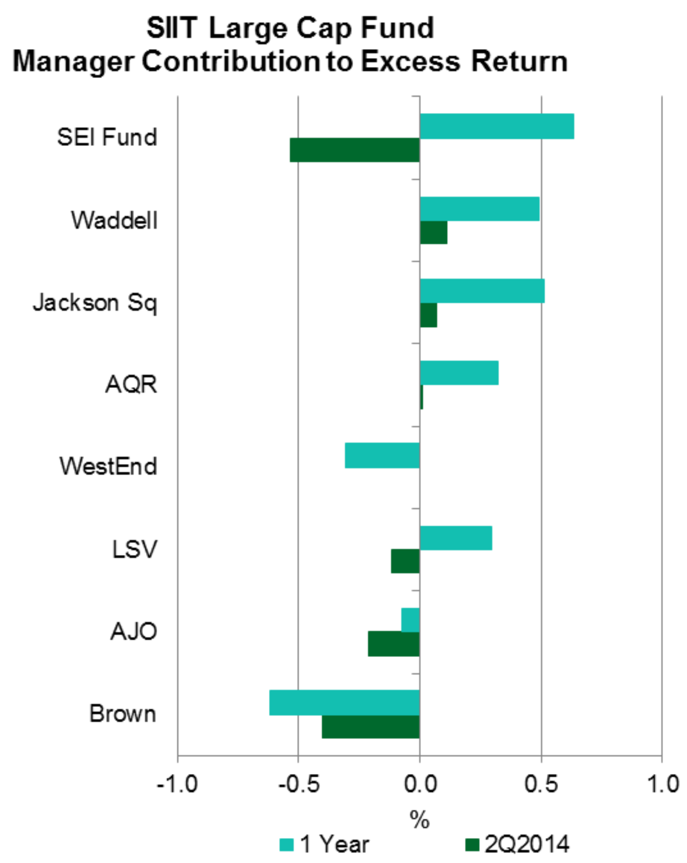
The Portfolio Return numbers are calculated using Gross Fund Performance, using the Modified Dietz method of calculation, which considers the timing of cash flows during the periods. Gross Fund Performance reflects the effective performance of the underlying mutual funds that are selected or recommended by SIMC to implement an institutional client's investment strategy. Gross Fund Performance does not reflect the impact of fund level management fees, fund administration or shareholder servicing fees, all of which, if applicable are used to offset the account level investment management fees the client pays to SIMC. Gross Fund Performance does reflect certain operational expenses charged by the funds and the reinvestment of dividends and other earnings. The inclusion of the fund level expenses that the client incurs but that are offset against the client's account level investment management fees would reduce the Gross Fund Performance of the mutual funds. Alternative, Property and Private Assets performance may be reported on a monthly or quarterly lag. If applicable, Alternative, Property and Private Assets performance is calculated net of administrative fees; however, SEI Offshore Opportunity Fund Ltd. and SEI Offshore Opportunity Fund II Ltd. Class A performance is net of investment management and administrative fees.
Net Portfolio Returns deduct a 0.40% annual fee for all periods to demonstrate the impact that SIMC's investment management fee had on the portfolio performance. However, this is a hypothetical calculation, as it does not reflect the actual fees paid by the client during the period. Please see your client invoice for actual fees paid.

# Appendix

# SIIT Large Cap Fund

## Performance review

- The Fund struggled this quarter, as deep cyclicals (such as materials and industrials) and defensives (such as utilities and consumer staples) outpaced less-cyclical industries (such as consumer discretionary and information technology).
- Growth narrowly outperformed value in the three-month period but continued to lag over the one-year period. Energy has been the dominant sector, while financials gained the least.
- Momentum and stability-oriented strategies performed well, and risk premium (value) slightly underperformed.
- From a sector perspective, mild overweights to energy and information technology names were helpful. Stock selection within health care outperformed, while selections within information technology and energy detracted.
- Among managers, Waddell & Reed and Jackson Square performed best, while Brown Advisory lagged.
- WestEnd Advisors was removed from the portfolio.




Performance data quoted is past performance and is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI. Returns and sector weights versus Russell 1000 Index. Data through June 30, 2014.

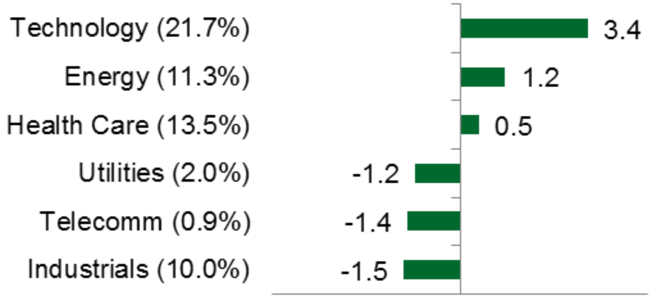
# SIIT Large Cap Fund

## Positioning review

- The Fund remains underweight the most defensive parts of the market despite the surprising performance of defensive names in the second quarter
- From an alpha-source perspective, we continue to prefer momentum at the expense of risk premium (value) and stability
- This translates into a preference for quality growth and momentum managers at the expense of value managers, especially those displaying deep-value characteristics, as we believe that alpha has been exhausted at this point in the cycle

| Manager Allocations (%) | |
|---|---|
| Waddell | 20.4 |
| AJO | 19.6 |
| Jackson Sq | 17.4 |
| LSV | 16.2 |
| AQR | 12.7 |
| Brown | 11.9 |
| WestEnd | 0.0 |

**Active Sector Allocation***




* Versus Russell 1000 Index; figures in parentheses are actual sector weights in the Fund, excluding cash; only the three largest active sector over and underweights are shown. Data through June 30, 2014. Cash represented 1.9% of fund assets.

# SIIT U.S. Managed Volatility

## Fund level contributors / detractors

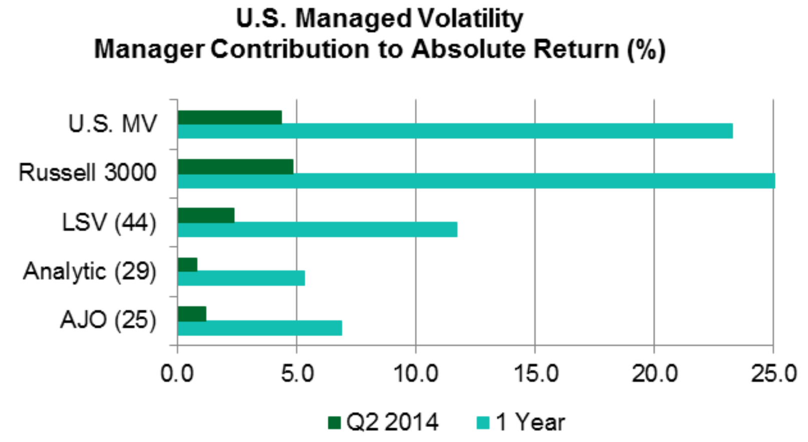
- The Fund produced strong absolute performance.
- Defensive positioning limited upside participation.
- Avoiding volatile and richly priced information technology and biotechnology names further enhanced stock selection.
- Favoring value-biased managers was also beneficial.

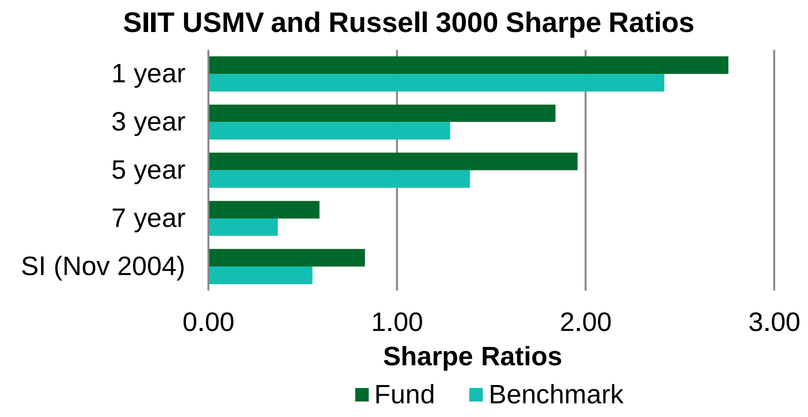
## Manager-level contributors / detractors

- All managers delivered risk reduction.
- Both LSV and AJO benefited from leaning more on health care and refraining from overweighting more expensive consumer staples.
- Analytic was held back by stock specifics in consumer staples and lower interest-rate sensitivity exposure during falling rates.

## Actions

- The Fund maintained an overweight allocation to LSV in an effort to mitigate potential headwinds from interest-rate sensitivity in a rising-rate environment.



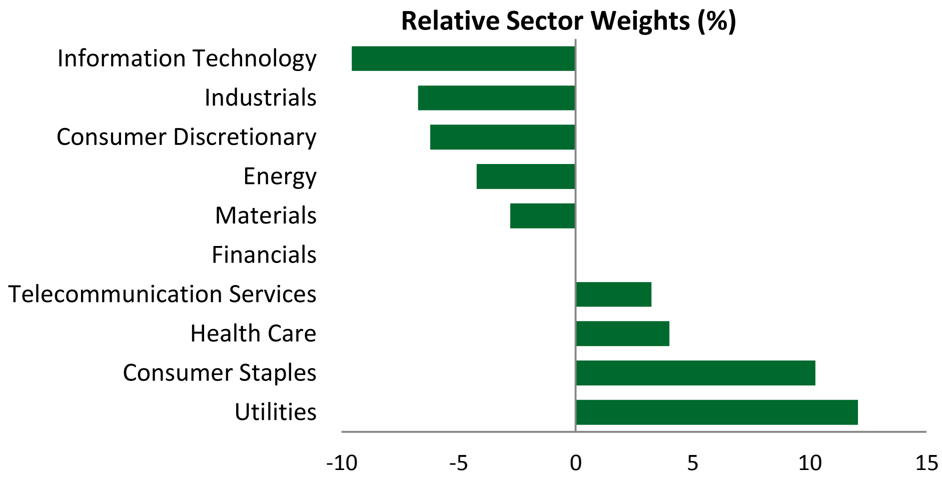




Annualized volatilities for 1-year period are calculated using daily returns data. Annualized volatilities for 3 years and since-inception periods are calculated using monthly returns data. Risk free rate used for Sharpe Ratio calculation is 0%. Performance data quoted is past performance. Past performance is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI.

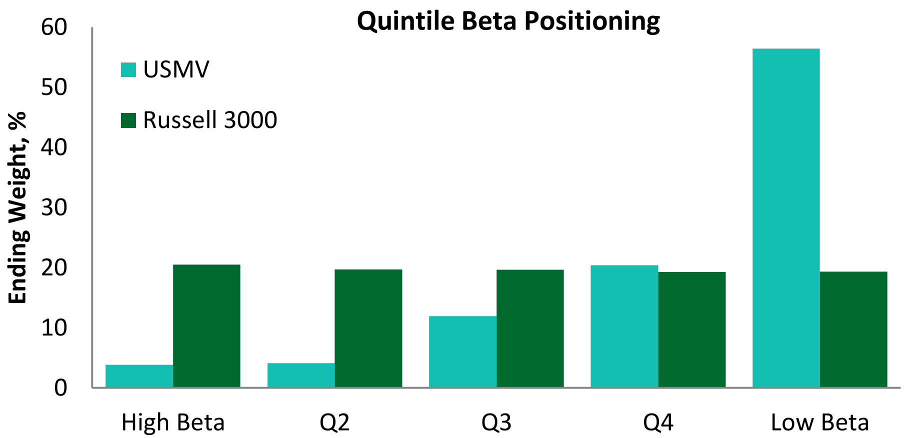
# SIIT U.S. Managed Volatility positioning

### The Fund is overweight low-beta sectors.

- By design, the strategy is attracted to low-volatility companies with stable operating performance.
- In the current market environment, the managers are finding more stability among health care, consumer staples, utilities and telecommunications, and avoiding the more volatile information technology, consumer discretionary, industrial and energy sectors.
- Throughout recent months, the managers have been rotating out of utilities and consumer staples and into health care. This action is in response to the risk that rising interest rates pose to the former two sectors.




### The Fund maintained its defensive positioning by avoiding high-volatility stocks.

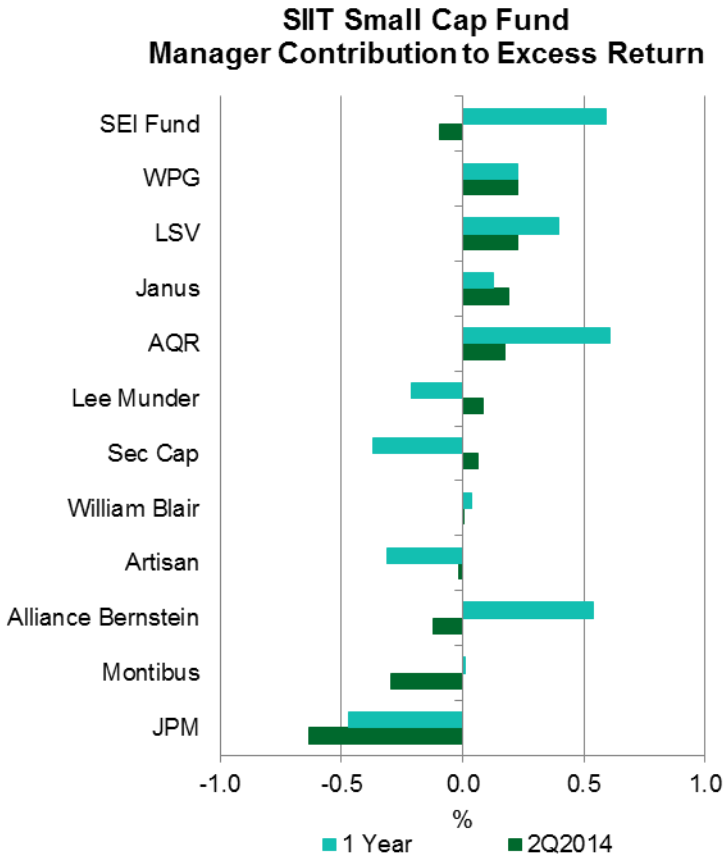



Source: SEI, Factset, Axioma. Benchmark: Russell 3000. Data as of 6/30/2014.

# SIIT Small Cap Fund

## Performance review

- The Fund struggled this quarter, as deep cyclicals and defensives outpaced less cyclical industries.
- Value modestly beat growth. Risk premium (value) and lower-risk stability strategies generally performed well in the quarter.
- Energy stocks surged and information technology lagged.
- Sector allocation was not a material factor in the quarter.
- Information technology and financial stock selections performed best, while health care selections lagged.
- Among managers, LSV and Robeco performed best, while J.P. Morgan detracted.




Performance data quoted is past performance and is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI. Returns and sector weights versus Russell 2000 Index. Data through June 30, 2014.

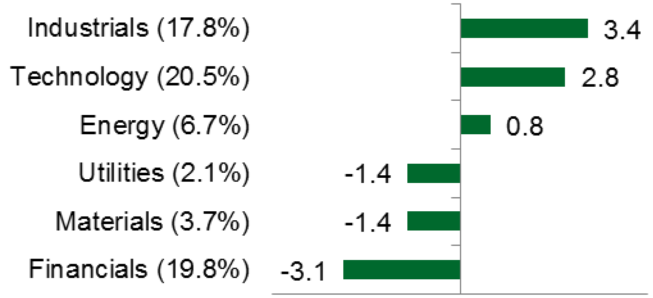
# SIIT Small Cap Fund

## Positioning review

- The Fund remains underweight defensive areas of the market despite the surprising performance of defensive names in the second quarter
- We are looking at small-cap names as a buying opportunity relative to large-cap names
- The primary risks to our thesis are a resumption of consumer de-leveraging, tightening lending standards and decreases in top-line growth

| Manager Allocations (%) | |
|---|---|
| AQR | 16.9 |
| Montibus | 11.1 |
| JPM | 10.9 |
| Alliance Bernstein | 10.3 |
| Robeco | 9.6 |
| Janus | 8.7 |
| LSV | 8.0 |
| Lee Munder | 7.7 |
| William Blair | 6.6 |
| Artisan | 4.9 |
| Sec Cap | 0.8 |

**Active Sector Allocation***

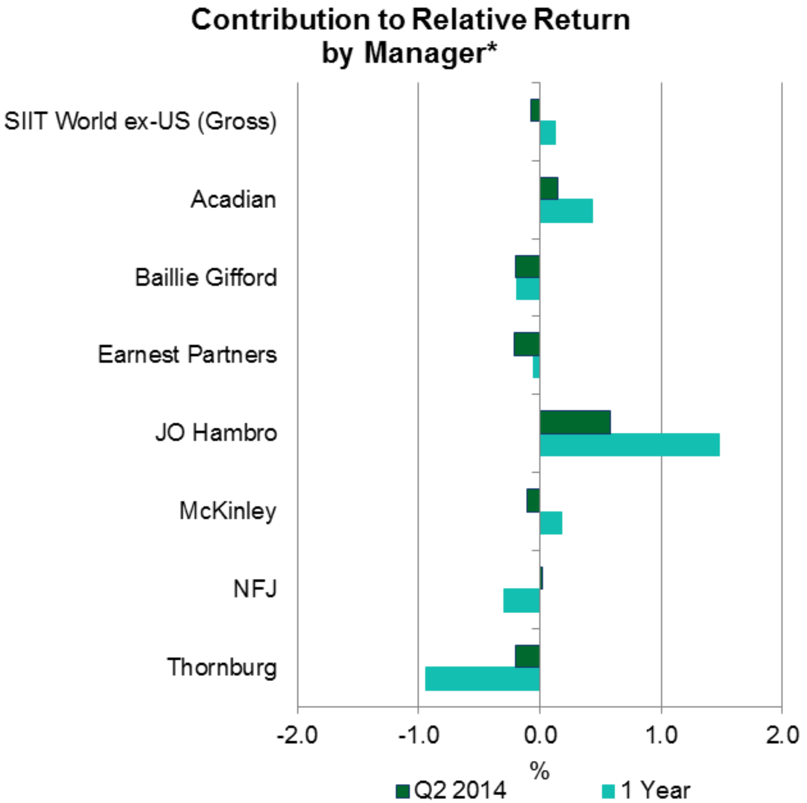



* Versus Russell 2000 Index; figures in parentheses are actual sector weights in the Fund, excluding cash; only the three largest active sector over and underweights are shown. Data through June 30, 2014. Cash represented 4.3% of fund assets.

# SIIT World Equity ex-U.S. Fund

## Performance review

- Regionally, the Fund's emerging-markets allocation contributed most significantly to performance due to strong stock selection in Taiwan and Brazil. In contrast, the allocation to Europe and stock selection in Canada and Japan hurt results. Selection was particularly weak in Dutch industrials and energy stocks.
- At the sector level, weak selection in industrials and energy offset strong selection in other sectors. The Fund's selection within health care was most favorable, though it also benefitted from an overweight to and strong selection within information technology as well as selection in telecommunications. Stock selection within consumer staples and materials detracted.
- Results at the manager level were mixed  varying over the course of the quarter. JO Hambro Capital Management contributed most significantly to performance through strong stock selection in information technology, health care and materials. Acadian Asset Management also delivered strong results, bolstered by stock selection in information technology and financials. In contrast, Earnest Partners, Baillie Gifford and Thornburg Investment Management struggled due to weak selection in the energy, industrials and consumer discretionary sectors, respectively.



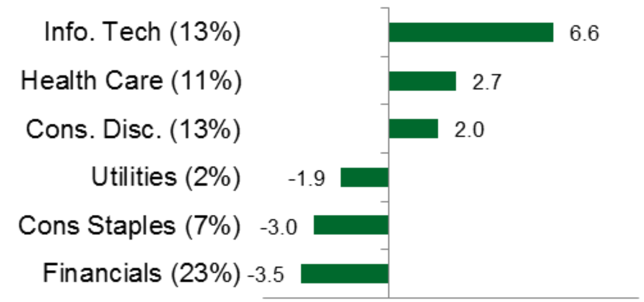

* Performance data quoted is past performance and is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI. Returns versus the MSCI ACWI ex-US Index.

# SIIT World Equity ex-U.S. Fund

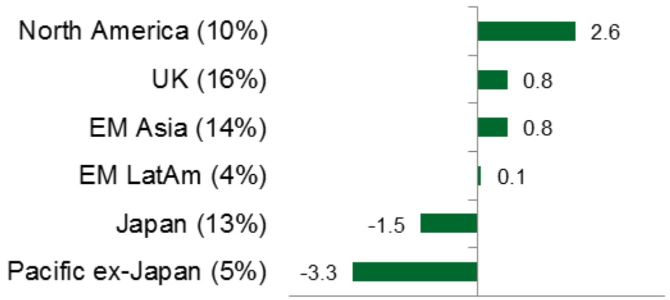
## Positioning review

- Our managers have gradually built up an overweight to Europe by emphasizing stronger countries such as Norway, the Netherlands and Austria while remaining underweight belabored countries such as France and Spain.
- The Fund maintains a slight underweight in Japan, as many of our fundamental managers await confirmation that the country's corporate structural challenges will be addressed and that the environment for growth has become more favorable.
- Collectively, the managers have a marginal overweight to emerging markets, including several country-specific positions driven by stock selection.
- The Fund is overweight Brazil, where the domestic economy appears to be accelerating. It also has a positive stance toward China.
- The Fund is underweight Mexico (which is broadly regarded as expensive) and Malaysia.

**Active Sector Allocation%***




**Active Region Allocation%***



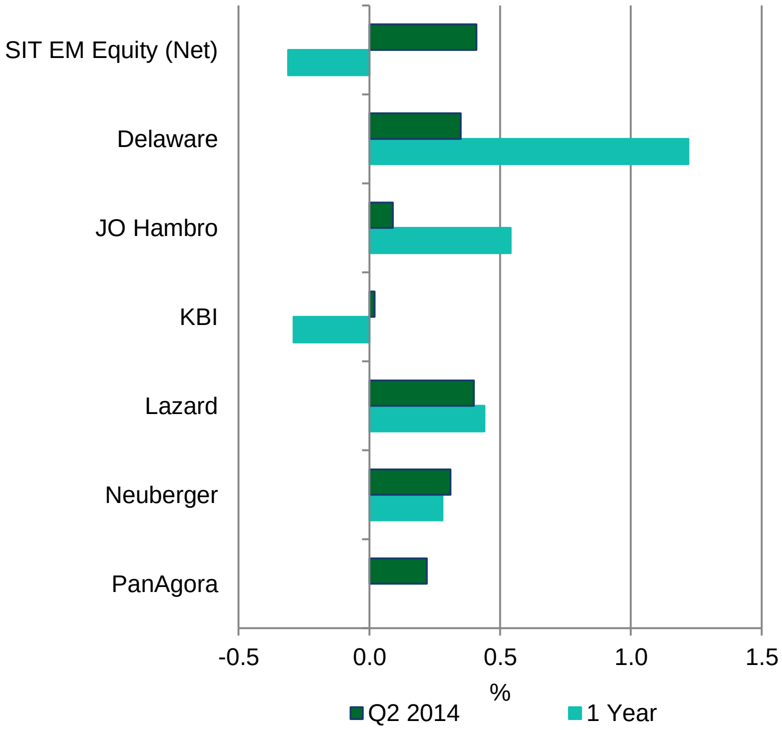

Versus the MSCI ACWI ex-US Index; figures in parentheses are actual Fund weights as of June 30, 2014, excluding cash; only the three largest active sector over and underweights are shown. In base currency, gross of fees.

# SIT Emerging Markets Equity Fund

## Performance review

- The Fund did well during the quarter. Results within Europe, the Middle East and Africa contributed the most to performance, with the holdings in Russia and emerging-markets newcomer United Arab Emirates driving the majority returns for the region.
- Results within Latin America were also favorable, with selection in Brazil supporting the region overall.
- Emerging Asia also did well, mainly through the Fund's holdings in India.
- At the sector level, stock selection in financials, consumer discretionary and consumer staples boosted performance, while materials was the only sector to meaningfully detract.
- All of the Fund's managers outperformed the benchmark for the quarter.
- The top performer was Lazard's growth-focused portfolio, with strong results across its financials and consumer discretionary names.
- Delaware Investment's value-driven portfolio delivered favorable stock selection in telecommunications and consumer staples.
- Neuberger Berman's quality-growth strategy also benefitted from stock selection across a number of sectors, primarily through financials and information technology

**Contribution to Relative Return by Manager***

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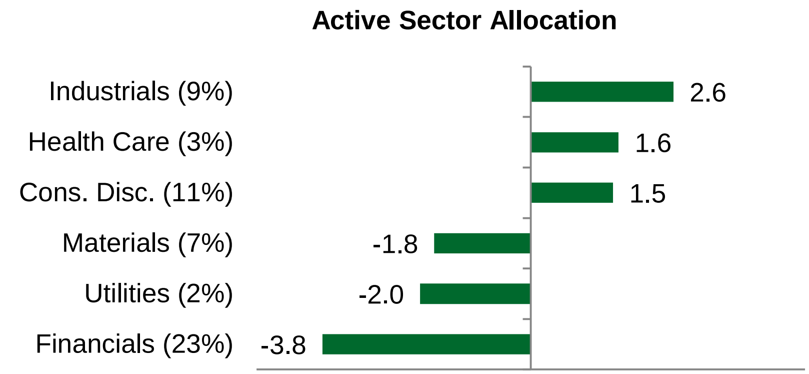
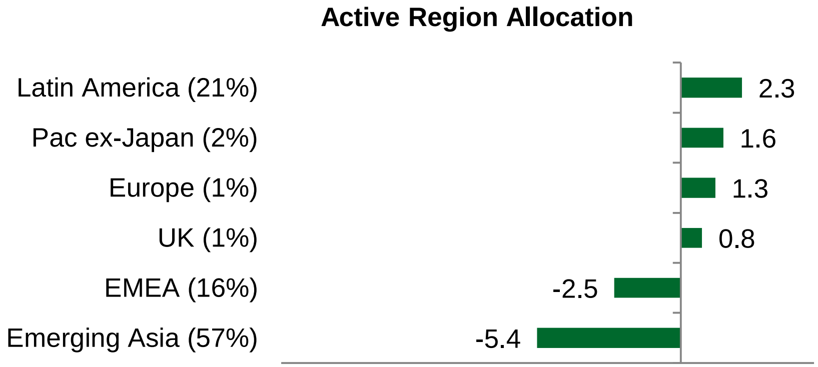
# SIT Emerging Markets Equity Fund

## Positioning review

- The Fund retained a slight overweight to Brazil after weighing the risks involved (questionable regulatory environment and geopolitical concerns) against opportunities.
- The Fund continues to emphasize consumer discretionary and health care stocks, which are expected to benefit from a growing middle class, and industrial stocks that are positioned to benefit from infrastructure bottlenecks due to government regulations.
- Although the Fund is currently underweight financials, we will rely on our managers to choose emerging markets stocks that should benefit from the direction of monetary policies in the region.
- Managers are overweight small-cap stocks due to valuation. With a longer term view, this positioning should benefit from domestic growth in emerging countries, as the majority of consumer-focused stocks are in the mid- and small-company range.



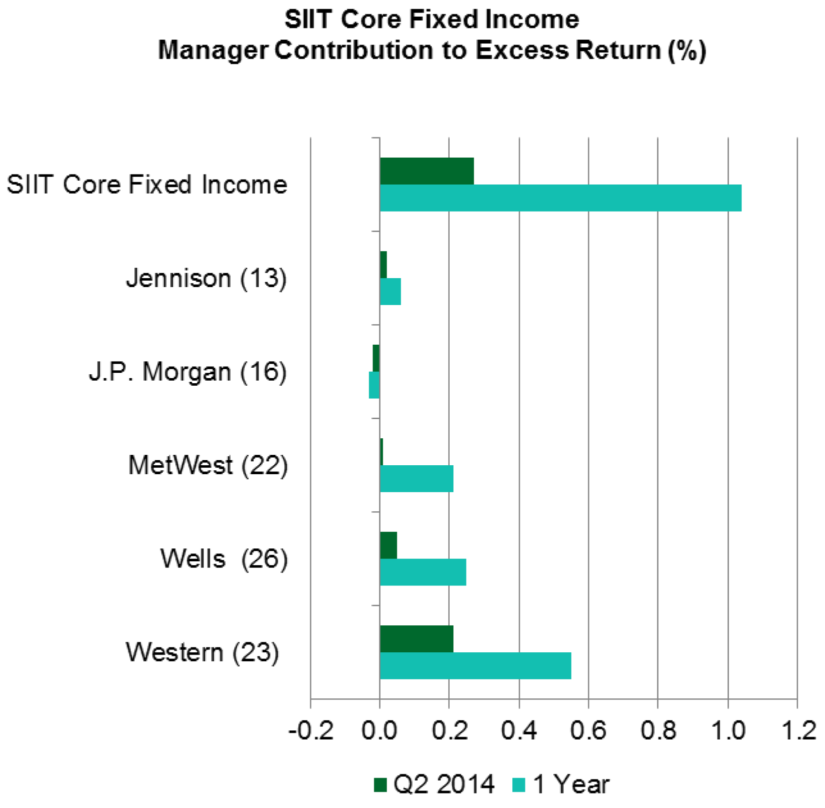




Versus the MSCI Emerging Markets Index; figures in parentheses are actual Fund weights as of June 30, 2014, excluding cash; only the three largest active sector over and under weights are shown. In Base Currency, Gross of Fees.

# SIIT Core Fixed Income Fund: Performance review

## Performance review

- The Fund performed well during the quarter, as U.S. Treasury yields declined, and demand for Treasury bonds grew
- Overweights to financials and non-agency mortgage backed securities (MBS) by Westen Asset Management (Western) and Metropolitan West Asset Management (MetWest) contributed to performance
- Non-agency MBS were supported by the ongoing housing recovery and attractive risk-adjusted yields
- A moderate overweight to agency MBS by Western and Wells Capital Management (Wells) also helped
- An underweight to non-corporate bonds and overweight to commercial mortgage backed securities (CMBS) by Western, MetWest, and Wells detracted

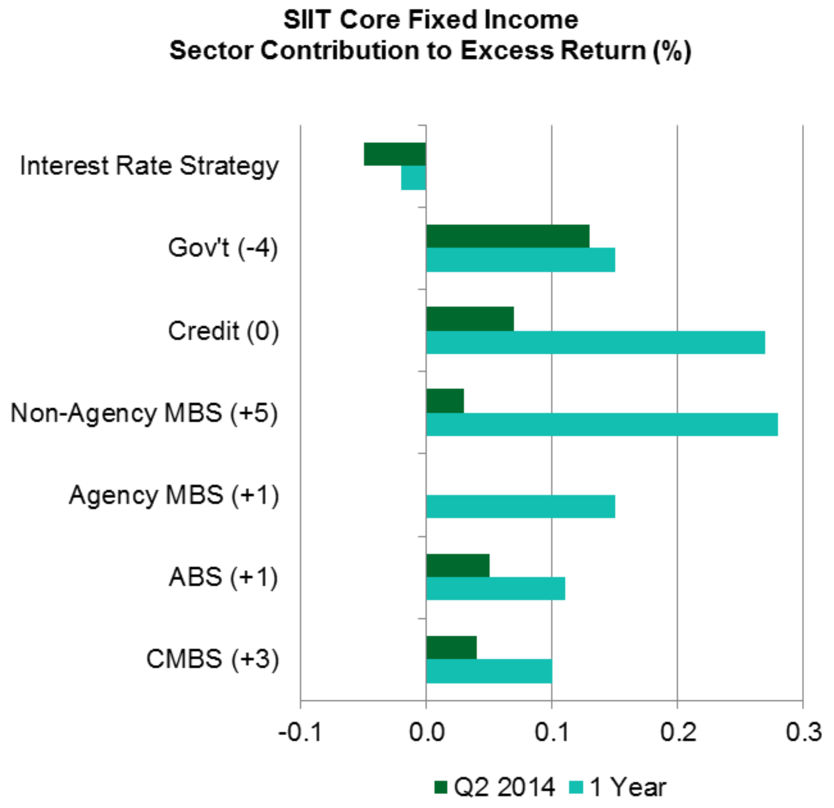



In base currency, gross of fees. (#) indicates the percent allocation in the Fund. Index = Barclays US Aggregate Index. Performance data quoted is past performance. Past performance is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI.

# SIIT Core Fixed Income Fund: Positioning and actions

## Positioning review

- The Fund maintained a moderate short-duration posture with a yield-curve-flattening bias
- The Fund was overweight non-agency MBS given that sector's attractive risk-adjusted yield
- The Fund was also overweight the financial sector given improved fundamentals as well as new financial regulations and capital requirements that should be beneficial to bondholders
- The Fund was also overweight CMBS (particularly in senior tranches) and moderately overweight agency MBS via an allocation to agency collateralized mortgage obligations

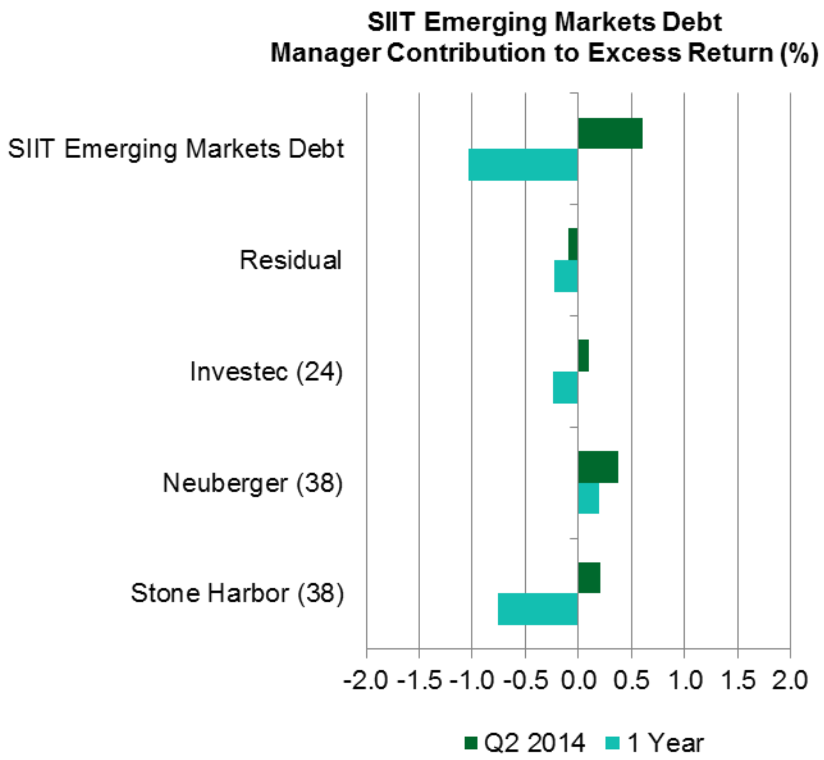



(#) indicates the relative % weight to the benchmark In base currency, gross of fees. Performance data quoted is past performance. Past performance is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI. Sources: SEI. Index = Barclays US Aggregate Index.

# SIIT Emerging Markets Debt

## Performance review

- The Fund's overweight to Venezuela added to returns, as did security selection in Mexico, Poland and China
- Detractors included an underweight to Argentina, a short position in Singapore and an overweight to cash
- The Fund's tactical positioning in external and local debt hovered around neutral during the period and had an insignificant impact on performance

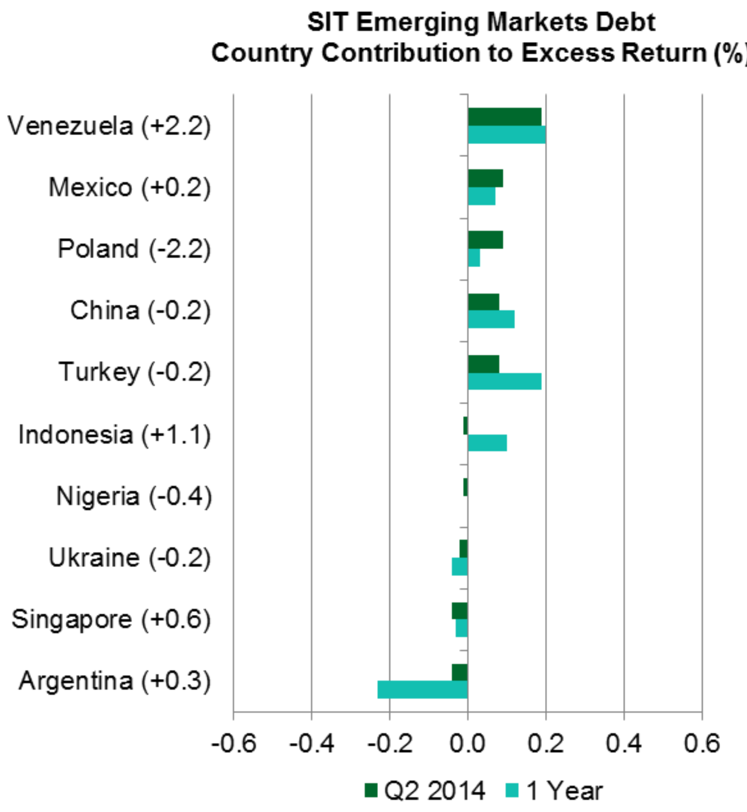



In base currency, gross of fees. (#) indicates the percent allocation in the Fund. Index = 50% JPM EMBI Global Diversified / 50% JPM GBI-EM Global Diversified. Prior to 6/30/12 the index is 100% JPM EMBI Global Diversified. Performance data quoted is past performance. Past performance is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI.

# SIIT Emerging Markets Debt

## Positioning review

- The Fund maintained a small overweight to local currency rates, as valuations have become attractive versus external debt
- The Fund ended the quarter over-yielding the Index by about 20 basis points and duration neutral at the benchmark level
- Corporate debt exposure was largely unchanged and ended the quarter at about 5%, as valuations are unattractive from a sector standpoint in our opinion
- The Fund's managers remain mindful of the strong gains achieved year to date
- While they still believe there is further upside as a result of the improved technical backdrop, they also believe that some valuations in the external debt space have become stretched

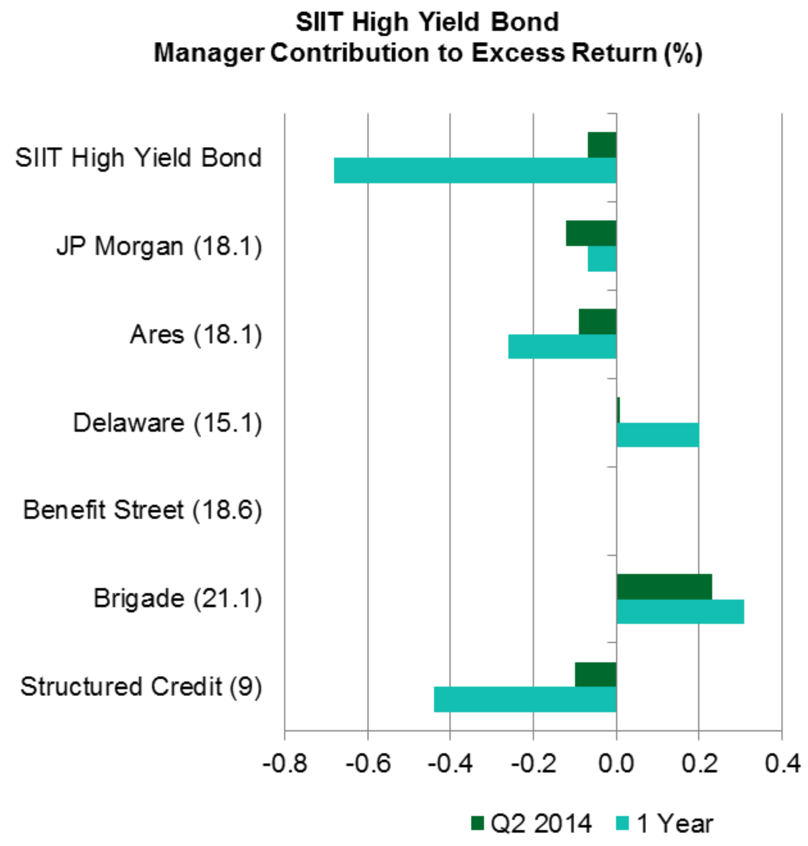



(#) indicates the relative weight to the benchmark. Sources: SEI, Factset. Index = 50% JPM EMBI Global Diversified / 50% JPM GBI-EM Global Diversified. Prior to 6/30/12 the index is 100% JPM EMBI Global Diversified. Performance data quoted is past performance. Past performance is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI.

# SIIT High Yield Bond

## Performance review

- The Fund benefited from selection in the gaming and energy exploration and production sectors during the quarter.
- An overweight to and selection in food and drug retailers also added to returns.
- Underweights and selections in banking and electric generation detracted, as did selection in the packaging sector and an allocation to structured credit.
- With positive returns in the high-yield market, the Fund's defensive posture and cash holdings diminished performance.
- Guggenheim Investment Management was removed from the Fund and Benefit Street Partners added. The change was made due to higher conviction in the new manager.

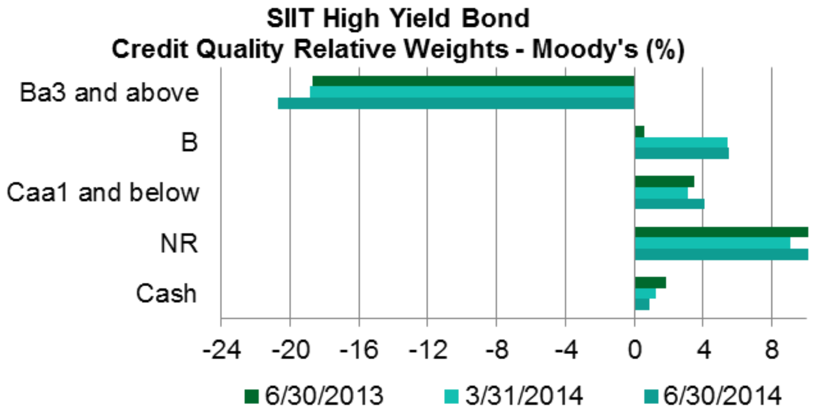


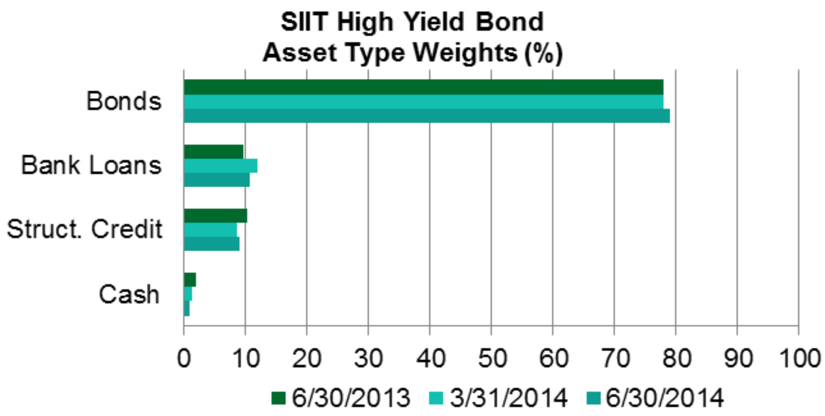

In base currency, gross of fees. (#) indicates the percent allocation in the Fund. Index = ML US High Yield Master II Constrained. Performance data quoted is past performance. Past performance is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI.

# SIIT High Yield Bond

## Positioning review

- As the high-yield market approaches full valuation, the Fund's managers will maintain a slightly more defensive posture and be selective in new purchases, through allocations to bank loans and cash—especially with bank-loan valuations looking attractive versus BB rated bonds.
- While the fundamental picture of the market has improved over the last few years, the market is not immune to pricing adjustments from global macro-related or political events.
- Default rates remain below historical averages and are likely to stay there if economic growth remains positive. Below-average default rates, cost-cutting measures by companies, refinancing activity, reduced leverage and top-line revenue growth have put high-yield issuers on firmer financial ground than they were prior to 2008, in our view.
- The Fund's managers continue to look for securities that are upgrade or acquisition candidates, two events that typically lead to outsized bond returns.



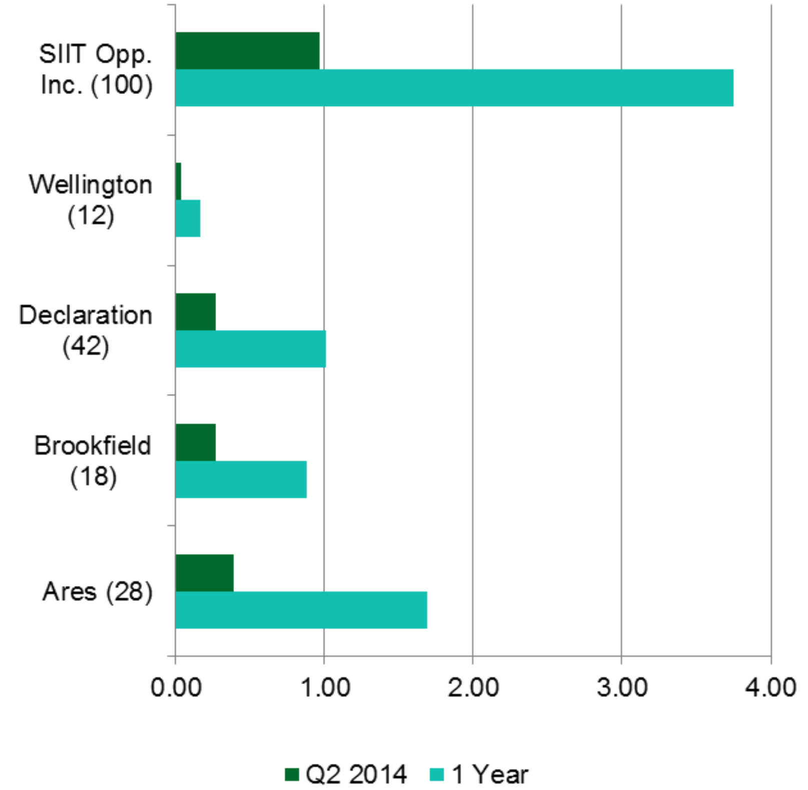

Sources: SEI, Factset . Index = ML US High Yield Master II Constrained.

# SIIT Opportunistic Income Fund

## Performance review

- The Fund did well during the period, as investors focused on the U.S. economic outlook in the wake of a weather-induced contraction in the first quarter
- Its overweight to financials contributed to performance, as fundamentals for the sector continued to improve through a combination of enhanced operations among companies and regulatory capital requirements
- The Fund's overweight to non-agency mortgage backed securities (MBS) also helped, as the sector continued to be supported by the housing recovery and by its relatively attractive risk-adjusted yield
- An overweight to agency MBS added to returns, thanks to lower coupon mortgages, as did an overweight to the outperforming commercial MBS
- The Fund's bank loan allocation was also beneficial. Exposure to the two-year part of the curve detracted modestly

**SIIT Opportunistic Income Contribution to Excess Return (%)**

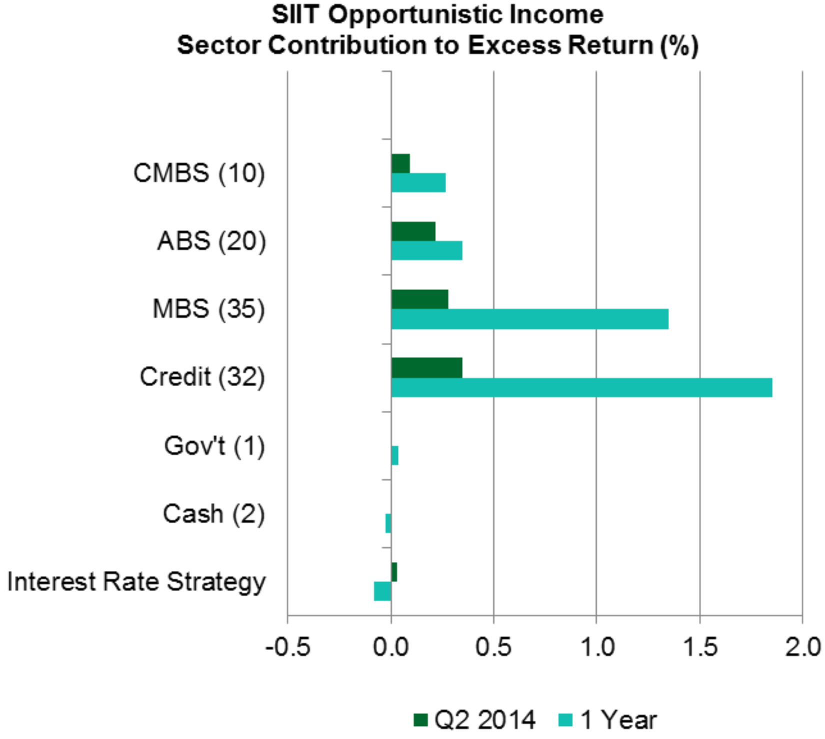



In base currency, gross of fees. (#) indicates the percent allocation in the Fund. Index = Merrill Lynch Three-Month Constant Maturity LIBOR * Enhanced Cash includes Wellington, Declaration, Brookfield. Performance data quoted is past performance. Past performance is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI.

# SIIT Opportunistic Income Fund

## Positioning review

- The Fund has been using the new-issue bank loan market to source deals with favorable covenants and the secondary market for lower priced securities.
- It continues to provide a yield advantage over the benchmark and maintains allocations to the non-Treasury sectors, especially bank loans, non-agency residential MBS (RMBS), and asset-backed securities (ABS).
- In response to a challenging investment environment, our enhanced cash managers are focused on managing the Fund's sensitivity to higher rates and wider spreads.
- As a result, the managers are buying seasoned, short-average-life securities at the top of the capital structure that provide attractive yields and a favorable position in the event of default.
- The managers have added to consumer ABS and CMBS, while reducing exposure to agency MBS. We expect future returns to be driven less by price appreciation and more by the yield advantage of these securities over the benchmark.




**Index = ML 3M Constant Maturity LIBOR

** Bank Loans includes: 25% bank loans, 3% HY, 3% CLO

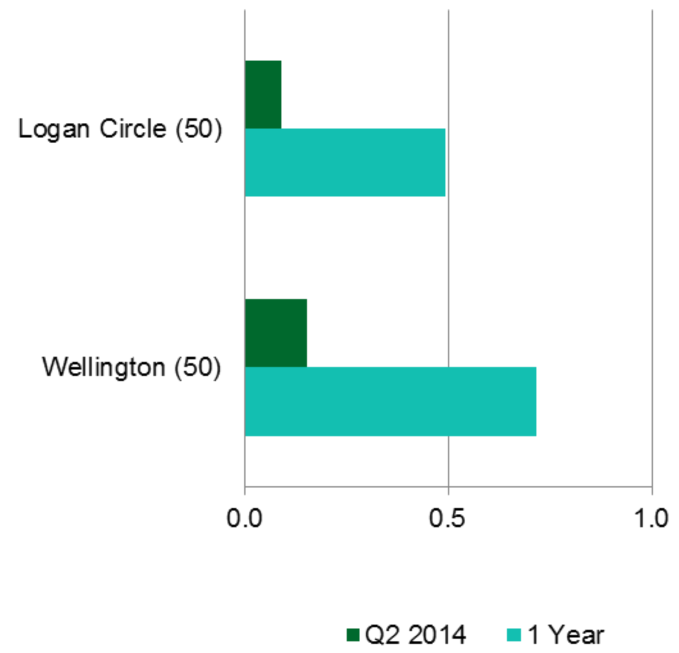
Source: SEI, Blackrock Solutions. (#) indicates the absolute weight. Performance data quoted is past performance. Past performance is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI.

# SIIT Ultra Short Duration Bond Fund

## Performance review

- The Fund performed well as U.S. Treasury yields declined during the quarter, but not by the same magnitude as in the first quarter.
- The non-agency mortgage backed securities (MBS) market performed well, as prices were modestly higher across the legacy non-agency sectors. The sector continued to be supported by the housing recovery and more attractive risk-adjusted yield relative to other sectors. The Fund's overweight to this sector was positive.
- Agency MBS also performed well, led by the lower coupon mortgages despite the reduction in purchases by the Fed. However, as the tapering continues and housing activity picks up, the technical environment should weaken, in our view. The Fund's moderate underweight to this sector detracted.
- Senior commercial mortgage-backed securities (CMBS), particularly those at top of the capital structure, continued to lag other structures in the CMBS market, but still managed to outperform Treasurys. The Fund's overweight to the sector was a positive.

**SIIT Ultra Short Bond Fund***
**Manager Contribution to Excess Return (%)**

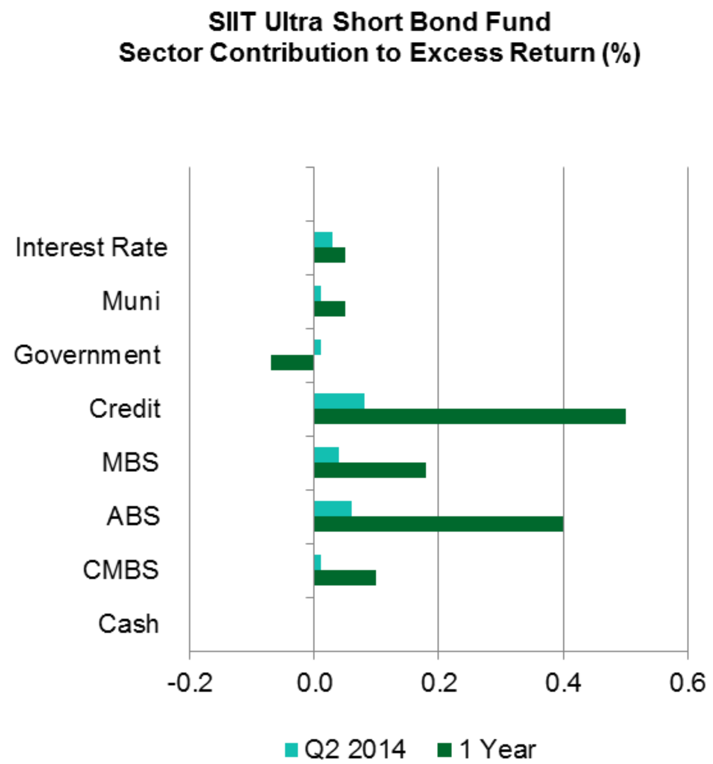



*In base currency, gross of fees; (#) indicates the percent allocation in the Fund. Index = Barclays U.S. Treasury 9-12 Month. Performance data quoted is past performance. Past performance is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI.

# SIIT Ultra Short Duration Bond Fund

## Positioning review

- The Fund's managers expect the global economy to show slow and steady growth, which should be favorable for investment-grade spread sectors
- The Fund continues to provide a yield advantage over the benchmark by maintaining allocations to the non-Treasury sectors, especially investment-grade corporates, asset-backed securities, and CMBS
- The Fund's short-duration posture relative to the benchmark has been maintained in an effort to protect against rising interest rates




Sources: SEI, BlackRock Solutions; Index = Barclays U.S. Treasury 9-12 Month; (#) indicates the relative weight to the benchmark; Performance data quoted is past performance. Past performance is no guarantee of future results. The principal value and investment return of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original value. Current performance may be higher or lower. For performance data current to the most recent month end, please call 1-800-DIAL-SEI.

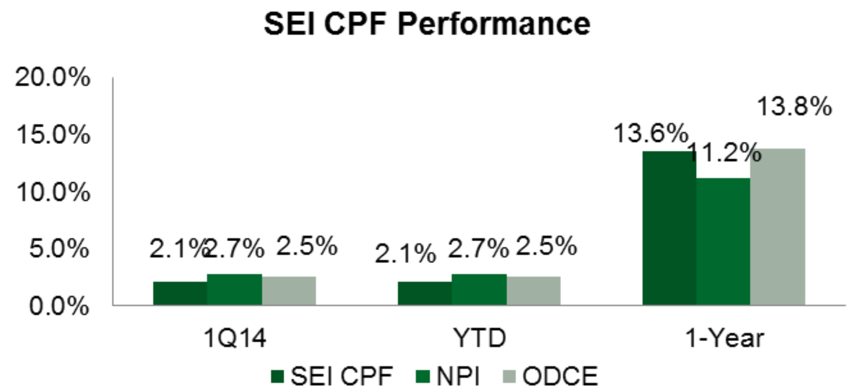
# Core Property Fund: Performance review

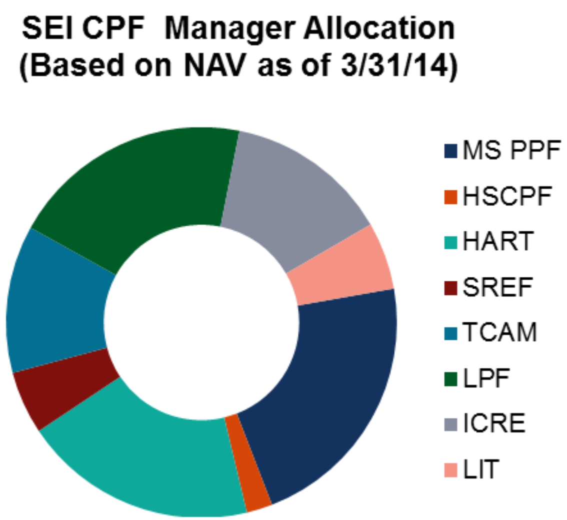
## Contributors

- Four of the eight managers matched or exceeded the NPI benchmark and the ODCE peer group with gains of at least 2.9%.
- Gains were broad based, as all four primary sectors posted strong, positive returns. The three sector specialists again contributed significantly to the Fund's income return.
- The Fund's allocations to regional malls, as well as the non-core exposure to self storage, all contributed on a relative basis.

## Detractors

- On a broad basis, three of the four diversified managers lagged both the benchmark and peer group and drove the fund's relative under-performance, with each experiencing specific individual items that are expected to either reverse or dissipate going forward.
- Outside of the property-level investments, debt mark to market adjustments had a negative impact on most managers' total returns given the fall in rates during the quarter.
- The portfolio's hotel exposure, while small in weight, has lagged other sectors in recent quarters and we expect it be significantly reduced over the few months.



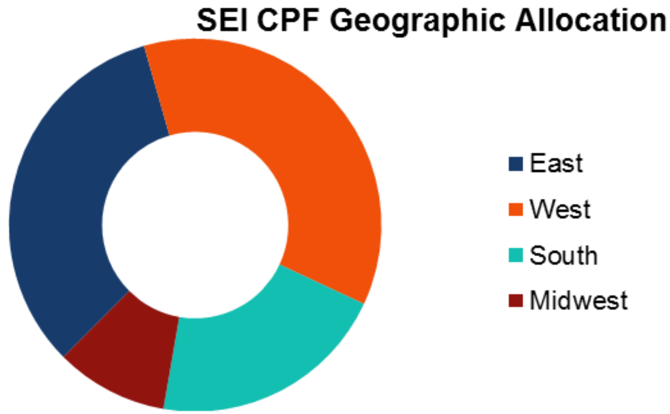



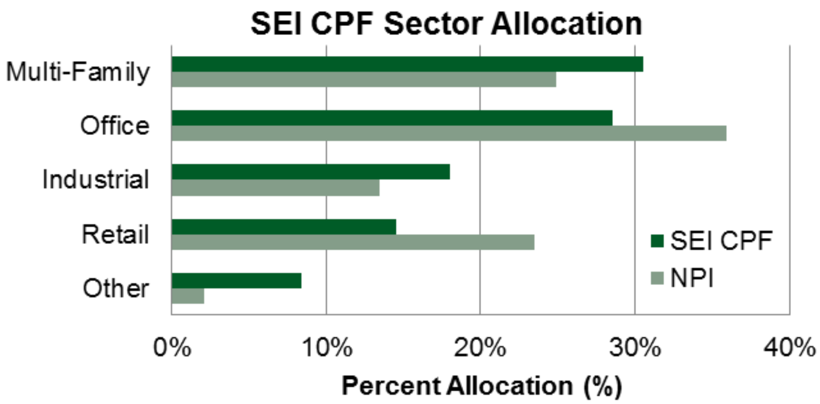

Past performance does not guarantee future results.

# Core Property Fund: Positioning and actions

## Positioning

- The Fund currently maintains overweights to the multi-family, industrial, and other sectors at the expense of office and retail
- Fund-level leverage is at 24.7%, and occupancy is at 93.2% for the quarter, both higher than the corresponding ODCE figures by 330 and 170 basis points, respectively
- The Fund remains well diversified through its eight managers, which in total provide exposure to more than 600 individual properties




## Actions

- The Fund received additional commitments of over $85 million for April 1 and instituted a queue that is expected to be drawn over the next three to six months
- Current assets under management are just under $1.2 billion
- To continue building the Fund and accommodate future inflows, additional commitments were made to several of the existing managers

Sources: SEI, NPI. Based on actual invested position of money drawn by managers and excluding cash; “Other” includes predominantly self-storage, hotel and land. As of 3/31/14.

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