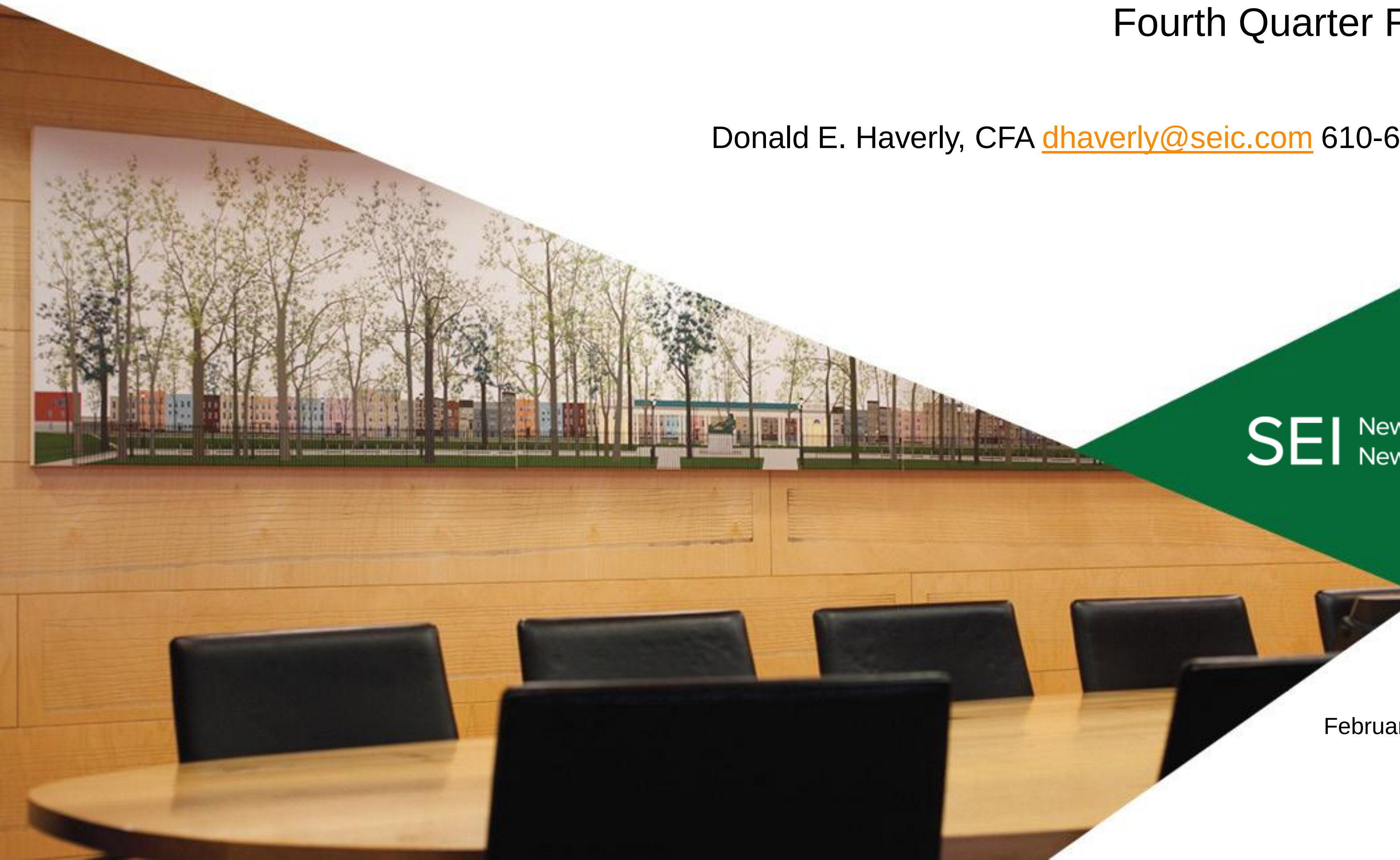
International Union of Operating Engineers Local #487

Fourth Quarter Review

Donald E. Haverly, CFA dhaverly@seic.com 610-676-2465



SEI New ways. New answers.®

February 7th, 2013

Agenda

- Capital Markets Review
- Plans Assets and Metrics
- Asset Allocation
- Appendix

Taft-Hartley Client Symposium

Save the Date

SEI Taft-Hartley Client Symposium

June 12–14, 2013

SEI Corporate Headquarters, Philadelphia Suburbs

The agenda will include:

- Strategic planning for today's Taft-Hartley plans
- Dynamic management: Taking advantage of investment opportunities
- Understanding the investment manager decision-making process
- Plan governance: Fiduciary management roles for Taft-Hartley plans
- Opportunities for interaction with your peers and continuing education credits

A formal invitation and detailed agenda will follow. In the meantime, please reserve your spot today. If you have any questions, contact your Relationship Manager.

Capital Markets Review

IUOE Local #487
2012 executive summary, 12/31/2012

Summary

• Pension Plan returned 13.8% year to date, with assets totaling $50,313,925

• Health & Welfare Plan returned 9.7% year to date, with assets totaling $2,803,327

• Apprentice & Training Plan returned 8.9% year to date, with assets totaling $610,951

Portfolio highlights

- J for Jobs position tendered 1/30/12 for $7.7 million
- 5% ($2.5 million) Core Property position established in the Pension on 9/30

2013 outlook

- Clarity after Fiscal Cliff negotiations, accommodative central bank policies and continuing economic growth in the U.S. promote a favorable environment for equity versus fixed income
- We are looking for an opportunity to overweight stocks versus bonds and the opportunity to overweight emerging market equity

Global market review: A surprisingly robust year!

Market review

- Markets climbed a wall of worry in 2012, with risk assets producing surprisingly robust returns.
- Markets were less affected by macro events in the second half of the year.
  - Fewer sharp directional changes; fundamentals begin to matter

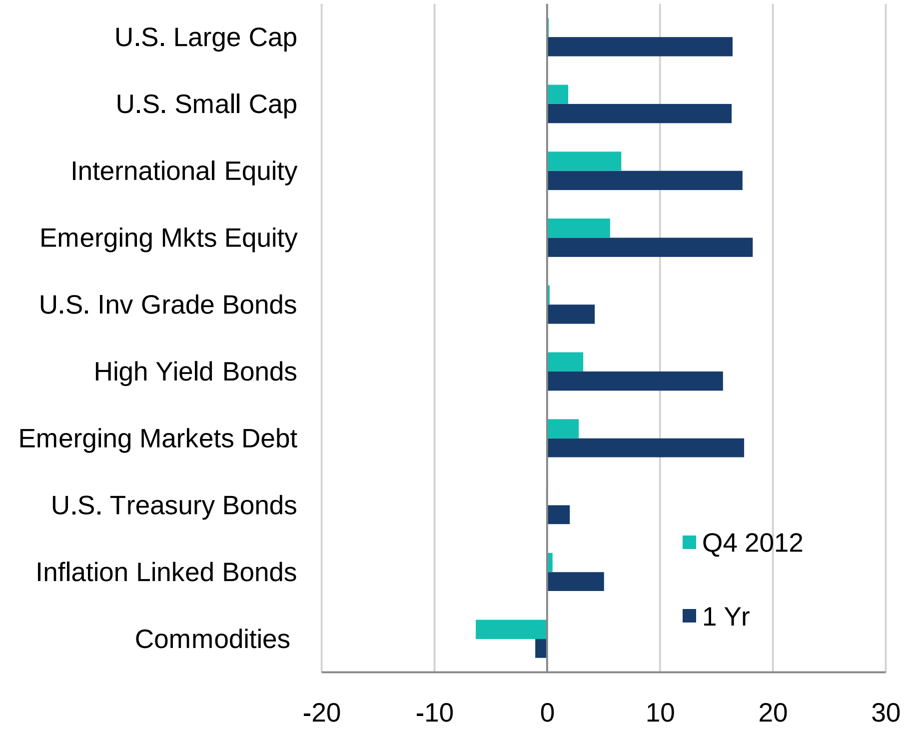
Strategy positioning

- Portfolios are generally well-positioned to benefit from the market's renewed focus on fundamentals.

SEI's market and economic outlook

- The U.S. economy should continue to grow as the cyclical recovery remains intact.
- We are bullish on equities versus fixed income.
  - Looking for an entry point
- We remain skeptical about Europe in 2013.
  - The eurozone economy will remain weak until the banking system is on a sounder footing.

Financial Markets Performance as of 12/31/12
Selected Markets Q4, and 1 Year (%)



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 1-10 Year TIPS, Commodities = DJ UBS Commodity Index. Source: SEI, FactSet

Equity markets: Improving active management environment

- Despite negative headlines and macro concerns, equity markets were surprisingly strong for the year.
  - Europe ex-UK +22% as sovereign debt crisis fears ease
- Volatility and stock correlations declined as investors become less reactive to headlines.
- U.S. equity markets broke from sharp directional patterns of risk on, risk off in the second half of 2012.
- Sector and factor leadership for the year was mixed after risk on, risk off trading subsided.

Portfolio Impact

- We saw strong performance during a volatile and changing market environment.
  - Domestic large cap and international strategies outperformed on the strength of bottom-up security selection.
  - Small cap strategies lagged.

Macro shockwaves receding

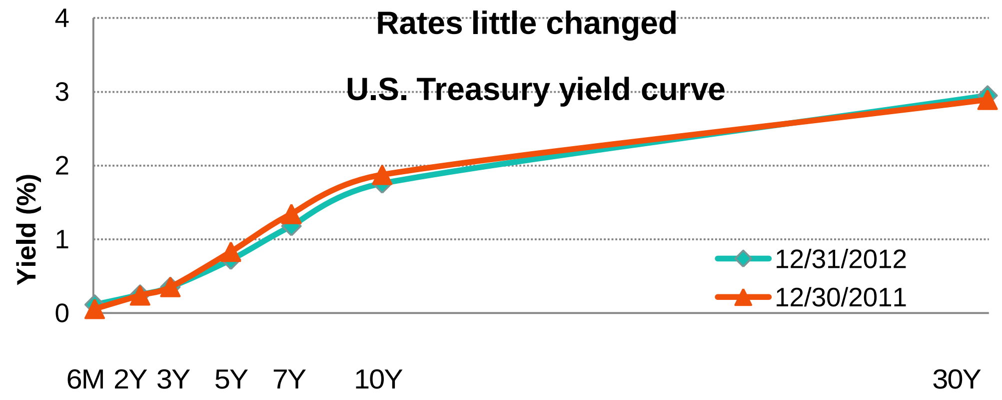
Risk on/Risk off trading lessens
Similar risk groups perform differently

	Outperformers	Underperformers
Risk On	Industrial Leverage	Technology Volatility
Risk off	Health care Low P/E	Staples Dividend Yield

Sources: Chart: Factset, CBOE. Table: Russell 3000 Index, 8/31/12-12/31/12

Fixed income: All about spreads

- Returns were largely driven by spread compression for both the quarter and the year.
  - Banks and commercial mortgage-backed securities led the way as the economy continued to heal.
- Interest rates were mostly unchanged for the year, with rates down modestly in the belly of the curve.
  - Fed intervention remained effective in keeping rates low.



Portfolio impact

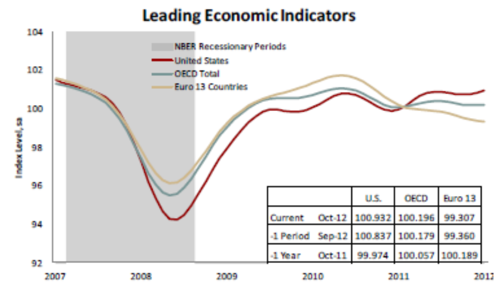
- Strategic allocations to high-yield and emerging-market debt and enhanced-income strategies all exceeded expectations as spreads contracted sharply.
- Investment-grade fixed-income portfolios benefited from allocating risk budgets to spread exposure rather than interest-rate positioning.

Spread contraction drives performance

	Spread as of 12/31/2011	Spread as of 12/31/2012	Change	YTD Excess Return (%)
Aggregate Index	87 bps	53 bps	(34) bps	2.26
Credit	217	131	(86)	6.93
ABS	99	43	(56)	2.46
CMBS	308	124	(184)	8.41
Agency MBS	75	50	(25)	0.91
Financials	337	155	(182)	12.52

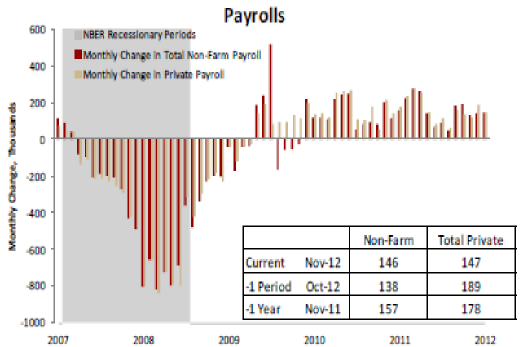
Source: Spreads – Barclays, Yield Curve - Bloomberg

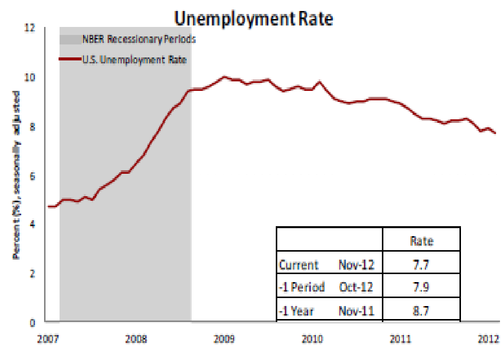
U.S. economy showing continued signs of improvement



GDP

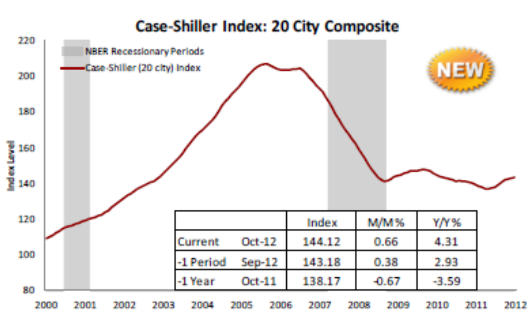
- Fiscal Cliff compromise, albeit imperfect, provides more tax certainty
- U.S. economy will grow slowly, lowering “double-dip” risks towards recession

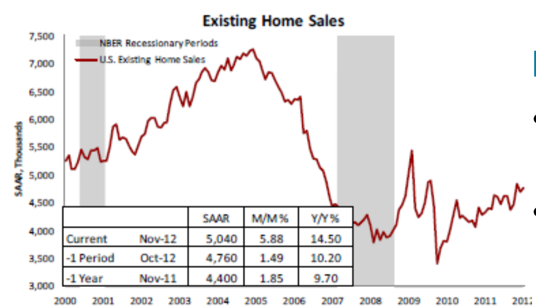




Employment

- Payrolls continue to increase and employment picture improving
- Federal Reserve will maintain its current monetary policy easing until targeted levels of employment are met





Housing

- Prices and home sales continue their upward trends
- Worst of 2007/2008 housing crisis appears behind us

Plan Assets and Performance

Fund Performance

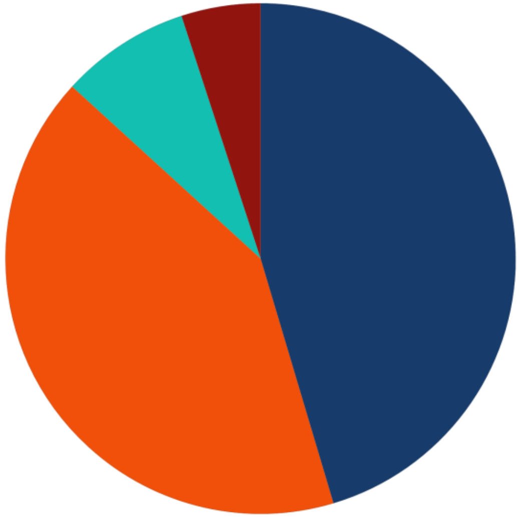
Fund	3 Month, 12/31/2012			1 Year, 12/31/2012		
	SEI (%)	Index (%)	Difference	SEI (%)	Index (%)	Difference
Large Cap	0.94	0.12	0.82	17.34	16.42	0.92
Small Cap	1.97	1.85	0.12	14.37	16.35	-1.98
World Equity ex-US	6.53	5.85	0.68	18.70	16.83	1.87
Core Fixed Income	0.65	0.22	0.43	7.23	4.22	3.01
High Yield Bond	3.54	3.18	0.36	17.24	15.55	1.69
Emerging Markets Debt	4.11	3.47	0.64	19.15	17.20	1.95
Opportunistic Income	1.09	0.09	1.00	7.49	0.51	6.98
Core Property	2.71	2.54	0.17	11.48	10.54	0.94

Benchmarks for the funds are as follows: S&P 500 Index (Disciplined Equity), Russell 2500 Index(Small/Mid Cap Equity), MSCI World Equity ex-US (World Equity ex-US), Barclays US Aggregate (Core Fixed Income), ML US Master II Constrained Index (High Yield Bond), JPM EMBI Global Diversified Index (Emerging Markets Debt), B of A ML 3M Con-Mat Libor (Opportunistic Income), NCREIF (Core Property)

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 Total Portfolio 12/31/12

Current portfolio allocation



Asset Class		Total Market Value	% Allocation
Fixed Income	$	22,580,644	44.9%
US Equity	$	20,586,668	40.9%
World Equity x-US	$	4,084,521	8.1%
Real Estate	$	2,500,000	5.0%
Other	$	560,000	1.1%
Cash & Equivalents	$	2,092	0.0%
TOTAL	**$**	**50,313,925**	**100%**

Manager/Asset	Style		Total Market Value	% Allocation
SEI LARGE CAP FUND	US Equity	$	18,000,310	35.8%
SEI CORE FIXED INCOME FUND	Core Fixed Income	$	17,671,211	35.1%
SEI WORLD EQUITY EX-US FUND	World Equity x-US	$	4,084,521	8.1%
SEI HIGH YIELD BOND FUND	High Yield Fixed Income	$	2,954,541	5.9%
SEI SMALL CAP FUND	US Equity	$	2,586,358	5.1%
SEI CORE PROPERTY COLLECTIVE INVEST TR	Real Estate / Property	$	2,500,000	5.0%
SEI EMERGING MARKETS DEBT FUND	Emerging Markets Fixed Income	$	1,954,892	3.9%
AUCTION RATE SECURITIES	Other	$	560,000	1.1%
CASH & ACCRUED INCOME		$	2,092	0.0%
	TOTALS	**$**	**50,313,925**	**100%**

Portfolio Performance – Pension Total Portfolio 12/31/12

Total Portfolio Returns

	1 Month	3 Month	YTD	1 Year	FYTD	ITD*
TOTAL PORTFOLIO RETURNS (Gross)	1.13%	1.34%	13.81%	13.81%	4.24%	8.63%
TOTAL PORTFOLIO RETURNS (Net)	1.07%	1.18%	13.17%	13.17%	3.76%	7.99%
TOTAL INDEX	*0.76%*	*0.74%*	*10.42%*	*10.42%*	*3.80%*	*9.07%*

* Inception Date: 5/31/10

Current Blended Benchmark (Total Index)

12/01/12 - 12/31/12

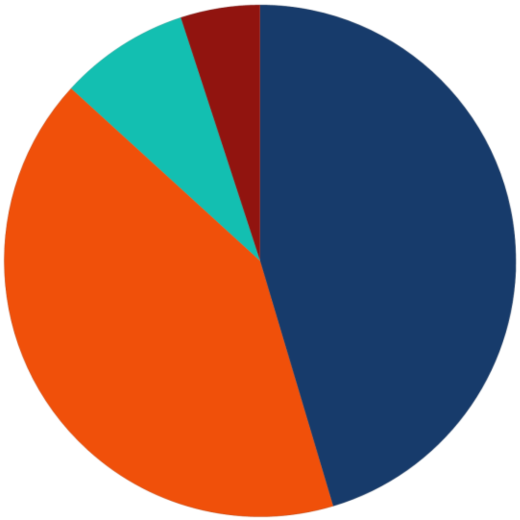
46.00% BARCLAY US AGG TRIX
36.00% RUSSELL 1000 TR
8.00% MSCI AC WRLD X US NR USD
5.00% HIST BLND: CORE PROPERTY IDX
5.00% RUSSELL 2000 TR

Asset Growth

	1 Month	3 Month	YTD	Fiscal YTD (03/31)	Since Inception (05/31/10)
Beginning Market Value	$49,975,084	$50,313,262	$46,426,406	$49,889,568	$27,182,868
Net Cash Flows	($220,000)	($650,000)	($2,299,418)	($1,554,453)	$12,874,379
Net Funds for Investment	$49,755,084	$49,663,262	44,126,987	$48,335,115	$40,057,247
Investment Gain/Loss	$558,841	$650,663	$6,184,846	$1,976,718	$10,254,586
Ending Market Value	**$50,313,925**	**$50,313,925**	**$50,313,925**	**$50,313,925**	**$50,313,925**

Asset allocation – Pension SEI Only 12/31/12

Current portfolio allocation



Asset Class		Total Market Value	% Allocation
Fixed Income	$	22,580,644	45.4%
US Equity	$	20,586,668	41.4%
World Equity x-US	$	4,084,521	8.2%
Real Estate	$	2,500,000	5.0%
TOTAL	**$**	**49,751,833**	**100%**

Manager/Asset	Style		Total Market Value	% Allocation
SEI LARGE CAP FUND	US Equity	$	18,000,310	36.2%
SEI CORE FIXED INCOME FUND	Core Fixed Income	$	17,671,211	35.5%
SEI WORLD EQUITY EX-US FUND	World Equity x-US	$	4,084,521	8.2%
SEI HIGH YIELD BOND FUND	High Yield Fixed Income	$	2,954,541	5.9%
SEI SMALL CAP FUND	US Equity	$	2,586,358	5.2%
SEI CORE PROPERTY COLLECTIVE INVEST TR	Real Estate	$	2,500,000	5.0%
SEI EMERGING MARKETS DEBT FUND	Emerging Markets Fixed Income	$	1,954,892	3.9%
CASH & ACCRUED INCOME		$	0	0.0%
	TOTALS	**$**	**49,751,833**	**100%**

Portfolio Performance – Pension SEI Only 12/31/12

Total Portfolio Returns

	1 Month	3 Month	YTD	1 Year	FYTD	ITD*
TOTAL PORTFOLIO RETURNS (Gross)	1.15%	1.38%	13.73%	13.73%	4.26%	10.67%
TOTAL PORTFOLIO RETURNS (Net)	1.10%	1.22%	13.09%	13.09%	3.78%	10.03%
TOTAL INDEX	*0.76%*	*0.74%*	*10.88%*	*10.88%*	*3.80%*	*9.37%*

* Inception Date: 5/31/10

Current Blended Benchmark (Total Index)

12/01/12 - 12/31/12

46.00% BARCLAY US AGG TRIX
36.00% RUSSELL 1000 TR
8.00% MSCI AC WRLD X US NR USD
5.00% HIST BLND: CORE PROPERTY IDX
5.00% RUSSELL 2000 TR

Portfolio Note

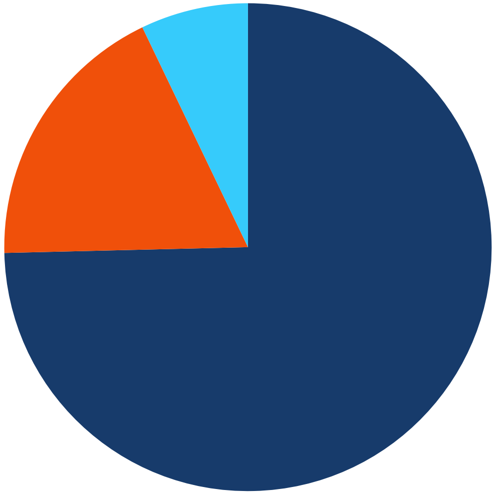
Market Value 12/31/12 - $49,751,833
Net Cash Flows – ($200,000)
Net Funds for Investment - $49,551,833
Market Value 2/1/13 - $ 51,153,762
Gain of $1,601,929 – approx. 3.23%

Asset Growth

	1 Month	3 Month	YTD	Fiscal YTD (3/31)	Since Inception (05/31/10)
Beginning Market Value	$49,412,992	$49,751,170	$38,526,665	$49,328,994	$18,296,533
Net Cash Flows	($220,000)	($650,000)	$5,397,577	($1,552,490)	$20,789,790
Net Funds for Investment	$49,192,992	$49,101,170	$43,924,242	$47,776,504	$39,086,323
Investment Gain/Loss	$558,841	$650,663	$5,827,591	$1,975,329	$10,665,510
Ending Market Value	**$49,751,833**	**$49,751,833**	**$49,751,833**	**$49,751,833**	**$49,751,833**

Asset allocation – Health & Welfare Total Portfolio 12/31/12

Current portfolio allocation



Asset Class		Total Market Value	% Allocation
Fixed Income	$	2,091,963	74.6%
US Equity	$	511,363	18.2%
Other	$	200,000	7.1%
TOTAL	**$**	**2,803,327**	**100%**

Manager/Asset	Style		Total Market Value	% Allocation
SEI CORE FIXED INCOME FUND	Core Fixed Income	$	1,507,065	53.8%
SEI LARGE CAP FUND	US Equity	$	511,363	18.2%
SEI OPPORTUNISTIC INCOME FD-A	Other Fixed Income	$	327,699	11.7%
SEI EMERGING MARKETS DEBT FUND	Emerging Markets Fixed Income	$	128,631	4.6%
SEI HIGH YIELD BOND FUND	High Yield Fixed Income	$	128,568	4.6%
AUCTION RATE SECURITIES	Other	$	200,000	7.1%
	TOTALS	**$**	**2,803,327**	**100%**

Portfolio Performance – H&W Total Portfolio 12/31/12

Total Portfolio Returns

	1 Month	3 Month	YTD	1 Year	FYTD	ITD*
TOTAL PORTFOLIO RETURNS (Gross)	0.45%	0.81%	9.66%	9.66%	4.16%	5.58%
TOTAL PORTFOLIO RETURNS (Net)	0.41%	0.71%	9.26%	9.26%	3.86%	5.18%
TOTAL INDEX	*0.10%*	*0.11%*	*7.01%*	*7.01%*	*3.36%*	*6.29%*

* Inception Date: 5/31/10

Current Blended Benchmark (Total Index)

12/01/12 - 12/31/12

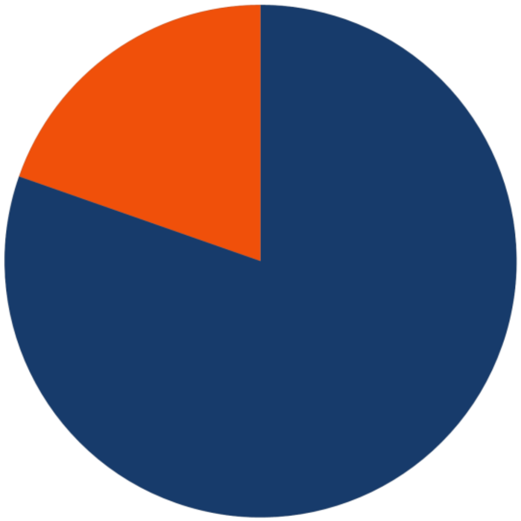
69.30% BARCLAY US AGG TRIX
18.60% RUSSELL 1000 TR
12.10% BOFAML USD LIBOR 3M CON MAT TR

Asset Growth

	1 Month	3 Month	YTD	Fiscal YTD (03/31)	Since Inception (05/31/10)
Beginning Market Value	$2,791,466	$2,781,281	$2,559,562	$2,694,885	$2,942,818
Net Cash Flows	$0	$0	($2,875)	($1,890)	($483,976)
Net Funds for Investment	$2,791,466	$2,781,281	$2,556,687	$2,692,995	$2,458,842
Investment Gain/Loss	$11,861	$22,046	$246,640	$110,332	$344,485
Ending Market Value	**$2,803,327**	**$2,803,327**	**$2,803,327**	**$2,803,327**	**$2,803,327**

Asset allocation – Health & Welfare SEI Only 12/31/12

Current portfolio allocation



Asset Class		Total Market Value	% Allocation
Fixed Income	$	2,091,963	80.4%
US Equity	$	511,363	19.6%
Cash & Equivalents	$	0	0.0%
TOTAL	**$**	**2,603,327**	**100%**

Manager/Asset	Style		Total Market Value	% Allocation
SEI CORE FIXED INCOME FUND	Core Fixed Income	$	1,507,065	57.9%
SEI LARGE CAP FUND	US Equity	$	511,363	19.6%
SEI OPPORTUNISTIC INCOME FD-A	Other Fixed Income	$	327,699	12.6%
SEI EMERGING MARKETS DEBT FUND	Emerging Markets Fixed Income	$	128,631	4.9%
SEI HIGH YIELD BOND FUND	High Yield Fixed Income	$	128,568	4.9%
CASH & ACCRUED INCOME		$	0	0.0%
	TOTALS	**$**	**2,603,327**	**100%**

Portfolio Performance – H&W SEI Only 12/31/12

Total Portfolio Returns

	1 Month	3 Month	YTD	1 Year	FYTD	ITD*
TOTAL PORTFOLIO RETURNS (Gross)	0.49%	0.91%	10.66%	10.66%	4.60%	8.47%
TOTAL PORTFOLIO RETURNS (Net)	0.46%	0.81%	10.26%	10.26%	4.30%	8.07%
TOTAL INDEX	*0.12%*	*0.10%*	*7.21%*	*7.21%*	*3.15%*	*6.45%*

* Inception Date: 5/31/10

Current Blended Benchmark (Total Index)

12/01/12 - 12/31/12

67.00% BARCLAY US AGG TRIX
20.00% RUSSELL 1000 TR
13.00% BOFAML USD LIBOR 3M CON MAT TR

Portfolio Note

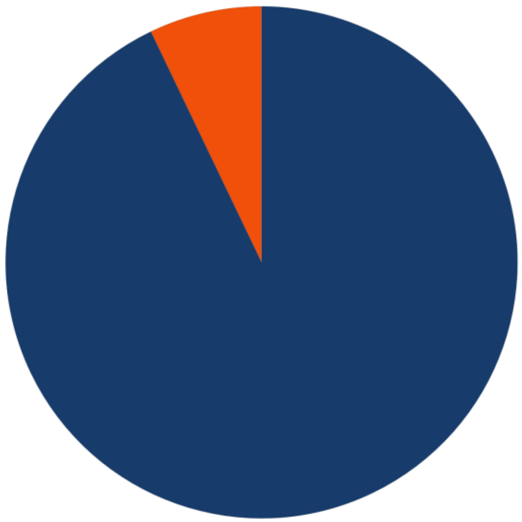
Market Value 12/31/12 - $2,603,327
Net Cash Flows – $0
Net Funds for Investment - $2,603,327
Market Value 2/1/13 - $2,631,633
Gain of $28,306 – approx. 1.09%

Asset Growth

	1 Month	3 Month	YTD	Fiscal YTD (3/31)	Since Inception (05/31/10)
Beginning Market Value	$2,590,883	$2,580,778	$2,359,492	$2,493,707	$2,311,721
Net Cash Flows	$0	$0	($2,875)	($1,890)	($189,168)
Net Funds for Investment	$2,590,883	$2,580,778	$2,356,618	$2,491,817	$2,122,553
Investment Gain/Loss	$12,444	$22,549	$246,709	$111,510	$480,774
Ending Market Value	**$2,603,327**	**$2,603,327**	**$2,603,327**	**$2,603,327**	**$2,603,327**

Asset allocation – Apprentice & Training 12/31/12

Current portfolio allocation



Asset Class		Total Market Value	% Allocation
Fixed Income	$	567,441	92.9%
US Equity	$	43,510	7.1%
TOTAL	**$**	**610,951**	**100%**

Manager/Asset	Style		Total Market Value	% Allocation
SEI CORE FIXED INCOME FUND	Core Fixed Income	$	346,451	56.7%
SEI SHORT-DURATION GOVERNMENT FUND	Municipal Fixed Income	$	91,152	14.9%
SEI HIGH YIELD BOND FUND	High Yield Fixed Income	$	49,837	8.2%
SEI OPPORTUNISTIC INCOME FD-A	Other Fixed Income	$	48,843	8.0%
SEI LARGE CAP FUND	US Equity	$	43,510	7.1%
SEI EMERGING MARKETS DEBT FUND	Emerging Markets Fixed Income	$	31,159	5.1%
CASH & ACCRUED INCOME		$	0	0.0%
	TOTALS	**$**	**610,951**	**100%**

Portfolio Performance – A&T Total 12/31/12

Total Portfolio Returns

	1 Month	3 Month	YTD	1 Year	FYTD	ITD*
TOTAL PORTFOLIO RETURNS (Gross)	0.36%	0.91%	8.92%	8.92%	5.08%	6.75%
TOTAL PORTFOLIO RETURNS (Net)	0.33%	0.81%	8.52%	8.52%	4.78%	6.35%
TOTAL INDEX	*-0.02%*	*0.11%*	*4.74%*	*4.74%*	*2.99%*	*4.41%*

* Inception Date: 5/31/10

Current Blended Benchmark (Total Index)

12/01/12 - 12/31/12

70.00% BARCLAY US AGG TRIX
15.00% BOFAML 1-3Y US TRS TRIX
8.00% BOFAML USD LIBOR 3M CON MAT TR
7.00% RUSSELL 1000 TR

Portfolio Note

Market Value 12/31/12 - $610,951
Net Cash Flows – $0
Net Funds for Investment - $610,951
Market Value 2/1/13 - $611,948
Gain of $997 – approx. 0.16%

Asset Growth

	1 Month	3 Month	YTD	Fiscal YTD (3/31)	Since Inception (05/31/10)
Beginning Market Value	$608,854	$620,711	$595,928	$612,047	$502,056
Net Cash Flows	$0	($15,000)	($35,627)	($30,403)	$16,113
Net Funds for Investment	$608,854	$605,711	$560,301	$581,644	$518,169
Investment Gain/Loss	$2,097	$5,241	$50,651	$29,308	$92,782
Ending Market Value	**$610,951**	**$610,951**	**$610,951**	**$610,951**	**$610,951**

Auction Rate Securities - Remaining

				Cost Basis	MV as of 5/31/10	12/31/2012		"Cost"	12/31/12
Plan	**Name**	**Acquired**	**Units**	**Karpus**	**Karpus**	**Bid**	**Estimated Principal**	**Bank**	**Yield**
H&W	ALLIANCEBERNSTEIN NATL	6/18/2008	8	$ 187,000.00	$ 187,000.00	70	$ 140,000.00	$ (47,000.00)	0.148%
Pension	WESTERN ASSET MANAGED MU	6/17/2008	7	$ 163,625.00	$ 163,625.00	70	$ 122,500.00	$ (41,125.00)	0.147%
Pension	WESTERN ASSET MANAGED MU	6/17/2008	10	$ 233,750.00	$ 233,750.00	70	$ 175,000.00	$ (58,750.00)	0.155%
H&W	AGIC CONV & INC PFD	8/5/2008	2	$ 46,000.00	$ 30,000.00	70	$ 35,000.00	$ (11,000.00)	0.180%
Pension	AGIC CVT & INC II PFD SER D	8/5/2008	7	$ 161,000.00	$ 161,000.00	70	$ 122,500.00	$ (38,500.00)	0.180%
Pension	PUTNAM MUNICIPAL OPPORTU	3/17/2010	8	$ 181,125.00	$ 178,000.00	70	$ 140,000.00	$ (41,125.00)	0.228%
	TOTAL			**$ 972,500.00**	**$ 953,375.00**		**$ 735,000.00**	**$(237,500.00)**	

- In January, Blackrock redeemed a significant number of ARS at par value
- SEI will monitor the ARS during the next six months in anticipation of possible issuer redemptions
- If issuer redemptions do not occur, SEI recommends selling the securities at the current bid/ask price of 70% par

Auction Rate Securities - Sold

Plan	Name	Units	Cost Basis	Sold Principal	Sold Commission	Sold NET	Redeemed NET	Gain/Loss
Pension	BLACKROCK FL MUNI INC TR	17	$ 361,250.00	$ 340,000.00	$ 408.00	$ 339,592.00		**$ (21,658.00)**
Pension	BLACKROCK MUNI BOND TRUS	7	$ 148,750.00	$ 140,000.00	$ 168.00	$ 139,832.00		**$ (8,918.00)**
H&W	BLACKROCK VA MUNI BOND	1	$ 21,250.00	$ 20,000.00	$ 24.00	$ 19,976.00		**$ (1,274.00)**
Pension	BLACKROCK VA MUNI BOND	9	$ 191,250.00	$ 180,000.00	$ 216.00	$ 179,784.00		**$ (11,466.00)**
Pension	BLACKROCK NJ MUNI BOND	7	$ 148,750.00	$ 140,000.00	$ 168.00	$ 139,832.00		**$ (8,918.00)**
H&W	BLACKROCK CRED ALLOC IV	2	$ 42,500.00	$ 44,000.00	$ 52.80	$ 43,947.20		**$ 1,447.20**
H&W	BLACKROCK MUNI NY INSUR	1	$ 21,250.00	$ 20,000.00	$ 24.00	$ 19,976.00		**$ (1,274.00)**
Pension	BLACKROCK MUNI NY INSUR	8	$ 150,000.00	$ 160,000.00	$ 192.00	$ 159,808.00	-	**$ 9,808.00**
Pension	BLACKROCK MUNI NY INSUR	17	$ 361,250.00	$ 340,000.00	$ 408.00	$ 339,592.00		**$ (21,658.00)**
Pension	WESTERN ASSET VARIABLE RATE	11,032	$ 184,730.84			$ 171,105.63		**$ (13,625.21)**
H&W	WESTERN ASSET VARIABLE RATE	1,435	$ 24,053.27			$ 22,199.00		**$ (1,854.27)**
Training	WESTERN ASSET VARIABLE RATE	307	$ 5,026.20			$ 5,001.83		**$ (24.37)**
Pension	BLACKROCK MUNI INTER DUR	5	$ 106,250.00	$ 100,000.00	$ 120.00	$ 99,880.00		**$ (6,370.00)**
H&W	NUVEEN ARIZONA DVD ADV	4	$ 67,000.00	$ 83,000.00	$ 99.60	$ 82,900.40	-	**$ 15,900.40**
Training	NUVEEN INSURED OPPORTUNT	1	$ 23,000.00	$ 21,750.00	$ 26.10	$ 21,723.90		**$ (1,276.10)**
Training	NUVEEN INSURED OPPORTUN	1	$ 22,000.00	$ 21,750.00	$ 26.10	$ 21,723.90	-	**$ (276.10)**
Pension	NUVEEN INSD QUAL	14	$ 234,500.00	$ 290,500.00	$ 348.60	$ 290,151.40	-	**$ 55,651.40**
Training	NUVEEN SELECT QUALITY	1	$ 22,000.00	$ 21,750.00	$ 26.10	$ 21,723.90	-	**$ (276.10)**
H&W	NUVEEN SELECT QUALITY	3	$ 66,000.00	$ 65,250.00	$ 78.30	$ 65,171.70		**$ (828.30)**
Pension	NUVEEN QUAL INCM	22	$ 484,000.00	$ 473,000.00	$ 567.60	$ 472,432.40		**$ (11,567.60)**
Pension	NUVEEN CA DIV ADV MUNI 3	1	$ 22,000.00	$ 21,500.00	$ 25.80	$ 21,474.20	-	**$ (525.80)**
Pension	PIMCO MUNI INCOME FD II	4	$ 75,000.00	$ 72,000.00	$ 86.40	$ 71,913.60		**$ (3,086.40)**
Pension	PUTNAM MUNICIPAL OPPORTU	1	$ 22,500.00	$ 20,000.00	$ 24.00	$ 19,976.00		**$ (2,524.00)**
H&W	ING PRIME RATE TRUST	4	$ 83,000.00	$ 83,250.00	$ 99.90	$ 83,150.10	-	**$ 150.10**
Pension	ING PRIME RATE TRUST	3	$ 62,250.00	-	-	-	$75,000.00	**$ 12,750.00**
Pension	ING PRIME RATE TRUST	15	$ 311,250.00	$ 312,187.50	$ 374.63	$ 311,812.87	-	**$ 562.87**
Training	BLACKROCK MUNI BOND TRUS	1.00	$ 23,375.00	$ 22,000.00	$ 26.40	$ 21,973.60	-	**$ (1,401.40)**
	TOTAL		**$3,284,185.31**	**$2,991,937.50**		**$3,186,653.63**	**$75,000.00**	**$ (22,531.68)**

SEI New ways. New answers.®

Asset Allocation

Portfolio Changes for IUOE Local #487 Pension

Asset Class	Current	Recommended
Large Cap Equity	40.0	40.0
Small Cap Equity	3.5	3.5
World Equity Ex-US	10.5	10.5
Core Fixed Income	31.0	16.0
High Yield Debt	5.0	5.0
Emerging Markets Debt	5.0	5.0
Enhanced LIBOR	-	10.0
Core Property	5.0	10.0
Equity Exposure	54.0	54.0
Expected Return (net)	8.2	8.2
Risk	12.1	11.9

Portfolio Changes for IUOE Local #487 H&W

Asset Class	Current	Recommended
Large Cap Equity	18.5	18.5
Small Cap Equity	1.5	1.5
World Equity Ex-US	5.0	5.0
Core Fixed Income	52.0	42.0
High Yield Debt	5.0	5.0
Emerging Markets Debt	5.0	5.0
Enhanced LIBOR	13.0	23.0
Equity Exposure	25.0	25.0
Expected Return (net)	7.4	7.4
Risk	7.7	7.3

Portfolio Changes for IUOE Local #487 A&T

Asset Class	Current	Recommended
Large Cap Equity	9.0	9.0
Small Cap Equity	1.0	1.0
World Equity Ex-US	2.0	2.0
Core Fixed Income	52.0	42.0
High Yield Debt	6.5	6.5
Emerging Markets Debt	6.5	6.5
Enhanced LIBOR	8.0	18.0
Short Duration Government	15.0	15.0
Equity Exposure	12.0	12.0
Expected Return (net)	6.8	6.8
Risk	6.3	5.8

Appendix

SIIT Large Cap Fund
Performance review

Overview

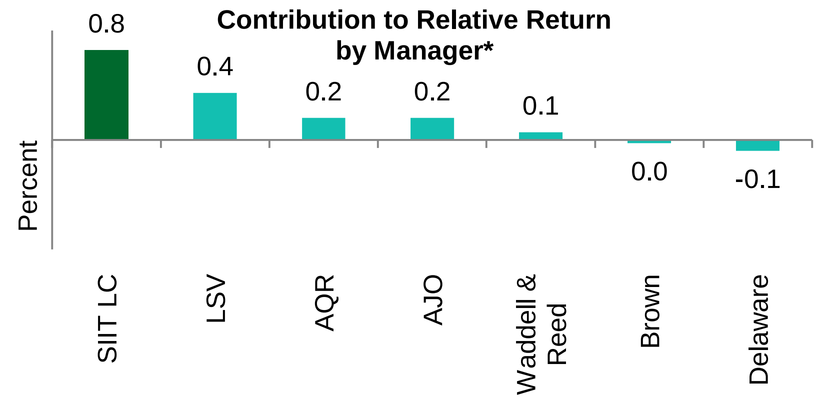
- The Fund's quantitative managers, who are inherently value-oriented, outperformed their fundamental counterparts as value did better than growth.

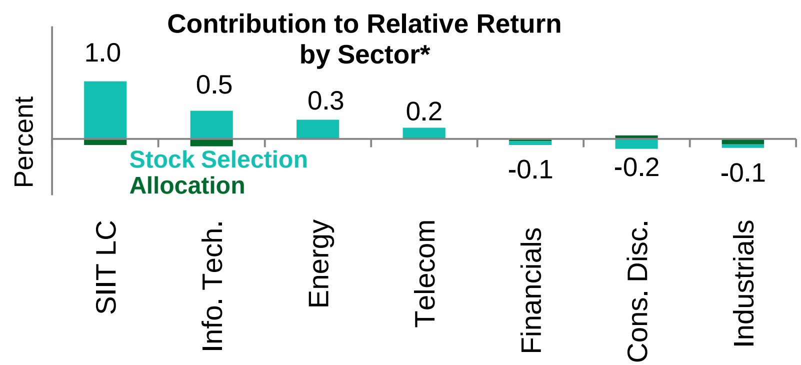
Manager performance

- LSV's overweight to Financials and underweight to Information Technology (IT) were positive.
- AJO & AQR both benefitted from selection within Energy and IT.
- WestEnd's sector-allocation calls worked against them, although the blow was more than offset by stock selection.
- Brown and Delaware outperformed their style benchmarks but lagged the Fund's benchmark.

Sector performance

- The hardware and software & services industry groups within IT proved beneficial.
- An underweight to Industrials detracted.





* Versus Fund benchmark; top 3/bottom 3 only. In Base Currency, Gross of Fees. Past Performance is Not a Guarantee of Future Performance. Index = Russell 1000 Index.

SIIT Large Cap Fund
Outlook and positioning

Outlook

- Although the fiscal cliff has been resolved, the debt ceiling and sequestration debates will likely cause market volatility.

Manager positioning

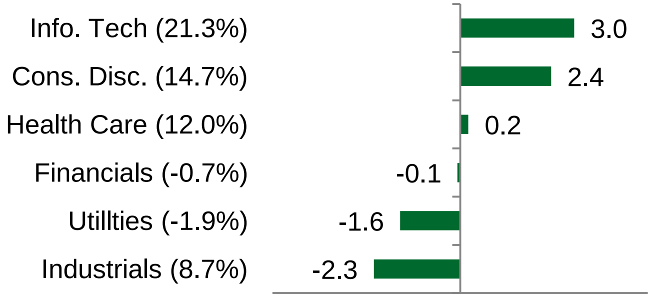
- The volatility hedge previously in place has been lifted following the fiscal cliff deal. However, we may put that hedge back on as the policy debate in Washington heats up.
- We remain neutral on growth versus value.

Sector positioning

- Safety remains expensive and could remain so until there is a clear resolution of the European debt crisis and more political certainty in the U.S.
- The Fund remains underweight Industrials as the managers prefer companies that are not highly levered to economic growth.

Manager Allocations (%)	
Aronson+Johnson+Ortiz	17.8
AQR Capital Management	14.6
LSV	15.1
Waddell & Reed	13.8
Delaware Management Company	12.9
Brown Advisory	12.0
WestEnd Advisors	11.2

Active Sector Allocation *



*Figures in parenthesis are actual fund weights as of December 31. 2012; top 3/bottom 3 only. Cash represented 2.3% of Fund assets. In Base Currency, Gross of Fees.

Past Performance is Not a Guarantee of Future Performance. Index = Russell 1000 Index

SIIT Small Cap Fund
Performance review

Overview

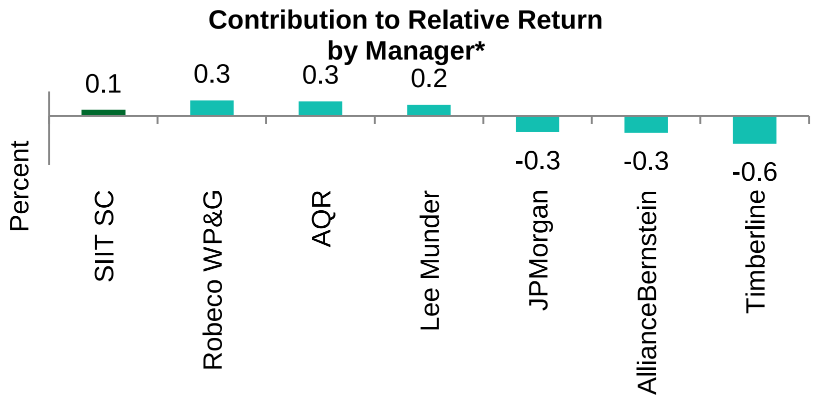
- The SIIT Small Cap Fund returned 1.97%.
- Value beat growth by a healthy spread in the fourth quarter, adding to its gains for the year.
- Industrials and Materials led while Telecomm Services, Health Care and Utilities lagged.

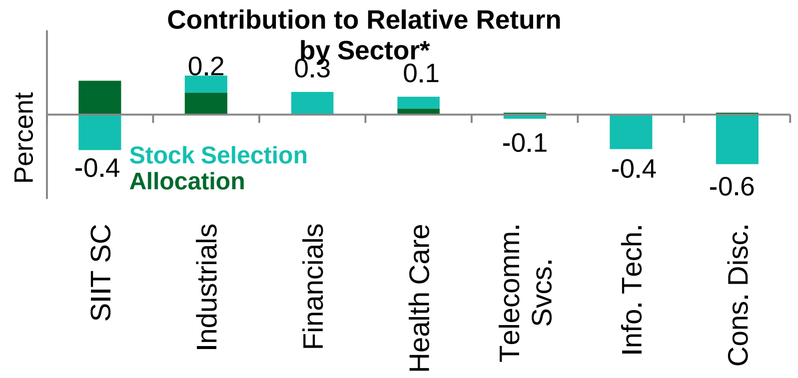
Manager performance

- The Fund's value managers benefited from a style tailwind. AQR saw solid contribution from the valuation factors in its model.
- Growth managers struggled with style headwinds.

Sector performance

- An overweight position and strong picks in Industrials (capital goods) was beneficial.
- In Financials, stock selection in banks and consumer finance was helpful.
- Selection was weak in Consumer Discretionary and portions of Information Technology.





* Versus Fund benchmark; top 3/bottom 3 only
In Base Currency, Gross of Fees
Past Performance is Not a Guarantee of Future Performance
Index = Russell 2000 Index

SIIT Small Cap Fund
Outlook and positioning

Outlook

- We expect modest U.S. economic growth in 2013, with lingering fiscal uncertainty giving way to potential growth acceleration later in the year.
- Small-cap valuations remain reasonable relative to their own history and to large caps.
- Volatility driven by global macroeconomics remains the biggest risk to absolute and relative performance.

Manager positioning

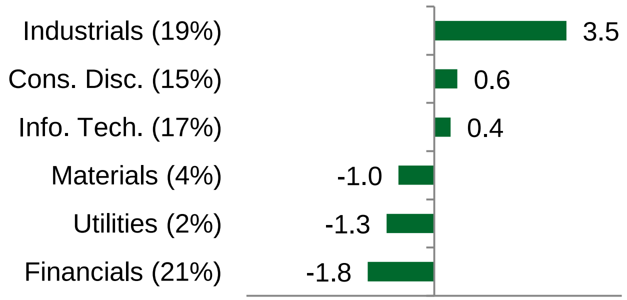
- Our allocation to growth and value is balanced given the uncertain outlook and modest growth expectations. There were no changes to our manager lineup.

Sector positioning

- Industrials, which offer attractive cyclical exposure (especially in capital goods) is our largest sector overweight.
- Our underweight to Financials deepened. We are meaningfully underweight banks and REITs, and overweight insurance.

Manager Allocations (%)	
AQR	14
Robeco WP&G	12
Janus	11
Lee Munder	11
Timberline	11
AllianceBernstein	10
JPMorgan	9
Artisan	7
William Blair	6
LSV	6
Security	2

Active Sector Allocation *



*Figures in parenthesis are actual fund weights as of December 31, 2012; top 3/bottom 3 only. Cash represented 3.9% of Fund assets.
In Base Currency, Gross of Fees
Past Performance is Not a Guarantee of Future Performance
Index = Russell 2000 Index

SIIT World Equity ex-U.S. Fund Performance review

Overview

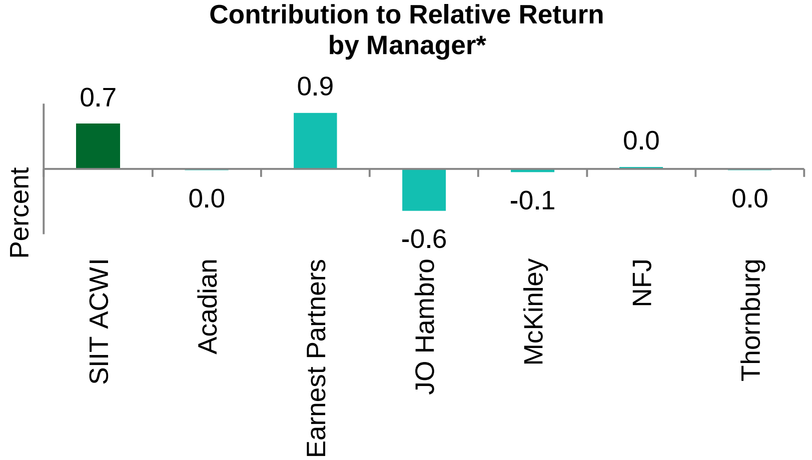
- The Fund returned 6.54%, outperforming the MSCI ACWI ex-US Index which returned 5.85%
- Manager -level performance was mixed for the quarter.
- Earnest Partners' value portfolio outperformed, with strong stock selection in Technology and Health Care.
- JO Hambro's growth portfolio struggled with weak selection in Energy and Technology.

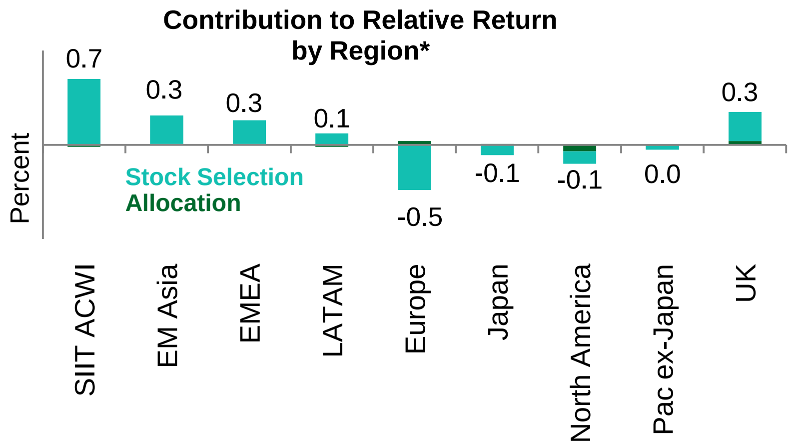
Regional performance

- Strong selection in emerging Asia and EMEA, as well as the U.K., offset weak selection in Europe.

Sector performance

- Strong selection in Industrials and Consumer Staples boosted performance, as did an overweight to Consumer Discretionary.
- An underweight and weak selection in Financials hurt performance.





* Versus Fund benchmark
In Base Currency, Gross of Fees
Past Performance is Not a Guarantee of Future Performance; Index = MSCI ACWI ex US Index

SIIT World Equity ex-U.S. Fund
Outlook and positioning

Outlook

- Though Europe's debt crisis and concerns surrounding the U.S. fiscal situation persist, market participants continue to increase their appetite for risk, supported by central banks' accommodative stances.
- Under new leadership, Japan is focusing its efforts on stimulating the economy, mainly through devaluation of the yen. This should bode well for Japan's exporters, many of which have remained competitive despite being hobbled by an unusually strong yen.

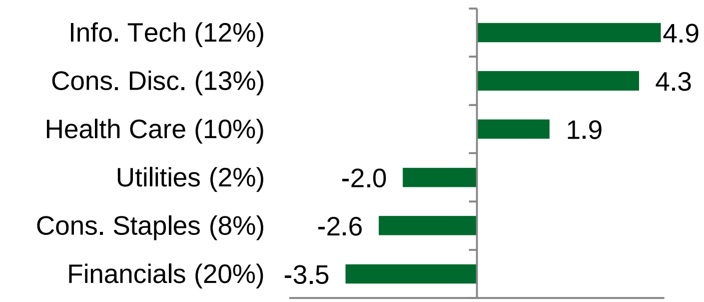
Regional positioning

- Our managers collectively remain underweight to peripheral Europe as well as France, and selectively positioned in emerging markets, with an overweight to Brazil and underweights to Taiwan and Russia.
- The underweight to Pacific ex-Japan is primarily due to lack of exposure to Australian financial stocks.

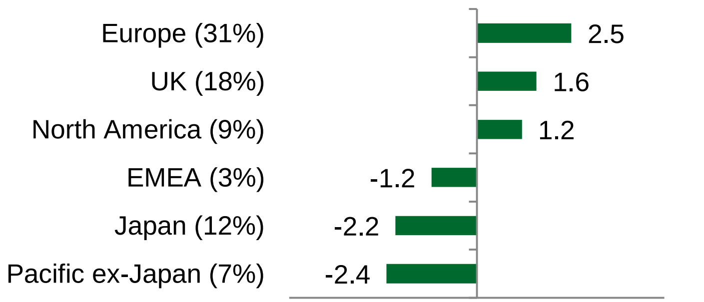
Sector positioning

- In the aggregate, our managers continue to prefer Information Technology, Consumer Discretionary and Health Care.
- Continued concerns for the prospects of the Financials sector has led our managers to remain underweight that sector.

Active Sector Allocation *



Active Region Allocation *



*Figures in parenthesis are actual fund weights as of December 31, 2012; top 3/bottom 3 only. Cash represented 2.0% of Fund assets.
In Base Currency, Gross of Fees
Past Performance is Not a Guarantee of Future Performance
Index = MSCI ACWI ex US Index

SIIT Core Fixed Income Fund
Performance review

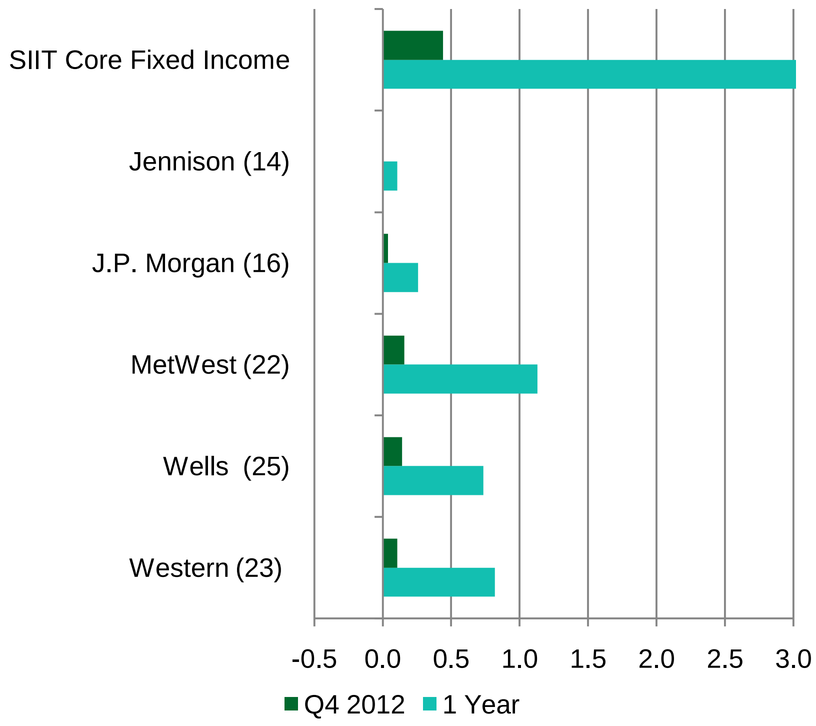
Contributors

- MetWest's, Western's and J.P. Morgan's overweights to non-agency mortgage-backed securities (MBS) contributed to performance, as the sector continues to perform well.
- MetWest's, Western's and Jennison's overweights to financials added.
- Wells' and MetWest's overweights to commercial MBS contributed.
- Wells' security selection within the agency MBS and corporate sectors was beneficial.

Detractors

- Jennison's and Western's yield-curve postures (flatteners) detracted from performance as the yield curve steepened.
- The Fund's underweight to agency debt detracted.

SIIT Core Fixed Income
Manager Contribution to Excess Return (%)



In Base Currency, Gross of Fees. Past Performance is Not a Guarantee of Future Performance. (#) indicates the percent allocation in the Fund.
Index = Barclays Capital US Aggregate Index

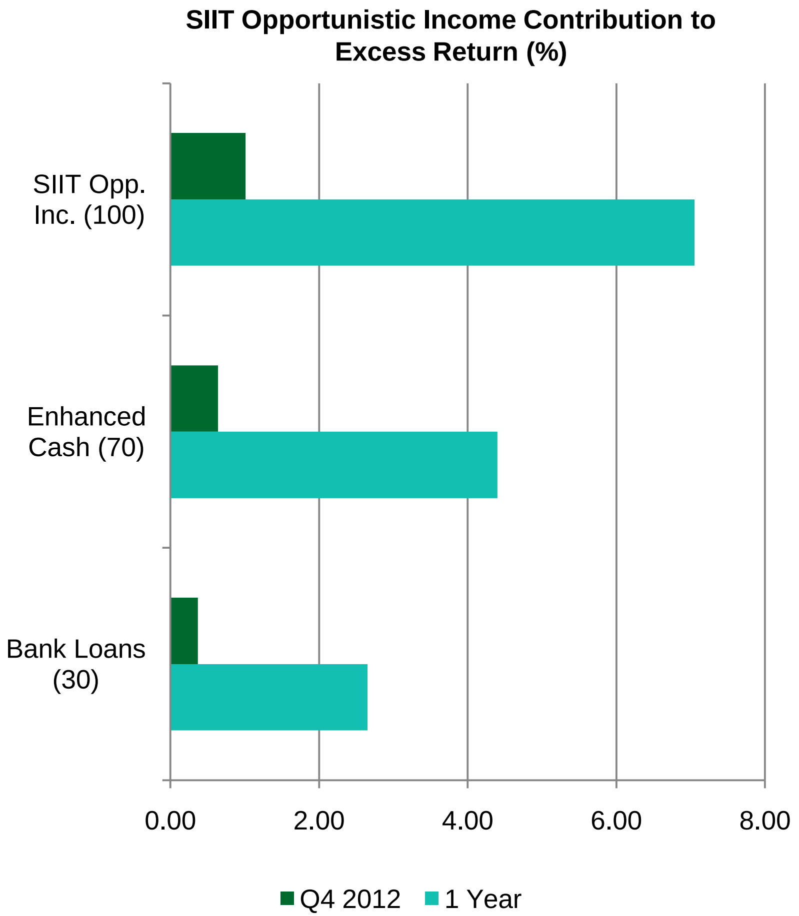
SIIT Opportunistic Income Fund
Fourth-quarter performance review

Contributors

- An allocation to non-agency Residential Mortgage Backed Securities (21% MV) was a positive as fundamentals and pricing continued to improve, with technicals continuing to remain strong in the sector
- The bank loan allocation contributed to relative performance, as leveraged loans returned 1.52%
- The Fund's allocation to Commercial Mortgage backed Securities added to performance, as the sector benefited from investors' appetite for yield

Detractors

- The Fund's allocation to Agency Debt and interest rate positioning detracted slightly from relative performance



In Base Currency, Gross of Fees
Past Performance is No Guarantee of Future Performance
(#) indicates the percent allocation in the Fund
Index = Merrill Lynch Three-Month Constant Maturity LIBOR

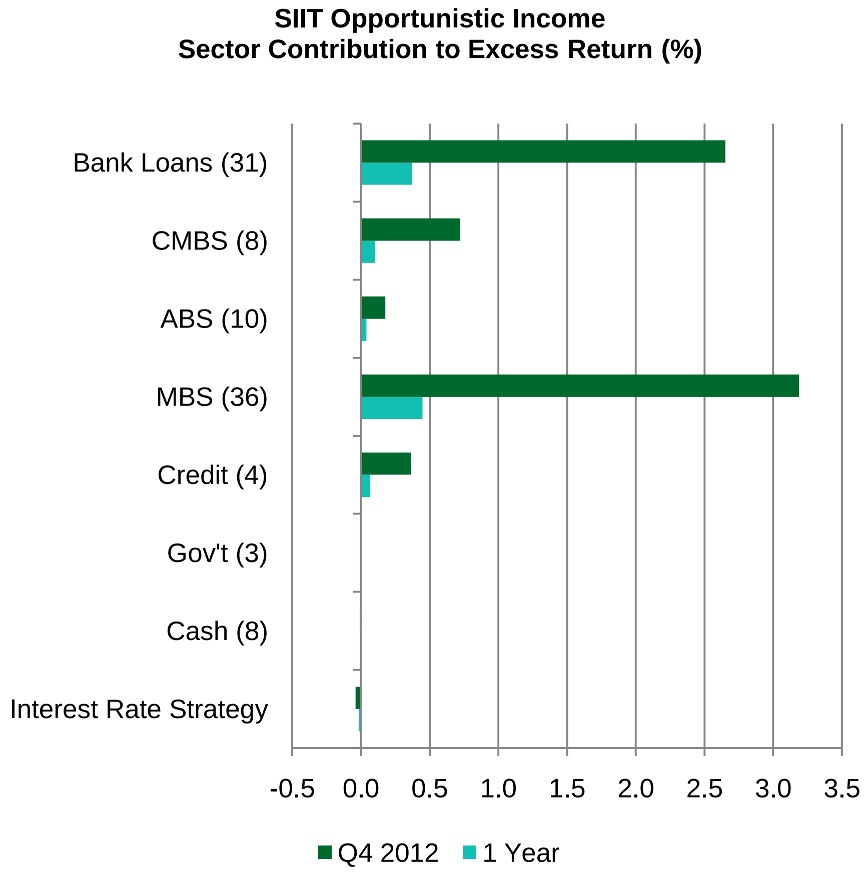
SIIT Opportunistic Income Fund
Positioning and actions

Positioning

- The fund continues to provide a yield advantage over the benchmark*
- Our enhanced cash managers are focusing on seasoned, short-average-life securities at the top of the capital structure that provide attractive yields and solid default and loss protection
- We expect returns going forward to be driven less by price appreciation and more by the yield advantage of these securities versus the benchmark

Actions

- The enhanced cash manager's weight was increased and bank loans decreased (5% MV)
- Throughout the quarter the fund took down cash holdings and increased allocations to ABS and Agency MBS
- The Fund has been using the new-issue bank loan market to source deals with good covenants and the secondary market for lower-priced securities



Source: SEI, BondEdge. (#) indicates the relative weight to the benchmark . *Index = ML 3M Constant Maturity LIBOR

SIIT Emerging Markets Debt
Performance review

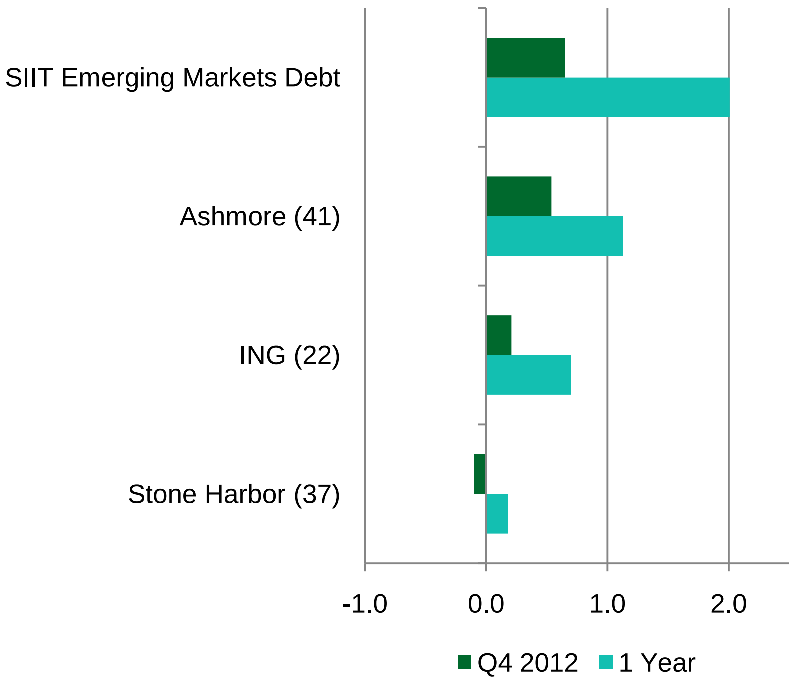
Contributors

- Ashmore added with security selection to corporate debt in China, Kazakhstan and UAE as well as local-currency debt in Russia and Turkey.
- ING benefited from security selection in Brazil, Mexico and Russia and overweights to Venezuela and Ivory Coast.
- Stone Harbor added with security selection in Kazakhstan and Colombia and an overweight in Venezuela.

Detractors

- Ashmore suffered from an overweight to local INR FX and an overweight to Singapore.
- ING was hurt by an overweight to Argentina and security selection in Polish local debt.
- Stone Harbor underperformed with an overweight to Argentina and security selection in Polish and Mexican local debt.

SIIT Emerging Market Debt
Manager Contribution to Excess Return (%)



In Base Currency, Gross of Fees. Past Performance is Not a Guarantee of Future Performance. (#) 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.

SIIT Emerging Markets Debt
Positioning and actions

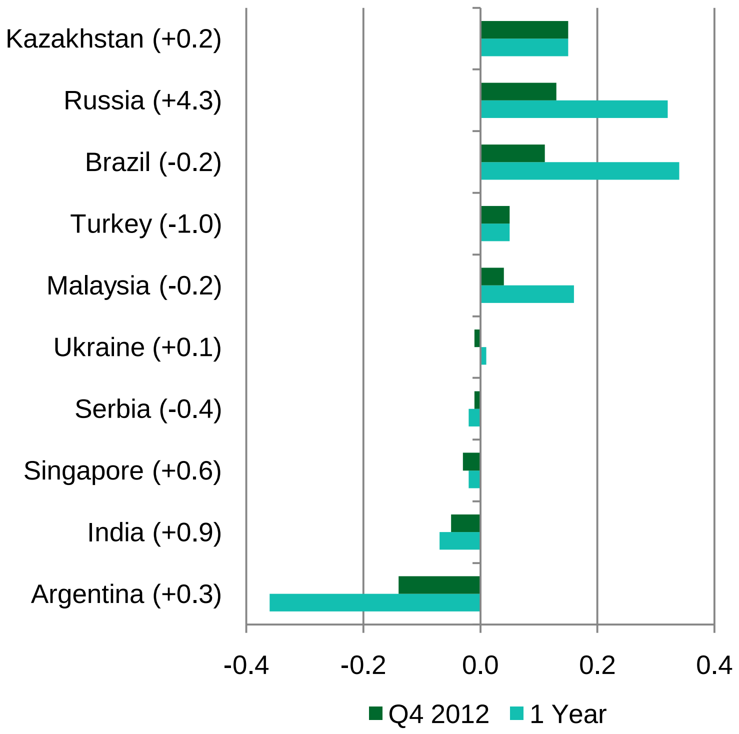
Positioning

- The Fund maintained its overweight to local-currency debt relative to external debt.
- Exposure to high-yield credits declined although managers are overweight key countries.
- The Fund remains short duration as yields continue to reach new lows.

Actions

- The overweight to Argentina was reduced on poor performance and uncertainty regarding a U.S. court order that led to default concerns.
- While local currency was reduced during the period on fiscal-cliff concerns, managers increased the overweight prior to year-end.
- Corporate debt exposure rose marginally and managers continue to favor higher-quality credits over high yield.

SIT Emerging Market Debt
Country Contribution to Excess Return (%)



(#) 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.

SIIT High Yield Bond
Performance review

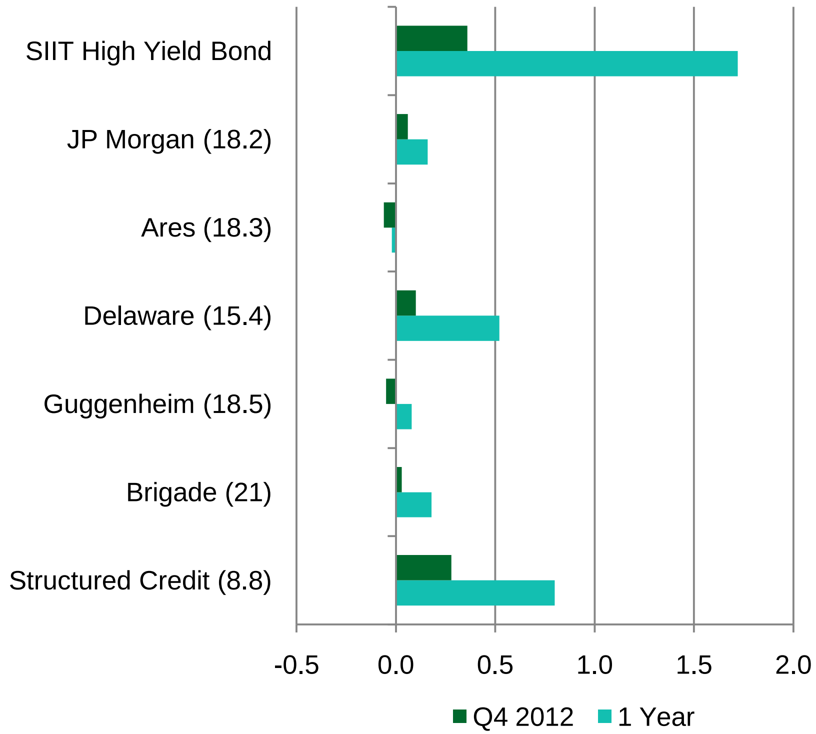
Contributors

- Collateralized Loan Obligations (CLO) outperformed bonds on improving credit metrics and strong demand.
- Selection in the media sector, especially within cable companies, was favorable.
- Selection in the consumer non-cyclical sector (consumer products and municipal tobacco bonds) was positive.

Detractors

- An underweight and security selection in the outperforming basic industry sector hurt, especially in metals & mining companies.
- Selection in the technology sector detracted as software services companies' revenues did not meet forecasts.

SIIT High Yield Bond
Manager Contribution to Excess Return (%)



In Base Currency, Gross of Fees. Past Performance is Not a Guarantee of Future Performance. (#) indicates the percent allocation in the Fund .
Index = ML US High Yield Master II Constrained

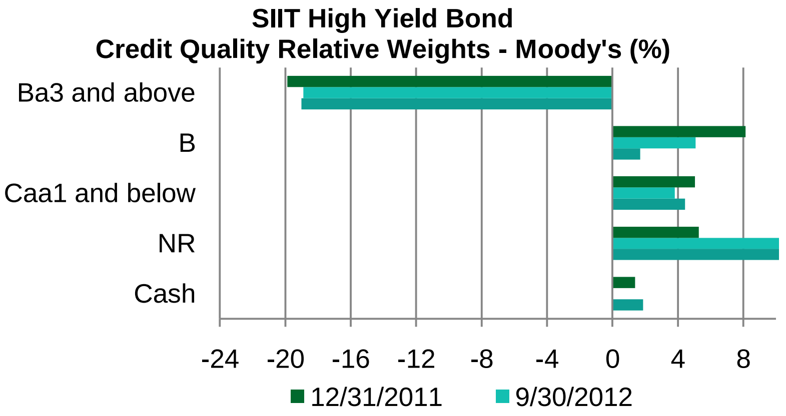
SIIT High Yield Bond
Positioning and actions

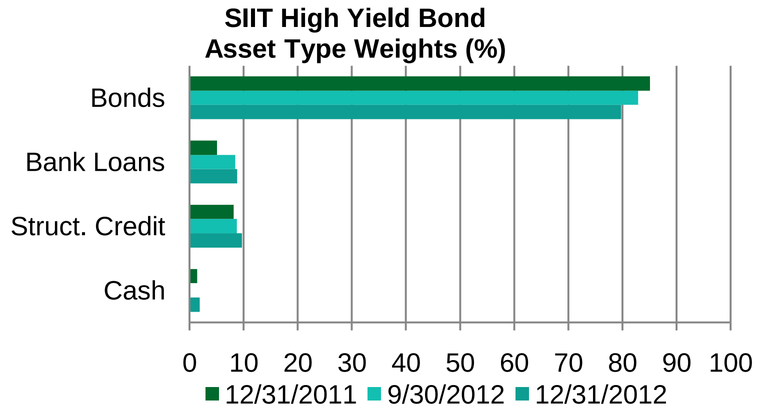
Positioning

- We maintained a slightly more defensive posture through an increased allocation to loans, a reduction in CCC bonds and a short in High-Yield CDX.
- We underweighted the energy, utility and banking sectors based on regulatory, operational and valuation concerns. We are overweight consumer cyclicals on rebounding demand and individual opportunities.
- BB rated securities were underweighted due to higher interest-rate sensitivity and lower yield. The underweight was reduced as managers rotated out of riskier names.

Actions

- Fundamentals and technicals remain strong but market yield is at a record low and the index price is at a record high. Managers are more selective and have increased the Fund's loan allocation.
- Market uncertainty created by economic challenges has made managers more cautious on the industrial sector.





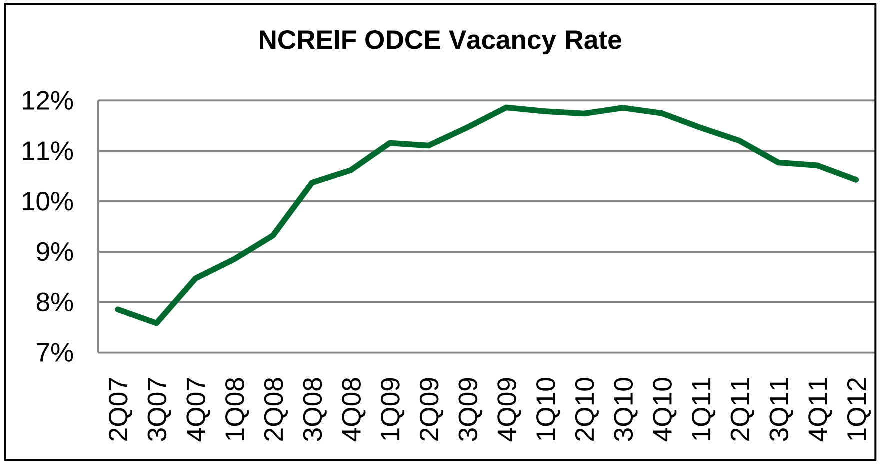
Source: SEI, Factset . Index = ML US High Yield Master II Constrained.

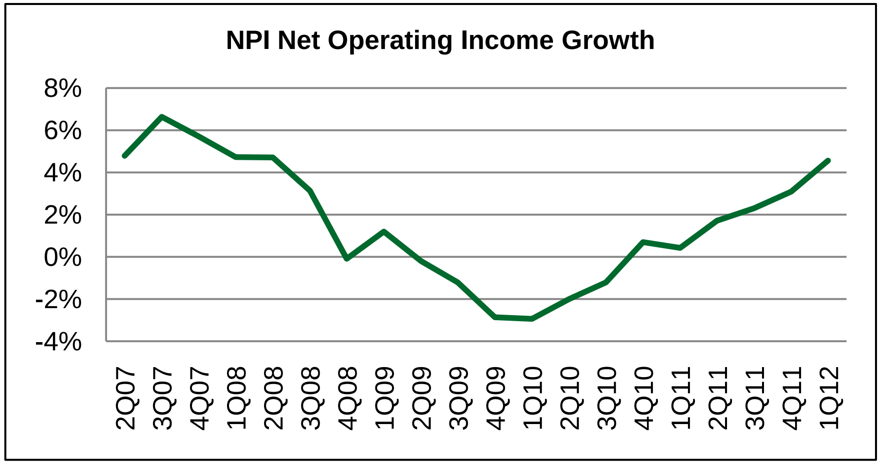
SEI New ways. New answers.®

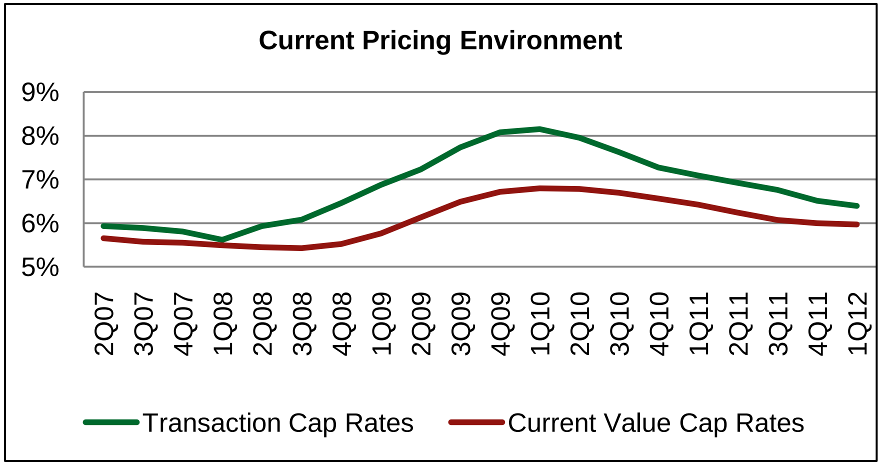
SEI Core Property Fund Update

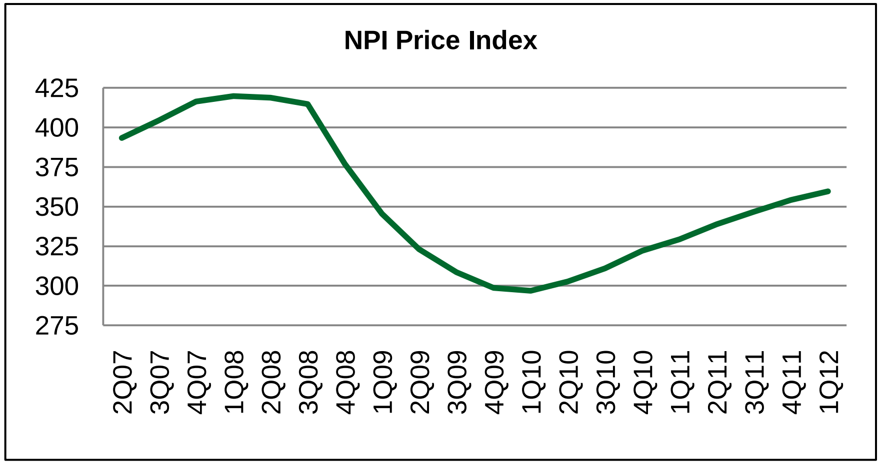
Third Quarter 2012

U.S. property market landscape





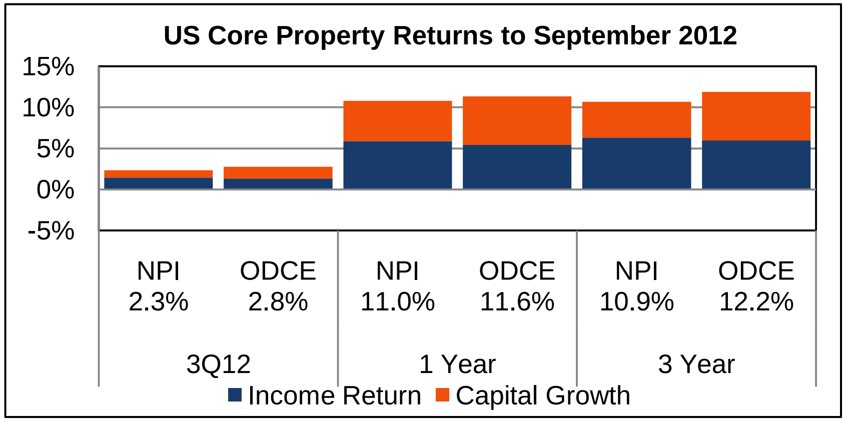


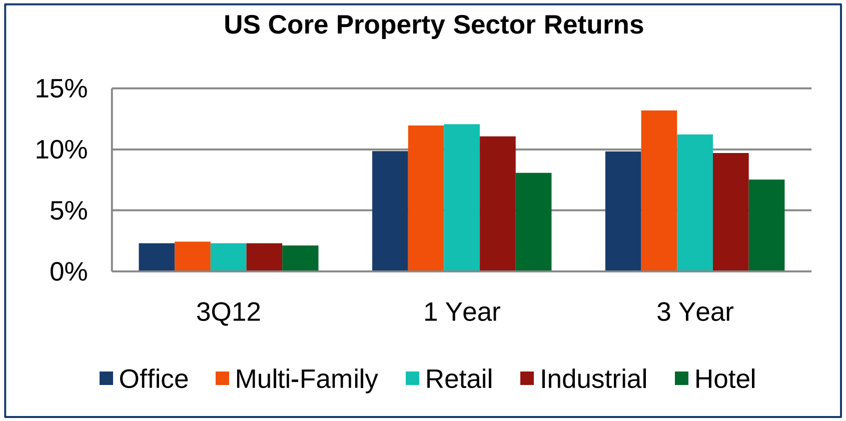


Sources: NCREIF ODCE Vacancy Rate is from the NCREIF ODCE Trends spreadsheet and is calculated as 1 minus the Occupancy rate; NPI Net Operating Income Growth, Transaction Cap Rates, Current Value cap Rates, and NPI Price Index are from the NCREIF Trends Report and are 4-quarter rolling averages.

U.S. property market returns

- The third quarter was another positive period for the U.S. property market. Both income and capital appreciation contributed.
- Continued investor interest in core properties once again drove demand for assets and pushed prices up. Appreciation contributed 1.2% of the Open-End Diversified Core Equity Index's (ODCE) 2.8% total return for the third quarter.
- While all five sectors had gains over 2%, Multi-Family led the way, followed closely by Retail, Industrial, and Office . Hotels lagged slightly.
- Regionally, the West performed strongest during the quarter with a rise of 2.7%. Both the occupancy rate and net operating income declined slightly.





Source: NCREIF; NPI is a quarterly time series composite total rate of return measure of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only on an unlevered basis. The ODCE (Open-End Diversified Core Equity) is a fund-level capitalization weighted, time-weighted return index and includes property investments at ownership share, cash balances and leverage.

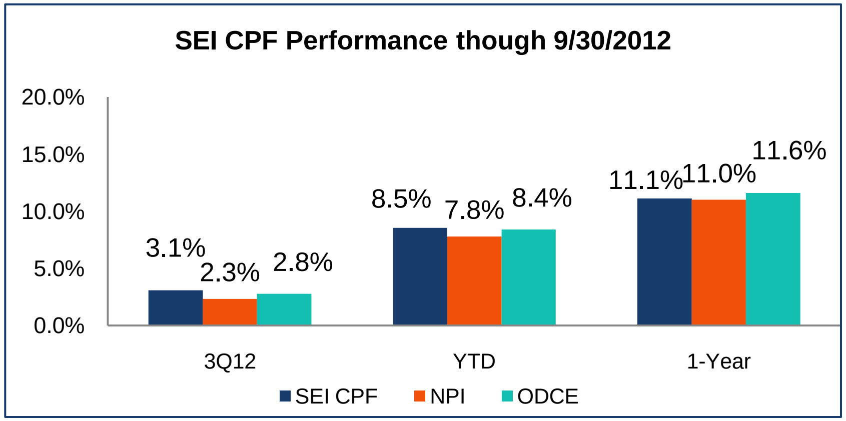
Core Property Fund: Performance review

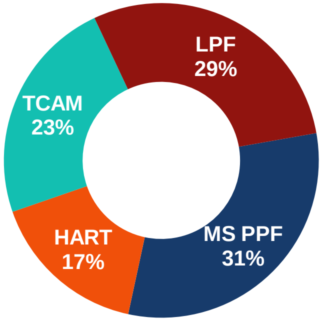
Contributors

- Three of the Fund's four managers outperformed both the NPI benchmark and the ODCE peer group, with gains of at least 3%.
- Gains were broad-based as all four of the primary sectors posted positive returns.
- New leases signed to fill vacant space led to additional appreciation gains. Asset sales at prices higher than carrying values provided some realized gains.

Detractors

- The negative impact associated with debt valuation, or marking the debt to market rates, mitigated some during the quarter but still impeded performance.
- Outside the main sectors, the Fund's hotel portfolio, while still posting appreciation, increased at a slower rate than all other categories.





Core Property Fund: Positioning and actions

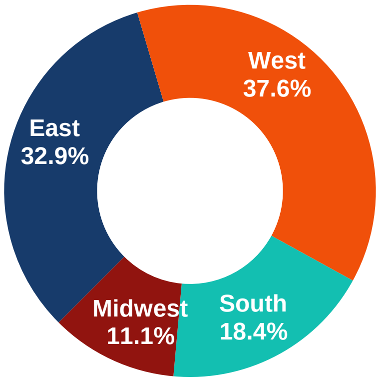
Positioning

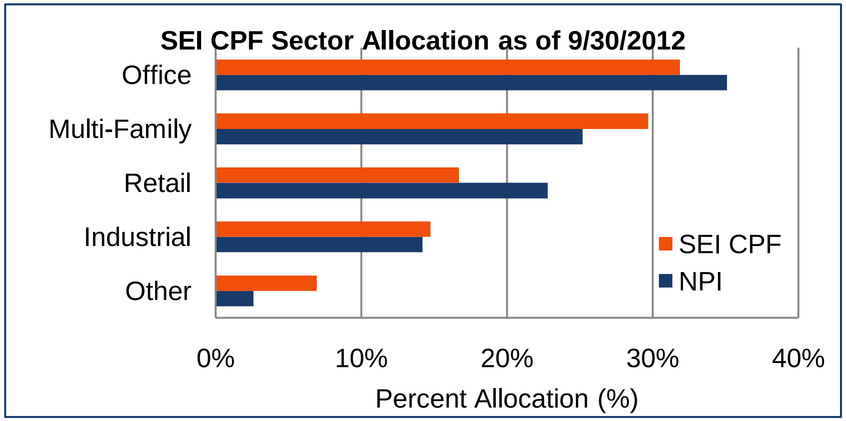
- The Fund's regional and sector exposures are broadly in-line with the NCREIF National Property Index (NPI). The Fund does maintain slight off-benchmark allocations to hotels, self storage and land.
- Fund-level leverage at 28.4% and occupancy at 93.2% are higher than the corresponding ODCE figures by 590 and 130 basis points, respectively.
- The Fund remains well diversified through its four managers. In total, exposure to more than 450 individual properties is provided.

Actions

- The Fund received additional commitments of $74 million during the third quarter, bringing the total net asset value to over $468 million.
- No new managers were added during the quarter. Additional investments were made to two existing managers.

SEI CPF Geographic Allocation as of 9/30/2012





Source: SEI, NPI. Based on actual invested position of money drawn by managers and excluding cash; "Other" includes predominantly self-storage, hotel and land.