International Union of Operating Engineers Local #487

First Quarter Review

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Agenda

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

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Capital Markets Review

IUOE Local #487
Executive summary

Summary

• Pension Plan returned 9.8% for the fiscal year ending 3/31/13; market value: $52,443,216

• Health & Welfare Plan returned 6.6% for the fiscal year ending 3/31/13; market value: $2,868,265

• Apprentice & Training Plan returned 6.4% for the fiscal year ending 3/31/13; market value: $618,249

Portfolio highlights

- Core Property allocation in the Pension Plan will be increased by $2.6 million in July based on the 6/30/13 NAV
- Markets have been resilient; investors looking for yield are buying quality in the equity / risk markets
- Portfolios benefit from broad diversification – risk assets rally
- Continued absolute and relative recovery since financial / credit crisis
- Yields test historical lows given both European concerns and Fed actions to stimulate

Market and Economic Outlook

- Despite near term softening, the U.S. should continue to grow modestly
- International uncertainties (Europe and emerging economies) weigh on growth prospects in the near-term
- Inflation should remain in check given capacity as well as limited wage pressures
- While we would not be surprised by near term weakness in the equity markets, longer term opportunities are attractive in a sustainable U.S. economic recovery.
- We expect fixed income to be increasingly challenged to provide the returns seen in recent years

Global market review: Continued rally by cautious investors

Market review

- U.S. equity markets led worldwide asset classes on the heels of a strong 2012.
- Investors took headline risk in stride, as the news about Cyprus indicated. Macro headlines were clearly less dominant.
- Despite strong domestic equities, there was a cautious tone in the markets.
  - Emerging market equities were weak.
  - High-yield debt was up but emerging markets debt was down.
  - Defensive strategies led the U.S. equity rally.
- Central bank polices influenced investor actions.

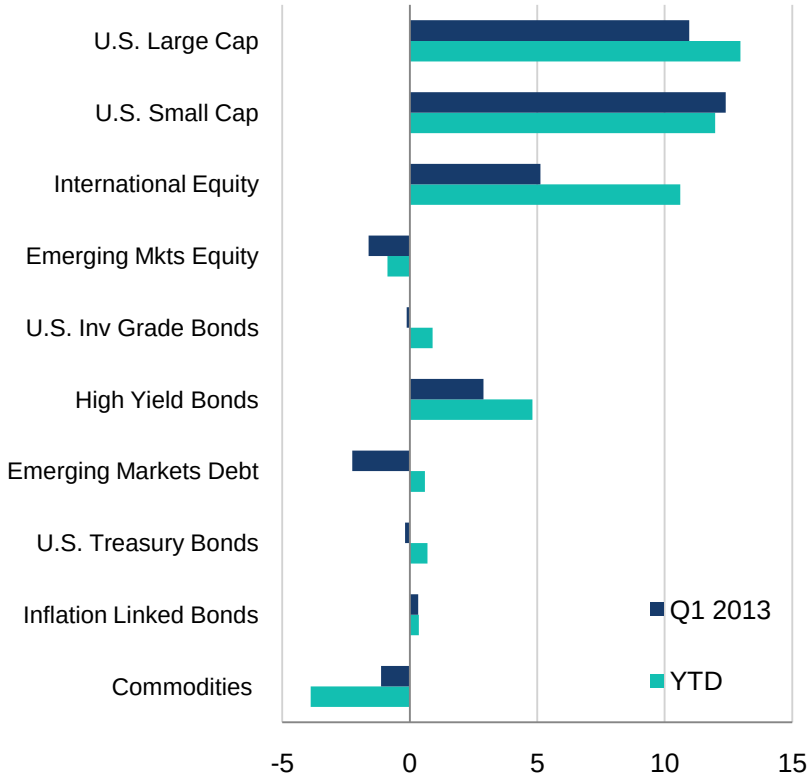
Strategy positioning

- Significant exposure to a recovering U.S. economy through asset class exposure, security selection and currency management added value.
- Alternatives provided important additional return. They also provided a measure of risk mitigation.

SEI's market and economic outlook

- While we would not be surprised by near term weakness in the equity markets, longer-term return opportunities are attractive in a sustainable U.S. economic recovery. Europe will continue to see economic and fiscal problems.
- We expect fixed-income strategies to be increasingly challenged to provide the types of returns seen in recent years.

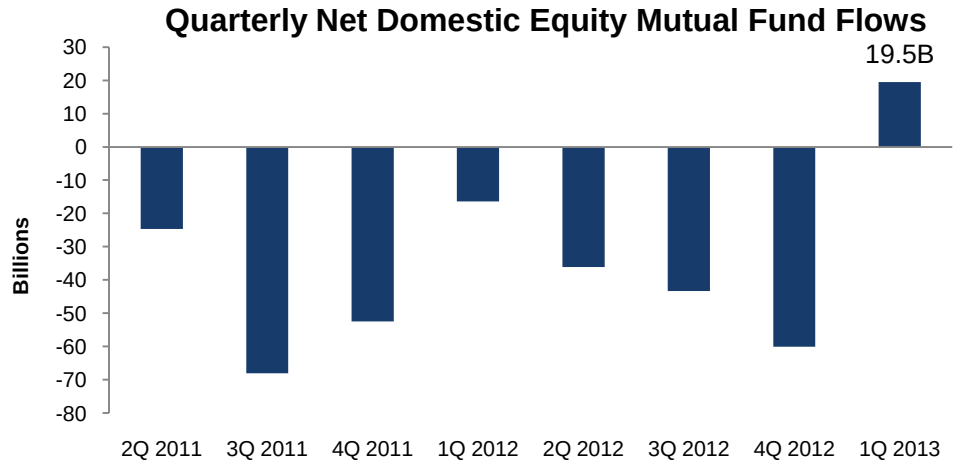
Financial Markets Performance as of 4/30/13
Selected Markets Q1 2013 and YTD (%)

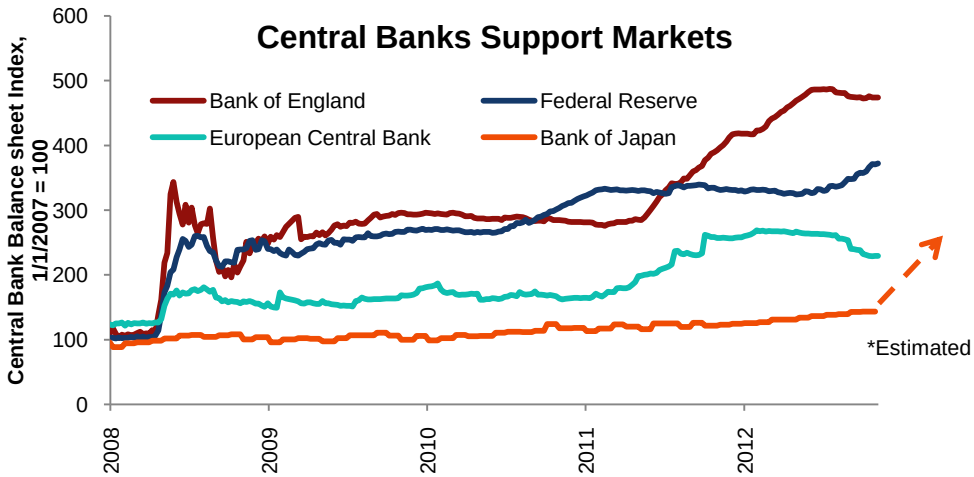


U.S. Large Cap = Russell 1000, U.S. Small Cap = Russell 2000, International Equity = MSCI EAFE, Emerging Markets Equity = MSCI EME, U.S. Investment Grade Bonds = Barclays U.S. Aggregate, High Yield = BofA ML Master II HY Constrained, Emerging Markets Debt = JP Morgan EMBI Global Diversified, Treasury = Treasury component of the Barclays U.S. Aggregate, Inflation Linked = Barclays 1-10 Year TIPS, Commodities = DJ UBS Commodity Index. Source: SEI, FactSet

Central banks support migration into equities

- Investors showed cautious optimism.
  - The Federal Reserve held rates low, pushing investors out on the risk spectrum in search of higher yields. We saw the first positive inflows into U.S. equities in two years.
  - Many risk assets did not participate in the rally.
    - Emerging-market equities and emerging market debt did not participate. Nor did commodities.
  - Investors cautiously focused on U.S. equity markets given the ongoing economic expansion.
- Central bank policy influenced the direction of markets.
  - While broad debate remains as to the "end-game", we saw no change in the tone of Fed Policy.
    - The Fed continued bond purchases of $85 billion per month.
  - The Bank of Japan is on the cusp of a significant quantitative effort.





Source: Bank of England, Bank of Japan, European Central Bank, Federal Reserve, SEI

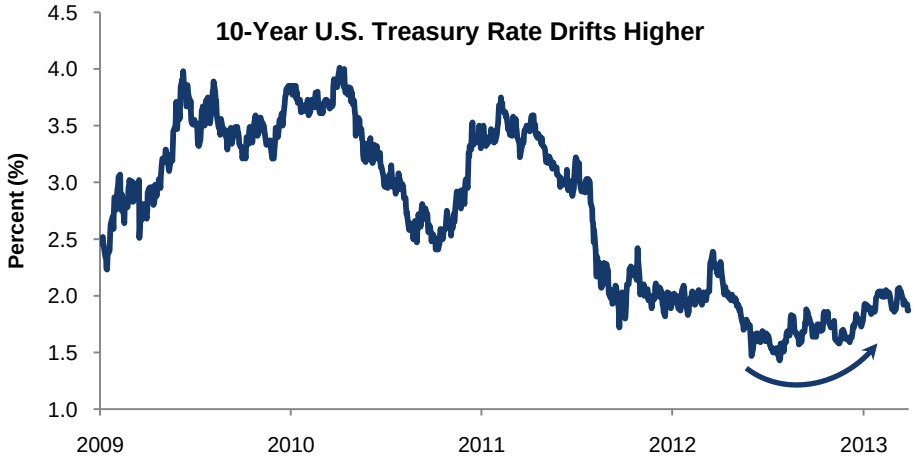
Source: Equity Flows Chart: Investment Company Institute. March data estimated through 3/27/13. * Estimated based off of Bank Of Japan policy implementation.

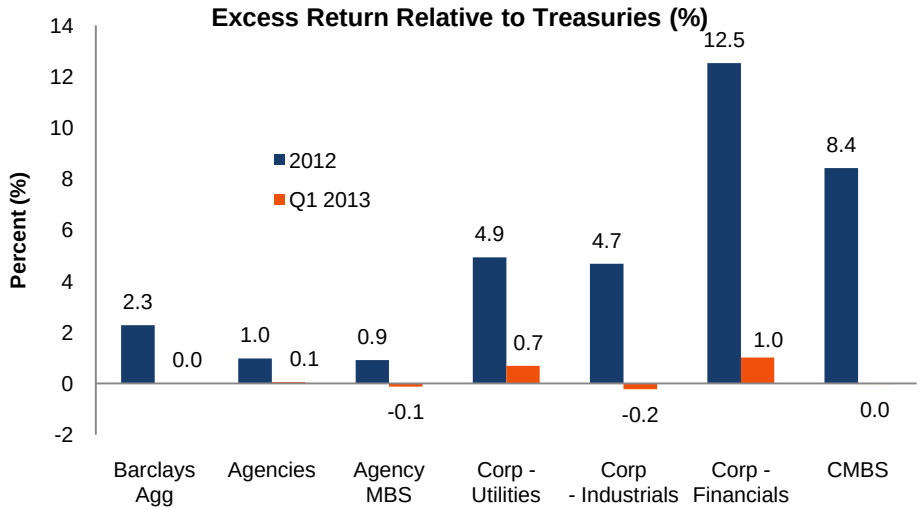
Fixed income: Rates drift higher

- Rates drifted higher, causing modest losses in investment-grade debt.
- Fixed-income markets are seeing much more modest returns after significant spread compression and rate declines.
- Relative return opportunities were limited, as few non-Treasury sectors outperformed Treasuries.
  - At this stage of the cycle, strong bottom-up security selection skill becomes more crucial

Portfolio impact

- Managers broadly added excess returns through positive security selection.
- Yield enhancement through spreads rather than duration continued to be a successful strategy.





Source: Spreads– Barclays, Yield Curve - Bloomberg

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Plan Assets and Performance

Fund Performance

Fund	YTD, 4/30/2013			1 Year, 4/30/2013		
	SEI (%)	Index (%)	Difference	SEI (%)	Index (%)	Difference
Large Cap	12.74	12.97	-0.23	16.67	17.17	-0.50
Small Cap	12.37	11.98	0.40	14.75	17.69	-2.94
World Equity ex-US	8.12	6.96	1.16	15.81	14.15	1.66
Core Fixed Income	1.32	0.89	0.44	5.90	3.68	2.22
High Yield Bond	5.16	4.81	0.35	14.87	14.01	0.86
Emerging Markets Debt	2.12	1.95	0.17	13.39	12.75	0.63
Opportunistic Income	1.54	0.10	1.43	5.77	0.41	5.35
Core Property*	2.02	2.57	-0.55	10.59	10.52	0.07

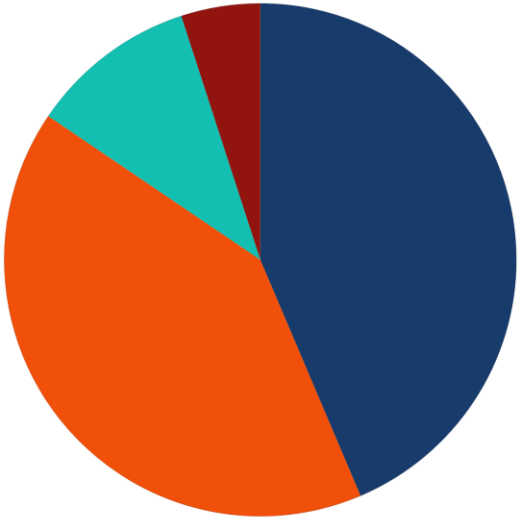
Benchmarks for the funds are as follows: S&P 500 Index (Disciplined Equity), Russell 2500 Index(Small/Mid Cap Equity), MSCI World Equity ex-US (World Equity ex-US), Barclays US Aggregate (Core Fixed Income), ML US Master II Constrained Index (High Yield Bond), JPM EMBI Global Diversified Index (Emerging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

* Core Property returns as of 3/31/13.

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 4/30/13

Current portfolio allocation



Asset Class		Total Market Value	% Allocation
US Equity	$	22,892,094	43.1%
Fixed Income	$	21,456,165	40.4%
World Equity x-US	$	5,529,188	10.4%
Real Estate	$	2,627,049	5.0%
Other	$	560,000	1.1%
TOTAL	**$**	**53,064,495**	**100%**

Manager/Asset	Style		Total Market Value	% Allocation
SEI LARGE CAP FUND	US Equity	$	21,035,057	39.6%
SEI CORE FIXED INCOME FUND	Core Fixed Income	$	10,970,733	20.7%
SEI OPPORTUNISTIC INCOME FD-A	Other Fixed Income	$	5,200,070	9.8%
SEI WORLD EQUITY EX-US FUND	World Equity x-US	$	4,489,174	8.5%
SEI HIGH YIELD BOND FUND	High Yield Fixed Income	$	2,646,835	5.0%
SEI EMERGING MARKETS DEBT FUND	Emerging Markets Fixed Income	$	2,638,526	5.0%
SEI CORE PROPERTY COLLECTIVE INVEST TR	Real Estate	$	2,627,049	5.0%
SEI SMALL CAP FUND	US Equity	$	1,857,036	3.5%
SEI EMERGING MARKETS EQUITY FUND	World Equity x-US	$	1,040,014	2.0%
AUCTION RATE SECURITIES	Other	$	560,000	1.1%
	TOTALS	**$**	**53,064,495**	**100%**

Portfolio Performance – Pension Total Portfolio 4/30/13

Total Portfolio Returns

	1 Month	3 Month	YTD	1 Year	FYTD	ITD*
TOTAL PORTFOLIO RETURNS (Gross)	1.50%	3.99%	6.89%	11.49%	1.50%	10.09%
TOTAL PORTFOLIO RETURNS (Net)	1.45%	3.83%	6.68%	10.85%	1.45%	9.45%
TOTAL INDEX	*1.41%*	*3.68%*	*6.17%*	*10.15%*	*1.41%*	*10.23%*

* Inception Date: 5/31/10

Current Blended Benchmark (Total Index)

04/01/13 - 04/30/13

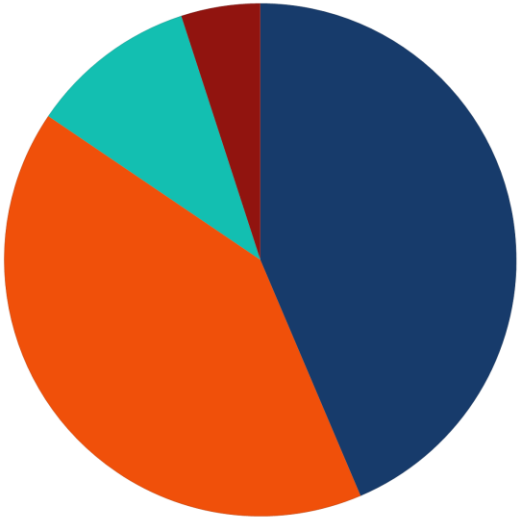
31.00% BARCLAY US AGG TRIX
40.00% RUSSELL 1000 TR
10.00% BOFAML 1-3Y US TRS TRIX
10.50% MSCI AC WRLD X US NR USD
5.00% HIST BLND: CORE PROPERTY IDX
3.50% RUSSELL 2000 TR

Asset Growth

	1 Month	3 Month	YTD	Fiscal YTD (03/31)	Since Inception (05/31/10)
Beginning Market Value	$52,443,216	$51,506,886	$50,313,925	$52,443,216	$27,182,868
Net Cash Flows	($150,000)	($447,556)	($647,556)	($150,000)	$13,350,893
Net Funds for Investment	$52,293,216	$51,059,330	$49,666,369	$52,293,216	$40,533,761
Investment Gain/Loss	$771,279	$2,005,165	$3,398,126	$771,279	$12,530,734
Ending Market Value	**$53,064,495**	**$53,064,495**	**$53,064,495**	**$53,064,495**	**$53,064,495**

Asset allocation – Pension SEI Only 4/30/13

Current portfolio allocation



Asset Class		Total Market Value	% Allocation
US Equity	$	22,892,094	43.6%
Fixed Income	$	21,456,165	40.9%
World Equity x-US	$	5,529,188	10.5%
Real Estate	$	2,627,049	5.0%
TOTAL	**$**	**52,504,495**	**100%**

Manager/Asset	Style		Total Market Value	% Allocation
SEI LARGE CAP FUND	US Equity	$	21,035,057	40.1%
SEI CORE FIXED INCOME FUND	Core Fixed Income	$	10,970,733	20.9%
SEI OPPORTUNISTIC INCOME FD-A	Other Fixed Income	$	5,200,070	9.9%
SEI WORLD EQUITY EX-US FUND	World Equity x-US	$	4,489,174	8.6%
SEI HIGH YIELD BOND FUND	High Yield Fixed Income	$	2,646,835	5.0%
SEI EMERGING MARKETS DEBT FUND	Emerging Markets Fixed Income	$	2,638,526	5.0%
SEI CORE PROPERTY COLLECTIVE INVEST TR	Real Estate	$	2,627,049	5.0%
SEI SMALL CAP FUND	US Equity	$	1,857,036	3.5%
SEI EMERGING MARKETS EQUITY FUND	World Equity x-US	$	1,040,014	2.0%
	TOTALS	**$**	**52,504,495**	**100%**

Portfolio Performance – Pension SEI Only 4/30/13

Total Portfolio Returns

	1 Month	3 Month	YTD	1 Year	FYTD	ITD*
TOTAL PORTFOLIO RETURNS (Gross)	1.51%	4.01%	6.94%	11.55%	1.51%	11.94%
TOTAL PORTFOLIO RETURNS (Net)	1.46%	3.85%	6.73%	10.91%	1.46%	11.30%
TOTAL INDEX	*1.41%*	*3.68%*	*6.17%*	*10.15%*	*1.41%*	*10.50%*

* Inception Date: 5/31/10

Current Blended Benchmark (Total Index)

04/01/13 - 04/30/13

31.00% BARCLAY US AGG TRIX
40.00% RUSSELL 1000 TR
10.00% BOFAML 1-3Y US TRS TRIX
10.50% MSCI AC WRLD X US NR USD
5.00% HIST BLND: CORE PROPERTY IDX
3.50% RUSSELL 2000 TR

Portfolio Note

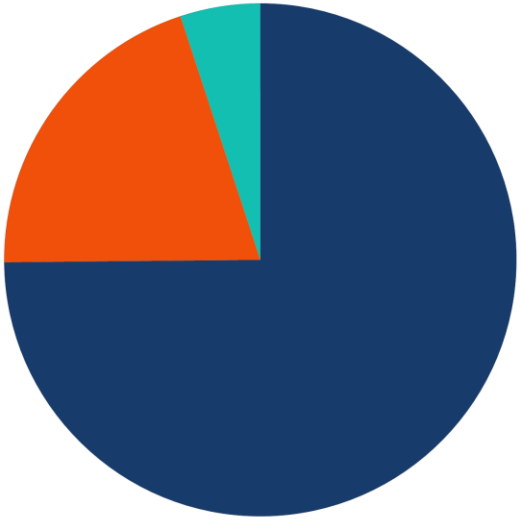
Market Value 4/30/13 - $52,504,495
Net Cash Flows – $0
Net Funds for Investment - $52,504,495
Market Value 5/16/13 - $53,357,983
Gain of $853,488 – approx. +1.63%

Asset Growth

	1 Month	3 Month	YTD	Fiscal YTD (03/31)	Since Inception (05/31/10)
Beginning Market Value	$51,883,216	$50,946,886	$49,751,833	$51,883,216	$18,296,533
Net Cash Flows	($150,000)	($447,556)	($647,556)	($150,000)	$20,142,234
Net Funds for Investment	$51,733,216	$50,499,330	$49,104,276	$51,733,216	$38,438,766
Investment Gain/Loss	$771,279	$2,005,166	$3,400,219	$771,279	$14,065,729
Ending Market Value	**$52,504,495**	**$52,504,495**	**$52,504,495**	**$52,504,495**	**$52,504,495**

Asset allocation – Health & Welfare Total Portfolio 4/30/13

Current portfolio allocation



Asset Class		Total Market Value	% Allocation
Fixed Income	$	2,021,074	69.7%
US Equity	$	542,720	18.7%
World Equity x-US	$	136,433	4.7%
Other	$	200,000	6.9%
TOTAL	**$**	**2,900,227**	**100%**

Manager/Asset	Style		Total Market Value	% Allocation
SEI CORE FIXED INCOME FUND	Core Fixed Income	$	863,067	29.8%
SEI OPPORTUNISTIC INCOME FD-A	Other Fixed Income	$	618,420	21.3%
SEI LARGE CAP FUND	US Equity	$	380,851	13.1%
SEI ULTRA SHORT DURATION, CLASS A	Short Duration Fixed Income	$	268,878	9.3%
SEI HIGH YIELD BOND FUND	High Yield Fixed Income	$	135,567	4.7%
SEI EMERGING MARKETS DEBT FUND	Emerging Markets Fixed Income	$	135,142	4.7%
SEI U.S. MANAGED VOLATILITY FUND (SIIT)	US Equity	$	120,995	4.2%
SEI WORLD EQUITY EX-US FUND	World Equity x-US	$	69,213	2.4%
SEI SMALL CAP FUND	US Equity	$	40,874	1.4%
SEI GLOBAL MANAGED VOLATILITY FUND	World Equity x-US	$	40,332	1.4%
SEI EMERGING MARKETS EQUITY FUND	World Equity x-US	$	26,888	0.9%
AUCTION RATE SECURITIES	Other	$	200,000	6.9%
	TOTALS	**$**	**2,900,227**	**100%**

Portfolio Performance – H&W Total Portfolio 4/30/13

Total Portfolio Returns

	1 Month	3 Month	YTD	1 Year	FYTD	ITD*
TOTAL PORTFOLIO RETURNS (Gross)	1.13%	2.51%	3.49%	7.47%	1.13%	5.80%
TOTAL PORTFOLIO RETURNS (Net)	1.10%	2.41%	3.36%	7.07%	1.10%	5.40%
TOTAL INDEX	*1.04%*	*2.37%*	*2.91%*	*5.72%*	*1.04%*	*6.59%*

* Inception Date: 5/31/10

Current Blended Benchmark (Total Index)

04/01/13 - 04/30/13

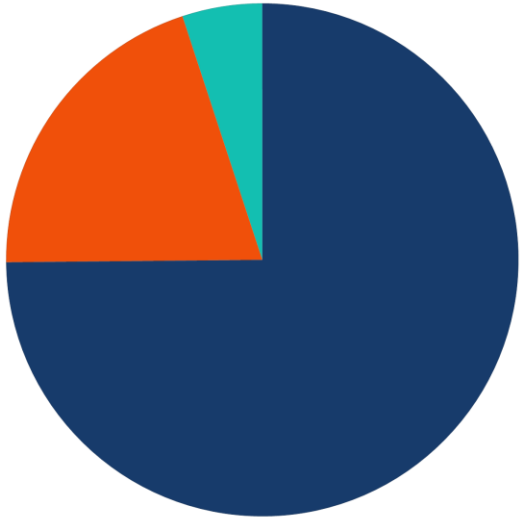
55.40% BARCLAY US AGG TRIX
17.20% RUSSELL 1000 TR
4.70% MSCI AC WRLD X US NR USD
21.30% BOFAML USD LIBOR 3M CON MAT TR

Asset Growth

	1 Month	3 Month	YTD	Fiscal YTD (03/31)	Since Inception (05/31/10)
Beginning Market Value	$2,868,265	$2,829,820	$2,803,327	$2,868,265	$2,942,818
Net Cash Flows	$0	$777	$777	$0	($483,976)
Net Funds for Investment	$2,868,265	$2,830,597	$2,804,104	$2,868,265	$2,458,842
Investment Gain/Loss	$31,962	$69,630	$96,123	$31,962	$441,385
Ending Market Value	**$2,900,227**	**$2,900,227**	**$2,900,227**	**$2,900,227**	**$2,900,227**

Asset allocation – Health & Welfare SEI Only 4/30/13

Current portfolio allocation



Asset Class		Total Market Value	% Allocation
Fixed Income	$	2,021,074	74.9%
US Equity	$	542,720	20.1%
World Equity x-US	$	136,433	5.1%
TOTAL	**$**	**2,700,227**	**100%**

Manager/Asset	Style		Total Market Value	% Allocation
SEI CORE FIXED INCOME FUND	Core Fixed Income	$	863,067	32.0%
SEI OPPORTUNISTIC INCOME FD-A	Other Fixed Income	$	618,420	22.9%
SEI LARGE CAP FUND	US Equity	$	380,851	14.1%
SEI ULTRA SHORT DURATION, CLASS A	Short Duration Fixed Income	$	268,878	10.0%
SEI HIGH YIELD BOND FUND	High Yield Fixed Income	$	135,567	5.0%
SEI EMERGING MARKETS DEBT FUND	Emerging Markets Fixed Income	$	135,142	5.0%
SEI U.S. MANAGED VOLATILITY FUND (SIIT)	US Equity	$	120,995	4.5%
SEI WORLD EQUITY EX-US FUND	World Equity x-US	$	69,213	2.6%
SEI SMALL CAP FUND	US Equity	$	40,874	1.5%
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SEI EMERGING MARKETS EQUITY FUND	World Equity x-US	$	26,888	1.0%
	TOTALS	**$**	**2,700,227**	**100%**

Portfolio Performance – H&W SEI Only 4/30/13

Total Portfolio Returns

	1 Month	3 Month	YTD	1 Year	FYTD	ITD*
TOTAL PORTFOLIO RETURNS (Gross)	1.21%	2.69%	3.75%	8.15%	1.21%	8.83%
TOTAL PORTFOLIO RETURNS (Net)	1.18%	2.59%	3.62%	7.75%	1.18%	8.43%
TOTAL INDEX	*1.04%*	*2.44%*	*3.07%*	*5.87%*	*1.04%*	*6.79%*

* Inception Date: 5/31/10

Current Blended Benchmark (Total Index)

04/01/13 - 04/30/13

52.00% BARCLAY US AGG TRIX
18.50% RUSSELL 1000 TR
23.00% BOFAML USD LIBOR 3M CON MAT TR
5.00% MSCI AC WRLD X US NR USD
1.50% RUSSELL 2000 TR

Portfolio Note

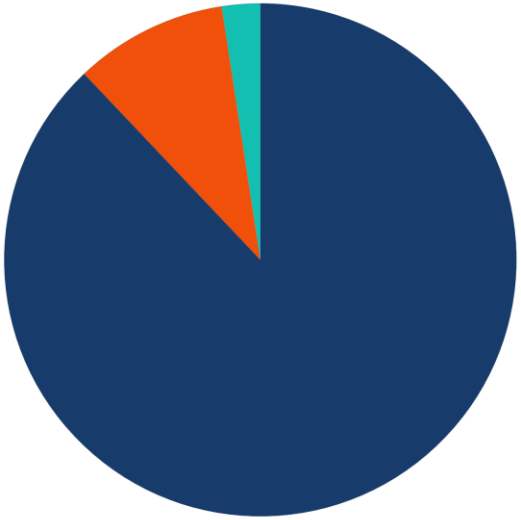
Market Value 4/30/13 - $2,700,227
Net Cash Flows – $0
Net Funds for Investment - $2,700,227
Market Value 5/16/13 - $2,716,392
Gain of $16,165 – approx. +0.60%

Asset Growth

	1 Month	3 Month	YTD	Fiscal YTD (03/31)	Since Inception (05/31/10)
Beginning Market Value	$2,668,265	$2,629,820	$2,603,327	$2,668,265	$2,311,721
Net Cash Flows	$0	$777	$777	$0	($188,391)
Net Funds for Investment	$2,668,265	$2,630,598	$2,604,104	$2,668,265	$2,123,330
Investment Gain/Loss	$31,962	$69,629	$96,122	$31,962	$576,896
Ending Market Value	**$2,700,227**	**$2,700,227**	**$2,700,227**	**$2,700,227**	**$2,700,227**

Asset allocation – Apprentice & Training 4/30/13

Current portfolio allocation



Asset Class		Total Market Value	% Allocation
Fixed Income	$	549,281	87.9%
US Equity	$	60,370	9.7%
World Equity x-US	$	15,132	2.4%
TOTAL	**$**	**624,783**	**100%**

Manager/Asset	Style		Total Market Value	% Allocation
SEI CORE FIXED INCOME FUND	Core Fixed Income	$	199,907	32.0%
SEI OPPORTUNISTIC INCOME FD-A	Other Fixed Income	$	112,101	17.9%
SEI SHORT-DURATION GOVERNMENT FUND	Municipal Fixed Income	$	93,480	15.0%
SEI ULTRA SHORT DURATION, CLASS A	Short Duration Fixed Income	$	62,279	10.0%
SEI LARGE CAP FUND	US Equity	$	42,225	6.8%
SEI HIGH YIELD BOND FUND	High Yield Fixed Income	$	40,821	6.5%
SEI EMERGING MARKETS DEBT FUND	Emerging Markets Fixed Income	$	40,693	6.5%
SEI U.S. MANAGED VOLATILITY FUND (SIIT)	US Equity	$	13,701	2.2%
SEI WORLD EQUITY EX-US FUND	World Equity x-US	$	7,658	1.2%
SEI SMALL CAP FUND	US Equity	$	4,443	0.7%
SEI GLOBAL MANAGED VOLATILITY FUND	World Equity x-US	$	4,360	0.7%
SEI EMERGING MARKETS EQUITY FUND	World Equity x-US	$	3,114	0.5%
	TOTALS	**$**	**624,783**	**100%**

Portfolio Performance – A&T Total 4/30/13

Total Portfolio Returns

	1 Month	3 Month	YTD	1 Year	FYTD	ITD*
TOTAL PORTFOLIO RETURNS (Gross)	1.08%	2.02%	2.34%	6.84%	1.08%	6.80%
TOTAL PORTFOLIO RETURNS (Net)	1.05%	1.92%	2.21%	6.44%	1.05%	6.40%
TOTAL INDEX	*0.81%*	*1.73%*	*1.62%*	*3.94%*	*0.81%*	*4.47%*

* Inception Date: 5/31/10

Current Blended Benchmark (Total Index)

04/01/13 - 04/30/13

55.00% BARCLAY US AGG TRIX
15.00% BOFAML 1-3Y US TRS TRIX
9.00% RUSSELL 1000 TR
18.00% BOFAML USD LIBOR 3M CON MAT TR
2.00% MSCI AC WRLD X US NR USD
1.00% RUSSELL 2000 TR

Portfolio Note

Market Value 4/30/13 - $624,783
Net Cash Flows – $0
Net Funds for Investment - $624,783
Market Value 5/16/13 - $625,885
Gain of $1,102 – approx.+0.18%

Asset Growth

	1 Month	3 Month	YTD	Fiscal YTD (03/31)	Since Inception (05/31/10)
Beginning Market Value	$618,249	$612,739	$610,951	$618,249	$502,056
Net Cash Flows	$0	$0	$0	$0	$16,113
Net Funds for Investment	$618,249	$612,739	$610,951	$618,249	$518,169
Investment Gain/Loss	$6,534	$12,044	$13,831	$6,534	$106,614
Ending Market Value	**$624,783**	**$624,783**	**$624,783**	**$624,783**	**$624,783**

Auction Rate Securities - Remaining

				Cost Basis	MV as of 5/31/10	4/30/2013		"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

				Sold			Redeemed	
Plan	Name	Units	Cost Basis	Principal	Commission	NET	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	3/31/2013	4/30/2013
Large Cap Equity	40	40
Small Cap Equity	3.5	3.5
World Equity ex-US	10.5	8.5
Emerging Markets Equity		2
US High Yield	5	5
Emerging Markets Debt	5	5
Core Fixed Income	21	21
Opportunistic Income	10	10
Core Property	5	5
TOTAL	100	100
Expected Return	8.8%	8.9%
Standard Deviation	11.8%	11.9%
Sharpe Ratio	0.41	0.41

Portfolio Changes for IUOE Local #487 H&W

Asset Class	3/31/2013	4/30/2013
Large Cap Equity	18.5	14
US Managed Volatility		4.5
Small Cap Equity	1.5	1.5
World Equity ex-US	5	2.5
Global Managed Volatility		1.5
Emerging Markets Equity		1
US High Yield	5	5
Emerging Markets Debt	5	5
Core Fixed Income	42	32
Enhanced Income	23	23
Ultra Short Bond		10
TOTAL	100	100
Expected Return	7.8%	7.5%
Standard Deviation	7.3%	6.8%
Sharpe Ratio	0.51	0.52

Portfolio Changes for IUOE Local #487 A&T

Asset Class	3/31/2013	4/30/2013
Large Cap Equity	9	6.7
US Managed Volatility	-	2.2
Small Cap Equity	1	0.7
World Equity ex-US	2	1.2
Global Managed Volatility	-	0.7
Emerging Markets Equity	-	0.5
US High Yield	6.5	6.5
Emerging Markets Debt	6.5	6.5
Core Fixed Income	42	32
Short Duration Govt	15	15
Enhanced Income	18	18
Ultra Short Bond	-	10
TOTAL	100	100
Expected Return	7.2%	7.0%
Standard Deviation	5.8%	5.4%
Sharpe Ratio	0.54	0.55

SEI New ways. New answers.®

Appendix

Symposium Agenda 6/12/13-6/13/13

Wednesday, June 12, 2013

Afternoon

Arrivals: Check in hotel, Hilton Garden Inn, Oaks, PA

5:30 PM

Cocktails & Dinner at Offsite Venue

Thursday, June 13, 2013

8:00 AM

Welcome, Opening Remarks: Roger Messina, Managing Director, Institutional Relationship Management

8:05 AM - 8:15 AM

SEI Overview: Ed Loughlin, President, Institutional Group

Mr. Loughlin will provide background and an update on SEI's businesses and financial position. He will talk about some of the strategic initiatives, innovations and investments being made within SEI's Institutional Group.

8:15 AM - 9:15 AM

Keynote Speech: Recommendations for Comprehensive Pension Reform: Josh Shapiro, Deputy Executive Director for Research & Education, NCCMP

Mr. Shapiro is a key member of the National Coordinating Committee for Multiemployer Plans (NCCMP). The NCCMP is made up of various multiemployer peers and represents the interests of multiemployer plan participants for more than 30 years. The group helps to protect the financial security of multiemployer funds and enhances the benefits multiemployer plans provide and helps to hold down regulatory and administrative costs. Over the past 18 months, the Retirement Security Review Commission of the NCCMP has worked tirelessly to craft a comprehensive private sector solution to safeguard retirement security for multiemployer plan participants that protects taxpayers and spurs economic growth. These private sector recommendations do not include any taxpayer bailouts and will improve the financial health of both the multiemployer plans and the employees who fund them. Mr. Shapiro will provide an overview of the recently released proposal and its implications.

Symposium Agenda 6/12/13

9:15 AM - 9:45 AM

SEI's Comprehensive Approach to Multiemployer Plan Management: Jim Smigiel, Managing Director, Portfolio Strategies Group

Mr. Smigiel will discuss SEI's comprehensive process for managing Taft-Hartley a plan. He will review:

SEI's goals-focused advice and asset allocation processes

A multi-level approach to constructing portfolios and managing risk

Our rigorous approach for selecting and monitoring institutional managers

Incorporating SEI's active view to take advantage of market opportunities

9:45 AM - 10:15 AM

Strategies for Managing Taft-Hartley Plans (1 CE Credit): Jon Waite, FSA, EA, Chief Actuary and Director, Advice Team

To protect plan funding, it is critical that plans implement asset allocation strategies designed to preserve the long-term viability of this important benefit. SEI's Chief Actuary, Jon Waite, will present strategies for achieving goals for plan funding status. The session will feature:

Case studies demonstrating Taft-Hartley-focused portfolio construction to address funding and zone requirements in today's volatile markets

Portfolio diversification strategies via new asset classes such as alternative and inflation protection products

Investment management tools employed by SEI to dynamically align investment decisions with the sensitivities and long-term objectives of the plan

Symposium Agenda 6/12/13

10: 15 AM - 10:30 AM

Break

10:30 AM - 12:00 PM

Breakout Sessions (Smaller groups of 15 spend 20 - 25 minutes in each session)

Session A: Fiduciary Responsibilities for Taft-Hartley Plans (1 CE Credit): Joseph M. Gallo, Esq., Attorney, Institutional Legal Department

Join Mr. Gallo, in-house counsel with SEI, for a discussion of the fiduciary issues facing Taft-Hartley plans. In addition to fielding questions from the group, Mr. Gallo will focus on some of the current challenges for fiduciaries, including:

A review of fiduciary requirements and best practices for Taft-Hartley plans

An overview of recent 408b-2 and 404a-5 regulations and their requirements

A discussion of alternative investments, their structure and fiduciary responsibilities

Session B: Trends in Taft-Hartley Plan Management: Kevin Matthews, CFA, Vice President and Managing Director, Solutions Team

Join Mr. Matthews for a discussion of the trends and challenges facing Taft-Hartley plans. The session will focus on asset allocation trends and levels of fiduciary accountability and discretion.

Session C: Campus Tour: Roger Messina, Managing Director, Institutional Relationship Management and Greg Gettinger, SEI Facilities Manager

Learn how SEI's unique open environment and thought-provoking artwork contribute to SEI's culture of collaboration, innovation and creativity.

12:00 PM

Lunch at SEI

Afternoon

Recreational and Cultural Activities*

Symposium Agenda 6/14/13

Friday, June 14, 2013

8:30 AM - 8:45 AM

Welcome, Opening Remarks: Roger Messina, Managing Director, Institutional Relationship Management

8:45 AM - 9:15 AM

Market and Economic Outlook and SEI's Active Investment View (1 CE Credit): James Solloway, CFA, Managing Director and Portfolio Manager, Portfolio Strategies Group

Mr. Solloway will provide an update to SEI's investment point of view on the capital markets, key themes that have impacted markets in 2013, expectations going forward and potential areas of opportunity. He will also share an update on SEI's active asset allocation positioning.

9:15 AM - 9:45 AM

SEI Equity Overview: Stephen Beinhacker, CFA, Managing Director, Global Equity Strategies Group

Mr. Beinhacker will provide a review of SEI's various equity strategies. He will discuss:

Portfolio construction considerations for the funds

How we selected the current manager line-up

How we monitor the managers and factors that might prompt us to make a change

9:45 AM - 10:15 AM

SEI Fixed Income Review: William T. Lawrence, CFA, Managing Director, Global Fixed Income Strategies Team

Mr. Lawrence will provide a review of SEI's various fixed income strategies. He will discuss:

Portfolio construction considerations for the funds

How we selected the current manager line-up

How we monitor the managers and factors that might prompt us to make a change

Symposium Agenda 6/14/13

10:15 AM - 10:30 AM

Break

10:30 AM - 11:00 AM

SEI Private Equity/Real Estate Update: Theodore Kokas, CFA, FRM, Managing Director, Alternative Investments Team

Mr. Kokas will provide an overview of SEI's private equity and real estate funds. He will review:

Portfolio construction considerations for the funds

How we selected the current manager line-up

How we monitor the managers and factors that might prompt us to make a change

11:00 AM - 11:30AM

Structured Credit Fund Review: David Aniloff, CFA, Portfolio Manager, Global Fixed Income Strategies Group

Mr. Aniloff will provide a comprehensive review of SEI's Structured Credit fund. He will discuss the current makeup of the fund and the outlook going forward.

11:30 AM - 12:00 PM

SEI Outside Assets Program: Heather Corkery, CFA, Institutional Solutions

Assets managed outside of SEI are carefully integrated into our program to ensure that the overall portfolio is focused on your goals and takes on the desired risk/return characteristics. We provide regular, in-depth manager/fund reviews and comprehensive reporting on these assets. Ms. Corkery will describe this process.

12:00 PM

Lunch and Departures

SIIT Large Cap Fund
Performance review

Overview

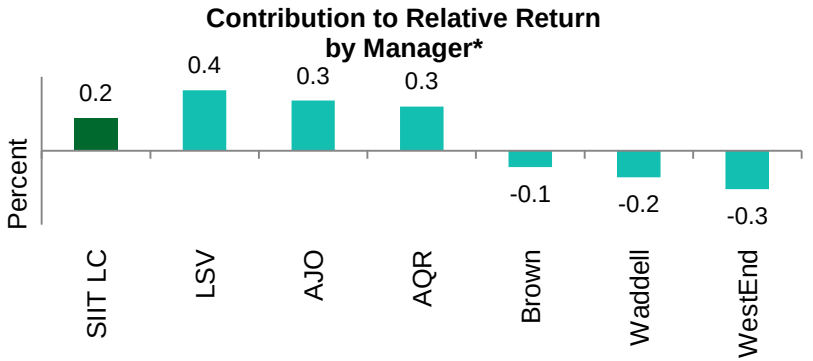
- Relative performance was split along quantitative and fundamental lines as well as offensive and defensive lines.

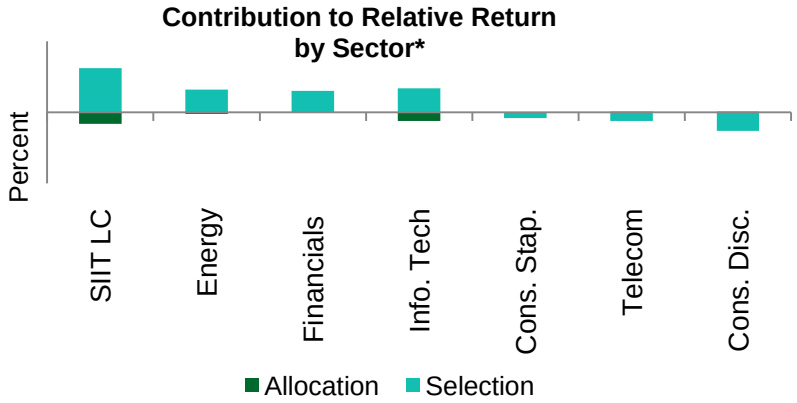
Manager performance

- LSV and AJO benefitted from their picks within Information Technology (IT) and Financials.
- AQR benefitted from security selection in Financials and Industrials.
- Waddell & Reed's Financials selections drove its underperformance.
- Brown and WestEnd were both adversely impacted by a retailing position that sold off sharply after missing consensus earnings estimates.

Sector performance

- Relative performance within Energy was dominated by a few refining names. Picks among insurers, along with an underweight to real estate, enabled outperformance in Financials. The negative impact of an overweight to IT was more than offset by stock selection in that sector.





* 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

- The strong quarter was unusual as it was led by defensive areas of the market—Consumer Staples, Health Care and Utilities. We believe continued long-term leadership by these sectors is unlikely.
  - As a group, relatively safe assets remain expensive in our view, so one must be a discerning buyer of these names.
  - We believe we are well positioned to keep pace as investors' time horizons lengthen beyond the next news cycle.
- Seemingly contradictory actions by the Federal Reserve and federal regulatory agencies may reduce the likelihood of strong upside or downside surprises.

Manager positioning

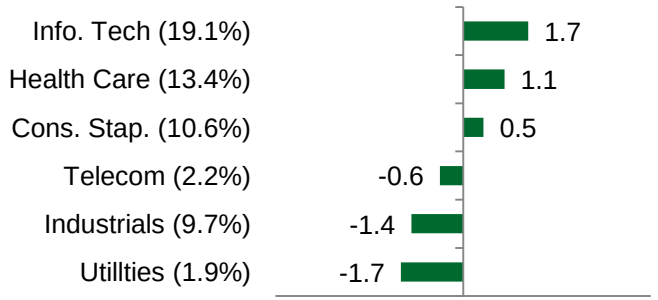
- In aggregate, managers have a preference for smaller names within the benchmark and continue to shy away from more defensive lower volatility names.

Sector positioning

- We share the consensus view of our managers that the "muddle-through" economic environment should favor portions of the Information Technology, Health Care and consumer-oriented sectors.

Manager Allocations (%)	
AJO	18.4
LSV	16.7
AQR	16.0
Waddell & Reed	17.7
Delaware Management Company	12.7
Brown Advisory	11.8
WestEnd Advisors	9.5

Active Sector Allocation *



*Figures in parenthesis are actual fund weights as of March 31. 2013; top 3/bottom 3 only. Cash represented .23% 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

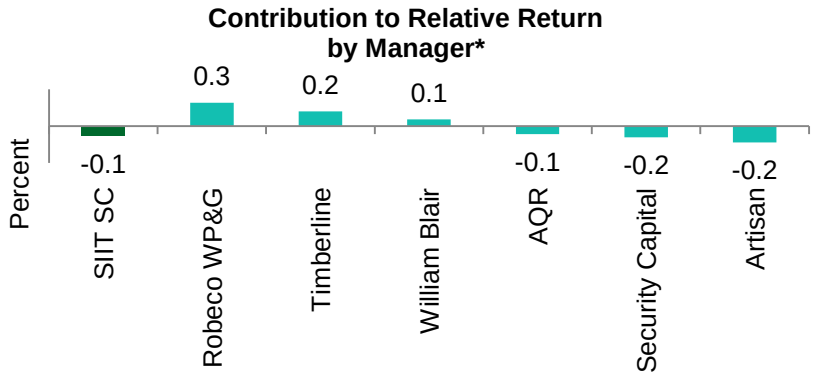
- The SIIT Small Cap Fund (the Fund) advanced 12.26%, slightly behind its Russell 2000 benchmark.
- Growth beat value within small-cap stocks, whereas value beat growth within mid- and large-cap stocks.

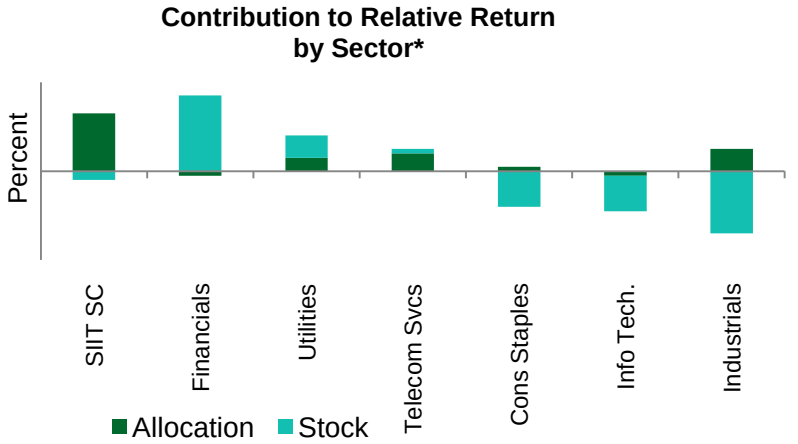
Manager performance

- The Fund's value managers continued to benefit from the style tailwind that developed in the fourth quarter of 2012. However, Artisan's contrarian value approach remained out of favor.
- Contrarian growth manager Timberline had strong stock selection in biotech and pharmaceuticals.

Sector performance

- In the Financials sector, stock picking was strong in banks and insurance.
- Underweight positions in the defensive Utilities and Telecommunications Services sectors were beneficial.
- The Fund's overweight to Industrials was helpful, but stock-selection results across the sector were weak. Stock picking was also weak in the hardware and internet software areas of the Information Technology sector.





* Versus Fund benchmark; top 3/bottom 3 only. Contribution to Relative Return by Sector does not include the impact of cash at the fund level.

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, perhaps gaining more consistency and breadth as the year progresses.
- Small-cap valuations are roughly in line with historical norms relative to their history and to large caps. Markets shrugged off mixed economic data and events in the first quarter; we may see consolidation in the second quarter.

Manager positioning

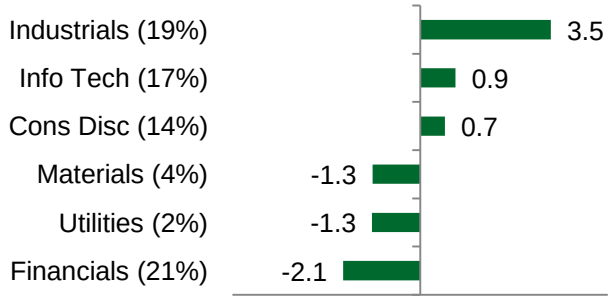
- Our allocation to growth and value is balanced, given modest growth expectations and low valuation dispersion.
- No significant changes were made to the manager lineup.

Sector positioning

- The Industrials sector, particularly in the capital goods area, should benefit from a resurgence in capital spending.
- The Fund's overweight to Information Technology is focused on the software industry, which offers stable demand plus solid balance sheets and cash flows.
- Our largest underweight is in Financials, principally in banks and real estate investment trusts. However, the Fund is overweight insurance given attractive valuations and carriers' improving pricing.

Manager Allocations (%)	
AQR	15
Timberline	11
Janus	11
AllianceBernstein	10
Lee Munder	10
Robeco WP&G	10
JPMorgan	9
Artisan	7
William Blair	7
LSV	6
Security	3

Active Sector Allocation *



*Figures in parenthesis are actual fund weights as of March 31, 2013; 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 = Russell 2000 Index

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

Overview

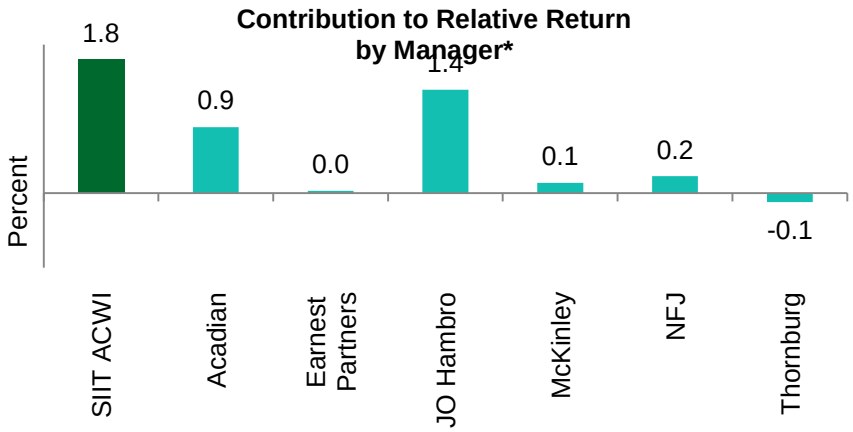
- The Fund outperformed the benchmark, returning 4.97% versus 3.17% for the MSCI ACWI ex-US Index.
- Manager-level performance was strong for the quarter.
- JO Hambro's growth/momentum portfolio had outsized performance with beneficial selection in Financials, Consumer Discretionary and Materials.
- Acadian also performed well, especially in Financials and Materials.

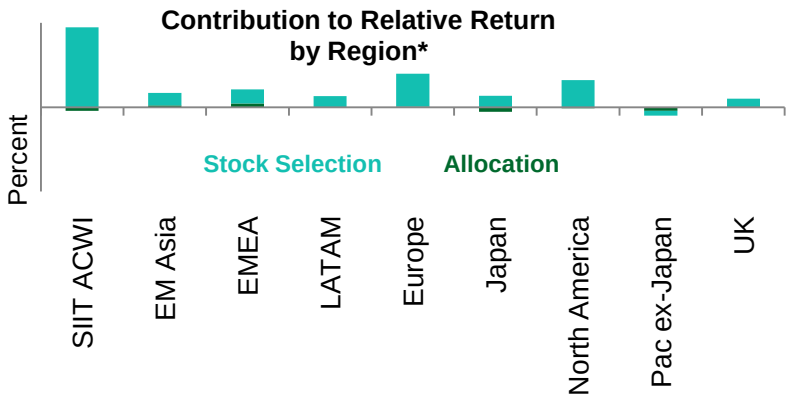
Regional performance

- Strong selection in Europe, particularly Germany and the Netherlands, more than overcame the negative effects of underweighting Japan and Australia.

Sector performance

- Selection across most sectors contributed, with only Consumer Staples detracting from results. Selection in Financials added the most at the sector level.
- Overweights to Health Care and Consumer Discretionary were positive, but were slightly offset by an underweight to Consumer Staples.





* 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

- European issues remain far from resolved, as evidenced by the Italian election impasse and banking taxation reform in Cyprus. We expect our managers to continue to emphasize stronger countries (such as Germany and the Netherlands) and avoid belabored countries (such as Spain).
- Japanese equities experienced a rally in anticipation of a change in monetary and fiscal policies. Despite this, many of our fundamentally oriented managers remained skeptical, looking for confirmation that the structural challenges of corporate Japan will also be addressed.

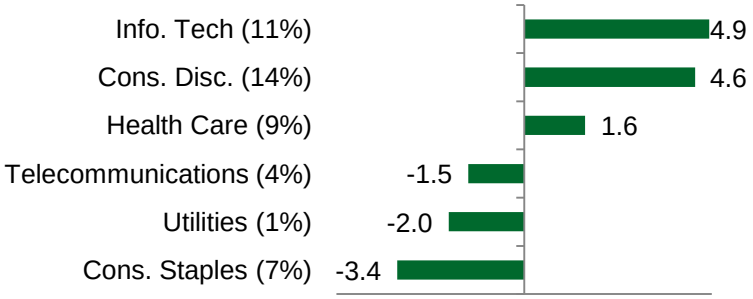
Regional positioning

- As a group, our managers remain underweight peripheral Europe and France and are selectively positioned in emerging markets, with an overweight to Brazil and underweights to Taiwan and Russia. An underweight to Pacific ex-Japan is primarily due to lack of exposure to Australian financial stocks.

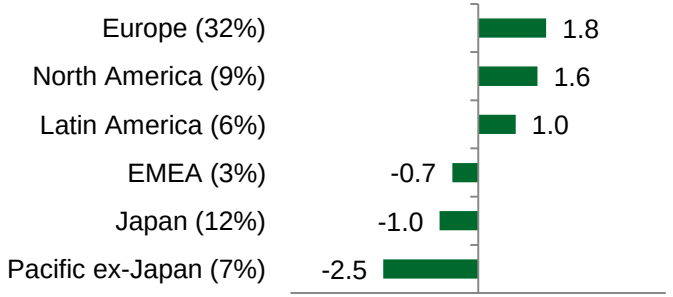
Sector positioning

- In the aggregate, our managers continue to prefer the expansion-themed sectors such as Information Technology, Consumer Discretionary and Health Care.
- Managers are avoiding low-growth areas such as Telecommunications and Utilities and the potentially overvalued Consumer Staples sector.

Active Sector Allocation *



Active Region Allocation *



*Figures in parenthesis are actual Fund weights as of March 31, 2013; 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

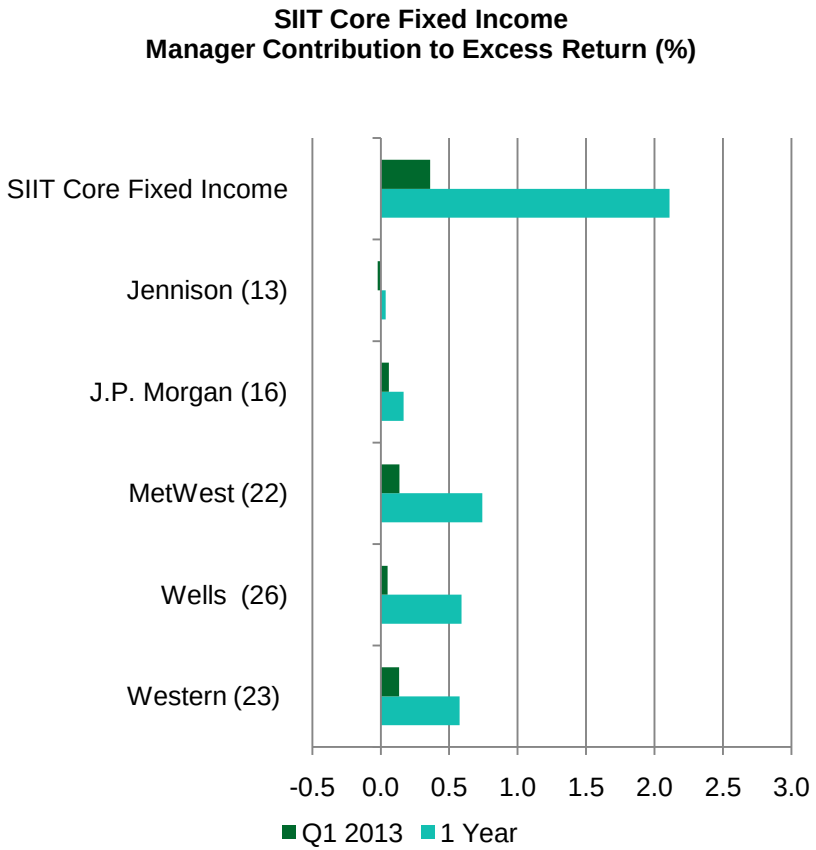
SIIT Core Fixed Income Fund
Performance review

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' security selection within the agency MBS and corporate sectors was beneficial.
- The Fund's short duration posture (MWAM, Western, JPM) contributed to performance.

Detractors

- Jennison's yield-curve posture (flattener) detracted from performance as the intermediate-long portion of the yield curve steepened.
- Wells' and MetWest's overweights to commercial MBS detracted.



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

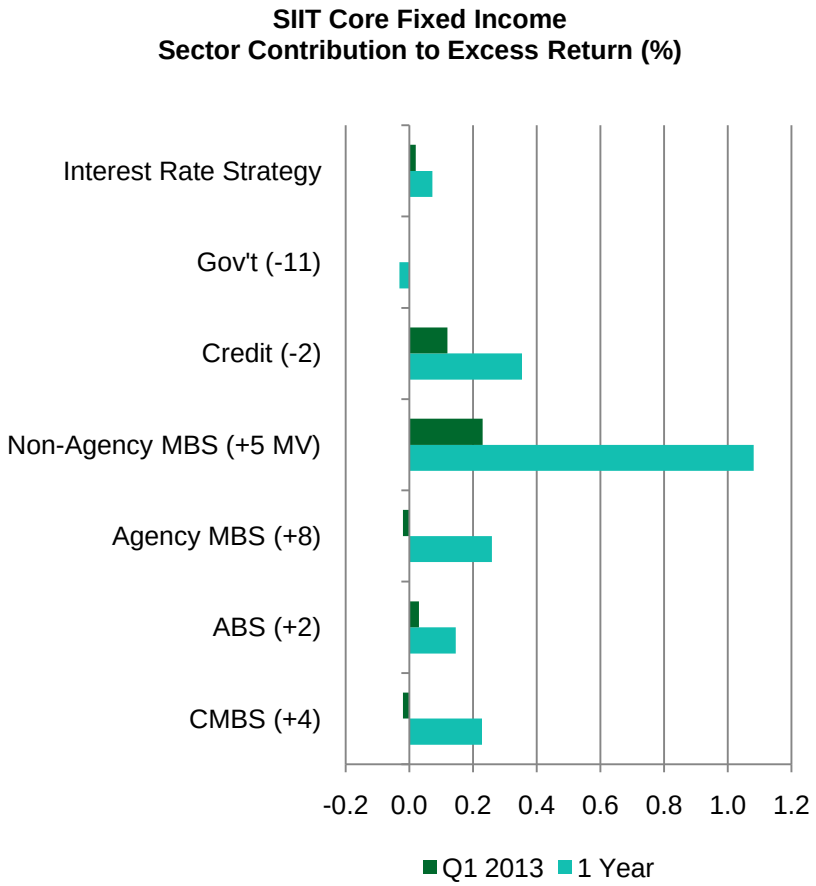
SIIT Core Fixed Income Fund
Positioning and actions

Positioning

- Managers continue to emphasize overweight positions in non-agency MBS, financials, and lower-beta commercial MBS.
- Overweights have continued to be reduced with the rally in spreads.
- The Fund is underweight Industrials as spreads are relatively tight and the sector remains vulnerable to LBO risk, which was seen with the recent Heinz transaction.
- We expect managers to continue to tactically trade agency MBS given tight spreads in that sector.
- The Fund is underweight to the government sector (Treasurys and agency debt) as risk premiums in other sectors are still more attractive.

Actions

- Allocations to opportunistic, higher-tracking-error managers (Western & MetWest) are currently being maintained as all managers have reduced risk overall in their respective portfolios.



(#) indicates the relative CTD % weight to the benchmark In Base Currency, Gross of Fees.

Sources: SEI. Index = Barclays Capital US Aggregate Index.

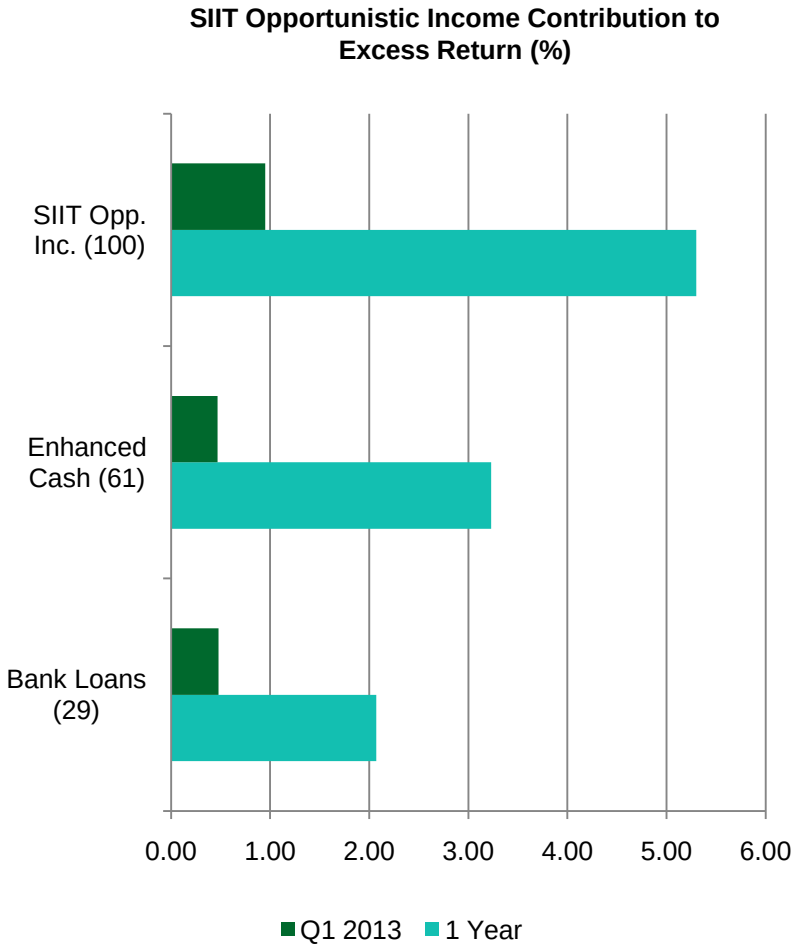
SIIT Opportunistic Income Fund Performance review

Contributors

- An allocation to non-agency residential mortgage-backed securities (26% of Fund market value) was positive. The position benefitted from improving housing fundamentals and homeowner credit metrics (loan-to-value ratio, severity and delinquency trends).
- The bank-loan allocation contributed to relative performance, as leveraged loans returned 2.4%.

Detractors

- The Fund's 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

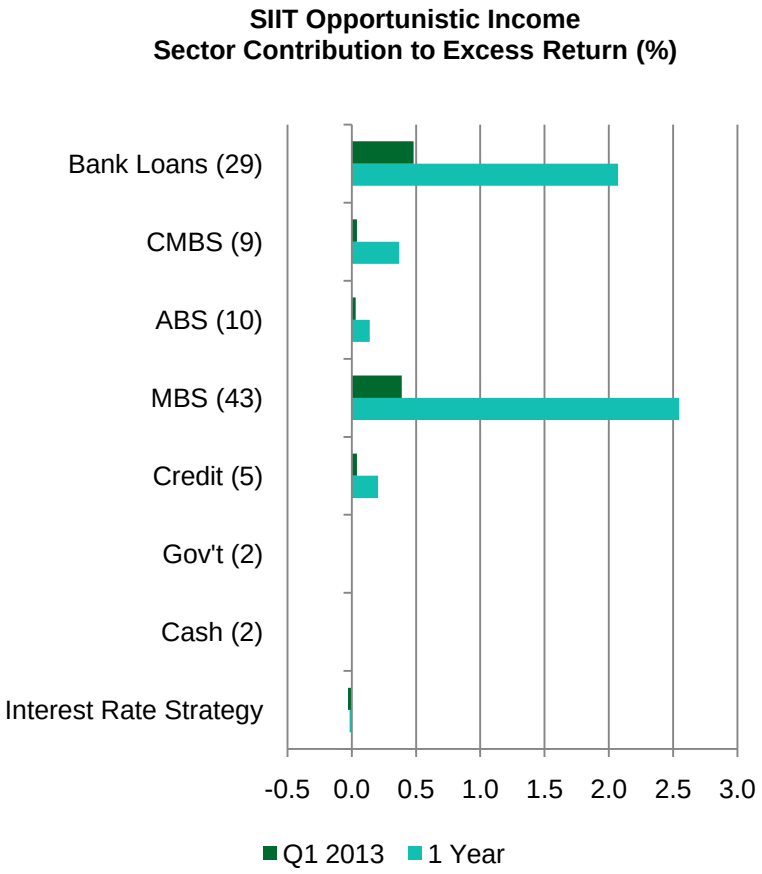
SIIT Opportunistic Income Fund
Positioning and actions

Positioning

- The Fund continues to provide a yield advantage over its 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 future returns to be driven less by price appreciation and more by the yield advantage of these securities over the benchmark.

Actions

- The Fund increased its allocation to enhanced cash managers and decreased the allocation to bank loans, as opportunities in the non-agency residential mortgage-backed securities (RMBS) space remain attractive.
- Throughout the quarter, the Fund took down cash holdings and increased allocations at the margin to non-agency RMBS and asset-backed securities focused on solid income from legacy and new-issue securitized assets.
- 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

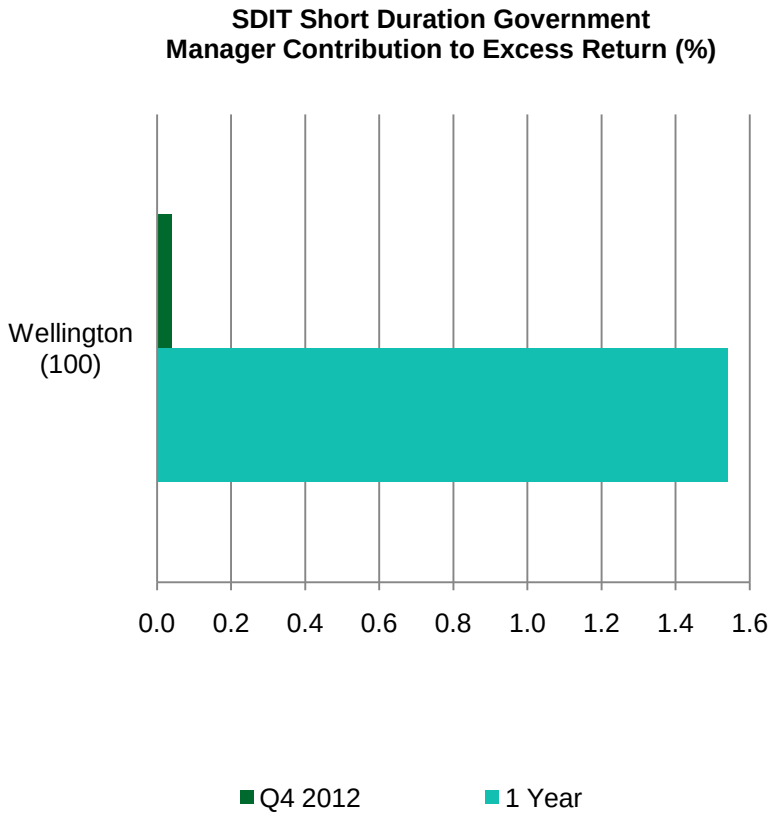
SDIT Short Duration Government Fund Performance review

Contributors

- The Fund benefited from allocations to commercial mortgage-backed securities (2% of the Fund) and agency debt, as well as security selection within mortgage-backed securities (MBS)—particularly collateralized mortgage obligations.

Detractors

- The Fund's allocation to MBS, particularly pass-throughs, detracted as MBS underperformed duration-equivalent Treasurys. Spreads widened as prepayment speeds on Home Affordable Refinance Program-eligible securities increased and banks expanded mortgage-lending capacity. Supply overwhelmed demand as the Federal Reserve was the only real buyer in a market of profit-taking sellers.
- The Fund's overweight to longer dated securities detracted, as the intermediate portion and long end of the curve sold off.



Sources: SEI, Fund sub-advisors

In Base Currency, Gross of Fees

Past Performance is No Guarantee of Future Performance.

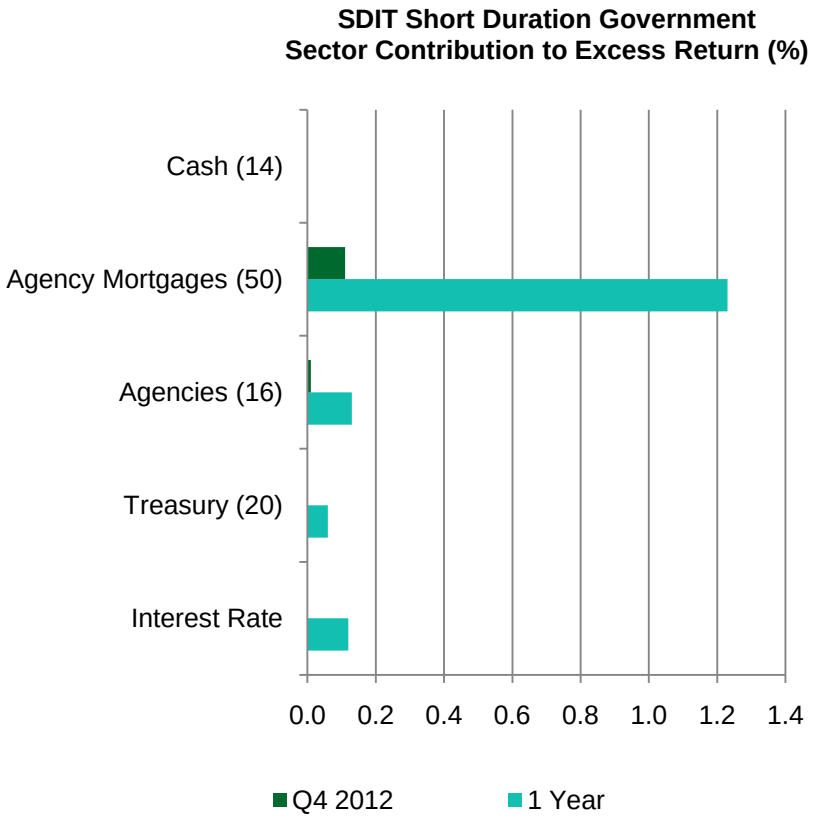
(#) indicates the percent allocation in the Fund.

Index = ML 1-3 Year US Treasuries

SDIT Short Duration Government Fund
Positioning and actions

Positioning and Actions

- The Fund maintains a yield advantage over the Treasury benchmark. We expect the yield advantage, not price appreciation, to drive future returns.
- The Fund continues to hold agency mortgage-backed securities (MBS), intermediate agency debentures and agency multi-family sectors.
- The Fund continues to favor agency MBS, as changes in the mortgage capital market have reduced cash-flow variability while supply/demand technicals continue to be supportive. The Federal Reserve's monthly purchases of $45 billion worth of Treasurys and $40 billion worth of agency MBS, in addition to its dovish statements, should serve as modest technical positives for the mortgage market.
- An allocation to Treasury Inflation-Protected Securities (TIPS) (14% of the Fund) was added as short-term TIPS provide income similar to nominal Treasurys, with upside potential in the event of increased inflation.



Past Performance is No Guarantee of Future Performance.

(#) indicates the relative weight to the benchmark.

Sources: SEI, BlackRock Solutions

Index = ML 1-3 Year US Treasuries

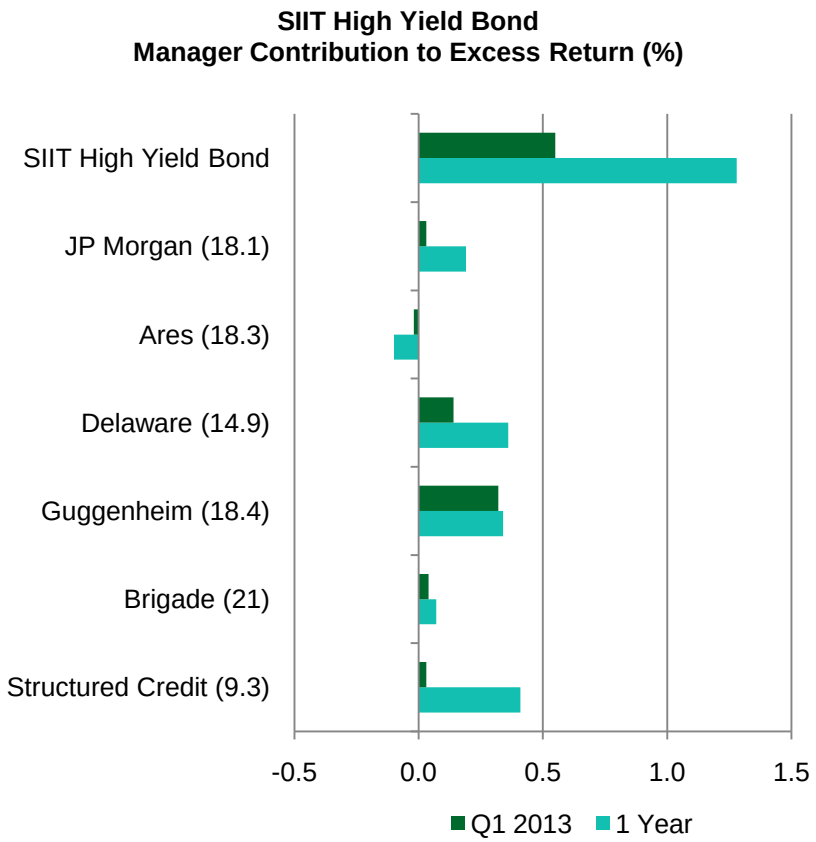
SIIT High Yield Bond Performance review

Contributors

- Collateralized loan obligations outperformed bonds on improving credit metrics and strong demand.
- An underweight to and selection in the underperforming telecommunications sector was positive, thanks to an underweight to land-line phone companies.
- An underweight to the underperforming Energy sector and selection among exploration and production firms added to performance.

Detractors

- Security selection and an underweight in the outperforming basic industry sector hurt, especially in metals and mining companies.
- An underweight to the banking sector hurt Fund performance, as regulatory concerns abated and the outlook for loan growth improved.
- With the market up nearly 3.0% for the quarter, the Fund's allocation to institutional loans detracted.



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

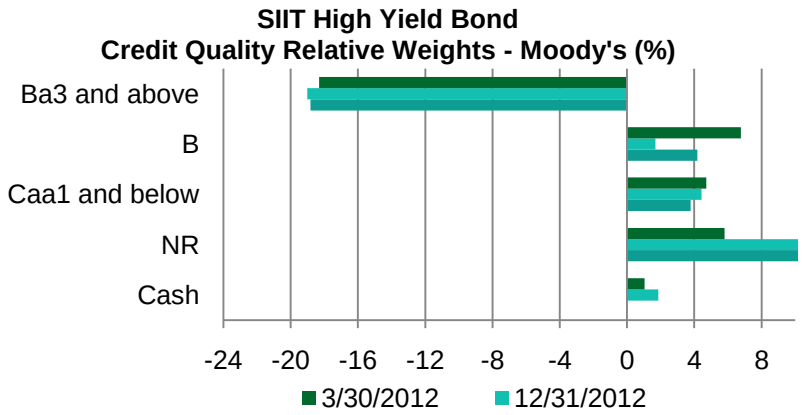
SIIT High Yield Bond
Positioning and actions

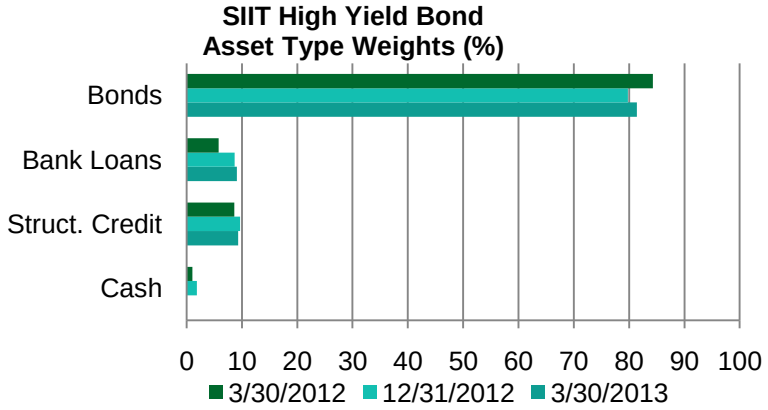
Positioning

- 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 (credit default swap index.
- We are underweight the energy, utility and banking sectors based on regulatory, operational and valuation concerns. We are overweight consumer cyclicals on rebounding demand and individual company 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.
- Economic growth looks more durable with housing and auto sales improving. Therefore, the pace of risk reduction is likely to be moderated.





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

SIIT Emerging Markets Debt Performance review

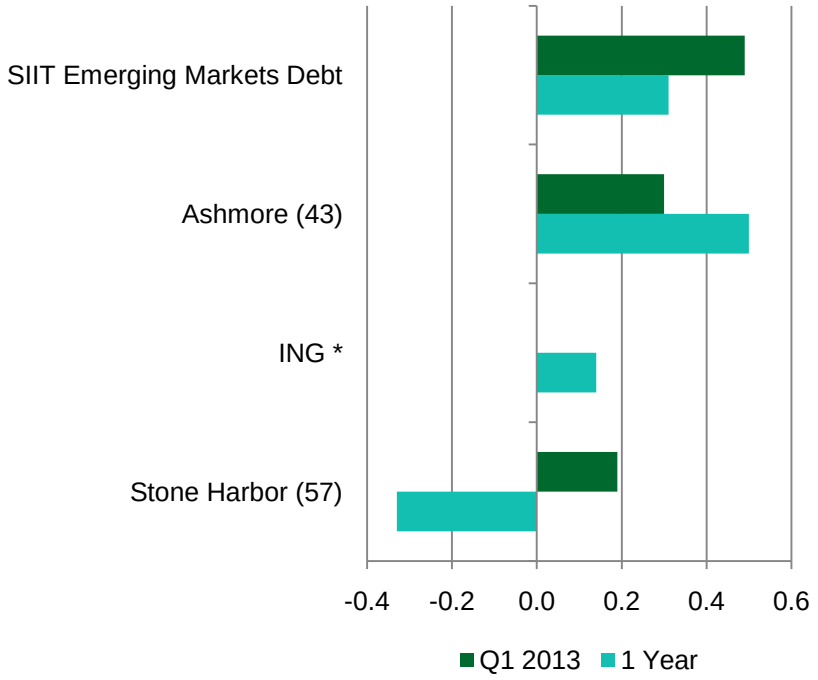
Contributors

- Ashmore added with allocations to corporate debt in Singapore, Brazil and Ukraine, as well as security selection in Argentina. An underweight in Peru and security selection in local-currency securities in Mexico, South Africa and Thailand also contributed to positive relative returns.
- Stone Harbor added with an overweight in local-currency debt, security selection in Argentina, Ukraine, and Venezuela, a broad allocation to corporate credit, and local rates in Mexico and Turkey.

Detractors

- Ashmore had poor security selection in local rates in Brazil, Poland and Russia, an allocation to local-currency debt in India, and an underweight in Venezuela.
- Stone Harbor underperformed from security selection in local rates in Russia and South Africa, security selection in Colombia and Mexico, and an underweight in El Salvador.

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.
* Removed from the Fund in February.

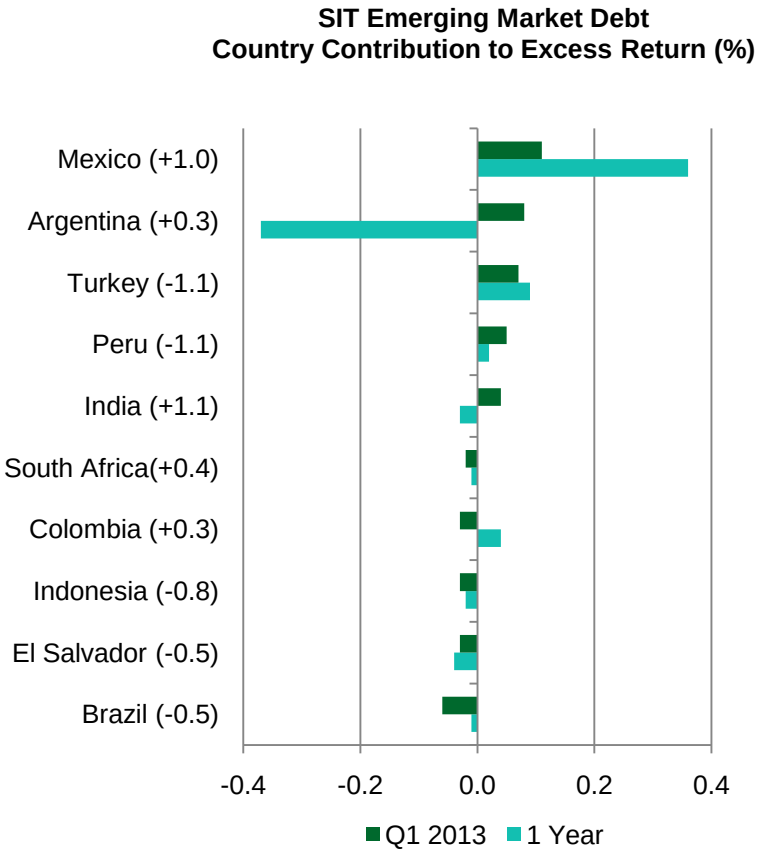
SIIT Emerging Markets Debt
Positioning and actions

Positioning

- The Fund remains overweight local-currency debt relative to external debt.
- Managers continue to favor high-yield credits versus investment-grade credits on risk/reward prospects.
- The Fund remains short duration, especially in external debt, where yields are still relatively low.

Actions

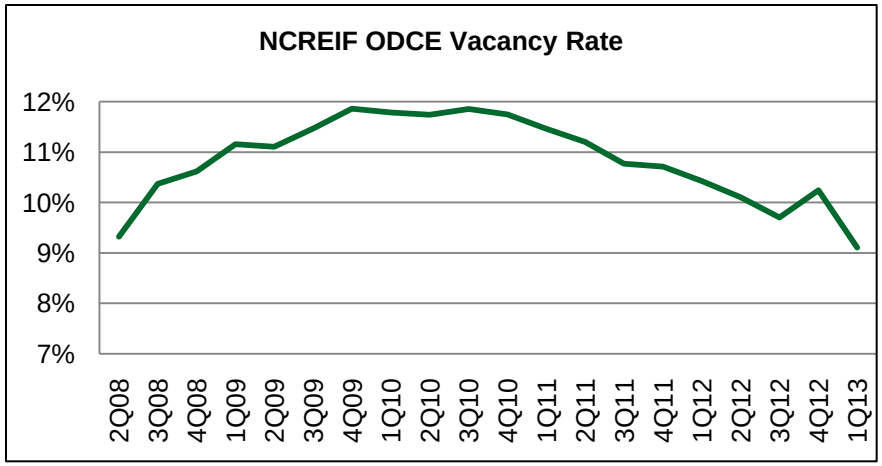
- Managers added slightly to investment-grade credit and reduced some high-yield exposure as spreads widened.
- Local currency-debt exposure was reduced during the period, as valuations became less attractive while negative headlines added to economic concerns.
- Corporate debt exposure declined marginally, as managers favored local debt over external debt.

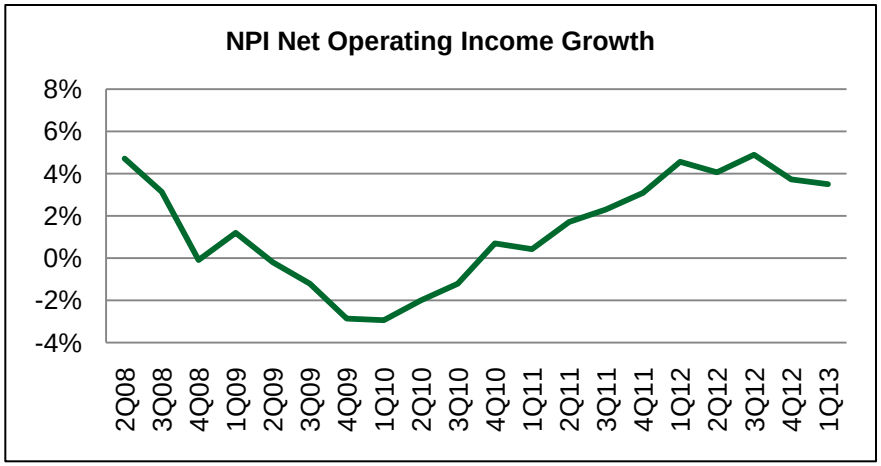


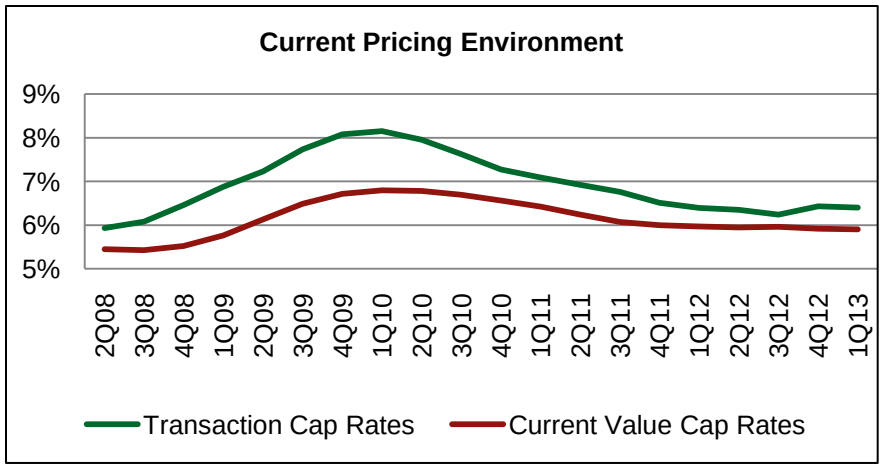
(#) indicates the relative weight to the benchmark. Sources: SEI, Factset

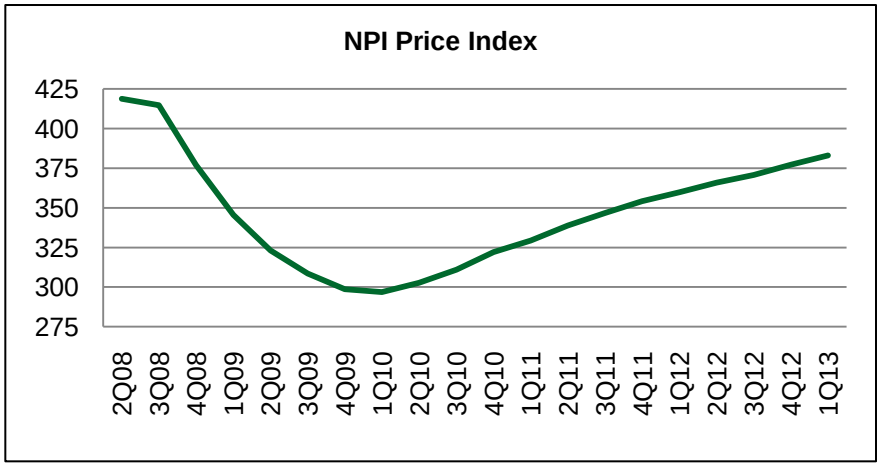
Index = 50% JPM EMBI Global Diversified / 50% JPM GBI-EM Global Diversified. Prior to 6/30/12 the index is 100% JPM EMBI Global Diversified.

U.S. property market landscape





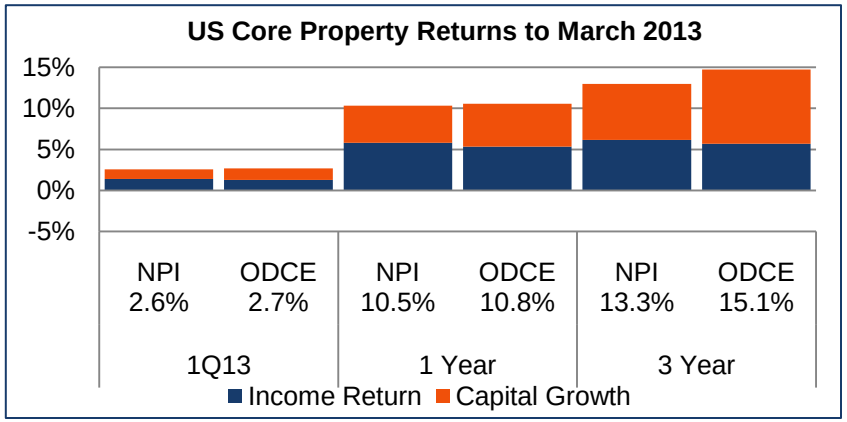


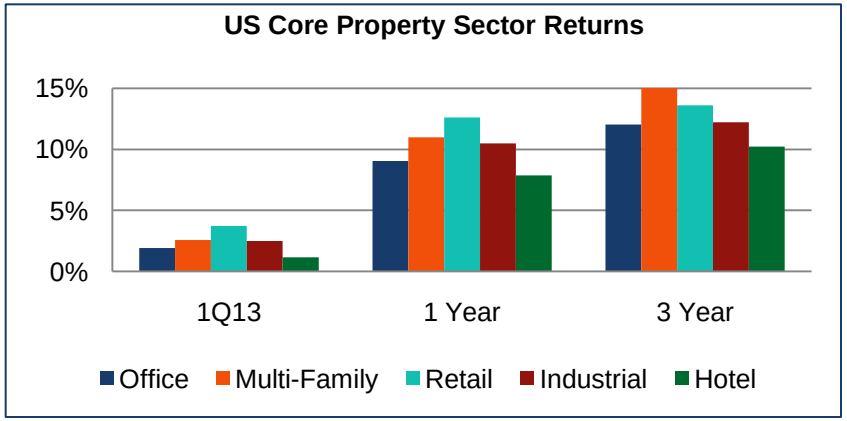


Sources: NCREIF ODCE Vacancy Rate is from the NCREIF ODCE Details spreadsheet and is calculated as 1 minus the Occupancy rate; NPI Net Operating Income Growth, Transaction Cap Rates, Current Value cap Rates, and NPI Price Index are from the NCREIF Trends Report and but the Index figures are 4-quarter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

U.S. property market returns

- The first quarter was another positive quarter for the U.S. property market, with both income and capital growth contributing.
- Continued investor interest in core properties once again drove demand for assets and pushed prices up, with appreciation contributing 1.4% of the ODCE's 2.7% total return for the first quarter of 2013.
- While all five groups had gains , Retail led the way by a wide margin at 3.7% for the quarter, followed by Multi-Family and Industrial at 2.6% and 2.5%, respectively, while both Office and Hotel return less than 2%.
- Rounding out the real estate marketplace, the South region performed strongest with a rise of 3.0% for the second consecutive quarter, the occupancy rate declined slightly, and the net operating income growth rate was 3.5%.





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 Past performance does not guarantee future results.

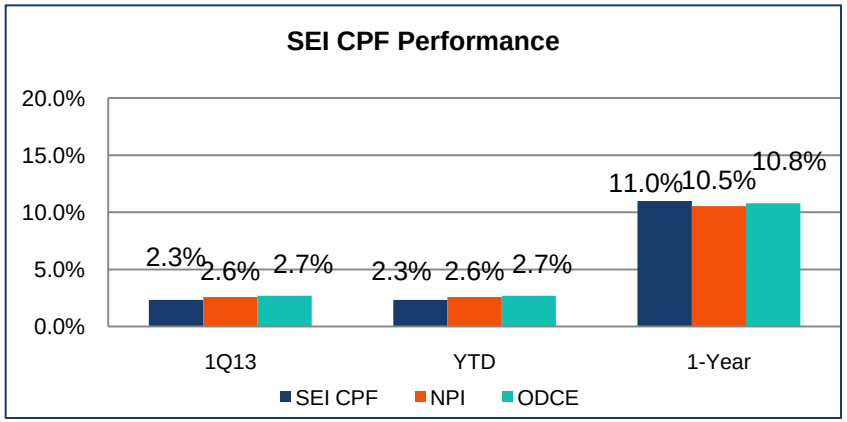
Core Property Fund: Performance review

Contributors

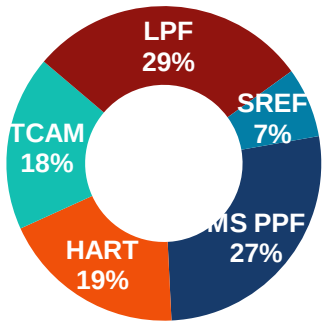
- Three of the five managers matched or exceeded both the NPI benchmark and the ODCE peer group, with gains of at least 2.8%.
- Gains were broad-based as all four of the primary sectors posted strong, positive returns while the new multi-family manager contributed significantly to the Fund's income return.
- The Fund's non-core exposure to self-storage contributed excess income and appreciation relative to its sector weighting.

Detractors

- The negative impact associated with debt valuation, or marking the debt to market rates, which had been mitigating, was one of the primary detriments to performance during the quarter.
- An unfavorable appraisal and some cash charges incurred in December 2012 but expensed in January 2013 weighed on performance during the quarter as well, although the appraisal has been appealed and a value reversal is forthcoming.
- CPF's Hotel exposure experienced depreciation and negative total returns during the quarter.



SEI CPF Manager Allocation (Based on NAV)

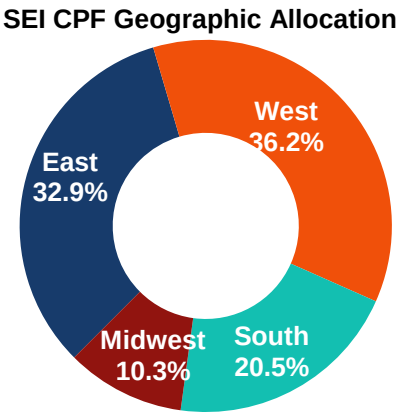


Past performance does not guarantee future results.

Core Property Fund: Positioning and actions

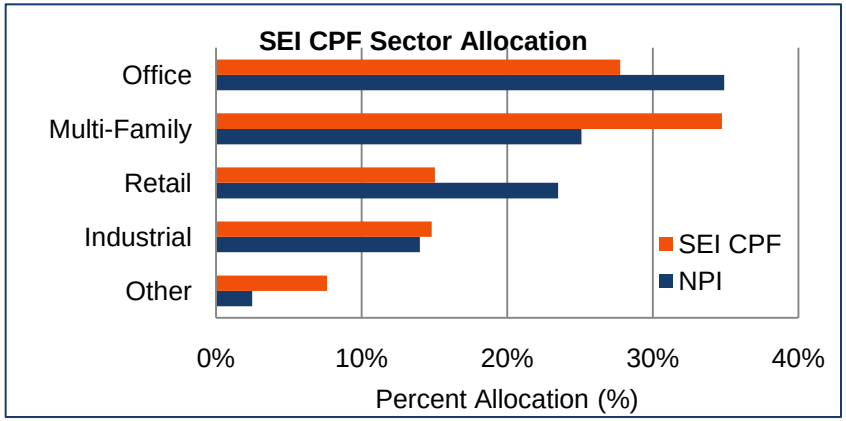
Positioning

- With the new allocation to an apartment-only manager, CPF currently is most overweight the Multi-Family and Other sectors at the expense of Office and Retail.
- Fund level leverage at 26.1% and occupancy at 91.3% are higher than the corresponding 1Q13 ODCE figures by 400 and 150 basis points, respectively
- The Fund remains well diversified through its five managers, which in total provide exposure to more than 460 individual properties.



Actions

- SEI CPF received additional commitments of over $30m for April 1 and accepted a total of $75 million, all of which was from the queue; the current queue is $110m and should be all drawn on July 1; current AUM, including the queue is over $860m.
- To assist with the queue and also continue building out the Fund, CPF added a sector-focused manager in March, in the multi-family space.
- An additional diversified manager was added in April and one to two more sector specialists are expected to be added over the next few months.



- Source: 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 03/31/13.

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