

Investment Performance



December 31, 2013

by



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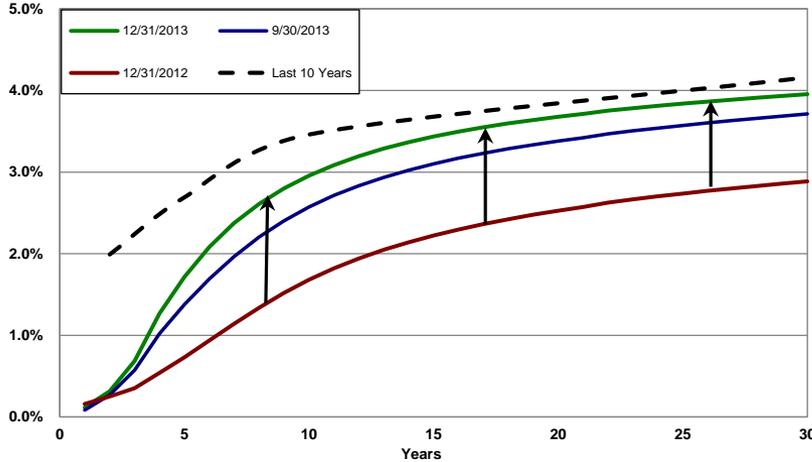


Table of Contents

	<u>Page</u>
Capital Market Summary	2
Executive Summary	3
Company Composite	4
Performance	6
Fixed Income	8
Equity	19

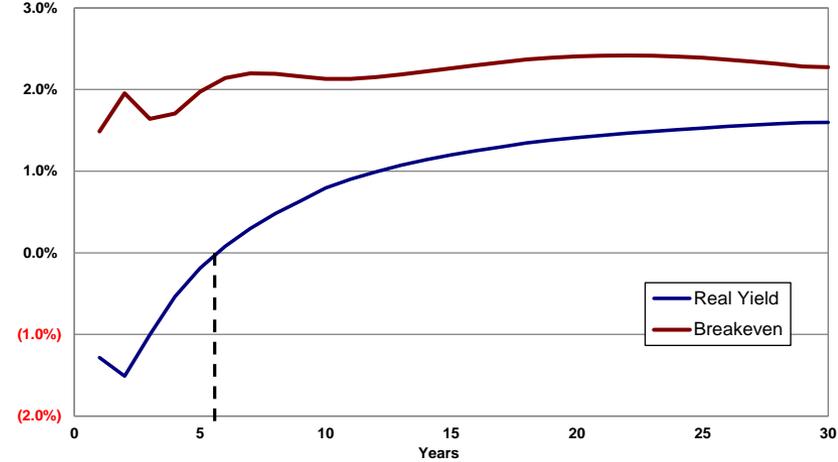
U.S. Treasury Rates

Treasury Yield Curve



U.S. Breakeven Inflation Rates

Real Yield Curve



Fixed Income Markets

		QTD	YTD	1 YR	3 YR	5 YR	10 YR
Cash	ML 91 Day T-bills	0.0%	0.1%	0.1%	0.1%	0.1%	1.7%
	Barclays Cap. Aggregate	-0.1%	-2.0%	-2.0%	3.3%	4.4%	4.5%
Investment Grade	U.S. Treasury	-0.8%	-2.7%	-2.7%	2.9%	2.1%	4.2%
	U.S. Agency	-0.2%	-1.4%	-1.4%	1.8%	2.3%	3.8%
	U.S. Credit	0.9%	-2.0%	-2.0%	5.1%	7.9%	5.2%
	ABS	0.3%	-0.3%	-0.3%	2.8%	7.5%	3.5%
	MBS	-0.4%	-1.5%	-1.5%	2.4%	3.7%	4.6%
	CMBS	0.6%	0.2%	0.2%	5.5%	12.7%	5.0%
	Barclays Cap. U.S. TIPS	-2.0%	-8.6%	-8.6%	3.5%	5.6%	4.8%
Muni	Barclays Cap. Municipal	0.3%	-2.6%	-2.6%	4.8%	5.9%	4.3%
High Yield	BC High Yield Bank Loan	1.7%	5.4%	5.4%	5.5%	14.7%	
	BC High Yield	3.6%	7.4%	7.4%	9.3%	18.9%	8.6%

Equity Markets

		QTD	YTD	1 YR	3 YR	5 YR	10 YR
Large Cap	S&P 500	10.5%	32.4%	32.4%	16.2%	17.9%	7.4%
	S&P 500 - Value	9.8%	32.0%	32.0%	15.6%	16.6%	7.3%
	S&P 500 - Growth	11.1%	32.8%	32.8%	16.8%	19.2%	7.6%
Small Cap	Russell 2000	8.7%	38.8%	38.8%	15.7%	20.1%	9.1%
	Russell 2000 - Value	9.3%	34.5%	34.5%	14.5%	17.6%	8.6%
	Russell 2000 - Growth	8.2%	43.3%	43.3%	16.8%	22.6%	9.4%
International (net)	MSCI EAFE	5.7%	22.8%	22.8%	8.2%	12.4%	6.9%
	MSCI EAFE - Value	6.3%	23.0%	23.0%	8.3%	12.0%	6.8%
	MSCI EAFE - Growth	5.1%	22.5%	22.5%	8.0%	12.8%	7.0%
	MSCI Emerging Markets	1.8%	-2.6%	-2.6%	-2.1%	14.8%	11.2%

EXECUTIVE SUMMARY

December 31, 2013

Summary

➤ **For the quarter:**

• Portfolio update:

- ✓ The custom manager guidelines for GR-NEAM and JPMorgan are being finalized.
- ✓ Additionally, the PCF is working on transitioning to the new custodian, which was selected last year. This is necessary to implement the new fixed income managers.

• Capital Markets:

- ✓ Bonds lost a little.
- ✓ Equity returns were quite good, although emerging markets remain in a funk.

• Performance:

- ✓ The PCF's overall portfolio outperformed the benchmark by ~7 basis points (0.70% v. 0.63%).
- ✓ Interest rates remain near historic lows as the cash portfolio returned 0.03% for the quarter versus the benchmark of 0.02%.
- ✓ Equities did great, but were only 7% of the portfolio.
- ✓ The portfolio was anchored by the Cash allocation. This will be remedied very quickly after the new fixed income managers are set up.

➤ **For the past year:**

• Capital Markets:

- ✓ Bonds have lost a little money for the year, with TIPS losing nearly -9%.
- ✓ Equities finished the year with the US up +32% and EAFE up +23%, yet Emerging Markets were down -3%.

• Performance:

- ✓ The PCF's overall portfolio underperformed the benchmark by -0.25%, returning 0.06% vs. 0.31% for the benchmark. This is driven by bonds, which have had a rough year.
- ✓ HYBL and High Yield Bonds did well, far outpacing core bonds.
- ✓ Equities entered the portfolio in November, so they only had a moderate effect.



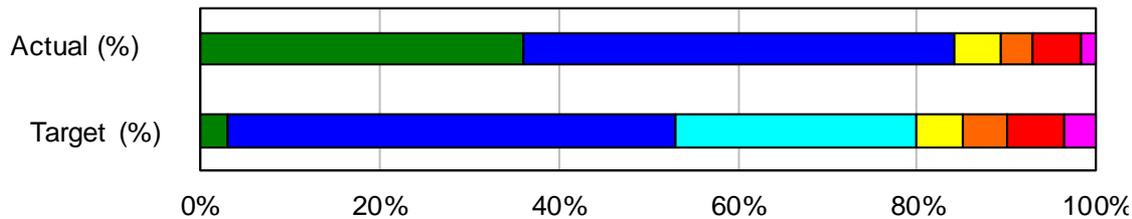
COMPANY COMPOSITE

December 31, 2013

Total Company Allocation by Asset Class (\$000s)

	Actual (\$000s)	Actual (%)	Target (%)
■ Cash	299,445	36.1%	3.0%
■ Core Investment-Grade Bonds	399,837	48.2%	50.0%
■ Short Term Investment-Grade Bonds	-	0.0%	27.0%
■ High Yield Bank Loans	42,931	5.2%	5.0%
■ High Yield Bonds	27,985	3.4%	5.0%
■ Domestic Equity	45,282	5.5%	6.5%
■ International Equity	14,889	1.8%	3.5%
Total	830,368	100.0%	100.0%

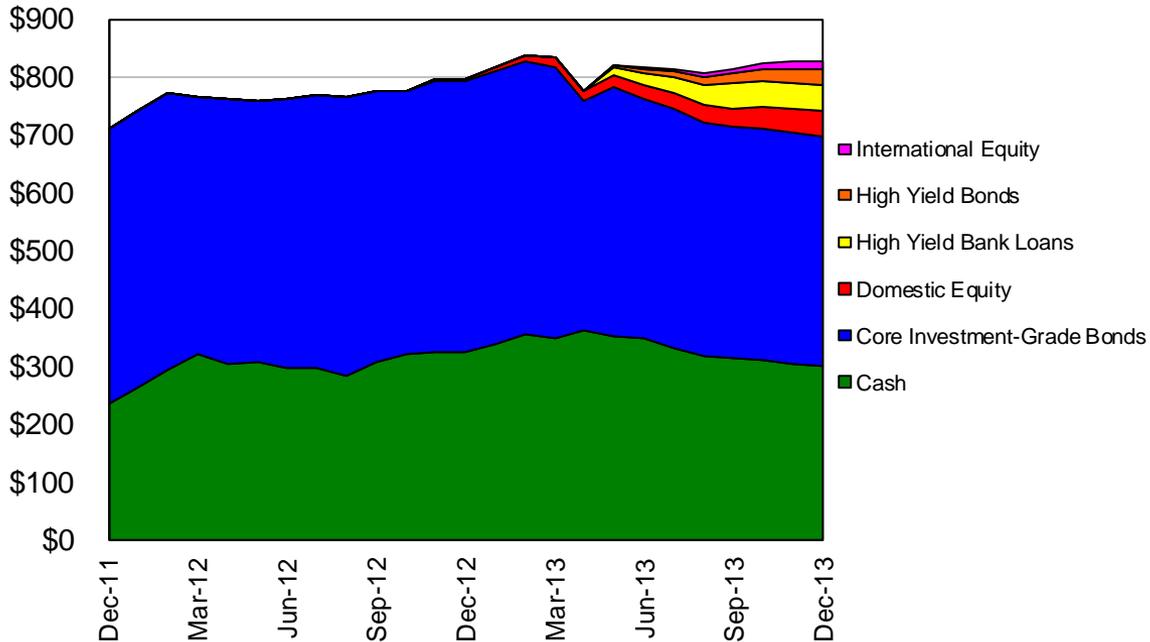
➤ The PCF's transition to the approved target asset allocation continues to be a work-in-progress. The PCF gets closer to its target allocations every month.



COMPANY COMPOSITE

December 31, 2013

Company Growth by Asset Class (\$MM)



- This chart shows the portfolio's size and composition over time. Each asset class is shown with a different color. This shows that the PCF is becoming more diversified.
- Core Fixed Income continues to be the largest portion of the asset allocation.
- Equities continue to grow through additional investments and strong returns.



INVESTMENT PERFORMANCE

Pretax, Net of Fees Performance as of December 31, 2013

Portfolio	Market Value (\$000s)	% of Overall Portfolio	Quarter	Two Quarters	Three Quarters	One Year	Three Years	Five Years	Since Inception	Inception Date
PCF Composite	830,368	100.0%								
Pretax Performance			0.70%	1.40%	(0.01%)	0.06%	NA	NA	0.80%	1/1/2012
¹ Blended Benchmark			0.63%	1.28%	0.26%	0.31%	NA	NA	1.46%	
Relative Performance			0.07%	0.11%	(0.27%)	(0.25%)	NA	NA	(0.66%)	
Cash	299,445	36.1%								
JP Morgan			0.00%	0.03%	0.09%	0.14%	NA	NA	0.17%	1/1/2012
<u>Merrill 91 Day T-Bill</u>			0.02%	0.03%	0.06%	0.07%	NA	NA	0.09%	
Relative Performance			(0.02%)	(0.00%)	0.03%	0.07%	NA	NA	0.08%	
Core Fixed Income Composite	399,837	48.2%	(0.04%)	0.61%	(2.45%)	(2.56%)	NA	NA	(0.13%)	1/1/2012
<u>Barclays Aggregate</u>			(0.14%)	0.43%	(1.90%)	(2.02%)	NA	NA	1.05%	
Relative Performance			0.09%	0.17%	(0.54%)	(0.54%)	NA	NA	(1.18%)	
High Yield Bank Loan Composite	42,931	5.2%	2.01%	3.29%	3.63%	NA	NA	NA	3.63%	4/1/2013
<u>S&P LSTA Index</u>			1.70%	2.91%	3.11%	NA	NA	NA	3.11%	
Relative Performance			0.31%	0.38%	0.52%	NA	NA	NA	0.52%	
High Yield Bond Composite	27,985	3.4%	3.54%	5.85%	NA	NA	NA	NA	2.01%	5/1/2013
¹ <u>Blended Benchmark</u>			3.54%	5.88%	NA	NA	NA	NA	2.55%	
Relative Performance			0.00%	(0.04%)	NA	NA	NA	NA	(0.54%)	
Total Equity Composite	60,170	7.2%	8.97%	16.74%	19.41%	32.57%	NA	NA	29.30%	11/1/2012
¹ <u>Blended Benchmark</u>			8.81%	16.54%	19.20%	32.33%	NA	NA	29.08%	
Relative Performance			0.15%	0.20%	0.21%	0.24%	NA	NA	0.22%	

- The overall portfolio lost money and underperformed its benchmarks over the past year (box at top). Nonetheless, this is ~200 basis points higher than a blended Treasury / Agency portfolio would have done.
- Core Fixed Income lost money, driven by higher interest rates, but High Yield Bank Loans and Equities helped.
- Equities have earned +32% for the year.

¹The blended benchmark consists of a market-weighted blend of the underlying portfolio benchmarks.



DOLLAR RECONCILIATION

Latest Quarter (000's)

	PCF Composite	Core Fixed	HYBL's	High Yield	Total Equity
Beginning Market Value	815,628	714,557	17,106	42,085	41,880
Net Contributions/Withdrawals	8,501	(15,049)	10,200	0	13,350
<i>Investment Income</i>	4,736	2,690	873	556	617
<i>Investment Gain/(Loss)</i>	1,503	(2,916)	(194)	290	4,323
Investment Return	6,239	(226)	679	846	4,940
Ending Market Value	830,368	699,282	27,985	42,931	60,170

INVESTMENT PERFORMANCE

Pretax, Net of Fees Performance as of *December 31, 2013*

Portfolio	Market Value (\$000s)	% of Overall Portfolio	Quarter	Two Quarters	Three Quarters	One Year	Three Years	Five Years	Since Inception	Inception Date
Core Fixed Income Composite	399,837	48.2%	(0.04%)	0.61%	(2.45%)	(2.56%)	NA	NA	(0.13%)	1/1/2012
<u>Barclays Aggregate</u>			(0.14%)	0.43%	(1.90%)	(2.02%)	NA	NA	1.05%	
Relative Performance			0.09%	0.17%	(0.54%)	(0.54%)	NA	NA	(1.18%)	
PIMCO Total Return Fund	39,900	4.8%	(0.03%)	1.14%	(2.52%)	NA	NA	NA	(2.52%)	4/1/2013
<u>Barclays Aggregate</u>			(0.14%)	0.43%	(1.90%)	NA	NA	NA	(1.90%)	
Relative Performance			0.10%	0.70%	(0.62%)	NA	NA	NA	(0.62%)	
Lord Abbett Core Bond Fund	99,971	12.0%	0.15%	0.56%	(2.13%)	NA	NA	NA	(2.13%)	4/1/2013
<u>Barclays Aggregate</u>			(0.14%)	0.43%	(1.90%)	NA	NA	NA	(1.90%)	
Relative Performance			0.29%	0.13%	(0.22%)	NA	NA	NA	(0.22%)	
Wells Fargo Core Bond Fund	100,141	12.1%	(0.01%)	0.82%	(1.97%)	NA	NA	NA	(1.97%)	4/1/2013
<u>Barclays Aggregate</u>			(0.14%)	0.43%	(1.90%)	NA	NA	NA	(1.90%)	
Relative Performance			0.13%	0.39%	(0.07%)	NA	NA	NA	(0.07%)	
Vanguard Total Bond Fund	159,824	19.2%	(0.19%)	0.35%	(2.09%)	NA	NA	NA	(2.09%)	4/1/2013
<u>Barclays Aggregate</u>			(0.14%)	0.43%	(1.90%)	NA	NA	NA	(1.90%)	
Relative Performance			(0.06%)	(0.08%)	(0.18%)	NA	NA	NA	(0.18%)	

- Notice, the boxed section at the top was one of the sections on the prior page. We do this so you can start at the top, then dig down into the portfolio as you go through the report.
- Lord Abbett had a strong quarter, but is still behind the benchmark since inception.

Portfolio Characteristics

	PIMCO Total Return as of		BC Aggregate
	9/30/13	12/31/13	as of 12/31/13
Effective Duration	3.1 years	5.4 years	5.6 years
Effective Maturity	4.4 years	6.0 years	7.6 years
Average Coupon	2.9%	3.3%	3.3%
Average Credit Quality	AA-	AA-	AA1/AA2

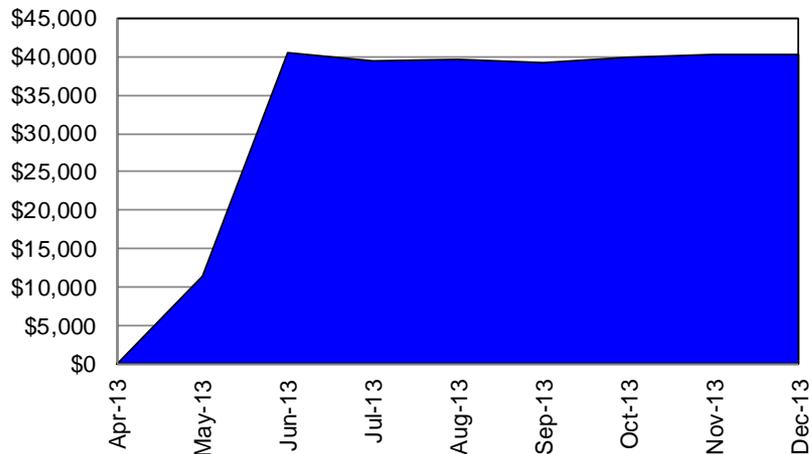
Advisor's Mandate

- Actively managed index fund (PTTRX)
- Inception: April 2013
- Objective: Exceed the performance of the BCAG
- Annual Fee = 0.46%

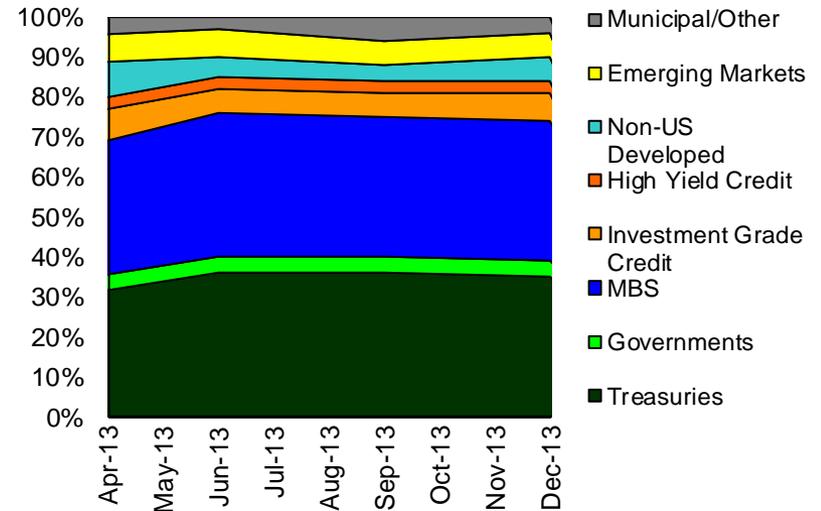
Commentary

- Because of its use of derivatives and leverage, this fund is different than the others.
- PIMCO is the only one of the PCF's managers that takes active duration bets. Over time, they have done very well with this approach. This quarter they outperformed the index by 0.10%.

Asset Growth (\$mm)



Historical Sector Distribution





LORD ABBETT CORE BOND FUND

Portfolio Characteristics

	Lord Abbett as of		BC Aggregate as of
	9/30/13	12/31/13	12/31/13
Effective Duration	5.4 years	5.4 years	5.6 years
Yield to Maturity	2.7%	2.7%	2.5%
Average Coupon	3.9%	3.6%	3.3%
Average Credit Quality	AA1	AA1	AA1/AA2

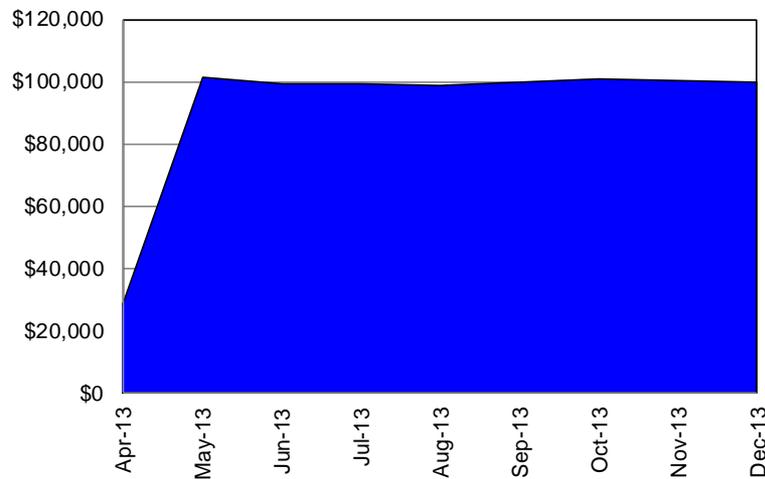
Advisor's Mandate

- Actively managed index fund (LCRYX)
- Inception: April 2013
- Objective: Exceed the performance of the BCAG
- Annual Fee = 0.66%

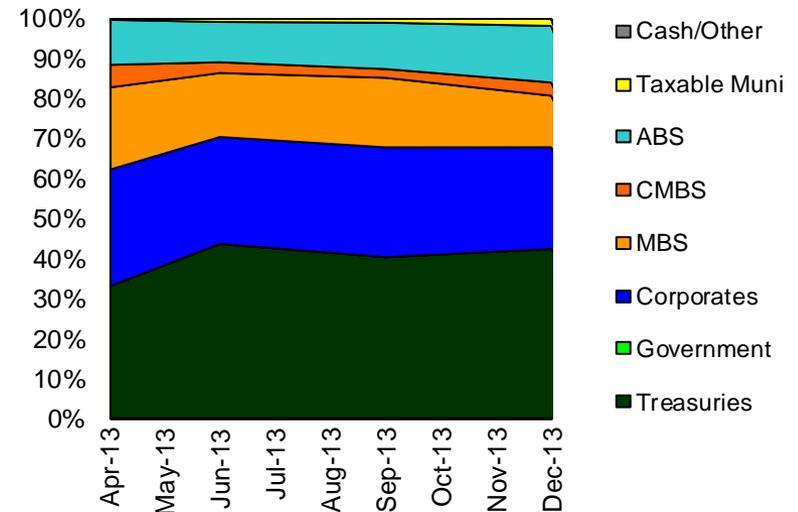
Commentary

- Lord Abbett outperformed by 29 basis points (0.29%) for the quarter.
- Notice, Lord Abbett has a slight yield advantage of 0.2% compared to the index.

Asset Growth (\$mm)



Historical Sector Distribution



Source: Lord Abbett, Bloomberg, CIA analysis



WELLS FARGO CORE BOND FUND

Portfolio Characteristics

	Wells Fargo as of		BC Aggregate as of
	9/30/13	12/31/13	12/31/13
Effective Duration	5.4 years	5.5 years	5.6 years
Yield to Maturity	2.1%	1.8%	2.5%
Average Coupon	3.2%	3.2%	3.3%
Average Credit Quality	AA1	AA1	AA1/AA2

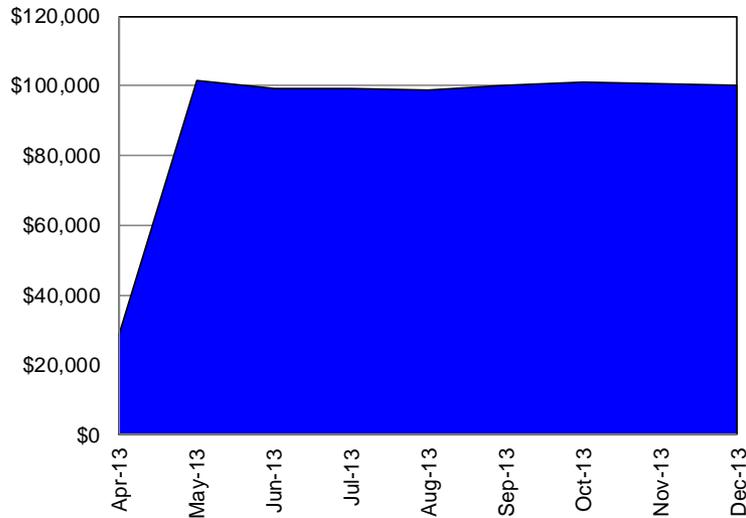
Advisor's Mandate

- Actively managed index fund (MBFIX)
- Inception: April 2013
- Objective: Exceed the performance of the BCAG
- Annual Fee = 0.42%

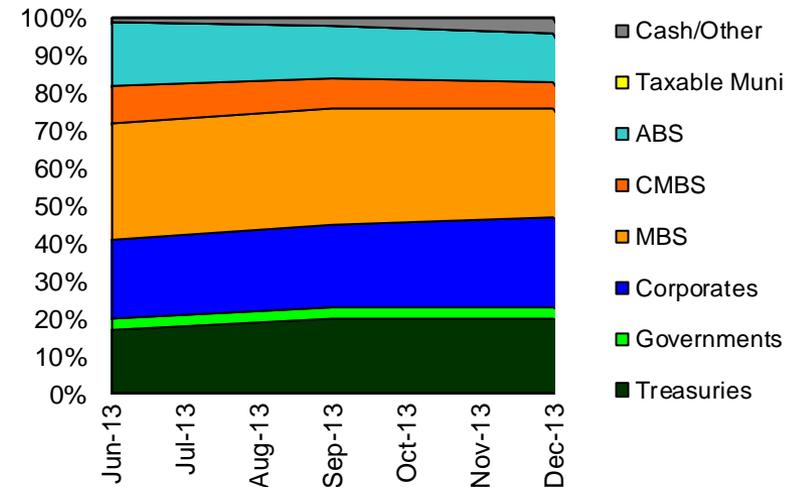
Commentary

- Wells Fargo outperformed by 0.13% for the quarter.

Asset Growth (\$mm)



Historical Sector Distribution



Source: Wells Fargo, Bloomberg, CIA analysis



VANGUARD TOTAL BOND FUND

Portfolio Characteristics

	Vanguard as of		BC Aggregate as of
	9/30/13	12/31/13	12/31/13
Effective Duration	5.4 years	5.5 years	5.6 years
Average Maturity	7.4 years	7.5 years	7.6 years
Yield to Maturity	2.3%	2.4%	2.5%
Average Coupon	3.5%	3.5%	3.3%

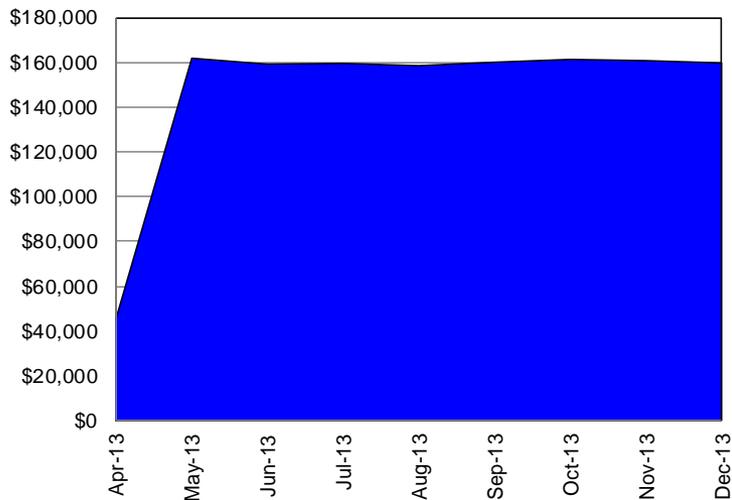
Advisor's Mandate

- Passively managed index fund (VBTIX)
- Inception: April 2013
- Objective: Match the performance of the BCAG
- Annual Fee = 0.07%

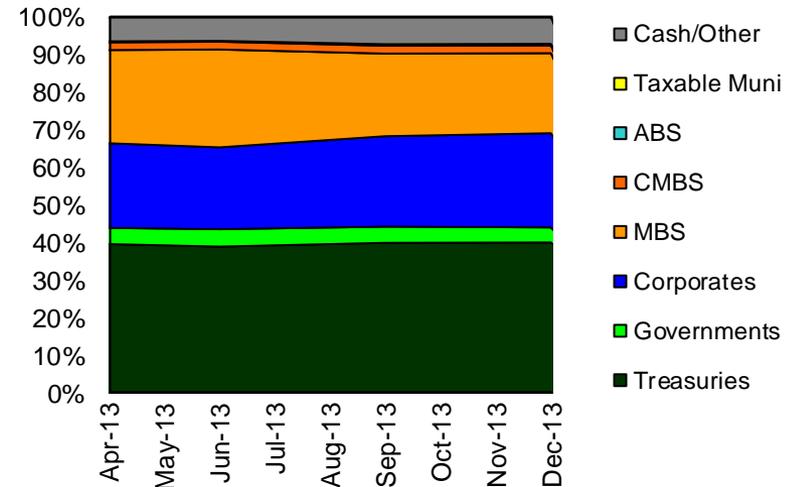
Commentary

- Vanguard has the largest allocation and provides predictability compared to the index.
- This fund is likely to do better than the other managers when risk is doing poorly and Treasuries are doing relatively well.

Asset Growth (\$mm)



Historical Sector Distribution



Pretax, Net of Fees Performance as of *December 31, 2013*

Portfolio	Market Value (\$000s)	% of Overall Portfolio	Quarter	Two Quarters	Three Quarters	One Year	Three Years	Five Years	Since Inception	Inception Date
High Yield Bank Loan Composite	42,931	5.2%	2.01%	3.29%	3.63%	NA	NA	NA	3.63%	4/1/2013
<u>S&P LSTA Index</u>			1.70%	2.91%	3.11%	NA	NA	NA	3.11%	
Relative Performance			0.31%	0.38%	0.52%	NA	NA	NA	0.52%	
John Hancock High Yield Bank Loan	21,305	2.6%	1.93%	3.07%	3.02%	NA	NA	NA	3.02%	4/1/2013
<u>S&P LSTA Index</u>			1.70%	2.91%	3.11%	NA	NA	NA	3.11%	
Relative Performance			0.23%	0.16%	(0.10%)	NA	NA	NA	(0.10%)	
Oppenheimer High Yield Bank Loan	21,626	2.6%	2.08%	3.51%	4.22%	NA	NA	NA	4.22%	4/1/2013
<u>S&P LSTA Index</u>			1.70%	2.91%	3.11%	NA	NA	NA	3.11%	
Relative Performance			0.39%	0.59%	1.10%	NA	NA	NA	1.10%	

- The PCF's HYBL portfolio earned 3.63% over the past 9 months, well outpacing core bonds' -2.45% loss.
- This shows that the total High Yield Bank Loan Composite (red box):
 - was worth over \$42 MM,
 - is 5.2% of the PCF's portfolio (slightly above the target allocation), and
 - earned 2.01% for the third quarter.
- This also shows that the PCF's managers beat the benchmark by 0.31%, driven by strong results from both managers (blue boxes).



JOHN HANCOCK- FLOATING RATE INCOME FUND

Portfolio Characteristics

	John Hancock HYBL as of		S&P LSTA as of
	9/30/13	12/31/13	12/31/13
Number of Issues	297	268	1,037
Average Spread	5.0%	4.3%	4.4%
Avg Credit Quality	B+	BB-	BB-/B+
Avg Days to Reset	48 days	49 days	N/A

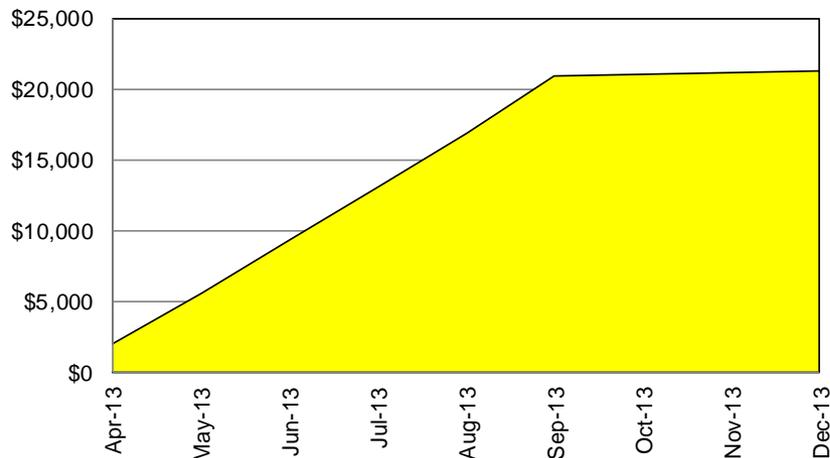
Advisor's Mandate

- Actively-Managed High Yield Bank Loan Fund (JFIRX)
- Inception: April 2013
- Objective: Exceed total return of the S&P LSTA index
- Annual fee 0.50%

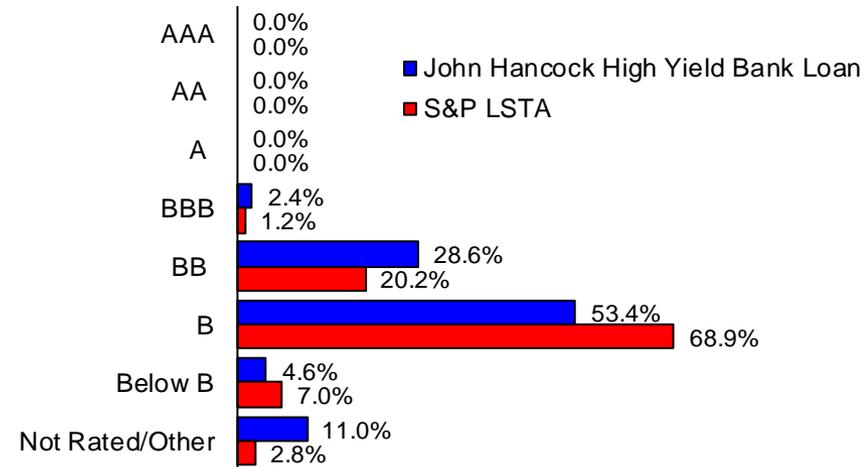
Commentary

- The fund earned 1.93% during the fourth quarter, outperforming its benchmark by about 23 basis points (0.23%).
- The fund's focus on B-rated securities benefited the portfolio this quarter, as that segment of the market outperformed BB-rated securities.

Asset Growth (\$000s)



Quarter End Quality Distribution





OPPENHEIMER SENIOR FLOATING RATE FUND

Portfolio Characteristics

	Oppenheimer Fund as of		S&P LSTA
	9/30/13	12/31/13	as of 12/31/13
Number of Issues	685	N/A	1,037
Average Spread	5.5%	N/A	4.4%
Avg Credit Quality	B	B	BB-/B+
Average Coupon	5.4%	5.4%	N/A

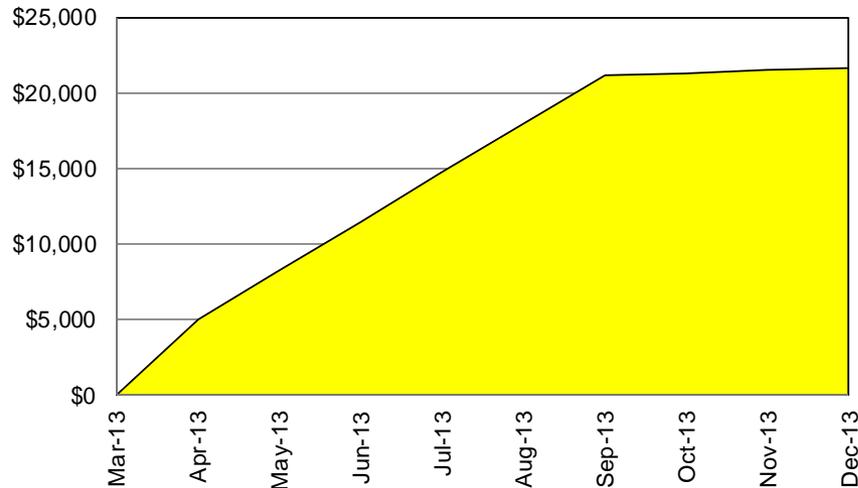
Advisor's Mandate

- Actively-Managed High Yield Bank Loan Fund (OOSIX)
- Inception: April 2013
- Objective: Exceed total return of the S&P LSTA index
- Annual fee 0.68%

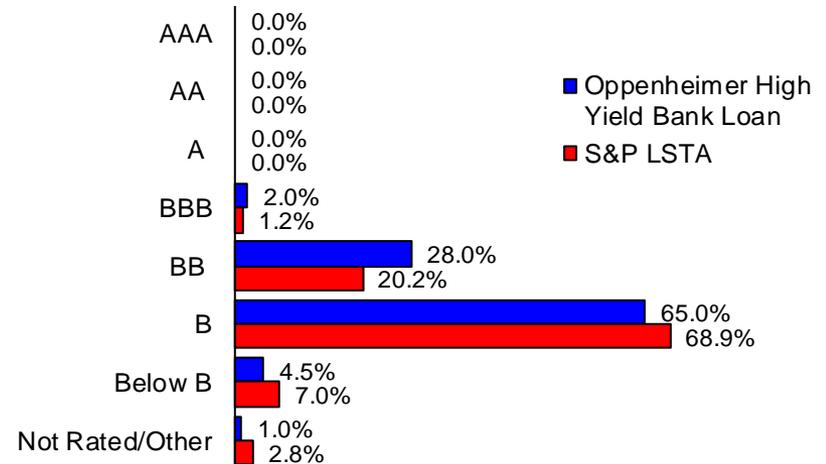
Commentary

- Oppenheimer did well this past quarter relative to the index, outperforming by 39 basis points.
- Security selection and staying fully invested in senior loans helped performance in the fourth quarter. Emphasis on maintaining a higher yield bias was also a strong contributor.

Asset Growth (\$000s)



Quarter End Quality Distribution



INVESTMENT PERFORMANCE

Pretax, Net of Fees Performance as of *December 31, 2013*

Portfolio	Market Value (\$000s)	% of Overall Portfolio	% of							Since Inception	Inception Date
			Quarter	Two Quarters	Three Quarters	One Year	Three Years	Five Years			
High Yield Bond Composite	27,985	3.4%	3.54%	5.85%	NA	NA	NA	NA	2.01%	5/1/2013	
¹ <u>Blended Benchmark</u>			3.54%	5.88%	NA	NA	NA	NA	2.55%		
Relative Performance			0.00%	(0.04%)	NA	NA	NA	NA	(0.54%)		
Neuberger High Yield <u>ML HY Master II Constrained</u>	13,959	1.7%	3.56%	6.33%	NA	NA	NA	NA	2.42%	5/1/2013	
Relative Performance			0.07%	0.51%	NA	NA	NA	NA	(0.06%)		
Ridgeworth High Yield <u>BC US Corporate High Yield</u>	14,025	1.7%	3.51%	5.36%	NA	NA	NA	NA	2.59%	6/1/2013	
Relative Performance			(0.07%)	(0.58%)	NA	NA	NA	NA	(0.58%)		

- The PCF just started funding these managers in the second quarter. Notice, only 3.4% of the PCF's portfolio currently is in High Yield Bonds.
- Neuberger did well, but was offset by Ridgeworth's underperformance. All in all, the PCF basically matched the index.

¹The blended benchmark consists of a market-weighted blend of the underlying portfolio benchmarks.



NEUBERGER BERMAN HIGH INCOME BOND FUND

Portfolio Characteristics

	Neuberger HY as of		ML HY Master II Constr as of
	9/30/13	12/31/13	12/31/13
No. of Holdings	313	303	2,234
Average Duration	3.6 years	3.4 years	4.93 years
Avg. Yield to Maturity	6.5%	6.5%	6.7%
Avg. Credit Quality	B+	B	B+
Average Coupon	7.4%	7.3%	7.4%

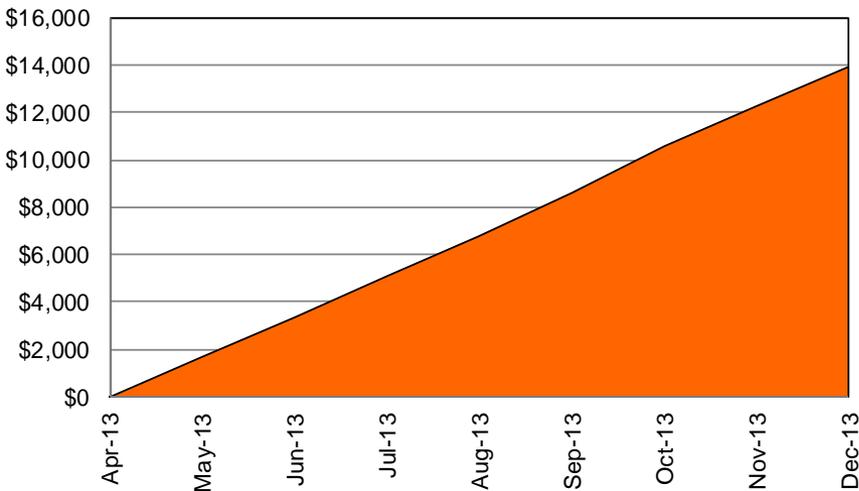
Advisor's Mandate

- Fixed Income – High Yield Bond Fund (NHILX)
- Inception: May 2013
- Objective: Exceed total return of the ML HY Master II Constrained index
- Annual fee 0.70%

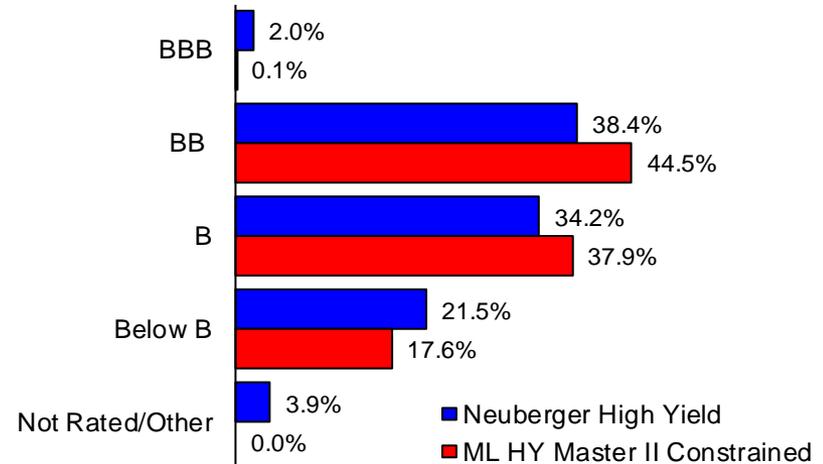
Commentary

- Security selection in telecommunications, energy and technology & electronics were the largest contributors to performance.
- Neuberger's yield is 6.5%, well above the core fixed income managers' yields of roughly 2.5%.

Asset Growth (\$000s)



Quarter End Quality Distribution





RIDGEWORTH HIGH INCOME BOND FUND

Portfolio Characteristics

	Ridgeworth High Income Bond as of		BC US Corp High Yield as of
	9/30/13	12/31/13	12/31/13
No. of Holdings	258	260	2,131
Duration	4.5 years	4.3 years	4.2 years
Avg Credit Quality	B	B	B1/B2
Yield to Maturity	6.7%	6.3%	6.4%
Average Coupon	6.9%	7.1%	7.4%

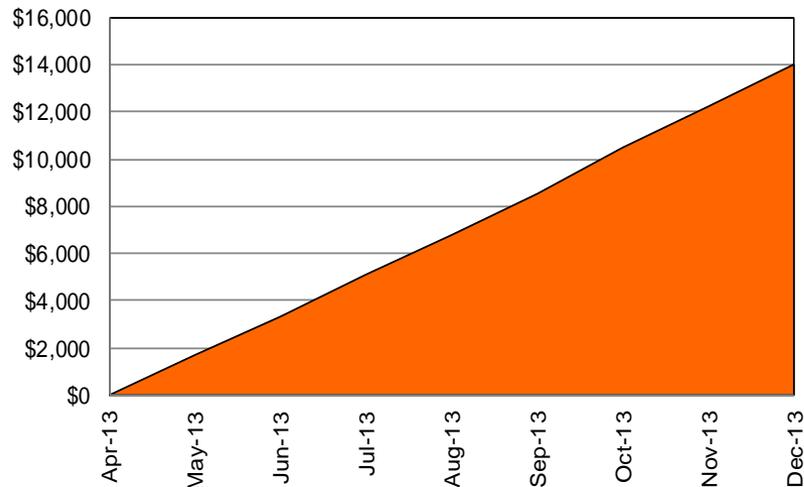
Advisor's Mandate

- Fixed Income – High Yield Bond Fund (STHTX)
- Inception: June 2013
- Objective: Exceed total return of the BC US Corporate High Yield Index
- Annual fee 0.71%

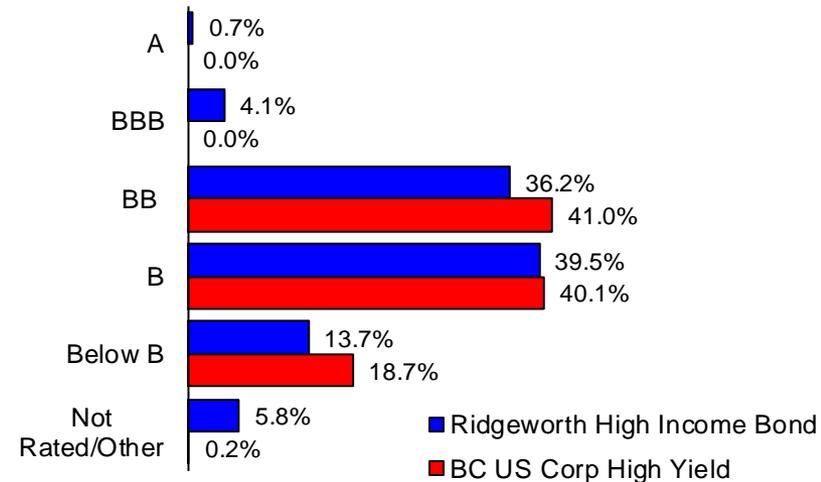
Commentary

- Ridgeworth's fund has slightly lower yield than the index.
- The fund lagged the benchmark by about 7 basis points (0.07%) in the fourth quarter.

Asset Growth (\$000s)



Quarter End Quality Distribution





INVESTMENT PERFORMANCE

Pretax, Net of Fees Performance as of *December 31, 2013*

Portfolio	Market Value (\$000s)	% of Overall Portfolio	Quarter	Two Quarters	Three Quarters	One Year	Three Years	Five Years	Since Inception	Inception Date
Total Equity Composite	60,170	7.2%	8.97%	16.74%	19.41%	32.57%	NA	NA	29.30%	11/1/2012
¹ <u>Blended Benchmark</u>			8.81%	16.54%	19.20%	32.33%	NA	NA	29.08%	
Relative Performance			0.15%	0.20%	0.21%	0.24%	NA	NA	0.22%	
Domestic Equity Composite										
Vanguard Total Stock Market Fund	45,282	5.5%	10.24%	17.17%	20.41%	33.69%	NA	NA	30.23%	11/1/2012
<u>CRSP US Total Market Index</u>			10.10%	17.03%	20.26%	33.51%	NA	NA	30.07%	
Relative Performance			0.14%	0.14%	0.15%	0.18%	NA	NA	0.17%	
International Equity Composite	14,889	1.8%	4.95%	15.86%	NA	NA	NA	NA	7.80%	5/1/2013
¹ <u>Blended Benchmark</u>			4.77%	15.43%	NA	NA	NA	NA	7.87%	
Relative Performance			0.18%	0.43%	NA	NA	NA	NA	(0.07%)	
Vanguard Total International Stock Fund	6,898	0.8%	4.90%	15.68%	NA	NA	NA	NA	8.06%	5/1/2013
<u>FTSE Global All Cap ex US Index</u>			4.78%	15.54%	NA	NA	NA	NA	7.97%	
Relative Performance			0.12%	0.15%	NA	NA	NA	NA	0.09%	
Allianz NFJ International Value Fund	2,501	0.3%	3.68%	12.58%	NA	NA	NA	NA	4.97%	5/1/2013
<u>MSCI ACWI ex US</u>			4.76%	15.33%	NA	NA	NA	NA	7.78%	
Relative Performance			(1.08%)	(2.76%)	NA	NA	NA	NA	(2.82%)	
Harbor International Fund	2,838	0.3%	4.76%	16.41%	NA	NA	NA	NA	11.11%	6/1/2013
<u>MSCI ACWI ex US</u>			4.76%	15.33%	NA	NA	NA	NA	10.33%	
Relative Performance			0.00%	1.07%	NA	NA	NA	NA	0.78%	
PIMCO International StockPLUS	2,651	0.3%	6.35%	19.09%	NA	NA	NA	NA	14.19%	6/1/2013
<u>MSCI ACWI ex US</u>			4.76%	15.33%	NA	NA	NA	NA	10.33%	
Relative Performance			1.59%	3.76%	NA	NA	NA	NA	3.86%	

- Equities currently are 7.2% of the PCF's portfolio, vs. a 10% target allocation.
- The PCF has owned most of these funds for less than three quarters.
- Vanguard is doing a nice job matching the appropriate indexes.
- The active managers, except for Allianz, are doing well.
- The PCF earned 29.3% in its equity portfolio since last November, beating the benchmark by +22 basis points.

¹The blended benchmark consists of a market-weighted blend of the underlying portfolio benchmarks.



VANGUARD TOTAL STOCK MARKET INDEX FUND

Portfolio Characteristics

	Vanguard Total Stock Market Fund as of		CRSP US Total Market as of
	9/30/13	12/31/13	12/31/13
No. of Securities	3,639	3,657	3,626
P/E Ratio	19.4x	20.6x	20.7x
Price/Book Ratio	2.5x	2.7x	2.7x
Avg Mkt Cap (billions)	\$40.6	\$45.6	\$45.6
Return on Equity	16.7%	16.8%	16.6%
% in Top 10 Holdings	14.2%	16.6%	14.6%

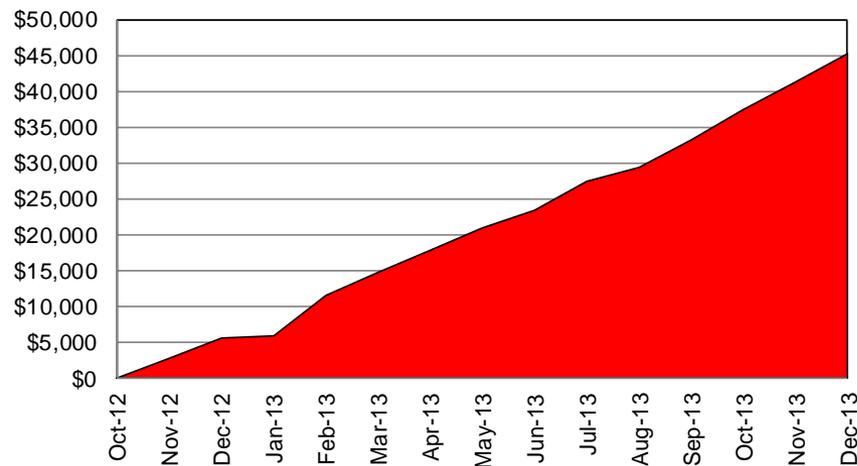
Advisor's Mandate

- Passively managed equity index fund (VITSX)
- Inception: November 1, 2012
- Objective: Match performance of the CRSP US Total Market Index
- **Annual Fee = 0.04%**

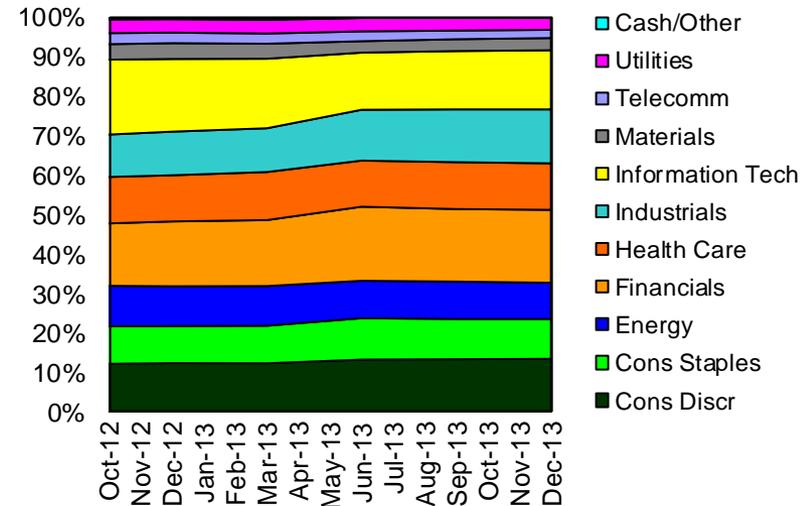
Commentary

- Vanguard is doing a nice job matching the index.

Asset Growth (\$mm)



Historical Sector Distribution



Source: Vanguard, Bloomberg, CIA analysis

Portfolio Characteristics

	Vanguard Total Intl Stock Fund as of		FTSE Global All Cap ex US Index as of
	9/30/13	12/31/13	12/31/13
No. of Holdings	5,538	5,472	5,321
P/E Ratio	17.1x	17.1x	17.2x
Price/Book Ratio	1.6x	1.7x	1.7x
Avg Mkt Cap (billion)	\$25.1	\$27.6	\$27.7
Dividend Yield	2.9%	2.8%	2.8%
Return on Equity	14.0%	14.0%	14.0%
% in Top 10 Holdings	8.9%	8.2%	8.3%

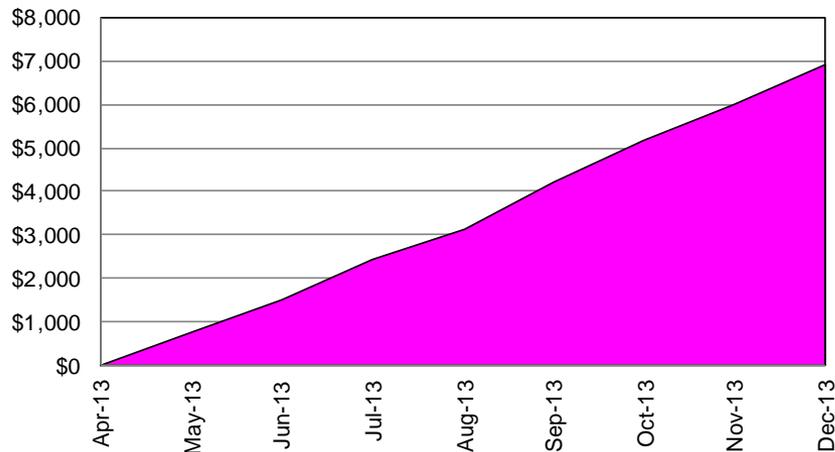
Advisor's Mandate

- Passively-managed equity index fund (VTSNX)
- Inception: May 2013
- Objective: Match performance of the FTSE Global All Cap ex US Index
- Annual Fee = 0.12%

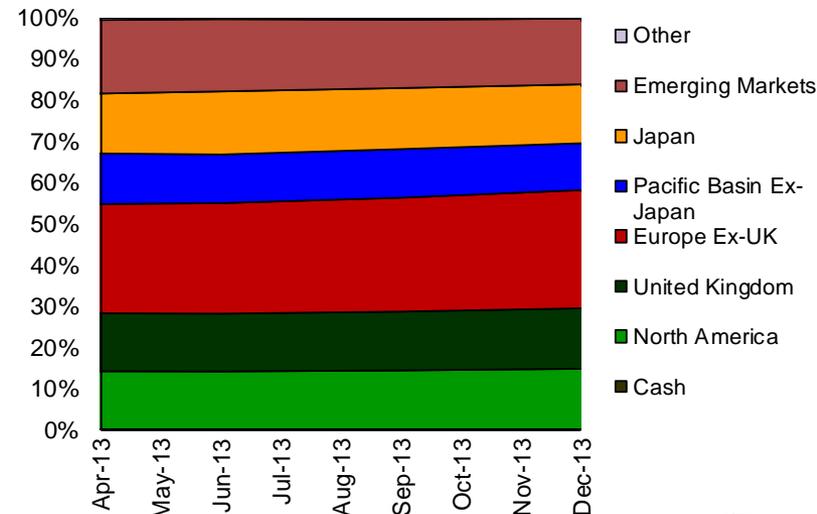
Commentary

- This is a hugely diversified, low-cost fund.

Asset Growth (\$mm)



Historical Country Distribution



Portfolio Characteristics

	Allianz NFJ as of		MSCI ACWI ex US
	9/30/13	12/31/13	12/31/13
No. of Holdings	59	63	1,823
P/E Ratio	10.7x	10.9x	14.3x
Price/Book Ratio	1.4x	1.4x	1.7x
Avg Mkt Cap (billion)	\$26.6	\$34.4	\$55.6
Dividend Yield	3.8%	3.0%	2.7%
Return on Equity	15.2%	15.0%	10.7%
% in Top 10 Holdings	24.8%	25.4%	9.5%

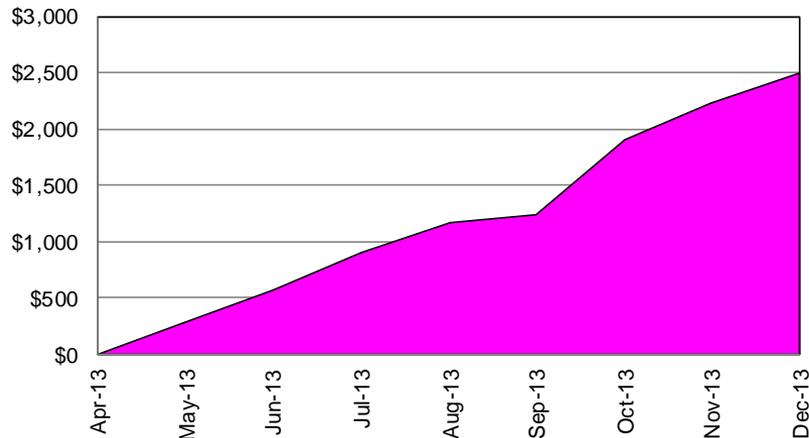
Advisor's Mandate

- Actively-managed equity fund (ANJIX)
- Inception: May 2013
- Objective: Exceed total return of the MSCI ACWI ex US Index
- Annual fee 0.88%

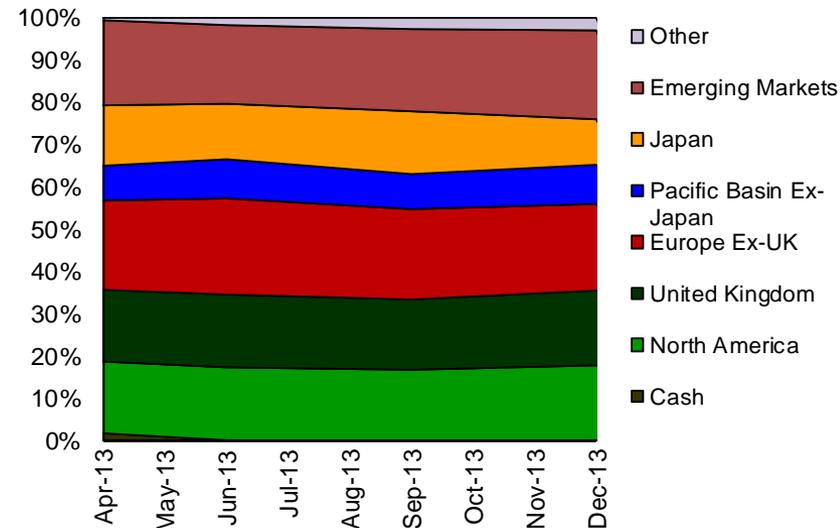
Commentary

- This is a concentrated fund with just 63 holdings.
- This is demonstrating its value credentials with a PE ratio well below the index's.

Asset Growth (\$mm)



Historical Country Distribution



Portfolio Characteristics

	Harbor as of		MSCI ACWI
	9/30/13	12/31/13	ex US 12/31/13
No. of Holdings	77	76	1,823
P/E Ratio	10.4x	11.7x	14.3x
Price/Book Ratio	1.8x	1.6x	1.7x
Avg Mkt Cap (billion)	\$61.9	\$60.4	\$55.6
Dividend Yield	2.4%	2.4%	2.7%
Return on Equity	14.4%	13.9%	10.7%
% in Top 10 Holdings	23.6%	24.4%	9.5%

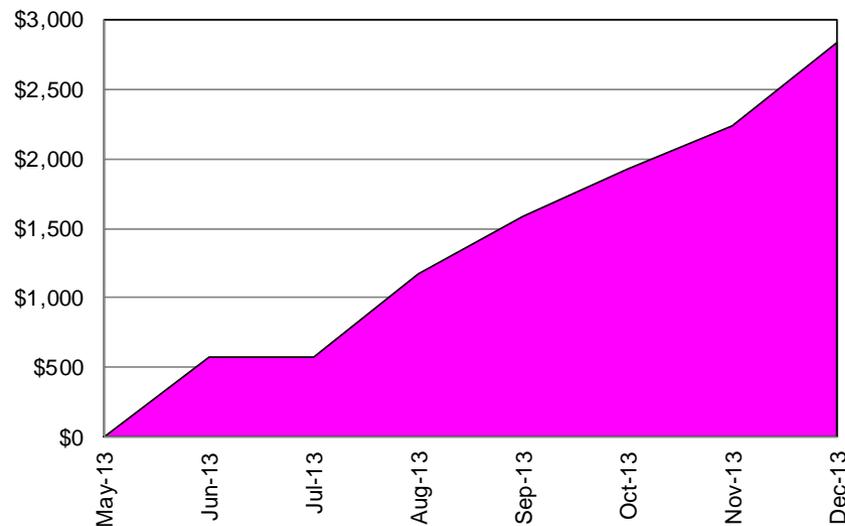
Advisor's Mandate

- Actively-managed equity fund (HAINX)
- Inception: June 2013
- Objective: Exceed total return of the MSCI ACWI ex US Index
- Annual Fee = 0.78%

Commentary

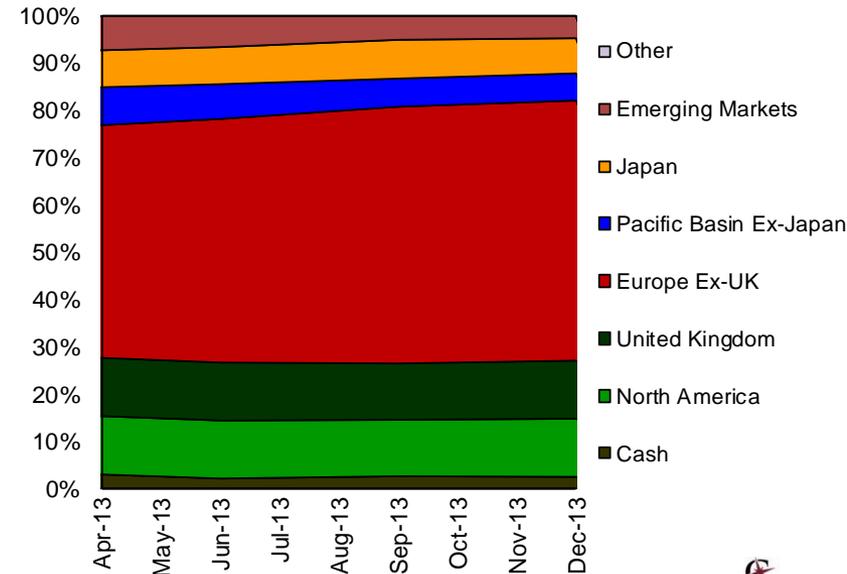
- Like the Allianz NFJ fund, this is demonstrating its value credentials with a PE ratio well below the index's.
- In January, Ted Wendell Jr. stepped down as a portfolio manager. This was expected and his responsibilities will be assumed by his three partners and current co-portfolio managers.

Asset Growth (\$mm)



Source: Harbor Capital, Bloomberg, CIA Analysis

Historical Country Distribution





PIMCO INTERNATIONAL STOCKSPLUS FUND

Portfolio Characteristics

	PIMCO Intl StocksPLUS as of	
	9/30/13	12/31/13
Fund Assets	\$1,112.9	\$1,403.1
Effective Duration	3.1 years	1.9 years
Effective Maturity	4.4 years	2.6 years
Average Coupon	2.9%	N/A

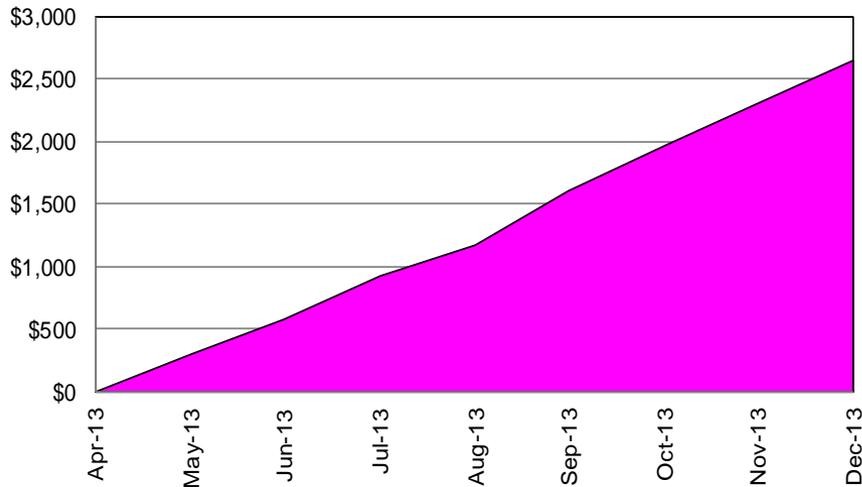
Advisor's Mandate

- Actively managed equity index fund (PSKIX)
- Inception: June 2013
- Objective: Exceed total return of the MSCI ACWI ex US Index
- Annual Fee = 0.64%

Commentary

- Recall, this fund has a very different strategy. It gets equity exposure through derivatives, then invests the collateral in bonds. This is why we show bond attributes in the "Portfolio Characteristics" section for this fund.

Asset Growth (\$mm)



Historical Bond Sector Distribution

