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**Town of Belmont Retirement Plan**  
**Second Quarter 2015 Investment Review**

August 24, 2015

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Town of Belmont DB

Total Fund Performance Detail-Net of Fees

	Market Value (\$)	% of Portfolio	Policy %	Ending July 31, 2015										Inception		
				1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since			
<b>Composite</b>																
Policy Index	86,508,368	100.0	100.0	0.6	0.1	3.0	5.4	10.7	10.3	8.0	7.8	9.1	Jan-85			
Allocation Index				0.1	-0.4	2.5	5.2	9.0	9.2	6.1	5.9	--	Jan-85			
Total Equity	37,939,903	43.9	40.0	0.4	0.0	2.7	5.8	9.8	9.5	7.1	6.7	9.1	Jan-85			
<b>Total Domestic Equity</b>	27,989,536	32.4	28.0													
Rothschild																
Russell 1000 Value	11,589,024	13.4	11.5	1.3	1.0	1.6	7.4	19.2	16.6	--	--	14.5	Dec-09			
Atlanta Small Cap				0.4	-0.4	-0.2	6.4	17.1	15.1	8.7	6.8	13.8	Dec-09			
Russell 2000	5,070,283	5.9	5.0	0.7	4.4	8.6	19.3	18.8	18.0	14.4	11.5	11.6	Jul-01			
Rhumbline S&P 500				-1.2	1.9	3.5	12.0	17.9	15.3	9.7	7.6	7.9	Jul-01			
S&P 500	11,323,069	13.1	11.5	2.1	--	--	--	--	--	--	--	0.1	Jun-15			
Atlanta Capital				2.1	1.4	3.4	11.2	17.6	16.2	9.9	7.7	0.1	Jun-15			
Total International Equity	7,161	0.0	12.0													
PRIM International Equity	9,950,367	11.5	12.0	1.4	-1.3	8.0	0.4	--	--	--	--	11.6	Nov-12			
MSCI ACWI ex USA	9,950,367	11.5	12.0	-0.3	-4.6	3.7	-4.6	8.8	5.8	2.0	5.1	7.3	Nov-12			
<b>Total Fixed Income</b>	16,767,339	19.4	21.0													
Scout Core Plus	8,363,173	9.7	10.0	0.6	-0.1	1.2	1.9	1.9	4.5	7.5	6.7	6.5	Jan-02			
Barclays Aggregate				0.7	-0.6	0.6	2.8	1.6	3.3	4.7	4.6	4.9	Jan-02			
Mondrian Global Fixed Income	1,813,587	2.1	3.0	-0.2	-2.0	-2.7	-6.4	4.2	-0.6	1.8	3.2	5.4	Jan-00			
CIT WGBI				0.5	-2.2	-3.6	-7.7	-2.6	0.4	1.8	3.2	4.5	Jan-00			
Loomis Sayles Multi-sector	6,590,579	7.6	8.0	-0.7	-2.0	0.5	0.8	--	--	--	--	0.9	Jan-14			
Barclays Govt/Credit				0.7	-0.9	0.4	2.5	1.5	3.4	4.7	4.6	2.0	Jun-14			
<b>Real Assets</b>	6,303,122	7.3	10.0													
PIMCO All Asset Fund	6,303,122	7.3	10.0	-1.4	-4.3	-1.5	-6.6	2.3	--	--	--	5.0	Oct-11			
PIMCO All Asset Index				0.5	-0.8	1.3	1.6	2.8	4.9	5.5	5.4	4.6	Oct-11			
<b>Total Balanced</b>	2,018,349	2.3	0.0													
Pension Reserves Inv. Trust Fund	2,018,349	2.3	0.0	0.5	-0.7	2.9	4.7	10.6	9.7	5.4	6.3	8.5	Jul-89			
50% MSCI World (Net)/50% CTT WGBI				1.1	-1.2	0.5	-1.5	5.7	6.1	4.2	5.0	6.7	Jul-89			
<b>Total Real Estate</b>	9,324,284	10.8	12.0													
AEW Partners VI	1,674,689	1.9	3.0	0.0	4.1	7.1	17.7	18.9	12.8	--	--	12.8	Aug-10			
PRIM Real Estate Fund	4,039,823	4.7	4.5	1.0	2.6	5.9	11.9	12.1	--	--	--	12.7	Dec-10			
NCREIF ODCE				0.0	3.8	7.3	14.4	13.1	14.4	3.6	6.8	14.2	Dec-10			
NCREIF Property Index				0.0	3.1	6.8	13.0	11.6	12.7	5.4	8.2	12.8	Dec-10			
AEW Core Property Trust	3,609,771	4.2	4.5	0.0	4.0	6.0	12.0	9.8	--	--	--	8.9	Apr-12			





Town of Belmont DB

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				1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since		
<b>Total Hedge Fund</b>	<b>7,765,833</b>	<b>9.0</b>	<b>10.0</b>	0.5	0.0	3.0	4.7	8.6	6.3	3.6	4.7	4.8	Jul-05		
PRIM Hedge Fund	7,765,833	9.0	10.0	0.1	0.0	2.8	4.4	6.0	4.0	1.6	3.0	3.2	Jul-05		
<i>HFR1 Fund of Funds Composite Index</i>															
<b>Total Private Equity</b>	<b>5,297,438</b>	<b>6.1</b>	<b>7.0</b>	0.0	-7.5	0.3	4.9	9.8	11.6	10.1	--	10.4	Oct-08		
Harbourvest Dover Street VII	939,406	1.1	7.0	0.0	-0.6	-3.5	-6.3	-1.2	--	--	--	8.5	Sep-11		
Harbourvest Dover Street VII AIV	116,840	0.1		0.0	-0.4	-0.2	14.0	--	--	--	--	45.6	May-13		
Harbourvest Dover Street VIII	1,209,100	1.4		0.0	0.8	8.4	7.3	14.6	12.3	7.4	15.2	9.9	Apr-01		
PRIT Vintage Year 2001	141,199	0.2		-0.1	4.2	9.9	0.2	18.3	21.8	13.8	14.6	14.2	Jul-05		
PRIT Vintage Year 2004	70,880	0.1		-0.2	2.8	8.0	15.4	16.3	16.5	9.4	9.6	9.6	Aug-05		
PRIT Vintage Year 2005	285,992	0.3		-0.2	4.4	5.1	11.4	15.8	17.2	11.5	--	4.5	Jun-06		
PRIT Vintage Year 2006	270,607	0.3		-0.4	4.6	5.0	9.6	15.7	15.6	10.0	--	-4.1	Jun-07		
PRIT Vintage Year 2007	370,975	0.4		-0.3	5.6	8.1	16.6	22.1	19.9	4.1	--	-2.4	May-08		
PRIT Vintage Year 2008	640,103	0.7		-1.1	3.4	10.9	23.0	22.5	13.3	--	--	0.3	Nov-09		
PRIT Vintage Year 2009	159,304	0.2		-0.4	2.2	12.1	19.5	21.2	3.0	--	--	1.2	May-10		
PRIT Vintage Year 2010	381,412	0.4		-0.6	8.0	15.9	24.4	14.1	--	--	--	-11.4	Apr-11		
PRIT Vintage Year 2011	317,789	0.4		-0.7	6.0	8.7	13.2	3.1	--	--	--	-12.9	Jul-12		
PRIT Vintage Year 2012	220,557	0.3		-1.6	1.0	-0.4	-4.5	--	--	--	--	-9.4	Jul-13		
PRIT Vintage Year 2013	94,010	0.1		-1.7	-1.0	-5.3	-9.5	--	--	--	--	-8.8	Jul-14		
PRIT Vintage Year 2014	65,873	0.1		-3.8	-7.0	--	--	--	--	--	--	-10.5	Apr-15		
PRIT Vintage Year 2015	13,391	0.0													
<b>Other</b>	<b>1,092,100</b>	<b>1.3</b>	<b>0.0</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	1.7	Aug-99		
Cash	1,092,100	1.3		0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	1.8	Aug-99		
91 Day T-Bills				0.0	0.0	0.0	0.0	0.0	0.1	0.1	--	--	--		

- Returns for periods longer than one year are annualized
  - NCREIF ODCE and NCREIF Property returns only available on a quarterly basis
  - PIMCO All Asset Index: 40% BC Aggregate / 30% TIPS / 10% S&P 500 / 10% High Yield / 10% JPMEMBI+
  - AEW Partners VI is estimated as of 06/30/2015
  - AEW Core Property Trust is estimated as of 06/30/2015
  - All Harbourvest funds are estimated as of 06/30/2015
- Returns are net of fees



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July 31, 2015

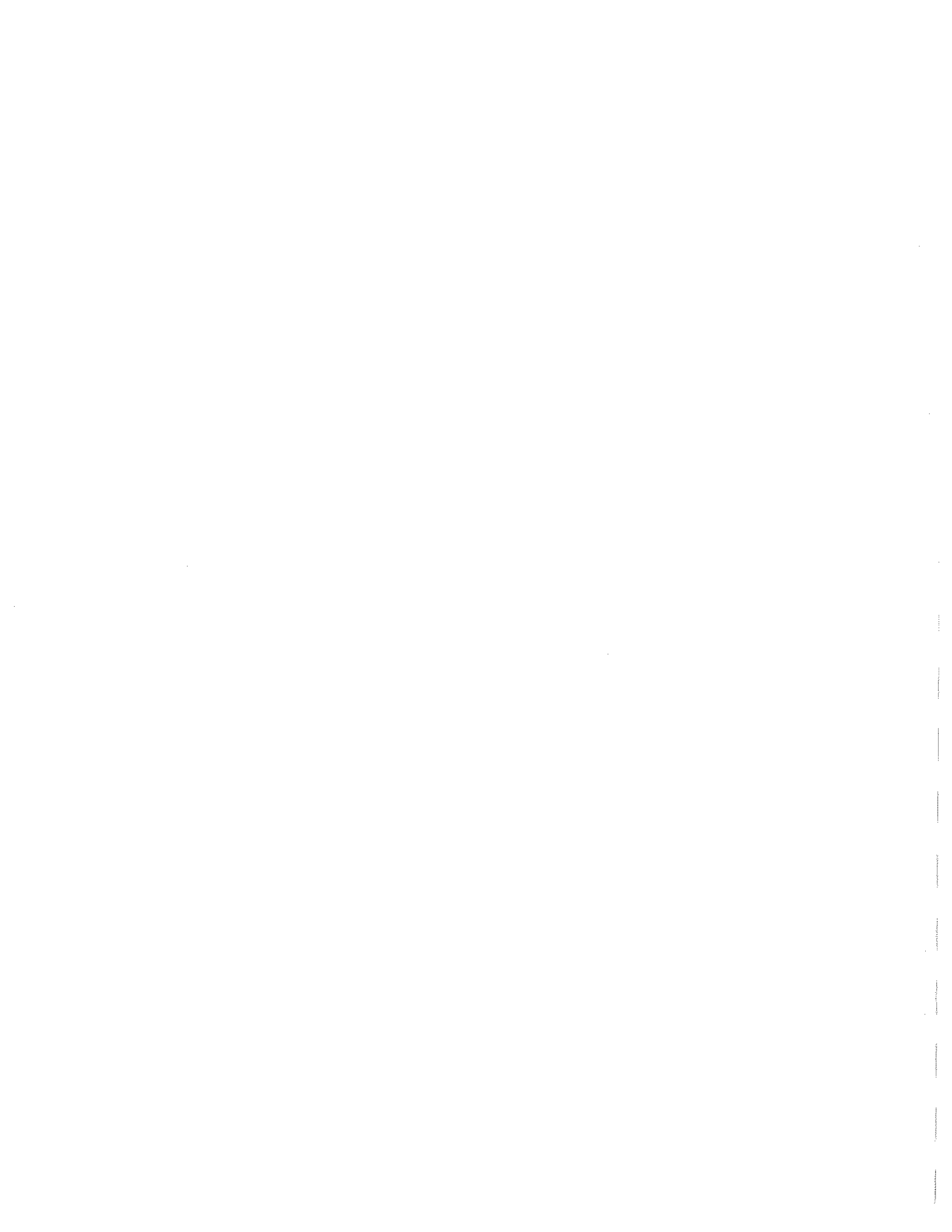


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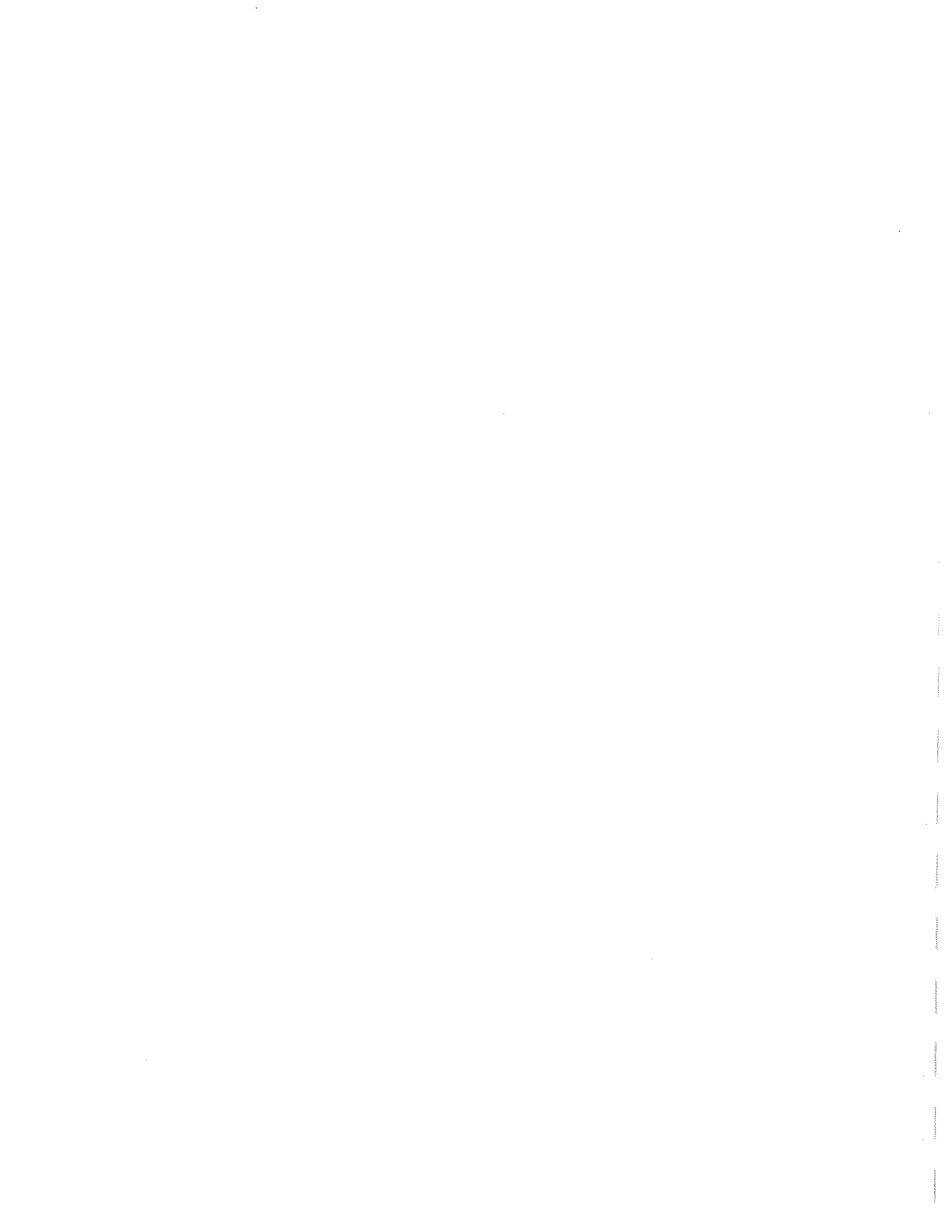




# NEPC Update



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# NEPC Updates

June 30, 2015

## Highlights of Second Quarter Happenings at NEPC

### NEPC Research

#### Recent White Papers

- **2015 2nd Quarter Market Thoughts**
- **Rising Rates and Implications for Credit Investors** (April 2015) – Seth Bancroft, Senior Research Analyst, Traditional Research
- **Socially Responsible Investing in Action** (May 2015) – Sheila Healy Berube, CFA, Senior Consultant.
- **A Dynamic Approach to Pension Glide Paths** (May 2015) – Christopher A. Levell, ASA, CFA, CAIA, Partner, Client Strategy

#### NEPC Client Recognitions

- NEPC is pleased to announce that two of our clients recently won *Institutional Investor Intelligence* Awards. Ruth Ryerson, Executive Director at Wyoming Retirement System, was a co-winner of the Executive Director of the Year award, along with Steve Yoakum from Public School and Education Employee Retirement Systems of Missouri. Dave Underwood, Deputy CIO and Portfolio Manager – Equities at Arizona State Retirement System, won the *Institutional Investor Intelligence* Award: Innovator.



### NEPC Recognitions

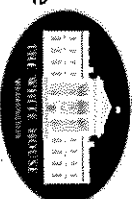
- We are pleased to announce that **NEPC has won two Alternative Investment Awards for 2015** from *Wealth & Finance International*, one for Sustained Excellence in Client Investment Management and the other for Macro Strategy Specialist of the Year – USA. Awards Coordinator Peter Rujgjev commented, "The caliber of the 2015 nominees was simply outstanding and this ensured that the judging process was more than a little demanding. Put simply, our winners represent the very best of the best and with such a tremendous amount of competition, it is an honor to acknowledge them and wish them well for another award winning year ahead."

#### News from NEPC

- **Doris Ewing honored by the NASP.** Please join us in congratulating retired NEPC Partner, Doris Ewing, who was honored as the first female African-American Partner of an Investment Consulting Firm at the NASP Women's Legends Tea on June 14 in Chicago. Congratulations Doris!

#### Recent Events

- **NEPC Clients Invited to the White House.** A diverse group of NEPC clients were invited to the White House on June 16 for the Clean Energy Investment Summit. The goal of the event was to help address the fundraising gap for scalable investments in clean energy and catalyze more institutional investment. Attendees engaged with senior members of the Administration to discuss recent or potential clean energy investments.



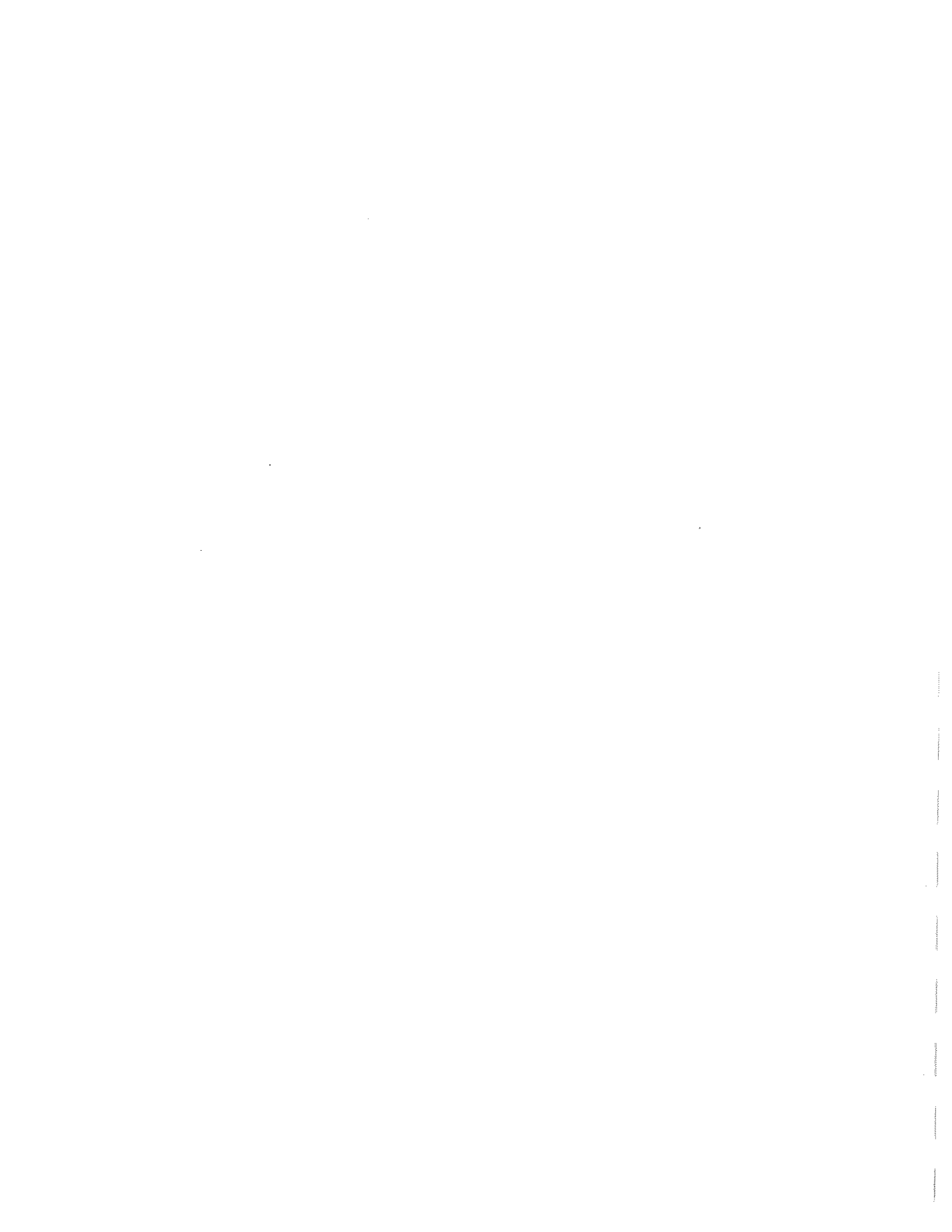
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# Market Environment



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# Index Performance Summary as of 6/30/2015

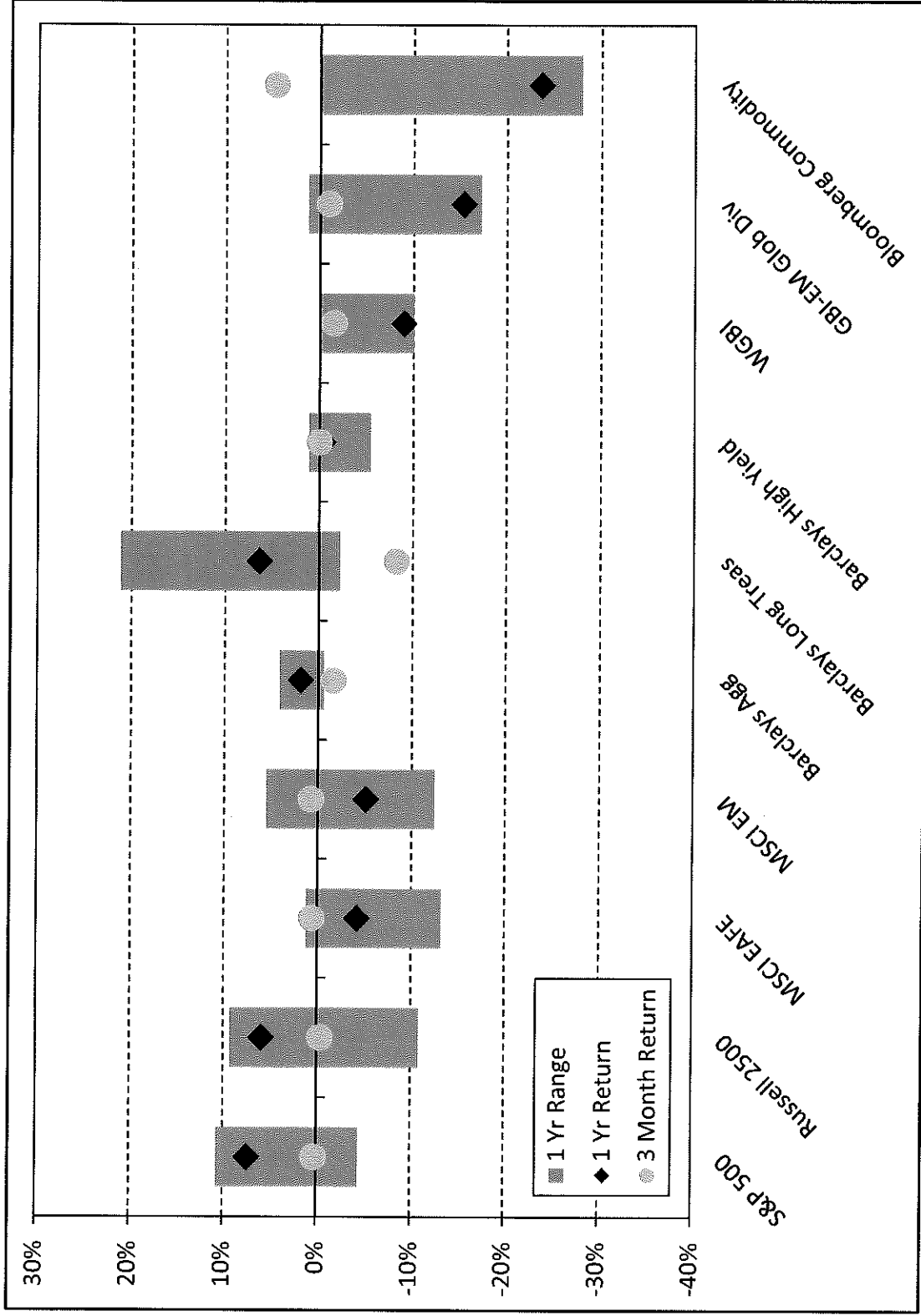
	2008	2009	2010	2011	2012	2013	2014	Q1	APR	MAY	JUN	Q2	YTD
MSCI EAFE	-43.38%	31.78%	7.75%	-12.14%	17.32%	22.78%	-4.90%	4.88%	4.08%	-0.51%	-2.83%	0.62%	5.52%
Russell 2500	-36.79%	34.39%	26.71%	-2.51%	17.88%	36.80%	7.07%	5.17%	-1.75%	2.14%	-0.69%	-0.34%	4.81%
Russell 2000	-33.79%	27.17%	26.85%	-4.18%	16.35%	38.82%	4.89%	4.32%	-2.55%	2.28%	0.75%	0.42%	4.75%
Credit Suisse Hedge Fund	-19.07%	18.57%	10.95%	-2.52%	7.67%	9.73%	4.13%	2.48%	0.02%	0.83%	N/A	2.48%	3.35%
MSCI EM	-53.33%	78.51%	18.88%	-18.42%	18.22%	-2.60%	-2.19%	2.24%	7.69%	-4.00%	-2.60%	0.69%	2.95%
Credit Suisse Leveraged Loan	-28.75%	44.87%	9.98%	1.82%	9.43%	6.15%	2.06%	2.07%	0.90%	0.20%	-0.31%	0.79%	2.87%
MSCI ACWI	-42.19%	34.63%	12.67%	-7.35%	16.13%	22.80%	4.16%	2.31%	2.90%	-0.13%	-2.35%	0.35%	2.66%
Barclays US Corp High Yield	-26.16%	58.21%	15.12%	4.98%	15.81%	7.44%	2.45%	2.52%	1.21%	0.30%	-1.49%	0.00%	2.53%
Russell 1000	-37.60%	28.43%	16.10%	1.50%	16.42%	33.11%	13.24%	1.59%	0.71%	1.31%	-1.88%	0.11%	1.71%
JPM EMBI Global Diversified	-12.03%	29.82%	12.24%	7.35%	17.44%	-5.25%	7.43%	2.01%	1.63%	-0.39%	-1.56%	-0.34%	1.67%
S&P 500	-37.00%	26.46%	15.06%	2.11%	16.00%	32.39%	13.69%	0.95%	0.96%	1.29%	-1.94%	0.28%	1.23%
Barclays US Govt/Cred 1-3	4.97%	3.82%	2.80%	1.59%	1.26%	0.64%	0.77%	0.59%	0.08%	0.08%	-0.03%	0.13%	0.72%
Barclays US Agg Intern	4.86%	6.46%	6.15%	5.97%	3.56%	-1.02%	4.12%	1.32%	-0.01%	0.00%	-0.66%	-0.67%	0.64%
Barclays Municipal	-2.47%	12.91%	2.38%	10.70%	6.78%	-2.55%	9.05%	1.01%	-0.52%	-0.28%	-0.09%	-0.89%	0.11%
Barclays US Agg Bond	5.24%	5.93%	6.54%	7.84%	4.21%	-2.02%	5.97%	1.61%	-0.36%	-0.24%	-1.09%	-1.68%	-0.10%
Bloomberg Commodity	-35.65%	18.91%	16.83%	-13.32%	-1.06%	-9.52%	-17.01%	-5.94%	5.73%	-2.70%	1.73%	4.66%	-1.56%
Citi WGBI	10.89%	2.55%	5.17%	6.35%	1.65%	-4.00%	-0.48%	-2.51%	1.10%	-2.34%	-0.28%	-1.55%	-4.02%
Barclays US Long Credit	-3.92%	16.80%	10.69%	17.13%	12.73%	-6.62%	16.39%	3.06%	-2.04%	-1.77%	-3.62%	-7.26%	-4.42%
Barclays US Govt/Cred Long	8.44%	1.92%	10.16%	22.49%	8.78%	-8.83%	19.31%	3.36%	-2.41%	-1.68%	-3.68%	-7.57%	-4.47%
JPM GBI EM Glob Div	-5.22%	21.98%	15.68%	-1.75%	16.76%	-8.98%	-5.72%	-3.96%	2.92%	-2.58%	-1.22%	-0.96%	-4.88%
FTSE NAREIT Equity REITS	-37.73%	27.99%	27.96%	8.29%	18.06%	2.47%	30.14%	4.75%	-5.49%	-0.12%	-4.60%	-9.95%	-5.67%
Barclays US Strips 20+ Yr	59.50%	-36.04%	10.88%	58.52%	2.96%	-20.95%	46.38%	5.54%	-5.60%	-3.01%	-6.41%	-14.32%	-9.57%
Alerian MLP	-36.91%	76.41%	35.85%	13.88%	4.80%	27.58%	4.80%	-5.23%	6.18%	-3.58%	-8.28%	-6.09%	-11.00%

Source: Morningstar Direct



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# Broad Market Performance Summary as of 6/30/2015



Source: Bloomberg, Standard and Poors, Russell, MSCI, Barclays, Citigroup, JP Morgan  
 \*1 Yr Range: Represents range of cumulative high/low daily Index returns for an investment made one year ago



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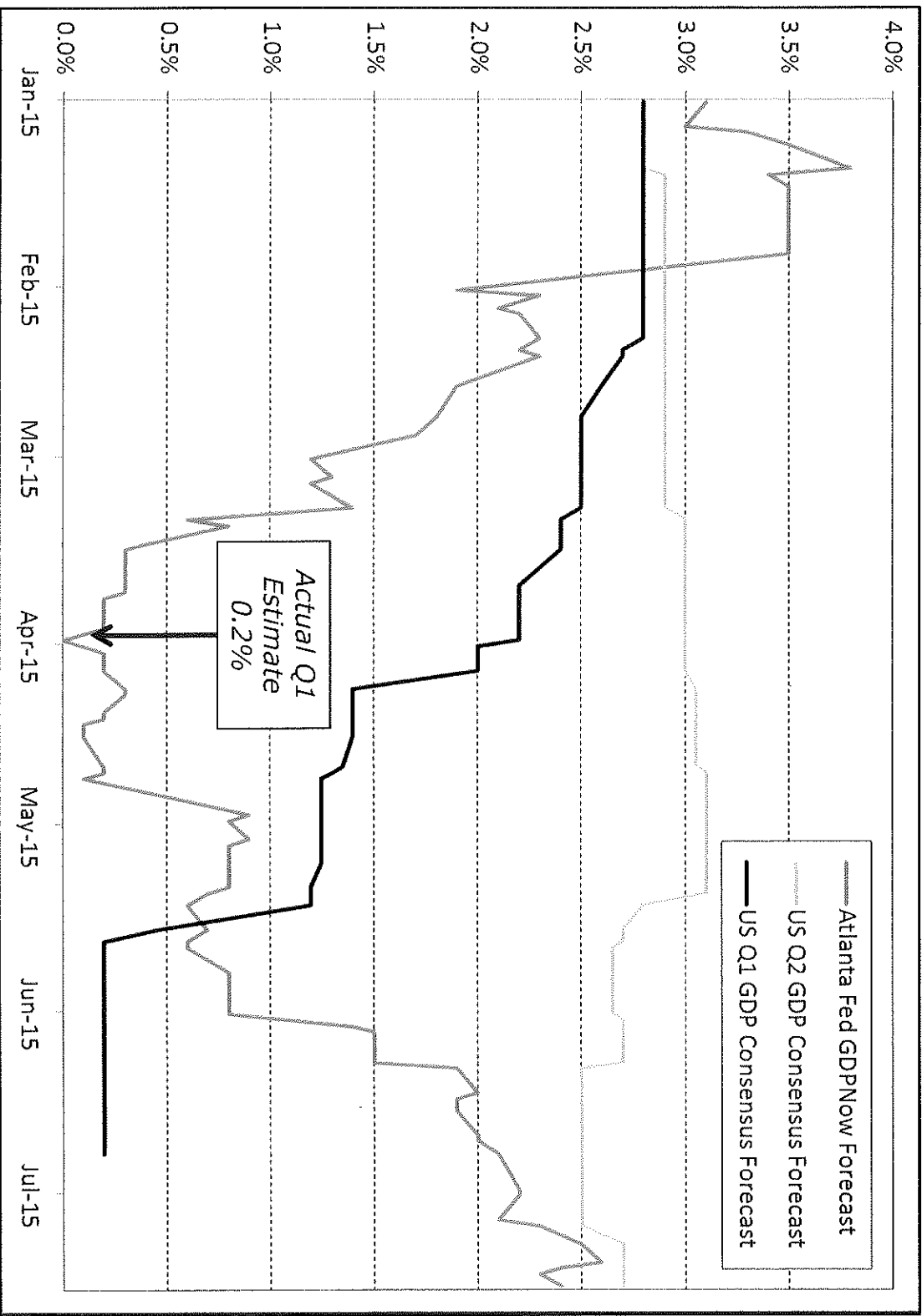


- **US equities face headwinds but without major concerns**
  - Cautiously optimistic on US economy but Fed rate hike remains on the horizon
  - Dollar strength likely to slow earnings growth while valuation levels above average
- **Recommend an overweight exposure to developed market equities**
  - Suggest investors opportunistically exploit potential volatility to add to the overweight
  - Long-term opportunity remains as earnings improve off cyclical lows in Europe/Japan
  - We continue to recommend a 50% hedge for developed market currency exposure
- **Recommend investors maintain a benchmark neutral weight in emerging market equities at a minimum**
  - Encourage the use of benchmark agnostic emerging market equity strategies with a bias towards EM countries undertaking both economic and political reforms
  - Allow dynamically oriented global equity and GAA strategies to tactically push total emerging market equity exposure above a benchmark neutral weight
  - Long-term EM fundamentals remain attractive but economic divergences and risks across countries are significant
- **Encourage investors to shift from benchmark-focused global bond strategies to US duration exposures**
  - Consider a small allocation to long duration treasuries, long gov/credit, or long TIPS to fill US duration exposure
- **Encourage investors to be patient with evolving opportunities in commodity markets as volatility is high**
  - Limited distress opportunity so far but credit conditions likely to weaken

- **Greece's long-term participation in the Eurozone remains precarious but events over the last quarter have provided a temporary reprieve**
  - June 28: Greece declares a "bank holiday" and capital controls introduced to prevent cash transfers out of the country and collapse of banking system
  - June 30: Greece fails to make required €2 billion payment to the IMF
  - July 13: Greece/Eurozone agree to a framework for a €86 billion bailout, contingent on passage of tax, fiscal, labor, and pension reform package by Greek Parliament
  - July 16: Greek banks to reopen, capital controls to remain in place indefinitely
  - July 16: European Union approves €7 billion bridge loan to repay IMF and ECB loans
  - **Next:** Greece/Eurozone negotiations to finalize terms of €86 billion bailout package
- **Challenges remain for Greece and volatility likely to continue**
  - Eurozone position is clear: Implement broad economic reform or exit the Euro
  - Greek government debt is unsustainable at 177% of GDP
  - No Eurozone legal provision exists to reduce or "haircut" debt
  - Greek Parliament has yet to address pension reform, required under bailout terms
  - Eurozone partners have little patience or political bond with Greek government
- **Contagion risk of a Greek exit from the Euro is largely contained**
  - Greece represents only 1.7% of total Eurozone GDP
  - Periphery bond yields relatively unchanged compared to prior Greek crisis
  - \$700 billion European Stability Mechanism (ESM) in place to backstop Eurozone risks
  - \$1 trillion ECB QE program compressing sovereign yields and risk premium
  - Clear path of reforms underway in Italy, Spain, and Portugal are providing tangible economic improvement and political commitment from Eurozone partners

- **China's equity markets are the 2nd largest in the world and largely inaccessible to foreign investors**
  - Shanghai and Shenzhen are the two primary stock exchanges and mainland companies in China often issue A-shares, B-shares, and H-shares
  - A-Shares: Listed on the Shanghai/Shenzhen exchanges primarily accessible only to local investors with some exception (RQFII, Shanghai-HK Connect)
  - B-Shares: Listed on the Shanghai/Shenzhen exchanges and often quoted in USD, accessible to foreign investors
  - H-shares: Mainland companies listed in Hong Kong, heavily dominated by Financials
- **China equity markets, primarily A-shares, increased nearly 150% over 1-year period and fell 30% in a span of weeks**
  - Shanghai and Shenzhen exchanges reached highs on June 12 and subsequently declined over 30% by July 8
  - Rally was fueled by a massive increase in margin debt and levered investors
  - Estimated individual investors represent more than 80% of daily trading volumes
  - $\approx 2/3$  of individuals opening new accounts had less than a high school education
- **A 30% decline in equity markets and extreme volatility may filter into general economy of China and impede economic growth**
  - Government has taken aggressive actions to stem losses: Interest rates cut by 25 bps, suspension of IPOs, and providing liquidity support to finance margin loans
  - Significant levels of margin debt remain in the financial system and volatility is likely to remain high with the government's intervention in equity markets
  - Slowdown in the world's second-largest economy has broad implications for many emerging market economies, specifically commodity producers

# US Economy Appears Poised to Rebound After Lackluster First Quarter

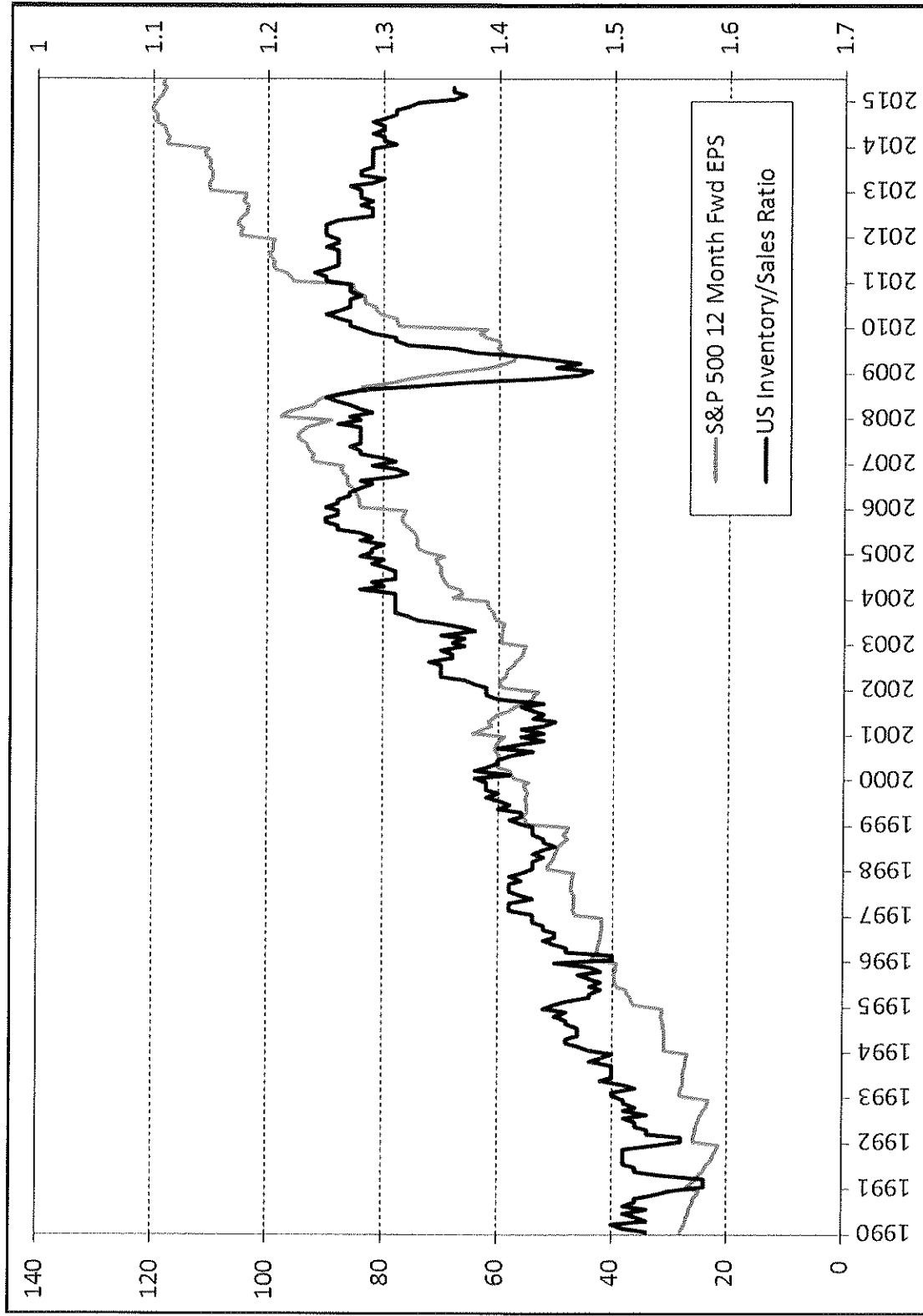


Source: Atlanta Fed, Bloomberg



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# Strong Earnings Forecasts Contradicts Inventory Build-Up

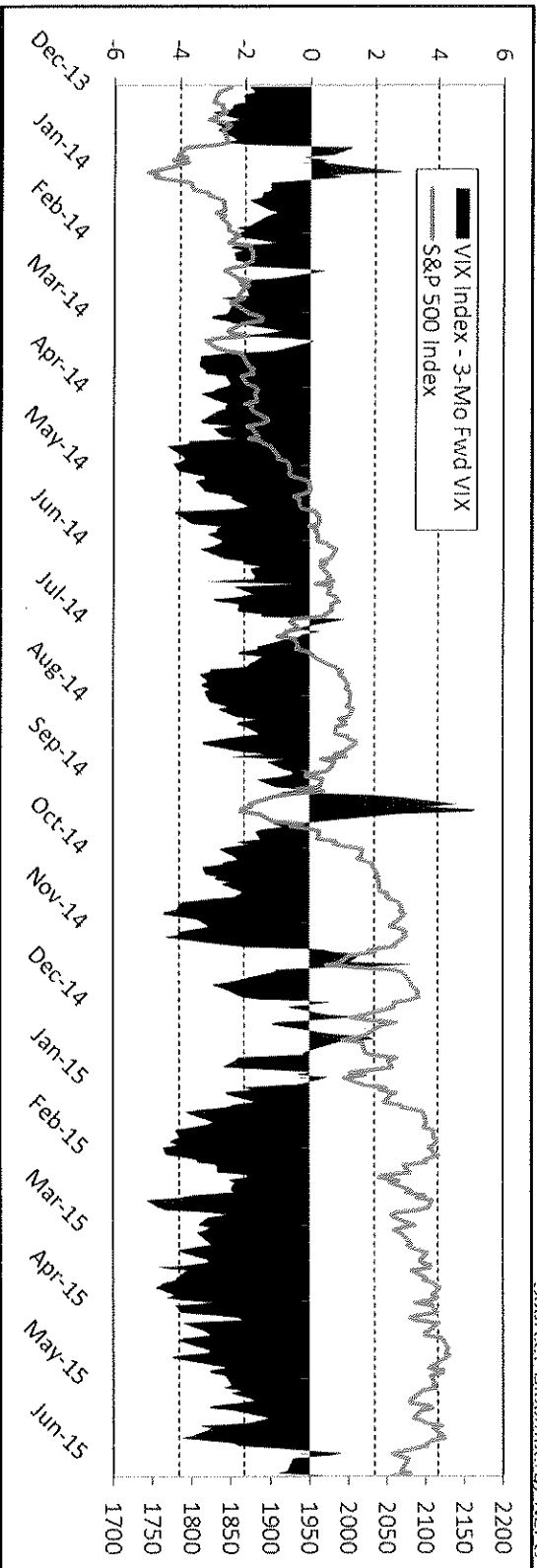
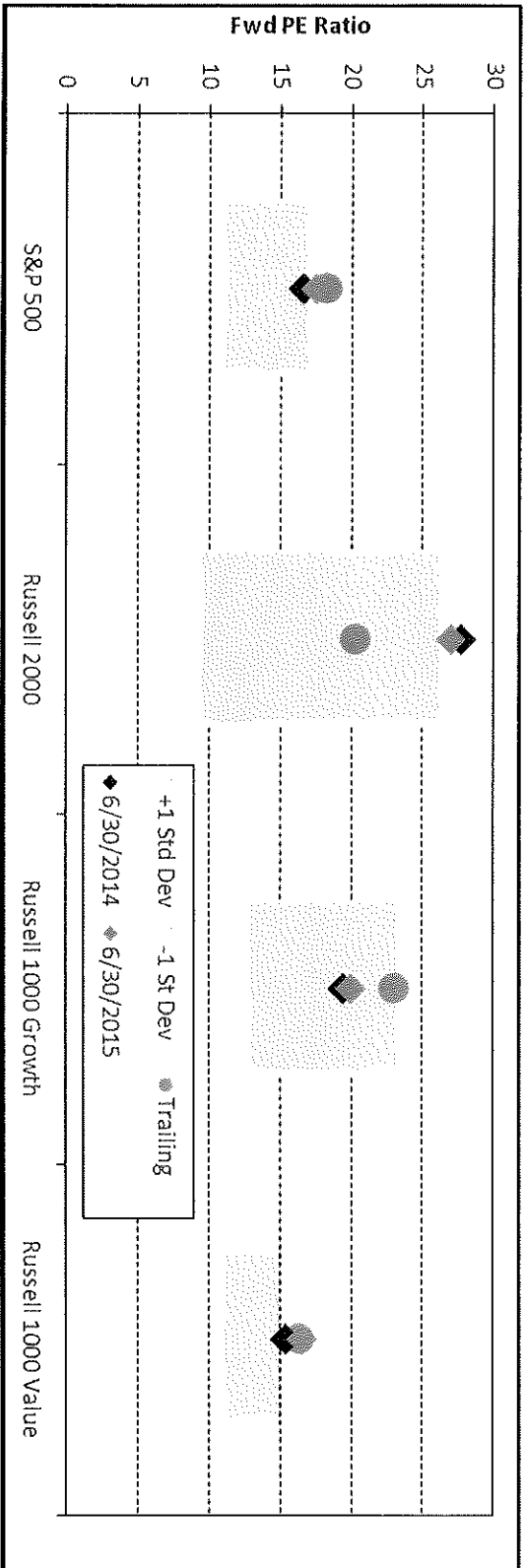


Source: Standard and Poors, US Census Bureau, Bloomberg



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# Higher Valuations Supported by Expectations of Low Volatility

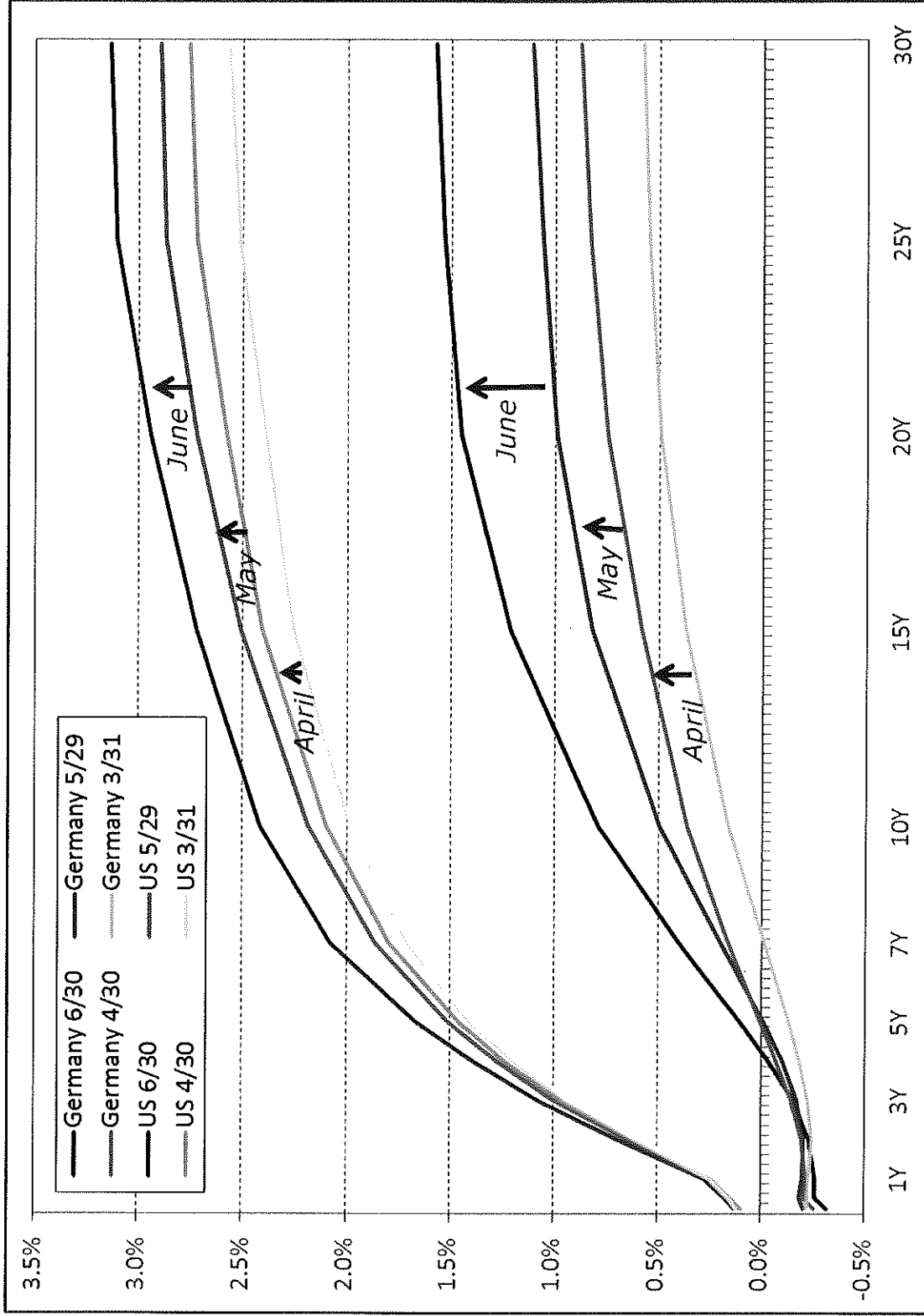


Source: Chicago Board Options Exchange, Bloomberg



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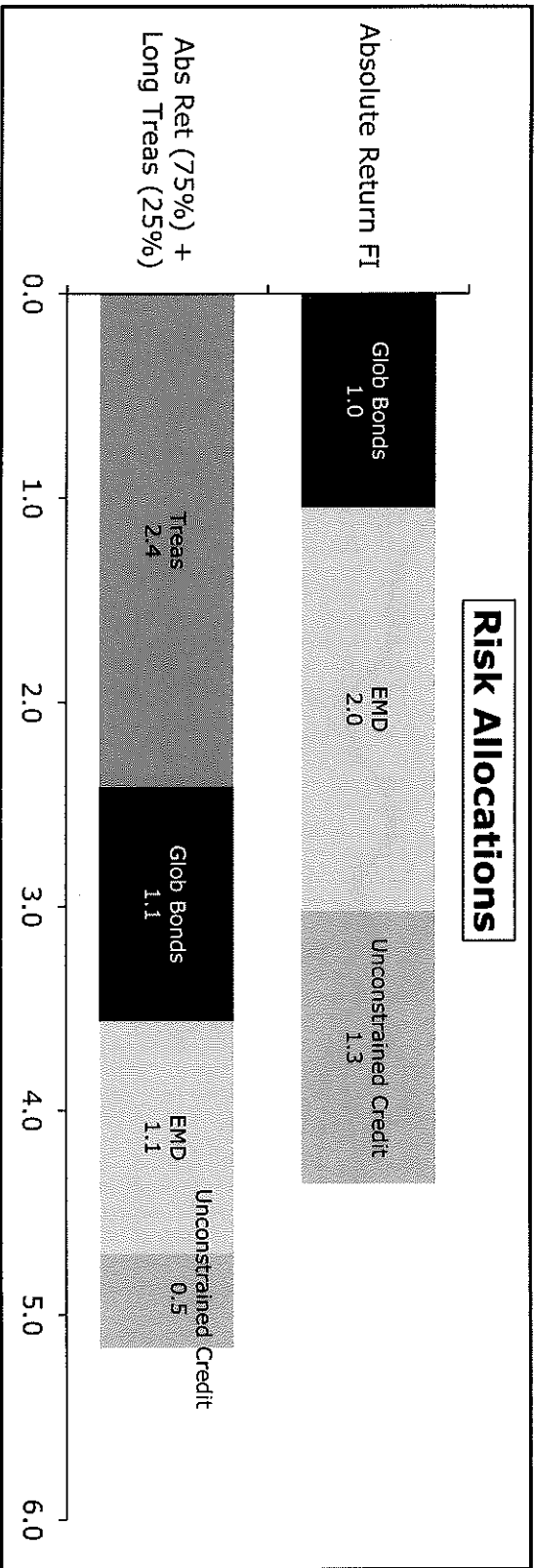
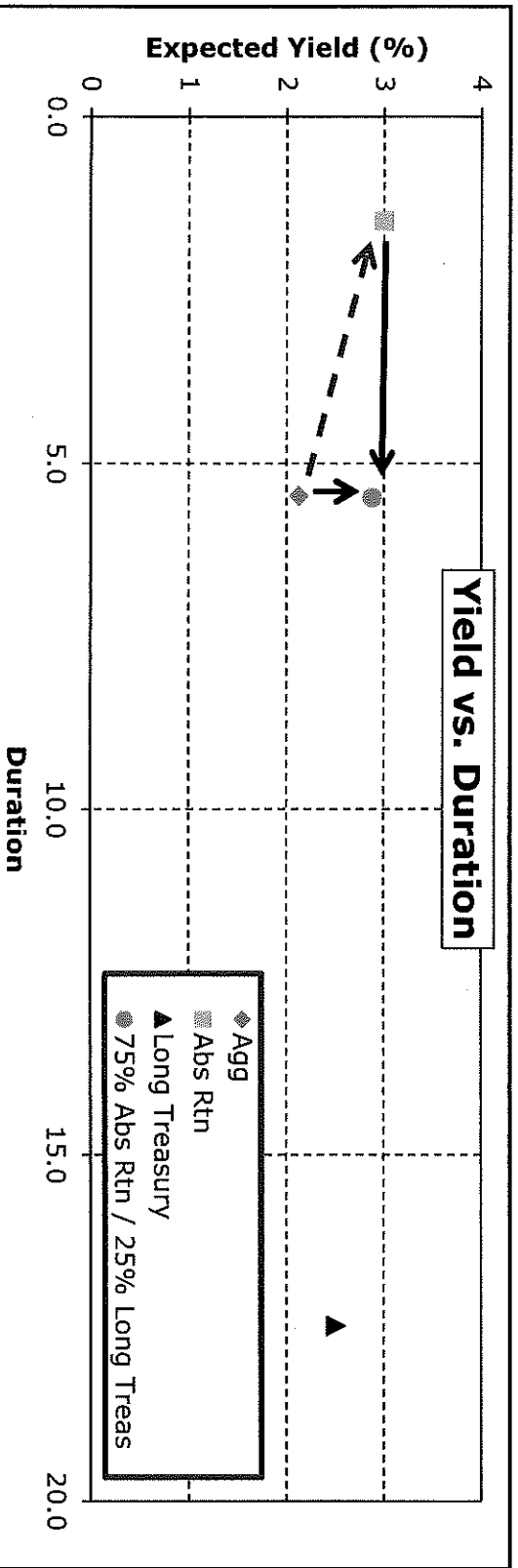
# German Yields Experienced Their Own 'Tantrum' while US Yields Rose Incrementally



Source: US Treasury, Bloomberg

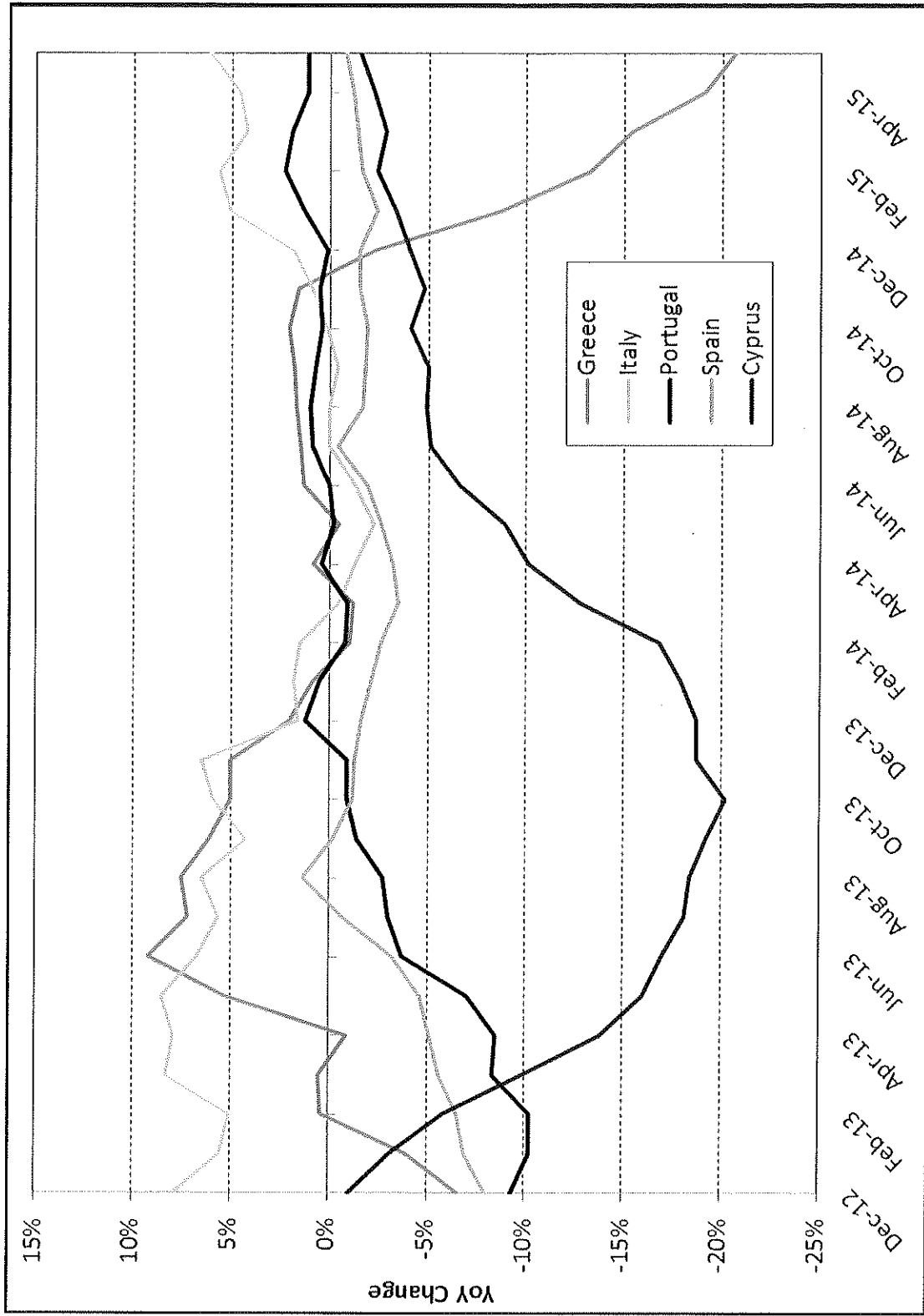


**Consider Pairing Long Treasuries and Unconstrained Bonds as a US Fixed Income Alternative**



Sources: Barclays Live, NEPC

# Change in Bank Deposits – European Banks Unaffected By Greek Deposit Flight

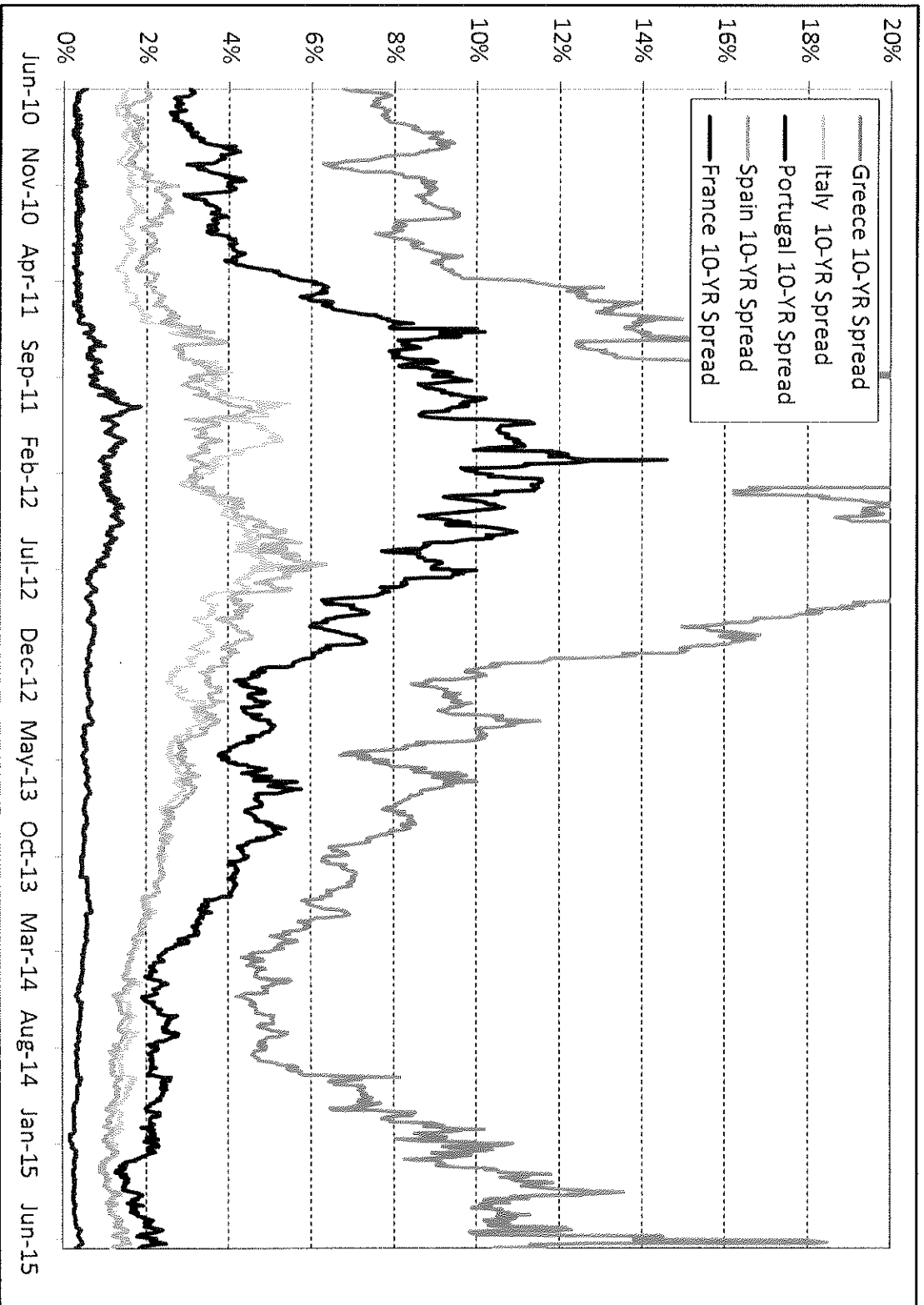


Source: European Central Bank, Bloomberg



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# Contagion Risks Appear Contained – Spread Over German Yields Relatively Unchanged

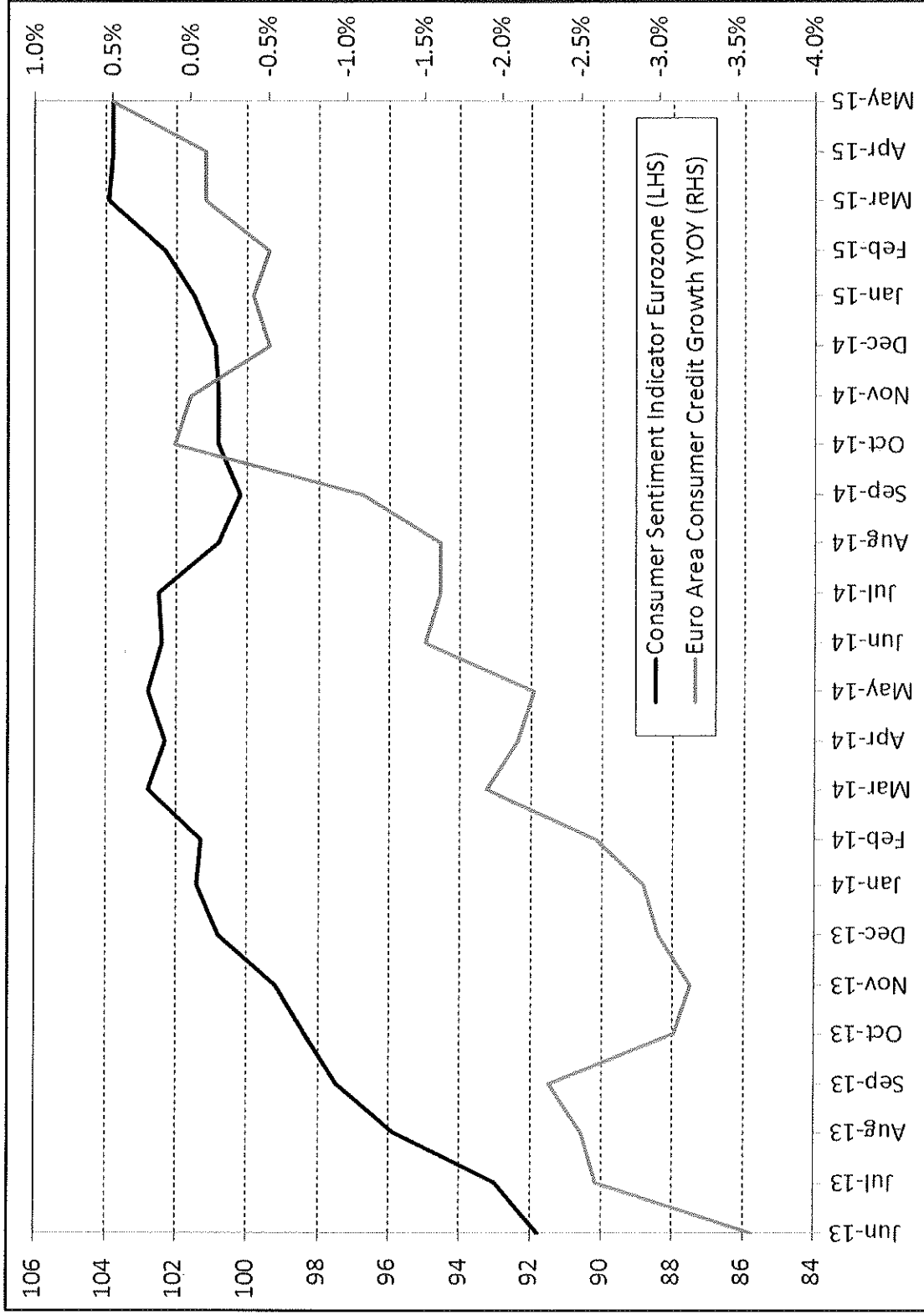


Source: Bloomberg, NEPC



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# Improved Consumer Outlook in Europe Supports Future Earnings Growth

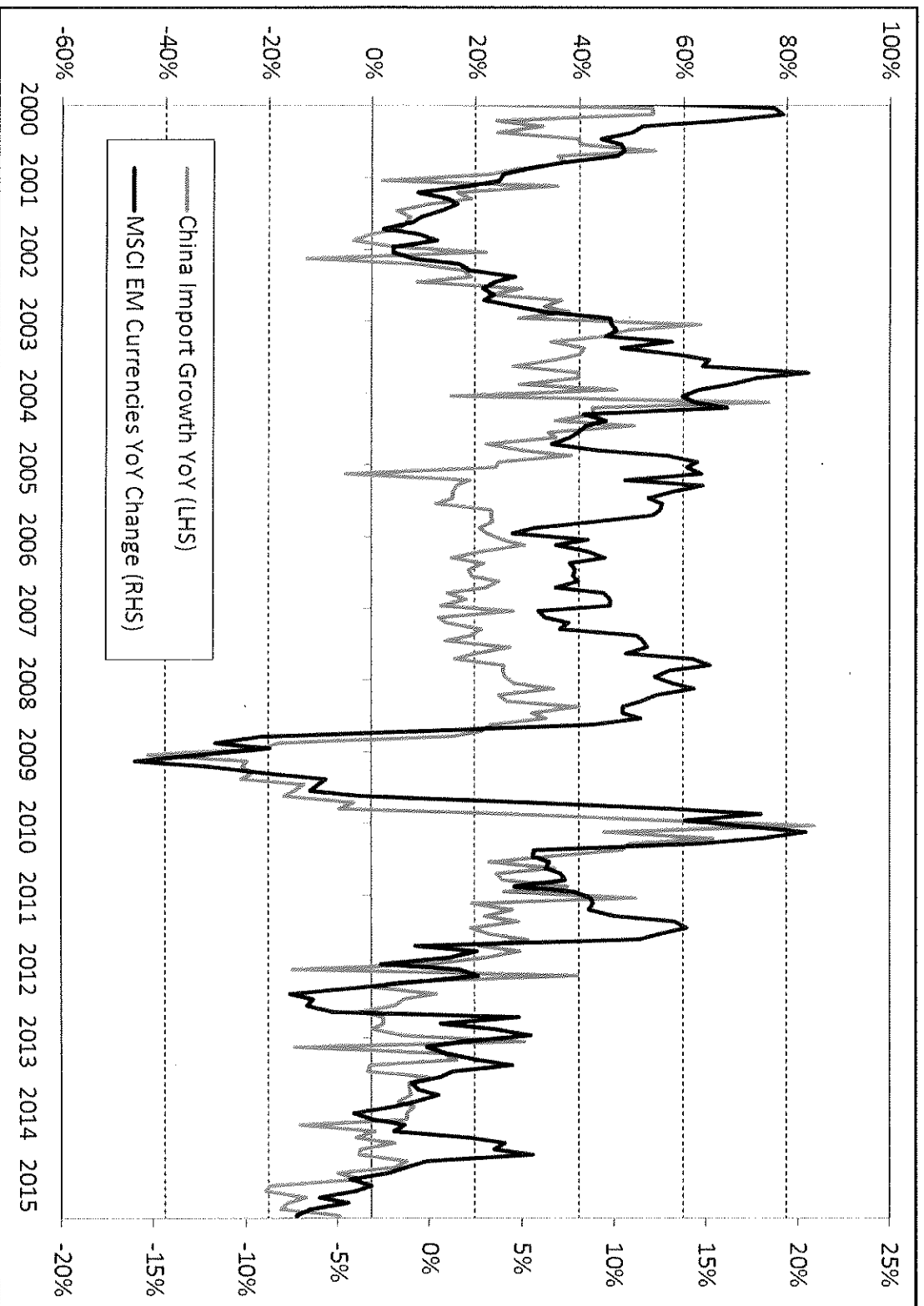


Source: European Commission, European Central Banks, Bloomberg



NEPC, LLC

# Slowing China Import Demand Has Repercussions for Emerging Currencies

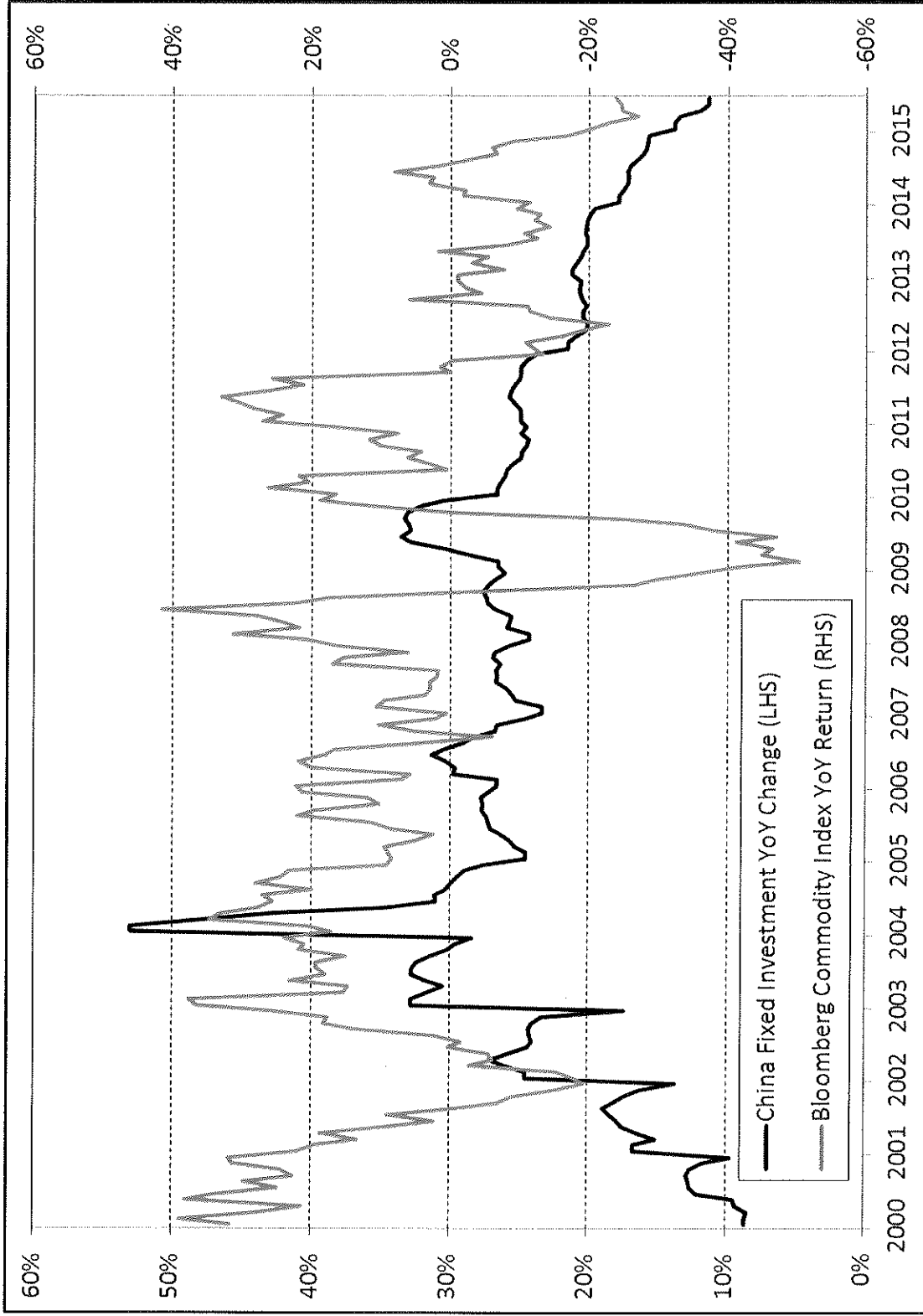


Source: MSCI, National Bureau of Statistics of China, Bloomberg



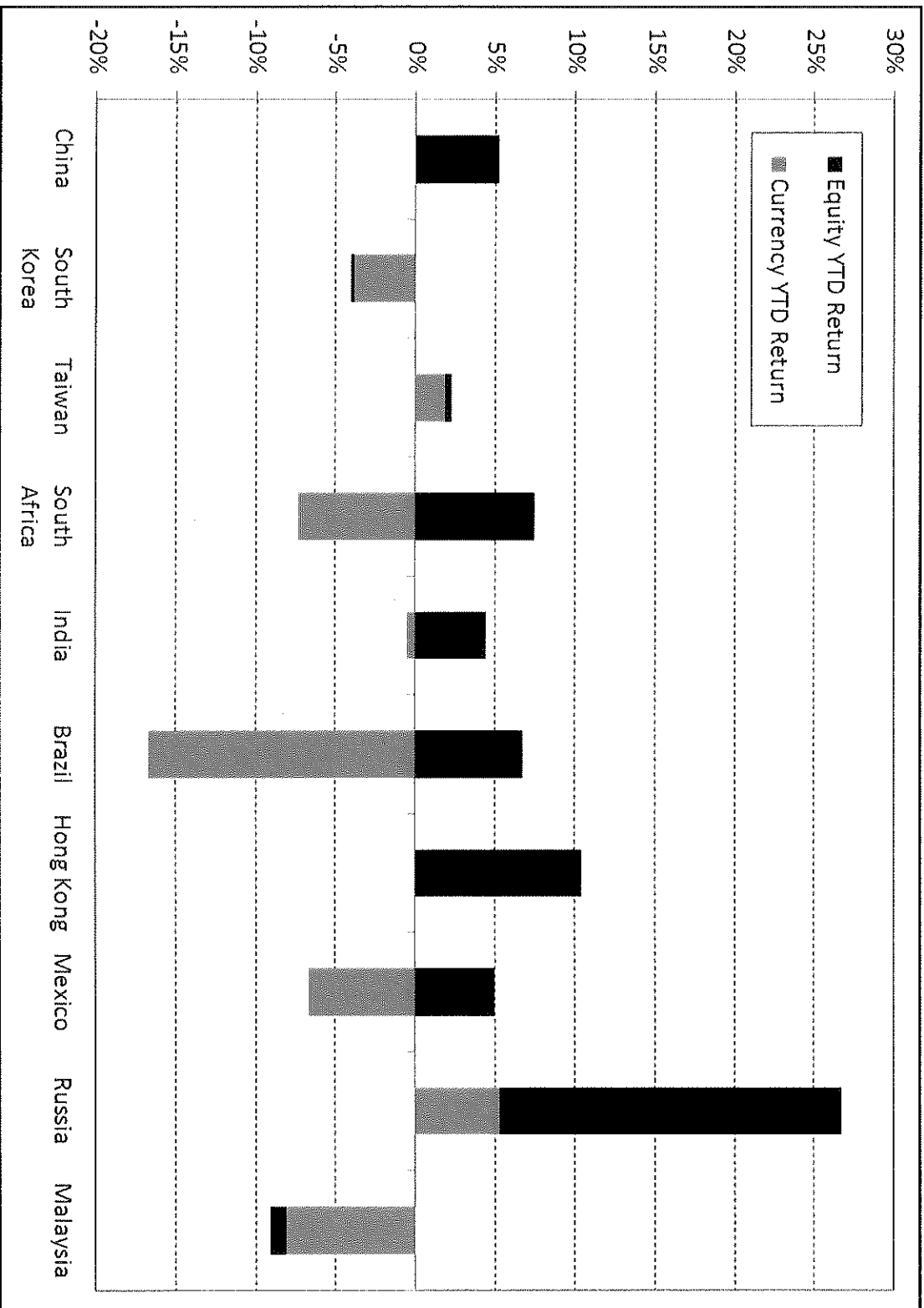
NIEPC, LLC

# Decline in Commodity Prices Coincides with Slowing Fixed Asset Investment in China



Source: Bloomberg, National Bureau of Statistics of China

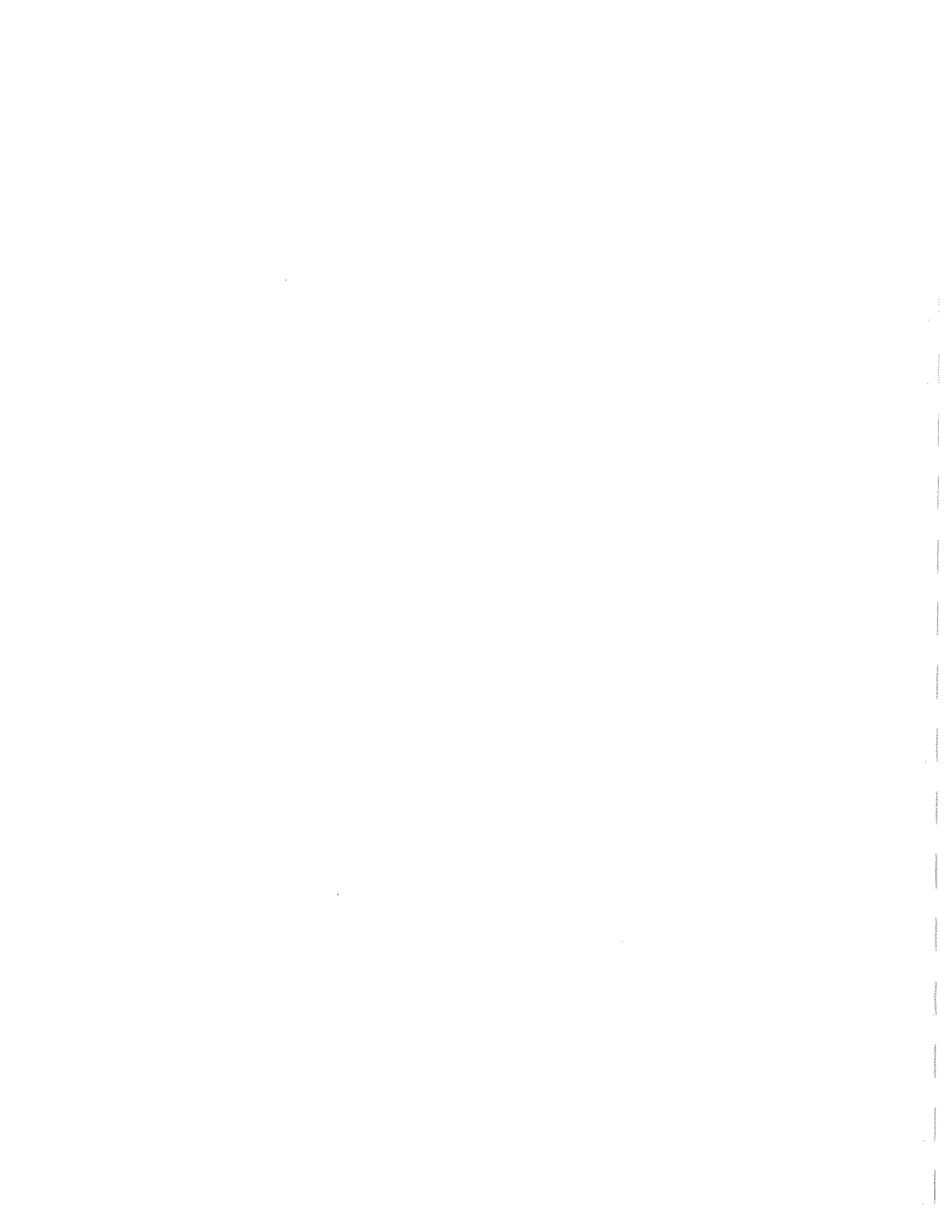
# Major Emerging Markets Still Experiencing Currency Headwinds



Source: MSCI, Bloomberg  
 Note: Chart representative of top 10 country weights



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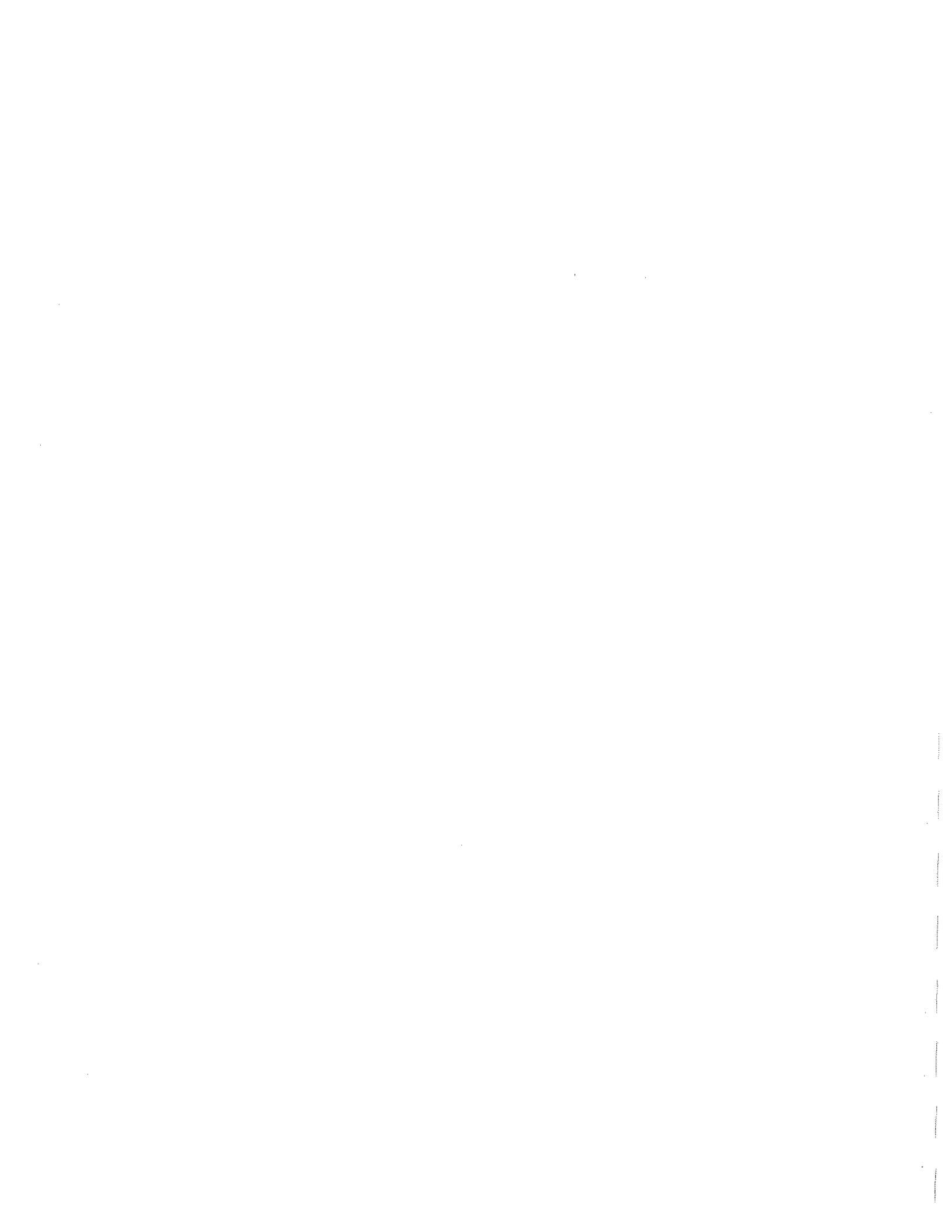




# Total Plan Review



NEPC, LLC



Town of Belmont DB

**Total Fund Asset Growth Summary**

Sources of Portfolio Growth	Summary of Cash Flows			
	Last Three Months	Year-To-Date	One Year	Three Years
Beginning Market Value	\$85,176,566.37	\$83,674,308.76	\$83,188,288.50	\$64,491,791.53
Net Additions/Withdrawals	\$398,637.43	\$320,910.43	-\$441,883.83	-\$2,491,686.78
Investment Earnings	\$304,895.53	\$1,884,880.14	\$3,133,694.66	\$23,879,994.58
Ending Market Value	\$85,880,099.33	\$85,880,099.33	\$85,880,099.33	\$85,880,099.33

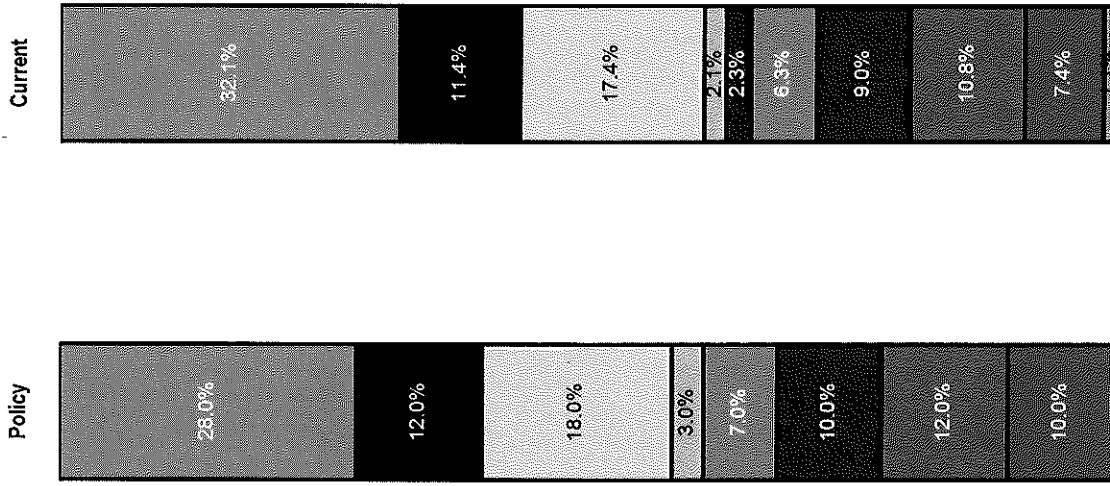


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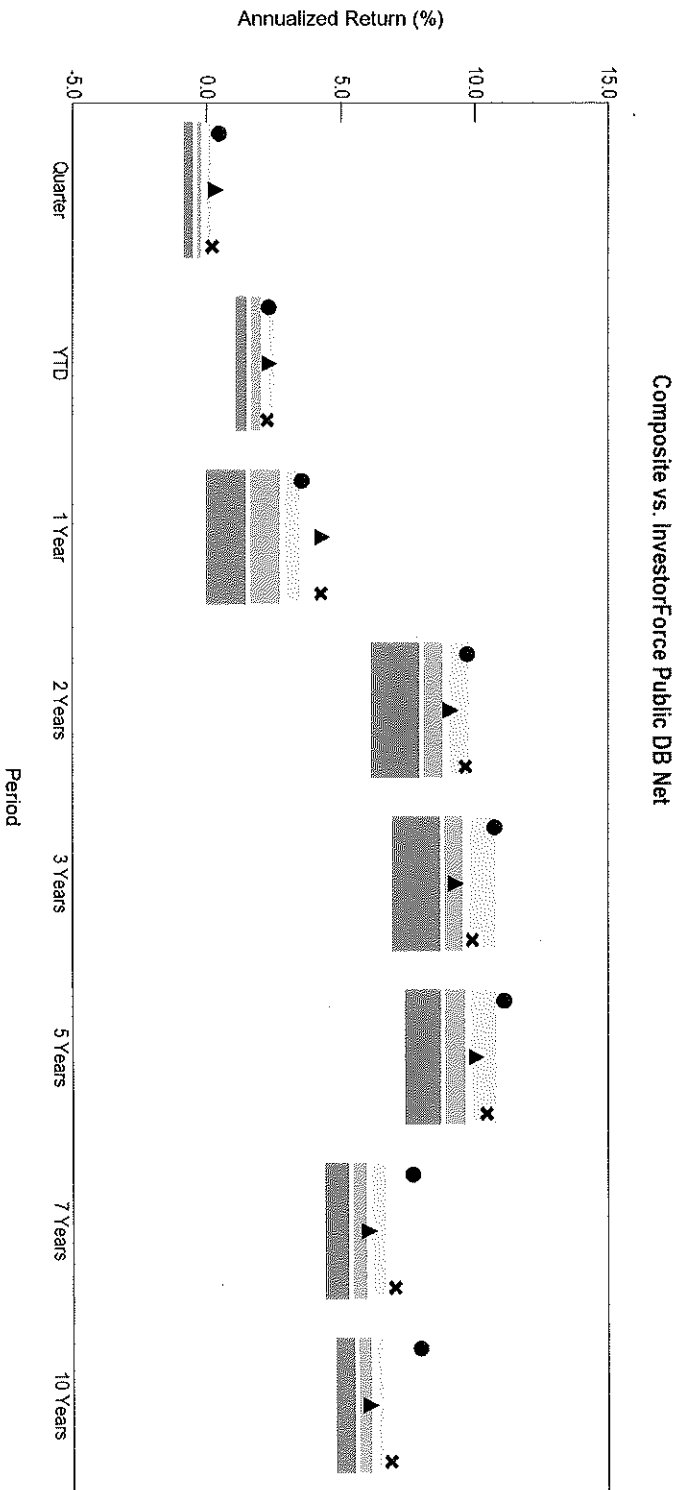
**Total Fund Asset Allocation vs. Policy Targets**

	Asset Allocation vs. Target		
	Current	Policy	Difference*
Equity - Domestic	\$27,566,221	28.0%	32.1%
Equity - International	\$9,809,306	12.0%	11.4%
Fixed Income - Domestic	\$14,946,380	18.0%	17.4%
Fixed Income - Global	\$1,815,688	3.0%	2.1%
Balanced	\$2,008,744	-	2.3%
Private Equity	\$5,375,183	7.0%	6.3%
Hedge Funds	\$7,730,705	10.0%	9.0%
Real Estate	\$9,285,573	12.0%	10.8%
Real Assets	\$6,392,291	10.0%	7.4%
Cash	\$950,008	-	1.1%
<b>Total</b>	<b>\$85,880,099</b>	<b>100.0%</b>	<b>100.0%</b>

\*Difference between Policy and Current Allocation



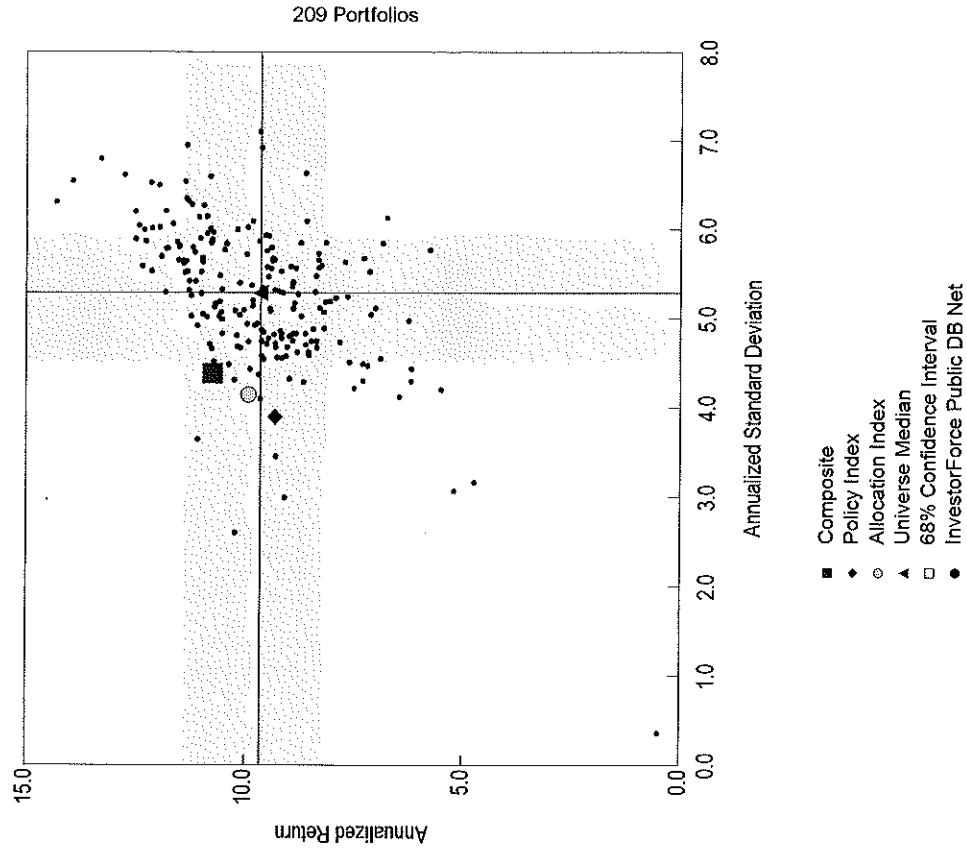
# Town of Belmont DB Total Fund Return Summary vs. Peer Universe



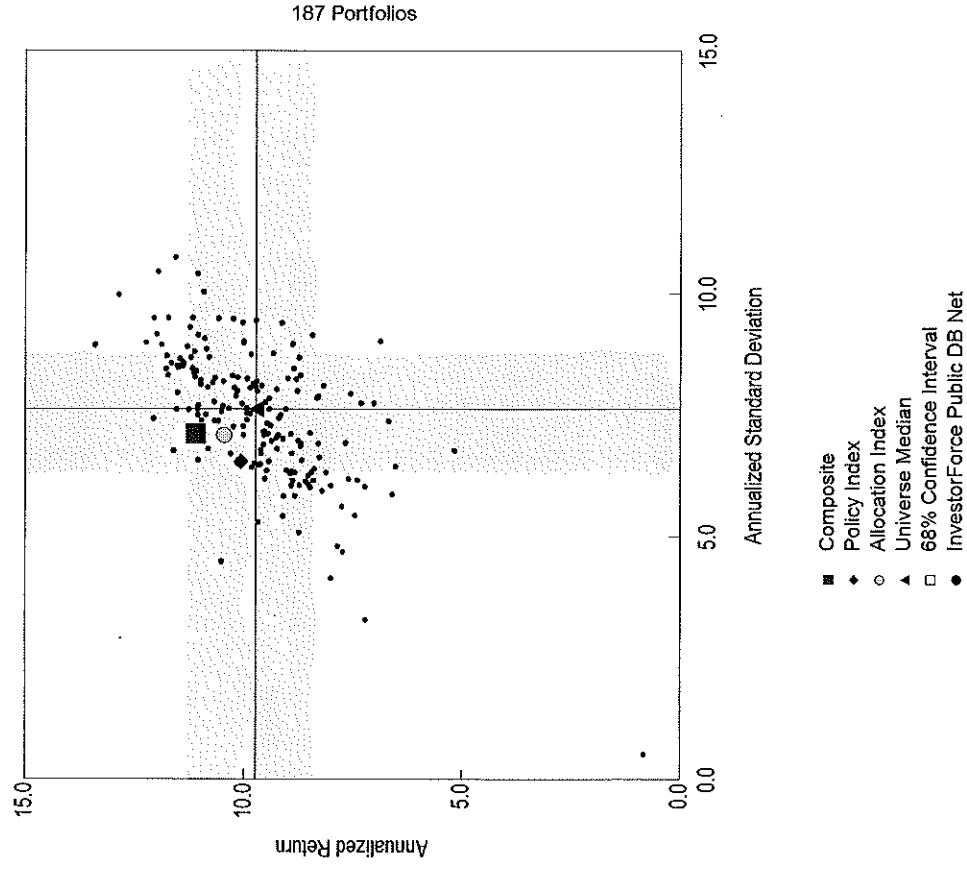
Return (Rank)	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	0.8	3.4	4.4	11.2	12.2	11.8	7.7	7.2
25th Percentile	0.2	2.6	3.6	9.9	10.9	10.9	6.8	6.6
Median	-0.1	2.1	2.8	8.9	9.7	9.7	6.4	6.2
75th Percentile	-0.4	1.6	1.6	8.0	8.8	8.8	5.4	5.6
95th Percentile	-0.9	1.0	-0.1	6.1	6.9	7.3	4.3	4.7
# of Portfolios	242	237	231	220	209	187	172	150
● Composite	0.5	2.3	3.6	9.7	10.8	11.1	7.7	8.0
▲ Policy Index	0.3	2.4	4.3	9.1	9.3	10.1	6.1	6.1
x Allocation Index	0.2	2.3	4.3	9.7	9.9	10.5	7.0	6.9
	(17)	(39)	(26)	(30)	(30)	(19)	(5)	(2)
	(21)	(38)	(6)	(44)	(63)	(41)	(50)	(54)
	(27)	(44)	(6)	(33)	(45)	(34)	(18)	(15)

Town of Belmont DB  
Total Fund Risk/Return

3 Years Ending June 30, 2015

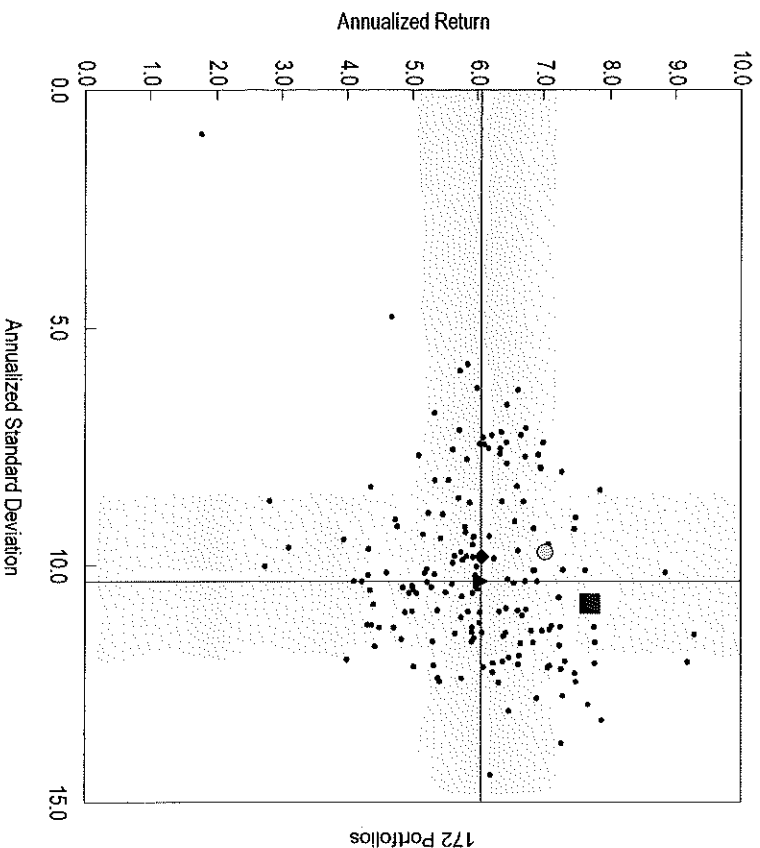


5 Years Ending June 30, 2015

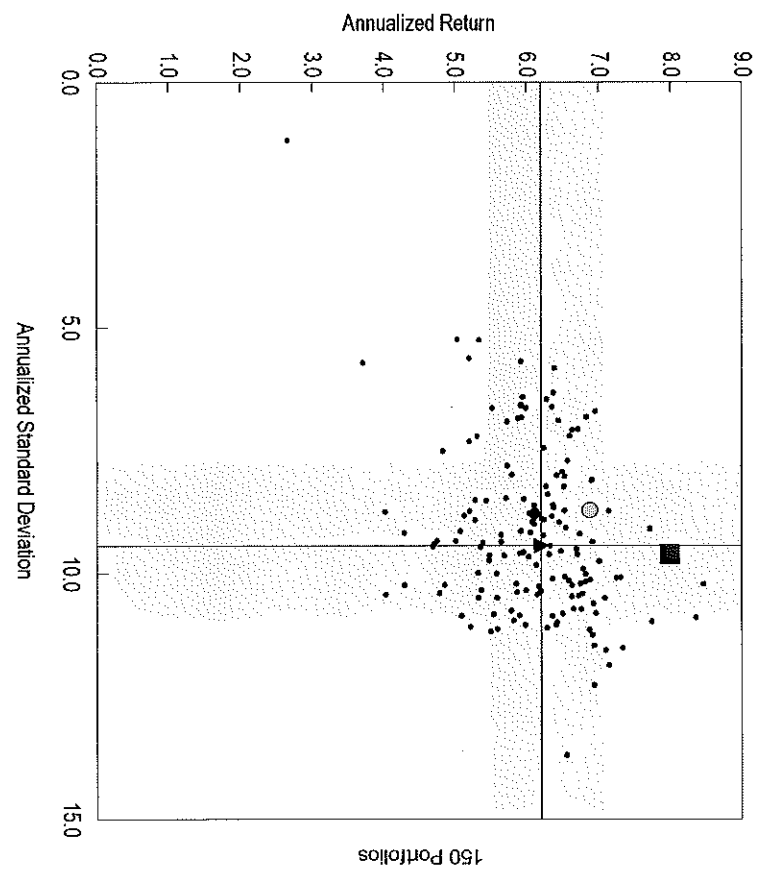


# Town of Belmont DB Total Fund Risk/Return

7 Years Ending June 30, 2015



10 Years Ending June 30, 2015



NEPC, LLC

June 30, 2015

**Total Fund Performance Detail (Net of Fees)**

	Market Value (\$)	% of Portfolio	Policy %	Ending June 30, 2015										Inception Return (%)	Since				
				3 Mo (%)	YTD (%)	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank			10 Yrs (%)	Rank		
<b>Composite</b>	<b>85,880,099</b>	<b>100.0</b>	<b>100.0</b>	<b>0.5</b>	<b>17</b>	<b>2.3</b>	<b>39</b>	<b>3.6</b>	<b>26</b>	<b>10.8</b>	<b>30</b>	<b>11.1</b>	<b>19</b>	<b>7.7</b>	<b>5</b>	<b>8.0</b>	<b>2</b>	<b>9.1</b>	<b>Jan-85</b>
Policy Index				0.3	21	2.4	38	4.3	6	9.3	63	10.1	41	6.1	50	6.1	54	--	Jan-85
Allocation Index				0.2	27	2.3	44	4.3	6	9.9	45	10.5	34	7.0	18	6.9	15	9.1	Jan-85
InvestorForce Public DB Net Median				-0.1		2.1		2.8		9.7		9.7		6.1		6.2		9.0	Jan-85
<b>Total Equity</b>	<b>37,375,527</b>	<b>43.5</b>	<b>40.0</b>																
<b>Total Domestic Equity</b>	<b>27,586,221</b>	<b>32.1</b>	<b>28.0</b>																
Rothschild	11,436,779	13.3	11.5	1.4	16	0.3	61	4.1	55	19.3	24	17.7	23	--	--	--	--	14.5	Dec-09
Russell 1000 Value				0.1	50	-0.6	75	4.1	55	17.3	46	16.5	45	8.6	54	7.0	68	13.9	Dec-09
eA US Large Cap Value Equity Net Median				0.1		0.8		4.6		16.9		16.2		8.8		7.7		13.5	Dec-09
Atlanta Small Cap	5,031,639	5.9	5.0	1.2	38	7.8	25	12.0	17	18.7	45	19.4	25	14.7	5	12.2	4	11.6	Jul-01
Russell 2000				0.4	53	4.8	49	6.5	46	17.8	56	17.1	55	10.4	58	8.4	63	8.0	Jul-01
eA US Small Cap Equity Net Median				0.6		4.6		6.0		18.4		17.4		11.0		8.8		9.2	Jul-01
Rhumbline S&P 500	11,090,642	12.9	11.5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	-1.9	Jun-15
S&P 500				0.3	40	1.2	68	7.4	52	17.3	49	17.3	41	9.4	44	7.9	66	-1.9	Jun-15
eA US Large Cap Core Equity Net Median				0.0		1.8		7.5		17.3		17.0		9.3		8.2		-1.7	Jun-15
Atlanta Capital	7,161	0.0																	
<b>Total International Equity</b>	<b>9,809,306</b>	<b>11.4</b>	<b>12.0</b>																
PRIM International Equity	9,809,306	11.4	12.0	1.4	50	6.5	41	-2.9	57	--	--	--	--	--	--	--	--	11.4	Nov-12
MSCI ACWI ex USA				0.5	75	4.0	81	-5.3	77	9.4	80	7.8	88	1.5	83	5.5	82	7.6	Nov-12
eA All ACWI ex-US Equity Net Median				1.4		5.9		-2.3		11.7		10.1		3.3		6.8		10.3	Nov-12



# Town of Belmont DB Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	Ending June 30, 2015										Inception					
				3 Mo Rank (%)	YTD Rank (%)	1 Yr Rank (%)	3 Yrs Rank (%)	5 Yrs Rank (%)	7 Yrs Rank (%)	10 Yrs Rank (%)	Return (%)	Since							
<b>Total Fixed Income</b>	<b>16,762,058</b>	<b>19.5</b>	<b>21.0</b>																
Scout Core Plus	8,314,220	9.7	10.0	-0.1	6	0.6	27	1.2	70	2.3	81	4.6	61	7.4	10	6.6	10	6.5	Jan-02
Barclays Aggregate				-1.7	74	-0.1	83	1.9	28	1.8	95	3.3	90	4.6	86	4.4	84	4.9	Jan-02
ea US Core Plus Fixed Inc Net Median				-1.4		0.3		1.5		3.1		4.7		5.9		5.2		5.8	Jan-02
Mondrian Global Fixed Income	1,815,688	2.1	3.0	-0.5	41	-2.6	71	-7.2	84	-3.7	99	0.2	99	2.0	95	3.1	95	5.4	Jan-00
Citi WGBI				-1.5	68	-4.0	90	-9.0	92	-2.4	97	1.0	98	1.7	98	3.1	95	4.5	Jan-00
ea All Global Fixed Inc Net Median				-1.0		-0.1		-2.9		2.8		4.6		4.6		4.6		6.0	Jan-00
Loomis Sayles Multi-sector	6,632,160	7.7	8.0	-0.7	52	1.2	20	0.7	69	-	-	-	-	-	-	-	-	1.6	Jun-14
Barclays Govt/Credit				-2.1	85	-0.3	85	1.7	32	1.8	66	3.5	58	4.6	57	4.4	55	1.5	Jun-14
ea All US Fixed Inc Net Median				-0.6		0.5		1.2		2.4		3.9		4.9		4.5		1.3	Jun-14
<b>Real Assets</b>	<b>6,392,291</b>	<b>7.4</b>	<b>10.0</b>																
PIMCO All Asset Fund	6,392,291	7.4	10.0	-0.2	-	-0.1	-	-5.8	-	3.5	-	-	-	-	-	-	-	5.5	Oct-11
PIMCO All Asset Index				-0.8	-	0.8	-	0.7	-	3.2	-	5.3	-	5.4	-	5.3	-	4.6	Oct-11
<b>Total Balanced</b>	<b>2,008,744</b>	<b>2.3</b>	<b>0.0</b>																
Pension Reserves Inv. Trust Fund	2,008,744	2.3	0.0	-0.2	-	2.4	-	3.4	-	10.8	-	10.6	-	5.0	-	6.5	-	8.5	Jul-89
50% MSCI World (Net)/ 50% CITI WGBI				-0.6	-	-0.7	-	-3.8	-	5.7	-	7.1	-	3.9	-	5.0	-	6.7	Jul-89
<b>Total Real Estate</b>	<b>9,285,573</b>	<b>10.8</b>	<b>12.0</b>																
AEW Partners VI	1,674,689	2.0	3.0	4.1	-	7.1	-	17.7	-	18.9	-	12.8	-	-	-	-	-	13.0	Aug-10
PRIM Real Estate Fund	4,001,112	4.7	4.5	1.6	-	4.9	-	11.3	-	12.2	-	-	-	-	-	-	-	12.7	Dec-10
NCREIF ODCE				3.8	-	7.3	-	14.4	-	13.1	-	14.4	-	3.6	-	6.8	-	14.5	Dec-10
NCREIF Property Index				3.1	-	6.8	-	13.0	-	11.6	-	12.7	-	5.4	-	8.2	-	13.0	Dec-10
AEW Core Property Trust	3,609,771	4.2	4.5	4.0	-	6.0	-	12.0	-	9.8	-	-	-	-	-	-	-	9.1	Apr-12



NEPC, LLC

June 30, 2015

**Total Fund Performance Detail**

	Market Value (\$)	% of Portfolio	Policy %	Ending June 30, 2015										Inception			
				3 Mo Rank (%)	YTD Rank (%)	1 Yr Rank (%)	3 Yrs Rank (%)	5 Yrs Rank (%)	7 Yrs Rank (%)	10 Yrs Rank (%)	Return (%)	Since					
<b>Total Hedge Fund</b>	<b>7,730,705</b>	<b>9.0</b>	<b>10.0</b>														
PRIM Hedge Fund	7,730,705	9.0	10.0	-0.5	-2.6	-3.6	-8.8	-6.3	-3.2	-	-	-	-	-	-	-	4.8 Jul-05
HFR/ Fund of Funds Composite Index				0.2	2.7	3.9	6.3	4.1	1.2	-	-	-	-	-	-	-	3.2 Jul-05
<b>Total Private Equity</b>	<b>5,375,183</b>	<b>6.3</b>	<b>7.0</b>														
Harbourvest Dover Street VII	934,220	1.1	7.0	-7.5	0.3	4.9	9.8	11.6	10.1	-	-	-	-	-	-	-	10.5 Oct-08
Harbourvest Dover Street VII AIV	116,070	0.1		-0.6	-3.5	-6.3	-1.2	-	-	-	-	-	-	-	-	-	8.7 Sep-11
Harbourvest Dover Street VIII	1,204,550	1.4		-0.4	-0.2	14.0	-	-	-	-	-	-	-	-	-	-	47.8 May-13
PRIT Vintage Year 2001	142,524	0.2		1.4	8.5	7.2	14.5	12.6	7.4	-	-	-	-	-	-	-	9.9 Apr-01
PRIT Vintage Year 2004	72,998	0.1		4.8	10.0	0.1	18.3	22.0	13.8	-	-	-	-	-	-	-	14.3 Jul-05
PRIT Vintage Year 2005	291,195	0.3		3.6	8.2	15.0	16.0	16.9	9.3	-	-	-	-	-	-	-	9.7 Aug-05
PRIT Vintage Year 2006	280,104	0.3		4.9	5.3	11.3	15.7	17.3	11.4	-	-	-	-	-	-	-	4.6 Jun-06
PRIT Vintage Year 2007	380,975	0.4		6.5	5.4	8.9	15.3	15.8	9.4	-	-	-	-	-	-	-	-4.1 Jun-07
PRIT Vintage Year 2008	681,868	0.8		6.5	8.4	16.3	21.8	20.2	1.0	-	-	-	-	-	-	-	-2.3 May-08
PRIT Vintage Year 2009	163,201	0.2		4.7	12.1	23.9	22.8	11.6	-	-	-	-	-	-	-	-	0.5 Nov-09
PRIT Vintage Year 2010	381,139	0.4		2.9	12.5	19.3	20.9	2.5	-	-	-	-	-	-	-	-	1.3 May-10
PRIT Vintage Year 2011	352,214	0.4		8.8	16.6	24.2	13.5	-	-	-	-	-	-	-	-	-	-11.5 Apr-11
PRIT Vintage Year 2012	212,774	0.2		10.2	9.5	11.5	-13.0	-	-	-	-	-	-	-	-	-	-13.0 Jul-12
PRIT Vintage Year 2013	85,420	0.1		2.7	1.2	-6.1	-	-	-	-	-	-	-	-	-	-	-9.0 Jul-13
PRIT Vintage Year 2014	64,078	0.1		0.0	-3.7	-7.9	-	-	-	-	-	-	-	-	-	-	-7.9 Jul-14
PRIT Vintage Year 2015	11,853	0.0		-7.0	-	-	-	-	-	-	-	-	-	-	-	-	-7.0 Apr-15
<b>Other</b>	<b>950,008</b>	<b>1.1</b>	<b>0.0</b>														
Cash	950,008	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-	-	-	1.7 Aug-99
91 Day T-Bills				0.0	0.0	0.0	0.0	0.1	0.1	-	-	-	-	-	-	-	1.9 Aug-99

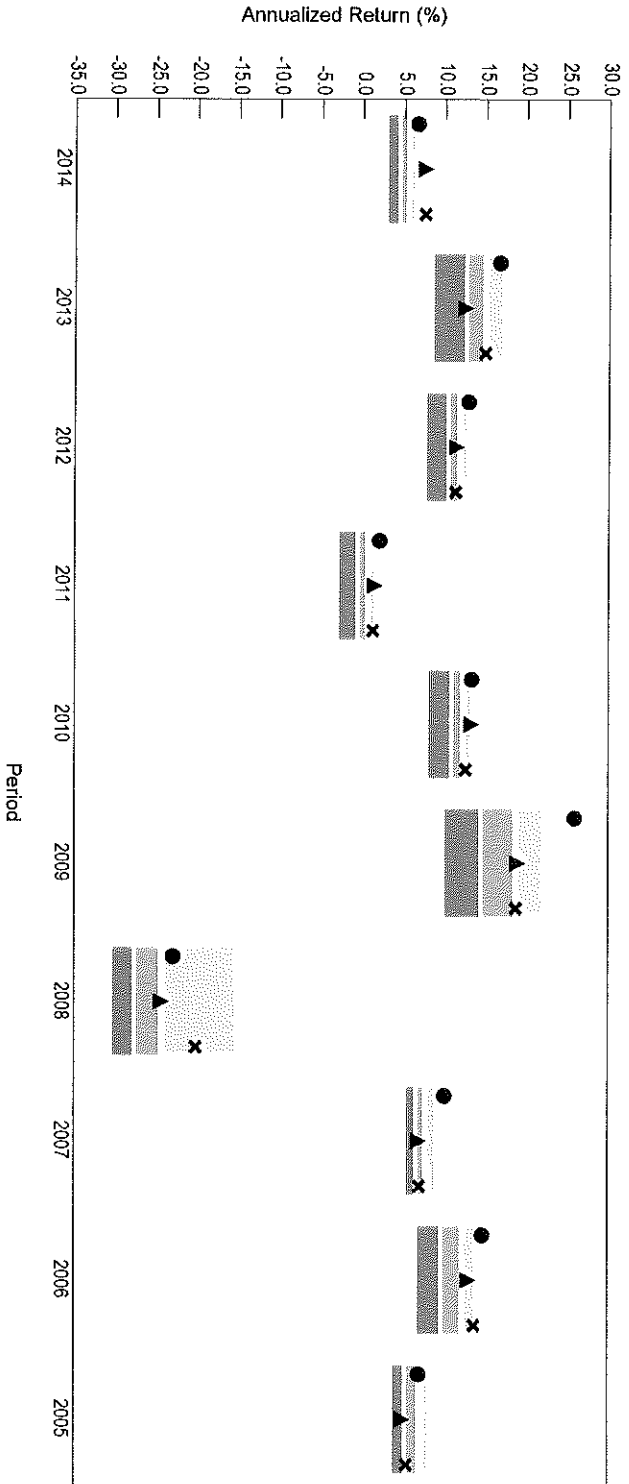
Notes:

1. Results for periods longer than one year are annualized.
2. PIMCO All Asset Index: 40%BC Aggr/30% Tips/10%S&P 500/10% HY/10% JPM EMBI.
3. AEW Partners IV was funded in July, 2010. Returns only available on a quarterly basis
4. AEW Core Property has estimated values.
5. Valuations for all HarbourVest funds are preliminary, MV & Returns for Harbourvest are estimated as of 06/30/2015.
6. Rhumbleline S&P 500 was funded in May 2015.



# Town of Belmont DB Total Fund Return Summary vs. Peer Universe

Composite vs. InvestorForce Public DB Net



	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>5th Percentile</b>	7.7	20.4	14.3	3.6	15.3	26.8	-9.8	10.7	15.4	10.1
<b>25th Percentile</b>	6.4	17.2	12.9	1.6	13.4	22.0	-15.2	9.1	14.0	8.2
<b>Median</b>	5.5	14.9	11.8	0.6	12.2	18.6	-24.4	7.8	12.3	6.9
<b>75th Percentile</b>	4.4	12.7	10.4	-0.5	10.9	14.5	-27.6	6.7	9.8	5.3
<b>95th Percentile</b>	2.7	8.4	7.6	-3.1	7.9	9.9	-30.5	5.2	6.6	3.6
<b># of Portfolios</b>	210	191	159	137	131	128	125	122	115	107
<b>Composite</b>	6.6 (21)	16.7 (30)	12.9 (24)	2.1 (15)	13.4 (25)	25.9 (8)	-22.9 (44)	10.1 (11)	14.7 (10)	6.9 (51)
<b>Policy Index</b>	7.6 (7)	12.5 (77)	11.4 (57)	1.5 (29)	13.3 (26)	19.0 (49)	-24.3 (50)	7.0 (67)	13.0 (40)	4.9 (83)
<b>Allocation Index</b>	7.5 (7)	14.9 (50)	-11.3 (60)	1.3 (31)	12.6 (40)	18.8 (49)	-20.2 (32)	7.0 (64)	13.7 (32)	5.5 (72)

**Calendar Year Performance Detail (Net of Fees)**

	Market Value (\$)	% of Portfolio	Policy %	Ending June 30, 2015										
				2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	
<b>Composite</b>	<b>85,880,099</b>	<b>100.0</b>	<b>100.0</b>	<b>6.6</b>	<b>16.7</b>	<b>12.9</b>	<b>2.1</b>	<b>13.4</b>	<b>25.9</b>	<b>-22.9</b>	<b>10.1</b>	<b>14.7</b>	<b>6.9</b>	
Policy Index				7.6	12.5	11.4	1.5	13.3	19.0	-24.3	7.0	13.0	4.9	
Allocation Index				7.5	14.9	11.3	1.3	12.6	18.8	-20.2	7.0	13.7	5.5	
<b>Total Equity</b>	<b>37,375,527</b>	<b>43.5</b>	<b>40.0</b>											
<b>Total Domestic Equity</b>	<b>27,566,221</b>	<b>32.1</b>	<b>28.0</b>											
Rothschild	11,436,779	13.3	11.5	13.9	36.8	19.4	1.0	11.2	-	-	-	-	-	
Russell 1000 Value				13.5	32.5	17.5	0.4	15.5	19.7	-36.8	-0.2	22.2	7.1	
Atlanta Small Cap	5,031,639	5.9	5.0	3.0	41.4	11.3	9.6	25.1	26.1	-19.7	6.2	15.7	5.5	
Russell 2000				4.9	38.8	16.3	-4.2	26.9	27.2	-33.8	-1.6	18.4	4.6	
Rhumbline S&P 500	11,090,642	12.9	11.5	-	-	-	-	-	-	-	-	-	-	
S&P 500				13.7	32.4	16.0	2.1	15.1	26.5	-37.0	5.5	15.8	4.9	
Atlanta Capital	7,161	0.0												
<b>Total International Equity</b>	<b>9,809,306</b>	<b>11.4</b>	<b>12.0</b>											
PRIM International Equity	9,809,306	11.4	12.0	-3.7	24.2	-	-	-	-	-	-	-	-	
MSCI ACWI ex USA				-3.9	15.3	16.8	-13.7	11.2	41.4	-45.5	16.7	26.7	16.6	

Town of Belmont DB

Calendar Year Performance Detail (Net of Fees)

	Market Value (\$)	% of Portfolio	Policy %	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)
<b>Total Fixed Income</b>	<b>16,762,068</b>	<b>19.5</b>	<b>21.0</b>										
Scout Core Plus	8,314,220	9.7	10.0	2.3	-0.4	9.8	8.3	10.0	35.2	-9.2	7.8	6.5	2.6
Barclays Aggregate				6.0	-2.0	4.2	7.8	6.5	5.9	5.2	7.0	4.3	2.4
Mondrian Global Fixed Income	1,815,688	2.1	3.0	-1.3	-6.8	1.6	3.7	7.4	6.7	10.4	10.5	7.0	-9.1
Cit WGBI				-0.5	-4.0	1.6	6.4	5.2	2.6	10.9	11.0	6.1	-6.9
Loomis Sayles Multi-sector	6,632,160	7.7	8.0	-	-	-	-	-	-	-	-	-	-
Barclays Govt/Credit				6.0	-2.4	4.8	8.7	6.6	4.5	5.7	7.2	3.8	2.4
<b>Real Assets</b>	<b>6,392,291</b>	<b>7.4</b>	<b>10.0</b>										
PIMCO All Asset Fund	6,392,291	7.4	10.0	0.8	0.8	15.4	-	-	-	-	-	-	-
PIMCO All Asset Index				4.9	0.2	8.1	7.6	8.5	16.5	-6.7	7.7	6.0	3.5
<b>Total Balanced</b>	<b>2,008,744</b>	<b>2.3</b>	<b>0.0</b>										
Pension Reserves Inv. Trust Fund	2,008,744	2.3	0.0	7.7	14.8	13.6	-0.3	13.2	17.2	-29.9	11.5	16.2	12.2
50% MSCI World (Net)/ 50% CITT WGBI				2.3	10.4	8.7	0.6	8.9	16.0	-18.0	10.2	13.0	1.1
<b>Total Real Estate</b>	<b>9,285,573</b>	<b>10.8</b>	<b>12.0</b>										
AEW Partners VI	1,674,689	2.0	3.0	19.7	15.5	20.4	8.6	-	-	-	-	-	-
PRIM Real Estate Fund	4,001,112	4.7	4.5	13.9	10.2	13.9	10.8	-	-	-	-	-	-
NGREF ODCE				12.5	13.9	10.9	16.0	16.4	-29.8	-10.0	16.0	16.3	21.4
AEW Core Property Trust	3,609,771	4.2	4.5	10.1	9.3	-	-	-	-	-	-	-	-



NEPC, LLC

**Calendar Year Performance Detail (Net of Fees)**

	Market Value (\$)	% of Portfolio	Policy %	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)
<b>Total Hedge Fund</b>	<b>7,730,705</b>	<b>9.0</b>	<b>10.0</b>										
PRIM Hedge Fund	7,730,705	9.0	10.0	5.6	12.5	8.4	-2.8	6.3	12.3	-19.2	10.9	10.3	--
<i>HFRI Fund of Funds Composite Index</i>													
<b>Total Private Equity</b>	<b>5,375,183</b>	<b>6.3</b>	<b>7.0</b>										
Harbourvest Dover Street VII	994,220	1.1	7.0	12.8	11.8	6.2	10.1	31.7	-1.0	--	--	--	--
Harbourvest Dover Street VII AIV	116,070	0.1		0.9	-5.0	5.7	--	--	--	--	--	--	--
Harbourvest Dover Street VIII	1,204,550	1.4		19.0	--	--	--	--	--	--	--	--	--
PRIT Vintage Year 2001	142,524	0.2		12.5	17.5	10.7	7.2	16.4	-10.0	-8.9	56.1	26.8	28.2
PRIT Vintage Year 2004	72,998	0.1		24.6	21.5	8.8	30.2	22.6	-3.4	-6.3	30.8	18.8	--
PRIT Vintage Year 2005	291,195	0.3		15.2	21.1	16.6	14.7	12.9	-10.4	-1.8	25.7	19.3	--
PRIT Vintage Year 2006	280,104	0.3		19.0	20.7	16.3	16.9	19.6	-12.2	0.6	-0.7	--	--
PRIT Vintage Year 2007	380,975	0.4		13.7	20.3	17.9	14.6	16.8	-6.8	-19.6	--	--	--
PRIT Vintage Year 2008	681,868	0.8		23.4	21.0	23.2	19.3	9.6	-22.7	--	--	--	--
PRIT Vintage Year 2009	163,201	0.2		26.8	21.1	9.8	2.5	-31.6	--	--	--	--	--
PRIT Vintage Year 2010	381,139	0.4		21.9	20.5	9.9	-22.9	--	--	--	--	--	--
PRIT Vintage Year 2011	352,214	0.4		21.6	6.2	-5.8	--	--	--	--	--	--	--
PRIT Vintage Year 2012	212,774	0.2		8.9	6.7	--	--	--	--	--	--	--	--
PRIT Vintage Year 2013	85,420	0.1		5.3	--	--	--	--	--	--	--	--	--
PRIT Vintage Year 2014	64,078	0.1		--	--	--	--	--	--	--	--	--	--
PRIT Vintage Year 2015	11,853	0.0		--	--	--	--	--	--	--	--	--	--
<b>Other</b>	<b>950,008</b>	<b>1.1</b>	<b>0.0</b>										
Cash	950,008	1.1		0.0	0.0	0.0	0.0	0.0	-0.6	2.1	4.7	4.0	2.4
91 Day T-Bills				0.0	0.0	0.1	0.0	0.1	0.1	1.3	4.4	5.0	3.2

Notes:

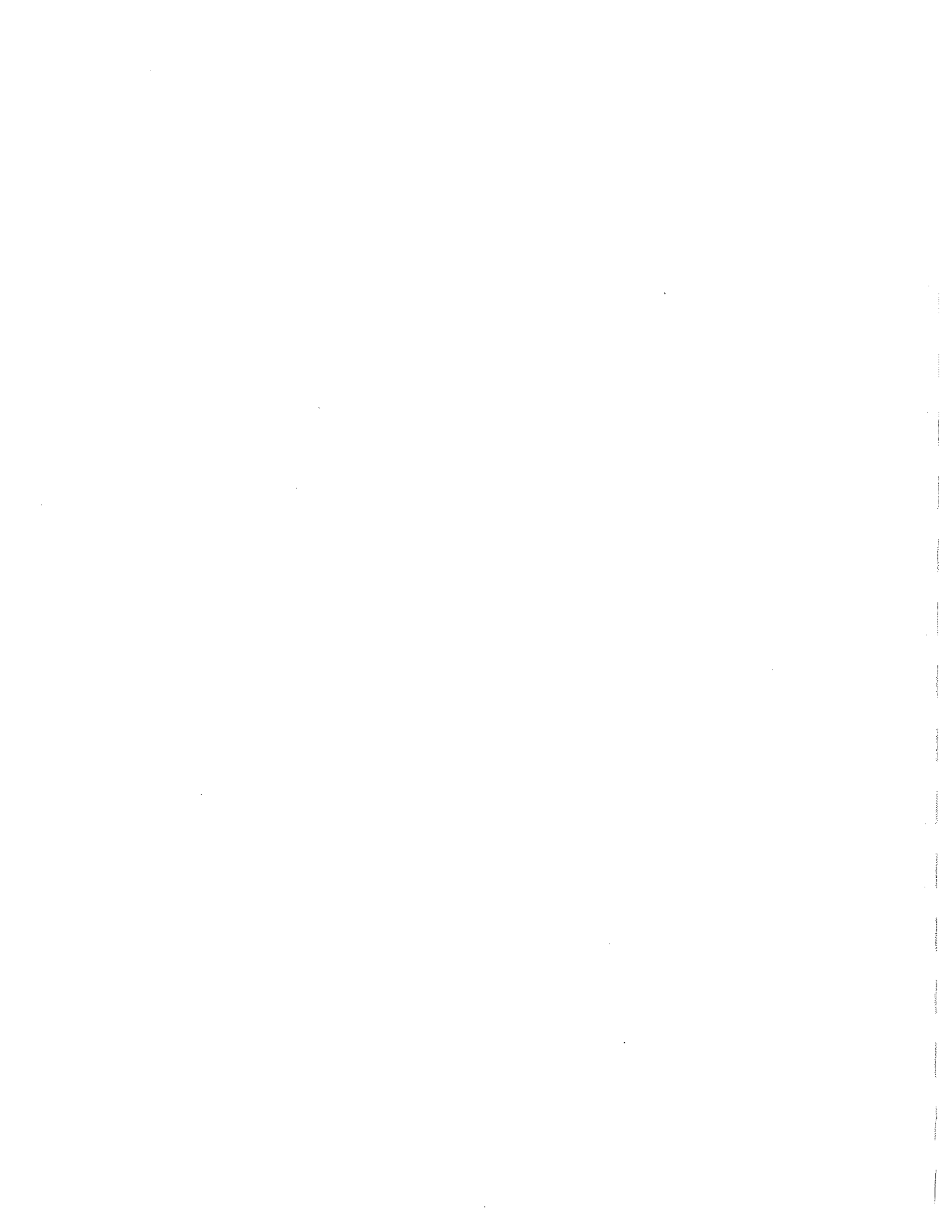
1. Results for periods longer than one year are annualized.
2. PIMCO All Asset Index: 40%BC Agg/30% Tips/10%S&P 500/10% HY/10% JPM EMBI.
3. AEW Core Property and Aew Partners IV are estimated values 06/30/2015.
4. Valuations for all HarbourVest funds are preliminary. MV & Returns for Harbourvest are estimated as of 06/30/2015.
5. Rhumbline S&P 500 was funded in May 2015.



# Performance Update – July 2015



NEPC, LLC





# Index Performance Summary as of 7/31/2015

	2008	2009	2010	2011	2012	2013	2014	Q1	Q2	JUL	YTD
MSCI EAFE	-43.4%	31.8%	7.8%	-12.1%	17.3%	22.8%	-4.9%	4.9%	0.6%	2.1%	7.7%
Russell 2500	-36.8%	34.4%	26.7%	-2.5%	17.9%	36.8%	7.1%	5.2%	-0.3%	-0.2%	4.6%
Russell 1000	-37.6%	28.4%	16.1%	1.5%	16.4%	33.1%	13.2%	1.6%	0.1%	1.9%	3.7%
MSCI ACWI	-42.2%	34.6%	12.7%	-7.3%	16.1%	22.8%	4.2%	2.3%	0.3%	0.9%	3.6%
Russell 2000	-33.8%	27.2%	26.9%	-4.2%	16.3%	38.8%	4.9%	4.3%	0.4%	-1.2%	3.5%
S&P 500	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.0%	0.3%	2.1%	3.4%
Credit Suisse Lev Loan	-28.8%	44.9%	10.0%	1.8%	9.4%	6.2%	2.1%	2.1%	0.8%	0.1%	3.0%
JPM EMBI Glob Div	-12.0%	29.8%	12.2%	7.3%	17.4%	-5.3%	7.4%	2.0%	-0.3%	0.5%	2.2%
Credit Suisse Hedge Fund	-19.1%	18.6%	10.9%	-2.5%	7.7%	9.7%	4.1%	2.5%	-0.5%	-1.3%	2.0%
Barclays US Corp HY	-26.2%	58.2%	15.1%	5.0%	15.8%	7.4%	2.5%	2.5%	0.0%	-0.6%	1.9%
Barclays US Agg Interm	4.9%	6.5%	6.1%	6.0%	3.6%	-1.0%	4.1%	1.3%	-0.7%	0.5%	1.1%
Barclays Municipal	-2.5%	12.9%	2.4%	10.7%	6.8%	-2.6%	9.1%	1.0%	-0.9%	0.7%	0.8%
Barclays US Govt/Credit 1-3	5.0%	3.8%	2.8%	1.6%	1.3%	0.6%	0.8%	0.6%	0.1%	0.1%	0.8%
Barclays US Agg Bond	5.2%	5.9%	6.5%	7.8%	4.2%	-2.0%	6.0%	1.6%	-1.7%	0.7%	0.6%
FTSE NAREIT Equity REITS	-37.7%	28.0%	28.0%	8.3%	18.1%	2.5%	30.1%	4.8%	-10.0%	5.6%	-0.4%
Barclays US Govt/Credit Long	8.4%	1.9%	10.2%	22.5%	8.8%	-8.8%	19.3%	3.4%	-7.6%	2.2%	-2.4%
Barclays US Long Credit	-3.9%	16.8%	10.7%	17.1%	12.7%	-6.6%	16.4%	3.1%	-7.3%	1.5%	-3.0%
Citi WGBI	10.9%	2.6%	5.2%	6.4%	1.6%	-4.0%	-0.5%	-2.5%	-1.5%	0.5%	-3.6%
MSCI EM	-53.3%	78.5%	18.9%	-18.4%	18.2%	-2.6%	-2.2%	2.2%	0.7%	-6.9%	-4.2%
Barclays US Strips 20+ Yr	59.5%	-36.0%	10.9%	58.5%	3.0%	-21.0%	46.4%	5.5%	-14.3%	5.9%	-4.3%
JPM GBI EM Glob Div	-5.2%	22.0%	15.7%	-1.8%	16.8%	-9.0%	-5.7%	-4.0%	-1.0%	-2.6%	-7.3%
Bloomberg Commodity	-35.6%	18.9%	16.8%	-13.3%	-1.1%	-9.5%	-17.0%	-5.9%	4.7%	-10.6%	-12.0%
Alerian MLP	-36.9%	76.4%	35.9%	13.9%	4.8%	27.6%	4.8%	-5.2%	-6.1%	-3.2%	-13.9%

Source: Morningstar Direct



NEPC, LLC

**Total Fund Performance Detail (Net of Fees)**

	Market Value (\$)	% of Portfolio	Policy %	Ending July 31, 2015										Inception Return (%)	Since
				1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)				
<b>Composite</b>	<b>86,372,114</b>	<b>100.0</b>	<b>100.0</b>	<b>0.4</b>	<b>-0.2</b>	<b>2.7</b>	<b>5.2</b>	<b>10.6</b>	<b>10.3</b>	<b>7.9</b>	<b>7.7</b>	<b>9.1</b>	<b>Jan-85</b>		
<i>Policy Index</i>				0.2	-0.4	2.5	5.2	9.0	9.2	6.1	5.9	—	Jan-85		
<i>Allocation Index</i>				0.5	0.0	2.7	5.8	9.8	9.5	7.1	6.7	9.1	Jan-85		
<b>Total Equity</b>	<b>37,798,842</b>	<b>43.8</b>	<b>40.0</b>												
<b>Total Domestic Equity</b>	<b>27,989,536</b>	<b>32.4</b>	<b>28.0</b>												
Rothschild	11,589,024	13.4	11.5	1.3	1.0	1.6	7.4	19.2	16.6	—	—	14.5	Dec-09		
Russell 1000 Value				0.4	-0.4	-0.2	6.4	17.1	15.1	8.7	6.8	13.8	Dec-09		
Atlanta Small Cap	5,070,283		5.0	0.7	4.4	8.6	19.3	18.8	18.0	14.4	11.5	11.6	Jul-01		
Russell 2000				-1.2	1.9	3.5	12.0	17.9	15.3	9.7	7.6	7.9	Jul-01		
Rhumbline S&P 500	11,323,069		13.1	2.1	—	—	—	—	—	—	—	0.1	Jun-15		
S&P 500				2.1	1.4	3.4	11.2	17.6	16.2	9.9	7.7	0.1	Jun-15		
Atlanta Capital	7,161		0.0												
<b>Total International Equity</b>	<b>9,809,306</b>	<b>11.4</b>	<b>12.0</b>												
PRIM International Equity	9,809,306		12.0	0.0	-2.7	6.5	-1.1	—	—	—	—	11.0	Nov-12		
MSCI ACWI ex USA				-0.3	-4.6	3.7	-4.6	8.8	5.8	2.0	5.1	7.3	Nov-12		
<b>Total Fixed Income</b>	<b>16,767,339</b>	<b>19.4</b>	<b>21.0</b>												
Scout Core Plus	8,363,173		10.0	0.6	-0.1	1.2	1.9	1.9	4.5	7.5	6.7	6.5	Jan-02		
Barclays Aggregate				0.7	-0.6	0.6	2.8	1.6	3.3	4.7	4.6	4.9	Jan-02		
Mondrian Global Fixed Income	1,813,587		3.0	-0.2	-2.0	-2.7	-6.4	-4.2	-0.6	1.8	3.2	5.4	Jan-00		
Citi WGBI				0.5	-2.2	-3.6	-7.7	-2.6	0.4	1.8	3.2	4.5	Jan-00		
Loomis Sayles Multi-sector	6,590,579		8.0	-0.7	-2.0	0.5	0.8	—	—	—	—	0.9	Jun-14		
Barclays Govt/Credit				0.7	-0.9	0.4	2.5	1.5	3.4	4.7	4.6	2.0	Jun-14		
<b>Real Assets</b>	<b>6,303,122</b>	<b>7.3</b>	<b>10.0</b>												
PIMCO All Asset Fund	6,303,122		10.0	-1.4	-4.3	-1.5	-6.6	2.3	—	—	—	5.0	Oct-11		
PIMCO All Asset Index				0.5	-0.8	1.3	1.6	2.8	4.9	5.5	5.4	4.6	Oct-11		
<b>Total Balanced</b>	<b>2,008,744</b>	<b>2.3</b>	<b>0.0</b>												
Pension Reserves Inv. Trust Fund	2,008,744		0.0	0.0	-1.2	2.4	4.2	10.4	9.6	5.3	6.3	8.5	Jul-89		
50% MSCI World (Net)/ 50% Citi WGBI				1.1	-1.2	0.5	-1.5	5.7	6.1	4.2	5.0	6.7	Jul-89		
<b>Total Real Estate</b>	<b>9,285,573</b>	<b>10.8</b>	<b>12.0</b>												
AEW Partners VI	1,674,689		3.0	0.0	4.1	7.1	17.7	18.9	12.8	—	—	12.8	Aug-10		
PRIM Real Estate Fund	4,001,112		4.6	0.0	1.7	4.9	10.9	11.7	—	—	—	12.5	Dec-10		
NCREIF ODCE				0.0	3.8	7.3	14.4	13.1	14.4	3.6	6.8	14.2	Dec-10		
NCREIF Property Index				0.0	3.1	6.8	13.0	11.6	12.7	5.4	8.2	12.8	Dec-10		
AEW Core Property Trust	3,609,771		4.2	0.0	4.0	6.0	12.0	9.8	—	—	—	8.9	Apr-12		



Town of Belmont DB

**Total Fund Performance Detail (Net of Fees)**

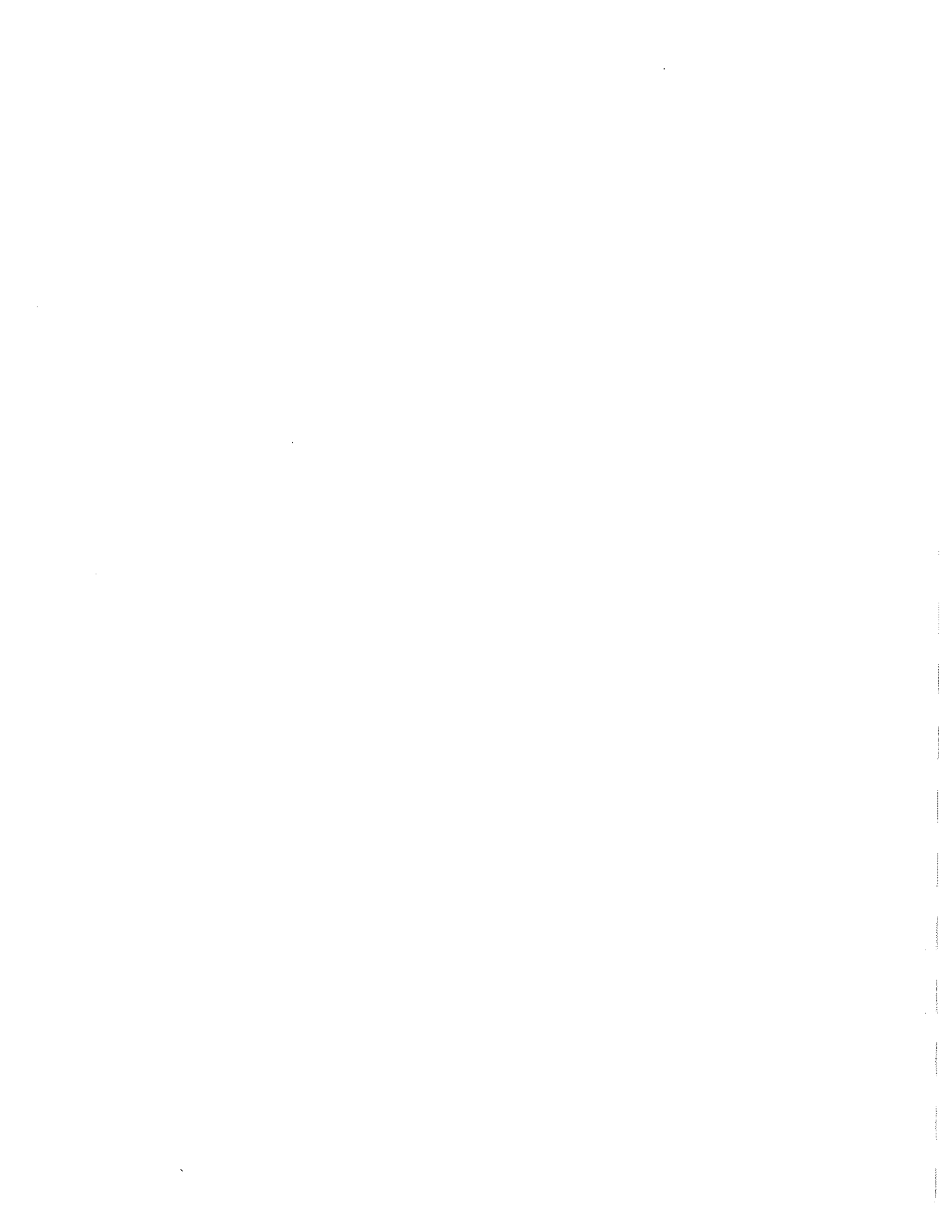
	Market Value (\$)	% of Portfolio	Policy %	Ending July 31, 2015										Inception	
				1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Return (%)	Since		
<b>Total Hedge Fund</b>	<b>7,730,705</b>	<b>9.0</b>	<b>10.0</b>	0.0	-0.4	2.6	4.2	8.5	6.2	3.6	4.6	4.8	Jul-05		
PRIM Hedge Fund	7,730,705	9.0	10.0	0.0	0.2	3.0	4.6	6.1	4.0	1.6	3.1	3.2	Jul-05		
<i>HFRI Fund of Funds Composite Index</i>				0.3	0.2	3.0	4.6	6.1	4.0	1.6	3.1				
<b>Total Private Equity</b>	<b>5,385,689</b>	<b>6.2</b>	<b>7.0</b>												
Harbourvest Dover Street VII	939,406	1.1	7.0	0.0	-7.5	0.3	4.9	9.8	11.6	10.1	-	10.4	Oct-08		
Harbourvest Dover Street VII AIV	116,840	0.1		0.0	-0.6	-3.5	-6.3	-1.2	-	-	-	8.5	Sep-11		
Harbourvest Dover Street VIII	1,209,100	1.4		0.0	-0.4	-0.2	14.0	-	-	-	-	45.6	May-13		
PRT Vintage Year 2001	142,524	0.2		0.0	0.9	8.5	7.4	14.7	12.3	7.4	15.2	9.9	Apr-01		
PRT Vintage Year 2004	72,998	0.1		0.0	4.3	10.0	0.3	18.3	21.9	13.8	14.6	14.2	Jul-05		
PRT Vintage Year 2005	291,195	0.3		0.0	3.0	8.2	15.6	16.3	16.6	9.4	9.6	9.6	Aug-05		
PRT Vintage Year 2006	280,104	0.3		0.0	4.6	5.3	11.6	15.8	17.3	11.5	-	4.5	Jun-06		
PRT Vintage Year 2007	380,975	0.4		0.0	5.0	5.4	10.0	15.8	15.7	10.0	-	-4.0	Jun-07		
PRT Vintage Year 2008	681,868	0.8		0.0	5.8	8.4	16.9	22.2	19.9	4.1	-	-2.3	May-08		
PRT Vintage Year 2009	163,201	0.2		0.0	4.5	12.1	24.3	23.0	13.5	-	-	0.5	Nov-09		
PRT Vintage Year 2010	381,139	0.4		0.0	2.6	12.5	19.9	21.3	3.0	-	-	1.3	May-10		
PRT Vintage Year 2011	352,214	0.4		0.0	8.7	16.6	25.1	14.3	-	-	-	-11.3	Apr-11		
PRT Vintage Year 2012	212,774	0.2		0.0	6.8	9.5	14.1	3.4	-	-	-	-12.7	Jul-12		
PRT Vintage Year 2013	85,420	0.1		0.0	2.6	1.2	-3.0	-	-	-	-	-8.7	Jul-13		
PRT Vintage Year 2014	64,078	0.1		0.0	0.7	-3.7	-7.9	-	-	-	-	-7.3	Jul-14		
PRT Vintage Year 2015	11,853	0.0		0.0	-3.4	-	-	-	-	-	-	-7.0	Apr-15		
<b>Other</b>	<b>1,092,100</b>	<b>1.3</b>	<b>0.0</b>												
Cash	1,092,100	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0		
91 Day T-Bills				0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	1.7	Aug-99		
				0.0	0.0	0.0	0.0	0.0	0.0	0.1	1.3	1.8	Aug-99		

- Returns for periods longer than one year are annualized
  - NCREIF ODCE and NCREIF Property returns only available on a quarterly basis
  - PIMCO All Asset Index: 40% BC Aggregate / 30% TIPS / 10% S&P 500 / 10% High Yield / 10% JPMEMBI+
  - AEW Partners VI is estimated as of 06/30/2015
  - AEW Core Property Trust is estimated as of 06/30/2015
  - All Harbourvest funds are estimated as of 06/30/2015
- Returns are net of fees



NEPC, LLC

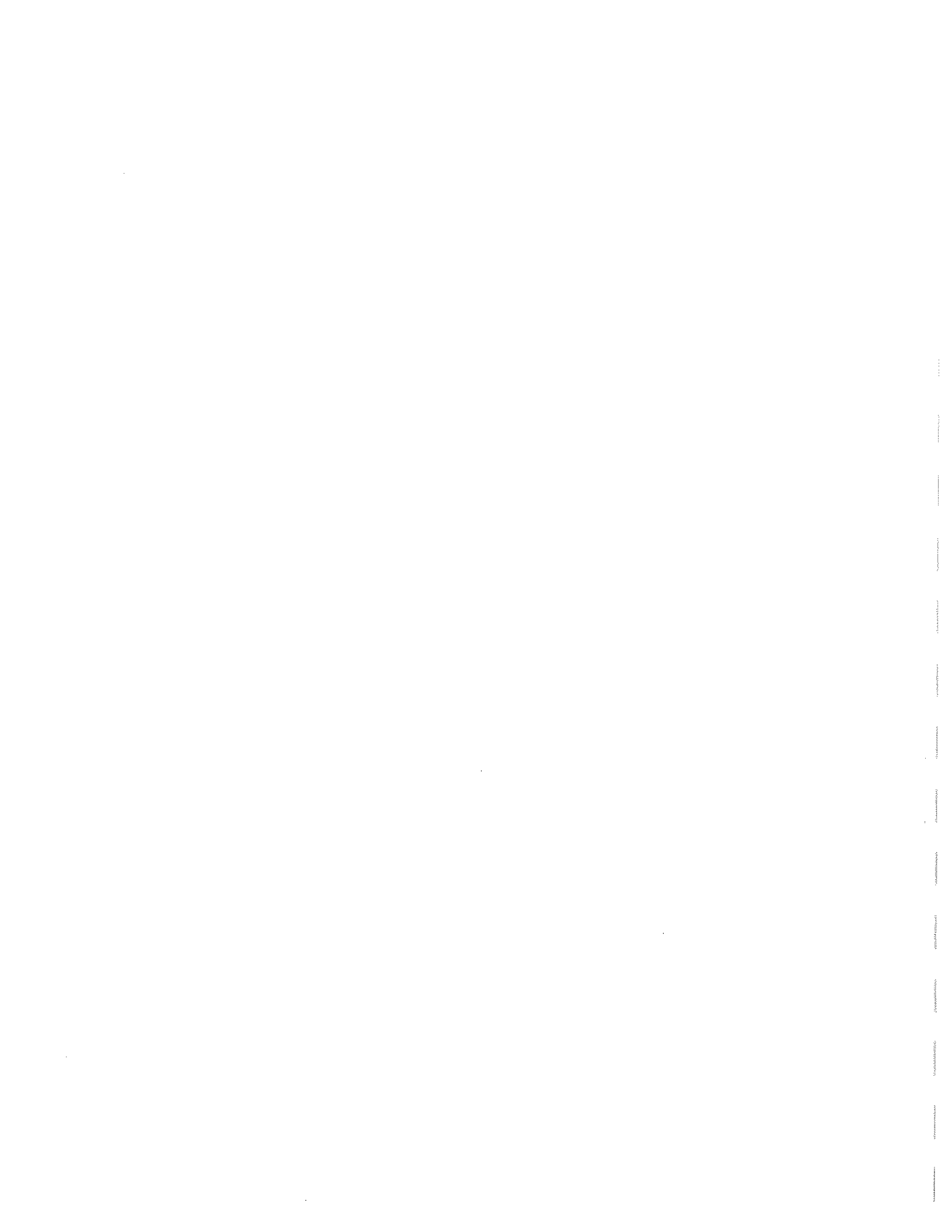
July 31, 2015



# Manager Detail



NEPC, LLC



# Town of Belmont DB Rothschild

Characteristics		Portfolio	Russell	Top Positive Contributors		Top Negative Contributors	
		1000 Value	1000 Value	Relative Contribution %	Return %	Relative Contribution %	Return %
Number of Holdings		69	684				
Weighted Avg. Market Cap. (\$B)		114.5	102.3				
Median Market Cap. (\$B)		48.3	7.9	META FINANCIAL GROUP	8.4%	MICRON TECHNOLOGY	-30.6%
Price To Earnings		17.6	19.2	OMNICARE	2.2%	ALCOA	-13.5%
Price To Book		3.0	2.2	MYLAN	2.2%	WESTERN DIGITAL	-13.3%
Price To Sales		2.4	2.5	PINNACLE FOODS	2.2%	CMS ENERGY	-8.0%
Return on Equity (%)		16.3	12.2	AMERICAN INTL.GP.	0.1%	CARDINAL HEALTH	-6.9%
Yield (%)		2.5	2.5	LYONDELLBASELL INDS.CLA	0.1%	ALLSTATE	-8.4%
Beta		1.0	1.0	ABBVIE	0.1%	ALEXANDRIA RLST.ECTIES.	-10.0%
R-Squared		1.0	1.0	BERKSHIRE HATHAWAY 'B'	0.1%	BEST BUY	-13.1%
				GILEAD SCIENCES	0.1%	PULTEGROUP	-9.0%
				JP MORGAN CHASE & CO.	0.1%	ORACLE	-6.3%

	Equity Sector Attribution			Returns		Sector Weights		
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark
Energy	0.2%	0.2%	0.0%	0.0%	-1.2%	-2.7%	9.4%	10.9%
Materials	0.1%	0.1%	0.0%	0.0%	2.6%	-0.5%	4.4%	3.1%
Industrials	-0.1%	-0.1%	0.0%	0.0%	-0.7%	0.4%	7.9%	10.2%
Cons. Disc.	0.2%	0.2%	-0.1%	0.1%	0.4%	-2.5%	9.6%	6.9%
Cons. Staples	0.1%	0.1%	0.0%	0.0%	0.5%	-1.1%	5.4%	7.2%
Health Care	0.0%	0.0%	0.0%	0.0%	2.1%	2.2%	14.2%	14.8%
Financials	0.9%	0.8%	0.0%	0.0%	4.6%	1.9%	30.6%	29.9%
Info. Tech	-0.3%	-0.3%	0.0%	-0.1%	-3.6%	-0.6%	10.8%	9.0%
Telecomm.	0.0%	0.1%	-0.1%	0.0%	10.4%	7.2%	1.0%	2.1%
Utilities	0.0%	0.0%	0.0%	0.0%	-6.2%	-6.2%	6.7%	6.1%
Cash	0.0%	-	-	-	-	-	0.0%	0.0%
Portfolio	0.9%	1.0%	-0.1%	0.0%	1.0%	0.1%	100.0%	100.0%

Attribution on manager pages is holdings based, using buy-and-hold assumptions from the beginning of the period portfolio. Results may differ from the flash report.



NEPC, LLC

June 30, 2015

Town of Belmont DB  
Atlanta Small Cap

Characteristics

Number of Holdings	Portfolio	Russell 2000
Weighted Avg. Market Cap. (\$B)	60	1,975
Median Market Cap. (\$B)	2.9	1.9
Price To Earnings	2.5	0.8
Price To Book	30.2	25.2
Price To Sales	3.8	3.2
Return on Equity (%)	3.1	2.9
Yield (%)	16.8	10.8
Beta	1.0	1.1
R-Squared	0.8	1.0
	0.9	1.0

Top Positive Contributors

	Relative Contribution %	Return %
GILEAD SCIENCES	0.5%	19.7%
STARBUCKS	0.3%	13.6%
MANHATTAN ASSOCS.	0.2%	17.9%
PERRIGO	0.2%	11.7%
BLACKBAUD	0.1%	20.5%
WALT DISNEY	0.1%	8.8%
CAMERON INTERNATIONAL	0.1%	16.1%
JUNIPER NETWORKS	0.1%	15.4%
COMCAST 'A'	0.1%	6.9%
HCC INSURANCE HDG.	0.1%	36.1%

Top Negative Contributors

	Relative Contribution %	Return %
MICHAEL KORS HOLDINGS	-0.3%	-36.0%
LOWE'S COMPANIES	-0.2%	-9.7%
WHOLE FOODS MARKET	-0.2%	-23.8%
COSTCO WHOLESALE	-0.1%	-10.6%
GOOGLE 'C'	-0.1%	-4.8%
MONSANTO	-0.1%	-4.9%
TEXAS INSTRUMENTS	-0.1%	-9.4%
CHOICE HOTELS INTL.	-0.1%	-15.0%
HERSHEY	-0.1%	-11.5%
KNIGHT TRANSPORTATION	-0.1%	-16.9%

Equity Sector Attribution

	Attribution Effects			Returns			Sector Weights		
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark	Benchmark
Energy	0.3%	0.3%	0.0%	0.0%	7.3%	-1.2%	3.8%	-1.2%	3.4%
Materials	0.1%	0.2%	0.0%	0.0%	-1.1%	-4.7%	4.9%	-4.7%	4.4%
Industrials	0.0%	0.0%	0.0%	0.0%	-2.2%	-2.1%	12.8%	-2.1%	13.7%
Cons. Disc.	-0.3%	-0.2%	0.0%	-0.1%	-1.7%	-0.1%	19.4%	-0.1%	13.9%
Cons. Staples	-0.3%	0.0%	-0.2%	-0.1%	-3.3%	-1.8%	10.4%	-1.8%	3.1%
Health Care	0.1%	0.3%	-0.1%	-0.1%	6.8%	4.8%	12.7%	4.8%	15.5%
Financials	0.3%	0.6%	0.0%	-0.3%	3.1%	0.6%	13.0%	0.6%	23.8%
Info. Tech	-0.2%	-0.2%	0.1%	-0.1%	0.7%	2.0%	23.0%	2.0%	17.8%
Telecomm.	0.0%	-	0.0%	-	-	-0.2%	0.0%	-0.2%	0.7%
Utilities	0.3%	-	0.3%	-	-	-6.9%	0.0%	-6.9%	3.6%
Cash	0.0%	-	-	-	-	-	0.0%	-	0.0%
<b>Portfolio</b>	<b>0.3%</b>	<b>= 0.8%</b>	<b>+ 0.0%</b>	<b>+ -0.5%</b>	<b>0.7%</b>	<b>0.4%</b>	<b>100.0%</b>	<b>0.4%</b>	<b>100.0%</b>

Attribution of manager pajes is holdings based, using buy-and-hold assumptions from the beginning of the period portfolio. Returns may differ from the next report.



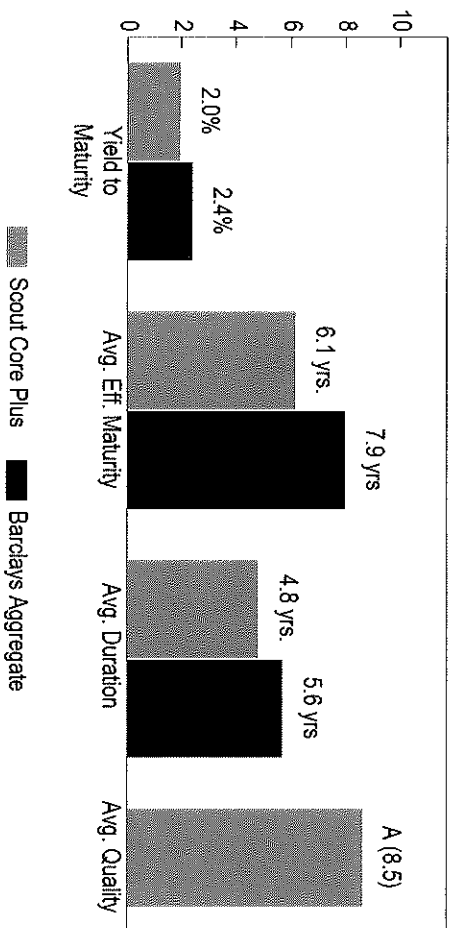
NEPC, LLC

June 30, 2015

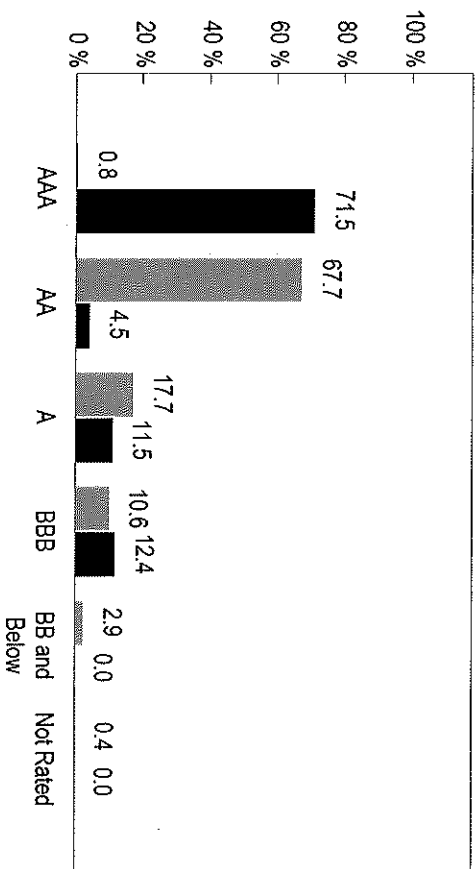


# Town of Belmont DB Scout Core Plus

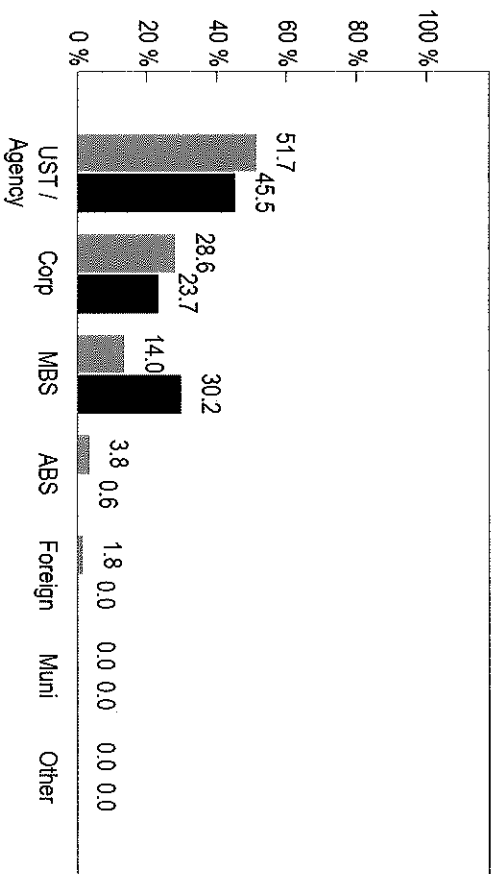
## Characteristics



## Quality Ratings

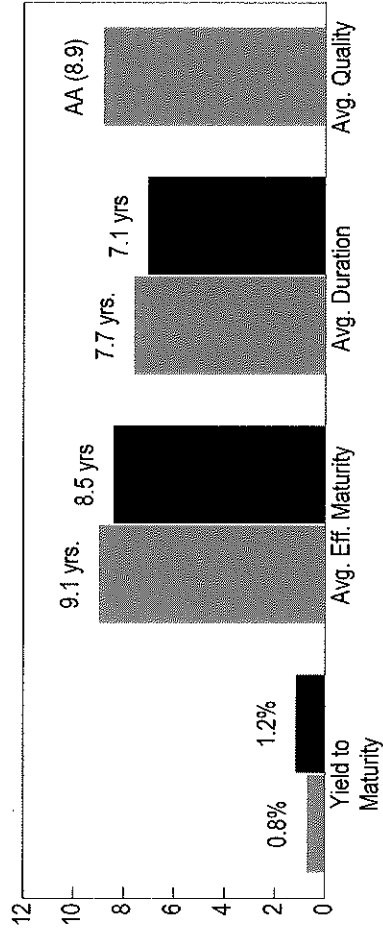


## Sectors



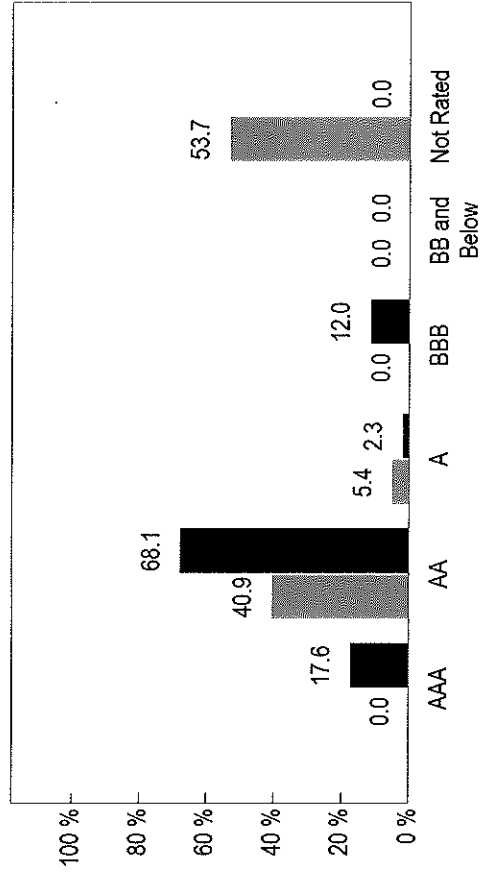
NEPC, LLC

Characteristics

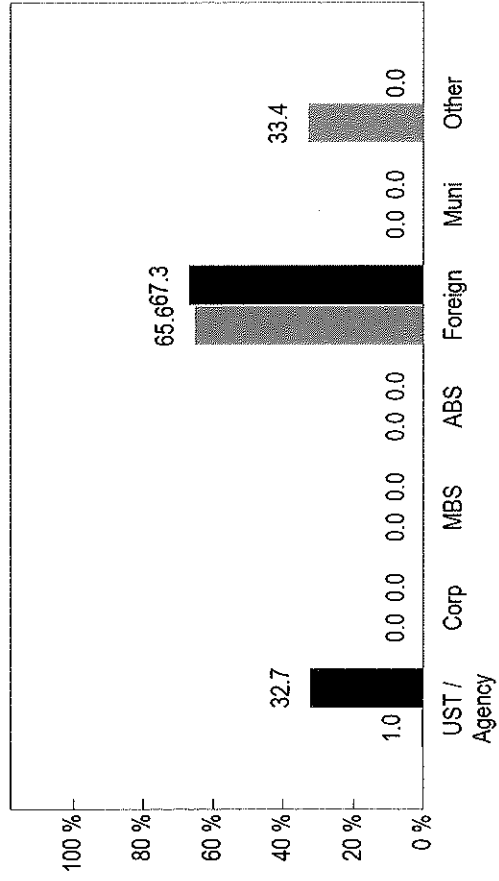


■ Mondrian Global Fixed Income ■ Citi WGBI

Quality Ratings



Sectors



**Town of Belmont DB  
Loomis, Sayles & Company Multisector Full Discretion**

**PERFORMANCE (%)**

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				SINCE INCEPTION
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	
GROSS	-0.70	0.41	-0.57	6.62	8.13	8.02	10.17
NET	-0.78	0.25	-0.88	6.29	7.79	7.67	9.82
BENCHMARK	-2.10	-0.30	1.69	1.76	3.52	4.38	6.67

**SECTOR DISTRIBUTION (%)**

	Composite	Index
High Yield Credit	28.8	-
Inv. Grade Credit	28.7	42.9
Non-US Dollar (ex CAD)	10.6	-
US Treasury	9.9	52.5
Convertibles	7.1	-
ABS/RMBS	4.2	-
Canadian Dollar	3.7	-
Preferred/Equity	2.0	-
CMBS	0.6	-
MUNI	0.2	-
Bank Loans	0.2	-
US Agency	-	4.6
Cash & Equivalents	4.0	-

**PORTFOLIO CHARACTERISTICS**

	Composite	Index
Avg maturity	7.79 yrs	8.14 yrs
Avg duration	5.38 yrs	6.02 yrs
Avg yield	4.12%	2.20%
Avg credit quality	Baa2	AA2/AA3
Number of issues	1,414	7,191

**CURRENCY DISTRIBUTION (%)**

	Composite	Index
US Dollars	86.0	100
Developing Countries	5.5	-
Canadian Dollar	3.7	-
Australia & New Zealand	3.5	-
Non-Euro	0.8	-
British Pound	-	-
Sterling	0.2	-
Euro Countries	0.1	-

Source: Loomis Sayles



NEPC, LLC

June 30, 2015

**CREDIT QUALITY (%)**

	Composite	Index
AAA	17.9	61.7
AA	1.9	4.1
A	16.9	16.4
BAA	29.8	17.8
BA	17.0	-
B	9.7	-
CAA & Lower	2.3	-
Not Rated/Other	0.5	-
Cash & Equivalents	4.0	-

**DURATION DISTRIBUTION (%)**

	Composite	Index
Less than 1 Yr.	12.3	1.6
1 to 3 Yrs.	20.3	32.7
3 to 5 Yrs.	13.8	22.2
5 to 7 Yrs.	17.1	14.2
7 to 10 Yrs.	17.7	11.3
10 Yrs. or more	14.1	18.1
Cash & Equivalents	4.7	-

**MATURITY DISTRIBUTION (%)**

	Composite	Index
Less than 1 Yr.	12.2	0.6
1 to 3 Yrs.	17.8	32.4
3 to 5 Yrs.	12.3	20.6
5 to 7 Yrs.	8.7	13.5
7 to 10 Yrs.	21.0	12.9
10 Yrs. or more	23.4	20.1
Cash & Equivalents	4.7	-



Town of Belmont DB  
PIMCO All Asset

IS EASY TO SEE	0.95%	1.04%	1.14%	1.17%	1.16%	1.12%	2.41%	4.05%	2.76%	2.45%	2.42%	2.38%
<b>Fundamental Index PLUS</b>												
RAE Fundamental PLUS Fund	0.08%	0.08%	0.08%	0.10%	0.08%	0.03%	0.03%	0.55%	0.20%	-	-	-
RAE Low Volatility PLUS Fund	-	-	-	0.02%	0.16%	0.41%	1.72%	2.70%	1.93%	-	-	-
Stocks PLUS Small Fund	0.14%	0.15%	0.17%	0.11%	0.07%	0.02%	0.02%	0.02%	-	-	-	-
RAE Fundamental PLUS Small Fund	0.64%	0.57%	0.75%	0.52%	0.83%	0.65%	0.83%	0.74%	0.84%	-	-	-
Stocks PLUS Fund	0.01%	0.01%	0.01%	0.01%	0.01%	0.00%	0.00%	0.00%	-	-	-	-
Stocks PLUS Absolute Return Fund	0.12%	0.12%	0.13%	0.11%	0.01%	0.01%	0.01%	0.01%	0.01%	-	-	-
<b>GOVERNMENT STRATEGIES</b>	13.11%	13.31%	13.71%	13.21%	12.81%	12.11%	11.31%	10.51%	10.11%	10.31%	10.41%	10.41%
RAE Fundamental PLUS EMG Fund	8.89%	8.25%	8.88%	11.63%	7.33%	5.09%	4.99%	4.12%	4.75%	-	-	-
RAE Low Volatility PLUS EMG Fund	-	-	-	0.02%	3.87%	6.90%	8.34%	7.70%	8.82%	-	-	-
EoS Dividend Fund	0.10%	0.10%	0.11%	0.12%	0.12%	0.01%	0.01%	0.01%	-	-	-	-
EoS Emerging Markets Fund	0.20%	0.16%	0.20%	0.21%	0.19%	0.02%	0.02%	0.02%	-	-	-	-
EoS Pathfinder Fund	1.76%	1.52%	2.32%	3.45%	3.34%	2.15%	2.18%	1.16%	1.04%	-	-	-
RAE Fundamental PLUS International Fund	5.14%	5.26%	6.28%	5.91%	4.01%	3.16%	3.07%	3.01%	1.71%	-	-	-
Stocks PLUS International Fund (U.S. Dollar-Hedged)	0.18%	0.18%	0.18%	0.21%	0.20%	0.02%	0.02%	0.02%	-	-	-	-
Stocks PLUS International Fund (Unhedged)	0.56%	0.56%	0.63%	0.64%	0.51%	0.02%	0.02%	0.02%	-	-	-	-
RAE Low Volatility PLUS International Fund	-	-	-	0.02%	3.22%	5.73%	5.85%	3.79%	4.23%	-	-	-
<b>ALTERNATIVE STRATEGIES</b>	12.71%	12.51%	12.71%	12.51%	12.31%	12.11%	11.91%	11.71%	11.51%	11.31%	11.11%	10.91%
Credit Absolute Return Fund	0.51%	0.57%	2.01%	2.04%	2.88%	2.78%	1.10%	0.76%	0.52%	-	-	-
EoS Long/Short Fund	0.37%	0.40%	0.43%	0.44%	0.46%	0.47%	0.47%	0.46%	0.36%	-	-	-
RAE Fundamental Advantage PLUS Fund	2.76%	2.55%	1.49%	2.25%	2.44%	2.82%	4.90%	4.84%	3.93%	-	-	-
Mortgage Opportunities Fund	-	0.08%	0.64%	0.55%	0.56%	0.55%	0.57%	0.61%	0.65%	-	-	-
TRENDS Managed Futures Strategy Fund	-	-	-	-	0.15%	0.16%	0.18%	0.18%	0.20%	-	-	-
Unconstrained Bond Fund	5.32%	6.16%	5.38%	3.84%	2.82%	2.53%	2.18%	1.79%	2.75%	-	-	-
RAE Worldwide Fundamental Advantage PLUS Fund	3.68%	3.75%	3.38%	4.34%	4.41%	4.24%	5.47%	4.57%	3.42%	-	-	-
RAE Worldwide Long/Short PLUS Fund	-	-	-	-	-	-	-	3.05%	6.53%	-	-	-

The portfolio composition is presented to illustrate the underlying funds in which the PIMCO All Asset Fund invested as of the date shown and may not be representative of the current or future investments of the portfolio. The portfolio composition does not include the entire investment portfolio, which may change at any time. Small allocations may round to zero. Investors should consider the investment objectives, risks, charges and expenses of the funds carefully before investing. This and other information are contained in the fund's prospectus and summary prospectus, if available, which may be obtained by contacting your PIMCO representative. Please read them carefully before you invest or send money.



NEPC, LLC

June 30, 2014

# PRIM Hedge Fund

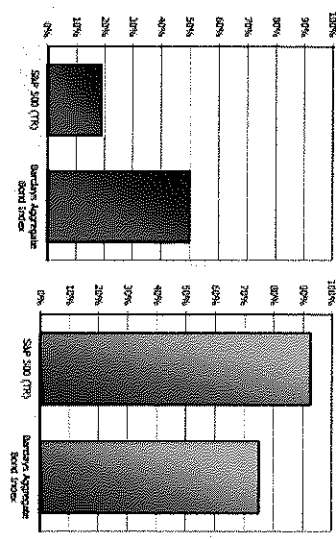


PRIM Absolute Return (Behmont)  
PRIM - Massachusetts Pension Reserves Investment Management

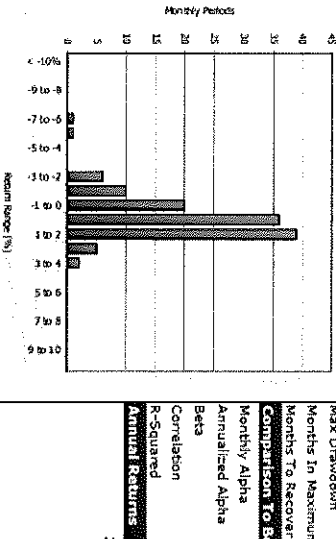
Benchmark 1 (BM1): S&P 500 (TR)  
Benchmark 2 (BM2): Barclays Aggregate Bond Index

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2015	0.3%	1.9%	0.9%	-0.1%	1.0%	-1.3%	-1.3%	0.6%	-0.2%	-0.7%	1.6%	0.3%	2.6%
2014	0.1%	2.2%	-0.2%	-0.1%	1.2%	1.3%	-0.5%	0.6%	-0.2%	-0.7%	1.6%	0.3%	5.6%
2013	2.1%	0.9%	1.5%	1.1%	1.5%	-0.9%	-0.5%	-0.5%	1.4%	1.5%	0.9%	0.9%	12.5%
2012	1.9%	1.4%	0.6%	0.1%	-1.0%	0.9%	1.2%	0.9%	0.6%	1.3%	0.6%	0.4%	8.4%
2011	0.9%	1.0%	0.2%	0.8%	-0.2%	-0.1%	-2.7%	-2.2%	1.3%	-0.3%	-0.3%	-2.6%	-2.6%
2010	0.3%	0.4%	1.3%	0.8%	-1.8%	-0.7%	0.6%	0.4%	1.7%	1.5%	0.2%	1.3%	6.3%
2009	1.3%	0.0%	0.4%	0.4%	2.5%	1.1%	1.5%	1.6%	0.5%	1.0%	0.8%	1.0%	12.3%
2008	-2.4%	1.4%	-2.1%	0.9%	2.0%	0.0%	-2.7%	-1.1%	-6.9%	-5.6%	-2.3%	-1.0%	-19.2%
2007	1.7%	1.1%	1.3%	1.7%	2.3%	0.5%	-0.7%	-1.5%	1.7%	3.0%	-0.9%	0.4%	10.9%
2006	2.6%	0.7%	1.6%	1.7%	-1.0%	-0.1%	0.9%	-1.2%	1.5%	0.1%	3.3%	10.3%	10.3%

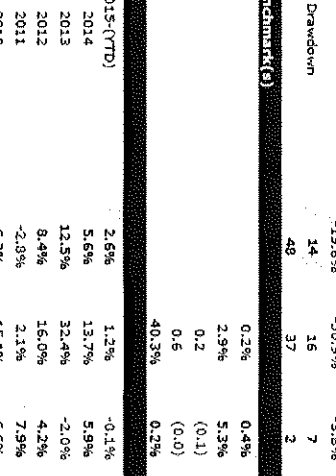
Outperform BM in Up Markets



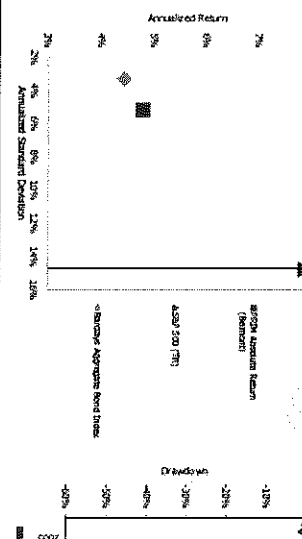
Outperform BM in Down Markets



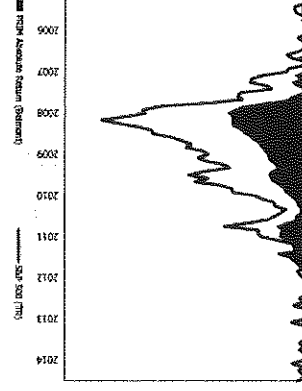
Distribution of Returns



Risk/Return Profile



Underwater Drawdowns



\*Best Performance is not indicative of future results. Rates are calculated based on a roll-over rate of 3.5%. Actual rates may vary depending on the actual roll-over rate and the CTRM.

## Statistical Analysis

Returns	Fund	BM1	BM2
Annualized Compound ROR	4.8%	7.9%	4.4%
3 Yr Return	8.8%	17.3%	1.8%
5 Yr Return	6.3%	17.3%	3.4%
Best Month	3.3%	10.9%	3.7%
Worst Month	-6.9%	-16.8%	-2.4%
% Positive Months	68.3%	65.9%	66.7%
Risk			
Standard Deviation	5.1%	14.7%	3.3%
3 Yr Standard Deviation	3.0%	8.6%	2.9%
5 Yr Standard Deviation	3.5%	12.0%	2.8%
Shape Ratio (3.5%)	0.3	0.4	0.3
Serchio Ratio (7.0%)	-0.5	0.1	-0.9
Downside Deviation (7.0%)	4.5%	11.2%	2.7%
Max Drawdown	-19.6%	-50.9%	-3.8%
Months In Maximum Drawdown	14	16	7
Months To Recover	48	37	2
Comparison To Benchmark(s)			
Monthly Alpha		0.2%	0.4%
Annualized Alpha		2.9%	5.3%
Beta		0.2	(0.1)
Correlation		0.6	(0.0)
R-Squared		40.3%	0.2%
Annual Returns			
2015 (YTD)	2.6%	1.2%	-0.1%
2014	5.6%	13.7%	5.9%
2013	12.5%	32.4%	-2.0%
2012	8.4%	16.0%	4.2%
2011	-2.9%	2.1%	7.9%
2010	6.3%	15.1%	6.6%

## Latest Returns

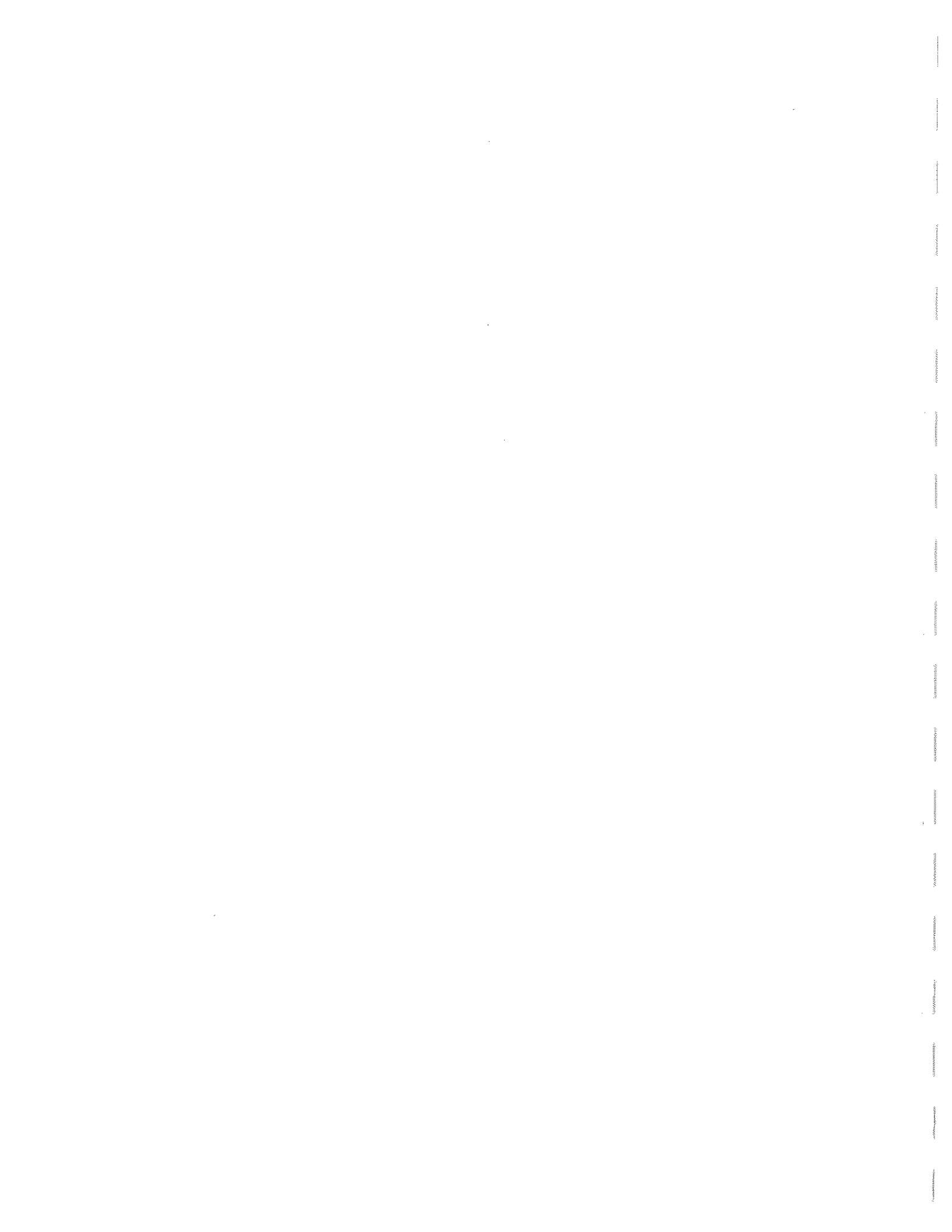
Period	Fund	BM1	BM2
Last Month	-1.5%	-1.9%	-1.1%
Last 3 Months	-0.5%	0.3%	-1.7%
Last Year	3.6%	7.4%	1.8%
2-Year	7.1%	15.7%	3.1%
3-Year	8.8%	17.3%	1.8%
4-Year	6.1%	14.2%	3.2%
5-Year	6.3%	17.3%	3.4%

## Drawdown Analysis

Period	Fund	BM1	BM2
1	-19.6%	-50.9%	-3.8%
2	-2.2%	-6.6%	-3.7%
3	-1.5%	-4.7%	-2.2%
4	-1.5%	-3.5%	-1.8%
5	-1.4%	-3.2%	-1.6%



NEPC, LLC



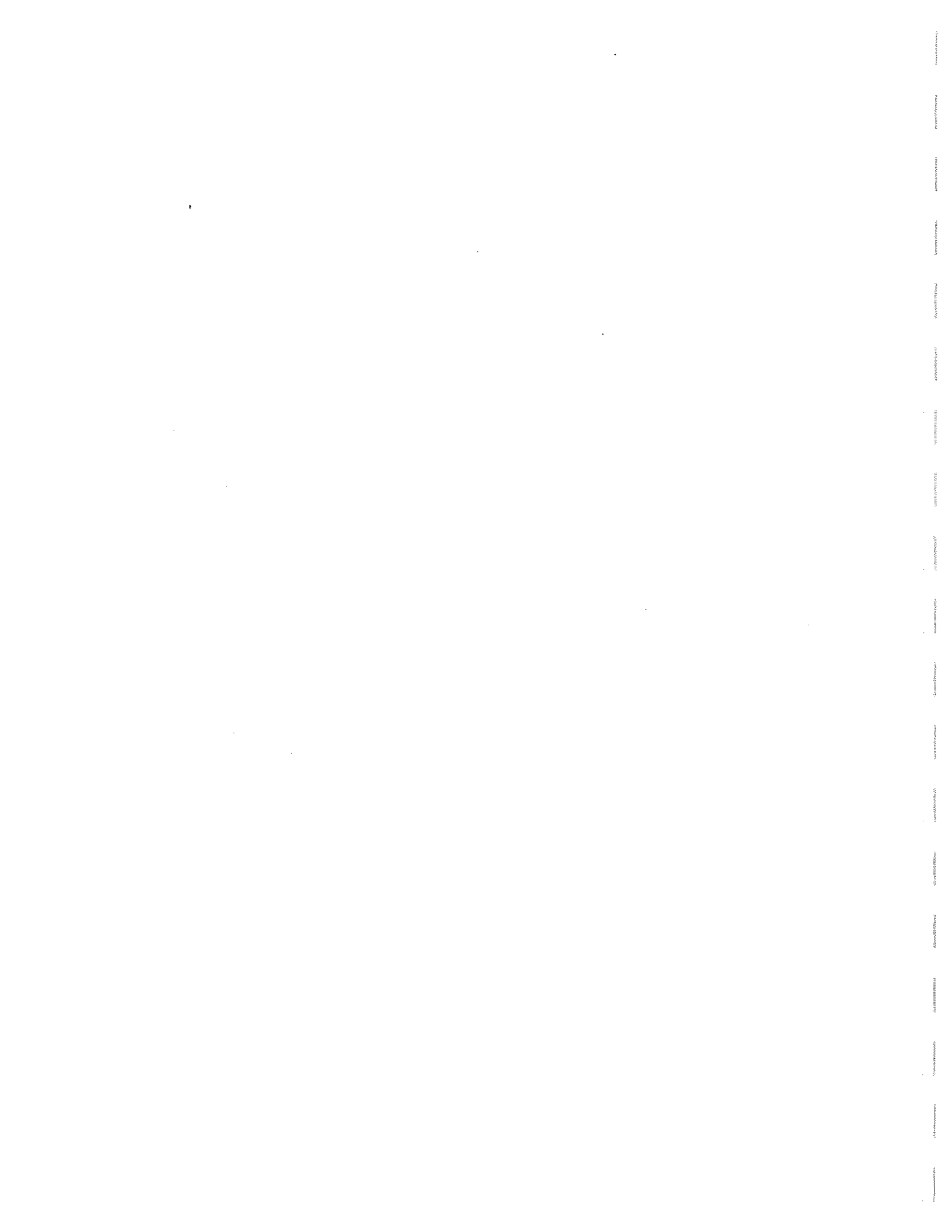


1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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# Appendix



NEPC, LLC





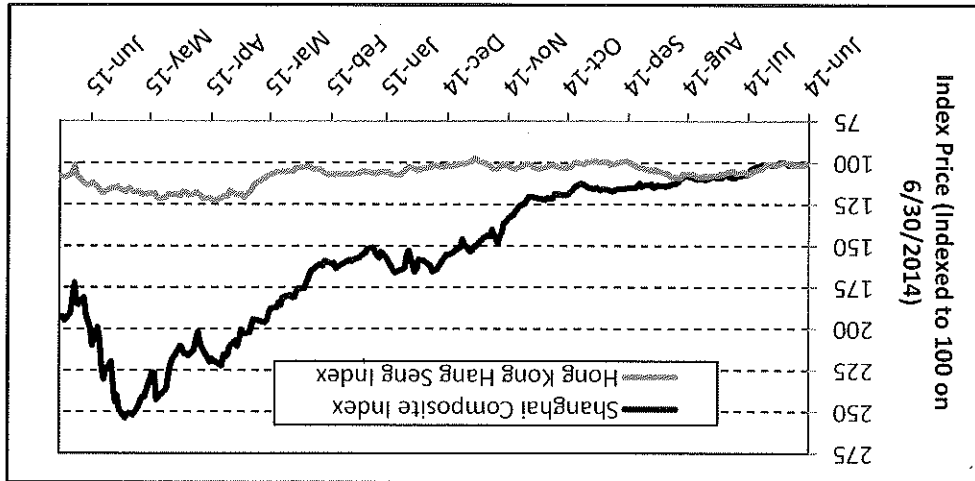
### Has the China Bubble Burst?

You may have noticed, there's been some news in China recently. Something about a bubble bursting...but, for many, the confusing details that distinguish the various Chinese stock exchanges may have gotten lost somewhere along the way, so here's the CliffsNotes' version:

- The Shanghai and the Shenzhen stock exchanges are operated inside mainland China where predominantly local investors access stocks via "A"-shares. Foreign investment into the A-shares market is growing, but still relatively limited.
- Foreign investors generally gain exposure to mainland China stocks through a different exchange, the Hong Kong Stock Exchange via the "H"-shares market.
- Prices in the A-shares market have risen dramatically over the past 18 months, but lost about a third of their value recently. You probably have very little exposure to the A-shares market.
- Prices in the H-shares have not risen as dramatically and the subsequent selloff has been much less severe. You may have some exposure to the H-shares market.

### Why the bubble?

In the Chinese A-shares market, more than 80% of market participants are considered small retail investors with easy access to margin capital. Government enabled leverage has exploded over the past few years, pushing up risk taking and valuations markedly. Furthermore, MSCI, and other index providers, have been contemplating gradually adding A-shares to their indices, thus, increasing demand for a market already limited to outsiders due to government controls.



Source: NEPC and Bloomberg

### Why did the market selloff?

It is hard to know exactly what sparked the selloff. In the run-up during the past year, A-shares prices rose to levels seemingly overvalued in relation to the overall Chinese economy, and once selling began, the momentum took over. As is the case with leverage, when stock prices reversed quickly, investors were susceptible to self-reinforcing margin calls.



### ***What action did the Chinese Central Bank take?***

The recent decline has been met with extreme intervention from the Chinese government. Authorities have enacted a series of market operations which take aim at preventing sharp declines in the stock market. Such programs include ordering state owned enterprises and their executives to buy their own stock as well as allowing numerous listed companies to voluntarily suspend trading their stock. On a similar note, Chinese officials have curbed the issuance of new shares into the market, in response to the recent high level of new share issuance that occurred during the market rally.

### ***Our Take on the Situation***

Although our client exposure to the A-shares market is low, we continue to analyze both the A-shares and H-shares. Right now, ***NEPC views the latest Chinese selloff in A-shares as an Asian domestic story which, at this time, should have little impact on your overall portfolio.*** We will continue to look for areas of opportunity where we might be able to take advantage of potential dislocations.

### ***Disclosures:***

- **The comments provided herein are a general market overview and do not constitute investment advice, are not predictive of any future market performance, are not provided as a sales or advertising communication, and do not represent an offer to sell or a solicitation of an offer to buy any security.**
- **The opinions presented herein represent the good faith views of NEPC as of the date of this presentation and are subject to change at any time.**
- **NEPC does not provide legal, regulatory or tax advice. Please consult your attorney or tax advisor for assistance as needed.**

Believe it or not, it's been over three weeks since we've last written about China. We are being facetious of course. When we discussed the concept of the NEPC Market Chatter, we envisioned ourselves sending timely, relevant, educational and diverse thought pieces to you. So far, we feel that we have managed to hit the first three criteria, but the jury is still out on the diverse measure. Once again, China is the headline act and we will take you through the ins and outs of their recent currency devaluation.

### What Happened?

Last week, China's central bank, the People's Bank of China (PBOC), took swift but measured actions to devalue the Chinese yuan (also known as the Renminbi) relative to the US dollar, resulting in a loss of about 3%. Following the devaluation, the PBOC signaled it will allow the market to have a greater role in setting the daily yuan/dollar exchange rate.

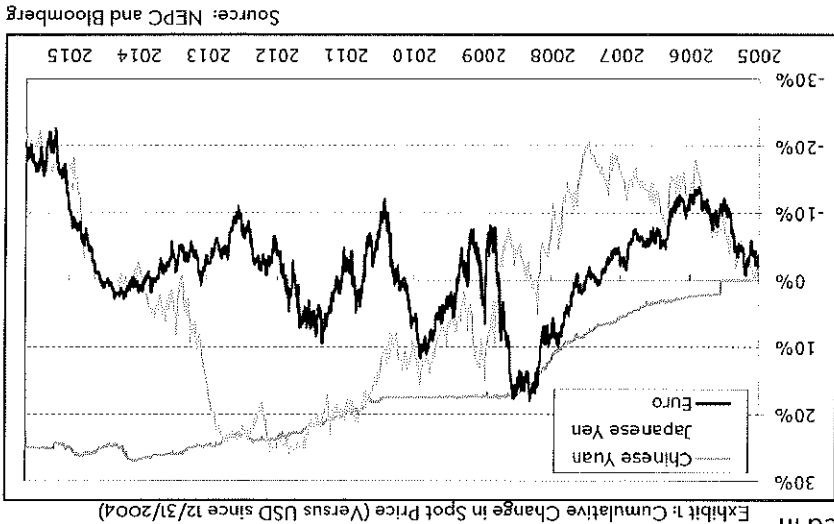
The central bank's policy shift, from a tightly controlled currency float to a more market sensitive approach, can be interpreted in a couple of ways.

1. Idealists would reason that China's recent action is the next step in a long-term process to expand market oriented economic reforms and ultimately shift to a fully flexible exchange rate.
2. Cynics might argue the yuan's decline is a policy lever the PBOC may continue to pull, or allow the market to pull, merely to stimulate a slowing economy.

It's no secret China's growth has been decelerating as it manages a delicate evolution from an export and investment-reliant economy to a consumer-oriented growth model. This evolution has been a long road for China as the government has incrementally liberalized mainland financial markets. Since eliminating its explicit currency peg to the U.S. dollar (USD) in

### Background

Certainly, support can be found for both views. Keep in mind that the recent decline in the yuan pales in comparison to the relatively recent depreciation of the yen, euro, and other regional competitors (**Exhibit 1**). And in reality, this stimulus measure is not entirely different than the easing policies of developed market central banks. But reversing the long-term appreciation of the yuan and letting market forces push the currency lower clearly benefits ailing exporters in China and is a timely tool to manage a cyclical downturn in their economy.



Source: NEPC and Bloomberg

2005, China has employed a tightly controlled currency float which has allowed the yuan to steadily increase in value by nearly 25% versus USD. While the strengthening yuan has bolstered China's effort to encourage a more consumer-oriented economy, the opposite has been true for export growth (**Exhibit 2**). This has been exacerbated more recently as the yen, euro and other regional currencies have rapidly sold off and depreciated versus the yuan.

#### How Does This Affect Your Portfolio?

To be clear, we believe it is unlikely your portfolio has significant yuan exposure. The MSCI Emerging Markets index has a heavy weight (almost 18%) to China, but nearly all of the exposure is in Hong Kong dollars which is pegged to USD. (See our previous NEPC Market Chatter for an explanation of Chinese "H"-shares versus "A"-shares.) In our minds, the likely impact of China's new currency policy is the transmission of higher volatility to the currencies of its major trading partners and export competitors. Much like when a central bank devalues its currency via quantitative easing, the net effect is often an increase in external currency volatility as the market and other central banks adjust to trade implications. While China has significant trading

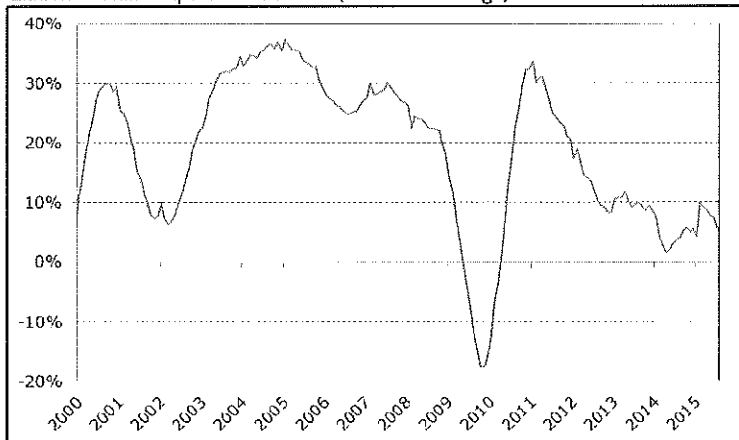
partnerships with developed economies such as the US and Germany, many emerging or geographically proximate economies such as Indonesia, Malaysia, South Korea, and Australia rely more heavily on trade with China. Perhaps most importantly, economies, and ultimately the financial markets, of these countries are likely to experience increased volatility and trade adjustments as the effects of the yuan policy change take hold.

While it is too early to speculate what the long term implications the yuan's devaluation and PBoC's policy shift will be, it is clear that the Chinese government is closely monitoring external market conditions and is willing to take proactive measures to protect growth as part of its longer term transition to a consumer-focused economy. As part of an emerging market allocation, NEPC recommends that clients seek exposure to benchmark-agnostic strategies, preferably with managers that attempt to exploit the emerging market consumption theme as well as smaller capitalization stocks. Talented managers, who are not tethered to a benchmark, are able to adjust and move as opportunities evolve and the emerging market story plays out. In addition, recognizing China's impact on the global economy, we continue to recommend a partial hedge of developed market currency

exposure as uncertainty surrounding the potential weakening of the yuan may elevate currency volatility globally.

We encourage you to reach out to your consultant with any lingering questions you may have regarding the impact of the yuan on your portfolio. While China has dominated our Market Chatter pieces to date, we look forward to sharing a broader range of our views in the future.

Exhibit 2: China Export Growth Rate (12-Month Average)



Source: NEPC and Bloomberg

#### Disclaimers and Disclosures

- All investments carry some level of risk. Diversification and other asset allocation techniques do not ensure profit or protect against losses.
- The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.
- All investment programs have unique characteristics and each investor should consider their own situation to determine if the strategies discussed in this paper are suitable.
- This report contains summary information regarding the investment management approaches described herein but is not a complete description of the investment objectives, portfolio management and research that supports these approaches.



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