



PUBLIC SAFETY RETIREMENT BOARD
MEETING AGENDA
October 28, 2014

Board members: Tony LaPlant, Blake Cowen, David
Schaaf, Brad Nault, Robert Valentine
Council Liaison: Michael Sattem

City Hall Room 102 - Escanaba, MI 49829
City of Escanaba Public Safety Retirement Board
October 28, 2014
8:00 a.m.

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL/ADJUSTMENTS TO THE AGENDA
4. CONFLICT OF INTEREST DECLARATION
5. APPROVAL/CORRECTION(S) TO SEPTEMBER 23, 2014 MINUTES.
6. UNFINISHED BUSINESS
None
7. NEW BUSINESS
 1. Investment Performance
 2. Review Disbursements
 3. Approval of Benefit Termination for Deceased Pensioner Margaret Gadnis
 4. Approval of Retirement Application from Dale VanDrese
 5. Approval of Benefit Amount for Dale VanDrese
 6. Approval of Benefit Adjustment for Marylin VanDrese
 7. Discuss Audit Draft
8. GENERAL PUBLIC COMMENT
9. ANNOUNCEMENTS
10. ADJOURNMENT

The City of Escanaba will provide all necessary, reasonable aids and services, such as signers for the hearing impaired and audiotapes of printed materials being considered at the meeting to individuals with disabilities at the meeting/hearing upon five days notice to the City of Escanaba. Individuals with disabilities requiring auxiliary aids or services should contact the City of Escanaba by writing or calling at (906) 786-9402.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Robert Valentine', written over a horizontal line.

Robert Valentine
Treasurer, Board Secretary

**MINUTES
PUBLIC SAFETY RETIREMENT BOARD MEETING
SEPTEMBER 23, 2014**

Pursuant to public notice, a regular meeting of the Escanaba Public Safety Retirement Board was held on Tuesday, September 23, 2014 at 8:00 a.m. in Room 102 of City Hall, 410 Ludington, Escanaba, MI.

Call to Order

Secretary Valentine called the meeting to order at 8:00 a.m.

Roll Call

Board Members Present: Robert Valentine, Dave Schaaf, Blake Cowen, Brad Nault

Board Members Absent: Tony LaPlant

Others Present: Council Liaison, Michael Sattem

Approval/Adjustments to Agenda

None

Conflict of Interest Declaration – None

Approval of Minutes

Board member Cowen moved for approval of the August 26, 2014 Minutes. Board member Schaaf supported the motion. Upon a vote, minutes were unanimously approved.

Unfinished Business – None

New Business

Investment Performance

Secretary Valentine presented the following investment return data:

**RETIREMENT BOARD
SEPTEMBER 23, 2014
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City of Escanaba Public Safety Retirement Plan
Investment Performance Summary
08/31/2014

	07/31/2014 \$ Value	08/31/2014 \$ Value	% Total
BONDS			
Vanguard Total Bond Mkt Idx	3,027,156	2,945,881	11.5%
Vanguard Short Term Bond Idx	3,214,803	3,223,216	12.5%
Eaton Vance Bonds	2,469,094	2,510,169	9.8%
Total Bonds	8,711,053	8,679,266	33.8%
STOCKS			
Vanguard Stock Index	6,189,060	6,436,522	25.1%
Vanguard Sm Cap Gro Idx	2,850,195	2,986,279	11.6%
JP Morgan Mid Val	4,635,133	4,854,712	18.9%
Vanguard REIT Index	1,207,141	1,242,483	4.8%
DFA Int'l Value	1,493,006	1,493,006	5.8%
Total Stocks	16,374,535	17,013,002	66.2%
CASH			
Money Market Accounts	0	0	0.0%
Total	25,085,588	25,692,268	100.00%

TOTAL RETURNS

	Aug-14	YTD	Trailing 3 mo	Trailing 1 year	Trailing 2 year	Trailing 3 year	Trailing 5 year
BONDS							
Vanguard Totl Bond Mkt Fnd VBTSX	1.2%	4.9%	1.0%	5.7%	2.9%	8.9%	24.2%
Vanguard S.T. Inv Grade Fnd VFSUX	0.3%	1.9%	0.2%	n/a	n/a	n/a	n/a
Eaton Vance H.Y. Bond Fund EVIBX	1.7%	4.8%	1.0%	9.5%	17.2%	31.5%	70.8%
Escanaba Bond Composite	1.0%	3.7%	0.7%	5.9%	6.1%	14.3%	35.1%
Merrill HY Master Index JOAO	1.5%	5.7%	1.0%	10.5%	18.7%	34.2%	76.8%
Merrill Bond Market Index BOA01	1.2%	5.4%	1.1%	6.1%	3.1%	10.0%	26.3%
STOCKS							
Vanguard S&P 500 Index Fnd VIFSX	4.0%	9.9%	4.7%	25.2%	48.6%	75.5%	117.3%
Vanguard Sm Cap gro Idx VISGX	4.8%	3.4%	5.1%	18.0%	49.2%	70.5%	140.8%
JP Morgan Mid Value FLMVX	4.7%	9.5%	4.1%	23.7%	52.7%	83.6%	143.4%
DFA Int'l Value DFIVX	0.0%	2.8%	-1.0%	17.3%	41.4%	35.5%	42.6%
Vanguard Reit Fund VGRSX	2.9%	21.2%	4.2%	24.4%	n/a	n/a	n/a
Escanaba Equity Composite	3.9%	8.7%	4.0%	22.7%	47.3%	71.0%	117.6%
S&P 500 Index	4.0%	9.9%	4.7%	25.2%	47.5%	70.2%	103.3%
EFAA Int'l Index	0.4%	0.5%	-1.6%	13.4%	30.7%	26.3%	28.4%
MSCI REIT Index	1.7%	19.7%	2.9%	22.8%	23.5%	n/a	n/a
Russell 1000 Mid Cap Index	3.9%	8.5%	4.3%	22.9%	44.2%	65.6%	100.2%
Russell 2000 Small Cap Index	4.8%	0.9%	3.5%	16.2%	44.6%	61.6%	105.3%
Russell 3000 Broad Mkt Index	4.0%	7.9%	4.2%	22.4%	44.2%	65.3%	100.6%
OVERALL							
Escanaba Portfolio Composite	2.9%	6.9%	2.9%	16.4%	31.4%	48.7%	84.9%
Combined Passive Index	2.7%	8.3%	3.0%	17.9%	30.6%	47.1%	76.4%
MERS TOTAL MARKET FUND	2.2%	6.0%	2.7%	13.8%	n/a	n/a	63.4%

Notes:

- Equity policy limitation is 65% of total portfolio
- The MERS Total Market Fund invests in a broad selection of diverse investments and securities. Some securities (approximately 25% of the total portfolio) are not able to provide prices on a daily basis or prices are determined on a delayed basis. Due to the characteristics of these investments, the NAVs provided by Northern Trust Company may not reflect the current market value of the Fund. The returns provided for periods prior to October 3, 2006 are based upon data provided by Northern Trust Company and do not incorporate the additional fees for record-keeping (ICMA-RC) and investment management (MERS).
- Two, three and five year returns above are gross (not annualized) returns.

**RETIREMENT BOARD
SEPTEMBER 23, 2014
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Disbursements

The board reviewed the check register for 8/31/2014.

Vandrese Retirement Application

Item tabled because application was not received prior to meeting

Adjournment

The meeting was adjourned at 8:40 a.m.

PPROVED:



ROBERT VALENTINE,
SECRETARY

TONY LAPLANT
BOARD CHAIRMAN

City of Escanaba Public Safety Retirement Plan
Investment Performance Summary
09/30/2014

	08/31/2014	09/30/2014	
	\$ Value	\$ Value	% Total
BONDS			
Vanguard Total Bond Mkt Idx	2,945,881	2,865,090	11.4%
Vanguard Short Term Bond Idx	3,223,216	3,216,377	12.8%
Eaton Vance Bonds	<u>2,510,169</u>	<u>2,464,765</u>	<u>9.8%</u>
Total Bonds	8,679,266	8,546,232	34.1%
STOCKS			
Vanguard Stock Index	6,436,522	6,346,002	25.3%
Vanguard Sm Cap Gro Idx	2,986,279	2,839,725	11.3%
JP Morgan Mid Val	4,854,712	4,713,374	18.8%
Vanguard REIT Index	1,242,483	1,168,057	4.7%
DFA Int'l Value	<u>1,493,006</u>	<u>1,427,648</u>	<u>5.7%</u>
Total Stocks	17,013,002	16,494,806	65.9%
CASH			
Money Market Accounts	0	0	0.0%
Total	<u>25,692,268</u>	<u>25,041,038</u>	<u>100.00%</u>

TOTAL RETURNS

	Sep-14	YTD	Trailing 3 mo	Trailing 1 year	Trailing 2 year	Trailing 3 year	Trailing 5 year
BONDS							
Vanguard Totl Bond Mkt Fnd VBTSX	-0.7%	4.1%	0.2%	4.0%	2.0%	7.1%	21.8%
* Vanguard S.T. Inv Grade Fnd VFSUX	-0.2%	1.6%	-0.1%	n/a	n/a	n/a	n/a
Eaton Vance H.Y. Bond Fund EVIBX	-1.8%	2.9%	-1.5%	6.4%	13.9%	32.8%	60.1%
Escanaba Bond Composite	-0.8%	2.9%	-0.4%	4.0%	4.8%	13.4%	31.2%
Merrill HY Master Index JOA0	-2.1%	3.5%	-1.9%	7.1%	-14.7%	36.2%	63.6%
Merrill Bond Market Index BOA01	-0.8%	4.5%	0.3%	4.3%	2.1%	8.1%	23.7%
STOCKS							
Vanguard S&P 500 Index Fnd VIFSX	-1.4%	8.3%	1.1%	19.7%	42.8%	86.1%	106.6%
Vanguard Sm Cap gro Idx VISGX	-4.9%	-1.6%	-5.5%	5.7%	38.2%	83.0%	113.7%
JP Morgan Mid Value FLMVX	-2.9%	6.3%	-1.7%	15.6%	45.1%	93.2%	126.9%
DFA Int'l Value DFIVX	-4.4%	-1.7%	-6.5%	4.3%	30.6%	45.5%	29.7%
Vanguard Reit Fund VGRSX	-6.0%	14.0%	-3.1%	13.2%	n/a	n/a	n/a
Escanaba Equity Composite	-3.0%	5.4%	-1.9%	14.0%	39.8%	80.9%	101.8%
S&P 500 Index	-1.4%	8.3%	1.1%	19.7%	42.0%	80.8%	93.5%
EFAA Int'l Index	-4.1%	-3.6%	-7.4%	1.5%	22.2%	34.4%	18.9%
MSCI REIT Index	-4.8%	14.0%	-3.1%	13.3%	19.8%	n/a	n/a
Russell 1000: Mid Cap Index	-1.9%	6.4%	0.2%	16.7%	38.1%	75.9%	89.0%
Russell 2000: Small Cap Index	-6.2%	-5.3%	-7.7%	2.6%	31.6%	71.0%	82.3%
Russell 3000: Broad Mkt Index	-2.2%	5.5%	-0.5%	15.5%	37.6%	75.5%	88.5%
OVERALL							
Escanaba Portfolio Composite	-2.3%	4.5%	-1.4%	10.3%	26.4%	53.4%	74.4%
Combined Passive Index	-1.6%	6.6%	-0.1%	13.1%	26.6%	51.8%	68.3%
MERS TOTAL MARKET FUND	-1.5%	4.4%	-0.6%	9.4%	n/a	n/a	58.1%

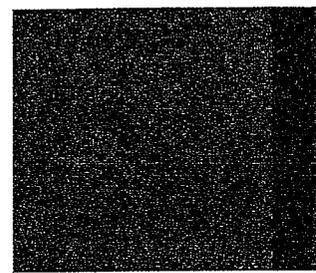
Notes:

1.) Equity policy limitation is 65% of total portfolio

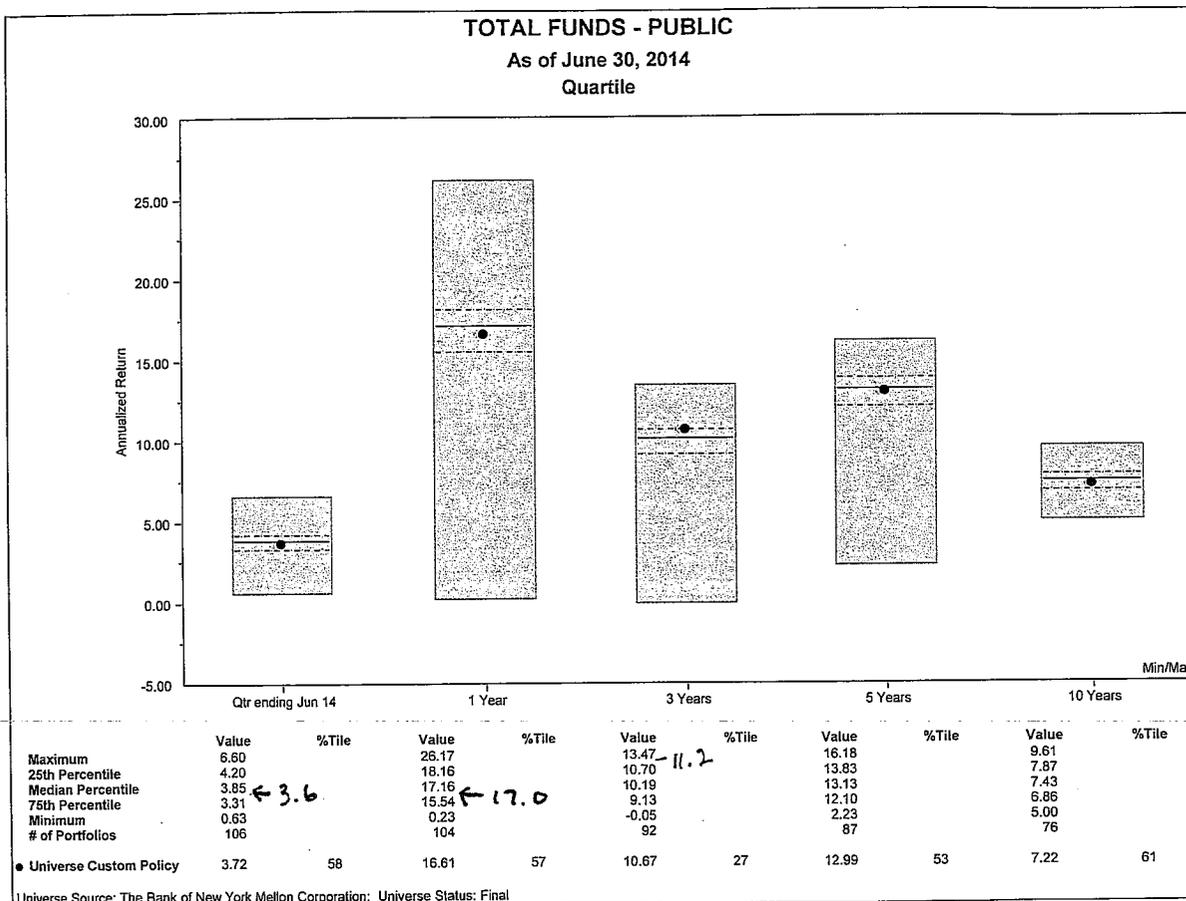
2.) The MERS Total Market Fund invests in a broad selection of diverse investments and securities. Some securities (approximately 25% of the total portfolio) are not able to provide prices on a daily basis or prices are determined on a delayed basis. Due to the characteristics of these investments, the NAVs provided by Northern Trust Company may not reflect the current market value of the Fund. The returns provided for periods prior to October 3, 2006 are based upon data provided by Northern Trust Company and do not incorporate the additional fees for record-keeping (ICMA-RC) and investment management (MERS).

3.) Two, three and five year returns above are gross (not annualized) returns.

BNY MELLON U.S. MASTER TRUST UNIVERSE



TOTAL FUNDS – PUBLIC QUARTER ENDING JUNE 30, 2014



Universe Source: The Bank of New York Mellon Corporation; Universe Status: Final

MASTER TRUST FUNDS – PUBLIC – ASSET ALLOCATION	Total % of Market Value	5th	25th	Median	75th	95th
US Equity	25%	58.02%	45.79%	36.52%	25.64%	18.80%
Non-US Equity	23%	31.17%	24.67%	20.03%	14.16%	9.14%
US Fixed Income	23%	59.89%	29.35%	26.11%	20.35%	9.40%
Non-US Fixed Income	3%	27.82%	8.49%	4.51%	2.49%	0.00%
Real Estate	5%	11.81%	8.56%	6.23%	3.75%	0.00%
Alternative Investments	13%	40.19%	24.32%	16.27%	9.05%	3.24%
Cash	1%	15.31%	2.79%	1.67%	0.98%	0.00%
Other	7%					



BNY MELLON

Equities Contribute to Positive Returns for U.S. Master Trust Universe in Q2, says BNY Mellon

Fourth-straight quarter in the black; twelve-month return up more than 16%

Median allocations continue to show marked shift to alternatives and real estate versus three years ago

Aug 11, 2014

NEW YORK, Aug. 11, 2014 ^{3.6} /PRNewswire/ -- The median return of the BNY Mellon U.S. Master Trust Universe was +3.74% for the second quarter of 2014, the fourth straight quarter of positive results. The Universe's median plan was up 16.22% for the 12 months ending June 30, 2014. ^{17.0} Median allocations by asset class continue to show institutions more invested in alternatives, real estate and other real assets compared to three years ago, with a corresponding drop in U.S. equity allocations.

With a market value of more than \$2.6 trillion and an average plan size of \$3.9 billion, the BNY Mellon U.S. Master Trust Universe is a fund-level tracking service that can be used to make peer comparisons of both performance and asset allocation results. The Universe consists of 661 corporate, foundation, endowment, public, Taft-Hartley, and health care plans.

"Corporate plans posted the highest median return in Q2 (+4.00%) due to their stronger weighting to equities," said John Houser, senior consultant for BNY Mellon's Global Risk Solutions group.

"Equities contributed to overall plan results, with non-U.S. equities gaining 4.68% and U.S. equities right behind at +4.50%. The difference between the highest (Corporates) and lowest performing plan type (Taft-Hartley) was a significant 78 basis points."

Q2 Highlights

- 99% of plans in the BNY Mellon Master Trust universe returned positive results during the quarter
- 40% of plans matched or outperformed the custom policy return for Q2
- Corporate plans recorded the highest median return (+4.00%), followed by Public plans (+3.85%)
- The median allocation to the Alternatives/Other asset class was 23%, up from 18% three years ago, while median allocation to U.S. equity was 27%, down from 32% three years earlier
- U.S. equities posted a quarterly median return of +4.50%, versus the Russell 3000 Index return of +4.87%. Non-U.S. equities saw a median return of +4.68%, slightly behind the Russell Developed ex US Large Cap Index result of +4.70%. U.S. fixed income had a median return of +2.35%,

versus the Barclays Capital U.S. Aggregate Bond Index return of +2.04%. Non-U.S. fixed income posted a median return of +3.68%, compared to the Citigroup Non-U.S. World Government Bond Index return of +2.64%. Real estate had a median return of +3.06%, versus the NCREIF Property Index result of +2.74%.

The average asset allocation in the BNY Mellon U.S. Master Trust Universe for the second quarter was: U.S. equity 27%, U.S. fixed income 27%, non-U.S. equity 17%, non-U.S. fixed income 1%, real estate 4%, cash 1%, and alternatives/other 23%.

BNY Mellon's Asset Servicing business supports institutional investors in today's fast-evolving markets, safeguarding assets and enhancing the management and administration of client investments through services that process, monitor and measure data from around the world. We leverage our global footprint and local expertise to deliver insight and solutions across every stage of the investment lifecycle.

BNY Mellon is a global investments company dedicated to helping its clients manage and service their financial assets throughout the investment lifecycle. Whether providing financial services for institutions, corporations or individual investors, BNY Mellon delivers informed investment management and investment services in 35 countries and more than 100 markets. As of June 30, 2014, BNY Mellon had \$28.5 trillion in assets under custody and/or administration, and \$1.6 trillion in assets under management. BNY Mellon can act as a single point of contact for clients looking to create, trade, hold, manage, service, distribute or restructure investments. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation (NYSE: BK). Learn more at www.bnymellon.com, or follow us on Twitter @BNYMellon.

BNY Mellon U.S. Master Trust Universe Median Plan Returns*
Period Ending June 30, 2014

Universe	Number	2Q 2014	One- Year	Five- Years	Ten- Years
Master Trust Total Fund	661	3.74	16.22	12.34	7.40
Corporate Plans	225	4.00	16.88	12.82	7.63
Foundations	73	3.59	16.17	12.16	7.54
Endowments	105	3.66	15.99	12.21	7.65
Public Plans	106	3.85	17.16	13.13	7.43
Taft-Hartley Plans	53	3.22	15.26	11.62	6.84
Health Care Plans	13	3.60	14.83	11.31	6.79
Universe Custom Composite Benchmark		3.72	16.61	12.99	7.22

*All returns are posted gross of fee results.

**BNY Mellon U.S. Master Trust Universe Median Allocations by Asset Class
Period Ending June 30, 2014**

Asset Class	Q2 2014	Q1 2014	One Year Ago	Three Years Ago	Five Years Ago
U.S. equity	27%	26%	28%	32%	33%
U.S. fixed income	27%	26%	26%	26%	30%
Non-U.S. equity	17%	17%	17%	18%	15%
Non-U.S. fixed income	1%	2%	1%	2%	1%
Real estate	4%	4%	3%	2%	2%
Cash	1%	1%	1%	2%	2%
Alternatives/Other	23%	24%	24%	18%	17%

Russell 3000 Index and Russell Developed ex US Large Cap Index: Russell Investment Group ("Russell") is the source and owner of the Russell Index data contained or reflected in this material and all trademarks and copyrights related thereto. The Russell Index data may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. **Barclays Capital U.S. Aggregate Bond Index:** © Barclays Bank PLC 2014. This data is provided by Barclays Bank PLC all rights are reserved. **Citigroup Non-US World Government Bond Index:** © Citigroup Global Markets Inc., 2014. All rights reserved.

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SOURCE BNY Mellon

Bloomberg

U.S. Public Pensions Show Biggest Investment Gain in Three Years

By Martin Z. Brum - Aug 11, 2014

U.S. state and local-government pension investments gained the most in three years as stocks soared, according to a report to be released today by Wilshire Associates Inc.

Public pensions had median increases of 16.9 percent for the 12 months ended June 30, according to data from the Santa Monica, California-based consulting firm. It was the best performance since the funds rose 21.2 percent in fiscal 2011. Those with assets greater than \$1 billion performed best, reporting median jumps of 17.4 percent, boosted by bigger allocations to private equity, hedge funds and other alternative assets.

Smaller state and local-government pensions target more of their money to less-risky U.S. bonds, which hindered their performance relative to larger plans, said Robert Waid, a managing director at Wilshire.

“Alternatives outperformed the non-U.S. equity asset class,” Waid said in a telephone interview. “Larger public plans are more likely to have more exposure to alternatives.”

Retirement plans with assets of more than \$5 billion had a median allocation of 10.5 percent of their assets to alternatives, compared with 1.3 percent for all public pensions, according to Wilshire’s Trust Universe Comparison Service. Investment officers are turning to private equity and hedge funds to boost returns and diversify their portfolios after the stock market collapse in 2008.

Private Equity

In 2013, U.S. private equity had its best performance since 2006, returning 20.6 percent as buyout firms took advantage of a booming share prices to exit investments, according to Cambridge Associates LLC, a Boston-based researcher and consultant. Private-equity funds use borrowed money to buy companies, improve profitability and resell them.

By contrast, the Barclays US Government/Credit Index returned 4.28 percent for the year ending June 30.

The Federal Reserve's policy of keeping short-term interest rates near zero and an improving economy boosted the Standard & Poor's 500 Index (SPX) of U.S. stocks by 24.6 percent in the 12 months through June 30, including dividends, helping to ease the strain on public pensions.

Assets of the 100 largest public funds rose to \$3.2 trillion as of March 31, and have gained \$1 trillion since the first quarter of 2009, according to the U.S. Census Bureau.

Most state and local-government pensions count on annual investment returns of 7 percent to 8 percent to pay benefits for teachers, police and other employees. In the 10-year period through June 30, U.S. public pensions returned 7.3 percent, according to Wilshire.

"Fiduciaries are doing a pretty good job," Waid said.

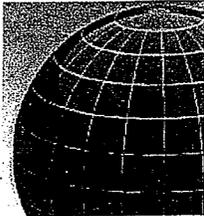
To contact the reporter on this story: Martin Z. Braun in New York at mbraun6@bloomberg.net

To contact the editors responsible for this story: Stephen Merelman at smeruleman@bloomberg.net
Mark Schoifet, Mark Tannenbaum

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ERISA UNIVERSE SUMMARY

INSTITUTIONAL PLAN SPONSORS SEE HIGHER SECOND QUARTER GAINS



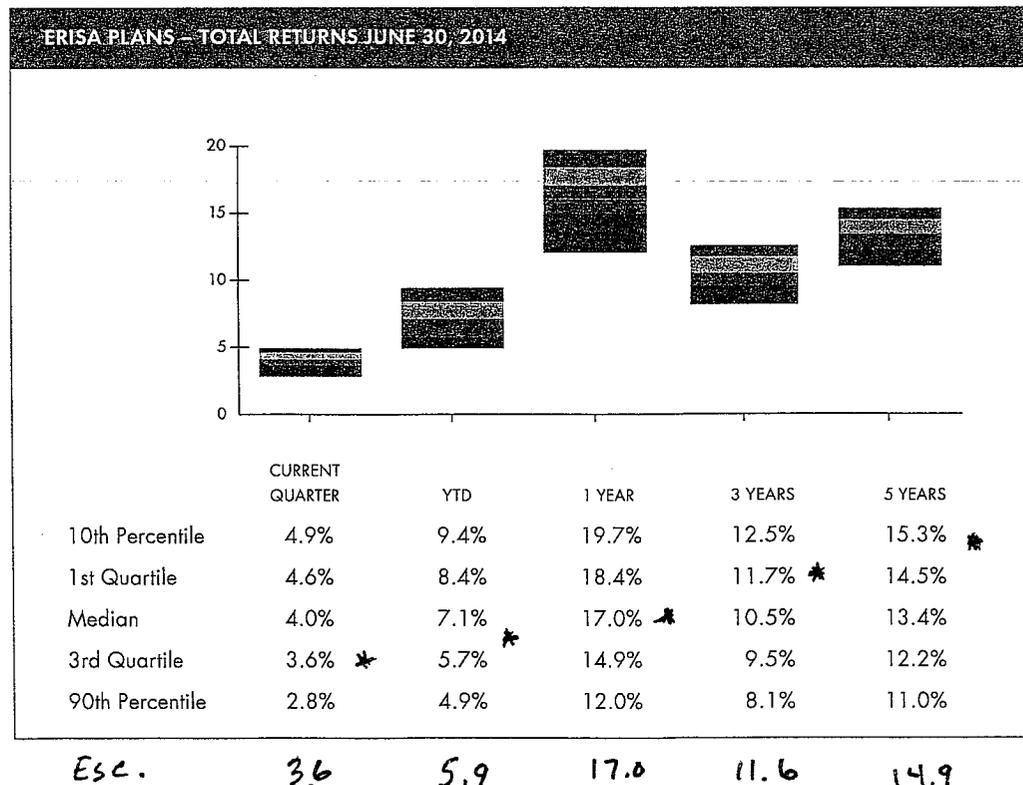
Jeff Feeny
Senior Vice President
Investment Risk &
Analytical Services
(312) 630-6627
JF16@ntrs.com

ERISA plans posted positive absolute results in the second quarter of 2014. The Northern Trust ERISA Plan Universe median return was 4.0% for the quarter ending June 30, 2014. The primary drivers of the positive results were the strength within the domestic and international equity allocations and the positive absolute results within the fixed income allocations for the second quarter. The second-quarter returns resulted in a one-year median plan return of 17.0% for the Northern Trust ERISA Plan Universe.

The Northern Trust ERISA Universe's second-quarter median excess return was essentially flat compared to the policy level benchmark. This resulted in half of the plans within the ERISA Universe outperforming their respective plan level benchmark. The median ERISA plan's one-year excess return

outperformed the assigned benchmarks by 9 basis points. Longer-term results reflected slightly mixed results; the Universe underperformed by 18 basis points for the three-year relative comparison and outperformed by 8 basis points for the five-year relative comparison. For the 10-year comparison, the median ERISA plan performance was 34 basis points better than the assigned benchmarks.

The ERISA plan-level performance results during the second quarter of 2014 benefited from allocations to both domestic and international equities. Within those equity allocations, the international equity programs outperformed the U.S. equity programs in the second quarter; with the median international equity programs returning 4.5%, while the median U.S. equity programs returned 4.4%. Within



Northern Trust

U.S. equities, large caps were the better performing sub-class during the quarter with the Russell 1000 Index returning 5.1% and the Russell 2000 Index returning 2.1%. Within international equities, emerging markets outperformed developed markets, returning 6.7% compared to -4.3%.

The ERISA plan-level performance benefited from the fixed income allocations' positive absolute returns. The median fixed income program returned 2.5% in the second quarter of 2014. Over the one-year period, the median result for the same universe was 6.7% as of June 30, 2014. Longer-term the median fixed income program returned 5.3% for the three-year period and 7.3% for five years.

Credit securities performed better than government securities in the second quarter: both subclasses had positive absolute results

for the quarter. Within the BC US Aggregate Index, credit/corporate securities outperformed government securities by 43 basis points for the quarter. Those corporate securities within the BC US Aggregate Index returned 2.7%, and government securities within the same index returned 2.2% for the quarter.

The ERISA plan-level performance continued to benefit on an absolute basis from exposure to real estate during the second quarter of 2014. The sector's median return for the quarter was 3.3%. Over the one-year comparison the median return for the real estate program was 12.8%. The wide distribution of results for this allocation continues to be evident in the rolling one-year results of 17.8% for the 10th percentile versus a 5.4% return for the 90th percentile.

COMPOSITE ASSET ALLOCATION – ERISA				
	Current	1-Year Ago	3-Years Ago	5-Years Ago
U.S. Equity	29%	33%	34%	34%
Global/Non-U.S. Equity	13%	13%	16%	15%
U.S. Fixed Income	38%	33%	30%	31%
Global/Non-U.S. Bonds	4%	3%	2%	1%
Private Equity/Hedge Funds	12%	12%	11%	8%
Cash & Other	4%	2%	7%	10%

ABOUT NORTHERN TRUST UNIVERSES

Northern Trust Universes represent the performance results of about 300 large institutional investment plans that subscribe to Northern Trust performance measurement services. These plans, with a combined asset value of approximately \$612 billion, represent a broad snapshot of overall institutional investment plan performance within the U.S. market.

If you would like to participate in our universe analysis and receive more in-depth information, please contact your relationship manager.

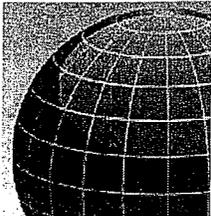
Returns are shown gross of fees. Index returns assume reinvestment of dividends and earnings and do not reflect the deduction of any trading costs or other expenses. It is not possible to invest directly in an index. Periods greater than one year are annualized. Past performance does not indicate future results.



Northern Trust

PUBLIC FUNDS UNIVERSE SUMMARY

INSTITUTIONAL PLAN SPONSORS SEE HIGHER SECOND QUARTER GAINS



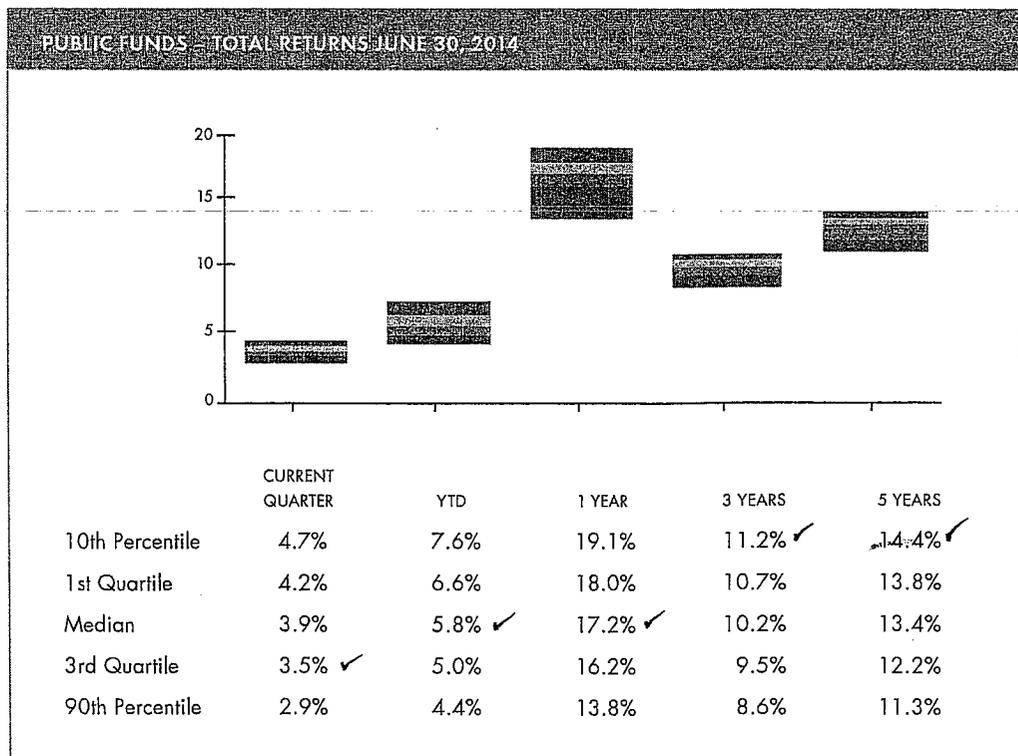
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Public Funds posted another quarterly gain in the second quarter of 2014 with the median plan returning 3.9%. This is the eighth consecutive quarter that Public Funds have produced positive results, boosting longer time-period returns. The one-, three- and five-year returns were 17.1%, 10.5% and 12.4%, respectively.

Within the Public Funds universe, domestic equities comprise the largest allocation, at 32.6%, as of June 30, 2014. Despite some macro-economic concerns and a downward revision of the U.S. gross domestic product (GDP), the U.S. equity bull market continued into the second quarter. Broad-based domestic equity indexes such as the S&P 500 and Russell 3000 posted outstanding gains of

5.2% and 4.9%, respectively. Large cap stocks outperformed small cap stocks during the quarter, but midcap value was the top performing U.S. equity sub-asset class, with the Russell Midcap Value Index returning 5.6%.

Non-U.S. stocks posted solid gains in the second quarter, with emerging markets outperforming developed markets overall. The MSCI EAFE Index and the MSCI ACWI ex US Index finished the quarter with gains of 4.3% and 5.2%, respectively. Emerging market equities rebounded in the second quarter with the BRIC countries leading the way. The MSCI Emerging Markets Index posted a very solid gain of 6.7%. As of March 31, 2014, the Public Funds composite allocation to international equities was 22.9%.



Esc 3.6 5.9 17.0 11.6 14.9



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The domestic and foreign fixed income allocations within the Public Funds universe were 19.5% and 4.0%, respectively, at the end of the second quarter. Domestic fixed income, represented by the Barclays Capital U.S. Aggregate Bond Index, posted a gain of 2.0% for the quarter. Foreign fixed income, represented by the Citigroup WGBI ex-U.S. index, also showed a gain in the quarter of 2.3%.

Real estate and private equity allocations within the Public Funds composite were 4.4% and 6.4%, respectively, at the end of the quarter. Real estate markets continued to improve in the quarter with the Wilshire U.S. REIT Index returning 7.2%.

After eight straight quarterly gains, public funds are happy to see their longer-period returns much closer or even exceeding their long-term return assumptions.

COMPOSITE ASSET ALLOCATION — PUBLIC FUNDS				
	Current	1 Year Ago	3 Years Ago	5 Years Ago
U.S. Equity	33%	33%	34%	35%
Global/Non-U.S. Equity	23%	22%	21%	17%
U.S. Fixed Income	19%	20%	23%	27%
Global/Non-U.S. Bonds	4%	4%	4%	4%
Private Equity/Hedge Funds	10%	10%	8%	7%
Cash & Other	11%	3%	10%	10%

ABOUT NORTHERN TRUST UNIVERSES

Northern Trust Universes represent the performance results of about 300 large institutional investment plans that subscribe to Northern Trust performance measurement services. These plans, with a combined asset value of approximately \$612 billion, represent a broad snapshot of overall institutional investment plan performance within the U.S. market.

If you would like to participate in our universe analysis and receive more in-depth information, please contact your relationship manager.

Returns are shown gross of fees. Index returns assume reinvestment of dividends and earnings and do not reflect the deduction of any trading costs or other expenses. It is not possible to invest directly in an index. Periods greater than one year are annualized. Past performance does not indicate future results.



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Wilshire Trust Universe Comparison Service® Sees Fourth Positive Quarter in a Row Drive Ten-Year Return Above 7%

-- Large Plans Outperform Small Plans --

August 11, 2014 09:01 AM Eastern Daylight Time

SANTA MONICA, Calif.--(BUSINESS WIRE)--Large plans outperformed small plans in the second quarter of 2014, propelling the median return for all institutional assets tracked by the Wilshire Trust Universe Comparison Service® (Wilshire TUCS®) to 3.43 percent.

“This is the fourth positive quarter in a row that combined to make the median one-year return 15.71 percent, which in turn helped move the 10-year median return to 7.01 percent”

Wilshire TUCS, a cooperative effort between Wilshire Analytics, the investment technology unit of Wilshire Associates Incorporated (Wilshire®), and custodial organizations, is the most widely accepted benchmark for the performance and allocation of institutional assets, and includes nearly 1,700 plans representing in excess of \$3.5 trillion in assets.

“This is the fourth positive quarter in a row that combined to make the median one-year return 15.71 percent, which in turn helped move the 10-year median return to 7.01 percent,” said Robert J. Waid, managing director at Wilshire Associates. “This is the first time the 10-year median return has been above 7 percent since the third quarter of 2013.”

“In a quarter where the Wilshire 5000 Total Market Index and Barclays U.S. Aggregate Index returns are a solid 4.86 and 2.04 percent, respectively, it isn’t surprising to see that overall plan returns are also strong,” Waid said. “Taft Harley Health and Welfare Funds are the lowest performing plan type for the fourth quarter in a row with a median return of 2.23 percent. Foundations and endowments follow with a median return of 3.42 percent, while large corporate funds with assets greater than \$1 billion have a median return of 4.15 percent.”

“The median returns for all large plan types, except foundations and endowments, outperformed the classic 60/40 portfolio, versus the median return for small plan types, which underperformed,” Waid added.

“Similar to last quarter, corporate funds delivered the largest size spread, with the median return for small and large corporate funds 3.41 and 4.15 percent, respectively,” Waid said.

About Wilshire Associates

Wilshire Associates, a leading global, independent investment consulting and services firm, provides consulting services, analytics solutions and customized investment products to plan sponsors, investment managers and financial intermediaries. Its business units include, Wilshire Analytics, Wilshire Consulting, Wilshire Funds Management and Wilshire Private Markets.

The firm was founded in 1972, providing revolutionary technology and acting as an early innovator in the application of investment analytics and research to investment managers in the institutional marketplace. Wilshire also is credited with helping to develop the field of quantitative investment analysis that uses mathematical tools to analyze market risks. All other business units evolved from Wilshire's strong analytics foundation. Wilshire developed the Wilshire 5000 Total Market IndexSM and became an early innovator in creating integrated asset/liability analysis/simulation models as well as practical models in risk budgeting through beta and active risk analysis. Wilshire has grown to a firm of more than 300 employees serving the investment needs of institutional clients around the world.

Based in Santa Monica, California, Wilshire provides services to clients in more than 20 countries representing more than 500 organizations with assets totaling approximately US \$7 trillion.* With ten offices on four continents, Wilshire Associates and its affiliates are dedicated to providing clients with the highest quality counsel, products and services. Wilshire[®] and Trust Universe Comparison Service[®], TUCS[®] are registered service marks of Wilshire Associates Incorporated. Wilshire 5000 Total Market IndexSM and Wilshire 4500 Completion IndexSM are service marks of Wilshire Associates Incorporated. Please visit <http://www.wilshire.com/>.

*Client assets are as represented by Pensions and Investments (detailed in "P&I's Top 1,000 Largest Retirement Plans" and "P&I's Largest Money Managers Directory 2013" as of 9/30/12 and 12/31/12, and published 2/4/13 and 5/27/13, respectively).

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Contacts

Wilshire Associates

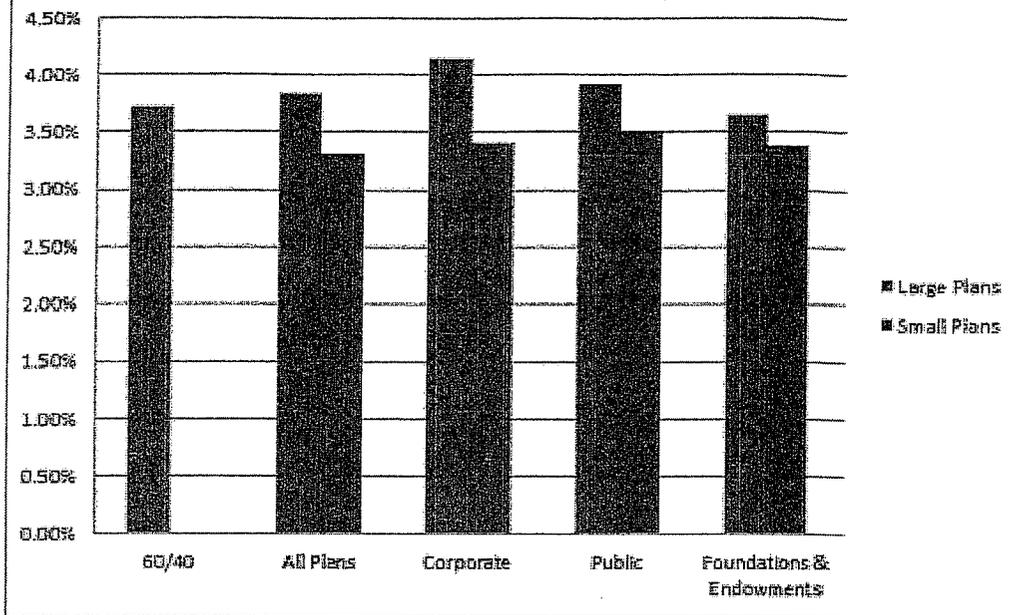
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Wilshire TUCS Plan Returns versus 60/40 Second Quarter 2014



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Portfolio Performance



Client CITY OF ESCANABA PUBLIC SAFETY RETIREMENT PLAN
 Month Ending September 30, 2014
 Account 9105 - City of Escanaba Public Safety Retirement Plan
 Account Inception March 22, 2007

Rates Of Return

Portfolio	1 Month		3 Month	YTD	1 Year	3 Year	5 Year	10 Year	Since Investment Inception	Date of Investment Inception	Since Fund Inception	Date of Fund Inception
	(4.38%)	(4.10%)	(6.51%)	(1.69%)	4.29%	13.33%	5.33%	6.84%	0.26%	03/22/2007	6.84%	02/15/1994
Intl. Value Portfolio (I) ¹			(5.74%)	(0.66%)	4.86%	13.15%	6.52%	6.53%	1.18%		5.30%	
MSCI World ex USA Index (net div.)												

¹ Unless otherwise indicated, returns are reported gross of advisory fees for Trust vehicles and net of all fees for mutual funds. Performance greater than one year is annualized. Performance since inception is calculated beginning the first full month after inception.

Investment Summary

Portfolio	CUSIP	Symbol	Shares	NAV	Market Value
Intl. Value Portfolio (I)	25434D203	DFVX	75,938.719	\$18.80 USD	\$1,427,647.92 USD
Total					\$1,427,647.92 USD

Investment Activity



Client CITY OF ESCANABA PUBLIC SAFETY RETIREMENT PLAN
 Month Ending September 30, 2014
 Account 9105 - City of Escanaba Public Safety Retirement Plan
 Account Inception March 22, 2007

Transactions

Date	Trade	Portfolio	CUSIP	Symbol	Shares	Price	Trade Amount
Sep 9, 2014	Dividend	DFA International Value Portfolio-(I)	25434D203	DFVX	343.460	\$19.47 USD	\$6,687.16 USD

Transaction Summary

Portfolio	CUSIP	Symbol	Transactions	Net Shares	Net Flow
DFA International Value Portfolio-(I)	25434D203	DFVX	1	343.460	\$6,687.16 USD
Total			1		\$6,687.16 USD