



Investment Review As of March 31st, 2015

May 1st, 2015

Daniel Smereck
Managing Director



STRATEGIC ASSET ALLIANCE
THE INSURANCE INVESTMENT SPECIALIST

We have performed a detailed review of the investment performance for NPAIP & PACT. This report is based upon information submitted by the company and its investment managers. This report reflects all of the information currently received and analyzed. Any changes or corrections to that information may impact the conclusions of this review.

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Executive Summary

- In March 2015, SAA recommended strategic asset allocation changes were implemented for both the PCM and PRM portfolios:
 - PCM Changes
 - CORE FIXED FUND/FEE INCOME CHANGES
 - From 10 funds at 33 bps to 1 fund at 10 bps
 - RISK ASSET FUND/FEE CHANGES
 - From 8 funds at 56 bps to 7 fund at 22 bps
 - PRM Changes
 - CORE FIXED INCOME FUND/FEE CHANGES
 - From 6 funds at 28 bps to separate account at 20 bps
 - RISK ASSET FUND/FEE CHANGES
 - From 9 funds at 71 bps to 7 fund at 22 bps
- With the 1st phase of the allocation changes complete, SAA will be working with POOL/PACT over the next quarter to review, revise and finalize the overall asset allocation targets and benchmarks relative to financial position of each entity and its operating trends.





CAPITAL MARKETS REVIEW Q1-2015



SAA Capital Market Commentary – 1st Quarter 2015

● GLOBAL FINANCIAL MARKETS

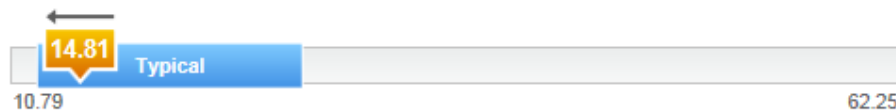
- Global equities registered positive returns over the first quarter with central banks in the Eurozone and China easing monetary policy. Crude oil prices stabilized after their previous sharp drop.
- The S&P 500 delivered a modest positive return. The timing of the first interest rate hike now appears more distant. However, concern over the impact of the strong dollar limited the U.S. stock market's progress.
- Eurozone equities enjoyed strong returns after the European Central Bank's (ECB) announcement that it would buy sovereign bonds. The size of the package surpassed market expectations.
- Japanese equities gained amid some positive corporate earnings and were further supported by hopes that additional stimulus from the Bank of Japan would be forthcoming.
- Emerging markets posted positive returns. Chinese equities were supported by the authorities' moves to boost growth. Russia gained amid the stabilizing oil price and hopes of a peace deal with Ukraine. Brazilian equities fell amid anemic economic growth.
- The first quarter of 2015 was, broadly speaking, another period of yield compression in global bond markets. Speculation on the timing of first Fed rate hike continued, but the US central bank remained cautious in its appraisal of the economy's progress. Globally, monetary policy accommodation remained high or increased, and 21 central banks have cut policy rates so far this year. Overall, global fixed-income market performance was influenced heavily by currency effects with U.S. dollar-denominated securities tending to perform better than their local currency-denominated counterparts.
- Broad US fixed income indices ebbed and flowed with US Treasuries throughout the first quarter. As Treasuries rallied in January, US Government and credit indices followed, but the relationship worked both ways. When markets became fixated on the first fed funds rate hike and the rate path thereafter, broad indices followed Treasuries lower and relinquished some of their early gains. Volatility eased in mid-March after the FOMC lowered its economic projections, including the expected path for the fed funds rate. Despite the volatility, broad US credit indices posted solid gains by quarter-end.



Key U.S. Economic Indicators

Market Volatility (CBOE VIX)

Monthly: Jan '90 – Mar '15



10 Yr. U.S. Treasury Yield

Monthly: May '53 – Mar '15



Yield Spread

Monthly: Jan '54 – Mar '15



Home Prices (HPI)

Monthly: Jan '01 – Jan '15



▲ MARKET INDICATORS

FOR EACH INDICATOR, THE HORIZONTAL BAR SHOWS FOUR THINGS.

- A BLUE COLOR BAND represents the typical range for this indicator. +/- 1 standard deviation of the historical values for the indicator fall in this range.
- AN ORANGE MARKER shows the most recent value – the closer the marker is to the blue bar, the closer it is to historically typical conditions.
- A WHITE AREA outside of the blue band which shows the range of actual conditions.
- AN ARROW shows the most recent three-month trend indicating if it is moving toward or away from the typical range.

▼ ECONOMIC INDICATORS

Inflation (CPI)

Monthly: Jan '48 – Feb '15



Unemployment

Monthly: Jan '48 – Mar '15



Economic Expansion (GDP)

Quarterly: Jun '47 – Dec '14



Consumer Sentiment (CSI)

Monthly: Jan '78 – Mar '15



Key Capital Market Index Returns

| Index | Asset Class | Jan-15 | Feb-15 | Mar-15 | Q1-2015 | Trailing 1 Yr |
|--|-----------------------------|--------|--------|--------|---------------|---------------|
| S&P MidCap 400 | U.S. Equity | -1.12% | 5.12% | 1.32% | 5.31% | 12.19% |
| MSCI EAFE Index | International Equity | 0.50% | 5.99% | -1.43% | 5.00% | -0.48% |
| Dow Jones U.S. Select REIT | U.S. Real Estate | 6.69% | -3.58% | 1.79% | 4.71% | 25.26% |
| MSCI World Ex. US Index | World Equity | -0.34% | 5.99% | -1.58% | 3.96% | -0.93% |
| S&P SmallCap 600 | U.S. Equity | -3.49% | 6.03% | 1.60% | 3.96% | 8.72% |
| BofA Merrill Lynch US Convertibles | U.S. Convertible Bond | -0.77% | 4.15% | -0.32% | 3.02% | 8.07% |
| S&P Composite 1500 Growth | U.S. Equity | -1.49% | 5.86% | -1.22% | 3.01% | 15.73% |
| Barclays Capital U.S. Corporate High Yield | U.S. Fixed Income | 0.66% | 2.41% | -0.55% | 2.52% | 2.00% |
| MSCI World Index | World Equity | -1.79% | 5.91% | -1.50% | 2.45% | 6.60% |
| Barclays Capital U.S. Credit | U.S. Fixed Income | 3.03% | -1.01% | 0.32% | 2.32% | 6.81% |
| MSCI EM (Emerging Market) | International Equity | 0.61% | 3.11% | -1.40% | 2.28% | 0.79% |
| Credit Suisse Leveraged Loan Index | U.S. Fixed Income | 0.26% | 1.41% | 0.39% | 2.07% | 2.84% |
| Barclays U.S. Government/Credit | U.S. Fixed Income | 2.64% | -1.27% | 0.50% | 1.84% | 5.86% |
| Merrill Lynch US Treasury Master | U.S. Fixed Income | 2.88% | -1.75% | 0.66% | 1.75% | 6.14% |
| Barclays Capital U.S. Aggregate | U.S. Fixed Income | 2.10% | -0.94% | 0.46% | 1.61% | 5.72% |
| Barclays Int. U.S. Government/Credit | U.S. Fixed Income | 1.66% | -0.70% | 0.49% | 1.45% | 3.58% |
| Barclays U.S. Treasury: U.S. TIPS | U.S. Fixed Income | 3.15% | -1.20% | -0.47% | 1.42% | 3.11% |
| S&P Composite 1500 | U.S. Equity | -2.87% | 5.71% | -1.25% | 1.39% | 12.54% |
| Barclays Capital Municipal Bond | U.S. Fixed Income | 1.77% | -1.03% | 0.29% | 1.01% | 6.62% |
| S&P 500 | U.S. Equity | -3.00% | 5.75% | -1.58% | 0.95% | 12.73% |
| Dow Jones Industrial Average | U.S. Equity | -3.58% | 6.01% | -1.85% | 0.33% | 10.57% |
| Citigroup 3-month T-bill | Cash/Cash Equivalent | 0.00% | 0.00% | 0.00% | 0.01% | 0.03% |
| S&P Composite 1500 Value | U.S. Equity | -4.35% | 5.53% | -1.27% | -0.34% | 9.14% |
| Citigroup WorldBIG Index | World Fixed Income | -0.41% | -0.82% | -1.00% | -2.22% | -3.76% |
| Alerian MLP | Master Limited Partnerships | -3.05% | 2.08% | -4.24% | -5.23% | -2.50% |

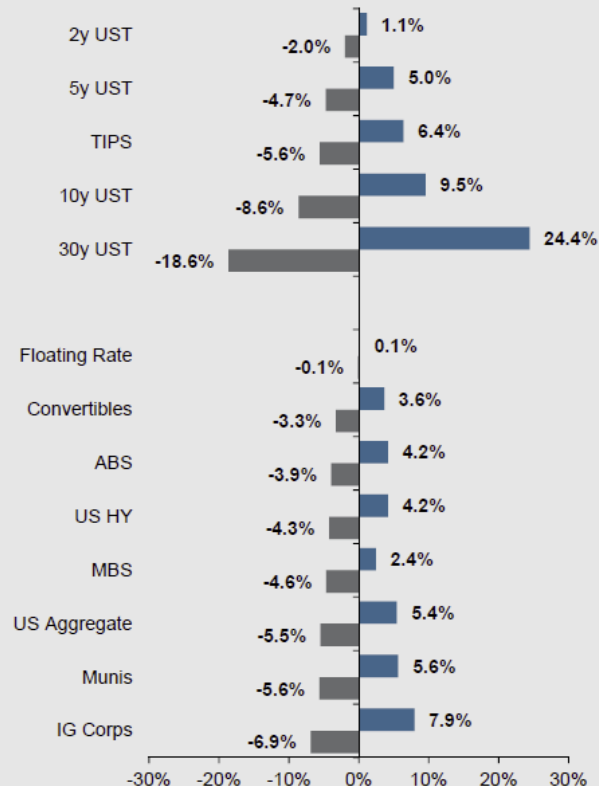
- Indices sorted by Q1 performance.



Fixed Income Sector Yields & Returns

| U.S. Treasuries | # of issues | Correlation to 10-year | Avg. Maturity | Yield | | Return | |
|----------------------|-------------|------------------------|---------------|-----------|------------|--------|--------|
| | | | | 3/31/2015 | 12/31/2014 | YTD | 2014 |
| 2-Year | 96 | 0.63 | 2 years | 0.56% | 0.67% | 0.50% | 0.66% |
| 5-Year | 97 | 0.91 | 5 | 1.37% | 1.65% | 1.74% | 2.89% |
| 10-Year | 18 | 1.00 | 10 | 1.94% | 2.17% | 2.60% | 10.74% |
| 30-Year | 20 | 0.92 | 30 | 2.54% | 2.75% | 5.05% | 29.38% |
| TIPS | 36 | 0.59 | 10 | 0.23% | 0.49% | 1.42% | 3.64% |
| Sector | | | | | | | |
| Broad Market | 9,196 | 0.86 | 7.7 years | 2.06% | 2.25% | 1.61% | 5.97% |
| MBS | 393 | 0.80 | 6.1 | 2.40% | 2.60% | 1.06% | 6.08% |
| Municipals | 9,037 | 0.46 | 9.9 | 1.95% | 2.04% | 1.26% | 8.72% |
| Corporates | 5,281 | 0.46 | 10.9 | 2.91% | 3.11% | 2.32% | 7.46% |
| High Yield | 2,239 | -0.25 | 6.5 | 6.18% | 6.61% | 2.52% | 2.45% |
| Floating Rate | 54 | -0.21 | 2.5 | 1.62% | 1.61% | 0.05% | 0.08% |
| Convertibles | 515 | -0.31 | -- | 1.11% | 1.10% | 3.25% | 7.79% |
| ABS | 1,782 | -0.03 | 4.5 | 1.98% | 2.15% | 1.58% | 3.44% |

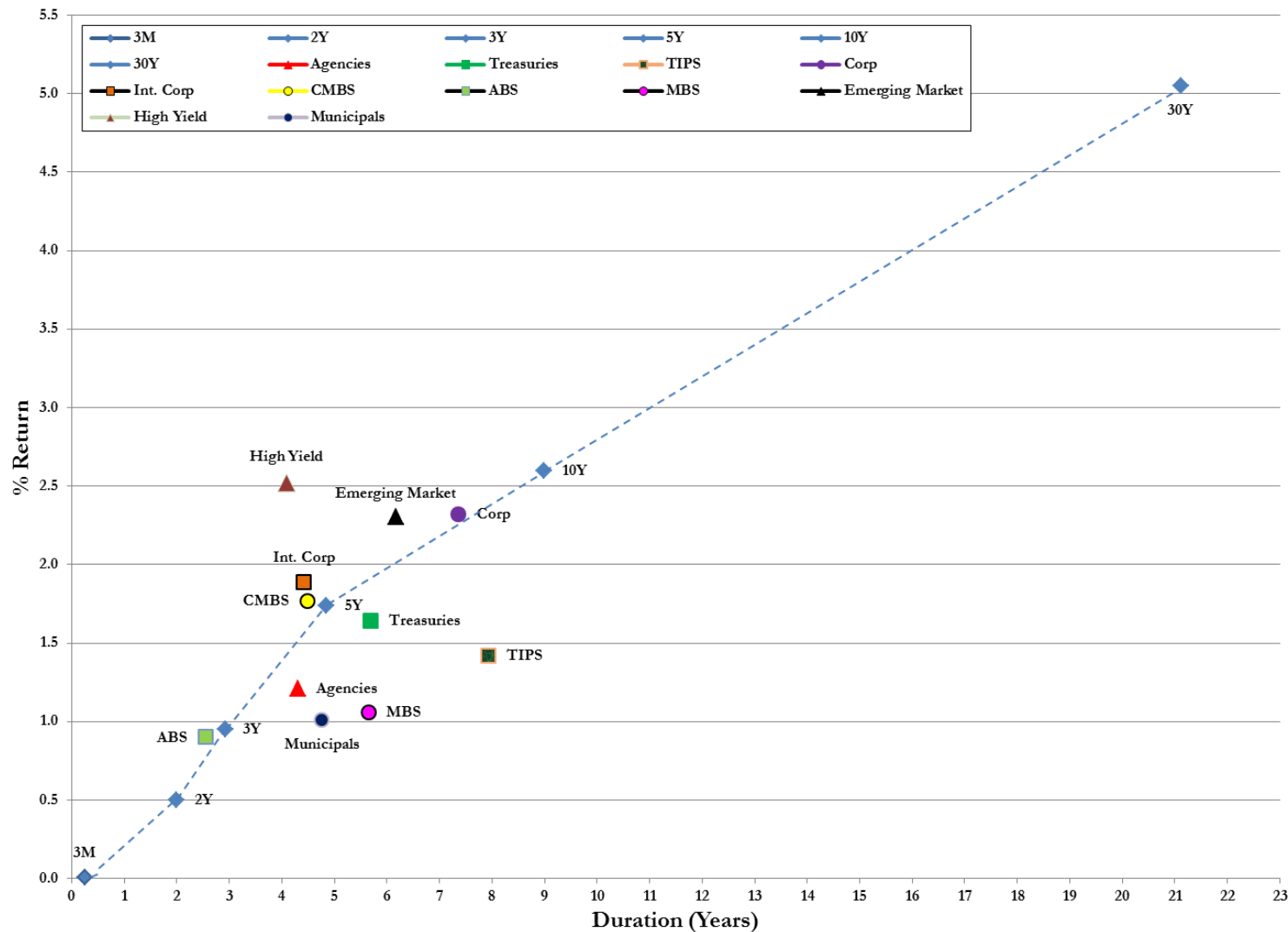
Price Impact of a 1% Rise/Fall in Interest Rates*



- Broad US fixed income indices ebbed and flowed with US Treasuries throughout the first quarter. As Treasuries rallied in January, US Government and credit indices followed, but the relationship worked both ways. When markets became fixated on the first fed funds rate hike and the rate path thereafter, broad indices followed Treasuries lower and relinquished some of their early gains. Volatility eased in mid-March after the FOMC lowered its economic projections, including the expected path for the fed funds rate. Despite the volatility, broad US credit indices posted solid gains by quarter-end.



Q1-2015 Fixed Income Sector Total Returns / Duration

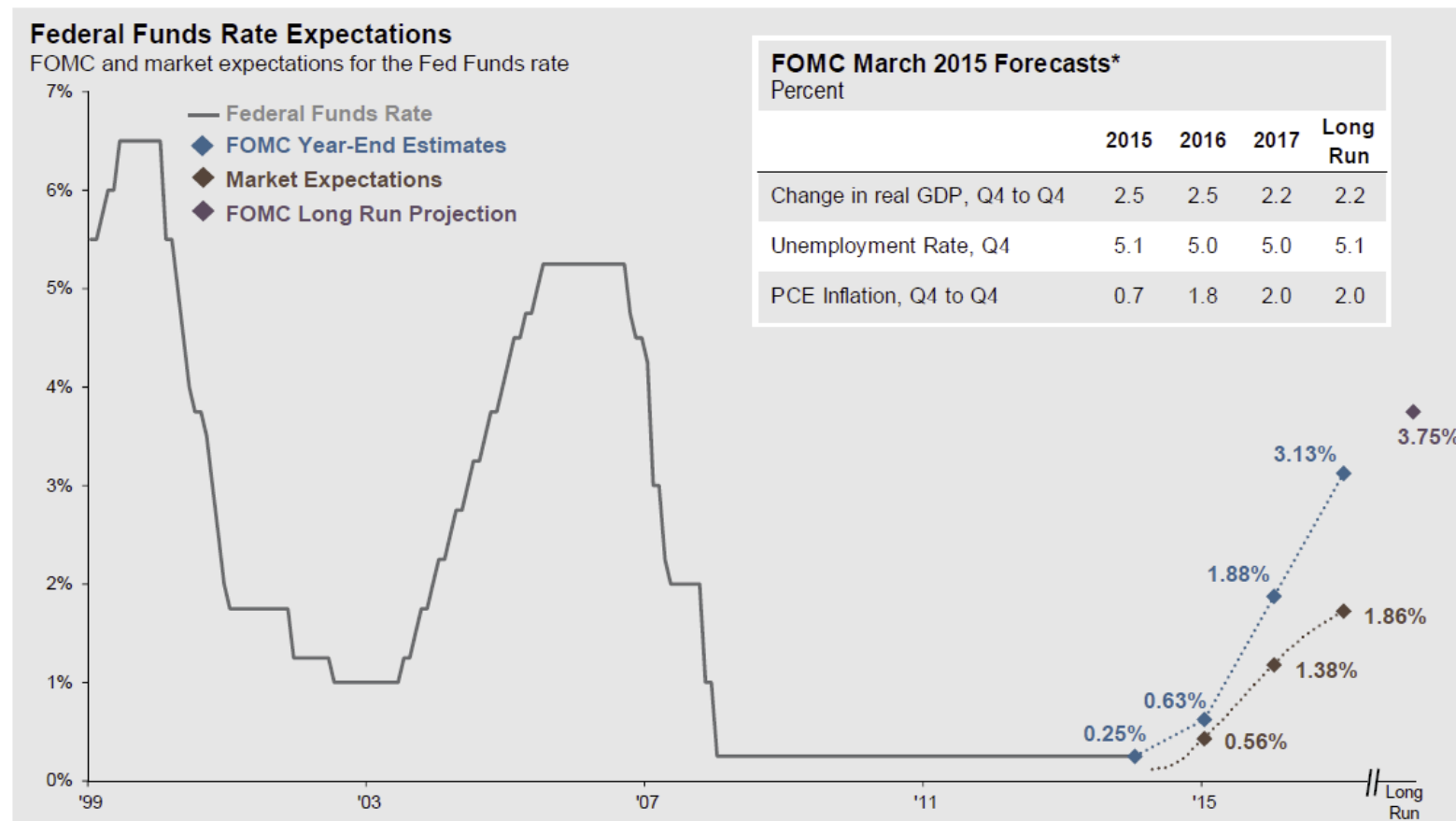


Outlook for 2nd Quarter 2015

- Expect financial market volatility to increase as we march closer to the Fed's rising interest rate cycle.
- Expect the large ECB bond buying program to continue placing downward pressure on longer-term U.S. interest rates, while serving as potential support for global risk assets.
- Expect U.S. dollar strength to level or improve given the divergent path of monetary policy for the U.S. relative to the rest of the world.
- Expect actual Q1 US GDP to be lower than consensus estimates, while expecting improved US GDP in Q2, similar to the pattern seen last year
- Expect bond market liquidity to be vulnerable to market volatility as the volume of fixed income ETFs activity increases.



Outlook - The Fed and Interest Rates



FOMC March 2015 Forecasts*
Percent

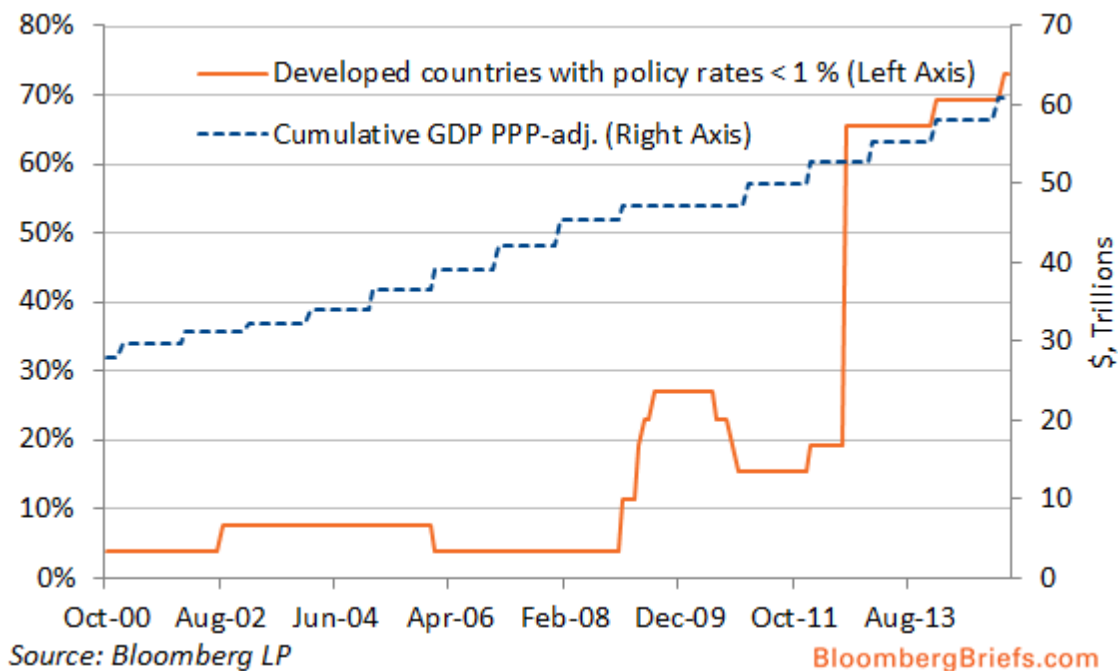
| | 2015 | 2016 | 2017 | Long Run |
|------------------------------|------|------|------|----------|
| Change in real GDP, Q4 to Q4 | 2.5 | 2.5 | 2.2 | 2.2 |
| Unemployment Rate, Q4 | 5.1 | 5.0 | 5.0 | 5.1 |
| PCE Inflation, Q4 to Q4 | 0.7 | 1.8 | 2.0 | 2.0 |

Source: Federal Reserve, FactSet, J.P. Morgan Asset Management.
Market expectations are the federal funds rates priced into the fed futures market as of the date of the March 2015 FOMC meeting. *Forecasts of 17 Federal Open Market Committee (FOMC) participants, midpoints of central tendency except for federal funds rate which is a median estimate. Data are as of March 31, 2015.

J.P.Morgan
Asset Management



Outlook - Global Interest Rates in One Chart



- ▶ Did you know?
- ▶ 58% of Developed Nations plus China are experiencing deflation.
- ▶ Only 3 of 19 Euro-area members are not experiencing deflation.
- ▶ US inflation turned negative for only the second time in 60 years.



Outlook - Will negative interest rates spread globally?

Borrowers' Market

Five-year government bonds of Germany, Austria, Netherlands, Sweden and Denmark are yielding less than zero.*



Source: Tradeweb via Thomson Reuters

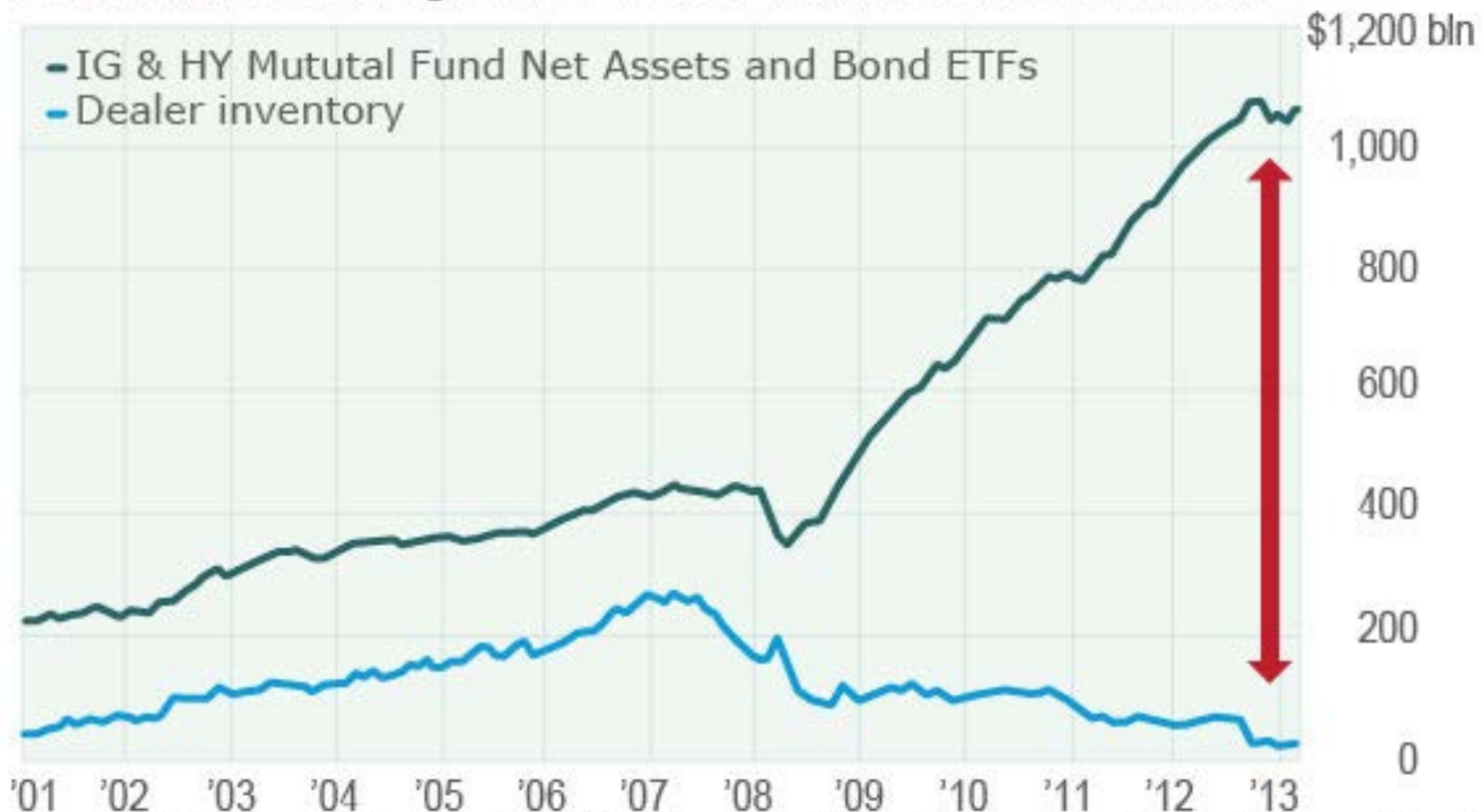
The Wall Street Journal



Outlook – Fixed Income Liquidity Risk?

Assets up, inventory down

Bond market size grew as dealer balance sheets shrank



Source: Investment Company Institute, Haver Analytics, T. Rowe Price, Federal Reserve Board





NEVADA PUBLIC AGENCY INSURANCE POOL



POOL - Performance Summary

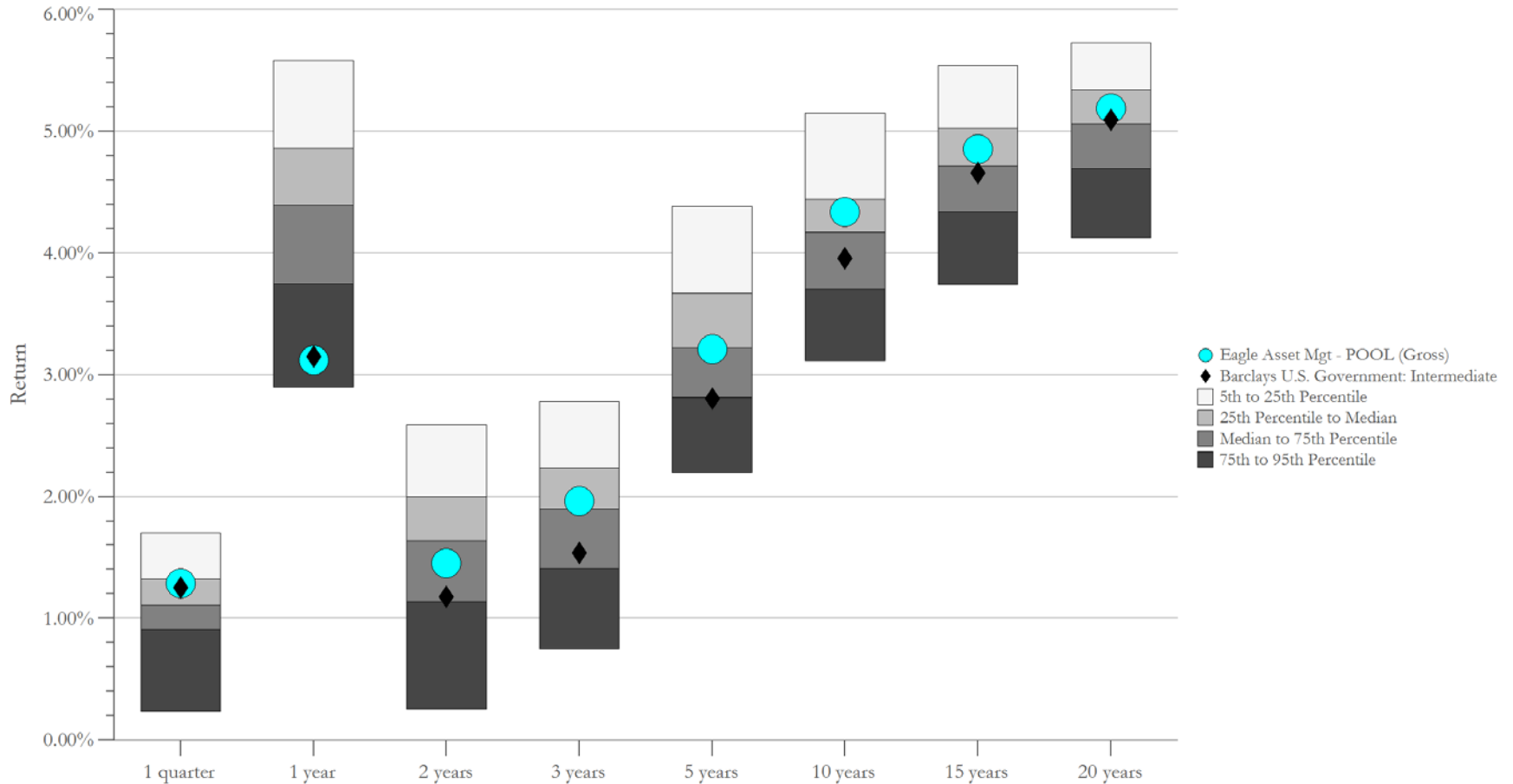
| Portfolio | Market Value | % of MV | Q1-2015 | Annualized | | | | | | Inception Date |
|---|--------------|---------|----------|------------|---------|---------|---------|---------|-----------------|----------------|
| | | | | 1 Yr | 2Yr | 3Yr | 5Yr | 10Yr | Since Inception | |
| POOL | | | | | | | | | | |
| Eagle Asset Management - Fixed Income | \$33,162,327 | 100.0% | 1.23% | 2.87% | 1.21% | 1.72% | 2.96% | 4.07% | 4.92% | Jul-91 |
| Benchmark - BC Int. Government | | | 1.25% | 3.13% | 1.16% | 1.54% | 2.81% | 3.95% | 5.38% | |
| Relative Performance | | | ▼ -0.02% | ▼ -0.26% | ▲ 0.05% | ▲ 0.18% | ▲ 0.15% | ▲ 0.12% | ▼ -0.46% | |
| Key Market Indices | | | | | | | | | | |
| Barclays U.S. Aggregate | | | 1.61% | 5.72% | 2.77% | 3.10% | 4.41% | 4.93% | | |
| Barclays Intermediate U.S. Government/Credit | | | 1.45% | 3.58% | 1.71% | 2.31% | 3.52% | 4.34% | | |
| Barclays U.S. Corporate Investment Grade | | | 2.32% | 6.81% | 4.11% | 5.21% | 6.50% | 5.90% | | |
| Barclays U.S. Corporate High Yield | | | 2.52% | 2.00% | 4.73% | 7.46% | 8.59% | 8.18% | | |
| Barclays U.S. Treasury: U.S. TIPS | | | 1.42% | 3.11% | -1.81% | 0.63% | 4.29% | 4.55% | | |
| S&P 500 | | | 0.95% | 12.73% | 17.21% | 16.11% | 14.47% | 8.01% | | |
| S&P MidCap 400 | | | 5.31% | 12.19% | 16.63% | 17.03% | 15.72% | 10.32% | | |
| S&P SmallCap 600 | | | 3.96% | 8.72% | 17.88% | 17.30% | 16.25% | 9.68% | | |
| MSCI EAFE Index | | | 5.00% | -0.48% | 8.40% | 9.52% | 6.64% | 5.43% | | |
| MSCI Emerging Markets | | | 2.28% | 0.79% | -0.15% | 0.67% | 2.08% | 8.82% | | |
| MSCI Frontier Emerging Markets | | | -2.26% | -2.16% | 2.57% | 5.94% | 5.35% | N/A | | |
| MSCI World Ex. US Index | | | 3.96% | -0.93% | 7.66% | 8.76% | 6.23% | 5.53% | | |
| Notes: | | | | | | | | | | |
| 1) Includes cash balances. | | | | | | | | | | |
| 2) Blended benchmark of 55% S&P 500 / 35% Barclays Intermediate Gov/Credit / 10% 90 day T-Bill. | | | | | | | | | | |
| 3) Market-weighted benchmark using Eagle fixed income and Consolidated ETF/Mutual Fund benchmarks. | | | | | | | | | | |
| -- All returns net of fees | | | | | | | | | | |
| -- Fixed Income Market values include accrued income | | | | | | | | | | |
| -- For each measurement period , Green indicates outperformance, and Red indicates underperformance | | | | | | | | | | |



Performance Peer Analysis

POOL Fixed Income Portfolio vs Morningstar Intermediate Government: Return

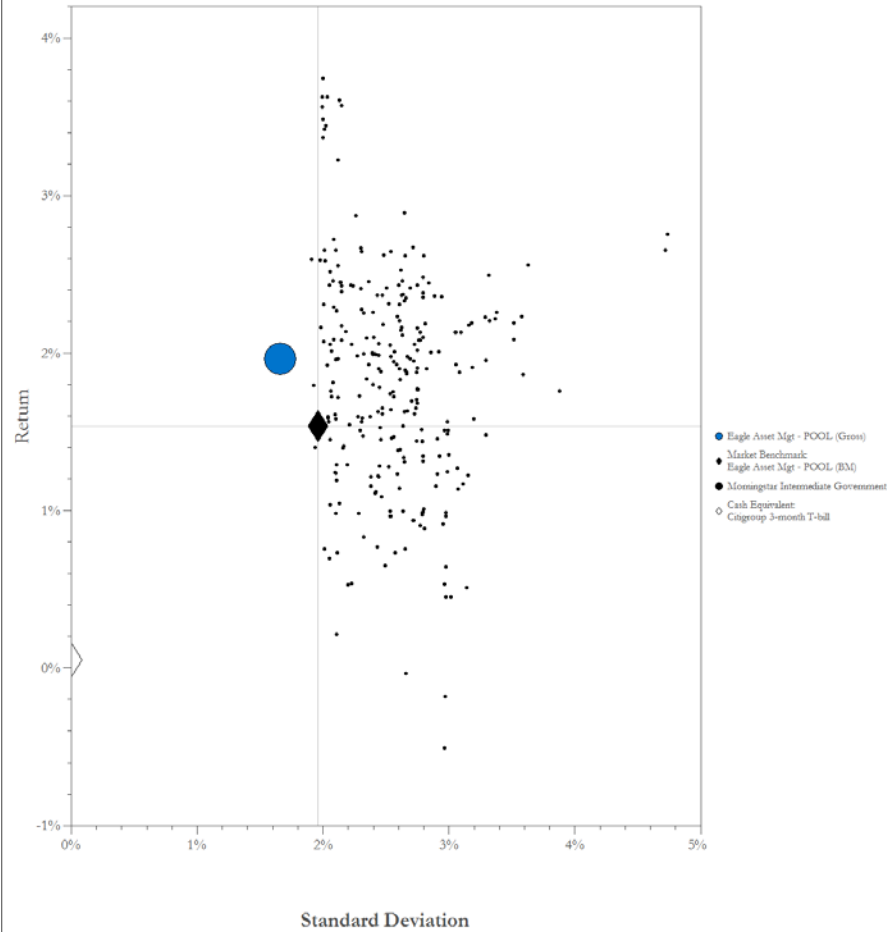
July 1991 - March 2015 (not annualized if less than 1 year)



Performance Risk/Reward Analysis

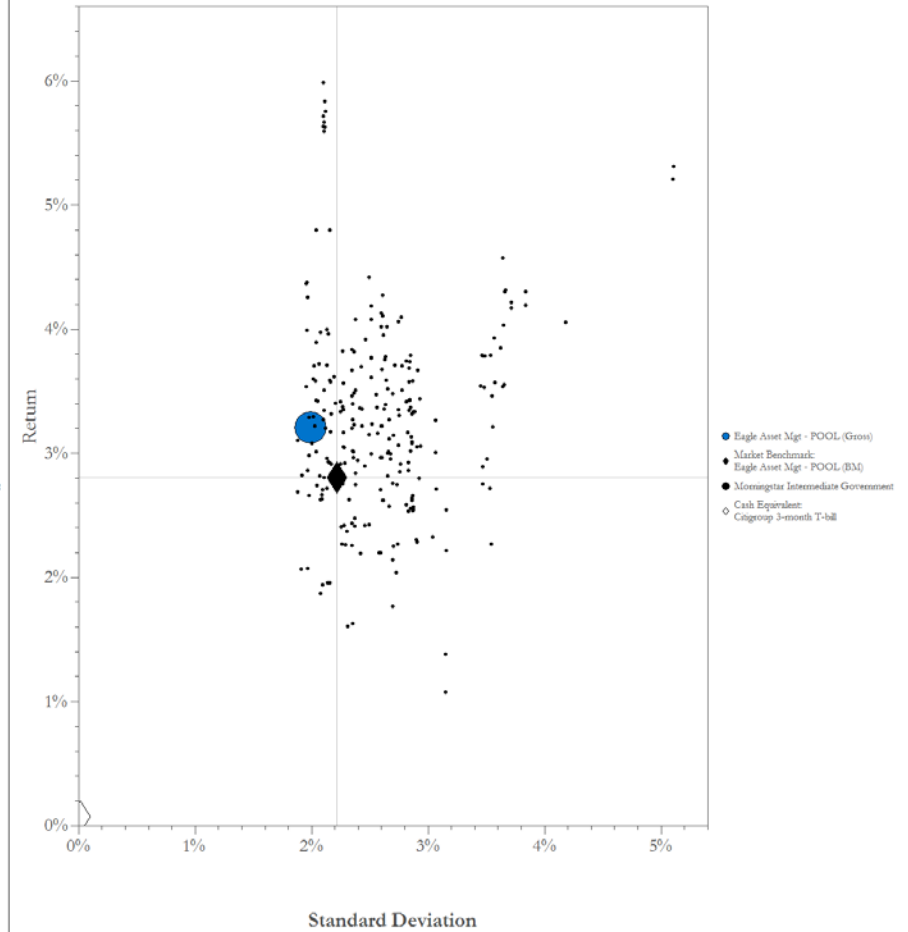
Risk / Return - Latest 3 Years

April 2012 - March 2015 (Single Computation)



Risk / Return - Latest 5 Years

April 2010 - March 2015 (Single Computation)





PUBLIC RISK MUTUAL



PRM - Performance Summary

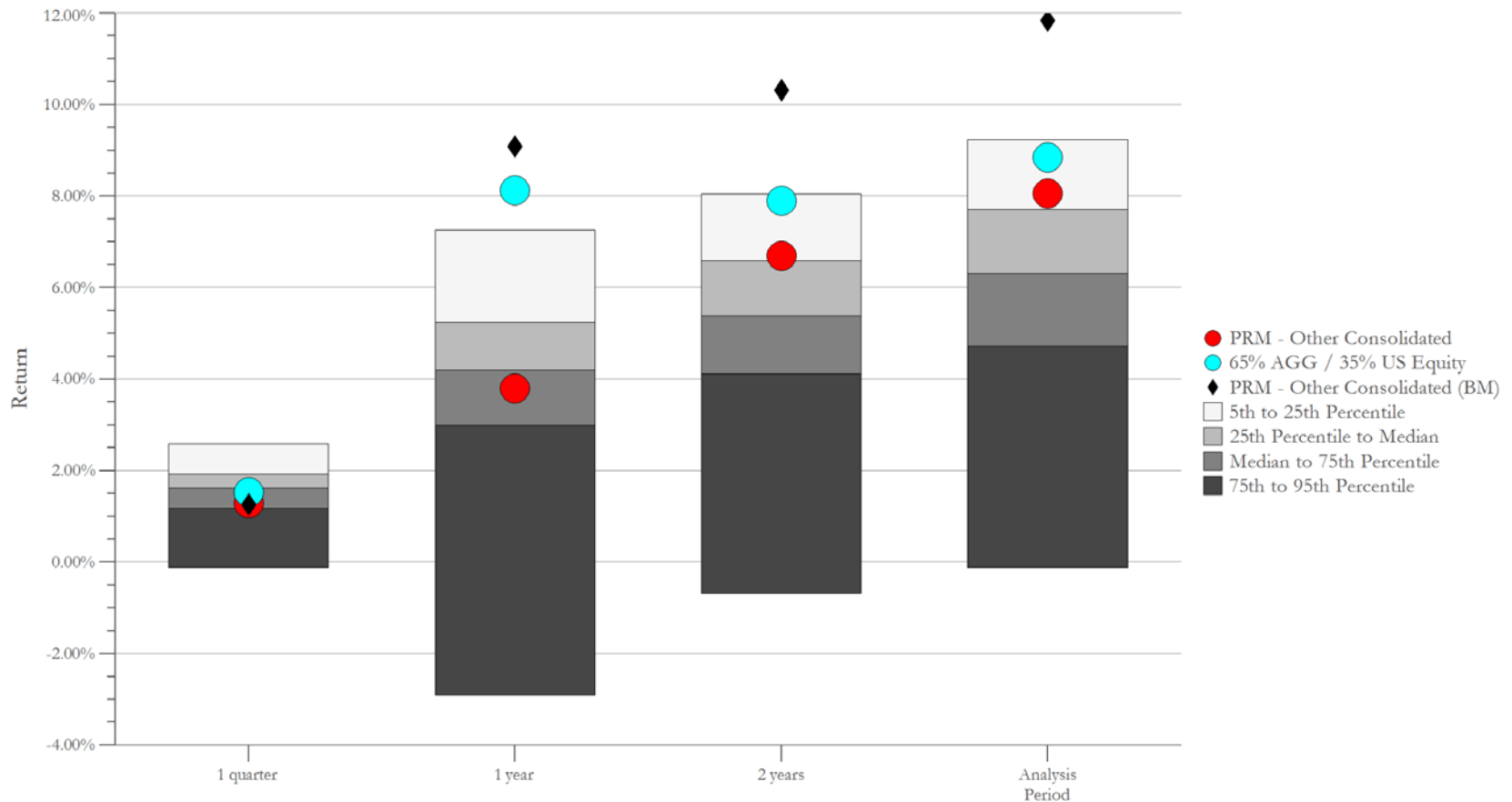
| Portfolio | Market Value | % of MV | Q1-2015 | Annualized | | | | | | Inception Date |
|--|--------------|---------|----------|------------|----------|----------|----------|----------|-----------------|----------------|
| | | | | 1 Yr | 2Yr | 3Yr | 5Yr | 10Yr | Since Inception | |
| PRM - Captive | | | | | | | | | | |
| Eagle Asset Management - Fixed Income | \$17,063,479 | 64.7% | 1.18% | 2.85% | 1.04% | 1.66% | 2.83% | 4.09% | 3.79% | Oct-04 |
| Benchmark - BC Int. Gov/Credit | | | 1.45% | 3.58% | 1.71% | 2.31% | 3.52% | 4.34% | 4.08% | |
| Relative Performance | | | ▼ -0.27% | ▼ -0.73% | ▼ -0.67% | ▼ -0.65% | ▼ -0.69% | ▼ -0.25% | ▼ -0.29% | |
| Fixed Income ETF/Mutual Fund | \$1,410,763 | 5.3% | -0.06% | 0.83% | N/A | N/A | N/A | N/A | 1.90% | Jul-13 |
| Benchmark - BC Int. Gov/Credit | | | 1.45% | 3.58% | N/A | N/A | N/A | N/A | 2.96% | |
| Relative Performance | | | ▼ -1.51% | ▼ -2.75% | N/A | N/A | N/A | N/A | ▼ -1.06% | |
| Risk Assets ETF/Mutual Fund | \$7,869,602 | 29.8% | 1.07% | 4.84% | N/A | N/A | N/A | N/A | 12.82% | Jul-13 |
| Benchmark - S&P 500 | | | 0.95% | 12.73% | N/A | N/A | N/A | N/A | 17.95% | |
| Relative Performance | | | ▲ 0.12% | ▼ -7.89% | N/A | N/A | N/A | N/A | ▼ -5.13% | |
| Consolidated ETF/Mutual Fund¹ | \$9,318,191 | 35.3% | 1.29% | 3.80% | N/A | N/A | N/A | N/A | 8.37% | Jul-13 |
| Benchmark ² | | | 1.26% | 9.09% | N/A | N/A | N/A | N/A | 11.42% | |
| Relative Performance | | | ▲ 0.03% | ▼ -5.29% | N/A | N/A | N/A | N/A | ▼ -3.05% | |
| Consolidated PRM Portfolio | \$26,381,670 | 100.0% | 1.25% | 3.40% | N/A | N/A | N/A | N/A | 5.96% | Jul-13 |
| Benchmark ³ | | | 1.33% | 6.95% | N/A | N/A | N/A | N/A | 8.08% | |
| Relative Performance | | | ▼ -0.08% | ▼ -3.55% | N/A | N/A | N/A | N/A | ▼ -2.12% | |
| Key Market Indices | | | | | | | | | | |
| Barclays U.S. Aggregate | | | 1.61% | 5.72% | 2.77% | 3.10% | 4.41% | 4.93% | | |
| Barclays Intermediate U.S. Government/Credit | | | 1.45% | 3.58% | 1.71% | 2.31% | 3.52% | 4.34% | | |
| Barclays U.S. Corporate Investment Grade | | | 2.32% | 6.81% | 4.11% | 5.21% | 6.50% | 5.90% | | |
| Barclays U.S. Corporate High Yield | | | 2.52% | 2.00% | 4.73% | 7.46% | 8.59% | 8.18% | | |
| Barclays U.S. Treasury: U.S. TIPS | | | 1.42% | 3.11% | -1.81% | 0.63% | 4.29% | 4.55% | | |
| S&P 500 | | | 0.95% | 12.73% | 17.21% | 16.11% | 14.47% | 8.01% | | |
| S&P MidCap 400 | | | 5.31% | 12.19% | 16.63% | 17.03% | 15.72% | 10.32% | | |
| S&P SmallCap 600 | | | 3.96% | 8.72% | 17.88% | 17.30% | 16.25% | 9.68% | | |
| MSCI EAFE Index | | | 5.00% | -0.48% | 8.40% | 9.52% | 6.64% | 5.43% | | |
| MSCI Emerging Markets | | | 2.28% | 0.79% | -0.15% | 0.67% | 2.08% | 8.82% | | |
| MSCI Frontier Emerging Markets | | | -2.26% | -2.16% | 2.57% | 5.94% | 5.35% | N/A | | |
| MSCI World Ex. US Index | | | 3.96% | -0.93% | 7.66% | 8.76% | 6.23% | 5.53% | | |
| Notes: | | | | | | | | | | |
| 1) Includes cash balances. | | | | | | | | | | |
| 2) Blended benchmark of 55% S&P 500 / 35% Barclays Intermediate Gov/Credit / 10% 90 day T-Bill. | | | | | | | | | | |
| 3) Market-weighted benchmark using Eagle fixed income and Consolidated ETF/Mutual Fund benchmarks. | | | | | | | | | | |
| -- All returns net of fees | | | | | | | | | | |
| -- Fixed Income Market values include accrued income | | | | | | | | | | |
| -- For each measurement period, Green indicates outperformance, and Red indicates underperformance | | | | | | | | | | |



Performance Peer Analysis

PRM ETF/Mutual Fund Portfolio vs Morningstar Conservative Allocation: Return

January 2013 - March 2015 (not annualized if less than 1 year)



- Using Morningstar Conservative Allocation Peer Universe: 20-50% Domestic Equity / 50-80% Fixed Income.
- A less complicated passive alternative is included for comparative purposes.



PRM – Asset Allocation

| Asset Class | Market Value | Minimum | Maximum | Old Target | SAA Target | Current vs. SAA Target | Current | Prior Quarter | QTR Chg |
|-------------------------------------|---------------|---------|---------|------------|------------|------------------------|---------|---------------|----------|
| U.S. Equities - Large Cap | \$ 5,531,082 | 10% | 20% | 15% | 24% | ▼ -3.03% | 20.97% | 15.07% | ▲ 5.90% |
| U.S. Equities - Other | \$ 1,860,967 | 5% | 15% | 10% | 8% | ▼ -0.95% | 7.05% | 12.52% | ▼ -5.47% |
| International Equities | \$ 477,554 | 5% | 15% | 10% | 2% | ▼ -0.19% | 1.81% | 7.17% | ▼ -5.36% |
| U.S. Domestic Corporate Bonds | \$ 6,267,362 | 10% | 40% | 20% | 24% | ▼ -0.24% | 23.76% | 22.83% | ▲ 0.93% |
| International Bonds | \$ 470,763 | 0% | 10% | 5% | 2% | ▼ -0.22% | 1.78% | 0.00% | ▲ 1.78% |
| U.S. Government & Agency Securities | \$ 9,081,298 | 20% | 100% | 40% | 40% | ▼ -5.58% | 34.42% | 36.59% | ▼ -2.17% |
| Cash & Equivalents | \$ 2,692,645 | 0% | 100% | 0% | 0% | ▲ 10.21% | 10.21% | 5.82% | ▲ 4.39% |
| Fixed Income | \$ 18,041,305 | | | 60% | 64% | | 68% | 65% | |
| Risk Assets | \$ 8,340,366 | | | 40% | 36% | | 32% | 35% | |
| Total | \$ 26,381,671 | | | 100% | 100% | | 100% | 100% | |

- With the 1st phase of the reallocation completed, SAA will be working with POOL/PACT over the next quarter to review and revise the overall asset allocation targets relative to financial position and operating trends.
- CORE FIXED INCOME FUND/FEE CHANGES
 - From 6 funds at 28 bps to separate account at 20 bps
- RISK ASSET FUND/FEE CHANGES
 - From 9 funds at 71 bps to 7 fund at 22 bps



PRM - ETF/Mutual Fund Holdings – Returns Detail

Manager vs Benchmark: Return

July 2013 - March 2015 (not annualized if less than 1 year)

| | 1 quarter | YTD | 1 year | Analysis Period |
|---|-----------|--------|--------|-----------------|
| PRM - Total Portfolio | 1.25% | 1.25% | 3.40% | 5.96% |
| -- PRM - Total Portfolio (BM) | 1.33% | 1.33% | 6.95% | 8.08% |
| PRM - Fixed Income | -0.06% | -0.06% | 0.83% | 1.90% |
| -- Barclays Intermediate U.S. Government/Credit | 1.45% | 1.45% | 3.58% | 2.96% |
| PRM - Risk Assets | 1.07% | 1.07% | 4.84% | 12.82% |
| -- S&P 500 | 0.95% | 0.95% | 12.73% | 17.95% |
| Vanguard Short-Term Bond ETF (MKT) | 0.92% | 0.92% | 1.91% | 1.72% |
| -- ML 1-5 Year US Corp/Gov Index | 1.00% | 1.00% | 2.08% | 1.91% |
| Templeton Global Bond Adv | 0.22% | 0.22% | 1.29% | 3.36% |
| -- Citigroup World Government Bond Index | -2.51% | -2.51% | -5.50% | -0.72% |
| Vanguard High-Yield Corporate Adm | 2.03% | 2.03% | 3.94% | 6.81% |
| -- ML BB-B US High Yield Index | 2.68% | 2.68% | 3.16% | 6.73% |
| Vanguard High Dividend Yield Index Inv | -0.27% | -0.27% | 10.93% | 14.54% |
| -- FTSE High Dividend Yield Index | -0.26% | -0.26% | 11.09% | 14.70% |
| Vanguard Dividend Growth Inv | 0.86% | 0.86% | 10.72% | 15.54% |
| -- NASDAQ US Dividend Achievers Select Index | -0.07% | -0.07% | 9.64% | 14.39% |
| Vanguard Mid Cap Index Adm | 4.28% | 4.28% | 14.87% | 20.58% |
| -- CRSP US Mid Cap TR Index | 4.32% | 4.32% | 14.95% | 20.67% |
| Vanguard Small Cap Index Adm | 4.81% | 4.81% | 9.83% | 18.15% |
| -- CRSP US Small Cap TR Index | 4.79% | 4.79% | 9.82% | 18.16% |





PUBLIC AGENCY COMPENSATION TRUST



PACT - Performance Summary

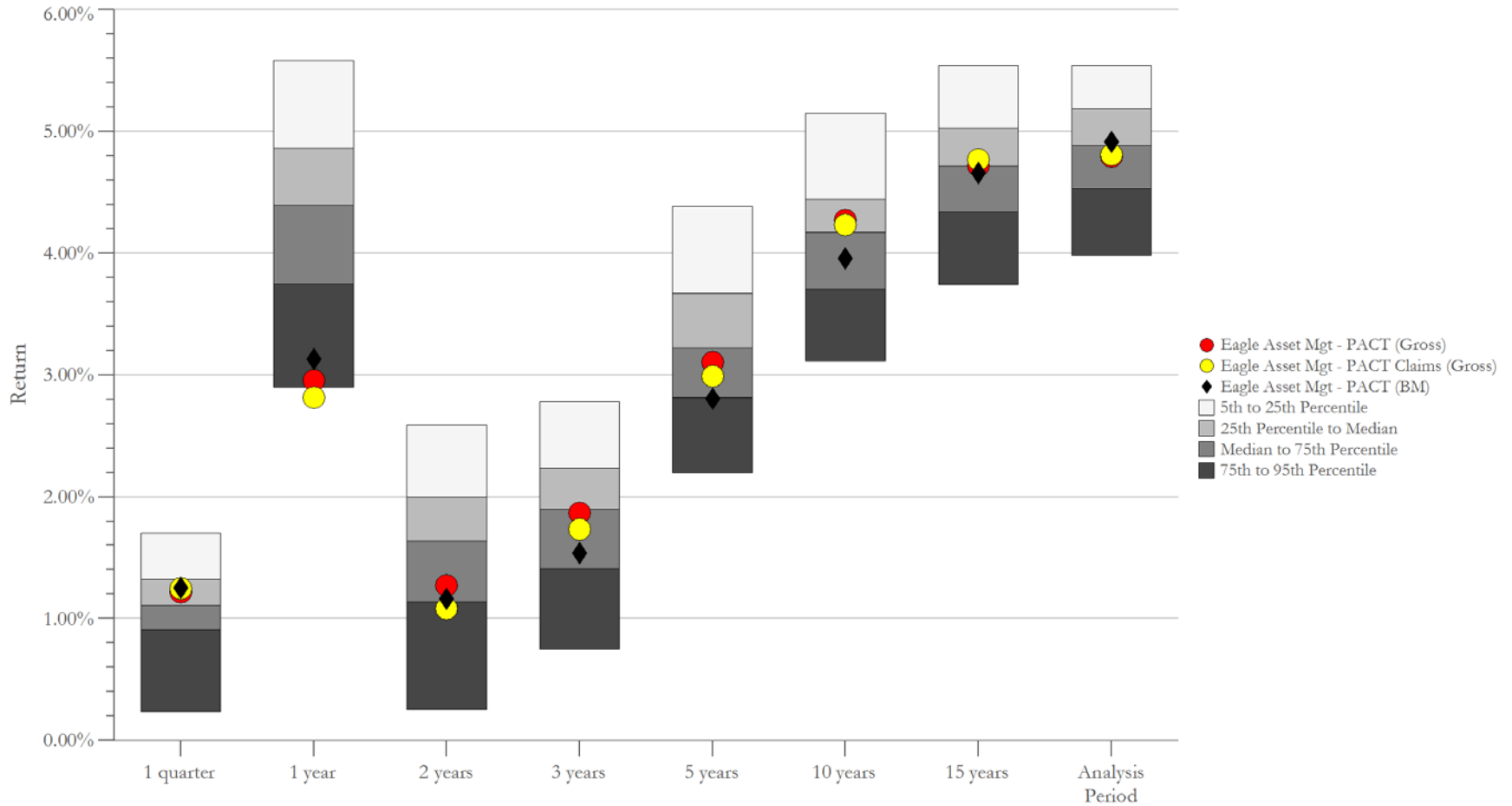
| Portfolio | Market Value | % of MV | Q1-2015 | Annualized | | | | | | Inception Date |
|--|--------------|---------|----------|------------|----------|----------|----------|---------|-----------------|----------------|
| | | | | 1 Yr | 2Yr | 3Yr | 5Yr | 10Yr | Since Inception | |
| PACT | | | | | | | | | | |
| Eagle Asset Management - Core | \$15,595,534 | 27.3% | 1.16% | 2.72% | 1.03% | 1.63% | 2.86% | 4.01% | 4.49% | Jul-96 |
| Benchmark - BC Int. Government | | | 1.25% | 3.13% | 1.16% | 1.54% | 2.81% | 3.95% | 4.91% | |
| Relative Performance | | | ▼ -0.09% | ▼ -0.41% | ▼ -0.13% | ▲ 0.09% | ▲ 0.05% | ▲ 0.06% | ▼ -0.42% | |
| Eagle Asset Management - Claims | \$41,613,676 | 72.7% | 1.19% | 2.57% | 0.84% | 1.49% | 2.74% | 3.97% | 4.50% | Jul-96 |
| Benchmark - BC Int. Government | | | 1.25% | 3.13% | 1.16% | 1.54% | 2.81% | 3.95% | 4.91% | |
| Relative Performance | | | ▼ -0.06% | ▼ -0.56% | ▼ -0.32% | ▼ -0.05% | ▼ -0.07% | ▲ 0.02% | ▼ -0.41% | |
| PFM - Other Admin | \$2,602,948 | 4.0% | 0.49% | 0.91% | 0.66% | 0.69% | N/A | N/A | 0.70% | Jul-11 |
| Benchmark - ML U.S. Treasury 1-3 Year | | | 0.52% | 1.00% | 0.69% | 0.67% | N/A | N/A | 0.69% | |
| Relative Performance | | | ▼ -0.03% | ▼ -0.09% | ▼ -0.03% | ▲ 0.02% | N/A | N/A | ▲ 0.01% | |
| PFM - Other Claims | \$5,151,360 | 7.9% | 0.49% | 0.93% | 0.63% | 0.64% | N/A | N/A | 0.69% | Jul-11 |
| Benchmark - ML U.S. Treasury 1-3 Year | | | 1.25% | 3.13% | 1.16% | 1.54% | N/A | N/A | 4.91% | |
| Relative Performance | | | ▼ -0.76% | ▼ -2.20% | ▼ -0.53% | ▼ -0.90% | N/A | N/A | ▼ -4.22% | |
| Key Market Indices | | | | | | | | | | |
| Barclays U.S. Aggregate | | | 1.61% | 5.72% | 2.77% | 3.10% | 4.41% | 4.93% | | |
| Barclays Intermediate U.S. Government/Credit | | | 1.45% | 3.58% | 1.71% | 2.31% | 3.52% | 4.34% | | |
| Barclays U.S. Corporate Investment Grade | | | 2.32% | 6.81% | 4.11% | 5.21% | 6.50% | 5.90% | | |
| Barclays U.S. Corporate High Yield | | | 2.52% | 2.00% | 4.73% | 7.46% | 8.59% | 8.18% | | |
| Barclays U.S. Treasury: U.S. TIPS | | | 1.42% | 3.11% | -1.81% | 0.63% | 4.29% | 4.55% | | |
| Notes: | | | | | | | | | | |
| 1) Includes cash balances. | | | | | | | | | | |
| 2) Blended benchmark of 55% S&P 500 / 35% Barclays Intermediate Gov/Credit / 10% 90 day T-Bill. | | | | | | | | | | |
| -- All returns net of fees | | | | | | | | | | |
| -- Fixed Income Market values include accrued income | | | | | | | | | | |
| -- For each measurement period, Green indicates outperformance, and Red indicates underperformance | | | | | | | | | | |



Eagle Asset Management - Performance Peer Analysis

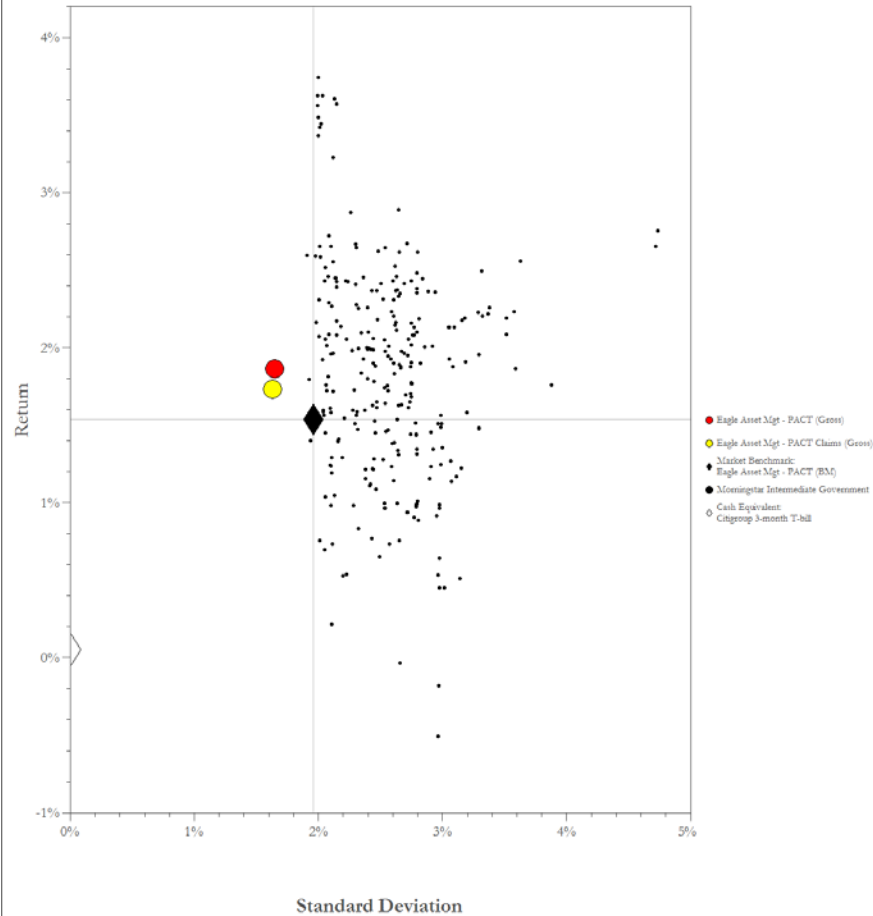
PACT - Eagle Fixed Income Portfolios vs Morningstar Intermediate Government: Return

July 1996 - March 2015 (not annualized if less than 1 year)

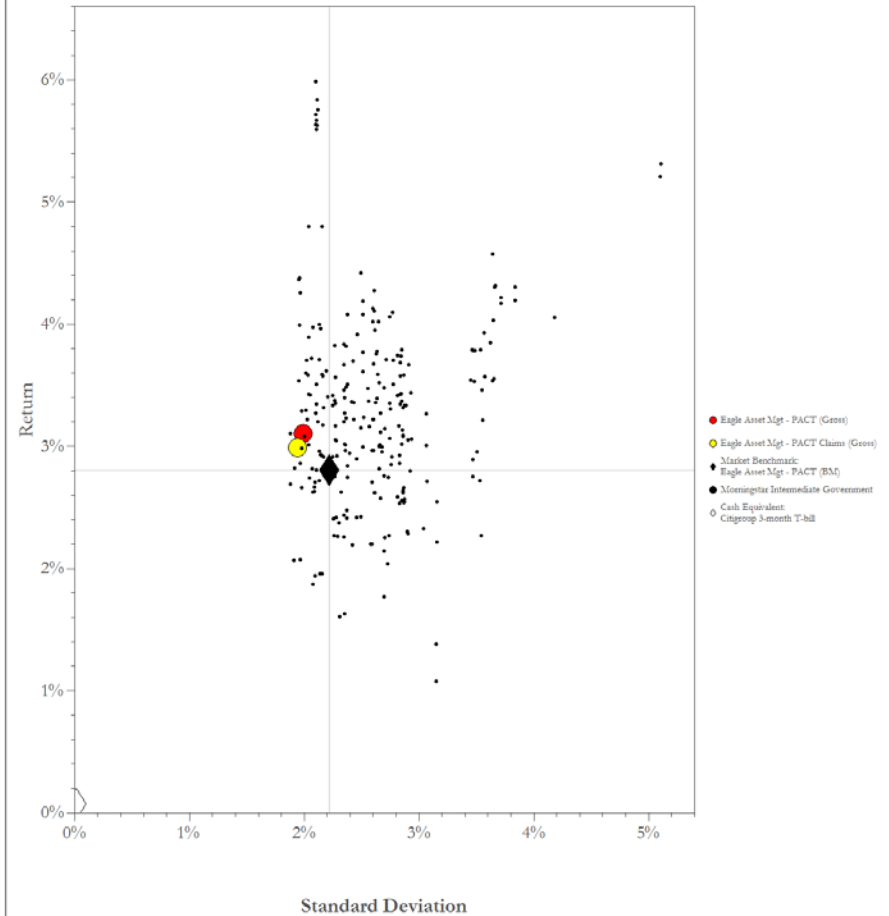


Eagle Asset Management - Performance Risk/Reward Analysis

Risk / Return - Latest 3 Years
 April 2012 - March 2015 (Single Computation)



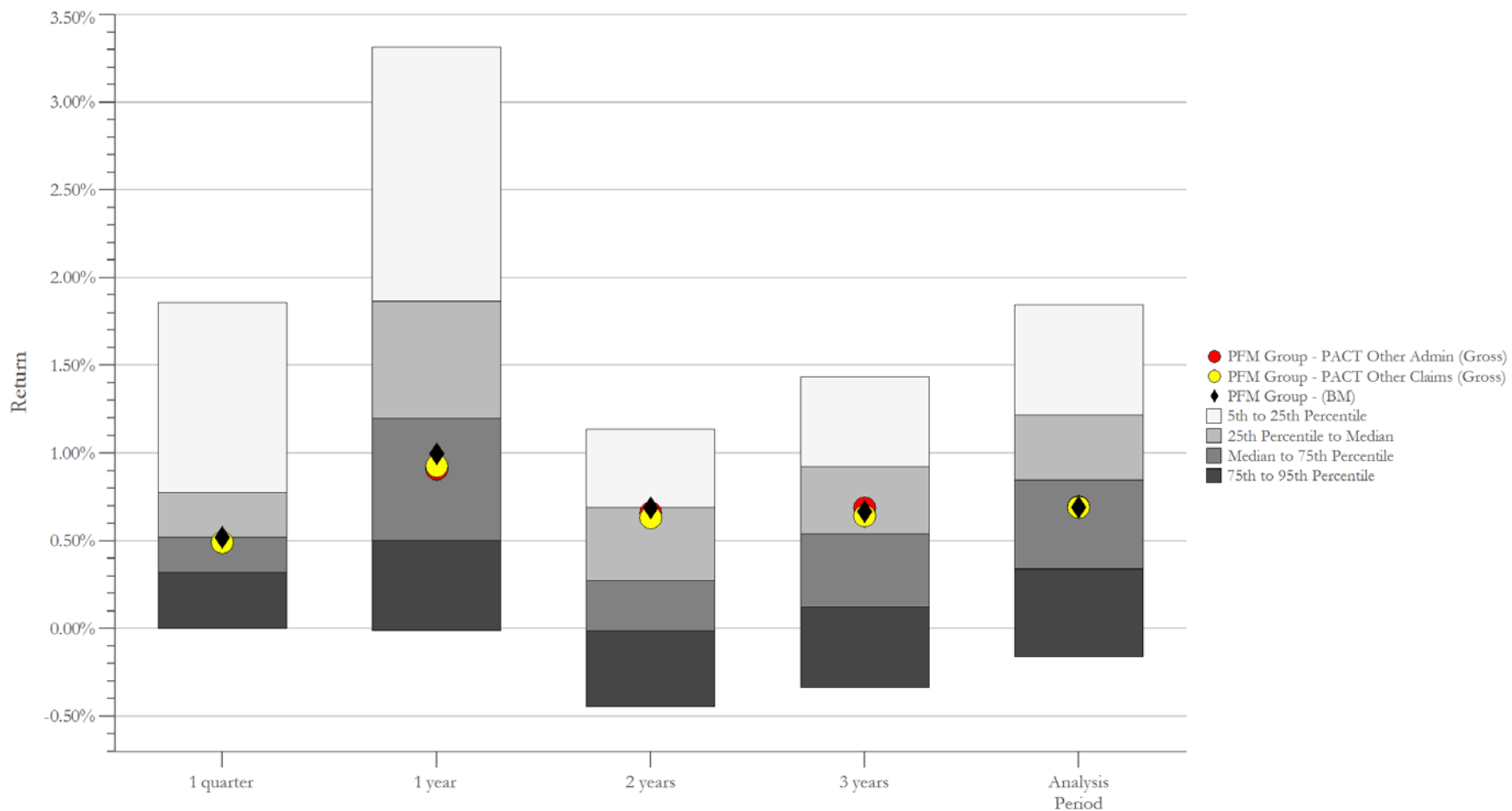
Risk / Return - Latest 5 Years
 April 2010 - March 2015 (Single Computation)



PFM - Performance Peer Analysis

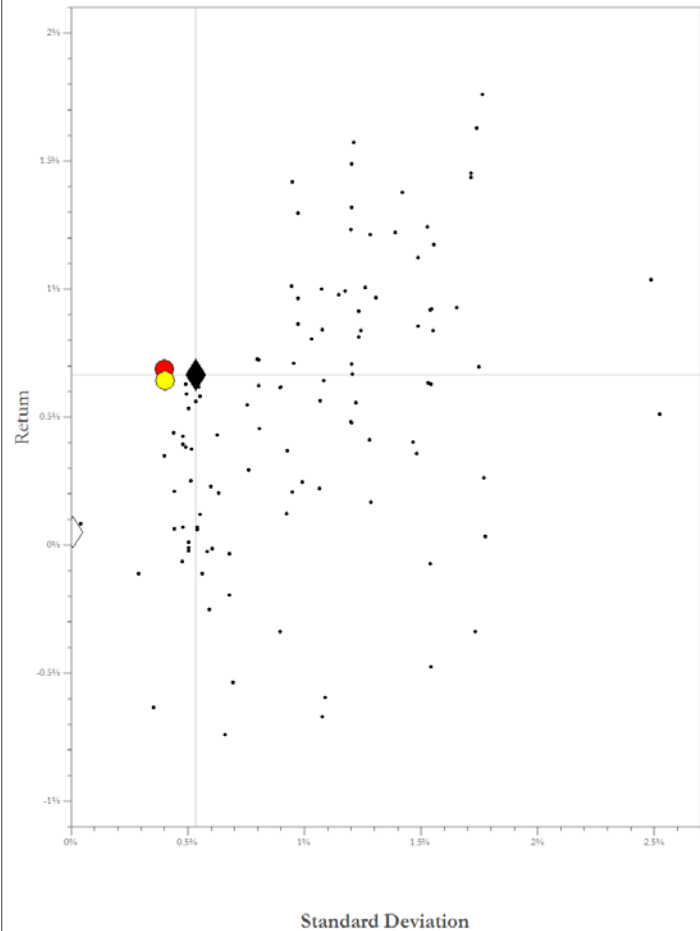
PACT - PFM Fixed Income Portfolios vs Morningstar Short Government: Return

July 2011 - March 2015 (not annualized if less than 1 year)

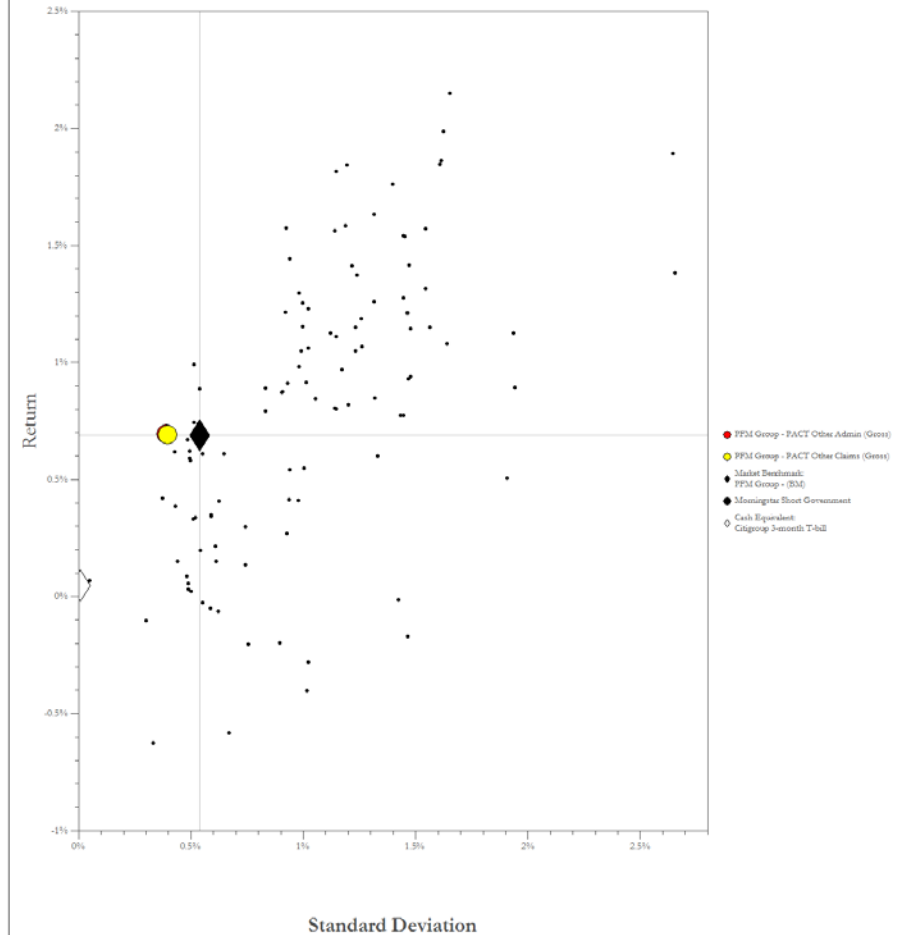


PFM - Performance Risk/Reward Analysis

Risk / Return - Latest 3 Years
 April 2012 - March 2015 (Single Computation)



Risk / Return - Latest 5 Years
 July 2011 - March 2015 (Single Computation)





PUBLIC COMPENSATION MUTUAL



PCM - Performance Summary

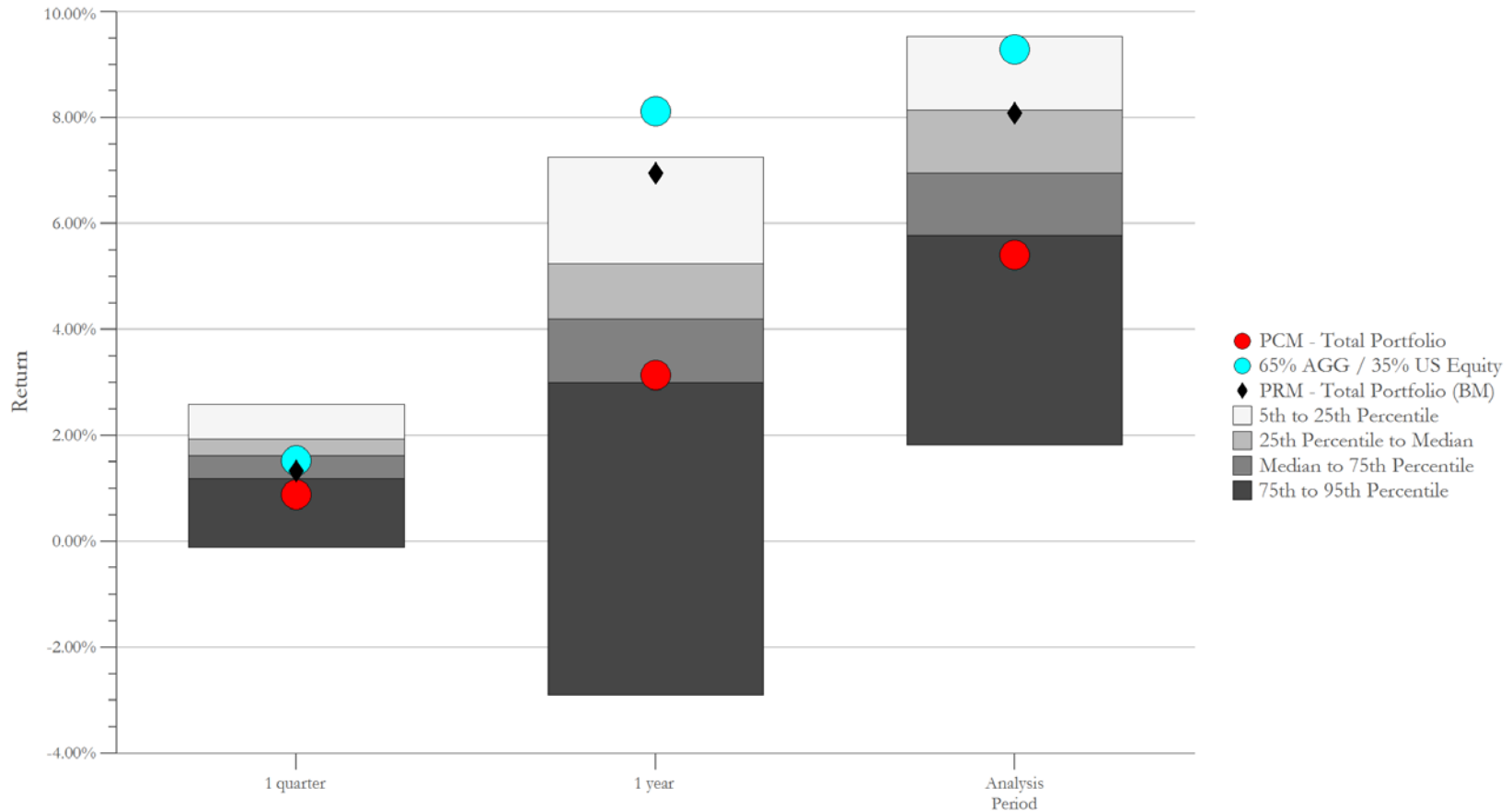
| Portfolio | Market Value | % of MV | Q1-2015 | Annualized | | | | | | Inception Date |
|---|---------------------|---------------|--------------|--------------|------------|------------|------------|------------|-----------------|----------------|
| | | | | 1 Yr | 2Yr | 3Yr | 5Yr | 10Yr | Since Inception | |
| PCM - Captive | | | | | | | | | | |
| Fixed Income ETF/Mutual Fund | \$27,227,451 | 70.2% | 0.87% | 2.57% | N/A | N/A | N/A | N/A | 0.91% | Apr-13 |
| Benchmark - BC Int. Gov/Credit | | | 1.45% | 3.58% | N/A | N/A | N/A | N/A | 1.71% | |
| Relative Performance | | | ▼ -0.58% | ▼ -1.01% | N/A | N/A | N/A | N/A | ▼ -0.80% | |
| Risk Assets ETF/Mutual Fund | \$11,541,592 | 29.8% | 0.94% | 4.32% | N/A | N/A | N/A | N/A | 10.12% | Apr-13 |
| Benchmark - S&P 500 | | | 0.95% | 12.73% | N/A | N/A | N/A | N/A | 17.21% | |
| Relative Performance | | | ▼ -0.01% | ▼ -8.41% | N/A | N/A | N/A | N/A | ▼ -7.09% | |
| Consolidated ETF/Mutual Fund¹ | \$38,771,422 | 100.0% | 0.88% | 3.14% | N/A | N/A | N/A | N/A | 4.01% | Apr-13 |
| Benchmark ² | | | 1.26% | 9.09% | N/A | N/A | N/A | N/A | 10.32% | |
| Relative Performance | | | ▼ -0.38% | ▼ -5.95% | N/A | N/A | N/A | N/A | ▼ -6.31% | |
| Key Market Indices | | | | | | | | | | |
| Barclays U.S. Aggregate | | | 1.61% | 5.72% | 2.77% | 3.10% | 4.41% | 4.93% | | |
| Barclays Intermediate U.S. Government/Credit | | | 1.45% | 3.58% | 1.71% | 2.31% | 3.52% | 4.34% | | |
| Barclays U.S. Corporate Investment Grade | | | 2.32% | 6.81% | 4.11% | 5.21% | 6.50% | 5.90% | | |
| Barclays U.S. Corporate High Yield | | | 2.52% | 2.00% | 4.73% | 7.46% | 8.59% | 8.18% | | |
| Barclays U.S. Treasury: U.S. TIPS | | | 1.42% | 3.11% | -1.81% | 0.63% | 4.29% | 4.55% | | |
| S&P 500 | | | 0.95% | 12.73% | 17.21% | 16.11% | 14.47% | 8.01% | | |
| S&P MidCap 400 | | | 5.31% | 12.19% | 16.63% | 17.03% | 15.72% | 10.32% | | |
| S&P SmallCap 600 | | | 3.96% | 8.72% | 17.88% | 17.30% | 16.25% | 9.68% | | |
| MSCI EAFE Index | | | 5.00% | -0.48% | 8.40% | 9.52% | 6.64% | 5.43% | | |
| MSCI Emerging Markets | | | 2.28% | 0.79% | -0.15% | 0.67% | 2.08% | 8.82% | | |
| MSCI Frontier Emerging Markets | | | -2.26% | -2.16% | 2.57% | 5.94% | 5.35% | N/A | | |
| MSCI World Ex. US Index | | | 3.96% | -0.93% | 7.66% | 8.76% | 6.23% | 5.53% | | |
| Notes: | | | | | | | | | | |
| 1) Includes cash balances. | | | | | | | | | | |
| 2) Blended benchmark of 55% S&P 500 / 35% Barclays Intermediate Gov/Credit / 10% 90 day T-Bill. | | | | | | | | | | |
| -- All returns net of fees | | | | | | | | | | |
| -- Fixed Income Market values include accrued income | | | | | | | | | | |
| -- For each measurement period , Green indicates outperformance, and Red indicates underperformance | | | | | | | | | | |



Performance Peer Analysis

PCM ETF/Mutual Fund Portfolio vs Morningstar Conservative Allocation: Return

July 2013 - March 2015 (not annualized if less than 1 year)



- Using Morningstar Conservative Allocation Peer Universe: 20-50% Domestic Equity / 50-80% Fixed Income.
- A less complicated passive alternative is included for comparative purposes.



PCM – Asset Allocation

| Asset Class | Market Value | Minimum | Maximum | Old Target | SAA Target | Current vs. SAA Target | Current | Prior Quarter | QTR Chg. |
|-------------------------------------|---------------|---------|---------|------------|------------|------------------------|---------|---------------|-----------|
| U.S. Equities - Large Cap | \$ 8,074,973 | 10% | 20% | 15% | 24% | ▼ -3.17% | 20.83% | 14.09% | ▲ 6.74% |
| U.S. Equities - Other | \$ 2,779,526 | 5% | 15% | 10% | 8% | ▼ -0.83% | 7.17% | 16.81% | ▼ -9.64% |
| International Equities | \$ 687,093 | 5% | 15% | 10% | 2% | ▼ -0.23% | 1.77% | 4.54% | ▼ -2.77% |
| U.S. Domestic Corporate Bonds | \$ 7,415,124 | 10% | 40% | 20% | 24% | ▼ -4.87% | 19.13% | 35.98% | ▼ -16.85% |
| International Bonds | \$ 691,120 | 0% | 10% | 5% | 2% | ▼ -0.22% | 1.78% | 0.00% | ▲ 1.78% |
| U.S. Government & Agency Securities | \$ 18,477,717 | 20% | 100% | 40% | 40% | ▲ 7.66% | 47.66% | 21.38% | ▲ 26.28% |
| Cash & Equivalents | \$ 645,869 | 0% | 100% | 0% | 0% | ▲ 1.67% | 1.67% | 7.21% | ▼ -5.54% |
| Fixed Income | \$ 26,538,710 | | | 60% | 64% | | 68% | 65% | |
| Risk Assets | \$ 12,232,712 | | | 40% | 36% | | 32% | 35% | |
| Total | \$ 38,771,422 | | | 100% | 100% | | 100% | 100% | |

- With the 1st phase of the reallocation completed, SAA will be working with POOL/PACT over the next quarter to review and revise the overall asset allocation targets relative to financial position and operating trends.
- CORE FIXED INCOME FUND/FEE CHANGES
 - From 10 funds at 33 bps to 1 fund at 10 bps
- RISK ASSET FUND/FEE CHANGES
 - From 8 funds at 56 bps to 7 fund at 22 bps



PCM ETF/Mutual Fund Holdings – Returns Detail

Manager vs Benchmark: Return

April 2013 - March 2015 (not annualized if less than 1 year)

| | 1 quarter | YTD | 1 year | 2 years | Analysis Period |
|--|-----------|--------|--------|---------|-----------------|
| PCM - Total Portfolio | 0.88% | 0.88% | 3.14% | 4.01% | 4.01% |
| -- PCM - Total Portfolio (BM) | 1.26% | 1.26% | 9.09% | 10.32% | 10.32% |
| PCM - Fixed Income | 0.87% | 0.87% | 2.57% | 0.91% | 0.91% |
| -- Barclays Intermediate U.S. Government/Credit | 1.45% | 1.45% | 3.58% | 1.71% | 1.71% |
| PCM - Risk Assets | 0.94% | 0.94% | 4.32% | 10.12% | 10.12% |
| -- S&P 500 | 0.95% | 0.95% | 12.73% | 17.21% | 17.21% |
| Vanguard Short-Term Bond ETF (MKT) | 0.92% | 0.92% | 1.91% | 1.11% | 1.11% |
| -- ML 1-5 Year US Corp/Gov Index | 1.00% | 1.00% | 2.08% | 1.26% | 1.26% |
| Templeton Global Bond Adv | 0.22% | 0.22% | 1.29% | 1.52% | 1.52% |
| -- Citigroup World Government Bond Index | -2.51% | -2.51% | -5.50% | -2.12% | -2.12% |
| Vanguard High-Yield Corporate Adm | 2.03% | 2.03% | 3.94% | 4.78% | 4.78% |
| -- ML BB-B US High Yield Index | 2.68% | 2.68% | 3.16% | 5.03% | 5.03% |
| Vanguard High Dividend Yield Index Inv | -0.27% | -0.27% | 10.93% | 14.68% | 14.68% |
| -- FTSE High Dividend Yield Index | -0.26% | -0.26% | 11.09% | 14.84% | 14.84% |
| Vanguard Dividend Growth Inv | 0.86% | 0.86% | 10.72% | 15.61% | 15.61% |
| -- NASDAQ US Dividend Achievers Select Index | -0.07% | -0.07% | 9.64% | 13.20% | 13.20% |
| Vanguard Mid Cap Index Adm | 4.28% | 4.28% | 14.87% | 19.18% | 19.18% |
| -- CRSP US Mid Cap TR Index | 4.32% | 4.32% | 14.95% | 19.27% | 19.27% |
| Vanguard Small Cap Index Adm | 4.81% | 4.81% | 9.83% | 17.30% | 17.30% |
| -- CRSP US Small Cap TR Index | 4.79% | 4.79% | 9.82% | 17.32% | 17.32% |



Glossary of Terms – Page One

- **Annualized Return:** The annualized return is the geometric mean of the returns with respect to one year.
- **Excess Return:** The difference between the manager return and the benchmark return. A positive excess return implies that the manager outperformed the benchmark.
- **Standard Deviation:** Standard deviation of return measures the average deviations of a return series from its mean, and is often used as a measure of risk. A large standard deviation implies that there have been large swings in the return series of the manager.
- **Skewness:** Skewness characterizes the degree of asymmetry of a distribution around its mean.
 - Positive skewness indicates a distribution with an asymmetric tail extending toward more positive values.
 - Negative skewness indicates a distribution with an asymmetric tail extending toward more negative values.
- **Kurtosis:** Kurtosis characterizes the relative peakedness or flatness of a distribution compared with the normal distribution.
 - Positive kurtosis indicates a relatively peaked distribution.
 - Negative kurtosis indicates a relatively flat distribution.
- **Semi Standard Deviation and Upside Deviation:** The semi standard deviation and upside standard deviation differ from the ordinary standard deviation insofar as the sum is restricted to those returns that are less than the mean (semi standard deviation) or more than the mean (upside deviation).
- **Alpha:** Alpha is the mean of the excess return of the manager over beta times benchmark. Generally, the returns generated by a manager not just attributable to market movement via the benchmark volatility.
- **Beta:** Beta is a measure of systematic risk, or the sensitivity of a manager to movements in the benchmark. A beta of 1 implies that you can expect the movement of a manager's return series to match that of the benchmark used to measure beta.
- **Value at Risk:** Based on a probability distribution, Value at Risk quantifies the expected loss under extreme market conditions. In the context of the Zephyr's classification system, VaR measures tail risk based on the historical profile of the returns being examined.



Glossary of Terms – Page Two

- **Sharpe Ratio:** The Sharpe Ratio of a manager series is the quotient of the annualized excess return of the manager over the cash equivalent and the annualized standard deviation of the manager return. The Sharpe Ratio is a risk-adjusted measure of return which uses standard deviation to represent risk.
- **Information Ratio:** The Information Ratio of a manager series vs. a benchmark series is the quotient of the annualized excess return and the annualized standard deviation of excess return. The Information Ratio measures the consistency with which a manager beats a benchmark.
- **Significance Level:** The significance level of a manager series vs. a benchmark series indicates the level of confidence with which the statement “the manager’s annualized excess return over the benchmark is positive” or “the manager’s annualized excess return over the benchmark is negative,” as the case may be, holds true.
- **Up & Down Capture:** The up and down capture is a measure of how well a manager was able to replicate or improve on phases of positive benchmark returns, and how badly the manager was affected by phases of negative benchmark returns.
- **Batting Average:** The batting average of the manager is the ratio between the number of periods where the manager outperforms a benchmark and the total number of periods.
- **Upside & Downside Deviation (Using MAR):** Here, MAR stands for “minimum acceptable return.” To calculate this, we first determine the sum of the squared distances between the returns and the MAR constant, where the sum is restricted to those returns that are more than MAR (upside deviation) or less than the MAR (downside deviation). Used to test return volatility based on an expected hurdle rate of expected return.
- **Sortino Ratio:** The Sortino Ratio is a modification of the Sharpe ratio but penalizes only those returns falling below a user-specified target, or required rate of return, while the Sharpe ratio penalizes both upside and downside volatility equally. It is thus a measure of risk-adjusted returns that treats risk more realistically than the Sharpe ratio. Thus, the ratio is the actual rate of return in excess of the investor's target rate of return, per unit of downside risk.
- **Pain Index:** The Pain Index is the area enclosed by the drawdown graph and the zero drawdown line, divided by the length of the time interval. The more, the bigger, and more often the icicles, the greater the pain index.
- **Pain Ratio:** The Pain Ratio is a modification of the Sharpe ratio which uses the Pain Index as the measure of risk instead of Standard Deviation.
- **Omega:** The ratio of the likelihood of getting a return over the MAR to the likelihood of getting a return below the MAR. So, in essence, it is a benefit/cost ratio. For a given MAR, higher Omegas are always better, but this can change at different MARs.
- **Gain to Loss Ratio:** The ratio of the average gain in an up period to the average loss in a down period.

