

CITY OF SAN CLEMENTE
INVESTMENT PERFORMANCE REVIEW
PERIOD ENDING: DECEMBER 31, 2013

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SEATTLE, WASHINGTON 98104
(206) 622-3700

2321 ROSECRANS AVENUE, SUITE 2250
EL SEGUNDO, CA 90245
(310) 297-1777

| TOTAL FUND | | | |
|---|---------------------|----------|-----------------------------------|
| Portfolio Reconciliation | | | |
| | <u>Quarter</u> | | <u>FYTD</u> |
| Market Value of Portfolio on: 09/30/13 | \$45,817,106 | 06/30/13 | \$43,460,538 |
| Net Contributions/Withdrawals | \$690,947 | | \$1,015,746 |
| Growth from Investments | | | |
| Investment Income | \$216,525 | | \$269,915 |
| Change in Market Value | <u>\$2,186,284</u> | | <u>\$4,164,664</u> |
| Total Growth from Investments | <u>\$2,402,809</u> | | \$4,434,579 |
| Market Value of Portfolio on: 12/31/13 | | | <u><u>\$48,910,862</u></u> |

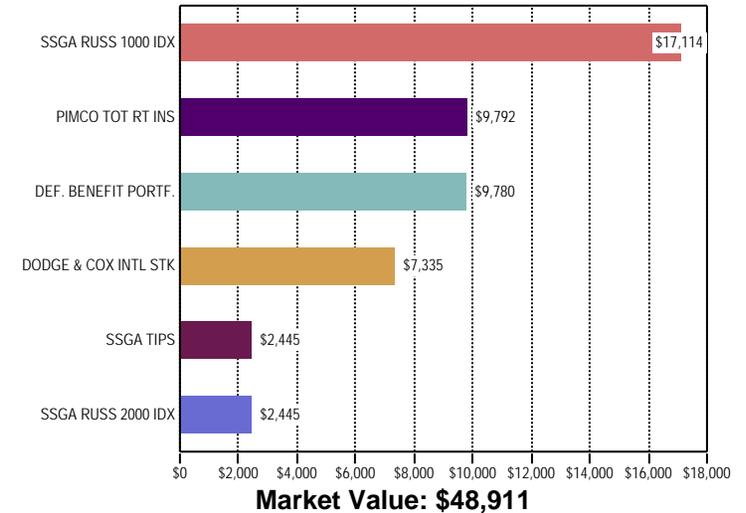
City of San Clemente

Executive Summary - Composite Level

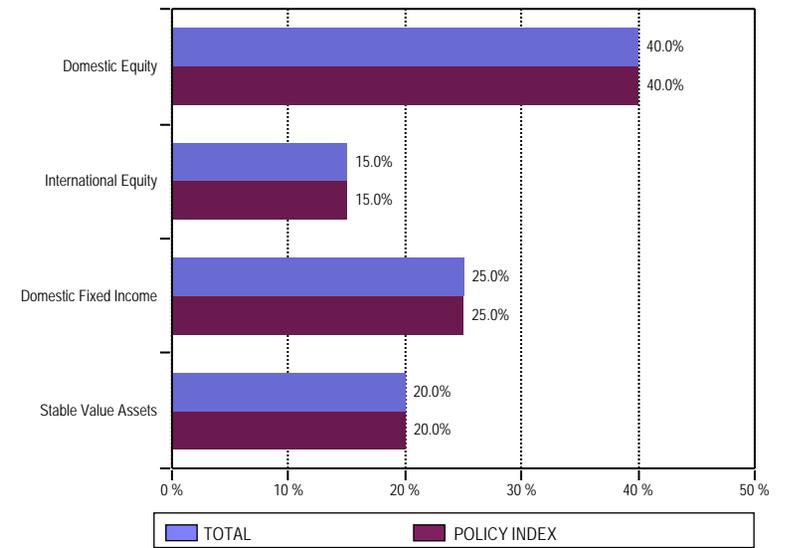
Period Ending: December 31, 2013

| | Market Value | | Quarter | | FYTD | | One Yr | |
|------------------------------|--------------|--------|---------|-----|------|-----|--------|-----|
| | 000,000's | (%) | Rtn | Rnk | Rtn | Rnk | Rtn | Rnk |
| Total | | | | | | | | |
| TOTAL FUND (N) | 48.9 | 100.0% | 5.2 | 68 | 10.1 | 75 | 16.2 | 64 |
| POLICY INDEX | | | 4.8 | 76 | 9.3 | 79 | 15.2 | 72 |
| Domestic Equity | | | | | | | | |
| TOTAL U.S. EQUITY (N) | 19.6 | 40.0% | 10.1 | 45 | 17.2 | 65 | 33.7 | 64 |
| S & P 500 INDEX | | | 10.5 | 36 | 16.3 | 75 | 32.4 | 73 |
| International Equity | | | | | | | | |
| TOTAL INT'L EQUITY (N) | 7.3 | 15.0% | 7.8 | 14 | 19.8 | 16 | 26.3 | 16 |
| MSCI EAFE INDEX | | | 5.7 | 51 | 18.0 | 35 | 23.3 | 25 |
| MSCI ACWI ex. U.S. NET | | | 4.8 | 76 | 15.3 | 71 | 15.3 | 81 |
| Domestic Fixed Income | | | | | | | | |
| TOTAL U.S. FIXED (N) | 12.2 | 25.0% | -0.4 | 82 | 0.6 | 71 | -3.2 | 80 |
| BC AGGREGATE INDEX | | | -0.1 | 78 | 0.4 | 77 | -2.0 | 76 |
| Stable Value Assets | | | | | | | | |
| TOTAL STABLE VALUE (N) | 9.8 | 20.0% | 0.5 | 24 | 1.1 | 24 | 2.0 | 25 |
| 3 YR GIC RETURN | | | 0.3 | 59 | 0.5 | 79 | 1.1 | 56 |

Asset Allocation by Account - (000's)



Asset Allocation vs Policy



City of San Clemente

Investment Manager Performance Data

Period Ending: December 31, 2013

| | Market Value (000's) / (%) | Performance For Periods Ending 12/31/2013 (Returns for periods greater than one year are annualized) | | | | | | | Fiscal Year Returns (for fiscal year ending 6/30) | | | | | |
|--|-------------------------------|--|--------------|--------------|--------------|--------------|-------------|----------------------------|--|--------------|---------------|--------------|--------------|---------------|
| | | Quarter | FYTD | One Yr | Three Yrs | Five Yrs | Ten Yrs | Since Inception Date | 2013 | 2012 | 2011 | 2010 | 2009 | |
| Total | | | | | | | | | | | | | | |
| TOTAL FUND (G) | \$48,911 | 5.3% | 10.2% | 16.5% | 10.0% | 13.0% | 7.3% | | | 12.8% | 2.6% | 19.8% | 13.6% | -10.0% |
| Investment Style:Total | | | | | | | | | | | | | | |
| Benchmark: POLICY INDEX | | 4.8% | 9.3% | 15.2% | 9.1% | 11.2% | 6.5% | | | 10.8% | 2.9% | 18.6% | 10.9% | -12.4% |
| Ranking -Total Funds - Public < \$1B Univ. | | 66th | 73rd | 62nd | 50th | 41st | 21st | | | 43rd | 25th | 62nd | 26th | 13th |
| Domestic Equity Manager | | | | | | | | | | | | | | |
| SSGA RUSS 1000 IDX (N) | \$17,114 (35.0%) | 10.3% | 16.9% | 33.0% | 16.4% | 18.7% | | 18.8% | 8/4/2010 | 21.1% | 4.6% | 32.1% | 15.2% | -26.4% |
| Investment Style:Large Cap Core | | | | | | | | | | | | | | |
| Benchmark: RUSSELL 1000 INDEX | | 10.2% | 16.9% | 33.1% | 16.3% | 18.6% | | 18.7% | | 21.2% | 4.4% | 31.9% | 15.2% | -26.7% |
| Ranking -Equity Style - Large Core Univ. | | 49th | 52nd | 48th | 41st | 31st | | | | 46th | 36th | 25th | 37th | 59th |
| SSGA RUSS 2000 IDX (N) | \$2,445 (5.0%) | 8.8% | 19.9% | 38.9% | 15.7% | 20.2% | | 20.0% | 8/4/2010 | 24.2% | -2.0% | 37.3% | 21.6% | -24.5% |
| Investment Style:Small Cap | | | | | | | | | | | | | | |
| Benchmark: RUSSELL 2000 INDEX | | 8.7% | 19.8% | 38.8% | 15.7% | 20.1% | | 20.0% | | 24.2% | -2.1% | 37.4% | 21.5% | -25.0% |
| Ranking -Equity Style - Small Core Univ. | | 71st | 64th | 60th | 71st | 77th | | | | 59th | 49th | 51st | 73rd | 60th |
| International Equity Manager | | | | | | | | | | | | | | |
| DODGE & COX INTL STK (N) | \$7,335 (15.0%) | 7.8% | 19.8% | 26.3% | 8.7% | 16.6% | 9.8% | 10.6% | 9/30/2010 | 23.5% | -15.7% | 31.4% | 13.2% | -30.0% |
| Investment Style:International Equity | | | | | | | | | | | | | | |
| Benchmark: MSCI EAFE INDEX | | 5.7% | 18.0% | 23.3% | 8.7% | 13.0% | 7.4% | 10.1% | | 19.1% | -13.4% | 30.9% | 6.4% | -31.0% |
| Ranking -Int'l Equity (mf) Univ. | | 14th | 16th | 16th | 25th | 15th | 14th | | | 8th | 71st | 51st | 17th | 32nd |
| Domestic Fixed Income Manager | | | | | | | | | | | | | | |
| PIMCO TOT RT INS (N) | \$9,792 (20.0%) | 0.0% | 1.1% | -1.9% | 4.1% | 6.9% | 6.0% | 3.9% | 8/4/2010 | 1.2% | 7.0% | 5.9% | 13.3% | 9.3% |
| Investment Style:Domestic Fixed Income | | | | | | | | | | | | | | |
| Benchmark: BC AGGREGATE INDEX | | -0.1% | 0.4% | -2.0% | 3.3% | 4.4% | 4.5% | 2.9% | | -0.7% | 7.5% | 3.9% | 9.5% | 6.1% |
| Ranking -Bond Funds (mf) Univ. | | 64th | 32nd | 67th | 25th | 25th | 4th | | | 33rd | 31st | 22nd | 38th | 4th |
| SSGA TIPS (N) | \$2,445 (5.0%) | -2.0% | -1.3% | -8.7% | 3.5% | 5.5% | 4.8% | 3.6% | 8/4/2010 | -4.8% | 11.6% | 7.6% | 9.4% | -1.2% |
| Investment Style:Real Return | | | | | | | | | | | | | | |
| Benchmark: BC US TIPS INDEX | | -2.0% | -1.3% | -8.6% | 3.5% | 5.6% | 4.8% | 3.5% | | -4.8% | 11.7% | 7.7% | 9.5% | -1.1% |
| Ranking -Bond Style - U.S. TIPS (mf) Univ. | | 47th | 48th | 49th | 7th | 21st | 18th | | | 46th | 14th | 24th | 52nd | 27th |

CITY OF SAN CLEMENTE

INVESTMENT MANAGER PERFORMANCE DATA

Period Ending: December 31, 2013

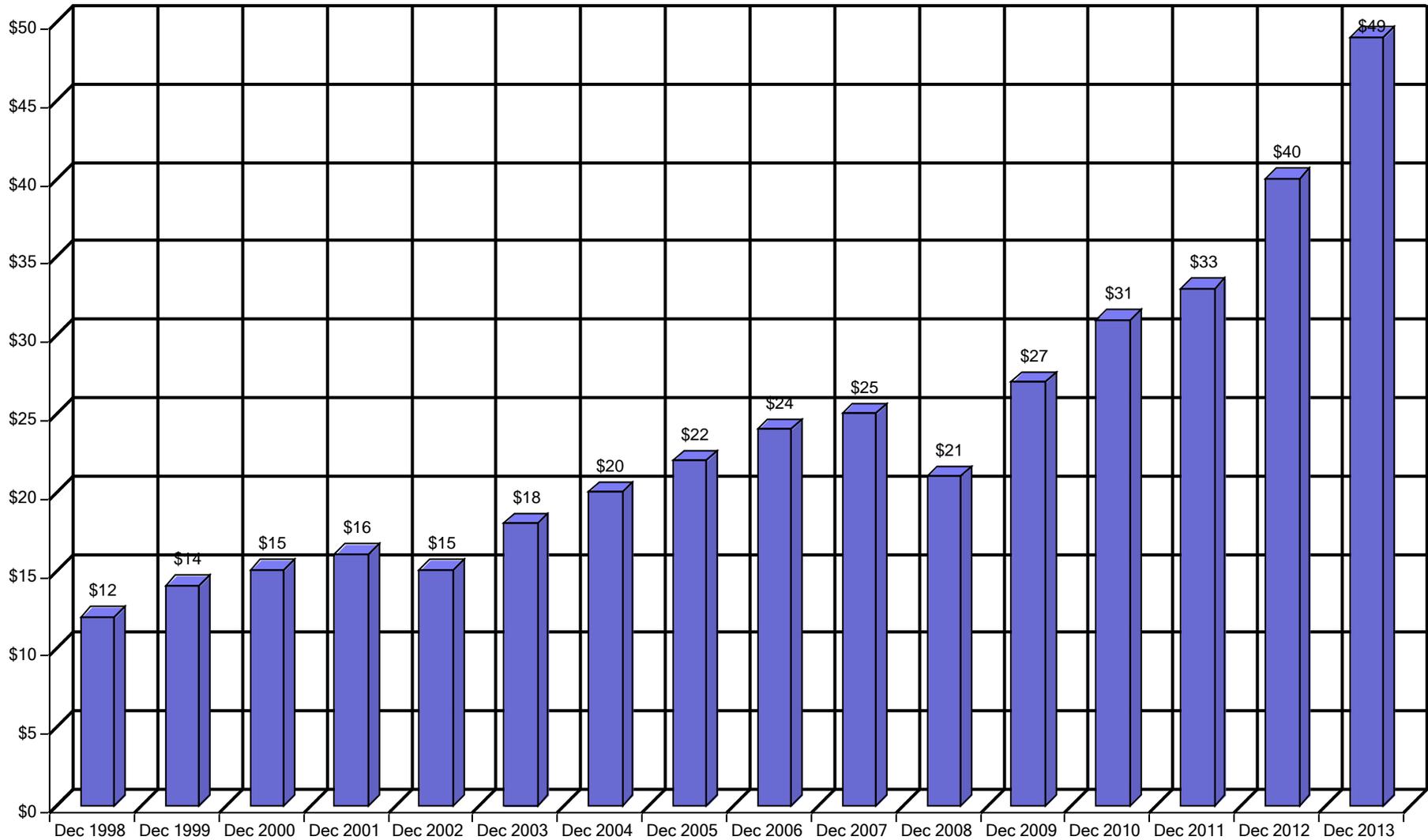
| | Market Value (000's) / (%) | Performance For Periods Ending 12/31/2013 <small>(Returns for periods greater than one year are annualized)</small> | | | | | | | Fiscal Year Returns <small>(for fiscal year ending 6/30)</small> | | | | |
|---------------------------------------|-------------------------------|---|-------------|-------------|--------------|-------------|-------------|----------------------------|---|-------------|-------------|------|------|
| | | Quarter | FYTD | One Yr | Three Yrs | Five Yrs | Ten Yrs | Since Inception Date | 2013 | 2012 | 2011 | 2010 | 2009 |
| Stable Value Assets Manager | | | | | | | | | | | | | |
| DEF. BENEFIT PORTF. (N) | \$9,780 (20.0%) | 0.5% | 1.1% | 2.0% | 2.9% | | 3.0% | 7/31/2010 | 2.5% | 3.1% | 3.5% | | |
| Investment Style: Stable Value Assets | | | | | | | | | | | | | |
| <u>Benchmark:</u> 3 YR GIC RETURN | | 0.3% | 0.5% | 1.1% | 1.7% | | 1.8% | | 1.2% | 1.9% | 3.0% | | |
| Ranking - Stable Value Funds Univ. | | 24th | 24th | 25th | 32nd | | | | 15th | 50th | 35th | | |

CITY OF SAN CLEMENTE

FUND GROWTH

Period Ending: December 31, 2013

GROWTH
(\$ Millions)



CITY OF SAN CLEMENTE

MANAGER SCORECARD FIVE YEARS

Period Ending: December 31, 2013

| Manager | Return | Index Return | Standard Deviation | Alpha | Beta | Rsqr | Up Market Capture | Down Market Capture | Batting Average | Information Ratio |
|------------------------------|--------|--------------|--------------------|-------|------|------|-------------------|---------------------|-----------------|-------------------|
| Domestic Equity | | | | | | | | | | |
| SSGA RUSS 1000 IDX (N) | 18.7% | 18.6% | 18.0 | 0.05 | 1.0 | 1.00 | 101% | 100% | 450 | 0.32 |
| SSGA RUSS 2000 IDX (N) | 20.2% | 20.1% | 22.3 | 0.08 | 1.0 | 1.00 | 100% | 100% | 600 | 0.77 |
| International Equity | | | | | | | | | | |
| DODGE & COX INTL STK (N) | 16.6% | 13.0% | 25.6 | 1.85 | 1.2 | 0.98 | 128% | 102% | 600 | 0.76 |
| Domestic Fixed Income | | | | | | | | | | |
| PIMCO TOT RT INS (N) | 6.9% | 4.4% | 4.3 | 3.00 | 0.9 | 0.42 | 155% | 103% | 800 | 0.75 |
| SSGA TIPS (N) | 5.5% | 5.6% | 5.4 | -0.11 | 1.0 | 1.00 | 99% | 101% | 50 | -2.69 |

CITY OF SAN CLEMENTE

INVESTMENT FUND FEE ANALYSIS

Period Ending: December 31, 2013

| Fund Name | Investment Category | Assets as of 12/31/2013 | Ticker | Expense Ratio | Est. Annual Expense |
|----------------------|-----------------------------------|------------------------------------|---------------|--------------------------|--------------------------------|
| SSGA RUSS 1000 IDX | Domestic Equity Large Cap Core | \$17,114,407 | Commingled | 0.05% | \$8,557 |
| SSGA RUSS 2000 IDX | Domestic Equity Small Cap | \$2,444,915 | Commingled | 0.06% | \$1,467 |
| DODGE & COX INTL STK | International Equity | \$7,334,746 | DODFX | 0.64% | \$46,942 |
| PIMCO TOT RT INS | Domestic Fixed Income | \$9,792,218 | PTTRX | 0.46% | \$45,044 |
| SSGA TIPS | Domestic Fixed Income Real Return | \$2,444,915 | Commingled | 0.07% | \$1,711 |
| DEF. BENEFIT PORTF. | Stable Value Assets | \$9,779,661 | Commingled | 0.00% | \$0 |
| Total | | \$48,910,862 | | 0.21% | \$103,722 |

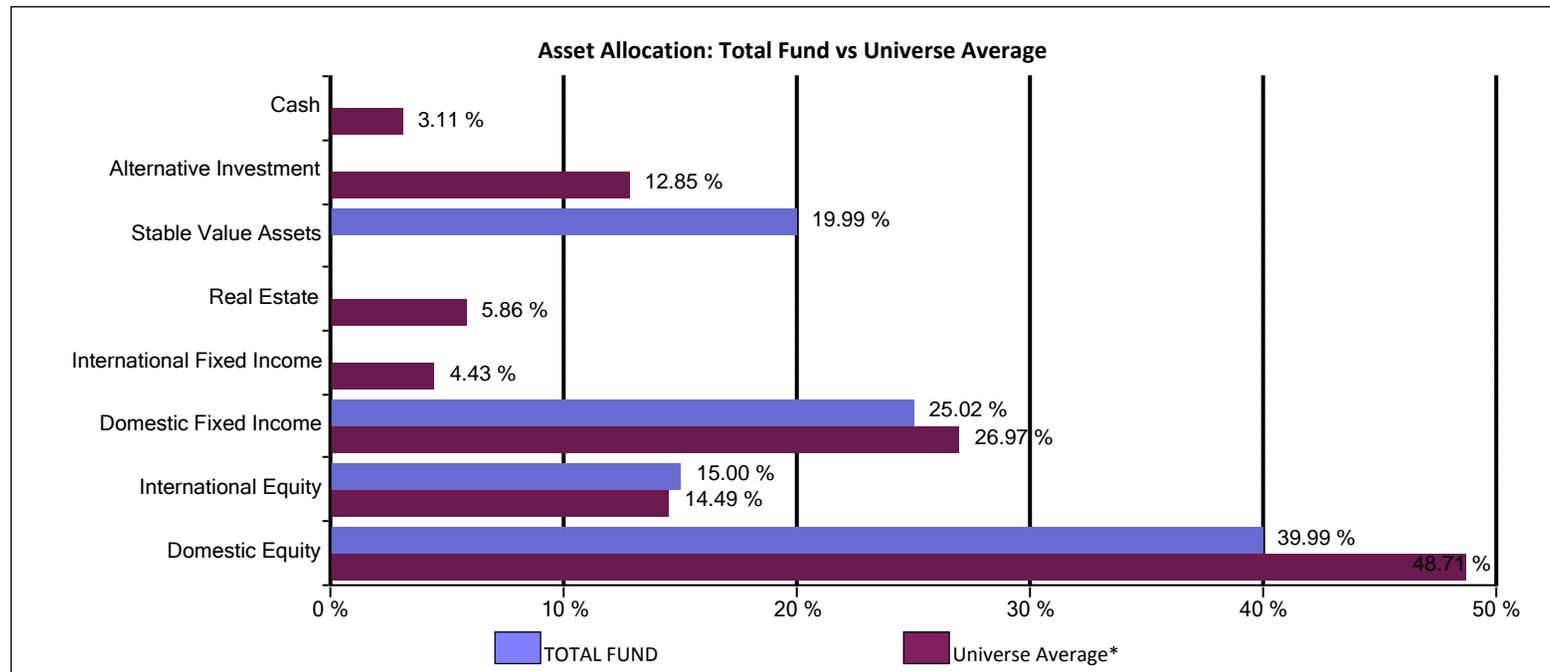
CITY OF SAN CLEMENTE

UNIVERSE EXPLANATORY NOTES

Period Ending: December 31, 2013

Universes are used to benchmark the performance of a fund against a group of similar institutional plans. For Total Fund Plans, the universes are comprised of similar plan types. BNY Mellon is the leading provider of peer universe data, allowing a comparison of performance and asset allocation. The BNY U.S. Trust Universes are comprised of approximately 700 plans with \$2 Trillion in assets. Your plan is ranked against the BNY Mellon Total Funds - Public Funds less than \$1B Universe. The universe rankings may not be appropriate for your plan depending on total plan size, plan goals, risk tolerance and individual asset allocation.

| Total Funds - Public < \$1B | | | | |
|---------------------------------------|----|-------------|-----------------------|----|
| Total Observations | | 32 | Plans < \$200M | 11 |
| Average Account Size | \$ | 392,246,719 | Plans \$201M - \$400M | 8 |
| Median Account Size | \$ | 342,652,291 | Plans \$401M - \$600M | 4 |
| Min. Account Size | \$ | 4,858,372 | Plans \$601M - \$800M | 6 |
| Max. Account Size | \$ | 985,948,363 | Plans > \$800M | 3 |

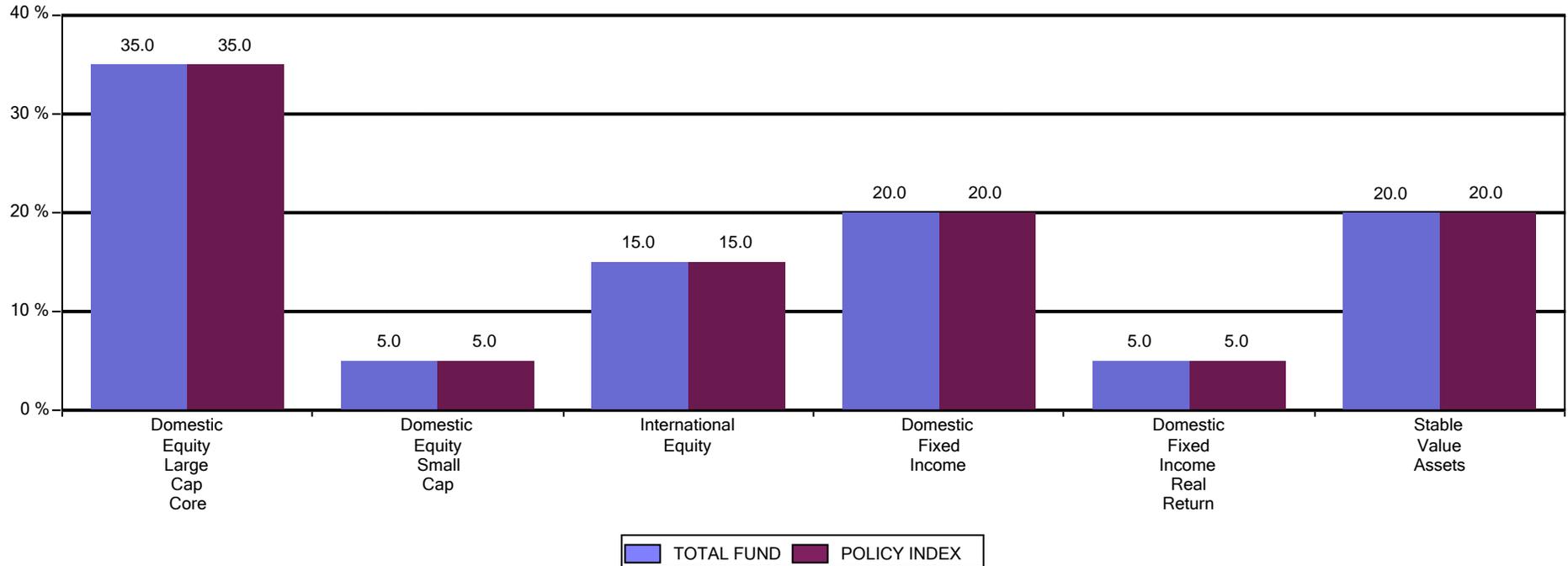


* The universe average was calculated based on the average in each individual asset class and may not add up to 100%.

CITY OF SAN CLEMENTE

ASSET STYLE ALLOCATON: TOTAL FUND VS POLICY

Period Ending: December 31, 2013



TOTAL FUND

| Segment | Market Value | Allocation |
|-----------------------------------|---------------|----------------|
| Domestic Equity Large Cap Core | 17,114 | 34.99% |
| Domestic Equity Small Cap | 2,445 | 5.00% |
| International Equity | 7,335 | 15.00% |
| Domestic Fixed Income | 9,792 | 20.02% |
| Domestic Fixed Income Real Return | 2,445 | 5.00% |
| Stable Value Assets | 9,780 | 19.99% |
| Total: | 48,911 | 100.00% |

Difference

| Segment | Market Value | Allocation |
|-----------------------------------|--------------|------------|
| Domestic Equity Large Cap Core | -4 | -0.01% |
| Domestic Equity Small Cap | -1 | 0.00% |
| International Equity | -2 | 0.00% |
| Domestic Fixed Income | 10 | 0.02% |
| Domestic Fixed Income Real Return | -1 | 0.00% |
| Stable Value Assets | -3 | -0.01% |

POLICY INDEX

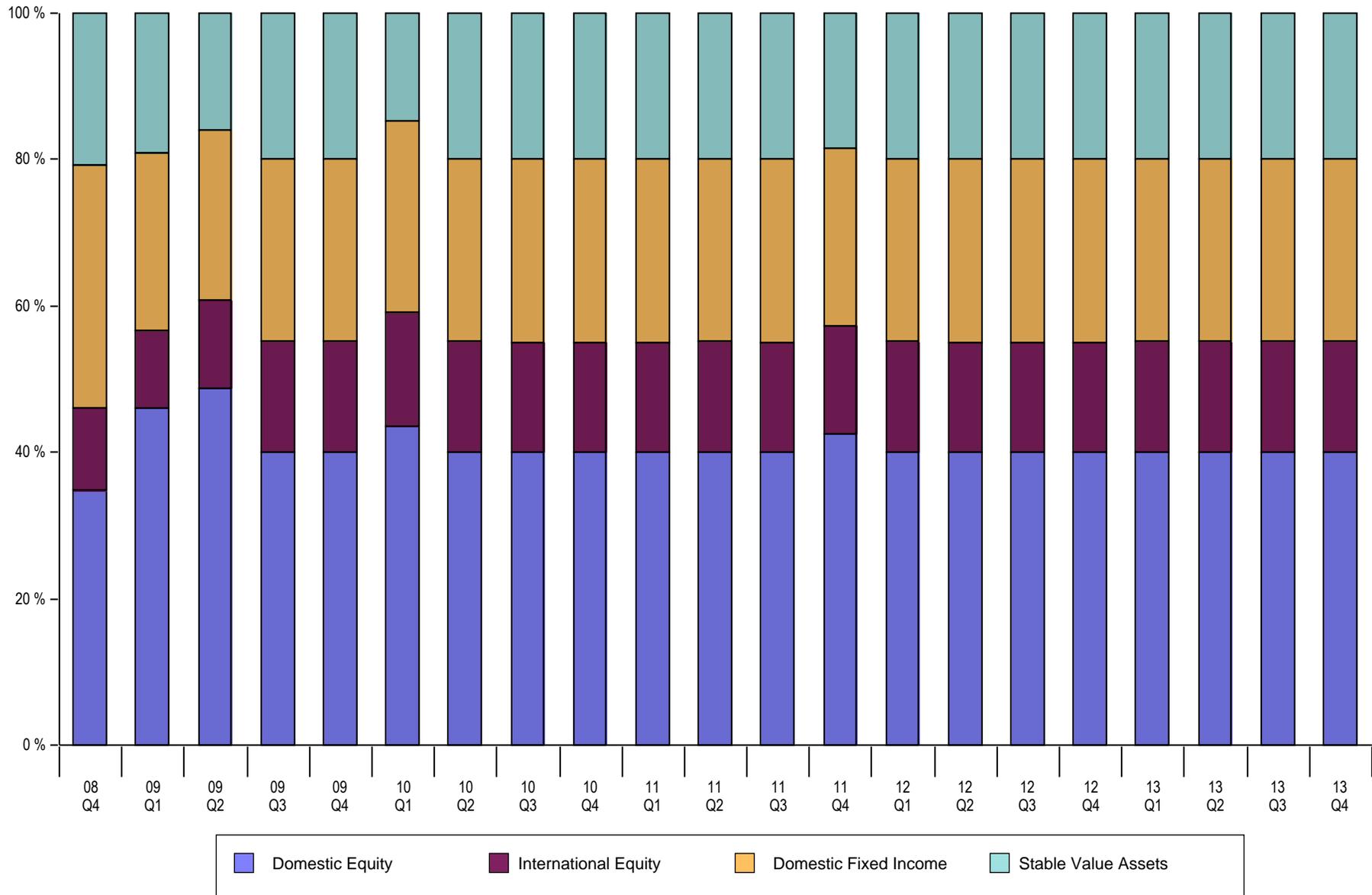
| Segment | Rebalanced Value | Allocation |
|-----------------------------------|------------------|----------------|
| Domestic Equity Large Cap Core | 17,119 | 35.00% |
| Domestic Equity Small Cap | 2,446 | 5.00% |
| International Equity | 7,337 | 15.00% |
| Domestic Fixed Income | 9,782 | 20.00% |
| Domestic Fixed Income Real Return | 2,446 | 5.00% |
| Stable Value Assets | 9,782 | 20.00% |
| Total: | 48,911 | 100.00% |

Note: All values are expressed in thousands.

CITY OF SAN CLEMENTE

ASSET ALLOCATION HISTORY CHART

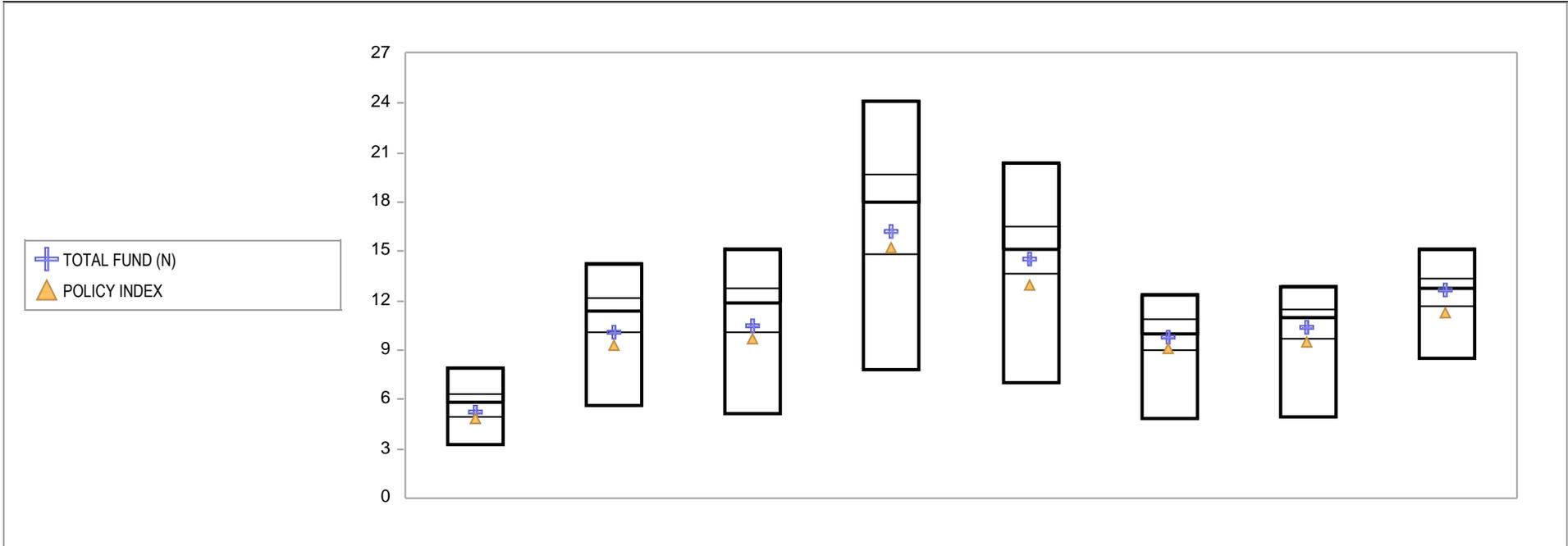
Period Ending: December 31, 2013



CITY OF SAN CLEMENTE

CUMULATIVE PERFORMANCE COMPARISONS

Period Ending: December 31, 2013

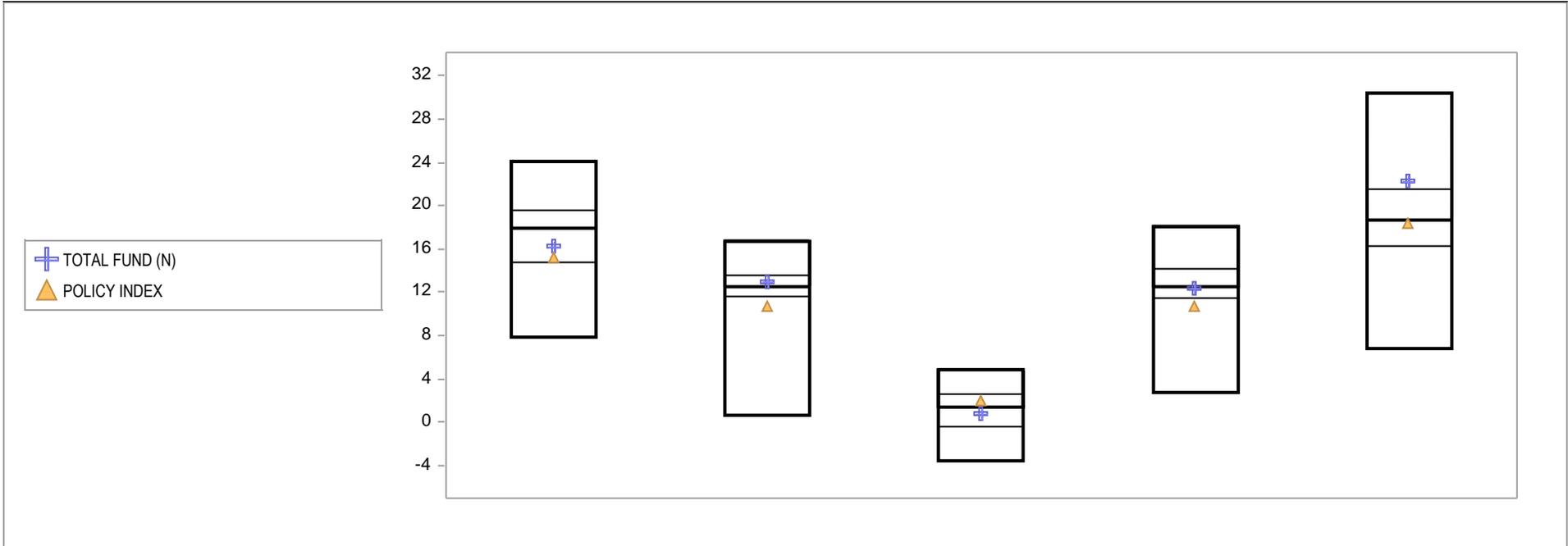


| | Last Quarter | | Two Quarters | | Three Quarters | | One Year | | Two Years | | Three Years | | Four Years | | Five Years | |
|-----------------------------|--------------|------|--------------|------|----------------|------|----------|------|-----------|------|-------------|------|------------|------|------------|------|
| | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank |
| Total Funds - Public < \$1B | | | | | | | | | | | | | | | | |
| 5th Percentile | 8.0 | | 14.2 | | 15.1 | | 24.1 | | 20.4 | | 12.4 | | 12.8 | | 15.1 | |
| 25th Percentile | 6.4 | | 12.2 | | 12.8 | | 19.6 | | 16.5 | | 10.9 | | 11.5 | | 13.4 | |
| 50th Percentile | 5.9 | | 11.4 | | 11.9 | | 18.0 | | 15.1 | | 10.0 | | 11.0 | | 12.7 | |
| 75th Percentile | 4.9 | | 10.1 | | 10.0 | | 14.8 | | 13.6 | | 9.0 | | 9.7 | | 11.7 | |
| 95th Percentile | 3.2 | | 5.7 | | 5.2 | | 7.8 | | 7.0 | | 4.8 | | 5.0 | | 8.5 | |
| TOTAL FUND (N) | 5.2 | 68 | 10.1 | 75 | 10.5 | 69 | 16.2 | 64 | 14.6 | 59 | 9.8 | 55 | 10.4 | 61 | 12.7 | 51 |
| POLICY INDEX | 4.8 | 76 | 9.3 | 79 | 9.7 | 77 | 15.2 | 72 | 12.9 | 77 | 9.1 | 71 | 9.5 | 76 | 11.2 | 78 |

CITY OF SAN CLEMENTE

CONSECUTIVE PERFORMANCE COMPARISONS

Period Ending: December 31, 2013

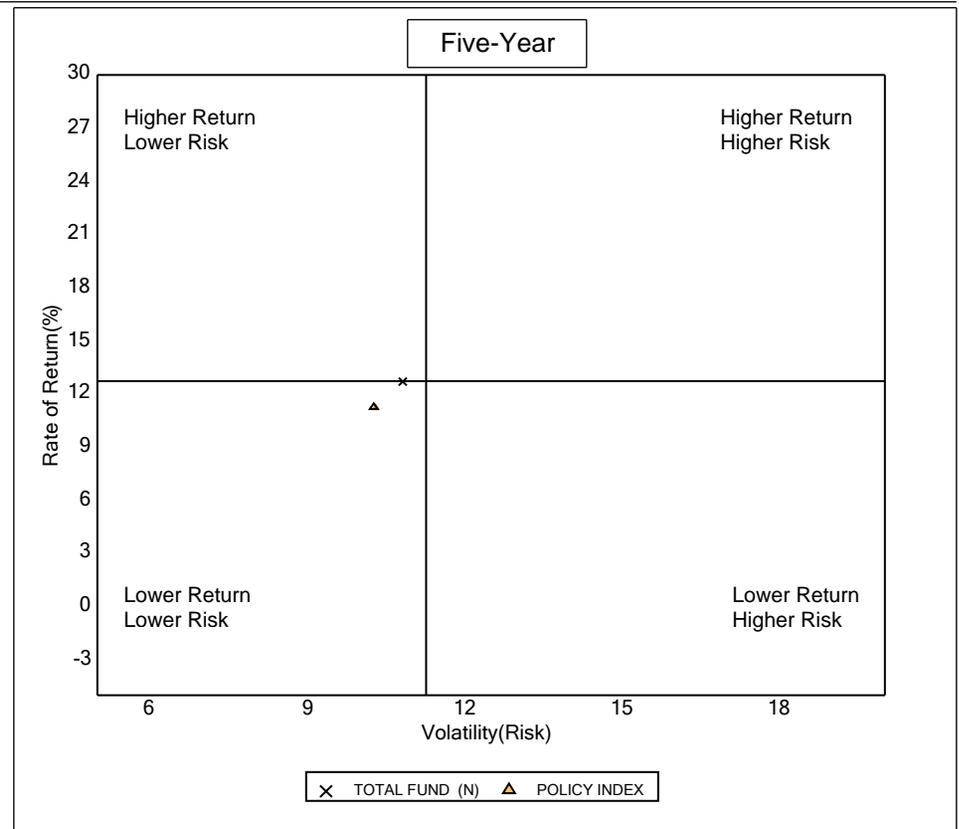
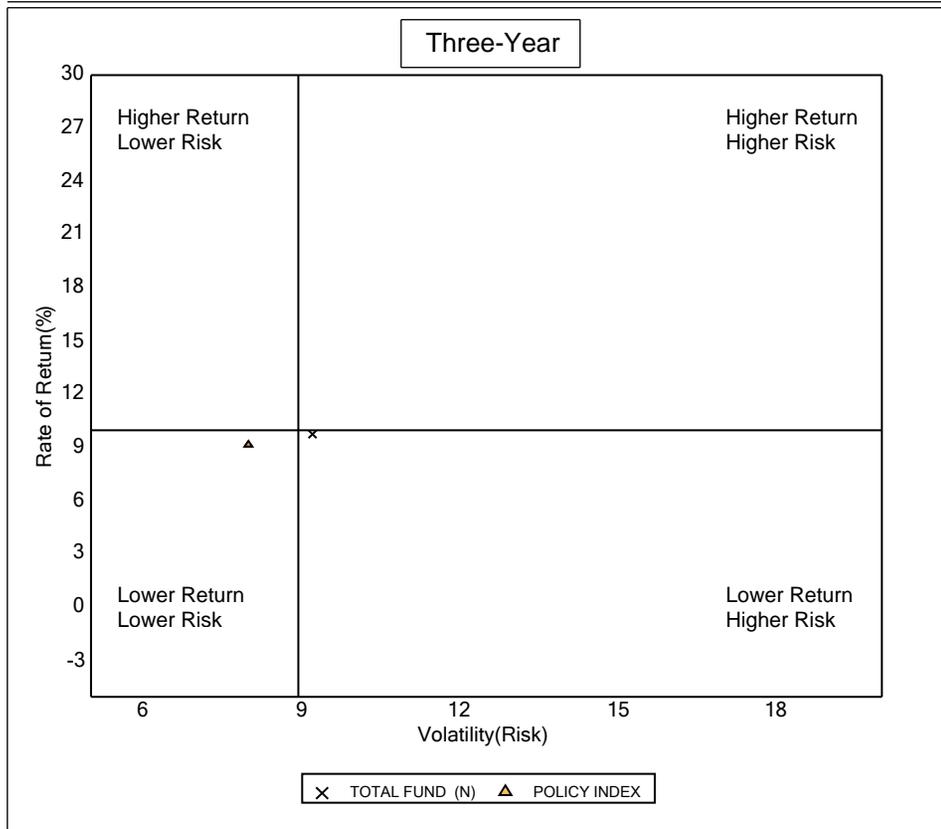


| Total Funds - Public < \$1B | December 2013 | | December 2012 | | December 2011 | | December 2010 | | December 2009 | |
|-----------------------------|---------------|------|---------------|------|---------------|------|---------------|------|---------------|------|
| | Return | Rank |
| 5th Percentile | 24.1 | | 16.8 | | 4.9 | | 18.1 | | 30.4 | |
| 25th Percentile | 19.6 | | 13.5 | | 2.6 | | 14.2 | | 21.6 | |
| 50th Percentile | 18.0 | | 12.5 | | 1.4 | | 12.6 | | 18.7 | |
| 75th Percentile | 14.8 | | 11.6 | | -0.4 | | 11.5 | | 16.3 | |
| 95th Percentile | 7.8 | | 0.6 | | -3.6 | | 2.7 | | 6.8 | |
| TOTAL FUND (N) | 16.2 | 64 | 12.9 | 39 | 0.8 | 58 | 12.4 | 55 | 22.3 | 23 |
| POLICY INDEX | 15.2 | 72 | 10.7 | 77 | 2.0 | 38 | 10.7 | 77 | 18.4 | 54 |

CITY OF SAN CLEMENTE

RISK VS RETURN THREE & FIVE YEAR

Period Ending: December 31, 2013



Three Year Return vs Risk

| Annualized Return % | Standard Deviation % | Sharpe Ratio |
|---------------------|----------------------|--------------|
| 9.8 | 9.2 | 1.1 |
| 9.1 | 8.0 | 1.1 |
| 10.0 | 8.9 | 1.1 |

Category

| |
|---|
| TOTAL FUND (N) |
| POLICY INDEX |
| Total Funds - Public < \$1B Universe Median |

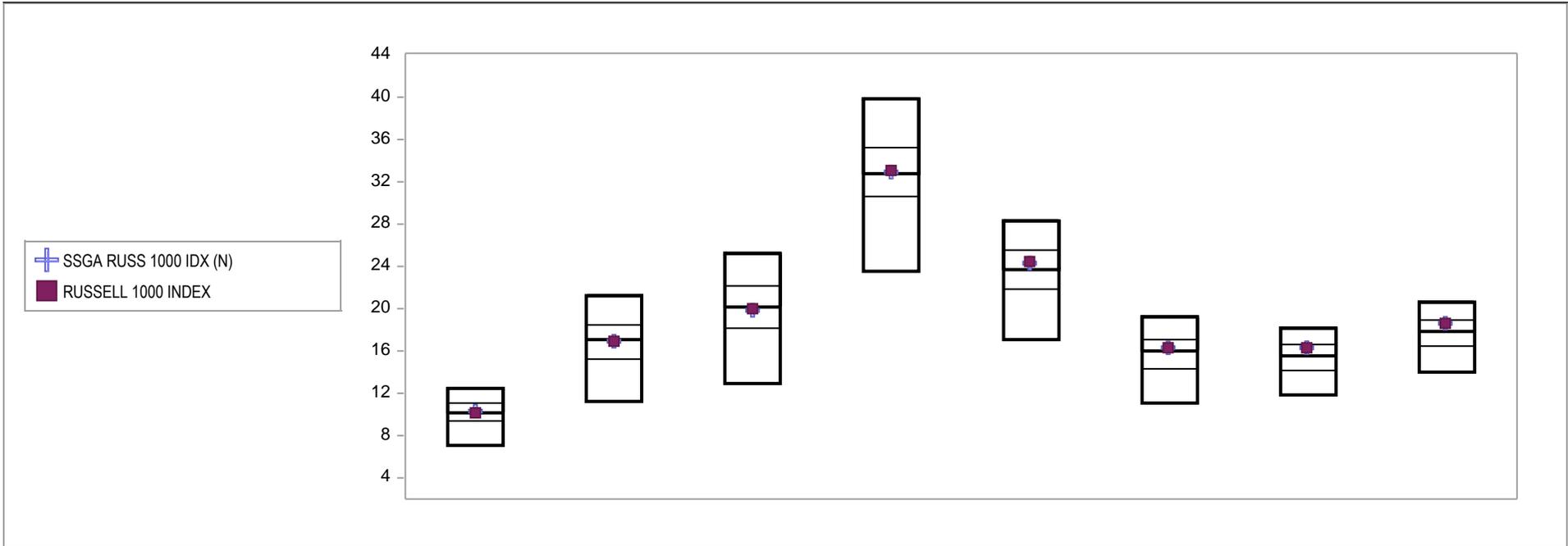
Five Year Return vs Risk

| Annualized Return % | Standard Deviation % | Sharpe Ratio |
|---------------------|----------------------|--------------|
| 12.7 | 10.8 | 1.2 |
| 11.2 | 10.3 | 1.1 |
| 12.7 | 11.3 | 1.1 |

CITY OF SAN CLEMENTE

CUMULATIVE PERFORMANCE COMPARISONS

Period Ending: December 31, 2013

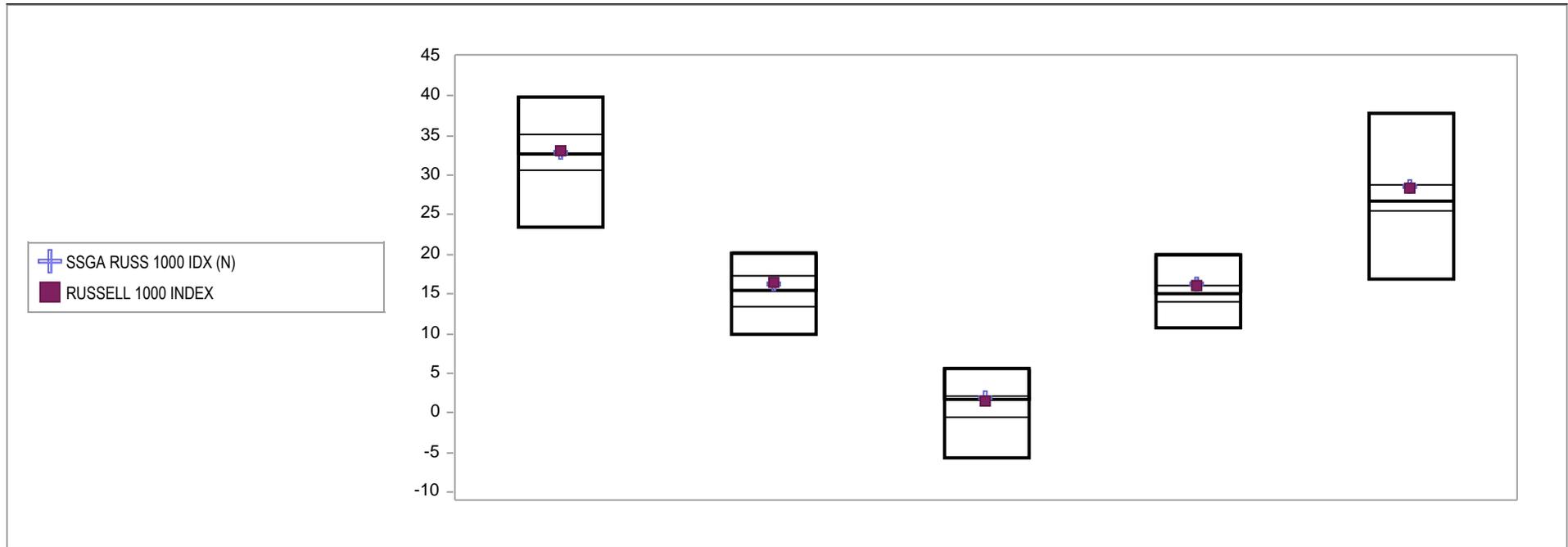


| Equity Style - Large Core | Last Quarter | | Two Quarters | | Three Quarters | | One Year | | Two Years | | Three Years | | Four Years | | Five Years | |
|---------------------------|--------------|------|--------------|------|----------------|------|----------|------|-----------|------|-------------|------|------------|------|------------|------|
| | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank |
| 5th Percentile | 12.5 | | 21.2 | | 25.2 | | 39.9 | | 28.3 | | 19.2 | | 18.2 | | 20.7 | |
| 25th Percentile | 11.1 | | 18.5 | | 22.2 | | 35.2 | | 25.6 | | 17.2 | | 16.7 | | 18.9 | |
| 50th Percentile | 10.2 | | 17.0 | | 20.2 | | 32.8 | | 23.7 | | 15.9 | | 15.5 | | 17.8 | |
| 75th Percentile | 9.4 | | 15.3 | | 18.2 | | 30.5 | | 21.8 | | 14.3 | | 14.2 | | 16.5 | |
| 95th Percentile | 7.1 | | 11.2 | | 12.9 | | 23.5 | | 17.0 | | 11.1 | | 11.9 | | 13.9 | |
| SSGA RUSS 1000 IDX (N) | 10.3 | 49 | 16.9 | 52 | 19.9 | 53 | 33.0 | 48 | 24.4 | 41 | 16.4 | 41 | 16.3 | 33 | 18.7 | 31 |
| RUSSELL 1000 INDEX | 10.2 | 50 | 16.9 | 52 | 20.0 | 53 | 33.1 | 46 | 24.5 | 39 | 16.3 | 43 | 16.2 | 35 | 18.6 | 33 |

CITY OF SAN CLEMENTE

CONSECUTIVE PERFORMANCE COMPARISONS

Period Ending: December 31, 2013



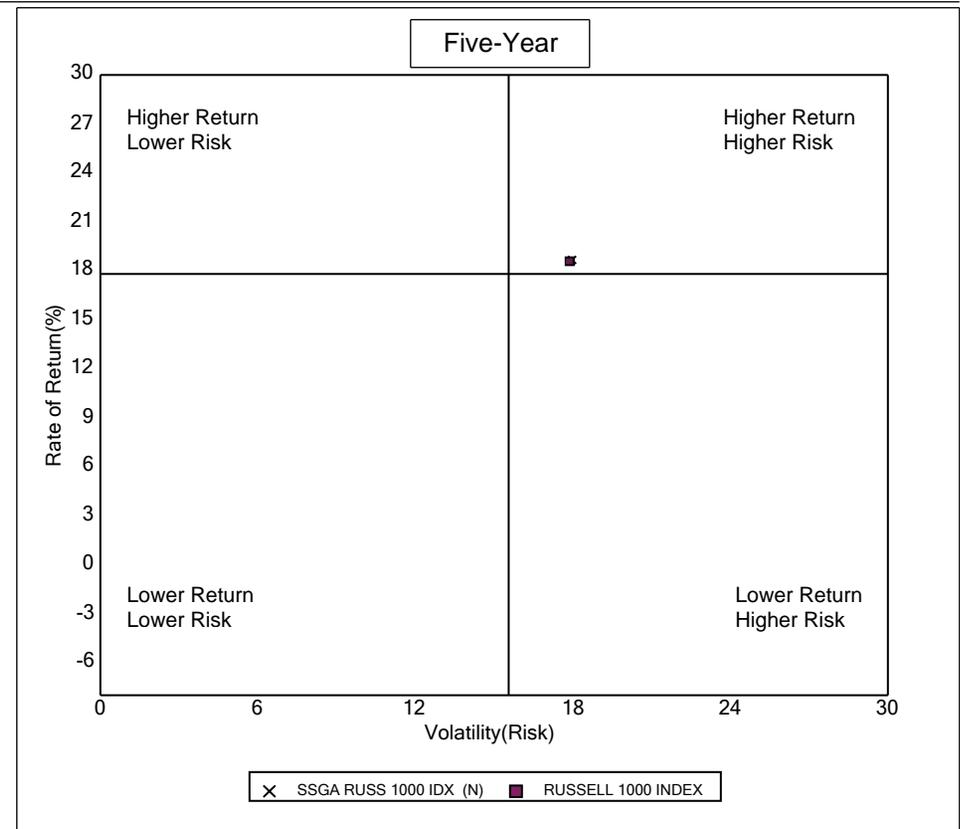
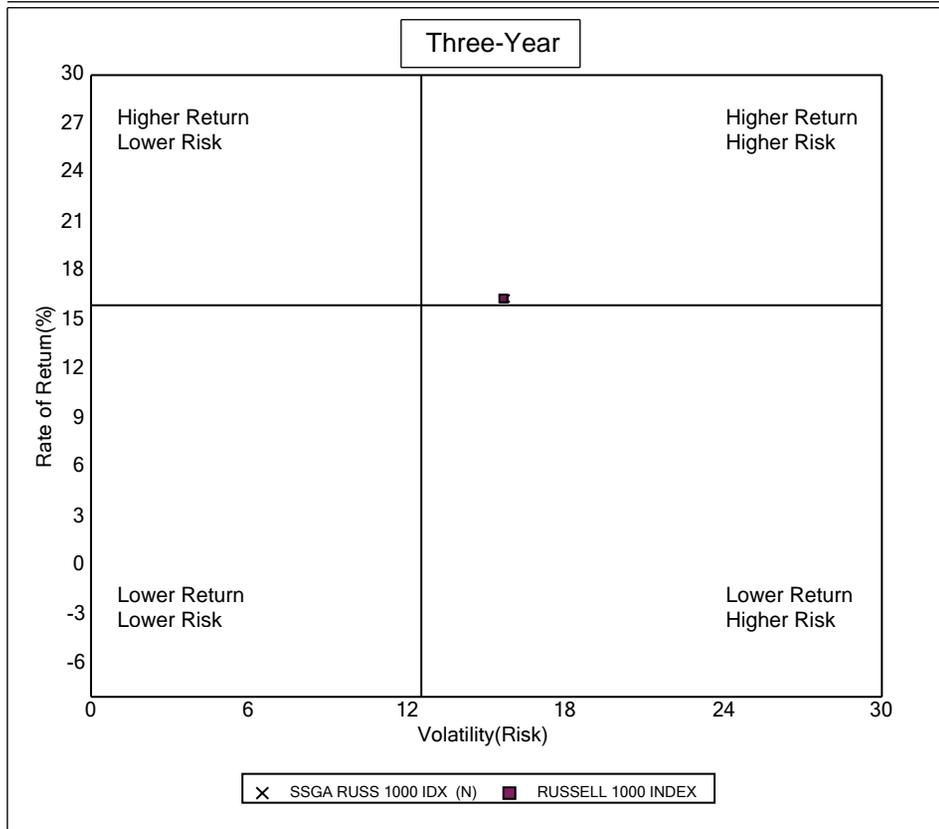
Equity Style - Large Core

| | December 2013 Return Rank | December 2012 Return Rank | December 2011 Return Rank | December 2010 Return Rank | December 2009 Return Rank |
|------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| 5th Percentile | 39.9 | 20.1 | 5.6 | 19.9 | 37.9 |
| 25th Percentile | 35.2 | 17.3 | 2.2 | 16.2 | 28.9 |
| 50th Percentile | 32.8 | 15.5 | 1.7 | 15.1 | 26.7 |
| 75th Percentile | 30.5 | 13.3 | -0.4 | 14.1 | 25.5 |
| 95th Percentile | 23.5 | 9.9 | -5.7 | 10.7 | 17.0 |
| SSGA RUSS 1000 IDX (N) | 33.0 48 | 16.3 39 | 1.9 43 | 16.3 24 | 28.5 29 |
| RUSSELL 1000 INDEX | 33.1 46 | 16.4 37 | 1.5 52 | 16.1 27 | 28.4 30 |

CITY OF SAN CLEMENTE

RISK VS RETURN THREE & FIVE YEAR

Period Ending: December 31, 2013



Three Year Return vs Risk

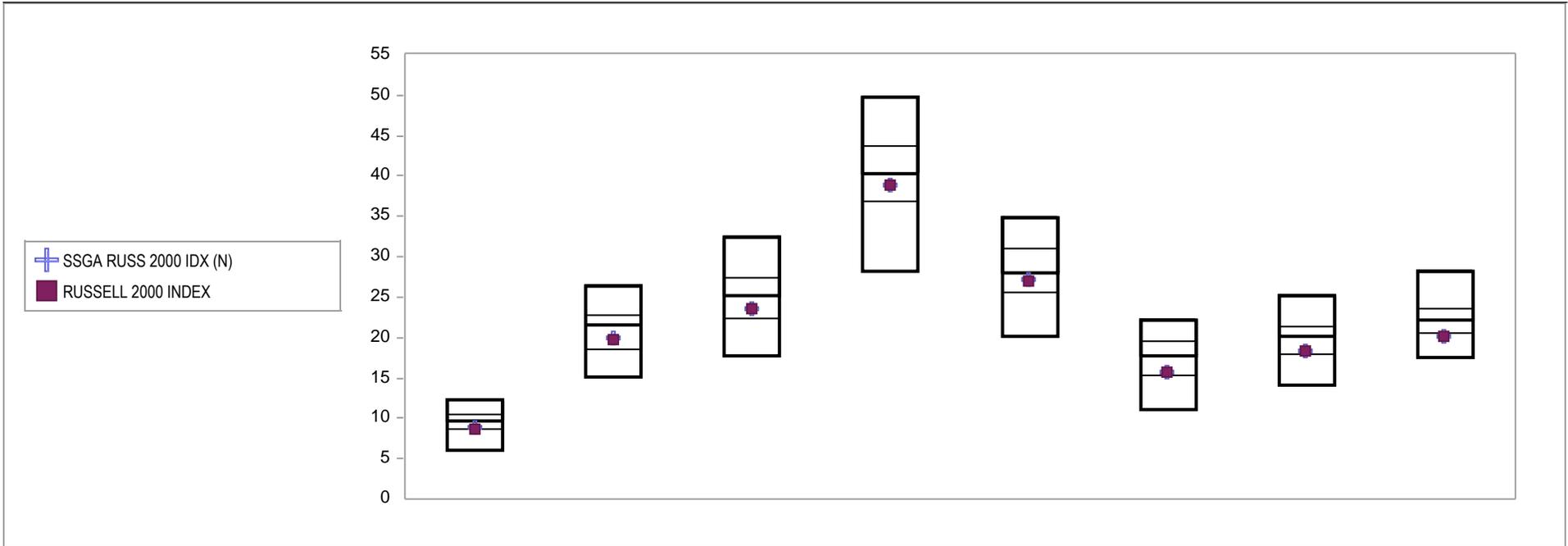
Five Year Return vs Risk

| Three Year Return vs Risk | | | Category | Five Year Return vs Risk | | |
|---------------------------|----------------------|--------------|---|--------------------------|----------------------|--------------|
| Annualized Return % | Standard Deviation % | Sharpe Ratio | | Annualized Return % | Standard Deviation % | Sharpe Ratio |
| 16.4 | 15.7 | 1.0 | SSGA RUSS 1000 IDX (N) | 18.7 | 18.0 | 1.0 |
| 15.9 | 12.5 | 1.3 | Equity Style - Large Core Universe Median | 17.8 | 15.6 | 1.1 |
| 16.3 | 15.7 | 1.0 | RUSSELL 1000 INDEX | 18.6 | 17.9 | 1.0 |

CITY OF SAN CLEMENTE

CUMULATIVE PERFORMANCE COMPARISONS

Period Ending: December 31, 2013

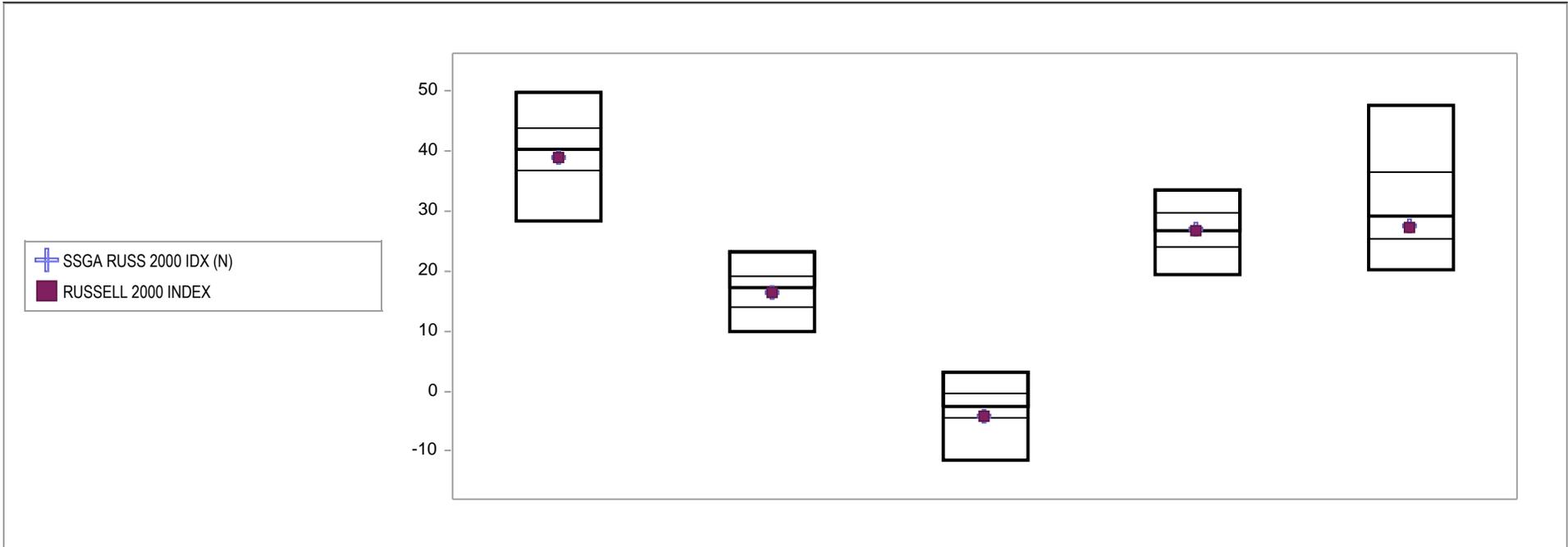


| Equity Style - Small Core | Last Quarter | | Two Quarters | | Three Quarters | | One Year | | Two Years | | Three Years | | Four Years | | Five Years | |
|---------------------------|--------------|------|--------------|------|----------------|------|----------|------|-----------|------|-------------|------|------------|------|------------|------|
| | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank |
| 5th Percentile | 12.4 | | 26.5 | | 32.4 | | 49.8 | | 34.8 | | 22.1 | | 25.3 | | 28.2 | |
| 25th Percentile | 10.6 | | 22.7 | | 27.5 | | 43.7 | | 31.1 | | 19.6 | | 21.4 | | 23.6 | |
| 50th Percentile | 9.7 | | 21.6 | | 25.2 | | 40.4 | | 28.0 | | 17.7 | | 20.1 | | 22.1 | |
| 75th Percentile | 8.6 | | 18.6 | | 22.3 | | 36.8 | | 25.7 | | 15.4 | | 18.0 | | 20.5 | |
| 95th Percentile | 6.1 | | 15.2 | | 17.7 | | 28.2 | | 20.1 | | 11.1 | | 14.1 | | 17.6 | |
| SSGA RUSS 2000 IDX (N) | 8.8 | 71 | 19.9 | 64 | 23.6 | 64 | 38.9 | 60 | 27.1 | 59 | 15.7 | 71 | 18.4 | 70 | 20.2 | 77 |
| RUSSELL 2000 INDEX | 8.7 | 73 | 19.8 | 64 | 23.5 | 64 | 38.8 | 61 | 27.1 | 60 | 15.7 | 72 | 18.4 | 71 | 20.1 | 78 |

CITY OF SAN CLEMENTE

CONSECUTIVE PERFORMANCE COMPARISONS

Period Ending: December 31, 2013

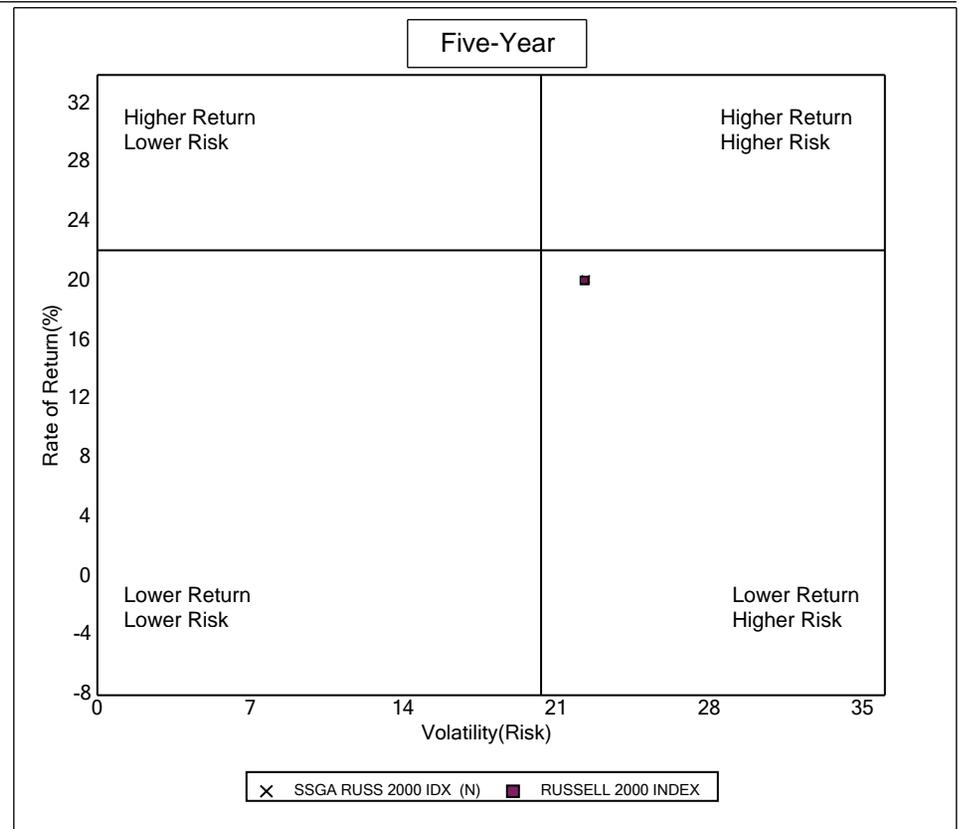
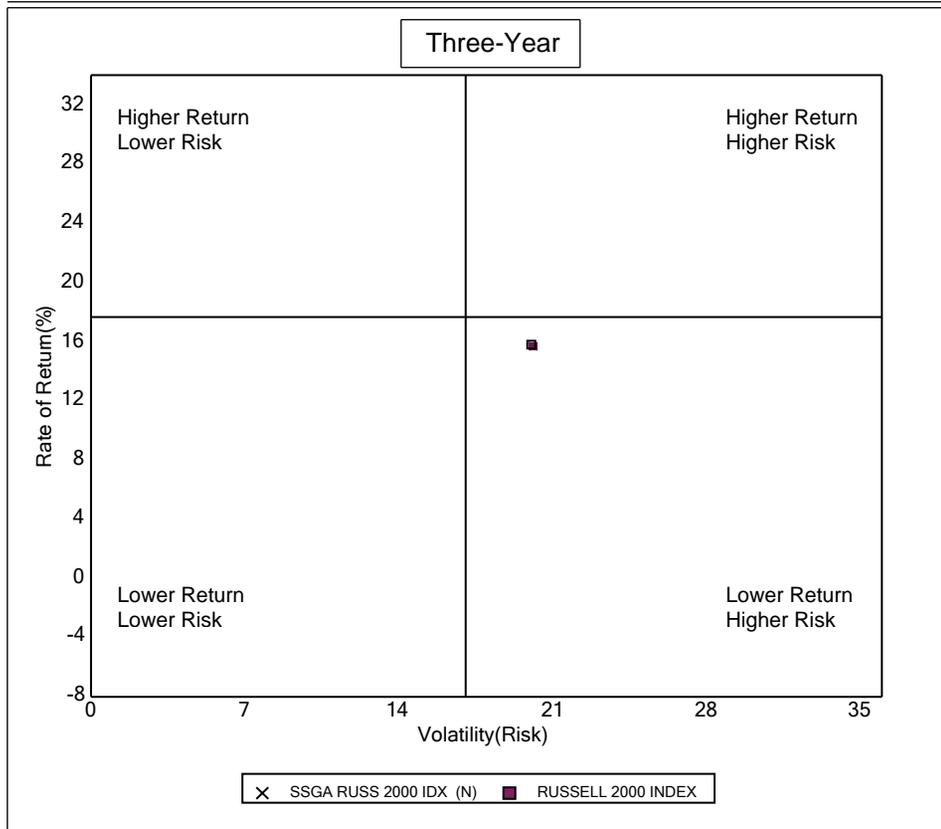


| Equity Style - Small Core | December 2013 Return Rank | | December 2012 Return Rank | | December 2011 Return Rank | | December 2010 Return Rank | | December 2009 Return Rank | |
|---------------------------|------------------------------|----|------------------------------|----|------------------------------|----|------------------------------|----|------------------------------|----|
| 5th Percentile | 49.8 | | 23.1 | | 3.1 | | 33.4 | | 47.6 | |
| 25th Percentile | 43.7 | | 19.2 | | -0.4 | | 29.6 | | 36.5 | |
| 50th Percentile | 40.4 | | 17.1 | | -2.7 | | 26.8 | | 29.3 | |
| 75th Percentile | 36.8 | | 14.0 | | -4.4 | | 24.0 | | 25.4 | |
| 95th Percentile | 28.2 | | 9.8 | | -11.6 | | 19.5 | | 20.1 | |
| SSGA RUSS 2000 IDX (N) | 38.9 | 60 | 16.3 | 56 | -4.2 | 72 | 26.9 | 49 | 27.5 | 61 |
| RUSSELL 2000 INDEX | 38.8 | 61 | 16.3 | 56 | -4.2 | 72 | 26.9 | 49 | 27.2 | 64 |

CITY OF SAN CLEMENTE

RISK VS RETURN THREE & FIVE YEAR

Period Ending: December 31, 2013



Three Year Return vs Risk

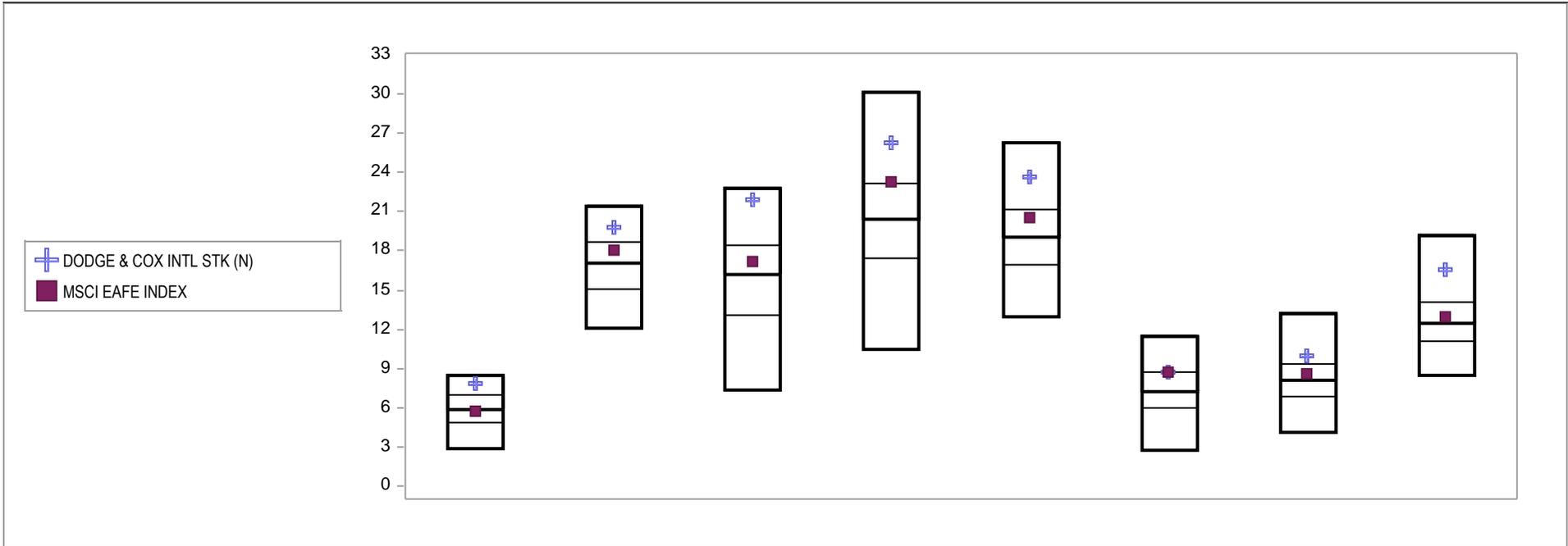
Five Year Return vs Risk

| Three Year Return vs Risk | | | Category | Five Year Return vs Risk | | |
|---------------------------|----------------------|--------------|---|--------------------------|----------------------|--------------|
| Annualized Return % | Standard Deviation % | Sharpe Ratio | | Annualized Return % | Standard Deviation % | Sharpe Ratio |
| 15.7 | 20.1 | 0.8 | SSGA RUSS 2000 IDX (N) | 20.2 | 22.3 | 0.9 |
| 17.7 | 17.1 | 1.0 | Equity Style - Small Core Universe Median | 22.1 | 20.3 | 1.1 |
| 15.7 | 20.1 | 0.8 | RUSSELL 2000 INDEX | 20.1 | 22.3 | 0.9 |

CITY OF SAN CLEMENTE

CUMULATIVE PERFORMANCE COMPARISONS

Period Ending: December 31, 2013

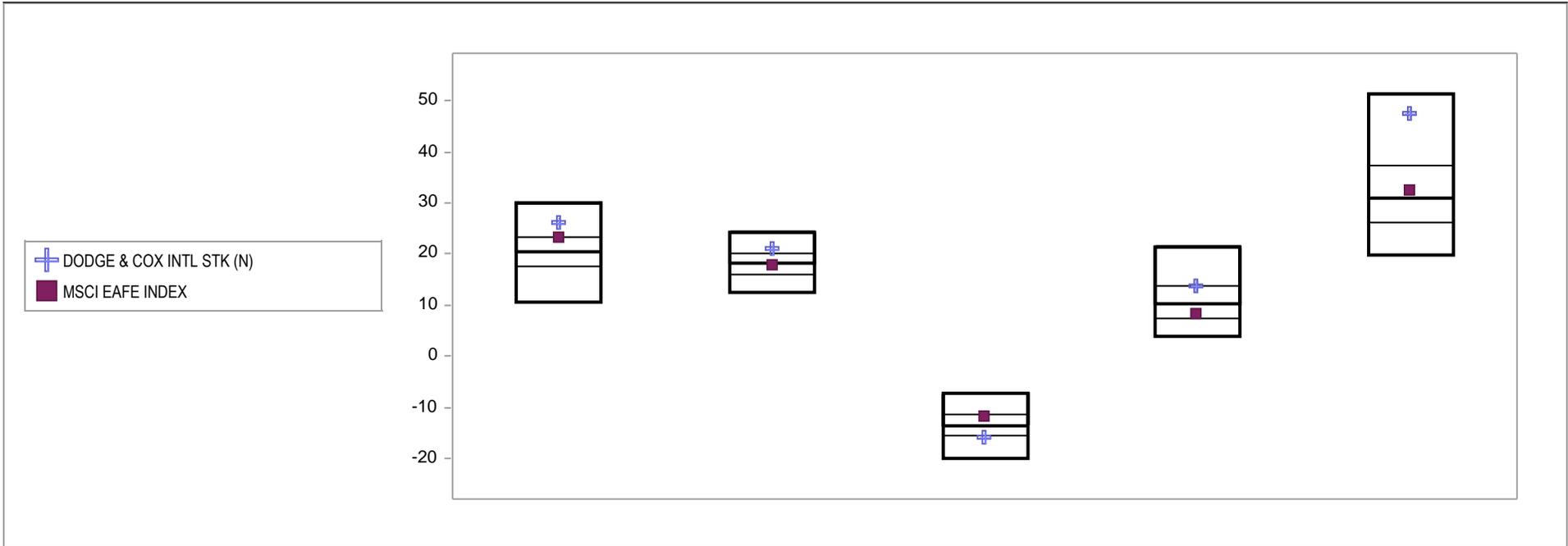


| Int'l Equity (mf) | Last Quarter | | Two Quarters | | Three Quarters | | One Year | | Two Years | | Three Years | | Four Years | | Five Years | |
|--------------------------|--------------|------|--------------|------|----------------|------|----------|------|-----------|------|-------------|------|------------|------|------------|------|
| | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank |
| 5th Percentile | 8.5 | | 21.4 | | 22.7 | | 30.1 | | 26.3 | | 11.4 | | 13.2 | | 19.2 | |
| 25th Percentile | 7.0 | | 18.6 | | 18.4 | | 23.2 | | 21.2 | | 8.7 | | 9.4 | | 14.1 | |
| 50th Percentile | 5.8 | | 17.0 | | 16.2 | | 20.4 | | 19.0 | | 7.2 | | 8.0 | | 12.4 | |
| 75th Percentile | 4.9 | | 15.0 | | 13.1 | | 17.5 | | 16.9 | | 5.9 | | 6.9 | | 11.1 | |
| 95th Percentile | 2.9 | | 12.1 | | 7.4 | | 10.5 | | 13.0 | | 2.7 | | 4.1 | | 8.5 | |
| DODGE & COX INTL STK (N) | 7.8 | 14 | 19.8 | 16 | 21.9 | 9 | 26.3 | 16 | 23.6 | 15 | 8.7 | 25 | 9.9 | 22 | 16.6 | 15 |
| MSCI EAFE INDEX | 5.7 | 51 | 18.0 | 35 | 17.2 | 39 | 23.3 | 25 | 20.6 | 32 | 8.7 | 26 | 8.5 | 40 | 13.0 | 42 |

CITY OF SAN CLEMENTE

CONSECUTIVE PERFORMANCE COMPARISONS

Period Ending: December 31, 2013

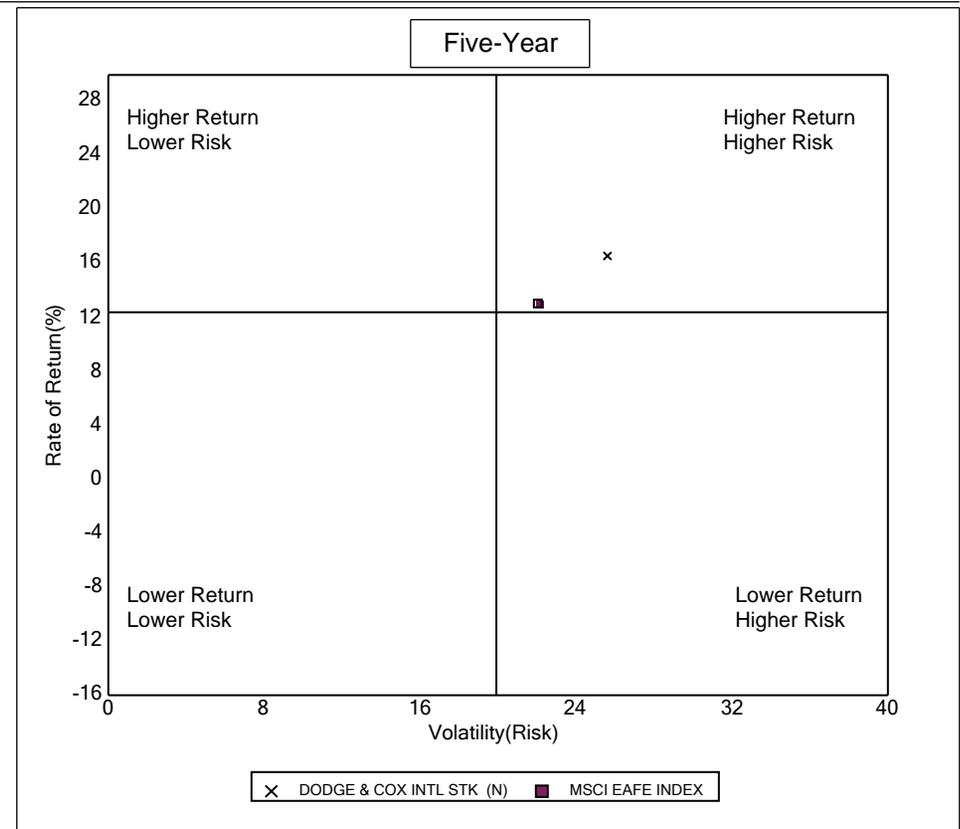
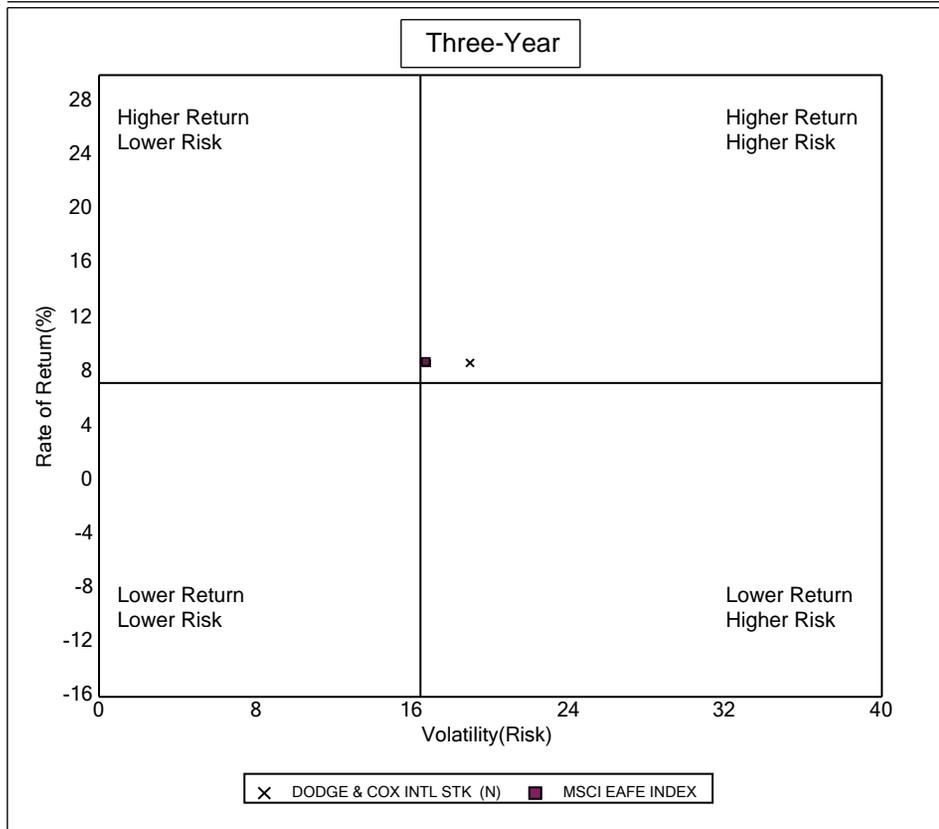


| Int'l Equity (mf) | December 2013 | | December 2012 | | December 2011 | | December 2010 | | December 2009 | |
|--------------------------|---------------|------|---------------|------|---------------|------|---------------|------|---------------|------|
| | Return | Rank |
| 5th Percentile | 30.1 | | 24.3 | | -7.3 | | 21.5 | | 51.4 | |
| 25th Percentile | 23.2 | | 20.2 | | -11.5 | | 13.7 | | 37.3 | |
| 50th Percentile | 20.4 | | 18.3 | | -13.6 | | 10.1 | | 30.8 | |
| 75th Percentile | 17.5 | | 16.0 | | -15.6 | | 7.3 | | 26.3 | |
| 95th Percentile | 10.5 | | 12.6 | | -20.1 | | 3.8 | | 19.8 | |
| DODGE & COX INTL STK (N) | 26.3 | 16 | 21.0 | 21 | -16.0 | 77 | 13.7 | 25 | 47.5 | 11 |
| MSCI EAFE INDEX | 23.3 | 25 | 17.9 | 54 | -11.7 | 28 | 8.2 | 67 | 32.5 | 44 |

CITY OF SAN CLEMENTE

RISK VS RETURN THREE & FIVE YEAR

Period Ending: December 31, 2013



Three Year Return vs Risk

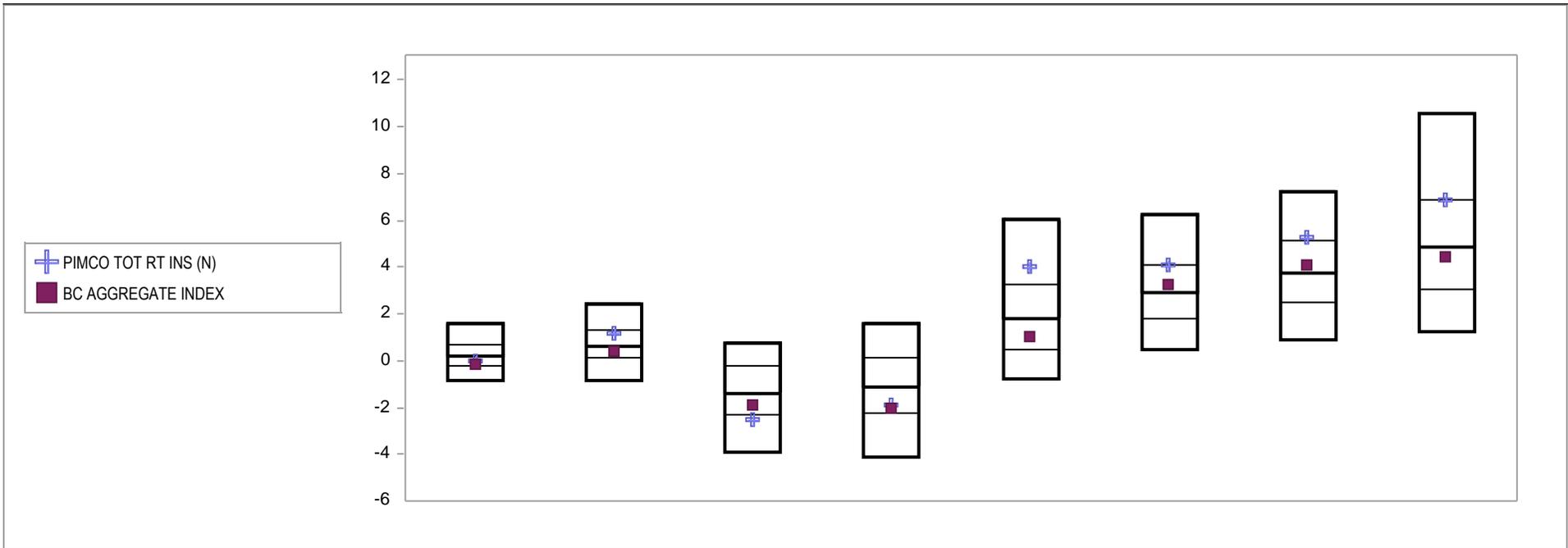
Five Year Return vs Risk

| Annualized Return % | Standard Deviation % | Sharpe Ratio | Category | Annualized Return % | Standard Deviation % | Sharpe Ratio |
|---------------------|----------------------|--------------|-----------------------------------|---------------------|----------------------|--------------|
| 8.7 | 19.0 | 0.5 | DODGE & COX INTL STK (N) | 16.6 | 25.6 | 0.6 |
| 7.2 | 16.4 | 0.4 | Int'l Equity (mf) Universe Median | 12.4 | 19.9 | 0.6 |
| 8.7 | 16.7 | 0.5 | MSCI EAFE INDEX | 13.0 | 22.1 | 0.6 |

CITY OF SAN CLEMENTE

CUMULATIVE PERFORMANCE COMPARISONS

Period Ending: December 31, 2013

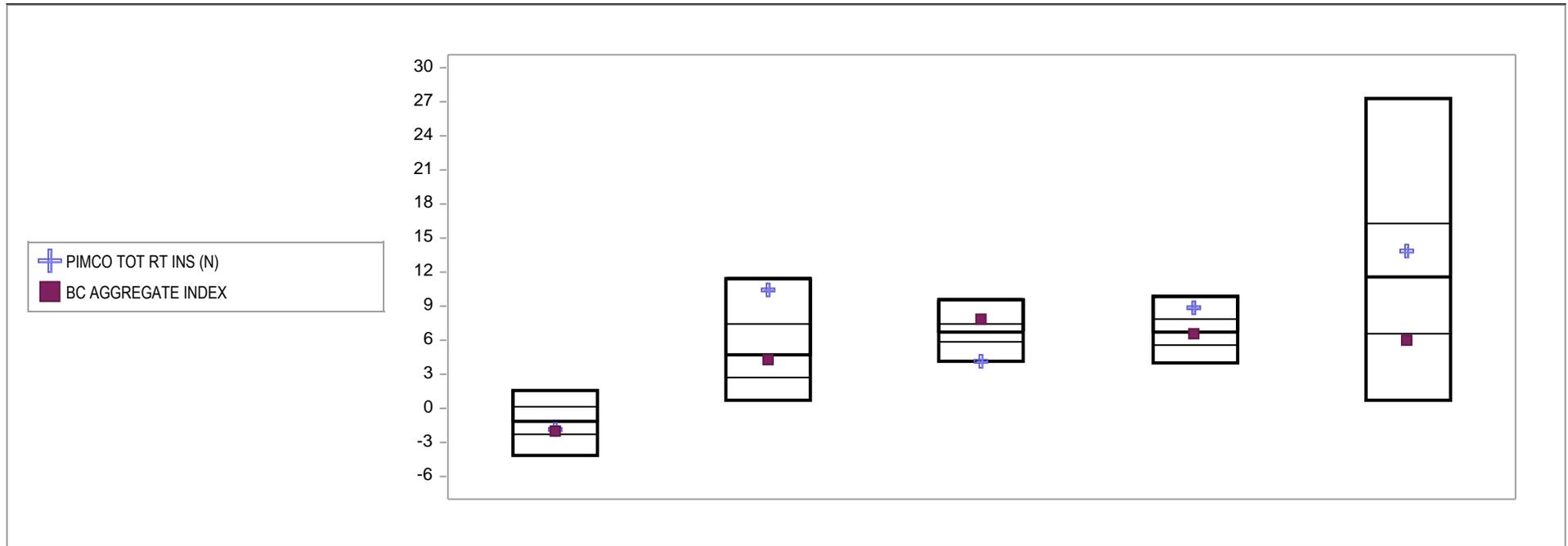


| Bond Funds (mf) | Last Quarter | | Two Quarters | | Three Quarters | | One Year | | Two Years | | Three Years | | Four Years | | Five Years | |
|----------------------|--------------|------|--------------|------|----------------|------|----------|------|-----------|------|-------------|------|------------|------|------------|------|
| | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank |
| 5th Percentile | 1.6 | | 2.4 | | 0.8 | | 1.6 | | 6.0 | | 6.3 | | 7.2 | | 10.6 | |
| 25th Percentile | 0.7 | | 1.3 | | -0.2 | | 0.1 | | 3.2 | | 4.1 | | 5.1 | | 6.9 | |
| 50th Percentile | 0.2 | | 0.6 | | -1.4 | | -1.2 | | 1.8 | | 2.9 | | 3.8 | | 4.9 | |
| 75th Percentile | -0.2 | | 0.1 | | -2.3 | | -2.3 | | 0.5 | | 1.8 | | 2.5 | | 3.1 | |
| 95th Percentile | -0.9 | | -0.8 | | -3.9 | | -4.1 | | -0.8 | | 0.5 | | 0.9 | | 1.3 | |
| PIMCO TOT RT INS (N) | 0.0 | 64 | 1.1 | 32 | -2.5 | 77 | -1.9 | 67 | 4.0 | 19 | 4.1 | 25 | 5.2 | 24 | 6.9 | 25 |
| BC AGGREGATE INDEX | -0.1 | 70 | 0.4 | 60 | -1.9 | 64 | -2.0 | 70 | 1.0 | 65 | 3.3 | 42 | 4.1 | 44 | 4.4 | 56 |

CITY OF SAN CLEMENTE

CONSECUTIVE PERFORMANCE COMPARISONS

Period Ending: December 31, 2013

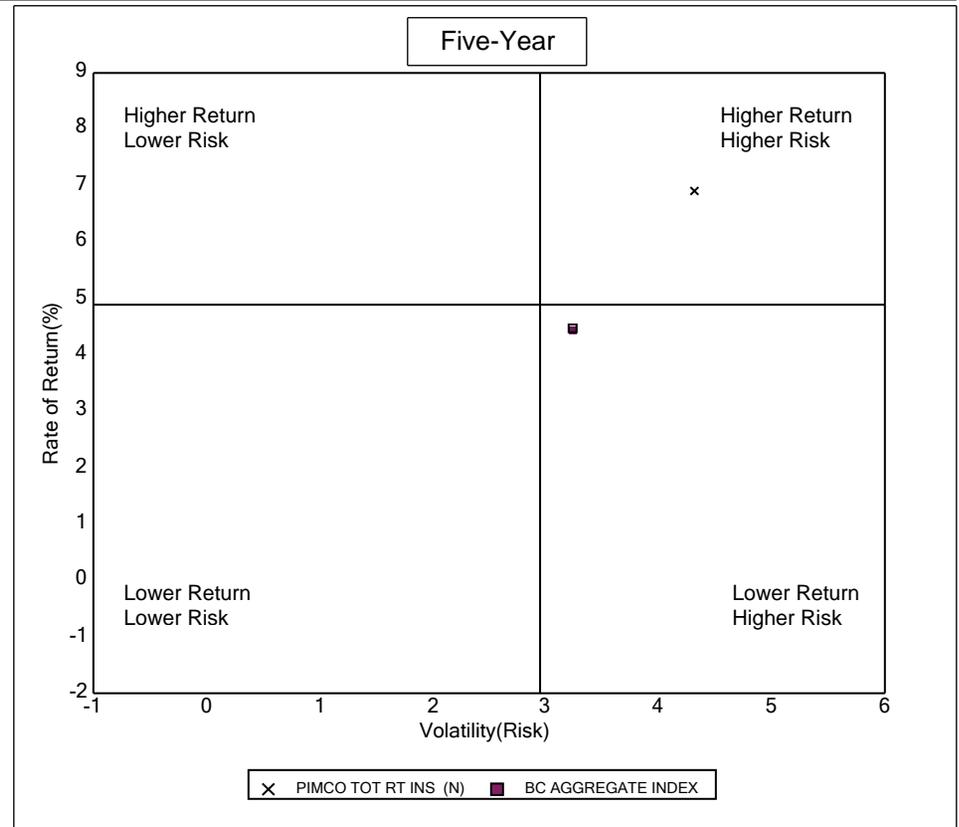
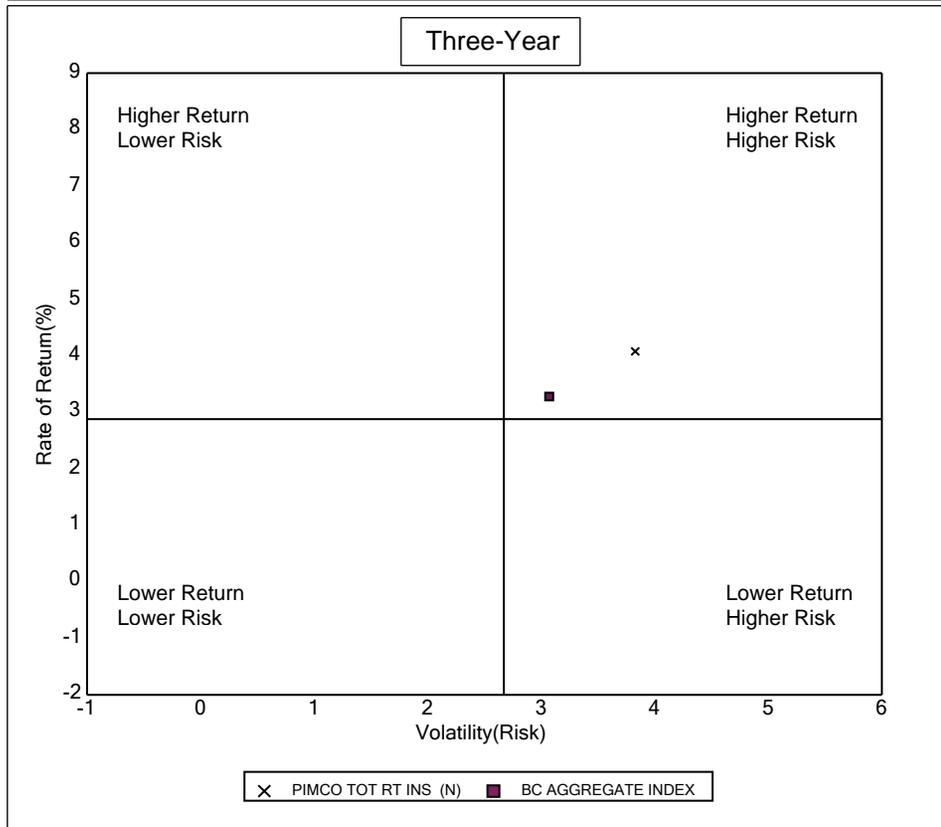


| Bond Funds (mf) | December 2013 Return Rank | December 2012 Return Rank | December 2011 Return Rank | December 2010 Return Rank | December 2009 Return Rank |
|----------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| 5th Percentile | 1.6 | 11.5 | 9.6 | 9.9 | 27.3 |
| 25th Percentile | 0.1 | 7.4 | 7.4 | 7.9 | 16.3 |
| 50th Percentile | -1.2 | 4.7 | 6.7 | 6.8 | 11.6 |
| 75th Percentile | -2.3 | 2.7 | 5.8 | 5.6 | 6.6 |
| 95th Percentile | -4.1 | 0.8 | 4.1 | 4.0 | 0.8 |
| PIMCO TOT RT INS (N) | -1.9 67 | 10.4 11 | 4.2 94 | 8.8 16 | 13.8 38 |
| BC AGGREGATE INDEX | -2.0 70 | 4.2 56 | 7.8 21 | 6.5 55 | 5.9 77 |

CITY OF SAN CLEMENTE

RISK VS RETURN THREE & FIVE YEAR

Period Ending: December 31, 2013



Three Year Return vs Risk

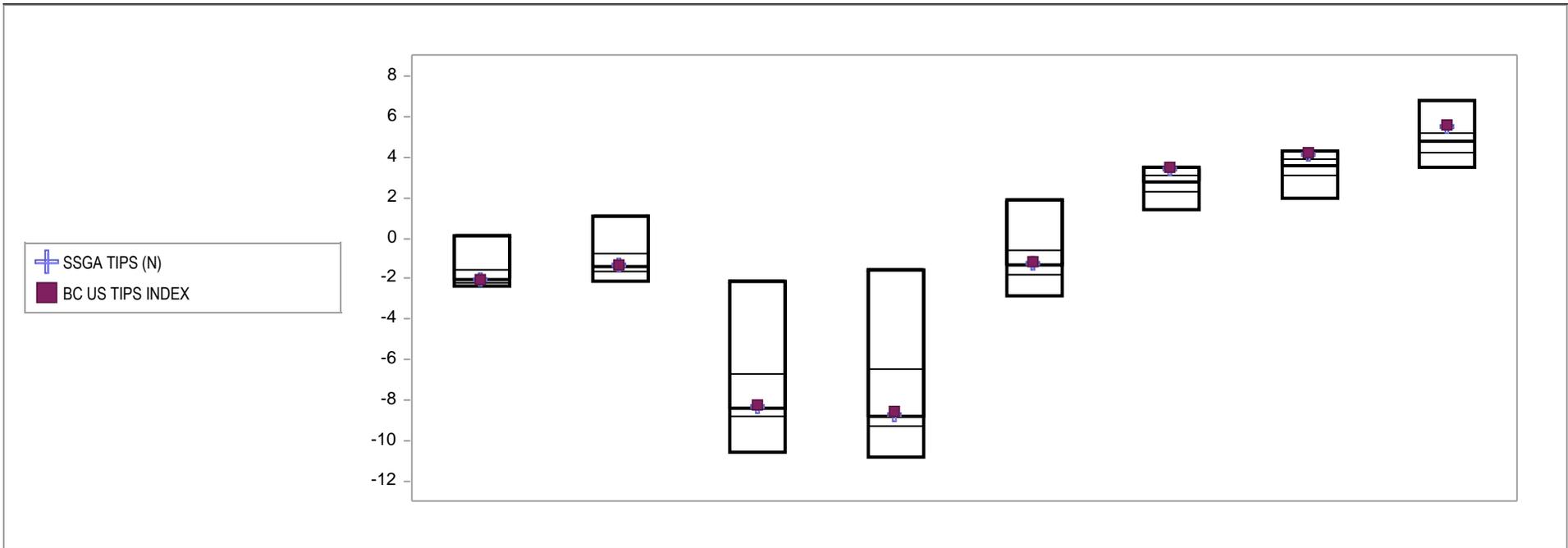
Five Year Return vs Risk

| Three Year Return vs Risk | | | Category | Five Year Return vs Risk | | |
|---------------------------|----------------------|--------------|---------------------------------|--------------------------|----------------------|--------------|
| Annualized Return % | Standard Deviation % | Sharpe Ratio | | Annualized Return % | Standard Deviation % | Sharpe Ratio |
| 4.1 | 3.8 | 1.0 | PIMCO TOT RT INS (N) | 6.9 | 4.3 | 1.6 |
| 3.3 | 3.1 | 1.0 | BC AGGREGATE INDEX | 4.4 | 3.2 | 1.3 |
| 2.9 | 2.7 | 1.1 | Bond Funds (mf) Universe Median | 4.9 | 3.0 | 1.6 |

CITY OF SAN CLEMENTE

CUMULATIVE PERFORMANCE COMPARISONS

Period Ending: December 31, 2013

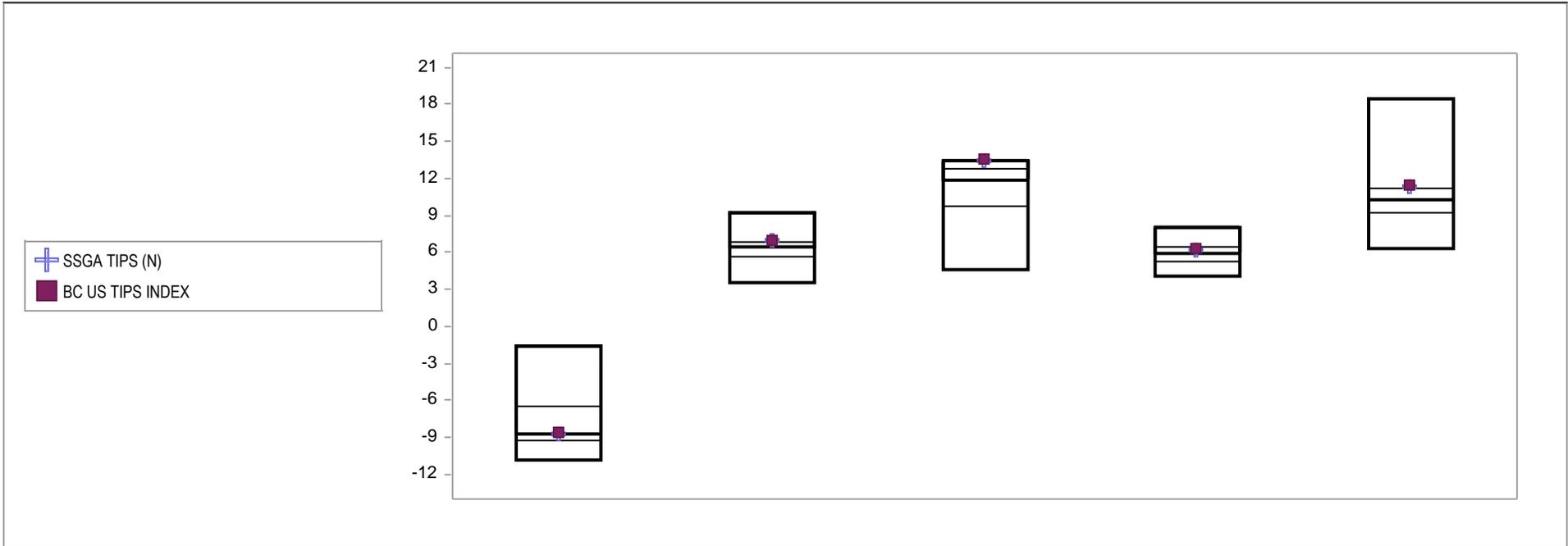


| Bond Style - U.S. TIPS (mf) | Last Quarter | | Two Quarters | | Three Quarters | | One Year | | Two Years | | Three Years | | Four Years | | Five Years | |
|-----------------------------|--------------|------|--------------|------|----------------|------|----------|------|-----------|------|-------------|------|------------|------|------------|------|
| | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank |
| 5th Percentile | 0.2 | | 1.1 | | -2.1 | | -1.5 | | 1.9 | | 3.5 | | 4.3 | | 6.8 | |
| 25th Percentile | -1.6 | | -0.8 | | -6.7 | | -6.5 | | -0.6 | | 3.1 | | 3.9 | | 5.2 | |
| 50th Percentile | -2.1 | | -1.4 | | -8.4 | | -8.8 | | -1.3 | | 2.8 | | 3.6 | | 4.8 | |
| 75th Percentile | -2.2 | | -1.6 | | -8.8 | | -9.3 | | -1.8 | | 2.4 | | 3.1 | | 4.3 | |
| 95th Percentile | -2.4 | | -2.1 | | -10.6 | | -10.8 | | -2.8 | | 1.4 | | 2.0 | | 3.5 | |
| SSGA TIPS (N) | -2.0 | 47 | -1.3 | 48 | -8.3 | 50 | -8.7 | 49 | -1.2 | 47 | 3.5 | 7 | 4.1 | 14 | 5.5 | 21 |
| BC US TIPS INDEX | -2.0 | 47 | -1.3 | 47 | -8.3 | 49 | -8.6 | 48 | -1.1 | 44 | 3.5 | 5 | 4.2 | 9 | 5.6 | 20 |

CITY OF SAN CLEMENTE

CONSECUTIVE PERFORMANCE COMPARISONS

Period Ending: December 31, 2013

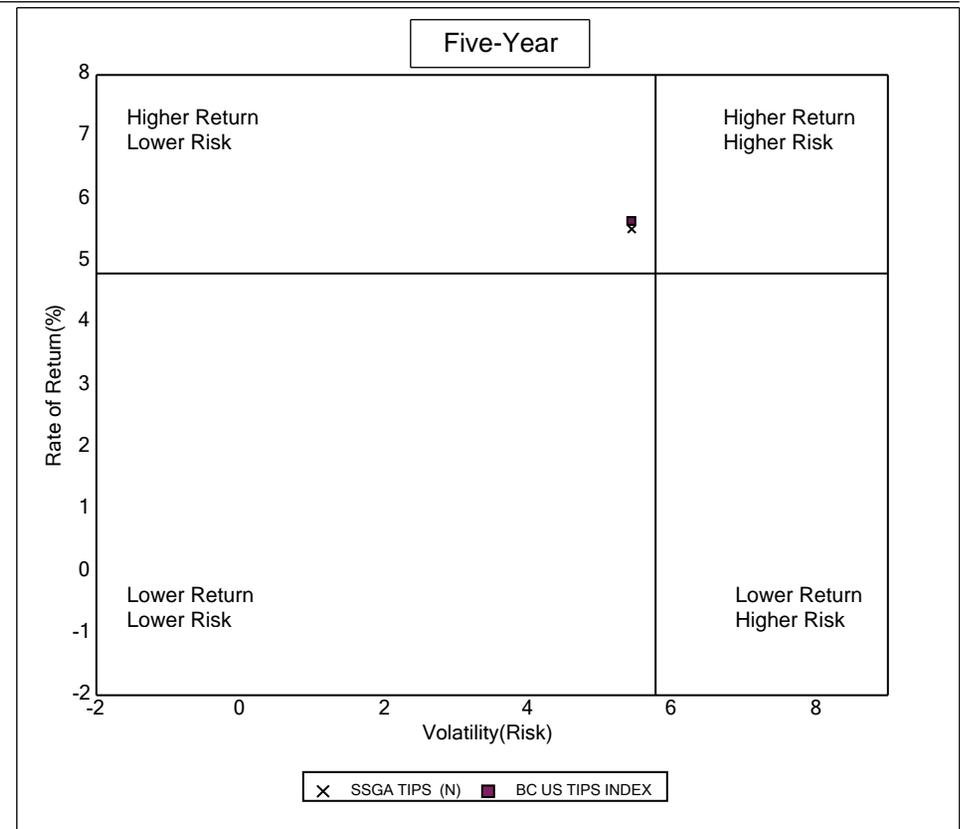
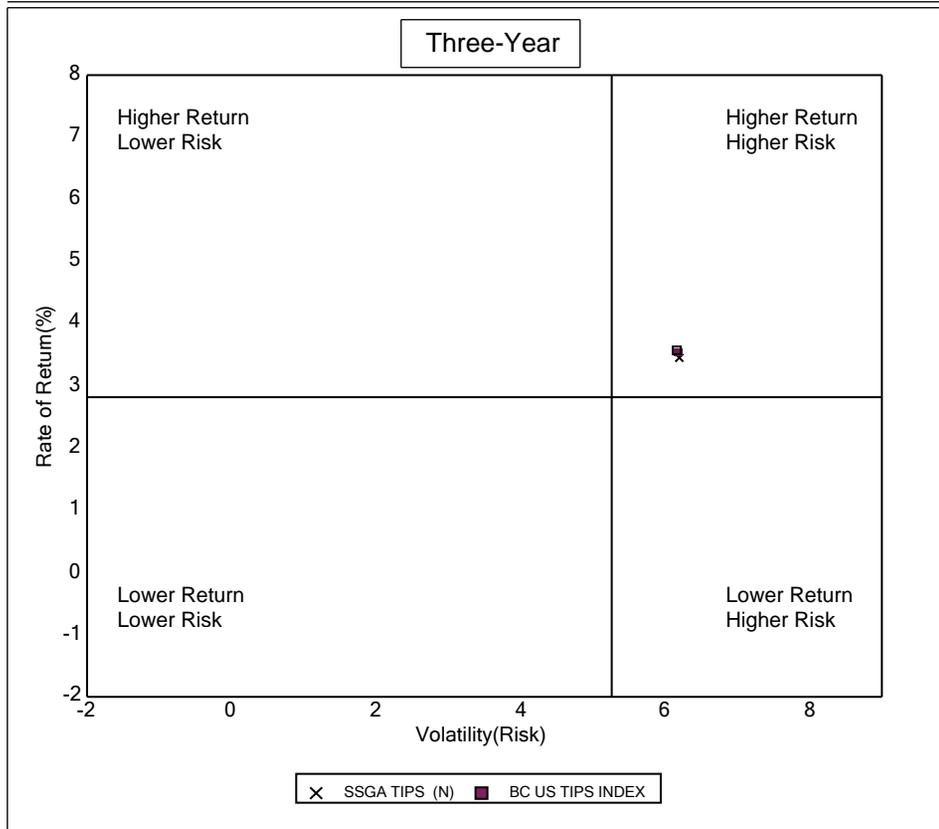


| Bond Style - U.S. TIPS (mf) | December 2013 Return Rank | December 2012 Return Rank | December 2011 Return Rank | December 2010 Return Rank | December 2009 Return Rank |
|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| 5th Percentile | -1.5 | 9.2 | 13.4 | 8.0 | 18.5 |
| 25th Percentile | -6.5 | 6.8 | 12.8 | 6.4 | 11.1 |
| 50th Percentile | -8.8 | 6.4 | 11.9 | 5.9 | 10.3 |
| 75th Percentile | -9.3 | 5.6 | 9.7 | 5.2 | 9.2 |
| 95th Percentile | -10.8 | 3.6 | 4.6 | 4.0 | 6.3 |
| SSGA TIPS (N) | -8.7 49 | 6.9 24 | 13.5 5 | 6.2 36 | 11.3 25 |
| BC US TIPS INDEX | -8.6 48 | 7.0 24 | 13.6 4 | 6.3 30 | 11.4 24 |

CITY OF SAN CLEMENTE

RISK VS RETURN THREE & FIVE YEAR

Period Ending: December 31, 2013



Three Year Return vs Risk

| Annualized Return % | Standard Deviation % | Sharpe Ratio |
|---------------------|----------------------|--------------|
| 3.5 | 6.2 | 0.5 |
| 3.5 | 6.2 | 0.6 |
| 2.8 | 5.3 | 0.5 |

Category

| |
|---|
| SSGA TIPS (N) |
| BC US TIPS INDEX |
| Bond Style - U.S. TIPS (mf) Universe Median |

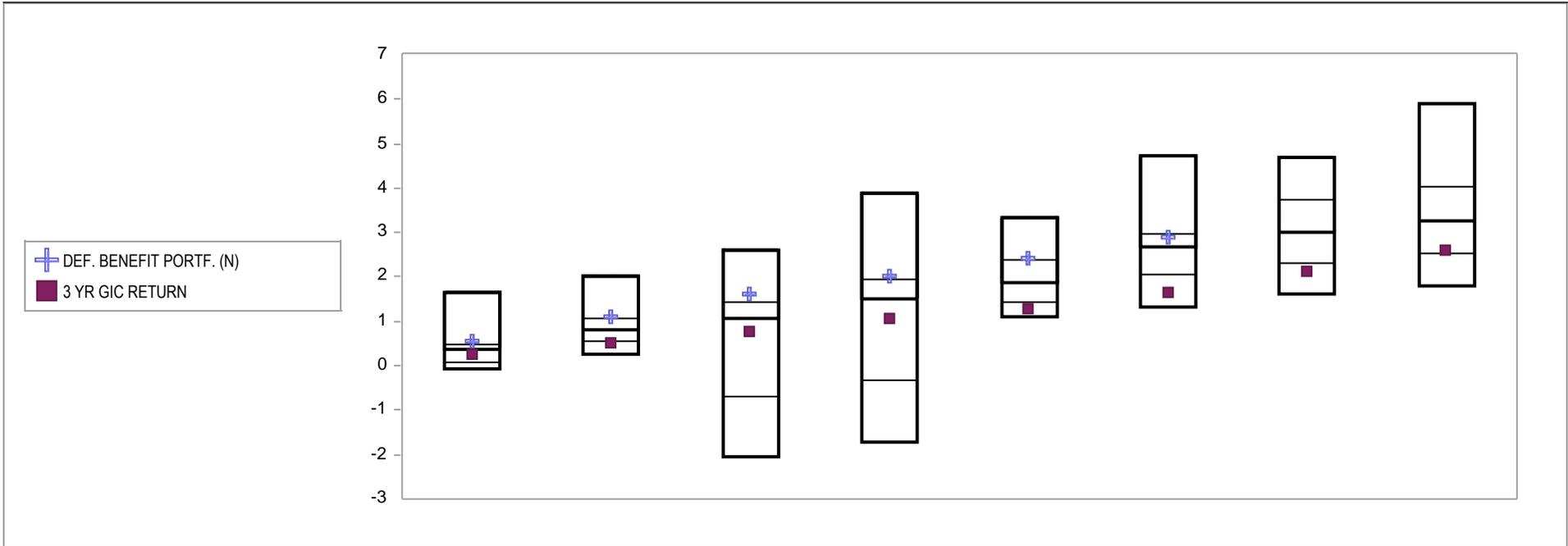
Five Year Return vs Risk

| Annualized Return % | Standard Deviation % | Sharpe Ratio |
|---------------------|----------------------|--------------|
| 5.5 | 5.4 | 1.0 |
| 5.6 | 5.4 | 1.0 |
| 4.8 | 5.8 | 0.8 |

CITY OF SAN CLEMENTE

CUMULATIVE PERFORMANCE COMPARISONS

Period Ending: December 31, 2013

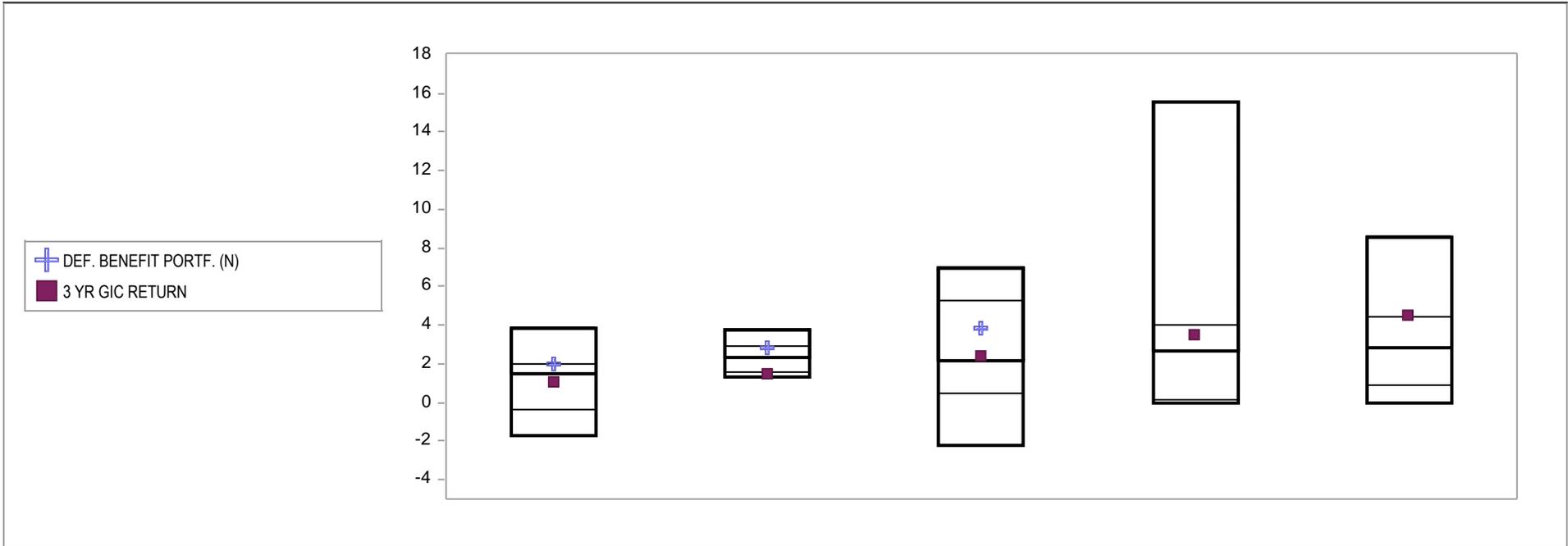


| Stable Value Funds | Last Quarter | | Two Quarters | | Three Quarters | | One Year | | Two Years | | Three Years | | Four Years | | Five Years | |
|-------------------------|--------------|------|--------------|------|----------------|------|----------|------|-----------|------|-------------|------|------------|------|------------|------|
| | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank | Return | Rank |
| 5th Percentile | 1.7 | | 2.0 | | 2.6 | | 3.9 | | 3.3 | | 4.7 | | 4.7 | | 5.9 | |
| 25th Percentile | 0.5 | | 1.1 | | 1.5 | | 2.0 | | 2.4 | | 3.0 | | 3.7 | | 4.0 | |
| 50th Percentile | 0.4 | | 0.8 | | 1.1 | | 1.5 | | 1.9 | | 2.7 | | 3.0 | | 3.3 | |
| 75th Percentile | 0.1 | | 0.6 | | -0.7 | | -0.3 | | 1.4 | | 2.1 | | 2.3 | | 2.5 | |
| 95th Percentile | -0.1 | | 0.3 | | -2.0 | | -1.7 | | 1.1 | | 1.3 | | 1.6 | | 1.8 | |
| DEF. BENEFIT PORTF. (N) | 0.5 | 24 | 1.1 | 24 | 1.6 | 22 | 2.0 | 25 | 2.4 | 25 | 2.9 | 32 | | | | |
| 3 YR GIC RETURN | 0.3 | 59 | 0.5 | 79 | 0.8 | 54 | 1.1 | 56 | 1.3 | 84 | 1.7 | 86 | 2.1 | 80 | 2.6 | 73 |

CITY OF SAN CLEMENTE

CONSECUTIVE PERFORMANCE COMPARISONS

Period Ending: December 31, 2013

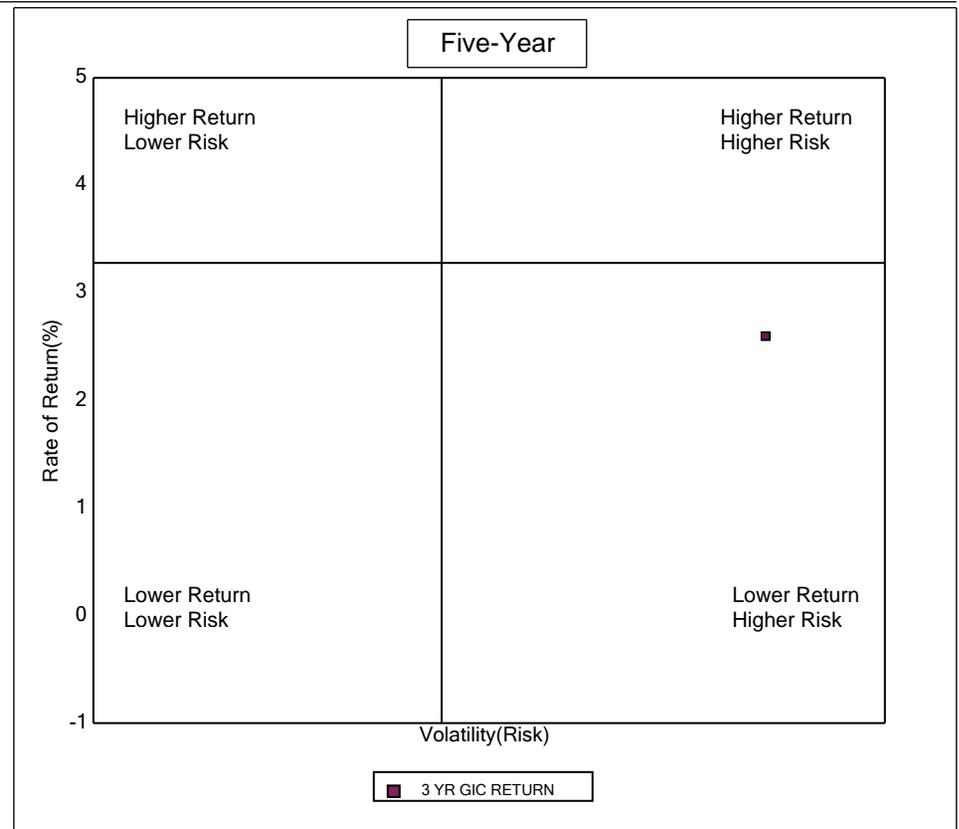
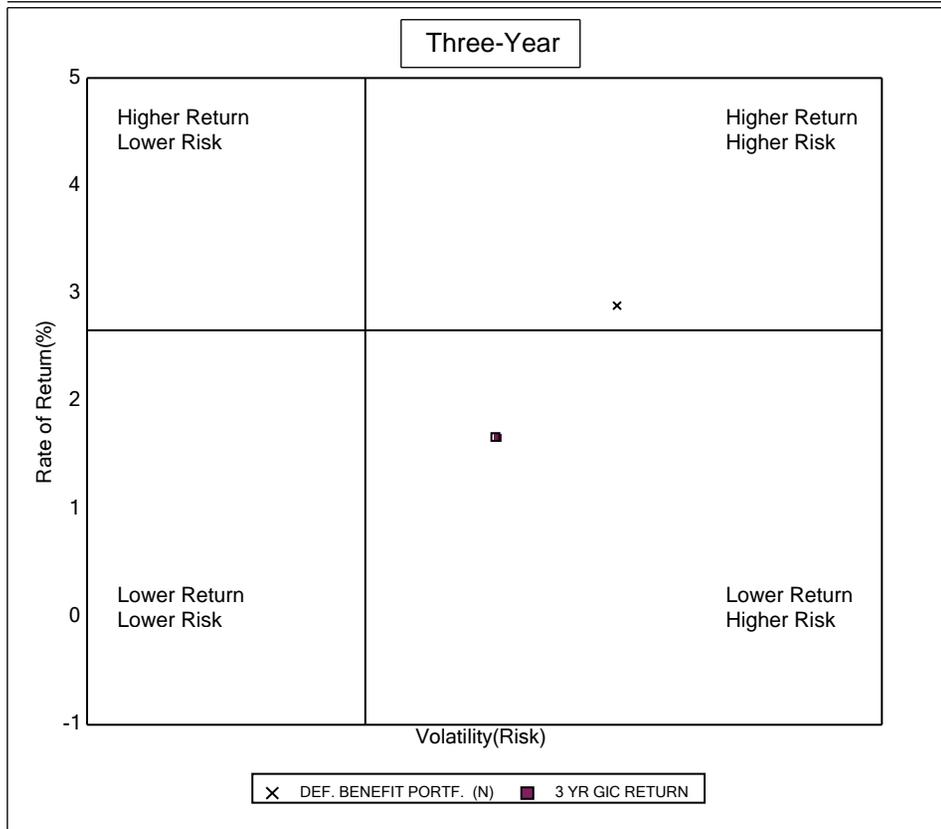


| Stable Value Funds | December 2013 Return Rank | December 2012 Return Rank | December 2011 Return Rank | December 2010 Return Rank | December 2009 Return Rank |
|-------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| 5th Percentile | 3.9 | 3.8 | 7.0 | 15.6 | 8.6 |
| 25th Percentile | 2.0 | 2.9 | 5.3 | 4.0 | 4.4 |
| 50th Percentile | 1.5 | 2.3 | 2.2 | 2.7 | 2.8 |
| 75th Percentile | -0.3 | 1.6 | 0.5 | 0.2 | 0.9 |
| 95th Percentile | -1.7 | 1.3 | -2.2 | 0.0 | 0.0 |
| DEF. BENEFIT PORTF. (N) | 2.0 25 | 2.8 28 | 3.9 36 | | |
| 3 YR GIC RETURN | 1.1 56 | 1.5 83 | 2.4 48 | 3.5 34 | 4.5 25 |

CITY OF SAN CLEMENTE

RISK VS RETURN THREE & FIVE YEAR

Period Ending: December 31, 2013



Three Year Return vs Risk

| Annualized Return % | Standard Deviation % | Sharpe Ratio |
|---------------------|----------------------|--------------|
| 2.9 | 0.5 | 6.0 |
| 1.7 | 0.3 | 5.0 |
| 2.7 | 0.2 | 17.3 |

Category

| |
|------------------------------------|
| DEF. BENEFIT PORTF. (N) |
| 3 YR GIC RETURN |
| Stable Value Funds Universe Median |

Five Year Return vs Risk

| Annualized Return % | Standard Deviation % | Sharpe Ratio |
|---------------------|----------------------|--------------|
| 2.6 | 0.7 | 3.8 |
| 3.3 | 0.2 | 13.3 |

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Wurts receives universe data from Bank of New York / Mellon, eVestment Alliance and Morningstar. We believe this data to be robust and appropriate for peer comparison. Nevertheless, these universes may not be comprehensive of all peer investors/managers but rather of the investors/managers that comprise that database. The resulting universe composition is not static and will change over time. Returns are annualized when they cover more than one year. Investment managers may revise their data after report distribution. Wurts will make the appropriate correction to the client account but may or may not disclose the change to the client based on the materiality of the change.