Lyons Township Trustees of Schools

2Q 2014 Portfolio Review

William Blair

40807

Portfolio Summary
Township Trustees of Schools – As of June 30, 2014

Asset Summary	
Market Value as of 6/30/14	$204,910,870
Net Contributions (7/1/13 – 6/30/14)	$42,886,019
Gain/(Loss) (7/1/13 – 6/30/14)	$3,537,761

Source: Eagle

Performance Summary – Low Duration Fixed Income For Periods Ending June 30, 2014

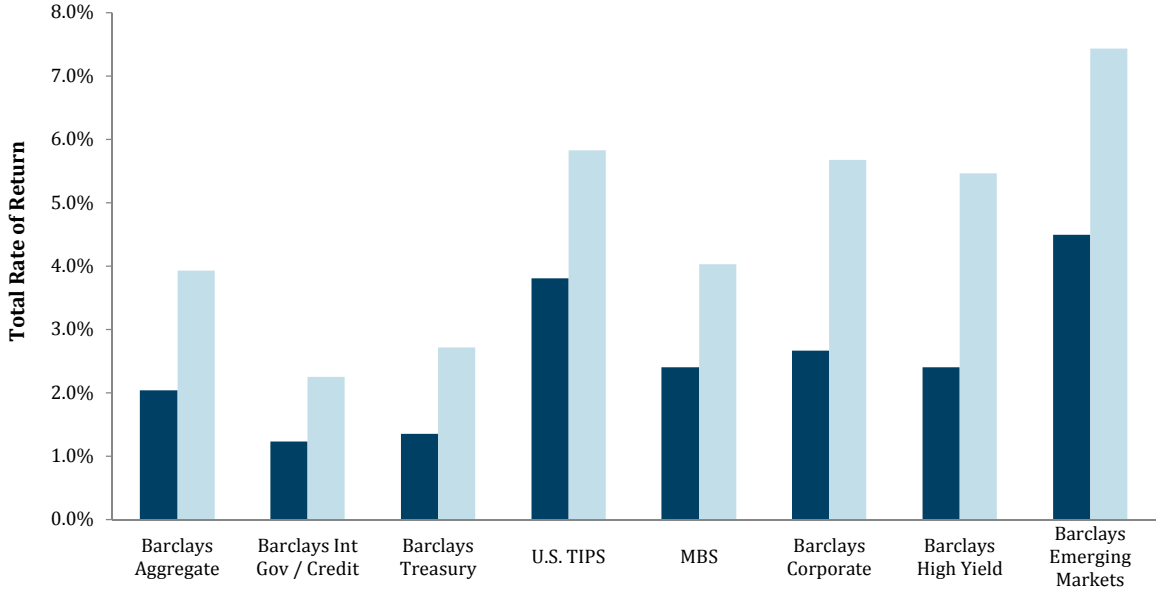
Performance (%)	2Q	YTD	1-Year	Annualized Since Inception*
Township Trustees of Schools	**0.70**	**0.99**	**1.86**	**0.64**
BofA ML 1-Year U.S. Treasury Note Index	0.07	0.15	0.29	0.28
Relative Performance*	0.63	0.84	1.57	0.36

	2014						2013												2012		
Monthly Performance (%)	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct
Township Trustees of Schools	**0.13**	**0.32**	**0.24**	**-0.21**	**0.12**	**0.38**	**0.16**	**0.28**	**0.33**	**0.54**	**-0.78**	**0.33**	**-0.43**	**-0.75**	**0.20**	**-0.05**	**0.23**	**-0.18**	**0.07**	**0.17**	**0.01**
BofA ML 1-Year U.S. T-Note Index	0.00	0.02	0.04	0.03	0.02	0.03	0.01	0.00	0.00	0.05	0.01	0.06	-0.01	0.01	0.04	0.03	0.02	0.02	0.03	0.04	0.01
Relative Performance*	0.13	0.30	0.20	-0.24	0.10	0.35	0.15	0.28	0.33	0.49	-0.79	0.27	-0.42	-0.76	0.16	-0.08	0.21	-0.20	0.04	0.13	0.00

**Township Trustees of Schools Inception: 10/11/2012. Relative performance calculations are based on the Township Trustees of Schools account.*

Past performance is not indicative of future returns. Investment performance assumes reinvestment of dividends and capital gains and is gross of investment management fees and net of transaction costs. Performance results will be reduced by the fees incurred in the management of the account. For example, on an account with a 1% fee, and gross performance of 20% over one year, the annual total return on a net of fee basis will result in performance of 18.85%. A $1,000,000 initial investment would grow to approximately $1,440,000 gross of fees, versus $1,412,532 net of fees, over a two year period, assuming an annual return of 20%. Investment management fees are described in William Blair & Company's Form ADV Part 2A Returns for periods greater than one year are annualized. The Bank of America Merrill Lynch 1-Year U.S. Treasury Note Index is an unmanaged index comprised of a single U.S. Treasury Bill issued at the beginning of each month and held for a full month. Each month the index is rebalanced and the issue selected is the outstanding U.S. Treasury Note that matures closest to, but not beyond one year from the rebalancing date. This benchmark is a comparable market proxy.

Fixed Income Market Returns – June 30, 2014



	Barclays Aggregate	Barclays Int Gov / Credit	Barclays Treasury	U.S. TIPS	MBS	Barclays Corporate	Barclays High Yield	Barclays Emerging Markets
Quarter-to-Date	2.04%	1.23%	1.35%	3.81%	2.41%	2.66%	2.41%	4.49%
Year-to-Date	3.93%	2.25%	2.72%	5.83%	4.03%	5.68%	5.46%	7.44%

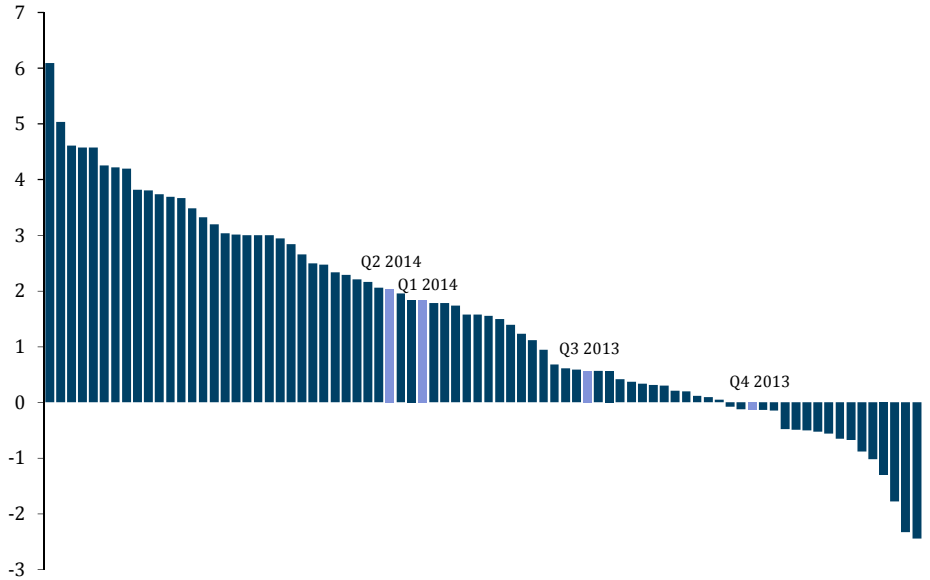
- The Barclays Aggregate Index returned +3.93% YTD.
- Fixed-rate Treasuries trailed the other major sectors of the Aggregate Index QTD and YTD.
- Investment-grade corporate bonds outperformed the broad market QTD and YTD.
- High Yield corporate bonds trailed investment-grade corporate bonds YTD.
- Emerging Markets bonds exceeded the broad market and generated the highest returns among major sectors QTD and YTD.
- The MBS Index outperformed the broad market QTD and YTD.
- TIPS outperformed nominal Treasuries QTD and YTD. The market's implied inflation expectations declined YTD as the market began digesting the reduced scale of the FOMC's quantitative easing programs.

Source: Barclays Family of Indices.

Past performance is no guarantee of future results. A direct investment in an unmanaged index is not possible. The performance shown is for illustrative purposes and is not intended to represent the performance of any account or investment strategy managed by William Blair & Company.

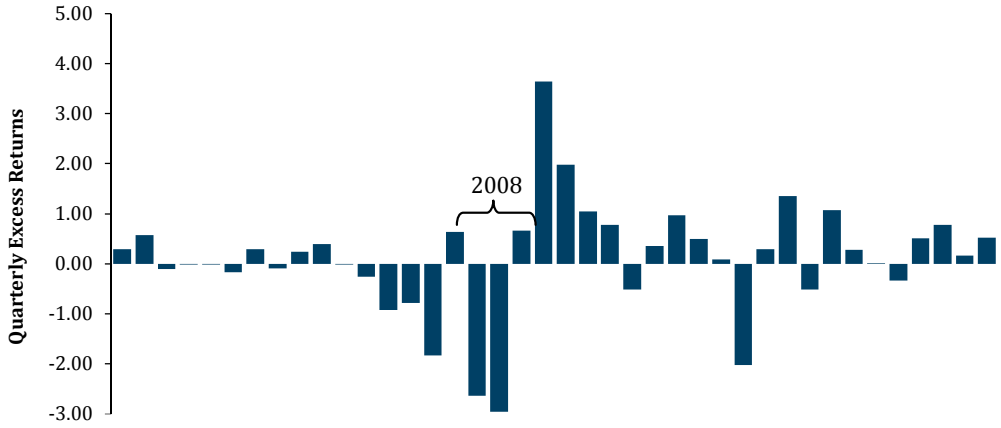
Fixed Income Market Review – June 30, 2014

Barclays Aggregate Index Quarterly Total Returns Since 1994

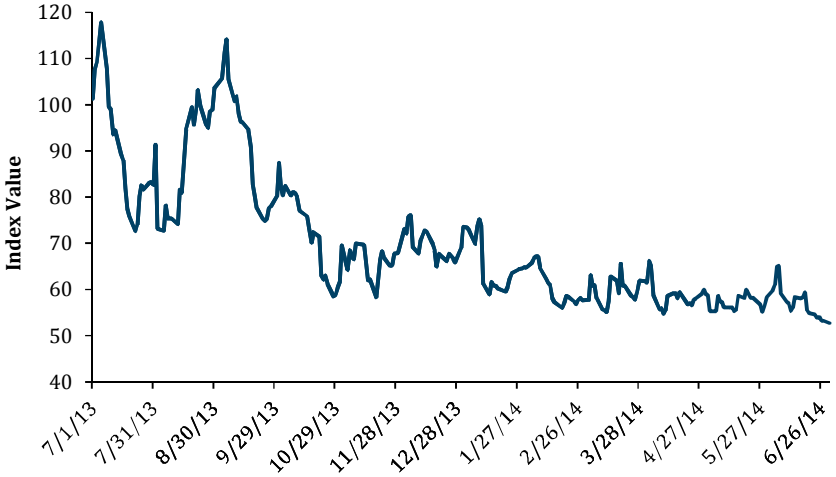


- The Barclays Aggregate Index gained YTD.
- The MOVE Index remained at normal levels YTD as much of the uncertainty that plagued the bond markets in 2013 about the FOMC's easing programs and leadership has been addressed.
- Excess returns measure relative performance versus a duration-neutral basket of U.S. Treasuries.
- The Merrill Lynch Option Volatility Estimate (MOVE) Index is a yield curve weighted index of the implied volatility on various Treasury interest rates. It is a measure of interest rate volatility that is akin in concept to the CBOE SPX Volatility Index (VIX).

Barclays Capital Aggregate Index Past 40 Quarters



MOVE Index



Source: Barclays Family of Indices, Bloomberg, Bank of America/Merrill Lynch.
Excess Return is a security's return minus the return from a no-risk security of the same duration. The performance shown is for illustrative purposes and is not intended to represent the performance of any account or investment strategy managed by William Blair & Company.

Appendix

Fixed Income Group – Integrated Team: Research, Trading, Portfolio Management

Christopher T. Vincent, CFA, Partner
Chris Vincent is the manager of the William Blair Income Fund and co-manager of the William Blair Bond Fund. He joined William Blair, a global investment banking and asset management firm, in June 2002. He leads Investment Management's fixed-income team, which oversees approximately $2.4 billion dollars across money market instruments, municipal bonds, structured securities, investment-grade credit, and high-yield bonds. The firm's fixed-income platform delivers products in the retail, institutional, and private wealth channels. From 1988 through 2002, Chris managed core and core-plus fixed-income portfolios for institutional clients at Kemper Financial Services (and its successor firms) in Chicago. He began his investment career in 1983 as a pension plan sponsor at Ralston Purina, a Fortune 100 company headquartered in St. Louis. Chris earned his undergraduate degree in business from the University of Missouri in 1978. He completed his M.B.A. at Saint Louis University in 1984 and was awarded the CFA charter in 1990. Chris is actively involved in the leadership of the CFA Institute and the CFA Society of Chicago. He currently serves on the CFA Institute's Annual Conference Advisory Group and is the vice chair of CFA Society Chicago's board of directors.

Paul J. Sularz
Paul Sularz joined William Blair Investment Management as a fixed income Portfolio Manager in July 2006. He is co-manager of the Low Duration Fund and he became a co-manager of the Bond Fund in May 2010. Prior to joining the firm, Paul was Vice President at J.P. Morgan Securities, Inc. (2004–2006) where he was responsible for trading specified pool agency mortgage-backed pass-through securities for the firm's primary broker/dealer located in New York City. Prior to his position at J.P. Morgan, he was a Director at Banc One Capital Markets, Inc. within the Asset-Backed and Mortgage-Backed Securities Group from 1995–2004, managing the firm's mortgage-backed securities trading desk in Chicago. His formal investment career began in 1990, where he was an Assistant Portfolio Manager at Kemper Asset Management Company within the fixed-income Institutional Asset Management Division. Paul is a member of the CFA Institute and CFA Society of Chicago. Education: B.A. in Economics, University of Illinois at Urbana-Champaign; M.B.A., concentrations in Finance, Econometrics and Statistics, University of Chicago Booth School of Business.

Todd R. Kurisu, CFA
Todd Kurisu joined William Blair Investment Management as a fixed income Portfolio Manager in June 2005. Prior to joining the firm, Todd was the Head Corporate Bond Trader at AAM Investment Management. Prior to joining AAM in 1995, Todd was a consultant at Ennis Knupp & Associates within the firm's fixed income research group. He is a member of the CFA Institute and CFA Society of Chicago. Todd is also a Development Committee Member for Youth Outreach Services, a Chicago-based non-profit serving at-risk youth. Education: B.S., Finance, with distinction, University of Illinois at Chicago; M.B.A., University of Chicago Booth School of Business.

Kathleen M. Lynch, CFA
Kathy Lynch joined William Blair Investment Management as the Municipal Specialist in the Fixed Income Group in July 1999. She became a co-manager of the Ready Reserves Fund in May 2010. Kathy was previously a Sales Associate at Salomon Smith Barney in Chicago, on the middle markets desk. Her primary responsibility was facilitating execution of all fixed income securities. She began her career at Carillon Advisers in Cincinnati, Ohio as a member of the fixed income team, managing insurance company portfolios. Kathy is a member of the CFA Institute and CFA Society of Chicago. Education: B.S. in business administration, University of Dayton.

Thomas Brennan, CFA
Tom Brennan joined William Blair Investment Management as a Product Specialist in September 2010. Tom was previously a consultant at Ennis Knupp & Associates in Chicago, where his primary responsibility was researching fixed-income investment managers. He began his career in 2005 as a consulting group analyst with Smith Barney. Tom is a member of the CFA Institute and CFA Society of Chicago. Education: B.S. in Economics, Bradley University; currently enrolled in M.B.A. program at the University of Chicago Booth School of Business.

Glossary - Terms

Alpha: A measure of a portfolio's return in excess of the market return, after both have been adjusted for risk. It is a mathematical estimate of the amount of return expected from a portfolio above and beyond the market return at any point in time. For example, an alpha of 1.25 indicates that a stock is projected to rise 1.25% in price in a year over the return of the market, or the return when the market return is zero. When an investment price is low relative to its alpha, it is undervalued, and considered a good selection.

Beta: A quantitative measure of the volatility of the portfolio relative to the overall market, represented by a comparable benchmark. A beta above 1 is more volatile than the overall market, while a beta below 1 is less volatile, and could be expected to rise and fall more slowly than the market.

Developed Markets: Using the Morgan Stanley Capital International (MSCI) geographic definition, this region includes: United Kingdom, Europe (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Spain, Sweden and Switzerland), Japan, Pacific Asia (Australia, Hong Kong, New Zealand, and Singapore) and the Western Hemisphere (Canada and other Americas).

Debt to Total Capital Ratio: This figure is the percentage of each company's invested capital that consists of debt. Companies with a high Debt to Total Capital level may be considered more risky. From a portfolio perspective, the portfolio Debt to Total Capital Ratio is a weighted average of the individual holdings' Debt to Total Capital Ratio.

Emerging Markets: Using MSCI's geographic definition, this region includes: Emerging Markets Asia (China, India, Indonesia, Malaysia, S Korea, Taiwan, and Thailand), Emerging Markets Europe, Mid-East and Africa (Czech Republic, Hungary, Poland, Russia, Turkey, Egypt, Morocco, and S Africa), and Latin America (Argentina, Brazil, Chile, Columbia, Mexico, Peru and Venezuela).

EPS (Earnings Per Share) Growth Rate (Projected): This measure represents the weighted average of forecasted growth in earnings expected to be experienced by the stocks within the portfolio over the next 3-5 years. From a portfolio perspective, the portfolio P/E ratio and EPS Growth Rate are weighted averages of the individual holdings' P/E ratios and EPS Growth Rates. Data calculated in FactSet.

EV/EBITDA: (Enterprise Value / Earnings Before Interest, Taxes and Depreciation-Amortization): The EV/EBITDA ratio is useful for global comparisons because it ignores the distorting effects of individual countries' taxation policies. It's used to find attractive takeover candidates. Enterprise value is a better measure than market cap for takeovers because it takes into account the debt which the acquirer will have to assume. Therefore, a company with a low EV/EBITDA ratio can be viewed as a good takeover candidate.

EV/IC: (Enterprise Value / Invested Capital) Ratio: Enterprise Value (EV), which is market capitalization minus cash plus debt divided by Invested Capital (IC), which is the sum of common stock, preferred stock and long-term debt. This number will get you a simple multiple. If it is below 1.0, then it means that the company is selling below book value and theoretically below its liquidation value.

Information Coefficient: A measure of the correlation between expected and actual returns.

Information Ratio: A measure of risk-adjusted return. The annualized excess return of the portfolio relative to a respective benchmark, divided by the annualized tracking error relative to that same benchmark. The higher the measure, the higher the risk-adjusted return.

PBV: (Price/Book Value) Ratio: The PBV Ratio measures the value of a company's common stock relative to its shareholder's equity. A price-to-book multiple above one means that the price of the company's common stock is higher than its common shareholder's equity. A price-to-book multiple below one means that the price of the company's common stock are less than its break-up value, and the shares may be undervalued.

PCF: (Price/CashFlow): Some analysts favor the price/cash flow over the price-earnings (PE) ratio as a measure of a company's value. Cash flow is a measure of a company's financial health. It equals cash receipts minus cash payments over a given period of time.

P/E: (Price/Earnings) Ratio: This is the most common measure of how expensive a stock is. Simply, it is the cost an investor in a given stock must pay per dollar of current annual earnings. A high P/E generally indicates that the market is paying more to obtain the stock because it has confidence in the company's ability to increase its earnings. Conversely, a low P/E often indicates that the market has less confidence that the company's earnings will increase rapidly or steadily, and therefore will not pay as much for its stock.

R-squared: A measurement of how closely the portfolio's performance correlates with the performance of its benchmark, such as the MSC AC World Free ex US Index. In other words, it is a measurement of what portion of a portfolio's performance can be explained by the performance of the overall market or index. Ranges from 0 to 1, where 0 indicates no correlation and 1 indicates perfect correlation.

Risk (Standard Deviation): A measure of the portfolio's risk. A higher standard deviation represents a greater dispersion of returns, and thus a greater amount of risk. The annualized standard deviation is calculated using monthly returns.

Sharpe-Ratio: A risk-adjusted measure calculated using standard deviation and excess return (Portfolio return – Risk Free Rate) to determine reward per unit of risk. The higher the Sharpe ratio, the better the portfolio's historic risk-adjusted performance.

Tracking Error: Tracking Error measures the extent to which a portfolio tracks its benchmark. The tracking error of an index portfolio should be lower than that of an active portfolio. The tracking error will always be greater than zero if the portfolio is anything other than a replication of the benchmark.

Trailing 1-Year Turnover: This figure reflects the portfolio's trading activity by calculating the amount of the portfolio's holdings bought or sold over the prior year, expressed as a percentage of the portfolio's average market value. Turnover figures may be related to the amount of trading costs experienced by the portfolio.

Weighted Average Market Capitalization: Market capitalization refers to the total market value of each company's outstanding shares. The Weighted Average Market Capitalization for a portfolio is calculated as the average market capitalization of the stocks within the portfolio, weighted by the amount of each stock owned.

Weighted Median Market Capitalization: This calculation represents the median market capitalization of the stocks in the portfolio, weighted by the amount of each stock owned.

Glossary – Indices

Bank of America Merrill Lynch 1-Year U.S. Treasury Note Index: An unmanaged index comprised of a single U.S. Treasury Bill issued at the beginning of each month and held for a full month. Each month the index is rebalanced and the issue selected is the outstanding U.S. Treasury Note that matures closest to, but not beyond one year from the rebalancing date.

Bank of America Merrill Lynch 3-Month Treasury Bill Index: An unmanaged index tracking 3-month U.S. government securities.

Barclays U.S. Aggregate Bond Index: A broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid ARM pass-throughs), asset-backed securities and commercial mortgage backed securities.

Barclays Intermediate Govt./Credit Bond Index: A fixed-rate government and corporate bonds rated investment grade or higher.

Barclay's Multiverse Index: Provides a broad-based measure of the global fixed-income bond market. The index represents the union of the Global Aggregate Index and the Global High-Yield Index and captures investment grade and high yield securities in all eligible currencies. Standalone indices such as the Euro Floating-Rate ABS Index and the Chinese Aggregate Index are excluded. The Multiverse Index family includes a wide range of standard and customized sub-indices by sector, quality, maturity, and country.

Barclays U.S. Intermediate Aggregate Bond Index: A broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid ARM pass-throughs), asset-backed securities and commercial mortgage backed securities with maturities between one and 10 years.

Merrill Lynch 1-Year U.S. Treasury Note Index: Comprised of a single U.S. Treasury Bill issued at the beginning of each month and held for a full month. Each month the index is rebalanced and the issue selected is the outstanding U.S. Treasury Note that matures closest to, but not beyond one year from the rebalancing date.

Merrill Lynch 3-Month Treasury Bill Index: An unmanaged index tracking 3-month U.S. government securities.

MSCI: (Morgan Stanley Capital International): MSCI indices are the most widely used benchmarks by global portfolio managers. MSCI offers international investors performance benchmarks for 51 national stock markets as well as regional, sector, industry group, and industry aggregations.

MSCI All Country World ex-US EAFE Index: An unmanaged index that includes developed and emerging markets outside the United States.

MSCI All Country World ex-US Small Cap Index: A free float-adjusted market capitalization index designed to measure global developed and emerging market small capitalization equity performance, excluding the U.S.

MSCI EAFE IMI Index: A free float-adjusted market capitalization index that is designed to measure equity market performance in the developed markets outside the United States.

MSCI All Country World ex-US Index: An unmanaged index that includes developed and emerging markets.

MSCI All Country World ex-US IMI Index: A free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the US.

MSCI All Country World IMI Index: A free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets.

MSCI All Country World ex-US IMI Growth Index: A free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the US. It includes those MSCI All Country World ex-US IMI Index securities with higher price-to-book ratios and higher forecasted growth rates.

MSCI World ex-US Growth Index: A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets, excluding the U.S., with higher price-to-book ratios and higher forecasted growth rates.

MSCI World ex-US Index: A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets, excluding the U.S.

MSCI All Country World ex-US Small Cap Index: A free float-adjusted market capitalization index designed to measure global developed and emerging market small capitalization equity performance, excluding the U.S.

MSCI Emerging Markets IMI Index: A free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

MSCI Emerging Markets Small Cap Index: A free float-adjusted market capitalization index that is designed to measure equity market performance of small cap companies in emerging markets.

MSCI Emerging Markets Large Cap Index: A free float-adjusted market capitalization index that is designed to measure equity market performance of large cap companies in emerging markets.

MSCI World ex-US Small Cap Index: An unmanaged index that includes non-US developed markets.

Russell 1000 Index: Measures the performance of the 1000 largest companies in the Russell 3000 Index, which represents approximately 90% of the total market capitalization of the U.S. market.

Russell 1000 Growth Index: Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value Index: Measures the performance of the large cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Index: Measures the performance of the 2000 smallest companies in the Russell 3000 index, which represents approximately 8% of the total market capitalization of the Russell 3000 index.

Russell 2000 Growth Index: Measures the performance of those Russell 2000 companies with higher price-to book ratios and higher forecasted growth values.

Russell 2000 Value Index: Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2500 Index: Measures the performance of the 2500 smallest companies in the Russell 3000 Index.

Russell 2500 Growth Index: Measures the performance of those Russell 2500 companies with higher price-to book ratios and higher forecasted growth values.

Russell 2500 Value Index: Measures the performance of those Russell 2500 companies with lower price-to book ratios and lower forecasted growth values.

Russell 3000 Index: Measures the performance of the 3000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

Russell 3000 Growth Index: Measures the performance of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell Midcap Index: Measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 27% of the total market capitalization of the Russell 1000 companies.

Russell Midcap Growth Index: Measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values.

Russell Midcap Value Index: Measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values.

S&P 500 Index: An index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. Companies included in the index are selected by the S&P Index Committee, a team of analysts and economists at Standard & Poor's. The S&P 500 is a market value weighted index—each stock's weight is proportionate to its market value.

A direct investment in an unmanaged index is not possible.

Composite Disclosure – Low Duration Fixed Income

Calendar Year	Total Gross Asset-Weighted Return	Total Net Asset-Weighted Return	Merrill Lynch 1 Yr Tnote	Composite 3-Yr Standard Deviation	Benchmark 3-Yr Standard Deviation	Number of Portfolios	Dispersion	Composite Assets End of Period (mm)	Percent Non-Fee Paying	Percent of Total Firm Assets
2004	1.81%	1.51%	0.82%	1.15	0.68	5/Fewer	N/A	$41.14	0.00%	0.16%
2005	2.45%	2.14%	2.36%	1.17	0.52	5/Fewer	N/A	$94.99	0.00%	0.28%
2006	4.84%	4.52%	4.32%	0.90	0.63	5/Fewer	N/A	$118.93	0.00%	0.28%
2007	5.67%	5.36%	5.95%	0.67	0.69	5/Fewer	N/A	$124.18	0.00%	0.25%
2008	1.49%	1.19%	4.75%	1.04	0.88	5/Fewer	N/A	$127.31	0.00%	0.49%
2009	3.80%	3.49%	0.80%	1.10	1.07	13	N/A*	$174.82	0.00%	0.48%
2010	2.53%	2.23%	0.83%	1.12	0.94	12	0.38%	$205.68	0.00%	0.47%
2011	2.48%	2.17%	0.57%	0.78	0.31	13	0.19%	$366.24	0.00%	0.89%
2012	3.42%	3.11%	0.24%	0.76	0.20	13	0.15%	$650.71	0.00%	1.31%
2013	0.01%	-0.29%	0.26%	1.05	0.14	15	0.23%	$600.04	0.00%	0.97%

Disclosures:

William Blair Investment Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. William Blair Investment Management has been independently verified for the periods January 1, 1993 through December 31, 2013. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Low Duration Fixed Income Team Composite has been examined for the periods presented through December 31, 2013. The verification and performance examination reports are available upon request. For purposes of compliance with GIPS, the Firm is defined as all accounts managed by William Blair Investment Management, which is the money management operation of William Blair & Company, LLC. William Blair & Company, LLC is an investment adviser registered with the United States Securities and Exchange Commission("SEC"). Registration with the SEC does not imply a certain level of skill or training.

The Low Duration Fixed Income strategy invests in a diversified portfolio of investment grade low duration securities. All holdings have a rating of "A" or higher. The effective duration of the portfolio is typically between 0.5 and 2 years. The benchmark for the strategy is the Bank of America Merrill Lynch 1 Year U.S. Treasury Note Index. Portfolios must have an initial market value greater than or equal to $1 million to be included in the composite. New portfolios are added to the composite after one complete calendar month of performance history has been recorded. Prior to January 2009, new portfolios were added to the composite only at the beginning of a quarter. Portfolios will be excluded from their composite the first month immediately following their last complete month of authorized management by the Firm. Composite and portfolio returns are calculated daily. Prior to January 2009, composite returns were calculated monthly by weighting monthly portfolio returns based on beginning of month market values and portfolio returns were calculated monthly using a time-weighted monthly linked return formula with adjustments for cash flows. Valuations and returns are denominated in U.S. Dollars. For the period January 2010 through January 2011 portfolios were removed from this composite, in the event of a significant cash flow, for the month during which the flow occurred. Portfolios were typically added back into the composite the following month. A portfolio was determined to have a significant cash flow if the accumulated net external flows of cash and/or securities during a month totaled more than 25% of the beginning of month portfolio market value. Additional information regarding the treatment of significant cash flows is available upon request.

Composite dispersion measures represent the consistency of a firm's composite performance with respect to the individual portfolio returns within a composite. The dispersion of annual returns is measured by the asset-weighted standard deviation of the gross returns in the composite. Dispersion includes only those portfolios that have been included in the composite for the entire year. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. Performance results are stated gross and net of max investment advisory fees. The management fee schedule is as follows:

First $10,000,000:	0.30%
Next $20,000,000:	0.225%
Next $20,000,000:	0.20%
Next $50,000,000:	0.175%
Next $100,000,000:	0.15%
Next $200,000,000:	0.125%
Over $400,000,000:	0.10%

The maximum fee is 0.30%.

The Low Duration Fixed Income Composite was created in September 2009. Prior to June 2014 the name of the composite was Low Duration Fixed Income Team. A complete list and description of firm composites is available upon request. Additional information regarding policies for valuing portfolios, calculating performance and preparing compliant presentations is also available upon request. Past performance is not indicative of future results.

*5/fewer for full year period.