

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Comprehensive Annual Financial Report

December 31, 2013

(With Independent Auditors' Report Thereon)



Presented by  
The Department of Finance

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

**Table of Contents**

|   | <b>Page</b> |
|---|-------------|
| Introductory Section (unaudited):   |             |
| Letter of Transmittal   | i           |
| Organization Chart  | iv          |
| Directory of Officials  | v           |
| Financial Section:  |             |
| Independent Auditors' Report  | 1           |
| Management's Discussion and Analysis (unaudited)  | 3           |
| Basic Financial Statements:   |             |
| Statement of Net Position   | 10          |
| Statement of Revenues, Expenses and Changes in Net Position   | 11          |
| Statement of Cash Flows   | 12          |
| Notes to Basic Financial Statements   | 13          |
| Required Supplementary Information:   |             |
| Claims Development Information (unaudited)  | 21          |
| Note to Required Supplementary Information  | 22          |
| Statistical Section (unaudited):  | 23          |
| Financial Trends:   |             |
| Net Position by Component   | 24          |
| Schedule of Revenues, Expenses, and Changes in Net Position   | 25          |
| Analysis of Average Cost per Active Claimant  | 26          |
| Schedule of General and Administrative Expenses   | 27          |
| Revenue Capacity:   |             |
| Rates and Assessments   | 28          |
| Economic and Demographic Information:   |             |
| Physicians, Hospitals, and Insurance Companies  | 29          |
| Virginia Demographic Statistics   | 30          |
| Virginia Principal Employers  | 31          |
| Operating Information:  |             |
| Number of Admitted, Deceased, and Active Claimants  | 32          |
| Number of Employees by Identifiable Activities  | 33          |
| Compliance Section:   |             |
| Independent Auditors' Report on Internal Control over Financial Reporting and on<br>Compliance and Other Matters Based on an Audit of Financial Statements Performed in<br>Accordance with <i>Government Auditing Standards</i> | 34          |

This page left intentionally blank



## INTRODUCTORY SECTION



This page left intentionally blank





VIRGINIA BIRTH-RELATED  
NEUROLOGICAL INJURY  
COMPENSATION PROGRAM

May 7, 2014

The Board of Directors  
Virginia Birth-Related Neurological Injury Compensation Program  
7501 Boulders View Dr., Suite 210  
Richmond, VA 23225

Dear Members of the Board:

The Comprehensive Annual Financial Report (CAFR) of the Virginia Birth-Related Neurological Injury Compensation Program (the Program) for the year ended December 31, 2013, is submitted herewith. This CAFR has been prepared by the Program's Finance Department in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and conforms to the requirements of the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Program. We believe the data, as presented, is accurate in all material respects; that the data is presented in a manner designed to fairly set forth the financial position and results of the operations of the Program as measured by the financial activity of its various accounts; and that all disclosures necessary to enable the reader to gain the maximum understanding of the Program's financial affairs have been included.

Phone: 804-330-2471

Fax: 804-330-3054

7501 Boulders View Drive

Suite 210

Richmond, VA 23225

[www.vabirthinjury.com](http://www.vabirthinjury.com)

[www.vabirthinjury.info](http://www.vabirthinjury.info)

This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The Program's MD&A can be found immediately following the independent auditors' report.

A brief history of the Program, its fiscal operations, and selected accomplishments are presented below.

### **Organization and Function**

*A lifetime of help*

With soaring medical malpractice insurance rates and insurance companies on the brink of eliminating coverage in the mid-1980s, up to one quarter of the Commonwealth of Virginia's (the Commonwealth) obstetricians were threatened with having to close their office doors. To alleviate this crisis, the Commonwealth worked with stakeholders including physician associations, insurers, lawyers and others to develop an innovative solution; the Virginia Birth-Related Neurological Injury Compensation Program. The Program was a first of its kind nationally.

The Program's legislation presents a very specific definition of a "birth injury", which represents a very small number of births each year. By keeping many of the most expensive cases out of the court system, combined with a medical malpractice award cap, the medical malpractice insurance industry has been reasonably stabilized in the Commonwealth (especially when compared to other states) allowing physicians to do what they do best – treat patients.

Although the Program was created by the General Assembly of the Commonwealth, it operates as a separate organization. A nine member volunteer board appointed by the

Governor of the Commonwealth (the Governor) directs the Program. The Program is regulated by the Code of Virginia, which is very specific in how it operates.

All admissions are through the Virginia Workers' Compensation Commission; the Program itself does not admit claimants. Financial reports are filed annually with the Governor's office, the Virginia Senate and the Virginia House of Delegates. At least every other year, the State Corporation Commission is required to have an actuarial study of the Program conducted.

Entry into the Program does not provide for any pre-determined amount of compensation. The Program operates much like an insurance policy in that it pays for actual medically necessary costs and other legislatively stipulated benefits. Additionally, the Program is the payer of last resort in all situations. There is no cap on the total eligible lifetime costs for a claimant.

No federal or state funds are involved in providing services to claimants. Funding is derived only from legislatively allowed sources including participating physician fees, participating hospital fees, nonparticipating physician assessments and liability insurer assessments.

### **Major Initiatives**

Participating physicians and hospitals are continuing to become more aware of the benefits of participation for themselves as well as their patients. A qualifying birth can occur despite the heroic efforts of everyone involved. When it does happen, entry into the Program is important to both families and health services providers.

During 2013, 703 physicians participated in the Program. Along with the coverage benefits of participation, physicians also receive a reduction or credit on their malpractice insurance premiums. During 2013, 36 hospitals were enrolled in the Program. According to estimates, approximately 90-95% of births are covered by the Program due to participating hospitals and doctors.

The Program covers expenses that insurance and other programs do not. Medically necessary expenses such as doctor and hospital visits, therapy, nursing care, and medical equipment are mandated by the guiding legislation. The Code of Virginia also provides a wage benefit paid to the claimant from age 18 to 65, and payment for legal expenses related to filing the claim. In addition, the Program provides benefits including handicapped accessible vans, handicapped accessible bedroom and bath additions to homes, rental assistance, and allowances for therapeutic toys, medical service dogs and experimental therapies.

The Program's administrative cost as a percentage of total expenses (administrative plus claimant) remain low at 7%.

### **Philosophy**

The Program plays a unique role in the Commonwealth. As previously noted, the Program was established due to a need to improve the tort climate for medical care in the Commonwealth, with the specific purpose of keeping malpractice insurers writing policies. It accomplished the goal immediately. According to studies and anecdotal information from key players in the industry, the Program is still fulfilling this role.

However, over the past 25 years the more publicly visible role has become the Program's contribution to caring for this specific group of children. Here the information also shows that they receive more benefits and greater care than those utilizing the tort system.

In fact, an article written by an actuary who has studied the Program and a similar organization in Florida noted that such approaches are highly efficient as compared to tort remedies. He writes that the vast majority of money involved in the Program is used for claimant care whereas in the tort system substantial percentages of funds go to other purposes.

Along with striving for such efficiency, the Program has worked to assure its financial reserves receive maximum growth with minimum risk. This has been accomplished through careful planning and the use of a sophisticated investment policy and practice.

### **Financial Controls**

The Deputy Director is responsible for establishing and maintaining an adequate internal control structure. In fulfilling this responsibility, estimates and judgments are required to assess the expected benefits and related costs of control procedures. The objectives of the control system are to provide the Program with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and are recorded properly to permit the preparation of financial statements in accordance with U.S. GAAP. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from the implementation. All internal control evaluations occur within this framework.

### **Independent Audit**

The Program's guiding legislation (§38.2-5015B) requires an annual independent audit of the Program's financial records and transactions by an independent certified public accountant selected by the Board of Directors.

### **Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Program for its CAFR for the fiscal year ended December 31, 2012. This was the sixth consecutive year that the Program achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized CAFR. This report must satisfy both U.S. GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the requirements of the GFOA Certificate of Achievement and we are submitting it to the GFOA to determine its eligibility for another certificate.

The staff of the Finance Department accomplished the preparation of this CAFR for the year ended December 31, 2013. We would like to express our appreciation to all members of the Finance Department who assisted and contributed to its preparation.

Respectfully submitted,

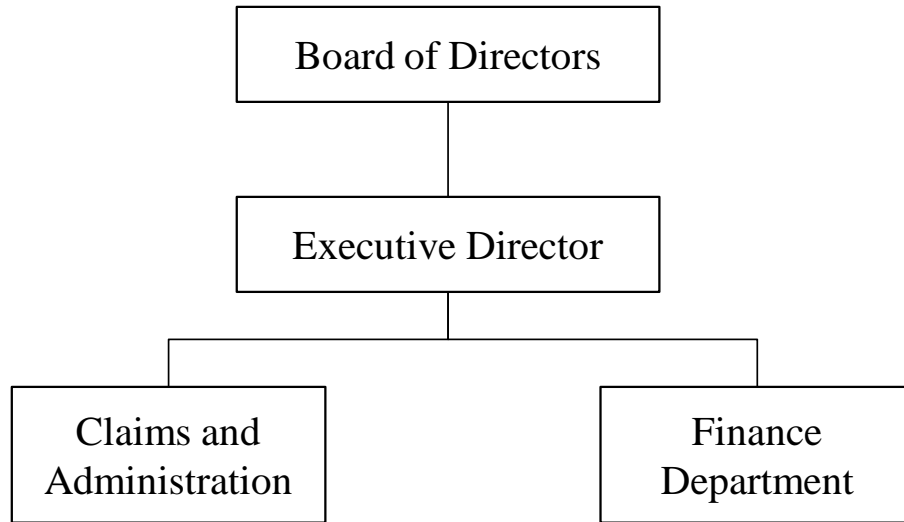
  
George Deebo  
Executive Director

  
Candace Thomas, CGFM  
Deputy Director



**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

## Organizational Chart



**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Principal Officials

**BOARD OF DIRECTORS**

David R. Barrett, Chair  
Neal C. Schulwolf, Esq., Vice Chair  
Vienne K. Murray, MD  
Francoise Mullen  
Vanessa S. Rakestraw, Ph.D., CRC  
Arthur Lee Talley, Jr.  
Hope F. Cupit, CPA  
John W. Seeds, MD

**OTHER OFFICIALS**

Executive Director  
Deputy Director  
Assistant Attorney General

George Deebo  
Candace Thomas, CGFM  
Carla Collins, Esq.

This page left intentionally blank



## FINANCIAL SECTION



This page left intentionally blank





KPMG LLP  
Suite 2000  
1021 East Cary Street  
Richmond, VA 23219-4023

## **Independent Auditors' Report**

The Board of Directors  
Virginia Birth-Related Neurological  
Injury Compensation Program:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Virginia Birth-Related Neurological Injury Compensation Program (the Program) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Program's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Program as of December 31, 2013 and the changes in its financial position and its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

## **Other Matters**

### *Required Supplementary Information*

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 3 through 9 and the Claims Development Information on page 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Program's basic financial statements. The Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2014 on our consideration of the Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Program's internal control over financial reporting and compliance.

**KPMG LLP**

May 7, 2014

## **VIRGINIA BIRTH-RELATED NEUROLOGICAL INJURY COMPENSATION PROGRAM**

Management's Discussion and Analysis (unaudited)

December 31, 2013

This Section of the Virginia Birth-Related Neurological Injury Compensation Program (the Program) Comprehensive Annual Financial Report (CAFR) represents our discussion and analysis of the Program's financial performance during the fiscal years ended December 31, 2013 and 2012. Please read it in conjunction with the Program's basic financial statements and accompanying notes.

### **Financial Highlights**

- The 2013 revenue from total fees and assessments increased by \$564,000 or 2.4%. Fees assessed from participating physicians increased \$115,400 or 2.8%, participating hospitals decreased \$66,000 or 1.9%, insurance companies increased \$202,000 or 1.7% and mandated physician fees increased \$312,000 or 7.5%. (An explanation of significant variances is included later in this report).
- The Program's total net position changed from a deficit of approximately \$98,700,000 in 2012 to \$81,775,000 in 2013. This is primarily due to a \$12 million decrease in operating loss and an increase of \$4.7 million in investment income from 2012.
- The Program provided approximately \$9,877,000 in nursing care, \$334,000 in therapy, \$538,000 for 14 handicapped accessible vans, \$554,000 for housing benefits, \$191,000 for durable medical equipment and technology, \$75,500 for hospital and physician visits, and \$465,800 for claimant legal fees.
- An additional 7 claimants became eligible to receive the wage benefit for a total of 47 eligible claimants. Eligible claimants may request and receive half of the average weekly wage of workers in the Commonwealth of Virginia in the private nonfarm sector. (See Virginia Code §38.2-5009.2) A total of \$892,000 was paid to the 38 eligible claimants requesting the benefit.
- The average cost per active claimant in 2013 and 2012 was approximately \$107,000 and \$105,000, respectively.
- As of December 31, 2013 there were 703 participating physicians, up 12 from 691 physicians in 2012. Participating hospitals remained the same at 36 in both 2013 and 2012.
- Administrative expenses were 7% and 9% of the total expenses (administrative plus claimant) paid in 2013 and 2012, respectively.
- As of December 31, 2013, 93 families received reimbursement for nursing or attendant care provided by a relative or legal guardian according to Virginia Code §38.2-5009 up 5 from 88 families in 2012. The Program began to reimburse family members for providing care beginning July 1, 2008.



**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Management's Discussion and Analysis (unaudited)

December 31, 2013

As of December 31, 2013, the Program had a total of 183 admitted claimants, 44 of which are deceased. During the year ended December 31, 2013, 5 claimants were admitted into the Program. Seven claimant petitions for admission were pending as of December 31, 2013. See chart below:

|          | <b>Total<br/>December 31,<br/>2012</b> | <b>2013<br/>Activity</b> | <b>Total<br/>December 31,<br/>2013</b> |
|----------|--|--------------------------|--|
| Admitted | 178                                    | 5                        | 183                                    |
| Deceased | 44                                     | —                        | 44                                     |
| Active   | 134                                    | 5                        | 139                                    |

**Overview of the Financial Statements**

The Program's CAFR consists of four sections: introductory, financial, statistical, and compliance. The financial section consists of four components; the independent auditors' report, management's discussion and analysis (this component), the basic financial statements, and required supplementary information.

The basic financial statements include the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, the Statement of Cash Flows, and notes to the basic financial statements. The notes to the basic financial statements provide additional details for understanding information presented in the financial statements. The notes are followed by a section of required supplementary information that includes claims development information.

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Management's Discussion and Analysis (unaudited)

December 31, 2013

**Financial Analysis**

***Statements of Net Position***

The following table reflects the summarized Statements of Net Position of the Program:

**Table 1**

Summarized Statements of Net Position

December 31, 2013 and 2012

(In millions)

|   | <b>2013</b> | <b>2012</b> |
|---|-------------|-------------|
| Current assets                          | \$ 24.6     | 20.6        |
| Noncurrent assets                       | 359.2*      | 315.7*      |
| Total assets                            | 383.8       | 336.3       |
| Current liabilities                     | 16.0        | 14.6        |
| Noncurrent unpaid claims reserve:       |             |             |
| Admitted claims, less current portion   | 293.6       | 282.7       |
| Incurred but not reported claims        | 132.4       | 115.5       |
| Total unpaid claims reserve, noncurrent | 426.0       | 398.2       |
| Total liabilities                       | 442.0       | 412.8       |
| Total deferred inflows                  | 23.5        | 22.2        |
| Total liabilities and deferred inflows  | 465.5       | 435.0       |
| Unrestricted deficit                    | (81.7)*     | (98.7)*     |
| Total net position                      | \$ (81.7)   | (98.7)      |

\* Capital assets and net investment in capital assets are immaterial and are not subdivided.

At December 31, 2013 and 2012, the total assets of the Program were \$383.8 million and \$336.3 million, respectively; total deferred inflows and liabilities were \$465.5 million and \$435.0 million, respectively; and total net position was \$(81.7) million and \$(98.7) million respectively. The actuarial estimate of future claim payments of children born on or prior to December 31, 2013, plus the actuarial estimate of future claim administration expenses, exceeds the assets of the Program.

The \$43.5 million increase in noncurrent assets from \$315.7 million in 2012 to \$359.2 million in 2013 was due primarily to net investment income of \$36.6 million.

The total unpaid claims reserve at December 31, 2013 and 2012 was \$440 million and \$411.2 million, respectively. This represents the estimated cost for claimants currently admitted into the Program and an estimated number of not yet admitted claimants (incurred but not reported, (IBNR)) with birth dates prior to

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Management's Discussion and Analysis (unaudited)

December 31, 2013

fiscal year-end that will be admitted to the Program subsequent to fiscal year-end. This reserve is based on a bi-annual actuarial study.

A summary of the net change in claims reserve is as follows (in millions):

|   | <u>2013</u>    | <u>2012</u>   |
|---|----------------|---------------|
| Estimated future payments for claimants                             | \$ 25.8        | 24.8          |
| Increase in provision for changes in methodology and assumptions    | —              | 14.7          |
| Estimated future payments for new claimants admitted in prior years | 21.6           | 20.2          |
| Estimated claim payments  | <u>(18.6)</u>  | <u>(18.4)</u> |
| Net change in claims reserve  | <u>\$ 28.8</u> | <u>41.3</u>   |

The net change in claims reserve for the years ended December 31, 2013 and 2012 was an increase of \$28.8 million and \$41.3 million, respectively. The change in the claims reserve is consistent with the most recent actuarial report that estimates that assessment revenues and investment income is not sufficient to keep up with benefit payments and additional unpaid benefits liabilities associated with new eligible Program participants, whether admitted or not.

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Management's Discussion and Analysis (unaudited)

December 31, 2013

***Statements of Revenues, Expenses and Changes in Net Position***

The following table shows the summarized Statements of Revenues, Expenses, and Changes in Net Position of the Program:

**Table 2**

Summarized Statements of Revenues, Expenses, and Changes in Net Position

Years ended December 31, 2013 and 2012

(In millions)

|                                   | <b>Year ended December 31</b> |               |
|-----------------------------------|-------------------------------|---------------|
|                                   | <b>2013</b>                   | <b>2012</b>   |
| Operating revenues:               |                               |               |
| Participating hospitals           | \$ 3.4                        | 3.5           |
| Participating physicians          | 4.2                           | 4.1           |
| Mandated physician fees           | 4.5                           | 4.2           |
| Insurance fees                    | 12.0                          | 11.8          |
| Total operating revenues          | <u>24.1</u>                   | <u>23.6</u>   |
| Operating expenses:               |                               |               |
| Provision for claims, net         | 43.7                          | 55.3          |
| General and administration        | 0.2                           | 0.3           |
| Total operating expenses          | <u>43.9</u>                   | <u>55.6</u>   |
| Operating loss                    | <u>(19.8)</u>                 | <u>(32.0)</u> |
| Nonoperating revenue:             |                               |               |
| Net investment income             | 36.6                          | 31.9          |
| Miscellaneous                     | 0.2                           | —             |
| Net nonoperating revenue          | <u>36.8</u>                   | <u>31.9</u>   |
| Change in net position            | 17.0                          | (0.1)         |
| Net position at beginning of year | <u>(98.7)</u>                 | <u>(98.6)</u> |
| Net position at end of year       | <u>\$ (81.7)</u>              | <u>(98.7)</u> |

**Revenues**

Revenues consist primarily of legislatively established assessments placed on participating and nonparticipating physicians, hospitals, and insurance companies and net investment income. Nonparticipating physicians pay the mandated physician fee. For the years ended December 31, 2013 and 2012, operating revenue was \$24.1 million and \$23.6 million, respectively, and nonoperating revenue was \$36.8 million and \$31.9 million, respectively.

Assessments for 2013 for participating and nonparticipating physicians were \$6,200 and \$300, respectively. Participating hospitals are assessed a fee of \$55 per live birth for the prior year, as reported by the Department of

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Management's Discussion and Analysis (unaudited)

December 31, 2013

Health, not to exceed \$200,000. In 2013 and 2012, liability insurers paid one quarter of one percent on the net direct premiums written during the prior year.

Net investment income is \$36.6 million in 2013 and \$31.9 million in 2012, an increase of \$4.7 million. This is due primarily to an increase in net appreciation in fair value of investments of \$5.8 million from \$16.2 million in 2012 to \$22 million in 2013.

**Expenses**

For the years ended December 31, 2013 and 2012, expenses totaled \$43.9 million and \$55.6 million, respectively. The difference is primarily due to the net change in claims reserve which decreased to \$28.8 million in 2013 from \$41.3 million in 2012. The net change in the claims reserve is consistent with the most recent actuarial report that estimates that assessment revenues and investment income is not sufficient to keep up with benefit payments and additional unpaid benefits liabilities associated with new eligible Program participants, whether admitted or not (see above summary and explanation of claims provision). Expenses are comprised of general administrative and claims related expenses, the latter of which reflects both the increases in claims reserve and the claims paid during the year.

General administrative expenses include the portion of salaries, rent, cost of office equipment, and all other expenses not directly related to claims. Administrative expenses were 7% and 9% of the total expenses (administrative plus claimant) in 2013 and 2012, respectively. Management estimates that approximately 80% of the total administrative expenses are directly related to claims administration. Of the total administrative expenses of approximately \$1.1 million in 2013, approximately \$854,000 or 80% is related to claims and approximately \$213,000 is related to program administration. Of the total administrative expenses of approximately \$1.3 million in 2012, approximately \$1.05 million or 80% is related to claims and approximately \$262,000 is related to program administration.

Provision for claims includes the portion of general administration expenses related to claims and actual and future expenses related to claims. Claimant expenses include nursing, therapy, physician and hospital visits, prescriptions, housing, transportation, the wage benefit and durable medical equipment. Provision for claims, net has decreased from \$55.3 million 2012 to \$43.7 million in 2013. The change in the claims reserve is consistent with the most recent actuarial report that estimates that assessment revenues and investment income is not sufficient to keep up with benefit payments and additional unpaid benefits liabilities associated with new eligible Program participants, whether admitted or not (see above summary and explanation of claims provision).

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Management's Discussion and Analysis (unaudited)

December 31, 2013

**Economic Factors**

Strong equity manager performance and a diversified portfolio allowed the Program's funds to gain 11.5% for the year and 4.2% in the fourth quarter. The portfolio's gross and net returns have matched or exceeded the index target returns. The asset allocation includes 49% stocks, 26% bonds 18% alternatives and 7% cash. Considering the recent economic challenges the markets have faced, the Board of Directors continues to focus on prudent asset allocations, risk assessment, disciplined rebalancing, manager due diligence, and adherence to a well developed investment policy.

As of December 31, 2013, 35% of the investment portfolio was invested in separate accounts, 44% in mutual funds, 19% in alternative strategies and 2% in real estate held in trust. The Board believes these actions together with the guidance from CapGroup, the Program's investment advisor, have significantly improved the investment strategy and will continue to enhance the financial position of the Program, which is an important factor in reducing the actuarial deficit.

**Contacting the Program's Financial Management**

This financial report is designed to provide users (e.g., citizens, taxpayers, claimant families, service providers and creditors) with a general overview of the Program's finances and to demonstrate the Program's accountability for the funds it receives. Questions concerning this report or requests for additional information should be directed to the Deputy Director, 7501 Boulders View Dr. Suite 210, Richmond, VA 23225, 804-330-2471 or visit our website at <http://www.vabirthinjury.com>.

This page left intentionally blank



## BASIC FINANCIAL STATEMENTS





This page left intentionally blank



**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Statement of Net Position

December 31, 2013

**Assets**

|                                |               |
|--------------------------------|---------------|
| Current assets:                |               |
| Cash and cash equivalents      | \$ 24,110,443 |
| Accrued interest and dividends | 522,451       |
| Total current assets           | 24,632,894    |
| Noncurrent assets:             |               |
| Investments                    | 359,113,020   |
| Capital assets, net            | 14,961        |
| Total noncurrent assets        | 359,127,981   |
| Total assets                   | 383,760,875   |

**Liabilities and Deferred Inflows**

|  |             |
|--|-------------|
| Current liabilities:   |             |
| Accounts payable   | 1,313,250   |
| Accrued liabilities  | 686,125     |
| Current portion of unpaid claims reserve                             | 14,000,000  |
| Total current liabilities  | 15,999,375  |
| Noncurrent liabilities:  |             |
| Unpaid claims reserve:   |             |
| Admitted claims, less current portion                                | 293,600,000 |
| Incurred but not reported claims                                     | 132,400,000 |
| Total unpaid claims reserve  | 426,000,000 |
| Total noncurrent liabilities   | 426,000,000 |
| Total liabilities  | 441,999,375 |
| Deferred inflows of resources – deferred assessment and fee receipts | 23,536,134  |
| Total liabilities and deferred inflows                               | 465,535,509 |

**Net Position (Deficit)**

|                                  |                 |
|----------------------------------|-----------------|
| Net investment in capital assets | 14,961          |
| Unrestricted deficit             | (81,789,595)    |
| Total net position (deficit)     | \$ (81,774,634) |

See accompanying notes to basic financial statements.

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Statement of Revenues, Expenses, and Changes in Net Position

Year ended December 31, 2013

|                                   |                 |
|-----------------------------------|-----------------|
| Operating revenues:               |                 |
| Participating hospitals           | \$ 3,430,238    |
| Participating physicians          | 4,217,819       |
| Mandated physician fees           | 4,451,865       |
| Insurance fees                    | 12,044,647      |
|                                   | <hr/>           |
| Total operating revenues          | 24,144,569      |
|                                   | <hr/>           |
| Operating expenses:               |                 |
| Provision for claims, net         | 43,729,663      |
| General and administration        | 213,457         |
|                                   | <hr/>           |
| Total operating expenses          | 43,943,120      |
|                                   | <hr/>           |
| Operating loss                    | (19,798,551)    |
|                                   | <hr/>           |
| Nonoperating revenue:             |                 |
| Net investment income             | 36,604,605      |
| Miscellaneous                     | 157,736         |
|                                   | <hr/>           |
| Net nonoperating revenue          | 36,762,341      |
|                                   | <hr/>           |
| Change in net position            | 16,963,790      |
|                                   | <hr/>           |
| Net position at beginning of year | (98,738,424)    |
|                                   | <hr/>           |
| Net position at end of year       | \$ (81,774,634) |
|                                   | <hr/> <hr/>     |

See accompanying notes to basic financial statements.

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Statement of Cash Flows

Year ended December 31, 2013

|   |                      |
|---|----------------------|
| Cash flows from operating activities:   |                      |
| Receipts from participating hospitals   | \$ 3,919,609         |
| Receipts from participating physicians  | 4,185,751            |
| Mandated physician fee receipts   | 4,575,165            |
| Receipts from insurance companies   | 12,719,444           |
| Payments on behalf of claimants   | (13,884,376)         |
| Payments to suppliers of goods and services   | (145,851)            |
| Payments to employees   | (669,877)            |
|   | <u>10,699,865</u>    |
| Net cash provided by operating activities   | <u>10,699,865</u>    |
| Cash flows used in capital and related financing activities:                          |                      |
| Purchase of capital assets  | (2,235)              |
| Cash flows from investing activities:   |                      |
| Purchase of investments   | (148,185,001)        |
| Proceeds from sale and maturity of investments  | 134,521,397          |
| Earnings on investments   | 6,961,519            |
|   | <u>(6,702,085)</u>   |
| Net cash used in investing activities   | <u>(6,702,085)</u>   |
| Net increase in cash and cash equivalents   | 3,995,545            |
| Cash and cash equivalents:  |                      |
| Beginning of year   | <u>20,114,898</u>    |
| End of year   | <u>\$ 24,110,443</u> |
| Reconciliation of operating loss to net cash provided by operating activities:        |                      |
| Operating loss  | \$ (19,798,551)      |
| Adjustments to reconcile operating loss to net cash provided by operating activities: |                      |
| Depreciation  | 7,811                |
| Increase in:  |                      |
| Accounts payable  | 191,458              |
| Accrued liabilities   | 243,748              |
| Deferred inflows of resources   | 1,255,399            |
| Claims reserve  | 28,800,000           |
|   | <u>10,699,865</u>    |
| Net cash provided by operating activities   | <u>\$ 10,699,865</u> |
| Noncash investing activities:   |                      |
| Net appreciation in fair value of investments   | \$ 21,976,553        |

See accompanying notes to basic financial statements.

This page left intentionally blank



## NOTES TO BASIC FINANCIAL STATEMENTS



This page left intentionally blank



# VIRGINIA BIRTH-RELATED NEUROLOGICAL INJURY COMPENSATION PROGRAM

Notes to Basic Financial Statements

December 31, 2013

## (1) Summary of Significant Accounting Policies

### (a) *Nature of Organization*

The Virginia Birth-Related Neurological Injury Compensation Program (the Program) was established under the Virginia Birth-Related Neurological Injury Compensation Act (1987, c.540) (the Act). The Program is a related organization of the Commonwealth of Virginia of which elected officials are accountable as they appoint a voting majority of the Board of Directors (the Board). The Act creates a compensation program that assures lifetime care of infants with severe neurological injuries. The Program is funded through annual assessments of participating physicians and participating hospitals. Liability insurers and nonparticipating physicians contribute to the fund, if necessary, based upon actual experience of the fund. The Program receives no federal or state government funding.

### (b) *Basis of Accounting*

The Program operates as an insurance enterprise fund subject to Governmental Accounting Standards Board (GASB) Codification Section Po20 – *Public Entity Risk Pools*.

The basic financial statements of the enterprise fund are presented on the accrual basis of accounting, using the economic resources measurement focus. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash. The Program distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and collecting fees in connection with the Program's principal ongoing operations.

### (c) *Use of Estimates*

The preparation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported financial statement amounts and disclosures. Accordingly, actual results could differ from these estimates.

### (d) *Administrative Expenses*

Administrative expenses include salaries and benefits, rent, cost of noncapitalizable office equipment and other expenses not directly related to claims. In 2013, administrative expenses related to claims processing of approximately \$1,067,000 were allocated to provision for claims expense in the amount of approximately \$854,000 and to general and administrative expense in the amount of approximately \$213,000.

### (e) *Cash Equivalents*

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both (a) readily convertible to known amounts of cash and (b) so near maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, the Program considers investments with original maturities of three months or less to be cash equivalents.



**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Notes to Basic Financial Statements

December 31, 2013

**(f) Investments**

At December 31, 2013, the Program's investments are stated at fair value based on quoted market prices, if available. The Program's investments consist of various index mutual funds and actively managed investments in separate accounts including large and small cap equities and fixed income securities. Mutual fund investments are valued at their quoted net asset value on the last trading day of the year. Equity securities are valued at the last reported sale price or, if no sale, the latest available bid price on the last business day of the year. Fixed income investments are valued using market evaluations (evaluated prices) from reputable and approved industry vendors and evaluations are based on available market data. All other investments, excluding real estate held in trust, are valued based on amounts provided by the investment advisor or fund administrator and reviewed by management.

Under guidelines established by the Board, the Program could, up until 1999, approve the purchase or construction of a home for the family of a claimant subject to certain restrictions. The home is held in a trust and remains the property of the Program, subject to use by the claimant's family during the term of the trust and subject to conditions imposed by the trust agreement. The trust expires upon the death or institutionalization of the claimant, and stipulates that during occupancy the family is responsible for the payment of utilities, general maintenance of the home, and certain other similar obligations. Real estate held in trust is carried at fair value based on third party appraisals, tax assessments, or other reasonable methodologies.

**(g) Capital Assets**

Capital assets with a cost of \$1,000 or more are recorded at cost. The costs of major improvements are capitalized while the cost of maintenance and repairs, which do not improve or extend the life of an asset, are expensed. Depreciation is provided over the assets' estimated useful lives of three to seven years using the straight-line method.

**(h) Deferred Inflows of Resources**

Deferred inflows represent amounts for which revenue recognition criteria have not been met. It is the Program's policy to recognize mandated assessments, participating doctor and hospital fees, and insurance fees on a pro-rata basis over the period in which the assessment or coverage is related, which is one year.

**(i) Estimated Liability for Unpaid Claims**

The liability for unpaid claims represents management's estimate, developed in conjunction with the assistance of the Commonwealth of Virginia's actuary, of the Program's discounted estimated cost of payments for both claimants admitted to the Program and an estimated number of not-yet-admitted claimants with birth dates prior to the date of the statement of net position that will be admitted to the Program subsequent to the date of the statement of net position. Changes in estimates of such costs are recognized in results of operations in the period in which the changes in estimate are made.

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Notes to Basic Financial Statements

December 31, 2013

The development of liabilities for future benefit requires management to make estimates and assumptions regarding mortality, morbidity, lapse, expense, and investment experience. Such estimates are primarily based on historical experience and future expectations of these assumptions. The Program's actual incurred losses may vary significantly from the estimated amount included in the Program's financial statements. Management monitors actual experience and, if circumstances warrant, revises its assumptions and the related future policy benefit estimates.

**(2) Deposits and Investments**

The Program's deposit and investment portfolio consists of the following at December 31, 2013:

|                            |    |   |
|----------------------------|----|---|
| Cash and cash equivalents  | \$ | 24,110,443  |
| Investments:               |    |   |
| Mutual funds:              |    |   |
| Large cap                  |    | 13,218,793  |
| U.S. fixed income          |    | 66,217,121  |
| International fixed income |    | 17,698,579  |
| International growth       |    | 24,895,506  |
| International value        |    | 22,986,010  |
| Emerging markets           |    | 13,300,540  |
| Alternative strategies     |    | 66,632,505  |
| Separate accounts:         |    |   |
| Large cap growth           |    | 21,839,044  |
| Large cap value            |    | 40,886,880  |
| Small cap value            |    | 12,859,895  |
| All cap growth             |    | 19,689,009  |
| Core fixed income          |    | 32,437,993  |
| Real estate held in trust  |    | 6,451,145   |
|                            |    | 359,113,020   |
|                            |    | Total cash and cash<br>equivalents and<br>investments |
|                            | \$ | 383,223,463   |

**(a) Deposits**

All cash of the Program is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. Seq. of the Code of Virginia or covered by federal depository insurance.

**(b) Investments**

In accordance with the Virginia Birth-Related Injury Compensation Act, Section 38.2-5016 of the Code of Virginia, the Board is given the authority to invest the Program's funds in a careful and prudent manner at the advice of the investment advisor.

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Notes to Basic Financial Statements

December 31, 2013

*Credit risk:* – The Program’s Investment Policy states that no more than 20% of the fair value of the fixed income portfolio shall be rated less than single “A” quality. The Program’s fixed income portfolio at December 31, 2013 is as follows:

|                                   |     |     | <u>Rating</u> | <u>Fair value<br/>2013</u> | <u>Percent of<br/>portfolio</u> | <u>Average<br/>maturity<br/>(in years)</u> |
|-----------------------------------|-----|-----|---------------|----------------------------|---------------------------------|--|
| Mutual funds:                     |     |     |               |                            |                                 |  |
| Vanguard Bond Index               | (1) | AA  |               | \$ 10,832,510              | 3.1%                            | 7.5  |
| Western Asset Core Plus           | (1) | AA  |               | 16,735,867                 | 4.7                             | 9.2  |
| Loomis Sayles Global<br>Bond Fund | (1) | A1  |               | 17,698,579                 | 5.0                             | 7.2  |
| PIMCO Total Return Fund           | (1) | AA- |               | 19,411,181                 | 5.5                             | 6.0  |
| JP Morgan Strategic Income        | (1) | BB  |               | 19,237,563                 | 5.5                             | 4.1  |
| Separate accounts:                |     |     |               |                            |                                 |  |
| Richmond Capital<br>Management    | (2) | AA  |               | <u>32,437,993</u>          | 9.2                             | 7.0  |
| Total                             |     |     |               | <u>\$ 116,353,693</u>      |                                 |  |

(1) Average credit quality per Capital Advisory Group, Morning Star and fund company websites.

(2) Average credit quality per Bond Edge Fixed Income Analytic models.

*Interest rate risk:* – The Program does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Program mitigates risk through relatively conservative asset allocations and investments.

*Foreign currency risk:* – The Program manages its risk associated with foreign currency fluctuations with the asset allocations outlined in its Investment Policy that limit its investments in international developed and emerging index funds up to 21% of its overall portfolio. The Program’s investments subjected to foreign currency risk at December 31, 2013 include U.S. publicly traded mutual funds which have an international strategy totaling \$78,880,635.

*Custodial credit risk:* – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Program will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Program’s deposits are maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. Seq. of the Code of Virginia or covered by federal depository insurance. In addition, it is the Program’s practice, although not a formal policy that the investment accounts are held in the Program’s name. The Program’s investment policy states that all fixed income securities held in the portfolio shall have a Standard & Poor’s and/or equivalent credit quality rating of no less than Investment Grade. No more than 20% of the fair value of the fixed income portfolio shall be rated less than single “A” quality.

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Notes to Basic Financial Statements

December 31, 2013

The Program's return on investments for the year ending December 31, 2013 is summarized as follows:

|   |    |            |
|---|----|------------|
| Interest income                                       | \$ | 1,497,379  |
| Dividend income                                       |    | 6,078,244  |
| Realized gain on investments, net                     |    | 7,889,723  |
| Net appreciation in fair value of<br>investments, net |    | 21,976,553 |
| Investment fees                                       |    | (777,480)  |
| Fiduciary fees  |    | (59,814)   |
|   |    | 36,604,605 |
| Net investment income                                 | \$ | 36,604,605 |

**(3) Capital Assets**

Capital assets at December 31, 2013 and the related changes for the year ended were as follows:

|                               |    | <u>January 1,<br/>2013</u> | <u>Increases</u> | <u>Decreases</u> | <u>December 31,<br/>2013</u> |
|-------------------------------|----|----------------------------|------------------|------------------|------------------------------|
| Computer equipment            | \$ | 59,274                     | —                | —                | 59,274                       |
| Office equipment              |    | 40,938                     | 2,235            | —                | 43,173                       |
| Automobiles                   |    | 17,237                     | —                | —                | 17,237                       |
|                               |    | 117,449                    | 2,235            | —                | 119,684                      |
| Less accumulated depreciation |    | (96,912)                   | (7,811)          | —                | (104,723)                    |
| Capital assets, net           | \$ | 20,537                     | (5,576)          | —                | 14,961                       |

**(4) Estimated Liability for Unpaid Claims**

The estimated liability for unpaid claims is the discounted estimated cost of payments for both claimants admitted to the Program and an estimated number of not-yet-admitted claimants with birth dates prior to the date of the statement of net position that will be admitted to the Program subsequent to the date of the statement of net position. This discounted cost represents the amount that would need to be invested, as of the date of the statement of net position, to pay the claimant expenses as they become due. The liability is determined based on an actuarial study, which is mandated to be performed no less frequently than biennially. Eligible costs under the Program are costs not otherwise paid by private insurance or other government programs. Costs include nursing, housing, hospital and physician visits, physical therapy, vans, medical equipment, prescription drugs, various other incidental items, loss of earnings, and claim filing expenses.

In general terms, the estimated liability for unpaid claims is determined as follows:

- (1) The total number of claimants is estimated (actual number of admitted claimants plus estimate of the number of not-yet-admitted claimants born prior to year-end).

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Notes to Basic Financial Statements

December 31, 2013

- (2) Future payments, by category of expense paid for each claimant, are forecasted. These estimates are based on the actual payments made by the Program on behalf of the claimants who had been in the program for three or more years as of December 31, 2013 (taking into consideration each claimant's insurance coverage and eligibility for Medicaid), as well as assumptions regarding future cost of inflation and future increases in the utilization of the benefits and services of the Program.
- (3) Projected future payments to each claimant are adjusted to reflect an assumed life expectancy for each claimant and the time value of money.

The estimated liability for unpaid claims is forecasted based on actual information through the prior fiscal year.

Significant actuarial assumptions for 2013 include:

|   |               |
|---|---------------|
| Rate of claims inflation (varies based on category of expense)                                | 2.59% – 4.79% |
| Investment earnings/discount rate   | 5.25%         |
| Mortality:  |               |
| Life expectancy at:   |               |
| Birth   | 28.4 years    |
| Age 3   | 29.2 years    |
| Estimated number of not-yet-admitted claimants born prior to year end.                        | 42            |
| Estimate is based on review of how long it takes for claimants to be admitted to the Program. |               |

The total number of claimants (admitted claimants and not-yet-admitted claimants) is estimated to be 225 as of December 31, 2013.

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Notes to Basic Financial Statements

December 31, 2013

The following represents changes in the unpaid claims reserves for the Program for the year ended December 31, 2013:

|  | <b>2013</b>    | <b>2012</b>  |
|--|----------------|--------------|
| Unpaid claims and claim adjustment expenses at beginning of year     | \$ 411,200,000 | 369,900,000  |
| Incurred claims:   |                |              |
| Estimated future payments for new claimants admitted in current year | 25,800,000     | 24,800,000   |
| Estimated future payments for new claimants admitted in prior years  | 21,600,000     | 20,200,000   |
| Total incurred claims  | 47,400,000     | 45,000,000   |
| Claims payments:   |                |              |
| Estimated claims payments for claimants admitted in current year     | (1,700,000)    | (1,700,000)  |
| Estimated claims payments for claimants admitted in prior years      | (16,900,000)   | (16,700,000) |
| Total estimated claims payments                                      | (18,600,000)   | (18,400,000) |
| Increase in provision for change in methodology and assumptions      | —              | 14,700,000   |
| Unpaid claims and claim adjustment expenses at end of year           | \$ 440,000,000 | 411,200,000  |

The total undiscounted unpaid claims and claim adjustment expenses amount to \$1,744.6 million at December 31, 2013 and represent unaudited estimates.

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Notes to Basic Financial Statements

December 31, 2013

**(5) Employee Benefits**

The Program pays each employee an amount equal to 27% of his or her salary in lieu of a benefits package. This additional salary is to be used by the employee to acquire certain benefits, if they so choose, and is subject to income and payroll taxes. Additional benefits paid by the Program to its employees includes the 27% of salary, employer paid portion of health insurance, life insurance and long and short term disability insurance and amounted to \$150,900 for the year ending December 31, 2013.

**(6) Operating Lease Commitments**

The Program leases its office space under an operating lease expiring in September 2018. Rent expense totaled \$32,442 for the year ended December 31, 2013.

Future minimum obligations under this lease are as follows:

|            |    |        |
|------------|----|--------|
| 2014       | \$ | 54,617 |
| 2015       |    | 55,583 |
| 2016       |    | 57,255 |
| 2017       |    | 58,959 |
| Thereafter |    | 45,359 |

**(7) Liquidity**

The most recent actuarial study performed for the year ended December 31, 2013, which used claims data as of December 31, 2011, determined that the Program was not actuarially sound. However, the actuarial study did point out that the Program is not in any immediate danger of defaulting on the payment of benefits and that the Program has sufficient assets to continue to pay for claimants' benefits for the subsequent thirty years.

**(8) Contingencies**

Various pending and threatened lawsuits claim eligibility for program benefits. Management believes the Program's claims reserves based upon actuarial assumptions are adequate to provide for the ultimate resolution of these claims.

This page left intentionally blank





**REQUIRED SUPPLEMENTARY INFORMATION**



This page left intentionally blank



**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Claims Development Information

December 31, 2013

(In thousands)

|   | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| (1) Premiums, investment revenue and miscellaneous:   |             |             |             |             |             |             |             |             |             |             |
| Earned  | \$ 25,445   | 26,032      | 40,292      | 39,964      | (20,801)    | 60,741      | 48,392      | 25,925      | 55,518      | 60,907      |
| (2) Unallocated expenses  | 137         | 183         | 189         | 197         | 188         | 196         | 213         | 268         | 263         | 213         |
| (3) Estimated losses and expenses, end of birth year:   |             |             |             |             |             |             |             |             |             |             |
| Incurred  | 20,733      | 21,652      | 23,000      | 24,500      | 23,300      | 22,300      | 23,500      | 23,800      | 24,800      | 28,800      |
| (4) Net paid (cumulative) as of:  |             |             |             |             |             |             |             |             |             |             |
| End of birth year   | —           | —           | —           | —           | —           | 68          | —           | —           | —           | —           |
| One year later  | —           | —           | 157         | 124         | 331         | 303         | —           | —           | —           | —           |
| Two years later   | 4           | 41          | 341         | 369         | 372         | 614         | 267         | 44          | —           | —           |
| Three years later   | 211         | 88          | 420         | 438         | 895         | 822         | 498         | —           | —           | —           |
| Four years later  | 569         | 421         | 574         | 625         | 1,133       | 1,338       | —           | —           | —           | —           |
| Five years later  | 802         | 437         | 829         | 1,019       | 1,372       | —           | —           | —           | —           | —           |
| Six years later   | 1,187       | 519         | 1,120       | 1,270       | —           | —           | —           | —           | —           | —           |
| Seven years later   | 1,493       | 797         | 1,339       | —           | —           | —           | —           | —           | —           | —           |
| Eight years later   | 1,772       | 1,092       | —           | —           | —           | —           | —           | —           | —           | —           |
| Nine years later  | 2,076       | —           | —           | —           | —           | —           | —           | —           | —           | —           |
| (5) Reestimated ceded losses and expenses   | —           | —           | —           | —           | —           | —           | —           | —           | —           | —           |
| (6) Reestimated net incurred losses and expenses:   |             |             |             |             |             |             |             |             |             |             |
| End of birth year   | 20,733      | 21,652      | 23,000      | 24,500      | 23,300      | 22,300      | 23,500      | 23,800      | 24,800      | 28,800      |
| One year later  | 22,558      | 22,038      | 22,332      | 23,372      | 21,630      | 22,575      | 18,136      | 24,609      | 24,248      | —           |
| Two years later   | 22,927      | 21,409      | 21,273      | 21,615      | 21,917      | 17,485      | 18,934      | 24,367      | —           | —           |
| Three years later   | 22,325      | 20,412      | 19,624      | 21,918      | 16,599      | 18,243      | 18,696      | —           | —           | —           |
| Four years later  | 21,370      | 18,859      | 19,908      | 16,325      | 17,391      | 18,016      | —           | —           | —           | —           |
| Five years later  | 19,884      | 19,127      | 14,658      | 17,158      | 17,154      | —           | —           | —           | —           | —           |
| Six years later   | 20,140      | 14,184      | 15,440      | 16,909      | —           | —           | —           | —           | —           | —           |
| Seven years later   | 15,407      | 14,920      | 15,206      | —           | —           | —           | —           | —           | —           | —           |
| Eight years later   | 16,112      | 14,700      | —           | —           | —           | —           | —           | —           | —           | —           |
| Nine years later  | 15,901      | —           | —           | —           | —           | —           | —           | —           | —           | —           |
| (7) Increase (decrease) in estimated net incurred losses<br>and expenses from end of birth year | (4,832)     | (6,952)     | (7,794)     | (7,591)     | (6,146)     | (4,284)     | (4,804)     | 567         | (252)       | —           |

See accompanying independent auditors' report and notes to required supplementary information.

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Note to Required Supplementary Information

December 31, 2013

**(1) Claims Development Information**

The table on the preceding page illustrates how the Program's earned revenue, investment income and miscellaneous income compare to related costs of loss and other expenses assumed by the Program as of the end of each of the previous ten years. The rows of the table are defined as follows: (1) This line shows the total of each year's gross earned premiums and reported investment income and miscellaneous income. (2) This line shows each year's other operating costs of the Program including overhead and loss adjustment expenses not allocable to individual claims. (3) This line shows the Program's gross incurred losses and allocated loss adjustment expense and net incurred losses and loss adjustment expense (both paid and accrued) as originally reported at the end of the year in which the event that triggered coverage occurred (called birth year). (4) This Section of ten rows shows the cumulative net amounts paid as of the end of successive years for each birth year. (5) This line shows the latest re-estimated amount of losses assumed by re-insurers for each birth year. (6) This section of ten rows shows how each birth year's net incurred losses increased or decreased as of the end of successive years. (This annual re-estimation results from new information received on known losses, reevaluation of existing information on known losses, and emergence of new losses not previously known). (7) This line compares the latest re-estimated net incurred losses amount to the amount originally established (line 3) and shows whether this latest estimate of losses is greater or less than originally thought. As data for individual birth years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of net incurred losses currently recognized in less mature birth years. The columns of the table show data for successive birth years.

This page left intentionally blank



## STATISTICAL SECTION



This page left intentionally blank



# VIRGINIA BIRTH-RELATED NEUROLOGICAL INJURY COMPENSATION PROGRAM

Statistical Section (unaudited)

December 31, 2013

## **Statistical Section**

This Section of the Program's CAFR presents detailed information as a context for understanding what the information in the basic financial statements and required supplementary information indicate about the Program's overall financial health. This information has not been audited by the independent auditors.

### ***Financial Trends***

These tables contain trend information to help the reader understand how the Program's financial performance and well-being changed over time.

|         |   |
|---------|---|
| Table 1 | Net Position by Component                                   |
| Table 2 | Schedule of Revenues, Expenses, and Changes in Net Position |
| Table 3 | Analysis of Average Cost per Active Claimant                |
| Table 4 | Schedule of General and Administrative Expenses             |

### ***Revenue Capacity***

This table contains information to help the reader assess the Program's significant operating revenues.

|         |                       |
|---------|-----------------------|
| Table 5 | Rates and Assessments |
|---------|-----------------------|

### ***Economic and Demographic Information***

These tables offer economic and demographic indicators to help the reader understand the environment within which the Program's financial activities take place.

|         |  |
|---------|--|
| Table 6 | Physicians, Hospitals, and Insurance Companies |
| Table 7 | Virginia Demographic Statistics                |
| Table 8 | Virginia Principal Employers                   |

### ***Operating Information***

These tables contain operating and claimant data to help the reader understand how the information in the Program's financial report relates to the services the Program provides and the activities it performs.

|          |  |
|----------|--|
| Table 9  | Number of Admitted, Deceased, and Active Claimants |
| Table 10 | Number of Employees by Identifiable Activities     |

*Sources: Unless otherwise noted, the information in this Section is derived from the Program's comprehensive annual financial reports for the relevant years.*



**Table 1**

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Net Position (Deficit) by Component

Last ten fiscal years

| <b>Year ended December 31</b>           | <b>Net investment<br/>in capital<br/>assets</b> | <b>Unrestricted<br/>deficit</b> | <b>Total<br/>net position<br/>(deficit)</b> |
|---|---|---------------------------------|---|
| 2004                                    | 26,887  | (99,184,336)                    | (99,157,449)                                |
| 2005                                    | 19,755  | (125,181,112)                   | (125,161,357)                               |
| 2006                                    | 16,302  | (129,328,796)                   | (129,312,494)                               |
| 2007                                    | 10,504  | (127,646,193)                   | (127,635,689)                               |
| 2008 – adjusted for adoption of GASB 52 | 11,074  | (180,804,837)                   | (180,793,763)                               |
| 2009                                    | 9,130   | (146,830,018)                   | (146,820,888)                               |
| 2010                                    | 14,943  | (149,115,714)                   | (149,100,771)                               |
| 2011                                    | 24,302  | (98,678,241)                    | (98,653,939)                                |
| 2012                                    | 20,537  | (98,758,961)                    | (98,738,424)                                |
| 2013                                    | 14,961  | (81,789,595)                    | (81,774,634)                                |

See accompanying independent auditors' report.

Table 2

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Schedule of Revenues, Expenses, and Changes in Net Position

Last ten fiscal years

|  | <u>2013</u>            | <u>2012</u>         | <u>2011</u>         | <u>2010</u>          | <u>2009</u>          | <u>2008</u>          | <u>2007</u>          | <u>2006</u>          | <u>2005</u>          | <u>2004</u>         |
|--|------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| Operating revenues:                            |                        |                     |                     |                      |                      |                      |                      |                      |                      |                     |
| Participating hospitals                        | \$ 3,430,238           | 3,495,915           | 3,623,350           | 3,771,265            | 3,750,364            | 3,373,339            | 2,715,783            | 2,926,900            | 2,753,450            | 2,730,909           |
| Participating physicians                       | 4,217,819              | 4,102,419           | 3,868,705           | 3,811,821            | 3,532,187            | 3,358,073            | 3,223,346            | 2,843,793            | 2,342,449            | 2,211,184           |
| Mandated physician fees                        | 4,451,865              | 4,139,786           | 4,362,116           | 4,214,365            | 4,170,750            | 3,992,183            | 3,747,915            | 3,734,266            | 3,444,676            | 3,436,378           |
| Insurance fees                                 | 12,044,647             | 11,842,527          | 11,861,936          | 12,273,510           | 12,620,887           | 12,830,024           | 12,641,617           | 11,945,795           | 11,314,150           | 9,948,858           |
| Other  | —                      | —                   | 759                 | 8,528                | 54                   | 71                   | 21,296               | 136,676              | —                    | 100                 |
| Total operating revenues                       | <u>24,144,569</u>      | <u>23,580,647</u>   | <u>23,716,866</u>   | <u>24,079,489</u>    | <u>24,074,242</u>    | <u>23,553,690</u>    | <u>22,349,957</u>    | <u>21,587,430</u>    | <u>19,854,725</u>    | <u>18,327,429</u>   |
| Operating expenses:                            |                        |                     |                     |                      |                      |                      |                      |                      |                      |                     |
| Provision for claims, net                      | 43,729,663             | 55,339,703          | (24,790,373)        | 50,458,868           | 26,572,068           | 33,458,390           | 38,009,839           | 44,254,224           | 51,853,223           | 47,963,625          |
| General and administration                     | 213,457                | 261,917             | 268,151             | 212,856              | 196,161              | 188,126              | 197,353              | 188,573              | 183,164              | 136,569             |
| Other  | —                      | 1,191               | —                   | —                    | —                    | —                    | —                    | —                    | —                    | —                   |
| Total operating expenses                       | <u>43,943,120</u>      | <u>55,602,811</u>   | <u>(24,522,222)</u> | <u>50,671,724</u>    | <u>26,768,229</u>    | <u>33,646,516</u>    | <u>38,207,192</u>    | <u>44,442,797</u>    | <u>52,036,387</u>    | <u>48,100,194</u>   |
| Operating gain (loss)                          | (19,798,551)           | (32,022,164)        | 48,239,088          | (26,592,235)         | (2,693,987)          | (10,092,826)         | (15,857,235)         | (22,855,367)         | (32,181,662)         | (29,772,765)        |
| Nonoperating revenue (expense):                |                        |                     |                     |                      |                      |                      |                      |                      |                      |                     |
| Net investment income (loss) and miscellaneous | 36,762,341             | 31,937,679          | 2,207,744           | 24,312,352           | 36,666,862           | (43,065,248)         | 17,534,040           | 18,704,230           | 6,177,754            | 7,118,015           |
| Change in net position                         | 16,963,790             | (84,485)            | 50,446,832          | (2,279,883)          | 33,972,875           | (53,158,074)         | 1,676,805            | (4,151,137)          | (26,003,908)         | (22,654,750)        |
| Net position (deficit) at beginning of year    | (98,738,424)           | (98,653,939)        | (149,100,771)       | (146,820,888)        | (180,793,763)        | (127,635,689)        | (129,312,494)        | (125,161,357)        | (99,157,449)         | (76,502,699)        |
| Net position (deficit) at end of year          | <u>\$ (81,774,634)</u> | <u>(98,738,424)</u> | <u>(98,653,939)</u> | <u>(149,100,771)</u> | <u>(146,820,888)</u> | <u>(180,793,763)</u> | <u>(127,635,689)</u> | <u>(129,312,494)</u> | <u>(125,161,357)</u> | <u>(99,157,449)</u> |

See accompanying independent auditors' report.

Table 3

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Analysis of Average Cost per Active Claimant

Last ten fiscal years

| Year  | 2013          | 2012       | 2011         | 2010       | 2009       | 2008       | 2007       | 2006       | 2005       | 2004       |
|---|---------------|------------|--------------|------------|------------|------------|------------|------------|------------|------------|
| Claims expense                                      | \$ 14,929,663 | 14,039,703 | 13,109,627   | 11,858,868 | 11,372,049 | 11,658,390 | 10,209,839 | 11,054,225 | 9,453,223  | 6,863,625  |
| Number of active claimants (note 1)                 | 139           | 134        | 127          | 117        | 113        | 111        | 109        | 96         | 91         | 82         |
| Average expense per claimant                        | \$ 107,408    | 104,774    | 103,225      | 101,358    | 100,638    | 105,031    | 93,668     | 115,148    | 103,882    | 83,703     |
| Percent increase or decrease from prior year        | 2.50%         | 1.50%      | 1.84%        | 0.72%      | (4.18)%    | 12.13%     | (18.65)%   | 10.84%     | 24.11%     | 2.86%      |
| Breakdown of claims expenses into major categories: |               |            |              |            |            |            |            |            |            |            |
| Category  | 2013          | 2012       | 2011         | 2010       | 2009       | 2008       | 2007       | 2006       | 2005       | 2004       |
| Nursing   | \$ 9,876,877  | 9,147,939  | 8,531,487    | 7,990,795  | 7,194,528  | 6,983,584  | 6,448,647  | 6,186,118  | 5,541,310  | 4,372,664  |
| Physician/Hospital                                  | 75,476        | 60,464     | 77,828       | 78,057     | 59,474     | 68,119     | 96,123     | 81,115     | 63,976     | 142,664    |
| Therapy   | 334,026       | 328,579    | 339,347      | 310,829    | 219,303    | 254,923    | 254,876    | 231,712    | 197,991    | 111,324    |
| Incidentals   | 159,793       | 167,650    | 153,112      | 172,224    | 139,064    | 193,317    | 151,903    | 179,888    | 181,039    | 128,642    |
| Prescription  | 83,123        | 93,148     | 91,233       | 130,381    | 151,905    | 135,239    | 127,809    | 115,265    | 104,329    | 76,789     |
| Housing   | 553,852       | 575,319    | 409,937      | 423,352    | 839,436    | 1,360,826  | 756,673    | 1,445,145  | 937,368    | 327,912    |
| Van   | 538,029       | 762,149    | 574,437      | 385,084    | 351,673    | 526,513    | 501,827    | 863,555    | 734,953    | 315,917    |
| Medical equipment                                   | 190,707       | 157,206    | 158,558      | 160,510    | 166,926    | 211,562    | 188,897    | 319,405    | 162,970    | 219,142    |
| Legal fees – claimant                               | 465,807       | 215,190    | 371,045      | 165,164    | 165,654    | 299,892    | 283,809    | 470,204    | 350,667    | 315,917    |
| Legal fees – attorney general                       | 180,000       | 180,000    | 180,000      | 170,000    | 117,500    | 150,000    | 150,000    | 187,500    | 225,000    | —          |
| Auto/Health insurance                               | 164,413       | 143,509    | 134,082      | 150,137    | 141,193    | 143,283    | 150,940    | 120,678    | 104,718    | 97,893     |
| Mileage reimbursement                               | 62,003        | 74,857     | 67,956       | 78,081     | 41,689     | 73,978     | 49,276     | 72,480     | 32,342     | 27,822     |
| Wage benefit payment                                | 1,082,549     | 900,614    | 698,454      | 501,407    | 334,207    | 245,052    | 97,163     | —          | —          | —          |
| WCC ordered award                                   | 251,834       | 156,053    | 200,000      | 164,820    | 595,850    | 200,000    | —          | —          | —          | —          |
| Claimant related administrative                     | 853,829       | 1,047,669  | 1,072,606    | 851,426    | 784,645    | 752,504    | 789,413    | 754,290    | 732,654    | 600,000    |
| Other (note 2)                                      | 57,345        | 29,357     | 49,545       | 126,601    | 69,002     | 59,598     | 162,483    | 26,870     | 83,906     | 126,939    |
| Total claims expense                                | 14,929,663    | 14,039,703 | 13,109,627   | 11,858,868 | 11,372,049 | 11,658,390 | 10,209,839 | 11,054,225 | 9,453,223  | 6,863,625  |
| Percent increase or decrease from prior year        | 6.3%          | 7.1%       | 10.55%       | 4.28%      | (2.46)%    | 14.19%     | (7.64)%    | 16.94%     | 37.73%     | 13.98%     |
| Percentage of expense per total claims expense:     |               |            |              |            |            |            |            |            |            |            |
| Category  | 2013          | 2012       | 2011         | 2010       | 2009       | 2008       | 2007       | 2006       | 2005       | 2004       |
| Nursing   | 66.16%        | 65.16%     | 65.08%       | 67.38%     | 63.27%     | 59.90%     | 63.16%     | 55.96%     | 58.62%     | 63.71%     |
| Physician/Hospital                                  | 0.51          | 0.43       | 0.59         | 0.66       | 0.52       | 0.58       | 0.94       | 0.73       | 0.68       | 2.08       |
| Therapy   | 2.24          | 2.34       | 2.59         | 2.62       | 1.93       | 2.19       | 2.50       | 2.10       | 2.09       | 1.62       |
| Incidentals   | 1.07          | 1.19       | 1.17         | 1.45       | 1.22       | 1.66       | 1.49       | 1.63       | 1.92       | 1.87       |
| Prescription  | 0.56          | 0.66       | 0.70         | 1.10       | 1.34       | 1.16       | 1.25       | 1.04       | 1.10       | 1.12       |
| Housing   | 3.71          | 4.10       | 3.13         | 3.57       | 7.38       | 11.67      | 7.41       | 13.07      | 9.92       | 4.78       |
| Van   | 3.60          | 5.43       | 4.38         | 3.25       | 3.09       | 4.52       | 4.92       | 7.81       | 7.77       | 4.60       |
| Medical equipment                                   | 1.28          | 1.12       | 1.21         | 1.35       | 1.47       | 1.81       | 1.85       | 2.89       | 1.72       | 3.19       |
| Legal   | 3.12          | 1.53       | 2.83         | 1.39       | 1.46       | 2.57       | 2.78       | 4.25       | 3.71       | 4.60       |
| Legal fees – attorney general                       | 1.21          | 1.28       | 1.37         | 1.43       | 1.03       | 1.29       | 1.47       | 1.70       | 2.38       | —          |
| Auto/Health insurance                               | 1.10          | 1.02       | 1.02         | 1.27       | 1.24       | 1.23       | 1.48       | 1.09       | 1.11       | 1.43       |
| Mileage reimbursement                               | 0.42          | 0.53       | 0.52         | 0.66       | 0.37       | 0.63       | 0.48       | 0.66       | 0.34       | 0.41       |
| Wage benefit payment                                | 7.25          | 6.41       | 5.33         | 4.23       | 2.94       | 2.10       | 0.95       | —          | —          | —          |
| WCC ordered award                                   | 1.69          | 1.11       | 1.53         | 1.39       | 5.24       | 1.72       | —          | —          | —          | —          |
| Claimant related administrative                     | 5.72          | 7.46       | 8.18         | 7.18       | 6.90       | 6.45       | 7.73       | 6.82       | 7.75       | 8.74       |
| Other (note 2)                                      | 0.38          | 0.21       | 0.38         | 1.07       | 0.61       | 0.51       | 1.59       | 0.24       | 0.89       | 1.85       |
| Total   | 100.0%        | 100.0%     | 100.0%       | 100.0%     | 100.0%     | 100.0%     | 100.0%     | 100.0%     | 100.0%     | 100.0%     |
| Change in claims provision                          | \$ 28,800,000 | 41,300,000 | (37,900,000) | 38,600,000 | 15,200,000 | 21,800,000 | 27,800,000 | 33,200,000 | 42,400,000 | 41,100,000 |
| Nonclaims related administrative and other          | 213,457       | 263,108    | 268,151      | 212,856    | 196,161    | 188,126    | 197,353    | 188,573    | 183,164    | 136,569    |
| Total operating expense                             | \$ 43,943,120 | 55,602,811 | (24,522,222) | 50,671,724 | 26,768,210 | 33,646,516 | 38,207,192 | 44,442,798 | 52,036,387 | 48,100,194 |

## Notes:

1. Active claimants are the total admitted claimants less deceased.
2. Other expenses may include medical review, therapeutic toys, computer equipment, funeral expense and medical service dog.

See accompanying independent auditors' report.

Table 4

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Schedule of General and Administrative Expenses

Last ten fiscal years

|  | <u>2013</u>       | <u>2012</u>      | <u>2011</u>      | <u>2010</u>      | <u>2009</u>    | <u>2008</u>    | <u>2007</u>    | <u>2006</u>    | <u>2005</u>    | <u>2004</u>    |
|--|-------------------|------------------|------------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Advertising and brochures              | \$ 843            | 6,385            | 1,610            | 1,059            | 2,177          | 3,841          | 1,533          | 4,260          | 5,249          | 11,980         |
| Computer services                      | 6,793             | 15,958           | 25,194           | 11,946           | 13,065         | 10,672         | 10,028         | 9,558          | 13,226         | 12,758         |
| Depreciation and amortization          | 7,811             | 7,591            | 5,960            | 1,866            | 5,936          | 4,299          | 6,504          | 8,669          | 10,528         | 11,536         |
| Office                                 | 14,685            | 13,552           | 11,107           | 10,486           | 14,409         | 11,623         | 7,714          | 9,460          | 7,771          | 6,785          |
| Other                                  | 33,298            | 34,022           | 26,707           | 24,419           | 24,002         | 22,974         | 34,130         | 48,090         | 55,111         | 34,541         |
| Postage and mailing                    | 5,721             | 7,318            | 6,029            | 6,263            | 8,071          | 11,100         | 10,292         | 8,879          | 9,909          | 12,790         |
| Professional fees                      | 284,442           | 458,728          | 510,241          | 367,967          | 280,842        | 234,935        | 327,188        | 282,766        | 286,744        | 174,480        |
| Rent                                   | 35,067            | 70,260           | 66,551           | 65,365           | 68,008         | 62,844         | 60,957         | 60,589         | 59,143         | 53,498         |
| Salaries and benefits                  | 669,877           | 688,136          | 679,781          | 567,446          | 556,899        | 568,263        | 518,682        | 502,315        | 458,511        | 352,770        |
| Telephone                              | 8,749             | 7,636            | 7,577            | 7,465            | 7,397          | 10,079         | 9,736          | 8,277          | 9,625          | 11,709         |
|  | <u>1,067,286</u>  | <u>1,309,586</u> | <u>1,340,757</u> | <u>1,064,282</u> | <u>980,806</u> | <u>940,630</u> | <u>986,764</u> | <u>942,863</u> | <u>915,817</u> | <u>682,847</u> |
| Less claims administration (allocated) | <u>853,829</u>    | <u>1,047,669</u> | <u>1,072,606</u> | <u>851,426</u>   | <u>784,645</u> | <u>752,504</u> | <u>789,411</u> | <u>754,290</u> | <u>732,654</u> | <u>546,278</u> |
| Unallocated expenses                   | <u>\$ 213,457</u> | <u>261,917</u>   | <u>268,151</u>   | <u>212,856</u>   | <u>196,161</u> | <u>188,126</u> | <u>197,353</u> | <u>188,573</u> | <u>183,163</u> | <u>136,569</u> |

See accompanying independent auditors' report.

Table 5

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Rates and Assessments

Last ten fiscal years

| Year | Non<br>participating<br>physicians | Hospitals                                  | Insurance<br>companies<br>estimated net<br>direct<br>premiums<br>subject to<br>assessment |
|------|------------------------------------|--|---|
| 2013 | \$ 300.00                          | \$55/live birth not to exceed \$200,000    | \$ 4,817,858,800  |
| 2012 | 300.00                             | \$55/live birth not to exceed \$200,000    | 4,737,010,800   |
| 2011 | 300.00                             | \$55/live birth not to exceed \$200,000    | 4,744,774,400   |
| 2010 | 300.00                             | \$55/live birth not to exceed \$200,000    | 4,909,404,000   |
| 2009 | 300.00                             | \$52.50/live birth not to exceed \$200,000 | 5,048,354,800   |
| 2008 | 290.00                             | \$50/live birth not to exceed \$190,000    | 5,132,009,600   |
| 2007 | 280.00                             | \$50/live birth not to exceed \$180,000    | 5,056,646,800   |
| 2006 | 270.00                             | \$50/live birth not to exceed \$170,000    | 4,778,318,000   |
| 2005 | 260.00                             | \$50/live birth not to exceed \$160,000    | 4,525,660,000   |
| 2004 | 250.00                             | \$50/live birth not to exceed \$150,000    | 3,979,543,200   |

## Notes:

Insurance companies pay one quarter of one percent of net direct premiums written in Virginia, however, only the liability portion of the premium is assessable as determined by the Virginia Workers Compensation Commission.

Legislation states (§38.2-5020 E) that if required to maintain the Program on an actuarially sound basis, liability insurers shall pay an assessment to the Program.

The September 2002 actuarial report estimated that the fund was not actuarially sound as of December 31, 2001. Beginning with year 2002 through 2013, the liability insurers were assessed one quarter of one percent of net premiums written.

Legislation states (§38.2-5020 G) that if the Virginia State Corporation Commission determines the Program is actuarially sound it will suspend the assessment on nonparticipating physicians.

The September 2002 actuarial report estimated that the fund was not actuarially sound as of December 31, 2001. Beginning with year 2002 through 2013, nonparticipating physicians were required to pay the assessment.

See accompanying independent auditors' report.

Table 6

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Physicians, Hospitals, and Insurance Companies

Last ten fiscal years

|                                | 2013   | 2012   | 2011   | 2010   | 2009   | 2008   | 2007   | 2006   | 2005   | 2004   |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Participating:                 |        |        |        |        |        |        |        |        |        |        |
| Doctors                        | 703    | 691    | 665    | 675    | 648    | 653    | 622    | 577    | 536    | 508    |
| Residents                      | —      | —      | —      | —      | —      | 88     | 77     | 155    | 147    | 456    |
| Total participating physicians | 703    | 691    | 665    | 675    | 648    | 741    | 699    | 732    | 683    | 964    |
| Mandatory:                     |        |        |        |        |        |        |        |        |        |        |
| Total mandatory physicians     | 14,950 | 13,866 | 14,554 | 14,055 | 14,076 | 13,797 | 13,817 | 13,597 | 13,219 | 13,445 |
| Delinquent:                    |        |        |        |        |        |        |        |        |        |        |
| Total delinquent physicians    | 3,456  | 3,991  | 2,932  | 2,769  | 2,670  | 1,893  | 1,184  | 621    | 737    | 648    |
| Exempt:                        |        |        |        |        |        |        |        |        |        |        |
| E1                             | 1,953  | 2,043  | 1,934  | 1,955  | 1,856  | 1,903  | 1,852  | 1,733  | 1,723  | 1,701  |
| E2                             | 1,051  | 842    | 903    | 954    | 1,876  | 2,777  | 2,739  | 3,145  | 2,252  | 2,742  |
| E3                             | 1,415  | 1,316  | 1,349  | 1,514  | 1,457  | 1,547  | 1,443  | 1,596  | 1,458  | 1,544  |
| E4                             | 195    | 154    | 183    | 194    | 195    | 204    | 179    | 168    | 167    | 170    |
| E5                             | 3,404  | 3,428  | 3,770  | 3,697  | 3,471  | 3,789  | 3,661  | 4,189  | 3,982  | 4,085  |
| E6                             | 382    | 536    | 372    | —      | —      | 531    | 800    | 546    | 442    | 15     |
| Total exempt physicians        | 8,400  | 8,319  | 8,511  | 8,314  | 8,855  | 10,751 | 10,674 | 11,377 | 10,024 | 10,257 |
| Total physicians               | 27,509 | 26,867 | 26,662 | 25,813 | 26,249 | 27,182 | 26,374 | 26,327 | 24,663 | 25,314 |
| Hospitals                      | 36     | 36     | 37     | 37     | 38     | 38     | 31     | 33     | 32     | 33     |
| Insurance Companies            | 557    | 516    | 521    | 504    | 505    | 503    | 506    | 495    | 496    | 484    |

## Notes:

State law allows a physician to be exempt from paying the mandated assessment if one of the five following criteria are met:

- E1. Employed by the Commonwealth of Virginia or federal government and income from professional fees from a source other than the Commonwealth of Virginia or federal government is less than 10% of annual salary.
- E2. Enrolled in a full-time graduate medical education program accredited by the American Council for Graduate Medical Education.
- E3. Retired from active medical practice.
- E4. Engaged in active clinical practice that was limited to the provision of services, voluntary and without compensation, to any patient of any clinic organized in whole or in part for the delivery of health care services without charge.
- E5. Not practicing medicine in Virginia (either not currently practicing or practicing in another state).
- E6. The above exemption numbers are due to undeliverable addresses returned by the Post Office.

Physicians that are delinquent as of year end are turned over to the Virginia State Corporation Commission, Division of Insurance.

Legislation states (§38.2-5020 E) that if required to maintain the Program on an actuarially sound basis, liability insurers shall pay an assessment to the Program.

The September 2002 actuarial report estimated that the fund was not actuarially sound as of December 31, 2001. Beginning with year 2002 through 2013, the liability insurers were assessed one quarter of one percent of net premiums written.

Legislation states (§38.2-5020 G) that if the Virginia State Corporation Commission determines the Program is actuarially sound it will suspend the assessment on nonparticipating physicians.

The September 2002 actuarial report estimated that the fund was not actuarially sound as of December 31, 2001. Beginning with year 2002 through 2013, nonparticipating physicians were required to pay the assessment.

See accompanying independent auditors' report.

Table 7

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Virginia Demographic Statistics

Last ten fiscal years

| <b>Year</b> | <b>Population (1)</b> | <b>Number of<br/>births (1)</b> | <b>Number of<br/>petitions<br/>filed (2)</b> | <b>Number of<br/>claimants<br/>awarded (2)</b> | <b>Total personal<br/>income (in<br/>thousands) (3)</b> | <b>Per capital<br/>personal<br/>income (3)</b> | <b>Unemployment<br/>rate (4)</b> |
|-------------|-----------------------|---------------------------------|--|--|---|--|----------------------------------|
| 2013        | N/A                   | N/A                             | 6  | 5  | N/A   | N/A  | N/A                              |
| 2012        | 8,185,867             | 101,412                         | 11   | 9  | 396,005,223   | 48,377   | 5.6%                             |
| 2011        | 8,096,604             | 101,032                         | 12   | 14   | 381,930,403   | 47,126   | 6.2                              |
| 2010        | 8,001,024             | 102,934                         | 12   | 5  | 355,054,942   | 44,246   | 6.7                              |
| 2009        | 7,882,590             | 104,979                         | 10   | 8  | 347,630,625   | 44,129   | 6.8                              |
| 2008        | 7,769,089             | 106,578                         | 9  | 8  | 348,893,800   | 44,756   | 4.0                              |
| 2007        | 7,712,091             | 108,417                         | 15   | 15   | 321,245,259   | 41,727   | 3.0                              |
| 2006        | 7,642,884             | 106,474                         | 10   | 8  | 306,918,105   | 40,234   | 3.0                              |
| 2005        | 7,567,465             | 104,488                         | 16   | 14   | 286,685,185   | 37,988   | 3.5                              |
| 2004        | 7,460,066             | 103,830                         | 17   | 10   | 267,520,630   | 35,886   | 3.7                              |

1 Statistics provided by the Virginia Center for Health Statistics

2 Statistics provided by Program management

3 Statistics provided by the Bureau of Economic Analysis

4 Statistics provided by the Local Area Unemployment Statistics Unit and Bureau of Labor Statistics

N/A – not available

See accompanying independent auditors' report.

**Table 8**

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Virginia Principal Employers

| <b>Rank</b> | <b>Name</b>                         |
|-------------|-------------------------------------|
| 1           | U.S. Department of Defense          |
| 2           | Walmart                             |
| 3           | Fairfax County Public Schools       |
| 4           | Huntington Ingalls Industries, Inc. |
| 5           | Sentara Healthcare                  |
| 6           | Food Lion                           |
| 7           | U.S. Postal Service                 |
| 8           | County of Fairfax                   |
| 9           | HCA Virginia Health System          |
| 10          | Inova Health System                 |

The Virginia Employment Commission is precluded from disclosing the actual number of employees per the Confidential Information Protection and Statistical Efficiency Act-Title V of Public Law 107-347. All employers have an employment size of 1,000 or more.

See accompanying independent auditors' report.



Table 9

**VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Number of Admitted, Deceased, and Active Claimants

Last ten fiscal years

| Year     | Total<br>admitted | Deceased* | Deceased<br>on award** | Total<br>deceased | Active<br>claimants |
|----------|-------------------|-----------|------------------------|-------------------|---------------------|
| 2013     | 183               | 25        | 19                     | 44                | 139                 |
| Activity | 5                 | —         | —                      |                   |                     |
| 2012     | 178               | 25        | 19                     | 44                | 134                 |
| Activity | 9                 | 1         | 1                      |                   |                     |
| 2011     | 169               | 24        | 18                     | 42                | 127                 |
| Activity | 14                | 1         | 3                      |                   |                     |
| 2010     | 155               | 23        | 15                     | 38                | 117                 |
| Activity | 5                 | —         | 1                      |                   |                     |
| 2009     | 150               | 23        | 14                     | 37                | 113                 |
| Activity | 8                 | 4         | 3                      |                   |                     |
| 2008     | 142               | 19        | 11                     | 30                | 112                 |
| Activity | 8                 | 2         | 3                      |                   |                     |
| 2007     | 134               | 17        | 8                      | 25                | 109                 |
| Activity | 15                | 1         | 1                      |                   |                     |
| 2006     | 119               | 16        | 7                      | 23                | 96                  |
| Activity | 8                 | 3         | —                      |                   |                     |
| 2005     | 111               | 13        | 7                      | 20                | 91                  |
| Activity | 14                | 2         | 3                      |                   |                     |
| 2004     | 97                | 11        | 4                      | 15                | 82                  |
| Activity | 10                | 1         | 1                      |                   |                     |
| 2003     | 87                | 10        | 3                      | 13                | 74                  |

## Notes:

\* Number of children in the Program that became deceased subsequent to their award

\*\* Number of children that were deceased at the time of award to the Program

See accompanying independent auditors' report.

**Table 10****VIRGINIA BIRTH-RELATED NEUROLOGICAL  
INJURY COMPENSATION PROGRAM**

Number of Employees by Identifiable Activities

Last ten fiscal years

| <b>Year</b> | <b>Executive<br/>director</b> | <b>Finance<br/>division</b> | <b>Claims and<br/>administration</b> |
|-------------|-------------------------------|-----------------------------|--------------------------------------|
| 2013        | 1                             | 2                           | 5                                    |
| 2012        | 1                             | 2                           | 6                                    |
| 2011        | 1                             | 3                           | 6                                    |
| 2010        | 1                             | 3                           | 6                                    |
| 2009        | 1                             | 3                           | 6                                    |
| 2008        | 1                             | 3                           | 6                                    |
| 2007        | 1                             | 2                           | 6                                    |
| 2006        | 1                             | 2                           | 5                                    |
| 2005        | 1                             | 2                           | 5                                    |
| 2004        | 1                             | 2                           | 5                                    |

See accompanying independent auditors' report.

This page left intentionally blank



## COMPLIANCE SECTION



This page left intentionally blank





KPMG LLP  
Suite 2000  
1021 East Cary Street  
Richmond, VA 23219-4023

**Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

The Board of Directors  
Virginia Birth-Related Neurological  
Injury Compensation Program:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of Virginia Birth-Related Neurological Injury Compensation Program (the Program), which comprise the statement of net position as of December 31, 2013, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 7, 2014.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Program's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control. Accordingly, we do not express an opinion on the effectiveness of the Program's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Program's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Program's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Program's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**KPMG LLP**

May 7, 2014

## Quarterly Investment Analysis Period Ending December 31, 2014

**Prepared by:**

Todd C. Early, AIF®  
Managing Principal  
(804) 612-1461  
tearly@thecapgroup.com



7100 Forest Avenue, Suite 301  
Richmond, VA 23226

Tel (800) 497-4386  
Fax (804) 648-3523  
[www.thecapgroup.com](http://www.thecapgroup.com)



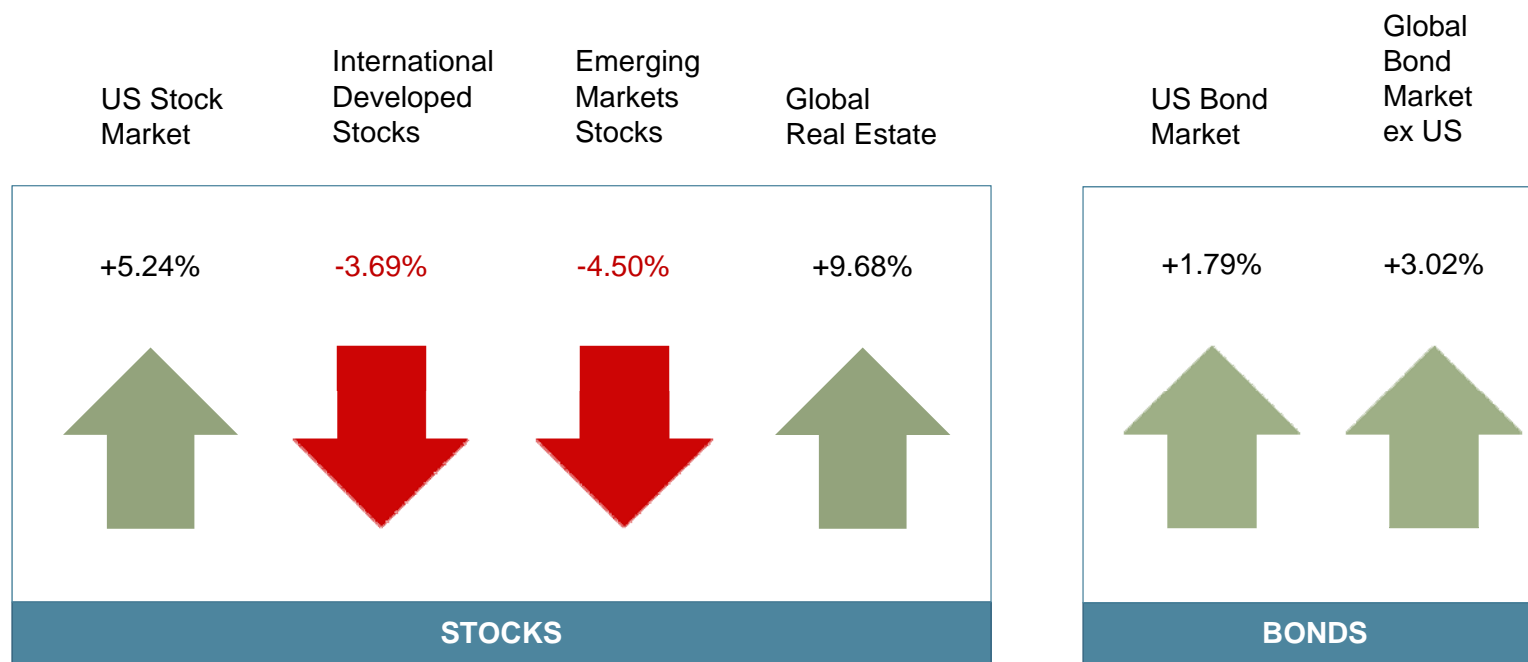
## **CONTENTS**

---

|            |                                      |
|------------|--------------------------------------|
| <b>1</b>   | <b>Market Performance</b>            |
| <b>4</b>   | <b>VBIF Total Fund Overview</b>      |
| <b>14</b>  | <b>Domestic Equity</b>               |
| <b>16</b>  | <b>Domestic Equity Managers</b>      |
| <b>51</b>  | <b>International Equity</b>          |
| <b>53</b>  | <b>International Equity Managers</b> |
| <b>69</b>  | <b>Fixed Income</b>                  |
| <b>71</b>  | <b>Fixed Income Managers</b>         |
| <b>91</b>  | <b>Alternatives</b>                  |
| <b>93</b>  | <b>Alternatives Managers</b>         |
| <b>105</b> | <b>New Section</b>                   |

# Market Summary

## Fourth Quarter 2014 Index Returns

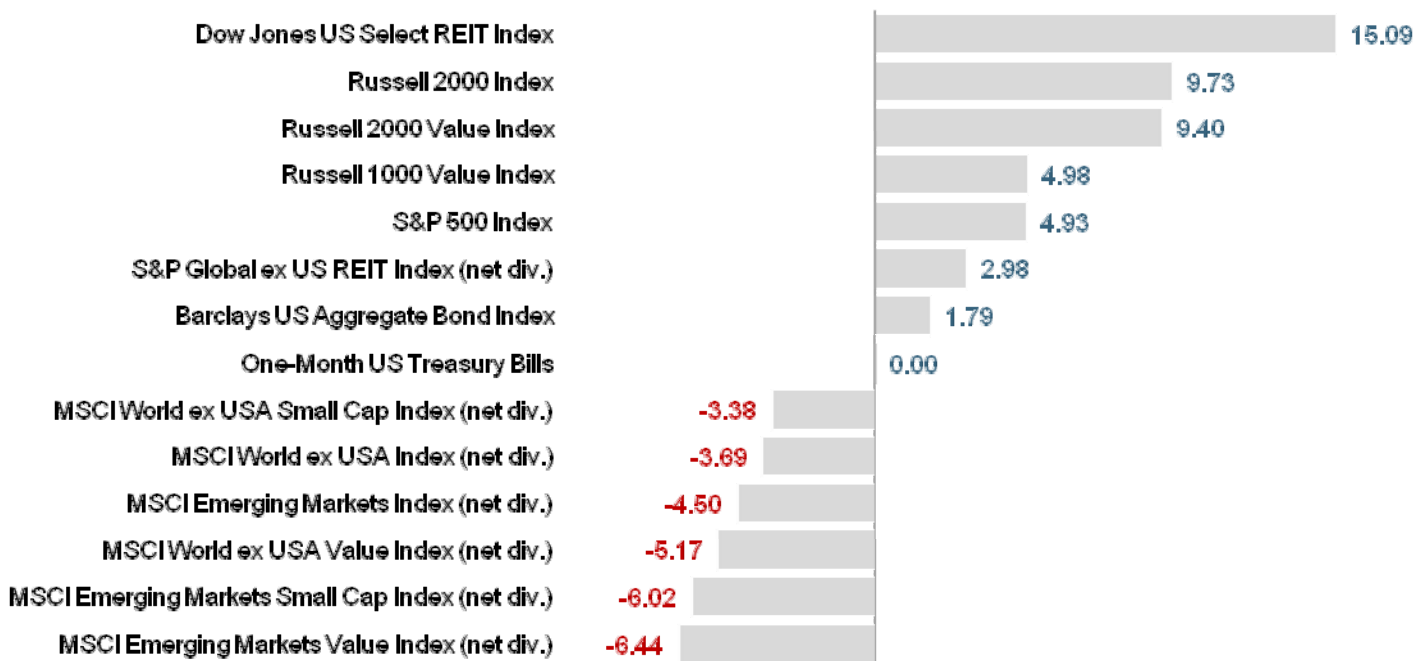


Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net div.]), Emerging Markets (MSCI Emerging Markets Index [net div.]), Global Real Estate (S&P Global REIT Index), US Bond Market (Barclays US Aggregate Bond Index), and Global Bond ex US Market (Citigroup WGBI ex USA 1-30 Years [Hedged to USD]). The S&P data are provided by Standard & Poor's Index Services Group. Russell data © Russell Investment Group 1995-2015, all rights reserved. MSCI data © MSCI 2015, all rights reserved. Barclays data provided by Barclays Bank PLC. Citigroup bond indices © 2014 by Citigroup.

# World Asset Classes

## Fourth Quarter 2014 Index Returns

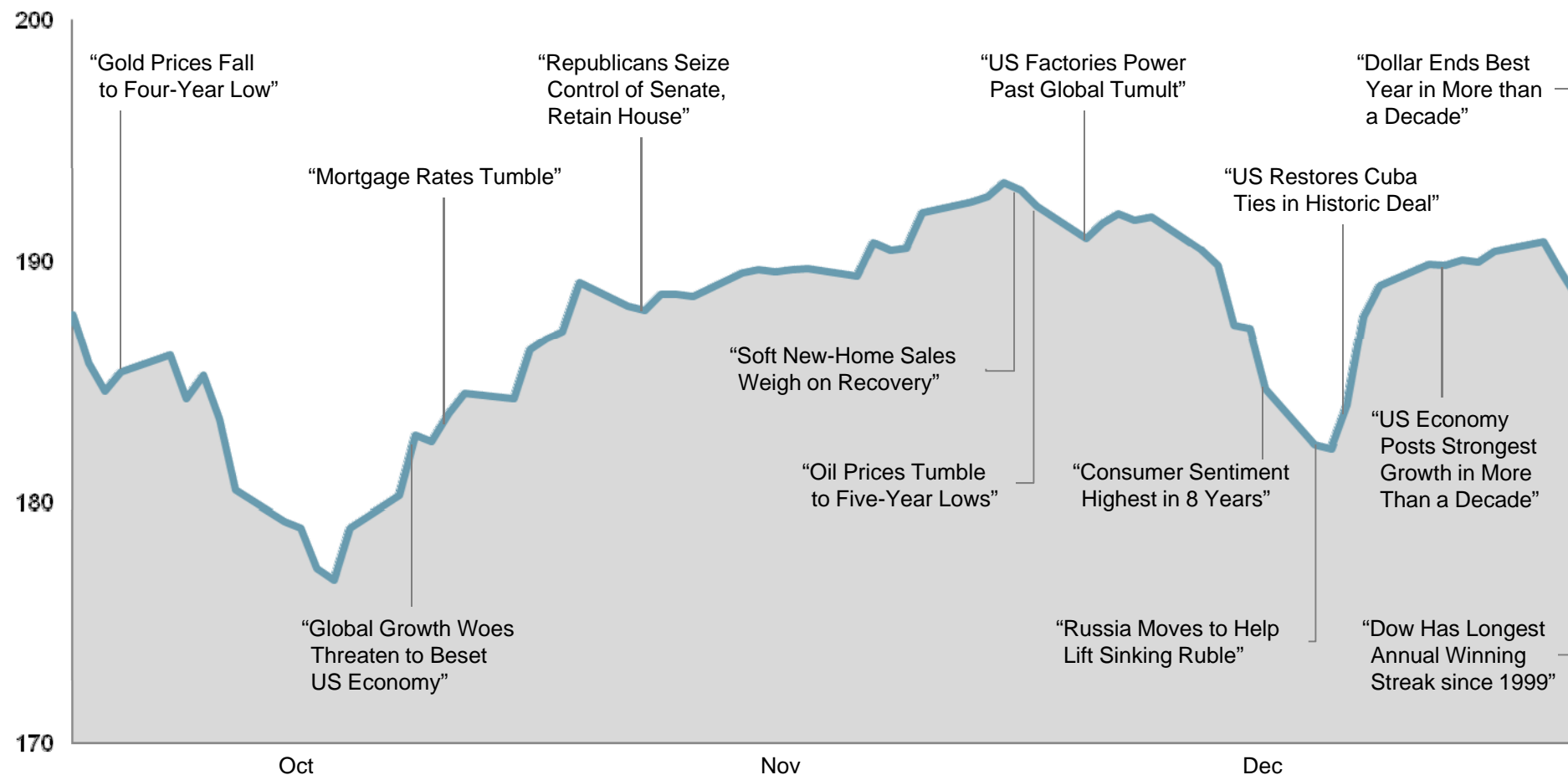
REITs, particularly in the US, had higher returns than most asset classes in the fourth quarter, outperforming equity indices. US equities performed better than non-US developed and emerging markets. Many equity markets outside the US declined in US dollar terms. Currency movements played a role; the dollar appreciated against most currencies. Small caps outperformed large caps in the US. In developed markets outside the US, small caps slightly outperformed large caps but underperformed in emerging markets. Broad market value indices outperformed growth indices in the US but underperformed in developed markets outside the US and in emerging markets. The results were mixed across size ranges in the various markets.



Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. The S&P data is provided by Standard & Poor's Index Services Group. Russell data © Russell Investment Group 1995–2015, all rights reserved. MSCI data © MSCI 2015, all rights reserved. Dow Jones data (formerly Dow Jones Wilshire) provided by Dow Jones Indexes. Barclays data provided by Barclays Bank PLC.

# World Stock Market Performance

MSCI All Country World Index with selected headlines from Q4 2014



These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

Graph Source: MSCI ACWI Index. MSCI data © MSCI 2015, all rights reserved.

It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. Past performance is not a guarantee of future results.

## VBIF Total Fund Overview

## Virginia Birth-Related Neurological Injury Compensation Fund

### Total Fund Performance

As of December 31, 2014

|   | % of Portfolio | Market Value 12/31/14 (\$) | 3 Mo Net Cash Flows (\$) | Market Value 9/30/14 (\$) | 3 Mo (%)    | YTD (%)     | 1 Yr (%)    | 3 Yrs (%)   | 5 Yrs (%)  | 7 Yrs (%)  | Return (%) | Since         |
|---|----------------|----------------------------|--------------------------|---------------------------|-------------|-------------|-------------|-------------|------------|------------|------------|---------------|
| <b>VBIF Total Fund</b>                    | <b>100.0</b>   | <b>396,059,462</b>         | <b>15,874,616</b>        | <b>373,785,555</b>        | <b>1.7</b>  | <b>4.4</b>  | <b>4.4</b>  | <b>9.1</b>  | <b>7.8</b> | <b>4.8</b> | <b>6.1</b> | <b>Oct-05</b> |
| <i>VBIF Index Target</i>                  |                |                            |                          |                           | 1.7         | 5.3         | 5.3         | 8.6         | 7.3        | 4.4        | 5.6        | Oct-05        |
| <b>Domestic Equity</b>                    | <b>30.6</b>    | <b>121,109,560</b>         | <b>-67,172</b>           | <b>114,817,486</b>        | <b>5.5</b>  | <b>9.7</b>  | <b>9.7</b>  | <b>19.8</b> | <b>--</b>  | <b>--</b>  | <b>--</b>  | <b>Oct-05</b> |
| <i>Russell 3000</i>                       |                |                            |                          |                           | 5.2         | 12.6        | 12.6        | 20.5        | 15.6       | 7.5        | 8.2        | Oct-05        |
| <b>International Equity</b>               | <b>13.2</b>    | <b>52,220,668</b>          | <b>1,000,000</b>         | <b>52,669,519</b>         | <b>-2.7</b> | <b>-3.3</b> | <b>-3.3</b> | <b>11.3</b> | <b>--</b>  | <b>--</b>  | <b>--</b>  | <b>Oct-05</b> |
| <i>MSCI ACWI ex USA</i>                   |                |                            |                          |                           | -3.9        | -3.9        | -3.9        | 9.0         | 4.4        | -0.6       | 4.3        | Oct-05        |
| <b>Fixed Income</b>                       | <b>33.0</b>    | <b>130,733,674</b>         | <b>27,969,128</b>        | <b>101,738,079</b>        | <b>0.8</b>  | <b>4.3</b>  | <b>4.3</b>  | <b>3.4</b>  | <b>--</b>  | <b>--</b>  | <b>--</b>  | <b>Oct-05</b> |
| <i>Barclays Aggregate</i>                 |                |                            |                          |                           | 1.8         | 6.0         | 6.0         | 2.7         | 4.4        | 4.8        | 4.9        | Oct-05        |
| <b>Alternatives</b>                       | <b>20.0</b>    | <b>79,098,557</b>          | <b>2,500,000</b>         | <b>76,167,357</b>         | <b>0.4</b>  | <b>3.0</b>  | <b>3.0</b>  | <b>4.9</b>  | <b>--</b>  | <b>--</b>  | <b>--</b>  | <b>Jan-11</b> |
| <i>HFRI Fund of Funds Composite Index</i> |                |                            |                          |                           | 0.9         | 3.3         | 3.3         | 5.7         | 3.3        | 0.4        | 2.7        | Jan-11        |
| <b>Cash &amp; Equivalents</b>             | <b>3.3</b>     | <b>12,897,003</b>          | <b>-15,527,341</b>       | <b>28,393,114</b>         | <b>0.0</b>  | <b>0.0</b>  | <b>0.0</b>  | <b>0.0</b>  | <b>--</b>  | <b>--</b>  | <b>--</b>  | <b>Oct-05</b> |
| <i>Citi 3mth Treasury Bill</i>            |                |                            |                          |                           | 0.0         | 0.0         | 0.0         | 0.1         | 0.1        | 0.3        | 1.4        | Oct-05        |

- VBIF Index Target = 23% S&P 500 / 4% Russell 2000 / 10% MSCI EAFE / 3% MSCI Emerging Markets / 30% Barclays Aggregate / 5% Barclays Global Aggregate / 20% HFRI Fund of Funds Composite Index / 5% 91 Day T-Bills

# Virginia Birth-Related Neurological Injury Compensation Fund

## Total Fund Performance

As of December 31, 2014

|  | % of Portfolio | Market Value 12/31/14 (\$) | 3 Mo Net Cash Flows (\$) | Market Value 9/30/14 (\$) | 3 Mo (%)   | YTD (%)     | 1 Yr (%)    | 3 Yrs (%)   | 5 Yrs (%)  | 7 Yrs (%)  | Return (%) | Since         |
|--|----------------|----------------------------|--------------------------|---------------------------|------------|-------------|-------------|-------------|------------|------------|------------|---------------|
| <b>VBIF Total Fund</b>                         | <b>100.0</b>   | <b>396,059,462</b>         | <b>15,874,616</b>        | <b>373,785,555</b>        | <b>1.7</b> | <b>4.4</b>  | <b>4.4</b>  | <b>9.1</b>  | <b>7.8</b> | <b>4.8</b> | <b>6.1</b> | <b>Oct-05</b> |
| <i>VBIF Index Target</i>                       |                |                            |                          |                           | 1.7        | 5.3         | 5.3         | 8.6         | 7.3        | 4.4        | 5.6        | Oct-05        |
| <b>Domestic Equity</b>                         | <b>30.6</b>    | <b>121,109,560</b>         | <b>-67,172</b>           | <b>114,817,486</b>        | <b>5.5</b> | <b>9.7</b>  | <b>9.7</b>  | <b>19.8</b> | <b>--</b>  | <b>--</b>  | <b>--</b>  | <b>Oct-05</b> |
| <i>Russell 3000</i>                            |                |                            |                          |                           | 5.2        | 12.6        | 12.6        | 20.5        | 15.6       | 7.5        | 8.2        | Oct-05        |
| <i>S&amp;P 500</i>                             |                |                            |                          |                           | 4.9        | 13.7        | 13.7        | 20.4        | 15.5       | 7.3        | 8.0        | Oct-05        |
| <b>Large Cap Equity</b>                        | <b>26.9</b>    | <b>106,586,975</b>         | <b>-57,237</b>           | <b>101,511,992</b>        | <b>5.1</b> | <b>10.5</b> | <b>10.5</b> | <b>20.3</b> | <b>--</b>  | <b>--</b>  | <b>--</b>  | <b>Jan-07</b> |
| <i>Brown Advisory Growth Equity Fund</i>       | 3.5            | 13,926,540                 | 0                        | 13,278,671                | 4.9        | --          | --          | --          | --         | --         | 7.1        | Mar-14        |
| <i>Edgewood Growth Fund</i>                    | 3.8            | 14,995,362                 | 0                        | 14,360,629                | 4.4        | --          | --          | --          | --         | --         | 15.3       | Mar-14        |
| <i>Vanguard Russell 1000 Growth Index Fund</i> | 4.6            | 18,035,484                 | 0                        | 17,214,587                | 4.8        | --          | --          | --          | --         | --         | 12.7       | Mar-14        |
| <i>Russell 1000 Growth</i>                     |                |                            |                          |                           | 4.8        | 13.0        | 13.0        | 20.3        | 15.8       | 8.4        | 10.7       | Mar-14        |
| <i>Vanguard Large Cap Index Fund</i>           | 3.8            | 14,961,742                 | 0                        | 14,266,326                | 4.9        | 13.4        | 13.4        | 20.4        | 15.5       | 7.5        | 8.5        | Jul-05        |
| <i>Vanguard Large Cap Spliced Index</i>        |                |                            |                          |                           | 4.9        | 13.5        | 13.5        | 20.5        | 15.6       | 7.5        | 8.5        | Jul-05        |
| <i>Robeco BP Large Value</i>                   | 5.7            | 22,416,428                 | -31,336                  | 21,263,117                | 5.6        | 11.8        | 11.8        | 23.0        | 16.3       | --         | 21.5       | Apr-09        |
| <i>Great Lakes Large Cap Value</i>             | 5.6            | 22,251,419                 | -25,901                  | 21,128,663                | 5.4        | 12.3        | 12.3        | 20.4        | 16.1       | 8.1        | 8.5        | Jul-06        |
| <i>Russell 1000 Value</i>                      |                |                            |                          |                           | 5.0        | 13.5        | 13.5        | 20.9        | 15.4       | 6.4        | 7.0        | Jul-06        |
| <b>Small/Mid Cap Equity</b>                    | <b>3.7</b>     | <b>14,522,585</b>          | <b>-9,935</b>            | <b>13,305,494</b>         | <b>9.2</b> | <b>4.3</b>  | <b>4.3</b>  | <b>15.8</b> | <b>--</b>  | <b>--</b>  | <b>--</b>  | <b>Oct-05</b> |
| <i>DFA U.S. Small Cap Fund</i>                 | 1.0            | 4,082,740                  | 0                        | 3,753,742                 | 8.8        | --          | --          | --          | --         | --         | --         | Mar-14        |
| <i>PNC Small Cap Fund</i>                      | 1.3            | 5,086,184                  | 0                        | 4,605,201                 | 10.4       | --          | --          | --          | --         | --         | --         | Mar-14        |
| <i>Russell 2000</i>                            |                |                            |                          |                           | 9.7        | 4.9         | 4.9         | 19.2        | 15.5       | 8.2        | 3.0        | Mar-14        |
| <i>Wells Benson Small Cap Value</i>            | 1.4            | 5,353,661                  | -9,935                   | 4,946,552                 | 8.4        | --          | --          | --          | --         | --         | --         | Feb-14        |
| <i>Russell 2000 Value</i>                      |                |                            |                          |                           | 9.4        | 4.2         | 4.2         | 18.3        | 14.3       | 7.6        | 8.4        | Feb-14        |

-VBIF Index Target = 23% S&P 500 / 4% Russell 2000 / 10% MSCI EAFE / 3% MSCI Emerging Markets / 30% Barclays Aggregate / 5% Barclays Global Aggregate / 5% 91 Day T-Bills / 20% HFRI Fund of Funds Composite

- Vanguard Large Cap Spliced Index = CRSP US Large Cap from Jan 31, 2013 through present; MSCI US Prime Market 750 Gross until Jan 30, 2013.

## Virginia Birth-Related Neurological Injury Compensation Fund

## Total Fund Performance

As of December 31, 2014

|  | % of Portfolio | Market Value 12/31/14 (\$) | 3 Mo Net Cash Flows (\$) | Market Value 9/30/14 (\$) | 3 Mo (%)    | YTD (%)     | 1 Yr (%)    | 3 Yrs (%)   | 5 Yrs (%) | 7 Yrs (%) | Return (%) | Since         |
|--|----------------|----------------------------|--------------------------|---------------------------|-------------|-------------|-------------|-------------|-----------|-----------|------------|---------------|
| <b>International Equity</b>              | <b>13.2</b>    | <b>52,220,668</b>          | <b>1,000,000</b>         | <b>52,669,519</b>         | <b>-2.7</b> | <b>-3.3</b> | <b>-3.3</b> | <b>11.3</b> | <b>--</b> | <b>--</b> | <b>--</b>  | <b>Oct-05</b> |
| <i>MSCI ACWI ex USA</i>                  |                |                            |                          |                           | -3.9        | -3.9        | -3.9        | 9.0         | 4.4       | -0.6      | 4.3        | Oct-05        |
| <b>Developed Markets</b>                 | <b>10.0</b>    | <b>39,766,680</b>          | <b>600,000</b>           | <b>39,860,634</b>         | <b>-1.7</b> | <b>-3.8</b> | <b>-3.8</b> | <b>12.7</b> | <b>--</b> | <b>--</b> | <b>--</b>  | <b>Oct-05</b> |
| Artisan International Equity Fund        | 5.3            | 21,166,564                 | 600,000                  | 20,475,289                | 0.5         | -1.0        | -1.0        | 15.8        | 8.8       | 1.8       | 5.3        | Jul-06        |
| Harbor International Fund                | 4.7            | 18,600,116                 | 0                        | 19,385,345                | -4.1        | -6.8        | -6.8        | 9.6         | 5.5       | 0.6       | 4.9        | Jul-06        |
| <i>MSCI ACWI ex USA</i>                  |                |                            |                          |                           | -3.9        | -3.9        | -3.9        | 9.0         | 4.4       | -0.6      | 3.0        | Jul-06        |
| <i>MSCI EAFE</i>                         |                |                            |                          |                           | -3.6        | -4.9        | -4.9        | 11.1        | 5.3       | -0.5      | 2.5        | Jul-06        |
| <b>Emerging Markets</b>                  | <b>3.1</b>     | <b>12,453,988</b>          | <b>400,000</b>           | <b>12,808,885</b>         | <b>-5.9</b> | <b>-1.7</b> | <b>-1.7</b> | <b>5.8</b>  | <b>--</b> | <b>--</b> | <b>--</b>  | <b>Oct-05</b> |
| Acadian Emerging Markets Fund            | 1.5            | 5,960,226                  | 400,000                  | 5,726,507                 | -3.0        | 0.7         | 0.7         | 6.1         | 3.3       | --        | 8.2        | Jul-09        |
| Eaton Vance TM Emerging Markets Fund     | 1.6            | 6,493,762                  | 0                        | 7,082,378                 | -8.3        | -3.6        | -3.6        | 5.7         | 3.6       | --        | 8.2        | Jul-09        |
| <i>MSCI Emerging Markets</i>             |                |                            |                          |                           | -4.5        | -2.2        | -2.2        | 4.0         | 1.8       | -1.3      | 6.8        | Jul-09        |
| <b>Fixed Income</b>                      | <b>33.0</b>    | <b>130,733,674</b>         | <b>27,969,128</b>        | <b>101,738,079</b>        | <b>0.8</b>  | <b>4.3</b>  | <b>4.3</b>  | <b>3.4</b>  | <b>--</b> | <b>--</b> | <b>--</b>  | <b>Oct-05</b> |
| <i>Barclays Aggregate</i>                |                |                            |                          |                           | 1.8         | 6.0         | 6.0         | 2.7         | 4.4       | 4.8       | 4.9        | Oct-05        |
| <b>Domestic Fixed Income</b>             | <b>28.0</b>    | <b>110,975,633</b>         | <b>25,969,128</b>        | <b>83,740,225</b>         | <b>1.2</b>  | <b>5.0</b>  | <b>5.0</b>  | <b>3.7</b>  | <b>--</b> | <b>--</b> | <b>--</b>  | <b>Oct-05</b> |
| Richmond Capital Management              | 13.1           | 51,995,330                 | 15,969,128               | 35,224,986                | 1.6         | 6.3         | 6.3         | 3.7         | 5.4       | 5.5       | 5.6        | Jan-07        |
| Western Asset Core Plus Bond Fund        | 5.1            | 20,081,891                 | 2,000,000                | 17,805,659                | 1.5         | 7.7         | 7.7         | 4.9         | 6.7       | 6.7       | 6.2        | Oct-06        |
| JP Morgan Strategic Income Opp Fund      | 4.9            | 19,331,858                 | 0                        | 19,406,180                | -0.5        | 0.1         | 0.1         | --          | --        | --        | 2.9        | Jul-12        |
| <i>Barclays Aggregate</i>                |                |                            |                          |                           | 1.8         | 6.0         | 6.0         | 2.7         | 4.4       | 4.8       | 2.2        | Jul-12        |
| Vanguard Total Bond Market Index Fund    | 4.9            | 19,566,554                 | 8,000,000                | 11,303,399                | 1.7         | 5.9         | 5.9         | 2.6         | 4.4       | 4.7       | 4.9        | Oct-05        |
| <i>Vanguard Total Bond Spliced Index</i> |                |                            |                          |                           | 1.8         | 5.9         | 5.9         | 2.7         | 4.5       | 4.8       | 4.9        | Oct-05        |
| <b>Global Fixed Income</b>               | <b>5.0</b>     | <b>19,758,040</b>          | <b>2,000,000</b>         | <b>17,997,854</b>         | <b>-1.3</b> | <b>0.3</b>  | <b>0.3</b>  | <b>1.8</b>  | <b>--</b> | <b>--</b> | <b>--</b>  | <b>Jul-09</b> |
| Loomis Sayles Global Bond Fund           | 5.0            | 19,758,040                 | 2,000,000                | 17,997,854                | -1.3        | 0.3         | 0.3         | 1.8         | 3.4       | --        | 5.1        | Jul-09        |
| <i>Barclays Global Aggregate</i>         |                |                            |                          |                           | -1.0        | 0.6         | 0.6         | 0.7         | 2.6       | 3.6       | 3.4        | Jul-09        |

- Vanguard Total Bond Spliced Index = Barclays US Aggregate Float Adjusted Index from Jan 1, 2010 through present; Barclays Aggregate Bond Index until Dec 31, 2009



# Virginia Birth-Related Neurological Injury Compensation Fund

## Total Fund Performance

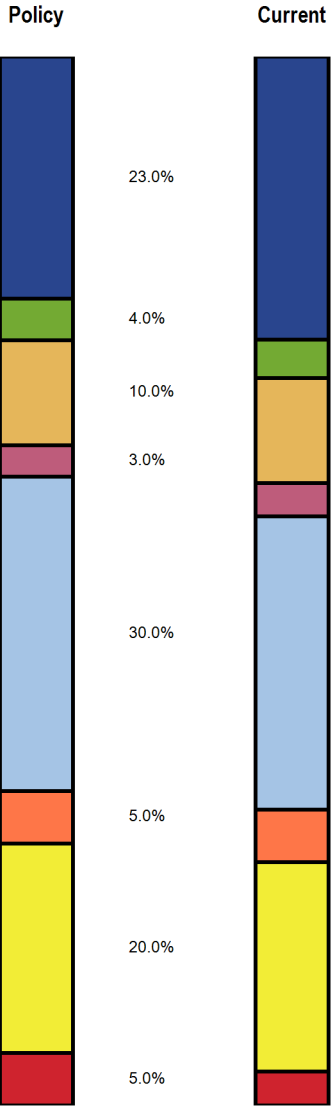
As of December 31, 2014

|   | % of Portfolio | Market Value 12/31/14 (\$) | 3 Mo Net Cash Flows (\$) | Market Value 9/30/14 (\$) | 3 Mo (%)   | YTD (%)    | 1 Yr (%)   | 3 Yrs (%)  | 5 Yrs (%)  | 7 Yrs (%)  | Return (%) | Since         |
|---|----------------|----------------------------|--------------------------|---------------------------|------------|------------|------------|------------|------------|------------|------------|---------------|
| <b>Alternatives Module</b>                | <b>20.0</b>    | <b>79,098,557</b>          | <b>2,500,000</b>         | <b>76,167,357</b>         | <b>0.4</b> | <b>3.0</b> | <b>3.0</b> | <b>4.9</b> | <b>--</b>  | <b>--</b>  | <b>3.3</b> | <b>Jan-11</b> |
| <i>HFRI Fund of Funds Composite Index</i> |                |                            |                          |                           | <i>0.9</i> | <i>3.3</i> | <i>3.3</i> | <i>5.7</i> | <i>3.3</i> | <i>0.4</i> | <i>2.7</i> | <i>Jan-11</i> |
| Aberdeen Diversified Alternatives Fund    | 6.0            | 23,703,196                 | 800,000                  | 22,657,172                | 1.1        | --         | --         | --         | --         | --         | --         | Mar-14        |
| John Hancock Global Abs Ret Strat Fund    | 5.1            | 20,175,520                 | 850,000                  | 19,159,506                | 0.4        | 4.0        | 4.0        | --         | --         | --         | 4.4        | Jan-13        |
| Palmer Square Absolute Return Fund        | 3.0            | 12,072,596                 | 650,000                  | 11,512,066                | -0.8       | 1.1        | 1.1        | --         | --         | --         | 3.6        | Jan-13        |
| Robeco BP Long Short Research Fund        | 3.1            | 12,188,659                 | 0                        | 11,777,502                | 3.5        | 7.4        | 7.4        | --         | --         | --         | 12.4       | Jan-13        |
| Wasatch Long/Short Fund                   | 2.8            | 10,958,586                 | 200,000                  | 11,061,111                | -2.7       | --         | --         | --         | --         | --         | --         | Mar-14        |
| <b>Cash &amp; Equivalents</b>             | <b>3.3</b>     | <b>12,897,003</b>          | <b>-15,527,341</b>       | <b>28,393,114</b>         |            |            |            |            |            |            |            |               |

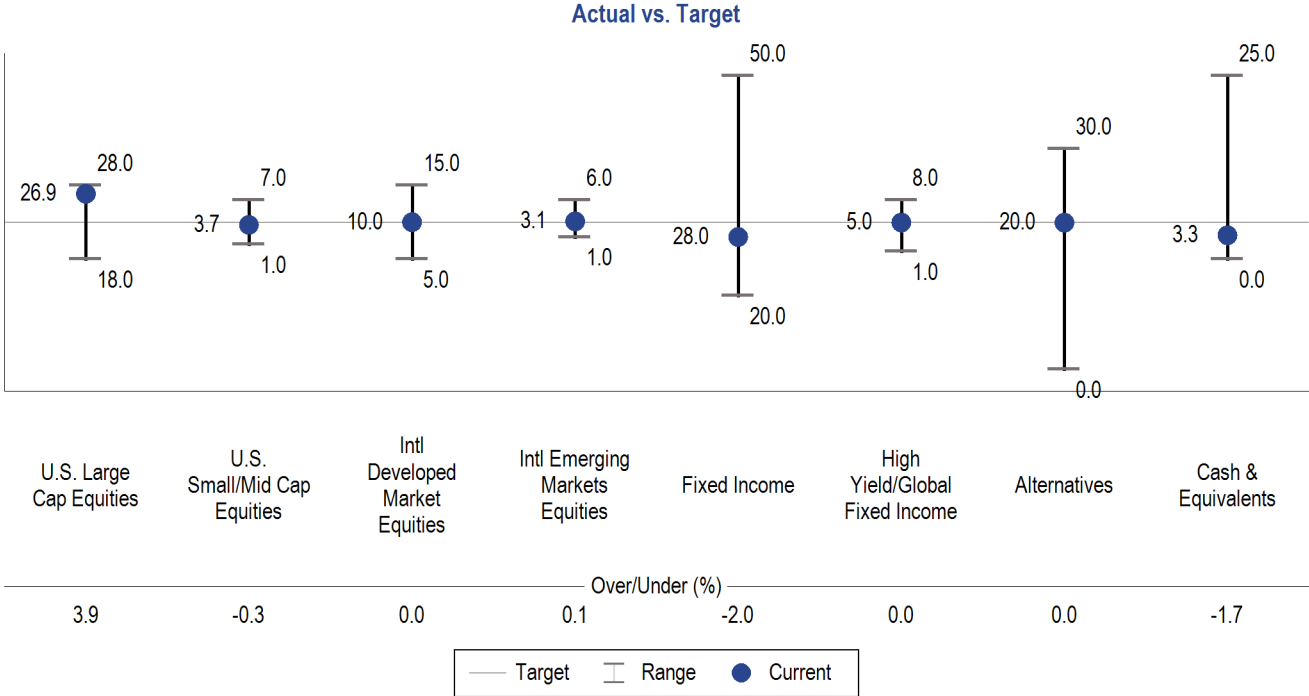
# Virginia Birth-Related Neurological Injury Compensation Fund

## Total Fund Allocation

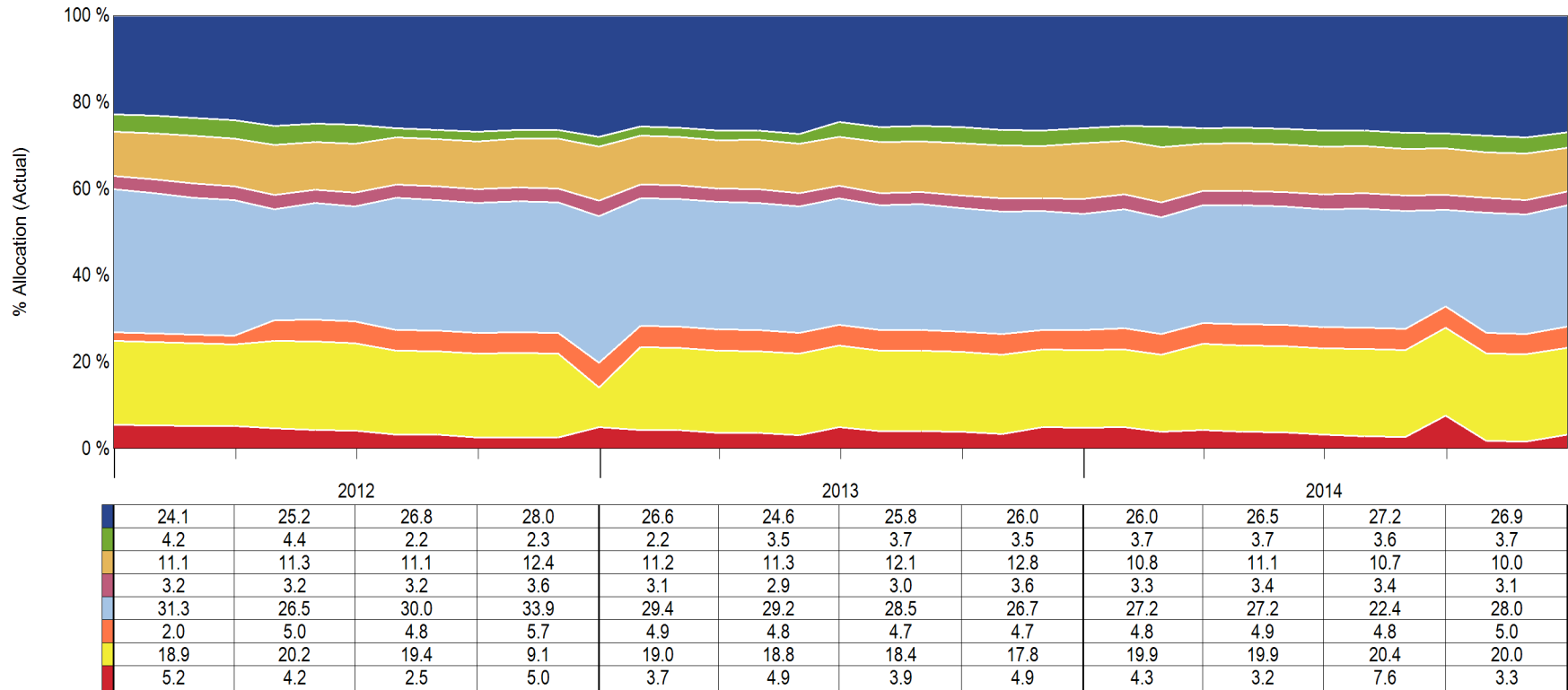
As of December 31, 2014



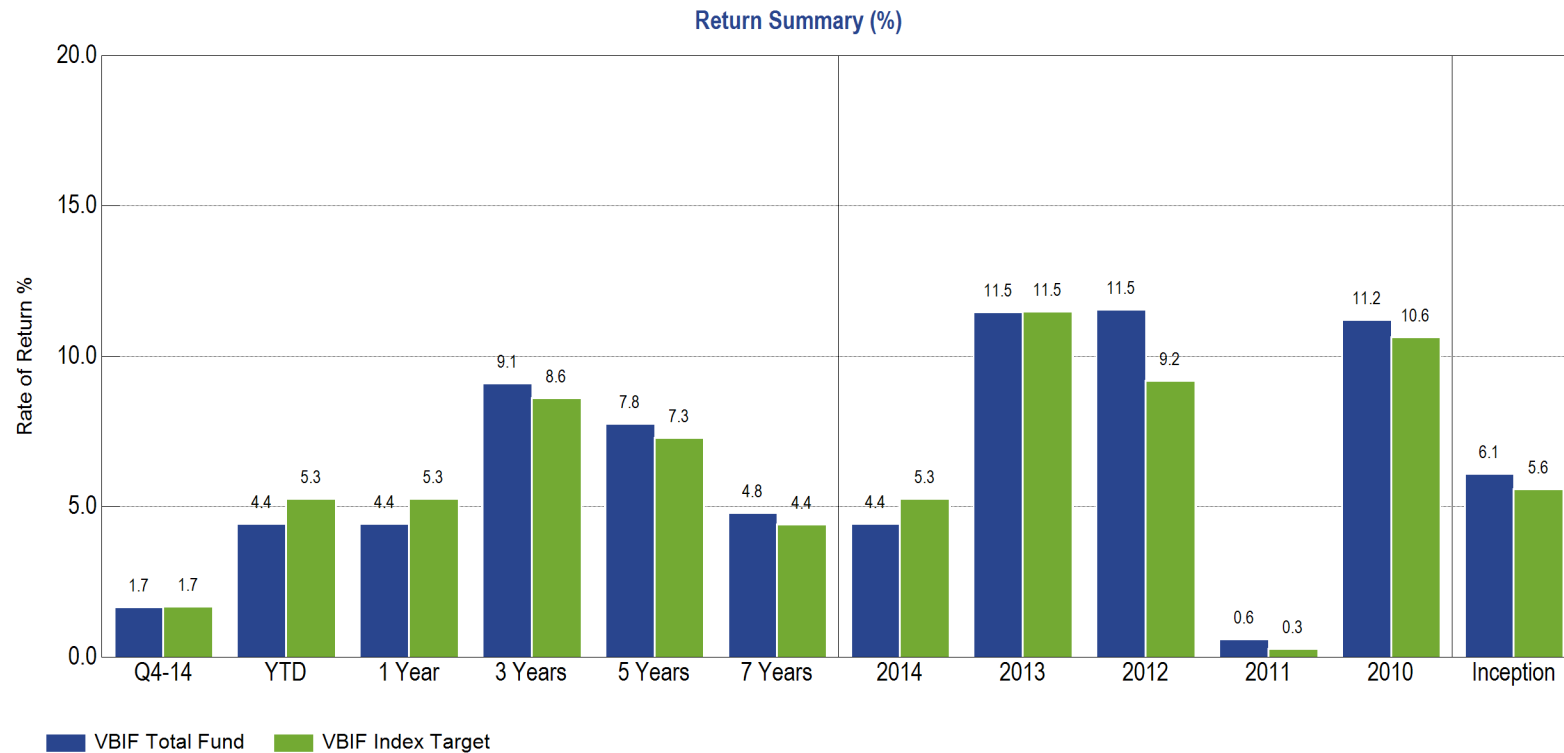
|                                | Current Balance      | Current Allocation | Policy        | Policy Range  | Difference |
|--------------------------------|----------------------|--------------------|---------------|---------------|------------|
| U.S. Large Cap Equities        | \$106,586,975        | 26.9%              | 23.0%         | 18.0% - 28.0% | 3.9%       |
| U.S. Small/Mid Cap Equities    | \$14,522,585         | 3.7%               | 4.0%          | 1.0% - 7.0%   | -0.3%      |
| Intl Developed Market Equities | \$39,766,680         | 10.0%              | 10.0%         | 5.0% - 15.0%  | 0.0%       |
| Intl Emerging Markets Equities | \$12,453,988         | 3.1%               | 3.0%          | 1.0% - 6.0%   | 0.1%       |
| Fixed Income                   | \$110,975,633        | 28.0%              | 30.0%         | 20.0% - 50.0% | -2.0%      |
| High Yield/Global Fixed Income | \$19,758,040         | 5.0%               | 5.0%          | 1.0% - 8.0%   | 0.0%       |
| Alternatives                   | \$79,098,557         | 20.0%              | 20.0%         | 0.0% - 30.0%  | 0.0%       |
| Cash & Equivalents             | \$12,897,003         | 3.3%               | 5.0%          | 0.0% - 25.0%  | -1.7%      |
| <b>Total</b>                   | <b>\$396,059,462</b> | <b>100.0%</b>      | <b>100.0%</b> |               |            |



Asset Allocation History  
3 Years Ending December 31, 2014



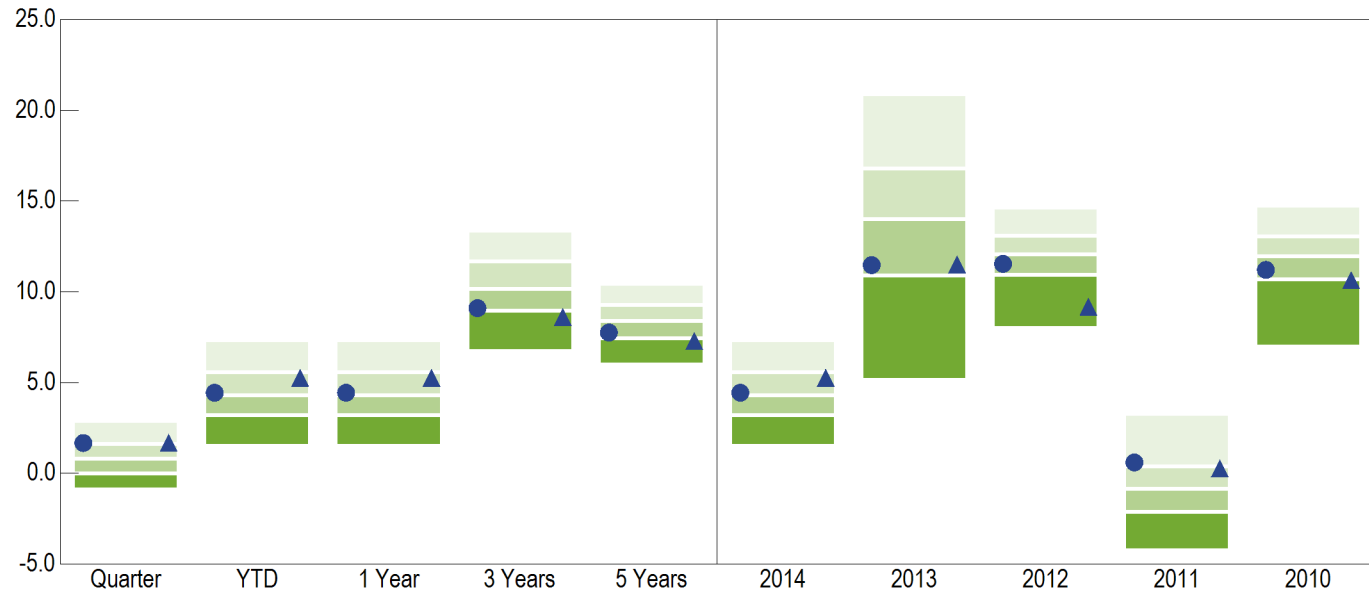
U.S. Large Cap Equities
  Intl Developed Market Equities
  Fixed Income
  Alternatives
  U.S. Small/Mid Cap Equities
  Intl Emerging Markets Equities
  High Yield/Global Fixed Income
  Cash & Equivalents



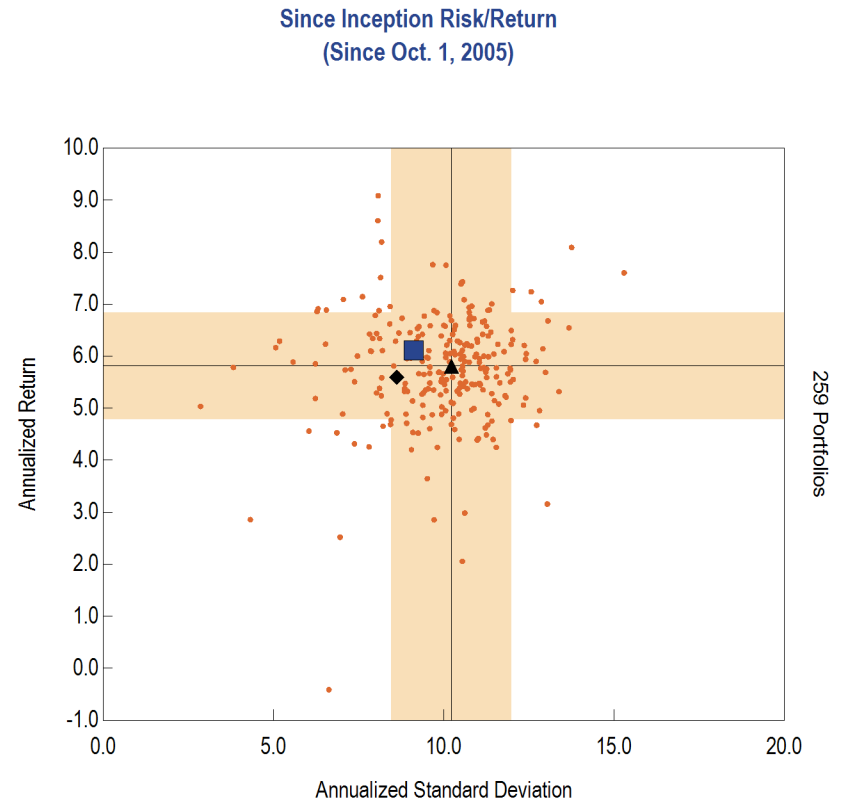
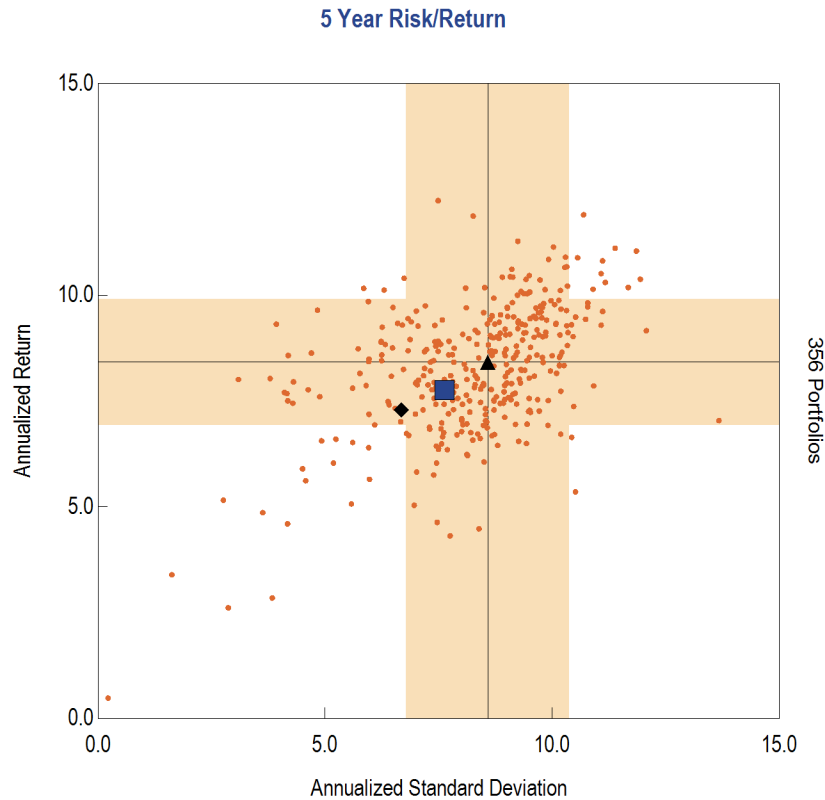
**Summary of Cash Flows**

| Sources of Portfolio Growth | Fourth Quarter | Year-To-Date  |
|-----------------------------|----------------|---------------|
| Beginning Market Value      | \$373,785,555  | \$374,372,506 |
| Net Additions/Withdrawals   | \$15,874,616   | \$5,360,804   |
| Investment Earnings         | \$6,399,291    | \$16,326,152  |
| Ending Market Value         | \$396,059,462  | \$396,059,462 |

VBIF Total Fund vs. InvestorForce All E&F Net



|                            | Return (Rank) |          |          |          |          |          |           |           |          |           |  |
|----------------------------|---------------|----------|----------|----------|----------|----------|-----------|-----------|----------|-----------|--|
| <b>5th Percentile</b>      | 2.9           | 7.3      | 7.3      | 13.4     | 10.4     | 7.3      | 20.9      | 14.6      | 3.2      | 14.7      |  |
| <b>25th Percentile</b>     | 1.6           | 5.6      | 5.6      | 11.7     | 9.3      | 5.6      | 16.8      | 13.1      | 0.4      | 13.1      |  |
| <b>Median</b>              | 0.8           | 4.3      | 4.3      | 10.2     | 8.4      | 4.3      | 14.0      | 12.1      | -0.8     | 12.0      |  |
| <b>75th Percentile</b>     | 0.0           | 3.2      | 3.2      | 9.0      | 7.4      | 3.2      | 10.9      | 11.0      | -2.1     | 10.7      |  |
| <b>95th Percentile</b>     | -0.9          | 1.5      | 1.5      | 6.7      | 6.0      | 1.5      | 5.2       | 8.0       | -4.2     | 7.0       |  |
| <b># of Portfolios</b>     | 527           | 508      | 508      | 420      | 356      | 508      | 334       | 392       | 320      | 299       |  |
| <b>● VBIF Total Fund</b>   | 1.7 (25)      | 4.4 (48) | 4.4 (48) | 9.1 (72) | 7.8 (68) | 4.4 (48) | 11.5 (70) | 11.5 (66) | 0.6 (24) | 11.2 (66) |  |
| <b>▲ VBIF Index Target</b> | 1.7 (25)      | 5.3 (31) | 5.3 (31) | 8.6 (83) | 7.3 (78) | 5.3 (31) | 11.5 (69) | 9.2 (91)  | 0.3 (28) | 10.6 (77) |  |

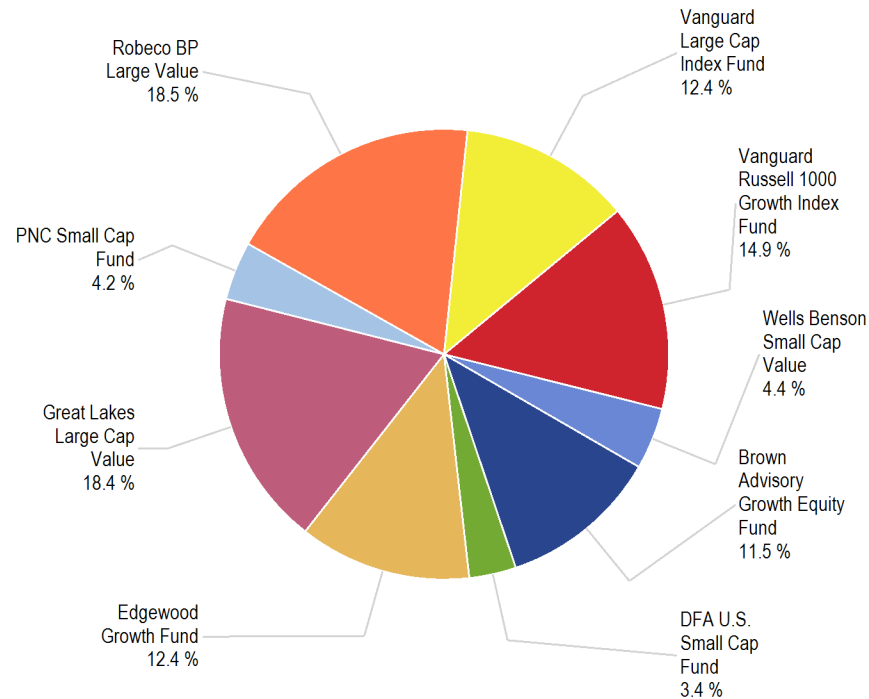


- VBIF Total Fund
- ◆ VBIF Index Target
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce All E&F Net

- VBIF Total Fund
- ◆ VBIF Index Target
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce All E&F Net

## Domestic Equity

Current Allocation



Asset Allocation on December 31, 2014

|   | Actual \$            | Actual % |
|---|----------------------|----------|
| Brown Advisory Growth Equity Fund       | \$13,926,540         | 11.5%    |
| DFA U.S. Small Cap Fund                 | \$4,082,740          | 3.4%     |
| Edgewood Growth Fund                    | \$14,995,362         | 12.4%    |
| Great Lakes Large Cap Value             | \$22,251,419         | 18.4%    |
| PNC Small Cap Fund                      | \$5,086,184          | 4.2%     |
| Robeco BP Large Value                   | \$22,416,428         | 18.5%    |
| Vanguard Large Cap Index Fund           | \$14,961,742         | 12.4%    |
| Vanguard Russell 1000 Growth Index Fund | \$18,035,484         | 14.9%    |
| Wells Benson Small Cap Value            | \$5,353,661          | 4.4%     |
| <b>Total</b>                            | <b>\$121,109,560</b> |          |



Brown Advisory Growth Equity Fund

As of December 31, 2014

Account Information

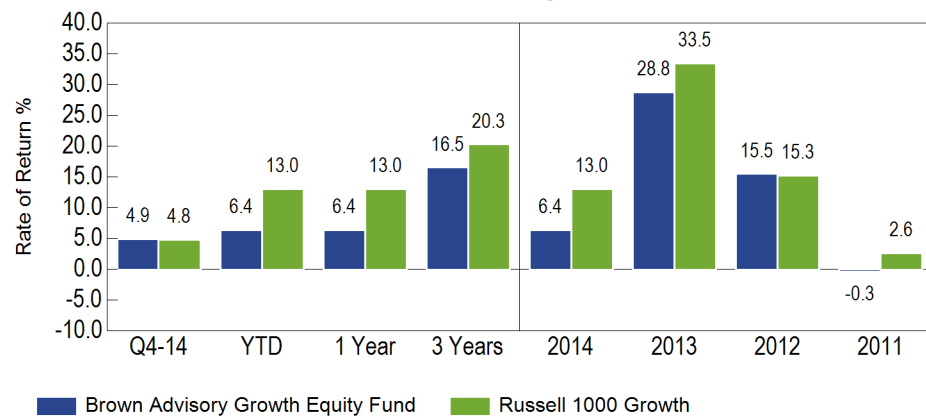
|                   |                                   |
|-------------------|-----------------------------------|
| Account Name      | Brown Advisory Growth Equity Fund |
| Account Structure | Mutual Fund                       |
| Investment Style  | Active                            |
| Inception Date    | 7/01/99                           |
| Account Type      | US Stock Large Cap Growth         |
| Benchmark         | Russell 1000 Growth               |
| Universe          | Large Growth MStar MF             |

5 Year Risk/Return Statistics

January 01, 2010 Through December 31, 2014

|   | Brown Advisory Growth Equity Fund | Russell 1000 Growth |
|---|-----------------------------------|---------------------|
| <b>RETURN SUMMARY STATISTICS</b>        |                                   |                     |
| Number of Periods                       | 20                                | 20                  |
| Maximum Return                          | 17.35                             | 14.69               |
| Minimum Return                          | -16.14                            | -13.14              |
| Annualized Return                       | 14.44                             | 15.81               |
| Total Return                            | 96.25                             | 108.36              |
| Annualized Excess Return Over Risk Free | 14.37                             | 15.75               |
| Annualized Excess Return                | -1.38                             | 0.00                |

Return Summary



RISK SUMMARY STATISTICS

|                    |       |       |
|--------------------|-------|-------|
| Beta               | 1.06  | 1.00  |
| Upside Deviation   | 9.84  | 8.87  |
| Downside Deviation | 12.78 | 11.55 |

RISK/RETURN SUMMARY STATISTICS

|                                  |       |       |
|----------------------------------|-------|-------|
| Annualized Standard Deviation    | 16.28 | 14.96 |
| Alpha                            | -0.50 | 0.00  |
| Sharpe Ratio                     | 0.88  | 1.05  |
| Excess Return Over Market / Risk | -0.08 | 0.00  |
| Tracking Error                   | 3.85  | 0.00  |
| Information Ratio                | -0.36 | --    |

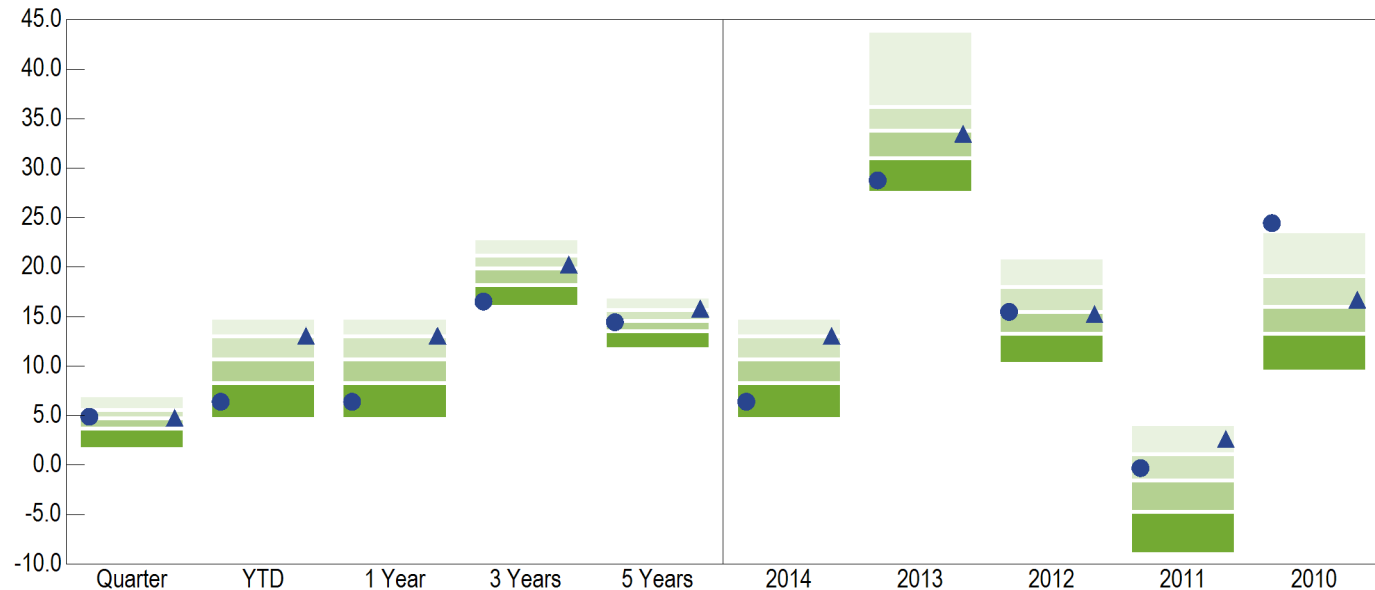
Summary Of Cash Flows

|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$13,278,671   | --           |
| - Withdrawals           | \$0            | \$0          |
| + Contributions         | \$0            | \$13,000,000 |
| = Net Cash Flow         | \$0            | \$13,000,000 |
| + Net Investment Change | \$647,869      | \$926,540    |
| = Ending Market Value   | \$13,926,540   | \$13,926,540 |

CORRELATION STATISTICS

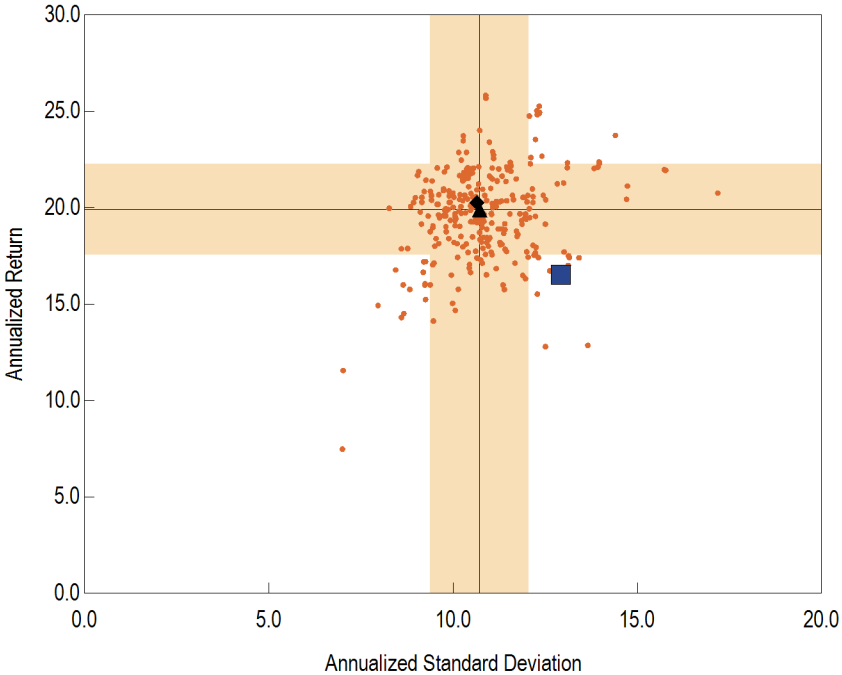
|             |      |      |
|-------------|------|------|
| R-Squared   | 0.95 | 1.00 |
| Correlation | 0.97 | 1.00 |

Brown Advisory Growth Equity Fund vs. Large Growth MStar MF



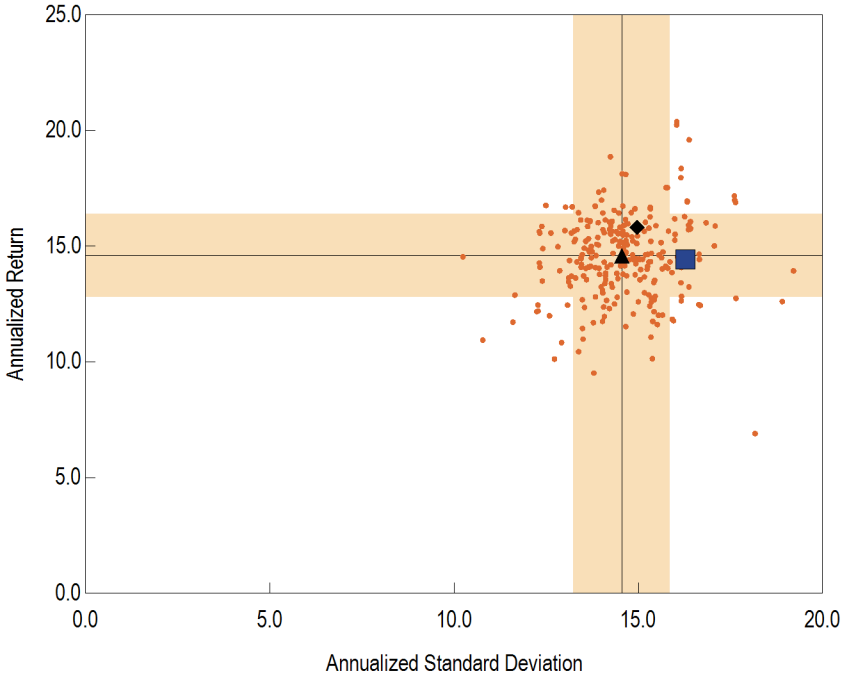
|  | Return (Rank) |           |           |           |           |           |           |           |           |           |
|--|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>5th Percentile</b>                      | 7.0           | 14.8      | 14.8      | 22.9      | 17.0      | 14.8      | 43.8      | 21.0      | 4.1       | 23.6      |
| <b>25th Percentile</b>                     | 5.6           | 13.1      | 13.1      | 21.2      | 15.7      | 13.1      | 36.2      | 18.0      | 1.1       | 19.1      |
| <b>Median</b>                              | 4.8           | 10.7      | 10.7      | 19.9      | 14.6      | 10.7      | 33.8      | 15.5      | -1.5      | 16.0      |
| <b>75th Percentile</b>                     | 3.7           | 8.3       | 8.3       | 18.2      | 13.5      | 8.3       | 31.0      | 13.3      | -4.7      | 13.3      |
| <b>95th Percentile</b>                     | 1.7           | 4.7       | 4.7       | 16.0      | 11.7      | 4.7       | 27.5      | 10.2      | -9.0      | 9.5       |
| <b># of Portfolios</b>                     | 319           | 316       | 316       | 301       | 271       | 316       | 316       | 312       | 312       | 329       |
| <b>● Brown Advisory Growth Equity Fund</b> | 4.9 (46)      | 6.4 (89)  | 6.4 (89)  | 16.5 (93) | 14.4 (55) | 6.4 (89)  | 28.8 (93) | 15.5 (51) | -0.3 (36) | 24.4 (4)  |
| <b>▲ Russell 1000 Growth</b>               | 4.8 (49)      | 13.0 (26) | 13.0 (26) | 20.3 (44) | 15.8 (23) | 13.0 (26) | 33.5 (56) | 15.3 (53) | 2.6 (13)  | 16.7 (42) |

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending December 31, 2014



- Brown Advisory Growth Equity Fund
- ◆ Russell 1000 Growth
- ▲ Universe Median
- 68% Confidence Interval
- Large Growth MStar MF

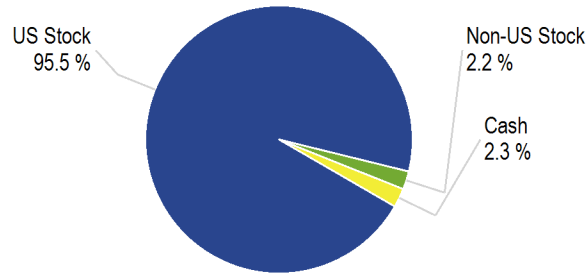
Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2014



- Brown Advisory Growth Equity Fund
- ◆ Russell 1000 Growth
- ▲ Universe Median
- 68% Confidence Interval
- Large Growth MStar MF

As of December 31, 2014

Mutual Fund Allocation as of 12/31/2014



Fund Information as of 12/31/2014

|                            |                                   |
|----------------------------|-----------------------------------|
| Fund Name                  | BROWN ADVISORY GROWTH EQUITY INST |
| Ticker                     | BAFGX                             |
| Category                   | Large Growth                      |
| Benchmark                  | Russell 1000 Growth               |
| Expense Ratio              | 0.74%                             |
| Fund Assets (\$mm)         | 250.85                            |
| Share Class Inception Date | 10/19/2012                        |
| Manager Tenure             | 16                                |

Fund Characteristics as of 12/31/2014

|                           |           |
|---------------------------|-----------|
| Sharpe Ratio (3 Year)     | 1.27      |
| Average Market Cap (\$mm) | 33,757.03 |
| Price/Earnings            | 21.37     |
| Price/Book                | 3.92      |
| Price/Sales               | 2.30      |
| Price/Cash Flow           | 13.62     |
| Dividend Yield            | 0.81      |
| Number of Equity Holdings | 36        |
| R-Squared (3 Year)        | 0.94      |
| Alpha (3 Year)            | -1.61%    |

Top Holdings as of 12/31/2014

|                           |       |
|---------------------------|-------|
| EXPRESS SCRIPTS           | 4.83% |
| VISA INC CLASS A          | 4.57% |
| CHARLES SCHWAB CORP       | 4.54% |
| INTUITIVE SURGICAL INC    | 4.07% |
| WHOLE FOODS MARKET INC    | 3.96% |
| STARBUCKS CORP            | 3.77% |
| DANAHER CORP              | 3.67% |
| STERICYCLE INC            | 3.63% |
| MEAD JOHNSON NUTRITION CO | 3.61% |
| APPLE INC                 | 3.57% |

Sector Allocation as of 12/31/2014

|                        |        |
|------------------------|--------|
| BASIC MATERIALS        | 2.98%  |
| COMMUNICATION SERVICES | 0.00%  |
| CONSUMER CYCLICAL      | 7.15%  |
| CONSUMER DEFENSIVE     | 13.29% |
| ENERGY                 | 8.34%  |
| FINANCIAL SERVICES     | 9.11%  |
| HEALTHCARE             | 18.58% |
| INDUSTRIALS            | 13.16% |
| REAL ESTATE            | 0.00%  |
| TECHNOLOGY             | 25.12% |
| UTILITIES              | 0.00%  |

As of December 31, 2014

**Account Information**

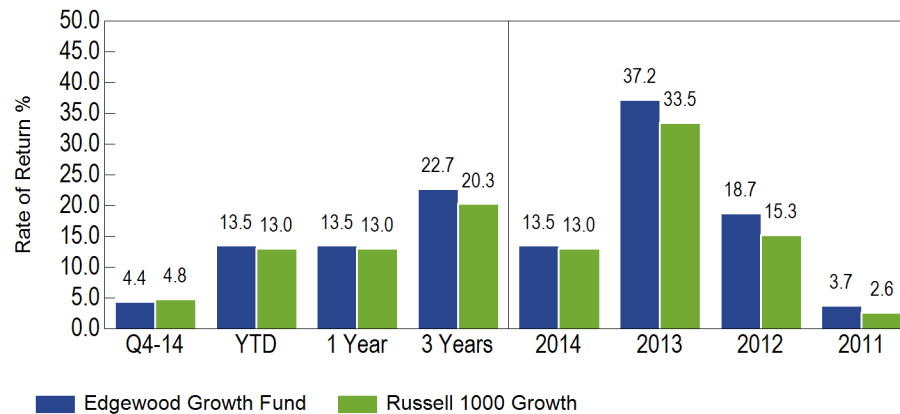
|                   |                           |
|-------------------|---------------------------|
| Account Name      | Edgewood Growth Fund      |
| Account Structure | Mutual Fund               |
| Investment Style  | Active                    |
| Inception Date    | 3/01/06                   |
| Account Type      | US Stock Large Cap Growth |
| Benchmark         | Russell 1000 Growth       |
| Universe          | Large Growth MStar MF     |

**5 Year Risk/Return Statistics**

January 01, 2010 Through December 31, 2014

|   | Edgewood Growth Fund | Russell 1000 Growth |
|---|----------------------|---------------------|
| <b>RETURN SUMMARY STATISTICS</b>        |                      |                     |
| Number of Periods                       | 20                   | 20                  |
| Maximum Return                          | 18.65                | 14.69               |
| Minimum Return                          | -13.55               | -13.14              |
| Annualized Return                       | 16.55                | 15.81               |
| Total Return                            | 115.06               | 108.36              |
| Annualized Excess Return Over Risk Free | 16.49                | 15.75               |
| Annualized Excess Return                | 0.74                 | 0.00                |

**Return Summary**



**RISK SUMMARY STATISTICS**

|                    | Edgewood Growth Fund | Russell 1000 Growth |
|--------------------|----------------------|---------------------|
| Beta               | 1.06                 | 1.00                |
| Upside Deviation   | 11.41                | 8.87                |
| Downside Deviation | 11.40                | 11.55               |

**RISK/RETURN SUMMARY STATISTICS**

|                                  | Edgewood Growth Fund | Russell 1000 Growth |
|----------------------------------|----------------------|---------------------|
| Annualized Standard Deviation    | 16.52                | 14.96               |
| Alpha                            | -0.01                | 0.00                |
| Sharpe Ratio                     | 1.00                 | 1.05                |
| Excess Return Over Market / Risk | 0.04                 | 0.00                |
| Tracking Error                   | 4.84                 | 0.00                |
| Information Ratio                | 0.15                 | --                  |

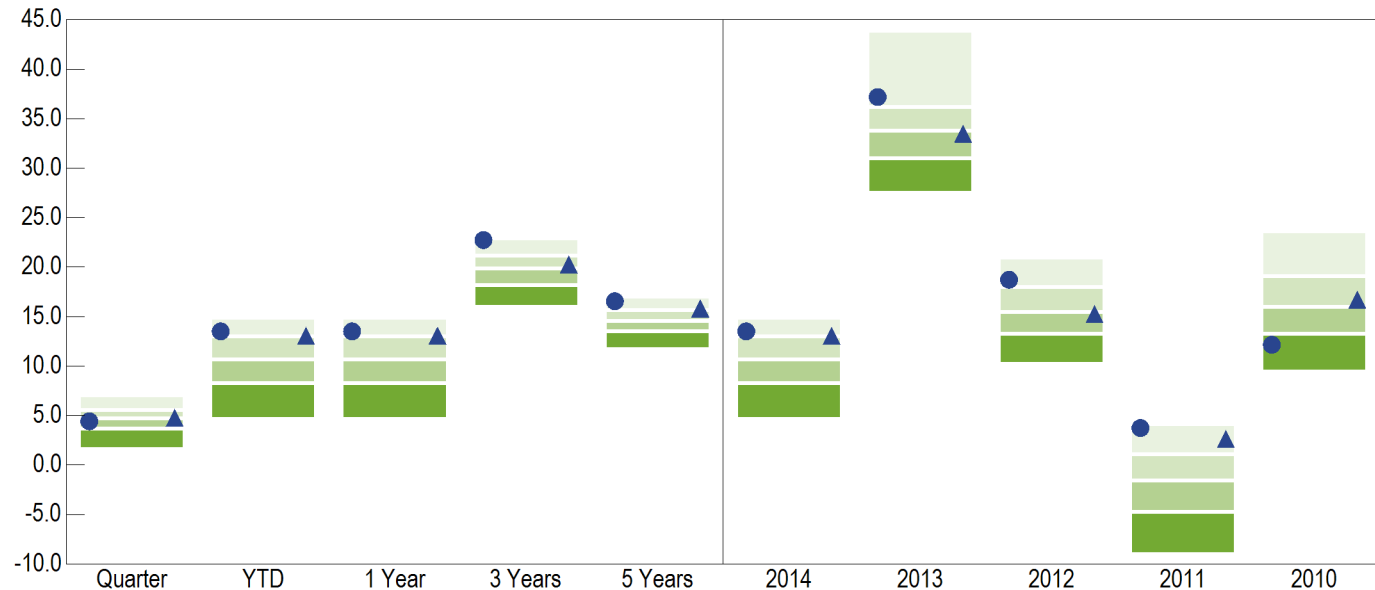
**Summary Of Cash Flows**

|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$14,360,629   | --           |
| - Withdrawals           | \$0            | \$0          |
| + Contributions         | \$0            | \$13,000,000 |
| = Net Cash Flow         | \$0            | \$13,000,000 |
| + Net Investment Change | \$634,733      | \$1,995,362  |
| = Ending Market Value   | \$14,995,362   | \$14,995,362 |

**CORRELATION STATISTICS**

|             | Edgewood Growth Fund | Russell 1000 Growth |
|-------------|----------------------|---------------------|
| R-Squared   | 0.92                 | 1.00                |
| Correlation | 0.96                 | 1.00                |

Edgewood Growth Fund vs. Large Growth MStar MF

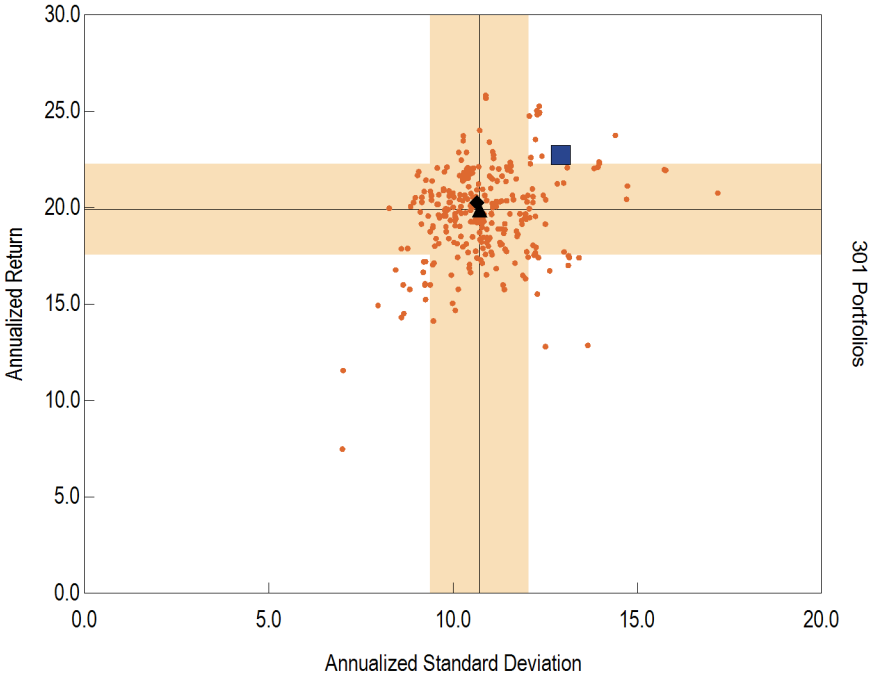


|                               | Return (Rank) |           |           |           |           |           |           |           |          |           |
|-------------------------------|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|
| <b>5th Percentile</b>         | 7.0           | 14.8      | 14.8      | 22.9      | 17.0      | 14.8      | 43.8      | 21.0      | 4.1      | 23.6      |
| <b>25th Percentile</b>        | 5.6           | 13.1      | 13.1      | 21.2      | 15.7      | 13.1      | 36.2      | 18.0      | 1.1      | 19.1      |
| <b>Median</b>                 | 4.8           | 10.7      | 10.7      | 19.9      | 14.6      | 10.7      | 33.8      | 15.5      | -1.5     | 16.0      |
| <b>75th Percentile</b>        | 3.7           | 8.3       | 8.3       | 18.2      | 13.5      | 8.3       | 31.0      | 13.3      | -4.7     | 13.3      |
| <b>95th Percentile</b>        | 1.7           | 4.7       | 4.7       | 16.0      | 11.7      | 4.7       | 27.5      | 10.2      | -9.0     | 9.5       |
| <b># of Portfolios</b>        | 319           | 316       | 316       | 301       | 271       | 316       | 316       | 312       | 312      | 329       |
| <b>● Edgewood Growth Fund</b> | 4.4 (57)      | 13.5 (21) | 13.5 (21) | 22.7 (7)  | 16.6 (12) | 13.5 (21) | 37.2 (17) | 18.7 (17) | 3.7 (8)  | 12.2 (83) |
| <b>▲ Russell 1000 Growth</b>  | 4.8 (49)      | 13.0 (26) | 13.0 (26) | 20.3 (44) | 15.8 (23) | 13.0 (26) | 33.5 (56) | 15.3 (53) | 2.6 (13) | 16.7 (42) |

Edgewood Growth Fund

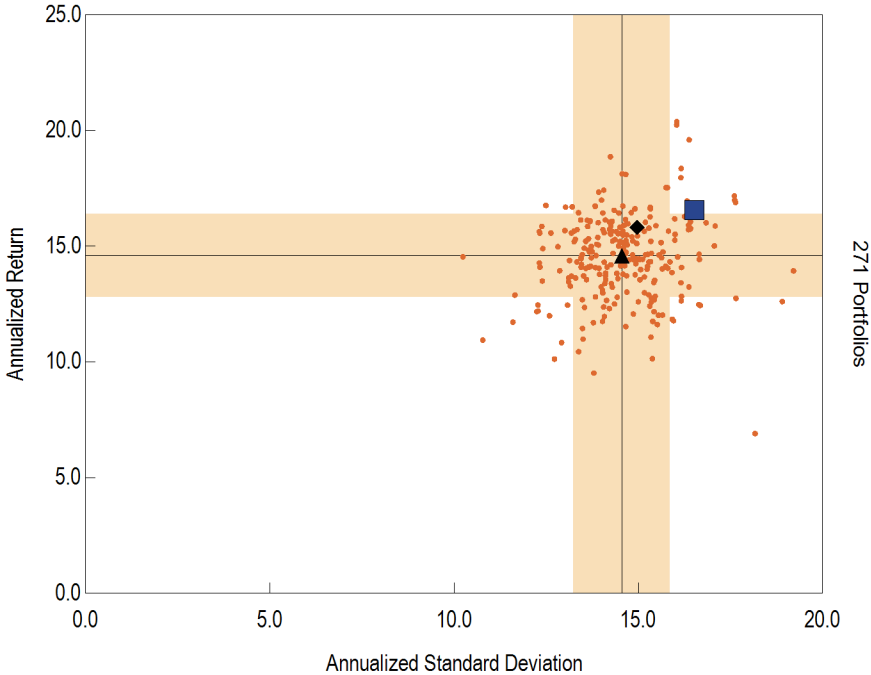
As of December 31, 2014

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending December 31, 2014



- Edgewood Growth Fund
- ◆ Russell 1000 Growth
- ▲ Universe Median
- 68% Confidence Interval
- Large Growth MStar MF

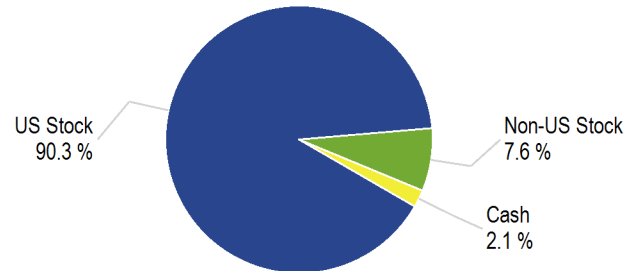
Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2014



- Edgewood Growth Fund
- ◆ Russell 1000 Growth
- ▲ Universe Median
- 68% Confidence Interval
- Large Growth MStar MF

As of December 31, 2014

Mutual Fund Allocation as of 10/31/2014



Fund Information as of 12/31/2014

|                            |                                   |
|----------------------------|-----------------------------------|
| Fund Name                  | Edgewood Growth Fund; Institution |
| Ticker                     | EGFIX                             |
| Category                   | Large Growth                      |
| Benchmark                  | Russell 1000 Growth               |
| Expense Ratio              | 1.00%                             |
| Fund Assets (\$mm)         | 3,389.89                          |
| Share Class Inception Date | 2/28/2006                         |
| Manager Tenure             | 9                                 |

Fund Characteristics as of 10/31/2014

|                           |           |
|---------------------------|-----------|
| Sharpe Ratio (3 Year)     | 1.75      |
| Average Market Cap (\$mm) | 48,258.98 |
| Price/Earnings            | 28.36     |
| Price/Book                | 5.22      |
| Price/Sales               | 4.67      |
| Price/Cash Flow           | 16.36     |
| Dividend Yield            | 0.48      |
| Number of Equity Holdings | 23        |
| R-Squared (3 Year)        | 0.95      |
| Alpha (3 Year)            | -0.28%    |

Top Holdings as of 10/31/2014

|   |       |
|---|-------|
| GILEAD SCIENCES INC                         | 7.57% |
| CELGENE CORP                                | 7.38% |
| ILLUMINA INC                                | 6.07% |
| VISA INC CLASS A                            | 5.76% |
| COGNIZANT TECHNOLOGY SOLUTIONS CORP CLASS A | 5.45% |
| ALLERGAN INC                                | 5.04% |
| AMAZON.COM INC                              | 4.88% |
| APPLE INC                                   | 4.71% |
| AMERICAN TOWER CORP                         | 4.55% |
| CHARLES SCHWAB CORP                         | 4.38% |

Sector Allocation as of 10/31/2014

|                        |        |
|------------------------|--------|
| BASIC MATERIALS        | 2.70%  |
| COMMUNICATION SERVICES | 0.00%  |
| CONSUMER CYCLICAL      | 9.59%  |
| CONSUMER DEFENSIVE     | 0.00%  |
| ENERGY                 | 2.73%  |
| FINANCIAL SERVICES     | 14.33% |
| HEALTHCARE             | 28.48% |
| INDUSTRIALS            | 8.35%  |
| REAL ESTATE            | 4.55%  |
| TECHNOLOGY             | 27.22% |
| UTILITIES              | 0.00%  |



Vanguard Russell 1000 Growth Index Fund

As of December 31, 2014

Account Information

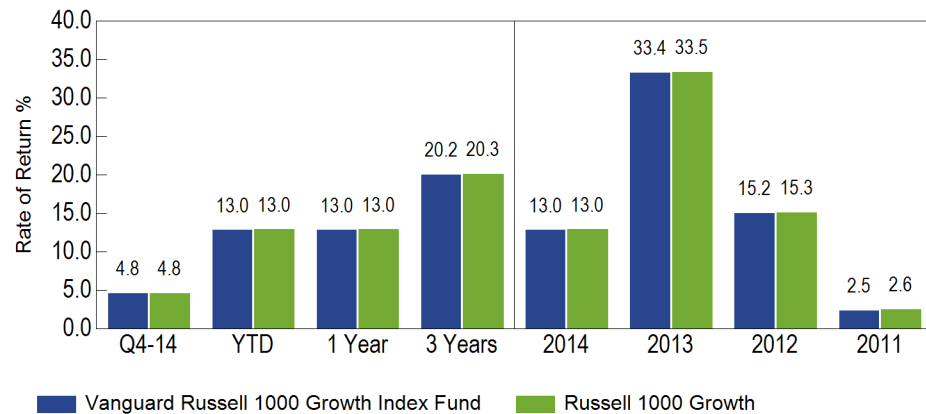
|                   |   |
|-------------------|---|
| Account Name      | Vanguard Russell 1000 Growth Index Fund |
| Account Structure | Mutual Fund                             |
| Investment Style  | Passive                                 |
| Inception Date    | 10/01/10                                |
| Account Type      | US Stock Large Cap Growth               |
| Benchmark         | Russell 1000 Growth                     |
| Universe          | Large Growth MStar MF                   |

Risk/Return Statistics

October 01, 2010 Through December 31, 2014

|   | Vanguard Russell 1000 Growth Index Fund | Russell 1000 Growth |
|---|---|---------------------|
| <b>RETURN SUMMARY STATISTICS</b>        |   |                     |
| Number of Periods                       | 17                                      | 17                  |
| Maximum Return                          | 14.66                                   | 14.69               |
| Minimum Return                          | -13.23                                  | -13.14              |
| Annualized Return                       | 17.56                                   | 17.67               |
| Total Return                            | 98.87                                   | 99.65               |
| Annualized Excess Return Over Risk Free | 17.50                                   | 17.61               |
| Annualized Excess Return                | -0.11                                   | 0.00                |

Return Summary



RISK SUMMARY STATISTICS

|                    |       |       |
|--------------------|-------|-------|
| Beta               | 1.00  | 1.00  |
| Upside Deviation   | 8.79  | 8.80  |
| Downside Deviation | 12.47 | 12.38 |

RISK/RETURN SUMMARY STATISTICS

|                                  |       |       |
|----------------------------------|-------|-------|
| Annualized Standard Deviation    | 13.55 | 13.52 |
| Alpha                            | -0.03 | 0.00  |
| Sharpe Ratio                     | 1.29  | 1.30  |
| Excess Return Over Market / Risk | -0.01 | 0.00  |
| Tracking Error                   | 0.04  | 0.00  |
| Information Ratio                | -2.75 | --    |

Summary Of Cash Flows

|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$17,214,587   | --           |
| - Withdrawals           | \$0            | \$0          |
| + Contributions         | \$0            | \$16,000,000 |
| = Net Cash Flow         | \$0            | \$16,000,000 |
| + Net Investment Change | \$820,898      | \$2,035,484  |
| = Ending Market Value   | \$18,035,484   | \$18,035,484 |

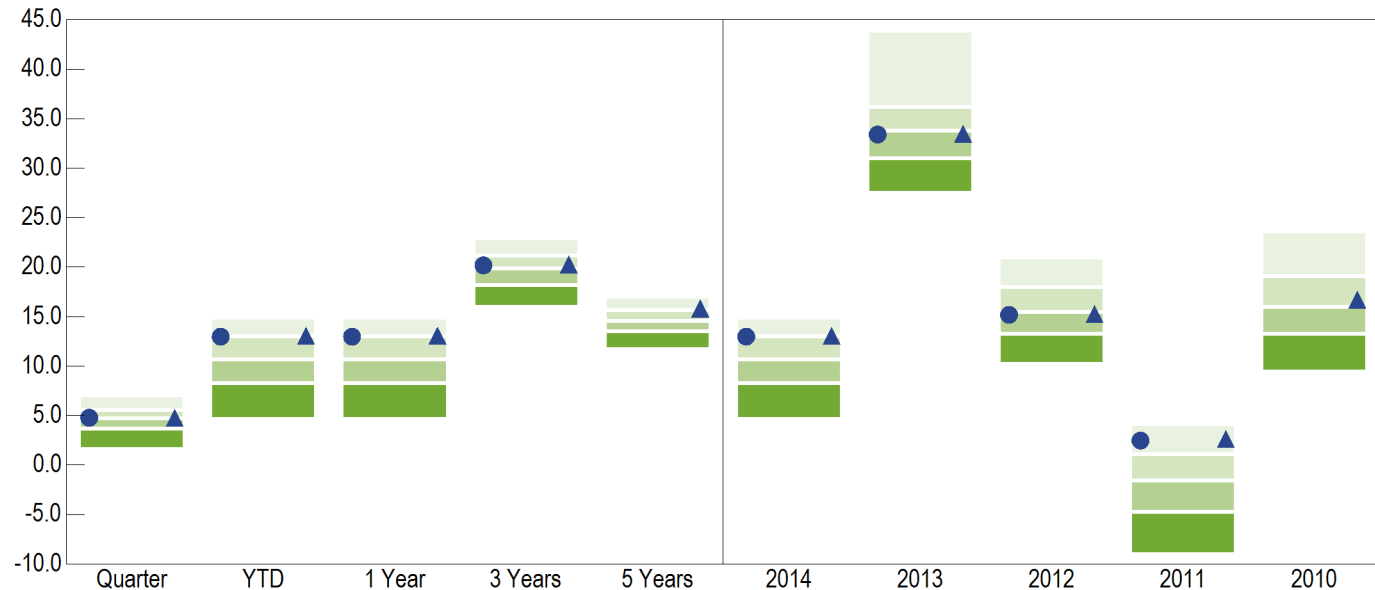
CORRELATION STATISTICS

|             |      |      |
|-------------|------|------|
| R-Squared   | 1.00 | 1.00 |
| Correlation | 1.00 | 1.00 |

Vanguard Russell 1000 Growth Index Fund

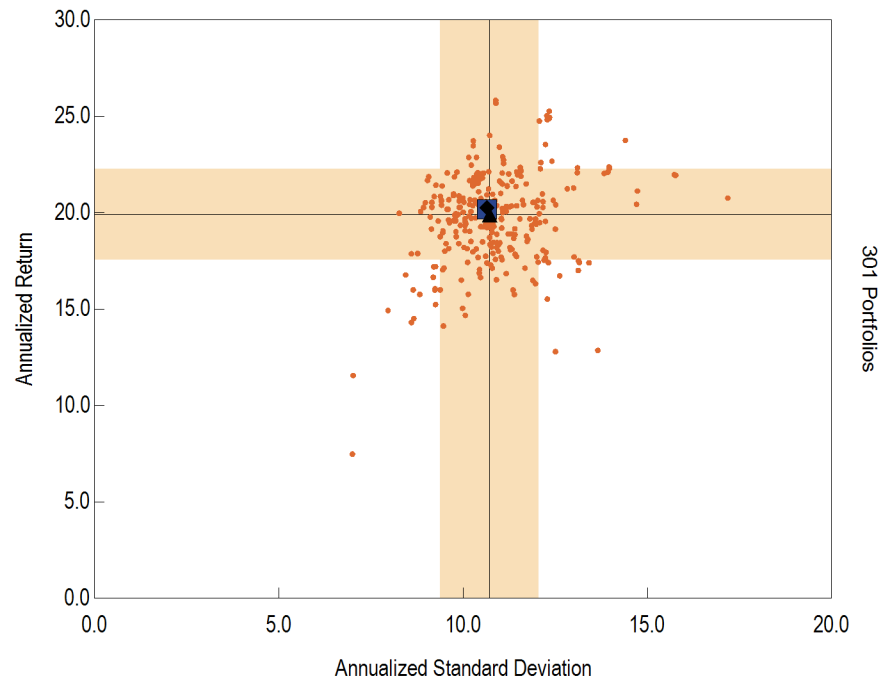
As of December 31, 2014

Vanguard Russell 1000 Growth Index Fund vs. Large Growth MStar MF

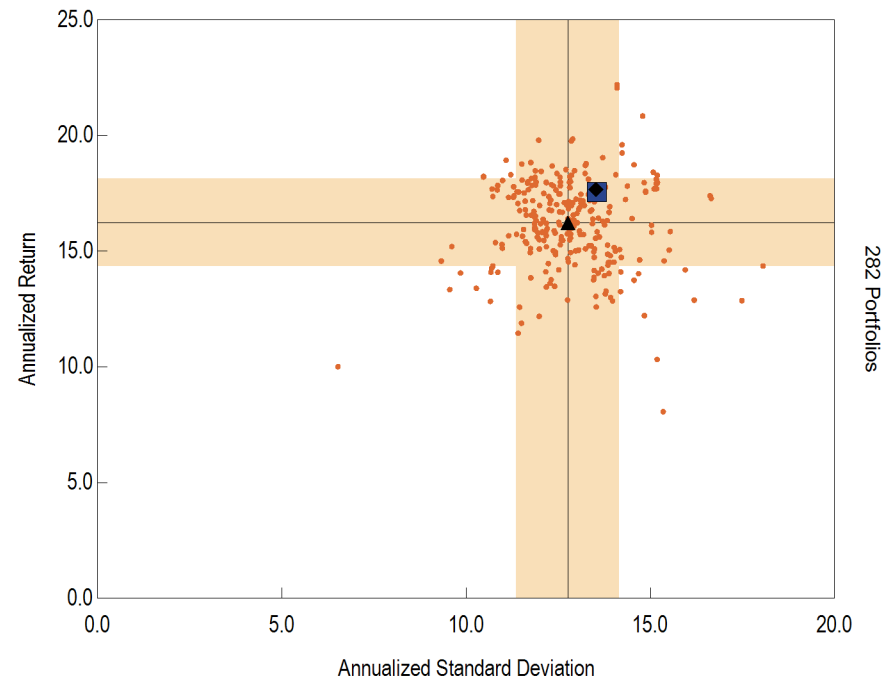


|  | Return (Rank) |           |           |           |           |           |           |           |          |           |
|--|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|
| <b>5th Percentile</b>                            | 7.0           | 14.8      | 14.8      | 22.9      | 17.0      | 14.8      | 43.8      | 21.0      | 4.1      | 23.6      |
| <b>25th Percentile</b>                           | 5.6           | 13.1      | 13.1      | 21.2      | 15.7      | 13.1      | 36.2      | 18.0      | 1.1      | 19.1      |
| <b>Median</b>                                    | 4.8           | 10.7      | 10.7      | 19.9      | 14.6      | 10.7      | 33.8      | 15.5      | -1.5     | 16.0      |
| <b>75th Percentile</b>                           | 3.7           | 8.3       | 8.3       | 18.2      | 13.5      | 8.3       | 31.0      | 13.3      | -4.7     | 13.3      |
| <b>95th Percentile</b>                           | 1.7           | 4.7       | 4.7       | 16.0      | 11.7      | 4.7       | 27.5      | 10.2      | -9.0     | 9.5       |
| <b># of Portfolios</b>                           | 319           | 316       | 316       | 301       | 271       | 316       | 316       | 312       | 312      | 329       |
| <b>● Vanguard Russell 1000 Growth Index Fund</b> | 4.8 (50)      | 13.0 (27) | 13.0 (27) | 20.2 (46) | -- (--)   | 13.0 (27) | 33.4 (57) | 15.2 (54) | 2.5 (15) | -- (--)   |
| <b>▲ Russell 1000 Growth</b>                     | 4.8 (49)      | 13.0 (26) | 13.0 (26) | 20.3 (44) | 15.8 (23) | 13.0 (26) | 33.5 (56) | 15.3 (53) | 2.6 (13) | 16.7 (42) |

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending December 31, 2014



Annualized Return vs. Annualized Standard Deviation  
4 Years 3 Months Ending December 31, 2014



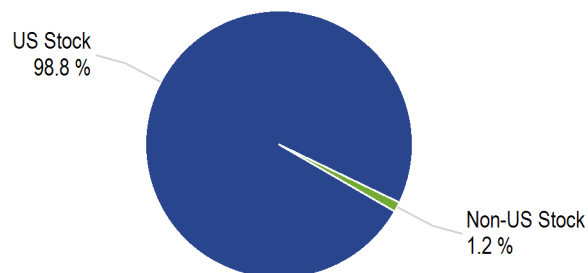
- Vanguard Russell 1000 Growth Index Fund
- ◆ Russell 1000 Growth
- ▲ Universe Median
- 68% Confidence Interval
- Large Growth MStar MF

- Vanguard Russell 1000 Growth Index Fund
- ◆ Russell 1000 Growth
- ▲ Universe Median
- 68% Confidence Interval
- Large Growth MStar MF

## Vanguard Russell 1000 Growth Index Fund

As of December 31, 2014

## Mutual Fund Allocation as of 12/31/2014



## Fund Information as of 12/31/2014

|                            |                                      |
|----------------------------|--------------------------------------|
| Fund Name                  | VANGUARD RUSSELL 1000 GROWTH INDEX I |
| Ticker                     | VRGWX                                |
| Category                   | Large Growth                         |
| Benchmark                  | Russell 1000 Growth                  |
| Expense Ratio              | 0.08%                                |
| Fund Assets (\$mm)         | 1,385.60                             |
| Share Class Inception Date | 9/22/2010                            |
| Manager Tenure             | 4                                    |

## Fund Characteristics as of 12/31/2014

|                           |           |
|---------------------------|-----------|
| Sharpe Ratio (3 Year)     | 1.89      |
| Average Market Cap (\$mm) | 54,233.34 |
| Price/Earnings            | 19.15     |
| Price/Book                | 4.19      |
| Price/Sales               | 2.14      |
| Price/Cash Flow           | 12.68     |
| Dividend Yield            | 1.60      |
| Number of Equity Holdings | 683       |
| R-Squared (3 Year)        | 1.00      |
| Alpha (3 Year)            | -0.02%    |

## Top Holdings as of 12/31/2014

|                                      |       |
|--------------------------------------|-------|
| APPLE INC                            | 6.24% |
| MICROSOFT CORP                       | 2.33% |
| VERIZON COMMUNICATIONS INC           | 1.82% |
| COCA-COLA CO                         | 1.57% |
| FACEBOOK INC CLASS A                 | 1.44% |
| INTERNATIONAL BUSINESS MACHINES CORP | 1.42% |
| GOOGLE INC CLASS A                   | 1.40% |
| GOOGLE INC CLASS C                   | 1.40% |
| ORACLE CORPORATION                   | 1.38% |
| GILEAD SCIENCES INC                  | 1.36% |

## Sector Allocation as of 12/31/2014

|                        |        |
|------------------------|--------|
| BASIC MATERIALS        | 3.78%  |
| COMMUNICATION SERVICES | 4.91%  |
| CONSUMER CYCLICAL      | 16.58% |
| CONSUMER DEFENSIVE     | 10.90% |
| ENERGY                 | 4.49%  |
| FINANCIAL SERVICES     | 4.99%  |
| HEALTHCARE             | 14.06% |
| INDUSTRIALS            | 13.65% |
| REAL ESTATE            | 1.84%  |
| TECHNOLOGY             | 24.68% |
| UTILITIES              | 0.09%  |

Vanguard Large Cap Index Fund

As of December 31, 2014

Account Information

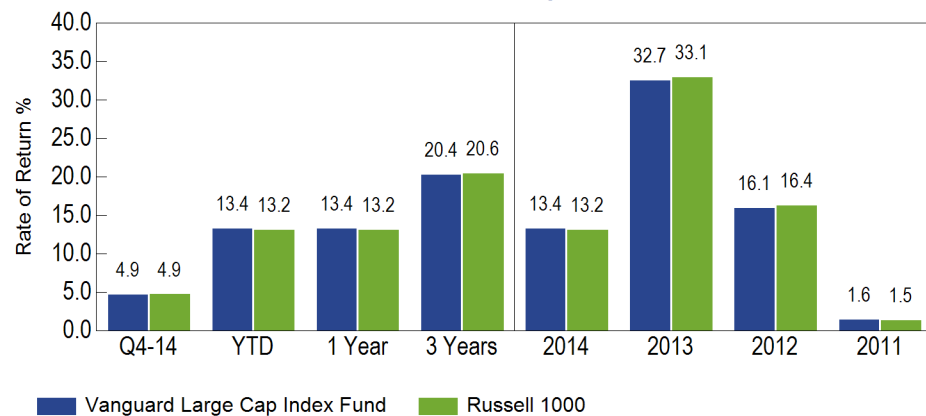
|                   |                               |
|-------------------|-------------------------------|
| Account Name      | Vanguard Large Cap Index Fund |
| Account Structure | Mutual Fund                   |
| Investment Style  | Passive                       |
| Inception Date    | 2/01/04                       |
| Account Type      | US Stock Large Cap Value      |
| Benchmark         | Russell 1000                  |
| Universe          | Large Cap MStar MF            |

5 Year Risk/Return Statistics

January 01, 2010 Through December 31, 2014

|   | Vanguard Large Cap Index Fund | Russell 1000 |
|---|-------------------------------|--------------|
| <b>RETURN SUMMARY STATISTICS</b>        |                               |              |
| Number of Periods                       | 20                            | 20           |
| Maximum Return                          | 12.89                         | 12.90        |
| Minimum Return                          | -14.40                        | -14.68       |
| Annualized Return                       | 15.51                         | 15.64        |
| Total Return                            | 105.60                        | 106.79       |
| Annualized Excess Return Over Risk Free | 15.44                         | 15.58        |
| Annualized Excess Return                | -0.13                         | 0.00         |

Return Summary



RISK SUMMARY STATISTICS

|                    |       |       |
|--------------------|-------|-------|
| Beta               | 0.99  | 1.00  |
| Upside Deviation   | 8.31  | 8.75  |
| Downside Deviation | 13.51 | 11.93 |

RISK/RETURN SUMMARY STATISTICS

|                                  |       |       |
|----------------------------------|-------|-------|
| Annualized Standard Deviation    | 14.69 | 14.81 |
| Alpha                            | 0.00  | 0.00  |
| Sharpe Ratio                     | 1.05  | 1.05  |
| Excess Return Over Market / Risk | -0.01 | 0.00  |
| Tracking Error                   | 0.30  | 0.00  |
| Information Ratio                | -0.45 | --    |

Summary Of Cash Flows

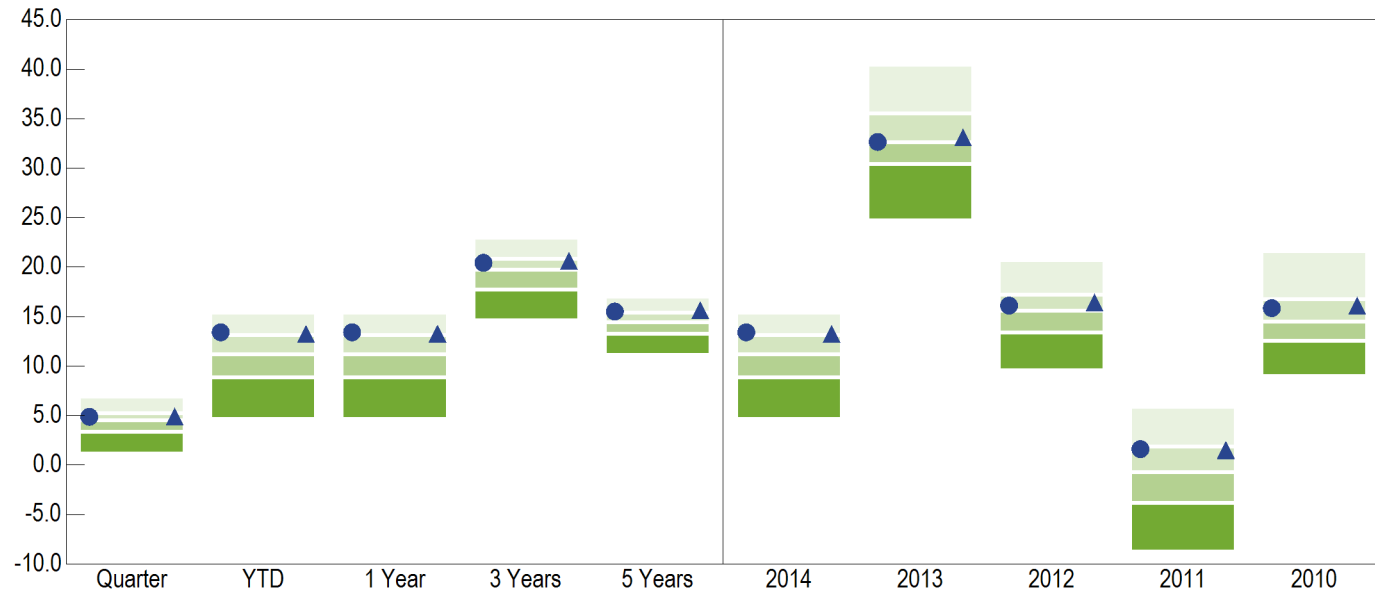
|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$14,266,326   | \$13,192,633 |
| - Withdrawals           | \$0            | \$0          |
| + Contributions         | \$0            | \$0          |
| = Net Cash Flow         | \$0            | \$0          |
| + Net Investment Change | \$695,416      | \$1,769,109  |
| = Ending Market Value   | \$14,961,742   | \$14,961,742 |

CORRELATION STATISTICS

|             |      |      |
|-------------|------|------|
| R-Squared   | 1.00 | 1.00 |
| Correlation | 1.00 | 1.00 |

- Vanguard Large Cap Spliced Index = CRSP US Large Cap from Jan 31, 2013 through present; MSCI US Prime Market 750 Gross until Jan 30, 2013.

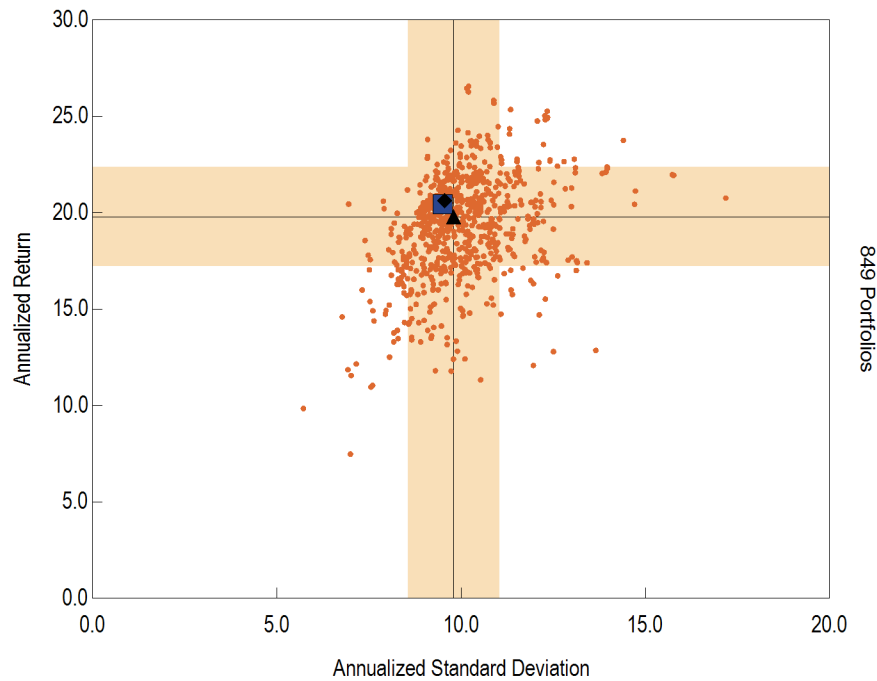
Vanguard Large Cap Index Fund vs. Large Cap MStar MF



|  | Return (Rank) |           |           |           |           |           |           |           |          |           |
|--|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|
| <b>5th Percentile</b>                  | 6.9           | 15.4      | 15.4      | 22.9      | 17.0      | 15.4      | 40.4      | 20.7      | 5.9      | 21.6      |
| <b>25th Percentile</b>                 | 5.3           | 13.2      | 13.2      | 20.9      | 15.4      | 13.2      | 35.5      | 17.3      | 1.9      | 16.8      |
| <b>Median</b>                          | 4.5           | 11.2      | 11.2      | 19.8      | 14.4      | 11.2      | 32.6      | 15.6      | -0.7     | 14.5      |
| <b>75th Percentile</b>                 | 3.4           | 8.9       | 8.9       | 17.7      | 13.3      | 8.9       | 30.5      | 13.4      | -3.8     | 12.6      |
| <b>95th Percentile</b>                 | 1.2           | 4.7       | 4.7       | 14.6      | 11.1      | 4.7       | 24.8      | 9.6       | -8.7     | 9.0       |
| <b># of Portfolios</b>                 | 948           | 924       | 924       | 849       | 780       | 924       | 873       | 879       | 879      | 930       |
| <b>● Vanguard Large Cap Index Fund</b> | 4.9 (38)      | 13.4 (21) | 13.4 (21) | 20.4 (34) | 15.5 (24) | 13.4 (21) | 32.7 (50) | 16.1 (41) | 1.6 (28) | 15.9 (34) |
| <b>▲ Russell 1000</b>                  | 4.9 (37)      | 13.2 (24) | 13.2 (24) | 20.6 (29) | 15.6 (22) | 13.2 (24) | 33.1 (47) | 16.4 (35) | 1.5 (30) | 16.1 (31) |

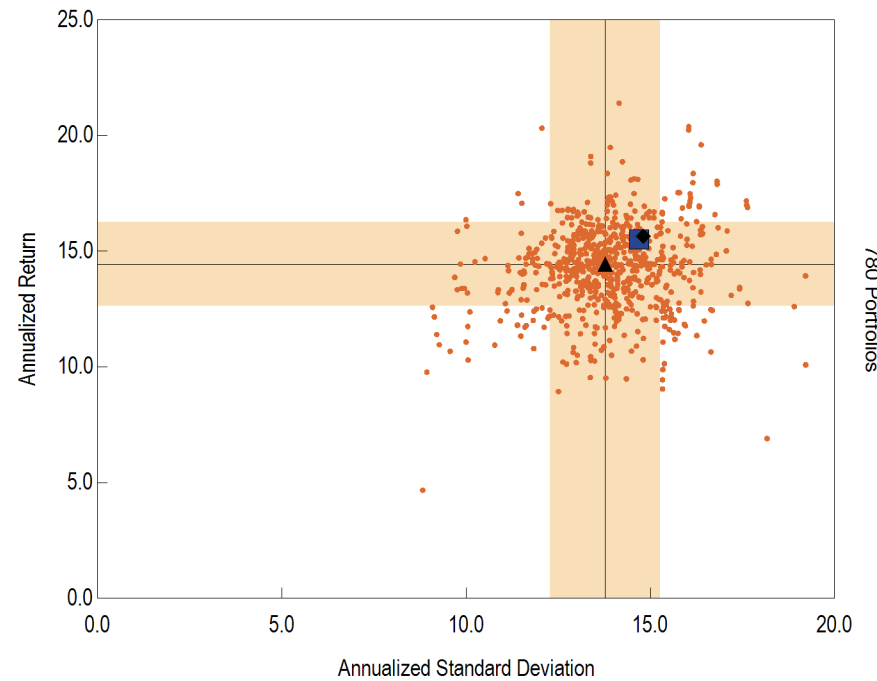
- Vanguard Large Cap Spliced Index = CRSP US Large Cap from Jan 31, 2013 through present; MSCI US Prime Market 750 Gross until Jan 30, 2013.

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending December 31, 2014



- Vanguard Large Cap Index Fund
- ◆ Russell 1000
- ▲ Universe Median
- 68% Confidence Interval
- Large Cap MStar MF

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2014

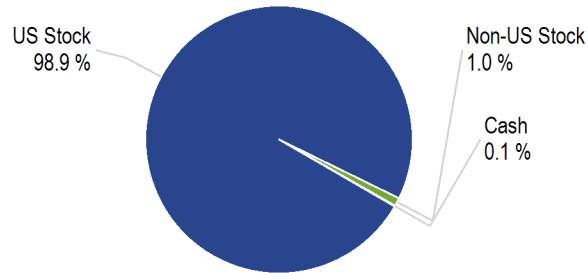


- Vanguard Large Cap Index Fund
- ◆ Russell 1000
- ▲ Universe Median
- 68% Confidence Interval
- Large Cap MStar MF

- Vanguard Large Cap Spliced Index = CRSP US Large Cap from Jan 31, 2013 through present; MSCI US Prime Market 750 Gross until Jan 30, 2013.

As of December 31, 2014

Mutual Fund Allocation as of 12/31/2014



Fund Information as of 12/31/2014

|                            |                                  |
|----------------------------|----------------------------------|
| Fund Name                  | Vanguard Large-Cap Index Fund;In |
| Ticker                     | VLISX                            |
| Category                   | Large Blend                      |
| Benchmark                  | Russell 1000                     |
| Expense Ratio              | 0.08%                            |
| Fund Assets (\$mm)         | 856.91                           |
| Share Class Inception Date | 6/30/2005                        |
| Manager Tenure             | 11                               |

Fund Characteristics as of 12/31/2014

|                           |           |
|---------------------------|-----------|
| Sharpe Ratio (3 Year)     | 2.14      |
| Average Market Cap (\$mm) | 64,675.59 |
| Price/Earnings            | 17.33     |
| Price/Book                | 2.51      |
| Price/Sales               | 1.77      |
| Price/Cash Flow           | 7.92      |
| Dividend Yield            | 2.03      |
| Number of Equity Holdings | 663       |
| R-Squared (3 Year)        | 1.00      |
| Alpha (3 Year)            | -0.02%    |

Top Holdings as of 12/31/2014

|                                |       |
|--------------------------------|-------|
| APPLE INC                      | 3.34% |
| EXXON MOBIL CORPORATION        | 2.02% |
| MICROSOFT CORP                 | 1.78% |
| JOHNSON & JOHNSON              | 1.51% |
| WELLS FARGO & CO               | 1.47% |
| BERKSHIRE HATHAWAY INC CLASS B | 1.41% |
| GENERAL ELECTRIC CO            | 1.31% |
| PROCTER & GAMBLE CO            | 1.27% |
| JPMORGAN CHASE & CO            | 1.21% |
| CHEVRON CORP                   | 1.09% |

Sector Allocation as of 12/31/2014

|                        |        |
|------------------------|--------|
| BASIC MATERIALS        | 3.11%  |
| COMMUNICATION SERVICES | 3.87%  |
| CONSUMER CYCLICAL      | 10.82% |
| CONSUMER DEFENSIVE     | 9.36%  |
| ENERGY                 | 8.34%  |
| FINANCIAL SERVICES     | 15.07% |
| HEALTHCARE             | 14.68% |
| INDUSTRIALS            | 11.23% |
| REAL ESTATE            | 2.48%  |
| TECHNOLOGY             | 17.77% |
| UTILITIES              | 3.17%  |



## Robeco BP Large Value

As of December 31, 2014

## Account Information

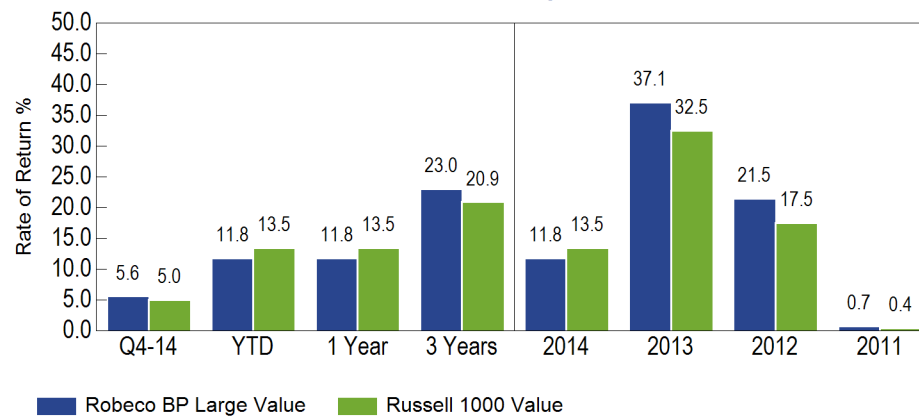
|                   |                            |
|-------------------|----------------------------|
| Account Name      | Robeco BP Large Value      |
| Account Structure | Separate Account           |
| Investment Style  | Active                     |
| Inception Date    | 4/01/09                    |
| Account Type      | US Stock Large Cap Value   |
| Benchmark         | Russell 1000 Value         |
| Universe          | US Large Cap Equity -Value |

## 5 Year Risk/Return Statistics

January 01, 2010 Through December 31, 2014

|   | Robeco BP Large Value | Russell 1000 Value |
|---|-----------------------|--------------------|
| <b>RETURN SUMMARY STATISTICS</b>        |                       |                    |
| Number of Periods                       | 20                    | 20                 |
| Maximum Return                          | 14.85                 | 13.11              |
| Minimum Return                          | -17.04                | -16.20             |
| Annualized Return                       | 16.30                 | 15.42              |
| Total Return                            | 112.77                | 104.87             |
| Annualized Excess Return Over Risk Free | 16.24                 | 15.36              |
| Annualized Excess Return                | 0.88                  | 0.00               |

## Return Summary



## RISK SUMMARY STATISTICS

|                    |       |       |
|--------------------|-------|-------|
| Beta               | 1.04  | 1.00  |
| Upside Deviation   | 8.85  | 7.38  |
| Downside Deviation | 13.39 | 14.45 |

## RISK/RETURN SUMMARY STATISTICS

|                                  |       |       |
|----------------------------------|-------|-------|
| Annualized Standard Deviation    | 15.86 | 14.96 |
| Alpha                            | 0.06  | 0.00  |
| Sharpe Ratio                     | 1.02  | 1.03  |
| Excess Return Over Market / Risk | 0.06  | 0.00  |
| Tracking Error                   | 2.87  | 0.00  |
| Information Ratio                | 0.31  | --    |

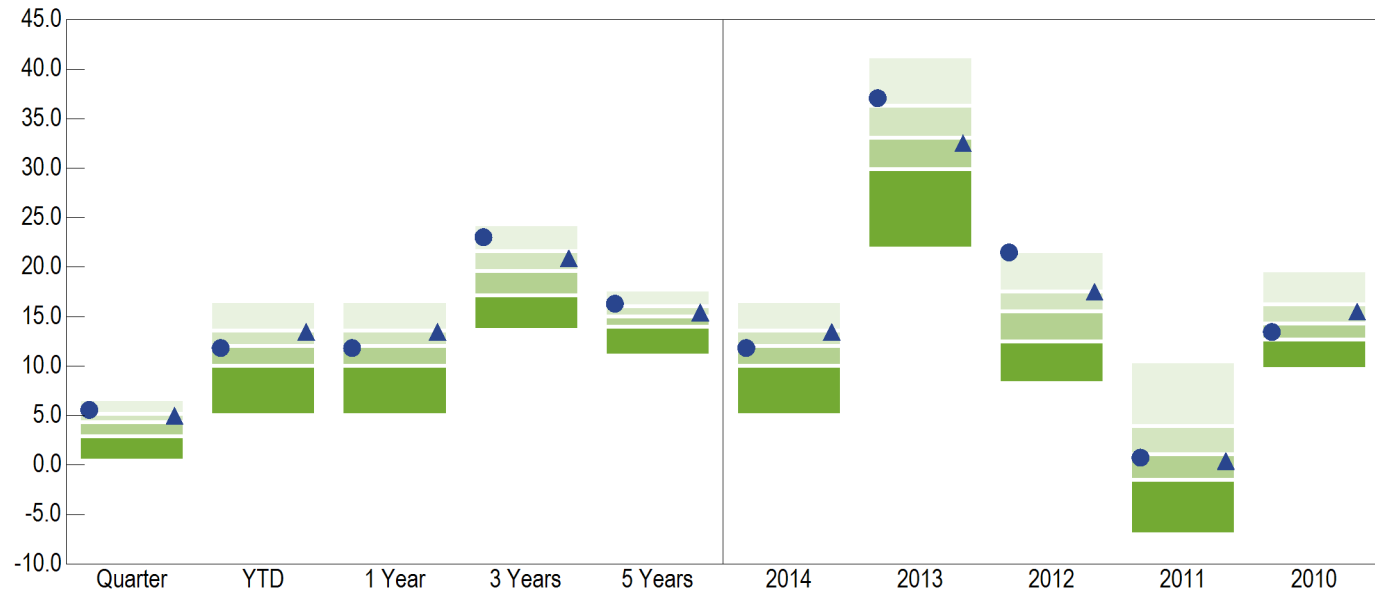
## Summary Of Cash Flows

|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$21,263,117   | \$21,141,533 |
| - Withdrawals           | -\$31,336      | -\$1,121,616 |
| + Contributions         | \$0            | \$0          |
| = Net Cash Flow         | -\$31,336      | -\$1,121,616 |
| + Net Investment Change | \$1,184,647    | \$2,396,510  |
| = Ending Market Value   | \$22,416,428   | \$22,416,428 |

## CORRELATION STATISTICS

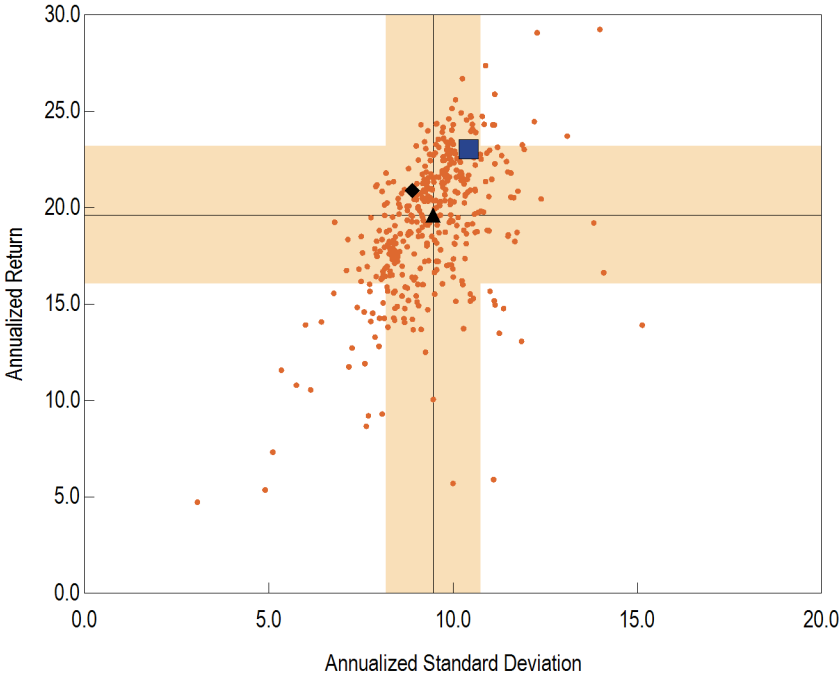
|             |      |      |
|-------------|------|------|
| R-Squared   | 0.97 | 1.00 |
| Correlation | 0.98 | 1.00 |

Robeco BP Large Value vs. US Large Cap Equity -Value



|                         | Return (Rank) |           |           |           |           |           |           |           |          |           |
|-------------------------|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|
|                         | Quarter       | YTD       | 1 Year    | 3 Years   | 5 Years   | 2014      | 2013      | 2012      | 2011     | 2010      |
| 5th Percentile          | 6.6           | 16.5      | 16.5      | 24.3      | 17.7      | 16.5      | 41.3      | 21.6      | 10.5     | 19.7      |
| 25th Percentile         | 5.2           | 13.6      | 13.6      | 21.7      | 16.1      | 13.6      | 36.4      | 17.6      | 4.0      | 16.3      |
| Median                  | 4.4           | 12.1      | 12.1      | 19.6      | 15.0      | 12.1      | 33.1      | 15.6      | 1.1      | 14.4      |
| 75th Percentile         | 2.9           | 10.1      | 10.1      | 17.2      | 14.0      | 10.1      | 29.9      | 12.5      | -1.5     | 12.7      |
| 95th Percentile         | 0.4           | 5.1       | 5.1       | 13.7      | 11.1      | 5.1       | 21.9      | 8.3       | -7.0     | 9.7       |
| # of Portfolios         | 451           | 446       | 446       | 421       | 390       | 446       | 492       | 566       | 504      | 471       |
| ● Robeco BP Large Value | 5.6 (17)      | 11.8 (56) | 11.8 (56) | 23.0 (12) | 16.3 (20) | 11.8 (56) | 37.1 (20) | 21.5 (6)  | 0.7 (54) | 13.4 (65) |
| ▲ Russell 1000 Value    | 5.0 (32)      | 13.5 (28) | 13.5 (28) | 20.9 (36) | 15.4 (41) | 13.5 (28) | 32.5 (56) | 17.5 (27) | 0.4 (60) | 15.5 (35) |

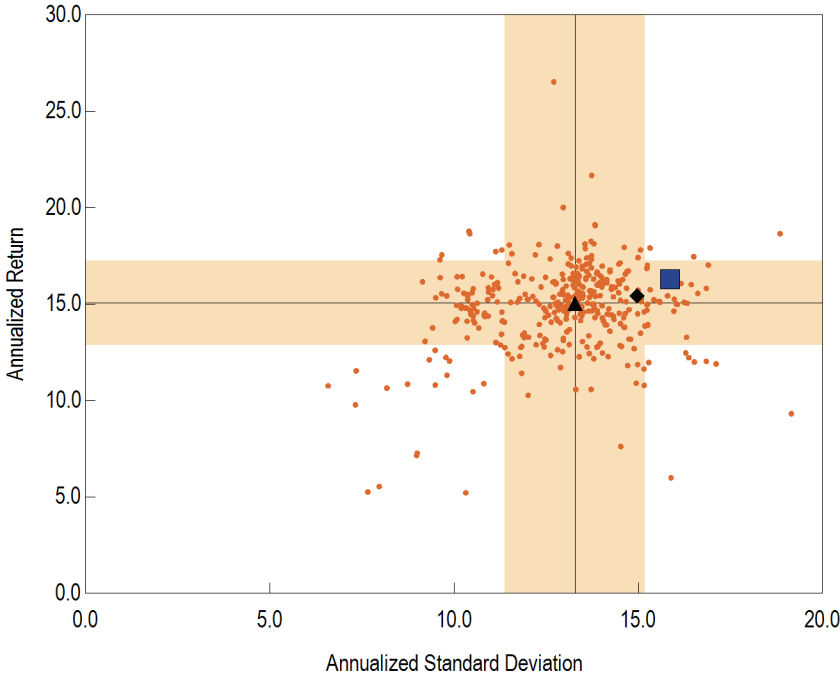
Annualized Return vs. Annualized Standard Deviation  
3 Years Ending December 31, 2014



421 Portfolios

- Robeco BP Large Value
- ◆ Russell 1000 Value
- ▲ Universe Median
- 68% Confidence Interval
- US Large Cap Equity -Value

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2014

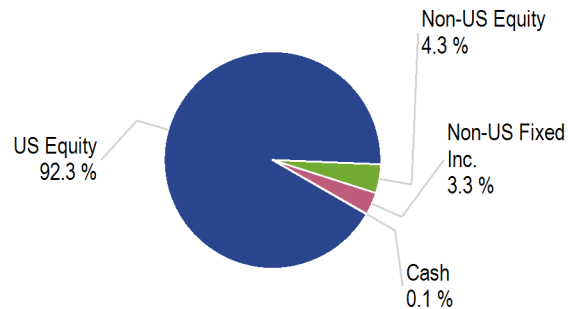


390 Portfolios

- Robeco BP Large Value
- ◆ Russell 1000 Value
- ▲ Universe Median
- 68% Confidence Interval
- US Large Cap Equity -Value

As of December 31, 2014

Current Allocation



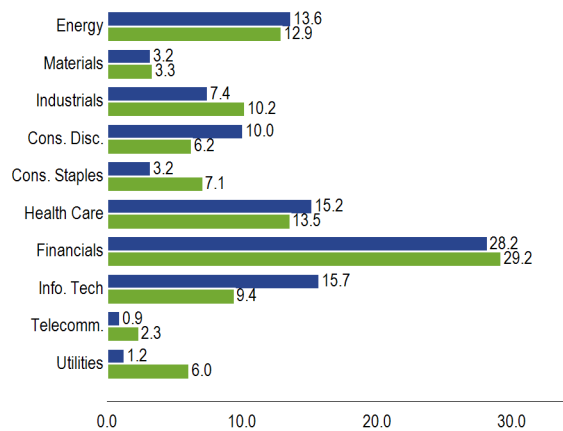
Portfolio Information

|                                 | Portfolio | Russell 1000 Value |
|---------------------------------|-----------|--------------------|
| Number of Holdings              | 100       | 704                |
| Weighted Avg. Market Cap. (\$B) | 114.36    | 107.52             |
| Median Market Cap. (\$B)        | 25.29     | 7.30               |
| Price To Earnings               | 18.40     | 19.77              |
| Price To Book                   | 3.21      | 2.37               |
| Price To Sales                  | 2.17      | 2.27               |
| Return on Equity (%)            | 18.50     | 13.02              |
| Yield (%)                       | 1.80      | 2.28               |
| Beta                            | 1.11      | 1.00               |
| R-Squared                       | 0.90      | 1.00               |

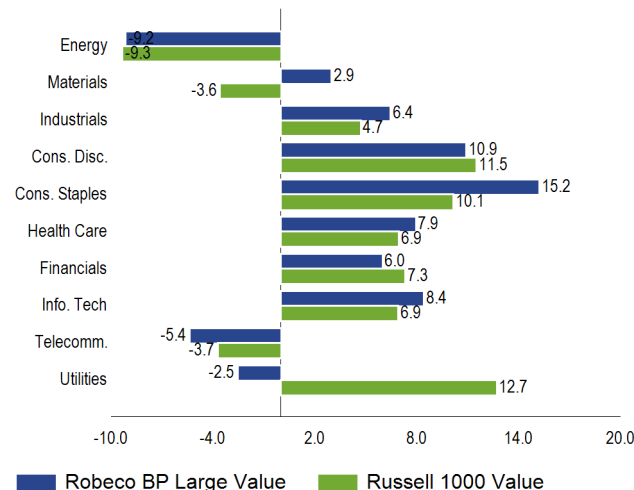
Top Ten Holdings

|                                      |               |
|--------------------------------------|---------------|
| BERKSHIRE HATHAWAY 'B'               | 4.04%         |
| CITIGROUP                            | 3.98%         |
| WELLS FARGO & CO                     | 3.93%         |
| JP MORGAN CHASE & CO.                | 3.72%         |
| FEDERATED MMKT PRIME OBLIG-I #10 FFS | 3.34%         |
| CAPITAL ONE FINL.                    | 3.02%         |
| PFIZER                               | 2.91%         |
| JOHNSON & JOHNSON                    | 2.54%         |
| APPLE                                | 2.49%         |
| CISCO SYSTEMS                        | 2.20%         |
| <b>Total</b>                         | <b>32.16%</b> |

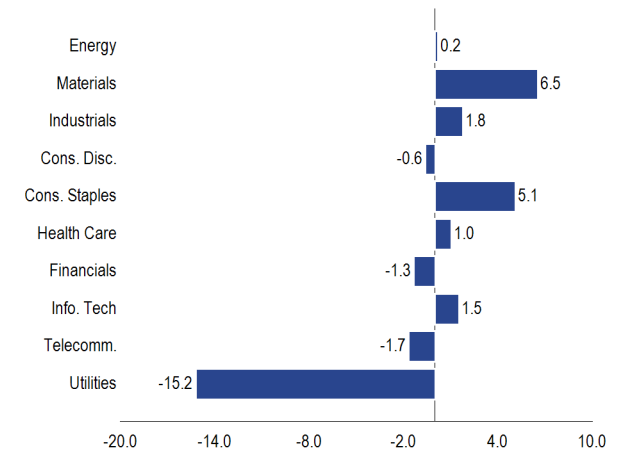
Sector Allocation (%) vs Russell 1000 Value for Separate Accounts  
3 Months Ending December 31, 2014



Sector Returns (%) vs Russell 1000 Value for Separate Accounts  
3 Months Ending December 31, 2014



Sector Excess Returns (%) vs Russell 1000 Value for Separate Accounts  
3 Months Ending December 31, 2014



Great Lakes Large Cap Value

As of December 31, 2014

Account Information

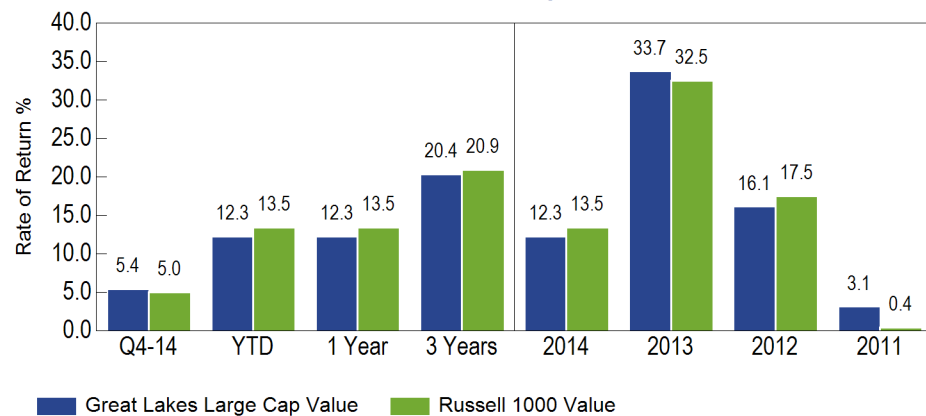
|                   |                             |
|-------------------|-----------------------------|
| Account Name      | Great Lakes Large Cap Value |
| Account Structure | Separate Account            |
| Investment Style  | Active                      |
| Inception Date    | 7/01/06                     |
| Account Type      | US Stock Large Cap Value    |
| Benchmark         | Russell 1000 Value          |
| Universe          | US Large Cap Equity -Value  |

5 Year Risk/Return Statistics

January 01, 2010 Through December 31, 2014

|   | Great Lakes Large Cap Value | Russell 1000 Value |
|---|-----------------------------|--------------------|
| <b>RETURN SUMMARY STATISTICS</b>        |                             |                    |
| Number of Periods                       | 20                          | 20                 |
| Maximum Return                          | 12.74                       | 13.11              |
| Minimum Return                          | -14.77                      | -16.20             |
| Annualized Return                       | 16.12                       | 15.42              |
| Total Return                            | 111.16                      | 104.87             |
| Annualized Excess Return Over Risk Free | 16.06                       | 15.36              |
| Annualized Excess Return                | 0.70                        | 0.00               |

Return Summary



RISK SUMMARY STATISTICS

|                    |       |       |
|--------------------|-------|-------|
| Beta               | 0.97  | 1.00  |
| Upside Deviation   | 7.90  | 7.38  |
| Downside Deviation | 12.07 | 14.45 |

RISK/RETURN SUMMARY STATISTICS

|                                  |       |       |
|----------------------------------|-------|-------|
| Annualized Standard Deviation    | 14.77 | 14.96 |
| Alpha                            | 0.26  | 0.00  |
| Sharpe Ratio                     | 1.09  | 1.03  |
| Excess Return Over Market / Risk | 0.05  | 0.00  |
| Tracking Error                   | 2.73  | 0.00  |
| Information Ratio                | 0.26  | --    |

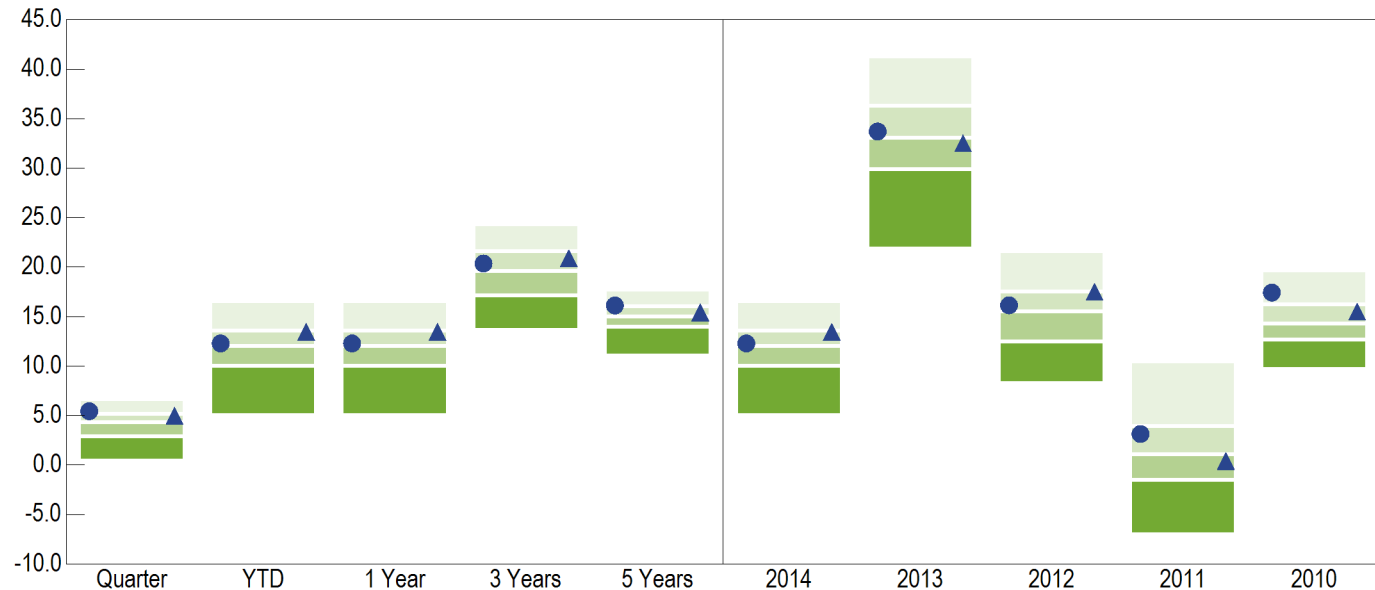
Summary Of Cash Flows

|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$21,128,663   | \$21,092,448 |
| - Withdrawals           | -\$25,901      | -\$1,101,344 |
| + Contributions         | \$0            | \$0          |
| = Net Cash Flow         | -\$25,901      | -\$1,101,344 |
| + Net Investment Change | \$1,148,657    | \$2,260,315  |
| = Ending Market Value   | \$22,251,419   | \$22,251,419 |

CORRELATION STATISTICS

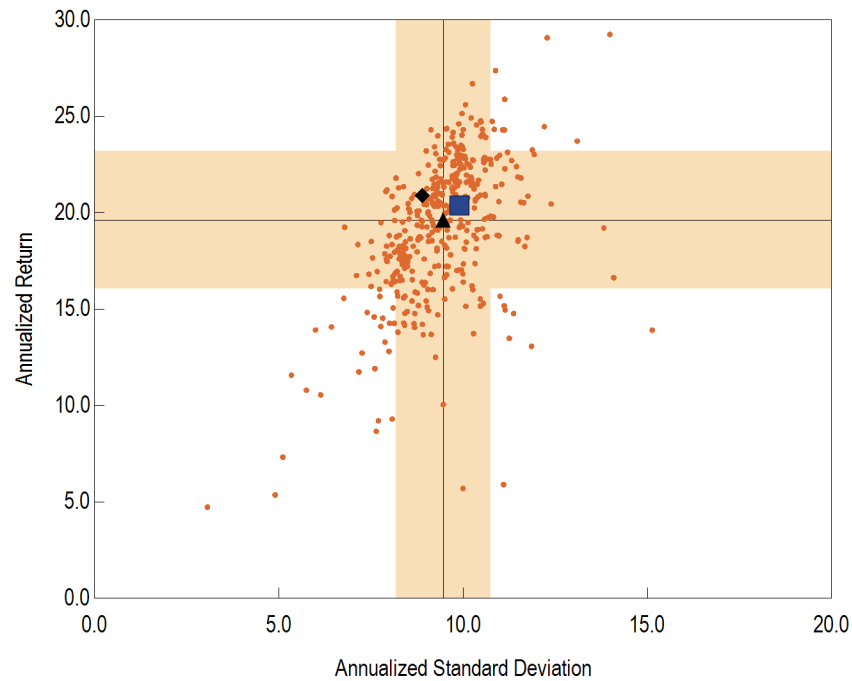
|             |      |      |
|-------------|------|------|
| R-Squared   | 0.97 | 1.00 |
| Correlation | 0.98 | 1.00 |

Great Lakes Large Cap Value vs. US Large Cap Equity -Value



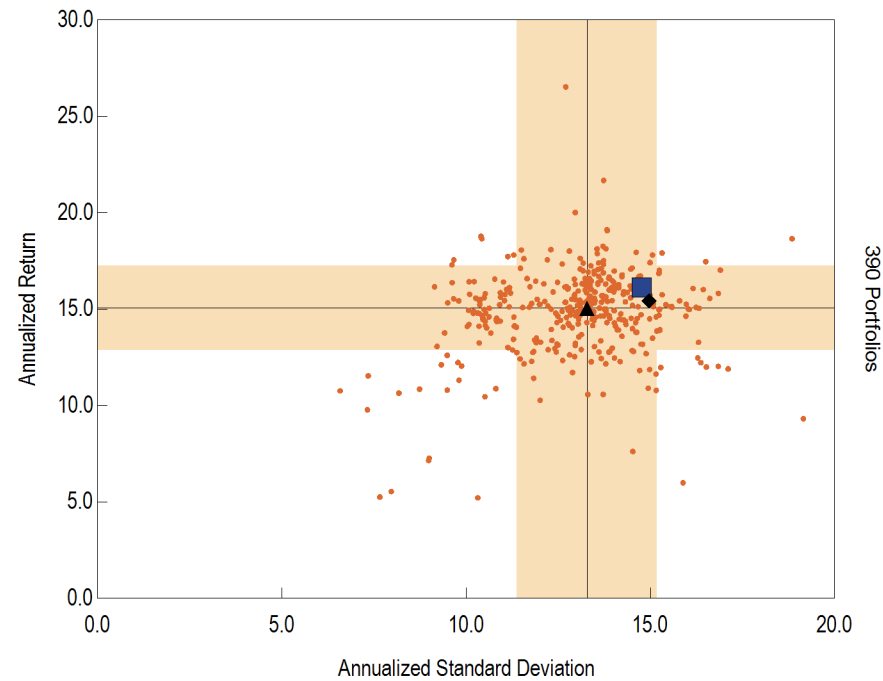
|                                      | Return (Rank) |           |           |           |           |           |           |           |          |           |
|--------------------------------------|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|
| <b>5th Percentile</b>                | 6.6           | 16.5      | 16.5      | 24.3      | 17.7      | 16.5      | 41.3      | 21.6      | 10.5     | 19.7      |
| <b>25th Percentile</b>               | 5.2           | 13.6      | 13.6      | 21.7      | 16.1      | 13.6      | 36.4      | 17.6      | 4.0      | 16.3      |
| <b>Median</b>                        | 4.4           | 12.1      | 12.1      | 19.6      | 15.0      | 12.1      | 33.1      | 15.6      | 1.1      | 14.4      |
| <b>75th Percentile</b>               | 2.9           | 10.1      | 10.1      | 17.2      | 14.0      | 10.1      | 29.9      | 12.5      | -1.5     | 12.7      |
| <b>95th Percentile</b>               | 0.4           | 5.1       | 5.1       | 13.7      | 11.1      | 5.1       | 21.9      | 8.3       | -7.0     | 9.7       |
| <b># of Portfolios</b>               | 451           | 446       | 446       | 421       | 390       | 446       | 492       | 566       | 504      | 471       |
| <b>● Great Lakes Large Cap Value</b> | 5.4 (19)      | 12.3 (48) | 12.3 (48) | 20.4 (44) | 16.1 (24) | 12.3 (48) | 33.7 (46) | 16.1 (43) | 3.1 (33) | 17.4 (16) |
| <b>▲ Russell 1000 Value</b>          | 5.0 (32)      | 13.5 (28) | 13.5 (28) | 20.9 (36) | 15.4 (41) | 13.5 (28) | 32.5 (56) | 17.5 (27) | 0.4 (60) | 15.5 (35) |

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending December 31, 2014



- Great Lakes Large Cap Value
- ◆ Russell 1000 Value
- ▲ Universe Median
- 68% Confidence Interval
- US Large Cap Equity -Value

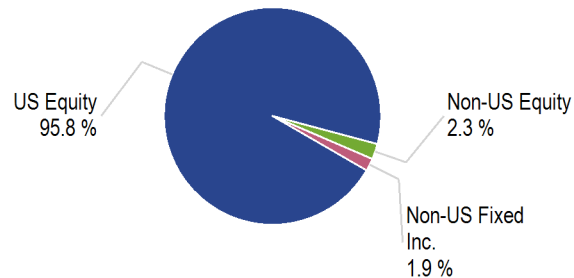
Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2014



- Great Lakes Large Cap Value
- ◆ Russell 1000 Value
- ▲ Universe Median
- 68% Confidence Interval
- US Large Cap Equity -Value

As of December 31, 2014

Current Allocation



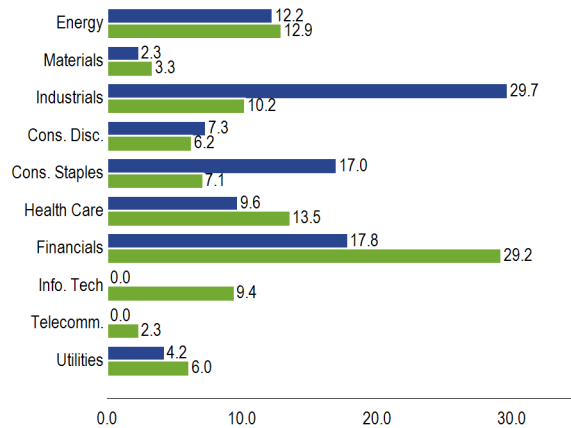
Portfolio Information

|                                 | Portfolio | Russell 1000 Value |
|---------------------------------|-----------|--------------------|
| Number of Holdings              | 50        | 704                |
| Weighted Avg. Market Cap. (\$B) | 79.12     | 107.52             |
| Median Market Cap. (\$B)        | 53.75     | 7.30               |
| Price To Earnings               | 19.37     | 19.77              |
| Price To Book                   | 4.16      | 2.37               |
| Price To Sales                  | 1.99      | 2.27               |
| Return on Equity (%)            | 19.94     | 13.02              |
| Yield (%)                       | 2.60      | 2.28               |
| Beta                            | 1.09      | 1.00               |
| R-Squared                       | 0.95      | 1.00               |

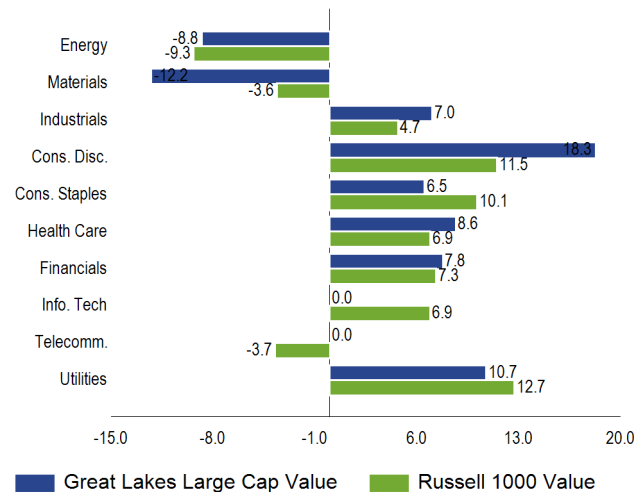
Top Ten Holdings

|                        |               |
|------------------------|---------------|
| 3M                     | 3.86%         |
| AMERICAN EXPRESS       | 3.55%         |
| TARGET                 | 3.41%         |
| HONEYWELL INTL.        | 3.21%         |
| LOCKHEED MARTIN        | 3.20%         |
| CIGNA                  | 3.19%         |
| EATON                  | 3.15%         |
| AETNA                  | 3.11%         |
| BERKSHIRE HATHAWAY 'A' | 3.05%         |
| GENERAL ELECTRIC       | 2.99%         |
| <b>Total</b>           | <b>32.73%</b> |

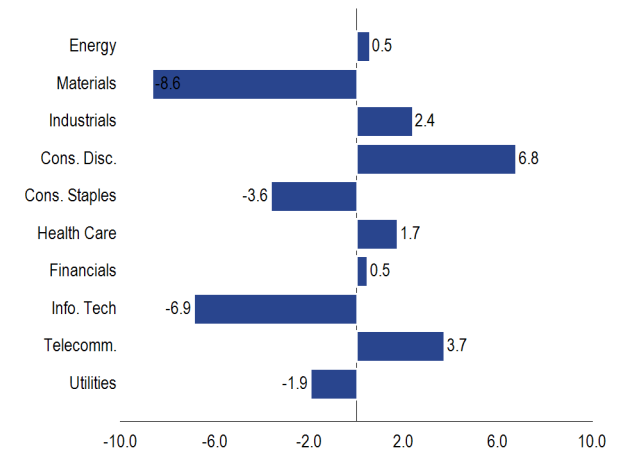
Sector Allocation (%) vs Russell 1000 Value for Separate Accounts  
3 Months Ending December 31, 2014



Sector Returns (%) vs Russell 1000 Value for Separate Accounts  
3 Months Ending December 31, 2014



Sector Excess Returns (%) vs Russell 1000 Value for Separate Accounts  
3 Months Ending December 31, 2014





As of December 31, 2014

**Account Information**

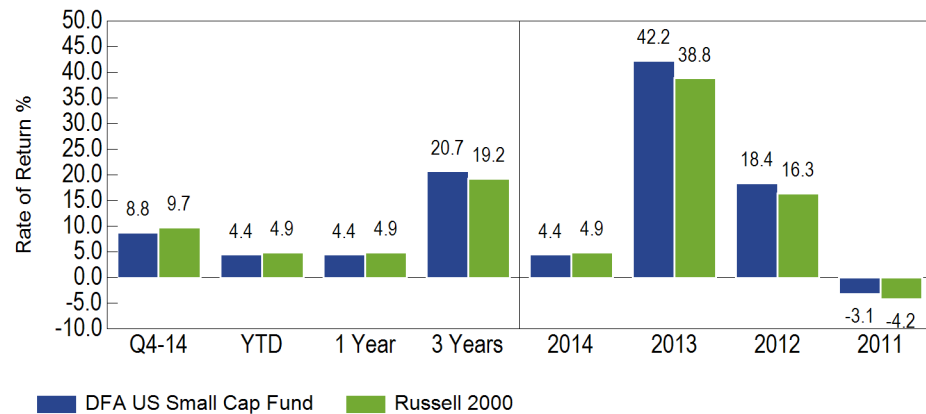
|                   |                         |
|-------------------|-------------------------|
| Account Name      | DFA US Small Cap Fund   |
| Account Structure | Mutual Fund             |
| Investment Style  | Active                  |
| Inception Date    | 4/01/92                 |
| Account Type      | US Stock Small Cap Core |
| Benchmark         | Russell 2000            |
| Universe          | Small Cap MStar MF      |

**5 Year Risk/Return Statistics**

January 01, 2010 Through December 31, 2014

|   | DFA US Small Cap Fund | Russell 2000 |
|---|-----------------------|--------------|
| <b>RETURN SUMMARY STATISTICS</b>        |                       |              |
| Number of Periods                       | 20                    | 20           |
| Maximum Return                          | 17.14                 | 16.25        |
| Minimum Return                          | -21.91                | -21.87       |
| Annualized Return                       | 17.35                 | 15.55        |
| Total Return                            | 122.59                | 105.95       |
| Annualized Excess Return Over Risk Free | 17.29                 | 15.48        |
| Annualized Excess Return                | 1.81                  | 0.00         |

**Return Summary**



**RISK SUMMARY STATISTICS**

|                    | DFA US Small Cap Fund | Russell 2000 |
|--------------------|-----------------------|--------------|
| Beta               | 1.01                  | 1.00         |
| Upside Deviation   | 9.66                  | 9.74         |
| Downside Deviation | 16.01                 | 15.94        |

**RISK/RETURN SUMMARY STATISTICS**

|                                  | DFA US Small Cap Fund | Russell 2000 |
|----------------------------------|-----------------------|--------------|
| Annualized Standard Deviation    | 19.17                 | 18.96        |
| Alpha                            | 0.38                  | 0.00         |
| Sharpe Ratio                     | 0.90                  | 0.82         |
| Excess Return Over Market / Risk | 0.09                  | 0.00         |
| Tracking Error                   | 1.27                  | 0.00         |
| Information Ratio                | 1.42                  | --           |

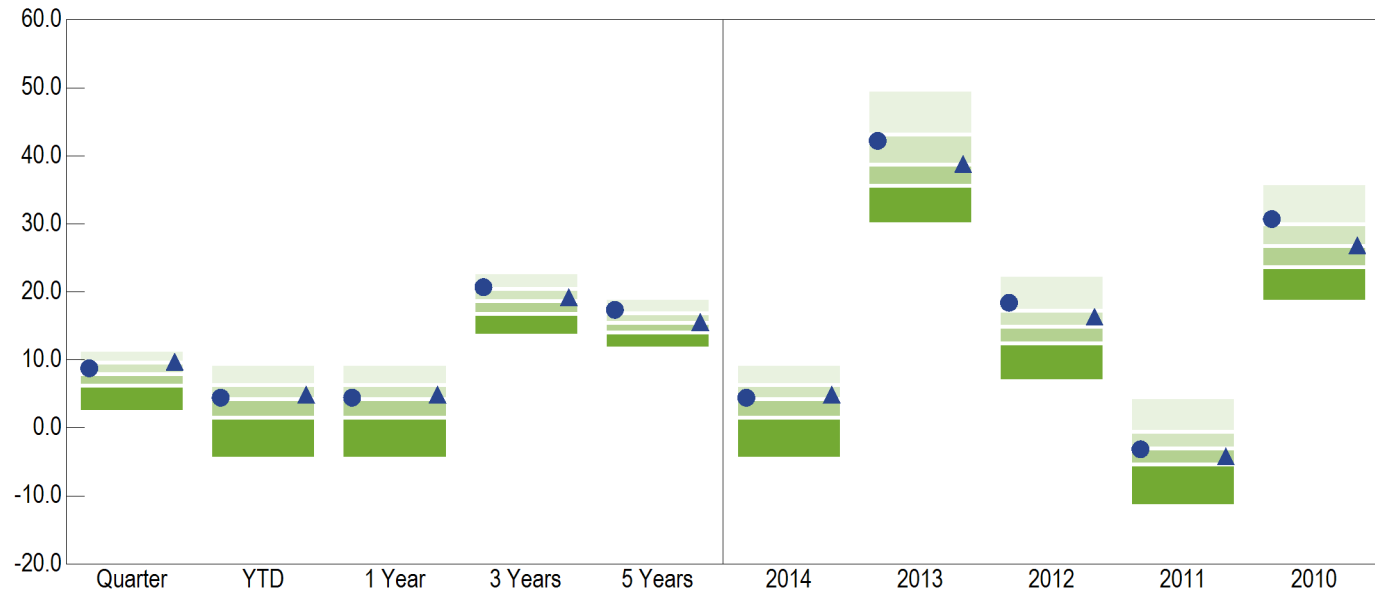
**Summary Of Cash Flows**

|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$3,753,742    | --           |
| - Withdrawals           | \$0            | \$0          |
| + Contributions         | \$0            | \$4,000,000  |
| = Net Cash Flow         | \$0            | \$4,000,000  |
| + Net Investment Change | \$328,999      | \$82,740     |
| = Ending Market Value   | \$4,082,740    | \$4,082,740  |

**CORRELATION STATISTICS**

|             | DFA US Small Cap Fund | Russell 2000 |
|-------------|-----------------------|--------------|
| R-Squared   | 1.00                  | 1.00         |
| Correlation | 1.00                  | 1.00         |

DFA US Small Cap Fund vs. Small Cap MStar MF

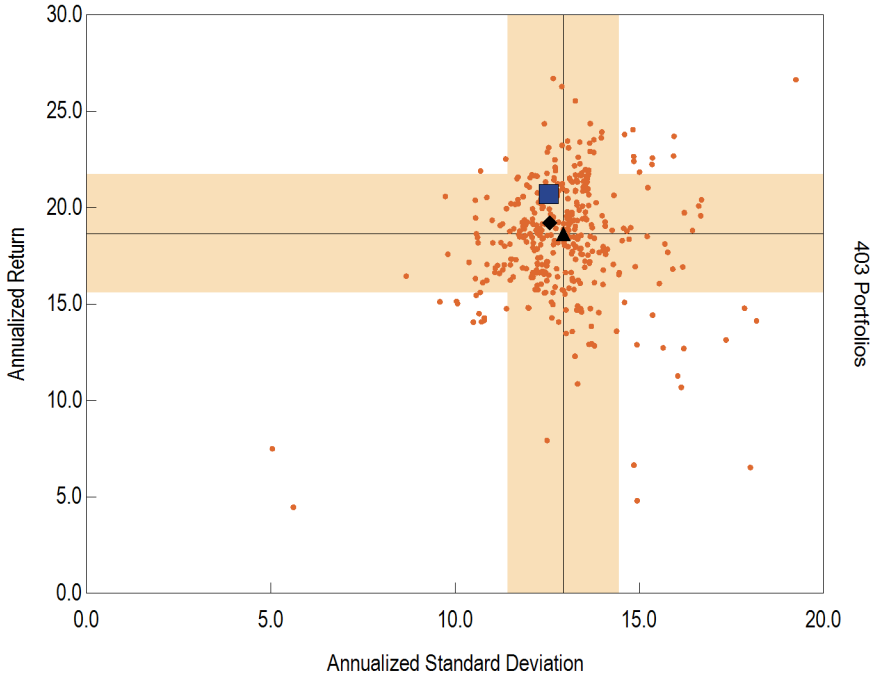


|                                | Return (Rank) |          |          |           |           |          |           |           |           |           |
|--------------------------------|---------------|----------|----------|-----------|-----------|----------|-----------|-----------|-----------|-----------|
|                                | Quarter       | YTD      | 1 Year   | 3 Years   | 5 Years   | 2014     | 2013      | 2012      | 2011      | 2010      |
| <b>5th Percentile</b>          | 11.5          | 9.4      | 9.4      | 22.8      | 19.0      | 9.4      | 49.7      | 22.5      | 4.4       | 35.9      |
| <b>25th Percentile</b>         | 9.6           | 6.4      | 6.4      | 20.4      | 16.9      | 6.4      | 43.2      | 17.3      | -0.6      | 30.0      |
| <b>Median</b>                  | 8.0           | 4.3      | 4.3      | 18.7      | 15.5      | 4.3      | 38.7      | 14.9      | -3.0      | 26.8      |
| <b>75th Percentile</b>         | 6.2           | 1.5      | 1.5      | 16.8      | 14.1      | 1.5      | 35.6      | 12.5      | -5.3      | 23.7      |
| <b>95th Percentile</b>         | 2.4           | -4.4     | -4.4     | 13.6      | 11.7      | -4.4     | 29.9      | 6.9       | -11.4     | 18.6      |
| <b># of Portfolios</b>         | 457           | 444      | 444      | 403       | 366       | 444      | 402       | 393       | 372       | 377       |
| <b>● DFA US Small Cap Fund</b> | 8.8 (38)      | 4.4 (49) | 4.4 (49) | 20.7 (22) | 17.4 (18) | 4.4 (49) | 42.2 (32) | 18.4 (18) | -3.1 (52) | 30.7 (20) |
| <b>▲ Russell 2000</b>          | 9.7 (24)      | 4.9 (45) | 4.9 (45) | 19.2 (41) | 15.5 (48) | 4.9 (45) | 38.8 (50) | 16.3 (35) | -4.2 (64) | 26.9 (50) |

DFA US Small Cap Fund

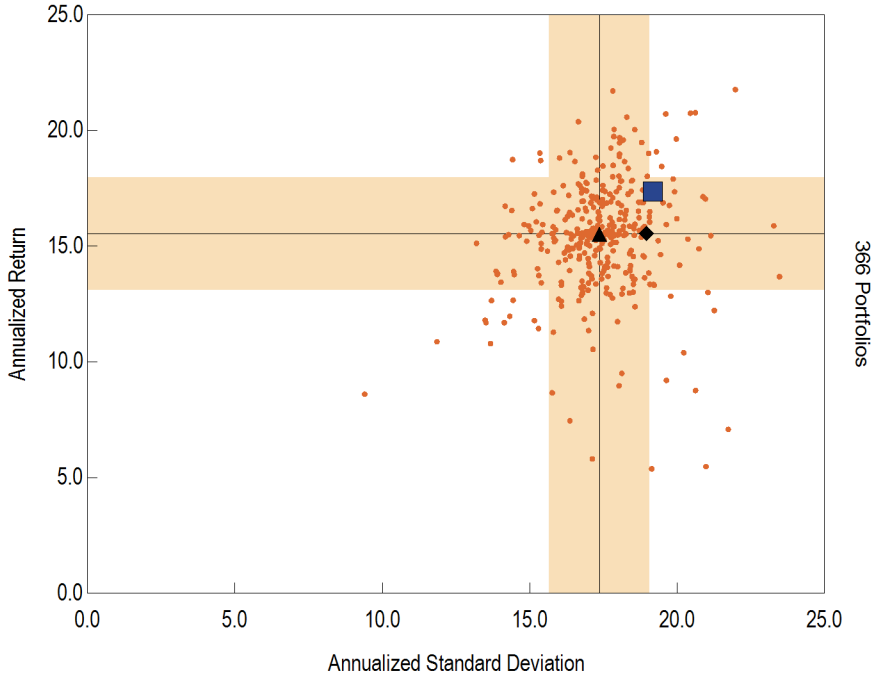
As of December 31, 2014

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending December 31, 2014



- DFA US Small Cap Fund
- ◆ Russell 2000
- ▲ Universe Median
- 68% Confidence Interval
- Small Cap MStar MF

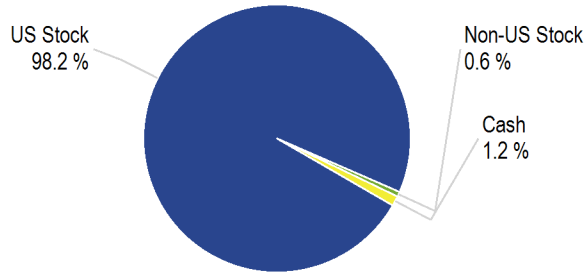
Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2014



- DFA US Small Cap Fund
- ◆ Russell 2000
- ▲ Universe Median
- 68% Confidence Interval
- Small Cap MStar MF

As of December 31, 2014

Mutual Fund Allocation as of 11/30/2014



Fund Information as of 12/31/2014

|                            |                                  |
|----------------------------|----------------------------------|
| Fund Name                  | DFA US Small Cap Portfolio;Insti |
| Ticker                     | DFSTX                            |
| Category                   | Small Blend                      |
| Benchmark                  | Russell 2000                     |
| Expense Ratio              | 0.37%                            |
| Fund Assets (\$mm)         | 9,666.05                         |
| Share Class Inception Date | 3/19/1992                        |
| Manager Tenure             | 7                                |

Fund Characteristics as of 11/30/2014

|                           |          |
|---------------------------|----------|
| Sharpe Ratio (3 Year)     | 1.65     |
| Average Market Cap (\$mm) | 1,599.10 |
| Price/Earnings            | 19.84    |
| Price/Book                | 1.96     |
| Price/Sales               | 1.00     |
| Price/Cash Flow           | 7.66     |
| Dividend Yield            | 1.08     |
| Number of Equity Holdings | 2,092    |
| R-Squared (3 Year)        | 0.99     |
| Alpha (3 Year)            | 0.37%    |

Top Holdings as of 11/30/2014

|                        |       |
|------------------------|-------|
| SPIRIT AIRLINES INC    | 0.42% |
| RF MICRO DEVICES INC   | 0.37% |
| JETBLUE AIRWAYS CORP   | 0.32% |
| VCA INC                | 0.31% |
| BUFFALO WILD WINGS INC | 0.29% |
| AVIS BUDGET GROUP INC  | 0.28% |
| OFFICE DEPOT INC       | 0.27% |
| AKORN INC              | 0.26% |
| DECKERS OUTDOOR CORP   | 0.26% |
| HEALTH NET INC         | 0.26% |

Sector Allocation as of 11/30/2014

|                        |        |
|------------------------|--------|
| BASIC MATERIALS        | 5.96%  |
| COMMUNICATION SERVICES | 1.09%  |
| CONSUMER CYCLICAL      | 17.34% |
| CONSUMER DEFENSIVE     | 5.01%  |
| ENERGY                 | 3.49%  |
| FINANCIAL SERVICES     | 16.59% |
| HEALTHCARE             | 8.71%  |
| INDUSTRIALS            | 19.17% |
| REAL ESTATE            | 0.62%  |
| TECHNOLOGY             | 17.24% |
| UTILITIES              | 3.60%  |

As of December 31, 2014

**Account Information**

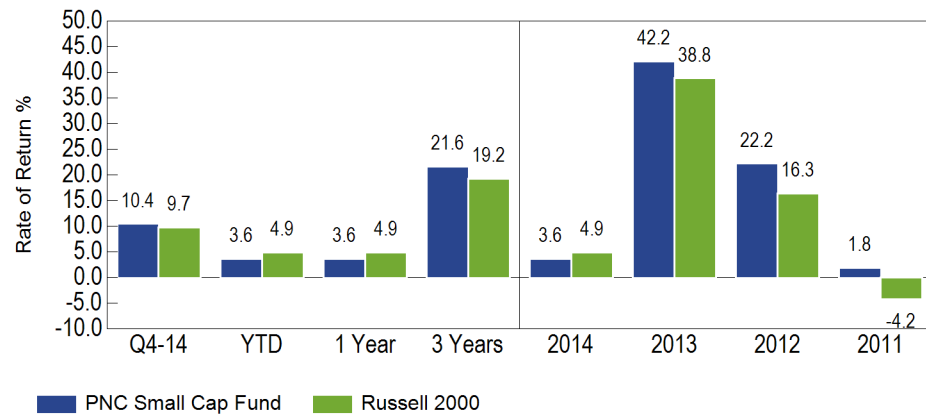
|                   |                         |
|-------------------|-------------------------|
| Account Name      | PNC Small Cap Fund      |
| Account Structure | Mutual Fund             |
| Investment Style  | Active                  |
| Inception Date    | 5/01/04                 |
| Account Type      | US Stock Small Cap Core |
| Benchmark         | Russell 2000            |
| Universe          | Small Cap MStar MF      |

**5 Year Risk/Return Statistics**

January 01, 2010 Through December 31, 2014

|   | PNC Small Cap Fund | Russell 2000 |
|---|--------------------|--------------|
| <b>RETURN SUMMARY STATISTICS</b>        |                    |              |
| Number of Periods                       | 20                 | 20           |
| Maximum Return                          | 17.78              | 16.25        |
| Minimum Return                          | -18.46             | -21.87       |
| Annualized Return                       | 18.66              | 15.55        |
| Total Return                            | 135.27             | 105.95       |
| Annualized Excess Return Over Risk Free | 18.60              | 15.48        |
| Annualized Excess Return                | 3.12               | 0.00         |

**Return Summary**



**RISK SUMMARY STATISTICS**

|                    |       |       |
|--------------------|-------|-------|
| Beta               | 0.94  | 1.00  |
| Upside Deviation   | 11.10 | 9.74  |
| Downside Deviation | 14.16 | 15.94 |

**RISK/RETURN SUMMARY STATISTICS**

|                                  |       |       |
|----------------------------------|-------|-------|
| Annualized Standard Deviation    | 18.03 | 18.96 |
| Alpha                            | 0.89  | 0.00  |
| Sharpe Ratio                     | 1.03  | 0.82  |
| Excess Return Over Market / Risk | 0.17  | 0.00  |
| Tracking Error                   | 3.10  | 0.00  |
| Information Ratio                | 1.01  | --    |

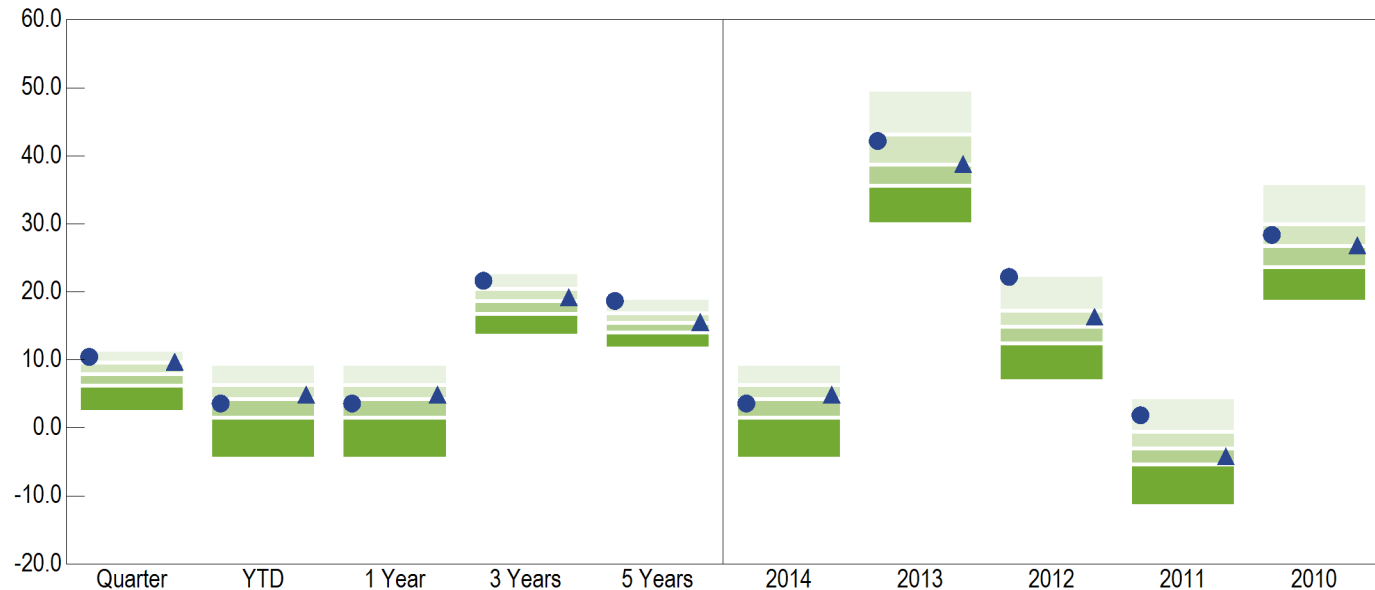
**Summary Of Cash Flows**

|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$4,605,201    | --           |
| - Withdrawals           | \$0            | \$0          |
| + Contributions         | \$0            | \$5,000,000  |
| = Net Cash Flow         | \$0            | \$5,000,000  |
| + Net Investment Change | \$480,983      | \$86,184     |
| = Ending Market Value   | \$5,086,184    | \$5,086,184  |

**CORRELATION STATISTICS**

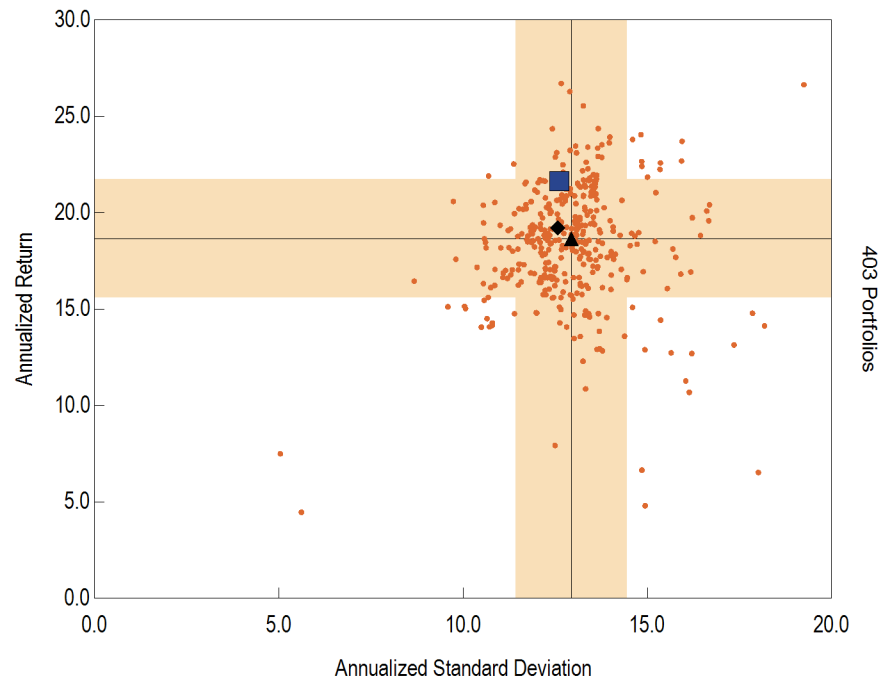
|             |      |      |
|-------------|------|------|
| R-Squared   | 0.97 | 1.00 |
| Correlation | 0.99 | 1.00 |

PNC Small Cap Fund vs. Small Cap MStar MF



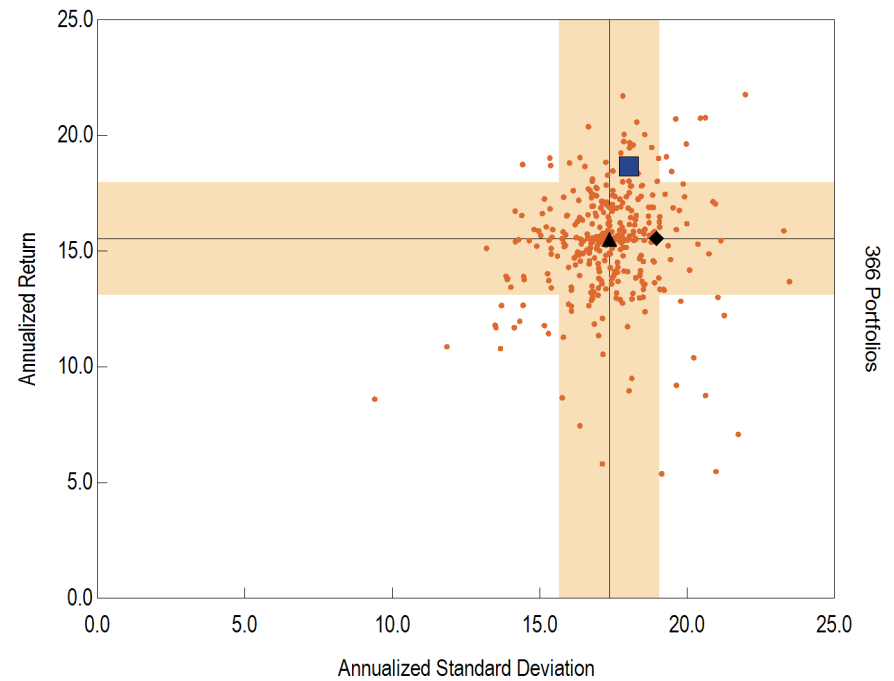
|                             | Return (Rank) |          |          |           |           |          |           |           |           |           |
|-----------------------------|---------------|----------|----------|-----------|-----------|----------|-----------|-----------|-----------|-----------|
|                             | Quarter       | YTD      | 1 Year   | 3 Years   | 5 Years   | 2014     | 2013      | 2012      | 2011      | 2010      |
| <b>5th Percentile</b>       | 11.5          | 9.4      | 9.4      | 22.8      | 19.0      | 9.4      | 49.7      | 22.5      | 4.4       | 35.9      |
| <b>25th Percentile</b>      | 9.6           | 6.4      | 6.4      | 20.4      | 16.9      | 6.4      | 43.2      | 17.3      | -0.6      | 30.0      |
| <b>Median</b>               | 8.0           | 4.3      | 4.3      | 18.7      | 15.5      | 4.3      | 38.7      | 14.9      | -3.0      | 26.8      |
| <b>75th Percentile</b>      | 6.2           | 1.5      | 1.5      | 16.8      | 14.1      | 1.5      | 35.6      | 12.5      | -5.3      | 23.7      |
| <b>95th Percentile</b>      | 2.4           | -4.4     | -4.4     | 13.6      | 11.7      | -4.4     | 29.9      | 6.9       | -11.4     | 18.6      |
| <b># of Portfolios</b>      | 457           | 444      | 444      | 403       | 366       | 444      | 402       | 393       | 372       | 377       |
| <b>● PNC Small Cap Fund</b> | 10.4 (10)     | 3.6 (59) | 3.6 (59) | 21.6 (13) | 18.7 (9)  | 3.6 (59) | 42.2 (32) | 22.2 (6)  | 1.8 (11)  | 28.4 (33) |
| <b>▲ Russell 2000</b>       | 9.7 (24)      | 4.9 (45) | 4.9 (45) | 19.2 (41) | 15.5 (48) | 4.9 (45) | 38.8 (50) | 16.3 (35) | -4.2 (64) | 26.9 (50) |

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending December 31, 2014



- PNC Small Cap Fund
- ◆ Russell 2000
- ▲ Universe Median
- 68% Confidence Interval
- Small Cap MStar MF

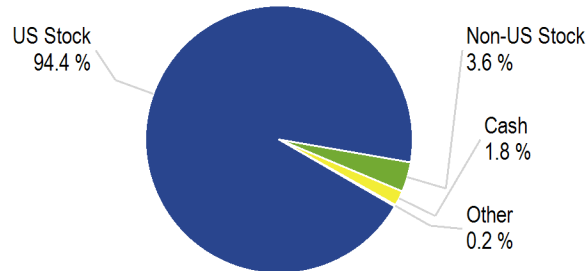
Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2014



- PNC Small Cap Fund
- ◆ Russell 2000
- ▲ Universe Median
- 68% Confidence Interval
- Small Cap MStar MF

As of December 31, 2014

Mutual Fund Allocation as of 11/30/2014



Fund Information as of 12/31/2014

|                            |                      |
|----------------------------|----------------------|
| Fund Name                  | PNC Small Cap Fund;I |
| Ticker                     | PPCIX                |
| Category                   | Small Growth         |
| Benchmark                  | Russell 2000         |
| Expense Ratio              | 0.99%                |
| Fund Assets (\$mm)         | 457.72               |
| Share Class Inception Date | 4/2/2004             |
| Manager Tenure             | 11                   |

Fund Characteristics as of 11/30/2014

|                           |          |
|---------------------------|----------|
| Sharpe Ratio (3 Year)     | 1.71     |
| Average Market Cap (\$mm) | 2,450.13 |
| Price/Earnings            | 18.55    |
| Price/Book                | 2.83     |
| Price/Sales               | 1.15     |
| Price/Cash Flow           | 4.93     |
| Dividend Yield            | 0.52     |
| Number of Equity Holdings | 47       |
| R-Squared (3 Year)        | 0.95     |
| Alpha (3 Year)            | 0.63%    |

Top Holdings as of 11/30/2014

|                                  |       |
|----------------------------------|-------|
| AMTRUST FINANCIAL SERVICES INC   | 4.72% |
| BANK OF THE OZARKS INC           | 4.57% |
| PRA GROUP INC                    | 4.24% |
| OSI SYSTEMS INC                  | 3.24% |
| MANHATTAN ASSOCIATES INC         | 3.20% |
| CREDIT ACCEPTANCE CORP           | 3.15% |
| MADISON SQUARE GARDEN CO CLASS A | 3.01% |
| MWI VETERINARY SUPPLY INC        | 2.95% |
| NATIONAL GENERAL HOLDINGS CORP   | 2.91% |
| ENERSYS                          | 2.89% |

Sector Allocation as of 11/30/2014

|                        |        |
|------------------------|--------|
| BASIC MATERIALS        | 3.54%  |
| COMMUNICATION SERVICES | 0.00%  |
| CONSUMER CYCLICAL      | 16.20% |
| CONSUMER DEFENSIVE     | 3.21%  |
| ENERGY                 | 3.29%  |
| FINANCIAL SERVICES     | 27.18% |
| HEALTHCARE             | 8.92%  |
| INDUSTRIALS            | 19.41% |
| REAL ESTATE            | 1.41%  |
| TECHNOLOGY             | 14.87% |
| UTILITIES              | 0.00%  |



Wells Benson Small Cap Value

As of December 31, 2014

Account Information

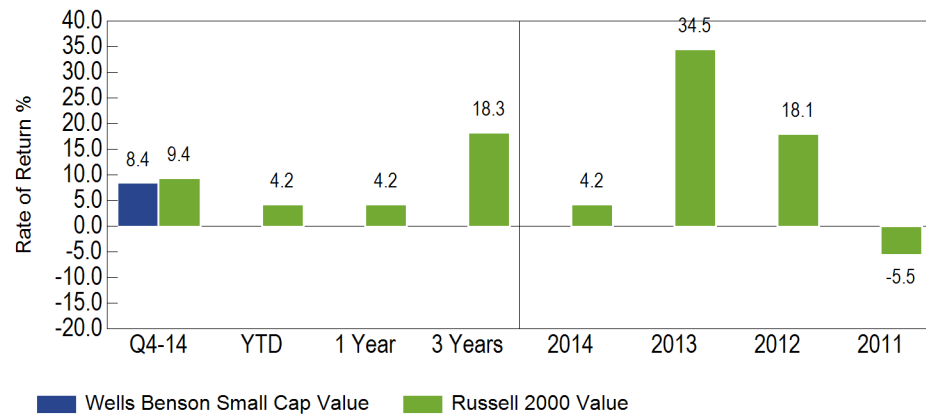
|                   |                              |
|-------------------|------------------------------|
| Account Name      | Wells Benson Small Cap Value |
| Account Structure | Separate Account             |
| Investment Style  | Active                       |
| Inception Date    | 2/01/14                      |
| Account Type      | US Stock Small Cap Value     |
| Benchmark         | Russell 2000 Value           |
| Universe          | US Small Cap Equity -Value   |

Risk/Return Statistics

April 01, 2014 Through December 31, 2014

|   | Wells Benson Small Cap Value | Russell 2000 Value |
|---|------------------------------|--------------------|
| <b>RETURN SUMMARY STATISTICS</b>        |                              |                    |
| Number of Periods                       | 3                            | 3                  |
| Maximum Return                          | 8.44                         | 9.40               |
| Minimum Return                          | -5.13                        | -8.58              |
| Annualized Return                       | 7.39                         | 2.40               |
| Total Return                            | 7.39                         | 2.40               |
| Annualized Excess Return Over Risk Free | 7.38                         | 2.39               |
| Annualized Excess Return                | 4.99                         | 0.00               |

Return Summary



RISK SUMMARY STATISTICS

|                    | Wells Benson Small Cap Value | Russell 2000 Value |
|--------------------|------------------------------|--------------------|
| Beta               | 0.76                         | 1.00               |
| Upside Deviation   | 5.73                         | 9.92               |
| Downside Deviation | --                           | --                 |

RISK/RETURN SUMMARY STATISTICS

|                                  | Wells Benson Small Cap Value | Russell 2000 Value |
|----------------------------------|------------------------------|--------------------|
| Annualized Standard Deviation    | 13.93                        | 18.12              |
| Alpha                            | 1.75                         | 0.00               |
| Sharpe Ratio                     | 0.53                         | 0.13               |
| Excess Return Over Market / Risk | 0.36                         | 0.00               |
| Tracking Error                   | 4.49                         | 0.00               |
| Information Ratio                | 1.11                         | --                 |

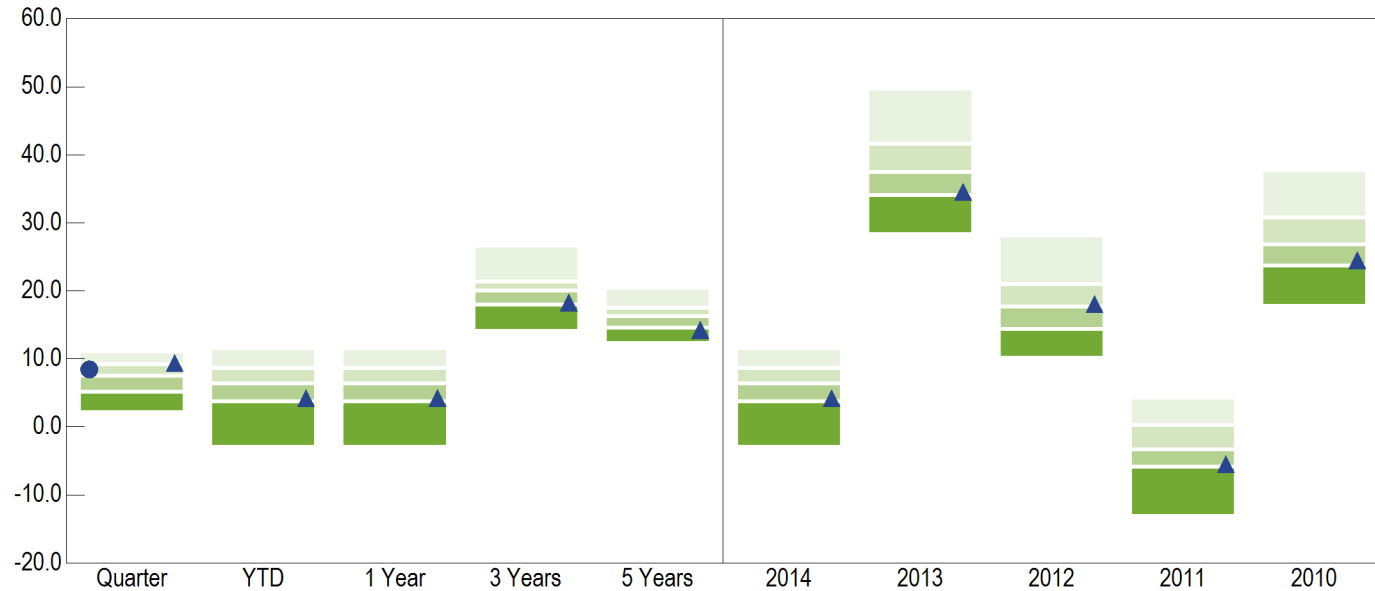
Summary Of Cash Flows

|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$4,946,552    | --           |
| - Withdrawals           | -\$9,935       | -\$15,177    |
| + Contributions         | \$0            | \$5,000,000  |
| = Net Cash Flow         | -\$9,935       | \$4,984,823  |
| + Net Investment Change | \$417,045      | \$368,838    |
| = Ending Market Value   | \$5,353,661    | \$5,353,661  |

CORRELATION STATISTICS

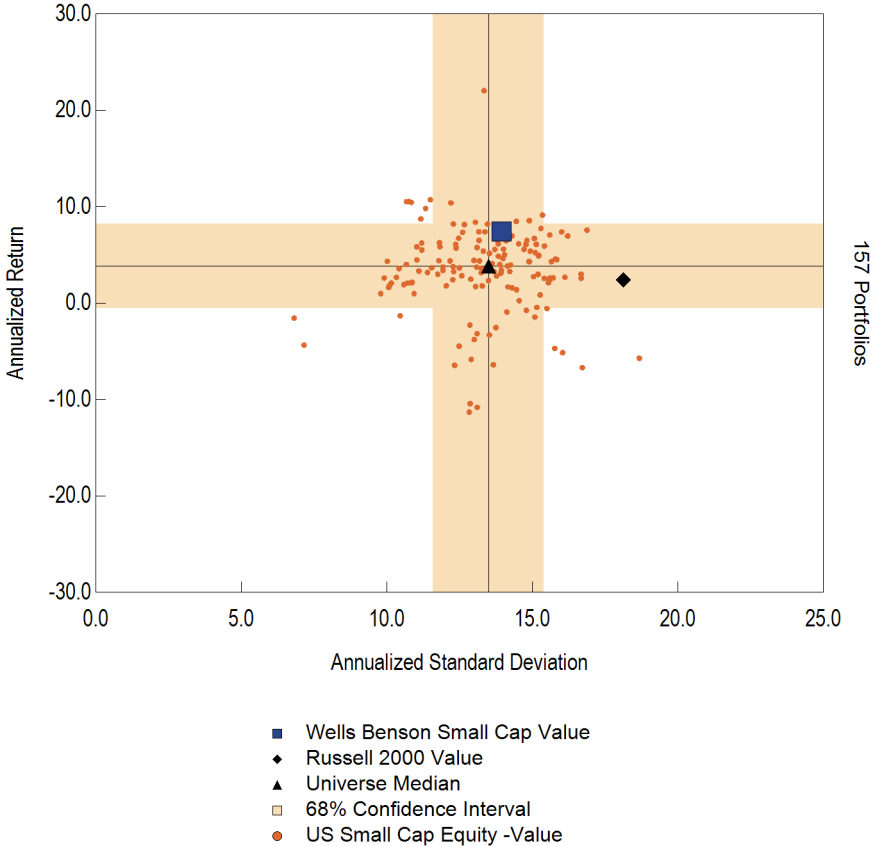
|             | Wells Benson Small Cap Value | Russell 2000 Value |
|-------------|------------------------------|--------------------|
| R-Squared   | 0.99                         | 1.00               |
| Correlation | 0.99                         | 1.00               |

Wells Benson Small Cap Value vs. US Small Cap Equity -Value



|                                       | Quarter  |          | YTD      |           | 1 Year    |          | 3 Years   |           | 5 Years   |           | 2014    | 2013    | 2012    | 2011    | 2010    |
|---------------------------------------|----------|----------|----------|-----------|-----------|----------|-----------|-----------|-----------|-----------|---------|---------|---------|---------|---------|
| <b>Return (Rank)</b>                  |          |          |          |           |           |          |           |           |           |           |         |         |         |         |         |
| <b>5th Percentile</b>                 | 11.1     | 11.5     | 11.5     | 26.6      | 20.4      | 11.5     | 49.7      | 28.1      | 4.3       | 37.7      |         |         |         |         |         |
| <b>25th Percentile</b>                | 9.3      | 8.7      | 8.7      | 21.5      | 17.5      | 8.7      | 41.6      | 21.0      | 0.3       | 30.8      |         |         |         |         |         |
| <b>Median</b>                         | 7.6      | 6.4      | 6.4      | 20.1      | 16.4      | 6.4      | 37.5      | 17.8      | -3.3      | 26.9      |         |         |         |         |         |
| <b>75th Percentile</b>                | 5.3      | 3.8      | 3.8      | 18.1      | 14.7      | 3.8      | 34.1      | 14.5      | -5.8      | 23.8      |         |         |         |         |         |
| <b>95th Percentile</b>                | 2.2      | -2.9     | -2.9     | 14.2      | 12.4      | -2.9     | 28.4      | 10.2      | -13.1     | 17.9      |         |         |         |         |         |
| <b># of Portfolios</b>                | 157      | 156      | 156      | 147       | 134       | 156      | 170       | 218       | 187       | 187       |         |         |         |         |         |
| <b>● Wells Benson Small Cap Value</b> | 8.4 (40) | -- (--)  | -- (--)  | -- (--)   | -- (--)   | -- (--)  | -- (--)   | -- (--)   | -- (--)   | -- (--)   | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) |
| <b>▲ Russell 2000 Value</b>           | 9.4 (24) | 4.2 (75) | 4.2 (75) | 18.3 (70) | 14.3 (82) | 4.2 (75) | 34.5 (71) | 18.1 (48) | -5.5 (72) | 24.5 (71) |         |         |         |         |         |

Annualized Return vs. Annualized Standard Deviation  
9 Months Ending December 31, 2014

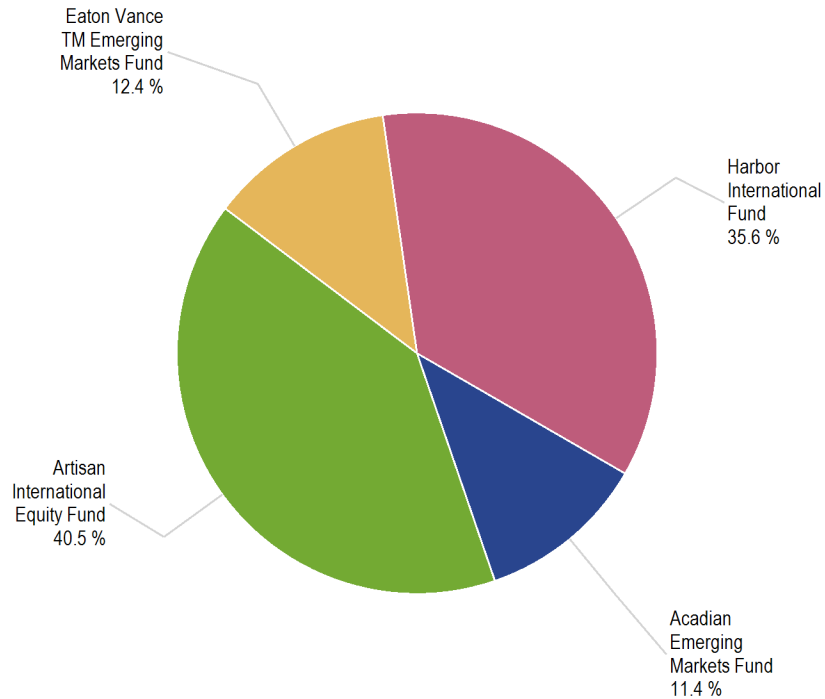


# International Equity

Manager Allocation

As of December 31, 2014

Current Allocation



Asset Allocation on December 31, 2014

|                                      | Actual \$           | Actual % |
|--------------------------------------|---------------------|----------|
| Acadian Emerging Markets Fund        | \$5,960,226         | 11.4%    |
| Artisan International Equity Fund    | \$21,166,564        | 40.5%    |
| Eaton Vance TM Emerging Markets Fund | \$6,493,762         | 12.4%    |
| Harbor International Fund            | \$18,600,116        | 35.6%    |
| <b>Total</b>                         | <b>\$52,220,668</b> |          |

As of December 31, 2014

**Account Information**

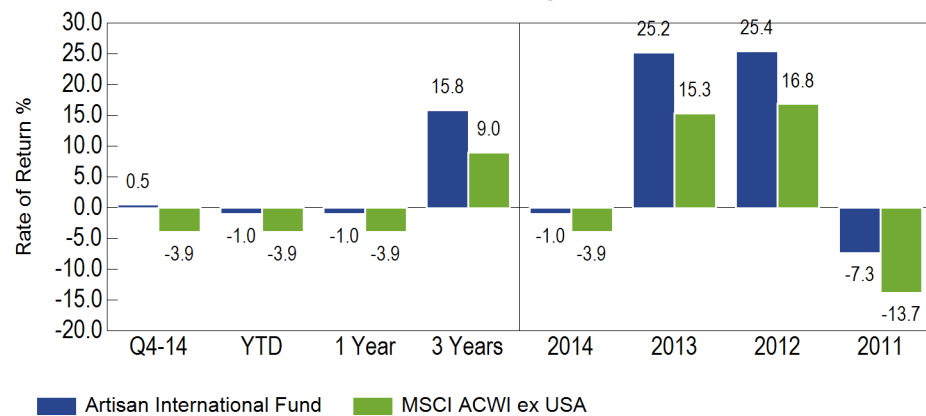
|                   |                              |
|-------------------|------------------------------|
| Account Name      | Artisan International Fund   |
| Account Structure | Mutual Fund                  |
| Investment Style  | Active                       |
| Inception Date    | 1/01/96                      |
| Account Type      | International Large Stocks   |
| Benchmark         | MSCI ACWI ex USA             |
| Universe          | Foreign Large Blend MStar MF |

**5 Year Risk/Return Statistics**

January 01, 2010 Through December 31, 2014

|   | Artisan International Fund | MSCI ACWI ex USA |
|---|----------------------------|------------------|
| <b>RETURN SUMMARY STATISTICS</b>        |                            |                  |
| Number of Periods                       | 20                         | 20               |
| Maximum Return                          | 16.54                      | 16.58            |
| Minimum Return                          | -20.41                     | -19.85           |
| Annualized Return                       | 8.83                       | 4.43             |
| Total Return                            | 52.67                      | 24.20            |
| Annualized Excess Return Over Risk Free | 8.77                       | 4.37             |
| Annualized Excess Return                | 4.40                       | 0.00             |

**Return Summary**



**RISK SUMMARY STATISTICS**

|                    | Artisan International Fund | MSCI ACWI ex USA |
|--------------------|----------------------------|------------------|
| Beta               | 1.00                       | 1.00             |
| Upside Deviation   | 9.22                       | 8.99             |
| Downside Deviation | 14.48                      | 12.83            |

**RISK/RETURN SUMMARY STATISTICS**

|                                  | Artisan International Fund | MSCI ACWI ex USA |
|----------------------------------|----------------------------|------------------|
| Annualized Standard Deviation    | 17.58                      | 16.85            |
| Alpha                            | 1.07                       | 0.00             |
| Sharpe Ratio                     | 0.50                       | 0.26             |
| Excess Return Over Market / Risk | 0.25                       | 0.00             |
| Tracking Error                   | 4.86                       | 0.00             |
| Information Ratio                | 0.91                       | --               |

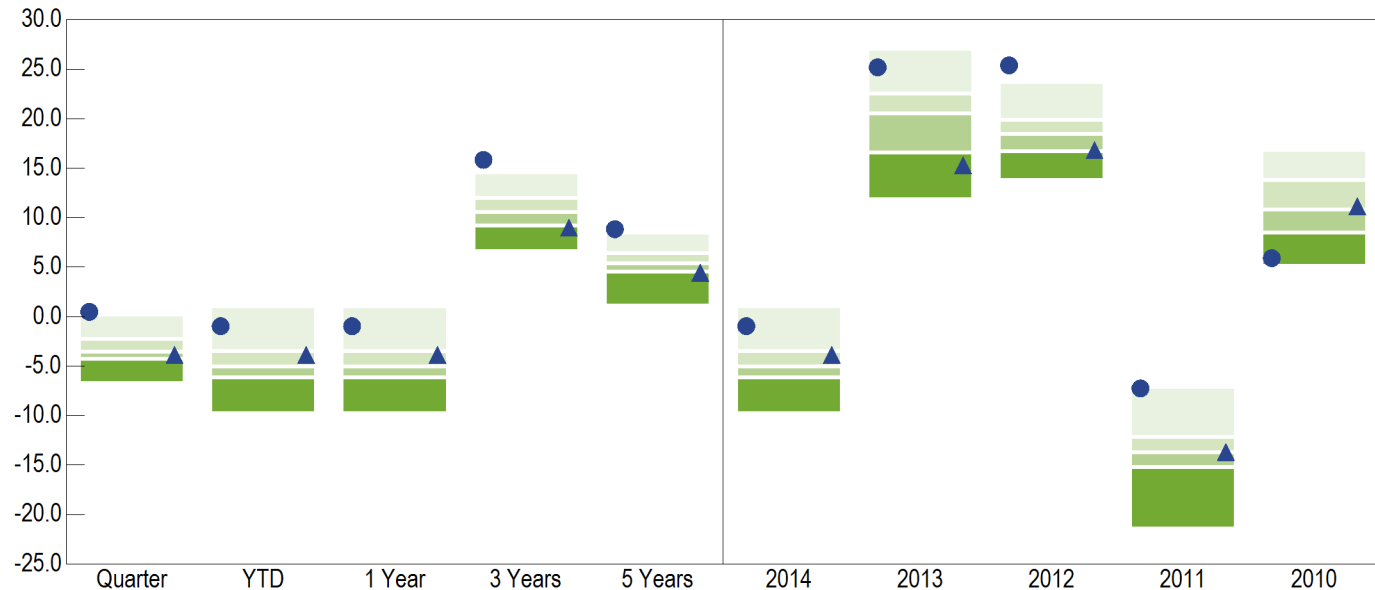
**Summary Of Cash Flows**

|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$20,475,289   | \$24,895,505 |
| - Withdrawals           | \$0            | -\$4,000,000 |
| + Contributions         | \$600,000      | \$600,000    |
| = Net Cash Flow         | \$600,000      | -\$3,400,000 |
| + Net Investment Change | \$91,275       | -\$328,941   |
| = Ending Market Value   | \$21,166,564   | \$21,166,564 |

**CORRELATION STATISTICS**

|             | Artisan International Fund | MSCI ACWI ex USA |
|-------------|----------------------------|------------------|
| R-Squared   | 0.92                       | 1.00             |
| Correlation | 0.96                       | 1.00             |

Artisan International Fund vs. Foreign Large Blend MStar MF

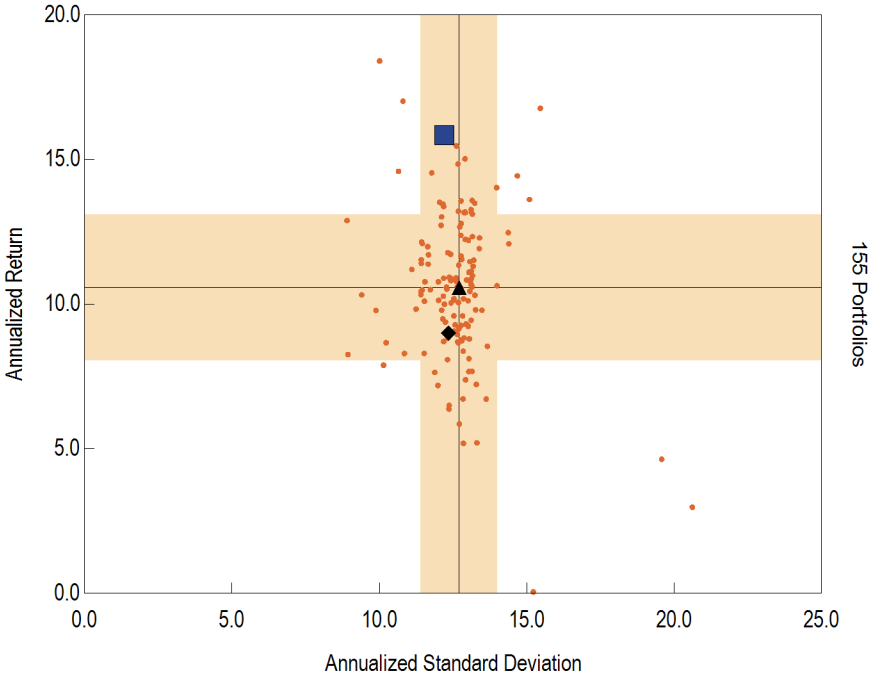


|                                     | Return (Rank) |           |           |          |          |           |           |           |            |           |
|-------------------------------------|---------------|-----------|-----------|----------|----------|-----------|-----------|-----------|------------|-----------|
|                                     | Quarter       | YTD       | 1 Year    | 3 Years  | 5 Years  | 2014      | 2013      | 2012      | 2011       | 2010      |
| <b>5th Percentile</b>               | 0.2           | 1.0       | 1.0       | 14.6     | 8.5      | 1.0       | 27.1      | 23.7      | -7.2       | 16.8      |
| <b>25th Percentile</b>              | -2.2          | -3.5      | -3.5      | 12.0     | 6.4      | -3.5      | 22.6      | 19.9      | -12.2      | 13.8      |
| <b>Median</b>                       | -3.5          | -5.0      | -5.0      | 10.6     | 5.4      | -5.0      | 20.6      | 18.5      | -13.7      | 10.9      |
| <b>75th Percentile</b>              | -4.2          | -6.1      | -6.1      | 9.2      | 4.6      | -6.1      | 16.6      | 16.8      | -15.2      | 8.5       |
| <b>95th Percentile</b>              | -6.7          | -9.7      | -9.7      | 6.6      | 1.2      | -9.7      | 11.9      | 13.9      | -21.4      | 5.1       |
| <b># of Portfolios</b>              | 177           | 169       | 169       | 155      | 145      | 169       | 174       | 159       | 160        | 170       |
| <b>● Artisan International Fund</b> | 0.5 (4)       | -1.0 (12) | -1.0 (12) | 15.8 (2) | 8.8 (5)  | -1.0 (12) | 25.2 (11) | 25.4 (3)  | -7.3 (6)   | 5.9 (94)  |
| <b>▲ MSCI ACWI ex USA</b>           | -3.9 (59)     | -3.9 (29) | -3.9 (29) | 9.0 (78) | 4.4 (77) | -3.9 (29) | 15.3 (80) | 16.8 (75) | -13.7 (52) | 11.2 (47) |

Artisan International Fund

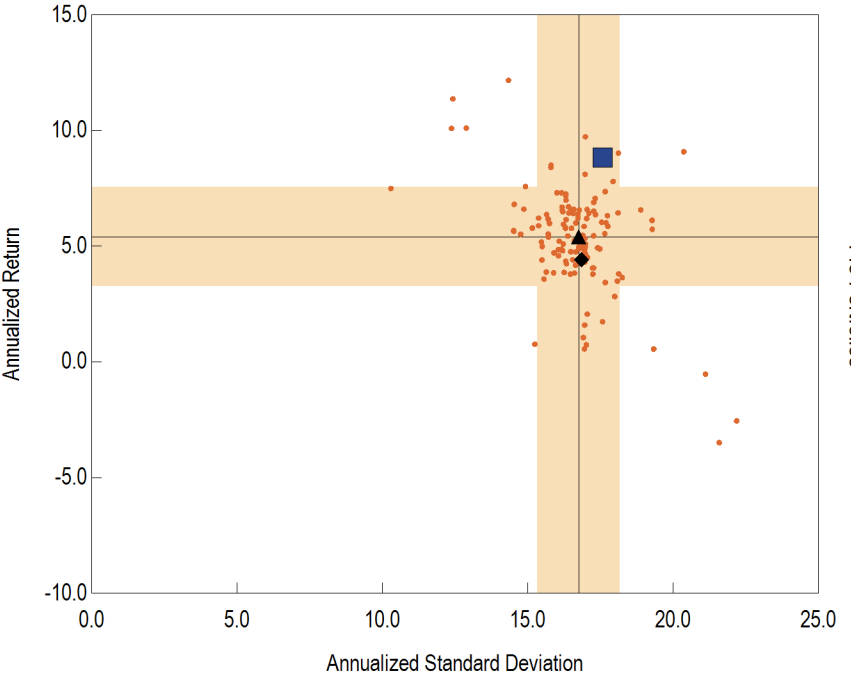
As of December 31, 2014

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending December 31, 2014



- Artisan International Fund
- ◆ MSCI ACWI ex USA
- ▲ Universe Median
- 68% Confidence Interval
- Foreign Large Blend MStar MF

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2014

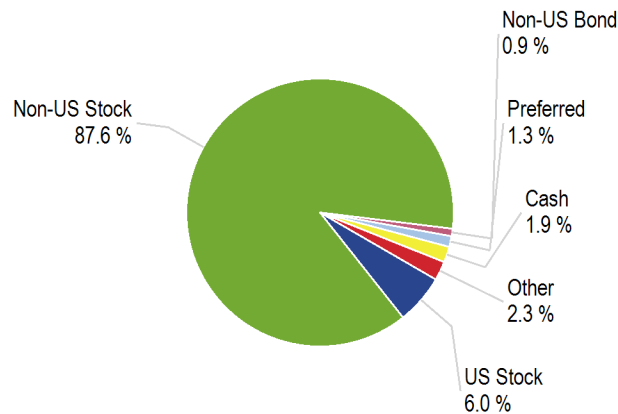


- Artisan International Fund
- ◆ MSCI ACWI ex USA
- ▲ Universe Median
- 68% Confidence Interval
- Foreign Large Blend MStar MF



As of December 31, 2014

**Mutual Fund Allocation as of 12/31/2014**



**Fund Information as of 12/31/2014**

|                            |                                  |
|----------------------------|----------------------------------|
| Fund Name                  | Artisan International Mutual Fun |
| Ticker                     | ARTIX                            |
| Category                   | Foreign Large Growth             |
| Benchmark                  | MSCI ACWI ex USA                 |
| Expense Ratio              | 1.20%                            |
| Fund Assets (\$mm)         | 14,077.59                        |
| Share Class Inception Date | 12/28/1995                       |
| Manager Tenure             | 19                               |

**Top Holdings as of 12/31/2014**

|                            |       |
|----------------------------|-------|
| BAIDU INC ADR              | 5.60% |
| BAYER AG                   | 4.01% |
| COVIDIEN PLC               | 3.72% |
| AIA GROUP LTD              | 3.41% |
| TOYOTA MOTOR CORP          | 3.36% |
| LINDE AG                   | 3.25% |
| ASML HOLDING NV            | 3.24% |
| GRUPO TELEVISA SAB ADR     | 2.87% |
| LIBERTY GLOBAL PLC CLASS C | 2.84% |
| NESTLE SA                  | 2.68% |

**Fund Characteristics as of 12/31/2014**

|                           |           |
|---------------------------|-----------|
| Sharpe Ratio (3 Year)     | 1.29      |
| Average Market Cap (\$mm) | 43,419.16 |
| Price/Earnings            | 18.69     |
| Price/Book                | 2.21      |
| Price/Sales               | 1.57      |
| Price/Cash Flow           | 9.99      |
| Dividend Yield            | 1.77      |
| Number of Equity Holdings | 69        |
| R-Squared (3 Year)        | 0.89      |
| Alpha (3 Year)            | 1.72%     |

**Sector Allocation as of 12/31/2014**

|                        |        |
|------------------------|--------|
| BASIC MATERIALS        | 8.37%  |
| COMMUNICATION SERVICES | 14.36% |
| CONSUMER CYCLICAL      | 9.89%  |
| CONSUMER DEFENSIVE     | 10.34% |
| ENERGY                 | 0.99%  |
| FINANCIAL SERVICES     | 8.18%  |
| HEALTHCARE             | 16.78% |
| INDUSTRIALS            | 12.46% |
| REAL ESTATE            | 0.00%  |
| TECHNOLOGY             | 12.23% |
| UTILITIES              | 0.00%  |

**Top Regions as of 12/31/2014**

|                |        |
|----------------|--------|
| EUROZONE       | 28.25% |
| UNITED KINGDOM | 16.91% |
| JAPAN          | 14.51% |
| ASIA EMERGING  | 10.87% |
| EUROPE EXEURO  | 9.48%  |

**Top Countries as of 12/31/2014**

|                |        |
|----------------|--------|
| United Kingdom | 17.81% |
| Japan          | 14.51% |
| Germany        | 11.27% |
| China          | 10.87% |
| Switzerland    | 8.33%  |
| France         | 6.13%  |
| United States  | 5.97%  |
| Netherlands    | 4.26%  |
| Belgium        | 3.86%  |
| Hong Kong      | 3.41%  |

As of December 31, 2014

**Account Information**

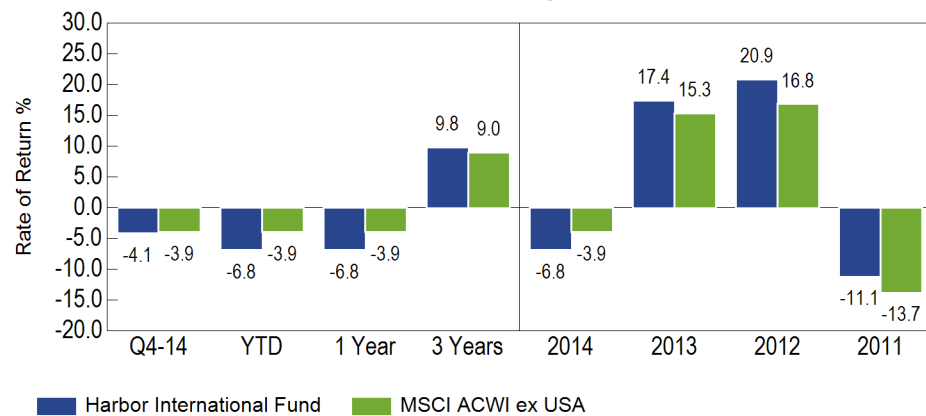
|                   |                              |
|-------------------|------------------------------|
| Account Name      | Harbor International Fund    |
| Account Structure | Mutual Fund                  |
| Investment Style  | Active                       |
| Inception Date    | 12/29/87                     |
| Account Type      | Non-US Stock Developed       |
| Benchmark         | MSCI ACWI ex USA             |
| Universe          | Foreign Large Blend MStar MF |

**5 Year Risk/Return Statistics**

January 01, 2010 Through December 31, 2014

|   | Harbor International Fund | MSCI ACWI ex USA |
|---|---------------------------|------------------|
| <b>RETURN SUMMARY STATISTICS</b>        |                           |                  |
| Number of Periods                       | 20                        | 20               |
| Maximum Return                          | 17.02                     | 16.58            |
| Minimum Return                          | -22.75                    | -19.85           |
| Annualized Return                       | 5.64                      | 4.43             |
| Total Return                            | 31.59                     | 24.20            |
| Annualized Excess Return Over Risk Free | 5.58                      | 4.37             |
| Annualized Excess Return                | 1.21                      | 0.00             |

**Return Summary**



**RISK SUMMARY STATISTICS**

|                    | Harbor International Fund | MSCI ACWI ex USA |
|--------------------|---------------------------|------------------|
| Beta               | 1.08                      | 1.00             |
| Upside Deviation   | 9.87                      | 8.99             |
| Downside Deviation | 15.29                     | 12.83            |

**RISK/RETURN SUMMARY STATISTICS**

|                                  | Harbor International Fund | MSCI ACWI ex USA |
|----------------------------------|---------------------------|------------------|
| Annualized Standard Deviation    | 18.50                     | 16.85            |
| Alpha                            | 0.25                      | 0.00             |
| Sharpe Ratio                     | 0.30                      | 0.26             |
| Excess Return Over Market / Risk | 0.07                      | 0.00             |
| Tracking Error                   | 3.49                      | 0.00             |
| Information Ratio                | 0.35                      | --               |

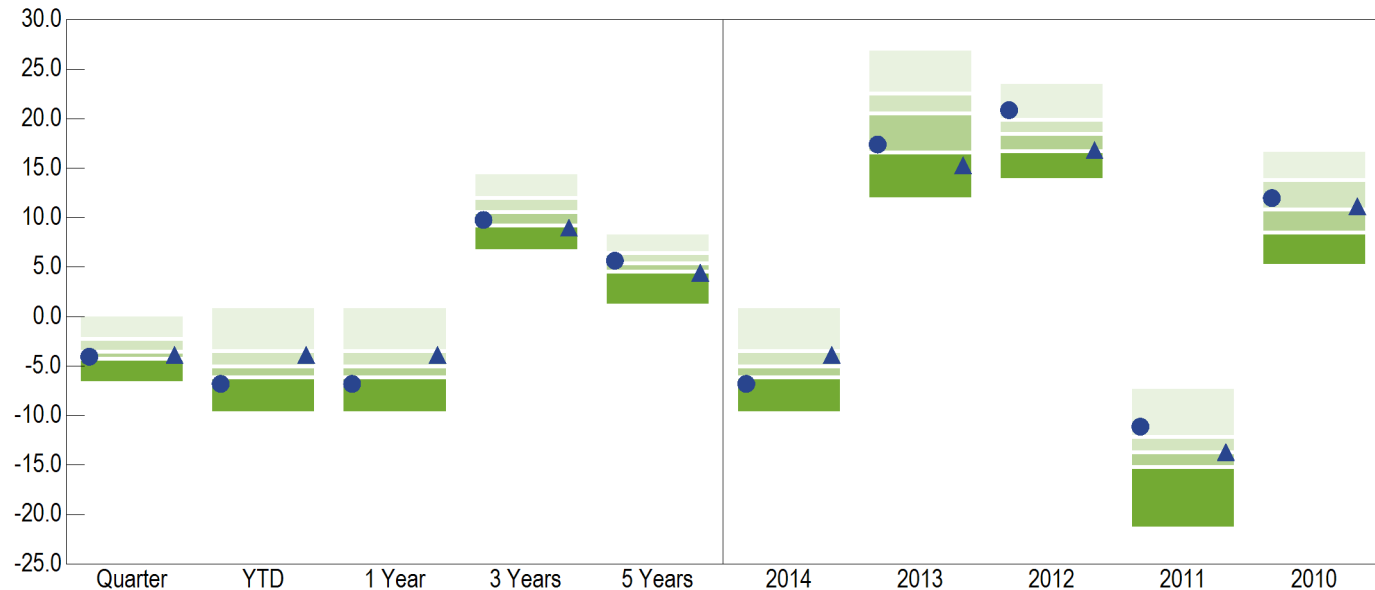
**Summary Of Cash Flows**

|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$19,385,345   | \$22,986,011 |
| - Withdrawals           | \$0            | -\$3,000,000 |
| + Contributions         | \$0            | \$0          |
| = Net Cash Flow         | \$0            | -\$3,000,000 |
| + Net Investment Change | -\$785,229     | -\$1,385,895 |
| = Ending Market Value   | \$18,600,116   | \$18,600,116 |

**CORRELATION STATISTICS**

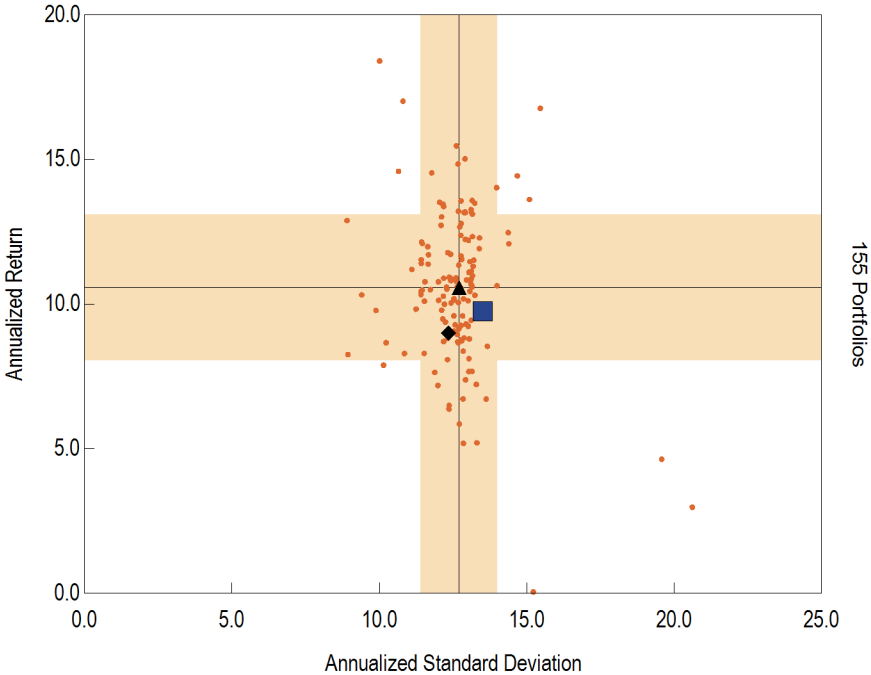
|             | Harbor International Fund | MSCI ACWI ex USA |
|-------------|---------------------------|------------------|
| R-Squared   | 0.97                      | 1.00             |
| Correlation | 0.98                      | 1.00             |

Harbor International Fund vs. Foreign Large Blend MStar MF



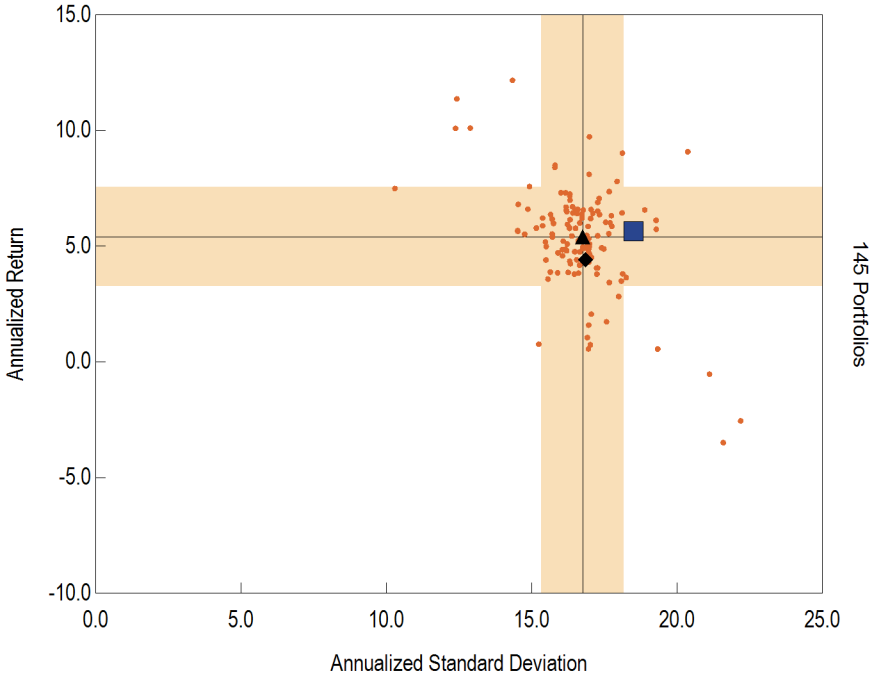
|                                    | Return (Rank) |           |           |          |          |           |           |           |            |           |
|------------------------------------|---------------|-----------|-----------|----------|----------|-----------|-----------|-----------|------------|-----------|
|                                    | Quarter       | YTD       | 1 Year    | 3 Years  | 5 Years  | 2014      | 2013      | 2012      | 2011       | 2010      |
| <b>5th Percentile</b>              | 0.2           | 1.0       | 1.0       | 14.6     | 8.5      | 1.0       | 27.1      | 23.7      | -7.2       | 16.8      |
| <b>25th Percentile</b>             | -2.2          | -3.5      | -3.5      | 12.0     | 6.4      | -3.5      | 22.6      | 19.9      | -12.2      | 13.8      |
| <b>Median</b>                      | -3.5          | -5.0      | -5.0      | 10.6     | 5.4      | -5.0      | 20.6      | 18.5      | -13.7      | 10.9      |
| <b>75th Percentile</b>             | -4.2          | -6.1      | -6.1      | 9.2      | 4.6      | -6.1      | 16.6      | 16.8      | -15.2      | 8.5       |
| <b>95th Percentile</b>             | -6.7          | -9.7      | -9.7      | 6.6      | 1.2      | -9.7      | 11.9      | 13.9      | -21.4      | 5.1       |
| <b># of Portfolios</b>             | 177           | 169       | 169       | 155      | 145      | 169       | 174       | 159       | 160        | 170       |
| <b>● Harbor International Fund</b> | -4.1 (67)     | -6.8 (85) | -6.8 (85) | 9.8 (68) | 5.6 (45) | -6.8 (85) | 17.4 (71) | 20.9 (21) | -11.1 (18) | 12.0 (38) |
| <b>▲ MSCI ACWI ex USA</b>          | -3.9 (59)     | -3.9 (29) | -3.9 (29) | 9.0 (78) | 4.4 (77) | -3.9 (29) | 15.3 (80) | 16.8 (75) | -13.7 (52) | 11.2 (47) |

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending December 31, 2014



- Harbor International Fund
- ◆ MSCI ACWI ex USA
- ▲ Universe Median
- 68% Confidence Interval
- Foreign Large Blend MStar MF

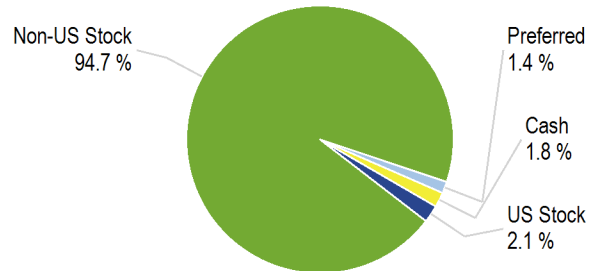
Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2014



- Harbor International Fund
- ◆ MSCI ACWI ex USA
- ▲ Universe Median
- 68% Confidence Interval
- Foreign Large Blend MStar MF

As of December 31, 2014

**Mutual Fund Allocation as of 12/31/2014**



**Fund Information as of 12/31/2014**

|                            |                                  |
|----------------------------|----------------------------------|
| Fund Name                  | Harbor International Fund;Instit |
| Ticker                     | HAINX                            |
| Category                   | Foreign Large Blend              |
| Benchmark                  | MSCI ACWI ex USA                 |
| Expense Ratio              | 0.74%                            |
| Fund Assets (\$mm)         | 41,495.43                        |
| Share Class Inception Date | 12/29/1987                       |
| Manager Tenure             | 6                                |

**Top Holdings as of 12/31/2014**

|                                       |       |
|---------------------------------------|-------|
| ANHEUSER-BUSCH INBEV SA               | 2.75% |
| LLOYDS BANKING GROUP PLC              | 2.69% |
| ROCHE HOLDING AG DIVIDEND RIGHT CERT. | 2.69% |
| NOVARTIS AG                           | 2.67% |
| NOVO NORDISK A/S CLASS B              | 2.57% |
| SCHNEIDER ELECTRIC SE                 | 2.55% |
| AXA SA                                | 2.46% |
| BANCO BILBAO VIZCAYA ARGENTARIA SA    | 2.37% |
| DIAGEO PLC                            | 2.32% |
| SAP SE                                | 2.30% |

**Fund Characteristics as of 12/31/2014**

|                           |           |
|---------------------------|-----------|
| Sharpe Ratio (3 Year)     | 0.72      |
| Average Market Cap (\$mm) | 44,792.61 |
| Price/Earnings            | 15.04     |
| Price/Book                | 1.77      |
| Price/Sales               | 1.37      |
| Price/Cash Flow           | 8.51      |
| Dividend Yield            | 2.45      |
| Number of Equity Holdings | 73        |
| R-Squared (3 Year)        | 0.95      |
| Alpha (3 Year)            | 0.06%     |

**Sector Allocation as of 12/31/2014**

|                        |        |
|------------------------|--------|
| BASIC MATERIALS        | 12.00% |
| COMMUNICATION SERVICES | 0.00%  |
| CONSUMER CYCLICAL      | 11.57% |
| CONSUMER DEFENSIVE     | 15.90% |
| ENERGY                 | 1.43%  |
| FINANCIAL SERVICES     | 20.44% |
| HEALTHCARE             | 13.04% |
| INDUSTRIALS            | 15.21% |
| REAL ESTATE            | 3.17%  |
| TECHNOLOGY             | 3.33%  |
| UTILITIES              | 0.00%  |

**Top Regions as of 12/31/2014**

|                |        |
|----------------|--------|
| EUROZONE       | 41.11% |
| EUROPE EXEURO  | 25.17% |
| UNITED KINGDOM | 14.35% |
| JAPAN          | 8.42%  |
| ASIA DEVELOPED | 2.72%  |

**Top Countries as of 12/31/2014**

|                |        |
|----------------|--------|
| France         | 19.33% |
| Switzerland    | 17.21% |
| United Kingdom | 14.35% |
| Germany        | 9.91%  |
| Japan          | 8.42%  |
| Sweden         | 5.39%  |
| Spain          | 3.88%  |
| Belgium        | 2.75%  |
| Denmark        | 2.57%  |
| United States  | 2.12%  |

Acadian Emerging Markets Fund

As of December 31, 2014

Account Information

|                   |                                    |
|-------------------|------------------------------------|
| Account Name      | Acadian Emerging Markets Fund      |
| Account Structure | Mutual Fund                        |
| Investment Style  | Active                             |
| Inception Date    | 7/01/93                            |
| Account Type      | International Emerging Stocks      |
| Benchmark         | MSCI Emerging Markets              |
| Universe          | Diversified Emerging Mkts MStar MF |

5 Year Risk/Return Statistics

January 01, 2010 Through December 31, 2014

Acadian Emerging Markets Fund MSCI Emerging Markets

RETURN SUMMARY STATISTICS

|   |        |        |
|---|--------|--------|
| Number of Periods                       | 20     | 20     |
| Maximum Return                          | 19.91  | 18.03  |
| Minimum Return                          | -22.53 | -22.56 |
| Annualized Return                       | 3.32   | 1.78   |
| Total Return                            | 17.74  | 9.23   |
| Annualized Excess Return Over Risk Free | 3.26   | 1.72   |
| Annualized Excess Return                | 1.54   | 0.00   |

RISK SUMMARY STATISTICS

|                    |       |       |
|--------------------|-------|-------|
| Beta               | 1.04  | 1.00  |
| Upside Deviation   | 12.20 | 10.10 |
| Downside Deviation | 14.36 | 13.64 |

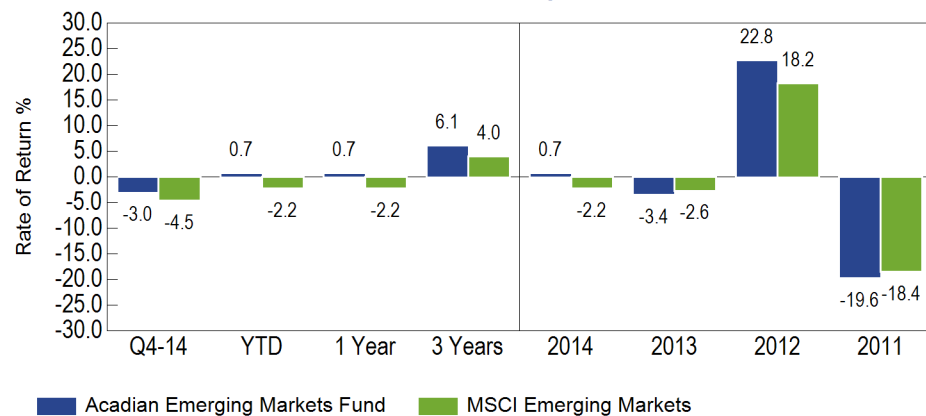
RISK/RETURN SUMMARY STATISTICS

|                                  |       |       |
|----------------------------------|-------|-------|
| Annualized Standard Deviation    | 18.80 | 17.91 |
| Alpha                            | 0.38  | 0.00  |
| Sharpe Ratio                     | 0.17  | 0.10  |
| Excess Return Over Market / Risk | 0.08  | 0.00  |
| Tracking Error                   | 2.77  | 0.00  |
| Information Ratio                | 0.56  | --    |

CORRELATION STATISTICS

|             |      |      |
|-------------|------|------|
| R-Squared   | 0.98 | 1.00 |
| Correlation | 0.99 | 1.00 |

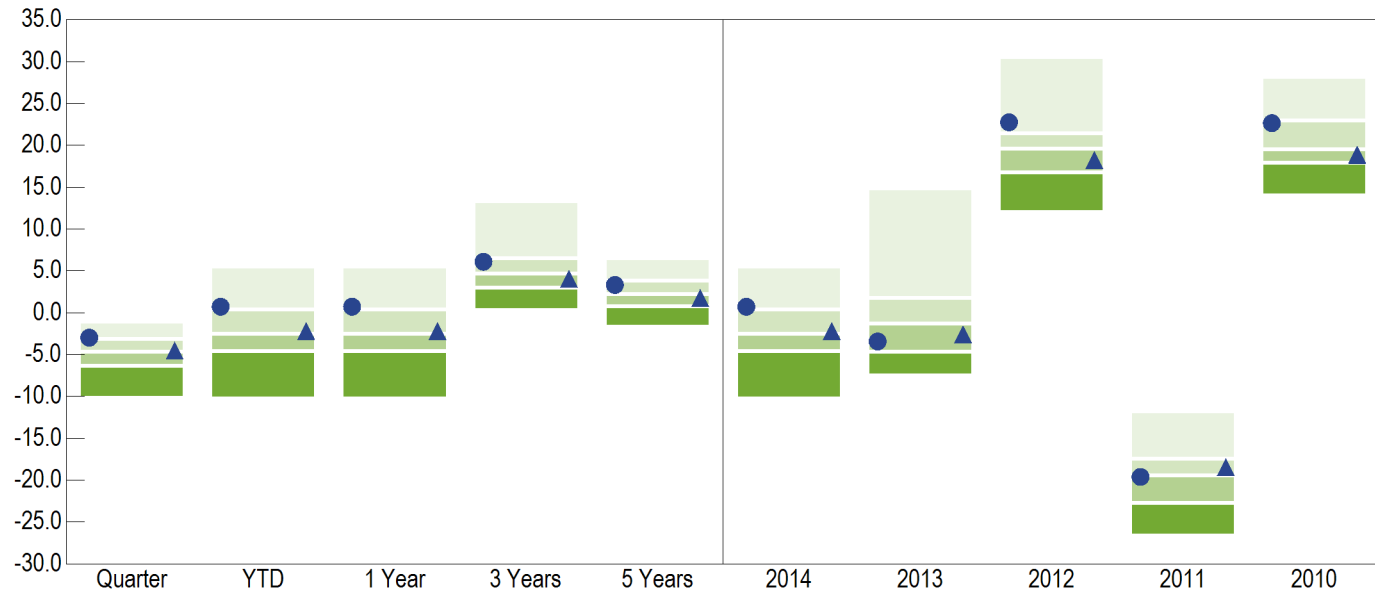
Return Summary



Summary Of Cash Flows

|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$5,726,507    | \$6,563,375  |
| - Withdrawals           | \$0            | -\$1,000,000 |
| + Contributions         | \$400,000      | \$400,000    |
| = Net Cash Flow         | \$400,000      | -\$600,000   |
| + Net Investment Change | -\$166,281     | -\$3,149     |
| = Ending Market Value   | \$5,960,226    | \$5,960,226  |

Acadian Emerging Markets Fund vs. Diversified Emerging Mkts MStar MF

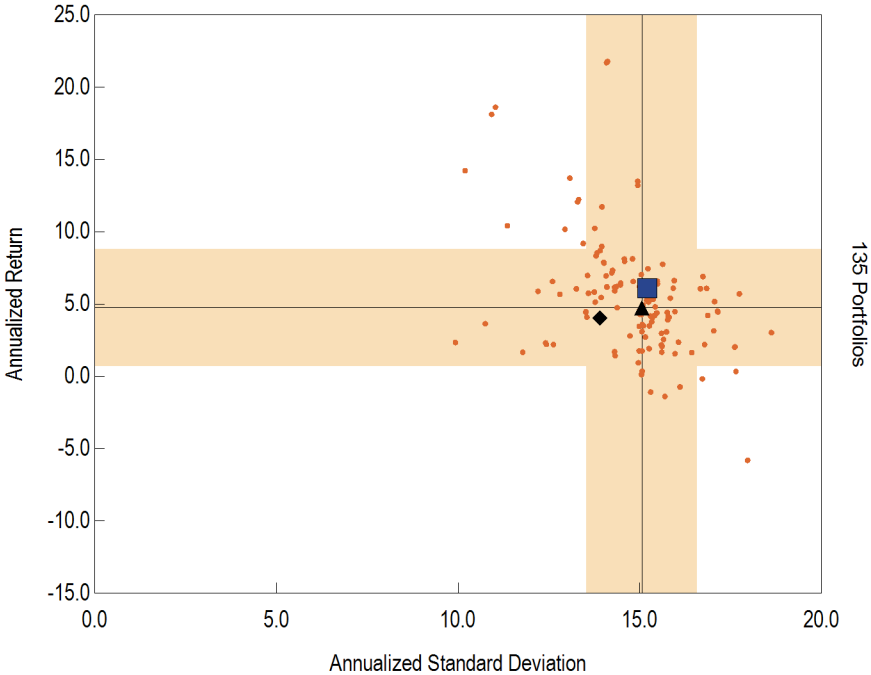


|  | Return (Rank) |           |           |          |          |           |           |           |            |           |  |
|--|---------------|-----------|-----------|----------|----------|-----------|-----------|-----------|------------|-----------|--|
| <b>5th Percentile</b>                  | -1.1          | 5.5       | 5.5       | 13.3     | 6.5      | 5.5       | 14.8      | 30.5      | -11.8      | 28.2      |  |
| <b>25th Percentile</b>                 | -3.1          | 0.4       | 0.4       | 6.6      | 3.9      | 0.4       | 1.8       | 21.5      | -17.4      | 23.0      |  |
| <b>Median</b>                          | -4.6          | -2.4      | -2.4      | 4.7      | 2.3      | -2.4      | -1.3      | 19.6      | -19.4      | 19.6      |  |
| <b>75th Percentile</b>                 | -6.3          | -4.5      | -4.5      | 3.0      | 0.9      | -4.5      | -4.6      | 16.8      | -22.7      | 18.0      |  |
| <b>95th Percentile</b>                 | -10.1         | -10.2     | -10.2     | 0.3      | -1.6     | -10.2     | -7.4      | 12.1      | -26.6      | 14.0      |  |
| <b># of Portfolios</b>                 | 201           | 182       | 182       | 135      | 97       | 182       | 145       | 123       | 100        | 89        |  |
| <b>● Acadian Emerging Markets Fund</b> | -3.0 (24)     | 0.7 (21)  | 0.7 (21)  | 6.1 (34) | 3.3 (28) | 0.7 (21)  | -3.4 (69) | 22.8 (18) | -19.6 (53) | 22.6 (28) |  |
| <b>▲ MSCI Emerging Markets</b>         | -4.5 (50)     | -2.2 (49) | -2.2 (49) | 4.0 (66) | 1.8 (64) | -2.2 (49) | -2.6 (59) | 18.2 (67) | -18.4 (36) | 18.9 (56) |  |

Acadian Emerging Markets Fund

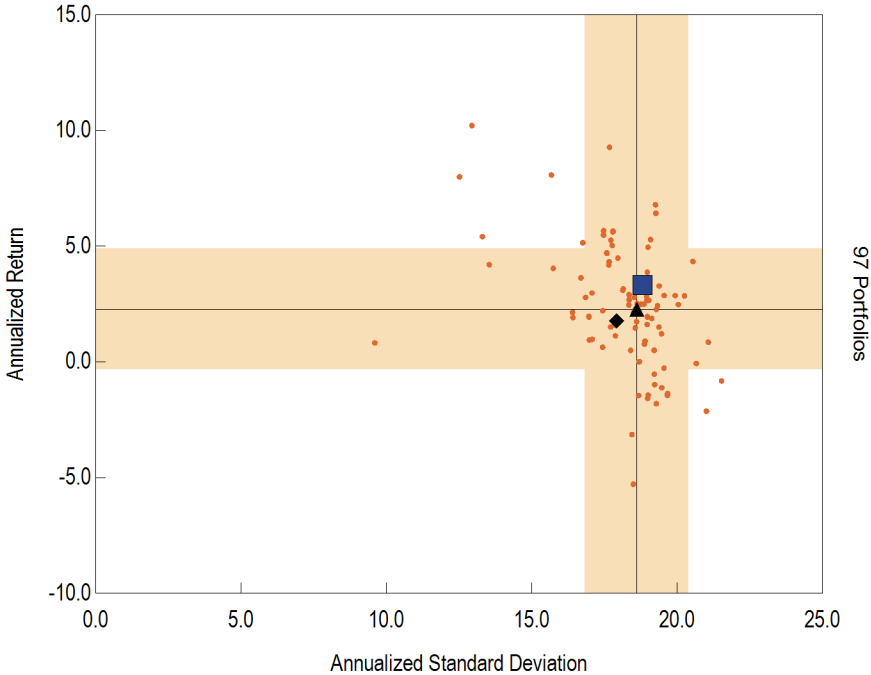
As of December 31, 2014

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending December 31, 2014



- Acadian Emerging Markets Fund
- ◆ MSCI Emerging Markets
- ▲ Universe Median
- 68% Confidence Interval
- Diversified Emerging Mkts MStar MF

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2014

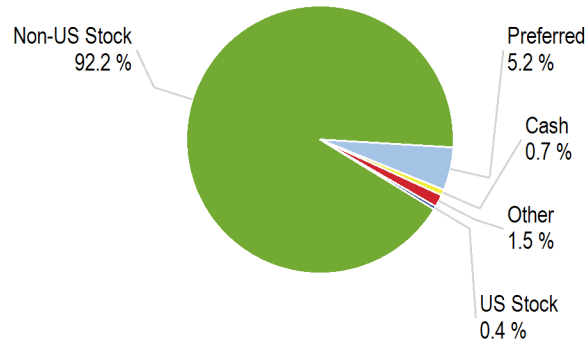


- Acadian Emerging Markets Fund
- ◆ MSCI Emerging Markets
- ▲ Universe Median
- 68% Confidence Interval
- Diversified Emerging Mkts MStar MF



As of December 31, 2014

**Mutual Fund Allocation as of 11/30/2014**



**Fund Characteristics as of 11/30/2014**

|                           |           |
|---------------------------|-----------|
| Sharpe Ratio (3 Year)     | 0.40      |
| Average Market Cap (\$mm) | 13,737.78 |
| Price/Earnings            | 10.52     |
| Price/Book                | 1.26      |
| Price/Sales               | 0.77      |
| Price/Cash Flow           | 4.47      |
| Dividend Yield            | 2.43      |
| Number of Equity Holdings | 424       |
| R-Squared (3 Year)        | 0.96      |
| Alpha (3 Year)            | 0.45%     |

**Fund Information as of 12/31/2014**

|                            |                                  |
|----------------------------|----------------------------------|
| Fund Name                  | Acadian Emerging Markets Portfol |
| Ticker                     | AEMGX                            |
| Category                   | Diversified Emerging Mkts        |
| Benchmark                  | MSCI Emerging Markets            |
| Expense Ratio              | 1.48%                            |
| Fund Assets (\$mm)         | 1,711.41                         |
| Share Class Inception Date | 6/17/1993                        |
| Manager Tenure             | 22                               |

**Top Holdings as of 11/30/2014**

|   |       |
|---|-------|
| SAMSUNG ELECTRONICS CO LTD                    | 4.09% |
| HON HAI PRECISION IND CO LTD                  | 2.35% |
| AMERICA MOVIL SAB DE CV ADR                   | 2.22% |
| BANK OF CHINA LTD. H SHARES                   | 2.17% |
| TENAGA NASIONAL BHD                           | 1.90% |
| INFOSYS LTD ADR                               | 1.72% |
| TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD ADR | 1.71% |
| SK HYNIX INC                                  | 1.60% |
| BANK BRADESCO PFD SHS                         | 1.56% |
| FIRSTRAND LTD                                 | 1.46% |

**Sector Allocation as of 11/30/2014**

|                        |        |
|------------------------|--------|
| BASIC MATERIALS        | 5.77%  |
| COMMUNICATION SERVICES | 10.41% |
| CONSUMER CYCLICAL      | 9.93%  |
| CONSUMER DEFENSIVE     | 4.55%  |
| ENERGY                 | 4.59%  |
| FINANCIAL SERVICES     | 20.67% |
| HEALTHCARE             | 2.45%  |
| INDUSTRIALS            | 5.24%  |
| REAL ESTATE            | 0.31%  |
| TECHNOLOGY             | 22.71% |
| UTILITIES              | 5.99%  |

**Top Regions as of 11/30/2014**

|                 |        |
|-----------------|--------|
| ASIA EMERGING   | 34.87% |
| ASIA DEVELOPED  | 29.68% |
| LATIN AMERICA   | 15.41% |
| EUROPE EMERGING | 6.18%  |
| AFRICA          | 6.01%  |

**Top Countries as of 11/30/2014**

|              |        |
|--------------|--------|
| South Korea  | 16.53% |
| China        | 14.36% |
| Taiwan       | 13.15% |
| India        | 11.83% |
| Brazil       | 9.28%  |
| South Africa | 5.74%  |
| Mexico       | 5.31%  |
| Turkey       | 4.06%  |
| Thailand     | 3.95%  |
| Malaysia     | 3.11%  |

Eaton Vance TM Emerging Markets Fund

As of December 31, 2014

Account Information

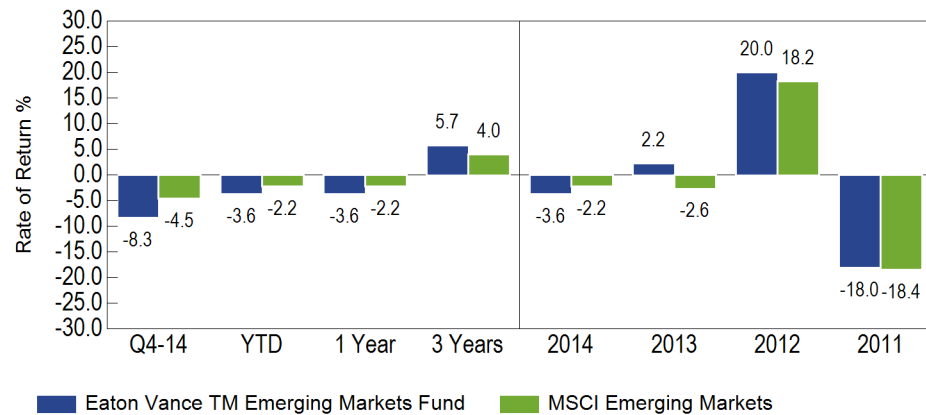
|                   |                                      |
|-------------------|--------------------------------------|
| Account Name      | Eaton Vance TM Emerging Markets Fund |
| Account Structure | Mutual Fund                          |
| Investment Style  | Active                               |
| Inception Date    | 6/30/98                              |
| Account Type      | Non-US Stock Emerging                |
| Benchmark         | MSCI Emerging Markets                |
| Universe          | Diversified Emerging Mkts MStar MF   |

5 Year Risk/Return Statistics

January 01, 2010 Through December 31, 2014

|   | Eaton Vance TM Emerging Markets Fund | MSCI Emerging Markets |
|---|--------------------------------------|-----------------------|
| <b>RETURN SUMMARY STATISTICS</b>        |                                      |                       |
| Number of Periods                       | 20                                   | 20                    |
| Maximum Return                          | 19.14                                | 18.03                 |
| Minimum Return                          | -20.93                               | -22.56                |
| Annualized Return                       | 3.63                                 | 1.78                  |
| Total Return                            | 19.54                                | 9.23                  |
| Annualized Excess Return Over Risk Free | 3.57                                 | 1.72                  |
| Annualized Excess Return                | 1.85                                 | 0.00                  |

Return Summary



RISK SUMMARY STATISTICS

|                    | Eaton Vance TM Emerging Markets Fund | MSCI Emerging Markets |
|--------------------|--------------------------------------|-----------------------|
| Beta               | 0.96                                 | 1.00                  |
| Upside Deviation   | 10.83                                | 10.10                 |
| Downside Deviation | 13.34                                | 13.64                 |

RISK/RETURN SUMMARY STATISTICS

|                                  | Eaton Vance TM Emerging Markets Fund | MSCI Emerging Markets |
|----------------------------------|--------------------------------------|-----------------------|
| Annualized Standard Deviation    | 17.51                                | 17.91                 |
| Alpha                            | 0.46                                 | 0.00                  |
| Sharpe Ratio                     | 0.20                                 | 0.10                  |
| Excess Return Over Market / Risk | 0.11                                 | 0.00                  |
| Tracking Error                   | 3.27                                 | 0.00                  |
| Information Ratio                | 0.57                                 | --                    |

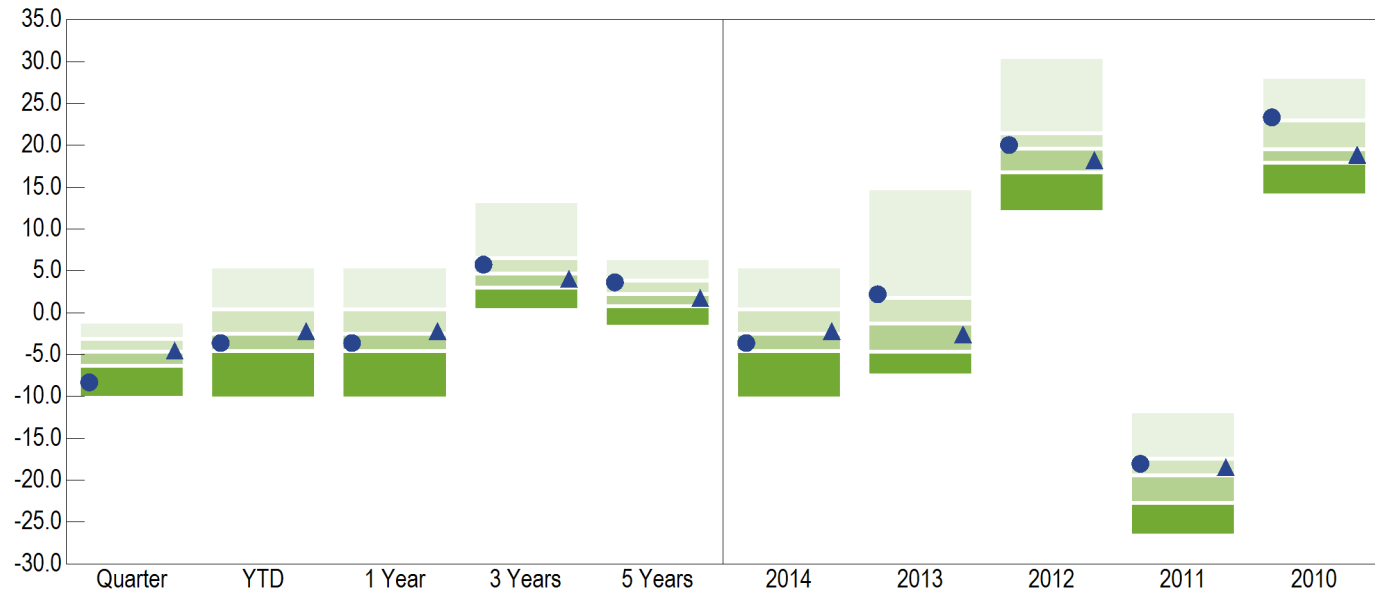
Summary Of Cash Flows

|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$7,082,378    | \$6,737,165  |
| - Withdrawals           | \$0            | \$0          |
| + Contributions         | \$0            | \$0          |
| = Net Cash Flow         | \$0            | \$0          |
| + Net Investment Change | -\$588,616     | -\$243,403   |
| = Ending Market Value   | \$6,493,762    | \$6,493,762  |

CORRELATION STATISTICS

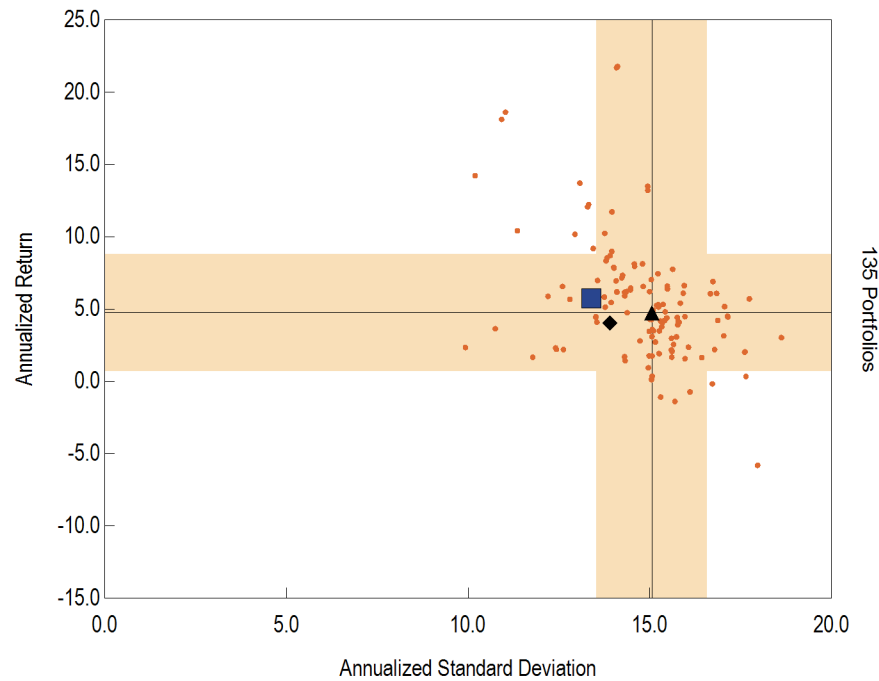
|             | Eaton Vance TM Emerging Markets Fund | MSCI Emerging Markets |
|-------------|--------------------------------------|-----------------------|
| R-Squared   | 0.97                                 | 1.00                  |
| Correlation | 0.98                                 | 1.00                  |

Eaton Vance TM Emerging Markets Fund vs. Diversified Emerging Mkts MStar MF



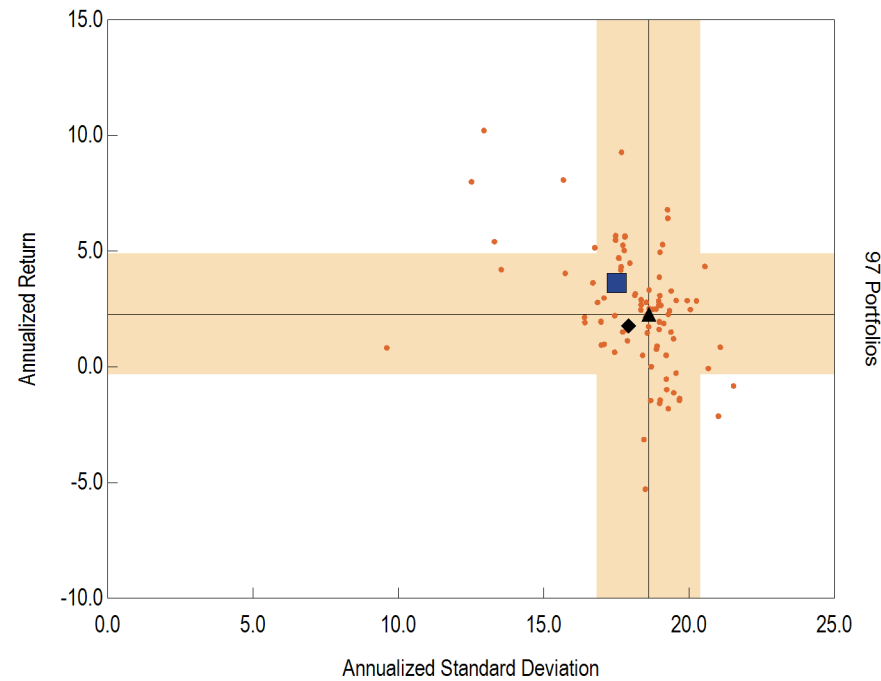
|   | Return (Rank) |           |           |          |          |           |           |           |            |           |  |
|---|---------------|-----------|-----------|----------|----------|-----------|-----------|-----------|------------|-----------|--|
| <b>5th Percentile</b>                         | -1.1          | 5.5       | 5.5       | 13.3     | 6.5      | 5.5       | 14.8      | 30.5      | -11.8      | 28.2      |  |
| <b>25th Percentile</b>                        | -3.1          | 0.4       | 0.4       | 6.6      | 3.9      | 0.4       | 1.8       | 21.5      | -17.4      | 23.0      |  |
| <b>Median</b>                                 | -4.6          | -2.4      | -2.4      | 4.7      | 2.3      | -2.4      | -1.3      | 19.6      | -19.4      | 19.6      |  |
| <b>75th Percentile</b>                        | -6.3          | -4.5      | -4.5      | 3.0      | 0.9      | -4.5      | -4.6      | 16.8      | -22.7      | 18.0      |  |
| <b>95th Percentile</b>                        | -10.1         | -10.2     | -10.2     | 0.3      | -1.6     | -10.2     | -7.4      | 12.1      | -26.6      | 14.0      |  |
| <b># of Portfolios</b>                        | 201           | 182       | 182       | 135      | 97       | 182       | 145       | 123       | 100        | 89        |  |
| <b>● Eaton Vance TM Emerging Markets Fund</b> | -8.3 (90)     | -3.6 (61) | -3.6 (61) | 5.7 (39) | 3.6 (27) | -3.6 (61) | 2.2 (23)  | 20.0 (44) | -18.0 (33) | 23.3 (24) |  |
| <b>▲ MSCI Emerging Markets</b>                | -4.5 (50)     | -2.2 (49) | -2.2 (49) | 4.0 (66) | 1.8 (64) | -2.2 (49) | -2.6 (59) | 18.2 (67) | -18.4 (36) | 18.9 (56) |  |

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending December 31, 2014



- Eaton Vance TM Emerging Markets Fund
- ◆ MSCI Emerging Markets
- ▲ Universe Median
- 68% Confidence Interval
- Diversified Emerging Mkts MStar MF

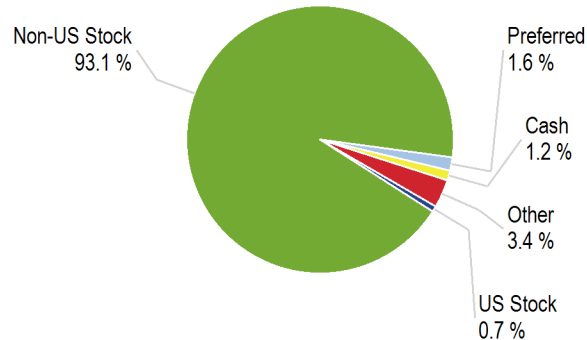
Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2014



- Eaton Vance TM Emerging Markets Fund
- ◆ MSCI Emerging Markets
- ▲ Universe Median
- 68% Confidence Interval
- Diversified Emerging Mkts MStar MF

As of December 31, 2014

**Mutual Fund Allocation as of 11/30/2014**



**Fund Characteristics as of 11/30/2014**

|                           |          |
|---------------------------|----------|
| Sharpe Ratio (3 Year)     | 0.43     |
| Average Market Cap (\$mm) | 7,832.98 |
| Price/Earnings            | 13.22    |
| Price/Book                | 1.45     |
| Price/Sales               | 1.07     |
| Price/Cash Flow           | 4.45     |
| Dividend Yield            | 3.02     |
| Number of Equity Holdings | 1,522    |
| R-Squared (3 Year)        | 0.94     |
| Alpha (3 Year)            | 0.48%    |

**Fund Information as of 12/31/2014**

|                            |                                  |
|----------------------------|----------------------------------|
| Fund Name                  | Parametric Tax-Managed Emerg Mkt |
| Ticker                     | EITEX                            |
| Category                   | Diversified Emerging Mkts        |
| Benchmark                  | MSCI Emerging Markets            |
| Expense Ratio              | 0.95%                            |
| Fund Assets (\$mm)         | 3,619.87                         |
| Share Class Inception Date | 6/30/1998                        |
| Manager Tenure             | 8                                |

**Top Holdings as of 11/30/2014**

|   |       |
|---|-------|
| MTN GROUP LTD   | 1.07% |
| AMERICA MOVIL SAB DE CV CLASS L   | 1.06% |
| CHINA MOBILE LTD  | 0.96% |
| SAMSUNG ELECTRONICS CO LTD  | 0.88% |
| TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD                                   | 0.73% |
| OAO GAZPROM ADR   | 0.71% |
| TENCENT HOLDINGS LTD  | 0.65% |
| GRUPO TELEVISA SAB ORD.PART.CERT. REPR. 25 SHS-A- + 35 SHS-L- + 35 SHS-D- + | 0.58% |
| CEZ AS  | 0.51% |
| NASPERS LTD CLASS N   | 0.51% |

**Sector Allocation as of 11/30/2014**

|                        |        |
|------------------------|--------|
| BASIC MATERIALS        | 9.88%  |
| COMMUNICATION SERVICES | 9.87%  |
| CONSUMER CYCLICAL      | 8.63%  |
| CONSUMER DEFENSIVE     | 8.22%  |
| ENERGY                 | 7.30%  |
| FINANCIAL SERVICES     | 21.20% |
| HEALTHCARE             | 2.61%  |
| INDUSTRIALS            | 8.63%  |
| REAL ESTATE            | 2.27%  |
| TECHNOLOGY             | 8.55%  |
| UTILITIES              | 4.90%  |

**Top Regions as of 11/30/2014**

|                 |        |
|-----------------|--------|
| ASIA EMERGING   | 29.41% |
| LATIN AMERICA   | 16.19% |
| EUROPE EMERGING | 14.41% |
| ASIA DEVELOPED  | 11.76% |
| AFRICA          | 11.25% |

**Top Countries as of 11/30/2014**

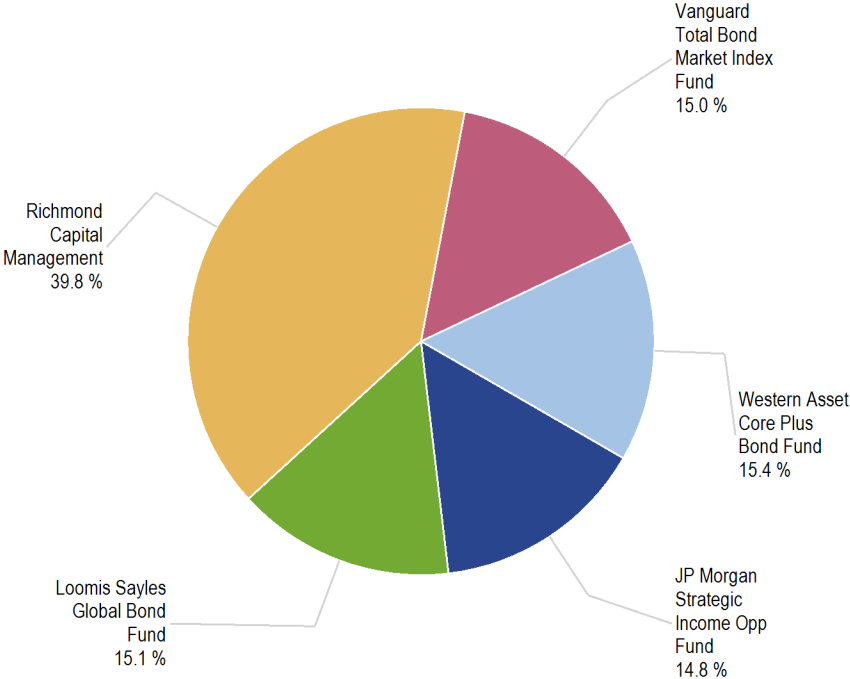
|              |       |
|--------------|-------|
| China        | 8.66% |
| South Africa | 6.17% |
| India        | 5.98% |
| South Korea  | 5.89% |
| Taiwan       | 5.85% |
| Mexico       | 5.77% |
| Brazil       | 4.64% |
| Russia       | 4.37% |
| Turkey       | 3.61% |
| Thailand     | 3.44% |

# Fixed Income

Manager Allocation

As of December 31, 2014

Current Allocation



Asset Allocation on December 31, 2014

|                                       | Actual \$            | Actual % |
|---------------------------------------|----------------------|----------|
| JP Morgan Strategic Income Opp Fund   | \$19,331,858         | 14.8%    |
| Loomis Sayles Global Bond Fund        | \$19,758,040         | 15.1%    |
| Richmond Capital Management           | \$51,995,330         | 39.8%    |
| Vanguard Total Bond Market Index Fund | \$19,566,554         | 15.0%    |
| Western Asset Core Plus Bond Fund     | \$20,081,891         | 15.4%    |
| <b>Total</b>                          | <b>\$130,733,674</b> |          |

As of December 31, 2014

**Account Information**

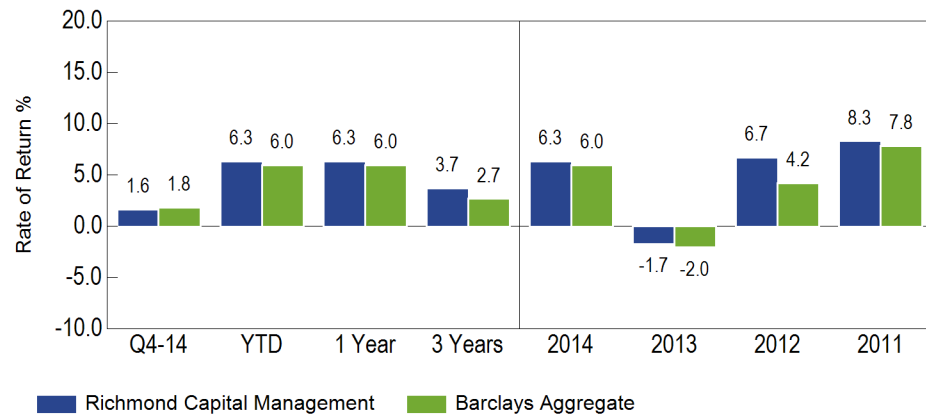
|                   |                                     |
|-------------------|-------------------------------------|
| Account Name      | Richmond Capital Management         |
| Account Structure | Separate Account                    |
| Investment Style  | Active                              |
| Inception Date    | 1/01/07                             |
| Account Type      | US Fixed Income                     |
| Benchmark         | Barclays Aggregate                  |
| Universe          | US Core (Gov/Corp/Mtg) Fixed Income |

**5 Year Risk/Return Statistics**

January 01, 2010 Through December 31, 2014

|   | Richmond Capital Management | Barclays Aggregate |
|---|-----------------------------|--------------------|
| <b>RETURN SUMMARY STATISTICS</b>        |                             |                    |
| Number of Periods                       | 20                          | 20                 |
| Maximum Return                          | 3.94                        | 3.82               |
| Minimum Return                          | -2.24                       | -2.32              |
| Annualized Return                       | 5.37                        | 4.45               |
| Total Return                            | 29.88                       | 24.31              |
| Annualized Excess Return Over Risk Free | 5.30                        | 4.38               |
| Annualized Excess Return                | 0.92                        | 0.00               |

**Return Summary**



**RISK SUMMARY STATISTICS**

|                    | Richmond Capital Management | Barclays Aggregate |
|--------------------|-----------------------------|--------------------|
| Beta               | 0.99                        | 1.00               |
| Upside Deviation   | 2.17                        | 2.23               |
| Downside Deviation | 2.09                        | 2.12               |

**RISK/RETURN SUMMARY STATISTICS**

|                                  | Richmond Capital Management | Barclays Aggregate |
|----------------------------------|-----------------------------|--------------------|
| Annualized Standard Deviation    | 3.05                        | 3.03               |
| Alpha                            | 0.24                        | 0.00               |
| Sharpe Ratio                     | 1.74                        | 1.45               |
| Excess Return Over Market / Risk | 0.30                        | 0.00               |
| Tracking Error                   | 0.61                        | 0.00               |
| Information Ratio                | 1.50                        | --                 |

**Summary Of Cash Flows**

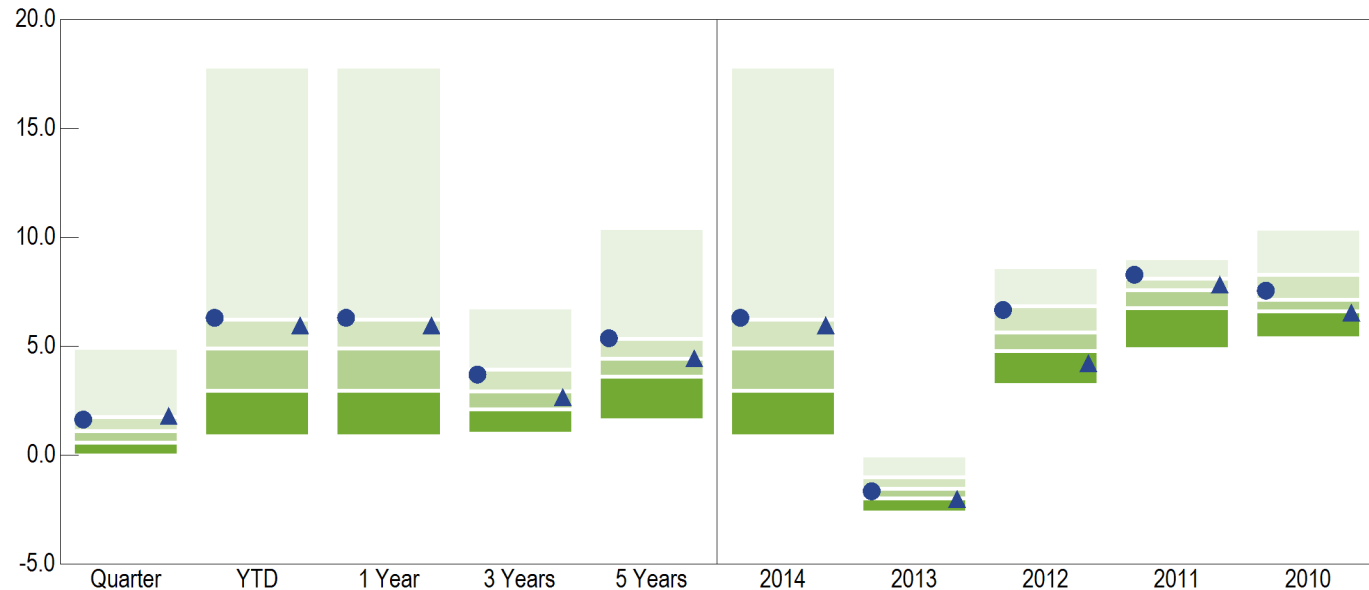
|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$35,224,986   | \$33,761,403 |
| - Withdrawals           | -\$30,872      | -\$118,702   |
| + Contributions         | \$16,000,000   | \$16,000,000 |
| = Net Cash Flow         | \$15,969,128   | \$15,881,298 |
| + Net Investment Change | \$801,215      | \$2,352,628  |
| = Ending Market Value   | \$51,995,330   | \$51,995,330 |

**CORRELATION STATISTICS**

|             | Richmond Capital Management | Barclays Aggregate |
|-------------|-----------------------------|--------------------|
| R-Squared   | 0.96                        | 1.00               |
| Correlation | 0.98                        | 1.00               |

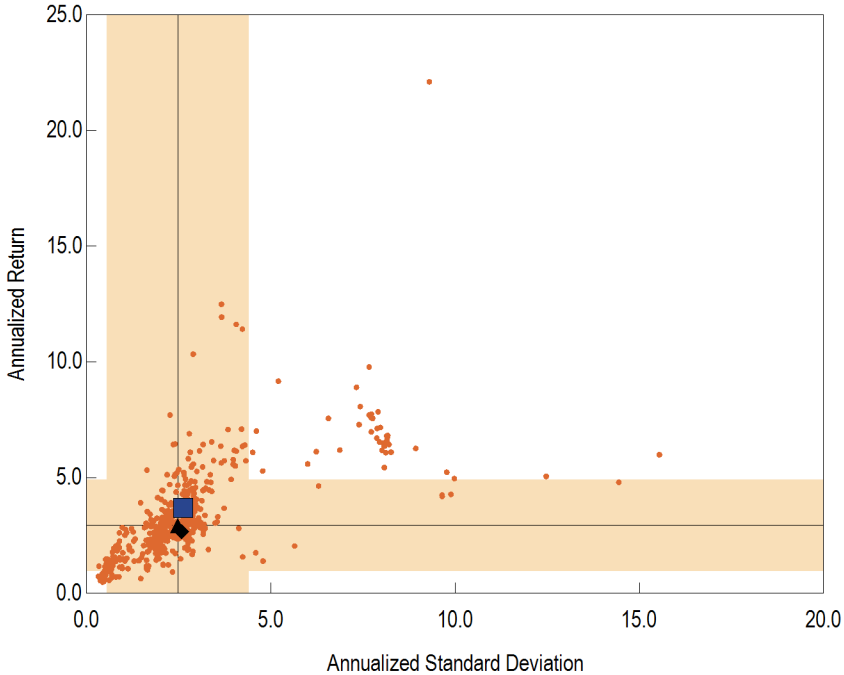


Richmond Capital Management vs. US Core (Gov/Corp/Mtg) Fixed Income



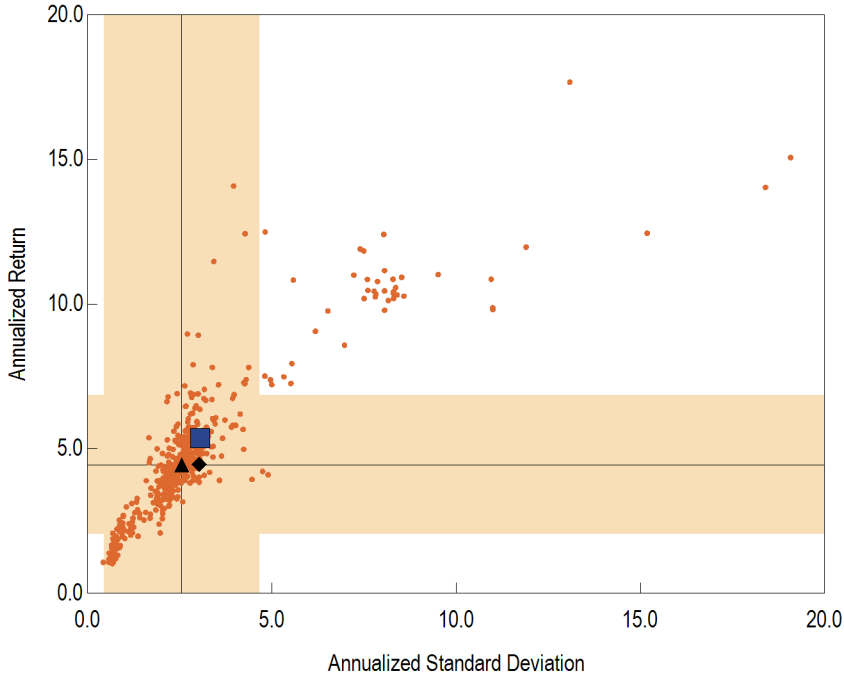
|                               | Return (Rank) |          |          |          |          |          |           |          |          |          |
|-------------------------------|---------------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|
|                               | Quarter       | YTD      | 1 Year   | 3 Years  | 5 Years  | 2014     | 2013      | 2012     | 2011     | 2010     |
| 5th Percentile                | 4.9           | 17.8     | 17.8     | 6.8      | 10.4     | 17.8     | 0.0       | 8.6      | 9.0      | 10.4     |
| 25th Percentile               | 1.8           | 6.2      | 6.2      | 3.9      | 5.4      | 6.2      | -1.0      | 6.9      | 8.1      | 8.3      |
| Median                        | 1.1           | 4.9      | 4.9      | 2.9      | 4.4      | 4.9      | -1.5      | 5.6      | 7.6      | 7.2      |
| 75th Percentile               | 0.6           | 3.0      | 3.0      | 2.1      | 3.6      | 3.0      | -2.0      | 4.8      | 6.8      | 6.6      |
| 95th Percentile               | 0.0           | 0.9      | 0.9      | 1.0      | 1.6      | 0.9      | -2.6      | 3.2      | 4.9      | 5.4      |
| # of Portfolios               | 574           | 565      | 565      | 537      | 503      | 565      | 175       | 168      | 160      | 155      |
| ● Richmond Capital Management | 1.6 (32)      | 6.3 (24) | 6.3 (24) | 3.7 (30) | 5.4 (25) | 6.3 (24) | -1.7 (62) | 6.7 (26) | 8.3 (20) | 7.6 (41) |
| ▲ Barclays Aggregate          | 1.8 (22)      | 6.0 (34) | 6.0 (34) | 2.7 (60) | 4.4 (50) | 6.0 (34) | -2.0 (79) | 4.2 (88) | 7.8 (40) | 6.5 (77) |

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending December 31, 2014



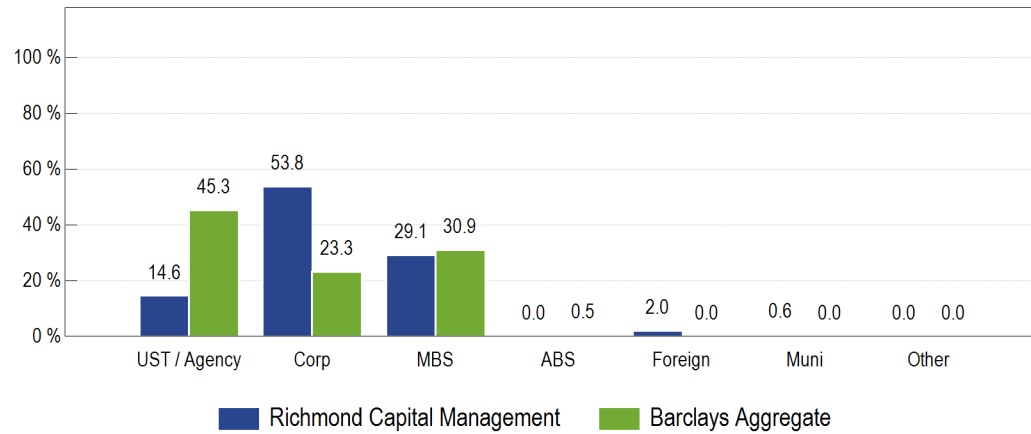
- Richmond Capital Management
- ◆ Barclays Aggregate
- ▲ Universe Median
- 68% Confidence Interval
- US Core (Gov/Corp/Mtg) Fixed Income

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2014

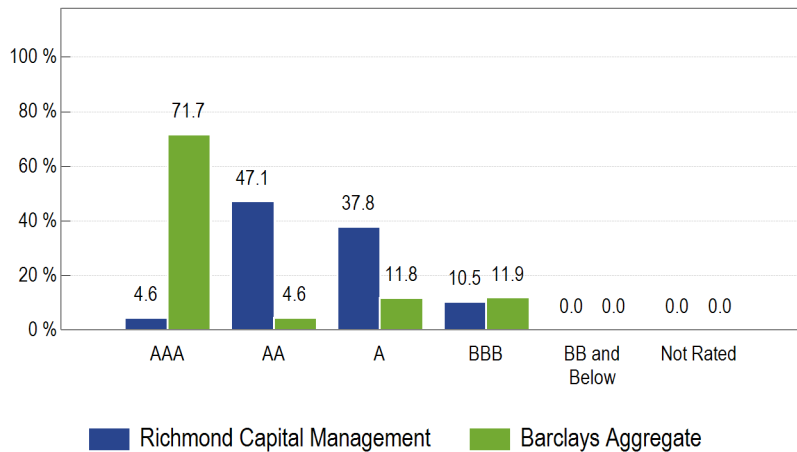


- Richmond Capital Management
- ◆ Barclays Aggregate
- ▲ Universe Median
- 68% Confidence Interval
- US Core (Gov/Corp/Mtg) Fixed Income

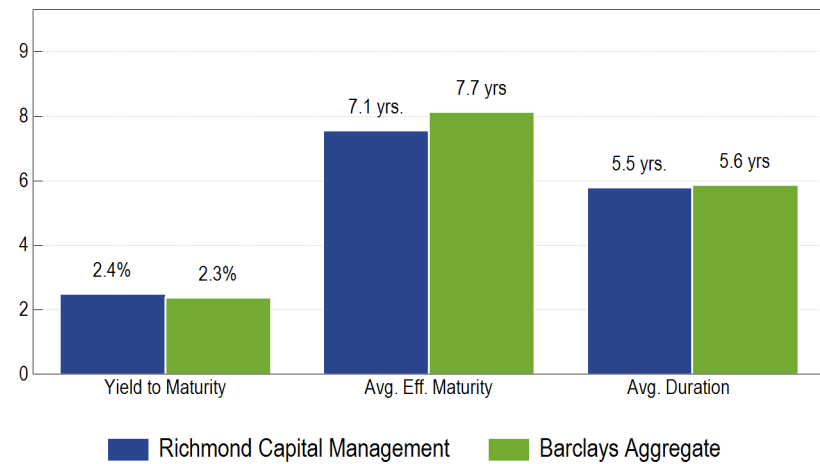
Sectors



Quality Ratings



Characteristics



Western Asset Core Plus Bond Fund

As of December 31, 2014

Account Information

|                   |                                   |
|-------------------|-----------------------------------|
| Account Name      | Western Asset Core Plus Bond Fund |
| Account Structure | Mutual Fund                       |
| Investment Style  | Active                            |
| Inception Date    | 7/08/98                           |
| Account Type      | US Fixed Income                   |
| Benchmark         | Barclays Aggregate                |
| Universe          | Intermediate-Term Bond MStar MF   |

5 Year Risk/Return Statistics

January 01, 2010 Through December 31, 2014

Western Asset Core Plus Bond Fund      Barclays Aggregate

RETURN SUMMARY STATISTICS

|   |       |       |
|---|-------|-------|
| Number of Periods                       | 20    | 20    |
| Maximum Return                          | 4.43  | 3.82  |
| Minimum Return                          | -2.65 | -2.32 |
| Annualized Return                       | 6.66  | 4.45  |
| Total Return                            | 38.05 | 24.31 |
| Annualized Excess Return Over Risk Free | 6.60  | 4.38  |
| Annualized Excess Return                | 2.21  | 0.00  |

RISK SUMMARY STATISTICS

|                    |      |      |
|--------------------|------|------|
| Beta               | 0.84 | 1.00 |
| Upside Deviation   | 2.43 | 2.23 |
| Downside Deviation | 3.46 | 2.12 |

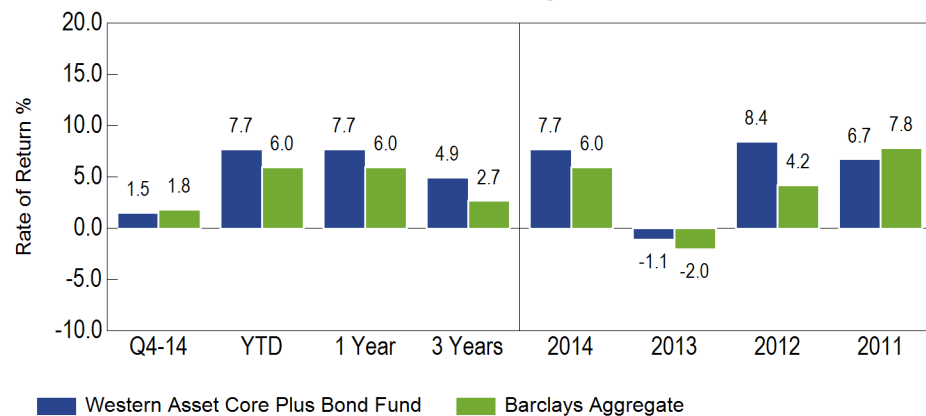
RISK/RETURN SUMMARY STATISTICS

|                                  |      |      |
|----------------------------------|------|------|
| Annualized Standard Deviation    | 3.21 | 3.03 |
| Alpha                            | 0.71 | 0.00 |
| Sharpe Ratio                     | 2.05 | 1.45 |
| Excess Return Over Market / Risk | 0.69 | 0.00 |
| Tracking Error                   | 2.01 | 0.00 |
| Information Ratio                | 1.10 | --   |

CORRELATION STATISTICS

|             |      |      |
|-------------|------|------|
| R-Squared   | 0.63 | 1.00 |
| Correlation | 0.79 | 1.00 |

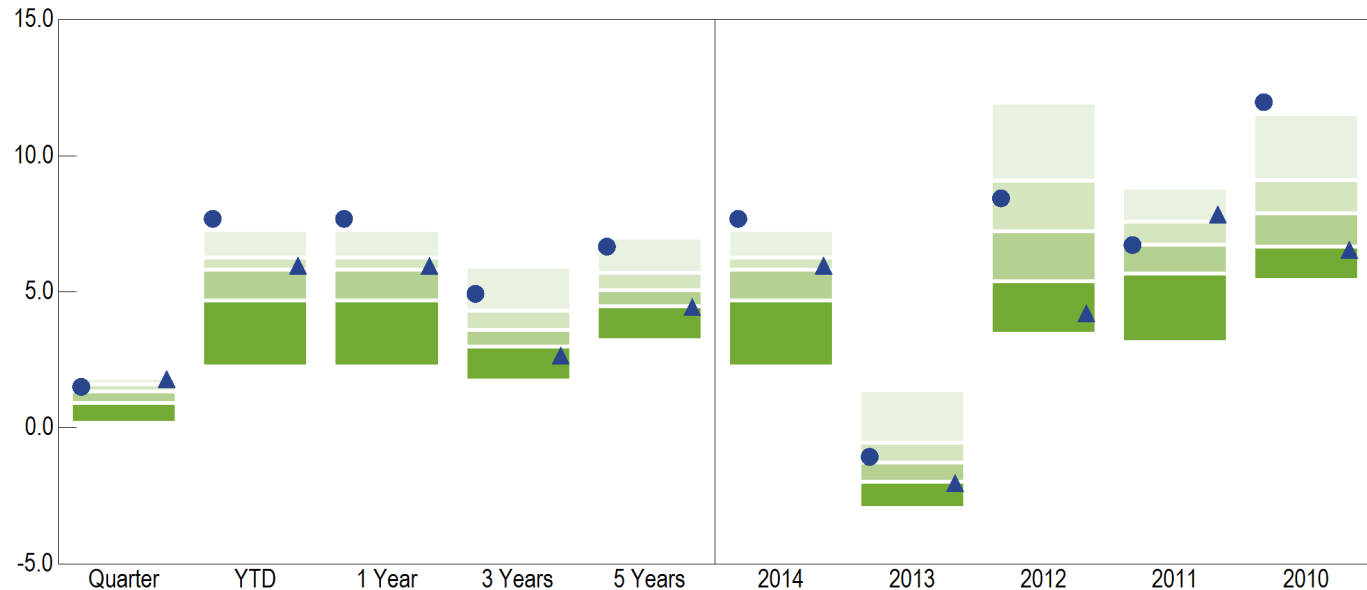
Return Summary



Summary Of Cash Flows

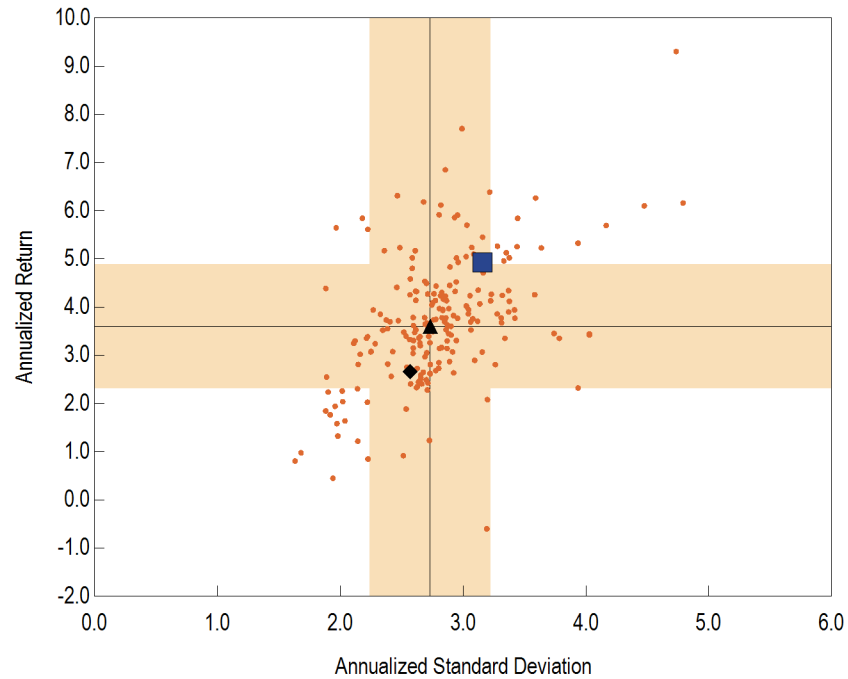
|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$17,805,659   | \$16,784,744 |
| - Withdrawals           | \$0            | \$0          |
| + Contributions         | \$2,000,000    | \$2,000,000  |
| = Net Cash Flow         | \$2,000,000    | \$2,000,000  |
| + Net Investment Change | \$276,233      | \$1,297,147  |
| = Ending Market Value   | \$20,081,891   | \$20,081,891 |

Western Asset Core Plus Bond Fund vs. Intermediate-Term Bond MStar MF



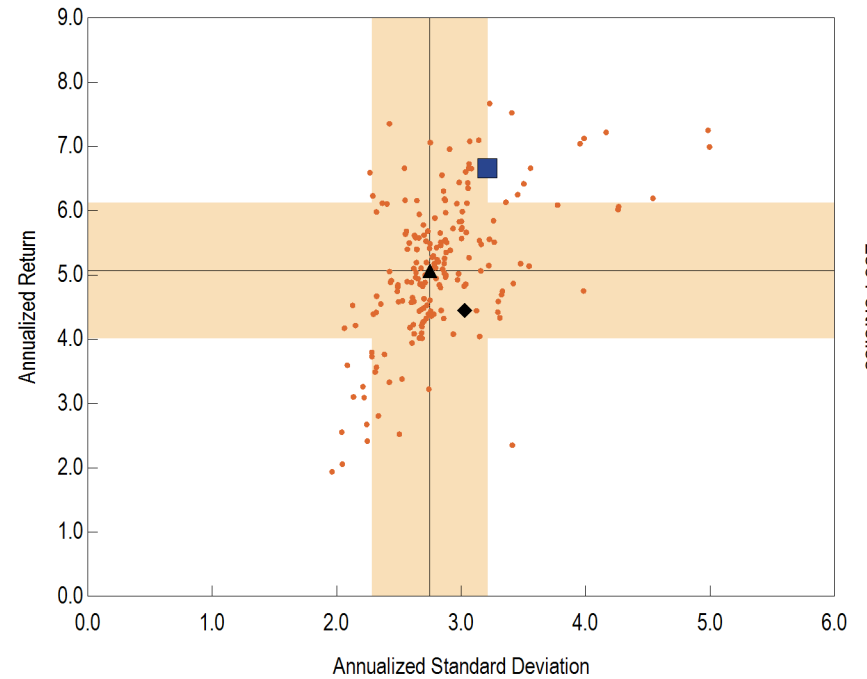
|  | Return (Rank) |          |          |          |          |          |           |          |          |          |  |
|--|---------------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|--|
| <b>5th Percentile</b>                      | 1.8           | 7.3      | 7.3      | 5.9      | 7.0      | 7.3      | 1.4       | 12.0     | 8.8      | 11.5     |  |
| <b>25th Percentile</b>                     | 1.6           | 6.3      | 6.3      | 4.3      | 5.7      | 6.3      | -0.5      | 9.1      | 7.6      | 9.1      |  |
| <b>Median</b>                              | 1.4           | 5.8      | 5.8      | 3.6      | 5.1      | 5.8      | -1.3      | 7.2      | 6.7      | 7.9      |  |
| <b>75th Percentile</b>                     | 0.9           | 4.7      | 4.7      | 3.0      | 4.5      | 4.7      | -2.0      | 5.4      | 5.7      | 6.7      |  |
| <b>95th Percentile</b>                     | 0.2           | 2.3      | 2.3      | 1.8      | 3.2      | 2.3      | -2.9      | 3.5      | 3.2      | 5.5      |  |
| <b># of Portfolios</b>                     | 238           | 233      | 233      | 219      | 206      | 233      | 228       | 244      | 245      | 243      |  |
| <b>● Western Asset Core Plus Bond Fund</b> | 1.5 (37)      | 7.7 (4)  | 7.7 (4)  | 4.9 (17) | 6.7 (8)  | 7.7 (4)  | -1.1 (41) | 8.4 (34) | 6.7 (52) | 12.0 (3) |  |
| <b>▲ Barclays Aggregate</b>                | 1.8 (7)       | 6.0 (38) | 6.0 (38) | 2.7 (81) | 4.4 (77) | 6.0 (38) | -2.0 (76) | 4.2 (86) | 7.8 (17) | 6.5 (81) |  |

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending December 31, 2014



219 Portfolios

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2014



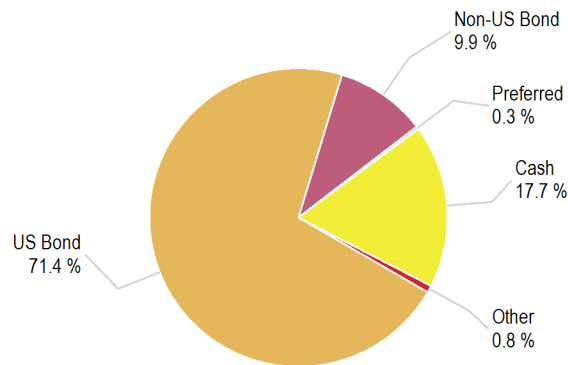
206 Portfolios

- Western Asset Core Plus Bond Fund
- ◆ Barclays Aggregate
- ▲ Universe Median
- 68% Confidence Interval
- Intermediate-Term Bond MStar MF

- Western Asset Core Plus Bond Fund
- ◆ Barclays Aggregate
- ▲ Universe Median
- 68% Confidence Interval
- Intermediate-Term Bond MStar MF

As of December 31, 2014

**Mutual Fund Allocation as of 12/31/2014**



**Fund Information as of 12/31/2014**

|                            |                                  |
|----------------------------|----------------------------------|
| Fund Name                  | Western Asset Core Plus Bond Mut |
| Ticker                     | WACPX                            |
| Category                   | Intermediate-Term Bond           |
| Benchmark                  | Barclays Aggregate               |
| Expense Ratio              | 0.45%                            |
| Fund Assets (\$mm)         | 5,567.26                         |
| Share Class Inception Date | 7/8/1998                         |
| Manager Tenure             | 16                               |

**Top Holdings as of 12/31/2014**

|   |        |
|---|--------|
| US 5YR NOTE (CBT) MAR15 XCBT 20150331   | 10.56% |
| US 10YR NOTE (CBT)MAR15 XCBT 20150320   | 5.76%  |
| US LONG BOND(CBT) MAR15 XCBT 20150320   | 5.56%  |
| 90DAY EUR FUTR DEC15 XCME 20151214      | 3.44%  |
| US TREASURY NOTE 2.25%                  | 2.41%  |
| US ULTRA BOND(CBT MAR15 XCBT 20150320   | 2.03%  |
| US TREASURY BOND 3.375%                 | 1.90%  |
| SWS006247 CDS USD R F 1.00000 2 CCPCDX  | 1.75%  |
| SWS006247 CDS USD P V 03MEVENT 1 CCPCDX | 1.73%  |
| US TREASURY BOND 3.625%                 | 1.66%  |

**Fund Characteristics as of 12/31/2014**

|                            |       |
|----------------------------|-------|
| Sharpe Ratio (3 Year)      | 1.55  |
| Average Duration           | 5.75  |
| Average Coupon             | 4.29% |
| Average Effective Maturity | 9.09  |
| R-Squared (3 Year)         | 0.85  |
| Alpha (3 Year)             | 0.47% |
| Beta (3 Year)              | 1.13  |

**Maturities as of 12/31/2014**

|                       |        |
|-----------------------|--------|
| 1 to 3 Years          | 5.12%  |
| 3 to 5 Years          | 9.69%  |
| 5 to 7 Years          | 7.48%  |
| 7 to 10 Years         | 13.90% |
| 10 to 15 Years        | 4.79%  |
| 15 to 20 Years        | 4.68%  |
| 20 to 30 Years        | 34.22% |
| Greater than 30 Years | 11.09% |

**Credit Quality as of 09/30/2014**

|           |        |
|-----------|--------|
| AAA       | 45.46% |
| AA        | 4.63%  |
| A         | 18.46% |
| BBB       | 15.91% |
| BB        | 5.60%  |
| B         | 4.87%  |
| Below B   | 6.35%  |
| Not Rated | -1.28% |

**Fixed Income Sectors as of 12/31/2014**

|                    |        |
|--------------------|--------|
| GOVERNMENT         | 26.10% |
| MUNICIPAL          | 0.12%  |
| CORPORATE          | 27.23% |
| SECURITIZED        | 37.29% |
| CASH & EQUIVALENTS | 12.59% |
| DERIVATIVE         | 27.41% |

JP Morgan Strategic Income Opp Fund

As of December 31, 2014

Account Information

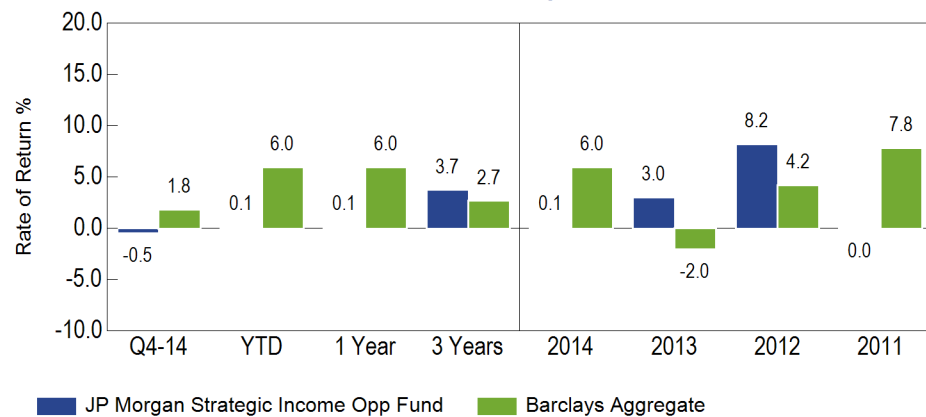
|                   |                                     |
|-------------------|-------------------------------------|
| Account Name      | JP Morgan Strategic Income Opp Fund |
| Account Structure | Mutual Fund                         |
| Investment Style  | Active                              |
| Inception Date    | 10/10/08                            |
| Account Type      | Global Fixed Income                 |
| Benchmark         | Barclays Aggregate                  |
| Universe          | Multisector Bond MStar MF           |

5 Year Risk/Return Statistics

January 01, 2010 Through December 31, 2014

|   | JP Morgan Strategic Income Opp Fund | Barclays Aggregate |
|---|-------------------------------------|--------------------|
| <b>RETURN SUMMARY STATISTICS</b>        |                                     |                    |
| Number of Periods                       | 20                                  | 20                 |
| Maximum Return                          | 2.72                                | 3.82               |
| Minimum Return                          | -4.55                               | -2.32              |
| Annualized Return                       | 3.27                                | 4.45               |
| Total Return                            | 17.44                               | 24.31              |
| Annualized Excess Return Over Risk Free | 3.20                                | 4.38               |
| Annualized Excess Return                | -1.18                               | 0.00               |

Return Summary



RISK SUMMARY STATISTICS

|                    | JP Morgan Strategic Income Opp Fund | Barclays Aggregate |
|--------------------|-------------------------------------|--------------------|
| Beta               | -0.44                               | 1.00               |
| Upside Deviation   | 1.70                                | 2.23               |
| Downside Deviation | 3.84                                | 2.12               |

RISK/RETURN SUMMARY STATISTICS

|                                  | JP Morgan Strategic Income Opp Fund | Barclays Aggregate |
|----------------------------------|-------------------------------------|--------------------|
| Annualized Standard Deviation    | 3.25                                | 3.03               |
| Alpha                            | 1.30                                | 0.00               |
| Sharpe Ratio                     | 0.99                                | 1.45               |
| Excess Return Over Market / Risk | -0.36                               | 0.00               |
| Tracking Error                   | 5.27                                | 0.00               |
| Information Ratio                | -0.22                               | --                 |

Summary Of Cash Flows

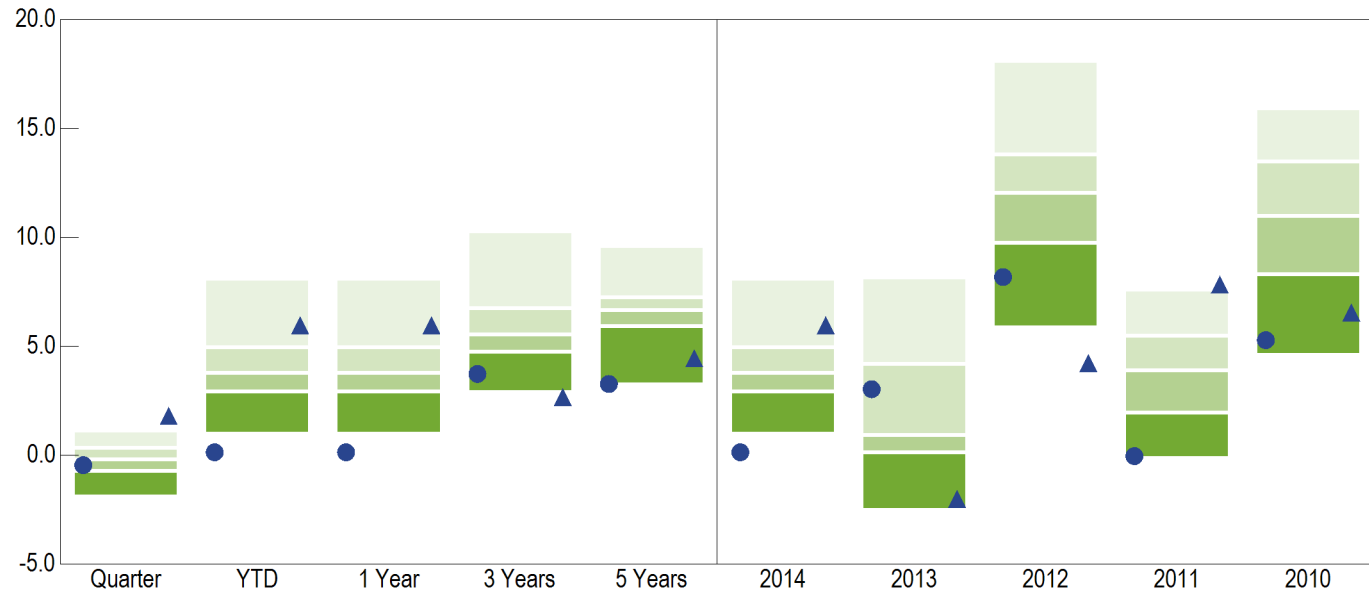
|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$19,406,180   | \$19,276,646 |
| - Withdrawals           | \$0            | \$0          |
| + Contributions         | \$0            | \$0          |
| = Net Cash Flow         | \$0            | \$0          |
| + Net Investment Change | -\$74,322      | \$55,213     |
| = Ending Market Value   | \$19,331,858   | \$19,331,858 |

CORRELATION STATISTICS

|             | JP Morgan Strategic Income Opp Fund | Barclays Aggregate |
|-------------|-------------------------------------|--------------------|
| R-Squared   | 0.17                                | 1.00               |
| Correlation | -0.41                               | 1.00               |



JP Morgan Strategic Income Opp Fund vs. Multisector Bond MStar MF

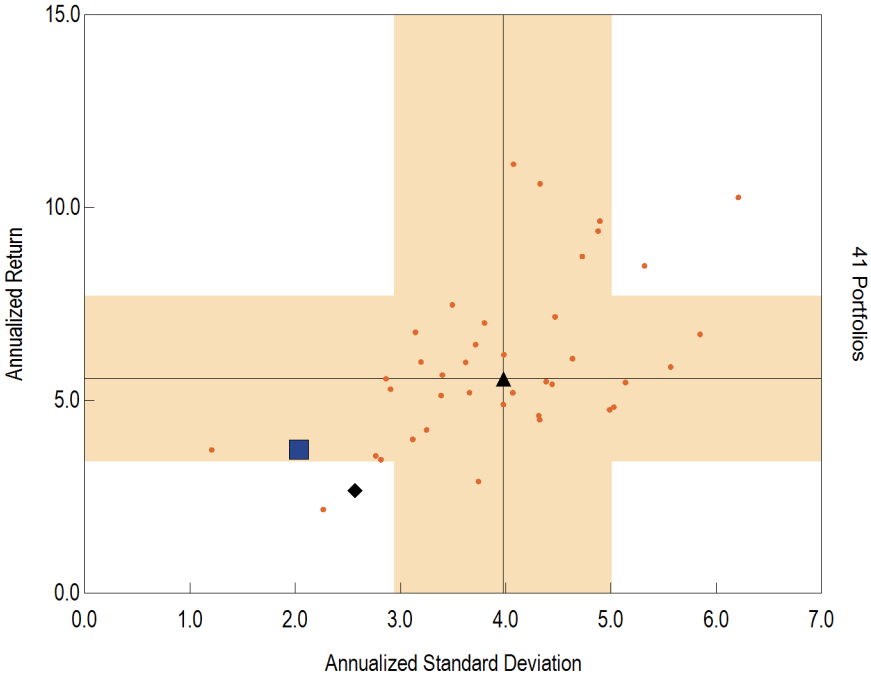


|  | Return (Rank) |          |          |          |          |          |           |          |          |          |
|--|---------------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|
| <b>5th Percentile</b>                        | 1.1           | 8.1      | 8.1      | 10.3     | 9.6      | 8.1      | 8.2       | 18.1     | 7.6      | 15.9     |
| <b>25th Percentile</b>                       | 0.3           | 5.0      | 5.0      | 6.8      | 7.3      | 5.0      | 4.2       | 13.8     | 5.5      | 13.5     |
| <b>Median</b>                                | -0.2          | 3.8      | 3.8      | 5.6      | 6.7      | 3.8      | 0.9       | 12.1     | 3.9      | 11.0     |
| <b>75th Percentile</b>                       | -0.7          | 2.9      | 2.9      | 4.8      | 6.0      | 2.9      | 0.1       | 9.8      | 2.0      | 8.3      |
| <b>95th Percentile</b>                       | -1.9          | 1.0      | 1.0      | 2.9      | 3.3      | 1.0      | -2.5      | 5.9      | -0.1     | 4.6      |
| <b># of Portfolios</b>                       | 53            | 47       | 47       | 41       | 32       | 47       | 54        | 51       | 39       | 43       |
| <b>● JP Morgan Strategic Income Opp Fund</b> | -0.5 (67)     | 0.1 (99) | 0.1 (99) | 3.7 (88) | 3.3 (96) | 0.1 (99) | 3.0 (32)  | 8.2 (87) | 0.0 (92) | 5.3 (92) |
| <b>▲ Barclays Aggregate</b>                  | 1.8 (1)       | 6.0 (13) | 6.0 (13) | 2.7 (96) | 4.4 (93) | 6.0 (13) | -2.0 (90) | 4.2 (99) | 7.8 (3)  | 6.5 (89) |

JP Morgan Strategic Income Opp Fund

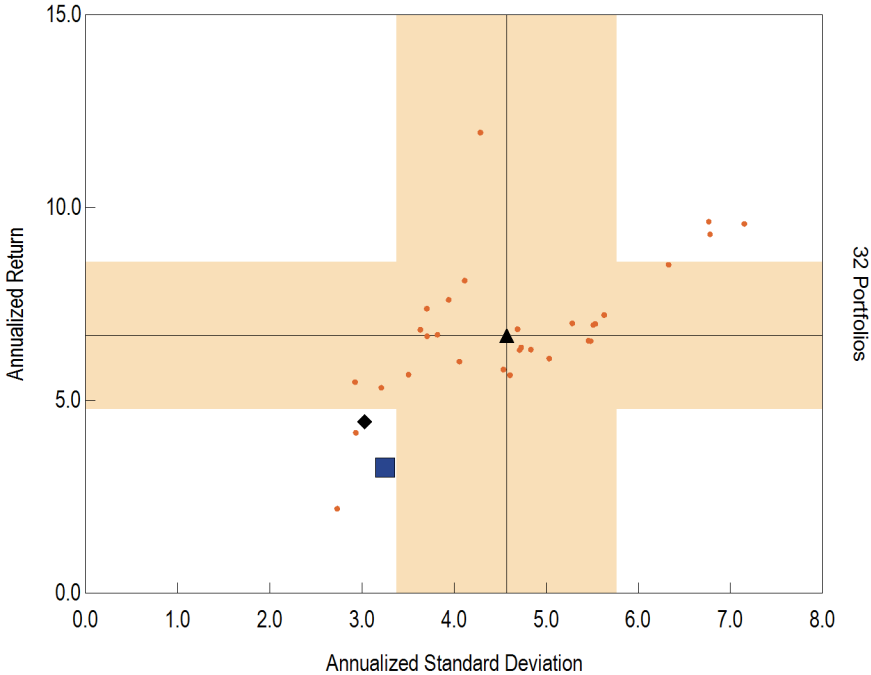
As of December 31, 2014

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending December 31, 2014



- JP Morgan Strategic Income Opp Fund
- ◆ Barclays Aggregate
- ▲ Universe Median
- 68% Confidence Interval
- Multisector Bond MStar MF

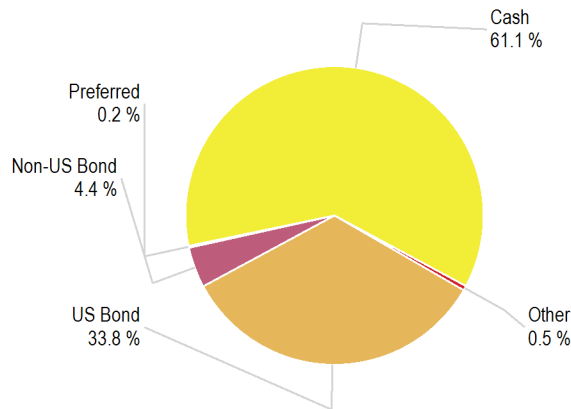
Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2014



- JP Morgan Strategic Income Opp Fund
- ◆ Barclays Aggregate
- ▲ Universe Median
- 68% Confidence Interval
- Multisector Bond MStar MF

As of December 31, 2014

**Mutual Fund Allocation as of 11/30/2014**



**Fund Information as of 12/31/2014**

|                            |                                    |
|----------------------------|------------------------------------|
| Fund Name                  | JPMORGAN STRATEGIC INCOME OPPS SEL |
| Ticker                     | JSOSX                              |
| Category                   | Nontraditional Bond                |
| Benchmark                  | Barclays Aggregate                 |
| Expense Ratio              | 0.87%                              |
| Fund Assets (\$mm)         | 17,947.70                          |
| Share Class Inception Date | 10/10/2008                         |
| Manager Tenure             | 6                                  |

**Top Holdings as of 11/30/2014**

|  |       |
|--|-------|
| FED NATL MORT ASSC 4%                        | 2.58% |
| US TREASURY NOTE 2.375%                      | 1.72% |
| FNMA 4% TBA                                  | 1.13% |
| US TREASURY BOND 3.125%                      | 1.09% |
| APPLE FRN                                    | 0.42% |
| CHRYSLER GRP LLC / CG CO-ISS 8.25%           | 0.22% |
| EMBARQ 7.995%                                | 0.22% |
| ACE HOTEL                                    | 0.19% |
| EAST 12TH STREET MORTGAGE PASS-THROUGH TRUST | 0.19% |
| LEVEL 3 COMMS 11.875%                        | 0.19% |

**Fund Characteristics as of 11/30/2014**

|                            |       |
|----------------------------|-------|
| Sharpe Ratio (3 Year)      | 1.81  |
| Average Duration           | 0.55  |
| Average Coupon             | 6.06% |
| Average Effective Maturity | 1.99  |
| R-Squared (3 Year)         | 0.00  |
| Alpha (3 Year)             | 0.90% |
| Beta (3 Year)              | 0.04  |

**Maturities as of 11/30/2014**

|                       |        |
|-----------------------|--------|
| 1 to 3 Years          | 1.85%  |
| 3 to 5 Years          | 7.74%  |
| 5 to 7 Years          | 9.71%  |
| 7 to 10 Years         | 6.77%  |
| 10 to 15 Years        | 0.47%  |
| 15 to 20 Years        | 0.59%  |
| 20 to 30 Years        | 10.57% |
| Greater than 30 Years | 0.49%  |

**Credit Quality as of 12/31/2014**

|           |        |
|-----------|--------|
| AAA       | 55.86% |
| AA        | 0.73%  |
| A         | 2.71%  |
| BBB       | 1.28%  |
| BB        | 9.00%  |
| B         | 18.89% |
| Below B   | 11.53% |
| Not Rated | 0.00%  |

**Fixed Income Sectors as of 11/30/2014**

|                    |        |
|--------------------|--------|
| GOVERNMENT         | 3.99%  |
| MUNICIPAL          | 0.13%  |
| CORPORATE          | 23.24% |
| SECURITIZED        | 10.56% |
| CASH & EQUIVALENTS | 61.08% |
| DERIVATIVE         | 0.03%  |

Vanguard Total Bond Market Index Fund

As of December 31, 2014

Account Information

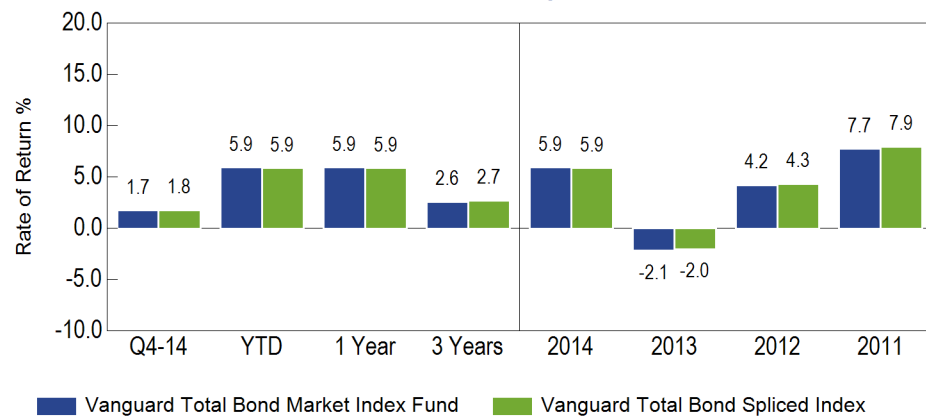
|                   |                                       |
|-------------------|---------------------------------------|
| Account Name      | Vanguard Total Bond Market Index Fund |
| Account Structure | Mutual Fund                           |
| Investment Style  | Passive                               |
| Inception Date    | 9/18/95                               |
| Account Type      | US Fixed Income                       |
| Benchmark         | Vanguard Total Bond Spliced Index     |
| Universe          | Intermediate-Term Bond MStar MF       |

5 Year Risk/Return Statistics

January 01, 2010 Through December 31, 2014

|   | Vanguard Total Bond Market Index Fund | Vanguard Total Bond Spliced Index |
|---|---------------------------------------|-----------------------------------|
| <b>RETURN SUMMARY STATISTICS</b>        |                                       |                                   |
| Number of Periods                       | 20                                    | 20                                |
| Maximum Return                          | 4.02                                  | 3.88                              |
| Minimum Return                          | -2.42                                 | -2.31                             |
| Annualized Return                       | 4.39                                  | 4.48                              |
| Total Return                            | 23.97                                 | 24.51                             |
| Annualized Excess Return Over Risk Free | 4.33                                  | 4.42                              |
| Annualized Excess Return                | -0.09                                 | 0.00                              |

Return Summary



RISK SUMMARY STATISTICS

|                    | Vanguard Total Bond Market Index Fund | Vanguard Total Bond Spliced Index |
|--------------------|---------------------------------------|-----------------------------------|
| Beta               | 1.02                                  | 1.00                              |
| Upside Deviation   | 2.36                                  | 2.25                              |
| Downside Deviation | 2.21                                  | 2.16                              |

RISK/RETURN SUMMARY STATISTICS

|                                  | Vanguard Total Bond Market Index Fund | Vanguard Total Bond Spliced Index |
|----------------------------------|---------------------------------------|-----------------------------------|
| Annualized Standard Deviation    | 3.13                                  | 3.05                              |
| Alpha                            | -0.05                                 | 0.00                              |
| Sharpe Ratio                     | 1.38                                  | 1.45                              |
| Excess Return Over Market / Risk | -0.03                                 | 0.00                              |
| Tracking Error                   | 0.19                                  | 0.00                              |
| Information Ratio                | -0.47                                 | --                                |

Summary Of Cash Flows

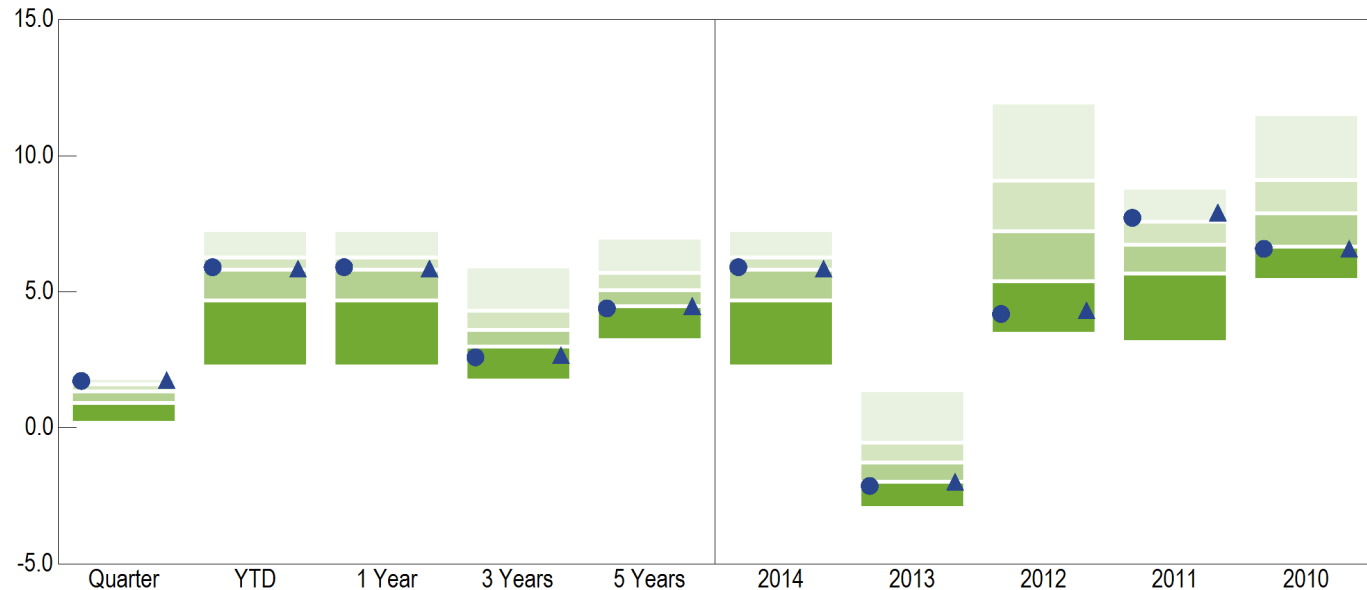
|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$11,303,399   | \$10,857,345 |
| - Withdrawals           | \$0            | \$0          |
| + Contributions         | \$8,000,000    | \$8,000,000  |
| = Net Cash Flow         | \$8,000,000    | \$8,000,000  |
| + Net Investment Change | \$263,155      | \$709,209    |
| = Ending Market Value   | \$19,566,554   | \$19,566,554 |

CORRELATION STATISTICS

|             | Vanguard Total Bond Market Index Fund | Vanguard Total Bond Spliced Index |
|-------------|---------------------------------------|-----------------------------------|
| R-Squared   | 1.00                                  | 1.00                              |
| Correlation | 1.00                                  | 1.00                              |

- Vanguard Total Bond Spliced Index = Barclays US Aggregate Float Adjusted Index from Jan 1, 2010 through present; Barclays Aggregate Bond Index until Dec 31, 2009

Vanguard Total Bond Market Index Fund vs. Intermediate-Term Bond MStar MF



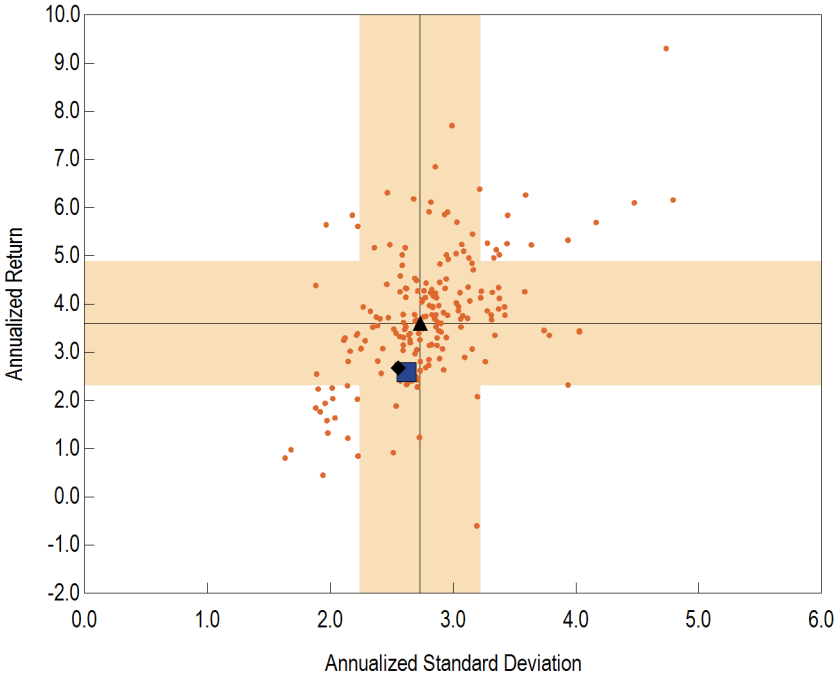
|  | Return (Rank) |          |          |          |          |          |           |          |          |          |
|--|---------------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|
| <b>5th Percentile</b>                          | 1.8           | 7.3      | 7.3      | 5.9      | 7.0      | 7.3      | 1.4       | 12.0     | 8.8      | 11.5     |
| <b>25th Percentile</b>                         | 1.6           | 6.3      | 6.3      | 4.3      | 5.7      | 6.3      | -0.5      | 9.1      | 7.6      | 9.1      |
| <b>Median</b>                                  | 1.4           | 5.8      | 5.8      | 3.6      | 5.1      | 5.8      | -1.3      | 7.2      | 6.7      | 7.9      |
| <b>75th Percentile</b>                         | 0.9           | 4.7      | 4.7      | 3.0      | 4.5      | 4.7      | -2.0      | 5.4      | 5.7      | 6.7      |
| <b>95th Percentile</b>                         | 0.2           | 2.3      | 2.3      | 1.8      | 3.2      | 2.3      | -2.9      | 3.5      | 3.2      | 5.5      |
| <b># of Portfolios</b>                         | 238           | 233      | 233      | 219      | 206      | 233      | 228       | 244      | 245      | 243      |
| <b>● Vanguard Total Bond Market Index Fund</b> | 1.7 (13)      | 5.9 (41) | 5.9 (41) | 2.6 (84) | 4.4 (80) | 5.9 (41) | -2.1 (78) | 4.2 (87) | 7.7 (21) | 6.6 (78) |
| <b>▲ Vanguard Total Bond Spliced Index</b>     | 1.8 (8)       | 5.9 (47) | 5.9 (47) | 2.7 (81) | 4.5 (76) | 5.9 (47) | -2.0 (75) | 4.3 (85) | 7.9 (13) | 6.6 (78) |

- Vanguard Total Bond Spliced Index = Barclays US Aggregate Float Adjusted Index from Jan 1, 2010 through present; Barclays Aggregate Bond Index until Dec 31, 2009

Vanguard Total Bond Market Index Fund

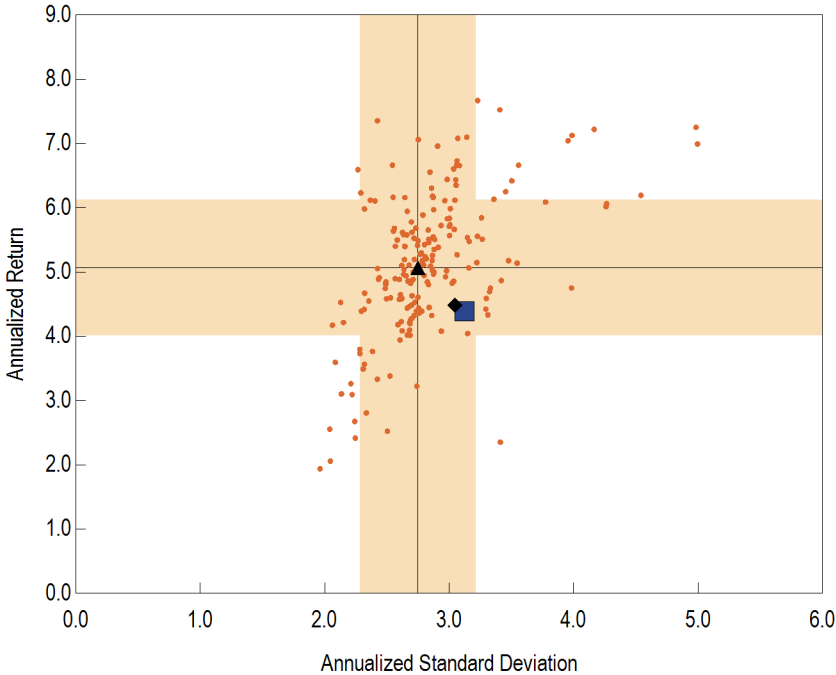
As of December 31, 2014

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending December 31, 2014



219 Portfolios

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2014



206 Portfolios

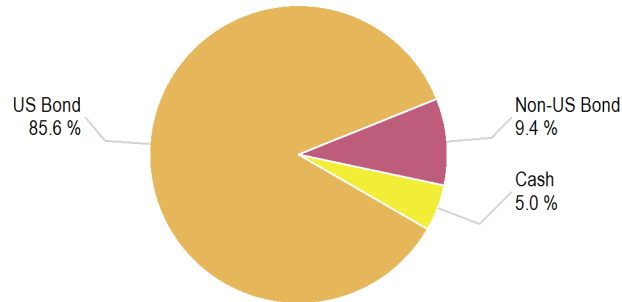
- Vanguard Total Bond Market Index Fund
- ◆ Vanguard Total Bond Spliced Index
- ▲ Universe Median
- 68% Confidence Interval
- Intermediate-Term Bond MStar MF

- Vanguard Total Bond Market Index Fund
- ◆ Vanguard Total Bond Spliced Index
- ▲ Universe Median
- 68% Confidence Interval
- Intermediate-Term Bond MStar MF

- Vanguard Total Bond Spliced Index = Barclays US Aggregate Float Adjusted Index from Jan 1, 2010 through present; Barclays Aggregate Bond Index until Dec 31, 2009

As of December 31, 2014

**Mutual Fund Allocation as of 12/31/2014**



**Fund Information as of 12/31/2014**

|                            |                                   |
|----------------------------|-----------------------------------|
| Fund Name                  | Vanguard Total Bond Market Index  |
| Ticker                     | VBTIX                             |
| Category                   | Intermediate-Term Bond            |
| Benchmark                  | Vanguard Total Bond Spliced Index |
| Expense Ratio              | 0.07%                             |
| Fund Assets (\$mm)         | 27,102.55                         |
| Share Class Inception Date | 9/18/1995                         |
| Manager Tenure             | 2                                 |

**Top Holdings as of 12/31/2014**

|                         |       |
|-------------------------|-------|
| GOVT NATL MTG ASSO 4%   | 0.67% |
| GOVT NATL MTG ASSO 3.5% | 0.65% |
| US TREASURY NOTE 3.625% | 0.56% |
| FNMA 4% TBA             | 0.52% |
| US TREASURY NOTE 2.25%  | 0.51% |
| US TREASURY NOTE 0.25%  | 0.49% |
| US TREASURY NOTE 1.75%  | 0.47% |
| US TREASURY NOTE 4.75%  | 0.47% |
| US TREASURY NOTE 0.5%   | 0.45% |
| US TREASURY NOTE 1%     | 0.43% |

**Fund Characteristics as of 12/31/2014**

|                            |        |
|----------------------------|--------|
| Sharpe Ratio (3 Year)      | 0.97   |
| Average Duration           | 5.60   |
| Average Coupon             | 3.47%  |
| Average Effective Maturity | 7.70   |
| R-Squared (3 Year)         | 1.00   |
| Alpha (3 Year)             | -0.04% |
| Beta (3 Year)              | 1.03   |

**Maturities as of 12/31/2014**

|                       |        |
|-----------------------|--------|
| 1 to 3 Years          | 23.31% |
| 3 to 5 Years          | 15.19% |
| 5 to 7 Years          | 10.73% |
| 7 to 10 Years         | 9.56%  |
| 10 to 15 Years        | 4.10%  |
| 15 to 20 Years        | 3.81%  |
| 20 to 30 Years        | 25.24% |
| Greater than 30 Years | 1.71%  |

**Credit Quality as of 06/30/2014**

|           |        |
|-----------|--------|
| AAA       | 69.87% |
| AA        | 4.20%  |
| A         | 12.55% |
| BBB       | 13.38% |
| BB        | 0.00%  |
| B         | 0.00%  |
| Below B   | 0.00%  |
| Not Rated | 0.00%  |

**Fixed Income Sectors as of 12/31/2014**

|                    |        |
|--------------------|--------|
| GOVERNMENT         | 47.64% |
| MUNICIPAL          | 0.77%  |
| CORPORATE          | 23.38% |
| SECURITIZED        | 23.15% |
| CASH & EQUIVALENTS | 5.04%  |
| DERIVATIVE         | 0.00%  |

Loomis Sayles Global Bond Fund

As of December 31, 2014

Account Information

|                   |                                |
|-------------------|--------------------------------|
| Account Name      | Loomis Sayles Global Bond Fund |
| Account Structure | Mutual Fund                    |
| Investment Style  | Active                         |
| Inception Date    | 5/10/91                        |
| Account Type      | Global Fixed Income            |
| Benchmark         | Barclays Global Aggregate      |
| Universe          | World Bond MStar MF            |

5 Year Risk/Return Statistics

January 01, 2010 Through December 31, 2014

Loomis Sayles Global Bond Fund Barclays Global Aggregate

RETURN SUMMARY STATISTICS

|   |       |       |
|---|-------|-------|
| Number of Periods                       | 20    | 20    |
| Maximum Return                          | 8.93  | 7.30  |
| Minimum Return                          | -3.53 | -3.14 |
| Annualized Return                       | 3.40  | 2.65  |
| Total Return                            | 18.18 | 13.96 |
| Annualized Excess Return Over Risk Free | 3.33  | 2.58  |
| Annualized Excess Return                | 0.75  | 0.00  |

RISK SUMMARY STATISTICS

|                    |      |      |
|--------------------|------|------|
| Beta               | 1.08 | 1.00 |
| Upside Deviation   | 4.53 | 3.94 |
| Downside Deviation | 2.66 | 2.28 |

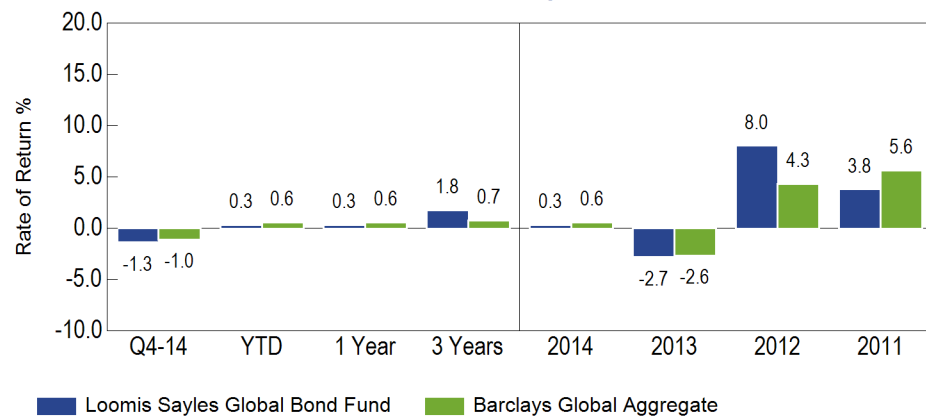
RISK/RETURN SUMMARY STATISTICS

|                                  |      |      |
|----------------------------------|------|------|
| Annualized Standard Deviation    | 5.92 | 4.88 |
| Alpha                            | 0.14 | 0.00 |
| Sharpe Ratio                     | 0.56 | 0.53 |
| Excess Return Over Market / Risk | 0.13 | 0.00 |
| Tracking Error                   | 2.77 | 0.00 |
| Information Ratio                | 0.27 | --   |

CORRELATION STATISTICS

|             |      |      |
|-------------|------|------|
| R-Squared   | 0.79 | 1.00 |
| Correlation | 0.89 | 1.00 |

Return Summary

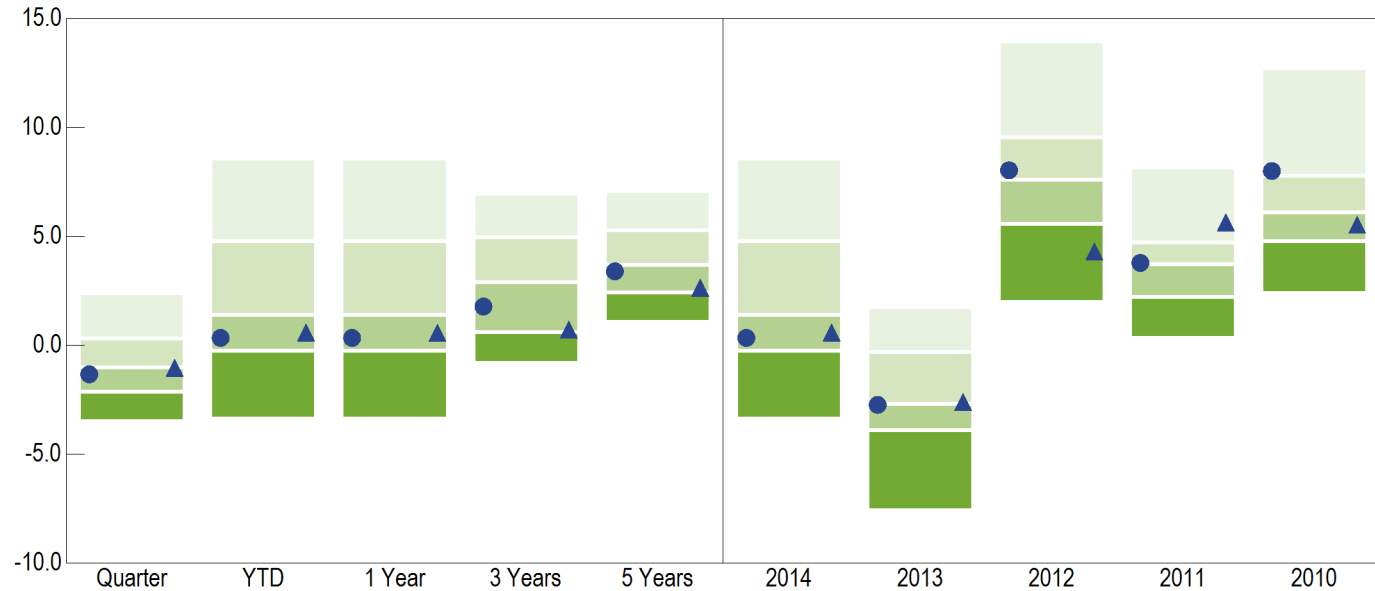


Summary Of Cash Flows

|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$17,997,854   | \$17,698,577 |
| - Withdrawals           | \$0            | \$0          |
| + Contributions         | \$2,000,000    | \$2,000,000  |
| = Net Cash Flow         | \$2,000,000    | \$2,000,000  |
| + Net Investment Change | -\$239,814     | \$59,464     |
| = Ending Market Value   | \$19,758,040   | \$19,758,040 |

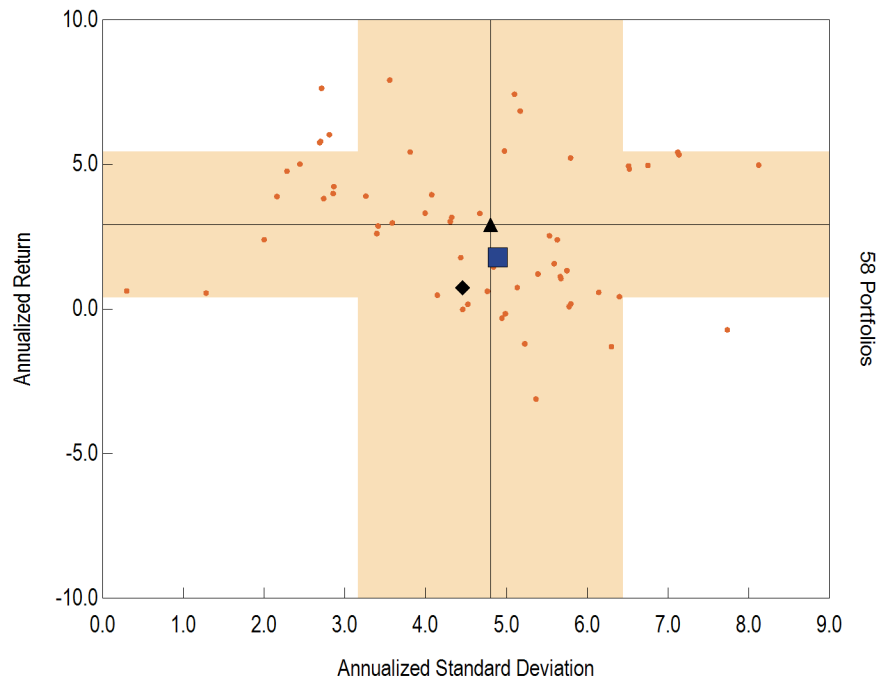


Loomis Sayles Global Bond Fund vs. World Bond MStar MF



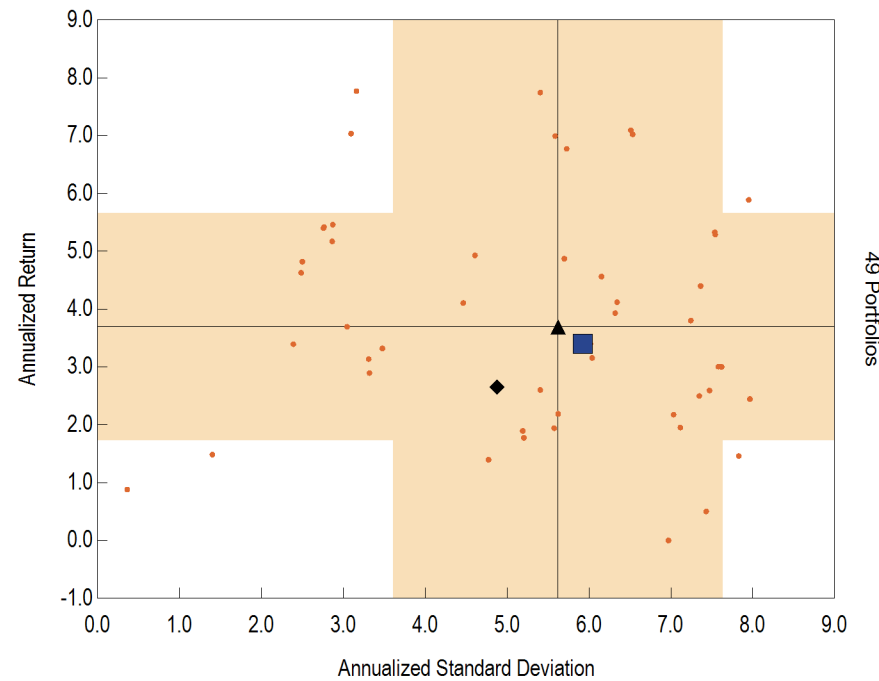
|   | Return (Rank) |          |          |          |          |          |           |          |          |          |
|---|---------------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|
| <b>5th Percentile</b>                   | 2.4           | 8.6      | 8.6      | 6.9      | 7.1      | 8.6      | 1.7       | 13.9     | 8.1      | 12.7     |
| <b>25th Percentile</b>                  | 0.3           | 4.8      | 4.8      | 5.0      | 5.3      | 4.8      | -0.3      | 9.6      | 4.7      | 7.8      |
| <b>Median</b>                           | -1.0          | 1.4      | 1.4      | 2.9      | 3.7      | 1.4      | -2.7      | 7.6      | 3.7      | 6.1      |
| <b>75th Percentile</b>                  | -2.1          | -0.2     | -0.2     | 0.6      | 2.4      | -0.2     | -3.9      | 5.6      | 2.2      | 4.8      |
| <b>95th Percentile</b>                  | -3.5          | -3.4     | -3.4     | -0.8     | 1.1      | -3.4     | -7.6      | 2.0      | 0.4      | 2.4      |
| <b># of Portfolios</b>                  | 71            | 68       | 68       | 58       | 49       | 68       | 72        | 57       | 49       | 52       |
| <b>● Loomis Sayles Global Bond Fund</b> | -1.3 (65)     | 0.3 (69) | 0.3 (69) | 1.8 (60) | 3.4 (53) | 0.3 (69) | -2.7 (51) | 8.0 (38) | 3.8 (48) | 8.0 (22) |
| <b>▲ Barclays Global Aggregate</b>      | -1.0 (52)     | 0.6 (62) | 0.6 (62) | 0.7 (73) | 2.6 (69) | 0.6 (62) | -2.6 (50) | 4.3 (88) | 5.6 (15) | 5.5 (62) |

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending December 31, 2014



- Loomis Sayles Global Bond Fund
- ◆ Barclays Global Aggregate
- ▲ Universe Median
- 68% Confidence Interval
- World Bond MStar MF

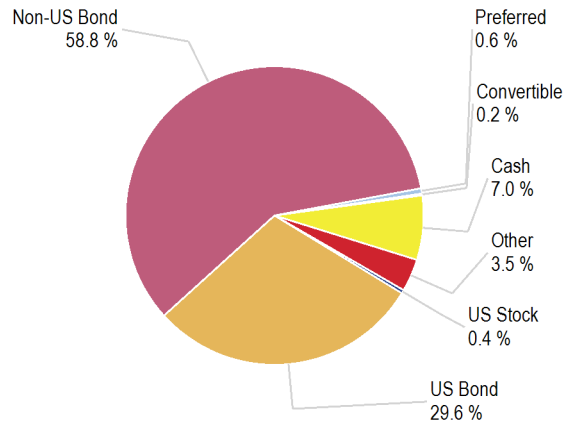
Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2014



- Loomis Sayles Global Bond Fund
- ◆ Barclays Global Aggregate
- ▲ Universe Median
- 68% Confidence Interval
- World Bond MStar MF

As of December 31, 2014

**Mutual Fund Allocation as of 11/30/2014**



**Fund Information as of 12/31/2014**

|                            |                                  |
|----------------------------|----------------------------------|
| Fund Name                  | Loomis Sayles Global Bond Fund;I |
| Ticker                     | LSGBX                            |
| Category                   | World Bond                       |
| Benchmark                  | Barclays Global Aggregate        |
| Expense Ratio              | 0.75%                            |
| Fund Assets (\$mm)         | 1,523.42                         |
| Share Class Inception Date | 5/10/1991                        |
| Manager Tenure             | 14                               |

**Top Holdings as of 11/30/2014**

|   |       |
|---|-------|
| US LONG BOND(CBT) MAR15 XCBT 20150320   | 4.97% |
| JAPAN(GOVT OF) 1.3%                     | 4.76% |
| GERMANY (FEDERAL REPUBLIC OF) 4.25%     | 3.49% |
| US ULTRA BOND(CBT MAR15 XCBT 20150320   | 2.38% |
| MEX BONOS DESARR FIX RT BONDS 06/21 6.5 | 2.32% |
| MALAYSIA (GOVT OF) 3.314%               | 2.24% |
| BELGIUM(KINGDOM) 4.25%                  | 2.03% |
| UNITED KINGDOM (GOVERNMENT OF) 4.5%     | 2.00% |
| NEW ZEALAND(GOVT) 5%                    | 1.95% |
| FNMA                                    | 1.65% |

**Fund Characteristics as of 11/30/2014**

|                            |       |
|----------------------------|-------|
| Sharpe Ratio (3 Year)      | 0.35  |
| Average Duration           | 5.99  |
| Average Coupon             | 3.93% |
| Average Effective Maturity | 7.68  |
| R-Squared (3 Year)         | 0.88  |
| Alpha (3 Year)             | 0.26% |
| Beta (3 Year)              | 1.03  |

**Maturities as of 11/30/2014**

|                       |        |
|-----------------------|--------|
| 1 to 3 Years          | 12.05% |
| 3 to 5 Years          | 16.86% |
| 5 to 7 Years          | 10.48% |
| 7 to 10 Years         | 19.33% |
| 10 to 15 Years        | 7.53%  |
| 15 to 20 Years        | 7.64%  |
| 20 to 30 Years        | 11.88% |
| Greater than 30 Years | 4.70%  |

**Credit Quality as of 11/30/2014**

|           |        |
|-----------|--------|
| AAA       | 31.28% |
| AA        | 24.05% |
| A         | 19.72% |
| BBB       | 19.19% |
| BB        | 4.13%  |
| B         | 0.28%  |
| Below B   | 0.00%  |
| Not Rated | 1.34%  |

**Fixed Income Sectors as of 11/30/2014**

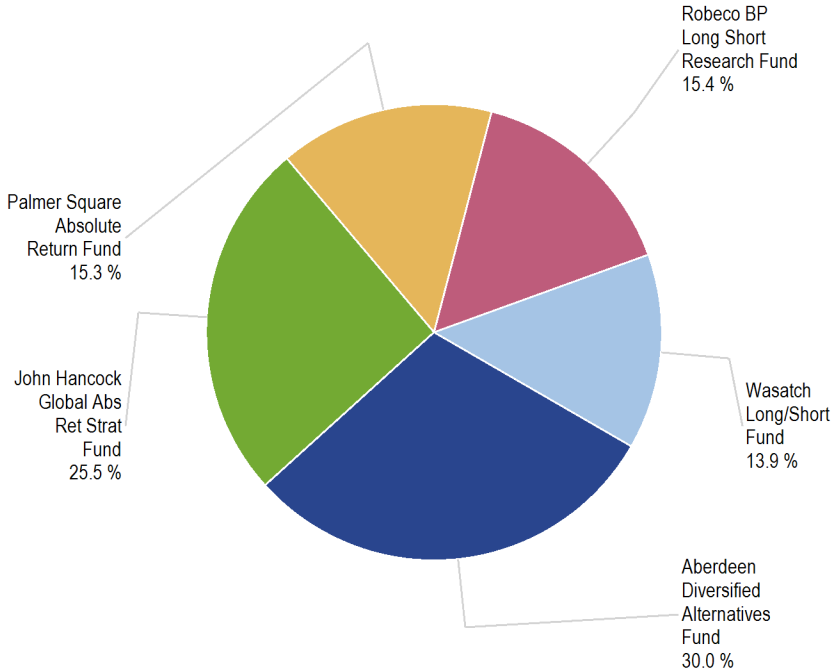
|                    |        |
|--------------------|--------|
| GOVERNMENT         | 49.01% |
| MUNICIPAL          | 0.34%  |
| CORPORATE          | 25.19% |
| SECURITIZED        | 16.22% |
| CASH & EQUIVALENTS | 7.34%  |
| DERIVATIVE         | 2.38%  |

## Alternatives

Manager Allocation

As of December 31, 2014

Current Allocation



Asset Allocation on December 31, 2014

|  | Actual \$           | Actual % |
|--|---------------------|----------|
| Aberdeen Diversified Alternatives Fund | \$23,703,196        | 30.0%    |
| John Hancock Global Abs Ret Strat Fund | \$20,175,520        | 25.5%    |
| Palmer Square Absolute Return Fund     | \$12,072,596        | 15.3%    |
| Robeco BP Long Short Research Fund     | \$12,188,659        | 15.4%    |
| Wasatch Long/Short Fund                | \$10,958,586        | 13.9%    |
| <b>Total</b>                           | <b>\$79,098,557</b> |          |

As of December 31, 2014

**Account Information**

|                   |                                    |
|-------------------|------------------------------------|
| Account Name      | Alternatives Module                |
| Account Structure |                                    |
| Investment Style  | Active                             |
| Inception Date    | 1/01/11                            |
| Account Type      |                                    |
| Benchmark         | HFRI Fund of Funds Composite Index |
| Universe          |                                    |

**Risk/Return Statistics**

January 01, 2011 Through December 31, 2014

|   | Alternatives Module | HFRI Fund of Funds Composite Index |
|---|---------------------|------------------------------------|
| <b>RETURN SUMMARY STATISTICS</b>        |                     |                                    |
| Number of Periods                       | 16                  | 16                                 |
| Maximum Return                          | 4.87                | 3.67                               |
| Minimum Return                          | -7.32               | -4.98                              |
| Annualized Return                       | 3.26                | 2.69                               |
| Total Return                            | 13.71               | 11.22                              |
| Annualized Excess Return Over Risk Free | 3.22                | 2.64                               |
| Annualized Excess Return                | 0.57                | 0.00                               |

**RISK SUMMARY STATISTICS**

|                    |      |      |
|--------------------|------|------|
| Beta               | 1.05 | 1.00 |
| Upside Deviation   | 2.93 | 2.51 |
| Downside Deviation | 6.41 | 3.97 |

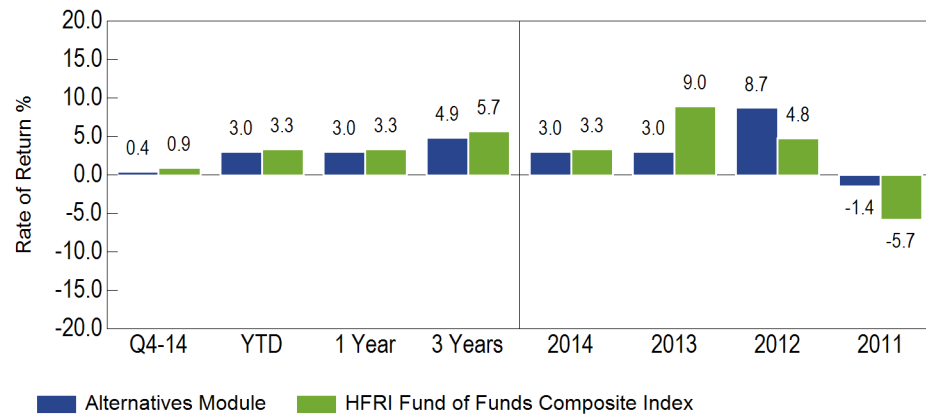
**RISK/RETURN SUMMARY STATISTICS**

|                                  |      |      |
|----------------------------------|------|------|
| Annualized Standard Deviation    | 5.68 | 4.47 |
| Alpha                            | 0.12 | 0.00 |
| Sharpe Ratio                     | 0.57 | 0.59 |
| Excess Return Over Market / Risk | 0.10 | 0.00 |
| Tracking Error                   | 3.24 | 0.00 |
| Information Ratio                | 0.18 | --   |

**CORRELATION STATISTICS**

|             |      |      |
|-------------|------|------|
| R-Squared   | 0.68 | 1.00 |
| Correlation | 0.82 | 1.00 |

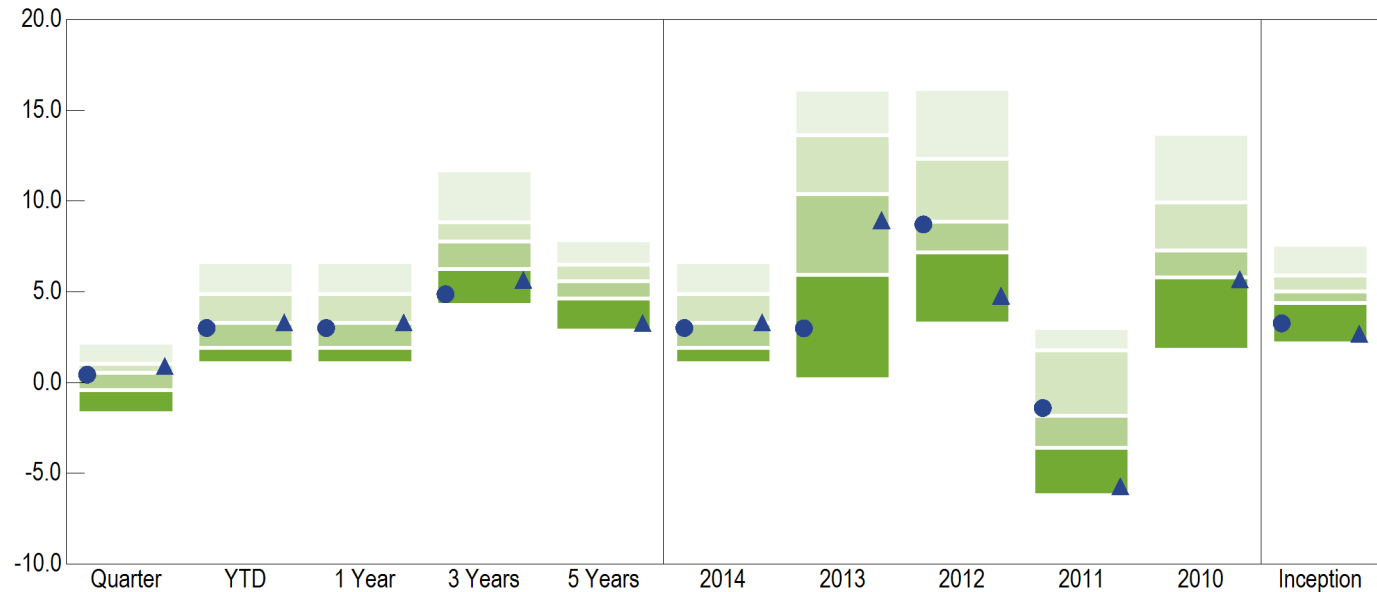
**Return Summary**



**Summary Of Cash Flows**

|                         | Fourth Quarter | Year-To-Date  |
|-------------------------|----------------|---------------|
| Beginning Market Value  | \$76,167,357   | \$66,648,765  |
| - Withdrawals           | \$0            | -\$29,960,404 |
| + Contributions         | \$2,500,000    | \$40,000,000  |
| = Net Cash Flow         | \$2,500,000    | \$10,039,596  |
| + Net Investment Change | \$431,200      | \$2,410,197   |
| = Ending Market Value   | \$79,098,557   | \$79,098,557  |

Alternatives Module vs. InvestorForce All E&F Hedge Funds Net



|   | Return (Rank) |          |          |          |          |          |          |          |           |          |          |
|---|---------------|----------|----------|----------|----------|----------|----------|----------|-----------|----------|----------|
| <b>5th Percentile</b>                       | 2.2           | 6.6      | 6.6      | 11.7     | 7.8      | 6.6      | 16.1     | 16.2     | 3.0       | 13.7     | 7.6      |
| <b>25th Percentile</b>                      | 1.0           | 4.9      | 4.9      | 8.8      | 6.5      | 4.9      | 13.7     | 12.4     | 1.8       | 10.0     | 5.9      |
| <b>Median</b>                               | 0.6           | 3.3      | 3.3      | 7.8      | 5.6      | 3.3      | 10.4     | 8.9      | -1.8      | 7.3      | 5.0      |
| <b>75th Percentile</b>                      | -0.4          | 1.9      | 1.9      | 6.3      | 4.7      | 1.9      | 6.0      | 7.2      | -3.6      | 5.8      | 4.4      |
| <b>95th Percentile</b>                      | -1.7          | 1.1      | 1.1      | 4.3      | 2.9      | 1.1      | 0.2      | 3.3      | -6.2      | 1.8      | 2.2      |
| <b># of Portfolios</b>                      | 176           | 168      | 168      | 152      | 121      | 168      | 114      | 150      | 140       | 124      | 136      |
| <b>● Alternatives Module</b>                | 0.4 (53)      | 3.0 (60) | 3.0 (60) | 4.9 (92) | -- (--)  | 3.0 (60) | 3.0 (82) | 8.7 (55) | -1.4 (48) | -- (--)  | 3.3 (91) |
| <b>▲ HFRI Fund of Funds Composite Index</b> | 0.9 (34)      | 3.3 (50) | 3.3 (50) | 5.7 (86) | 3.3 (94) | 3.3 (50) | 9.0 (67) | 4.8 (89) | -5.7 (92) | 5.7 (77) | 2.7 (95) |

Aberdeen Diversified Alternatives Fund

As of December 31, 2014

Account Information

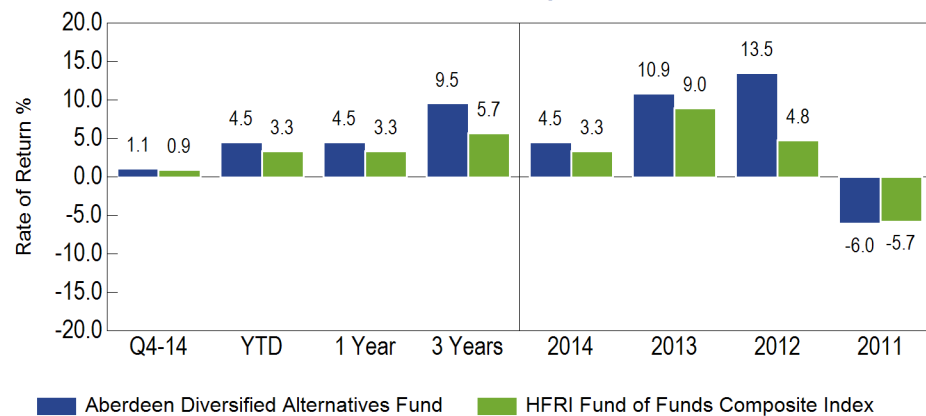
|                   |  |
|-------------------|--|
| Account Name      | Aberdeen Diversified Alternatives Fund |
| Account Structure | Mutual Fund                            |
| Investment Style  | Active                                 |
| Inception Date    | 7/01/04                                |
| Account Type      | Global Macro                           |
| Benchmark         | HFRI Fund of Funds Composite Index     |
| Universe          | World Allocation MStar MF              |

5 Year Risk/Return Statistics

January 01, 2010 Through December 31, 2014

|   | Aberdeen Diversified Alternatives Fund | HFRI Fund of Funds Composite Index |
|---|--|------------------------------------|
| <b>RETURN SUMMARY STATISTICS</b>        |  |                                    |
| Number of Periods                       | 20                                     | 20                                 |
| Maximum Return                          | 13.60                                  | 3.67                               |
| Minimum Return                          | -15.24                                 | -4.98                              |
| Annualized Return                       | 6.67                                   | 3.29                               |
| Total Return                            | 38.13                                  | 17.56                              |
| Annualized Excess Return Over Risk Free | 6.61                                   | 3.22                               |
| Annualized Excess Return                | 3.39                                   | 0.00                               |

Return Summary



RISK SUMMARY STATISTICS

|                    | Aberdeen Diversified Alternatives Fund | HFRI Fund of Funds Composite Index |
|--------------------|--|------------------------------------|
| Beta               | 2.28                                   | 1.00                               |
| Upside Deviation   | 6.93                                   | 2.57                               |
| Downside Deviation | 13.22                                  | 3.45                               |

RISK/RETURN SUMMARY STATISTICS

|                                  | Aberdeen Diversified Alternatives Fund | HFRI Fund of Funds Composite Index |
|----------------------------------|--|------------------------------------|
| Annualized Standard Deviation    | 12.25                                  | 4.61                               |
| Alpha                            | -0.09                                  | 0.00                               |
| Sharpe Ratio                     | 0.54                                   | 0.70                               |
| Excess Return Over Market / Risk | 0.28                                   | 0.00                               |
| Tracking Error                   | 8.64                                   | 0.00                               |
| Information Ratio                | 0.39                                   | --                                 |

Summary Of Cash Flows

|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$22,657,172   | --           |
| - Withdrawals           | \$0            | \$0          |
| + Contributions         | \$800,000      | \$22,800,000 |
| = Net Cash Flow         | \$800,000      | \$22,800,000 |
| + Net Investment Change | \$246,024      | \$903,196    |
| = Ending Market Value   | \$23,703,196   | \$23,703,196 |

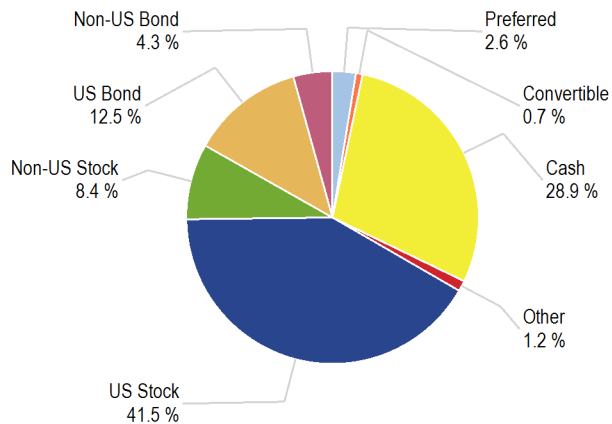
CORRELATION STATISTICS

|             | Aberdeen Diversified Alternatives Fund | HFRI Fund of Funds Composite Index |
|-------------|--|------------------------------------|
| R-Squared   | 0.73                                   | 1.00                               |
| Correlation | 0.86                                   | 1.00                               |



As of December 31, 2014

**Mutual Fund Allocation as of 12/31/2014**



**Fund Information as of 12/31/2014**

|                            |                                     |
|----------------------------|-------------------------------------|
| Fund Name                  | ABERDEEN DIVERSIFIED ALTERNATIVES I |
| Ticker                     | GASIX                               |
| Category                   | Multialternative                    |
| Benchmark                  | HFRI Fund of Funds Composite Index  |
| Expense Ratio              | 1.68%                               |
| Fund Assets (\$mm)         | 74.78                               |
| Share Class Inception Date | 6/29/2004                           |
| Manager Tenure             | 7                                   |

**Top Holdings as of 12/31/2014**

|  |        |
|--|--------|
| GOTHAM NEUTRAL INSTITUTIONAL             | 12.04% |
| ARBITRAGE EVENT-DRIVEN I                 | 11.08% |
| BOSTON PARTNERS LONG/SHORT RSRCH INSTL   | 10.98% |
| WHITEBOX TACTICAL OPPORTUNITIES INSTL    | 10.11% |
| AQR MANAGED FUTURES STRATEGY I           | 8.46%  |
| NUVEEN PREFERRED SECURITIES I            | 7.84%  |
| ABERDEEN EQUITY LONG-SHORT INST          | 6.73%  |
| FIRST TRUST HEALTH CARE ALPHADEX® ETF    | 5.83%  |
| DEUTSCHE X-TRACKERS MSCI JAPAN HEDGED EQ | 5.62%  |
| EATON VANCE FLOATING RATE I              | 3.92%  |

**Fund Characteristics as of 12/31/2014**

|                            |       |
|----------------------------|-------|
| Sharpe Ratio (3 Year)      | 1.61  |
| Average Duration           |       |
| Average Coupon             | 5.03% |
| Average Effective Maturity |       |
| R-Squared (3 Year)         | 0.80  |
| Alpha (3 Year)             | 0.16% |
| Beta (3 Year)              | 1.56  |

**Fixed Income Sectors as of 12/31/2014**

|                    |        |
|--------------------|--------|
| GOVERNMENT         | 11.75% |
| MUNICIPAL          | 0.29%  |
| CORPORATE          | 19.40% |
| SECURITIZED        | 0.66%  |
| CASH & EQUIVALENTS | 35.96% |
| DERIVATIVE         | 10.80% |

**Maturities as of 12/31/2014**

|                       |       |
|-----------------------|-------|
| 1 to 3 Years          | 4.35% |
| 3 to 5 Years          | 3.74% |
| 5 to 7 Years          | 3.07% |
| 7 to 10 Years         | 7.95% |
| 10 to 15 Years        | 0.73% |
| 15 to 20 Years        | 0.36% |
| 20 to 30 Years        | 0.67% |
| Greater than 30 Years | 2.81% |

**Credit Quality as of 08/31/2013**

|           |        |
|-----------|--------|
| AAA       | 28.69% |
| AA        | 3.25%  |
| A         | 6.01%  |
| BBB       | 1.57%  |
| BB        | 29.24% |
| B         | 26.09% |
| Below B   | 0.82%  |
| Not Rated | 4.33%  |

# Virginia Birth-Related Neurological Injury Compensation Fund

## John Hancock Global Absolute Return Strategies Fund

As of December 31, 2014

### Account Information

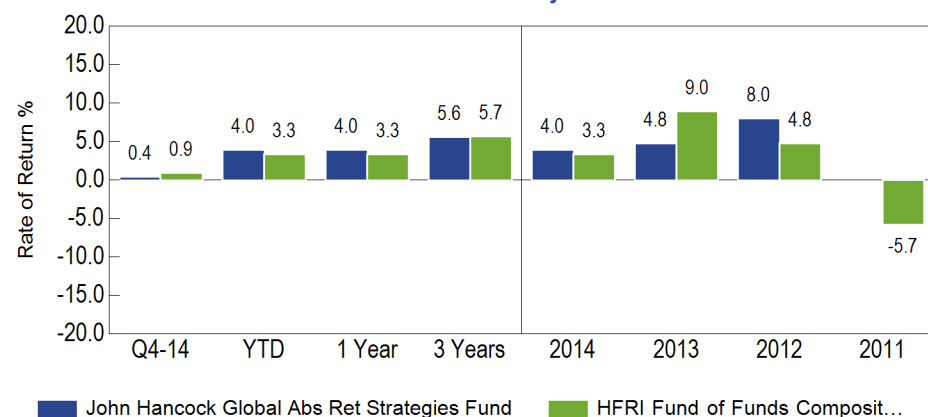
|                   |   |
|-------------------|---|
| Account Name      | John Hancock Global Abs Ret Strategies Fund |
| Account Structure | Mutual Fund                                 |
| Investment Style  | Active                                      |
| Inception Date    | 12/16/11                                    |
| Account Type      | Absolute Return                             |
| Benchmark         | HFRI Fund of Funds Composite Index          |
| Universe          | InvestorForce All E&F Hedge Funds Net       |

### Risk/Return Statistics

January 01, 2012 Through December 31, 2014

|   | John Hancock Global Abs Ret Strategies Fund | HFRI Fund of Funds Composite Index |
|---|---|------------------------------------|
| <b>RETURN SUMMARY STATISTICS</b>        |   |                                    |
| Number of Periods                       | 12  | 12                                 |
| Maximum Return                          | 6.57  | 3.67                               |
| Minimum Return                          | -2.15                                       | -2.31                              |
| Annualized Return                       | 5.56  | 5.66                               |
| Total Return                            | 17.63                                       | 17.96                              |
| Annualized Excess Return Over Risk Free | 5.51  | 5.61                               |
| Annualized Excess Return                | -0.10                                       | 0.00                               |

### Return Summary



### RISK SUMMARY STATISTICS

|                    |      |      |
|--------------------|------|------|
| Beta               | 1.05 | 1.00 |
| Upside Deviation   | 3.81 | 2.58 |
| Downside Deviation | 1.90 | --   |

### RISK/RETURN SUMMARY STATISTICS

|                                  |       |      |
|----------------------------------|-------|------|
| Annualized Standard Deviation    | 4.56  | 3.40 |
| Alpha                            | -0.09 | 0.00 |
| Sharpe Ratio                     | 1.21  | 1.65 |
| Excess Return Over Market / Risk | -0.02 | 0.00 |
| Tracking Error                   | 2.83  | 0.00 |
| Information Ratio                | -0.03 | --   |

### Summary Of Cash Flows

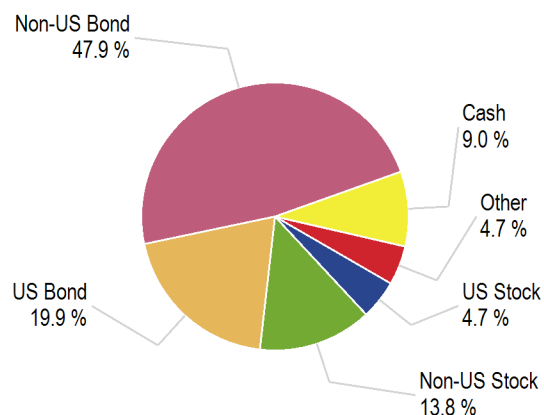
|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$19,159,506   | \$14,007,418 |
| - Withdrawals           | \$0            | \$0          |
| + Contributions         | \$850,000      | \$5,350,000  |
| = Net Cash Flow         | \$850,000      | \$5,350,000  |
| + Net Investment Change | \$166,015      | \$818,102    |
| = Ending Market Value   | \$20,175,520   | \$20,175,520 |

# Virginia Birth-Related Neurological Injury Compensation Fund

## John Hancock Global Absolute Return Strategies Fund

As of December 31, 2014

### Mutual Fund Allocation as of 11/30/2014



### Fund Characteristics as of 11/30/2014

|                           |           |
|---------------------------|-----------|
| Sharpe Ratio (3 Year)     | 1.21      |
| Average Market Cap (\$mm) | 32,283.01 |
| Price/Earnings            | 15.42     |
| Price/Book                | 2.04      |
| Price/Sales               | 1.15      |
| Price/Cash Flow           | 6.83      |
| Dividend Yield            | 2.94      |
| Number of Equity Holdings | 251       |
| R-Squared (3 Year)        | 0.62      |
| Alpha (3 Year)            | -0.09%    |

### Fund Information as of 12/31/2014

|                            |                                       |
|----------------------------|---------------------------------------|
| Fund Name                  | JHANCOCK GLOBAL ABSOLUTE RET STRATS I |
| Ticker                     | JHAIX                                 |
| Category                   | Multialternative                      |
| Benchmark                  | HFRI Fund of Funds Composite Index    |
| Expense Ratio              | 1.39%                                 |
| Fund Assets (\$mm)         | 3,883.83                              |
| Share Class Inception Date | 12/16/2011                            |
| Manager Tenure             | 3                                     |

### Top Holdings as of 11/30/2014

|  |        |
|--|--------|
| NASDAQ 100 E-MINI DEC14 XCME 20141219                        | 14.38% |
| S+P500 EMINI FUT DEC14 XCME 20141219                         | 13.87% |
| RUSSELL 2000 MINI DEC14 IMEQ 20141219                        | 13.03% |
| SWISS MKT IX FUTR DEC14 XEUR 20141219                        | 8.03%  |
| S80895211 IRS AUD R F 4.20000 SL_1480895211_FIXED CCPVANILL  | 7.46%  |
| S80895211 IRS AUD P V 06MBBSW SL_1480895211_FLOAT CCPVANILLA | 7.27%  |
| S81632631 IRS AUD R F 3.52000 SL_1481632631_RECEIVE CCPVANI  | 7.23%  |
| S81632631 IRS AUD P V 03MBBSW SL_1481632631_PAY CCPVANILLA   | 7.14%  |
| DAX INDEX FUTURE DEC14 XEUR 20141219                         | 6.58%  |
| CAC40 10 EURO FUT DEC14 XPAR 20141219                        | 6.27%  |

### Sector Allocation as of 11/30/2014

|                        |       |
|------------------------|-------|
| BASIC MATERIALS        | 5.80% |
| COMMUNICATION SERVICES | 2.05% |
| CONSUMER CYCLICAL      | 5.58% |
| CONSUMER DEFENSIVE     | 3.28% |
| ENERGY                 | 6.22% |
| FINANCIAL SERVICES     | 9.17% |
| HEALTHCARE             | 4.89% |
| INDUSTRIALS            | 5.33% |
| REAL ESTATE            | 0.90% |
| TECHNOLOGY             | 4.42% |
| UTILITIES              | 0.66% |

### Top Regions as of 11/30/2014

|                |        |
|----------------|--------|
| UNITED KINGDOM | 12.68% |
| UNITED STATES  | 12.37% |
| EUROZONE       | 10.64% |
| EUROPE EXEURO  | 6.33%  |
| ASIA EMERGING  | 2.53%  |

### Top Countries as of 11/30/2014

|                |        |
|----------------|--------|
| United States  | 16.42% |
| United Kingdom | 13.25% |
| Mexico         | 3.50%  |
| France         | 3.09%  |
| Switzerland    | 2.56%  |
| Brazil         | 2.53%  |
| China          | 2.53%  |
| Germany        | 2.27%  |
| Spain          | 2.05%  |
| Denmark        | 1.59%  |

Palmer Square Absolute Return Fund

As of December 31, 2014

Account Information

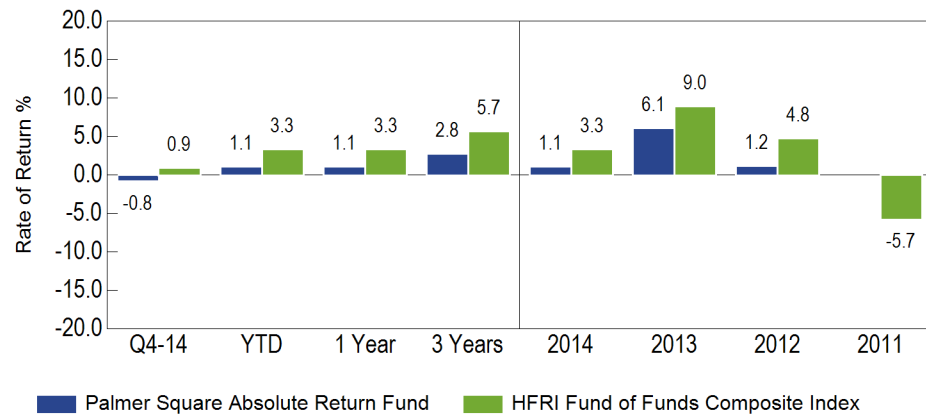
|                   |                                       |
|-------------------|---------------------------------------|
| Account Name      | Palmer Square Absolute Return Fund    |
| Account Structure | Mutual Fund                           |
| Investment Style  | Active                                |
| Inception Date    | 5/17/11                               |
| Account Type      | Absolute Return                       |
| Benchmark         | HFRI Fund of Funds Composite Index    |
| Universe          | InvestorForce All E&F Hedge Funds Net |

Risk/Return Statistics

July 01, 2011 Through December 31, 2014

|   | Palmer Square Absolute Return Fund | HFRI Fund of Funds Composite Index |
|---|------------------------------------|------------------------------------|
| <b>RETURN SUMMARY STATISTICS</b>        |                                    |                                    |
| Number of Periods                       | 14                                 | 14                                 |
| Maximum Return                          | 2.39                               | 3.67                               |
| Minimum Return                          | -5.00                              | -4.98                              |
| Annualized Return                       | 0.97                               | 3.17                               |
| Total Return                            | 3.43                               | 11.55                              |
| Annualized Excess Return Over Risk Free | 0.92                               | 3.13                               |
| Annualized Excess Return                | -2.21                              | 0.00                               |

Return Summary



RISK SUMMARY STATISTICS

|                    | Palmer Square Absolute Return Fund | HFRI Fund of Funds Composite Index |
|--------------------|------------------------------------|------------------------------------|
| Beta               | 0.75                               | 1.00                               |
| Upside Deviation   | 1.68                               | 2.58                               |
| Downside Deviation | 4.11                               | 4.54                               |

RISK/RETURN SUMMARY STATISTICS

|                                  | Palmer Square Absolute Return Fund | HFRI Fund of Funds Composite Index |
|----------------------------------|------------------------------------|------------------------------------|
| Annualized Standard Deviation    | 3.86                               | 4.68                               |
| Alpha                            | -0.35                              | 0.00                               |
| Sharpe Ratio                     | 0.24                               | 0.67                               |
| Excess Return Over Market / Risk | -0.57                              | 0.00                               |
| Tracking Error                   | 1.98                               | 0.00                               |
| Information Ratio                | -1.12                              | --                                 |

Summary Of Cash Flows

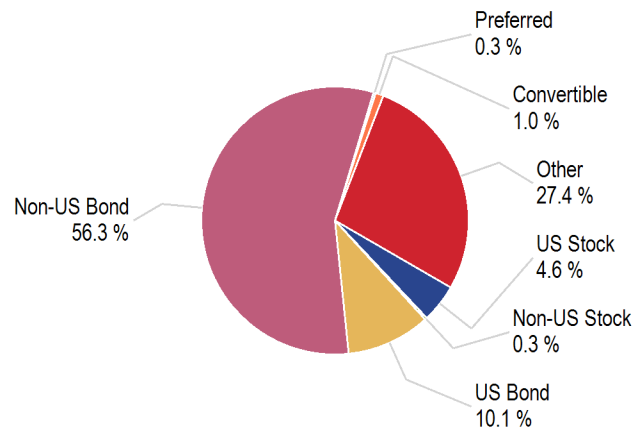
|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$11,512,066   | \$13,763,022 |
| - Withdrawals           | \$0            | -\$2,500,000 |
| + Contributions         | \$650,000      | \$650,000    |
| = Net Cash Flow         | \$650,000      | -\$1,850,000 |
| + Net Investment Change | -\$89,470      | \$159,574    |
| = Ending Market Value   | \$12,072,596   | \$12,072,596 |

CORRELATION STATISTICS

|             | Palmer Square Absolute Return Fund | HFRI Fund of Funds Composite Index |
|-------------|------------------------------------|------------------------------------|
| R-Squared   | 0.83                               | 1.00                               |
| Correlation | 0.91                               | 1.00                               |

As of December 31, 2014

**Mutual Fund Allocation as of 10/31/2014**



**Fund Characteristics as of 10/31/2014**

|                           |          |
|---------------------------|----------|
| Sharpe Ratio (3 Year)     | 1.05     |
| Average Market Cap (\$mm) | 2,609.37 |
| Price/Earnings            | 24.04    |
| Price/Book                | 2.41     |
| Price/Sales               | 0.95     |
| Price/Cash Flow           | 8.22     |
| Dividend Yield            | 1.68     |
| Number of Equity Holdings | 80       |
| R-Squared (3 Year)        | 0.68     |
| Alpha (3 Year)            | -0.19%   |

**Fund Information as of 12/31/2014**

|                            |                                    |
|----------------------------|------------------------------------|
| Fund Name                  | PALMER SQUARE ABSOLUTE RETURN I    |
| Ticker                     | PSQIX                              |
| Category                   | Multialternative                   |
| Benchmark                  | HFRI Fund of Funds Composite Index |
| Expense Ratio              | 1.86%                              |
| Fund Assets (\$mm)         | 305.36                             |
| Share Class Inception Date | 5/17/2011                          |
| Manager Tenure             | 4                                  |

**Top Holdings as of 10/31/2014**

|  |       |
|--|-------|
| WEST CLO 2014-1 144A FRN                   | 4.16% |
| MARATHON CLO IV 144A FRN                   | 2.70% |
| SAPPHIRE VALLEY 2006-1 FRN                 | 2.06% |
| FANNIE MAE SINGLE FAMILY TBA 4% 2044-11-01 | 1.71% |
| FED NATL MORT ASSC 3.5%                    | 1.66% |
| BLUEMOUNTAIN CLO 2011-1 LTD / B 144A FRN   | 1.61% |
| ATRIUM IX LLC 2013-9                       | 1.59% |
| B E AEROSPACE 5.25%                        | 1.44% |
| MARINE PARK CLO 2012 FRN                   | 1.40% |
| MOUNTAIN VIEW CLO 2014-1 INV 144A          | 1.36% |

**Sector Allocation as of 10/31/2014**

|                        |       |
|------------------------|-------|
| BASIC MATERIALS        | 0.46% |
| COMMUNICATION SERVICES | 0.02% |
| CONSUMER CYCLICAL      | 1.50% |
| CONSUMER DEFENSIVE     | 0.02% |
| ENERGY                 | 0.28% |
| FINANCIAL SERVICES     | 0.03% |
| HEALTHCARE             | 0.28% |
| INDUSTRIALS            | 0.54% |
| REAL ESTATE            | 0.12% |
| TECHNOLOGY             | 2.18% |
| UTILITIES              | 0.00% |

**Top Regions as of 10/31/2014**

|                |       |
|----------------|-------|
| UNITED STATES  | 5.14% |
| ASIA DEVELOPED | 0.28% |

**Top Countries as of 10/31/2014**

|                |        |
|----------------|--------|
| Cayman Islands | 62.16% |
| United States  | 16.53% |
| Canada         | 0.37%  |
| Bermuda        | 0.28%  |
| Luxembourg     | 0.28%  |
| Taiwan         | 0.28%  |
| Ireland        | 0.24%  |
| Australia      | 0.08%  |

Robeco BP Long/Short Research Fund

As of December 31, 2014

Account Information

|                   |                                    |
|-------------------|------------------------------------|
| Account Name      | Robeco BP Long/Short Research Fund |
| Account Structure | Mutual Fund                        |
| Investment Style  | Active                             |
| Inception Date    | 9/30/10                            |
| Account Type      | Long/Short Equity                  |
| Benchmark         | HFRI Equity Hedge (Total) Index    |
| Universe          | Long-Short MStar MF                |

Risk/Return Statistics

October 01, 2010 Through December 31, 2014

|  |                                    |                                 |
|--|------------------------------------|---------------------------------|
|  | Robeco BP Long/Short Research Fund | HFRI Equity Hedge (Total) Index |
|--|------------------------------------|---------------------------------|

RETURN SUMMARY STATISTICS

|   |       |        |
|---|-------|--------|
| Number of Periods                       | 17    | 17     |
| Maximum Return                          | 8.37  | 6.89   |
| Minimum Return                          | -9.89 | -10.92 |
| Annualized Return                       | 11.44 | 4.79   |
| Total Return                            | 58.45 | 22.01  |
| Annualized Excess Return Over Risk Free | 11.38 | 4.74   |
| Annualized Excess Return                | 6.65  | 0.00   |

RISK SUMMARY STATISTICS

|                    |      |      |
|--------------------|------|------|
| Beta               | 0.95 | 1.00 |
| Upside Deviation   | 5.06 | 3.99 |
| Downside Deviation | 9.20 | 8.40 |

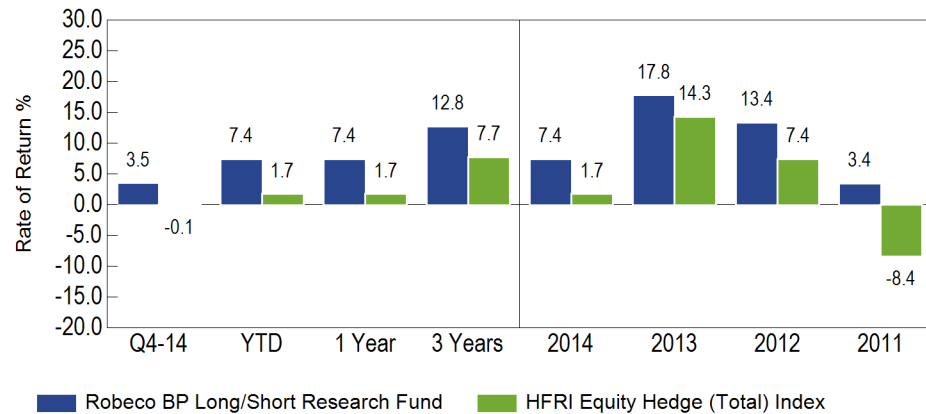
RISK/RETURN SUMMARY STATISTICS

|                                  |      |      |
|----------------------------------|------|------|
| Annualized Standard Deviation    | 8.86 | 8.68 |
| Alpha                            | 1.64 | 0.00 |
| Sharpe Ratio                     | 1.28 | 0.55 |
| Excess Return Over Market / Risk | 0.75 | 0.00 |
| Tracking Error                   | 3.38 | 0.00 |
| Information Ratio                | 1.96 | --   |

CORRELATION STATISTICS

|             |      |      |
|-------------|------|------|
| R-Squared   | 0.86 | 1.00 |
| Correlation | 0.93 | 1.00 |

Return Summary

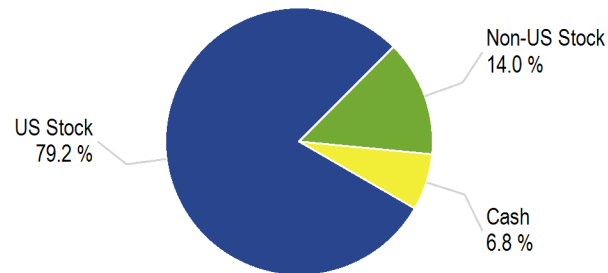


Summary Of Cash Flows

|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$11,777,502   | \$13,333,445 |
| - Withdrawals           | \$0            | -\$2,000,000 |
| + Contributions         | \$0            | \$0          |
| = Net Cash Flow         | \$0            | -\$2,000,000 |
| + Net Investment Change | \$411,157      | \$855,214    |
| = Ending Market Value   | \$12,188,659   | \$12,188,659 |

As of December 31, 2014

## Mutual Fund Allocation as of 09/30/2014



## Fund Information as of 12/31/2014

|                            |  |
|----------------------------|--|
| Fund Name                  | ROBECO BOSTON PARTNERS L/S RSRCH INSTL |
| Ticker                     | BPIRX                                  |
| Category                   | Long/Short Equity                      |
| Benchmark                  | HFRI Equity Hedge (Total) Index        |
| Expense Ratio              | 1.38%                                  |
| Fund Assets (\$mm)         | 5,731.19                               |
| Share Class Inception Date | 9/30/2010                              |
| Manager Tenure             | 4                                      |

## Top Holdings as of 09/30/2014

|  |       |
|--|-------|
| EXXON MOBIL CORPORATION                | 2.36% |
| TEVA PHARMACEUTICAL INDUSTRIES LTD ADR | 1.64% |
| JOHNSON & JOHNSON                      | 1.60% |
| CAPITAL ONE FINANCIAL CORP             | 1.53% |
| EOG RESOURCES INC                      | 1.53% |
| JPMORGAN CHASE & CO                    | 1.53% |
| PFIZER INC                             | 1.52% |
| WELLS FARGO & CO                       | 1.49% |
| CITIGROUP INC                          | 1.48% |
| LIBERTY GLOBAL PLC CLASS C             | 1.46% |

## Fund Characteristics as of 09/30/2014

|                           |           |
|---------------------------|-----------|
| Sharpe Ratio (3 Year)     | 2.11      |
| Average Market Cap (\$mm) | 20,020.12 |
| Price/Earnings            | 15.69     |
| Price/Book                | 1.83      |
| Price/Sales               | 1.06      |
| Price/Cash Flow           | 6.73      |
| Dividend Yield            | 1.83      |
| Number of Equity Holdings | 220       |
| R-Squared (3 Year)        | 0.86      |
| Alpha (3 Year)            | 1.41%     |

## Sector Allocation as of 09/30/2014

|                        |        |
|------------------------|--------|
| BASIC MATERIALS        | 3.98%  |
| COMMUNICATION SERVICES | 4.02%  |
| CONSUMER CYCLICAL      | 22.48% |
| CONSUMER DEFENSIVE     | 7.94%  |
| ENERGY                 | 18.56% |
| FINANCIAL SERVICES     | 33.62% |
| HEALTHCARE             | 23.11% |
| INDUSTRIALS            | 21.96% |
| REAL ESTATE            | 1.83%  |
| TECHNOLOGY             | 29.29% |
| UTILITIES              | 0.00%  |

## Top Regions as of 09/30/2014

|                |         |
|----------------|---------|
| UNITED STATES  | 141.69% |
| UNITED KINGDOM | 5.40%   |
| EUROZONE       | 4.93%   |
| EUROPE EXEURO  | 3.47%   |
| CANADA         | 2.65%   |

## Top Countries as of 09/30/2014

|                |         |
|----------------|---------|
| United States  | 141.69% |
| United Kingdom | 5.40%   |
| Switzerland    | 3.47%   |
| Canada         | 2.65%   |
| China          | 2.08%   |
| Japan          | 1.87%   |
| Israel         | 1.64%   |
| France         | 1.60%   |
| Ireland        | 1.26%   |
| Taiwan         | 1.20%   |

As of December 31, 2014

**Account Information**

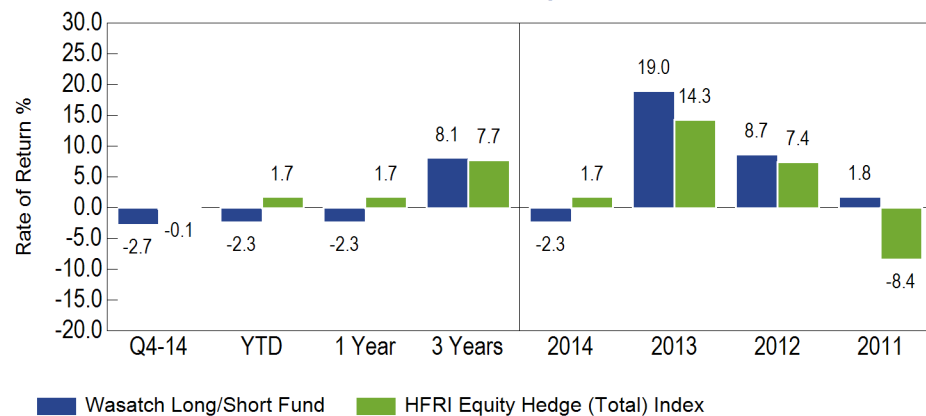
|                   |                                 |
|-------------------|---------------------------------|
| Account Name      | Wasatch Long/Short Fund         |
| Account Structure | Mutual Fund                     |
| Investment Style  | Active                          |
| Inception Date    | 9/01/03                         |
| Account Type      | Long/Short                      |
| Benchmark         | HFRI Equity Hedge (Total) Index |
| Universe          | Long-Short MStar MF             |

**5 Year Risk/Return Statistics**

January 01, 2010 Through December 31, 2014

|   | Wasatch Long/Short Fund | HFRI Equity Hedge (Total) Index |
|---|-------------------------|---------------------------------|
| <b>RETURN SUMMARY STATISTICS</b>        |                         |                                 |
| Number of Periods                       | 20                      | 20                              |
| Maximum Return                          | 9.19                    | 6.89                            |
| Minimum Return                          | -10.50                  | -10.92                          |
| Annualized Return                       | 7.05                    | 4.79                            |
| Total Return                            | 40.59                   | 26.37                           |
| Annualized Excess Return Over Risk Free | 6.99                    | 4.73                            |
| Annualized Excess Return                | 2.26                    | 0.00                            |

**Return Summary**



**RISK SUMMARY STATISTICS**

|                    | Wasatch Long/Short Fund | HFRI Equity Hedge (Total) Index |
|--------------------|-------------------------|---------------------------------|
| Beta               | 1.21                    | 1.00                            |
| Upside Deviation   | 5.28                    | 3.87                            |
| Downside Deviation | 7.29                    | 7.77                            |

**RISK/RETURN SUMMARY STATISTICS**

|                                  | Wasatch Long/Short Fund | HFRI Equity Hedge (Total) Index |
|----------------------------------|-------------------------|---------------------------------|
| Annualized Standard Deviation    | 11.54                   | 8.69                            |
| Alpha                            | 0.34                    | 0.00                            |
| Sharpe Ratio                     | 0.61                    | 0.54                            |
| Excess Return Over Market / Risk | 0.20                    | 0.00                            |
| Tracking Error                   | 5.05                    | 0.00                            |
| Information Ratio                | 0.45                    | --                              |

**Summary Of Cash Flows**

|                         | Fourth Quarter | Year-To-Date |
|-------------------------|----------------|--------------|
| Beginning Market Value  | \$11,061,111   | --           |
| - Withdrawals           | \$0            | \$0          |
| + Contributions         | \$200,000      | \$11,200,000 |
| = Net Cash Flow         | \$200,000      | \$11,200,000 |
| + Net Investment Change | -\$302,525     | -\$241,414   |
| = Ending Market Value   | \$10,958,586   | \$10,958,586 |

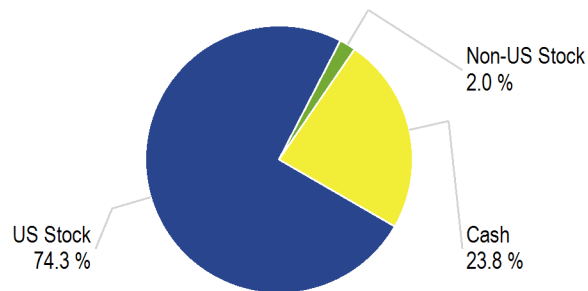
**CORRELATION STATISTICS**

|             | Wasatch Long/Short Fund | HFRI Equity Hedge (Total) Index |
|-------------|-------------------------|---------------------------------|
| R-Squared   | 0.83                    | 1.00                            |
| Correlation | 0.91                    | 1.00                            |



As of December 31, 2014

Mutual Fund Allocation as of 09/30/2014



Fund Information as of 12/31/2014

|                            |                                  |
|----------------------------|----------------------------------|
| Fund Name                  | Wasatch Long/Short Fund;Investor |
| Ticker                     | FMLSX                            |
| Category                   | Long/Short Equity                |
| Benchmark                  | HFRI Equity Hedge (Total) Index  |
| Expense Ratio              | 1.28%                            |
| Fund Assets (\$mm)         | 1,441.74                         |
| Share Class Inception Date | 8/1/2003                         |
| Manager Tenure             | 11                               |

Top Holdings as of 09/30/2014

|                          |       |
|--------------------------|-------|
| DENBURY RESOURCES INC    | 5.35% |
| TIBCO SOFTWARE INC       | 3.87% |
| IRON MOUNTAIN INC        | 3.80% |
| APPLE INC                | 3.57% |
| LOEWS CORP               | 3.53% |
| WAL-MART STORES INC      | 3.45% |
| BILL BARRETT CORPORATION | 3.15% |
| MICROSOFT CORP           | 2.84% |
| GENERAL MOTORS CO        | 2.65% |
| CITIGROUP INC            | 2.19% |

Fund Characteristics as of 09/30/2014

|                           |           |
|---------------------------|-----------|
| Sharpe Ratio (3 Year)     | 0.92      |
| Average Market Cap (\$mm) | 18,437.66 |
| Price/Earnings            | 18.52     |
| Price/Book                | 1.51      |
| Price/Sales               | 1.23      |
| Price/Cash Flow           | 5.81      |
| Dividend Yield            | 2.07      |
| Number of Equity Holdings | 53        |
| R-Squared (3 Year)        | 0.86      |
| Alpha (3 Year)            | -0.39%    |

Sector Allocation as of 09/30/2014

|                        |        |
|------------------------|--------|
| BASIC MATERIALS        | 1.73%  |
| COMMUNICATION SERVICES | 0.98%  |
| CONSUMER CYCLICAL      | 7.39%  |
| CONSUMER DEFENSIVE     | 4.80%  |
| ENERGY                 | 21.13% |
| FINANCIAL SERVICES     | 13.33% |
| HEALTHCARE             | 5.73%  |
| INDUSTRIALS            | 8.01%  |
| REAL ESTATE            | 5.52%  |
| TECHNOLOGY             | 15.67% |
| UTILITIES              | 0.37%  |

Top Regions as of 09/30/2014

|               |        |
|---------------|--------|
| UNITED STATES | 82.50% |
| CANADA        | 1.14%  |
| EUROPE EXEURO | 1.03%  |

Top Countries as of 09/30/2014

|               |        |
|---------------|--------|
| United States | 82.50% |
| Canada        | 1.14%  |
| Switzerland   | 1.03%  |

IMPORTANT DISCLOSURE INFORMATION

CapGroup Advisors, LLC (CapGroup) is an SEC-Registered Investment Adviser.

Past performance may not be indicative of future results, and there is no guarantee that any investment will be profitable. Any specific account performance information contained herein reflects the reinvestment of dividends, and is net of applicable transaction fees. Account information has been compiled solely by CapGroup from information supplied by the account custodian. This information has not been independently verified, and does not reflect the impact of taxes on non-qualified accounts. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, and do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your account holdings correspond directly to any comparative indices. Please Note: the performance calculations do not reflect CapGroup's investment advisory fee, the deduction of which would decrease indicated account performance.

You should compare the account information in this report to the statement you receive directly from your custodian. Minor variances between the values in this report and your custodial statement may exist because of differences in the trade date/settlement date pricing methodologies used to value the holdings or updates posted by the custodian subsequent to the preparation of this report.

Information pertaining to CapGroup's advisory operations, services, and fees is set forth in CapGroup's current Firm Brochure, a copy of which is available upon request or can be downloaded from [www.sec.gov](http://www.sec.gov).

Performance calculations provided by InvestorForce, Inc., and Adhesion Wealth Advisor Solutions, Inc. Market index data and peer group universe data provided by InvestorForce, Inc.