

Mid-Year Investment Review

**Business Board Meeting
Monday, September 22nd, 2014**



**William W. Moriarty, CFA
President & CEO, UTAM**

A Very Good Period For The University Portfolios

Performance Summary - June 30, 2014					
	Net Return				
	YTD	1 Year	2 Years	4 Years	5 Years
Actual Portfolio Return:					
LTCAP	7.86%	17.49%	14.85%	10.71%	10.18%
Pension	7.80%	17.43%	14.73%	10.61%	10.13%
University Targets:					
LTCAP	3.70%	6.20%	5.72%	6.01%	5.83%
Pension	3.70%	6.20%	5.72%	6.01%	5.83%
Additional Return:					
LTCAP	4.16%	11.30%	9.14%	4.70%	4.35%
Pension	4.10%	11.23%	9.01%	4.60%	4.30%

Favorable Tailwind Provided By Markets

Benchmark Portfolio vs. University Target					
	YTD	1-Year	2-Years	4-Years	5-Years
LTCAP:					
Benchmark Portfolio	6.51%	15.88%	12.76%	9.30%	9.13%
Target	3.70%	6.20%	5.72%	6.01%	5.83%
Difference	2.81%	9.68%	7.04%	3.29%	3.30%
Pension:					
Benchmark Portfolio	6.51%	15.88%	12.76%	9.34%	9.13%
Target	3.70%	6.20%	5.72%	6.01%	5.83%
Difference	2.81%	9.68%	7.04%	3.33%	3.30%

Active Management Approach Also Contributed

Actual Portfolio vs. Benchmark Portfolio					
	YTD	1-Year	2-Years	4-Years	5-Years
LTCAP:					
Actual Portfolio	7.86%	17.49%	14.85%	10.71%	10.18%
Benchmark Portfolio	6.51%	15.88%	12.76%	9.30%	9.13%
Value Add	1.35%	1.61%	2.09%	1.41%	1.05%
Pension:					
Actual Portfolio	7.80%	17.43%	14.73%	10.61%	10.13%
Benchmark Portfolio	6.51%	15.88%	12.76%	9.34%	9.13%
Value Add	1.29%	1.55%	1.97%	1.27%	1.00%

A More Challenging Environment Ahead

-- 10-year Return Implied By Valuation Models and a Simple Passive Portfolio --

	Weight	Projected Return	Contribution To Portfolio
Equities	60%	4.80%	2.88%
Bonds	40%	2.40%	0.96%
Potential Portfolio Return			3.84%

Questions?