

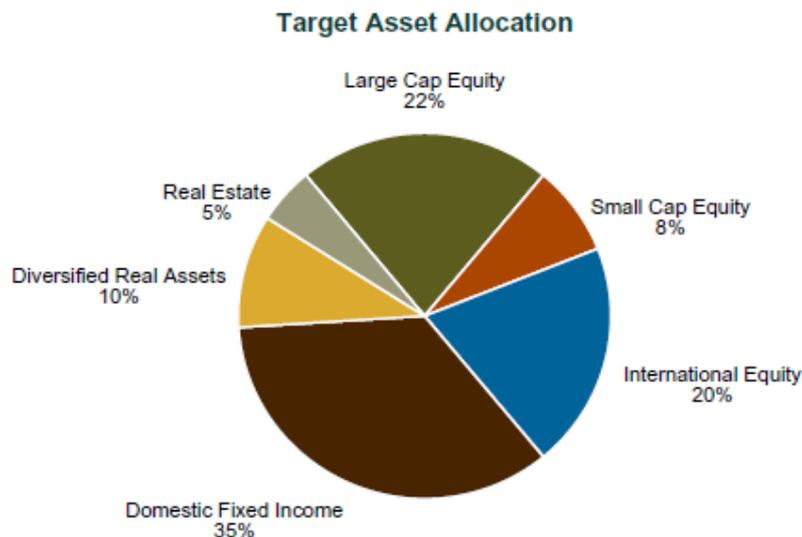
Legacy Fund – September 30, 2015 Update

Asset Allocation:

The Legacy Fund asset allocation was transitioned from 100% fixed income to:

- 50% equity;
- 35% fixed income; and
- 15% diversified real assets

between August 1, 2013 and January 31, 2015.



Active management has increased Legacy Fund returns by over 50 bps:

The Legacy Fund has generated incremental income from active management for the 1-, 3- and 4-year periods ended 9/30/15:

	Actual	Target	Excess
1-year	0.52%	-0.19%	+0.71%
3-years	1.85%	1.33%	+0.52%
4-years	1.88%	1.12%	+0.76%

Source:
Callan Investment Measurement Service for the Legacy Fund as of September 30, 2015.

Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap Equity	704,403	21.2%	22.0%	(0.8%)	(27,880)
Small Cap Equity	240,136	7.2%	8.0%	(0.8%)	(26,148)
International Equity	630,047	18.9%	20.0%	(1.1%)	(35,664)
Domestic Fixed Income	1,210,022	36.4%	35.0%	1.4%	45,027
Diversified Real Assets	343,803	10.3%	10.0%	0.3%	10,947
Cash & Equivalents	15,278	0.5%	0.0%	0.5%	15,278
Real Estate	184,868	5.6%	5.0%	0.6%	18,440
Total	3,328,557	100.0%	100.0%		

Actual asset allocations are within 1% to 2% of target levels as of Sep. 30, 2015.

Legacy Fund – One Year Update

Performance Update: For the year ended September 30, 2015, the Legacy Fund earned less than 1% largely due to weak returns in U.S. Equities and Fixed Income (**up 2%**) and negative returns in International Equity (**down 7%**) which was impacted by a strong U.S. dollar, economic uncertainty in the Eurozone, and slower growth in the emerging markets. Despite disappointing absolute returns, active management improved results by 71 bps (**+0.52% net of fees vs -0.19% benchmark**) for the year ended September 30, 2015. Real Estate was the top performer posting a **16%** return.

One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	22%	22%	1.68%	(0.61%)	0.50%	(0.02%)	0.48%
Small Cap Equity	8%	8%	2.27%	1.25%	0.08%	(0.03%)	0.05%
Domestic Fixed Income	34%	35%	2.37%	2.94%	(0.20%)	0.02%	(0.18%)
Real Estate	5%	5%	16.48%	13.48%	0.13%	0.03%	0.16%
International Equity	20%	20%	(7.27%)	(8.66%)	0.31%	0.02%	0.33%
Diversified Real Assets	9%	9%	(0.43%)	(1.89%)	0.14%	0.02%	0.16%
Short Term Fixed Income	2%	2%	-	-	0.01%	(0.04%)	(0.03%)
Cash & Equivalents	0%	0%	0.00%	0.00%	0.00%	(0.02%)	(0.02%)
Total			0.76%	= (0.19%)	+ 0.98%	+ (0.03%)	0.95%

Since inception, active management has enhanced returns by over 75 bps (or 0.75%) as the Legacy Fund generated a net return of 1.88% for the 4-years ended 9/30/2015 (vs a policy target of 1.12%).

* Current Quarter Target = 35.0% Barclays Aggregate Index, 22.0% Russell 1000 Index, 20.0% MSCI EAFE Index, 10.0% NDSIB Legacy DRA Weighted Benchmark, 8.0% Russell 2000 Index and 5.0% NCREIF Total Index.