



*NMI Settlement Fund
Investment Program Update*

December 3, 2013

Agenda

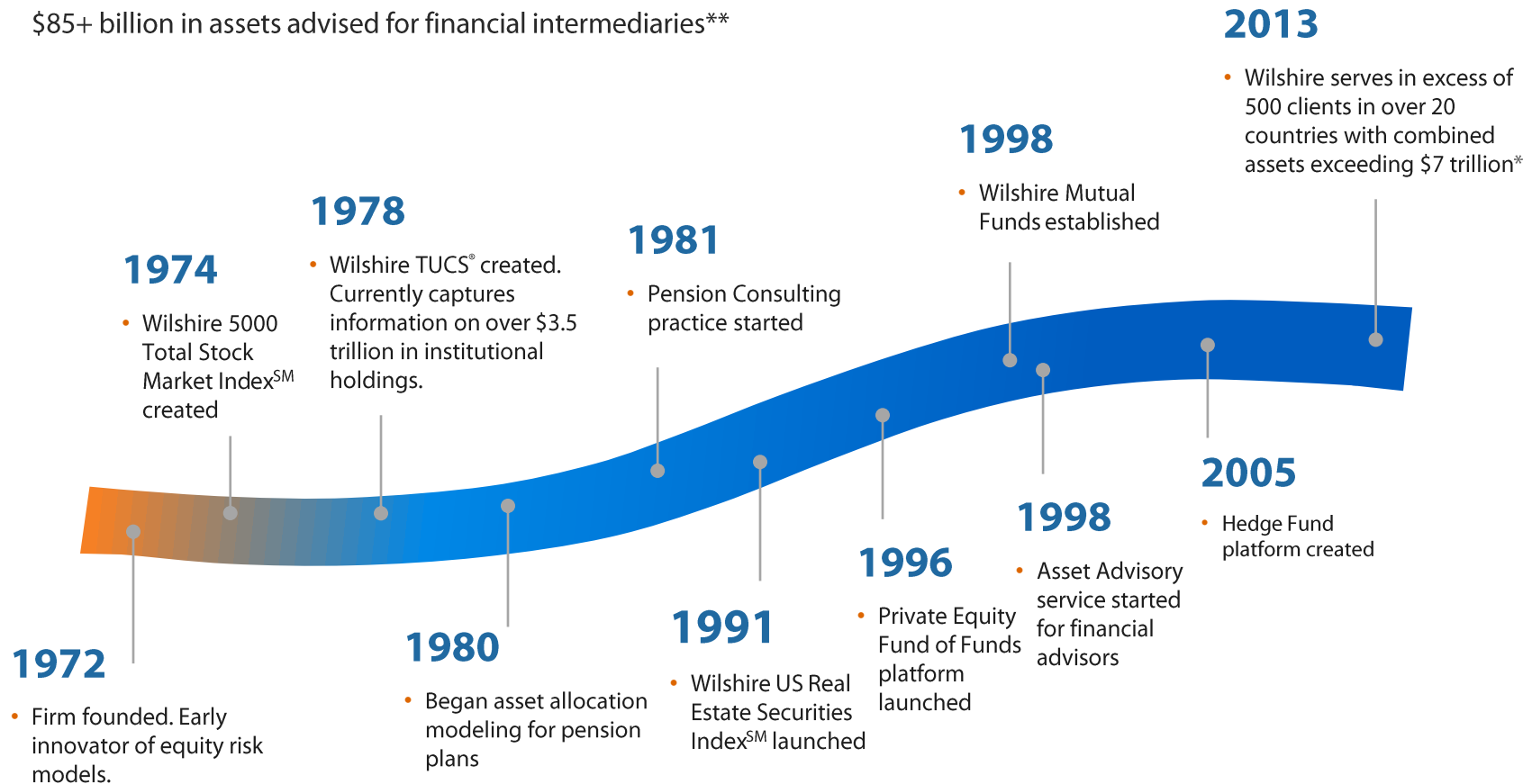
- ☐ *Brief Introduction of Wilshire Associates*
 - ☐ *Executive Summary: Settlement Fund Investment Portfolio*
 - ☐ *Appendix: Market Update*
 - ☐ *Appendix: Biographies*
-

Brief Introduction to Wilshire

Wilshire Associates: Investment Consulting Expertise



- 40 years of experience
- \$920+ billion in institutional consulting assets advised*
- \$85+ billion in assets advised for financial intermediaries**



* Assets are as of March 31, 2013, based on published data in the December 24, 2012 issue of Pensions and Investments.

** As of 9/30/12.

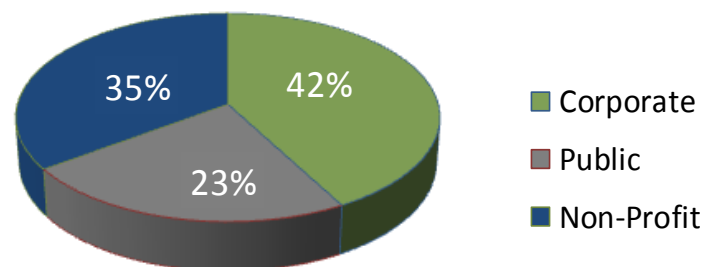
Wilshire Organizational Overview



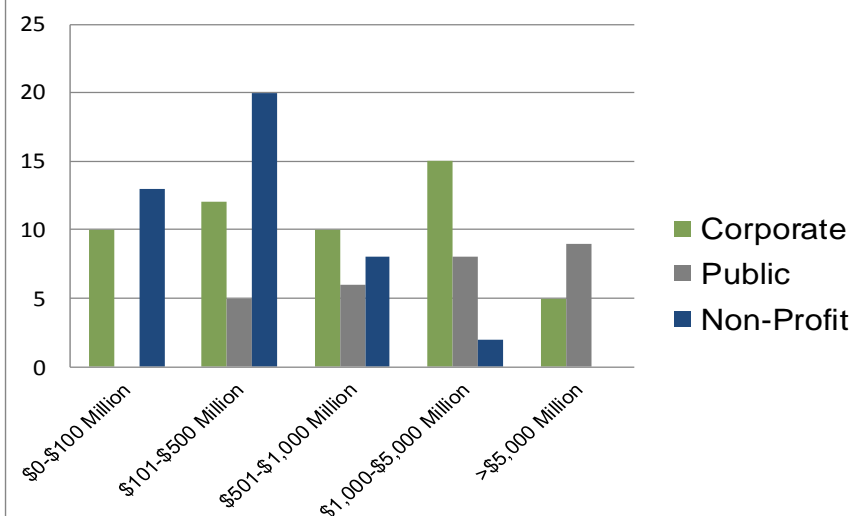
Consulting Client Overview



130 Consulting Clients*



\$927 Billion under Advisement*



• Wilshire Consulting Representative Client List**

Non-Profit Organizations

Altman Foundation
Catholic Health Initiatives
Chatham University
Chapman Partnership
Daughters of Charity
Drexel University
Florida International University
Iowa Board of Regents
Montana University System
Muskingum University
NEA Foundation
NICA

Non-Profit Organizations

Partnership for Inner City Education
Pennsylvania State University
Shands Healthcare
St. Mary's College of California
Stanford Hospitals and Clinics
Summa Health System
University of Connecticut
University of Florida Healthcare
University of Nevada, Reno
University of South Florida
University of Southern California
Villanova University

Public Funds

California Public ERS (CalPERS)
City of Grand Rapids
Dallas Employees Retirement Fund
Government of Guam Retirement Fund (GGRF)
Houston Municipal Employees
Knox County, TN ERS
Los Angeles County, LACERA
Massachusetts Port Authority ERS
Montana Public Employees DC
Ohio Police and Fire Pension Fund
Puerto Rico Electric Power Authority
State of Maryland

Corporations

Century Housing
Devon Energy
Dole Food Company
Fisher Price / Mattel Inc.
Goodyear Tire and Rubber Co
Hawker Beechcraft
Koppers Inc.
MTD Products
Newell Rubbermaid
Owens Corning
Stanley Black & Decker
Sysco Corporation

* Data as of March 31, 2013

** Clients listed were selected to reflect a broad range of Wilshire Consulting clients. The list is not meant to represent an endorsement by those clients.

Traditional

GLOBAL EQUITY

Developed Markets
Emerging Markets

FIXED INCOME

Core
Long Duration / LDI
Emerging Market
High Yield/Credit
Opportunities

REAL ASSETS

TIPS
Global REITs
Commodities
MLPs

Marketable Alternatives

EQUITY LONG/SHORT

Long biased
Short biased
Sector

EVENT-DRIVEN

Merger Arbitrage
Distressed
Multi-strategy

MARKET NEUTRAL

Convertible Arbitrage
Credit Arbitrage
Equity Market Neutral

TACTICAL

Global Macro
CTA/Managed Futures

Private Markets

EQUITY (GLOBAL)

Buyouts
Venture Capital
Growth Capital

DEBT

Mezzanine
Distressed

REAL ASSETS

Real Estate
Energy
Infrastructure
Timberland
Farmland



Wilshire Investment Consulting

- Asset Allocation
- Asset / Liability Analysis
- Manager Selection
- Portfolio Construction
- Performance Measurement
- Investment Research
- Alternatives Consulting
 - Private Equity
 - Hedge Funds
 - Real Assets

Investment Technology Solutions

- Wilshire CompassSM
- Risk Management
- Total Fund Risk Budgeting
- Manager Search & Strategy
- Custom Analysis & Modeling

Discretionary Outsourcing Solutions

- Customized Investment Solutions
- Full Service Capability
- Custom Target Date Funds
- Custom Glide Paths

Actuarial Services

- Pension Plan Valuations
- Postretirement Benefit Valuations
- Day-to-day Plan Management and Administration
- Strategy
- Government Forms
- Integrated Asset/Liability Consulting
- Plan Design

Executive Summary

Settlement Fund Investment Portfolio

October Performance Report



Settlement Fund Monthly Performance and Market Value Summary Periods Ended 10/31/13

Manager	Returns								Market Value	
	Month	Prior Month	QTD	3 Months	CYTD	1 Year	Inception Date	Inception Return	\$(000)	Percent
BlackRock ACWI Superfund B	4.03		4.03				9/30/13	4.03	3,040	2.88
MSCI ACWI (N)	4.02		4.02				9/30/13	4.02		
Value Added	0.01		0.01				9/30/13	0.01		
Global Equity Composite	4.03		4.03				9/30/13	4.03	3,040	2.88
MSCI ACWI (N)	4.02		4.02				9/30/13	4.02		
Value Added	0.01		0.01				9/30/13	0.01		
BlackRock Interm. Govt/Credit Idx B	0.64		0.64				9/30/13	0.64	7,764	7.36
Barclays Gov/Credit Inter. Index	0.62		0.62				9/30/13	0.62		
Value Added	0.03		0.03				9/30/13	0.03		
PIMCO Total Return Fund	0.91		0.91				9/30/13	0.91	50,004	47.43
Barclays Aggregate	0.81		0.81				9/30/13	0.81		
Value Added	0.10		0.10				9/30/13	0.10		
Richmond Capital	0.43		0.43				9/30/13	0.43	42,934	40.72
Barclays MBS Fixed Rate Index	0.68		0.68				9/30/13	0.68		
Value Added	-0.25		-0.25				9/30/13	-0.25		
Indices							Since			
Barclays MBS Fixed Rate Index	0.68	1.41	0.68	1.81	-0.33	-0.36	9/30/13	0.68		
MSCI ACWI (N)	4.02	5.17	4.02	7.11	19.03	23.28	9/30/13	4.02		
Barclays Aggregate	0.81	0.95	0.81	1.24	-1.10	-1.08	9/30/13	0.81		
Barclays Gov/Credit Inter. Index	0.62	0.81	0.62	0.93	-0.23	-0.03	9/30/13	0.62		

October Flash Report – Cont'd



Settlement Fund Monthly Performance and Market Value Summary Periods Ended 10/31/13

Manager	Returns								Market Value	
	Month	Prior Month	QTD	3 Months	CYTD	1 Year	Inception Date	Inception Return	\$(000)	Percent
Fixed Income Composite	0.68		0.68				9/30/13	0.68	100,702	95.52
Policy Index	0.73		0.73				9/30/13	0.73		
Value Added	-0.05		-0.05				9/30/13	-0.05		
JP Morgan Multi-Manager Strategies	0.00		0.00				9/30/13	0.00	959	0.91
Mutual Fund Cash	0.00		0.00				9/30/13	0.00	724	0.69
Total Fund	0.72		0.72				9/30/13	0.72	105,425	100.00
Policy Index	0.73		0.73				9/30/13	0.73		
Value Added	-0.01		-0.01				9/30/13	-0.01		
Indices							Since			
Barclays MBS Fixed Rate Index	0.68	1.41	0.68	1.81	-0.33	-0.36	9/30/13	0.68		
MSCI ACWI (N)	4.02	5.17	4.02	7.11	19.03	23.28	9/30/13	4.02		
Barclays Aggregate	0.81	0.95	0.81	1.24	-1.10	-1.08	9/30/13	0.81		
Barclays Gov/Credit Inter. Index	0.62	0.81	0.62	0.93	-0.23	-0.03	9/30/13	0.62		

October Flash Report – Cont'd



Settlement Fund Asset Allocation Total Fund Month Ended 10/31/13

Manager Name	Equity		Bonds		Cash		Intl Equity		Intl Bonds		Real Estate		Special Invest		Other		As Allocated To Manager	
	\$(000)	%	\$(000)	%	\$(000)	%	\$(000)	%	\$(000)	%	\$(000)	%	\$(000)	%	\$(000)	%	\$(000)	%
BlackRock Interm. Govt/Credit Idx B		0.0	7,764	7.4		0.0		0.0		0.0		0.0		0.0		0.0	7,764	7.4
PIMCO Total Return Fund		0.0	50,004	47.4		0.0		0.0		0.0		0.0		0.0		0.0	50,004	47.4
Richmond Capital		0.0	41,854	39.7	1,081	1.0		0.0		0.0		0.0		0.0		0.0	42,934	40.7
Managed Fixed	0	0.0	99,621	94.5	1,081	1.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	100,702	95.5
Mutual Fund Cash		0.0		0.0	724	0.7		0.0		0.0		0.0		0.0		0.0	724	0.7
Managed Short Term	0	0.0	0	0.0	724	0.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	724	0.7
JP Morgan Multi-Manager Strategies		0.0		0.0		0.0		0.0		0.0		0.0	959	0.9		0.0	959	0.9
Special Investments	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	959	0.9	0	0.0	959	0.9
BlackRock ACWI Superfund B	1,459	1.4		0.0		0.0	1,581	1.5		0.0		0.0		0.0		0.0	3,040	2.9
Managed Equity	1,459	1.4	0	0.0	0	0.0	1,581	1.5	0	0.0	0	0.0	0	0.0	0	0.0	3,040	2.9
As Invested by Managers	1,459	1.4	99,621	94.5	1,805	1.7	1,581	1.5	0	0	0	0	959	0.9	0	0	105,425	100.0
As Allocated to Managers	1,461	1.4	100,702	95.5	724	0.7	1,579	1.5	0	0	0	0	959	0.9	0	0	105,425	100.0
Total Fund Policy Targets	0		105,425	100.0	0		0		0		0		0		0		105,425	100.0

October Flash Report – Cont'd



Settlement Fund Sources of Fund Growth Total Fund Month Ended 10/31/13

Manager Name	Beginning Value \$(000)	Net Contrib \$(000)	Distrib & Adm Fees \$(000)	Invest Fees \$(000)	Invest Gain/Loss \$(000)	Ending Value \$(000)	Time Wtd Return (%)
BR Intern. Govt/Credit Idx B	7,714	0	0	0	50	7,764	0.64
PIMCO Total Return Fund	49,551	0	0	0	453	50,004	0.91
Richmond Capital	66,458	0	23,703	46	225	42,934	0.43
Managed Fixed	123,723	0	23,703	46	727	100,702	
Mutual Fund Cash	727	0	3	0	0	724	0.00
Managed Short Term	727	0	3	0	0	724	
JPM Multi-Manager Strategies	959	0	0	0	0	959	0.00
Special Investments	959	0	0	0	0	959	
BlackRock ACWI Superfund B	2,922	0	0	0	118	3,040	4.03
Managed Equity	2,922	0	0	0	118	3,040	
Total Fund	128,332	0	23,706	46	845	105,425	0.72

Cashflow Overview

- Assuming the scheduled government contributions are made into the Settlement Fund, the investment portfolio depletion is now expected to be in Fiscal 2017.

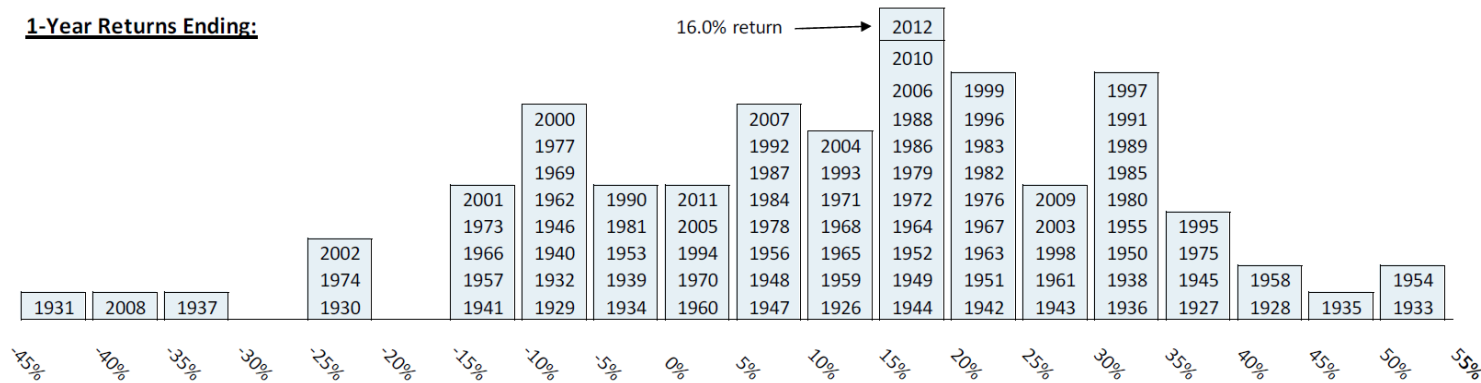
	Expected Beginning Balance	Expected Contributions	Benefit Payments
Fiscal 2014	100,000,000	25,000,000	52,692,089
Fiscal 2015	69,950,328	27,000,000	51,104,080
Fiscal 2016	42,303,400	30,000,000	49,472,999
Fiscal 2017	18,631,829	33,000,000	47,846,378

- Under the current Settlement Agreement, after Fiscal 2017, retirees will be paid out of the CNMI government's general fund on a pay-as-you-go basis.
- The current asset allocation were devised with the assumption of portfolio depletion in 2014.
- A revision of asset allocation glidepath is necessary to reflect this change of assumptions. Because the most important

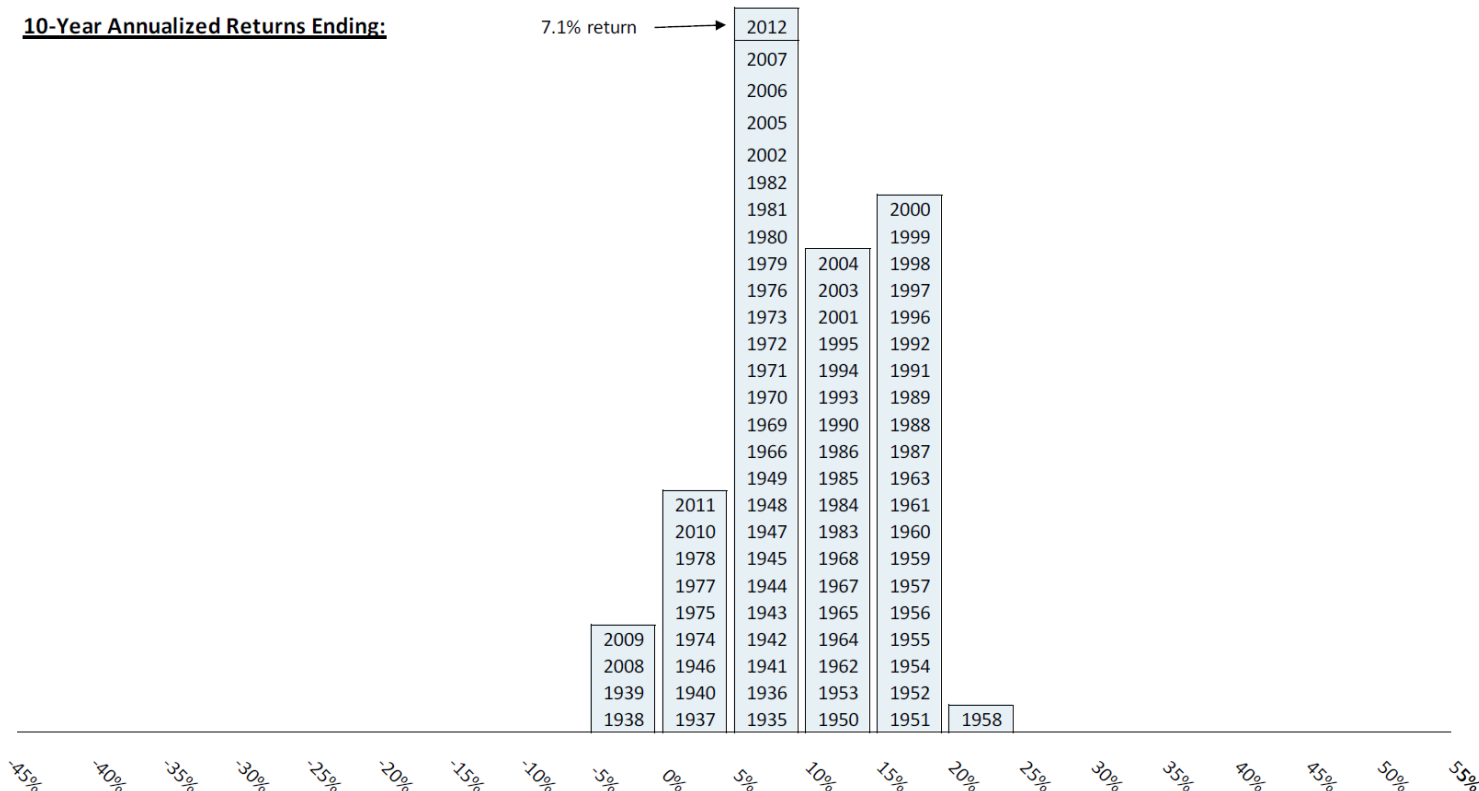
Investment Horizon and Risk Tolerance



1-Year Returns Ending:

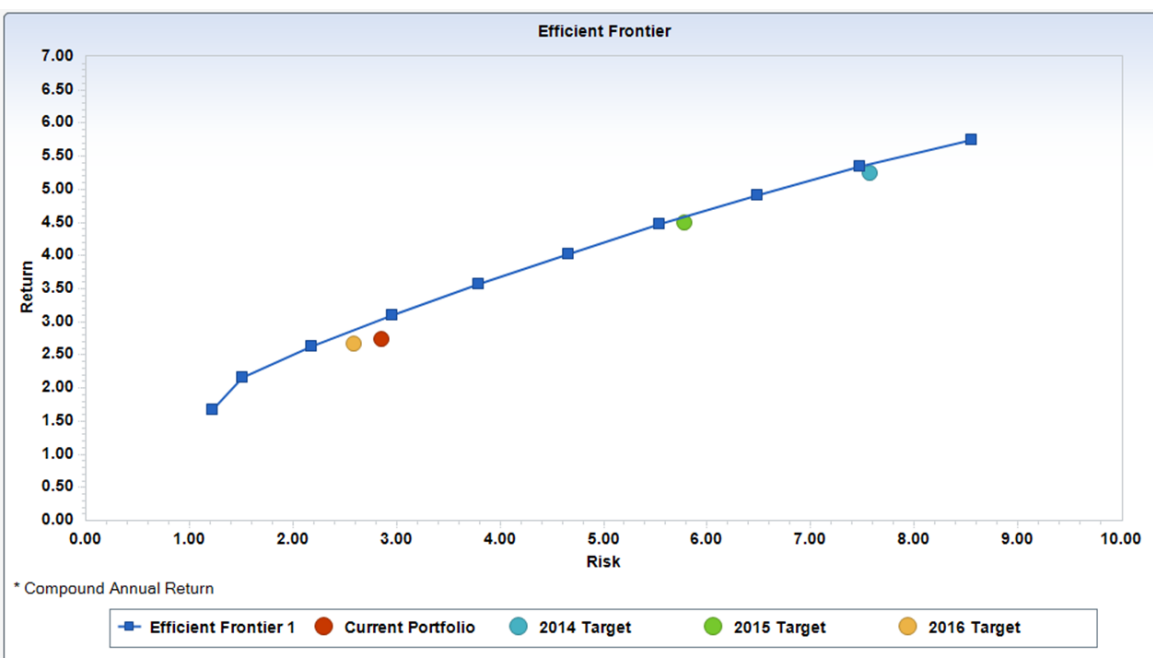


10-Year Annualized Returns Ending:



Recommended New Glidepath

	Current Policy Portfolio	2014 Target	2015 Target	2016 Target	Managers
Global Equity	3.0%	36.0%	25.0%	0.0%	Blackrock ACWI Superfund B
Total Equity	3.0%	36.0%	25.0%	0.0%	
Short Term Bonds	46.0%	19.0%	30.0%	50.0%	Blackrock Intermediate Gov/Credit Fund / Richmond
Core Plus Bonds	50.0%	30.0%	30.0%	40.0%	
High Yield Fixed Income		15.0%	15.0%	10.0%	NEW Manager
Total Fixed Income	96.0%	64.0%	75.0%	100.0%	
Long/Short Equity Strategies	1.0%	0.0%	0.0%	0.0%	
Total Allocation	100.0%	100.0%	100.0%	100.0%	
Expected (Median) Return (%)	2.74	5.24	4.50	2.66	
Standard Deviation of Return (%)	2.86	7.57	5.78	2.59	



- To implement the new glidepath, a new manager needs to be identified for the high yield asset class.
- Wilshire will assist in the manager search, based on the Trustee's direction of process.

Wilshire's Asset Class Assumptions Update



	Total Return (%)			Risk (%)
	2013 ACA	Q2 2013	Change vs YE	2013 ACA
<u>Investment Categories:</u>				
U.S. Stocks	7.75	7.25	(0.50)	17.00
Dev ex-U.S. Stocks	7.75	7.25	(0.50)	18.00
Emerging Mkt Stocks	7.75	7.25	(0.50)	26.00
Global Stocks	8.00	7.50	(0.50)	17.30
Private Markets	10.75	10.45	(0.30)	27.50
Cash Equivalents	1.55	1.30	(0.25)	1.25
Core Bonds	3.25	3.75	0.50	5.00
LT Core Bonds	3.10	4.35	1.25	10.00
TIPS	2.60	3.40	0.80	6.00
High Yield Bonds	5.15	5.35	0.20	10.00
Non-U.S. Bonds (Hdg)	2.90	3.40	0.50	3.50
U.S. RE Securities	5.30	4.90	(0.40)	15.00
Private Real Estate	6.05	5.65	(0.40)	12.25
Commodities	4.55	4.05	(0.50)	13.00
Real Asset Basket	6.35	6.15	(0.20)	7.75
Inflation:	2.55	2.05	(0.50)	1.75
<u>Returns minus Inflation:</u>				
U.S. Stocks	5.20	5.20	-	
U.S. Bonds	0.70	1.70	1.00	
Cash Equivalents	(1.00)	(0.75)	0.25	
<u>Stocks minus Bonds:</u>	4.50	3.50	(1.00)	
<u>Bonds minus Cash:</u>	1.70	2.45	0.75	

Appendix

Market Update

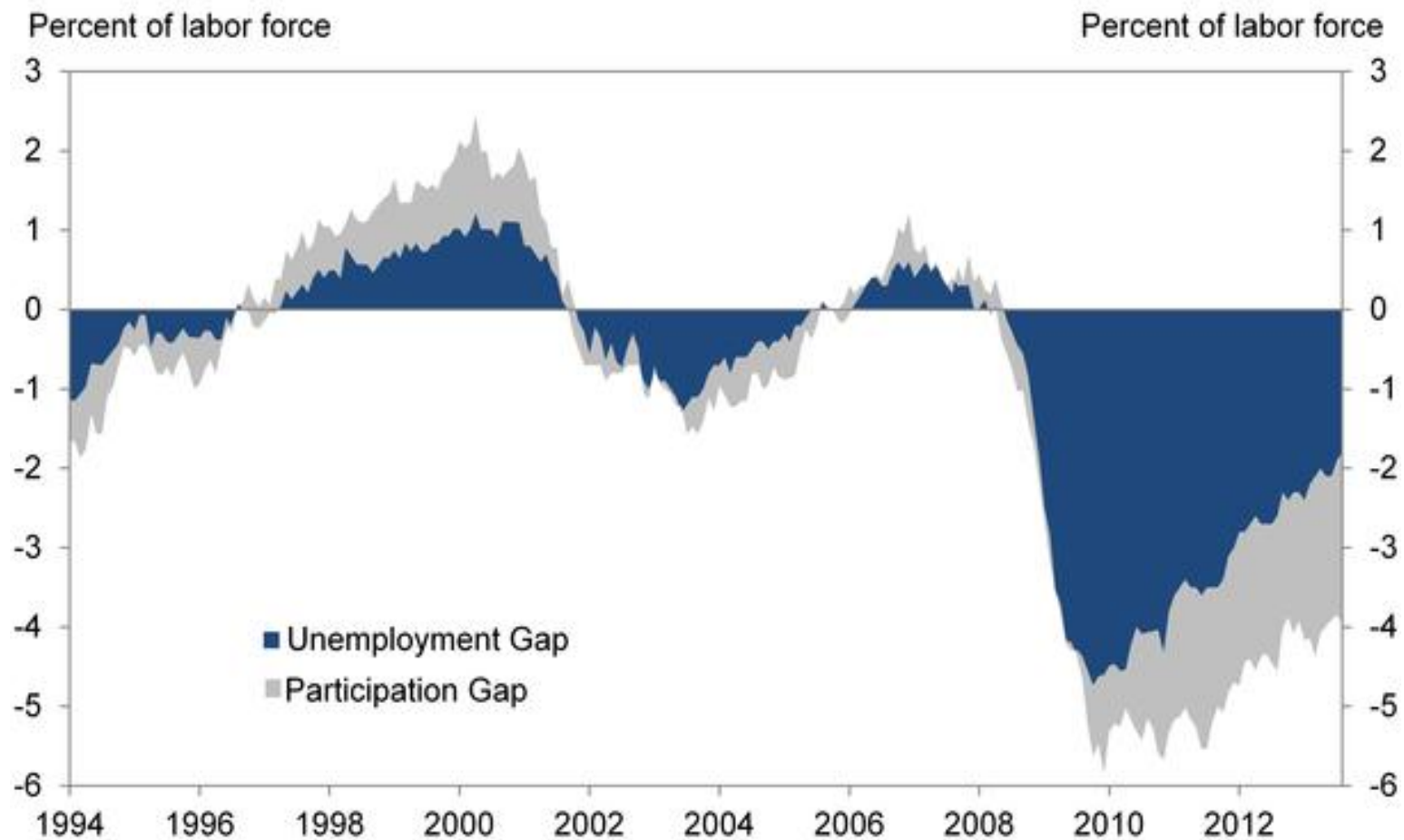
What Does Janet Yellen Think

Pulling from an extensive record of public speeches and FOMC meeting transcripts, Fed Chair-nominee Janet Yellen's views on a number of policy-relevant issues are summarized below:

- ✓ Probably the most differentiating feature of Yellen's public communications relative to other Fed officials has been her focus on "optimal control" considerations in illustrating potential future paths for the fed funds rate, which generally suggest a more accommodative path than current consensus expectations. Yellen also believes the real equilibrium fed funds rate is substantially below its historical average.
- ✓ Yellen has expressed confidence in the benefits of QE in the past, and has generally not suggested that the costs of QE are substantial enough to warrant any changes to the stance of policy. She believes that most of the increase in unemployment since the crisis has been cyclical rather than structural in nature, and will be looking for a broad-based improvement in labor market indicators before deciding that a "substantial" improvement has occurred.
- ✓ FOMC meeting transcripts show that Yellen generally erred on the side of preferring more accommodation during 2006 and 2007 (detailed transcripts are delayed 5 years), but expressed significant concern about inflation during the mid-1990s.

Expecting a Late Fed Exit

- Lots of slack in the labor market.



Source: Department of Labor. GS Global Investment Research.

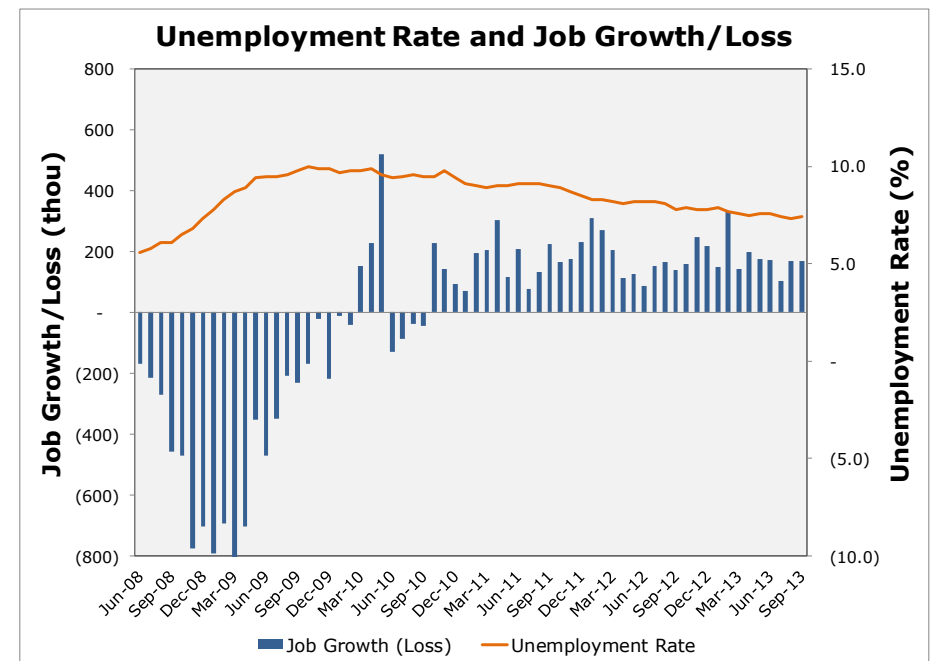
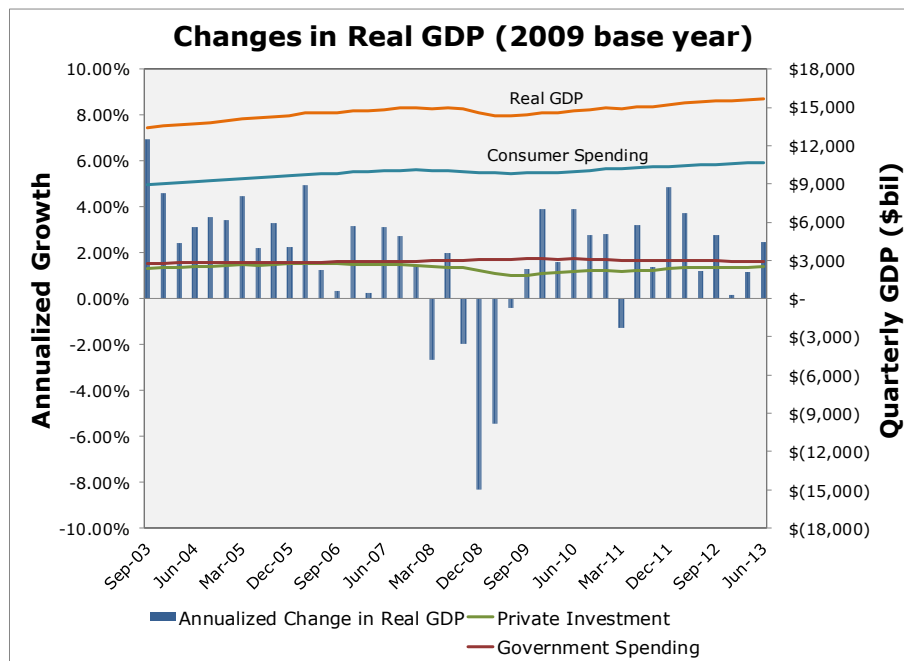
Economic Review

September 30, 2013		Key Economic Indicators			
CPI (all items)		Monthly Change		Cumulative Change	
Seasonally adjusted	Sep-13	0.3		3-Month	0.5
	Aug-13	0.1		12-Month	1.3
	Jul-13	0.2		10-Yr Annual	2.4
Breakeven Inflation	10-Year	2.2			
Consumer Sentiment		Sep-13	77.5		
Unv. of Michigan Survey	Aug-13	82.1			
	1-Yr Ago	78.3		10-Yr Avg	78.5
Manufacturing		Sep-13	56.2	Change in Manufacturing Sector	
Inst. for Supply Mgmt	Aug-13	55.7		>50	Expansion
Purchasing Mngrs' Idx	1-Yr Avg	52.4		<50	Contraction

- Job creation very slow
- Inflation well behaved
- Consumer sentiment at average levels
- Economic activity is on path for sustained recovery

Note: Seasonally adjusted CPI data is utilized to better reflect short-term pricing activity.

Sept/2013 CPI and Employment figures based on Federal Reserve of Philadelphia Survey of Professional Forecasters



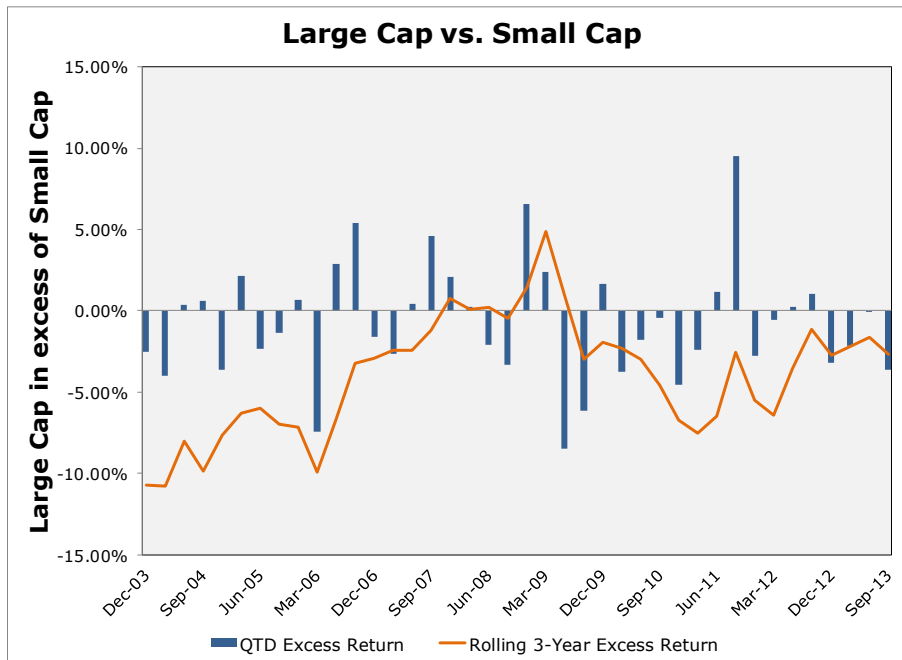
Data sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve Bank of St. Louis, Barclays Capital

U.S. Equity Market

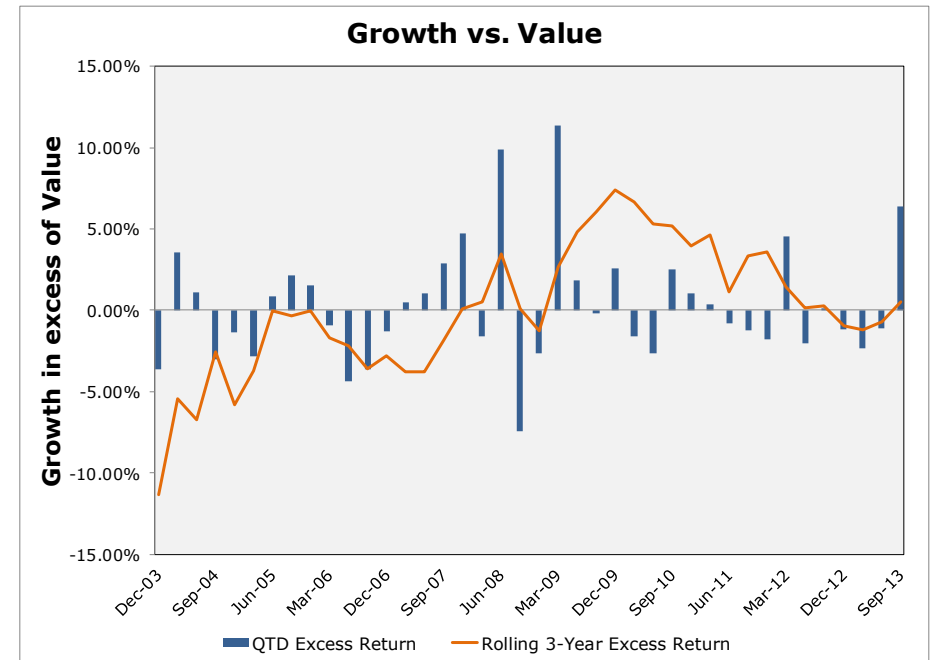


September 30, 2013	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Wilshire 5000	6.0	20.9	21.0	16.5	10.4	8.2
Wilshire U.S. Large Cap	5.6	20.1	19.8	16.2	10.0	7.9
Wilshire U.S. Small Cap	9.6	27.4	31.4	19.4	14.3	11.3
Wilshire U.S. Large Growth	9.3	21.5	20.6	16.3	11.3	8.1
Wilshire U.S. Large Value	2.7	19.0	19.3	16.0	8.7	7.6
Wilshire U.S. Small Growth	12.6	33.5	35.8	21.0	15.8	12.0
Wilshire U.S. Small Value	6.8	22.1	27.4	17.7	12.8	10.6
Wilshire REIT Index	-3.0	2.7	5.3	12.5	5.6	9.4
MSCI USA Minimum Volatility Index	2.7	15.9	13.8	15.3	9.1	7.8
FTSE RAFI U.S. 1000 Index	5.2	22.8	25.5	17.2	13.2	n.a.

- Strong US equity market performance
- Growth led value, and small caps outpaced large caps
- REITs underperformed on interest rate concerns



Data sources: Wilshire Compass, Wilshire Atlas

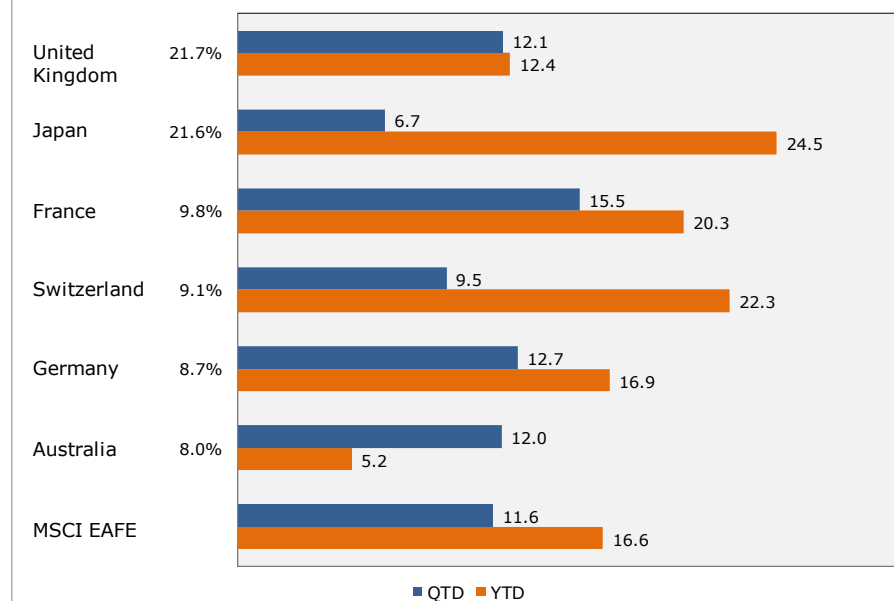


Non-U.S. Equity Market

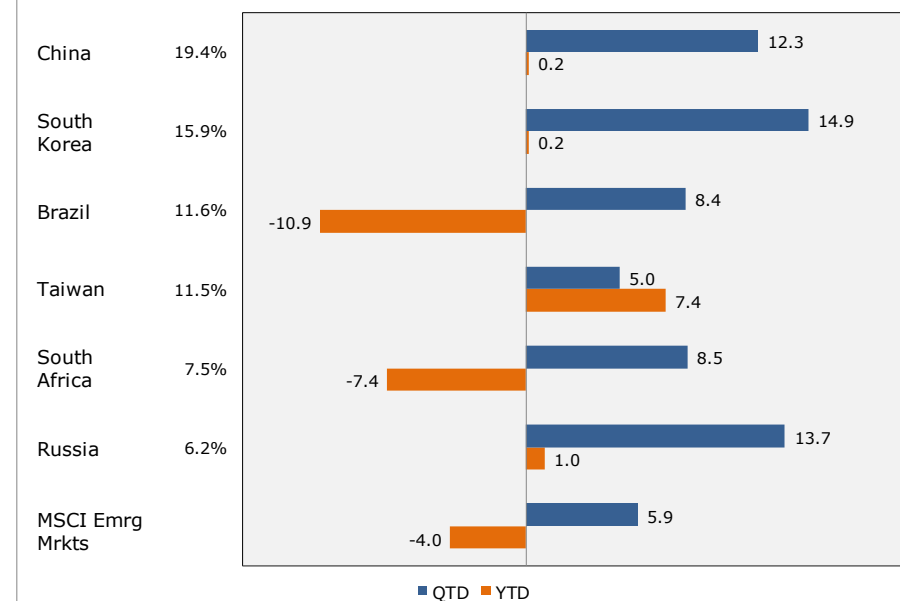
September 30, 2013	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
MSCI ACWI ex-US (\$g)	10.2	10.5	17.0	6.4	6.7	9.2
MSCI EAFE (\$g)	11.6	16.6	24.3	9.0	6.9	8.5
MSCI Emerging Markets (\$g)	5.9	-4.0	1.3	0.0	7.6	13.2
MSCI Frontier Markets (\$g)	6.3	18.5	22.1	4.5	-2.2	7.7
MSCI ACWI ex-US Growth (\$g)	8.9	10.7	16.5	6.5	6.7	8.8
MSCI ACWI ex-US Value (\$g)	11.5	10.2	17.4	6.4	6.8	9.7
MSCI ACWI ex-US Small (\$g)	12.5	14.8	20.5	7.6	11.8	11.5
MSCI EAFE Minimum Volatility Idx	6.9	14.5	14.8	9.6	8.1	10.9
FTSE RAFI Developed ex-US Index	13.6	17.7	26.5	7.5	7.3	n.a.
MSCI EAFE LC (\$g)	7.6	19.8	28.8	9.6	6.0	6.8
MSCI Emerging Markets LC (\$g)	5.8	0.8	6.2	3.1	8.5	12.8

- Strong quarter for international equity markets
- Emerging markets were flat YTD, but negative in USD terms
- Brazil were hardest hit by capital outflows

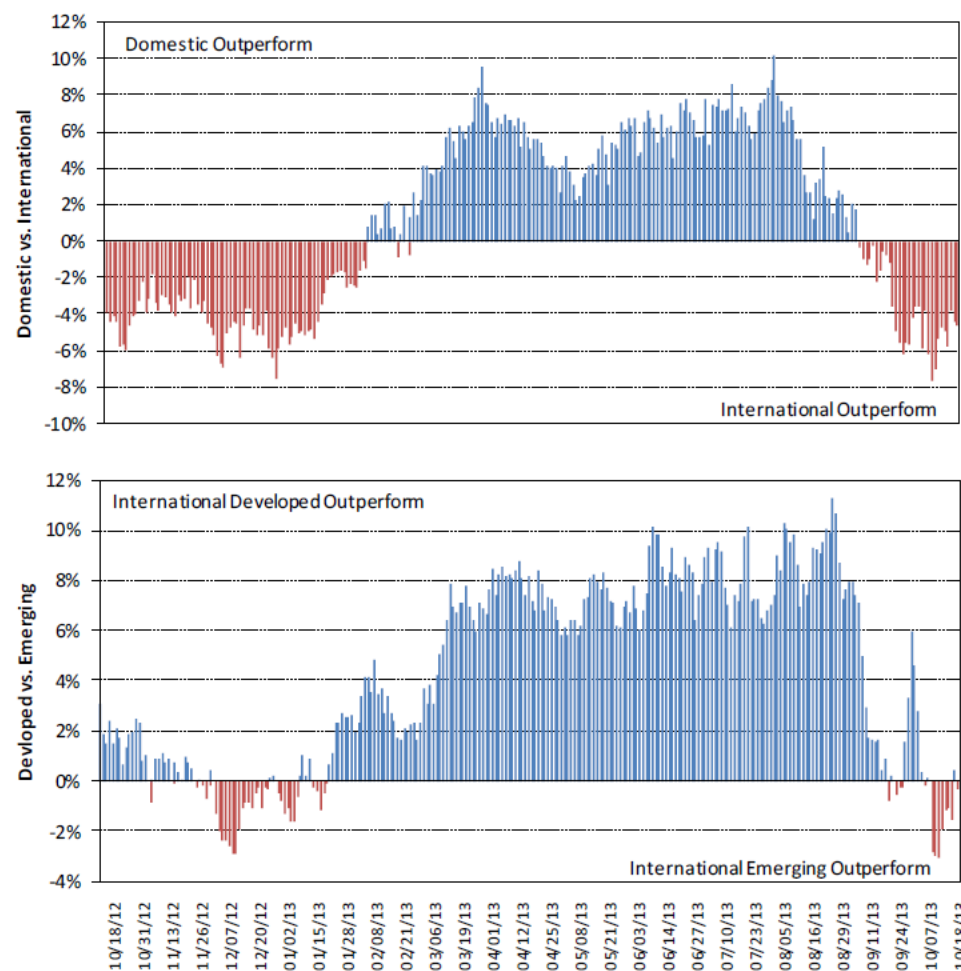
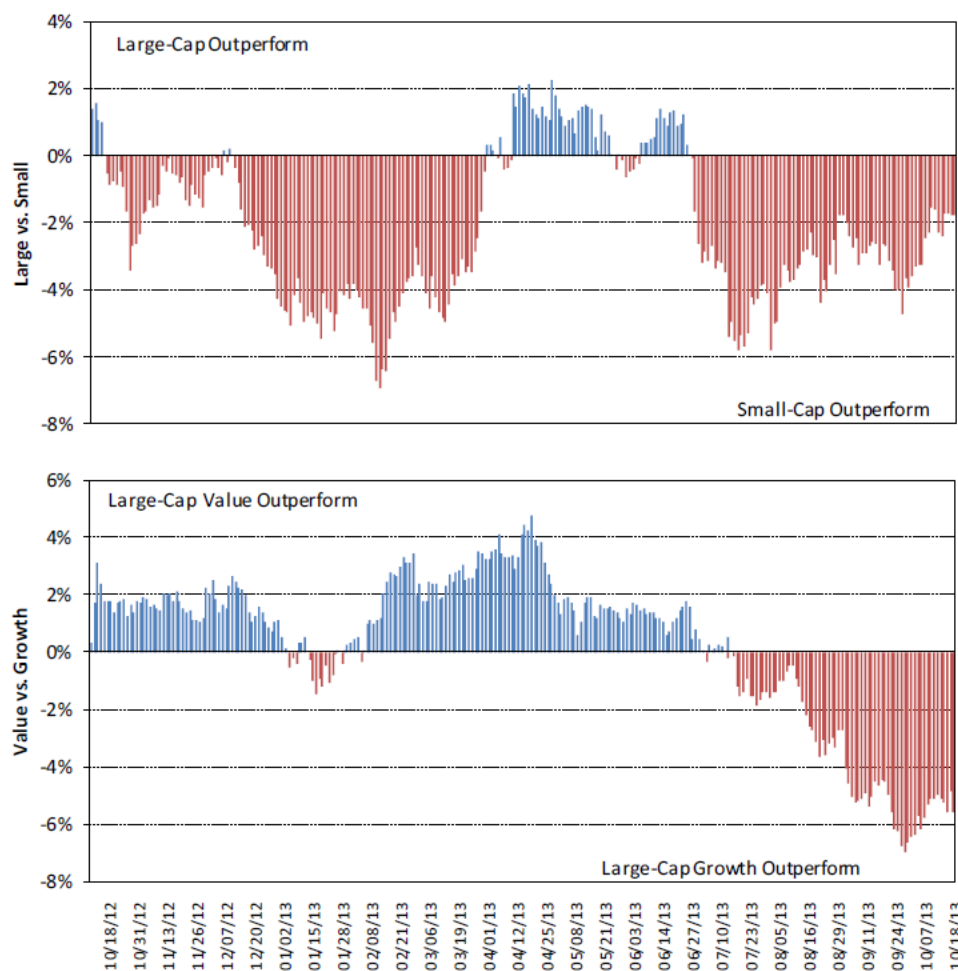
MSCI EAFE: Largest Countries and Return



MSCI EM: Largest Countries and Return



Segment Rotations



Charts above display the comparative performance of certain style, size, or region groups, based off rolling three-month returns (calculated daily). Left-hand axis represents magnitude of outperformance for each particular style, size, or region grouping.

² Market Indexes Used:

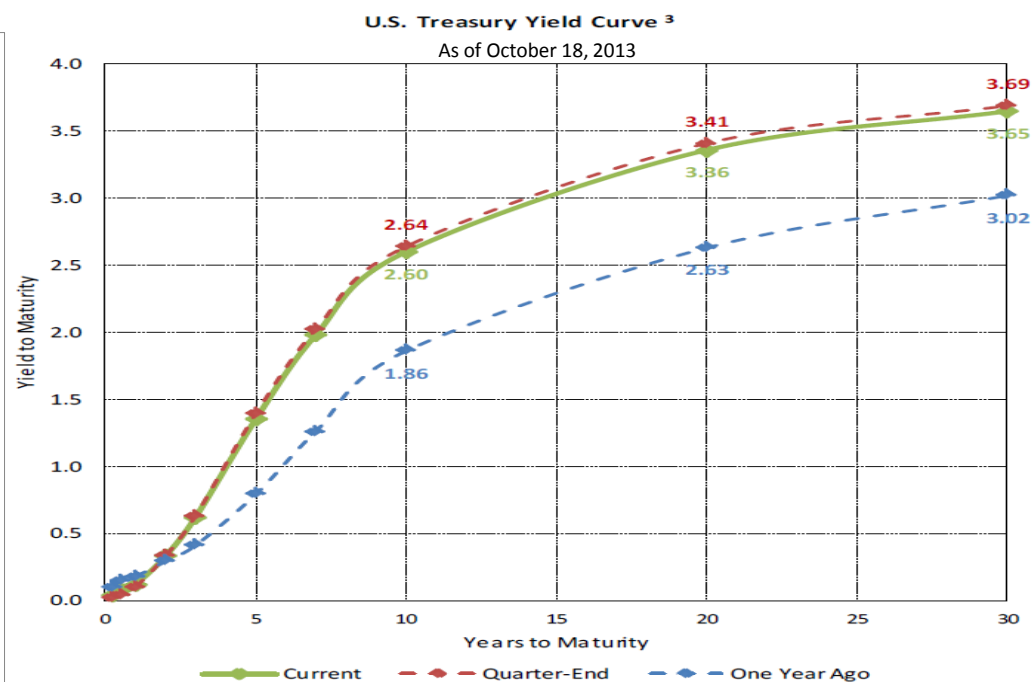
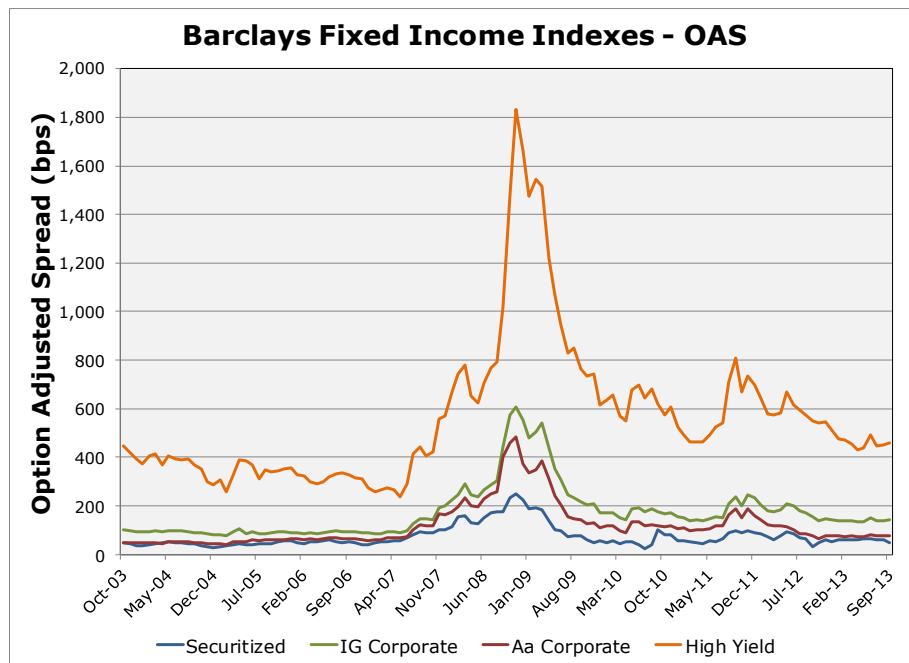
<u>Large Cap:</u>	Wilshire US Large Cap Index	<u>Large Value:</u>	Wilshire US Large Value Index	<u>Domestic:</u>	Wilshire 5000 Index	<u>Developed Int'l:</u>	MSCI Developed x-US
<u>Small Cap:</u>	Wilshire US Small Cap Index	<u>Large Growth:</u>	Wilshire US Large Growth Index	<u>International:</u>	MSCI ACWI x-US Index	<u>Emerging Mkts:</u>	MSCI Emerging Mkts

U.S. Fixed Income Market



September 30, 2013	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays Aggregate Bond Index	0.6	-1.9	-1.7	2.9	5.4	4.6
Barclays Treasury Index	0.1	-2.0	-2.1	2.2	4.0	4.3
Barclays Govt-Related Index	0.3	-2.8	-2.2	2.3	4.4	4.3
Barclays Securitized Index	1.0	-1.0	-1.1	2.8	4.9	4.7
Barclays Corporate IG Index	0.8	-2.6	-1.6	4.4	9.2	5.3
Barclays LT Govt/Credit Index	-0.8	-8.7	-8.3	4.7	9.1	6.3
Barclays LT Treasury Index	-2.2	-9.9	-10.6	3.6	6.5	6.1
Barclays LT Govt-Related Index	-0.4	-9.8	-8.3	4.9	7.7	6.7
Barclays LT Corporate IG Index	0.1	-7.4	-6.5	5.4	11.7	6.3
Barclays U.S. TIPS Index	0.7	-6.7	-6.1	4.0	5.3	5.2
Barclays High Yield Index	2.3	3.7	7.1	9.2	13.5	8.9
Treasury Bills	0.0	0.1	0.1	0.1	0.2	1.7

- Broad bond market had negative YTD return due to Fed rate hike worries
- High Yield continued to perform relatively better
- TIPs were hard hit in 2Q



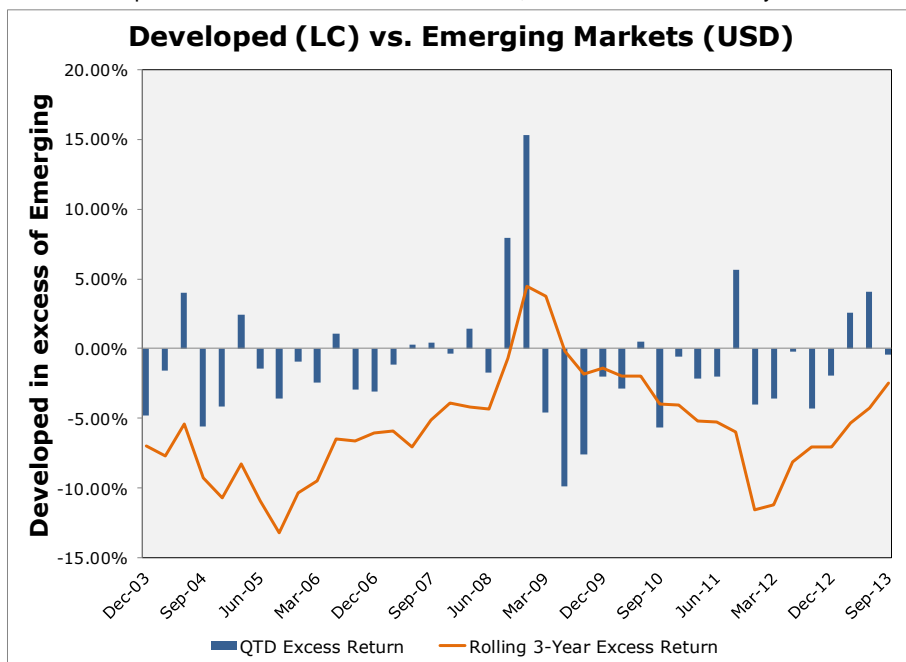
³ Source: U.S. Department of the Treasury, Daily Treasury Yield Curve Rates

Non-U.S. Fixed Income Market

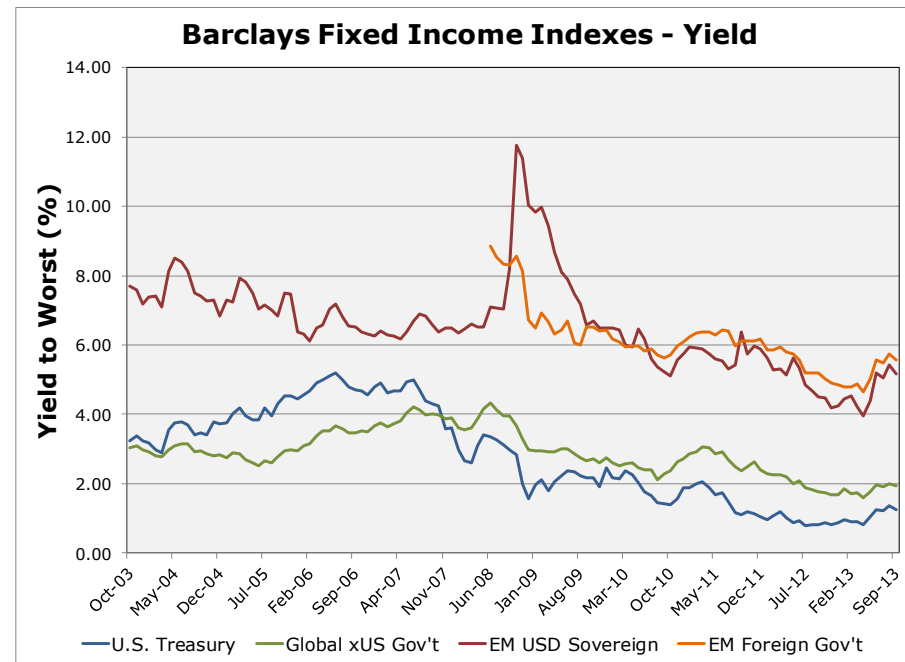
September 30, 2013	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
<i>Developed Markets</i>						
Barclays Global Aggregate xUS	4.4	-2.4	-3.4	1.5	4.8	5.1
Barclays Global Aggregate xUS *	1.0	0.8	2.1	3.1	4.7	4.3
Barclays Wrld Govt xUS IL Bond	5.9	-1.4	1.9	4.2	4.4	6.4
Barclays Wrld Govt xUS IL Bond *	0.5	-1.1	1.6	4.2	4.9	5.2
<i>Emerging Mkts (Hard Currency)</i>						
Barclays EM USD Aggregate	1.4	-5.2	-2.1	5.7	10.4	8.9
<i>Emerging Mkts (Foreign Currency)</i>						
Barclays EM Local Currency Gov't	2.3	-4.0	-0.2	3.5	6.6	n.a.
Barclays EM Local Currency Gov't *	0.0	-2.2	-0.4	2.7	4.7	n.a.
Euro vs. Dollar	4.1	2.7	5.2	-0.3	-0.8	1.5
Yen vs. Dollar	1.2	-11.9	-20.7	-5.2	1.6	1.3
Pound vs. Dollar	6.8	-0.4	0.3	0.9	-1.9	-0.3

* Returns are reported in terms of local market investors, which removes currency effects.

- International bond market had a “relief rally” this quarter when the Fed surprised the market by not starting the highly anticipated “tapering”.
- The Dollar weakened in the meantime.



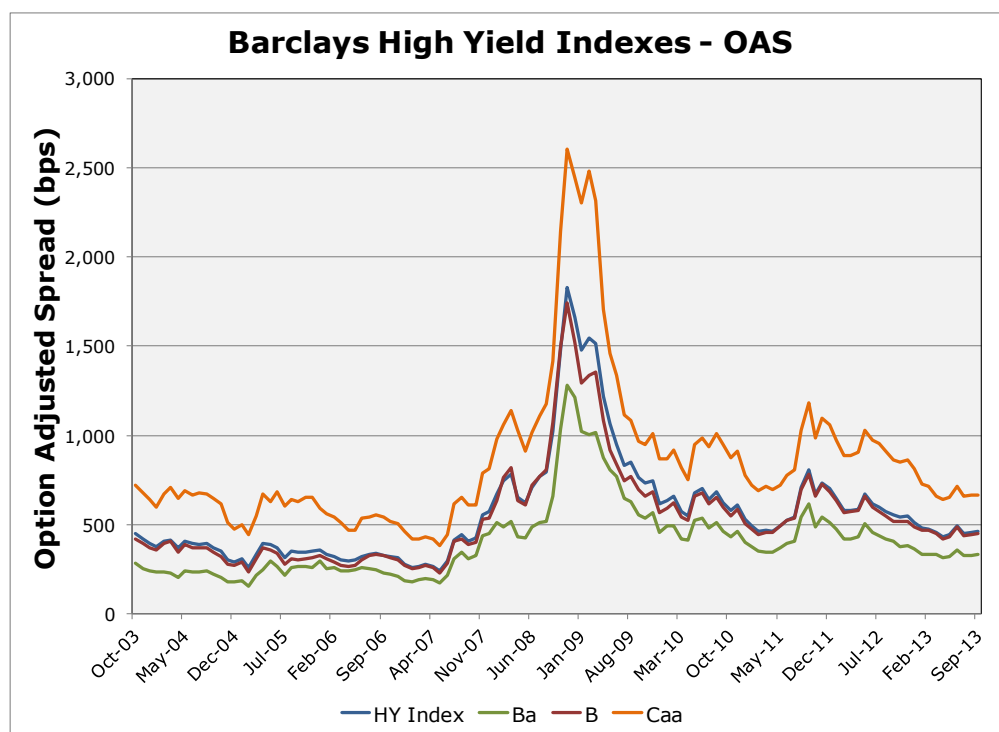
Data sources: Wilshire Compass, Barclays Capital



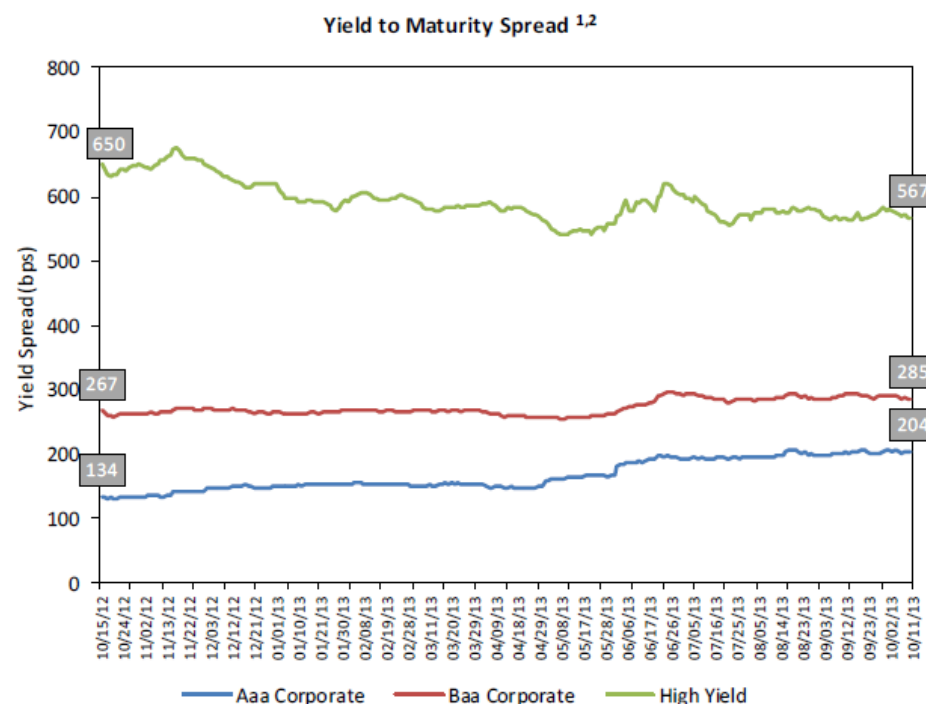
High Yield Bond Market

September 30, 2013	Weight	Qtr	Ytd	1 Yr	3 Yr
Barclays High Yield Index	100%	2.3	3.7	7.1	9.2
Quality Distribution					
Ba U.S. High Yield	38.6%	1.8	1.8	4.7	8.2
B U.S. High Yield	42.9%	2.3	3.6	7.3	9.2
Caa U.S. High Yield	17.6%	3.7	9.2	12.8	11.4
Ca to D U.S. High Yield	0.7%	-5.2	-4.7	1.9	5.8
Non-Rated U.S. High Yield	0.2%	2.5	4.2	6.1	12.5

- CCC rally continued
- Yield spread is at historical average levels
- Default rate is below average



Data sources: Barclays Capital



^{1,2} Source: Barclays Capital and Wilshire Axiom

Diversification, Diversification, Diversification



Annual Asset Class Returns - Best to Worst

2008	2009	2010	2011	2012	YTD 2013
Core Bond 5.2%	Emrg Mkts 79.0%	REITs 28.6%	U.S. TIPS 13.6%	Emrg Mkts 18.6%	U.S. Equity 20.9%
T-Bills 2.0%	High Yield 58.2%	Emrg Mkts 19.2%	REITs 9.2%	Developed 17.9%	Developed 16.6%
U.S. TIPS -2.3%	Developed 32.5%	U.S. Equity 17.2%	Core Bond 7.8%	REITs 17.6%	High Yield 3.7%
High Yield -26.2%	REITs 28.6%	Commodities 16.8%	High Yield 5.0%	U.S. Equity 16.1%	REITs 2.7%
Commodities -35.6%	U.S. Equity 28.3%	High Yield 15.1%	U.S. Equity 1.0%	High Yield 15.8%	T-Bills 0.1%
U.S. Equity -37.2%	Commodities 18.9%	Developed 8.2%	T-Bills 0.1%	U.S. TIPS 7.0%	Core Bond -1.9%
REITs -39.2%	U.S. TIPS 11.4%	Core Bond 6.5%	Developed -11.7%	Core Bond 4.2%	Emrg Mkts -4.0%
Developed -43.1%	Core Bond 5.9%	U.S. TIPS 6.3%	Commodities -13.3%	T-Bills 0.1%	U.S. TIPS -6.7%
Emrg Mkts -53.2%	T-Bills 0.2%	T-Bills 0.1%	Emrg Mkts -18.2%	Commodities -1.0%	Commodities -8.6%

**Annualized
5-Year**

2008-2012
High Yield 10.3%
U.S. TIPS 7.0%
Core Bond 5.9%
REITs 5.2%
U.S. Equity 2.0%
T-Bills 0.5%
Emrg Mkts -0.6%
Developed -3.2%
Commodities -5.2%

Data sources: Wilshire Compass

Note: Developed asset class is developed markets ex-U.S., ex-Canada.

Appendix

Biographies

Maggie Ralbovsky, CFA, Managing Director



Maggie Ralbovsky, CFA

Managing Director and Principal

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Email: mrалbovsky@wilshire.com

Lead Consultant for the Settlement Fund

Maggie Ralbovsky, a Managing Director with Wilshire Associates, is a member of Wilshire Consulting. Working out of the firm's Santa Monica headquarters, she currently provides consulting services to public and corporate defined benefit and defined contribution plans, insurance companies, and endowment and foundation funds. Maggie is a member of Wilshire Consulting's Defined Contribution Committee.

Ms. Ralbovsky joined Wilshire in 2002 and brings more than 14 years of industry experience. Prior to joining Wilshire, Ms. Ralbovsky was a Vice President with the Investment Management Division of Goldman, Sachs, where she worked on derivatives-based hedging and other advisory services. She earned her M.B.A. in finance from Cornell University and holds the designation of Chartered Financial Analyst.

Patrick Lighaam, Managing Director



Patrick Lighaam

Managing Director

Tel: 310-260-6620

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Backup Consultant for the Settlement Fund

Patrick Lighaam a Managing Director with Wilshire Associates, is a member of Wilshire Consulting. He currently provides consulting services to public and corporate defined benefit and defined contribution plans, insurance companies, and endowment and foundation funds. Mr. Lighaam brings over 15 years of experience in consulting, pension fund management, investment banking, and asset management.

Prior to joining Wilshire, Mr. Lighaam was a Senior Risk Manager at Symphony Asset Management LLC. In this role, he was responsible not only for qualitative, firm-wide risk assessment including governance structure, but also implemented a third party risk management system leading to the firm's first full risk reporting capability for both internal monitoring of portfolios and client reporting. Previously Mr. Lighaam served as Executive Director in the European Pensions Group at Morgan Stanley, where he founded Morgan Stanley's Global Capital Markets office in Amsterdam. Mr. Lighaam started his career at a corporate defined benefit plan where he was involved in the first asset liability studies, produced a guidebook regarding the management of external managers (selection, monitoring, firing) and built a new department responsible for performance and risk analytics on both the manager and total plan level. Mr. Lighaam earned his Doctorandus of Econometrics from Erasmus University of Rotterdam.