

School for Advanced Research

Investment Performance Review

December, 31 2014

NEW YORK

Graystone Consulting
Headquarters
2000 Westchester Avenue
Purchase, NY 10577

OHIO

4449 Easton Way
Suite 300
Columbus, OH 43219
866.273.3726 614.473.2405

MICHIGAN

171 Monroe Ave., NW
Suite 800
Grand Rapids, MI 49503
800.378.2217 616.771.6052

Capital Markets Overview

4Q 2014

CAPITAL MARKETS OBSERVATIONS 4Q 2014 RECAP

Factors driving the capital markets and influencing asset values in the recent quarter...

- Global investors continued to show a strong preference for US assets as 2014 drew to a close.
 - Global growth concerns caused a sharp decline in risk assets at the start of Q4, but US assets fully recovered to post solid gains for Q4. Deteriorating growth indicators in Europe, Japan and across the Emerging Markets explained the volatility spike. By mid-October, losses ranged from -5% for the S&P 500 to -7% for Developed Markets (EAFE) with cyclical sectors showing double-digit losses. Investors took action by rotating into US equities, US fixed income, and the US dollar – and all showed gains for Q4, while non-US assets were mostly lower. Despite elevated valuations, US assets remain a source of relative stability and steady growth.
 - Deflation fears persisted in foreign markets, especially Europe and Japan. The ECB and BoJ expanded asset purchase programs aimed at keeping rates low. Indeed, the Euro and Yen currencies weakened and bond yields continued to fall. China joined the monetary stimulus effort by cutting rates, and relaxing reserve requirements. However, markets might be concluding that access to credit is not so much the issue. A growing chorus is now calling for structural reforms – tax cuts and less regulations – to stimulate demand.
 - Weak global demand collided with increased energy supplies in Q4 and crude prices plunged 41%. Cyclical assets under-performed, especially equities and high-yield bonds in the Energy/Materials sectors, especially highly-leveraged small-cap securities. Notably, energy consumers tended to outperform energy producers across regions, markets and economic sectors.
 - Top Q4 performers were mostly defensive-oriented sectors and rate-sensitive assets: Utilities, REITs, Healthcare, and Consumer Staples/Discretionary along with high-quality long-duration bonds. Active managers tended to underperform in 2014 precisely due underweight's in defensive/rate-sensitive equities and long bonds.

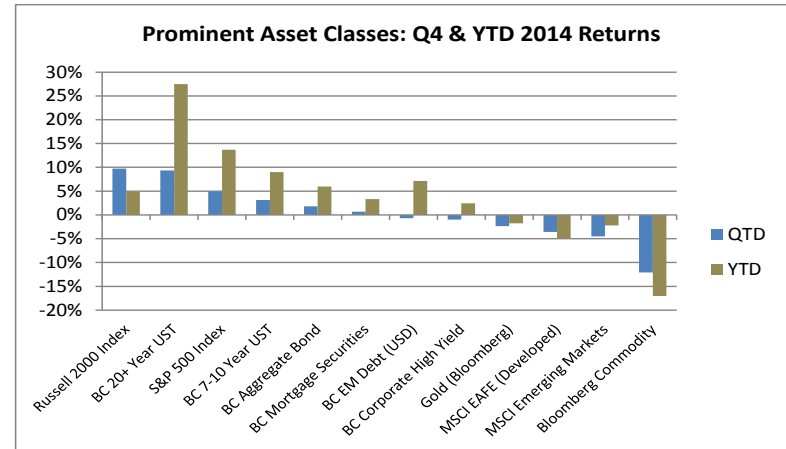


Global supply/demand imbalances caused a severe drop in energy prices in Q4 with higher price volatility across multiple asset classes. Hydraulic fracturing has allowed the US to raise production.

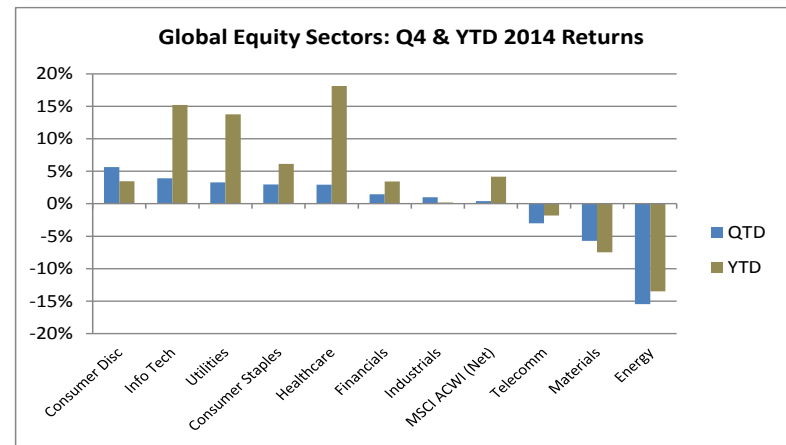
CAPITAL MARKETS PERFORMANCE SUMMARY: 4 Q 2014

Global investors favored US assets in Q4, mostly defensive growth sectors and rate-sensitive assets...

Global Asset Class Returns	QTD	YTD	1 Year Return	1 Year Risk
Russell 2000 Index	9.73%	4.89%	4.89%	14.86%
BC 20+ Year UST	9.35%	27.48%	27.48%	7.13%
S&P 500 Index	4.93%	13.69%	13.69%	7.91%
BC 7-10 Year UST	3.12%	9.00%	9.00%	3.85%
BC Aggregate Bond	1.79%	5.97%	5.97%	2.21%
BC Mortgage Securities	0.68%	3.31%	3.31%	2.32%
BC EM Debt (USD)	-0.69%	7.12%	7.12%	5.56%
BC Corporate High Yield	-1.00%	2.45%	2.45%	4.33%
Gold (Bloomberg)	-2.34%	-1.78%	-1.78%	13.04%
MSCI EAFE (Developed)	-3.57%	-4.90%	-4.90%	9.28%
MSCI Emerging Markets	-4.50%	-2.19%	-2.19%	13.01%
Bloomberg Commodity	-12.10%	-17.04%	-17.04%	12.95%



Global Equity Sectors (ACWI)	QTD	YTD	1 Year Return	1 Year Risk
Consumer Disc	5.64%	3.47%	3.47%	10.86%
Info Tech	3.93%	15.20%	15.20%	8.50%
Utilities	3.29%	13.78%	13.78%	9.18%
Consumer Staples	2.98%	6.15%	6.15%	10.55%
Healthcare	2.95%	18.13%	18.13%	8.66%
Financials	1.47%	3.43%	3.43%	8.19%
Industrials	1.00%	0.19%	0.19%	8.02%
MSCI ACWI (Net)	0.41%	4.16%	4.16%	8.41%
Telecomm	-3.01%	-1.83%	-1.83%	9.01%
Materials	-5.70%	-7.49%	-7.49%	10.73%
Energy	-15.46%	-13.47%	-13.47%	17.53%



Note: 1-year risk reflects standard deviation of monthly returns.

Sources: FactSet, Graystone Consulting 12/31/2014

CAPITAL MARKETS HIGHLIGHTS: 4 Q 2014

US & Global Equities

- In the US, defensive sectors outperformed as Utilities and Healthcare gained 13.2% and 7.5%, respectively. Consumer sectors gained 8-9% as consumers benefit from lower energy prices. Meanwhile, small-cap equities outpaced large in Q4, in part due to short-covering, but underperformed for the full year due to various factors.
- Europe and Japan declined 4.4% and 2.4%, respectively, as growth metrics stalled and central bank stimulus failed to invigorate demand. Currency hedges mitigated losses as the USD gained 4% vs. the Euro and 8% vs. the Yen.
- Emerging Markets declined 4.5% with resources-oriented economies falling the most. China – an energy consumer – initiated monetary stimulus and gained 7.2%.

Global & Specialty Fixed Income

- Deflation concerns bubbled over in Europe and Japan. Yields for 10-year German Bunds and JGBs dropped to 0.53% and 0.32%, respectively. The UST 10-year closed at a 2.17% yield, falling 32 bps as the US curve flattened.
- The BC Aggregate Bond Index gained 1.8% and returns were mostly driven by duration. Short-term USTs were flat, but long-duration UST bonds rallied 9.4%. Citi WGBI declined 1.5% (as currency losses offset bond gains).
- Investment-grade corporates and MBS both gained 1.8%, but high-yield bonds declined 1.0% as spreads widened to +498 and Energy bonds traded to distressed levels of +1000 or more. Emerging Markets debt gained 2.9% in local currencies, but declined 0.7% in USD.

Commodities & Real Assets

- Bloomberg Commodity Index declined 12.1% due to weaker growth, supply/demand imbalances, and a strong US Dollar. Energy – one-third of the index – declined 37% with Crude Oil down 41%. MSCI ACWI Commodity Producers (Energy/Materials equities) declined 14.7%.
- S&P Global infrastructure gained 1.2% in Q4. Defensive-oriented cash flows offset energy-related exposures.
- Rate-sensitive real estate securities gained as a yield alternative. FTSE Nareit All REITs gained 12.1%.

Hedge Funds & Alternative Strategies

- The HFRX Global Hedge Fund Index declined 1.7% in Q4. Equity Hedge strategies were flat. Relative Value declined 3.1% mostly due to wider credit spreads and lower interest rates. Event Driven declined 5.5% due mostly to struggling CCC-rated distressed credits.
- Macro/CTA strategies were the top performer, advancing 2.6%. Gains were largely due to trends in currencies (i.e. Euro and Yen weakness, USD strength), global bonds (declining interest rates), and energy commodities (falling crude prices). M/CTA had its best returns in six years.

CAPITAL MARKETS HIGHLIGHTS: 4Q 2014

Current market views that shape our portfolio positioning and performance expectations:

• **Perspectives:**

- US economic growth accelerated in Q3 and is showing further stability with positive trends in employment, consumer spending, corporate capital expenditures (CAPEX), and even government spending. A strong USD is taming US inflation, and lower energy prices are boosting discretionary cash flow for consumers. US strength is obvious and well embraced.
- Recoveries in Europe and Japan stalled in the second half of 2014. Beyond the ongoing monetary stimulus, fundamental structural reforms are probably needed to support demand going forward (i.e. corporate tax cuts, regulatory reform, etc.).
- Emerging Markets faded in Q4 due to (1) a negative feedback loop of slowing global growth and declining commodities prices, and (2) a looming Fed Policy shift to higher rates, which is leading to weaker foreign currencies and higher inflation.

• **Positioning:**

- In equities, US-leaning portfolios make sense, but non-US Developed Markets should not be neglected. US assets offer a favorable mix of growth/stability – reflected in higher valuations – but investor risk aversion is systematically keeping multiples from excessive levels. Japan and Europe face challenges, but expectations are low and a positive growth surprise could unfold in 2015. Time horizon matters for Emerging Markets: Long-term potential, but near-term challenges.
- For real assets, we tend to favor cash flow – in global infrastructure, real estate securities, and inflation-protected fixed income. Meanwhile, challenges could persist for commodities & related securities due to increased capacity/production.
- In fixed income, we favor credit risk over interest-rate risk with a preference for specialty fixed income opportunities and hedged credit strategies. Interest rates appear biased to moving higher on the short end-due to a Fed Policy shift, but rate increases for long-duration bonds could be muted due to various global factors. High-quality still serves as a hedge.
- Corporate activity remains elevated (spin-offs, M&A, restructurings, etc.) and could expand globally. We favor active management strategies where risk/return is largely dependent on company-specific factors, including event driven equity/credit strategies. In some cases, however, risk/return opportunities could be more muted, especially in credit.

GRAYSTONE HOUSE VIEWS: JANUARY 2015

US assets remain in favor and for good reason, but non-US opportunities should not be neglected...

- “In meetings with our clients and Financial Advisors, both express their concerns about the markets, and these discussions inevitably give rise to at least one big question... Now, sluggish global growth is the issue, which leads to the question, ‘Why own anything except the S&P 500 in my equity portfolio?’ One thing we have learned over the past few decades is that when popular opinion gets this strong on any one topic, the trend is close to having run its course.”

- Michael Wilson, CIO, Morgan Stanley Wealth Management, December 2014

Topic	Current Outlook	Other Considerations
US Expansion	<ul style="list-style-type: none"> ▪ Economic growth has rebounded with positive trends in employment, consumer spending, and CAPEX ▪ Equity valuations modestly above average, but risk aversion is keeping multiples from excessive levels 	<ul style="list-style-type: none"> ▪ Inflation is lower due to strong USD and lower energy prices, giving Fed more flexibility regarding rate hikes ▪ Limits to market-wide gains in an extended expansion that should persist; US already widely embraced
European Recovery	<ul style="list-style-type: none"> ▪ ECB monetary stimulus failing to boost demand as growth data continues to disappoint ▪ Draghi pushing for structural reforms 	<ul style="list-style-type: none"> ▪ Weaker Euro should benefit European-based export companies ▪ Expectations now quite low; positive growth surprise possible in 2015
Japan Recovery	<ul style="list-style-type: none"> ▪ Domestic recovery stalled after increases to consumption tax; plans for 2015 tax hikes being deferred ▪ BoJ remains supportive, but investors still waiting for growth-oriented structural reforms 	<ul style="list-style-type: none"> ▪ Deflationary challenges persist (i.e. aging population, savings culture) ▪ Signs of a potential shift to more shareholder-friendly environment (e.g. increased stock buy-backs)

GRAYSTONE HOUSE VIEWS: JANUARY 2015

Topic	Current Outlook	Other Considerations
Emerging Markets	<ul style="list-style-type: none"> ▪ Opportunities bifurcated based on growth potential, inflation, currency factors, fiscal/monetary policies ▪ Commodity price declines disruptive; energy consumers to benefit, while energy producers could struggle ▪ China trimmed growth estimates, but PBOC offered monetary support via interest rate cuts, lower reserve requirements, and capital injections 	<ul style="list-style-type: none"> ▪ Overall index valuations remain inexpensive, but attractive growth assets are more fully valued ▪ Near-term EM performance could be pressured by a Fed Policy shift (rate hikes) and a stronger USD ▪ Structural reforms in China & India point to long-term productivity gains and capital markets efficiencies
High-Quality Fixed Income	<ul style="list-style-type: none"> ▪ Fed Policy shift (short-term rate hikes) expected by Q3-2015; strong USD and deflation in Europe/ Japan keeping a lid long-term rates 	<ul style="list-style-type: none"> ▪ Favor complex and less efficient segments (i.e. MBS, ABS, CLOs) ▪ QE from ECB/BoJ to offset Fed shift
Credit Spread Strategies	<ul style="list-style-type: none"> ▪ Favor credit risk over interest rate risk, but selectively, as economic expansion continues with below-average default rates in US 	<ul style="list-style-type: none"> ▪ HY credit spreads wider in Q4 due to Energy sell-off and HY outflows; favor off-the-run securities, hedged strategies & relative value trades
Event Driven & other Hedge Fund Strategies	<ul style="list-style-type: none"> ▪ Prefer catalyst-driven strategies tied to company-specific actions/events ▪ Continued corporate activity in US (i.e. M&A, spin-offs) could extend to Europe/Japan in 2015 	<ul style="list-style-type: none"> ▪ Return opportunities in event driven credit could be muted near-term; distressed situations could force changes in over-leveraged Energy ▪ Pay-the-shareholder environment supported by activist investors

CAPITAL MARKETS SCORECARD AND INDICATORS: 12-31-14

Global Economic Metrics	GDP RQ	As of Date	GDP T12	CPI	UE Rate
USA	5.0%	9/30	2.7%	1.3%	5.8%
Europe (EMU)	0.6%	9/30	0.8%	0.3%	11.5%
United Kingdom	3.0%	9/30	3.0%	1.0%	6.0%
Japan	-1.9%	9/30	0.5%	2.4%	3.6%
Australia	1.4%	9/30	3.1%	2.3%	6.2%
Canada	2.8%	9/30	2.3%	2.0%	6.8%
China	7.8%	9/30	2.3%	1.4%	4.1%
India	0.2%	9/30	6.0%	4.4%	8.8%
Russia	N/A	9/30	0.6%	9.1%	5.2%
Brazil	0.3%	9/30	0.2%	6.6%	4.9%
Mexico	2.0%	9/30	2.1%	4.2%	4.7%

Notes: GDP RQ is the most recent quarter data at an annualized rate. GDP T12 is the growth rate for the trailing 12 months. CPI is the inflation rate and UE Rate is the unemployment rate (most recent mo. data).

Key Economic Indicators	Latest	As of Date	3Mo Avg	12Mo Avg	36Mo Avg
USA - Non-Farm Payrolls	321,000	11/28	278	228	206
USA - Jobless Claims 4-Wk	290,750	12/19	290,117	308,633	342,086
USA - ISM Manufacturing	55.5	12/31	57.7	55.8	53.8
USA - ISM Services	56.2	12/31	57.5	53.0	55.2
USA - C&I Loans (\$ trillions)	96,528	12/31	96,528	97,696	86,646
USA - Citi Economic Surprise	34.7	12/31	19.3	5.9	10.5
German ZEW Sentiment	34.9	12/31	14.3	29.6	23.1
China PMI Index	50.1	12/31	50.4	50.7	50.7

Notes: Latest is the most recently available monthly data. 3Mo Avg, 6Mo Avg and 12Mo Avg are the averages for the respective periods. These are referenced to assess the direction of recent trends.

Monetary Policy, Rates,	Int. Rates	1Yr Ago	10-Year Yld	1Yr Ago
USA FRB/USTs	0.25%	0.25%	2.17%	3.04%
ECB/German Bunds	0.05%	0.25%	0.53%	1.94%
BoE/UK Gilts	0.50%	0.50%	1.75%	3.02%
BoJ/JGBs	0.10%	0.10%	0.32%	0.73%

Notes: Int. Rates refer to targeted short-term lending rates set by the FRB (Fed Funds) and other central banks. 10-Year Yld refers to the yield-to-maturity for each market's current 10-year government bond issue.

Global Bond Metrics	Yield	3Mo Ago	6Mo Ago	1Yr Ago	Duration
BC Aggregate Bond	2.25%	2.36%	2.22%	2.48%	5.5
BC UST 7-10 Year	2.10%	2.40%	2.35%	2.77%	7.9
BC UST 20+ Year	2.70%	3.16%	3.28%	3.90%	18.4
BC MBS Index	2.60%	2.88%	2.79%	3.26%	4.3
BC Municipal Bond	2.09%	2.19%	2.36%	3.15%	6.0
BofAML High Yield Master II	6.65%	6.14%	5.01%	5.67%	4.9
Citigroup WGBI USD	1.08%	1.25%	1.30%	1.60%	7.1
Citigroup WGBI USD (Hedge)	0.93%	1.15%	1.29%	1.69%	7.8
BC Emerging Markets USD	5.66%	5.02%	4.61%	5.25%	5.9
BC Emerging Markets Local	12.87%	13.79%	9.55%	9.09%	6.1

Notes: Yield represents yield-to-worst. 3Mo Ago, 6Mo Ago and 12Mo Ago are historical yields. These are referenced to assess the direction of recent trends. Duration is a measure of interest rate sensitivity.

Currencies	Spot PX	3Mo	3Mo Δ	12Mo	12Mo Δ
USD Trade-Weighted Index	90.80	87.56	3.70%	85.56	6.13%
Euro (Euro/USD)	1.21	1.26	-4.22%	1.37	-11.97%
Yen (USD/JPY)	119.69	109.63	-8.40%	105.29	-12.03%
Pound (GBP/USD)	1.56	1.62	-3.93%	1.66	-5.93%

Notes: Spot PX is the most recently quoted price. 3Mo Δ and 12 Mo Δ are percentage price changes for the stated period.

Sources: FactSet, Graystone Consulting 12/31/2014

CAPITAL MARKETS SCORECARD AND INDICATORS: 12-31-14

Global Equity Metrics	PE T12	1Yr Ago	10Yr Avg	PE F12	1Yr Ago	Global Equity Sectors	PE T12	1Yr Ago	10Yr Avg	PE F12	1Yr Ago
S&P 500 (USA)	17.2	16.8	15.8	16.2	15.4	Consumer Staples	18.6	17.3	16.2	18.7	16.9
Russell 2000 (USA)	36.0	38.9	31.2	21.6	21.7	Consumer Discretionary	17.9	15.8	17.9	16.4	16.7
MSCI EAFE (Developed)	16.6	15.9	13.6	14.1	13.7	Energy	13.0	13.1	12.3	15.6	12.7
Germany	14.9	13.5	13.3	12.9	13.2	Financials	14.3	14.5	22.6	12.6	12.6
United Kingdom	16.3	12.8	12.5	13.8	13.2	Health Care	22.8	20.3	17.2	17.5	16.4
Japan	15.7	16.9	(76.4)	14.3	14.9	Industrials	16.8	19.1	16.4	15.6	15.9
MSCI Emerging Markets	12.0	11.9	12.7	11.0	10.5	Information Technology	19.2	19.5	19.9	16.3	16.2
China	9.3	9.3	10.5	9.4	8.9	Materials	13.9	16.0	13.3	14.7	14.5
India	18.6	17.7	19.1	16.7	14.7	Telecommunications	17.6	16.1	17.7	15.5	16.2
Russia	3.5	5.0	6.4	3.8	5.5	Utilities	15.9	16.5	15.5	16.4	14.4
Brazil	14.4	12.7	12.7	10.2	9.9						
Mexico	19.0	17.8	13.4	18.3	18.3						

Notes: PE T12 is the PE ratio for the trailing 12 months; PE F12 is the forward PE based on earnings estimates (next 12 months). 1Yr Ago references PE data from a year ago. 10Yr Avg is the average of the trailing PE data.

Notes: Please reference notes on the table to the left (Global Equity Metrics). All data above is based on the MSCI All-Country World Index (ACWI).

Other Key Indicators I	Latest	As of Date	3Mo Avg	12Mo Avg	10Yr Avg	Commodities & Currencies	Spot PX	3Mo Ago	3Mo Δ	12Mo Ago	12Mo Δ
Consumer Confidence (UM)	93.60	12/31	89.77	84.13	77.05	Crude Oil (Brent)	57.33	94.67	-39.44%	110.80	-48.26%
AAII Bullish Sentiment	44.34	12/31	48.74	39.28	38.72	Crude Oil (WTI)	53.27	91.16	-41.56%	98.42	-45.87%
AAII Bearish Sentiment	23.51	12/31	21.56	26.07	34.84	Natural Gas	2.89	4.12	-29.90%	4.23	-31.70%
CBOE Volatility Index (VIX)	19.20	12/31	14.87	14.15	20.09	Gold	1,206.00	1,216.50	-0.86%	1,204.50	0.12%
CBOE Put/Call Ratio	0.94	12/31	0.93	0.91	0.94	Silver	15.97	17.11	-6.66%	19.50	-18.10%
						Copper	6,359.00	6,736.00	-5.60%	7,394.50	-14.00%
						Aluminum	1,805.00	2,090.00	-13.64%	1,820.00	-0.82%
						Soybeans	10.22	8.93	14.39%	13.17	-22.39%
						Corn	3.91	2.96	32.21%	4.27	-8.43%
						Livestock	439.59	473.64	-7.19%	416.13	5.64%

Notes: Latest is the most recently available monthly data. 3Mo Avg, 12Mo Avg and 10Yr Avg represent the averages scores for the respective trailing periods.

Notes: Spot PX is the most recently quoted price. 3Mo Ago and 12Mo Ago are historical prices, while 3Mo Δ and 12Mo Δ are percentage price changes for the stated period.

Sources: FactSet, Graystone Consulting 12/31/2014

SAR Asset Allocation

As of 12-31-2014

CURRENT ASSET ALLOCATION AS OF 12-31-14

ASSET CLASS		Current Allocation		Projected Redemptions	Recommended	Projected Balance	New Allocation
		\$	%				
Large Cap Value	SDY	\$ 3,065,234	11.30%	\$ -	\$ -	\$ 3,065,234	11.30%
Large Cap Value	NFJ	\$ 4,725,626	17.42%	\$ -	\$ -	\$ 4,725,626	17.42%
Large Cap Total		\$ 7,790,860	28.72%	\$ -	\$ -	\$ 7,790,860	28.72%
Small / Mid Cap Value		\$ -	0.00%	\$ -	\$ -	\$ -	0.00%
Small Cap Growth		\$ -	0.00%	\$ -	\$ -	\$ -	0.00%
Small / Mid Total		\$ -	0.00%	\$ -	\$ -	\$ -	0.00%
Total US Equities		\$ 7,790,860	28.72%	\$ -	\$ -	\$ 7,790,860	28.72%
Intl (Value)	NFJ	\$ 2,526,732	9.31%	\$ -	\$ -	\$ 2,526,732	9.31%
Intl (Growth)	W. Blair	\$ 811,051	2.99%	\$ -	\$ -	\$ 811,051	2.99%
Total Non-US Eq.		\$ 3,337,783	12.30%	\$ -	\$ -	\$ 3,337,783	12.30%
Traditional Equities		\$ 11,128,643	41.02%	\$ -	\$ -	\$ 11,128,643	41.02%
Hedge Fund - Single Mgr	Goldentree*	\$ 5,640,821	20.79%	\$ -	\$ -	\$ 5,640,821	20.79%
Hedge Fund - Single Mgr	Canyon*	\$ 3,876,792	14.29%	\$ -	\$ -	\$ 3,876,792	14.29%
TOTAL FIXED Alternative		\$ 9,517,613	35.08%	\$ -	\$ -	\$ 9,517,613	35.08%
Total Alternatives		\$ 9,517,613	35.08%	\$ -	\$ -	\$ 9,517,613	35.08%
Total Return	Met West Total Return	\$ 4,590,317	16.92%	\$ -	\$ -	\$ 4,590,317	16.92%
US Treasuries	Western Asset	\$ 475,014	1.75%	\$ -	\$ -	\$ 475,014	1.75%
Cash	Pimco Low Duration	\$ 1,417,871	5.23%	\$ -	\$ -	\$ 1,417,871	5.23%
Fixed Income / Cash**		\$ 6,483,202	23.90%	\$ -	\$ -	\$ 6,483,202	23.90%
TOTAL PORTFOLIO		\$ 27,129,458	100.00%	\$ -	\$ -	\$ 27,129,458	100.00%

DECONSTRUCTED ASSET ALLOCATION

Asset Class	Target Policy	Current Allocation		CIC Recommended Allocation			
		%	\$	%	% Change	\$ Change	\$ Allocation
Large Cap Value		24.1%	\$ 6,530,274	24.1%	0.0%	\$ -	\$ 6,530,274
Large Cap Core		0.0%	\$ -	0.0%	0.0%	\$ -	\$ -
Large Cap Growth		0.0%	\$ -	0.0%	0.0%	\$ -	\$ -
Large Cap Total		24.1%	\$ 6,530,274	24.1%	0.0%	\$ -	\$ 6,530,274
Small / Mid Cap Value		4.6%	\$ 1,260,586	4.6%	0.0%	\$ -	\$ 1,260,586
Small / Mid Cap Core		0.0%	\$ -	0.0%	0.0%	\$ -	\$ -
Small / Mid Cap Growth		0.0%	\$ -	0.0%	0.0%	\$ -	\$ -
Small / Mid Total		4.6%	\$ 1,260,586	4.6%	0.0%	\$ -	\$ 1,260,586
U.S. EQUITY	25-60%	28.7%	\$ 7,790,860	28.7%	0.0%	\$ -	\$ 7,790,860
International Value		7.5%	\$ 2,021,386	7.5%	0.0%	\$ -	\$ 2,021,386
International Core		0.0%	\$ -	0.0%	0.0%	\$ -	\$ -
International Growth		2.5%	\$ 689,393	2.5%	0.0%	\$ -	\$ 689,393
Developed International		10.0%	\$ 2,710,779	10.0%	0.0%	\$ -	\$ 2,710,779
Emerging Markets		2.3%	\$ 627,004	2.3%	0.0%	\$ -	\$ 627,004
NON U.S. EQUITY	10-30%	12.3%	\$ 3,337,783	12.3%	0.0%	\$ -	\$ 3,337,783
Public Equity	35-80%	41.0%	\$ 11,128,643	41.0%	0.0%	\$ -	\$ 11,128,643
Primary PE		0.0%	\$ -	0.0%	0.0%	\$ -	\$ -
Secondary PE		0.0%	\$ -	0.0%	0.0%	\$ -	\$ -
Private Equity	0-15%	0.0%	\$ -	0.0%	0.0%	\$ -	\$ -
Equity Total	35-80%	41.0%	\$ 11,128,643	41.0%	0.0%	\$ -	\$ 11,128,643
Long Short Equity		1.0%	\$ 282,041	1.0%	0.0%	\$ -	\$ 282,041
Event Driven		12.7%	\$ 3,436,803	12.7%	0.0%	\$ -	\$ 3,436,803
Relative Value		21.4%	\$ 5,798,769	21.4%	0.0%	\$ -	\$ 5,798,769
Global Macro		0.0%	\$ -	0.0%	0.0%	\$ -	\$ -
Absolute Return	0-30%	35.1%	\$ 9,517,613	35.1%	0.0%	\$ -	\$ 9,517,613
Private Real Estate		0.0%	\$ -	0.0%	0.0%	\$ -	\$ -
Public Real Estate		0.0%	\$ -	0.0%	0.0%	\$ -	\$ -
Timber		0.0%	\$ -	0.0%	0.0%	\$ -	\$ -
Energy		0.0%	\$ -	0.0%	0.0%	\$ -	\$ -
Commodities		0.0%	\$ -	0.0%	0.0%	\$ -	\$ -
Real Assets	10.0%	0.0%	\$ -	0.0%	0.0%	\$ -	\$ -
Public U.S. Fixed		19.7%	\$ 5,341,789	19.7%	0.0%	\$ -	\$ 5,341,789
Public International Fixed		1.8%	\$ 496,255	1.8%	0.0%	\$ -	\$ 496,255
Cash / In the \$ Equity		2.4%	\$ 645,159	2.4%	0.0%	\$ -	\$ 645,159
Fixed & Cash	0-30%	23.9%	\$ 6,483,202	23.9%	0.0%	\$ -	\$ 6,483,202
TOTAL PORTFOLIO		100.0%	\$ 27,129,458	100.0%	0.0%	\$ -	\$ 27,129,458

CURRENT FIXED INCOME BREAKDOWN

MetWest Total Return		
US Government	34.0%	\$ 1,560,708
Mortgage	47.0%	\$ 2,157,449
Inv. Grade Credit	16.0%	\$ 734,451
High Yield	0.0%	\$ -
Foreign	0.0%	\$ -
Alt. Bonds	0.0%	\$ -
Inflation	0.0%	\$ -
US Bonds	0.0%	\$ -
Equities	0.0%	\$ -
Other	0.0%	\$ -
Cash /Short Term	3.0%	\$ 137,710
Total	100.0%	\$ 4,590,317

Western Assets		
US Government	100.00%	\$ 475,014
Mortgage	0.00%	\$ -
Inv. Grade Credit	0.00%	\$ -
High Yield	0.00%	\$ -
Foreign	0.00%	\$ -
Alt. Bonds	0.00%	\$ -
Inflation	0.00%	\$ -
US Bonds	0.00%	\$ -
Equities	0.00%	\$ -
Other	0.00%	\$ -
Cash /Short Term	0.00%	\$ -
Total	100.00%	475,014

Pimco Low Duration		
US Government	7.0%	\$ 99,251
Mortgage	16.0%	\$ 226,859
Inv. Grade Credit	20.0%	\$ 283,574
High Yield	7.0%	\$ 99,251
Foreign	35.0%	\$ 496,255
Alt. Bonds	0.0%	\$ -
Inflation	0.0%	\$ -
US Bonds	0.0%	\$ -
Equities	0.0%	\$ -
Other	3.0%	\$ 42,536
Cash /Short Term	12.0%	\$ 170,145
Total	100.0%	\$ 1,417,871

Current Fixed Income Blend		
US Government	32.9%	\$ 2,134,973
Mortgage	36.8%	\$ 2,384,308
Inv. Grade Credit	15.7%	\$ 1,018,025
High Yield	1.5%	\$ 99,251
Foreign	7.7%	\$ 496,255
Alt. Bonds	0.0%	\$ -
Inflation	0.0%	\$ -
US Bonds	0.0%	\$ -
Equities	0.0%	\$ -
Other	0.7%	\$ 42,536
Cash /Short Term	4.7%	\$ 307,854
Total	100.0%	\$ 6,483,202

BC Agg Bond Index		
US Government	36.0%	\$ 2,333,953
Mortgage	34.0%	\$ 2,204,289
Inv. Grade Credit	30.0%	\$ 1,944,961
High Yield	0.0%	\$ -
Foreign	0.0%	\$ -
Alt. Bonds	0.0%	\$ -
Inflation	0.0%	\$ -
US Bonds	0.0%	\$ -
Equities	0.0%	\$ -
Cash /Short Term	0.0%	\$ -
Total	100.0%	\$ 6,483,202

SAR Current Duration & Yield				
	Current Allocation	% Allocation	Current Duration	Yield
Met West Total Return	\$ 4,590,317	76.40%	4.67	2.21
Pimco Low Duration	\$ 1,417,871	23.60%	1.33	1.53
SAR Total Fixed Income	\$ 6,008,188	100.00%	3.88	2.05
BC Agg Bond Index			5.67	2.27

CURRENT HEDGE FUND ALLOCATION

Fund	Long/Short	Event Driven	Relative Value	Global Macro	TOTAL
Golden Tree	5%	30%	65%	0%	100%
Canyon	0%	45%	55%	0%	100%

	Long/Short	Event Driven	Relative Value	Global Macro	TOTAL
Golden Tree	\$ 282,041	\$ 1,692,246	\$ 3,666,534	\$ -	\$ 5,640,821
Canyon	\$ -	\$ 1,744,556	\$ 2,132,236	\$ -	\$ 3,876,792
TOTAL	\$ 282,041	\$ 3,436,803	\$ 5,798,769	\$ -	\$ 9,517,613
% of Total	2.96%	36.11%	60.93%	0.00%	100%

Hedge Fund	
Long Short	2.96%
Event Driven	36.11%
Relative Value	60.93%
Global Macro	0.00%

Investment Performance Summary

SCHOOL FOR ADVANCED RESEARCH – TOTAL FUND RETURNS

	S.A.R.	S&P 500	MSCI EAFE
% Gain/Loss - QTD	1.23%	4.93%	-3.53%
\$ Gain / Loss - QTD	\$ 352,000		
% Gain/Loss - YTD	6.22%	13.69%	-4.48%
\$ Gain / Loss - YTD	\$ 1,708,000		
% Gain/Loss - 1 Year	6.22%	13.69%	-4.48%
\$ Gain / Loss - 1 Year	\$ 1,708,000		
% Gain/Loss - 3 Year	9.38%	20.41%	11.56%
\$ Gain / Loss - 3 Year	\$ 6,711,000		
% Gain/Loss - 5 Year	7.98%	15.45%	5.81%
\$ Gain / Loss - 5 Year	\$ 9,690,000		
% Gain/Loss - 7 Year	3.15%	7.27%	0.00%
\$ Gain / Loss - 7 Year	\$ 4,096,000		
% Gain/Loss - Since Inc	7.36%	9.40%	8.84%
\$ Gain / Loss - Since Inc	\$ 20,959,000		
December 31, 2014 Balance	\$ 27,129,458		

SCHOOL FOR ADVANCED RESEARCH – TOTAL FUND RETURNS



SCHOOL FOR ADVANCED RESEARCH – RISK/RETURN 3 YEARS

Zephyr StyleADVISOR

Zephyr StyleADVISOR: Graystone Consulting

Custom Table

January 2012 - December 2014: Summary Statistics

	Return	Standard Deviation	Maximum Drawdown	Up Capture vs. Market	Down Capture vs. Market	Alpha vs. Market	Beta vs. Market
SAR Total Fund	9.38%	3.95%	-2.40%	41.37%	39.86%	1.95%	0.37
SAR Composite	5.82%	4.32%	-3.34%	31.81%	52.63%	-1.70%	0.39
MSCI EAFE Index	11.56%	13.18%	-13.34%	83.19%	151.92%	-9.63%	1.15
S&P 500	20.41%	9.10%	-6.60%	100.00%	100.00%	0.00%	1.00

SCHOOL FOR ADVANCED RESEARCH – RISK/RETURN 5 YEARS

Zephyr StyleADVISOR

Zephyr StyleADVISOR: Graystone Consulting

Custom Table

January 2010 - December 2014: Summary Statistics

	Return	Standard Deviation	Maximum Drawdown	Up Capture vs. Market	Down Capture vs. Market	Alpha vs. Market	Beta vs. Market
SAR Total Fund	7.98%	4.88%	-7.94%	37.54%	32.52%	2.93%	0.32
SAR Composite	4.46%	4.73%	-7.22%	28.38%	39.39%	-0.29%	0.31
MSCI EAFE Index	5.81%	16.69%	-22.32%	81.36%	129.24%	-9.70%	1.13
S&P 500	15.45%	13.00%	-16.26%	100.00%	100.00%	0.00%	1.00

SCHOOL FOR ADVANCED RESEARCH – RISK/RETURN SINCE INCEPTION

Zephyr StyleADVISOR

Zephyr StyleADVISOR: Graystone Consulting

Custom Table

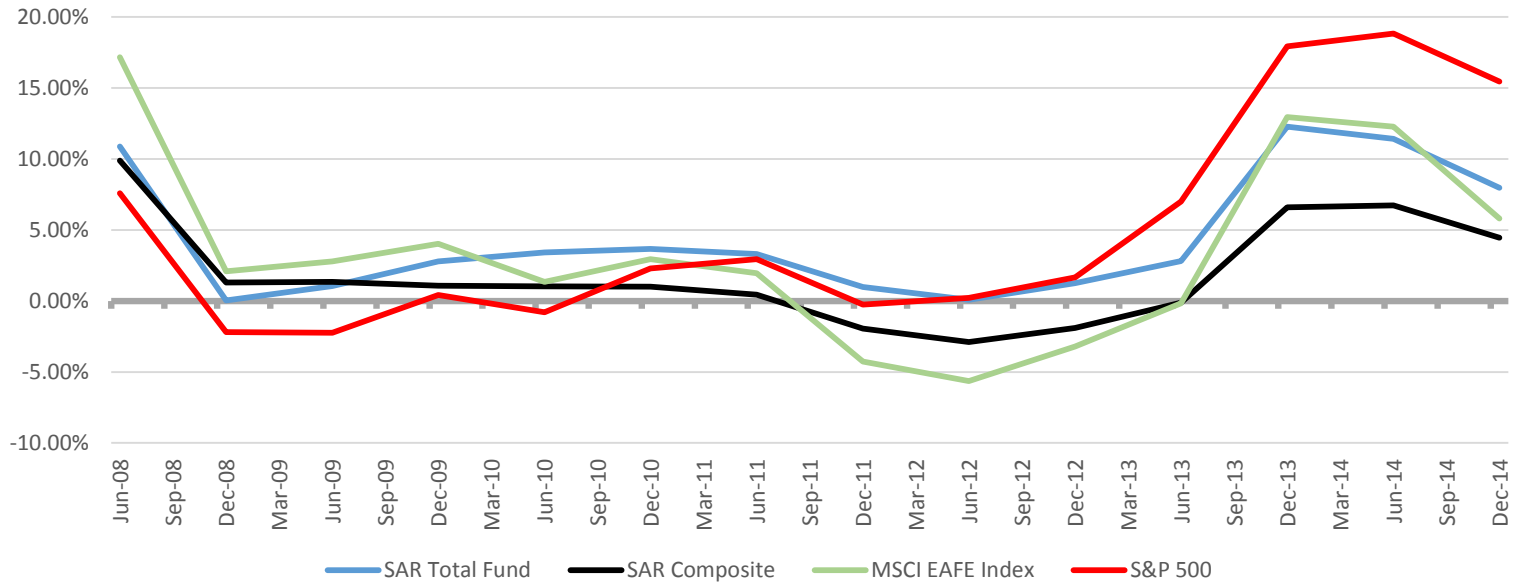
May 2003 - December 2014: Summary Statistics

	Return	Standard Deviation	Maximum Drawdown	Up Capture vs. Market	Down Capture vs. Market	Alpha vs. Market	Beta vs. Market
SAR Total Fund	7.36%	8.75%	-38.35%	56.36%	54.40%	2.42%	0.51
SAR Composite	5.22%	7.44%	-33.05%	47.34%	54.02%	0.87%	0.45
MSCI EAFE Index	8.84%	17.37%	-56.40%	106.50%	109.59%	-0.98%	1.10
S&P 500	9.40%	13.95%	-50.95%	100.00%	100.00%	0.00%	1.00

SCHOOL FOR ADVANCED RESEARCH – ROLLING 5-YEAR RETURNS

- Rolling 5 year performance has been **consistently positive**, having zero negative 5 year annualized returns since portfolio inception (05/2003)

Manager vs Benchmark: Return														
May 2003 - December 2014 (60-Month Moving Windows, Computed Monthly)														
	Jun-08	Dec-08	Jun-09	Dec-09	Jun-10	Dec-10	Jun-11	Dec-11	Jun-12	Dec-12	Jun-13	Dec-13	Jun-14	Dec-14
SAR Total Fund	10.88%	0.04%	1.05%	2.79%	3.42%	3.66%	3.31%	0.98%	0.09%	1.26%	2.82%	12.27%	11.41%	7.98%
SAR Composite	9.88%	1.31%	1.34%	1.08%	1.02%	1.01%	0.45%	-1.95%	-2.90%	-1.90%	-0.11%	6.59%	6.74%	4.46%
MSCI EAFE Index	17.16%	2.10%	2.79%	4.02%	1.35%	2.94%	1.96%	-4.26%	-5.63%	-3.21%	-0.16%	12.96%	12.27%	5.81%
S&P 500	7.58%	-2.19%	-2.24%	0.42%	-0.79%	2.29%	2.94%	-0.25%	0.22%	1.66%	7.01%	17.94%	18.83%	15.45%



SCHOOL FOR ADVANCED RESEARCH – MANAGER PERFORMANCE

	Market Value (\$)	%	1 Month	YTD	1 Year	3 Year	5 Year	7 Year	Since Inc	Inception Date
SAR Combined	27,129,458	100.00	-0.32	6.22	6.22	10.49	8.96	3.82	7.78	05/01/2003
SAR Combined Equity	11,128,643	41.02	-1.00	7.04	7.04	16.76	13.00	3.16	8.15	05/01/2003
<i>MSCI ACWI Net</i>			<i>-1.93</i>	<i>4.15</i>	<i>4.15</i>	<i>14.11</i>	<i>9.17</i>	<i>2.72</i>	<i>8.88</i>	
SAR Fixed Income	6,483,202	23.90	-0.04	3.51	3.51	6.36	6.64	N/A	7.21	05/01/2009
<i>BC Aggregate</i>			<i>0.09</i>	<i>5.96</i>	<i>5.96</i>	<i>2.66</i>	<i>4.45</i>	<i>N/A</i>	<i>4.87</i>	
SAR Hedge Funds	9,517,613	35.08	0.29	7.43	7.43	11.34	9.26	6.98	7.81	05/01/2003
<i>HFRI FoF Composite</i>			<i>0.32</i>	<i>3.35</i>	<i>3.35</i>	<i>5.67</i>	<i>3.29</i>	<i>0.43</i>	<i>3.95</i>	
Domestic Equity										
NFJ Div Value	4,725,626	17.42	-0.24	11.04	11.04	18.11	N/A	N/A	13.63	04/01/2011
<i>Russell 1000 VI</i>			<i>0.61</i>	<i>13.46</i>	<i>13.46</i>	<i>20.90</i>	<i>N/A</i>	<i>N/A</i>	<i>14.59</i>	
SDY	3,065,234	11.30	0.40	14.92	14.92	N/A	N/A	N/A	18.14	06/01/2013
International Equity										
NFJ Intl Value	2,526,732	9.31	-3.39	-4.79	-4.79	9.94	N/A	N/A	3.97	04/01/2011
<i>MSCI EAFE VI</i>			<i>-3.41</i>	<i>-4.91</i>	<i>-4.91</i>	<i>11.65</i>	<i>N/A</i>	<i>N/A</i>	<i>4.40</i>	
<i>MSCI ACWI Ex-US</i>			<i>-3.57</i>	<i>-3.43</i>	<i>-3.43</i>	<i>9.43</i>	<i>N/A</i>	<i>N/A</i>	<i>2.51</i>	
William Blair - Int Growth	811,051	2.99	-2.86	-2.87	-2.87	12.75	8.79	-0.90	2.98	07/01/2006
<i>MSCI EAFE Gr Net</i>			<i>-3.49</i>	<i>-4.42</i>	<i>-4.42</i>	<i>11.03</i>	<i>6.19</i>	<i>0.02</i>	<i>3.18</i>	
<i>MSCI ACWI Ex-US</i>			<i>-3.57</i>	<i>-3.43</i>	<i>-3.43</i>	<i>9.43</i>	<i>4.85</i>	<i>-0.19</i>	<i>3.46</i>	

SCHOOL FOR ADVANCED RESEARCH – MANAGER PERFORMANCE

	Market Value (\$)	%	1 Month	YTD	1 Year	3 Year	5 Year	7 Year	Since Inc	Inception Date
Market Alternatives										
Golden Tree	5,640,821	20.79	0.67	9.95	9.95	12.37	11.95	9.22	9.29	07/01/2005
<i>BC Aggregate</i>			0.09	5.96	5.96	2.66	4.45	4.77	4.69	
<i>HFRX Event Driven</i>			-0.47	-4.07	-4.07	4.99	2.33	0.27	2.10	
Canyon	3,876,792	14.29	-0.16	4.32	4.32	11.90	8.67	7.51	7.51	09/01/2007
<i>BC Aggregate</i>			0.09	5.96	5.96	2.66	4.45	4.77	5.08	
<i>HFRX Event Driven</i>			-0.47	-4.07	-4.07	4.99	2.33	0.27	0.10	
Fixed Income										
Met West Total Return	4,590,317	16.92	0.14	N/A	N/A	N/A	N/A	N/A	1.13	10/01/2014
<i>BC Aggregate</i>			0.09	N/A	N/A	N/A	N/A	N/A	1.78	
PIMCO Low Duration	1,417,871	5.23	-0.63	0.77	0.77	2.16	2.43	N/A	3.92	05/01/2009
<i>90-Day T-Bills</i>			0.00	0.03	0.03	0.05	0.07	N/A	0.08	
Western Asset US Treasuries	475,014	1.75	0.00	N/A	N/A	N/A	N/A	N/A	0.01	05/01/2014
<i>90-Day T-Bills</i>			0.00	N/A	N/A	N/A	N/A	N/A	0.02	

IMPORTANT DISCLOSURES

To the extent the investments depicted herein represent international securities, you should be aware that there may be additional risks associated with international investing, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes, and differences in financial and accounting standards. These risks may be magnified in emerging markets. International investing may not be for everyone. Small capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. In addition, the securities of small capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies.

All mutual fund products and exchange traded funds are sold by prospectus, which contains more complete information about the fund. Please contact your Financial Advisor for copies. Please read the prospectus and consider the fund's objectives, risks, charges and expenses carefully before investing. The prospectus contains this and other information about the fund.

Bonds are subject to interest rate risk. When interest rates rise bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which allows the issuer to retain the right to redeem the debt, fully or partially, before the scheduled maturity date. Proceeds from sales prior to maturity may be more or less than originally invested due to changes in market conditions or changes in the credit quality of the issuer.

Investing in alternative investments is speculative, not suitable for all clients, and intended for experienced and sophisticated investors who are willing to bear the high economic risks of the investment, which can include:

- loss of all or a substantial portion of the investment due to leveraging, short-selling or other speculative investment practices;
- lack of liquidity in that there may be no secondary market for the fund and none expected to develop;
- volatility of returns;
- restrictions on transferring interests in the fund;
- potential lack of diversification and resulting higher risk due to concentration of trading authority with a single advisor;
- absence of information regarding valuations and pricing;
- delays in tax reporting;
- less regulation and higher fees than mutual funds; and
- advisor risk.

Although the statements and data in this report have been obtained from, and are based upon, sources that the Firm believes to be reliable, we do not guarantee their accuracy, and any such information may be incomplete or condensed. All opinions included in this report constitute the presenters judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. Past performance is not a guarantee of future results.

Actual returns would be reduced by expenses that may include management fees and costs of transactions. Expected return and risk (standard deviation) calculations are based on historical data for periods indicated.

© 2015 Graystone Consulting is a business of Morgan Stanley.
