

**December 31, 2014**

**Town of Fairfield**



**Investment Measurement Service  
Monthly Review**

## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of December 31, 2014, with the distribution as of November 30, 2014. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Managers

	December 31, 2014					November 30, 2014		
	Market Value	Percent	Target	Net New Inv.	Inv. Return	Market Value	Percent	Target
<b>Domestic Equity</b>	<b>\$114,268,872</b>	<b>32.13%</b>	<b>25.00%</b>	<b>\$(17,977)</b>	<b>\$496,423</b>	<b>\$113,790,425</b>	<b>31.58%</b>	<b>25.00%</b>
BlackRock S&P 500 Index	69,299,904	19.49%	-	(15,000)	(171,876)	69,486,780	19.29%	-
The Boston Company	31,509,092	8.86%	-	(2,977)	558,801	30,953,267	8.59%	-
Jennison Small Cap Core	13,459,876	3.78%	-	0	109,498	13,350,378	3.71%	-
<b>International Equity</b>	<b>\$69,585,291</b>	<b>19.57%</b>	<b>20.00%</b>	<b>\$0</b>	<b>\$(2,887,346)</b>	<b>\$72,472,637</b>	<b>20.12%</b>	<b>20.00%</b>
Euro Pacific	34,764,424	9.77%	-	0	(1,432,601)	36,197,024	10.05%	-
First State	16,221,978	4.56%	-	0	(750,509)	16,972,487	4.71%	-
Vanguard International Index	18,598,890	5.23%	-	0	(704,236)	19,303,126	5.36%	-
<b>Total Fixed</b>	<b>\$100,454,069</b>	<b>28.24%</b>	<b>30.00%</b>	<b>\$(94,588)</b>	<b>\$100,548,656</b>	-	-	<b>30.00%</b>
<b>Domestic Fixed</b>	<b>\$67,346,326</b>	<b>18.94%</b>	<b>20.00%</b>	<b>\$(33,202,330)</b>	<b>\$(110,049)</b>	<b>\$100,658,706</b>	<b>27.94%</b>	<b>30.00%</b>
Montgomery US Core Fixed Income	33,490,921	9.42%	-	(15,200,000)	(96,091)	48,787,012	13.54%	-
Seix	33,855,405	9.52%	-	(18,002,330)	(13,958)	51,871,694	14.40%	-
<b>Global Fixed</b>	<b>\$33,107,743</b>	<b>9.31%</b>	<b>10.00%</b>	<b>\$33,107,743</b>	<b>\$0</b>	-	-	-
Standish Global Core Plus - US\$H	33,107,743	9.31%	-	33,107,743	0	-	-	-
<b>Hedge Funds</b>	<b>\$35,507,981</b>	<b>9.98%</b>	<b>10.00%</b>	<b>\$0</b>	<b>\$213,665</b>	<b>\$35,294,315</b>	<b>9.80%</b>	<b>10.00%</b>
Conatus	6,387,934	1.80%	-	0	(146,014)	6,533,949	1.81%	-
Wellington Archipelago	12,229,765	3.44%	-	0	85,514	12,144,252	3.37%	-
DGAM - Diversified Strategies Fund	16,890,281	4.75%	-	0	274,166	16,616,115	4.61%	-
<b>Private Equity</b>	<b>\$6,011,960</b>	<b>1.69%</b>	<b>5.00%</b>	<b>\$(478,054)</b>	<b>\$55,745</b>	<b>\$6,434,269</b>	<b>1.79%</b>	<b>5.00%</b>
Lexington MMI II	3,341,947	0.94%	-	(207,026)	85,466	3,463,507	0.96%	-
Lexington MMI III	1,628,701	0.46%	-	(271,028)	18,219	1,881,510	0.52%	-
Mesirow	1,041,312	0.29%	-	0	(47,940)	1,089,252	0.30%	-
<b>Real Estate</b>	<b>\$18,234,373</b>	<b>5.13%</b>	<b>5.00%</b>	<b>\$(182,613)</b>	<b>\$469,674</b>	<b>\$17,947,313</b>	<b>4.98%</b>	<b>5.00%</b>
TA Realty *	4,259,111	1.20%	-	(133,974)	0	4,393,085	1.22%	-
Principal Opportunities Fund	13,975,262	3.93%	-	(48,639)	469,674	13,554,228	3.76%	-
<b>Commodities</b>	<b>\$7,796,592</b>	<b>2.19%</b>	<b>3.00%</b>	<b>\$0</b>	<b>\$(661,333)</b>	<b>\$8,457,925</b>	<b>2.35%</b>	<b>3.00%</b>
TAP Commoditybuilder Fund LLC	7,796,592	2.19%	-	0	(661,333)	8,457,925	2.35%	-
<b>Cash</b>	<b>\$3,793,537</b>	<b>1.07%</b>	<b>2.00%</b>	<b>\$(1,418,600)</b>	<b>\$131</b>	<b>\$5,212,005</b>	<b>1.45%</b>	<b>2.00%</b>
Cash	577,170	0.16%	-	269,198	49	307,923	0.09%	-
Town Employees	1,612,373	0.45%	-	(810,037)	41	2,422,370	0.67%	-
Fire and Police	1,603,994	0.45%	-	(877,760)	41	2,481,713	0.69%	-
<b>Total Fund</b>	<b>\$355,652,674</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$(2,191,831)</b>	<b>\$(2,423,090)</b>	<b>\$360,267,595</b>	<b>100.0%</b>	<b>100.0%</b>

\* Q3 market values adjusted for cash flows. Q4 values are not yet available.

## Investment Manager Returns

The table below details the rates of return for the fund's investment managers over various time periods ended December 31, 2014. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

### Returns for Periods Ended December 31, 2014

	Last Month	Fiscal YTD	Last 12 Months	Last 36 Months
<b>Domestic Equity</b>	<b>0.44%</b>	<b>5.11%</b>	<b>12.37%</b>	<b>22.18%</b>
Russell 3000 Index	(0.00%)	5.25%	12.56%	20.51%
BlackRock S&P 500 Index	(0.25%)	6.16%	13.74%	-
S&P 500 Index	(0.25%)	6.12%	13.69%	20.41%
The Boston Company	1.81%	3.77%	10.77%	23.62%
Russell MidCap Index	0.21%	4.18%	13.22%	21.40%
Jennison Small Cap Core	0.82%	3.05%	9.16%	-
Russell 2000 Index	2.85%	1.65%	4.89%	19.21%
<b>International Equity</b>	<b>(3.98%)</b>	<b>(6.88%)</b>	<b>(2.11%)</b>	<b>10.54%</b>
MSCI ACWI ex-US Index	(3.57%)	(8.81%)	(3.44%)	9.49%
Euro Pacific	(3.96%)	(5.77%)	(2.27%)	11.94%
MSCI ACWI ex-US Index	(3.57%)	(8.81%)	(3.44%)	9.49%
First State	(4.42%)	(6.17%)	0.70%	9.62%
MSCI Emerging Mkts Idx	(4.56%)	(7.65%)	(1.82%)	4.41%
Vanguard International Index	(3.65%)	(9.47%)	(4.15%)	-
Vanguard International Index BM*	(3.26%)	(8.81%)	(3.12%)	9.53%
<b>Domestic Fixed</b>	<b>(0.08%)</b>	<b>1.70%</b>	<b>6.26%</b>	<b>3.25%</b>
BC Aggregate Index	0.09%	1.96%	5.97%	2.66%
Seix	(0.04%)	1.50%	6.32%	3.25%
Barclays Aggregate Index	0.09%	1.96%	5.97%	2.66%
Montgomery US Core Fixed	(0.15%)	1.89%	6.19%	-
Barclays Aggregate Index	0.09%	1.96%	5.97%	2.66%

\* As of June 1, 2013 the benchmark used is the FTSE Global All Cap exUS Index. Prior benchmark history reflects the MSCI ACWI exUS IMI Index.

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### Returns for Periods Ended December 31, 2014

	Last Month	Fiscal YTD	Last 12 Months	Last 36 Months
<b>Hedge Funds</b>	<b>0.61%</b>	<b>1.44%</b>	<b>4.69%</b>	<b>10.63%</b>
Conatus	(2.23%)	0.29%	(2.07%)	10.11%
Wellington Archipelago	0.70%	0.90%	5.80%	10.27%
DJCS L/S Equity	0.35%	2.39%	5.54%	10.37%
DGAM - Diversified Strategies Fund	1.65%	2.29%	6.62%	-
HFRI FOF: Conservative Index	0.63%	0.77%	3.41%	5.09%
<b>Private Equity</b>	<b>0.93%</b>	<b>(2.80%)</b>	<b>4.20%</b>	<b>13.86%</b>
Lexington MMI II**	2.62%	5.88%	14.68%	15.36%
Lexington MMI III**	1.13%	(12.75%)	(6.84%)	-
Mesirow**	(4.40%)	(9.12%)	(5.46%)	-
Russell 3000 Index + 3%	0.25%	6.72%	15.68%	23.67%
<b>Real Estate</b>	<b>2.63%</b>	<b>7.22%</b>	<b>14.50%</b>	<b>14.57%</b>
TA Realty ***	0.00%	2.92%	10.74%	12.28%
NFI-ODCE Equal Weight Net ****	0.00%	3.24%	8.30%	10.19%
Principal Opportunities Fund**	3.47%	8.58%	15.51%	-
NFI-ODCE Equal Weight Net ****	0.00%	3.24%	8.30%	10.19%
<b>Commodities</b>	<b>(7.82%)</b>	<b>(22.76%)</b>	<b>(17.35%)</b>	<b>-</b>
TAP Commoditybuilder Fund	(7.82%)	(22.76%)	(17.35%)	-
DJ UBS Commodity Index	(7.63%)	(22.51%)	(17.04%)	(9.48%)
<b>Cash</b>	<b>0.00%</b>	<b>0.01%</b>	<b>0.02%</b>	<b>0.08%</b>
Cash	0.00%	0.01%	0.02%	0.09%
Town Employees	0.00%	0.01%	0.02%	0.06%
Fire and Police	0.00%	0.01%	0.02%	0.07%
ML 3-Month US T-Bill	0.00%	0.01%	0.04%	0.07%
<b>Total Fund</b>	<b>(0.76%)</b>	<b>0.27%</b>	<b>5.71%</b>	<b>11.19%</b>
Total Fund Benchmark*	(0.93%)	(0.05%)	5.37%	10.01%

\* Current Month Target = 25.0% Russell 3000 Index, 25.0% Barclays Aggregate Index, 15.0% MSCI ACWI ex US Index, 5.0% Russell 3000 Index+3.0%, 5.0% Hi Yld II Index, 5.0% NFI-ODCE Equal Weight Net, 5.0% MSCI Emerging Mkts Idx, 5.0% CS L/S Eq, 5.0% HFRI FOF: Conservative In, 3.0% Blmbrg Commodity Index and 2.0% 3-month Treasury Bill.

\*\* Returns lagged one quarter

\*\*\* Q3 market values adjusted for cash flows. Q4 values are not yet available.

\*\*\*\* December values are not yet available.