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Update to The "CalPERS Effect" on Targeted Company Share Prices

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March 19, 2015

Summary

Wilshire was asked to update the "CalPERS Effect" study on CalPERS engagement efforts. This report will be very similar to the longstanding "CalPERS Effect" paper that Wilshire published for a number of years. However, there are some key differences to this study, as will be noted throughout.

This analysis evaluates CalPERS' corporate governance effectiveness by measuring the performance of the stocks of the 188 companies targeted by CalPERS from the 1999 engagement process through the 2013 engagement process – fourteen "cohort years". Unlike the original "CalPERS Effect" study, this analysis examines the performance of all companies engaged – both "Focus List" companies and those that were engaged privately and were never officially named to the "Focus List."

Relative performance is measured by examining the total return for targeted companies for the three years preceding CalPERS' first involvement[1], the "initiative date," and the total return for these same companies for the subsequent five years. This analysis is prepared against two benchmarks: 1) all stocks against the Russell 1000 Index, and 2) each stock against its appropriate Russell 1000 sector index.

For the three years prior to the "initiative date", the engaged companies produced returns that averaged 38.91% below the Russell 1000 Index on a cumulative basis, and 36.13% below the respective Russell 1000 sector indices. For the five years after the "initiative date," the average engaged companies produced excess returns of 12.27% above the Russell 1000 Index and 8.90% above the respective Russell 1000 sector indices on a cumulative basis.

Through Staff's efforts, the Focus List was monetized from late 2012 through February of 2015. While the monetization process has wound down and CalPERS' approach to engaging with companies continues to evolve, the data presented in this study strongly support working with corporate leaders to improve how companies are managed on behalf of shareholders has benefited CalPERS.

[1] Due to data limitations, the 1999 cohort year companies are only examined for a three year period prior to engagement and the 2000 cohort year companies are only examined for a four year period prior to engagement. Because of this data limitation, we are only showing the "average" company performance for three years prior to the initiative date. All cohort years from 2001 forward show five years of performance preceding the initiative date in the appendix. All cohort years, including 1999 and 2000, examine the performance of companies for five years after the initiative date.

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Analysis[2]

To measure the significance of the "CalPERS Effect," it is necessary to examine stock returns during the period before and after the initiative event. After the initiative date, stock returns respond to a wide range of economic and company specific news such as updated forecasts for GDP, inflation rates, interest rates, and corporate profitability. Measuring the cumulative stock returns against the market indices for the most part mitigates the economic and market impact on the stock's return. Isolating the part of a stock return's movement that is attributable solely to CalPERS' involvement from the initiative date is more difficult, as there can be other factors that affect the returns.

In addition to CalPERS' participation, competing or confounding corporate announcements that had nothing to do with CalPERS' involvement (such as management changes, scandals, new businesses, etc.) affect the stock price. Taking out competing and confounding corporate announcement effects would be ideal to isolate the sole impact of CalPERS' involvement. However, determining which announcements did and did not involve CalPERS is very subjective and completely eliminating these effects from the stock performance is impossible. Alternatively, eliminating those companies with corporate announcements during the five year period after the initiative date would eliminate all companies from the analysis. The continuing question is whether CalPERS' governance activities contribute to improved share prices for those companies engaged. Thus, the objective is to see how well all companies performed against the two benchmarks over the long-term after CalPERS' involvement, regardless of competing or confounding corporate announcements. Wilshire believes that by extending the post initiative observation period to five years, the impact on stock price of any one announcement is lessened, and the long-term effect of a company's good or bad fundamental performance becomes more relevant.

Methodology

This study reflects the results for all stocks engaged by CalPERS from 1999 through 2013 – fourteen cohort years. Wilshire compares the daily returns of each engaged company to the Russell 1000 and to the appropriate sector index of the Russell 1000 and compounds the return differences through time. It is important to note that some of the treatment of certain corporate activities may not lend themselves precisely to an attempt to replicate the performance of the engagement process moving forward. For example, when companies pay dividends, the cash flow is reflected in the daily returns of the stock. However, applying the same methodology to an investment process would assume that the dividends were removed from the account as soon as they were received. Similarly, if an engaged company is acquired or dissolves during the five years after the initiative date, the performance is fully reflected until the company stops trading. From an investment process view, this would assume that the position is fully liquidated at the closing price on the last trading day and the proceeds invested in the Russell 1000 Index or the appropriate sector index. Other differences between this study and the way an investor might implement this approach from a practical standpoint include the impacts of periodic rebalancing

[2] Wilshire's methodology is consistent with that used in a study entitled "Long-Term Rewards From Corporate Governance," published in the Journal of Applied Corporate Finance in the winter of 1994. Daily excess returns are calculated and compounded to provide the cumulative relative performance.

– this study assumes an equal dollar investment in each company over time, with no rebalancing, whereas an investor might find it more appropriate to periodically rebalance to limit concentration in the portfolio. However, in spite of these differences, Wilshire believes that the results of this study in terms of outperformance relative to the two sets of benchmarks is indicative of what an investor might achieve, depending on how the investment process was structured.

General findings

Wilshire's examination shows that CalPERS' good governance campaign has added value to the share prices of targeted companies. For the three years prior to the initiative date, the engaged companies have produced returns that averaged 38.91% below the Russell 1000 Index and 36.13% below the appropriate Russell 1000 sector indices. For the first five years after the initiative date, targeted companies collectively produced stock returns of 12.27% above the Russell 1000 Index and 8.90% above the appropriate Russell 1000 sector indices on a cumulative basis.

The following exhibit plots the excess return for the 188 companies engaged by CalPERS versus the Russell 1000. The figure's origin, at the center, marks the date of CalPERS' first letter, or the initiative date. While actual initiative dates differ for each company, they act in the figure as a common starting point from which to measure the impact of CalPERS' corporate governance efforts. Performance is presented through February 28, 2015 where applicable.

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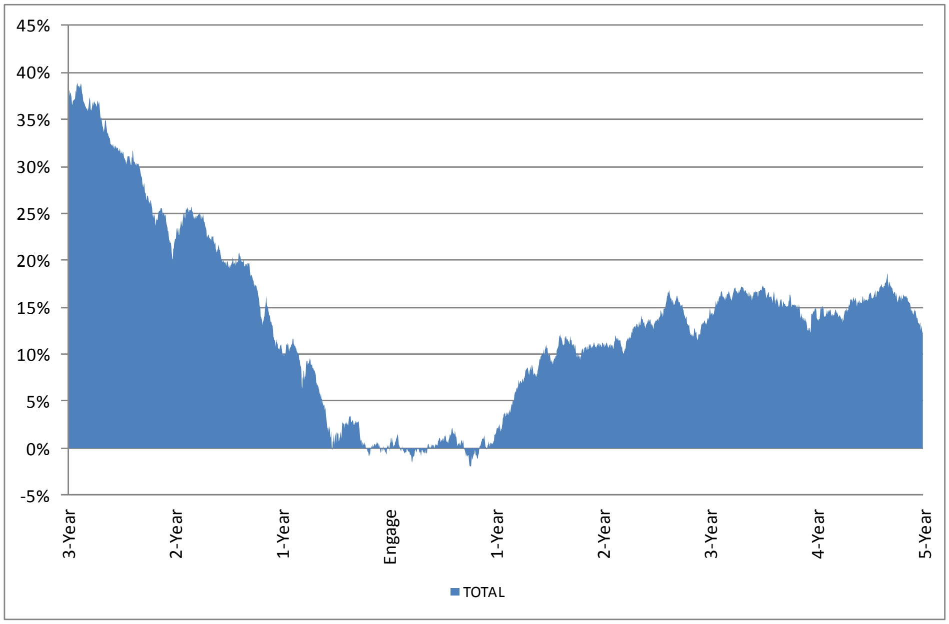
Exhibit I.

Corporate Governance Program Engaged Companies - Total Composite
Cumulative Excess Return Before and During
Relative to Benchmark (Russell 1000)



Time	# of Securities
-3 Years	188
-2 Years	188
-1 Year	188
Engage	188
+1 Year	188
+2 Years	183
+3 Years	176
+4 Years	169
+5 Years	169

Excess Returns

1-Month	2-Month	3-Month	4-Month	5-Month	6-Month	7-Month	8-Month	9-Month	10-Month	11-Month	***12-Month***	
24.77%	24.31%	26.90%	30.03%	30.58%	31.47%	32.10%	33.92%	36.81%	36.38%	38.60%	***38.91%***	**-3 Years**
13.01%	13.66%	17.19%	19.60%	19.61%	19.61%	21.30%	22.23%	24.33%	25.16%	25.03%	***22.00%***	**-2 Years**
0.42%	0.04%	0.75%	2.95%	2.55%	1.22%	3.44%	6.60%	9.12%	9.39%	10.81%	***10.71%***	**-1 Year**
Pre Engagement Date												
Post Engagement Date												
1.53%	-0.47%	-0.14%	-0.48%	0.34%	0.81%	1.45%	0.63%	-0.73%	-1.14%	-0.06%	***1.61%***	**+1 Year**
3.64%	5.02%	7.03%	8.40%	9.48%	9.94%	10.67%	11.61%	10.83%	10.68%	10.94%	***11.20%***	**+2 Years**
10.86%	11.53%	11.77%	12.93%	13.17%	13.59%	14.87%	15.43%	15.29%	11.96%	12.07%	***13.89%***	**+3 Years**
15.71%	16.39%	16.83%	16.75%	16.49%	17.21%	16.09%	15.71%	15.64%	15.27%	12.98%	***14.98%***	**+4 Years**
14.00%	14.22%	13.94%	15.72%	15.48%	16.40%	16.67%	18.60%	16.19%	16.14%	14.50%	***12.27%***	**+5 Years**

Moving left from the origin (0 on the horizontal axis) measures time prior to the initiative date, while moving right from the origin measures time subsequent to the initiative date. The vertical axis measures the cumulative excess return of the combined Focus List companies. The excess return plots below the origin represent negative figures, while the plots above the origin represent positive figures. The table below the graph shows the actual cumulative excess return figures over various periods.

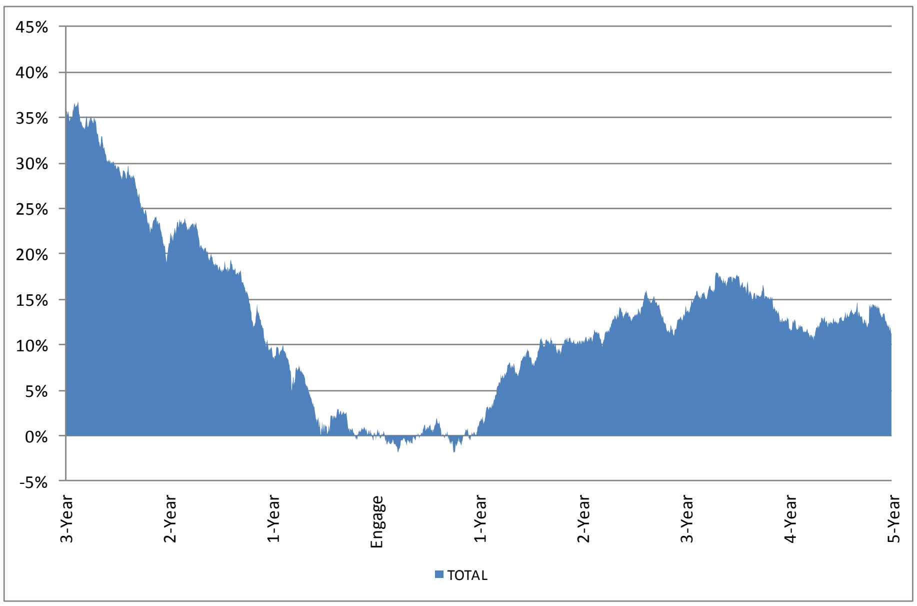
Starting at the far left, the 188 companies experienced a cumulative 38.91% shortfall for the three years prior to the CalPERS initiative. Likewise, these companies collectively underperformed their respective benchmarks by 10.71% and 22.00% over the one- and two-year periods prior to the initiative date. This analysis clearly demonstrates the steady erosion in shareholder value by companies prior to being placed on CalPERS' Focus List.

The figure also demonstrates the end of the targeted company stock price's sharp erosion subsequent to CalPERS' initial contact. Within one year, the 188 Focus List companies outperformed by 1.61%. By the fifth year, the cumulative excess return was 12.27%.

Exhibit II below plots the excess return for the 188 companies engaged by CalPERS versus the appropriate Russell 1000 sector indices. A similar pattern of underperformance prior to engagement and outperformance after the initiative date is shown, even after adjusting for sector effects.

Exhibit II.

Corporate Governance Program Engaged Companies - Total Composite
Cumulative Excess Return Before and During
Relative to Sector (Russell 1000)



Time	Excess Return	# of Securities
-3 Years	36.13%	188
-2 Years	20.81%	188
-1 Year	9.63%	188
Engage	0.00%	188
+1 Year	1.18%	183
+2 Years	10.39%	176
+3 Years	13.36%	176
+4 Years	12.91%	169
+5 Years	11.21%	155

The table in Exhibit III shows the information ratio of the Focus List composite, which is defined as the excess return divided by the standard deviation of excess return or tracking error. The annualized excess return is calculated using the composite cumulative excess returns from Exhibit I through various time periods (1 Year, 2 Years, etc.). The annualized standard deviation is derived from the daily excess returns posted by the engaged companies from the initiative date to five years after the initiative date. The information ratio is simply the annualized excess returns divided by the annualized tracking error, or standard deviation of excess returns.

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Exhibit III.

Composite Annualized Information Ratios

Versus Russell 1000 Index	Annualized Excess Return	Annualized Tracking Error	Information Ratio
1 Year	1.61%	5.10%	0.32
2 Years	5.45%	4.75%	1.15
3 Years	4.43%	4.01%	1.11
4 Years	3.55%	4.52%	0.79
5 Years	2.34%	4.46%	0.53

Versus Russell 1000 Sector Indices	Annualized Excess Return	Annualized Tracking Error	Information Ratio
1 Year	1.24%	4.65%	0.27
2 Years	5.01%	4.42%	1.13
3 Years	4.27%	3.82%	1.12
4 Years	3.08%	4.27%	0.72
5 Years	1.72%	4.23%	0.41

The tables below show the percentage of companies with positive and negative relative performance over various time periods from the initiative date versus both benchmarks.

Exhibit IV

All Engaged Companies
Excess Returns vs. Benchmark (Russell 1000)

	+ 1 Year	+2 Years	+3 Years	+4 Years	+5 Years
# of Companies with Positive Excess Returns	91	104	93	85	89
(Percent)	48.4%	56.8%	52.8%	50.3%	52.7%
# of Companies with Negative Excess Returns	97	79	83	84	80
(Percent)	51.6%	43.2%	47.2%	49.7%	47.3%
Total Number of Companies	188	183	176	169	169
Median Stock Performance	-1.0%	8.6%	3.3%	0.1%	6.4%

All Engaged Companies
Excess Returns vs. Sector (Russell 1000)

	+ 1 Year	+2 Years	+3 Years	+4 Years	+5 Years
# of Companies with Positive Excess Returns	94	108	92	87	87
(Percent)	50.0%	59.0%	52.3%	51.5%	51.5%
# of Companies with Negative Excess Returns	94	75	84	82	82
(Percent)	50.0%	41.0%	47.7%	48.5%	48.5%
Total Number of Companies	188	183	176	169	169
Median Stock Performance	-0.1%	7.1%	4.3%	1.5%	1.2%

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Wilshire has further analyzed the dataset for the engaged companies to get a better picture of what has driven the performance of the total composite. Exhibit V below shows relative performance for various percentiles of the companies.

Exhibit V

Excess Returns vs. Benchmark (Russell 1000)						
	Number of	Percentile Rank				
	Securities	10%	25%	50%	75%	90%
1-Year	188	-48.4%	-20.1%	-1.0%	20.7%	52.2%
2-Year	183	-54.8%	-24.4%	8.6%	40.0%	78.8%
3-Year	176	-66.3%	-31.3%	3.3%	53.6%	89.3%
4-Year	169	-75.8%	-46.5%	0.1%	60.0%	117.4%
5-Year	169	-93.8%	-53.4%	6.4%	57.2%	114.4%

Excess Returns vs. Sector (Russell 1000)						
	Number of	Percentile Rank				
	Securities	10%	25%	50%	75%	90%
1-Year	188	-45.7%	-21.8%	-0.1%	22.8%	45.8%
2-Year	183	-50.4%	-21.4%	7.1%	38.0%	78.9%
3-Year	176	-55.4%	-29.6%	4.3%	48.6%	86.2%
4-Year	169	-75.2%	-39.6%	1.5%	57.5%	110.7%
5-Year	169	-86.8%	-50.8%	1.2%	55.3%	108.2%

The Appendix of this report provides additional information on the performance of the specific cohort years relative to both benchmarks.

Conclusion

CalPERS' approach to improving portfolio returns by engaging management of poorly performing companies to rethink governance and strategy continues to work. Despite underperforming the Russell 1000 by 38.91% for the three years up to the initiation of CalPERS' shareholder activism, the 188 companies that were targeted by the System from 1999 through 2013 have outperformed by 12.27% over the subsequent five-year period on a cumulative basis.

Most investment resources in the industry continue to be focused on identifying small misvaluations in publicly traded stocks. This is, perhaps, unfortunate since investors are not earning a satisfactory return on the manager fees and brokerage costs they pay, given the evidence showing that the public stock markets are fairly efficiently priced. However, the evidence is equally clear that many corporate assets are poorly managed and that resources spent on identifying and rectifying those cases can create substantial opportunity and premium returns for active shareholders. CalPERS has been an active corporate governance investor for many years and the continued success of the engagement process is proof that good corporate governance can improve shareholder returns.

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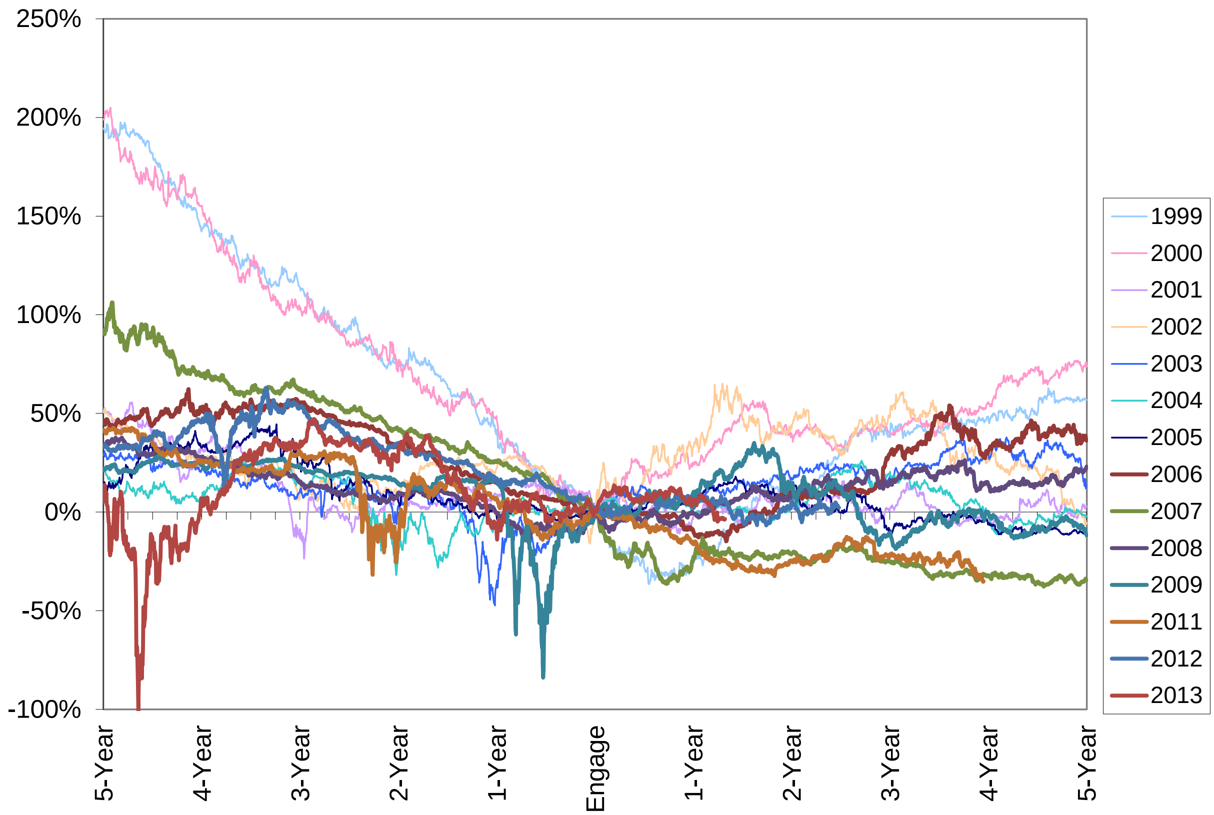
Appendix A

The following graphs depicts the cumulative excess performance of the engaged companies by initiative date year. Each year represents the cumulative excess returns of all the engaged companies of that particular year. The first graph shows returns relative to the Russell 1000 Index. The second graph shows returns relative the appropriate sector indices of the Russell 1000 Index. The returns are depicted and described in the same manner as Exhibit I of the main report.

Exhibit A.1



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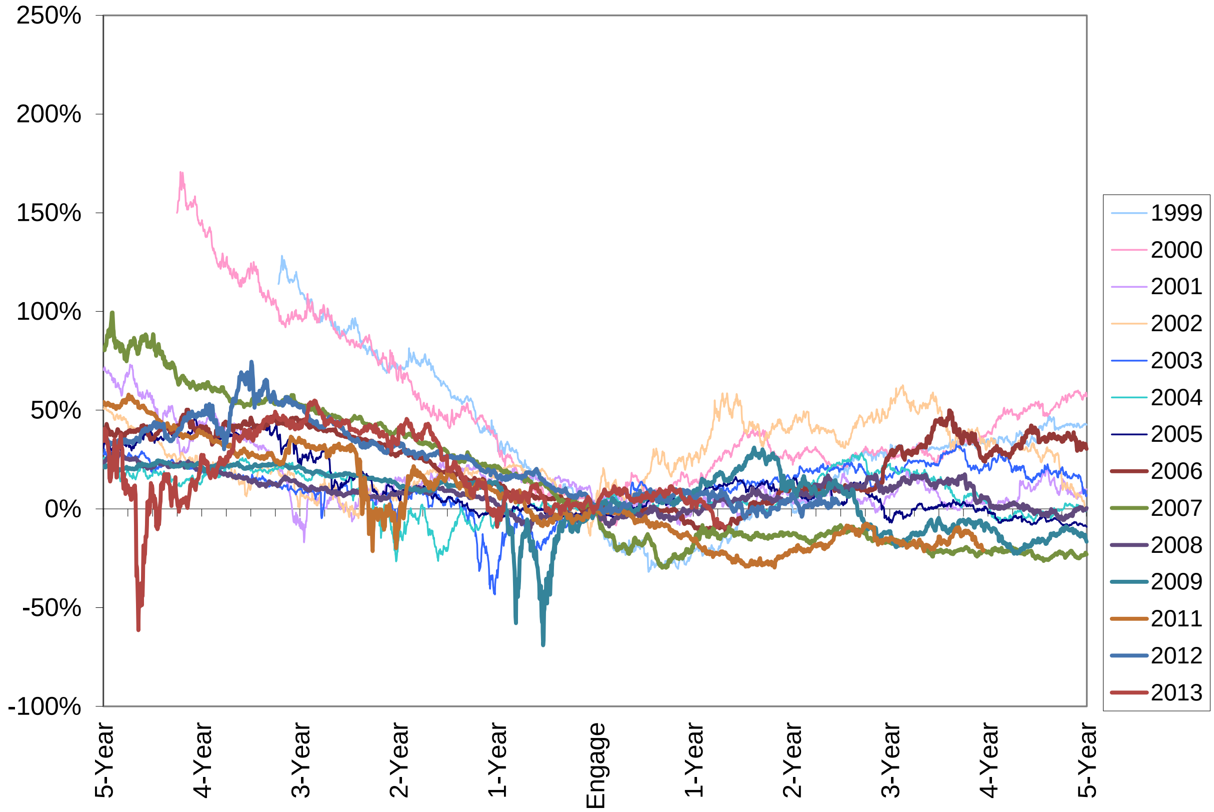

The rest of Exhibit A displays each year's Focus List's cumulative excess returns. Each year is presented in two charts – the first a comparison to the Russell 1000 Index and the second a comparison to the appropriate sector indices of the Russell 1000 Index.

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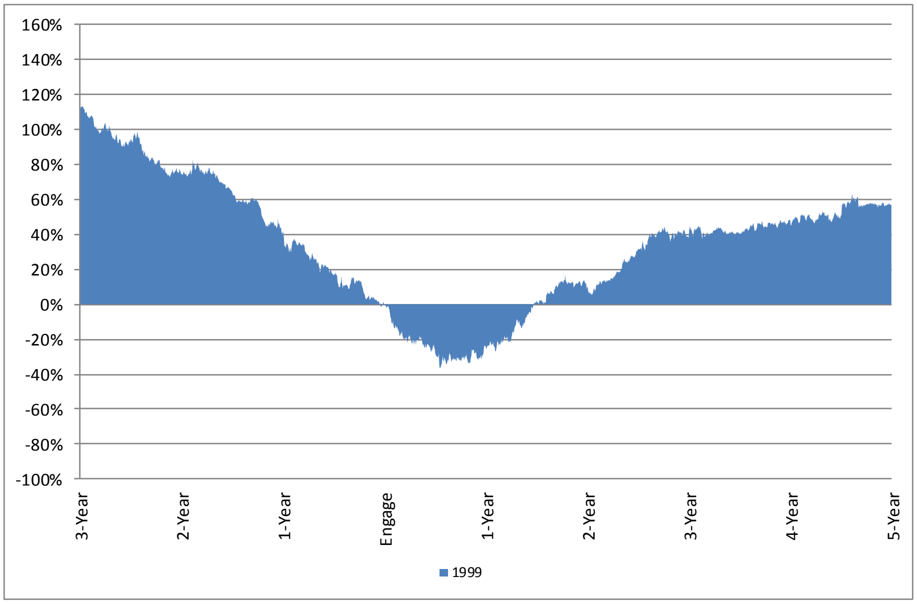
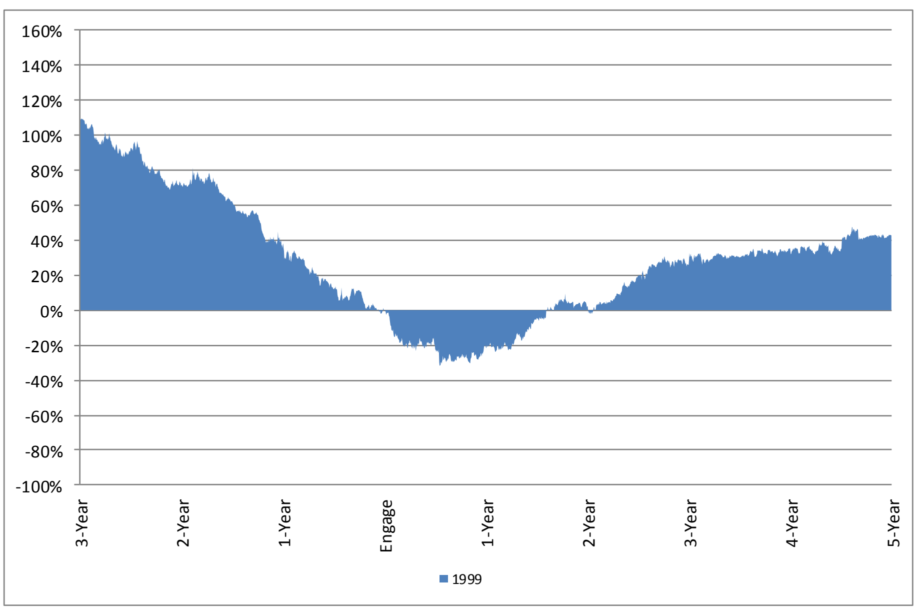
Exhibit A.2

1999
Cumulative Excess Return Before and During
Relative to Benchmark (Russell 1000)



Time	Excess Return	# of Securities
-3 Years	113.32%	14
-2 Years	74.56%	14
-1 Year	41.79%	14
Engage	0.00%	14
+1 Year	-24.94%	14
+2 Years	9.92%	14
+3 Years	37.97%	14
+4 Years	48.47%	14
+5 Years	56.79%	14

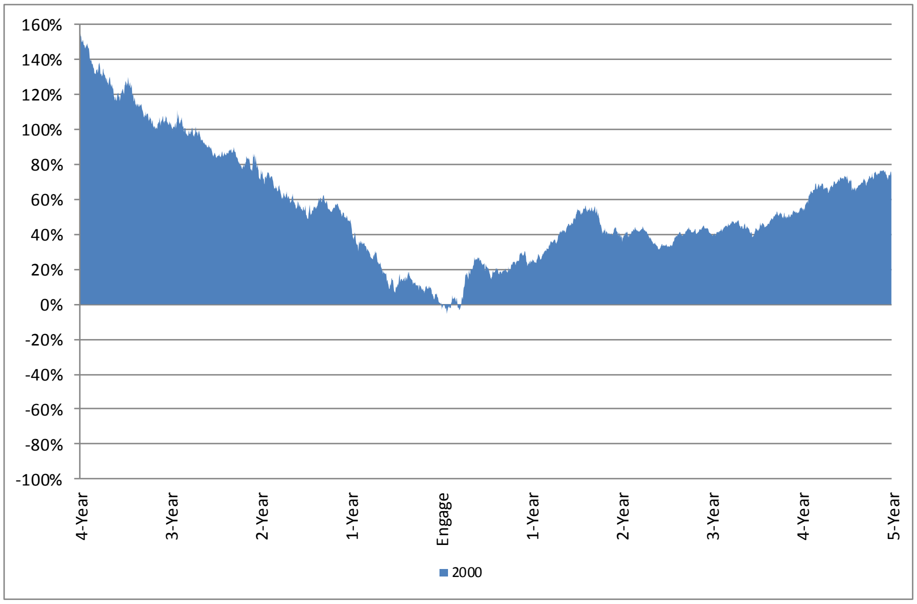
1999
Cumulative Excess Return Before and During
Relative to Sector (Russell 1000)



Time	Excess Return	# of Securities
-3 Years	109.67%	14
-2 Years	71.56%	14
-1 Year	38.17%	14
Engage	0.00%	14
+1 Year	-21.35%	14
+2 Years	2.29%	14
+3 Years	25.78%	14
+4 Years	35.35%	14
+5 Years	42.65%	14

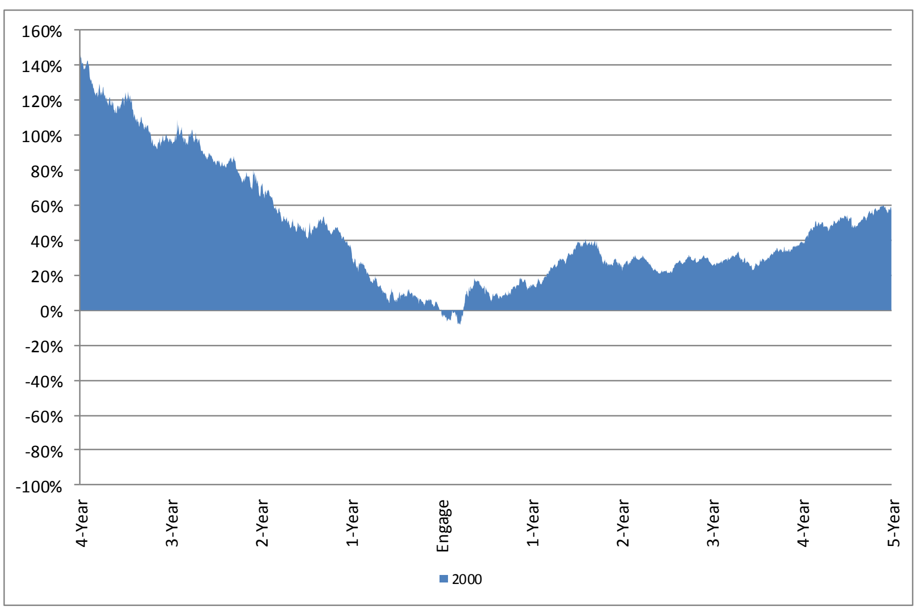
Exhibit A.3

2000
Cumulative Excess Return Before and During
Relative to Benchmark (Russell 1000)



Time	Excess Return	# of Securities
-4 Years	155.33%	15
-3 Years	103.97%	15
-2 Years	73.59%	15
-1 Year	46.75%	15
Engage	0.00%	15
+1 Year	24.43%	15
+2 Years	39.67%	15
+3 Years	40.11%	15
+4 Years	55.76%	15
+5 Years	73.62%	15

2000
Cumulative Excess Return Before and During
Relative to Sector (Russell 1000)



Time	Excess Return	# of Securities
-4 Years	146.27%	15
-3 Years	98.01%	15
-2 Years	67.67%	15
-1 Year	36.10%	15
Engage	0.00%	15
+1 Year	14.22%	15
+2 Years	26.09%	15
+3 Years	26.48%	15
+4 Years	39.35%	15
+5 Years	56.86%	15

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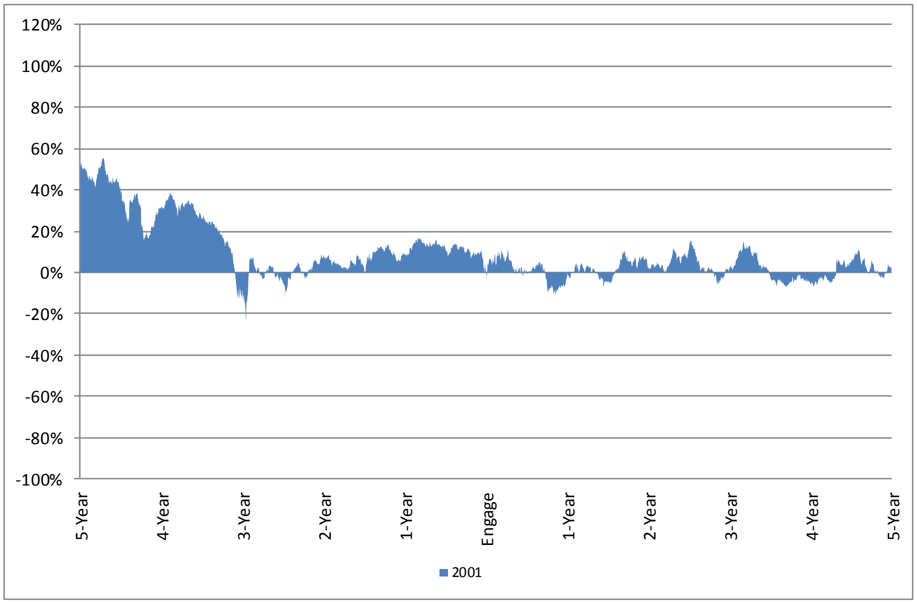
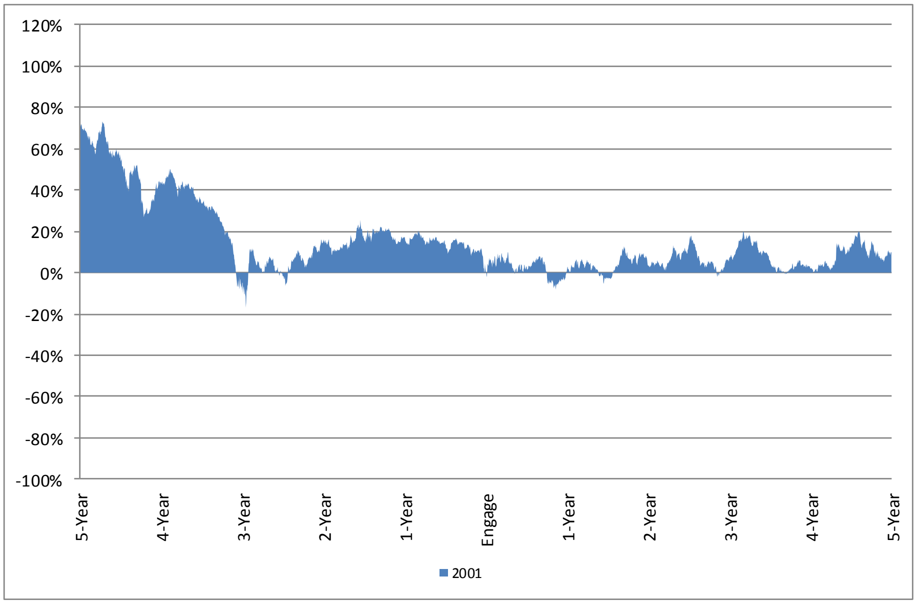
Exhibit A.4

2001
Cumulative Excess Return Before and During
Relative to Benchmark (Russell 1000)



Time	Excess Return	# of Securities
-5 Years	50.42%	14
-4 Years	31.37%	14
-3 Years	-8.68%	14
-2 Years	8.64%	14
-1 Year	8.65%	14
Engage	0.00%	14
+1 Year	-1.93%	14
+2 Years	2.55%	14
+3 Years	1.96%	14
+4 Years	-5.60%	14
+5 Years	2.82%	14

2001
Cumulative Excess Return Before and During
Relative to Sector (Russell 1000)



Time	Excess Return	# of Securities
-5 Years	70.31%	14
-4 Years	43.02%	14
-3 Years	-4.98%	14
-2 Years	16.07%	14
-1 Year	16.98%	14
Engage	0.00%	14
+1 Year	1.45%	14
+2 Years	3.55%	14
+3 Years	6.83%	14
+4 Years	2.05%	14
+5 Years	9.97%	14

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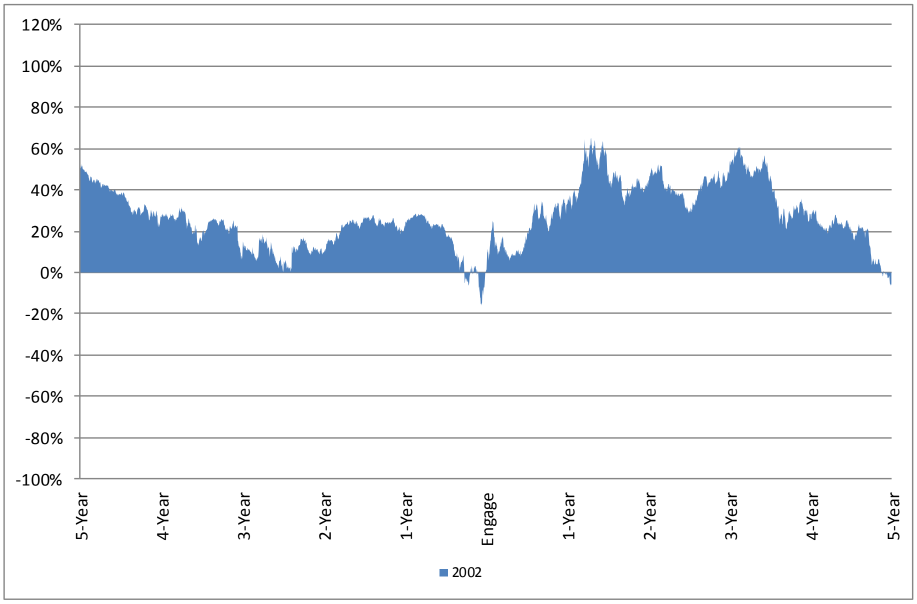
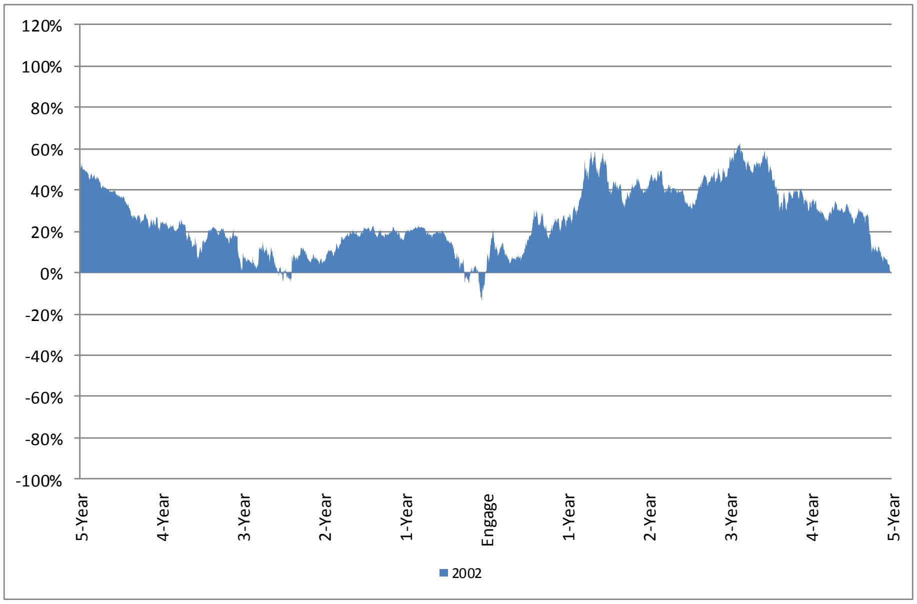
Exhibit A.5

2002
Cumulative Excess Return Before and During
Relative to Benchmark (Russell 1000)



Time	Excess Return	# of Securities
-5 Years	50.63%	17
-4 Years	26.82%	17
-3 Years	11.56%	17
-2 Years	9.52%	17
-1 Year	22.81%	17
Engage	0.00%	17
+1 Year	33.23%	17
+2 Years	42.44%	17
+3 Years	47.99%	17
+4 Years	28.28%	17
+5 Years	-5.44%	17

2002
Cumulative Excess Return Before and During
Relative to Sector (Russell 1000)



Time	Excess Return	# of Securities
-5 Years	50.56%	17
-4 Years	23.59%	17
-3 Years	5.99%	17
-2 Years	5.12%	17
-1 Year	18.85%	17
Engage	0.00%	17
+1 Year	25.35%	17
+2 Years	40.44%	17
+3 Years	50.66%	17
+4 Years	33.93%	17
+5 Years	-0.10%	17

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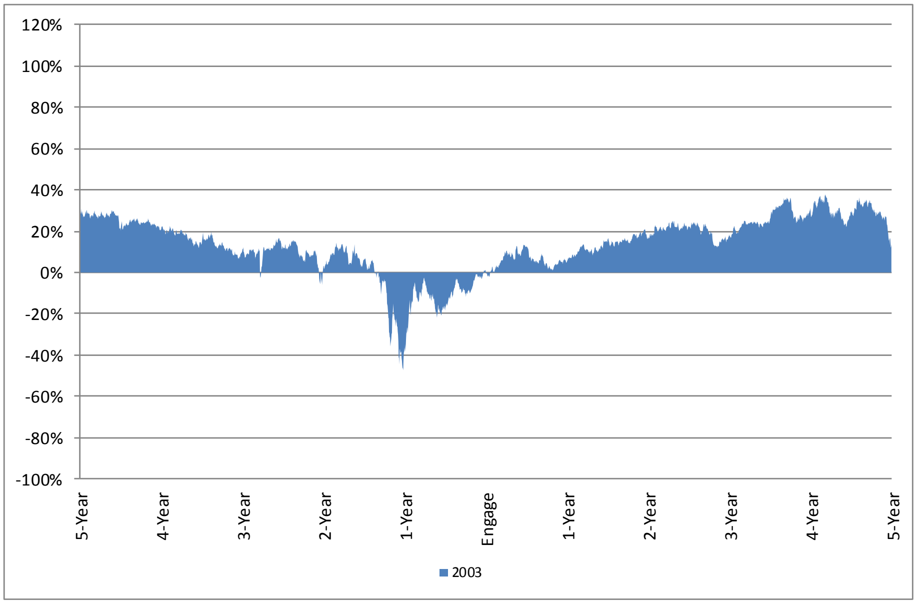
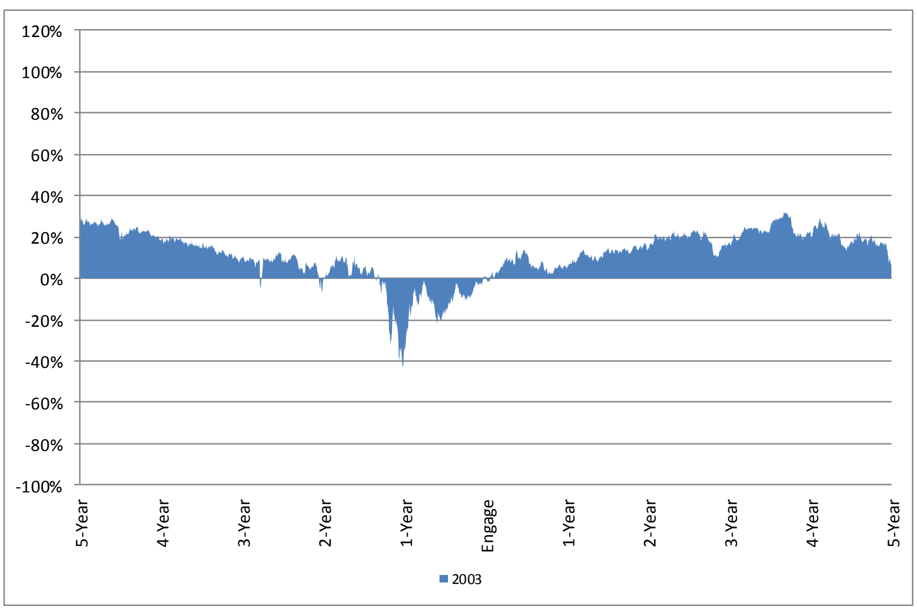
Exhibit A.6

2003
Cumulative Excess Return Before and During
Relative to Benchmark (Russell 1000)



Time	Excess Return	# of Securities
-5 Years	29.58%	17
-4 Years	22.04%	17
-3 Years	11.48%	17
-2 Years	3.31%	17
-1 Year	-38.40%	17
Engage	0.00%	17
+1 Year	5.34%	17
+2 Years	17.42%	17
+3 Years	18.41%	17
+4 Years	31.25%	17
+5 Years	13.58%	17

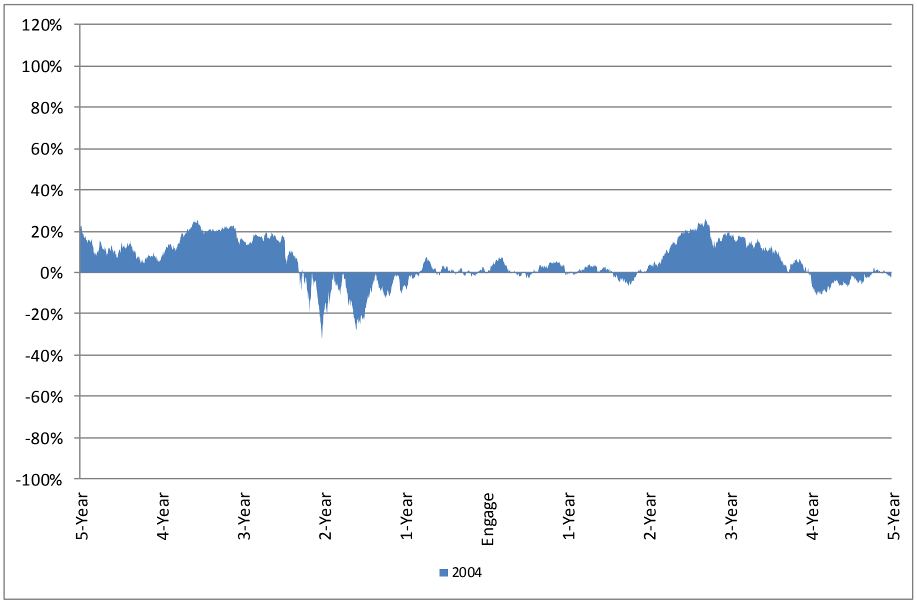
2003
Cumulative Excess Return Before and During
Relative to Sector (Russell 1000)



Time	Excess Return	# of Securities
-5 Years	28.00%	17
-4 Years	19.27%	17
-3 Years	10.14%	17
-2 Years	0.47%	17
-1 Year	-34.28%	17
Engage	0.00%	17
+1 Year	5.22%	17
+2 Years	14.82%	17
+3 Years	17.79%	17
+4 Years	23.25%	17
+5 Years	7.21%	17

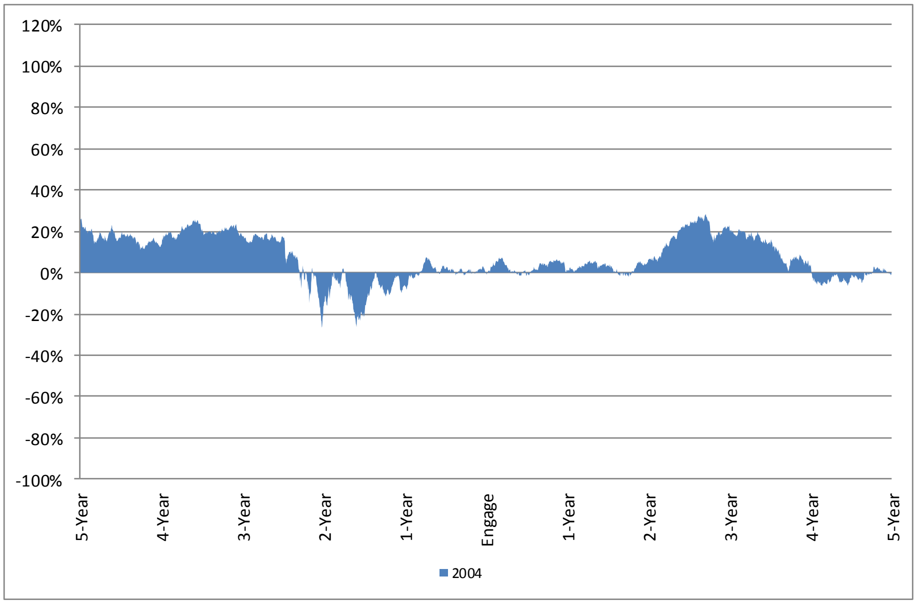
Exhibit A.7

2004
Cumulative Excess Return Before and During
Relative to Benchmark (Russell 1000)



Time	Excess Return	# of Securities
-5 Years	21.43%	16
-4 Years	7.70%	16
-3 Years	15.89%	16
-2 Years	-20.80%	16
-1 Year	-6.06%	16
Engage	0.00%	16
+1 Year	-0.32%	16
+2 Years	3.15%	16
+3 Years	20.43%	16
+4 Years	-1.19%	16
+5 Years	-1.87%	16

2004
Cumulative Excess Return Before and During
Relative to Sector (Russell 1000)



Time	Excess Return	# of Securities
-5 Years	25.12%	16
-4 Years	13.40%	16
-3 Years	17.48%	16
-2 Years	-16.16%	16
-1 Year	-6.09%	16
Engage	0.00%	16
+1 Year	1.32%	16
+2 Years	6.21%	16
+3 Years	22.97%	16
+4 Years	3.16%	16
+5 Years	-0.78%	16

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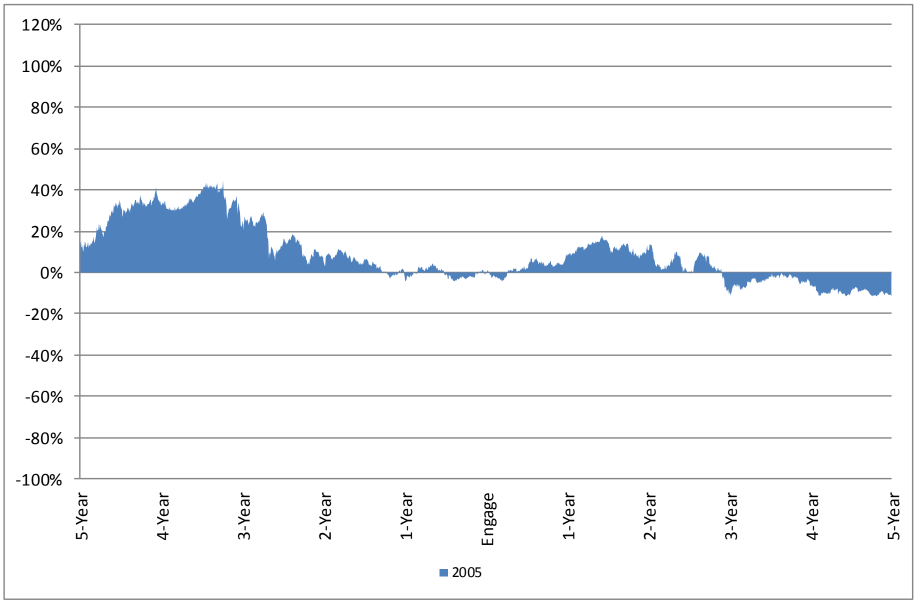
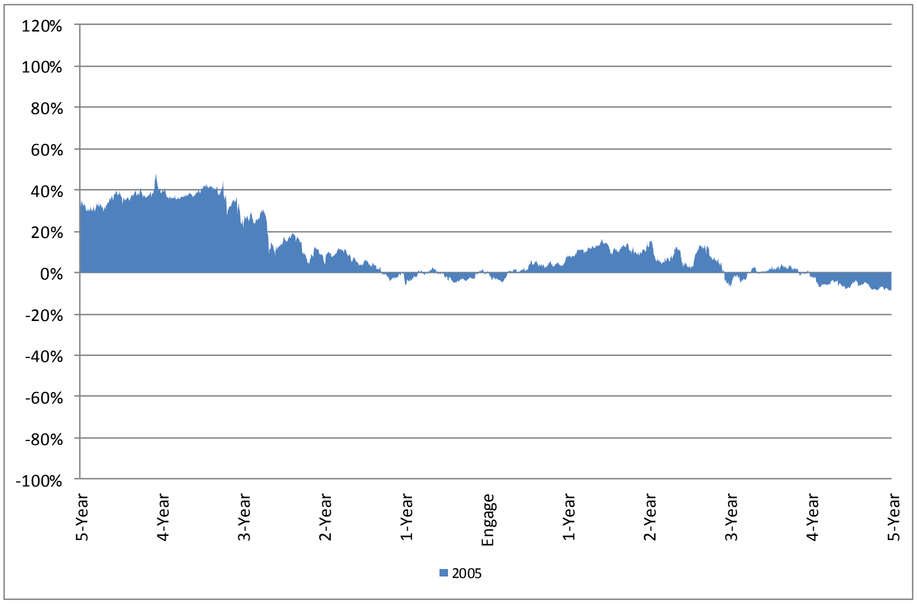
Exhibit A.8

2005
Cumulative Excess Return Before and During
Relative to Benchmark (Russell 1000)



Time	Excess Return	# of Securities
-5 Years	12.61%	16
-4 Years	32.68%	16
-3 Years	24.78%	16
-2 Years	5.01%	16
-1 Year	-2.67%	16
Engage	0.00%	16
+1 Year	8.21%	16
+2 Years	10.91%	16
+3 Years	-9.98%	16
+4 Years	-6.43%	16
+5 Years	-11.58%	16

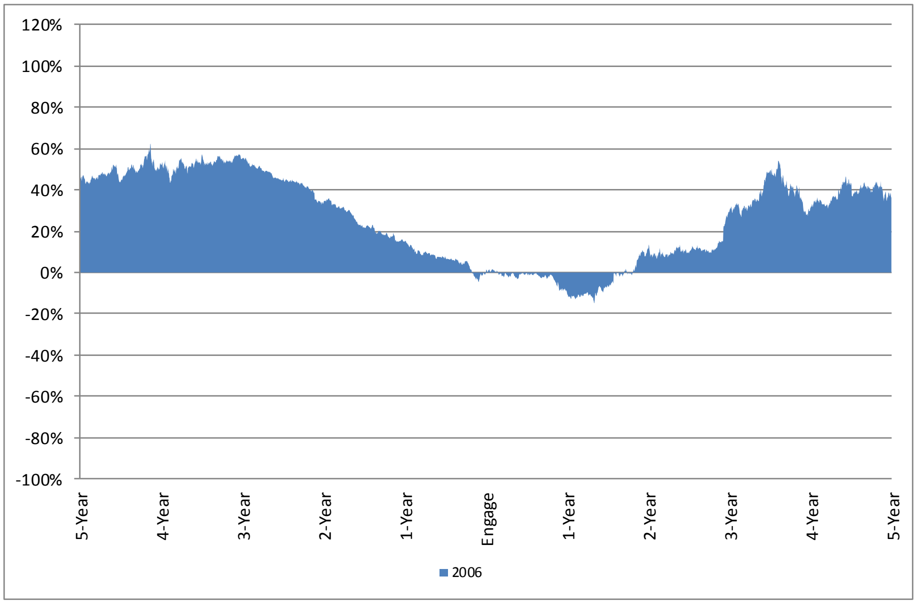
2005
Cumulative Excess Return Before and During
Relative to Sector (Russell 1000)



Time	Excess Return	# of Securities
-5 Years	30.89%	16
-4 Years	38.46%	16
-3 Years	25.42%	16
-2 Years	5.70%	16
-1 Year	-4.50%	16
Engage	0.00%	16
+1 Year	7.53%	16
+2 Years	12.69%	16
+3 Years	-6.23%	16
+4 Years	-2.23%	16
+5 Years	-9.12%	16

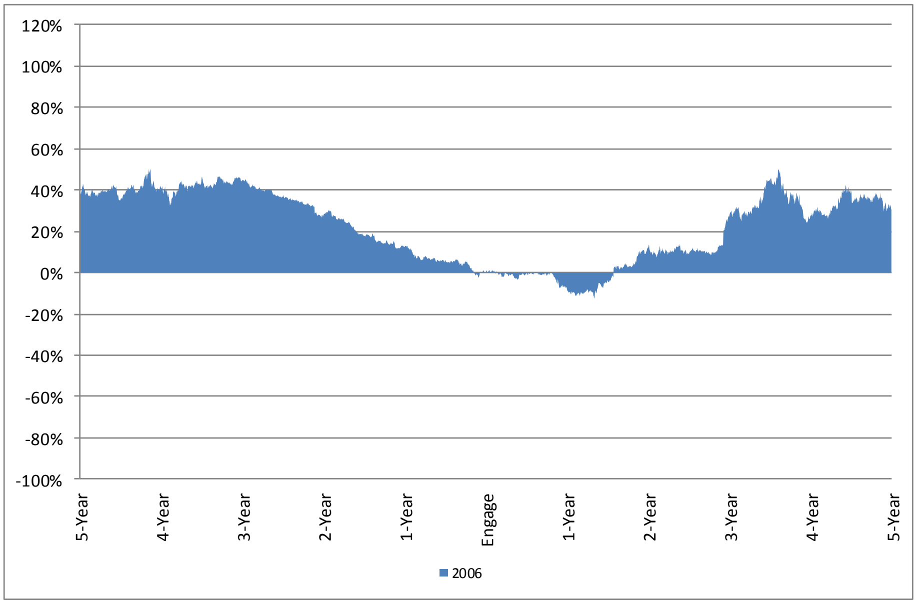
Exhibit A.9

2006
Cumulative Excess Return Before and During
Relative to Benchmark (Russell 1000)



Time	Excess Return	# of Securities
-5 Years	46.06%	18
-4 Years	52.15%	18
-3 Years	55.46%	18
-2 Years	34.12%	18
-1 Year	14.95%	18
Engage	0.00%	18
+1 Year	-9.85%	18
+2 Years	11.56%	18
+3 Years	29.14%	18
+4 Years	31.32%	18
+5 Years	36.18%	18

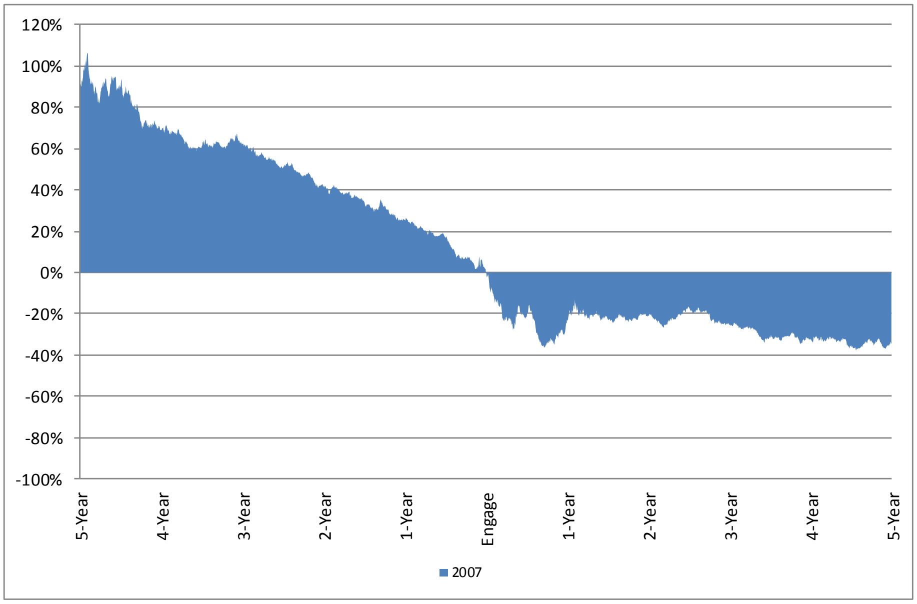
2006
Cumulative Excess Return Before and During
Relative to Sector (Russell 1000)



Time	Excess Return	# of Securities
-5 Years	38.63%	18
-4 Years	40.66%	18
-3 Years	44.94%	18
-2 Years	28.06%	18
-1 Year	12.64%	18
Engage	0.00%	18
+1 Year	-8.04%	18
+2 Years	12.03%	18
+3 Years	27.06%	18
+4 Years	27.55%	18
+5 Years	30.44%	18

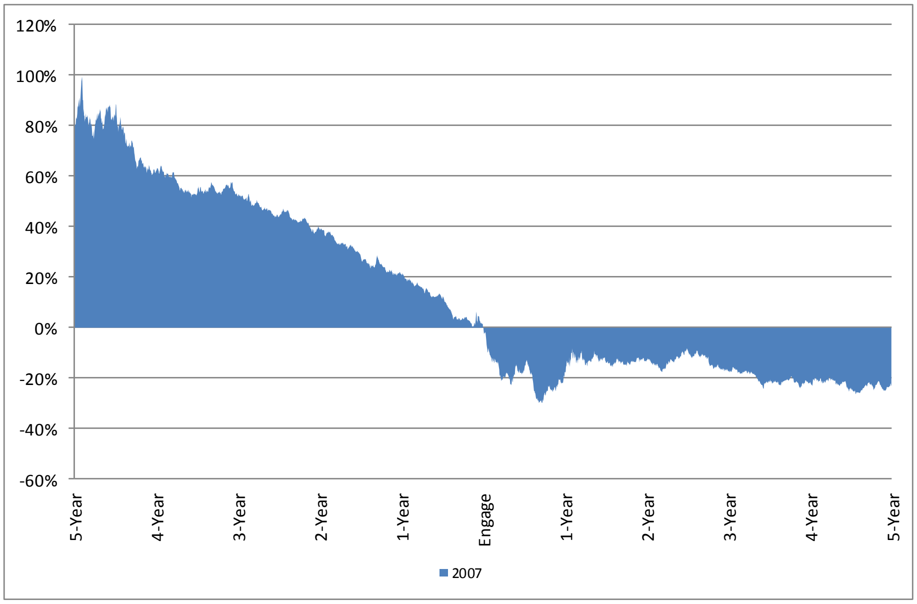
Exhibit A.10

2007
Cumulative Excess Return Before and During
Relative to Benchmark (Russell 1000)



Time	Excess Return	# of Securities
-5 Years	91.75%	16
-4 Years	68.80%	16
-3 Years	62.18%	16
-2 Years	41.64%	16
-1 Year	25.41%	16
Engage	0.00%	16
+1 Year	-22.60%	16
+2 Years	-21.01%	16
+3 Years	-25.18%	16
+4 Years	-32.58%	16
+5 Years	-34.43%	16

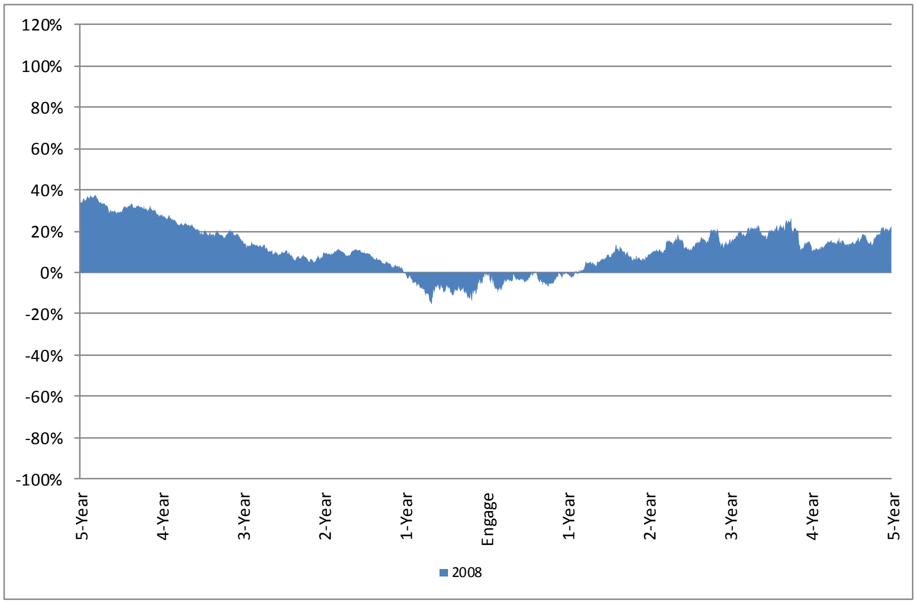
2007
Cumulative Excess Return Before and During
Relative to Sector (Russell 1000)



Time	Excess Return	# of Securities
-5 Years	81.39%	16
-4 Years	62.29%	16
-3 Years	51.99%	16
-2 Years	38.95%	16
-1 Year	21.12%	16
Engage	0.00%	16
+1 Year	-17.43%	16
+2 Years	-13.11%	16
+3 Years	-17.03%	16
+4 Years	-21.96%	16
+5 Years	-23.05%	16

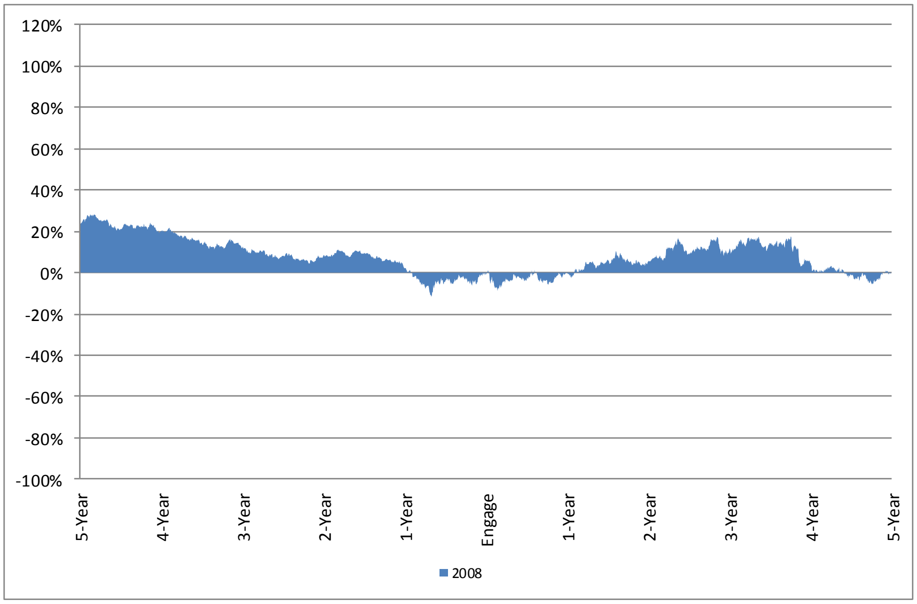
Exhibit A.11

2008
Cumulative Excess Return Before and During
Relative to Benchmark (Russell 1000)



Time	Excess Return	# of Securities
-5 Years	33.49%	12
-4 Years	27.61%	12
-3 Years	15.58%	12
-2 Years	9.84%	12
-1 Year	-0.21%	12
Engage	0.00%	12
+1 Year	-0.80%	12
+2 Years	8.69%	12
+3 Years	15.27%	12
+4 Years	13.65%	12
+5 Years	23.04%	12

2008
Cumulative Excess Return Before and During
Relative to Sector (Russell 1000)

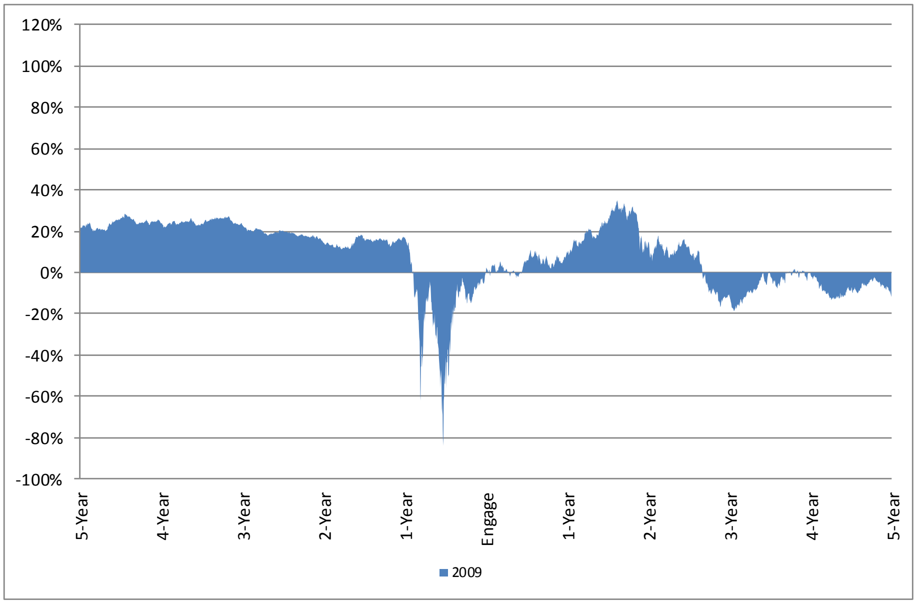


Time	Excess Return	# of Securities
-5 Years	23.45%	12
-4 Years	20.00%	12
-3 Years	12.41%	12
-2 Years	8.52%	12
-1 Year	2.31%	12
Engage	0.00%	12
+1 Year	-0.31%	12
+2 Years	5.49%	12
+3 Years	10.87%	12
+4 Years	4.45%	12
+5 Years	0.48%	12

WILSHIRE

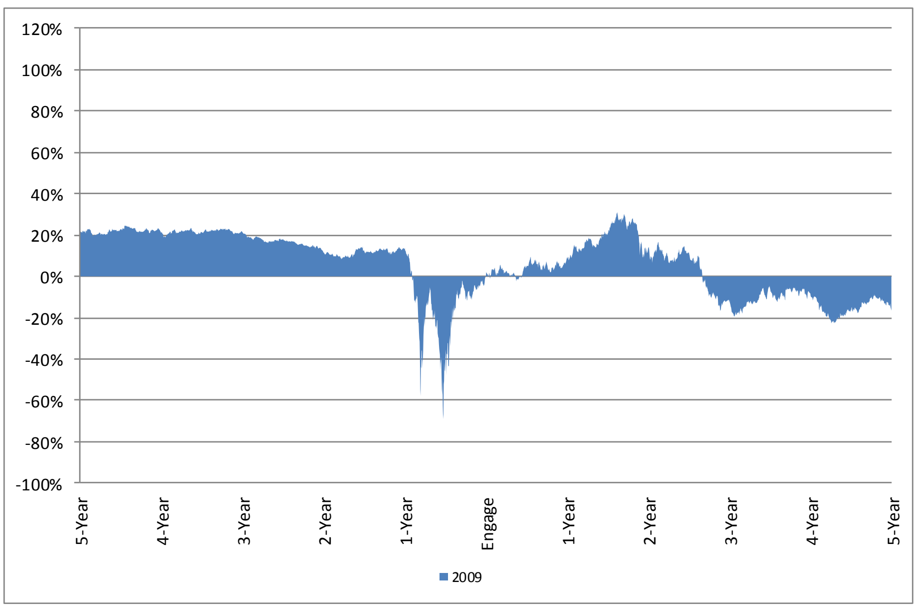
Exhibit A.12

2009
Cumulative Excess Return Before and During
Relative to Benchmark (Russell 1000)



Time	Excess Return	# of Securities
-5 Years	21.11%	14
-4 Years	23.75%	14
-3 Years	22.98%	14
-2 Years	14.41%	14
-1 Year	17.13%	14
Engage	0.00%	14
+1 Year	10.19%	14
+2 Years	14.10%	14
+3 Years	-11.91%	14
+4 Years	-0.10%	14
+5 Years	-11.82%	14

2009
Cumulative Excess Return Before and During
Relative to Sector (Russell 1000)

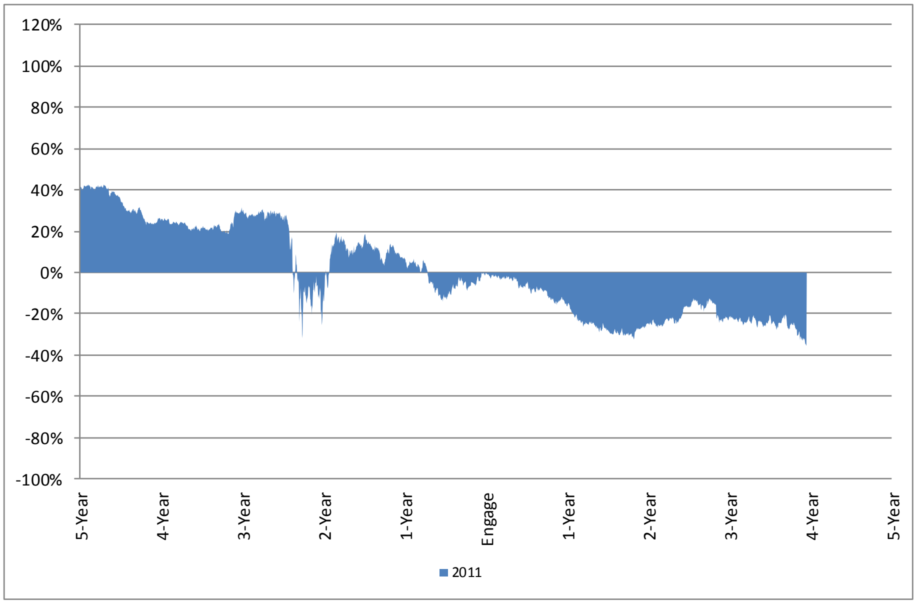


Time	Excess Return	# of Securities
-5 Years	21.11%	14
-4 Years	21.22%	14
-3 Years	21.21%	14
-2 Years	11.52%	14
-1 Year	13.68%	14
Engage	0.00%	14
+1 Year	9.30%	14
+2 Years	13.48%	14
+3 Years	-12.58%	14
+4 Years	-8.34%	14
+5 Years	-16.58%	14

WILSHIRE

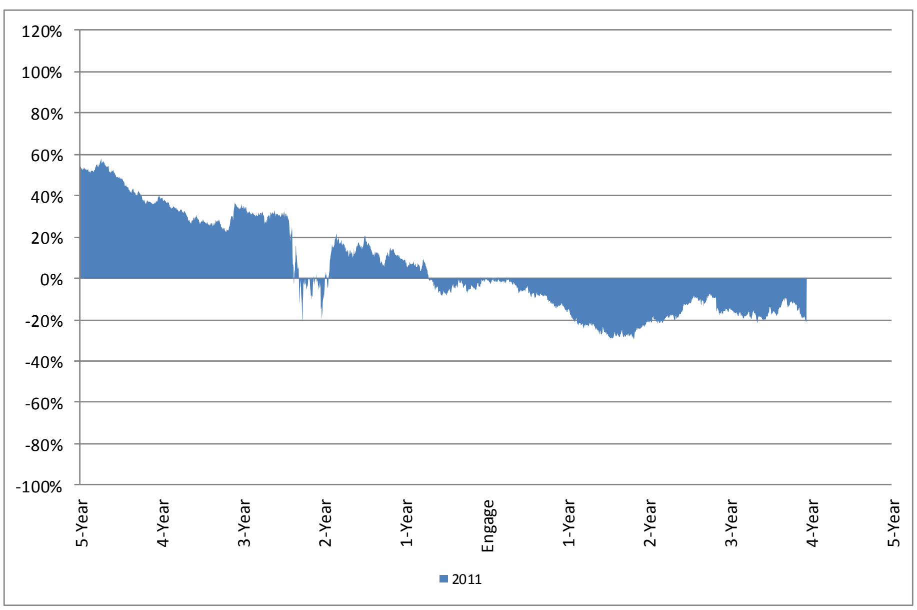
Exhibit A.13

2011
Cumulative Excess Return Before and During
Relative to Benchmark (Russell 1000)



Time	Excess Return	# of Securities
-5 Years	41.29%	7
-4 Years	26.03%	7
-3 Years	29.63%	7
-2 Years	-13.94%	7
-1 Year	6.56%	7
Engage	0.00%	7
+1 Year	-16.28%	7
+2 Years	-24.84%	7
+3 Years	-21.39%	7
+4 Years	-	-
+5 Years	-	-

2011
Cumulative Excess Return Before and During
Relative to Sector (Russell 1000)

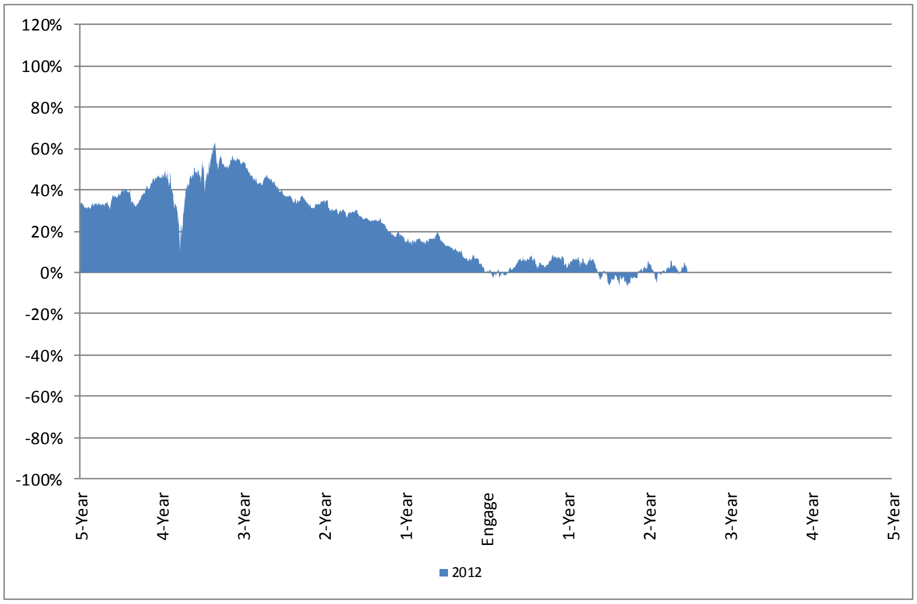


Time	Excess Return	# of Securities
-5 Years	54.16%	7
-4 Years	38.65%	7
-3 Years	34.03%	7
-2 Years	-10.33%	7
-1 Year	8.89%	7
Engage	0.00%	7
+1 Year	-16.26%	7
+2 Years	-21.13%	7
+3 Years	-14.59%	7
+4 Years	-	-
+5 Years	-	-

WILSHIRE

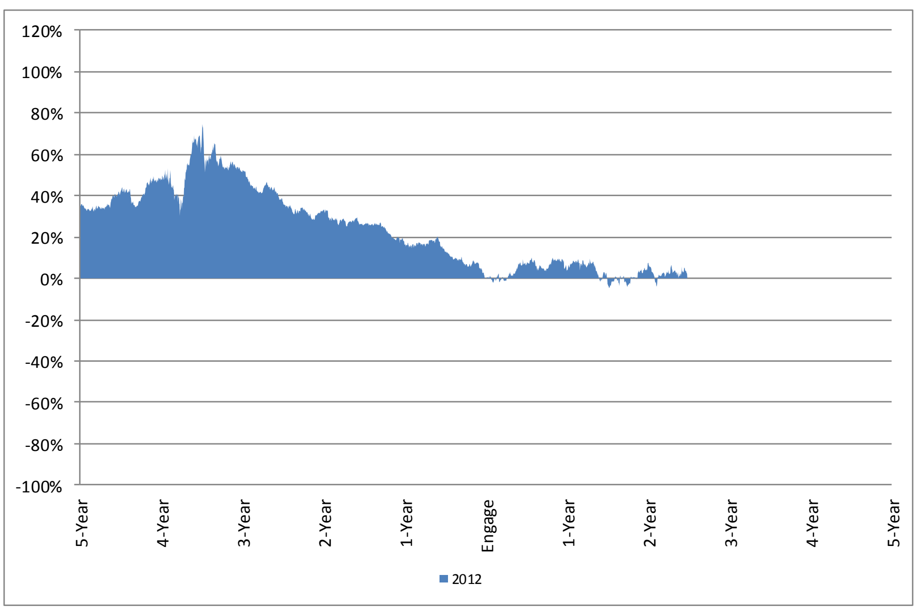
Exhibit A.14

2012
Cumulative Excess Return Before and During
Relative to Benchmark (Russell 1000)



Time	Excess Return	# of Securities
-5 Years	32.94%	7
-4 Years	46.16%	7
-3 Years	53.36%	7
-2 Years	34.77%	7
-1 Year	15.34%	7
Engage	0.00%	7
+1 Year	2.62%	7
+2 Years	5.47%	7
+3 Years	-	-
+4 Years	-	-
+5 Years	-	-

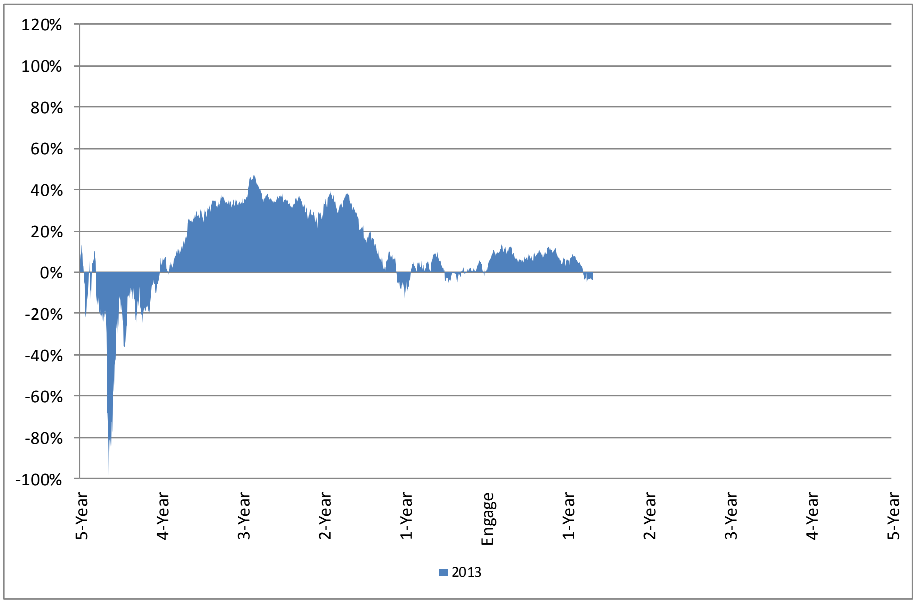
2012
Cumulative Excess Return Before and During
Relative to Sector (Russell 1000)



Time	Excess Return	# of Securities
-5 Years	34.79%	7
-4 Years	47.81%	7
-3 Years	52.26%	7
-2 Years	33.08%	7
-1 Year	16.25%	7
Engage	0.00%	7
+1 Year	4.25%	7
+2 Years	7.36%	7
+3 Years	-	-
+4 Years	-	-
+5 Years	-	-

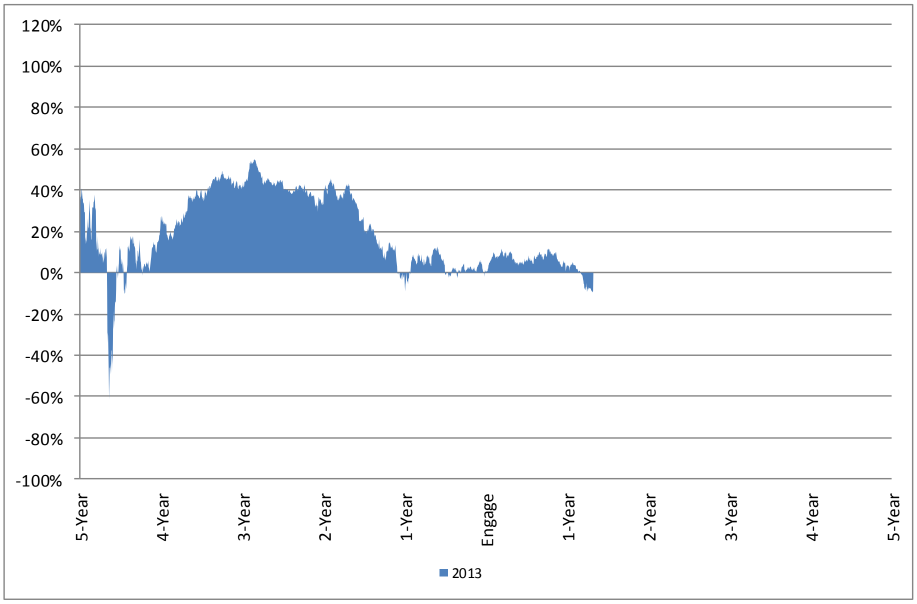
Exhibit A.15

2013
Cumulative Excess Return Before and During
Relative to Benchmark (Russell 1000)



Time	Excess Return	# of Securities
-5 Years	5.33%	5
-4 Years	4.38%	5
-3 Years	33.11%	5
-2 Years	31.28%	5
-1 Year	-11.14%	5
Engage	0.00%	5
+1 Year	6.33%	5
+2 Years	-	-
+3 Years	-	-
+4 Years	-	-
+5 Years	-	-

2013
Cumulative Excess Return Before and During
Relative to Sector (Russell 1000)



Time	Excess Return	# of Securities
-5 Years	34.40%	5
-4 Years	25.72%	5
-3 Years	40.95%	5
-2 Years	38.42%	5
-1 Year	-6.34%	5
Engage	0.00%	5
+1 Year	3.70%	5
+2 Years	-	-
+3 Years	-	-
+4 Years	-	-
+5 Years	-	-

WILSHIRE

Exhibit A.16

All Companies Engaged

1999	Absolute	Excess vs Sector	Excess vs BM
Cumulative			
1-Yr	-11 95%	-21.35%	-24.94%
3-Yr	7 06%	25.78%	37.97%
5-Yr	49.11%	42.65%	56.79%
Annualized			
1-Yr	-11 95%	-21.35%	-24.94%
3-Yr	2 30%	7.95%	11.33%
5-Yr	8 32%	7.36%	9.41%

2000	Absolute	Excess vs Sector	Excess vs BM
Cumulative			
1-Yr	-2.48%	14.22%	24.43%
3-Yr	14.30%	26.48%	40.11%
5-Yr	61.84%	56.86%	73.62%
Annualized			
1-Yr	-2.48%	14.22%	24.43%
3-Yr	4.56%	8.15%	11.90%
5-Yr	10.11%	9.42%	11.67%

2001	Absolute	Excess vs Sector	Excess vs BM
Cumulative			
1-Yr	-18.52%	1.45%	-1.93%
3-Yr	17.52%	6 83%	1.96%
5-Yr	47.05%	9 97%	2.82%
Annualized			
1-Yr	-18.52%	1.45%	-1.93%
3-Yr	5.53%	2 23%	0.65%
5-Yr	8.02%	1 92%	0.56%

2002	Absolute	Excess vs Sector	Excess vs BM
Cumulative			
1-Yr	55.63%	25.35%	33.23%
3-Yr	92.71%	50.66%	47.99%
5-Yr	81.91%	-0.10%	-5.44%
Annualized			
1-Yr	55.63%	25.35%	33.23%
3-Yr	24.44%	14.64%	13.96%
5-Yr	12.71%	-0.02%	-1.11%

2003	Absolute	Excess vs Sector	Excess vs BM
Cumulative			
1-Yr	13 27%	5.22%	5 34%
3-Yr	54 84%	17.79%	18.41%
5-Yr	25 20%	7.21%	13 58%
Annualized			
1-Yr	13 27%	5.22%	5 34%
3-Yr	15.69%	5.61%	5.79%
5-Yr	4.60%	1.40%	2 58%

2004	Absolute	Excess vs Sector	Excess vs BM
Cumulative			
1-Yr	10.06%	1.32%	-0.32%
3-Yr	67.35%	22.97%	20.43%
5-Yr	10.88%	-0.78%	-1.87%
Annualized			
1-Yr	10.06%	1.32%	-0.32%
3-Yr	18.72%	7.14%	6.39%
5-Yr	2.09%	-0.16%	-0.38%

2005	Absolute	Excess vs Sector	Excess vs BM
Cumulative			
1-Yr	24.85%	7 53%	8.21%
3-Yr	-24.81%	-6 23%	-9.98%
5-Yr	-3.30%	-9.12%	-11.58%
Annualized			
1-Yr	24.85%	7 53%	8.21%
3-Yr	-9.07%	-2.12%	-3.44%
5-Yr	-0.67%	-1 89%	-2.43%

2006	Absolute	Excess vs Sector	Excess vs BM
Cumulative			
1-Yr	5 83%	-8.04%	-9.85%
3-Yr	19 90%	27.06%	29.14%
5-Yr	39.11%	30.44%	36.18%
Annualized			
1-Yr	5 83%	-8.04%	-9.85%
3-Yr	6 24%	8.31%	8.90%
5-Yr	6 82%	5.46%	6.37%

2007	Absolute	Excess vs Sector	Excess vs BM
Cumulative			
1-Yr	-36.44%	-17.43%	-22.60%
3-Yr	-43.01%	-17.03%	-25.18%
5-Yr	-26.30%	-23.05%	-34.43%
Annualized			
1-Yr	-36.44%	-17.43%	-22.60%
3-Yr	-17.09%	-6.04%	-9 22%
5-Yr	-5.92%	-5.11%	-8 09%

2008	Absolute	Excess vs Sector	Excess vs BM
Cumulative			
1-Yr	-9.64%	-0 31%	-0.80%
3-Yr	22.29%	10 87%	15.27%
5-Yr	80.11%	0.48%	23.04%
Annualized			
1-Yr	-9.64%	-0 31%	-0.80%
3-Yr	6.94%	3 50%	4.85%
5-Yr	12.49%	0.10%	4.23%

2009	Absolute	Excess vs Sector	Excess vs BM
Cumulative			
1-Yr	19.56%	9.30%	10.19%
3-Yr	35.97%	-12.58%	-11.91%
5-Yr	99.07%	-16.58%	-11.82%
Annualized			
1-Yr	19.56%	9.30%	10.19%
3-Yr	10.78%	-4.38%	-4.14%
5-Yr	14.76%	-3.56%	-2.48%

2011	Absolute	Excess vs Sector	Excess vs BM
Cumulative			
1-Yr	-6 57%	-16.26%	-16 28%
3-Yr	27 88%	-14.59%	-21 39%
5-Yr	-	-	-
Annualized			
1-Yr	-6 57%	-16.26%	-16 28%
3-Yr	8 54%	-5.12%	-7.71%
5-Yr	-	-	-

2012	Absolute	Excess vs Sector	Excess vs BM
Cumulative			
1-Yr	24.56%	4.25%	2.62%
3-Yr	-	-	-
5-Yr	-	-	-
Annualized			
1-Yr	24.56%	4.25%	2.62%
3-Yr	-	-	-
5-Yr	-	-	-

2013	Absolute	Excess vs Sector	Excess vs BM
Cumulative			
1-Yr	21.34%	3.70%	6.33%
3-Yr	-	-	-
5-Yr	-	-	-
Annualized			
1-Yr	21.34%	3.70%	6.33%
3-Yr	-	-	-
5-Yr	-	-	-

Total Composite

	Cumulative		Annualized	
	Excess vs Sector	Excess vs BM	Excess vs Sector	Excess vs BM
1-Yr	1.24%	1.61%	1.24%	1.61%
3-Yr	13.36%	13.89%	4.27%	4.43%
5-Yr	8.90%	12.27%	1.72%	2.34%