

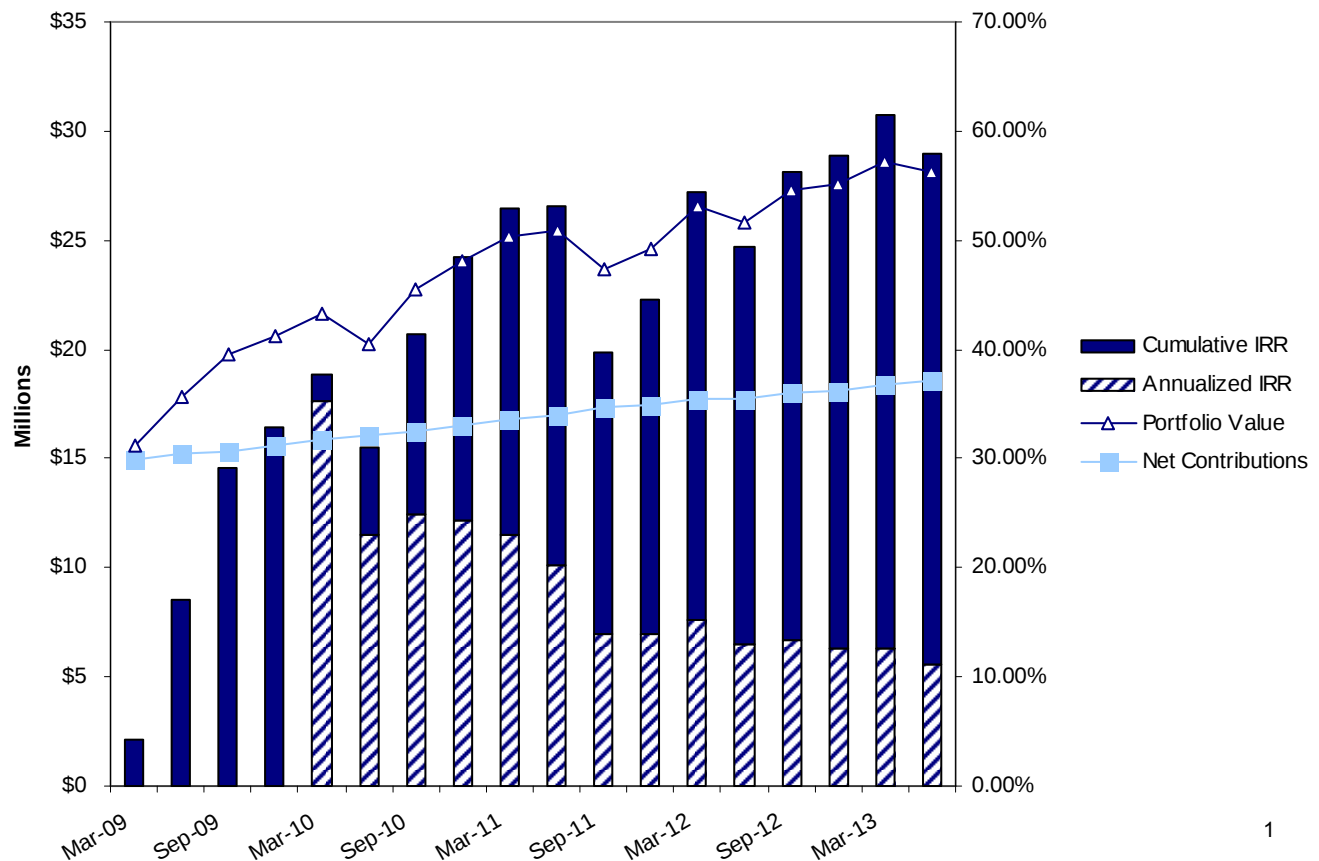
PORTFOLIO PERFORMANCE REPORT

Killeen Fire Department

Inception Date 03-10-09

Period Ending 06-30-13

	Quarter-to-Date	Year-to-Date	1 Year	2 Year	3 Year	Inception
	03-31-13	12-31-12	06-30-12	06-30-11	06-30-10	03-10-09
	To	To	To	To	To	To
	06-30-13	06-30-13	06-30-13	06-30-13	06-30-13	06-30-13
Starting Portfolio Value	\$28,555,589	\$27,601,417	\$25,808,351	\$25,403,405	\$20,220,320	\$0
Contributions	\$610,472	\$1,317,837	\$2,740,011	\$5,671,573	\$8,817,157	\$26,727,677
Withdrawals	\$-457,389	\$-904,675	\$-1,971,597	\$-4,149,377	\$-6,312,133	\$-8,205,833
Net Investment	\$153,083	\$413,162	\$768,414	\$1,522,196	\$2,505,024	\$18,521,844
Realized Gains	\$-31,312	\$173,389	\$350,795	\$-40,669	\$1,962,542	\$5,118,356
Unrealized Gains	\$-559,943	\$-121,808	\$740,300	\$220,068	\$1,088,400	\$2,192,023
Interest	\$8	\$10	\$14	\$265	\$587	\$6,390
Dividends	\$67,881	\$131,135	\$556,034	\$1,179,921	\$1,955,175	\$2,541,401
Management Fees	\$-13,226	\$-25,225	\$-51,829	\$-113,108	\$-159,969	\$-184,969
Portfolio Fees	\$0	\$0	\$0	\$0	\$0	\$-22,966
Ending Portfolio Value	\$28,172,079	\$28,172,079	\$28,172,079	\$28,172,079	\$28,172,079	\$28,172,079
Total Gain Before Fees	\$-523,367	\$182,725	\$1,647,143	\$1,359,586	\$5,006,705	\$9,858,171
Total Fees	\$-13,226	\$-25,225	\$-51,829	\$-113,108	\$-159,969	\$-207,935
Total Gain After Fees	\$-536,593	\$157,500	\$1,595,314	\$1,246,478	\$4,846,736	\$9,650,235
IRR (Discounted Cash Flow)	-1.87	0.57	6.08	4.76	21.91	57.95
Annualized IRR				2.35	6.83	11.21
TWR Return	-1.86	0.59	6.15	4.66	22.62	61.49
Annualized TWR				2.30	7.03	11.78



PERFORMANCE BY ASSET INCLUDING ACCRUED INTEREST

Killeen Fire Department

Inception Date 03-10-09

Report Date 06-30-13

Discounted Cash Flow Method

EQUITIES

Domestic Small Cap Value

Asset	As Of	Entry	Exit	Market Value	QTD	YTD	1 Yr.	2 Yr.	3 Yr.	Since Incep	Dollar Gain
GRT Value Fund Advisor Class		02-29-12	-	701,929.31	0.37	9.23	17.05	7.99	7.99	7.99	51,929.31
Domestic Small Cap Value Total (IRR)		02-29-12	-	701,929.31	0.37	9.23	17.05	7.99	7.99	7.99	51,929.31
Domestic Small Cap Value Total (TWR)		02-29-12	-	701,929.31	0.37	9.23	17.05	7.99	7.99	7.99	51,929.31

Domestic SMID Cap Value

Asset	As Of	Entry	Exit	Market Value	QTD	YTD	1 Yr.	2 Yr.	3 Yr.	Since Incep	Dollar Gain
Former Positions		03-11-09	02-29-12	0.00	-	-	-	4.63	57.16	127.21	1,301,363.70
Domestic SMID Cap Value Total (IRR)		03-11-09	02-29-12	0.00	-	-	-	4.63	57.16	127.21	1,301,363.70
Domestic SMID Cap Value Total (TWR)		03-11-09	02-29-12	0.00	-	-	-	4.63	47.61	119.83	1,301,363.70

Domestic Mid Cap Growth

Asset	As Of	Entry	Exit	Market Value	QTD	YTD	1 Yr.	2 Yr.	3 Yr.	Since Incep	Dollar Gain
Morgan Stanley Instil Fd Tr Mid Cap Growth Portf Cl		03-11-09	-	719,876.60	6.20	16.13	16.95	0.61	93.71	390.43	1,832,786.86
Domestic Mid Cap Growth Total (IRR)		03-11-09	-	719,876.60	6.20	16.13	16.95	0.61	93.71	390.43	1,832,786.86
Domestic Mid Cap Growth Total (TWR)		03-11-09	-	719,876.60	5.22	14.91	17.94	5.05	53.61	178.26	1,832,786.86

Domestic Large Cap Value

Asset	As Of	Entry	Exit	Market Value	QTD	YTD	1 Yr.	2 Yr.	3 Yr.	Since Incep	Dollar Gain
Former Positions		03-11-09	06-22-11	0.00	-	-	-	-	25.99	91.13	1,015,906.79
Domestic Large Cap Value Total (IRR)		03-11-09	06-22-11	0.00	-	-	-	-	25.99	91.13	1,015,906.79
Domestic Large Cap Value Total (TWR)		03-11-09	06-22-11	0.00	-	-	-	-	24.15	93.50	1,015,906.79

Domestic Large Cap Growth

Asset	As Of	Entry	Exit	Market Value	QTD	YTD	1 Yr.	2 Yr.	3 Yr.	Since Incep	Dollar Gain
Harbor Capital Appreciation Fund Instl		03-11-09	-	1,406,279.07	2.05	9.24	13.90	17.10	66.41	138.70	1,562,744.60
Domestic Large Cap Growth Total (IRR)		03-11-09	-	1,406,279.07	2.05	9.24	13.90	17.10	66.41	138.70	1,562,744.60
Domestic Large Cap Growth Total (TWR)		03-11-09	-	1,406,279.07	2.35	9.43	14.16	17.46	59.10	119.50	1,562,744.60

PERFORMANCE BY ASSET INCLUDING ACCRUED INTEREST

Killeen Fire Department

Inception Date 03-10-09

Report Date 06-30-13

Discounted Cash Flow Method

Domestic Large Cap Blend

Asset	As Of	Entry	Exit	Market Value	QTD	YTD	1 Yr.	2 Yr.	3 Yr.	Since Incep	Dollar Gain
Reliance Trust Alphasector Prem Cl I		07-07-11	-	4,105,471.23	2.22	13.13	19.27	19.76	19.76	19.76	427,852.10
Domestic Large Cap Blend Total (IRR)		07-07-11	-	4,105,471.23	2.22	13.13	19.27	19.76	19.76	19.76	427,852.10
Domestic Large Cap Blend Total (TWR)		07-07-11	-	4,105,471.23	1.84	13.12	18.81	20.47	20.47	20.47	427,852.10

Domestic Sector

Asset	As Of	Entry	Exit	Market Value	QTD	YTD	1 Yr.	2 Yr.	3 Yr.	Since Incep	Dollar Gain
Mitchell Group Asset Management		05-22-13	-	1,724,247.05	-2.69	-2.69	-2.69	-2.69	-2.69	-2.69	-47,685.52
Domestic Sector Total (IRR)		05-22-13	-	1,724,247.05	-2.69	-2.69	-2.69	-2.69	-2.69	-2.69	-47,685.52
Domestic Sector Total (TWR)		05-22-13	-	1,724,247.05	-2.69	-2.69	-2.69	-2.69	-2.69	-2.69	-47,685.52

Domestic Real Estate

Asset	As Of	Entry	Exit	Market Value	QTD	YTD	1 Yr.	2 Yr.	3 Yr.	Since Incep	Dollar Gain
Former Positions		02-23-12	06-24-13	0.00	-5.92	1.25	3.26	10.55	10.55	10.55	81,219.13
Domestic Real Estate Total (IRR)		02-23-12	06-24-13	0.00	-5.92	1.25	3.26	10.55	10.55	10.55	81,219.13
Domestic Real Estate Total (TWR)		02-23-12	06-24-13	0.00	-5.92	1.25	3.26	10.55	10.55	10.55	81,219.13

Foreign Large Cap Blend

Asset	As Of	Entry	Exit	Market Value	QTD	YTD	1 Yr.	2 Yr.	3 Yr.	Since Incep	Dollar Gain
Vanguard International Value Fund		03-11-09	-	2,226,033.30	-0.22	2.12	18.58	2.19	31.87	89.54	1,051,609.40
Foreign Large Cap Blend Total (IRR)		03-11-09	-	2,226,033.30	-0.22	2.12	18.58	2.19	31.87	89.54	1,051,609.40
Foreign Large Cap Blend Total (TWR)		03-11-09	-	2,226,033.30	-0.22	2.12	18.58	2.19	31.87	89.54	1,051,609.40

Emerging Market Equity

Asset	As Of	Entry	Exit	Market Value	QTD	YTD	1 Yr.	2 Yr.	3 Yr.	Since Incep	Dollar Gain
Touchstone Emerging Markets Equity Fund Cl I		12-02-10	-	2,077,240.19	-9.75	-11.76	-0.12	-8.57	-10.42	-10.42	-174,709.81
Emerging Market Equity Total (IRR)		12-02-10	-	2,077,240.19	-9.75	-11.76	-0.12	-8.57	-10.42	-10.42	-174,709.81
Emerging Market Equity Total (TWR)		12-02-10	-	2,077,240.19	-9.75	-11.76	0.25	-9.88	-9.45	-9.45	-174,709.81

Natural Resources

Asset	As Of	Entry	Exit	Market Value	QTD	YTD	1 Yr.	2 Yr.	3 Yr.	Since Incep	Dollar Gain
Former Positions		07-09-10	05-21-13	0.00	-0.21	3.68	12.76	-14.56	-3.26	-3.26	-43,417.43
Natural Resources Total (IRR)		07-09-10	05-21-13	0.00	-0.21	3.68	12.76	-14.56	-3.26	-3.26	-43,417.43
Natural Resources Total (TWR)		07-09-10	05-21-13	0.00	-0.21	3.68	12.76	-17.09	9.61	9.61	-43,417.43

TOTAL EQUITIES (IRR)		03-11-09	-	12,961,076.75	-1.39	3.53	12.25	4.35	39.78	116.70	7,059,599.13
TOTAL EQUITIES (TWR)		03-11-09	-	12,961,076.75	-1.37	3.54	12.10	3.70	38.29	111.92	7,059,599.13

PERFORMANCE BY ASSET INCLUDING ACCRUED INTEREST

Killeen Fire Department

Inception Date 03-10-09

Report Date 06-30-13

Discounted Cash Flow Method

FIXED INCOME

Intermediate-Term

Asset	As Of	Entry	Exit	Market Value	QTD	YTD	1 Yr.	2 Yr.	3 Yr.	Since Incep	Dollar Gain
PIMCO Funds Total Return Fund Instl #35		03-11-09	-	2,198,517.75	-3.60	-2.95	1.43	8.55	17.06	57.29	1,995,790.85
Intermediate-Term Total (IRR)		03-11-09	-	2,198,517.75	-3.60	-2.95	1.43	8.55	17.06	57.29	1,995,790.85
Intermediate-Term Total (TWR)		03-11-09	-	2,198,517.75	-3.60	-3.02	1.20	8.24	15.18	40.21	1,995,790.85

Domestic Credit Relative Value

Asset	As Of	Entry	Exit	Market Value	QTD	YTD	1 Yr.	2 Yr.	3 Yr.	Since Incep	Dollar Gain
Definitive Guardian Partners, LP	06-30-13	04-02-12	-	3,133,013.19	-4.21	-6.76	-7.36	-7.59	-7.59	-7.59	-166,986.81
Domestic Credit Relative Value Total (IRR)		04-02-12	-	3,133,013.19	-4.21	-6.76	-7.36	-7.59	-7.59	-7.59	-166,986.81
Domestic Credit Relative Value Total (TWR)		04-02-12	-	3,133,013.19	-4.21	-5.25	-4.14	-4.03	-4.03	-4.03	-166,986.81

Domestic Credit Multi-Strat

Asset	As Of	Entry	Exit	Market Value	QTD	YTD	1 Yr.	2 Yr.	3 Yr.	Since Incep	Dollar Gain
Balter Capital Management Credit Opportunities Fund, LP	06-30-13	06-01-11	-	2,217,358.23	0.49	3.16	7.69	6.40	5.59	5.59	117,358.23
Domestic Credit Multi-Strat Total (IRR)		06-01-11	-	2,217,358.23	0.49	3.16	7.69	6.40	5.59	5.59	117,358.23
Domestic Credit Multi-Strat Total (TWR)		06-01-11	-	2,217,358.23	0.49	3.16	7.69	6.40	5.59	5.59	117,358.23

Emerging Market Debt

Asset	As Of	Entry	Exit	Market Value	QTD	YTD	1 Yr.	2 Yr.	3 Yr.	Since Incep	Dollar Gain
MFS Emerging Markets Debt Fund Class A		07-09-10	-	1,860,910.26	-5.97	-7.43	4.42	13.77	24.22	24.22	418,010.26
Emerging Market Debt Total (IRR)		07-09-10	-	1,860,910.26	-5.97	-7.43	4.42	13.77	24.22	24.22	418,010.26
Emerging Market Debt Total (TWR)		07-09-10	-	1,860,910.26	-5.97	-7.52	3.00	11.94	22.66	22.66	418,010.26

Non-Traditional Bond

Asset	As Of	Entry	Exit	Market Value	QTD	YTD	1 Yr.	2 Yr.	3 Yr.	Since Incep	Dollar Gain
PIMCO Unconstrained Bond CL A		04-21-11	-	2,676,382.92	-2.19	-1.11	1.64	5.96	5.76	5.76	137,382.92
Non-Traditional Bond Total (IRR)		04-21-11	-	2,676,382.92	-2.19	-1.11	1.64	5.96	5.76	5.76	137,382.92
Non-Traditional Bond Total (TWR)		04-21-11	-	2,676,382.92	-2.11	-1.39	1.68	6.35	6.06	6.06	137,382.92
TOTAL FIXED INCOME (IRR)		03-11-09	-	12,086,182.36	-3.11	-3.08	1.35	5.61	11.76	35.09	2,501,555.46
TOTAL FIXED INCOME (TWR)		03-11-09	-	12,086,182.36	-3.08	-2.98	1.72	6.25	12.86	37.39	2,501,555.46

PERFORMANCE BY ASSET INCLUDING ACCRUED INTEREST

Killeen Fire Department

Inception Date 03-10-09

Report Date 06-30-13

Discounted Cash Flow Method

FLEX

Global Macro

<u>Asset</u>	<u>As Of</u>	<u>Entry</u>	<u>Exit</u>	<u>Market Value</u>	<u>QTD</u>	<u>YTD</u>	<u>1 Yr.</u>	<u>2 Yr.</u>	<u>3 Yr.</u>	<u>Since Incep</u>	<u>Dollar Gain</u>
Balestra Spectrum Partners LLC	06-30-13	01-31-10	-	1,599,845.63	1.30	4.53	1.83	0.73	-1.75	-0.01	-154.37
Global Macro Total (IRR)		01-31-10	-	1,599,845.63	1.30	4.53	1.83	0.73	-1.75	-0.01	-154.37
Global Macro Total (TWR)		01-31-10	-	1,599,845.63	1.30	4.53	1.83	0.73	-1.73	1.03	-154.37
TOTAL FLEX (IRR)		01-31-10	-	1,599,845.63	1.30	4.53	1.83	0.73	-1.75	-0.01	-154.37
TOTAL FLEX (TWR)		01-31-10	-	1,599,845.63	1.30	4.53	1.83	0.73	-1.73	1.03	-154.37

PRIVATE EQUITY

Private Equity

<u>Asset</u>	<u>As Of</u>	<u>Entry</u>	<u>Exit</u>	<u>Market Value</u>	<u>QTD</u>	<u>YTD</u>	<u>1 Yr.</u>	<u>2 Yr.</u>	<u>3 Yr.</u>	<u>Since Incep</u>	<u>Dollar Gain</u>
Franchise Capital Partners III	06-30-13	06-24-09	-	935,633.00	2.67	4.49	1.90	30.73	46.81	54.17	289,464.81
Private Equity Total (IRR)		06-24-09	-	935,633.00	2.67	4.49	1.90	30.73	46.81	54.17	289,464.81
Private Equity Total (TWR)		06-24-09	-	935,633.00	2.69	4.60	2.42	29.96	40.59	-29.09	289,464.81
TOTAL PRIVATE EQUITY (IRR)		06-24-09	-	935,633.00	2.67	4.49	1.90	30.73	46.81	54.17	289,464.81
TOTAL PRIVATE EQUITY (TWR)		06-24-09	-	935,633.00	2.69	4.60	2.42	29.96	40.59	-29.09	289,464.81

OTHER

Other

<u>Asset</u>	<u>As Of</u>	<u>Entry</u>	<u>Exit</u>	<u>Market Value</u>	<u>QTD</u>	<u>YTD</u>	<u>1 Yr.</u>	<u>2 Yr.</u>	<u>3 Yr.</u>	<u>Since Incep</u>	<u>Dollar Gain</u>
Other Total (IRR)		02-29-12	03-21-12	0.00	-	-	-	0.00	0.00	0.00	0.00
Other Total (TWR)		02-29-12	03-21-12	0.00	-	-	-	0.00	0.00	0.00	0.00
TOTAL OTHER (IRR)		02-29-12	03-21-12	0.00	-	-	-	0.00	0.00	0.00	0.00
TOTAL OTHER (TWR)		02-29-12	03-21-12	0.00	-	-	-	0.00	0.00	0.00	0.00

CASH & EQUIV.

PERFORMANCE BY ASSET INCLUDING ACCRUED INTEREST

Killeen Fire Department

Inception Date 03-10-09

Report Date 06-30-13

Discounted Cash Flow Method

Cash											
Asset	As Of	Entry	Exit	Market Value	QTD	YTD	1 Yr.	2 Yr.	3 Yr.	Since Incep	Dollar Gain
Fidelity Cash Reserves		12-02-09	-	23,303.67	-67.57	-35.09	-56.46	-14.62	-16.17	-17.15	-169,223.58
First National Bank Cash	06-30-13	12-04-09	-	566,037.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Former Positions		03-11-09	03-05-13	0.00	-	0.00	0.00	0.00	0.00	-7.72	-31,006.35
Cash Total (IRR)		03-11-09	-	589,341.31	-2.62	-4.41	-9.88	-7.63	-9.32	-10.90	-200,229.93
Cash Total (TWR)		03-11-09	-	589,341.31	-2.81	-4.40	-8.99	-14.91	-16.95	-18.49	-200,229.93
TOTAL CASH & EQUIV. (IRR)		03-11-09	-	589,341.31	-2.62	-4.41	-9.88	-7.63	-9.32	-10.90	-200,229.93
TOTAL CASH & EQUIV. (TWR)		03-11-09	-	589,341.31	-2.81	-4.40	-8.99	-14.91	-16.95	-18.49	-200,229.93
TOTAL PORTFOLIO (IRR)				28,172,079.05	-1.87	0.57	6.08	4.76	21.91	57.95	9,650,235.10
TOTAL PORTFOLIO (TWR)				28,172,079.05	-1.86	0.59	6.15	4.66	22.62	61.49	9,650,235.10

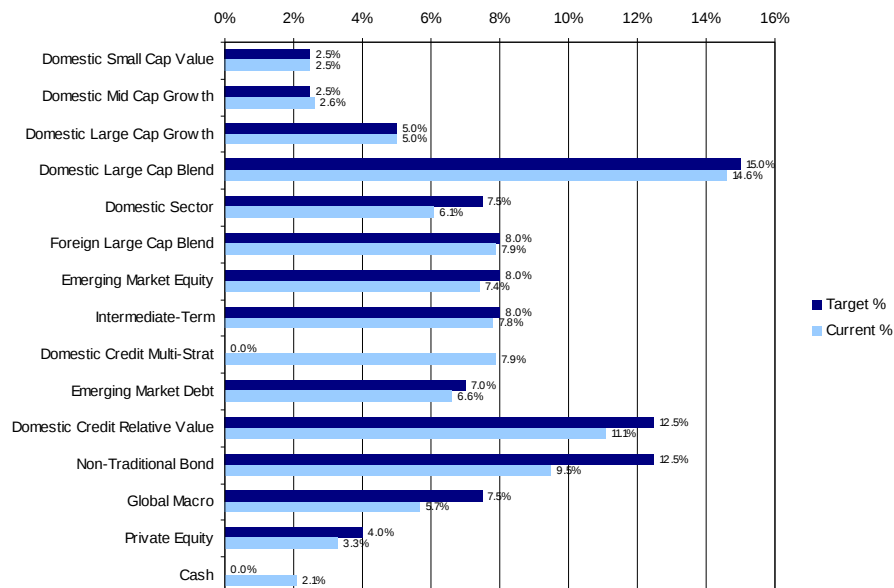
CURRENT vs. TARGET ALLOCATION

Killeen Fire Department

Inception Date 03-10-09

Period Ending 06-30-13

Asset Class	Target Pct.	Current Pct.	Deviation Pct.	Target Value	Current Value	Value Difference
Equities						
Domestic Small Cap Value	2.5%	2.5%	-0.3%	\$704,301.98	\$701,929.31	\$-2,372.66
Domestic Mid Cap Growth	2.5%	2.6%	2.2%	\$704,301.98	\$719,876.60	\$15,574.63
Domestic Large Cap Growth	5.0%	5.0%	-0.2%	\$1,408,603.95	\$1,406,279.07	\$-2,324.88
Domestic Large Cap Blend	15.0%	14.6%	-2.8%	\$4,225,811.86	\$4,105,471.23	\$-120,340.63
Domestic Sector	7.5%	6.1%	-18.4%	\$2,112,905.93	\$1,724,247.05	\$-388,658.88
Foreign Large Cap Blend	8.0%	7.9%	-1.2%	\$2,253,766.32	\$2,226,033.30	\$-27,733.03
Emerging Market Equity	8.0%	7.4%	-7.8%	\$2,253,766.32	\$2,077,240.19	\$-176,526.14
Equities Total	48.5%	46.0%	-5.1%	\$13,663,458.34	\$12,961,076.75	\$-702,381.59
Fixed Income						
Intermediate-Term	8.0%	7.8%	-2.5%	\$2,253,766.32	\$2,198,517.75	\$-55,248.57
Domestic Credit Multi-Strat	0.0%	7.9%	100.0%	\$0.00	\$2,217,358.23	\$2,217,358.23
Emerging Market Debt	7.0%	6.6%	-5.6%	\$1,972,045.53	\$1,860,910.26	\$-111,135.27
Domestic Credit Relative Value	12.5%	11.1%	-11.0%	\$3,521,509.88	\$3,133,013.19	\$-388,496.69
Non-Traditional Bond	12.5%	9.5%	-24.0%	\$3,521,509.88	\$2,676,382.92	\$-845,126.96
Fixed Income Total	40.0%	42.9%	7.3%	\$11,268,831.62	\$12,086,182.36	\$817,350.74
Flex						
Global Macro	7.5%	5.7%	-24.3%	\$2,112,905.93	\$1,599,845.63	\$-513,060.30
Flex Total	7.5%	5.7%	-24.3%	\$2,112,905.93	\$1,599,845.63	\$-513,060.30
Private Equity						
Private Equity	4.0%	3.3%	-17.0%	\$1,126,883.16	\$935,633.00	\$-191,250.16
Private Equity Total	4.0%	3.3%	-17.0%	\$1,126,883.16	\$935,633.00	\$-191,250.16
Cash & Equiv.						
Cash	0.0%	2.1%	100.0%	\$0.00	\$589,341.31	\$589,341.31
Cash & Equiv. Total	0.0%	2.1%	100.0%	\$0.00	\$589,341.31	\$589,341.31
TOTAL PORTFOLIO	100.0%	100.0%	0.0%	\$28,172,079.05	\$28,172,079.05	\$0.00



Important Information about your Performance Report

General Performance Report Disclosure

Account and investment values presented have been obtained by Shepherd Kaplan from other parties, such as custodians, mutual funds, fund managers and data providers generally considered reliable, but Shepherd Kaplan is not responsible for inaccuracies therein. Reported values and performance may differ from custodian-reported values due to differences in reporting methods and may change in a subsequent report based on the receipt of updated information. Private investment fund values (eg. hedge funds, private equity funds, private real estate partnerships) (i) reflect the most recent information received by Shepherd Kaplan, but may not be current, (ii) are subject to restatement throughout the year and (iii) do not necessarily reflect realizable values due to the illiquidity of private fund investments. Shepherd Kaplan provides both cumulative and annualized returns. Returns are cumulative unless indicated as annualized. An annualized return is the average return for each year over a given time period that is greater than one year. The results reported represent past performance and do not guarantee future results. Account and investment values may show gains or losses from time to time as markets and investments rise and fall. All investments involve risk, and achievement of a client's investment performance goals and preservation of principal cannot be guaranteed.

Portfolio Performance Report

The summary **Portfolio Performance Report** calculates aggregate portfolio gains or losses, cumulative and annualized Time-Weighted Return (TWR) and Internal Rate of Return (IRR), net of Shepherd Kaplan and other management fees, and includes realized and unrealized gains, dividends and interest paid, and accrued interest for the periods reported. "Net of Shepherd Kaplan fees" means that such fees have been deducted from the returns reflected in this report, if they are being paid from an investment account analyzed in this report. If such fees are paid from other sources, such as a corporate expense recapture account or another individual's account, then they are not deducted from reported returns. Such fees would reduce reported returns if they were so deducted. The following is an example of the effect of compounded management fees over a period of time on the value of a client's portfolio: A portfolio with a beginning value of \$100, gaining an annual return of 10%, would grow to \$259 after 10 years, assuming no fees have been paid out. A portfolio with a beginning value of \$100 gaining an annual return of 10%, but paying fees of 1.5% per annum, would grow to \$223 after 10 years. The annualized returns over the 10 year period would be 10% gross of fees and 8.36% net of fees. If the fee in the foregoing example were .50% per annum, the portfolio would grow to \$247 after 10 years and return 9.45% net of fees. The fees were calculated on a monthly basis.

Performance By Asset Including Accrued Interest Report

The **Performance By Asset Including Accrued Interest Report** calculates for each position the cumulative percentage gain or loss on an IRR basis for stated periods, and the dollar gain or loss during the entire period in which the asset was held, in each case including accrued interest. For each asset class this report also calculates cumulative IRR and TWR for the stated periods. All dollar amount and percentage results reported for each position and asset class in this report are net of management fees other than Shepherd Kaplan fees, except that separately managed account results do not deduct management fees. The Cash and Equivalent asset class results reflect the deduction of management fees for separately managed accounts and Shepherd Kaplan fees for the total portfolio, if applicable. The total portfolio IRR and TWR calculations appearing at the conclusion of this report are cumulative and reflect portfolio values net of Shepherd Kaplan and other management fees.

Internal Rate of Return

An Internal Rate of Return (IRR), also known as a dollar-weighted return, represents actual performance including the timing effect of cash flows. This performance method takes into account not only the size of any cash flows, but also the length of time each flow affected the position or portfolio. An IRR gives greater weight to those time periods when more money was invested. An IRR is a single calculation, derived via the Discounted Cash Flow methodology, for a given time period. A dash may be shown in cases where an IRR cannot be calculated. Data may not be available for the period or an IRR cannot be calculated due to large changes in the relative magnitude of cash flows.

Time-weighted Return

A Time Weighted Return (TWR), also known as a dollar-constant return, represents manager skill, regardless of the value of the position or portfolio. TWR reflects the percentage gain or loss in an account or position during a stated period, equally weighting each day regardless of the value of assets invested. TWR ignores the effect of additional investments in or withdrawals from an account or position in order to measure the performance of the underlying investments. Shepherd Kaplan calculates daily returns, which are geometrically linked for the various time periods shown on the report. For example, a one year TWR is made up of 365 linked daily returns.