MEETING AGENDA

1. Approval of Minutes of September 4, 2013 (Action) .................................................................Jack Acosta

2. Investment Performance Report as of September 30, 2013 (Information) .................................Brian Sharpes

4. Other Business/Announcements

5. Adjournment
Trustees in attendance:
Jack Acosta, Chair
Patrick Devine
Evelyn Dilsaver
Carolyn Aver (by phone)
Howard Hyman (by phone)
Janet Owen (by phone)
Ara Serjoie (ex officio)
Brad Wells (ex officio)

Staff:
Debbie Chaw
Veronica Salvador

Guests:
Brian Sharpes

The meeting was called to order at 8:32 a.m. by Jack Acosta.

Approval of Minutes
The committee moved to approve the minutes for the April 11, 2013 meeting. Motion by Janet. Seconded by Evelyn. Motion passed.

Financial Results Summary Report
Debbie Chaw presented the final operating expenses for FY 2012-13. Debbie and Brad will present the budget to the board at the Executive Committee meeting on September 28.

Endowment Payout Distribution
Debbie Chaw presented the payout calculations by endowment. The committee discussed making the departments aware of distribution deadlines and criteria. Chaw mentioned there is a Scholarship Management Solutions group that is analyzing the business process which should alleviate the issues with endowments not being used / departments not being aware of them. Jack asked for minute action for recommendation to the Ed Foundation Board of Directors. Motion by Evelyn. Seconded by Patrick. Motion passed.

Gift Fee Analysis Discussion
Debbie Chaw discussed the current policies for the endowment and gift fees. Given the budgeted and projected expenses for FY 2013-14 and FY 2015-16, the revenues from the fees will not cover the expenses. The committee discussed the various alternatives and ultimately agreed that because this decision affects many aspects of endowment and gift administration process, more research is needed and all agreed to make the issue a standing item for discussion by the Educational Foundation Board of Directors.
**Investment Performance Report**
Brian Sharpes reviewed the long term portfolio summary, including information regarding the market outlook and performance as of July 31, 2013. He also provided additional information on the new liquid alternatives portfolio, which is performing as expected. In the coming quarters, Brian would like to recommend two areas of interest – adding a specific emerging markets manager and international small cap.

**Adjournment**
The meeting was adjourned at 10:00 a.m.
Cal State East Bay Educational Foundation

Performance Report 09/30/15

Presented on 10/11/13

Brian J. Sharpe, CIMA®
Managing Director – Investments
Senior Institutional Consultant
UBS Institutional Consulting Group
(925) 746-0278
brian.sharpe@ubs.com
Table of Contents

1. Market Outlook
2. Asset Allocation
3. Manager Performance Analysis
4. UBS Institutional Consulting
Market Outlook
Please view notes pages to help you better use this presentation with clients.

UBS House View: *Presentation*

*The tale of deleveraging*

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**Please Note:**

The individual PowerPoint slides in the presentation should not be altered in any way as they contain research information.

Financial Advisors may, however, present different sections of the seminar by omitting slides that may not be relevant to the particular audience.

**NEVER OMIT THE SLIDES MARKED ‘IMPORTANT INFORMATION’ AT THE END OF THIS PRESENTATION.**

Please have any combination of these slides reviewed by your local compliance before use.

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This report has been prepared by UBS Financial Services Inc. (UBS FS) and UBS AG.
Section 1

Summary
# Global review & outlook

## Economy
- We expect US real GDP growth to accelerate going into 2014, driven by stronger private sector demand.
- The Eurozone economy should report further modest positive growth rates amid suppressed political risks.
- We expect the current Chinese cyclical economic uptick to fade later this year.

## Equities
- Ongoing improvement in global growth and support by central banks should boost equities further
- Recommend an overall overweight allocation to equities, expressed by overweight in US and Japan
- US economy is on relatively stronger footing and expect continued corporate earnings growth
- Emerging markets and the Eurozone are experiencing a turn in leading indicators but still facing structural headwinds

## Fixed income
- Fed’s decision not to taper in September is likely only delayed until December policy meeting
- Further declines in benchmark yields are probably limited; bond market pricing in 2015 first rate hike
- Over next 6-12 months, the pressure for yields remains to the upside
- In the taxable market, continue to favor investment grade (IG) and high yield (HY)
- Municipal bond market has shown signs of stabilization as crossover investors have been active

## Commodities
- Commodity prices have been struggling to keep up with improving macroeconomic data
- Reduced price sensitivity of commodities to better macroeconomic news flow arises from generally well-supplied commodity markets
- With ample supply at hand and demand acceleration still being muted, return expectations for the asset class are close to 0% over the next 6 months

## FX
- US dollar dropped sharply after Fed surprised markets by not yet dialing down its asset purchases
- Whichever country actually hikes interest rates first will enjoy an uncomfortable “first mover disadvantage,” and could see its currency soar even as domestic and global growth remains tepid
- We brought our overweight euro (EUR) vs. the US dollar (USD) back to neutral
Section 2

Macro view
US – private sector deleveraging close to completion

US domestic debt-to-GDP (%)

Lehman Brothers' collapse

Source: Federal Reserve, UBS

Please see important disclaimer and disclosures at the end of the document.
Eurozone – finally signs of an improvement in sentiment

Eurozone composite purchasing managers index

Source: Bloomberg, UBS
Eurozone - not front-running a sustainable recovery

Eurozone consensus EPS growth forecasts (%) yoy

Source: Datastream, UBS

Please see important disclaimer and disclosures at the end of the document.
Section 3

In detail: economic and asset class outlook
US – Entitlement spending set to grow

Total Federal non-interest spending projections, % of GDP

Source: Congressional Budget Office, UBS, as of 25 September 2013

Please see important disclaimer and disclosures at the end of the document.
Eurozone – Slower pace of austerity helping Eurozone growth

Eurozone real GDP growth and fiscal drag

Source: UBS, as of 25 September 2013
US equities

History suggests equity valuations improve as interest rates “normalize”

Trailing P/E ratio of the S&P 500 and 10 year Treasury yield

\[ R^2 = 47.8\% \]

Source: FactSet, Bloomberg, UBS Investment Research, UBS CIO WMR, as of 26 September 2013.
US equities

Financials, Industrials and Tech to benefit from a pickup in capital spending

S&P 500 sectors correlation to "core" capital goods

- Financials
- Industrials
- Tech
- Energy
- Utilities
- Materials
- Telecom
- Consumer Disc.
- Health Care
- Consumer Staples

Source: Bloomberg and UBS CIO WMR data from January 1995 through August 2013.
US equities

Maintain pro-cyclical stance, but upgrade Industrials and downgrade Consumer Discretionary. Upgrade Telecom and downgrade Utilities.

Current sector allocation

Technology
Financials
Industrials
Cons Disc
Health Care
Cons Staples
Materials
Energy
Telecom
Utilities

Source: UBS CIO WMR, as of 26 September 2013.
Emerging market equities

Some EM countries are highly sensitive to Fed policy

Source: Bloomberg, UBS, as of 25 September 2013

Please see important disclaimer and disclosures at the end of the document.
Preference of investment grade and high yield over high grade bonds

Preferences (six months)

<table>
<thead>
<tr>
<th>Bonds total</th>
<th>underweight</th>
<th>neutral</th>
<th>overweight</th>
</tr>
</thead>
</table>

**Government Bonds**

**Investment grade corporate bonds**

**High yield bonds**

**Emerging market sovereign bonds**

**Emerging market corporate bonds**

Source: UBS CIO WM Global Investment Office
US Treasury rates to continue steady trend higher

Yields are expected to rise over the next six months

Source: Bloomberg, UBS; as of 16 September 2013
Challenging times but plenty of options

High yield bonds and senior loans have outperformed this year

Cumulative Total Return, in USD, index 31 Dec. 2012 = 100

Source: Bloomberg, UBS CIO WMR, as of 25 September 2013.
US municipals

10 yr Muni-to-Treasury fell below 100% for first time since July 4th

AAA Muni-to-Treasury yield ratios (%)

Source: MMD, UBS CIO WMR as of 20 September 2013

Please see important disclaimer and disclosures at the end of the document.
Commodities’ correlation with equities has receded in 2013

Source: Bloomberg, UBS, as of 27 September 2013.
In focus: a capital spending *upturn*
Current capital stock is as old as it has been in 50 years

Average age of fixed assets and consumer durable goods, in years

Source: Bureau of Economic Analysis, UBS CIO WMR, as of 20 September 2013
Capex is unsustainably low relative to employment

Non-farm payrolls and core capital goods new orders

Source: Bloomberg, UBS WMR, as of 20 September 2013
Easing lending standards should drive higher capex

Percentage of banks tightening lending standards, C&I loans (inverted)

Source: Bloomberg, UBS CIO WMR, as of 20 September 2013
Important information
Investment committees

Global Investment Process and Committee Description
The UBS investment process is designed to achieve replicable, high quality results through applying intellectual rigor, strong process governance, clear responsibility and a culture of challenge.

Based on the analyses and assessments conducted and vetted throughout the investment process, the Chief Investment Officer (CIO) formulates the UBS Wealth Management Investment House View (e.g., overweight, neutral, underweight stance for asset classes and market segments relative to their benchmark allocation) at the Global Investment Committee (GIC). Senior investment professionals from across UBS, complemented by selected external experts, debate and rigorously challenge the investment strategy to ensure consistency and risk control.

Global Investment Committee Composition
The GIC is comprised of 13 members, representing top market and investment expertise from across all divisions of UBS:

- Alex Friedman (Chair)
- Mark Andersen
- Mark Haefele
- Andreas Höfert
- Jorge Mariscal
- Mads Pedersen
- Mike Ryan
- Simon Smiles
- Larry Hathaway (*)
- Bruno Marxer (*)
- Curt Custard (*)
- Andreas Koester (*)
- Andrew Williamson (*)

(*) Business areas distinct from Chief Investment Office/Wealth Management Research

WMA Asset Allocation Committee Description
We recognize that a globally derived house view is most effective when complemented by local perspective and application. As such, UBS has formed a Wealth Management Americas Asset Allocation Committee (WMA AAC). WMA AAC is responsible for the development and monitoring of UBS WMA’s strategic asset allocation models and capital market assumptions. The WMA AAC sets parameters for the CIO WMR Americas Investment Strategy Group to follow during the translation process of the GIC’s House Views and the incorporation of US-specific asset class views into the US-specific tactical asset allocation models.

WMA Asset Allocation Committee Composition
The WMA Asset Allocation Committee is comprised of six members:

- Mike Ryan
- Michael Crook
- Stephen Freedman
- Richard Hollmann (*)
- Brian Nick
- Jeremy Zirin

(*) Business areas distinct from Chief Investment Office/Wealth Management Research
Statement of Risk

1. Equity markets are difficult to forecast because of fluctuations in the economy, investor psychology, geopolitical conditions, and other important variables.
2. Bond market returns are difficult to forecast because of fluctuations in the economy, investor psychology, geopolitical conditions and other important variables. Corporate bonds are subject to a number of risks, including credit risk, interest rate risk, liquidity risk, and event risk. Though historical default rates are low on investment grade corporate bonds, perceived adverse changes in the credit quality of an issuer may negatively affect the market value of securities. As interest rates rise, the value of a fixed coupon security will likely decline. Bonds are subject to market value fluctuations, given changes in the level of risk-free interest rates. Not all bonds can be sold quickly or easily on the open market. Prospective investors should consult their tax advisors concerning the federal, state, local, and non-U.S. tax consequences of owning any securities referenced in this report.
3. Prospective investors should consult their tax advisors concerning the federal, state, local, and non-U.S. tax consequences of owning preferred stocks. Preferred stocks are subject to market value fluctuations, given changes in the level of interest rates. For example, if interest rates rise, the value of these securities could decline. If preferred stocks are sold prior to maturity, price and yield may vary. Adverse changes in the credit quality of the issuer may negatively affect the market value of the securities. Most preferred securities may be redeemed at par after five years. If this occurs, holders of the securities may be faced with a reinvestment decision at lower future rates. Preferred stocks are also subject to other risks, including illiquidity and certain special redemption provisions.
4. Although historical default rates are very low, all municipal bonds carry credit risk, with the degree of risk largely following the particular bond's sector. Additionally, all municipal bonds feature valuation, return, and liquidity risk. Valuation tends to follow internal and external factors, including the level of interest rates, bond ratings, supply factors, and media reporting. These can be difficult or impossible to project accurately. Also, most municipal bonds are callable and/or subject to earlier than expected redemption, which can reduce an investor’s total return. Because of the large number of municipal issuers and credit structures, not all bonds can be easily or quickly sold on the open market.
Disclosures

Emerging Market Investments

Investors should be aware that Emerging Market assets are subject to, amongst others, potential risks linked to currency volatility, abrupt changes in the cost of capital and the economic growth outlook, as well as regulatory and socio-political risk, interest rate risk and higher credit risk. Assets can sometimes be very illiquid and liquidity conditions can abruptly worsen. WMR generally recommends only those securities it believes have been registered under Federal U.S. registration rules (Section 12 of the Securities Exchange Act of 1934) and individual State registration rules (commonly known as "Blue Sky" laws). Prospective investors should be aware that to the extent permitted under US law, WMR may from time to time recommend bonds that are not registered under US or State securities laws. These bonds may be issued in jurisdictions where the level of required disclosures to be made by issuers is not as frequent or complete as that required by US laws.


Investors interested in holding bonds for a longer period are advised to select the bonds of those sovereigns with the highest credit ratings (in the investment grade band). Such an approach should decrease the risk that an investor could end up holding bonds on which the sovereign has defaulted. Sub-investment grade bonds are recommended only for clients with a higher risk tolerance and who seek to hold higher yielding bonds for shorter periods only.

Non-Traditional Assets

Non-traditional asset classes are alternative investments that include hedge funds, private equity, real estate, and managed futures (collectively, alternative investments). Interests of alternative investment funds are sold only to qualified investors, and only by means of offering documents that include information about the risks, performance and expenses of alternative investment funds, and which clients are urged to read carefully before subscribing and retain. An investment in an alternative investment fund is speculative and involves significant risks. Specifically, these investments (1) are not mutual funds and are not subject to the same regulatory requirements as mutual funds; (2) may have performance that is volatile, and investors may lose all or a substantial amount of their investment; (3) may engage in leverage and other speculative investment practices that may increase the risk of investment loss; (4) are long-term, illiquid investments, there is generally no secondary market for the interests of a fund, and none is expected to develop; (5) interests of alternative investment funds typically will be illiquid and subject to restrictions on transfer; (6) may not be required to provide periodic pricing or valuation information to investors; (7) generally involve complex tax strategies and there may be delays in distributing tax information to investors; (8) are subject to high fees, including management fees and other fees and expenses, all of which will reduce profits.

Investments in alternative investment funds are not deposits or obligations of, or guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other governmental agency. Prospective investors should understand these risks and have the financial ability and willingness to accept them for an extended period of time before making an investment in an alternative investment fund and should consider an alternative investment fund as a supplement to an overall investment program.

In addition to the risks that apply to alternative investments generally, the following are additional risks related to an investment in these strategies:

- Hedge Fund Risk: There are risks specifically associated with investing in hedge funds, which may include risks associated with investing in short sales, options, small-cap stocks, "junk bonds," derivatives, distressed securities, non-U.S. securities and illiquid investments.
- Managed Futures: There are risks specifically associated with investing in managed futures programs. For example, not all managers focus on all strategies at all times, and managed futures strategies may have material directional elements.
- Real Estate: There are risks specifically associated with investing in real estate products and real estate investment trusts. They involve risks associated with debt, adverse changes in general economic or local market conditions, changes in governmental, tax, real estate and zoning laws or regulations, risks associated with capital calls and, for some real estate products, the risks associated with the ability to qualify for favorable treatment under the federal tax laws.
- Private Equity: There are risks specifically associated with investing in private equity. Capital calls can be made on short no-tice, and the failure to meet capital calls can result in significant adverse consequences including, but not limited to, a total loss of investment.
- Foreign Exchange/Currency Risk: Investors in securities of issuers located outside of the United States should be aware that even for securities denominated in U.S. dollars, changes in the exchange rate between the U.S. dollar and the issuer’s "home" currency can have unexpected effects on the market value and liquidity of those securities. Those securities may also be affected by other risks (such as political, economic or regulatory changes) that may not be readily known to a U.S. investor.
Explanations about asset allocations

Sources of strategic asset allocations and investor risk profiles

Strategic asset allocations represent the longer-term allocation of assets that is deemed suitable for a particular investor. The strategic asset allocation models discussed in this publication, and the capital market assumptions used for the strategic asset allocations, were developed and approved by the WMA AAC.

The strategic asset allocations are provided for illustrative purposes only and were designed by the WMA AAC for hypothetical US investors with a total return objective under five different Investor Risk Profiles ranging from conservative to aggressive. In general, strategic asset allocations will differ among investors according to their individual circumstances, risk tolerance, return objectives and time horizon. Therefore, the strategic asset allocations in this publication may not be suitable for all investors or investment goals and should not be used as the sole basis of any investment decision. Minimum net worth requirements may apply to allocations to non-traditional assets. As always, please consult your UBS Financial Advisor to see how these weightings should be applied or modified according to your individual profile and investment goals.

The process by which the strategic asset allocations were derived is described in detail in the publication entitled “UBS WMA’s Capital Markets Model: Explained, Part II: Methodology,” published on 22 January 2013. Your Financial Advisor can provide you with a copy. Deviations from benchmark allocation.

Deviations from strategic asset allocation or benchmark allocation

The recommended tactical deviations from the strategic asset allocation or benchmark allocation are provided by the Global Investment Committee and the Investment Strategy Group within Wealth Management Research Americas. They reflect the short- to medium- term assessment of market opportunities and risks in the respective asset classes and market segments. Positive / zero / negative tactical deviations correspond to an overweight / neutral / underweight stance for each respective asset class and market segment relative to their strategic allocation. The current allocation is the sum of the strategic asset allocation and the tactical deviation.

- Overweight: Tactical recommendation to hold more of the asset class than specified in the strategic asset allocation on pages 24-27 of the flagship publication UBS House View: Investment Strategy Guide.
- Underweight: Tactical recommendation to hold less of the asset class than specified in the strategic asset allocation on pages 24-27 of the flagship publication UBS House View: Investment Strategy Guide.
- Neutral: Tactical recommendation to hold the asset class in line with its weight in the strategic asset allocation on pages 24-27 of the flagship publication UBS House View: Investment Strategy Guide.

NOTE: TACTICAL TIME HORIZON IS APPROXIMATELY SIX MONTHS

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Description / Definition</th>
<th>Symbol</th>
<th>Description / Definition</th>
<th>Symbol</th>
<th>Description / Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>+</td>
<td>moderate overweight vs. benchmark</td>
<td>-</td>
<td>moderate underweight vs. benchmark</td>
<td>n</td>
<td>neutral, i.e., on benchmark</td>
</tr>
<tr>
<td>++</td>
<td>overweight vs. benchmark</td>
<td>---</td>
<td>underweight vs. benchmark</td>
<td>n/a</td>
<td>not applicable</td>
</tr>
<tr>
<td>+++</td>
<td>strong overweight vs. benchmark</td>
<td>~</td>
<td>strong underweight vs. benchmark</td>
<td>~</td>
<td>~</td>
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</tbody>
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Version as per September 2013.

Cover image © Getty Images 2013
Asset Allocation
UBS Client Review

as of October 9, 2013

Prepared for
Cal State East Bay
Educational Foundation

Accounts included in this review
^ performance and account start dates differ (see disclosures)

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<th>Account</th>
<th>Name</th>
<th>Type</th>
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<td>• Pimco</td>
<td>• ACCESS</td>
</tr>
<tr>
<td>KW 17801</td>
<td>• Merger</td>
<td>• Business Service Account</td>
</tr>
<tr>
<td>KW 17802</td>
<td>• Structured</td>
<td>• Visitor</td>
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<tr>
<td>KW 18612</td>
<td>• Accuvest Global</td>
<td>• MAC Wrap</td>
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<td>KW 22951</td>
<td>• Liquid Alts</td>
<td>• Portfolio Management Program</td>
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<td>KW 50111</td>
<td>• Cash</td>
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<td>• Parametric R3</td>
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<td>• Structured-Crcy</td>
<td>• Basic Investment Account - Business</td>
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</tbody>
</table>

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- Important information about this report ............................ 7
Portugal review

as of October 09, 2013

Asset allocation summary

<table>
<thead>
<tr>
<th></th>
<th>Value on 10/09/2013 ($)</th>
<th>% of portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Cash 876,464.03</td>
<td>6.04</td>
</tr>
<tr>
<td>B</td>
<td>Fixed Income 3,097,537.55</td>
<td>21.34</td>
</tr>
<tr>
<td></td>
<td>US 2,798,724.06</td>
<td>19.28</td>
</tr>
<tr>
<td></td>
<td>Global 111,237.63</td>
<td>0.77</td>
</tr>
<tr>
<td></td>
<td>International 187,575.86</td>
<td>1.29</td>
</tr>
<tr>
<td>C</td>
<td>Equity 9,647,916.11</td>
<td>66.45</td>
</tr>
<tr>
<td></td>
<td>US 5,566,058.14</td>
<td>38.34</td>
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<tr>
<td></td>
<td>International 4,081,857.97</td>
<td>28.11</td>
</tr>
<tr>
<td>D</td>
<td>Commodities 29,255.03</td>
<td>0.20</td>
</tr>
<tr>
<td>E</td>
<td>Non-Traditional 470,046.43</td>
<td>3.24</td>
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<tr>
<td></td>
<td>Commodities 29,255.03</td>
<td>0.20</td>
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<tr>
<td></td>
<td>Non-Traditional 470,046.43</td>
<td>3.24</td>
</tr>
<tr>
<td>F</td>
<td>Other 397,189.88</td>
<td>2.73</td>
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<tr>
<td></td>
<td>Other 322,700.00</td>
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<tr>
<td></td>
<td>Balanced 74,489.88</td>
<td>0.51</td>
</tr>
<tr>
<td></td>
<td>Total Portfolio $14,518,409.04</td>
<td>100%</td>
</tr>
</tbody>
</table>

Rounding calculation may affect totals. Balanced mutual funds are allocated in the ‘Other’ category.

Portfolio value and investment returns

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Opening value</td>
<td>14,109,952.39</td>
<td>11,729,527.50</td>
<td>11,881,969.04</td>
<td>5,614,375.36</td>
<td></td>
</tr>
<tr>
<td>Net deposits/withdrawals</td>
<td>-994,247.01</td>
<td>1,056,104.59</td>
<td>83,116.13</td>
<td>-83,116.13</td>
<td></td>
</tr>
<tr>
<td>Div./interest income</td>
<td>273,298.10</td>
<td>337,224.96</td>
<td>303,713.60</td>
<td>3,643,299.22</td>
<td></td>
</tr>
<tr>
<td>Change in accr. interest</td>
<td>-2,422.75</td>
<td>-2,347.08</td>
<td>-3,985.77</td>
<td>13,401.65</td>
<td></td>
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<tr>
<td>Change in value</td>
<td>1,145,229.95</td>
<td>989,442.42</td>
<td>-369,053.23</td>
<td>2,785,858.58</td>
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<tr>
<td>Closing value</td>
<td>14,531,810.68</td>
<td>14,109,952.39</td>
<td>11,729,527.50</td>
<td>14,531,810.68</td>
<td></td>
</tr>
<tr>
<td>Net Time-weighted ROR</td>
<td>9.63</td>
<td>10.03</td>
<td>-1.36</td>
<td>4.66</td>
<td></td>
</tr>
</tbody>
</table>

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

Report created on: October 10, 2013
Summary of gains and losses

<table>
<thead>
<tr>
<th></th>
<th>Short term ($)</th>
<th>Long term ($)</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2012 Realized gains and losses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxable</td>
<td>22,711.07</td>
<td>233,441.73</td>
<td>256,152.80</td>
</tr>
<tr>
<td>Tax-deferred</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>2013 Year to date</strong></td>
<td>73,313.09</td>
<td>192,017.03</td>
<td>265,330.12</td>
</tr>
<tr>
<td>Taxable</td>
<td>73,313.09</td>
<td>192,017.03</td>
<td>265,330.12</td>
</tr>
<tr>
<td>Tax-deferred</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Equity sector analysis
Compared to S&P 500 index

<table>
<thead>
<tr>
<th></th>
<th>Value on 10/09/2013 ($)</th>
<th>Actual (%)</th>
<th>Model (%)</th>
<th>Gap (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer discretionary</td>
<td>1,182,125.45</td>
<td>12.27</td>
<td>12.30</td>
<td>-0.03</td>
</tr>
<tr>
<td>Energy</td>
<td>1,024,026.81</td>
<td>10.63</td>
<td>10.38</td>
<td>0.25</td>
</tr>
<tr>
<td>Finance</td>
<td>1,803,694.35</td>
<td>18.72</td>
<td>15.95</td>
<td>2.77</td>
</tr>
<tr>
<td>Health care</td>
<td>1,134,000.35</td>
<td>11.77</td>
<td>12.70</td>
<td>-0.93</td>
</tr>
<tr>
<td>Industrials</td>
<td>802,207.89</td>
<td>8.33</td>
<td>10.50</td>
<td>-2.17</td>
</tr>
<tr>
<td>Materials</td>
<td>517,920.96</td>
<td>5.38</td>
<td>3.50</td>
<td>1.88</td>
</tr>
<tr>
<td>Staples</td>
<td>784,406.71</td>
<td>8.14</td>
<td>11.02</td>
<td>-2.88</td>
</tr>
<tr>
<td>Technology</td>
<td>1,448,009.36</td>
<td>15.03</td>
<td>18.05</td>
<td>-3.02</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>581,742.81</td>
<td>6.04</td>
<td>2.37</td>
<td>3.67</td>
</tr>
<tr>
<td>Utilities</td>
<td>335,315.62</td>
<td>3.48</td>
<td>3.14</td>
<td>0.34</td>
</tr>
<tr>
<td><strong>Total classified equity</strong></td>
<td><strong>$9,613,450.31</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unclassified securities</td>
<td>20,314.50</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Expected cash flow

<table>
<thead>
<tr>
<th></th>
<th>$ Thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 2013</td>
<td></td>
</tr>
<tr>
<td>December 2013</td>
<td></td>
</tr>
<tr>
<td>January 2014</td>
<td></td>
</tr>
<tr>
<td>February 2014</td>
<td></td>
</tr>
<tr>
<td>March 2014</td>
<td></td>
</tr>
<tr>
<td>April 2014</td>
<td></td>
</tr>
<tr>
<td>May 2014</td>
<td></td>
</tr>
<tr>
<td>June 2014</td>
<td></td>
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<tr>
<td>July 2014</td>
<td></td>
</tr>
<tr>
<td>August 2014</td>
<td></td>
</tr>
<tr>
<td>September 2014</td>
<td></td>
</tr>
<tr>
<td>October 2014</td>
<td></td>
</tr>
</tbody>
</table>

Bond maturity schedule

<table>
<thead>
<tr>
<th>Year</th>
<th>Effective maturity schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>0.0%</td>
</tr>
<tr>
<td>2014</td>
<td>8.4%</td>
</tr>
<tr>
<td>2015</td>
<td>8.5%</td>
</tr>
<tr>
<td>2016</td>
<td>5.1%</td>
</tr>
<tr>
<td>2017</td>
<td>17.4%</td>
</tr>
<tr>
<td>2018</td>
<td>4.9%</td>
</tr>
<tr>
<td>2019</td>
<td>2.8%</td>
</tr>
<tr>
<td>2020</td>
<td>3.3%</td>
</tr>
<tr>
<td>2021</td>
<td>4.3%</td>
</tr>
<tr>
<td>2022</td>
<td>4.9%</td>
</tr>
<tr>
<td>2023</td>
<td>4.8%</td>
</tr>
<tr>
<td>2024</td>
<td>0.0%</td>
</tr>
<tr>
<td>2024 + Other</td>
<td>19.6%</td>
</tr>
<tr>
<td>2025</td>
<td>15.6%</td>
</tr>
</tbody>
</table>

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Report created on: October 10, 2013
Summary of performance by account

<table>
<thead>
<tr>
<th>Account Details</th>
<th>Performance start date</th>
<th>Value on 10/09/2013 ($)</th>
<th>% of portfolio</th>
<th>Performance returns (annualized &gt; 1 year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pimco•ACCESS•PIMCO-TOTAL RETURN FI</td>
<td>Nov 27, 2006</td>
<td>1,260,486.01</td>
<td>8.67%</td>
<td>Net time-weighted</td>
</tr>
<tr>
<td>Merger•Business Service Account</td>
<td>Nov 23, 2010</td>
<td>229.67</td>
<td>0.00%</td>
<td>Net time-weighted</td>
</tr>
<tr>
<td>Structured•Visitor•BROKERAGE ACCOUNT</td>
<td>Nov 19, 2010</td>
<td>495,470.10</td>
<td>3.41%</td>
<td>Net time-weighted</td>
</tr>
<tr>
<td>Accuvest Global•MAC Wrap•ACCUVEST GLOBAL GLOBAL CORE EQ</td>
<td>May 02, 2011</td>
<td>1,210,809.04</td>
<td>8.33%</td>
<td>Net time-weighted</td>
</tr>
<tr>
<td>Liquid Alts•Portfolio Management Program•Golden Gate Wealth Management</td>
<td>Feb 28, 2013</td>
<td>688,630.93</td>
<td>4.74%</td>
<td>Net time-weighted</td>
</tr>
<tr>
<td>Cash•Basic Investment Account - Business</td>
<td>Feb 04, 2004</td>
<td>37,221.84</td>
<td>0.26%</td>
<td>Net time-weighted</td>
</tr>
<tr>
<td>Spectrum•ACCESS•SPECTRUM PREFERRED SECURITIES</td>
<td>Mar 31, 2010</td>
<td>622,863.15</td>
<td>4.29%</td>
<td>Net time-weighted</td>
</tr>
<tr>
<td>Parametric R3•MAC Wrap•PARAMETRIC TAX MNGD R3000</td>
<td>Feb 04, 2004</td>
<td>4,106,550.04</td>
<td>28.26%</td>
<td>Net time-weighted</td>
</tr>
<tr>
<td>Eagle Asset Mgm•ACCESS•EAGLE SMALL CAP</td>
<td>Feb 04, 2004</td>
<td>792,668.02</td>
<td>5.45%</td>
<td>Net time-weighted</td>
</tr>
<tr>
<td>Brandes Intl•ACCESS•BRANDES INTERNATL</td>
<td>Feb 17, 2004</td>
<td>2,673,211.37</td>
<td>18.40%</td>
<td>Net time-weighted</td>
</tr>
<tr>
<td>Madison•MAC Wrap•MADISON FIXED</td>
<td>May 31, 2010</td>
<td>1,287,858.50</td>
<td>8.86%</td>
<td>Net time-weighted</td>
</tr>
</tbody>
</table>

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.
Portfolio review - as of October 09, 2013 (continued)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>KW NFJ ACCESS NFJ DIVIDEND VALUE</td>
<td>Mar 15, 2005</td>
<td>1,033,112.02</td>
<td>7.11%</td>
<td>Net time-weighted</td>
<td>16.20%</td>
<td>13.51%</td>
<td>3.11%</td>
<td>4.95%</td>
</tr>
<tr>
<td>KW Structured-Cr Quý Basic Investment Account - Business</td>
<td>Nov 28, 2012</td>
<td>322,700.00</td>
<td>2.22%</td>
<td>Net time-weighted</td>
<td>-8.35%</td>
<td>N/A</td>
<td>N/A</td>
<td>-9.71%</td>
</tr>
<tr>
<td>Total Portfolio</td>
<td>Feb 04, 2004</td>
<td>$14,531,810.68</td>
<td>100%</td>
<td>Net time-weighted</td>
<td>9.63%</td>
<td>10.03%</td>
<td>-1.36%</td>
<td>4.66%</td>
</tr>
</tbody>
</table>

Benchmarks - Annualized time-weighted returns

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>US Treasury Bill - 3 Mos</td>
<td>0.03%</td>
<td>0.08%</td>
<td>0.07%</td>
</tr>
<tr>
<td>BC Aggregate Bond Index</td>
<td>-1.94%</td>
<td>4.21%</td>
<td>7.84%</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>18.09%</td>
<td>16.00%</td>
<td>2.11%</td>
</tr>
</tbody>
</table>

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Report created on: October 10, 2013
# Asset allocation summary

as of October 09, 2013

<table>
<thead>
<tr>
<th>Market value ($)</th>
<th>% of portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash</strong></td>
<td>876,464.03</td>
</tr>
<tr>
<td><strong>Cash</strong></td>
<td>876,464.03</td>
</tr>
<tr>
<td><strong>Fixed Income</strong></td>
<td>3,097,537.55</td>
</tr>
<tr>
<td><strong>US</strong></td>
<td>2,798,724.06</td>
</tr>
<tr>
<td><strong>Global</strong></td>
<td>111,237.63</td>
</tr>
<tr>
<td><strong>International</strong></td>
<td>187,575.86</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>9,647,916.11</td>
</tr>
<tr>
<td><strong>US</strong></td>
<td>5,566,058.14</td>
</tr>
<tr>
<td><strong>International</strong></td>
<td>4,081,857.97</td>
</tr>
<tr>
<td><strong>Commodities</strong></td>
<td>29,255.03</td>
</tr>
<tr>
<td><strong>Commodities</strong></td>
<td>29,255.03</td>
</tr>
<tr>
<td><strong>Non-Traditional</strong></td>
<td>470,046.43</td>
</tr>
<tr>
<td><strong>Non-Traditional</strong></td>
<td>470,046.43</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>397,189.88</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>322,700.00</td>
</tr>
<tr>
<td><strong>Balanced</strong></td>
<td>74,489.88</td>
</tr>
<tr>
<td><strong>Total Portfolio</strong></td>
<td>$14,518,409.04</td>
</tr>
</tbody>
</table>

Balanced mutual funds are allocated in the ‘Other’ category
Disclosures applicable to accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. This report presents performance through December 31, 2013. This report does not include complete account activity or performance of your accounts before this date. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS FS accounts statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports.

UBS FS offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including fee-based financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provides detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

Please review the report content carefully and contact your Financial Advisor with any questions.

The account listing may or may not include all of your accounts with UBS FS. The accounts included in this report are listed under the “Accounts included in this review” shown on the first page or listed at the top of each page.

Client Accounts: This report includes all assets in the accounts listed and may include eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your accounts and does not reflect the performance of your accounts in the fee-based program. As a result, the performance reflected in this report can vary substantially from the individual account performance reflected in the performance reports prepared for your accounts by your Financial Advisor in fee-based programs. Since program fees for fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. When shown on a report, the risk profile and return objectives describe your overall goals for these accounts. For each account you maintain, you choose one return objective and a primary risk profile. If you have questions regarding these objectives or wish to change them, please contact your Financial Advisor to update your accounts records.

Performance: This report presents accounts activity and performance starting 12/31/02. For accounts opened prior to 12/31/02, this report does not include the complete account activity or performance of your accounts prior to that date. For consolidated reports, the Performance Start Date is the last performance start date of any of the individual accounts selected for the consolidation time period. If an individual account’s performance information is not available for a full reporting time period (month to date, quarter to date, year to date or performance to date), the individual’s net of fee time weighted return will not be displayed. For consolidated accounts that include different account Performance Start Dates, the consolidated Additions/Withdrawals, Income Earned and Investment Appreciation/Depreciation will include all activity that occurred during the consolidated reporting time period. Accounts that hold or held insurance products will be reported on from the month end date of when insurance and annuity activity could be obtained from the carrier.

Time-weighted Returns (prior to 10/31/2010): The report displays a time weighted rate of return (TWR) that is calculated using the Modified Dietz Method. This calculation uses the beginning and ending portfolio values for the month and weighs each terminal value by the number of days, or a fraction of days, that it existed within the time period. Periods greater than one month are calculated by linking the monthly returns. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. All periods shown which are greater than 12 months are annualized.

Time-weighted Returns (after 10/31/2010): The report displays a time weighted rate of return (TWR) that is calculated by dividing the portfolio’s daily gain/loss by the previous day’s closing market value. All cash flows are posted at end of day. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. Periods of one day are calculated by linking the daily returns. All periods shown which are greater than 12 months are annualized.

Money-weighted returns: Money-weighted return (MWR) is a measure of the rate of return for an asset or portfolio of assets calculated by finding the day one Internal Rate of Return (IRR) for the period and then compounding this return by the number of days in the period being measured. The MWR incorporates the size and timing of cash flows, so it is an effective measure returns on a portfolio.

Annualized Performance: All performance periods greater than one year are calculated (unless otherwise stated) on an annualized basis, which represents the return as an investment multiplied or divided to give a comparable one year return.

Cumulative Performance: A cumulative return is the aggregate amount that an investment has gained or lost over time, independent of the period of time involved.

Net of Fees and Gross of Fees Performance: Performance is presented on a “net of fees” and “gross of fees” basis, where indicated. Net returns do not reflect Program and wrap fees prior to 10/31/10 for accounts opened prior to 10/31/10 on a fee based account. Periods greater than one year are calculated by linking the monthly returns. Gross returns do not reflect the deduction of fees, commissions or other charges. The payment of actual fees and expenses will reduce a client’s return. The compound effect of such fees and expenses should be considered when reviewing returns. For example, the net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account’s investment performance.

Benchmark/Major Indices: The past performance of an index is not a guarantee of future results. Any benchmark is shown for informational purposes only and may not reflect the historical market indices and not the performance of actual investments. The benchmark is not managed and does not reflect the effect of fees and expenses which will lower results. Indices are not actively managed and investors cannot directly invest in indices. The portfolio’s investment strategy is not restricted to securities in the benchmark. Further, there is no guarantee that an investor’s account will meet or exceed the stated benchmark. Index performance information has been obtained from third parties deemed to be reliable. We have not independently verified this information, nor do we make any representations or warranties to the accuracy or completeness of this information.

Custom Time Periods: If represented on this report, the performance start date and the performance end date have been selected by your Financial Advisor in order to provide performance and activity information for your account for the specified period of time only. As a result only a portion of your account’s activity and performance information is presented in the performance report, and, therefore, presents a distorted representation of your account’s activity and performance.

Net Deposits/Withdrawals: When shown on a report, this information represents the net value of all cash and securities contributions and withdrawals, program fees (including wrap fees) and other fees added to or subtracted from your accounts from the first day to the last day of the period. When fees are shown separately, net deposits / withdrawals does not include program fees (including wrap fees). When investment return is displayed net deposits / withdrawals does not include program fees (including wrap fees). For security contributions and withdrawals, securities are calculated using the end of day UBS FS price on the day securities are delivered in or out of the accounts. Wrap fees will be included in this calculation except when paid via an invoice or through a separate accounts billing arrangement.

Dividends/Interest: Dividend and interest earned, when shown on a report, does not reflect your account’s tax status or reporting requirements. Use only official tax reporting documents for tax reporting purposes. The classification of private investment distributions can only be determined by referring to the official year-end tax-reporting document provided by the issuer.

Change in Accrued Interest: When shown on a report, this information represents the difference between the accrued interest at the beginning of the period from the accrued interest at the end of the period.

Change in Value: Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest.

Fees: Fees represented in this report include program and wrap fees. Program and wrap fees prior to October 1, 2010 on accounts opened prior to October 1, 2010 for accounts opened prior to October 1, 2010 on a fee based account. Periods greater than one year are expressed separately via invoice through a separate accounts billing arrangement are not included in this report. Commissions are not included in the fees calculation.

Net of fees: When indicated, the information is shown net of fees and commission charges to your accounts for the time period shown. For example, if your accounts are charged an asset based fee during the month the report is produced, net of fees performance information would reflect the deduction of those fees. Please see your program documents regarding fee schedules.

Performance Start Date Changes: The Performance Start Date for accounts marked with a ‘^’ have changed. Performance Start Date changes are an independent event. A report may include accounts with inception dates that are not included in this report. The performance start date may not include the entire history of the account. The new Performance Start Date will be accompanied by performance and activity information for a shorter period than is available at UBS FS. As a result, the overall performance of these accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS FS recommends reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and will show...
Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

Performance and activity information from the earliest available inception date.

The change in Performance Start Date may be the result of a performance gap due to a zero-balance that prevents the calculation of continuous returns from the inception of the account. The Performance Start Date may also change if an account has failed one of our performance data integrity tests. In such instances, the account may be labeled as flushed. In that case, if the performance prior to that failure will be restricted.

Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details regarding your new Performance Start Date.

Closed Account Performance: Accounts that have been closed may be included in the consolidated performance report. When closed accounts are included in the consolidated report, the performance report will only include information for the time period the account was active during the consolidated performance reporting time period.

Portfolio: For purposes of this report “portfolio” is defined as all of the accounts presented on the cover page or the header of this report and does not necessarily include all of the client’s accounts held at UBS FS or elsewhere.

Percentage: Portfolio (the “% Portfolio” column) includes all holdings in the accounts(s) selected when this report was generated. Broad asset class (the “% broad asset class” column) includes all holdings in that broad asset class in the account(s) selected when this report was generated.

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security’s price. Please refer to the back of the first page of your UBS FS. accounts statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

Cash: Cash on deposit at UBS Bank USA is protected by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 in principal and accrued interest per depositor for each ownership type. Deposits made in an individual’s own name, joint name, or individual retirement account are each held in a separate type of ownership. Such deposits are not guaranteed by UBS FS. More information is available upon request.

Mutual Fund Asset Allocation: If the option to unbundle balanced mutual funds is selected and if a fund’s holdings are not classified by the asset class, subclass, and style breakdown of their underlying holdings. Where a mutual fund or ETF contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the fund to those sectors measured as a percentage of the total fund’s asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a monthly basis to UBS FS based on data supplied by the fund which may not be current. Mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, any analysis that includes mutual funds may not accurately reflect the current composition of these funds. If a fund’s underlying holding data is not available, it will be classified based on its corresponding overall Morningstar classification. All data is as of the date indicated in the report.

Equity Style: The Growth, Value and Core labels are determined by Morningstar, Inc. using a price-to-book ratio methodology. The Growth, Value and Core labels are based on how a company’s price-to-book ratio compares to the median price-to-book ratio for its industry based on the company’s assigned Industry Sector. If the company’s ratio is greater than or equal to the industry median, it is classified as a growth stock. If the company’s ratio is less than the industry median, it is classified as a value stock. If a security includes both growth and value attributes, it is classified as a core stock. If price-to-book is not available or the industry’s median is not available, this item will be Unclassified.

Equity Capitalization: Market Capitalization is defined as the number of shares outstanding times the market value. Equity securities are classified as Large Cap if they have a capitalization of 8 billion or above. Securities with capitalization between 1.8 and 7.9 billion are classified as Mid Cap. Securities with capitalization between 1.79 billion are classified as Small Cap. Unclassified securities are those for which no capitalization is available or applicable.

Equity Sectors: The Equity sector analysis may include a variety of accounts, each with different investment and risk parameters. As a result, the overweighting or underweighting of sectors within the account(s) selected should not be viewed as an isolated factor in making investment/liquidation decisions; but should be assessed on an account by account basis to determine the overall impact on the account’s portfolio.

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Effective Maturity: Effective maturity is the expected redemption due to pre-refunding, puts, or maturity and does not reflect any sinking fund activity or extraordinary calls. Securities without a maturity date are left blank and typically include Preferred Securities, Mutual Funds and Fixed Income UITS.

Accrued Interest: Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

Bond Averages: All averages are weighted averages calculated based on market value of the holding, not including accrued interest.

Tax Status: “Taxable” includes all securities held in a taxable account that are subject to federal and/or state or local taxation. “Tax-exempt” includes all securities held in a taxable account that are exempt from federal, state and local taxation. “Tax-deferred” includes all securities held in a tax-deferred account, regardless of the status of the security.

Cash Flow: This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur at or after the date in which the report is generated -- but prior to the report run (“As of”) date -- are not reflected in this report. In determining the potential cash flows, UBS FS relies on information obtained from third party sources which in some cases may not be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS FS generally updates this information received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may not reflect any capital gains or losses, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy.

Expected Cash Flow reporting for Puerto Rico Income Tax Purposes: Expected Cash Flow reporting may be based on your specific investments; if a report is prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

Gain/Loss: The gain/loss information may include calculations based upon non-UBS FS cost basis information. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. In addition, if the report contains positions with unavailable cost bases, the gain/loss for these positions are excluded in the calculation for the Gain/Loss. As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms when preparing your tax return. See your monthly statement for additional information.

Gain/Loss reporting for Puerto Rico Income Tax Purposes: Gain/Loss reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received gain/loss reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Pursuant to the Puerto Rico Internal Revenue Code (PRIRC) long-term capital gains are derived from the sale or exchange of capital assets held longer than six (6) months. For the purposes of this report only, long term gains and losses are represented by the gain/loss information provided by third parties. Although UBS FS generally updates this information received, the Firm does not provide any assurances that the information listed is accurate as of the Report Date. Calculations may not reflect any capital gains or losses, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy.

Report created on: October 10, 2013
employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

**Gain/Loss 60/40:** Index options listed in this report may be subject to IRS Tax Code - section 1256 categorizing them as broad-based index options. If so, the index may be eligible to be treated as 60% long term and 40% short terms for tax purposes. Please contact your tax professional to determine eligibility.

**Account changes:** At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:
1) Have there been any changes to your financial situation or investment objectives?
2) Would you like to implement or modify any restrictions regarding the management of your account? If the answer to either question is “yes,” it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change any investment restrictions on your account.

**ADV disclosure:** A complimentary copy of our current Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

**Important information for former Piper Jaffray and McDonald Investments clients:** As an accommodation to former Piper Jaffray and McDonald Investments clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006 and McDonald Investments accounts prior to February 9, 2007, the date the respective accounts were converted to UBS FS. UBS FS has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

For insurance, annuities, and 529 Plans, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an “as of” date is included in the description.

Investors outside the U.S. are subject to securities and tax regulations within their applicable jurisdiction that are not addressed in this report. Nothing in this report shall be construed to be a solicitation to buy or offer to sell any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.

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Manager Performance Analysis
Please contact your UBS Institutional Consultant if you have any questions regarding this report, if your financial situation, individual needs or investment objectives have changed, or if you would like to initiate or modify any investment restrictions on this account. Please note that you are also required to inform your Institutional Consultant, directly, of any changes in your financial condition, investment objectives or investment restrictions on your account.

Rule 204-3 under the Investment Advisers Act of 1940 requires that we make an annual offer to clients to send to them, without charge, a written disclosure statement meeting the requirements of such rule. We will be glad to send you a copy of such statement to you upon your written request.
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- Brandes 13 of 20
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- Spectrum 15 of 20
- Structured Products - Curr 16 of 20
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Performance Report Disclosures

General Information
This performance report represents information about your accounts in the UBS Institutional Consulting Group at UBS Financial Services.

This report is intended as a general guide to review the performance of your holdings across a variety of accounts including those accounts held at different financial institutions. This report is for your use only. Information contained in the report should not be used for tax reporting or preparation purposes or used as the basis of an investment or liquidation decision.

Please contact your Institutional Consultant if you have any questions regarding this performance report, if your financial situation, needs or investment objectives on any account have changed, or if you would like to impose or change any investment restrictions on any account.

No Tax or Legal Advice
Neither UBS Financial Services nor any of its employees provide tax or legal advice. You must consult with your legal or tax advisors regarding your personal circumstances.

Assets Held at Other Qualified Custodians
Depending on the accounts covered by your Institutional Consulting Services Agreement with us, this report may cover a number of your existing accounts, each with a potentially different investment objective and risk parameters. These accounts may be held at a variety of financial institutions and information reflected on this report is based on statements your custodians have provided to UBS Financial Services, at your request. Other than information included for accounts you hold at UBS Financial Services, we are not responsible for the accuracy or completeness of any information included in this report. UBS Financial Services does not provide advice with respect to your assets at other firms. This report includes information only as of the date of the account statements provided, which may differ by account or custodian. Your UBS Financial Services account statements are the only official record of your holdings with us and are not replaced, amended or superceded by any of the information presented in this Report.

This report does not constitute the solicitation to purchase or sell any specific security. This report may include a performance analysis of a variety of accounts, each with different investments, investment objectives and risk parameters. As a result, the overweighting or underweighting of an account in a particular sector or asset class should not be viewed as an isolated factor in making investment/liquidation decisions. Rather, such decisions should be assessed on an account by account basis and after an assessment of the overall impact of such decisions on a portfolio consisting of all your accounts.
Important Information About This Report

**Market Values**
Market values used or presented in this report are obtained from sources believed to be reliable. UBS Financial Services and its representatives make no representation or assurance that the market values presented in the report are true and accurate.

**Estimates**
Estimates of annual interest or dividend income should not be relied upon. The estimates are based either on past payout experience or scheduled interest payments. Past payouts are not an indication of future payouts and there can be no assurance that any fixed income security will meet its scheduled interest payments.

**Policy Statements**
Neither UBS Financial Services nor your Institutional Consultant is responsible for ensuring that your investment policy statement complies with all legal, actuarial or other requirements that may apply to you. That responsibility rests solely with you and you should consult your legal and tax advisors regarding those matters.

**Performance Results**

**Gross performance**
This report may illustrate net or gross of fee performance, but not both. While gross performance is valuable when reviewing a manager’s performance relative to a particular index or peer group, note that such information does not reflect management fees, wrap fees, transaction costs or your Institutional consulting fees.

The payment of fees and expenses will reduce the performance of the account and the reduction in performance will have a cumulative effect over time. The net effect of the payment of fees on the annualized performance, and the compounded or cumulative effect over time, is dependent on the amount of the fee and the account’s investment performance. For example, an account that experiences an annual gross performance of 10% but incurs a 2.8% annual fee that is deducted quarterly on a prorated basis, will experience net annual performance of 7.1%, a reduction of 2.9% per year.

**Net of fees performance**
If your assets are custodied at UBS Financial Services and you have selected one or more of our advisory programs as an investment option and pay the program fee directly from those accounts, you will receive separate performance reports for those accounts which illustrate the performance of your portfolio on a net of fee basis.
**Index Information**

This report presents the current and historical performance of certain market indexes. These indexes may represent a broad range of asset classes, market segments and investment styles. Depending upon the composition of your portfolio and your accounts and depending on your investment objectives, these indexes may not be an appropriate measure or benchmark against which to compare the performance of a particular account or all of your accounts. Consequently, the performance of the indexes is presented for illustration purposes only.

Although the performance of an index is often used as a benchmark against which to compare the performance of an actively managed separate account or actively managed mutual fund, actively managed accounts and mutual funds are not generally restricted to investing only in the securities that are included in the index. As a result, the securities held in your account will differ from the securities included in the index and the performance of the account may likewise differ from the performance of the index. The performance of an index reflects the passive performance of an unmanaged universe of securities. The performance of an index does not reflect advisory or transaction fees, all of which would reduce the overall return. Indexes are not available for direct investment. The past performance of an index is no guarantee of future results.

**Benchmark Rebalancing**

Comparative benchmarks comprising more than one index are constructed each month based on the return of the constituent indexes in the comparative benchmark and the respective weights assigned to each constituent index.

**Target Asset Allocation**

The target asset allocation is the percentage allocation of your total or composite investment fund among the asset classes in which you have decided to invest as set forth in your Investment Policy Statement.

**Policy Index**

For each separate account, the Policy Index is the passive index that you have selected to serve as a benchmark against which to compare the performance of the separate account. If the account is balanced, indexes may be a blend of indexes.

For the total or composite investment fund, the Policy Index is a composite of one or more passive indexes that you have selected and that are weighted according to the percentage weightings set forth in your Investment Policy Statement. The performance of your total or composite investment fund is compared against the performance of the Policy Index that you have selected for the composite.
For the purposes of calculating the performance of the Policy Index for the composite investment fund, the Policy Index is recalculated using the percentage weightings set forth in your Investment Policy Statement on a monthly or quarterly basis depending on the convention that you selected.

The Policy Index that you selected for your total or composite investment fund is shown below:
100% Variable.

**Account Valuation**
This report uses a time-weighted rate of return, a method that calculates portfolio value using the beginning and ending portfolio values for the month and weights each contribution/withdrawal by the amount of time invested.

**Performance Start Date**
The inception date shown in the report may or may not be the date that the UBS Institutional Consulting Group began providing services or performance information to you and may not be the date that an account was first invested in securities. Contact your Institutional Consultant for more information regarding the actual inception date.

**Manager Data**
Data concerning various managers' portfolio performance is obtained from sources believed to be reliable. This data is provided for comparative purposes only. UBS Financial Services does not guarantee the accuracy or veracity of this information. Different performance calculation methods may be used to calculate each manager's portfolio performance. Investment objectives of similar style portfolios of other managers may not match exactly your investment objectives.

**Brochure**
Rule 204-3 of the Investment Advisers Act of 1940 requires that we make an annual offer to clients to send to them, without charge, a written disclosure statement. We will be glad to provide you with a copy of such statement upon your written request.
### Portfolio Returns

<table>
<thead>
<tr>
<th>Name</th>
<th>Incept. Date</th>
<th>Current Allocation</th>
<th>Latest Quarter</th>
<th>Fiscal YTD *</th>
<th>One Year</th>
<th>Two Years</th>
<th>Three Years</th>
<th>Since Inception</th>
<th>Comparative Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL FUND</td>
<td>02/28/95</td>
<td>100.0%</td>
<td>6.28</td>
<td>6.28</td>
<td>14.08</td>
<td>15.55</td>
<td>9.62</td>
<td>11.95</td>
<td>5.33</td>
</tr>
<tr>
<td>Parametric R3000</td>
<td>08/04/98</td>
<td>29.6%</td>
<td>6.33</td>
<td>6.33</td>
<td>21.06</td>
<td>16.64</td>
<td>7.35</td>
<td></td>
<td>6.35</td>
</tr>
<tr>
<td>NFJ Dividend Value</td>
<td>03/15/05</td>
<td>7.4%</td>
<td>4.60</td>
<td>4.60</td>
<td>18.59</td>
<td>23.84</td>
<td>15.91</td>
<td>6.56</td>
<td>3.94</td>
</tr>
<tr>
<td>Eagle Small Cap Growth</td>
<td>02/28/95</td>
<td>5.8%</td>
<td>12.80</td>
<td>12.80</td>
<td>27.55</td>
<td>27.67</td>
<td>19.94</td>
<td>11.94</td>
<td>12.80</td>
</tr>
<tr>
<td>PIMCO</td>
<td>11/30/06</td>
<td>8.9%</td>
<td>1.09</td>
<td>1.09</td>
<td>(1.57)</td>
<td>3.37</td>
<td>2.98</td>
<td>6.26</td>
<td>0.76</td>
</tr>
<tr>
<td>Madison</td>
<td>05/11/10</td>
<td>9.1%</td>
<td>0.74</td>
<td>0.74</td>
<td>(0.17)</td>
<td>1.76</td>
<td>2.03</td>
<td>2.68</td>
<td>0.63</td>
</tr>
<tr>
<td>Brandes Intl</td>
<td>02/28/95</td>
<td>18.9%</td>
<td>13.43</td>
<td>13.43</td>
<td>27.44</td>
<td>27.67</td>
<td>19.94</td>
<td>11.94</td>
<td>10.37</td>
</tr>
<tr>
<td>Accuvest Intl</td>
<td>05/05/11</td>
<td>8.6%</td>
<td>10.08</td>
<td>10.08</td>
<td>14.48</td>
<td>16.10</td>
<td>-</td>
<td>0.13</td>
<td>10.17</td>
</tr>
<tr>
<td>Spectrum Preferred Secs</td>
<td>09/23/10</td>
<td>4.4%</td>
<td>(4.26)</td>
<td>(4.26)</td>
<td>(2.47)</td>
<td>7.07</td>
<td>4.71</td>
<td>4.71</td>
<td>(4.07)</td>
</tr>
<tr>
<td>Structured Products-Currency</td>
<td>11/29/12</td>
<td>2.3%</td>
<td>4.81</td>
<td>4.81</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(7.56)</td>
<td>0.25</td>
</tr>
<tr>
<td>Liquid Alternatives</td>
<td>02/27/13</td>
<td>4.9%</td>
<td>1.20</td>
<td>1.20</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.43)</td>
<td>(2.22)</td>
</tr>
</tbody>
</table>

### Portfolio Growth

**Source of Portfolio Growth**


**Portfolio Market Value**

**Beginning Market Value & Net Contributions**

<table>
<thead>
<tr>
<th>Latest</th>
<th>Fiscal YTD *</th>
<th>One Year</th>
<th>Two Years</th>
<th>Three Years</th>
<th>Five Years</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dollars</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13,798,932</td>
<td>250,000</td>
<td>21.60</td>
<td>25.83</td>
<td>16.76</td>
<td>16.25</td>
<td>5.84</td>
</tr>
<tr>
<td>-495,442</td>
<td>6,929,058</td>
<td>22.30</td>
<td>26.54</td>
<td>16.25</td>
<td>16.25</td>
<td>5.84</td>
</tr>
<tr>
<td>808,792</td>
<td>6,933,225</td>
<td>19.96</td>
<td>21.60</td>
<td>16.76</td>
<td>16.25</td>
<td>5.84</td>
</tr>
<tr>
<td>14,112,282</td>
<td>14,112,282</td>
<td>19.96</td>
<td>21.60</td>
<td>16.76</td>
<td>16.25</td>
<td>5.84</td>
</tr>
</tbody>
</table>

### Asset Allocation Analysis

- **Asset Allocation as of September 30, 2013**
  - Cash 2.81%
  - Fixed Income 21.12%
  - International Equity 26.75%
  - Alternative Investments 7.16%
  - Equity 42.15%

- **Target Allocation**
  - Cash 2.50%
  - Fixed Income 25.00%
  - International Equity 25.00%
  - Alternative Investments 10.00%
  - Equity 40.00%
EQUITY INVESTMENT PHILOSOPHY - Parametric believes active tax management combined with passive stock selection has the greatest probability of increasing wealth. Stocks are selected for inclusion in a managed Core Portfolio based upon their contribution to the portfolio's market capitalization, industry weightings and other fundamental characteristics. Securities are selected and purchased from the constituents of the index to create a portfolio that will replicate the performance of the unmanaged index. Tax management techniques including tax lot accounting and the management of capital gains and losses are applied to the portfolios to minimize the impact of taxes.

Sector Analysis

Portfolio Growth

Relative Return

Source of Portfolio Growth
August 31, 1998 Through September 30, 2013

Total Market Value as of September 30, 2013
$ 4,175,951

Total Market Value
Equity 4,139,716 99.13
Cash 36,235 0.87

Market Value

- Portfolio Market Value
- Beginning Market Value & Net Contributions

Dollars
Beginning Value 3,936,912
Net Contribution 0
Total Market Value 3,936,912

Portfolio Growth Relative Return

Quarterly Relative Returns vs Russell 3000

Latest Quarter Fiscal YTD One Year Three Years Five Years Since Inception
TOTAL FUND 6.33 6.33 21.06 16.64 10.97 7.35
Russell 3000 6.35 6.35 21.60 16.76 10.58 6.44

PARAMETRIC R3000
September 30, 2013

MARKET VALUE

<table>
<thead>
<tr>
<th>Month</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>8/1998</td>
<td>3,840,000</td>
</tr>
<tr>
<td>9/2003</td>
<td>3,200,000</td>
</tr>
<tr>
<td>9/2008</td>
<td>2,560,000</td>
</tr>
<tr>
<td>9/2013</td>
<td>1,920,000</td>
</tr>
<tr>
<td></td>
<td>1,280,000</td>
</tr>
<tr>
<td></td>
<td>640,000</td>
</tr>
</tbody>
</table>

Portfolio Market Value
Beginning Market Value & Net Contributions

Dollars
Latest Quarter Since Inception
Beginning Value 3,936,912
Net Contribution 0
Total Market Value 3,936,912

EQUITY INVESTMENT PHILOSOPHY - Parametric believes active tax management combined with passive stock selection has the greatest probability of increasing wealth. Stocks are selected for inclusion in a managed Core Portfolio based upon their contribution to the portfolio's market capitalization, industry weightings and other fundamental characteristics. Securities are selected and purchased from the constituents of the index to create a portfolio that will replicate the performance of the unmanaged index. Tax management techniques including tax lot accounting and the management of capital gains and losses are applied to the portfolios to minimize the impact of taxes.
STATED INVESTMENT PHILOSOPHY -
NFJ is a disciplined, value-oriented equity manager specializing in a diversified, low P/E approach that selects stocks on a bottoms-up basis. The firm's philosophy is solidly based on research that has show that portfolios of low P/E stocks have substantially outperformed market indices throughout all capitalization levels over extended periods. Another element is NFJ's belief that diversification is a crucial discipline. To avoid portfolios heavily concentrated in particular industries, portfolios are diversified across numerous industry groups. Through ongoing portfolio factor attribution analysis, yield was identified as a major residual contributor to performance historically and was added as a major valuation component.
In this program we seek to capture the significant long-term capital appreciation potential of small, rapidly growing, under-researched companies. The market capitalization of these companies ranges between $100 million and $2 billion at the time of purchase. Since the small company sector historically has been less efficient than the large capitalization sector, we believe that conducting extensive proprietary research on companies that are not widely followed or owned institutionally should enable Eagle to capitalize on market inefficiencies and thus outperform the Russell 2000 Growth Index.

**Sector Analysis**

- Total Market Value as of September 30, 2013: $818,307
- Equity: $790,585 (96.61%)
- Cash: $27,722 (3.39%)

**Portoflio Growth**

- Market Value:
  - 2/1995: $1,600,000
  - 3/2001: $1,280,000
  - 6/2007: $960,000
  - 9/2013: $640,000
- Tournament Market Value:
  - 2/1995: $320,000
  - 3/2001: $0
  - 6/2007: $-320,000
  - 9/2013: $0

**Relative Return**

- Quarterly Relative Returns vs Russell 2000 Growth
- Latest Quarter: 12.80%
- Fiscal YTD: 12.80%
- One Year: 27.55%
- Three Years: 19.94%
- Five Years: 15.40%
- Since Inception: 11.94%

**Source of Portfolio Growth**

- Beginning Value: $727,676
- Net Contribution: $0
- Investment Return: $90,631
- Ending Value: $818,307

**Portfolio Market Value**

- Beginning Market Value & Net Contributions:
  - Latest Quarter: $150,000
  - Since Inception: $-319,159
- Investment Return:
  - Latest Quarter: $987,467
  - Since Inception: $-5,328,766
- Ending Value:
  - Latest Quarter: $818,307
  - Since Inception: $818,307
PIMCO Total Return is a core bond strategy that combines moderate duration management, active sector rotation, and sophisticated analytical capabilities in seeking consistently above market returns with market-like risk. Our Total Return philosophy emphasizes diversification. By relying on multiple sources of value-added, we have been able to generate a solid track record with a high degree of consistency. We seek to add value both through the use of "top down" strategies such as duration, yield curve positioning and sector rotation and through "bottom up" security analysis.
STATED INVESTMENT PHILOSOPHY -

Since our firm's founding in 1974, our fixed income philosophy has revolved around the belief that it is possible to achieve excellent investment returns while subjecting a portfolio to very little risk. Risk is controlled by (1) maintaining overall quality standards (investment grade corporates, agencies, and governments); (2) achieving an average weighted portfolio maturity of approximately 4.5 years over our 24-year history with a maximum weighted portfolio maturity of about 10 years; and (3) using our firm's proprietary model to determine times to dramatically shorten maturities to avoid declining markets.
Brandes is a bottom-up, Graham & Dodd, value-oriented, investment manager. In short, we believe that a strategy of buying businesses at a discount to their true value is designed to produce superior long-term results. We believe that a security's price and its intrinsic value often detach from one another in the short term. Our equity approach is to view a stock as a small piece of a business that is for sale. Thus we focus on the fundamental characteristics of a company in order to develop an estimate of its intrinsic value.
Accuvest Intl
September 30, 2013

The Global Core Equity Portfolio is a top-down approach to global equity markets. Accuvest Global Advisors (AGA) believes that the best way to get exposure to the world equity markets is through a broadly diversified portfolio that minimizes individual security risk. This portfolio is designed to benefit from certain fundamental, macroeconomic and price movement factors that tend to drive the relative returns of world equity markets. AGA's Country Ranking Model seeks to identify countries whose markets will outperform world markets. Highly-ranked countries will be overweighted in client portfolios, and lower-ranked countries will be underweighted. Implementation of the country rankings is done via "price efficient" Exchange-Traded funds. These ETFs represent broad investments in countries or regions of the world. Because the strategy is purely top-down, AGA's Portfolio Managers do not engage in any company-level security selection. The country universe represents 97% of world market capitalization as defined by the portfolio's primary benchmark, MSCI All Country World Free index.

Sector Analysis

Total Market Value as of September 30, 2013
$ 1,217,358

Portofolio Growth

Source of Portfolio Growth

Relative Return

Quarterly Relative Returns vs MSCI All Country World Ex U.S. Free Gross
STATED INVESTMENT PHILOSOPHY -
Spectrum’s investment approach is based on the belief that preferred securities provide investors with the opportunity to receive high current income and broad diversification without sacrificing credit quality. Preferred securities are generally the highest yielding investment grade sector of the fixed income markets, which makes them attractive as complements to traditional equity and debt instruments.
Structured Products-Currency
September 30, 2013

UBS AG Trigger Contingent Coupon Optimization Securities Linked to a Basket of Currencies Relative to the U.S. Dollar
Issuer: UBS AG
Initial Trade Date 11/27/2012
Issue Date 11/30/2012
Final Valuation Date 11/24/2015

Sector Analysis

Total Market Value as of September 30, 2013
$ 323,456

Alternative Investments

Portfolio Growth

Source of Portfolio Growth
November 30, 2012 Through September 30, 2013

Relative Return

Quarterly Relative Returns vs WisdomTree Emerging Currency ETF

Alternative Investments

Total Market Value
as of September 30, 2013
$ 323,456

Value Percent

Alternative Investments 323,456 100.00

MARKET VALUE

Since Inception Since Inception
Beginning Value 350,000 350,000
Net Contribution -97 -97
Ending Value 323,456 323,456

Structured Products-Currency
September 30, 2013

Issuer: UBS AG
Underlying asset:
USD/RUB Transfer Rate 25%
USD/BRL Transfer Rate 25%
USD/CNY Transfer Rate 25%

Sector Analysis

Portfolio Growth

Relative Return

Alternative Investments

Market Value as of September 30, 2013
$ 323,456

Value Percent

Alternative Investments 323,456 100.00

MARKET VALUE

Since Inception
Beginning Value 350,000
Net Contribution -97
Ending Value 323,456

Relative Returns

December 2012

January 2013

February 2013

March 2013

April 2013

May 2013

June 2013

July 2013

August 2013

September 2013

Alternative Investments

TOTAL FUND WT Emerging Currency ETF

Latest Quarter
4.81 0.25
Fiscal YTD -8.27 -4.13
Since Inception -7.56 -3.21
Liquid Alternatives Strategy is a model designed for investors seeking core exposure to a diversified group of liquid alternative strategies within the context of broader asset allocations. The investment approach is designed to deliver a return stream with little reliance on the return drivers present in traditional asset classes and to utilize mutual funds with fundamentally different and complementary risk exposures.

### Sector Analysis

Total Market Value as of September 30, 2013

- **Alternative Investments**: $687,375 (99.48%)
- **Cash**: $3,602 (0.52%)

### Portfolio Growth

Source of Portfolio Growth

February 28, 2013 Through September 30, 2013

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Market Value</td>
<td>705,000</td>
<td>700,000</td>
<td>695,000</td>
<td>690,000</td>
</tr>
<tr>
<td>Beginning Market Value &amp; Net Contributions</td>
<td>700,000</td>
<td>700,000</td>
<td>695,000</td>
<td>690,000</td>
</tr>
</tbody>
</table>

### Relative Return

Quarterly Relative Returns vs HFRI FOF Market Defensive

- **06/13**: -1.00%
- **09/13**: 4.00%

### Source of Portfolio Growth

- **February 28, 2013 Through September 30, 2013**

<table>
<thead>
<tr>
<th>Source</th>
<th>Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Value</td>
<td>699,195</td>
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<tr>
<td>Net Contribution</td>
<td>0</td>
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<tr>
<td>Investment Return</td>
<td>-8,219</td>
</tr>
<tr>
<td>Ending Value</td>
<td>690,977</td>
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</tbody>
</table>

### Liquid Alternatives

Liquid Alternatives Strategy is a model designed for investors seeking core exposure to a diversified group of liquid alternative strategies within the context of broader asset allocations. The investment approach is designed to deliver a return stream with little reliance on the return drivers present in traditional asset classes and to utilize mutual funds with fundamentally different and complementary risk exposures.
Market Glossary

Time Weighted Returns Annualized- Time-Weighted Returns is used when there are deposits and withdrawals in your account. Time weighting begins a new performance period after each contribution or withdrawal. The periods are combined to arrive at a performance figure for the entire reporting period.

Dollar Weighted Returns Annualized- Dollar-weighted or Internal Rate of Return is the actual rate earned by the fund. The dollar weighted return is the appropriate measurement to evaluate the fund performance in relation to the Investment Policy.
Index Definitions

S&P 600 - The S&P Small Cap 600 Index consists of 600 domestic stocks chosen for market size, liquidity, (bid-ask spread, ownership, share turnover and number of no trade days) and industry group representation.

S&P 500 - Covers 400 industrial, 40 utility, 20 transportation, and 40 financial companies of the U.S. markets (mostly the NYSE issues). The index represents about 75% of NYSE market cap and 30% of NYSE issues. It is a capitalization-weighted index calculated on a total return basis with dividends reinvested.

S&P Mid Cap Index - Consist of 400 domestic stocks chosen for market size (median market capitalization of about $610 million), liquidity, and industry group representation. It is a market-weighted index (stock price * shares outstanding), with each stock affecting the index in proportion to its market value.

Russell 2000 - Consists of the 2000 smallest securities in the Russell 3000 index. Representing approximately 11% of the Russell 3000 total market capitalization, this is our widely regarded small cap index.

Russell 2000 Growth - Contains those Russell 2000 securities with a greater than average growth orientation. Securities in this index tend to exhibit higher price to book and price to earning ratios, lower dividend yields and higher forecasted growth values than their value universe.

Russell 2500 Growth - Consists of the bottom 500 securities of the Russell 1000 index as ranked by total return cap, and all 2000 stocks in the Russell 2000 index. This index is a good measure of small to medium-small stock performance.

Russell 1000 Value - Contains those Russell 1000 securities with a less-than average growth orientation. Companies in this index generally have low price-to-book and price-earnings ratios, higher dividends and lower forecasted growth values.

Russell 3000 - Composed of the 3000 largest U.S. Securities, as determined by total market capitalization. This portfolio of securities represents approximately 98% of the investable U.S. equity market.

Russell 3000 Value - The Russell 3000 Value Index contains those Russell 1000 and Russell 2000 securities with lower price-to-book ratios and lower forecasted growth values. The Russell 1000 consists of the 1000 largest securities in the Russell 3000 Index, and this large cap (market-oriented) index is highly correlated with the S&P 500 Index. The Russell 3000 Index is composed of the 3000 largest U.S. securities, as determined by total market capitalization. This portfolio of securities represents approximately 98% of the investable U.S. equity market.

MSCI EAFE Index - An arithmetic, market value-weighted average of the performance of over 900 securities listed on the exchanges of the following EAFE countries: Australia, France, Netherlands, Sweden, Austria, Germany, New Zealand, Switzerland, Belgium, Hong Kong, Norway, United Kingdom, Denmark, Italy, Singapore/Malaysia, Finland, Japan and Spain. It is calculated on total return basis/net dividends.

MSCI EAFE Value & Growth - The MSCI Value and Growth Indices cover the full range of developed, emerging and all country MSCI Equity Indices. As of the close of May 30, 2003, MSCI implemented an enhanced methodology for the MSCI Global Value and Growth Indices, adopting a two dimensional framework for style segmentation in which value and growth securities are categorized using different attributes three for value and five for growth including forward looking variables. The objective of the index design is to divide constituents of an underlying MSCI Standard Country Index into a value index and growth index, each targeting 50% of the free float adjusted market capitalization of the underlying country index. Country Value/Growth indices are then aggregated into regional Value/Growth indices. Prior to May 30, 2003 the indices used Price/Book value (P/BV) ratios to divide the standard MSCI country indices into value and growth indices. All securities were classified as either value securities (low P/BV securities) or growth securities (high P/BV securities), relative to each MSCI country index.
UBS Institutional Consulting
UBS Institutional Consulting

UBS Institutional Consulting Group provides full service institutional consulting services within UBS Financial Services Inc. and serves over 700 institutional investors with approximately $53 billion in assets under advisement.*

UBS Institutional Consulting Group has delivered specialized, comprehensive investment consulting services to institutional clients since 1984. Our clients include corporations, private and public retirement plans, Taft-Hartley plans, municipalities, foundations and endowments.

UBS Institutional Consultants are required to satisfy academic and professional requirements before they can provide institutional consulting services. Our national institutional practice consists of approximately 130 consultants around the country.*

Our Consulting Services
- Investment Policy Assistance
- Spending Policy Assistance
- Asset Allocation Analysis
- Investment Manager Search, Evaluation and Recommendation
- Portfolio Construction
- Investment Manager Performance Evaluation
- Committee Education
- Trustee Search/Custodial Search
- Qualified Plan Consulting

Strengths of the Firm
UBS is one of the world’s leading financial firms, serving a discerning global client base in over 50 countries worldwide. As an integrated firm, UBS creates added value for clients by drawing on the combined resources of over 65,000 employees worldwide and the expertise of all our businesses.

Our Practice
We combine the advantages of an attentive and accessible “boutique” structure with the vast resources and depth of a leading global financial services firm.

Our practice limits the number of clients we serve and places an emphasis on customization. By maintaining a low client-to-consultant ratio, we are able to provide the high level of service critical to a successful investment program.

Our focus is to provide clients with comprehensive consulting services. Each recommendation is customized based solely on the needs of the client.

We have built enduring client relationships by taking the time to understand each client’s investment program and specific objectives, tailoring solutions to pursue those goals, and providing a high level of client service.

Partial Client List
- American Baptist Homes of the West
- Blue Cross Blue Shield of Arizona
- California State University, East Bay (formerly Hayward)
- Community Foundation of Santa Cruz County
- Eden Foundation
- Good Shepherd Fund
- Pajaro Valley Community Health Trust
- San Francisco State University
- San Luis Obispo Community Foundation

Our Mission
Our commitment is to combine our experience, knowledge and energy with the global resources of UBS to provide proactive advice and customized solutions to help our clients pursue their long-term investment objectives.

For Institutional Use Only

*As of 12/31/10.
We are a leading San Francisco bay area Institutional Consulting team consisting of two senior consultants and four additional investment professionals, with a combined total of 60 years industry experience. The focus of our team’s $1.7 billion practice is working with boards of 27 non-profit organizations, foundations and endowments in the areas of portfolio design and implementation, creating prudent investment policies, and fiduciary liability review. Brian and Kevin are also experienced in a broad range of comprehensive wealth management strategies for affluent families, including developing customized investment policies, conducting manager search and due diligence, and comprehensive portfolio performance monitoring.

Brian J. Sharpes, CIMA®
Senior Vice President–Investments
Institutional Consultant
• In Financial Industry since 1994
• Advisory Council to UBS Institutional Consulting
• Member, Social Investment Forum
• Currently ranked as #18 on the “Top 40 Advisors under 40” list in the U.S. by On Wall Street
• Currently ranked as #39 on Barron’s “Top 1000 Advisors” list
• Currently part of the “Top Wealth Advisors in the Greater Bay Area” list in San Francisco Business Times (selected by NABCAP)
• CIMA®, Certified Investment Management Analyst, Wharton School of Finance
• AIF®, Accredited Investment Fiduciary designation
• Member of Board of Trustees, Seven Hills School
• B.A., University of Nevada

Kevin M. Sánchez, CIMA®, CFP®
Vice President–Investments
Institutional Consultant
• In Financial Industry since 1994
• National Conference Chairman – Investment Management Consulting Association (IMCA)
• Currently part of the “Top Wealth Advisors in the Greater Bay Area” list in San Francisco Business Times (selected by NABCAP)
• Member, UBS Americas - Community Affairs Advisory Committee
• CIMA®, Certified Investment Management Analyst, Wharton School of Finance
• CFP®, Certified Financial Planner, College for Financial Planning
• AIF®, Accredited Investment Fiduciary designation
• Board, Diablo Regional Arts Association
• Board, N. California Region, University of Oregon Alumni Association
• M.B.A., B.A., University of Oregon

Justin Crocker
Team Administrator
• In Financial Industry since 1999
• B.A. in Finance, California State University at Chico
• Series 7 and 66 Licensed

Janell Shelton
Client Service Associate
• In Financial Industry since 2006
• Former Wells Fargo business banking specialist

George Lee
Investment Associate
• In Financial Industry since 1991
• B.S., Boston University
• M.S., Golden Gate University
• Series 7 and 66 Licensed

Allison Stong
Client Service Associate
• 9 years of Financial Industry experience
• B.A., University of California at Berkeley

Vessela Pavlova
Intern
• Currently attending St. Mary’s College
• Accounting Major