Wilshire

State of Montana – 457

Manager Replacement: Davis New York Venture

Michael C. Schlachter, CFA
Managing Director & Principal

April 2013

Large Cap Value Fund Candidates

Wilshire

- **Columbia Select Large Cap Value A (SLVAX)**
- **Davis New York Venture Fund (NYVTX)[1]**
- **J.P. Morgan Equity Income Select (HLIEX)**
- **MFS Value A (MEIAX)**
- **Vanguard Equity-Income Adm (VEIRX)[2]**
- **Vanguard Value Index Adm (VVIAX)**

1. **Davis New York Venture Fund is the current large value manager in the 457 Plan and will be shown for comparison purposes.**
2. **Vanguard Equity-Income is the large value fund in the State of Montana 401(a) Plan and is subadvised by Wellington.**

Manager Summaries (1 of 2)

Wilshire

Columbia

- Columbia Equity Value offers an attractive large cap value strategy which seeks contrarian opportunities in every market environment. The investment team possesses solid investment experience having served as PMs and analysts at prior firms. The investment process employs both relative value and absolute value metrics and combines them with fundamental insights, industry analysis, and macro-economic perspectives. The portfolios are fairly diversified with moderately low benchmark sensitivity. On the other hand, due to the contrarian approach, the absolute volatility has been much higher than the Russell Mid Cap Value Index. The objective is to outperform the benchmark by approximately 150-200 basis points per year on a compounded rate. Overall, Wilshire considers the strategy appropriate for clients seeking a contrarian large cap value strategy that has a relative value bottom up approach.

Davis

- Davis Selected Advisors, LP is a well-recognized investment boutique in the retail space. The firm has been relatively stable over the years and is headed by a seasoned group of professionals. The investment process is fairly qualitative with minimal attention to risk management, but is highly regarded in terms of depth of the research capabilities; resulting in a high conviction portfolio.

- The focus is on identifying companies that have first class management, attractive financial characteristics, and competitive advantages, all underpinned by an "owners' earnings" concept. The portfolios are moderately diversified with minimal benchmark sensitivity. The Davis New York Venture Fund is a representative portfolio within the large cap value composite and its history dates back to the inception of the firm in 1969. Compared to the large cap value composite, the Fund has a slightly more flexible mandate (by prospectus) so it can own some foreign ordinary securities as well as bonds, although both of these tend to be limited.

Manager Summaries (2 of 2)

Wilshire

J.P. Morgan

- The JP Morgan Equity Income strategy invests in high quality companies with stable earnings patterns. A conservative approach helps the portfolio perform well in difficult market environments, and to exhibit a less volatile return pattern in the long run. As such, portfolio holdings tend to include strong sustainable franchises that can earn a steady 20% over a market cycle plus a dividend yield rather than companies that have the potential of huge capital appreciation gains. Therefore, this strategy is most appropriate for investors who are seeking a steady portfolio with lower volatility than the benchmark, a modest beta, and higher dividend yield.

MFS

- MFS Investment Management offers an attractive large cap value strategy that is grounded in bottom-up fundamental research, with a focus on quality, value and yield. The firm is well resourced with a global research platform and integrated back-office operations. The strategy is managed by Steven Gorham, CFA and Nevin Chitkara who previously served as equity analysts at the firm. The PMs are supported by impressive resources and have provided attractive returns with strong stock selection. It is important to note that while the strategy may lag in strong up markets, it tends to be an excellent choice in downside protection with attractive performance in the long term. As a result, Wilshire has confidence in the product and finds it suitable for clients seeking a moderately active exposure with a quality tilt in the large cap value segment of the market.

Wilshire Manager Research Scores

Wilshire

Manager	OVERALL	Organization (20%)	Information (20%)	Forecasting (20%)	Portfolio Construction (20%)	Implementation (10%)	Attribution (10%)	Date of Evaluation
Columbia	**3.40**	3.50	3.75	3.75	3.00	3.00	3.00	3/1/2013
Davis	**2.78**	3.50	3.50	2.75	2.00	2.25	2.00	1/21/2013
JP Morgan	**3.60**	3.75	4.00	4.00	3.50	2.50	3.00	6/7/2012
MFS	**3.50**	3.00	4.00	4.00	3.50	2.50	3.50	6/12/2012
Vanguard/Wellington	**N/A**	--	--	--	--	--	--	--

Score Legend: 5 Excellent, 4 Good, 3 Above Average, 2 Below Average, 1 Unacceptable.

- **Organization:** Scores organizational structure and stability
- **Information:** Scores the ability to gather and process unique sources of information
- **Forecasting:** Scores the discipline and consistency of a forecasting process
- **Portfolio Construction:** Scores portfolio construction and risk management
- **Implementation:** Scores a manager's ability to transact in the market
- **Attribution:** Scores the use of attribution information and portfolio feedback
- **Total :** Equals the weighted sum product of the individual criteria

Fund Comparison

Wilshire

Manager/Product	Ticker	Morningstar Rating	Product Inception	Product AUM ($MM)	Firm AUM ($MM)	Firm Inception	Firm Location
Columbia Select LCV	SLVAX	★★★	1997	$523	$300,000	1894	Boston, MA
Davis New York Venture	NYVTX	★★	1969	$20,000	$45,000	1969	Tucson, AZ
JP Morgan Equity Income	HLIEX	★★★★★	1987	$3,600	$1,450,000	1799	New York, NY
MFS Value	MEIAX	★★★	1996	$24,600	$350,000	1924	Boston, MA
Vanguard Equity Income	VEIRX	★★★★★	2001	$11,500	$2,000,000	1975	Valley Forge, PA
Vanguard Value Index	VVIAX	★★★★	2000	$8,800	$2,000,000	1975	Valley Forge, PA

Manager/Product	# of Holdings	Avg Market Cap ($MM)	% in Top 10 Holdings	3-yr Sharpe Ratio	5-yr Sharpe Ratio	Stated Expense Ratio*	Minimum Initial Investment	Mandate/ Product Assets**
Columbia Select LCV	36	$38,447	41%	0.66	0.25	1.25%	$2,000	0.00%
Davis New York Venture	75	$42,438	46%	0.57	0.13	0.90%	$1,000	0.02%
JP Morgan Equity Income	87	$36,181	24%	1.14	0.45	0.78%	$1,000,000	0.28%
MFS Value	89	$56,656	27%	0.74	0.26	0.93%	$1,000	0.04%
Vanguard Equity Income	147	$60,553	30%	1.19	0.39	0.21%	--	0.09%
Vanguard Value Index	413	$47,010	30%	0.80	0.22	0.10%	$10,000	0.11%

* Category average = 1.22%

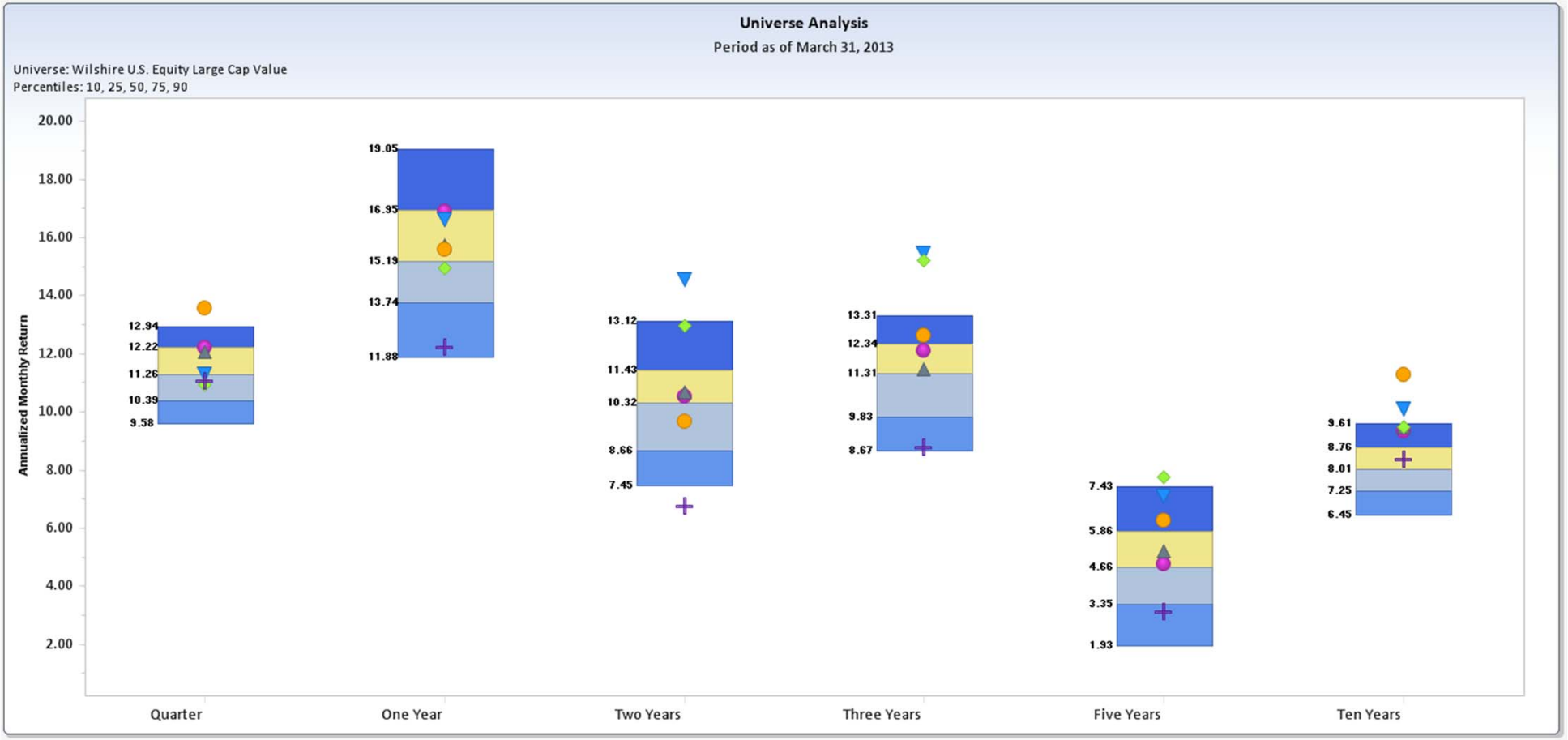
** Mandate size based on $10.0MM

The Vanguard Value Index fund is benchmarked to the MSCI US Prime Market Value Index. Prior to May 16, 2003, the Vanguard fund was benchmarked to the S&P 500/Barra Value Index.

The Vanguard Equity Income fund is recommended unless the EIAC desires two different funds in the two plans, then the J.P. Morgan Equity Income fund is recommended.

Large Value Universe Comparison

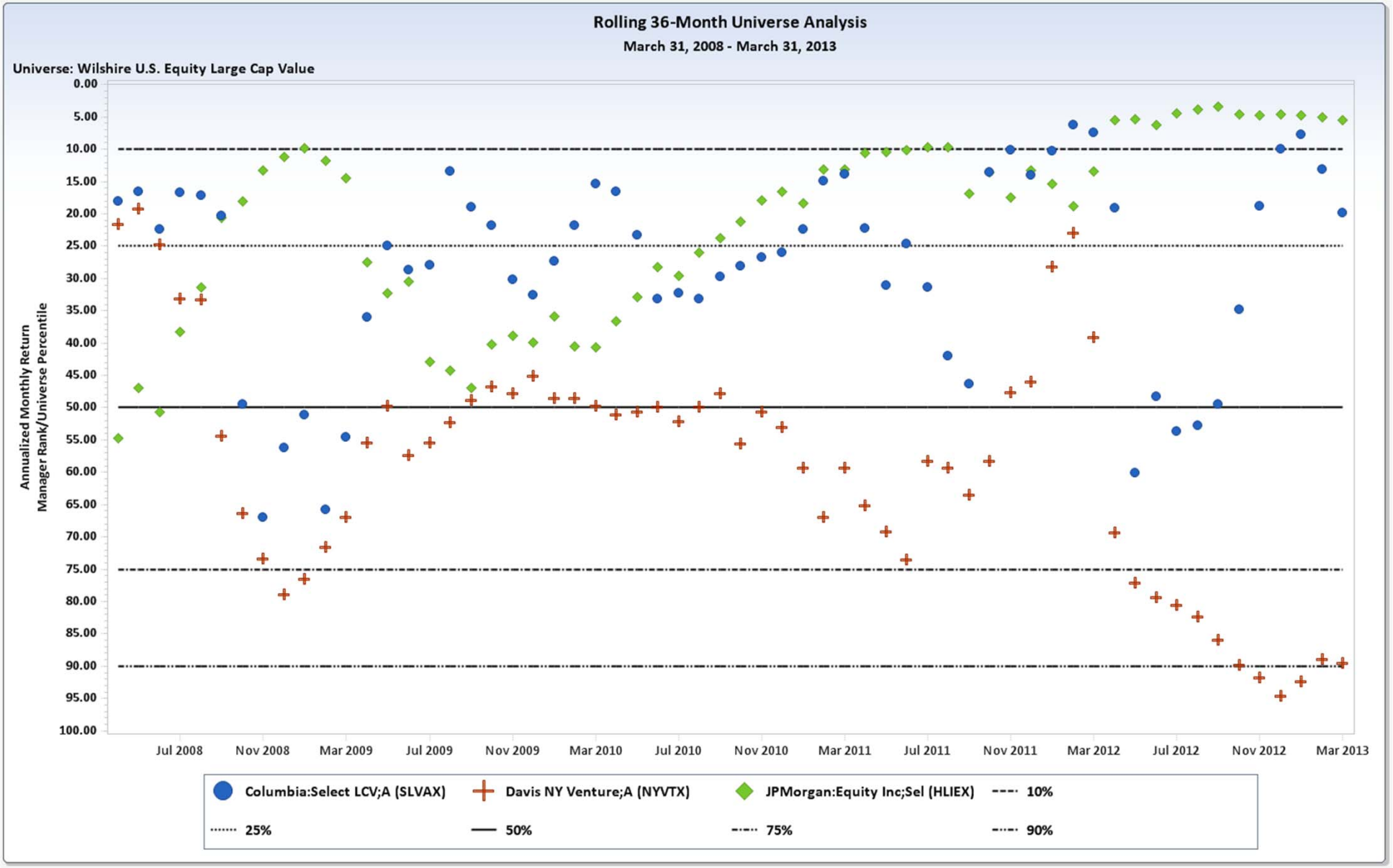
Wilshire



		Quarter	One Year	Two Years	Three Years	Five Years	Ten Years
●	Columbia:Select LCV;A (SLVAX)	13.57 (5%)	15.58 (44%)	9.65 (60%)	12.63 (20%)	6.27 (21%)	11.29 (3%)
+	Davis NY Venture;A (NYVTX)	11.07 (55%)	12.21 (89%)	6.76 (92%)	8.75 (90%)	3.12 (78%)	8.35 (39%)
◆	JPMorgan:Equity Inc;Sel (HLIEX)	10.96 (58%)	14.94 (54%)	12.96 (11%)	15.20 (5%)	7.74 (10%)	9.48 (13%)
▲	MFS Value;A (MEIAX)	12.06 (29%)	15.74 (41%)	10.68 (41%)	11.45 (46%)	5.22 (39%)	9.47 (13%)
▼	Vanguard Equity Inc;Adm (VEIRX)	11.27 (50%)	16.61 (30%)	14.55 (5%)	15.43 (5%)	7.10 (12%)	10.07 (8%)
●	Vanguard Value Idx;Adm (VVIAX)	12.23 (26%)	16.92 (27%)	10.52 (45%)	12.11 (32%)	4.76 (49%)	9.33 (15%)
	# of Products	555	555	555	553	510	307

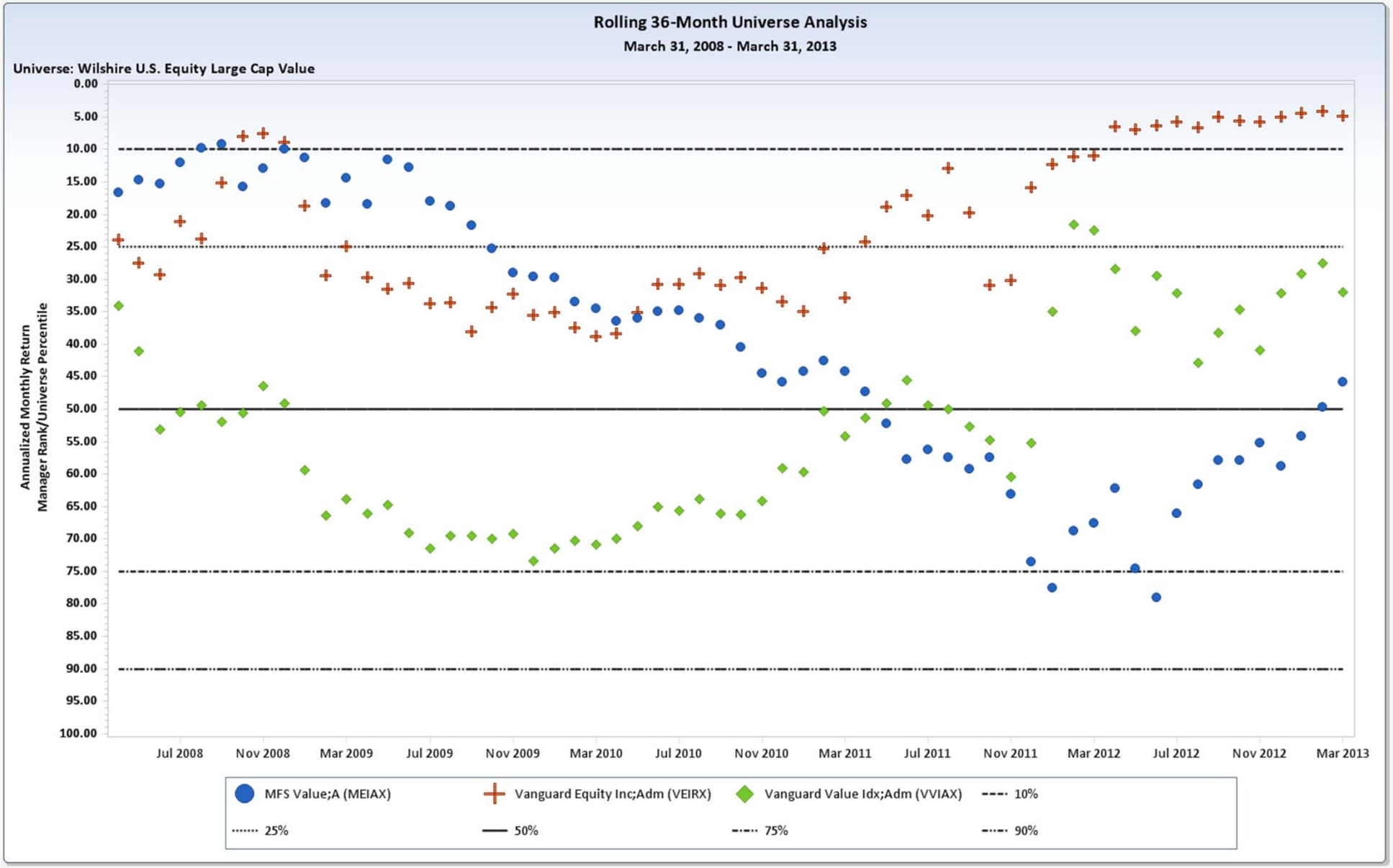
Rolling 3-year Universe Comparison (1 of 2)

Wilshire



Rolling 3-year Universe Comparison (2 of 2)

Wilshire



Cumulative Performance

Wilshire

as of March 31, 2013

Absolute Returns	Quarter	1 year	2 years	3 years	5 years	7 years	10 years
Columbia Select LCV	13.57	15.58	9.65	12.63	6.27	5.89	11.29
Davis New York Venture	11.07	12.21	6.76	8.75	3.12	3.12	8.35
JP Morgan Equity Income	10.96	14.94	12.96	15.20	7.74	6.75	9.48
MFS Value	12.06	15.74	10.68	11.45	5.22	5.41	9.47
Vanguard Equity Income	11.27	16.61	14.55	15.43	7.10	6.70	10.07
Vanguard Value Index	12.23	16.92	10.52	12.11	4.76	4.23	9.33
Wilshire - U.S. Large Value Index	*12.04*	*16.78*	*12.15*	*13.40*	*4.79*	*4.50*	*8.97*
MSCI - U.S. Prime Market Value Index	*12.25*	*16.94*	*10.59*	*12.19*	*4.74*	*4.23*	*9.10*

Excess Returns (v. Wilshire LV Index)	Quarter	1 year	2 years	3 years	5 years	7 years	10 years
Columbia Select LCV	1.53	(1.20)	(2.50)	(0.77)	1.48	1.39	2.32
Davis New York Venture	(0.97)	(4.57)	(5.39)	(4.65)	(1.67)	(1.38)	(0.62)
JP Morgan Equity Income	(1.08)	(1.84)	0.81	1.80	2.95	2.25	0.51
MFS Value	0.02	(1.04)	(1.47)	(1.95)	0.43	0.91	0.50
Vanguard Equity Income	(0.77)	(0.17)	2.40	2.03	2.31	2.20	1.10
Vanguard Value Index	0.19	0.14	(1.63)	(1.29)	(0.03)	(0.27)	0.36
*Vanguard Value Index**	(0.02)	(0.02)	(0.07)	(0.08)	0.02	0.00	0.23

** The Vanguard Value Index fund excess returns were first shown versus the Wilshire US Large Value Index for comparison purposes, then calculated against its stated benchmark, the MSCI US Prime Market Value Index.*

Annual Performance

Wilshire

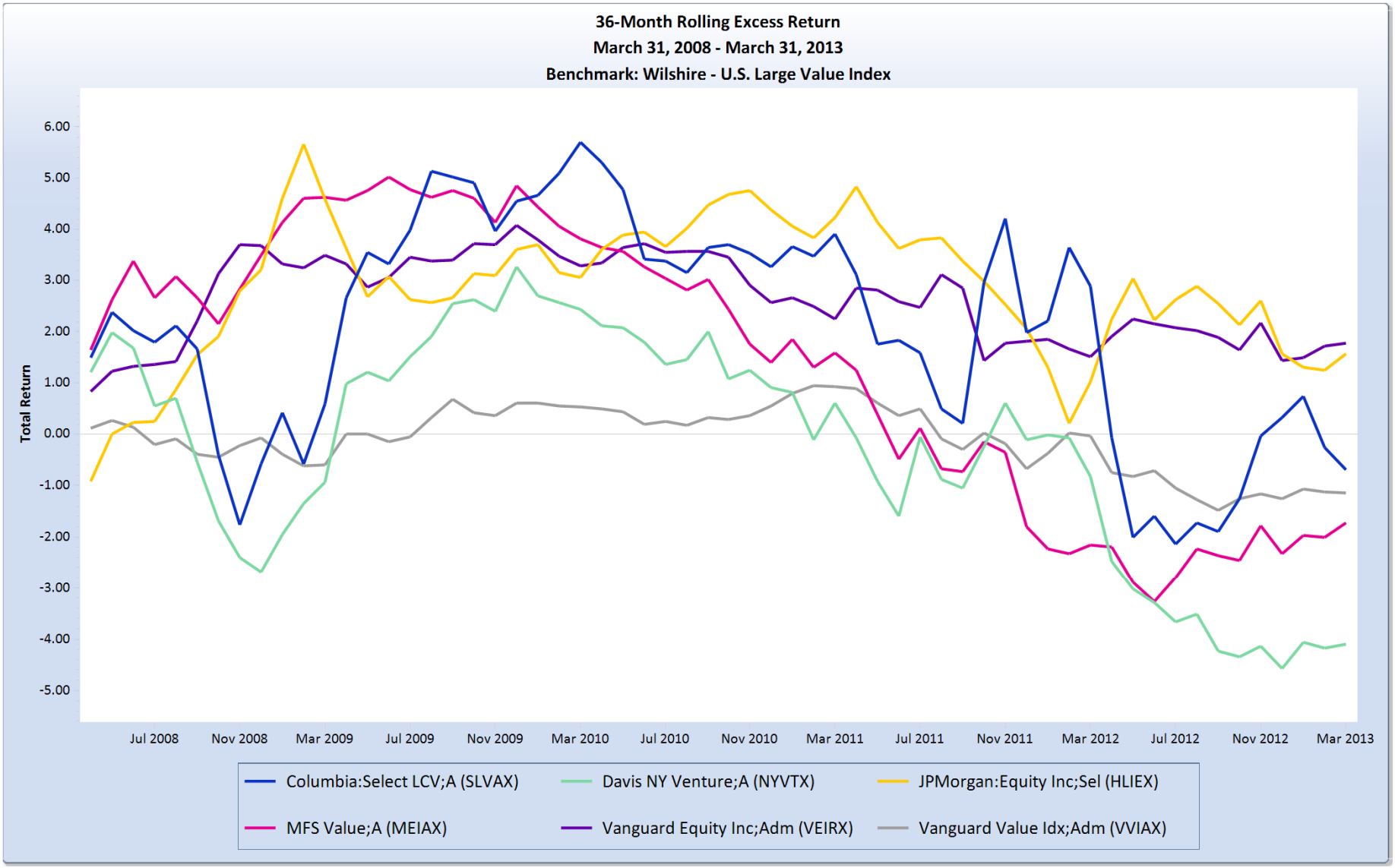
Absolute Returns	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Columbia Select LCV	17.57	-1.00	20.19	26.06	-37.20	9.03	12.92	10.08	15.69	36.29
Davis New York Venture	12.72	-4.77	12.11	32.07	-40.03	4.97	15.12	10.68	12.37	32.34
JP Morgan Equity Income	13.46	7.59	18.93	17.52	-29.68	1.64	21.00	6.13	11.56	22.81
MFS Value	16.11	-0.21	11.42	20.48	-32.86	7.61	20.67	6.22	15.08	24.70
Vanguard Equity Income	13.57	10.69	14.99	17.27	-30.86	4.99	20.77	4.52	13.69	25.24
Vanguard Value Index	15.18	1.14	14.46	19.73	-35.90	0.18	22.27	7.20	15.40	32.36
Wilshire - U.S. Large Value Index	14.56	3.74	16.56	16.98	-36.62	1.84	21.87	5.72	13.55	30.55
MSCI - U.S. Prime Market Value Index	15.22	1.26	14.54	19.56	-36.00	0.22	22.36	7.26	15.44	29.72

Excess Returns (v. Wilshire LV Index)	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Columbia Select LCV	3.01	(4.74)	3.63	9.08	(0.58)	7.19	(8.95)	4.36	2.14	5.74
Davis New York Venture	(1.84)	(8.51)	(4.45)	15.09	(3.41)	3.13	(6.75)	4.96	(1.18)	1.79
JP Morgan Equity Income	(1.10)	3.85	2.37	0.54	6.94	(0.20)	(0.87)	0.41	(1.99)	(7.74)
MFS Value	1.55	(3.95)	(5.14)	3.50	3.76	5.77	(1.20)	0.50	1.53	(5.85)
Vanguard Equity Income	(0.99)	6.95	(1.57)	0.29	5.76	3.15	(1.10)	(1.20)	0.14	(5.31)
Vanguard Value Index	0.62	(2.60)	(2.10)	2.75	0.72	(1.66)	0.40	1.48	1.85	1.81
*Vanguard Value Index**	(0.04)	(0.12)	(0.08)	0.17	0.10	(0.04)	(0.09)	(0.06)	(0.04)	2.64

** The Vanguard Value Index fund excess returns were first shown versus the Wilshire US Large Value Index for comparison purposes, then calculated against its stated benchmark, the MSCI US Prime Market Value Index.*

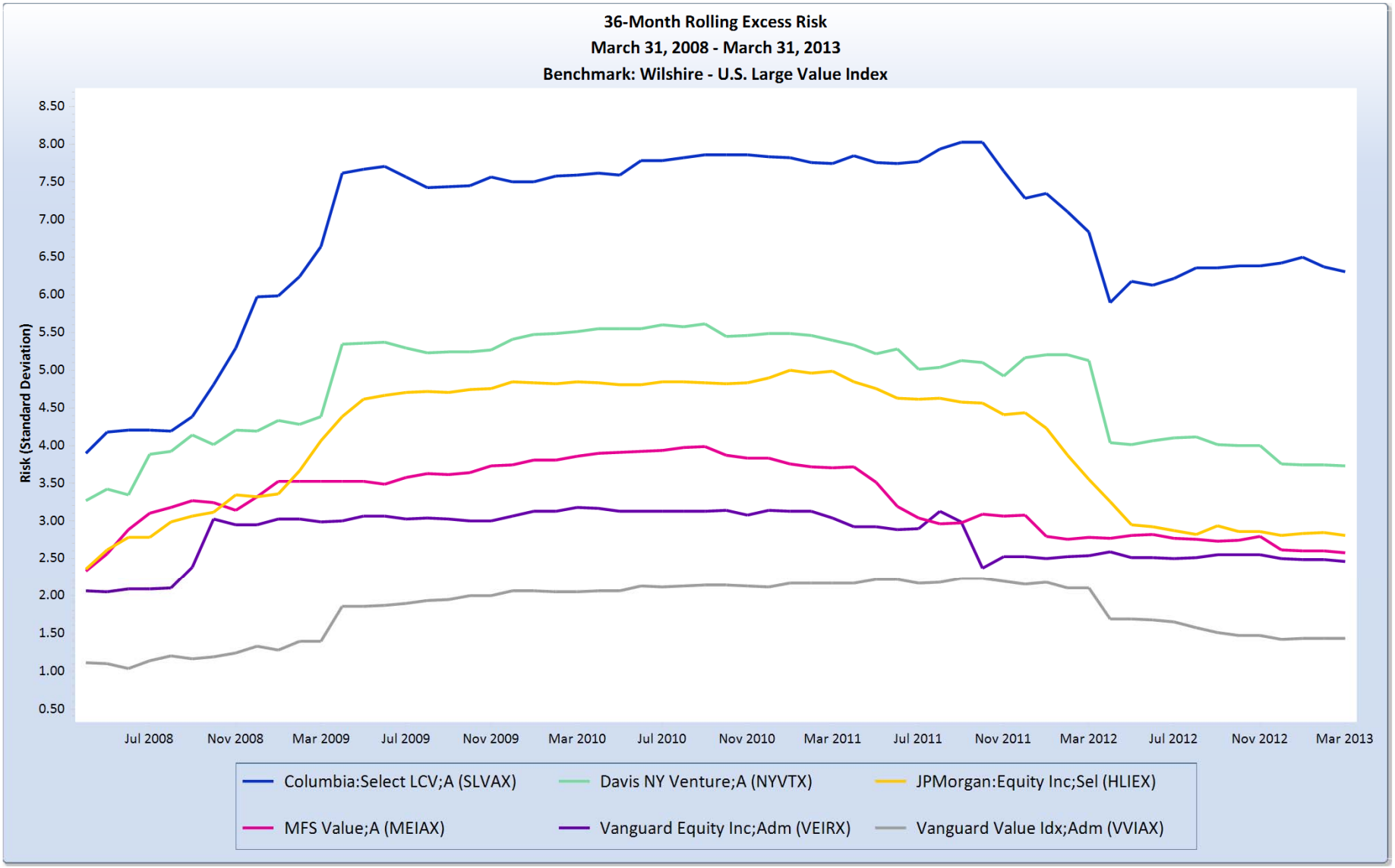
Rolling 3-year Excess Return

Wilshire



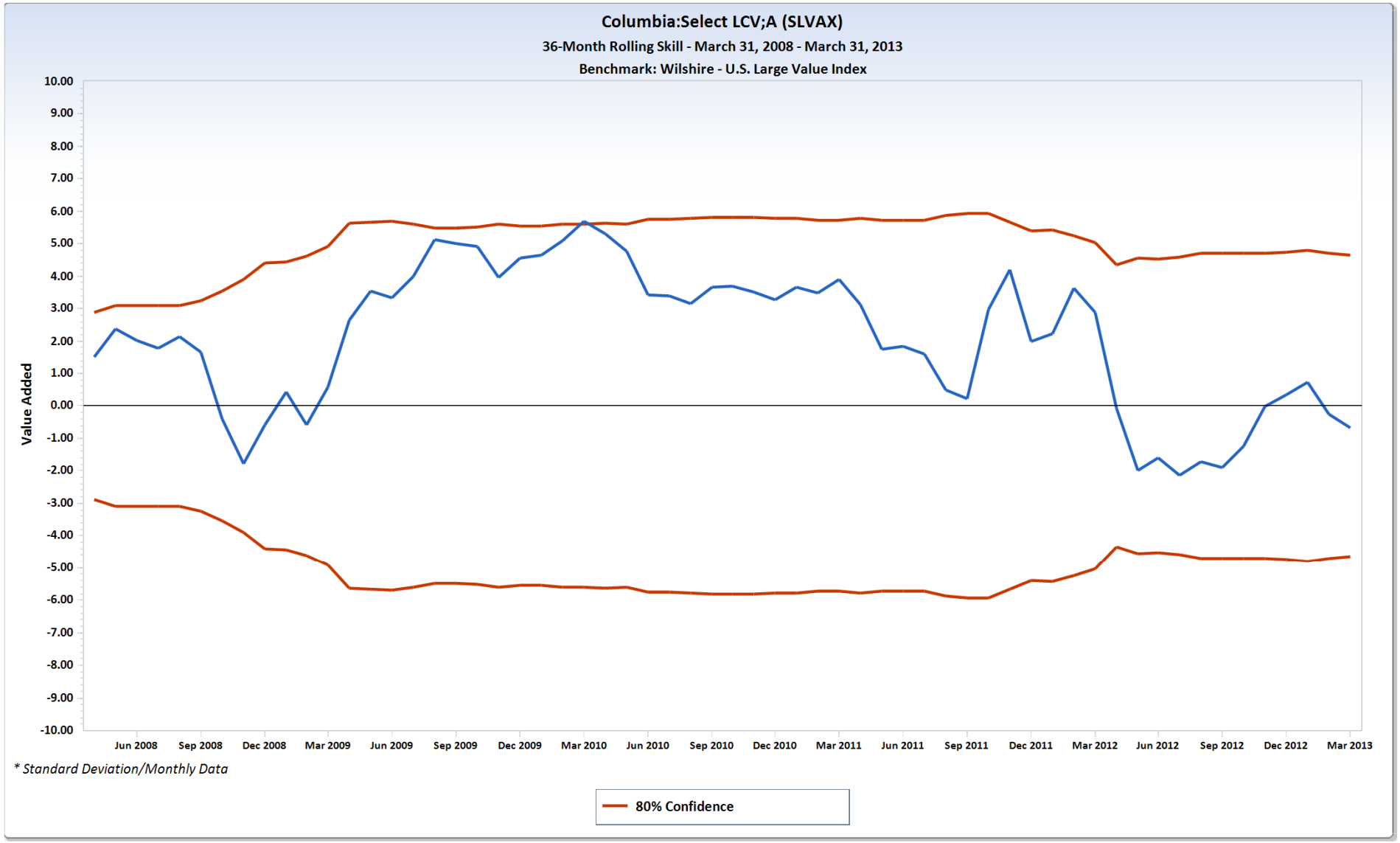
Rolling 3-year Excess Risk

Wilshire



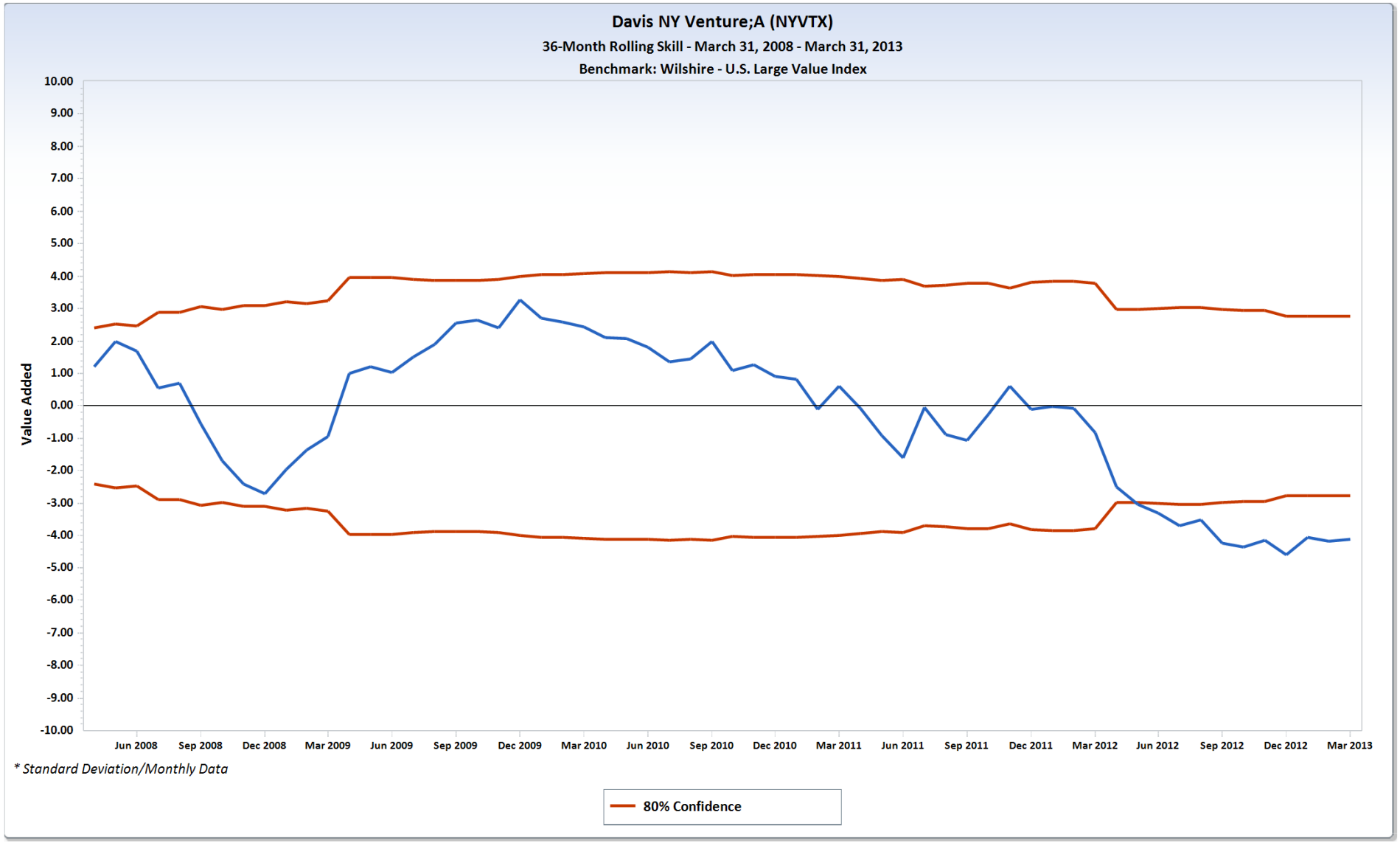
Rolling 3-year Skill (Columbia)

Wilshire



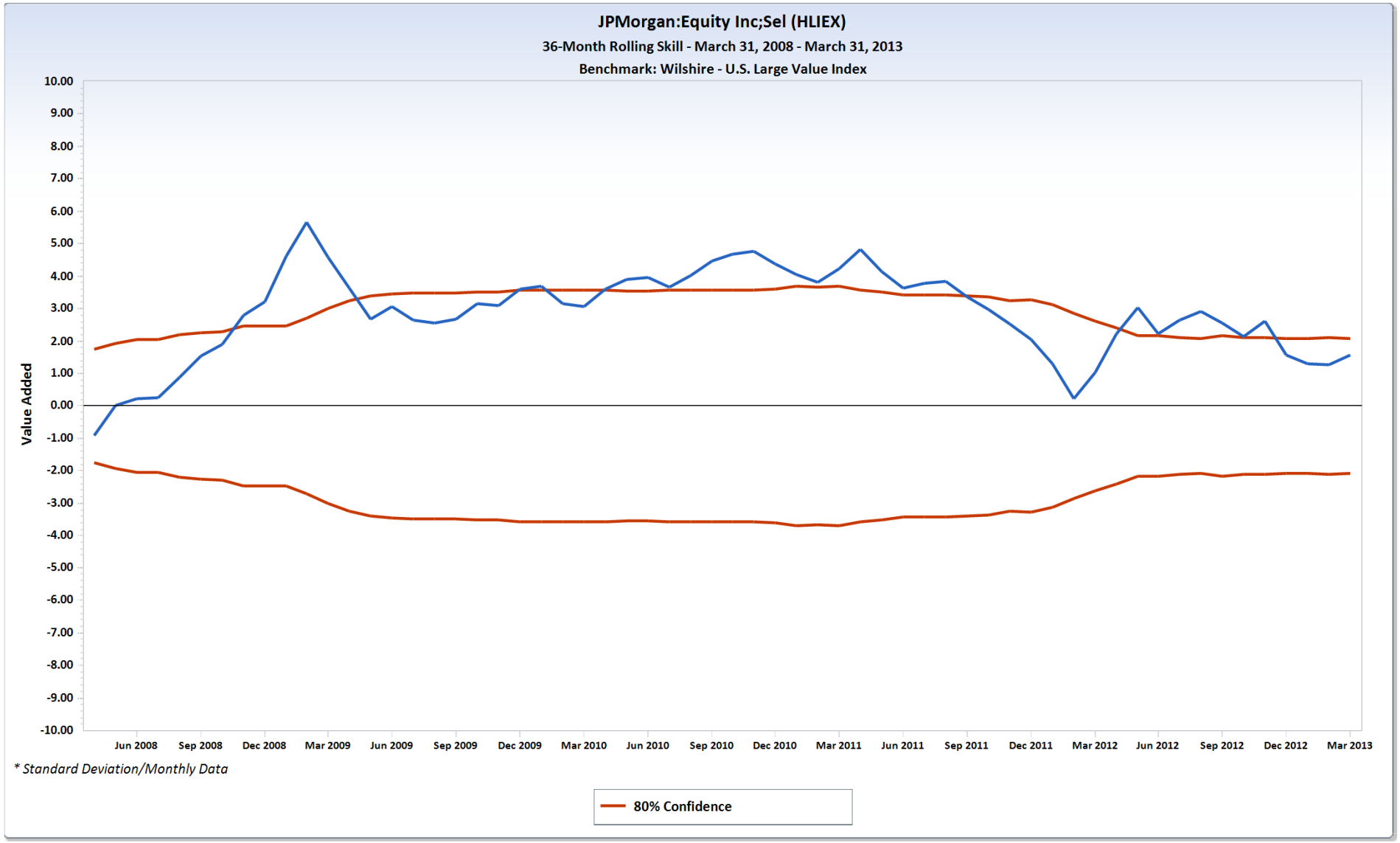
Rolling 3-year Skill (Davis)

Wilshire



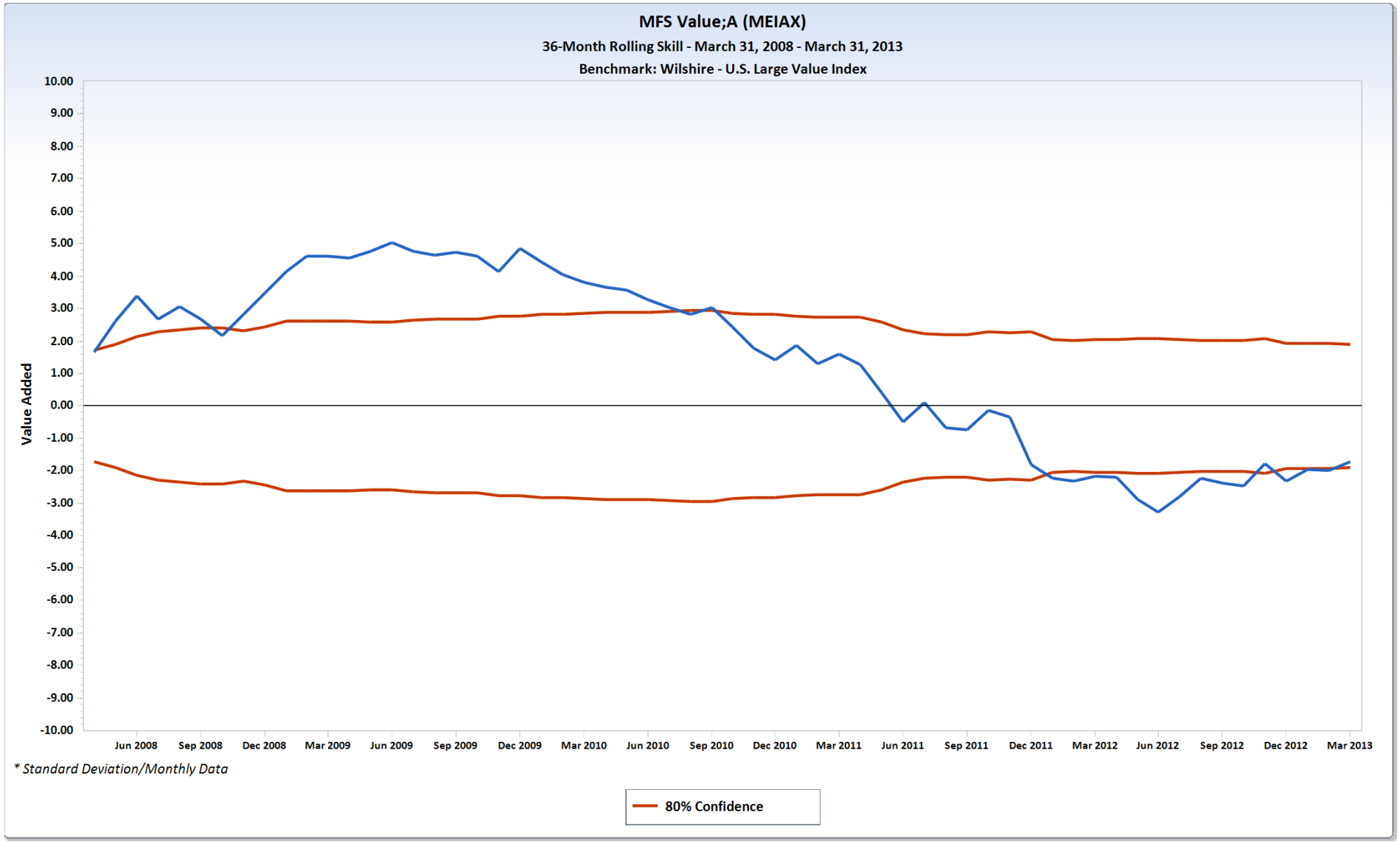
Rolling 3-year Skill (JP Morgan)

Wilshire



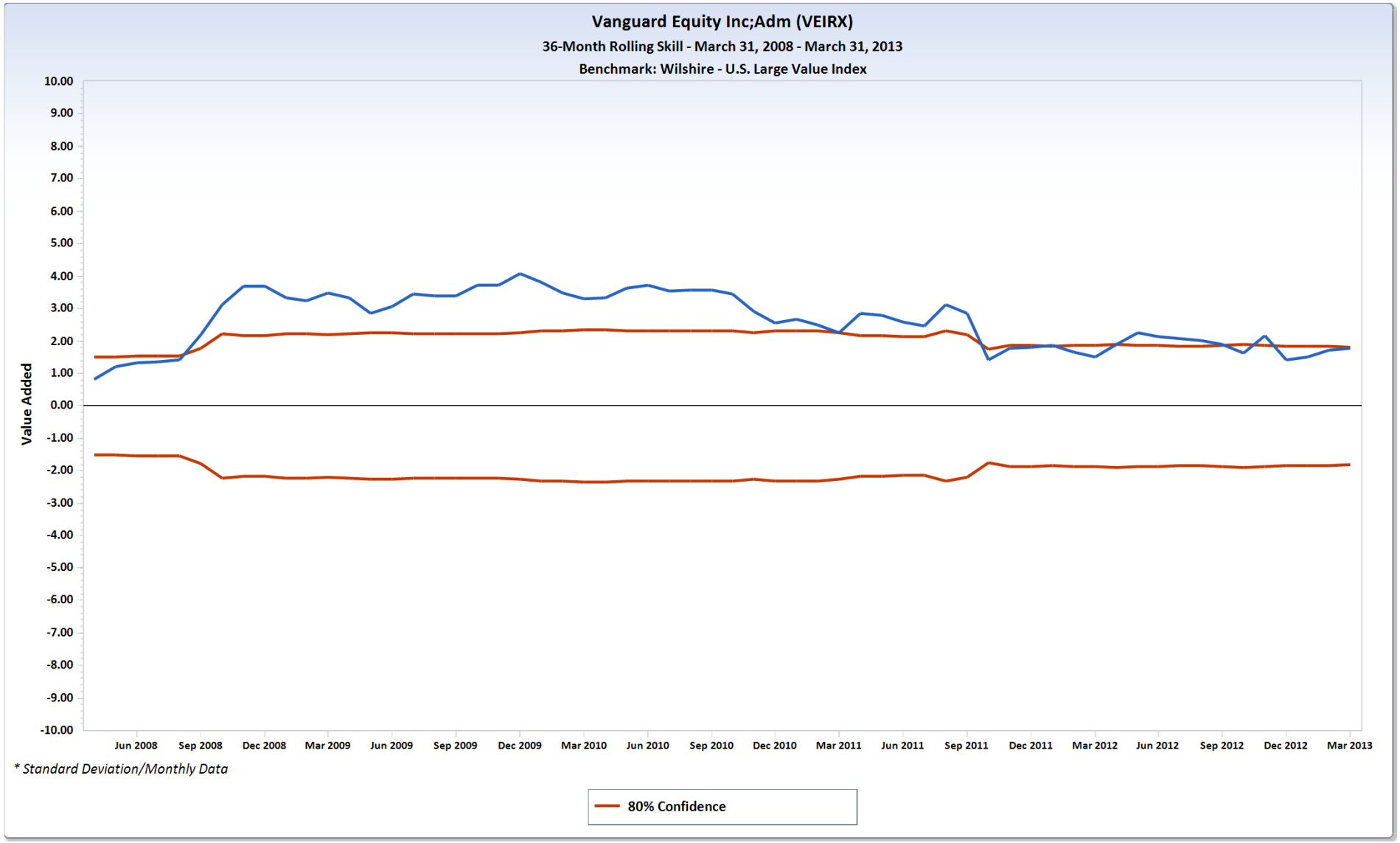
Rolling 3-year Skill (MFS)

Wilshire

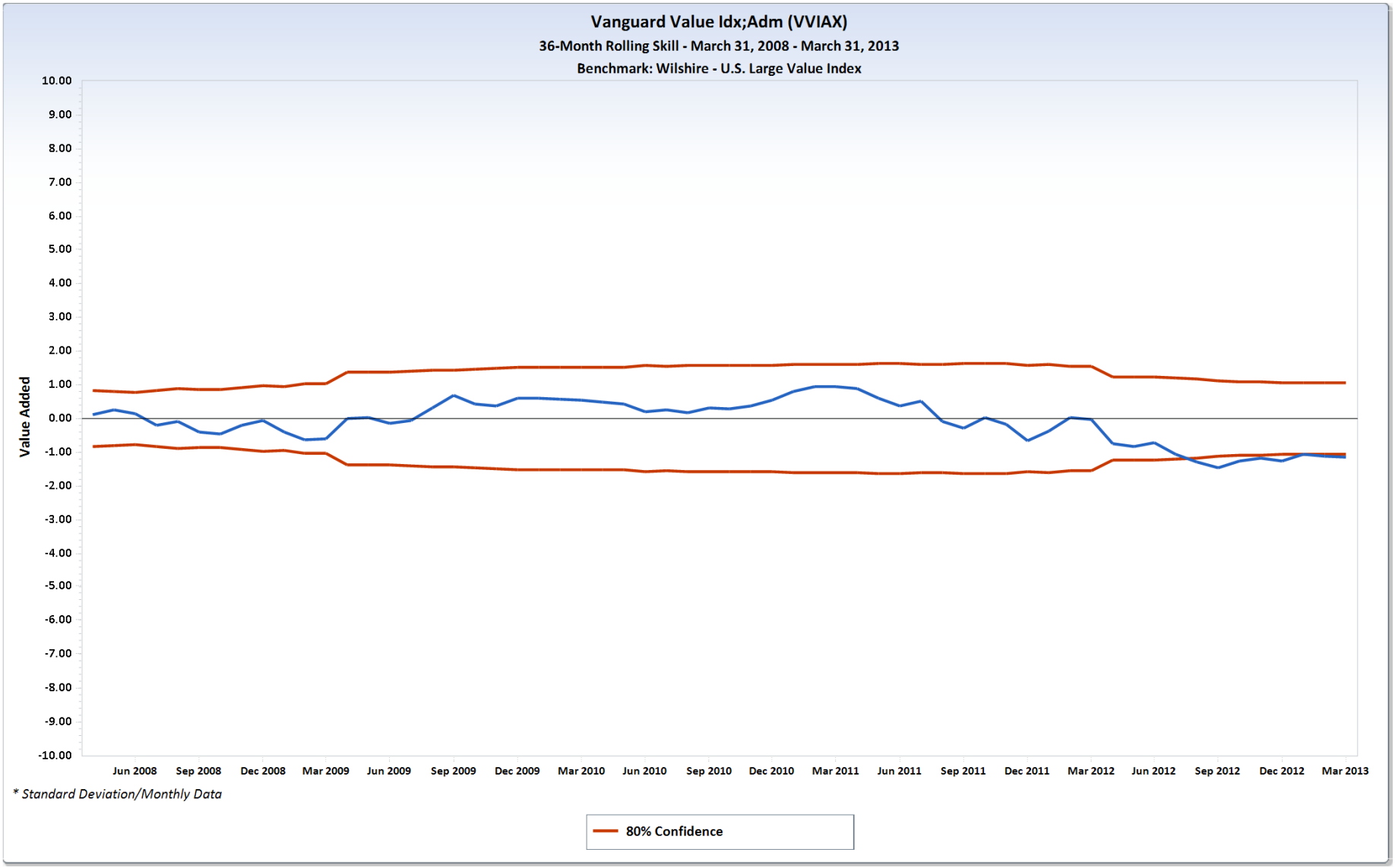


Rolling 3-year Excess Skill (Vanguard Equity Income)

Wilshire



Rolling 3-year Excess Skill (Vanguard Value Index)

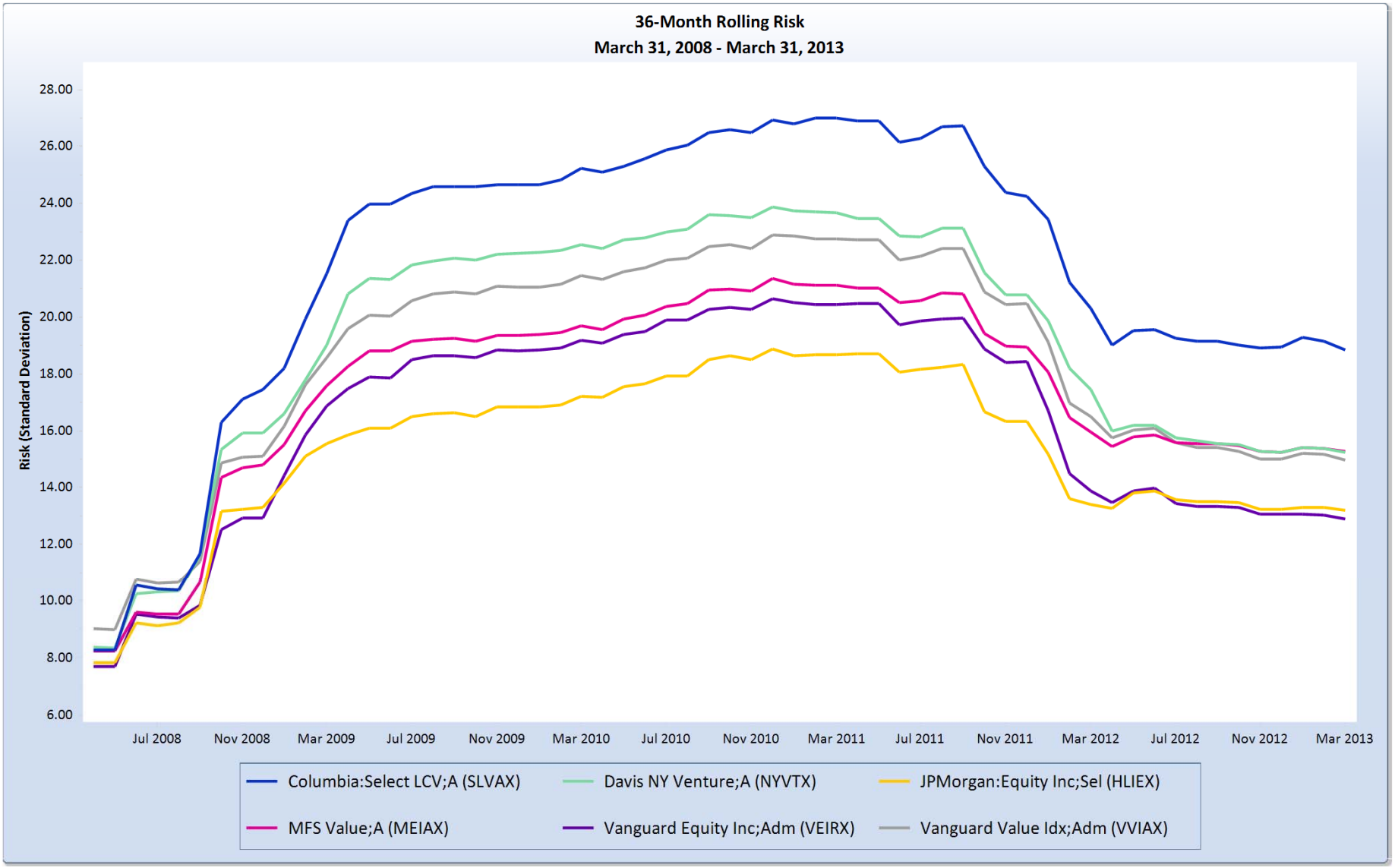


** Prior to May 16, 2003, the Vanguard fund was indexed to the S&P 500/Barra Value Index.*

Appendix

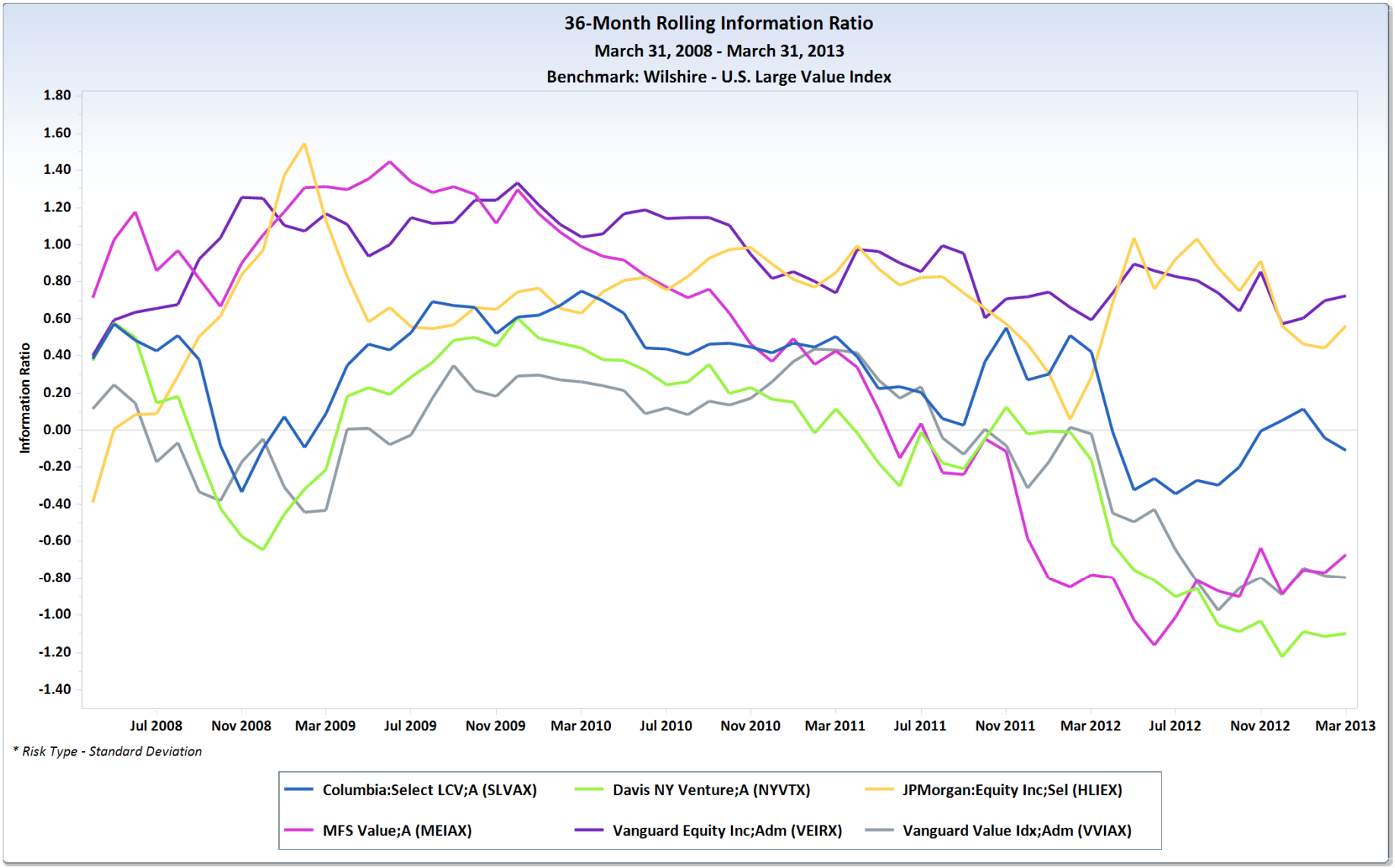
36-Month Rolling Risk

Wilshire



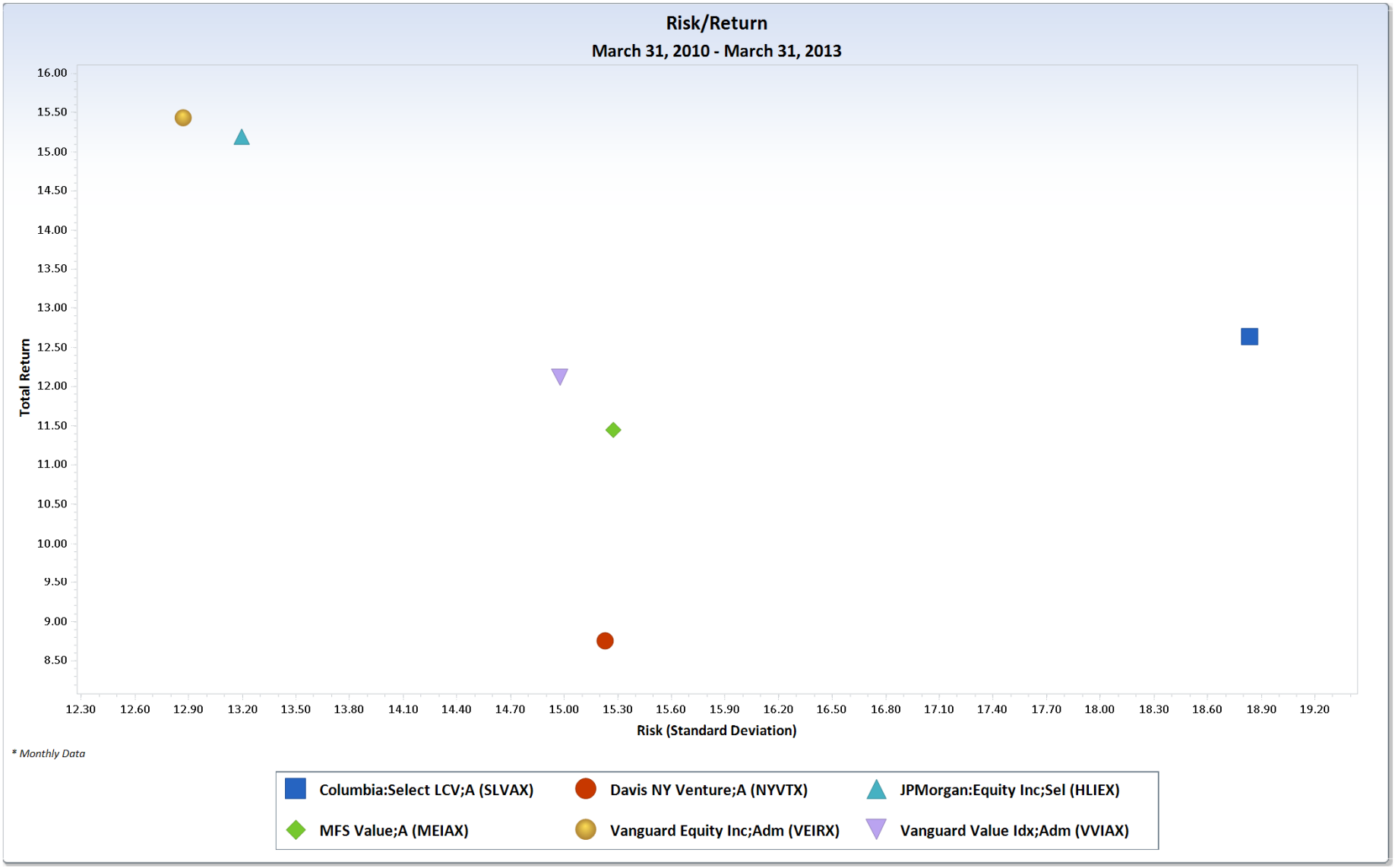
36-Month Rolling Information Ratio

Wilshire

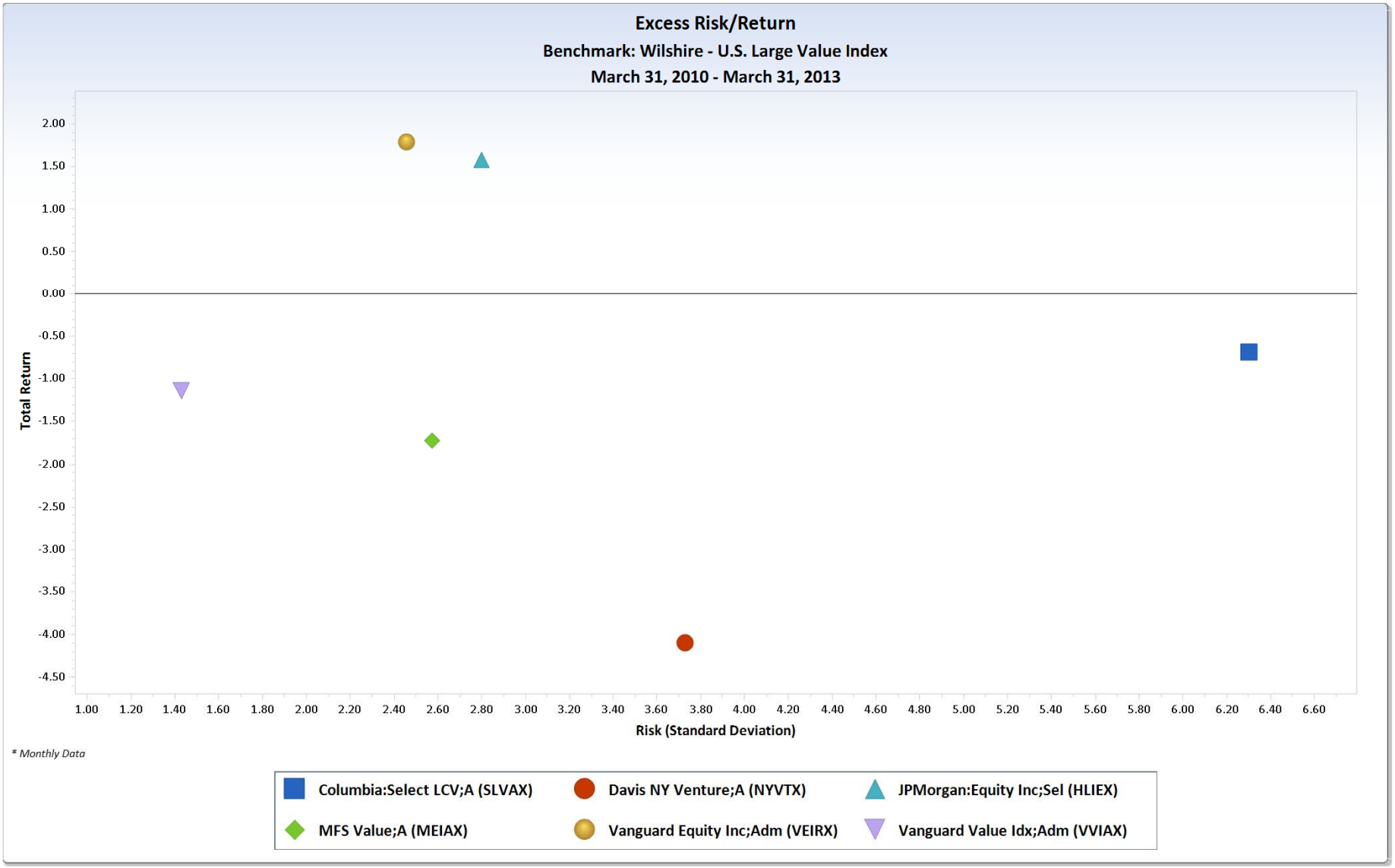


3-year Risk versus Return Plot

Wilshire

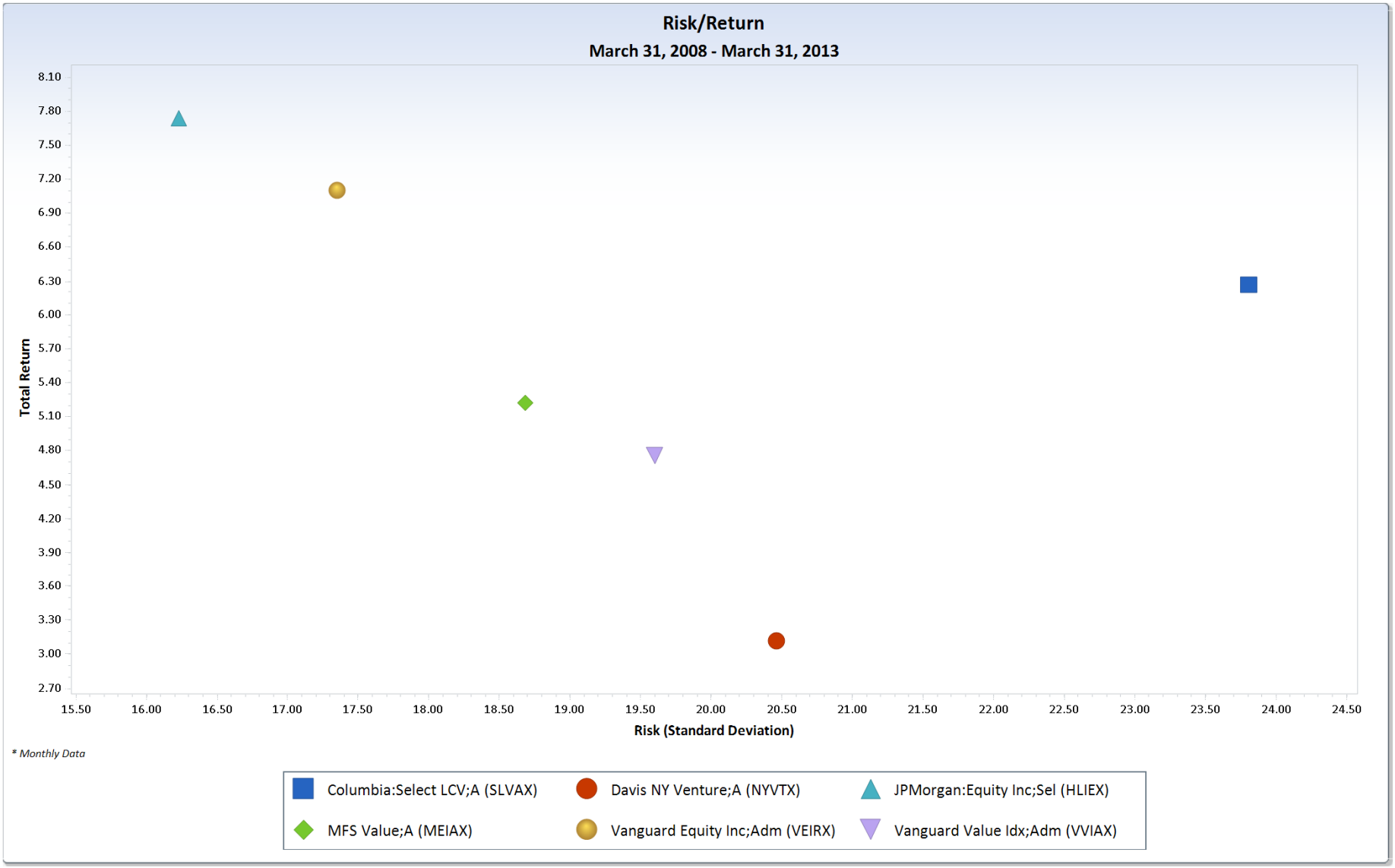


3-year Excess Risk versus Excess Return Plot



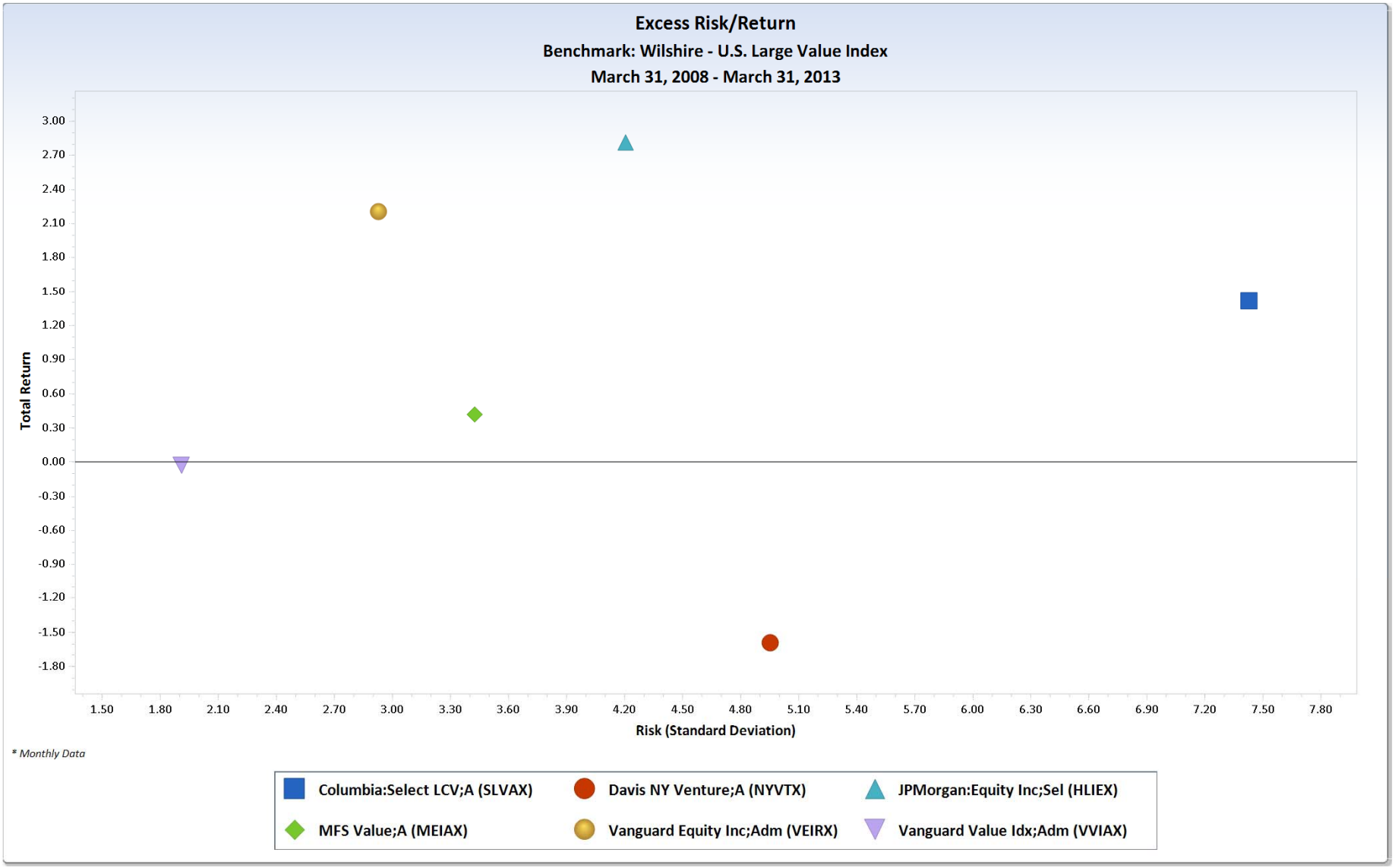
5-year Risk versus Return Plot

Wilshire



5-year Excess Risk versus Excess Return Plot

Wilshire



Risk and Return

Wilshire

3-year as of 3/31/13				
Manager	Excess Risk	Excess Return	Sharpe Ratio	Info Ratio
Columbia Select LCV	6.30	-0.68	0.66	-0.11
Davis New York Venture	3.73	-4.10	0.57	-1.10
JP Morgan Equity Income	2.80	1.59	1.14	0.56
MFS Value	2.57	-1.72	0.74	-0.67
Vanguard Equity Income	2.46	1.79	1.19	0.72
Vanguard Value Index	1.43	-1.14	0.80	-0.79
*Vanguard Value Index**	0.06	-0.07	0.80	-1.16

5-year as of 3/31/13				
Manager	Excess Risk	Excess Return	Sharpe Ratio	Info Ratio
Columbia Select LCV	7.43	1.41	0.25	0.19
Davis New York Venture	4.96	-1.59	0.13	-0.32
JP Morgan Equity Income	4.20	2.82	0.45	0.67
MFS Value	3.42	0.41	0.26	0.12
Vanguard Equity Income	2.93	2.20	0.39	0.75
Vanguard Value Index	1.91	-0.03	0.22	-0.02
*Vanguard Value Index**	0.08	0.02	0.22	0.15

*All funds were benchmarked to the Wilshire US Large Value Index; the Vanguard index was benchmarked first the Wilshire US Large Value Index, then the MSCI U.S. Prime Market Value Index.

- Risk = Standard deviation of portfolio returns
- Return = Annualized portfolio returns
- Sharpe Ratio = Excess return over the risk-free rate per unit of deviation
- Information Ratio = Measure of the risk-adjusted return

Form ADV Regulatory Disclosure Review

Wilshire

Wilshire reviewed the SEC Form ADV Part I and IIA (as posted on the SEC investment advisor search website at http://www.adviserinfo.sec.gov) of each investment manager in the table below only to determine whether the manager had made any disclosures in the listed categories. If the manager disclosed information in a category, it is the client's responsibility to review and assess the provided information. The information was collected as of the date(s) indicated and may change. Wilshire assumes no responsibility for the accuracy of the information provided by a manager.

Investment Manager	Date of Review	ADV Part I		ADV Part IIA		
		Item 11: Disclosure Information		Item 9: Disciplinary Information	Item 19 (D): Requirements for State-Registered Advisors	
		Form ADV Part I Date	Disclosure (Yes or No)	Disclosure (Yes or No)	Form ADV Part IIA Date	Disclosure (Yes or No)
Columbia	4/10/13	3/22/13	Yes	Yes	3/22/13	N/A
Davis Advisors	3/26/13	3/15/13	Yes	Yes	3/15/13	N/A
JP Morgan	4/10/13	3/28/13	Yes	No	3/28/13	N/A
MFS	4/10/13	3/28/13	Yes	Yes	3/28/13	N/A
Vanguard	4/10/13	3/28/13	Yes	No	3/31/13	N/A

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Manager Research Evaluations

Wilshire

Wilshire Manager Research Team

3/1/2013

Manager Research

Columbia Management Advisors, LLC

Columbia Equity Value

As of 03/06/2013 , the evaluation and overall rating of this strategy are under review pending further due diligence for the following reason: Organizational Event/News

Summary

Qualitative
3.40

Columbia Equity Value offers an attractive large cap value strategy which seeks contrarian opportunities in every market environment. The investment team possesses solid investment experience having served as PMs and analysts at prior firms. The investment process employs both relative value and absolute value metrics and combines them with fundamental insights, industry analysis, and macro-economic perspectives. The portfolios are fairly diversified with moderately low benchmark sensitivity. On the other hand, due to the contrarian approach, the absolute volatility has been much higher than the Russell Mid Cap Value Index. The objective is to outperform the benchmark by approximately 150-200 basis points per year on a compounded rate. Overall, Wilshire considers the strategy appropriate for clients seeking a contrarian large cap value strategy that has a relative value bottom up approach.

Key Criteria

I. Organization

Rating	Wt.
3.50	20%

Columbia Management Investment Advisers ("Columbia"), formerly a wholly owned subsidiary of Bank of America, was acquired by Ameriprise Financial in April 2010. The combined firm offers an extensive array of products that include fundamental equity, quantitative strategies, taxable and tax exempt fixed income, and private fund offerings. With respect to senior management, Ted Truscott, the CIO of RiverSource Investments (legacy Ameriprise), assumed the leadership of the combined organization. Mike Jones, formerly president of Columbia Management, will serve as a president of the US asset management business, and Colin Moore, Head of Columbia's active US Equity, will be the CIO. While the compensation specifics are not finalized, the Columbia structure is expected to become effective at Riversource as well.

The Contrarian Equity products are team managed and headed by Steve Schroll, CFA, Paul Stocking and Laton Spahr, CFA. Mr. Schroll was attracted from Piper Jaffray in 1998. He covers financials at RiverSource and is an experienced investor with extensive background in the industry. Mr. Spahr joined from AG Edwards Freiss Associates in July of 2001. Mr. Stocking was promoted as an analyst from the central team to PM in August 2006. He joined RiverSource Investments in August 1995 and has been in the industry since 1987. More recently, he served as the Financial Sector Team Leader since 2002. The team is supported by a team of approximately seven analysts with an average of 15 years of experience. Although the team experienced the transition of former lead PM, Warren Spitz a few years back, the transition was well executed.

Overall, the firm ranks above average due to the extensive investment knowledge and the quality of the investment professionals. The score is moderately conservative due to the various transitions the firm has gone through.

II. Information

Rating	Wt.
3.75	20%

The information gathering process is built on a collaborative effort among PMs and seasoned dedicated analysts who have on average over 15 years of industry experience. The team meets as a whole group on Mondays for idea generation, and in analyst pairs for the rest of the week for further detailed discussion on current trends and stock opportunities. The research is geared towards gathering information at both industry and security level with a heavier weight towards industry. On the other hand the analysts spend significant amount of time kicking the tires to visit management teams, attend trade shows and industry conferences. The PMs are more selective with travel, however. On average the team visits 400+ companies per year where some firms are visited as often as 4-5 times a year. At the macro level, the team spends time to understand and interpret the direction and magnitude of current and expected trends. External global economists are also accessible. Overall, the information gathering process is deep and is conducted by experienced professionals who augment the process with industry level analysis. As a result, the process ranks highly. External global economists are also accessible. Additionally, while most research is done internally within the dedicated team, they also have access to the central research team as well as sell-side analysts for industry knowledge to further round out their research. Overall, the information gathering process is deep conducted by experienced professionals who augment the process with industry level analysis. As a result, the process ranks highly.

Columbia Management Advisors, LLC

Columbia Equity Value

As of 03/06/2013 , the evaluation and overall rating of this strategy are under review pending further due diligence for the following reason: Organizational Event/News

III. Forecasting

Rating	Wt.
3.75	20%

The forecasting process is predicated on finding contrarian opportunities in every market environment. For this both relative measures such as P/E, P/B, P/FCF, EV/EBITDA, and absolute valuation tools like DCF and EVA are utilized. The appropriate valuation tool is a function of industry, business model, and financial structure. Furthermore, absolute valuation tools tend to be utilized in bottom up research while relative valuation is used for industry or sector perspective. Views on growth, ROIC, profit margin, revenue volatility, and capital structure are used as inputs to assess the intrinsic value and expected returns, which form the overriding focus of the process. Overall, the forecasting process is relatively non-structured where the team is not dogmatic about fundamentals. On the other hand, the process relies on solid research at both security and industry level. Wilshire attribution analysis shows that the team has been able to add value through stock selection over the long term, though the driver came mostly from sector allocation. In terms of rolling performance, 5 year rolling alphas have been consistently positive and have been meaningful in magnitude above peers. As a result of a solid team and good long term track record, the forecasting score ranks highly.

IV. Portfolio Construction

Rating	Wt.
3.00	20%

The portfolios are diversified with approximately 100 names where the individual security weights are a function of expected return and expected contribution to portfolio risk. Conviction positions tend to be approximately 2%. In terms of risk management roughly one third of attention is paid to tracking error against the Russell Mid Cap Value Index, 25% to ranking in the bottom quartile of peers, 20% on absolute volatility, 15% on relative upside potential versus downside risk, and 10% on risk of 1 year performance being on the bottom quartile of peers. Residual risk is monitored on a weekly basis using a proprietary tool that utilizes statistical modeling to attribute ex-ante tracking error across material factors. This model is used to measure intended risk versus unintended risk. Furthermore, RiskMetrics is also utilized to monitor risk factors. The Equity Value strategy has a realized tracking error has been more volatile than its sibling Opportunity Value strategy. Overall, the team is not afraid to take calculated risk exposures against the benchmark while keeping a consistent style/size profile and maintaining diversity through fairly broad holdings. Sector bands are relatively loose where each industry has a maximum of 25% weighitng and cash is managed to less than 5%. also worth noting is that the team has the flexibility to a maximum of 25% in foreign exposure, though has been relatively low at approximately 3%. Overall, the portfolio construction process ranks above average.

V. Implementation

Rating	Wt.
3.00	10%

The trading staff has been fairly stable at the firm and has impressive investment experience on average. Automated systems are utilized to assist with managing order flow, documenting trading, and creating an audit trail. The team has access to multiple sources for obtaining information on securities and regularly monitors for liquidity. Brokers are selected on the basis of best price and most favorable execution. Since the firm believes trading process itself can be used to maximize value, ECN's and ATS's are also considered with the objective of minimizing trading costs and improving execution where possible. Trading costs are measured by an independent trading measurement service. The annual turnover is low and is expected to be approximately 20-25%. In terms of compliance, the firm has multiple procedures both at the pre-trade and post-trade level as well as order entry level and trade entry stages. The PMs are responsible for knowing client guidelines, and the compliance department maintains the oversight. As another positive note, soft dollars account for typically less than 10% of total firm commissions. Overall, implementation efforts rank moderately above average.

VI. Attribution

Rating	Wt.
3.00	10%

Attribution ranks moderately average for the Value strategy as the team utilizes multiple tools but does not high integrate the results into the investment process. FactSet is utilized to determine the sources of return and trigger discussions over the course of the decision making process. In addition, the firm's risk management team has devised a weekly risk management "dashboard" that is a key tool for the team to track factor exposure. The tool is forward looking and helps the team evaluate the contribution to risk and upside/downside potential by individual holdings and sectors.

Rating Legend
5 Excellent
4 Good
3 Above Average
2 Below Average
1 Unacceptable

Columbia Management Investment Advisers, LLC

Columbia Equity Value

Firm Information

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Wilshire

Wilshire Manager Research Team

1/21/2013

Manager Research

Davis Advisors

Davis New York Venture Fund

Summary

Qualitative
2.78

Davis Selected Advisors, LP is a well-recognized investment boutique in the retail space. The firm has been relatively stable over the years and is headed by a seasoned group of professionals. The investment process is fairly qualitative with minimal attention to risk management, but is highly regarded in terms of depth of the research capabilities; resulting in a high conviction portfolio.

The focus is on identifying companies that have first class management, attractive financial characteristics, and competitive advantages, all underpinned by an "owners' earnings" concept. The portfolios are moderately diversified with minimal benchmark sensitivity. The Davis New York Venture Fund is a representative portfolio within the large cap value composite and its history dates back to the inception of the firm in 1969. Compared to the large cap value composite, the Fund has a slightly more flexible mandate (by prospectus) so it can own some foreign ordinary securities as well as bonds, although both of these tend to be limited.

Key Criteria

I. Organization	Rating	Wt.
	3.50	20%

Davis Advisors is an employee-owned investment management firm started in 1969 by Shelby M.C. Davis. Limited partners Shelby Davis, Christopher Davis, and Andrew Davis own approximately 68% of the firm, with other employees holding the remaining 32% equity interest. The stake owned by the Davis Family is expected to continue to slowly decline over time. Davis Advisors holds a significant presence in the retail markets. Along with base salaries and annual discretionary bonuses, the firm offers long term equity incentives which have been beneficial in minimizing investment professional turnover. Portfolio managers are eligible to participate in a restricted fund unit plan, based on the Lipper Rankings of the respective investment product over a five year time frame.

The investment management team is headed by Ken Feinberg and Chris Davis who are supported by a reasonably experienced team of twelve research analysts. Mr. Feinberg and Mr. Davis lead the research effort along with the security selection and investment strategy. Shelby Davis, the former portfolio manager who stepped away in early 2009, serves as the firm's senior research advisor. The firm benefits from the pre-determined generational transfer plan with Mr. Davis representing the third generation of Davis family to head up the investment effort at the firm.

There have been no senior level departures at the firm and the analyst team also remains fairly stable. The most recent analyst departure was Charles Cavanaugh in March 2012, while Consumer Staples analyst Michael White was let go from the team in October 2012. Pierce Crosbie, John Hill, and Ryan Brown were promoted to full analysts in early 2012 after joining the firm in 2009. In addition, the firm has demonstrated a strong commitment to firm products through the investment of Davis Family and insider assets. Overall, the firm ranks highly for organization given the stability and independent structure.

Davis Advisors

Davis New York Venture Fund

II. Information

Rating	Wt.
3.50	20%

Davis Advisors conducts fundamental bottom-up research for investment management. The research process is extensive and the portfolio managers team up with the team of twelve research analysts in reviewing a variety of public data; including, 10K's, 10q's, annual reports, regulatory documents and press releases of the S&P 500 Index companies.

The investment team focuses on building an extensive perspective on the financial strength, competitive position and industry economics of a company. In order to achieve this, company meetings are held with senior and mid-level management, competitors, vendors and clients. The firm will never purchase shares of a company without having met/spoken with the company's senior management. The firm also seeks unusual research resources such as retired or laid-off employees. One unique aspect of the Davis research is the communication of the proprietary findings through an internal notes database system which serves to foster the sharing of information among all levels of portfolio management. Sell side research is rarely incorporated into the process.

Overall, the idea generation process does not appear to be as systematic as many of its peers, but the research process is extremely deep and incorporates a variety of fundamental information sources. Information scores above average.

III. Forecasting

Rating	Wt.
2.75	20%

Davis Advisors uses the private investor approach in evaluating value investment opportunities. The team looks beyond the traditional accounting metrics such as P/E and P/B and instead employs a concept called "owners earnings." This is determined by adjusting the after tax income by non-cash charges, extraordinary items, capital expenditures and employee stock options. Owner earnings are divided by enterprise value to arrive at the owner earnings yield. This yield is compared to the risk free rate and owner earnings yield of other companies to gauge relative attractiveness. As the last stage, the team evaluates reinvestment opportunities such as dividends, stock repurchases, capital spending for growth and acquisitions. A range of fair values are calculated and those companies currently below that range are considered for purchase.

Ultimately, the team seeks to identify companies that have first class management, attractive financial characteristics (strong balance sheet, high or growing return on capital, lean expense structure, and high quality of earnings), and competitive advantages (non-obsolescent products, dominant position in a growing market, and a global presence). The team takes a 5+ year time frame when evaluating investment opportunities, which is demonstrated in the portfolio's low (<20%) turnover.

Overall, the investment process is somewhat less systematic in comparison to its peer, calling into the question its repeatability. On the other hand, the team performs valuable fundamental bottom up research and has been moderately successful in adding value through security selection over the long term. Sector allocations have historically caused periods of notable relative underperformance (e.g. 2011). The forecasting process ranks average.

IV. Portfolio Construction

Rating	Wt.
2.00	20%

The product reflects the bottom up nature with minimal emphasis on portfolio level risk management. While the 60-100 holding New York Venture Fund does not specifically manage to a tracking error, it has historically been between 2.5-4% versus the S&P 500 benchmark. Little to no attention is placed on the benchmark or the active sector/industry weightings and only a broad 25% absolute max is placed on any single industry. Compared to the large cap value composite, the Fund has a slightly more flexible mandate (by prospectus) so it can own some foreign ordinary securities as well as bonds, although both of these tend to be limited.

The buy and sell decisions are led by the portfolio managers who employ a price-driven discipline. Positions are reviewed on a daily basis and a stock will be sold when it reaches the pre-determined fair value, business fundamental deteriorate, or another compelling opportunity presents itself. In addition, the portfolio bears considerable stock specific risk due to significant concentrations in the top ten holdings. Position weights are generally initiated at 1% and are set according to conviction level.

The portfolio construction process is not deemed a source of value added and appears below average from an overall risk management standpoint. Thus, portfolio construction ranks below average.

Davis Advisors

Davis New York Venture Fund

V. Implementation

Rating	Wt.
2.25	10%

Davis Advisors' trading efforts are coordinated by Head Trader, Bill Lawlor, who joined the firm from Bankers Trust and TIAA -CREF serving as their head trader. He has 20+ years of trading experience and is supported by a team of two traders and seven assistant traders located in New York and Tucson.

The firm utilizes automated trading systems and seeks to maintain access to major brokerage firms to obtain liquidity and best execution. Depending on the strategy in question, the team trades on over eight different trading platforms including Oneva Trade EQ/Portia, Security APL, GIM2, and Advent/Moxy. The firm also employs dedicated compliance personnel to monitor trading activity supported by a proprietary system for monitoring compliance issues. The strategy has low turnover of approximately 10-20%, in line with its long-term value approach.

One concern is over the former AUM as the firm managed significant assets both at the organizational level as well as within the strategy. For example, product assets peaked at approximately $50 billion in late 2007, but like most peers, dropped significantly given the market depreciation of 2008. Overall, the implementation efforts are adequate with a focus on cost minimization, but have not historically represented a significant area of value added for the New York Venture Fund. Implementation scores average.

VI. Attribution

Rating	Wt.
2.00	10%

Outperformance/underperformance is reviewed on a daily basis. The portfolio managers focus on business fundamentals as a tool for measuring portfolio attributes. On a quarterly basis, a third party multi-factor analytics tool is employed to present clients with portfolio attribution analysis. While the team has the technology to conduct in-depth attribution analysis using a third party provider, attribution appears to be strictly used for external client presentation purposes and the results are not incorporated into the portfolio management process. As a result, attribution ranks below average.

Rating Legend
5 Excellent
4 Good
3 Above Average
2 Below Average
1 Unacceptable

Davis Advisors

Davis New York Venture Fund Class A

Firm Information

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Wilshire

Wilshire Manager Research Team

6/7/2012

Manager Research

J.P. Morgan Asset Management

JPMorgan Equity Income

Summary

Qualitative
3.60

The JP Morgan Equity Income strategy invests in high quality companies with stable earnings patterns. A conservative approach helps the portfolio perform well in difficult market environments, and to exhibit a less volatile return pattern in the long run. As such, portfolio holdings tend to include strong sustainable franchises that can earn a steady 20% over a market cycle plus a dividend yield rather than companies that have the potential of huge capital appreciation gains. Therefore, this strategy is most appropriate for investors who are seeking a steady portfolio with lower volatility than the benchmark, a modest beta, and higher dividend yield.

Key Criteria

I. Organization

Rating	Wt.
3.75	20%

JP Morgan Asset Management, Inc. (JPMAM) is a wholly owned subsidiary of JP Morgan Chase & Co, a leading global financial services firm with an extensive array of capabilities. Although asset management accounts for a small portion of JPMorgan's total revenues and the bank's spate of large acquisitions has resulted in many legacy businesses and numerous products and divisions, the overall quality of global investment and research leadership is very strong. Furthermore, the compensation appears attractive with a yearly base salary and a variable performance bonus consisting of cash incentives, restricted stock, and in most cases, mandatory deferred compensation. Finally, the firm has shown great relative stability despite the recent bear market pressures.

The Large Cap Equity Income strategy is team managed by Clare Hart and Jonathan Simon. It is worth noting that while Jonathan Simon is listed as a portfolio manager, his role serves more as an advisory role in practice as Clare Hart is really the primary decision maker of the strategy and manages the day-to-day executions of the strategy. She is supported by one dedicated analyst, Shelpee Raina, as well as the central research team of analysts who also support other products within the firm. Ms. Hart has been with the firm since 1999 and has been managing this strategy since August 2004.

Overall, Wilshire has confidence in Ms. Hart's discipline. While some key person risk exists as Ms. Hart clearly drives the decisions in this strategy, the overall culture and dynamics of JP Morgan has been strong, enabling the firm to retain great talent.
It is worth noting that while the central team is a good resource, Ms. Hart tends to use them for their industry expertise as opposed true stock recommendations. With an accounting background, Ms. Hart tends to employ a more conservative approach with a focus on dividends, and balance sheet integrity. With a low turnover strategy, the team does not currently feel stretched, though we can expect the see additional dedicated analysts added to the team in the near term for added support opportunistically.

II. Information

Rating	Wt.
4.00	20%

The team of research analysts employ a robust information gathering process through its commitment to fundamental in-house research. The analysts, all buy-side sector specialists, devote 100% of their time to making bottom-up earnings and earnings growth projections, which become the chief inputs for valuation models. To develop projections, analysts spend considerable time conducting independent research by meeting with company management and analyzing SEC filings. Due to the firm's large presence in the equity markets, the analysts have a unique level of access to company management, aiding in the creation of a sustainable information advantage. In addition, analysts have the ability to leverage research conducted by the firm's global network of analysts. The analysts also supplement their original research with information available from industry contacts and Wall Street firms; however, external research is used primarily to compare their independent research with consensus information. Finally, it is important to note the involvement of the PMs in both the idea generation and the coverage for companies.

Idea generation can come from all directions including the central team, conference calls, contacts from Wall Street firms, central team, First Call, Bloomberg, Reuters, A.T. Financial etc. Moreover, the dedicated team conducts its own fundamental work in addition to the central team's coverage. Overall, the team adds value to the process through its in-depth information gathering process.

J.P. Morgan Asset Management

JPMorgan Equity Income

III. Forecasting

Rating	Wt.
4.00	20%

The investment universe consists of publicly traded U.S. common stocks with market caps over $1B. Those companies that meet their quantitative criteria of having a dividend yield of at least 2%, above average cash flow, return on investment and a modest debt-to-capital ratio are deemed worthy of extensive fundamental research. In valuing a company, the dedicated team looks at a number of price and value measurements including P/E ratio, P/B ratio and P/TBV. In addition, the team also utilizes quantitate methods such as Enterprise Value (EV), EV to EBIT and EV to EBITDA, Price to Free Cash Flow, Discounted Cash Flow, Private Market Value to take-over, Sum of the parts and Price to Economic BV. In addition to these metrics, the team spends considerable time making qualitative judgments about companies based on quality of earnings, sustainability of earnings, and accounting policies and practices.

According to Wilshire attribution, stock selection has been the primary driver of performance, though data submitted has been short. In terms of performance, the strategy has been successful at adding value consistently over 5 year rolling periods meaningfully above most peers. Also worth mentioning is that rolling information ratios have been quite consistently positive across both shorter and longer periods. As can be expected, the strategy has done well protecting on the downside, and while still participating on the upside, has tended to not participate fully during market rallies, particularly during lower quality rallies. This makes the strategy very predictable and as a result, ranks highly.

IV. Portfolio Construction

Rating	Wt.
3.50	20%

The JP Morgan Equity Income portfolio emphasizes high quality, lower beta stocks, targeting above average dividend yields. Security position size is normally between 1% and 3%, and is driven by the team's calculation of the risk-adjusted expected returns, as well as conviction in the name. The maximum weight of each holding at time of purchase is limited to 5%, though is typically between 1% and 3%. While sector allocation is primarily bottom up, the maximum allocation to any one sector is 25% of the portfolio or double the benchmark weight, whichever is greater. In general, investors can expect that highly cyclical names or companies that are commodity dependent in nature are minimal in the portfolio as Ms. Hart believes that those businesses exhibit less predictable earnings cycles and are unlikely to generate sustainable cash flows. The overall portfolio tends to be diversified with 70-110 securities with a low turnover of 20%-40% per year. In terms of consistency, the strategy provides a clear large cap value profile and performance patterns have been predictable.

V. Implementation

Rating	Wt.
2.50	10%

In terms of trading, JP Morgan Asset Management has its own in-house trading team of U.S. equity specialists who execute domestic equity trades. Traders gather information on new deals, flows, market dynamics etc every day from broker/dealers and constantly synthesize and communicate this information to the team, facilitating best execution. Minimizing transaction costs is also important to the team. More than two-thirds of the overall trading volume is executed using various trading techniques. With a low turnover of 20%-40%, the trading capabilities are at least adequate.

VI. Attribution

Rating	Wt.
3.00	10%

While the PM has final authority over all investment decisions, quarterly reviews held with the CIO of Core and Value, Paul Quinsee where he provides oversight to ensure that all portfolios are conforming within the portfolio guidelines and policies. Third party attribution tools such as Barra, Factset and others are used to monitor portfolios. Additionally, quarterly reviews are held by investment Director, David Silberman who reviews and conducts a comprehensive examination of performance to assess where the strategy has succeeded and failed as well as compliance structure of the account.

Rating Legend
5 Excellent
4 Good
3 Above Average
2 Below Average
1 Unacceptable

J.P. Morgan Asset Management

J.P. Morgan Equity Income

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Wilshire

Wilshire Manager Research Team

6/12/2012

Manager Research

MFS Investment Management

MFS Large Cap Value Equity

Summary

Qualitative
3.50

MFS Investment Management offers an attractive large cap value strategy that is grounded in bottom-up fundamental research, with a focus on quality, value and yield. The firm is well resourced with a global research platform and integrated back-office operations. The strategy is managed by Steven Gorham, CFA and Nevin Chitkara who previously served as equity analysts at the firm. The PMs are supported by impressive resources and have provided attractive returns with strong stock selection. It is important to note that while the strategy may lag in strong up markets, it tends to be an excellent choice in downside protection with attractive performance in the long term. As a result, Wilshire has confidence in the product and finds it suitable for clients seeking a moderately active exposure with a quality tilt in the large cap value segment of the market.

Key Criteria

I. Organization	Rating	Wt.
	3.00	20%

MFS is a subsidiary of Sun Life Assurance Company of Canada, which owns a majority interest in the firm. In November 2011, Sun Life acquired the remaining 33% minority stake in McLean Budden and merged the firm into the MFS organization. MFS' compensation structure includes a base salary, performance bonus (3-year peer and benchmark quant rankings as well as a 360 degree peer review), and equity incentives for key investment professionals. The firm currently maintains a 22% equity stake which has mostly been distributed to key employees. Overall, the compensation structure appears attractive with equity incentives; however, the historical 10-15% annual turnover rate amongst its analyst team is roughly in line with industry standards.

At the end of 2011, MFS underwent a number of leadership transitions. Bob Pozen, Chairman of MFS since 2004, retired and Rob Manning, CEO since 2004, relinquished his CIO title and assumed the title of Chairman. Mike Roberge, who was promoted to President in January 2010, was elected the sole CIO and Director of Global Research; David Antonelli became Vice Chairman and relinquished his CIO of Non-US Investments title; and Marty Beaulieu was named Chairman and CEO of McLean Budden. In 2011, MFS completed the distribution process for settling multiple lawsuits that were filed in federal and state courts related to pre-2004 market timing and/or late trading events.

The Large Cap Value strategy is team managed by Steven Gorham, CFA and Nevin Chitkara, portfolio managers, who are supported by a deep global research team. Mr. Gorham was a member of the firm's equity research team since 1992 when he was named the co-portfolio manager in January of 2002 to help transition the retirement of Lisa Nurme, PM, which took place in mid 2004. Mr. Chitkara was named the co-PM in May 2006 also from the equity research team of MFS, which he joined in 1997. The PMs work together with Katrina Mead, CFA, Institutional PM. This team has been very stable since the addition of Mr. Chitkara. Although the research team has experienced some gradual turnover over time, the quality and experience of the analysts is impressive.

While the organization scores well due to the quality of the investment professionals as well as the investment experience, the ownership structure along with some firm level turnover reduces the overall score.

MFS Investment Management

MFS Large Cap Value Equity

II. Information

Rating	Wt.
4.00	20%

MFS has established a strong research platform with a global presence. The equity team relies entirely on the proprietary knowledge of the firm's global research analysts, who each cover roughly 30 – 50 companies and perform visits with company management, competitors, suppliers, downstream users, industry contacts, and consultants to develop a comprehensive understanding of business fundamentals and industry dynamics. In a typical year, MFS equity analysts and portfolio managers will meet with representatives from approximately 3,000 companies through on-site visits or hosting meetings at one of MFS' worldwide offices. Additionally, they will consult with approximately 1,500 analysts from hundreds of domestic and foreign brokerage houses. The analysts utilize the meetings to assess the company's fundamental outlook and to create detailed proprietary financial projections and extensive valuation analyses which utilize scenario analysis and earnings sensitivity models.

In addition, the firm has developed a robust quantitative research capability, which has a number of analysts dedicated to ongoing factor research and implementation. From an external standpoint, the analysts utilize securities filings and computer-based systems such as Bloomberg®, FactSet®, and Thompson One® in formulating their investment recommendations. In total, the firm's analysts actively follow approximately 1,400-1,600 securities on a global basis, which are assigned either a 1-rating (buy), 2-rating (hold), or a 3-rating (sell). These ratings as well as analysts' views on companies and industries are formally documented in the firm's proprietary web-based, Global Investment Research System. Overall, MFS scores above average in their information gathering efforts.

III. Forecasting

Rating	Wt.
4.00	20%

MFS Large Cap Value team forecasts with a focus on bottom-up fundamental research, quality, value and yield. For this the team screens for Russell 1000 companies and global peers to find the stocks with the ideal characteristics: sustainable franchise, solid balance sheet, free cash generation, and shareholder friendliness. The team also screens for cheapness through P/CF, P/B, P/E, P/S, and yield. The process is not exactly focused on funneling, but more on combining different aspects. As a result of the research, analysts prepare formal ratings (1-3) of securities under consideration. MFS has conducted a study on how the analyst ratings fare, and notes that the global research team adds value. Overall, the forecasting process has an overriding focus on quality complemented with value screens to keep the strategy from straying to the core space. The process relies on strong fundamental research conducted by the global analysts and augmented by the PMs. According to Wilshire attribution, the team has been able to drive the majority of their alpha through stock selection in the long term. Long term rolling periods on a 5 year basis have shown that the team has been consistent at generating alpha over the Russell 1000 Value benchmark. Shorter term 3 year rolling periods have also been fairly consistent. Additionally, rolling information ratios have been fairly consistently positive over the longer term, though shorter term ratios have been slightly less impressive. As a result, the forecasting process ranks highly.

IV. Portfolio Construction

Rating	Wt.
3.50	20%

The team builds diversified portfolios of 90-110 stocks with a focus on low beta. While the portfolios emphasize U.S. common stocks, they may also include a maximum of 10% exposure to ADRs, dually listed shares of large global companies, and non-U.S. stocks that are traded on U.S. exchanges, if client guidelines allow. The maximum investment in any one security does not typically exceed 5% or 1 ½ times the security's weighting in the benchmark at market, whichever is greater. The sector industry level limit is broad with maximum 20% in any industry. While this gives the PMs considerable latitude to make sizable sector bets, active sector weights have been moderate to tight in the past few years. The team has access to multi-factor risk models; however these appear to be instrumental in portfolio monitoring as opposed to construction. The tracking error is typically a function of the perceived opportunities in the market and tends to move up when the spreads widen in the market. During the past ten years, the realized rolling tracking error has been moderate ranging from 2% to 7%. The cash level limit is relatively high with 10%. In terms of style, the product typically keeps a clear traditional value profile while at times showing slight core bias.

V. Implementation

Rating	Wt.
2.50	10%

MFS has a deep trading platform of seasoned trading professionals. The firm's trading platform uses automated trade management systems which have built in screens for compliance. The firm also uses program trading to improve execution when appropriate, and internally cross trades when buying and selling securities at the same time. The firm's Trade Oversight Management Committee oversees the team's execution and trading, and monitors relationships with broker/dealers. The annual turnover ranges from 40% to 80%. The firm continues to maintain soft dollar relationships. One area worth monitoring is the size of the assets, as the product has grown considerably in the past decade. Overall, the firm has sufficient resources to implement its investment strategy.

MFS Investment Management

MFS Large Cap Value Equity

VI. Attribution

Rating	Wt.
3.50	10%

MFS uses FactSet for performance attribution and also leverages BARRA for multi-factor risk modeling, which plays a key role in monitoring the firm's portfolio construction process. Attribution analysis is also pivotal assessing other market risks their impacts on the strategy as well as making changes to the portfolio on the margin, so the process ranks highly among the peers.

Rating Legend
5 Excellent
4 Good
3 Above Average
2 Below Average
1 Unacceptable

MFS Investment Management

MFS Large Cap Value Equity

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