

| Index | Estimated Weights % | Total Return | | |
|--------------------------------|---------------------|--------------|-------|------------------|
| | | QTD % | YTD % | Last 12 Months % |
| Ryan Labs Cash | 5 | 0.03 | 0.03 | 0.21 |
| Barclays Aggregate Index | 30 | -0.21 | -0.21 | 3.12 |
| S&P 500 | 60 | 6.20 | 6.20 | 10.91 |
| MSCI EAFE Int'l | 5 | 4.32 | 4.32 | 10.39 |
| Asset Allocation Model | 100 | 3.87 | 3.87 | 8.66 |
| Ryan Labs Liability (PPA) | 100 | -1.84 | -1.84 | 6.81 |
| Assets – Liabilities (PPA) | | 5.71 | 5.71 | 1.85 |
| Ryan Labs Liability (FAS158) | 100 | -3.74 | -3.74 | 9.99 |
| Assets – Liabilities (FAS 158) | | 7.62 | 7.62 | -1.32 |
| Ryan Labs Liability (TSY) | 100 | -2.71 | -2.71 | 3.01 |
| Assets – Liabilities (TSY) | | 6.59 | 6.59 | 5.65 |

Equity returns in 2013 have showed no signs of slowing down through the end of February. Whether the rally is driven by a recovering economy, underlying corporate fundamentals, and corporate profits or whether it is based on liquidity being pumped into the system, technical factors, or behavioral dynamics, risk assets are off to a strong start to the year. Led by the S&P 500's YTD return of 6.20%, the model asset allocation is outperforming liabilities by a meaningful amount.

While performance asset returns are up, and YTD funding has improved by 4%, the majority of this movement came in January. At the end of February, RL PPA funding maintained its January levels of 71%. The model asset allocation continued its performance, finishing up +3.87% for the 1st Quarter/YTD. Core fixed income returns were down -.21%, and the RL PPA liability was down -1.84%. Assets have outperformed liabilities by +5.71% YTD. The RL PPA Index, with a liability duration of 14.92 and priced on an equal weighted basis, saw its yields tighten month over month by 7 basis points, from 3.38% down to 3.31%.

As winter turns to spring and we start to make our way into the home stretch of the 1st Quarter, reoccurring themes have presented themselves at pension board meetings across the three major defined benefit plan arenas, corporate ERISA plans, public funds, and Taft-Hartley/multi-employer plans. Concerns over low interest rates, concerns about contributions, and concerns over asset returns have investment committees and trustees asking similar questions, regardless of the plan type.

The S&P 500 is off to a strong start to the year, and has been a strong performer over the past four years. In this time, we have seen constant sources of stimulus being provided to the capital markets, a "recovering" economy, and have seen the S&P up 26% in 2009, 15% in 2010, 2% in 2011, 13% in 2012, and already up 6% to start off 2013. Over the same time-frame, the RL PPA funding ratio was 78% in 2009, 77% in 2010, 66% in 2011, 67% in 2012, and now at 71% in 2013. Let's not forget that we finished 2007 at 102% funded.

While it would make pension management ever so easier if every board was provided a crystal ball that accurately quantified what given returns for asset classes and liabilities will be for the year ahead, such a tool does not exist. Plan sponsors and consultants are left to analyze information and make decisions that are fiduciarily prudent. Since we cannot tell what will happen in the future, much time is spent analyzing historical data. Over the past ten years, as well as throughout many time periods over the past fifty+ years, one constant scenario that has proven to not work is blind rebalancing back to a 60/40 equity/core bond portfolio. As we move forward in 2013, monitoring A/L movements in a mark-to-market framework while being proactive in de-risking a plan can assist in reducing the errors in the past, e.g., strong performance portfolio returns that end up not improving a plan's funding ratio.

REGISTERED INVESTMENT ADVISOR

Ryan Labs Pension Protection Act Equal Weighted Index
(RL PPA Corp A to AAA Index)

| | Estimated Weights% | YTW ¹ % | MDuration (Years) | YTD Returns % | Last 12 Month Returns % |
|---------------------------|--------------------|--------------------|-------------------|---------------|-------------------------|
| 2 Year Corporate | 25 | 0.80 | 2.02 | 0.27 | 2.03 |
| 5 Year Corporate | 25 | 1.71 | 4.67 | 0.31 | 5.35 |
| 10 Year Corporate | 25 | 2.87 | 7.86 | -0.69 | 6.09 |
| 30 Year Corporate | 25 | 4.29 | 14.21 | -1.70 | 5.28 |
| RL PPA Index ² | 100 | 3.31 | 14.92 | -1.84 | 6.81 |

Ryan Labs FAS 158 Pension Protection Expense Equal Weighted Index
(RL FAS 158 Corp AA to AAA Index)

| | Estimated Weights% | YTW ¹ % | MDuration (Years) | YTD Returns % | Last 12 Month Returns % |
|------------------------------|--------------------|--------------------|-------------------|---------------|-------------------------|
| 2 Year Corporate | 25 | 0.54 | 1.97 | 0.20 | 1.15 |
| 5 Year Corporate | 25 | 1.38 | 4.63 | 0.24 | 3.64 |
| 10 Year Corporate | 25 | 2.69 | 8.08 | -0.85 | 3.83 |
| 30 Year Corporate | 25 | 3.96 | 14.91 | -1.92 | 3.42 |
| RL FAS158 Index ² | 100 | 3.04 | 15.60 | -1.79 | 11.48 |

1. *Effective Annualized Yield to Worst*
2. *Equal Weighted Index*

| Index | Weights | '00 | '01 | '02 | '03 | '04 | '05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 | 2/'13 |
|--------------------------|---------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| Ryan Labs Cash | 5% | 7 | 5 | 2 | 1 | 1 | 3 | 5 | 5 | 3 | 1 | 0 | 0 | 0 | 0 |
| Barclays Aggregate | 30% | 12 | 8 | 10 | 4 | 4 | 2 | 4 | 7 | 5 | 6 | 7 | 8 | 4 | 0 |
| S&P 500 | 60% | -9 | -12 | -25 | 29 | 11 | 5 | 16 | 5 | -37 | 26 | 15 | 2 | 13 | 6 |
| MSCI EAFE Int'l | 5% | -14 | -21 | -16 | 39 | 21 | 14 | 27 | 12 | -43 | 32 | 8 | -12 | 18 | 4 |
| Asset Allocation Model | 100% | -2 | -5 | -13 | 20 | 9 | 5 | 12 | 6 | -24 | 19 | 12 | 3 | 11 | 4 |
| RL PPA Liability | | 8 | 15 | 24 | 7 | 11 | 6 | 2 | 2 | 10 | 6 | 14 | 21 | 9 | -2 |
| Return Difference | | -10 | -21 | -38 | 13 | -2 | -1 | 10 | 4 | -35 | 13 | -2 | -18 | 2 | 6 |
| Funding Ratio (RL PPA) | | 145 | 119 | 83 | 93 | 91 | 90 | 98 | 102 | 70 | 78 | 77 | 66 | 67 | 71 |
| Liabilities (TSY) | 100% | 24 | 4 | 17 | 2 | 10 | 10 | 1 | 11 | 42 | -26 | 9 | 31 | 3 | -4 |
| Return Difference | | -26 | -9 | -30 | 18 | -1 | -5 | 11 | -4 | -67 | 45 | 2 | -28 | 8 | 8 |
| Funding Ratio (Economic) | | 96 | 88 | 65 | 77 | 76 | 72 | 80 | 77 | 41 | 66 | 67 | 53 | 57 | 62 |

Notes: RL PPA liability curve is the spot curve of the replication of IRS PPA curve (US credit A to AAA).

RL Treasury liability curve is the proxy for economic liabilities.

Assumptions :Normal costs = annual contributions

No benefit enhancements

Assets portfolio rebalanced monthly

We believe the information provided here is reliable, but do not warrant its accuracy or completeness. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The views and strategies described may not be suitable for all investors. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, accounting, legal or tax advice.

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