

Everett School Employee Benefit Trust

Investment Update

April 8, 2015

Presented by: *Becker Capital Management, Inc.*

Keene Satchwell, Fixed Income Portfolio Manager

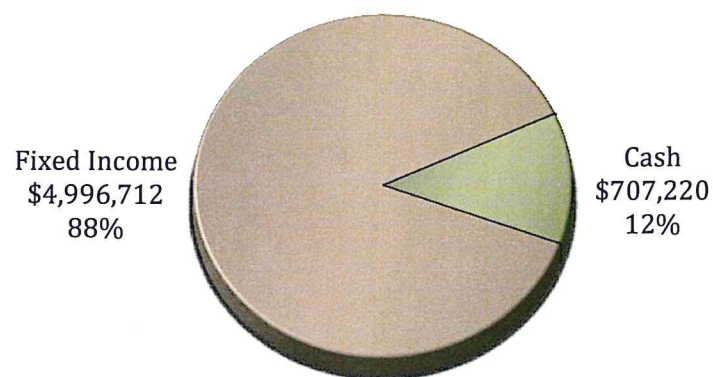
Jay Dyer, Regional Marketing & Client Service

ACCOUNT PERFORMANCE

FEBRUARY 28, 2015

	QTD	1 Year	3 Years	5 Years	Since Inception 9/3/09
Everett School Trust	0.20%	0.64%	0.54%	1.14%	1.34%
Trust Fixed Income	0.21%	0.72%	0.63%	1.33%	1.54%
BAML 1 Year Treasury Note	0.08%	0.22%	0.25%	0.38%	0.43%

- Results are presented after the deduction of commissions, but before the deduction of investment advisory fees. This past record is not meant to imply future results. This performance report is intended for use on a one-on-one basis only.



Total \$5,703,931

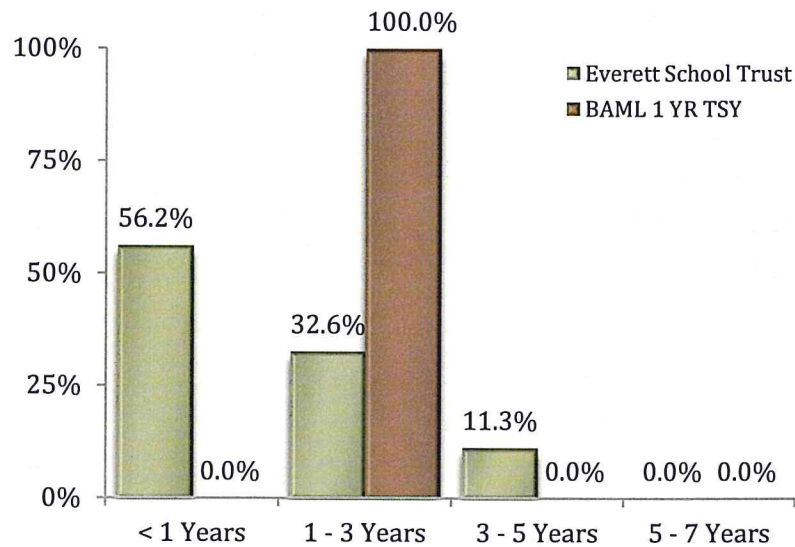


FIXED INCOME PORTFOLIO

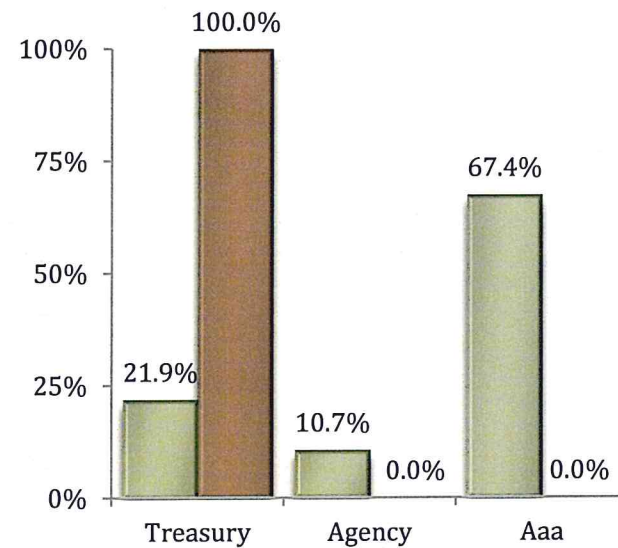
FEBRUARY 28, 2015

Characteristics	Everett School Trust	BAML 1 Yr Tsy Note
Average Quality	Aaa	Aaa
Effective Duration	1.6 Years	1.0 Years

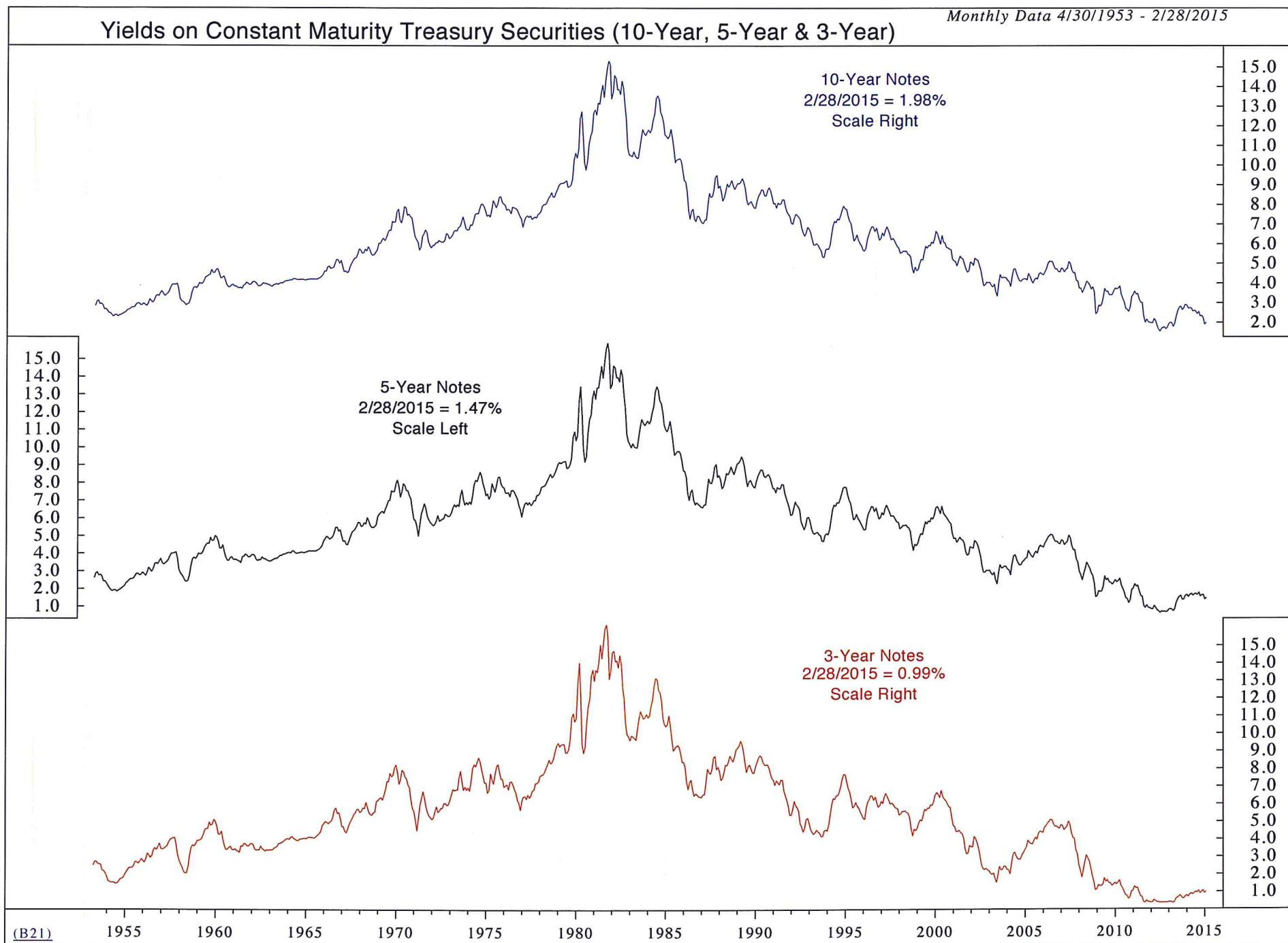
MATURITY



QUALITY

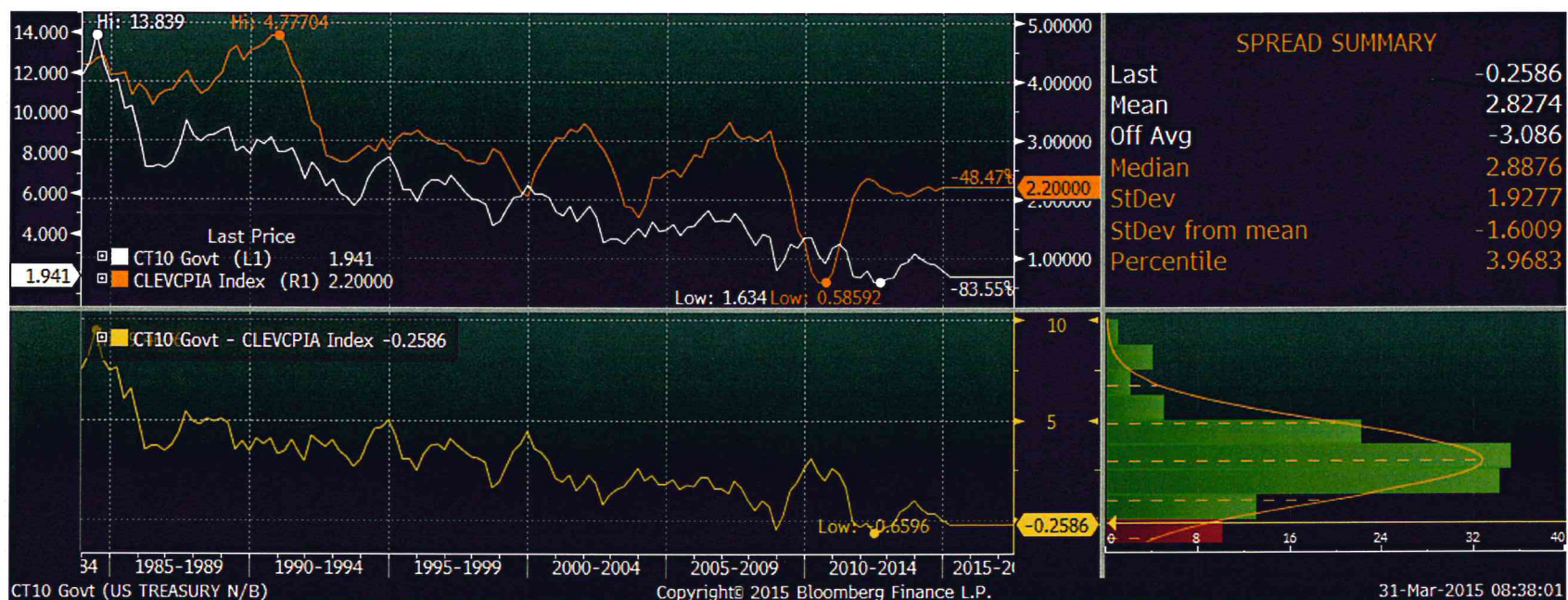


Treasury rates remain near historical lows:



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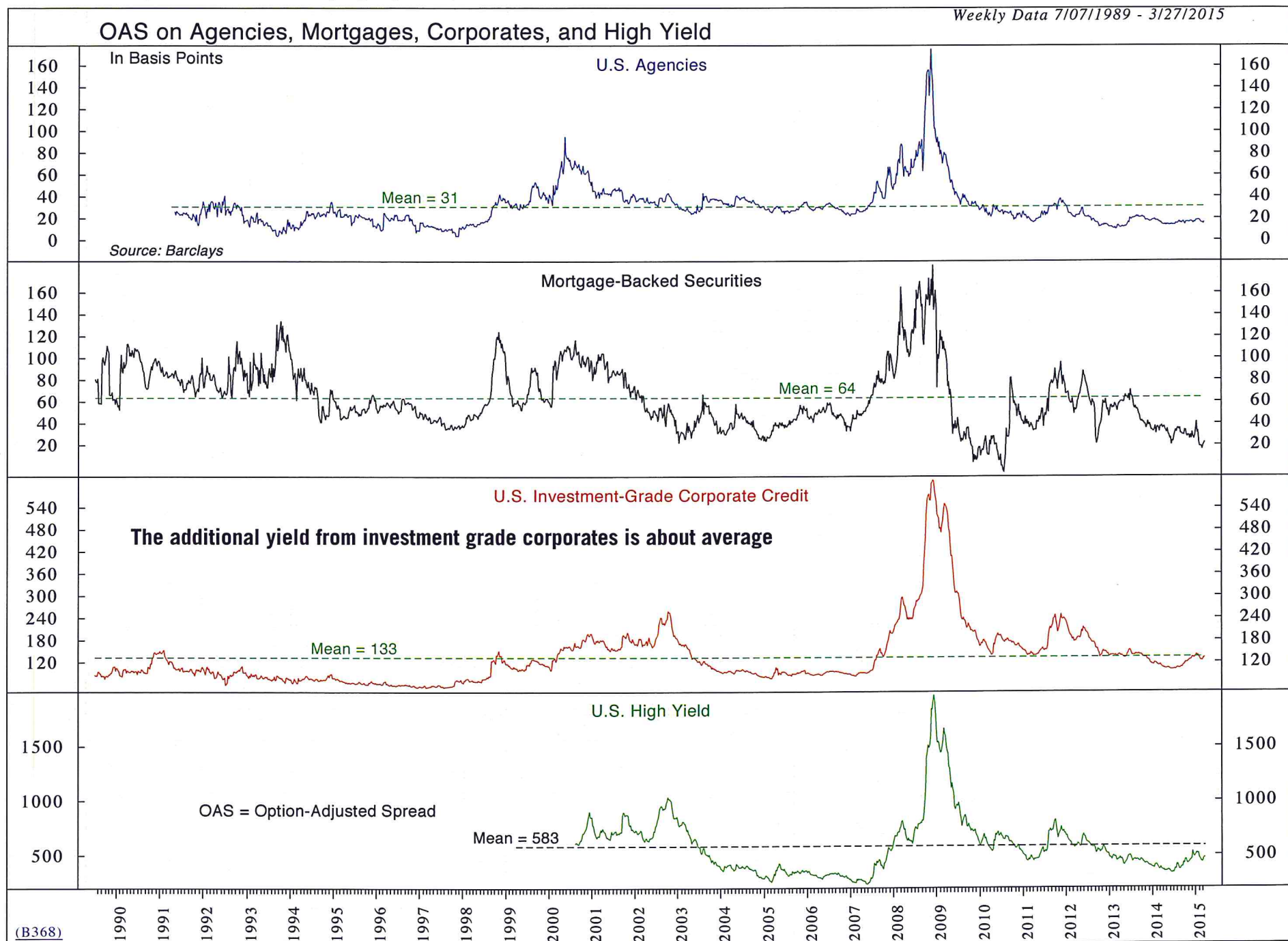
**The historical difference between 10-year Treasury yields and the median CPI:
12/30/83 through 3/31/15**



- Since 1983 investors have received a positive real rate of return of 2.83%.
 - The real rate of return is now negative 0.26%
- There are many measures of inflation, here are a few:
 - Year-over-year headline CPI is 0.0%
 - YOY CPI ex food and energy is 1.7%
 - YOY PCE is 0.3%
 - YOY Core PCE is 1.4%
- The Federal Reserve appears to be focused on measures of central tendency like the median and core statistics.



The additional yield recieved for buying "spread products" is low:



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SOME STATISTICS TO CONSIDER:

Index Characteristics (as of 2/28/15)

BAML Index Description	Yield (%)	Duration (Years)
1 - 5 Yr. US Treas.	0.91	2.71
1 - 5 Yr. US Corp. & Govt.	1.17	2.69
1 - 10 Yr. US Treas.	1.17	3.86
1 - 10 Yr. Corp. & Govt.	1.59	3.96

- Although it varies between indices, since 1988 about 97% of the total returns have come from income, 3% have come from price appreciation.
- Corporate bonds make up 25% of the 1 - 5 Yr. US Corp. & Govt. Index. They make up 29% of the 1 - 10 Yr. Corp. & Govt. Index.
- According to S&P, investment grade US corporate bonds have defaulted at a rate of 0.64% (three years out from the rating date). Recovery is estimated at 50% resulting in an annual loss of 0.32%.



Total Return

Historical (2/29/88 - 2/28/15)	1 - 5 Yr.	1 - 10- Yr.	Effect of Increasing Duration
US Treas.	5.26	5.78	52 bps
US Corp. & Govt.	5.54	6.14	60 bps
Effect of Adding Corporates:	28 bps	36 bps	88 bps

← This is the combined effect of transitioning from a 1 - 5 Yr. US Treas. portfolio to a 1 - 10 Yr. US Corp & Govt. portfolio.

Last 12 Months (2/28/14 - 2/28/15)	1 - 5 Yr.	1 - 10- Yr.	Effect of Increasing Duration
US Treas.	1.16	2.41	125 bps
US Corp. & Govt.	1.39	2.92	153 bps
Effect of Adding Corporates:	23 bps	51 bps	176 bps

Yield-To-Worst as of 2/28/15	1 - 5 Yr.	1 - 10- Yr.	Effect of Increasing Duration
US Treas.	0.91	1.17	26 bps
US Corp. & Govt.	1.17	1.59	42 bps
Effect of Adding Corporates:	26 bps	42 bps	68 bps





Becker Capital Management, Inc.

PORTFOLIO SUMMARY
Everett School Employee Benefit Trust
February 28, 2015

Security Type	Total Cost	Market Value	Pct Assets	Est. Annual Income	Yield	Yield To Mat
Fixed Income						
GOVERNMENT BONDS						
TSY	1,043,111.33	1,037,656.00	18.2	23,750.00	2.3	0.80
AGY	516,329.00	504,653.50	8.8	8,125.00	1.6	0.22
	<u>1,559,440.33</u>	<u>1,542,309.50</u>	<u>27.0</u>	<u>31,875.00</u>	<u>2.1</u>	<u>0.61</u>
GNMA						
PASS	41,541.84	43,535.62	0.8	2,030.73	4.7	0.00
	<u>41,541.84</u>	<u>43,535.62</u>	<u>0.8</u>	<u>2,030.73</u>	<u>4.7</u>	<u>0.00</u>
CERTIFICATES OF DEPOSIT	3,395,000.00	3,399,162.18	59.6	35,000.00	1.0	0.73
Accrued Interest		11,704.40	0.2			
<u>Fixed Income Total</u>	<u>4,995,982.17</u>	<u>4,996,711.70</u>	<u>87.6</u>	<u>68,905.73</u>	<u>1.4</u>	<u>0.69</u>
Cash and Equiv.						
CASH AND EQUIVALENTS	707,219.61	707,219.61	12.4	70.72	0.0	
<u>Cash and Equiv. Total</u>	<u>707,219.61</u>	<u>707,219.61</u>	<u>12.4</u>	<u>70.72</u>	<u>0.0</u>	<u>0.00</u>
TOTAL PORTFOLIO	<u><u>5,703,201.78</u></u>	<u><u>5,703,931.31</u></u>	<u><u>100.0</u></u>	<u><u>68,976.45</u></u>	<u><u>1.2</u></u>	<u><u>0.69</u></u>

Account statements are sent directly to clients by the custodian on at least a quarterly basis. Clients are encouraged to compare the statements received from their custodians with the statements they receive from BCM. If you are not receiving statements directly from your custodian, please contact Stephanie Moyer at 503-223-1720.



Becker Capital Management, Inc.

PORTFOLIO APPRAISAL - CASH ASSETS

Everett School Employee Benefit Trust

February 28, 2015

<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Price</u>	<u>Total Cost</u>	<u>Market Value</u>	<u>Annual Income</u>	<u>Yield To Mat</u>	<u>Pct. Assets</u>
CASH AND EQUIVALENTS								
	MONEY MARKET FUND			707,219.61	707,219.61	70.72		12.4
TOTAL FIXED INCOME ASSETS				707,219.61	707,219.61	70.72	0.00	12.4



Becker Capital Management, Inc.

PORTFOLIO APPRAISAL - FIXED INCOME ASSETS

Everett School Employee Benefit Trust

February 28, 2015

Quantity	Security	Unit Cost	Price	Total Cost	Market Value	Total Cost	Annual Income	Yield To Mat	Pct. Assets
CERTIFICATES OF DEPOSIT									
250,000	BANK OF CHINA (NY)CD 0.550% Due 03-20-15	100.00	100.01	250,000.00	250,017.50	250,000.00	1,375.00	0.46	4.4
150,000	DISCOVER BANK CD 0.550% Due 04-10-15	100.00	100.02	150,000.00	150,024.15	150,000.00	825.00	0.41	2.6
150,000	BMW BANK OF NORTH AMERICA 0.850% Due 06-08-15	100.00	100.15	150,000.00	150,224.55	150,000.00	1,275.00	0.31	2.6
250,000	EVERBANK FL 0.700% Due 06-15-15	100.00	100.16	250,000.00	250,401.75	250,000.00	1,750.00	0.15	4.4
150,000	GOLDMAN SACHS BANK USA 0.650% Due 09-28-15	100.00	100.08	150,000.00	150,126.90	150,000.00	975.00	0.51	2.6
250,000	MARLIN BUSINESS BANK CD 0.450% Due 10-16-15	100.00	100.02	250,000.00	250,042.25	250,000.00	1,125.00	0.43	4.4
250,000	FIRSTBANK PUERTO RICO CD 0.600% Due 11-24-15	100.00	100.18	250,000.00	250,457.25	250,000.00	1,500.00	0.36	4.4
150,000	GE CAPITAL BANK 0.550% Due 11-24-15	100.00	100.00	150,000.00	150,004.05	150,000.00	825.00	0.55	2.6
100,000	GOLDMAN SACHS BANK USA 1.000% Due 11-30-15	100.00	100.33	100,000.00	100,329.50	100,000.00	1,000.00	0.56	1.8
100,000	SAFRA NATL BANK CD 0.700% Due 11-30-15	100.00	100.46	100,000.00	100,456.00	100,000.00	700.00	0.09	1.8
250,000	ALLY BANK UT 0.900% Due 12-07-15	100.00	100.46	250,000.00	251,140.00	250,000.00	2,250.00	0.31	4.4
250,000	STATE BANK OF INDIA CD 1.000% Due 12-21-15	100.00	100.46	250,000.00	251,149.00	250,000.00	2,500.00	0.43	4.4
95,000	GE MONEY BANK UT 4.500% Due 12-30-15	100.00	103.21	95,000.00	98,051.78	95,000.00	4,275.00	0.64	1.7
250,000	AMERICAN EXPRESS BK FSB CD 1.450% Due 11-06-17	100.00	99.65	250,000.00	249,114.50	250,000.00	3,625.00	1.59	4.4
250,000	SALLIE MAE BANK UT 1.450% Due 11-13-17	100.00	99.59	250,000.00	248,980.00	250,000.00	3,625.00	1.61	4.4
250,000	CAPITAL ONE BANK CD 1.450% Due 02-04-19	100.00	100.10	250,000.00	250,238.50	250,000.00	3,625.00	1.43	4.4
250,000	PARTNERS BANK CA CD 1.500% Due 09-30-19	100.00	99.36	250,000.00	248,404.50	250,000.00	3,750.00	1.65	4.4
	Accrued Interest				6,914.79				0.1
TOTAL CERTIFICATES OF DEPOSIT				3,395,000.00	3,406,076.97	3,395,000.00	35,000.00	0.73	59.7



Becker Capital Management, Inc.

PORTFOLIO APPRAISAL - FIXED INCOME ASSETS

Everett School Employee Benefit Trust

February 28, 2015

Quantity	Security	Unit Cost	Price	Total Cost	Market Value	Total Cost	Annual Income	Yield To Mat	Pct. Assets
GNMA									
75,000	GNMA POOL 3207 5.500% Due 03-20-17	131.81	103.32	1,674.44	1,312.56	1,674.44	69.87	?	0.0
60,000	GNMA POOL 3255 5.000% Due 06-20-17	103.51	106.27	2,368.09	2,431.21	2,368.09	114.39	?	0.0
45,000	GNMA POOL 476724 6.000% Due 12-15-23	101.12	114.04	4,551.81	5,133.66	4,551.81	270.09	?	0.1
45,000	GNMA POOL 2629M 6.000% Due 08-20-28	135.86	114.18	1,435.53	1,206.42	1,435.53	63.40	?	0.0
60,000	GNMA POOL 2671 6.000% Due 11-20-28	112.93	114.15	1,436.41	1,451.92	1,436.41	76.32	?	0.0
35,556	GNMA POOL 3259 5.500% Due 07-20-32	122.59	113.18	2,301.97	2,125.12	2,301.97	103.27	?	0.0
63,000	GNMA POOL 3345 5.000% Due 02-20-33	107.08	112.21	5,895.53	6,178.02	5,895.53	275.29	?	0.1
25,000	GNMA POOL 3359 5.000% Due 03-20-33	104.57	112.06	2,298.49	2,463.16	2,298.49	109.90	?	0.0
125,702	GNMA POOL 3414 5.000% Due 07-20-33	103.42	111.96	14,193.85	15,365.67	14,193.85	686.19	?	0.3
40,110	GNMA POOL 3458 5.000% Due 10-20-33	102.78	111.98	5,385.73	5,867.91	5,385.73	262.00	?	0.1
	Accrued Interest				65.80				0.0
	TOTAL GNMA			41,541.84	43,601.42	41,541.84	2,030.73	0.00	0.8
GOVERNMENT BONDS									
500,000	FEDERAL NATL MTG ASSN 1.625% Due 10-26-15	103.27	100.93	516,329.00	504,653.50	516,329.00	8,125.00	0.22	8.8
1,000,000	UNITED STATES TREAS NTS 2.375% Due 07-31-17	104.31	103.77	1,043,111.33	1,037,656.00	1,043,111.33	23,750.00	0.80	18.2
	Accrued Interest				4,723.80				0.1
	TOTAL GOVERNMENT BONDS			1,559,440.33	1,547,033.30	1,559,440.33	31,875.00	0.61	27.1
TOTAL FIXED INCOME ASSETS				4,995,982.17	4,996,711.70	4,995,982.17	68,905.73	0.69	87.6