

Ohio Bureau of Workers Compensation - LEIA

Monthly Reports

As of May 31, 2015

HERNDON CAPITAL®
Management

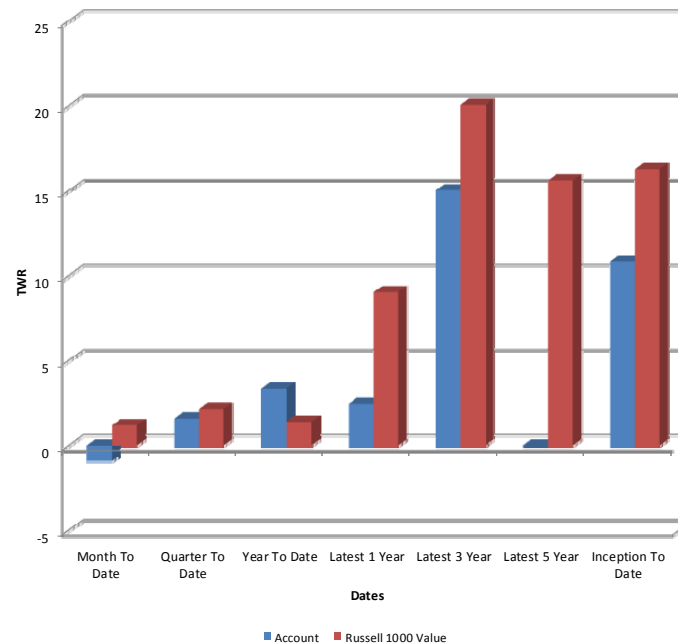
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Herndon Capital Management
TWR FOR SELECTED PERIODS
ANNUALIZED
GROSS OF FEES
Ohio Bureau of Workers Compensation - LEIA
Large Cap Value Portfolio - Inception 04/01/2012
AC # P 73093
 May 31, 2015

	Month To Date	Quarter To Date	Year To Date	Latest 1 Year	Latest 3 Year	Latest 5 Year	Inception To Date
Account	-0.92	1.61	3.38	2.45	15.03	-	10.83
Russell 1000 Value	1.20	2.15	1.41	9.03	20.06	15.62	16.27

PERFORMANCE HISTORY SUMMARY



Herndon Capital Management
PORTFOLIO APPRAISAL
Ohio Bureau of Workers Compensation - LEIA
Large Cap Value Portfolio - Inception 04/01/2012
AC # P 73093
May 31, 2015

<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Yield</u>
COMMON STOCK							
CONSUMER DISCRETIONARY							
3,245.00	ROSS STORES	72.42	235,013.02	96.67	313,694.15	2.4	1.0
6,162.00	TJX COMPANIES INC	45.01	277,355.65	64.38	396,709.56	3.0	1.3
1,519.00	YUM! BRANDS INC	71.93	109,265.60	90.11	136,877.09	1.1	1.8
			621,634.27		847,280.80	6.5	1.3
CONSUMER STAPLES							
7,413.00	ALTRIA GROUP INC	32.54	241,232.63	51.20	379,545.60	2.9	4.1
7,770.00	CAMPBELL SOUP	45.68	354,923.04	48.34	375,601.80	2.9	2.6
4,674.00	COLGATE-PALMOLIVE CO	65.55	306,393.88	66.79	312,176.46	2.4	2.3
4,287.00	PHILIP MORRIS INTL	85.91	368,300.29	83.07	356,121.09	2.7	4.8
			1,270,849.85		1,423,444.95	10.9	3.5
ENERGY							
4,436.00	APACHE CORP	84.89	376,575.81	59.84	265,450.24	2.0	1.7
9,353.00	ATWOOD OCEANICS	37.98	355,210.56	30.77	287,791.81	2.2	3.2
6,877.00	CONTINENTAL RSCS	47.06	323,630.58	45.56	313,316.12	2.4	0.0
1,343.00	EOG RESOURCES	99.63	133,799.73	88.69	119,110.67	0.9	0.8
4,195.00	EXXON MOBIL CORP	87.02	365,038.87	85.20	357,414.00	2.7	3.4
2,705.00	HALLIBURTON CO	49.31	133,380.65	45.40	122,807.00	0.9	1.6
4,019.00	MARATHON PETR CORP COM	56.56	227,310.06	103.46	415,805.74	3.2	1.9
6,352.00	SM ENERGY	75.64	480,455.73	52.32	332,336.64	2.6	0.2
5,359.00	VALERO ENERGY CORP	48.03	257,390.39	59.24	317,467.16	2.4	2.7
			2,652,792.37		2,531,499.38	19.4	1.8
FINANCIALS							
3,364.00	AFLAC INC	48.73	163,920.00	62.22	209,308.08	1.6	2.5

Herndon Capital Management
PORTFOLIO APPRAISAL
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AC # P 73093
May 31, 2015

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Yield
1,610.00	AMERICAN EXPRESS	79.88	128,601.33	79.72	128,349.20	1.0	1.5
8,365.00	APARTMENT INVST/MGMT	28.13	235,270.26	37.93	317,284.45	2.4	3.2
6,669.00	CBOE HOLDINGS	35.83	238,917.53	58.52	390,269.88	3.0	1.4
5,537.00	DISCOVER FINANCIAL SERVICES	39.36	217,911.41	58.27	322,640.99	2.5	1.9
6,043.00	EATON VANCE	30.96	187,115.01	40.60	245,345.80	1.9	2.5
3,335.00	MCGRAW HILL FINL INC COM	54.39	181,398.42	103.75	346,006.25	2.7	1.3
2,948.00	MOODY'S	88.11	259,736.36	108.10	318,678.80	2.4	1.3
12,741.00	NATIONSTAR MORTGAGE HLDGS COM	33.73	429,799.44	19.72	251,252.52	1.9	1.6
5,240.00	WADDELL & REED FINANCIAL	45.81	240,048.24	47.78	250,367.20	1.9	3.6
			<u>2,282,717.99</u>		<u>2,779,503.17</u>	<u>21.3</u>	<u>2.0</u>
HEALTH CARE							
2,071.00	ABBVIE INC. COM	64.01	132,568.02	66.59	137,907.89	1.1	3.1
447.00	ACTAVIS PLC SHS	296.02	132,320.78	306.81	137,144.07	1.1	0.0
3,645.00	BAXTER INTERNATIONAL	69.97	255,033.44	66.61	242,793.45	1.9	3.1
1,384.00	ENDO INTERNATIONAL PLC	94.04	130,149.60	83.76	115,923.84	0.9	0.0
2,471.00	GILEAD SCIENCES	84.73	<u>209,376.98</u>	112.27	<u>277,419.17</u>	<u>2.1</u>	<u>1.5</u>
			859,448.83		911,188.42	7.0	1.8
INDUSTRIALS							
715.00	COPA HOLDINGS SA	150.14	107,346.87	85.29	60,982.35	0.5	3.9
2,233.00	LOCKHEED MARTIN	108.85	243,065.84	188.20	420,250.60	3.2	3.2

Herndon Capital Management
PORTFOLIO APPRAISAL
Ohio Bureau of Workers Compensation - LEIA
Large Cap Value Portfolio - Inception 04/01/2012
AC # P 73093
May 31, 2015

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Yield
3,007.00	ROCKWELL COLLINS INC	76.12	228,899.14	95.19	286,236.33	2.2	1.4
3,785.00	UNITED PARCEL SERVICES CL B	91.05	344,637.18	99.22	375,547.70	2.9	2.9
4,019.00	VERISK ANALYTICS	65.05	261,429.47	72.58	291,699.02	2.2	0.0
			1,185,378.50		1,434,716.00	11.0	2.1
INFORMATION TECHNOLOGY							
4,376.00	APPLE INC	76.46	334,597.58	130.28	570,105.28	4.4	1.6
4,623.00	MICROSOFT CORP	30.59	141,429.19	46.86	216,633.78	1.7	2.6
3,841.00	WESTERN DIGITAL	52.47	201,549.44	97.36	373,959.76	2.9	2.1
15,986.00	WESTERN UNION	16.35	261,339.01	21.95	350,892.70	2.7	2.8
			938,915.21		1,511,591.52	11.6	2.1
MATERIALS							
525.00	CF INDUSTRIES HOLDINGS INC	203.69	106,938.22	315.88	165,837.00	1.3	1.9
3,037.00	LYONDELLBASELL INDUSTRIES SHS - A	81.48	247,460.26	101.10	307,040.70	2.4	3.1
-							
715.00	NEWMARKET CORP COM	282.64	202,085.93	460.41	329,193.15	2.5	1.2
			556,484.42		802,070.85	6.2	2.1
TELECOMM SERVICES							
2,734.00	VERIZON COMM	47.05	128,630.02	49.44	135,168.96	1.0	4.4
			128,630.02		135,168.96	1.0	4.4
UTILITIES							
10,012.00	AES	13.51	135,232.21	13.60	136,163.20	1.0	2.9
			135,232.21		136,163.20	1.0	2.9

Herndon Capital Management
PORTFOLIO APPRAISAL
Ohio Bureau of Workers Compensation - LEIA
Large Cap Value Portfolio - Inception 04/01/2012
AC # P 73093
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<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Yield</u>
	COMMON STOCK Total		10,632,083.66		12,512,627.25	96.0	2.1
CASH AND EQUIVALENTS							
	Dividend Accrual Account		26,727.64		26,727.64	0.2	0.0
	Interest Receivable		3.41		3.41	0.0	0.0
	JP Morgan - US Cash		490,609.54		490,609.54	3.8	0.0
			517,340.59		517,340.59	4.0	0.0
TOTAL PORTFOLIO			11,149,424.25		13,029,967.84	100.0	2.1

Herndon Capital Management
PURCHASE AND SALE
Ohio Bureau of Workers Compensation - LEIA
Large Cap Value Portfolio - Inception 04/01/2012
AC # P 73093
From 05-01-15 To 05-31-15

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
PURCHASES					
05-04-15	05-07-15	1,129.00	AES	13.64	15,403.51
05-05-15	05-08-15	1,175.00	AES	13.54	15,906.09
05-05-15	05-08-15	1,136.00	AES	13.57	15,410.41
05-05-15	05-08-15	3,457.00	AES	13.52	46,742.79
05-06-15	05-11-15	884.00	AES	13.43	11,876.27
05-06-15	05-11-15	297.00	AES	13.38	3,972.70
05-06-15	05-11-15	1,934.00	AES	13.40	25,920.44
05-04-15	05-07-15	892.00	ATWOOD OCEANICS	33.13	29,553.03
05-05-15	05-08-15	878.00	ATWOOD OCEANICS	34.67	30,442.02
05-06-15	05-11-15	726.00	ATWOOD OCEANICS	34.86	25,311.05
05-06-15	05-11-15	424.00	ATWOOD OCEANICS	34.68	14,704.62
05-07-15	05-12-15	801.00	ATWOOD OCEANICS	33.80	27,074.60
05-07-15	05-12-15	273.00	ATWOOD OCEANICS	34.01	9,283.67
05-04-15	05-07-15	1,519.00	CONTINENTAL RSCS	51.67	78,494.17
05-04-15	05-07-15	267.00	CONTINENTAL RSCS	51.40	13,723.37
05-05-15	05-08-15	786.00	CONTINENTAL RSCS	52.92	41,597.95
05-04-15	05-07-15	1,343.00	EOG RESOURCES	99.63	133,799.73
05-04-15	05-07-15	2,018.00	HALLIBURTON CO	49.13	99,146.96
05-05-15	05-08-15	687.00	HALLIBURTON CO	49.83	34,233.69
05-04-15	05-07-15	404.00	SM ENERGY	57.19	23,104.76
05-04-15	05-07-15	571.00	SM ENERGY	57.21	32,665.31
05-05-15	05-08-15	846.00	SM ENERGY	57.84	48,934.92
05-05-15	05-08-15	542.00	SM ENERGY	57.87	31,366.57
					808,668.63
SALES					
05-04-15	05-07-15	2,455.00	CONOCOPHILLIPS	67.05	164,619.45
05-05-15	05-08-15	2,874.00	CONOCOPHILLIPS	67.82	194,901.32
05-04-15	05-07-15	1,031.00	MICROSOFT CORP	48.55	50,057.74
05-04-15	05-07-15	1,699.00	MICROSOFT CORP	48.32	82,092.13

Herndon Capital Management
PURCHASE AND SALE
Ohio Bureau of Workers Compensation - LEIA
Large Cap Value Portfolio - Inception 04/01/2012
AC # P 73093
From 05-01-15 To 05-31-15

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
05-04-15	05-07-15	548.00	OIL STATES INTERNATIONAL	46.04	25,231.10
05-05-15	05-08-15	469.00	OIL STATES INTERNATIONAL	45.95	21,551.79
05-06-15	05-11-15	288.00	OIL STATES INTERNATIONAL	45.38	13,069.80
05-06-15	05-11-15	115.00	OIL STATES INTERNATIONAL	45.39	5,219.99
05-07-15	05-12-15	286.00	OIL STATES INTERNATIONAL	43.43	12,420.69
05-08-15	05-13-15	56.00	OIL STATES INTERNATIONAL	43.31	2,425.52
05-08-15	05-13-15	433.00	OIL STATES INTERNATIONAL	43.29	18,744.18
05-08-15	05-13-15	137.00	OIL STATES INTERNATIONAL	43.27	5,928.25
05-12-15	05-15-15	145.00	OIL STATES INTERNATIONAL	43.71	6,337.45
05-12-15	05-15-15	19.00	OIL STATES INTERNATIONAL	43.68	829.86
05-12-15	05-15-15	290.00	OIL STATES INTERNATIONAL	43.58	12,637.97
05-15-15	05-20-15	242.00	OIL STATES INTERNATIONAL	43.17	10,448.21
05-15-15	05-20-15	584.00	OIL STATES INTERNATIONAL	43.09	25,165.85
05-18-15	05-21-15	246.00	OIL STATES INTERNATIONAL	42.72	10,508.81
05-18-15	05-21-15	128.00	OIL STATES INTERNATIONAL	42.73	5,470.02
05-19-15	05-22-15	137.00	OIL STATES INTERNATIONAL	41.78	5,723.45
05-19-15	05-22-15	49.00	OIL STATES INTERNATIONAL	41.70	2,043.15
05-20-15	05-26-15	145.00	OIL STATES INTERNATIONAL	41.92	6,078.51
05-20-15	05-26-15	56.00	OIL STATES INTERNATIONAL	41.97	2,350.51
05-21-15	05-27-15	274.00	OIL STATES INTERNATIONAL	42.44	11,629.56
05-21-15	05-27-15	274.00	OIL STATES INTERNATIONAL	42.57	11,663.97
05-21-15	05-27-15	531.00	OIL STATES INTERNATIONAL	42.57	22,604.30
05-21-15	05-27-15	177.00	OIL STATES INTERNATIONAL	42.75	7,567.46
05-21-15	05-27-15	134.00	OIL STATES INTERNATIONAL	42.67	5,718.17
05-21-15	05-27-15	252.00	OIL STATES INTERNATIONAL	42.64	10,744.22
05-21-15	05-27-15	343.00	OIL STATES INTERNATIONAL	42.76	14,667.39
05-22-15	05-28-15	152.00	OIL STATES INTERNATIONAL	42.84	6,511.16
05-22-15	05-28-15	69.00	OIL STATES INTERNATIONAL	42.97	2,964.95
					777,926.93

Herndon Capital Management
INCOME AND EXPENSES - SETTLED TRADES
Ohio Bureau of Workers Compensation - LEIA
Large Cap Value Portfolio - Inception 04/01/2012
AC # P 73093
From 05-01-15 Through 05-31-15

<u>Ex-Date</u>	<u>Pay-Date</u>	<u>Security</u>	<u>Amount</u>
COMMON STOCK			
04-08-2015	05-01-2015	VERIZON COMM	1,503.70
04-08-2015	05-01-2015	WADDELL & REED FINANCIAL	2,253.20
04-08-2015	05-01-2015	YUM! BRANDS INC	622.79
04-09-2015	05-04-2015	CAMPBELL SOUP	2,424.24
04-22-2015	05-06-2015	SM ENERGY	199.45
04-28-2015	05-13-2015	EATON VANCE	1,510.75
05-07-2015	05-14-2015	APPLE INC	2,275.52
04-21-2015	05-15-2015	COLGATE-PALMOLIVE CO	1,776.12
05-05-2015	05-21-2015	DISCOVER FINANCIAL SERVICES	1,550.36
04-20-2015	05-22-2015	APACHE CORP	1,109.00
05-13-2015	05-29-2015	APARTMENT INVST/MGMT	2,509.50
05-13-2015	05-29-2015	CF INDUSTRIES HOLDINGS INC	787.50
			<u>18,522.13</u>
CASH AND EQUIVALENTS			
04-30-2015	05-01-2015	JP Morgan - US Cash	4.59
			<u>4.59</u>
NET INCOME			18,526.72

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Herndon Capital Management
COMMISSION PURPOSE
Ohio Bureau of Workers Compensation - LEIA
Large Cap Value Portfolio - Inception 04/01/2012
AC # P 73093
From 05-01-15 to 05-31-15

	Commission Amount	Avg. Commission Per Share	Percent of Total Commission
Hard Dollar			
Calyon Securities	33.98	0.020	3.5%
Deutsche Bank	229.02	0.030	23.3%
ISI GROUP Algos	18.92	0.020	1.9%
ISI GROUP INC	60.54	0.030	6.2%
Instinet	35.64	0.010	3.6%
Liquidnet	16.04	0.010	1.6%
MKM Partners	22.72	0.020	2.3%
Morgan Stanley Dean Witter	82.80	0.030	8.4%
RBC Investment Advisor GROUP	12.00	0.029	1.2%
Sanford Bernstein	6.16	0.020	0.6%
Telsey Advisory Group	30.93	0.030	3.1%
Subtotal	548.75	0.024	55.8%
Soft Dollar			
Bloomberg Tradebook	102.18	0.030	10.4%
ITG	58.02	0.030	5.9%
Jones Trading	145.02	0.030	14.7%
Sturdivant and Co Inc	130.23	0.030	13.2%
Subtotal	435.45	0.030	44.2%
TOTAL	984.20	0.026	100%

Herndon Capital Management
Ohio Bureau of Workers Compensation vs. Russell 1000 Value
Performance Attribution by GICS Sectors
04/30/2015 - 05/31/2015

SectorName	Avg Port Wt	Avg Bmrk Wt	Port Return	Bmrk Return	Port Contrib	Bmrk Contribt	Alloc Effect	Select Effect	Total Effect
Portfolio	100.00	100.00	-0.90	1.20	-0.90	1.20	-0.86	-1.24	-2.10
Consumer Discretionary	6.64	6.53	-0.07	0.89	-0.01	0.06	0.00	-0.06	-0.06
Consumer Staples	10.81	7.09	2.35	0.98	0.25	0.07	-0.01	0.15	0.14
Energy	20.69	11.04	-6.07	-4.65	-1.28	-0.53	-0.58	-0.30	-0.87
Financials	21.37	29.85	-1.82	1.91	-0.39	0.56	-0.06	-0.80	-0.86
Health Care	6.84	14.58	4.28	4.80	0.28	0.69	-0.27	-0.04	-0.31
Industrials	11.13	10.35	-1.93	0.97	-0.22	0.10	0.00	-0.33	-0.33
Materials	6.09	3.16	2.60	0.19	0.15	0.01	-0.03	0.15	0.12
Information Technology	11.52	9.27	2.67	2.60	0.32	0.24	0.03	0.01	0.04
Telecommunication Servi	1.04	2.11	-1.98	-0.95	-0.02	-0.02	0.02	-0.01	0.01
Utilities	0.88	6.02	-0.29	0.42	0.01	0.02	0.05	-0.01	0.05
Cash	3.00	0.00	0.00	0.00	0.00	0.00	-0.02	0.00	-0.02

HERNDON CAPITAL MANAGEMENT

Large Cap Value Strategy Attribution Summary

Attribution Analysis – May 2015

The Russell 1000 Value Index rose 1.20% during the month of May. Performance was narrow as three of ten GICS sectors in the benchmark outperformed. The Herndon Large Cap Value portfolio underperformed the Russell 1000 Value over the month, falling approximately 0.88%, as four of ten sectors outperformed their respective benchmark sector and/or the Russell 1000 Value benchmark. For the month, both sector allocation and stock selection were negative; however, stock selection was the main driver of relative underperformance.

The portfolio sectors with the greatest relative contribution for the month of May were Consumer Staples (up more than 2%, with 14 bps impact), Materials (up approximately 3%, with 12 bps impact) and Utilities (flat, with 5 bps impact). The portfolio sectors with the lowest level of relative contribution for May were Energy (down 6%, with 89 bps impact), Financials (down almost 2%, with 86 bps impact) and Industrials (down 2%, with 33 bps impact). The portfolio's most pronounced relative overweight sectors continued to be Energy, Consumer Staples, Materials and Technology. The portfolio's largest relative underweights continued to be in the Financials, Health Care and Utilities sectors.

The top three positive individual stock contributors during the month were Gilead Sciences (+11.7% return), Campbell Soup (+8.1% return) and Western Union (+8.2% return). The three stocks that detracted from performance the most during the month were Nationstar (-21.4% return), Continental Resources (-13.4% return), and Apache (-12.5%).