

Ohio Bureau of Workers Compensation - LEIA

Monthly Reports

As of July 31, 2015

HERNDON CAPITAL®
Management

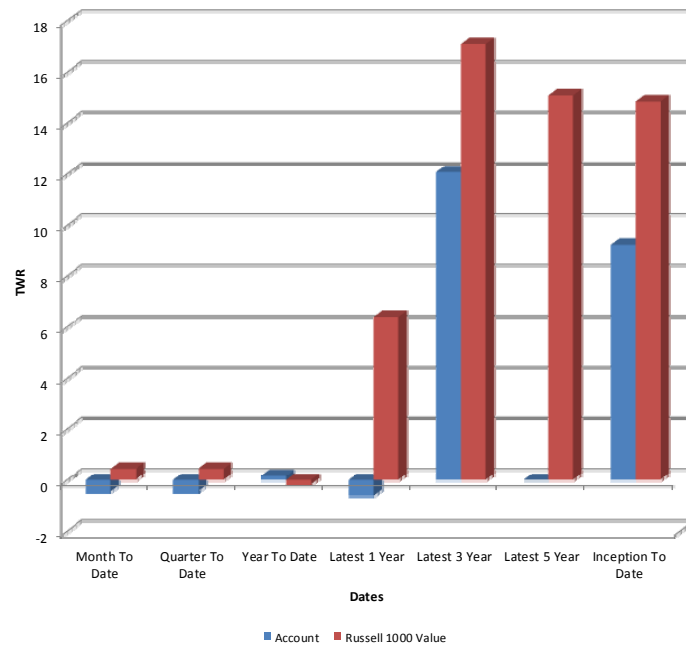
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Herndon Capital Management
TWR FOR SELECTED PERIODS
ANNUALIZED
GROSS OF FEES
Ohio Bureau of Workers Compensation - LEIA
Large Cap Value Portfolio - Inception 04/01/2012
AC # P 73093
July 31, 2015

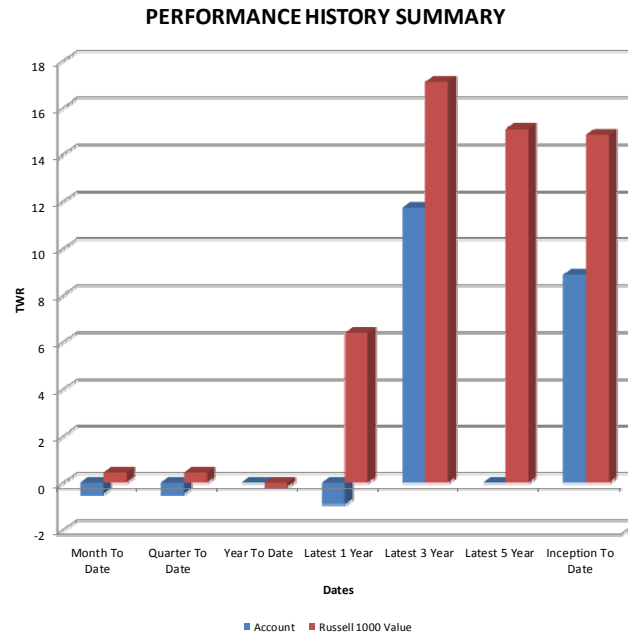
	Month To Date	Quarter To Date	Year To Date	Latest 1 Year	Latest 3 Year	Latest 5 Year	Inception To Date
Account	-0.46	-0.46	0.15	-0.62	12.07	-	9.22
Russell 1000 Value	0.44	0.44	-0.18	6.40	17.11	15.08	14.85

PERFORMANCE HISTORY SUMMARY



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

	<u>Month To Date</u>	<u>Quarter To Date</u>	<u>Year To Date</u>	<u>Latest 1 Year</u>	<u>Latest 3 Year</u>	<u>Latest 5 Year</u>	<u>Inception To Date</u>
Account	-0.46	-0.46	0.00	-0.92	11.72	-	8.89
Russell 1000 Value	0.44	0.44	-0.18	6.40	17.11	15.08	14.85



Herndon Capital Management
PORTFOLIO APPRAISAL
Ohio Bureau of Workers Compensation - LEIA
Large Cap Value Portfolio - Inception 04/01/2012
AC # P 73093
July 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							
1,560.00	ROSS STORES	36.21	56,490.03	53.16	82,929.60	0.7	0.9
6,162.00	TJX COMPANIES INC	45.01	277,355.65	69.82	430,230.84	3.4	1.2
1,519.00	YUM! BRANDS INC	71.93	109,265.60	87.76	133,307.44	1.1	1.9
			443,111.28		646,467.88	5.1	1.3
CONSUMER STAPLES							
7,413.00	ALTRIA GROUP INC	32.54	241,232.63	54.38	403,118.94	3.2	3.8
7,770.00	CAMPBELL SOUP	45.68	354,923.04	49.31	383,138.70	3.0	2.5
2,776.00	COLGATE-PALMOLIVE CO	65.55	181,974.63	68.02	188,823.52	1.5	2.2
4,287.00	PHILIP MORRIS INTL	85.91	368,300.29	85.53	366,667.11	2.9	4.7
			1,146,430.59		1,341,748.27	10.6	3.5
ENERGY							
4,436.00	APACHE CORP	84.89	376,575.81	45.86	203,434.96	1.6	2.2
12,555.00	CHESAPEAKE ENERGY	11.62	145,885.67	8.66	108,726.30	0.9	0.0
6,877.00	CONTINENTAL RSCS	47.06	323,630.58	33.41	229,760.57	1.8	0.0
2,791.00	EOG RESOURCES	94.52	263,791.38	77.19	215,437.29	1.7	0.9
4,195.00	EXXON MOBIL CORP	87.02	365,038.87	79.21	332,285.95	2.6	3.7
5,560.00	HALLIBURTON CO	47.36	263,323.97	41.79	232,352.40	1.8	1.7
8,038.00	MARATHON PETR CORP COM	28.28	227,310.06	54.67	439,437.46	3.5	2.3
8,792.00	NOBLE CORP PLC SHS USD	15.07	132,523.99	11.95	105,064.40	0.8	12.6
6,352.00	SM ENERGY	75.64	480,455.73	37.07	235,468.64	1.9	0.3
2,673.00	TESORO	97.54	260,720.60	97.34	260,189.82	2.1	1.7

Herndon Capital Management
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AC # P 73093
July 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>
5,359.00	VALERO ENERGY CORP	48.03	257,390.39	65.60	351,550.40	2.8	2.4
			<u>3,096,647.04</u>		<u>2,713,708.19</u>	<u>21.5</u>	<u>2.2</u>
FINANCIALS							
3,241.00	AMERICAN EXPRESS	79.59	257,954.97	76.06	246,510.46	2.0	1.5
8,365.00	APARTMENT INVT/MGMT	28.13	235,270.26	39.08	326,904.20	2.6	3.1
6,669.00	CBOE HOLDINGS	35.83	238,917.53	61.98	413,344.62	3.3	1.5
555.00	CREDIT ACCEPTANCE CORP	229.86	127,573.98	240.21	133,316.55	1.1	0.0
5,537.00	DISCOVER FINANCIAL SERVICES	39.36	217,911.41	55.81	309,019.97	2.4	2.0
7,673.00	EATON VANCE	33.09	253,884.72	38.36	294,336.28	2.3	2.6
3,335.00	MCGRAW HILL FINL INC COM	54.39	181,398.42	101.75	339,336.25	2.7	1.3
2,948.00	MOODY'S	88.11	259,736.36	110.43	325,547.64	2.6	1.2
6,563.00	WADDELL & REED FINANCIAL	46.53	305,390.32	44.91	294,744.33	2.3	3.8
			<u>2,078,037.96</u>		<u>2,683,060.30</u>	<u>21.3</u>	<u>2.0</u>
HEALTH CARE							
2,071.00	ABBVIE INC. COM	64.01	132,568.02	70.01	144,990.71	1.1	2.9
3,645.00	BAXTER INTERNATIONAL	37.78	137,718.06	40.08	146,091.60	1.2	1.1
2,471.00	GILEAD SCIENCES	84.73	<u>209,376.98</u>	117.86	<u>291,232.06</u>	<u>2.3</u>	<u>1.5</u>
			<u>479,663.07</u>		<u>582,314.37</u>	<u>4.6</u>	<u>1.7</u>
INDUSTRIALS							
2,275.00	COPA HOLDINGS SA	105.15	239,207.45	75.53	171,830.75	1.4	4.4
2,233.00	LOCKHEED MARTIN	108.85	243,065.84	207.10	462,454.30	3.7	2.9

Herndon Capital Management
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Ohio Bureau of Workers Compensation - LEIA
Large Cap Value Portfolio - Inception 04/01/2012
AC # P 73093
July 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	84.62	254,452.34	2.0	1.6
3,785.00	UNITED PARCEL SERVICES CL B	91.05	344,637.18	102.36	387,432.60	3.1	2.9
4,019.00	VERISK ANALYTICS INC.	65.05	261,429.47	78.11	313,924.09	2.5	0.0
			1,317,239.08		1,590,094.08	12.6	2.3
INFORMATION TECHNOLOGY							
1,298.00	ACCENTURE PLC CL A	97.91	127,087.00	103.11	133,836.78	1.1	2.0
428.00	ALLIANCE DATA SYSTEM	295.30	126,388.34	275.04	117,717.12	0.9	0.0
3,368.00	APPLE INC	76.46	257,523.91	121.30	408,538.40	3.2	1.7
1,649.00	HARRIS CORP	79.83	131,645.55	82.94	136,768.06	1.1	2.3
4,159.00	HEWLETT-PACKARD	30.49	126,827.45	30.52	126,932.68	1.0	2.3
1,354.00	MASTERCARD INC CL A	92.99	125,909.80	97.40	131,879.60	1.0	0.7
7,456.00	MICROSOFT CORP	36.34	270,938.37	46.70	348,195.20	2.8	2.7
3,841.00	WESTERN DIGITAL	52.47	201,549.44	86.06	330,556.46	2.6	2.3
15,986.00	WESTERN UNION	16.35	261,339.01	20.24	323,556.64	2.6	3.1
			1,629,208.87		2,057,980.94	16.3	2.1
MATERIALS							
2,625.00	CF INDUSTRIES HOLDINGS INC	40.74	106,938.22	59.20	155,400.00	1.2	2.0
3,037.00	LYONDELLBASELL INDUSTRIES SHS - A	81.48	247,460.26	93.83	284,961.71	2.3	3.3
	-						

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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>
715.00	NEWMARKET CORP COM	282.64	202,085.93	397.71	284,362.65	2.3	1.4
			556,484.42		724,724.36	5.7	2.3
	COMMON STOCK Total		10,746,822.31		12,340,098.39	97.8	2.2
CASH AND EQUIVALENTS							
	Dividend Accrual Account		18,109.19		18,109.19	0.1	0.0
	Interest Receivable		3.15		3.15	0.0	0.0
	JP Morgan - US Cash		264,753.23		264,753.23	2.1	0.0
			282,865.57		282,865.57	2.2	0.0
TOTAL PORTFOLIO			11,029,687.88		12,622,963.96	100.0	2.2

Herndon Capital Management
PURCHASE AND SALE
Ohio Bureau of Workers Compensation - LEIA
Large Cap Value Portfolio - Inception 04/01/2012
AC # P 73093
From 07-01-15 To 07-31-15

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
PURCHASES					
07-08-15	07-13-15	533.00	ACCENTURE PLC CL A	97.68	52,063.97
07-09-15	07-14-15	333.00	ACCENTURE PLC CL A	98.10	32,666.77
07-09-15	07-14-15	432.00	ACCENTURE PLC CL A	98.05	42,356.26
07-08-15	07-13-15	136.00	ALLIANCE DATA SYSTEM	294.11	39,998.42
07-09-15	07-14-15	292.00	ALLIANCE DATA SYSTEM	295.86	86,389.92
07-08-15	07-13-15	1,363.00	CHESAPEAKE ENERGY	11.02	15,017.53
07-09-15	07-14-15	5,293.00	CHESAPEAKE ENERGY	11.76	62,250.97
07-10-15	07-15-15	5,899.00	CHESAPEAKE ENERGY	11.63	68,617.17
07-09-15	07-14-15	39.00	COPA HOLDINGS SA	84.42	3,292.34
07-09-15	07-14-15	39.00	COPA HOLDINGS SA	84.51	3,295.73
07-09-15	07-14-15	118.00	COPA HOLDINGS SA	84.46	9,965.95
07-09-15	07-14-15	152.00	COPA HOLDINGS SA	84.40	12,829.30
07-09-15	07-14-15	442.00	COPA HOLDINGS SA	84.45	37,324.87
07-10-15	07-15-15	106.00	COPA HOLDINGS SA	85.27	9,038.31
07-13-15	07-16-15	204.00	COPA HOLDINGS SA	85.83	17,509.36
07-14-15	07-17-15	105.00	COPA HOLDINGS SA	84.39	8,861.23
07-14-15	07-17-15	145.00	COPA HOLDINGS SA	83.83	12,154.92
07-15-15	07-20-15	210.00	COPA HOLDINGS SA	83.76	17,588.57
07-22-15	07-27-15	62.00	CREDIT ACCEPTANCE CORP	228.33	14,156.17
07-23-15	07-28-15	14.00	CREDIT ACCEPTANCE CORP	230.01	3,220.14
07-23-15	07-28-15	14.00	CREDIT ACCEPTANCE CORP	230.00	3,220.03
07-23-15	07-28-15	14.00	CREDIT ACCEPTANCE CORP	230.01	3,220.14
07-23-15	07-28-15	15.00	CREDIT ACCEPTANCE CORP	229.97	3,449.56
07-23-15	07-28-15	14.00	CREDIT ACCEPTANCE CORP	229.20	3,208.86
07-23-15	07-28-15	14.00	CREDIT ACCEPTANCE CORP	229.08	3,207.19
07-23-15	07-28-15	42.00	CREDIT ACCEPTANCE CORP	229.18	9,625.47
07-23-15	07-28-15	7.00	CREDIT ACCEPTANCE CORP	229.24	1,604.68
07-23-15	07-28-15	15.00	CREDIT ACCEPTANCE CORP	229.48	3,442.17
07-23-15	07-28-15	9.00	CREDIT ACCEPTANCE CORP	230.24	2,072.13
07-23-15	07-28-15	129.00	CREDIT ACCEPTANCE CORP	229.69	29,629.60
07-24-15	07-29-15	61.00	CREDIT ACCEPTANCE CORP	231.01	14,091.61

Herndon Capital Management
PURCHASE AND SALE
Ohio Bureau of Workers Compensation - LEIA
Large Cap Value Portfolio - Inception 04/01/2012
AC # P 73093
From 07-01-15 To 07-31-15

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
07-24-15	07-29-15	116.00	CREDIT ACCEPTANCE CORP	230.65	26,755.40
07-24-15	07-29-15	29.00	CREDIT ACCEPTANCE CORP	230.03	6,670.83
07-09-15	07-14-15	700.00	HARRIS CORP	78.44	54,906.25
07-10-15	07-15-15	69.00	HARRIS CORP	79.23	5,467.01
07-10-15	07-15-15	64.00	HARRIS CORP	79.17	5,066.72
07-13-15	07-16-15	117.00	HARRIS CORP	80.11	9,372.99
07-14-15	07-17-15	348.00	HARRIS CORP	80.69	28,078.62
07-15-15	07-20-15	351.00	HARRIS CORP	81.92	28,753.96
07-08-15	07-13-15	1,593.00	HEWLETT-PACKARD	30.44	48,498.09
07-08-15	07-13-15	1,387.00	HEWLETT-PACKARD	30.45	42,236.51
07-09-15	07-14-15	487.00	HEWLETT-PACKARD	30.63	14,915.50
07-09-15	07-14-15	692.00	HEWLETT-PACKARD	30.60	21,177.35
07-08-15	07-13-15	1,067.00	MASTERCARD INC CL A	92.78	98,996.26
07-09-15	07-14-15	287.00	MASTERCARD INC CL A	93.78	26,913.54
07-08-15	07-13-15	4,750.00	NOBLE CORP PLC SHS USD	15.02	71,356.40
07-09-15	07-14-15	4,042.00	NOBLE CORP PLC SHS USD	15.13	61,167.59
07-08-15	07-13-15	460.00	TESORO	91.75	42,205.78
07-09-15	07-14-15	279.00	TESORO	92.25	25,736.63
07-10-15	07-15-15	156.00	TESORO	98.08	15,300.93
07-13-15	07-16-15	504.00	TESORO	100.02	50,408.62
07-22-15	07-27-15	704.00	TESORO	99.74	70,213.93
07-22-15	07-27-15	570.00	TESORO	99.75	56,854.71
					1,436,422.96
SALES					
07-09-15	07-14-15	990.00	AES	13.02	12,890.06
07-09-15	07-14-15	1,292.00	AES	13.01	16,808.61
07-09-15	07-14-15	1,938.00	AES	13.01	25,210.01
07-09-15	07-14-15	344.00	AES	13.03	4,482.72
07-10-15	07-15-15	603.00	AES	13.09	7,893.84
07-10-15	07-15-15	1,117.00	AES	13.08	14,608.86
07-10-15	07-15-15	1,034.00	AES	13.10	13,544.12

Herndon Capital Management
PURCHASE AND SALE
Ohio Bureau of Workers Compensation - LEIA
Large Cap Value Portfolio - Inception 04/01/2012
AC # P 73093
From 07-01-15 To 07-31-15

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
07-13-15	07-16-15	972.00	AES	13.07	12,708.86
07-13-15	07-16-15	566.00	AES	13.04	7,378.12
07-13-15	07-16-15	301.00	AES	13.01	3,915.46
07-14-15	07-17-15	301.00	AES	13.18	3,967.08
07-14-15	07-17-15	554.00	AES	13.14	7,282.20
07-09-15	07-14-15	410.00	AFLAC INC	60.80	24,928.57
07-09-15	07-14-15	858.00	AFLAC INC	60.72	52,095.86
07-09-15	07-14-15	415.00	AFLAC INC	60.78	25,224.11
07-10-15	07-15-15	801.00	AFLAC INC	61.44	49,210.21
07-10-15	07-15-15	609.00	AFLAC INC	61.45	37,422.36
07-10-15	07-15-15	271.00	AFLAC INC	61.52	16,670.85
07-07-15	07-10-15	80.00	ALLERGAN PLC	307.00	24,559.66
07-08-15	07-13-15	99.00	ALLERGAN PLC	300.51	29,750.34
07-09-15	07-14-15	268.00	ALLERGAN PLC	303.82	81,424.56
07-08-15	07-13-15	1,096.00	BAXALTA INC COM	31.58	34,616.08
07-09-15	07-14-15	861.00	BAXALTA INC COM	31.29	26,944.41
07-10-15	07-15-15	1,688.00	BAXALTA INC COM	30.60	51,660.63
07-22-15	07-27-15	29.00	COLGATE-PALMOLIVE CO	66.98	1,942.40
07-22-15	07-27-15	610.00	COLGATE-PALMOLIVE CO	66.94	40,835.46
07-22-15	07-27-15	51.00	COLGATE-PALMOLIVE CO	66.93	3,413.25
07-22-15	07-27-15	51.00	COLGATE-PALMOLIVE CO	67.00	3,416.92
07-22-15	07-27-15	51.00	COLGATE-PALMOLIVE CO	66.98	3,416.18
07-23-15	07-28-15	102.00	COLGATE-PALMOLIVE CO	67.06	6,840.50
07-23-15	07-28-15	877.00	COLGATE-PALMOLIVE CO	66.96	58,724.07
07-23-15	07-28-15	76.00	COLGATE-PALMOLIVE CO	67.07	5,097.53
07-23-15	07-28-15	51.00	COLGATE-PALMOLIVE CO	67.03	3,418.37
07-08-15	07-13-15	1,019.00	ENDO INTERNATIONAL PLC	78.95	80,453.26
07-09-15	07-14-15	365.00	ENDO INTERNATIONAL PLC	79.55	29,035.22
07-08-15	07-13-15	398.00	ROSS STORES	50.20	19,978.24
07-08-15	07-13-15	326.00	ROSS STORES	50.20	16,366.30
07-09-15	07-14-15	546.00	ROSS STORES	50.47	27,559.06
07-09-15	07-14-15	409.00	ROSS STORES	50.50	20,655.18
07-09-15	07-14-15	98.00	ROSS STORES	50.94	4,991.89

Herndon Capital Management
PURCHASE AND SALE
Ohio Bureau of Workers Compensation - LEIA
Large Cap Value Portfolio - Inception 04/01/2012
AC # P 73093
From 07-01-15 To 07-31-15

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
07-10-15	07-15-15	404.00	ROSS STORES	50.78	20,516.96
07-10-15	07-15-15	143.00	ROSS STORES	50.83	7,268.42
07-10-15	07-15-15	202.00	ROSS STORES	50.83	10,267.69
07-22-15	07-27-15	50.00	ROSS STORES	53.40	2,669.95
07-22-15	07-27-15	50.00	ROSS STORES	53.27	2,663.37
07-22-15	07-27-15	500.00	ROSS STORES	53.34	26,667.61
07-22-15	07-27-15	41.00	ROSS STORES	53.28	2,184.58
07-22-15	07-27-15	2.00	ROSS STORES	53.39	106.78
07-23-15	07-28-15	50.00	ROSS STORES	53.36	2,667.80
07-23-15	07-28-15	386.00	ROSS STORES	53.23	20,547.52
07-23-15	07-28-15	22.00	ROSS STORES	53.35	1,173.71
07-24-15	07-29-15	50.00	ROSS STORES	52.95	2,647.36
07-24-15	07-29-15	378.00	ROSS STORES	52.86	19,982.07
07-24-15	07-29-15	24.00	ROSS STORES	52.90	1,269.67
07-24-15	07-29-15	34.00	ROSS STORES	52.96	1,800.57
07-24-15	07-29-15	25.00	ROSS STORES	52.95	1,323.63
07-27-15	07-30-15	50.00	ROSS STORES	52.28	2,614.12
07-27-15	07-30-15	50.00	ROSS STORES	52.08	2,603.96
07-27-15	07-30-15	50.00	ROSS STORES	52.09	2,604.56
07-27-15	07-30-15	50.00	ROSS STORES	52.09	2,604.57
07-27-15	07-30-15	50.00	ROSS STORES	52.10	2,605.20
07-27-15	07-30-15	50.00	ROSS STORES	52.04	2,601.78
07-27-15	07-30-15	492.00	ROSS STORES	52.08	25,624.66
07-07-15	07-10-15	397.00	VERIZON COMM	47.28	18,770.92
07-07-15	07-10-15	530.00	VERIZON COMM	47.29	25,065.78
07-07-15	07-10-15	794.00	VERIZON COMM	47.27	37,533.91
07-07-15	07-10-15	1,013.00	VERIZON COMM	47.24	47,850.50
					1,205,579.06

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 07-01-15 Through 07-31-15

<u>Ex-Date</u>	<u>Pay-Date</u>	<u>Security</u>	<u>Amount</u>
COMMON STOCK			
05-28-2015	07-01-2015	BAXTER INTERNATIONAL	1,895.40
06-11-2015	07-01-2015	NEWMARKET CORP COM	1,001.00
06-11-2015	07-10-2015	ALTRIA GROUP INC	3,854.76
06-23-2015	07-10-2015	PHILIP MORRIS INTL	4,287.00
06-30-2015	07-15-2015	WESTERN DIGITAL	1,920.50
07-15-2015	07-31-2015	EOG RESOURCES	467.49
			13,426.15
CASH AND EQUIVALENTS			
06-30-2015	07-01-2015	JP Morgan - US Cash	3.37
			3.37
NET INCOME			13,429.52

Report run at 04:06:50 PM on Friday, August 07, 2015

Herndon Capital Management
COMMISSION PURPOSE
Ohio Bureau of Workers Compensation - LEIA
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	Commission Amount	Avg. Commission Per Share	Percent of Total Commission
Hard Dollar			
Barclays Capital	114.36	0.030	6.6%
Calyon Securities	292.71	0.030	16.9%
CastleOak Securities	17.84	0.020	1.0%
Deutsche Bank	20.76	0.030	1.2%
Instinet	43.36	0.010	2.5%
JP Morgan Algos	26.40	0.030	1.5%
KCG Holdings Inc.	17.14	0.020	1.0%
Liquidnet	16.70	0.010	1.0%
MKM Partners	2.86	0.020	0.2%
Merrill Lynch, Pierce, Fenner Smith	81.27	0.030	4.7%
North South Capital	8.20	0.020	0.5%
RBC Capital Markets	6.66	0.020	0.4%
Sanford Bernstein	87.75	0.024	5.1%
Stifel Nicolaus	18.27	0.030	1.1%
Telsey Advisory Group	15.90	0.030	0.9%
Topeka Capital Markets	279.66	0.030	16.1%
Subtotal	1,049.84	0.026	60.5%
Soft Dollar			
Bloomberg Tradebook	492.09	0.030	28.4%
ITG	46.47	0.030	2.7%
Jones Trading	146.67	0.030	8.5%
Subtotal	685.23	0.030	39.5%
TOTAL	1,735.07	0.027	100%

Herndon Capital Management
Ohio Bureau of Workers Compensation vs. Russell 1000 Value
Performance Attribution by GICS Sectors
06/30/2015 - 07/31/2015

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	-0.40	0.44	-0.40	0.44	-1.48	0.65	-0.84
Consumer Discretionary	6.06	5.35	5.57	0.30	0.32	0.02	-0.02	0.34	0.32
Consumer Staples	11.00	6.83	6.69	3.10	0.72	0.21	0.12	0.38	0.49
Energy	20.82	13.72	-8.89	-8.02	-1.91	-1.14	-0.63	-0.20	-0.83
Financials	21.06	30.10	1.23	3.15	0.24	0.92	-0.25	-0.39	-0.64
Health Care	5.30	11.91	3.59	3.67	0.12	0.43	-0.22	-0.03	-0.26
Industrials	11.96	10.02	3.20	-1.55	0.38	-0.16	-0.03	0.56	0.52
Materials	6.14	2.89	-9.47	-7.35	-0.60	-0.22	-0.26	-0.13	-0.39
Information Technology	14.39	10.95	1.36	0.66	0.34	0.07	0.05	0.17	0.22
Telecommunication Services	0.22	2.44	1.37	-1.00	0.01	-0.03	0.03	0.01	0.04
Utilities	0.36	5.75	-1.06	5.80	-0.02	0.33	-0.27	-0.05	-0.32
Cash	2.69	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.01

July 2015

**Herndon Capital Management
Large Cap Value Commentary**

U.S. public equities posted modestly positive returns during the month of July as the Greek crisis, fears of a stock market panic in China and the Iran nuclear negotiations dominated the global news headlines. All of the major U.S. equity indices gained positive ground. The Russell 1000 Value Index rose 0.44% during the month of July. Performance was mixed as five out of ten GICS sectors in the benchmark outperformed. The leading sectors in the benchmark were Utilities (up approximately 6% for the month of July), Healthcare (up approximately 4%) and Financials (up 3%). The laggards for the month included Energy (down 8%), Materials (down 7%) and Industrials (down approximately 2%).

The Herndon Large Cap Value portfolio underperformed the Russell 1000 Value over the month, falling approximately 0.44% despite outperformance in seven out of ten respective sectors and/or the Russell 1000 Value benchmark. For the month, stock selection was positive while sector allocation was the primary detractor from relative performance. In terms of allocation, the portfolio's overweight position in the underperforming Energy sector was the largest drag on performance.

The portfolio's most pronounced relative overweight sectors continued to be Energy, Consumer Staples and Technology. The portfolio's largest relative underweights continued to be in the Financials, Health Care and Utilities sectors.

The portfolio sectors with the greatest relative contribution for the month of July were Industrials (up 3%, with 52 bps impact), Consumer Staples (up approximately 7%, with 49 bps impact) and Consumer Discretionary (up approximately 6%, with 32 bps impact). The portfolio sectors with the lowest level of relative contribution for July were Energy (down approximately 9%, with 83 bps impact), Financials (up 1%, with 64 bps impact) and Materials (down 9%, with 40 bps impact).

The top three positive individual stock contributors during the month were Lockheed Martin (+11.4% return), Altria Group (+11.2% return) and CBOE (+8.3% return). These stocks represent holdings from the Industrials, Consumer Staples and Financials sectors respectively. Lockheed Martin (LMT), a global defense design and development company, continues to rise on improved sentiment following M&A activity and 2nd quarter results that exceeded expectations. Altria Group (MO), a tobacco and alcohol company is benefitting from increased revenue from their wine segment along with increased sale volumes and higher pricings on tobacco products. CBOE (CBOE), the operator of an exchange focused on ETFs, options and derivatives trading, had increased investor enthusiasm as their current ROE exceeds their peer average by 3x while having no debt on their balance sheet.

The three stocks that detracted from performance the most during the month were Continental Resources (-21.2% return), SM Energy (-19.6% return), and Apache (-20.0%). Continental Resources (CLR), SM Energy (SM) and Apache (APA), are oil exploration and production companies in the Energy sector which experienced a decline in performance reflective of the current market on the price of oil.

During the month of July, the portfolio's position in Copa Holdings increased while positions in Baxter International, Colgate-Palmolive and Ross Stores were decreased. Positions were initiated in Accenture, Alliance Data Systems, Chesapeake Energy, Credit Acceptance, Harris, Hewlett-Packard, Mastercard, Noble and Tesoro. The portfolio's positions in AES, Aflac, Allergan, Endo International and Verizon Communications were eliminated. The net impact of the trades had just minor impacts on the overall relative sector exposure. Exposure to Energy, Industrials and Technology increased, while exposure to Consumer Discretionary, Health Care, Telecom and Utilities declined. All other sectors essentially remained the same, with the exception of market appreciation or depreciation.