



## Franklin Regional Retirement System

## Market Analysis

After starting the second quarter on a positive note, the domestic equity markets sold off late in the quarter despite a decent economic picture, as investors pondered the implications of a potential Greek default on its debt.

Investors continued to favor growth stocks, leading the Russell 2000® Growth to outperform the Russell 2000® Value by over 3% during the quarter, bringing its year-to-date advantage to almost 8%.

Our Small Cap Equity strategy underperformed both the Russell 2000® and Russell 2000® Value indices in the growth led market.

Stock selection accounted for all of the underperformance with our holdings in the Financial and Information Technology sectors lagging the most.

While the environment in the second quarter and year-to-date has been difficult for our discipline, we remain committed to our strategy, confident that it will be rewarded in the fullness of time.

*Comments above relating to portfolio results are based upon composite performance data, and may not be representative of individual client portfolio performance due to a number of factors, including but not limited to, account specific restrictions and timing of client cash flows.*

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## Performance (Gross of Fees)

	2Q15	YTD	1 Year	3 Year	5 Year	Since Inception*
<b>Total Portfolio</b>	-2.64%	-0.35%	-0.65%	—	—	-0.07%
<b>Russell 2000®</b>	0.42%	4.75%	6.49%	17.81%	17.07%	5.76%
<b>Russell 2000® Value</b>	-1.20%	0.76%	0.78%	15.50%	14.80%	1.60%

\*Inception date: 3/31/2014

## Market Value

	Trade Date Market Value
<b>Total Portfolio</b>	\$5,907,429
<b>Equity</b>	\$5,857,992
<b>Cash</b>	\$49,438

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