

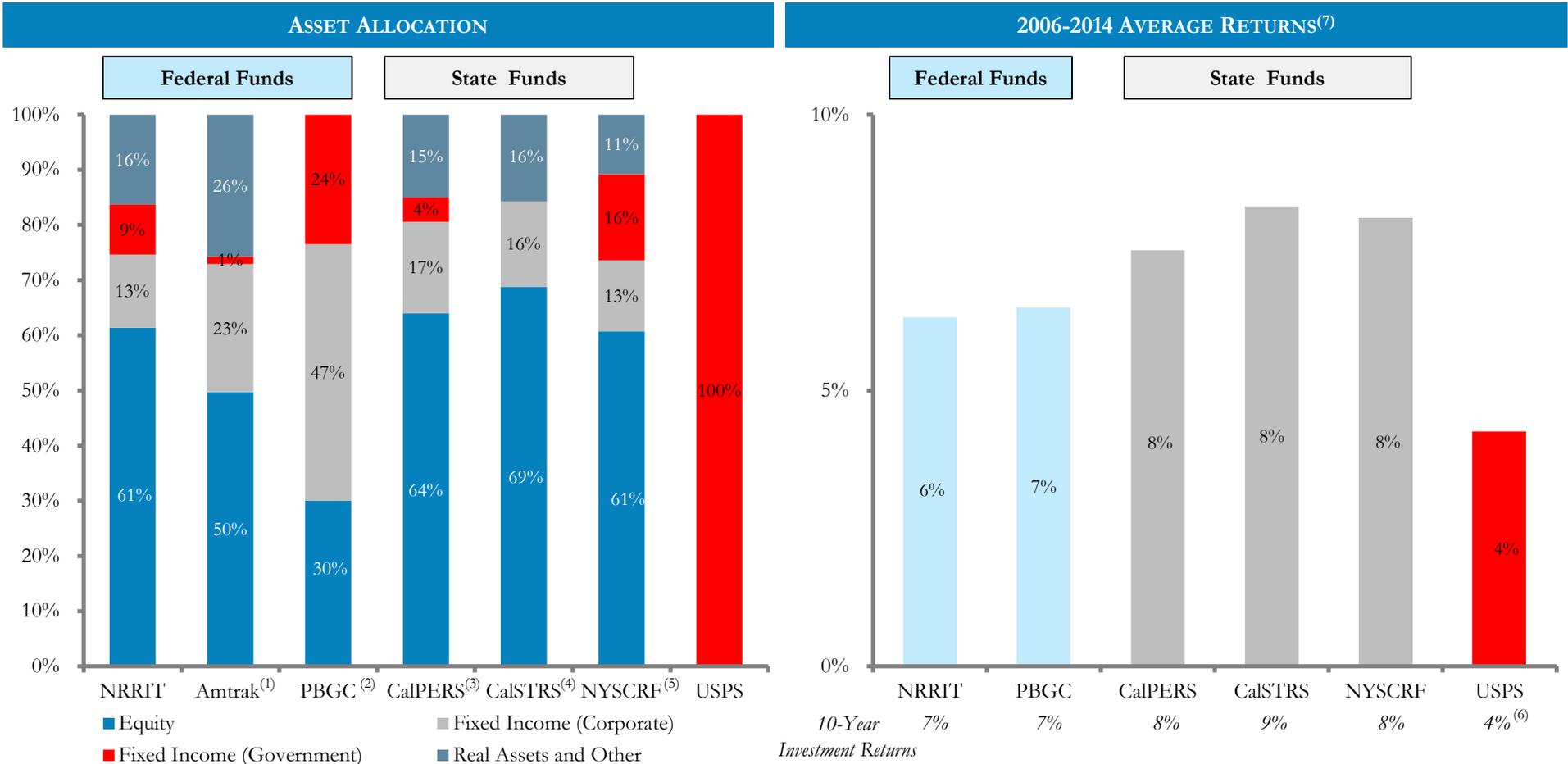
SELECTED FEDERAL AND STATE FUND ALLOCATIONS AND RETURNS





Most Recent Asset Allocation and Historical Returns of Various Funds

Major quasi-governmental pensions and other assets funds invest in diversified portfolios including corporate securities; average returns have exceeded that of the Postal Service Retiree Health Benefits Fund (“PSRHBF”) since its inception in 2006



Source: Annual reports and press releases, US News Global Asset Fund Allocation Guidelines.

(1) Amtrak trust funds provide post-retirement benefits for non-unionized employees; total assets under management: \$394m.

(2) PBGC (Pension Benefit Guaranty Corporation) guarantees pension benefits for American employees and retirees in ~24,000 plans; total assets under management: \$81.5b.

(3) CalPERS (California Public Employees’ Retirement System) is comprised of multiple-employer plans based in CA; total assets under management: \$313.7b.

(4) CalSTRS (California State Teachers’ Retirement System) provides pension benefits to California full-time and part-time public school teachers; total assets under management: \$189.1b.

(5) NYSCRF (New York State Common Retirement Fund) provides benefits to 3,000 state and local government-participating employers; total assets under management: \$181.3b.

(6) Figures for 2005-2006 reflect US Treasury returns.

(7) USPS transferred \$3.0 billion into the PSRHBF on April 6, 2007, \$17.1 billion on June 29, 2007, and \$5.4 billion on September 30, 2007.

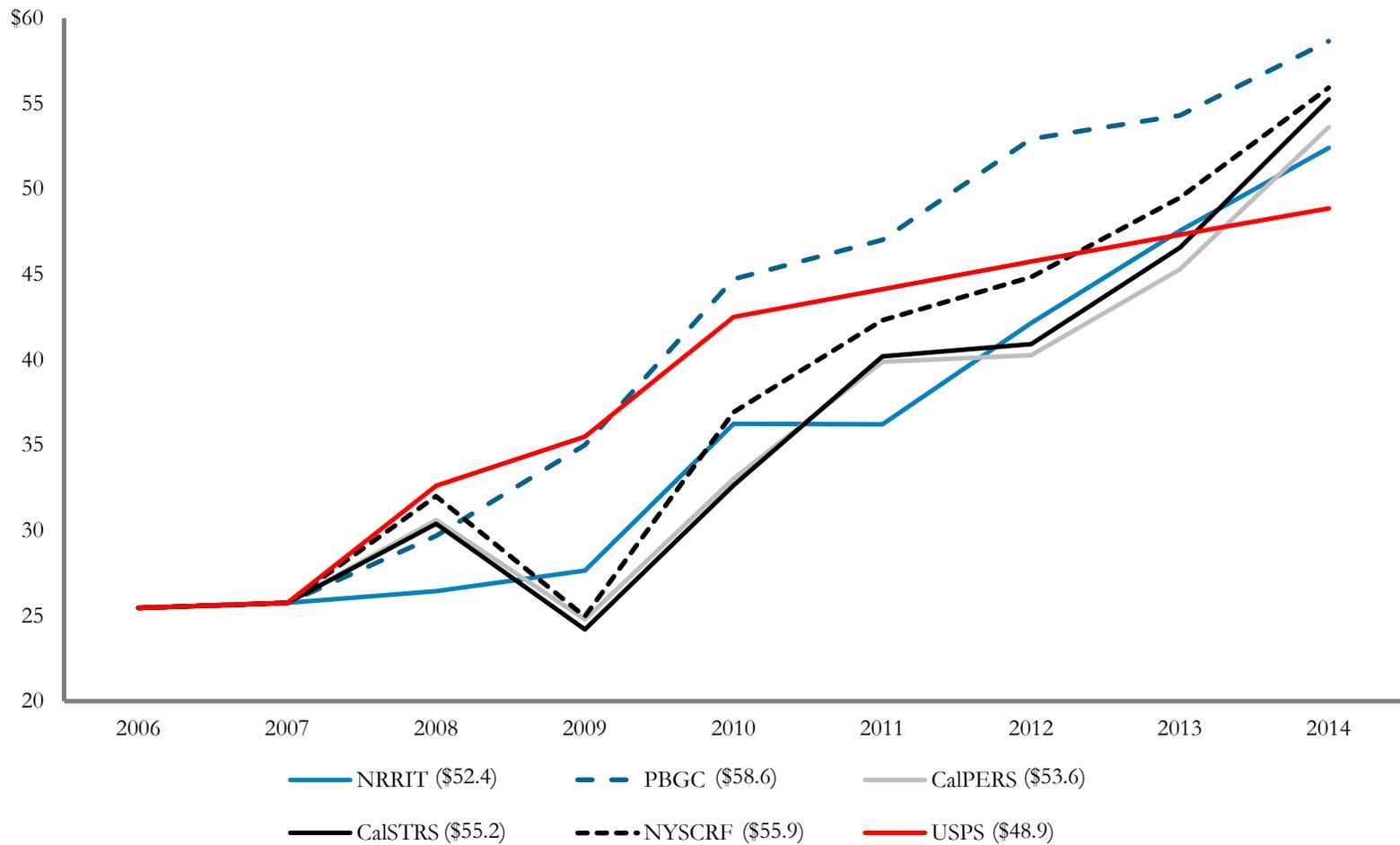


PSRHBF Assets over Time

(\$ in billions)

PSRHBF asset balance was \$48.9 billion as of September 2014. If the PSRHBF had been invested similarly to selected other quasi-governmental funds since its inception, the balance would be between \$52 and \$59 billion

ILLUSTRATIVE PSRHBF BALANCES ASSUMING DIVERSIFIED INVESTMENT MIX
(HYPOTHETICAL PSRHBF 2014 BALANCE IN PARENTHESES)



Appendix: Summary Metrics

(\$ in billions)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	8-Year Average	10-Year Average	
Illustrative PSRHBFBalances Assuming Diversified Investment Mix (1)	NRRIT	-	-	\$25.7	\$26.4	\$27.7	\$36.2	\$36.2	\$42.1	\$47.5	\$52.4	-	-
	PBGC	-	-	25.7	29.7	35.0	44.7	47.0	52.9	54.3	58.6	-	-
	CalPERS	-	-	25.7	30.6	24.8	33.0	39.9	40.3	45.3	53.6	-	-
	CalSTRS	-	-	25.7	30.4	24.2	32.6	40.2	40.9	46.6	55.2	-	-
	NYSCRF	-	-	25.7	32.0	25.0	36.9	42.3	44.8	49.5	55.9	-	-
	USPS	-	25.5 ⁽²⁾	25.7	32.6	35.5	42.5	44.1	45.7	47.3	48.9	-	-
USPS PSRHBFBalances Assuming Diversified Investment Mix (1)	USPS PSRHBFBalances Assuming Diversified Investment Mix (1)	-	-	-	5.6	1.4	5.5	-	-	-	-	-	
Actual Fund Returns	NRRIT	14%	10%	16%	(19%)	(1%)	11%	(0%)	16%	13%	10%	6%	7%
	PBGC	9%	4%	7%	(7%)	13%	12%	5%	13%	3%	8%	7%	7%
	CalPERS	12%	12%	19%	(3%)	(24%)	11%	21%	1%	13%	18%	8%	8%
	CalSTRS	11%	13%	21%	(4%)	(25%)	12%	23%	2%	14%	19%	8%	9%
	NYSCRF	9%	15%	13%	3%	(26%)	26%	15%	6%	10%	13%	8%	8%
	USPS ⁽³⁾	6%	5%	5%	5%	5%	4%	4%	4%	4%	3%	4%	4%

Notes:

Assumes diversification in PSRHBFBalances Assuming Diversified Investment Mix (1) began September 30, 2007.

All pension funds have varying fiscal year ends: March (NYSCRF), June (CalPERS, CalSTRS), and September (NRRIT, PBGC, USPS).

(1) Ending Balances are calculated by applying selected fund return % to PSRHBFBalances Assuming Diversified Investment Mix (1) Beginning Balance and adding PSRHBFBalances Assuming Diversified Investment Mix (1) Contributions & Transfers for said year.

(2) Illustrative 2006 Beginning Balance is actual 2007 PSRHBFBalances Assuming Diversified Investment Mix (1) Contributions & Transfers figure. USPS transferred \$3.0 billion into the PSRHBFBalances Assuming Diversified Investment Mix (1) on April 6, 2007, \$17.1 billion on June 29, 2007, and \$5.4 billion on September 30, 2007.

(3) 2005-2006 figures reflect US Treasury Returns.