

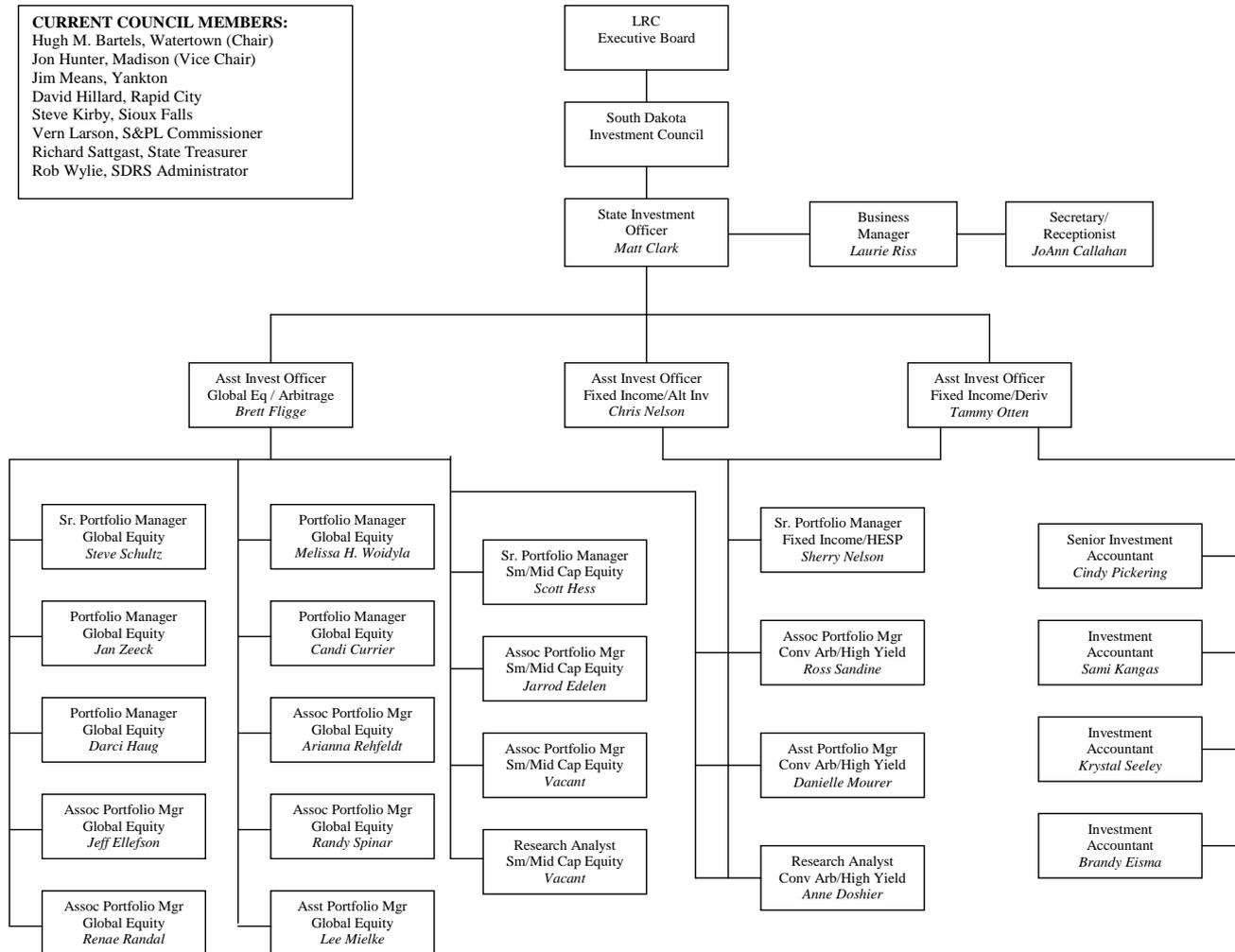
SD Investment Council FY 2015 Budget Presented to Appropriations Committee

February 6, 2014

- Organization Chart
- Assets
- Cost Efficiency
- Budget Process & Long Term Plan
- Compensation Overview
- FY 2013 Budget Review
- FY 2015 Budget Request
- Investment Performance
- Trust Fund Summaries
- Appendix

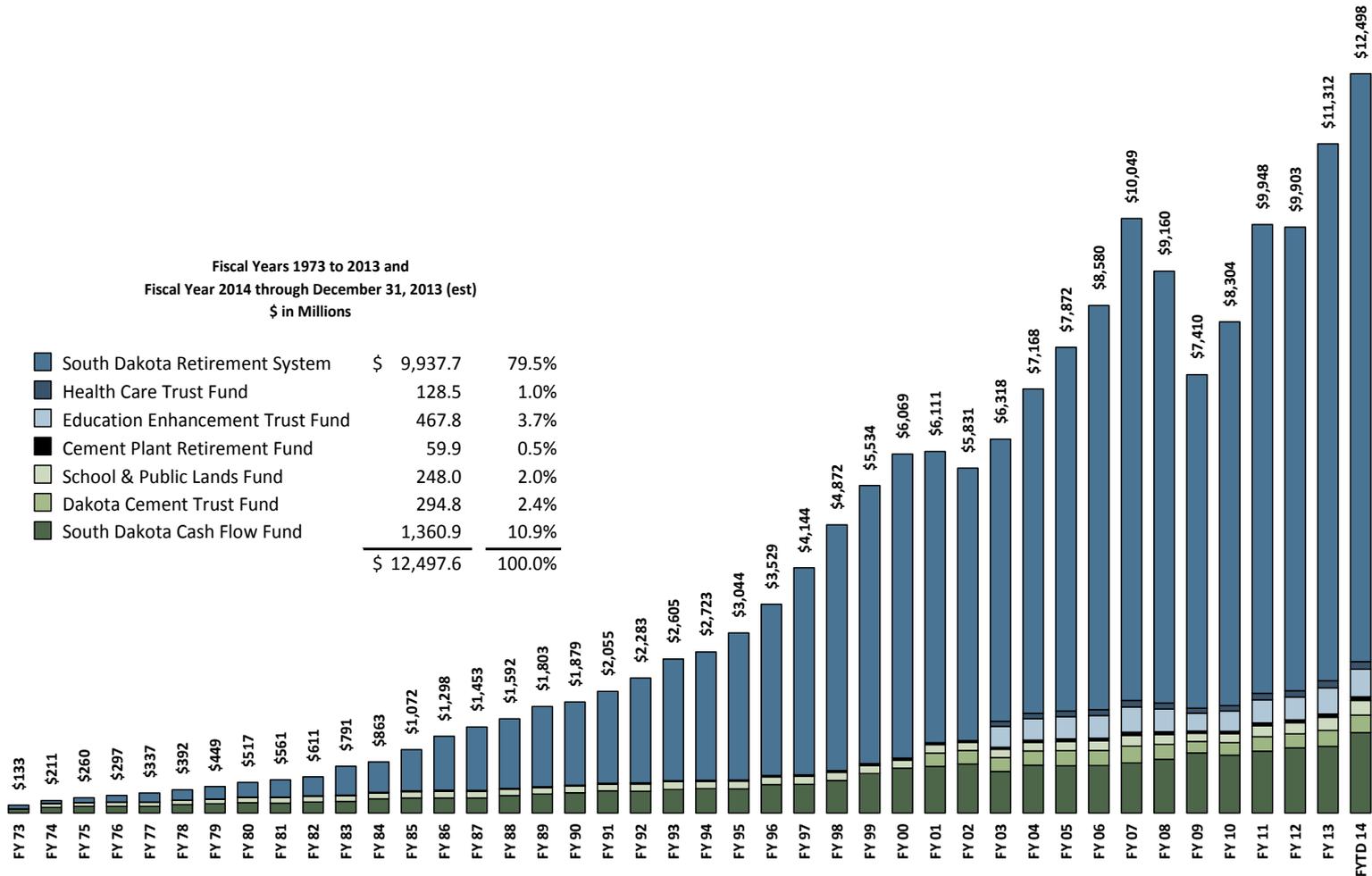
Organization Chart

CURRENT COUNCIL MEMBERS:
 Hugh M. Bartels, Watertown (Chair)
 Jon Hunter, Madison (Vice Chair)
 Jim Means, Yankton
 David Hillard, Rapid City
 Steve Kirby, Sioux Falls
 Vern Larson, S&PL Commissioner
 Richard Sattgast, State Treasurer
 Rob Wylie, SDRS Administrator



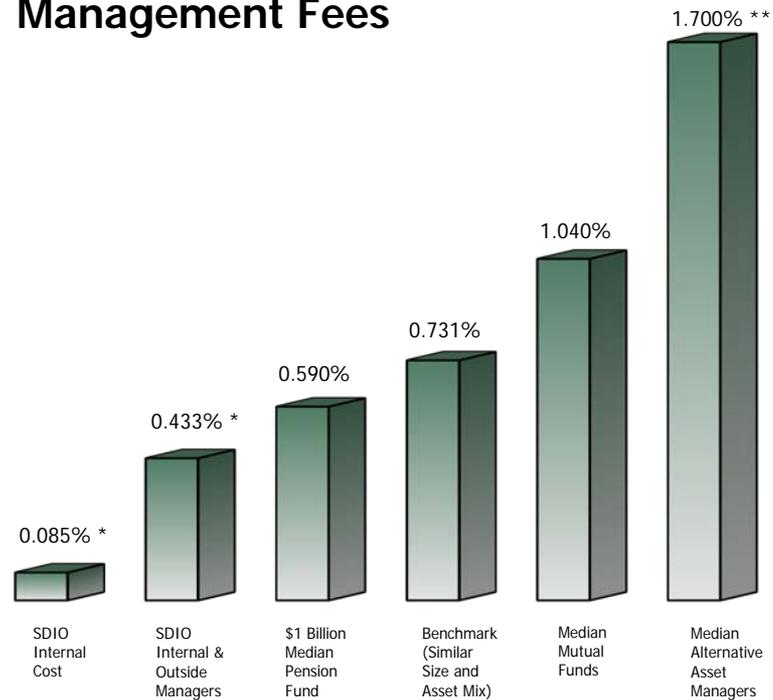
January, 2014

Assets (FY14 preliminary estimates as of 12/31/13)



Cost Efficiency

Management Fees

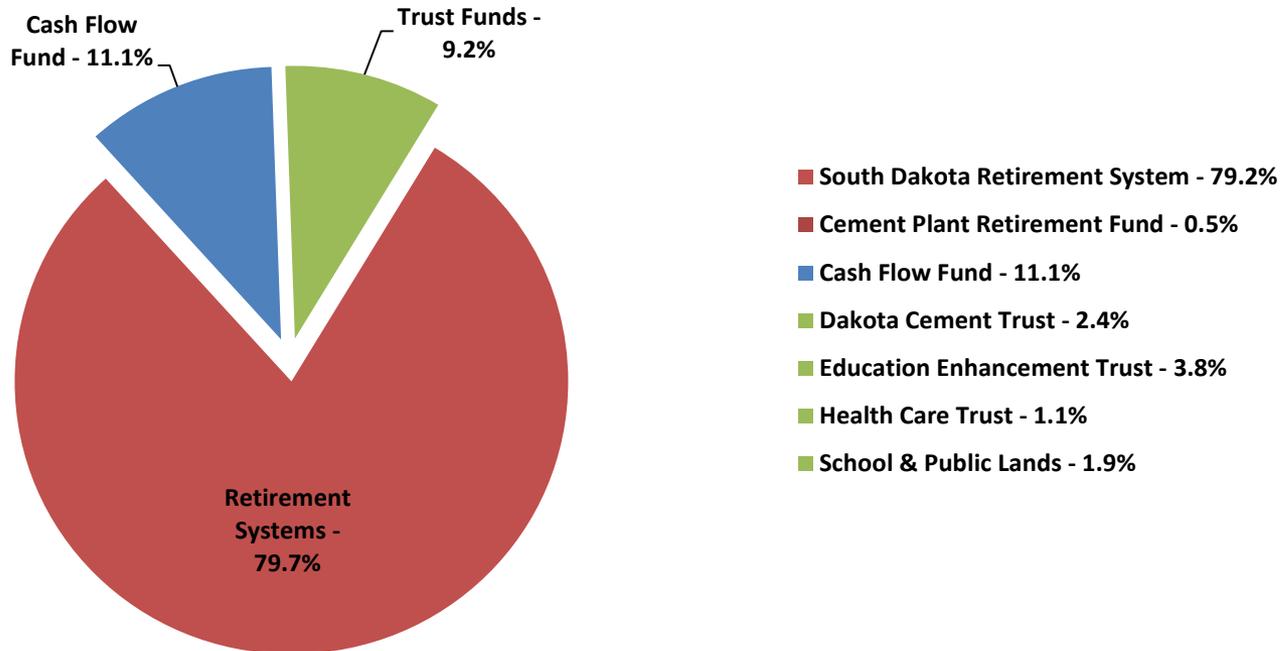


Difference between SDIC cost of .433% and benchmark cost of .731% is \$33 million per year

* SDIC projected expenses for FY 2015 using expected average performance incentives

** Plus 20% profit participation after preferred return

Budget Funding Sources



Budget funded by assets under management
0% General Fund appropriation

Note: S&PL share of SDIC expenses paid from earnings of Cash Flow Fund

Budget Process & Long-Term Plan

- Budget
 - Budget approved by LRC Executive Board before presenting to Bureau of Finance and Management and Appropriations Committee (SDCL 4-5-22)
 - Budget deducted from assets under management, no general fund appropriations (SDCL 4-5-30)

- Long-Term Plan
 - Developed Plan in 1987 – has helped guide operations for 27 years
 - Recommended by Appropriations Committee and Executive Board
 - Key to development and retention of high-quality internal investment team

Long Term Plan Executive Summary

Projected LTP Budget

	<u>FY 2015</u>	<u>FY 2020</u>	<u>FY 2025</u>
INVESTMENT OFFICE BUDGET			
Personal Services			
Number of Employees	30	34	34
Base Compensation - Total Staff	4,396,985	6,757,537	8,567,646
Intern, Council members, Longevity	37,055	48,297	61,432
Flexibility funds-Retirements & Resignations	140,431	162,798	188,728
Investment Incentive Maximum	7,323,947	11,711,908	15,073,511
Benefits	1,849,403	2,851,759	3,614,136
Total Personal Services	13,747,820	21,532,300	27,505,452
Operating Expenses			
Contractual Services	1,552,487	1,835,194	2,098,241
Travel	85,000	109,247	126,647
Office Supplies & Postage	12,733	16,729	19,394
Capital Assets	43,000	50,710	58,787
Total Operating Expenses	1,693,220	2,011,880	2,303,069
Total Investment Council Budget	15,441,039	23,544,180	29,808,521
ASSET SUMMARY *			
Internal Assets	8,886,431,324	11,154,502,050	14,144,004,113
External Assets	3,455,834,404	4,337,861,908	5,500,446,044
Total Assets	12,342,265,727	15,492,363,958	19,644,450,156
EXPENSE SUMMARY			
Internal Expenses	15,441,039	23,544,180	29,808,521
External Manager Fees	38,014,178	47,716,481	60,504,906
Total Expenses	53,455,218	71,260,661	90,313,427
UNIT COST SUMMARY			
Internal Expenses as % of Total Assets	0.125%	0.152%	0.152%
Internal Exp as % of Total Assets (with assumed avg Inv Perf Incnt)	0.085%	0.100%	0.099%
Total Expenses as % of Total Assets	0.433%	0.460%	0.460%

*Projections based on long-term assumed returns applied to 6/30/13 assets. Updated each June 30.

Note: FY 15 amounts differ from actual budget request. The LTP includes an assumed 3% salary policy and does not include miscellaneous BFM adjustments.

Compensation Overview

- Long term results have significantly exceeded benchmarks
 - Added over 25% beyond benchmark to SDRS assets in the past 15 years
- Continued success dependent on high caliber team
 - Internally manage most assets using internally generated research
- Future team depends on retention of talent pipeline and trainers
 - Develop internally as cannot compete for top tier experienced talent
- Compensation plan aligned with goal of adding value over long term
 - Motivate superior long-term performance and retain successful staff
- Compensation plan revised in 2006, updated in 2010 and 2013
 - Council target is 70% of cost of living adjusted median industry pay to balance getting a good deal for South Dakota without losing the good deal if we cannot keep our people
 - Incorporates performance incentives (range of 0 to 100%) which are expected to average 50% with continuation of SDIC historic level of superior performance
 - Pay was increased to 70% target after 2006 study

Compensation Overview, continued

- 2013 study indicated compensation is below 70% target
 - SDIC pay at 55% rather than 70% of cost of living adjusted industry median
- Council believes important to get back to target compensation
 - Want to provide best chance for future success
- Council seeking support for increase in incentive plan to get to target
 - To expected average of 80% (0 to 200%) adding longer term and stretch incentives
 - Incentives aligned with the goal of adding value and only paid if add value
- Cost efficient due to internal management capabilities
 - Securing team to preserve internal capabilities best chance to remain cost efficient
 - Expected internal costs under .1% even with increased incentives

FY13 Budget and Actual

Unexpended credited against FY14

	<u>Actual Exp FY 2013</u>	<u>Budget Rec'd FY 2013</u>	<u>Unexpended</u>
PERSONAL SERVICES			
Base Compensation			
Base Compensation - Investment Staff	3,106,074	3,259,847	153,773 *
Base Compensation - Accounting & Administrative	347,507	347,507	(0)
TOTAL STAFF	3,453,581	3,607,353	153,772
Total Intern, Council, Longevity	15,650	17,890	2,240
Benefits	694,374	817,281	122,907
Total Base Compensation	4,163,605	4,442,524	278,919
Investment Performance Incentives			
Maximum Potential Investment Perf Incentive	1,985,287	2,553,797	568,510
Benefits	273,970	208,645	(65,325)
Total Investment Performance Incentives	2,259,257	2,762,442	503,185
Total Personal Services	6,422,862	7,204,966	782,105
OPERATING EXPENSES			
Contractual Total (see appendix for line item details)	1,221,329	1,473,677	252,348
Travel	57,085	65,700	8,615
Office Supplies & Postage	12,131	12,733	602
Capital Assets	27,970	28,242	272
Total Operating Expenses	1,318,515	1,580,352	261,837
TOTAL BUDGET	7,741,377	8,785,318 **	1,043,941

* Includes \$50,446 Allianz reimbursement & unused compensation due to turnover

**Does not include \$45,888 Appropriation transfer for health ins & BIT - did not affect cash

FY15 Budget Request Summary

	<u>Received FY 2014</u>	<u>Request FY 2015</u>	<u>% Change</u>
PERSONAL SERVICES			
Base Compensation			
Base Compensation - Investment Staff	3,661,973	3,907,402	6.70%
Base Compensation - Accounting & Administrative	353,941	368,152	4.02%
TOTAL STAFF	4,015,914	4,275,554	6.47%
Retirement & resignation flexibility funds	140,431	140,431	0.00%
Total Intern, Council, Longevity	35,582	36,372	2.22%
Benefits	792,397	821,887	3.72%
Total Base Compensation	4,984,324	5,274,244	5.82%
Investment Performance Incentives			
Maximum Potential Investment Perf Incentive	3,261,124	7,323,946	124.58%
Benefits	448,582	1,010,705	125.31%
Total Investment Performance Incentives	3,709,706	8,334,651	124.67%
Total Personal Services	8,694,030	13,608,895	56.53%
OPERATING EXPENSES			
Contractual Total (see next page for further details)	1,434,815	1,555,875	8.44%
Travel	85,000	85,000	0.00%
Office Supplies & Postage	12,733	12,733	0.00%
Capital Assets	48,500	43,000	-11.34%
Total Operating Expenses	1,581,048	1,696,608	7.31%
TOTAL BUDGET	10,275,078	15,305,503	48.96%
LTP UNIT COST SUMMARY			
Internal Expenses as % of Total Assets	0.094%	0.125%	
Internal Expenses as % of Total Assets (with avg Inv Perf Incnt)	0.077%	0.085%	
Total Expenses as % of Total Assets	0.369%	0.433%	

FY15 Budget Request

Contractual services detail

	Received	Request	
	<u>FY 2014</u>	<u>FY 2015</u>	<u>% Change</u>
CONTRACTUAL SERVICES			
Investment Services			
Consulting Services	30,000	30,000	0.00%
Investment Accounting, Performance Benchmarking	94,000	191,000	103.19%
Investment Databases, Newsfeeds & Quote Fees	415,213	435,189	4.81%
Investment Research Services	247,572	254,232	2.69%
Flexibility - From Brokerage to Independent Research	83,139	83,139	0.00%
Total Investment Services	869,924	993,560	14.21%
Administrative Expenses			
Office Rent	129,125	115,148	-10.82%
Bond/Liability Insurance	7,410	7,410	0.00%
Telephone	10,000	10,000	0.00%
Office Equip Rental/Maintenance	6,000	6,000	0.00%
Bureau of Info & Telecommunications (BIT)	43,335	46,210	6.63%
State Central Services	8,351	9,513	13.91%
Legislative Audit	55,700	50,000	-10.23%
Attorney General's Office - Legal Services	17,970	18,509	3.00%
Custodial Fees - Global	250,500	263,025	5.00%
Seminars/Educational Programs	33,500	33,500	0.00%
Business Publications	3,000	3,000	0.00%
Total Administrative Expenses	564,891	562,315	-0.46%
TOTAL CONTRACTUAL SERVICES	1,434,815	1,555,875	8.44%

Investment Performance

Returns vs. Benchmarks

	<u>FY 2013</u>	<u>4 Years Annualized FY 10 – 13</u>	<u>10 Years Annualized FY 04 – 13</u>
▪ SDRS Total Fund (gross of fees)	19.53%	16.15%	9.16%
▪ Capital Market Benchmark	12.73%	11.76%	7.29%
Added Value	6.8%	4.39%	1.87%
▪ Mellon Total Billion \$ Funds-Corp	9.98%	12.13%	7.71%
Added Value	9.55%	4.02%	1.45%
▪ State Fund Universe	12.32%	11.98%	7.40%
Added Value	7.21%	4.17%	1.76%
▪ SDRS Beginning FY13 Assets		\$7.835 billion	
▪ SDRS Ending 6/30/13 Assets		\$9.076 billion	

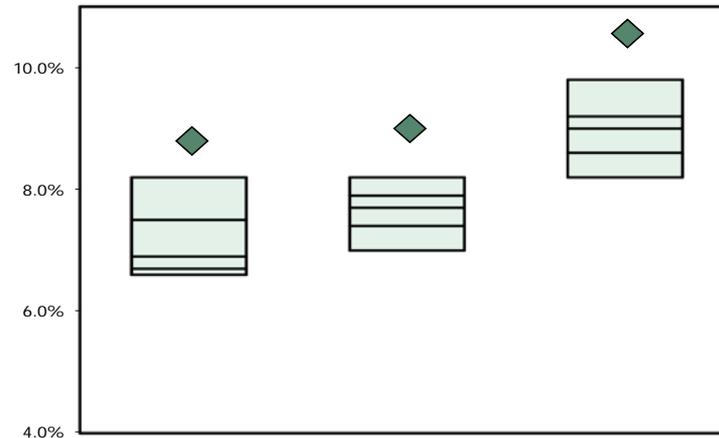
Investment Performance

Earnings vs. Benchmarks

- Total SDRS dollars earned Fiscal Year 2013 \$1.503 billion
- Total SDRS dollars earned last 4 years \$4.350 billion
- Total SDRS dollars earned last 10 years \$5.937 billion
- **Extra earnings** resulting from last 1, 4 and 10 years of performance over benchmark (not including compounding)

	<u>1 year</u>	<u>4 years</u>	<u>10 years</u>
○ vs. Capital Markets Benchmark	\$532 million	\$1.20 billion	\$1.33 billion
○ vs. Mellon Total Billion \$ Corp	\$748 million	\$1.19 billion	\$1.25 billion
○ vs. State Funds	\$565 million	\$1.18 billion	\$1.24 billion

State Funds Comparison



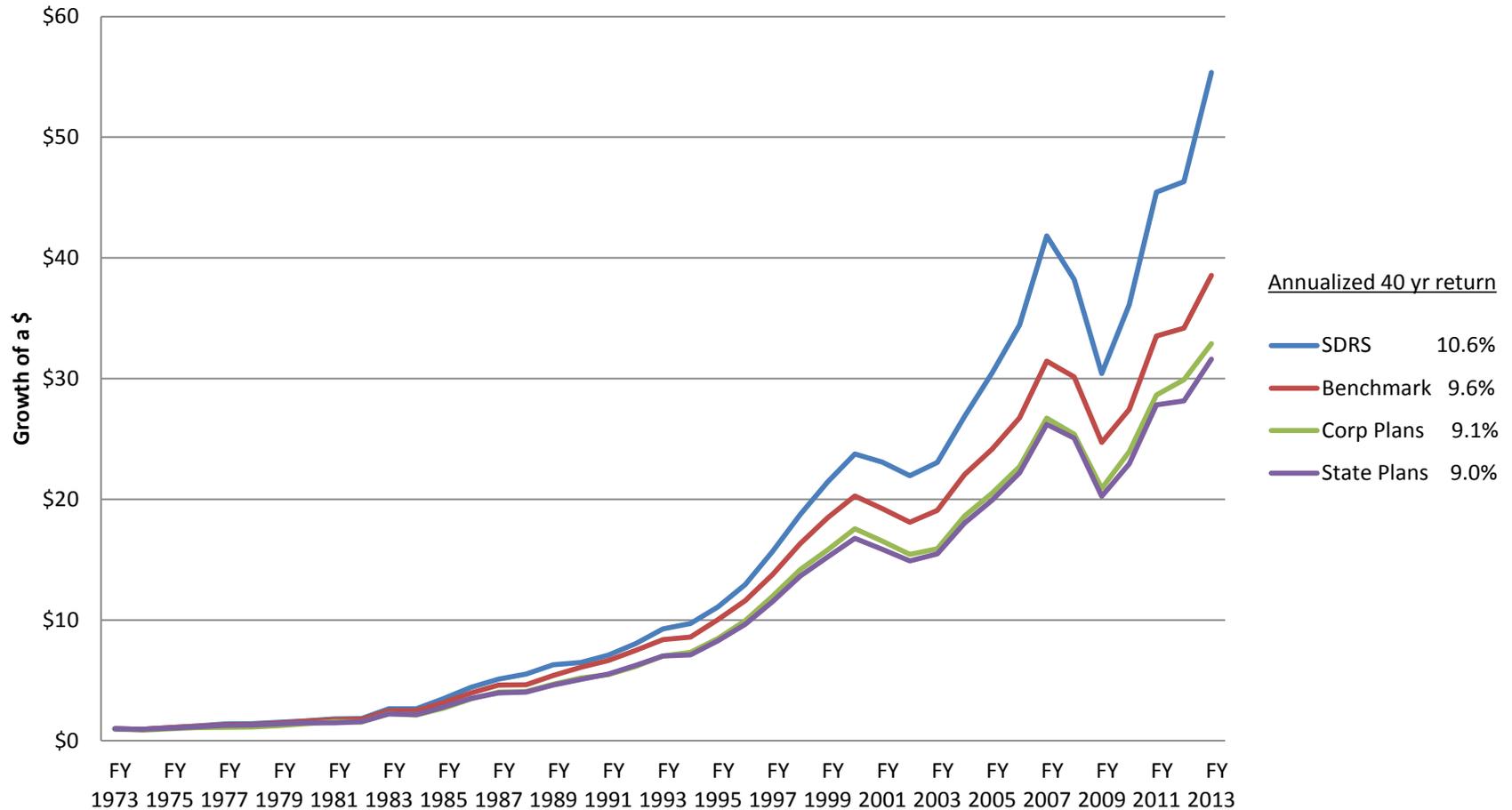
ANNUALIZED RETURNS

	10 Years <u>2004-2013</u>	20 Years <u>1994-2013</u>	40 Years <u>1974-2013</u>
10th %tile	8.2	8.2	9.8
25th %tile	7.5	7.9	9.2
Median	6.9	7.7	9.0
75th %tile	6.7	7.4	8.6
90th %tile	6.6	7.0	8.2
◆ SDRS Fund	8.8	9.0	10.6
SDRS CMB	7.3	7.9	9.6
SDRS %tile Rank	1	1	1

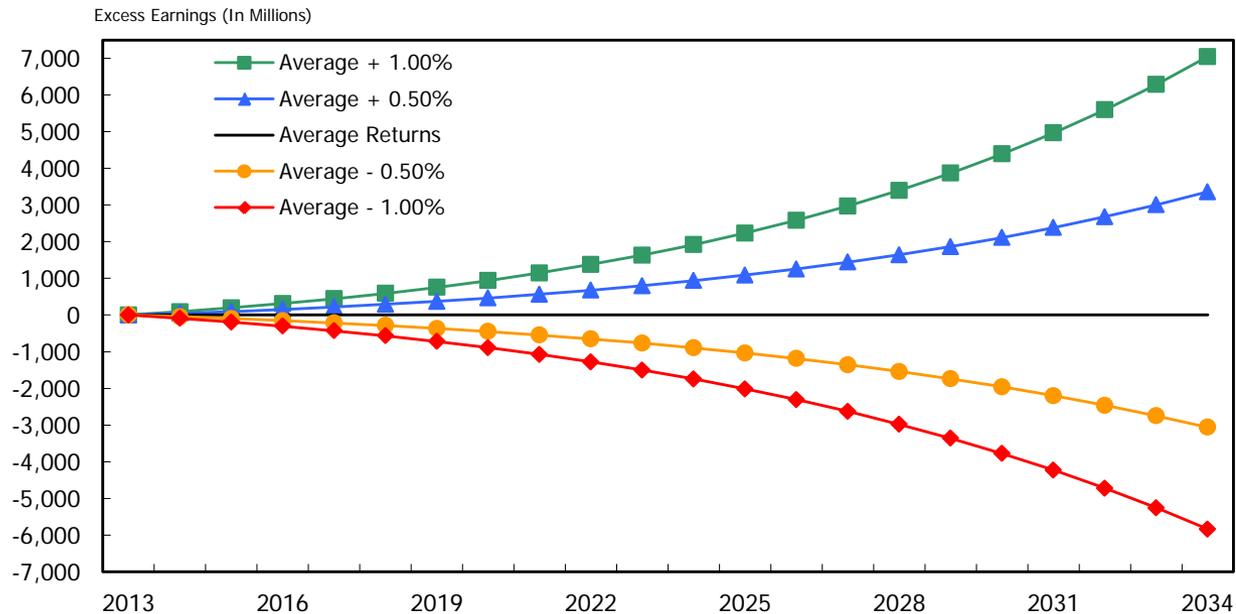
Note: State Fund Universe returns and ranks are preliminary, and all returns are net of fees for the 10 and 20 year periods.

Superior returns add up over time

Cumulative returns for SDRS, Benchmark, Corporate plans, and other States



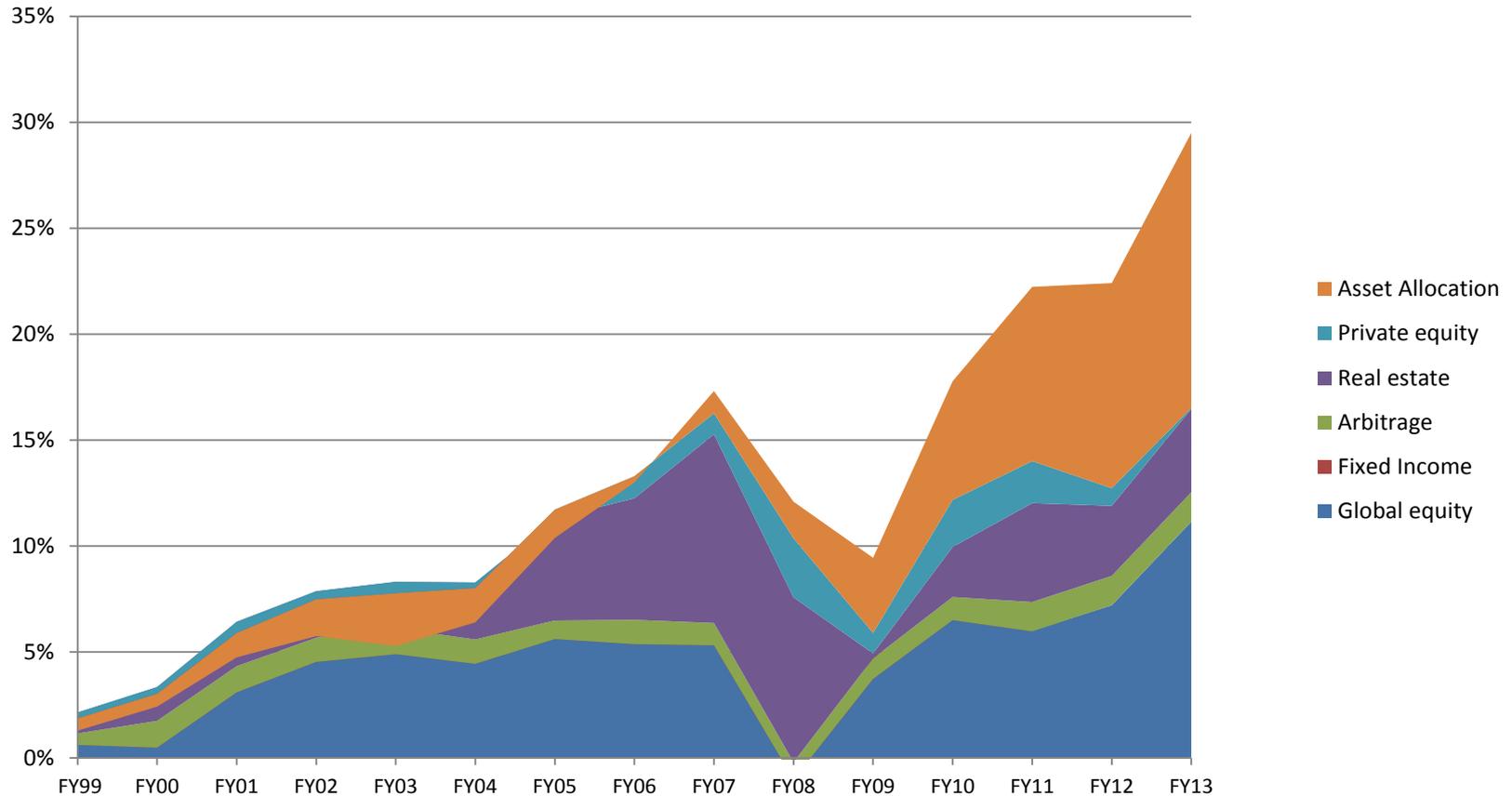
Potential Excess Earnings



- SDIC 40-year outperformance = 1% annualized vs. benchmark
- If 1% outperformance continues next 20 years = extra \$7 billion
- Outperformance of even half that amount = extra \$3.4 billion
- Underperformance of 1% = cost to retirement system of \$5.8 billion.

Many pistons contribute

Cumulative added value by source FY99 to FY13



Every asset category has good and bad years

Annual added or detracted value by source

Asset Class	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Global equity	0.8%	-0.1%	2.9%	1.9%	0.0%	-0.4%	0.8%	-0.3%	-0.1%	-6.2%	5.6%	2.1%	-0.8%	1.1%	3.7%
Fixed Income	-0.1%	-0.1%	-0.3%	-0.6%	0.3%	0.0%	0.3%	0.1%	0.0%	0.2%	-0.9%	0.6%	0.4%	-0.3%	1.2%
Arbitrage	0.5%	0.7%	0.0%	-0.1%	0.1%	-0.1%	-0.3%	0.3%	-0.1%	-0.2%	0.2%	0.1%	0.3%	0.0%	0.0%
Real estate	1.0%	0.6%	0.5%	0.1%	0.0%	0.5%	2.1%	0.9%	3.0%	-1.0%	-7.0%	2.1%	2.3%	-1.3%	0.6%
Private equity	-0.3%	0.0%	-0.2%	0.2%	-0.2%	0.3%	0.7%	0.6%	-0.1%	1.8%	-1.8%	1.2%	-0.2%	-1.1%	-0.8%
Asset Allocation	-0.6%	0.0%	-0.6%	-0.6%	-0.7%	0.8%	0.1%	0.8%	1.0%	1.0%	1.5%	1.4%	1.9%	1.5%	2.1%
Total	1.3%	1.1%	2.3%	1.0%	-0.4%	1.1%	3.7%	2.4%	3.8%	-4.5%	-2.4%	7.6%	3.8%	-0.1%	6.8%

Trust Funds (preliminary estimates)

Health Care Trust (established April 2001)

				FY 14
		<u>Asset Allocation</u>	<u>Current</u>	<u>Benchmark</u>
Principal as of 12/31/13	\$ 85,631,024	Global Equity	46%	52%
Principal as of 12/31/13 adjusted for inflation	\$ 110,565,966	Private Equity	3%	2%
Fair Value (FV) as of 12/31/13	\$ 128,488,000	Real Estate	12%	6%
Difference - FV less principal	\$ 42,856,976	Fixed Income-IG	20%	28%
Difference - FV less infl. adj. prin.	\$ 17,922,034	Fixed Income-HY	5%	5%
		Fixed Income-Tips	4%	5%
Fiscal year to date return	9.68%	Money Market	<u>11%</u>	<u>2%</u>
Longterm expected mean return	6.27%	Total	100%	100%
Payout of 4% plus expected inflation of 3%	7.00%			
Expected return cushion/shortfall	-0.73%			
Distribution for FY 15 (July 1, 2014) ESTIMATE	4,322,076			
Distribution for FY 14 (July 1, 2013)	3,959,754			

Law allows up to 4% of the 16 quarter average to be distributed as long as principal is not violated as of December 31 each year

Education Enhancement Trust (established April 2001)

				FY 14
		<u>Asset Allocation</u>	<u>Current</u>	<u>Benchmark</u>
Principal as of 12/31/13	\$ 334,012,613	Global Equity	46%	52%
Principal as of 12/31/13 adjusted for inflation	\$ 430,578,531	Private Equity	3%	2%
Fair Value (FV) as of 12/31/13	\$ 467,830,000	Real Estate	12%	6%
Difference - FV less principal	\$ 133,817,387	Fixed Income-IG	10%	17%
Difference - FV less infl. adj. prin.	\$ 37,251,469	Fixed Income-tax ex	11%	11%
		Fixed Income-HY	5%	5%
Fiscal year to date return	9.67%	Fixed Income-Tips	4%	5%
Longterm expected return (lower due to tax exempts)	6.20%	Money Market	<u>10%</u>	<u>2%</u>
Payout of 4% plus expected inflation of 3%	7.00%	Total	100%	100%
Expected return cushion/shortfall	-0.80%			
Distribution for FY 15 (July 1, 2014) ESTIMATE	15,696,982			
Distribution for FY 14 (July 1, 2013)	14,413,354			

Law allows up to 4% of the 16 quarter average to be distributed as long as principal is not violated as of December 31 each year

Trust Funds (preliminary estimates)

Dakota Cement Trust (established April 2001)

		<u>Asset Allocation</u>	<u>Current</u>	<u>FY 14 Benchmark</u>
Principal as of 12/31/13	\$ 238,000,000	Global Equity	45%	52%
Principal as of 12/31/13 adjusted for inflation	\$ 314,847,885	Private Equity	3%	2%
Fair Value (FV) as of 12/31/13	\$ 294,796,000	Real Estate	13%	6%
Difference - FV less principal	\$ 56,796,000	Fixed Income-IG	19%	28%
Difference - FV less infl. adj. principal	\$ (20,051,885)	Fixed Income-HY	5%	5%
		Fixed Income-Tips	4%	5%
Fiscal year to date return	9.65%	Money Market	<u>11%</u>	<u>2%</u>
Longterm expected mean return	6.27%	Total	100%	100%
Payout of 4% plus expected inflation of 3%	7.00%			
Expected return cushion/shortfall	-0.73%			
Distribution for FY 14 (June 2014 to Gen. Fund) Est	10,061,446			
Distribution for FY 13 (June 14, 2013 to Gen. Fund)	9,356,955			

Constitution allows 4% of the lesser of 1) the 16 quarter average balance or 2) the current December 31 market value be distributed by June of the following year.
(Change Nov. 2012)

School & Public Lands

Inflation protection mandated by Constitutional Amendment - (payout is reduced by inflation to extent inflation not offset by realized gains)

		<u>Asset Allocation</u>	<u>Current</u>	<u>FY 14 Benchmark</u>
Fair Value as of 12/31/13	\$ 248,037,000	Global Equity	47%	52%
Fiscal year to date return	9.66%	Private Equity	2%	2%
Longterm expected mean return	6.27%	Real Estate	11%	6%
Distribution for FY 14 (Feb 4, 2014 to K-12)	8,773,822	Fixed Income-IG	19%	28%
Distribution for FY 13 to Board of Regents	1,980,791	Fixed Income-non-mk	1%	
		Fixed Income-HY	5%	5%
		Fixed Income-Tips	4%	5%
		Money Market	<u>12%</u>	<u>2%</u>
		Total	100%	100%
TOTAL	10,754,613			

Appendix

- JCA Supplemental Questions
- Investment performance incentives
- Target discount rationale
- FY13 Budget and Actual - Contractual Services details
- FY15 Budget - Investment Services Details

JCA Supplemental Questions

1. What activities will your agency eliminate, initiate or significantly change? **None**
2. What initiatives for improving efficiency of operations are planned in FY 15? **Hoping to improve efficiencies of “out-of-office” research and internal research discussions with use of remote access devices and Wi-Fi. Electronic and shareable research will continue to enhance team interaction.**
3. What are the standards of performance or metrics by which you judge the success and efficiencies of your agency’s outcomes? **The exhibits in the SDIC presentation illustrate standards of performance by which we judge success and efficiencies. Success specifically addressed on pages 12 through 19 and efficiencies on page 3.**
4. What funds from FY 14 are planned to be applied to FY 15 activities? **None** Are these amounts in addition to amounts contained in the Governor’s FY 15 budget? **SDCL 4-5-30 established process for funding budget. Any cash balance remaining in a fiscal year offsets the following year budget authorization. No funds are carried over in addition to budget authorization.**
5. What are your plans regarding amending the FY 14 General Bill? **None**
6. What programs and services offered by your agency have been, or will be affected by federal budget reductions due to the Budget Control Act of 2011 or other actions by the federal government? **None** Were General Funds and/or Other Funds used to support the continuation of these programs or services. **No**

Investment performance incentives

Aligns compensation with goal of adding value

- Encourage superior performance
 - Counters underperformance career risk that can discourage efforts to add value
 - Multiyear timeframes encourage investing for the long term
- Encourage retention of successful staff
 - Team is most attractive to other organizations when winning
 - Shifts compensation higher when people more sought and down when losing
- Incentives paid only for added value
- Important to encourage adding value in good and bad markets
 - Added value in down markets more important than in up markets
 - Encourages adding value by reducing risk when markets expensive

Target discount rationale

- Need top caliber people long term
 - Unsuccessful people or job hoppers always available but no bargain, even if free
 - Compensation is too low to recruit veteran high-performers from elsewhere
 - Must develop team internally by training cream of crop local University graduates
 - Takes 15 to 20 years to fully develop seasoned talent
 - If lose talent pipeline or trainers, will jeopardized handoff to next generation
- Our past history and observation of others suggest 70% target
 - No way to know for sure how large discounts can be without damaging team
 - Had difficulties in the past when discount got too close to 50%
 - Less opportunity than in past to design own approach may increase sensitivity
 - 30% discount believed large relative to other high-end professionals
 - Industry subject to intense performance measurement with significant consequences for winning and losing which intensifies desire for financial security
 - Industry pay for top quartile performers can be double the median. SDIC performance is better than top quartile, discount versus top quartile is large

FY13 Budget and Actual

Contractual services detail

	<u>Actual FY 2013</u>	<u>Received FY 2013</u>	<u>Unexpended</u>
CONTRACTUAL SERVICES			
Investment Services			
Consulting Services	17,552	30,000	12,448
Investment Accounting, Performance Benchmarking	90,800	94,000	3,200
Investment Databases, Newsfeeds & Quote Fees	393,070	434,872	41,802
Investment Research Services	221,776	247,528	25,752
Flexibility - From Brokerage to Independent Research	0	150,000	150,000
Total Investment Services	<u>723,198</u>	<u>956,400</u>	<u>233,202</u>
Administrative Expenses			
Office Rent	103,810	101,542	(2,268)
Bond/Liability Insurance	3,384	7,020	3,636
Telephone	5,191	10,000	4,809
Office Equip Rental/Maintenance	6,503	6,000	(503)
Bureau of Info & Telecommunications (BIT)	38,091	42,639	4,548
State Central Services	8,838	8,741	(97)
Legislative Audit	42,899	37,135	(5,764)
Attorney General's Office - Legal Services	17,445	16,000	(1,445)
Custodial Fees - Global	250,500	250,500	0
Seminars/Educational Programs	19,114	33,500	14,386
Business Publications	2,357	4,200	1,843
Total Administrative Expenses	<u>498,131</u>	<u>517,277</u>	<u>19,146</u>
TOTAL CONTRACTUAL SERVICES	<u>1,221,329</u>	<u>1,473,677</u>	<u>252,348</u>

FY15 Budget

Investment services detail

	Received <u>FY 2014</u>	Request <u>FY 2015</u>	<u>% Change</u>
<u>Investment Services-Detailed</u>			
Consulting Services			
Consulting/Comp Analysis/Asset Alloc/etc.	30,000	30,000	0.00%
Subtotal	<u>30,000</u>	<u>30,000</u>	<u>0.00%</u>
Investment Accounting, Performance, Benchmarking			
BNY/Mellon Performance & Risk Analysis	20,000	20,000	0.00%
S&P 1200	12,000	12,000	0.00%
S&P 1000	2,000	2,000	0.00%
S&P USA	10,000	10,000	0.00%
Trade Order Mgmt System	0	85,000	100.00%
Portia	50,000	62,000	24.00%
Subtotal	<u>94,000</u>	<u>191,000</u>	<u>103.19%</u>
Investment Databases, Newsfeeds & Quote Fees			
Bloomberg	110,502	112,800	2.08%
Factset	188,022	205,700	9.40%
Reuters Fundamental Index	28,580	28,580	0.00%
Quote Fees (incl. Bloomberg/Factset)	45,125	45,125	0.00%
Dow Jones News Service	42,984	42,984	0.00%
Subtotal	<u>415,213</u>	<u>435,189</u>	<u>4.81%</u>
Investment Research Services			
KDP High Yield	20,000	20,000	0.00%
Stone McCarthy	4,305	0	-100.00%
Gimme Credit FI Research	25,000	25,000	0.00%
Citigroup Yield Book / BB Index	10,000	10,000	0.00%
Credit Sights	66,950	77,500	15.76%
Indie Research-Insider Score	26,525	26,525	0.00%
Gerson Lerhman	0	0	
Morningstar Equity	75,000	75,000	0.00%
The Markets.com	15,692	15,692	0.00%
Value Line	4,100	4,515	10.12%
Global Purchasing Companies Research Calls	0		
Flexibility - From Brokerage to Independent Research	83,139	83,139	0.00%
Subtotal	<u>330,711</u>	<u>337,371</u>	<u>2.01%</u>
Total Contractual - Investment	<u>869,924</u>	<u>993,560</u>	<u>14.21%</u>