



NEPC, LLC

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Vermont Pension Investment Committee

Fourth Quarter Investment Performance Analysis

February 25, 2013

Richard M. Charlton, Chairman and CEO
Christopher Levell, ASA, CFA, CAIA, Partner
Douglas Moseley, Partner
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NEPC Update

- **Professional Staff Updates**

- Elected into NEPC Partnership
 - Timothy R. Bruce, Partner, Hedge Funds
- New Principals
 - Richard J. Harper, CFA, CAIA, Principal, Senior Consultant
 - Eric R. Harnish, Principal, Director of Private Markets Research
 - Daniel V. Kelly, Principal, Chief Operating Officer
 - Judy A. Murphy, Principal, Director of Organizational Development
 - Sean P. Ruhmann, Principal, Senior Consultant, Private Markets

- **Favorable Client Feedback**

- 7th biennial client survey
 - High marks in nearly every category
- Greenwich Associates annual plan sponsor survey
 - Among our 10 largest competitors, NEPC:
 - Ranked #2 overall in 2013 and ranked #3 or higher in ten of the past 11 years

- **Industry Recognitions**

- NEPC: 2013 aiCIO Industry Innovation Consultant Award
- NEPC Clients: 2013 aiCIO Industry Innovation Awards
 - Winner in the Defined Contribution Plan category
 - United Technologies (Robin Diamonte, CIO)
 - Winner in the Public Pension Plan below \$15 billion category
 - San Bernardino County Employees' Retirement Association (Don Pierce, CIO)

Greenwich Associates is an independent research firm. Their ratings are not an endorsement of NEPC.

- **NEPC Research**

- White Papers recently posted to <http://www.nepc.com/research/>
 - When Did Defined Contribution Get So Complex? Outsourcing Certain Functions of Your Defined Contribution Program (January 2014)
 - Christine A. Loughlin, CFA, CAIA, Partner
 - NEPC Survey on Hedge Fund Operations (November 2013)
 - Bill Bogle, Partner; Erin Faccone, ODD Consultant; Lauren Walsh, ODD Analyst
 - Shedding Light on the Future: Asset Allocation and Risk Management in a Post-Credit Crisis World (November 2013)
 - Erik Knutzen, CFA, CAIA, Chief Investment Officer; John Minahan, CFA, Senior Lecturer in Finance, MIT
 - Quantitative Equity Hedge Funds: Revisiting Their Strengths (October 2013)
 - Timothy O'Connell, Research Analysts; Asher Watson, Analyst; Timothy Bruce, Senior Research Consultant
 - Third Quarter 2013 Market Thoughts

- **Recent Events**

- 2014 Market Outlook Webinar - January 23, 2014 at 2:00 PM EST

- **Upcoming Events**

- NEPC's 19th Annual Client Conference – May 13-14, 2014 in Boston

Market Review

- **Reassess current and future liquidity needs**
 - Determine the ability to pursue additional returns by locking-up capital in private markets/alternative investments
 - Alpha generation opportunities often higher in alternatives
 - Consider strategies that replace traditional bank activities, such as direct lending to medium-sized companies and real estate lending
- **Maintain diversification across and within asset classes. Rebalance...rebalance...rebalance**
 - Review rebalancing thresholds established in the Investment Policy Statement relative to actual allocations
 - Rebalancing policies provide a risk control feature, as well as an opportunity for enhanced returns
- **Rising rate environment should spur investors to continue reviewing the role of core US and non-US fixed income**
 - While rates have risen, forecasted returns remain below most assumed rates of return
 - Rebalance to target with high yield and bank loans
 - Consider allocations to global multi-sector and unconstrained bond funds
- **Do not neglect the risk of economic inflation in the portfolio**
 - Despite tapering, Fed policy remains accommodative
 - US improvements in economic and financial conditions could increase risks of economic inflation
 - Risk parity, real assets, and private market strategies can be considered as tools to address inflation risk and extend diversification of a portfolio
- **Maintain long-term commitment to emerging markets**
 - In the short-term, emerging world faces distinctive conditions in each country
 - Long-term secular outlook of stronger growth and continued development remains in place
 - Use active management to navigate potential macroeconomic and currency issues
 - Emerging markets stock and bond weakness presents an opportunity for investors whose portfolios are below-market weight
 - Relatively attractive return opportunities, but risks related to balance of payments (i.e., economic competitiveness) have come to light for some countries

Investment Market Update: As of December 31, 2013

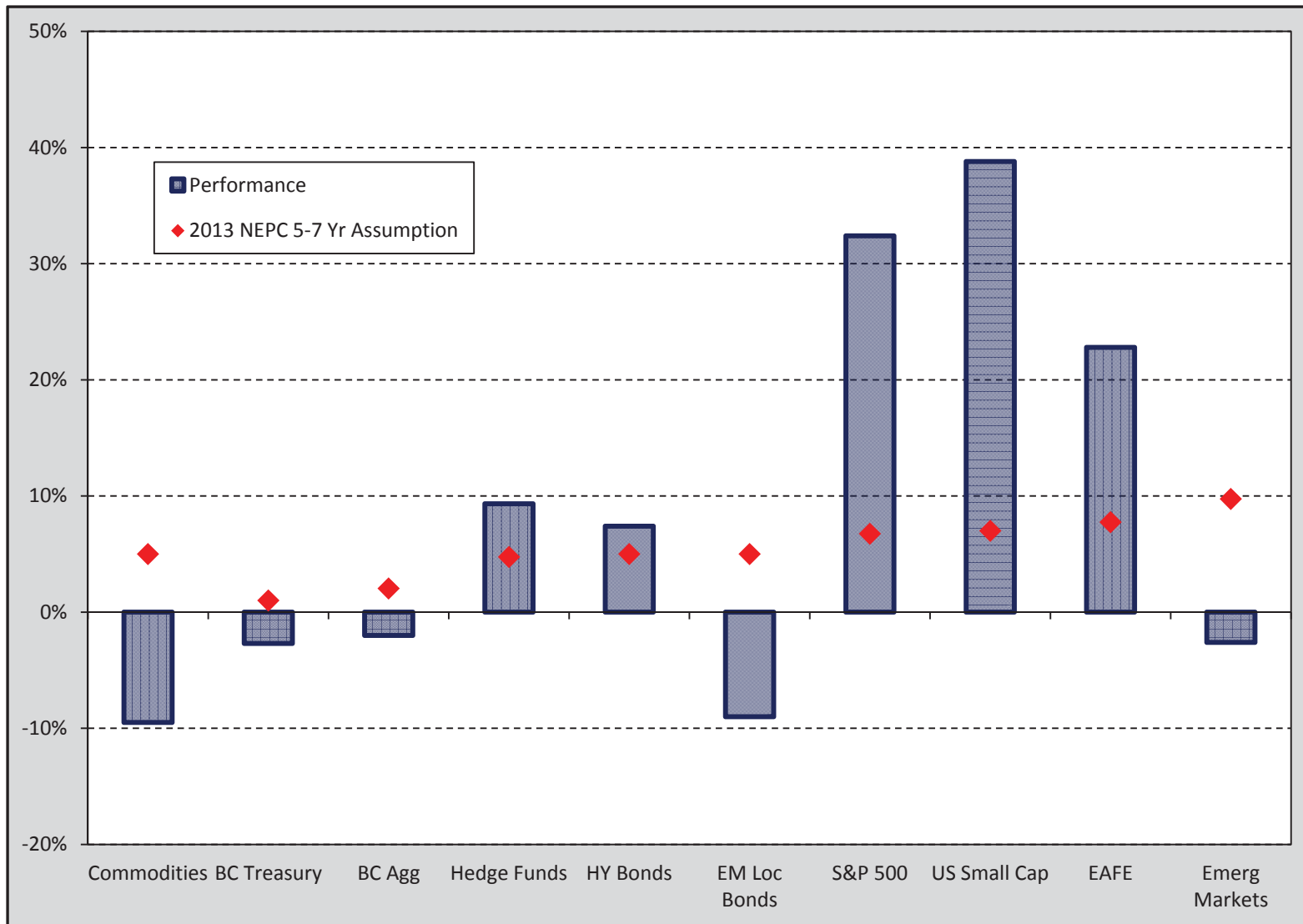
PERFORMANCE THROUGH 12/31/2013

Sector	Index	2008	2009	2010	2011	2012	OCT	NOV	DEC	Q4	2013
Small Cap Growth	Russell 2000 Growth	-38.5%	34.5%	29.1%	-2.9%	14.6%	1.8%	4.1%	2.0%	8.2%	43.3%
Small Cap	Russell 2000	-33.8%	27.2%	26.9%	-4.2%	16.3%	2.5%	4.0%	2.0%	8.7%	38.8%
SMID Cap	Russell 2500	-36.8%	34.4%	26.7%	-2.5%	17.9%	3.2%	2.7%	2.5%	8.7%	36.8%
Small Cap Value	Russell 2000 Value	-28.9%	20.6%	24.5%	-5.5%	18.1%	3.3%	3.9%	1.9%	9.3%	34.5%
Large Cap Growth	Russell 1000 Growth	-38.4%	37.2%	16.7%	2.6%	15.3%	4.4%	2.8%	2.9%	10.4%	33.5%
Large Cap	Russell 1000	-37.6%	28.4%	16.1%	1.5%	16.4%	4.4%	2.8%	2.7%	10.2%	33.1%
Large Cap Value	Russell 1000 Value	-36.8%	19.7%	15.5%	0.4%	17.5%	4.4%	2.8%	2.5%	10.0%	32.5%
Large Cap	S&P 500	-37.0%	26.5%	15.1%	2.1%	16.0%	4.6%	3.0%	2.5%	10.5%	32.4%
Int'l Developed	MSCI EAFE	-43.4%	31.8%	7.8%	-12.1%	17.3%	3.4%	0.8%	1.5%	5.7%	22.8%
Diversified	Diversified*	-24.5%	24.1%	13.5%	1.3%	12.7%	3.0%	1.1%	1.1%	5.2%	17.6%
High Yield	Barclays US Corp High Yield	-26.2%	58.2%	15.1%	5.0%	15.8%	2.5%	0.5%	0.5%	3.6%	7.4%
REITS	Wilshire US REIT	-39.2%	28.6%	28.6%	9.2%	17.6%	4.1%	-5.3%	0.6%	-3.0%	1.9%
Govt/Credit	Barclays US Govt/Credit 1-3 Yr	5.0%	3.8%	2.8%	1.6%	1.3%	0.2%	0.1%	-0.1%	0.2%	0.6%
Govt/Credit	Barclays Govt/Credit 1-5 Yr	5.1%	4.6%	4.1%	3.1%	2.2%	0.4%	0.2%	-0.4%	0.1%	0.3%
Interm Govt/Credit	Barclays US Govt/Credit Interm	5.1%	5.2%	5.9%	5.8%	3.9%	0.6%	-0.0%	-0.6%	-0.0%	-0.9%
Interm Core Bonds	Barclays US Agg Interm	4.9%	6.5%	6.1%	6.0%	3.6%	0.6%	-0.2%	-0.6%	-0.1%	-1.0%
Core Bonds	Barclays US Agg Bond	5.2%	5.9%	6.5%	7.8%	4.2%	0.8%	-0.4%	-0.6%	-0.1%	-2.0%
Muni Bonds	Barclays Municipal	-2.5%	12.9%	2.4%	10.7%	6.8%	0.8%	-0.2%	-0.3%	0.3%	-2.6%
Emerging Equities	MSCI EM	-53.3%	78.5%	18.9%	-18.4%	18.2%	4.9%	-1.5%	-1.4%	1.8%	-2.6%
Global Bonds	Citi WGBI	10.9%	2.6%	5.2%	6.4%	1.6%	1.0%	-1.1%	-0.9%	-1.1%	-4.0%
EMD USD	Barclays EM USD Aggregate	-14.7%	34.2%	12.8%	7.0%	17.9%	2.1%	-1.2%	0.3%	1.2%	-4.1%
Long Credit	Barclays US Long Credit	-3.9%	16.8%	10.7%	17.1%	12.7%	2.5%	-1.1%	0.2%	1.5%	-6.6%
Long Govt/Credit	Barclays US Govt/Credit Long	8.4%	1.9%	10.2%	22.5%	8.8%	2.1%	-1.6%	-0.5%	-0.1%	-8.8%
EMD Local	JPM GBI EM Global Diversified	-5.2%	22.0%	15.7%	-1.8%	16.8%	2.7%	-3.6%	-0.5%	-1.5%	-9.0%
Commodities	DJ UBS Commodity	-35.6%	18.9%	16.8%	-13.3%	-1.1%	-1.5%	-0.8%	1.2%	-1.1%	-9.5%
Treasury STRIPS	Barclays US Strips 20+ Yr	59.5%	-36.0%	10.9%	58.5%	3.0%	2.1%	-4.2%	-2.3%	-4.5%	-21.0%

* 35% LC, 10% SC, 12% Intl Equity, 3% Emerging Equity, 25% Core Bonds, 5% HY, 5% Global Bonds, 5% REITS

Source: Morningstar Direct

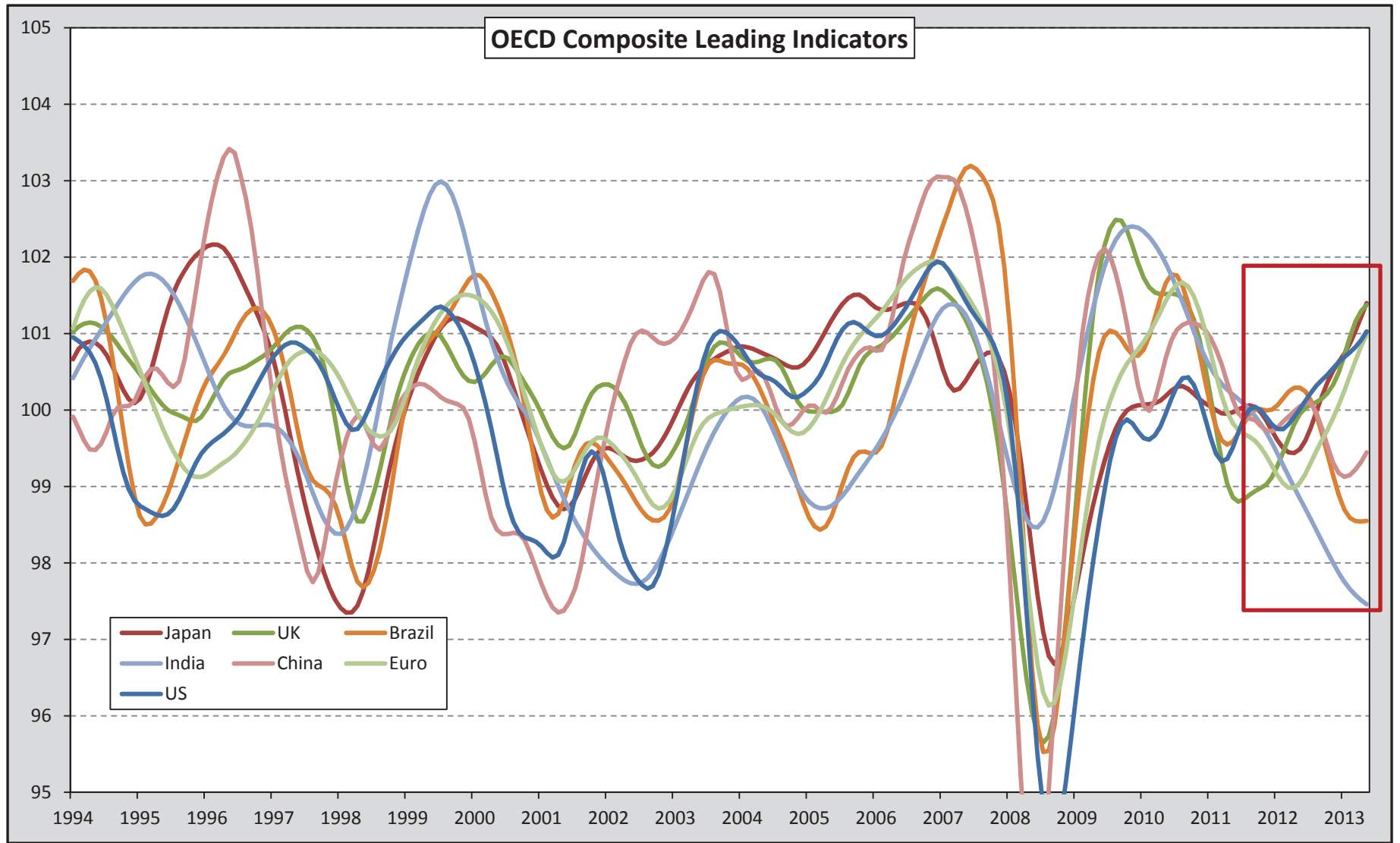
The Story of 2013 – US Equity Dominates...



Source: Bloomberg as of 12/31

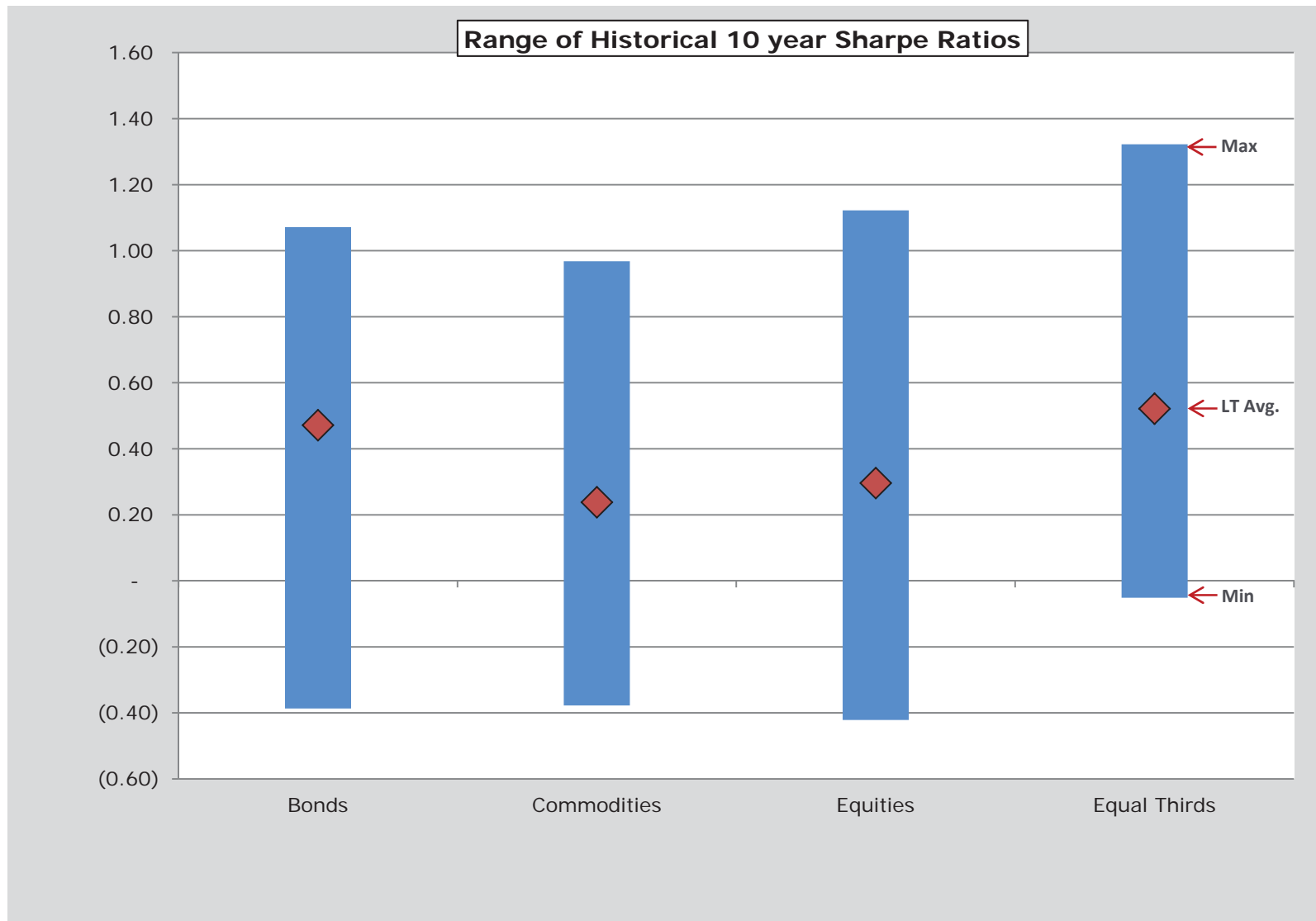
- **Diversification still matters, especially after a period when not rewarded**
- **Developed world growth outlook has improved despite fiscal drag**
- **US Fed taper will occur throughout 2014 with global implications**
- **Upward pressure on interest rates may have subsided**
- **Divergence in economic conditions broadens range of outcomes by country**

Global Economic Divergence



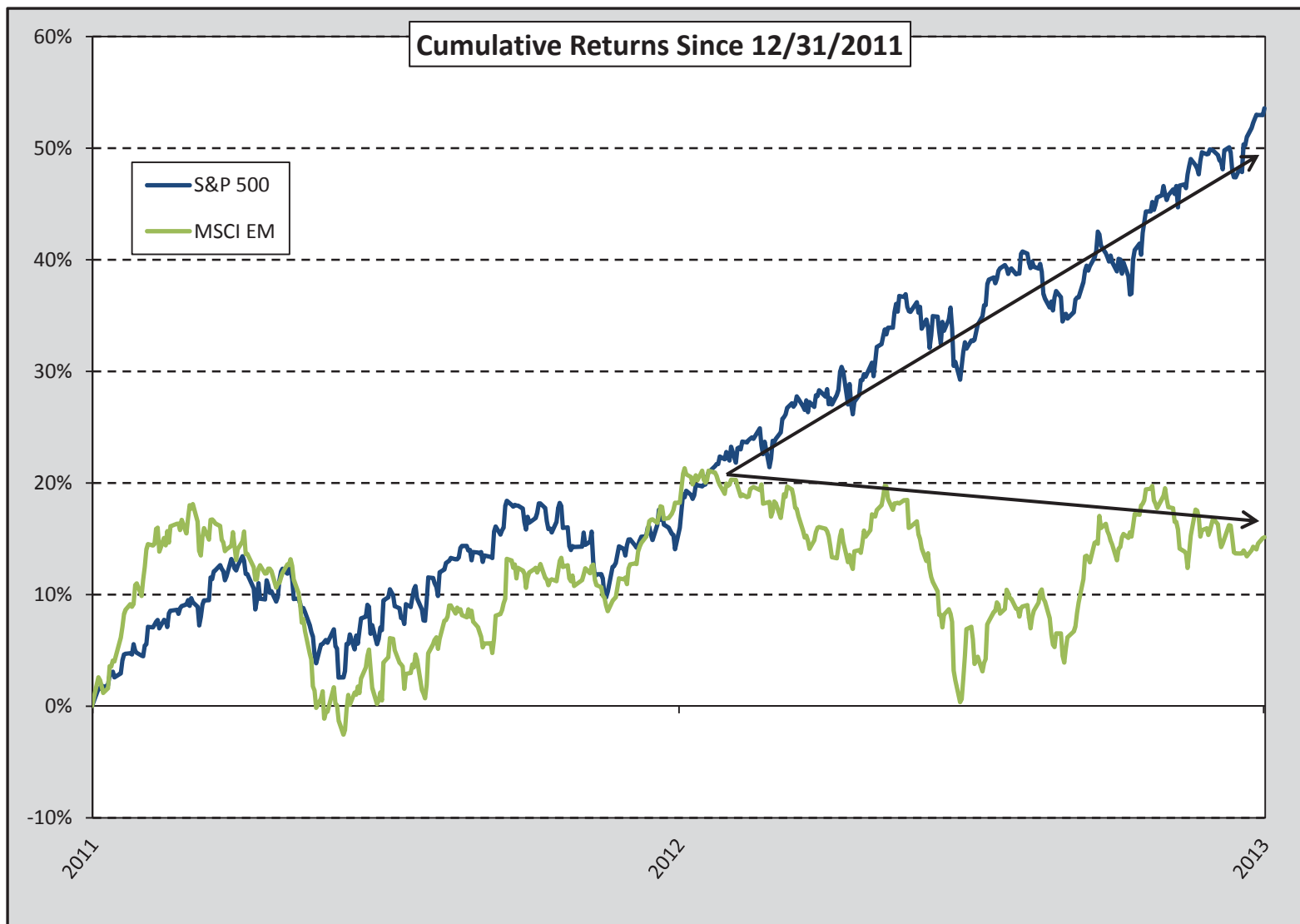
Source: Bloomberg as of 11/30

Diversification Still Wins In The Long Run



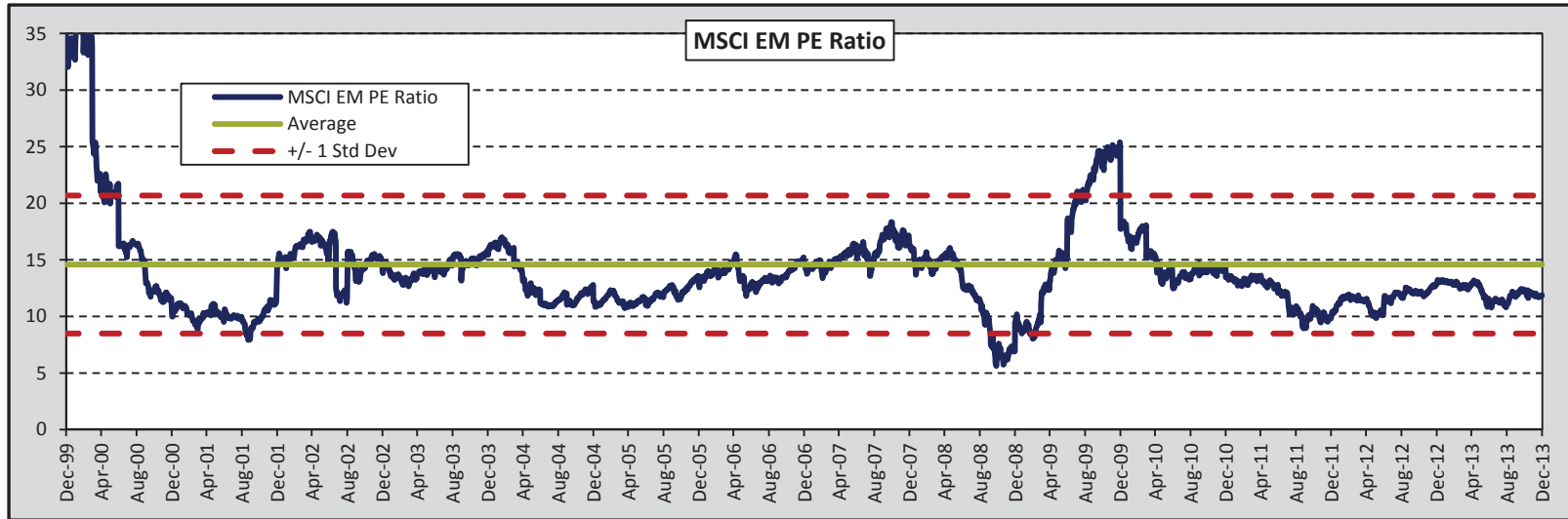
Source: Bloomberg, NEPC

Domestic and Emerging Equity Returns Diverged in 2013

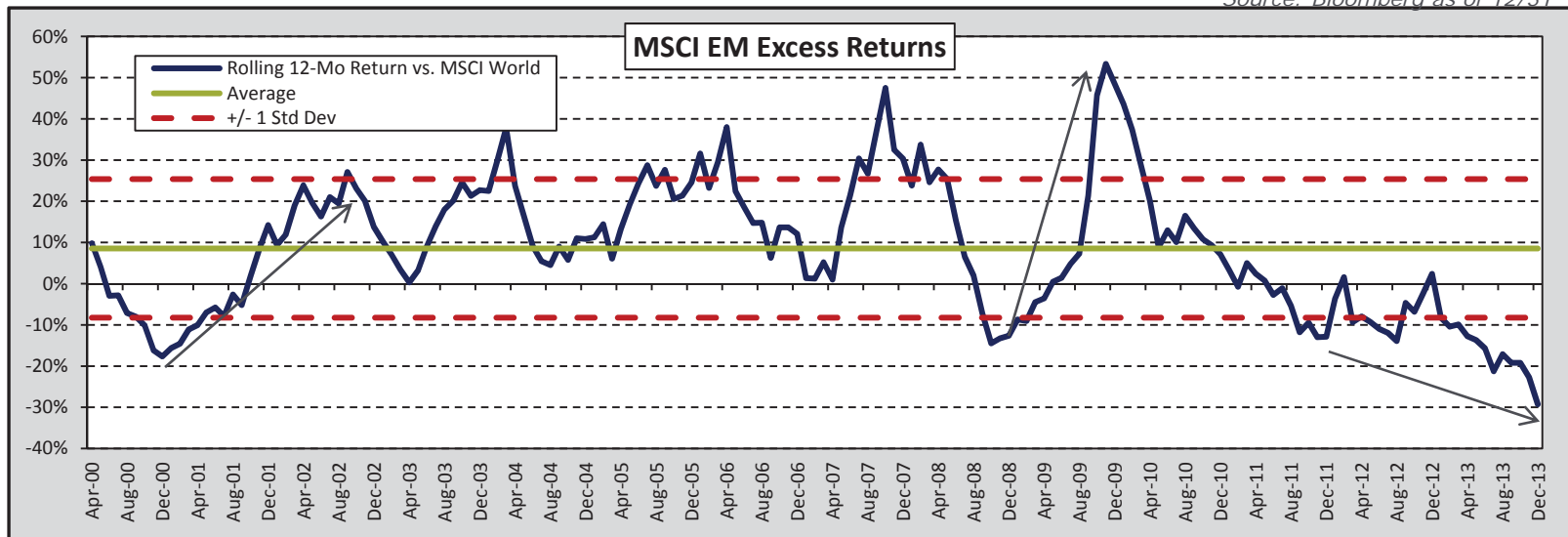


Source: Bloomberg as of 12/31

Emerging Markets Equity – Attractive Valuations...Due for a Rebound?



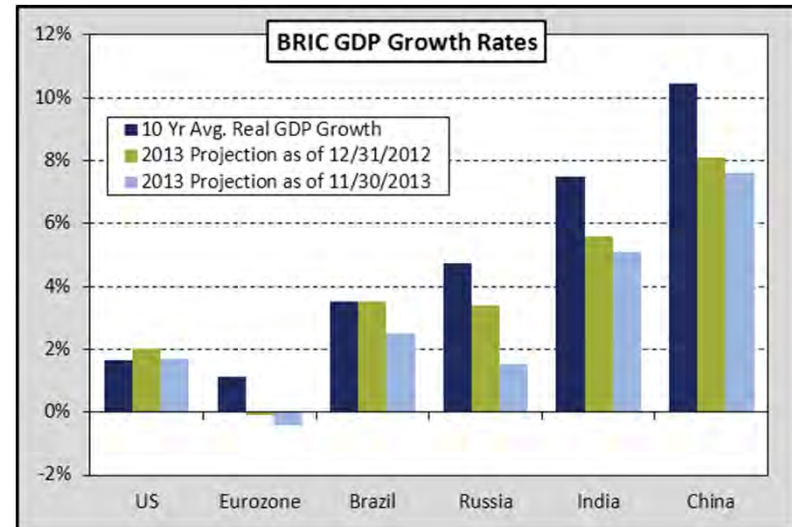
Source: Bloomberg as of 12/31



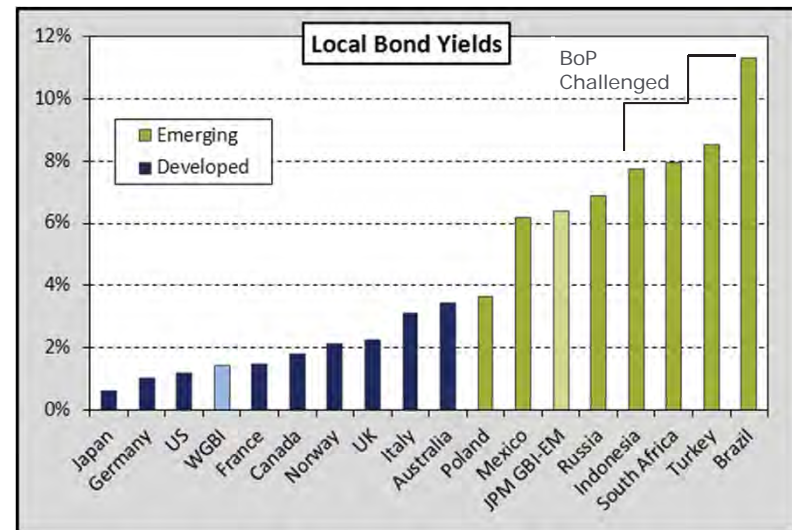
Source: Bloomberg as of 12/31

Emerging Markets – Challenges and Opportunities

- Growth has moderated but remains higher than in developed world
- Valuation and yield levels offer some compensation for current uncertainty
- Recent weakness offers an opportunity to build positions for those investors with below-market exposure to EM
- Active implementation can facilitate management around volatility at country and security level



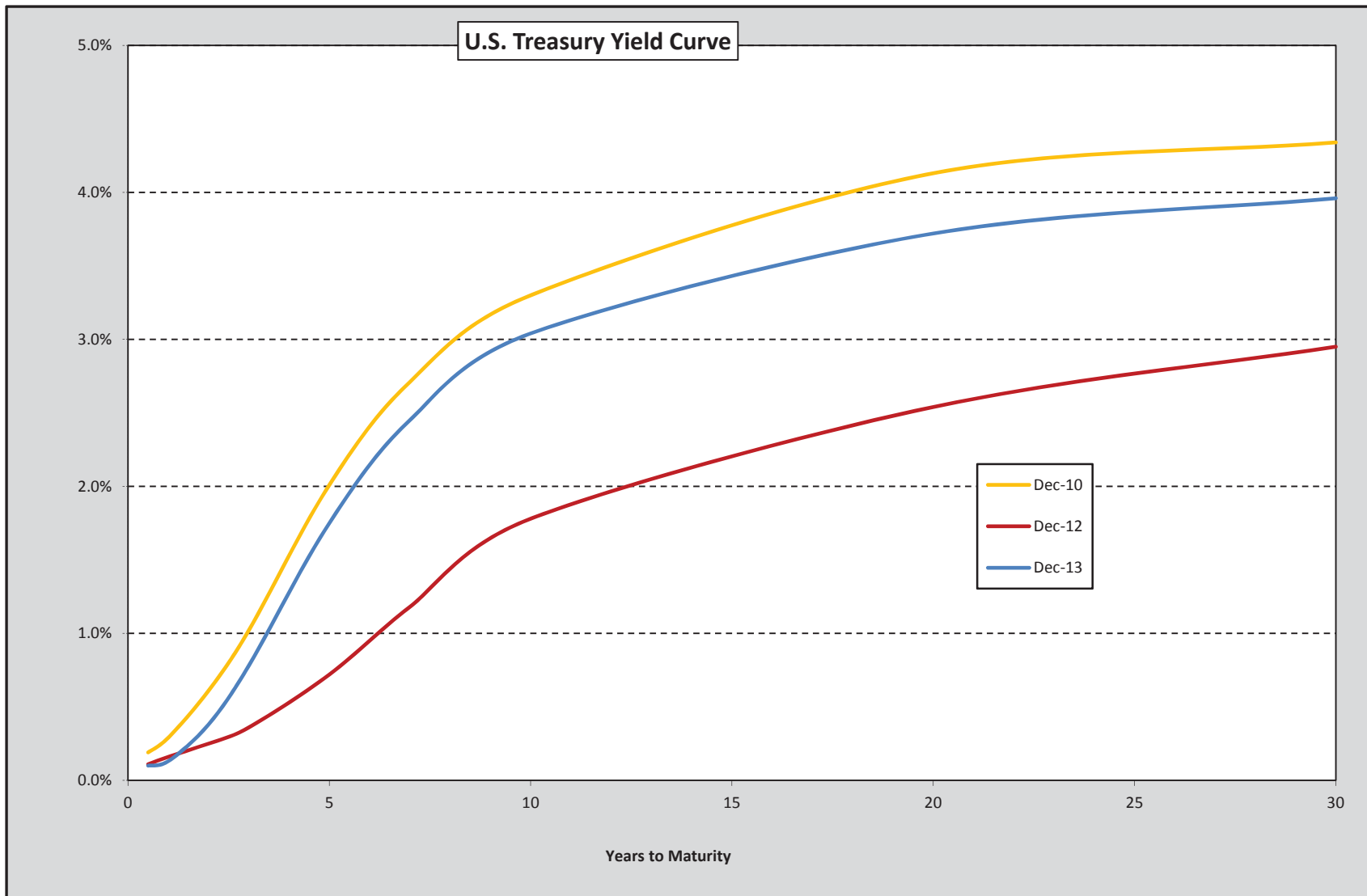
Source: Bloomberg as of 11/30



Source: Bloomberg as of 11/30

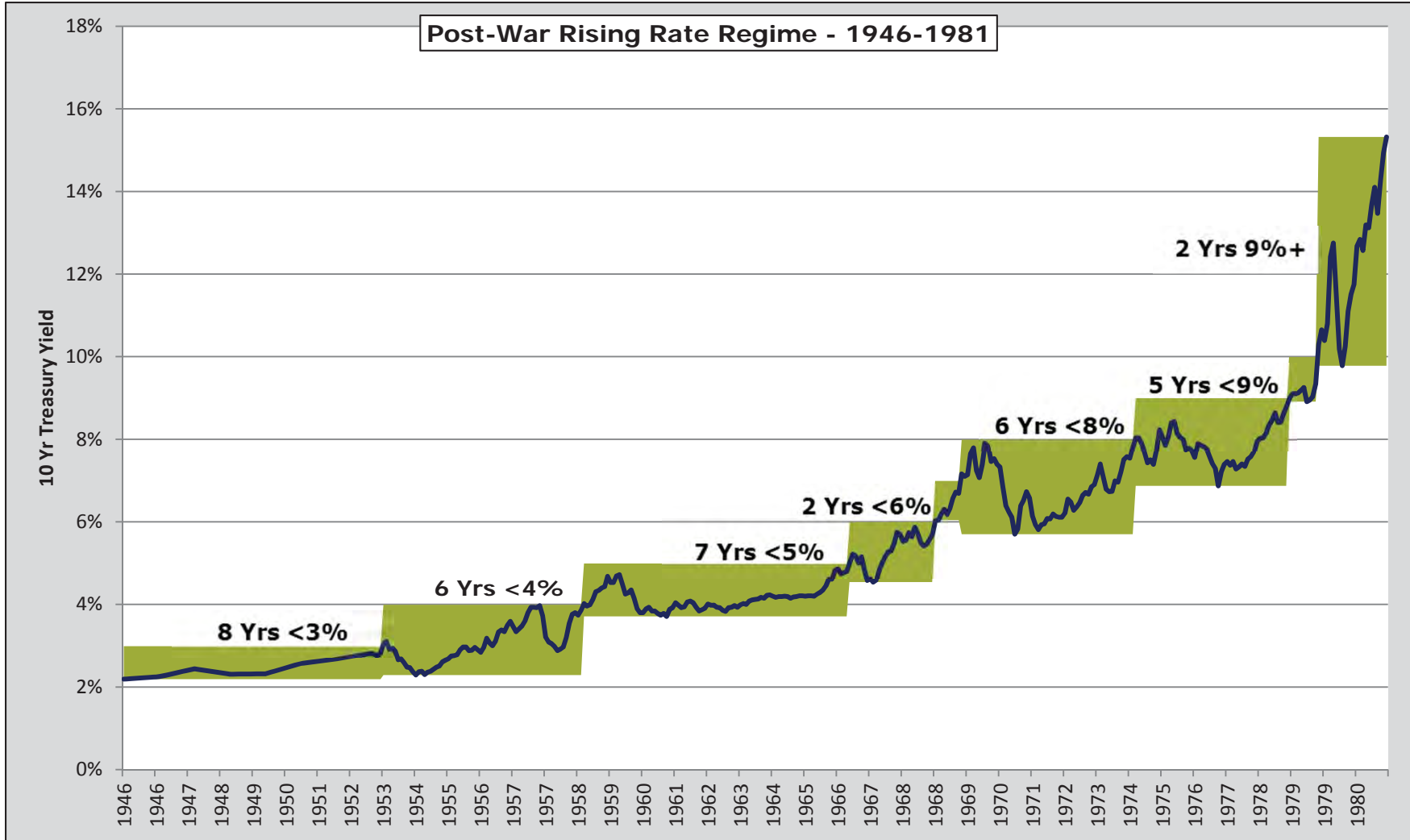
- **US monetary policy is diverging from other developed markets**
- **Further increase in interest rates must harmonize with changes in economic growth and inflation**
- **Narrow credit spreads and constrained liquidity expose investors to potential downside risks**
- **Strategic exposure to interest rates remains an important element of diversification**
- **Private investments offer an illiquidity premium and higher return expectation**

Treasury Rates Have Risen But Remain Within Scope of Recent History



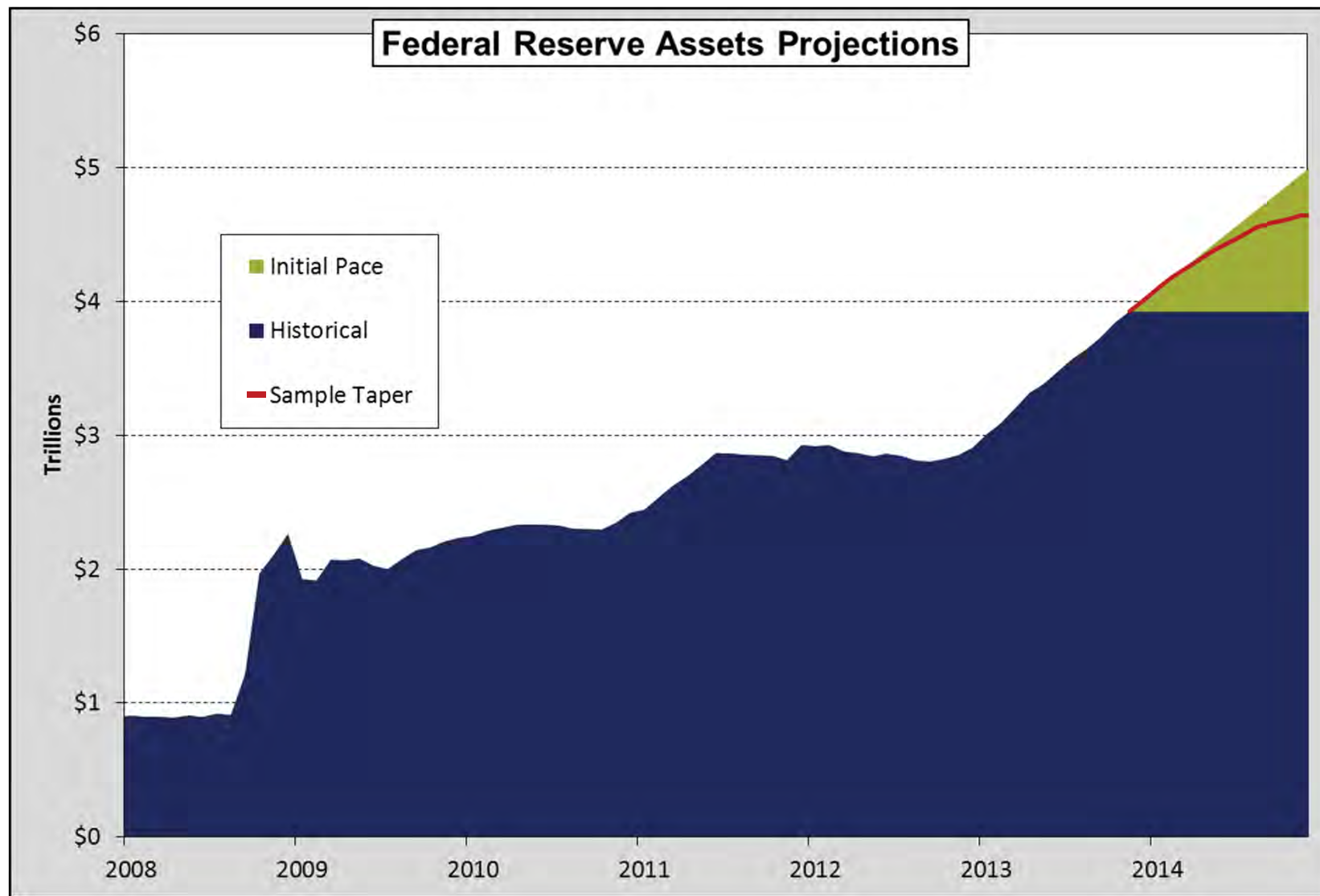
Source: US Treasury as of 12/31

Interest Rate Cycles are Long-Term and Driven by Economic Conditions



Source: Federal Reserve Bank of St. Louis

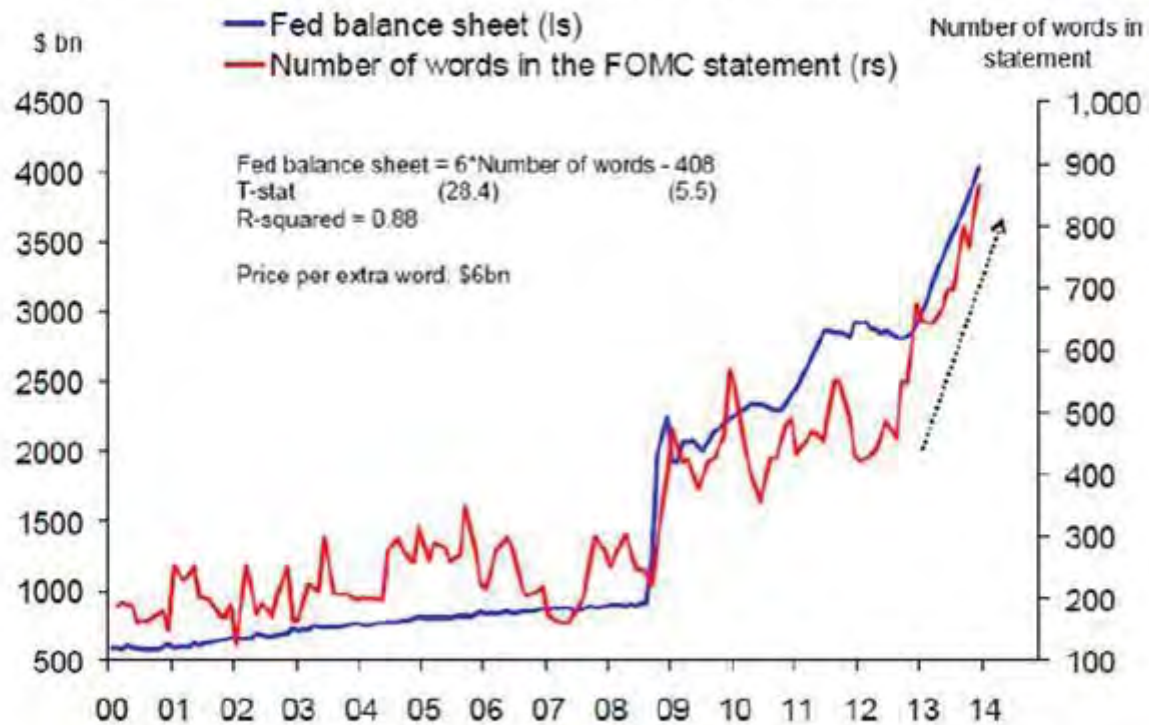
Unprecedented Monetary Policy Experiment Continues with "Taper"



Source: NEPC, Board of Governors of the Federal Reserve System

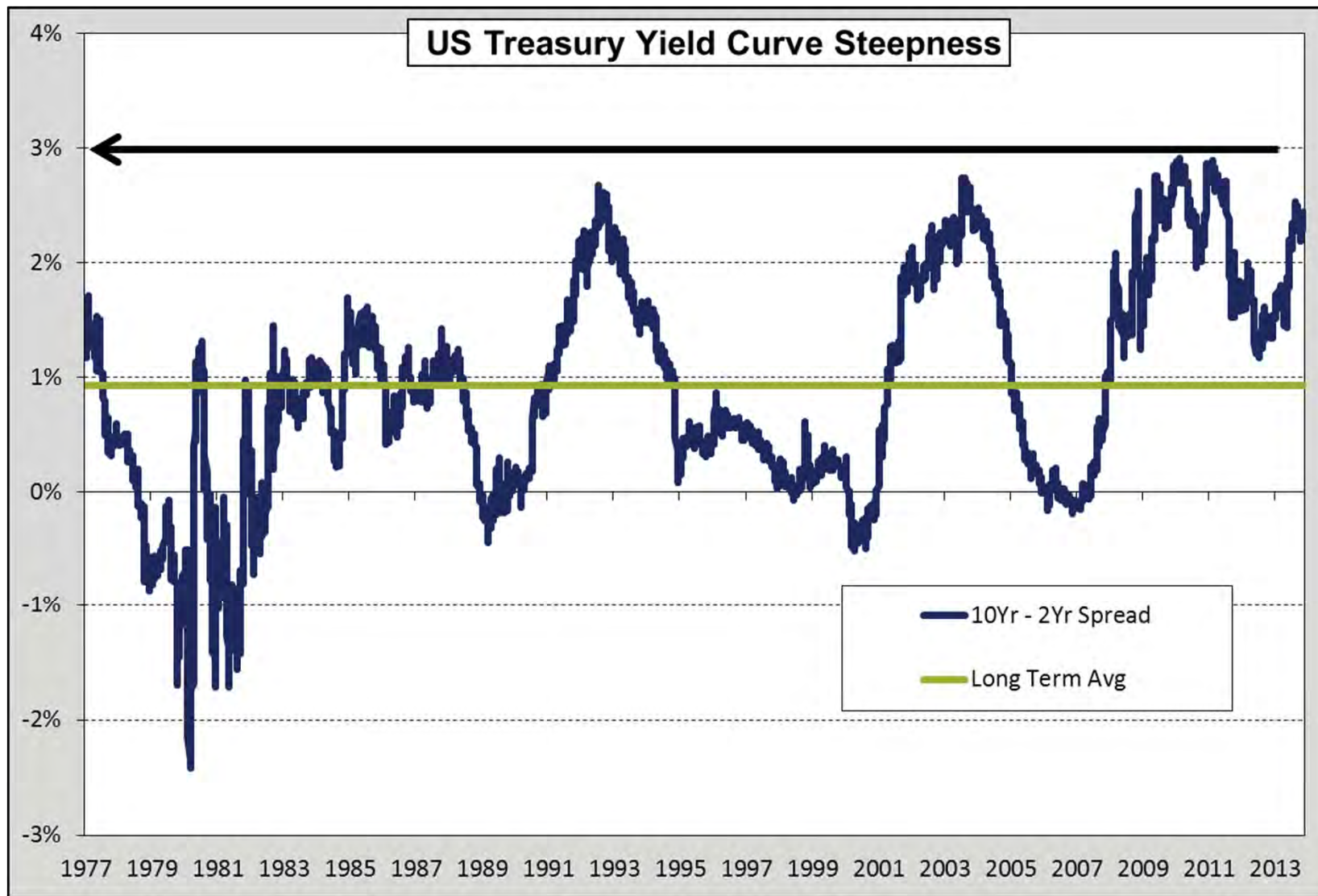
A Picture Is Worth Nine Hundred Words

Getting closer to the 6.5% unemployment threshold and almost 900 words in the latest FOMC statement: More and more difficult for the Fed to explain what it is doing



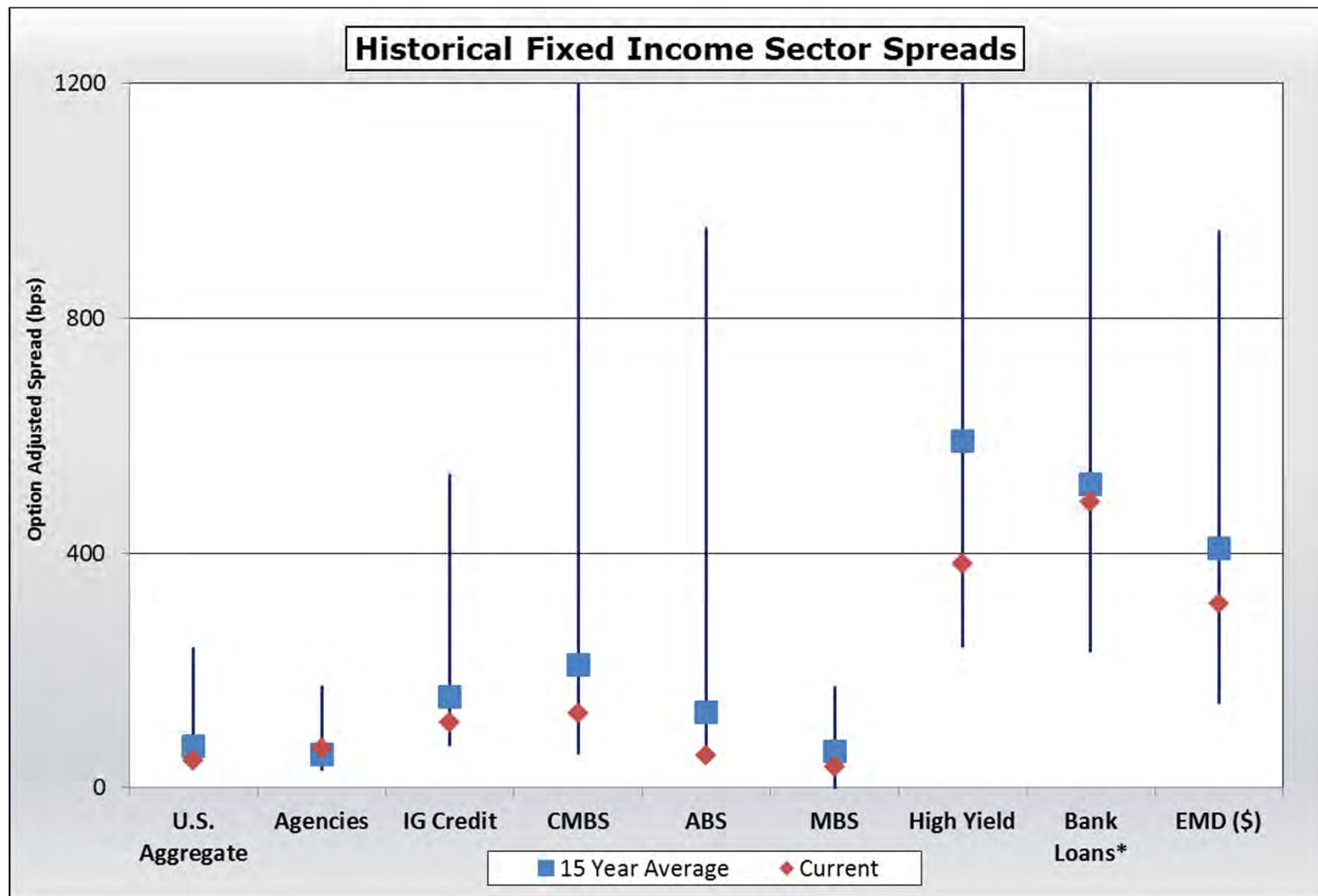
Source: FRB, DB Global Markets Research

10-Yr Treasury Range Bound while Fed Controls Short-Term Rates



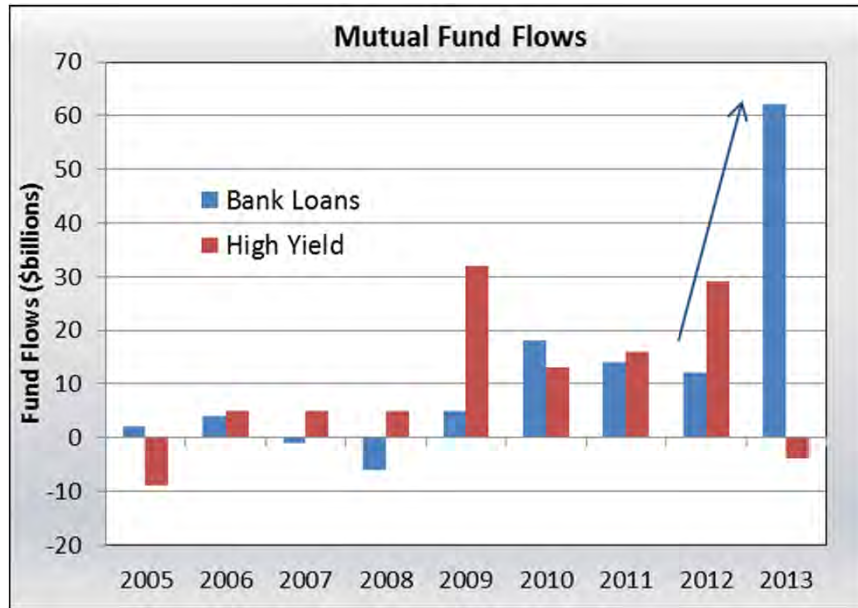
Source: NEPC, Board of Governors of the Federal Reserve System

Credit Spreads Approach Pre-Crisis Levels and Yields at All-Time Lows



Source: Barclays Live, *3-year Discount Margin

Liquidity Profile of Credit Markets is Evolving



Source: JP Morgan

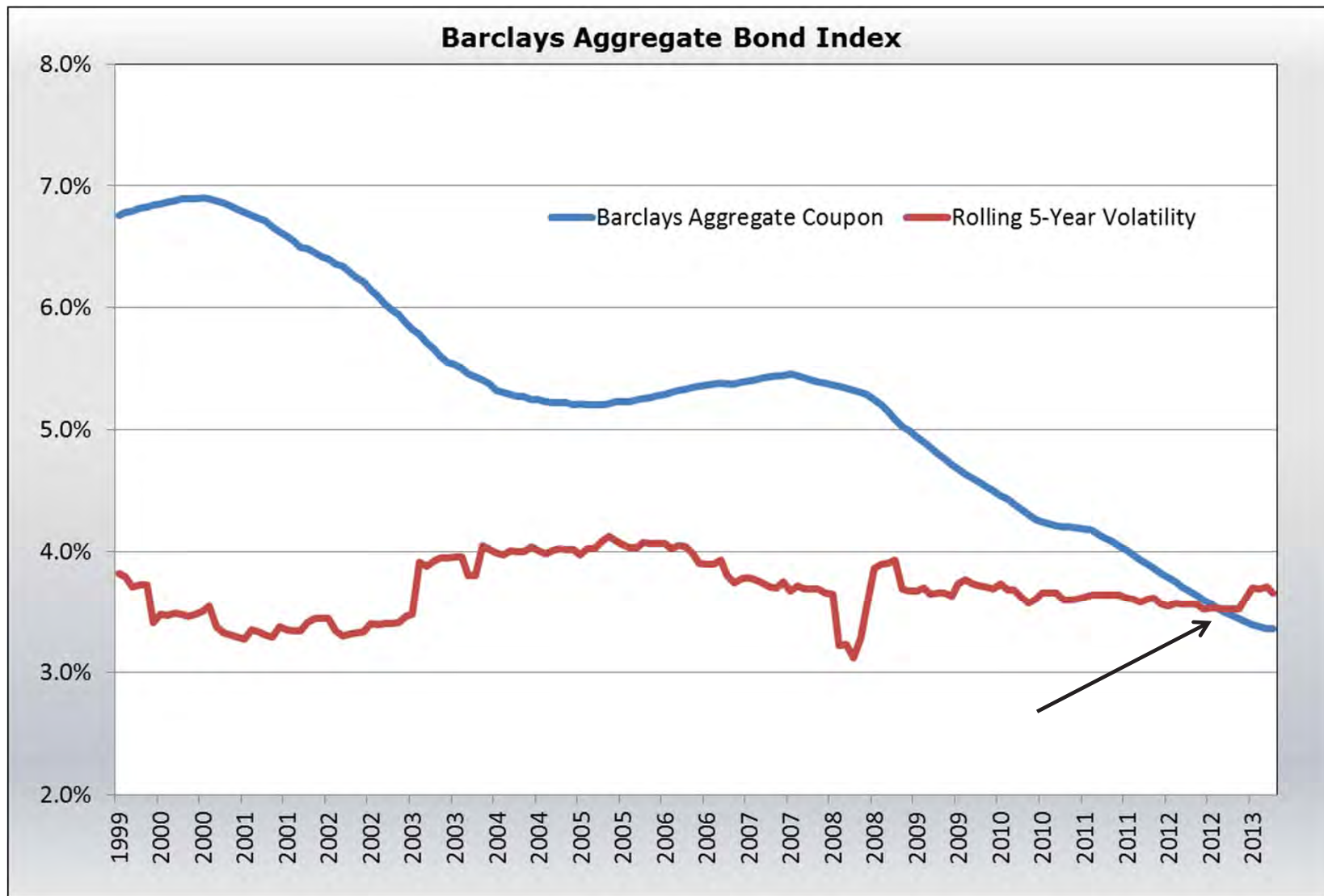


Source: Federal Reserve Bank of New York

- **Demand for higher return has led to significant flows into credit markets since 2008**
 - Increased participation of mutual funds and ETFs in credit markets could amplify illiquidity during periods of stress

- **Decline in Broker Dealer balance sheets is significant since 2008**
 - Impacts ability to transact in credit markets and enhances volatility during periods of stress

Core Bonds: Is it Time to Make a Change?



Source: Barclays Live

Investment Market Update: As of January 31, 2014

PERFORMANCE THROUGH 1/31/2014

Sector	Index	2008	2009	2010	2011	2012	2013	Jan	2014
Treasury STRIPS	Barclays US Strips 20+ Yr	59.5%	-36.0%	10.9%	58.5%	3.0%	-21.0%	9.4%	9.4%
Long Govt/Credit	Barclays US Govt/Credit Long	8.4%	1.9%	10.2%	22.5%	8.8%	-8.8%	4.0%	4.0%
REITS	Wilshire US REIT	-39.2%	28.6%	28.6%	9.2%	17.6%	1.9%	3.9%	3.9%
Long Credit	Barclays US Long Credit	-3.9%	16.8%	10.7%	17.1%	12.7%	-6.6%	3.3%	3.3%
Muni Bonds	Barclays Municipal	-2.5%	12.9%	2.4%	10.7%	6.8%	-2.6%	1.9%	1.9%
Core Bonds	Barclays US Agg Bond	5.2%	5.9%	6.5%	7.8%	4.2%	-2.0%	1.5%	1.5%
Global Bonds	Citi WGBI	10.9%	2.6%	5.2%	6.4%	1.6%	-4.0%	1.3%	1.3%
Interm Core Bonds	Barclays US Agg Interm	4.9%	6.5%	6.1%	6.0%	3.6%	-1.0%	1.1%	1.1%
Interm Govt/Credit	Barclays US Govt/Credit Interm	5.1%	5.2%	5.9%	5.8%	3.9%	-0.9%	0.9%	0.9%
High Yield	Barclays US Corp High Yield	-26.2%	58.2%	15.1%	5.0%	15.8%	7.4%	0.7%	0.7%
Govt/Credit	Barclays Govt/Credit 1-5 Yr	5.1%	4.6%	4.1%	3.1%	2.2%	0.3%	0.4%	0.4%
Commodities	DJ UBS Commodity	-35.6%	18.9%	16.8%	-13.3%	-1.1%	-9.5%	0.3%	0.3%
Govt/Credit	Barclays US Govt/Credit 1-3 Yr	5.0%	3.8%	2.8%	1.6%	1.3%	0.6%	0.2%	0.2%
EMD USD	Barclays EM USD Aggregate	-14.7%	34.2%	12.8%	7.0%	17.9%	-4.1%	-0.3%	-0.3%
Diversified	Diversified*	-24.5%	24.1%	13.5%	1.3%	12.7%	17.6%	-1.5%	-1.5%
Small Cap Growth	Russell 2000 Growth	-38.5%	34.5%	29.1%	-2.9%	14.6%	43.3%	-1.7%	-1.7%
SMID Cap	Russell 2500	-36.8%	34.4%	26.7%	-2.5%	17.9%	36.8%	-2.3%	-2.3%
Small Cap	Russell 2000	-33.8%	27.2%	26.9%	-4.2%	16.3%	38.8%	-2.8%	-2.8%
Large Cap Growth	Russell 1000 Growth	-38.4%	37.2%	16.7%	2.6%	15.3%	33.5%	-2.9%	-2.9%
Large Cap	Russell 1000	-37.6%	28.4%	16.1%	1.5%	16.4%	33.1%	-3.2%	-3.2%
Large Cap	S&P 500	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	-3.5%	-3.5%
Large Cap Value	Russell 1000 Value	-36.8%	19.7%	15.5%	0.4%	17.5%	32.5%	-3.6%	-3.6%
Small Cap Value	Russell 2000 Value	-28.9%	20.6%	24.5%	-5.5%	18.1%	34.5%	-3.9%	-3.9%
Int'l Developed	MSCI EAFE	-43.4%	31.8%	7.8%	-12.1%	17.3%	22.8%	-4.0%	-4.0%
EMD Local	JPM GBI EM Global Diversified	-5.2%	22.0%	15.7%	-1.8%	16.8%	-9.0%	-4.6%	-4.6%
Emerging Equities	MSCI EM	-53.3%	78.5%	18.9%	-18.4%	18.2%	-2.6%	-6.5%	-6.5%

* 35% LC, 10% SC, 12% Intl Equity, 3% Emerging Equity, 25% Core Bonds, 5% HY, 5% Global Bonds, 5% REITS

Source: Morningstar Direct

State Municipal Employees' Retirement System

Vermont Municipal Employees

Total Fund Performance Summary

	Market Value	3 Mo	Rank	YTD	Rank	Fiscal YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
Municipal Composite	\$487,346,790	3.2%	93	8.9%	93	7.4%	92	8.9%	93	8.0%	85	13.1%	27
<i>Policy Index</i>		3.3%	93	9.4%	93	7.7%	91	9.4%	93	6.9%	94	10.2%	83
<i>Allocation Index</i>		3.3%	93	10.0%	91	7.9%	90	10.0%	91	7.0%	94	10.9%	75
<i>IFx Public DB Gross Median</i>		5.0%		15.5%		10.1%		15.5%		9.5%		12.2%	

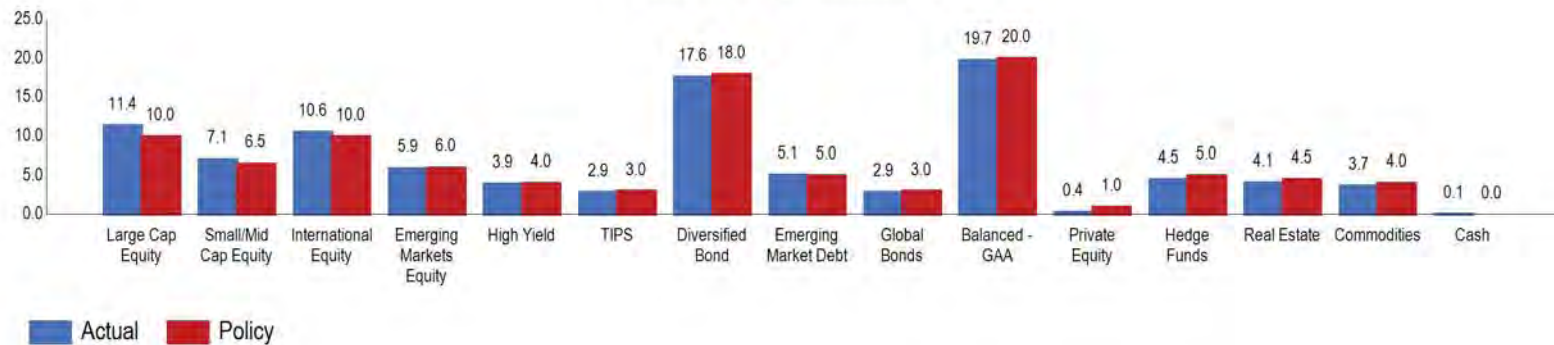
3 Years Ending December 31, 2013

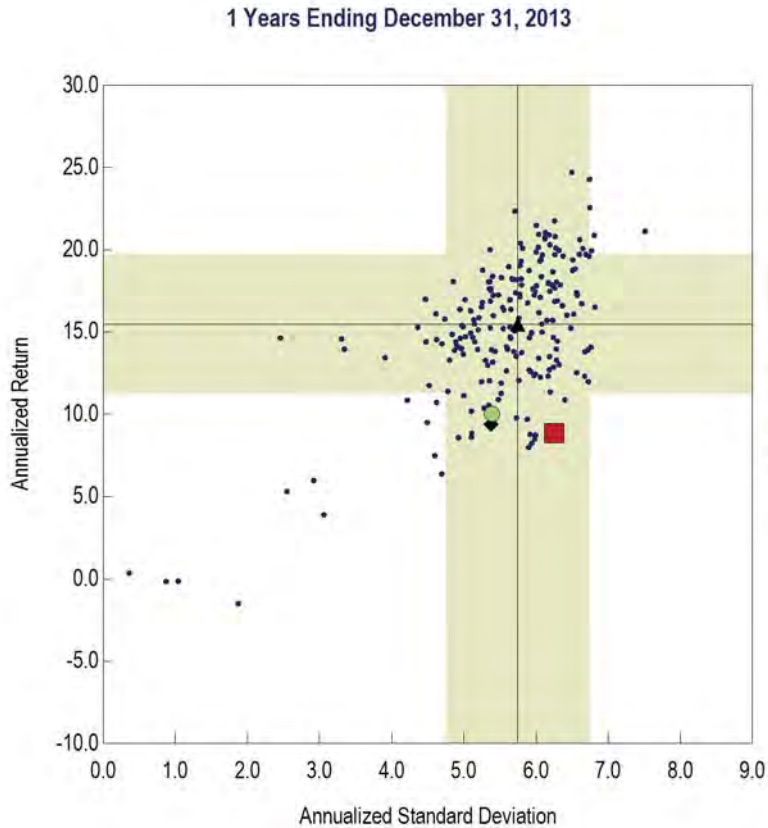
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Municipal Composite	7.99%	84	7.28%	40	1.09	74	1.50	60
Policy Index	6.87%	95	7.01%	32	0.97	89	1.30	84
Allocation Index	7.01%	95	6.97%	31	1.00	86	1.33	81

5 Years Ending December 31, 2013

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Municipal Composite	13.08%	22	9.90%	60	1.31	38	2.13	20
Policy Index	10.22%	82	9.18%	46	1.10	94	1.66	92
Allocation Index	10.86%	72	9.32%	49	1.16	86	1.80	75

Actual vs Target Allocation (%)

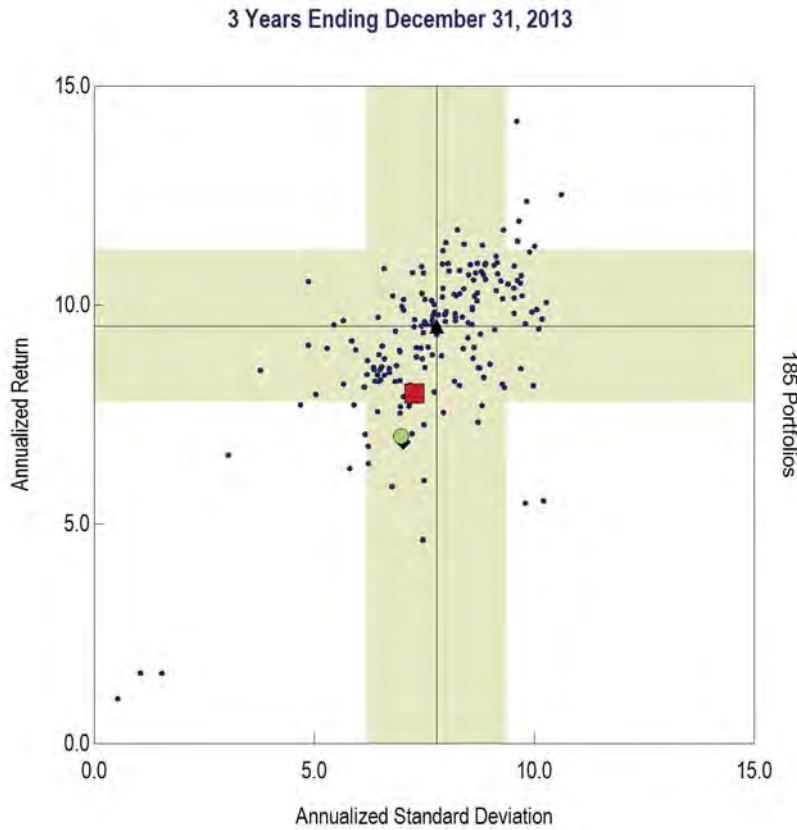




1 Year Ending December 31, 2013

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Municipal Composite	8.86%	93	6.25%	80	1.41	97
Policy Index	9.38%	93	5.37%	34	1.74	92
S&P 500	32.39%	1	8.48%	99	3.81	2
60% MSCI ACWI (Net)/40% CITI WGBI	11.42%	86	6.94%	99	1.64	95
Citi WGBI	-4.00%	99	5.13%	23	-0.79	99
MSCI ACWI	22.80%	1	9.30%	99	2.45	70
MSCI ACWI ex USA	15.29%	53	11.46%	99	1.33	98
IFx Public DB Gross Median	15.49%	--	5.75%	--	2.84	--

- Municipal Composite
- ◆ Policy Index
- Allocation Index
- ▲ Universe Median
- 68% Confidence Interval
- IFx Public DB Gross

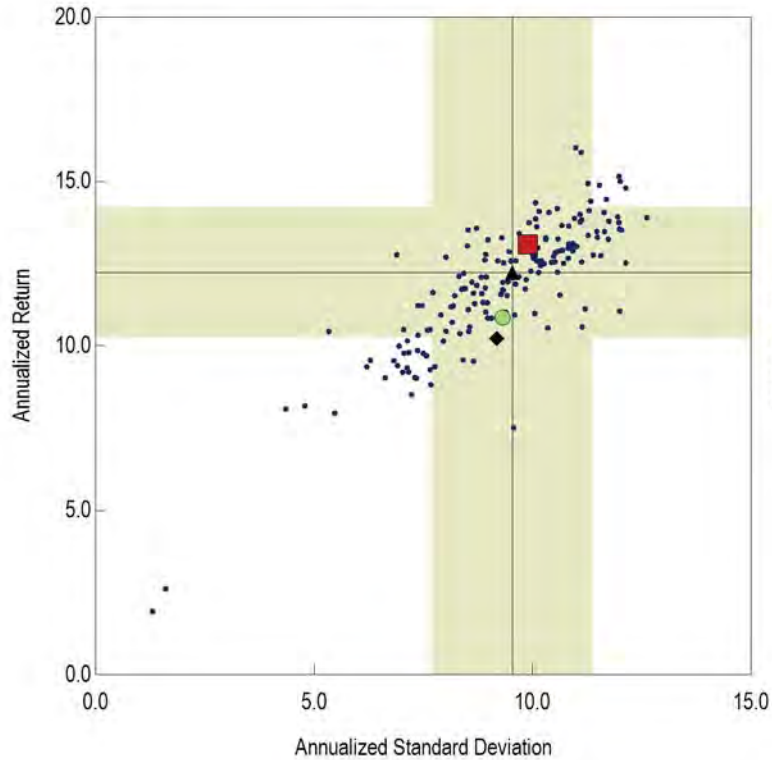


- Municipal Composite
- ◆ Policy Index
- Allocation Index
- ▲ Universe Median
- 68% Confidence Interval
- IFx Public DB Gross

3 Years Ending December 31, 2013

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Municipal Composite	7.99%	85	7.28%	35	1.09	75
Policy Index	6.88%	94	7.01%	28	0.97	90
S&P 500	16.18%	1	12.11%	99	1.33	21
60% MSCI ACWI (Net)/40% CITI WGBI	6.50%	95	9.15%	83	0.70	99
Citi WGBI	1.25%	99	4.66%	3	0.25	99
MSCI ACWI	9.73%	42	14.14%	99	0.68	99
MSCI ACWI ex USA	5.14%	99	16.46%	99	0.31	99
IFx Public DB Gross Median	9.53%	--	7.78%	--	1.21	--

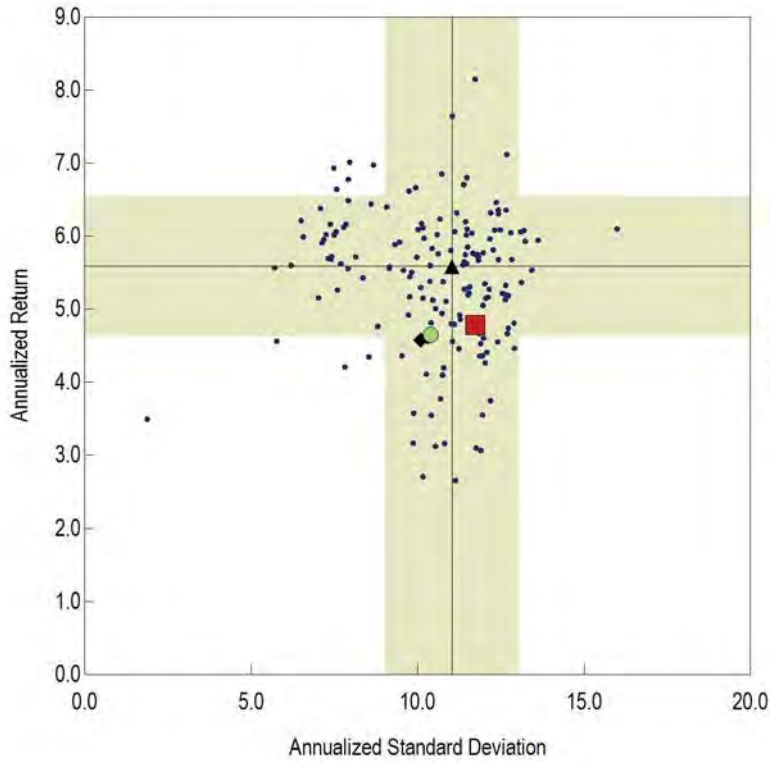
5 Years Ending December 31, 2013



5 Years Ending December 31, 2013

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Municipal Composite	13.08%	27	9.90%	57	1.31	37
Policy Index	10.22%	83	9.18%	43	1.10	94
S&P 500	17.94%	1	15.81%	99	1.13	90
60% MSCI ACWI (Net)/40% CITI WGBI	10.02%	85	12.00%	97	0.83	99
Citi WGBI	2.28%	99	6.56%	5	0.33	99
MSCI ACWI	14.92%	3	17.60%	99	0.84	99
MSCI ACWI ex USA	12.82%	35	19.80%	99	0.64	99
IFx Public DB Gross Median	12.24%	--	9.54%	--	1.26	--

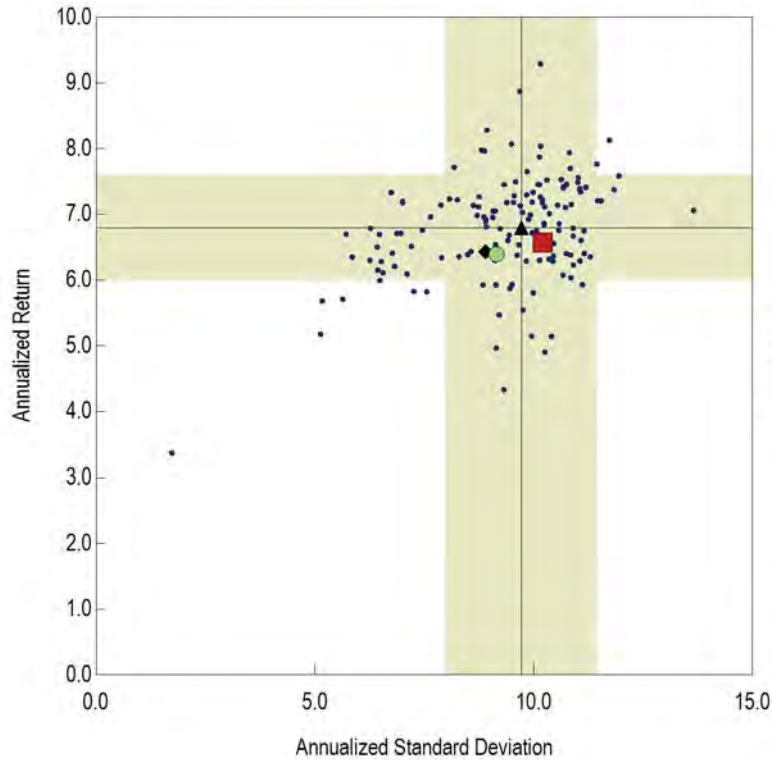
7 Years Ending December 31, 2013



7 Years Ending December 31, 2013

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Municipal Composite	4.78%	78	11.72%	69	0.33	82
Policy Index	4.58%	82	10.09%	33	0.37	70
S&P 500	6.13%	19	16.91%	99	0.31	86
60% MSCI ACWI (Net)/40% CITI WGBI	4.55%	84	12.50%	88	0.29	90
Citi WGBI	4.68%	80	7.20%	6	0.53	25
MSCI ACWI	3.75%	94	18.99%	99	0.15	99
MSCI ACWI ex USA	2.16%	99	21.37%	99	0.06	99
IFx Public DB Gross Median	5.59%	--	11.02%	--	0.42	--

10 Years Ending December 31, 2013

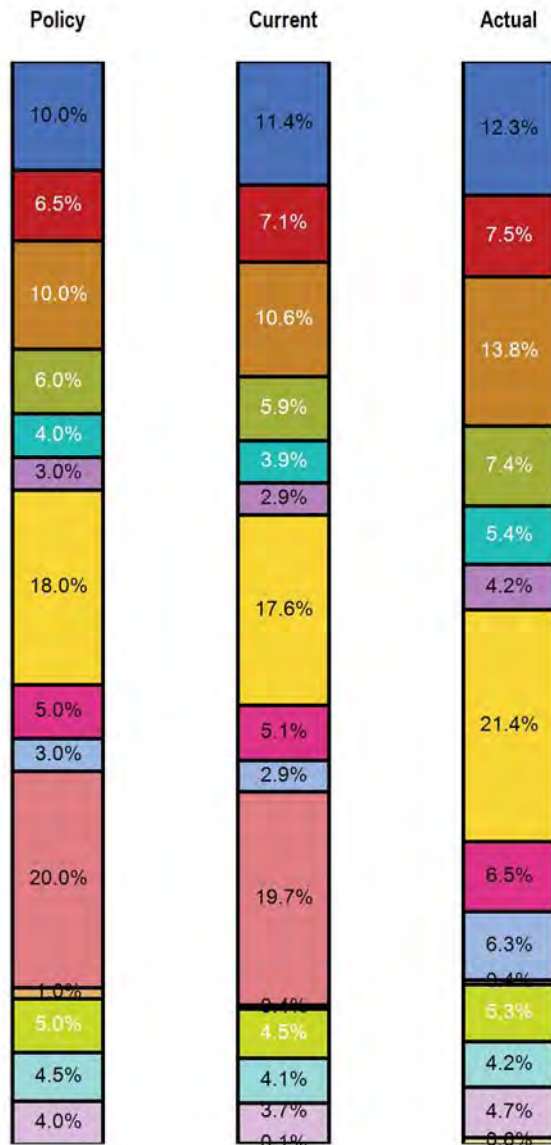


10 Years Ending December 31, 2013

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Municipal Composite	6.57%	63	10.21%	67	0.49	78
Policy Index	6.43%	68	8.90%	31	0.55	55
S&P 500	7.41%	18	14.62%	99	0.40	97
60% MSCI ACWI (Net)/40% CITI WGBI	6.29%	79	10.98%	88	0.43	90
Citi WGBI	4.15%	99	6.83%	12	0.38	97
MSCI ACWI	7.17%	33	16.52%	99	0.34	99
MSCI ACWI ex USA	7.57%	11	18.82%	99	0.32	99
IFx Public DB Gross Median	6.80%	--	9.71%	--	0.56	--

Vermont Municipal Employees

Total Fund Asset Allocation vs. Policy Targets

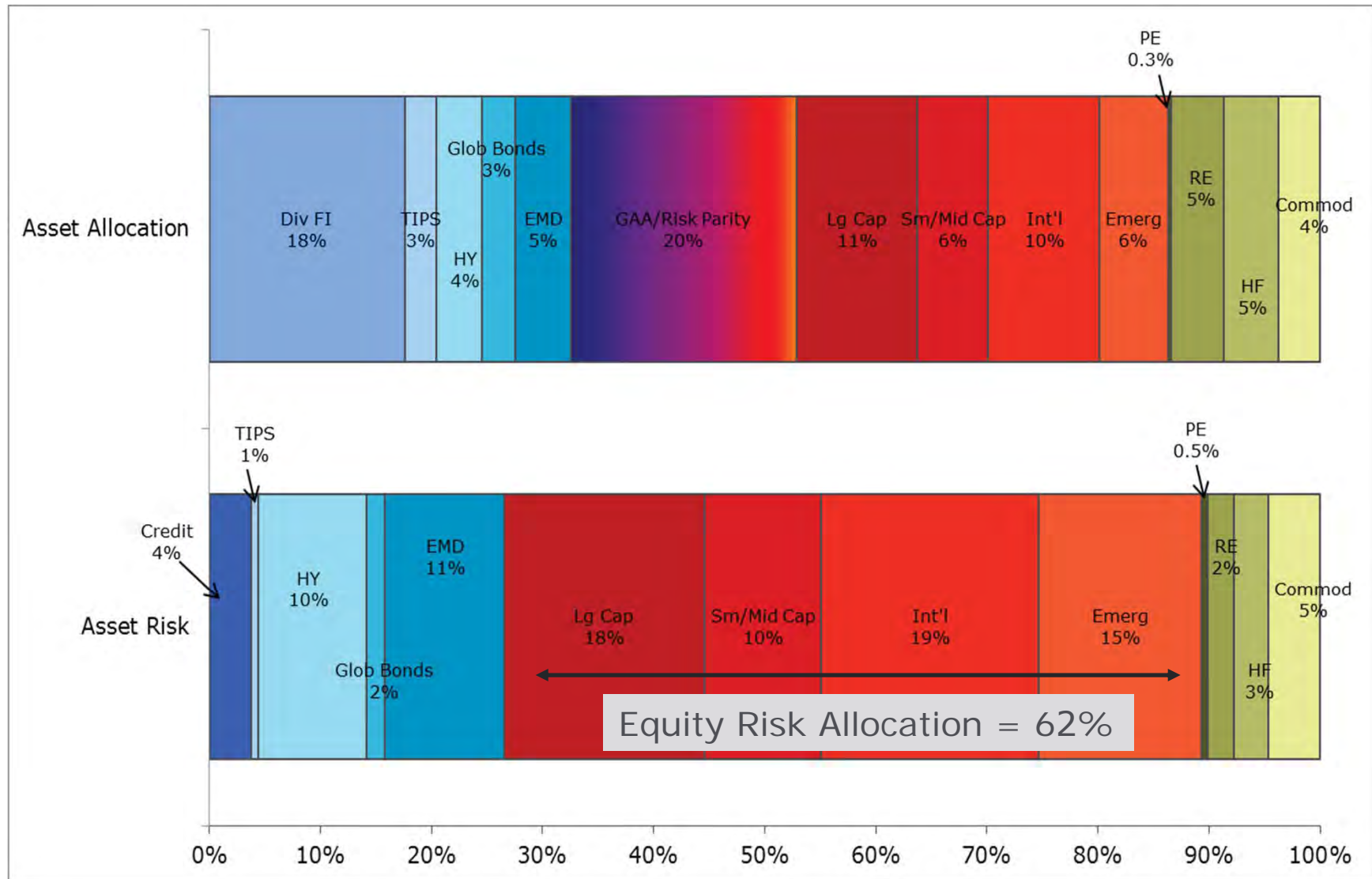


Asset Allocation vs. Target

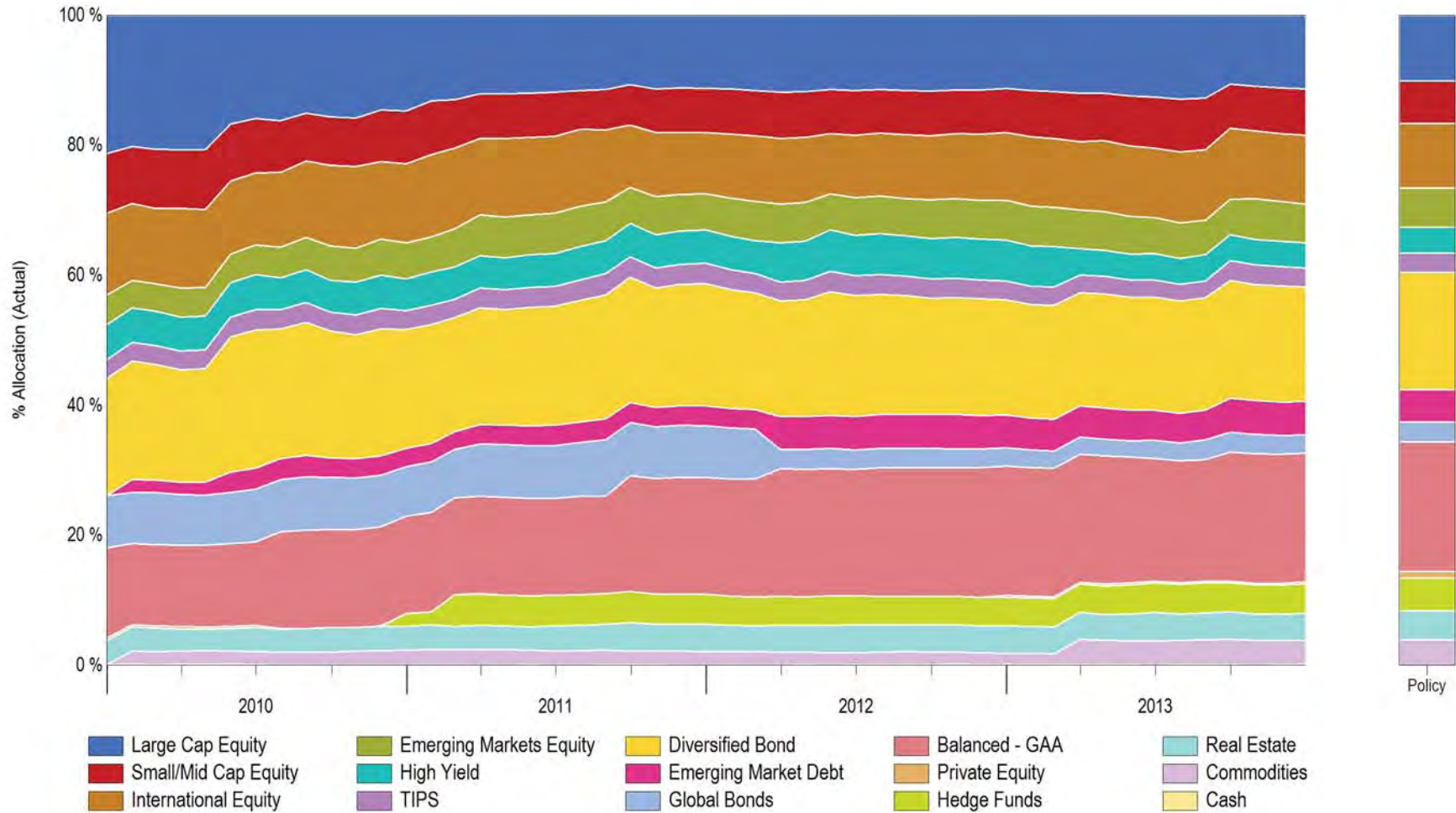
	Current	Policy	Current	Difference*
Large Cap Equity	\$55,318,636	10.0%	11.4%	1.4%
Small/Mid Cap Equity	\$34,678,945	6.5%	7.1%	0.6%
International Equity	\$51,415,113	10.0%	10.6%	0.6%
Emerging Markets Equity	\$28,949,186	6.0%	5.9%	-0.1%
High Yield	\$19,195,462	4.0%	3.9%	-0.1%
TIPS	\$14,173,758	3.0%	2.9%	-0.1%
Diversified Bond	\$85,888,425	18.0%	17.6%	-0.4%
Emerging Market Debt	\$24,743,194	5.0%	5.1%	0.1%
Global Bonds	\$14,086,987	3.0%	2.9%	-0.1%
Balanced - GAA	\$96,207,870	20.0%	19.7%	-0.3%
Private Equity	\$1,760,999	1.0%	0.4%	-0.6%
Hedge Funds	\$22,064,481	5.0%	4.5%	-0.5%
Real Estate	\$20,156,135	4.5%	4.1%	-0.4%
Commodities	\$18,191,883	4.0%	3.7%	-0.3%
Cash	\$515,716	--	0.1%	0.1%
Total	\$487,346,790	100.0%	100.0%	

*Difference between Policy and Current Allocation

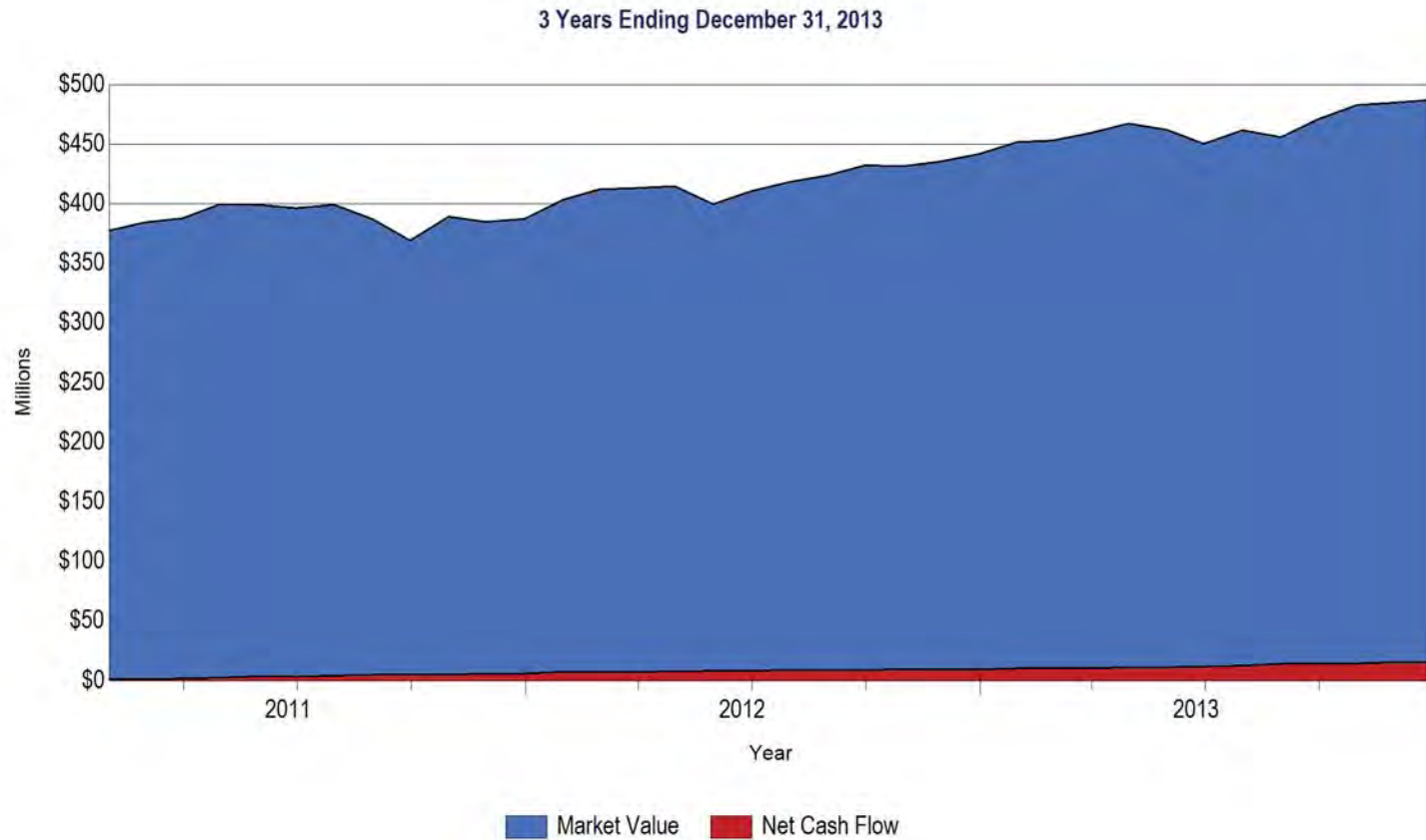
Total Plan Performance Analysis



Asset Allocation History



Total Fund Asset Growth Summary



	Last Three Months	Year-To-Date	Fiscal Year-To-Date	One Year	Three Years
Beginning Market Value	\$471,040,034	\$441,872,094	\$450,402,096	\$441,872,094	\$373,311,676
- Withdrawals	-\$17,877,444	-\$49,246,921	-\$37,238,989	-\$49,246,921	-\$221,127,152
+ Contributions	\$19,345,383	\$55,411,735	\$40,982,455	\$55,411,735	\$236,696,030
= Net Cash Flow	\$1,467,940	\$6,164,814	\$3,743,466	\$6,164,814	\$15,568,878
+ Net Investment Change	\$14,838,816	\$39,309,881	\$33,201,227	\$39,309,881	\$98,466,236
= Ending Market Value	\$487,346,790	\$487,346,790	\$487,346,790	\$487,346,790	\$487,346,790

Vermont Municipal Employees

Total Fund Asset Growth Summary by Manager

	Quarter Ending December 31, 2013					Ending Market Value
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	
Aberdeen	\$25,793,425	\$0	\$3,400,000	\$3,400,000	-\$244,239	\$28,949,186
Acadian	\$20,397,196	\$0	\$0	\$0	\$1,714,268	\$22,111,464
Allianz Structured Alpha	\$12,278,727	\$0	\$0	\$0	-\$129,305	\$12,149,422
AQR Global Risk Premium	\$37,362,637	\$0	\$0	\$0	\$657,832	\$38,020,470
BlackRock TIPS	\$14,464,237	\$0	\$0	\$0	-\$290,479	\$14,173,758
Champlain	\$10,742,185	\$0	\$0	\$0	\$1,032,037	\$11,774,221
GAM	\$4,224,019	\$0	\$0	\$0	\$183,479	\$4,407,498
Grosvenor	\$8,451,468	\$0	\$0	\$0	\$351,074	\$8,802,543
Guggenheim	--	\$0	\$14,408,324	\$14,408,324	\$64,655	\$14,472,979
Harbourvest Dover VIII Fund	\$424,819	-\$26,892	\$322,443	\$295,551	\$38,902	\$759,272
Harbourvest Partners IX Buyout Fund	\$469,738	\$0	\$29,096	\$29,096	\$0	\$498,834
Harbourvest Partners IX Credit Opportunities	\$86,548	\$0	\$7,649	\$7,649	\$0	\$94,197
Harbourvest Partners IX Venture Fund	\$278,055	\$0	\$130,640	\$130,640	\$0	\$408,696
KDP	\$4,486,343	-\$4,916	\$0	-\$4,916	\$144,217	\$4,625,644
Mellon Global Expanded Alpha	\$9,164,601	\$0	\$0	\$0	\$415,449	\$9,580,049
Mondrian	\$20,533,419	\$0	\$0	\$0	\$1,381,099	\$21,914,517
Mondrian GFI	\$14,213,489	\$0	\$0	\$0	-\$126,502	\$14,086,987
Morgan Stanley Prime Property	\$8,880,935	\$0	\$0	\$0	\$319,714	\$9,200,649
Permal	\$8,475,150	\$0	\$0	\$0	\$379,290	\$8,854,440
PIMCO All Asset	\$28,887,948	-\$65,273	\$0	-\$65,273	\$440,674	\$29,263,349
PIMCO Core Plus	\$30,592,071	\$0	\$0	\$0	-\$177,069	\$30,415,002
PIMCO Unconstrained	\$30,470,906	\$0	\$800,000	\$800,000	-\$133,468	\$31,137,438
Post Advisory	\$14,088,807	-\$14,286,246	\$0	-\$14,286,246	\$294,279	\$96,840
RREEF America REIT III	\$2,822,486	-\$94,552	\$0	-\$94,552	\$81,929	\$2,809,863
Schroder	\$18,519,318	\$0	\$0	\$0	-\$327,435	\$18,191,883

Vermont Municipal Employees

Total Fund Asset Growth Summary by Manager

	Quarter Ending December 31, 2013					Ending Market Value
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	
SSgA ACWI Ex US	\$10,439,568	-\$3,400,000	\$0	-\$3,400,000	\$349,563	\$7,389,131
SSgA Russell 2000 Growth	\$7,372,774	\$0	\$0	\$0	\$622,294	\$7,995,068
SSgA S&P 400	\$3,263,255	\$0	\$0	\$0	\$272,167	\$3,535,422
SSgA S&P 500 Cap-Wgt	\$22,599,029	\$0	\$0	\$0	\$2,376,714	\$24,975,743
SSgA S&P 500 Equal-Wgt	\$13,463,942	-\$372,555	\$0	-\$372,555	\$1,317,048	\$14,408,435
T. Rowe	\$13,898,607	\$500,000	\$0	\$500,000	\$1,535,852	\$15,934,458
Transwestern / Aslan III	\$109,027	-\$3,113	\$0	-\$3,113	\$196	\$106,110
UBS Trumbull	\$7,860,187	-\$21,552	\$21,552	\$0	\$179,326	\$8,039,513
Vermont Cash	\$392,382	-\$102,345	\$225,679	\$123,335	\$0	\$515,716
Wellington	\$10,443,604	\$0	\$0	\$0	\$930,630	\$11,374,234
Wellington DAS	\$12,294,622	\$0	\$0	\$0	-\$108,059	\$12,186,562
Wellington OIF	\$18,259,181	\$0	\$0	\$0	\$1,084,822	\$19,344,002
Wellington Opportunistic EMD	\$24,535,330	\$0	\$0	\$0	\$207,864	\$24,743,194
Total	\$471,040,034	-\$17,877,444	\$19,345,383	\$1,467,940	\$14,838,816	\$487,346,790

Vermont Municipal Employees

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	2013 Q4 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
Municipal Composite	487,346,790	100.0	100.0	3.2	93	8.9	93	8.9	93	8.0	85	13.1	27
Policy Index				3.3	93	9.4	93	9.4	93	6.9	94	10.2	83
Allocation Index				3.3	93	10.0	91	10.0	91	7.0	94	10.9	75
IFx Public DB Gross Median				5.0		15.5		15.5		9.5		12.2	
Large Cap Comp	55,318,636	11.4	10.0	10.4	47	33.9	48	33.9	48	16.5	41	21.2	14
S&P 500				10.5	45	32.4	62	32.4	62	16.2	47	17.9	57
eA US Large Cap Equity Gross Median				10.3		33.6		33.6		16.0		18.2	
T. Rowe	15,934,458	3.3	3.0	10.8	38	33.7	49	33.7	49	16.7	39	18.8	41
SSgA S&P 500 Cap-Wgt	24,975,743	5.1	4.0	10.5	45	32.4	61	32.4	61	16.2	46	--	--
S&P 500				10.5	45	32.4	62	32.4	62	16.2	47	17.9	57
SSgA S&P 500 Equal-Wgt	14,408,435	3.0	3.0	9.9	61	36.2	29	36.2	29	16.9	35	23.4	5
S&P 500 Equal Weighted				9.9	62	36.2	29	36.2	29	17.0	34	23.3	5
S&P 500 ex Tobacco Equal Weighted				9.9	61	36.4	28	36.4	28	17.0	34	23.4	5
Small/Mid Cap Comp	34,678,945	7.1	6.5	8.9	48	38.7	46	38.7	46	17.2	40	22.2	59
Russell 2000				8.7	52	38.8	45	38.8	45	15.7	60	20.1	83
eA US Small-Mid Cap Equity Gross Median				8.8		38.2		38.2		16.3		22.8	
SSgA S&P 400	3,535,422	0.7	0.5	8.3	64	33.7	68	33.7	68	--	--	--	--
S&P 400 MidCap				8.3	64	33.5	70	33.5	70	15.6	57	21.9	54
eA US Mid Cap Equity Gross Median				8.8		35.8		35.8		16.0		22.0	
Champlain	11,774,221	2.4	2.0	9.6	34	39.2	26	39.2	26	17.7	27	--	--
Russell 2500				8.7	55	36.8	43	36.8	43	16.3	45	21.8	56
eA US Mid Cap Equity Gross Median				8.8		35.8		35.8		16.0		22.0	
Wellington	11,374,234	2.3	2.0	8.9	70	34.9	77	34.9	77	17.1	46	22.2	44
Russell 2000 Value				9.3	61	34.5	78	34.5	78	14.5	78	17.6	95
eA US Small Cap Value Equity Gross Median				9.8		38.1		38.1		16.8		21.6	
SSgA Russell 2000 Growth	7,995,068	1.6	2.0	8.2	60	43.3	70	43.3	70	16.8	73	22.6	76
Russell 2000 Growth				8.2	60	43.3	70	43.3	70	16.8	73	22.6	76
eA US Small Cap Growth Equity Gross Median				8.8		45.6		45.6		18.8		24.4	

Vermont Municipal Employees

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	2013 Q4 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
Int'l Equity Comp	51,415,113	10.6	10.0	7.1	39	23.6	58	23.6	58	8.6	67	12.0	87
MSCI EAFE				5.7	71	22.8	65	22.8	65	8.2	74	12.4	81
eA All EAFE Equity Gross Median				6.6		24.6		24.6		9.7		14.5	
Acadian	22,111,464	4.5	4.0	8.4	15	27.1	32	27.1	32	8.9	63	13.6	67
Mondrian	21,914,517	4.5	4.0	6.7	49	23.9	55	23.9	55	9.5	53	11.1	94
MSCI EAFE				5.7	71	22.8	65	22.8	65	8.2	74	12.4	81
SSgA ACWI Ex US	7,389,131	1.5	2.0	4.8	81	15.6	81	15.6	81	5.4	89	--	--
MSCI ACWI ex USA				4.8	81	15.3	83	15.3	83	5.1	92	12.8	84
eA ACWI ex-US All Cap Equity Gross Median				5.9		19.5		19.5		8.5		14.8	
Emerging Market Comp	28,949,186	5.9	6.0	-0.5	95	-5.9	94	-5.9	94	--	--	--	--
Aberdeen	28,949,186	5.9	6.0	-0.5	95	-5.9	94	-5.9	94	2.1	22	20.1	14
MSCI Emerging Markets				1.8	70	-2.6	80	-2.6	80	-2.1	75	14.8	74
eA Emg Mkts Equity Gross Median				2.8		1.0		1.0		-0.1		16.8	
US Fixed Income	119,257,645	24.5	--	-0.2	91	--	--	--	--	--	--	--	--
Barclays Aggregate				-0.1	88	-2.0	83	-2.0	83	3.3	68	4.4	71
eA All US Fixed Inc Gross Median				0.4		-0.3		-0.3		4.0		5.8	
Diversified Fixed	85,888,425	17.6	18.0	-0.6	96	-2.3	86	-2.3	86	4.3	46	8.6	28
Barclays Aggregate				-0.1	88	-2.0	83	-2.0	83	3.3	68	4.4	71
eA All US Fixed Inc Gross Median				0.4		-0.3		-0.3		4.0		5.8	
Allianz Structured Alpha	12,149,422	2.5	2.0	-1.1	99	-2.5	95	-2.5	95	5.0	10	9.9	2
Citigroup 10 Year Treasury				-2.5	99	-7.8	99	-7.8	99	4.0	52	1.8	99
PIMCO Core Plus	30,415,002	6.2	6.5	-0.6	98	-2.5	95	-2.5	95	4.1	43	--	--
Barclays Aggregate				-0.1	84	-2.0	82	-2.0	82	3.3	88	4.4	87
PIMCO Unconstrained	31,137,438	6.4	6.5	-0.4	97	-1.5	55	-1.5	55	--	--	--	--
25% HY, 25% EMD, 50% BC Agg				1.1	5	-0.9	27	-0.9	27	5.6	2	9.8	2
3-Month Libor Total Return USD				0.1	61	0.3	6	0.3	6	0.4	99	0.4	99
Wellington DAS	12,186,562	2.5	3.0	-0.9	99	-3.9	99	-3.9	99	7.2	1	7.9	7
Wellington Custom Benchmark				-2.8	99	-11.7	99	-11.7	99	4.8	15	5.3	65

Vermont Municipal Employees

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	2013 Q4 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
High Yield Comp	19,195,462	3.9	4.0	2.9	83	7.6	51	7.6	51	9.3	52	16.0	72
Barclays High Yield				3.6	46	7.4	54	7.4	54	9.3	52	18.9	17
eA US High Yield Fixed Inc Gross Median				3.5		7.6		7.6		9.3		16.9	
Post Advisory	96,840	0.0	3.0										
KDP	4,625,644	0.9	1.0	3.1	77	5.2	93	5.2	93	8.1	87	--	--
Barclays High Yield				3.6	46	7.4	54	7.4	54	9.3	52	18.9	17
BofA Merrill Lynch US High Yield BB-B Rated				3.3	62	6.3	80	6.3	80	8.7	73	16.5	58
Guggenheim	14,472,979	3.0		--	--	--	--	--	--	--	--	--	--
eA US High Yield Fixed Inc Gross Median				3.5		7.6		7.6		9.3		16.9	
TIPS	14,173,758	2.9	3.0										
BlackRock TIPS	14,173,758	2.9	3.0	-2.0	--	-8.6	--	-8.6	--	3.5	--	--	--
Barclays US TIPS				-2.0	--	-8.6	--	-8.6	--	3.5	--	5.6	--
Global Fixed Income Comp	14,086,987	2.9	3.0	-0.9	92	-6.2	97	-6.2	97	1.4	95	6.1	55
Citi WGBI				-1.1	94	-4.0	86	-4.0	86	1.2	96	2.3	99
eA All Global Fixed Inc Gross Median				1.0		0.2		0.2		4.7		6.7	
Mondrian GFI	14,086,987	2.9	3.0	-0.9	92	-6.2	97	-6.2	97	0.4	99	3.7	90
Citi WGBI				-1.1	94	-4.0	86	-4.0	86	1.2	96	2.3	99
Emerging Market Debt	24,743,194	5.1	5.0										
Wellington Opportunistic EMD	24,743,194	5.1	5.0	0.8	49	-5.1	39	-5.1	39	6.9	16	--	--
JP Morgan EMBI Global TR				0.9	47	-6.6	61	-6.6	61	6.3	33	11.5	63
eA All Emg Mkts Fixed Inc Gross Median				0.8		-6.1		-6.1		5.0		12.5	
Total Real Estate	20,156,135	4.1	4.5										
Morgan Stanley Prime Property	9,200,649	1.9	2.0	3.6	--	17.4	--	17.4	--	15.5	--	3.4	--
UBS Trumbull	8,039,513	1.6	2.0	2.3	--	10.4	--	10.4	--	11.3	--	4.6	--
RREEF America REIT III	2,809,863	0.6	0.5	3.0	--	16.8	--	16.8	--	31.0	--	-2.5	--
Transwestern / Aslan III	106,110	0.0	0.0	0.2	--	50.0	--	50.0	--	14.8	--	-35.9	--
NCREIF Property Index				2.5	--	11.0	--	11.0	--	11.9	--	5.7	--
NCREIF ODCE				3.2	--	14.0	--	14.0	--	13.6	--	3.7	--

Morgan Stanley Prime Property is estimated
 Transwestern is based on preliminary manager statement
 Post Advisory funds were invested into Guggenheim

Vermont Municipal Employees

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	2013 Q4 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
Hedge Fund Comp	22,064,481	4.5	5.0	4.3	35	14.1	22	14.1	22	6.2	31	--	--
<i>eA HFN FOF - Multi-Strategy Net Median</i>				3.6		10.5		10.5		4.5		7.1	
Grosvenor	8,802,543	1.8	2.0	4.2	40	15.2	16	15.2	16	6.5	29	--	--
GAM	4,407,498	0.9	1.0	4.3	34	14.0	22	14.0	22	--	--	--	--
Permal	8,854,440	1.8	2.0	4.5	31	13.0	29	13.0	29	--	--	--	--
<i>HFRI Fund of Funds Composite Index</i>				3.5	55	8.7	60	8.7	60	2.4	76	4.8	78
GAA Comp	96,207,870	19.7	20.0	2.8	62	3.2	69	3.2	69	6.2	47	13.1	12
<i>eA Global TAA Gross Median</i>				3.7		7.7		7.7		6.0		10.3	
Mellon Global Expanded Alpha	9,580,049	2.0	2.5	4.5	32	12.2	31	12.2	31	8.0	26	14.0	10
<i>Mellon GA GEA Index</i>				3.6	51	10.3	40	10.3	40	6.9	40	9.3	62
AQR Global Risk Premium	38,020,470	7.8	8.0	1.8	84	-2.0	88	-2.0	88	6.7	42	--	--
<i>60% MSCI World / 40% CITI WGBI</i>				4.4	36	13.9	24	13.9	24	7.9	29	10.4	45
PIMCO All Asset	29,263,349	6.0	5.0	1.5	87	1.7	74	1.7	74	7.0	38	11.7	27
<i>PIMCO All Asset Index</i>				1.0	91	0.2	77	0.2	77	5.2	58	8.1	75
<i>CPI + 5%</i>				1.5	87	6.6	54	6.6	54	7.2	36	7.2	76
Wellington OIF	19,344,002	4.0	4.5	5.9	16	12.1	32	12.1	32	3.4	72	12.2	21
<i>65% MSCI ACWI (Net) / 35% BC Agg</i>				4.7	27	13.6	25	13.6	25	7.7	33	11.5	31
Commodities	18,191,883	3.7	4.0										
Schroder	18,191,883	3.7	4.0	-1.8	--	-8.5	--	-8.5	--	-5.0	--	--	--
<i>Dow Jones-UBS Commodity Index TR</i>				-1.1	--	-9.5	--	-9.5	--	-8.1	--	1.5	--
Cash	515,716	0.1	0.0										
Vermont Cash	515,716	0.1	0.0	0.0	--	0.0	--	0.0	--	0.1	--	0.2	--
<i>91 Day T-Bills</i>				0.0	--	0.0	--	0.0	--	0.1	--	0.1	--
Private Equity	1,760,999	0.4	1.0										
Harbourvest Partners IX Credit Opportunities	94,197	0.0											
Harbourvest Partners IX Venture Fund	408,696	0.1											
Harbourvest Partners IX Buyout Fund	498,834	0.1											
Harbourvest Dover VIII Fund	759,272	0.2											

PIMCO All Asset Index: 40% BC Agg / 30% TIPS / 10% S&P500 / 10% BC HY / 10% JPM EMBI+

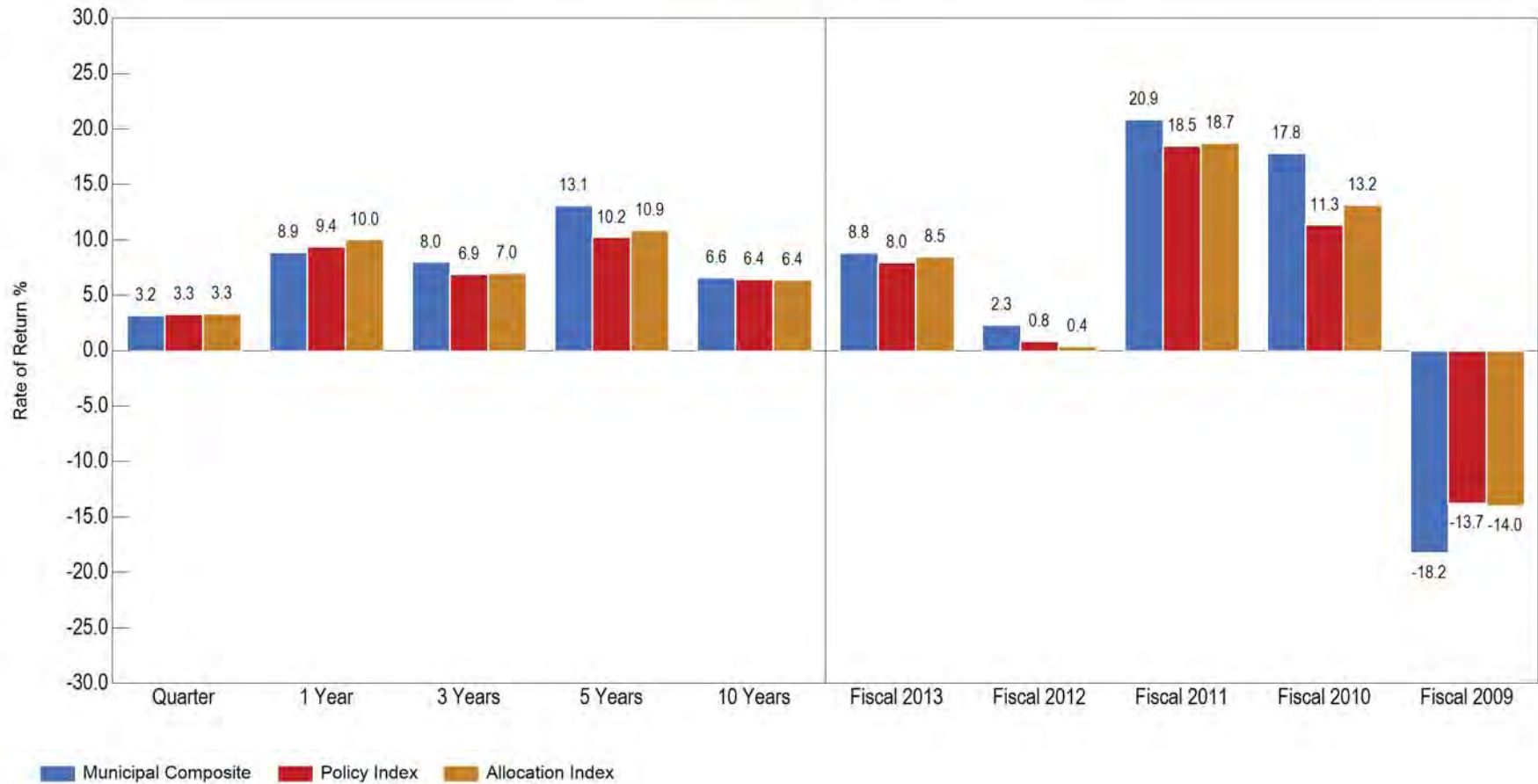
Mellon CF GEA Index: 50% MSCI ACWI / 25% CITI WGBI H/H / 10% BC Global Inflation Linked H/H / 5% BC US Interm. Credit / 5% DJ-UBS Commodity / 5% R2000.

Harbourvest is based on preliminary manager statement for Q4 2013

Schroder is net of fee

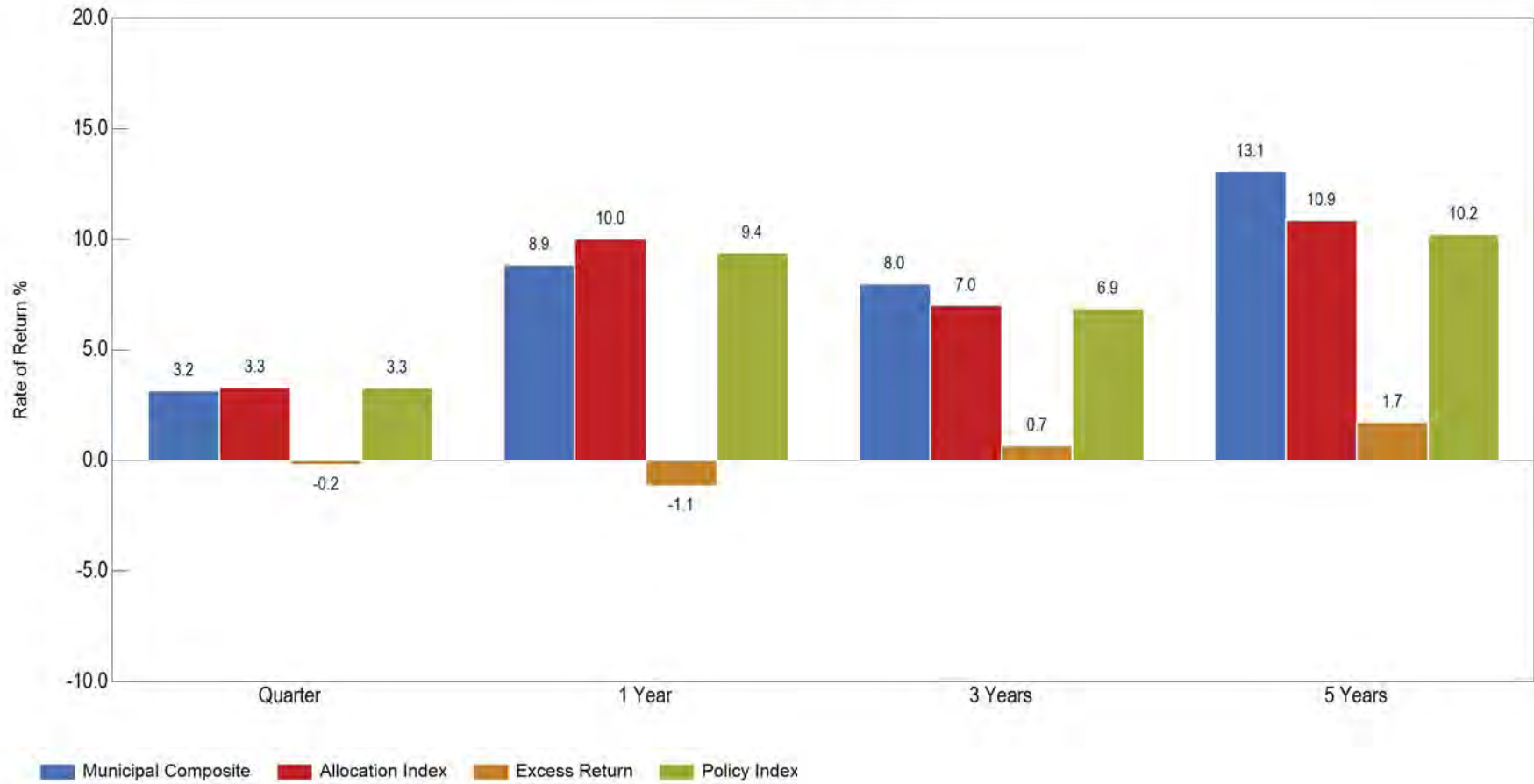
Vermont Municipal Employees
Total Fund Return Summary

Return Summary Gross

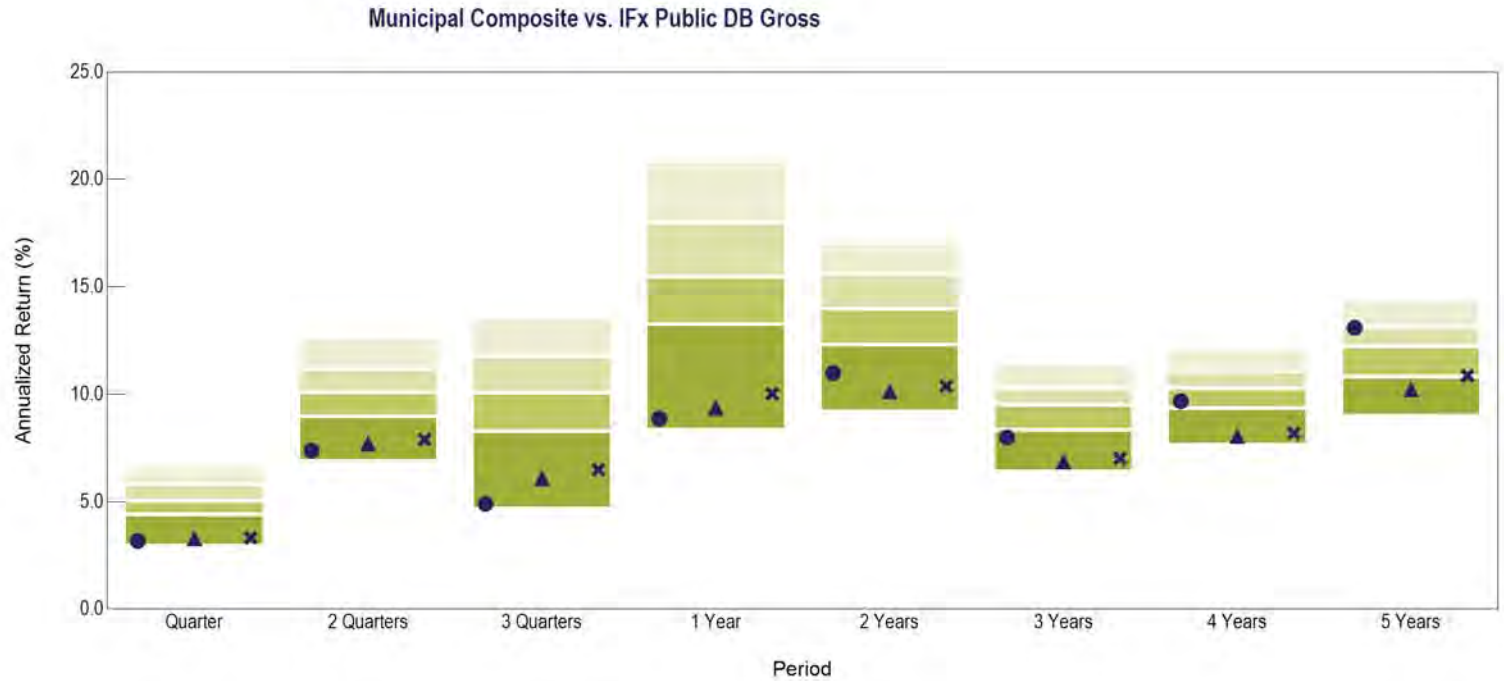


Vermont Municipal Employees
Total Fund Return Summary

Return Summary Gross

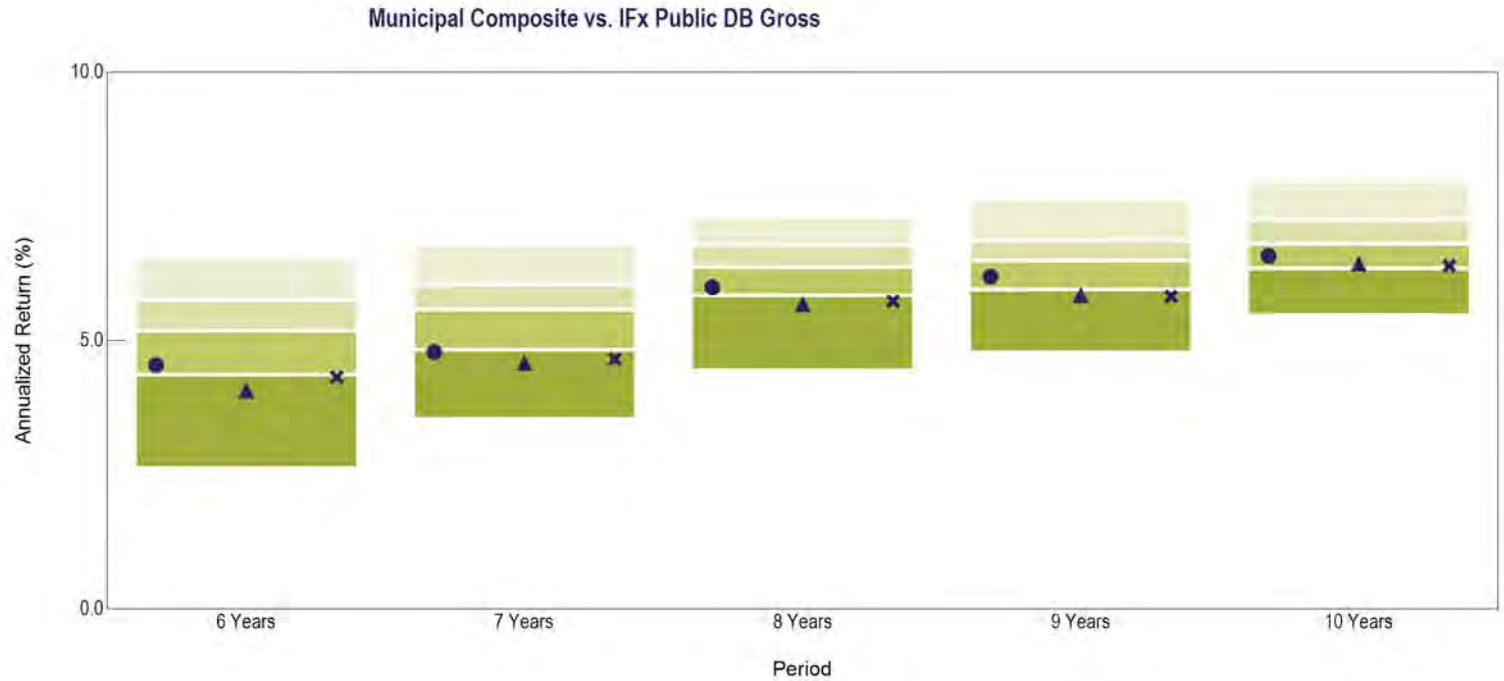


Total Fund Return Summary vs. Peer Universe



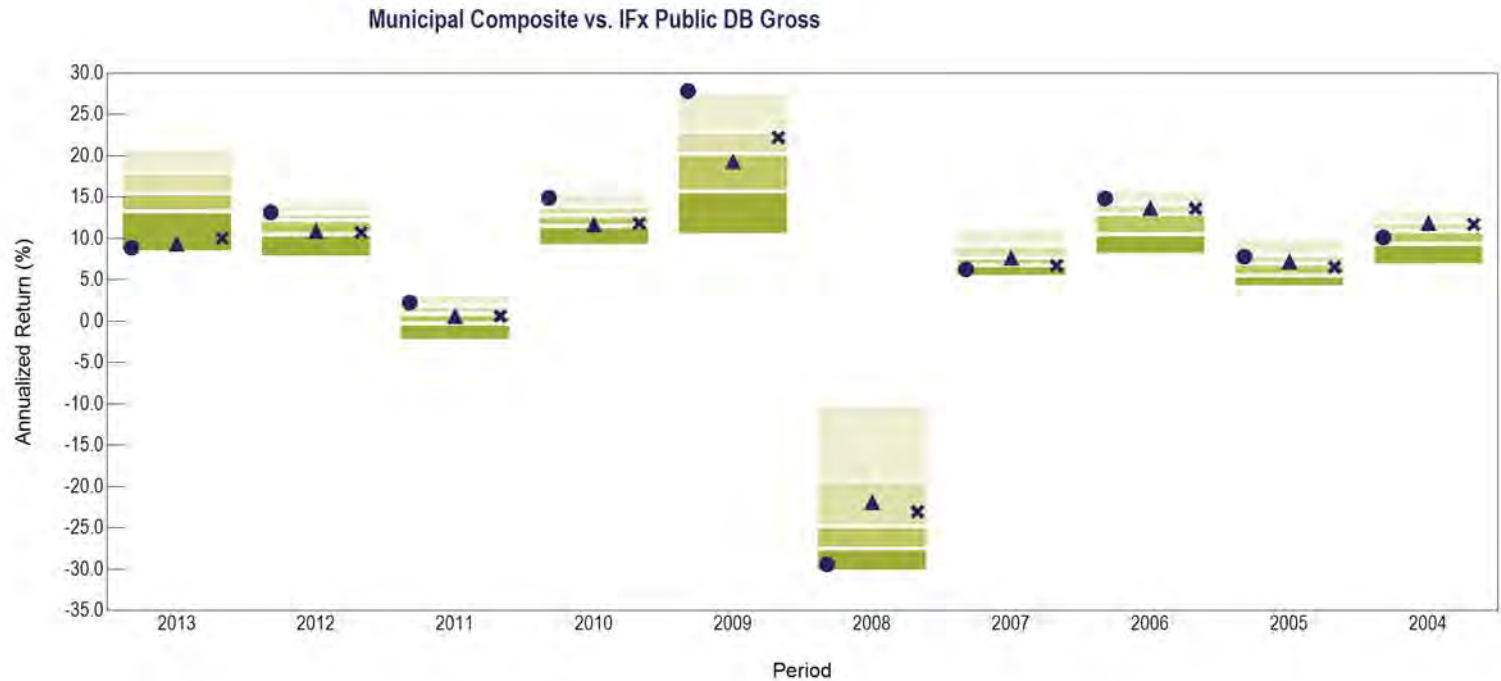
	Return (Rank)															
5th Percentile	6.6		12.7		13.6		20.8		17.0		11.4		12.1		14.4	
25th Percentile	5.8		11.2		11.8		18.0		15.6		10.3		11.1		13.1	
Median	5.0		10.1		10.1		15.5		14.0		9.5		10.3		12.2	
75th Percentile	4.4		9.0		8.3		13.3		12.3		8.4		9.4		10.8	
95th Percentile	3.0		6.9		4.7		8.4		9.2		6.4		7.7		9.0	
# of Portfolios	212		212		212		212		205		185		178		174	
● Municipal Composite	3.2	(93)	7.4	(92)	4.9	(95)	8.9	(93)	11.0	(89)	8.0	(85)	9.7	(63)	13.1	(27)
▲ Policy Index	3.3	(93)	7.7	(91)	6.1	(92)	9.4	(93)	10.1	(93)	6.9	(94)	8.1	(94)	10.2	(83)
× Allocation Index	3.3	(93)	7.9	(90)	6.5	(91)	10.0	(91)	10.4	(93)	7.0	(94)	8.2	(94)	10.9	(75)

Total Fund Return Summary vs. Peer Universe



	Return (Rank)									
	6 Years		7 Years		8 Years		9 Years		10 Years	
5th Percentile	6.5		6.8		7.3		7.6		8.0	
25th Percentile	5.8		6.1		6.8		6.9		7.2	
Median	5.2		5.6		6.4		6.5		6.8	
75th Percentile	4.4		4.8		5.8		6.0		6.3	
95th Percentile	2.6		3.5		4.4		4.8		5.5	
# of Portfolios	170		160		156		148		144	
● Municipal Composite	4.5	(72)	4.8	(78)	6.0	(71)	6.2	(62)	6.6	(63)
▲ Policy Index	4.1	(81)	4.6	(82)	5.7	(80)	5.8	(80)	6.4	(68)
× Allocation Index	4.3	(77)	4.7	(81)	5.7	(78)	5.8	(82)	6.4	(71)

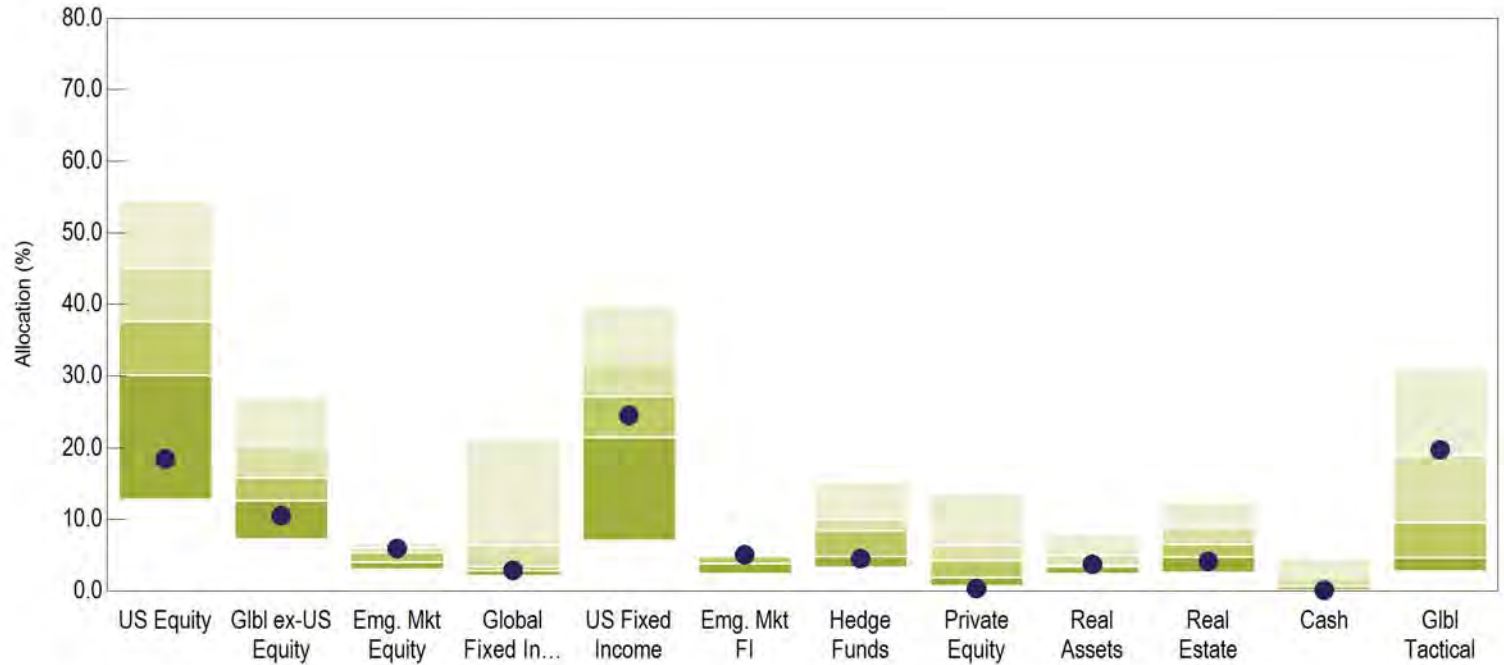
Total Fund Return Summary vs. Peer Universe



	Return (Rank)											
5th Percentile	20.8	14.3	3.4	15.5	27.6	-10.2	11.1	15.8	9.9	13.2		
25th Percentile	18.0	13.1	1.9	13.9	23.0	-19.2	9.1	14.2	8.1	12.0		
Median	15.5	12.2	0.9	12.8	20.3	-24.7	7.7	13.0	6.9	10.9		
75th Percentile	13.3	10.5	-0.3	11.5	15.7	-27.4	6.8	10.5	5.5	9.4		
95th Percentile	8.4	7.7	-2.4	9.2	10.4	-30.2	5.4	8.0	4.2	6.8		
# of Portfolios	212	192	162	154	152	149	146	136	131	125		
● Municipal Composite	8.9 (93)	13.1 (24)	2.2 (17)	14.9 (12)	27.8 (5)	-29.4 (89)	6.3 (85)	14.8 (17)	7.8 (32)	10.1 (65)		
▲ Policy Index	9.4 (93)	10.9 (71)	0.6 (62)	11.7 (72)	19.3 (55)	-21.9 (35)	7.7 (51)	13.7 (35)	7.2 (47)	11.9 (29)		
× Allocation Index	10.0 (91)	10.7 (73)	0.6 (62)	11.8 (70)	22.2 (29)	-23.0 (41)	6.7 (79)	13.6 (37)	6.5 (57)	11.7 (34)		

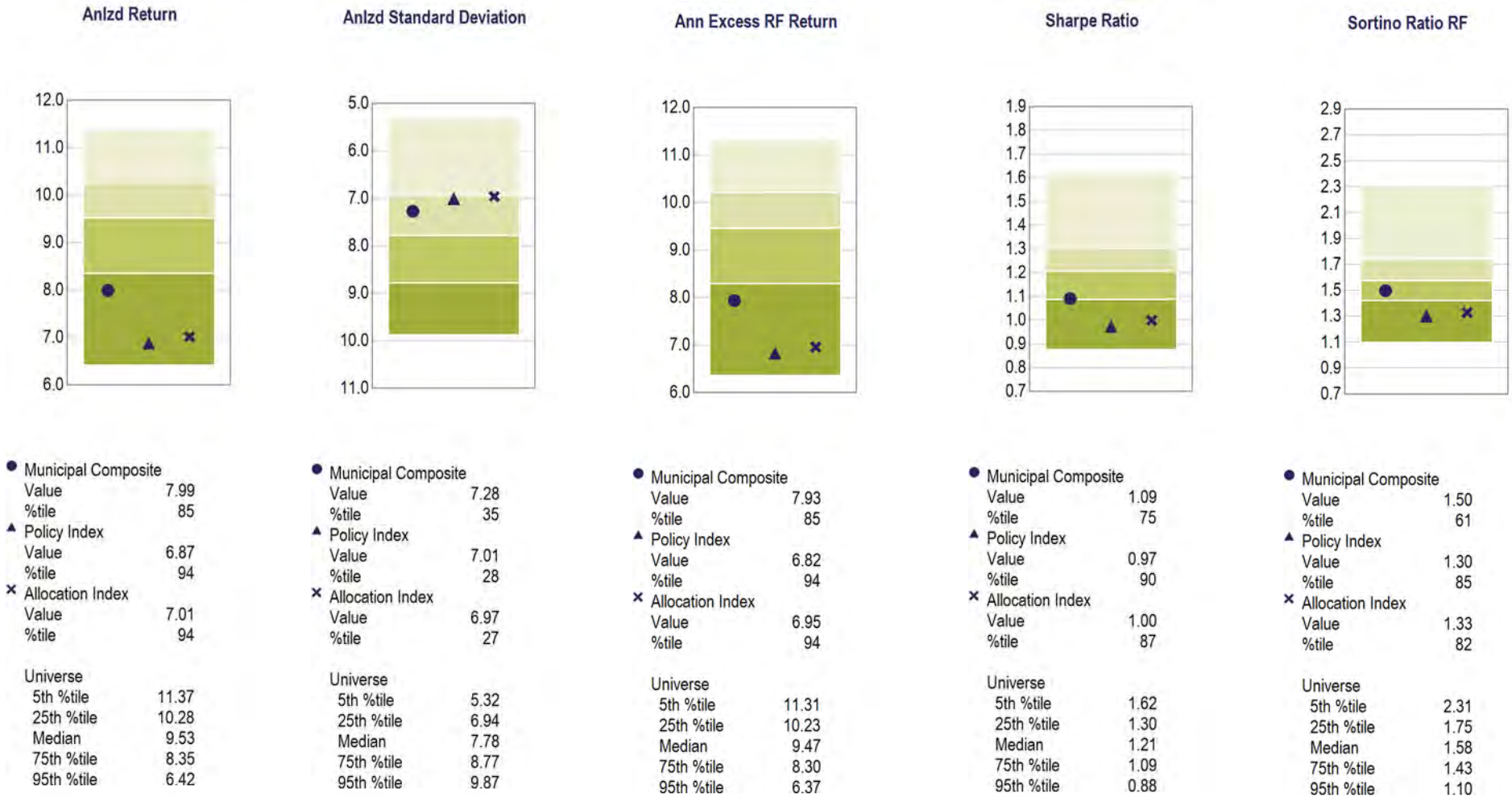
Total Plan Allocation vs. Peer Universe

Total Plan Allocation vs. IFX Public DB Gross
As of December 31, 2013



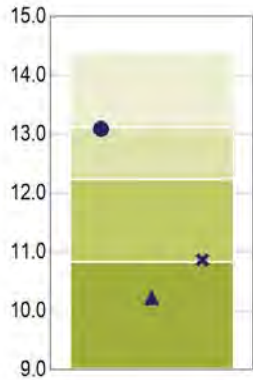
	Allocation (Rank)												
5th Percentile	54.5	27.0	6.7	21.4	39.6	5.2	15.1	13.7	7.9	12.3	4.6	30.9	--
25th Percentile	45.2	20.2	6.1	6.4	32.1	5.0	10.2	6.4	5.0	9.0	2.0	19.1	--
Median	37.7	16.0	5.4	3.5	27.2	4.9	8.5	4.3	3.8	6.6	0.8	9.7	--
75th Percentile	30.2	12.8	4.1	2.9	21.6	3.9	5.0	1.9	3.5	4.9	0.2	4.8	--
95th Percentile	12.9	7.3	3.1	2.2	7.1	2.5	3.4	0.8	2.5	2.7	0.0	2.9	--
# of Portfolios	130	125	18	14	96	11	40	29	23	88	95	39	--
● Municipal Composite	18.5 (90)	10.6 (89)	5.9 (42)	2.9 (85)	24.5 (65)	5.1 (14)	4.5 (85)	0.4 (99)	3.7 (60)	4.1 (85)	0.1 (80)	19.7 (24)	--

Municipal Composite vs. IFx Public DB Gross
3 Years

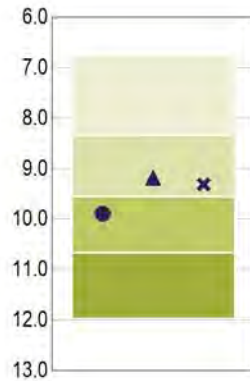


Municipal Composite vs. IFx Public DB Gross
5 Years

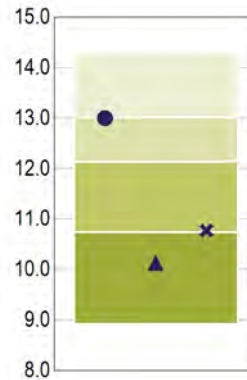
Anlzd Return



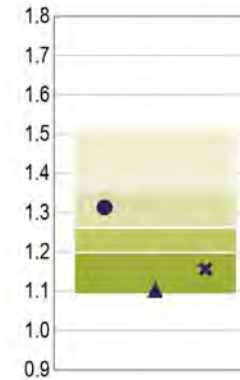
Anlzd Standard Deviation



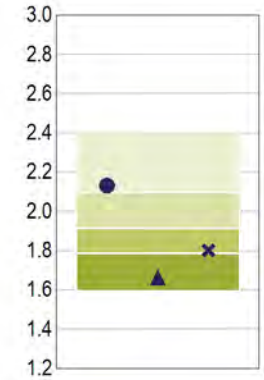
Ann Excess RF Return



Sharpe Ratio



Sortino Ratio RF



● Municipal Composite	
Value	13.08
%tile	27
▲ Policy Index	
Value	10.22
%tile	83
× Allocation Index	
Value	10.86
%tile	75
Universe	
5th %tile	14.37
25th %tile	13.11
Median	12.24
75th %tile	10.84
95th %tile	9.02

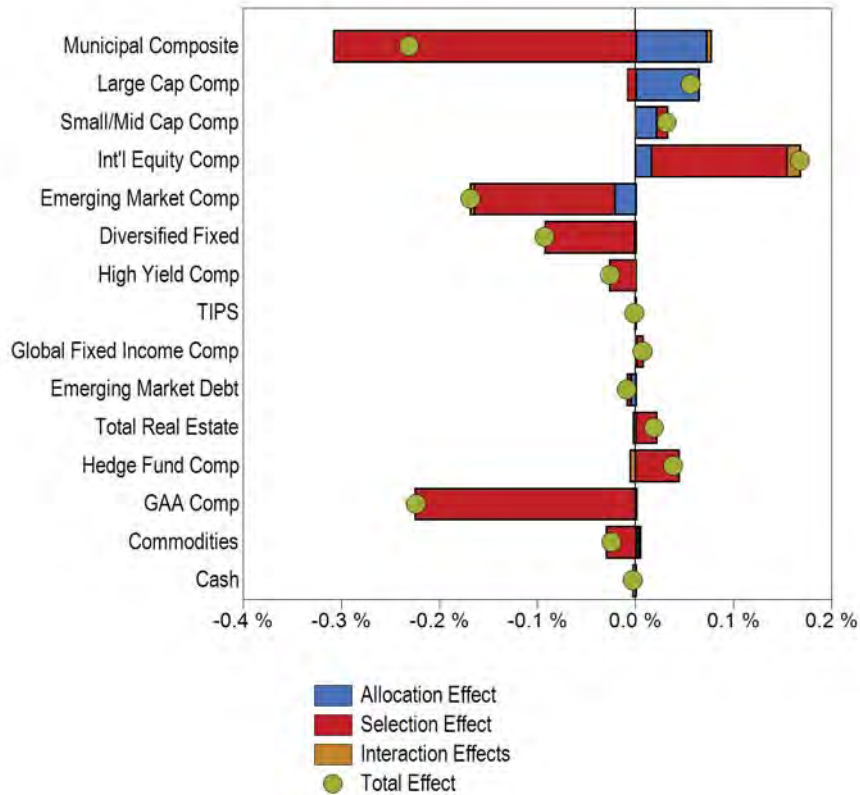
● Municipal Composite	
Value	9.90
%tile	57
▲ Policy Index	
Value	9.18
%tile	43
× Allocation Index	
Value	9.32
%tile	45
Universe	
5th %tile	6.76
25th %tile	8.32
Median	9.54
75th %tile	10.66
95th %tile	11.96

● Municipal Composite	
Value	13.00
%tile	27
▲ Policy Index	
Value	10.13
%tile	83
× Allocation Index	
Value	10.77
%tile	75
Universe	
5th %tile	14.28
25th %tile	13.03
Median	12.15
75th %tile	10.75
95th %tile	8.93

● Municipal Composite	
Value	1.31
%tile	37
▲ Policy Index	
Value	1.10
%tile	94
× Allocation Index	
Value	1.16
%tile	87
Universe	
5th %tile	1.51
25th %tile	1.36
Median	1.26
75th %tile	1.20
95th %tile	1.09

● Municipal Composite	
Value	2.13
%tile	20
▲ Policy Index	
Value	1.66
%tile	93
× Allocation Index	
Value	1.80
%tile	74
Universe	
5th %tile	2.41
25th %tile	2.10
Median	1.92
75th %tile	1.79
95th %tile	1.60

Attribution Effects Relative to Policy Index
3 Months Ending December 31, 2013



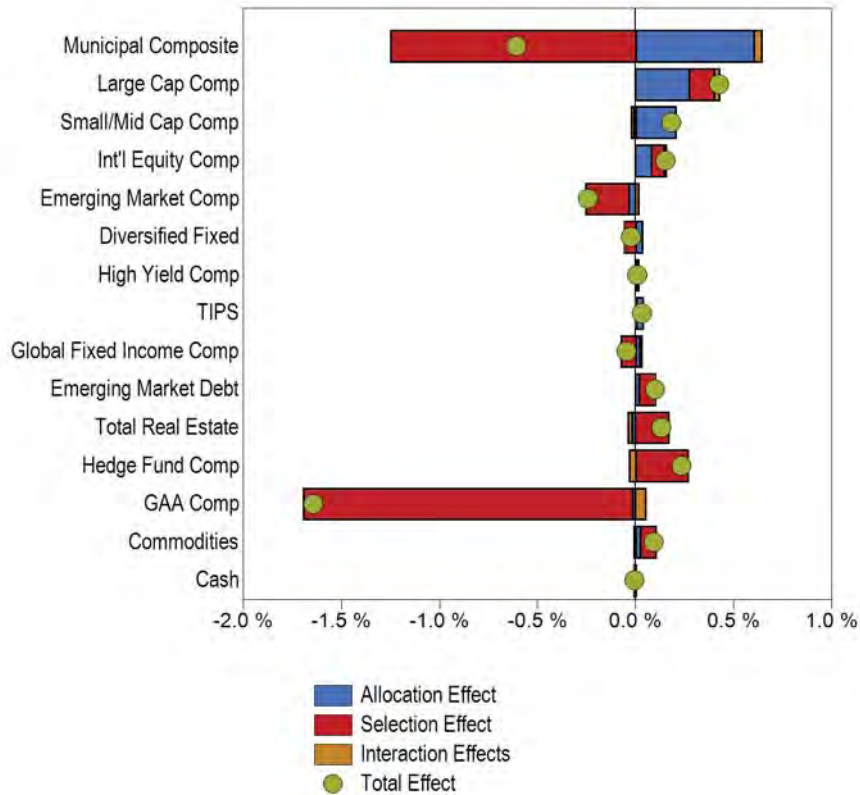
Attribution Summary
3 Months Ending December 31, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Large Cap Comp	10.4%	10.5%	-0.1%	0.0%	0.1%	0.0%	0.1%
Small/Mid Cap Comp	8.9%	8.7%	0.2%	0.0%	0.0%	0.0%	0.0%
Int'l Equity Comp	7.1%	5.7%	1.4%	0.1%	0.0%	0.0%	0.2%
Emerging Market Comp	-0.5%	1.8%	-2.4%	-0.1%	0.0%	0.0%	-0.2%
Diversified Fixed	-0.6%	-0.1%	-0.5%	-0.1%	0.0%	0.0%	-0.1%
High Yield Comp	2.9%	3.6%	-0.7%	0.0%	0.0%	0.0%	0.0%
TIPS	-2.0%	-2.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Global Fixed Income Comp	-0.9%	-1.1%	0.2%	0.0%	0.0%	0.0%	0.0%
Emerging Market Debt	0.8%	0.9%	-0.1%	0.0%	0.0%	0.0%	0.0%
Total Real Estate	3.0%	2.5%	0.4%	0.0%	0.0%	0.0%	0.0%
Hedge Fund Comp	4.3%	3.5%	0.9%	0.0%	0.0%	0.0%	0.0%
GAA Comp	2.8%	3.9%	-1.1%	-0.2%	0.0%	0.0%	-0.2%
Commodities	-1.8%	-1.1%	-0.7%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	3.2%	3.4%	-0.2%	-0.3%	0.1%	0.0%	-0.2%

Note: Plan attribution calculations are returns based and the results shown reflect the composites shown. As a result, the total returns shown may vary from the calculated returns shown on the performance report. The target return shown for each composite is a custom index, based on aggregated policy indices. This policy index asset weights the underlying policy indices of each option in the plan and the respective benchmark. The allocation, selection, and interaction effects are calculated using the custom index described above along with the policy or target weight of each composite. May not add up due to rounding.

Total Fund Attribution Analysis

Attribution Effects Relative to Policy Index
1 Year Ending December 31, 2013



Attribution Summary
1 Year Ending December 31, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Large Cap Comp	33.9%	32.4%	1.5%	0.1%	0.3%	0.0%	0.4%
Small/Mid Cap Comp	38.7%	38.8%	-0.1%	0.0%	0.2%	0.0%	0.2%
Int'l Equity Comp	23.6%	22.8%	0.8%	0.1%	0.1%	0.0%	0.2%
Emerging Market Comp	-5.9%	-2.6%	-3.3%	-0.2%	0.0%	0.0%	-0.2%
Diversified Fixed	-2.3%	-2.0%	-0.3%	-0.1%	0.0%	0.0%	0.0%
High Yield Comp	7.6%	7.4%	0.2%	0.0%	0.0%	0.0%	0.0%
TIPS	-8.6%	-8.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Global Fixed Income Comp	-6.2%	-4.0%	-2.2%	-0.1%	0.0%	0.0%	0.0%
Emerging Market Debt	-5.1%	-6.6%	1.4%	0.1%	0.0%	0.0%	0.1%
Total Real Estate	14.7%	11.0%	3.7%	0.2%	0.0%	0.0%	0.1%
Hedge Fund Comp	14.1%	8.7%	5.3%	0.3%	0.0%	0.0%	0.2%
GAA Comp	3.2%	11.4%	-8.3%	-1.7%	0.0%	0.0%	-1.6%
Commodities	-8.4%	-9.5%	1.1%	0.1%	0.0%	0.0%	0.1%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	8.9%	9.4%	-0.5%	-1.2%	0.6%	0.0%	-0.6%

Note: Plan attribution calculations are returns based and the results shown reflect the composites shown. As a result, the total returns shown may vary from the calculated returns shown on the performance report. The target return shown for each composite is a custom index, based on aggregated policy indices. This policy index asset weights the underlying policy indices of each option in the plan and the respective benchmark. The allocation, selection, and interaction effects are calculated using the custom index described above along with the policy or target weight of each composite. May not add up due to rounding.

Vermont Municipal Employees

Total Fund Risk Statistics

3 Years Ending December 31, 2013

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank	Tracking Error	Rank
Municipal Composite	100.00%	7.99%	85	7.28%	35	0.90%	20	1.09	75	1.50	61	0.82%	10
Policy Index	--	6.87%	94	7.01%	28	0.00%	50	0.97	90	1.30	85	0.00%	1
US Equity	18.47%	16.82%	45	13.63%	42	-0.51%	46	1.23	41	1.71	41	1.64%	4
Russell 3000	--	16.24%	53	12.71%	28	0.00%	41	1.27	35	1.84	32	0.00%	1
Large Cap Comp	11.35%	16.53%	41	12.87%	50	-0.63%	50	1.28	46	1.85	43	1.13%	1
S&P 500	--	16.18%	47	12.11%	31	0.00%	42	1.33	38	2.00	31	0.00%	1
Small/Mid Cap Comp	7.12%	17.24%	40	15.27%	36	3.03%	39	1.13	38	1.58	29	2.58%	1
Russell 2000	--	15.67%	60	16.68%	68	0.00%	73	0.94	67	1.34	60	0.00%	1
Int'l Equity Comp	10.55%	8.57%	67	15.20%	25	1.09%	61	0.56	60	0.73	56	2.30%	11
MSCI EAFE	--	8.17%	74	16.48%	61	0.00%	76	0.49	74	0.67	69	0.00%	1
Emerging Market Comp	5.94%	2.13%	22	17.60%	19	3.93%	22	0.12	20	0.17	19	5.14%	69
MSCI Emerging Markets	--	-2.06%	75	19.31%	58	0.00%	76	-0.11	76	-0.16	78	0.00%	1
US Fixed Income	24.47%	5.22%	35	3.37%	65	2.04%	29	1.53	47	1.90	61	2.06%	45
Barclays Aggregate	--	3.26%	68	2.75%	49	0.00%	87	1.17	82	1.62	77	0.00%	1
Diversified Fixed	17.62%	4.32%	46	3.31%	64	0.92%	58	1.29	72	1.76	70	1.66%	37
Barclays Aggregate	--	3.26%	68	2.75%	49	0.00%	87	1.17	82	1.62	77	0.00%	1
High Yield Comp	3.94%	9.32%	52	5.53%	27	1.47%	30	1.68	29	2.29	42	1.30%	52
Barclays High Yield	--	9.32%	52	6.50%	70	0.00%	73	1.42	74	2.00	71	0.00%	1
TIPS	2.91%	3.53%	69	5.42%	79	-0.01%	84	0.64	88	0.75	72	0.11%	1
Barclays US TIPS	--	3.55%	65	5.43%	79	0.00%	84	0.64	85	0.76	68	0.00%	1
Global Fixed Income Comp	2.89%	1.44%	95	5.52%	51	0.06%	96	0.25	96	0.45	94	1.91%	10
Citi WGBI	--	1.25%	96	4.66%	29	0.00%	96	0.25	96	0.43	95	0.00%	1
Emerging Market Debt	5.08%	6.94%	16	7.73%	14	0.79%	15	0.89	10	1.16	14	1.22%	8
JP Morgan EMBI Global TR	--	6.30%	33	7.81%	17	0.00%	32	0.80	23	1.09	20	0.00%	1
Total Real Estate	4.14%	15.99%	--	6.88%	--	-0.27%	--	2.32	--	1,521.47	--	2.67%	--
NCREIF Property Index	--	11.92%	--	4.81%	--	0.00%	--	2.46	--	1,132.78	--	0.00%	--
Hedge Fund Comp	4.53%	6.24%	31	4.45%	52	3.71%	34	1.39	29	1.82	31	1.15%	1
HFRI Fund of Funds Composite Index	--	2.41%	76	4.09%	40	0.00%	76	0.58	70	0.78	70	0.00%	1
GAA Comp	19.74%	6.22%	47	8.74%	44	0.39%	57	0.70	54	0.92	53	3.15%	18
60% MSCI ACWI (Net)/40% CITI WGBI	--	6.50%	46	9.15%	53	0.00%	61	0.70	54	0.92	53	0.00%	1
Commodities	3.73%	-4.99%	--	13.17%	--	1.74%	--	-0.38	--	-0.55	--	5.29%	--

Vermont Municipal Employees

Total Fund Risk Statistics

5 Years Ending December 31, 2013

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank	Tracking Error	Rank
Municipal Composite	100.00%	13.08%	27	9.90%	57	2.21%	11	1.31	37	2.13	20	1.63%	49
Policy Index	--	10.22%	83	9.18%	43	0.00%	89	1.10	94	1.66	93	0.00%	1
US Equity	18.47%	--	--	--	--	--	--	--	--	--	--	--	--
Russell 3000	--	18.71%	65	16.32%	37	0.00%	66	1.14	58	1.75	58	0.00%	1
Large Cap Comp	11.35%	21.19%	14	16.84%	73	2.19%	30	1.25	26	1.95	32	1.92%	2
S&P 500	--	17.94%	57	15.81%	47	0.00%	63	1.13	57	1.69	56	0.00%	1
Small/Mid Cap Comp	7.12%	22.24%	59	19.06%	55	4.07%	68	1.16	60	1.85	63	2.93%	1
Russell 2000	--	20.08%	83	20.93%	82	0.00%	95	0.96	91	1.47	93	0.00%	1
Int'l Equity Comp	10.55%	12.02%	87	18.31%	23	0.51%	80	0.65	79	0.95	84	2.37%	8
MSCI EAFE	--	12.44%	81	19.71%	63	0.00%	88	0.63	87	0.95	84	0.00%	1
Emerging Market Comp	5.94%	--	--	--	--	--	--	--	--	--	--	--	--
MSCI Emerging Markets	--	14.79%	74	22.59%	53	0.00%	77	0.65	75	1.19	62	0.00%	1
US Fixed Income	24.47%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays Aggregate	--	4.44%	71	2.88%	41	0.00%	89	1.51	78	2.32	80	0.00%	1
Diversified Fixed	17.62%	8.58%	28	4.30%	68	3.34%	32	1.98	50	4.03	25	2.67%	54
Barclays Aggregate	--	4.44%	71	2.88%	41	0.00%	89	1.51	78	2.32	80	0.00%	1
High Yield Comp	3.94%	16.03%	72	6.49%	15	3.42%	17	2.45	16	4.17	39	3.75%	73
Barclays High Yield	--	18.93%	17	9.24%	88	0.00%	86	2.04	76	4.09	42	0.00%	1
TIPS	2.91%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays US TIPS	--	5.63%	52	5.91%	77	0.00%	72	0.94	72	1.43	57	0.00%	1
Global Fixed Income Comp	2.89%	6.05%	55	7.24%	56	3.76%	61	0.82	68	1.43	56	2.99%	25
Citi WGBI	--	2.28%	99	6.56%	44	0.00%	99	0.33	99	0.43	99	0.00%	1
Emerging Market Debt	5.08%	--	--	--	--	--	--	--	--	--	--	--	--
JP Morgan EMBI Global TR	--	11.52%	63	7.66%	9	0.00%	51	1.49	47	2.16	41	0.00%	1
Total Real Estate	4.14%	--	--	--	--	--	--	--	--	--	--	--	--
NCREIF Property Index	--	5.68%	--	6.85%	--	0.00%	--	0.82	--	1.12	--	0.00%	--
Hedge Fund Comp	4.53%	--	--	--	--	--	--	--	--	--	--	--	--
HFRI Fund of Funds Composite Index	--	4.82%	78	4.18%	35	0.00%	78	1.13	68	1.54	70	0.00%	1
GAA Comp	19.74%	13.09%	12	10.13%	52	5.04%	16	1.28	19	2.00	18	3.97%	25
60% MSCI ACWI (Net)/40% CITI WGBI	--	10.02%	54	12.00%	80	0.00%	86	0.83	81	1.23	77	0.00%	1
Commodities	3.73%	--	--	--	--	--	--	--	--	--	--	--	--

VPIC Composite

VPIC Monthly Flash Report

Total Plan Performance

December 31, 2013

	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Market Value (\$)
VPIC Composite	3.1	93	8.4	95	8.4	95	7.9	87	12.8	35	3,832,591,876
<i>IFx Public DB Gross Median</i>	5.0		15.5		15.5		9.5		12.2		
Vermont State Teachers	3.1	94	8.1	96	8.1	96	7.7	88	12.7	39	1,646,402,904
<i>Allocation Index</i>	3.3	93	9.3	93	9.3	93	6.8	94	10.8	76	
<i>Policy Index</i>	3.3	93	9.4	93	9.4	93	6.9	94	10.2	83	
Vermont State Employees	3.2	93	8.6	94	8.6	94	7.9	87	13.0	31	1,554,454,386
<i>Allocation Index</i>	3.3	93	9.8	91	9.8	91	6.9	94	10.9	75	
<i>Policy Index</i>	3.3	93	9.4	93	9.4	93	6.9	94	10.3	83	
Vermont Municipal Employees	3.2	93	8.9	93	8.9	93	8.0	85	13.1	27	487,346,790
<i>Allocation Index</i>	3.3	93	10.0	91	10.0	91	7.0	94	10.9	75	
<i>Policy Index</i>	3.3	93	9.4	93	9.4	93	6.9	94	10.2	83	
City of Burlington	3.1	93	8.4	95	8.4	95	7.8	87	12.8	36	144,387,796
<i>Allocation Index</i>	3.3	93	9.5	92	9.5	92	--	--	--	--	
<i>Policy Index</i>	3.3	93	9.4	93	9.4	93	6.9	94	10.2	83	
<i>60% MSCI World / 40% CITI WGBI</i>	4.4	77	13.9	69	13.9	69	7.9	87	10.4	80	

VPIC Composite

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	2013 Q4 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Fiscal YTD (%)	Rank
Composite	3,832,591,876	100.0	100.0	3.1	93	8.4	95	8.4	95	7.9	87	12.8	35	7.2	93
<i>IFx Public DB Gross Median</i>				5.0		15.5		15.5		9.5		12.2		10.1	
Total Equity	1,280,714,023	33.4	--	7.1	63	23.4	65	23.4	65	--	--	--	--	14.8	69
<i>MSCI ACWI</i>				7.3	58	22.8	66	22.8	66	9.7	71	14.9	75	15.8	61
<i>eA All Global Equity Gross Median</i>				7.8		26.2		26.2		11.6		16.5		16.9	
US Equity	668,138,307	17.4	--	9.9	49	--	--	--	--	--	--	--	--	17.8	58
<i>Russell 3000</i>				10.1	44	33.6	64	33.6	64	16.2	53	18.7	65	17.1	65
<i>eA All US Equity Gross Median</i>				9.8		35.6		35.6		16.4		20.1		18.5	
Large Cap Comp	418,428,901	10.9	10.0	10.4	47	33.9	48	33.9	48	16.5	41	21.2	14	16.9	57
<i>S&P 500</i>				10.5	45	32.4	62	32.4	62	16.2	47	17.9	57	16.3	65
<i>eA US Large Cap Equity Gross Median</i>				10.3		33.6		33.6		16.0		18.2		17.3	
T. Rowe	122,760,163	3.2	3.0	10.8	38	33.7	49	33.7	49	16.7	39	18.8	41	17.4	49
SSgA S&P 500 Cap-Wgt	186,510,105	4.9	4.0	10.5	45	32.4	61	32.4	61	16.2	46	--	--	16.3	65
<i>S&P 500</i>				10.5	45	32.4	62	32.4	62	16.2	47	17.9	57	16.3	65
SSgA S&P 500 Equal-Wgt	109,158,633	2.8	3.0	9.9	61	36.2	29	36.2	29	16.9	35	23.4	5	17.2	52
<i>S&P 500 Equal Weighted</i>				9.9	62	36.2	29	36.2	29	17.0	34	23.3	5	17.2	52
<i>S&P 500 ex Tobacco Equal Weighted</i>				9.9	61	36.4	28	36.4	28	17.0	34	23.4	5	17.3	51
Small/Mid Cap Comp	249,709,406	6.5	6.5	8.9	48	38.4	49	38.4	49	17.2	41	22.2	59	19.2	56
<i>Russell 2000</i>				8.7	52	38.8	45	38.8	45	15.7	60	20.1	83	19.8	49
<i>eA US Small-Mid Cap Equity Gross Median</i>				8.8		38.2		38.2		16.3		22.8		19.6	
SSgA S&P 400	23,610,681	0.6	0.5	8.3	64	33.7	68	33.7	68	--	--	--	--	16.6	77
<i>S&P 400 MidCap</i>				8.3	64	33.5	70	33.5	70	15.6	57	21.9	54	16.5	78
<i>eA US Mid Cap Equity Gross Median</i>				8.8		35.8		35.8		16.0		22.0		18.7	
Champlain	85,115,545	2.2	2.0	9.6	34	39.2	26	39.2	26	17.7	26	--	--	19.1	46
<i>Russell 2500</i>				8.7	55	36.8	43	36.8	43	16.3	45	21.8	56	18.5	52
<i>eA US Mid Cap Equity Gross Median</i>				8.8		35.8		35.8		16.0		22.0		18.7	
Wellington	85,988,349	2.2	2.0	8.9	70	34.9	77	34.9	77	17.1	46	22.2	44	17.8	74
<i>Russell 2000 Value</i>				9.3	61	34.5	78	34.5	78	14.5	78	17.6	95	17.6	78
<i>eA US Small Cap Value Equity Gross Median</i>				9.8		38.1		38.1		16.8		21.6		19.7	

All sub-composite returns for the total plan are based off TRS returns up to 4/31/2012, and include all plans thereafter.

Note: Returns are gross of manager fees. Results for periods longer than one year are annualized.

VPIC Composite

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	2013 Q4 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Fiscal YTD (%)	Rank
SSgA Russell 2000 Growth	54,994,831	1.4	2.0	8.2	60	43.3	70	43.3	70	16.8	73	22.6	76	22.0	67
<i>Russell 2000 Growth</i>				8.2	60	43.3	70	43.3	70	16.8	73	22.6	76	22.0	67
<i>eA US Small Cap Growth Equity Gross Median</i>				8.8		45.6		45.6		18.8		24.4		23.2	
Int'l Equity Comp	380,332,922	9.9	10.0	7.1	39	23.6	57	23.6	57	8.6	67	11.9	88	17.8	66
<i>MSCI EAFE</i>				5.7	71	22.8	65	22.8	65	8.2	74	12.4	81	17.9	63
<i>eA All EAFE Equity Gross Median</i>				6.6		24.6		24.6		9.7		14.5		18.6	
Acadian	162,752,455	4.2	4.0	8.4	15	27.1	32	27.1	32	8.9	63	13.6	67	19.4	40
Mondrian	158,826,257	4.1	4.0	6.7	49	23.9	55	23.9	55	9.5	53	11.1	94	17.0	72
<i>MSCI EAFE</i>				5.7	71	22.8	65	22.8	65	8.2	74	12.4	81	17.9	63
<i>S&P EPAC LargeMidCap</i>				5.5	76	22.2	69	22.2	69	8.4	71	13.3	71	17.7	67
SSgA ACWI Ex US	58,754,210	1.5	2.0	4.8	81	15.6	81	15.6	81	5.4	89	--	--	15.5	65
<i>MSCI ACWI ex USA</i>				4.8	81	15.3	83	15.3	83	5.1	92	12.8	84	15.3	66
<i>eA ACWI ex-US All Cap Equity Gross Median</i>				5.9		19.5		19.5		8.5		14.8		16.3	
Emerging Market Comp	232,242,795	6.1	6.0												
<i>eA Emg Mkts Equity Gross Median</i>															
Aberdeen	232,242,795	6.1	6.0	-0.5	95	-5.9	94	-5.9	94	2.1	22	20.1	14	1.8	95
<i>MSCI Emerging Markets</i>				1.8	70	-2.6	80	-2.6	80	-2.1	75	14.8	74	7.7	66
<i>eA Emg Mkts Equity Gross Median</i>				2.8		1.0		1.0		-0.1		16.8		8.7	
US Fixed Income	934,832,384	24.4	--	-0.2	90	--	--	--	--	--	--	--	--	0.6	72
<i>Barclays Aggregate</i>				-0.1	88	-2.0	83	-2.0	83	3.3	68	4.4	71	0.4	81
<i>eA All US Fixed Inc Gross Median</i>				0.4		-0.3		-0.3		4.0		5.8		1.0	
Diversified Fixed Income	666,923,465	17.4	18.0	-0.6	96	-2.3	86	-2.3	86	4.3	46	8.6	28	-0.2	93
<i>Barclays Aggregate</i>				-0.1	88	-2.0	83	-2.0	83	3.3	68	4.4	71	0.4	81
<i>eA All US Fixed Inc Gross Median</i>				0.4		-0.3		-0.3		4.0		5.8		1.0	
Allianz Structured Alpha	92,891,838	2.4	2.0	-1.1	99	-2.5	95	-2.5	95	5.0	10	9.9	2	-0.3	98
<i>Citigroup 10 Year Treasury</i>				-2.5	99	-7.8	99	-7.8	99	4.0	52	1.8	99	-3.1	99
PIMCO Core Plus	240,823,903	6.3	6.5	-0.6	98	-2.5	95	-2.5	95	4.1	43	--	--	-0.1	96
<i>Barclays Aggregate</i>				-0.1	84	-2.0	82	-2.0	82	3.3	88	4.4	87	0.4	83
PIMCO Unconstrained	240,064,154	6.3	6.5	-0.4	97	-1.5	55	-1.5	55	--	--	--	--	-0.2	97
<i>25% HY, 25% EMD, 50% BC Agg</i>				1.1	5	-0.9	27	-0.9	27	5.6	2	9.8	2	2.1	2
<i>3-Month Libor Total Return USD</i>				0.1	61	0.3	6	0.3	6	0.4	99	0.4	99	0.1	93

VPIC Composite

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	2013 Q4 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Fiscal YTD (%)	Rank
Wellington DAS	93,143,570	2.4	3.0	-0.9	99	-3.9	99	-3.9	99	7.2	1	7.9	7	-0.1	97
<i>Wellington Custom Benchmark</i>				-2.8	99	-11.7	99	-11.7	99	4.8	15	5.3	65	-4.8	99
High Yield Comp	157,041,547	4.1	4.0	2.9	83	7.6	52	7.6	52	9.3	52	16.0	72	5.4	67
<i>eA US High Yield Fixed Inc Gross Median</i>				3.5		7.6		7.6		9.3		16.9		5.8	
Post Advisory	785,850	0.0	3.0	2.1	95	7.5	53	7.5	53	9.4	49	16.2	65	4.9	85
KDP	38,815,571	1.0	1.0	3.1	77	5.2	93	5.2	93	8.1	87	--	--	4.6	89
Guggenheim	117,440,126	3.1	--	--	--	--	--	--	--	--	--	--	--	--	--
<i>Barclays High Yield</i>				3.6	46	7.4	54	7.4	54	9.3	52	18.9	17	5.9	45
<i>BofA Merrill Lynch US High Yield BB-B Rated</i>				3.3	62	6.3	80	6.3	80	8.7	73	16.5	58	5.5	64
<i>eA US High Yield Fixed Inc Gross Median</i>				3.5		7.6		7.6		9.3		16.9		5.8	
TIPS	110,867,372	2.9	3.0												
<i>eA TIPS / Infl Indexed Fixed Inc Gross Median</i>															
BlackRock TIPS	110,867,372	2.9	3.0	-2.0	--	-8.6	--	-8.6	--	3.5	--	--	--	-1.3	--
<i>Barclays US TIPS</i>				-2.0	--	-8.6	--	-8.6	--	3.5	--	5.6	--	-1.3	--
Global Fixed Income Comp	112,839,907	2.9	3.0	-0.9	92	-6.2	97	-6.2	97	1.4	95	6.1	55	1.4	80
<i>eA All Global Fixed Inc Gross Median</i>				1.0		0.2		0.2		4.7		6.7		2.9	
Mondrian GFI	112,839,907	2.9	3.0	-0.9	92	-6.2	97	-6.2	97	0.4	99	3.7	90	1.4	80
<i>Citi WGBI</i>				-1.1	94	-4.0	86	-4.0	86	1.2	96	2.3	99	1.8	72
Emerging Market Debt	191,170,634	5.0	5.0												
<i>eA All Emg Mkts Fixed Inc Gross Median</i>															
Wellington Opportunistic EMD	191,170,634	5.0	5.0	0.8	49	-5.1	39	-5.1	39	6.9	16	--	--	1.8	43
<i>JP Morgan EMBI Global TR</i>				0.9	47	-6.6	61	-6.6	61	6.3	33	11.5	63	1.8	43
<i>eA All Emg Mkts Fixed Inc Gross Median</i>				0.8		-6.1		-6.1		5.0		12.5		1.4	
Total Real Estate	183,810,409	4.8	4.5	3.0	--	14.7	--	14.7	--	--	--	--	--	6.8	--
Morgan Stanley Prime Property	83,903,736	2.2	2.0	3.6	--	17.4	--	17.4	--	15.6	--	3.5	--	8.0	--

Morgan Stanley Prime Property is estimated as of 12/31/2013
 Transwestern is based on preliminary manager statement as of 12/31/2013
 Post Advisory funds were invested into Guggenheim

VPIC Composite

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	2013 Q4 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Fiscal YTD (%)	Rank
UBS Trumbull	73,314,959	1.9	2.0	2.3	--	10.4	--	10.4	--	11.3	--	4.6	--	5.1	--
RREEF America REIT III	25,624,062	0.7	0.5	3.1	--	16.9	--	16.9	--	31.0	--	-2.5	--	7.9	--
Transwestern / Aslan III	967,653	0.0	0.0	0.2	--	49.9	--	49.9	--	14.6	--	-36.0	--	4.4	--
NCREIF Property Index				2.5	--	11.0	--	11.0	--	11.9	--	5.7	--	5.2	--
NCREIF ODCE				3.2	--	14.0	--	14.0	--	13.6	--	3.7	--	6.9	--
Hedge Fund Comp	195,363,288	5.1	5.0	4.3	35	14.1	22	14.1	22	6.2	31	--	--	6.9	32
eA HFN FOF - Multi-Strategy Net Median				3.6		10.5		10.5		4.5		7.1		6.0	
Grosvenor	78,489,339	2.0	2.0	4.2	40	15.2	16	15.2	16	6.5	29	--	--	7.9	20
GAM	39,190,993	1.0	1.0	4.3	34	14.0	22	14.0	22	6.0	34	--	--	5.5	54
Permal	77,682,955	2.0	2.0	4.5	31	13.0	29	13.0	29	5.7	37	--	--	6.7	37
HFRI Fund of Funds Composite Index				3.5	55	8.7	60	8.7	60	2.4	76	4.8	78	5.2	57
GAA Comp	776,094,966	20.2	20.0	2.8	62	3.2	69	3.2	69	6.2	47	13.1	12	6.5	63
eA Global TAA Gross Median				3.7		7.7		7.7		6.0		10.3		7.6	
Mellon Global Expanded Alpha	80,510,119	2.1	2.5	4.5	32	12.2	31	12.2	31	8.0	26	14.0	10	9.4	37
Mellon GA GEA Index				3.6	51	10.3	40	10.3	40	6.9	40	9.3	62	8.3	40
AQR Global Risk Premium	303,482,203	7.9	8.0	1.8	84	-2.0	88	-2.0	88	6.7	42	--	--	4.1	78
60% MSCI World / 40% CITI WGBI				4.4	36	13.9	24	13.9	24	7.9	29	10.4	45	10.8	24
PIMCO All Asset	230,334,958	6.0	5.0	1.5	87	1.6	74	1.6	74	7.0	38	11.7	27	4.7	75
PIMCO All Asset Index				1.0	91	0.2	77	0.2	77	5.2	58	8.1	75	2.3	93
CPI + 5%				1.5	87	6.6	54	6.6	54	7.2	36	7.2	76	3.2	91
Wellington OIF	161,767,686	4.2	4.5	5.9	16	12.1	32	12.1	32	3.4	72	12.2	21	12.7	9
65% MSCI World (Net) / 35% BC Agg				5.1	23	15.9	15	15.9	15	8.8	22	11.6	31	10.9	24

Transwestern Q4 return and Market Value are based on preliminary manager numbers
 Real Estate performance reported on a quarterly basis. NCREIF Property is available 25 days after quarter end.
 PIMCO All Asset Index: 40% BC Agg / 30% TIPS / 10% S&P500 / 10% BC HY / 10% JPM EMBI+
 Mellon CF GEA Index: 50% MSCI ACWI / 25% CITI WGBI H/H / 10% BC Global Inflation Linked H/H / 5% BC US Intern. Credit / 5% DJ-UBS Commodity / 5% R2000.

VPIC Composite

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	2013 Q4 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Fiscal YTD (%)	Rank
Commodities	141,771,367	3.7	4.0												
Schroder	141,771,367	3.7	4.0	-1.8	--	-8.4	--	-8.4	--	-5.0	--	--	--	1.6	--
<i>Dow Jones-UBS Commodity Index TR</i>				<i>-1.1</i>	<i>--</i>	<i>-9.5</i>	<i>--</i>	<i>-9.5</i>	<i>--</i>	<i>-8.1</i>	<i>--</i>	<i>1.5</i>	<i>--</i>	<i>1.1</i>	<i>--</i>
<i>eA Commodities Gross Median</i>				<i>--</i>		<i>--</i>		<i>--</i>		<i>--</i>		<i>--</i>		<i>--</i>	
Cash	1,553,546	0.0	0.0	0.0	--	0.0	--	0.0	--	0.1	--	0.2	--	0.0	--
<i>91 Day T-Bills</i>				<i>0.0</i>	<i>--</i>	<i>0.0</i>	<i>--</i>	<i>0.0</i>	<i>--</i>	<i>0.1</i>	<i>--</i>	<i>0.1</i>	<i>--</i>	<i>0.0</i>	<i>--</i>
Private Equity	14,441,350	0.4	1.0												
<i>Cambridge Private Equity Index</i>															
Harbourvest Partners IX Credit Opportunities	779,699	0.0	--												
Harbourvest Partners IX Venture Fund	3,366,551	0.1	--												
Harbourvest Partners IX Buyout Fund	4,129,648	0.1	--												
Harbourvest Dover VIII Fund	6,165,452	0.2	--												

Harbourvest is based on preliminary manager statement for Q4 2013

Schroder is net of fee

VPC Composite

Total Plan Yearly Performance

	Ending December 31, 2013																	
	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank
VPIC Composite	8.4	95	13.2	24	2.2	17	14.9	12	26.8	7	-29.8	93	6.3	82	15.3	12	6.2	62
<i>IFx Public DB Gross Median</i>	15.5		12.2		0.9		12.8		20.3		-24.7		7.7		13.0		6.9	
Vermont State Teachers	8.1	96	13.2	24	2.2	17	14.9	12	26.5	9	-30.1	94	6.3	83	15.7	6	5.6	73
<i>Allocation Index</i>	9.3	93	10.8	72	0.7	62	11.6	74	22.7	26	-25.2	57	6.5	80	14.8	17	5.1	81
<i>Policy Index</i>	9.4	93	10.9	71	0.6	62	11.7	72	19.3	55	-24.3	49	7.6	52	14.4	20	6.6	57
Vermont Municipal Employees	8.9	93	13.1	24	2.2	17	14.9	12	27.8	5	-29.4	89	6.3	85	14.8	17	7.8	32
<i>Allocation Index</i>	10.0	91	10.7	73	0.6	62	11.8	70	22.2	29	-23.0	41	6.7	79	13.6	37	6.5	57
<i>Policy Index</i>	9.4	93	10.9	71	0.6	62	11.7	72	19.3	55	-21.9	35	7.7	51	13.7	35	7.2	47
Vermont State Employees	8.6	94	13.1	25	2.2	17	14.9	12	27.4	6	-29.6	90	6.4	81	14.9	16	6.6	56
<i>Allocation Index</i>	9.8	91	10.6	74	0.5	63	11.9	69	22.6	26	-23.9	46	6.6	79	14.1	27	6.0	66
<i>Policy Index</i>	9.4	93	10.9	71	0.6	62	11.7	72	19.5	53	-22.5	39	7.6	52	13.9	31	6.3	59
City of Burlington	8.4	95	13.1	25	2.2	17	14.9	12	26.6	7	-30.3	96	5.5	93	13.4	43	7.9	27
<i>Policy Index</i>	9.4	93	10.9	71	0.6	62	11.7	72	19.3	55	-24.3	49	7.4	58	12.6	55	6.1	66
<i>60% MSCI World / 40% CITI WGBI</i>	13.9	69	10.6	75	-0.3	78	9.8	93	19.2	56	-22.7	41	10.3	14	14.7	18	3.1	99

VPIC Composite

Total Fund Yearly Performance

	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank
Composite	8.4	95	13.2	24	2.2	17	14.9	12	26.8	7	-29.8	93	6.3	82	15.3	12	6.2	62
<i>IFx Public DB Gross Median</i>	15.5		12.2		0.9		12.8		20.3		-24.7		7.7		13.0		6.9	
Total Equity	23.4	65	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<i>MSCI ACWI</i>	22.8	66	16.1	61	-7.3	53	12.7	65	34.6	44	-42.2	55	11.7	50	21.0	61	10.8	70
<i>eA All Global Equity Gross Median</i>	26.2		17.2		-7.0		14.3		33.3		-41.3		11.6		22.5		13.0	
US Equity	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<i>Russell 3000</i>	33.6	64	16.4	45	1.0	39	16.9	61	28.3	60	-37.3	54	5.1	60	15.7	46	6.1	72
<i>eA All US Equity Gross Median</i>	35.6		16.0		-0.4		19.6		30.9		-36.9		6.8		15.1		8.5	
Large Cap Comp	33.9	48	16.6	38	1.4	41	17.6	22	40.4	11	-40.3	81	4.6	74	16.2	40	4.6	79
<i>S&P 500</i>	32.4	62	16.0	45	2.1	34	15.1	47	26.5	56	-37.0	57	5.5	68	15.8	43	4.9	77
<i>eA US Large Cap Equity Gross Median</i>	33.6		15.6		0.4		14.8		28.0		-36.3		8.0		14.8		7.7	
T. Rowe	33.7	49	16.8	35	1.8	37	14.0	61	30.4	41	-36.0	49	6.2	62	16.9	36	--	--
SSgA S&P 500 Cap-Wgt	32.4	61	16.1	44	2.2	33	--	--	--	--	--	--	--	--	--	--	--	--
<i>S&P 500</i>	32.4	62	16.0	45	2.1	34	15.1	47	26.5	56	-37.0	57	5.5	68	15.8	43	4.9	77
SSgA S&P 500 Equal-Wgt	36.2	29	17.5	29	-0.1	56	22.0	5	46.7	4	-40.6	83	0.5	90	15.9	42	--	--
<i>S&P 500 Equal Weighted</i>	36.2	29	17.7	27	-0.1	56	21.9	5	46.3	5	-39.7	78	1.5	87	15.8	43	8.1	47
<i>S&P 500 ex Tobacco Equal Weighted</i>	36.4	28	17.6	27	-0.2	57	22.3	5	46.4	5	-40.6	83	0.5	90	16.0	42	--	--
Small/Mid Cap Comp	38.4	49	15.2	59	0.9	31	27.3	48	33.1	60	-34.0	21	1.8	73	10.9	71	4.8	89
<i>Russell 2000</i>	38.8	45	16.3	49	-4.2	70	26.9	52	27.2	82	-33.8	21	-1.6	84	18.4	21	4.6	90
<i>eA US Small-Mid Cap Equity Gross Median</i>	38.2		16.0		-1.5		26.9		35.2		-38.1		8.8		13.9		10.4	
SSgA S&P 400	33.7	68	17.9	31	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<i>S&P 400 MidCap</i>	33.5	70	17.9	31	-1.7	52	26.6	33	37.4	53	-36.2	30	8.0	59	10.3	72	12.5	47
<i>eA US Mid Cap Equity Gross Median</i>	35.8		16.1		-1.4		24.5		37.9		-40.1		9.7		13.7		12.1	

All sub-composite returns for the total plan are based off TRS returns up to 4/31/2012, and include all plans thereafter.

Note: Returns are gross of manager fees. Results for periods longer than one year are annualized.

VPIC Composite

Composite

	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank
Champlain	39.2	26	12.9	78	3.8	14	22.8	64	--	--	--	--	--	--	--	--	--	--
Russell 2500	36.8	43	17.9	31	-2.5	60	26.7	33	34.4	66	-36.8	34	1.4	85	16.2	31	8.1	83
eA US Mid Cap Equity Gross Median	35.8		16.1		-1.4		24.5		37.9		-40.1		9.7		13.7		12.1	
Wellington	34.9	77	16.9	51	1.8	16	28.3	39	32.6	50	-26.5	15	-2.1	45	20.5	33	11.2	26
Russell 2000 Value	34.5	78	18.0	43	-5.5	69	24.5	72	20.6	85	-28.9	27	-9.8	82	23.5	14	4.7	78
eA US Small Cap Value Equity Gross Median	38.1		16.9		-3.3		26.9		32.0		-32.3		-2.9		18.7		8.2	
SSgA Russell 2000 Growth	43.3	70	14.7	47	-3.0	61	29.2	44	34.2	60	-38.4	26	--	--	--	--	--	--
Russell 2000 Growth	43.3	70	14.6	48	-2.9	60	29.1	46	34.5	59	-38.5	26	7.0	64	13.3	40	4.2	79
eA US Small Cap Growth Equity Gross Median	45.6		14.3		-1.5		28.6		36.5		-41.5		11.0		12.3		7.6	
Int'l Equity Comp	23.6	57	14.0	92	-9.2	22	9.4	71	25.4	92	-42.0	33	10.9	64	33.7	11	14.2	78
MSCI EAFE	22.8	65	17.3	77	-12.1	53	7.8	83	31.8	69	-43.4	45	11.2	62	26.3	61	13.5	83
eA All EAFE Equity Gross Median	24.6		20.4		-12.0		11.7		36.5		-44.1		13.2		27.3		17.5	
Acadian	27.1	32	17.0	82	-13.0	60	14.6	34	27.7	85	-49.0	85	8.7	78	37.4	3	--	--
Mondrian	23.9	55	9.8	99	-3.5	3	3.6	97	24.4	94	-37.1	11	12.4	55	31.1	22	13.4	83
MSCI EAFE	22.8	65	17.3	77	-12.1	53	7.8	83	31.8	69	-43.4	45	11.2	62	26.3	61	13.5	83
S&P EPAC LargeMidCap	22.2	69	18.1	70	-11.7	47	9.2	73	34.3	59	-43.3	44	12.9	52	25.2	74	15.2	70
SSgA ACWI Ex US	15.6	81	17.2	75	-13.5	73	--	--	--	--	--	--	--	--	--	--	--	--
MSCI ACWI ex USA	15.3	83	16.8	77	-13.7	73	11.2	75	41.4	41	-45.5	58	16.7	63	26.7	70	16.6	94
eA ACWI ex-US All Cap Equity Gross Median	19.5		19.6		-11.5		15.0		38.7		-45.2		17.4		28.6		20.5	
Emerging Market Comp																		
eA Emg Mkts Equity Gross Median																		
Aberdeen	-5.9	94	26.4	11	-10.5	4	29.1	6	81.7	37	--	--	--	--	--	--	--	--
MSCI Emerging Markets	-2.6	80	18.2	68	-18.4	48	18.9	64	78.5	57	-53.3	42	39.4	60	32.2	70	34.0	70
eA Emg Mkts Equity Gross Median	1.0		20.9		-18.6		20.1		79.5		-54.0		40.5		34.2		36.5	

VPIC Composite

Composite

	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank
US Fixed Income	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Barclays Aggregate	-2.0	83	4.2	70	7.8	32	6.5	57	5.9	73	5.2	27	7.0	33	4.3	72	2.4	64
eA All US Fixed Inc Gross Median	-0.3		6.1		6.5		6.9		9.3		2.4		6.2		4.7		2.7	
Diversified Fixed Income	-2.3	86	7.0	43	8.6	21	9.5	26	21.5	19	-14.9	87	4.4	79	--	--	--	--
Barclays Aggregate	-2.0	83	4.2	70	7.8	32	6.5	57	5.9	73	5.2	27	7.0	33	4.3	72	2.4	64
eA All US Fixed Inc Gross Median	-0.3		6.1		6.5		6.9		9.3		2.4		6.2		4.7		2.7	
Allianz Structured Alpha	-2.5	95	10.6	2	7.3	67	12.7	1	22.6	2	--	--	--	--	--	--	--	--
Citigroup 10 Year Treasury	-7.8	99	4.2	89	17.0	1	8.1	26	-9.9	99	20.3	1	9.8	1	1.4	99	2.0	93
PIMCO Core Plus	-2.5	95	7.4	20	7.7	52	9.1	9	--	--	--	--	--	--	--	--	--	--
Barclays Aggregate	-2.0	82	4.2	90	7.8	46	6.5	76	5.9	80	5.2	37	7.0	47	4.3	69	2.4	79
PIMCO Unconstrained	-1.5	55	4.6	82	--	--	--	--	--	--	--	--	--	--	--	--	--	--
25% HY, 25% EMD, 50% BC Agg	-0.9	27	10.6	2	7.4	63	10.1	6	23.1	2	-7.1	95	5.5	86	7.6	1	4.6	1
3-Month Libor Total Return USD	0.3	6	0.4	99	0.3	99	0.3	99	0.8	99	3.2	56	5.5	87	5.4	3	3.7	3
Wellington DAS	-3.9	99	8.5	8	18.3	1	7.9	29	9.8	43	--	--	--	--	--	--	--	--
Wellington Custom Benchmark	-11.7	99	3.5	96	25.7	1	6.5	76	5.9	80	5.2	37	7.0	47	4.3	69	2.4	79
High Yield Comp	7.6	52	14.9	62	5.7	37	14.0	71	41.2	65	-19.0	29	4.7	11	--	--	--	--
eA US High Yield Fixed Inc Gross Median	7.6		15.5		4.9		14.9		45.0		-21.2		3.5		10.5		3.7	
Post Advisory	7.5	53	15.3	53	5.6	40	14.3	67	41.6	64	-19.0	29	4.7	11	9.2	76	4.1	35
KDP	5.2	93	12.6	87	6.6	15	11.7	92	--	--	--	--	--	--	--	--	--	--
Guggenheim	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Barclays High Yield	7.4	54	15.8	43	5.0	49	15.1	45	58.2	14	-26.2	81	1.9	89	11.8	28	2.7	81
BofA Merrill Lynch US High Yield BB-B Rated	6.3	80	14.7	65	5.4	45	14.5	64	46.1	49	-23.7	70	2.7	72	10.7	49	3.4	64
eA US High Yield Fixed Inc Gross Median	7.6		15.5		4.9		14.9		45.0		-21.2		3.5		10.5		3.7	

VPIC Composite

Composite

	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank	
TIPS																			
<i>eA TIPS / Infl Indexed Fixed Inc Gross Median</i>																			
BlackRock TIPS	-8.6	--	7.0	--	13.6	--	6.4	--	--	--	--	--	--	--	--	--	--	--	--
<i>Barclays US TIPS</i>	-8.6	--	7.0	--	13.6	--	6.3	--	11.4	--	-2.4	--	11.6	--	0.4	--	2.8	--	--
Global Fixed Income Comp	-6.2	97	3.7	90	7.3	21	10.9	21	16.0	32	0.3	57	11.2	15	--	--	--	--	--
<i>eA All Global Fixed Inc Gross Median</i>	0.2		9.5		5.0		7.3		10.6		1.4		8.7		6.1		-1.2		
Mondrian GFI	-6.2	97	2.1	97	5.8	38	8.6	33	8.8	59	10.2	11	11.5	13	5.5	64	-3.5	61	
<i>Citi WGBI</i>	-4.0	86	1.6	98	6.4	33	5.2	85	2.6	97	10.9	9	11.0	17	6.1	51	-6.9	93	
Emerging Market Debt																			
<i>eA All Emg Mkts Fixed Inc Gross Median</i>																			
Wellington Opportunistic EMD	-5.1	39	19.9	35	7.6	16	13.7	70	--	--	--	--	--	--	--	--	--	--	--
<i>JP Morgan EMBI Global TR</i>	-6.6	61	18.5	59	8.5	7	12.0	87	28.2	65	-10.9	52	6.3	73	9.9	95	10.7	74	
<i>eA All Emg Mkts Fixed Inc Gross Median</i>	-6.1		19.1		2.6		14.5		30.7		-10.8		7.7		12.3		12.3		
Total Real Estate	14.7	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Morgan Stanley Prime Property	17.4	--	12.6	--	16.8	--	15.8	--	-33.7	--	-4.7	--	16.2	--	18.4	--	19.9	--	--
UBS Trumbull	10.4	--	10.2	--	13.2	--	16.9	--	-22.3	--	-7.5	--	13.9	--	16.6	--	21.1	--	--
RREEF America REIT III	16.9	--	23.8	--	55.4	--	9.1	--	-64.1	--	-41.7	--	18.1	--	--	--	--	--	--
Transwestern / Aslan III	49.9	--	13.8	--	-11.8	--	-41.9	--	-87.7	--	-26.0	--	3.5	--	-16.3	--	--	--	--
<i>NCREIF Property Index</i>	11.0	--	10.5	--	14.3	--	13.1	--	-16.9	--	-6.5	--	15.8	--	16.6	--	20.1	--	--
<i>NCREIF ODCE</i>	14.0	--	10.9	--	16.0	--	16.4	--	-29.8	--	-10.0	--	16.0	--	16.3	--	21.4	--	--

VPIC Composite

Composite

	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank
Hedge Fund Comp	14.1	22	9.3	24	-3.8	46	--	--	--	--	--	--	--	--	--	--	--	--
<i>eA\HFN FOF - Multi-Strategy Net Median</i>	10.5		6.5		-4.0		6.1		13.9		-20.2		11.2		10.8		7.6	
Grosvenor	15.2	16	8.5	29	-3.4	42	--	--	--	--	--	--	--	--	--	--	--	--
GAM	14.0	22	8.3	31	-3.5	43	--	--	--	--	--	--	--	--	--	--	--	--
Permal	13.0	29	10.5	14	-5.5	66	--	--	--	--	--	--	--	--	--	--	--	--
<i>HFRI Fund of Funds Composite Index</i>	8.7	60	4.8	71	-5.7	68	5.7	55	11.5	62	-21.4	57	10.3	56	10.4	56	7.5	51
GAA Comp	3.2	69	15.3	2	0.8	34	18.0	19	31.0	21	-26.3	61	5.7	87	--	--	--	--
<i>eA Global TAA Gross Median</i>	7.7		10.6		-0.8		14.6		23.4		-25.5		11.0		14.3		8.4	
Mellon Global Expanded Alpha	12.2	31	11.3	40	1.0	34	16.1	29	31.4	17	-36.0	92	1.7	95	--	--	--	--
<i>Mellon GA GEA Index</i>	10.3	40	11.5	37	-0.6	50	8.8	86	17.4	79	-22.4	46	7.9	60	--	--	--	--
AQR Global Risk Premium	-2.0	88	16.0	1	7.0	12	25.1	5	--	--	--	--	--	--	--	--	--	--
<i>60% MSCI World / 40% CITI WGBI</i>	13.9	24	10.6	51	-0.3	43	9.8	83	19.2	78	-22.7	46	10.3	52	14.7	47	3.1	99
PIMCO All Asset	1.6	74	16.5	1	3.4	17	14.7	50	24.1	44	-14.8	24	9.6	53	--	--	--	--
<i>PIMCO All Asset Index</i>	0.2	77	8.1	62	7.6	11	8.5	87	16.5	80	-6.7	14	7.7	61	6.0	99	3.5	99
<i>CPI + 5%</i>	6.6	54	6.8	69	8.2	11	6.5	94	8.0	92	5.0	1	9.3	53	7.6	99	8.5	47
Wellington OIF	12.1	32	14.3	11	-13.8	98	17.8	20	36.8	14	--	--	--	--	--	--	--	--
<i>65% MSCI World (Net) /35% BC Agg</i>	15.9	15	11.9	29	-0.7	50	10.5	81	21.6	62	-26.9	64	8.4	55	14.4	48	7.1	75

Real Estate performance reported on a quarterly basis. NCREIF Property is available 25 days after quarter end.

PIMCO All Asset Index: 40% BC Agg / 30% TIPS / 10% S&P500 / 10% BC HY / 10% JPM EMBI+

Mellon CF GEA Index: 50% MSCI ACWI / 25% CITI WGBI H/H / 10% BC Global Inflation Linked H/H /5% BC US Interm. Credit / 5% DJ-UBS Commodity / 5% R2000.

VPIC Composite

Composite

	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank
Commodities																		
Schroder	-8.4	--	0.5	--	-6.8	99	17.1	53	--	--	--	--	--	--	--	--	--	--
<i>Dow Jones-UBS Commodity Index TR</i>	-9.5	--	-1.1	--	-13.3	99	16.8	55	18.9	67	-35.6	30	16.2	94	2.1	56	21.4	99
<i>eA Commodities Gross Median</i>	--		--		0.0		17.6		24.5		-40.3		33.4		2.8		27.1	
Cash	0.0	--	0.1	--	0.2	--	0.3	--	0.6	--	2.4	--	6.4	--	5.2	--	5.4	--
<i>91 Day T-Bills</i>	0.0	--	0.1	--	0.0	--	0.1	--	0.1	--	1.3	--	4.4	--	5.0	--	3.2	--
Private Equity																		
<i>Cambridge Private Equity Index</i>																		
Harbourvest Partners IX Credit Opportunities																		
Harbourvest Partners IX Venture Fund																		
Harbourvest Partners IX Buyout Fund																		
Harbourvest Dover VIII Fund																		

Harbourvest is based on preliminary manager statement for Q4 2013
 Schroder is net of fee

What helped performance

- US equities had a strong fourth quarter, capping off a successful year for investors. A brighter economic outlook and continued Fed stimulus drove returns higher through the year. Sectors that were tied to the improving economy, such as consumer discretionary, healthcare, industrials, and financials, outperformed; defensive, yield oriented sectors like telecommunications and utilities, lagged. Small capitalization stocks outperformed large capitalization stocks in 2013 as a whole, but large caps lead the way in the fourth quarter.
 - T. Rowe returned 10.8%, Champlain returned 9.6% and the SSgA Russell 2000 Growth Strategy returned 8.2%
- Fears of the US hitting its debt ceiling and slowing growth in emerging markets initially pushed non-US stocks lower. Market subsequently turned positive when Janet Yellen emerged as the favored candidate to serve as the chairperson of the Fed. During the fourth quarter, European stocks returned 7.9%, outperforming the UK and Japan. Emerging markets' equities trailed, posting gains of 1.9% during the quarter.
 - The International Equity Composite returned 7.1%, Aberdeen underperformed the index returning -0.5%
- Starting in November, as published data indicated moderate progress in the economy, investors began piling into credit sectors and equities in an effort to seek protection from rising interest rates. In a trend that continued through the year, lower-rated securities outperformed higher-quality issues during the quarter.
 - The VPIC High Yield Composite returned 2.9% for the fourth quarter, which trailed the return of the Barclays High Yield's return of 3.6%
- Hedge funds posted gains of 9.7% in 2013 according to the Dow Jones Credit Suisse Hedge Fund Composite; returns totaled 4.2% in the fourth quarter compared to 10.5% for the S&P 500.
 - VPIC's Hedge Fund Composite returned 4.3% which outperformed the HFRI Fund of Funds Composite Index return of 3.5%

What hurt performance

- Fed policy and improvements in the domestic economy drove fixed income performance in the fourth quarter and 2013. The reality of rising rates materialized in mid-December when the Fed announced a \$10 billion reduction in asset purchases. As a result, the most duration-sensitive sectors of the bond market, that is, Treasuries and mortgage-backed securities, sold off.
 - VPIC'S Diversified Fixed Income portfolio returned -0.6%, underperforming the Barclays Aggregate return of -0.1%
- Commodities posted losses of 9.5% in 2013, according to the Dow Jones UBS Index. That said, there were significant divergences within individual market segments.
 - Schroder's held up better than the index in 2013 returning -8.4%, but underperformed in the fourth quarter returning -1.8% vs the Dow Jones-UBS Commodity Index return of -1.1%
- The BlackRock TIPS portfolio lost 2% for the quarter, bringing the year's losses to 8.6%. The breakeven spread, that is, the spread between nominal and real yields which serves as a proxy for the market's expectations for inflation, widened modestly to 2.24%.
- While the quarter was positive for the emerging markets index, Aberdeen underperformed its index.
 - Aberdeen returned -0.5%, trailing the MSCI Emerging Market Index return of 1.8%

T. Rowe Price – Large Cap Core

- What Helped: Stock selection within the information technology sector had the largest positive impact on relative performance. Overweights in Red Hat, Autodesk, and Visa aided relative returns.
- What Hurt: The materials sector detracted from relative returns due to stock selection. Not holding DuPont and an underweight in Dow Chemical weighed on relative results.

SSgA S&P 500 Equal Weighted – Large Cap Core

- What Helped: Industrials had the highest quarterly return at 13.13%
- What Hurt: Utilities had the lowest quarterly return at 2.95%

SSgA S&P 500 Cap Weighted – Large Cap Core

- What Helped: Materials sector returns were .02% ahead of the index
- What Hurt: Telecommunication Services returned -.02% behind the index

SSgA S&P Mid Cap 400 – SMID

- What Helped: Consumer Staples returns were .03% ahead of the index
- What Hurt: Telecommunication services returns were -.10 below the index returns

Wellington – Small Cap Value Equities

- What Helped: Security selection was most favorable in the energy sector
- What Hurt: Stock selection was the primary source of underperformance for the quarter, with selection within industrials and materials detracting most

Champlain – Mid Cap Core Equities

- What Helped: An overweight to the health care sector while holdings in this sector outperformed
- What Hurt: Energy holdings underperformed slightly during the quarter

SSgA Russell 2000 Growth – Small Cap Growth Equities

- What Helped: Utilities holdings outperformed by 1.86%
- What Hurt: Telecommunication Services holdings underperformed by 0.22%

Acadian – Int'l Developed Equities

- What Helped: Stock selection in the U.K., Sweden and France added value.
- What Hurt: Country allocations yielded neutral results and opportunistic exposures to Brazil and Canada detracted

SSgA – MSCI ACWI Ex-US

- What Helped: Russian Federation holdings outperformed the index by 1.14%
- What Hurt: Holdings in Switzerland underperformed the index by 0.60%

Mondrian – Int'l Developed Equities

- What Helped: Underweight Japanese yen and Australian dollar, stock selection in Switzerland and Japan and an overweight position in the telecommunication services sector.
- What Hurt: Underweight to Japan, stock selection in the telecommunication services and financial sectors and overweight position in the utilities sector.

Aberdeen – Emerging Market Equities

- What Helped: Holdings in Korea, Hungary, Russia and Mexico mitigated losses. South Korea's Samsung Electronics posted solid quarterly earnings.
- What Hurt: The underperformance was largely due to the overweight to Turkey which fell sharply on political concerns, and our South African retail stocks which did badly.

Allianz – Core Fixed Income

- What Helped: As the debt-ceiling deadline approached, the VIX spiked to 21, its highest level of the year. While short-lived, the higher implied volatility enabled the strategy to build attractive range-bound positions for November and December expirations.
- What Hurt: A short-lived increase in the VIX to 16, amid speculation about the US Federal Reserve's plans to taper its monetary stimulus program.

PIMCO – Core Plus Fixed Income

- What Helped: Tactical exposures to Italian and Spanish sovereign bonds, an allocation to non-Agency mortgages which benefited from limited supply and a recovery in the housing sector, exposure to Build America municipal bonds which benefitted from investor demand for attractive yields and modest exposure to high yield corporate bonds as spreads tightened amid risk-on sentiment
- What Hurt: An underweight to investment-grade corporate bonds which outperformed like-duration Treasuries, a modest underweight to Agency mortgage-backed securities (MBS) as spreads narrowed and a modest exposure to Brazilian local interest rates as yields rose on inflation concerns

PIMCO - Unconstrained

- What Helped: Securitized exposure, led by non-Agency MBS positions, exposure to select bonds in financial and industrials sector and municipal exposure
- What Hurt: U.S. government/rates, as losses from long positions via Treasuries/TIPS and eurodollar futures outweighed gains from duration-hedging interest rate swaps, short positioning in eurozone and Japanese duration, long duration positioning in Brazilian and Australian rates, corporate exposure, with losses on buy-protection positioning in credit default swap indicies

Schroders – Commodities

- What Helped: Best performing markets for the quarter were: natural gas 17.2%, zinc 10.8%, lead 7.6%, soybean meal 7.2%, gasoline 6.7% and orange juice 6.7%
- What Hurt: Worst performing markets for the quarter were: wheat -11.2%, sugar -10.4%, silver -8.7%, gold -6.5% and lean hogs -6.0%.

KDP – High Yield Debt

- What Helped: Bond outperformance was the result of the higher quality holdings, which recovered from third quarter's interest rate driven weakness. The biggest industry contributors to positive performance this quarter were Integrated Telecom, E&P, Telecom-Wireless, Electric Generation, and Gaming.
- What Hurt: Oil Field Equipment & Services was the only contributor of negative performance

Mondrian – Global Fixed Income

- What Helped: Positive for performance was the underweight to Japan and Canada as well as the overweight to Australia on a fully currency hedged basis and the overweight to Poland and Mexico
- What Hurt: Underweight to the Eurozone, the peripheral markets in particular as well as the underweight to United Kingdom sterling detracted from performance over the quarter.

Wellington – Opportunistic Emerging Market Debt

- What Helped: Underweighting to Venezuela, out of benchmark exposure in Slovenia, both an underweight country allocation and positive security selection in Turkey and positive security selection in Columbia
- What Hurt: Security selection in Brazil, lack of exposure to Lebanon, an index outperformer, both an underweight country allocation to Ukraine and negative security selection

Wellington – Diversified Alpha Strategies

- What Helped: Nine of eleven strategies contributed positive alpha during the period. Government Relative Value, International Contrarian Value, and Global Contrarian Equity were the largest sources of outperformance.
- What Hurt: Two strategies detracted from performance in the fourth quarter. Strategic European Equity was the primary detractor and Managed Futures posted modest losses over the period.

Mellon Global Expanded Alpha I – Global Asset Allocation

- What Helped: Global stock/bond allocation added 147bps to performance
- What Hurt: Currency allocation detracted 122 bps from the quarter's return

PIMCO All Asset – Global Asset Allocation

- What Helped: Exposure to international developed and emerging markets equities via fundamentally weighted strategies, holdings in high yield credit strategies, as these bond sectors gained value amid tightening spreads, allocations to Alternatives that seek returns by targeting low-beta or market-neutral relative value exposures
- What Hurt: Modest allocation to real estate as U.S. REITS declined, and exposure to local currency denominated EM bonds as yields rose and currencies declined vs. the U.S. dollar

Wellington OIF – Global Asset Allocation

- What Helped: European equities, exposure to small and mid-cap US equities, and an underweight to the Japanese yen
- What Hurt: Gold mining stocks, real estate exposure, a short position in US retail stocks, and an underweight to the US in aggregate detracted

AQR Global Risk Premium – Global Asset Allocation

- What Helped: Returns for two of the four risk categories in the Fund were positive for the quarter, with Equities contributing +2.2% and Credit contributing +1.7%.
- What Hurt: Nominal Interest Rates subtracted -1.2% and Inflation Sensitive assets subtracted -0.9%.

Manager Executive Summary

Manager	Historical Staff & Organization Changes	Investment Process Changes	Focused Placement List	Watch List History	Latest Meeting with NEPC
T. Rowe Price	No changes	No Changes	Preferred: No Action	n/a	12/24/2013: Update call and annual review
SSgA S&P 500 Cap-Wght	No changes	No changes	Neutral: No Action	n/a	10/7/2013: Update on indexing capabilities with SSgA at NEPC
SSgA S&P 500 Equal-Wght	No changes	No changes	Neutral: No Action	n/a	10/7/2013: Update on indexing capabilities with SSgA at NEPC
SSgA S&P 400	No changes	No changes	Neutral: No Action	n/a	10/7/2013: Update on indexing capabilities with SSgA at NEPC

Manager Executive Summary

Manager	Historical Staff & Organization Changes	Investment Process Changes	Focused Placement List	Watch List History	Latest Meeting with NEPC
Champlain SMID	No changes	No changes	Preferred: No Action	n/a	6/19/2013: Onsite visit, firm and product update
Wellington Small Value	No changes	No changes	Preferred: No Action	n/a	10/14/2013: At NEPC, firm and product update
SSgA Russell 2000 Growth	No changes	No changes	Neutral: No Action	n/a	10/7/2013: Update on indexing capabilities with SSgA at NEPC
Acadian Int'l Equity	<p>6/2/10: James Wylie, Head of Sales, left.</p> <p>6/15/10: Charles Wang, Director of Research, left.</p> <p>7/2/10: Matt Cohen, Portfolio Manager, will depart at yr end.</p> <p>Oct 2010: Joshua White will be joining as a Portfolio Manager</p> <p>March 2011: Terrance Burnham, Director of Portfolio Management, left.</p> <p>Qi Zeng, Client Portfolio Manager, left</p>	<p>Acadian has moved from the Barra risk model to an in house developed model based off of Axioma data. This gives the team the ability to develop their own risk factors. The risk model was implemented on September 1st 2012.</p>	Preferred: No Action	<p>7/28/2010: Watch</p> <p>10/24/2011: Preferred</p>	<p>10/10/13: Onsite, update meeting at Acadian with Joshua White, Patrick McCafferty and Renee Hoffman</p>
Mondrian Int'l Equity	<p>March 2010: Fiona Barwick, Partner, will depart.</p> <p>Hellman & Friedman, a PE firm with a 27% stake is looking to exit over the next few years.</p>	No Changes	Preferred: No Action	n/a	9/20/2013: Update meeting with Liz Desmond and Paul Ross at NEPC

Manager Executive Summary

Manager	Historical Staff & Organization Changes	Investment Process Changes	Focused Placement List	Watch List History	Latest Meeting with NEPC
SSgA ACWI Ex-US	No changes	No changes	Neutral: No Action	n/a	10/7/2013: Update on indexing capabilities with SSgA at NEPC
Aberdeen Emerging Markets	Adul Jalil Rasheed has decided to leave the team. He was a mid level portfolio manager on the strategy and head of the Islamic Asset Management business based in Malaysia.. Prior to that they have not had any staff turnover for the past two years.	No changes	Preferred: No Action	n/a	10/30/2013: Meeting with Hugh Young and Nicholas Hadow in Aberdeen's Singapore office to discuss emerging markets equity capacity and organizational issues.
Allianz Structured Alpha	No changes	No changes	Neutral: No Action	n/a	3/28/2013: Onsite at Allianz, comprehensive review
Wellington DAS	No changes	No changes	Neutral: No Action	n/a	1/18/2013: Update meeting with Wendy Cromwell and Andria Weil
PIMCO Core Plus	Mohamed El-Erian, co-CIO and CEO, resigned from the Firm effective mid-March. Additional personnel changes detailed in separate memo.	No changes	Preferred: No Action	1/28/14 : Watch	2/10/14: Onsite meeting with Bill Gross, Duglas Hodge, Jay Jacobs, Daniel Ivascyn, Mihor Worah, Michael Gomez, and Mohit Mittla

Manager Executive Summary

Manager	Historical Staff & Organization Changes	Investment Process Changes	Focused Placement List	Watch List History	Latest Meeting with NEPC
KDP	No changes	No changes	Neutral: No Action	n/a	11/8/2013: Update meeting at NEPC with Kingman Penniman and Kathy News
Mondrian Global Bonds	No changes	No changes	Neutral: No Action	n/a	8/22/2013: Update meeting at NEPC with Daniel Philips, and Justin Richards
PIMCO Unconstrained Bond	Mohamed El-Erian, co-CIO and CEO, resigned from the Firm effective mid-March. Additional personnel changes detailed in separate memo.	No changes	Hold: No Action	1/28/14: Watch	2/10/14: Onsite meeting with Bill Gross, Douglas Hodge, Jay Jacobs, Daniel Ivascyn, Mihor Worah, Michael Gomez, and Mohit Mittla
Wellington Opportunistic Emerging Market Debt	Wellington announced that Ricardo Adroque, a lead member of their emerging market debt team will be departing the Firm in mid-April. Ricardo is the lead PM for local currency EM debt portfolios and is a key member involved in the Opportunistic EMD portfolio. Ricardo's departure is amicable and he is leaving to work with a family member running a hedge fund based in California	No changes	Preferred: No Action	n/a	6/3/2013: Follow up meeting with Jim Valone to discuss Ricardo Adroque, PM departure

Manager Executive Summary

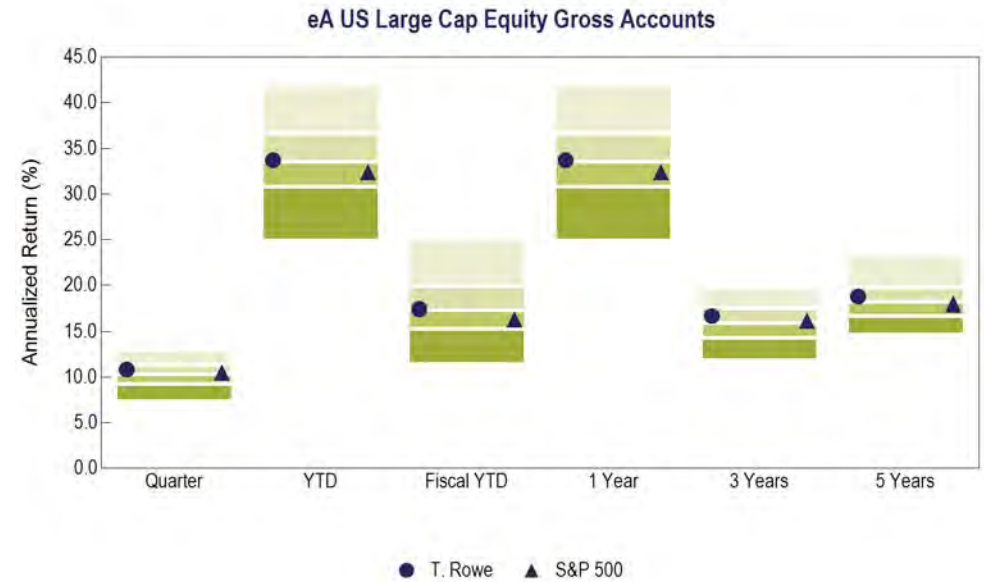
Manager	Historical Staff & Organization Changes	Investment Process Changes	Focused Placement List	Watch List History	Latest Meeting with NEPC
BlackRock TIPS	No changes	No changes	Preferred:No Action	4/12/2012: Preferred	10/8/2013: Update meeting at Blackrock
Mellon Global Expanded Alpha I	10/28/2010: Helen Potter, Portfolio Manager March 2011: Michael Ho, CIO, is leaving Lex Hubert is returning to MCM	New, more diversified benchmark adds international and emerging small cap equities, high yield and emerging market debt. Changes to portfolio/benchmarked expected to occur at end of third quarter.	Preferred: Watch	1/19/2012: Preferred	5/22/2012: Update, Jeff Zhang (CIO) will be in for update meeting at NEPC on 2/7/13
AQR Global Risk Premium	No changes	No changes	Preferred: No Action	4/29/2010: Preferred	10/11/2013: Onsite update meeting at AQR with Ronen Israel, Scott Metchick and Brian Crowell
PIMCO All Asset	No changes	No changes	Preferred: No Action	1/28/14: Watch	2/10/14: Onsite meeting with Bill Gross, Duglas Hodge, Jay Jacobs, Daniel Ivascyn, Mihor Worah, Michael Gomez, and Mohit Mittla
Wellington OIF	November 2012: Mark Lynch hired as Portfolio Manager	No changes	Preferred: No Action	n/a	4/2/2013: Update, onsite

Manager Executive Summary

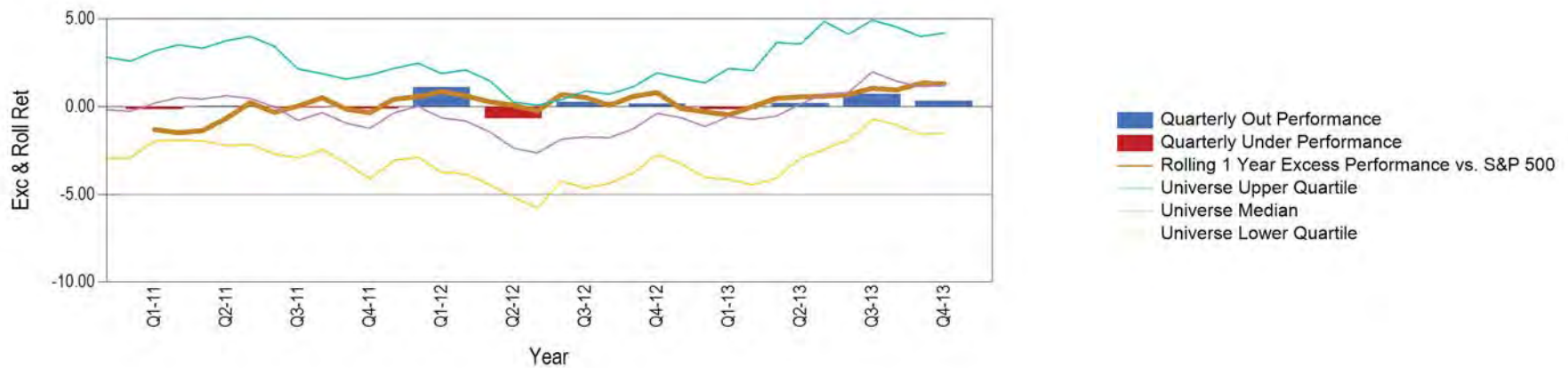
Manager	Historical Staff & Organization Changes	Investment Process Changes	Focused Placement List	Watch List History	Latest Meeting with NEPC
Schroders	No changes	No changes	Preferred: No Action	n/a	2/5/2013: Update/onsite meeting with Schroders
Grosvenor	Aug. 1, 2013: Grosvenor enters agreement to acquire the Customized Fund Investment Group ("CFIG") Fee reduction effective April 1, 2013	No changes	Preferred: No Action	n/a	8/1/2013: Update and discussion of CFIG acquisition
GAM	11/15/2011: Hire Anthony Lawler as a portfolio manager	Changes to build optionality/convexity into portfolio. Moving from singular downside protection/uncorrelated focus to also upside participation. Should be a positive for the strategy	Neutral: No Action	6/30/2010: Preferred 4/19/2012: Neutral	4/19/12 – Q4 performance update
Permal	10/1/2012: Mark Fetting, Chairman and Chief Executive Officer, has decided to step down effective October 1st.	No changes	Preferred: No Action	n/a	7/13/2013 – Update, Q1 performance review

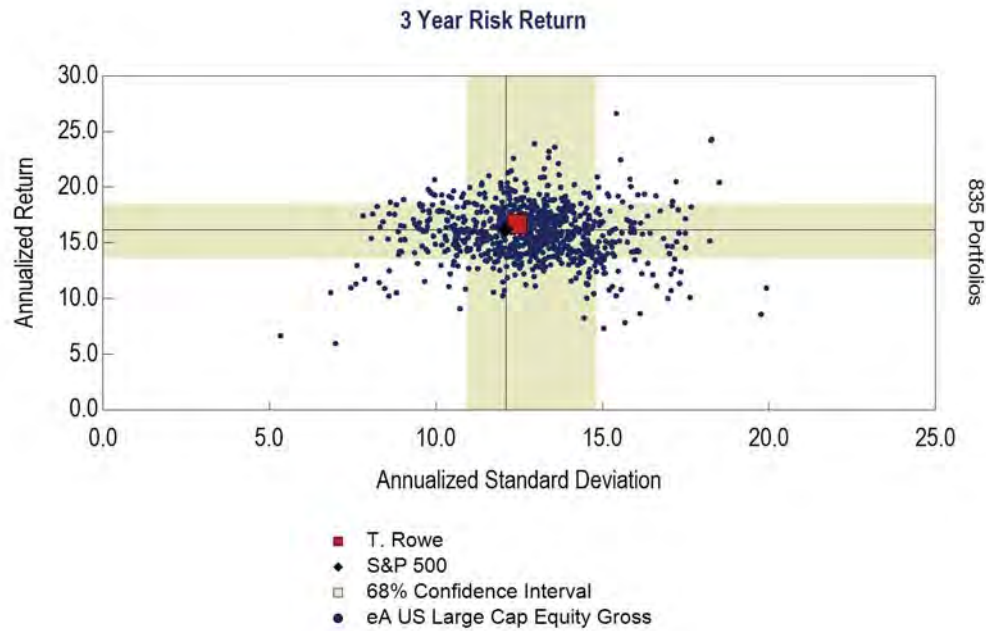
Manager Characteristics

T. Rowe Price employs a fundamental, bottom-up approach to investing in equity assets. The strategy delivers a research portfolio managed by the firm's industry analysts and representing their best ideas. The Structured Research Strategy seeks to provide superior long-term returns and capture the style of the S&P 500 Stock Index by combining analyst-driven research and security selection with the benefits of disciplined portfolio construction. T. Rowe Price's approach results in an industry and sector neutral portfolio that aims to consistently and reliably provide alpha through bottom-up, fundamental research and stock selection, consistent excess returns, index like return volatility, low tracking error (below 175bps), and a high information ratio.



Annualized Excess Performance

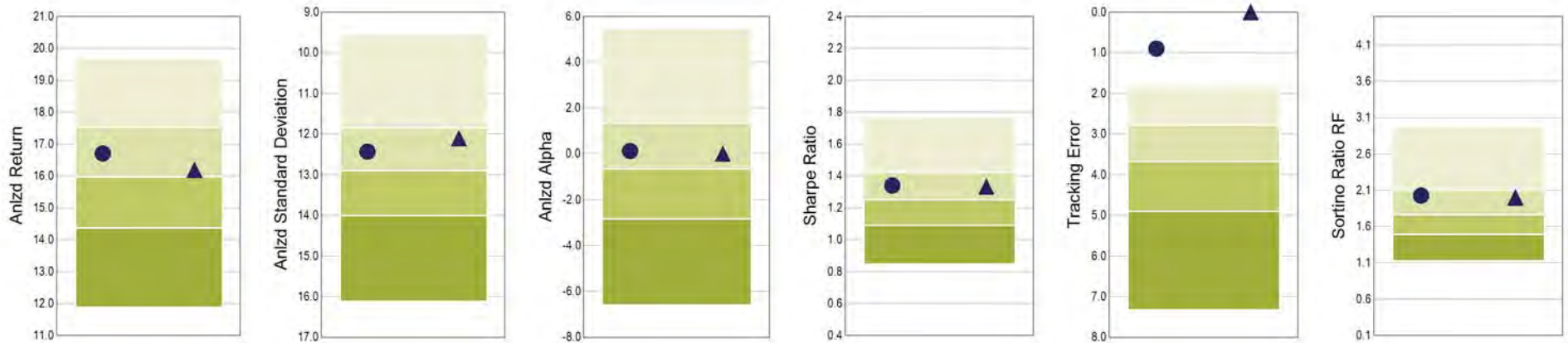




Characteristics

	Portfolio	S&P 500
Number of Holdings	256	500
Weighted Avg. Market Cap. (\$B)	113.7	116.1
Median Market Cap. (\$B)	22.6	16.4
Price To Earnings	23.2	20.3
Price To Book	4.4	3.9
Price To Sales	2.7	2.2
Return on Equity (%)	18.9	17.9
Yield (%)	1.7	2.0
Beta	1.0	1.0
R-Squared	1.0	1.0

3 Year Risk Statistics

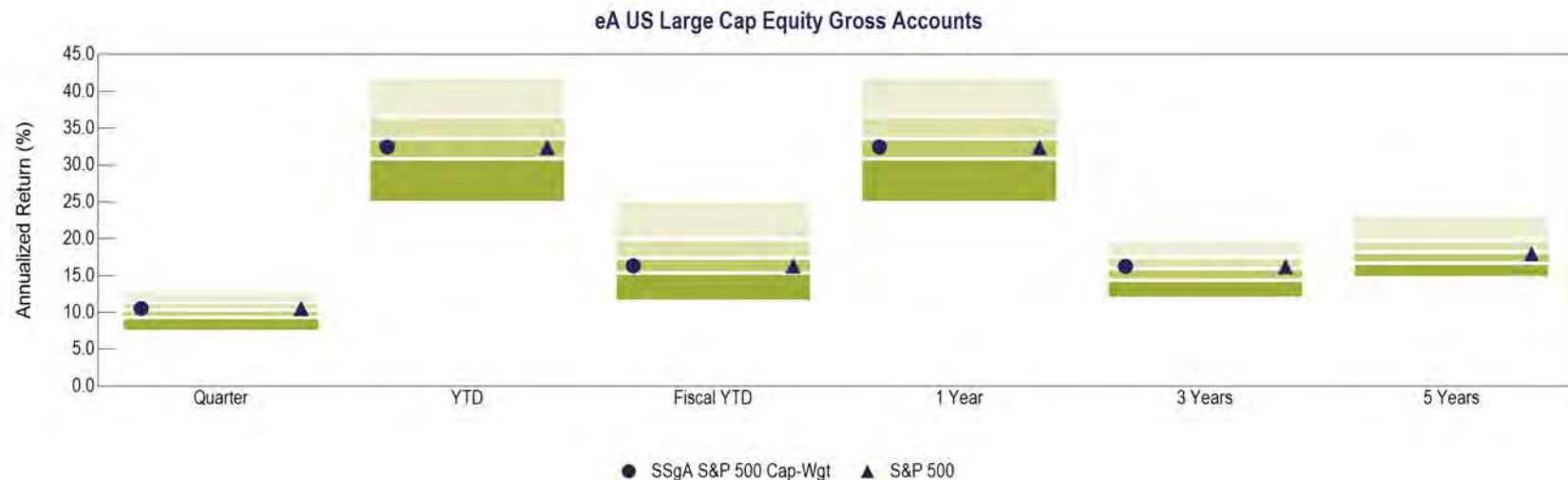


SSgA S&P 500 Cap-Wgt

Using a replication process, we purchase each security for the Strategy in the same capitalization weight as it appears in the S&P 500 Index. Replication results in low turnover, accurate tracking, and low costs. SSgA's internal liquidity has allowed the firm to acquire many of the benchmark constituents for free. These free trading opportunities have allowed SSgA to gradually reduce security-level misweights while avoiding the open market. This process has resulted in portfolios that look and behave like the benchmark, and do so at a very low cost. SSgA's passive equity process objective is to remain fully invested in the equity market at all times. To accomplish this, it holds a small amount of unleveraged exchange-traded S&P 500® futures contracts to maintain full exposure. SSgA tends to hold approximately 1-3% of the strategy's value in suitable CFTC approved index futures contracts. This position in futures also allows the firm to accommodate cash flows into and out of the portfolio on a daily basis and to equitize dividend receivables to achieve closer tracking.

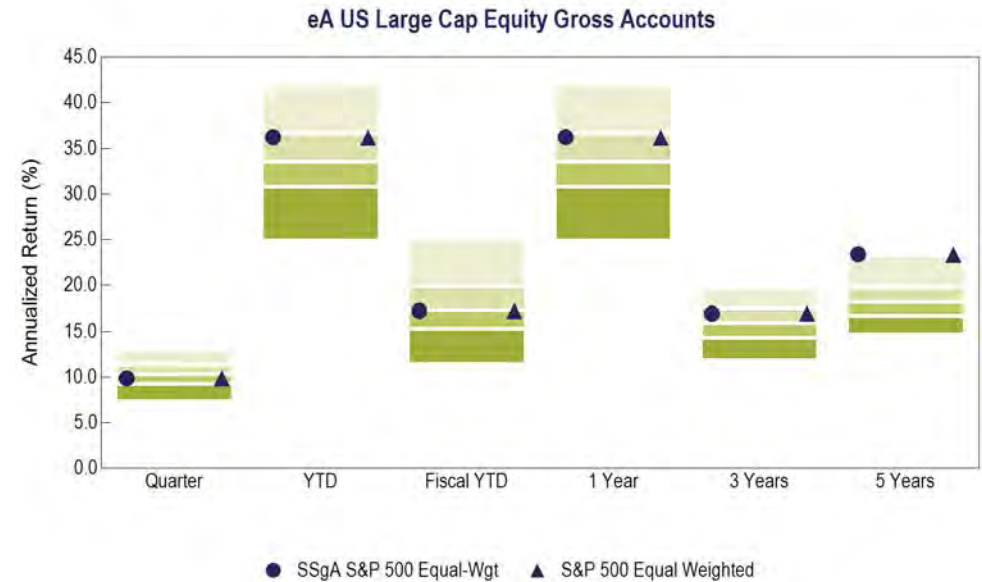
Characteristics

	Portfolio	S&P 500
Number of Holdings	502	500
Weighted Avg. Market Cap. (\$B)	116.1	116.1
Median Market Cap. (\$B)	16.4	16.4
Price To Earnings	21.5	20.3
Price To Book	4.1	3.9
Price To Sales	2.5	2.2
Return on Equity (%)	18.9	17.9
Yield (%)	2.0	2.0
Beta	1.0	1.0
R-Squared	1.0	1.0

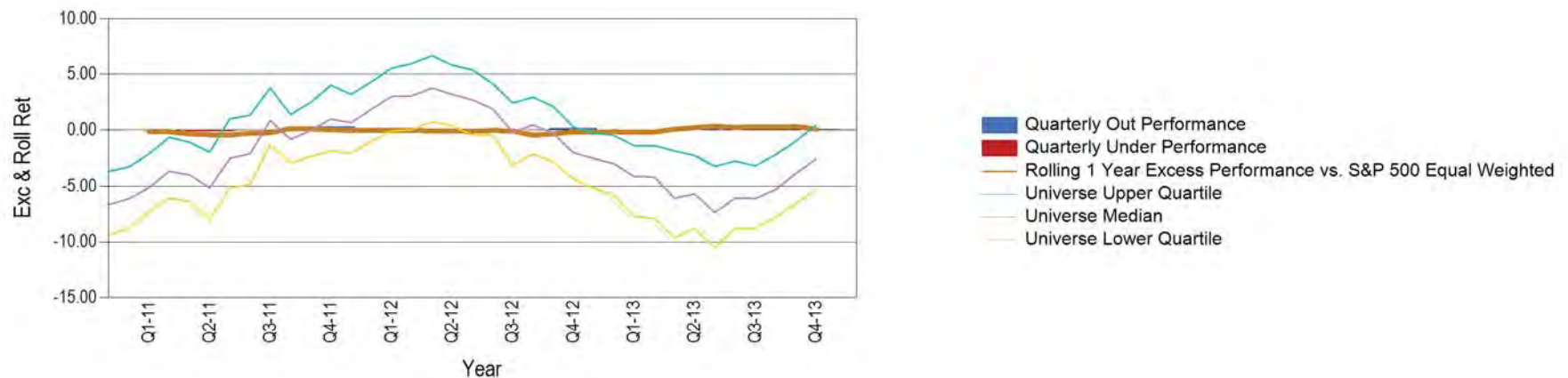


SSgA S&P 500 Equal-Wgt

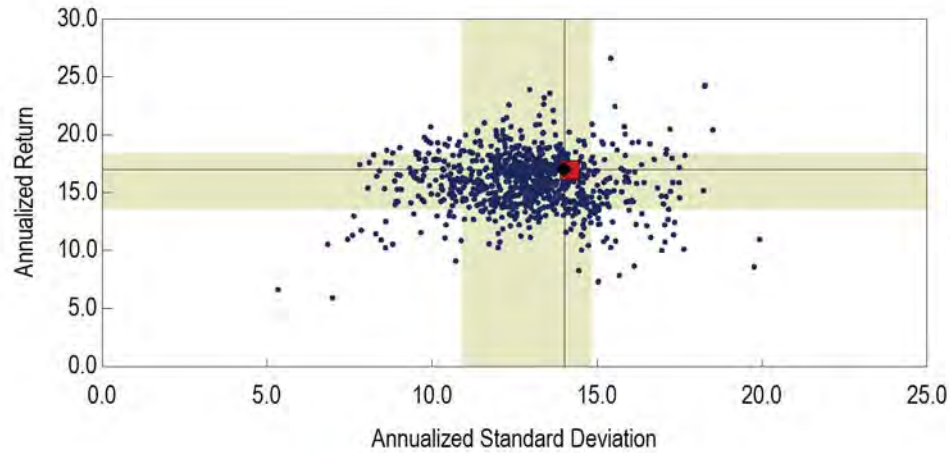
The Strategy is managed using a "passive" or "indexing" investment approach, by which SSgA attempts to match, before expenses, the performance of the Index. SSgA will typically attempt to invest in the securities comprising the Index, in the same proportions as they are represented in the Index. In some cases, it may not be possible or practicable to purchase all of the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio in question. From time to time securities are added to or removed from the Index. SSgA may sell securities that are represented in the Index, or purchase securities that are not yet represented in the Index, in anticipation of their removal from or addition to the Index. The Strategy may at times purchase or sell futures contracts on the Index, or options on those futures, or engage in other transactions involving the use of derivatives, in lieu of investment directly in the securities making up the Index or to enhance the Strategy's replication of the Index return. The Strategy's return may not match the return of the Index.



Annualized Excess Performance



3 Year Risk Return

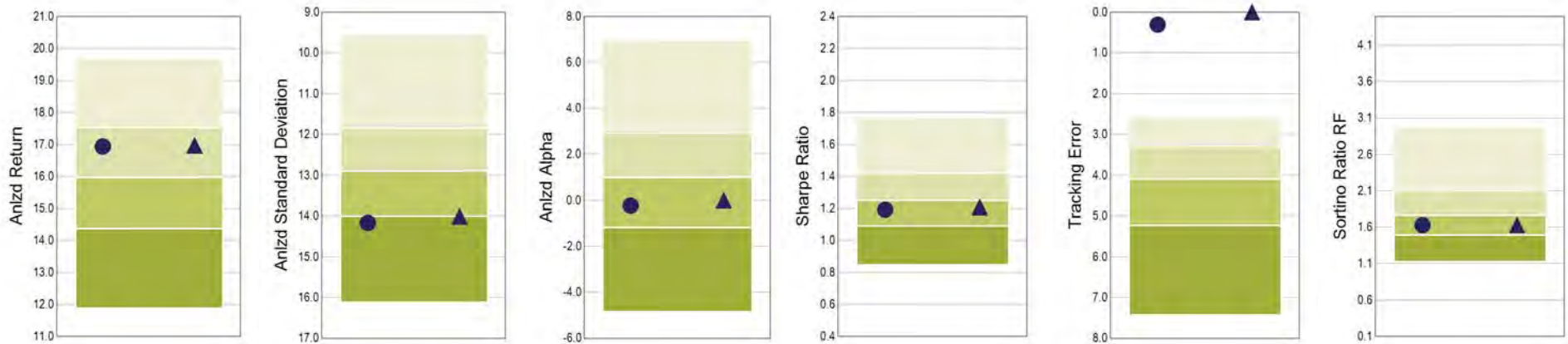


- SSgA S&P 500 Equal-Wgt
- S&P 500 Equal Weighted
- 68% Confidence Interval
- eA US Large Cap Equity Gross

Characteristics

	Portfolio	S&P 500
Number of Holdings	444	500
Weighted Avg. Market Cap. (\$B)	32.8	116.1
Median Market Cap. (\$B)	16.3	16.4
Price To Earnings	23.2	20.3
Price To Book	3.9	3.9
Price To Sales	2.3	2.2
Return on Equity (%)	17.3	17.9
Yield (%)	1.8	2.0
Beta	1.2	1.0
R-Squared	1.0	1.0

3 Year Risk Statistics

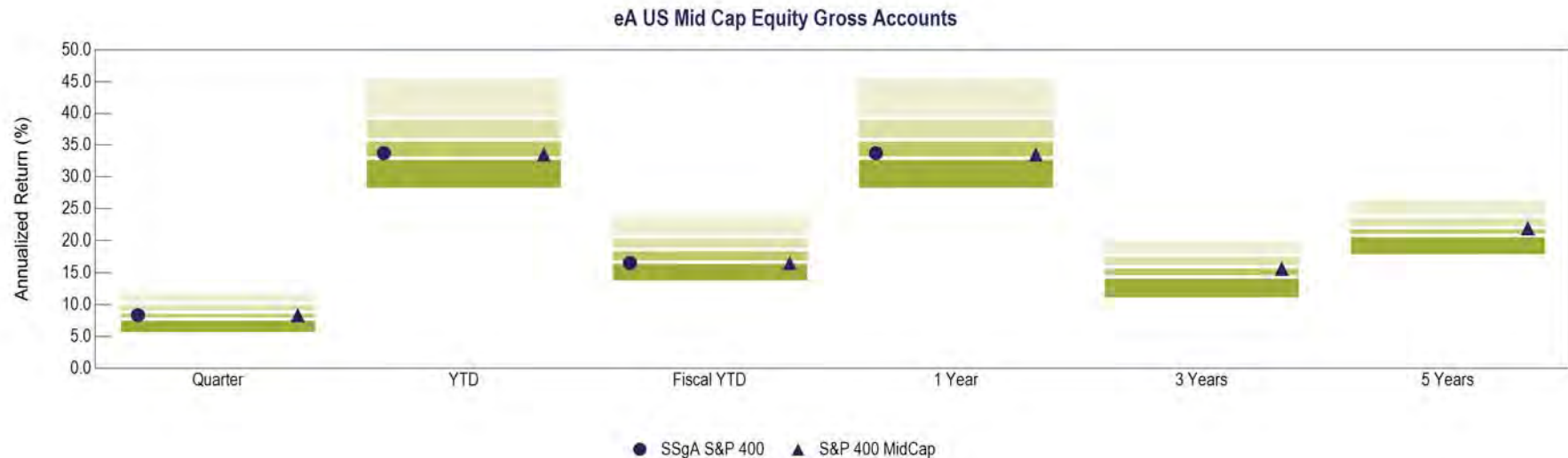


SSgA S&P 400

The Strategy is managed using a "passive" or "indexing" investment approach, by which SSgA attempts to match, before expenses, the performance of the Index. SSgA will typically attempt to invest in the securities comprising the Index, in the same proportions as they are represented in the Index. In some cases, it may not be possible or practicable to purchase all of the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio in question. From time to time securities are added to or removed from the Index. SSgA may sell securities that are represented in the Index, or purchase securities that are not yet represented in the Index, in anticipation of their removal from or addition to the Index. The Strategy may at times purchase or sell futures contracts on the Index, or options on those futures, or engage in other transactions involving the use of derivatives, in lieu of investment directly in the securities making up the Index or to enhance the Strategy's replication of the Index return. The Strategy's return may not match the return of the Index.

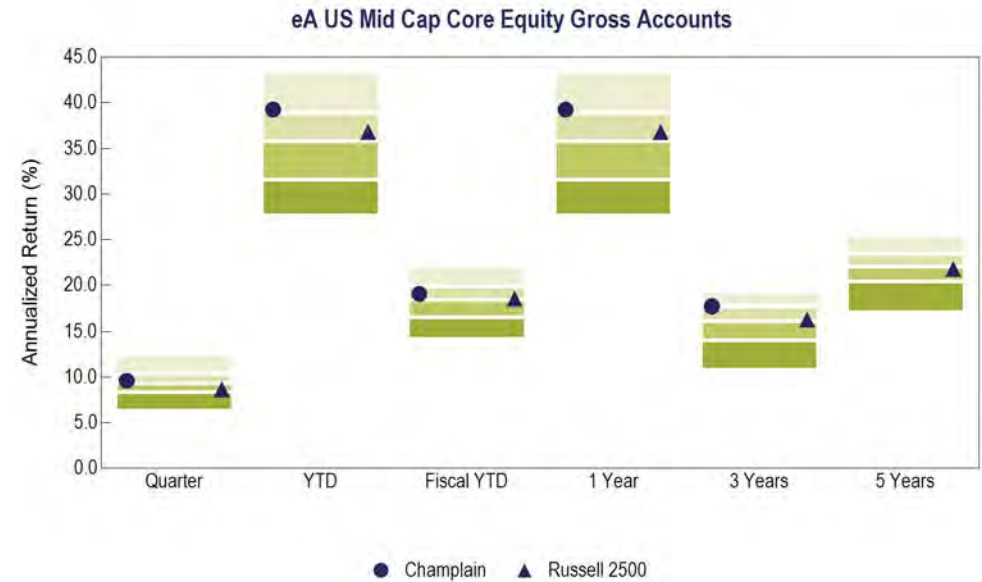
Characteristics

	Portfolio	S&P 400 MidCap
Number of Holdings	404	400
Weighted Avg. Market Cap. (\$B)	5.0	5.0
Median Market Cap. (\$B)	3.7	3.7
Price To Earnings	25.8	24.6
Price To Book	3.8	3.5
Price To Sales	2.4	2.1
Return on Equity (%)	15.4	14.0
Yield (%)	1.4	1.4
Beta		1.0
R-Squared		1.0

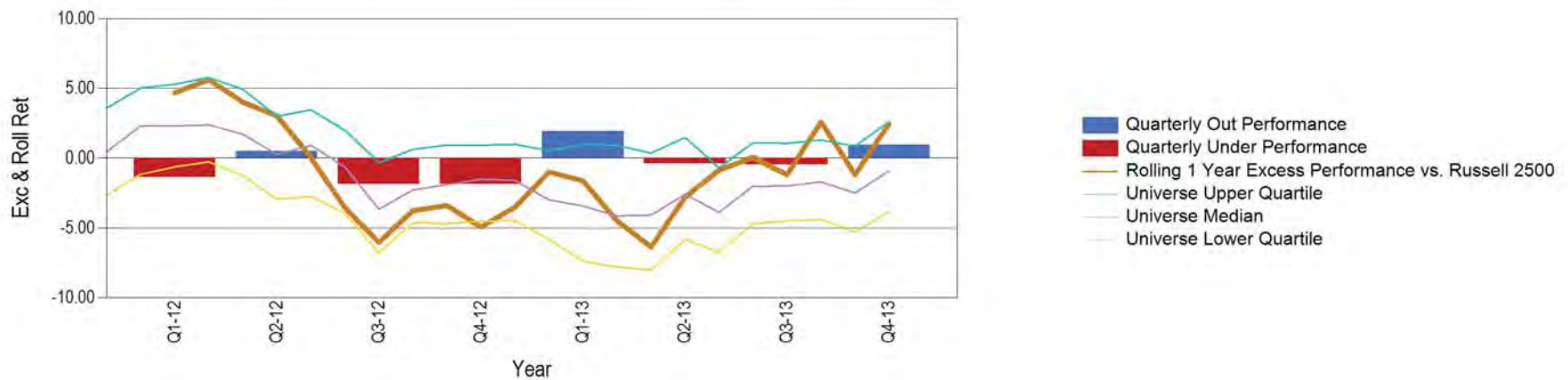


Champlain

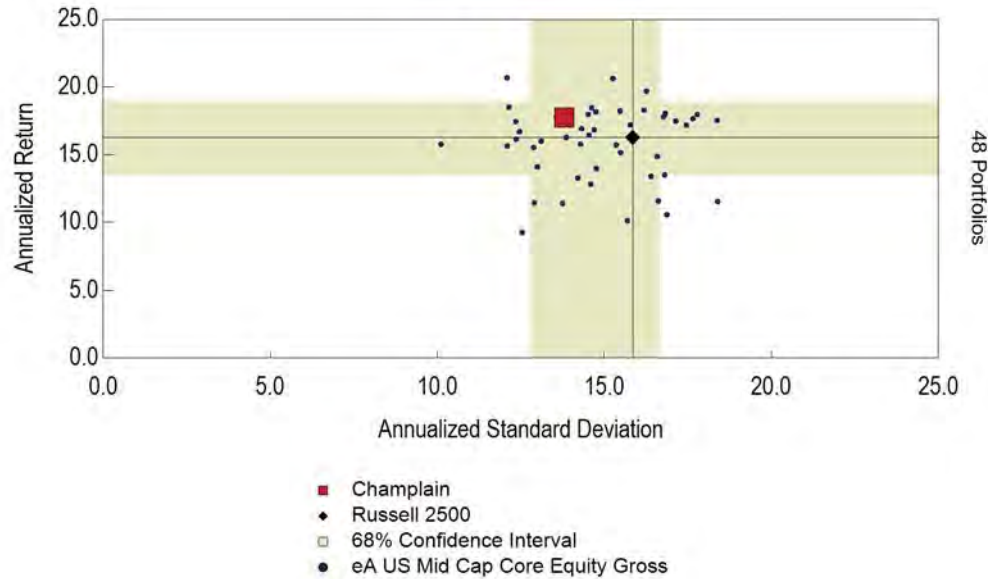
Champlain employs a fundamental, bottom-up approach to investing in equity assets. They believe that superior companies purchased at attractive valuations have the highest probability to wealth creation. Champlain seeks strong businesses with credible and sincere management and aims to buy shares of their stock at discounts to fair or intrinsic value. Portfolio construction applies sector weight guidelines and position size rules to manage risk. The portfolio will have some exposure to at least seven out of the eight largest sectors of the S&P 400, with a maximum weighting on 25% in any one sector. Individual positions will not represent more than 2% of the respective companies' outstanding shares and are limited to no more than 5% of assets under management. The portfolio typically holds 50-75 securities with average position sizes of 2%. The strategy's minimum market cap is \$1.5 billion at purchase and a maximum market cap of \$15 billion. In general, no more than 10% of portfolio in stocks with a market cap below \$2B and no more than 5% of portfolio in companies with market cap above \$20B.



Annualized Excess Performance



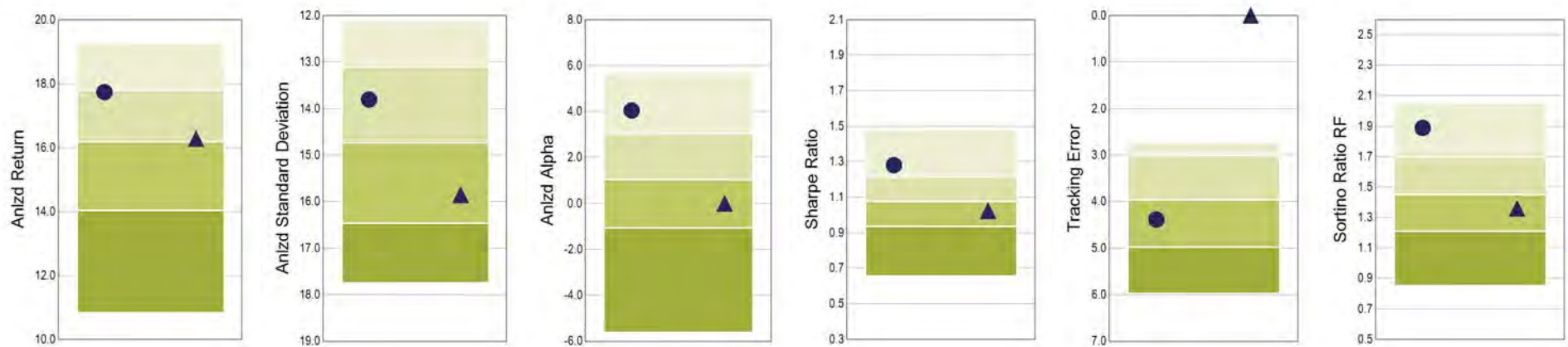
3 Year Risk Return



Characteristics

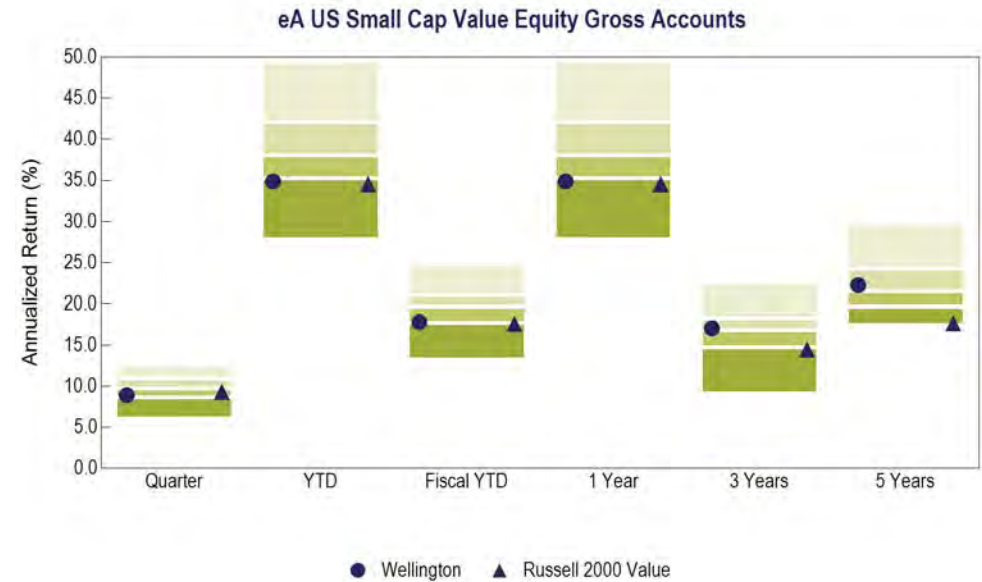
	Portfolio	Russell 2500
Number of Holdings	65	2,524
Weighted Avg. Market Cap. (\$B)	9.2	3.8
Median Market Cap. (\$B)	7.4	1.0
Price To Earnings	29.5	27.8
Price To Book	3.8	2.4
Price To Sales	2.9	1.6
Return on Equity (%)	15.0	11.5
Yield (%)	1.1	1.3
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics

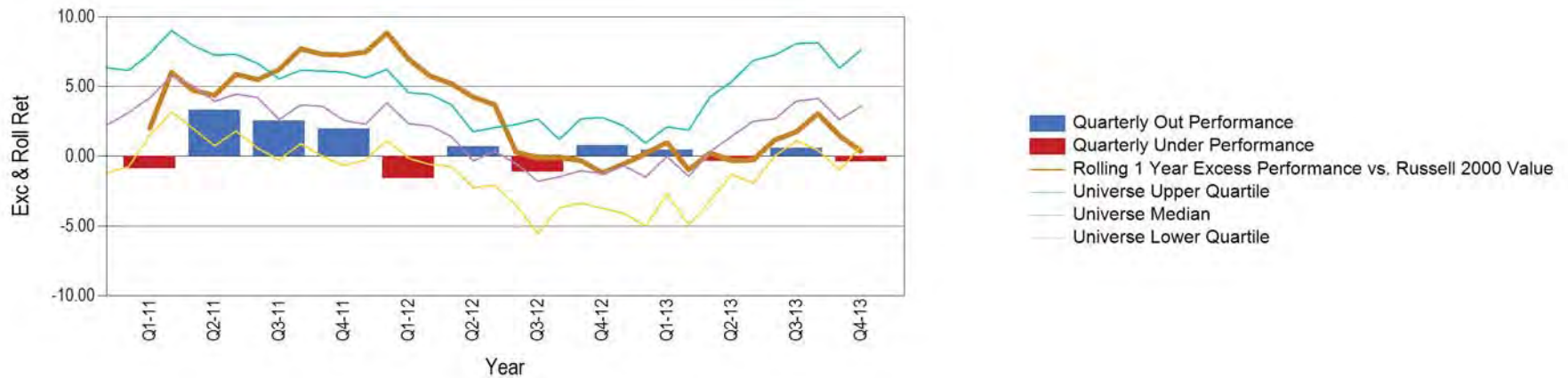


Wellington

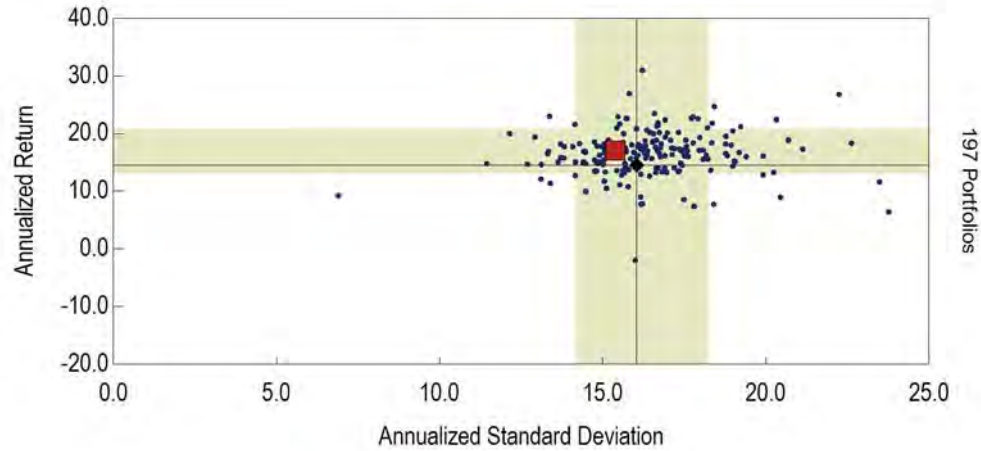
Wellington's investment objective is to seek long-term total returns in excess of the Russell 2000 Value Index by investing in conservatively-valued securities of high-quality, small cap companies. Wellington employ a bottom-up stock selection process that utilizes Wellington Management's proprietary, fundamental research to identify undervalued companies that have the potential for significant longer-term rewards. The investment universe consists of all stocks generally between US\$100 million and US\$2 billion in market capitalization. These stocks are reviewed for certain financial and valuation requirements that correspond with our investment process and philosophy. The Small Cap Value Team conducts their own proprietary research and leverages the broader research of the firm as appropriate. The Portfolio is expected to have a lower P/E ratio and other value-oriented characteristics relative to the overall small cap market, with a similar market capitalization. The return on equity is expected to be higher than the small cap value indexes, consistent with the high-quality focus.



Annualized Excess Performance



3 Year Risk Return

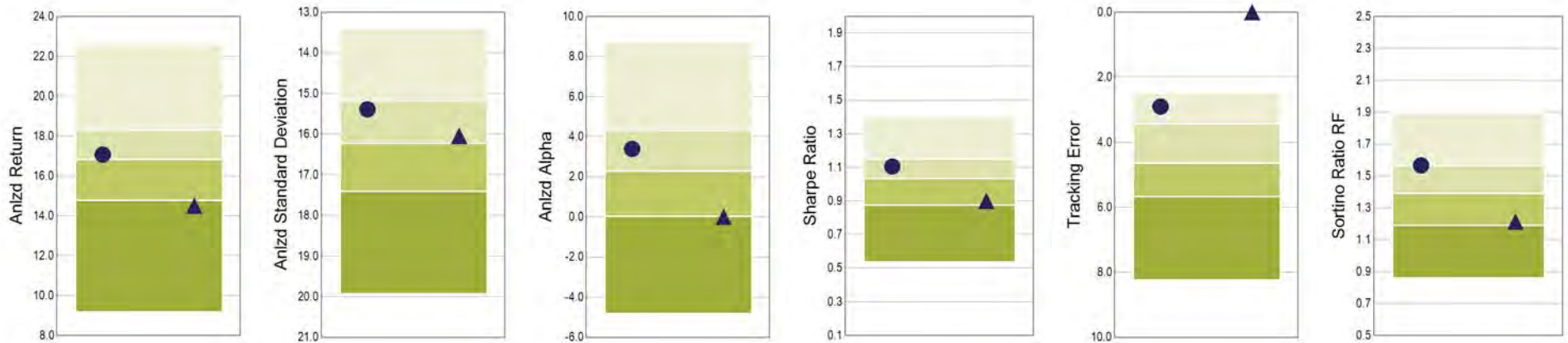


Characteristics

	Portfolio	Russell 2000 Value
Number of Holdings	75	1,394
Weighted Avg. Market Cap. (\$B)	1.7	1.5
Median Market Cap. (\$B)	1.5	0.6
Price To Earnings	25.0	26.7
Price To Book	2.4	1.6
Price To Sales	1.6	1.4
Return on Equity (%)	11.1	6.7
Yield (%)	1.4	1.9
Beta		1.0
R-Squared		1.0

- Wellington
- ◆ Russell 2000 Value
- 68% Confidence Interval
- eA US Small Cap Value Equity Gross

3 Year Risk Statistics

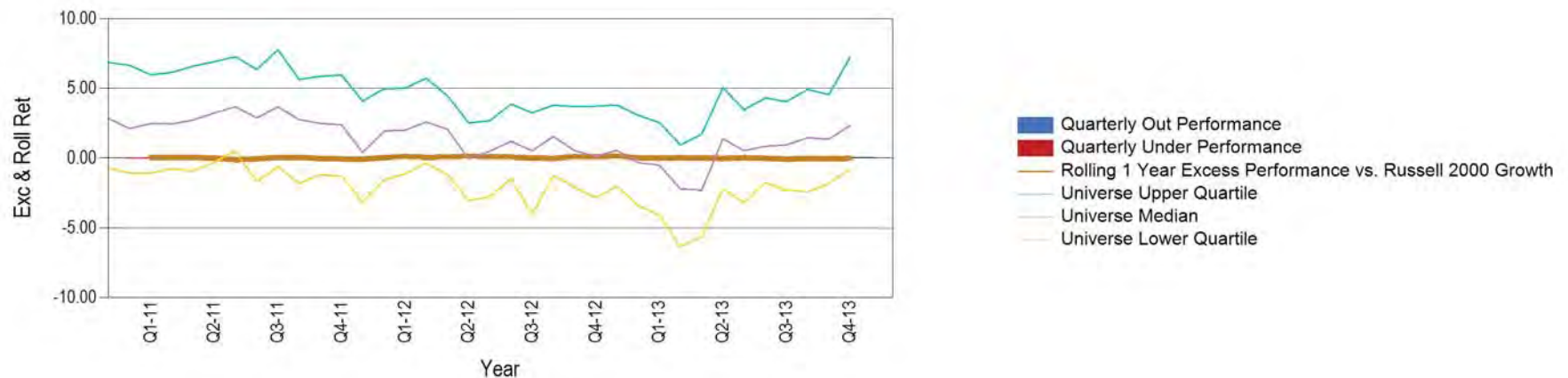


SSgA Russell 2000 Growth

The Strategy is managed using a "passive" or "indexing" investment approach, by which SSgA attempts to match, before expenses, the performance of the Index. SSgA will typically attempt to invest in the securities comprising the Index, in the same proportions as they are represented in the Index. In some cases, it may not be possible or practicable to purchase all of the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio in question. From time to time securities are added to or removed from the Index. SSgA may sell securities that are represented in the Index, or purchase securities that are not yet represented in the Index, in anticipation of their removal from or addition to the Index. The Strategy may at times purchase or sell futures contracts on the Index, or options on those futures, or engage in other transactions involving the use of derivatives, in lieu of investment directly in the securities making up the Index or to enhance the Strategy's replication of the Index return. The Strategy's return may not match the return of the Index.

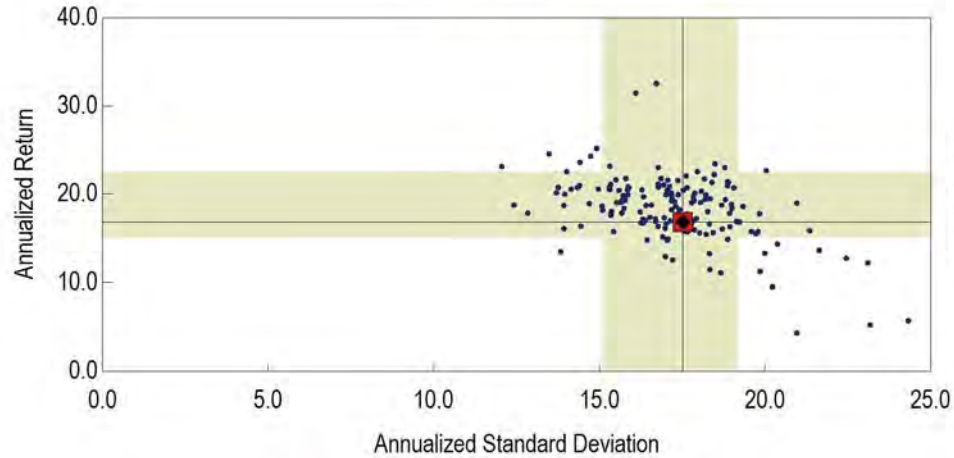


Annualized Excess Performance



SSgA Russell 2000 Growth

3 Year Risk Return

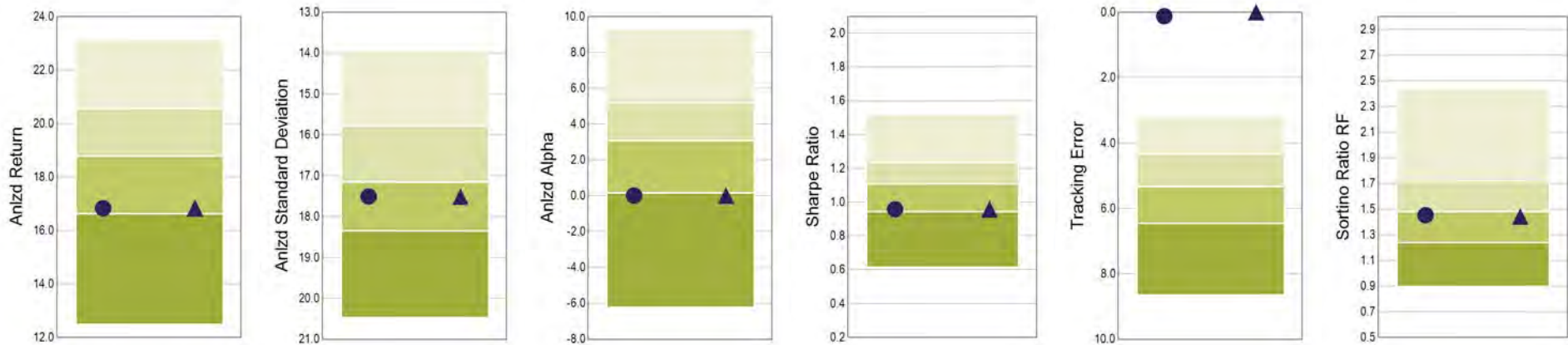


- SSgA Russell 2000 Growth
- ◆ Russell 2000 Growth
- 68% Confidence Interval
- eA US Small Cap Growth Equity Gross

Characteristics

	Portfolio	Russell 2000 Growth
Number of Holdings	1,102	1,174
Weighted Avg. Market Cap. (\$B)	2.0	2.0
Median Market Cap. (\$B)	0.9	0.9
Price To Earnings	29.6	43.9
Price To Book	5.6	4.3
Price To Sales	3.2	1.8
Return on Equity (%)	16.6	13.2
Yield (%)	0.6	0.6
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics

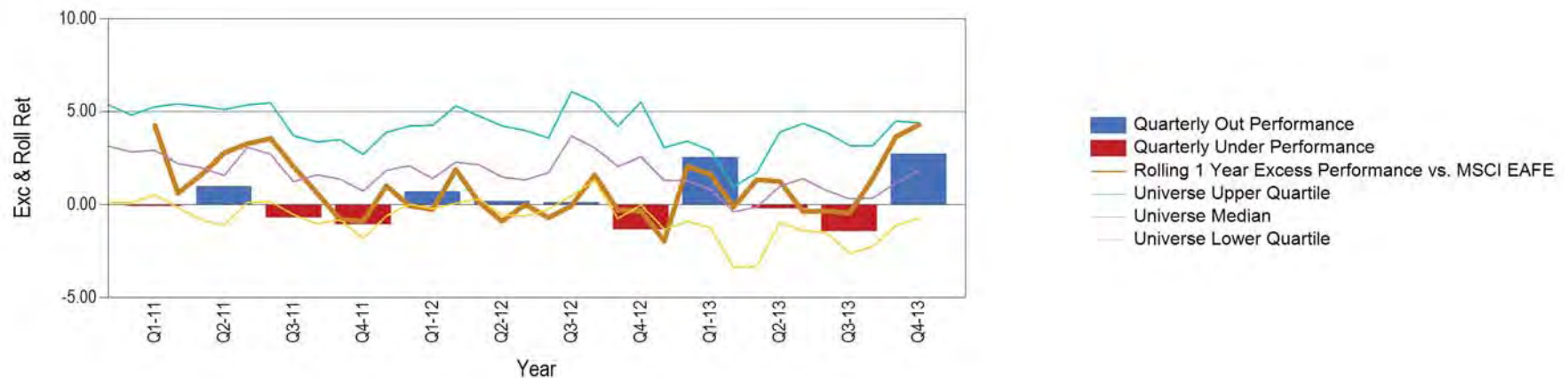


Acadian believes that the larger the pool of potential investments, the greater the potential opportunity an active manager has to add value. They believe that stocks and markets have many attributes that are related to potential outperformance, and that a successful investment approach must be multi-faceted and highly adaptable. They believe that objectivity is crucial to investment success. Acadian's quantitative process and extensive database allows them to apply their valuation techniques to over 40,000 stocks worldwide. They do not limit the universe other than to employ screens based on invest-ability and availability of data. For example, they only evaluate stocks that have sufficient daily trading volume to be appropriate for institutional investment. Other than these practical considerations, they consider our investment universe to encompass all institutionally investable stocks in the world.

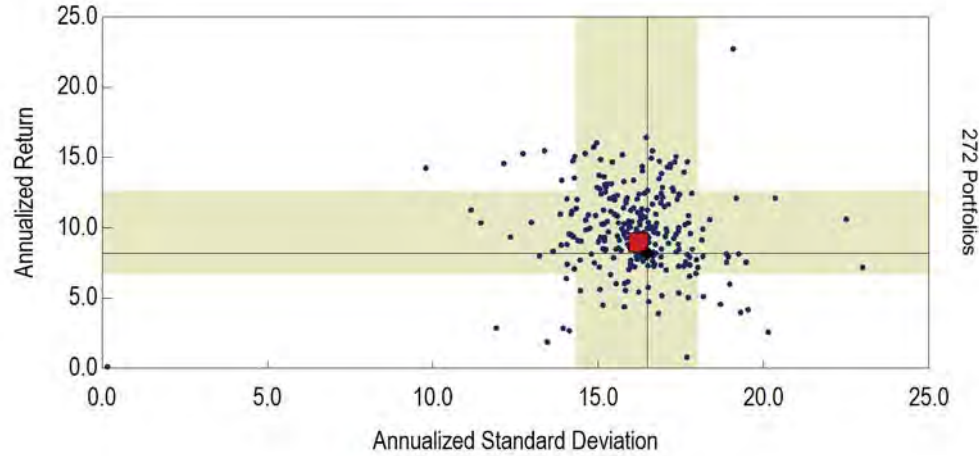
eA All EAFE Equity Gross Accounts



Annualized Excess Performance



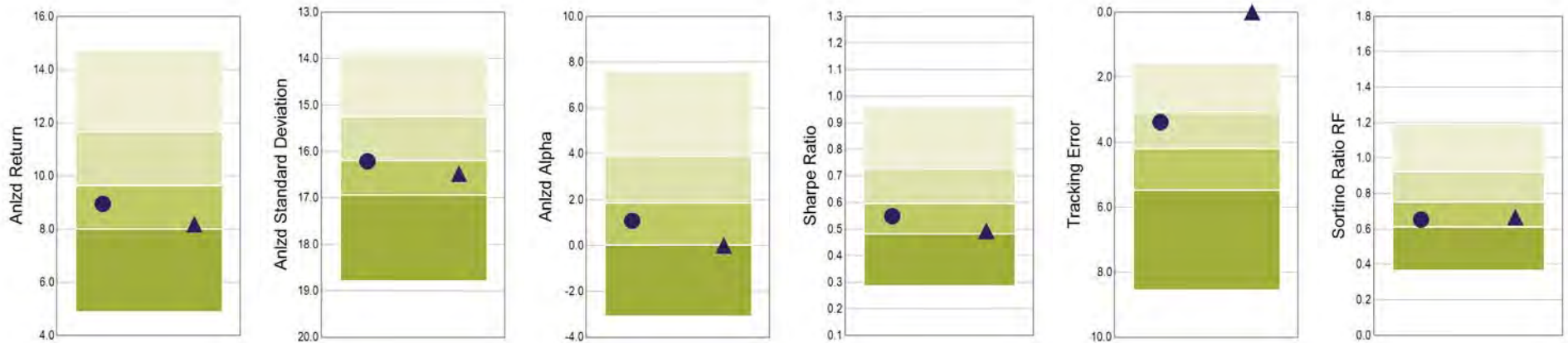
3 Year Risk Return



Characteristics

	Portfolio	MSCI EAFE
Number of Holdings	378	904
Weighted Avg. Market Cap. (\$B)	31.7	63.0
Median Market Cap. (\$B)	0.9	9.1
Price To Earnings	14.3	18.8
Price To Book	1.7	2.4
Price To Sales	0.8	1.7
Return on Equity (%)	13.7	13.7
Yield (%)	2.7	2.9
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics



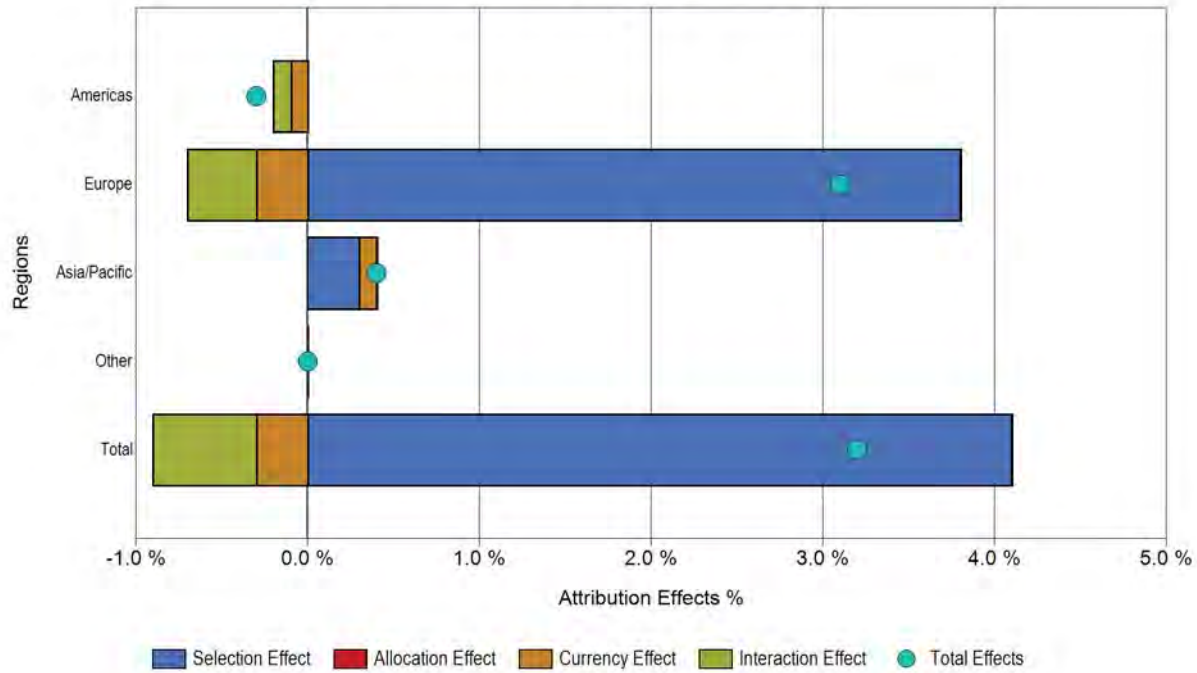
Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
Americas				
Brazil*	4.7%	0.0%	-3.2%	-5.6%
Canada	4.3%	0.0%	1.4%	4.0%
Mexico*	0.5%	0.0%	15.3%	8.2%
United States	0.7%	0.0%	58.7%	10.1%
Total-Americas	10.2%	0.0%	3.8%	--
Europe				
Austria	1.6%	0.3%	-3.0%	3.4%
Belgium	0.2%	1.2%	1.6%	8.0%
Denmark	1.9%	1.1%	17.3%	10.3%
Finland	1.5%	0.9%	17.1%	12.0%
France	8.5%	9.9%	16.4%	6.1%
Germany	11.5%	8.7%	10.7%	13.5%
Italy	2.0%	2.1%	10.6%	10.7%
Netherlands	3.6%	2.6%	9.1%	8.8%
Norway	2.6%	0.8%	9.6%	5.8%
Poland*	0.1%	0.0%	-5.6%	3.8%
Portugal	0.3%	0.2%	30.5%	1.3%
Spain	0.2%	3.2%	21.4%	11.3%
Sweden	5.9%	3.3%	18.9%	5.2%
Switzerland	4.1%	9.1%	11.0%	4.3%
United Kingdom	13.8%	21.8%	15.6%	7.4%
Total-Europe	57.8%	65.3%	13.5%	7.9%

Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
AsiaPacific				
Australia	2.9%	8.0%	4.9%	-0.8%
Hong Kong	0.5%	3.0%	3.1%	3.3%
Japan	23.7%	21.6%	2.2%	2.2%
Korea*	2.1%	0.0%	6.7%	4.5%
New Zealand	0.0%	0.1%	4.5%	-4.5%
Singapore	2.3%	1.5%	1.6%	0.7%
Taiwan*	0.6%	0.0%	-0.5%	4.4%
Thailand*	0.0%	0.0%	6.3%	6.4%
Total-AsiaPacific	32.0%	34.2%	2.6%	1.5%
Totals				
Developed	92.0%	100.0%	5.3%	5.7%
Emerging*	8.0%	0.0%	4.8%	--

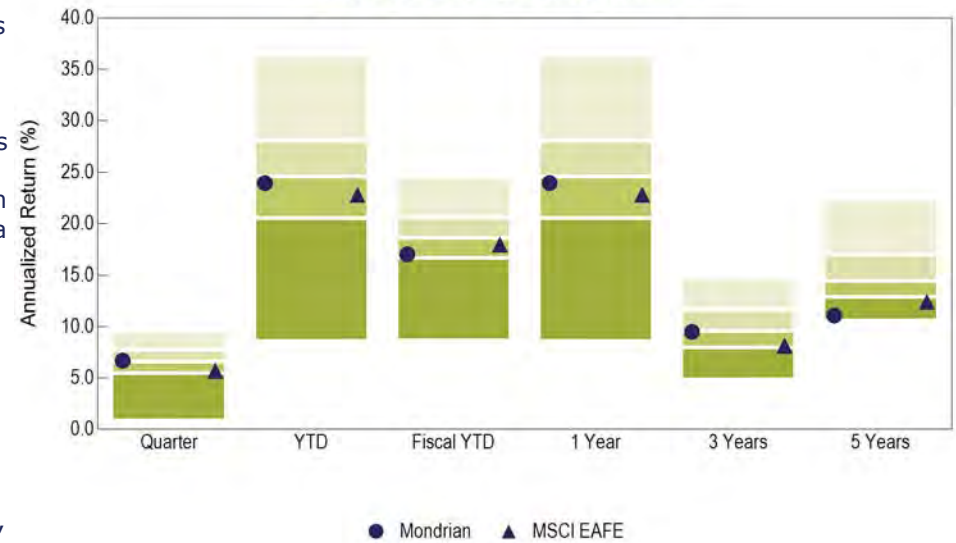
Acadian Performance Attribution vs. MSCI EAFE



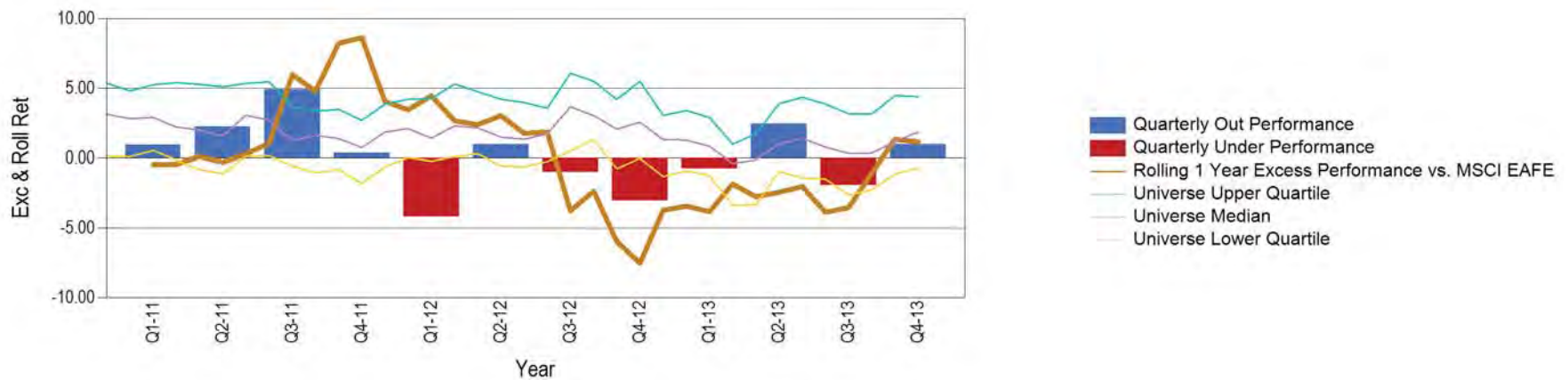
	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Totals									
Americas	3.8%	--	10.2%	0.0%	0.0%	0.0%	-0.1%	-0.1%	-0.3%
Europe	13.5%	7.9%	57.8%	65.3%	3.8%	0.0%	-0.3%	-0.4%	3.1%
Asia/Pacific	2.4%	1.5%	32.0%	34.2%	0.3%	0.0%	0.1%	0.0%	0.4%
Other	--	6.3%	0.0%	0.4%	--	0.0%	0.0%	--	0.0%
Total	8.9%	5.7%	100.0%	100.0%	4.1%	0.0%	-0.3%	-0.6%	3.2%
Totals									
Developed	9.8%	5.7%	92.0%	100.0%	4.5%	0.0%	-0.4%	-0.4%	3.8%
Emerging*	-0.4%	--	8.0%	0.0%	0.0%	0.0%	0.0%	-0.6%	-0.5%

The firm is an active value-oriented defensive manager. The firm's value driven investment philosophy is based on the belief that investments need to be evaluated in terms of their fundamental long-term value. The firm believes that the value of a company lies in its future income stream as dividends represent the most direct form of cash flow to a shareholder. The firm uses an inflation adjusted dividend discount model to derive the underlying value of a company. This methodology is applied consistently to individual securities across all markets and industries. The universe spans markets covered in the MSCI Indices and those developing markets with adequate investor protection and good repatriation procedures. The firm will then narrow the universe to a list of more than 1000 securities on the basis of value criteria, and then further reduce this to a shorter list of approximately 250 securities annually, for detailed fundamental analysis. The screens include basic value characteristics such as price to book, price to cash flow ratio, price to earnings ratio, and yield, as well as liquidity considerations. A focus list of approximately 80 securities is then created from that list of approximately 250 through fundamental research and deliberations of the Equity Strategy Committee. It is this list of securities on which more detailed fundamental analysis and financial modeling is carried out utilizing the dividend discount model, which is based on an evaluation of a company's future income stream, which is then discounted in real terms.

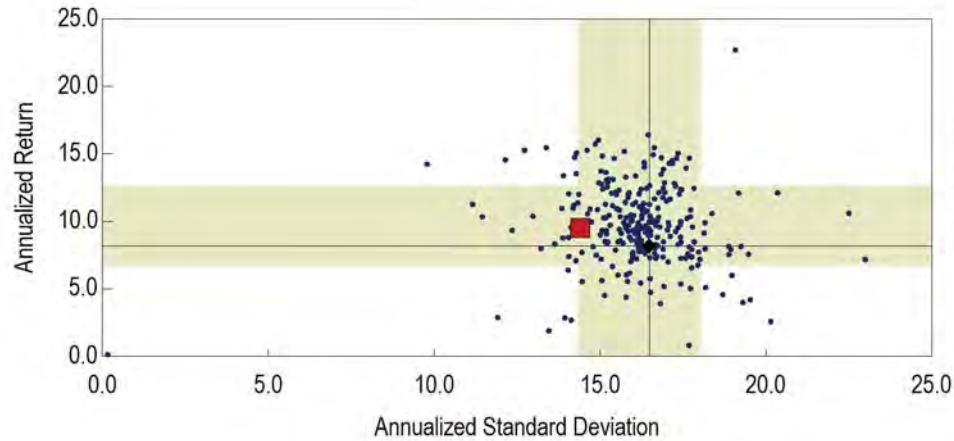
eA All EAFE Equity Gross Accounts



Annualized Excess Performance



3 Year Risk Return

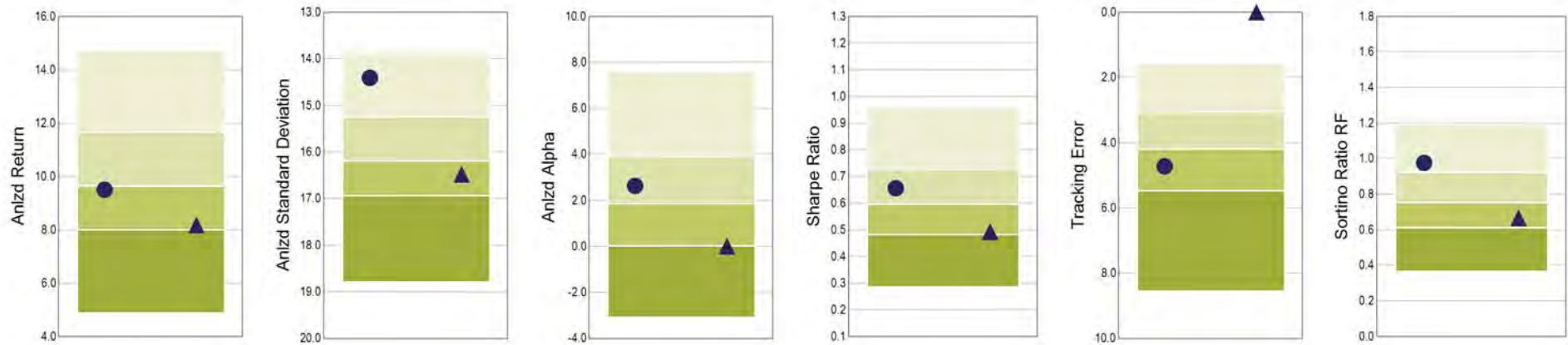


- Mondrian
- ◆ MSCI EAFE
- 68% Confidence Interval
- eA All EAFE Equity Gross

Characteristics

	Portfolio	MSCI EAFE
Number of Holdings	49	904
Weighted Avg. Market Cap. (\$B)	69.8	63.0
Median Market Cap. (\$B)	39.6	9.1
Price To Earnings	19.9	18.8
Price To Book	2.7	2.4
Price To Sales	1.4	1.7
Return on Equity (%)	15.0	13.7
Yield (%)	3.7	2.9
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics

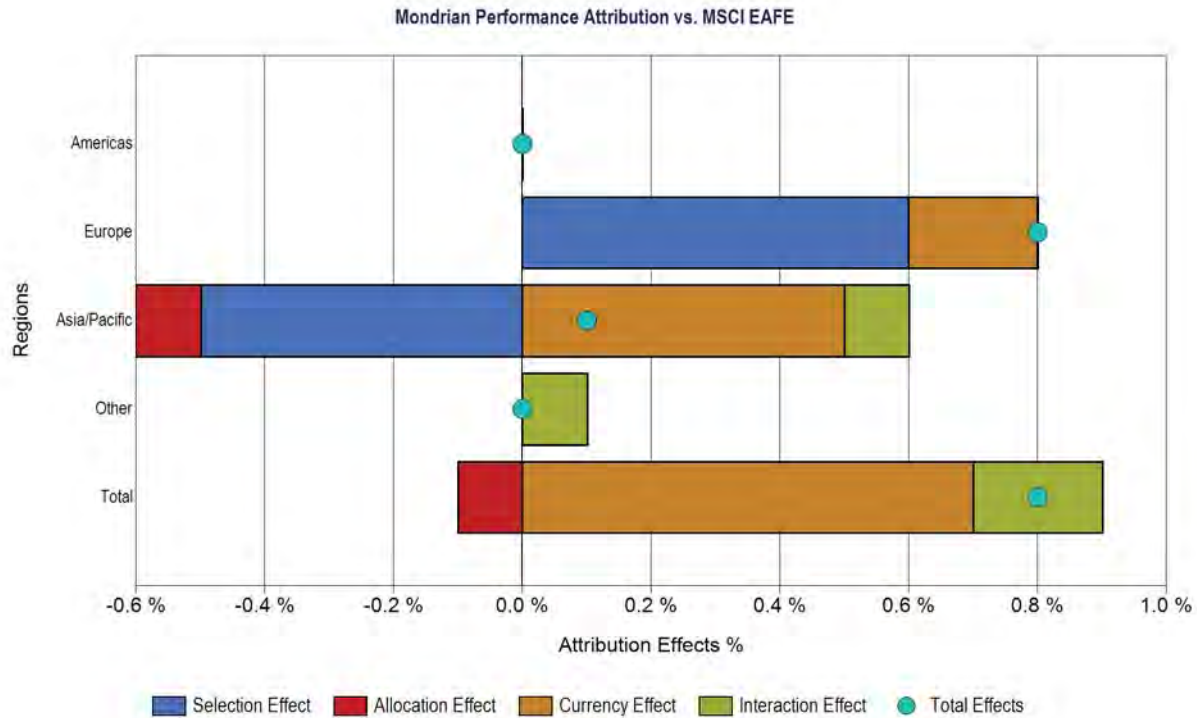


Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
Europe				
France	15.8%	9.9%	7.7%	6.1%
Germany	7.8%	8.7%	15.3%	13.5%
Italy	2.6%	2.1%	5.0%	10.7%
Netherlands	6.9%	2.6%	6.1%	8.8%
Spain	7.0%	3.2%	9.2%	11.3%
Switzerland	7.9%	9.1%	9.2%	4.3%
United Kingdom	22.0%	21.8%	8.7%	7.4%
Total-Europe	69.9%	65.3%	8.9%	7.9%

Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
AsiaPacific				
Australia	3.7%	8.0%	-10.6%	-0.8%
China*	1.6%	0.0%	-7.2%	3.8%
Japan	16.5%	21.6%	3.8%	2.3%
Singapore	4.8%	1.5%	0.1%	0.7%
Taiwan*	0.9%	0.0%	4.1%	4.3%
Total-AsiaPacific	27.5%	34.2%	0.6%	1.5%
Other				
Israel	2.6%	0.4%	7.0%	6.3%
Total-Other	2.6%	0.4%	7.0%	6.3%
Totals				
Developed	97.5%	100.0%	6.8%	5.7%
Emerging*	2.5%	0.0%	-3.2%	--



	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Totals									
Americas	--	--	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Europe	8.9%	7.9%	69.9%	65.3%	0.6%	0.0%	0.2%	0.0%	0.8%
Asia/Pacific	0.6%	1.5%	27.5%	34.2%	-0.5%	-0.1%	0.5%	0.1%	0.1%
Other	7.0%	6.3%	2.6%	0.4%	0.0%	0.0%	0.0%	0.1%	0.0%
Total	6.6%	5.7%	100.0%	100.0%	0.0%	-0.1%	0.7%	0.2%	0.8%
Totals									
Developed	6.8%	5.7%	97.5%	100.0%	0.4%	0.0%	0.7%	0.0%	1.1%
Emerging*	-3.2%	--	2.5%	0.0%	0.0%	0.0%	0.0%	-0.2%	-0.2%

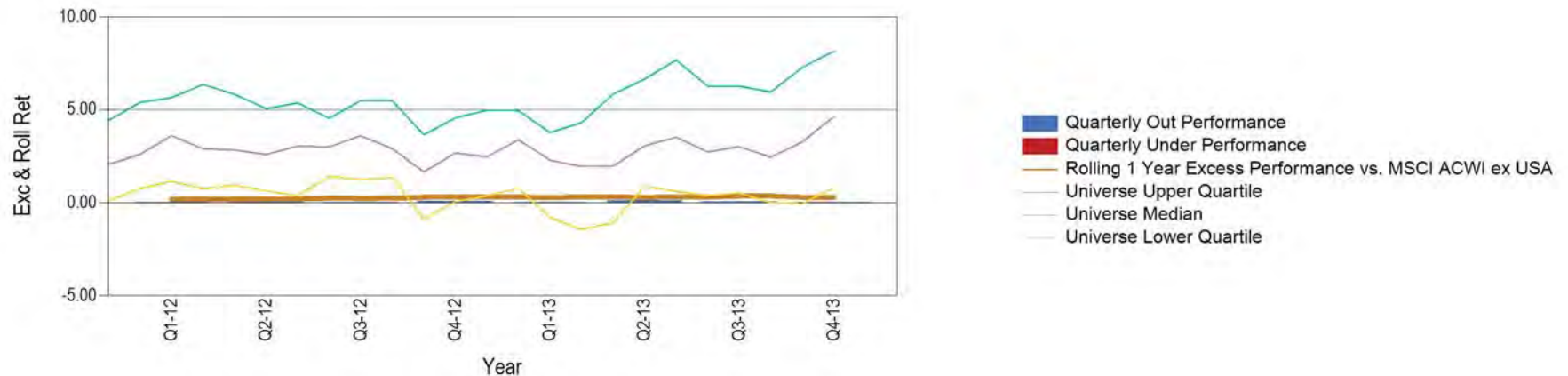
SSgA ACWI Ex US

The MSCI ACWI ex US Index Strategy tends to hold each security that is held in the benchmark index, but the strategy will not be perfectly weighted in every index constituent on a daily basis. Holding securities in the perfect weights would require increased trading and therefore would incur costs. Thus, there will be securities in the fund that are either over- or under-weighted relative to the benchmark. The individual security mis-weights are very minimal, usually within 1 basis point. However, in aggregate, these small mis-weights can add up and result in tracking error if the mis-weighted securities' performance is volatile. SSgA seek to replicate the index by attempting to hold every security in the fund in its appropriate index weight. SSgA trade only when there is a change to the Index, when we have participant cash flows, or when we receive significant dividend income into the fund.

eA ACWI ex-US All Cap Equity Gross Accounts



Annualized Excess Performance

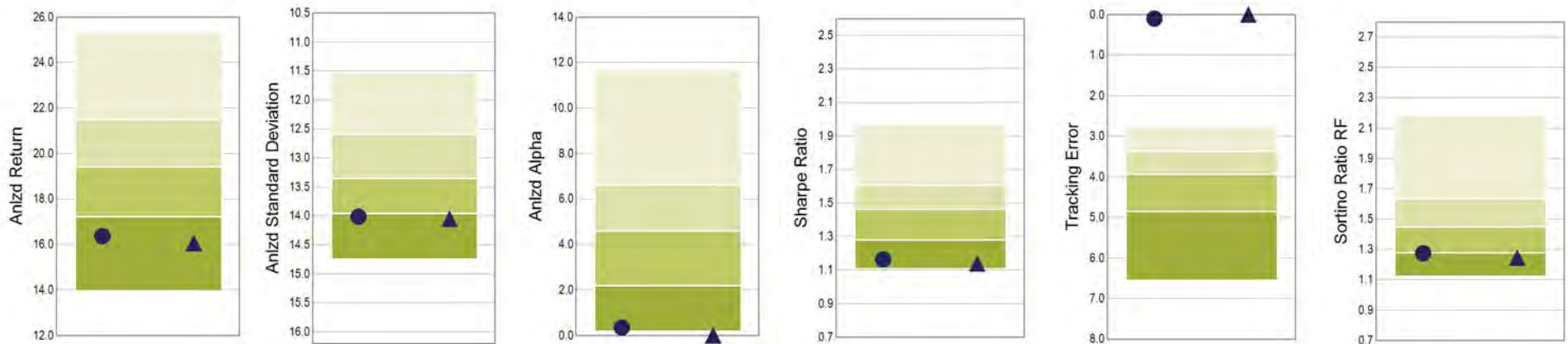




Characteristics

	Portfolio	MSCI ACWI ex USA
Number of Holdings	1,893	1,824
Weighted Avg. Market Cap. (\$B)	55.5	55.6
Median Market Cap. (\$B)	6.8	6.8
Price To Earnings	19.1	18.2
Price To Book	2.9	2.4
Price To Sales	2.0	1.8
Return on Equity (%)	15.7	15.0
Yield (%)	2.9	2.8
Beta		1.0
R-Squared		1.0

2 Year Risk Statistics



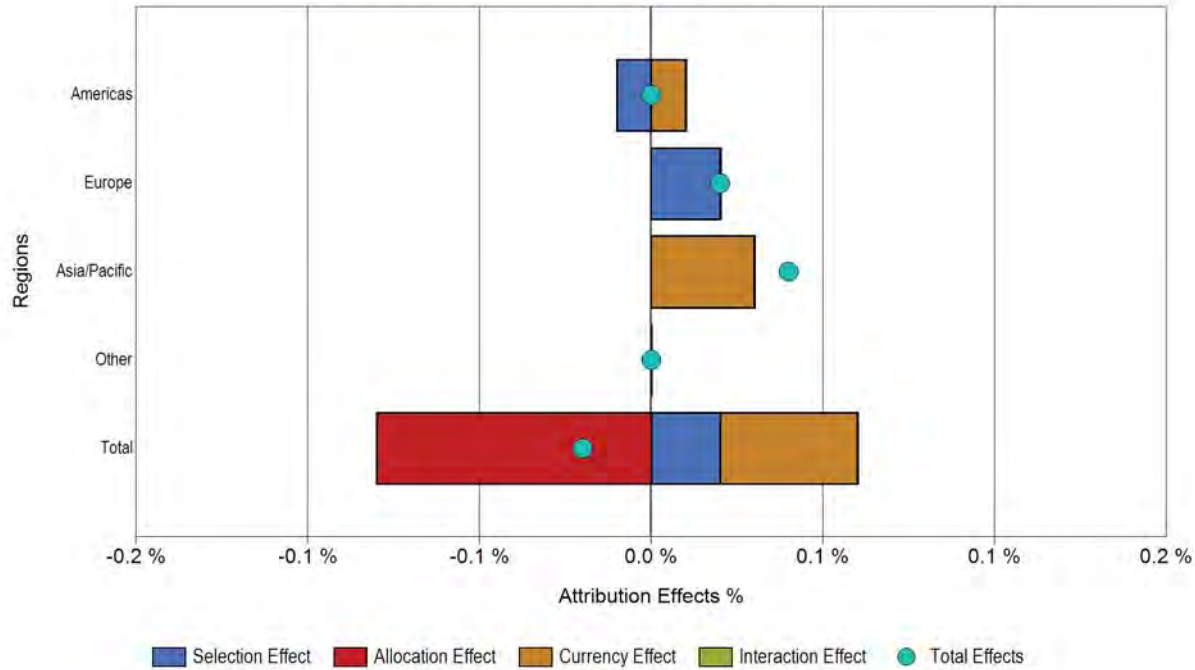
Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
Americas				
Brazil*	2.3%	2.3%	-5.7%	-5.7%
Canada	7.0%	7.2%	4.2%	4.2%
Chile*	0.4%	0.4%	-6.8%	-6.8%
Colombia*	0.3%	0.3%	-11.1%	-11.1%
Mexico*	1.1%	1.1%	8.3%	8.3%
Peru*	0.1%	0.1%	3.0%	3.0%
Total-Americas	11.1%	11.3%	1.8%	1.9%
Europe				
Austria	0.2%	0.2%	3.4%	3.4%
Belgium	0.8%	0.8%	8.0%	8.0%
Czech Republic*	0.1%	0.1%	1.0%	1.0%
Denmark	0.8%	0.8%	10.3%	10.3%
Finland	0.6%	0.6%	12.0%	12.0%
France	6.9%	7.1%	6.0%	6.1%
Germany	6.2%	6.3%	13.5%	13.5%
Greece	0.0%	0.0%	23.6%	23.6%
Hungary*	0.0%	0.0%	-4.5%	-4.5%
Ireland	0.1%	0.2%	15.9%	10.7%
Italy	1.4%	1.5%	12.6%	10.7%
Luxembourg	0.1%	0.0%	4.7%	4.8%
Netherlands	1.9%	1.9%	8.8%	8.8%
Norway	0.6%	0.6%	5.8%	5.8%
Poland*	0.4%	0.4%	3.9%	3.9%
Portugal	0.1%	0.1%	1.3%	1.3%
Russia*	1.3%	1.3%	1.6%	0.4%
Spain	2.2%	2.3%	11.2%	11.3%
Sweden	2.3%	2.3%	5.1%	5.2%
Switzerland	6.4%	6.5%	4.3%	4.3%
United Kingdom	15.6%	15.6%	7.4%	7.4%
Total-Europe	48.0%	48.7%	7.7%	7.7%

Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
AsiaPacific				
Australia	5.6%	5.7%	-0.8%	-0.8%
China*	4.1%	4.1%	3.8%	3.8%
Hong Kong	2.1%	2.1%	3.3%	3.3%
India*	1.2%	1.2%	10.4%	10.4%
Indonesia*	0.5%	0.5%	-4.5%	-4.5%
Japan	15.2%	15.5%	2.3%	2.3%
Korea*	3.4%	3.4%	4.0%	4.0%
Malaysia*	0.8%	0.8%	5.7%	5.7%
New Zealand	0.1%	0.1%	-4.7%	-4.8%
Philippines*	0.2%	0.2%	-5.1%	-5.1%
Singapore	1.1%	1.1%	0.7%	0.7%
Taiwan*	2.4%	2.4%	4.4%	4.4%
Thailand*	0.5%	0.5%	-7.9%	-10.1%
Total-AsiaPacific	37.3%	37.7%	2.4%	2.3%
Other				
Egypt*	0.0%	0.0%	19.4%	19.4%
Israel	0.3%	0.3%	6.3%	6.3%
Morocco*	0.0%	0.0%	5.6%	5.5%
South Africa*	1.6%	1.6%	2.5%	2.5%
Turkey*	0.4%	0.4%	-13.7%	-13.7%
Total-Other	2.3%	2.3%	0.6%	0.7%
Totals				
Developed	77.6%	79.0%	5.6%	5.6%
Emerging*	21.0%	21.0%	2.1%	2.0%
Cash	1.3%		0.0%	

SSgA ACWI Ex US Performance Attribution vs. MSCI ACWI ex USA

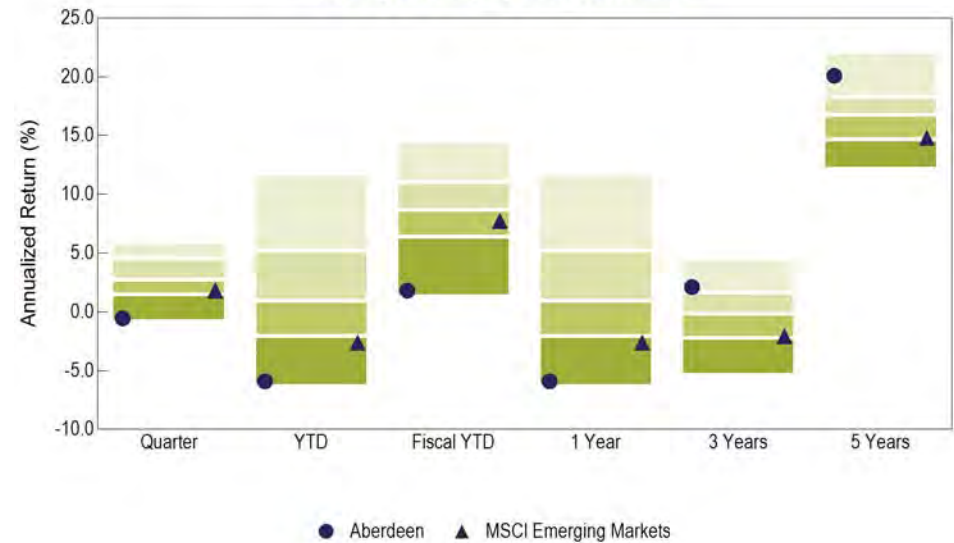


	Returns and Weights				Attribution Effects				
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	Total Effects
Totals									
Americas	1.8%	1.9%	11.1%	11.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Europe	7.7%	7.7%	48.0%	48.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Asia/Pacific	2.4%	2.3%	37.3%	37.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	0.6%	0.7%	2.3%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	--	1.3%	0.0%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Total	4.8%	4.8%	100.0%	100.0%	0.0%	-0.1%	0.0%	0.0%	0.0%
Totals									
Developed	5.6%	5.6%	77.6%	79.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Emerging*	2.1%	2.0%	21.0%	21.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	--	1.3%	0.0%	0.0%	-0.1%	0.0%	0.0%	-0.1%

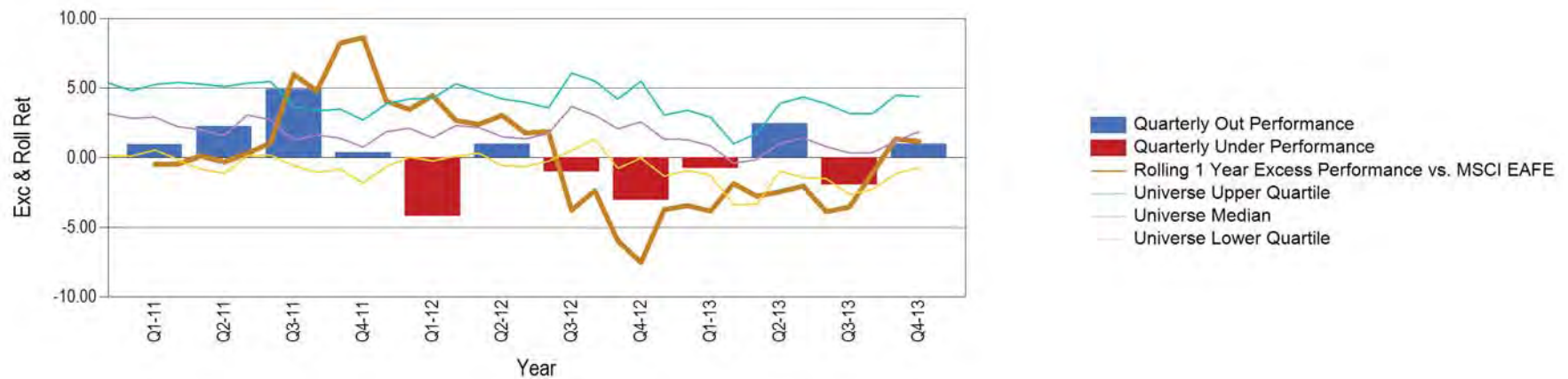
Aberdeen

Aberdeen believes, given the inefficiency of markets, that competitive long-term returns are achieved by identifying high quality stocks at attractive valuations and holding for the long term. It is their belief that sound fundamentals drive stock prices over time. They employ a fundamental bottom-up investment approach based upon a rigorous and disciplined proprietary research effort which originates with direct company due diligence visits. Portfolios are constructed to maximize their level of exposure to the most attractive companies filtered from the stock selection process. They run a representative or model' unconstrained portfolio that contains approximately 30 - 70 stocks at any given time. Once a stock has received unanimous approval by the team, the senior investment team members then decide which portfolio category it should enter (i.e. country, regional, Global Emerging Markets) and at what weighting. The Head of Global Emerging Markets then has responsibility to ensure that the decision is implemented.

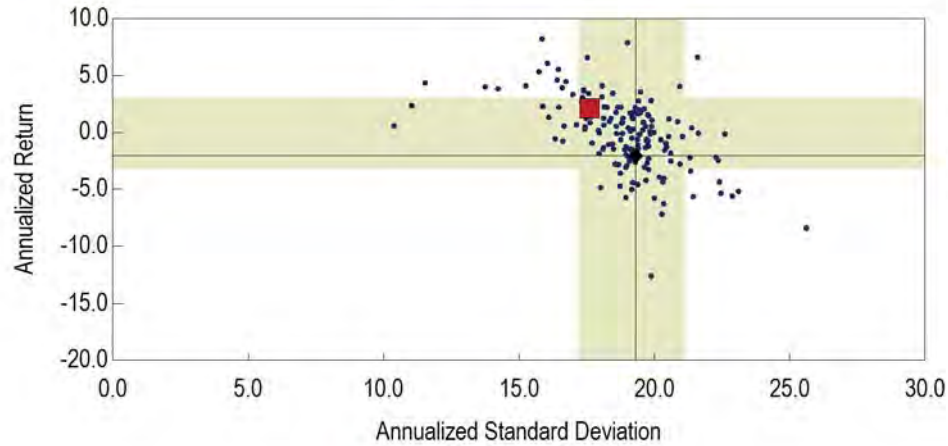
eA Emg Mkts Equity Gross Accounts



Annualized Excess Performance



3 Year Risk Return

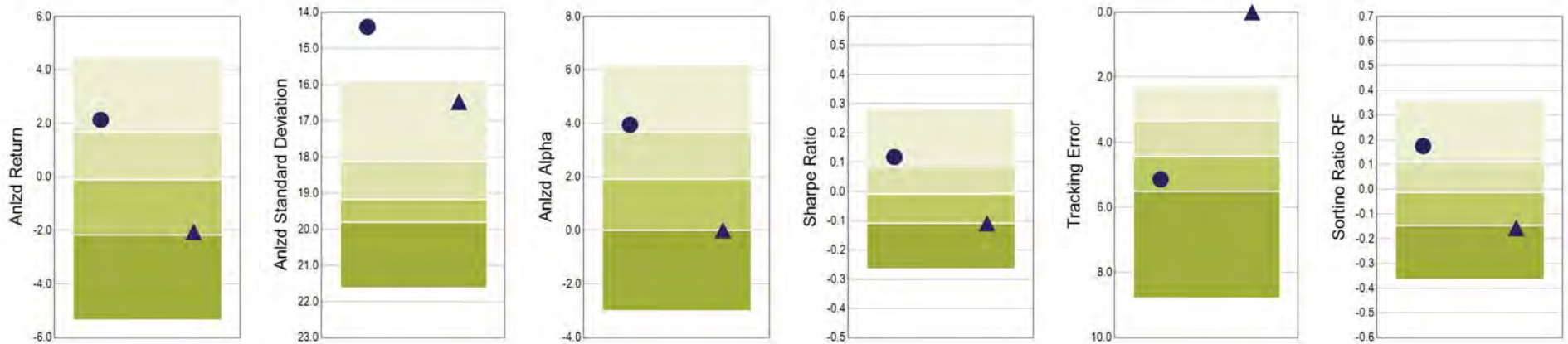


- Aberdeen
- ◆ MSCI Emerging Markets
- 68% Confidence Interval
- eA Emg Mkts Equity Gross

Characteristics

	Portfolio	MSCI Emerging Markets
Number of Holdings	61	824
Weighted Avg. Market Cap. (\$B)	32.3	36.2
Median Market Cap. (\$B)	15.5	4.6
Price To Earnings	16.6	16.0
Price To Book	3.3	2.4
Price To Sales	3.0	2.1
Return on Equity (%)	20.6	17.7
Yield (%)	2.9	2.6
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics



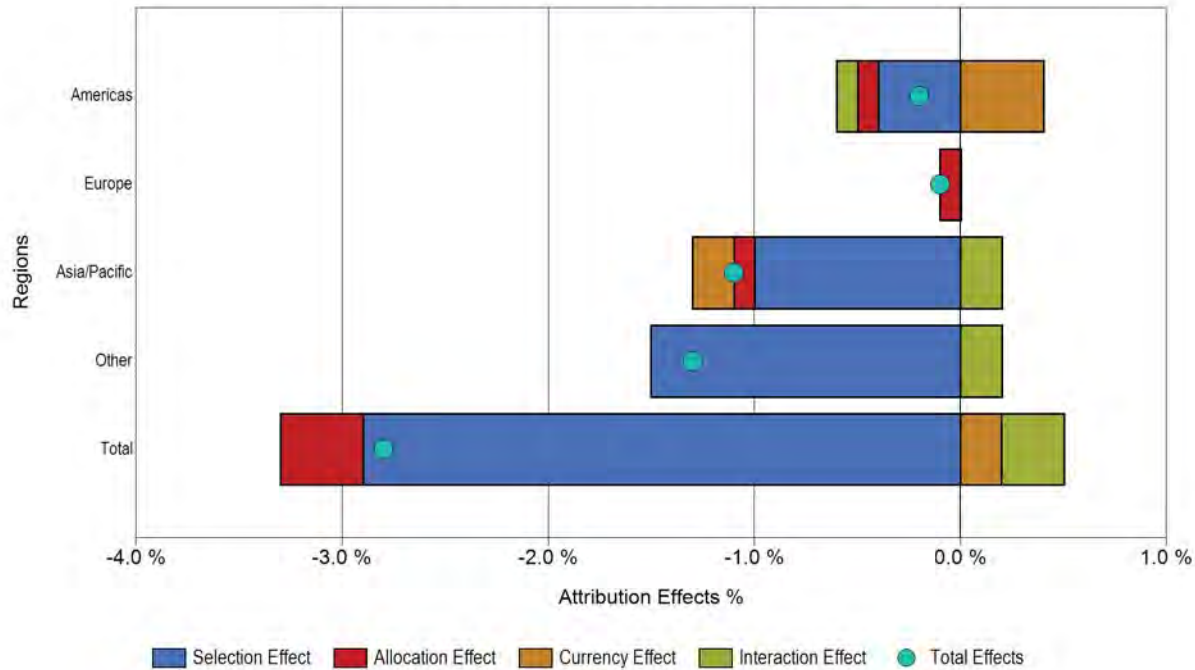
Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
Americas				
Brazil*	14.8%	10.9%	-7.0%	-5.7%
Chile*	1.4%	1.7%	-10.3%	-6.8%
Mexico*	7.5%	5.2%	9.3%	8.3%
United States	0.4%	0.0%	6.5%	10.1%
Total-Americas	24.2%	19.4%	-1.9%	-2.2%
Europe				
Hungary*	1.6%	0.2%	17.7%	-4.5%
Luxembourg	2.6%	0.0%	-6.1%	2.0%
Poland*	1.9%	1.7%	4.0%	3.9%
Russia*	4.2%	6.3%	1.6%	0.4%
United Kingdom	5.5%	0.0%	-1.7%	7.4%
Total-Europe	15.9%	8.4%	1.1%	1.0%

Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
AsiaPacific				
China*	5.9%	19.5%	-4.8%	3.8%
Hong Kong	7.5%	0.0%	-0.8%	3.3%
India*	12.4%	5.9%	6.8%	10.4%
Indonesia*	2.6%	2.4%	1.2%	-4.5%
Korea*	5.8%	16.1%	16.5%	4.0%
Malaysia*	2.2%	3.8%	5.5%	5.7%
Philippines*	3.0%	0.9%	-11.8%	-5.1%
Taiwan*	4.3%	11.6%	0.8%	4.4%
Thailand*	5.0%	2.5%	-9.7%	-10.1%
Total-AsiaPacific	48.8%	62.6%	1.6%	3.7%
Other				
South Africa*	3.2%	7.5%	-20.8%	2.5%
Turkey*	5.0%	1.7%	-12.8%	-13.7%
Total-Other	8.3%	9.5%	-16.0%	-0.2%
Totals				
Developed	16.1%	0.0%	-1.8%	--
Emerging*	81.0%	100.0%	-0.6%	2.0%
Cash	2.9%		0.0%	

Aberdeen Performance Attribution vs. MSCI Emerging Markets



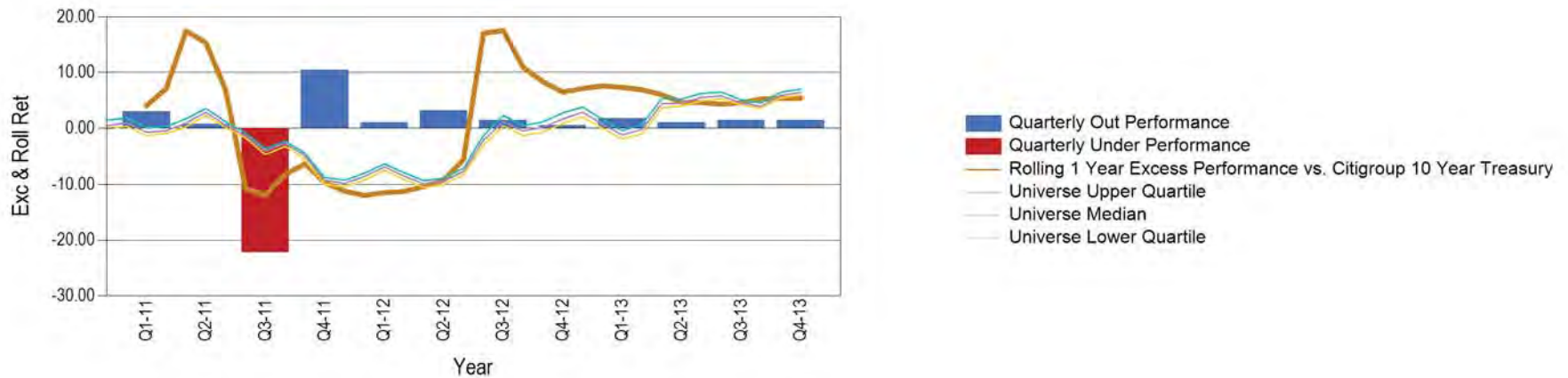
	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Totals									
Americas	-1.9%	-2.2%	24.2%	19.4%	-0.4%	-0.1%	0.4%	-0.1%	-0.2%
Europe	1.1%	1.0%	15.9%	8.4%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Asia/Pacific	1.6%	3.7%	48.8%	62.6%	-1.0%	-0.1%	-0.2%	0.2%	-1.1%
Other	-16.0%	-0.2%	8.3%	9.5%	-1.5%	0.0%	0.0%	0.2%	-1.3%
Cash	0.0%	--	2.9%	0.0%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Total	-0.8%	2.0%	100.0%	100.0%	-2.9%	-0.4%	0.2%	0.3%	-2.8%
Totals									
Developed	-1.8%	--	16.1%	0.0%	0.0%	0.0%	-0.1%	-0.7%	-0.8%
Emerging*	-0.6%	2.0%	81.0%	100.0%	-2.7%	0.0%	0.3%	0.5%	-1.9%
Cash	0.0%	--	2.9%	0.0%	0.0%	-0.1%	0.0%	0.0%	-0.1%

Allianz Structured Alpha

Allianz uses an alpha enhancement strategy that targets a return stream with low or no correlation with the underlying BC Aggregate benchmark. The objective of the fund seeks to deliver 5% net of fees annually on top of the benchmark with a tracking error of 2-4%. The strategy analyzes historical behavior of the S&P 500 Index and develops a distribution of expected returns, then the fund constructions profit zones using puts and calls which at expiration the underlying ends up in the profit zone. Strategies containing the buying or selling of options may produce losses and profits similar to leverage and may exposure the account to risk related to the underlying security and the option itself.

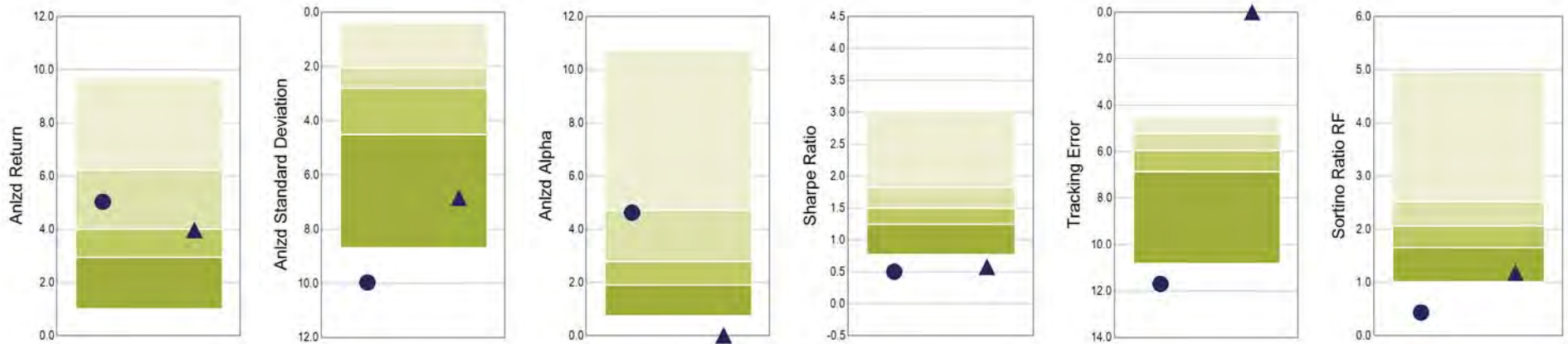


Annualized Excess Performance





3 Year Risk Statistics

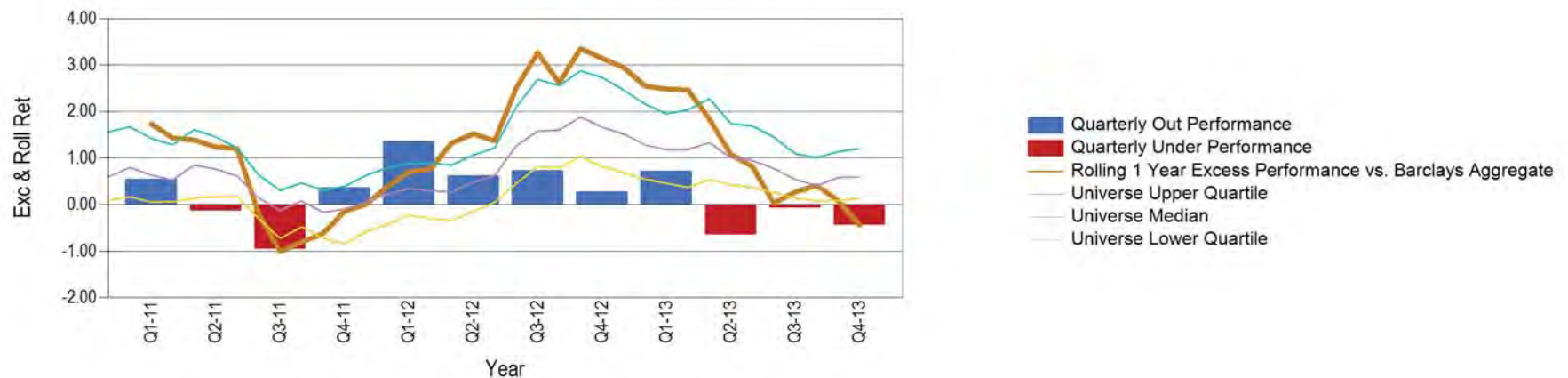


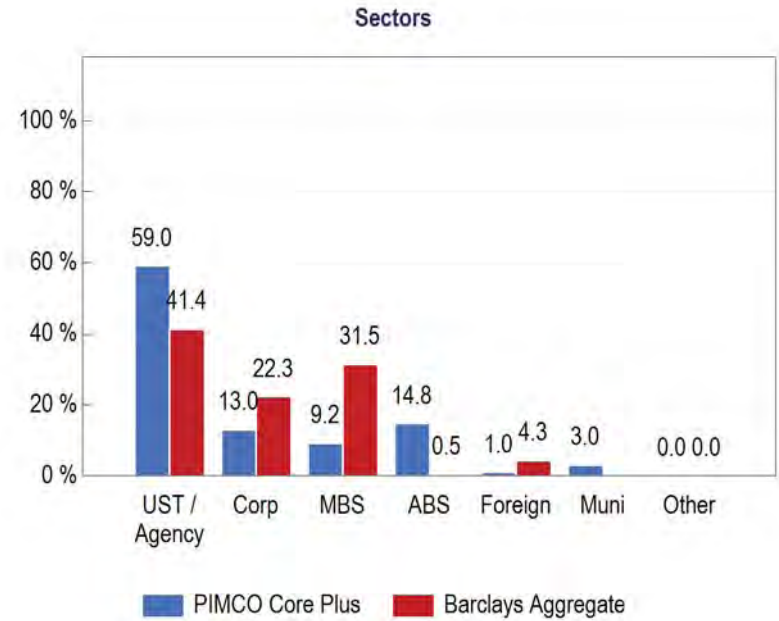
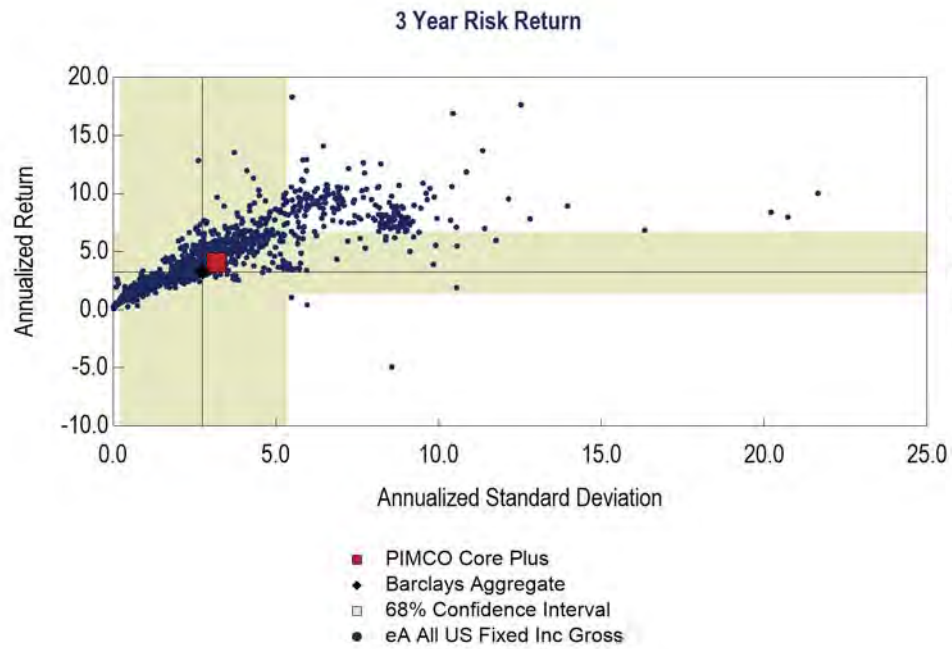
PIMCO Core Plus

PIMCO's investment process expects to generate above-benchmark returns by building diversified, risk-averse portfolios based upon their long-term secular outlook. This is achieved by analyzing fundamental global trends in such areas as political factors, inflation, volatility, growth, and currency, amongst others. The three to five-year secular outlook is the core element of their decision-making process, and serves as a framework for portfolio implementation. In applying the secular outlook to the portfolio, such tools as duration position, yield curve posture and sector allocation are expressed to best represent the firm's view on the macro-economic environment. Bottom-up analysis of specific securities is also an important part of the firm's philosophy. Bonds are evaluated on a rich/cheap basis and fundamental research determines strong portfolio candidates.

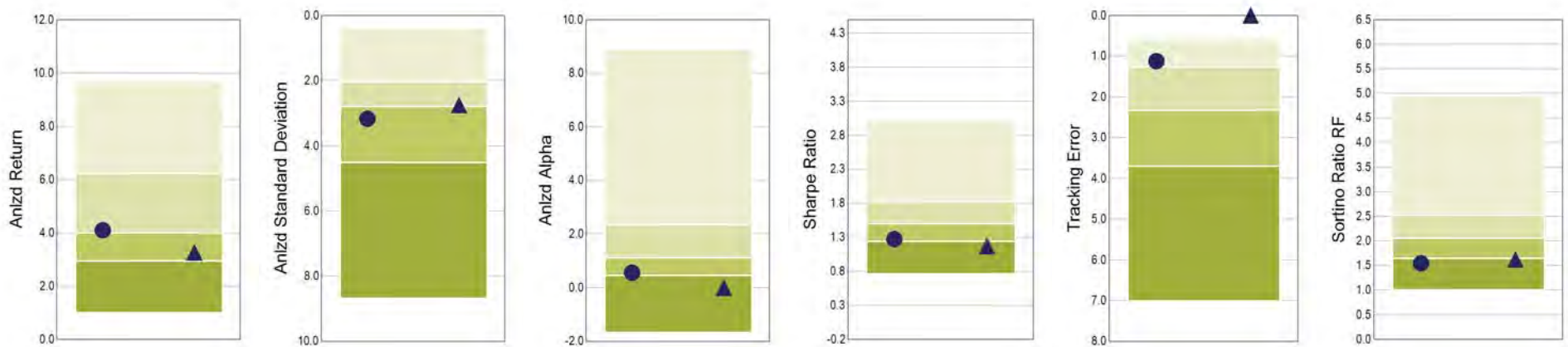


Annualized Excess Performance



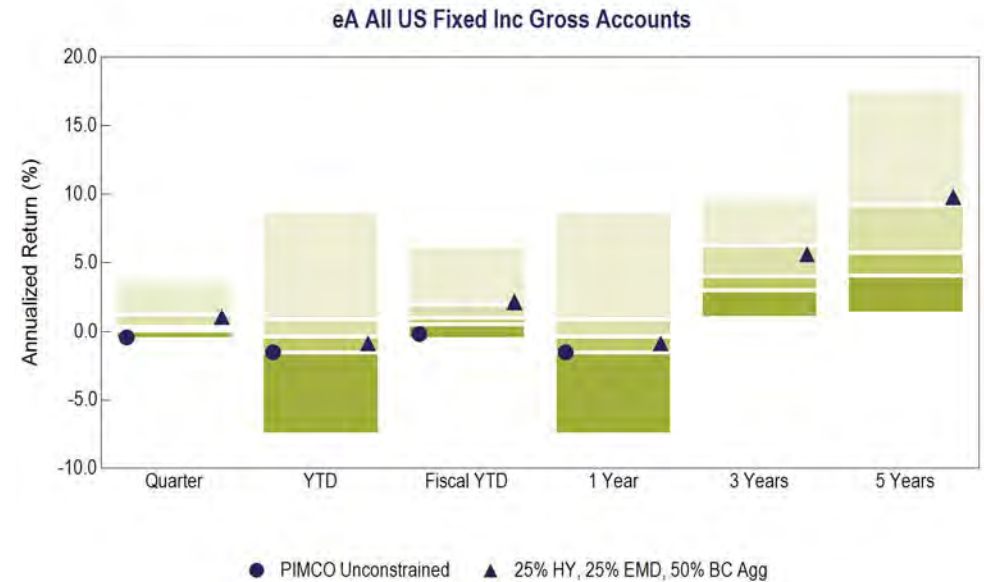


3 Year Risk Statistics

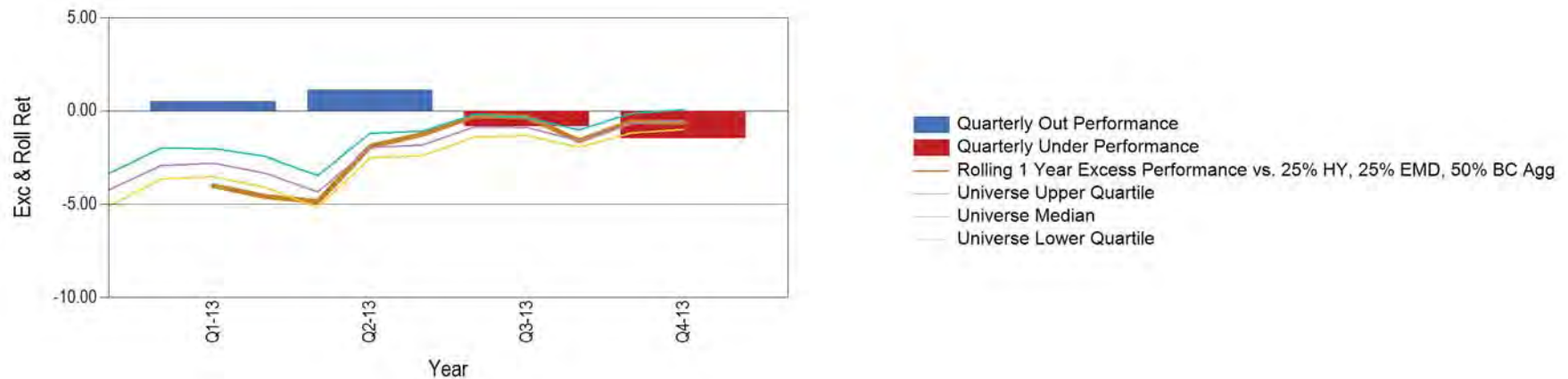


PIMCO Unconstrained

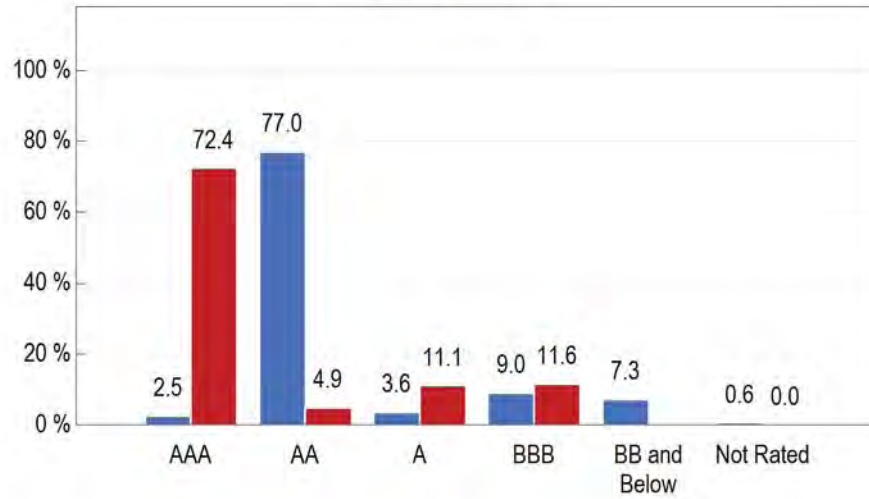
The PIMCO Unconstrained Bond Strategy is an absolute return-oriented, investment grade quality fixed income strategy that embodies PIMCO's secular thinking, global themes, and integrated investment process without the constraints of a benchmark or significant sector/instrument limitations. The strategy is designed to offer the traditional benefits of a core bond portfolio - seeks maximum long-term return consistent with capital preservation and prudent management- but with higher potential alpha and the potential to mitigate downside risk to a greater degree than what is reasonably possible from traditional active fixed income management approaches as the strategy allows for more manager discretion to adjust duration exposure, allocate across sectors and otherwise express the firm's active views. The strategy is governed by PIMCO's investment philosophy and unique, disciplined secular investment process, which focuses on long-term economic, social and political trends that may have lasting impacts on investment returns.



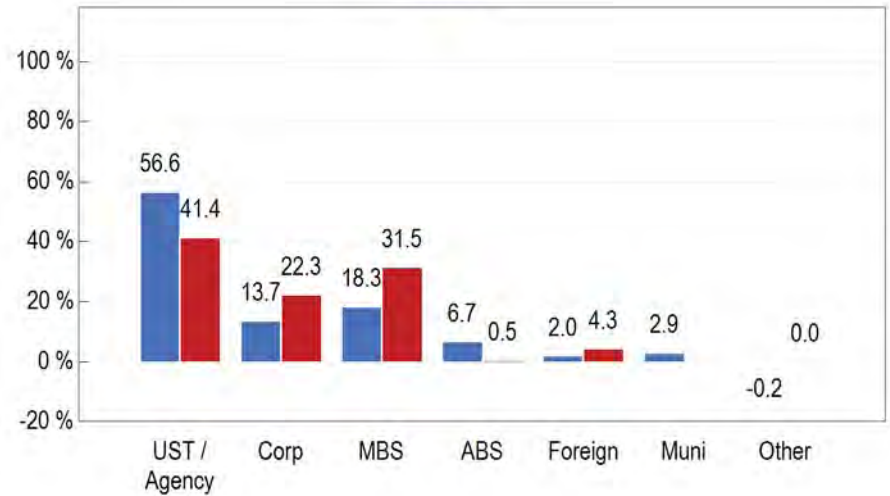
Annualized Excess Performance



Quality Ratings



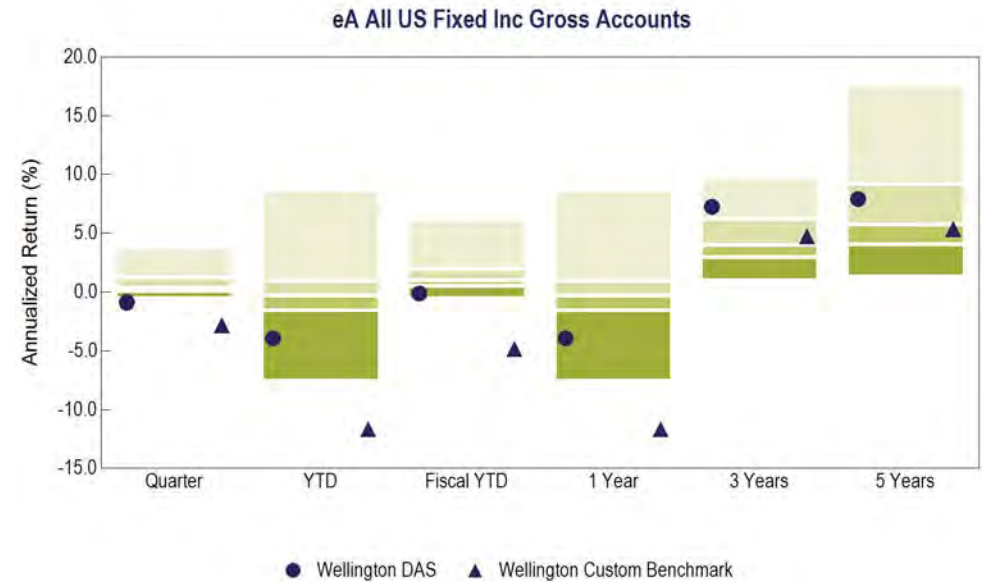
Sectors



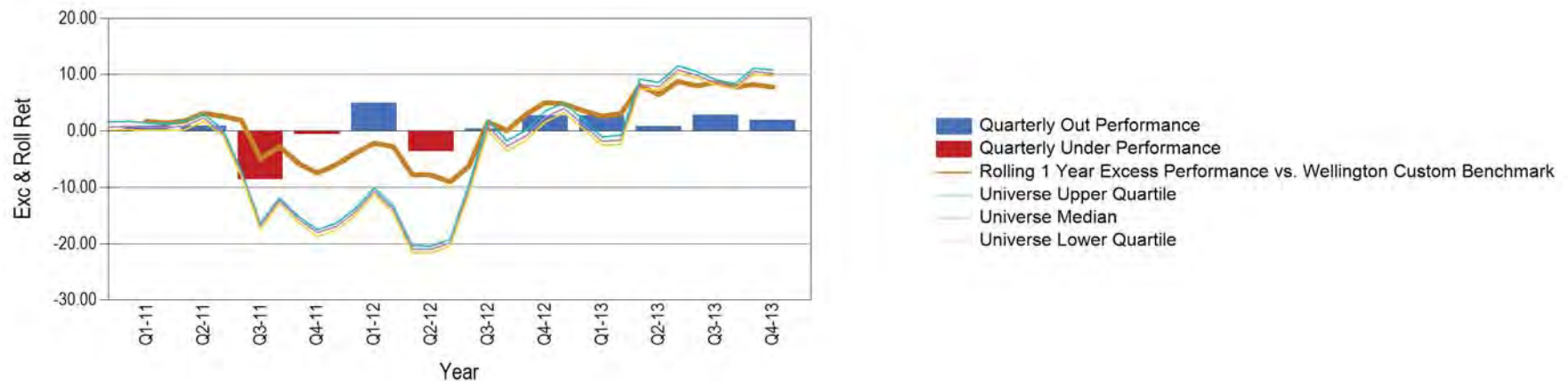
■ PIMCO Unconstrained ■ Barclays Aggregate

Wellington DAS

The objective of the Diversified Alpha Strategies - Absolute Return (DAS) Portfolio is to provide positive absolute returns over cash or other market exposure (beta) over rolling 3-year periods with expected volatility of 3 to 6%. The DAS Portfolio aims to provide consistent returns by investing in diverse, market-neutral alpha sources that have low or negative correlations with each other. The mix of alpha sources is rebalanced periodically, and the target mix may change over time. The DAS Portfolio can be combined with desired market (beta) exposure through the use of derivative instruments. Drawing on a diversified basket of alpha sources from across a broad investment universe, rather than a single alpha source, should increase the efficiency of the return/risk ratio and increase the likelihood of achieving consistent returns. For this reason, the DAS Portfolio includes a variety of alpha sources: market neutral equity and fixed income strategies, overlay strategies (currency, fixed income, asset allocation), and long-only equity strategies from which they try to remove structural market risk through short equity index future or swap positions. The allocation to each alpha source is determined in a contribution to risk framework in the context of the expected aggregate DAS Portfolio characteristics. The target weights of the underlying alpha sources have been set using risk budgeting, with a goal of achieving a balanced contribution to risk across the alpha sources, rather than focusing only on the absolute or percent cash allocation.

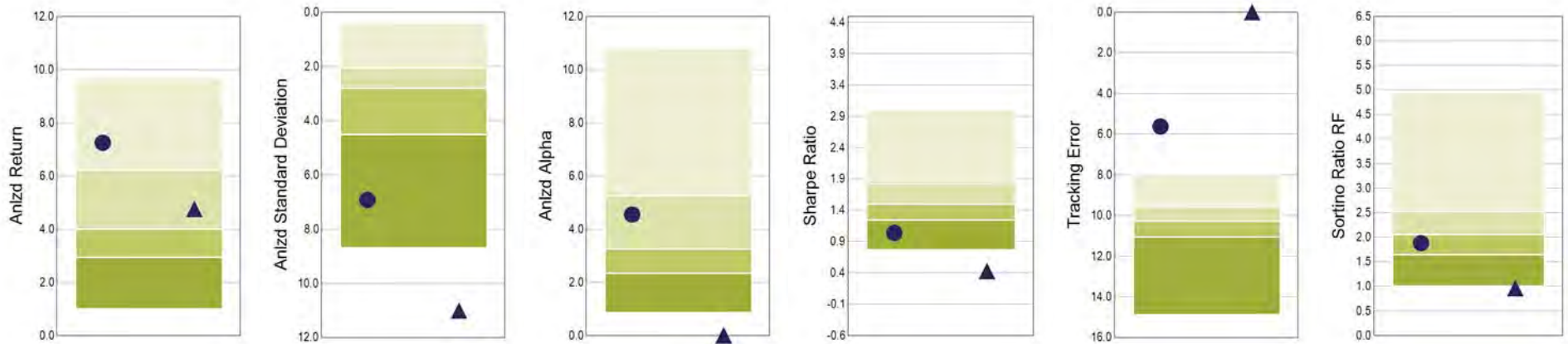


Annualized Excess Performance



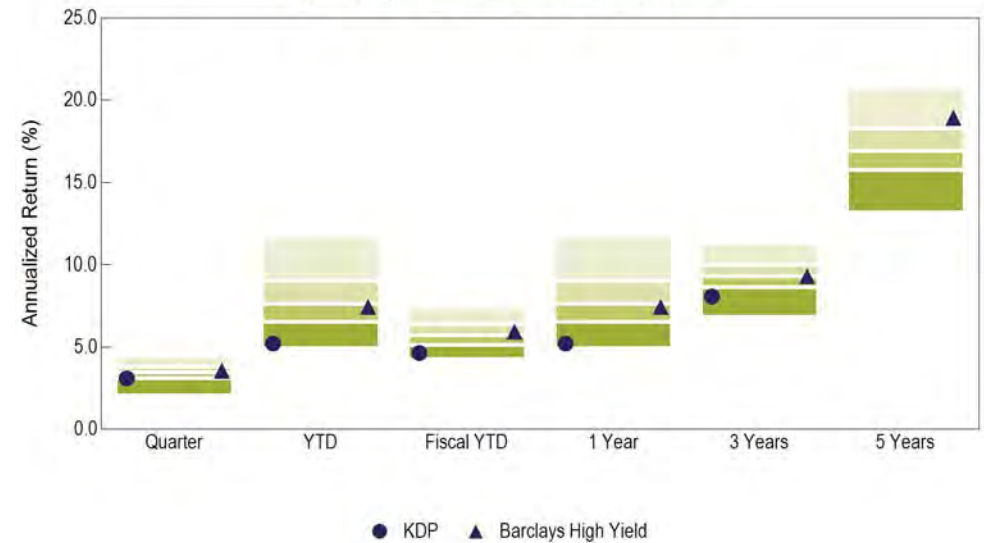


3 Year Risk Statistics

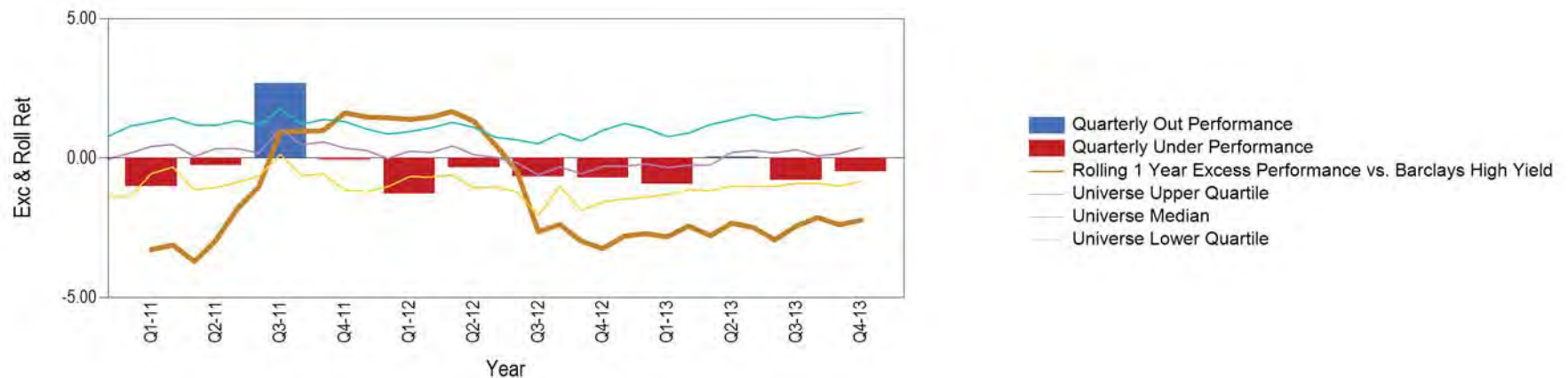


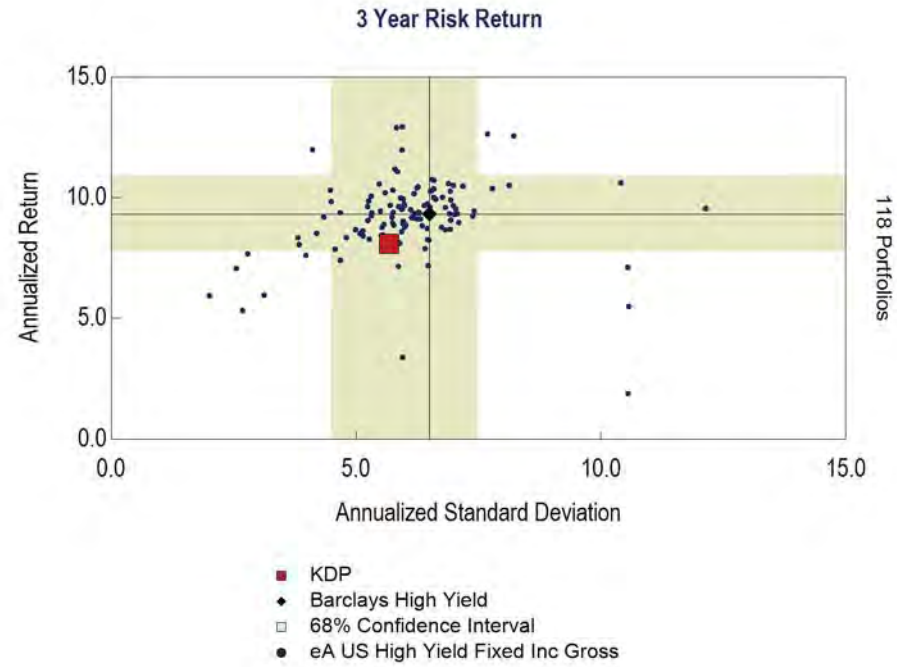
KDP believes that the key to delivering superior risk-adjusted returns lies in controlling credit risk. To do this the firm combines rigorous, bottom-up credit analysis with an active, top-down management approach that ensures a strong overall credit profile and broad portfolio diversification. KDP employs a value-oriented approach to investing that leverages our strong fundamental research capabilities, and seeks to take advantage of market inefficiencies and anomalies on an opportunistic basis in order to capture excess credit spread. KDP places a strong emphasis on issuer, industry and sector diversification, and tends to focus on larger companies, as they tend to be more resilient in times of difficulty and their securities tend to be more liquid. KDP uses a proprietary "Default Risk Ranking (DRR)" System to screen securities eligible for purchase in its portfolios. By assigning default risk probabilities to companies covered, the DRR system is used to identify securities that are overvalued or undervalued relative to the market. The firm minimizes portfolio volatility in part by investing in securities of companies that exhibit greater resilience in times of financial distress. KDP focuses on companies with good management, stable to improving earnings, good balance sheet liquidity and a strong competitive position in industries with favorable underlying fundamentals.

eA US High Yield Fixed Inc Gross Accounts

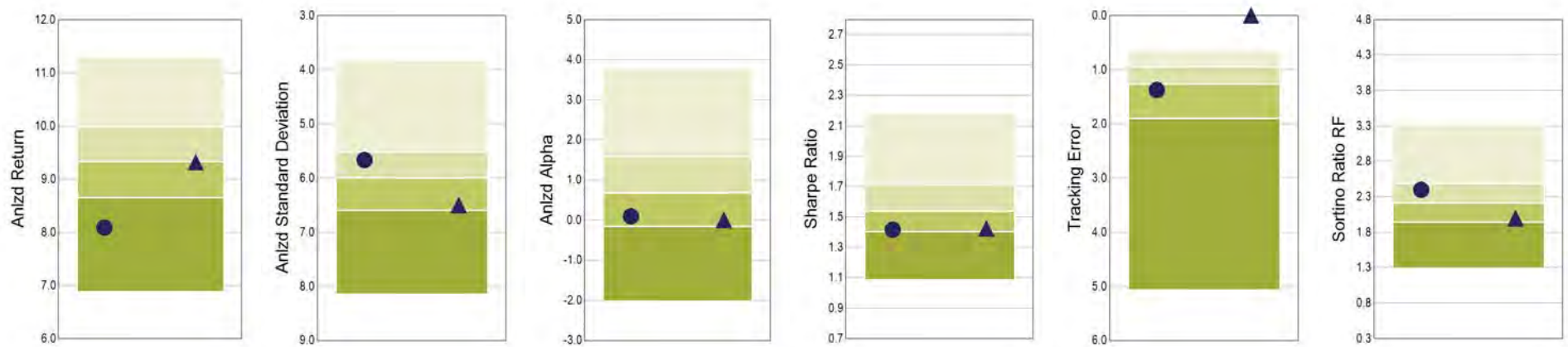


Annualized Excess Performance

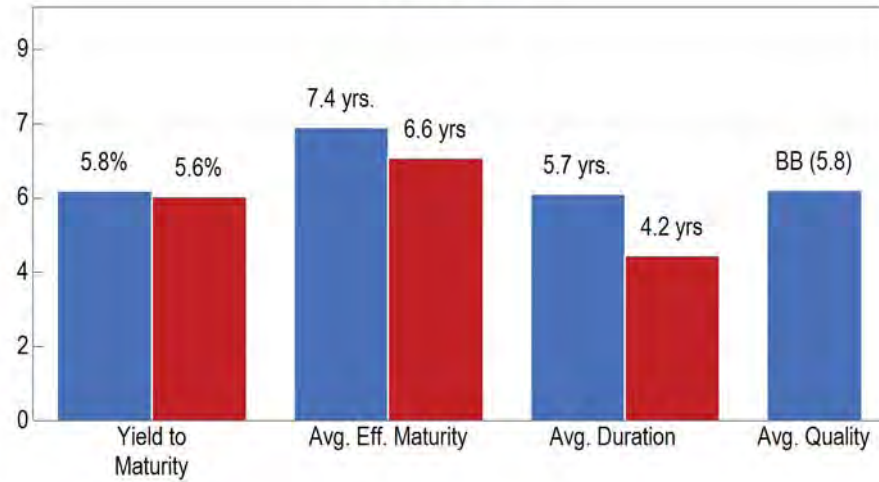




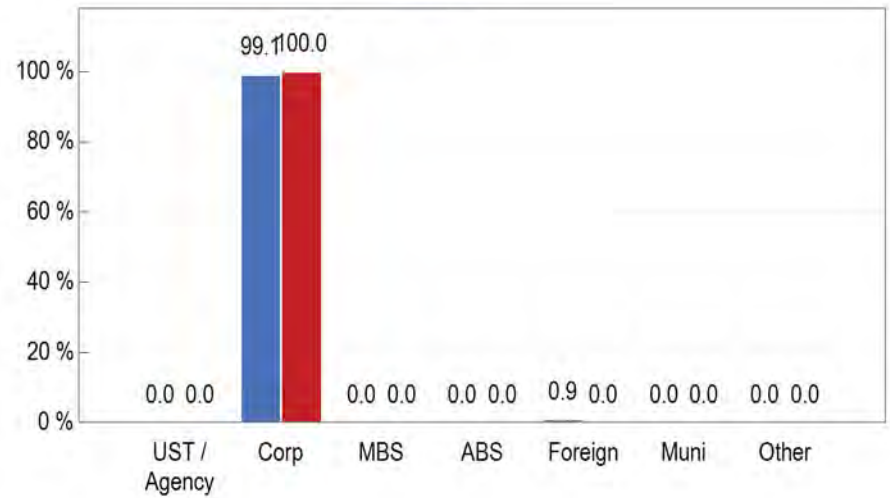
3 Year Risk Statistics



Characteristics



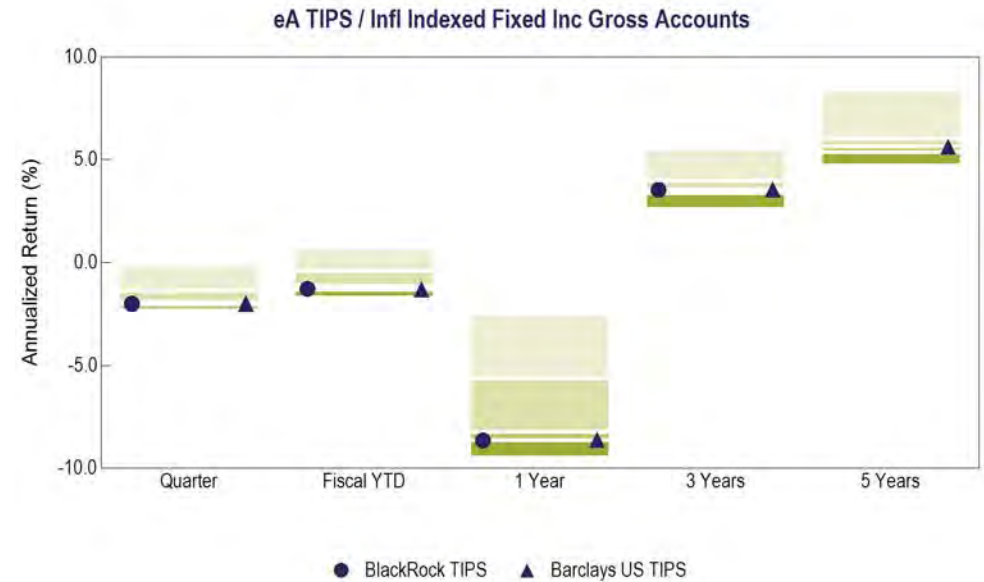
Sectors



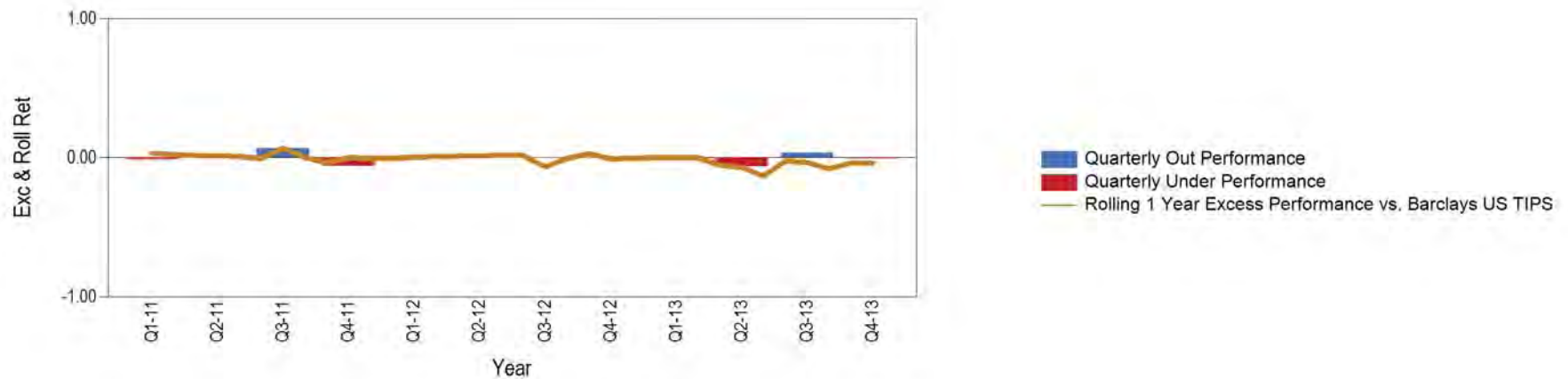
■ KDP ■ Barclays High Yield

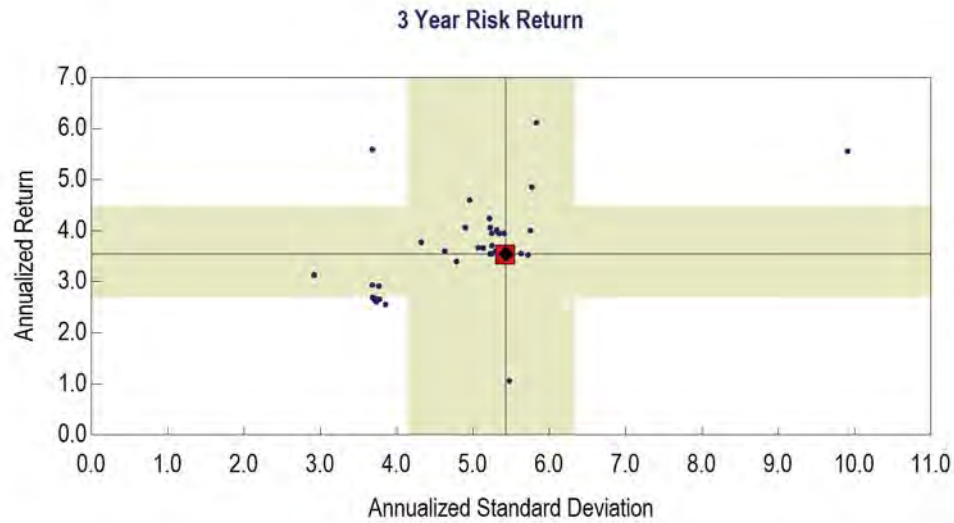
BlackRock TIPS

In the management of an inflation-linked bond portfolio, BlackRock will utilize multiple strategies to outperform the index. These include: duration and yield curve positioning, technical supply/demand anomalies related primarily to the ILB auction cycle, seasonal factors related to non-seasonally adjusted inflation-linked indices, break-even spread between ILBs and nominal securities, and, if applicable, sector and country allocation. The team compares nominal yields with real yields and factor in their views on inflation. If the yield spread is less than the inflation rate, then ILBs are considered to trade cheaply to nominal bonds and have greater relative value. The portfolio currently holds about 31 positions, out of 27-29 issues in the benchmark. Turnover is moderate, at around 100-150%.

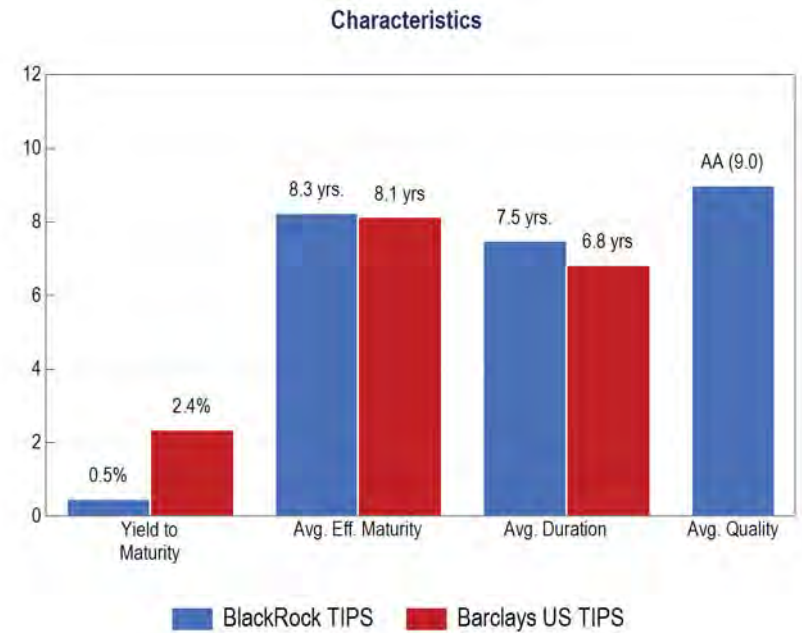


Annualized Excess Performance

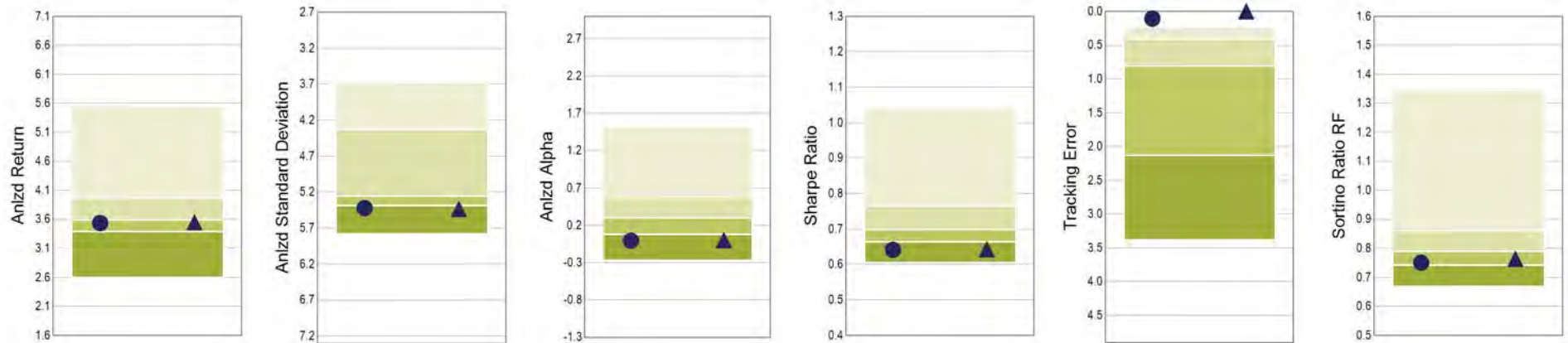




- BlackRock TIPS
- ◆ Barclays US TIPS
- 68% Confidence Interval
- eA TIPS / Infl Indexed Fixed Inc Gross

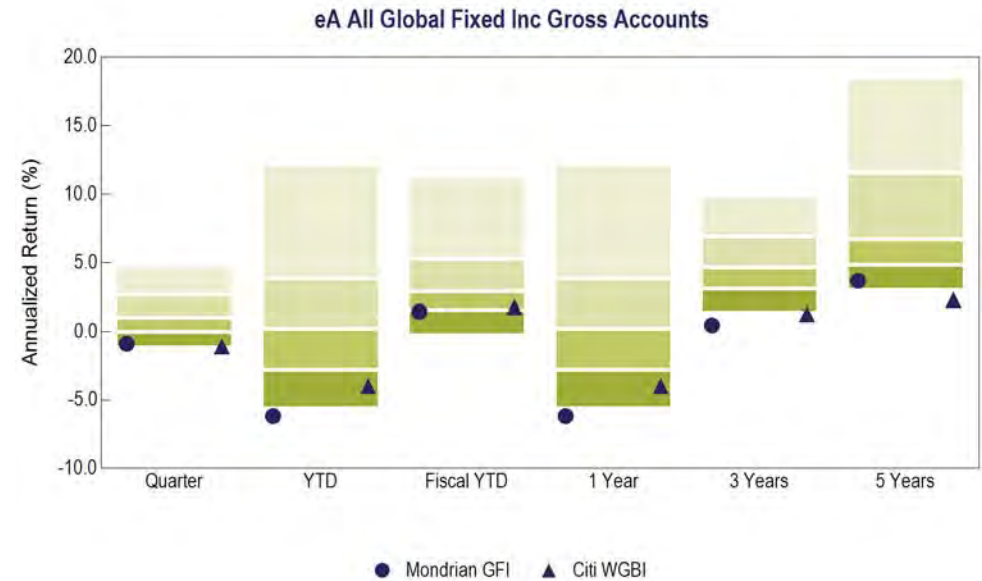


3 Year Risk Statistics

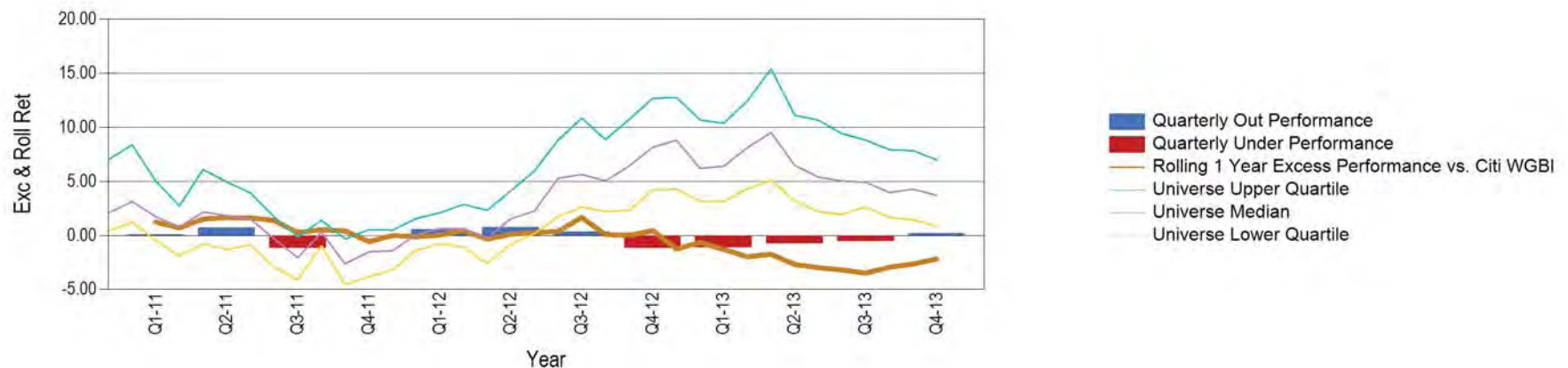


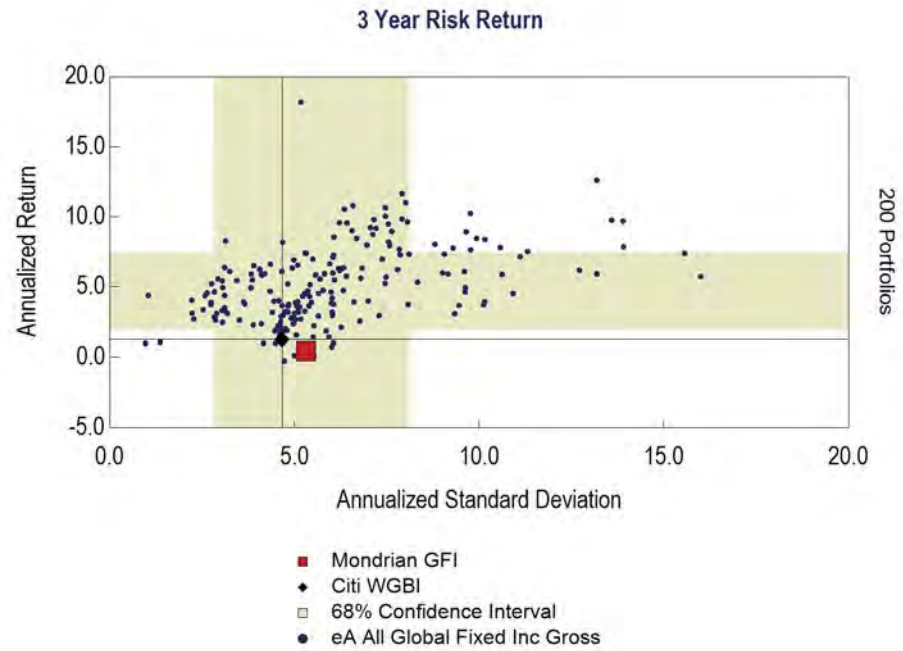
Mondrian GFI

Bond yield for each market minus Mondrian's inflation forecast for that country. Mondrian will consider investing in the government debt of all countries within the Citigroup World Government Bond Index and other developed world bond markets. Within the emerging world most countries are researched and will include dollar denominated and local currency issuers. Mondrian's bond universe is constructed by selecting a range of bonds from the aforementioned regions at varying maturities, according to Mondrian's credit, liquidity and other specific criteria. A total of 150-200 issues are followed closely, although this list is not intended to be exhaustive. Mondrian bases its duration strategy on the size of potential long term "real" returns in a country's local market. This approach means that in practice, portfolio durations change gradually over time, and that Mondrian does not attempt to anticipate frequent interest rate changes. Mondrian's Credit Committee, chaired by John Kirk is responsible for sector recommendations in the various international markets. Each sector is assigned a prospective credit rating and current yield differentials where comparable government bonds are then assessed for their attractiveness. Mondrian seeks to add value through the use of non-governmental debt, although corporate bonds are a small part of the strategy and contribute a small portion to excess returns. Typically, sovereign and supranational issues comprise between 70% to 100% of a portfolio. High-quality foreign corporate debt is utilized, and may represent between 0% to 30% of a portfolio. In the case of corporate debt, the upper limit of 30% is strictly adhered to. A portfolio will typically hold between 30 and 40 securities.

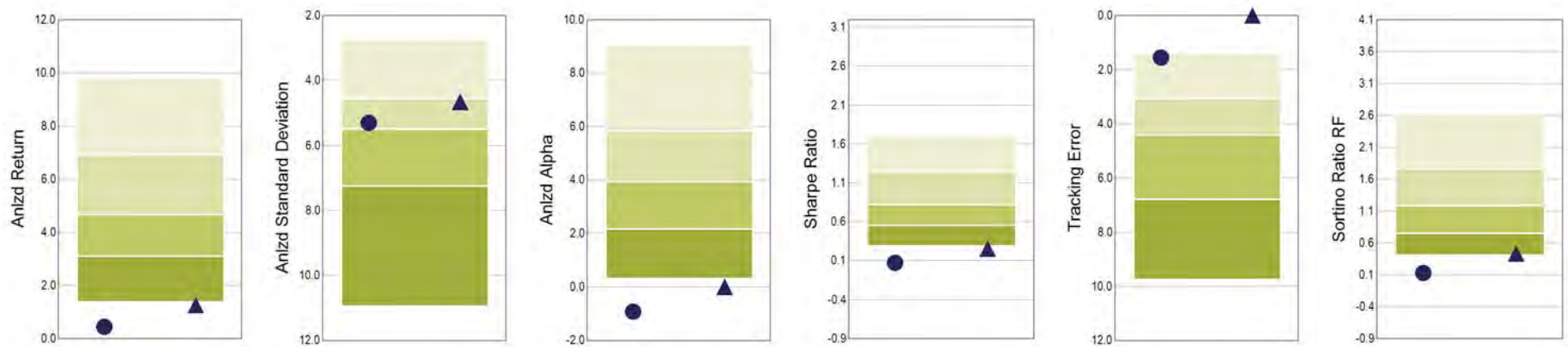


Annualized Excess Performance

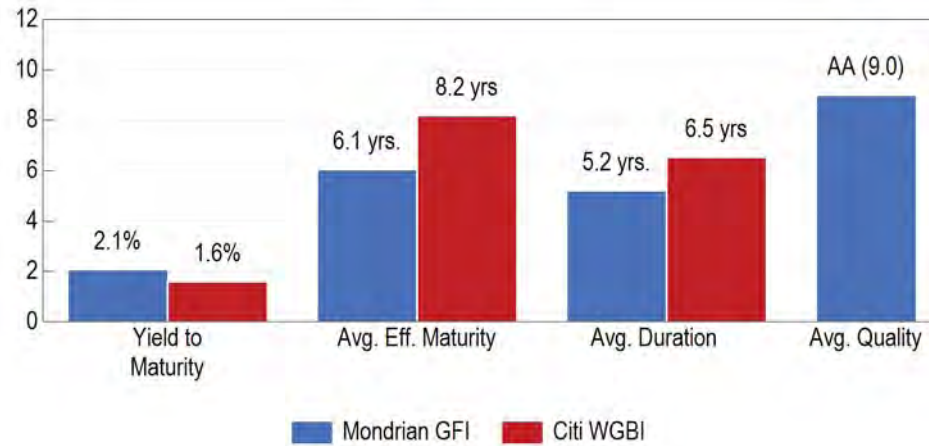




3 Year Risk Statistics



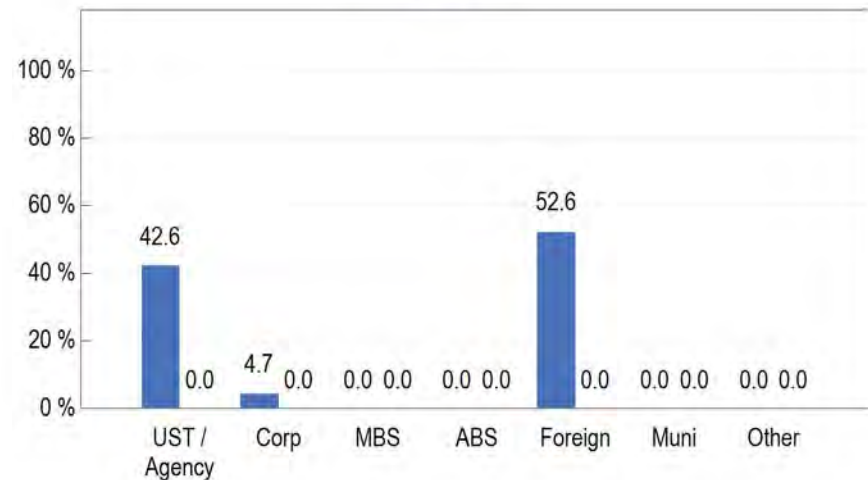
Characteristics



Quality Ratings



Sectors



Mellon Global Expanded Alpha I (Global Asset Allocation)

Market Exposures

Equity Exposure

Country	Mellon %	Index %	Over %
Australia	14.6%	1.3%	13.3%
Brazil	-0.6%	0.0%	-0.6%
Canada	0.5%	1.9%	-1.3%
China	0.5%	0.0%	0.5%
Emerging Markets	5.3%	5.2%	0.1%
France	5.6%	1.7%	3.9%
Germany	16.9%	1.7%	15.2%
Hong Kong	12.2%	0.5%	11.7%
India	0.2%	0.0%	0.2%
Italy	2.7%	0.4%	2.3%
Japan	10.4%	4.0%	6.4%
Mexico	-0.4%	0.0%	-0.4%
Netherlands	0.5%	0.5%	0.0%
Poland	0.1%	0.0%	0.1%
So. Africa	-0.6%	0.0%	-0.6%
So. Korea	1.2%	0.0%	1.2%
Spain	-3.2%	0.6%	-3.8%
Switzerland	-5.4%	1.5%	-7.0%
Taiwan	-0.9%	0.0%	-0.9%
Turkey	0.5%	0.0%	0.5%
United Kingdom	-14.5%	4.1%	-18.6%
United States	19.1%	24.6%	-5.5%
Other	2.1%	2.0%	0.0%
Total	66.7%	50.0%	16.7%

Bond Exposure

Country	Mellon %	Index %	Over %
Australia	16.7%	0.7%	16.0%
Canada	1.4%	0.8%	0.5%
Emerging Markets	4.9%	5.0%	-0.1%
Europe ex UK	-13.9%	6.4%	-20.3%
International	10.1%	10.0%	0.1%
Japan	-6.7%	2.7%	-9.4%
United Kingdom	-15.1%	1.1%	-16.2%
United States	20.1%	17.2%	2.9%
Other	1.0%	1.0%	0.0%
Total	18.6%	45.0%	-26.4%

Commodity and Cash Exposure

	Mellon %	Index %	Over %
Commodity	4.9%	5.0%	-0.1%
Cash	9.9%	0.0%	9.9%
Total	14.8%	5.0%	9.8%

Currency Exposure

Country	Mellon %	Index %	Over %
Australia	4.1%	1.1%	3.0%
Brazil	0.5%	0.0%	0.5%
Canada	-14.9%	1.5%	-16.4%
Chile	-0.2%	0.0%	-0.2%
Denmark	0.2%	0.2%	0.0%
Emerging Markets	10.2%	10.2%	0.0%
Euro	12.1%	6.6%	5.5%
Hong Kong	0.0%	0.0%	0.0%
India	-0.5%	0.0%	-0.5%
Indonesia	0.1%	0.0%	0.1%
Israel	0.2%	0.0%	0.2%
Japan	4.2%	3.4%	0.8%
Mexico	-0.5%	0.0%	-0.5%
New Zealand	-0.5%	0.0%	-0.6%
Norway	-4.4%	0.2%	-4.6%
Poland	0.1%	0.0%	0.1%
Russia	0.4%	0.0%	0.4%
So. Africa	-0.5%	0.0%	-0.5%
So. Korea	0.5%	0.0%	0.5%
Sweden	0.4%	0.5%	-0.1%
Switzerland	-29.9%	0.9%	-30.8%
Taiwan	0.2%	0.0%	0.2%
Turkey	-0.2%	0.0%	-0.2%
United Kingdom	40.5%	4.0%	36.5%
United States	75.7%	70.3%	5.5%
Other	2.2%	1.1%	1.2%
Total	100.0%	100.0%	0.0%

Source: Mellon Capital Management

Mellon Global Expanded Alpha I (Global Asset Allocation)

Performance & Attribution 2013

Month	Strategy Return	Benchmark Return	Alpha	Global Stock/Bond	Equity Country	Bond Country	Currency	Benchmark Replication	Commodity Allocation	Misc.	Total Alpha
Jul-13	3.86%	2.76%	1.10%	64	7	-7	31	4	6	5	110
Aug-13	-2.02%	-1.33%	-0.69%	-29	-8	-24	-23	1	13	1	-69
Sep-13	2.83%	3.10%	-0.27%	22	-30	-20	13	-9	0	-3	-27
Oct-13	2.40%	2.45%	-0.04%	39	1	4	-63	3	1	9	-5
Nov-13	1.42%	0.45%	0.96%	46	32	17	-11	3	10	0	97
Dec-13	0.66%	0.67%	-0.01%	62	-41	59	-48	-5	-23	-4	-1

Performance & Attribution – Calendar Years & Annualized as of 12/31/2013

Period	Strategy Return	Benchmark Return	Alpha	Global Stock/Bond	Equity Country	Bond Country	Currency	Benchmark Replication	Commodity Allocation	Misc.	Total Alpha
YTD 2013	12.25%	10.24%	2.01%	340	-170	63	-90	-3	38	23	201
2012	11.27%	11.45%	-0.17%	-24	-16	197	-214	10	25	5	-18
2011	-0.13%	-1.60%	1.47%	-168	136	139	56	26	2	-43	147
(Partial) 2010	10.43%	5.72%	4.71%	-137	71	185	291	65	-6	2	471

Source: Mellon Capital Management

*Index is 50% MSCI ACWI IMI (HH), 20% Citi WGBI GDP (HH), 10% BC Global Inflation Linked (HH), 5% BC US Intermediate Credit, 5% BC US Corp HY, 5% JPM GBI EM Local Debt, 5% DJ-UBS Commodity. Returns are net of fee.



Mellon Global Expanded Alpha I (Global Asset Allocation)

-The core philosophy behind Mellon's Global Expanded Alpha strategy is that global capital markets are an orderly and mostly rational structure over the long term and that prices reflect expected returns based on fundamentals. However while equilibrium exists there are factors in the capital markets which cause prices to deviate from the equilibrium. Mellon seeks to diversify investment exposure across many asset classes. Global Stocks, Global Bonds and Currencies are the broad asset classes in which Global Alpha 1 is exposed. Mellon determines expected returns, risks, and correlations for each asset class in the twelve major capital markets (Australia, Canada, France, Germany, Hong Kong, Italy, Japan, the Netherlands, Spain, Switzerland, the U.K., and the U.S.) where they actively allocate assets. Model has been expanded to new alpha sources: emerging markets and commodities. Alpha in the emerging market is extracted through both emerging market equities and currencies. Emerging market equity and currency models rely on similar signals to those employed in developed equities and currencies models. Relative Valuation is the basis for asset class investment decisions. Investment instruments used include Futures, Forwards, Options and Asset Class Funds. Mellon is capable of taking Long/Short positions in any instruments but must be Net Long Stocks and Bonds.

PIMCO All Asset

Fund Number	736											
Fund Name	All Asset Fund											
Total Fund Net Assets (\$US MM)	33,049.9											
	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	10/31/2013	11/30/2013	12/31/2013	
Short-Term Strategies:	0.1%	0.1%	0.1%	0.3%	0.0%	0.2%	-0.2%	0.8%	1.0%	0.8%	0.6%	
Low Duration Fund	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	-	0.8%				
Short Term Fund	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%				
Net Cash Equivalents	-	-	-	0.0%	0.0%	0.2%	-0.2%	0.0%				
US Core and Long Maturity Bond Strategies:	8.2%	6.3%	5.2%	5.8%	10.8%	11.3%	10.4%	8.3%	5.5%	5.2%	4.8%	
GNMA Fund	-	-	-	-	-	-	-	-				
Investment Grade Corporate Bond Fund	5.0%	3.2%	2.0%	1.2%	2.8%	3.1%	2.6%	0.9%				
Long Duration Total Return Fund	0.1%	0.1%	0.1%	0.1%	1.8%	3.2%	3.1%	2.2%				
Long Term Credit Fund	3.0%	2.8%	2.9%	2.8%	3.7%	3.6%	3.8%	3.8%				
Long-Term US Government Fund	0.1%	0.0%	0.0%	0.0%	1.0%	0.7%	0.7%	0.5%				
Mortgage-Backed Securities Fund	-	-	-	-	-	-	-	-				
Total Return Fund	0.0%	0.2%	0.1%	1.7%	1.5%	0.7%	0.2%	0.9%				
EM and Global Bond Strategies:	24.1%	28.3%	31.0%	30.8%	28.7%	26.9%	26.8%	25.0%	24.5%	24.3%	24.5%	
Diversified Income Fund	4.4%	4.1%	4.2%	4.4%	4.3%	4.0%	3.6%	3.6%				
Emerging Local Bond Fund	5.7%	7.0%	8.0%	7.9%	7.4%	7.0%	7.1%	7.4%				
Emerging Markets Bond Fund	2.7%	3.8%	4.5%	4.0%	3.4%	3.1%	3.1%	3.5%				
Emerging Markets Corporate Bond Fund	-	-	-	0.4%	0.8%	0.7%	0.7%	1.0%				
Emerging Markets Currency Fund	7.1%	7.7%	8.0%	8.0%	7.0%	6.6%	6.8%	7.2%				
Foreign Bond Fund (Unhedged)	1.5%	2.5%	2.8%	2.9%	2.7%	2.4%	2.4%	0.7%				
Global Advantage Strategy Bond Fund	2.7%	3.2%	3.4%	3.3%	3.2%	3.0%	3.0%	1.8%				
Global Bond Fund (Unhedged)	-	-	-	-	-	-	-	-				
Credit Strategies:	28.9%	28.2%	29.8%	30.4%	29.5%	29.1%	29.3%	26.1%	23.9%	23.5%	23.9%	
Convertible Fund	3.4%	3.2%	3.0%	2.1%	0.7%	0.3%	0.1%	-				
Floating Income Fund	7.4%	6.9%	6.7%	6.7%	6.6%	6.2%	5.4%	3.3%				
High Yield Fund	6.5%	6.8%	7.9%	8.1%	6.2%	6.0%	6.3%	5.5%				
High Yield Spectrum Fund	1.6%	1.9%	2.5%	2.6%	3.0%	3.7%	4.1%	4.2%				
Income Fund	9.1%	8.6%	8.7%	8.8%	10.3%	10.0%	10.3%	10.5%				
Senior Floating Rate Fund	0.8%	0.7%	0.9%	2.1%	2.6%	2.8%	3.1%	2.5%				
Inflation Related Strategies:	17.6%	17.0%	12.6%	8.0%	7.5%	7.0%	7.1%	5.2%	8.3%	8.3%	8.3%	
CommoditiesPLUS™ Strategy Fund	4.5%	6.6%	6.3%	5.4%	2.4%	1.8%	1.8%	2.1%				
CommodityRealReturn Strategy Fund®	4.5%	2.5%	1.9%	1.8%	0.1%	0.1%	0.1%	0.8%				
Global Advantage® Inflation-Linked Bond Exchange-Traded Fund	-	-	-	-	0.1%	0.1%	0.1%	0.1%				
Real Return Asset Fund	5.3%	4.5%	1.0%	0.0%	0.0%	0.0%	0.0%	0.4%				
Real Return Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%				
RealEstateRealReturn Strategy Fund	3.3%	3.3%	3.5%	0.8%	-	-	0.2%	1.6%				
US Equity Strategies:	1.3%	1.0%	1.0%	0.9%	0.9%	1.0%	1.0%	1.1%	1.2%	1.2%	1.2%	
Fundamental IndexPLUS®	-	-	-	-	-	-	-	-				
Fundamental IndexPLUS® AR	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%				
Small Cap StocksPLUS® AR Strategy	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%				
Small Company Fundamental IndexPLUS® AR Strategy	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.7%	0.7%				
StocksPLUS® Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
StocksPLUS® Absolute Return Fund	0.3%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%				
Global Equity Strategies:	13.4%	14.8%	18.2%	18.4%	17.8%	16.8%	16.4%	19.7%	22.5%	23.0%	23.2%	
EM Fundamental IndexPLUS® AR Strategy Fund	8.9%	9.4%	9.8%	10.1%	9.7%	8.9%	8.3%	10.0%				
EqS Dividend Fund	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%				
EqS Emerging Markets Fund	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%				
EqS Pathfinder Fund	2.3%	2.0%	1.9%	1.8%	1.8%	1.8%	1.8%	2.3%				
International Fundamental IndexPLUS® AR Strategy Fund	0.8%	2.2%	5.4%	5.4%	5.3%	5.1%	5.3%	6.3%				
International StocksPLUS® AR Strategy Fund (U.S. Dollar Hedged)	0.5%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%				
International StocksPLUS® AR Strategy Fund (Unhedged)	0.6%	0.6%	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%				
Alternative Strategies:	6.4%	4.4%	7.2%	5.4%	9.6%	12.7%	14.2%	13.7%	13.1%	13.7%	13.5%	
Credit Absolute Return Fund	0.2%	0.2%	0.2%	0.2%	0.5%	0.5%	1.0%	2.0%				
EqS Long/Short Fund	-	-	0.4%	0.4%	0.3%	0.4%	0.4%	0.4%				
Fundamental Advantage Absolute Return Strategy Fund	3.6%	2.0%	1.2%	2.8%	4.1%	2.8%	2.9%	1.5%				
Mortgage Opportunities Fund	-	-	-	-	-	-	0.1%	0.5%				
Unconstrained Bond Fund	2.6%	2.1%	0.4%	2.0%	3.8%	5.3%	6.2%	5.4%				
Worldwide Fundamental Advantage AR Strategy Fund	-	-	-	-	0.8%	3.7%	3.7%	3.9%				
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Source: PIMCO



NEPC, LLC

December 31, 2013

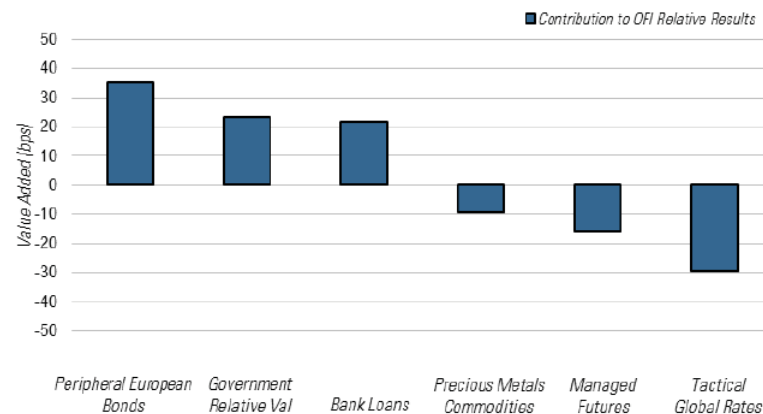
- PIMCO's All Asset Fund uses a Fund of Mutual Funds approach. Investment funds are continuously reallocated between various PIMCO Mutual funds base on strategic allocation decisions made by the advisor to the investment manager. Because both by policy and practice fixed income related securities tend to dominate the All Asset Funds asset allocation, and also because historical risk return measures correlate highly to core fixed income portfolio's. This investment may be categorized as either global asset allocation or core fixed income.
- The underlying funds may at times invest in derivatives. Use of these instruments may involve risks such as liquidity risk, interest rate risk, market risk, credit risk, management risk and the risk that a fund could not close out a position when it would be most advantageous to do so. Portfolios investing in derivatives can lose more than the principal amount invested.
- Shares of mutual funds that invest in Treasuries, TIPS and Government Bonds do not have the same guarantees as direct investments in these securities. Mortgage-backed securities are subject to prepayment risk. With corporate bonds there is no assurance that issuers will meet their obligations. An investment in high-yield securities generally involves greater risk to principal than an investment in higher-rated bonds. Investing in non-U.S. securities may entail risk as a result of non-U.S. economic and political developments, which may be increased when investing in emerging markets.
- No single fund may exceed 50% of the portfolio. There is a maximum exposure of 50% to StocksPLUS, StocksPLUS Total Return and International StocksPLUS TR Strategy Funds combined. There is a maximum exposure of 75% to CommodityRealReturn Strategy, Real Return, Real Return II, Real Return Asset and RealEstateRealReturn Strategy Funds combined.
- Leverage is permitted but is not expected to be used. Possible investment instruments are Stocks, Bonds, Currency, Commodities, Futures, Options, Options on Futures, and Swaps.
- The Fund is expected to outperform the Lehman Brothers U.S. TIPS 1-10 Year Index and CPI + 5% over a market cycle. The PIMCO All Asset Fund is a daily valued commingled fund.

Wellington Opportunistic Fixed Income

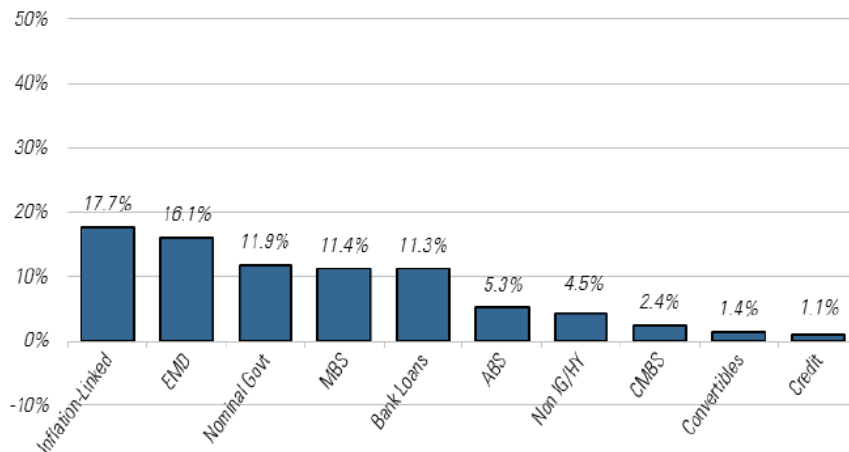
Characteristics

	Barclays Capital Portfolio US Aggregate Bond	
Duration	4.3	5.6
OAS	124	45
YTM	3.2	2.5

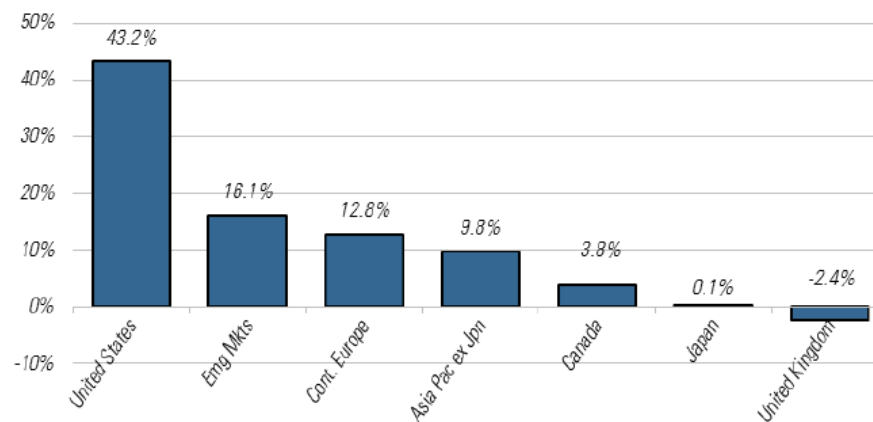
Top Relative Contributors and Detractors



Sector Allocation



Regional Allocation



Source: Wellington

Wellington Opportunistic Emerging Market Debt

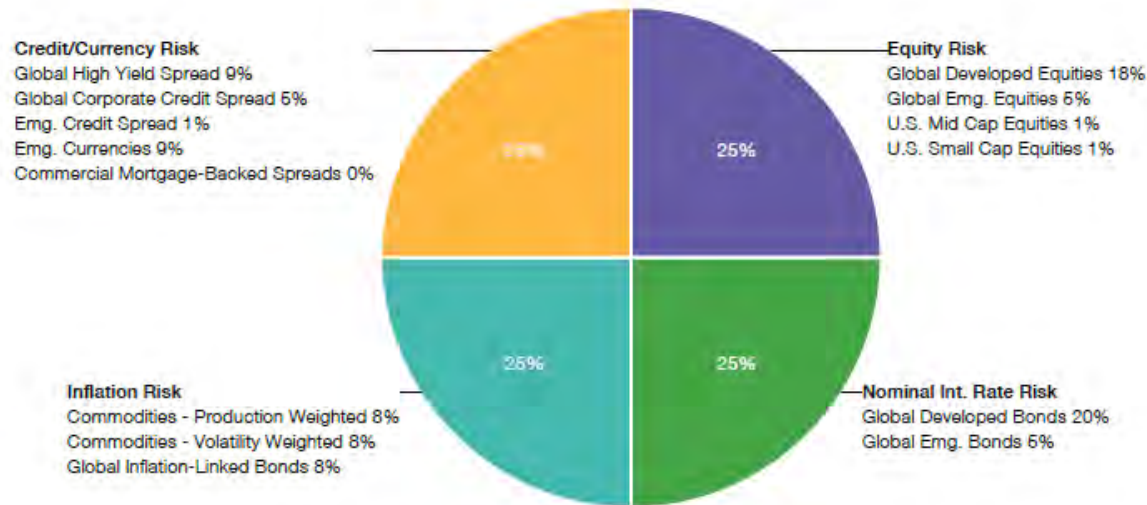
-The Opportunistic Emerging Markets Debt investment approach seeks to generate attractive returns relative to an emerging markets debt benchmark such as the J.P. Morgan Emerging Markets Bond Index Global (EMBI Global), or similar, independent of traditional benchmark constraints.

-Disciplined investment approach that integrates systematic research from both quantitative and fundamental perspective. Risk Management Due to the credit, currency, and local interest rate risks inherent in investing in these markets, and the structural complexity of some emerging markets debt instruments, a comprehensive system of risk controls is required to manage risks such as sovereign and corporate defaults, local currency volatility, and local debt yield curve inversions.

-The investment process begins with a thorough assessment of global economic, liquidity, and market conditions. Wellington combines comprehensive top-down quantitative and macroeconomic analysis with bottom-up sovereign credit research to identify key global factors and to determine the potential impact on emerging markets debt. The resulting market outlook determines the overall risk level of the portfolio.

-Opportunistic Emerging Markets Debt is an unconstrained, best ideas approach that takes advantage of investment opportunities in emerging markets sovereign, corporate, and local markets to generate attractive total returns. It is managed by the same team that has been responsible for the Emerging Markets Debt approach since its inception.

Risk Allocation



Estimated Exposure Breakdown

Long Exposure (% of NAV)	
Equity Risk	
Global Developed Equities	23%
Global Emerging Equities	5%
U.S. Mid Cap Equities	1%
U.S. Small Cap Equities	1%
Total Equity Risk	31%
Nominal Interest Rate Risk	
Global Developed Bonds	98%
Global Emerging Bonds	25%
Total Nominal Interest Rate Risk	123%
Inflation Risk	
Commodities - Production Weighted	14%
Commodities - Volatility Weighted	17%
Global Inflation-Linked Bonds	43%
Total Inflation Risk	75%
Credit/Currency Risk	
Global High Yield Spread	29%
Global Corporate Credit Spread	57%
Emerging Credit Spread	4%
Emerging Currencies	30%
Commercial Mortgage-Backed Spreads	1%
Total Credit/Currency Risk	120%
Total Fund Exposures	349%

Long Exposure (% of NAV)	
Equity Market Exposures	
Americas	18%
Europe	7%
Asia ex-Japan	5%
Japan	2%
Total Equity Market Exposures	31%
Bond Market Exposures - Nominal and Inflation-Linked	
Americas	61%
Europe	67%
Asia	38%
Total Bond Market Exposures	167%
Emerging Currency Exposures	
Asia	7%
Europe	9%
Latin America	9%
Dollar Block ex-U.S.	4%
Total Emerging Currency Exposures	30%

Source: AQR



NEPC, LLC

December 31, 2013

AQR Global Risk Premium Fund

- The AQR Global Risk Premium Fund is equally risk weighted between four major asset classes or risk exposures: equities, interest rates, inflation, and alternative risk exposures - almost entirely spread/credit.
- By diversifying broadly & globally - across the broadest possible set of liquid risk-bearing assets, diversifying risk rather than capital - avoiding risk concentration by sizing broad risk exposures equally, the strategy develops a an efficient portfolio that is likely to outperform traditional asset allocations.
- Individual exposures are implemented through a variety of instruments, including: stock index futures and swaps, bond futures, interest rate swaps, global inflation-linked bonds, currency forwards, credit derivatives, and commodity futures & swaps.
- Implementation decisions include capital usage, liquidity, transaction costs, and counterparty exposure. Since the strategy is levered, there is limited available capital; therefore, derivative instruments such as swaps and futures, will be preferred to physical investment in a market, all else being equal.
- The majority of exposures are accessed synthetically - generally, over 70% of the funds capital is invested in cash funds through SSgA and Dreyfus. These are money market funds meant to preserve capital, not meant to chase a spread above LIBOR as an additional source of return.
- The fund attempts to maintain a healthy liquidity profile, both from a risk management standpoint and in order to fulfill the promise of monthly liquidity to investors.
- Implementation with the most liquid instruments will be preferred and will help in limiting transaction costs.
- Swap agreements and forwards take on counterparty risk. Counterparties are chosen based on analysis from a separate counterparty committee who determine approved counterparties across AQR's, limitations to exposures to each counterparty, as well as presenting AQR's credit worthiness to counterparties. Counterparty exposure is spread across several firms in order to minimize this risk.

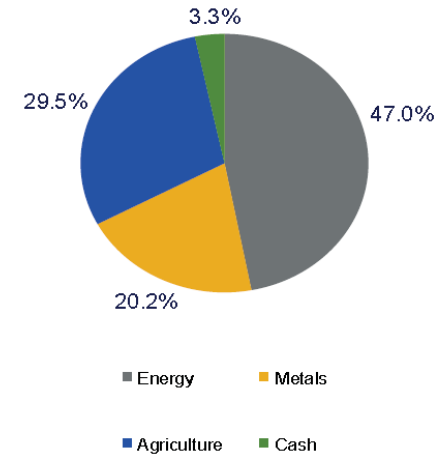
Sector Exposure

Current Exposures as of December 31, 2013

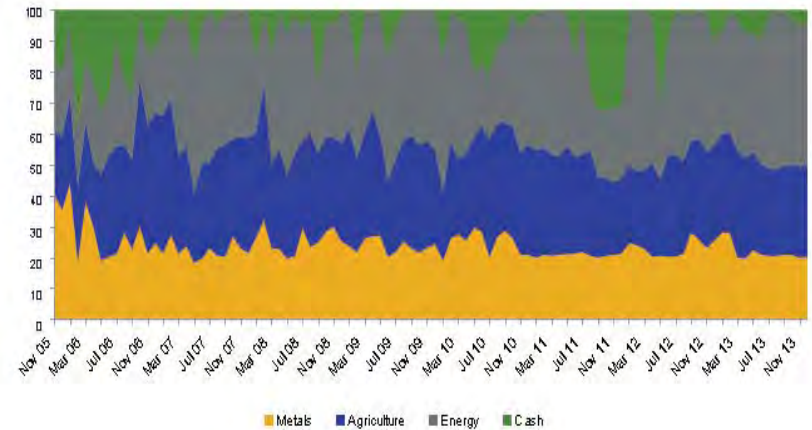
		Futures	Equities	ETF/Swaps	Total Exposure
Energy	47.0%	Crude Oil	28.2		28.2
		Gas Oil	3.0		3.0
		Gasoline	4.5		4.5
		Heating Oil	4.6		4.6
		Natural Gas	5.7	1.0	6.7
		Coal			
Metals	20.2%	Aluminum	4.1		4.1
		Copper	5.1		5.1
		Lead	1.0		1.0
		Nickel	1.2		1.2
		Tin			
		Zinc	1.9		1.9
		Gold	2.9		2.8
		Silver	0.7		0.7
		Palladium			
		Platinum	0.5		0.5
		Corn	3.5		3.5
Grains	7.4%	Oats			
		Rough Rice			
		Wheat	3.9		3.9
Oilseeds	4.4%	Rapeseed			
		Soybeans	3.0		3.0
		Soybean Meal	0.9		0.9
		Soybean Oil	0.5		0.5
Softs	10.2%	Cocoa	2.1	1.2	3.3
		Coffee	3.2		3.2
		Orange Juice			
		Sugar	2.2	1.5	3.7
Livestock	4.5%	Milk			
		Live Cattle	3.5		3.5
		Lean Hogs	1.0		1.0
		Feeder Cattle			
Materials & Fibers	3.0%	Fish			
		Cotton	1.9		1.1
		Lumber			
		Denatured Ethanol			
		Fertilizer			
Cash	3.3%	Rubber			
		Cash			3.3
TOTAL		89.1	1.0	6.6	100.0

Source: Schroder

Current Asset Allocation



Historical Sector Asset Allocation



Schroder Commodities

- The objective of the Schrodgers Commodities strategy is to provide investors with a diversified exposure to the Commodities asset class, through investments in commodity futures and commodity related equities.
- The strategy is a beta or beta-plus product and aims to use active management to exploit the inefficiencies inherent in the asset class.
- Schrodgers uses an active, long-only approach to commodities management. No leverage is used and all futures positions are fully collateralized through investments in T-bills of less than one year maturity. As a result of this policy, cash and cash collateral are not subject to any duration or credit risk.
- The strategy is benchmark unconstrained meaning investments are made based on in-house analysis and implemented when that analysis indicates an attractive risk/reward opportunity. Commodities are not included as a result of their weighting in an index. The focus of Schrodgers' fundamental commodity analysis is the determination of supply and demand and supply/demand balances and most importantly, how these balances may change in the future.
- Quantitative, technical and sentiment analyses support the fundamental analysis in terms of the timing and sizing of positions.
- The investment horizon for the strategy is three to 12 months.
- Schrodgers utilize strict diversification rules. Commodities are reviewed on an ongoing basis. A commodity will not be held unless the fundamental analysis is positive.
- The Schrodgers universe is comprised of over 60 commodities.
- Most exposures are held through futures positions although equities may be purchased; typically whereby a commodity does not have an associated futures contract.

Morgan Stanley Prime Property

-The Sponsor, on behalf of the Prime Property Fund, will endeavor to maintain a diversified investment in core U.S. real estate that offers stable, highly predictable cash flow returns. The focus is on high quality office buildings, Class A multifamily communities, warehouse distribution and storage facilities, and top tier super regional malls and shopping centers in targeted primary markets. The Sponsor favors investing in major metropolitan markets and selectively invests in secondary markets that are expected to achieve above-average economic performance. The Sponsor believes that these cities offer better liquidity, more diverse tenant bases and stronger resilience to market cycles.

-The Sponsor maintains a strong research orientation and utilizes research as a risk mitigation tool. Research is used to assist in market selection, product selection and disposition, and portfolio weightings.

-Although the methodologies used to determine strategies have remained constant over time, the investment strategy guidelines developed for PRIME have been modified from time to time over the past five years to reflect changes in market conditions and future market expectations.

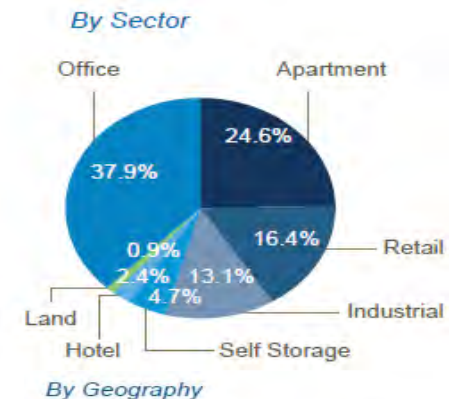
-Employment of these strategies have helped PRIME deliver strong relative returns including outperforming the NFI-ODCE benchmark over the trailing 1-year, 3-year, 5-year and 10-year periods

PROPERTY SECTOR RETURNS (4, 5)

%	Fourth Quarter		
	Income	Appreciation	Total
Office	1.3	2.7	4.0
Retail	1.5	1.1	2.7
Industrial	1.5	1.8	3.2
Self Storage	1.3	3.0	4.3
Apartment	1.0	2.3	3.3
Hotel	1.5	(0.6)	0.9

GEOGRAPHIC REGION RETURNS (4, 5)

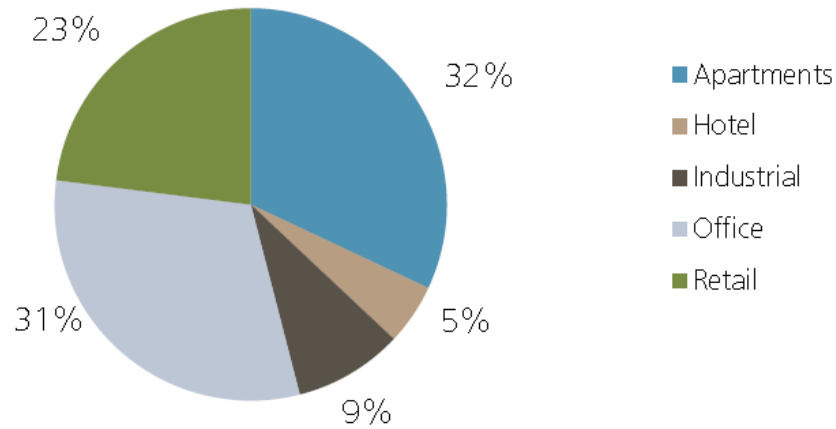
%	Fourth Quarter		
	Income	Appreciation	Total
East	1.5	1.6	3.1
Midwest	1.1	2.5	3.6
South	1.3	1.7	3.0
West	1.1	2.9	4.1



UBS Trumbull Property Fund

The UBS Trumbull Property Fund (UBS-TPF) is an actively managed core portfolio of equity real estate. The Fund seeks to provide attractive returns while limiting downside risk. The Fund has both relative and real return objectives. Its relative performance objective is to outperform the NFI-ODCE index over any given three-to five-year period. The Fund's real return performance objective is to achieve at least a 5% real rate of return (i.e., inflation-adjusted return), before advisory fees, over any given three- to five-year period.

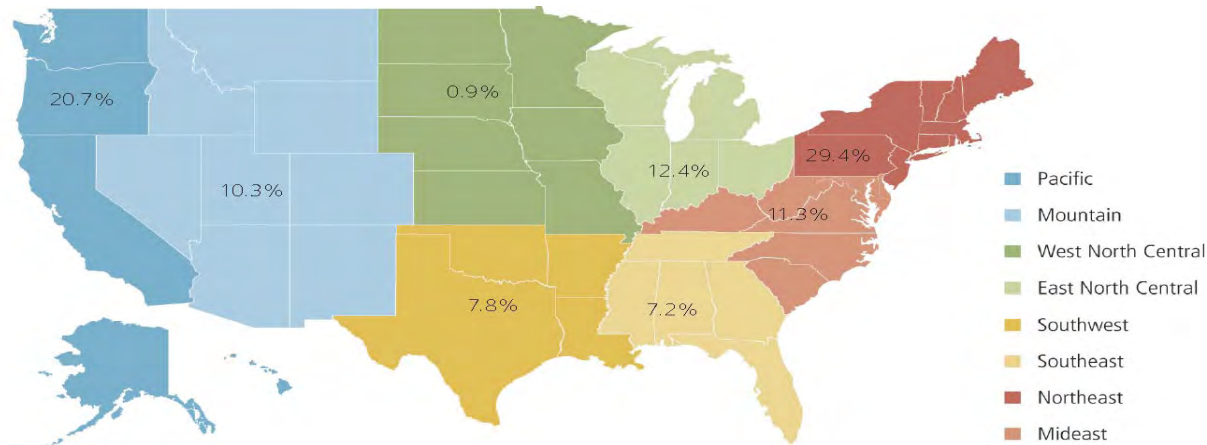
Portfolio Distribution by Property Type



Key Statistics

Gross asset value (GAV)	USD 16.1 bn	Quarterly returns (%)	
Net asset value (NAV)	USD 13.8 bn	Income	1.21
Cash as a % of GAV	2.3%	Appreciation	1.07
Debt as a % of GAV	13.0%	Total (before fees)	2.28
Number of investments	186	Total (after fees)	2.02
Number of investors	399	One-year rolling returns (%)	
Deposits ²	USD 385.4 m	Income	5.13
Redemptions ²	USD 151.2 m	Appreciation	5.12
		Total (before fees)	10.44
		Total (after fees)	9.32

Distribution by Geographic Division



Source: UBS Realty Investors

Real Estate - RREEF America REIT III

RREEF America III is an open-end, value-add fund with the objective of generating returns of 300-500 BPS above a core unlevered real estate portfolio. The fund aims to achieve these returns by upgrading the physical condition, occupancy and operating characteristics of the properties in which it invests. RREEF III will invest across all property types focusing on major metropolitan markets in the United States.

Investment Summary

Net Asset Value ¹	\$785,735,333
Number of Shares Outstanding	16,109,897
Net Asset Value Per Share	\$48.77
Cash Balance of Fund	\$144,525,505
Debt ²	\$575,354,812
Inception Date ³	March 31, 2003
Redemption Shares Outstanding	5,677,232
Institutional Investors	117

See "End Notes", "Performance Notes" and "Important Information" for further information.

Property Information

Diversification/Occupancy

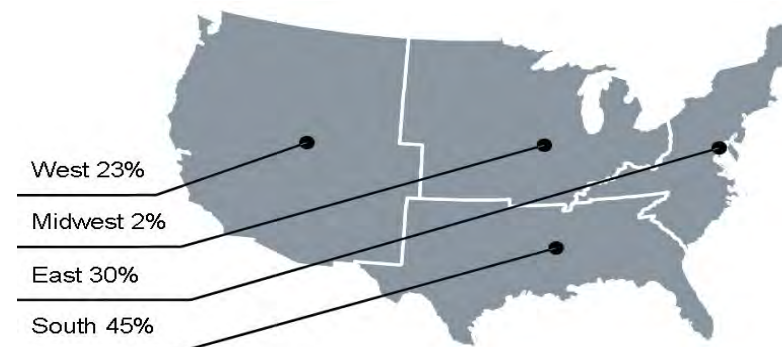
	Real Estate Investments	Gross Real Estate Value (millions)	Percent of Value	Quarter-end Occupancy
Retail	5	\$180.2	15%	90%
Residential	2	147.6	12%	96%
Office	27	589.7	48%	83%
Industrial	17	165.8	13%	80%
Development/Land/Other	7	150.8	12%	N/A
Total	58	\$1,234.1	100%	86%

Note: Property diversification by type and geographic location based on gross real estate value and primary use of assets.

Lease Maturities

	2014	2015	2016	2017	2018+
Office	9%	18%	17%	9%	30%
Industrial	14%	8%	22%	14%	22%
Retail	3%	14%	18%	8%	47%
Total Fund	10%	14%	19%	10%	31%

Geographic Location



¹ The NAV (and accordingly, the Share Price) is calculated based primarily on values from independent appraisals of real estate assets and Management's estimate of Fair Market Value of the Fund's debt obligations and does not purport to present the net realizable, liquidation or fair value of the Fund as a whole. Uncertainty remains in the value of real estate investments. See "Performance Notes" for further information.

² Reflects debt marked to market. Excludes debt held in unconsolidated joint ventures (related to Silicon Valley Portfolio & Domain Joint Ventures).

³ Date of first asset acquisition.

Source: Deutsche Asset and Wealth Management

GAM U.S. Institutional Diversity



GAM U.S. Institutional Diversity

GAM London Limited

Benchmark 1 (BM1): HFRI Fund of Funds Composite Index
 Benchmark 2 (BM2): S&P 500 (TR)

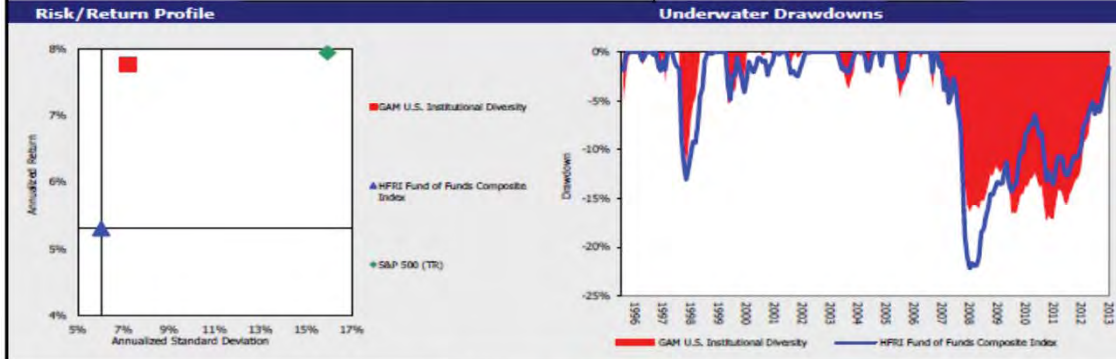
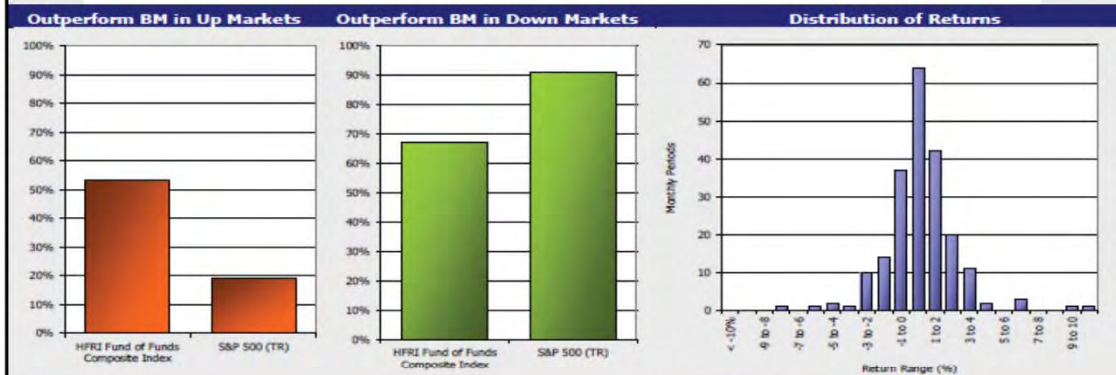
Monthly Performance (%) Net of Fees													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2013	2.8%	0.3%	0.6%	2.0%	2.1%	-1.0%	0.4%	-1.3%	1.9%	0.7%	1.7%	1.6%	12.3%
2012	1.9%	1.6%	0.2%	-0.7%	-1.0%	-0.2%	1.3%	0.5%	0.8%	0.4%	0.3%	1.2%	6.6%
2011	-0.1%	0.9%	0.1%	0.8%	-0.9%	-1.0%	0.4%	-2.4%	-2.0%	0.7%	-0.4%	-0.1%	-4.0%
2010	-0.6%	0.4%	0.8%	-0.1%	-2.5%	-3.3%	0.1%	-0.2%	1.2%	1.1%	0.1%	1.0%	-2.1%
2009	0.8%	0.1%	-0.1%	-0.4%	1.1%	-0.2%	0.9%	1.1%	1.3%	-0.3%	1.1%	-0.1%	5.4%
2008	-2.1%	1.0%	-2.2%	-0.1%	0.9%	-0.4%	-1.8%	-1.2%	-4.7%	-2.5%	-2.1%	-0.9%	-15.0%
2007	0.1%	2.6%	-0.6%	2.2%	1.3%	1.1%	-0.7%	-3.0%	2.4%	2.6%	-1.8%	0.2%	6.4%
2006	3.8%	1.3%	1.3%	3.5%	-2.7%	-1.9%	1.2%	0.5%	0.6%	2.4%	1.6%	3.1%	15.3%
2005	-0.4%	1.4%	-0.8%	-0.9%	-0.6%	1.4%	1.4%	1.0%	1.8%	-1.4%	2.9%	2.9%	9.1%
2004	2.0%	0.6%	0.2%	0.1%	-2.0%	-0.1%	-1.2%	-0.4%	1.0%	0.6%	2.7%	1.4%	4.8%

Statistical Analysis			
	Fund	BM1	BM2
Returns			
Annualized Compound ROR	7.8%	5.3%	7.9%
3 Yr Return	4.7%	2.4%	16.2%
5 Yr Return	3.5%	4.8%	17.9%
Best Month	10.2%	6.9%	10.9%
Worst Month	-7.9%	-7.5%	-16.8%
% Positive Months	68.6%	65.2%	62.9%

Risk			
Standard Deviation	7.2%	6.0%	15.9%
3 Yr Standard Deviation	4.1%	4.1%	12.1%
5 Yr Standard Deviation	4.0%	4.2%	15.8%
Sharpe Ratio (3.5%)	0.6	0.3	0.3
Sortino Ratio (7.0%)	0.2	-0.3	0.1
Downside Deviation (7.0%)	4.7%	4.8%	11.8%
Max Drawdown	-17.3%	-22.2%	-50.9%
Months In Maximum Drawdown	47	14	16
Months To Recover			37

Comparison To Benchmark(s)			
Monthly Alpha		0.2%	0.5%
Annualized Alpha		2.2%	6.2%
Beta		1.0	0.2
Correlation		0.9	0.4
R-Squared		75.5%	18.7%

Annual Returns			
2013-(YTD)	12.3%	8.7%	32.4%
2012	6.6%	4.8%	16.0%
2011	-4.0%	-5.7%	2.1%
2010	-2.1%	5.7%	15.1%
2009	5.4%	11.5%	26.5%
2008	-15.0%	-21.4%	-37.0%



Latest Returns			
Last Month	1.6%	1.1%	2.5%
Last 3 Months	4.0%	3.4%	10.5%
Last Year	12.3%	8.7%	32.4%
2-Year	9.4%	6.7%	23.9%
3-Year	4.7%	2.4%	16.2%
4-Year	3.0%	3.2%	15.9%
5-Year	3.5%	4.8%	17.9%

Drawdown Analysis			
1	-17.3%	-22.2%	-50.9%
2	-11.8%	-13.1%	-44.7%
3	-5.2%	-4.9%	-15.4%
4	-4.9%	-2.7%	-6.8%
5	-4.6%	-2.5%	-6.6%

Past Performance is not indicative of future results. Ratios are calculated based on a risk-free rate of 3.6%. Actual ratios may vary depending on the actual risk-free rate and life of the fund

GAM U.S. Institutional Diversity

-The GAM Diversity strategy aims seeks to achieve absolute returns with diversification of risk and low correlation to traditional asset classes such as equities and bonds. GAM strategy targets net returns of 9-13% net per annum with 5-7% volatility and 0.2-0.6 correlation to the S&P 500 and 0.0-0.2 correlation to the Barclays Capital US Aggregate Bond Index.

-The GAM portfolio construction process combines the structural discipline of clear return and risk targets with the bottom-up assessment of opportunity and risk across markets and strategies within a unified portfolio construction framework. GAM would not deviate from the portfolio construction process unless GAM felt the returns and risk characteristics being generated were not meeting GAM's expectations. If this were to happen GAM would take steps to reevaluate the process and make adjustments.

-Asset allocation for GAM Multi-Manager's portfolios allows each investment manager to draw on the synthesized views of the specialist investment teams and apply them to his or her own portfolios as appropriate. The views of the specialist investment teams are formed and captured on a quarterly basis, when all senior Multi-Manager investment managers gather for the three-day Quarterly Investment Meeting (QIM). The purpose of the QIM is to review formally the prior quarter's investment results, assess opportunities and consider changes to strategic and tactical views.

Vermont Pension Investment Committee
Grosvenor Institutional Partners, LP



Grosvenor Institutional Partners, LP
 Grosvenor Capital Management, LP

Benchmark 1 (BM1): HFRI Fund of Funds Composite Index
 Benchmark 2 (BM2): S&P 500 (TR)

Monthly Performance (%) Net of Fees													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2013	2.6%	0.6%	1.4%	0.8%	1.7%	-0.6%	1.7%	0.2%	1.7%	1.3%	1.6%	1.0%	15.0%
2012	1.6%	1.8%	0.9%	-0.1%	-1.4%	0.4%	0.8%	1.2%	0.8%	0.5%	0.7%	1.2%	8.6%
2011	0.9%	1.0%	0.0%	0.9%	-0.1%	-1.1%	-0.2%	-2.8%	-2.7%	1.7%	-0.7%	-0.6%	-3.7%
2010	0.7%	0.3%	1.6%	0.8%	-1.8%	-0.9%	0.7%	0.2%	1.7%	1.2%	0.5%	1.5%	6.5%
2009	1.2%	0.0%	-0.6%	0.1%	2.7%	0.9%	2.2%	1.8%	2.3%	0.7%	1.0%	1.0%	13.9%
2008	-2.4%	1.3%	-1.8%	0.2%	1.5%	-0.7%	-2.0%	-1.3%	-6.9%	-5.3%	-3.2%	-2.3%	-20.9%
2007	1.7%	0.8%	1.4%	1.4%	2.3%	0.4%	0.8%	-2.1%	1.2%	2.7%	-0.6%	0.5%	10.7%
2006	1.9%	0.4%	1.5%	1.1%	-0.9%	-0.6%	0.0%	0.8%	0.5%	1.3%	1.7%	1.4%	9.4%
2005	0.2%	1.2%	-0.3%	-1.0%	0.4%	1.2%	1.3%	0.9%	1.0%	-1.2%	1.3%	1.6%	6.8%
2004	1.5%	0.8%	0.4%	0.2%	-0.6%	0.1%	-0.5%	0.3%	0.8%	0.6%	1.8%	1.5%	6.9%

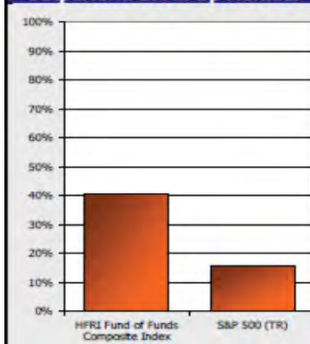
Statistical Analysis			
	Fund	BM1	BM2
Returns			
Annualized Compound ROR	6.0%	3.8%	3.6%
3 Yr Return	6.4%	2.4%	16.2%
5 Yr Return	7.9%	4.8%	17.9%
Best Month	2.7%	5.2%	10.9%
Worst Month	-6.9%	-6.5%	-16.8%
% Positive Months	78.6%	64.9%	61.3%

Risk			
Standard Deviation	4.5%	5.3%	15.6%
3 Yr Standard Deviation	4.2%	4.1%	12.1%
5 Yr Standard Deviation	3.9%	4.2%	15.8%
Sharpe Ratio (3.5%)	0.6	0.1	0.1
Sortino Ratio (7.0%)	-0.2	-0.7	-0.3
Downside Deviation (7.0%)	3.9%	4.6%	12.1%
Max Drawdown	-21.0%	-22.2%	-50.9%
Months In Maximum Drawdown	14	14	16
Months To Recover	48		37

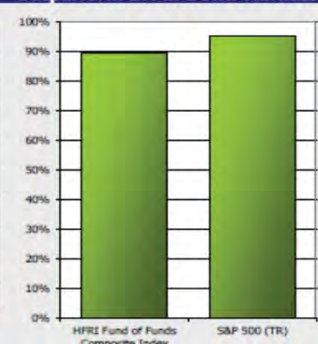
Comparison To Benchmark(s)			
Monthly Alpha		0.3%	0.4%
Annualized Alpha		3.2%	5.4%
Beta		0.7	0.1
Correlation		0.9	0.5
R-Squared		73.0%	25.6%

Annual Returns			
2013-(YTD)	15.0%	8.7%	32.4%
2012	8.6%	4.8%	16.0%
2011	-3.7%	-5.7%	2.1%
2010	6.5%	5.7%	15.1%
2009	13.9%	11.5%	26.5%
2008	-20.9%	-21.4%	-37.0%

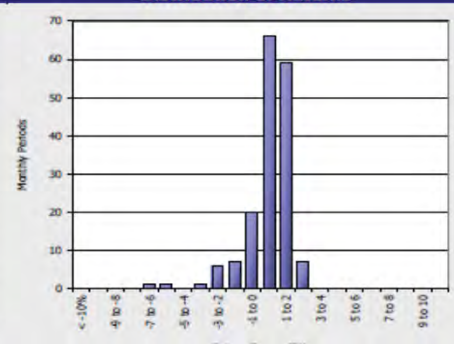
Outperform BM in Up Markets



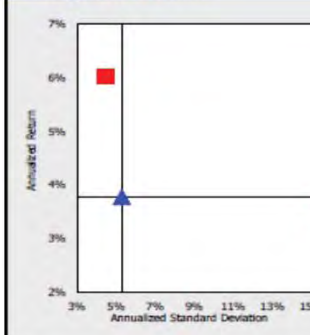
Outperform BM in Down Markets



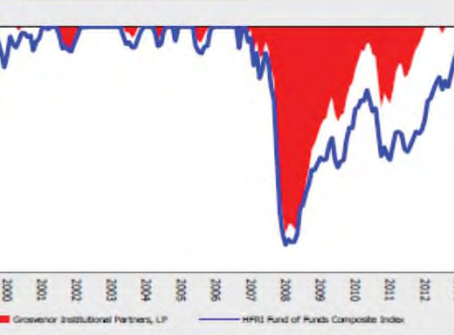
Distribution of Returns



Risk/Return Profile



Underwater Drawdowns



Latest Returns

	Fund	BM1	BM2
Last Month	1.0%	1.1%	2.5%
Last 3 Months	4.0%	3.4%	10.5%
Last Year	15.0%	8.7%	32.4%
2-Year	11.8%	6.7%	23.9%
3-Year	6.4%	2.4%	16.2%
4-Year	6.4%	3.2%	15.9%
5-Year	7.9%	4.8%	17.9%

Drawdown Analysis			
1	-21.0%	-22.2%	-50.9%
2	-2.4%	-4.9%	-44.7%
3	-2.1%	-2.7%	-6.8%
4	-1.5%	-2.5%	-6.6%
5	-1.2%	-2.2%	-5.0%

Past Performance is not indicative of future results. Ratios are calculated based on a risk-free rate of 3.6% Actual ratios may vary depending on the actual risk-free rate and life of the fund

Grosvenor Institutional Partners, LP

-Generating consistent returns with low volatility and avoiding capital losses and headline risk, is the overall investment philosophy duly embedded in the business ethos of the firm. In enacting this philosophy, Grosvenor consciously pursues proven fundamentally driven strategies that are relatively liquid and have historically maintained a low correlation to traditional markets. However, Grosvenor avoids Macro/CTAs and some leveraged strategies. Low correlation and low volatility would necessarily imply a low equity beta (currently 0.2) Returns are targeted at T bills +5-10% with volatility in 6-7% range. It fears posting mediocre returns of 2-3% suggesting that Grosvenor values top line performance as much as managing volatility.

-Broadly speaking, the GIP portfolio can be visualized as 45% Long/Short equity, 40% fixed income and 15% opportunistic. Currently, the strategy allocation stands as: Equity Hedge 44%, Long/Short credit (incl. structured credit and distressed) 32%, Relative Value/Arbitrage 7%, Risk Arbitrage & Diversified Event 6%, Macro-oriented/vol. arbitrage and tail risk strategies 3%, Cash 8%.

-Grosvenor follows a conventional portfolio construction process which begins by setting investment objectives -returns, volatility and correlation estimates- and strategy constraints and manager limits. Concurrently, the investment committee outlines its broad investment themes in the context of a bigger opportunity set.

Vermont Pension Investment Committee
 Permal Fixed Income Holdings N.V.



Permal Fixed Income Holdings N.V.
 Permal Group Ltd.

Benchmark 1 (BM1): HFRI Fund of Funds Composite Index
 Benchmark 2 (BM2): S&P 500 (TR)

Monthly Performance (%) Net of Fees													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2013	2.6%	0.4%	1.7%	1.2%	1.6%	-2.0%	1.4%	-0.8%	1.5%	1.5%	1.4%	1.3%	12.4%
2012	2.3%	2.0%	0.1%	-0.2%	-1.1%	0.1%	1.2%	0.9%	1.5%	0.8%	0.2%	1.8%	10.2%
2011	1.4%	1.3%	0.1%	1.2%	-0.2%	-1.4%	0.3%	-3.0%	-4.0%	1.9%	-0.9%	-1.0%	-4.5%
2010	1.2%	0.7%	2.4%	2.1%	-2.3%	-0.7%	1.0%	0.4%	1.9%	2.1%	0.1%	2.2%	11.5%
2009	1.1%	-0.8%	0.5%	2.8%	5.5%	2.9%	3.3%	2.9%	2.9%	1.2%	1.4%	2.0%	28.6%
2008	-0.7%	0.2%	-1.0%	0.5%	0.8%	0.3%	-1.8%	-1.1%	-4.0%	-7.4%	-2.8%	-2.0%	-17.5%
2007	1.5%	1.4%	0.6%	1.5%	0.9%	0.4%	0.7%	-1.8%	1.8%	2.2%	0.1%	0.0%	9.6%
2006	2.3%	0.6%	1.0%	1.9%	-0.8%	-0.2%	0.7%	0.7%	0.3%	1.5%	1.4%	1.6%	11.6%
2005	-0.2%	1.4%	-0.6%	-0.4%	0.4%	1.7%	1.4%	1.3%	1.4%	-1.0%	1.7%	1.5%	8.8%
2004	1.3%	0.8%	0.9%	-1.4%	-0.7%	1.0%	0.2%	1.2%	1.4%	1.5%	2.5%	1.5%	10.6%

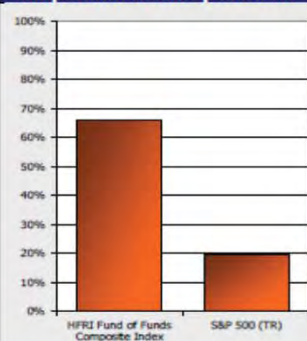
Statistical Analysis	Fund	BM1	BM2
Returns			
Annualized Compound ROR	7.5%	5.1%	7.5%
3 Yr Return	5.7%	2.4%	16.2%
5 Yr Return	11.1%	4.8%	17.9%
Best Month	5.9%	6.9%	10.9%
Worst Month	-27.9%	-7.5%	-16.8%
% Positive Months	73.5%	64.7%	62.7%

Risk	Fund	BM1	BM2
Standard Deviation	9.4%	6.1%	16.0%
3 Yr Standard Deviation	5.1%	4.1%	12.1%
5 Yr Standard Deviation	5.5%	4.2%	15.8%
Sharpe Ratio (3.5%)	0.5	0.3	0.3
Sortino Ratio (7.0%)	0.1	-0.4	0.0
Downside Deviation (7.0%)	8.3%	4.8%	11.9%
Max Drawdown	-36.8%	-22.2%	-50.9%
Months In Maximum Drawdown	5	14	16
Months To Recover	33		37

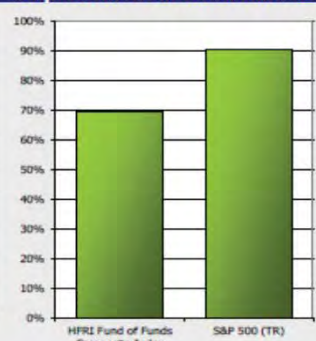
Comparison To Benchmark(s)	Fund	BM1	BM2
Monthly Alpha		0.1%	0.4%
Annualized Alpha		1.8%	5.4%
Beta		1.1	0.3
Correlation		0.7	0.5
R-Squared		54.9%	23.4%

Annual Returns	Fund	BM1	BM2
2013-(YTD)	12.4%	8.7%	32.4%
2012	10.2%	4.8%	16.0%
2011	-4.5%	-5.7%	2.1%
2010	11.5%	5.7%	15.1%
2009	28.6%	11.5%	26.5%
2008	-17.5%	-21.4%	-37.0%

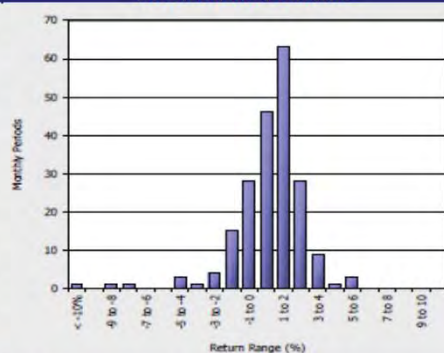
Outperform BM in Up Markets



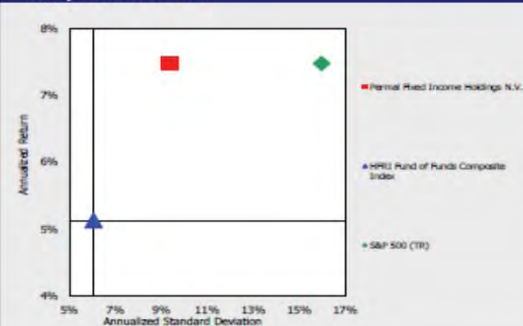
Outperform BM in Down Markets



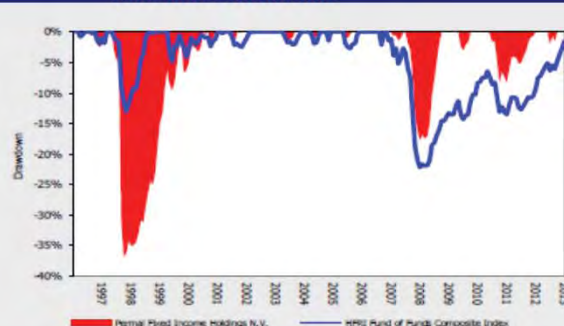
Distribution of Returns



Risk/Return Profile



Underwater Drawdowns



Latest Returns

Latest Returns	Fund	BM1	BM2
Last Month	1.3%	1.1%	2.5%
Last 3 Months	4.3%	3.4%	10.5%
Last Year	12.4%	8.7%	32.4%
2-Year	11.3%	6.7%	23.9%
3-Year	5.7%	2.4%	16.2%
4-Year	7.2%	3.2%	15.9%
5-Year	11.1%	4.8%	17.9%

Drawdown Analysis

Drawdown Analysis	Fund	BM1	BM2
1	-36.8%	-22.2%	-50.9%
2	-17.7%	-13.1%	-44.7%
3	-8.2%	-4.9%	-15.4%
4	-3.0%	-2.7%	-6.8%
5	-2.5%	-2.5%	-6.6%

Past Performance is not indicative of future results. Ratios are calculated based on a risk-free rate of 3.6%. Actual ratios may vary depending on the actual risk-free rate and life of the fund

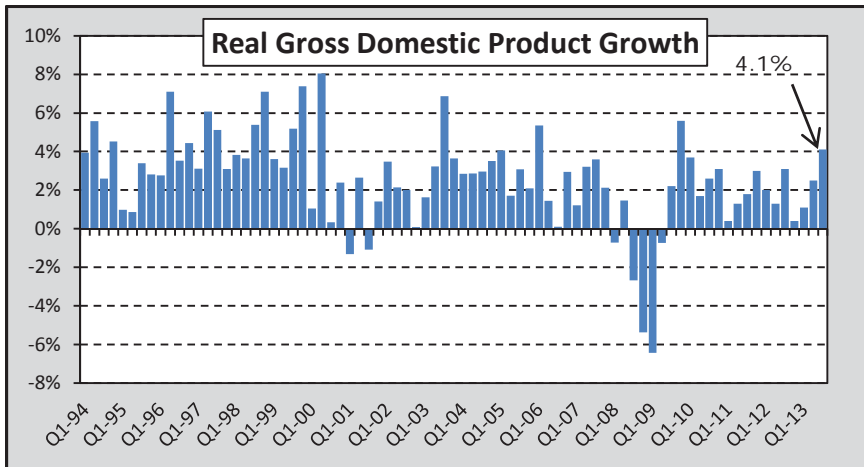
Permal Fixed Income Holdings

-PFIH is a global, multi-manager, multi-strategy diversified fixed income portfolio. Assets are invested in both credit (57%) and non-credit (41%) spread related strategies. Strategies in the credit spread portion are Developed Markets Fixed Income, Emerging Markets Fixed Income, and Hedged Fixed Income (managers that employ short positions). Strategies in the non-credit portion are Relative Value Arbitrage, Event-Driven, and Global Macro.

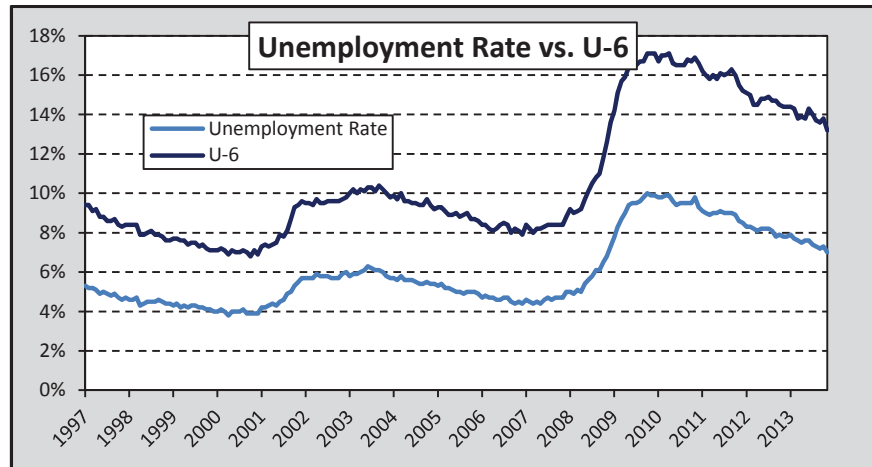
-The objective of PFIH is to deliver returns of 8-12% returns with 5-7% volatility. The fund typically invests with about 55-65 managers. Turnover is about 15%/year. This is lower (about 10%) within the group of established managers, and higher (30-35%) among new managers. Three of Permal's overriding philosophies are start small, diversify, and focus time and effort on existing positions.

Appendix

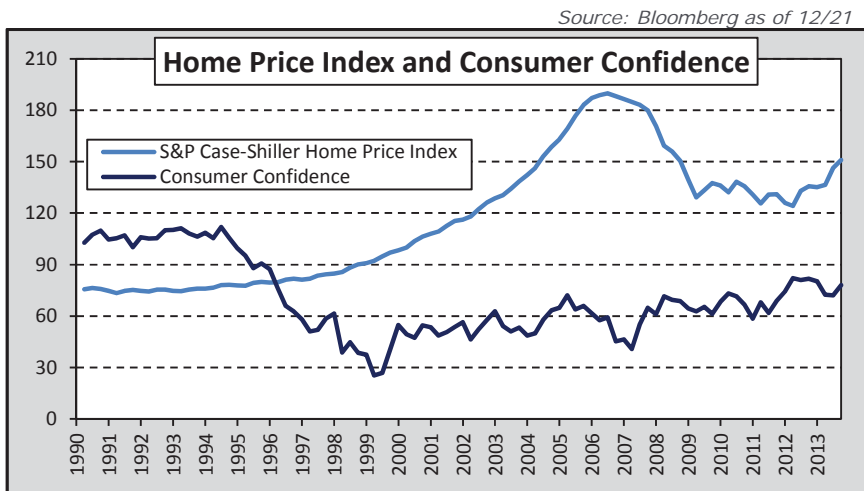
US Economic Environment



GDP growth was revised upwards for the third quarter, to 4.1%

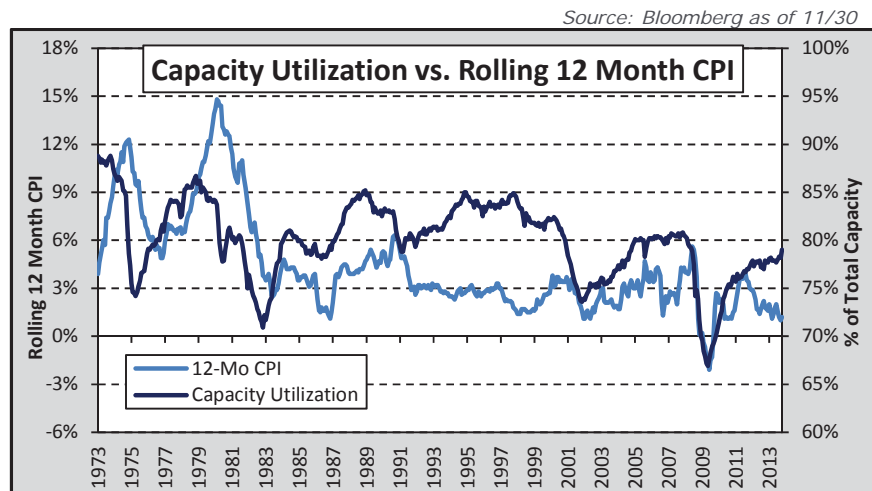


Unemployment fell slightly to 7.0% in November; U-6 also decreased, to 13.2%



Consumer confidence rose to 78.1 in December; the Case-Shiller home price index (as of 9/30) rose to its highest level (150.92) since the financial crisis

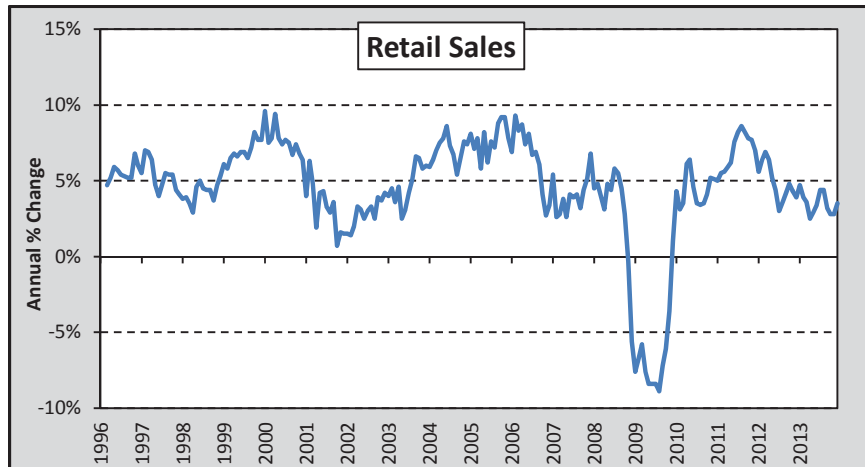
Source: Bloomberg as of 12/31



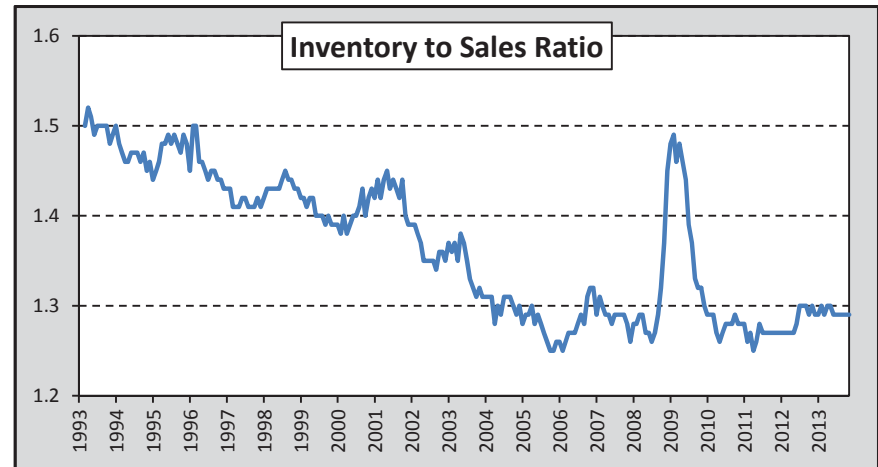
Rolling 12 month CPI increased to 1.2% at November end; capacity utilization rose slightly to 79.0% in the month

Source: Bloomberg as of 11/30

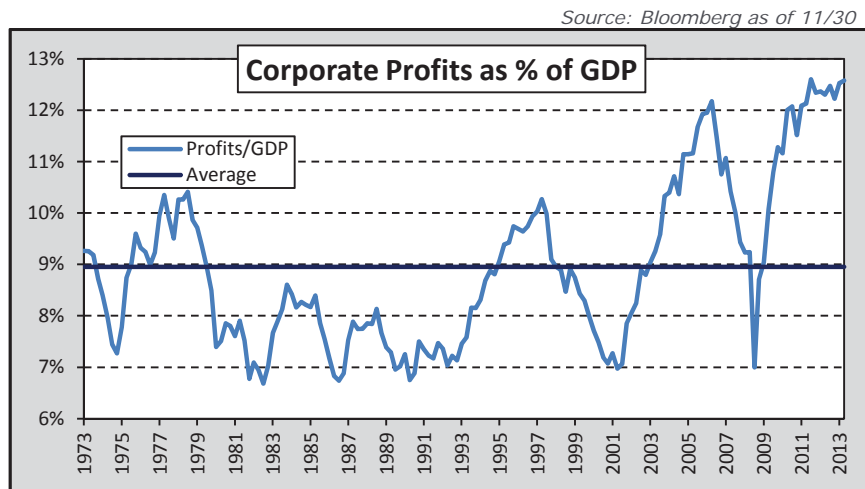
Components of GDP



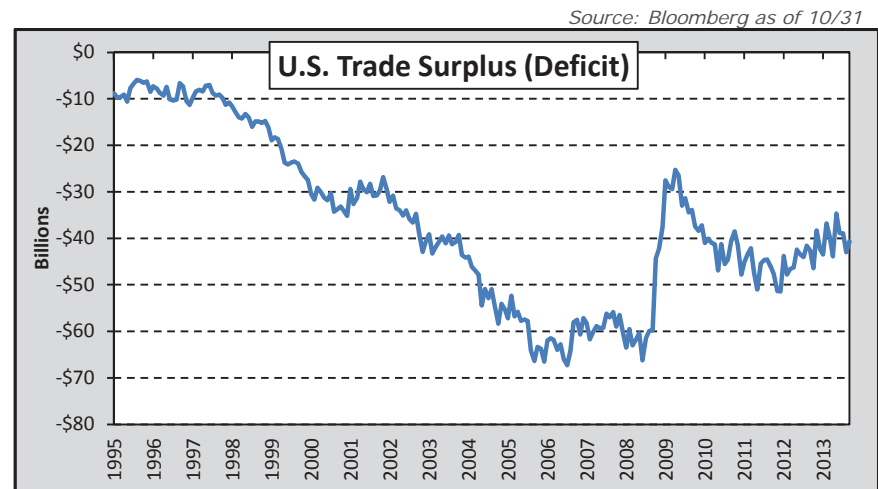
Retail sales rose to a 3.5% year-over-year growth rate in November



The inventory-to-sales ratio has remained mostly flat since early 2010 and closed at 1.29 in October



Corporate Profits as a percent of GDP remained near secular highs at 12.6% at Q3 end

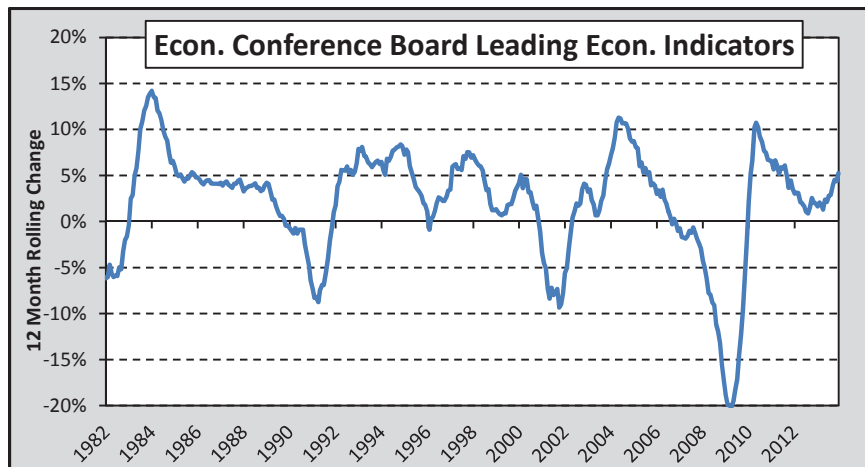


The trade deficit decreased marginally in October

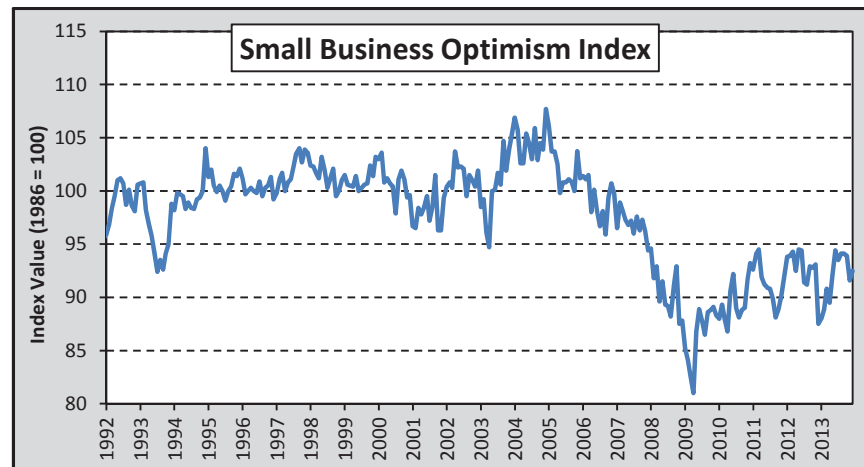
Source: Bloomberg as of 9/30

Source: Bloomberg as of 10/31

Key Economic Indicators



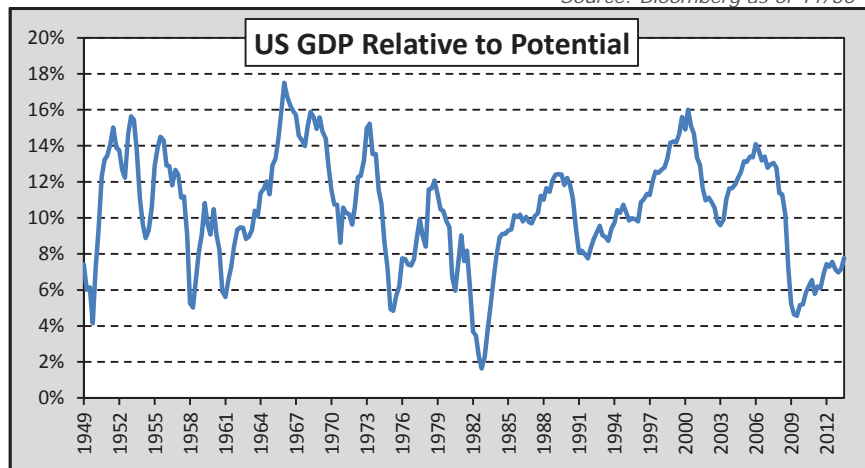
The rolling percentage change in the Leading Economic Indicators index increased to 5.3% through November



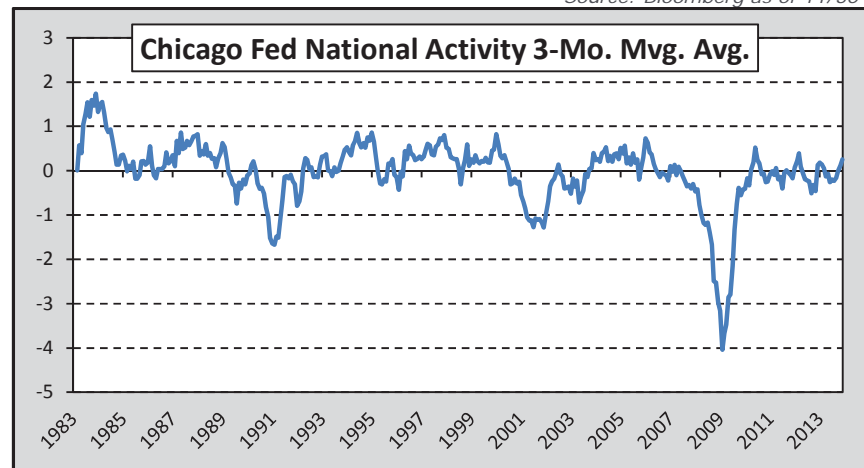
The small business optimism index increased marginally to 92.5 through November, up from 88.0 at year end

Source: Bloomberg as of 11/30

Source: Bloomberg as of 11/30



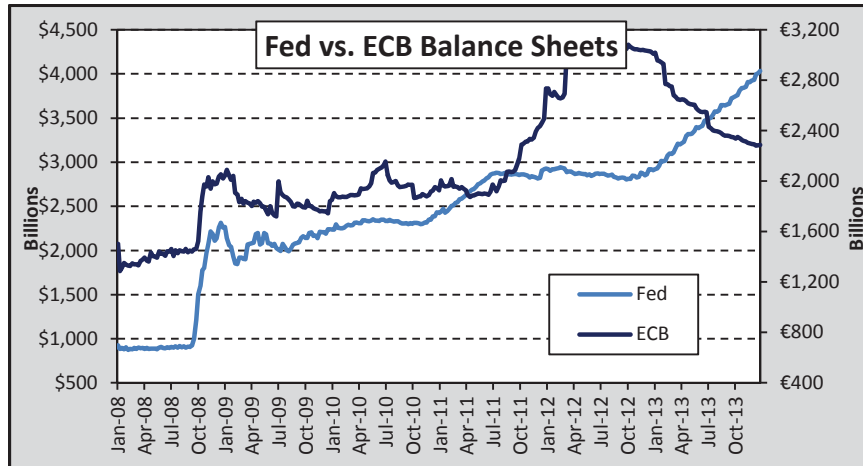
US GDP relative to potential GDP rose slightly through Q2 but remained near historic lows



Chicago Fed National Activity 3 Month moving average remained positive through November; indicating above average growth

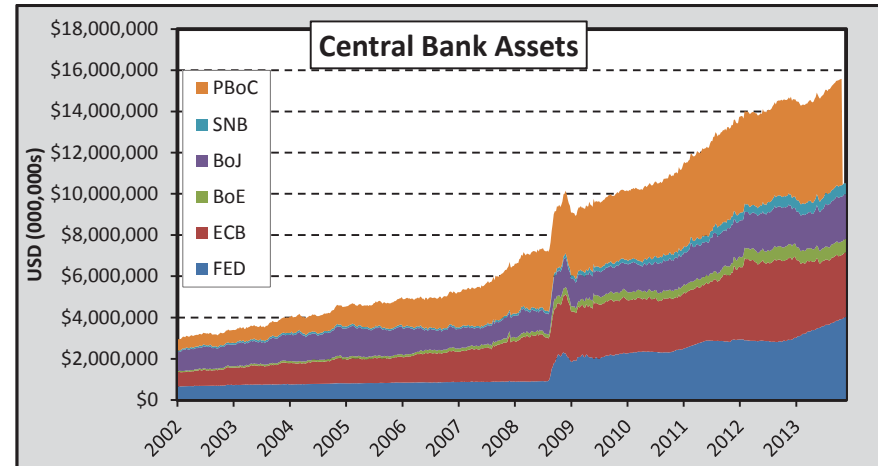
Source: Bureau of Economic Analysis, Congressional Budget Office as of 7/1

Source: Bloomberg as of 11/30



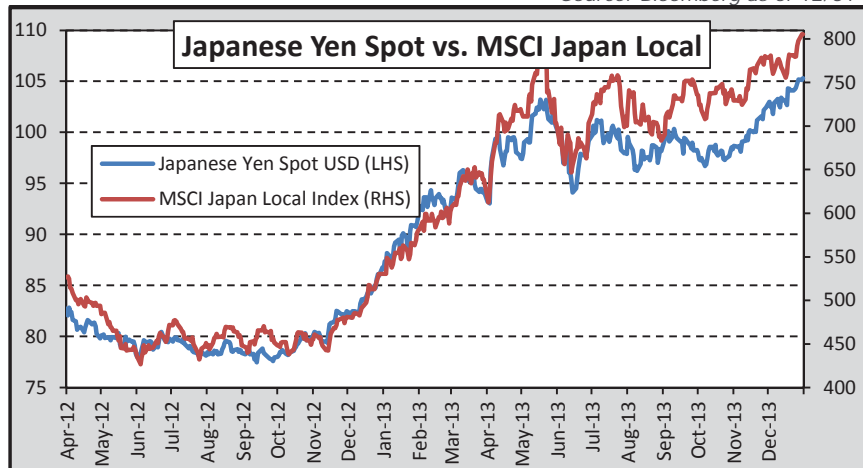
Federal Reserve Bank balance sheets have increased in 2013 while European Central Bank balance sheets have decreased significantly

Source: Bloomberg as of 12/31



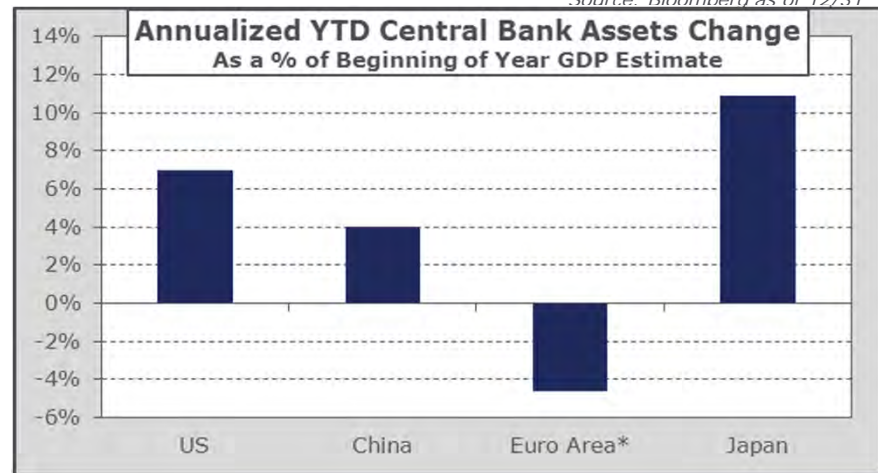
Central bank assets worldwide have risen significantly since 2008

Source: Bloomberg as of 12/31



The Japanese Yen has weakened 21.4% relative to the US dollar in 2013; while the MSCI Japan TR Net Local Index returned 54.6%

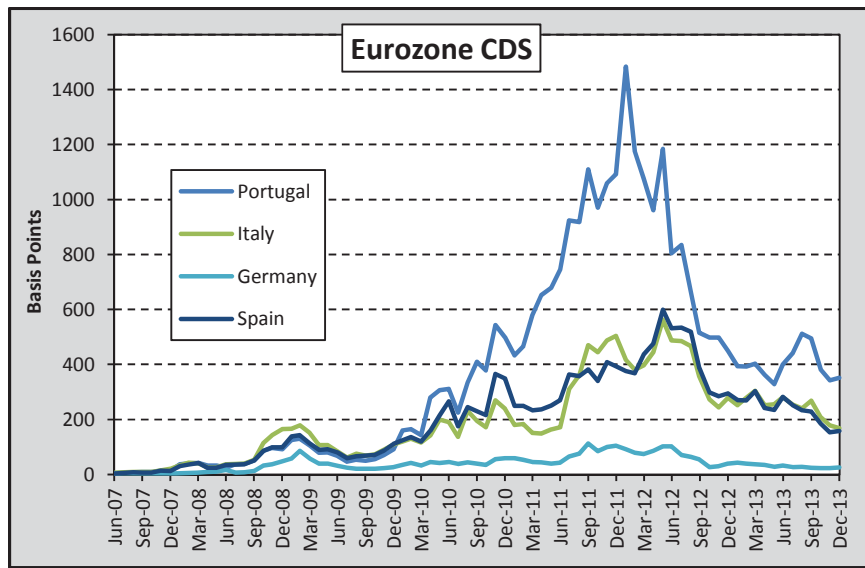
Source: Bloomberg as of 12/31



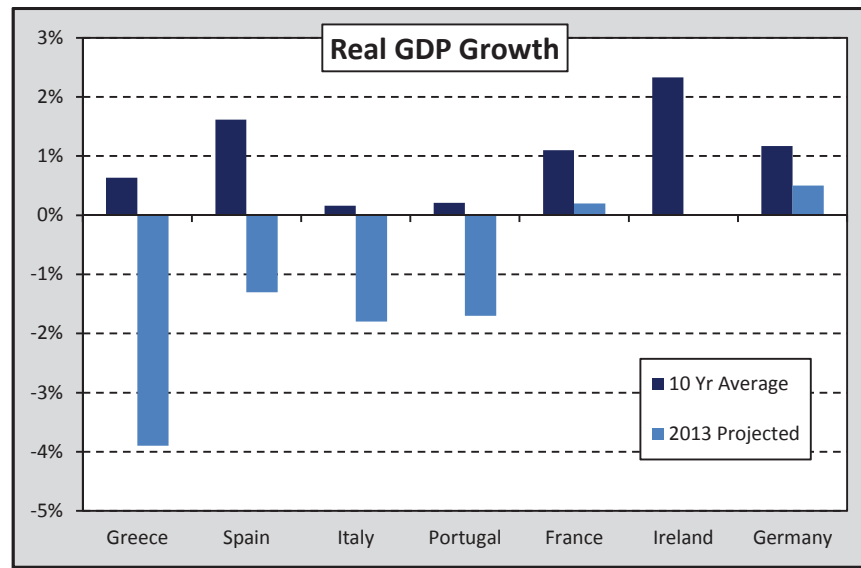
Large economies continue easing, Japan to the extreme, while the ECB tightens

Source: Bloomberg as of 9/30; All calculations converted to USD *GDP figure reflects World Bank Euro Area GDP

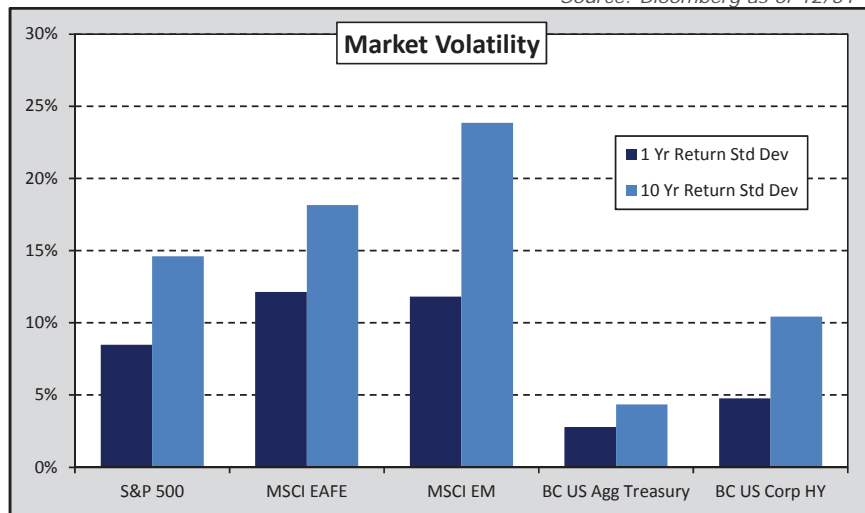
Looming Macro Uncertainties



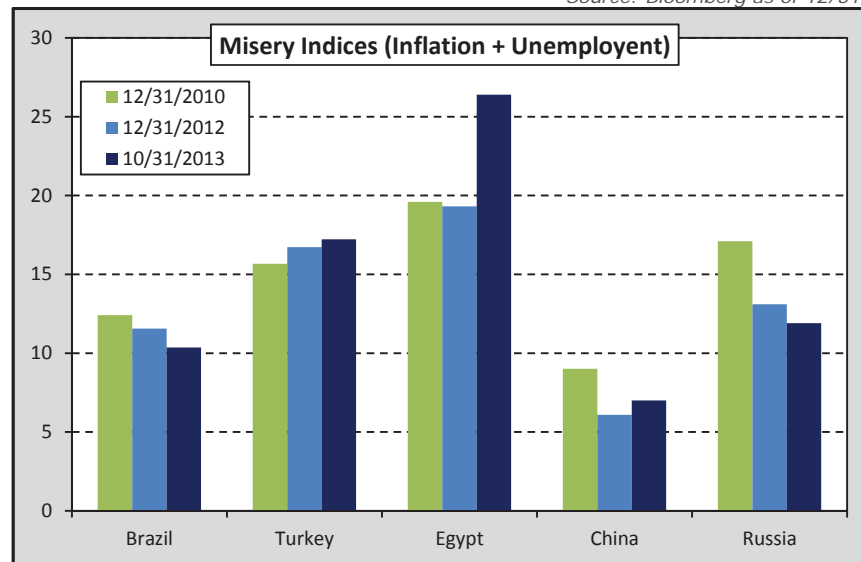
Source: Bloomberg as of 12/31



Source: Bloomberg as of 12/31

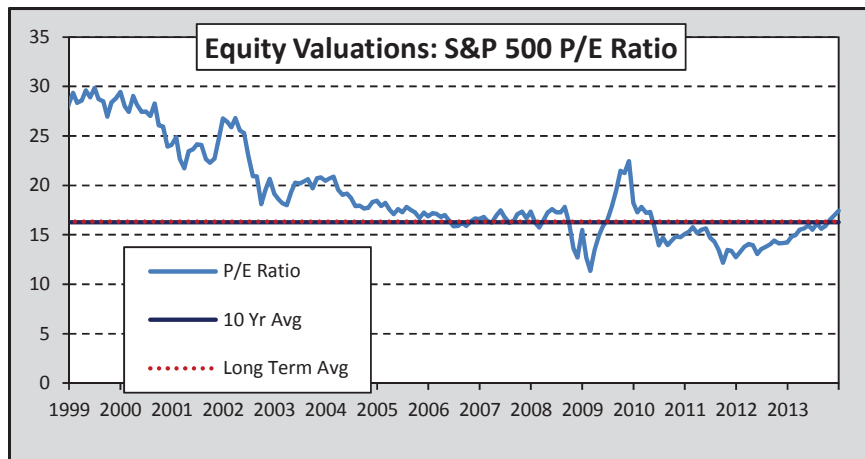


Source: Morningstar as of 12/31



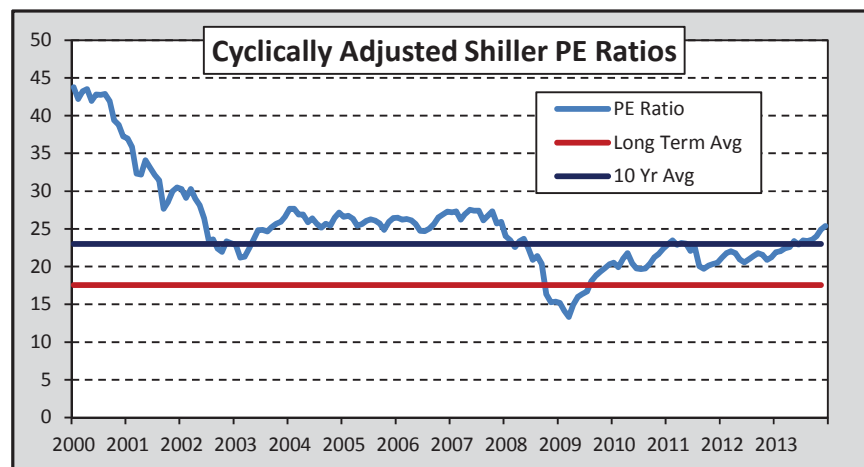
Source: Bloomberg as of 12/31

Market Environment – US Equity



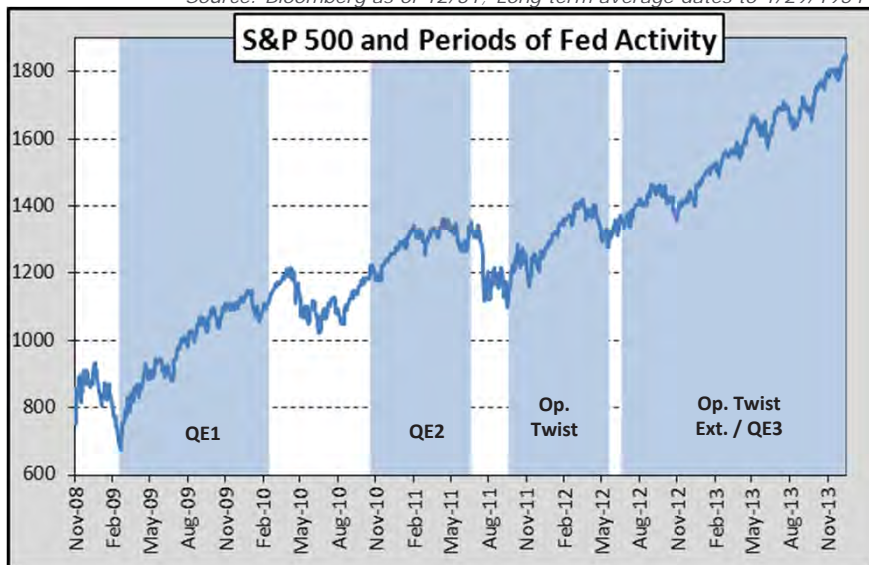
S&P valuations rose in December remaining above the 10 year and long term averages, which are nearly equal at about 16.35...

Source: Bloomberg as of 12/31; Long term average dates to 1/29/1954

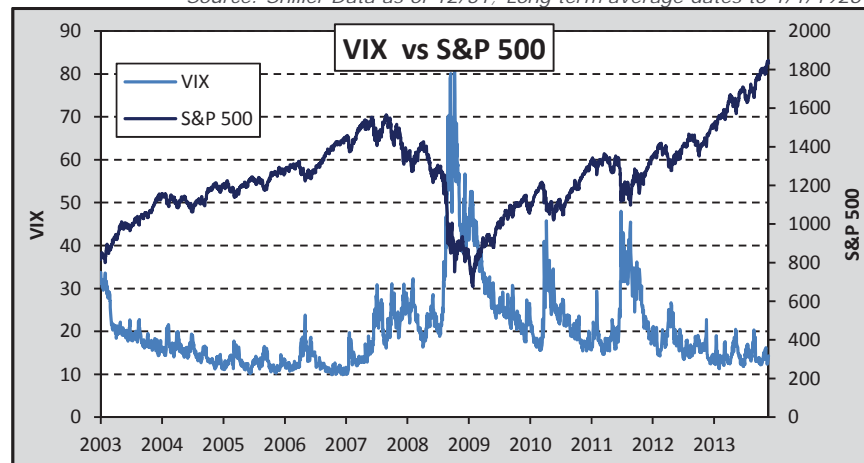


...The cyclically adjusted Shiller PE Ratio however is above the long term average of 17.55 and slightly above the 10 year average of 23.04

Source: Shiller Data as of 12/31; Long term average dates to 1/1/1926



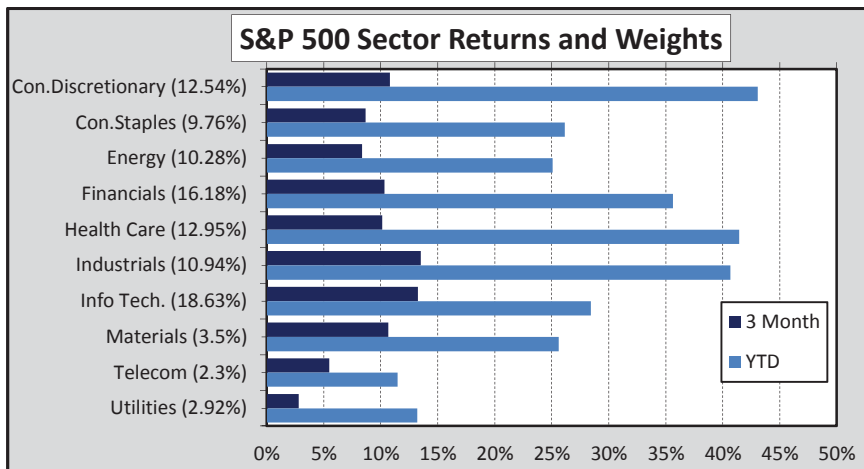
Source: Bloomberg as of 12/31



The VIX rose 0.1% in December; the S&P 500 rose 2.5% on the month

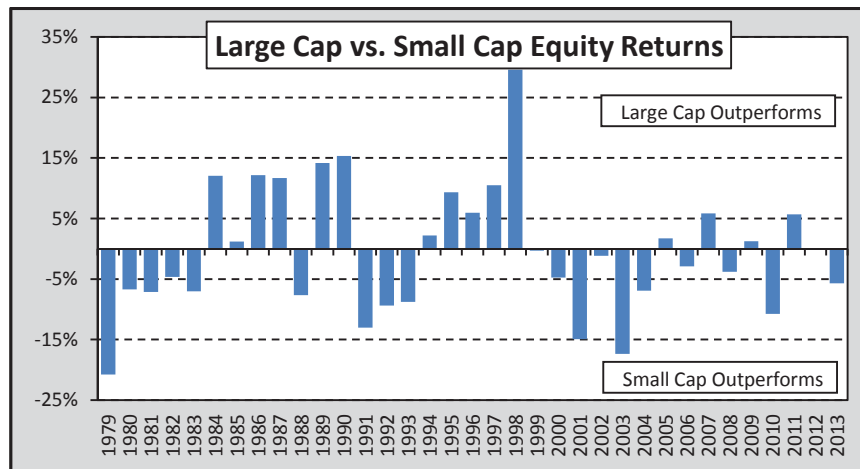
Source: Bloomberg as of 12/31

US Stock Market Performance



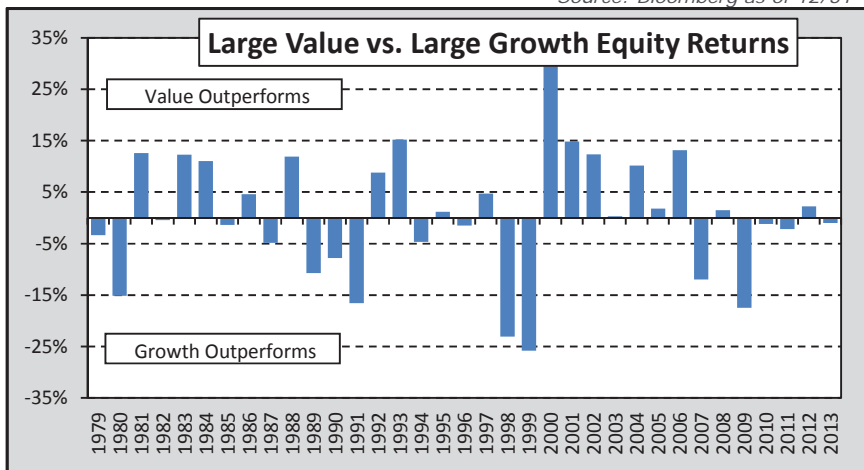
Industrials and Consumer Discretionary have led all sectors YTD as telecom and utilities lagged in December but are still positive on the year

Source: Bloomberg as of 12/31



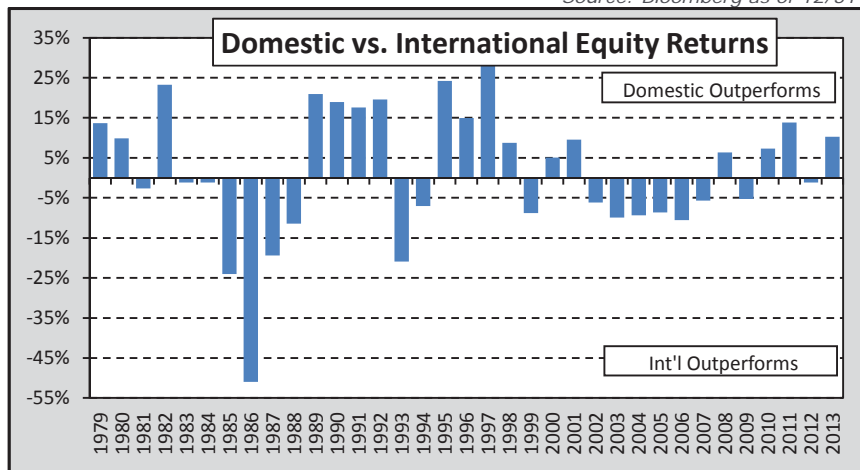
Small cap has outperformed large cap in 2013

Source: Bloomberg as of 12/31



Large value stocks have marginally outperformed large growth in 2013

Source: Bloomberg as of 12/31



Domestic equity has outperformed international equity in 2013

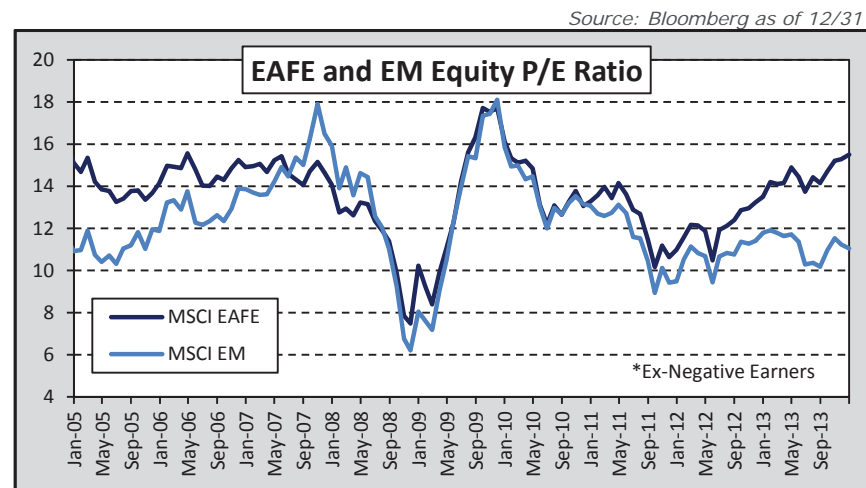
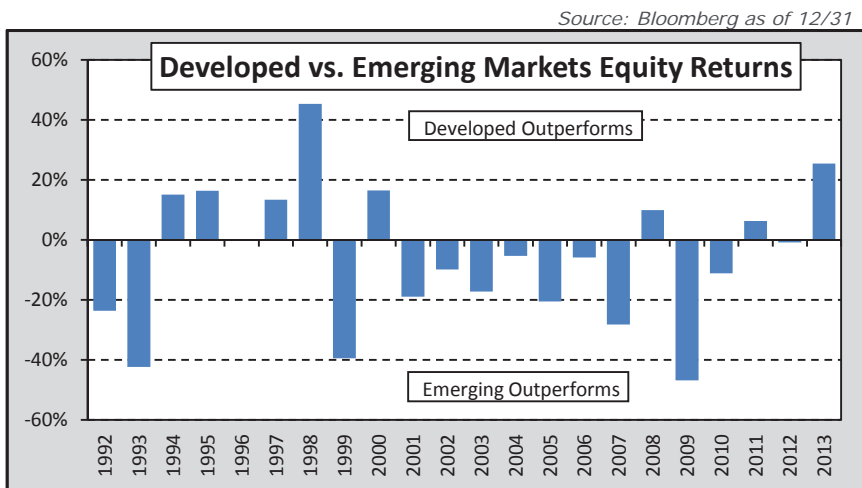
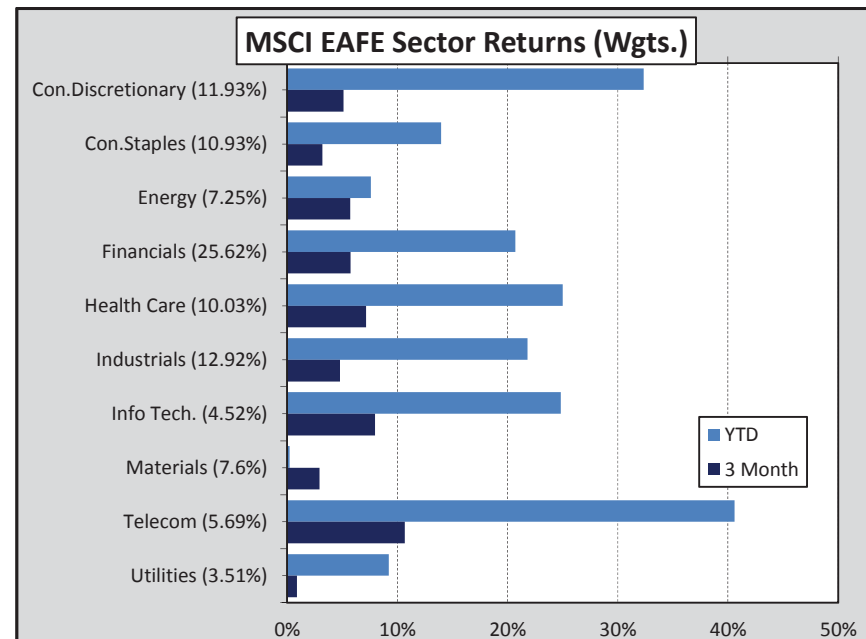
Source: Bloomberg as of 12/31

Non-US Stock Performance

Developed Market Equity Returns (U.S. Dollars)				
	YTD	3-Mo	1 Yr.	3 Yr. Ann.
Europe ex UK	24.6%	7.9%	24.6%	6.5%
United Kingdom	16.2%	6.7%	16.2%	6.5%
Japan	24.9%	2.1%	24.9%	3.4%
Pacific Ex Japan	1.5%	-0.4%	1.5%	0.5%
Canada	3.3%	3.5%	3.3%	-1.9%
USA	29.9%	9.7%	29.9%	13.8%

US Dollar Return vs. Major Foreign Currencies				
(Negative = Dollar Depreciates, Positive = Dollar Appreciates)				
	YTD	3-Mo	1 Yr.	3 Yr. Ann.
Euro	-4.2%	-1.6%	-4.2%	-0.9%
Japanese Yen	17.6%	6.7%	17.6%	8.3%
British Pound	-1.9%	-2.3%	-1.9%	-2.0%
Canada	6.6%	3.0%	6.6%	2.0%
Australia	14.2%	4.3%	14.2%	4.5%

Currency Impact on Developed Mkt. Returns				
(Negative = Currency Hurt, Positive = Currency Helped)				
	YTD	3-Mo	1 Yr.	3 Yr. Ann.
MSCI EAFE (Local)	26.9%	6.4%	26.9%	9.4%
MSCI EAFE (USD)	22.8%	5.7%	22.8%	8.2%
Currency Impact	-4.1%	-0.6%	-4.1%	-1.2%



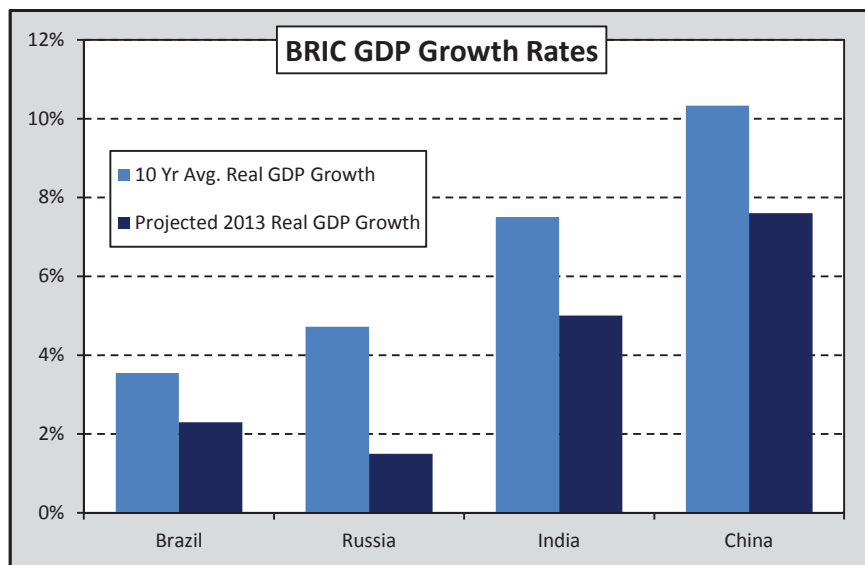
Source: Bloomberg as of 12/31

Source: Bloomberg as of 12/31

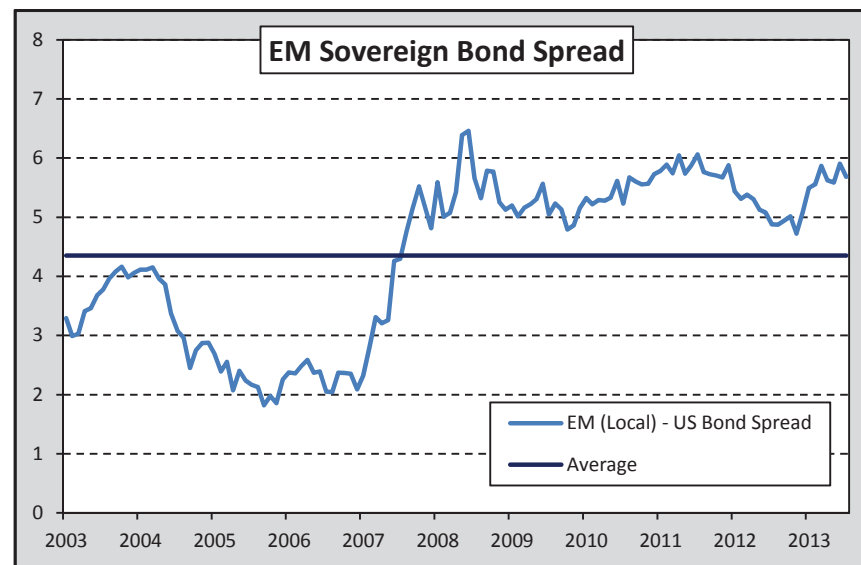
Source: Bloomberg as of 12/31

Source: Bloomberg as of 12/31

Emerging Markets



Source: Bloomberg as of 12/31



Source: Bloomberg as of 12/31

	MSCI EM	MSCI EM Small Cap
PE Ratio	11.83	22.98
PE Historical Avg	14.47	18.13
PB Ratio	1.51	1.29
Historical Avg	1.53	1.27
PS Ratio	0.99	0.74
Historical Avg	1.12	0.73

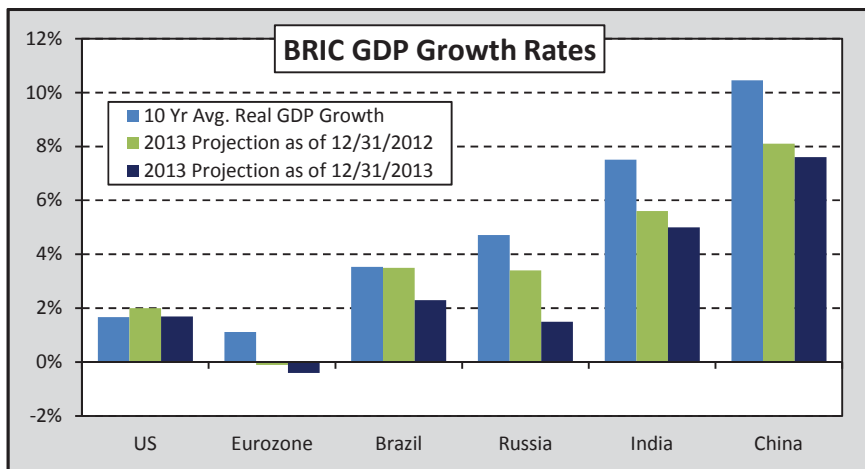
- MSCI EM PE, PB, and PS Ratios are below historical averages
- MSCI EM Small Cap PE is above, while PB and PS Ratios are in line with historical averages

Source: Bloomberg as of 12/31

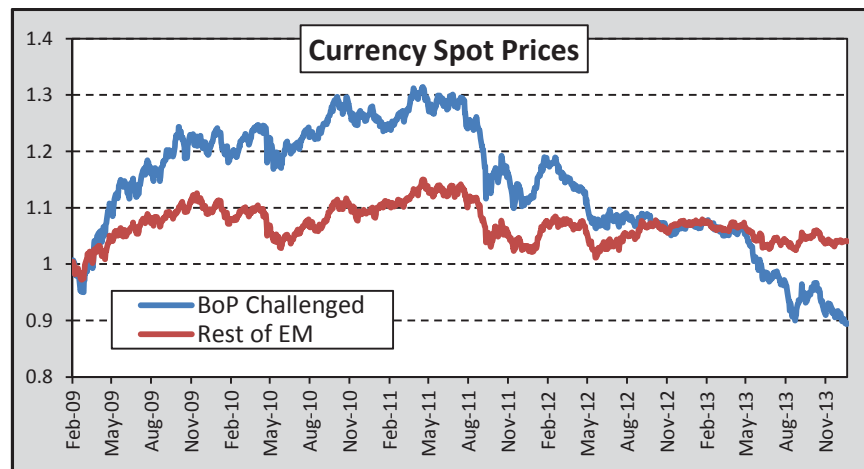
	YTD	3-Mo	1 Yr.	3 Yr. Ann.
Brazilian Real	13.2%	6.1%	13.2%	11.1%
Russian Ruble	7.1%	1.7%	7.1%	2.5%
Indian Rupee	11.4%	-1.1%	11.4%	10.3%
Chinese Renminbi	-2.9%	-1.1%	-2.9%	-2.9%
Singapore Dollar	-0.9%	-0.2%	-0.9%	-0.9%
Hungarian Forint	-2.0%	-1.5%	-2.0%	1.3%
Turkish Lira	17.0%	6.0%	17.0%	10.5%
Mexican Peso	1.4%	-0.4%	1.4%	1.9%
So. African Rand	19.4%	4.6%	19.4%	14.2%
So. Korean Won	-1.0%	-2.2%	-1.0%	-2.2%

Source: Bloomberg as of 12/31

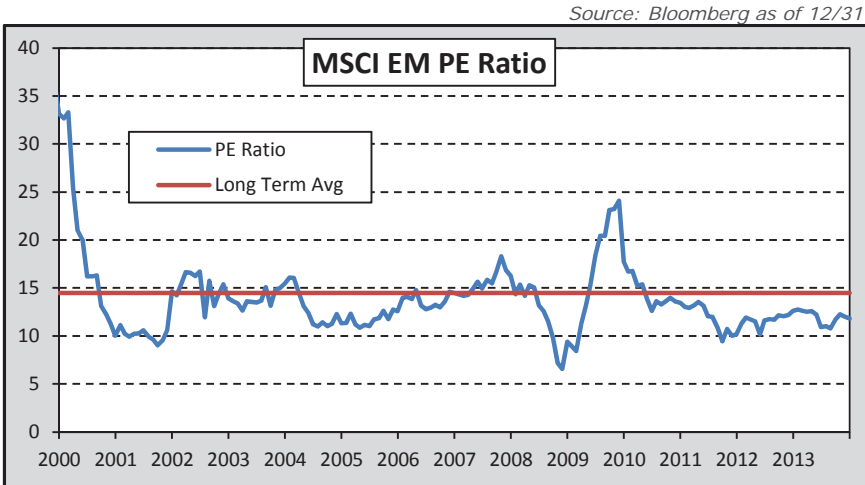
Market Environment – Emerging Markets



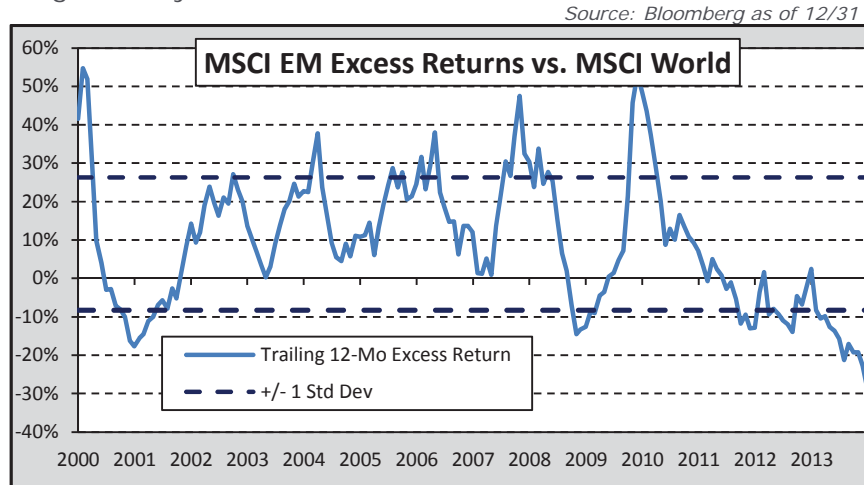
Projected GDP growth rates have continued to decline in emerging market countries



Currencies of BoP challenged countries (Brazil, India, Indonesia, Turkey, and South Africa) have depreciated significantly relative to currencies of other EM countries



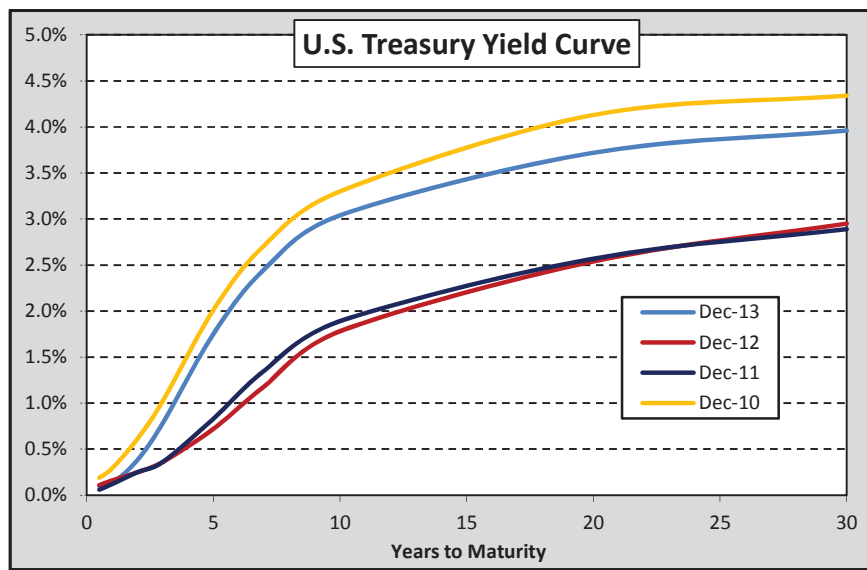
The MSCI EM PE Ratio remains below its long term average



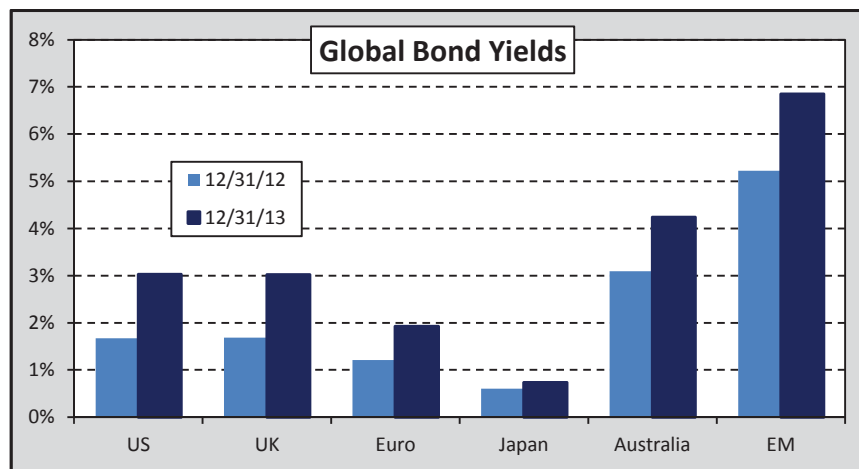
MSCI EM Rolling 12-Month excess returns relative to MSCI World are at the lower bound of historical data

Source: Bloomberg as of 12/31

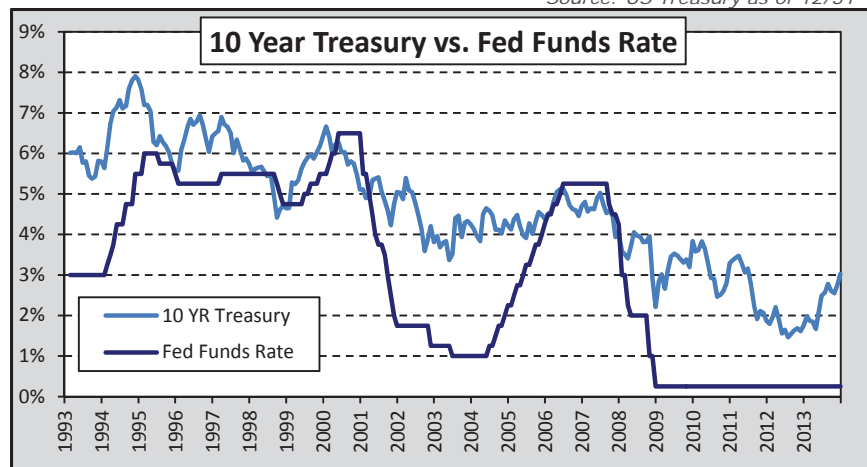
Source: Bloomberg as of 12/31



Source: US Treasury as of 12/31

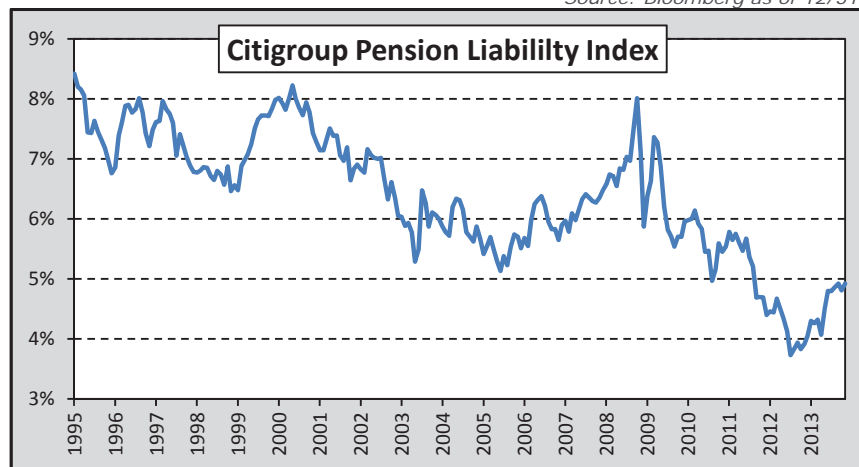


Bond yields across the globe have mostly risen in 2013



Fed Funds rate remained at 0.25% while the 10 Yr. Treasury Yield finished December at 3.03%

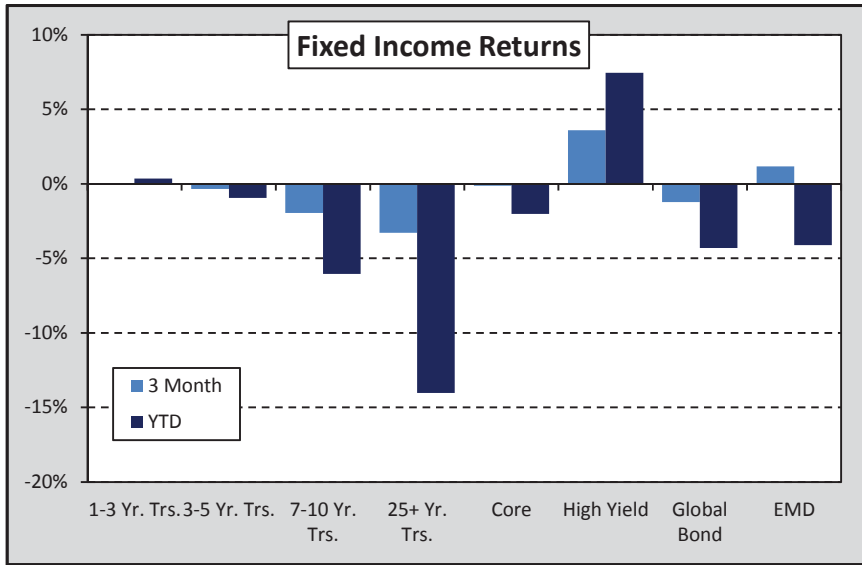
Source: Bloomberg as of 12/31



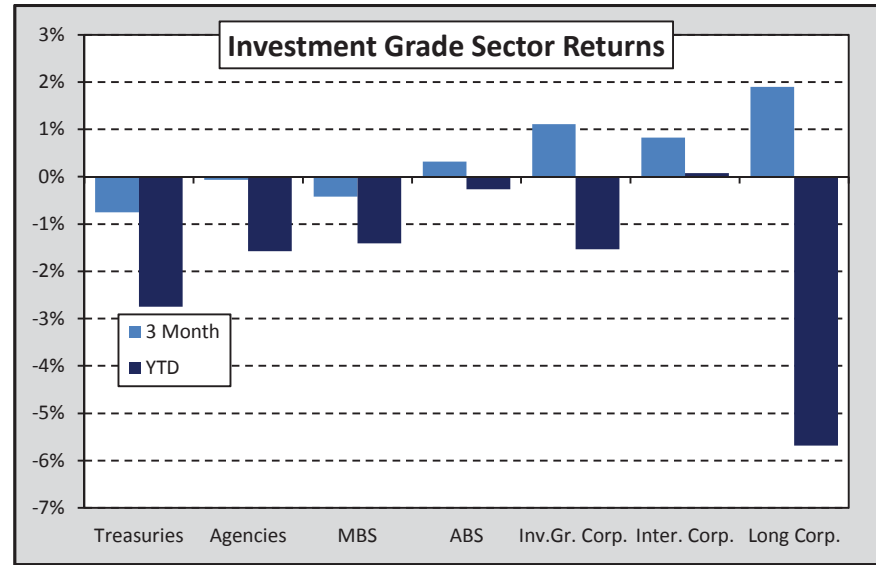
The Citi Pension discount rate fell to 4.92% through November

Source: Citigroup as of 11/30

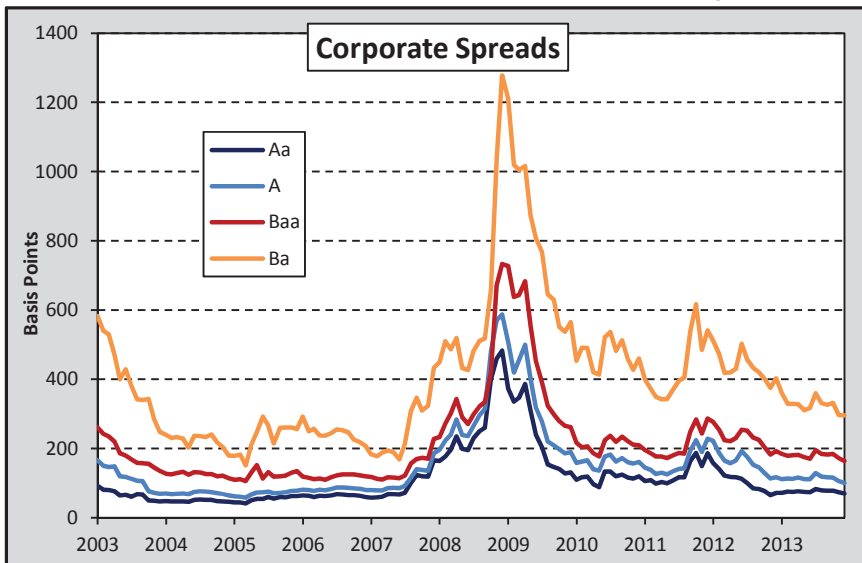
Fixed Income Performance



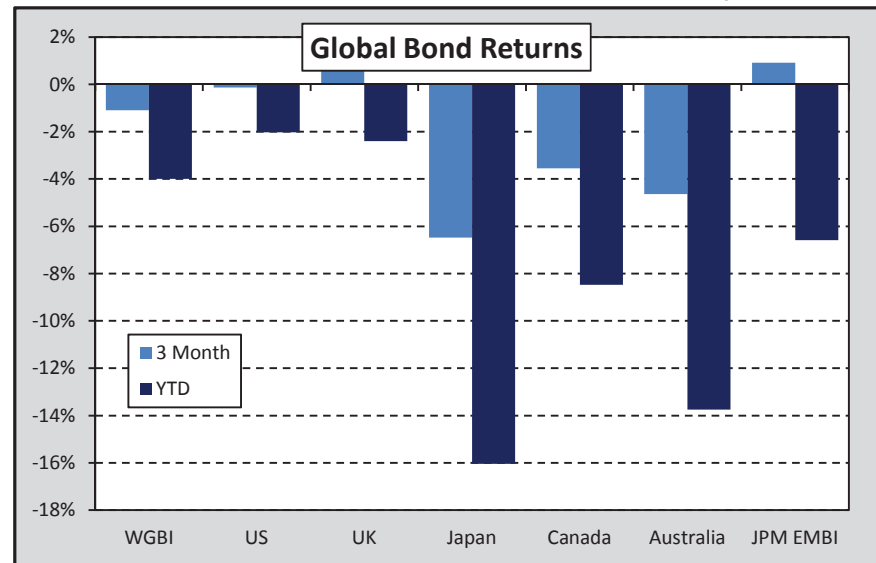
Source: Barclays as of 12/31



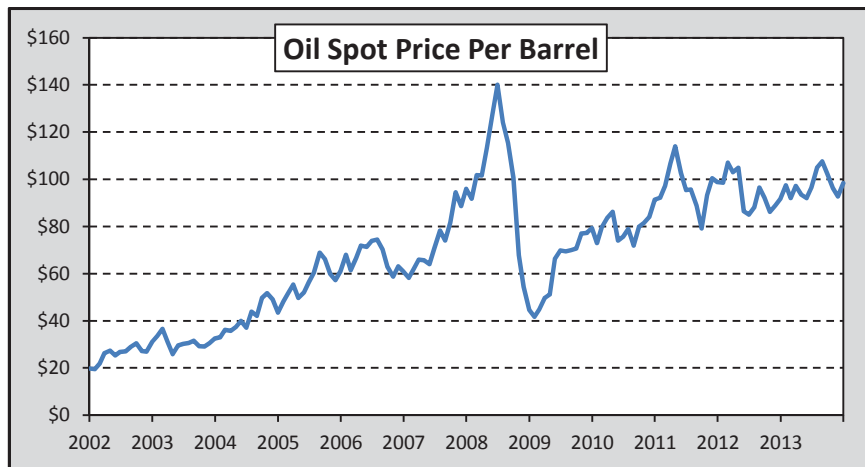
Source: Barclays as of 12/31



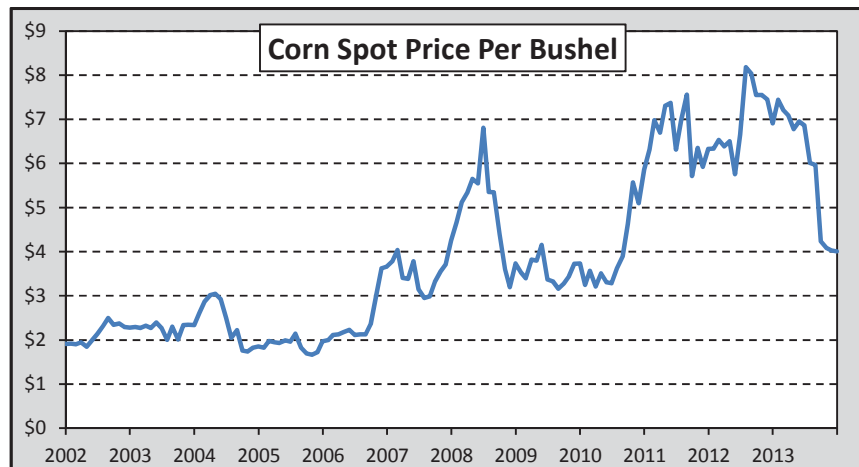
Source: Barclays as of 12/31



Source: Barclays, Bloomberg as of 12/31



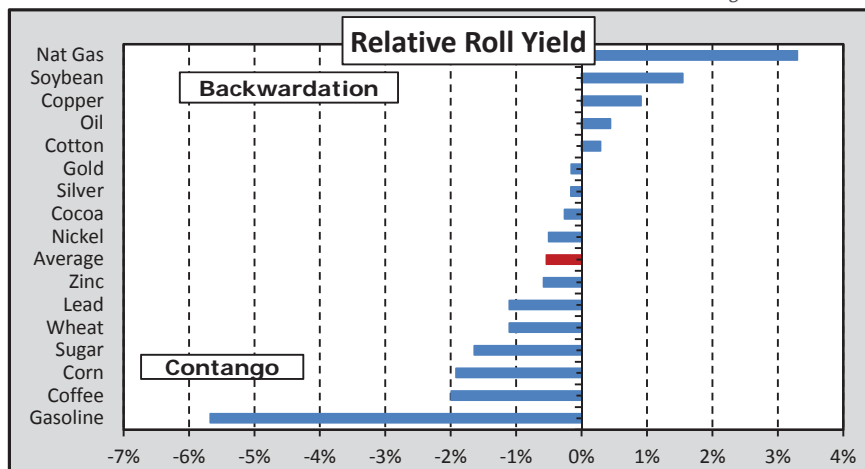
Oil prices finished November up at \$98.42 per barrel



Corn prices finished December down at \$4.01 per bushel

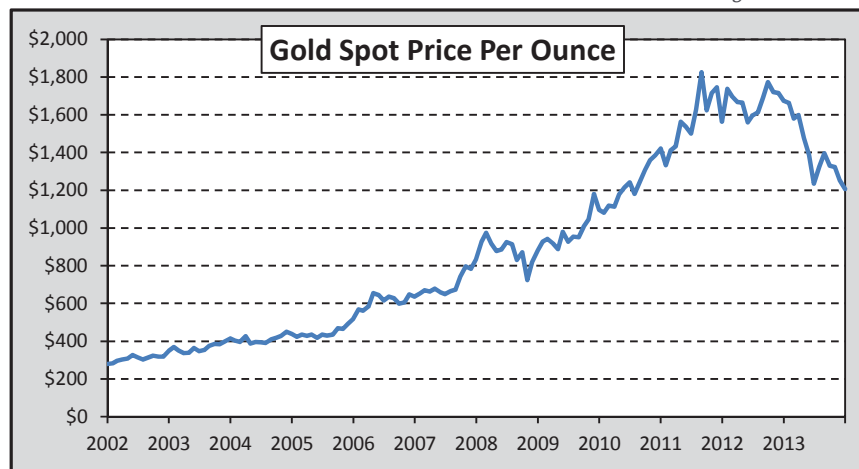
Source: Bloomberg as of 12/31

Source: Bloomberg as of 12/31



Many commodity futures' prices are contangoed, meaning a higher forward price is expected relative to the current spot

Source: Bloomberg as of 12/31



Gold prices finished December down at \$1205.65 per ounce

Source: Bloomberg as of 12/31

Glossary of Investment Terminology

Of Portfolios/Observations¹ – The total number of data points that make up a specified universe

Allocation Index³ - The allocation index measures the value added (or subtracted) to each portfolio by active management. It is calculated monthly: The portfolio asset allocation to each category from the prior month-end is multiplied by a specified market index.

Asset Allocation Effect² - Measures an investment manager's ability to effectively allocate their portfolio's assets to various sectors. The allocation effect determines whether the overweighting or underweighting of sectors relative to a benchmark contributes positively or negatively to the overall portfolio return. Positive allocation occurs when the portfolio is over weighted in a sector that outperforms the benchmark and underweighted in a sector that underperforms the benchmark. Negative allocation occurs when the portfolio is over weighted in a sector that underperforms the benchmark and under weighted in a sector that outperforms the benchmark.

Agency Bonds (Agencies)³ - The full faith and credit of the United States government is normally not pledged to payment of principal and interest on the majority of government agencies issuing these bonds, with maturities of up to ten years. Their yields, therefore, are normally higher than government and their marketability is good, thereby qualifying them as a low risk-high liquidity type of investment. They are eligible as security for advances to the member banks by the Federal Reserve, which attests to their standing.

Asset Backed Securities (ABS)³ - Bonds which are similar to mortgage-backed securities but are collateralized by assets other than mortgages; commonly backed by credit card receivables, auto loans, or other types of consumer financing.

Attribution³ - Attribution is an analytical technique that allows us to evaluate the performance of the portfolio relative to the benchmark. A proper attribution tells us where value was added or subtracted as a result of the manager's decisions.

Average Effective Maturity⁴ - For a single bond, it is a measure of maturity that takes into account the possibility that a bond might be called back to the issuer.

For a portfolio of bonds, average effective maturity is the weighted average of the maturities of the underlying bonds. The measure is computed by weighing each bond's maturity by its market value with respect to the portfolio and the likelihood of any of the bonds being called. In a pool of mortgages, this would also account for the likelihood of prepayments on the mortgages.

Batting Average¹ - A measurement representing an investment manager's ability to meet or beat an index.

Formula: Divide the number of days (or months, quarters, etc.) in which the manager beats or matches the index by the total number of days (or months, quarters, etc.) in the period of question and multiply that factor by 100.

Brinson Fachler (BF) Attribution¹ - The BF methodology is a highly accepted industry standard for calculating the allocation, selection, and interaction effects within a portfolio that collectively explains a portfolio's underlying performance. The main advantage of the BF methodology is that rather than using the overall return of the benchmark, it goes a level deeper than BHB and measures whether the benchmark sector, country, etc. outperformed/or underperformed the overall benchmark.

Brinson Hood Beebower (BHB) Attribution¹ - The BHB methodology shows that excess return must be equal to the sum of all other factors (i.e., allocation effect, selection effect, interaction effect, etc.). The advantage to using the BHB methodology is that it is a highly accepted industry standard for calculating the allocation, selection, and interaction effects within a portfolio that collectively explains a portfolio's underlying performance.

Corporate Bond (Corp)⁴ - A debt security issued by a corporation and sold to investors. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations. In some cases, the company's physical assets may be used as collateral for bonds.

Correlation¹ - A range of statistical relationships between two or more random variables or observed data values. A correlation is a single number that describes the degree of relationship between variables.

Data Source: ¹InvestorForce, ²Interaction Effect Performance Attribution, ³NEPC, LLC, ⁴Investopedia, ⁵Hedgeco.net

Glossary of Investment Terminology

Coupon⁴ – The interest rate stated on a bond when it is issued. The coupon is typically paid semiannually. This is also referred to as the "coupon rate" or "coupon percent rate."

Currency Effect¹ - Is the effect that changes in currency exchange rates over time affect excess performance.

Derivative Instrument³ - A financial obligation that derives its precise value from the value of one or more other instruments (or assets) at the same point of time. For example, the relationship between the value of an S&P 500 futures contract (the derivative instrument in this case) is determined by the value of the S&P 500 Index and the value of a U.S. Treasury bill that matures at the expiration of the futures contract.

Downside Deviation¹ - Equals the standard deviation of negative return or the measure of downside risk focusing on the standard deviation of negative returns.

Formula:

Annualized Standard Deviation (Fund Return - Average Fund Return) where average fund return is greater than individual fund returns, monthly or quarterly.

Duration³ - Duration is a measure of interest rate risk. The greater the duration of a bond, or a portfolio of bonds, the greater its price volatility will be in response to a change in interest rates. A bond's duration is inversely related to interest rates and directly related to time to maturity.

Equity/Debt/Cash Ratio¹ – The percentage of an investment or portfolio that is in Equity, Debt, and/or Cash (i.e. A 7/89/4 ratio represents an investment that is made up of 7% Equity, 89% Debt, and 4% Cash).

Foreign Bond³ - A bond that is issued in a domestic market by a foreign entity, in the domestic market's currency. A foreign bond is most often issued by a foreign firm to raise capital in a domestic market that would be most interested in purchasing the firm's debt. For foreign firms doing a large amount of business in the domestic market, issuing foreign bonds is a common practice.

Hard Hurdle⁵ – is a hurdle rate that once beaten allows a fund manager to charge a performance fee on only the funds above the specified hurdle rate.

High-Water Mark⁴ - The highest peak in value that an investment fund/account has reached. This term is often used in the context of fund manager compensation, which is performance based. Some performance-based fees only get paid when fund performance exceeds the high-water mark. The high-water mark ensures that the manager does not get paid large sums for poor performance.

Hurdle Rate⁴ - The minimum rate of return on an investment required, in order for a manager to collect incentive fees from the investor, which is usually tied to a benchmark.

Interaction Effects² - The interaction effect measures the combined impact of an investment manager's selection and allocation decisions within a sector. For example, if an investment manager had superior selection and over weighted that particular sector, the interaction effect is positive. If an investment manager had superior selection, but underweighted that sector, the interaction effect is negative. In this case, the investment manager did not take advantage of the superior selection by allocating more assets to that sector. Since many investment managers consider the interaction effect to be part of the selection or the allocation, it is often combined with the either effect.

Median³ - The value (rate of return, market sensitivity, etc.) that exceeds one-half of the values in the population and that is exceeded by one-half of the values. The median has a percentile rank of 50.

Modified Duration³ - The percentage change in the price of a fixed income security that results from a change in yield.

Mortgage Backed Securities (MBS)³ - Bonds which are a general obligation of the issuing institution but are also collateralized by a pool of mortgages.

Municipal Bond (Muni)⁴ - A debt security issued by a state, municipality or county to finance its capital expenditures.

Net Investment Change¹ – Is the change in an investment after accounting for all Net Cash Flows.

Performance Fee⁴ - A payment made to a fund manager for generating positive returns. The performance fee is generally calculated as a percentage of investment profits, often both realized and unrealized.

Data Source: ¹InvestorForce, ²Interaction Effect Performance Attribution, ³NEPC, LLC, ⁴Investopedia, ⁵Hedgeco.net

Glossary of Investment Terminology

Policy Index³ - A custom benchmark designed to indicate the returns that a passive investor would earn by consistently following the asset allocation targets set forth in this investment policy statement.

Price to Book (P/B)⁴ - A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share, also known as the "price-equity ratio".

Price to Earnings (P/E)³ - The weighted equity P/E is based on current price and trailing 12 months earnings per share (EPS).

Price to Sales (P/S)⁴ - A ratio for valuing a stock relative to its own past performance, other companies, or the market itself. Price to sales is calculated by dividing a stock's current price by its revenue per share for the trailing 12 months.

Return on Equity (ROE)⁴ - The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

Selection (or Manager) Effect² - Measures the investment manager's ability to select securities within a given sector relative to a benchmark. The over or underperformance of the portfolio is weighted by the benchmark weight, therefore, selection is not affected by the manager's allocation to the sector. The weight of the sector in the portfolio determines the size of the effect—the larger the sector, the larger the effect is, positive or negative.

Soft Hurdle rate⁵ – is a hurdle rate that once beaten allows a fund manager to charge a performance fee based on the entire annualized return.

Tiered Fee¹ – A fee structure that is paid to fund managers based on the size of the investment (i.e. 1.00% fee on the first \$10M invested, 0.90% on the next \$10M, and 0.80% on the remaining balance).

Total Effects² - The active management (total) effect is the sum of the selection, allocation, and interaction effects. It is also the difference between the total portfolio return and the total benchmark return. You can use the active management effect to determine the amount the investment manager has added to a portfolio's return.

Total Return¹ - The actual rate of return of an investment over a specified time period. Total return includes interest, capital gains, dividends, and distributions realized over a defined time period.

Universe³ - The list of all assets eligible for inclusion in a portfolio.

Upside Deviation¹ – Standard Deviation of Positive Returns

Weighted Avg. Market Cap.⁴ - A stock market index weighted by the market capitalization of each stock in the index. In such a weighting scheme, larger companies account for a greater portion of the index. Most indexes are constructed in this manner, with the best example being the S&P 500.

Yield (%)³ - The current yield of a security is the current indicated annual dividend rate divided by current price.

Yield to Maturity³ -The discount rate that equates the present value of cash flows, both principal and interest, to market price.

Data Source: ¹InvestorForce, ²Interaction Effect Performance Attribution, ³NEPC, LLC, ⁴Investopedia, ⁵Hedgeco.net

Glossary of Investment Terminology—Risk Statistics

Alpha - Measures the relationship between the fund performance and the performance of another fund or benchmark index and equals the excess return while the other fund or benchmark index is zero.

Alpha Jensen - The average return on a portfolio over and above that predicted by the capital asset pricing model (CAPM), given the portfolio's beta and the average market return. Also known as the abnormal return or the risk adjusted excess return.

Annualized Excess Return over Benchmark - Annualized fund return minus the annualized benchmark return for the calculated return.

Annualized Return - A statistical technique whereby returns covering periods greater than one year are converted to cover a 12 month time span.

Beta - Measures the volatility or systematic risk and is equal to the change in the fund's performance in relation to the change in the assigned index's performance.

Information Ratio - A measure of the risk adjusted return of a financial security, asset, or portfolio.

Formula:

(Annualized Return of Portfolio - Annualized Return of Benchmark)/Annualized Standard Deviation(Period Portfolio Return - Period Benchmark Return). To annualize standard deviation, multiply the deviation by the square root of the number of periods per year where monthly returns per year equals 12 and quarterly returns is four periods per year.

R-Squared - Represents the percentage of a fund's movements that can be explained by movements in an index. R-Squared values range from 0 to 100. An R-Squared of 100 denotes that all movements of a fund are completely explained by movements in the index.

Sharpe Ratio - A measure of the excess return or risk premium per unit of risk in an investment asset or trading strategy.

Sortino Ratio - A method to differentiate between good and bad volatility in the Sharpe Ratio. The differentiation of up and down volatility allows the calculation to provide a risk adjusted measure of a security or fund's performance without upward price change penalties.

Formula:

*Calculation Average (X-Y)/Downside Deviation (X-Y) * 2
Where X=Return Series Y = Return Series Y which is the risk free return (91 day T-bills)*

Standard Deviation - The standard deviation is a statistical term that describes the distribution of results. It is a commonly used measure of volatility of returns of a portfolio, asset class, or security. The higher the standard deviation the more volatile the returns are.

Formula:

(Annualized Return of Portfolio - Annualized Return of Risk Free) / Annualized Standard Deviation (Portfolio Returns)

Tracking Error - Tracking error, also known as residual risk, is a measure of the degree to which a portfolio tracks its benchmark. It is also a measure of consistency of excess returns. Tracking error is computed as the annualized standard deviation of the difference between a portfolio's return and that of its benchmark.

Formula:

*Tracking Error = Standard Deviation (X-Y) * $\sqrt{(\# \text{ of periods per year})}$
Where X = periods portfolio return and Y = the period's benchmark return
For monthly returns, the periods per year = 12
For quarterly returns, the periods per year = 4*

Treynor Ratio - A risk-adjusted measure of return based on systematic risk. Similar to the Sharpe ratio with the difference being the Treynor ratio uses beta as the measurement of volatility.

Formula:

(Portfolio Average Return - Average Return of Risk-Free Rate)/Portfolio Beta

Up/Down Capture Ratio - A measure of what percentage of a market's returns is "captured" by a portfolio. For example, if the market declines 10% over some period, and the manager declines only 9%, then his or her capture ratio is 90%. In down markets, it is advantageous for a manager to have as low a capture ratio as possible. For up markets, the higher the capture ratio the better. Looking at capture ratios can provide insight into how a manager achieves excess returns. A value manager might typically have a lower capture ratio in both up and down markets, achieving excess returns by protecting on the downside, whereas a growth manager might fall more than the overall market in down markets, but achieve above-market returns in a rising market.

UpsideCapture = TotalReturn(FundReturns)/TotalReturns(BMReturn) when Period Benchmark Return is > = 0

DownsideCapture = TotalReturn(FundReturns)/TotalReturns(BMReturn) when Benchmark < 0

Data Source: InvestorForce

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