



NEPC, LLC

YOU DEMAND MORE. So do we.<sup>SM</sup>



## Vermont Pension Investment Committee

---

**Second Quarter 2014**

**Investment Performance Analysis**

Richard M. Charlton, Chairman and CEO  
Christopher Levell, ASA, CFA, CAIA, Partner  
Douglas Moseley, Partner  
Benjamin Pittsley, Analyst

255 State Street, Boston, MA 02109 | TEL: 617.374.1300 | FAX: 617.374.1313 | [www.nepc.com](http://www.nepc.com)

**BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | SAN FRANCISCO**

# Table of Contents

	<u>Tab</u>
<b>NEPC Update</b>	<b>1</b>
<b>Market Review</b>	<b>2</b>
<b>State Teachers' Retirement System</b>	<b>3</b>
<b>State Employees' Retirement System</b>	<b>4</b>
<b>State Municipal Employees' Retirement System</b>	<b>5</b>
<b>City of Burlington</b>	<b>6</b>
<b>VPIC Allocation Comparison</b>	<b>7</b>
<b>Manager Characteristics</b>	<b>8</b>
<b>Appendix</b>	<b>9</b>

# NEPC Update



## Highlights of Second Quarter Happenings at NEPC

### NEPC Research

#### Recent White Papers Posted

- 2Q Market Thoughts – “Is It the Beginning of the End or the End of the Beginning? The Next Chapter for Growth Assets” (April 2014)
- *The Endowment Model: Striking the Balance Between Simple & Complex* (May 2014) – Scott F. Perry, CAIA, Partner
- *Hangover Redux: The Impact of Capital Overhang on Private Equity Investing* (May 2014) – Melissa Mendenhall, Consultant, Private Markets Research



### NEPC News

- NEPC is pleased to announce the selection of MSCI's BarraOne and HedgePlatform for risk management and reporting. “This broader relationship with MSCI will provide NEPC with leading risk tools for both total plan risk and hedge fund risk. We are particularly excited about the plans to integrate the InvestorForce Reporting platform with BarraOne,” noted Dan Kelly, Chief Operating Officer of NEPC.

### Professional Staff Updates

#### New Client Strategy Team

- Provides high level Research and Consulting Services to all practice areas and develops sophisticated client Research. The team offers a centralized senior level resource pool for all clients that require expertise in asset allocation, defined contribution and alternative assets.
- Led by **Chris Levell, ASA, CFA, CAIA, Partner** focusing on asset allocation.
- Supported by **Ross Bremen, CFA, Partner** (Defined Contribution) and **Sean Gill, CFA, CAIA, Partner** (Alternative Assets).

### NEPC Supports Principles for Responsible Investment



NEPC is proud to announce that we have become a signatory and partner with Principles for Responsible Investment initiative (PRI). The United Nations-supported Principles for Responsible Investment (PRI) Initiative is an international network of investors working together to put the six Principles for Responsible Investment into practice. Its goal is to understand the implications of sustainability for investors and support signatories to incorporate these issues into their investment decision making and ownership practices. The PRI Initiative has quickly become the leading global network for investors to publicly demonstrate their commitment to responsible investment, to collaborate and learn with their peers about the financial and investment implications of ESG issues, and to incorporate these factors into their investment decision making and ownership practices. For more information on PRI, please visit <http://www.unpri.org/>.

# Market Review

- **Volatility for nearly all asset classes remains historically low as major asset class returns pushed higher during the quarter**
- **A revision of first quarter US GDP growth to -2.9% was mostly shrugged off by markets that have assumed a strong rebound for the second quarter**
- **Investors continue to digest the Fed's planned tapering of bond purchases and viewed Fed policy statements as relatively dovish**
- **The ECB's move to cut its main lending rate and impose a negative excess deposit rate for banks was met with tepid investor reaction**
- **Broad fixed income assets continued to rally as appetite for yield pushed high yield spreads to post-crises lows**
- **Emerging market assets continued their recovery as large investor inflows returned to equity and debt markets**
- **Instability in Iraq and Ukraine attracted a fair share of global headlines with modest market impact other than a spike in oil prices**

- **Global Equities**

- US stocks advanced in the second quarter, repeatedly reaching record highs as investors overlooked Q1 economic weakness, welcomed Q2 economic strength, and embraced still-accommodative central bank policy.
- Large cap stocks outperformed small cap stocks, with the S&P 500 Index returning +5.2% versus +2.1% for the Russell 2000 Index.
- International equities gained +4.1% in the second quarter, according to the MSCI EAFE Index, underperforming domestic and emerging markets.
- Emerging markets rallied to a 12-month high, with the MSCI Emerging Markets Index returning +6.6% for the quarter. Returns were bolstered by improving conditions in the Ukraine, positive election results in India, and better economic conditions in China.

- **Global Fixed Income**

- Fixed income investments rallied with interest rate and credit assets benefiting from yield-hungry investors and markets digesting relatively dovish monetary policy statements.
- The 10-year Treasury yield fell almost 20 basis points during the quarter, finishing at 2.5%.
- Despite record new supply, investment grade credit posted strong performance, with spreads narrowing 7 basis points to 96 basis points.
- The US Credit Index gained +2.7% and the Long Duration Credit Index returned +5.0% in the second quarter.
- High yield bonds returned +2.4%, aided by the decline in Treasury yields and a tightening of credit spreads.
- Emerging market debt has been a clear winner in the first half of the year following a challenging 2013. Local and external currency debt, as measured by the JP Morgan GBI-EM Index and JP Morgan EMBI+, had a stellar second quarter, returning +4.0% and +5.8%, respectively.

- **Commodity Markets**

- Commodities posted modest gains in the second quarter with the Dow Jones UBS essentially flat while the GSCI returned +2.7%.
- Poor weather conditions in the growing regions, combined with severe cold weather, sparked supply related rallies earlier in the quarter in corn and natural gas before reversing course and trading downward during the second half of the quarter.
- Tensions in the Middle East pushed energy prices higher while record low livestock inventories in the US caused cattle prices to spike.

- **Hedge Funds**

- Hedge Funds gained +1.9% for the second quarter, according to the Credit Suisse Hedge Fund Composite, compared to +5.2% for the S&P 500 and +2.0% for the Barclays Aggregate.
- Most hedge fund strategies were in the black, with the exception of short-biased equity and some relative value strategies, with the Credit Suisse Dedicated Short Biases Index finishing down -2.3% for the quarter. Credit Suisse Convertible Arbitrage and Equity Market Neutral posted losses of -0.1% and -0.3%, respectively.
- The Credit Suisse Global Macro Index was up +1.6% and the Credit Suisse Managed Futures Index gained +5.1% as many systematic managers were able to capture trends in the equity and bond markets.
- Within sectors, technology and healthcare specialists continue to struggle, finishing flat in the second quarter, although still on positive ground so far this year.

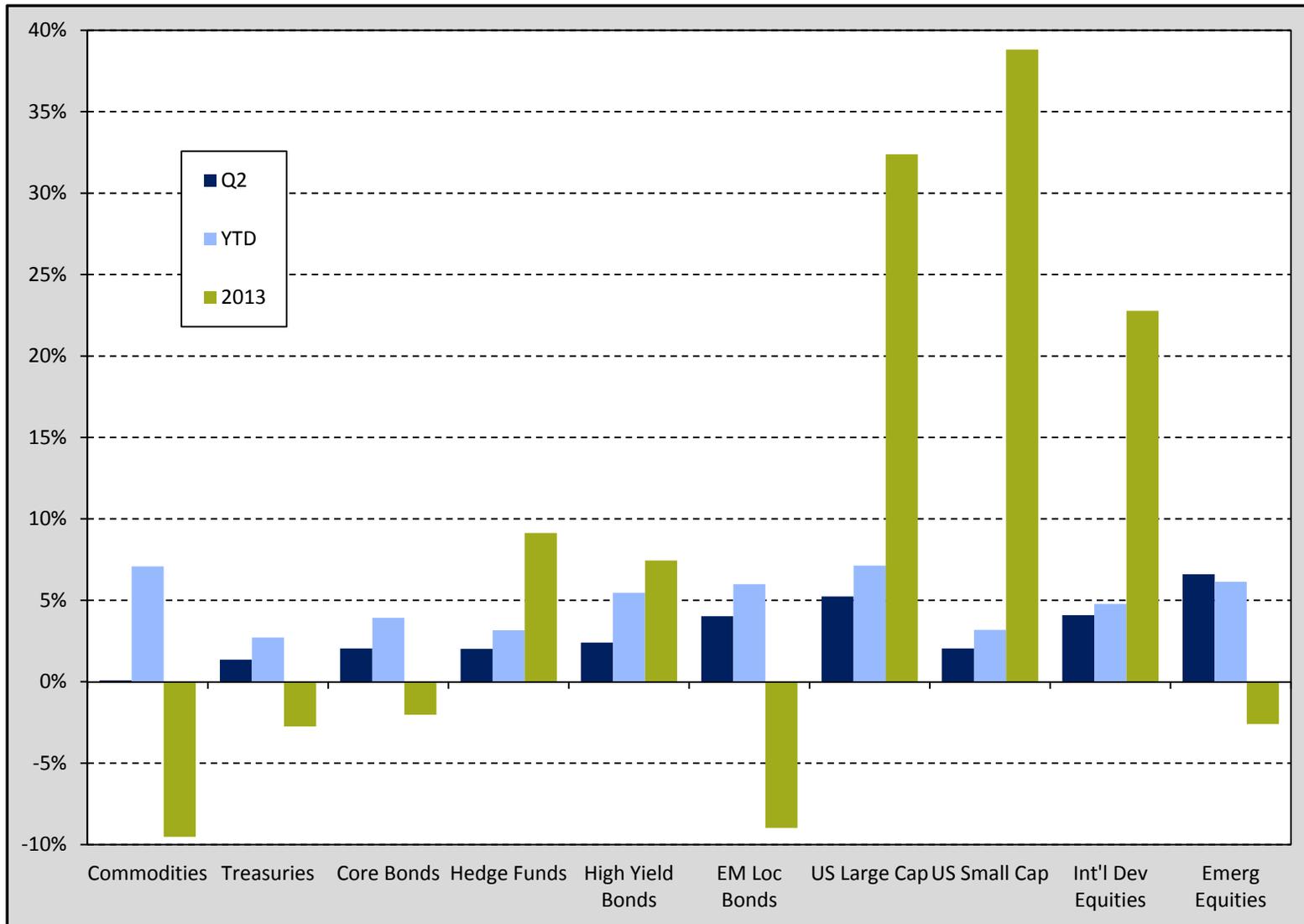
- **Private Markets**

- New private equity commitments totaled \$173.1 billion in the first half of the year, putting 2014 on track to be the fifth straight year of increasing commitments.
- Buyout and growth equity funds raised \$88.5 billion in the first half of 2014, with mega buyout firms accounting for 31% of all buyout/growth funds.
- Venture Capital raised \$27.2 billion, with funds raised in the first half of 2014 nearly matching the 2013 total of \$27.7 billion of new VC funds.
- Mezzanine funds, facing competition from senior and unitranche lenders, raised only \$5.2 billion.
- Secondary funds raised \$14.5 billion, eclipsing the 2013 funding total of \$13.2 billion, as a wave of large funds start to closings.

- **Real Estate**

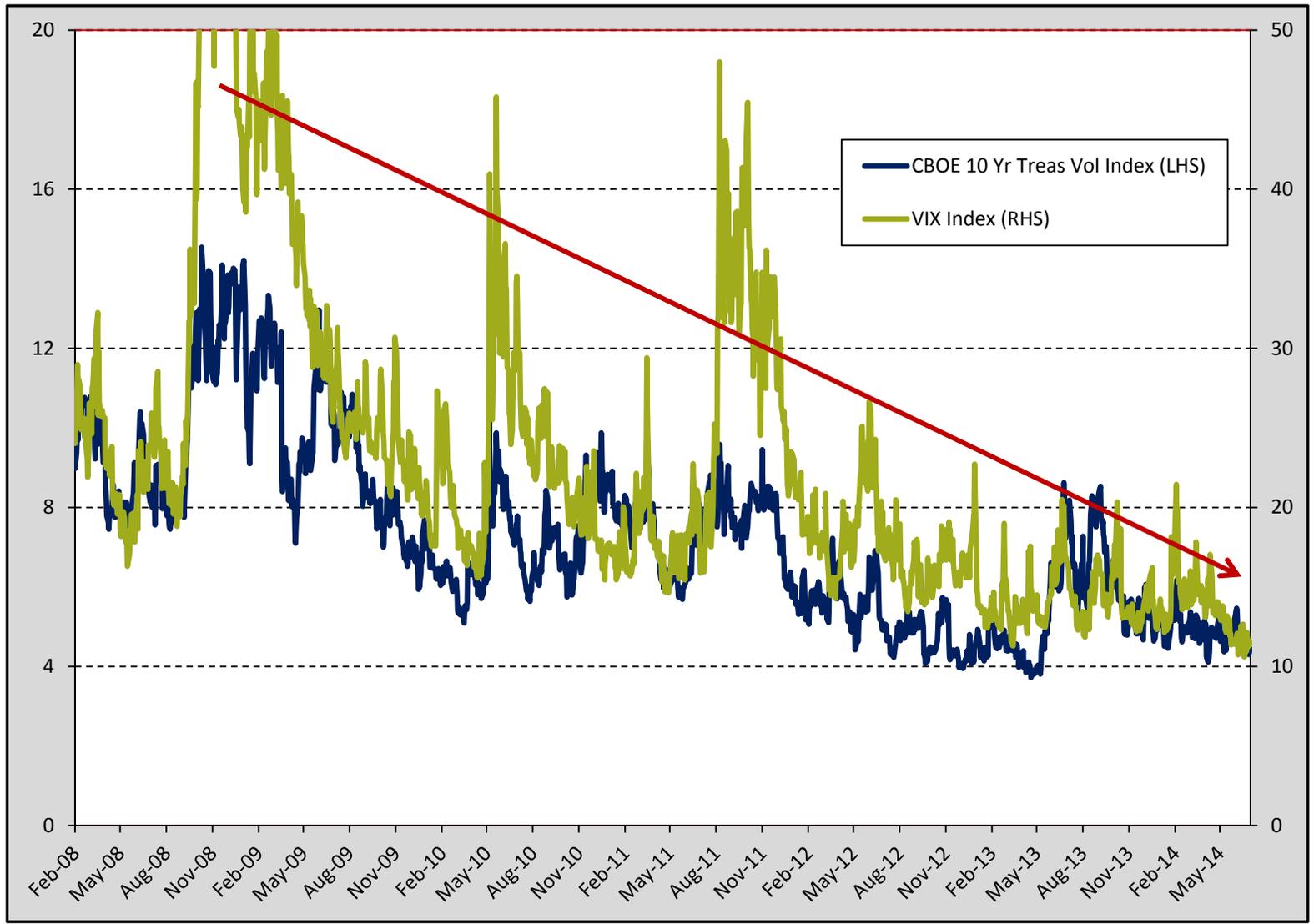
- NEPC remains neutral on core real estate in the US, positive on non-core real estate strategies such as value-add and opportunistic, and neutral on debt strategies (both in US and Europe).
- The main concerns for US core real estate (and US real estate, broadly) continue to be plentiful capital that is driving up pricing, and the market's expectation for higher future interest rates and their impact on capitalization rates and capital values.

Broad Market Indices are Mostly Positive in 2014



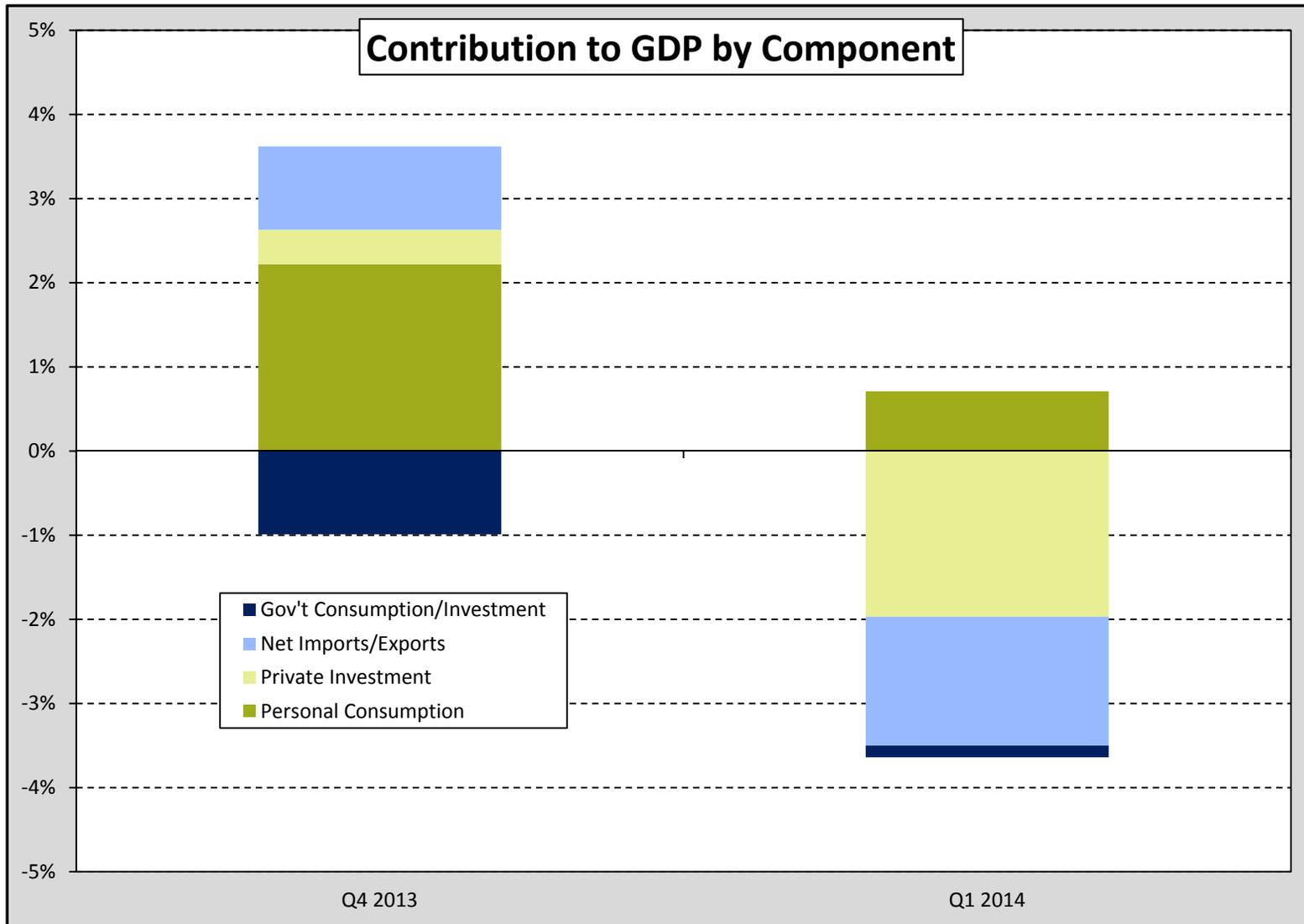
Source: Bloomberg as of 6/30

Amid a Backdrop of Persistent Low Volatility



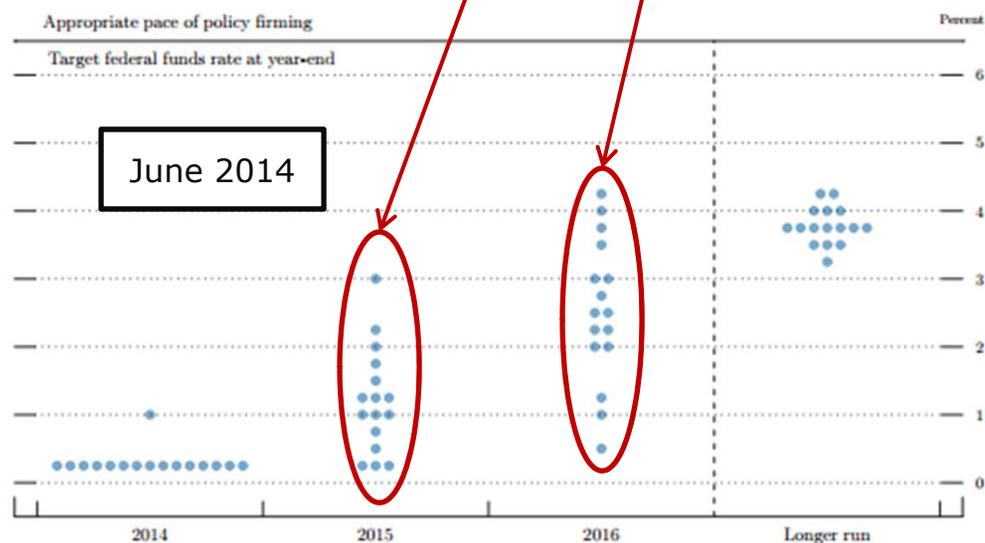
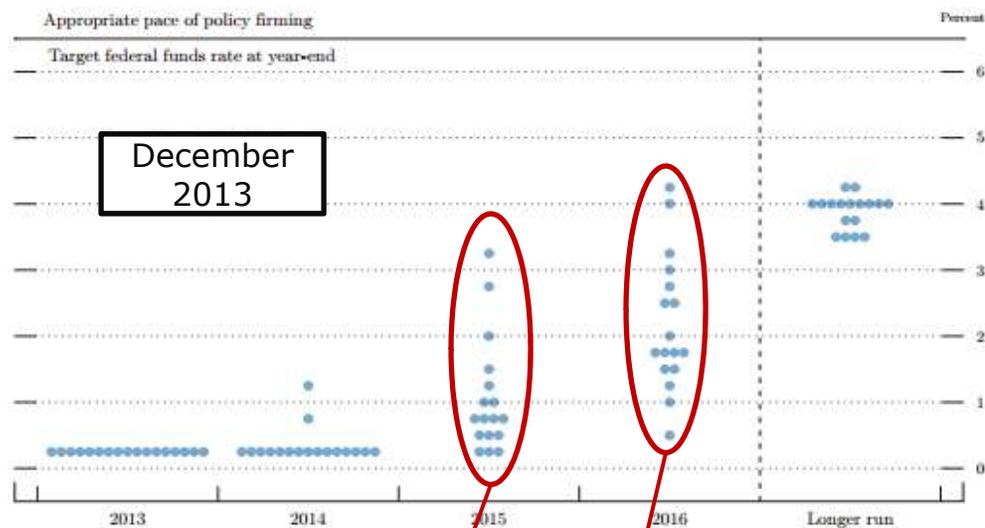
Source: Bloomberg as of 6/30

While US Second Quarter GDP Growth was Revised to -2.9%...



Source: Bloomberg as of 6/30

# Uncertainty Regarding the Pace of Fed Policy Firming Remains

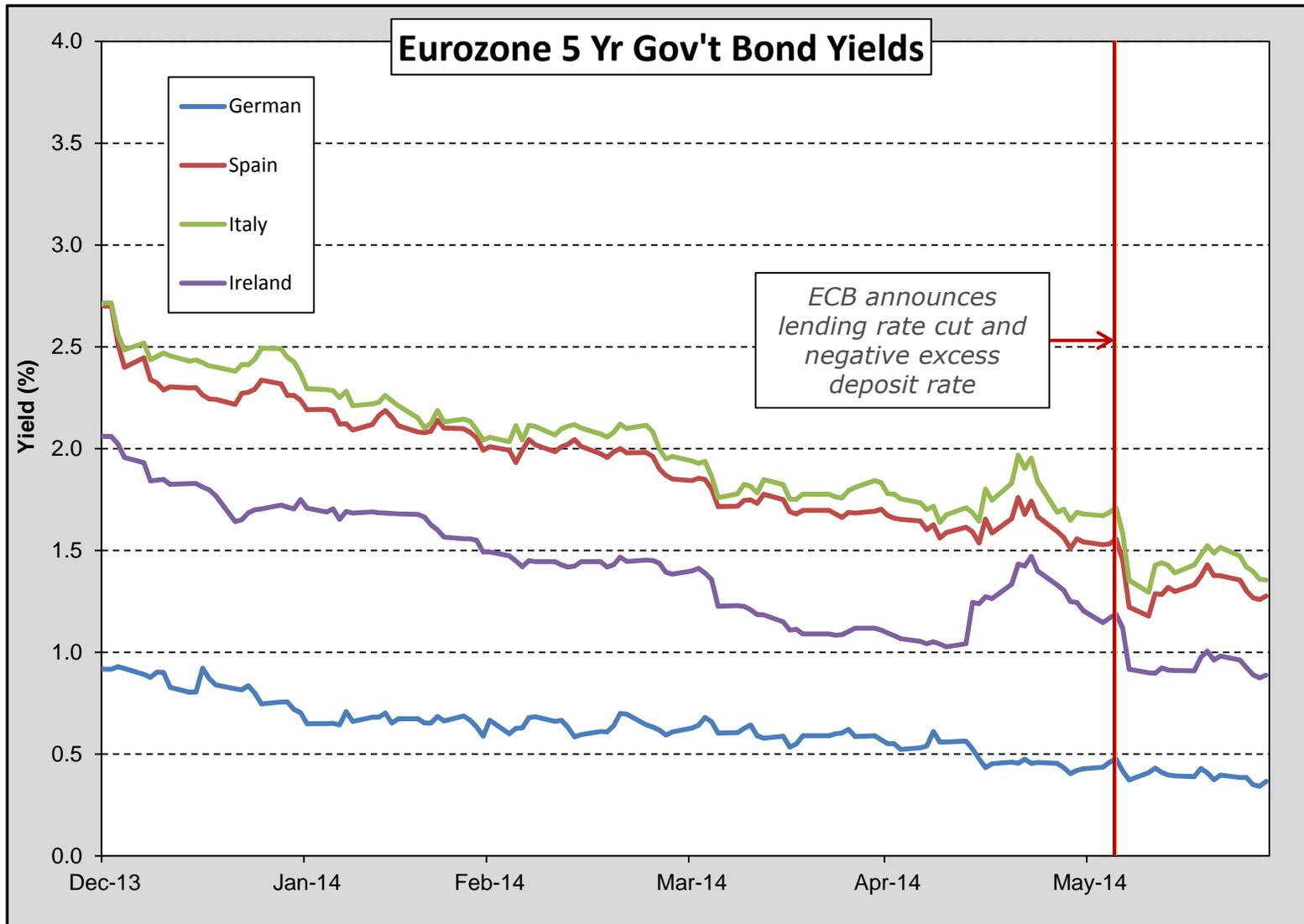


- **Fed has delivered relatively unified messages on the pace of taper and thoughts on US economy**
- **However, significant uncertainty remains on pace of raising the target Fed funds rate**
- **Though markets expect rates to rise, pace and path are unclear**

*Each shaded circle represents the value (rounded to the nearest ¼ percentage point) of an individual participant's judgment of the appropriate level of target federal funds rate at the end of the specified year or over the long run*

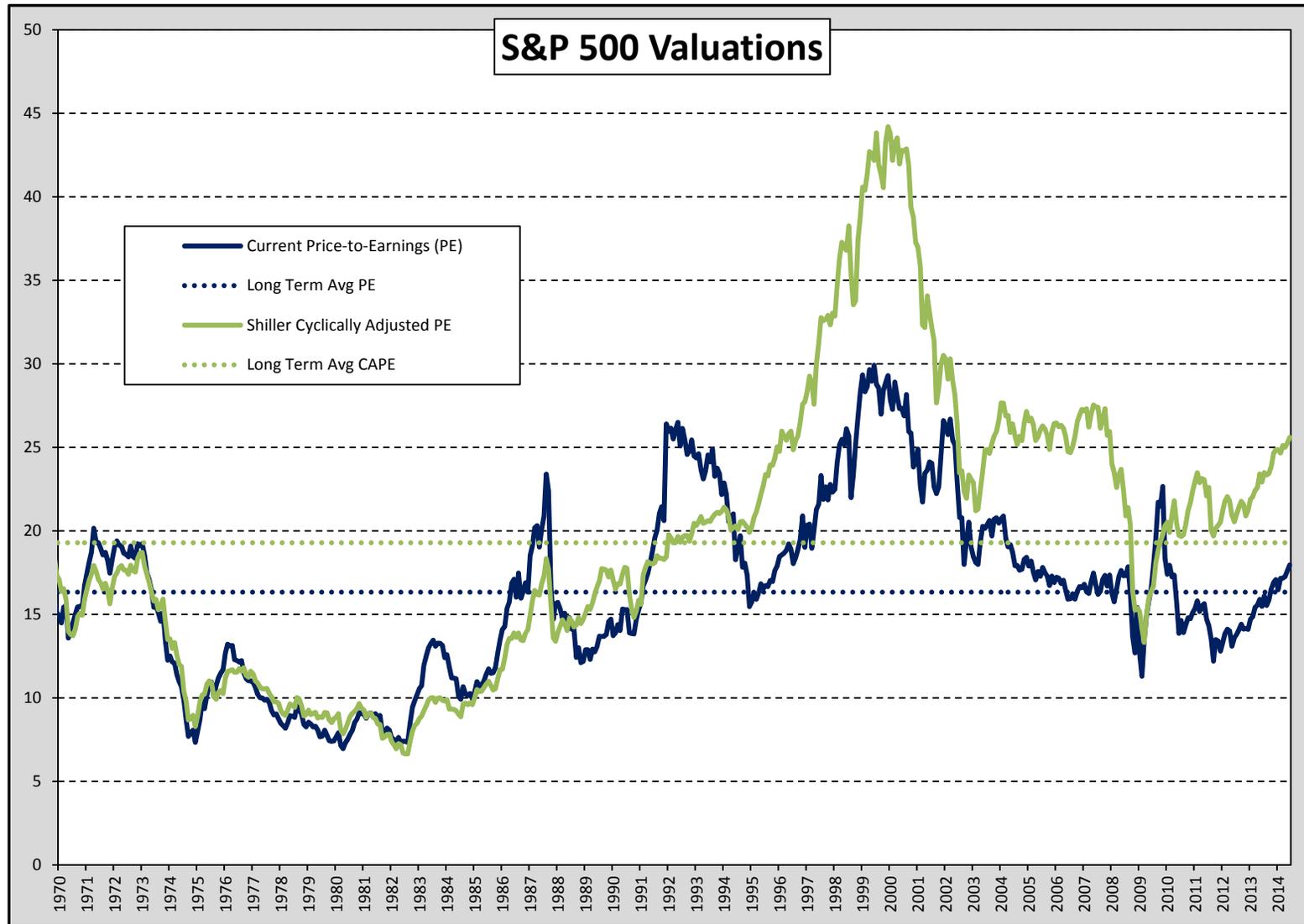
*Source: Federal Reserve*

Meanwhile the ECB Has Initiated Stimulatory Measures



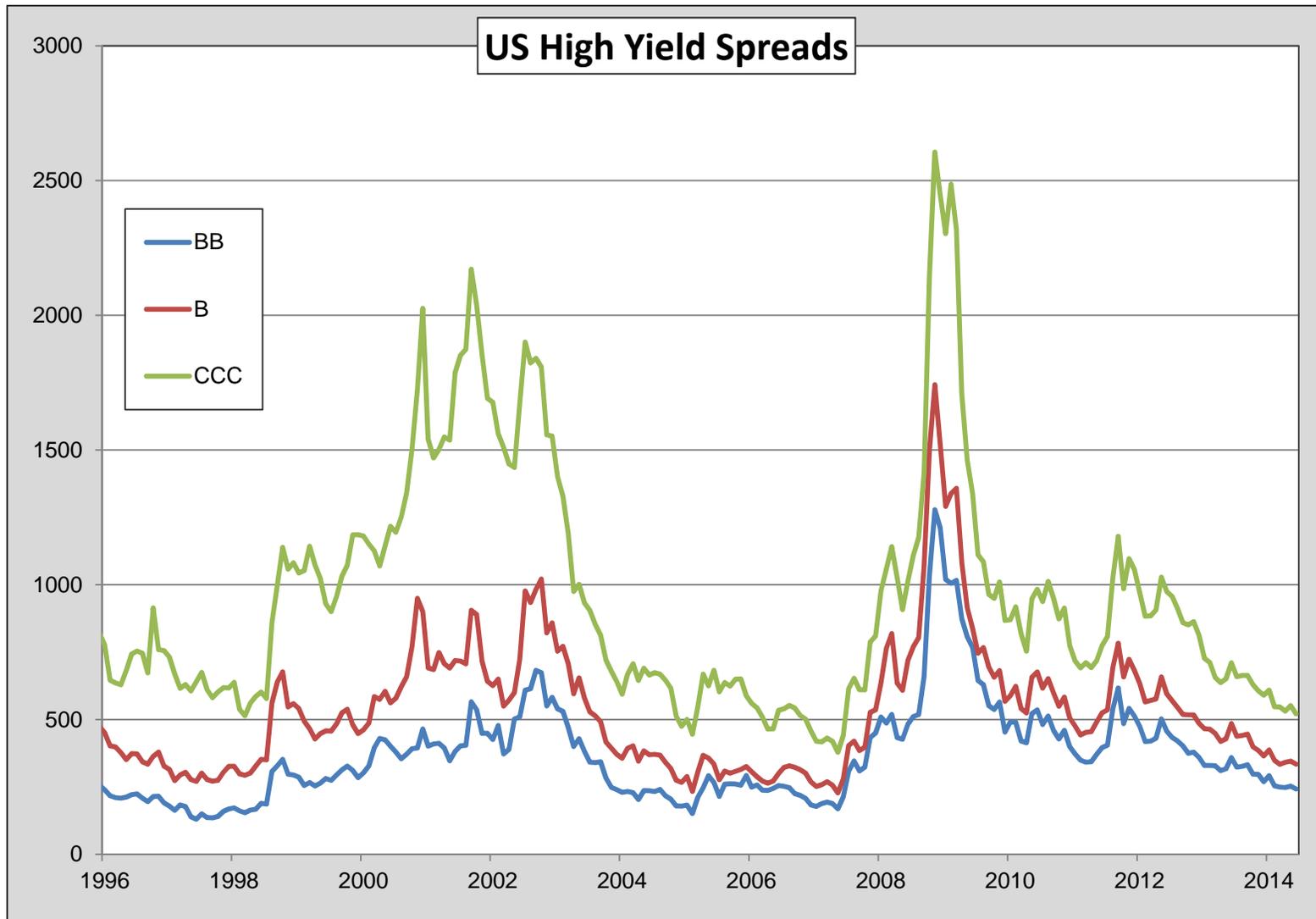
Source: Bloomberg as of 6/30

Equity Valuations are Trending Above Long-Term Averages



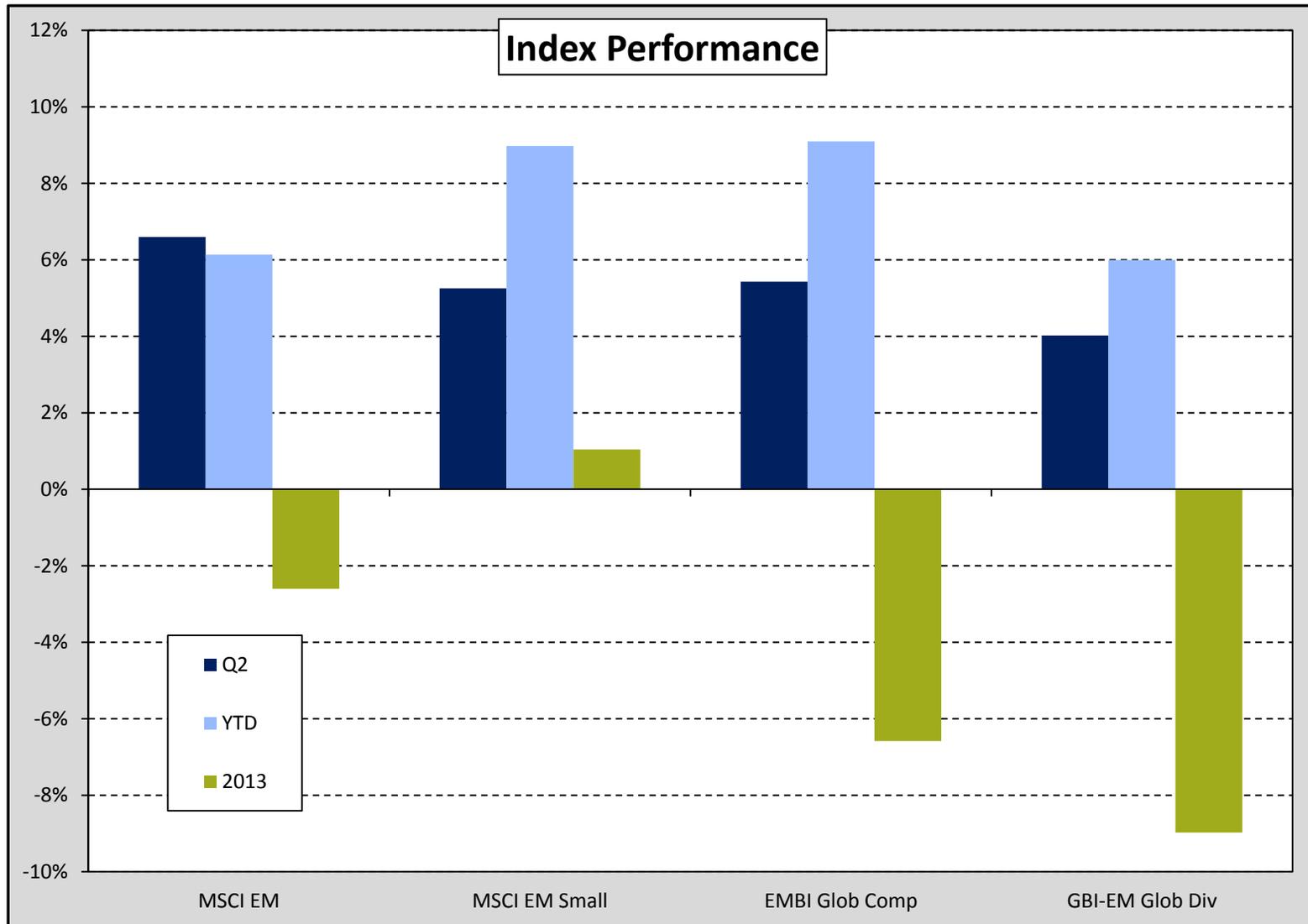
Source: Bloomberg as of 6/30, Long-term averages since 1954

Spreads Have Tightened to Pre-Crisis Levels as Investor Demand Persists



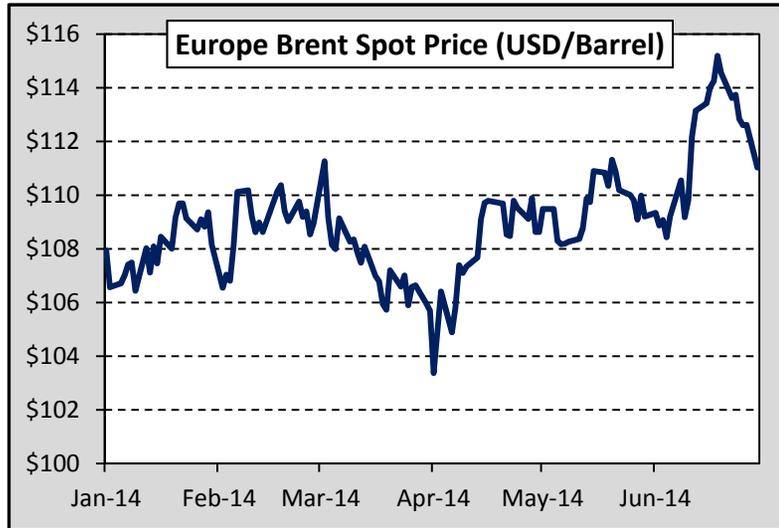
Source: Bloomberg as of 6/30

And Emerging Markets Rebounded Off a Lackluster 2013

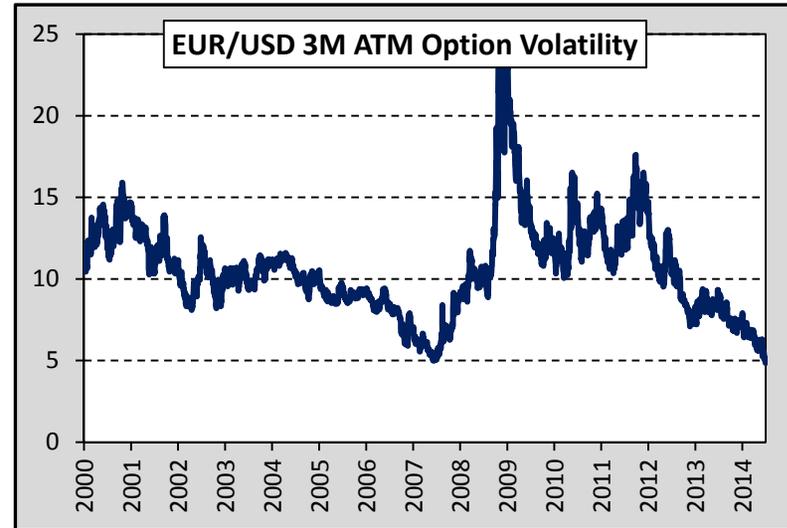


Source: Bloomberg as of 6/30

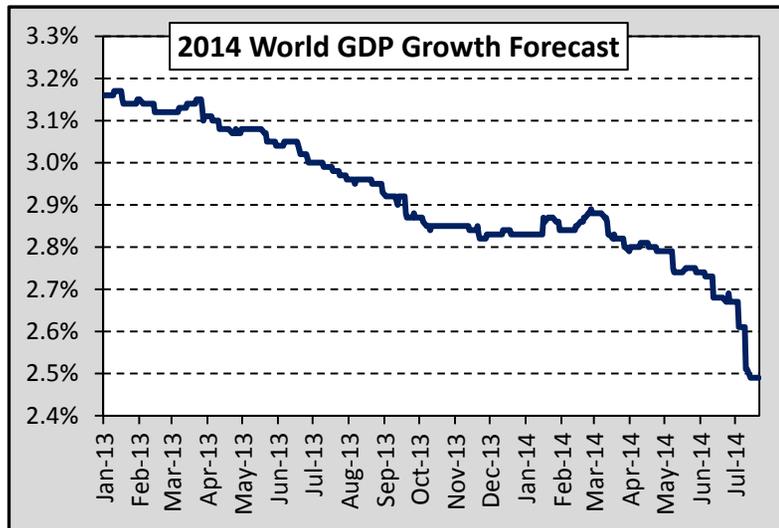
But Significant Macro Uncertainties Loom



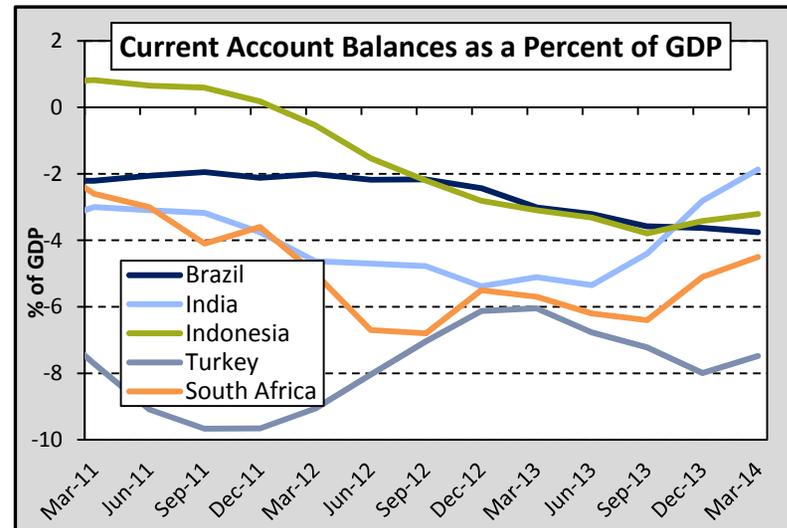
Source: Bloomberg as of 6/30



Source: Bloomberg as of 6/30



Source: Bloomberg as of 7/21



Source: Bloomberg as of 3/31

- **Interpreting and understanding the low volatility environment is a key challenge**
  - Low volatility can persist for long periods as a tailwind to markets but can also lead to complacency as excesses build in capital markets
  - Assess portfolio risk exposure and determine reasonable levels of portfolio liquidity and dry powder for future opportunities
- **Persistent low volatility may obscure underlying economic risks**
  - Global growth expectations remain subdued and deflation
  - EM balance of payment concerns remain as some countries slow the pace of reforms
  - China growth softens as credit growth continues to expand
  - Geopolitical risks pushing oil prices higher
- **As taper of QE concludes, potential for increased volatility as markets seek visibility into the Fed's monetary policy for 2015**
- **Valuations across many asset classes appear stretched**
  - Excluding EM, equity P-E ratios are above long-term averages
  - Credit spreads continue to tighten globally from insatiable demand
- **NEPC themes remain consistent**
  - Investors would be wise to rebalance to policy targets and maintain portfolio risk balance
  - Allocate to emerging markets and private markets for higher returns in a low return world
  - Look for opportunities to be dynamic – particularly in credit markets

Vermont Pension Investment Committee

Returns for Key Indices Ranked in Order of Performance

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	QTD	3 year	5 Year	10 Year
RUSSELL 2000 VALUE 22.83	RUSSELL 2000 VALUE 14.03	BC AGGREGATE 10.25	MSCI EMERGING MARKETS 55.82	MSCI EMERGING MARKETS 25.55	MSCI EMERGING MARKETS 34.54	MSCI EMERGING MARKETS 32.17	MSCI EMERGING MARKETS 39.39	BC AGGREGATE 5.24	MSCI EMERGING MARKETS 78.51	RUSSELL 2000 GROWTH 29.09	BC AGGREGATE 7.84	MSCI EMERGING MARKETS 18.22	RUSSELL 2000 GROWTH 43.30	MSCI EMERGING MARKETS 6.60	RUSSELL 1000 VALUE 16.91	RUSSELL 2000 GROWTH 20.50	MSCI EMERGING MARKETS 11.94
BC AGGREGATE 11.63	BC AGGREGATE 8.44	MSCI EMERGING MARKETS -6.17	RUSSELL 2000 GROWTH 48.54	RUSSELL 2000 VALUE 22.25	MSCI EAFE 13.54	MSCI EAFE 26.34	RUSSELL 1000 GROWTH 11.81	RUSSELL 2000 VALUE -28.92	RUSSELL 1000 GROWTH 37.21	RUSSELL 2000 VALUE 26.85	RUSSELL 1000 GROWTH 2.64	RUSSELL 2000 VALUE 18.05	RUSSELL 2000 GROWTH 38.82	S&P 500 5.23	RUSSELL 1000 16.62	RUSSELL 2000 20.21	RUSSELL 2000 GROWTH 9.04
RUSSELL 1000 VALUE 7.01	RUSSELL 2000 2.49	RUSSELL 2000 VALUE -11.43	RUSSELL 2000 47.25	MSCI EAFE 20.25	RUSSELL 1000 VALUE 7.05	RUSSELL 1000 VALUE 22.25	MSCI EAFE 11.17	RUSSELL 2000 -33.79	RUSSELL 2000 GROWTH 34.47	RUSSELL 2000 VALUE 24.5	S&P 500 2.11	RUSSELL 1000 VALUE 17.51	RUSSELL 2000 VALUE 34.52	RUSSELL 1000 GROWTH 5.13	S&P 500 16.58	RUSSELL 2000 VALUE 19.88	RUSSELL 2000 8.70
RUSSELL 2000 -3.02	MSCI EMERGING MARKETS -2.62	RUSSELL 1000 VALUE -15.52	RUSSELL 2000 VALUE 46.03	RUSSELL 2000 18.33	RUSSELL 1000 6.27	RUSSELL 2000 VALUE 23.48	RUSSELL 2000 GROWTH 7.06	RUSSELL 1000 VALUE -36.85	MSCI EAFE 31.78	MSCI EMERGING MARKETS 18.88	RUSSELL 1000 1.50	MSCI EAFE 17.32	RUSSELL 1000 GROWTH 33.48	RUSSELL 1000 5.12	RUSSELL 1000 GROWTH 16.26	RUSSELL 1000 19.25	RUSSELL 2000 VALUE 8.24
RUSSELL 1000 -7.79	RUSSELL 1000 VALUE -5.59	MSCI EAFE -15.94	MSCI EAFE 38.59	RUSSELL 1000 VALUE 16.49	RUSSELL 1000 GROWTH 5.26	RUSSELL 2000 18.37	BC AGGREGATE 6.97	S&P 500 -37.0	RUSSELL 1000 28.43	RUSSELL 1000 GROWTH 16.71	RUSSELL 1000 VALUE 0.39	RUSSELL 1000 16.42	RUSSELL 1000 33.11	RUSSELL 1000 VALUE 5.10	RUSSELL 2000 VALUE 14.64	RUSSELL 1000 GROWTH 19.24	RUSSELL 1000 GROWTH 8.20
S&P 500 -9.10	RUSSELL 2000 GROWTH -9.23	RUSSELL 2000 -20.48	RUSSELL 1000 VALUE 30.03	RUSSELL 2000 GROWTH 14.31	S&P 500 4.91	S&P 500 15.8	RUSSELL 1000 5.77	RUSSELL 1000 -37.6	RUSSELL 2000 27.16	RUSSELL 1000 16.10	RUSSELL 2000 GROWTH -2.91	RUSSELL 2000 16.35	RUSSELL 1000 VALUE 32.53	MSCI EAFE 4.09	RUSSELL 2000 14.56	RUSSELL 1000 VALUE 19.23	RUSSELL 1000 8.19
MSCI EAFE -14.17	S&P 500 -11.88	RUSSELL 1000 -21.65	RUSSELL 1000 29.89	RUSSELL 1000 11.40	RUSSELL 2000 VALUE 4.71	RUSSELL 1000 15.46	S&P 500 5.49	RUSSELL 1000 GROWTH -38.44	S&P 500 26.46	RUSSELL 1000 VALUE 15.51	RUSSELL 2000 -4.18	S&P 500 16.00	S&P 500 32.39	RUSSELL 2000 VALUE 2.38	RUSSELL 2000 GROWTH 14.49	S&P 500 18.84	RUSSELL 1000 VALUE 8.03
RUSSELL 1000 GROWTH -22.42	RUSSELL 1000 -12.45	S&P 500 -22.1	RUSSELL 1000 GROWTH 29.75	S&P 500 10.88	RUSSELL 2000 4.55	RUSSELL 2000 GROWTH 13.35	RUSSELL 1000 VALUE -0.17	RUSSELL 2000 GROWTH -38.54	RUSSELL 2000 VALUE 20.58	S&P 500 15.06	RUSSELL 2000 VALUE -5.50	RUSSELL 1000 GROWTH 15.26	MSCI EAFE 22.78	RUSSELL 2000 2.05	MSCI EAFE 8.10	MSCI EAFE 11.77	S&P 500 7.78
RUSSELL 2000 GROWTH -22.43	RUSSELL 1000 GROWTH -20.42	RUSSELL 1000 GROWTH -27.89	S&P 500 28.69	RUSSELL 1000 GROWTH 6.30	RUSSELL 2000 GROWTH 4.15	RUSSELL 1000 GROWTH 9.07	RUSSELL 2000 -1.56	MSCI EAFE -43.38	RUSSELL 1000 VALUE 19.69	MSCI EAFE 7.75	MSCI EAFE -12.14	RUSSELL 2000 GROWTH 14.59	BC AGGREGATE -2.02	BC AGGREGATE 2.04	BC AGGREGATE 3.66	MSCI EMERGING MARKETS 9.24	MSCI EAFE 6.93
MSCI EMERGING MARKETS -30.83	MSCI EAFE -21.44	RUSSELL 2000 GROWTH -30.26	BC AGGREGATE 4.10	BC AGGREGATE 4.34	BC AGGREGATE 2.43	BC AGGREGATE 4.33	RUSSELL 2000 VALUE -9.78	MSCI EMERGING MARKETS -53.33	BC AGGREGATE 5.93	BC AGGREGATE 6.54	MSCI EMERGING MARKETS -18.42	BC AGGREGATE 4.21	MSCI EMERGING MARKETS -2.60	RUSSELL 2000 GROWTH 1.72	MSCI EMERGING MARKET S -0.39	BC AGGREGATE 4.85	BC AGGREGATE 4.93

Investment Market Update: As of July 31, 2014

**PERFORMANCE THROUGH 7/31/2014**

Sector	Index	2008	2009	2010	2011	2012	2013	Q1	Q2	JUL	2014
Treasury STRIPS	Barclays US Strips 20+ Yr	59.5%	-36.0%	10.9%	58.5%	3.0%	-21.0%	12.7%	7.8%	1.4%	23.2%
REITS	Wilshire US REIT	-39.2%	28.6%	28.6%	9.2%	17.6%	1.9%	10.1%	7.2%	0.1%	18.2%
Long Govt/Credit	Barclays US Govt/Credit Long	8.4%	1.9%	10.2%	22.5%	8.8%	-8.8%	6.6%	4.9%	0.3%	12.2%
Long Credit	Barclays US Long Credit	-3.9%	16.8%	10.7%	17.1%	12.7%	-6.6%	6.3%	5.0%	0.2%	11.9%
Emerging Equities	MSCI EM	-53.3%	78.5%	18.9%	-18.4%	18.2%	-2.6%	-0.4%	6.6%	1.9%	8.2%
EMD USD	Barclays EM USD Agg	-14.7%	34.2%	12.8%	7.0%	17.9%	-4.1%	2.8%	4.5%	-0.1%	7.3%
Large Cap Value	Russell 1000 Value	-36.8%	19.7%	15.5%	0.4%	17.5%	32.5%	3.0%	5.1%	-1.7%	6.4%
Municipal Bonds	Barclays Municipal	-2.5%	12.9%	2.4%	10.7%	6.8%	-2.6%	3.3%	2.6%	0.2%	6.2%
Large Cap	S&P 500	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	1.8%	5.2%	-1.4%	5.7%
Large Cap	Russell 1000	-37.6%	28.4%	16.1%	1.5%	16.4%	33.1%	2.0%	5.1%	-1.6%	5.5%
EMD Local	JPM GBI EM Glob Div	-5.2%	22.0%	15.7%	-1.8%	16.8%	-9.0%	1.9%	4.0%	-1.1%	4.9%
Large Cap Growth	Russell 1000 Growth	-38.4%	37.2%	16.7%	2.6%	15.3%	33.5%	1.1%	5.1%	-1.5%	4.7%
Diversified	Diversified*	-24.5%	24.1%	13.5%	1.3%	12.7%	17.6%	2.1%	3.8%	-1.4%	4.5%
High Yield	Barclays US Corp HY	-26.2%	58.2%	15.1%	5.0%	15.8%	7.4%	3.0%	2.4%	-1.3%	4.1%
Global Bonds	Citi WGBI	10.9%	2.6%	5.2%	6.4%	1.6%	-4.0%	2.7%	2.3%	-0.9%	4.0%
Core Bonds	Barclays US Agg Bond	5.2%	5.9%	6.5%	7.8%	4.2%	-2.0%	1.8%	2.0%	-0.3%	3.7%
Int'l Developed	MSCI EAFE	-43.4%	31.8%	7.8%	-12.1%	17.3%	22.8%	0.7%	4.1%	-2.0%	2.7%
Interm Core Bonds	Barclays US Agg Interm	4.9%	6.5%	6.1%	6.0%	3.6%	-1.0%	1.2%	1.6%	-0.3%	2.5%
Interm Govt/Credit	Barclays US Govt/Credit Interm	5.1%	5.2%	5.9%	5.8%	3.9%	-0.9%	1.0%	1.2%	-0.2%	2.0%
Commodities	Bloomberg Commodity	-35.6%	18.9%	16.8%	-13.3%	-1.1%	-9.5%	7.0%	0.1%	-5.0%	1.7%
Govt/Credit	Barclays Govt/Credit 1-5 Yr	5.1%	4.6%	4.1%	3.1%	2.2%	0.3%	0.4%	0.7%	-0.2%	0.9%
SMID Cap	Russell 2500	-36.8%	34.4%	26.7%	-2.5%	17.9%	36.8%	2.3%	3.6%	-4.9%	0.7%
Govt/Credit	Barclays US Govt/Credit 1-3 Yr	5.0%	3.8%	2.8%	1.6%	1.3%	0.6%	0.2%	0.3%	-0.1%	0.5%
Small Cap Value	Russell 2000 Value	-28.9%	20.6%	24.5%	-5.5%	18.1%	34.5%	1.8%	2.4%	-6.0%	-2.1%
Small Cap	Russell 2000	-33.8%	27.2%	26.9%	-4.2%	16.3%	38.8%	1.1%	2.0%	-6.1%	-3.1%
Small Cap Growth	Russell 2000 Growth	-38.5%	34.5%	29.1%	-2.9%	14.6%	43.3%	0.5%	1.7%	-6.1%	-4.0%

\* 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	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
<b>Municipal Composite</b>	<b>\$522,532,252</b>	<b>4.0%</b>	<b>21</b>	<b>6.7%</b>	<b>3</b>	<b>14.6%</b>	<b>72</b>	<b>8.5%</b>	<b>79</b>	<b>12.7%</b>	<b>39</b>
<i>Policy Index</i>		3.3%	68	5.2%	47	13.4%	92	7.3%	95	10.2%	85
<i>Allocation Index</i>		3.3%	68	5.1%	53	13.4%	92	7.3%	95	10.7%	79
<i>InvestorForce Public DB Gross Median</i>		3.5%		5.2%		16.0%		9.5%		12.3%	

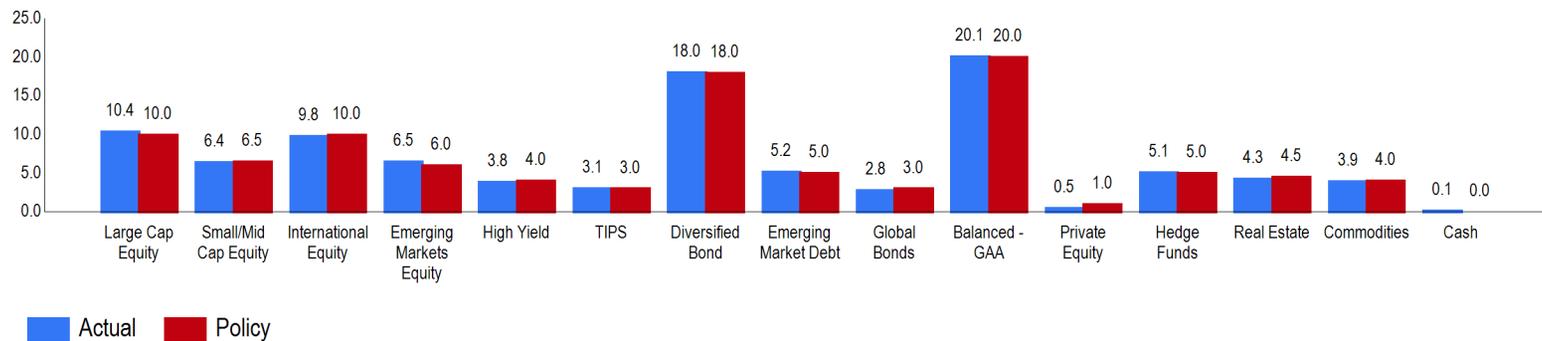
### 3 Years Ending June 30, 2014

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Municipal Composite	8.46%	79	7.34%	38	1.15	70	1.67	39
Policy Index	7.28%	95	7.04%	30	1.03	89	1.40	80
Allocation Index	7.28%	95	6.99%	29	1.03	89	1.37	81

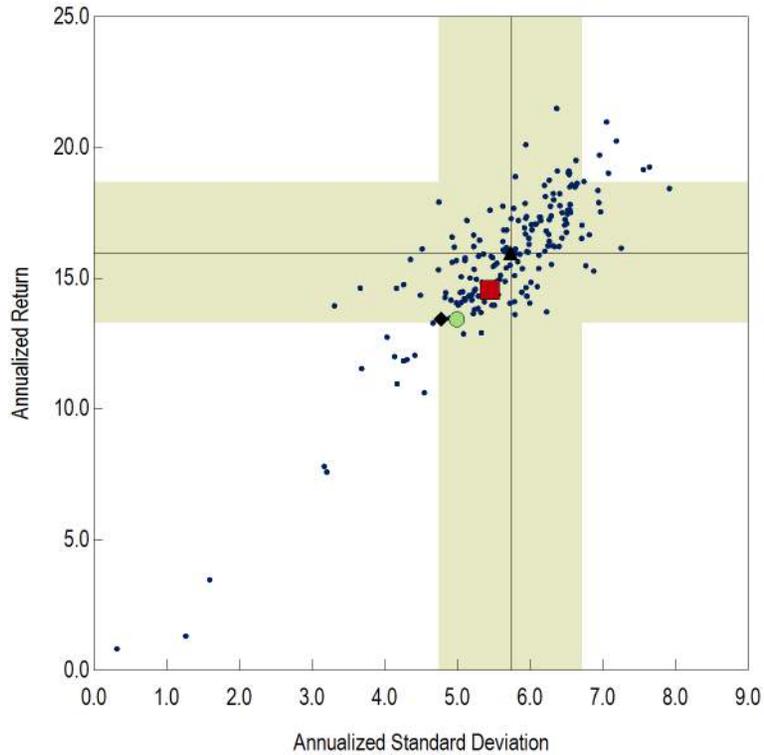
### 5 Years Ending June 30, 2014

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Municipal Composite	12.68%	39	8.09%	49	1.56	32	2.49	27
Policy Index	10.25%	85	7.56%	36	1.35	86	2.13	70
Allocation Index	10.65%	79	7.78%	39	1.36	84	2.17	63

### Actual vs Target Allocation (%)



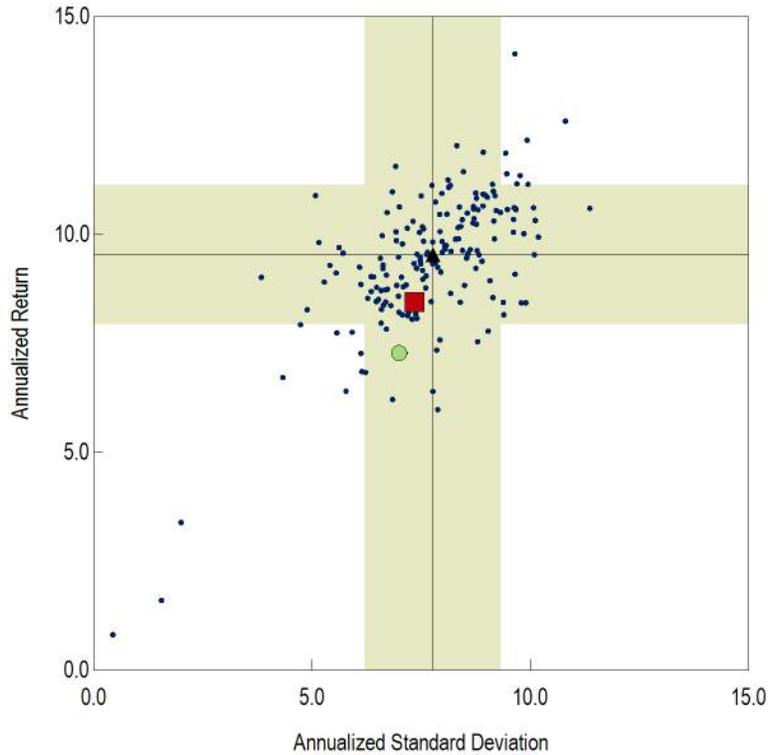
1 Years Ending June 30, 2014



1 Year Ending June 30, 2014

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Municipal Composite	14.56%	72	5.44%	37	2.67	70
Policy Index	13.43%	92	4.78%	12	2.80	43
S&P 500	24.61%	1	9.47%	99	2.59	79
60% MSCI ACWI (Net)/40% CITI WGBI	16.36%	40	6.45%	82	2.53	84
Citi WGBI	6.85%	99	3.46%	3	1.97	99
MSCI ACWI	22.95%	1	9.68%	99	2.37	95
MSCI ACWI ex USA	21.75%	1	10.62%	99	2.04	99
InvestorForce Public DB Gross Median	15.97%	--	5.73%	--	2.77	--

3 Years Ending June 30, 2014



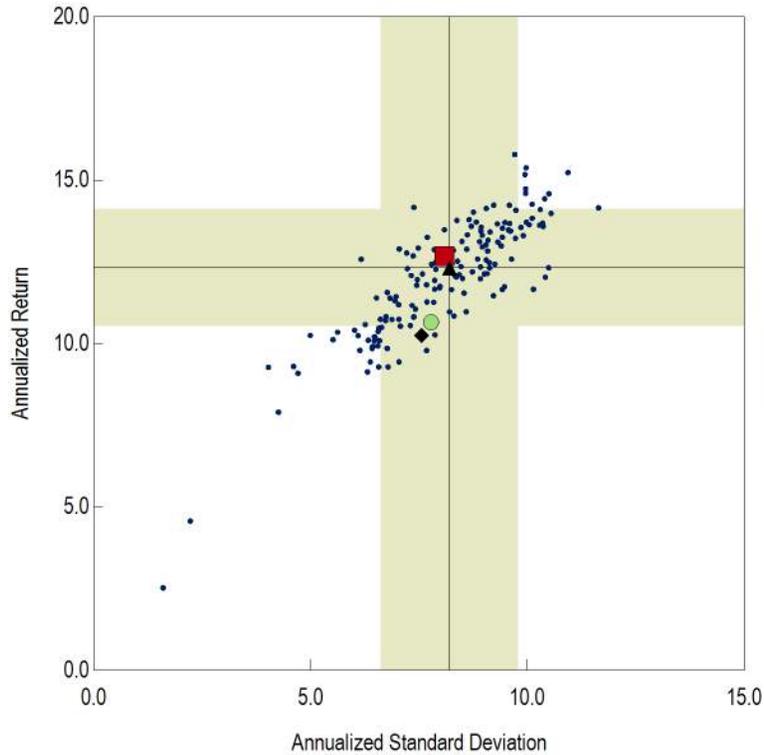
- Municipal Composite
- ◆ Policy Index
- Allocation Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB Gross

181 Portfolios

3 Years Ending June 30, 2014

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Municipal Composite	8.46%	79	7.34%	38	1.15	70
Policy Index	7.28%	95	7.04%	30	1.03	89
S&P 500	16.58%	1	12.26%	99	1.35	24
60% MSCI ACWI (Net)/40% CITI WGBI	6.95%	95	9.12%	83	0.76	99
Citi WGBI	1.57%	99	4.46%	3	0.34	99
MSCI ACWI	10.25%	30	14.27%	99	0.71	99
MSCI ACWI ex USA	5.73%	99	16.57%	99	0.34	99
InvestorForce Public DB Gross Median	9.54%	--	7.77%	--	1.21	--

5 Years Ending June 30, 2014

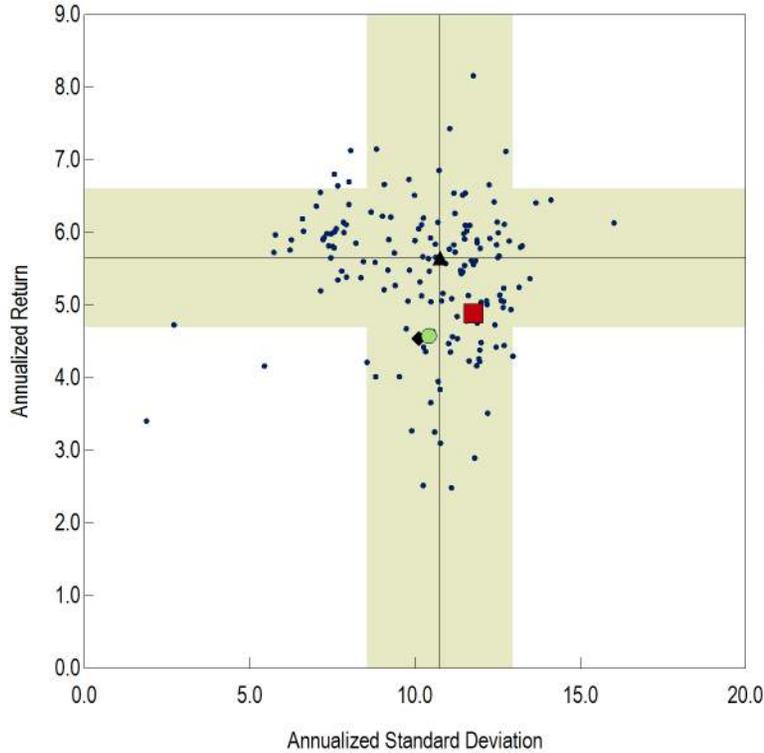


- Municipal Composite
- ◆ Policy Index
- Allocation Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB Gross

5 Years Ending June 30, 2014

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Municipal Composite	12.68%	39	8.09%	49	1.56	32
Policy Index	10.25%	85	7.56%	36	1.35	86
S&P 500	18.83%	1	13.40%	99	1.40	75
60% MSCI ACWI (Net)/40% CITI WGBI	10.16%	87	10.01%	92	1.01	99
Citi WGBI	3.60%	99	5.87%	6	0.60	99
MSCI ACWI	14.28%	5	15.01%	99	0.95	99
MSCI ACWI ex USA	11.11%	73	16.90%	99	0.65	99
InvestorForce Public DB Gross Median	12.32%	--	8.21%	--	1.48	--

7 Years Ending June 30, 2014



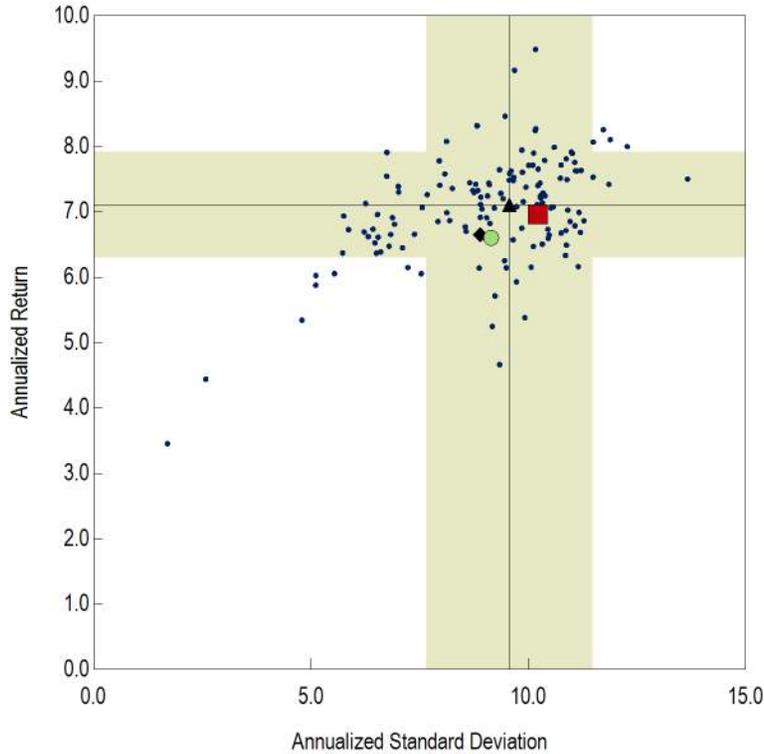
7 Years Ending June 30, 2014

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Municipal Composite	4.89%	77	11.76%	73	0.37	77
Policy Index	4.54%	83	10.11%	37	0.40	72
S&P 500	6.16%	18	16.92%	99	0.33	89
60% MSCI ACWI (Net)/40% CITI WGBI	4.56%	82	12.55%	89	0.32	90
Citi WGBI	5.47%	58	7.08%	7	0.70	17
MSCI ACWI	3.24%	98	19.05%	99	0.14	99
MSCI ACWI ex USA	1.27%	99	21.44%	99	0.03	99
InvestorForce Public DB Gross Median	5.65%	--	10.75%	--	0.47	--

# Vermont Municipal Employees

## Total Fund Risk/Return

10 Years Ending June 30, 2014



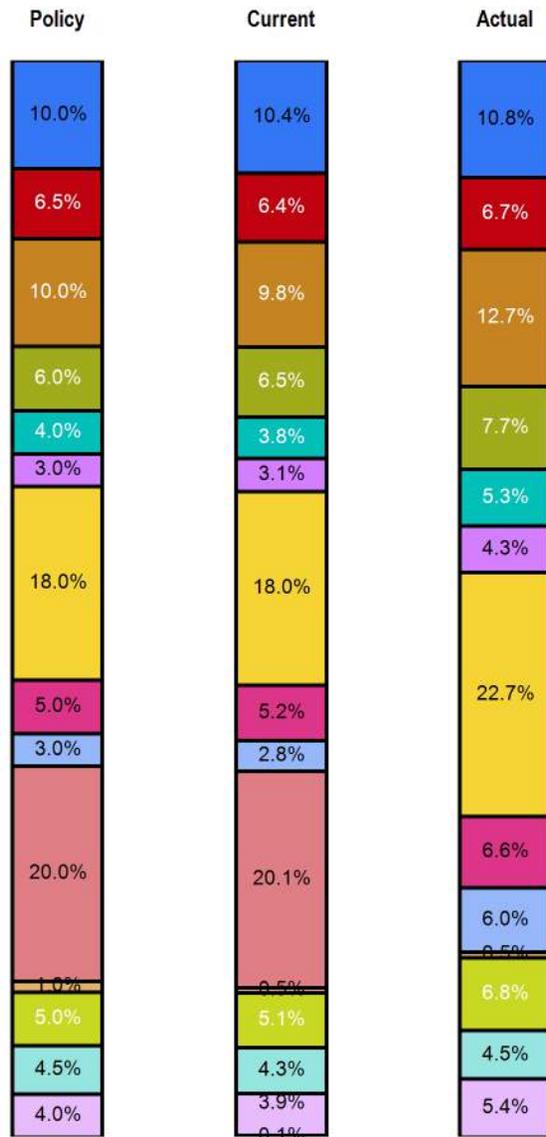
- Municipal Composite
- ◆ Policy Index
- Allocation Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB Gross

10 Years Ending June 30, 2014

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Municipal Composite	6.97%	57	10.22%	69	0.53	76
Policy Index	6.65%	76	8.89%	36	0.58	60
S&P 500	7.78%	15	14.70%	99	0.43	98
60% MSCI ACWI (Net)/40% CITI WGBI	6.74%	69	10.99%	88	0.48	92
Citi WGBI	4.82%	99	6.68%	13	0.50	85
MSCI ACWI	7.46%	30	16.61%	99	0.36	99
MSCI ACWI ex USA	7.75%	16	18.90%	99	0.33	99
InvestorForce Public DB Gross Median	7.11%	--	9.56%	--	0.61	--

# Vermont Municipal Employees

## Total Fund Asset Allocation vs. Policy Targets

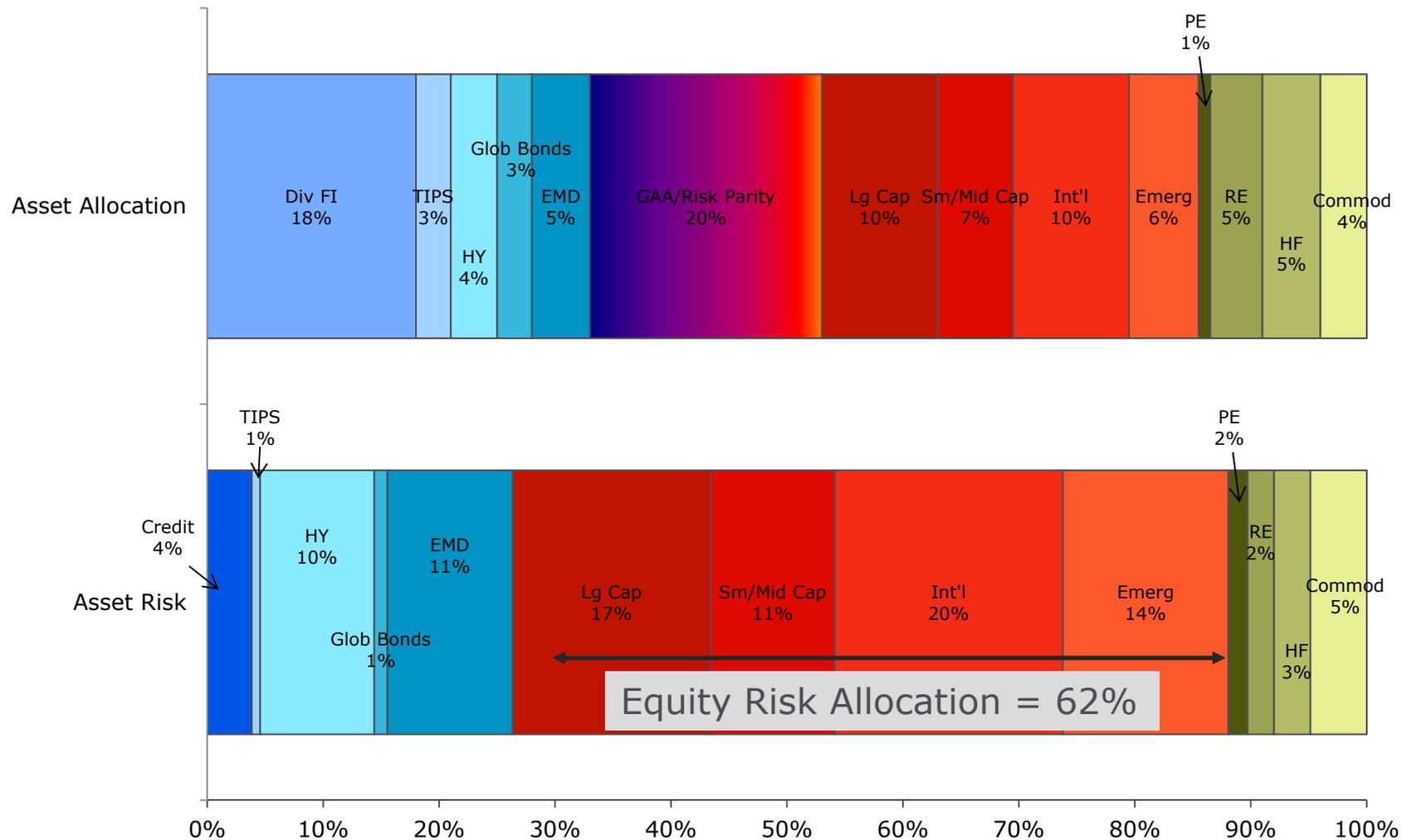


### Asset Allocation vs. Target

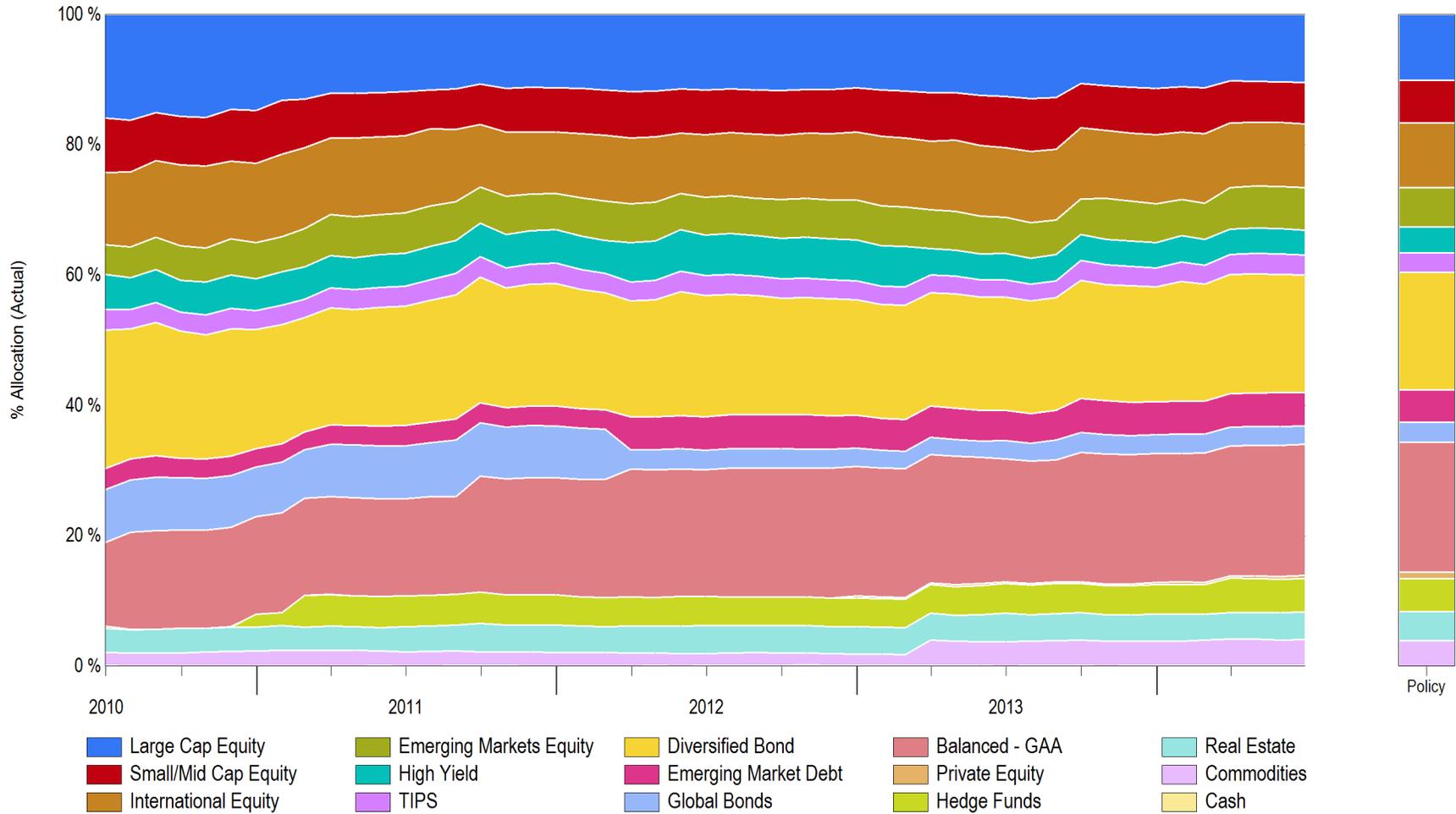
	Current	Policy	Current	Difference*
Large Cap Equity	\$54,205,120	10.00%	10.37%	0.37%
Small/Mid Cap Equity	\$33,450,732	6.50%	6.40%	-0.10%
International Equity	\$51,112,345	10.00%	9.78%	-0.22%
Emerging Markets Equity	\$33,987,864	6.00%	6.50%	0.50%
High Yield	\$20,085,494	4.00%	3.84%	-0.16%
TIPS	\$16,038,085	3.00%	3.07%	0.07%
Diversified Bond	\$94,118,211	18.00%	18.01%	0.01%
Emerging Market Debt	\$27,013,189	5.00%	5.17%	0.17%
Global Bonds	\$14,642,263	3.00%	2.80%	-0.20%
Balanced - GAA	\$105,198,603	20.00%	20.13%	0.13%
Private Equity	\$2,459,416	1.00%	0.47%	-0.53%
Hedge Funds	\$26,834,931	5.00%	5.14%	0.14%
Real Estate	\$22,243,309	4.50%	4.26%	-0.24%
Commodities	\$20,456,404	4.00%	3.91%	-0.09%
Cash	\$686,287	--	0.13%	0.13%
<b>Total</b>	<b>\$522,532,252</b>	<b>100.00%</b>	<b>100.00%</b>	

\*Difference between Policy and Current Allocation

Total Fund Target Allocation vs. Asset Risk



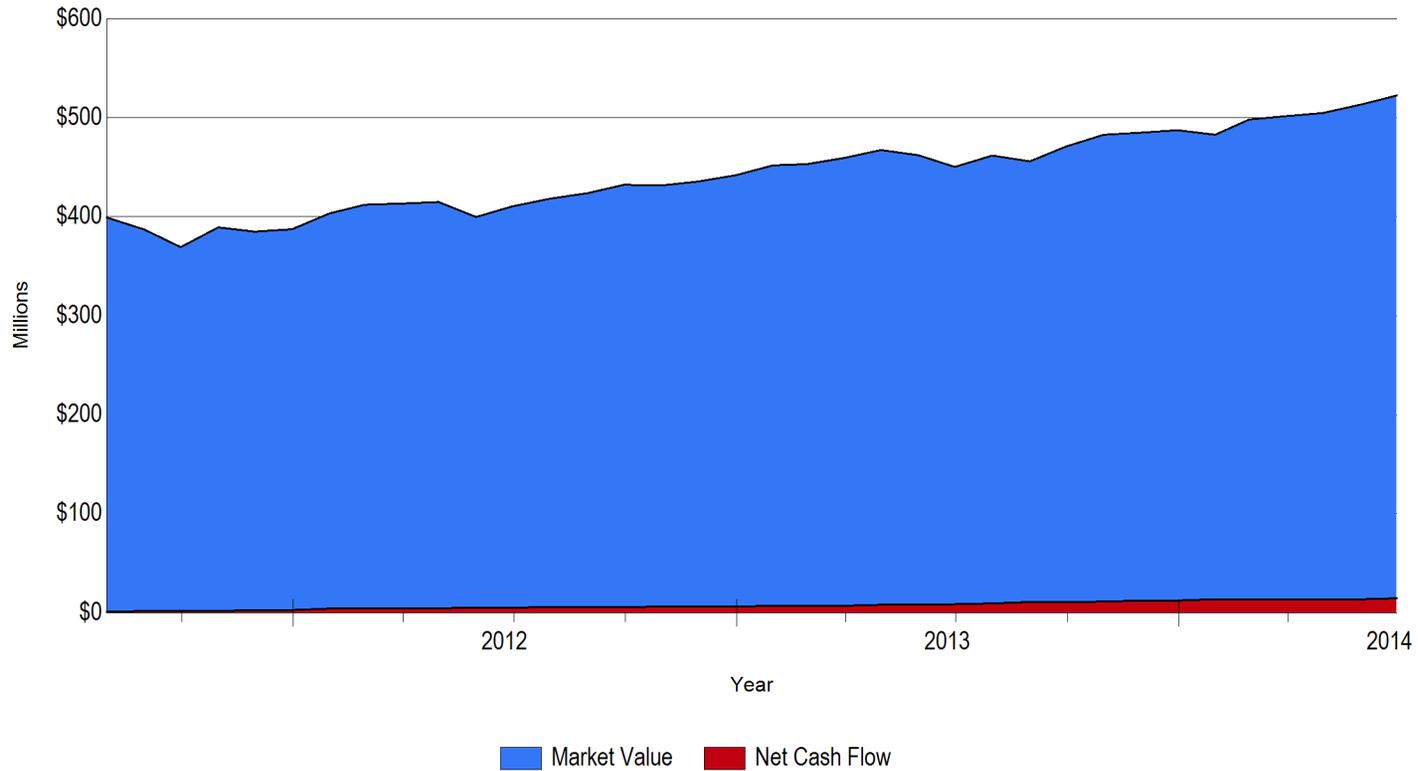
Asset Allocation History



# Vermont Municipal Employees

## Total Fund Asset Growth Summary

3 Years Ending June 30, 2014



	Last Three Months	Year-To-Date	Fiscal Year-To-Date	One Year	Three Years
Beginning Market Value	\$501,679,641	\$487,442,451	\$450,402,096	\$450,402,096	\$396,503,827
- Withdrawals	-\$2,578,426	-\$14,850,760	-\$52,132,384	-\$52,132,384	-\$190,752,468
+ Contributions	\$3,522,499	\$17,168,529	\$58,189,210	\$58,189,210	\$205,319,302
= Net Cash Flow	\$944,073	\$2,317,769	\$6,056,826	\$6,056,826	\$14,566,834
+ Net Investment Change	\$19,908,538	\$32,772,032	\$66,073,330	\$66,073,330	\$111,461,590
= Ending Market Value	\$522,532,252	\$522,532,252	\$522,532,252	\$522,532,252	\$522,532,252

## Vermont Municipal Employees

### Total Fund Asset Growth Summary by Manager

	Quarter Ending June 30, 2014					Ending Market Value
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	
Aberdeen	\$31,901,055	\$0	\$0	\$0	\$2,086,809	\$33,987,864
Acadian	\$20,610,607	\$0	\$0	\$0	\$808,587	\$21,419,194
Allianz Structured Alpha	\$12,642,346	\$0	\$0	\$0	\$507,997	\$13,150,343
AQR Global Risk Premium	\$40,166,354	-\$500,000	\$0	-\$500,000	\$3,183,956	\$42,850,309
BlackRock TIPS	\$15,444,223	\$0	\$0	\$0	\$593,862	\$16,038,085
Champlain	\$10,182,847	\$0	\$256,600	\$256,600	\$446,250	\$10,885,697
GAM	\$5,418,489	\$0	\$0	\$0	\$78,489	\$5,496,978
Grosvenor	\$10,438,389	\$0	\$0	\$0	\$137,834	\$10,576,222
Guggenheim	\$15,013,104	\$0	\$0	\$0	\$238,460	\$15,251,564
Harbourvest Dover VIII Fund	\$762,824	-\$23,273	\$278,752	\$255,479	\$0	\$1,018,303
Harbourvest Partners IX Buyout Fund	\$532,125	\$0	\$168,746	\$168,746	\$0	\$700,871
Harbourvest Partners IX Credit Opportunities	\$102,031	\$0	\$23,597	\$23,597	\$0	\$125,628
Harbourvest Partners IX Venture Fund	\$452,628	\$0	\$161,986	\$161,986	\$0	\$614,615
KDP	\$4,743,173	-\$7,670	\$0	-\$7,670	\$98,426	\$4,833,929
Mellon Global Expanded Alpha	\$9,638,826	\$0	\$0	\$0	\$420,777	\$10,059,603
Mondrian	\$21,511,060	-\$795,460	\$0	-\$795,460	\$1,160,822	\$21,876,422
Mondrian GFI	\$14,358,492	\$0	\$0	\$0	\$283,771	\$14,642,263
Morgan Stanley Prime Property	\$9,402,691	-\$33,037	\$0	-\$33,037	\$290,796	\$9,660,451
Permal	\$10,509,909	\$0	\$0	\$0	\$251,821	\$10,761,730
PIMCO All Asset	\$30,486,277	-\$69,707	\$0	-\$69,707	\$1,384,314	\$31,800,884
PIMCO Core Plus	\$32,450,108	-\$600,000	\$1,000,000	\$400,000	\$649,275	\$33,499,383
PIMCO Unconstrained	\$33,951,934	-\$200,000	\$0	-\$200,000	\$583,393	\$34,335,328
RREEF America REIT III	\$2,821,930	-\$236,523	\$0	-\$236,523	\$342,644	\$2,928,051
Schroder	\$20,259,928	\$0	\$0	\$0	\$196,476	\$20,456,404
Siguler Guff	--	\$0	\$1,133,403	\$1,133,403	\$0	\$1,133,403

## Vermont Municipal Employees

### Total Fund Asset Growth Summary by Manager

	Quarter Ending June 30, 2014					
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	Ending Market Value
SSgA ACWI Ex US	\$7,430,748	\$0	\$0	\$0	\$385,980	\$7,816,728
SSgA Russell 2000 Growth	\$8,021,278	\$0	\$0	\$0	\$138,674	\$8,159,951
SSgA S&P 400	\$3,643,110	\$0	\$0	\$0	\$157,376	\$3,800,486
SSgA S&P 500 Cap-Wgt	\$23,925,417	\$0	\$0	\$0	\$1,253,180	\$25,178,598
SSgA S&P 500 Equal-Wgt	\$13,339,575	\$0	\$0	\$0	\$727,586	\$14,067,160
T. Rowe	\$13,856,019	\$0	\$320,750	\$320,750	\$782,593	\$14,959,362
TERMINATED Post Advisory	\$0	\$0	\$0	\$0	\$0	--
Transwestern / Aslan III	\$105,942	-\$7,245	\$0	-\$7,245	\$5,899	\$104,596
UBS Trumbull	\$8,230,442	-\$22,266	\$22,266	\$0	\$186,366	\$8,416,808
Vermont Cash	\$613,133	-\$83,245	\$156,399	\$73,154	\$0	\$686,287
Wellington	\$10,557,247	\$0	\$0	\$0	\$47,350	\$10,604,597
Wellington DAS	\$12,700,360	\$0	\$0	\$0	\$432,797	\$13,133,157
Wellington OIF	\$19,806,647	\$0	\$0	\$0	\$681,159	\$20,487,807
Wellington Opportunistic EMD	\$25,648,372	\$0	\$0	\$0	\$1,364,817	\$27,013,189
<b>Total</b>	<b>\$501,679,641</b>	<b>-\$2,578,426</b>	<b>\$3,522,499</b>	<b>\$944,073</b>	<b>\$19,908,538</b>	<b>\$522,532,252</b>

# Vermont Municipal Employees

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Municipal Composite</b>	<b>522,532,252</b>	<b>100.0</b>	<b>100.0</b>	<b>4.0</b>	<b>21</b>	<b>6.7</b>	<b>3</b>	<b>14.6</b>	<b>72</b>	<b>8.5</b>	<b>79</b>	<b>12.7</b>	<b>39</b>
Policy Index				3.3	68	5.2	47	13.4	92	7.3	95	10.2	85
Allocation Index				3.3	68	5.1	53	13.4	92	7.3	95	10.7	79
InvestorForce Public DB Gross Median				3.5		5.2		16.0		9.5		12.3	
<b>Large Cap Comp</b>	<b>54,205,120</b>	<b>10.4</b>	<b>10.0</b>	<b>5.4</b>	<b>29</b>	<b>7.5</b>	<b>39</b>	<b>25.7</b>	<b>50</b>	<b>16.8</b>	<b>40</b>	<b>20.6</b>	<b>16</b>
S&P 500				5.2	33	7.1	45	24.6	61	16.6	44	18.8	48
eA US Large Cap Equity Gross Median				4.7		6.8		25.6		16.2		18.7	
T. Rowe	14,959,362	2.9	3.0	5.5	25	7.1	46	25.7	49	17.1	32	18.9	46
SSgA S&P 500 Cap-Wgt	25,178,598	4.8	4.0	5.2	33	7.1	45	24.6	61	16.6	43	--	--
S&P 500				5.2	33	7.1	45	24.6	61	16.6	44	18.8	48
SSgA S&P 500 Equal-Wgt	14,067,160	2.7	3.0	5.5	27	8.6	19	27.3	31	17.2	32	22.4	4
S&P 500 Equal Weighted				5.5	24	8.7	18	27.4	31	17.2	32	22.4	4
<b>Small/Mid Cap Comp</b>	<b>33,450,732</b>	<b>6.4</b>	<b>6.5</b>	<b>2.4</b>	<b>56</b>	<b>3.8</b>	<b>64</b>	<b>24.0</b>	<b>66</b>	<b>15.5</b>	<b>50</b>	<b>21.6</b>	<b>46</b>
Russell 2000				2.0	65	3.2	72	23.6	69	14.6	59	20.2	74
eA US Small-Mid Cap Equity Gross Median				2.8		4.9		25.7		15.4		21.5	
SSgA S&P 400	3,800,486	0.7	0.5	4.3	40	7.5	36	25.3	58	--	--	--	--
S&P 400 MidCap				4.3	40	7.5	36	25.2	59	15.3	51	21.7	44
eA US Mid Cap Equity Gross Median				3.9		6.2		26.6		15.3		21.4	
Champlain	10,885,697	2.1	2.0	4.3	42	5.8	57	25.9	55	15.9	41	--	--
Russell 2500				3.6	60	5.9	54	25.6	56	15.5	49	21.6	45
eA US Mid Cap Equity Gross Median				3.9		6.2		26.6		15.3		21.4	
Wellington	10,604,597	2.0	2.0	0.4	93	2.0	90	20.1	93	15.4	66	22.1	42
Russell 2000 Value				2.4	68	4.2	65	22.5	79	14.6	75	19.9	79
eA US Small Cap Value Equity Gross Median				3.1		5.1		25.4		16.4		21.7	
SSgA Russell 2000 Growth	8,159,951	1.6	2.0	1.7	26	2.2	38	24.6	47	14.5	55	20.5	73
Russell 2000 Growth				1.7	27	2.2	37	24.7	46	14.5	55	20.5	73
eA US Small Cap Growth Equity Gross Median				0.2		1.0		24.2		14.9		21.9	

Fiscal Year End if 6/30

# Vermont Municipal Employees

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Int'l Equity Comp</b>	<b>51,112,345</b>	<b>9.8</b>	<b>10.0</b>	<b>4.8</b>	<b>25</b>	<b>8.7</b>	<b>8</b>	<b>28.0</b>	<b>22</b>	<b>9.3</b>	<b>54</b>	<b>12.9</b>	<b>68</b>
MSCI EAFE				4.1	45	4.8	54	23.6	60	8.1	76	11.8	87
eA All EAFE Equity Gross Median				3.8		5.0		24.4		9.5		13.7	
Acadian	21,419,194	4.1	4.0	3.9	48	8.7	7	30.0	14	9.9	43	14.0	44
Mondrian	21,876,422	4.2	4.0	5.6	10	9.5	4	28.1	22	9.9	44	12.7	74
MSCI EAFE				4.1	45	4.8	54	23.6	60	8.1	76	11.8	87
SSgA ACWI Ex US	7,816,728	1.5	2.0	5.2	23	5.8	34	22.1	48	6.0	87	--	--
MSCI ACWI ex USA				5.0	26	5.6	43	21.8	50	5.7	91	11.1	95
eA ACWI ex-US All Cap Equity Gross Median				4.1		4.6		21.7		8.6		14.1	
<b>Emerging Market Comp</b>	<b>33,987,864</b>	<b>6.5</b>	<b>6.0</b>	<b>6.5</b>	<b>69</b>	<b>8.2</b>	<b>28</b>	<b>10.2</b>	<b>90</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Aberdeen	33,987,864	6.5	6.0	6.5	69	8.2	28	10.2	90	4.2	21	14.5	14
MSCI Emerging Markets				6.6	67	6.1	61	14.3	64	-0.4	81	9.2	78
eA Emg Mkts Equity Gross Median				7.2		6.7		15.5		2.2		11.6	
<b>US Fixed Income</b>	<b>130,241,790</b>	<b>24.9</b>	<b>--</b>	<b>2.5</b>	<b>29</b>	<b>4.8</b>	<b>33</b>	<b>5.4</b>	<b>44</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Barclays Aggregate				2.0	49	3.9	51	4.4	61	3.7	63	4.9	65
eA All US Fixed Inc Gross Median				2.0		3.9		4.9		4.4		5.7	
<b>Diversified Fixed</b>	<b>94,118,211</b>	<b>18.0</b>	<b>18.0</b>	<b>2.4</b>	<b>30</b>	<b>4.6</b>	<b>35</b>	<b>4.5</b>	<b>60</b>	<b>4.6</b>	<b>46</b>	<b>7.4</b>	<b>35</b>
Barclays Aggregate				2.0	49	3.9	51	4.4	61	3.7	63	4.9	65
eA All US Fixed Inc Gross Median				2.0		3.9		4.9		4.4		5.7	
Allianz Structured Alpha	13,150,343	2.5	2.0	4.0	2	8.2	3	7.9	3	5.5	11	9.4	1
Citigroup 10 Year Treasury				2.7	6	6.1	4	2.8	98	5.0	20	5.0	77
PIMCO Core Plus	33,499,383	6.4	6.5	2.2	39	4.0	61	3.9	83	4.4	53	--	--
Barclays Aggregate				2.0	58	3.9	62	4.4	71	3.7	84	4.9	83
PIMCO Unconstrained	34,335,328	6.6	6.5	1.7	80	2.7	92	2.5	99	2.9	97	--	--
25% HY, 25% EMD, 50% BC Agg				3.0	4	5.6	5	7.9	3	6.2	5	8.5	2
3-Month Libor Total Return USD				0.1	99	0.1	99	0.2	99	0.3	99	0.3	99
Wellington DAS	13,133,157	2.5	3.0	3.4	3	7.8	3	7.6	5	8.8	2	8.2	4
Wellington Custom Benchmark				4.4	2	11.2	2	5.9	16	8.1	2	7.2	12

# Vermont Municipal Employees

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>High Yield Comp</b>	<b>20,085,494</b>	<b>3.8</b>	<b>4.0</b>	<b>1.7</b>	<b>87</b>	<b>4.6</b>	<b>80</b>	<b>10.3</b>	<b>79</b>	<b>9.2</b>	<b>63</b>	<b>12.3</b>	<b>79</b>
Barclays High Yield				2.4	46	5.5	55	11.7	47	9.5	52	14.0	41
eA US High Yield Fixed Inc Gross Median				2.4		5.5		11.7		9.5		13.7	
KDP	4,833,929	0.9	1.0	1.9	80	4.5	81	9.3	83	8.4	81	--	--
Barclays High Yield				2.4	46	5.5	55	11.7	47	9.5	52	14.0	41
BofA Merrill Lynch US High Yield BB-B Rated				2.5	40	5.5	50	11.4	57	9.0	68	12.6	75
Guggenheim	15,251,564	2.9	3.0	1.6	89	4.6	78	--	--	--	--	--	--
Barclays High Yield				2.4	46	5.5	55	11.7	47	9.5	52	14.0	41
eA US High Yield Fixed Inc Gross Median				2.4		5.5		11.7		9.5		13.7	
<b>TIPS</b>	<b>16,038,085</b>	<b>3.1</b>	<b>3.0</b>										
BlackRock TIPS	16,038,085	3.1	3.0	3.8	--	5.8	--	4.5	--	3.5	--	--	--
Barclays US TIPS				3.8	--	5.8	--	4.4	--	3.6	--	5.6	--
<b>Global Fixed Income Comp</b>	<b>14,642,263</b>	<b>2.8</b>	<b>3.0</b>	<b>2.0</b>	<b>74</b>	<b>4.0</b>	<b>81</b>	<b>5.5</b>	<b>82</b>	<b>1.1</b>	<b>94</b>	<b>5.6</b>	<b>70</b>
Citi WGBI				2.3	65	5.0	61	6.8	72	1.6	92	3.6	98
eA All Global Fixed Inc Gross Median				2.6		5.4		8.6		5.0		7.0	
Mondrian GFI	14,642,263	2.8	3.0	2.0	74	4.0	81	5.5	82	0.2	98	4.1	97
Citi WGBI				2.3	65	5.0	61	6.8	72	1.6	92	3.6	98
<b>Emerging Market Debt</b>	<b>27,013,189</b>	<b>5.2</b>	<b>5.0</b>										
Wellington Opportunistic EMD	27,013,189	5.2	5.0	5.3	22	9.2	18	11.1	26	8.3	14	--	--
JP Morgan EMBI Global TR				5.4	19	9.1	19	11.0	26	7.6	29	10.4	57
eA All Emg Mkts Fixed Inc Gross Median				4.8		7.5		9.6		6.6		11.0	
<b>Total Real Estate</b>	<b>22,243,309</b>	<b>4.3</b>	<b>4.5</b>										
Morgan Stanley Prime Property	9,660,451	1.8	2.0	3.1	--	6.1	--	14.6	--	15.1	--	11.0	--
UBS Trumbull	8,416,808	1.6	2.0	2.3	--	4.9	--	10.2	--	10.4	--	9.3	--
RREEF America REIT III	2,928,051	0.6	0.5	13.2	--	17.8	--	27.0	--	22.2	--	16.5	--
Transwestern / Aslan III	104,596	0.0	0.0	5.6	--	5.9	--	10.6	--	16.4	--	-5.0	--
NCREIF Property Index				2.9	--	5.7	--	11.2	--	11.3	--	9.7	--
NCREIF ODCE				2.9	--	5.5	--	12.7	--	12.4	--	10.0	--
Siguler Guff	1,133,403	0.2		--	--	--	--	--	--	--	--	--	--

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

# Vermont Municipal Employees

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Hedge Fund Comp</b>	<b>26,834,931</b>	<b>5.1</b>	<b>5.0</b>	<b>1.8</b>	<b>40</b>	<b>3.2</b>	<b>38</b>	<b>10.4</b>	<b>33</b>	<b>6.8</b>	<b>27</b>	<b>--</b>	<b>--</b>
<i>eA HFN FOF - Multi-Strategy Net Median</i>				1.5		2.6		9.3		5.3		6.4	
Grosvenor	10,576,222	2.0	2.0	1.3	60	2.9	45	11.0	30	6.9	26	--	--
GAM	5,496,978	1.1	1.0	1.4	55	1.8	61	7.4	66	6.7	28	--	--
Permal	10,761,730	2.1	2.0	2.4	24	4.2	27	11.2	29	6.8	27	--	--
<i>HFRI Fund of Funds Composite Index</i>				1.5	53	2.0	58	7.6	65	3.3	76	4.2	79
<b>GAA Comp</b>	<b>105,198,603</b>	<b>20.1</b>	<b>20.0</b>	<b>5.7</b>	<b>11</b>	<b>8.9</b>	<b>11</b>	<b>16.0</b>	<b>33</b>	<b>7.7</b>	<b>36</b>	<b>12.7</b>	<b>25</b>
<i>eA Global TAA Gross Median</i>				3.7		5.4		13.3		6.3		9.4	
Mellon Global Expanded Alpha	10,059,603	1.9	2.5	4.4	32	-0.4	96	8.9	76	6.1	52	12.1	29
<i>Mellon GA GEA Index</i>				3.5	59	5.6	44	14.3	44	7.6	36	9.8	48
AQR Global Risk Premium	42,850,309	8.2	8.0	8.0	1	14.1	1	18.8	9	9.2	26	--	--
<i>60% MSCI World / 40% CITI WGBI</i>				3.9	43	6.0	35	17.4	22	8.2	32	10.9	37
PIMCO All Asset	31,800,884	6.1	5.0	4.5	27	7.4	15	12.4	58	7.6	36	11.1	36
<i>PIMCO All Asset Index</i>				3.0	69	5.0	56	7.4	86	5.5	60	7.6	72
<i>CPI + 5% (Seasonally Adjusted)</i>				2.1	81	3.8	76	7.2	87	6.9	44	7.1	79
Wellington OIF	20,487,807	3.9	4.5	3.5	58	6.0	34	19.4	7	5.7	60	10.6	38
<i>65% MSCI ACWI (Net) / 35% BC Agg</i>				4.0	42	5.4	47	16.2	32	8.2	33	11.2	36
<b>Commodities</b>	<b>20,456,404</b>	<b>3.9</b>	<b>4.0</b>										
Schroder	20,456,404	3.9	4.0	1.0	--	6.9	--	8.6	--	-3.1	--	--	--
<i>Bloomberg Commodity Index</i>				0.1	--	7.1	--	8.2	--	-5.2	--	2.0	--
<b>Cash</b>	<b>686,287</b>	<b>0.1</b>	<b>0.0</b>										
Vermont Cash	686,287	0.1	0.0	0.0	--	0.0	--	0.0	--	0.0	--	0.1	--
<i>91 Day T-Bills</i>				0.0	--	0.0	--	0.0	--	0.0	--	0.1	--
<b>Private Equity</b>	<b>2,459,416</b>	<b>0.5</b>	<b>1.0</b>										
Harbourvest Partners IX Credit Opportunities	125,628	0.0											
Harbourvest Partners IX Venture Fund	614,615	0.1											
Harbourvest Partners IX Buyout Fund	700,871	0.1											
Harbourvest Dover VIII Fund	1,018,303	0.2											
<b>Eqty Composite</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

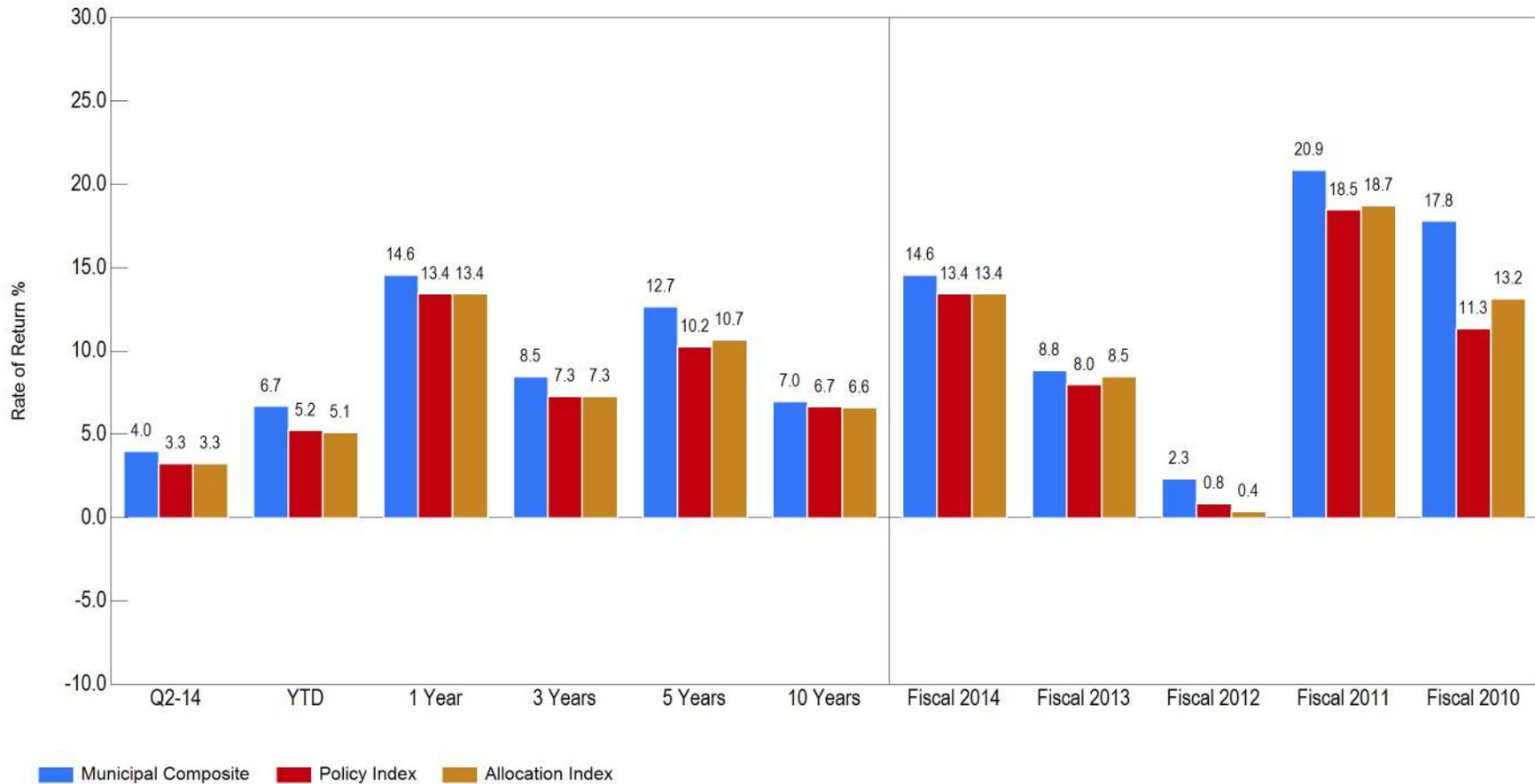
Harbourvest is based on final Capital Account Statements for Q1 2014, and cash adjusted through June for any Capital Calls or Distributions

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.

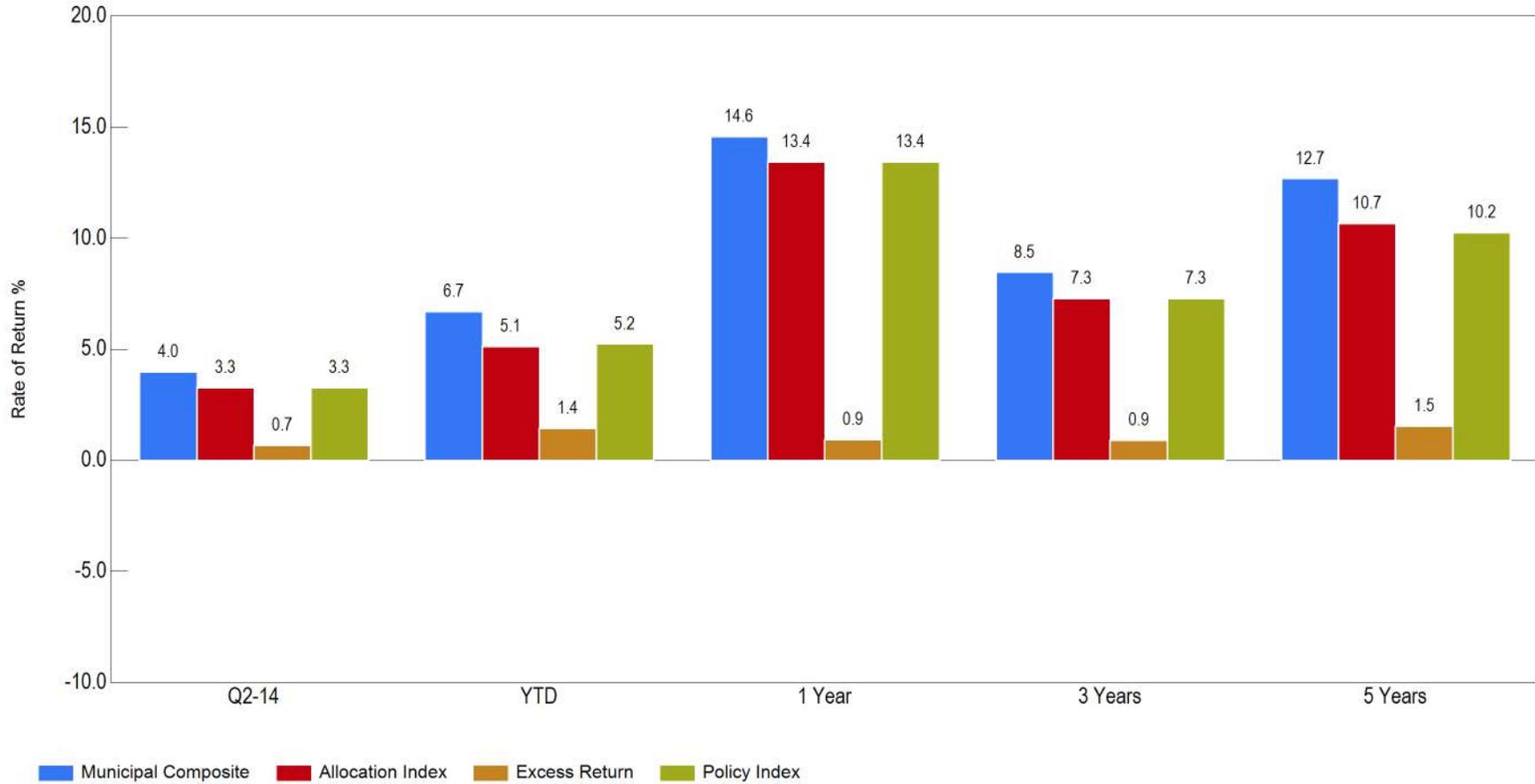
Vermont Municipal Employees  
**Total Fund Return Summary**

Return Summary Gross

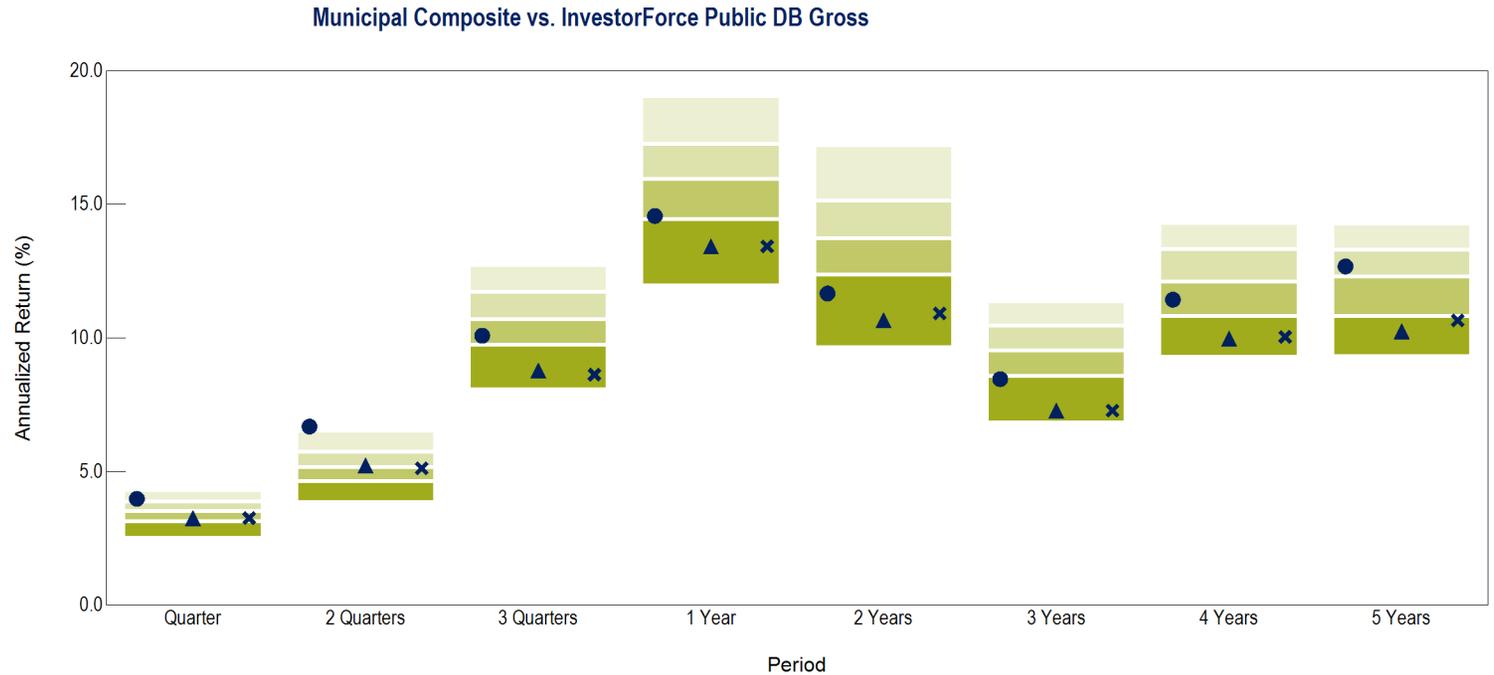


Vermont Municipal Employees  
**Total Fund Return Summary**

Return Summary Gross

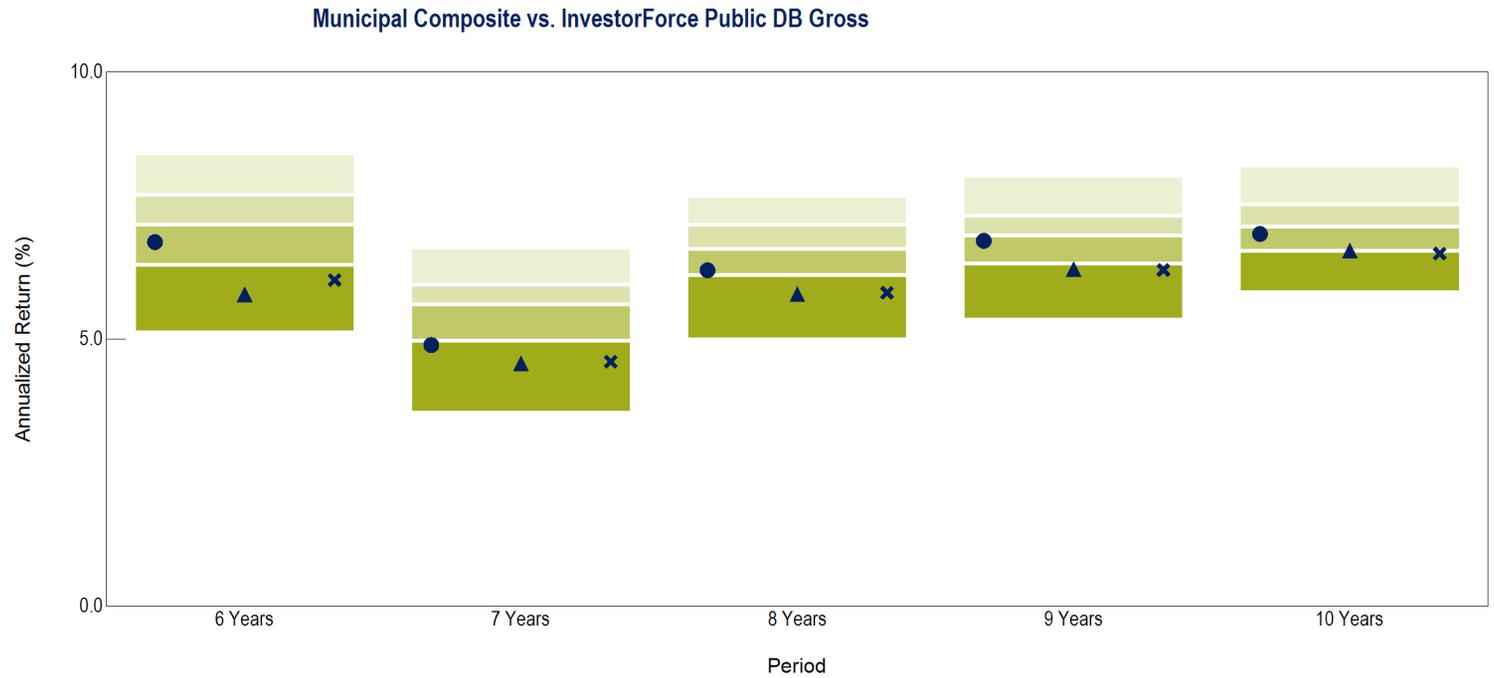


Total Fund Return Summary vs. Peer Universe



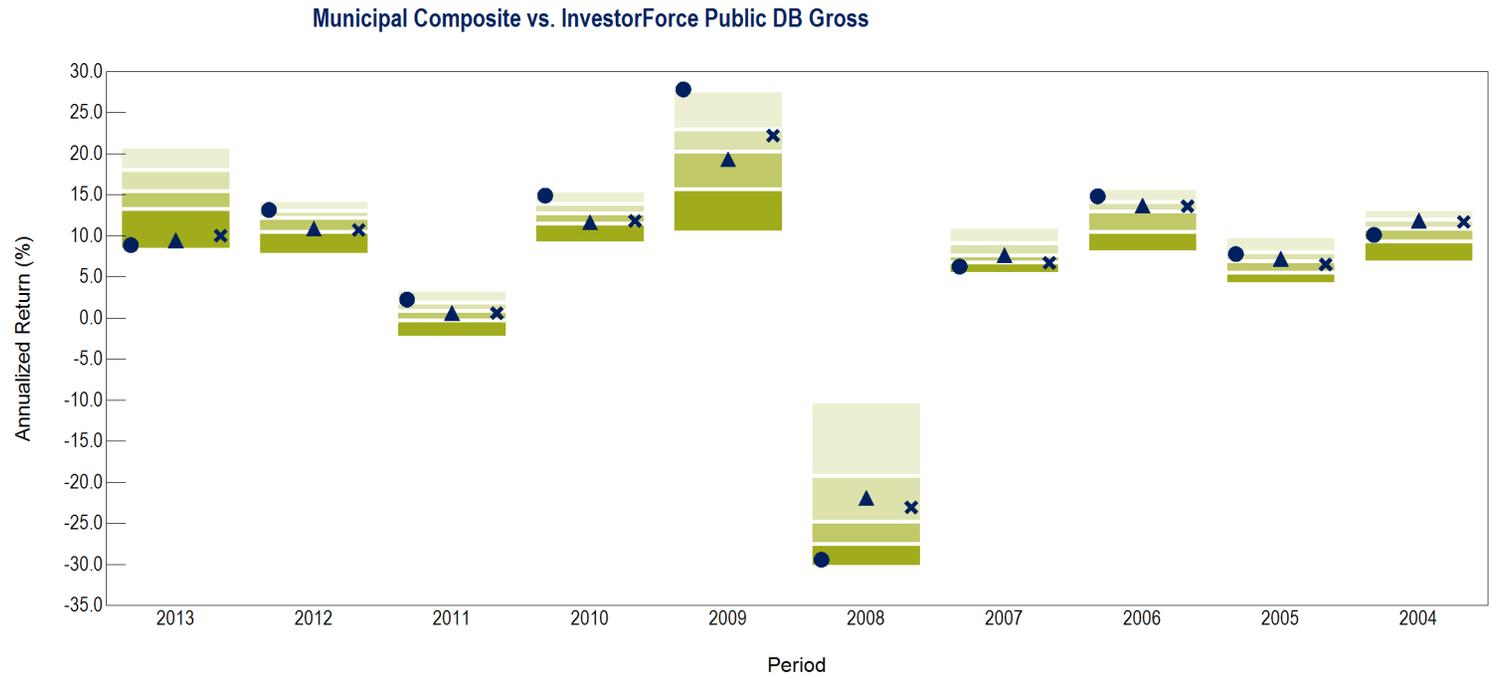
	Return (Rank)															
<b>5th Percentile</b>	4.3	6.5	12.7	19.0	17.2	11.4	14.3	14.3								
<b>25th Percentile</b>	3.9	5.8	11.7	17.3	15.2	10.5	13.3	13.3								
<b>Median</b>	3.5	5.2	10.7	16.0	13.7	9.5	12.1	12.3								
<b>75th Percentile</b>	3.2	4.6	9.8	14.5	12.4	8.6	10.8	10.8								
<b>95th Percentile</b>	2.5	3.9	8.1	12.0	9.7	6.9	9.3	9.3								
<b># of Portfolios</b>	207	202	199	198	191	181	172	165								
<b>● Municipal Composite</b>	4.0	(21)	6.7	(3)	10.1	(61)	14.6	(72)	11.7	(86)	8.5	(79)	11.4	(65)	12.7	(39)
<b>▲ Policy Index</b>	3.3	(68)	5.2	(47)	8.8	(92)	13.4	(92)	10.7	(92)	7.3	(95)	10.0	(88)	10.2	(85)
<b>× Allocation Index</b>	3.3	(68)	5.1	(53)	8.6	(94)	13.4	(92)	10.9	(91)	7.3	(95)	10.0	(88)	10.7	(79)

Total Fund Return Summary vs. Peer Universe



	Return (Rank)									
5th Percentile	8.5		6.7		7.7		8.1		8.2	
25th Percentile	7.7		6.0		7.1		7.3		7.5	
Median	7.1		5.7		6.7		6.9		7.1	
75th Percentile	6.4		5.0		6.2		6.4		6.7	
95th Percentile	5.1		3.6		5.0		5.4		5.9	
# of Portfolios	161		157		154		146		141	
● Municipal Composite	6.8	(61)	4.9	(77)	6.3	(73)	6.8	(54)	7.0	(57)
▲ Policy Index	5.8	(87)	4.5	(83)	5.8	(89)	6.3	(83)	6.7	(76)
× Allocation Index	6.1	(85)	4.6	(82)	5.9	(88)	6.3	(84)	6.6	(79)

Total Fund Return Summary vs. Peer Universe

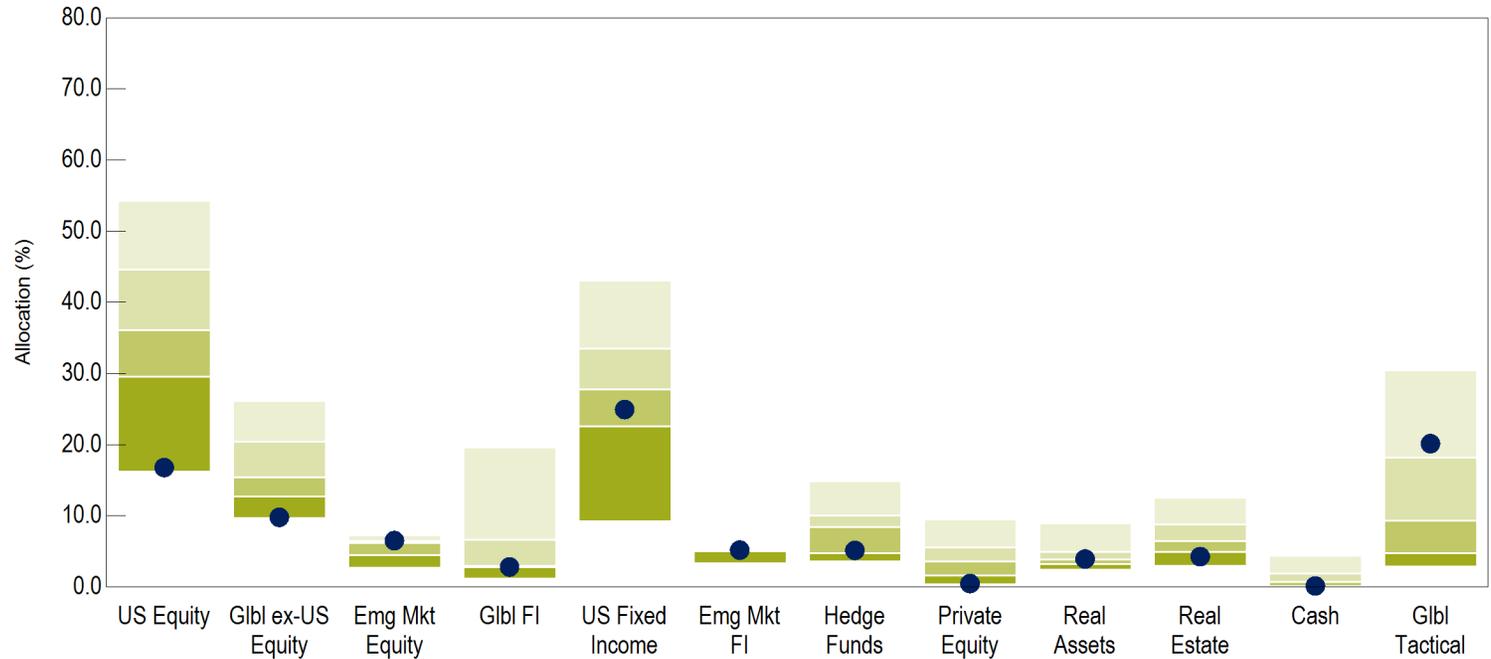


	Return (Rank)										
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	
5th Percentile	20.8	14.3	3.4	15.5	27.6	-10.2	11.1	15.8	9.9	13.2	
25th Percentile	18.0	13.1	1.9	13.9	23.0	-19.2	9.1	14.2	8.1	12.0	
Median	15.5	12.2	0.9	12.8	20.3	-24.7	7.7	13.0	6.9	10.9	
75th Percentile	13.3	10.5	-0.3	11.5	15.7	-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	9.5 (92)	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)	

# Vermont Municipal Employees

## Total Fund Allocation vs. Peer Universe

Total Plan Allocation vs. InvestorForce Public DB Gross  
As of June 30, 2014



### Allocation (Rank)

5th Percentile	54.3	26.1	7.3	19.6	43.1	5.4	14.9	9.5	8.9	12.5	4.4	30.5	--
25th Percentile	44.7	20.5	6.5	6.7	33.6	5.3	10.1	5.7	5.1	8.9	2.0	18.3	--
Median	36.2	15.5	6.3	3.1	27.9	5.2	8.5	3.7	3.9	6.6	0.8	9.4	--
75th Percentile	29.6	12.8	4.6	2.9	22.6	5.1	4.9	1.7	3.3	5.0	0.2	4.8	--
95th Percentile	16.3	9.8	2.8	1.2	9.3	3.4	3.7	0.5	2.5	3.1	0.0	3.0	--
# of Portfolios	126	121	17	15	90	9	39	32	20	80	91	38	--
● Municipal Composite	16.8 (94)	9.8 (94)	6.5 (33)	2.8 (86)	24.9 (68)	5.2 (52)	5.1 (62)	0.5 (99)	3.9 (57)	4.3 (87)	0.1 (78)	20.1 (22)	--

Municipal Composite vs. IFx Public DB Gross  
3 Years



● Municipal Composite	
Value	8.46
%tile	79
▲ Policy Index	
Value	7.28
%tile	95
✘ Allocation Index	
Value	7.28
%tile	95
Universe	
5th %tile	11.35
25th %tile	10.47
Median	9.54
75th %tile	8.59
95th %tile	6.86

● Municipal Composite	
Value	7.34
%tile	38
▲ Policy Index	
Value	7.04
%tile	30
✘ Allocation Index	
Value	6.99
%tile	29
Universe	
5th %tile	5.28
25th %tile	6.84
Median	7.77
75th %tile	8.76
95th %tile	9.85

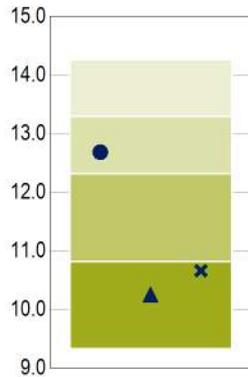
● Municipal Composite	
Value	8.41
%tile	79
▲ Policy Index	
Value	7.24
%tile	95
✘ Allocation Index	
Value	7.23
%tile	95
Universe	
5th %tile	11.30
25th %tile	10.42
Median	9.49
75th %tile	8.54
95th %tile	6.81

● Municipal Composite	
Value	1.15
%tile	70
▲ Policy Index	
Value	1.03
%tile	89
✘ Allocation Index	
Value	1.03
%tile	89
Universe	
5th %tile	1.67
25th %tile	1.35
Median	1.21
75th %tile	1.11
95th %tile	0.93

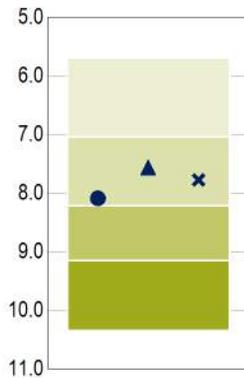
● Municipal Composite	
Value	1.67
%tile	39
▲ Policy Index	
Value	1.40
%tile	80
✘ Allocation Index	
Value	1.37
%tile	81
Universe	
5th %tile	2.58
25th %tile	1.83
Median	1.61
75th %tile	1.44
95th %tile	1.14

Municipal Composite vs. IFx Public DB Gross  
5 Years

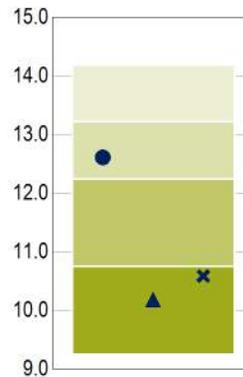
Anlzd Return



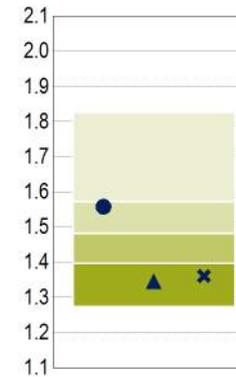
Anlzd Standard Deviation



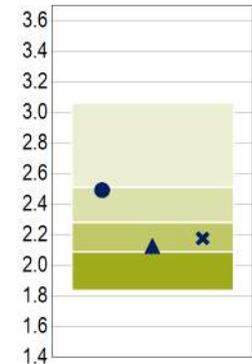
Ann Excess RF Return



Sharpe Ratio



Sortino Ratio RF



● Municipal Composite	
Value	12.68
%tile	39
▲ Policy Index	
Value	10.25
%tile	85
✕ Allocation Index	
Value	10.65
%tile	79
Universe	
5th %tile	14.26
25th %tile	13.30
Median	12.32
75th %tile	10.83
95th %tile	9.33

● Municipal Composite	
Value	8.09
%tile	49
▲ Policy Index	
Value	7.56
%tile	36
✕ Allocation Index	
Value	7.78
%tile	39
Universe	
5th %tile	5.70
25th %tile	7.04
Median	8.21
75th %tile	9.14
95th %tile	10.34

● Municipal Composite	
Value	12.61
%tile	39
▲ Policy Index	
Value	10.18
%tile	85
✕ Allocation Index	
Value	10.58
%tile	79
Universe	
5th %tile	14.18
25th %tile	13.23
Median	12.25
75th %tile	10.75
95th %tile	9.26

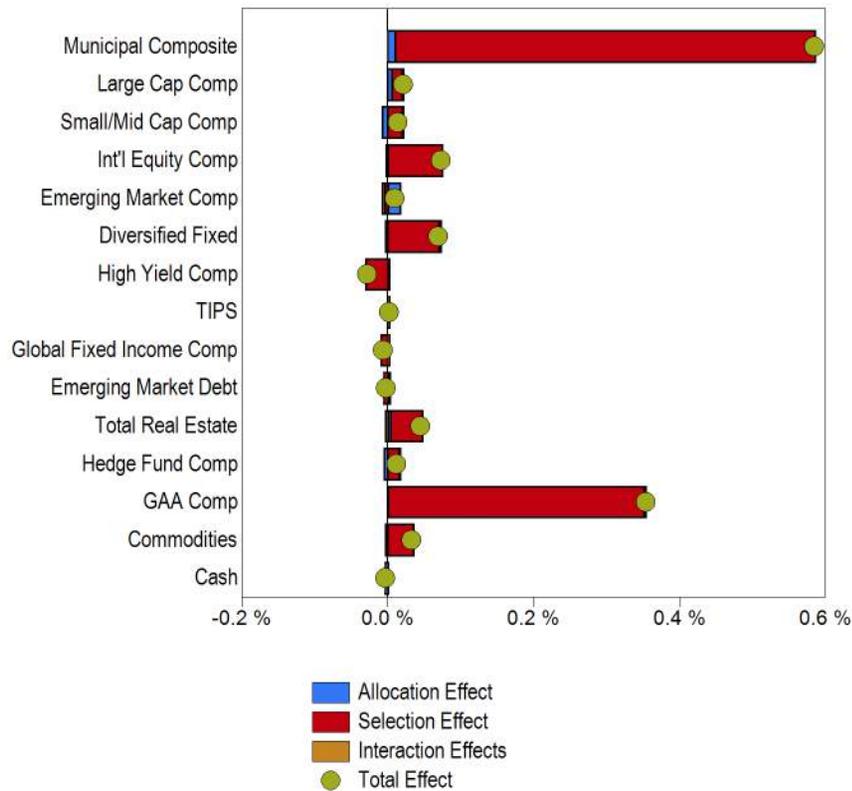
● Municipal Composite	
Value	1.56
%tile	32
▲ Policy Index	
Value	1.35
%tile	86
✕ Allocation Index	
Value	1.36
%tile	84
Universe	
5th %tile	1.83
25th %tile	1.57
Median	1.48
75th %tile	1.40
95th %tile	1.27

● Municipal Composite	
Value	2.49
%tile	27
▲ Policy Index	
Value	2.13
%tile	70
✕ Allocation Index	
Value	2.17
%tile	63
Universe	
5th %tile	3.06
25th %tile	2.51
Median	2.28
75th %tile	2.09
95th %tile	1.84

# Vermont Municipal Employees

## Total Fund Attribution Analysis

Attribution Effects Relative to Policy Index  
3 Months Ending June 30, 2014



Attribution Summary  
3 Months Ending June 30, 2014

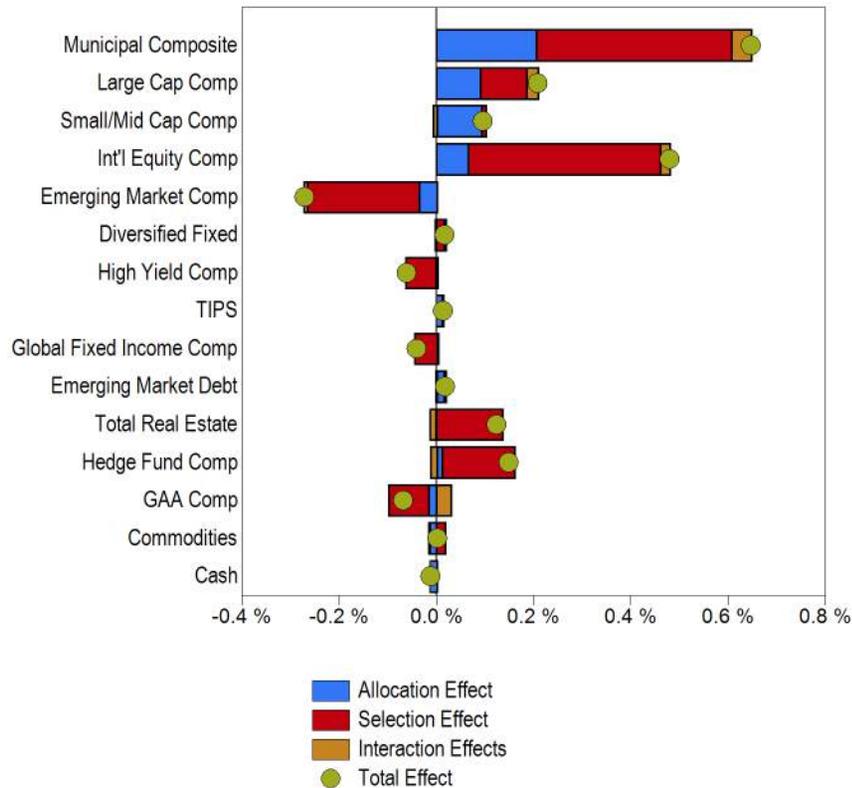
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Large Cap Comp	5.4%	5.2%	0.1%	0.0%	0.0%	0.0%	0.0%
Small/Mid Cap Comp	2.4%	2.0%	0.4%	0.0%	0.0%	0.0%	0.0%
Int'l Equity Comp	4.8%	4.1%	0.7%	0.1%	0.0%	0.0%	0.1%
Emerging Market Comp	6.5%	6.6%	-0.1%	0.0%	0.0%	0.0%	0.0%
Diversified Fixed	2.4%	2.0%	0.4%	0.1%	0.0%	0.0%	0.1%
High Yield Comp	1.7%	2.4%	-0.7%	0.0%	0.0%	0.0%	0.0%
TIPS	3.8%	3.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Global Fixed Income Comp	2.0%	2.3%	-0.3%	0.0%	0.0%	0.0%	0.0%
Emerging Market Debt	5.3%	5.4%	-0.1%	0.0%	0.0%	0.0%	0.0%
Total Real Estate	3.8%	2.9%	0.9%	0.0%	0.0%	0.0%	0.0%
Hedge Fund Comp	1.8%	1.5%	0.3%	0.0%	0.0%	0.0%	0.0%
GAA Comp	5.7%	3.9%	1.8%	0.4%	0.0%	0.0%	0.4%
Commodities	1.0%	0.1%	0.9%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>4.0%</b>	<b>3.4%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.6%</b>

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 Attribution Analysis

Attribution Effects Relative to Policy Index  
1 Year Ending June 30, 2014



Attribution Summary  
1 Year Ending June 30, 2014

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Large Cap Comp	25.7%	24.6%	1.0%	0.1%	0.1%	0.0%	0.2%
Small/Mid Cap Comp	24.0%	23.6%	0.3%	0.0%	0.1%	0.0%	0.1%
Int'l Equity Comp	28.0%	23.6%	4.4%	0.4%	0.1%	0.0%	0.5%
Emerging Market Comp	10.2%	14.3%	-4.1%	-0.2%	0.0%	0.0%	-0.3%
Diversified Fixed	4.5%	4.4%	0.1%	0.0%	0.0%	0.0%	0.0%
High Yield Comp	10.3%	11.7%	-1.5%	-0.1%	0.0%	0.0%	-0.1%
TIPS	4.5%	4.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Global Fixed Income Comp	5.5%	6.8%	-1.4%	0.0%	0.0%	0.0%	0.0%
Emerging Market Debt	11.1%	11.0%	0.1%	0.0%	0.0%	0.0%	0.0%
Total Real Estate	14.1%	11.2%	2.9%	0.1%	0.0%	0.0%	0.1%
Hedge Fund Comp	10.4%	7.6%	2.8%	0.1%	0.0%	0.0%	0.1%
GAA Comp	16.0%	16.4%	-0.3%	-0.1%	0.0%	0.0%	-0.1%
Commodities	8.6%	8.2%	0.4%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>14.6%</b>	<b>13.8%</b>	<b>0.8%</b>	<b>0.4%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.6%</b>

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 June 30, 2014

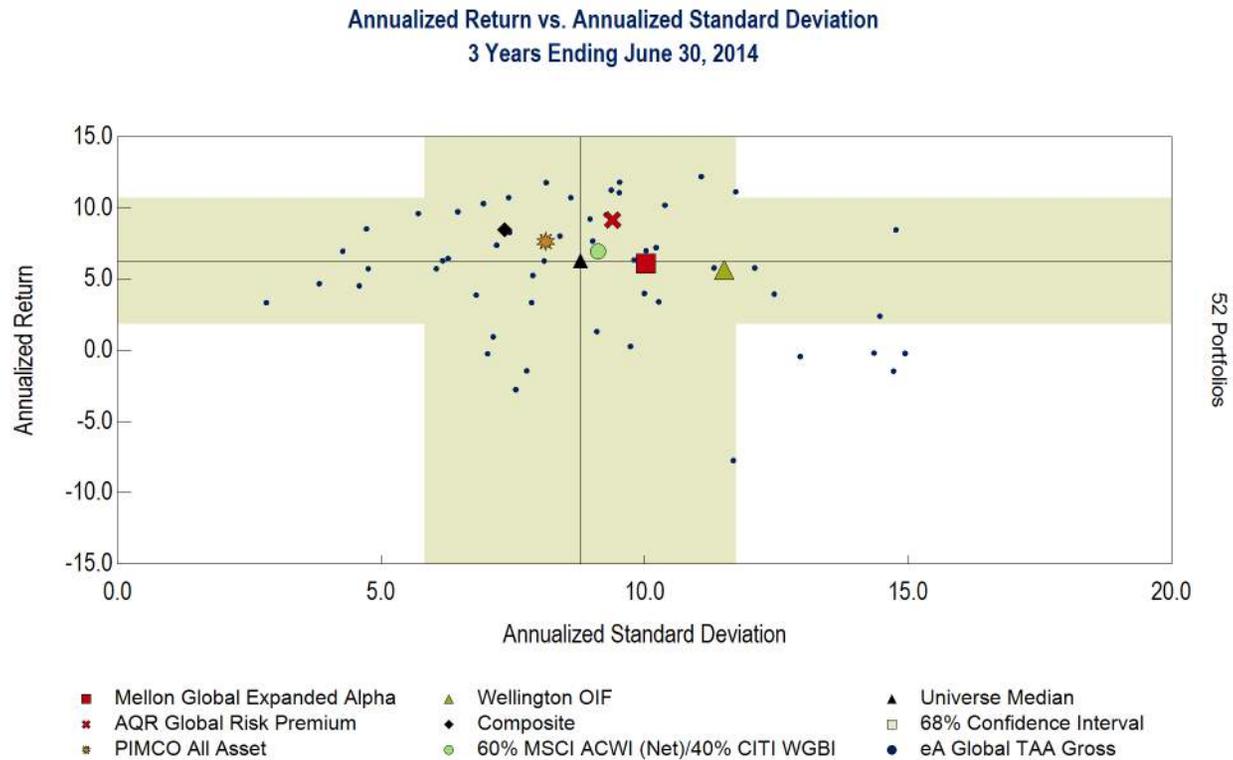
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank	Tracking Error	Rank
Municipal Composite	100.00%	8.46%	79	7.34%	38	0.90%	14	1.15	70	1.67	39	0.85%	15
Policy Index	--	7.28%	95	7.04%	30	0.00%	45	1.03	89	1.40	80	0.00%	1
US Equity	16.78%	16.28%	46	13.81%	41	-1.30%	46	1.18	41	1.67	43	1.67%	4
Russell 3000	--	16.46%	44	12.85%	27	0.00%	34	1.28	30	1.84	30	0.00%	1
Large Cap Comp	10.37%	16.75%	40	13.00%	48	-0.79%	49	1.28	45	1.87	44	1.15%	1
S&P 500	--	16.58%	44	12.26%	29	0.00%	38	1.35	35	2.03	31	0.00%	1
Small/Mid Cap Comp	6.40%	15.45%	50	15.55%	36	2.21%	47	0.99	43	1.47	34	2.53%	1
Russell 2000	--	14.57%	59	16.98%	67	0.00%	71	0.86	67	1.26	63	0.00%	1
Int'l Equity Comp	9.78%	9.29%	54	15.21%	25	1.80%	49	0.61	47	0.77	44	2.31%	11
MSCI EAFE	--	8.10%	76	16.34%	61	0.00%	77	0.49	76	0.63	71	0.00%	1
Emerging Market Comp	6.50%	4.23%	21	17.97%	25	4.57%	21	0.23	23	0.33	19	5.18%	67
MSCI Emerging Markets	--	-0.39%	81	19.49%	62	0.00%	82	-0.02	82	-0.03	82	0.00%	1
US Fixed Income	24.93%	5.42%	36	3.40%	65	1.80%	35	1.58	51	1.94	67	2.02%	44
Barclays Aggregate	--	3.66%	63	2.77%	49	0.00%	88	1.31	78	1.80	77	0.00%	1
Diversified Fixed	18.01%	4.63%	46	3.35%	65	0.78%	61	1.37	73	1.87	71	1.65%	37
Barclays Aggregate	--	3.66%	63	2.77%	49	0.00%	88	1.31	78	1.80	77	0.00%	1
High Yield Comp	3.84%	9.19%	63	5.41%	28	1.24%	34	1.69	34	2.15	51	1.33%	49
Barclays High Yield	--	9.48%	52	6.39%	70	0.00%	74	1.48	73	1.95	72	0.00%	1
TIPS	3.07%	3.54%	71	5.49%	83	-0.01%	83	0.64	81	0.77	67	0.11%	2
Barclays US TIPS	--	3.55%	71	5.49%	84	0.00%	83	0.64	81	0.79	62	0.00%	1
Global Fixed Income Comp	2.80%	1.10%	94	5.24%	52	-0.61%	96	0.20	94	0.34	92	1.93%	11
Citi WGBI	--	1.57%	92	4.46%	32	0.00%	91	0.34	87	0.55	84	0.00%	1
Emerging Market Debt	5.17%	8.29%	14	7.96%	18	0.89%	17	1.03	13	1.39	15	1.23%	7
JP Morgan EMBI Global TR	--	7.63%	29	8.12%	22	0.00%	34	0.93	28	1.36	17	0.00%	1
Total Real Estate	4.26%	14.15%	--	5.77%	--	0.14%	--	2.44	--	1,659.90	--	1.74%	--
NCREIF Property Index	--	11.32%	--	4.53%	--	0.00%	--	2.49	--	1,326.99	--	0.00%	--
Hedge Fund Comp	5.14%	6.80%	27	4.48%	48	3.30%	32	1.50	30	1.99	35	1.09%	1
HFRI Fund of Funds Composite Index	--	3.28%	76	4.09%	39	0.00%	73	0.79	69	1.08	67	0.00%	1
GAA Comp	20.13%	7.67%	36	8.77%	50	1.41%	51	0.87	51	1.10	51	3.23%	21
60% MSCI ACWI (Net)/40% CITI WGBI	--	6.95%	44	9.12%	56	0.00%	57	0.76	54	0.96	56	0.00%	1
Commodities	3.91%	-3.12%	--	12.53%	--	1.01%	--	-0.25	--	-0.35	--	5.14%	--

# Vermont Municipal Employees

## Total Fund Risk Statistics

5 Years Ending June 30, 2014

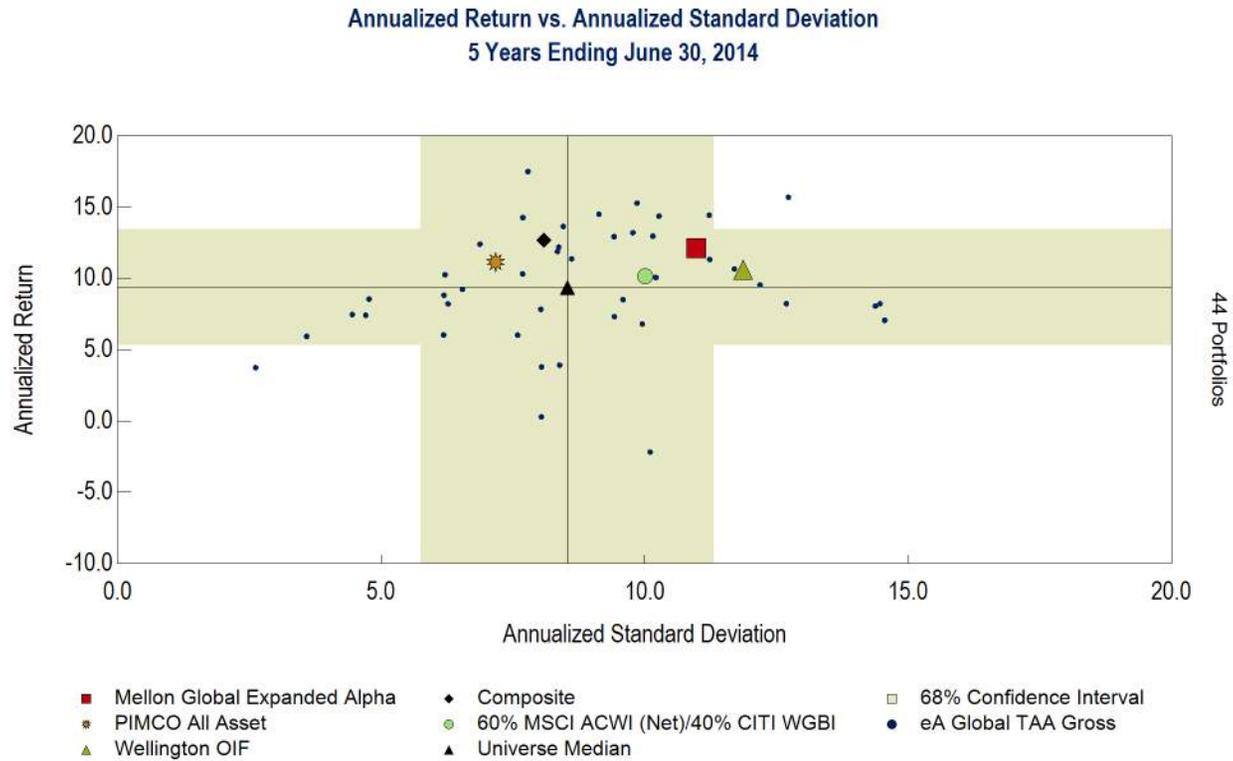
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank	Tracking Error	Rank
Municipal Composite	100.00%	12.68%	39	8.09%	49	1.82%	8	1.56	32	2.49	27	1.19%	49
Policy Index	--	10.25%	85	7.56%	36	0.00%	64	1.35	86	2.13	70	0.00%	1
US Equity	16.78%	--	--	--	--	--	--	--	--	--	--	--	--
Russell 3000	--	19.33%	62	13.94%	30	0.00%	51	1.38	38	2.27	33	0.00%	1
Large Cap Comp	10.37%	20.59%	16	14.16%	55	0.77%	31	1.45	26	2.33	28	1.33%	1
S&P 500	--	18.83%	48	13.40%	31	0.00%	46	1.40	38	2.32	28	0.00%	1
Small/Mid Cap Comp	6.40%	21.64%	46	16.18%	36	3.82%	45	1.33	39	2.29	28	2.89%	1
Russell 2000	--	20.21%	74	18.23%	77	0.00%	91	1.10	84	1.81	79	0.00%	1
Int'l Equity Comp	9.78%	12.93%	68	15.86%	21	2.05%	57	0.81	53	1.16	51	2.26%	10
MSCI EAFE	--	11.77%	87	17.05%	57	0.00%	86	0.69	85	1.00	80	0.00%	1
Emerging Market Comp	6.50%	--	--	--	--	--	--	--	--	--	--	--	--
MSCI Emerging Markets	--	9.24%	78	19.15%	44	0.00%	76	0.48	76	0.72	71	0.00%	1
US Fixed Income	24.93%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays Aggregate	--	4.85%	65	2.85%	45	0.00%	88	1.68	76	2.43	75	0.00%	1
Diversified Fixed	18.01%	7.42%	35	3.82%	69	1.77%	40	1.92	60	3.38	34	1.94%	43
Barclays Aggregate	--	4.85%	65	2.85%	45	0.00%	88	1.68	76	2.43	75	0.00%	1
High Yield Comp	3.84%	12.31%	79	5.33%	19	1.58%	25	2.30	25	3.20	43	1.91%	66
Barclays High Yield	--	13.98%	41	6.82%	68	0.00%	70	2.04	63	2.99	62	0.00%	1
TIPS	3.07%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays US TIPS	--	5.55%	77	5.22%	80	0.00%	90	1.05	93	1.37	79	0.00%	1
Global Fixed Income Comp	2.80%	5.59%	70	6.10%	52	2.19%	77	0.90	72	1.45	56	2.57%	21
Citi WGBI	--	3.60%	98	5.87%	45	0.00%	99	0.60	96	0.76	97	0.00%	1
Emerging Market Debt	5.17%	--	--	--	--	--	--	--	--	--	--	--	--
JP Morgan EMBI Global TR	--	10.43%	57	7.31%	9	0.00%	49	1.42	42	1.94	33	0.00%	1
Total Real Estate	4.26%	--	--	--	--	--	--	--	--	--	--	--	--
NCREIF Property Index	--	9.67%	--	5.39%	--	0.00%	--	1.78	--	4.61	--	0.00%	--
Hedge Fund Comp	5.14%	--	--	--	--	--	--	--	--	--	--	--	--
HFRI Fund of Funds Composite Index	--	4.23%	79	4.07%	33	0.00%	75	1.02	64	1.41	65	0.00%	1
GAA Comp	20.13%	12.73%	25	8.63%	52	4.55%	19	1.47	26	2.09	36	3.69%	24
60% MSCI ACWI (Net)/40% CITI WGBI	--	10.16%	46	10.01%	69	0.00%	71	1.01	60	1.53	60	0.00%	1
Commodities	3.91%	--	--	--	--	--	--	--	--	--	--	--	--



**Statistics Summary**

3 Years Ending June 30, 2014

	Anlzd Return	Anlzd Standard Deviation
GAA Comp	7.67%	8.77%
Mellon Global Expanded Alpha	6.11%	10.02%
AQR Global Risk Premium	9.15%	9.39%
PIMCO All Asset	7.64%	8.12%
Wellington OIF	5.65%	11.51%
Composite	8.46%	7.34%



**Statistics Summary**

5 Years Ending June 30, 2014

	Anlzd Return	Anlzd Standard Deviation
GAA Comp	12.73%	8.63%
Mellon Global Expanded Alpha	12.12%	10.98%
AQR Global Risk Premium	--	--
PIMCO All Asset	11.14%	7.17%
Wellington OIF	10.61%	11.87%
Composite	12.68%	8.09%

# VPIC Allocation Comparison

VPIC Composite

Total Fund Performance

	Ending June 30, 2014						Market Value
	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	(\$)
VPIC Composite	4.0	6.7	14.4	8.3	12.6	6.8	4,023,971,551
Vermont State Teachers	4.0	6.7	14.2	8.2	12.5	6.8	1,699,280,948
<i>Allocation Index</i>	3.3	5.1	13.1	7.1	10.7	6.3	
<i>Policy Index</i>	3.3	5.2	13.4	7.3	10.3	6.4	
Vermont State Employees	4.0	6.7	14.5	8.4	12.6	6.9	1,649,761,578
<i>Allocation Index</i>	3.3	5.2	13.4	7.1	10.7	6.5	
<i>Policy Index</i>	3.3	5.2	13.4	7.3	10.2	6.5	
Vermont Municipal Employees	4.0	6.7	14.6	8.5	12.7	7.0	522,532,252
<i>Allocation Index</i>	3.3	5.1	13.4	7.3	10.7	6.6	
<i>Policy Index</i>	3.3	5.2	13.4	7.3	10.2	6.7	
City of Burlington	4.0	6.7	14.4	8.3	12.6	6.5	152,396,774
<i>Allocation Index</i>	3.3	5.1	13.3	--	--	--	
<i>Policy Index</i>	3.3	5.2	13.4	7.3	10.2	6.0	
60% MSCI World / 40% CITI WGBI	3.9	6.0	17.4	8.2	10.9	6.9	

## VPIC Composite

### Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Composite</b>	<b>4,023,971,551</b>	<b>100.0</b>	<b>100.0</b>	<b>4.0</b>	<b>20</b>	<b>6.7</b>	<b>3</b>	<b>14.4</b>	<b>76</b>	<b>8.3</b>	<b>83</b>	<b>12.6</b>	<b>43</b>
<i>InvestorForce Public DB Gross Median</i>				3.5		5.2		16.0		9.5		12.3	
<b>Total Equity</b>	<b>1,314,511,989</b>	<b>32.7</b>	<b>--</b>	<b>4.9</b>	<b>43</b>	<b>7.3</b>	<b>35</b>	<b>23.2</b>	<b>58</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>MSCI ACWI</i>				5.0	39	6.2	53	22.9	60	10.3	74	14.3	78
<i>eA All Global Equity Gross Median</i>				4.7		6.3		24.1		12.0		16.2	
<b>US Equity</b>	<b>668,631,479</b>	<b>16.6</b>	<b>--</b>	<b>4.3</b>	<b>49</b>	<b>6.2</b>	<b>51</b>	<b>25.1</b>	<b>55</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Russell 3000</i>				4.9	36	6.9	39	25.2	53	16.5	44	19.3	62
<i>eA All US Equity Gross Median</i>				4.2		6.2		25.5		16.0		20.0	
<b>Large Cap Comp</b>	<b>434,607,928</b>	<b>10.8</b>	<b>10.0</b>	<b>5.4</b>	<b>29</b>	<b>7.5</b>	<b>39</b>	<b>25.7</b>	<b>50</b>	<b>16.8</b>	<b>40</b>	<b>20.6</b>	<b>16</b>
<i>S&amp;P 500</i>				5.2	33	7.1	45	24.6	61	16.6	44	18.8	48
<i>eA US Large Cap Equity Gross Median</i>				4.7		6.8		25.6		16.2		18.7	
<b>T. Rowe</b>	<b>121,639,641</b>	<b>3.0</b>	<b>3.0</b>	<b>5.5</b>	<b>25</b>	<b>7.1</b>	<b>46</b>	<b>25.7</b>	<b>49</b>	<b>17.1</b>	<b>32</b>	<b>18.9</b>	<b>46</b>
<i>S&amp;P 500</i>				5.2	33	7.1	45	24.6	61	16.6	44	18.8	48
<b>SSgA S&amp;P 500 Cap-Wgt</b>	<b>198,771,476</b>	<b>4.9</b>	<b>4.0</b>	<b>5.2</b>	<b>33</b>	<b>7.1</b>	<b>45</b>	<b>24.6</b>	<b>61</b>	<b>16.6</b>	<b>43</b>	<b>--</b>	<b>--</b>
<i>S&amp;P 500</i>				5.2	33	7.1	45	24.6	61	16.6	44	18.8	48
<b>SSgA S&amp;P 500 Equal-Wgt</b>	<b>114,196,811</b>	<b>2.8</b>	<b>3.0</b>	<b>5.5</b>	<b>27</b>	<b>8.6</b>	<b>19</b>	<b>27.3</b>	<b>31</b>	<b>17.2</b>	<b>32</b>	<b>22.4</b>	<b>4</b>
<i>S&amp;P 500 Equal Weighted</i>				5.5	24	8.7	18	27.4	31	17.2	32	22.4	4

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.

Fiscal Year End is 6/30

VPIC Composite

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Small/Mid Cap Comp</b>	<b>234,023,551</b>	<b>5.8</b>	<b>6.5</b>	<b>2.4</b>	<b>56</b>	<b>3.8</b>	<b>65</b>	<b>23.8</b>	<b>68</b>	<b>15.4</b>	<b>51</b>	<b>21.6</b>	<b>50</b>
<i>Russell 2000</i>				2.0	65	3.2	72	23.6	69	14.6	59	20.2	74
<i>eA US Small-Mid Cap Equity Gross Median</i>				2.8		4.9		25.7		15.4		21.5	
<b>SSgA S&amp;P 400</b>	<b>21,729,242</b>	<b>0.5</b>	<b>0.5</b>	<b>4.3</b>	<b>40</b>	<b>7.5</b>	<b>36</b>	<b>25.3</b>	<b>58</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>S&amp;P 400 MidCap</i>				4.3	40	7.5	36	25.2	59	15.3	51	21.7	44
<i>eA US Mid Cap Equity Gross Median</i>				3.9		6.2		26.6		15.3		21.4	
<b>Champlain</b>	<b>81,344,162</b>	<b>2.0</b>	<b>2.0</b>	<b>4.3</b>	<b>42</b>	<b>5.8</b>	<b>57</b>	<b>25.9</b>	<b>55</b>	<b>15.9</b>	<b>41</b>	<b>--</b>	<b>--</b>
<i>Russell 2500</i>				3.6	60	5.9	54	25.6	56	15.5	49	21.6	45
<i>eA US Mid Cap Equity Gross Median</i>				3.9		6.2		26.6		15.3		21.4	
<b>Wellington</b>	<b>78,378,725</b>	<b>1.9</b>	<b>2.0</b>	<b>0.4</b>	<b>93</b>	<b>2.0</b>	<b>90</b>	<b>20.1</b>	<b>93</b>	<b>15.4</b>	<b>66</b>	<b>22.1</b>	<b>42</b>
<i>Russell 2000 Value</i>				2.4	68	4.2	65	22.5	79	14.6	75	19.9	79
<i>eA US Small Cap Value Equity Gross Median</i>				3.1		5.1		25.4		16.4		21.7	
<b>SSgA Russell 2000 Growth</b>	<b>52,571,423</b>	<b>1.3</b>	<b>2.0</b>	<b>1.7</b>	<b>26</b>	<b>2.2</b>	<b>38</b>	<b>24.6</b>	<b>47</b>	<b>14.5</b>	<b>55</b>	<b>20.5</b>	<b>73</b>
<i>Russell 2000 Growth</i>				1.7	27	2.2	37	24.7	46	14.5	55	20.5	73
<i>eA US Small Cap Growth Equity Gross Median</i>				0.2		1.0		24.2		14.9		21.9	
<b>Int'l Equity Comp</b>	<b>386,617,281</b>	<b>9.6</b>	<b>10.0</b>	<b>4.8</b>	<b>25</b>	<b>8.6</b>	<b>8</b>	<b>28.0</b>	<b>22</b>	<b>9.3</b>	<b>54</b>	<b>12.9</b>	<b>69</b>
<i>MSCI EAFE</i>				4.1	45	4.8	54	23.6	60	8.1	76	11.8	87
<i>eA All EAFE Equity Gross Median</i>				3.8		5.0		24.4		9.5		13.7	

VPIC Composite

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Acadian</b>	<b>159,736,761</b>	<b>4.0</b>	<b>4.0</b>	<b>3.9</b>	<b>48</b>	<b>8.7</b>	<b>7</b>	<b>30.0</b>	<b>14</b>	<b>9.9</b>	<b>43</b>	<b>14.0</b>	<b>44</b>
<b>Mondrian</b>	<b>164,726,297</b>	<b>4.1</b>	<b>4.0</b>	<b>5.6</b>	<b>10</b>	<b>9.5</b>	<b>4</b>	<b>28.1</b>	<b>22</b>	<b>9.9</b>	<b>44</b>	<b>12.7</b>	<b>74</b>
MSCI EAFE				4.1	45	4.8	54	23.6	60	8.1	76	11.8	87
S&P EPAC LargeMidCap				4.6	29	5.3	44	23.9	55	8.3	72	12.5	76
<b>SSgA ACWI Ex US</b>	<b>62,154,223</b>	<b>1.5</b>	<b>2.0</b>	<b>5.2</b>	<b>23</b>	<b>5.8</b>	<b>34</b>	<b>22.1</b>	<b>48</b>	<b>6.0</b>	<b>87</b>	<b>--</b>	<b>--</b>
MSCI ACWI ex USA				5.0	26	5.6	43	21.8	50	5.7	91	11.1	95
eA ACWI ex-US All Cap Equity Gross Median				4.1		4.6		21.7		8.6		14.1	
<b>Emerging Market Comp</b>	<b>259,263,230</b>	<b>6.4</b>	<b>6.0</b>										
eA Emg Mkts Equity Gross Median													
<b>Aberdeen</b>	<b>259,263,230</b>	<b>6.4</b>	<b>6.0</b>	<b>6.5</b>	<b>69</b>	<b>8.2</b>	<b>28</b>	<b>10.2</b>	<b>90</b>	<b>4.2</b>	<b>21</b>	<b>14.5</b>	<b>14</b>
MSCI Emerging Markets				6.6	67	6.1	61	14.3	64	-0.4	81	9.2	78
eA Emg Mkts Equity Gross Median				7.2		6.7		15.5		2.2		11.6	
<b>US Fixed Income</b>	<b>982,621,322</b>	<b>24.4</b>	<b>--</b>	<b>2.5</b>	<b>29</b>	<b>4.8</b>	<b>33</b>	<b>5.4</b>	<b>43</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Barclays Aggregate				2.0	49	3.9	51	4.4	61	3.7	63	4.9	65
eA All US Fixed Inc Gross Median				2.0		3.9		4.9		4.4		5.7	

## VPIC Composite

### Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Diversified Fixed Income</b>	<b>704,478,385</b>	<b>17.5</b>	<b>18.0</b>	<b>2.4</b>	<b>30</b>	<b>4.6</b>	<b>36</b>	<b>4.5</b>	<b>60</b>	<b>4.6</b>	<b>46</b>	<b>7.4</b>	<b>35</b>
<i>Barclays Aggregate</i>				2.0	49	3.9	51	4.4	61	3.7	63	4.9	65
<i>eA All US Fixed Inc Gross Median</i>				2.0		3.9		4.9		4.4		5.7	
<b>Allianz Structured Alpha</b>	<b>100,544,660</b>	<b>2.5</b>	<b>2.0</b>	<b>4.0</b>	<b>2</b>	<b>8.2</b>	<b>3</b>	<b>7.9</b>	<b>3</b>	<b>5.4</b>	<b>11</b>	<b>9.4</b>	<b>1</b>
<i>Citigroup 10 Year Treasury</i>				2.7	6	6.1	4	2.8	98	5.0	20	5.0	77
<b>PIMCO Core Plus</b>	<b>247,781,138</b>	<b>6.2</b>	<b>6.5</b>	<b>2.2</b>	<b>39</b>	<b>4.0</b>	<b>61</b>	<b>3.9</b>	<b>83</b>	<b>4.4</b>	<b>53</b>	--	--
<i>Barclays Aggregate</i>				2.0	58	3.9	62	4.4	71	3.7	84	4.9	83
<b>PIMCO Unconstrained</b>	<b>255,774,063</b>	<b>6.4</b>	<b>6.5</b>	<b>1.7</b>	<b>80</b>	<b>2.7</b>	<b>92</b>	<b>2.5</b>	<b>99</b>	<b>2.9</b>	<b>97</b>	--	--
<i>25% HY, 25% EMD, 50% BC Agg</i>				3.0	4	5.6	5	7.9	3	6.2	5	8.5	2
<i>3-Month Libor Total Return USD</i>				0.1	99	0.1	99	0.2	99	0.3	99	0.3	99
<b>Wellington DAS</b>	<b>100,378,523</b>	<b>2.5</b>	<b>3.0</b>	<b>3.4</b>	<b>3</b>	<b>7.8</b>	<b>3</b>	<b>7.6</b>	<b>5</b>	<b>8.8</b>	<b>2</b>	<b>8.2</b>	<b>4</b>
<i>Wellington Custom Benchmark</i>				4.4	2	11.2	2	5.9	16	8.1	2	7.2	12
<b>High Yield Comp</b>	<b>158,218,581</b>	<b>3.9</b>	<b>4.0</b>	<b>1.7</b>	<b>87</b>	<b>4.6</b>	<b>80</b>	<b>10.2</b>	<b>79</b>	<b>9.2</b>	<b>63</b>	<b>12.3</b>	<b>79</b>
<i>eA US High Yield Fixed Inc Gross Median</i>				2.4		5.5		11.7		9.5		13.7	
<b>KDP</b>	<b>38,525,004</b>	<b>1.0</b>	<b>1.0</b>	<b>1.9</b>	<b>80</b>	<b>4.5</b>	<b>81</b>	<b>9.3</b>	<b>83</b>	<b>8.4</b>	<b>81</b>	--	--
<b>Guggenheim</b>	<b>119,693,578</b>	<b>3.0</b>	<b>3.0</b>	<b>1.6</b>	<b>89</b>	<b>4.6</b>	<b>78</b>	--	--	--	--	--	--
<i>Barclays High Yield</i>				2.4	46	5.5	55	11.7	47	9.5	52	14.0	41
<i>BofA Merrill Lynch US High Yield BB-B Rated</i>				2.5	40	5.5	50	11.4	57	9.0	68	12.6	75
<i>eA US High Yield Fixed Inc Gross Median</i>				2.4		5.5		11.7		9.5		13.7	
<b>TIPS</b>	<b>119,924,356</b>	<b>3.0</b>	<b>3.0</b>										
<i>eA TIPS / Infl Indexed Fixed Inc Gross Median</i>													
<b>BlackRock TIPS</b>	<b>119,924,356</b>	<b>3.0</b>	<b>3.0</b>	<b>3.8</b>	--	<b>5.8</b>	--	<b>4.5</b>	--	<b>3.5</b>	--	--	--
<i>Barclays US TIPS</i>				3.8	--	5.8	--	4.4	--	3.6	--	5.6	--

Wellington Custom Benchmark: 5/1/2002 - 5/31/2011 is the Barclays Aggregate; 6/1/2011 - Present is the Citigroup US Strips Index

VPIC Composite

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Global Fixed Income Comp</b>	<b>117,287,789</b>	<b>2.9</b>	<b>3.0</b>	<b>2.0</b>	<b>74</b>	<b>4.0</b>	<b>81</b>	<b>5.5</b>	<b>82</b>	<b>1.1</b>	<b>94</b>	<b>5.6</b>	<b>70</b>
<i>eA All Global Fixed Inc Gross Median</i>				2.6		5.4		8.6		5.0		7.0	
<b>Mondrian GFI</b>	<b>117,287,789</b>	<b>2.9</b>	<b>3.0</b>	<b>2.0</b>	<b>74</b>	<b>4.0</b>	<b>81</b>	<b>5.5</b>	<b>82</b>	<b>0.2</b>	<b>98</b>	<b>4.1</b>	<b>97</b>
<i>Citi WGBI</i>				2.3	65	5.0	61	6.8	72	1.6	92	3.6	98
<b>Emerging Market Debt</b>	<b>208,709,051</b>	<b>5.2</b>	<b>5.0</b>										
<i>eA All Emg Mkts Fixed Inc Gross Median</i>													
<b>Wellington Opportunistic EMD</b>	<b>208,709,051</b>	<b>5.2</b>	<b>5.0</b>	<b>5.3</b>	<b>22</b>	<b>9.2</b>	<b>18</b>	<b>11.1</b>	<b>26</b>	<b>8.3</b>	<b>14</b>	<b>--</b>	<b>--</b>
<i>JP Morgan EMBI Global TR</i>				5.4	19	9.1	19	11.0	26	7.6	29	10.4	57
<i>eA All Emg Mkts Fixed Inc Gross Median</i>				4.8		7.5		9.6		6.6		11.0	
<b>Total Real Estate</b>	<b>201,972,911</b>	<b>5.0</b>	<b>4.5</b>	<b>4.1</b>	<b>--</b>	<b>7.1</b>	<b>--</b>	<b>14.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Morgan Stanley Prime Property</b>	<b>88,401,029</b>	<b>2.2</b>	<b>2.0</b>	<b>3.3</b>	<b>--</b>	<b>6.3</b>	<b>--</b>	<b>14.8</b>	<b>--</b>	<b>15.2</b>	<b>--</b>	<b>11.1</b>	<b>--</b>
<b>UBS Trumbull</b>	<b>77,020,681</b>	<b>1.9</b>	<b>2.0</b>	<b>2.5</b>	<b>--</b>	<b>5.1</b>	<b>--</b>	<b>10.4</b>	<b>--</b>	<b>10.5</b>	<b>--</b>	<b>9.4</b>	<b>--</b>
<b>RREEF America REIT III</b>	<b>26,794,066</b>	<b>0.7</b>	<b>0.5</b>	<b>13.4</b>	<b>--</b>	<b>18.1</b>	<b>--</b>	<b>27.4</b>	<b>--</b>	<b>22.4</b>	<b>--</b>	<b>16.6</b>	<b>--</b>
<b>Siguler Guff</b>	<b>8,800,000</b>	<b>0.2</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Transwestern / Aslan III</b>	<b>957,135</b>	<b>0.0</b>	<b>0.0</b>	<b>5.8</b>	<b>--</b>	<b>6.1</b>	<b>--</b>	<b>10.7</b>	<b>--</b>	<b>16.2</b>	<b>--</b>	<b>-5.1</b>	<b>--</b>
<i>NCREIF Property Index</i>				2.9	--	5.7	--	11.2	--	11.3	--	9.7	--
<i>NCREIF ODCE</i>				2.9	--	5.5	--	12.7	--	12.4	--	10.0	--

VPIC Composite

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Transwestern / Aslan III</b>	<b>957,135</b>	<b>0.0</b>	<b>0.0</b>	<b>5.8</b>	<b>--</b>	<b>6.1</b>	<b>--</b>	<b>10.7</b>	<b>--</b>	<b>16.2</b>	<b>--</b>	<b>-5.1</b>	<b>--</b>
<i>NCREIF Property Index</i>				2.9	--	5.7	--	11.2	--	11.3	--	9.7	--
<i>NCREIF ODCE</i>				2.9	--	5.5	--	12.7	--	12.4	--	10.0	--
<b>Hedge Fund Comp</b>	<b>201,554,976</b>	<b>5.0</b>	<b>5.0</b>	<b>1.8</b>	<b>40</b>	<b>3.2</b>	<b>38</b>	<b>10.4</b>	<b>33</b>	<b>6.8</b>	<b>27</b>	<b>--</b>	<b>--</b>
<i>eA HFN FOF - Multi-Strategy Net Median</i>				1.5		2.6		9.3		5.3		6.4	
<b>Grosvenor</b>	<b>80,753,709</b>	<b>2.0</b>	<b>2.0</b>	<b>1.3</b>	<b>60</b>	<b>2.9</b>	<b>45</b>	<b>11.0</b>	<b>30</b>	<b>6.9</b>	<b>26</b>	<b>--</b>	<b>--</b>
<b>GAM</b>	<b>39,860,150</b>	<b>1.0</b>	<b>1.0</b>	<b>1.4</b>	<b>55</b>	<b>1.8</b>	<b>61</b>	<b>7.4</b>	<b>66</b>	<b>6.7</b>	<b>28</b>	<b>--</b>	<b>--</b>
<b>Permal</b>	<b>80,941,117</b>	<b>2.0</b>	<b>2.0</b>	<b>2.4</b>	<b>24</b>	<b>4.2</b>	<b>27</b>	<b>11.2</b>	<b>29</b>	<b>6.8</b>	<b>27</b>	<b>--</b>	<b>--</b>
<i>HFRI Fund of Funds Composite Index</i>				1.5	53	2.0	58	7.6	65	3.3	76	4.2	79
<b>GAA Comp</b>	<b>818,562,593</b>	<b>20.3</b>	<b>20.0</b>	<b>5.7</b>	<b>11</b>	<b>8.9</b>	<b>11</b>	<b>16.1</b>	<b>33</b>	<b>7.7</b>	<b>36</b>	<b>12.7</b>	<b>25</b>
<i>eA Global TAA Gross Median</i>				3.7		5.4		13.3		6.3		9.4	
<b>Mellon Global Expanded Alpha</b>	<b>78,074,689</b>	<b>1.9</b>	<b>2.5</b>	<b>4.4</b>	<b>32</b>	<b>-0.4</b>	<b>96</b>	<b>8.9</b>	<b>76</b>	<b>6.1</b>	<b>52</b>	<b>12.1</b>	<b>29</b>
<i>Mellon GA GEA Index</i>				3.5	59	5.6	44	14.3	44	7.6	36	9.8	48
<b>AQR Global Risk Premium</b>	<b>336,846,014</b>	<b>8.4</b>	<b>8.0</b>	<b>8.0</b>	<b>1</b>	<b>14.1</b>	<b>1</b>	<b>18.8</b>	<b>9</b>	<b>9.2</b>	<b>26</b>	<b>--</b>	<b>--</b>
<i>60% MSCI World / 40% CITI WGBI</i>				3.9	43	6.0	35	17.4	22	8.2	32	10.9	37

## VPIC Composite

### Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>PIMCO All Asset</b>	<b>244,114,413</b>	<b>6.1</b>	<b>5.0</b>	<b>4.5</b>	<b>27</b>	<b>7.4</b>	<b>15</b>	<b>12.4</b>	<b>58</b>	<b>7.6</b>	<b>36</b>	<b>11.1</b>	<b>36</b>
<i>PIMCO All Asset Index</i>				3.0	69	5.0	56	7.4	86	5.5	60	7.6	72
<i>CPI + 5% (Seasonally Adjusted)</i>				2.1	81	3.8	76	7.2	87	6.9	44	7.1	79
<b>Wellington OIF</b>	<b>159,527,476</b>	<b>4.0</b>	<b>4.5</b>	<b>3.5</b>	<b>58</b>	<b>6.0</b>	<b>34</b>	<b>19.4</b>	<b>7</b>	<b>5.7</b>	<b>60</b>	<b>10.6</b>	<b>38</b>
<i>65% MSCI World (Net) /35% BC Agg</i>				3.9	43	5.4	47	16.9	29	9.1	26	11.6	32
<b>Commodities</b>	<b>155,892,109</b>	<b>3.9</b>	<b>4.0</b>										
<b>Schroder</b>	<b>155,892,109</b>	<b>3.9</b>	<b>4.0</b>	<b>1.0</b>	<b>--</b>	<b>6.9</b>	<b>--</b>	<b>8.6</b>	<b>--</b>	<b>-3.1</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Bloomberg Commodity Index</i>				0.1	--	7.1	--	8.2	--	-5.2	--	2.0	--
<b>Cash</b>	<b>3,052,171</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	<b>--</b>	<b>0.2</b>	<b>--</b>
<i>91 Day T-Bills</i>				0.0	--	0.0	--	0.0	--	0.0	--	0.1	--
<b>Private Equity</b>	<b>19,806,640</b>	<b>0.5</b>	<b>1.0</b>										
<i>Cambridge Private Equity Index</i>													
<b>Harbourvest Partners IX Credit Opportunities</b>	<b>1,021,449</b>	<b>0.0</b>	<b>--</b>										
<b>Harbourvest Partners IX Venture Fund</b>	<b>4,934,740</b>	<b>0.1</b>	<b>--</b>										
<b>Harbourvest Partners IX Buyout Fund</b>	<b>5,705,611</b>	<b>0.1</b>	<b>--</b>										
<b>Harbourvest Dover VIII Fund</b>	<b>8,144,840</b>	<b>0.2</b>	<b>--</b>										

Harbourvest is based on final Capital Account Statements for Q1 2014, and cash adjusted through June for any Capital Calls or Distributions

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

## Total Fund Yearly Performance

	Ending June 30, 2014																	
	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank
<b>Vermont State Teachers</b>	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>	9.5	92	10.9	71	0.6	62	11.7	72	19.3	55	-24.3	49	7.6	52	14.4	20	6.6	57
<b>Vermont Municipal Employees</b>	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>	9.5	92	10.9	71	0.6	62	11.7	72	19.3	55	-21.9	35	7.7	51	13.7	35	7.2	47
<b>Vermont State Employees</b>	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>	9.5	92	10.9	71	0.6	62	11.7	72	19.5	53	-22.5	39	7.6	52	13.9	31	6.3	59
<b>City of Burlington</b>	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>	9.5	92	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	
<b>Composite</b>	<b>8.4</b>	<b>95</b>	<b>13.2</b>	<b>24</b>	<b>2.2</b>	<b>17</b>	<b>14.9</b>	<b>12</b>	<b>26.8</b>	<b>7</b>	<b>-29.8</b>	<b>93</b>	<b>6.3</b>	<b>82</b>	<b>15.3</b>	<b>12</b>	<b>6.2</b>	<b>62</b>	
<i>InvestorForce Public DB Gross Median</i>	15.5		12.2		0.9		12.8		20.3		-24.7		7.7		13.0		6.9		
<b>Total Equity</b>	<b>23.4</b>	<b>65</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<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		
<b>US Equity</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>								
<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		
<b>Large Cap Comp</b>	<b>33.9</b>	<b>48</b>	<b>16.6</b>	<b>38</b>	<b>1.4</b>	<b>41</b>	<b>17.6</b>	<b>22</b>	<b>40.4</b>	<b>11</b>	<b>-40.3</b>	<b>81</b>	<b>4.6</b>	<b>74</b>	<b>16.2</b>	<b>40</b>	<b>4.6</b>	<b>79</b>	
<i>S&amp;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		
<b>T. Rowe</b>	<b>33.7</b>	<b>49</b>	<b>16.8</b>	<b>35</b>	<b>1.8</b>	<b>37</b>	<b>14.0</b>	<b>61</b>	<b>30.4</b>	<b>41</b>	<b>-36.0</b>	<b>49</b>	<b>6.2</b>	<b>62</b>	<b>16.9</b>	<b>36</b>	<b>--</b>	<b>--</b>	
<i>S&amp;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	
<b>SSgA S&amp;P 500 Cap-Wgt</b>	<b>32.4</b>	<b>61</b>	<b>16.1</b>	<b>44</b>	<b>2.2</b>	<b>33</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	
<i>S&amp;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	
<b>SSgA S&amp;P 500 Equal-Wgt</b>	<b>36.2</b>	<b>29</b>	<b>17.5</b>	<b>29</b>	<b>-0.1</b>	<b>56</b>	<b>22.0</b>	<b>5</b>	<b>46.7</b>	<b>4</b>	<b>-40.6</b>	<b>83</b>	<b>0.5</b>	<b>90</b>	<b>15.9</b>	<b>42</b>	<b>--</b>	<b>--</b>	
<i>S&amp;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	
<b>Small/Mid Cap Comp</b>	<b>38.4</b>	<b>49</b>	<b>15.2</b>	<b>59</b>	<b>0.9</b>	<b>31</b>	<b>27.3</b>	<b>48</b>	<b>33.1</b>	<b>60</b>	<b>-34.0</b>	<b>21</b>	<b>1.8</b>	<b>73</b>	<b>10.9</b>	<b>71</b>	<b>4.8</b>	<b>89</b>	
<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		
<b>SSgA S&amp;P 400</b>	<b>33.7</b>	<b>68</b>	<b>17.9</b>	<b>31</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	
<i>S&amp;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

Total Fund Yearly Performance

	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank
<b>Champlain</b>	<b>39.2</b>	<b>26</b>	<b>12.9</b>	<b>78</b>	<b>3.8</b>	<b>14</b>	<b>22.8</b>	<b>64</b>	--	--	--	--	--	--	--	--	--	--
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	
<b>Wellington</b>	<b>34.9</b>	<b>77</b>	<b>16.9</b>	<b>51</b>	<b>1.8</b>	<b>16</b>	<b>28.3</b>	<b>39</b>	<b>32.6</b>	<b>50</b>	<b>-26.5</b>	<b>15</b>	<b>-2.1</b>	<b>45</b>	<b>20.5</b>	<b>33</b>	<b>11.2</b>	<b>26</b>
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	
<b>SSgA Russell 2000 Growth</b>	<b>43.3</b>	<b>70</b>	<b>14.7</b>	<b>47</b>	<b>-3.0</b>	<b>61</b>	<b>29.2</b>	<b>44</b>	<b>34.2</b>	<b>60</b>	<b>-38.4</b>	<b>26</b>	--	--	--	--	--	--
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	
<b>Int'l Equity Comp</b>	<b>23.6</b>	<b>57</b>	<b>14.0</b>	<b>92</b>	<b>-9.2</b>	<b>22</b>	<b>9.4</b>	<b>71</b>	<b>25.4</b>	<b>92</b>	<b>-42.0</b>	<b>33</b>	<b>10.9</b>	<b>64</b>	<b>33.7</b>	<b>11</b>	<b>14.2</b>	<b>78</b>
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	
<b>Acadian</b>	<b>27.2</b>	<b>31</b>	<b>17.0</b>	<b>82</b>	<b>-13.0</b>	<b>60</b>	<b>14.6</b>	<b>34</b>	<b>27.7</b>	<b>85</b>	<b>-49.0</b>	<b>85</b>	<b>8.7</b>	<b>78</b>	<b>37.4</b>	<b>3</b>	--	--
<b>Mondrian</b>	<b>23.9</b>	<b>55</b>	<b>9.8</b>	<b>99</b>	<b>-3.5</b>	<b>3</b>	<b>3.6</b>	<b>97</b>	<b>24.4</b>	<b>94</b>	<b>-37.1</b>	<b>11</b>	<b>12.4</b>	<b>55</b>	<b>31.1</b>	<b>22</b>	<b>13.4</b>	<b>83</b>
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
<b>SSgA ACWI Ex US</b>	<b>15.5</b>	<b>82</b>	<b>17.2</b>	<b>75</b>	<b>-13.5</b>	<b>73</b>	--	--	--	--	--	--	--	--	--	--	--	--
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	
<b>Emerging Market Comp</b>																		
eA Emg Mkts Equity Gross Median																		
<b>Aberdeen</b>	<b>-5.9</b>	<b>94</b>	<b>26.4</b>	<b>11</b>	<b>-10.5</b>	<b>4</b>	<b>29.1</b>	<b>6</b>	<b>81.7</b>	<b>37</b>	--	--	--	--	--	--	--	--
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

Total Fund Yearly Performance

	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank
<b>US Fixed Income</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
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	
<b>Diversified Fixed Income</b>	<b>-2.3</b>	<b>86</b>	<b>7.0</b>	<b>43</b>	<b>8.6</b>	<b>21</b>	<b>9.5</b>	<b>26</b>	<b>21.5</b>	<b>19</b>	<b>-14.9</b>	<b>87</b>	<b>4.4</b>	<b>79</b>	--	--	--	--
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	
<b>Allianz Structured Alpha</b>	<b>-2.5</b>	<b>95</b>	<b>10.6</b>	<b>2</b>	<b>7.3</b>	<b>67</b>	<b>12.7</b>	<b>1</b>	<b>22.6</b>	<b>2</b>	--	--	--	--	--	--	--	--
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
<b>PIMCO Core Plus</b>	<b>-2.5</b>	<b>95</b>	<b>7.4</b>	<b>20</b>	<b>7.7</b>	<b>52</b>	<b>9.1</b>	<b>9</b>	--	--	--	--	--	--	--	--	--	--
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
<b>PIMCO Unconstrained</b>	<b>-1.5</b>	<b>55</b>	<b>4.6</b>	<b>82</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--
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
<b>Wellington DAS</b>	<b>-3.9</b>	<b>99</b>	<b>8.5</b>	<b>8</b>	<b>18.3</b>	<b>1</b>	<b>7.9</b>	<b>29</b>	<b>9.8</b>	<b>43</b>	--	--	--	--	--	--	--	--
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
<b>High Yield Comp</b>	<b>7.6</b>	<b>52</b>	<b>14.9</b>	<b>62</b>	<b>5.7</b>	<b>37</b>	<b>14.0</b>	<b>71</b>	<b>41.2</b>	<b>65</b>	<b>-19.0</b>	<b>29</b>	<b>4.7</b>	<b>11</b>	--	--	--	--
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	
<b>KDP</b>	<b>5.2</b>	<b>93</b>	<b>12.6</b>	<b>87</b>	<b>6.6</b>	<b>15</b>	<b>11.7</b>	<b>92</b>	--	--	--	--	--	--	--	--	--	--
<b>Guggenheim</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
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

Total Fund Yearly Performance

	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank	
<b>TIPS</b>																			
<i>eA TIPS / Infl Indexed Fixed Inc Gross Median</i>																			
<b>BlackRock TIPS</b>	-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	--	--
<b>Global Fixed Income Comp</b>	-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		
<b>Mondrian GFI</b>	-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	
<b>Emerging Market Debt</b>																			
<i>eA All Emg Mkts Fixed Inc Gross Median</i>																			
<b>Wellington Opportunistic EMD</b>	-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		
<b>Total Real Estate</b>	14.7	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Morgan Stanley Prime Property</b>	17.4	--	12.6	--	16.8	--	15.8	--	-33.7	--	-4.7	--	16.2	--	18.4	--	19.9	--	--
<b>UBS Trumbull</b>	10.4	--	10.2	--	13.2	--	16.9	--	-22.3	--	-7.5	--	13.9	--	16.6	--	21.1	--	--
<b>RREEF America REIT III</b>	16.9	--	23.8	--	55.4	--	9.1	--	-64.1	--	-41.7	--	18.1	--	--	--	--	--	--
<b>Siguler Guff</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Transwestern / Aslan III</b>	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>	13.9	--	10.9	--	16.0	--	16.4	--	-29.8	--	-10.0	--	16.0	--	16.3	--	21.4	--	--

## VPIC Composite

### Total Fund Yearly Performance

	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank
<i>NCREIF ODCE</i>	13.9	--	10.9	--	16.0	--	16.4	--	-29.8	--	-10.0	--	16.0	--	16.3	--	21.4	--
<b>Hedge Fund Comp</b>	<b>14.1</b>	<b>22</b>	<b>9.3</b>	<b>24</b>	<b>-3.8</b>	<b>46</b>	--	--	--	--	--	--	--	--	--	--	--	--
<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	
<b>Grosvenor</b>	<b>15.2</b>	<b>16</b>	<b>8.5</b>	<b>29</b>	<b>-3.4</b>	<b>42</b>	--	--	--	--	--	--	--	--	--	--	--	--
<b>GAM</b>	<b>14.0</b>	<b>22</b>	<b>8.3</b>	<b>31</b>	<b>-3.5</b>	<b>43</b>	--	--	--	--	--	--	--	--	--	--	--	--
<b>Permal</b>	<b>13.0</b>	<b>29</b>	<b>10.5</b>	<b>14</b>	<b>-5.5</b>	<b>66</b>	--	--	--	--	--	--	--	--	--	--	--	--
<i>HFRI Fund of Funds Composite Index</i>	9.0	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
<b>GAA Comp</b>	<b>3.2</b>	<b>69</b>	<b>15.3</b>	<b>2</b>	<b>0.8</b>	<b>34</b>	<b>18.0</b>	<b>19</b>	<b>31.0</b>	<b>21</b>	<b>-26.3</b>	<b>61</b>	<b>5.7</b>	<b>87</b>	--	--	--	--
<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	
<b>Mellon Global Expanded Alpha</b>	<b>12.2</b>	<b>31</b>	<b>11.3</b>	<b>40</b>	<b>1.0</b>	<b>34</b>	<b>16.1</b>	<b>29</b>	<b>31.4</b>	<b>17</b>	<b>-36.0</b>	<b>92</b>	<b>1.7</b>	<b>95</b>	--	--	--	--
<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	--	--	--	--
<b>AQR Global Risk Premium</b>	<b>-2.0</b>	<b>88</b>	<b>16.0</b>	<b>1</b>	<b>7.0</b>	<b>12</b>	<b>25.1</b>	<b>5</b>	--	--	--	--	--	--	--	--	--	--
<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
<b>PIMCO All Asset</b>	<b>1.7</b>	<b>74</b>	<b>16.5</b>	<b>1</b>	<b>3.4</b>	<b>17</b>	<b>14.7</b>	<b>50</b>	<b>24.1</b>	<b>44</b>	<b>-14.8</b>	<b>24</b>	<b>9.6</b>	<b>53</b>	--	--	--	--
<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% (Seasonally Adjusted)</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
<b>Wellington OIF</b>	<b>12.1</b>	<b>32</b>	<b>14.3</b>	<b>11</b>	<b>-13.8</b>	<b>98</b>	<b>17.8</b>	<b>20</b>	<b>36.8</b>	<b>14</b>	--	--	--	--	--	--	--	--
<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

Total Fund Yearly Performance

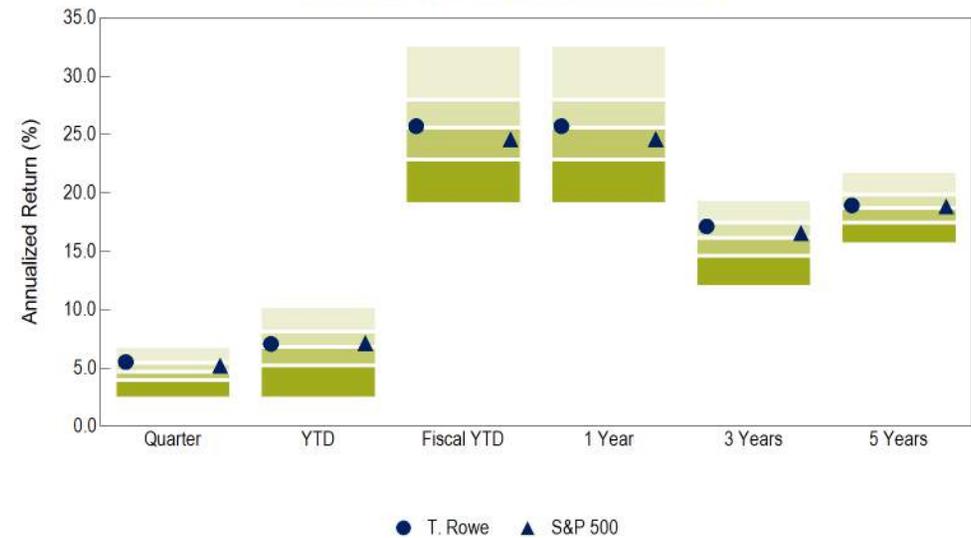
	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank	
<b>Commodities</b>																			
<b>Schroder</b>	<b>-8.4</b>	<b>--</b>	<b>0.5</b>	<b>--</b>	<b>-6.8</b>	<b>99</b>	<b>17.1</b>	<b>53</b>	<b>--</b>	<b>--</b>									
<i>Bloomberg Commodity Index</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	
<b>Cash</b>	<b>0.0</b>	<b>--</b>	<b>0.1</b>	<b>--</b>	<b>0.2</b>	<b>--</b>	<b>0.3</b>	<b>--</b>	<b>0.6</b>	<b>--</b>	<b>2.4</b>	<b>--</b>	<b>6.4</b>	<b>--</b>	<b>5.2</b>	<b>--</b>	<b>5.4</b>	<b>--</b>	
<i>91 Day T-Bills</i>	0.0	--	0.1	--	0.0	--	0.1	--	0.1	--	1.3	--	4.4	--	5.0	--	3.2	--	
<b>Private Equity</b>																			
<i>Cambridge Private Equity Index</i>																			
<b>Harbourvest Partners IX Credit Opportunities</b>																			
<b>Harbourvest Partners IX Venture Fund</b>																			
<b>Harbourvest Partners IX Buyout Fund</b>																			
<b>Harbourvest Dover VIII Fund</b>																			

# Manager Characteristics

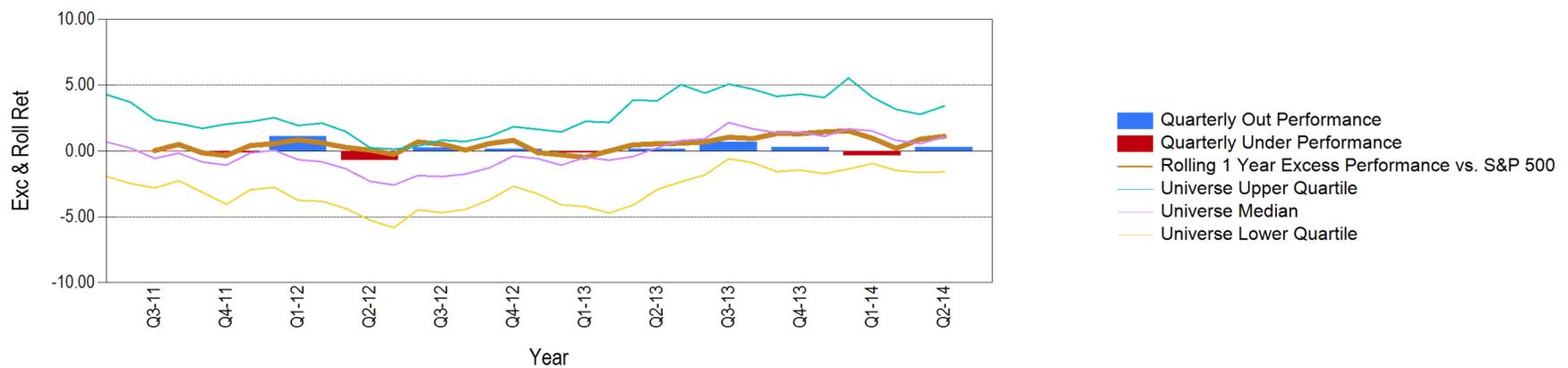


T. Rowe Price employs a fundamental, bottom-up approach to investing in equity assets. The strategy delivers a research portfolio managed by the firm's industry analysts and representing their best ideas. The Structured Research Strategy seeks to provide superior long-term returns and capture the style 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.

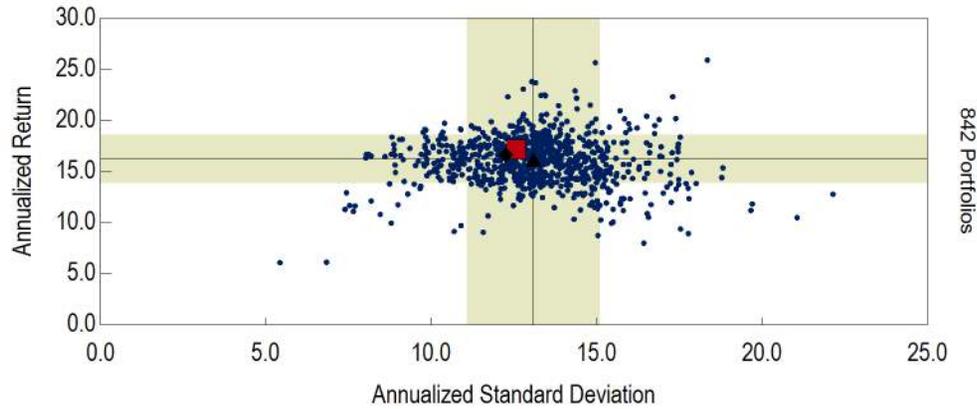
eA US Large Cap Equity Gross Accounts



Annualized Excess Performance



3 Year Risk Return

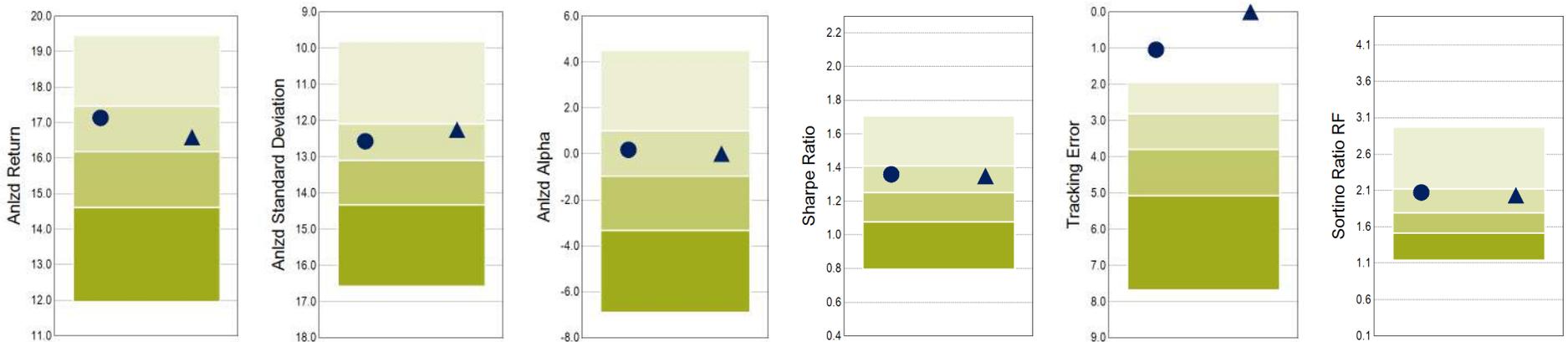


Characteristics

	Portfolio	S&P 500
Number of Holdings	264	501
Weighted Avg. Market Cap. (\$B)	113.8	118.1
Median Market Cap. (\$B)	23.6	17.5
Price To Earnings	23.8	20.4
Price To Book	4.4	3.9
Price To Sales	3.3	2.7
Return on Equity (%)	19.5	18.8
Yield (%)	1.7	2.0
Beta	1.0	1.0
R-Squared	1.0	1.0

- T. Rowe
- ◆ S&P 500
- ▲ Universe Median
- 68% Confidence Interval
- eA US Large Cap Equity Gross

3 Year Risk Statistics

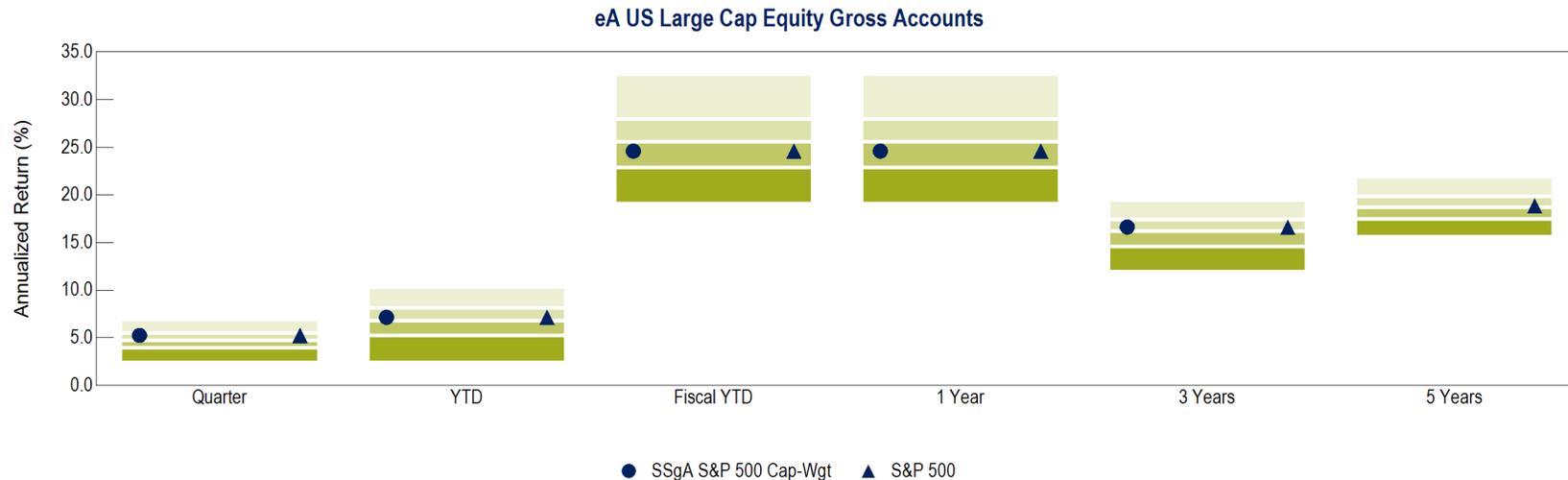


# SSgA S&P 500 Cap-Wgt

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

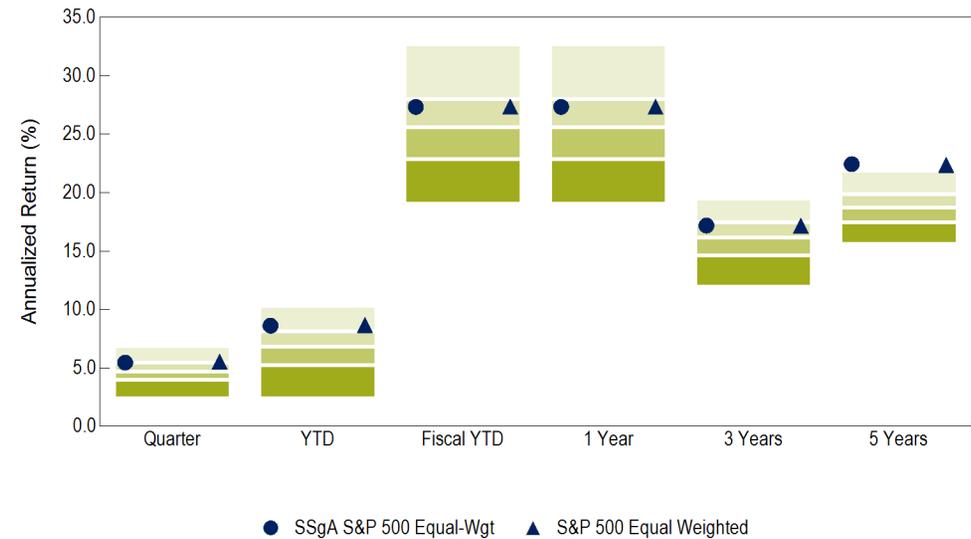
	Portfolio	S&P 500
Number of Holdings	506	501
Weighted Avg. Market Cap. (\$B)	118.4	118.1
Median Market Cap. (\$B)	17.4	17.5
Price To Earnings	21.5	20.4
Price To Book	4.2	3.9
Price To Sales	3.0	2.7
Return on Equity (%)	20.0	18.8
Yield (%)	2.0	2.0
Beta	1.0	1.0
R-Squared	1.0	1.0



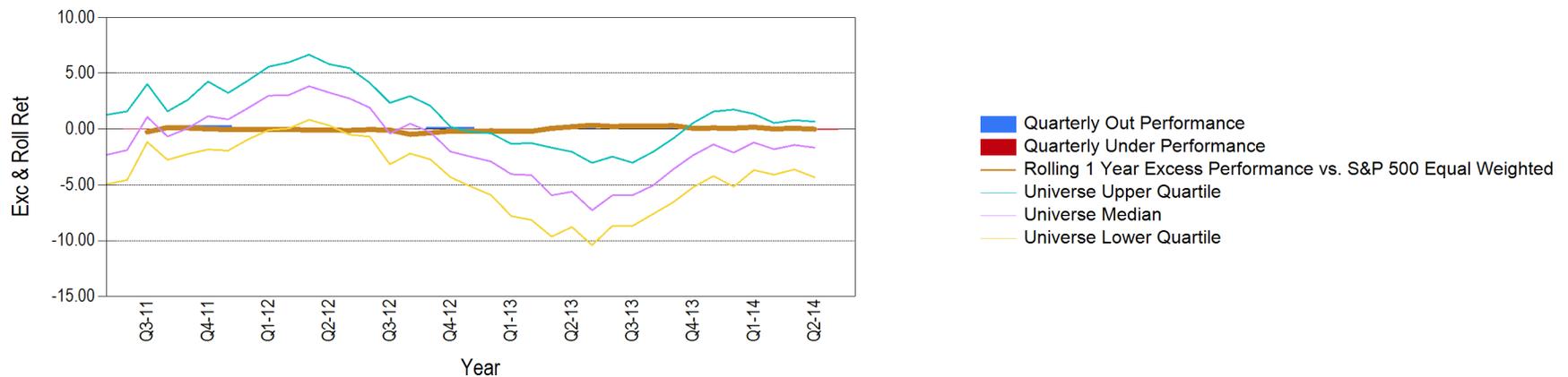
# SSgA S&P 500 Equal-Wgt

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.

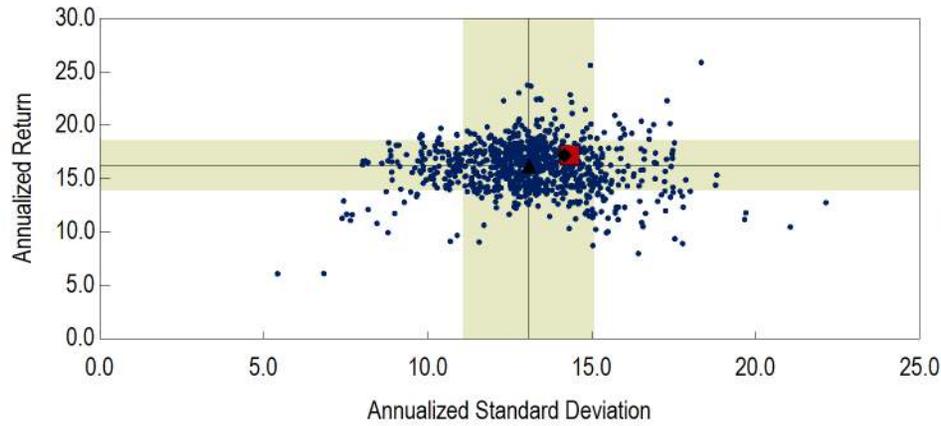
eA US Large Cap Equity Gross Accounts



Annualized Excess Performance



## 3 Year Risk Return

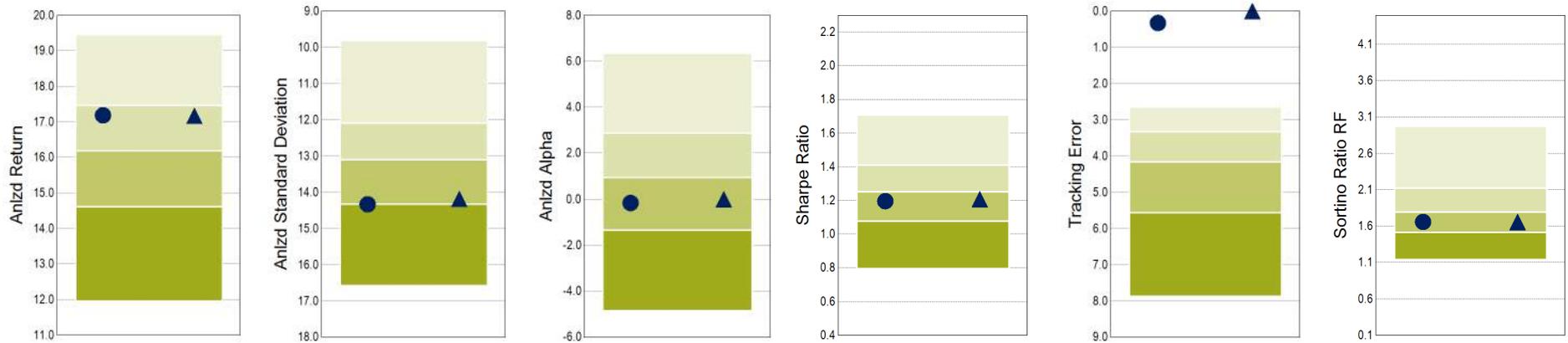


- SSgA S&P 500 Equal-Wgt
- ◆ S&P 500 Equal Weighted
- ▲ Universe Median
- 68% Confidence Interval
- eA US Large Cap Equity Gross

## Characteristics

	Portfolio	S&P 500
Number of Holdings	505	501
Weighted Avg. Market Cap. (\$B)	35.5	118.1
Median Market Cap. (\$B)	17.5	17.5
Price To Earnings	24.0	20.4
Price To Book	3.9	3.9
Price To Sales	2.8	2.7
Return on Equity (%)	18.1	18.8
Yield (%)	1.8	2.0
Beta	1.1	1.0
R-Squared	1.0	1.0

## 3 Year Risk Statistics

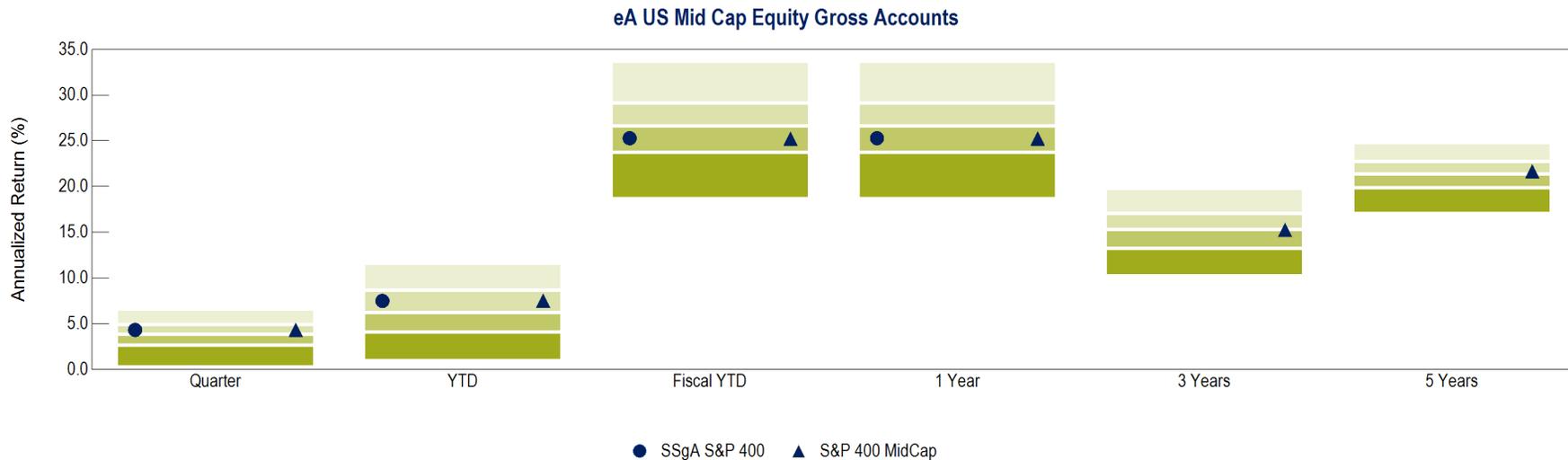


# SSgA S&P 400

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)	5.2	5.3
Median Market Cap. (\$B)	3.9	3.9
Price To Earnings	25.2	24.1
Price To Book	3.7	3.2
Price To Sales	2.8	2.6
Return on Equity (%)	15.3	13.6
Yield (%)	1.4	1.4
Beta		1.0
R-Squared		1.0



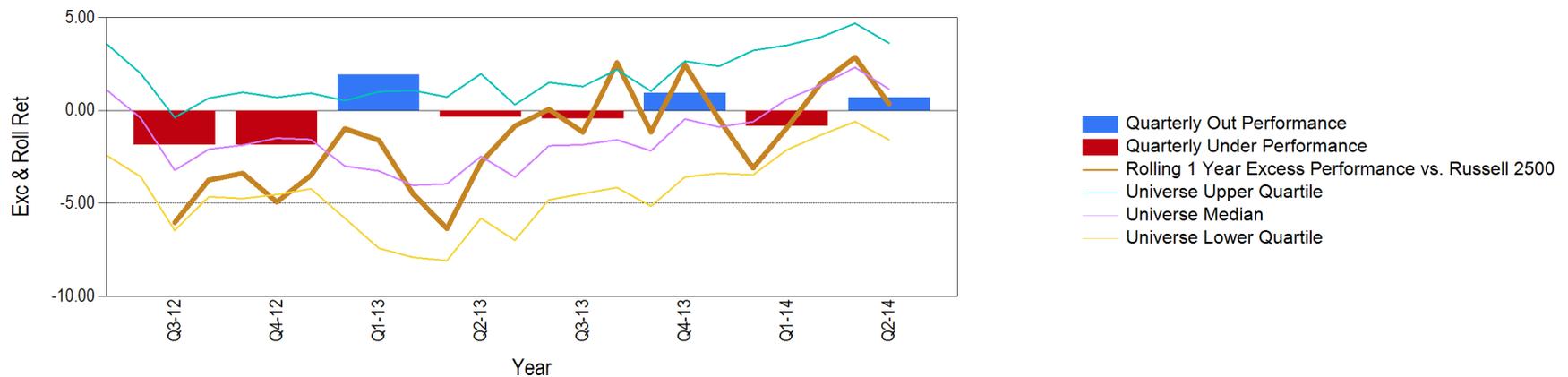
# Champlain

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.

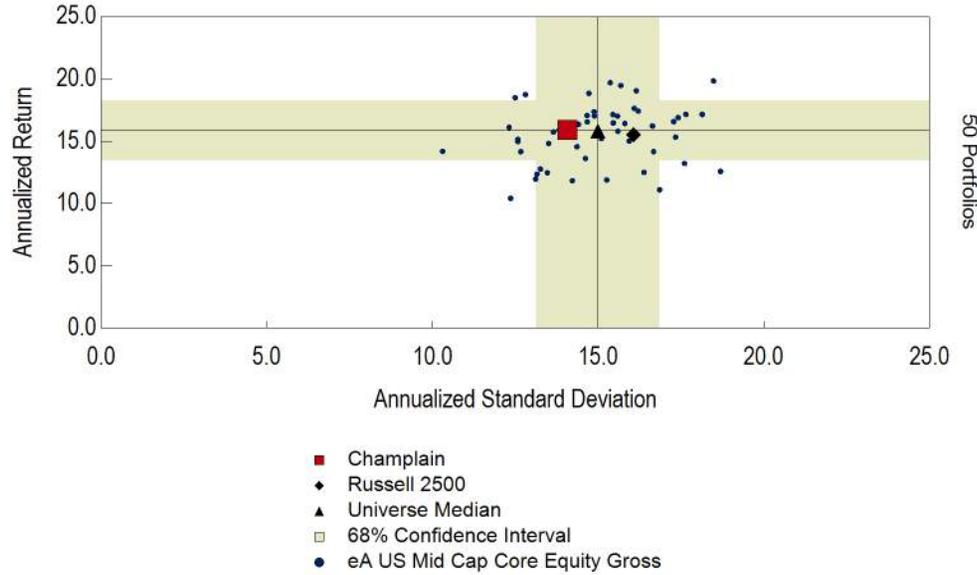
eA US Mid Cap Core Equity Gross Accounts



Annualized Excess Performance



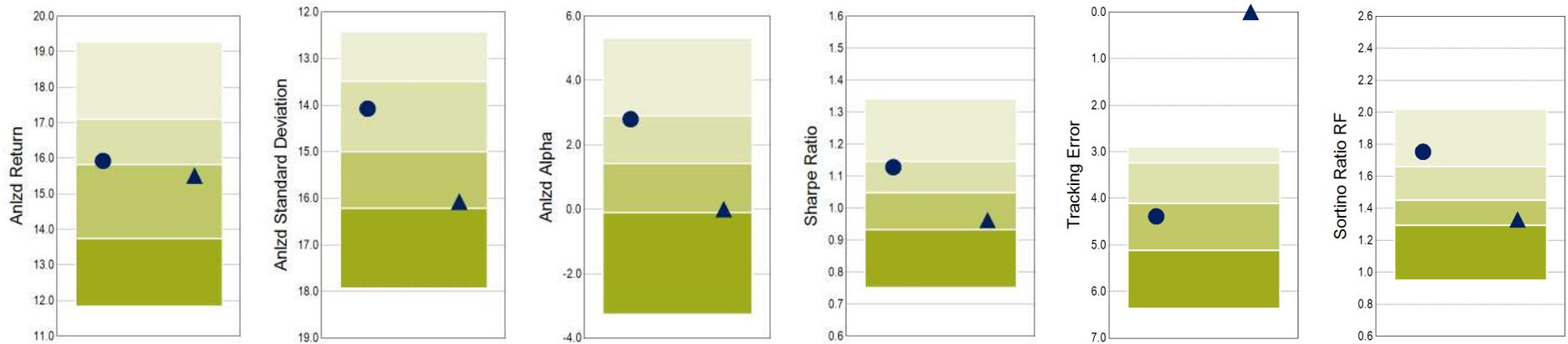
## 3 Year Risk Return



## Characteristics

	Portfolio	Russell 2500
Number of Holdings	60	2,499
Weighted Avg. Market Cap. (\$B)	9.2	3.9
Median Market Cap. (\$B)	6.5	1.0
Price To Earnings	25.2	23.8
Price To Book	4.2	3.2
Price To Sales	3.4	2.7
Return on Equity (%)	17.3	12.3
Yield (%)	1.2	1.2
Beta		1.0
R-Squared		1.0

## 3 Year Risk Statistics



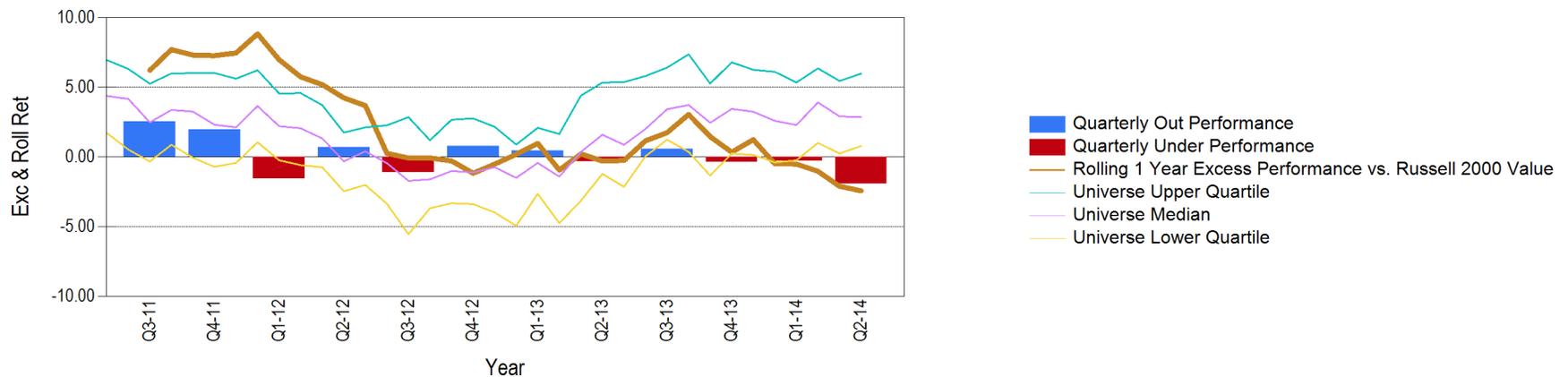
# Wellington

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.

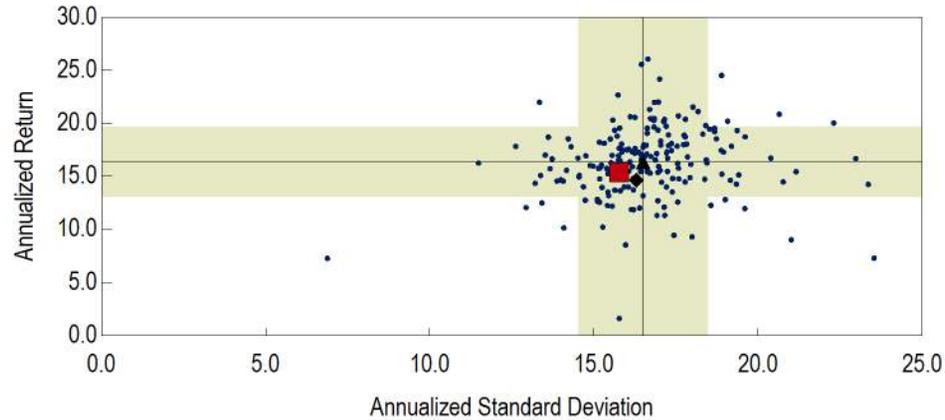
eA US Small Cap Value Equity Gross Accounts



Annualized Excess Performance



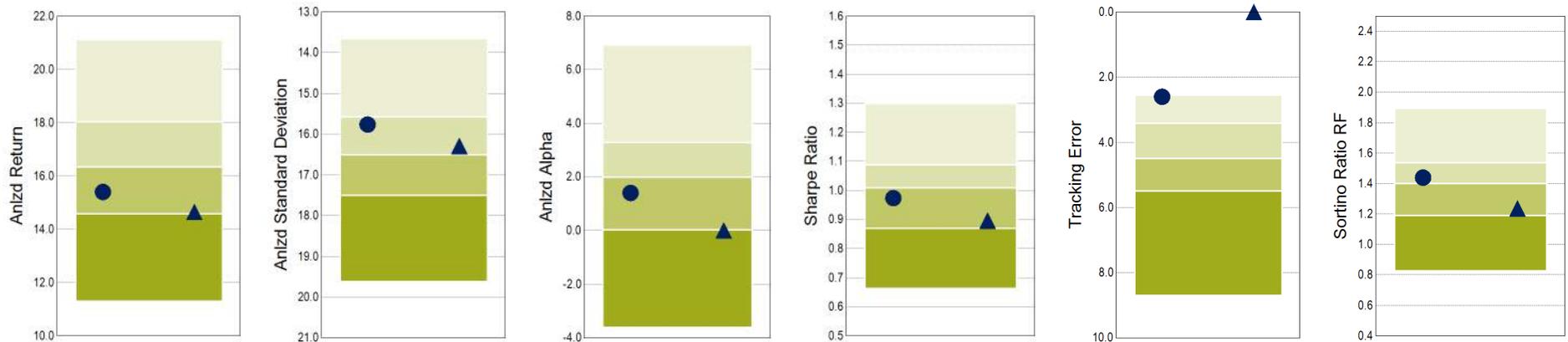
## 3 Year Risk Return



## Characteristics

	Portfolio	Russell 2000 Value
Number of Holdings	76	1,321
Weighted Avg. Market Cap. (\$B)	1.7	1.7
Median Market Cap. (\$B)	1.5	0.7
Price To Earnings	24.7	20.0
Price To Book	2.1	1.8
Price To Sales	2.1	2.4
Return on Equity (%)	10.1	7.5
Yield (%)	1.6	1.6
Beta		1.0
R-Squared		1.0

## 3 Year Risk Statistics



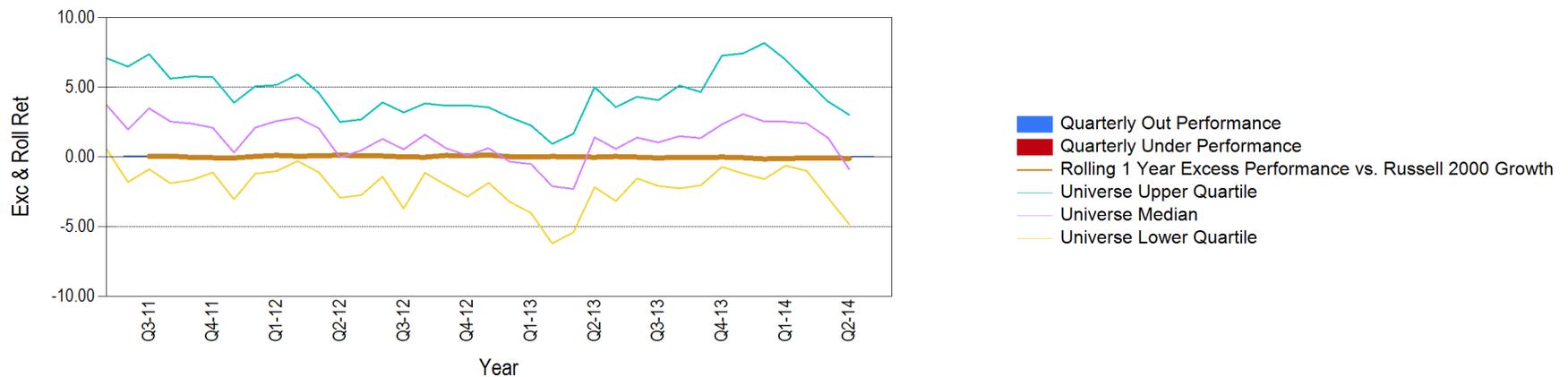
# SSgA Russell 2000 Growth

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.

eA US Small Cap Growth Equity Gross Accounts

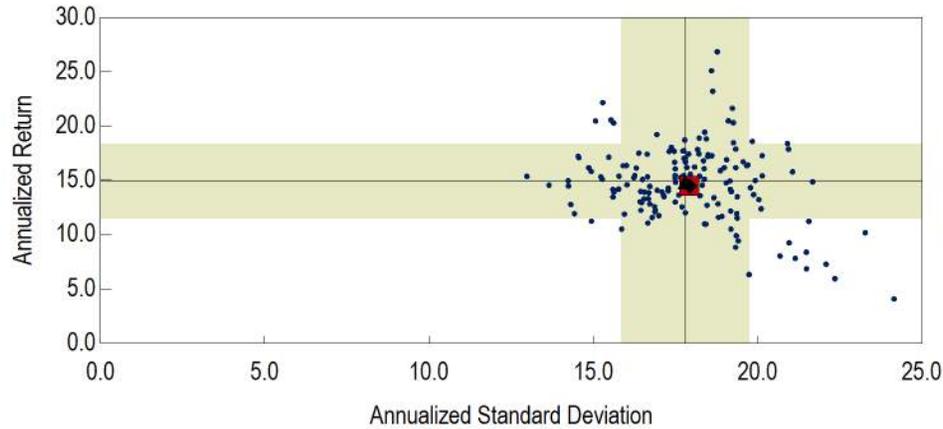


Annualized Excess Performance



# SSgA Russell 2000 Growth

## 3 Year Risk Return

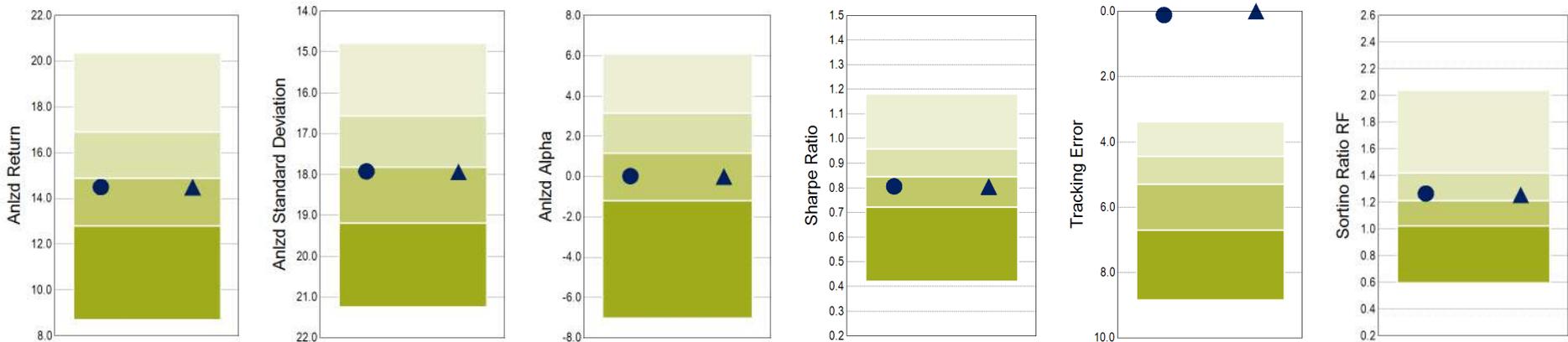


- SSgA Russell 2000 Growth
- ◆ Russell 2000 Growth
- ▲ Universe Median
- 68% Confidence Interval
- eA US Small Cap Growth Equity Gross

## Characteristics

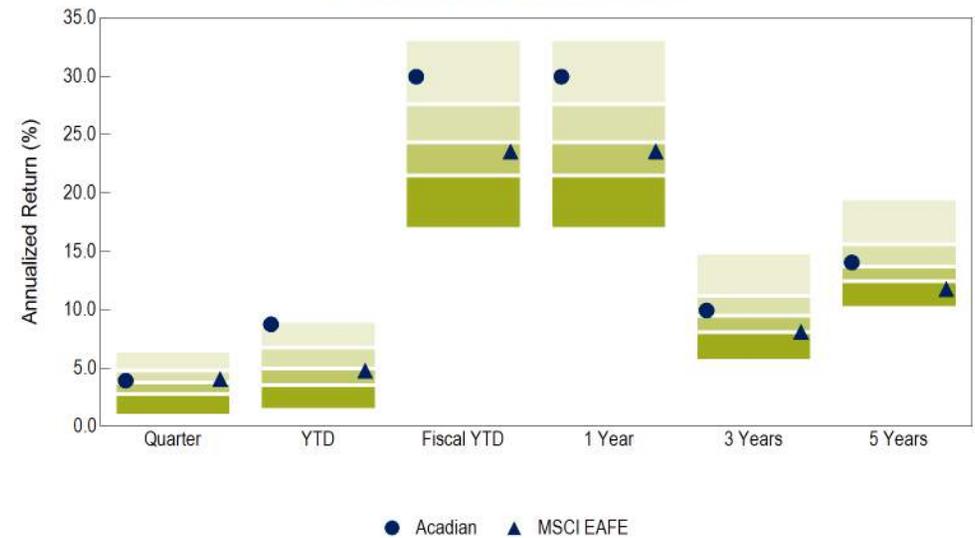
	Portfolio	Russell 2000 Growth
Number of Holdings	1,109	1,163
Weighted Avg. Market Cap. (\$B)	1.9	1.9
Median Market Cap. (\$B)	0.9	0.8
Price To Earnings	29.5	28.6
Price To Book	5.9	5.0
Price To Sales	4.9	3.4
Return on Equity (%)	17.1	15.3
Yield (%)	0.6	0.4
Beta		1.0
R-Squared		1.0

## 3 Year Risk Statistics

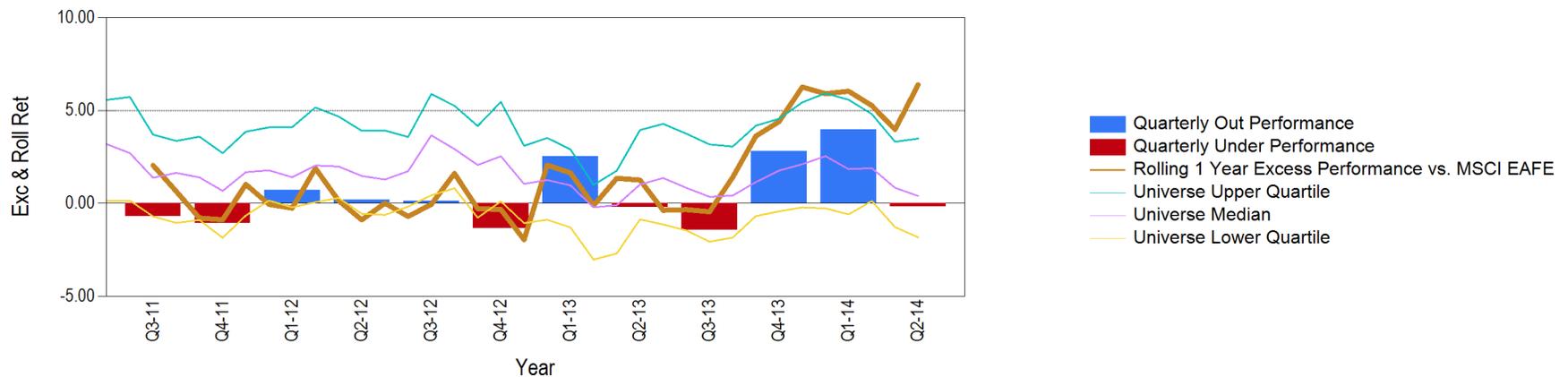


Acadian believes that the larger the pool of potential investments, the greater the potential opportunity an active manager has to add value. They believe that stocks and markets have many attributes that are related to potential outperformance, and that a successful investment approach must be multi-faceted 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.

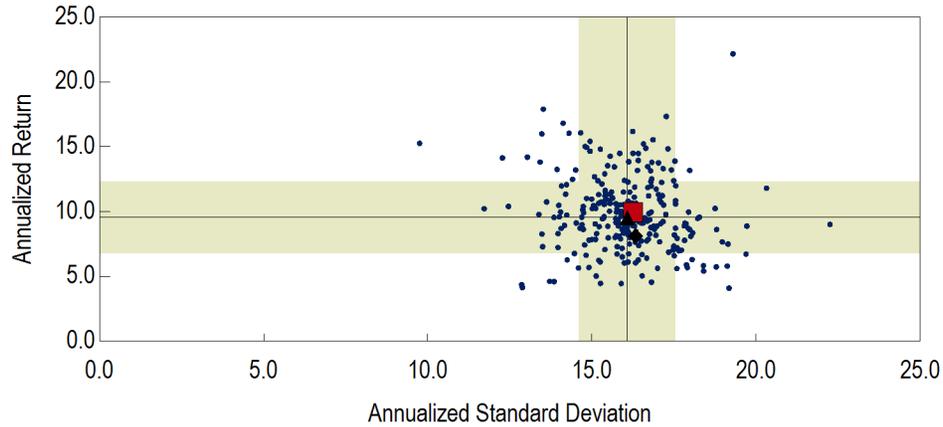
eA All EAFE Equity Gross Accounts



Annualized Excess Performance



3 Year Risk Return

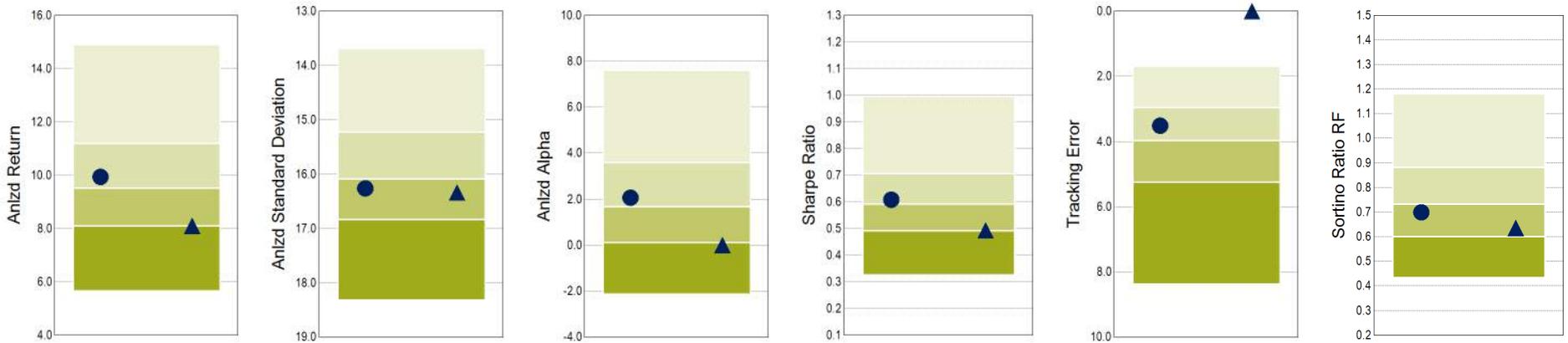


- Acadian
- ◆ MSCI EAFE
- ▲ Universe Median
- 68% Confidence Interval
- eA All EAFE Equity Gross

Characteristics

	Portfolio	MSCI EAFE
Number of Holdings	484	899
Weighted Avg. Market Cap. (\$B)	32.6	63.8
Median Market Cap. (\$B)	0.7	9.4
Price To Earnings	17.9	19.2
Price To Book	2.0	2.3
Price To Sales	1.0	1.9
Return on Equity (%)	13.7	13.3
Yield (%)	2.8	3.0
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics



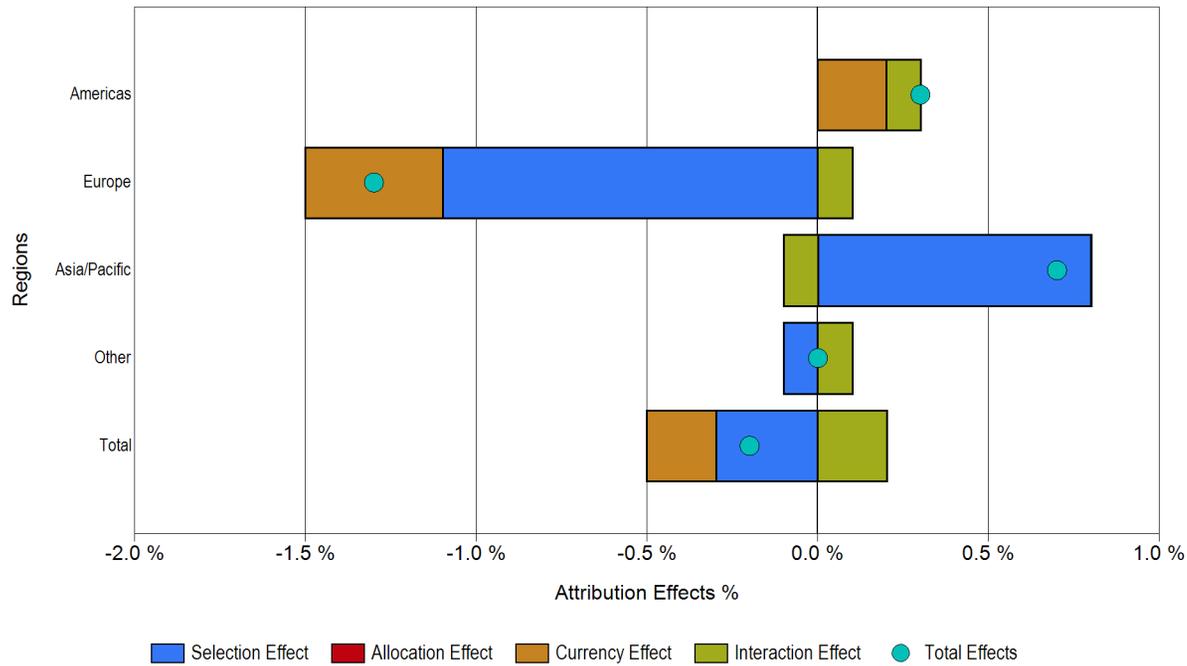
## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>Americas</b>				
Argentina**	0.3%	0.0%	-3.1%	18.6%
Brazil*	2.3%	0.0%	4.0%	7.5%
Canada	5.6%	0.0%	7.7%	9.9%
Mexico*	0.3%	0.0%	34.8%	6.6%
United States	0.3%	0.0%	9.7%	5.1%
<b>Total-Americas</b>	<b>8.8%</b>	<b>0.0%</b>	<b>7.5%</b>	<b>--</b>
<b>Europe</b>				
Austria	1.7%	0.3%	3.6%	-0.3%
Belgium	0.4%	1.2%	8.3%	5.1%
Denmark	2.4%	1.4%	5.5%	3.9%
Finland	2.3%	0.9%	-0.4%	5.5%
France	8.2%	10.4%	-1.9%	2.4%
Germany	11.3%	9.5%	-2.3%	2.1%
Ireland	0.2%	0.3%	-1.7%	-8.9%
Italy	3.1%	2.6%	-8.7%	1.5%
Netherlands	4.2%	2.8%	13.1%	0.7%
Norway	3.3%	0.8%	11.4%	10.8%
Poland*	0.1%	0.0%	-2.0%	-1.1%
Portugal	0.5%	0.2%	-0.7%	-1.1%
Spain	1.9%	3.6%	7.7%	7.2%
Sweden	4.9%	3.2%	-0.2%	-0.3%
Switzerland	4.4%	9.3%	-4.5%	2.4%
United Kingdom	12.8%	21.1%	4.4%	6.1%
<b>Total-Europe</b>	<b>61.3%</b>	<b>67.5%</b>	<b>1.5%</b>	<b>3.7%</b>

## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>AsiaPacific</b>				
Australia	2.5%	7.9%	-2.2%	2.8%
Hong Kong	0.3%	2.8%	1.5%	8.3%
India*	0.2%	0.0%	-4.1%	-1.1%
Japan	20.0%	19.7%	-0.7%	6.6%
Korea*	2.9%	0.0%	4.4%	1.7%
New Zealand	0.1%	0.1%	3.4%	2.5%
Singapore	1.6%	1.5%	4.7%	5.8%
Taiwan*	2.2%	0.0%	1.5%	1.2%
Thailand*	0.1%	0.0%	10.1%	4.1%
<b>Total-AsiaPacific</b>	<b>29.9%</b>	<b>31.9%</b>	<b>0.2%</b>	<b>5.8%</b>
<b>Other</b>				
Israel	0.1%	0.5%	-3.2%	2.5%
<b>Total-Other</b>	<b>0.1%</b>	<b>0.5%</b>	<b>-3.2%</b>	<b>2.5%</b>
<b>Totals</b>				
Developed	91.7%	100.0%	1.0%	4.3%
Emerging*	8.1%	0.0%	1.2%	--
Frontier**	0.3%	0.0%	-3.1%	--

Acadian Performance Attribution vs. MSCI EAFE



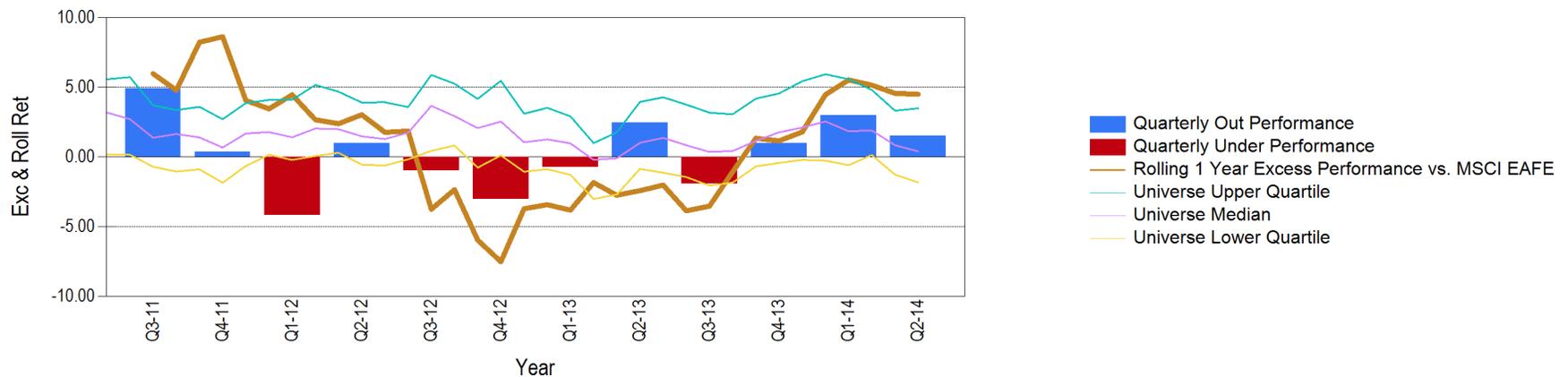
	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Totals</b>									
Americas	7.5%	--	8.8%	0.0%	0.0%	0.0%	0.2%	0.1%	0.3%
Europe	1.5%	3.7%	61.3%	67.5%	-1.1%	0.0%	-0.4%	0.1%	-1.3%
Asia/Pacific	8.4%	5.7%	29.9%	32.0%	0.8%	0.0%	0.0%	-0.1%	0.7%
Other	-9.1%	2.5%	0.1%	0.5%	-0.1%	0.0%	0.0%	0.1%	0.0%
<b>Total</b>	<b>4.1%</b>	<b>4.3%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.3%</b>	<b>0.0%</b>	<b>-0.2%</b>	<b>0.2%</b>	<b>-0.2%</b>
<b>Totals</b>									
Developed	3.6%	4.3%	91.7%	100.0%	-0.5%	0.0%	-0.3%	0.0%	-0.7%
Emerging*	9.9%	--	8.1%	0.0%	0.0%	0.0%	0.1%	0.4%	0.5%
Frontier**	-3.1%	--	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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.

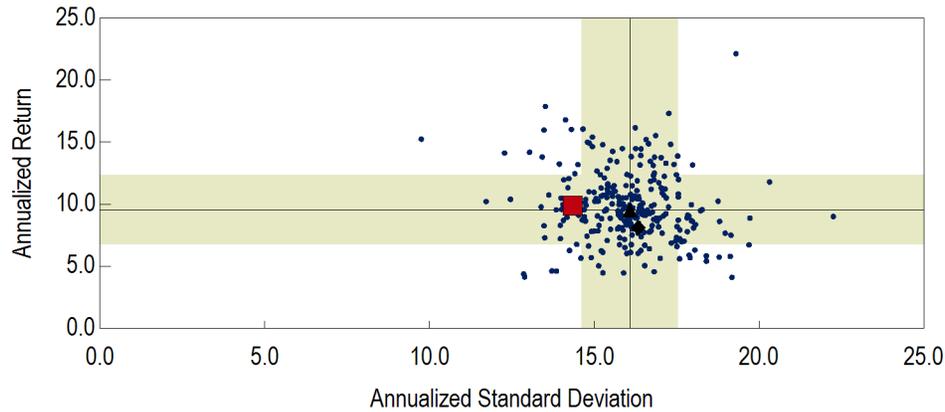
eA All EAFE Equity Gross Accounts



Annualized Excess Performance



## 3 Year Risk Return

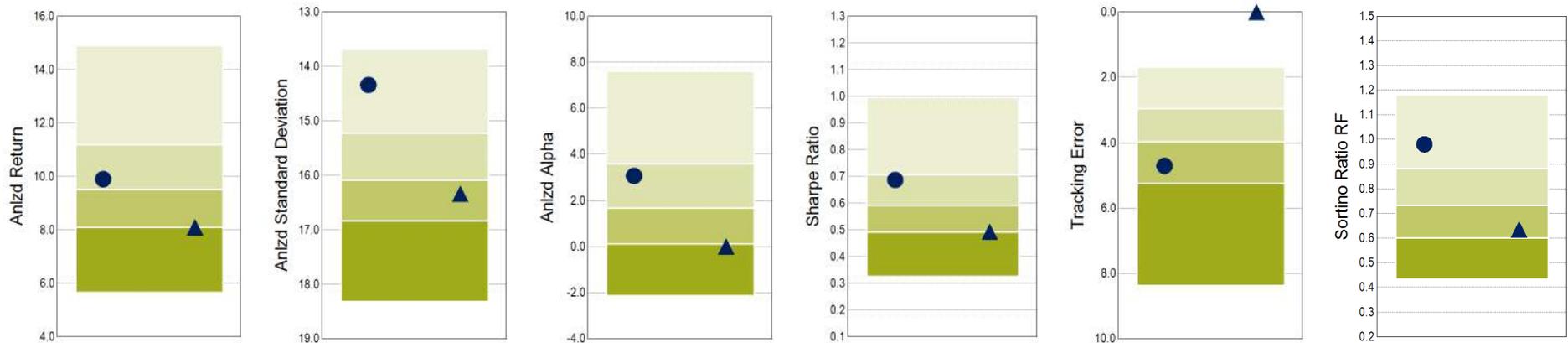


- Mondrian
- ◆ MSCI EAFE
- ▲ Universe Median
- 68% Confidence Interval
- eA All EAFE Equity Gross

## Characteristics

	Portfolio	MSCI EAFE
Number of Holdings	29	899
Weighted Avg. Market Cap. (\$B)	84.4	63.8
Median Market Cap. (\$B)	45.6	9.4
Price To Earnings	18.5	19.2
Price To Book	2.1	2.3
Price To Sales	1.4	1.9
Return on Equity (%)	13.7	13.3
Yield (%)	3.8	3.0
Beta		1.0
R-Squared		1.0

## 3 Year Risk Statistics



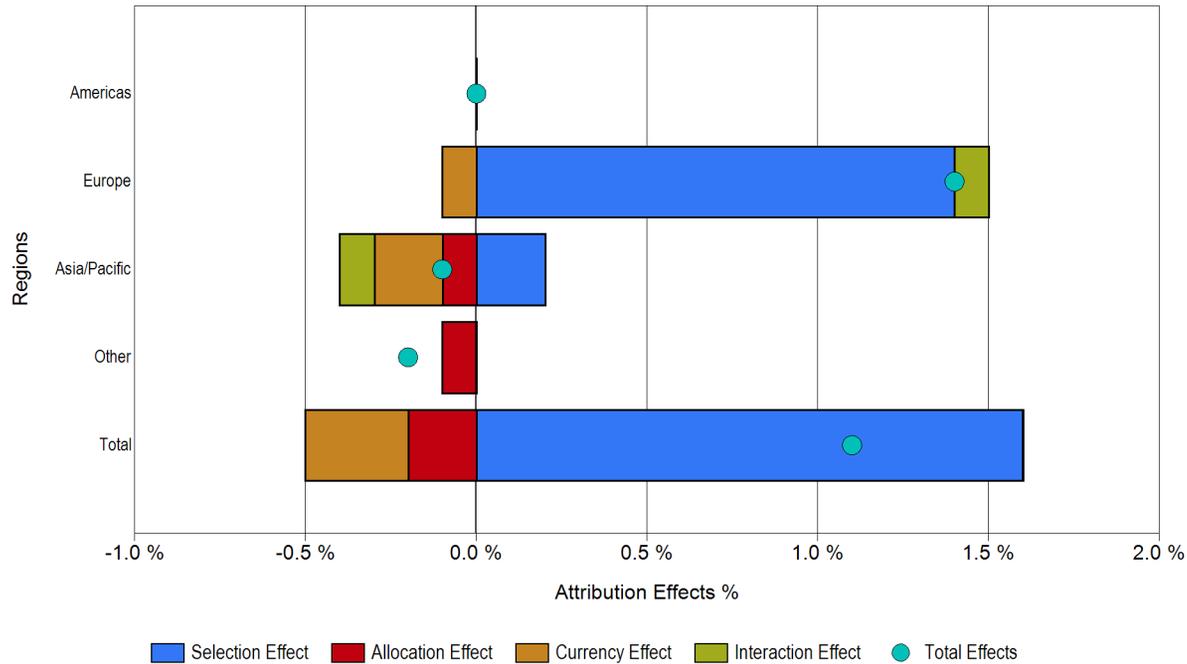
## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>Americas</b>				
United States	0.9%	0.0%	4.0%	5.1%
<b>Total-Americas</b>	<b>0.9%</b>	<b>0.0%</b>	<b>4.0%</b>	<b>--</b>
<b>Europe</b>				
France	14.9%	10.4%	4.9%	2.4%
Germany	4.5%	9.5%	3.0%	2.1%
Netherlands	10.6%	2.8%	5.2%	0.7%
Spain	7.9%	3.6%	11.4%	7.2%
Sweden	1.0%	3.2%	-5.9%	-0.3%
Switzerland	16.2%	9.3%	2.3%	2.4%
United Kingdom	17.3%	21.1%	8.3%	6.1%
<b>Total-Europe</b>	<b>72.5%</b>	<b>67.5%</b>	<b>5.6%</b>	<b>3.7%</b>

## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>AsiaPacific</b>				
Australia	2.7%	7.9%	8.4%	2.8%
Japan	10.9%	19.7%	8.6%	6.6%
Singapore	7.5%	1.5%	1.8%	5.8%
<b>Total-AsiaPacific</b>	<b>21.1%</b>	<b>32.0%</b>	<b>6.2%</b>	<b>5.7%</b>
<b>Other</b>				
Israel	5.6%	0.5%	-0.1%	2.5%
<b>Total-Other</b>	<b>5.6%</b>	<b>0.5%</b>	<b>-0.1%</b>	<b>2.5%</b>
<b>Totals</b>				
Developed	100.0%	100.0%	5.4%	4.3%

Mondrian 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	
<b>Totals</b>									
Americas	4.0%	--	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Europe	5.6%	3.7%	72.5%	67.5%	1.4%	0.0%	-0.1%	0.1%	1.4%
Asia/Pacific	6.2%	5.7%	21.1%	32.0%	0.2%	-0.1%	-0.2%	-0.1%	-0.1%
Other	-0.1%	2.5%	5.6%	0.5%	0.0%	-0.1%	0.0%	0.0%	-0.2%
<b>Total</b>	<b>5.4%</b>	<b>4.3%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.6%</b>	<b>-0.2%</b>	<b>-0.3%</b>	<b>0.0%</b>	<b>1.1%</b>
<b>Totals</b>									
Developed	5.4%	4.3%	100.0%	100.0%	1.3%	0.0%	-0.3%	0.0%	1.1%

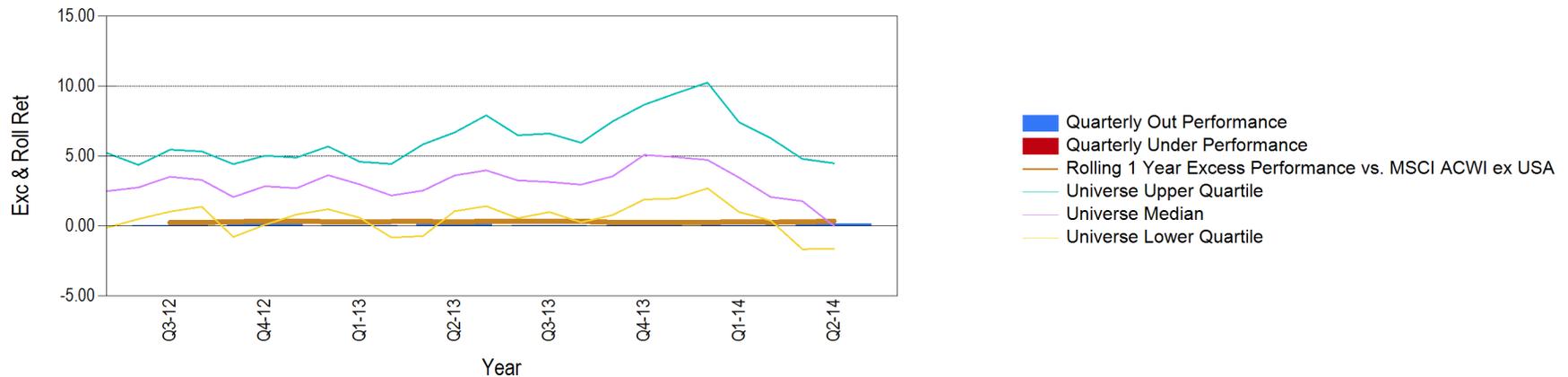
# SSgA ACWI Ex US

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.

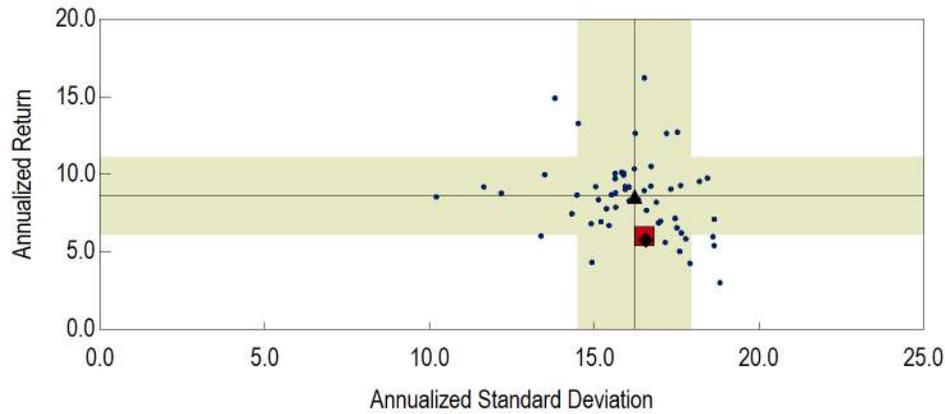
eA ACWI ex-US All Cap Equity Gross Accounts



Annualized Excess Performance



## 3 Year Risk Return

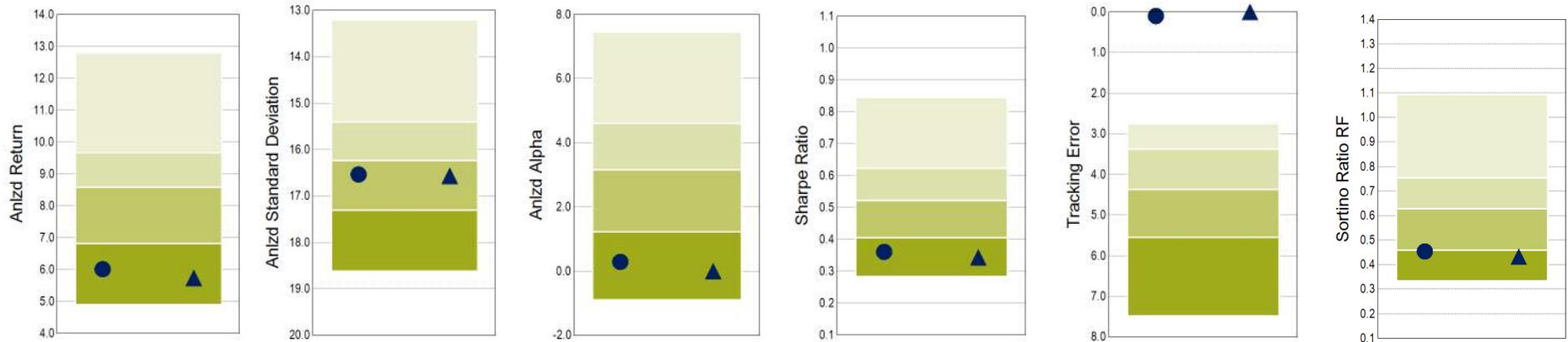


- SSgA ACWI Ex US
- ◆ MSCI ACWI ex USA
- ▲ Universe Median
- 68% Confidence Interval
- eA ACWI ex-US All Cap Equity Gross

## Characteristics

	Portfolio	MSCI ACWI ex USA
Number of Holdings	1,901	1,829
Weighted Avg. Market Cap. (\$B)	56.1	56.2
Median Market Cap. (\$B)	7.4	7.3
Price To Earnings	19.5	18.6
Price To Book	2.9	2.4
Price To Sales	2.2	2.0
Return on Equity (%)	16.4	14.4
Yield (%)	2.9	2.9
Beta		1.0
R-Squared		1.0

## 3 Year Risk Statistics



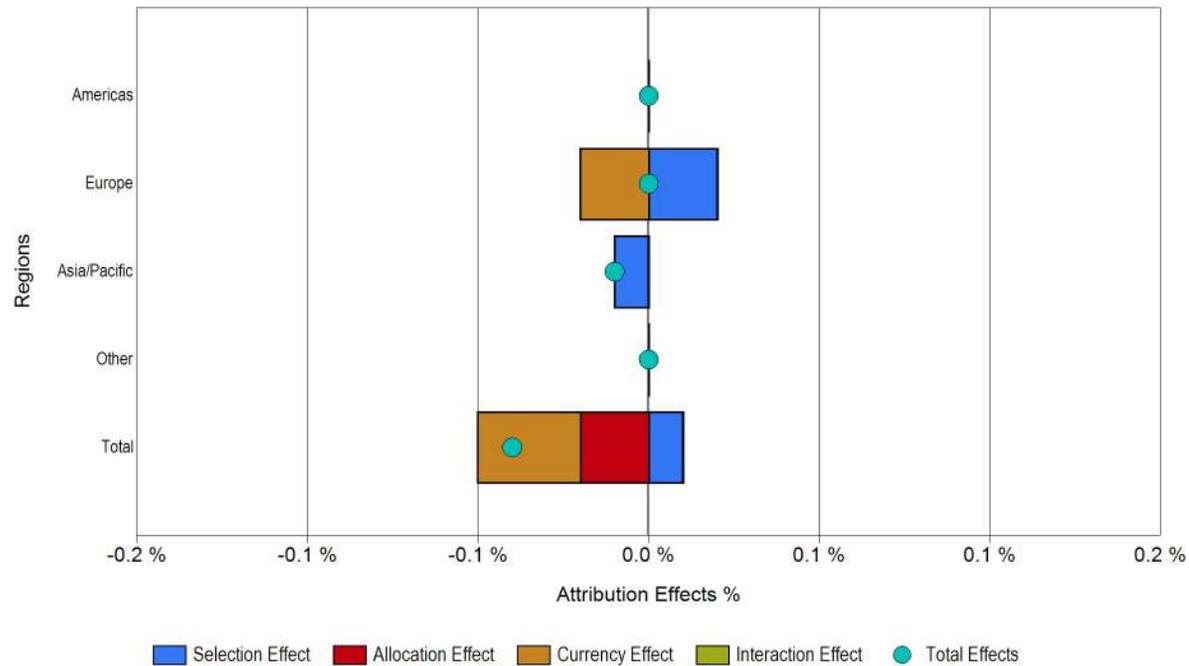
## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>Americas</b>				
Brazil*	2.3%	2.3%	7.8%	7.8%
Canada	7.2%	7.2%	10.1%	10.1%
Chile*	0.3%	0.3%	2.9%	2.9%
Colombia*	0.2%	0.2%	7.8%	7.8%
Mexico*	1.1%	1.1%	6.5%	6.5%
Peru*	0.1%	0.1%	8.5%	8.5%
United States	0.0%	0.0%	3.9%	5.1%
<b>Total-Americas</b>	<b>11.2%</b>	<b>11.2%</b>	<b>9.0%</b>	<b>9.0%</b>
<b>Europe</b>				
Austria	0.2%	0.2%	-0.3%	-0.3%
Belgium	0.9%	0.9%	5.1%	5.1%
Czech Republic*	0.1%	0.1%	1.8%	1.8%
Denmark	1.0%	1.0%	3.9%	3.9%
Finland	0.7%	0.7%	5.5%	5.5%
France	7.4%	7.5%	2.4%	2.4%
Germany	6.7%	6.8%	2.1%	2.1%
Greece*	0.1%	0.1%	-7.9%	-7.9%
Hungary*	0.0%	0.0%	4.7%	4.7%
Ireland	0.1%	0.2%	-9.8%	-8.9%
Italy	1.8%	1.9%	1.3%	1.5%
Luxembourg	0.2%	0.0%	3.1%	5.3%
Netherlands	2.0%	2.0%	0.7%	0.7%
Norway	0.6%	0.6%	10.8%	10.8%
Poland*	0.4%	0.4%	-0.8%	-0.8%
Portugal	0.1%	0.1%	-1.1%	-1.1%
Russia*	1.1%	1.1%	11.0%	11.0%
Spain	2.5%	2.6%	7.4%	7.2%
Sweden	2.3%	2.3%	-0.2%	-0.3%
Switzerland	6.7%	6.7%	2.4%	2.4%
United Kingdom	15.1%	15.2%	6.0%	6.1%
<b>Total-Europe</b>	<b>49.9%</b>	<b>50.4%</b>	<b>3.8%</b>	<b>3.8%</b>

## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>AsiaPacific</b>				
Australia	5.6%	5.7%	2.8%	2.8%
China*	4.0%	3.9%	5.7%	5.7%
Hong Kong	2.0%	2.0%	8.3%	8.3%
India*	1.4%	1.4%	12.7%	12.7%
Indonesia*	0.6%	0.6%	0.9%	0.9%
Japan	14.1%	14.2%	6.6%	6.6%
Korea*	3.3%	3.3%	6.4%	6.4%
Malaysia*	0.8%	0.8%	3.9%	3.9%
New Zealand	0.1%	0.1%	2.6%	2.6%
Philippines*	0.2%	0.2%	9.5%	9.5%
Singapore	1.1%	1.1%	5.8%	5.8%
Taiwan*	2.5%	2.5%	10.2%	10.2%
Thailand*	0.5%	0.5%	5.1%	7.8%
<b>Total-AsiaPacific</b>	<b>35.9%</b>	<b>36.1%</b>	<b>6.3%</b>	<b>6.3%</b>
<b>Other</b>				
Egypt*	0.0%	0.0%	1.1%	1.1%
Israel	0.4%	0.4%	2.5%	2.5%
South Africa*	1.6%	1.6%	4.7%	4.7%
Turkey*	0.3%	0.3%	15.4%	15.4%
<b>Total-Other</b>	<b>2.4%</b>	<b>2.4%</b>	<b>5.8%</b>	<b>5.7%</b>
<b>Totals</b>				
Developed	78.6%	79.4%	4.9%	4.9%
Emerging*	20.7%	20.6%	7.1%	7.1%
Cash	0.7%		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
<b>Totals</b>									
Americas	9.0%	9.0%	11.2%	11.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Europe	3.8%	3.8%	49.9%	50.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Asia/Pacific	6.3%	6.3%	35.9%	36.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	5.8%	5.7%	2.4%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	--	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>5.3%</b>	<b>5.3%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Totals</b>									
Developed	4.9%	4.9%	78.6%	79.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Emerging*	7.1%	7.1%	20.7%	20.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	--	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

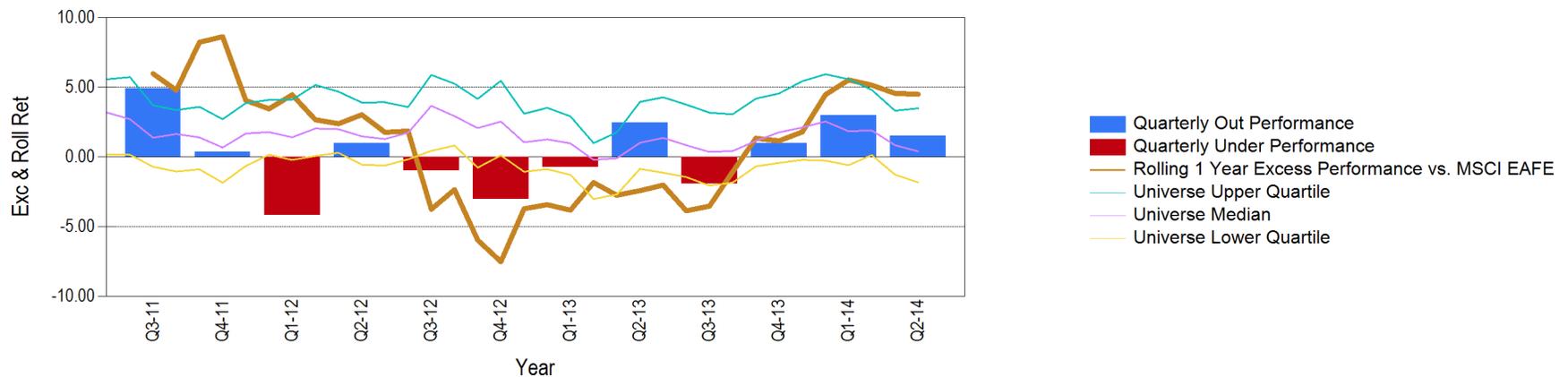
# Aberdeen

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.

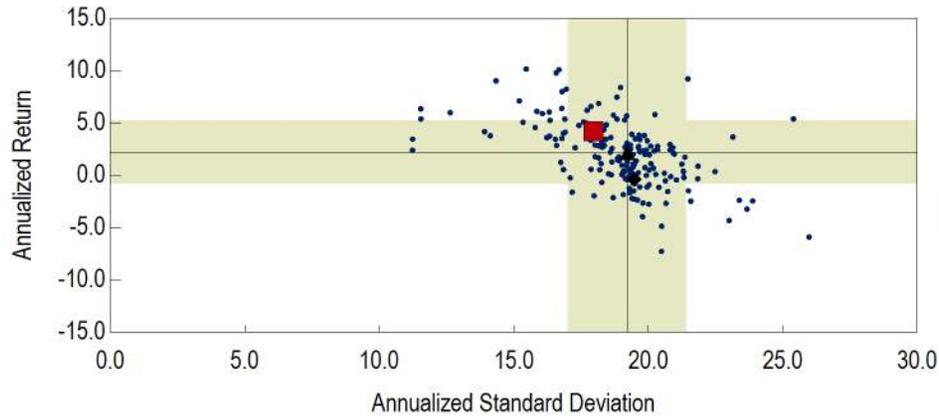
eA Emg Mkts Equity Gross Accounts



Annualized Excess Performance



3 Year Risk Return

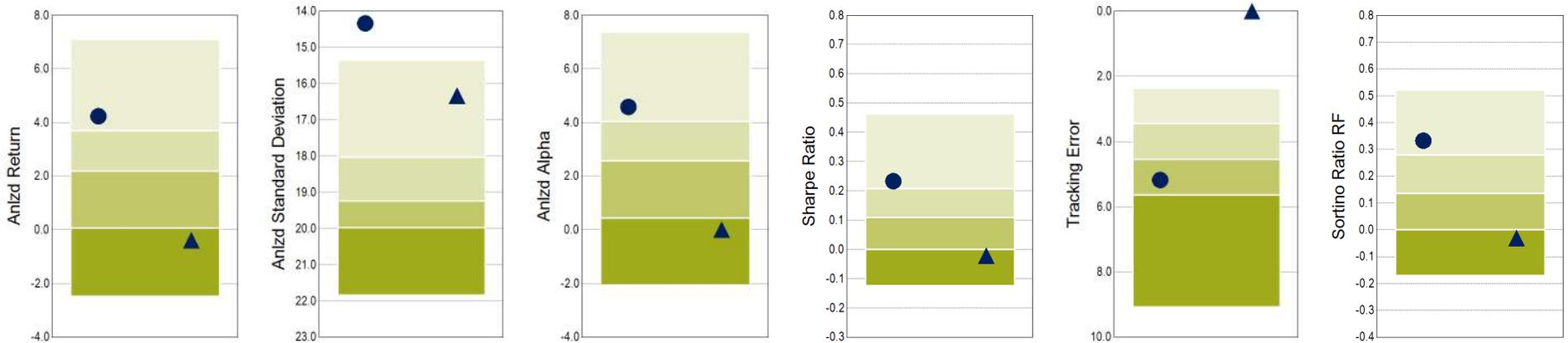


- Aberdeen
- ◆ MSCI Emerging Markets
- ▲ Universe Median
- 68% Confidence Interval
- eA Emg Mkts Equity Gross

Characteristics

	Portfolio	MSCI Emerging Markets
Number of Holdings	71	835
Weighted Avg. Market Cap. (\$B)	32.9	36.7
Median Market Cap. (\$B)	16.6	5.2
Price To Earnings	17.9	17.0
Price To Book	3.4	2.5
Price To Sales	2.6	2.1
Return on Equity (%)	18.3	17.0
Yield (%)	2.9	2.6
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics



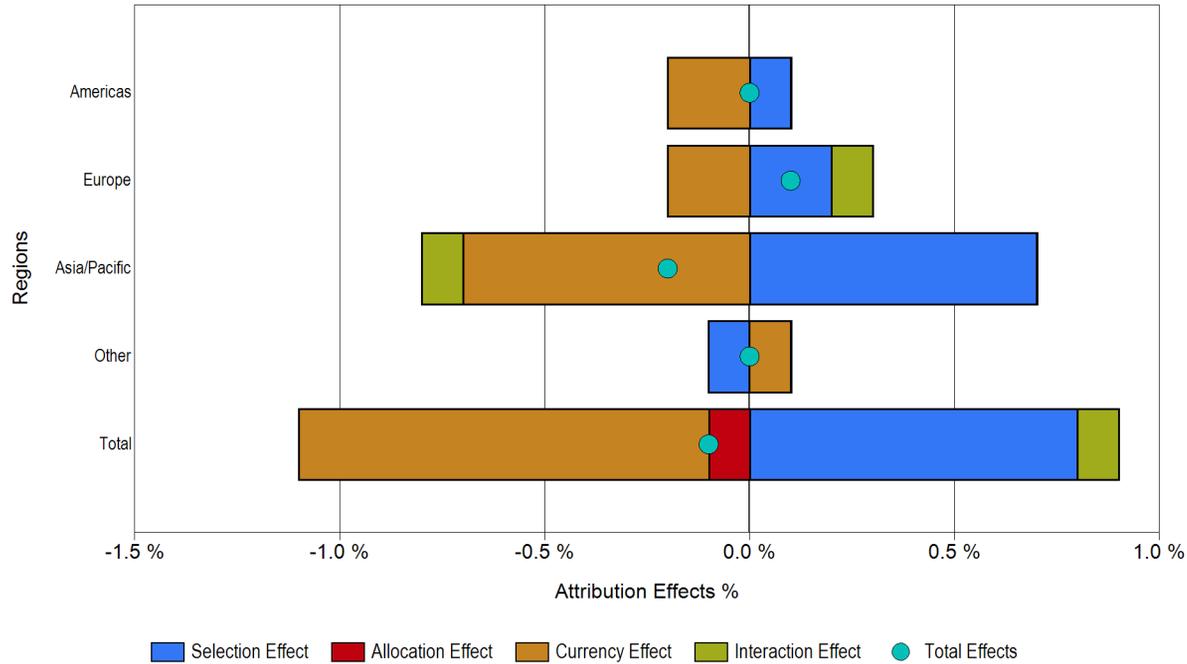
## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>Americas</b>				
Brazil*	15.1%	11.0%	7.0%	7.8%
Chile*	1.3%	1.6%	17.6%	2.9%
Mexico*	8.3%	5.1%	3.8%	6.5%
United States	1.3%	0.0%	8.2%	5.1%
<b>Total-Americas</b>	<b>26.0%</b>	<b>19.3%</b>	<b>6.6%</b>	<b>7.1%</b>
<b>Europe</b>				
Hungary*	1.6%	0.2%	11.5%	4.7%
Luxembourg	2.3%	0.0%	8.0%	7.1%
Poland*	1.9%	1.8%	-7.2%	-0.8%
Russia*	4.5%	5.3%	7.6%	11.0%
United Kingdom	3.6%	0.0%	11.4%	6.1%
<b>Total-Europe</b>	<b>14.0%</b>	<b>8.1%</b>	<b>7.0%</b>	<b>6.6%</b>

## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>AsiaPacific</b>				
China*	5.6%	19.0%	12.6%	5.7%
Hong Kong	8.0%	0.0%	8.2%	8.3%
India*	13.9%	6.7%	7.9%	12.7%
Indonesia*	3.0%	2.7%	-3.6%	0.9%
Korea*	6.4%	15.8%	4.3%	6.4%
Malaysia*	1.1%	3.7%	4.1%	3.9%
Philippines*	3.5%	0.9%	7.3%	9.5%
Taiwan*	4.6%	11.9%	7.9%	10.2%
Thailand*	5.1%	2.3%	9.4%	7.8%
<b>Total-AsiaPacific</b>	<b>51.3%</b>	<b>63.0%</b>	<b>7.4%</b>	<b>7.3%</b>
<b>Other</b>				
South Africa*	3.1%	7.8%	-4.4%	4.7%
Turkey*	5.6%	1.6%	11.7%	15.4%
<b>Total-Other</b>	<b>8.7%</b>	<b>9.6%</b>	<b>5.9%</b>	<b>6.4%</b>
<b>Totals</b>				
Developed	15.2%	0.0%	8.9%	--
Emerging*	84.8%	100.0%	6.6%	7.1%

Aberdeen Performance Attribution vs. MSCI Emerging Markets



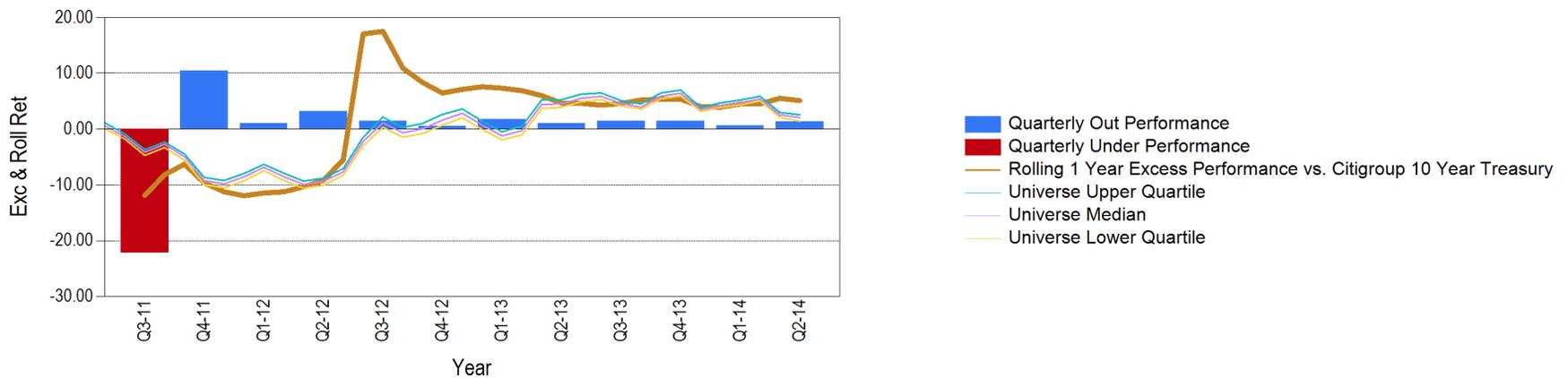
	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Totals</b>									
Americas	6.6%	7.1%	26.0%	19.3%	0.1%	0.0%	-0.2%	0.0%	0.0%
Europe	7.0%	6.6%	14.0%	8.1%	0.2%	0.0%	-0.2%	0.1%	0.1%
Asia/Pacific	7.4%	7.3%	51.3%	63.0%	0.7%	0.0%	-0.7%	-0.1%	-0.2%
Other	5.9%	6.4%	8.7%	9.6%	-0.1%	0.0%	0.1%	0.0%	0.0%
<b>Total</b>	<b>7.0%</b>	<b>7.1%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.8%</b>	<b>-0.1%</b>	<b>-1.0%</b>	<b>0.1%</b>	<b>-0.1%</b>
<b>Totals</b>									
Developed	8.9%	--	15.2%	0.0%	0.0%	0.0%	0.0%	0.5%	0.5%
Emerging*	6.6%	7.1%	84.8%	100.0%	0.4%	0.0%	-0.9%	-0.1%	-0.6%

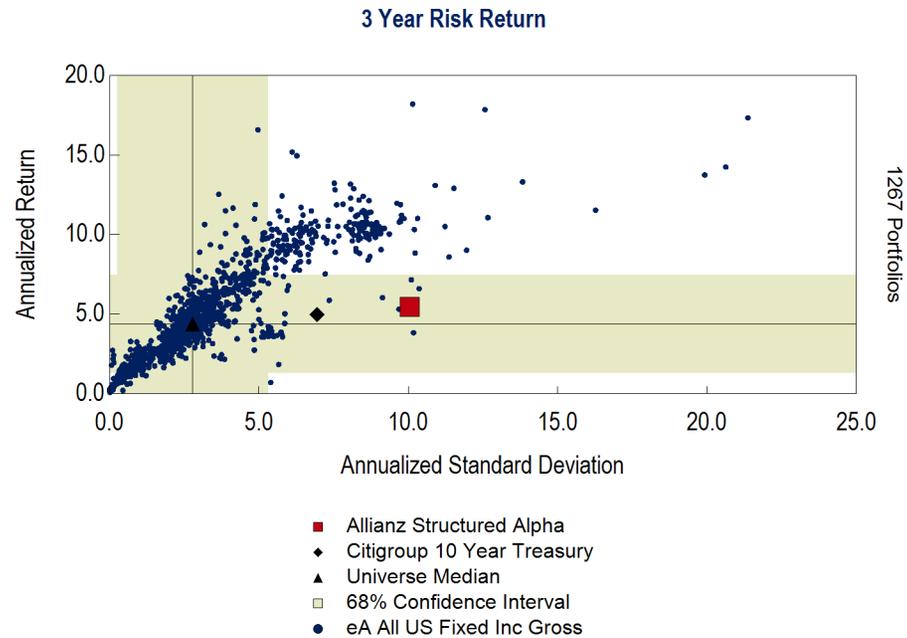
# Allianz Structured Alpha

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.

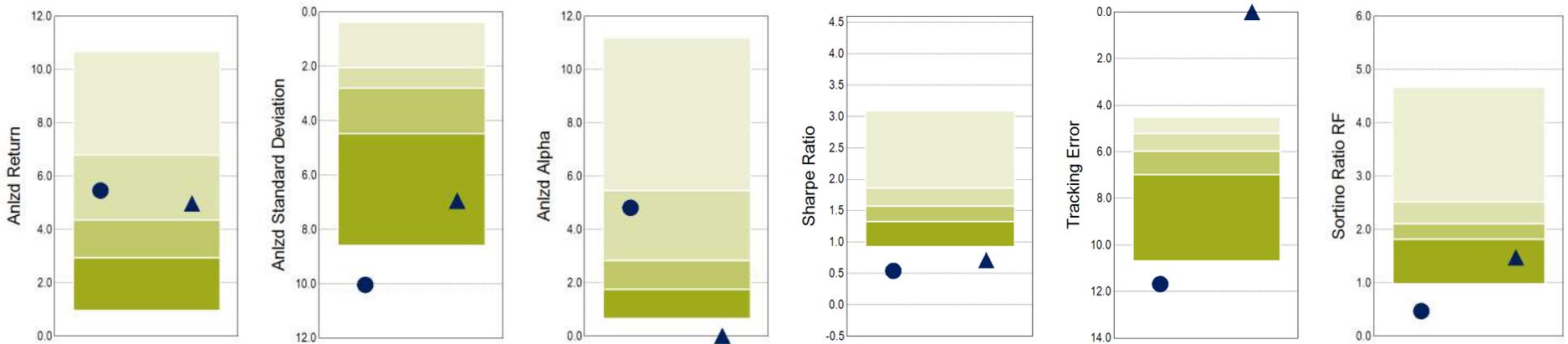


## Annualized Excess Performance





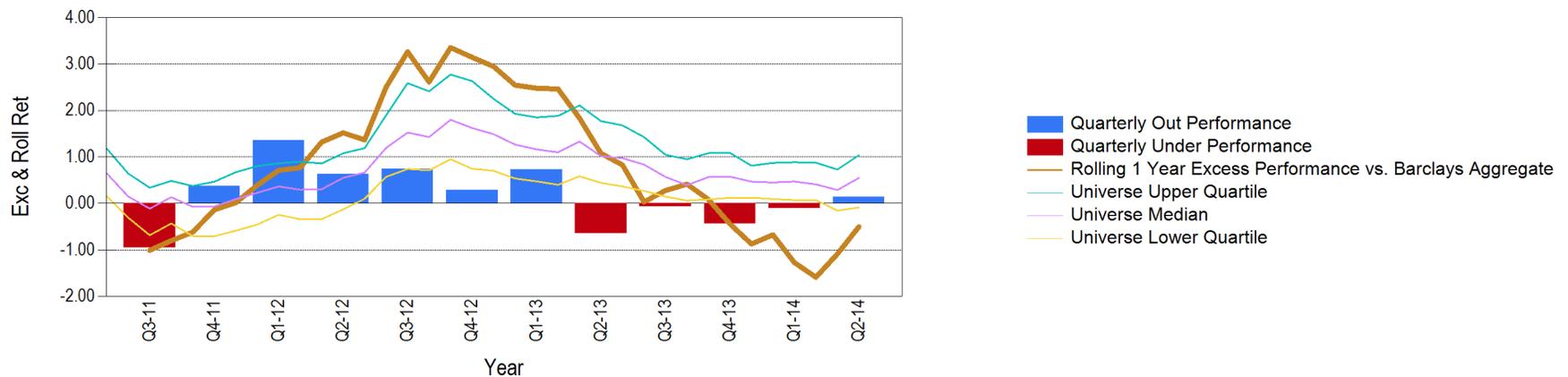
### 3 Year Risk Statistics



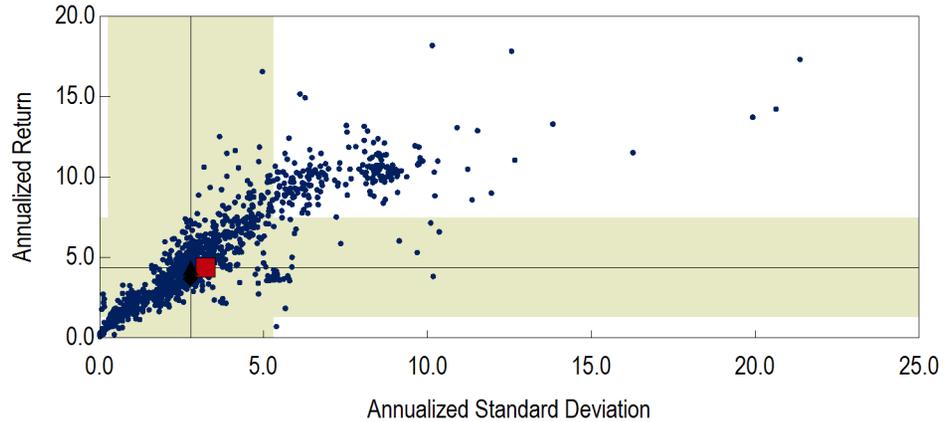
PIMCO's investment process expects to generate above-benchmark returns by building diversified, risk-averse portfolios based upon their long-term secular outlook. This is achieved by analyzing fundamental global trends in such areas as political factors, inflation, volatility, growth, and currency, amongst 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

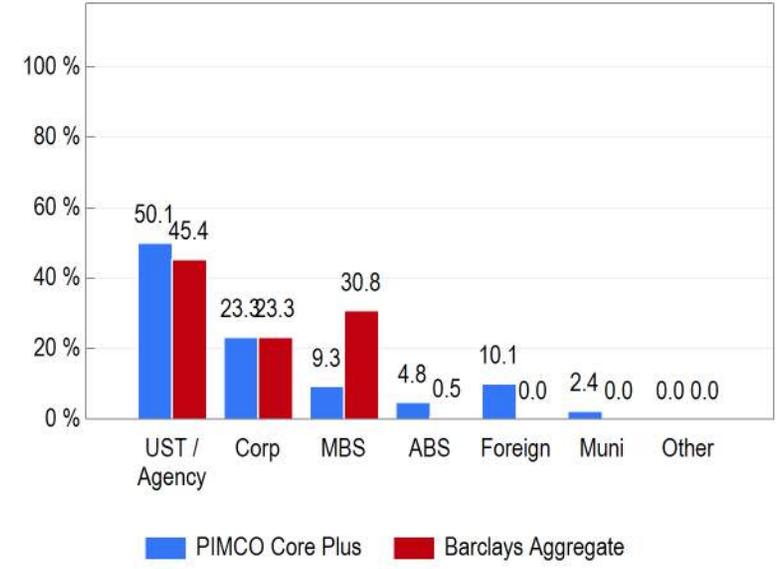


### 3 Year Risk Return

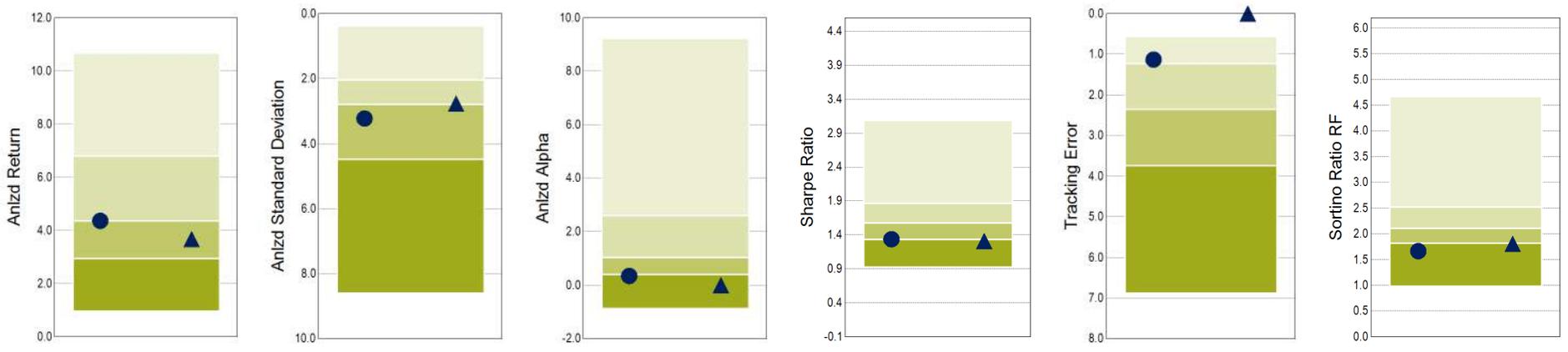


- PIMCO Core Plus
- ◆ Barclays Aggregate
- ▲ Universe Median
- 68% Confidence Interval
- eA All US Fixed Inc Gross

### Sectors

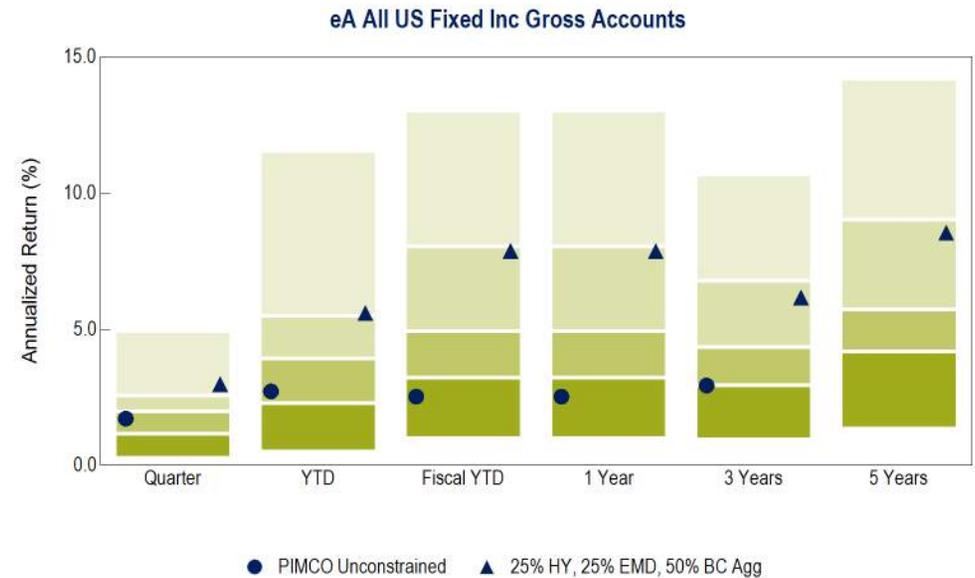


### 3 Year Risk Statistics

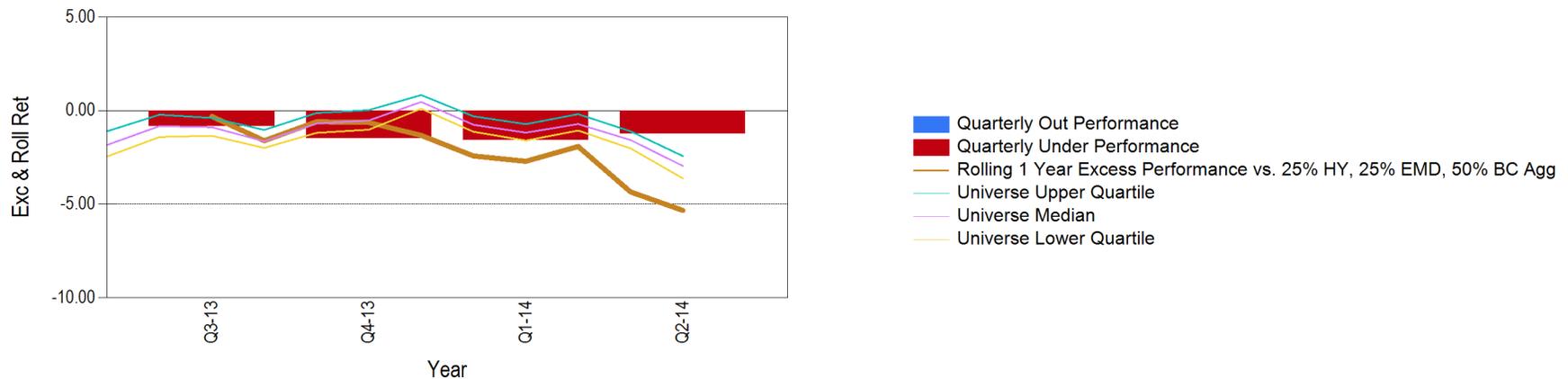


# PIMCO Unconstrained

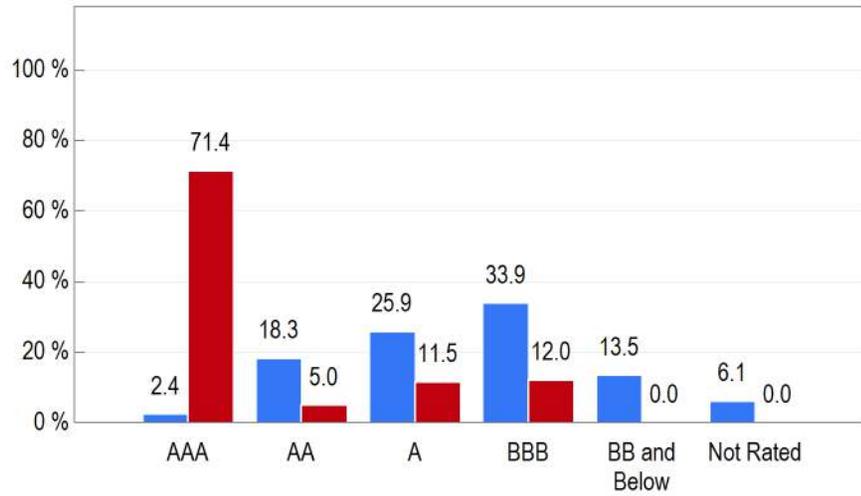
The PIMCO Unconstrained Bond Strategy is an absolute return-oriented, investment grade quality fixed income strategy that embodies PIMCO's secular thinking, global themes, and integrated investment process without the constraints of a benchmark or significant sector/instrument limitations. The strategy 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.



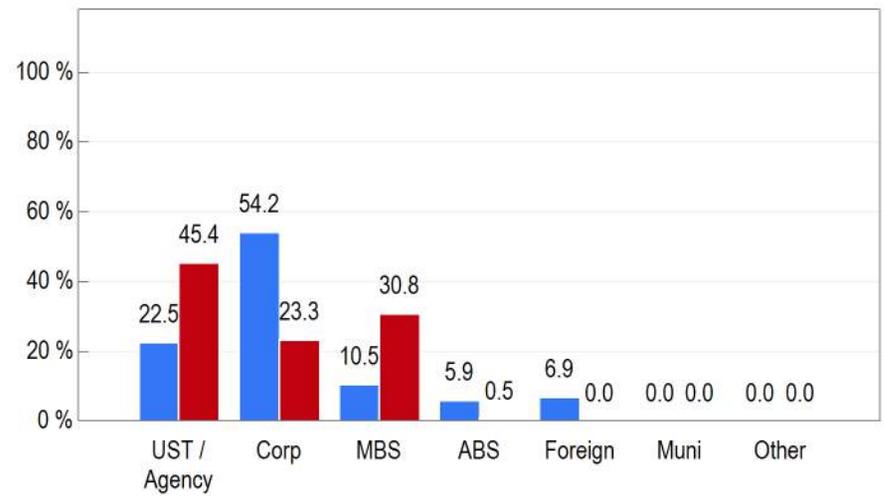
### Annualized Excess Performance



Quality Ratings



Sectors

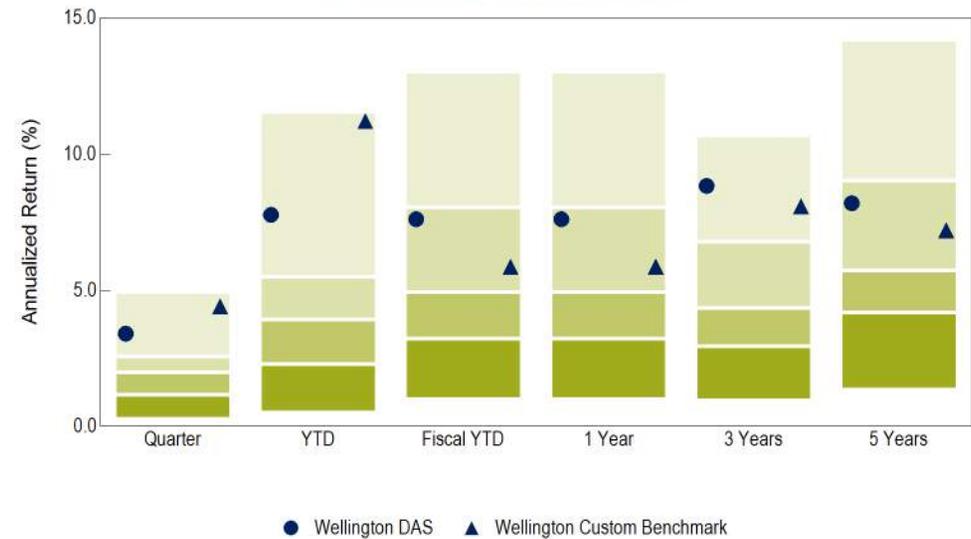


■ PIMCO Unconstrained ■ Barclays Aggregate

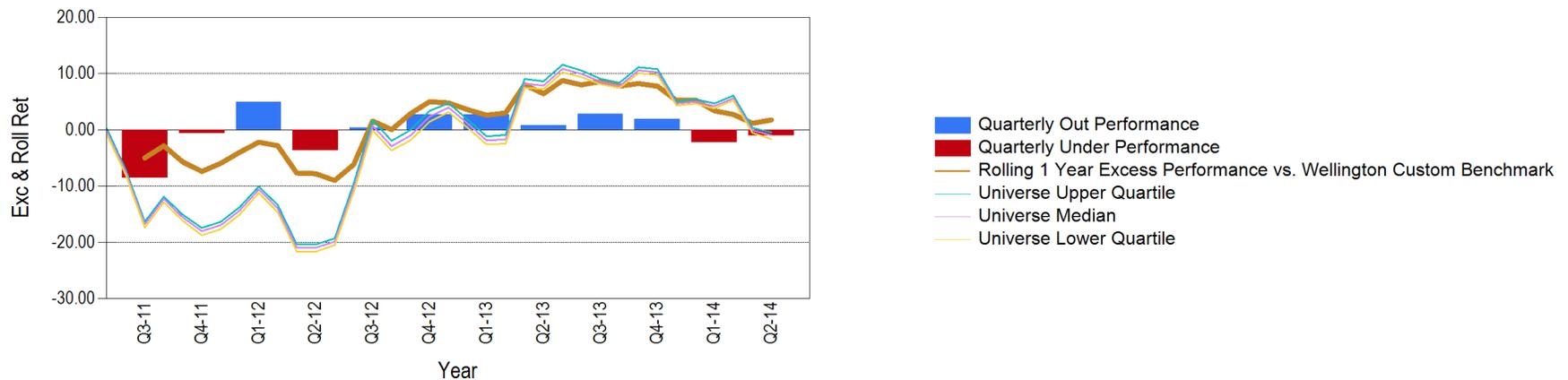
# Wellington DAS

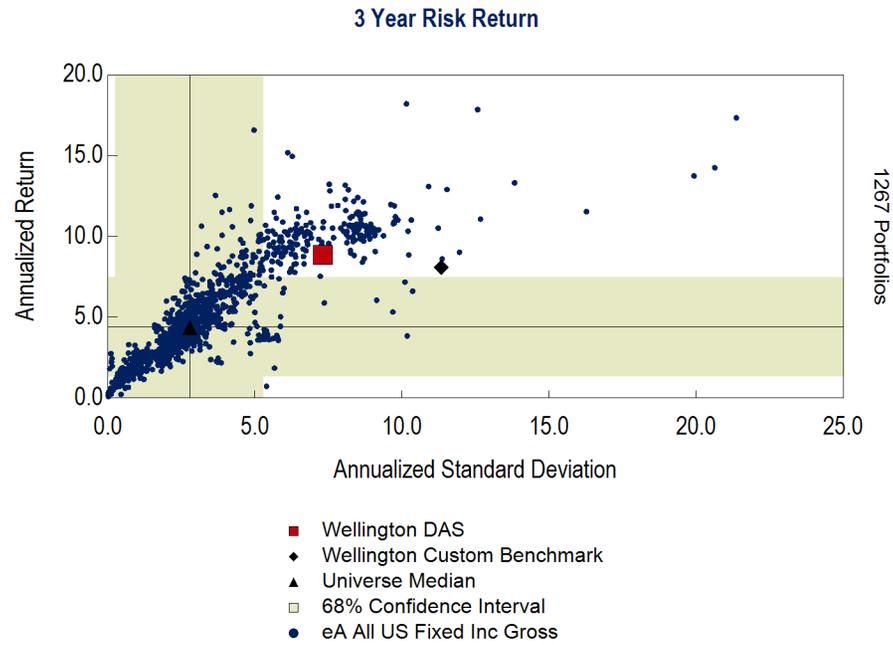
The objective of the Diversified Alpha Strategies - Absolute Return (DAS) Portfolio is to provide positive absolute returns over cash or other market exposure (beta) over rolling 3-year periods with expected volatility of 3 to 6%. The DAS Portfolio aims to provide consistent returns by investing in diverse, 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.

eA All US Fixed Inc Gross Accounts

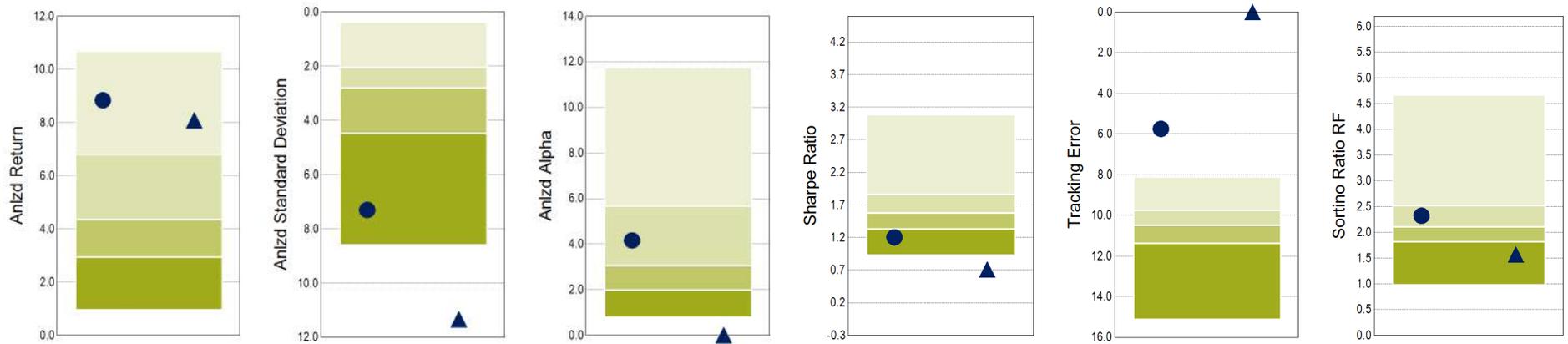


Annualized Excess Performance





### 3 Year Risk Statistics

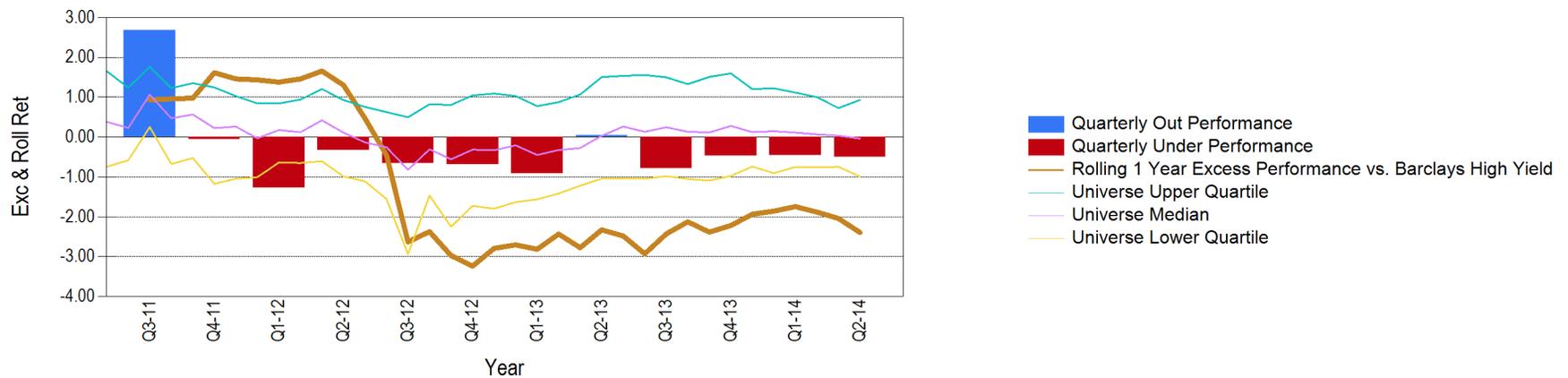


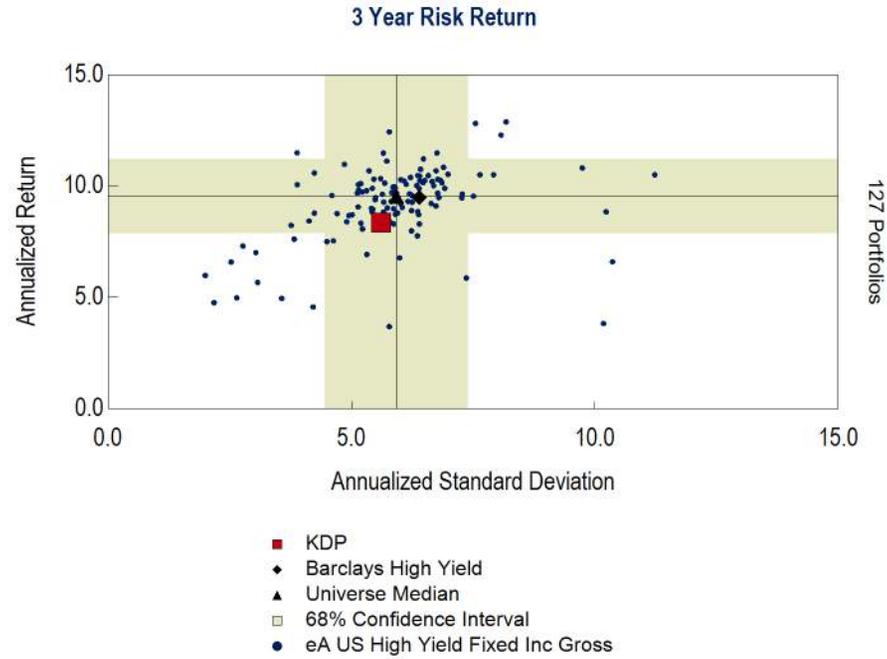
KDP believes that the key to delivering superior risk-adjusted returns lies in controlling credit risk. To do this the firm combines rigorous, bottom-up credit analysis with an active, top-down management approach that ensures a strong overall credit profile and broad portfolio diversification. KDP employs 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

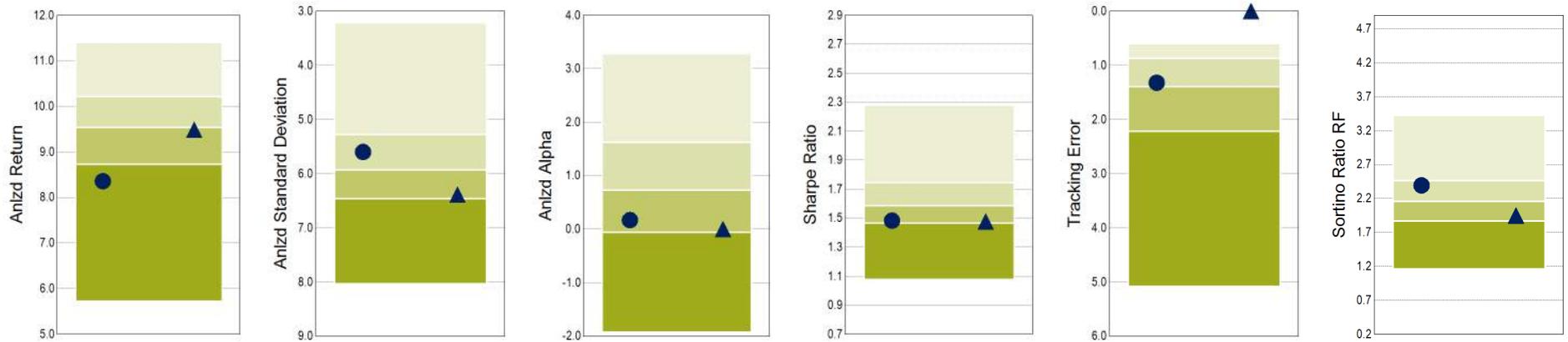


Annualized Excess Performance

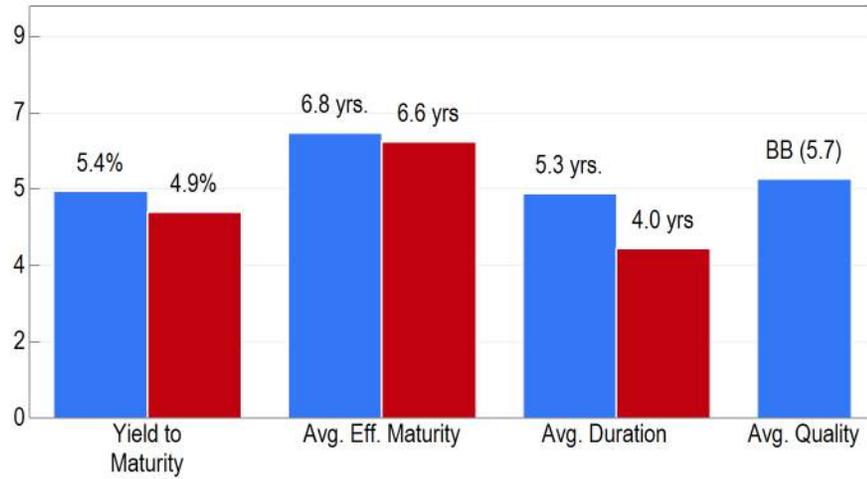




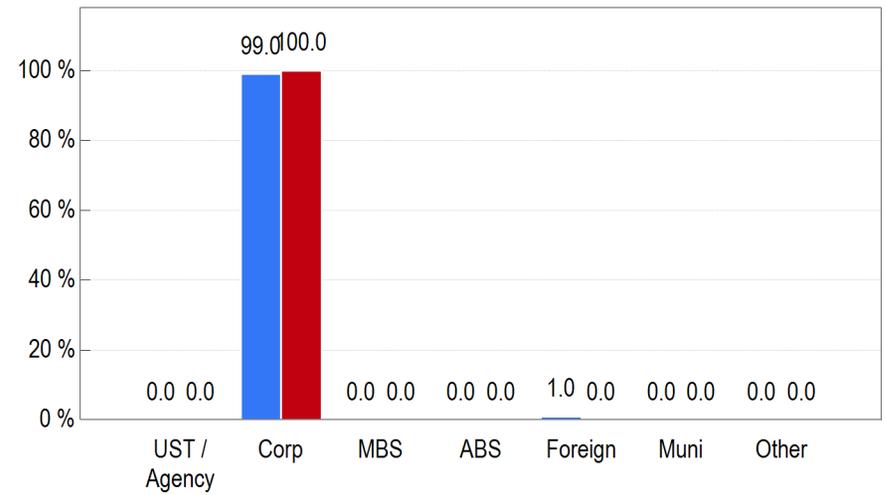
### 3 Year Risk Statistics



Characteristics



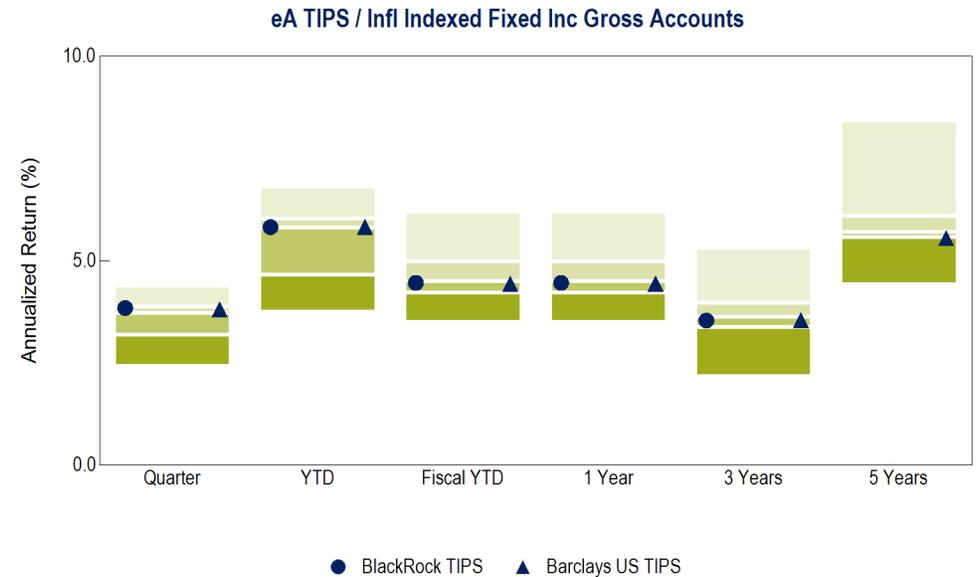
Sectors



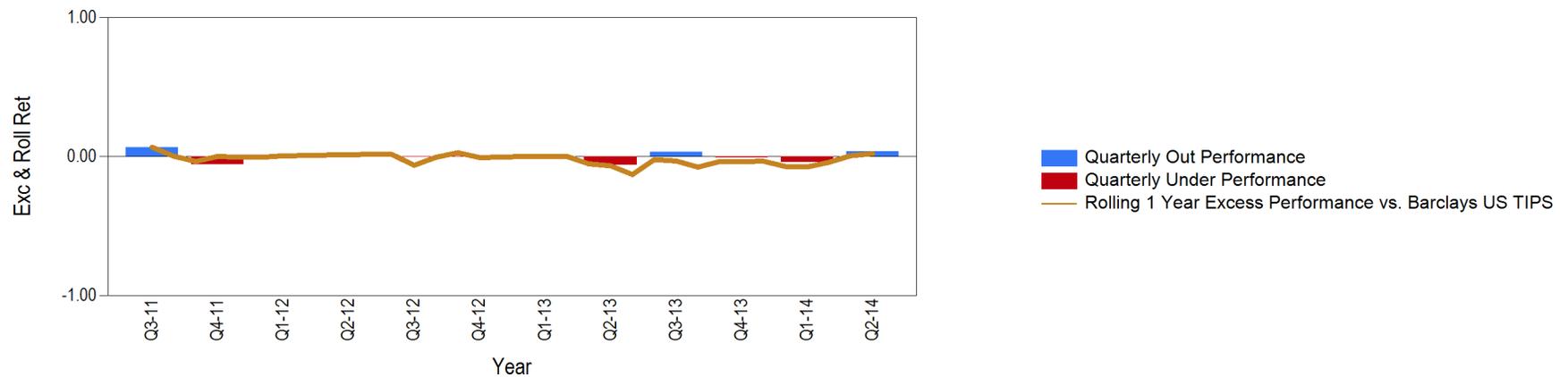
■ KDP ■ Barclays High Yield

# BlackRock TIPS

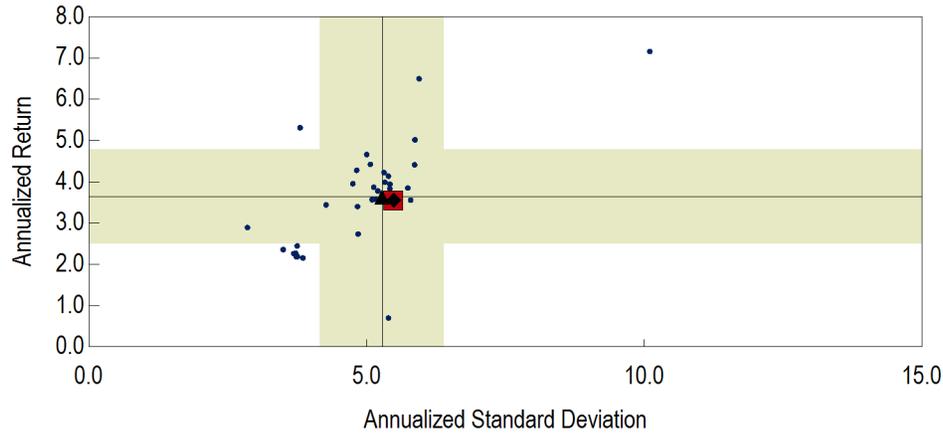
In the management of an inflation-linked bond portfolio, BlackRock will utilize multiple strategies to outperform the index. These include: duration and yield curve positioning, technical supply/demand anomalies related primarily to the ILB auction cycle, seasonal factors related to non-seasonally adjusted 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

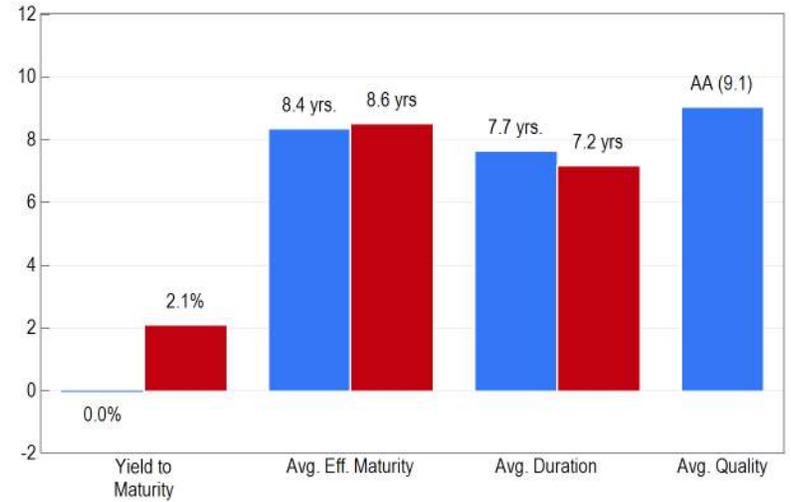


### 3 Year Risk Return



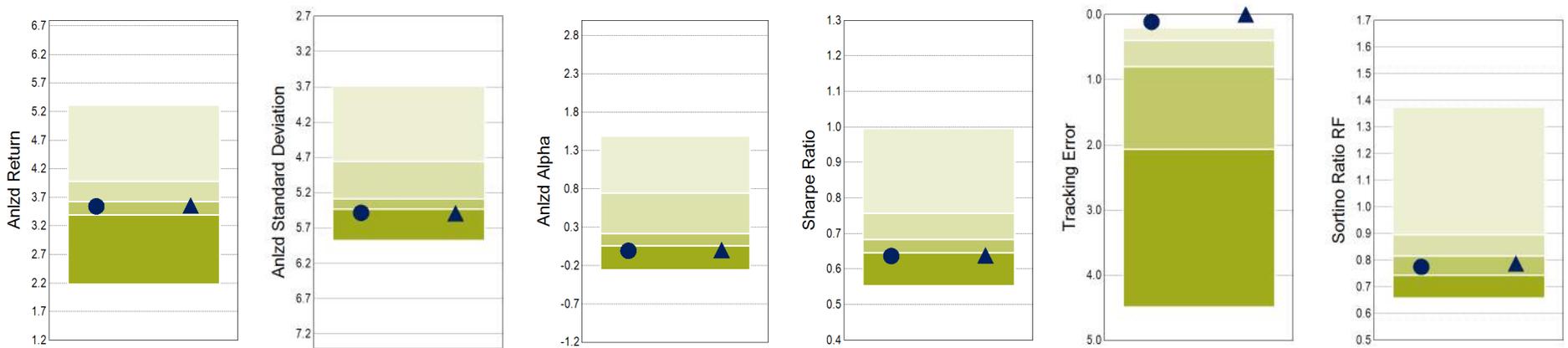
- BlackRock TIPS
- ◆ Barclays US TIPS
- ▲ Universe Median
- 68% Confidence Interval
- eA TIPS / Infl Indexed Fixed Inc Gross

### Characteristics



- BlackRock TIPS
- Barclays US TIPS

### 3 Year Risk Statistics

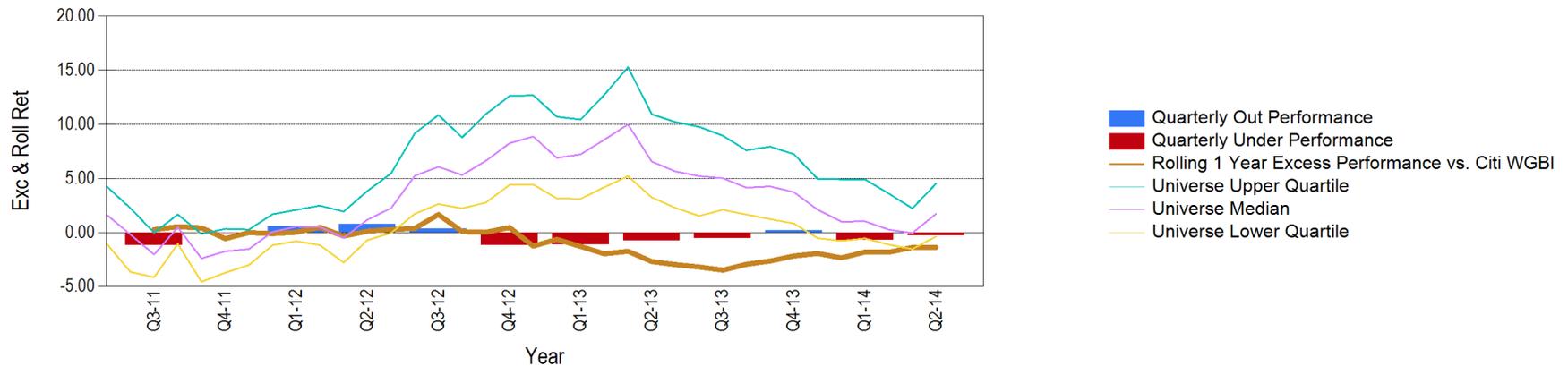


# Mondrian GFI

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.

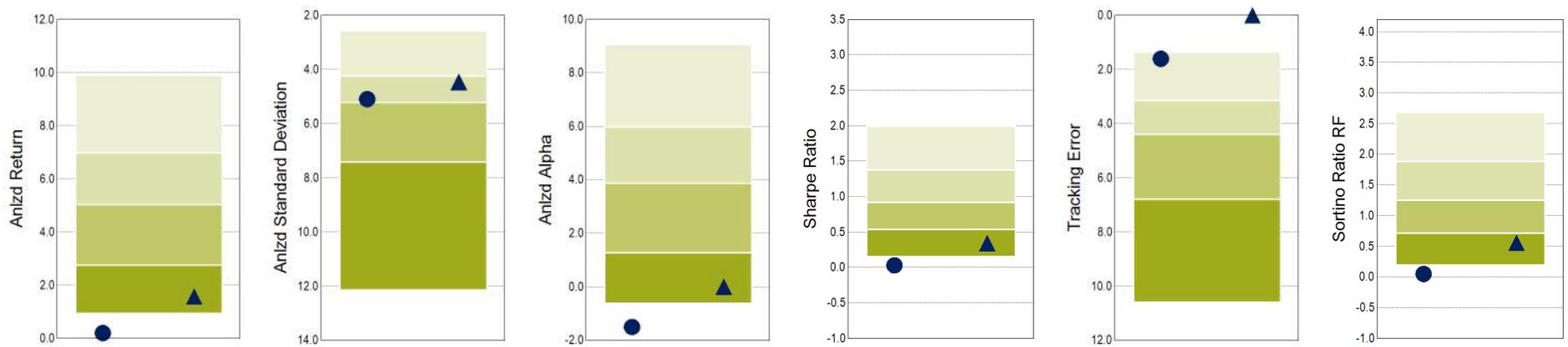


## Annualized Excess Performance

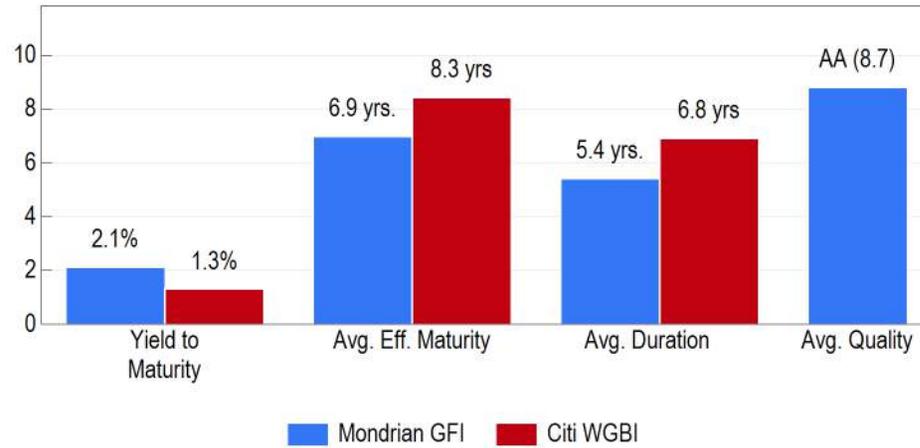




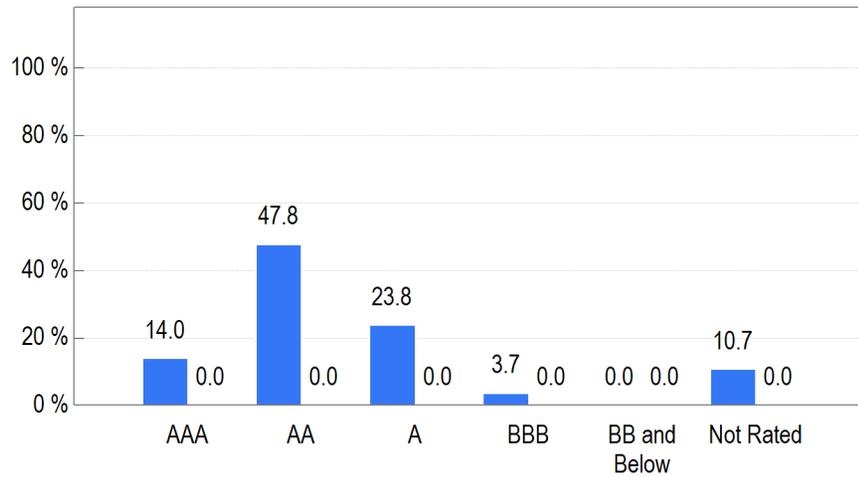
### 3 Year Risk Statistics



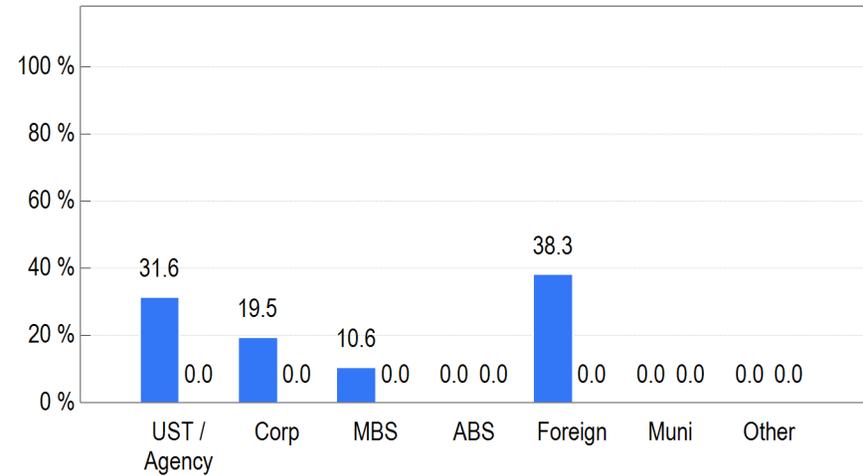
### Characteristics



### Quality Ratings



### Sectors

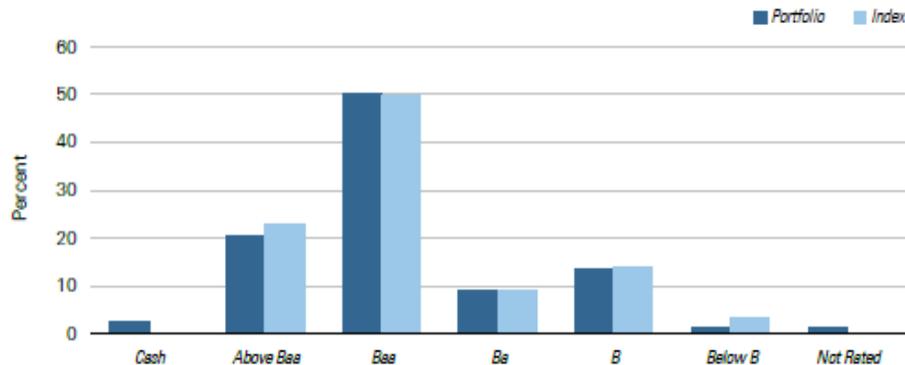


# Wellington Opportunistic Emerging Market Debt

## Portfolio Statistics

	Portfolio	Index
Yield	5.71%	5.05%
Effective Duration	7.05 Yrs	7.04 Yrs
Spread Duration	6.97 Yrs	7.05 Yrs
Corporate Exposure	2.50%	—
EM Local Market Exposure	22.47%	—
EM Currency Exposure	18.22%	—
Average Quality	Baa2	Baa3

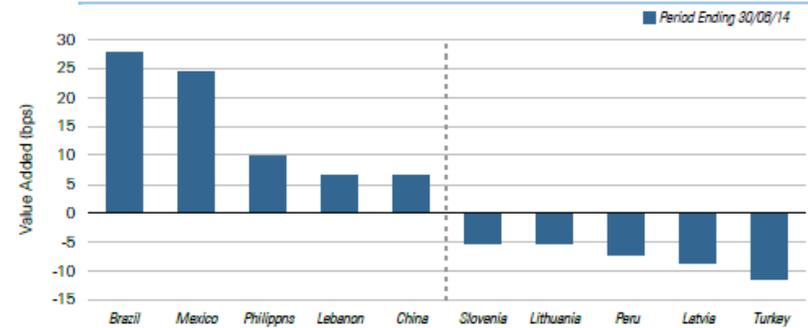
## Quality Distribution



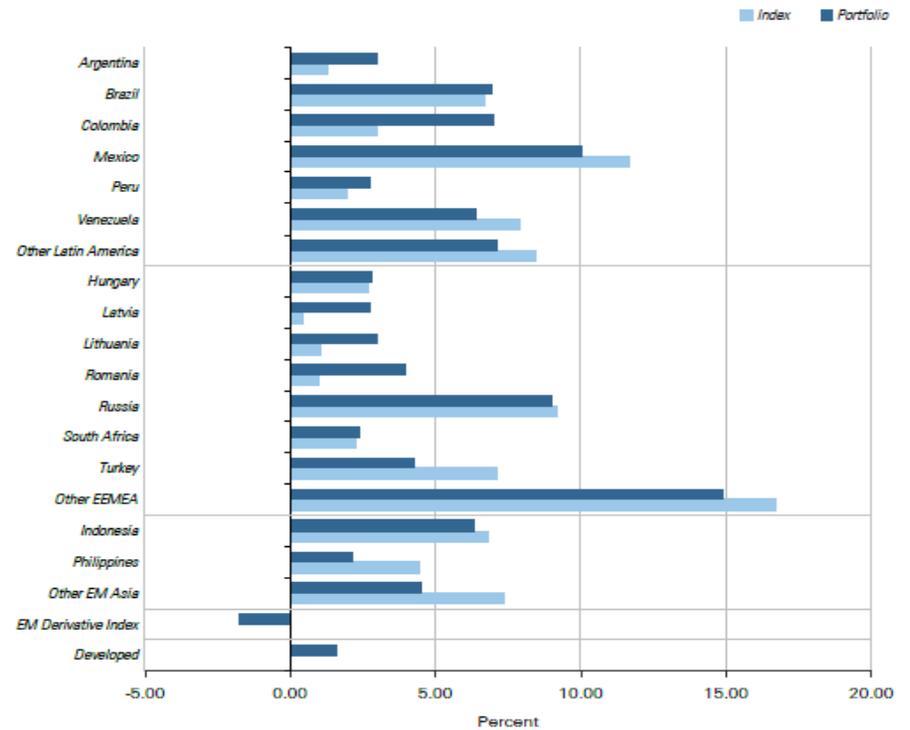
May not add to 100% due to derivative positions in portfolios that permit the use of such instruments  
Quality ratings are based on the highest of Fitch, Moody or S&P.

Source: Wellington Management

## Top/Bottom 5 Country Contributors to Portfolio Alpha



## Comparative Country Weights



Country Weights represents Market Exposure

## 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.

## 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.

### Performance & Attribution

Period	Strategy Return	Benchmark Return	Alpha	Global Stock/Bond	Equity Country	Bond Country	Currency	Benchmark Replication	Commodity Allocation	Misc.	Total Alpha
Jan-14	-3.20%	-1.55%	<b>-1.65%</b>	-116	98	-40	94	3	-1	-7	<b>-165</b>
Feb-14	2.04%	3.20%	<b>-1.16%</b>	53	-48	2	-37	-59	-21	-5	<b>-116</b>
Mar-14	-3.39%	0.41%	<b>-3.80%</b>	-3	-86	-47	-180	-53	-15	4	<b>-380</b>
Apr-14	0.04%	0.78%	<b>-0.74%</b>	-11	-85	9	9	5	7	-8	<b>-74</b>
May-14	2.24%	1.40%	<b>0.84%</b>	0	93	32	-56	9	9	-5	<b>84</b>
Jun-14	2.04%	1.25%	<b>0.80%</b>	4	53	-32	39	19	5	-8	<b>79</b>

### Performance & Attribution – Calendar Years & Annualized

Period	Strategy Return	Benchmark Return	Alpha	Global Stock/Bond	Equity Country	Bond Country	Currency	Benchmark Replication	Commodity Allocation	Misc.	Total Alpha
YTD 2014	-0.40%	5.55%	<b>-5.95%</b>	-73	-172	-76	-132	-76	-15	-52	<b>-595</b>
2013	12.25%	10.24%	<b>2.01%</b>	340	-170	63	-90	-3	38	23	<b>201</b>
2012	11.27%	11.45%	<b>-0.18%</b>	-24	-16	197	-214	10	25	5	<b>-18</b>
2011	-0.13%	-1.80%	<b>1.47%</b>	-168	136	139	56	26	2	-43	<b>147</b>
(Partial) 2010	10.43%	5.72%	<b>4.71%</b>	-137	71	185	291	65	-6	2	<b>471</b>

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)

## Market Exposures

### Equity Exposure

Country	Mellon %	Index %	Over %
Australia	1.0%	1.4%	-0.4%
Brazil	-0.2%	0.0%	-0.2%
Canada	3.2%	2.0%	1.2%
China	0.0%	0.0%	0.0%
Emerging Markets	6.1%	5.4%	0.7%
France	0.1%	1.7%	-1.5%
Germany	23.0%	1.6%	21.4%
Hong Kong	7.2%	0.5%	6.7%
India	0.0%	0.0%	0.0%
Italy	-2.9%	0.5	-3.4%
Japan	18.3%	3.8%	14.5%
Mexico	0.1%	0.0%	0.1%
Netherlands	7.2%	0.5%	6.8%
Poland	0.0%	0.0%	0.0%
So. Africa	-0.1%	0.0%	-0.1%
So. Korea	0.2%	0.0%	0.2%
Spain	-6.0%	0.6%	-6.6%
Switzerland	-2.2%	1.5%	-3.7%
Taiwan	-0.1%	0.0%	-0.1%
Turkey	-0.1%	0.0%	-0.1%
United Kingdom	-11.37%	3.9%	-15.6%
United States	24.8%	24.7%	0.1%
Other	2.3%	2.0%	0.3%
<b>Total</b>	<b>70.5%</b>	<b>50.0%</b>	<b>20.5%</b>

### Bond Exposure

Country	Mellon %	Index %	Over %
Australia	5.7%	0.7%	5.0%
Canada	0.1%	0.8%	-0.07%
Emerging Markets	0.0%	5.0%	-5.0%
Europe ex UK	-12.3%	6.6%	-18.9%
International	5.0%	10.0%	-5.0%
Japan	-41.3%	2.2%	-43.5%
United Kingdom	21.4%	1.1%	20.3%
United States	46.0%	17.6%	28.4%
Other	1.3%	1.0%	0.3%
<b>Total</b>	<b>25.8%</b>	<b>45.0%</b>	<b>-19.2%</b>

### Commodity and Cash Exposure

	Mellon %	Index %	Over %
Commodity	10.1%	5.0%	5.1%
Cash	-6.4%	0.0%	-6.4%
<b>Total</b>	<b>3.7%</b>	<b>5.0%</b>	<b>-1.3%</b>

### Currency Exposure

Country	Mellon %	Index %	Over %
Australia	-8.4%	1.1%	-9.5%
Brazil	0.3%	0.0%	0.3%
Canada	17.6%	1.5%	16.1%
Chile	-0.3%	0.0%	-0.3%
Denmark	0.4%	0.2%	0.2%
Emerging Markets	6.1%	10.4%	-4.3%
Euro	-23.4%	6.6%	-30.0%
Hong Kong	0.0%	0.0%	0.0%
India	-0.1%	0.0%	-0.1%
Indonesia	-0.1%	0.0%	-0.1%
Israel	-0.1%	0.0%	-0.1%
Japan	-4.9%	3.1%	-8.0%
Mexico	0.0%	0.0%	0.0%
New Zealand	-7.5%	0.0%	-7.5%
Norway	0.1%	0.2%	-0.1%
Poland	0.0%	0.0%	0.0%
Russia	0.3%	0.0%	0.3%
So. Africa	-0.3%	0.0%	-0.3%
So. Korea	0.2%	0.0%	0.2%
Sweden	4.1%	0.5%	3.6%
Switzerland	-17.4	0.9%	-18.3%
Taiwan	0.3%	0.0%	0.3%
Turkey	-0.1%	0.0%	-0.1%
United Kingdom	42.8%	4.0%	38.9%
United States	87.6%	70.4%	17.2%
Other	2.8%	1.1%	1.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

Source: Mellon Capital Management

# PIMCO All Asset

Fund Number	736											
Fund Name	All Asset Fund											
Total Fund Net Assets (\$US MM)	34,624.2											
	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014
<b>Short-Term Strategies:</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.3%</b>	<b>0.0%</b>	<b>0.2%</b>	<b>-0.2%</b>	<b>0.8%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>1.1%</b>	<b>0.5%</b>	<b>1.1%</b>
Low Duration Fund	0.0%	0.0%	0.2%	0.0%	0.0%	-	0.8%	0.6%	0.6%			
Short Term Fund	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Net Cash Equivalents	-	-	0.0%	0.0%	0.2%	-0.2%	0.0%	0.1%	0.0%			
<b>US Core and Long Maturity Bond Strategies:</b>	<b>6.3%</b>	<b>5.2%</b>	<b>5.8%</b>	<b>10.8%</b>	<b>11.3%</b>	<b>10.4%</b>	<b>8.3%</b>	<b>4.8%</b>	<b>4.8%</b>	<b>5.3%</b>	<b>4.8%</b>	<b>7.9%</b>
GNMA Fund	-	-	-	-	-	-	-	-	-			
Investment Grade Corporate Bond Fund	3.2%	2.0%	1.2%	2.8%	3.1%	2.6%	0.9%	0.3%	0.0%			
Long Duration Total Return Fund	0.1%	0.1%	0.1%	1.8%	3.2%	3.1%	2.2%	1.1%	0.0%			
Long Term Credit Fund	2.8%	2.9%	2.8%	3.7%	3.6%	3.8%	3.8%	3.8%	4.1%			
Long-Term US Government Fund	0.0%	0.0%	0.0%	1.0%	0.7%	0.7%	0.5%	0.1%	0.1%			
Mortgage-Backed Securities Fund	-	-	-	-	-	-	-	-	-			
Total Return Fund	0.2%	0.1%	1.7%	1.5%	0.7%	0.2%	0.9%	0.5%	0.6%			
<b>EM and Global Bond Strategies:</b>	<b>28.3%</b>	<b>31.0%</b>	<b>30.8%</b>	<b>28.7%</b>	<b>26.9%</b>	<b>26.8%</b>	<b>25.0%</b>	<b>24.5%</b>	<b>24.4%</b>	<b>24.2%</b>	<b>24.4%</b>	<b>24.3%</b>
Diversified Income Fund	4.1%	4.2%	4.4%	4.3%	4.0%	3.6%	3.6%	3.6%	3.5%			
Emerging Local Bond Fund	7.0%	8.0%	7.9%	7.4%	7.0%	7.1%	7.4%	7.2%	7.3%			
Emerging Markets Bond Fund	3.8%	4.5%	4.0%	3.4%	3.1%	3.1%	3.5%	3.7%	4.0%			
Emerging Markets Corporate Bond Fund	-	-	0.4%	0.8%	0.7%	0.7%	1.0%	1.4%	1.4%			
Emerging Markets Currency Fund	7.7%	8.0%	8.0%	7.0%	6.6%	6.8%	7.2%	7.4%	7.2%			
Foreign Bond Fund (Unhedged)	2.5%	2.8%	2.9%	2.7%	2.4%	2.4%	0.7%	0.1%	0.1%			
Global Advantage Strategy Bond Fund	3.2%	3.4%	3.3%	3.2%	3.0%	3.0%	1.8%	1.0%	0.9%			
Global Bond Fund (Unhedged)	-	-	-	-	-	-	-	-	-			
<b>Credit Strategies:</b>	<b>28.2%</b>	<b>29.8%</b>	<b>30.4%</b>	<b>29.5%</b>	<b>29.1%</b>	<b>29.3%</b>	<b>26.1%</b>	<b>23.9%</b>	<b>23.4%</b>	<b>22.1%</b>	<b>23.0%</b>	<b>18.6%</b>
Convertible Fund	3.2%	3.0%	2.1%	0.7%	0.3%	0.1%	-	-	-			
Floating Income Fund	6.9%	6.7%	6.7%	6.6%	6.2%	5.4%	3.3%	2.0%	1.9%			
High Yield Fund	6.8%	7.9%	8.1%	6.2%	6.0%	6.3%	5.5%	4.8%	4.6%			
High Yield Spectrum Fund	1.9%	2.5%	2.6%	3.0%	3.7%	4.1%	4.2%	4.3%	4.5%			
Income Fund	8.6%	8.7%	8.8%	10.3%	10.0%	10.3%	10.5%	10.7%	10.5%			
Senior Floating Rate Fund	0.7%	0.9%	2.1%	2.6%	2.8%	3.1%	2.5%	2.2%	1.9%			
<b>Inflation Related Strategies:</b>	<b>17.0%</b>	<b>12.6%</b>	<b>8.0%</b>	<b>2.5%</b>	<b>2.0%</b>	<b>2.1%</b>	<b>5.2%</b>	<b>8.3%</b>	<b>8.9%</b>	<b>9.2%</b>	<b>9.2%</b>	<b>9.7%</b>
CommoditiesPLUS™ Strategy Fund	6.6%	6.3%	5.4%	2.4%	1.8%	1.8%	2.1%	2.8%	2.9%			
CommodityRealReturn Strategy Fund®	2.5%	1.9%	1.8%	0.1%	0.1%	0.1%	0.8%	1.4%	1.5%			
Global Advantage® Inflation-Linked Bond Exchange-Traded Fund	-	-	-	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%			
Real Return Asset Fund	4.5%	1.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.3%	0.4%			
Real Return Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%	0.2%			
RealstateRealReturn Strategy Fund	3.3%	3.5%	0.8%	-	-	0.2%	1.6%	3.4%	3.9%			
<b>US Equity Strategies:</b>	<b>1.0%</b>	<b>1.0%</b>	<b>0.9%</b>	<b>0.9%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.1%</b>	<b>1.2%</b>	<b>1.2%</b>	<b>1.1%</b>	<b>1.1%</b>	<b>1.1%</b>
Fundamental IndexPLUS®	-	-	-	-	-	-	-	-	-			
Fundamental IndexPLUS® AR	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%			
Low Volatility RAFI®-PLUS AR Fund	-	-	-	-	-	-	-	0.0%	0.2%			
Small Cap StocksPLUS® AR Strategy	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.1%	0.1%			
Small Company Fundamental IndexPLUS® AR Strategy	0.6%	0.6%	0.6%	0.6%	0.6%	0.7%	0.7%	0.8%	0.8%			
StocksPLUS® Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
StocksPLUS® Absolute Return Fund	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%			
<b>Global Equity Strategies:</b>	<b>14.8%</b>	<b>18.2%</b>	<b>18.4%</b>	<b>17.8%</b>	<b>16.8%</b>	<b>16.4%</b>	<b>19.7%</b>	<b>23.2%</b>	<b>22.9%</b>	<b>22.4%</b>	<b>23.5%</b>	<b>23.9%</b>
EM Fundamental IndexPLUS® AR Strategy Fund	9.4%	9.8%	10.1%	9.7%	8.9%	8.3%	10.0%	11.6%	7.3%			
EMG Intl Low Volatility RAFI®-PLUS AR Fund	-	-	-	-	-	-	-	-	4.0%			
EqS Dividend Fund	0.1%	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%	0.2%			
EqS Pathfinder Fund	2.0%	1.9%	1.8%	1.8%	1.8%	1.8%	2.2%	3.5%	3.3%			
International Fundamental IndexPLUS® AR Strategy Fund	2.2%	5.4%	5.4%	5.3%	5.1%	5.3%	6.3%	6.9%	4.0%			
International StocksPLUS® AR Strategy Fund (U.S. Dollar Hedged)	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%			
International StocksPLUS® AR Strategy Fund (Unhedged)	0.6%	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%	0.5%			
Intl Low Volatility RAFI®-PLUS AR Fund	-	-	-	-	-	-	-	0.0%	3.2%			
<b>Alternative Strategies:</b>	<b>4.4%</b>	<b>2.2%</b>	<b>5.4%</b>	<b>9.6%</b>	<b>12.7%</b>	<b>14.2%</b>	<b>13.7%</b>	<b>13.5%</b>	<b>13.8%</b>	<b>13.6%</b>	<b>13.4%</b>	<b>13.3%</b>
Credit Absolute Return Fund	0.2%	0.2%	0.2%	0.5%	0.5%	1.0%	2.0%	2.0%	3.0%			
EqS Long/Short Fund	-	0.4%	0.4%	0.3%	0.4%	0.4%	0.4%	0.4%	0.5%			
Fundamental Advantage Absolute Return Strategy Fund	2.0%	1.2%	2.8%	4.1%	2.8%	2.9%	1.5%	2.3%	2.4%			
Mortgage Opportunities Fund	-	-	-	-	-	0.1%	0.5%	0.5%	0.6%			
TRENDS Managed Futures Strategy Fund	-	-	-	-	-	-	-	-	0.2%			
Unconstrained Bond Fund	2.1%	0.4%	2.0%	3.8%	5.3%	6.2%	5.4%	3.8%	2.8%			
Worldwide Fundamental Advantage AR Strategy Fund	-	-	-	0.8%	3.7%	3.7%	3.9%	4.3%	4.4%			
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: PIMCO

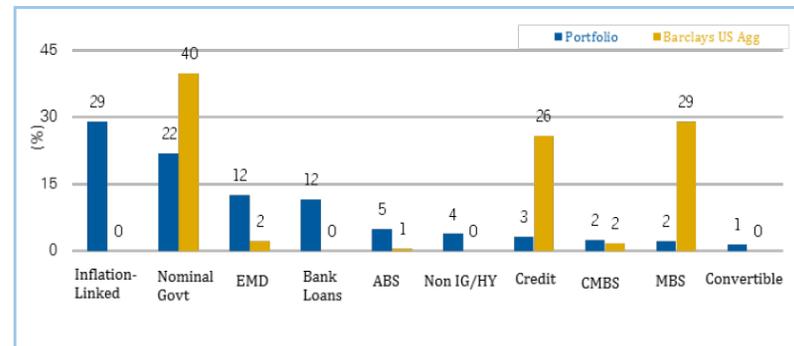
- PIMCO's All Asset Fund uses a Fund of Mutual Funds approach. Investment funds are continuously reallocated between various PIMCO Mutual funds base on strategic allocation decisions made by the advisor to the investment manager. Because both by policy and practice fixed income related securities tend 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

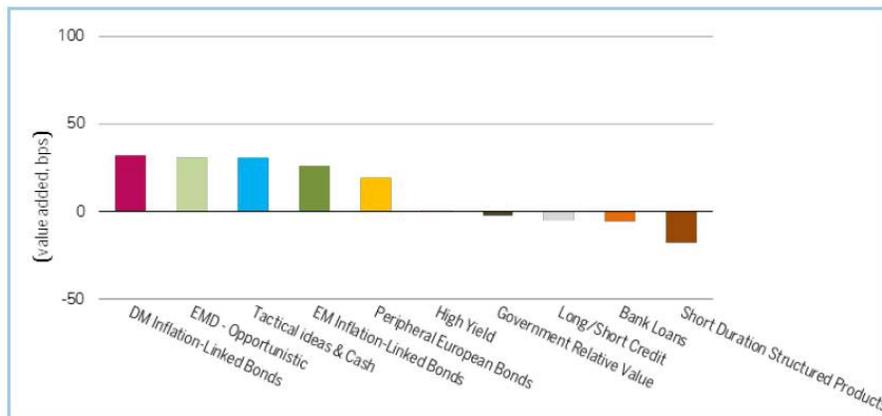
## Characteristics

	Portfolio	Benchmark
Yield to worst %	3.0	2.0
OAS (bps)	126.0	35.0
Duration – effective	4.9	5.5
Convexity - effective	6.0	-0.2

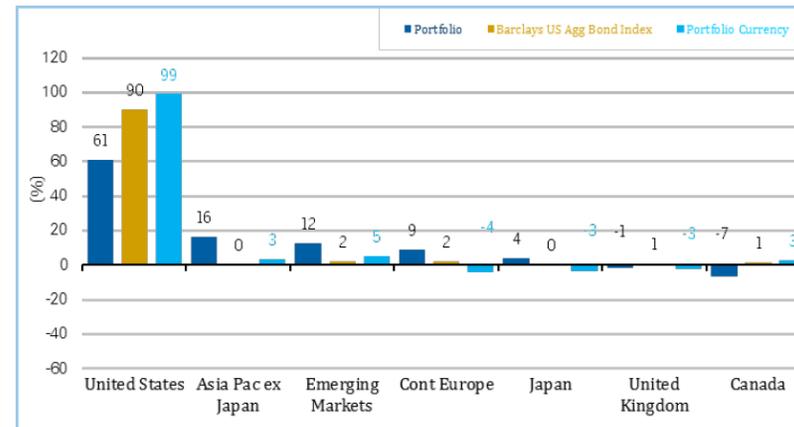
## Sector Allocation



## Top Relative Contributors and Detractors



## Regional Allocation

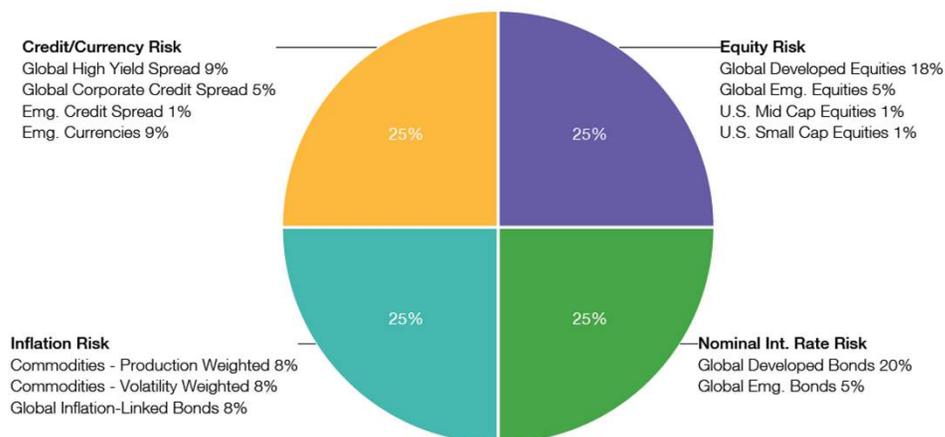


Source: Wellington

-The objective of the Opportunistic Investment Allocation approach is to outperform core markets by making timely investments in non-core areas that are attractively valued, have positive structural tailwinds, or are expected to benefit from the anticipated cyclical environment. Opportunistic Investment Allocation is an unconstrained, non-benchmark oriented investment approach.

-The Opportunistic Investment Allocation approach provides exposure to a variety of investment approaches that focus on non-core areas, such as non-US small cap, emerging markets equity, and sector funds. Non-core areas are inherently interesting as they are typically less efficient sectors of the market where active managers have a history of strong value added. However, a drawback to these investment areas is their high level of volatility. One source of high volatility is structural change, which results in instability of long-term performance characteristics. When performance characteristics are unstable over time it is difficult to address the asset class in a static long-term asset allocation policy. Assuming that historical performance characteristics are representative of future results often leads institutional investors to either buy these niche areas at high valuations (after positive structural surprises) or ignore (sell) them when they are out of favor (after a negative structural surprise). For these reasons, Wellington believes that allocations to these areas should not be strategic, but opportunistic in nature.

## Risk Allocation



## Estimated Exposure Breakdown

Long Exposure (% of NAV)		Long Exposure (% of NAV)	
<b>Equity Risk</b>		<b>Equity Market Exposures</b>	
Global Developed Equities	26%	Americas	19%
Global Emerging Equities	6%	Europe	7%
U.S. Mid Cap Equities	1%	Asia ex-Japan	6%
U.S. Small Cap Equities	1%	Japan	2%
<b>Total Equity Risk</b>	<b>35%</b>	<b>Total Equity Market Exposures</b>	<b>35%</b>
<b>Nominal Interest Rate Risk</b>		<b>Bond Market Exposures - Nominal and Inflation-Linked</b>	
Global Developed Bonds	86%	Americas	62%
Global Emerging Bonds	21%	Europe	62%
<b>Total Nominal Interest Rate Risk</b>	<b>108%</b>	Asia	27%
<b>Inflation Risk</b>		<b>Total Bond Market Exposures</b>	<b>151%</b>
Commodities - Production Weighted	14%	<b>Emerging Currency Exposures</b>	
Commodities - Volatility Weighted	17%	Asia	8%
Global Inflation-Linked Bonds	43%	Europe	10%
<b>Total Inflation Risk</b>	<b>74%</b>	Latin America	9%
<b>Credit/Currency Risk</b>		Dollar Block ex-U.S.	4%
Global High Yield Spread	30%	<b>Total Emerging Currency Exposures</b>	<b>31%</b>
Global Corporate Credit Spread	56%		
Emerging Credit Spread	3%		
Emerging Currencies	31%		
<b>Total Credit/Currency Risk</b>	<b>121%</b>		
<b>Total Fund Exposures</b>	<b>338%</b>		

Source: AQR



NEPC, LLC

June 30, 2014

## 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.



## Schroder Commodities

- The objective of the Schroders 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.
- Schroders 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 Schroders' 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.
- Schroders utilize strict diversification rules. Commodities are reviewed on an ongoing basis. A commodity will not be held unless the fundamental analysis is positive.
- The Schroders 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

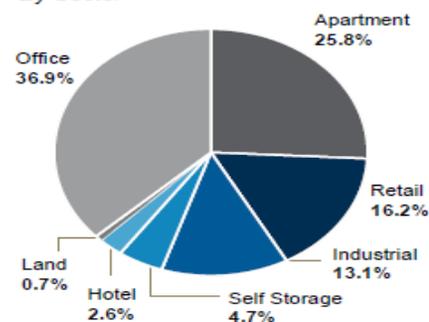
### Property Sector Returns<sup>(4)(5)</sup>

%	SECOND QUARTER		
	INCOME	APPRECIATION	TOTAL
Office	1.3	1.8	3.2
Retail	1.4	3.5	4.9
Industrial	1.5	0.8	2.3
Self Storage	1.4	1.1	2.6
Apartment	0.8	2.7	3.6
Hotel	1.8	(0.9)	1.0

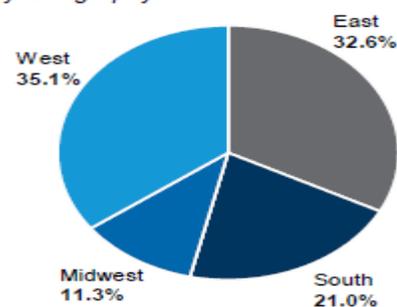
### Geographic Region Returns<sup>(4)(5)</sup>

%	SECOND QUARTER		
	INCOME	APPRECIATION	TOTAL
East	1.4	1.1	2.6
Midwest	1.1	3.3	4.4
South	1.2	2.6	3.9
West	1.1	1.9	3.1

By Sector



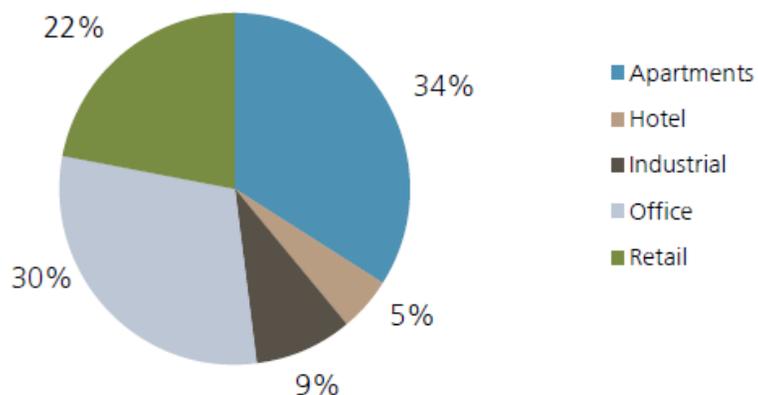
By Geography



# 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.

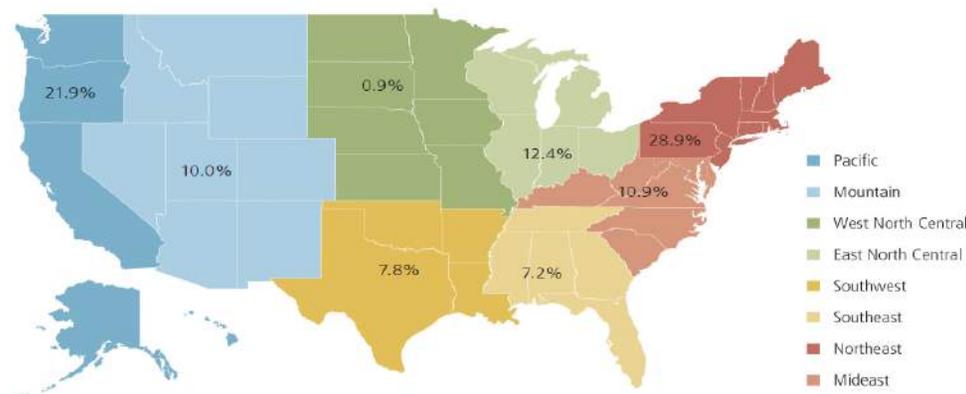
**Portfolio Distribution by Property Type**



**Key Statistics**

Gross asset value (GAV)	USD 17.1 bn	Quarterly returns (%)	
Net asset value (NAV)	USD 14.7 bn	Income	1.30
Cash as a % of GAV	1.7%	Appreciation	1.16
Debt as % of GAV	12.8%	Total (before fees)	2.46
Number of investments	193	Total (after fees)	2.20
Number of investors	403	One-year rolling returns (%)	
Deposits <sup>2</sup>	USD 418.6 m	Income	5.17
Redemptions <sup>2</sup>	USD 74.3 m	Appreciation	5.06
		Total (before fees)	10.42
		Total (after fees)	9.31

**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

### Investment Summary

Net Asset Value <sup>1</sup>	\$647,753,797
Number of Shares Outstanding	16,109,897
Net Asset Value Per Share	\$40.21
Cash Balance of Fund	\$314,007,053
Debt <sup>2</sup>	\$476,032,000
Inception Date <sup>3</sup>	March 31, 2003
Redemption Shares Outstanding	5,677,232
Institutional Investors	117

### Property Information

	Real Estate Investments	Gross Real Estate Value (millions)	Percent of Value	Quarter-end Occupancy <sup>4</sup>
Retail	4	\$167.1	17%	90%
Office	25	533.8	55%	83%
Industrial	17	177.4	18%	83%
Development/Land/Other	8	95.2	10%	N/A
<b>Total</b>	<b>54</b>	<b>\$973.5</b>	<b>100%</b>	<b>84%</b>

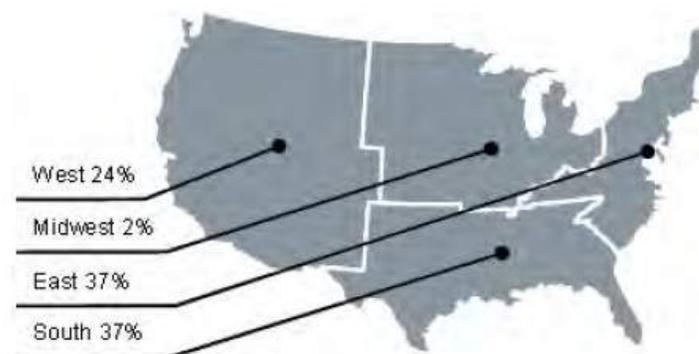
### Share Price

#### Share price of gross distributions



Note: Adjusted share price reflects net asset value before the capital distributions that began in 4Q12. Source: Deutsche Asset & Wealth Management. Past performance is not indicative of future results. As of June 30, 2014.

### Geographic Location



<sup>1</sup> 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.

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

<sup>3</sup> Date of first asset acquisition.

Source: Deutsche Asset and Wealth Management



NEPC, LLC

June 30, 2014

# Grosvenor Institutional Partners, LP

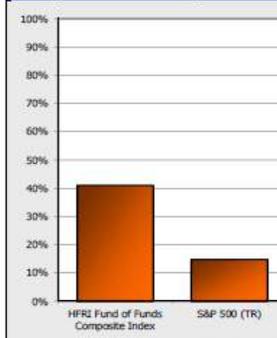


Grosvenor Institutional Partners, LP  
Grosvenor Capital Management, LP

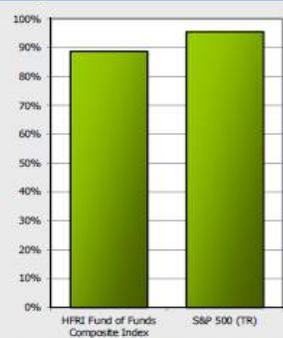
Benchmark 1 (BM1): HFRI Fund of Funds Composite Index  
Benchmark 2 (BM2): S&P 500 (TR)

Monthly Performance (%) Net of Fees														Statistical Analysis			
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	Returns	Fund	BM1	BM2
2014	0.0%	1.6%	-0.1%	-0.6%	0.8%	1.0%							2.8%	Annualized Compound ROR	6.0%	3.8%	4.0%
2013	2.6%	0.6%	1.4%	0.8%	1.7%	-0.6%	1.7%	0.2%	1.7%	1.3%	1.6%	1.1%	15.2%	3 Yr Return	6.9%	3.3%	16.6%
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%	5 Yr Return	7.6%	4.2%	18.8%
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%	Best Month	2.7%	5.2%	10.9%
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%	Worst Month	-6.9%	-6.5%	-16.8%
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%	% Positive Months	78.2%	64.4%	62.1%
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%	<b>Risk</b>			
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%	Standard Deviation	4.5%	5.2%	15.5%
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%	3 Yr Standard Deviation	4.2%	4.1%	12.3%
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%	5 Yr Standard Deviation	3.9%	4.1%	13.4%
														Sharpe Ratio (3.5%)	0.6	0.1	0.1
														Sortino Ratio (7.0%)	-0.2	-0.7	-0.2
														Downside Deviation (7.0%)	3.9%	4.5%	12.0%
														Max Drawdown	-21.0%	-22.2%	-50.9%
														Months In Maximum Drawdown	14	14	16
														Months To Recover	48	66	37
														<b>Comparison To Benchmark(s)</b>			
														Monthly Alpha		0.3%	0.4%
														Annualized Alpha		3.2%	5.3%
														Beta		0.7	0.1
														Correlation		0.9	0.5
														R-Squared		73.2%	25.8%
														<b>Annual Returns</b>			
														2014-(YTD)	2.8%	2.0%	7.1%
														2013	15.2%	9.0%	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%
														<b>Latest Returns</b>			
														Last Month	1.0%	0.9%	2.1%
														Last 3 Months	1.2%	1.5%	5.2%
														Last Year	10.9%	7.6%	24.6%
														2-Year	11.6%	7.4%	22.6%
														3-Year	6.9%	3.3%	16.6%
														4-Year	7.0%	4.1%	20.0%
														5-Year	7.6%	4.2%	18.8%
														<b>Drawdown Analysis</b>			
														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%

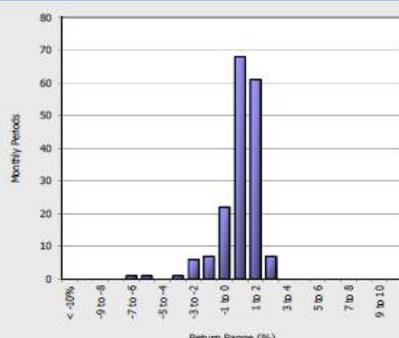
Outperform BM in Up Markets



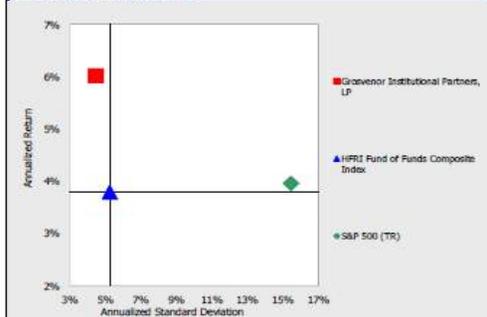
Outperform BM in Down Markets



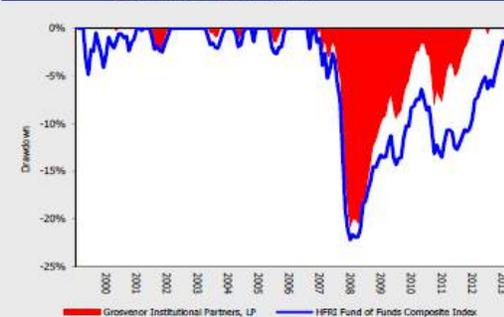
Distribution of Returns



Risk/Return Profile



Underwater Drawdowns



Latest Returns

Last Month	1.0%	0.9%	2.1%
Last 3 Months	1.2%	1.5%	5.2%
Last Year	10.9%	7.6%	24.6%
2-Year	11.6%	7.4%	22.6%
3-Year	6.9%	3.3%	16.6%
4-Year	7.0%	4.1%	20.0%
5-Year	7.6%	4.2%	18.8%

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 3.5%. 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.

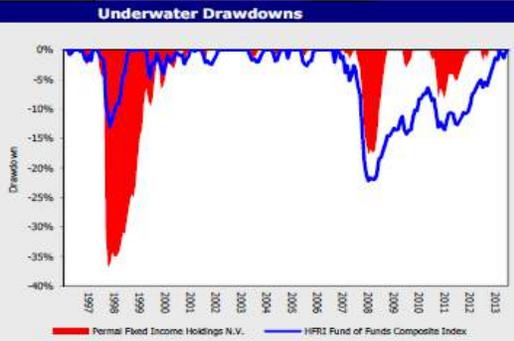
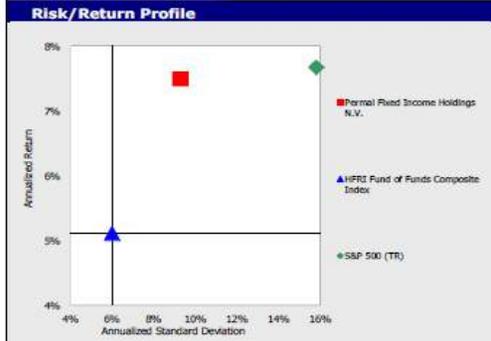
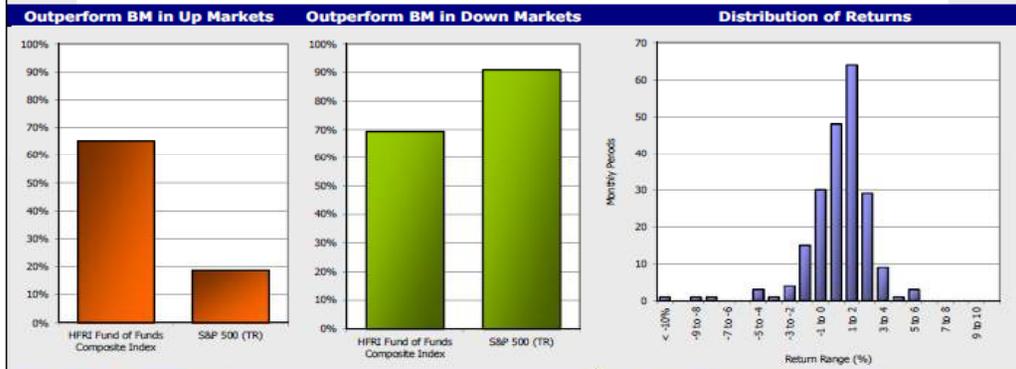
# Permal Fixed Income Holdings N.V.



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														Statistical Analysis				
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	Returns	Fund	BM1	BM2	
2014	-0.6%	2.3%	0.0%	0.2%	0.9%	1.3%								4.1%	Annualized Compound ROR	7.5%	5.1%	7.7%
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%		12.3%	3 Yr Return	6.3%	3.3%	16.6%
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%	5 Yr Return	9.4%	4.2%	18.8%
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%	Best Month	5.9%	6.9%	10.9%
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%	Worst Month	-27.9%	-7.5%	-16.8%
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%	% Positive Months	73.3%	64.3%	63.3%
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%	<b>Risk</b>			
2007	1.5%	1.4%	0.6%	1.5%	0.9%	0.4%	0.7%	1.8%	2.2%	0.1%	0.0%	0.0%		9.6%	Standard Deviation	9.3%	6.0%	15.8%
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%	3 Yr Standard Deviation	5.1%	4.1%	12.3%
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%	5 Yr Standard Deviation	5.0%	4.1%	13.4%
															Sharpe Ratio (3.5%)	0.5	0.3	0.3
															Sortino Ratio (7.0%)	0.1	-0.4	0.1
															Downside Deviation (7.0%)	8.2%	4.8%	11.8%
															Max Drawdown	-36.8%	-22.2%	-50.9%
															Months In Maximum Drawdown	5	14	16
															Months To Recover	33	66	37
															<b>Comparison To Benchmark(s)</b>			
															Monthly Alpha	0.1%	0.4%	
															Annualized Alpha	1.8%	5.4%	
															Beta	1.1	0.3	
															Correlation	0.7	0.5	
															R-Squared	55.0%	23.6%	
															<b>Annual Returns</b>			
															2014-(YTD)	4.1%	2.0%	7.1%
															2013	12.3%	9.0%	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%
															<b>Latest Returns</b>			
															Last Month	1.3%	0.9%	2.1%
															Last 3 Months	2.4%	1.5%	5.2%
															Last Year	10.7%	7.6%	24.6%
															2-Year	11.6%	7.4%	22.6%
															3-Year	6.3%	3.3%	16.6%
															4-Year	7.3%	4.1%	20.0%
															5-Year	9.4%	4.2%	18.8%
															<b>Drawdown Analysis</b>			
															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%



Period	Fund	BM1	BM2
Last Month	1.3%	0.9%	2.1%
Last 3 Months	2.4%	1.5%	5.2%
Last Year	10.7%	7.6%	24.6%
2-Year	11.6%	7.4%	22.6%
3-Year	6.3%	3.3%	16.6%
4-Year	7.3%	4.1%	20.0%
5-Year	9.4%	4.2%	18.8%

\*\*\*Past Performance is not indicative of future results. Ratios are calculated based on a risk-free rate of 3.5%. 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.

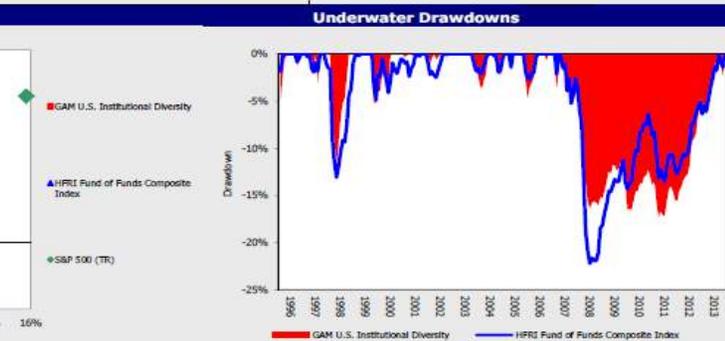
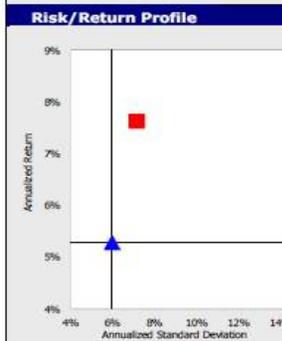
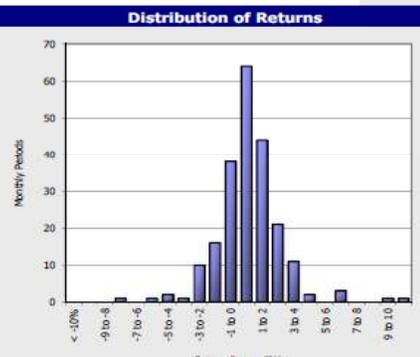
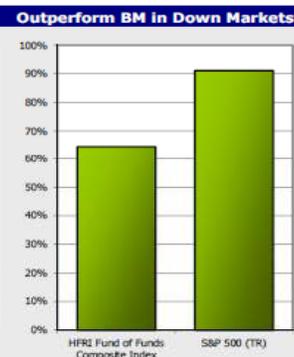
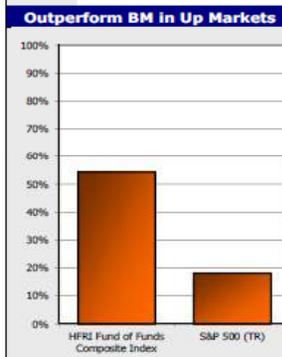
# GAM U.S. Institutional Diversity



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														Statistical Analysis			
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	Returns	Fund	BM1	BM2
2014	-1.3%	2.3%	-0.8%	-1.5%	1.9%	1.2%							1.7%	Annualized Compound ROR	7.6%	5.3%	8.1%
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%	3 Yr Return	5.4%	3.3%	16.6%
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%	5 Yr Return	3.6%	4.2%	18.8%
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%	Best Month	10.2%	6.9%	10.9%
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%	Worst Month	-7.9%	-7.5%	-16.8%
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%	% Positive Months	68.1%	64.8%	63.4%
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%	<b>Risk</b>			
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%	Standard Deviation	7.2%	6.0%	15.8%
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%	3 Yr Standard Deviation	4.5%	4.1%	12.3%
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%	5 Yr Standard Deviation	4.3%	4.1%	13.4%
														Sharpe Ratio (3.5%)	0.6	0.3	0.4
														Sortino Ratio (7.0%)	0.1	-0.3	0.1
														Downside Deviation (7.0%)	4.7%	4.7%	11.7%
														Max Drawdown	-17.3%	-22.2%	-50.9%
														Months In Maximum Drawdown	47	14	16
														Months To Recover	29	66	37
														<b>Comparison To Benchmark(s)</b>			
														Monthly Alpha		0.2%	0.5%
														Annualized Alpha		2.1%	6.0%
														Beta		1.0	0.2
														Correlation		0.9	0.4
														R-Squared		75.6%	19.0%
														<b>Annual Returns</b>			
														2014-(YTD)	1.7%	2.0%	7.1%
														2013	12.3%	9.0%	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%
														<b>Latest Returns</b>			
														Last Month	1.2%	0.9%	2.1%
														Last 3 Months	1.5%	1.5%	5.2%
														Last Year	6.8%	7.6%	24.6%
														2-Year	9.3%	7.4%	22.6%
														3-Year	5.4%	3.3%	16.6%
														4-Year	4.8%	4.1%	20.0%
														5-Year	3.6%	4.2%	18.8%
														<b>Drawdown Analysis</b>			
														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%



\*\*\*Fast Performance is not indicative of future results. Ratios are calculated based on a risk-free rate of 3.5%. 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.

# Appendix



## Glossary of Terms

**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:*  
 $(\text{Annualized Return of Portfolio} - \text{Annualized Return of Benchmark}) / \text{Annualized Standard Deviation}(\text{Period Portfolio Return} - \text{Period Benchmark Return})$ . 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:*  
 $\text{Calculation Average } (X-Y) / \text{Downside Deviation } (X-Y) * 2$   
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:*  
 $(\text{Annualized Return of Portfolio} - \text{Annualized Return of Risk Free}) / \text{Annualized Standard Deviation (Portfolio Returns)}$

**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:*  
 $\text{Tracking Error} = \text{Standard Deviation } (X-Y) * \sqrt{\# \text{ of periods per year}}$   
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:*  
 $(\text{Portfolio Average Return} - \text{Average Return of Risk-Free Rate}) / \text{Portfolio Beta}$

**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.

$\text{Upside Capture} = \text{Total Return}(\text{Fund Returns}) / \text{Total Returns}(\text{BM Return})$  when Period Benchmark Return is  $> = 0$

$\text{Downside Capture} = \text{Total Return}(\text{Fund Returns}) / \text{Total Returns}(\text{BM Return})$  when Benchmark  $< 0$

Data Source: InvestorForce

## Reporting Methodology

- The client's custodian bank is NEPC's preferred data source unless otherwise directed. NEPC reconciles custodian data to manager data. If the custodian cannot provide accurate data, manager data may be used.
- Trailing time period returns are determined by geometrically linking the holding period returns, from the first full month after inception to the report date. Rates of Return are annualized when the time period is longer than a year. Performance is presented gross and/or net of fees as indicated on each page.
- For managers funded in the middle of a month, the "since inception" return will start with the first full month, although actual inception dates and cash flows are taken into account in all Composite calculations.
- This report may contain forward-looking statements that are based on NEPC's estimates, opinions and beliefs, but NEPC cannot guarantee that any plan will achieve its targeted return or meet other goals.

**It is important to note the following characteristics of many non-traditional investment strategies including hedge funds and private equity:**

1. Performance can be volatile and investors could lose all or a substantial portion of their investment
2. Leverage and other speculative practices may increase the risk of loss
3. Past performance may be revised due to the revaluation of investments
4. These investments can be illiquid, and investors may be subject to lock-ups or lengthy redemption terms
5. A secondary market may not be available for all funds, and any sales that occur may take place at a discount to value
6. These funds are not subject to the same regulatory requirements as registered investment vehicles
7. Managers are not required to provide periodic pricing or valuation information to investors
8. These funds may have complex tax structures and delays in distributing important tax information
9. These funds often charge high fees
10. Limited partnership agreements often give the manager authority to trade in securities, markets or currencies that are not within the manager's realm of expertise or contemplated investment strategy

## Information Disclaimer

- Past performance is no guarantee of future results.
- All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.
- Some index returns displayed in this report or used in calculation of a policy, allocation or custom benchmark may not be available from the source or may be preliminary and subject to change.
- NEPC's source for portfolio pricing, calculation of accruals, and transaction information is the plans custodial bank. Information on market indices and security characteristics is received from other sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
- This report is provided as a management aid for the client's internal use only. Performance contained in this report does not constitute a recommendation by NEPC.
- This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.