



SACRAMENTO COUNTY EMPLOYEES' RET SYSTEM

**INVESTMENT PERFORMANCE ANALYSIS**

SECOND QUARTER 2014

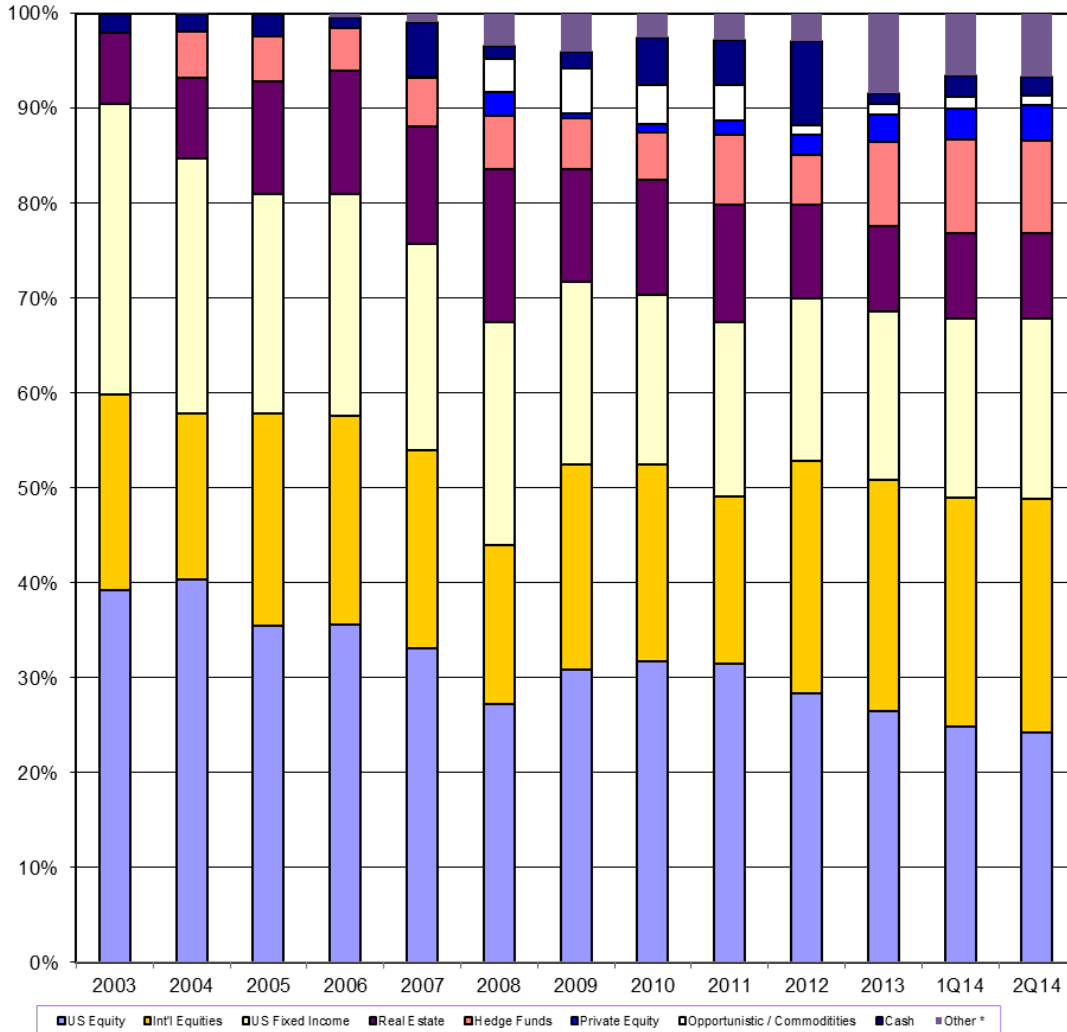
STRATEGIC INVESTMENT SOLUTIONS, INC.

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# Actual Yearly and Quarterly Asset Allocation

Periods Ending June 30, 2014



US Equity  
International Equity  
US Fixed Income  
Real Estate  
Hedge Funds  
Private Equity  
Opportunistic / Commodities  
Cash  
Other \*

	2003	2004	2005	2006	2007	2008
US Equity	39.2	40.4	35.4	35.5	33.1	27.2
International Equity	20.6	17.5	22.3	22.0	20.9	16.8
US Fixed Income	30.6	26.9	23.1	23.3	21.7	23.5
Real Estate	7.5	8.5	11.9	13.1	12.4	16.1
Hedge Funds	-	4.9	4.8	4.4	5.1	5.6
Private Equity	-	-	-	-	0.1	2.5
Opportunistic / Commodities	-	-	-	-	-	3.5
Cash	2.1	1.8	2.4	1.2	5.8	1.4
Other *	-	0.1	-	0.4	0.9	3.4

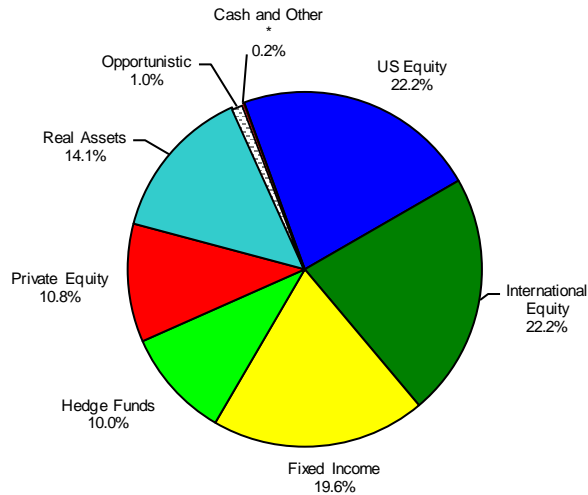
US Equity  
International Equity  
US Fixed Income  
Real Assets  
Hedge Funds  
Private Equity  
Opportunistic / Commodities  
Cash  
Other \*

	2009	2010	2011	2012	2013	2014 2Q
US Equity	30.9	31.7	31.4	28.4	26.5	24.2
International Equity	21.5	20.7	17.6	24.5	24.3	24.6
US Fixed Income	19.3	17.8	18.4	17.1	17.7	19.0
Real Assets	11.9	12.2	12.4	9.9	9.0	9.0
Hedge Funds	5.3	4.9	7.3	5.2	8.8	9.7
Private Equity	0.5	0.9	1.6	2.2	3.0	3.8
Opportunistic / Commodities	4.8	4.1	3.7	1.1	1.0	1.0
Cash	1.7	5.0	4.9	8.8	1.2	2.0
Other *	4.1	2.6	2.7	2.9	8.4	6.7

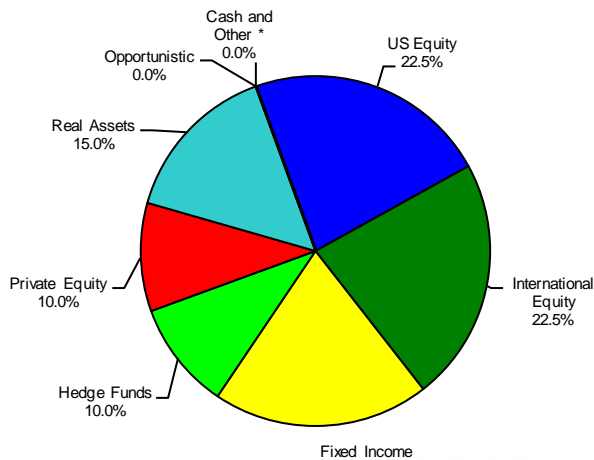
Asset Allocation Analysis – Total Plan

As of June 30, 2014

**Current w/Overlay**



**Target**



ASSET ALLOCATION	MARKET VALUE		
	W/OVERLAY	W/OVERLAY	W/O OVERLAY
US Equity	1,739,496,770	22.2%	24.2%
International Equity	1,734,926,617	22.2%	24.6%
Fixed Income	1,530,235,966	19.6%	19.0%
Hedge Funds	779,105,704	10.0%	9.7%
Private Equity	842,545,814	10.8%	3.8%
Real Assets	1,103,847,642	14.1%	9.0%
Opportunistic	76,980,822	1.0%	1.0%
Cash and Other *	15,744,080	0.2%	8.7%
<b>TOTAL</b>	<b>7,822,883,416</b>	<b>100.0%</b>	<b>100.0%</b>

ASSET ALLOCATION	ACTUAL	TARGET	DIFF
US Equity	22.2%	22.5%	-0.3%
International Equity	22.2%	22.5%	-0.3%
Fixed Income	19.6%	20.0%	-0.4%
Hedge Funds	10.0%	10.0%	0.0%
Private Equity	10.8%	10.0%	0.8%
Real Assets	14.1%	15.0%	-0.9%
Opportunistic	1.0%	0.0%	1.0%
Cash and Other *	0.2%	0.0%	0.2%

ASSET ALLOCATION	TARGET	MEDIAN	DIFF
US Equity	22.5%	28%	-5.5%
International Equity	22.5%	18%	4.5%
Fixed Income	20.0%	27%	-7.0%
Hedge Funds	10.0%	7%	3.0%
Private Equity	10.0%	8%	2.0%
Real Assets	15.0%	8%	7.0%
Opportunistic	0.0%	0%	0.0%
Cash and Other *	0.0%	4%	-4.0%

\* Other includes closing accounts (Heitman), SSgA Overlay of \$124 million and SSgA Real Asset of \$398 million which serve as overlay proxy for Real Assets.

- The Total Plan returned 3.5% in the second quarter of 2014 and ranked in the 64<sup>th</sup> percentile among other public funds greater than \$1 billion (3.8% median). The fund beat its policy index (3.4%) during this time period. The Total Plan w/o Overlay returned 3.5% for the quarter. Longer term, the five and ten-year returns of 13.0% and 7.2%, ranked above and at median, respectively, among large public plans (12.7% and 7.2%).
- Second quarter results were enhanced by the following factors:
  1. JP Morgan 130/30 led its benchmark, the Russell 1000 Index (5.6% vs. 5.1%) and ranked in the 26<sup>th</sup> percentile among large cap core managers. During the quarter, select investments in the media (Time Warner), energy (Schlumberger) and pharmaceuticals (shorting Pfizer) sectors worked well.
  2. Dalton Greiner (4.3%) was above par for the quarter; it placed ahead of its benchmark, the Russell 2000 Value Index (2.4%). Its peer median returned 3.1%; the portfolio ranked in the 24<sup>th</sup> percentile among small cap value managers. Financials (Hersha Hospitality, Sun Communities, Piper Jaffray) and Consumer Discretionary (Gray Television, Cato) investments fared well during the quarter.
  3. WEDGE Capital returned 4.8%. It ranked in the 18<sup>th</sup> percentile among small cap value managers. The Russell 2000 Value Index returned 2.4% during the same time period. Its select positions to the Info Tech (Insight Enterprises, Bel Fuse, Integrated Device Technologies), Financials (Hercules Technology) and Industrials (Standex, American Airlines) sectors aided performance.
  4. US REIT manager CenterSquare (formerly known as Urdang), 7.6%, outpaced its benchmark. The NAREIT Equity Index was up 7.0% during the quarter.
  5. Lazard was ahead of the MSCI ACWI -ex US Index during the quarter (5.7 vs. 5.2%) and ranked in the top quartile among ACWI ex-US equity managers (median of 4.1%). Lazard carried strong investments in Japan (Asics, Ryohin Keikaku, Daiwa House), the healthcare (UK Shire) and financials (Canadian Home Capital) sectors and exposure to emerging markets.
  6. LSV (5.1%) out-performed the MSCI World -ex US Index (4.9%) and ranked 31<sup>st</sup> among EAFE large cap value equity managers (4.1% median). LSV carried relatively strong Indian and Japanese investments. Its value tilt was a slightly positive factor.

7. In its first full quarter, Mondrian's emerging markets strategy led the MSCI Emerging Markets Small Cap Index (9.9% vs. 5.3%). It ranked in the top quartile among other emerging markets equity managers (7.2% median). Positioning in India (Axis Bank, Larsen & Toubro), Mexico (REIT Fibra Uno, GAP) and Chile (Enersis, Banco Santander-Chile), plus overweight to India, were performance contributors.
8. William Blair's emerging markets strategy outpaced the MSCI Emerging Markets Small Cap Index (7.8% vs. 5.3%). Strong stock selection within consumer discretionary (Bharat Forge, Motherson Sumi Systems, Kroton Educacional, Estacio Participacoes, Smiles), industrials (Havells India, Eicher Motors) and IT (Hollysys Automation Technologies, Pchome Online) contributed to performance.
9. The Neuberger Berman-Fixed return of 2.1% ranked in the 45<sup>th</sup> percentile among its fixed income peer group. The Barclays Aggregate Index returned 2.0%. Contributing to results were its select mortgages and emphasis to CMBS. The Bradford & Marzec portfolio was closed in June and transitioned to Prudential.
10. TCW MetWest (2.2%) beat the Barclays Aggregate Index (2.0%) and ranked above the fixed income core manager median of 2.1%. Its select financials, taxable munis and non-Agency MBS securities were contributors to performance.
11. Brandywine surpassed its blended benchmark, the 80% Citigroup WGBI/ 20% JPM GBI EM (4.1% vs. 2.6%) and ranked in the top quartile among all global bond managers. Brandywine's main source of relative outperformance came from its exposure to higher-yielding or emerging bond markets (Australia, Brazil, Hungary, Mexico, Poland) and currencies (Indian rupee).
12. High yield manager Brigade was ahead of its custom benchmark, the blended 50% BofA ML US High Yield Master II/50% Credit Suisse Leveraged Loans Index (3.5% vs. 2.0%). It ranked in the top quartile among its high yield peer group (median of 2.4%). Its high yield bond and distressed positions were the primary contributors to outperformance.
13. The Hedge Fund Composite matched the 91 Day T-Bill +5% Index (1.2%) and ranked in the bottom quartile among its peers (median of 1.9%). JANA Partners (4.1%) and Lakewood (4.1%) and were the top performers. Brevan Howard (-1.6%) and Laurion Capital (-1.8%) fared the worst.
14. The Private Equity Composite carried a quarterly time-weighted rate of return (one-quarter lagged) of 4.5% while its benchmark, the Russell 1000 +3% 1Q Lag Index appreciated 2.8%. Khosla Ventures IV (7.2%) and Private Equity X (10.7%) fared the best. Accel-KKR IV and TPG OPP III lost 6.8% and 70.7%, respectively. Thomas Bravo XI was funded during the second quarter.
15. The combined Real Estate-Separate Account portfolio (3.1%) beat its benchmark, the NFI-ODCE (2.9%). BlackRock I, BlackRock II and CornerStone Leveraged accounts returned 3.4%, 3.4% and 2.6%, respectively. Unleveraged, quarterly returns were 2.1%, 2.1% and 2.1%, respectively.

## Executive Performance Summary

Second Quarter 2014

16. The Real Estate-Limited Partnerships composite was on par with its benchmark, the NFI-ODCE (2.9%). Cornerstone Patriot, Jamestown, MetLife and Prime Property appreciated 2.7%, 3.7%, 2.5% and 3.3%, respectively.
  17. The combined Commodities portfolio was ahead of the DJ UBS Commodities Index (2.5% vs. 0.1%). Blackstone and Gresham appreciated 3.0% and 1.9%, respectively.
  18. Overlay proxy manager, the SSgA Real Asset Fund, was in line with its custom benchmark return (5.7% vs. 5.7%).
  19. The Opportunistic Credit Composite added 3.7% to its value. ,Atalaya Special Opportunities V lagged the Russell 1000 +3% 1Q Lag Index (0.9% vs. 2.8%). European RE Debt II returned 5.0% while the NFI-ODCE was up 2.9%.
  20. In its first full quarter, RE Opportunistic manager Kohlberg Kravis Roberts led the NDI-ODCE net +1% Index (7.1% vs. 3.3%).
- Second quarter results were hindered by the following factors:
    1. Brown Advisory was below par with the Russell 1000 Growth Index (2.0% vs. 5.1%). Brown ranked in the bottom quartile among large cap growth managers (median of 4.6%). Stock selection in Consumer Staples (Whole Foods Market) and Healthcare (Covance, Express Scripts) investments hurt performance.
    2. Eagle, 3.8%, returned below the median large cap value manager (4.8%) and the Russell 1000 Index (5.1%), ranking its portfolio in the 85<sup>th</sup> percentile among its peers. It carried below par Healthcare (United Health Group, Thermo Fisher Scientific) and Info Tech (Loews, Goldman Sachs) investments.
    3. Huber Capital's return of 2.4% ranked in the bottom quartile among large cap value managers (median 4.8%) and trailed its benchmark, the Russell 1000 Value Index (5.1%). Security selection in the Info Tech (CA Technologies), Financials (Bank of America), Industrials (KBR) and Energy (Cameco) sectors negatively impacted performance.
    4. Small growth manager Weatherbie was behind the Russell 2000 Growth Index (-2.7% vs. 1.7%) and ranked in the bottom quartile among its peers (median 0.2%). Negative performance attribution came primarily from its below par Consumer Discretionary (Dorman Products, Francesca's Holdings, RetailMeNot), Healthcare (Puma Biotechnology, Insulet) and Energy (Geospace Technologies, Core Laboratories) investments. Turner was liquidated in April.
    5. Baring Asset was behind its benchmark for the quarter. Barings was up 4.1% while the MSCI World -ex US Index was up 4.9%, ranking the portfolio in the second quartile among EAFE large cap equity managers. Select European banks (Credit Suisse, BNP Paribas) and export focused companies (Philips, Airbus) were negative factors to performance alpha.

6. The Mondrian developed market small cap quarterly result of 1.8% trailed its benchmark, the MSCI World Small Cap -ex US Index (3.4%), and ranked in the third quartile among ACWI ex US small cap managers (median of 2.9%). Negative contributions arose from its significant underweight to the Japanese and Canadian markets and weak UK investments.
7. William Blair lagged its benchmark, the MSCI World -ex US Small Cap Index (0.5% vs. 3.4%) and ranked in the 75<sup>th</sup> percentile among international developed market small cap managers. Weak stock selection within UK consumer (Howden Joinery Group, Restaurant Group, Booker Group) and real estate related names, Japanese consumer and IT holdings and an underweight in the energy sector detracted from performance.
8. Behind the MSCI Emerging Markets Index (6.7%), Capital Group appreciated 5.1%, ranking 92<sup>nd</sup> percentile among its peers. Investments in China (China Resources Land, China Overseas Land & Investment, Zhongsheng), Hong Kong and consumer discretionary dampened portfolio returns.
9. Non-US REIT manager CBRE Clarion was beaten by the FTSE NAREIT Developed ex US Index (8.7% vs. 8.8%).
10. Private real asset manager EnCap Energy IX fell behind its benchmark, the Russell 1000 +3% 1Q Lag Index (-2.4% vs. 2.8%).
11. Combined, the Real Estate–Value Added managers fared worse than the NCREIF +2% 1Q Lag Index (1.6% vs. 3.2%). AEW II, Hines US Office II and UBS performance were 2.7%, 0.0% and 1.6%, respectively.

## Performance Summary

Periods Ending June 30, 2014

	Asset \$	%	1 Quarter		2 Quarters		Fiscal YTD		3 Year		5 Year		Since Inception <sup>+</sup>	
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	
<b>TOTAL FUND *</b>														
Sacramento County - Gross	7,822,883,416	100.0%	3.5	64	5.4	63	16.6	50	9.9	40	13.0	35	8.7	Jun-86
Sacramento County - Net			3.4		5.2		16.1		9.5		12.7		8.5	
Policy Index <sup>1</sup>			3.4	69	6.0	35	15.6	66	9.5	60	12.5	59	8.9	
Sacramento County w/o Overlay - Gross**			3.5	66	5.2	70	16.1	55	9.3	64	12.2	70	8.5	Jun-86
Sacramento County w/o Overlay - Net			3.4		5.0		15.6		8.9		11.8		8.3	
Allocation Index ex Overlay			3.5	65	5.3	65	15.5	68						
Policy Index <sup>1</sup>			3.4	69	6.0	35	15.6	66	9.5	60	12.5	59	9.0	
IF Public DB > \$1B Gross Median			3.8		5.7		16.4		9.6		12.7		8.6	
<b>US EQUITY MANAGERS</b>														
<b>Large Cap</b>														
JP Morgan 130/30 - Gross	112,276,294	1.4%	5.6	26	7.8	46	28.5	34	18.4	40	20.2	64	12.9	Jul-08
JP Morgan 130/30 - Net			5.5		7.4		27.7		17.6		19.3		12.1	
Russell 1000 Index			5.1	37	7.3	59	25.4	78	16.6	95	19.3	79	10.3	
Equity Active (130/30)	112,276,294	1.4%	5.6		7.8		28.5		19.0		20.2		13.5	Sep-08
Russell 1000 Index			5.1		7.3		25.4		16.6		19.3		12.3	

\* Total Fund and asset class composites are ranked against InvestorForce universes. Managers are ranked against eVest manager universes.

Ranking of 1 is a top ranking and ranking of 100 is a bottom ranking.

\*\* Returns from 2/1/06 to 12/31/10 were calculated using the overlay impact provided by SSgA.

+ Since Inception date denotes last day of the month.

1. See Appendix for Benchmark History.



Performance Summary

Periods Ending June 30, 2014

	Asset \$	%	1 Quarter		2 Quarters		Fiscal YTD		3 Year		5 Year		Since Inception <sup>+</sup>	
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	
<b>AllianceBernstein - Gross</b>	1,027,907,656	13.1%	5.1	66	7.2	30	25.2	35	16.5	68	19.1	45	10.0	Apr-89
<b>AllianceBernstein - Net</b>			5.1		7.2		25.2		16.5		19.1		10.0	
<i>Russell 1000 Index <sup>1</sup></i>			5.1	56	7.3	25	25.4	27	16.6	29	19.3	24		
<b>Large Cap - Index</b>	1,027,907,656	13.1%	5.1		7.3		25.3		16.6		19.2		12.3	Sep-08
<i>Russell 1000 Index</i>			5.1		7.3		25.4		16.6		19.3		12.3	
<b>Brown Advisory - Gross</b>	103,124,333	1.3%	2.0	96	2.0	92	19.5	97					14.1	Feb-12
<b>Brown Advisory - Net</b>			1.9		1.9		19.2						13.9	
<i>Russell 1000 Growth Index</i>			5.1	31	6.3	35	26.9	55	16.3	38	19.2	35	18.1	
<b>Large Cap - Growth</b>	103,124,333	1.3%	2.0		2.0		19.5		12.0		17.3		10.9	Sep-08
<i>Russell 1000 Growth Index</i>			5.1		6.3		26.9		16.3		19.2		13.5	
<b>Eagle Capital - Gross</b>	234,958,042	3.0%	3.8	85	5.5	87	24.0	54					21.4	Feb-12
<b>Eagle Capital - Net</b>			3.6		5.2		23.1						20.7	
<i>Russell 1000 Index</i>			5.1	41	7.3	58	25.4	39	16.6	49	19.3	43	19.6	
<i>Russell 1000 Value Index</i>			5.1	42	8.3	35	23.8	55	16.9	41	19.2	43	21.1	
<b>Huber Capital - Gross</b>	115,692,899	1.5%	2.4	98	4.4	95	21.8	78					20.7	Feb-12
<b>Huber Capital - Net</b>			2.3		4.3		21.2						20.1	
<i>Russell 1000 Value Index</i>			5.1	42	8.3	35	23.8	55	16.9	41	19.2	43	21.1	
<b>Large Cap - Value</b>	350,650,941	4.5%	3.3		5.2		23.3		16.5		19.6		12.1	Sep-08
<i>Russell 1000 Value Index</i>			5.1		8.3		23.8		16.9		19.2		11.0	
<b>US Equity - Large Cap Composite</b>	1,593,959,225	20.4%	4.5		6.5		24.7		16.3		19.2		5.3	Mar-98
<i>Russell 1000 Index</i>			5.1		7.3		25.4		16.6		19.3		5.9	

1. See Appendix for Benchmark History.

## Performance Summary

Periods Ending June 30, 2014

	Asset \$	%	1 Quarter		2 Quarters		Fiscal YTD		3 Year		5 Year		Since Inception <sup>+</sup>	
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	
<b>Small Cap</b>														
Weatherbie - Gross	70,396,571	0.9%	-2.7	88	-4.6	92	18.4	89	15.1	47	21.3	64	12.3	Dec-02
Weatherbie - Net			-2.9		-5.0		17.3		14.1		20.3		11.4	
Russell 2000 Growth Index			1.7	27	2.2	37	24.7	46	14.5	55	20.5	73	12.1	
<b>Small Cap - Growth</b>	<b>70,400,188</b>	<b>0.9%</b>	<b>-3.1</b>		<b>-4.7</b>		<b>18.3</b>		<b>12.4</b>		<b>19.6</b>		<b>12.3</b>	<b>Sep-08</b>
Russell 2000 Growth Index			1.7		2.2		24.7		14.5		20.5		13.3	
Dalton, Greiner - Gross	69,834,807	0.9%	4.3	24	7.1	19	27.3	35	16.2	53	22.0	45	11.9	Dec-00
Dalton, Greiner - Net			4.2		6.7		26.5		15.3		21.0		11.0	
Russell 2000 Value Index			2.4	68	4.2	65	22.5	79	14.6	75	19.9	79	9.7	
WEDGE Capital - Gross	70,488,335	0.9%	4.8	18	6.8	22	28.7	23	16.7	47	21.0	62	11.6	Apr-08
WEDGE Capital - Net			4.6		6.3		27.4		15.5		19.9		10.6	
Russell 2000 Value Index			2.4	68	4.2	65	22.5	79	14.6	75	19.9	79	9.3	
<b>Small Cap - Value</b>	<b>140,323,142</b>	<b>1.8%</b>	<b>4.6</b>		<b>6.9</b>		<b>28.0</b>		<b>15.8</b>		<b>20.8</b>		<b>12.5</b>	<b>Sep-08</b>
Russell 2000 Value Index			2.4		4.2		22.5		14.6		19.9		10.4	
<b>US Equity - Small Cap Composite</b>	<b>210,723,330</b>	<b>2.7%</b>	<b>1.1</b>		<b>1.3</b>		<b>23.5</b>		<b>14.2</b>		<b>20.4</b>		<b>12.6</b>	<b>Dec-90</b>
Russell 2000 Index			2.0		3.2		23.6		14.6		20.2		11.3	

## Performance Summary

Periods Ending June 30, 2014

	Asset \$	%	1 Quarter		2 Quarters		Fiscal YTD		3 Year		5 Year		Since Inception <sup>+</sup>	
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	
<b>REITs</b>														
CenterSquare - Gross	91,649,111	1.2%	7.6	31	18.8	16	16.1	26	12.9	33	25.7	14	8.9	Jan-06
CenterSquare - Net			7.5		18.6		15.8		12.4		25.1		8.4	
FTSE NAREIT Equity REIT			7.0	70	17.7	60	13.2	91	11.8	68	23.5	86	6.3	
<b>US Equity Composite</b>	<b>1,896,515,407</b>	<b>24.2%</b>	<b>4.2</b>	<b>62</b>	<b>6.3</b>	<b>43</b>	<b>24.1</b>	<b>74</b>	<b>15.7</b>	<b>60</b>	<b>19.4</b>	<b>48</b>	<b>10.1</b>	<b>Jun-86</b>
US Equity Benchmark <sup>1</sup>			4.9	20	6.9	21	25.2	42	16.5	27	19.3	51	10.3	
IF All DB US Eq Gross Median			4.4		6.1		25.0		16.0		19.3		10.4	
<b>INTERNATIONAL EQUITY MANAGERS</b>														
<b>Developed Markets</b>														
Baring Asset Management - Gross	417,809,623	5.3%	4.1	46	1.7	95	16.2	99					14.8	Jun-12
Baring Asset Management - Net			4.1		1.5		15.6						14.5	
MSCI World ex US Index			4.9	25	5.8	30	24.4	37					21.0	
Lazard Asset Management - Gross	419,848,298	5.4%	5.7	13	6.3	29	25.9	28					22.7	Jun-12
Lazard Asset Management - Net			5.6		6.1		25.4						22.4	
MSCI ACWI ex US Index			5.2	23	5.9	34	22.3	54					18.1	
LSV International - Gross	473,854,166	6.1%	5.1	31	6.7	29	28.3	11	9.6	33	12.2	62	5.5	Dec-04
LSV International - Net			5.0		6.4		27.6		9.3		11.8		5.0	
MSCI World ex US Index <sup>1</sup>			4.9	36	5.8	44	24.4	49	7.7	69	11.0	78	5.5	
MSCI EAFE Value Index			5.0	31	6.4	35	27.5	22	9.1	40	11.9	70	6.0	

1. See Appendix for Benchmark History.

## Performance Summary

Periods Ending June 30, 2014

	Asset \$	%	1 Quarter		2 Quarters		Fiscal YTD		3 Year		5 Year		Since Inception <sup>†</sup>	
			Return	Rank <sup>*</sup>	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	
<b>Mondrian - Gross</b>	89,703,597	1.1%	1.8	59	4.4	72	21.7	79	9.4	75	19.4	33	15.1	Aug-10
<b>Mondrian - Net</b>			1.6		4.1		20.8		8.7				14.4	
<i>MSCI World ex US Small Cap Index</i>			3.4	40	7.1	31	30.0	16	9.1	79	15.7	89	14.7	
<b>William Blair Dev - Gross</b>	102,912,927	1.3%	0.5	75	2.1	79	21.8	78	10.8	59	18.6	43	13.5	Sep-08
<b>William Blair Dev - Net</b>			0.2		1.9		21.0		9.9		17.5		12.4	
<i>MSCI World ex US Small Cap Index</i>			3.4	40	7.1	31	30.0	16	9.1	79	15.7	89	12.3	
<b>International Equity - Developed</b>	1,504,128,626	19.2%	4.4	48	4.7	56	23.2	34	8.1	44	12.2	44	4.8	Mar-98
<i>MSCI EAFE Index</i>			4.3	49	5.1	46	24.1	26	8.6	33	12.3	43	5.2	
<i>IF All DB Dev Mkt -ex US Eq Gross Median</i>			4.3		5.0		22.1		7.9		11.8		6.0	
<b>Emerging Markets</b>														
<b>Capital Group Emg Mkts Growth - Gross</b>	284,374,014	3.6%	5.1	92	2.6	97	12.7	77	-2.8	97	7.0	96	7.6	Jan-00
<b>Capital Group Emg Mkts Growth - Net</b>			5.1		2.6		12.7		-2.8		6.8		7.2	
<i>MSCI Emerging Markets Index</i>			6.7	65	6.3	58	14.7	59	-0.1	77	9.6	73	8.2	
<b>Mondrian Emg Mrkts Small Cap - Gross <sup>*</sup></b>	26,787,030	0.3%	9.9	10									19.9	Jan-14
<b>Mondrian Emg Mrkts Small Cap - Net</b>			9.7										19.7	
<i>MSCI Emerging Markets SC Index</i>			5.3	90									12.1	
<b>William Blair Emg - Gross <sup>**</sup></b>	25,461,095	0.3%	7.8	35	11.0	9							11.0	Dec-13
<b>William Blair Emg - Net</b>			7.5		10.7								10.7	
<i>MSCI Emerging Markets SC Index</i>			5.3	90	9.1	20							9.1	
<b>International Equity - Emerging</b>	336,622,139	4.3%	5.7	95	4.0	97	14.4	59	-2.3	92	7.3	84	7.8	Jan-00
<i>MSCI Emerging Markets Index</i>			6.7	70	6.3	76	14.7	53	-0.1	60	9.6	41	8.2	
<i>IF All DB Emg Mkt Eq Gross Median</i>			7.5		7.4		14.8		0.8		8.8		8.2	

\* Funded in February 2014.

\*\* Funded  
STRATEGIC INVESTMENT SOLUTIONS, INC.

Performance Summary

Periods Ending June 30, 2014

	Asset \$	%	1 Quarter		2 Quarters		Fiscal YTD		3 Year		5 Year		Since Inception <sup>+</sup>	
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	
<b>REITs</b>														
CBRE Clarion - Gross	79,956,121	1.0%	8.7	8	6.9	99	15.4	37	9.4	99	13.0	99	16.7	Oct-08
CBRE Clarion - Net			8.7		6.8		15.0		9.1		12.7		16.5	
FTSE NAREIT Developed ex US Gross			8.8	8	7.5	99	15.2	44	9.0	99	13.7	99	14.8	
<b>International Equity Composite</b>	<b>1,920,706,886</b>	<b>24.6%</b>	<b>4.8</b>	<b>34</b>	<b>4.7</b>	<b>65</b>	<b>21.3</b>	<b>61</b>	<b>6.3</b>	<b>70</b>	<b>11.6</b>	<b>62</b>	<b>7.0</b>	<b>Dec-87</b>
MSCI ACWI ex US Index <sup>1</sup>			5.2	13	5.9	31	22.3	47	6.2	71	11.6	62	6.9	
IF All DB ex-US Eq Gross Median			4.4		5.2		22.0		7.2		12.2		8.1	
<b>FIXED INCOME MANAGERS</b>														
Neuberger - Gross	357,863,741	4.6%	2.1	45	4.1	54	4.8	56	4.0	67	6.2	32	7.1	Jun-88
Neuberger - Net			2.1		4.1		4.7		4.0		6.1		7.1	
Barclays Aggregate Index			2.0	58	3.9	62	4.4	71	3.7	84	4.9	83	6.8	
TCW MetWest Fixed - Gross	381,972,442	4.9%	2.2	38	4.3	39	5.4	31	5.7	8	9.8	1	7.0	Dec-01
TCW MetWest Fixed - Net			2.1		4.2		5.0		5.5		9.5		6.8	
Barclays Aggregate Index			2.0	58	3.9	62	4.4	71	3.7	84	4.9	83	5.1	

1. See Appendix for Benchmark History.

## Performance Summary

Periods Ending June 30, 2014

	Asset \$	%	1 Quarter		2 Quarters		Fiscal YTD		3 Year		5 Year		Since Inception <sup>+</sup>	
			Return	Rank <sup>*</sup>	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>Brandywine - Gross</b>	213,646,456	2.7%	4.1	9	8.7	6	8.7	50					5.8	May-13
<b>Brandywine - Net</b>			4.0		8.5		8.4						5.5	
<i>80% Citi WGBI / 20% JPM GBI EM <sup>1</sup></i>			2.6	48	5.2	56	6.3	75					4.6	
<b>Brigade Capital - Gross <sup>*</sup></b>	153,600,965	2.0%	3.5	7	5.7	42							6.1	Nov-13
<b>Brigade Capital - Net</b>			3.5		5.7							6.1		
<i>50% MLHY Mast II / 50% CS Lev Lns <sup>1</sup></i>			2.0	78	4.2	84						4.8		
<b>Prudential Transition <sup>***</sup></b>	382,184,339	4.9%												Jun-14
<b>Fixed Income Composite</b>	1,489,383,595	19.0%	2.7	38	5.2	37	6.3	50	5.1	52	7.9	44	7.7	Jun-86
<i>Fixed Income Custom <sup>1</sup></i>			2.1	61	4.2	55	4.6	75	3.7	83	4.9	87	6.8	
<i>IF All DB Total Fix Inc Gross Median</i>			2.4		4.4		6.2		5.2		7.1		7.3	
<b>HEDGE FUND MANAGERS <sup>+</sup></b>														
<b>AQR Delta Fund II - Gross</b>	40,407,959	0.5%	1.2		-0.1		3.8						3.5	May-13
<b>AQR Delta Fund II - Net</b>			0.9	68	-0.6	81	2.8	78				2.5		
<i>91 Day T-Bill + 5%</i>			1.2	65	2.5	64	5.0	66				5.0		
<b>BlueCrest - Gross</b>	30,697,737	0.4%	0.0		0.7		1.6						1.1	Apr-12
<b>BlueCrest - Net</b>			0.0	88	0.7	76	1.6	93			1.1			
<i>91 Day T-Bill + 5%</i>			1.2	63	2.5	52	5.0	82			5.1			
<b>Brevan Howard US - Gross <sup>**</sup></b>	34,310,287	0.4%	-1.6										-2.0	Feb-14
<b>Brevan Howard US - Net</b>			-1.6	80							-2.0			
<i>91 Day T-Bill + 5%</i>			1.2	35							1.7			

1. See Appendix for Benchmark History.

\* Funded in November 2013.

\*\* Funded in March 2014.

\*\*\* Assets transferred from Bradford &amp; Marzec.

+ Hedge Fund managers are ranked in the eVest.net of fee universe.

Performance Summary

Periods Ending June 30, 2014

	Asset \$	%	1 Quarter		2 Quarters		Fiscal YTD		3 Year		5 Year		Since Inception +		
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return		
Claren Road Credit - Gross	33,138,300	0.4%	0.1		3.3		3.3						6.1	Jan-12	
Claren Road Credit - Net			-0.4	98	2.3	82	1.2	97						4.2	
91 Day T-Bill + 5%			1.2	80	2.5	81	5.0	83							5.1
Elliot Associates - Gross +	17,997,148	0.2%	1.8		4.2		10.1							10.0	Apr-12
Elliot Associates - Net			1.8		4.2		10.1							10.0	
91 Day T-Bill + 5%			1.2		2.5		5.0								5.1
Grosvenor - Gross	537,498	0.0%	-0.7		-1.0		-4.8		0.3		3.0		3.3	Aug-04	
Grosvenor - Net			-0.7	94	-1.0	91	-4.8	99	0.2	91	2.7	88	2.8		
91 Day T-Bill + 5%			1.2	63	2.5	52	5.0	82	5.1	53	5.1	69	6.6		
Grosvenor SC Absolute Return - Gross	252,164,300	3.2%	1.1		2.7		12.3						11.2	Nov-11	
Grosvenor SC Absolute Return - Net			0.9	73	2.4	53	11.4	28					10.4		
91 Day T-Bill + 5%			1.2	63	2.5	52	5.0	82					5.1		
Grosvenor SC Absolute Return B - Gross	168,100,603	2.1%	1.3		2.4		10.2						10.1	Jan-13	
Grosvenor SC Absolute Return B - Net			1.1	65	2.1	57	9.6	48					9.5		
91 Day T-Bill + 5%			1.2	63	2.5	52	5.0	82					5.0		
JANA Partners - Gross	40,176,747	0.5%	4.1		6.3								15.4	Jul-13	
JANA Partners - Net			3.6	34	5.3	51							13.5		
91 Day T-Bill + 5%			1.2	71	2.5	69							4.6		
Lakewood - Gross	34,046,255	0.4%	4.1		5.1		11.5						11.5	Jun-13	
Lakewood - Net			4.1	27	5.1	34	11.5	53					11.5		
91 Day T-Bill + 5%			1.2	55	2.5	54	5.0	78					5.0		

+ Preliminary quarterly returns as of 6/30/14 (June returns are not available at reporting period.)

Performance Summary

Periods Ending June 30, 2014

	Asset \$	%	1 Quarter		2 Quarters		Fiscal YTD		3 Year		5 Year		Since Inception <sup>+</sup>	
			Return	Rank <sup>*</sup>	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	
Laurion Capital - Gross <sup>*</sup>	34,465,851	0.4%	-1.8										-1.8	Mar-14
Laurion Capital - Net			-1.8	81									-1.8	
91 Day T-Bill + 5%			1.2	35									1.2	
OZ Domestic Partners II - Gross	39,337,713	0.5%	2.3		3.2		11.8						14.2	Dec-11
OZ Domestic Partners II - Net			1.6	46	1.9	61	9.0	53					11.4	
91 Day T-Bill + 5%			1.2	63	2.5	52	5.0	82					5.1	
Third Point Offshore Fund - Gross	34,488,571	0.4%	2.4		5.7		17.5						20.2	Apr-12
Third Point Offshore Fund - Net			2.4	58	5.7	47	17.5	29					20.2	
91 Day T-Bill + 5%			1.2	71	2.5	69	5.0	87					5.1	
<b>Hedge Fund Composite</b>	<b>759,868,970</b>	<b>9.7%</b>	<b>1.2</b>	<b>78</b>	<b>2.7</b>	<b>76</b>	<b>10.4</b>	<b>53</b>	<b>6.8</b>	<b>29</b>	<b>7.4</b>	<b>45</b>	<b>5.8</b>	<b>Aug-04</b>
91 Day T-Bill + 5%			1.2	78	2.5	81	5.0	95	5.1	77	5.1	86	6.6	
HFRI Fund of Funds Composite Index			1.5	72	2.0	87	7.6	85	3.3	92	4.2	95	3.5	
IF All DB Hedge Funds Gross Median			1.9		3.4		10.5		6.1		7.3		5.5	
<b>PRIVATE EQUITY MANAGERS <sup>+</sup></b>														
Abbot VI	40,839,829	0.5%	3.6		8.5		16.6		8.3		1.1		-3.6	Jul-08
Russell 1000 + 3% 1 Quarter Lag			2.8		13.9		25.4		17.8		23.9		10.2	
Accel-KKR IV	1,759,021	0.0%	-6.8		-29.5		-59.4						-59.4	Jun-13
Russell 1000 + 3% 1 Quarter Lag			2.8		13.9		25.4						25.4	
Garrison Investment Group	22,807,578	0.3%	3.6		9.1		19.2						9.2	May-12
Russell 1000 + 3% 1 Quarter Lag			2.8		13.9		25.4						22.4	

\* Funded in March 2014.

+ Returns are one-quarter lag.



## Performance Summary

Periods Ending June 30, 2014

	Asset \$	%	1 Quarter		2 Quarters		Fiscal YTD		3 Year		5 Year		Since Inception <sup>+</sup>	
			Return	Rank <sup>*</sup>	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	
<a href="#">HarbourVest VIII</a>	40,222,778	0.5%	3.4		11.4		19.5		11.6		13.6		7.0	Dec-07
<i>Russell 1000 + 3% 1 Quarter Lag</i>			2.8		13.9		25.4		17.8		23.9		8.0	
<a href="#">HarbourVest Int'l VI</a>	19,967,430	0.3%	2.3		10.9		20.2		0.9		-19.6		-23.3	Mar-09
<i>Russell 1000 + 3% 1 Quarter Lag</i>			2.8		13.9		25.4		17.8		23.9		20.1	
<a href="#">H.I.G. Bayside Loan III</a>	9,372,715	0.1%	1.3		4.0		0.2						-6.4	Jan-13
<i>Russell 1000 + 3% 1 Quarter Lag</i>			2.8		13.9		25.4						28.8	
<a href="#">H.I.G. Capital V</a>	533,919	0.0%	-0.6		-2.1								-3.4	Jul-13
<i>Russell 1000 + 3% 1 Quarter Lag</i>			2.8		13.9								22.9	
<a href="#">H.I.G. European Capital II <sup>*</sup></a>	223,227	0.0%	-3.7										-3.7	Jan-14
<i>Russell 1000 + 3% 1 Quarter Lag</i>			2.8										8.9	
<a href="#">Khosla Ventures IV</a>	7,170,890	0.1%	7.2		21.3		24.2						10.9	Jul-11
<i>Russell 1000 + 3% 1 Quarter Lag</i>			2.8		13.9		25.4						17.2	
<a href="#">Marlin Equity IV <sup>**</sup></a>	2,263,897	0.0%	-2.6		-8.8								-8.8	Nov-13
<i>Russell 1000 + 3% 1 Quarter Lag</i>			2.8		13.9								18.2	
<a href="#">New Enterprise Associates</a>	13,137,433	0.2%	4.7		10.5		19.8						4.7	May-12
<i>Russell 1000 + 3% 1 Quarter Lag</i>			2.8		13.9		25.4						22.4	
<a href="#">Private Equity X</a>	73,827,772	0.9%	10.7		17.9		38.7		23.8		11.8		-8.4	Jun-08
<i>Russell 1000 + 3% 1 Quarter Lag</i>			2.8		13.9		25.4		17.8		23.9		11.0	
<a href="#">RRJ Capital</a>	16,160,780	0.2%	1.6		15.3		28.8						26.3	May-13
<i>Russell 1000 + 3% 1 Quarter Lag</i>			2.8		13.9		25.4						28.0	

\* Funded in January 2014.

\*\* Funded in November 2013.

## Performance Summary

Periods Ending June 30, 2014

	Asset \$	%	1 Quarter		2 Quarters		Fiscal YTD		3 Year		5 Year		Since Inception +	
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	
<b>Summit Credit</b>	18,397,240	0.2%	2.6		5.4		11.1						4.4	Oct-11
<i>Russell 1000 + 3% 1 Quarter Lag</i>			2.8		13.9		25.4						20.9	
<b>Summit Ventures</b>	10,208,974	0.1%	0.0		-0.4		-1.1						-3.3	Jun-12
<i>Russell 1000 + 3% 1 Quarter Lag</i>			2.8		13.9		25.4						21.3	
<b>Thomas Bravo XI**</b>	960,091	0.0%												Jun-14
<i>Russell 1000 + 3% 1 Quarter Lag</i>														
<b>TPG OPP Partners III *</b>	2,576,072	0.0%	-70.7										-70.7	Mar-14
<i>Russell 1000 + 3% 1 Quarter Lag</i>			2.8										2.8	
<b>Trinity Ventures XI</b>	5,416,199	0.1%	-3.4		-8.3		-29.3						-25.7	Apr-13
<i>Russell 1000 + 3% 1 Quarter Lag</i>			2.8		13.9		25.4						27.4	
<b>Waterland V</b>	7,136,119	0.1%	-2.2		-3.4		47.4						-24.2	Aug-11
<i>Russell 1000 + 3% 1 Quarter Lag</i>			2.8		13.9		25.4						18.1	
<b>Wayzata Opportunities III</b>	3,240,601	0.0%	-2.8		-5.3		-14.7						-18.7	Feb-13
<i>Russell 1000 + 3% 1 Quarter Lag</i>			2.8		13.9		25.4						29.9	
<b>Private Equity Composite</b>	296,222,566	3.8%	4.5	21	10.4	16	20.9	13	11.6	32	9.2	82	-5.1	Dec-07
<i>Russell 1000 + 3% 1 Quarter Lag</i>			2.8	33	13.9	2	25.4	3	17.8	1	23.9	1	8.0	
<i>Thomson Reuters C/A All PE 1 Qtr Lag</i>			3.1	32	10.7	13	20.1	16	14.2	12	17.2	7	8.3	
<i>IF All DB Private Eq Net Median</i>			0.1		4.5		13.0		9.3		12.0		6.7	
<b>REAL ASSETS MANAGERS</b>														
<b>RE Separate Account Portfolios</b>														
<b>BlackRock Leveraged - Gross</b>	228,649,272	2.9%	3.4		5.9		12.3		12.6		11.0		9.2	Dec-98
<b>BlackRock Leveraged - Net</b>			3.2		5.6		11.5		11.9		10.2		--	
<i>NFI-ODCE <sup>1</sup></i>			2.9		5.5		12.7		12.2		10.2		9.1	

\* Funded in March 2014.

\*\* Funded in June 2014.

1. See Appendix A STRATEGIC INVESTMENT SOLUTIONS, INC.

## Performance Summary

Periods Ending June 30, 2014

	Asset \$	%	1 Quarter		2 Quarters		Fiscal YTD		3 Year		5 Year		Since Inception <sup>+</sup>
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return
BlackRock Unleveraged			3.0		5.2		11.1		11.1		9.9		10.0
NFI-ODCE <sup>1</sup>			2.9		5.5		12.7		12.2		10.2		9.7
BlackRock II Leveraged - Gross	43,089,643	0.6%	3.4		5.2		6.8		11.3		9.8		9.6
BlackRock II Leveraged - Net			3.2		4.8		6.2		10.5		9.1		
NFI-ODCE <sup>1</sup>			2.9		5.5		12.7		12.2		10.2		8.9
BlackRock II Unleveraged			2.7		4.2		6.3		9.1		8.3		8.0
NFI-ODCE <sup>1</sup>			2.9		5.5		12.7		12.2		10.2		8.8
Cornerstone Leveraged - Gross	142,489,663	1.8%	2.6		5.3		10.4		12.4		12.8		7.1
Cornerstone Leveraged - Net			2.4		4.9		9.4		11.5		11.8		
NFI-ODCE <sup>1</sup>			2.9		5.5		12.7		12.2		10.2		9.1
Cornerstone Unleveraged			2.1		4.2		8.4		9.8		10.4		6.5
NFI-ODCE <sup>1</sup>			2.9		5.5		12.7		12.2		10.2		9.1
Real Estate - Separate	414,228,578	5.3%	3.1		5.6		11.0		12.2		11.3		3.0
NFI-ODCE <sup>1</sup>			2.9		5.5		12.7		12.2		10.2		4.8
RE Limited Partnerships													
Cornerstone Patriot - Gross	88,671,534	1.1%	2.7		4.4		9.2		11.4		8.4		6.9
Cornerstone Patriot - Net			2.5		3.9		8.3		10.4		7.4		
NFI-ODCE			2.9		5.5		12.7		12.4		10.0		7.0

1. See Appendix for Benchmark History.

## Performance Summary

Periods Ending June 30, 2014

	Asset \$	%	1 Quarter	2 Quarters	Fiscal YTD	3 Year	5 Year	Since Inception +
			Return Rank *	Return Rank	Return Rank	Return Rank	Return Rank	Return
Jamestown Premier Property - Gross *	16,000,000	0.2%	3.7	6.7				6.7 Dec-13
Jamestown Premier Property - Net			3.7	6.7				6.7
NFI-ODCE			2.9	5.5				5.5
Metlife Core Property - Gross **	37,657,443	0.5%	2.5	9.0				9.0 Dec-13
Metlife Core Property - Net			2.3	8.8				8.8
NFI-ODCE			2.9	5.5				5.5
Prime Property - Gross ***	37,936,414	0.5%	3.3	6.2				9.9 Sep-13
Prime Property - Net			2.9	5.6				9.1
NFI-ODCE			2.9	5.5				8.9
<b>Real Estate - Limited Partnerships</b>	<b>180,265,391</b>	<b>2.3%</b>	<b>2.9</b>	<b>5.9</b>	<b>11.1</b>	<b>11.9</b>	<b>7.6</b>	<b>0.0 Sep-08</b>
NFI-ODCE			2.9	5.5	12.7	12.4	10.0	2.1
<b>Commodities</b>								
Blackstone Commodities - Gross	64,616,895	0.8%	3.0	9.4	11.1	-2.7	4.5	0.4 May-08
Blackstone Commodities - Net			2.7	8.9	10.0	-3.3		
DJ UBS Commodity TR USD			0.1	7.1	8.2	-5.2	2.0	-7.1
Gresham Investment Management - Gross	40,668,259	0.5%	1.9	7.1	10.3	-3.0	4.6	-6.4 Apr-08
Gresham Investment Management - Net			1.8	6.8	9.6	-3.4		
DJ UBS Commodity TR USD			0.1	7.1	8.2	-5.2	2.0	-6.6
<b>Commodities</b>	<b>105,285,154</b>	<b>1.3%</b>	<b>2.5</b>	<b>8.5</b>	<b>10.7</b>	<b>-2.8</b>	<b>4.5</b>	<b>-3.1 May-08</b>
DJ UBS Commodity TR USD			0.1	7.1	8.2	-5.2	2.0	-7.1

\* Funded in December 2013

\*\* Funded in December 2013

\*\*\* Funded in September 2013

Performance Summary

Periods Ending June 30, 2014

	Asset \$	%	1 Quarter Return Rank *	2 Quarters Return Rank	Fiscal YTD Return Rank	3 Year Return Rank	5 Year Return Rank	Since Inception + Return	
<b>Private Real Assets</b>									
EnCap Energy IX +	6,071,022	0.1%	-2.4	6.4	-4.0			-34.4	Jan-13
Russell 1000 + 3% 1 Quarter Lag			2.8	13.9	25.4			28.8	
<b>Overlay Proxy</b>									
SSgA Real Asset - Gross ++	397,997,498	5.1%	5.7	11.4	15.0	5.5	12.2	2.6	Jan-08
SSgA Real Asset - Net			5.7	11.3	14.8	5.3	12.0	2.5	
Blended Benchmark <sup>1</sup>			5.7	11.5	15.2	5.5	12.1		
Real Assets Composite +++	1,103,847,642	14.1%	3.9	8.0	12.2	4.2	9.0	0.3	May-08
CPI-U Headline + 5%			1.9	3.9	7.1			6.6	
<b>OPPORTUNISTIC MANAGERS</b>									
<b>Opportunistic Credit</b>									
Atalaya Special Opportunities V - Gross	9,459,317	0.1%	0.9	0.1				-5.2	Jul-13
Atalaya Special Opportunities V - Net			0.9	0.1				-5.2	
Russell 1000 + 3% 1 Quarter Lag			2.8	13.9				22.9	
European RE Debt II - Gross *	11,304,371	0.1%	5.0	4.3				4.3	Nov-13
European RE Debt II - Net			5.0	4.3				4.3	
NFI-ODCE			2.9	5.5				8.9	
Opportunistic Credit	20,763,688	0.3%	3.7	3.0				0.7	Jul-13
<b>RE Opportunistic</b>									
Kohlberg Kravis Roberts **	12,156,630	0.2%	7.1					7.1	Feb-14
Kohlberg Kravis Roberts - Net			6.3					6.3	
NFI-ODCE Net + 1%			3.3					5.8	
RE Opportunistic	12,156,630	0.2%	7.1					7.1	Feb-14
NFI-ODCE Net + 1%			3.3					5.8	

+ Returns are one-quarter lag.

++ SSGA Real Asset is excluded from Total Fund without Overlay Composite

+++ Includes SSgA Real Assets

\* Funded in November 2013.

\*\* Funded in February 2014

Performance Summary

Periods Ending June 30, 2014

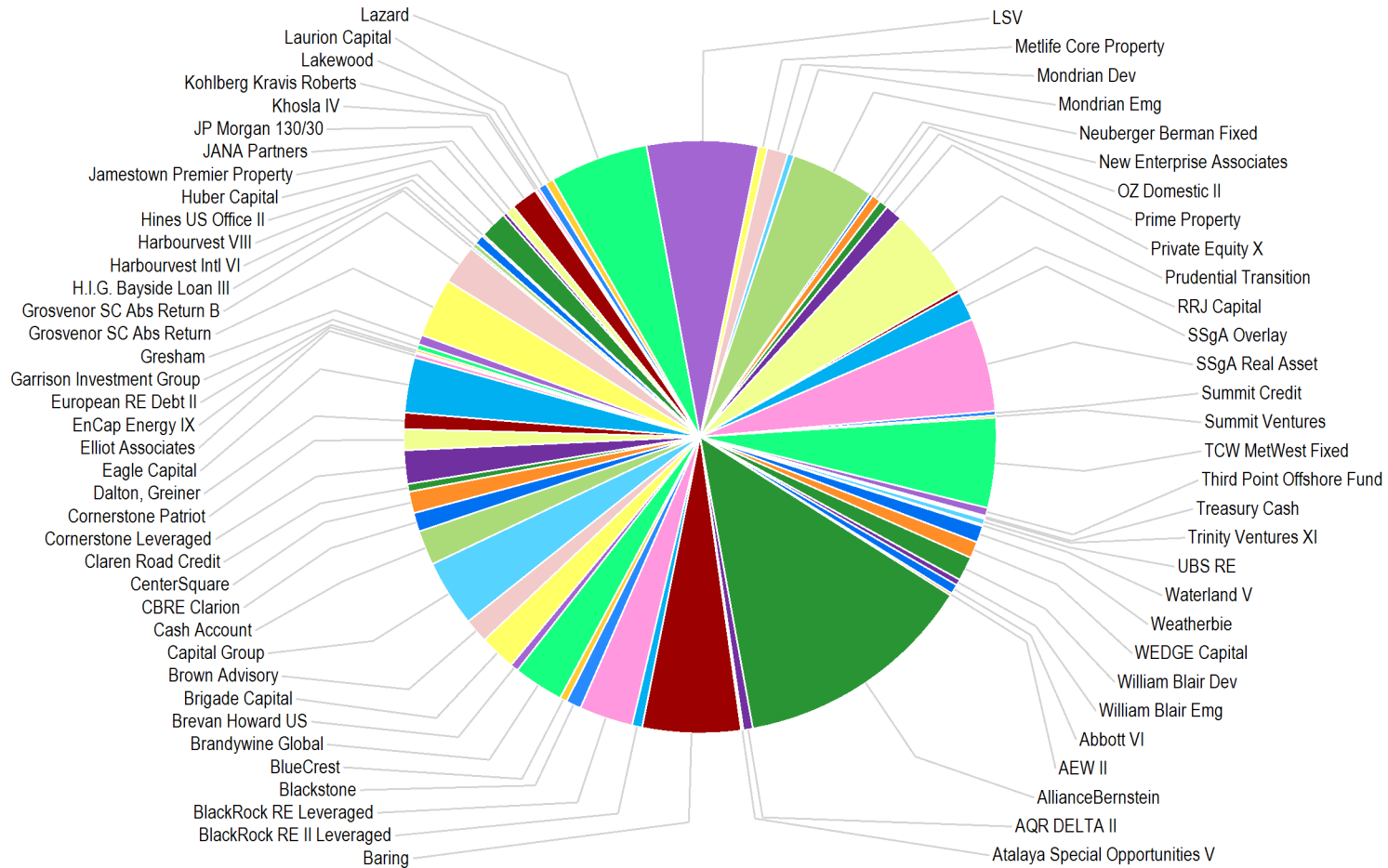
	Asset \$	%	1 Quarter Return Rank *	2 Quarters Return Rank	Fiscal YTD Return Rank	3 Year Return Rank	5 Year Return Rank	Since Inception + Return	
<b>RE Value Added</b>									
AEW II - Gross	10,133,388	0.1%	2.7	11.1	23.1	22.4	9.7	-0.2	May-07
AEW II - Net			2.4	10.5	21.8	21.0	7.5	-2.2	
NCREIF + 2% 1Q Lag			3.2	6.3	13.2	13.7	9.9	7.6	
Hines US Office II - Gross	8,598,562	0.1%	0.0	-3.8	11.2	9.0	-14.0	-23.0	Aug-07
Hines US Office II - Net			-0.7	-5.2	7.9	5.4	-17.6	-27.9	
NCREIF + 2% 1Q Lag			3.2	6.3	13.2	13.7	9.9	7.2	
UBS RE - Gross	25,328,554	0.3%	1.6	3.3	5.8	12.2	4.3	-3.6	Sep-06
UBS RE - Net			1.6	3.1	5.3	11.4	3.5	-5.5	
NCREIF + 2% 1Q Lag			3.2	6.3	13.2	13.7	9.9	8.2	
Real Estate - Value Added +	44,060,504	0.6%	1.6	4.2	11.8	14.1	0.6	-11.4	Sep-08
NCREIF + 2% 1Q Lag			3.2	6.3	13.2	13.7	9.9	5.8	
Opportunistic Composite	76,980,822	1.0%	3.0	4.3	11.8	13.1	18.7	7.4	Oct-07
Opportunistic Benchmark <sup>1</sup>			3.4	6.0	15.6	12.9	10.3	9.1	
<b>CASH</b>									
Cash	147,767,300	1.9%	0.0	0.0	0.1	0.1	0.2	3.5	Jun-92
91 Day T-Bills			0.0	0.0	0.0	0.0	0.1	2.8	
Treasury Cash	7,842,286	0.1%	2.3	3.8	0.8	0.7			
91 Day T-Bills			0.0	0.0	0.0	0.0		1.4	
Cash Composite	155,609,587	2.0%	0.1	0.1	0.5	0.3	0.3	3.5	Jun-92
91 Day T-Bills			0.0	0.0	0.0	0.0	0.1	2.8	

1. See Appendix for Benchmark History.

+ Returns are one-quarter lag.

# Manager Allocation Analysis - Total Plan

As Of June 30, 2014



## Manager Allocation Analysis - Total Plan

As Of June 30, 2014

	Current Balance	Current Allocation
AllianceBernstein	\$1,027,907,656	13.1%
JP Morgan 130/30	\$112,276,294	1.4%
Brown Advisory	\$103,124,333	1.3%
Eagle Capital	\$234,958,042	3.0%
Huber Capital	\$115,692,899	1.5%
Weatherbie	\$70,396,571	0.9%
Turner	\$3,617	0.0%
Dalton, Greiner	\$69,834,807	0.9%
WEDGE Capital	\$70,488,335	0.9%
CenterSquare	\$91,649,111	1.2%
Principal Global Inv	\$183,741	0.0%
Baring	\$417,809,623	5.3%
Lazard	\$419,848,298	5.4%
LSV	\$473,854,166	6.1%
Mondrian Dev	\$89,703,597	1.1%
William Blair Dev	\$102,912,927	1.3%
Capital Group	\$284,374,014	3.6%
Mondrian Emg	\$26,787,030	0.3%
William Blair Emg	\$25,461,095	0.3%
CBRE Clarion	\$79,956,121	1.0%
Neuberger Berman Fixed	\$357,863,741	4.6%
TCW MetWest Fixed	\$381,972,442	4.9%
Brandywine Global	\$213,646,456	2.7%
Brigade Capital	\$153,600,965	2.0%
Bradford & Marzec	\$115,652	0.0%
Prudential Transition	\$382,184,339	4.9%
AQR DELTA II	\$40,407,959	0.5%
BlueCrest	\$30,697,737	0.4%



## Manager Allocation Analysis - Total Plan

As Of June 30, 2014

	Current Balance	Current Allocation
Brevan Howard US	\$34,310,287	0.4%
Claren Road Credit	\$33,138,300	0.4%
Elliot Associates	\$17,997,148	0.2%
Grosvenor	\$537,498	0.0%
Grosvenor SC Abs Return	\$252,164,300	3.2%
Grosvenor SC Abs Return B	\$168,100,603	2.1%
JANA Partners	\$40,176,747	0.5%
Lakewood	\$34,046,255	0.4%
Laurion Capital	\$34,465,851	0.4%
OZ Domestic II	\$39,337,713	0.5%
Third Point Offshore Fund	\$34,488,571	0.4%
Abbott VI	\$40,839,829	0.5%
Accel-KKR IV	\$1,759,021	0.0%
Garrison Investment Group	\$22,807,578	0.3%
Harbourvest VIII	\$40,222,778	0.5%
Harbourvest Intl VI	\$19,967,430	0.3%
H.I.G. Bayside Loan III	\$9,372,715	0.1%
H.I.G. Capital V	\$533,919	0.0%
H.I.G. Europe Capital II	\$223,227	0.0%
Khosla IV	\$7,170,890	0.1%
Marlin Equity IV	\$2,263,897	0.0%
New Enterprise Associates	\$13,137,433	0.2%
Private Equity X	\$73,827,772	0.9%
RRJ Capital	\$16,160,780	0.2%
Summit Credit	\$18,397,240	0.2%
Summit Ventures	\$10,208,974	0.1%
Thomas Bravo XI	\$960,091	0.0%
TPG OPP Partners III	\$2,576,072	0.0%

## Manager Allocation Analysis - Total Plan

As Of June 30, 2014

	Current Balance	Current Allocation
Trinity Ventures XI	\$5,416,199	0.1%
Waterland V	\$7,136,119	0.1%
Wayzata Opportunities III	\$3,240,601	0.0%
BlackRock RE Leveraged	\$228,649,272	2.9%
BlackRock RE II Leveraged	\$43,089,643	0.6%
Cornerstone Leveraged	\$142,489,663	1.8%
Cornerstone Patriot	\$88,671,534	1.1%
Jamestown Premier Property	\$16,000,000	0.2%
Metlife Core Property	\$37,657,443	0.5%
Prime Property	\$37,936,414	0.5%
Blackstone	\$64,616,895	0.8%
Gresham	\$40,668,259	0.5%
EnCap Energy IX	\$6,071,022	0.1%
Atalaya Special Opportunities V	\$9,459,317	0.1%
European RE Debt II	\$11,304,371	0.1%
Kohlberg Kravis Roberts	\$12,156,630	0.2%
AEW II	\$10,133,388	0.1%
Hines US Office II	\$8,598,562	0.1%
UBS RE	\$25,328,554	0.3%
Cash Account	\$147,767,300	1.9%
Treasury Cash	\$7,842,286	0.1%
Heitman Adv JMB V	\$11,651	0.0%
SSgA Overlay	\$123,736,289	1.6%
SSgA Real Asset	\$397,997,498	5.1%
<b>Total</b>	<b>\$7,822,883,400</b>	<b>100.0%</b>

Risk Statistics Summary - Total Plan

Periods Ending June 30, 2014

**Statistics Summary**

**3 Years**

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank	Information Ratio	Information Ratio Rank	Tracking Error	Tracking Error Rank
Total Fund	9.9%	40	8.7%	77	1.1	73	0.2	40	2.1%	50
Policy Index	9.5%	60	7.2%	31	1.3	26	--	--	0.0%	1
Total Fund ex Overlay	9.3%	64	8.3%	68	1.1	75	-0.1	65	1.7%	15
Policy Index	9.5%	60	7.2%	31	1.3	26	--	--	0.0%	1

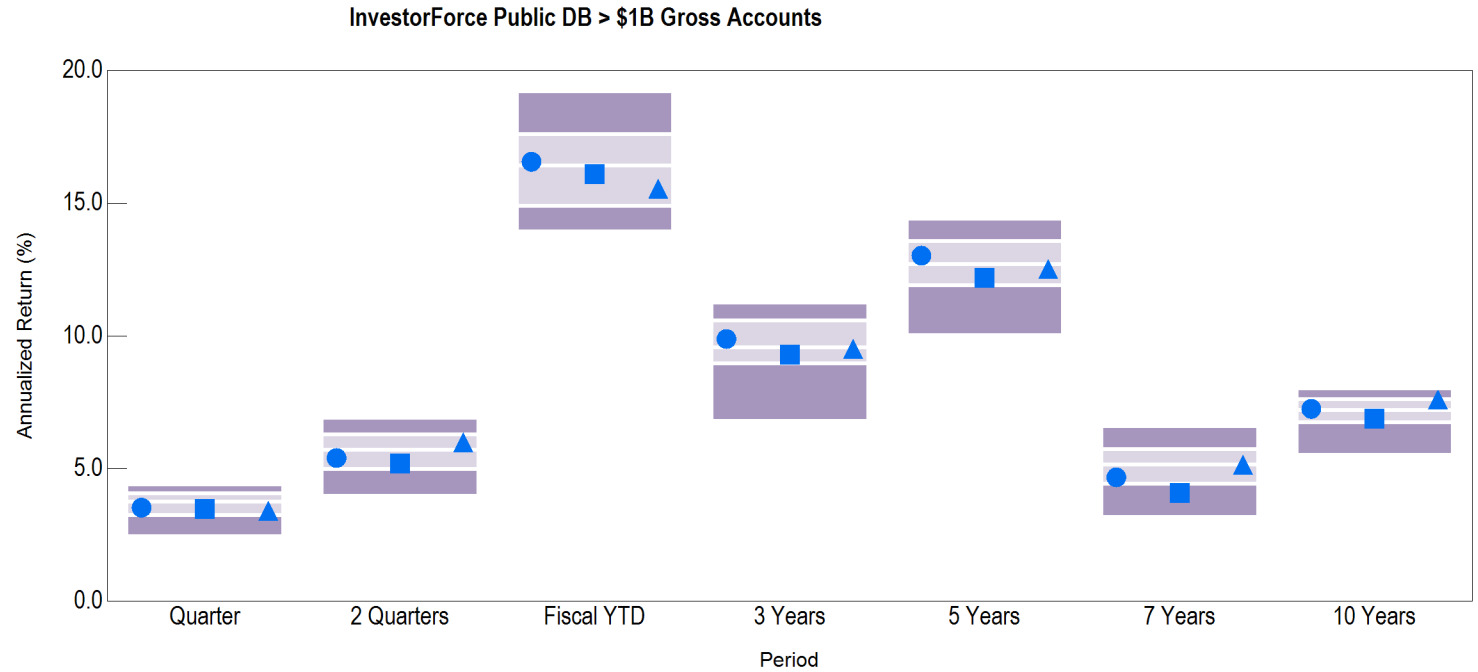
**Statistics Summary**

**5 Years**

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank	Information Ratio	Information Ratio Rank	Tracking Error	Tracking Error Rank
Total Fund	13.0%	35	9.2%	75	1.4	76	0.3	34	1.8%	15
Policy Index	12.5%	59	8.3%	55	1.5	55	--	--	0.0%	1
Total Fund ex Overlay	12.2%	70	8.7%	67	1.4	80	-0.2	72	1.5%	3
Policy Index	12.5%	59	8.3%	55	1.5	55	--	--	0.0%	1

Total Returns - Total Plan

Periods Ending June 30, 2014

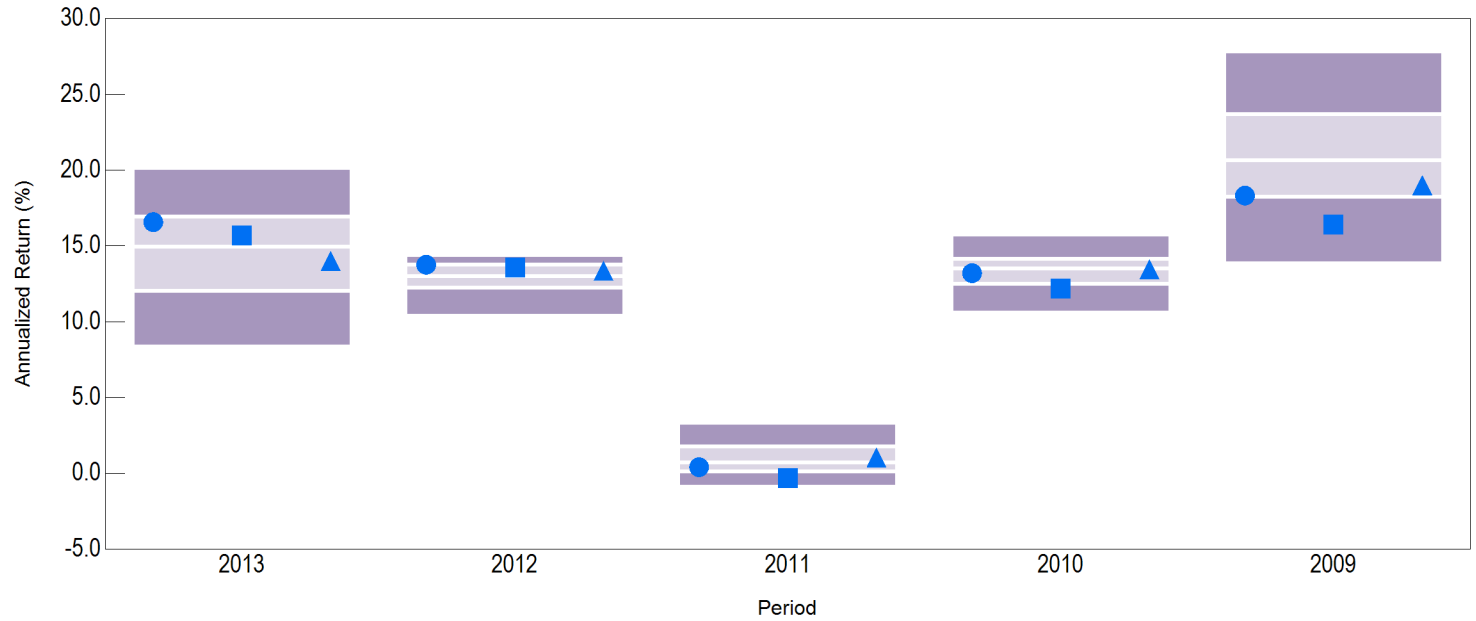


	Return (Rank)						
	Quarter	2 Quarters	Fiscal YTD	3 Years	5 Years	7 Years	10 Years
5th Percentile	4.4	6.9	19.2	11.3	14.4	6.6	8.0
25th Percentile	4.1	6.3	17.6	10.6	13.6	5.7	7.6
Median	3.8	5.7	16.4	9.6	12.7	5.2	7.2
75th Percentile	3.3	5.0	14.9	9.0	11.9	4.4	6.8
95th Percentile	2.5	4.0	14.0	6.8	10.1	3.2	5.5
# of Portfolios	53	53	52	52	52	51	50
● Total Fund	3.5 (64)	5.4 (63)	16.6 (50)	9.9 (40)	13.0 (35)	4.7 (67)	7.2 (50)
■ Total Fund ex Overlay	3.5 (66)	5.2 (70)	16.1 (55)	9.3 (64)	12.2 (70)	4.1 (92)	6.9 (66)
▲ Policy Index	3.4 (69)	6.0 (35)	15.6 (66)	9.5 (60)	12.5 (59)	5.1 (51)	7.6 (28)

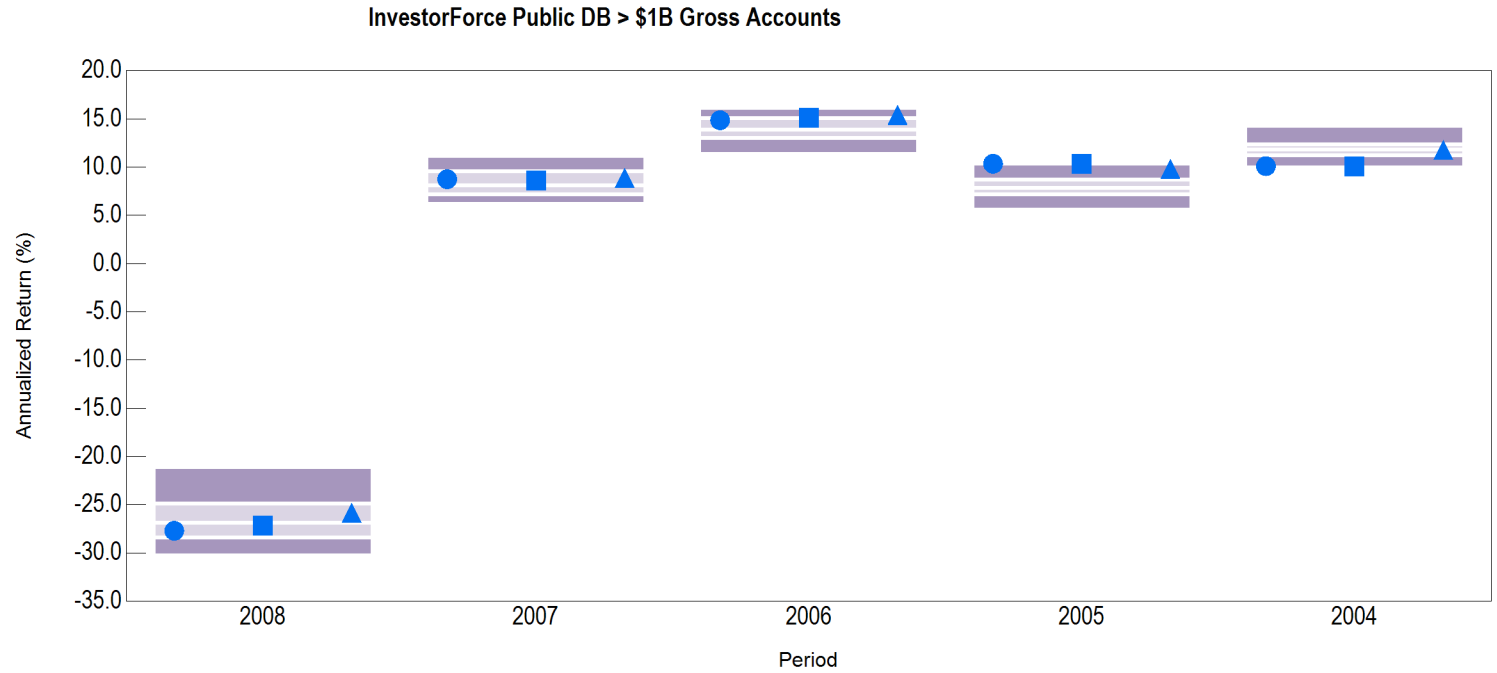
Total Returns - Total Plan

Calendar Year Periods

InvestorForce Public DB > \$1B Gross Accounts



	Return (Rank)									
5th Percentile	20.1		14.4		3.3		15.7		27.8	
25th Percentile	17.0		13.8		1.8		14.2		23.7	
Median	15.0		13.0		0.8		13.5		20.7	
75th Percentile	12.1		12.3		0.1		12.5		18.3	
95th Percentile	8.4		10.4		-0.9		10.6		13.9	
# of Portfolios	57		51		49		49		49	
● Total Fund	16.6	(31)	13.8	(28)	0.4	(56)	13.2	(63)	18.3	(75)
■ Total Fund ex Overlay	15.7	(42)	13.6	(36)	-0.3	(83)	12.2	(84)	16.4	(85)
▲ Policy Index	14.0	(63)	13.4	(39)	1.0	(37)	13.5	(55)	19.0	(63)



	Return (Rank)									
	2008	2007	2006	2005	2004	2008	2007	2006	2005	2004
5th Percentile	-21.2	11.1	16.1	10.4	14.3					
25th Percentile	-24.9	9.6	15.1	8.8	12.4					
Median	-26.8	8.1	13.9	7.9	11.8					
75th Percentile	-28.3	7.2	13.0	7.2	11.3					
95th Percentile	-30.2	6.2	11.4	5.6	10.0					
# of Portfolios	48	47	41	41	39					
● Total Fund	-27.7	8.7	14.9	10.3	10.1	(65)	(44)	(30)	(6)	(95)
■ Total Fund ex Overlay	-27.2	8.6	15.1	10.3	10.1	(53)	(46)	(25)	(6)	(95)
▲ Policy Index	-25.8	8.9	15.4	9.8	11.8	(42)	(42)	(21)	(9)	(55)

Policy and Benchmarks Index History

**Total Plan Policy**

	As of:						
	1/1/2014	1/1/2012	1/1/2008	2/1/2006	9/1/2004	1/1/2000	7/1/1986
Russell 3000	22.5%	22.5%	30.0%				47.0%
Russell 1000				30.0%	30.0%	35.0%	
Russell 2000				5.0%	5.0%	5.0%	
MSCI AC World ex US	22.5%	22.5%	20.0%				
MSCI EAFE				15.0%	15.0%	15.0%	15.0%
MSCI Emg Mkt				5.0%	5.0%	5.0%	
Fixed Income Custom	20.0%						
Barclays Aggregate		20.0%	20.0%	25.0%	25.0%	30.0%	
Citigroup BIG							23.0%
NCREIF Property			12.0%	12.0%	15.0%	10.0%	15.0%
NAREIT Equity			3.0%	3.0%			
91 Day T Bill + 5%	10.0%	10.0%	5.0%	5.0%	5.0%		
Dow Jones UBS Commodity			5.0%				
S&P 500 + 2% 1Q Lag			5.0%				
Russell 1000 + 3% 1Q Lag	10.0%	10.0%					
CPI-U Headline + 5%	15.0%	15.0%					
	100%	100%	100%	100%	100%	100%	100%

**US Equity Benchmark**

	As of:			
	1/1/2008	9/1/2004	1/1/2000	7/1/1986
Russell 1000		85.7%	87.5%	
Russell 2000		14.3%	12.5%	
Russell 3000	100%			100%
	100%	100%	100%	100%

**AllianceBernstein Benchmark**

	As of:		
	1/1/2001	1/1/1998	5/1/1989
Russell 1000	100%		
Russell 3000		100%	
Wilshire 2500			100%
	100%	100%	100%

**International Equity Benchmark**

	As of:		
	1/1/2008	1/1/2000	7/1/1986
MSCI AC World ex US	100%		
MSCI EAFE		75%	100%
MSCI Emg Mkt		25%	
	100%	100%	100%

**LSV Benchmark**

	As of:	
	7/1/2012	1/1/2005
MSCI World ex US	100%	
MSCI EAFE Value		100%
	100%	100%

**US Fixed Income Benchmark**

	As of:		
	1/1/2014	1/1/2000	7/1/1986
Barclays Aggregate	75.0%		
Citi WGBI	12.0%		
BofA Merrill Lynch US HY Master II	5.0%		
Credit Suisse Leveraged Loans	5.0%		
JPMorgan GBI EM Diversified	3.0%		
Citigroup BIG			100%
Barclays Aggregate		100%	
	100%	100%	100%

**Bradford & Marzec Benchmark**

	As of:	
	10/1/1998	7/1/1988
Barclays Aggregate	100%	
Citigroup BIG		100%
	100%	100%

**Brandywine Benchmark**

	As of:
	6/1/2013
Citi WGBI	80%
JPM GBI Emg Mkt Diversified	20%
	100%

**Brigade Benchmark**

	As of:
	11/1/2013
BofA ML HY Master II TR	50%
Credit Suisse Leverage Loans	50%
	100%

**Private Equity**

	As of:	
	1/1/2012	1/1/2008
Russell 1000 + 3% 1Q Lag	100%	
S&P 500 +2% 1Q Lag		100%
	100%	100%

**Real Asset Benchmark**

	As of:
	1/1/2012
CPI-U Headline + 5%	100%
	100%

**SSgA Real Asset Benchmark**

	As of:
	2/1/2008
MSCI World Natural Resources Index	25%
Dow Jones US Select REIT	30%
BC Global Inflation Linked: US Tips	20%
Goldman Sachs Commodities Index	25%
	100%

**Real Estate Benchmark**

	As of:	
	4/1/2013	1/1/1999
NFI-ODCE	100%	
NCREIF Property		100%
	100%	100%

**Opportunistic Benchmark**

	As of:	
	1/1/2012	11/1/2007
Policy Index	100%	
Barclays Aggregate		100%
	100%	100%