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Vermont Pension Investment Committee

Third Quarter 2014

Investment Performance Analysis

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NEPC Update



Highlights of Third Quarter Happenings at NEPC

NEPC Research Recent White Papers Posted

- *Demystifying Systematic Macro Hedge Fund Strategies (October 2014) - Alex N. Kamunya, CAIA, Senior Research Consultant, Hedge Funds*
- *Investing in a Low-Return World: Avoiding Portfolio Paralysis (September 2014) - Timothy McCusker, FSA, CFA, CAIA, Chief Investment Officer*
- *Private Equity Fundraising: Too Fast, Too Furious? (August 2014) - NEPC Private Equity Team*
- *Investment Outsourcing: Evolution of the Industry, Products and Solutions (August 2014) - Steven F. Charlton, CFA, Director of Consulting Services*



Professional Staff Updates

- David W. Moore, Partner, ARM, CEBS, and CPCU named head of Healthcare Consulting Practice
- Craig A. Svendsen, CFA, Partner named head of DB Corporate Consulting Practice

CIO Magazine's Influential Investment Consultants 2014 Awards

NEPC is excited to announce that two of its professionals appeared on CIO Magazine's (formerly aiCIO) annual list of the world's 25 most influential investment consultants in the institutional investment universe. **Chief Investment Officer, Tim McCusker**, was in the top ten, ranking sixth, and **KC Connors**, a fellow **NEPC Partner and Head of our Philanthropic Practice Team**, ranked eighteenth. The list, released earlier this month, is CIO's yearly ranking of the most influential institutional consultants who have made a positive impact working with their clients. Sourced from interviews with pension and non-profit CIOs, asset managers and former consultants, the list "represents our best approximation of the hierarchy of today's institutional consultant industry," said CIO. To learn more visit: http://www.aicio.com/2014_Knowledge_Brokers.aspx

NEPC's Video Series - "Five Questions With..."

We are excited to announce NEPC's Video Series—"Five Questions With..."—and we couldn't think of a better way to kick off this series of investment insights than an interview with our very own CIO, Tim McCusker! Tim discusses his thoughts on the market and investment opportunities, and provides a recap of his first 100 days as NEPC's CIO. The goal of our series is to provide the perspectives of industry leaders and experts, who will discuss the state of the market and opportunities. We hope you enjoy this inaugural video and please be on the lookout for additional interviews in the near future! To view the video please visit: http://www.nepc.com/clients/endowments_foundations

Market Review

Investment Market Update: As of September 30, 2014

Domestic Equity Benchmarks		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Large Core	S&P 500	1.1%	19.7%	23.0%	15.7%	8.1%
Small Core	Russell 2000	-7.4%	3.9%	21.3%	14.3%	8.2%
Small Growth	Russell 2000 Growth	-6.1%	3.8%	21.9%	15.5%	9.0%
Small Value	Russell 2000 Value	-8.6%	4.1%	20.6%	13.0%	7.3%
Large Core	Russell 1000	0.7%	19.0%	23.2%	15.9%	8.5%
Large Growth	Russell 1000 Growth	1.5%	19.2%	22.5%	16.5%	8.9%
Large Value	Russell 1000 Value	-0.2%	18.9%	23.9%	15.3%	7.8%
Mid Core	S&P Mid Cap 400	-4.0%	11.8%	22.4%	16.4%	10.3%
REIT	NAREIT Composite	-2.6%	13.2%	16.6%	15.6%	N/A
		9.1%	18.4%	17.8%	7.4%	0.0%
Int'l Equity Benchmarks		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
International Developed	MSCI EAFE	-5.9%	4.3%	13.7%	6.6%	6.3%
Emerging Equity	MSCI EM	-3.5%	4.3%	7.2%	4.4%	10.7%
Small Cap Int'l	S&P EPAC SmallCap	-7.2%	4.6%	15.3%	9.1%	8.8%
World ex-US	MSCI ACWI ex-US	-5.3%	4.8%	11.8%	6.0%	7.1%
Domestic FI Benchmarks		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Core Bonds	Barclays Aggregate	0.2%	4.0%	2.4%	4.1%	4.6%
Municipal Bond	Barclays Municipal	1.5%	7.9%	4.6%	4.7%	4.7%
High Yield	Barclays US High Yield	-1.9%	7.2%	11.1%	10.6%	8.3%
Intermediate Gov/Cred	Barclays Intern. Gov/Credit	-0.0%	2.2%	2.0%	3.4%	4.1%
Long Gov/Credit	Barclays Long Gov/Credit	1.0%	12.9%	4.8%	8.0%	7.0%
Long Credit	Barclays Long Credit	0.2%	13.6%	6.7%	8.7%	7.0%
Long Treasuries	Barclays US 20+ Yr Treas	3.0%	12.8%	1.9%	7.0%	7.0%
Cash	BofA ML US 3-Month T-Bill	0.0%	0.1%	0.1%	0.1%	1.6%
Inflation	Barclays US TIPS 1-10 Yr	-2.0%	0.6%	0.9%	3.4%	4.0%
Global Inflation	Barclays Global ILB	-2.8%	3.4%	3.7%	4.5%	5.1%
STRIPS	Barclays 20+ Yr STRIPS	5.1%	22.0%	2.1%	9.7%	N/A
Global FI Benchmarks		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
World Gov. Bonds	Citigroup WGBI	-3.8%	-0.1%	-0.5%	1.6%	4.1%
Em. Mkt. Bonds (Local)	JPM GBI-EM Glob. Div.	-5.7%	-1.5%	2.2%	4.4%	8.8%
Diversified Benchmark		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Diversified	Diversified*	-1.5%	10.0%	14.0%	10.3%	6.9%
Alternative Benchmarks		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Commodities	DJ UBS Commodity Index	-11.8%	-6.6%	-5.3%	-1.4%	-1.0%
Fund of Funds	HFRI Fund of Funds	0.3%	6.1%	5.2%	3.4%	3.4%
Hedge Fund	DJCS HF Composite	0.6%	7.7%	7.2%	6.4%	6.3%
Hedge Fund	DJCS Equity Market Neutral	-1.0%	3.5%	3.6%	2.1%	-0.9%
Hedge Fund	DJCS Event Driven	-1.8%	8.8%	10.1%	7.3%	7.5%
Hedge Fund	DJCS Long-Short	0.1%	9.7%	10.3%	6.4%	6.9%
Real Estate	NCREIF Property Index**	2.9%	11.2%	11.3%	9.7%	8.6%

* 35% LC, 10% SC, 12% Int'l, 3% Emerging, 25% FI, 5% HY, 5% Global FI, 5% REITS

**As of 6/30/2014

Investment Market Update: As of September 30, 2014

PERFORMANCE THROUGH 9/30/2014

Sector	Index	2008	2009	2010	2011	2012	2013	Q1	Q2	JUL	AUG	SEP	Q3	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%	7.1%	-3.2%	5.1%	27.7%
REITS	Wilshire US REIT	-39.2%	28.6%	28.6%	9.2%	17.6%	1.9%	10.1%	7.2%	0.1%	2.8%	-5.8%	-3.1%	14.5%
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%	3.3%	-2.5%	1.0%	13.0%
Long Credit	Barclays US Long Credit	-3.9%	16.8%	10.7%	17.1%	12.7%	-6.6%	6.3%	5.0%	0.2%	2.9%	-2.9%	0.2%	11.9%
Large Cap	S&P 500	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	1.8%	5.2%	-1.4%	4.0%	-1.4%	1.1%	8.3%
Large Cap Value	Russell 1000 Value	-36.8%	19.7%	15.5%	0.4%	17.5%	32.5%	3.0%	5.1%	-1.7%	3.7%	-2.1%	-0.2%	8.1%
Large Cap	Russell 1000	-37.6%	28.4%	16.1%	1.5%	16.4%	33.1%	2.0%	5.1%	-1.6%	4.1%	-1.8%	0.7%	8.0%
Large Cap Growth	Russell 1000 Growth	-38.4%	37.2%	16.7%	2.6%	15.3%	33.5%	1.1%	5.1%	-1.5%	4.6%	-1.5%	1.5%	7.9%
Muni Bonds	Barclays Municipal	-2.5%	12.9%	2.4%	10.7%	6.8%	-2.6%	3.3%	2.6%	0.2%	1.2%	0.1%	1.5%	7.6%
EMD USD	Barclays EM USD Agg	-14.7%	34.2%	12.8%	7.0%	17.9%	-4.1%	2.8%	4.5%	-0.1%	0.8%	-1.5%	-0.8%	6.6%
Diversified	Diversified*	-24.5%	24.1%	13.5%	1.3%	12.7%	17.6%	2.1%	3.8%	-1.4%	2.5%	-2.4%	-1.4%	4.4%
Core Bonds	Barclays US Agg Bond	5.2%	5.9%	6.5%	7.8%	4.2%	-2.0%	1.8%	2.0%	-0.3%	1.1%	-0.7%	0.2%	4.1%
High Yield	Barclays US Corp HY	-26.2%	58.2%	15.1%	5.0%	15.8%	7.4%	3.0%	2.4%	-1.3%	1.6%	-2.1%	-1.9%	3.5%
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%	0.8%	-0.4%	0.0%	2.9%
Emerging Equities	MSCI EM	-53.3%	78.5%	18.9%	-18.4%	18.2%	-2.6%	-0.4%	6.6%	1.9%	2.3%	-7.4%	-3.5%	2.4%
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%	0.7%	-0.5%	-0.0%	2.2%
Global Bonds	Citi WGBI	10.9%	2.6%	5.2%	6.4%	1.6%	-4.0%	2.7%	2.3%	-0.9%	0.5%	-3.3%	-3.8%	1.0%
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%	0.4%	-0.2%	-0.0%	1.0%
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%	0.2%	-0.1%	0.0%	0.6%
SMID Cap	Russell 2500	-36.8%	34.4%	26.7%	-2.5%	17.9%	36.8%	2.3%	3.6%	-4.9%	4.9%	-5.1%	-5.3%	0.3%
EMD Loc	JPM GBI EM Glob Div	-5.2%	22.0%	15.7%	-1.8%	16.8%	-9.0%	1.9%	4.0%	-1.1%	0.5%	-5.1%	-5.7%	-0.0%
Int'l Developed	MSCI EAFE	-43.4%	31.8%	7.8%	-12.1%	17.3%	22.8%	0.7%	4.1%	-2.0%	-0.2%	-3.8%	-5.9%	-1.4%
Small Cap Growth	Russell 2000 Growth	-38.5%	34.5%	29.1%	-2.9%	14.6%	43.3%	0.5%	1.7%	-6.1%	5.6%	-5.4%	-6.1%	-4.0%
Small Cap	Russell 2000	-33.8%	27.2%	26.9%	-4.2%	16.3%	38.8%	1.1%	2.0%	-6.1%	5.0%	-6.0%	-7.4%	-4.4%
Small Cap Value	Russell 2000 Value	-28.9%	20.6%	24.5%	-5.5%	18.1%	34.5%	1.8%	2.4%	-6.0%	4.3%	-6.7%	-8.6%	-4.7%
Commodities	Bloomberg Commodity	-35.6%	18.9%	16.8%	-13.3%	-1.1%	-9.5%	7.0%	0.1%	-5.0%	-1.0%	-6.2%	-11.8%	-5.6%

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

Source: Morningstar Direct

Investment Market Update: As of October 31, 2014

PERFORMANCE THROUGH 10/31/2014

Sector	Index	2008	2009	2010	2011	2012	2013	Q1	Q2	Q3	OCT	2014
Treasury STRIPS	Barclays US Strips 20+ Yr	59.5%	-36.0%	10.9%	58.5%	3.0%	-21.0%	12.7%	7.8%	5.1%	4.2%	33.1%
REITS	Wilshire US REIT	-39.2%	28.6%	28.6%	9.2%	17.6%	1.9%	10.1%	7.2%	-3.1%	10.7%	26.7%
Long Govt/Credit	Barclays US Govt/Credit Long	8.4%	1.9%	10.2%	22.5%	8.8%	-8.8%	6.6%	4.9%	1.0%	2.2%	15.5%
Long Credit	Barclays US Long Credit	-3.9%	16.8%	10.7%	17.1%	12.7%	-6.6%	6.3%	5.0%	0.2%	1.9%	14.0%
Large Cap	S&P 500	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	1.8%	5.2%	1.1%	2.4%	11.0%
Large Cap Growth	Russell 1000 Growth	-38.4%	37.2%	16.7%	2.6%	15.3%	33.5%	1.1%	5.1%	1.5%	2.6%	10.7%
Large Cap	Russell 1000	-37.6%	28.4%	16.1%	1.5%	16.4%	33.1%	2.0%	5.1%	0.7%	2.4%	10.6%
Large Cap Value	Russell 1000 Value	-36.8%	19.7%	15.5%	0.4%	17.5%	32.5%	3.0%	5.1%	-0.2%	2.2%	10.5%
Muni Bonds	Barclays Municipal	-2.5%	12.9%	2.4%	10.7%	6.8%	-2.6%	3.3%	2.6%	1.5%	0.7%	8.3%
EMD USD	Barclays EM USD Agg	-14.7%	34.2%	12.8%	7.0%	17.9%	-4.1%	2.8%	4.5%	-0.8%	1.2%	7.9%
Diversified	Diversified*	-25.0%	24.8%	13.8%	1.4%	12.5%	18.1%	2.0%	3.8%	-1.4%	2.2%	6.7%
Core Bonds	Barclays US Agg Bond	5.2%	5.9%	6.5%	7.8%	4.2%	-2.0%	1.8%	2.0%	0.2%	1.0%	5.1%
SMID Cap	Russell 2500	-36.8%	34.4%	26.7%	-2.5%	17.9%	36.8%	2.3%	3.6%	-5.3%	4.4%	4.7%
High Yield	Barclays US Corp HY	-26.2%	58.2%	15.1%	5.0%	15.8%	7.4%	3.0%	2.4%	-1.9%	1.2%	4.7%
Interm Core Bonds	Barclays US Agg Interm	4.9%	6.5%	6.1%	6.0%	3.6%	-1.0%	1.2%	1.6%	0.0%	0.8%	3.7%
Emerging Equities	MSCI EM	-53.3%	78.5%	18.9%	-18.4%	18.2%	-2.6%	-0.4%	6.6%	-3.5%	1.2%	3.6%
Interm Govt/Credit	Barclays US Govt/Credit Interm	5.1%	5.2%	5.9%	5.8%	3.9%	-0.9%	1.0%	1.2%	-0.0%	0.7%	2.9%
Small Cap Value	Russell 2000 Value	-28.9%	20.6%	24.5%	-5.5%	18.1%	34.5%	1.8%	2.4%	-8.6%	7.0%	1.9%
Small Cap Growth	Russell 2000 Growth	-38.5%	34.5%	29.1%	-2.9%	14.6%	43.3%	0.5%	1.7%	-6.1%	6.2%	1.9%
Small Cap	Russell 2000	-33.8%	27.2%	26.9%	-4.2%	16.3%	38.8%	1.1%	2.0%	-7.4%	6.6%	1.9%
EMD Loc	JPM GBI EM Glob Div	-5.2%	22.0%	15.7%	-1.8%	16.8%	-9.0%	1.9%	4.0%	-5.7%	1.6%	1.6%
Govt/Credit	Barclays Govt/Credit 1-5 Yr	5.1%	4.6%	4.1%	3.1%	2.2%	0.3%	0.4%	0.7%	-0.0%	0.5%	1.5%
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%	0.0%	0.3%	0.9%
Global Bonds	Citi WGBI	10.9%	2.6%	5.2%	6.4%	1.6%	-4.0%	2.7%	2.3%	-3.8%	-0.2%	0.8%
Int'l Developed	MSCI EAFE	-43.4%	31.8%	7.8%	-12.1%	17.3%	22.8%	0.7%	4.1%	-5.9%	-1.5%	-2.8%
Commodities	Bloomberg Commodity	-35.6%	18.9%	16.8%	-13.3%	-1.1%	-9.5%	7.0%	0.1%	-11.8%	-0.8%	-6.3%

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

Source: Morningstar Direct

- **Federal Reserve and European Central Bank well on their way to diverging paths**
 - Fed has (mostly) remained steadfast with tapering, though recent comments have weakened that position moderately
 - ECB has been forced into action and announced it will be embarking on an asset purchasing stimulus plan
- **Global currency volatility escalated as the US Dollar strengthened**
 - Deviation in UK/US and ECB/JoB central bank policy expectations directly impacted currency markets and reverberated to other asset classes
- **US growth rebounded while global markets wavered**
 - Despite strong GDP growth at 4.6% in the second quarter, both US and international equities were caught in a wave of elevated volatility and were relatively flat (in local terms)
 - Foreign currency depreciation led to losses for international equities
 - Broad fixed income indices were mixed as the Treasury curve flattened and credit spreads widened
- **Oil prices fell significantly**
 - US production boom as well as strong supply from the Middle East combined with concerns of reduced demand in Europe and emerging markets
- **Emerging markets experienced continued return dispersion**
 - Macroeconomic conditions and potential risks vary greatly by country

- **Global Equities**

- Equity markets somersaulted their way to modest gains in the U.S., but were flat or slightly negative in many other regions as economic data varied.
- Riskier small-cap equities significantly underperformed large-cap equities, with the S&P 500 gaining 1.1% and the Russell 2000 Index declining 7.4%.
- International equities fell 5.8% in the third quarter, according to the MSCI EAFE Index, underperforming domestic and emerging markets.
- In local currency terms, emerging markets were up 0.6%, but currency depreciation led to a loss of 3.5% in dollar terms, according to the MSCI Emerging Markets Index.

- **Global Fixed Income**

- Risk aversion permeated fixed income markets in the third quarter amid growing concerns around geopolitical events and global economic growth.
- Demand for long-dated US Treasuries increased, while the fear of interest rate hikes triggered a selloff in shorter-dated maturities. As a result, the yield on the 10-year Treasury dropped four basis points during the quarter, finishing at 2.5%.
- After a long stretch of credit spread narrowing, spreads on investment grade credit widened 12 basis points to 112 basis points during the quarter.
- The Barclays US Credit Index lost 0.03% and the Long Duration Credit Index gained 0.2% in the third quarter.
- Buffeted by outflows, the high yield market lost 1.9%, according to the Barclays High Yield Index.
- Emerging market debt also slowed in the third quarter following a strong first half of the year. Headwinds to the asset class included geopolitical risk, growth concerns, and the prospect of the Fed raising interest rates. Local currency debt (measured by JP Morgan GBI-EM GD Unhedged) fared worse than external currency debt (measured by JP Morgan EMBI+ Index), with the two indices losing 5.7% and 2.1%, respectively.

- **Commodity Markets**

- Commodities received a beating in the third quarter with the Bloomberg Commodity Index losing 11.8%. Corn and wheat prices suffered the most, returning -25.8% and 22.0%, respectively. These losses were fueled by decreased global demand and large increases in supply as growing conditions improved.
- The energy sector sold off by nearly 12% during the quarter due to a combination of a well-supplied physical market and weak demand for crude oil from OPEC.

- **Hedge Funds**

- Hedge Funds performed modestly in the third quarter, with Credit Suisse Hedge Fund Composite returning 0.6% compared to the 1.1% for the S&P 500 and 0.2% for the Barclays Aggregate Bond Index.
- 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 rose 1.7% with certain managers benefitting from the stronger US dollar.
- Credit Suisse Managed Futures Index was up 5.7%, driven by gains of 5.0% in August largely due to falling yields on developed market sovereign bonds.
- The Credit Suisse Event Driven Index lost 1.8% as some special situation equity strategies were hurt in the market selloff in September.

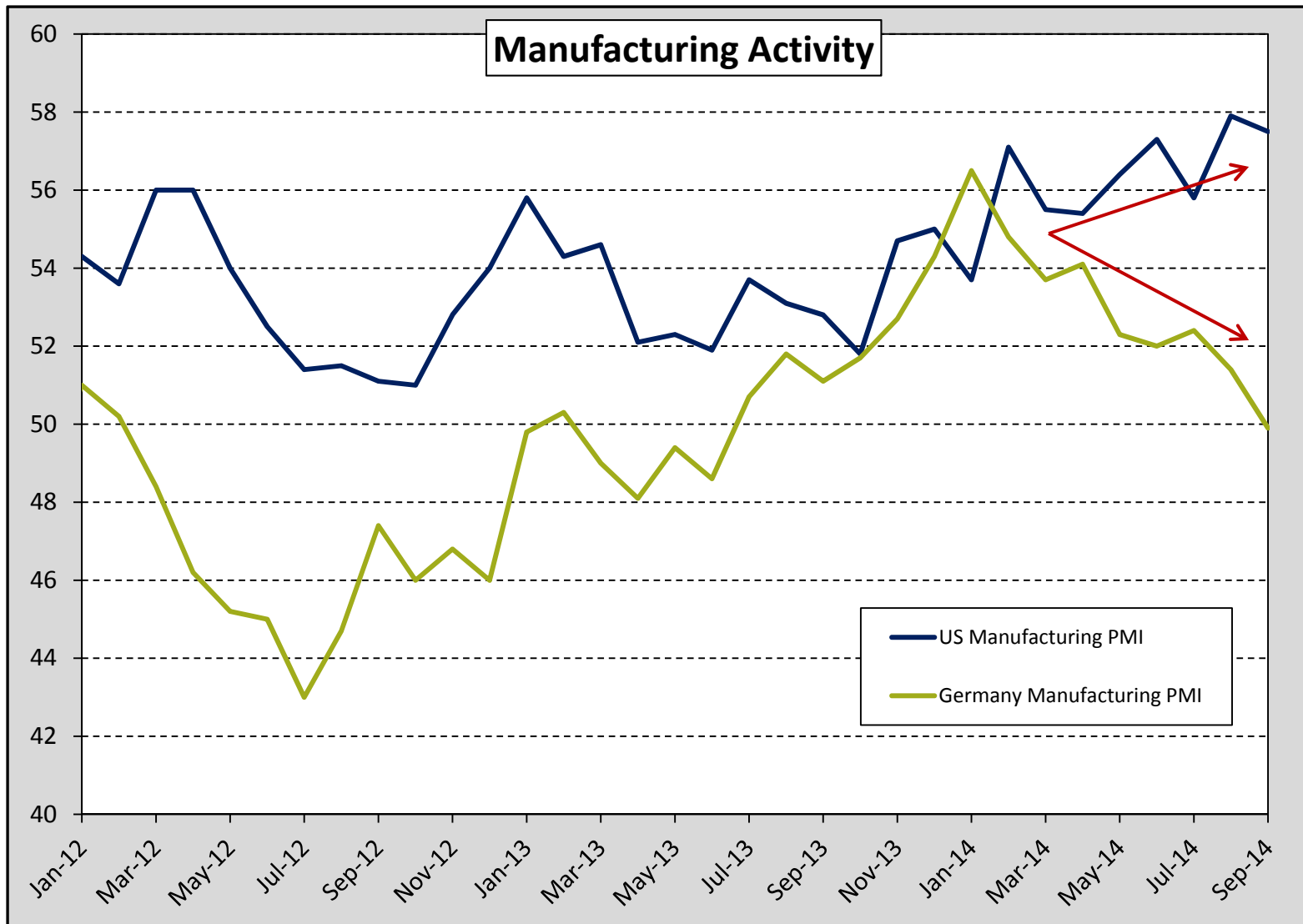
- **Private Markets**

- This year is on track to be the fifth consecutive year of increased commitments with the new private equity obligations totaling \$264.9 billion for the first nine months of 2014. New private equity funds raised \$85.6 billion during the third quarter.
- Buyout and growth equity funds raised \$88.5 billion in the first half of 2014, with mega buyout firms accounting for 41% 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 \$12.9 billion.
- Secondary funds raised \$16.2 billion, eclipsing the 2013 funding total of \$13.2 billion, as a wave of large funds start to closings.

- **Real Estate**

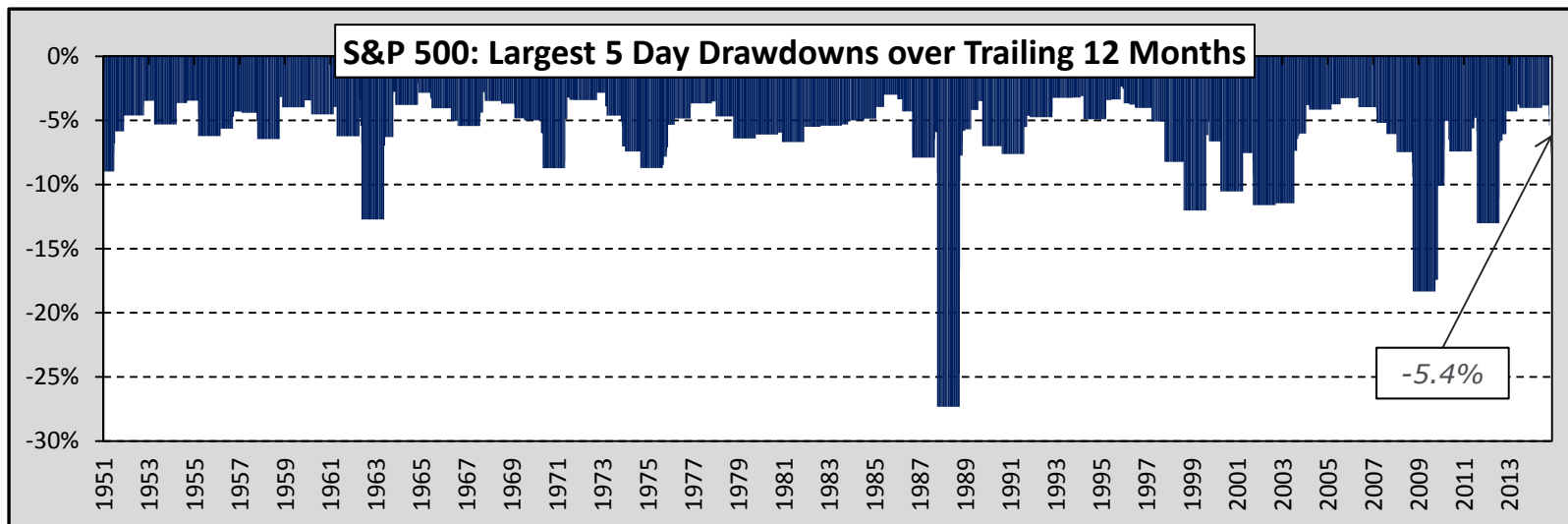
- NEPC remains neutral on core real estate in the US, positive on non-core real estate strategies such as value-add and opportunistic, and neutral on debt strategies (both in US and Europe).
- The main concerns for US core real estate (and US real estate, broadly) continue to be plentiful capital that is driving up pricing, and the market's expectation for higher future interest rates and their impact on capitalization rates and capital values.
- For non-core real estate – value add and opportunistic – we still view Europe as the best place for a marginal dollar of real estate investment; however, the opportunity, which is based in asset mispricing and not future expected growth, is limited.
- For debt strategies, yields have generally remained low and competition from more traditional lending sources (such as banks) has increased, putting pressure on private debt/mezzanine strategies.

Diverging Economic Conditions in the US and Europe

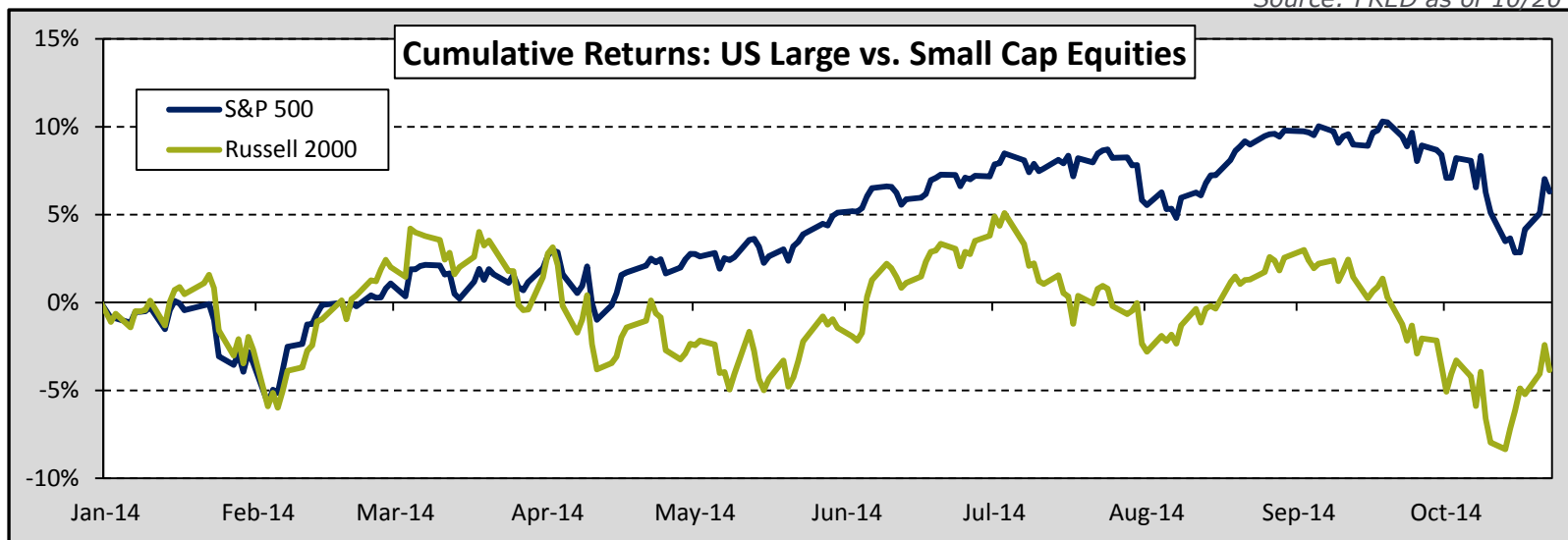


Source: Bloomberg as of 9/30

Recent Equity Pullback – Not Unusual, but Large vs. Small Divergence is Significant

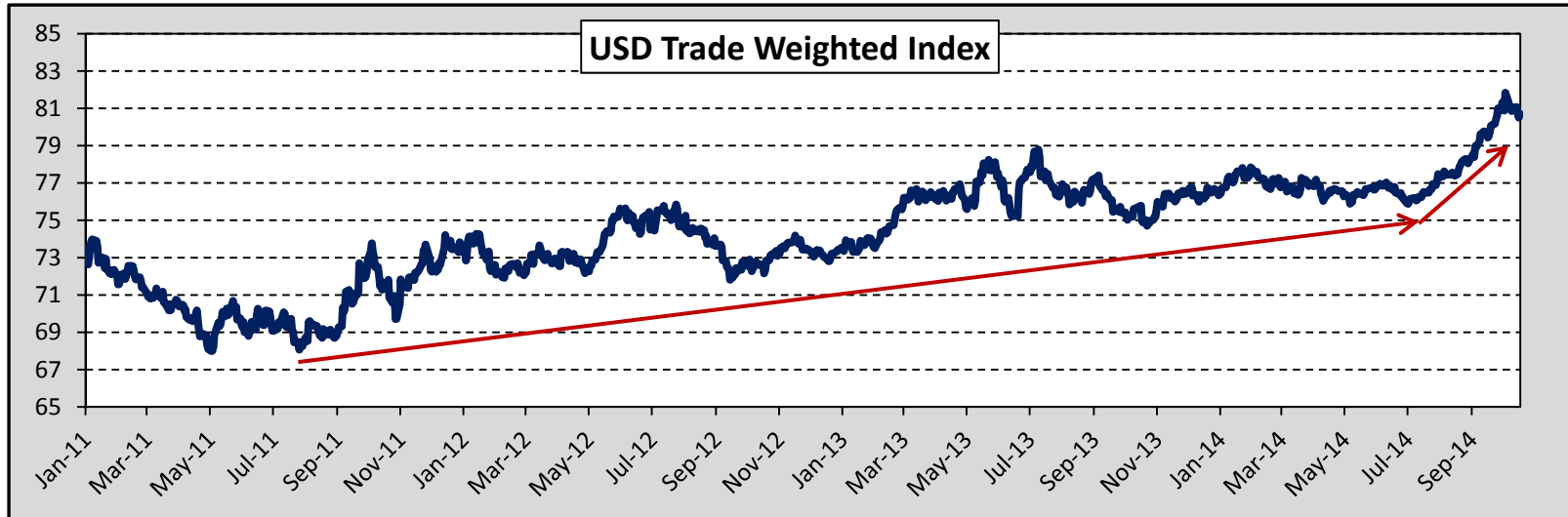


Source: FRED as of 10/20

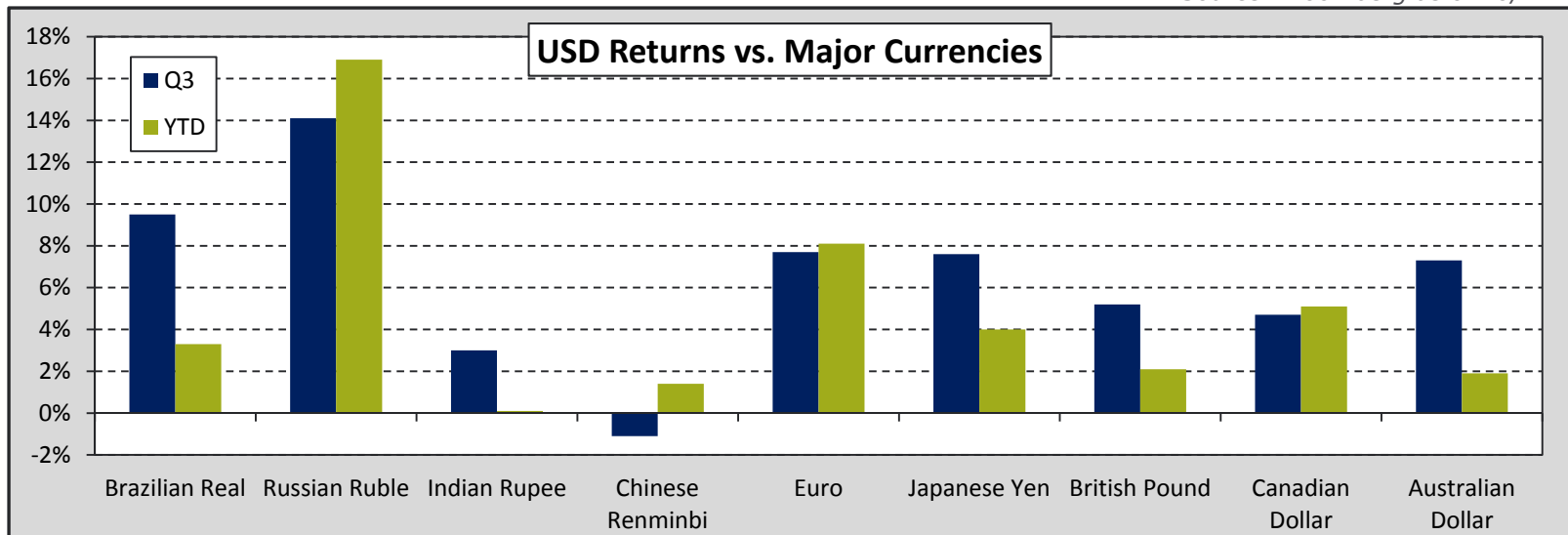


Source: Bloomberg as of 10/22

The US Dollar Strengthened Versus Most Major Currencies



Source: Bloomberg as of 10/17



Source: Bloomberg as of 9/30

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
Municipal Composite	\$512,484,586	-2.1%	93	4.4%	26	7.8%	80	10.5%	84	9.3%	58
<i>Policy Index</i>		-2.0%	91	3.2%	81	6.6%	95	9.4%	95	7.6%	95
<i>Allocation Index</i>		-2.1%	92	2.9%	89	6.3%	96	9.3%	95	7.7%	94
<i>InvestorForce Public DB Gross Median</i>		-1.3%		3.9%		9.2%		12.3%		9.6%	

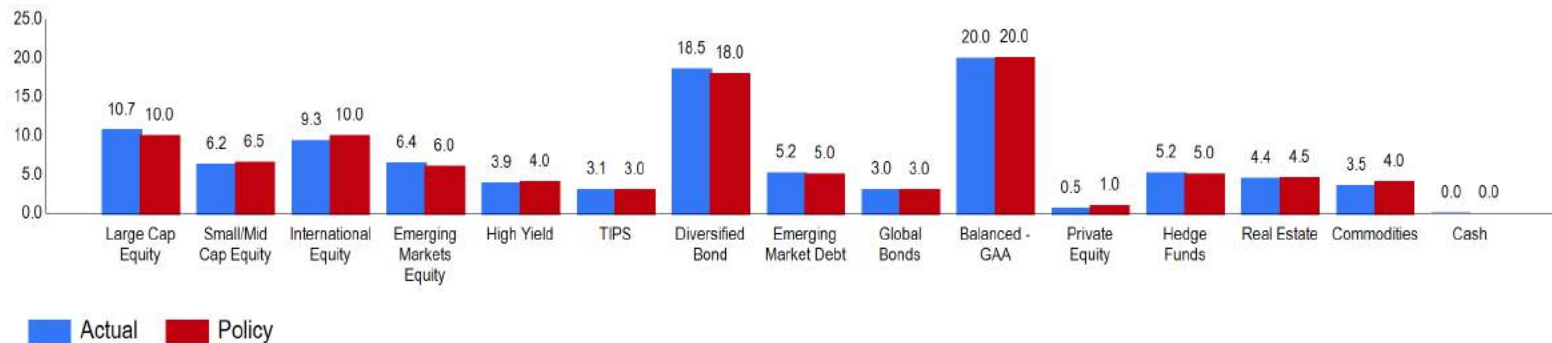
3 Years Ending September 30, 2014

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Municipal Composite	10.48%	84	6.63%	46	1.57	90	2.83	65
Policy Index	9.35%	95	6.27%	30	1.48	97	2.50	93
Allocation Index	9.31%	95	6.28%	31	1.47	98	2.35	97

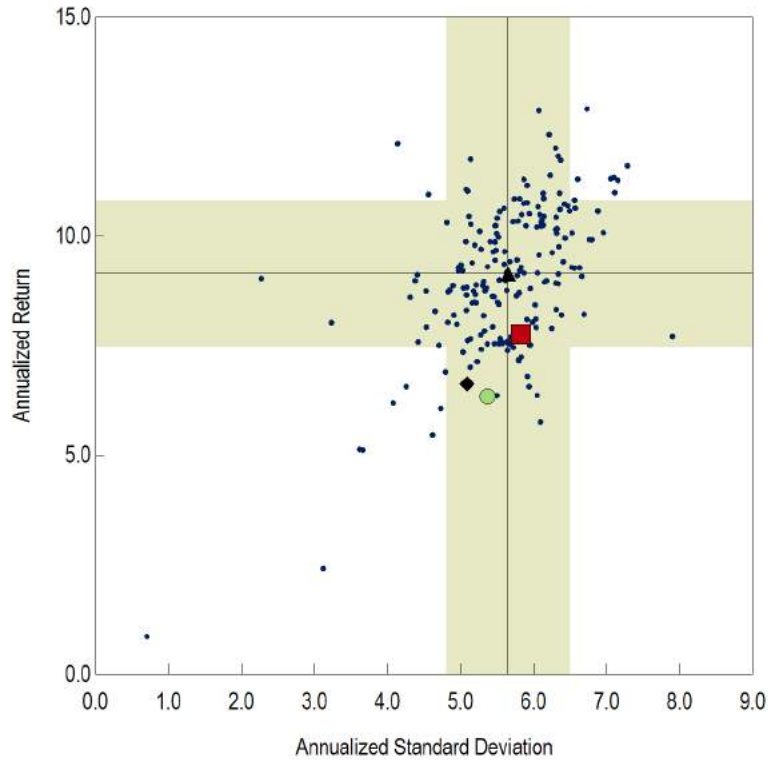
5 Years Ending September 30, 2014

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Municipal Composite	9.28%	58	7.72%	44	1.19	48	1.90	42
Policy Index	7.63%	95	7.40%	36	1.02	94	1.65	83
Allocation Index	7.69%	94	7.54%	39	1.01	94	1.63	86

Actual vs Target Allocation (%)



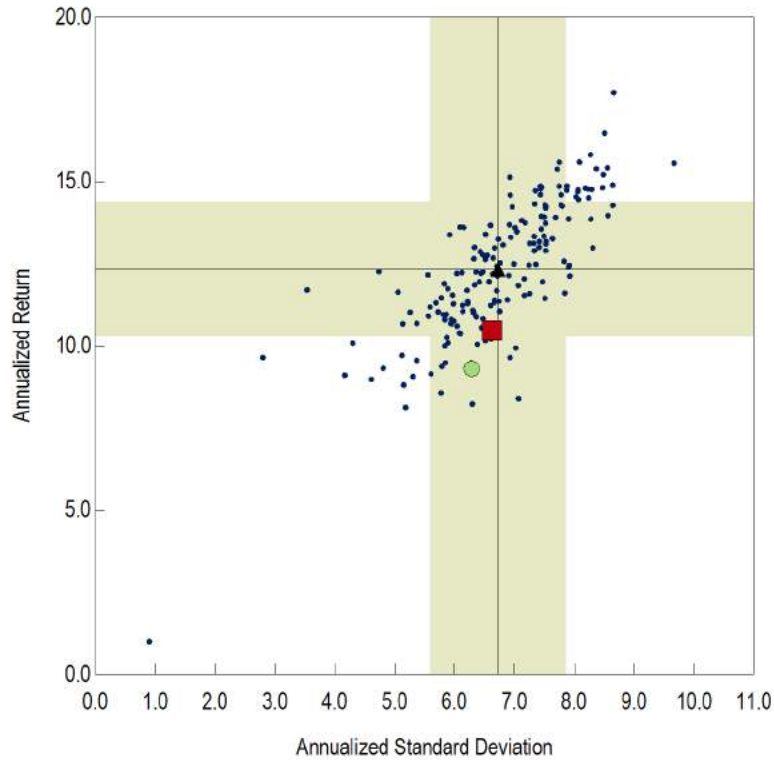
1 Years Ending September 30, 2014



1 Year Ending September 30, 2014

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Municipal Composite	7.77%	80	5.82%	59	1.33	89
Policy Index	6.64%	95	5.09%	20	1.30	91
S&P 500	19.73%	1	8.87%	99	2.22	3
60% MSCI ACWI (Net)/40% CITI WGBI	6.70%	95	6.57%	93	1.01	99
Citi WGBI	-0.07%	99	4.76%	11	-0.02	99
MSCI ACWI	11.32%	6	9.11%	99	1.24	94
MSCI ACWI ex USA	4.77%	99	9.97%	99	0.47	99
InvestorForce Public DB Gross Median	9.16%	--	5.65%	--	1.63	--

3 Years Ending September 30, 2014

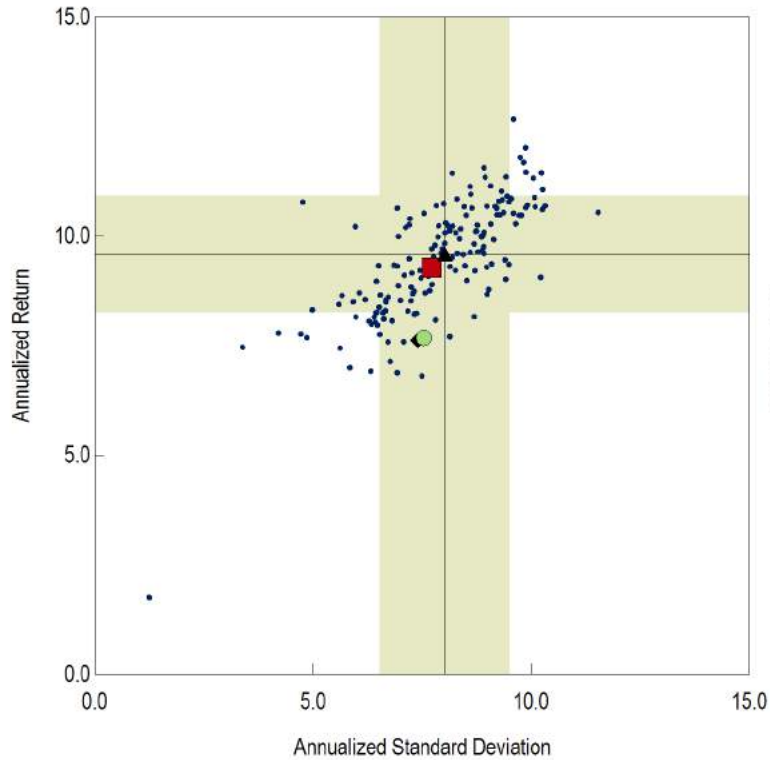


- Municipal Composite
- ◆ Policy Index
- Allocation Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB Gross

3 Years Ending September 30, 2014

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Municipal Composite	10.48%	84	6.63%	46	1.57	90
Policy Index	9.35%	95	6.27%	30	1.48	97
S&P 500	22.99%	1	10.57%	99	2.17	6
60% MSCI ACWI (Net)/40% CITI WGBI	9.62%	93	8.12%	91	1.18	99
Citi WGBI	-0.51%	99	4.44%	3	-0.13	99
MSCI ACWI	16.61%	1	12.14%	99	1.36	99
MSCI ACWI ex USA	11.79%	61	14.35%	99	0.82	99
InvestorForce Public DB Gross Median	12.33%	--	6.72%	--	1.82	--

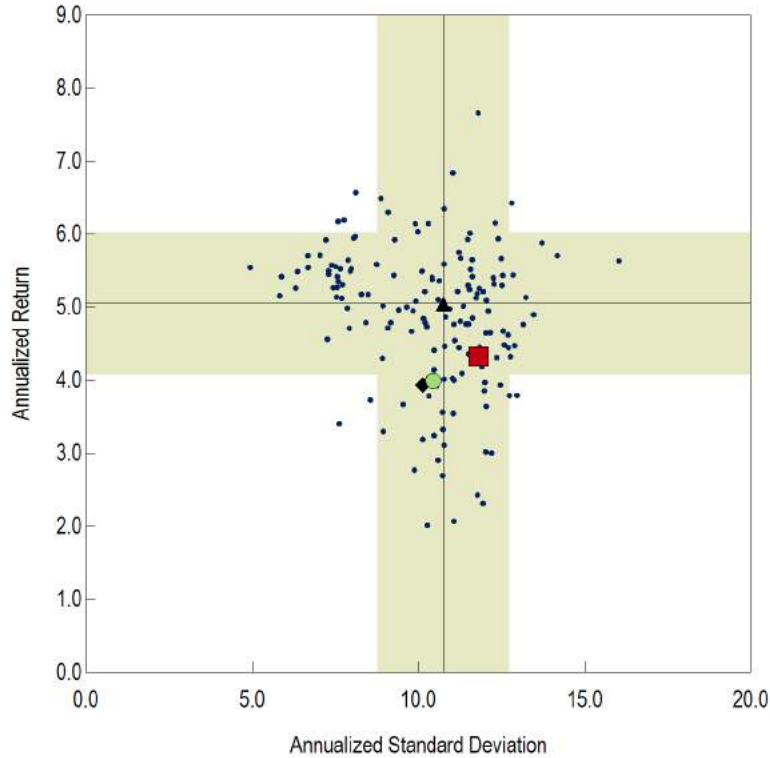
5 Years Ending September 30, 2014



5 Years Ending September 30, 2014

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Municipal Composite	9.28%	58	7.72%	44	1.19	48
Policy Index	7.63%	95	7.40%	36	1.02	94
S&P 500	15.70%	1	13.20%	99	1.18	51
60% MSCI ACWI (Net)/40% CITI WGBI	6.85%	99	9.79%	92	0.69	99
Citi WGBI	1.58%	99	5.94%	7	0.25	99
MSCI ACWI	10.07%	39	14.64%	99	0.68	99
MSCI ACWI ex USA	6.03%	99	16.45%	99	0.36	99
InvestorForce Public DB Gross Median	9.60%	--	8.02%	--	1.19	--

7 Years Ending September 30, 2014

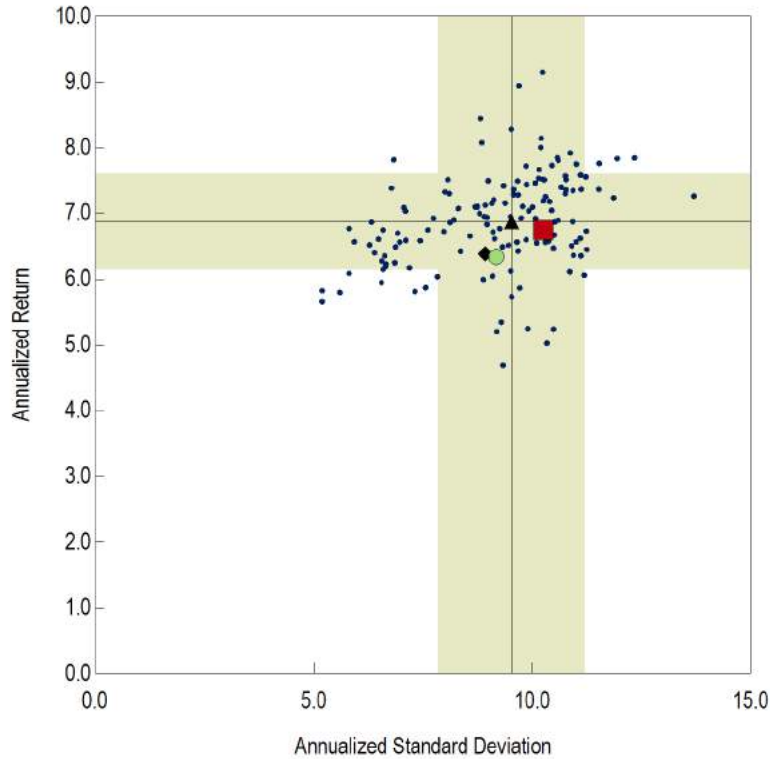


- Municipal Composite
- ◆ Policy Index
- Allocation Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB Gross

7 Years Ending September 30, 2014

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Municipal Composite	4.33%	76	11.79%	74	0.34	77
Policy Index	3.94%	85	10.12%	37	0.35	72
S&P 500	6.02%	9	16.90%	99	0.33	78
60% MSCI ACWI (Net)/40% CITI WGBI	3.40%	92	12.56%	91	0.24	96
Citi WGBI	3.85%	86	7.11%	5	0.49	31
MSCI ACWI	2.40%	99	19.01%	99	0.11	99
MSCI ACWI ex USA	-0.16%	99	21.39%	99	-0.03	99
InvestorForce Public DB Gross Median	5.05%	--	10.74%	--	0.42	--

10 Years Ending September 30, 2014

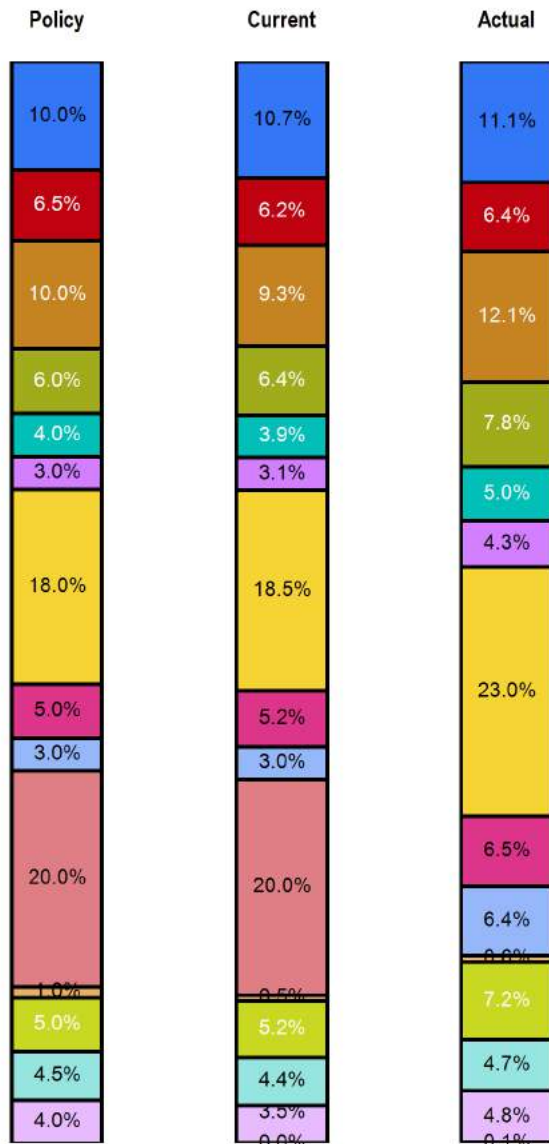


10 Years Ending September 30, 2014

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Municipal Composite	6.75%	56	10.24%	69	0.51	76
Policy Index	6.39%	79	8.92%	36	0.55	65
S&P 500	8.11%	4	14.71%	99	0.45	92
60% MSCI ACWI (Net)/40% CITI WGBI	6.33%	82	11.03%	91	0.44	94
Citi WGBI	4.08%	99	6.75%	12	0.39	98
MSCI ACWI	7.28%	30	16.62%	99	0.35	99
MSCI ACWI ex USA	7.06%	42	18.94%	99	0.30	99
InvestorForce Public DB Gross Median	6.88%	--	9.52%	--	0.59	--

Vermont Municipal Employees

Total Fund Asset Allocation vs. Policy Targets

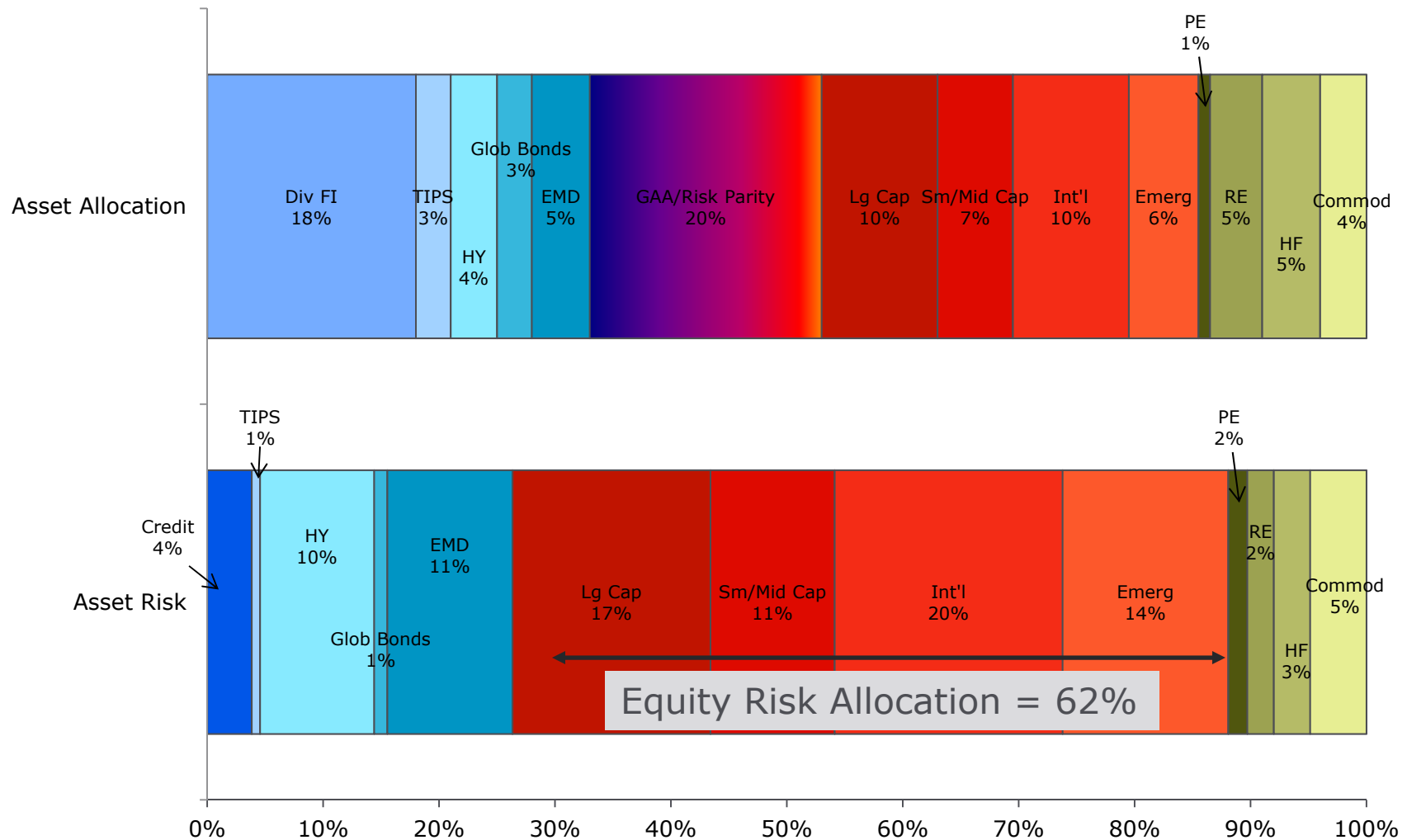


Asset Allocation vs. Target

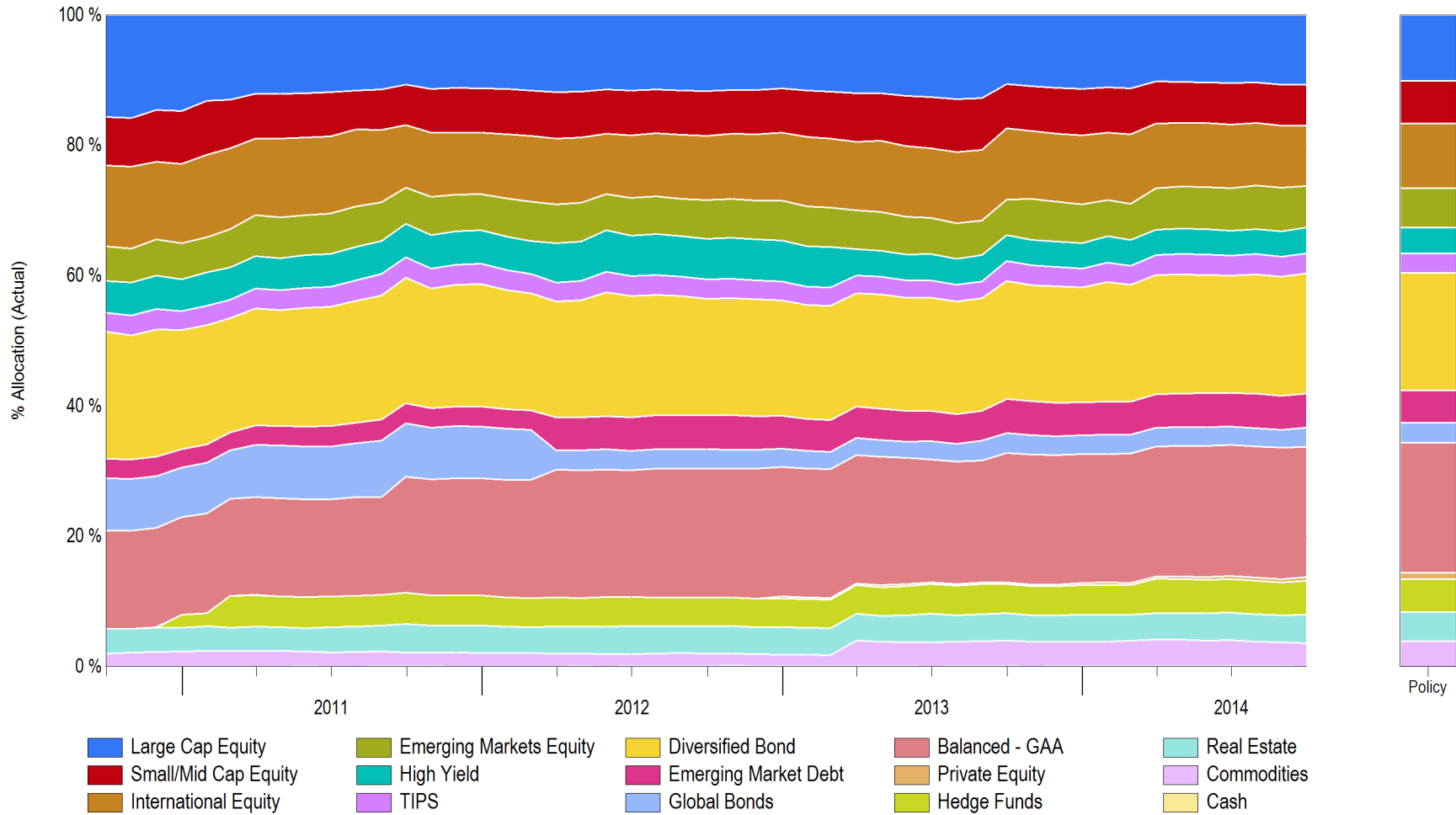
	Current	Policy	Current	Difference*
Large Cap Equity	\$54,685,548	10.00%	10.67%	0.67%
Small/Mid Cap Equity	\$32,029,938	6.50%	6.25%	-0.25%
International Equity	\$47,708,508	10.00%	9.31%	-0.69%
Emerging Markets Equity	\$32,806,658	6.00%	6.40%	0.40%
High Yield	\$19,995,648	4.00%	3.90%	-0.10%
TIPS	\$15,705,983	3.00%	3.06%	0.06%
Diversified Bond	\$94,957,477	18.00%	18.53%	0.53%
Emerging Market Debt	\$26,501,623	5.00%	5.17%	0.17%
Global Bonds	\$15,436,158	3.00%	3.01%	0.01%
Balanced - GAA	\$102,293,240	20.00%	19.96%	-0.04%
Private Equity	\$2,809,283	1.00%	0.55%	-0.45%
Hedge Funds	\$26,695,992	5.00%	5.21%	0.21%
Real Estate	\$22,675,402	4.50%	4.42%	-0.08%
Commodities	\$18,076,835	4.00%	3.53%	-0.47%
Cash	\$106,293	--	0.02%	0.02%
Total	\$512,484,586	100.00%	100.00%	

*Difference between Policy and Current Allocation

Total Fund Target Allocation vs. Asset Risk



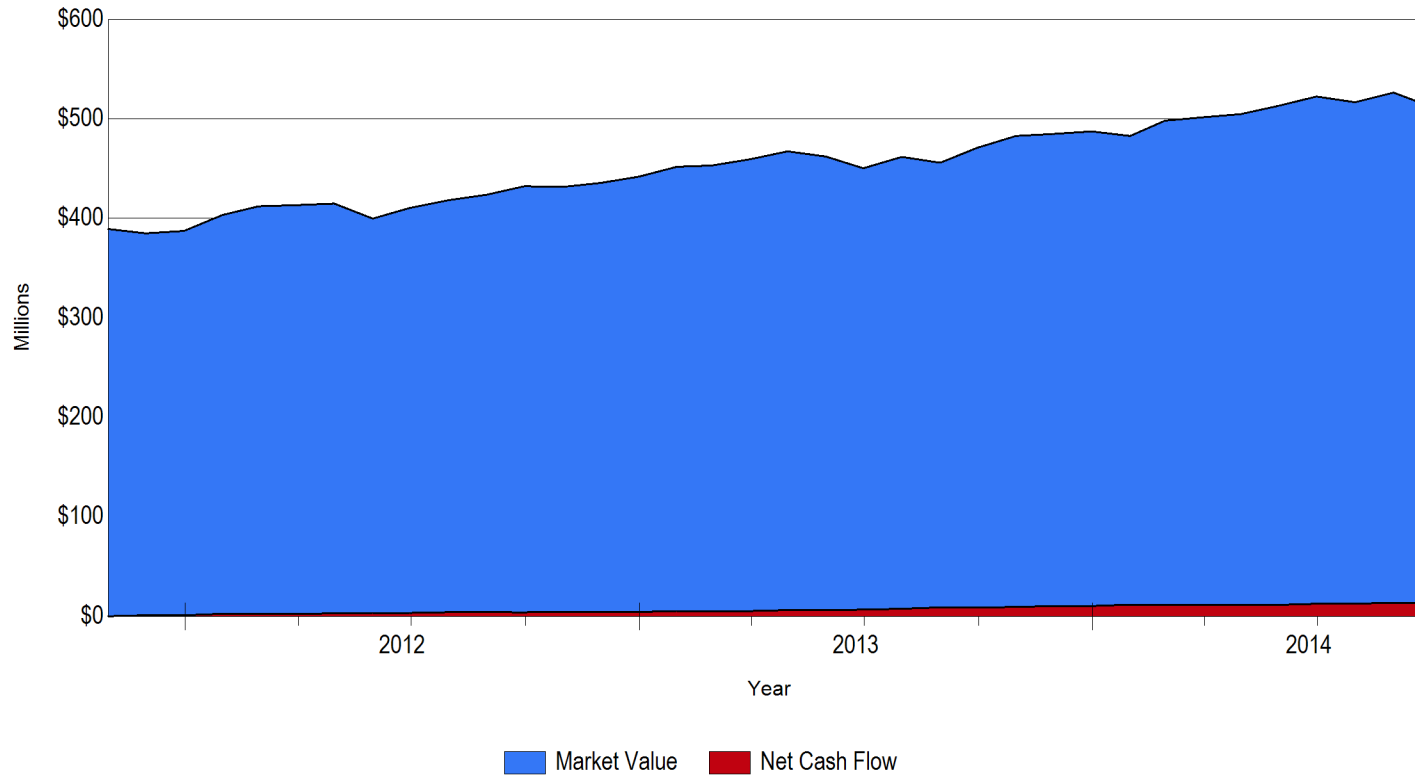
Asset Allocation History



Vermont Municipal Employees

Total Fund Asset Growth Summary

3 Years Ending September 30, 2014



	Last Three Months	Year-To-Date	Fiscal Year-To-Date	One Year	Three Years
Beginning Market Value	\$522,532,252	\$487,442,451	\$522,532,252	\$471,040,034	\$369,307,560
- Withdrawals	-\$2,480,669	-\$18,058,863	-\$2,480,669	-\$36,353,202	-\$139,532,929
+ Contributions	\$3,590,469	\$21,424,427	\$3,590,469	\$41,105,948	\$153,183,297
= Net Cash Flow	\$1,109,800	\$3,365,564	\$1,109,800	\$4,752,747	\$13,650,368
+ Net Investment Change	-\$11,157,466	\$21,676,571	-\$11,157,466	\$36,691,805	\$129,526,658
= Ending Market Value	\$512,484,586	\$512,484,586	\$512,484,586	\$512,484,586	\$512,484,586

Vermont Municipal Employees

Total Fund Asset Growth Summary by Manager

	Quarter Ending September 30, 2014					Ending Market Value
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	
Aberdeen	\$33,987,864	-\$62,152	\$62,152	\$0	-\$1,181,207	\$32,806,658
Acadian	\$21,419,194	-\$26,448	\$26,448	\$0	-\$1,703,005	\$19,716,189
Allianz Structured Alpha	\$13,150,343	-\$73,700	\$0	-\$73,700	\$319,268	\$13,395,910
AQR Global Risk Premium	\$42,850,309	-\$43,222	\$43,222	\$0	-\$1,483,134	\$41,367,175
BlackRock TIPS	\$16,038,085	-\$3,053	\$3,053	\$0	-\$332,102	\$15,705,983
Champlain	\$10,885,697	-\$22,083	\$22,083	\$0	-\$200,693	\$10,685,004
GAM	\$5,496,978	\$0	\$0	\$0	-\$2,703	\$5,494,275
Grosvenor	\$10,576,222	\$0	\$0	\$0	-\$7,553	\$10,568,669
Guggenheim	\$15,251,564	-\$18,751	\$18,751	\$0	-\$18,974	\$15,232,590
Harbourvest Dover VIII Fund	\$1,018,303	\$0	\$245,104	\$245,104	\$0	\$1,263,407
Harbourvest Partners IX Buyout Fund	\$700,871	\$0	\$57,440	\$57,440	\$0	\$758,311
Harbourvest Partners IX Credit Opportunities	\$125,628	\$0	\$0	\$0	\$0	\$125,628
Harbourvest Partners IX Venture Fund	\$614,615	\$0	\$47,323	\$47,323	\$0	\$661,937
KDP	\$4,833,929	-\$7,636	\$7,636	\$0	-\$70,872	\$4,763,058
Mellon Global Expanded Alpha	\$10,059,603	-\$16,278	\$16,278	\$0	\$183,407	\$10,243,010
Mondrian	\$21,876,422	-\$20,654	\$20,654	\$0	-\$1,290,370	\$20,586,052
Mondrian GFI	\$14,642,263	-\$11,652	\$1,211,652	\$1,200,000	-\$406,104	\$15,436,158
Morgan Stanley Prime Property	\$9,660,451	-\$27,699	\$0	-\$27,699	\$387,189	\$10,019,940
Permal	\$10,761,730	\$0	\$0	\$0	-\$128,682	\$10,633,048
PIMCO All Asset	\$31,800,884	-\$70,076	\$0	-\$70,076	-\$846,620	\$30,884,189
PIMCO Core Plus	\$33,499,383	-\$524,129	\$1,024,129	\$500,000	-\$38,978	\$33,960,406
PIMCO Unconstrained	\$34,335,328	-\$50,633	\$50,633	\$0	\$102,968	\$34,438,296
RREEF America REIT III	\$2,928,051	-\$697,851	\$0	-\$697,851	\$125,739	\$2,355,940
Schroder	\$20,456,404	\$0	\$0	\$0	-\$2,379,569	\$18,076,835
Siguler Guff	\$1,133,403	\$155,072	\$154,427	\$309,499	\$70,393	\$1,513,296

Vermont Municipal Employees

Total Fund Asset Growth Summary by Manager

	Quarter Ending September 30, 2014					
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	Ending Market Value
SSgA ACWI Ex US	\$7,816,728	-\$1,343	\$1,343	\$0	-\$410,461	\$7,406,267
SSgA Russell 2000 Growth	\$8,159,951	-\$1,816	\$1,816	\$0	-\$491,870	\$7,668,081
SSgA S&P 400	\$3,800,486	-\$734	\$734	\$0	-\$151,955	\$3,648,531
SSgA S&P 500 Cap-Wgt	\$25,178,598	-\$1,852	\$1,852	\$0	\$284,631	\$25,463,228
SSgA S&P 500 Equal-Wgt	\$14,067,160	-\$2,023	\$2,023	\$0	-\$91,978	\$13,975,182
T. Rowe	\$14,959,362	-\$313,039	\$513,039	\$200,000	\$87,775	\$15,247,137
Transwestern / Aslan III	\$104,596	-\$246	\$0	-\$246	-\$3,922	\$100,427
UBS Trumbull	\$8,416,808	-\$23,130	\$23,130	\$0	\$268,990	\$8,685,798
Vermont Cash	\$686,287	-\$594,446	\$14,452	-\$579,994	\$0	\$106,293
Wellington	\$10,604,597	-\$21,095	\$21,095	\$0	-\$576,275	\$10,028,322
Wellington DAS	\$13,133,157	\$0	\$0	\$0	\$29,708	\$13,162,865
Wellington OIF	\$20,487,807	\$0	\$0	\$0	-\$688,940	\$19,798,866
Wellington Opportunistic EMD	\$27,013,189	\$0	\$0	\$0	-\$511,566	\$26,501,623
Total	\$522,532,252	-\$2,480,669	\$3,590,469	\$1,109,800	-\$11,157,466	\$512,484,586

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
Municipal Composite	512,484,586	100.0	100.0	-2.1	93	4.4	26	7.8	80	10.5	84	9.3	58
Policy Index				-2.0	91	3.2	81	6.6	95	9.4	95	7.6	95
Allocation Index				-2.1	92	2.9	89	6.3	96	9.3	95	7.7	94
InvestorForce Public DB Gross Median				-1.3		3.9		9.2		12.3		9.6	
Large Cap Comp	54,685,548	10.7	10.0	0.5	50	8.1	38	19.4	38	23.7	36	16.6	28
S&P 500				1.1	34	8.3	33	19.7	33	23.0	46	15.7	47
eA US Large Cap Equity Gross Median				0.5		7.4		18.5		22.7		15.6	
T. Rowe	15,247,137	3.0	3.0	0.6	48	7.7	44	19.4	37	23.4	41	15.7	47
SSgA S&P 500 Cap-Wgt	25,463,228	5.0	4.0	1.1	34	8.4	33	19.8	33	23.0	46	--	--
S&P 500				1.1	34	8.3	33	19.7	33	23.0	46	15.7	47
SSgA S&P 500 Equal-Wgt	13,975,182	2.7	3.0	-0.6	79	7.9	42	18.6	49	24.9	19	17.6	12
S&P 500 Equal Weighted				-0.7	80	7.9	42	18.5	49	24.8	20	17.5	12
Small/Mid Cap Comp	32,029,938	6.2	6.5	-4.3	48	-0.6	58	8.2	57	22.2	51	16.4	48
Russell 2000				-7.4	91	-4.4	89	3.9	86	21.3	63	14.3	87
eA US Small-Mid Cap Equity Gross Median				-4.4		0.2		8.9		22.3		16.4	
SSgA S&P 400	3,648,531	0.7	0.5	-4.0	86	3.2	60	11.8	65	22.5	51	--	--
S&P 400 MidCap				-4.0	86	3.2	59	11.8	65	22.4	53	16.4	57
eA US Mid Cap Equity Gross Median				-2.1		4.2		13.3		22.6		16.6	
Champlain	10,685,004	2.1	2.0	-1.9	44	3.8	53	13.8	47	22.3	55	17.2	41
Russell 2500				-5.3	97	0.3	88	9.0	82	22.8	47	16.0	69
eA US Mid Cap Equity Gross Median				-2.1		4.2		13.3		22.6		16.6	
Wellington	10,028,322	2.0	2.0	-5.4	21	-3.6	69	5.0	77	21.5	65	16.0	42
Russell 2000 Value				-8.6	82	-4.7	81	4.1	81	20.6	76	13.0	88
eA US Small Cap Value Equity Gross Median				-6.8		-1.9		7.3		23.3		15.6	
SSgA Russell 2000 Growth	7,668,081	1.5	2.0	-6.1	68	-4.1	49	3.8	51	21.9	55	15.6	72
Russell 2000 Growth				-6.1	68	-4.0	49	3.8	51	21.9	55	15.5	72
eA US Small Cap Growth Equity Gross Median				-5.5		-4.6		3.8		22.1		17.0	

Fiscal Year End is 6/30

Report is Gross of manager fees, except where otherwise noted.

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
Int'l Equity Comp	47,708,508	9.3	10.0	-6.7	78	1.4	16	8.6	18	13.8	78	7.6	71
MSCI EAFE				-5.9	58	-1.4	60	4.3	69	13.6	79	6.6	87
eA All EAFE Equity Gross Median				-5.7		-0.9		5.5		15.2		8.5	
Acadian	19,716,189	3.8	4.0	-7.9	94	0.1	34	8.6	18	15.1	53	8.3	57
Mondrian	20,586,052	4.0	4.0	-6.0	61	2.9	8	9.8	9	13.2	84	7.6	73
MSCI EAFE				-5.9	58	-1.4	60	4.3	69	13.6	79	6.6	87
SSgA ACWI Ex US	7,406,267	1.4	2.0	-5.3	51	0.2	40	5.1	61	12.1	81	--	--
MSCI ACWI ex USA				-5.3	52	0.0	41	4.8	66	11.8	84	6.0	94
eA ACWI ex-US All Cap Equity Gross Median				-5.2		-0.5		5.6		14.2		9.2	
Emerging Market Comp	32,806,658	6.4	6.0	-3.5	58	4.4	42	3.9	75	--	--	--	--
Aberdeen	32,806,658	6.4	6.0	-3.5	58	4.4	42	3.9	75	9.3	52	9.2	17
MSCI Emerging Markets				-3.5	60	2.4	65	4.3	72	7.2	80	4.4	75
eA Emg Mkts Equity Gross Median				-3.2		3.8		6.1		9.4		6.2	
US Fixed Income	130,659,108	25.5	--	0.0	62	4.8	27	4.6	45	--	--	--	--
Barclays Aggregate				0.2	38	4.1	42	4.0	57	2.4	72	4.1	65
eA All US Fixed Inc Gross Median				0.1		3.7		4.3		3.5		4.8	
Diversified Fixed	94,957,477	18.5	18.0	0.4	20	5.2	23	4.6	46	4.3	42	5.8	38
Barclays Aggregate				0.2	38	4.1	42	4.0	57	2.4	72	4.1	65
eA All US Fixed Inc Gross Median				0.1		3.7		4.3		3.5		4.8	
Allianz Structured Alpha	13,395,910	2.6	2.0	2.4	1	11.5	2	11.0	2	11.5	1	9.3	1
Citigroup 10 Year Treasury				0.7	4	6.9	4	4.3	58	1.3	99	4.6	66
PIMCO Core Plus	33,960,406	6.6	6.5	-0.2	96	3.8	78	3.2	89	3.3	49	5.0	39
Barclays Aggregate				0.2	57	4.1	65	4.0	72	2.4	87	4.1	82
PIMCO Unconstrained	34,438,296	6.7	6.5	0.3	22	3.1	89	2.6	94	2.5	86	--	--
25% HY, 25% EMD, 50% BC Agg				-0.8	99	4.8	24	5.9	13	5.9	4	6.7	5
3-Month Libor Total Return USD				0.1	76	0.2	99	0.2	99	0.3	99	0.3	99
Wellington DAS	13,162,865	2.6	3.0	0.2	43	8.0	2	7.1	4	4.4	15	7.5	3
Wellington Custom Benchmark				2.5	1	14.0	1	10.8	2	2.0	97	6.9	3

Allianz is Net of Fees from inception to Q3 2012, and Grossed up quarterly since.

Wellington DAS is Net of Fees

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
High Yield Comp	19,995,648	3.9	4.0	-0.4	3	4.2	23	7.2	54	10.7	52	10.2	62
Barclays High Yield				-1.9	66	3.5	59	7.2	54	11.1	47	10.6	50
eA US High Yield Fixed Inc Gross Median				-1.7		3.6		7.4		10.9		10.6	
KDP	4,763,058	0.9	1.0	-1.3	22	3.1	71	6.3	78	9.1	84	8.5	93
Barclays High Yield				-1.9	66	3.5	59	7.2	54	11.1	47	10.6	50
BofA Merrill Lynch US High Yield BB-B Rated				-1.6	42	3.9	36	7.3	51	10.3	64	9.9	69
Guggenheim	15,232,590	3.0	3.0	-0.1	1	4.5	13	--	--	--	--	--	--
Barclays High Yield				-1.9	66	3.5	59	7.2	54	11.1	47	10.6	50
eA US High Yield Fixed Inc Gross Median				-1.7		3.6		7.4		10.9		10.6	
TIPS	15,705,983	3.1	3.0										
BlackRock TIPS	15,705,983	3.1	3.0	-2.1	--	3.6	--	1.6	--	1.3	--	--	--
Barclays US TIPS				-2.0	--	3.7	--	1.6	--	1.3	--	4.5	--
Global Fixed Income Comp	15,436,158	3.0	3.0	-2.8	67	1.1	83	0.2	89	-0.4	99	3.2	78
Citi WGBI				-3.8	83	1.0	83	-0.1	92	-0.5	99	1.6	96
eA All Global Fixed Inc Gross Median				-2.1		3.3		4.6		4.9		5.1	
Mondrian GFI	15,436,158	3.0	3.0	-2.8	67	1.1	83	0.2	89	-1.1	99	2.0	94
Citi WGBI				-3.8	83	1.0	83	-0.1	92	-0.5	99	1.6	96
Emerging Market Debt	26,501,623	5.2	5.0										
Wellington Opportunistic EMD	26,501,623	5.2	5.0	-1.9	43	7.1	31	8.0	39	8.4	37	--	--
JP Morgan EMBI Global TR				-1.6	37	7.3	28	8.3	35	7.7	48	7.9	55
eA All Emg Mkts Fixed Inc Gross Median				-2.3		5.9		6.8		7.5		8.0	
Total Real Estate	22,675,402	4.4	4.5										
Morgan Stanley Prime Property	10,019,940	2.0	2.0	4.0	--	10.3	--	14.3	--	14.6	--	14.0	--
UBS Trumbull	8,685,798	1.7	2.0	3.2	--	8.2	--	10.7	--	10.4	--	11.1	--
RREEF America REIT III	2,355,940	0.5	0.5	5.6	--	24.5	--	28.2	--	22.2	--	21.4	--
Transwestern / Aslan III	100,427	0.0	0.0	-3.7	--	1.9	--	2.1	--	16.6	--	-4.2	--
NCREIF Property Index				2.6	--	8.5	--	11.3	--	11.1	--	11.0	--
NCREIF ODCE				3.2	--	8.9	--	12.4	--	12.3	--	12.4	--
Siguler Guff	1,513,296	0.3		5.4	--	--	--	--	--	--	--	--	--

Wellington Opportunistic EMD is Net of manager fees
Real Estate is as of Q3 2014

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
Hedge Fund Comp	26,695,992	5.2	5.0	-0.5	64	2.7	48	7.1	44	8.7	33	--	--
<i>eA HFN FOF - Multi-Strategy Net Median</i>				-0.2		2.6		6.5		6.8		5.2	
Grosvenor	10,568,669	2.1	2.0	-0.1	47	2.8	45	7.1	44	8.9	30	--	--
GAM	5,494,275	1.1	1.0	0.0	46	1.8	60	6.2	53	8.1	40	--	--
Permal	10,633,048	2.1	2.0	-1.2	80	3.0	44	7.6	40	8.8	32	--	--
<i>HFRI Fund of Funds Composite Index</i>				0.3	35	2.4	53	6.2	53	5.2	72	3.4	74
GAA Comp	102,293,240	20.0	20.0	-2.7	62	6.0	10	8.9	23	9.6	43	9.3	22
<i>eA Global TAA Gross Median</i>				-2.0		3.1		6.6		8.7		7.0	
Mellon Global Expanded Alpha	10,243,010	2.0	2.5	1.8	11	1.4	71	6.0	61	10.4	35	8.7	26
<i>Mellon GA GEA Index</i>				-2.0	51	3.4	39	7.2	44	10.1	37	7.0	52
AQR Global Risk Premium	41,367,175	8.1	8.0	-3.5	75	10.1	2	12.1	8	9.5	44	12.0	5
<i>60% MSCI World / 40% CITI WGBI</i>				-2.7	62	3.1	51	7.6	42	10.7	32	7.7	39
PIMCO All Asset	30,884,189	6.0	5.0	-2.7	62	4.5	29	6.1	60	9.0	48	8.5	28
<i>PIMCO All Asset Index</i>				-0.8	23	4.1	32	5.2	67	5.2	76	6.1	68
<i>CPI + 5% (Seasonally Adjusted)</i>				1.2	12	5.1	17	6.7	48	6.7	68	7.0	51
Wellington OIF	19,798,866	3.9	4.5	-3.4	71	2.4	63	8.5	28	10.4	34	7.3	45
<i>65% MSCI ACWI (Net) / 35% BC Agg</i>				-1.4	41	3.9	35	8.8	25	11.6	22	8.2	32
Commodities	18,076,835	3.5	4.0										
Schroder	18,076,835	3.5	4.0	-11.6	--	-5.5	--	-7.2	--	-4.2	--	--	--
<i>Bloomberg Commodity Index</i>				-11.8	--	-5.6	--	-6.6	--	-5.3	--	-1.4	--
Cash	106,293	0.0	0.0										
Vermont Cash	106,293	0.0	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	--
Private Equity	2,809,283	0.5	1.0										
Harbourvest Partners IX Credit Opportunities	125,628	0.0											
Harbourvest Partners IX Venture Fund	661,937	0.1											
Harbourvest Partners IX Buyout Fund	758,311	0.1											
Harbourvest Dover VIII Fund	1,263,407	0.2											

Harbourvest is based on final Capital Account Statements for Q2 2014, and cash adjusted through September for any

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

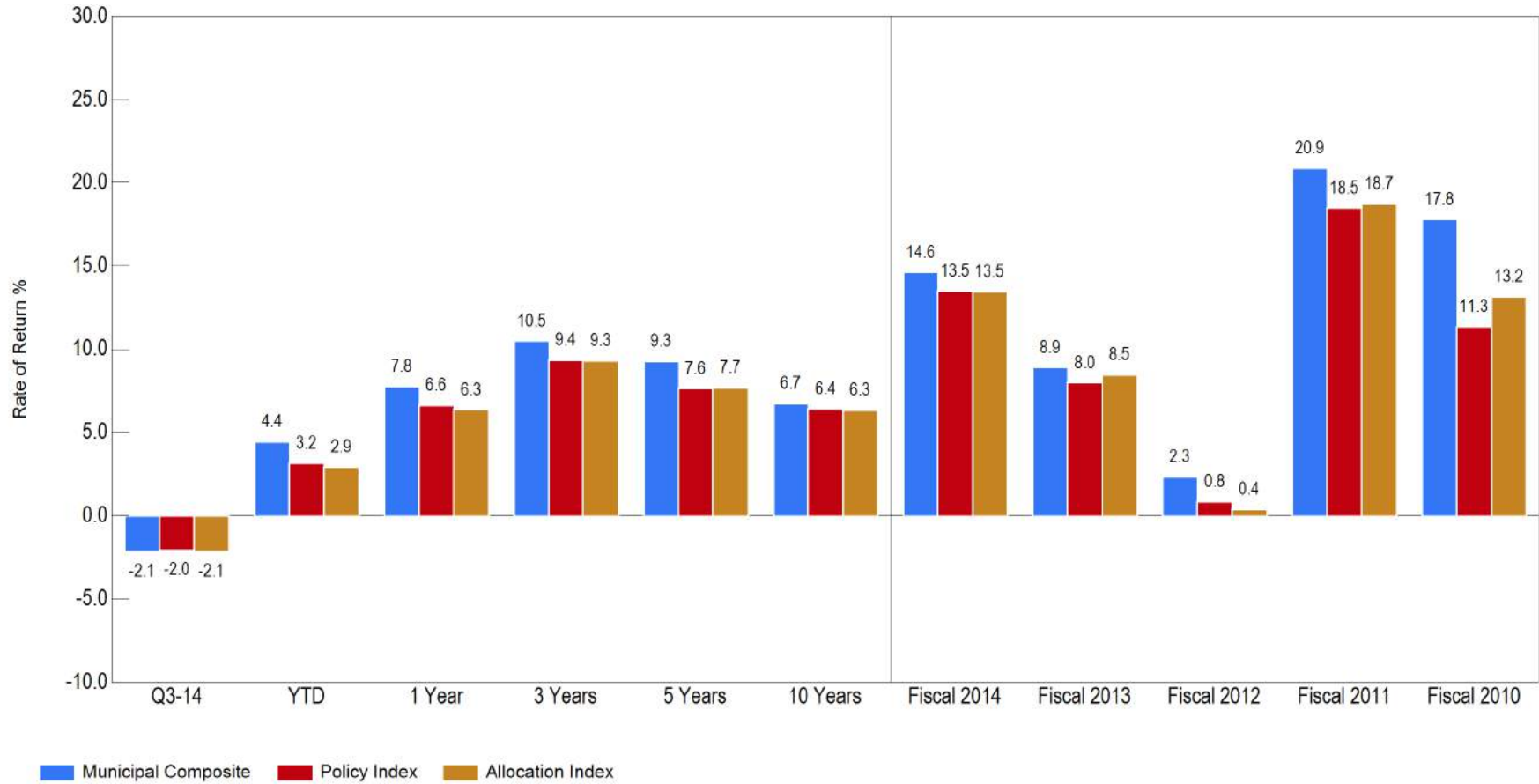
Mellon CF GEA Index: 50% MSCI ACWI / 25% CITI WGBI H/H / 10% BC Global Inflation Linked H/H / 5% BC US Interm. Credit / 5% DJ-UBS Commodity / 5% R2000.

Hedge Fund Comp and Commodities are Net of Manager Fees

Wellington OIF is Net of Manager Fees

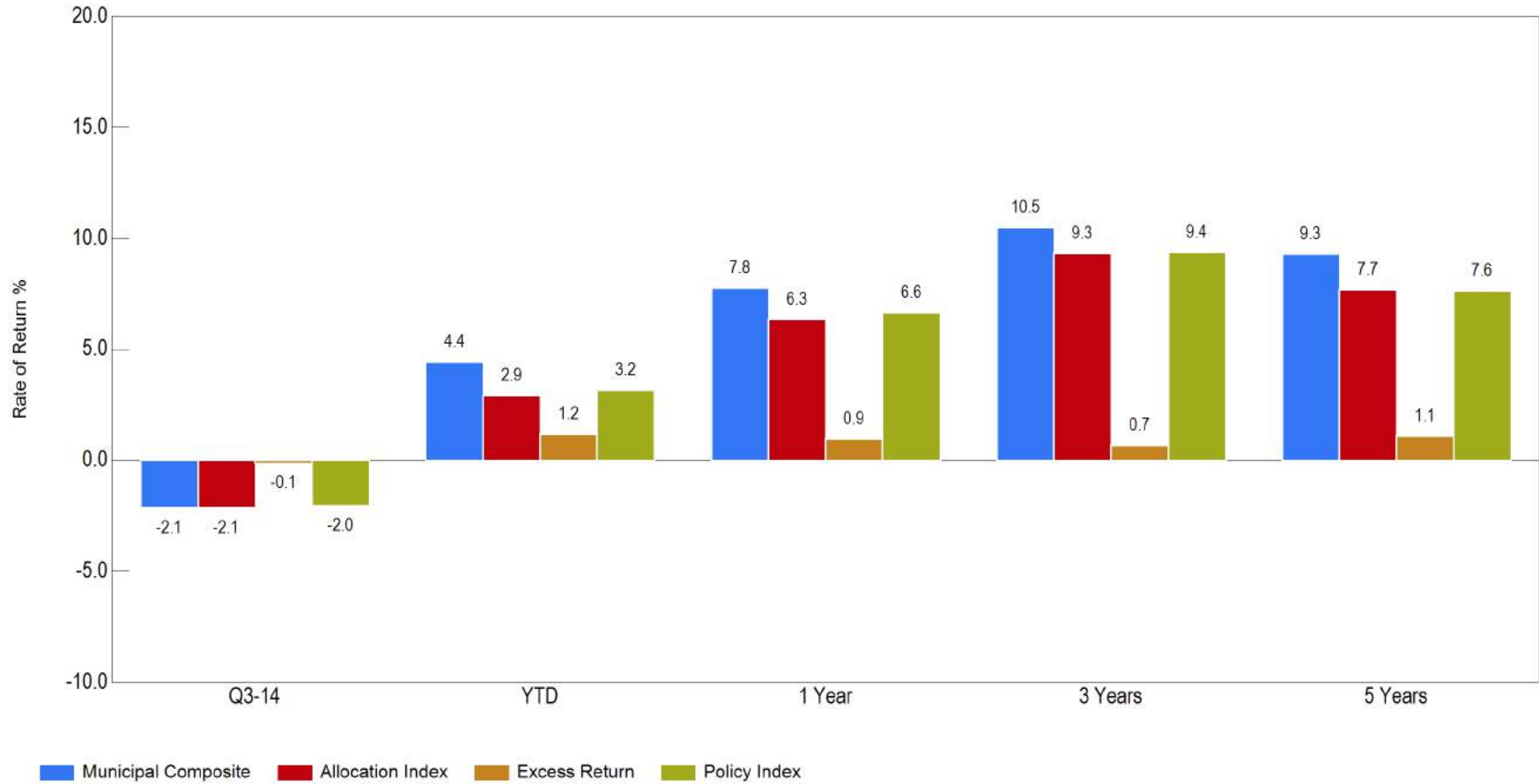
Vermont Municipal Employees
Total Fund Return Summary

Return Summary Gross

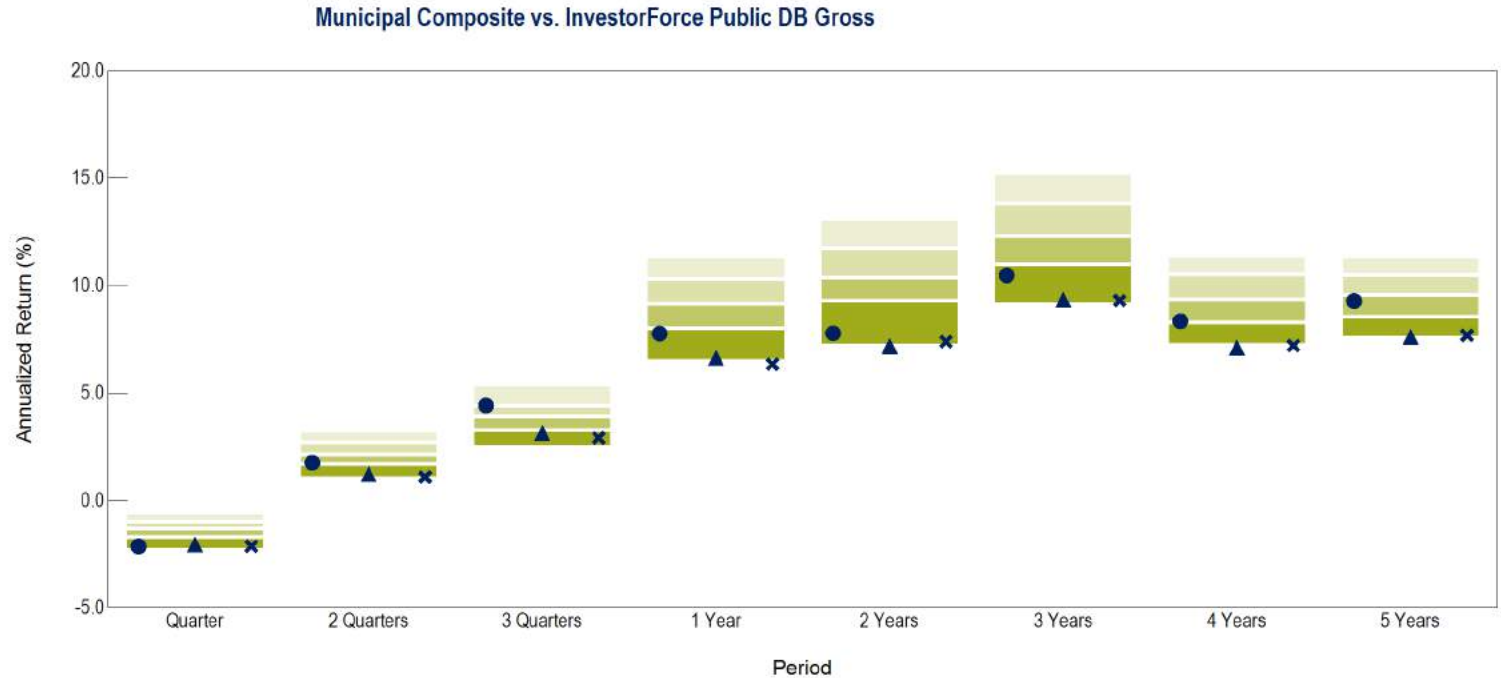


Vermont Municipal Employees
Total Fund Return Summary

Return Summary Gross

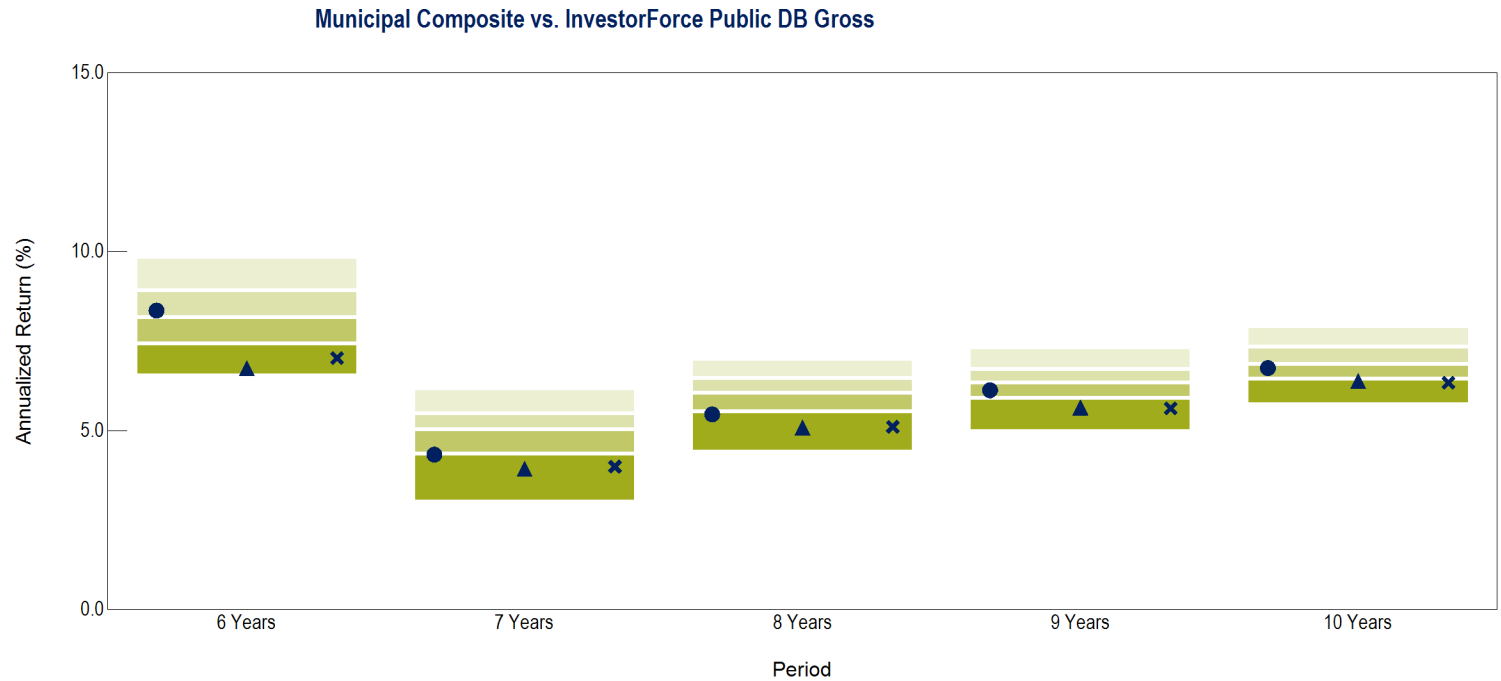


Total Fund Return Summary vs. Peer Universe



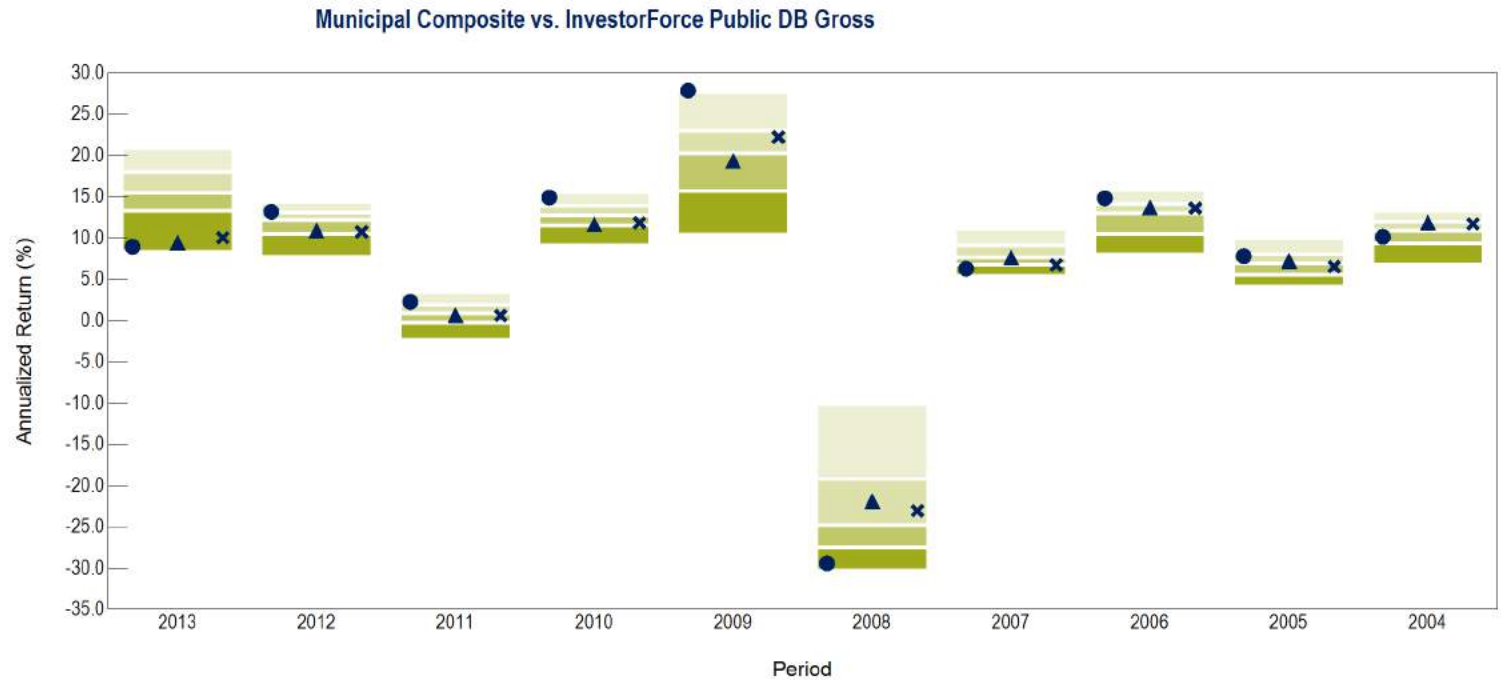
	Return (Rank)															
5th Percentile	-0.6	3.2	5.4	11.4	13.1	15.2	11.4	11.4								
25th Percentile	-1.0	2.7	4.4	10.3	11.8	13.9	10.5	10.5								
Median	-1.3	2.2	3.9	9.2	10.4	12.3	9.4	9.6								
75th Percentile	-1.7	1.7	3.3	8.0	9.3	11.0	8.3	8.6								
95th Percentile	-2.3	1.1	2.5	6.5	7.2	9.1	7.3	7.6								
# of Portfolios	202	202	199	196	190	180	173	166								
● Municipal Composite	-2.1 (93)	1.8 (72)	4.4 (26)	7.8 (80)	7.8 (90)	10.5 (84)	8.3 (74)	9.3 (58)								
▲ Policy Index	-2.0 (91)	1.2 (94)	3.2 (81)	6.6 (95)	7.2 (96)	9.4 (95)	7.1 (97)	7.6 (95)								
× Allocation Index	-2.1 (92)	1.1 (95)	2.9 (89)	6.3 (96)	7.4 (94)	9.3 (95)	7.2 (96)	7.7 (94)								

Total Fund Return Summary vs. Peer Universe



	Return (Rank)									
5th Percentile	9.9		6.2		7.0		7.3		7.9	
25th Percentile	8.9		5.5		6.5		6.7		7.4	
Median	8.2		5.1		6.1		6.4		6.9	
75th Percentile	7.5		4.4		5.6		5.9		6.5	
95th Percentile	6.6		3.0		4.4		5.0		5.7	
# of Portfolios	165		158		156		151		143	
● Municipal Composite	8.4	(43)	4.3	(76)	5.5	(78)	6.1	(62)	6.7	(56)
▲ Policy Index	6.7	(94)	3.9	(85)	5.1	(91)	5.6	(88)	6.4	(79)
× Allocation Index	7.0	(89)	4.0	(83)	5.1	(91)	5.6	(89)	6.3	(82)

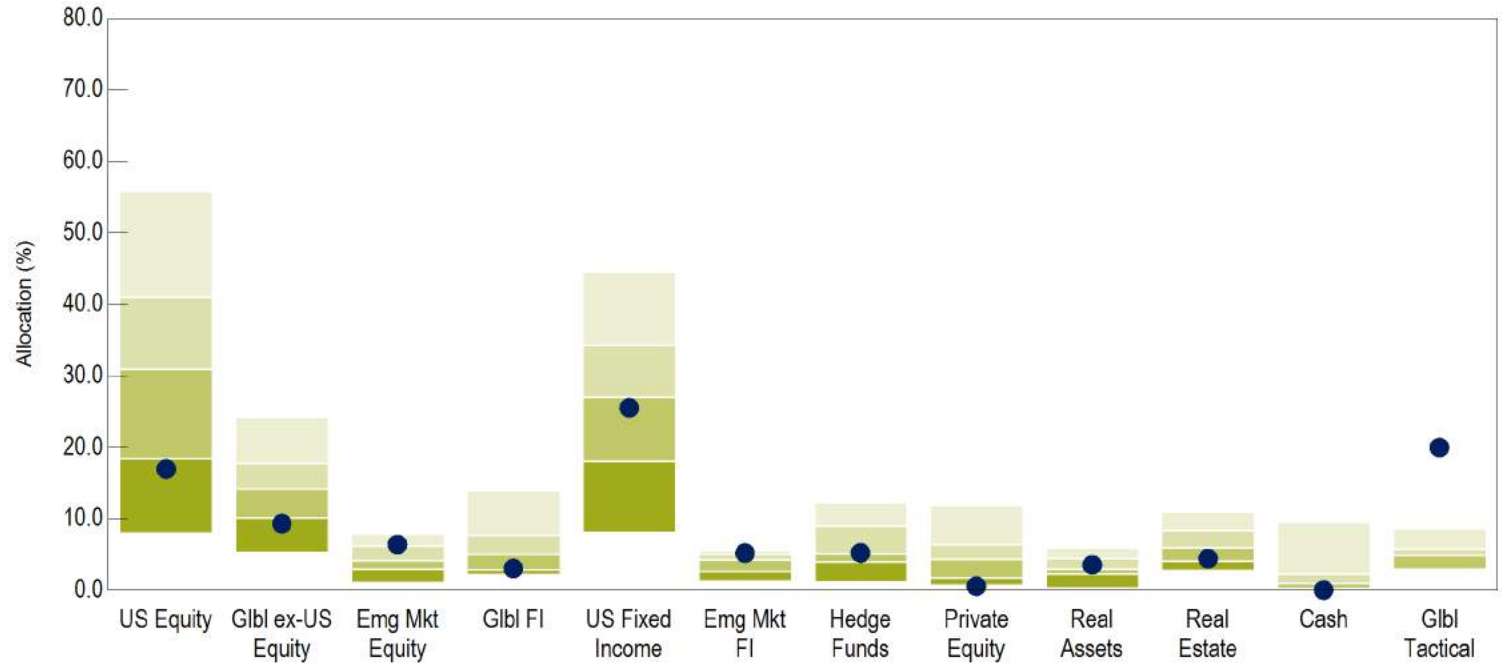
Total Fund Return Summary vs. Peer Universe



	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)	13.2 (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)				

Total Fund Allocation vs. Peer Universe

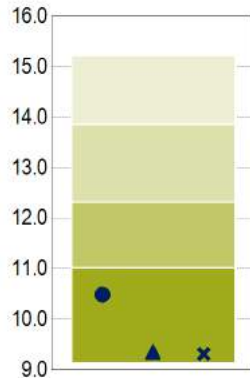
Total Plan Allocation vs. InvestorForce Public DB Gross
As of September 30, 2014



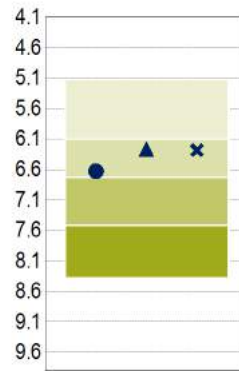
	Allocation (Rank)												
5th Percentile	55.7	24.2	7.9	13.9	44.5	5.5	12.3	11.9	5.9	10.9	9.5	8.6	--
25th Percentile	41.0	17.8	6.2	7.8	34.3	5.1	9.0	6.4	4.5	8.4	2.3	5.8	--
Median	30.9	14.2	4.2	5.1	27.0	4.3	5.2	4.4	3.1	6.0	1.1	4.9	--
75th Percentile	18.4	10.2	3.0	3.0	18.1	2.7	4.0	1.8	2.3	4.1	0.3	3.0	--
95th Percentile	8.1	5.3	1.1	2.2	8.1	1.4	1.2	0.8	0.4	2.9	0.0	2.8	--
# of Portfolios	177	175	64	36	160	34	49	57	39	121	169	20	--
● Municipal Composite	16.9 (79)	9.3 (82)	6.4 (20)	3.0 (73)	25.5 (58)	5.2 (20)	5.2 (51)	0.5 (99)	3.5 (38)	4.4 (72)	0.0 (90)	20.0 (1)	--

Municipal Composite vs. IFx Public DB Gross
3 Years

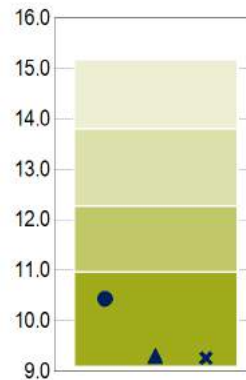
Anlzd Return



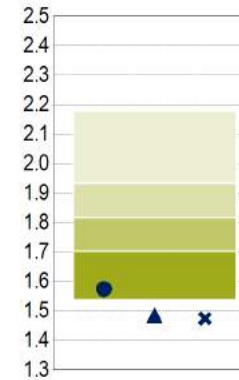
Anlzd Standard Deviation



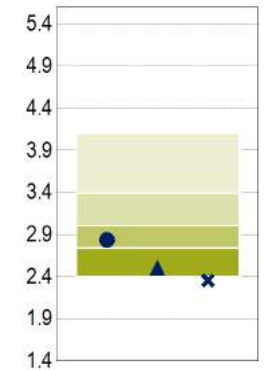
Ann Excess RF Return



Sharpe Ratio



Sortino Ratio RF



● Municipal Composite	
Value	10.48
%tile	84
▲ Policy Index	
Value	9.35
%tile	95
✕ Allocation Index	
Value	9.31
%tile	95
Universe	
5th %tile	15.22
25th %tile	13.86
Median	12.33
75th %tile	11.02
95th %tile	9.15

● Municipal Composite	
Value	6.63
%tile	46
▲ Policy Index	
Value	6.27
%tile	30
✕ Allocation Index	
Value	6.28
%tile	31
Universe	
5th %tile	5.12
25th %tile	6.09
Median	6.72
75th %tile	7.51
95th %tile	8.37

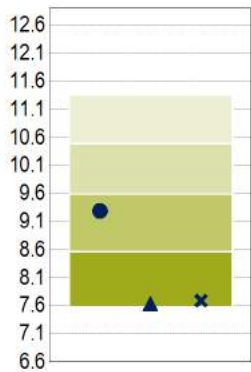
● Municipal Composite	
Value	10.43
%tile	84
▲ Policy Index	
Value	9.30
%tile	95
✕ Allocation Index	
Value	9.26
%tile	95
Universe	
5th %tile	15.17
25th %tile	13.81
Median	12.28
75th %tile	10.98
95th %tile	9.10

● Municipal Composite	
Value	1.57
%tile	90
▲ Policy Index	
Value	1.48
%tile	97
✕ Allocation Index	
Value	1.47
%tile	98
Universe	
5th %tile	2.18
25th %tile	1.94
Median	1.82
75th %tile	1.70
95th %tile	1.54

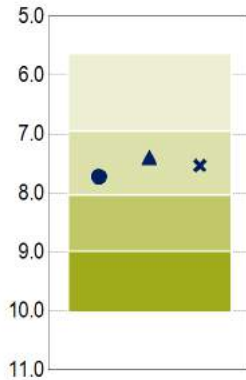
● Municipal Composite	
Value	2.83
%tile	65
▲ Policy Index	
Value	2.50
%tile	93
✕ Allocation Index	
Value	2.35
%tile	97
Universe	
5th %tile	4.10
25th %tile	3.40
Median	3.01
75th %tile	2.74
95th %tile	2.40

Municipal Composite vs. IFlx Public DB Gross
5 Years

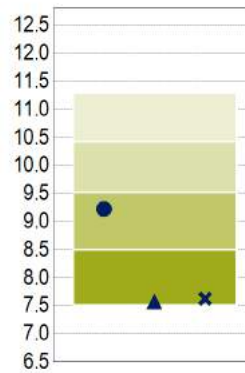
Anlzd Return



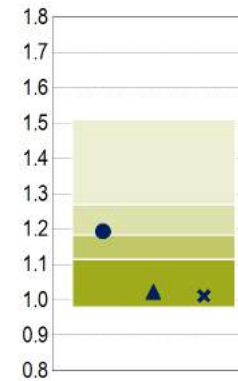
Anlzd Standard Deviation



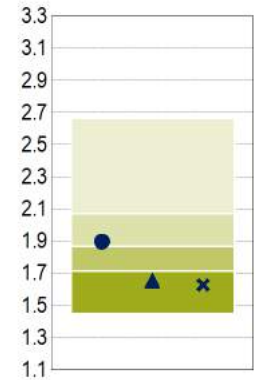
Ann Excess RF Return



Sharpe Ratio



Sortino Ratio RF



● Municipal Composite	
Value	9.28
%tile	58
▲ Policy Index	
Value	7.63
%tile	95
✕ Allocation Index	
Value	7.69
%tile	94
Universe	
5th %tile	11.36
25th %tile	10.50
Median	9.60
75th %tile	8.57
95th %tile	7.59

● Municipal Composite	
Value	7.72
%tile	44
▲ Policy Index	
Value	7.40
%tile	36
✕ Allocation Index	
Value	7.54
%tile	39
Universe	
5th %tile	5.63
25th %tile	6.94
Median	8.02
75th %tile	8.98
95th %tile	10.01

● Municipal Composite	
Value	9.22
%tile	58
▲ Policy Index	
Value	7.57
%tile	95
✕ Allocation Index	
Value	7.62
%tile	94
Universe	
5th %tile	11.29
25th %tile	10.43
Median	9.53
75th %tile	8.51
95th %tile	7.53

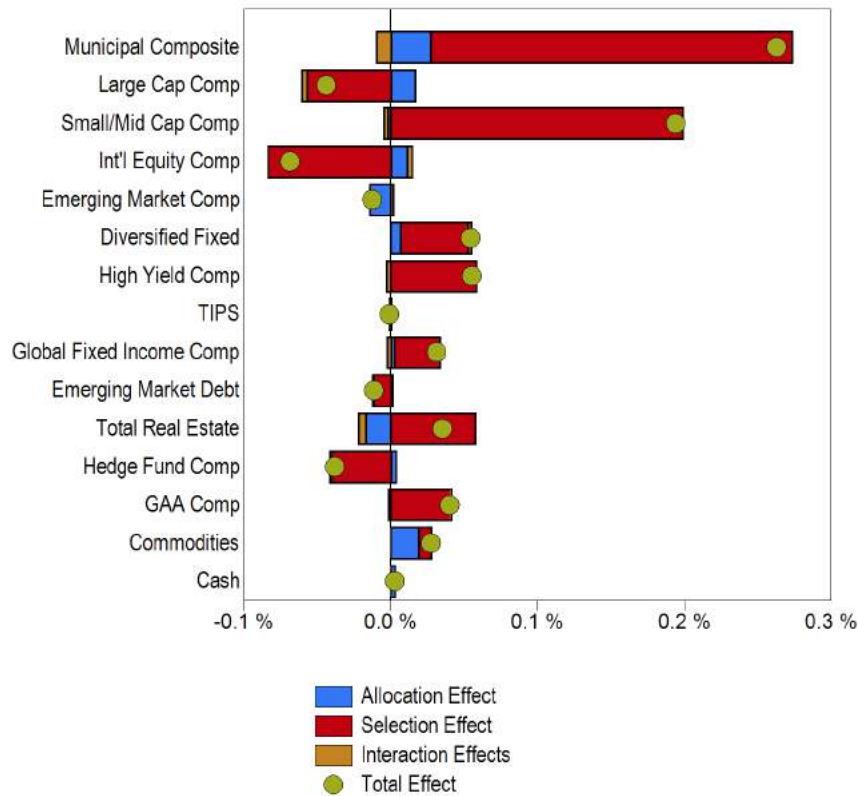
● Municipal Composite	
Value	1.19
%tile	48
▲ Policy Index	
Value	1.02
%tile	94
✕ Allocation Index	
Value	1.01
%tile	94
Universe	
5th %tile	1.51
25th %tile	1.27
Median	1.19
75th %tile	1.12
95th %tile	0.98

● Municipal Composite	
Value	1.90
%tile	42
▲ Policy Index	
Value	1.65
%tile	83
✕ Allocation Index	
Value	1.63
%tile	86
Universe	
5th %tile	2.67
25th %tile	2.08
Median	1.87
75th %tile	1.72
95th %tile	1.45

Vermont Municipal Employees

Total Fund Attribution Analysis

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



Attribution Summary
3 Months Ending September 30, 2014

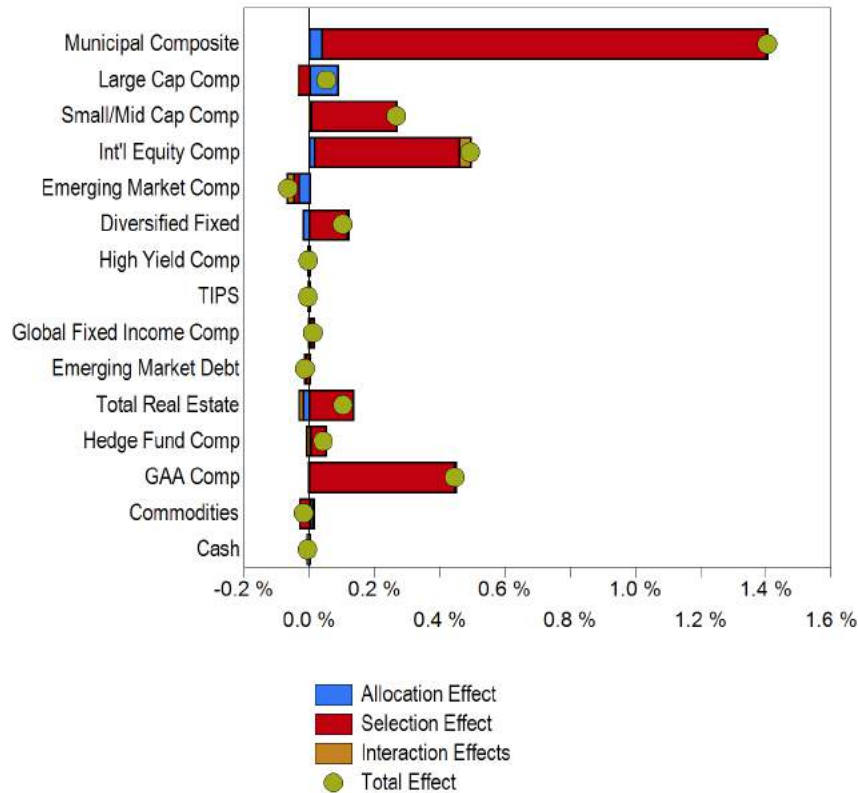
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Large Cap Comp	0.5%	1.1%	-0.6%	-0.1%	0.0%	0.0%	0.0%
Small/Mid Cap Comp	-4.3%	-7.4%	3.1%	0.2%	0.0%	0.0%	0.2%
Int'l Equity Comp	-6.7%	-5.9%	-0.8%	-0.1%	0.0%	0.0%	-0.1%
Emerging Market Comp	-3.5%	-3.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Diversified Fixed	0.4%	0.2%	0.3%	0.0%	0.0%	0.0%	0.1%
High Yield Comp	-0.4%	-1.9%	1.5%	0.1%	0.0%	0.0%	0.1%
TIPS	-2.1%	-2.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Global Fixed Income Comp	-2.8%	-3.8%	1.0%	0.0%	0.0%	0.0%	0.0%
Emerging Market Debt	-1.9%	-1.6%	-0.2%	0.0%	0.0%	0.0%	0.0%
Total Real Estate	3.9%	2.6%	1.3%	0.1%	0.0%	0.0%	0.0%
Hedge Fund Comp	-0.5%	0.3%	-0.8%	0.0%	0.0%	0.0%	0.0%
GAA Comp	-2.7%	-2.9%	0.2%	0.0%	0.0%	0.0%	0.0%
Commodities	-11.6%	-11.8%	0.2%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	-2.1%	-2.4%	0.2%	0.2%	0.0%	0.0%	0.3%

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 September 30, 2014



Attribution Summary

1 Year Ending September 30, 2014

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Large Cap Comp	19.4%	19.7%	-0.4%	0.0%	0.1%	0.0%	0.1%
Small/Mid Cap Comp	8.2%	3.9%	4.3%	0.3%	0.0%	0.0%	0.3%
Int'l Equity Comp	8.6%	4.3%	4.4%	0.4%	0.0%	0.0%	0.5%
Emerging Market Comp	3.9%	4.3%	-0.4%	0.0%	0.0%	0.0%	-0.1%
Diversified Fixed	4.6%	4.0%	0.6%	0.1%	0.0%	0.0%	0.1%
High Yield Comp	7.2%	7.2%	0.0%	0.0%	0.0%	0.0%	0.0%
TIPS	1.6%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Global Fixed Income Comp	0.2%	-0.1%	0.3%	0.0%	0.0%	0.0%	0.0%
Emerging Market Debt	8.0%	8.3%	-0.3%	0.0%	0.0%	0.0%	0.0%
Total Real Estate	14.3%	11.3%	3.1%	0.1%	0.0%	0.0%	0.1%
Hedge Fund Comp	7.1%	6.2%	0.9%	0.0%	0.0%	0.0%	0.0%
GAA Comp	8.9%	6.7%	2.2%	0.4%	0.0%	0.0%	0.4%
Commodities	-7.2%	-6.6%	-0.6%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	7.8%	6.3%	1.5%	1.4%	0.0%	0.0%	1.4%

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 September 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%	10.48%	84	6.63%	46	0.67%	28	1.57	90	2.83	65	0.86%	22
Policy Index	--	9.35%	95	6.27%	30	0.00%	59	1.48	97	2.50	93	0.00%	1
US Equity	16.92%	23.08%	46	11.90%	39	-1.61%	46	1.94	37	3.71	23	1.64%	4
Russell 3000	--	23.08%	46	11.04%	23	0.00%	33	2.09	26	3.81	18	0.00%	1
Large Cap Comp	10.67%	23.66%	36	11.08%	42	-0.37%	45	2.13	37	3.80	24	1.00%	1
S&P 500	--	22.99%	46	10.57%	26	0.00%	40	2.17	31	3.74	27	0.00%	1
Small/Mid Cap Comp	6.25%	22.16%	51	13.72%	38	3.20%	58	1.61	49	3.43	22	2.64%	1
Russell 2000	--	21.26%	63	15.22%	74	0.00%	85	1.39	76	2.68	64	0.00%	1
Int'l Equity Comp	9.31%	13.81%	78	13.55%	37	1.01%	72	1.02	70	1.37	78	2.28%	13
MSCI EAFE	--	13.65%	79	14.28%	70	0.00%	88	0.95	84	1.35	81	0.00%	1
Emerging Market Comp	6.40%	9.31%	52	16.62%	46	2.62%	53	0.56	55	0.85	52	4.75%	61
MSCI Emerging Markets	--	7.19%	80	17.19%	70	0.00%	80	0.42	81	0.65	76	0.00%	1
US Fixed Income	25.50%	5.14%	35	3.34%	67	2.30%	32	1.53	46	1.91	54	1.26%	32
Barclays Aggregate	--	2.43%	72	2.67%	49	0.00%	88	0.89	86	1.28	86	0.00%	1
Diversified Fixed	18.53%	4.27%	42	3.32%	67	1.36%	47	1.27	63	1.80	61	1.04%	24
Barclays Aggregate	--	2.43%	72	2.67%	49	0.00%	88	0.89	86	1.28	86	0.00%	1
High Yield Comp	3.90%	10.74%	52	4.59%	24	1.82%	23	2.33	23	4.02	50	1.38%	63
Barclays High Yield	--	11.09%	47	5.63%	69	0.00%	67	1.96	64	3.62	68	0.00%	1
TIPS	3.06%	1.30%	67	5.27%	80	-0.04%	87	0.24	82	0.28	76	0.11%	5
Barclays US TIPS	--	1.34%	57	5.27%	80	0.00%	73	0.25	75	0.29	63	0.00%	1
Global Fixed Income Comp	3.01%	-0.42%	99	4.90%	53	0.10%	98	-0.10	98	-0.16	99	1.94%	12
Citi WGBI	--	-0.51%	99	4.44%	38	0.00%	99	-0.13	99	-0.18	99	0.00%	1
Emerging Market Debt	5.17%	8.40%	37	7.57%	27	1.01%	35	1.10	34	1.58	38	1.21%	7
JP Morgan EMBI Global TR	--	7.69%	48	7.78%	32	0.00%	49	0.98	48	1.49	45	0.00%	1
Total Real Estate	4.42%	13.97%	--	5.68%	--	0.19%	--	2.45	--	1,633.20	--	1.77%	--
NCREIF Property Index	--	11.08%	--	4.42%	--	0.00%	--	2.49	--	1,294.53	--	0.00%	--
Hedge Fund Comp	5.21%	8.67%	33	3.55%	35	3.32%	34	2.43	22	7.33	10	1.13%	1
HFRI Fund of Funds Composite Index	--	5.19%	72	3.26%	26	0.00%	68	1.57	56	3.19	53	0.00%	1
GAA Comp	19.96%	9.61%	43	8.03%	52	0.81%	57	1.19	57	1.69	56	3.15%	35
60% MSCI ACWI (Net)/40% CITI WGBI	--	9.62%	43	8.12%	54	0.00%	64	1.18	58	1.77	53	0.00%	1
Commodities	3.53%	-4.14%	--	11.92%	--	0.60%	--	-0.35	--	-0.56	--	4.09%	--

Vermont Municipal Employees

Total Fund Risk Statistics

5 Years Ending September 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%	9.28%	58	7.72%	44	1.37%	12	1.19	48	1.90	42	0.89%	22
Policy Index	--	7.63%	95	7.40%	36	0.00%	64	1.02	94	1.65	83	0.00%	1
US Equity	16.92%	--	--	--	--	--	--	--	--	--	--	--	--
Russell 3000	--	15.78%	56	13.79%	30	0.00%	45	1.14	35	1.93	31	0.00%	1
Large Cap Comp	10.67%	16.61%	28	13.85%	52	0.19%	40	1.19	34	1.94	35	1.16%	1
S&P 500	--	15.70%	47	13.20%	30	0.00%	44	1.18	37	1.98	32	0.00%	1
Small/Mid Cap Comp	6.25%	16.43%	48	16.19%	38	3.98%	45	1.01	41	1.82	31	3.06%	1
Russell 2000	--	14.29%	87	18.44%	81	0.00%	93	0.77	90	1.31	87	0.00%	1
Int'l Equity Comp	9.31%	7.62%	71	15.60%	21	1.51%	65	0.48	62	0.71	59	2.26%	12
MSCI EAFE	--	6.56%	87	16.64%	51	0.00%	88	0.39	87	0.58	85	0.00%	1
Emerging Market Comp	6.40%	--	--	--	--	--	--	--	--	--	--	--	--
MSCI Emerging Markets	--	4.42%	75	18.55%	45	0.00%	76	0.23	75	0.34	74	0.00%	1
US Fixed Income	25.50%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays Aggregate	--	4.12%	65	2.83%	49	0.00%	87	1.43	76	2.17	71	0.00%	1
Diversified Fixed	18.53%	5.78%	38	3.39%	65	1.37%	43	1.69	55	2.79	37	1.52%	34
Barclays Aggregate	--	4.12%	65	2.83%	49	0.00%	87	1.43	76	2.17	71	0.00%	1
High Yield Comp	3.90%	10.16%	62	5.08%	18	1.77%	22	1.99	21	2.73	39	1.60%	65
Barclays High Yield	--	10.57%	50	6.30%	66	0.00%	71	1.67	68	2.46	62	0.00%	1
TIPS	3.06%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays US TIPS	--	4.48%	70	5.32%	82	0.00%	84	0.83	87	1.11	69	0.00%	1
Global Fixed Income Comp	3.01%	3.20%	78	5.87%	50	1.76%	79	0.53	77	0.84	67	2.29%	17
Citi WGBI	--	1.58%	96	5.94%	52	0.00%	97	0.25	96	0.32	97	0.00%	1
Emerging Market Debt	5.17%	--	--	--	--	--	--	--	--	--	--	--	--
JP Morgan EMBI Global TR	--	7.95%	55	7.11%	14	0.00%	49	1.11	37	1.53	31	0.00%	1
Total Real Estate	4.42%	--	--	--	--	--	--	--	--	--	--	--	--
NCREIF Property Index	--	10.99%	--	5.11%	--	0.00%	--	2.14	--	9.58	--	0.00%	--
Hedge Fund Comp	5.21%	--	--	--	--	--	--	--	--	--	--	--	--
HFRI Fund of Funds Composite Index	--	3.41%	74	3.99%	27	0.00%	68	0.84	60	1.16	65	0.00%	1
GAA Comp	19.96%	9.27%	22	8.48%	44	3.75%	27	1.08	29	1.55	40	3.69%	31
60% MSCI ACWI (Net)/40% CITI WGBI	--	6.85%	56	9.79%	63	0.00%	76	0.69	64	1.06	64	0.00%	1
Commodities	3.53%	--	--	--	--	--	--	--	--	--	--	--	--

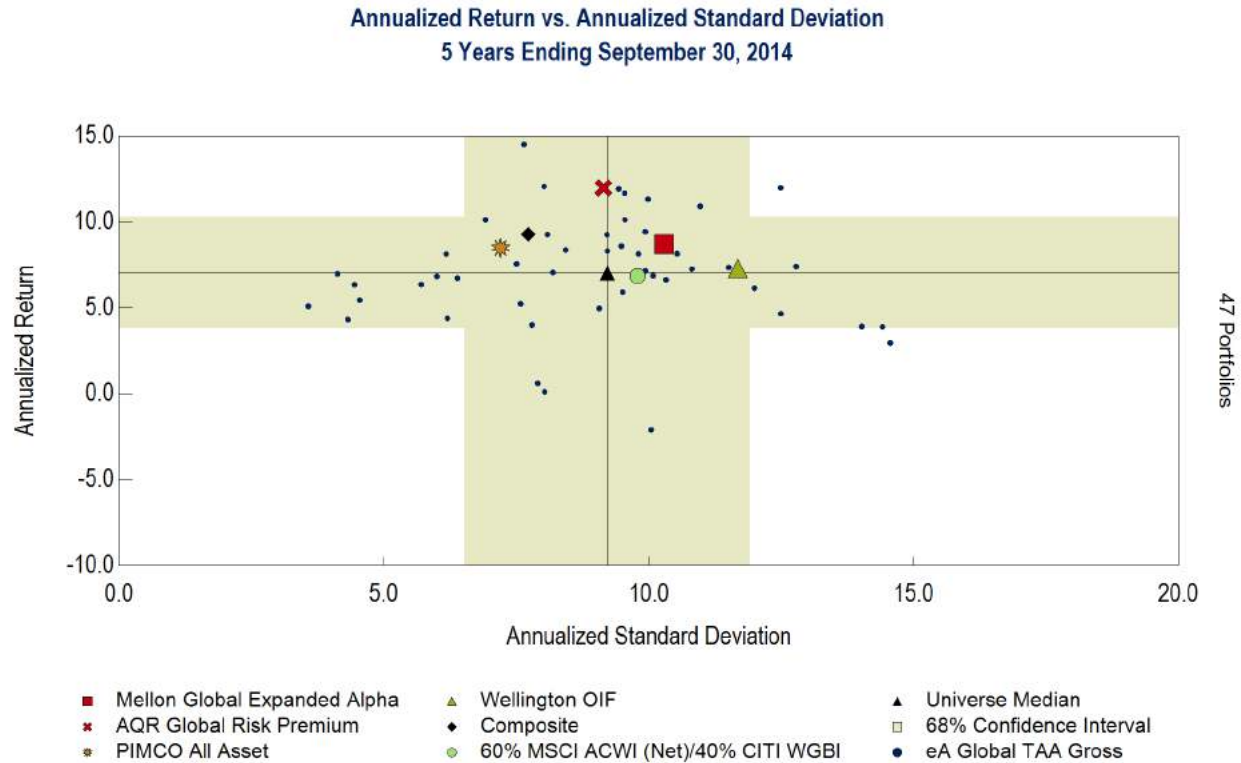
Annualized Return vs. Annualized Standard Deviation
3 Years Ending September 30, 2014



Statistics Summary

3 Years Ending September 30, 2014

	Anlzd Return	Anlzd Standard Deviation
GAA Comp	9.61%	8.03%
Mellon Global Expanded Alpha	10.38%	9.16%
AQR Global Risk Premium	9.50%	9.21%
PIMCO All Asset	8.96%	7.50%
Wellington OIF	10.39%	9.15%
Composite	10.48%	6.63%



Statistics Summary

5 Years Ending September 30, 2014

	Anlzd Return	Anlzd Standard Deviation
GAA Comp	9.27%	8.48%
Mellon Global Expanded Alpha	8.69%	10.29%
AQR Global Risk Premium	11.97%	9.15%
PIMCO All Asset	8.47%	7.20%
Wellington OIF	7.30%	11.68%
Composite	9.28%	7.72%

VPIC Allocation Comparison



VPIC Composite

Total Fund Performance - Gross

	Ending September 30, 2014												Market Value (\$)
	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	
VPIC Composite	-2.1	92	4.5	23	7.8	80	10.4	86	9.2	61	6.6	70	3,969,790,981
<i>InvestorForce Public DB Gross Median</i>	-1.3		3.9		9.2		12.3		9.6		6.9		
Vermont State Teachers	-2.0	91	4.6	21	7.8	80	10.3	86	9.2	62	6.5	73	1,696,539,551
<i>Allocation Index</i>	-2.0	91	3.0	86	6.4	96	9.3	95	7.6	96	6.1	88	
<i>Policy Index</i>	-2.0	91	3.2	81	6.6	95	9.4	95	7.6	95	6.1	87	
<i>InvestorForce Public DB Gross Median</i>	-1.3		3.9		9.2		12.3		9.6		6.9		
Vermont State Employees	-2.1	92	4.5	24	7.8	79	10.4	84	9.2	59	6.6	63	1,611,567,869
<i>Allocation Index</i>	-2.1	92	3.0	87	6.4	96	9.3	95	7.6	95	6.2	84	
<i>Policy Index</i>	-2.0	91	3.2	81	6.6	95	9.4	95	7.6	95	6.3	82	
<i>InvestorForce Public DB Gross Rank</i>	92		24		79		84		59		63		
Vermont Municipal Employees	-2.1	93	4.4	26	7.8	80	10.5	84	9.3	58	6.7	56	512,484,586
<i>Allocation Index</i>	-2.1	92	2.9	89	6.3	96	9.3	95	7.7	94	6.3	82	
<i>Policy Index</i>	-2.0	91	3.2	81	6.6	95	9.4	95	7.6	95	6.4	79	
<i>InvestorForce Public DB Gross Median</i>	-1.3		3.9		9.2		12.3		9.6		6.9		
City of Burlington	-2.1	92	4.5	23	7.8	80	10.3	86	9.2	61	6.4	79	149,198,974
<i>Allocation Index</i>	-2.1	92	3.0	87	6.4	96	--	--	--	--	--	--	
<i>Policy Index</i>	-2.0	91	3.2	81	6.6	95	9.4	95	7.6	95	5.7	96	
<i>60% MSCI World / 40% CITI WGBI</i>	-2.7	99	3.1	84	7.6	85	10.7	81	7.7	95	6.6	68	
<i>InvestorForce Public DB Gross Median</i>	-1.3		3.9		9.2		12.3		9.6		6.9		

VPIC Composite

Total Fund Performance Detail - Gross

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
Composite	3,969,790,981	100.0	100.0	-2.1	92	4.5	23	7.8	80	10.4	86	9.2	61
<i>InvestorForce Public DB Gross Median</i>				-1.3		3.9		9.2		12.3		9.6	
Total Equity	1,276,463,813	32.2	--	-3.3	62	3.9	46	11.2	47	--	--	--	--
<i>MSCI ACWI</i>				-2.3	38	3.7	47	11.3	46	16.6	66	10.1	78
<i>eA All Global Equity Gross Median</i>				-2.8		3.4		11.0		17.9		11.7	
US Equity	657,762,548	16.6	--	-1.2	48	4.9	51	15.3	48	--	--	--	--
<i>Russell 3000</i>				0.0	35	7.0	35	17.8	32	23.1	46	15.8	56
<i>eA All US Equity Gross Median</i>				-1.4		5.0		14.9		22.8		16.1	
Large Cap Comp	429,090,778	10.8	10.0	0.5	50	8.1	38	19.3	38	23.7	36	16.6	28
<i>S&P 500</i>				1.1	34	8.3	33	19.7	33	23.0	46	15.7	47
<i>eA US Large Cap Equity Gross Median</i>				0.5		7.4		18.5		22.7		15.6	
T. Rowe	120,843,419	3.0	3.0	0.6	48	7.7	44	19.4	37	23.4	41	15.7	47
<i>S&P 500</i>				1.1	34	8.3	33	19.7	33	23.0	46	15.7	47
SSgA S&P 500 Cap-Wgt	196,816,560	5.0	4.0	1.1	34	8.4	33	19.8	33	23.0	46	--	--
<i>S&P 500</i>				1.1	34	8.3	33	19.7	33	23.0	46	15.7	47
SSgA S&P 500 Equal-Wgt	111,430,799	2.8	3.0	-0.7	80	7.9	42	18.5	49	24.9	19	17.6	12
<i>S&P 500 Equal Weighted</i>				-0.7	80	7.9	42	18.5	49	24.8	20	17.5	12

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 except where noted. Results for periods longer than one year are annualized.

Fiscal Year End is 6/30

VPIC Composite

Total Fund Performance Detail - Gross

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
Small/Mid Cap Comp	228,671,771	5.8	6.5	-4.2	47	-0.6	58	8.3	57	22.1	53	16.4	49
<i>Russell 2000</i>				-7.4	91	-4.4	89	3.9	86	21.3	63	14.3	87
<i>eA US Small-Mid Cap Equity Gross Median</i>				-4.4		0.2		8.9		22.3		16.4	
SSgA S&P 400	21,834,277	0.6	0.5	-4.0	86	3.2	60	11.8	65	22.5	51	--	--
<i>S&P 400 MidCap</i>				-4.0	86	3.2	59	11.8	65	22.4	53	16.4	57
<i>eA US Mid Cap Equity Gross Median</i>				-2.1		4.2		13.3		22.6		16.6	
Champlain	79,628,282	2.0	2.0	-1.9	44	3.8	53	13.8	47	22.3	55	17.2	41
<i>Russell 2500</i>				-5.3	97	0.3	88	9.0	82	22.8	47	16.0	69
<i>eA US Mid Cap Equity Gross Median</i>				-2.1		4.2		13.3		22.6		16.6	
Wellington	75,967,531	1.9	2.0	-5.4	21	-3.6	69	5.0	77	21.5	65	16.0	42
<i>Russell 2000 Value</i>				-8.6	82	-4.7	81	4.1	81	20.6	76	13.0	88
<i>eA US Small Cap Value Equity Gross Median</i>				-6.8		-1.9		7.3		23.3		15.6	
SSgA Russell 2000 Growth	51,241,682	1.3	2.0	-6.1	68	-4.1	49	3.8	51	21.9	55	15.6	72
<i>Russell 2000 Growth</i>				-6.1	68	-4.0	49	3.8	51	21.9	55	15.5	72
<i>eA US Small Cap Growth Equity Gross Median</i>				-5.5		-4.6		3.8		22.1		17.0	

VPIC Composite

Total Fund Performance Detail - Gross

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
Int'l Equity Comp	368,448,412	9.3	10.0	-6.7	77	1.4	16	8.6	17	13.8	78	7.6	71
MSCI EAFE				-5.9	58	-1.4	60	4.3	69	13.6	79	6.6	87
eA All EAFE Equity Gross Median				-5.7		-0.9		5.5		15.2		8.5	
Acadian	150,751,654	3.8	4.0	-7.9	94	0.1	34	8.6	18	15.1	53	8.3	57
Mondrian	158,806,288	4.0	4.0	-6.0	61	2.9	8	9.8	9	13.2	84	7.6	73
MSCI EAFE				-5.9	58	-1.4	60	4.3	69	13.6	79	6.6	87
S&P EPAC LargeMidCap				-5.7	50	-0.7	47	4.8	62	14.1	73	7.2	78
SSgA ACWI Ex US	58,890,471	1.5	2.0	-5.3	51	0.2	40	5.1	61	12.1	81	--	--
MSCI ACWI ex USA				-5.3	52	0.0	41	4.8	66	11.8	84	6.0	94
eA ACWI ex-US All Cap Equity Gross Median				-5.2		-0.5		5.6		14.2		9.2	
Emerging Market Comp	250,252,853	6.3	6.0										
eA Emg Mkts Equity Gross Median													
Aberdeen	250,252,853	6.3	6.0	-3.5	58	4.4	42	3.9	75	9.3	52	9.2	17
MSCI Emerging Markets				-3.5	60	2.4	65	4.3	72	7.2	80	4.4	75
eA Emg Mkts Equity Gross Median				-3.2		3.8		6.1		9.4		6.2	

VPIC Composite

Total Fund Performance Detail - Gross

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
US Fixed Income	1,007,674,638	25.4	--	0.0	63	4.8	27	4.6	45	--	--	--	--
Barclays Aggregate				0.2	38	4.1	42	4.0	57	2.4	72	4.1	65
eA All US Fixed Inc Gross Median				0.1		3.7		4.3		3.5		4.8	
Diversified Fixed Income	726,795,564	18.3	18.0	0.4	20	5.2	23	4.6	46	4.3	42	5.8	38
Barclays Aggregate				0.2	38	4.1	42	4.0	57	2.4	72	4.1	65
eA All US Fixed Inc Gross Median				0.1		3.7		4.3		3.5		4.8	
Allianz Structured Alpha	102,422,217	2.6	2.0	2.4	1	11.5	2	11.0	2	11.5	1	9.3	1
Citigroup 10 Year Treasury				0.7	4	6.9	4	4.3	58	1.3	99	4.6	66
PIMCO Core Plus	262,178,686	6.6	6.5	-0.2	96	3.8	78	3.2	89	3.3	49	5.1	34
Barclays Aggregate				0.2	57	4.1	65	4.0	72	2.4	87	4.1	82
PIMCO Unconstrained	261,589,075	6.6	6.5	0.3	22	3.1	89	2.6	94	2.5	86	--	--
25% HY, 25% EMD, 50% BC Agg				-0.8	99	4.8	24	5.9	13	5.9	4	6.7	5
3-Month Libor Total Return USD				0.1	76	0.2	99	0.2	99	0.3	99	0.3	99
Wellington DAS	100,605,587	2.5	3.0	0.2	43	8.0	2	7.1	4	4.4	15	7.5	3
Wellington Custom Benchmark				2.5	1	14.0	1	10.8	2	2.0	97	6.9	3
High Yield Comp	161,479,501	4.1	4.0	-0.4	3	4.2	23	7.2	54	10.7	53	10.2	62
eA US High Yield Fixed Inc Gross Median				-1.7		3.6		7.4		10.9		10.6	
KDP	39,936,993	1.0	1.0	-1.3	22	3.1	71	6.3	78	9.1	84	8.5	93
Guggenheim	121,542,507	3.1	3.0	-0.1	1	4.5	13	--	--	--	--	--	--
Barclays High Yield				-1.9	66	3.5	59	7.2	54	11.1	47	10.6	50
BofA Merrill Lynch US High Yield BB-B Rated				-1.6	42	3.9	36	7.3	51	10.3	64	9.9	69
eA US High Yield Fixed Inc Gross Median				-1.7		3.6		7.4		10.9		10.6	
TIPS	119,399,573	3.0	3.0										
eA TIPS / Infl Indexed Fixed Inc Gross Median													
BlackRock TIPS	119,399,573	3.0	3.0	-2.1	--	3.6	--	1.6	--	1.3	--	--	--
Barclays US TIPS				-2.0	--	3.7	--	1.6	--	1.3	--	4.5	--

Allianz is Net of Fees from inception to Q3 2012, and Grossed up quarterly since.

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

Wellington DAS is Net of Fees

VPIC Composite

Total Fund Performance Detail - Gross

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
Global Fixed Income Comp	118,167,861	3.0	3.0	-2.8	67	1.1	83	0.2	89	-0.4	99	3.2	78
<i>eA All Global Fixed Inc Gross Median</i>				-2.1		3.3		4.6		4.9		5.1	
Mondrian GFI	118,167,861	3.0	3.0	-2.8	67	1.1	83	0.2	89	-1.1	99	2.0	94
<i>Citi WGBI</i>				-3.8	83	1.0	83	-0.1	92	-0.5	99	1.6	96
Emerging Market Debt	204,756,597	5.2	5.0										
<i>eA All Emg Mkts Fixed Inc Gross Median</i>													
Wellington Opportunistic EMD	204,756,597	5.2	5.0	-1.9	43	7.1	31	8.0	39	8.4	37	--	--
<i>JP Morgan EMBI Global TR</i>				-1.6	37	7.3	28	8.3	35	7.7	48	7.9	55
<i>eA All Emg Mkts Fixed Inc Gross Median</i>				-2.3		5.9		6.8		7.5		8.0	
Total Real Estate	205,392,832	5.2	4.5	3.9	--	11.3	--	14.6	--	--	--	--	--
Morgan Stanley Prime Property	91,688,607	2.3	2.0	4.0	--	10.5	--	14.5	--	14.7	--	14.1	--
UBS Trumbull	79,480,386	2.0	2.0	3.2	--	8.4	--	10.9	--	10.5	--	11.1	--
RREEF America REIT III	21,558,298	0.5	0.5	5.6	--	24.7	--	28.5	--	22.3	--	21.4	--
Siguler Guff	11,746,572	0.3	--	5.4	--	--	--	--	--	--	--	--	--
Transwestern / Aslan III	918,970	0.0	0.0	-3.8	--	2.1	--	2.3	--	16.4	--	-4.4	--
<i>NCREIF Property Index</i>				2.6	--	8.5	--	11.3	--	11.1	--	11.0	--
<i>NCREIF ODCE</i>				3.2	--	8.9	--	12.4	--	12.3	--	12.4	--

Wellington Opportunistic EMD is Net of manager fees
 Real Estate is as of Q3 2014

VPIC Composite

Total Fund Performance Detail - Gross

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
Hedge Fund Comp	200,509,858	5.1	5.0	-0.5	64	2.7	48	7.1	44	8.7	33	--	--
<i>eA HFN FOF - Multi-Strategy Net Median</i>				-0.2		2.6		6.5		6.8		5.2	
Grosvenor	80,696,037	2.0	2.0	-0.1	47	2.8	45	7.1	44	8.9	30	--	--
GAM	39,840,547	1.0	1.0	0.0	46	1.8	60	6.2	53	8.1	40	--	--
Permal	79,973,274	2.0	2.0	-1.2	80	3.0	44	7.6	40	8.8	32	--	--
<i>HFRI Fund of Funds Composite Index</i>				0.3	35	2.4	53	6.2	53	5.2	72	3.4	74
GAA Comp	796,211,083	20.1	20.0	-2.7	62	6.0	11	9.0	22	9.6	42	9.3	22
<i>eA Global TAA Gross Median</i>				-2.0		3.1		6.6		8.7		7.0	
Mellon Global Expanded Alpha	80,052,717	2.0	2.5	1.8	11	1.4	71	6.0	61	10.4	35	8.7	26
<i>Mellon GA GEA Index</i>				-2.0	51	3.4	39	7.2	44	10.1	37	7.0	52
AQR Global Risk Premium	325,187,104	8.2	8.0	-3.5	75	10.1	2	12.1	8	9.5	44	12.0	5
<i>60% MSCI World / 40% CITI WGBI</i>				-2.7	62	3.1	51	7.6	42	10.7	32	7.7	39
PIMCO All Asset	236,808,189	6.0	5.0	-2.7	62	4.5	29	6.1	60	9.0	48	8.5	28
<i>PIMCO All Asset Index</i>				-0.8	23	4.1	32	5.2	67	5.2	76	6.1	68
<i>CPI + 5% (Seasonally Adjusted)</i>				1.2	12	5.1	17	6.7	48	6.7	68	7.0	51
Wellington OIF	154,163,072	3.9	4.5	-3.4	71	2.4	63	8.5	28	10.4	34	7.3	45
<i>65% MSCI World (Net) /35% BC Agg</i>				-1.3	37	4.0	34	9.3	20	12.4	16	8.7	26
Commodities	137,758,130	3.5	4.0										
Schroder	137,758,130	3.5	4.0	-11.6	--	-5.5	--	-7.2	--	-4.1	--	--	--
<i>Bloomberg Commodity Index</i>				-11.8	--	-5.6	--	-6.6	--	-5.3	--	-1.4	--
Cash	332,237	0.0	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	--
Private Equity	22,523,932	0.6	1.0										
<i>Cambridge Associates US All PE</i>													
Harbourvest Partners IX Credit Opportunities	1,021,449	0.0	--										
Harbourvest Partners IX Venture Fund	5,302,367	0.1	--										
Harbourvest Partners IX Buyout Fund	6,151,837	0.2	--										
Harbourvest Dover VIII Fund	10,048,279	0.3	--										

Harbourvest is based on final Capital Account Statements for Q2 2014, and cash adjusted through September for any

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.

Hedge Fund Comp and Commodities are Net of Manager Fees

Wellington OIF is Net of Manager Fees

VPIC Composite

Total Fund Performance - Net

	Ending September 30, 2014						Market Value
	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	(\$)
VPIC Composite	-2.2	4.2	7.4	9.9	8.7	6.3	3,969,790,981
Vermont State Teachers	-2.1	4.2	7.4	9.8	8.7	6.2	1,696,539,551
Allocation Index	-2.0	3.0	6.4	9.3	7.6	6.1	
Policy Index	-2.0	3.2	6.6	9.4	7.6	6.1	
Vermont State Employees	-2.2	4.2	7.4	10.0	8.8	6.3	1,611,567,869
Allocation Index	-2.1	3.0	6.4	9.3	7.6	6.2	
Policy Index	-2.0	3.2	6.6	9.4	7.6	6.3	
Vermont Municipal Employees	-2.2	4.1	7.3	10.0	8.8	6.4	512,484,586
Allocation Index	-2.1	2.9	6.3	9.3	7.7	6.3	
Policy Index	-2.0	3.2	6.6	9.4	7.6	6.4	
City of Burlington	-2.2	4.2	7.4	9.8	8.7	6.1	149,198,974
Allocation Index	-2.1	3.0	6.4	--	--	--	
Policy Index	-2.0	3.2	6.6	9.4	7.6	5.7	
60% MSCI World / 40% CITI WGBI	-2.7	3.1	7.6	10.7	7.7	6.6	

Net returns use one quarter lagged manager fees based on manager's invoices broken out using JPMorgan weights at the quarter end for which the fees were accrued. Net returns begin Q3 2012, and are gross before to inception except where otherwise noted.

VPIC Composite

Total Fund Performance Detail – Net

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Composite	3,969,790,981	100.0	100.0	-2.1	4.5	7.8	10.4	9.2
Total Equity	1,276,463,813	32.2	--	-3.3	3.9	11.2	--	--
<i>MSCI ACWI</i>				-2.3	3.7	11.3	16.6	10.1
US Equity	657,762,548	16.6	--	-1.2	4.9	15.3	--	--
<i>Russell 3000</i>				0.0	7.0	17.8	23.1	15.8
Large Cap Comp	429,090,778	10.8	10.0	0.5	8.1	19.3	23.7	16.6
<i>S&P 500</i>				1.1	8.3	19.7	23.0	15.7
T. Rowe	120,843,419	3.0	3.0	0.6	7.7	19.4	23.4	15.7
<i>S&P 500</i>				1.1	8.3	19.7	23.0	15.7
SSgA S&P 500 Cap-Wgt	196,816,560	5.0	4.0	1.1	8.4	19.8	23.0	--
<i>S&P 500</i>				1.1	8.3	19.7	23.0	15.7
SSgA S&P 500 Equal-Wgt	111,430,799	2.8	3.0	-0.7	7.9	18.5	24.9	17.6
<i>S&P 500 Equal Weighted</i>				-0.7	7.9	18.5	24.8	17.5
Small/Mid Cap Comp	228,671,771	5.8	6.5	-4.2	-0.6	8.3	22.1	16.4
<i>Russell 2000</i>				-7.4	-4.4	3.9	21.3	14.3
SSgA S&P 400	21,834,277	0.6	0.5	-4.0	3.2	11.8	22.5	--
<i>S&P 400 MidCap</i>				-4.0	3.2	11.8	22.4	16.4
Champlain	79,628,282	2.0	2.0	-1.9	3.8	13.8	22.3	17.2
<i>Russell 2500</i>				-5.3	0.3	9.0	22.8	16.0
Wellington	75,967,531	1.9	2.0	-5.4	-3.6	5.0	21.5	16.0
<i>Russell 2000 Value</i>				-8.6	-4.7	4.1	20.6	13.0
SSgA Russell 2000 Growth	51,241,682	1.3	2.0	-6.1	-4.1	3.8	21.9	15.6
<i>Russell 2000 Growth</i>				-6.1	-4.0	3.8	21.9	15.5

Fiscal Year End is 6/30
Report is Net of manager fees

Net returns use one quarter lagged manager fees based on manager's invoices broken out using JPMorgan weights at the quarter end for which the fees were accrued.
Net returns begin Q3 2012, and are gross before to inception except where otherwise noted.

VPIC Composite

Total Fund Performance Detail – Net

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Int'l Equity Comp	368,448,412	9.3	10.0	-6.7	1.4	8.6	13.8	7.6
<i>MSCI EAFE</i>				-5.9	-1.4	4.3	13.6	6.6
Acadian	150,751,654	3.8	4.0	-7.9	0.1	8.6	15.1	8.3
Mondrian	158,806,288	4.0	4.0	-6.0	2.9	9.8	13.2	7.6
<i>MSCI EAFE</i>				-5.9	-1.4	4.3	13.6	6.6
<i>S&P EPAC LargeMidCap</i>				-5.7	-0.7	4.8	14.1	7.2
SSgA ACWI Ex US	58,890,471	1.5	2.0	-5.3	0.2	5.1	12.1	--
<i>MSCI ACWI ex USA</i>				-5.3	0.0	4.8	11.8	6.0
Emerging Market Comp	250,252,853	6.3	6.0					
Aberdeen	250,252,853	6.3	6.0	-3.5	4.4	3.9	9.3	9.2
<i>MSCI Emerging Markets</i>				-3.5	2.4	4.3	7.2	4.4
US Fixed Income	1,007,674,638	25.4	--	0.0	4.8	4.6	--	--
<i>Barclays Aggregate</i>				0.2	4.1	4.0	2.4	4.1
Diversified Fixed Income	726,795,564	18.3	18.0	0.4	5.2	4.6	4.3	5.8
<i>Barclays Aggregate</i>				0.2	4.1	4.0	2.4	4.1
Allianz Structured Alpha	102,422,217	2.6	2.0	2.4	11.5	11.0	11.5	9.3
<i>Citigroup 10 Year Treasury</i>				0.7	6.9	4.3	1.3	4.6
PIMCO Core Plus	262,178,686	6.6	6.5	-0.2	3.8	3.2	3.3	5.1
<i>Barclays Aggregate</i>				0.2	4.1	4.0	2.4	4.1
PIMCO Unconstrained	261,589,075	6.6	6.5	0.3	3.1	2.6	2.5	--
<i>25% HY, 25% EMD, 50% BC Agg</i>				-0.8	4.8	5.9	5.9	6.7
<i>3-Month Libor Total Return USD</i>				0.1	0.2	0.2	0.3	0.3
Wellington DAS	100,605,587	2.5	3.0	0.2	8.0	7.1	4.4	7.5
<i>Wellington Custom Benchmark</i>				2.5	14.0	10.8	2.0	6.9

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 – Net

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
High Yield Comp	161,479,501	4.1	4.0	-0.4	4.2	7.2	10.7	10.2
KDP	39,936,993	1.0	1.0	-1.3	3.1	6.3	9.1	8.5
Guggenheim	121,542,507	3.1	3.0	-0.1	4.5	--	--	--
<i>Barclays High Yield</i>				-1.9	3.5	7.2	11.1	10.6
<i>BofA Merrill Lynch US High Yield BB-B Rated</i>				-1.6	3.9	7.3	10.3	9.9
TIPS	119,399,573	3.0	3.0					
BlackRock TIPS	119,399,573	3.0	3.0	-2.1	3.6	1.6	1.3	--
<i>Barclays US TIPS</i>				-2.0	3.7	1.6	1.3	4.5
Global Fixed Income Comp	118,167,861	3.0	3.0	-2.8	1.1	0.2	-0.4	3.2
Mondrian GFI	118,167,861	3.0	3.0	-2.8	1.1	0.2	-1.1	2.0
<i>Citi WGBI</i>				-3.8	1.0	-0.1	-0.5	1.6
Emerging Market Debt	204,756,597	5.2	5.0					
Wellington Opportunistic EMD	204,756,597	5.2	5.0	-1.9	7.1	8.0	8.4	--
<i>JP Morgan EMBI Global TR</i>				-1.6	7.3	8.3	7.7	7.9
Total Real Estate	205,392,832	5.2	4.5	3.9	11.3	14.6	--	--
Morgan Stanley Prime Property	91,688,607	2.3	2.0	4.0	10.5	14.5	14.7	14.1
UBS Trumbull	79,480,386	2.0	2.0	3.2	8.4	10.9	10.5	11.1
RREEF America REIT III	21,558,298	0.5	0.5	5.6	24.7	28.5	22.3	21.4
Siguler Guff	11,746,572	0.3	--	5.4	--	--	--	--
Transwestern / Aslan III	918,970	0.0	0.0	-3.8	2.1	2.3	16.4	-4.4
<i>NCREIF Property Index</i>				2.6	8.5	11.3	11.1	11.0
<i>NCREIF ODCE</i>				3.2	8.9	12.4	12.3	12.4

Real Estate is as of Q3 2014

VPIC Composite

Total Fund Performance Detail – Net

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Hedge Fund Comp	200,509,858	5.1	5.0	-0.5	2.7	7.1	8.7	--
Grosvenor	80,696,037	2.0	2.0	-0.1	2.8	7.1	8.9	--
GAM	39,840,547	1.0	1.0	0.0	1.8	6.2	8.1	--
Permal	79,973,274	2.0	2.0	-1.2	3.0	7.6	8.8	--
<i>HFRI Fund of Funds Composite Index</i>				0.3	2.4	6.2	5.2	3.4
GAA Comp	796,211,083	20.1	20.0	-2.7	6.0	9.0	9.6	9.3
Mellon Global Expanded Alpha	80,052,717	2.0	2.5	1.8	1.4	6.0	10.4	8.7
<i>Mellon GA GEA Index</i>				-2.0	3.4	7.2	10.1	7.0
AQR Global Risk Premium	325,187,104	8.2	8.0	-3.5	10.1	12.1	9.5	12.0
<i>60% MSCI World / 40% CITI WGBI</i>				-2.7	3.1	7.6	10.7	7.7
PIMCO All Asset	236,808,189	6.0	5.0	-2.7	4.5	6.1	9.0	8.5
<i>PIMCO All Asset Index</i>				-0.8	4.1	5.2	5.2	6.1
<i>CPI + 5% (Seasonally Adjusted)</i>				1.2	5.1	6.7	6.7	7.0
Wellington OIF	154,163,072	3.9	4.5	-3.4	2.4	8.5	10.4	7.3
<i>65% MSCI World (Net) / 35% BC Agg</i>				-1.3	4.0	9.3	12.4	8.7
Commodities	137,758,130	3.5	4.0	-11.6	-5.5	-7.2	-4.1	--
Schroder	137,758,130	3.5	4.0	-11.6	-5.5	-7.2	-4.1	--
<i>Bloomberg Commodity Index</i>				-11.8	-5.6	-6.6	-5.3	-1.4
Cash	332,237	0.0	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
Private Equity	22,523,932	0.6	1.0					
<i>Cambridge Associates US All PE</i>								
Harbourvest Partners IX Credit Opportunities	1,021,449	0.0	--					
Harbourvest Partners IX Venture Fund	5,302,367	0.1	--					
Harbourvest Partners IX Buyout Fund	6,151,837	0.2	--					
Harbourvest Dover VIII Fund	10,048,279	0.3	--					

Harbourvest is based on final Capital Account Statements for Q2 2014, and cash adjusted through September for any

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 - Gross

	Ending September 30, 2014																	
	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank
VPIC Composite	8.5	95	13.2	23	2.2	17	14.9	12	26.8	7	-29.8	93	6.3	82	15.3	12	6.2	62
<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	
Vermont State Teachers	8.2	96	13.2	23	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
Vermont Municipal Employees	8.9	93	13.2	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
Vermont State Employees	8.7	94	13.1	24	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
City of Burlington	8.4	95	13.1	24	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 - Gross

	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank	
Composite	8.5	95	13.2	23	2.2	17	14.9	12	26.8	7	-29.8	93	6.3	82	15.3	12	6.2	62	
<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		
Total Equity	23.4	65	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<i>MSCI ACWI</i>	22.8	66	16.1	61	-7.3	53	12.7	65	34.6	44	-42.2	55	11.7	50	21.0	61	10.8	70	
<i>eA All Global Equity Gross Median</i>	26.2		17.2		-7.0		14.3		33.3		-41.3		11.6		22.5		13.0		
US Equity	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<i>Russell 3000</i>	33.6	64	16.4	45	1.0	39	16.9	61	28.3	60	-37.3	54	5.1	60	15.7	46	6.1	72	
<i>eA All US Equity Gross Median</i>	35.6		16.0		-0.4		19.6		30.9		-36.9		6.8		15.1		8.5		
Large Cap Comp	33.9	48	16.6	38	1.4	41	17.6	22	40.4	11	-40.3	81	4.6	74	16.2	40	4.6	79	
<i>S&P 500</i>	32.4	62	16.0	45	2.1	34	15.1	47	26.5	56	-37.0	57	5.5	68	15.8	43	4.9	77	
<i>eA US Large Cap Equity Gross Median</i>	33.6		15.6		0.4		14.8		28.0		-36.3		8.0		14.8		7.7		
T. Rowe	33.7	49	16.8	35	1.8	37	14.0	61	30.4	41	-36.0	49	6.2	62	16.9	36	--	--	
<i>S&P 500</i>	32.4	62	16.0	45	2.1	34	15.1	47	26.5	56	-37.0	57	5.5	68	15.8	43	4.9	77	
SSgA S&P 500 Cap-Wgt	32.4	61	16.1	44	2.2	33	--	--	--	--	--	--	--	--	--	--	--	--	
<i>S&P 500</i>	32.4	62	16.0	45	2.1	34	15.1	47	26.5	56	-37.0	57	5.5	68	15.8	43	4.9	77	
SSgA S&P 500 Equal-Wgt	36.2	29	17.5	29	-0.1	56	22.0	5	46.7	4	-40.6	83	0.5	90	15.9	42	--	--	
<i>S&P 500 Equal Weighted</i>	36.2	29	17.7	27	-0.1	56	21.9	5	46.3	5	-39.7	78	1.5	87	15.8	43	8.1	47	
Small/Mid Cap Comp	38.4	49	15.2	59	0.9	31	27.3	48	33.1	60	-34.0	21	1.8	73	10.9	71	4.8	89	
<i>Russell 2000</i>	38.8	45	16.3	49	-4.2	70	26.9	52	27.2	82	-33.8	21	-1.6	84	18.4	21	4.6	90	
<i>eA US Small-Mid Cap Equity Gross Median</i>	38.2		16.0		-1.5		26.9		35.2		-38.1		8.8		13.9		10.4		
SSgA S&P 400	33.7	68	17.9	31	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
<i>S&P 400 MidCap</i>	33.5	70	17.9	31	-1.7	52	26.6	33	37.4	53	-36.2	30	8.0	59	10.3	72	12.5	47	
<i>eA US Mid Cap Equity Gross Median</i>	35.8		16.1		-1.4		24.5		37.9		-40.1		9.7		13.7		12.1		

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

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

VPIC Composite

Total Fund Yearly Performance - Gross

	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank
Champlain	39.2	26	12.9	78	3.8	14	22.8	64	--	--	--	--	--	--	--	--	--	--
Russell 2500	36.8	43	17.9	31	-2.5	60	26.7	33	34.4	66	-36.8	34	1.4	85	16.2	31	8.1	83
eA US Mid Cap Equity Gross Median	35.8		16.1		-1.4		24.5		37.9		-40.1		9.7		13.7		12.1	
Wellington	34.9	77	16.9	51	1.8	16	28.3	39	32.6	50	-26.5	15	-2.1	45	20.5	33	11.2	26
Russell 2000 Value	34.5	78	18.0	43	-5.5	69	24.5	72	20.6	85	-28.9	27	-9.8	82	23.5	14	4.7	78
eA US Small Cap Value Equity Gross Median	38.1		16.9		-3.3		26.9		32.0		-32.3		-2.9		18.7		8.2	
SSgA Russell 2000 Growth	43.3	70	14.7	47	-3.0	61	29.2	44	34.2	60	-38.4	26	--	--	--	--	--	--
Russell 2000 Growth	43.3	70	14.6	48	-2.9	60	29.1	46	34.5	59	-38.5	26	7.0	64	13.3	40	4.2	79
eA US Small Cap Growth Equity Gross Median	45.6		14.3		-1.5		28.6		36.5		-41.5		11.0		12.3		7.6	
Int'l Equity Comp	23.6	57	14.0	92	-9.2	22	9.4	71	25.4	92	-42.0	33	10.9	64	33.7	11	14.2	78
MSCI EAFE	22.8	65	17.3	77	-12.1	53	7.8	83	31.8	69	-43.4	45	11.2	62	26.3	61	13.5	83
eA All EAFE Equity Gross Median	24.6		20.4		-12.0		11.7		36.5		-44.1		13.2		27.3		17.5	
Acadian	27.2	31	17.0	82	-13.0	60	14.6	34	27.7	85	-49.0	85	8.7	78	37.4	3	--	--
Mondrian	23.9	55	9.8	99	-3.5	3	3.6	97	24.4	94	-37.1	11	12.4	55	31.1	22	13.4	83
MSCI EAFE	22.8	65	17.3	77	-12.1	53	7.8	83	31.8	69	-43.4	45	11.2	62	26.3	61	13.5	83
S&P EPAC LargeMidCap	22.2	69	18.1	70	-11.7	47	9.2	73	34.3	59	-43.3	44	12.9	52	25.2	74	15.2	70
SSgA ACWI Ex US	15.5	82	17.2	75	-13.5	73	--	--	--	--	--	--	--	--	--	--	--	--
MSCI ACWI ex USA	15.3	83	16.8	77	-13.7	73	11.2	75	41.4	41	-45.5	58	16.7	63	26.7	70	16.6	94
eA ACWI ex-US All Cap Equity Gross Median	19.5		19.6		-11.5		15.0		38.7		-45.2		17.4		28.6		20.5	
Emerging Market Comp																		
eA Emg Mkts Equity Gross Median																		
Aberdeen	-5.9	94	26.4	11	-10.5	4	29.1	6	81.7	37	--	--	--	--	--	--	--	--
MSCI Emerging Markets	-2.6	80	18.2	68	-18.4	48	18.9	64	78.5	57	-53.3	42	39.4	60	32.2	70	34.0	70
eA Emg Mkts Equity Gross Median	1.0		20.9		-18.6		20.1		79.5		-54.0		40.5		34.2		36.5	

VPIC Composite

Total Fund Yearly Performance - Gross

	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank
US Fixed Income	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Barclays Aggregate	-2.0	83	4.2	70	7.8	32	6.5	57	5.9	73	5.2	27	7.0	33	4.3	72	2.4	64
eA All US Fixed Inc Gross Median	-0.3		6.1		6.5		6.9		9.3		2.4		6.2		4.7		2.7	
Diversified Fixed Income	-2.1	84	7.2	41	8.6	21	9.5	26	21.5	19	-14.9	87	4.4	79	--	--	--	--
Barclays Aggregate	-2.0	83	4.2	70	7.8	32	6.5	57	5.9	73	5.2	27	7.0	33	4.3	72	2.4	64
eA All US Fixed Inc Gross Median	-0.3		6.1		6.5		6.9		9.3		2.4		6.2		4.7		2.7	
Allianz Structured Alpha	-0.5	18	11.8	1	7.3	67	12.7	1	22.6	2	--	--	--	--	--	--	--	--
Citigroup 10 Year Treasury	-7.8	99	4.2	89	17.0	1	8.1	26	-9.9	99	20.3	1	9.8	1	1.4	99	2.0	93
PIMCO Core Plus	-2.5	95	7.4	20	7.7	52	9.1	9	--	--	--	--	--	--	--	--	--	--
Barclays Aggregate	-2.0	82	4.2	90	7.8	46	6.5	76	5.9	80	5.2	37	7.0	47	4.3	69	2.4	79
PIMCO Unconstrained	-1.5	55	4.6	82	--	--	--	--	--	--	--	--	--	--	--	--	--	--
25% HY, 25% EMD, 50% BC Agg	-0.9	27	10.6	2	7.4	63	10.1	6	23.1	2	-7.1	95	5.5	86	7.6	1	4.6	1
3-Month Libor Total Return USD	0.3	6	0.4	99	0.3	99	0.3	99	0.8	99	3.2	56	5.5	87	5.4	3	3.7	3
Wellington DAS	-3.9	99	8.5	8	18.3	1	7.9	29	9.8	43	--	--	--	--	--	--	--	--
Wellington Custom Benchmark	-11.7	99	3.5	96	25.7	1	6.5	76	5.9	80	5.2	37	7.0	47	4.3	69	2.4	79
High Yield Comp	7.6	52	14.9	62	5.7	37	14.0	71	41.2	65	-19.0	29	4.7	11	--	--	--	--
eA US High Yield Fixed Inc Gross Median	7.6		15.5		4.9		14.9		45.0		-21.2		3.5		10.5		3.7	
KDP	5.2	93	12.6	87	6.6	15	11.7	92	--	--	--	--	--	--	--	--	--	--
Guggenheim	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Barclays High Yield	7.4	54	15.8	43	5.0	49	15.1	45	58.2	14	-26.2	81	1.9	89	11.8	28	2.7	81
BofA Merrill Lynch US High Yield BB-B Rated	6.3	80	14.7	65	5.4	45	14.5	64	46.1	49	-23.7	70	2.7	72	10.7	49	3.4	64
eA US High Yield Fixed Inc Gross Median	7.6		15.5		4.9		14.9		45.0		-21.2		3.5		10.5		3.7	

VPIC Composite

Total Fund Yearly Performance - Gross

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

VPIC Composite

Total Fund Yearly Performance - Gross

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

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

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

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

VPIC Composite

Total Fund Yearly Performance - Gross

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

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.

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 plan's 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.
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Vermont Pension Investment Committee

Third Quarter 2014

Investment Performance Analysis

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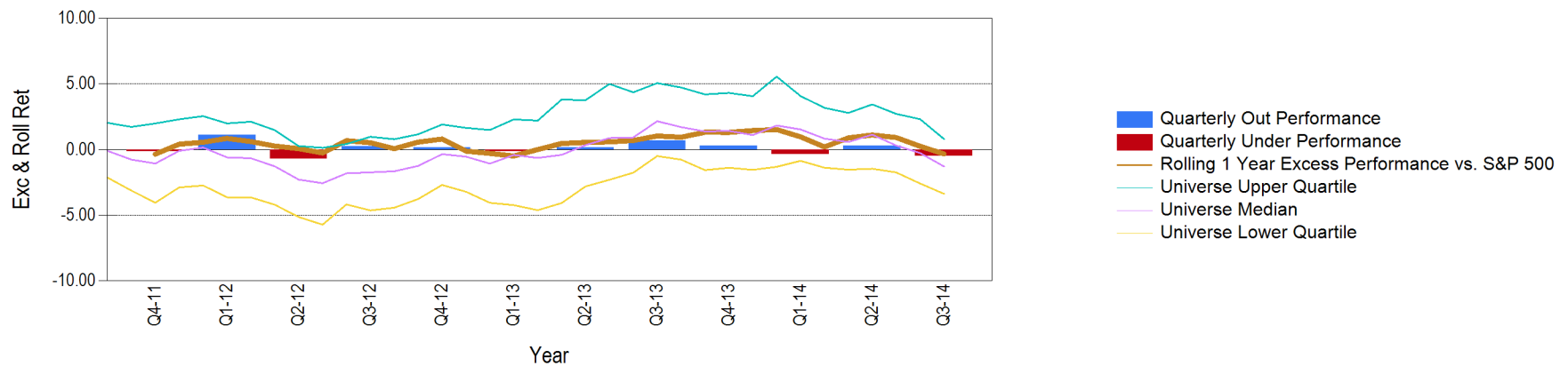
Manager Characteristics

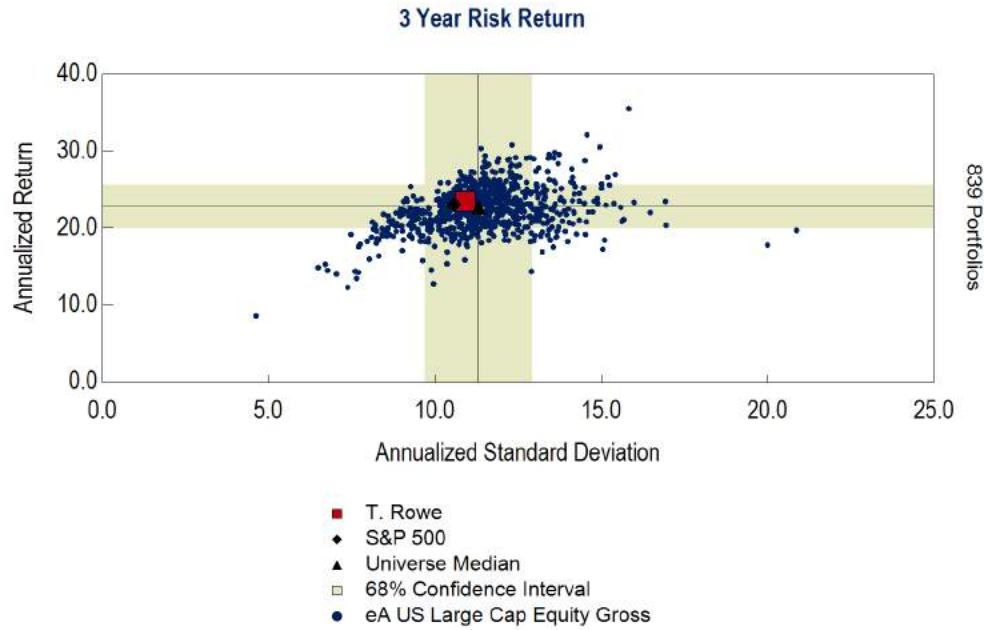
T. Rowe Price employs a fundamental, bottom-up approach to investing in equity assets. The strategy delivers a research portfolio managed by the firm's industry analysts and representing their best ideas. The Structured Research Strategy seeks to provide superior long-term returns and capture the style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

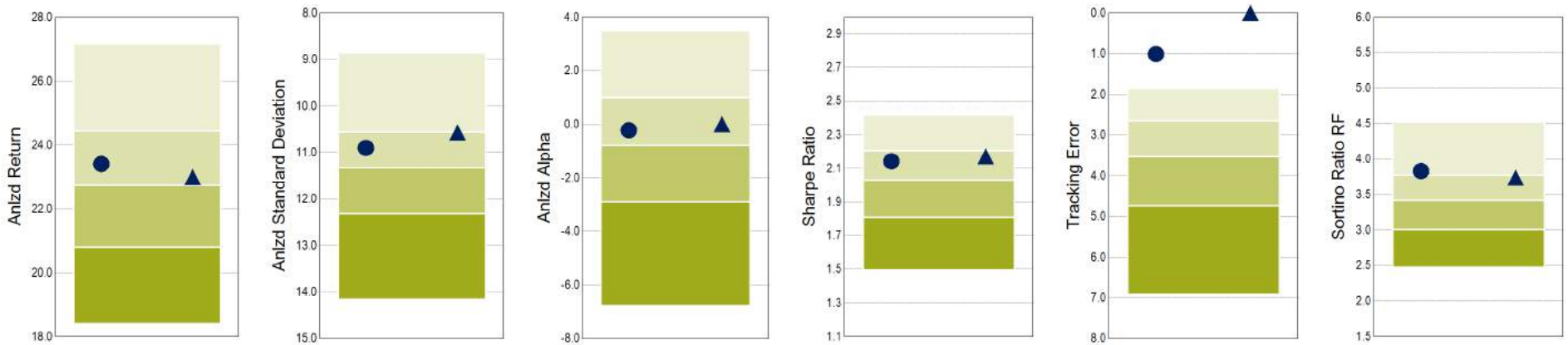




Characteristics

	Portfolio	S&P 500
Number of Holdings	269	502
Weighted Avg. Market Cap. (\$B)	115.0	122.9
Median Market Cap. (\$B)	23.9	17.0
Price To Earnings	23.6	20.3
Price To Book	4.6	4.0
Price To Sales	3.4	2.7
Return on Equity (%)	20.1	18.5
Yield (%)	1.8	2.0
Beta	1.0	1.0
R-Squared	1.0	1.0

3 Year Risk Statistics

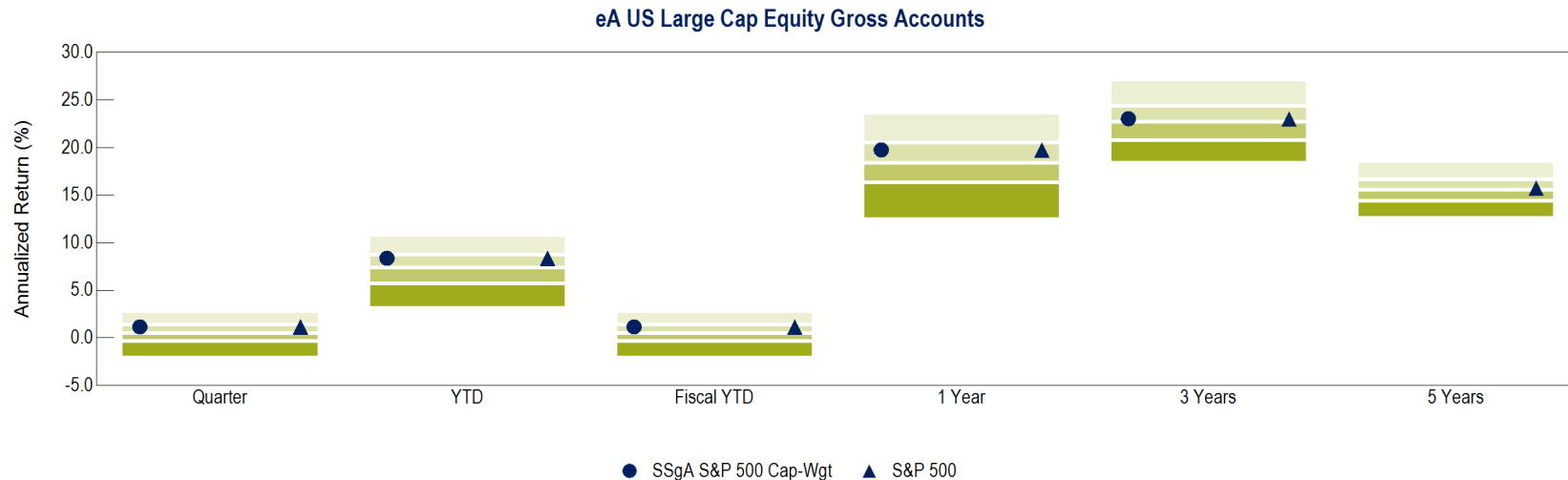


SSgA S&P 500 Cap-Wgt

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

Characteristics

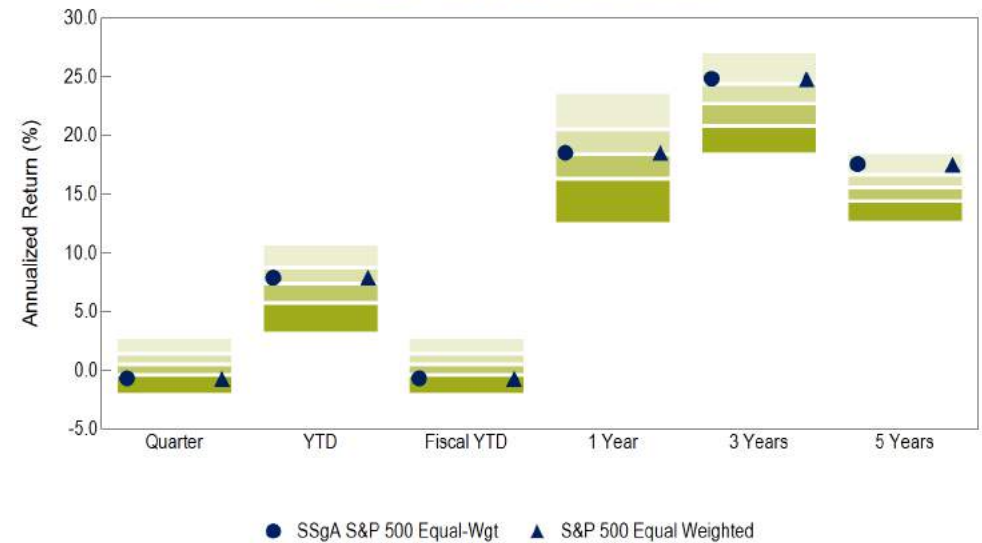
	Portfolio	S&P 500
Number of Holdings	506	502
Weighted Avg. Market Cap. (\$B)	122.8	122.9
Median Market Cap. (\$B)	17.0	17.0
Price To Earnings	21.7	20.3
Price To Book	4.4	4.0
Price To Sales	3.0	2.7
Return on Equity (%)	20.5	18.5
Yield (%)	2.0	2.0
Beta	1.0	1.0
R-Squared	1.0	1.0



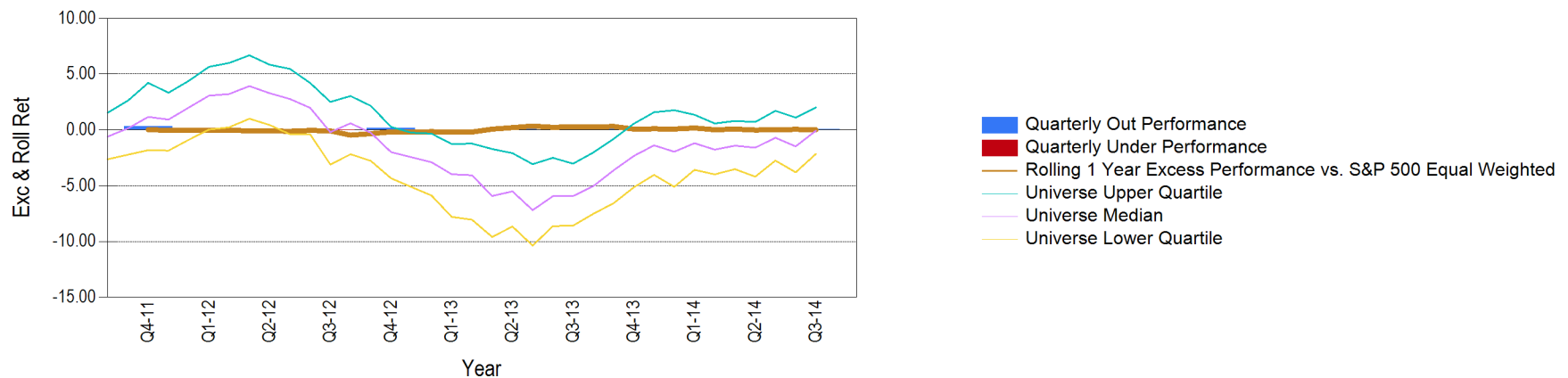
SSgA S&P 500 Equal-Wgt

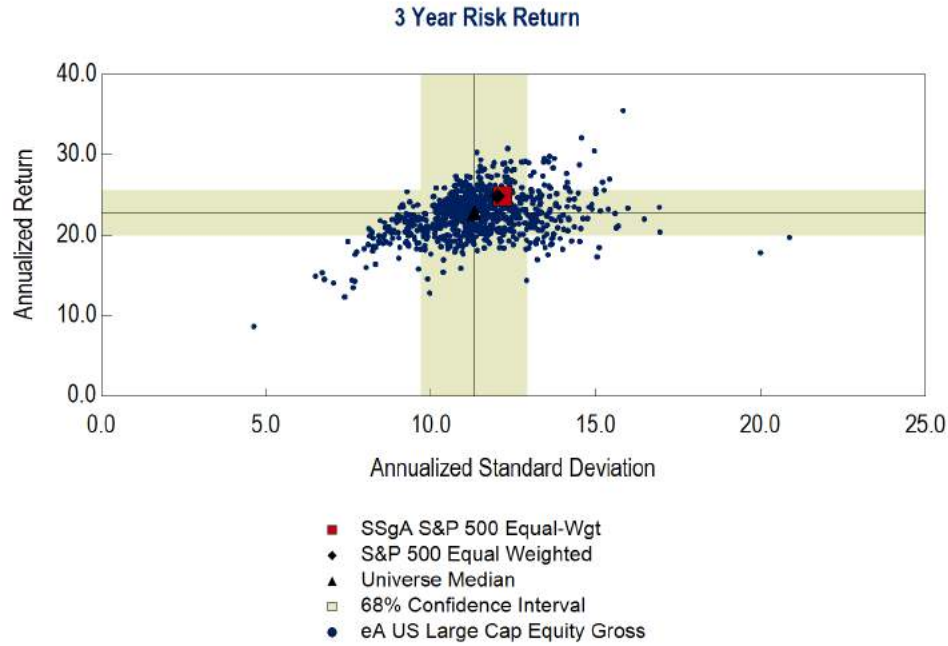
The Strategy is managed using a "passive" or "indexing" investment approach, by which SSgA attempts to match, before expenses, the performance of the Index. SSgA will typically attempt to invest in the securities comprising the Index, in the same proportions as they are represented in the Index. In some 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

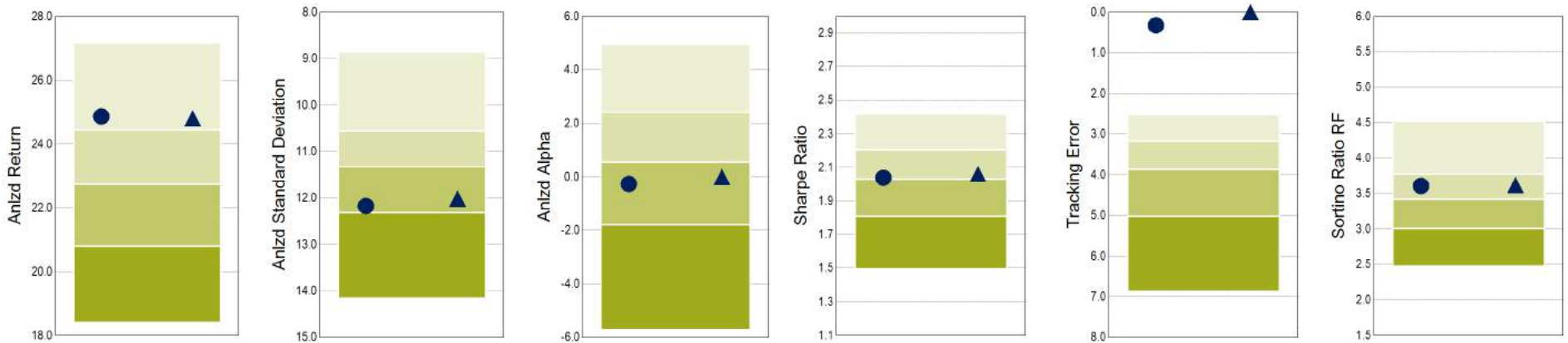




Characteristics

	Portfolio	S&P 500
Number of Holdings	497	502
Weighted Avg. Market Cap. (\$B)	35.4	122.9
Median Market Cap. (\$B)	16.9	17.0
Price To Earnings	23.5	20.3
Price To Book	4.0	4.0
Price To Sales	2.8	2.7
Return on Equity (%)	18.9	18.5
Yield (%)	1.9	2.0
Beta	1.1	1.0
R-Squared	1.0	1.0

3 Year Risk Statistics



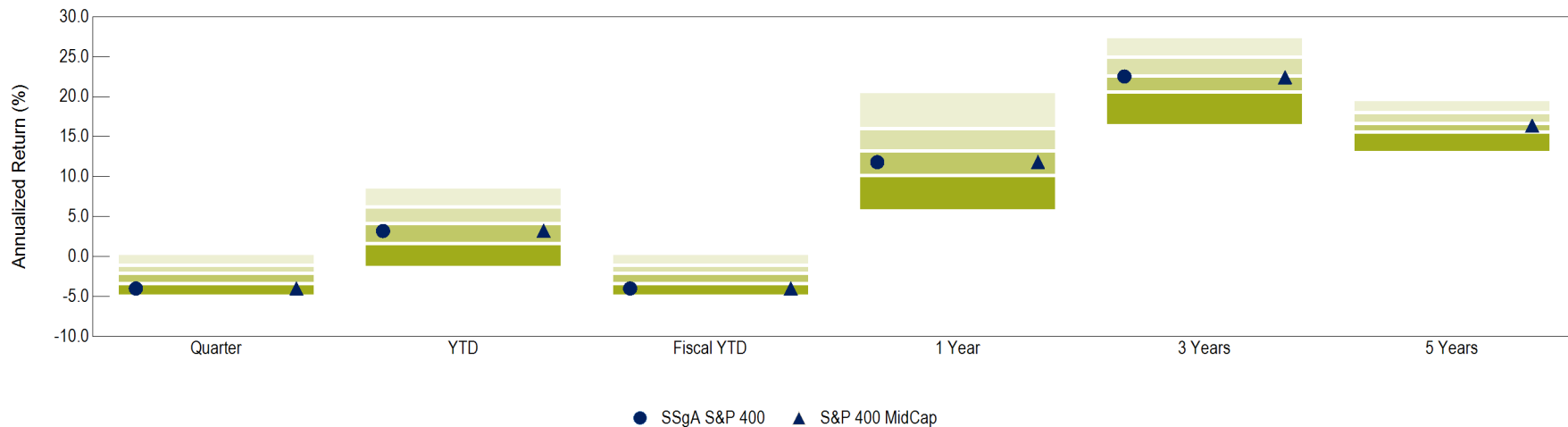
SSgA S&P 400

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	405	400
Weighted Avg. Market Cap. (\$B)	5.0	5.0
Median Market Cap. (\$B)	3.6	3.6
Price To Earnings	24.7	22.0
Price To Book	3.6	3.1
Price To Sales	2.8	2.6
Return on Equity (%)	15.0	13.5
Yield (%)	1.5	1.5
Beta	1.0	1.0
R-Squared	1.0	1.0

eA US Mid Cap Equity Gross Accounts



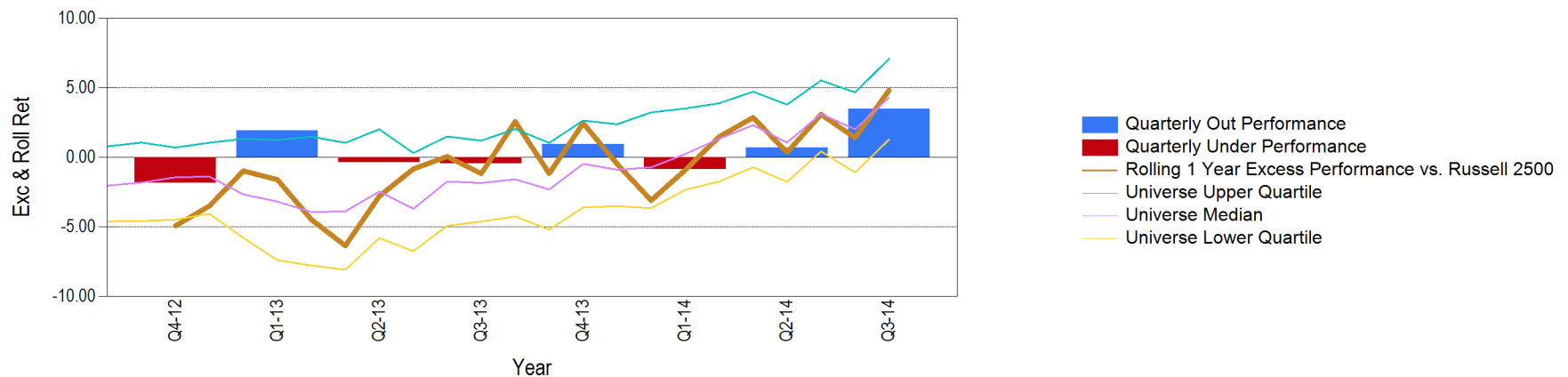
Champlain

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.

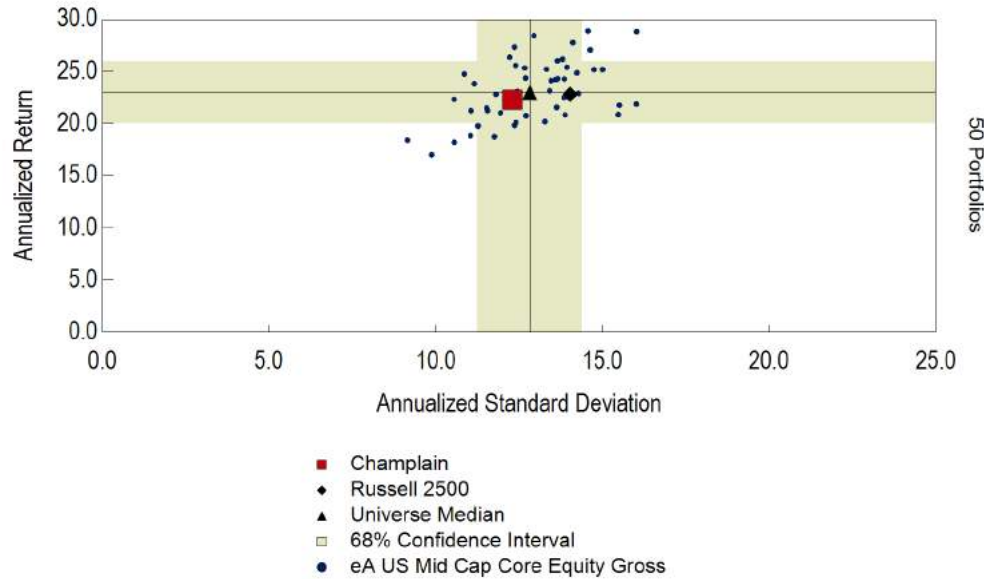
eA US Mid Cap Core Equity Gross Accounts



Annualized Excess Performance



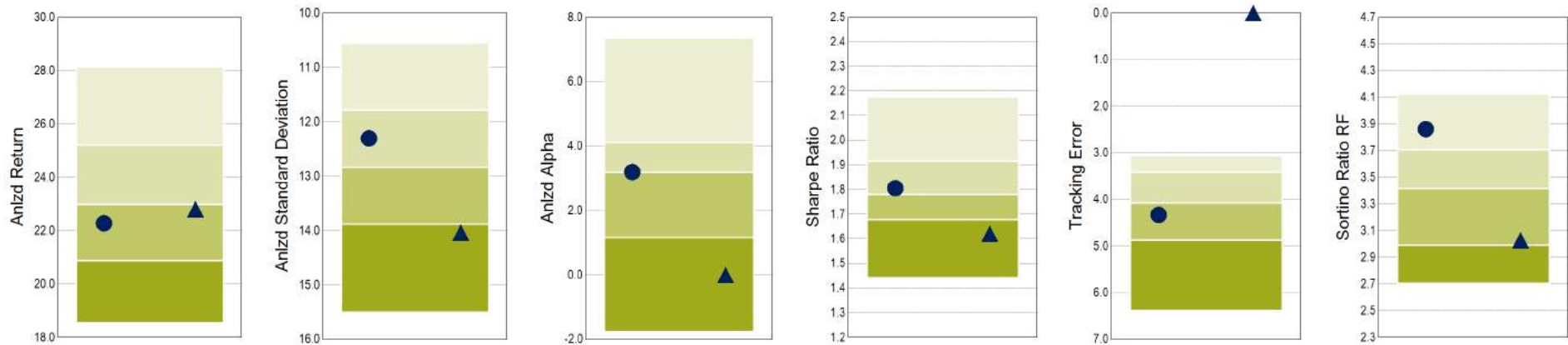
3 Year Risk Return



Characteristics

	Portfolio	Russell 2500
Number of Holdings	57	2,479
Weighted Avg. Market Cap. (\$B)	8.6	3.8
Median Market Cap. (\$B)	7.0	1.0
Price To Earnings	23.2	22.6
Price To Book	4.2	3.0
Price To Sales	3.6	2.7
Return on Equity (%)	20.2	12.5
Yield (%)	1.2	1.3
Beta		1.0
R-Squared		1.0

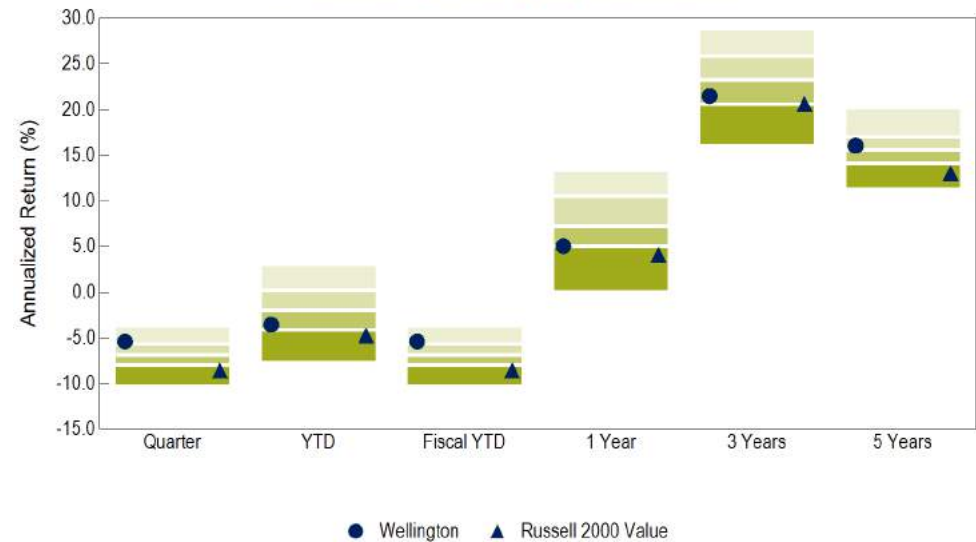
3 Year Risk Statistics



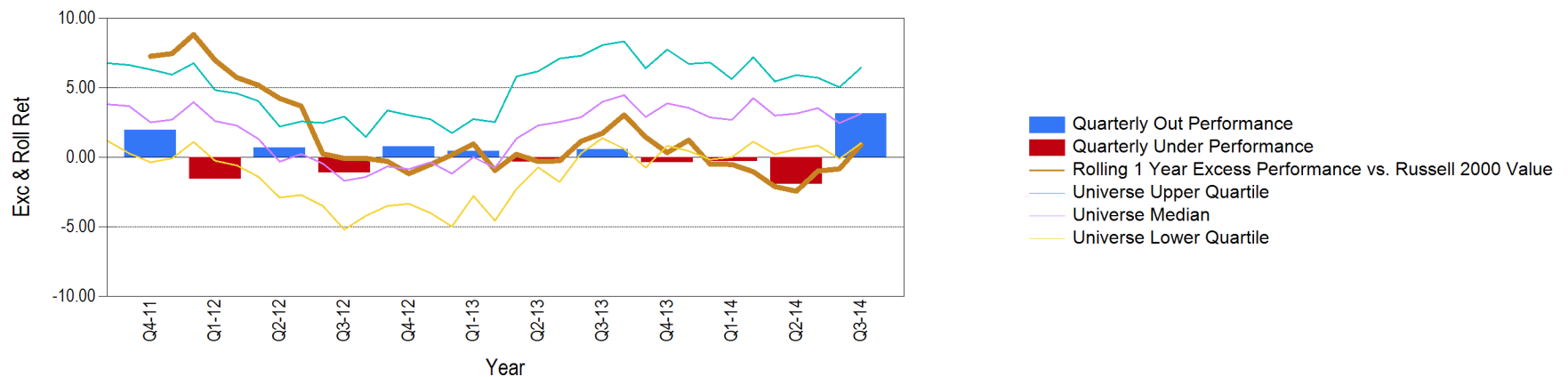
Wellington

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

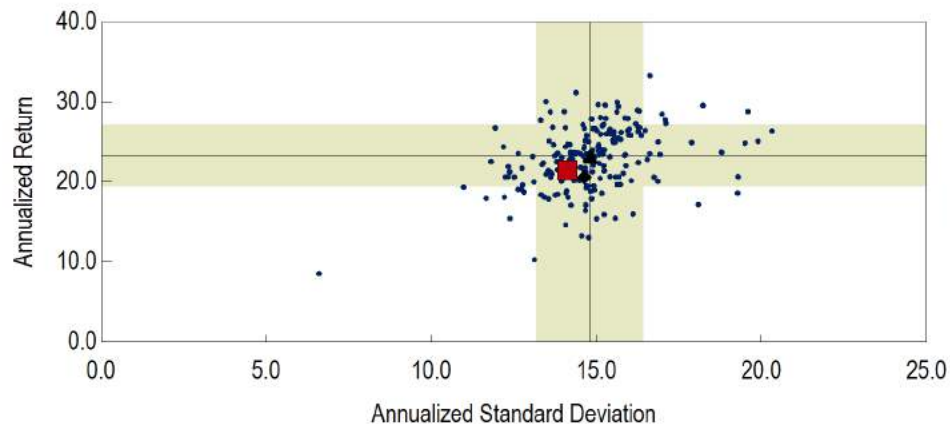
eA US Small Cap Value Equity Gross Accounts



Annualized Excess Performance



3 Year Risk Return

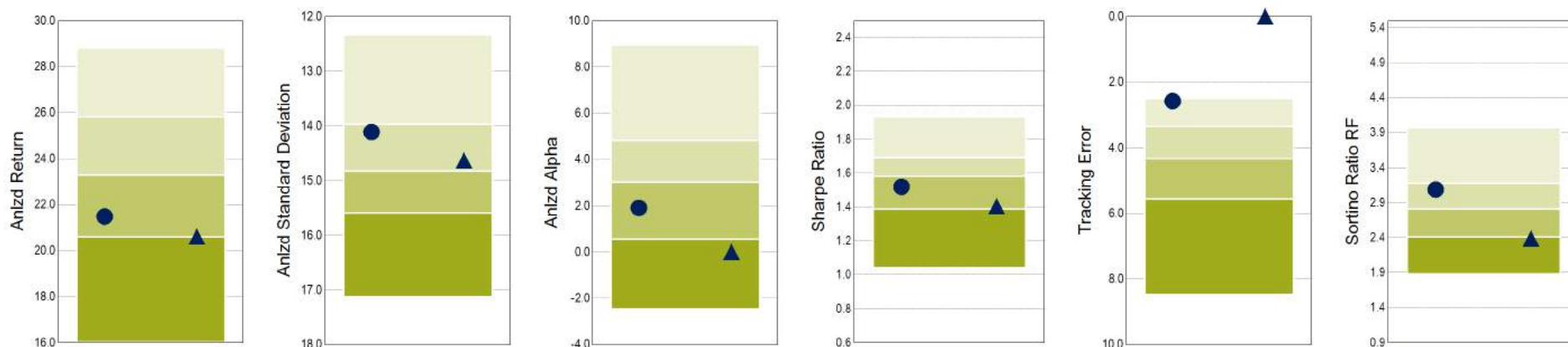


- Wellington
- ◆ Russell 2000 Value
- ▲ Universe Median
- 68% Confidence Interval
- eA US Small Cap Value Equity Gross

Characteristics

	Portfolio	Russell 2000 Value
Number of Holdings	76	1,307
Weighted Avg. Market Cap. (\$B)	1.6	1.5
Median Market Cap. (\$B)	1.4	0.6
Price To Earnings	23.6	18.6
Price To Book	2.1	1.6
Price To Sales	1.8	2.4
Return on Equity (%)	9.5	7.4
Yield (%)	1.6	1.8
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics



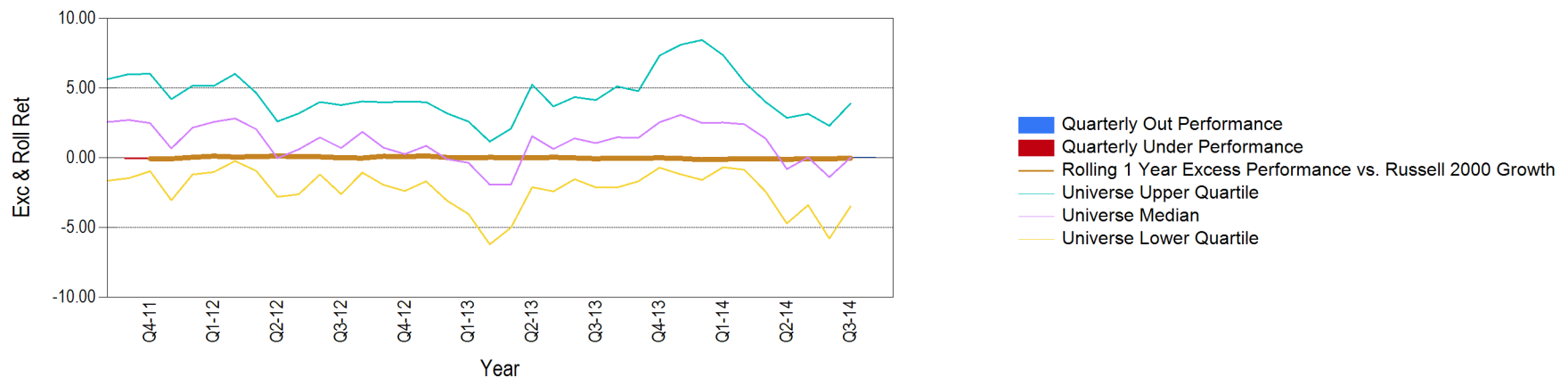
SSgA Russell 2000 Growth

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.

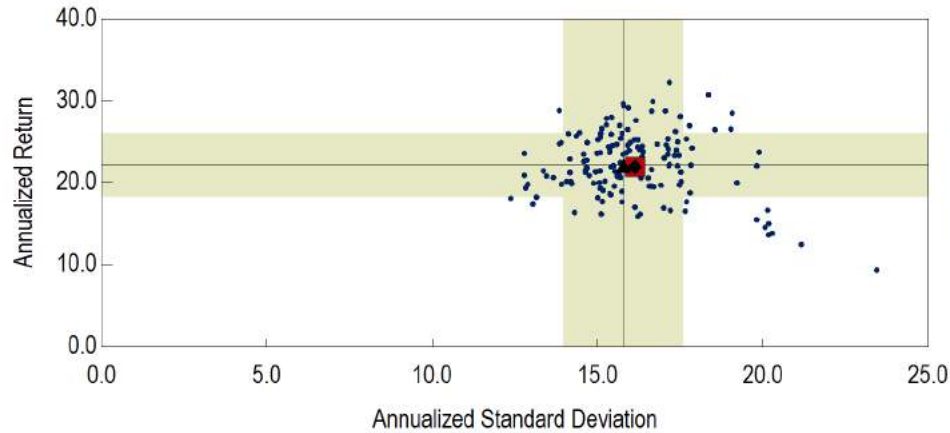
eA US Small Cap Growth Equity Gross Accounts



Annualized Excess Performance



3 Year Risk Return

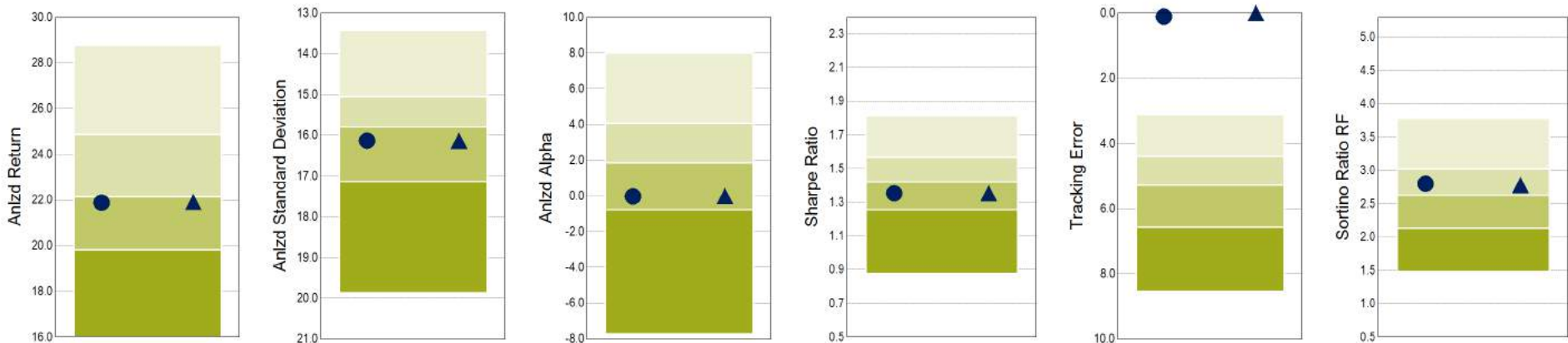


- SSGA Russell 2000 Growth
- ◆ Russell 2000 Growth
- ▲ Universe Median
- 68% Confidence Interval
- eA US Small Cap Growth Equity Gross

Characteristics

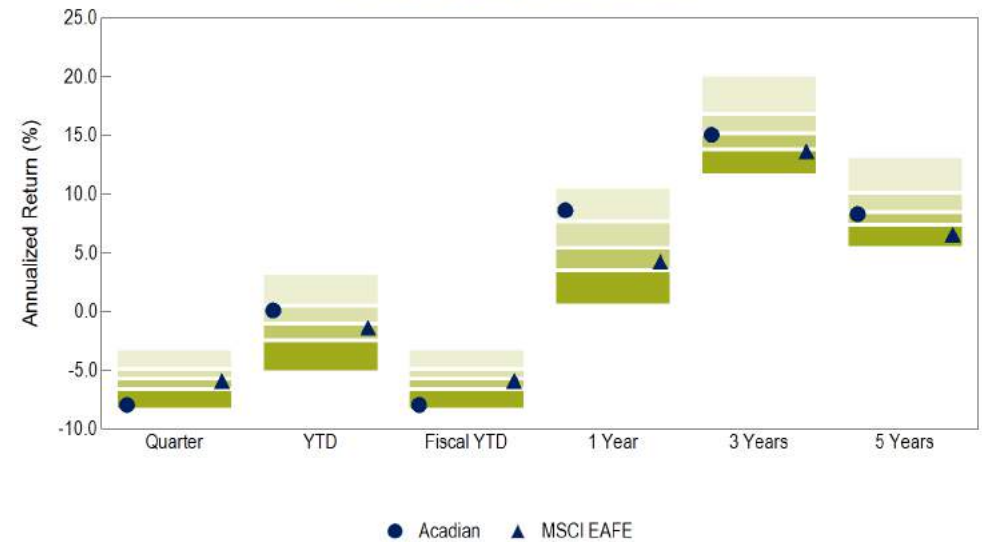
	Portfolio	Russell 2000 Growth
Number of Holdings	1,164	1,151
Weighted Avg. Market Cap. (\$B)	1.8	1.8
Median Market Cap. (\$B)	0.8	0.8
Price To Earnings	27.3	26.6
Price To Book	5.3	4.7
Price To Sales	4.9	3.3
Return on Equity (%)	17.5	15.8
Yield (%)	0.7	0.4
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics

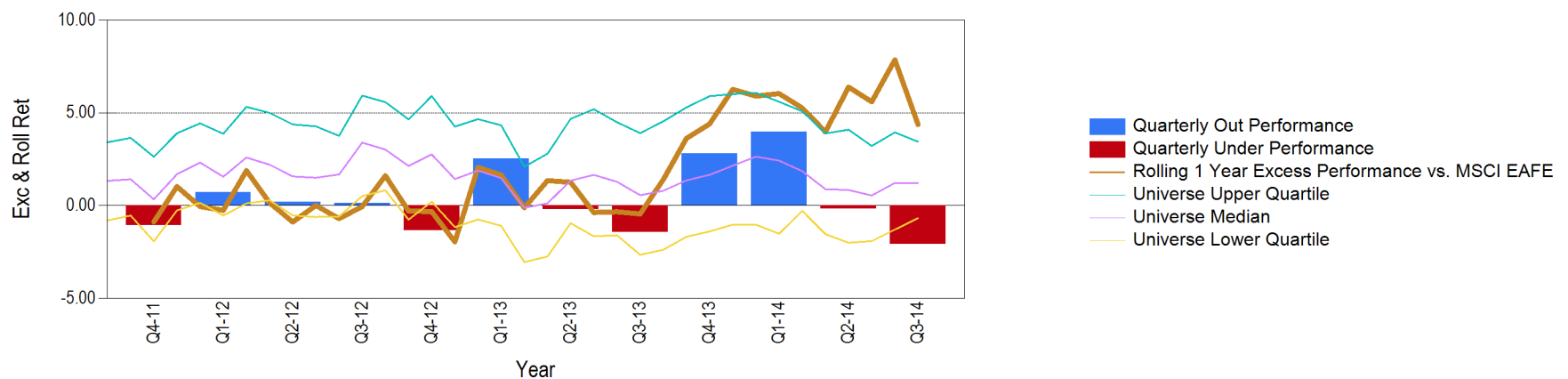


Acadian believes that the larger the pool of potential investments, the greater the potential opportunity an active manager has to add value. They believe that stocks and markets have many attributes that are related to potential outperformance, and that a successful investment approach must be multi-faceted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

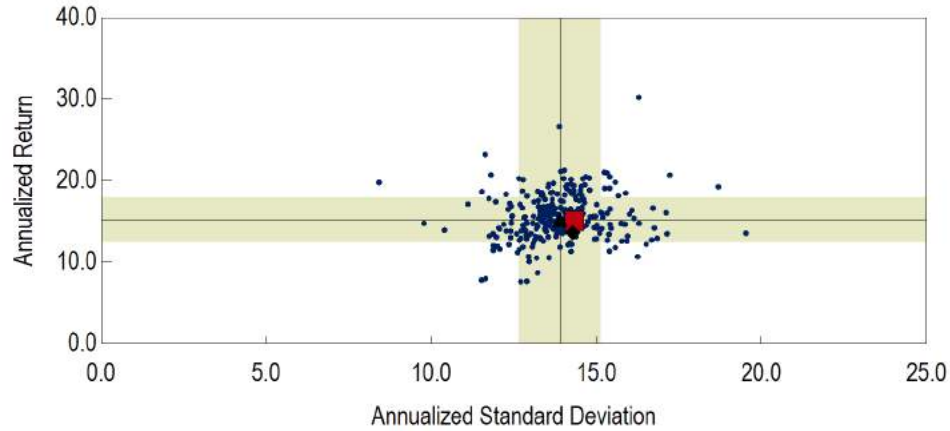
eA All EAFE Equity Gross Accounts



Annualized Excess Performance



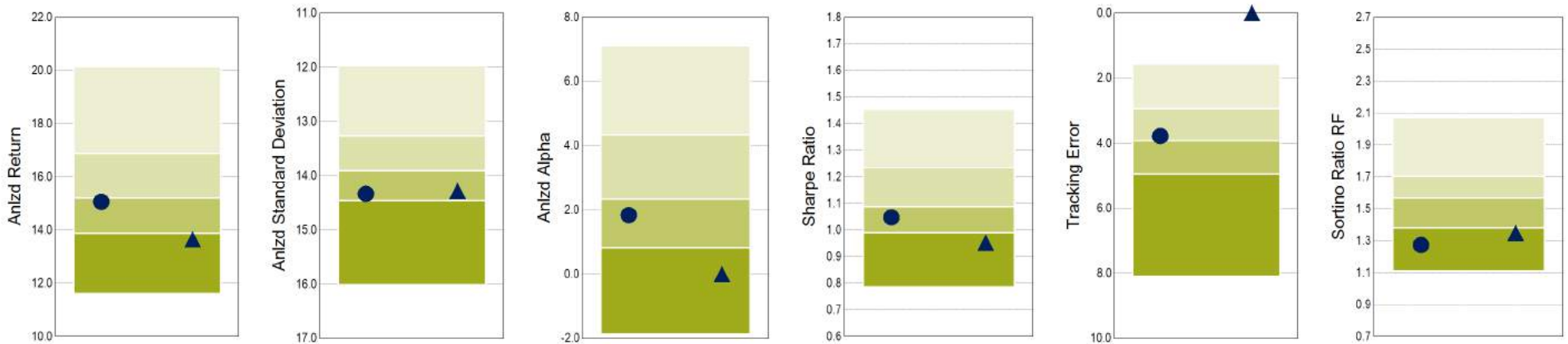
3 Year Risk Return



Characteristics

	Portfolio	MSCI EAFE
Number of Holdings	467	901
Weighted Avg. Market Cap. (\$B)	25.4	60.8
Median Market Cap. (\$B)	0.7	8.7
Price To Earnings	15.6	18.8
Price To Book	1.9	2.3
Price To Sales	1.0	1.9
Return on Equity (%)	14.0	13.2
Yield (%)	2.7	3.0
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics



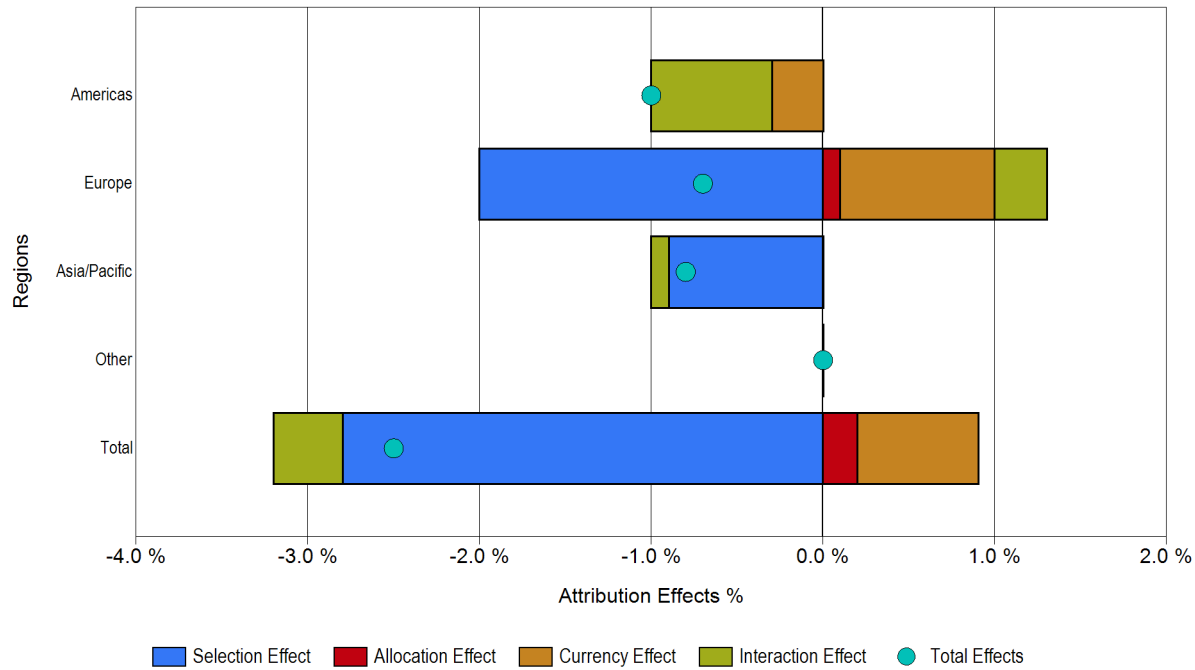
Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
Americas				
Brazil*	2.4%	0.0%	-13.3%	-8.6%
Canada	5.9%	0.0%	-7.8%	-4.5%
Mexico*	0.4%	0.0%	-6.3%	2.1%
United States	0.3%	0.0%	-21.8%	0.8%
Total-Americas	9.0%	0.0%	-9.6%	--
Europe				
Austria	1.6%	0.3%	-25.2%	-21.3%
Belgium	0.5%	1.2%	-6.6%	-3.7%
Denmark	2.0%	1.5%	-5.7%	-3.7%
Finland	2.2%	0.9%	-19.2%	-2.9%
France	6.5%	10.1%	-6.2%	-8.3%
Germany	9.1%	9.3%	-13.7%	-11.4%
Ireland	0.1%	0.3%	-10.1%	-3.2%
Italy	2.5%	2.6%	-10.6%	-8.6%
Luxembourg	0.3%	0.0%	-13.9%	-5.9%
Netherlands	4.3%	2.7%	-5.9%	-4.6%
Norway	3.6%	0.9%	-6.5%	-6.9%
Poland*	0.1%	0.0%	-0.9%	-2.6%
Portugal	0.3%	0.2%	-13.3%	-21.2%
Spain	2.4%	3.7%	-13.7%	-7.5%
Sweden	4.0%	3.0%	-2.7%	-5.8%
Switzerland	3.8%	9.0%	-5.8%	-4.4%
United Kingdom	13.0%	21.4%	-10.2%	-6.0%
Total-Europe	56.3%	67.1%	-9.7%	-7.0%

Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
AsiaPacific				
Australia	3.7%	7.7%	2.3%	-7.9%
Hong Kong	0.1%	2.8%	-0.1%	-2.6%
Japan	23.0%	20.2%	0.2%	-2.3%
Korea*	3.4%	0.0%	1.3%	1.8%
Malaysia*	0.1%	0.0%	-0.1%	0.1%
New Zealand	0.3%	0.1%	-1.2%	-7.9%
Singapore	2.0%	1.4%	7.0%	-1.2%
Taiwan*	1.7%	0.0%	-4.9%	0.1%
Thailand*	0.1%	0.0%	14.7%	1.7%
Total-AsiaPacific	34.5%	32.4%	0.7%	-3.6%
Other				
Israel	0.1%	0.5%	-4.5%	0.4%
South Africa*	0.1%	0.0%	7.9%	0.9%
Turkey*	0.0%	0.0%	11.8%	3.9%
Total-Other	0.2%	0.5%	5.0%	0.4%
Totals				
Developed	91.7%	100.0%	-3.2%	-5.9%
Emerging*	8.3%	0.0%	0.7%	--

Acadian Performance Attribution vs. MSCI EAFE



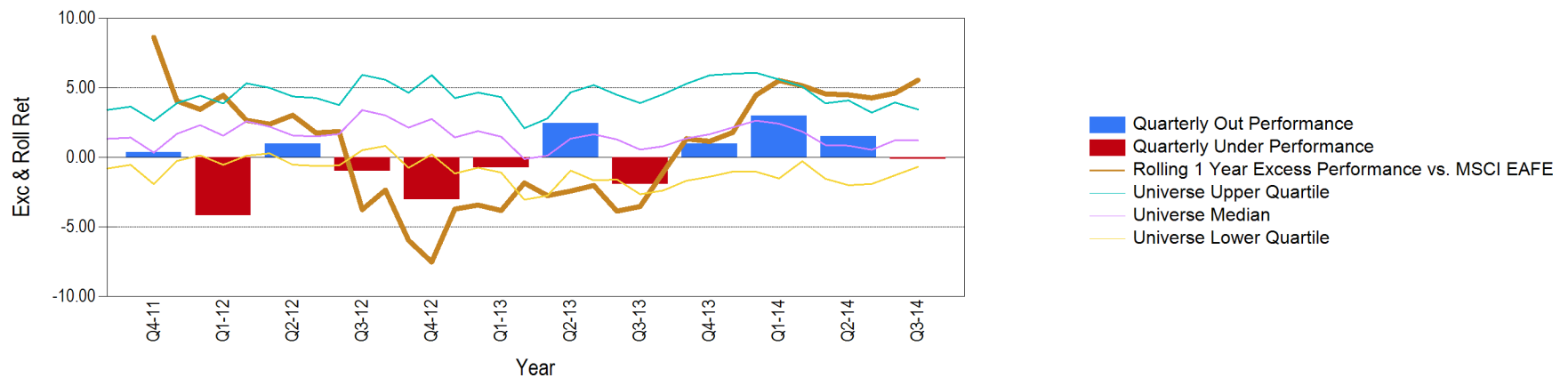
	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Totals									
Americas	-9.6%	--	9.0%	0.0%	0.0%	0.0%	-0.3%	-0.7%	-1.0%
Europe	-9.7%	-7.0%	56.3%	67.1%	-2.0%	0.1%	0.9%	0.3%	-0.7%
Asia/Pacific	-5.8%	-3.7%	34.5%	32.4%	-0.9%	0.0%	0.0%	-0.1%	-0.8%
Other	6.3%	0.4%	0.2%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	-8.3%	-5.9%	100.0%	100.0%	-2.8%	0.2%	0.7%	-0.4%	-2.5%
Totals									
Developed	-8.3%	-5.9%	91.7%	100.0%	-2.7%	0.0%	0.8%	0.2%	-1.7%
Emerging*	-8.1%	--	8.3%	0.0%	0.0%	0.0%	-0.1%	-0.7%	-0.8%

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.

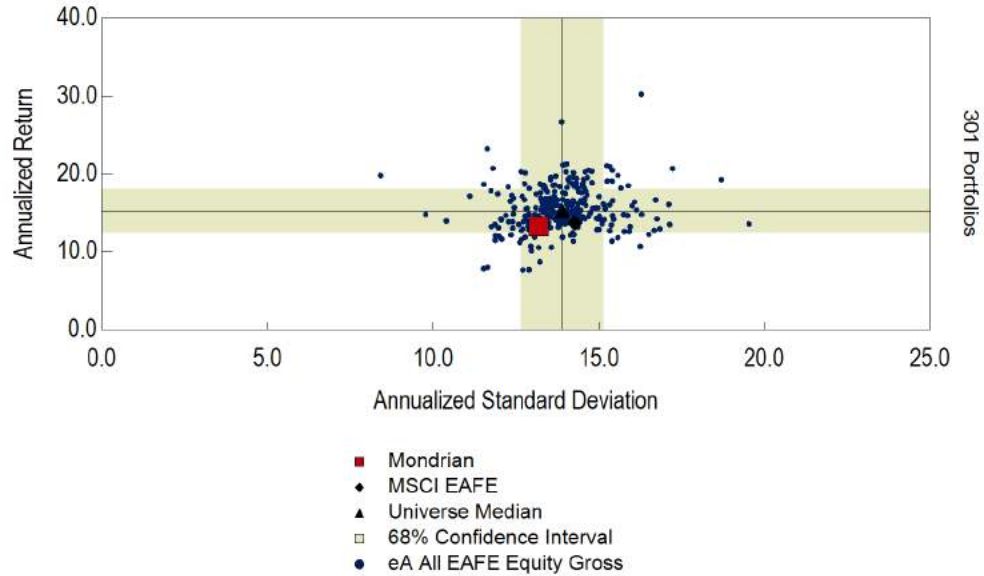
eA All EAFE Equity Gross Accounts



Annualized Excess Performance



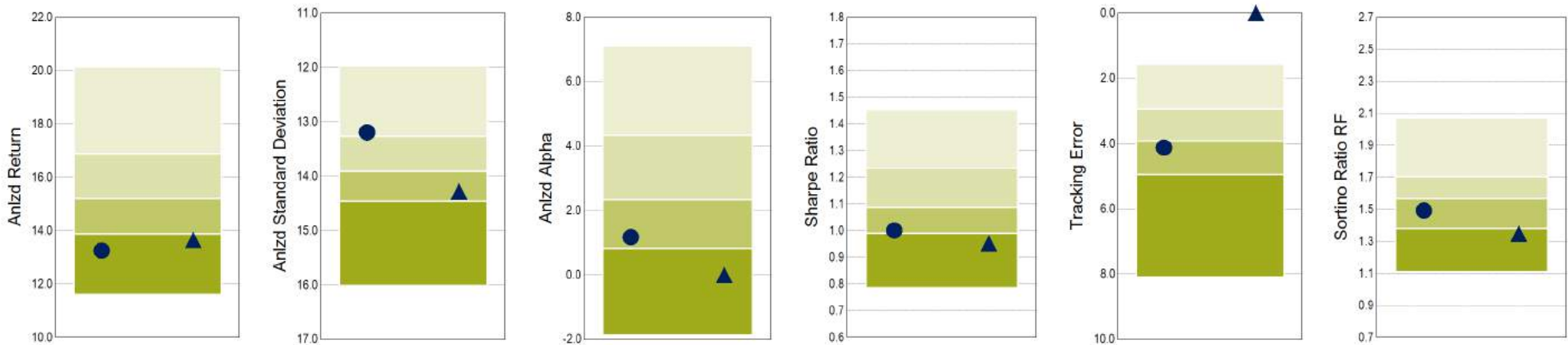
3 Year Risk Return



Characteristics

	Portfolio	MSCI EAFE
Number of Holdings	39	901
Weighted Avg. Market Cap. (\$B)	58.8	60.8
Median Market Cap. (\$B)	35.6	8.7
Price To Earnings	17.4	18.8
Price To Book	2.2	2.3
Price To Sales	1.3	1.9
Return on Equity (%)	13.2	13.2
Yield (%)	3.8	3.0
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics



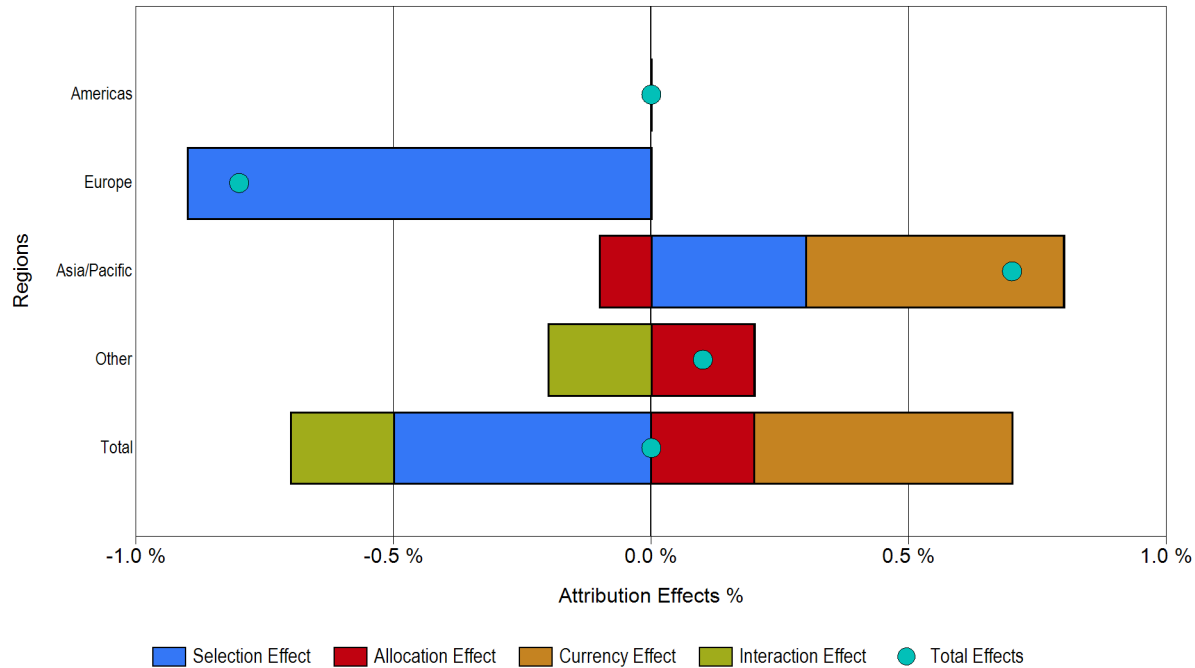
Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
Europe				
France	7.5%	10.1%	-5.9%	-8.3%
Germany	5.5%	9.3%	-12.5%	-11.4%
Netherlands	10.6%	2.7%	-7.7%	-4.6%
Spain	9.7%	3.7%	-6.6%	-7.5%
Sweden	1.8%	3.0%	5.2%	-5.8%
Switzerland	12.0%	9.0%	-2.9%	-4.4%
United Kingdom	19.6%	21.4%	-13.7%	-6.0%
Total-Europe	66.6%	67.1%	-8.3%	-7.0%

Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
AsiaPacific				
Australia	2.2%	7.7%	-2.4%	-7.9%
China*	1.9%	0.0%	20.9%	1.4%
Japan	18.5%	20.2%	-3.6%	-2.3%
Singapore	5.2%	1.4%	-1.8%	-1.2%
Taiwan*	1.5%	0.0%	-4.8%	-3.6%
Total-AsiaPacific	29.2%	32.4%	-1.7%	-3.7%
Other				
Israel	4.1%	0.5%	3.2%	0.4%
Total-Other	4.1%	0.5%	3.2%	0.4%
Totals				
Developed	96.6%	100.0%	-6.4%	-5.9%
Emerging*	3.4%	0.0%	9.4%	--

Mondrian Performance Attribution vs. MSCI EAFE

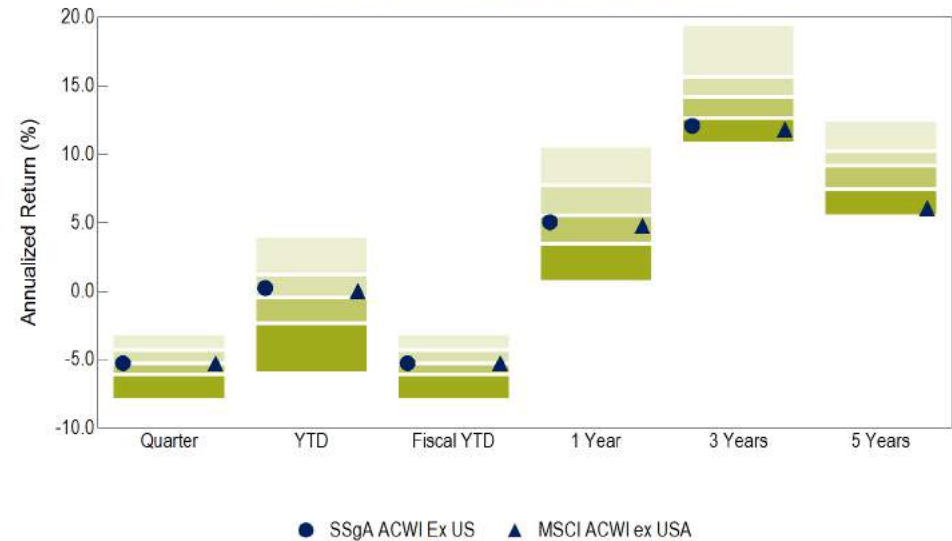


	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Totals									
Americas	--	--	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Europe	-8.3%	-7.0%	66.6%	67.1%	-0.9%	0.0%	0.0%	0.0%	-0.8%
Asia/Pacific	-1.7%	-3.7%	29.2%	32.4%	0.3%	-0.1%	0.5%	0.0%	0.7%
Other	3.2%	0.4%	4.1%	0.5%	0.0%	0.2%	0.0%	-0.2%	0.1%
Total	-5.9%	-5.9%	100.0%	100.0%	-0.5%	0.2%	0.5%	-0.2%	0.0%
Totals									
Developed	-6.4%	-5.9%	96.6%	100.0%	-0.9%	0.0%	0.6%	0.0%	-0.3%
Emerging*	9.4%	--	3.4%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%

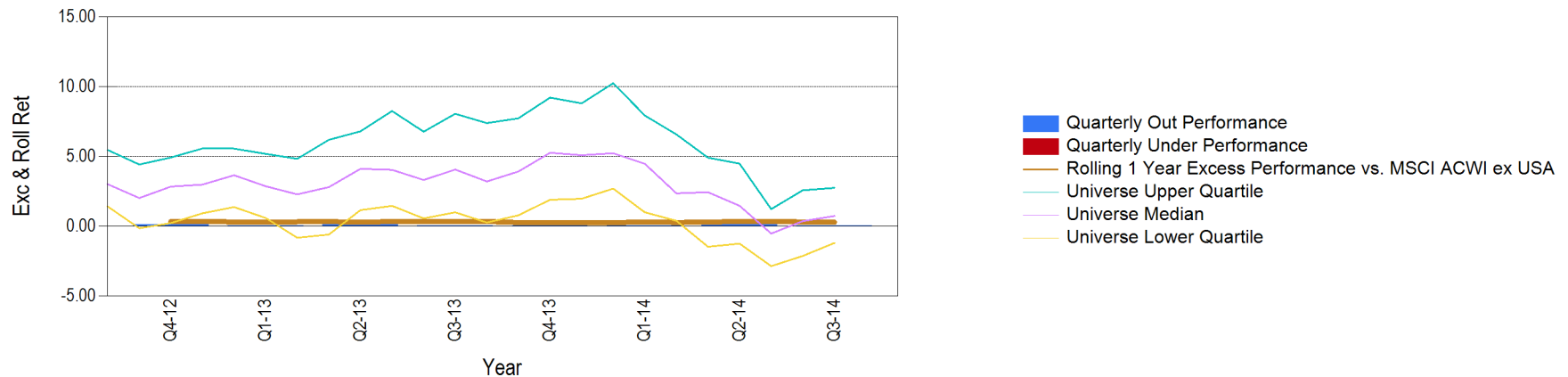
SSgA ACWI Ex US

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.

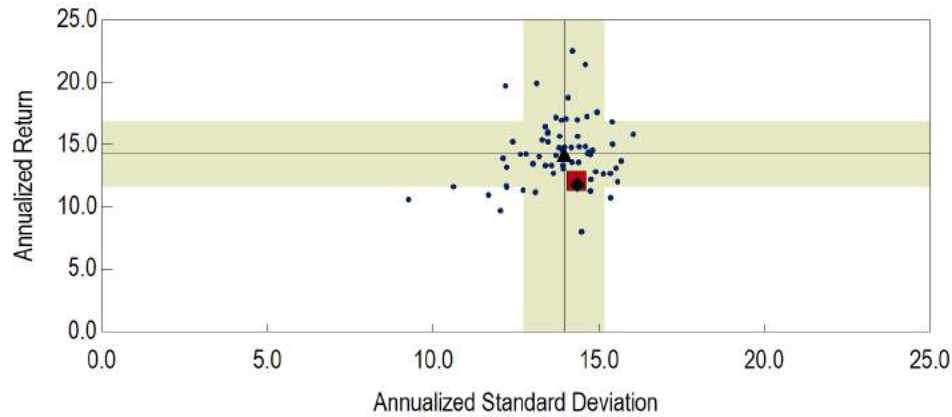
eA ACWI ex-US All Cap Equity Gross Accounts



Annualized Excess Performance



3 Year Risk Return

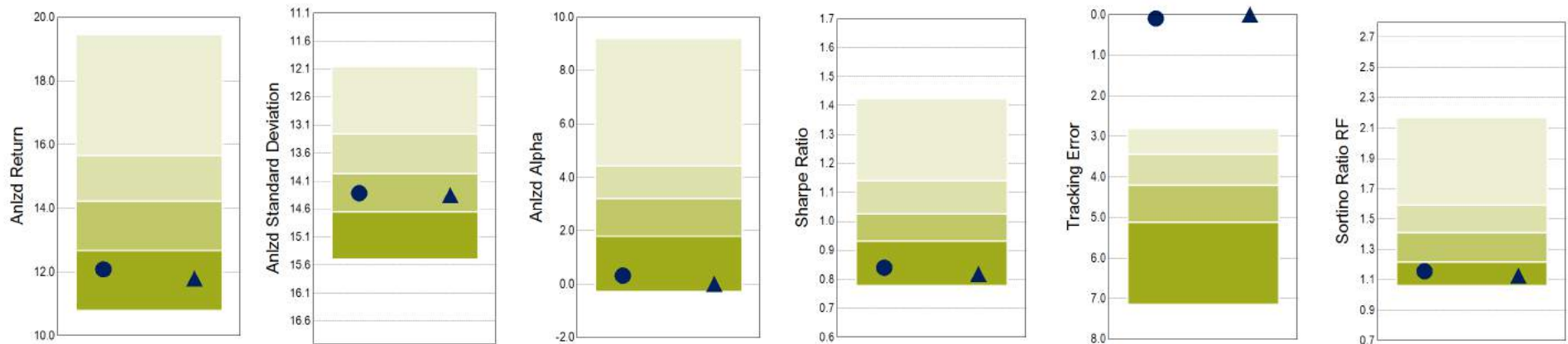


- SSgA ACWI Ex US
- ◆ MSCI ACWI ex USA
- ▲ Universe Median
- 68% Confidence Interval
- eA ACWI ex-US All Cap Equity Gross

Characteristics

	Portfolio	MSCI ACWI ex USA
Number of Holdings	1,896	1,829
Weighted Avg. Market Cap. (\$B)	53.3	53.5
Median Market Cap. (\$B)	7.1	7.0
Price To Earnings	19.4	18.4
Price To Book	3.0	2.4
Price To Sales	2.3	2.0
Return on Equity (%)	16.4	14.5
Yield (%)	3.0	2.9
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics



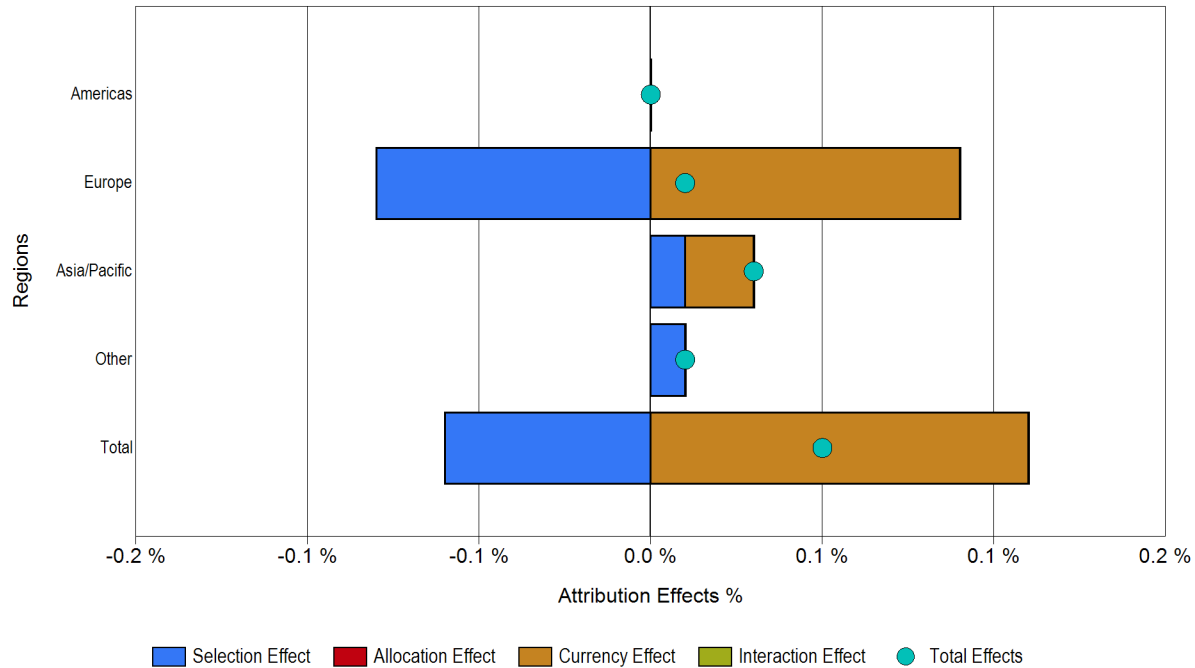
Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
Americas				
Brazil*	2.3%	2.3%	-8.6%	-8.6%
Canada	7.5%	7.6%	-4.3%	-4.3%
Chile*	0.3%	0.3%	-7.8%	-7.7%
Colombia*	0.2%	0.2%	-8.2%	-8.2%
Mexico*	1.1%	1.1%	2.1%	2.1%
Peru*	0.1%	0.1%	-1.6%	-1.6%
Total-Americas	11.6%	11.6%	-4.7%	-4.7%
Europe				
Austria	0.2%	0.2%	-21.3%	-21.3%
Belgium	0.9%	0.9%	-3.7%	-3.7%
Czech Republic*	0.1%	0.1%	5.3%	5.3%
Denmark	1.1%	1.1%	-3.7%	-3.7%
Finland	0.6%	0.6%	-2.9%	-2.9%
France	7.1%	7.2%	-8.3%	-8.3%
Germany	6.6%	6.6%	-11.3%	-11.4%
Greece*	0.2%	0.2%	-20.0%	-20.0%
Hungary*	0.0%	0.0%	-12.8%	-12.8%
Ireland	0.1%	0.2%	2.7%	-3.2%
Italy	1.8%	1.9%	-8.8%	-8.6%
Luxembourg	0.2%	0.0%	-9.0%	-5.2%
Netherlands	1.9%	1.9%	-4.6%	-4.6%
Norway	0.6%	0.6%	-6.9%	-6.9%
Poland*	0.4%	0.4%	-2.5%	-2.5%
Portugal	0.1%	0.1%	-21.2%	-21.2%
Russia*	1.2%	1.2%	-15.6%	-15.6%
Spain	2.6%	2.6%	-7.5%	-7.5%
Sweden	2.1%	2.2%	-5.7%	-5.8%
Switzerland	6.4%	6.4%	-4.4%	-4.4%
United Kingdom	15.2%	15.3%	-6.1%	-6.0%
Total-Europe	49.3%	49.6%	-7.2%	-7.2%

Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
AsiaPacific				
Australia	5.4%	5.5%	-7.9%	-7.9%
China*	3.9%	3.9%	1.5%	1.5%
Hong Kong	2.0%	2.0%	-2.6%	-2.6%
India*	1.5%	1.5%	2.7%	2.7%
Indonesia*	0.5%	0.5%	3.5%	3.5%
Japan	14.2%	14.4%	-2.3%	-2.3%
Korea*	3.3%	3.3%	-7.2%	-7.3%
Malaysia*	0.8%	0.8%	-3.2%	-3.2%
New Zealand	0.1%	0.1%	-7.9%	-7.9%
Philippines*	0.2%	0.2%	5.4%	5.4%
Singapore	1.0%	1.0%	-1.2%	-1.2%
Taiwan*	2.6%	2.6%	-3.1%	-3.1%
Thailand*	0.5%	0.5%	10.5%	7.7%
Total-AsiaPacific	36.1%	36.4%	-2.8%	-2.8%
Other				
Egypt*	0.0%	0.0%	28.2%	28.2%
Israel	0.4%	0.4%	0.4%	0.4%
Qatar*	0.1%	0.0%	16.3%	17.7%
South Africa*	1.6%	1.6%	-6.5%	-6.5%
Turkey*	0.4%	0.4%	-11.8%	-11.8%
United Arab Emirates*	0.1%	0.1%	22.5%	22.0%
Total-Other	2.6%	2.5%	-4.0%	-4.5%
Totals				
Developed	78.2%	78.8%	-5.7%	-5.7%
Emerging*	21.3%	21.2%	-3.4%	-3.5%
Cash	0.5%		0.0%	

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



	Returns and Weights				Attribution Effects				
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	Total Effects
Totals									
Americas	-4.7%	-4.7%	11.6%	11.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Europe	-7.2%	-7.2%	49.3%	49.6%	-0.1%	0.0%	0.1%	0.0%	0.0%
Asia/Pacific	-2.8%	-2.8%	36.1%	36.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	-4.0%	-4.5%	2.6%	2.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	--	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	-5.2%	-5.2%	100.0%	100.0%	-0.1%	0.0%	0.1%	0.0%	0.0%
Totals									
Developed	-5.7%	-5.7%	78.2%	78.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Emerging*	-3.4%	-3.5%	21.3%	21.2%	-0.1%	0.0%	0.1%	0.0%	0.0%
Cash	0.0%	--	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

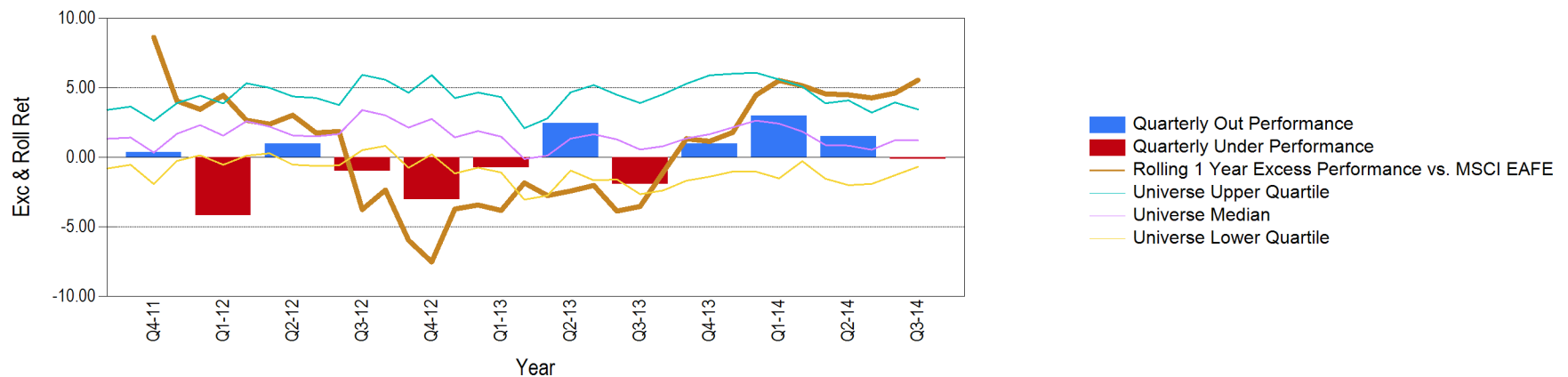
Aberdeen

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.

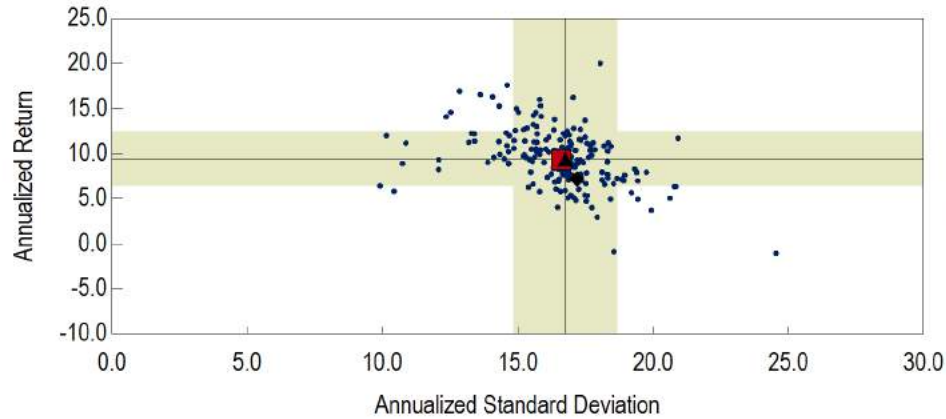
eA Emg Mkts Equity Gross Accounts



Annualized Excess Performance



3 Year Risk Return

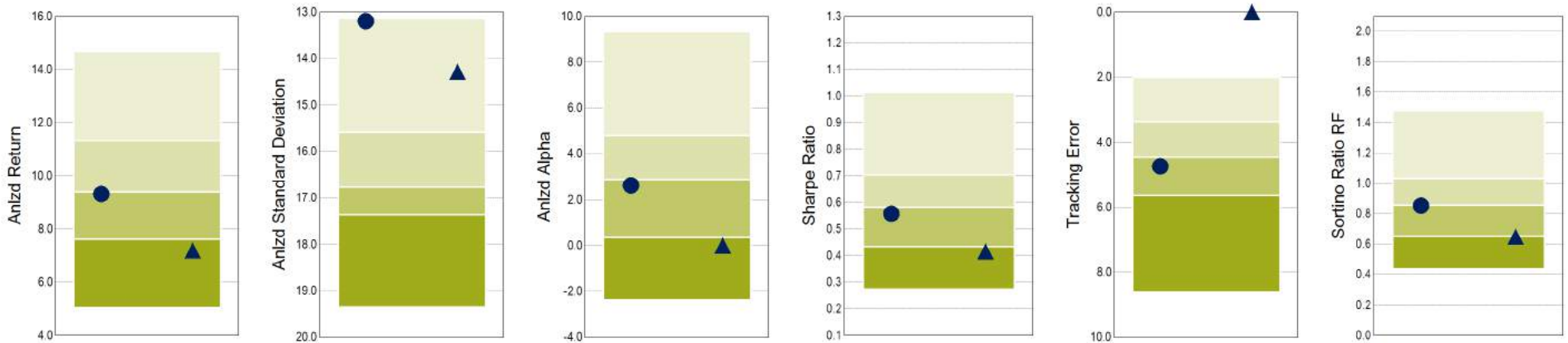


- Aberdeen
- ◆ MSCI Emerging Markets
- ▲ Universe Median
- 68% Confidence Interval
- eA Emg Mkts Equity Gross

Characteristics

	Portfolio	MSCI Emerging Markets
Number of Holdings	65	834
Weighted Avg. Market Cap. (\$B)	34.8	34.8
Median Market Cap. (\$B)	17.6	5.0
Price To Earnings	19.8	17.0
Price To Book	3.4	2.5
Price To Sales	2.7	2.2
Return on Equity (%)	18.2	17.3
Yield (%)	3.0	2.7
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics



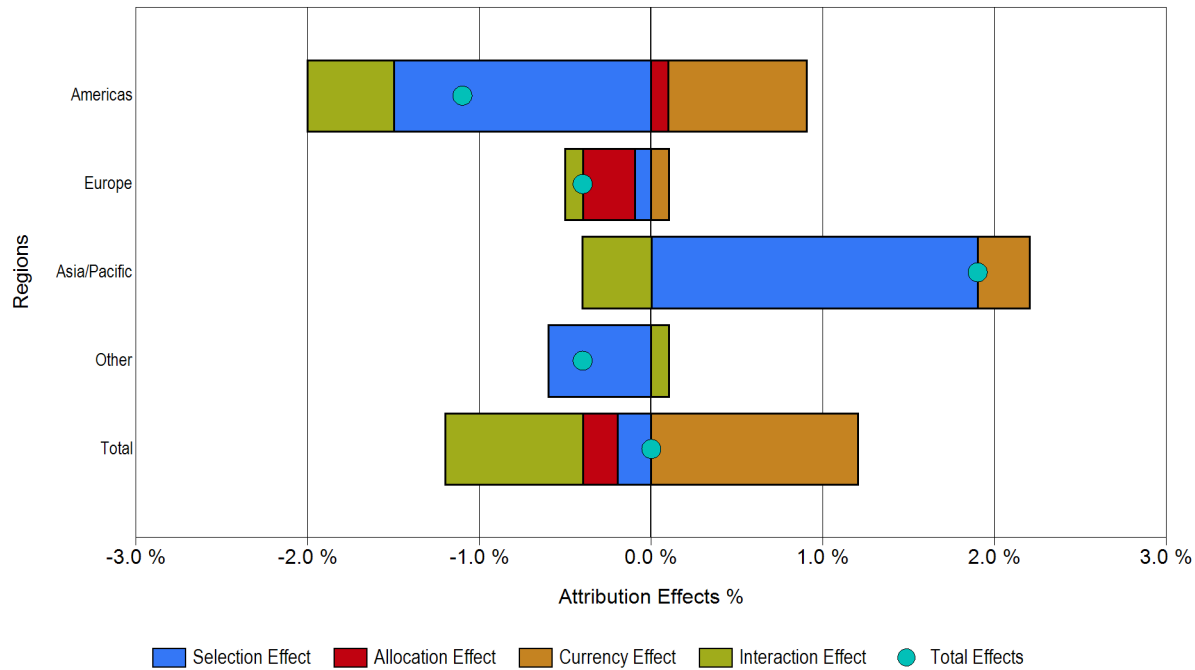
Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
Americas				
Brazil*	14.4%	10.8%	-9.6%	-8.6%
Chile*	1.3%	1.5%	-16.5%	-7.7%
Mexico*	7.6%	5.1%	-4.3%	2.1%
United States	1.2%	0.0%	-11.0%	0.8%
Total-Americas	24.6%	18.9%	-8.4%	-5.4%
Europe				
Hungary*	1.6%	0.2%	-16.5%	-12.8%
Luxembourg	2.2%	0.0%	-3.4%	-3.4%
Poland*	1.5%	1.7%	2.6%	-2.5%
Portugal	1.0%	0.0%	-33.1%	-25.0%
Russia*	4.4%	5.4%	-9.2%	-15.6%
United Kingdom	5.6%	0.0%	-7.3%	-6.1%
Total-Europe	16.3%	8.3%	-8.8%	-12.7%

Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
AsiaPacific				
China*	5.5%	18.3%	13.1%	1.5%
Hong Kong	7.6%	0.0%	0.5%	-2.6%
India*	13.1%	6.8%	7.2%	2.7%
Indonesia*	2.5%	2.5%	-5.7%	3.5%
Korea*	6.0%	15.6%	-15.8%	-7.3%
Malaysia*	2.4%	3.9%	-4.5%	-3.2%
Philippines*	3.4%	1.0%	9.3%	5.4%
Taiwan*	4.4%	12.2%	-4.2%	-3.1%
Thailand*	4.6%	2.2%	6.6%	7.7%
Total-AsiaPacific	49.4%	62.5%	1.9%	-1.4%
Other				
South Africa*	2.6%	7.5%	-12.2%	-6.5%
Turkey*	5.4%	1.7%	-10.3%	-11.8%
Total-Other	8.0%	10.3%	-10.9%	-4.3%
Totals				
Developed	17.6%	0.0%	-5.1%	--
Emerging*	80.7%	100.0%	-3.1%	-3.4%
Cash	1.6%		0.0%	

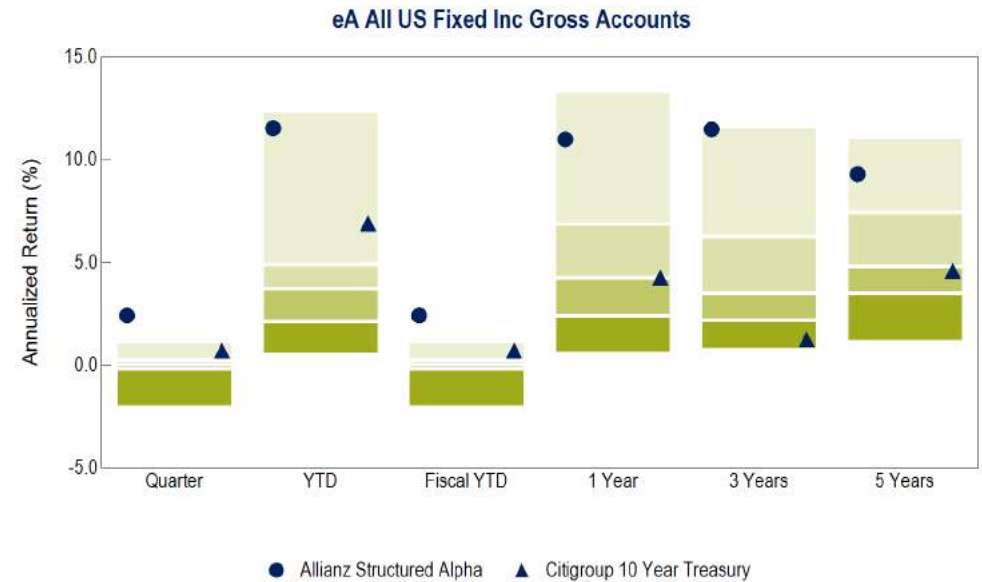
Aberdeen Performance Attribution vs. MSCI Emerging Markets



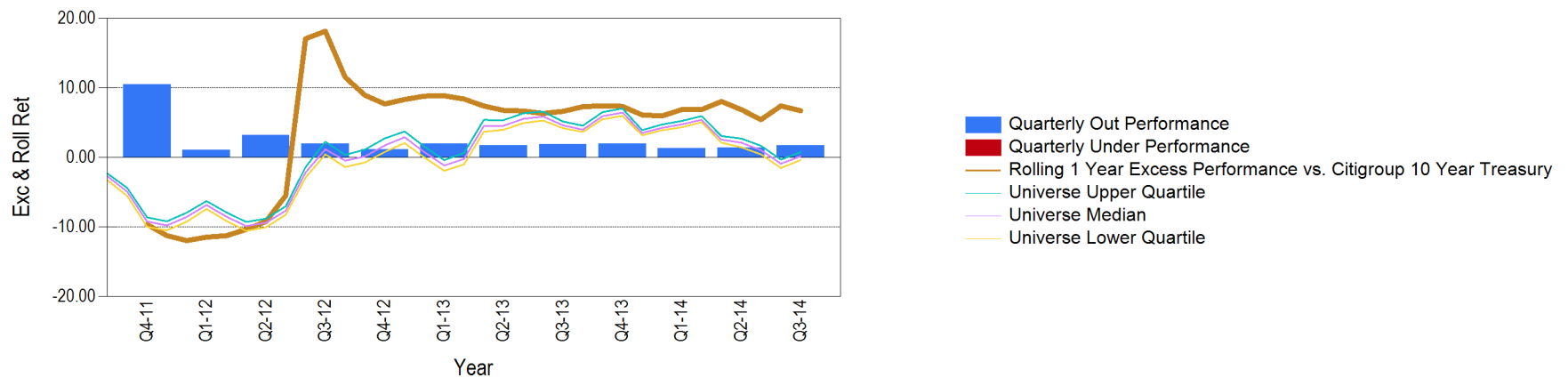
	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Totals									
Americas	-8.4%	-5.4%	24.6%	18.9%	-1.5%	0.1%	0.8%	-0.5%	-1.1%
Europe	-8.8%	-12.7%	16.3%	8.3%	-0.1%	-0.3%	0.1%	-0.1%	-0.4%
Asia/Pacific	1.9%	-1.4%	49.4%	62.5%	1.9%	0.0%	0.3%	-0.4%	1.9%
Other	-10.9%	-4.3%	8.0%	10.3%	-0.6%	0.0%	0.0%	0.1%	-0.4%
Cash	0.0%	--	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	-3.4%	-3.4%	100.0%	100.0%	-0.2%	-0.2%	1.2%	-0.8%	0.0%
Totals									
Developed	-5.1%	--	17.6%	0.0%	0.0%	0.0%	-0.4%	-0.6%	-1.0%
Emerging*	-3.1%	-3.4%	80.7%	100.0%	-0.8%	0.0%	1.6%	0.1%	1.0%
Cash	0.0%	--	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Allianz Structured Alpha

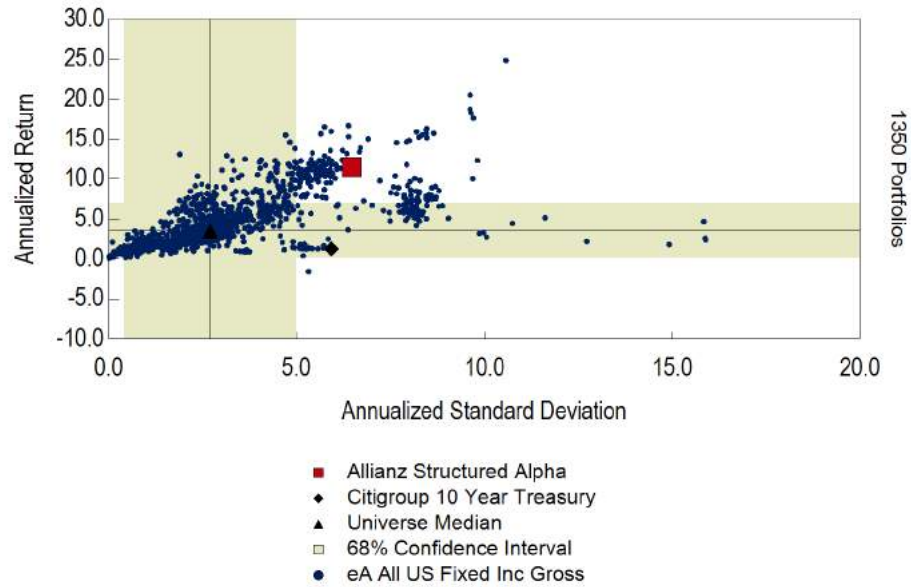
Allianz uses an alpha enhancement strategy that targets a return stream with low or no correlation with the underlying BC Aggregate benchmark. The objective of the fund seeks to deliver 5% net of fees annually on top of the benchmark with a tracking error of 2-4%. The strategy analyzes historical behavior 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.



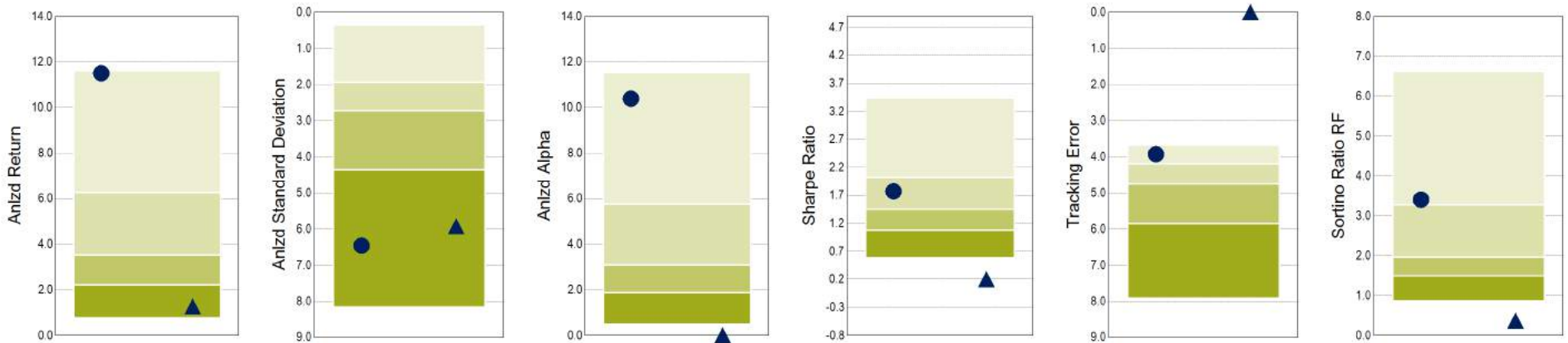
Annualized Excess Performance



3 Year Risk Return



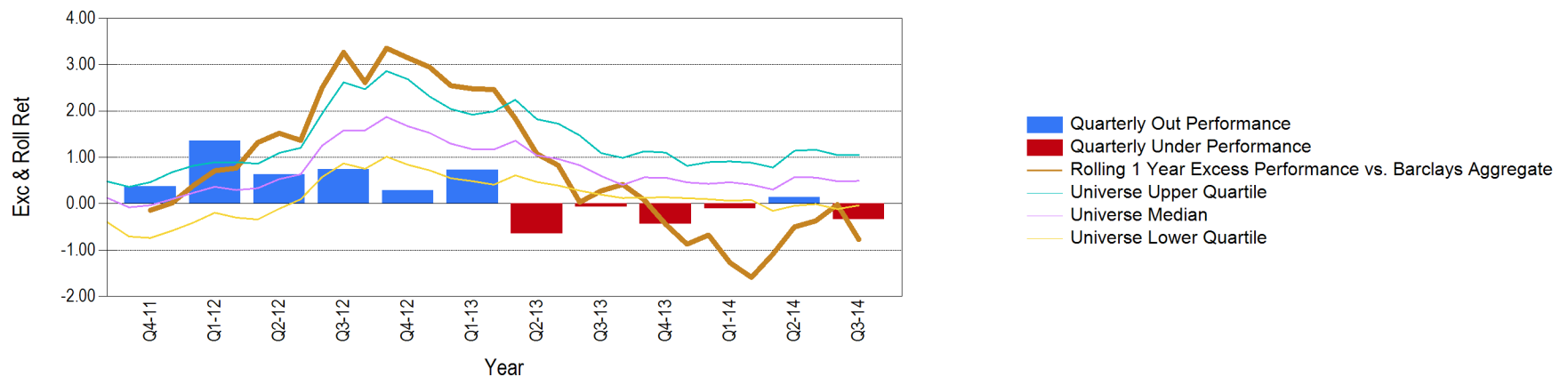
3 Year Risk Statistics

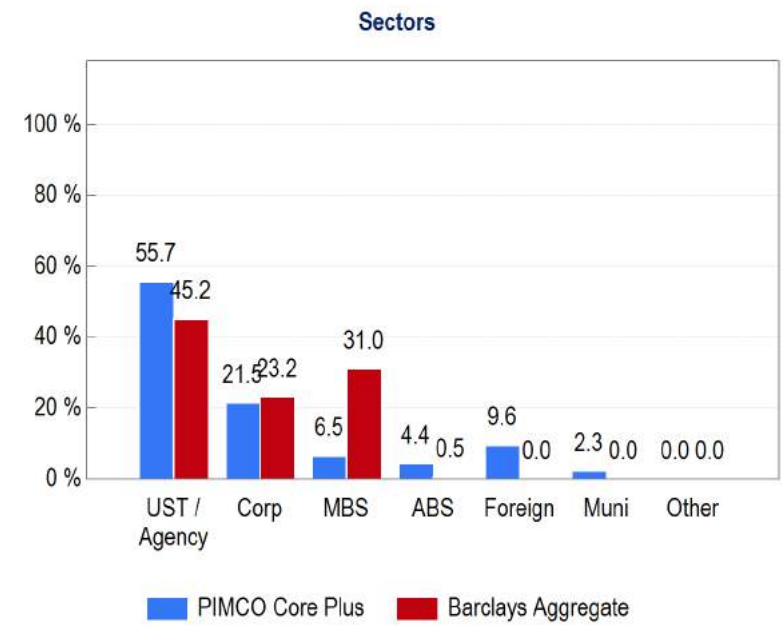
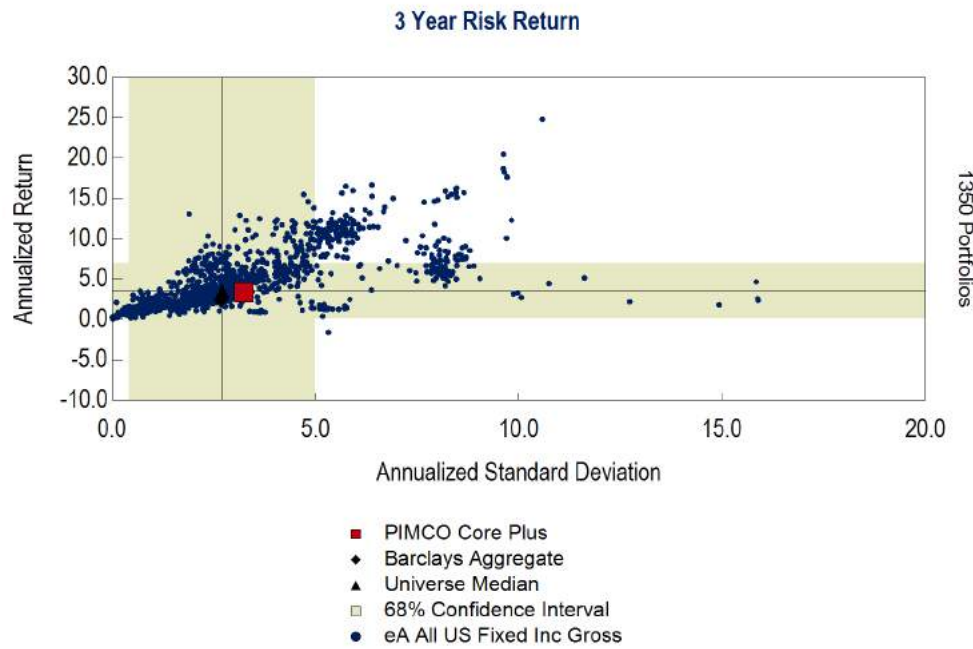


PIMCO's investment process expects to generate above-benchmark returns by building diversified, risk-averse portfolios based upon their long-term secular outlook. This is achieved by analyzing fundamental global trends in such areas as political factors, inflation, volatility, growth, and currency, amongst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

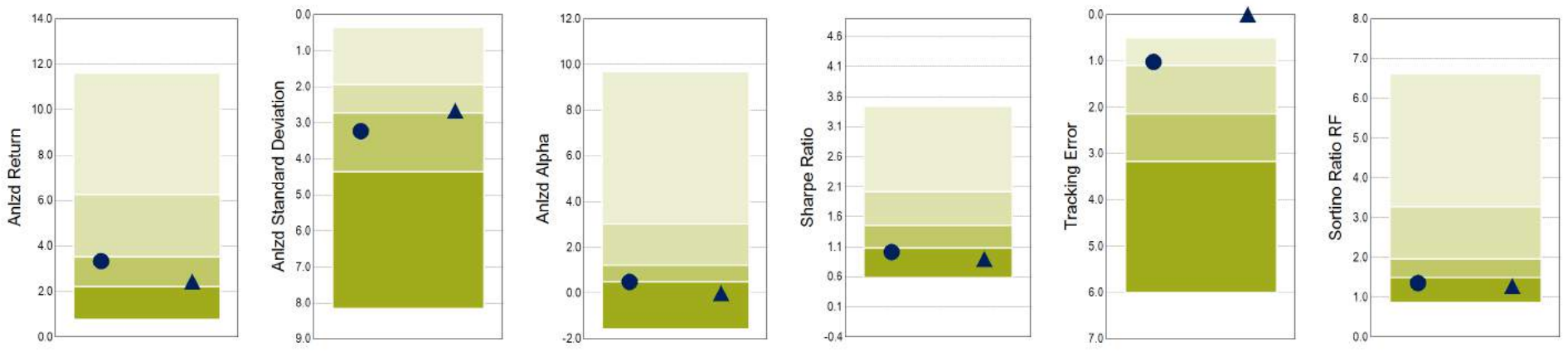


Annualized Excess Performance



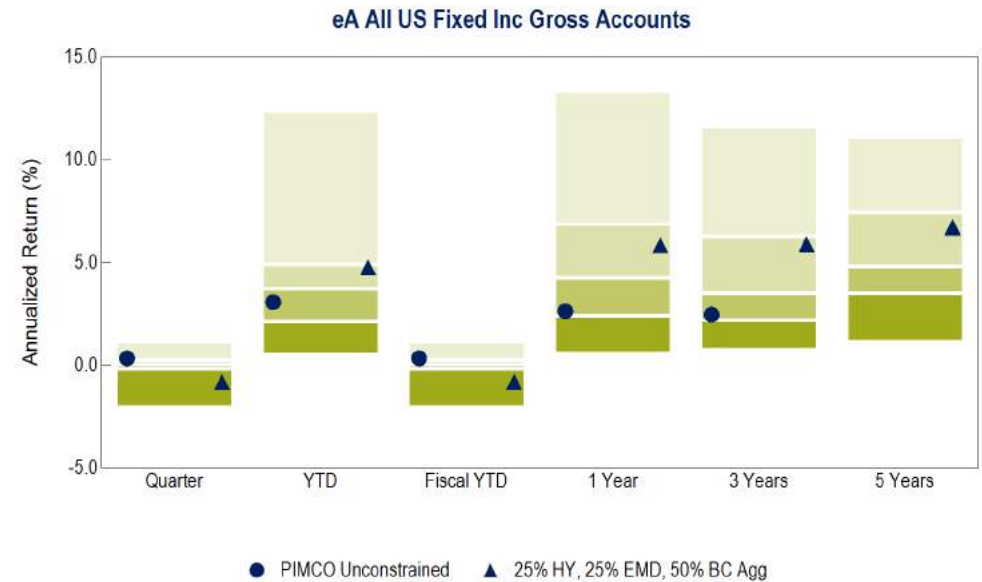


3 Year Risk Statistics

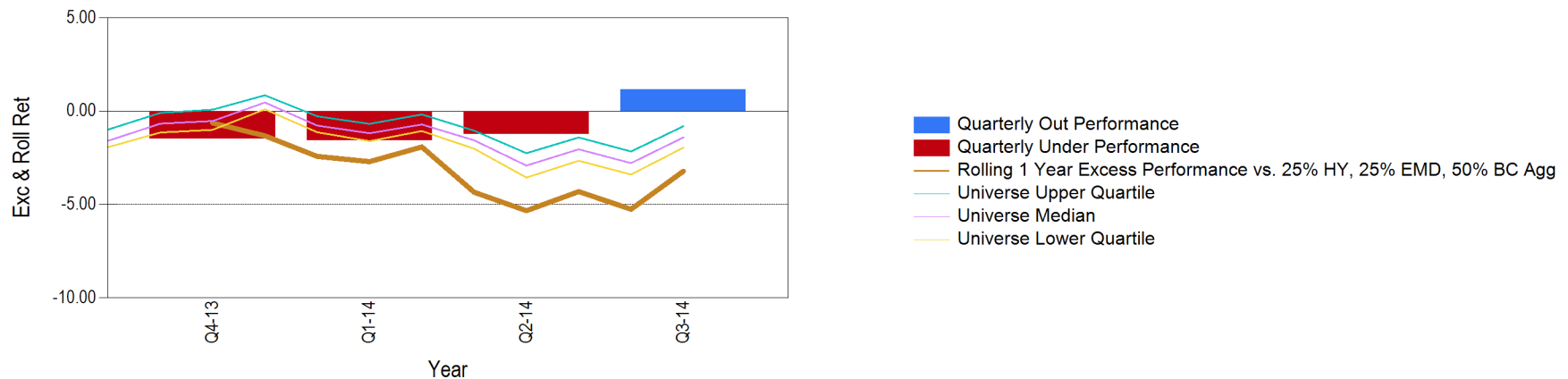


PIMCO Unconstrained

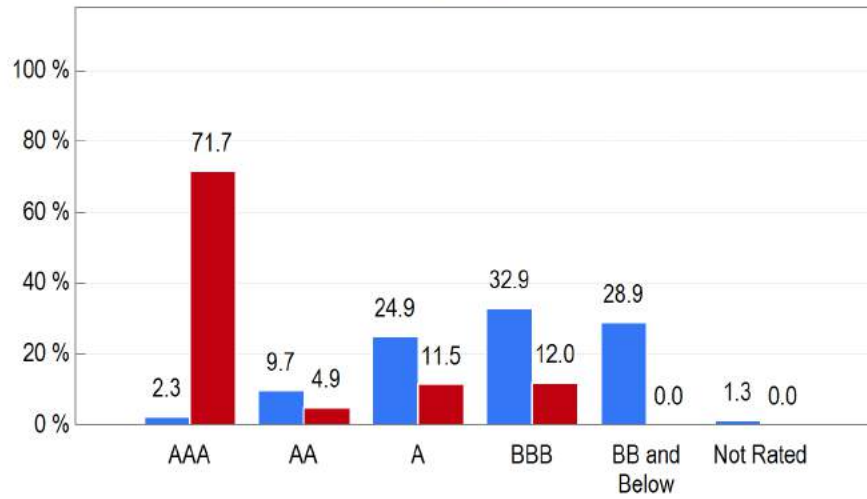
The PIMCO Unconstrained Bond Strategy is an absolute return-oriented, investment grade quality fixed income strategy that embodies PIMCO's secular thinking, global themes, and integrated investment process without the constraints of a benchmark or significant sector/instrument limitations. The strategy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



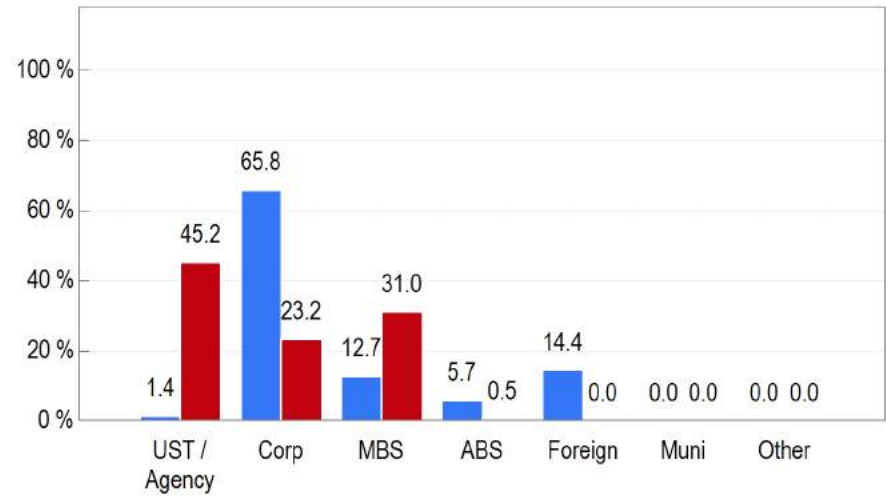
Annualized Excess Performance



Quality Ratings



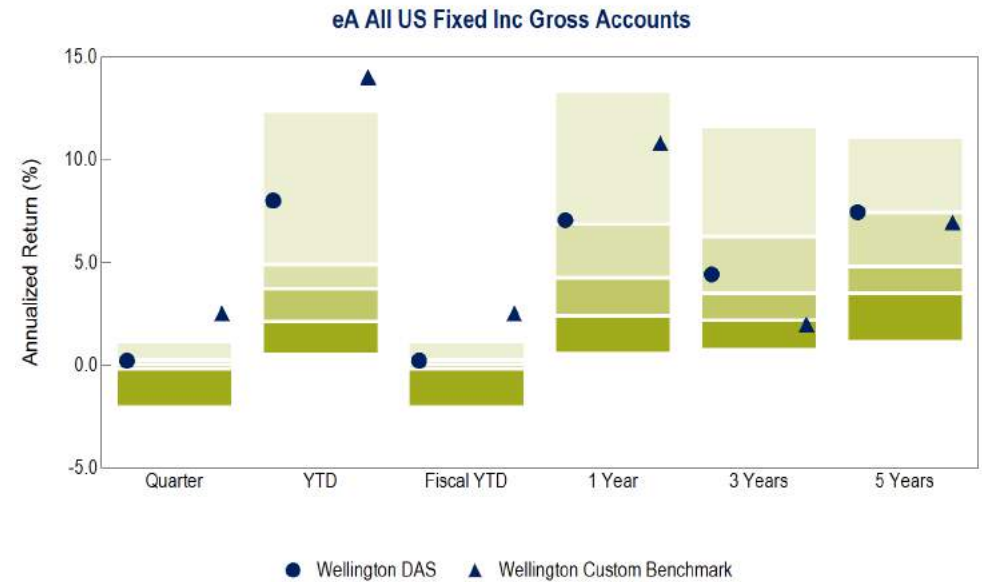
Sectors



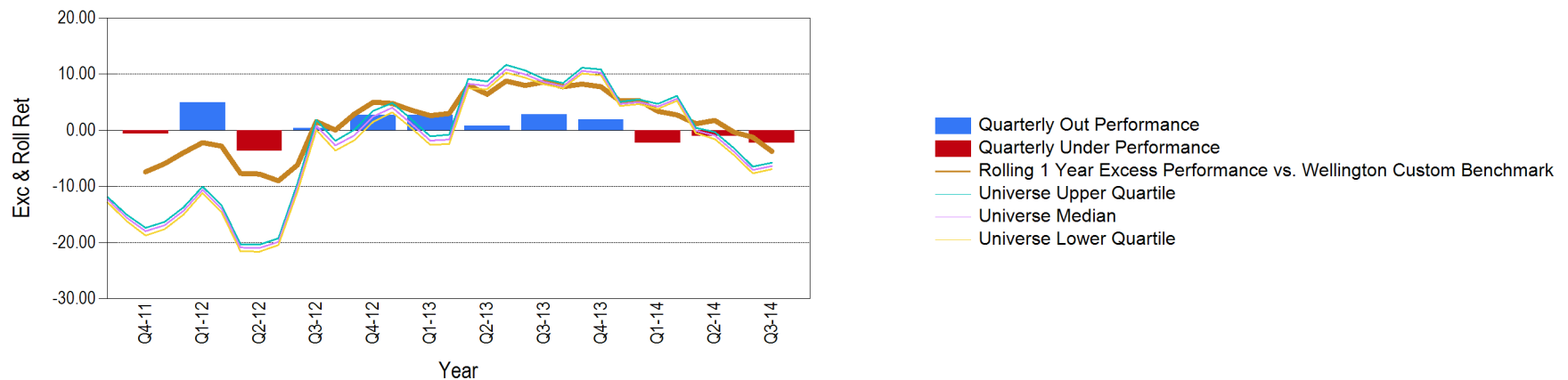
■ PIMCO Unconstrained ■ Barclays Aggregate

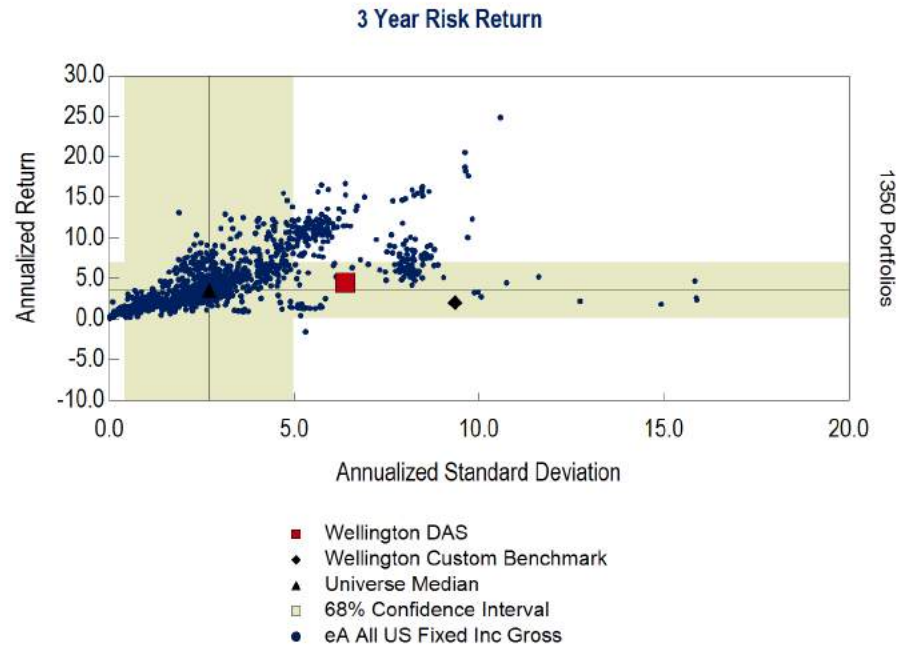
Wellington DAS

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

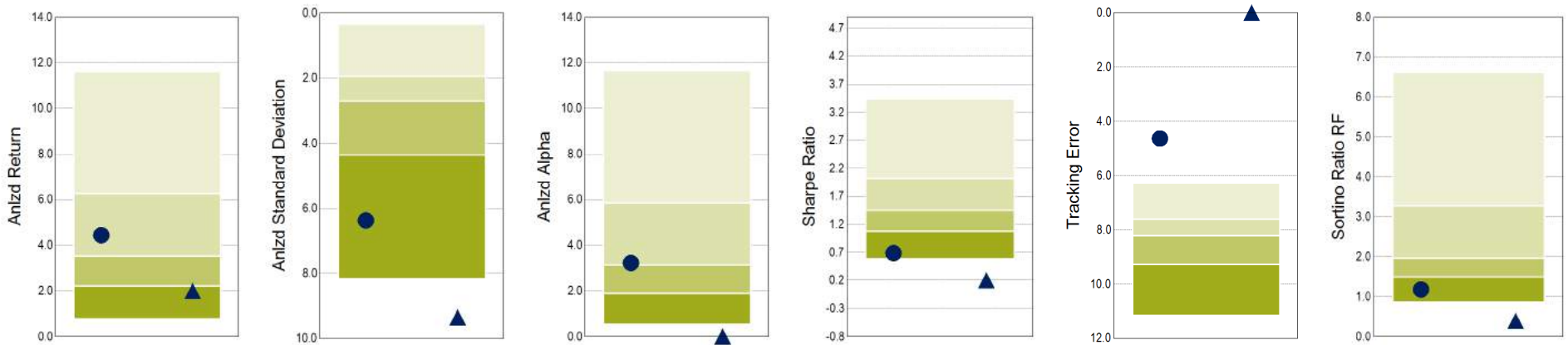


Annualized Excess Performance



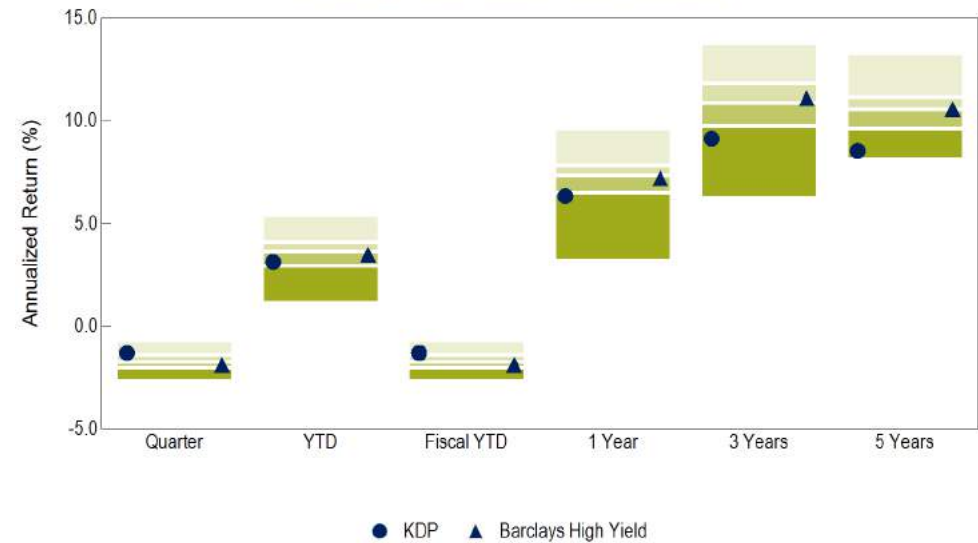


3 Year Risk Statistics

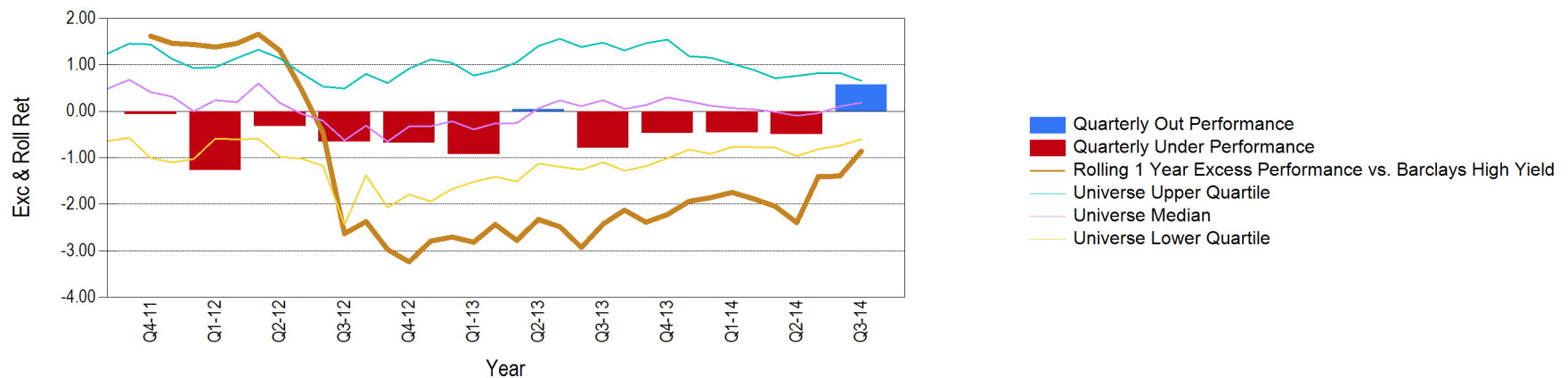


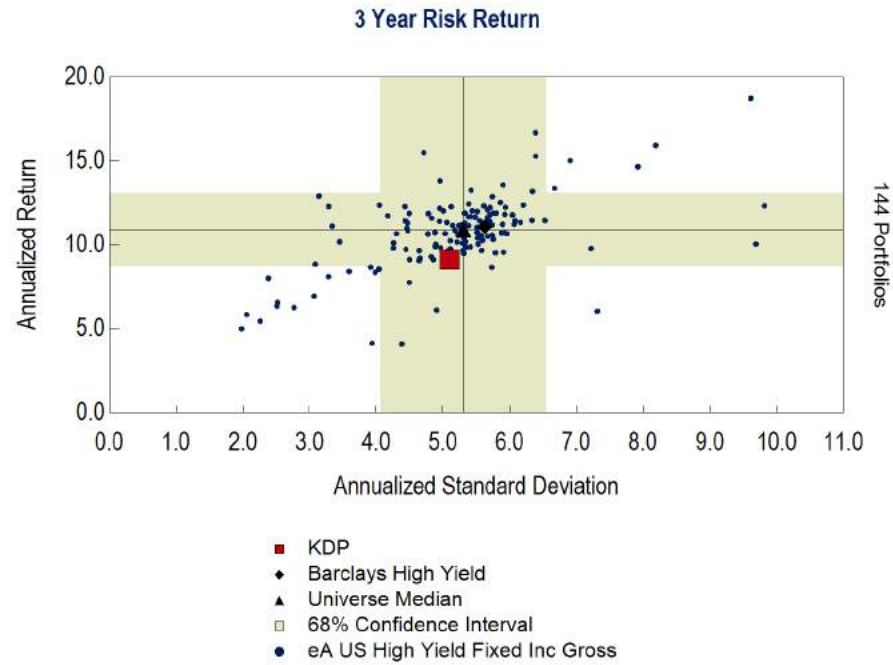
KDP believes that the key to delivering superior risk-adjusted returns lies in controlling credit risk. To do this the firm combines rigorous, bottom-up credit analysis with an active, top-down management approach that ensures a strong overall credit profile and broad portfolio diversification. KDP employs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

eA US High Yield Fixed Inc Gross Accounts

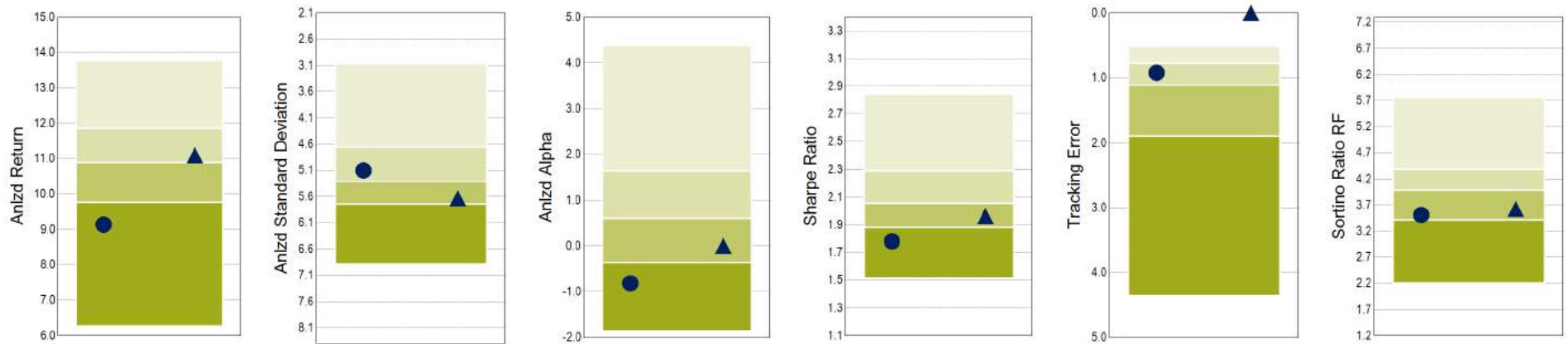


Annualized Excess Performance

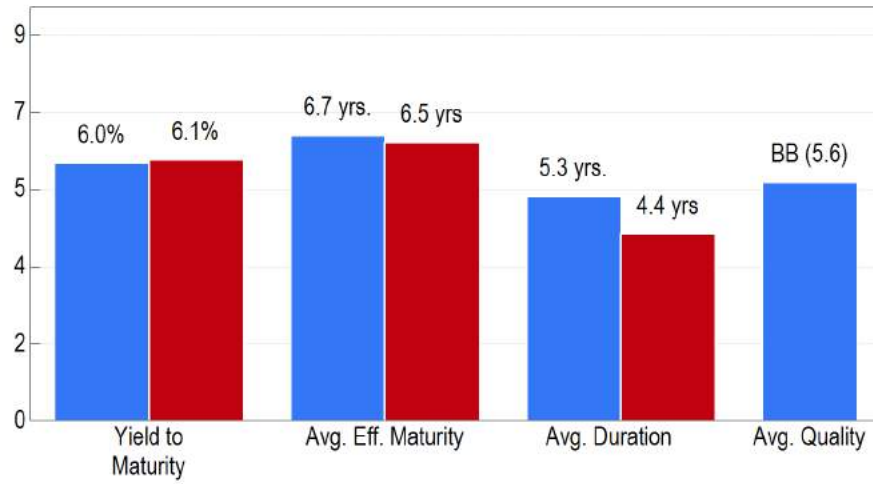




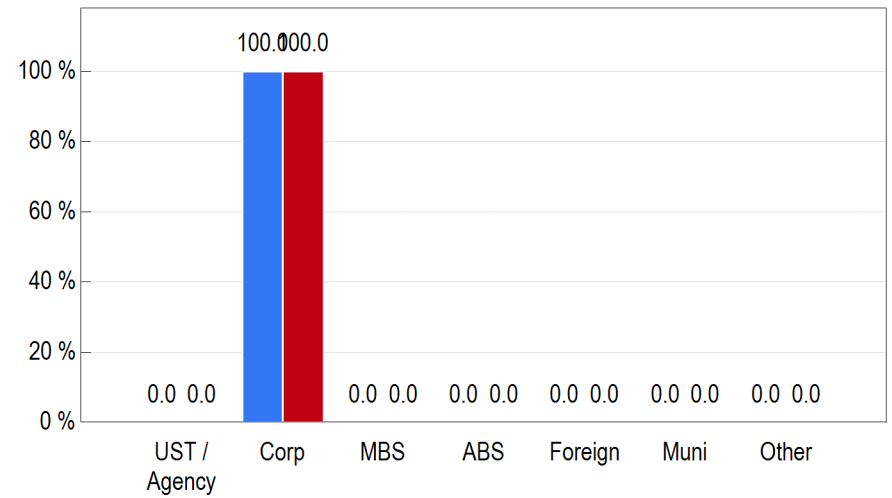
3 Year Risk Statistics



Characteristics



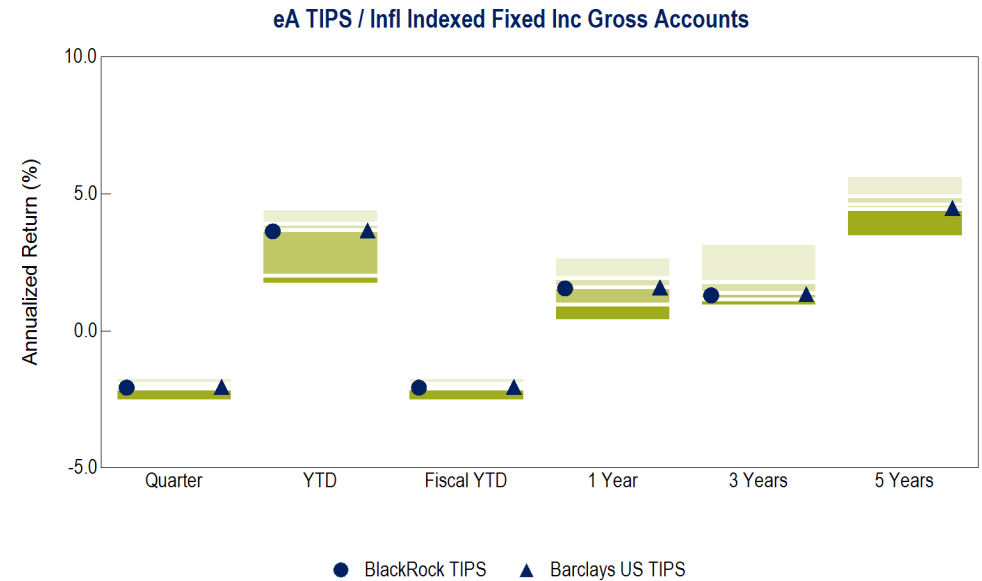
Sectors



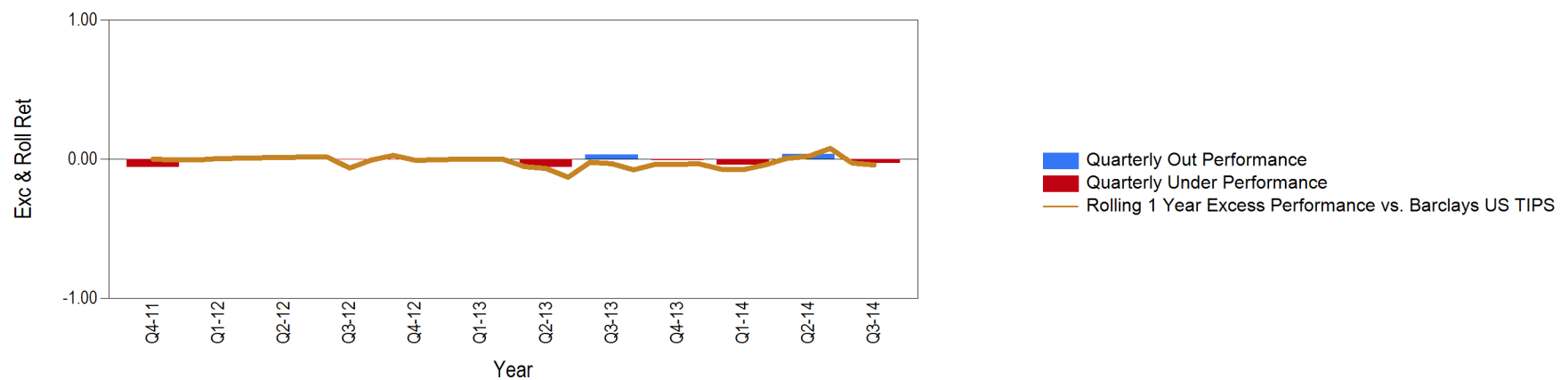
■ KDP ■ Barclays High Yield

BlackRock TIPS

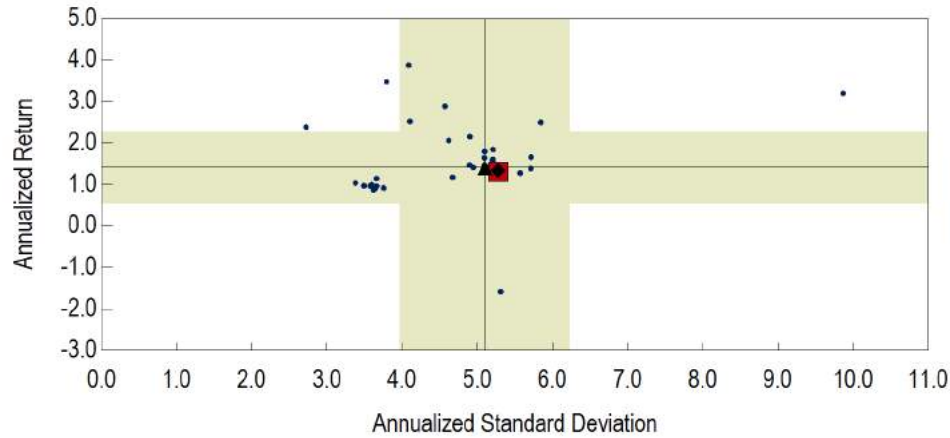
In the management of an inflation-linked bond portfolio, BlackRock will utilize multiple strategies to outperform the index. These include: duration and yield curve positioning, technical supply/demand anomalies related primarily to the ILB auction cycle, seasonal factors related to non-seasonally adjusted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



Annualized Excess Performance

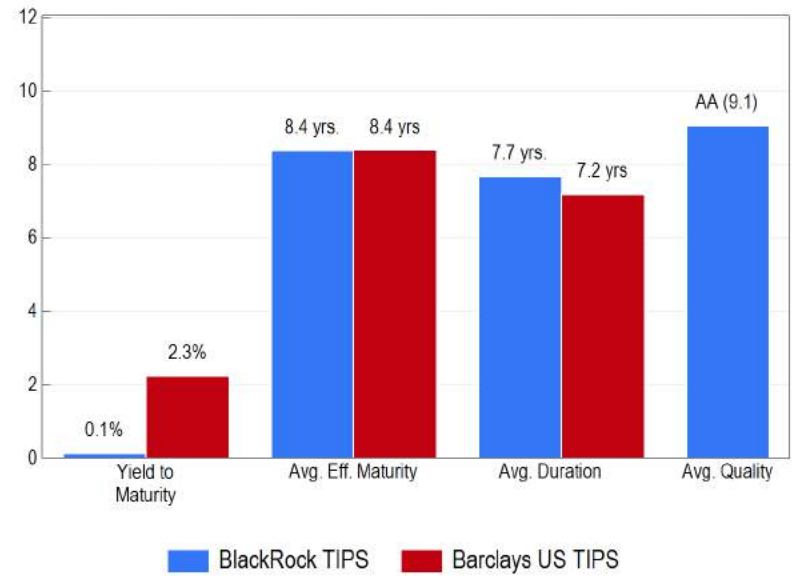


3 Year Risk Return

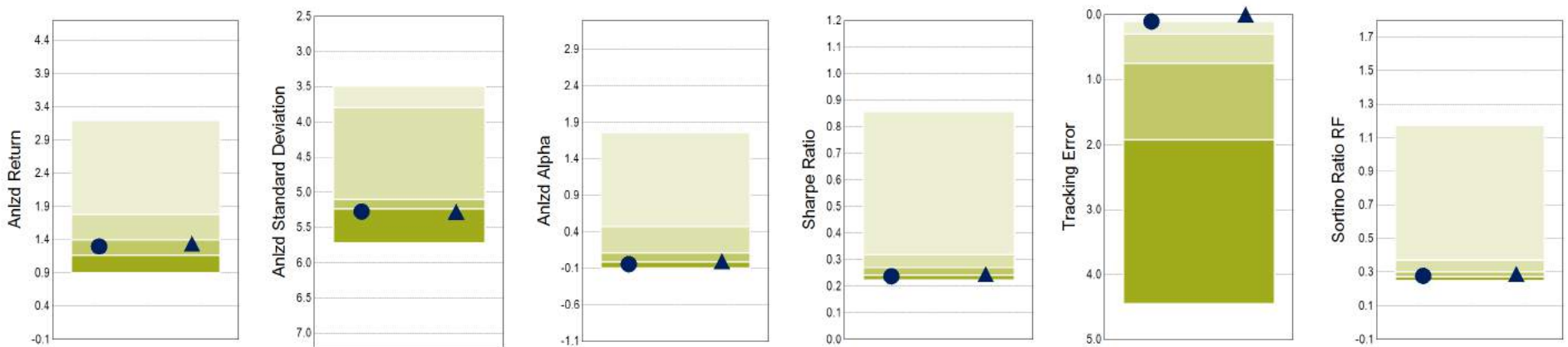


- BlackRock TIPS
- ◆ Barclays US TIPS
- ▲ Universe Median
- 68% Confidence Interval
- eA TIPS / Infl Indexed Fixed Inc Gross

Characteristics

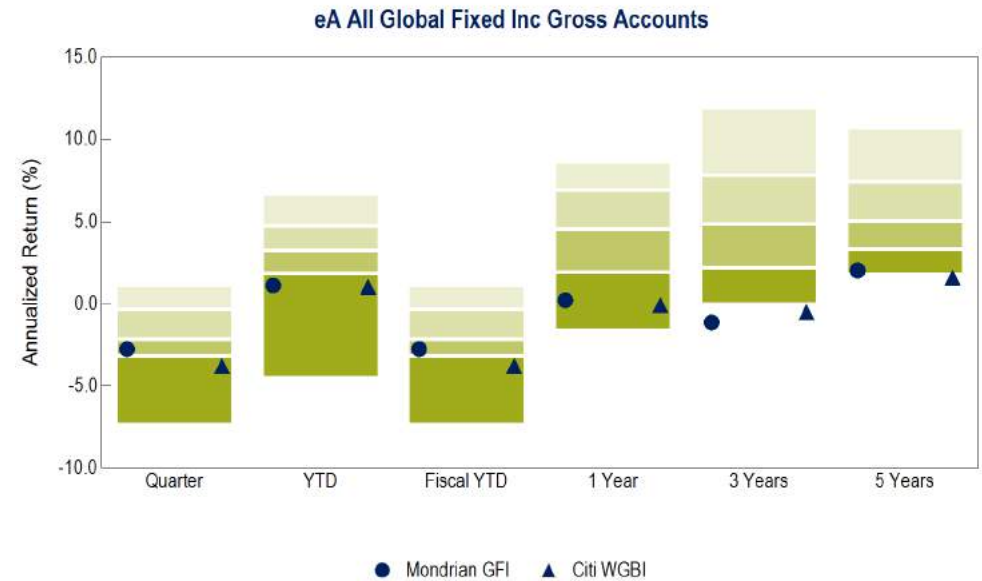


3 Year Risk Statistics

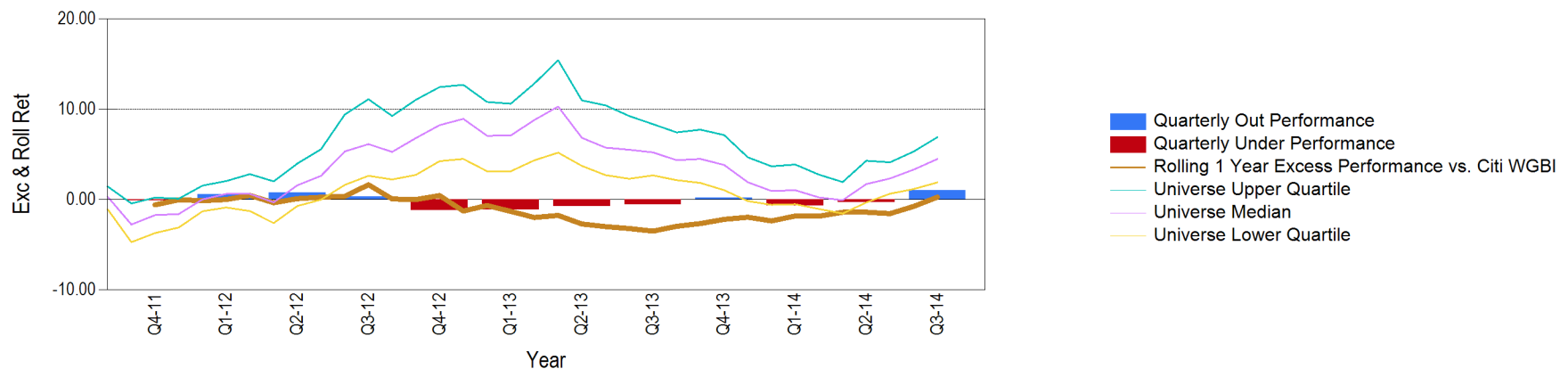


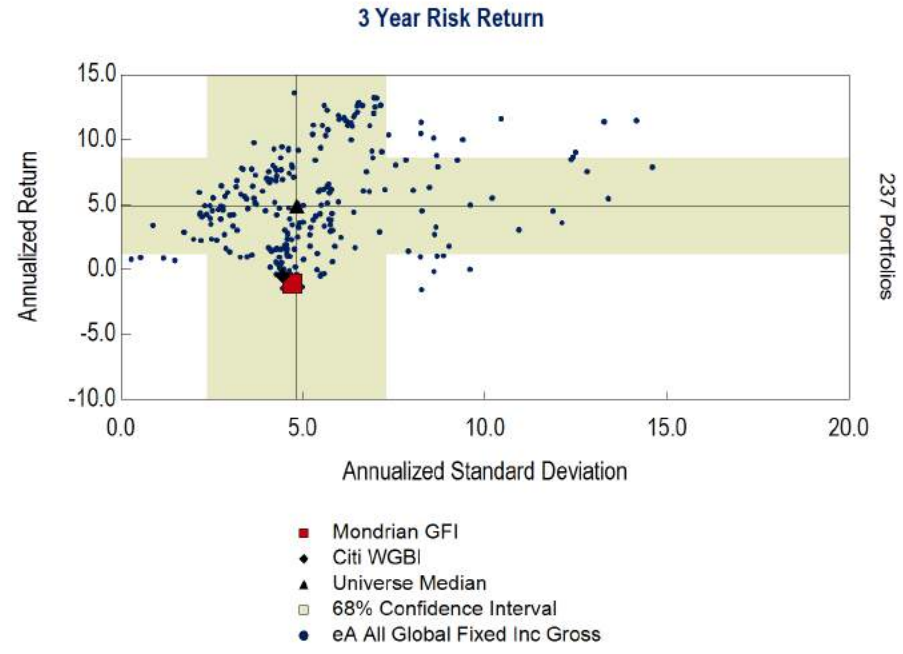
Mondrian GFI

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.

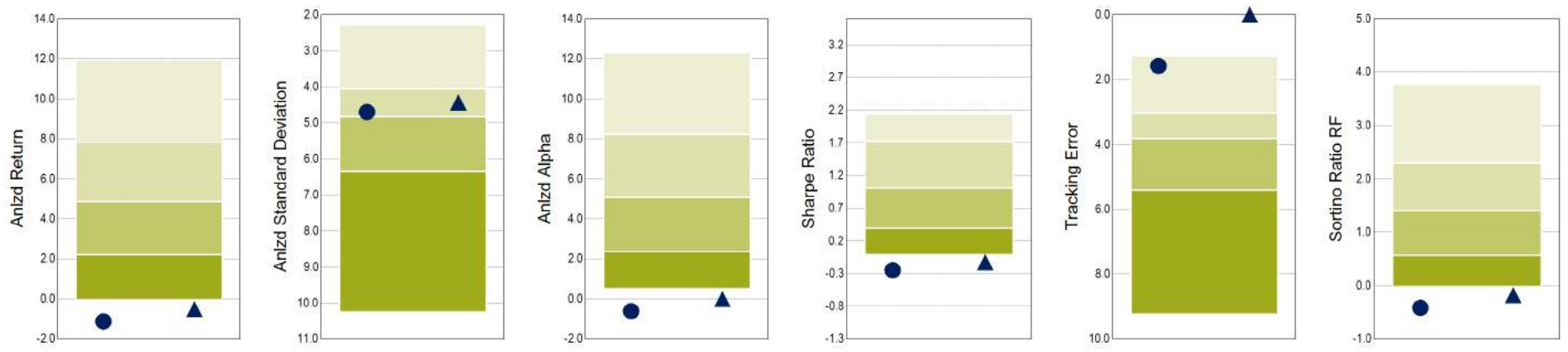


Annualized Excess Performance

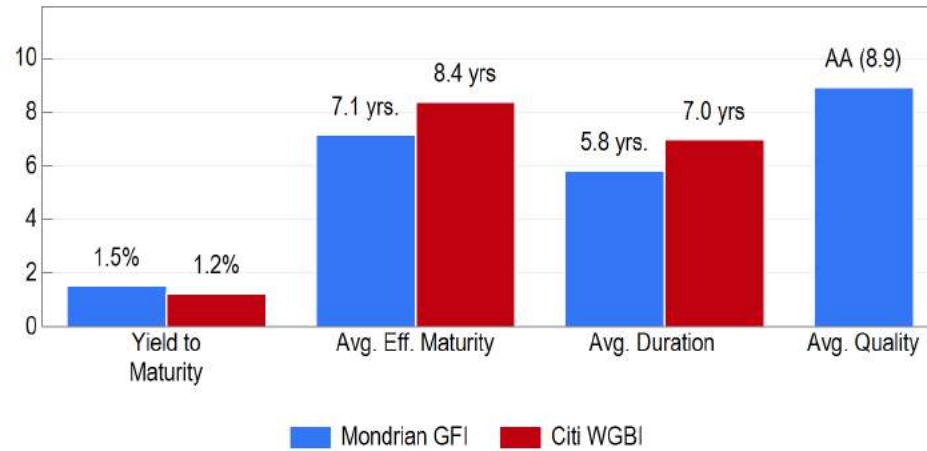




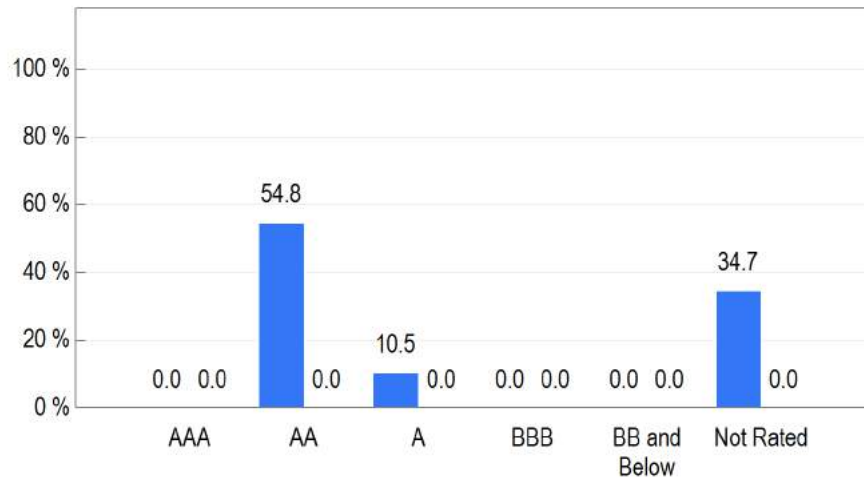
3 Year Risk Statistics



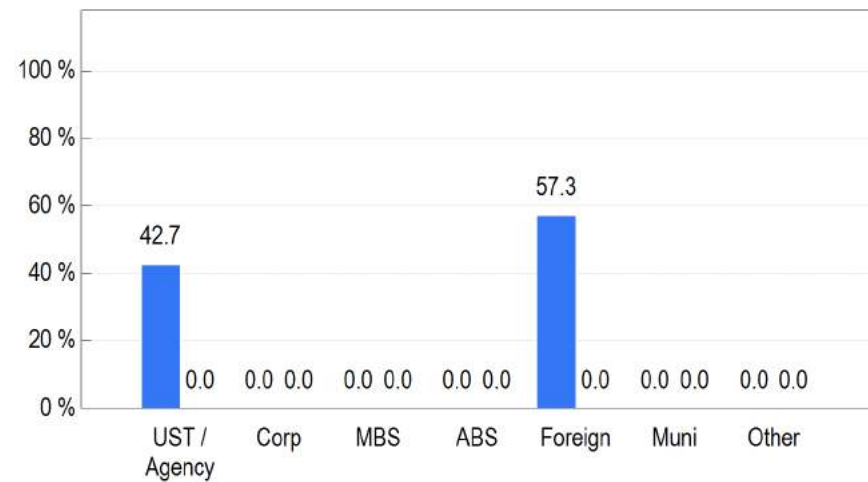
Characteristics



Quality Ratings



Sectors

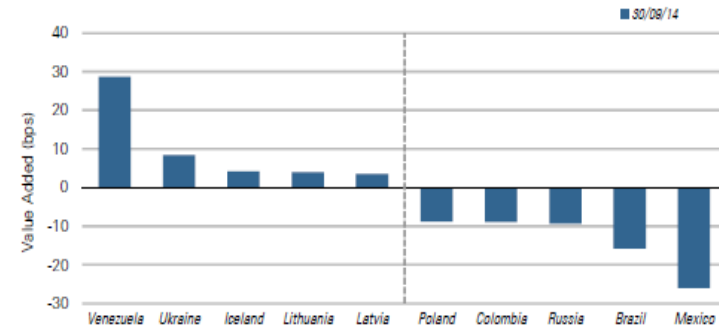


Wellington Opportunistic Emerging Market Debt

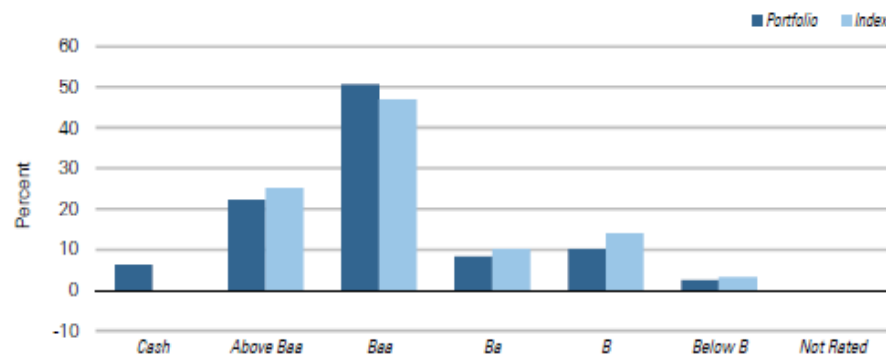
Portfolio Statistics

	Portfolio	Index
Yield	5.22%	5.60%
Effective Duration	6.79 Yrs	7.01 Yrs
Spread Duration	6.81 Yrs	7.03 Yrs
Corporate Exposure	2.27%	—
EM Local Market Exposure	16.51%	—
EM Currency Exposure	8.78%	—
Average Quality	Baa2	Baa3

Top/Bottom 5 Country Contributors to Portfolio Alpha

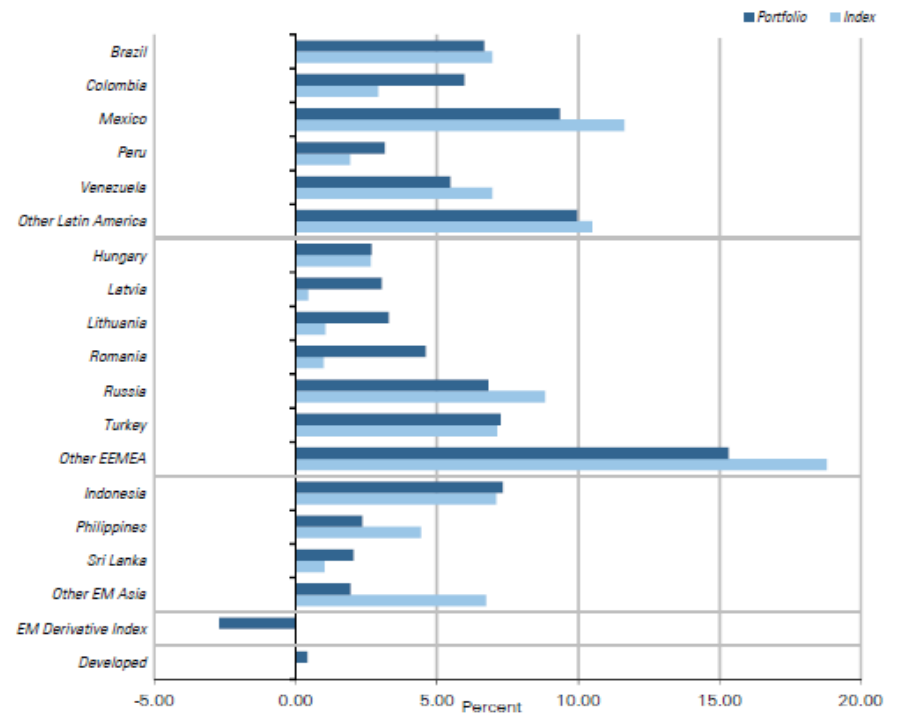


Quality Distribution



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.

Comparative Country Weights



Country Weights represents Market Exposure

Source: Wellington Management



NEPC, LLC

September 30, 2014

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)

Market Exposures

Equity Exposure

Country	Mellon %	Index %	Over %
Australia	3.9%	1.3%	2.6%
Brazil	-0.1%	0.0%	-0.1%
Canada	1.4%	1.9%	-0.6%
China	0.0%	0.0%	0.0%
Emerging Markets	5.6%	5.3%	0.2%
France	2.1%	1.6%	0.5%
Germany	11.2%	1.5%	9.7%
Hong Kong	7.5%	0.5%	7.0%
India	0.0%	0.0%	0.0%
Italy	1.0%	0.5%	0.6%
Japan	12.5%	3.8%	8.6%
Mexico	0.0%	0.0%	0.0%
Netherlands	4.9%	0.4%	4.4%
Poland	0.1%	0.0%	0.1%
So. Africa	0.0%	0.0%	0.0%
So. Korea	0.1%	0.0%	0.1%
Spain	-2.1%	0.6%	-2.7%
Switzerland	-2.0%	1.5%	-3.5%
Taiwan	0.0%	0.0%	0.0%
Turkey	0.0%	0.0%	0.0%
United Kingdom	-3.2%	3.7%	-6.9%
United States	21.4%	25.3%	-3.9%
Other	2.1%	2.0%	0.1%
Total	66.1%	50.0%	16.1%

Bond Exposure

Country	Mellon %	Index %	Over %
Australia	3.6%	0.7%	2.9%
Canada	1.1%	0.8%	0.3%
Emerging Markets	0.0%	5.0%	-5.0%
Europe ex UK	-19.5%	6.6%	-26.0%
International	4.8%	10.0%	-5.2%
Japan	-23.1%	2.2%	-25.3%
United Kingdom	14.3%	1.1%	13.2%
United States	47.0%	17.6%	29.4%
Other	0.0%	1.0%	-1.0%
Total	28.2%	45.0%	-16.8%

Commodity and Cash Exposure

	Mellon %	Index %	Over %
Commodity	7.4%	5.0%	2.4%
Cash	-1.7%	0.0%	-1.7%
Total	5.7%	5.0%	0.7%

Currency Exposure

Country	Mellon %	Index %	Over %
Australia	-0.8%	1.0%	-1.9%
Brazil	0.1%	0.0%	0.1%
Canada	6.1%	1.5%	4.6%
Chile	-0.1%	0.0%	-0.1%
Denmark	0.0%	0.2%	-0.2%
Emerging Markets	5.6%	10.3%	-4.8%
Euro	-32.9%	6.4%	-39.3%
Hong Kong	0.0%	0.0%	0.0%
India	0.1%	0.0%	0.1%
Indonesia	0.0%	0.0%	0.0%
Israel	-0.1%	0.0%	-0.1%
Japan	14.8%	3.1%	11.7%
Mexico	0.0%	0.0%	0.0%
New Zealand	0.7%	0.0%	0.7%
Norway	5.6%	0.2%	5.4%
Poland	0.0%	0.0%	0.0%
Russia	0.1%	0.0%	0.1%
So. Africa	-0.1%	0.0%	-0.1%
So. Korea	0.1%	0.0%	0.1%
Sweden	-2.2%	0.5%	-2.7%
Switzerland	-14.4%	0.9%	-15.3%
Taiwan	0.2%	0.0%	0.2%
Turkey	-0.1%	0.0%	-0.1%
United Kingdom	-7.3%	4.0%	-11.3%
United States	123.9%	70.7%	53.1%
Other	1.0%	1.1%	0.0%
Total	100%	100%	0.0%

Source: Mellon Capital Management

Mellon Global Expanded Alpha I (Global Asset Allocation)

Performance & Attribution

Period	Strategy [^] Return	Benchmark ^{****} Return	Alpha	Global Stock/Bond Allocation	Equity Country Allocation	Bond Country Allocation	Currency Allocation	Benchmark Implementation ^{***}	Commodity Allocation	Misc. ^{**}	Total Alpha
January-2014	-3.20%	-1.55%	-1.65%	-116	-98	-40	94	3	-1	-7	-165
February-2014	2.04%	3.20%	-1.16%	53	-48	2	-37	-59	-21	-5	-116
March-2014	-3.39%	0.41%	-3.80%	-3	-86	-47	-180	-53	-15	4	-380
April-2014	0.04%	0.78%	-0.74%	-11	-85	9	9	5	7	-8	-74
May-2014	2.24%	1.40%	0.84%	0	93	32	-56	9	9	-5	84
June-2014	2.04%	1.25%	0.80%	4	53	-32	39	19	5	-8	79
July-2014	0.10%	-1.03%	1.12%	-29	22	-19	66	50	18	6	113
August-2014	2.70%	1.72%	0.98%	-36	-71	106	62	32	-2	6	98
September-2014	-0.96%	-2.66%	1.70%	-10	77	-57	120	33	2	5	170

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 – Calendar Years & Annualized

Period	Strategy [^] Return	Benchmark ^{****} Return	Alpha	Global Stock/Bond Allocation	Equity Country Allocation	Bond Country Allocation	Currency Allocation	Benchmark Implementation ^{***}	Commodity Allocation	Misc. ^{**}	Total Alpha
Year to date 2014	1.40%	3.44%	-2.04%	-148	-144	-47	116	39	4	-25	-204
2013	12.25%	10.24%	2.01%	340	-170	63	-90	-3	38	23	201
2012	11.27%	11.45%	-0.17%	-24	-16	197	-214	10	25	5	-18
2011	-0.13%	-1.60%	1.47%	-168	136	139	56	26	2	-43	147
(Partial) 2010	10.43%	5.72%	4.71%	-137	71	185	291	65	-6	2	471

Source: Mellon Capital Management

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



NEPC, LLC

September 30, 2014

PIMCO All Asset

Total Fund Net Assets (\$US MM)	33,209.3												
	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	7/31/2014	8/31/2014	9/30/2014
Short-Term Strategies:	0.1%	0.1%	0.3%	0.0%	0.2%	-0.2%	0.8%	0.6%	0.6%	1.1%	0.6%	0.7%	0.3%
Low Duration Fund	0.0%	0.0%	0.2%	0.0%	0.0%	-	0.8%	0.6%	0.6%	0.9%			
Low Duration Exchange Traded Fund	-	-	-	-	-	-	-	-	-	0.2%			
Short Term Fund	0.0%	0.1%	0.1%	0.0%	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%	0.0%			
US Core and Long Maturity Bond Strategies:	6.3%	5.2%	5.8%	10.8%	11.3%	10.4%	8.3%	4.8%	4.8%	7.9%	11.2%	13.8%	15.3%
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%	0.0%			
Long Duration Total Return Fund	0.1%	0.1%	0.1%	1.8%	3.2%	3.1%	2.2%	0.1%	0.0%	0.4%			
Long Term Credit Fund	2.8%	2.9%	2.8%	3.7%	3.6%	3.8%	3.8%	3.8%	4.1%	4.2%			
Long-Term US Government Fund	0.0%	0.0%	0.0%	1.0%	0.7%	0.7%	0.5%	0.1%	0.1%	0.3%			
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%	3.1%			
EM and Global Bond Strategies:	28.3%	31.0%	30.8%	28.7%	26.9%	26.8%	25.0%	24.5%	24.4%	24.3%	24.2%	22.2%	20.8%
Diversified Income Fund	4.1%	4.2%	4.4%	4.3%	4.0%	3.6%	3.6%	3.6%	3.5%	3.2%			
Emerging Local Bond Fund	7.0%	8.0%	7.9%	7.4%	7.0%	7.1%	7.4%	7.2%	7.3%	7.4%			
Emerging Markets Bond Fund	3.8%	4.5%	4.0%	3.4%	3.1%	3.1%	3.5%	3.7%	4.0%	3.9%			
Emerging Markets Corporate Bond Fund	-	-	0.4%	0.8%	0.7%	0.7%	1.0%	1.4%	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%	7.1%			
Foreign Bond Fund (Unhedged)	2.5%	2.8%	2.9%	2.7%	2.4%	2.4%	0.7%	0.1%	0.1%	0.3%			
Global Advantage Strategy Bond Fund	3.2%	3.4%	3.3%	3.2%	3.0%	3.0%	1.8%	1.0%	0.9%	0.9%			
Global Bond Fund (Unhedged)	-	-	-	-	-	-	-	-	-	-			
Credit Strategies:	28.2%	29.8%	30.4%	29.5%	29.1%	29.3%	26.1%	23.9%	23.4%	18.6%	14.7%	12.2%	11.5%
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%	1.8%			
High Yield Fund	6.8%	7.9%	8.1%	6.2%	6.0%	6.3%	5.5%	4.8%	4.6%	1.1%			
High Yield Spectrum Fund	1.9%	2.5%	2.6%	3.0%	3.7%	4.1%	4.2%	4.3%	4.5%	3.7%			
Income Fund	8.6%	8.7%	8.8%	10.3%	10.0%	10.3%	10.5%	10.7%	10.5%	10.3%			
Senior Floating Rate Fund	0.7%	0.9%	2.1%	2.6%	2.8%	3.1%	2.5%	2.2%	1.9%	1.8%			
Inflation Related Strategies:	17.0%	12.6%	8.0%	2.5%	2.0%	2.1%	5.2%	8.3%	8.9%	9.7%	10.2%	10.4%	10.9%
CommoditiesPLUS™ Strategy Fund	6.6%	6.3%	5.4%	2.4%	1.8%	1.8%	2.1%	2.8%	2.9%	3.0%			
CommodityRealReturn Strategy Fund®	2.5%	1.9%	1.8%	0.1%	0.1%	0.1%	0.8%	1.4%	1.5%	1.7%			
Global Advantage® Inflation-Linked Bond Exchange-Traded Fund	-	-	-	0.1%	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%	0.5%			
Real Return Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%	0.2%	0.3%			
RealEstateRealReturn Strategy Fund	3.3%	3.5%	0.8%	-	-	0.2%	1.6%	3.4%	3.9%	4.1%			
US Equity Strategies:	1.0%	1.0%	0.9%	0.9%	1.0%	1.0%	1.1%	1.2%	1.2%	1.1%	1.1%	1.6%	2.4%
Fundamental IndexPLUS®	-	-	-	-	-	-	-	-	-	-			
Fundamental IndexPLUS® AR	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%			
Low Volatility RAFI®-PLUS AR Fund	-	-	-	-	-	-	-	0.0%	0.2%	0.4%			
Small Cap StocksPLUS® AR Strategy	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.1%	0.1%	0.0%			
Small Company Fundamental IndexPLUS® AR Strategy	0.6%	0.6%	0.6%	0.6%	0.6%	0.7%	0.7%	0.8%	0.8%	0.7%			
StocksPLUS® Fund	0.0%	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%	0.0%			
Global Equity Strategies:	14.8%	18.2%	18.4%	17.8%	16.8%	16.4%	19.7%	23.2%	22.9%	23.9%	24.0%	24.2%	24.0%
EM Fundamental IndexPLUS® AR Strategy Fund	9.4%	9.8%	10.1%	9.7%	8.9%	8.3%	10.0%	11.6%	7.3%	6.0%			
EMG Intl Low Volatility RAFI®-PLUS AR Fund	-	-	-	-	-	-	-	0.0%	4.0%	6.8%			
Eq5 Dividend Fund	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%			
Eq5 Emerging Markets Fund	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.0%			
Eq5 Pathfinder Fund	2.0%	1.9%	1.8%	1.8%	1.8%	1.8%	2.3%	3.5%	3.3%	2.2%			
International Fundamental IndexPLUS® AR Strategy Fund	2.2%	5.4%	5.4%	5.3%	5.1%	5.3%	6.3%	6.9%	4.0%	3.2%			
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%	0.0%			
International StocksPLUS® AR Strategy Fund (Unhedged)	0.6%	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%	0.5%	0.0%			
Intl Low Volatility RAFI®-PLUS AR Fund	-	-	-	-	-	-	-	0.0%	3.2%	5.7%			
Alternative Strategies:	4.4%	2.2%	5.4%	9.6%	12.7%	14.2%	13.7%	13.5%	13.8%	13.3%	14.0%	14.8%	14.9%
Credit Absolute Return Fund	0.2%	0.2%	0.2%	0.5%	0.5%	1.0%	2.0%	2.0%	3.0%	2.8%			
Eq5 Long/Short Fund	-	0.4%	0.4%	0.3%	0.4%	0.4%	0.4%	0.4%	0.5%	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%	2.6%			
Mortgage Opportunities Fund	-	-	-	-	-	0.1%	0.5%	0.5%	0.6%	0.5%			
TRENDS Managed Futures Strategy Fund	-	-	-	-	-	-	-	-	0.2%	0.2%			
Unconstrained Bond Fund	2.1%	0.4%	2.0%	3.8%	5.3%	6.2%	5.4%	3.8%	2.8%	2.5%			
Worldwide Fundamental Advantage AR Strategy Fund	-	-	-	0.8%	3.7%	3.7%	3.9%	4.3%	4.4%	4.2%			
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: PIMCO



NEPC, LLC

September 30, 2014

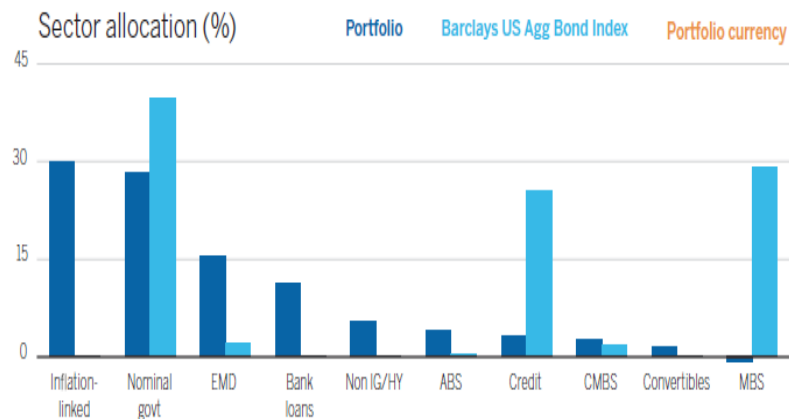
- PIMCO's All Asset Fund uses a Fund of Mutual Funds approach. Investment funds are continuously reallocated between various PIMCO Mutual funds base on strategic allocation decisions made by the advisor to the investment manager. Because both by policy and practice fixed income related securities tend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

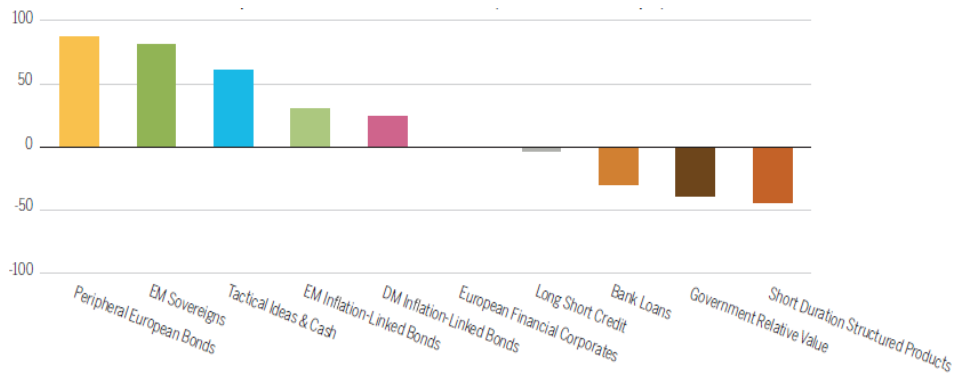
Characteristics

	Portfolio	Benchmark
Yield to worst %	3.0	2.2
OAS (bps)	155.0	41.0
Duration – effective	4.7	5.4
Convexity - effective	0.7	-0.2

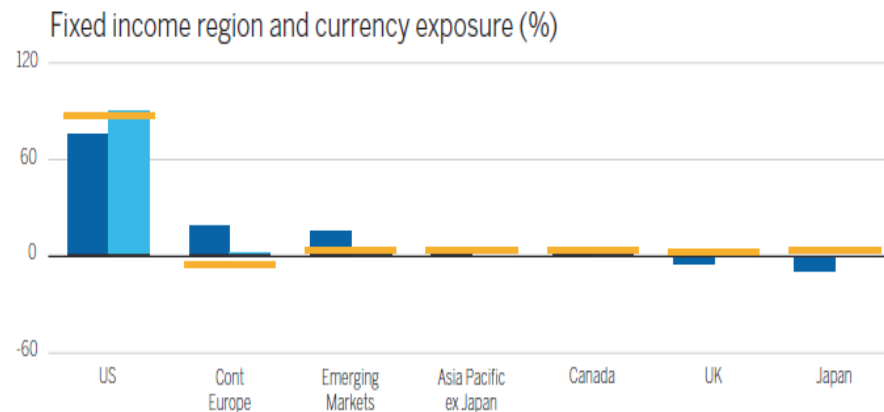
Sector Allocation



Top Relative Contributors and Detractors



Regional Allocation



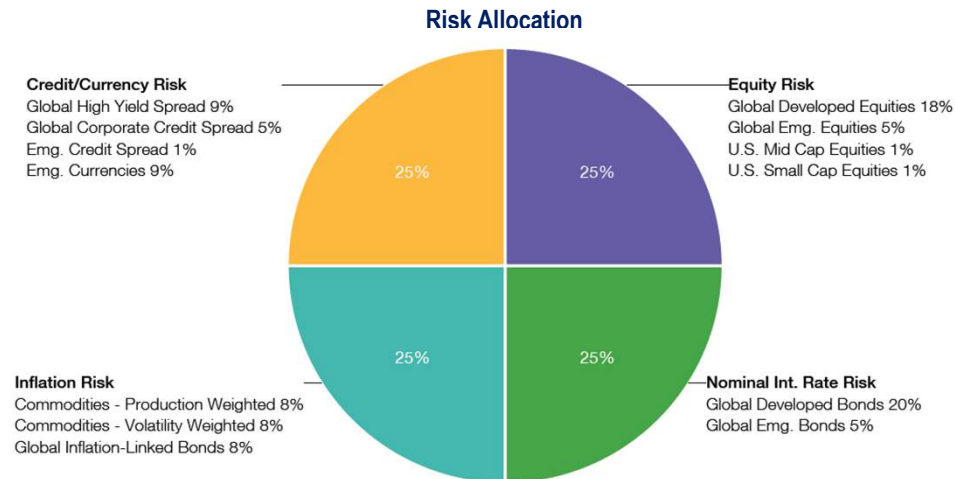
Source: Wellington

Wellington Opportunistic Fixed Income

-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.

AQR Global Risk Premium Fund



Estimated Exposure Breakdown

Long Exposure (% of NAV)		Long Exposure (% of NAV)	
Equity Risk		Equity Market Exposures	
Global Developed Equities	26%	Americas	20%
Global Emerging Equities	6%	Europe	7%
U.S. Mid Cap Equities	1%	Asia ex-Japan	6%
U.S. Small Cap Equities	1%	Japan	2%
Total Equity Risk	34%	Total Equity Market Exposures	34%
Nominal Interest Rate Risk		Bond Market Exposures - Nominal and Inflation-Linked	
Global Developed Bonds	91%	Americas	60%
Global Emerging Bonds	23%	Europe	60%
Total Nominal Interest Rate Risk	114%	Asia	28%
Inflation Risk		Total Bond Market Exposures	148%
Commodities - Production Weighted	13%	Emerging Currency Exposures	
Commodities - Volatility Weighted	17%	Asia	8%
Global Inflation-Linked Bonds	35%	Europe	10%
Total Inflation Risk	65%	Latin America	9%
Credit/Currency Risk		Dollar Block ex-U.S.	5%
Global High Yield Spread	29%	Total Emerging Currency Exposures	32%
Global Corporate Credit Spread	55%	Total Fund Exposures	
Emerging Credit Spread	3%	332%	
Emerging Currencies	32%		
Total Credit/Currency Risk	119%		

Source: AQR



NEPC, LLC

September 30, 2014

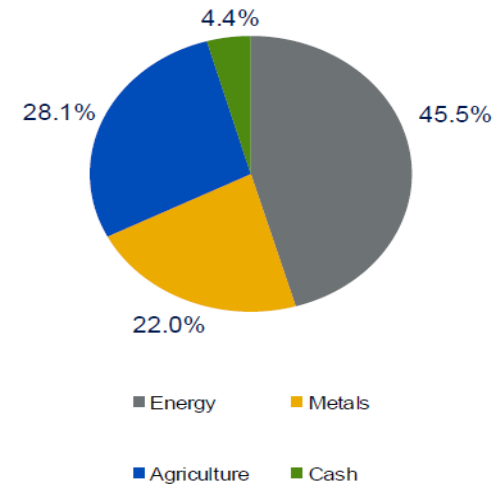
AQR Global Risk Premium Fund

- 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.

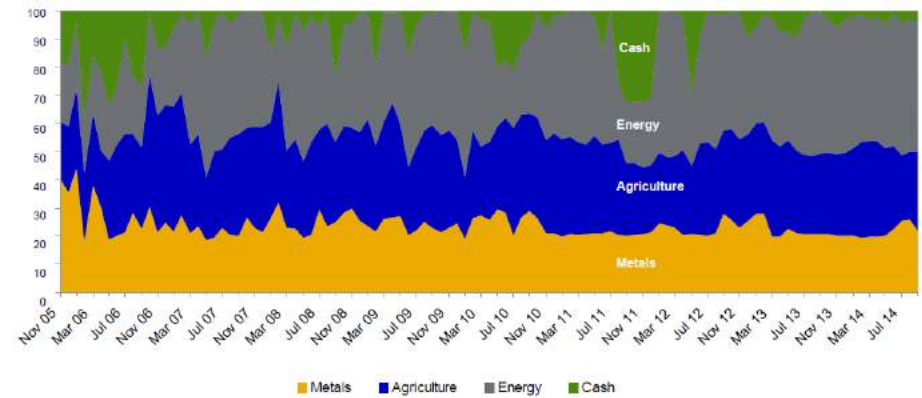
Sector Exposure

		Futures	Equities	ETF/Swaps	Total Exposure
Energy	Crude Oil	29.2			29.2
	Gas Oil	2.4			2.4
	Gasoline	4.4			4.4
	Heating Oil	2.8			2.8
	Natural Gas	4.4	2.3		6.7
	Coal				
Metals	Aluminum	2.0			2.0
	Copper	2.1			2.1
	Lead	0.7			0.7
	Nickel	2.4			2.4
	Tin				
	Zinc	1.0			1.0
	Gold	5.7	1.7	3.0	10.4
	Silver	3.4			3.4
	Palladium				
	Platinum				
Grains	Corn	3.8			3.8
	Oats				
	Rough Rice				
	Wheat	2.7			2.7
Oilseeds	Rapeseed				
	Soybeans				
	Soybean Meal				
Softs	Soybean Oil	1.6			1.6
	Cocoa	2.0			2.0
	Coffee	4.1			4.1
	Orange Juice				
	Sugar	4.5		1.9	6.4
Livestock	Milk				
	Live Cattle	6.2			6.2
	Lean Hogs	1.3			1.3
	Feeder Cattle				
Materials & Fibers	Fish				
	Cotton				
	Lumber				
	Denatured Ethanol				
Cash	Fertilizer				
	Rubber				
	Cash				4.4
TOTAL		86.7	4.0	4.9	100.0

Current Asset Allocation



Historical Sector Asset Allocation



Source: Schroder



NEPC, LLC

September 30, 2014

Schroder Commodities

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

Morgan Stanley Prime Property

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

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

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

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

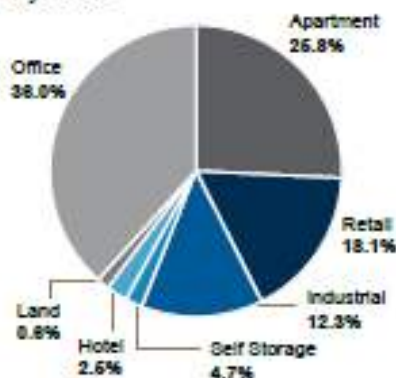
Property Sector Returns⁽⁴⁾

%	THIRD QUARTER		
	INCOME	APPRECIATION	TOTAL
Office	1.3	1.7	3.0
Retail	1.3	2.8	4.1
Industrial	1.4	1.4	2.8
Self Storage	1.4	4.4	5.8
Apartment	0.9	4.2	5.1
Hotel	1.8	(0.3)	1.5

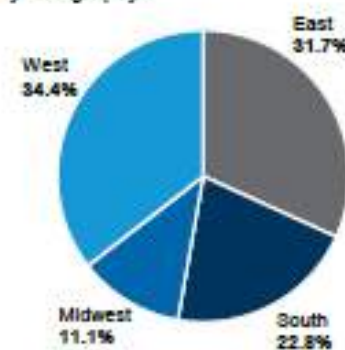
Geographic Region Returns⁽⁴⁾

%	THIRD QUARTER		
	INCOME	APPRECIATION	TOTAL
East	1.4	1.8	3.2
Midwest	1.0	2.0	3.0
South	1.2	3.2	4.4
West	1.1	2.9	4.1

By Sector



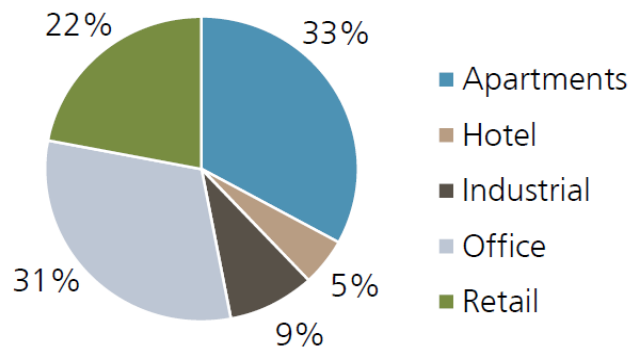
By Geography



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.

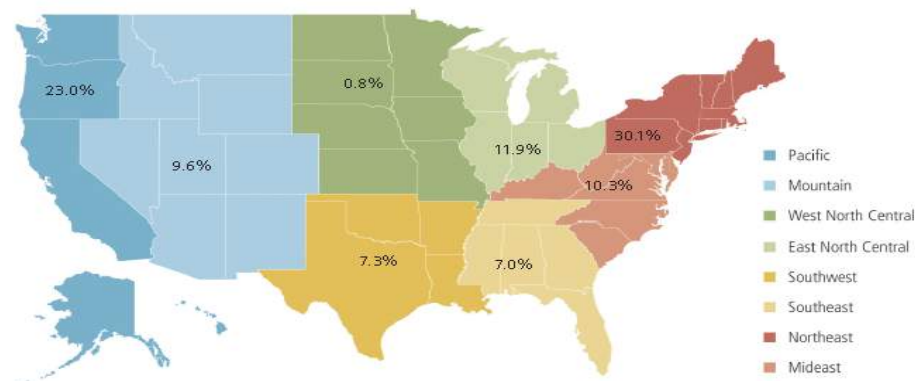
Portfolio Distribution by Property Type



Key Statistics

Gross asset value (GAV)	USD 18.2 bn	Quarterly returns (%)	
Net asset value (NAV)	USD 15.4 bn	Income	1.24
Cash as a % of GAV	1.1%	Appreciation	1.95
Debt as % of GAV	13.9%*	Total (before fees)	3.19
Number of investments	198	Total (after fees)	2.93
Number of investors	411	One-year rolling returns (%)	
Deposits ²	USD 439.0 m	Income	5.09
Redemptions ²	USD 126.6 m	Appreciation	5.58
		Total (before fees)	10.89
		Total (after fees)	9.77

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 ¹	\$657,096,140
Number of Shares Outstanding	16,109,897
Net Asset Value Per Share	\$40.79
Cash Balance of Fund	\$117,099,515
Debt ²	\$472,345,000
Inception Date ³	March 31, 2003
Redemption Shares Outstanding	5,677,232
Institutional Investors	117

Property Information

Diversification/Occupancy

	Real Estate Investments	Gross Real Estate Value (millions)	Percent of Value	Quarter-end Occupancy ⁴
Retail	4	\$167.7	17%	89%
Office	25	573.8	57%	83%
Industrial	15	150.4	15%	83%
Development/ Land/Other	7	115.3	11%	N/A
Total	51	\$1,007.2	100%	84%

Adjusted Share Price

Share price gross of distributions

	Adjusted Share Price
September 30, 2014	\$77.41
December 31, 2012	\$59.48

Geographic Location



Grosvenor Institutional Partners, LP

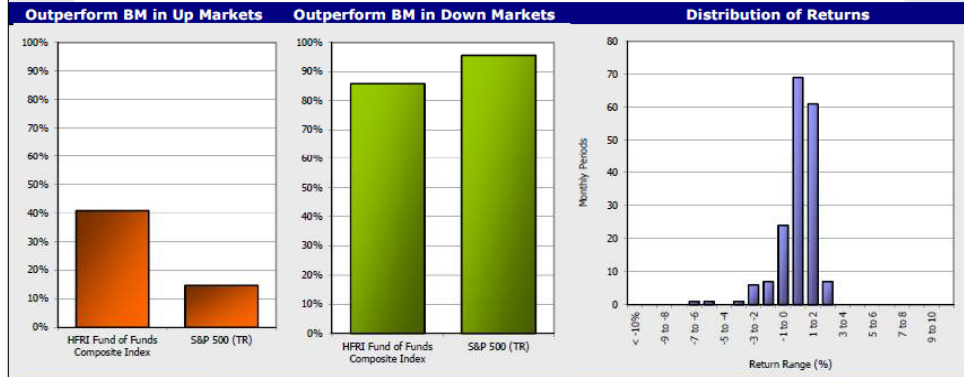
Grosvenor Institutional Partners, LP
Grosvenor Capital Management, LP



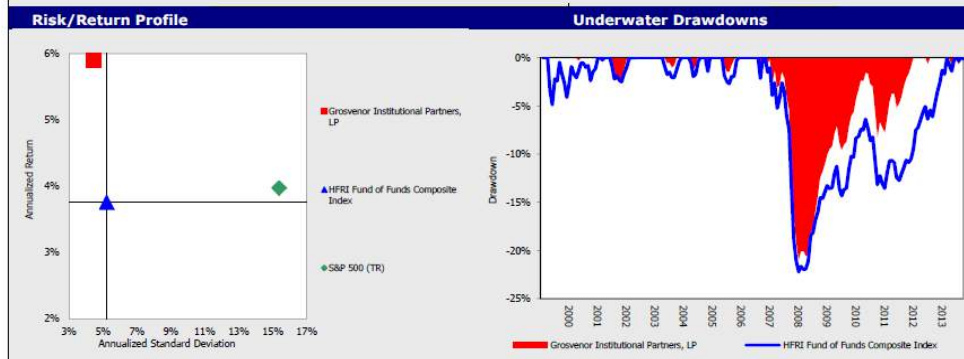
Benchmark 1 (BM1): HFRI Fund of Funds Composite Index
Benchmark 2 (BM2): S&P 500 (TR)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2014	0.0%	1.6%	-0.1%	-0.6%	0.8%	1.0%	-0.8%	0.8%	-0.3%				2.6%
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%
2012	1.6%	1.8%	0.9%	-0.1%	-1.4%	0.4%	0.8%	1.2%	0.8%	0.5%	0.7%	1.2%	8.6%
2011	0.9%	1.0%	0.0%	0.9%	-0.1%	-1.1%	-0.2%	-2.8%	-2.7%	1.7%	-0.7%	-0.6%	-3.7%
2010	0.7%	0.3%	1.6%	0.8%	-1.8%	-0.9%	0.7%	0.2%	1.7%	1.2%	0.5%	1.5%	6.5%
2009	1.2%	0.0%	-0.6%	0.1%	2.7%	0.9%	2.2%	1.8%	2.3%	0.7%	1.0%	1.0%	13.9%
2008	-2.4%	1.3%	-1.8%	0.2%	1.5%	0.9%	-2.0%	-1.3%	-6.9%	-5.3%	-3.2%	-2.3%	-20.9%
2007	1.7%	0.8%	1.4%	1.4%	2.3%	0.4%	0.8%	-2.1%	1.2%	2.7%	-0.6%	0.5%	10.7%
2006	1.9%	0.4%	1.5%	1.1%	-0.9%	-0.6%	0.0%	0.8%	0.5%	1.3%	1.7%	1.4%	9.4%
2005	0.2%	1.2%	-0.3%	-1.0%	0.4%	1.2%	1.3%	0.9%	1.0%	-1.2%	1.3%	1.6%	6.8%

Statistical Analysis	Fund	BM1	BM2
Returns			
Annualized Compound ROR	5.9%	3.8%	4.0%
3 Yr Return	8.9%	5.2%	23.0%
5 Yr Return	6.2%	3.4%	15.7%
Best Month	2.7%	5.2%	10.9%
Worst Month	-6.9%	-6.5%	-16.8%
% Positive Months	77.4%	63.8%	61.6%
Risk			
Standard Deviation	4.4%	5.2%	15.4%
3 Yr Standard Deviation	3.2%	3.3%	10.6%
5 Yr Standard Deviation	3.8%	4.0%	13.2%
Sharpe Ratio (3.5%)	0.5	0.1	0.1
Sortino Ratio (7.0%)	-0.3	-0.7	-0.2
Downside Deviation (7.0%)	3.9%	4.5%	11.9%
Max Drawdown	-21.0%	-22.2%	-50.9%
Months In Maximum Drawdown	14	14	16
Months To Recover	48	66	37



Comparison To Benchmark(s)	Fund	BM1	BM2
Monthly Alpha		0.3%	0.4%
Annualized Alpha		3.1%	5.2%
Beta		0.7	0.1
Correlation		0.9	0.5
R-Squared		73.2%	25.9%
Annual Returns			
2014-(YTD)	2.6%	2.4%	8.3%
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%



Latest Returns	Fund	BM1	BM2
Last Month	-0.3%	-0.2%	-1.4%
Last 3 Months	-0.2%	0.3%	1.1%
Last Year	6.8%	6.2%	19.7%
2-Year	10.0%	6.3%	19.5%
3-Year	8.9%	5.2%	23.0%
4-Year	6.3%	3.4%	17.1%
5-Year	6.2%	3.4%	15.7%
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

-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.

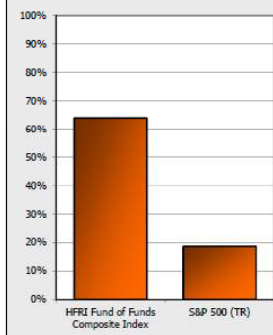


Benchmark 1 (BM1): HFRI Fund of Funds Composite Index
Benchmark 2 (BM2): S&P 500 (TR)

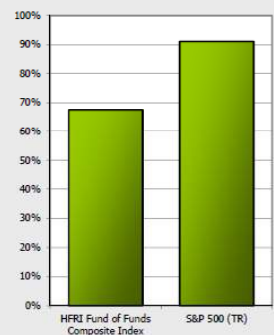
Monthly Performance (%) Net of Fees														
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	
2014	-0.6%	2.3%	0.0%	0.2%	0.9%	1.2%	-1.0%	0.5%	-0.8%					2.6%
2013	2.6%	0.3%	1.7%	1.2%	1.6%	-2.0%	1.4%	-0.8%	1.4%	1.5%	1.4%	1.3%		12.2%
2012	2.3%	2.0%	0.1%	-0.2%	-1.1%	0.1%	1.2%	0.9%	1.5%	0.8%	0.2%	1.8%		10.1%
2011	1.4%	1.4%	0.1%	1.2%	-0.2%	-1.4%	0.3%	-3.0%	-4.0%	1.9%	-0.9%	-1.0%		-4.3%
2010	1.2%	0.7%	2.4%	2.1%	-2.3%	-0.7%	1.0%	0.4%	1.9%	2.1%	0.1%	2.2%		11.5%
2009	1.1%	-0.8%	0.5%	2.8%	5.5%	2.9%	3.3%	2.9%	2.9%	1.2%	1.4%	2.0%		28.6%
2008	-0.7%	0.2%	-1.0%	0.5%	0.8%	0.3%	-1.8%	-1.2%	-4.0%	-7.4%	-2.8%	-2.0%		-17.6%
2007	1.5%	1.4%	0.6%	1.5%	0.9%	0.4%	0.7%	-1.9%	1.8%	2.2%	0.1%	0.0%		9.5%
2006	2.3%	0.6%	1.0%	1.9%	-0.8%	-0.2%	0.7%	0.7%	0.3%	1.5%	1.4%	1.6%		11.6%
2005	-0.2%	1.4%	-0.6%	-0.4%	0.4%	1.7%	1.4%	1.3%	1.4%	-1.0%	1.7%	1.5%		8.8%

Statistical Analysis			
	Fund	BM1	BM2
Returns			
Annualized Compound ROR	7.3%	5.1%	7.6%
3 Yr Return	8.2%	5.2%	23.0%
5 Yr Return	7.2%	3.4%	15.7%
Best Month	5.9%	6.9%	10.9%
Worst Month	-27.9%	-7.5%	-16.8%
% Positive Months	72.8%	63.8%	62.9%
Risk			
Standard Deviation	9.2%	6.0%	15.7%
3 Yr Standard Deviation	4.0%	3.3%	10.6%
5 Yr Standard Deviation	4.8%	4.0%	13.2%
Sharpe Ratio (3.5%)	0.4	0.3	0.3
Sortino Ratio (7.0%)	0.0	-0.4	0.1
Downside Deviation (7.0%)	8.2%	4.7%	11.7%
Max Drawdown	-36.8%	-22.2%	-50.9%
Months In Maximum Drawdown	5	14	16
Months To Recover	33	66	37

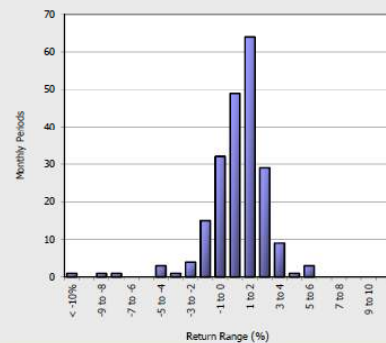
Outperform BM in Up Markets



Outperform BM in Down Markets



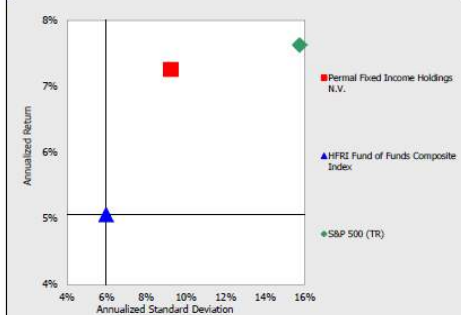
Distribution of Returns



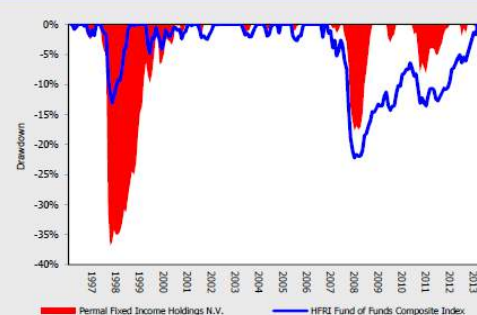
Comparison To Benchmark(s)		
Monthly Alpha		0.1%
Annualized Alpha		1.6%
Beta		1.1
Correlation		0.7
R-Squared		55.0%

Annual Returns			
2014-(YTD)	2.6%	2.4%	8.3%
2013	12.2%	9.0%	32.4%
2012	10.1%	4.8%	16.0%
2011	-4.3%	-5.7%	2.1%
2010	11.5%	5.7%	15.1%
2009	28.6%	11.5%	26.5%

Risk/Return Profile



Underwater Drawdowns



Latest Returns

	Fund	BM1	BM2
Last Month	-0.8%	-0.2%	-1.4%
Last 3 Months	-1.3%	0.3%	1.1%
Last Year	6.9%	6.2%	19.7%
2-Year	8.8%	6.3%	19.5%
3-Year	8.2%	5.2%	23.0%
4-Year	6.1%	3.4%	17.1%
5-Year	7.2%	3.4%	15.7%

Drawdown Analysis			
1	-36.8%	-22.2%	-50.9%
2	-17.7%	-13.1%	-44.7%
3	-8.1%	-4.9%	-15.4%
4	-3.0%	-2.7%	-6.8%
5	-2.5%	-2.5%	-6.6%

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



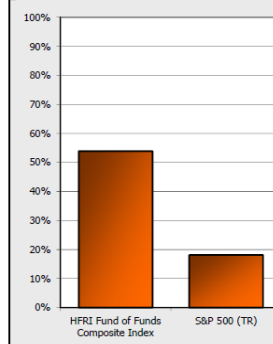
GAM U.S. Institutional Diversity
GAM London Limited

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

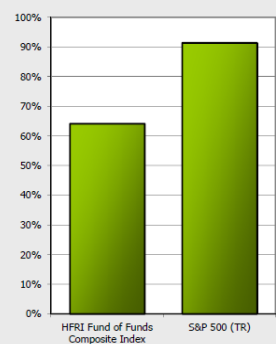
Year	Monthly Performance (%) Net of Fees												Year
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2014	-1.3%	2.3%	-0.8%	-1.5%	1.9%	1.2%	-0.1%	0.6%	-0.3%				1.9%
2013	2.8%	0.3%	0.6%	2.0%	2.1%	-1.0%	0.4%	-1.3%	1.9%	0.7%	1.7%	1.6%	12.3%
2012	1.9%	1.6%	0.2%	-0.7%	-1.0%	-0.2%	1.3%	0.5%	0.8%	0.4%	0.3%	1.2%	6.6%
2011	-0.1%	0.9%	0.1%	0.8%	-0.9%	-1.0%	0.4%	-2.4%	-2.0%	0.7%	-0.4%	-0.1%	-4.0%
2010	-0.6%	0.4%	0.8%	-0.1%	-2.5%	-3.3%	0.1%	-0.2%	1.2%	1.1%	0.1%	1.0%	-2.1%
2009	0.8%	0.1%	-0.1%	-0.4%	1.1%	-0.2%	0.9%	1.1%	1.3%	-0.3%	1.1%	-0.1%	5.4%
2008	-2.1%	1.0%	-2.2%	-0.1%	0.9%	-0.4%	-1.8%	-1.2%	-4.7%	-2.5%	-2.1%	-0.9%	-15.0%
2007	0.1%	2.6%	-0.6%	2.2%	1.3%	1.1%	-0.7%	-3.0%	2.4%	2.6%	-1.8%	0.2%	6.4%
2006	3.8%	1.3%	1.3%	3.5%	-2.7%	-1.9%	1.2%	0.5%	0.6%	2.4%	1.6%	3.1%	15.3%
2005	-0.4%	1.4%	-0.8%	-0.9%	-0.6%	1.4%	1.4%	1.0%	1.8%	-1.4%	2.9%	2.9%	9.1%

Statistical Analysis	Fund	BM1	BM2
Returns			
Annualized Compound ROR	7.5%	5.2%	8.1%
3 Yr Return	6.9%	5.2%	23.0%
5 Yr Return	2.9%	3.4%	15.7%
Best Month	10.2%	6.9%	10.9%
Worst Month	-7.9%	-7.5%	-16.8%
% Positive Months	67.6%	64.4%	63.0%
Risk			
Standard Deviation	7.1%	5.9%	15.7%
3 Yr Standard Deviation	3.9%	3.3%	10.6%
5 Yr Standard Deviation	4.3%	4.0%	13.2%
Sharpe Ratio (3.5%)	0.6	0.3	0.4
Sortino Ratio (7.0%)	0.1	-0.4	0.1
Downside Deviation (7.0%)	4.6%	4.7%	11.6%
Max Drawdown	-17.3%	-22.2%	-50.9%
Months In Maximum Drawdown	47	14	16
Months To Recover	29	66	37

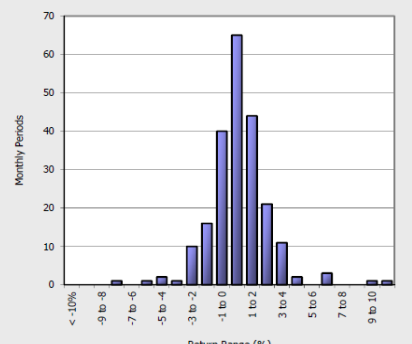
Outperform BM in Up Markets



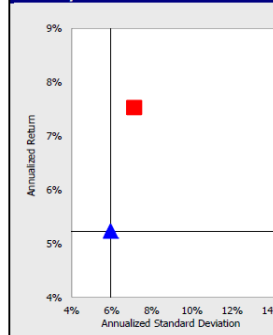
Outperform BM in Down Markets



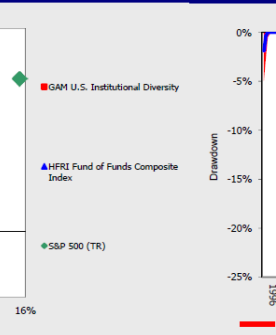
Distribution of Returns



Risk/Return Profile



Underwater Drawdowns



Comparison To Benchmark(s)	Fund	BM1	BM2
Monthly Alpha		0.2%	0.5%
Annualized Alpha		2.0%	5.9%
Beta		1.0	0.2
Correlation		0.9	0.4
R-Squared		75.6%	19.0%

Annual Returns	Fund	BM1	BM2
2014-(YTD)	1.9%	2.4%	8.3%
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%

Latest Returns

Latest Returns	Fund	BM1	BM2
Last Month	-0.3%	-0.2%	-1.4%
Last 3 Months	0.2%	0.3%	1.1%
Last Year	6.0%	6.2%	19.7%
2-Year	8.0%	6.3%	19.5%
3-Year	6.9%	5.2%	23.0%
4-Year	4.6%	3.4%	17.1%
5-Year	2.9%	3.4%	15.7%

Drawdown Analysis	Fund	BM1	BM2
1	-17.3%	-22.2%	-50.9%
2	-11.8%	-13.1%	-44.7%
3	-5.2%	-4.9%	-15.4%
4	-4.9%	-2.7%	-6.8%
5	-4.6%	-2.5%	-6.6%

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

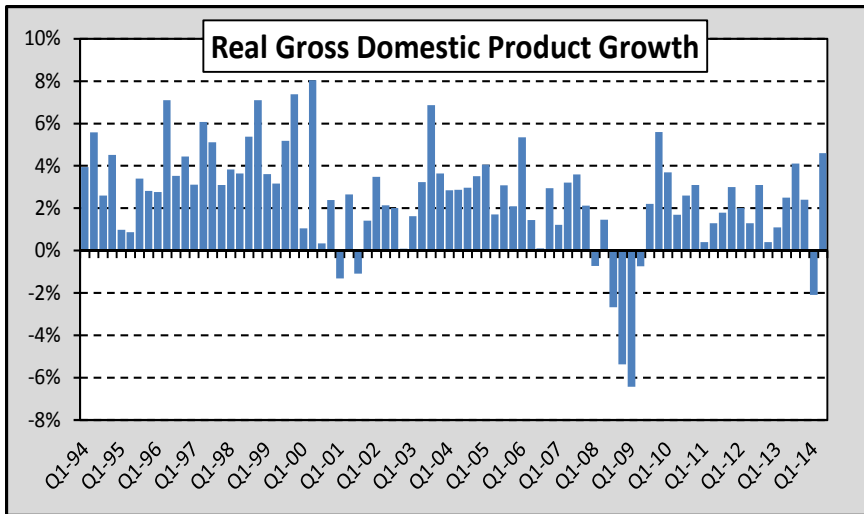
-The GAM portfolio construction process combines the structural discipline of clear return and risk targets with the bottom-up assessment of opportunity and risk across markets and strategies within a unified portfolio construction framework. GAM would not deviate from the portfolio construction process 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

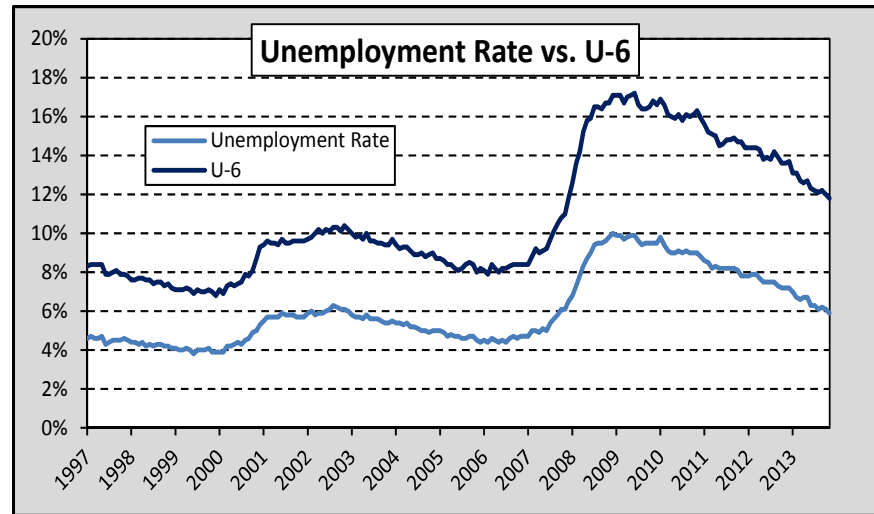


US Economic Environment



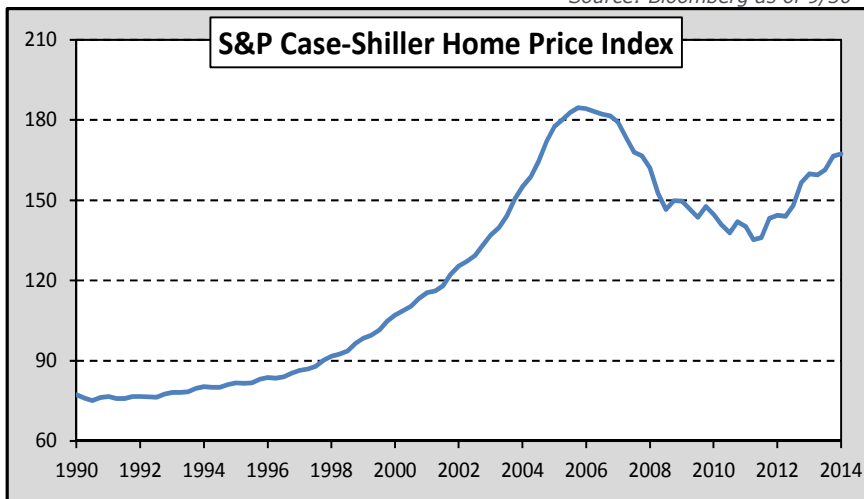
US GDP growth was revised to an estimated at 4.6% in the second quarter

Source: Bloomberg as of 9/30



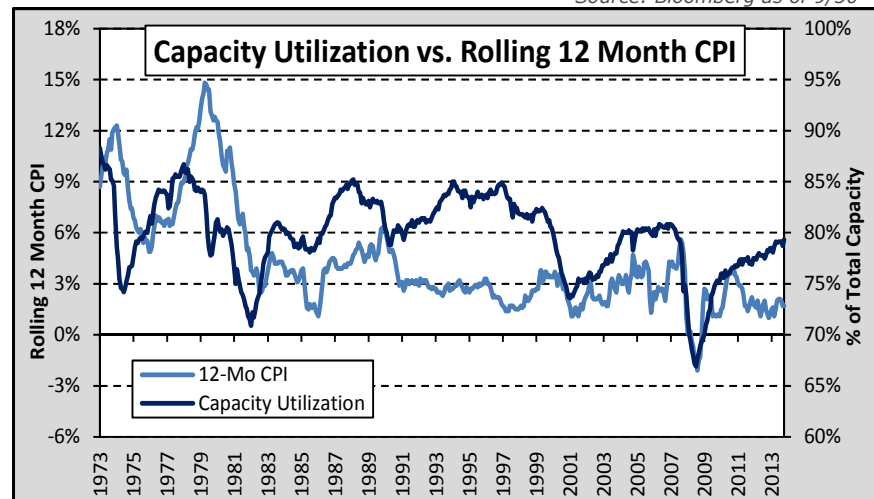
Unemployment fell to 5.9% in September; along with U-6, dropping to 11.8%

Source: Bloomberg as of 9/30



The Case-Shiller home price index (as of 9/30) rose to 167.32 by September end

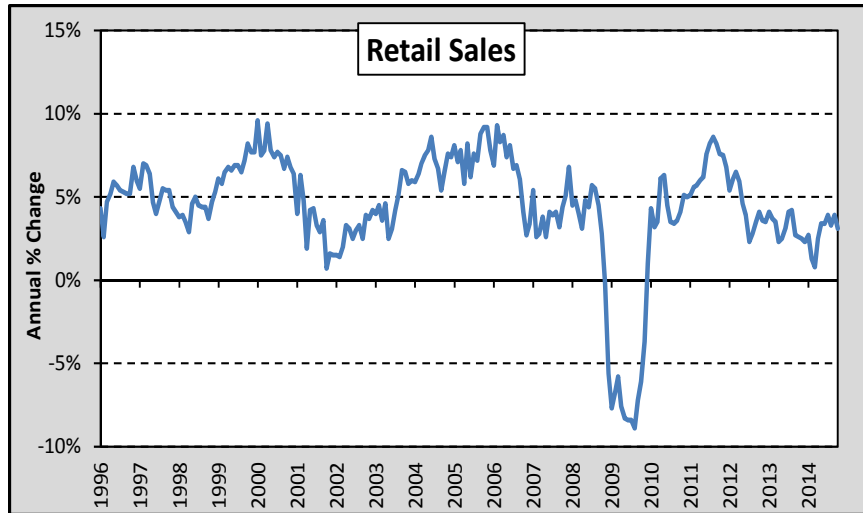
Source: Bloomberg as of 9/30



Rolling 12 month CPI decreased to 1.7% at September end; capacity utilization rose to 79.3% in the month

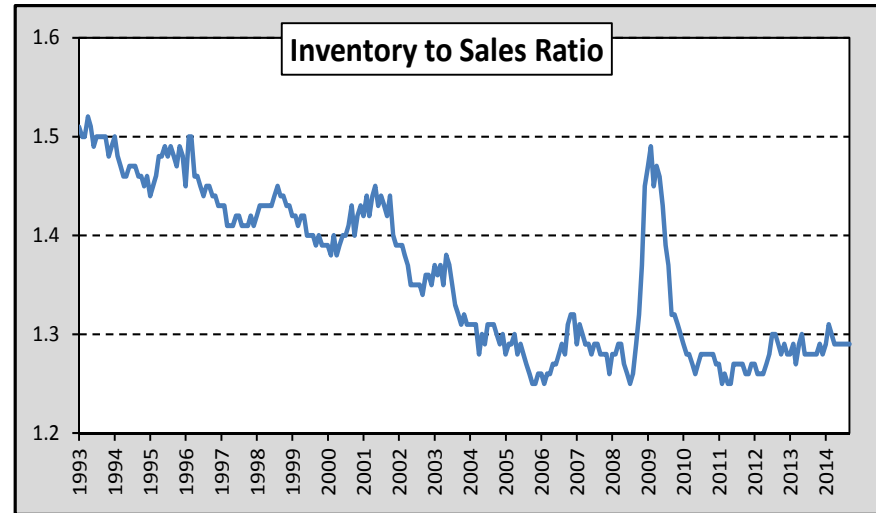
Source: Bloomberg as of 9/30

Components of GDP



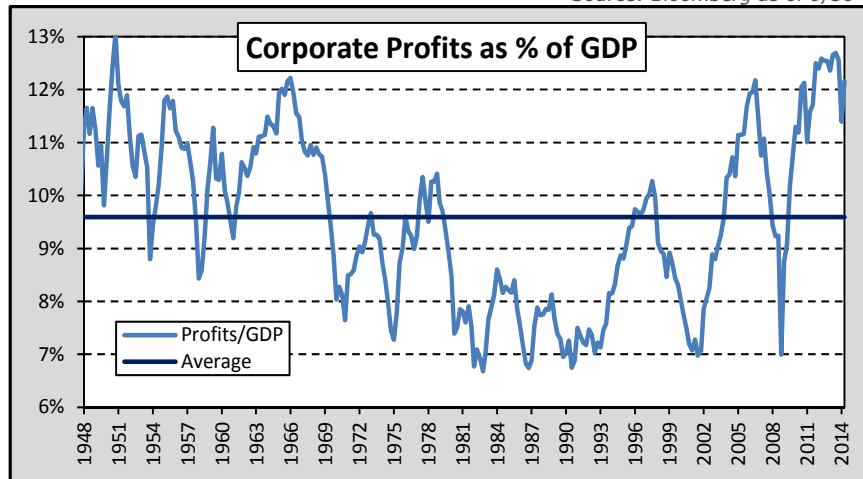
Retail sales rose to a 3.1% year-over-year growth rate in September

Source: Bloomberg as of 9/30



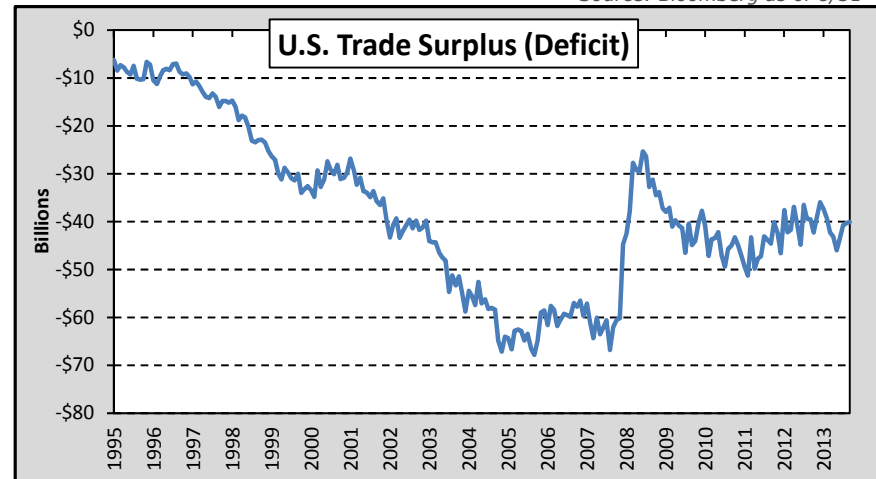
The inventory-to-sales ratio remained flat at 1.29 for August continuing a fairly consistent level

Source: Bloomberg as of 8/31



Second quarter corporate profits, as a percent of GDP, ended three consecutive quarters of decline on a slight increase at 12.2%.

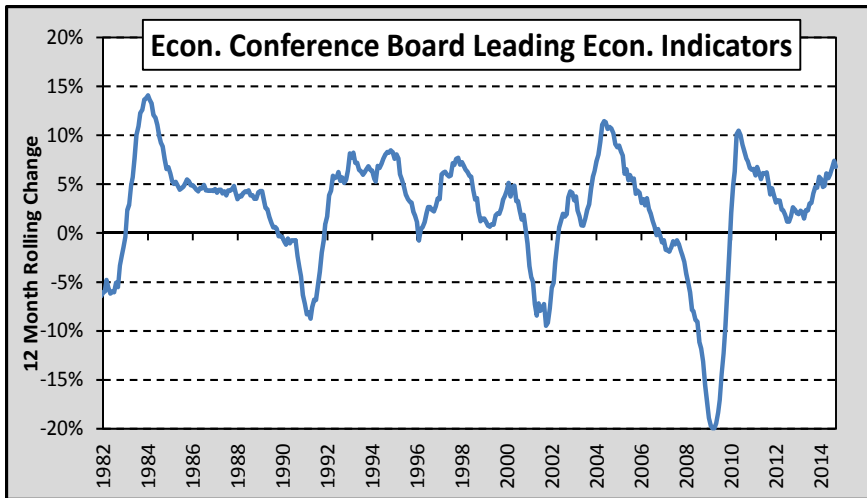
Source: Bloomberg as of 6/30



The trade deficit has decreased through August

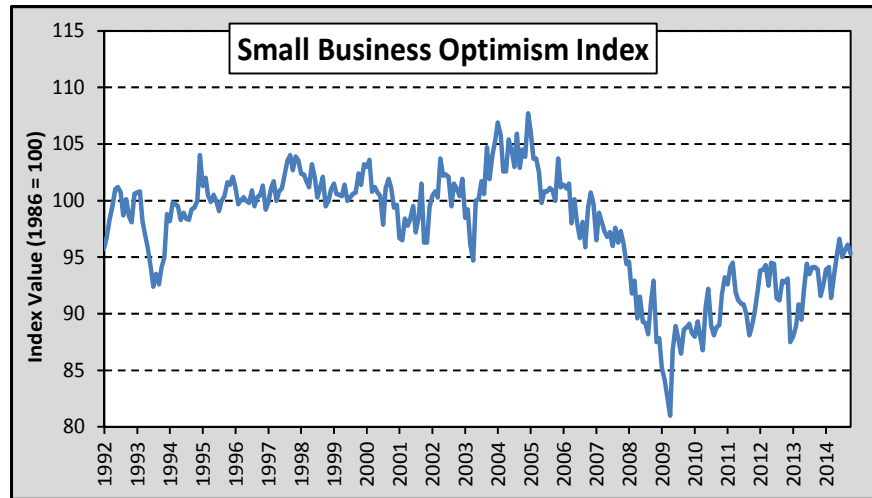
Source: Bloomberg as of 8/31

Key Economic Indicators



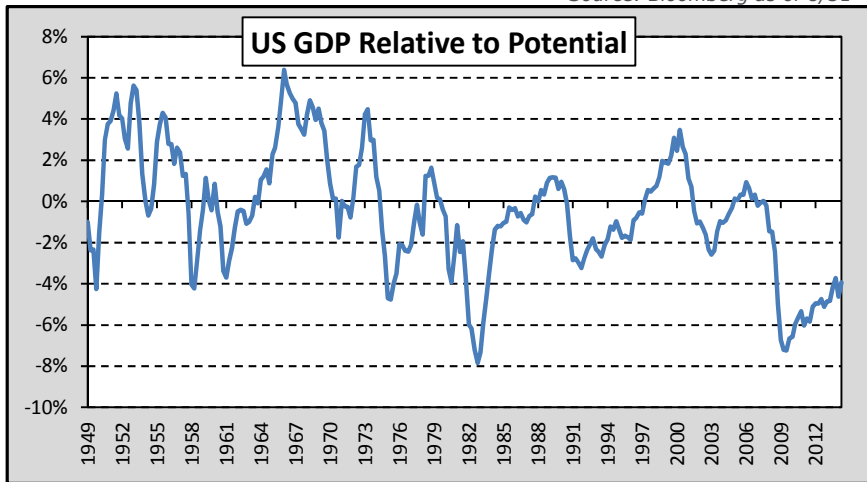
The rolling percentage change in the Leading Economic Indicators index decreased to 6.81% through August

Source: Bloomberg as of 8/31



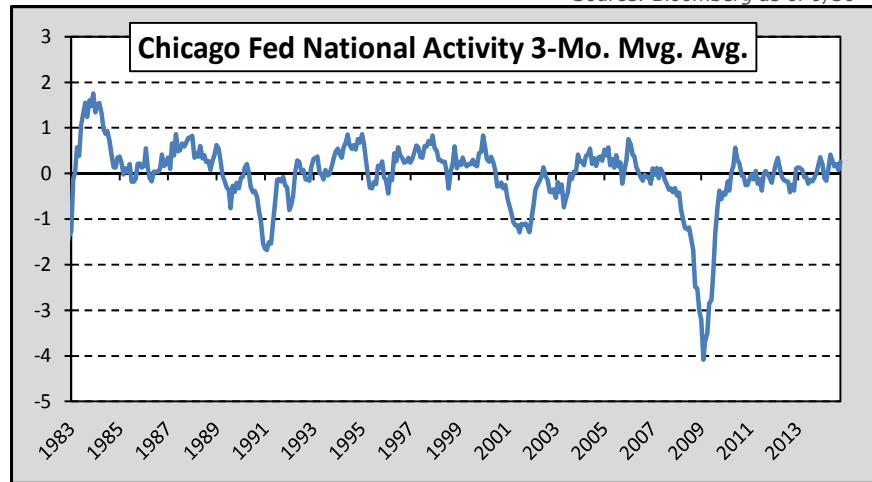
The small business optimism index decreased through September

Source: Bloomberg as of 9/30



US GDP relative to potential decreased through the first quarter and remained near historic lows

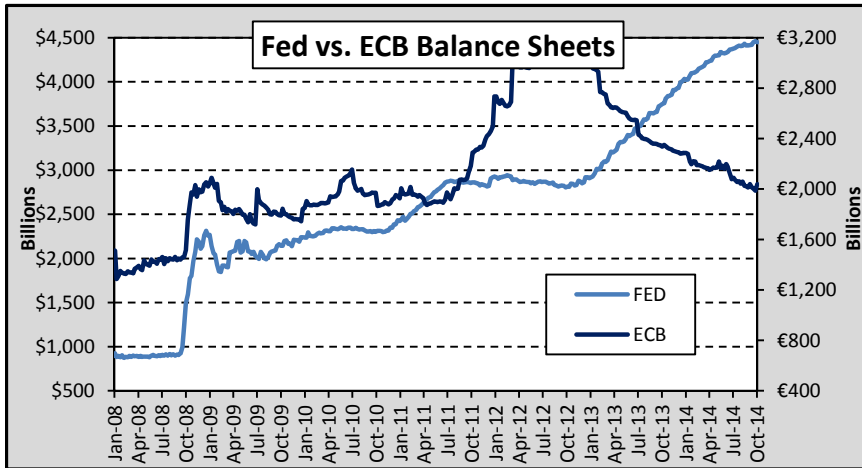
Source: Bureau of Economic Analysis, Congressional Budget Office as of 3/31



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

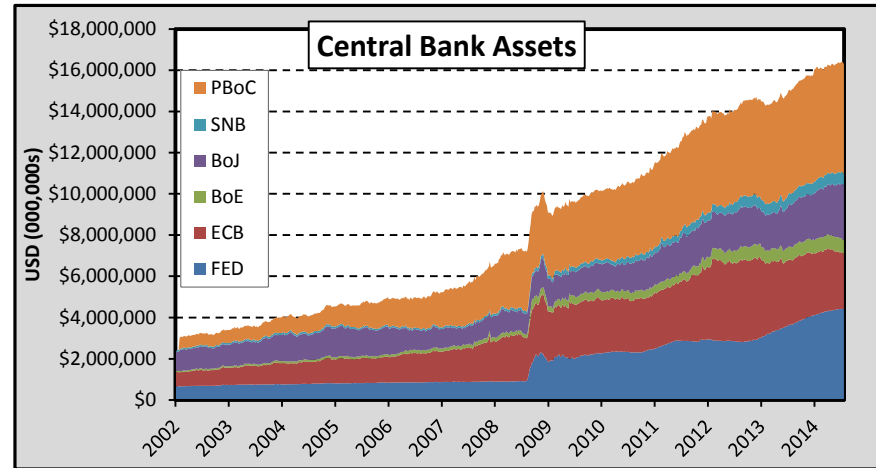
Source: Bloomberg as of 9/30

Economic Environment – Monetary Policy and Banks



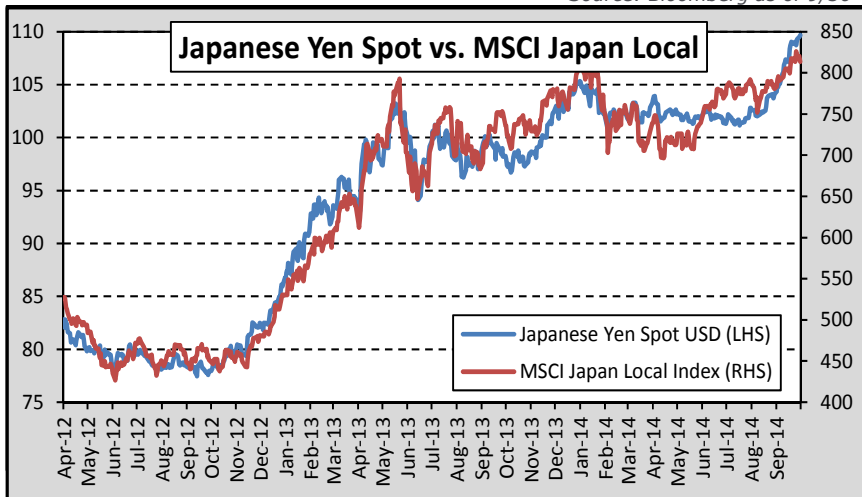
The Federal Reserve Bank balance sheet has increased in 2014 while the European Central Bank balance sheet has decreased

Source: Bloomberg as of 9/30



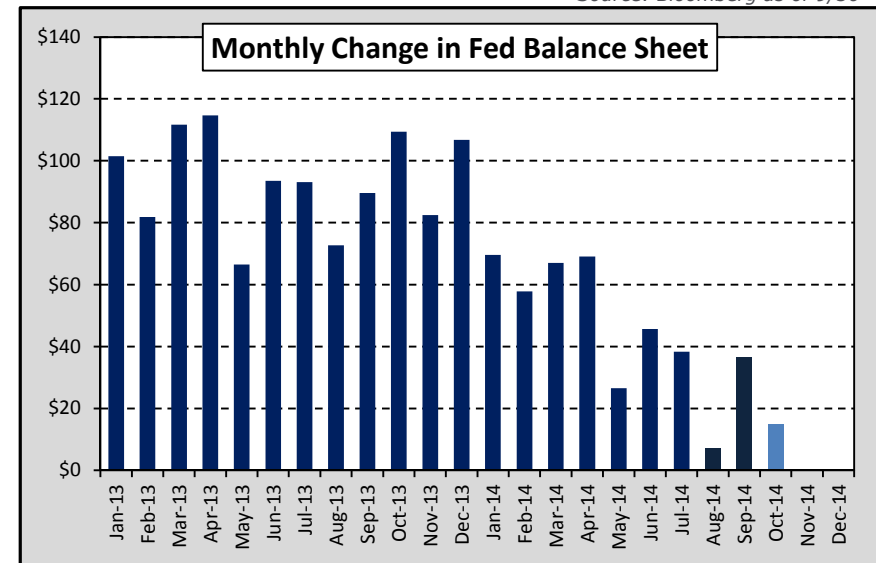
Central bank assets worldwide have risen significantly since 2008

Source: Bloomberg as of 9/30



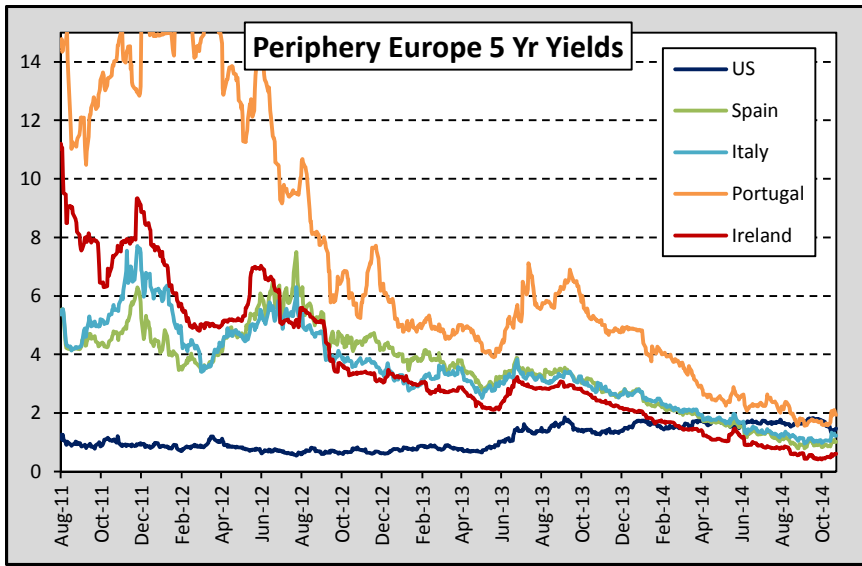
The Japanese Yen has weakened 4.1% relative to the US dollar in 2014; while the MSCI Japan TR Net Local Index returned 2.7%

Source: Bloomberg as of 9/30

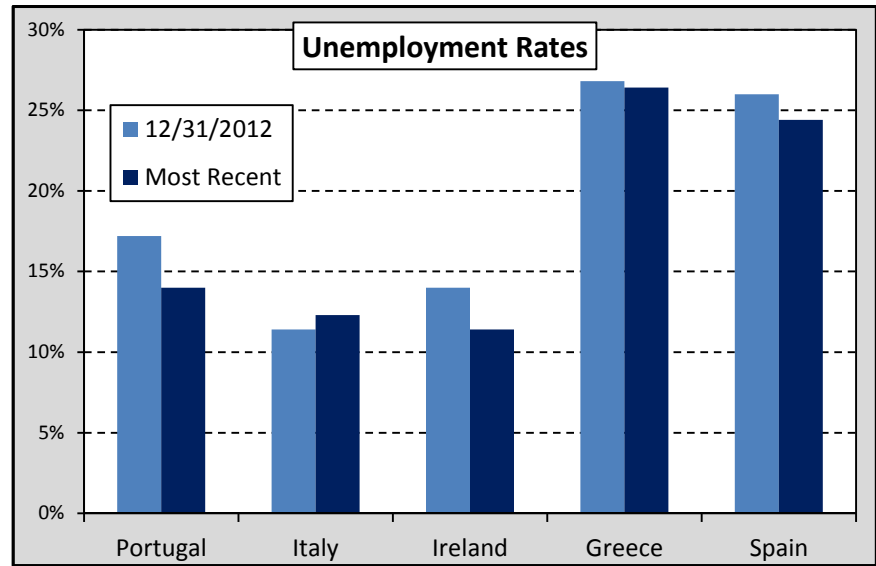


Source: Bloomberg as of 10/1, Values after 10/1 based on market projections

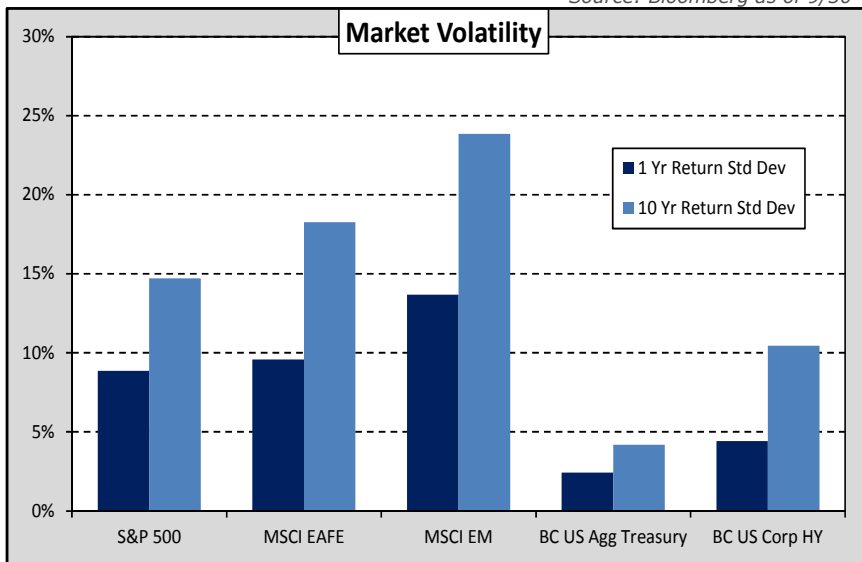
Looming Macro Uncertainties



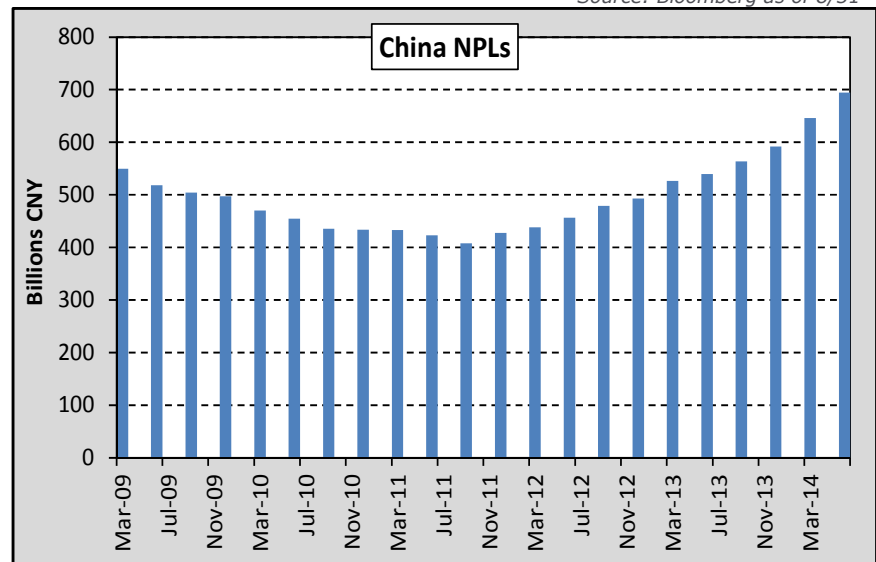
Source: Bloomberg as of 9/30



Source: Bloomberg as of 8/31

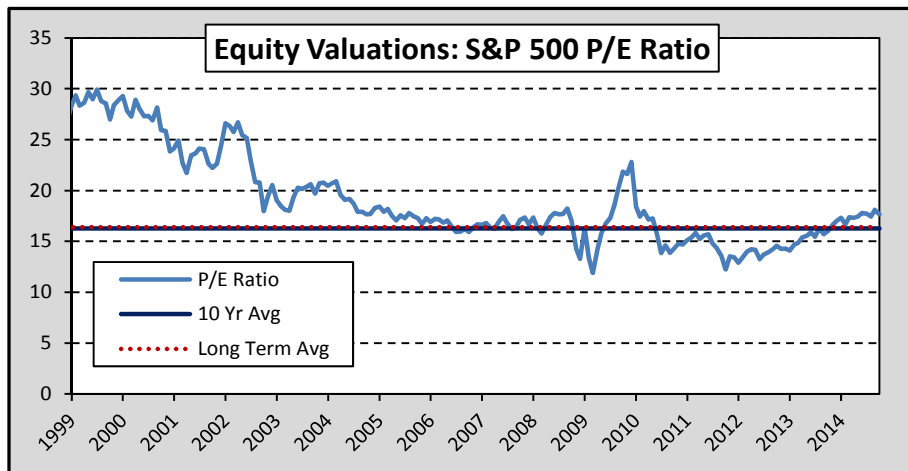


Source: Morningstar as of 9/30



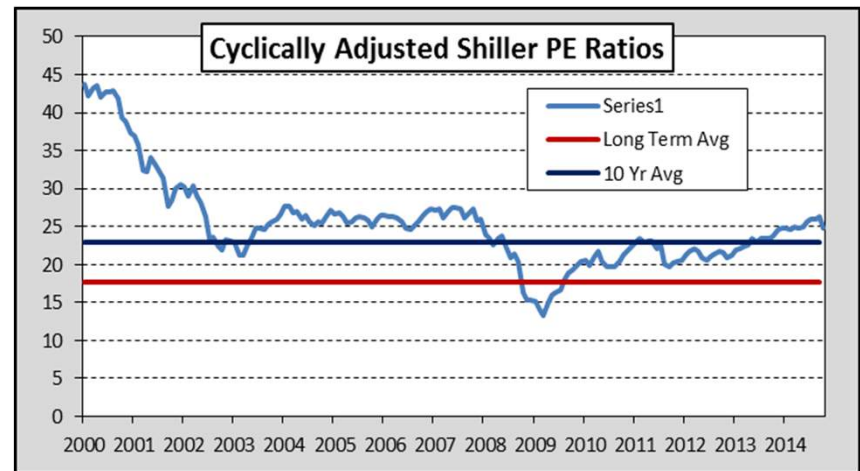
Source: Bloomberg as of 6/30

Market Environment – US Equity



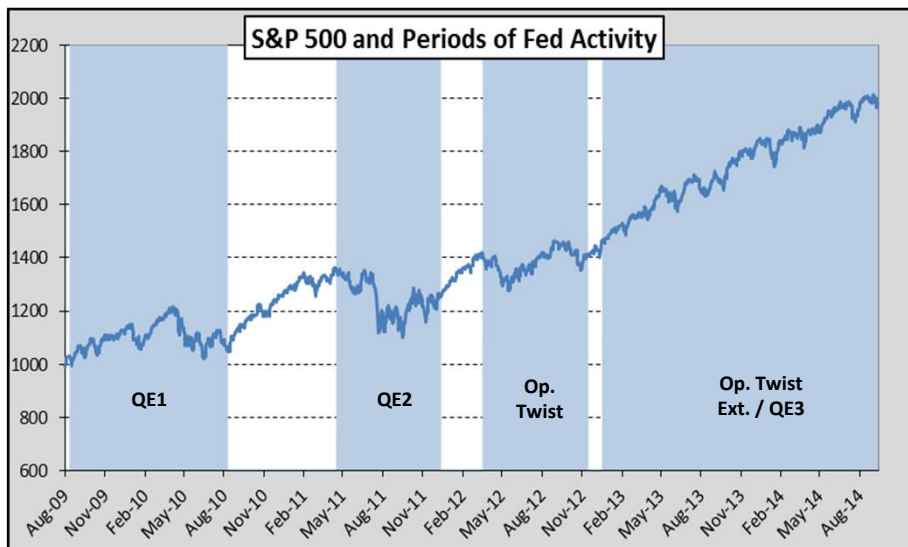
S&P valuations Increased in September remaining above the 10 year and long term averages

Source: Bloomberg as of 9/30; Long term average dates to 1/29/1954

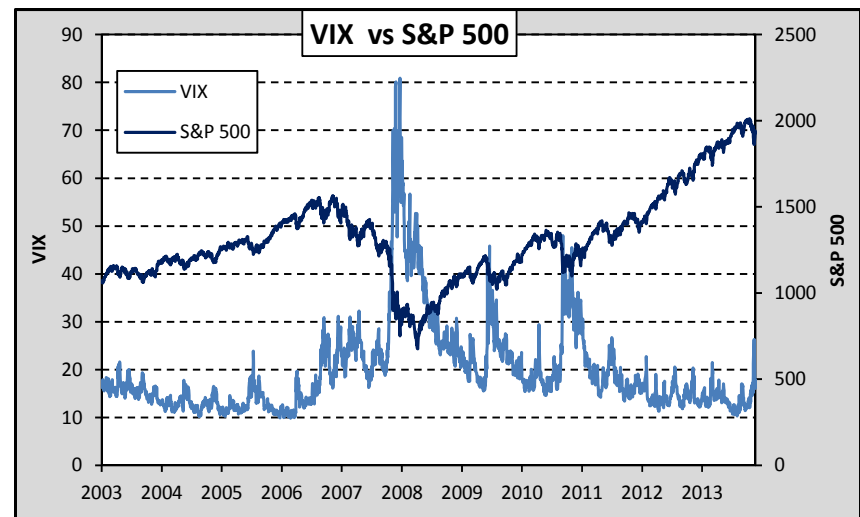


...The cyclically adjusted Shiller PE Ratio, is above the long term average of 17.63 and slightly above the 10 year average of 22.91

Source: Shiller Data as of 9/30; Long term average dates to 1/1/1926



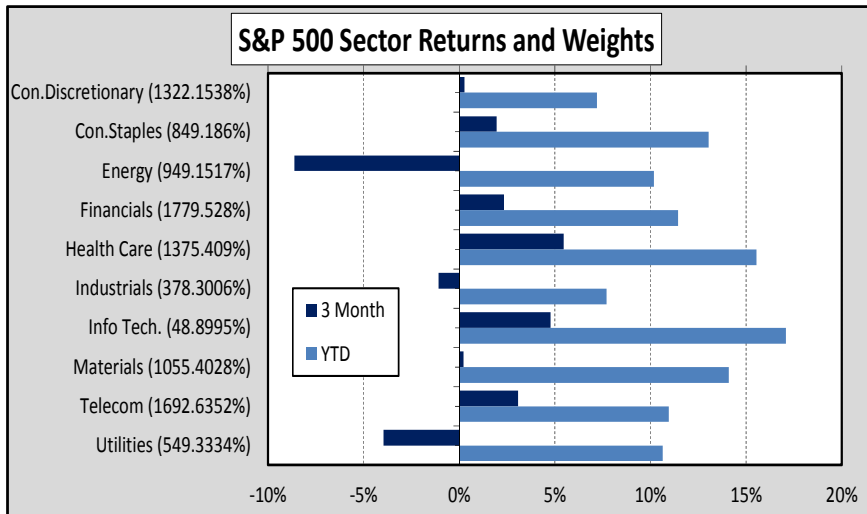
Source: Bloomberg as of 9/30



The VIX rose substantially at the end of the month; the S&P 500 fell 1.4% on the month

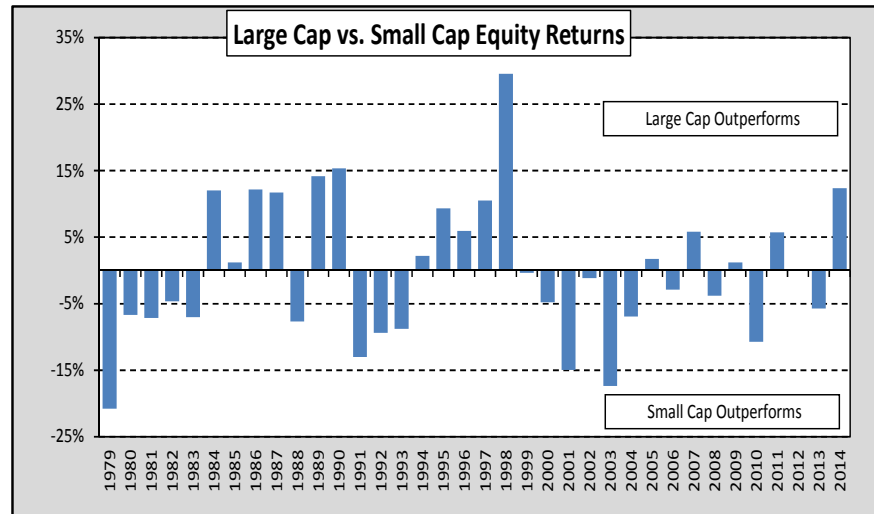
Source: Bloomberg as of 9/30

US Stock Market Performance



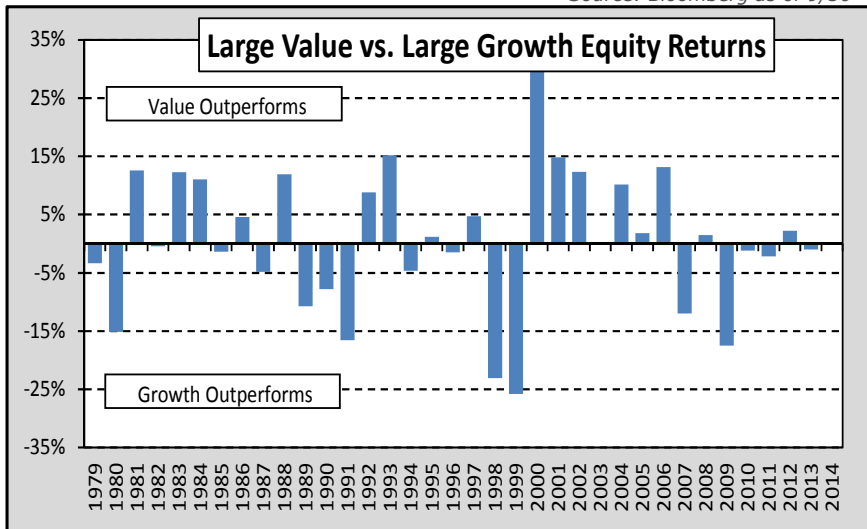
All sectors are positive in 2014 with info tech and healthcare providing the highest returns

Source: Bloomberg as of 9/30



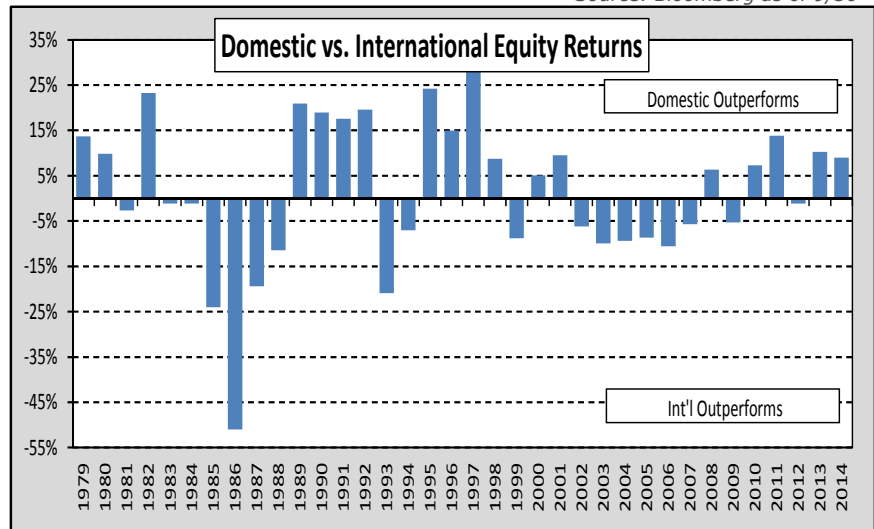
Large cap has outperformed small cap in 2014

Source: Bloomberg as of 9/30



Large value stocks have slightly outperformed large growth in 2014

Source: Bloomberg as of 9/30



Domestic equity has outperformed international equity in 2014

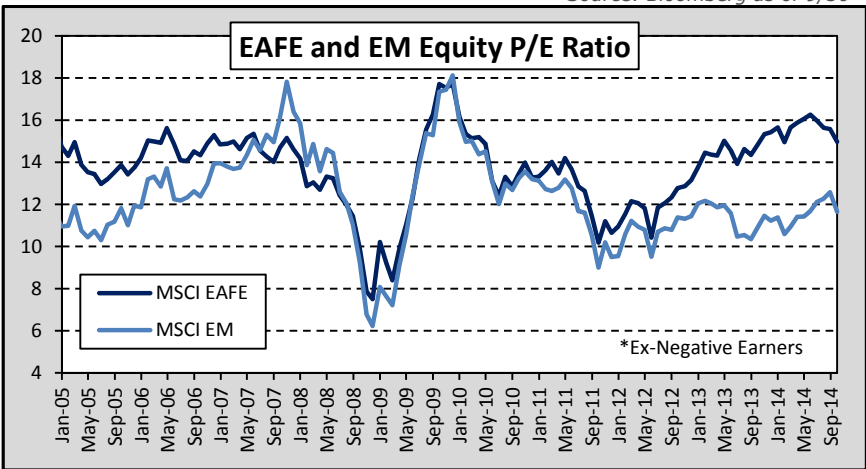
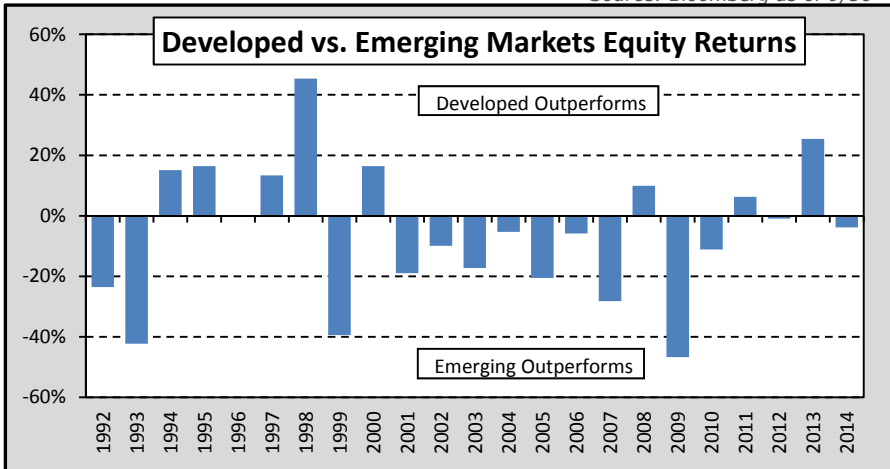
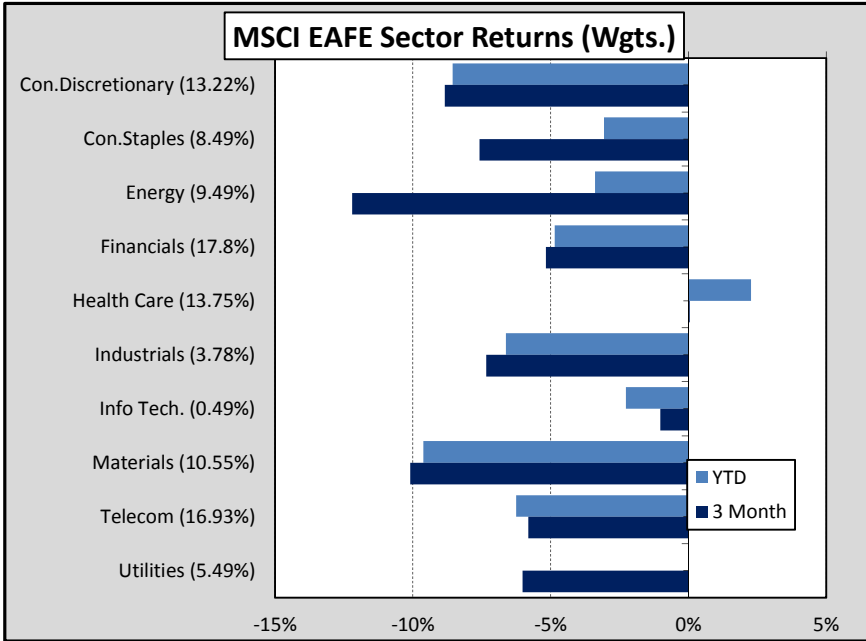
Source: Bloomberg as of 9/30

Non-US Stock Performance

Developed Market Equity Returns (U.S. Dollars)				
	YTD	3-Mo	1 Yr.	3 Yr. Ann.
Europe ex UK	-4.2%	-7.6%	3.4%	13.1%
United Kingdom	-4.1%	-6.9%	2.3%	10.1%
Japan	-3.2%	-2.9%	-1.1%	7.1%
Pacific Ex Japan	-2.1%	-7.0%	-2.5%	7.6%
Canada	5.0%	-4.9%	8.6%	6.5%
USA	6.5%	0.4%	16.9%	20.4%

US Dollar Return vs. Major Foreign Currencies				
(Negative = Dollar Depreciates, Positive = Dollar Appreciates)				
	YTD	3-Mo	1 Yr.	3 Yr. Ann.
Euro	8.1%	7.7%	6.6%	1.9%
Japanese Yen	4.0%	7.6%	10.4%	11.1%
British Pound	2.1%	5.2%	-0.2%	-1.3%
Canada	5.1%	4.7%	8.0%	2.1%
Australia	1.9%	7.3%	6.1%	3.3%

Currency Impact on Developed Mkt. Returns				
(Negative = Currency Hurt, Positive = Currency Helped)				
	YTD	3-Mo	1 Yr.	3 Yr. Ann.
MSCI EAFE (Local)	4.1%	0.9%	10.7%	17.3%
MSCI EAFE (USD)	-1.4%	-5.9%	4.3%	13.6%
Currency Impact	-5.5%	-6.8%	-6.4%	-3.6%



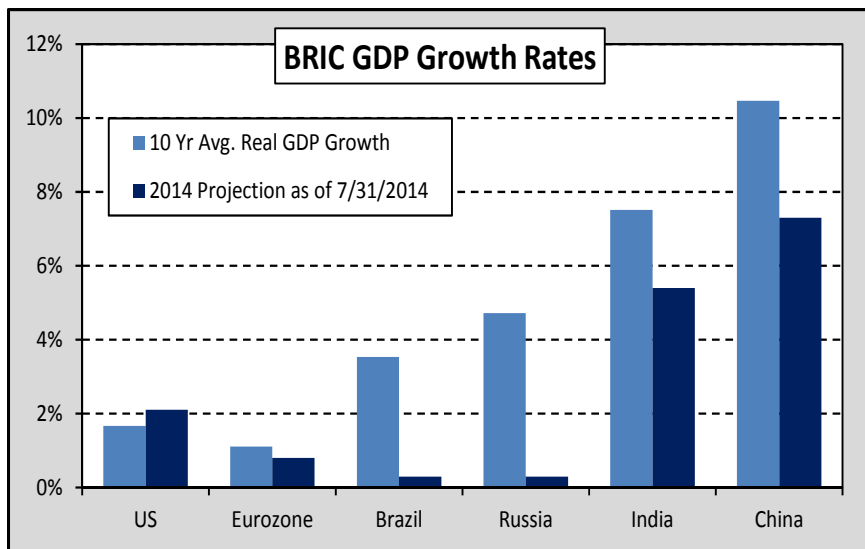
Source: Bloomberg as of 9/30

Source: Bloomberg as of 9/30

Source: Bloomberg as of 9/30

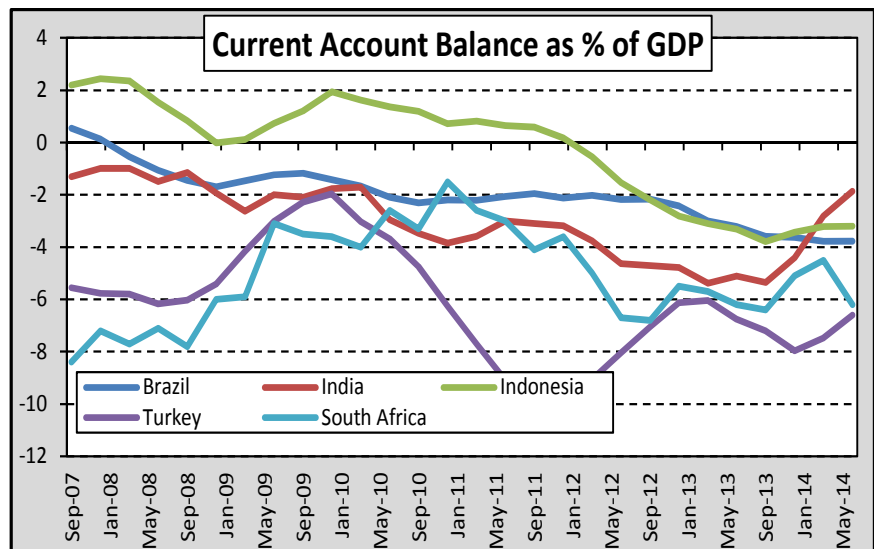
Source: Bloomberg as of 9/30

Market Environment – Emerging Markets



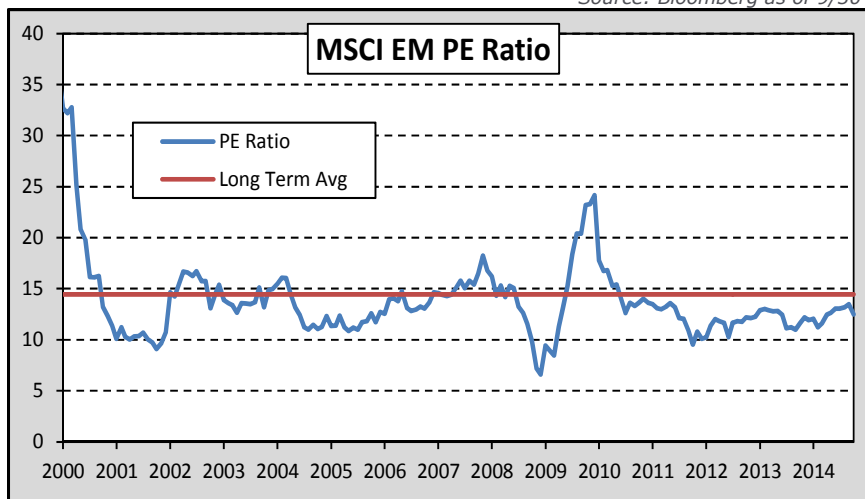
Projected GDP growth rates have declined in emerging market countries

Source: Bloomberg as of 9/30



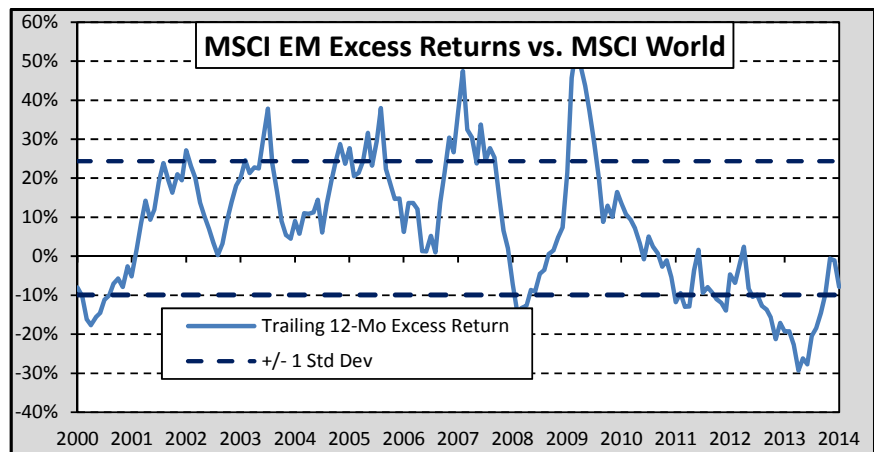
Balance of payment challenged countries have shown signs of improvement

Source: Bloomberg as of 6/30



The MSCI EM PE Ratio remains below its long term average

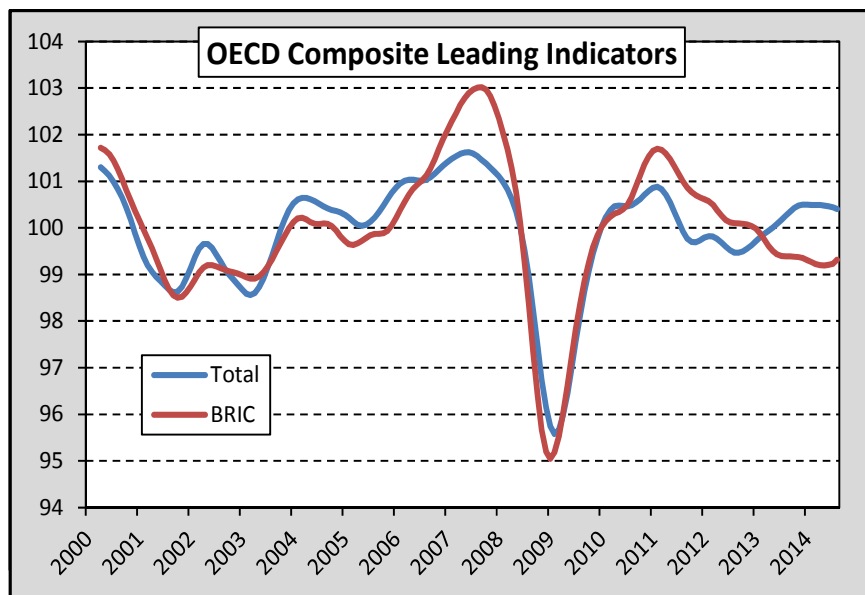
Source: Bloomberg as of 9/30



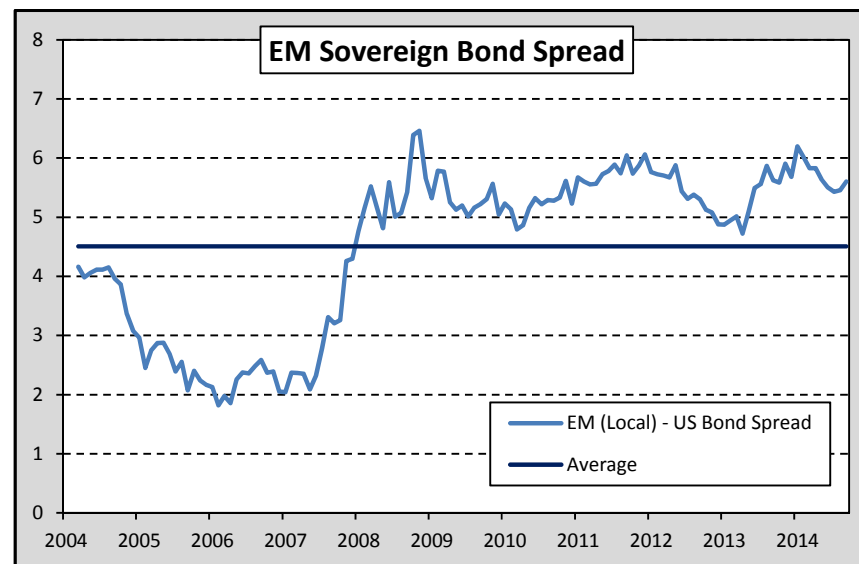
MSCI EM Rolling 12-Month excess returns relative to MSCI World have moved above the lower bound of the historical range

Source: Bloomberg as of 9/30

Emerging Markets



Source: Bloomberg as of 8/31



Source: Bloomberg as of 9/30

Emerging Markets Valuation		
	MSCI EM	MSCI EM Small Cap
PE Ratio	12.61	21.86
PE Historical Avg	14.47	18.27
PB Ratio	1.45	1.32
Historical Avg	1.53	1.28
PS Ratio	1.03	0.82
Historical Avg	1.11	0.71

- The MSCI EM Small Cap PE, PB, and PS are above historical averages
- MSCI EM's PE, PB, and PS ended September below their historical averages.

Source: Bloomberg as of 9/30

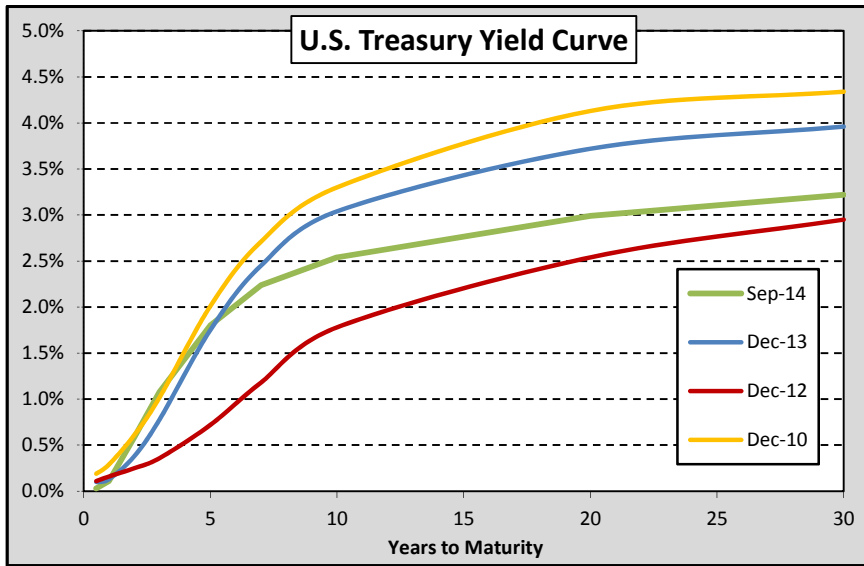
US Dollar Return vs. Major EM Currencies

(Negative = Dollar Depreciates, Positive = Dollar Appreciates)

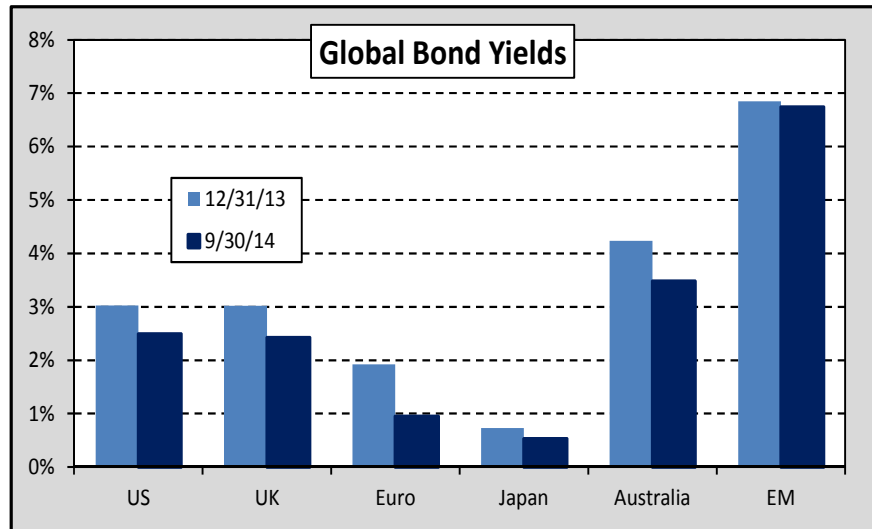
	YTD	3-Mo	1 Yr.	3 Yr. Ann.
Brazilian Real	3.3%	9.5%	9.2%	8.4%
Russian Ruble	16.9%	14.1%	18.3%	6.6%
Indian Rupee	0.1%	3.0%	-1.0%	7.5%
Chinese Renminbi	1.4%	-1.1%	0.3%	-1.3%
Singapore Dollar	-0.7%	-0.2%	-0.9%	-0.9%
Hungarian Forint	12.1%	8.1%	10.8%	3.8%
Turkish Lira	5.7%	7.0%	11.4%	6.5%
Mexican Peso	2.9%	3.4%	2.5%	-1.2%
So. African Rand	6.9%	5.7%	11.2%	10.5%
So. Korean Won	0.5%	4.4%	-1.6%	-3.8%

Source: Bloomberg as of 9/30

Market Environment – Interest Rates

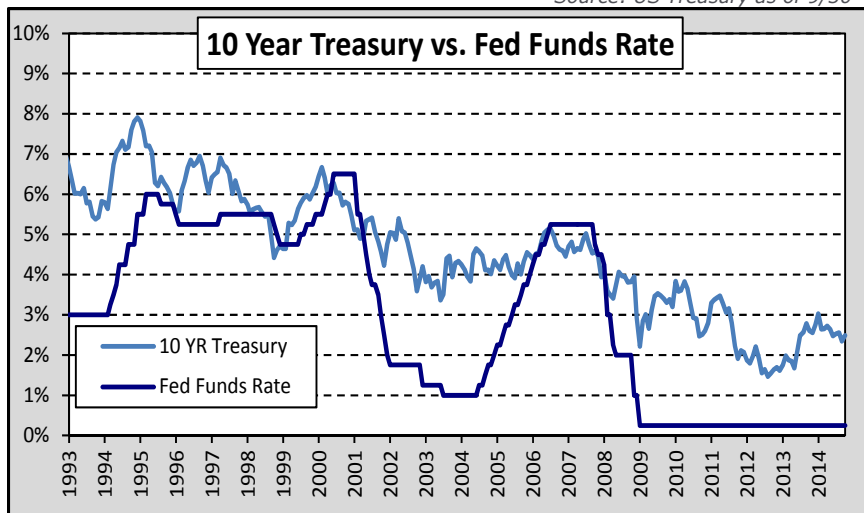


Source: US Treasury as of 9/30



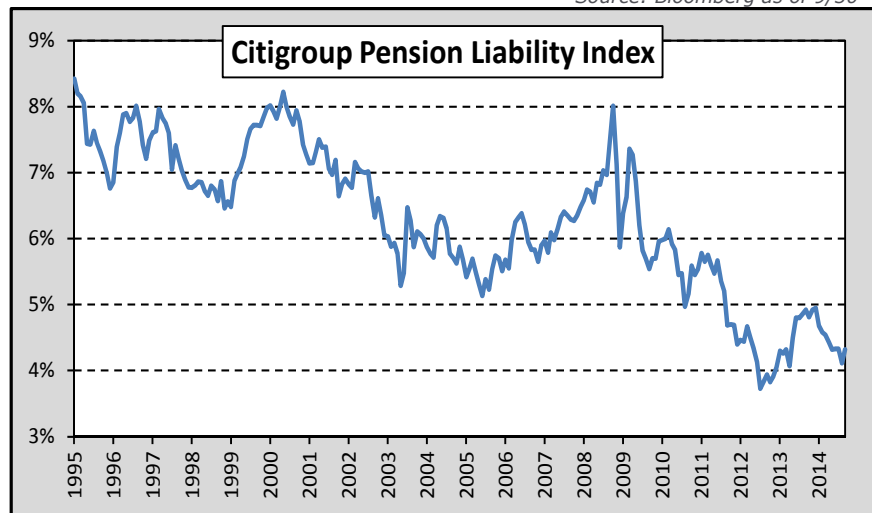
Bond yields across the globe have mostly declined in 2014

Source: Bloomberg as of 9/30



Fed Funds rate target remained at 0.25% while the 10 Yr. Treasury Yield finished September at 2.49%

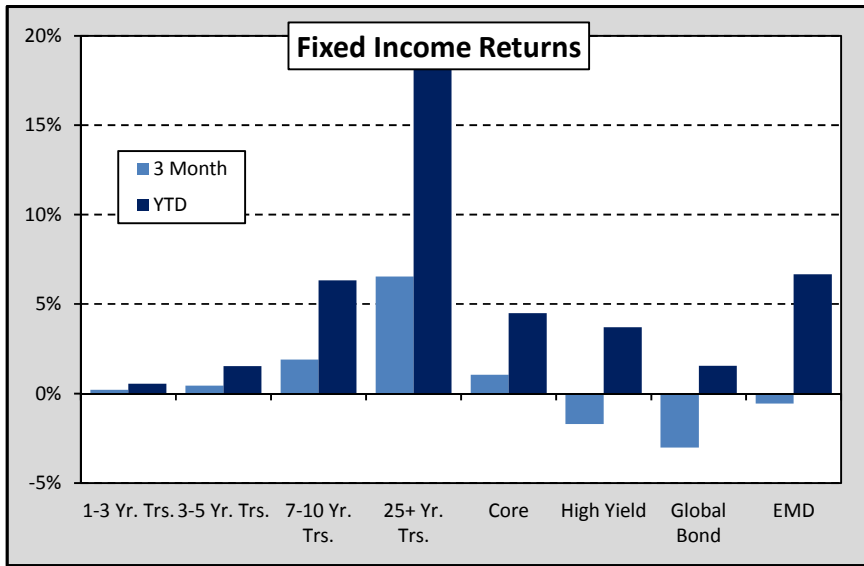
Source: Bloomberg as of 9/30



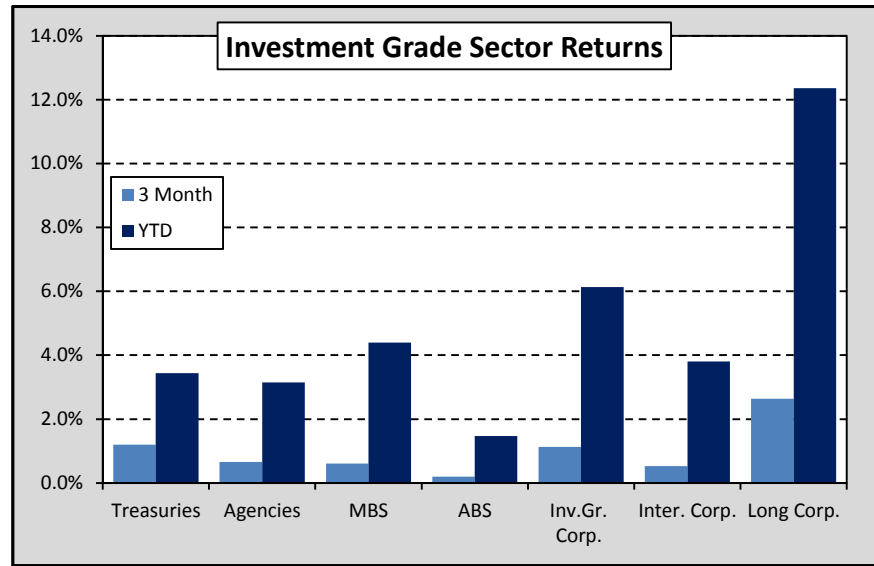
The Citi Pension discount rate stayed flat at 4.32% through September

Source: Citigroup as of 9/30

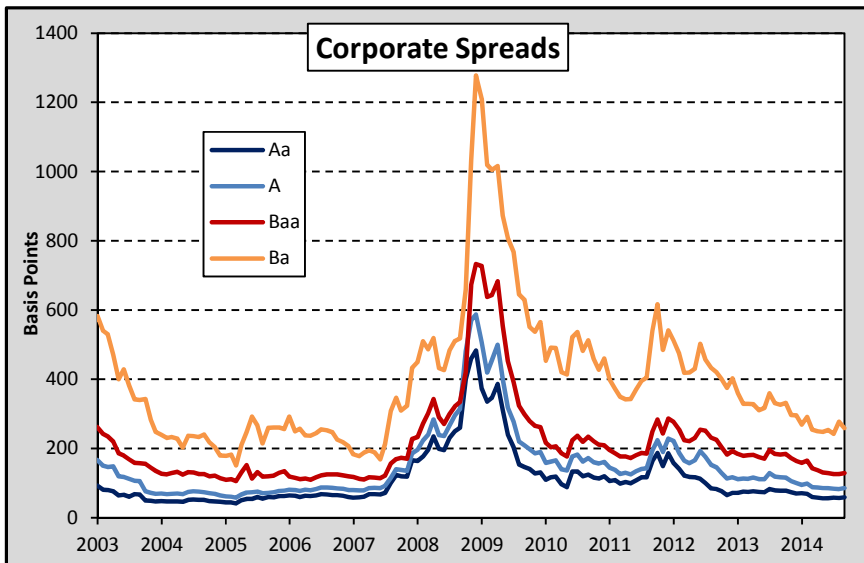
Fixed Income Performance



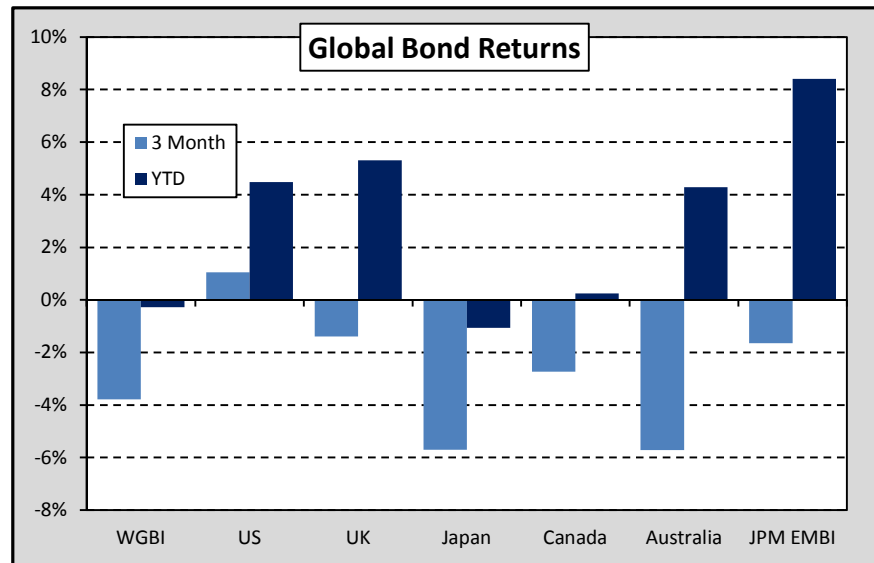
Source: Barclays as of 9/30



Source: Barclays as of 9/30

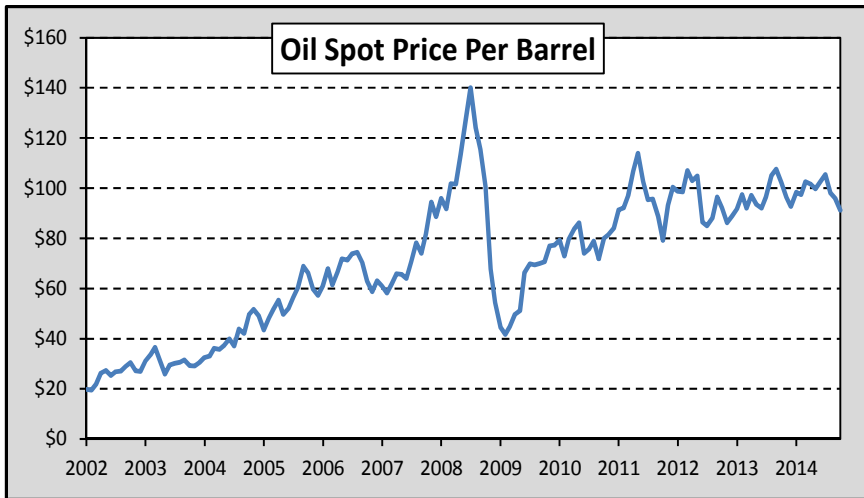


Source: Barclays as of 9/30



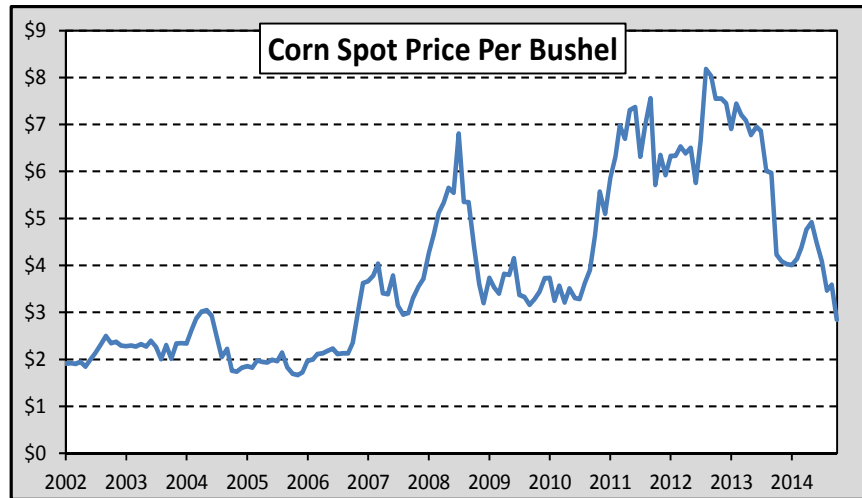
Source: Barclays, Bloomberg as of 9/30

Market Environment – Commodities



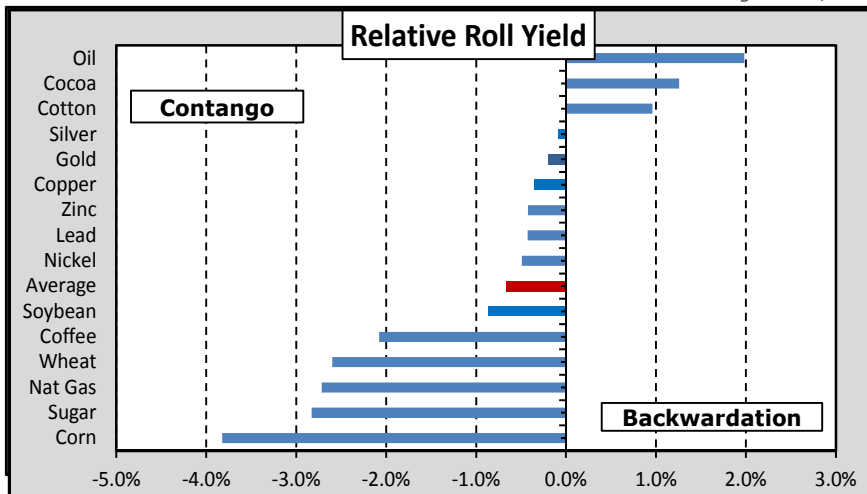
Oil prices finished September down at \$91.16 per barrel

Source: Bloomberg as of 9/30



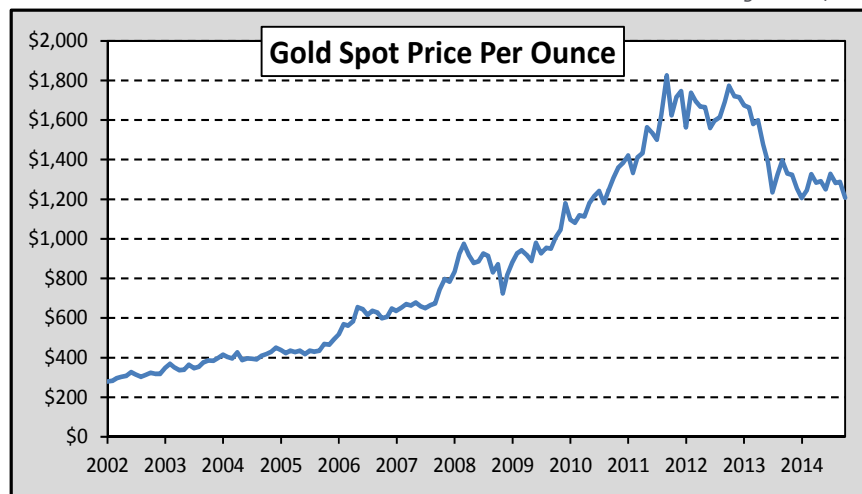
Corn prices finished September down at \$2.84 per bushel

Source: Bloomberg as of 9/30



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

Source: Bloomberg as of 9/30



Gold prices finished September down at \$1,208.16 per ounce

Source: Bloomberg as of 9/30

Glossary of Investment Terminology

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Glossary of Investment Terminology

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

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

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

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

Formula:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Glossary of Investment Terminology

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

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

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

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

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

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

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

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

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

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

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

Upside Deviation¹ – Standard Deviation of Positive Returns

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

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

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

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

Glossary of Investment Terminology—Risk Statistics

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

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

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

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

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

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

Formula:
 $(\text{Annualized Return of Portfolio} - \text{Annualized Return of Benchmark}) / \text{Annualized Standard Deviation}(\text{Period Portfolio Return} - \text{Period Benchmark Return})$. 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 X 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.

$\text{UpsideCapture} = \text{TotalReturn}(\text{FundReturns}) / \text{TotalReturns}(\text{BMReturn})$ when Period Benchmark Return is ≥ 0

$\text{DownsideCapture} = \text{TotalReturn}(\text{FundReturns}) / \text{TotalReturns}(\text{BMReturn})$ when Benchmark < 0

Data Source: InvestorForce

- **Past performance is no guarantee of future results.**
- **NEPC relies on the plan's custodian bank for portfolio pricing, calculation of accruals, and transaction information. 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.**
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