



NEPC, LLC

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## Vermont Pension Investment Committee

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### **Second Quarter State Employees Investment Performance Analysis**

August 25, 2015

Douglas Moseley, Partner  
Christopher Levell, ASA, CFA, CAIA, Partner  
Richard M. Charlton, Chairman  
Nedelina Petkova, Analyst

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# NEPC Update



# NEPC Updates

June 30, 2015

## Highlights of Second Quarter Happenings at NEPC

### NEPC Research

#### Recent White Papers

- 2015 2<sup>nd</sup> Quarter Market Thoughts
- *Rising Rates and Implications for Credit Investors* (April 2015) – Seth Bancroft, Senior Research Analyst, Traditional Research
- *Socially Responsible Investing in Action* (May 2015) – Sheila Healy Berube, CFA, Senior Consultant.
- *A Dynamic Approach to Pension Glide Paths* (May 2015) - Christopher A. Levell, ASA, CFA, CAIA, Partner, Client Strategy



### NEPC Client Recognitions

- NEPC is pleased to announce that two of our clients recently won *Institutional Investor Intelligence Awards*. Ruth Ryerson, Executive Director at Wyoming Retirement System, was a co-winner of the Executive Director of the Year award, along with Steve Yoakum from Public School and Education Employee Retirement Systems of Missouri. Dave Underwood, Deputy CIO and Portfolio Manager – Equities at Arizona State Retirement System, won the *Institutional Investor Intelligence Award: Innovator*.

### NEPC Recognitions

- We are pleased to announce that **NEPC has won two Alternative Investment Awards for 2015** from *Wealth & Finance International*, one for Sustained Excellence in Client Investment Management and the other for Macro Strategy Specialist of the Year – USA. Awards Coordinator Peter Rujgev commented, "The caliber of the 2015 nominees was simply outstanding and this ensured that the judging process was more than a little demanding. Put simply, our winners represent the very best of the best and with such a tremendous amount of competition, it is an honor to acknowledge them and wish them well for another award winning year ahead."

### News from NEPC

- **Doris Ewing honored by the NASP.** Please join us in congratulating retired NEPC Partner, Doris Ewing, who was honored as the first female African-American Partner of an Investment Consulting Firm at the NASP Women's Legends Tea on June 14 in Chicago. Congratulations Doris!

### Recent Events

- **NEPC Clients Invited to the White House.** A diverse group of NEPC clients were invited to the White House on June 16 for the Clean Energy Investment Summit. The goal of the event was to help address the fundraising gap for scalable investments in clean energy and catalyze more institutional investment. Attendees engaged with senior members of the Administration to discuss recent or potential clean energy investments.



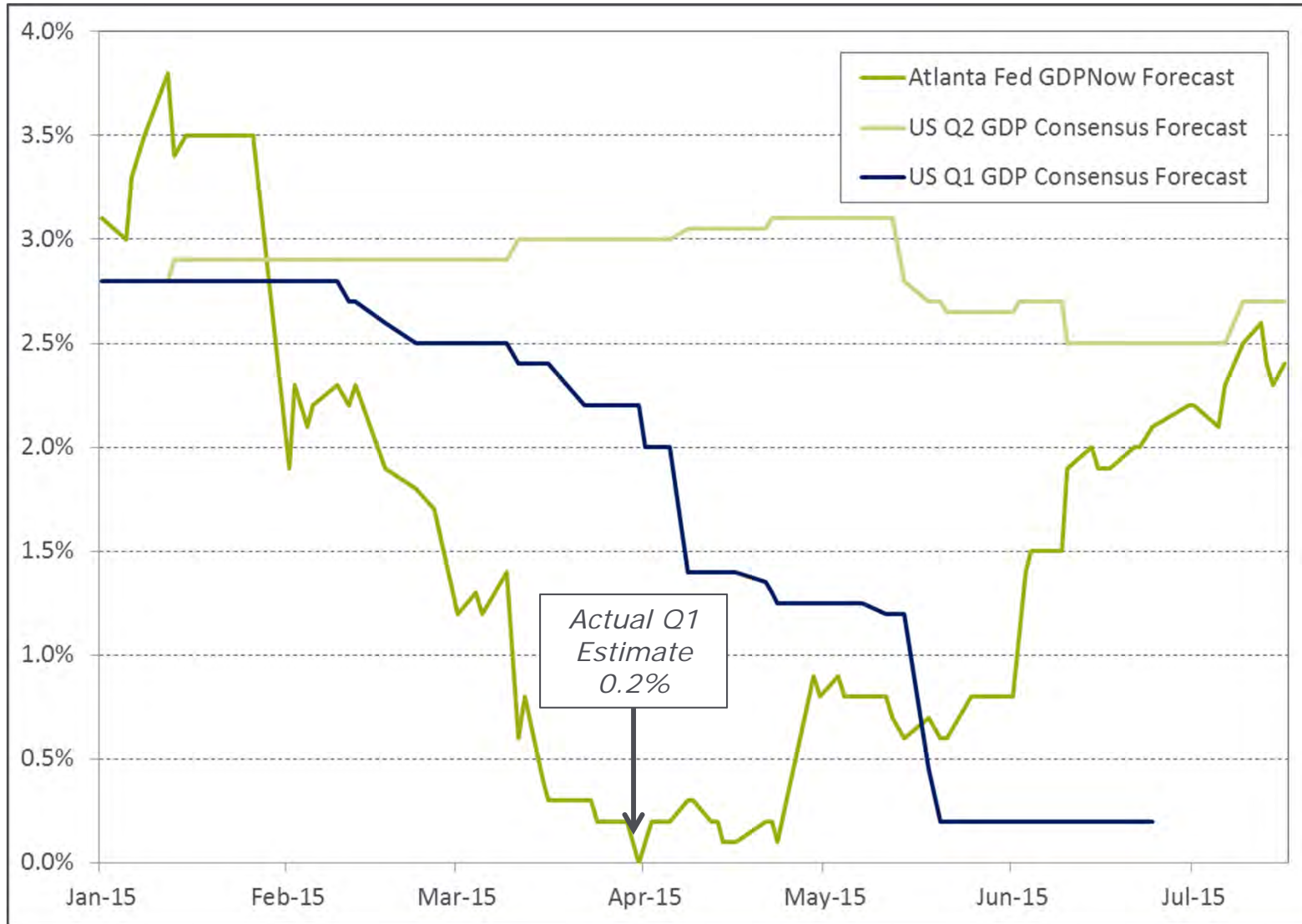
# Market Update

- **US equities face headwinds but without major concerns**
  - Cautiously optimistic on US economy but Fed rate hike remains on the horizon
  - Dollar strength likely to slow earnings growth while valuation levels above average
- **Recommend an overweight exposure to developed market equities**
  - Suggest investors opportunistically exploit potential volatility to add to the overweight
  - Long-term opportunity remains as earnings improve off cyclical lows in Europe/Japan
  - We continue to recommend a 50% hedge for developed market currency exposure
- **Recommend investors maintain a benchmark neutral weight in emerging market equities at a minimum**
  - Encourage the use of benchmark agnostic emerging market equity strategies with a bias towards EM countries undertaking both economic and political reforms
  - Allow dynamically oriented global equity and GAA strategies to tactically push total emerging market equity exposure above a benchmark neutral weight
  - Long-term EM fundamentals remain attractive but economic divergences and risks across countries are significant
- **Encourage investors to shift from benchmark-focused global bond strategies to US duration exposures**
  - Consider a small allocation to long duration treasuries, long gov/credit, or long TIPS to fill US duration exposure
- **Encourage investors to be patient with evolving opportunities in commodity markets as volatility is high**
  - Limited distress opportunity so far but credit conditions likely to weaken

- **Greece's long-term participation in the Eurozone remains precarious but events over the last quarter have provided a temporary reprieve**
  - June 28: Greece declares a “bank holiday” and capital controls introduced to prevent cash transfers out of the country and collapse of banking system
  - June 30: Greece fails to make required €2 billion payment to the IMF
  - July 13: Greece/Eurozone agree to a framework for a €86 billion bailout, contingent on passage of tax, fiscal, labor, and pension reform package by Greek Parliament
  - July 16: Greek banks to reopen, capital controls to remain in place indefinitely
  - July 16: European Union approves €7 billion bridge loan to repay IMF and ECB loans
  - **Next:** Greece/Eurozone negotiations to finalize terms of €86 billion bailout package
- **Challenges remain for Greece and volatility likely to continue**
  - Eurozone position is clear: Implement broad economic reform or exit the Euro
  - Greek government debt is unsustainable at 177% of GDP
  - No Eurozone legal provision exists to reduce or “haircut” debt
  - Greek Parliament has yet to address pension reform, required under bailout terms
  - Eurozone partners have little patience or political bond with Greek government
- **Contagion risk of a Greek exit from the Euro is largely contained**
  - Greece represents only 1.7% of total Eurozone GDP
  - Periphery bond yields relatively unchanged compared to prior Greek crisis
  - \$700 billion European Stability Mechanism (ESM) in place to backstop Eurozone risks
  - \$1 trillion ECB QE program compressing sovereign yields and risk premium
  - Clear path of reforms underway in Italy, Spain, and Portugal are providing tangible economic improvement and political commitment from Eurozone partners

- **China's equity markets are the 2nd largest in the world and largely inaccessible to foreign investors**
  - Shanghai and Shenzhen are the two primary stock exchanges and mainland companies in China often issue A-shares, B-shares, and H-shares
  - A-Shares: Listed on the Shanghai/Shenzhen exchanges primarily accessible only to local investors with some exception (RQFII, Shanghai-HK Connect)
  - B-Shares: Listed on the Shanghai/Shenzhen exchanges and often quoted in USD, accessible to foreign investors
  - H-shares: Mainland companies listed in Hong Kong, heavily dominated by Financials
- **China equity markets, primarily A-shares, increased nearly 150% over 1-year period and fell 30% in a span of weeks**
  - Shanghai and Shenzhen exchanges reached highs on June 12 and subsequently declined over 30% by July 8
  - Rally was fueled by a massive increase in margin debt and levered investors
  - Estimated individual investors represent more than 80% of daily trading volumes
  - $\approx 2/3$  of individuals opening new accounts had less than a high school education
- **A 30% decline in equity markets and extreme volatility may filter into general economy of China and impede economic growth**
  - Government has taken aggressive actions to stem losses: Interest rates cut by 25 bps, suspension of IPOs, and providing liquidity support to finance margin loans
  - Significant levels of margin debt remain in the financial system and volatility is likely to remain high with the government's intervention in equity markets
  - Slowdown in the world's second-largest economy has broad implications for many emerging market economies, specifically commodity producers

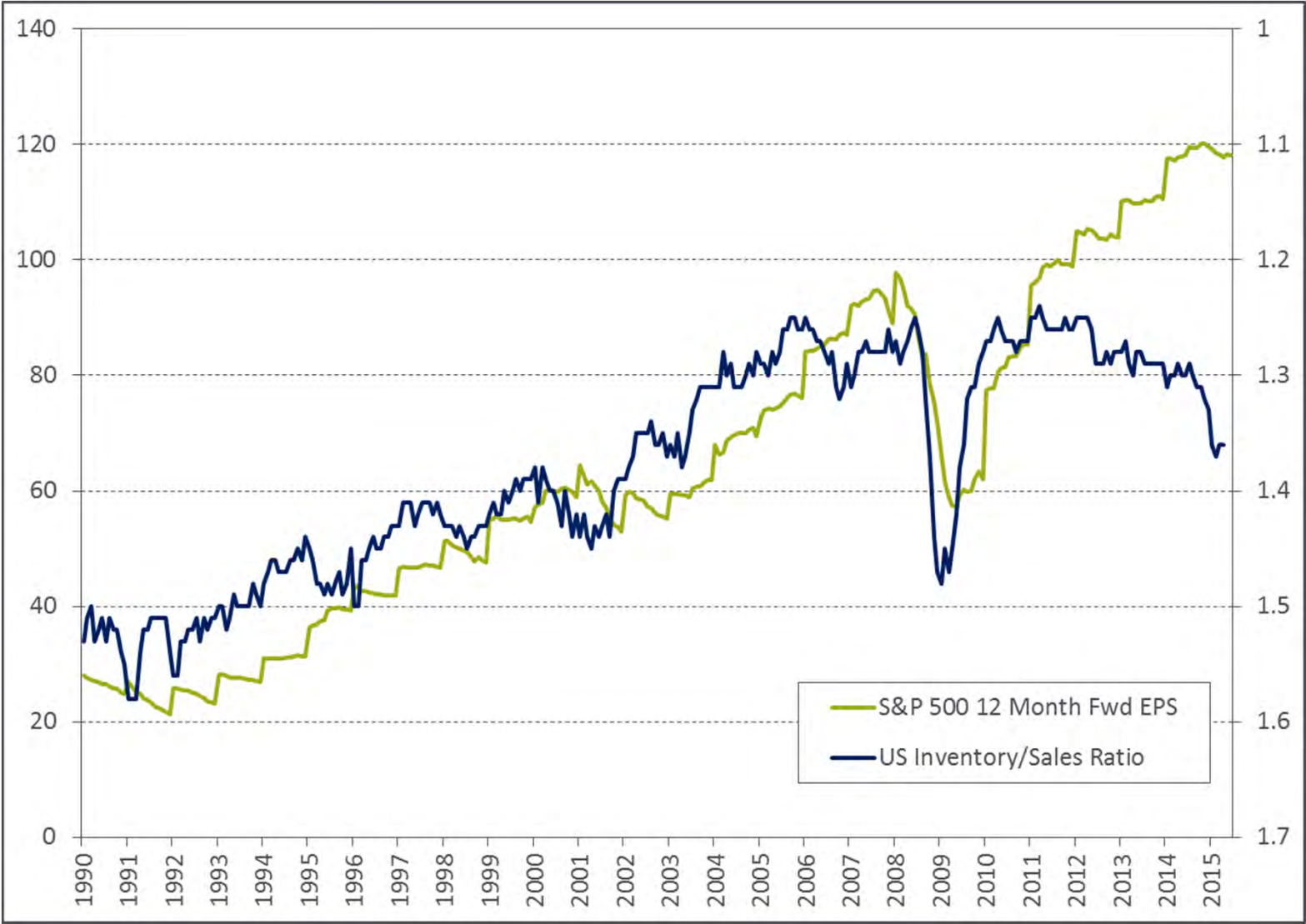
## US Economy Appears Poised to Rebound After Lackluster First Quarter



Source: Atlanta Fed, Bloomberg

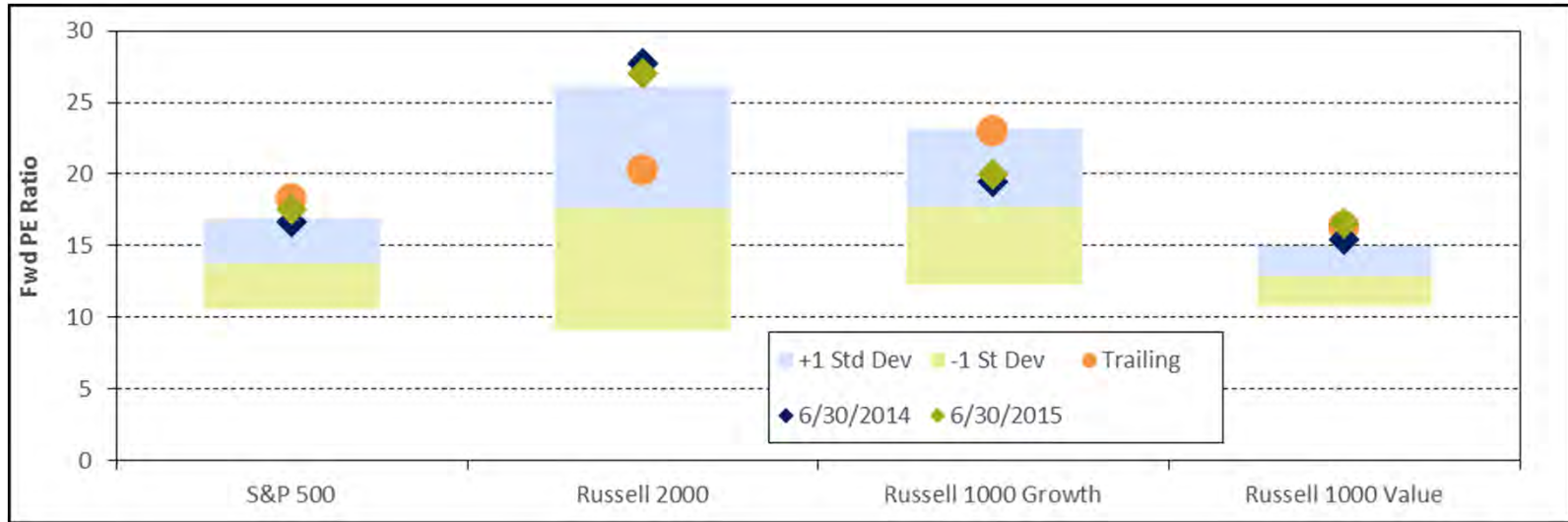


Strong Earnings Forecasts Contradicts Inventory Build-Up

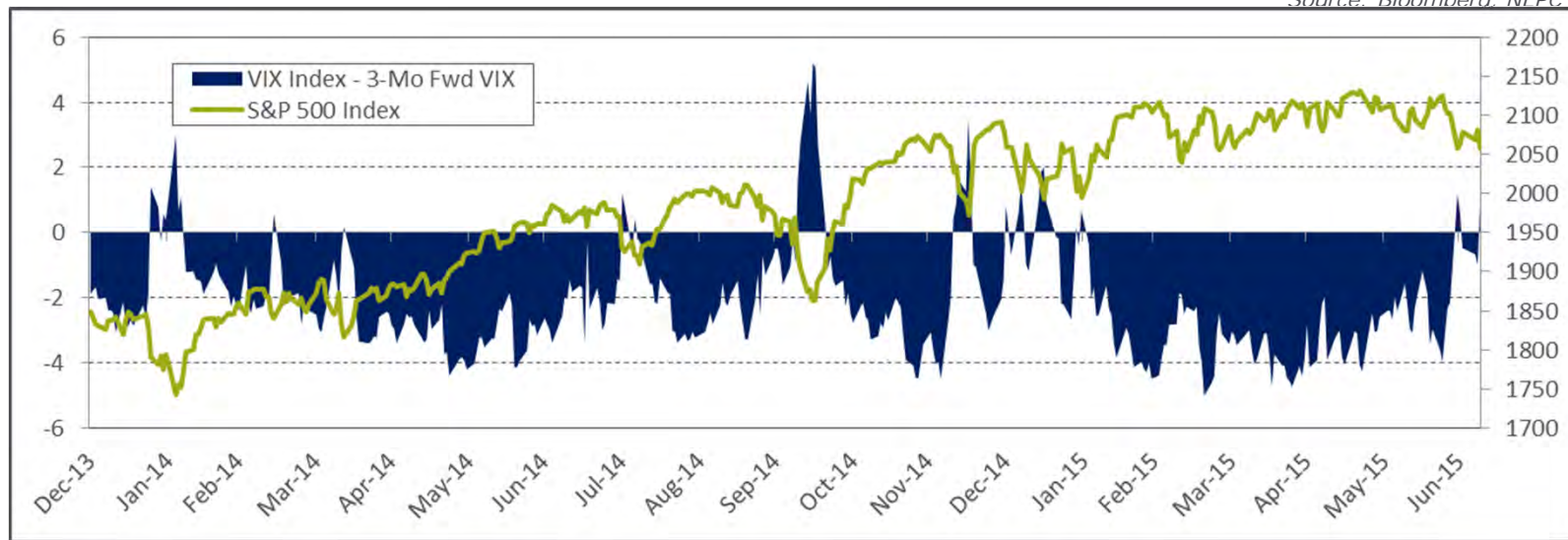


Source: Standard and Poors, US Census Bureau, Bloomberg

## Higher Valuations Supported by Expectations of Low Volatility

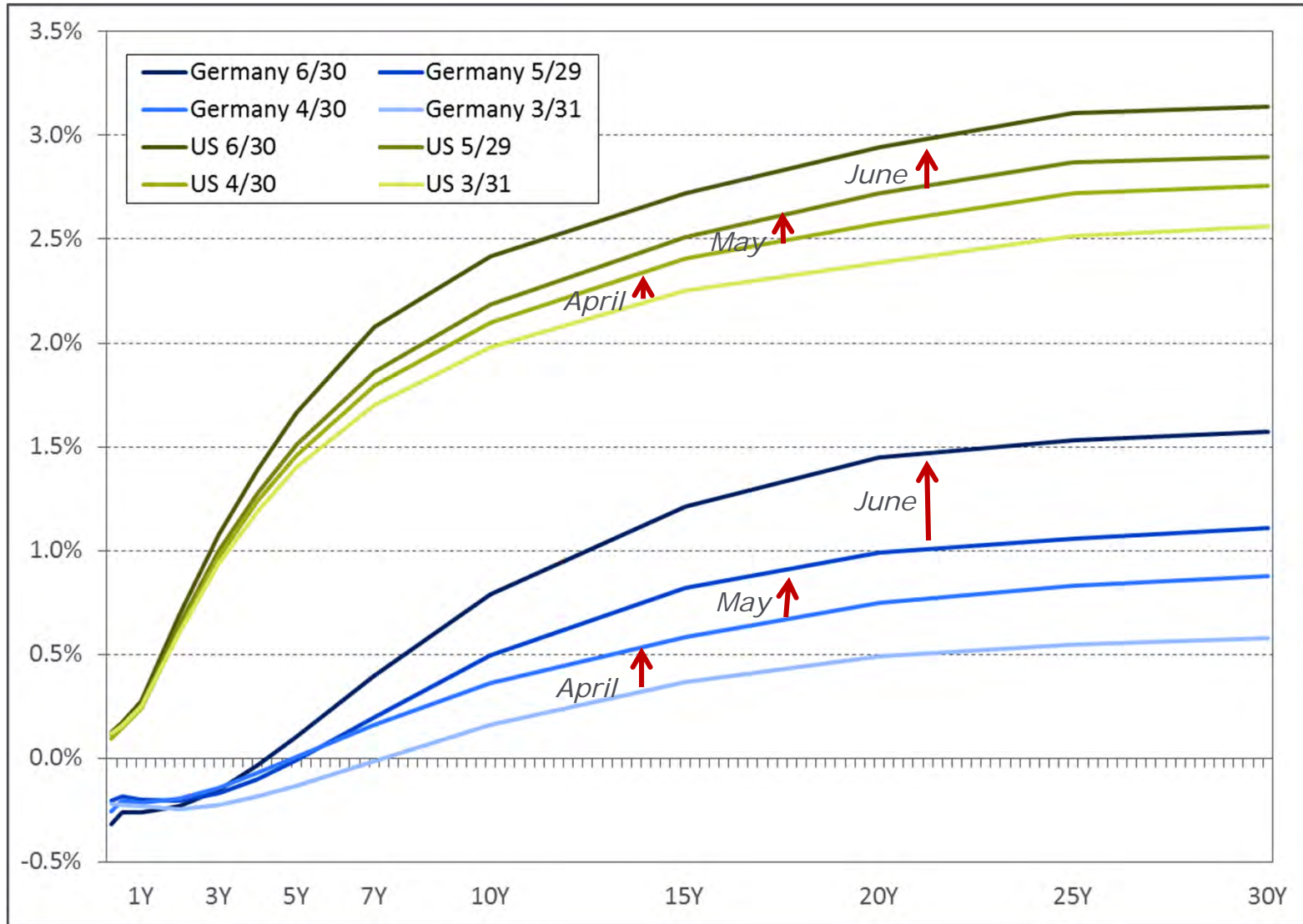


*Source: Bloomberg, NEPC*



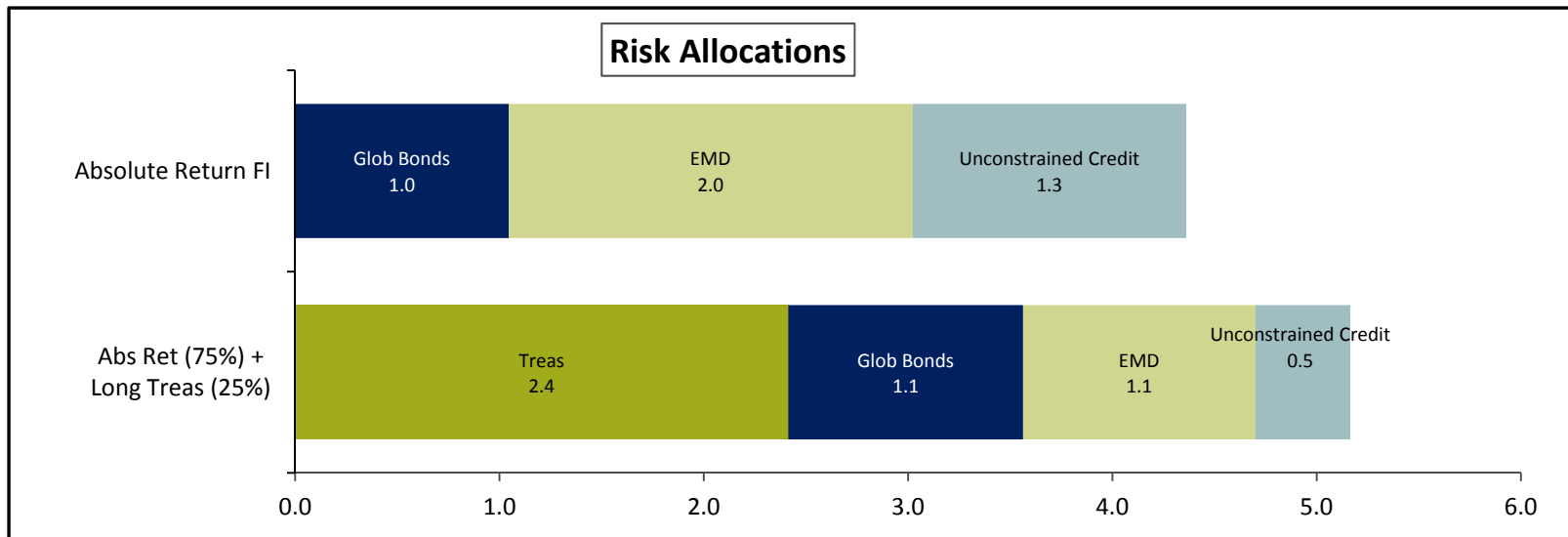
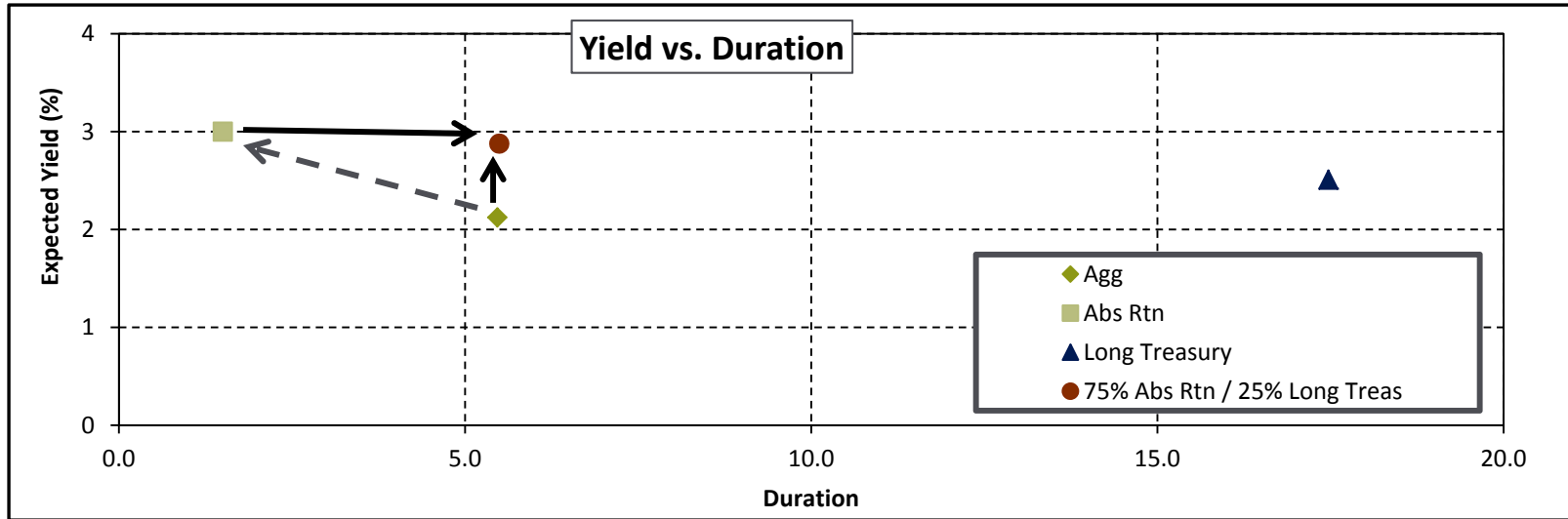
*Source: Chicago Board Options Exchange, Bloomberg*

## German Yields Experienced Their Own 'Tantrum' while US Yields Rose Incrementally



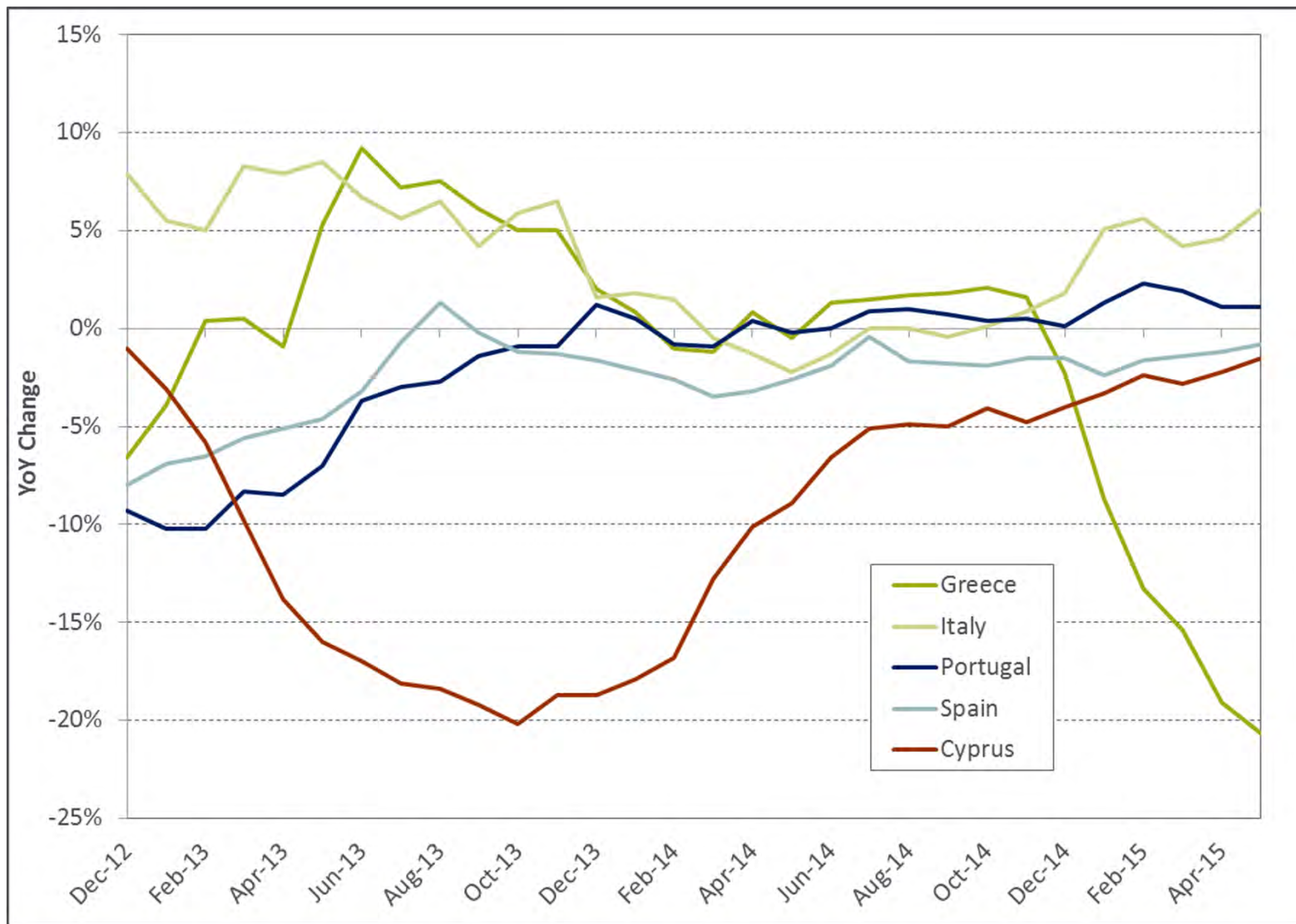
Source: US Treasury, Bloomberg

# Consider Pairing Long Treasuries and Unconstrained Bonds as a US Fixed Income Alternative



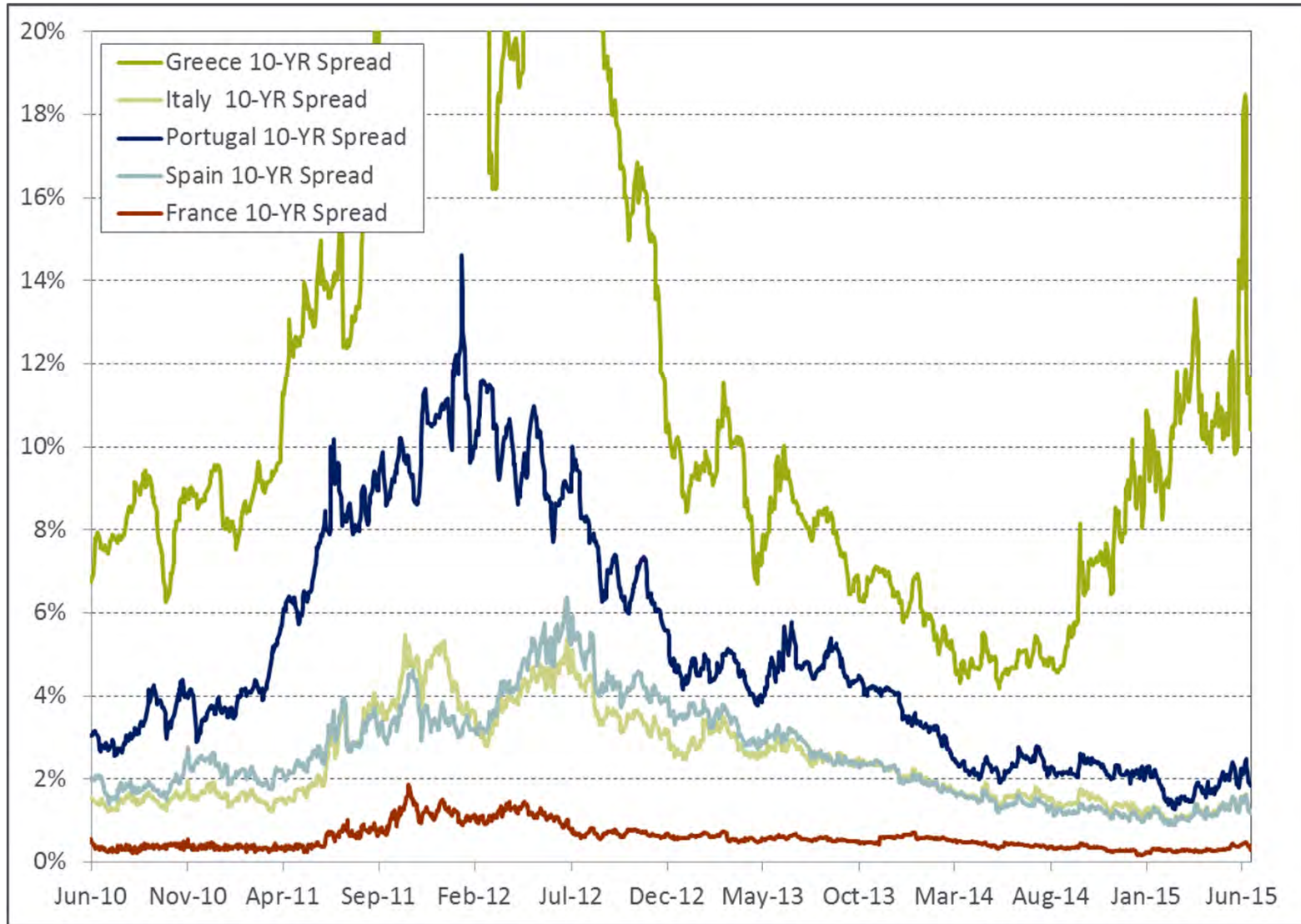
Sources: Barclays Live, NEPC

## Change in Bank Deposits – European Banks Unaffected by Greek Deposit Flight



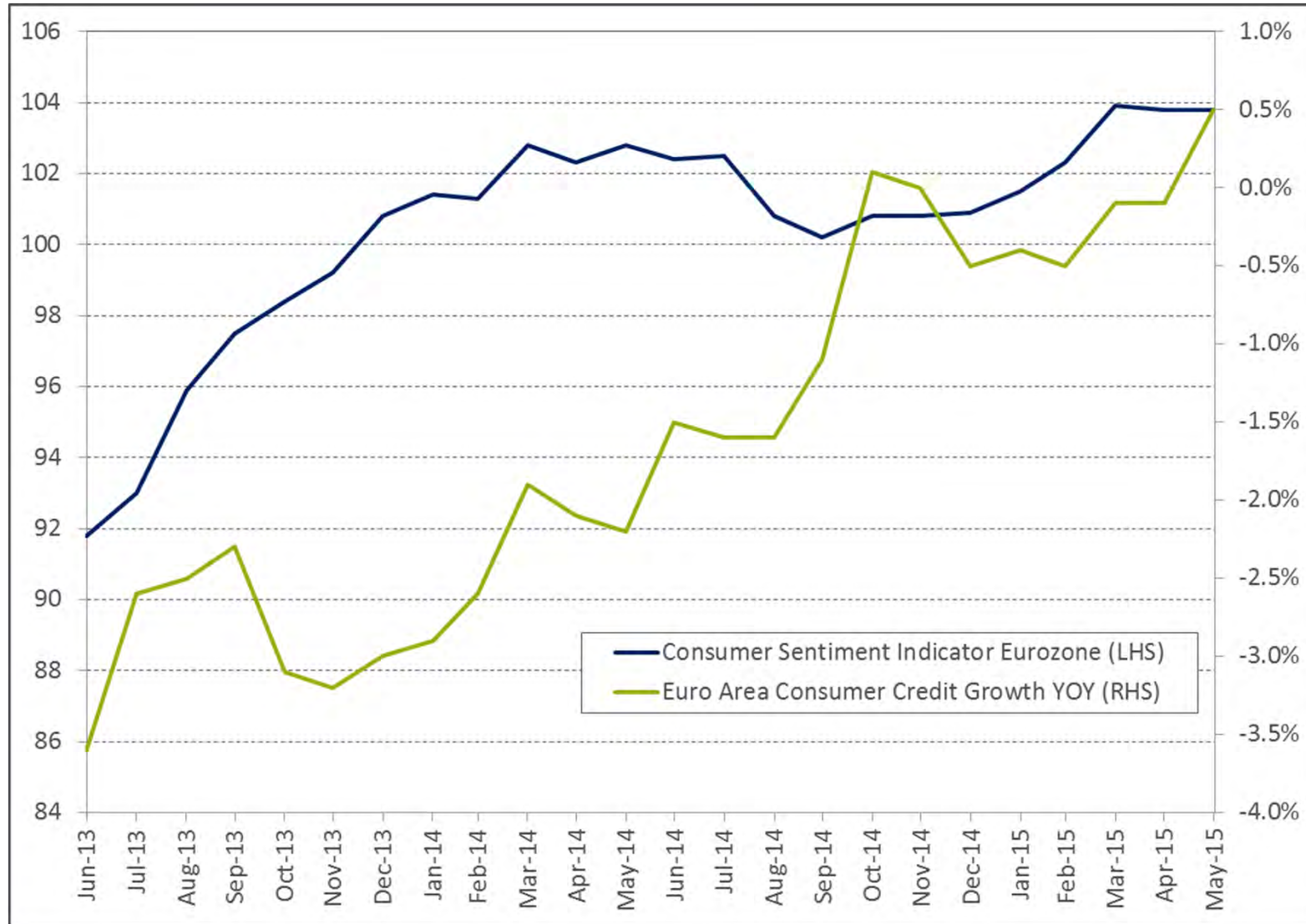
*Source: European Central Bank, Bloomberg*

## Contagion Risks Appear Contained – Spread Over German Yields Relatively Unchanged



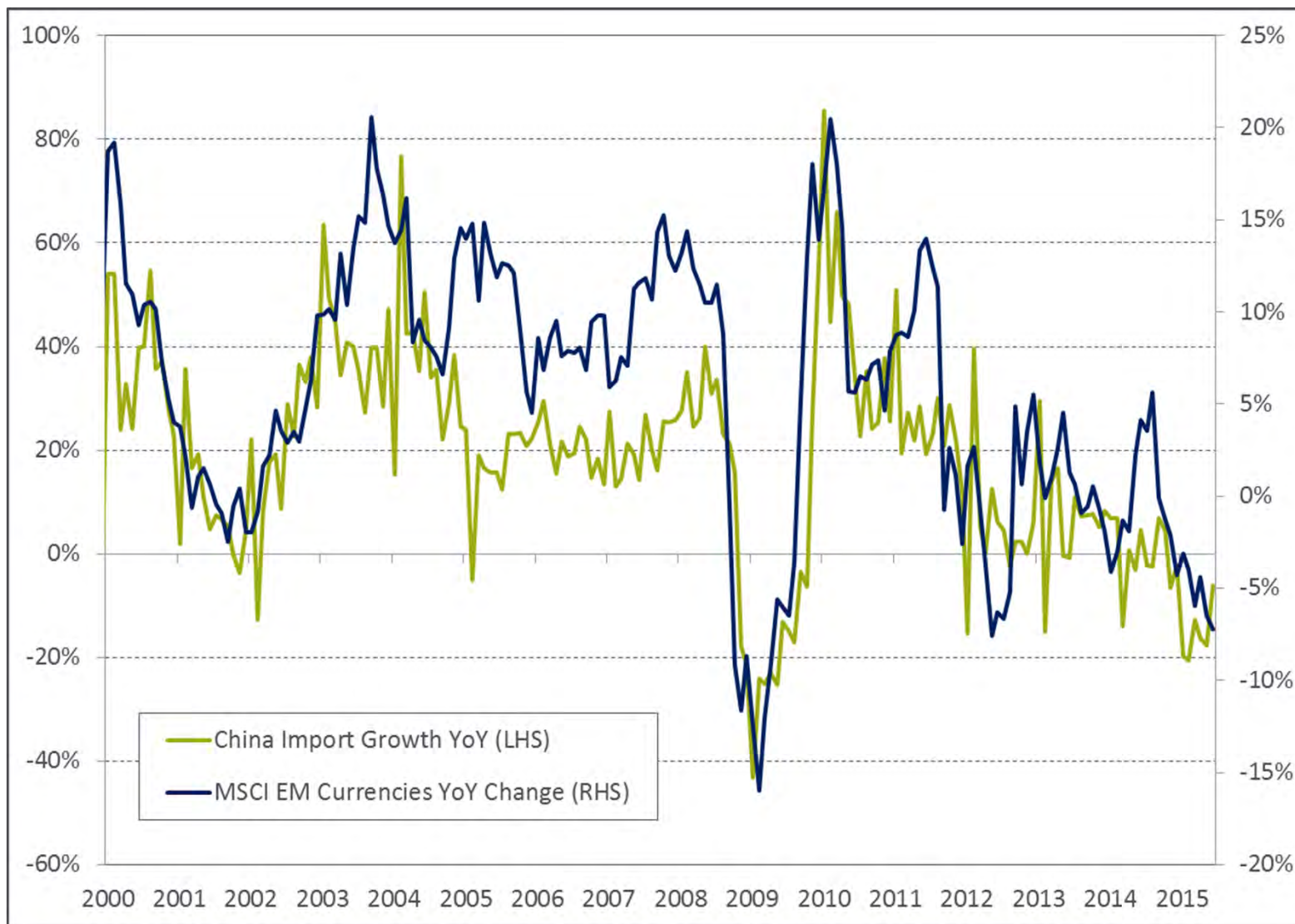
Source: Bloomberg, NEPC

## Improved Consumer Outlook in Europe Supports Future Earnings Growth



Source: European Commission, European Central Banks, Bloomberg

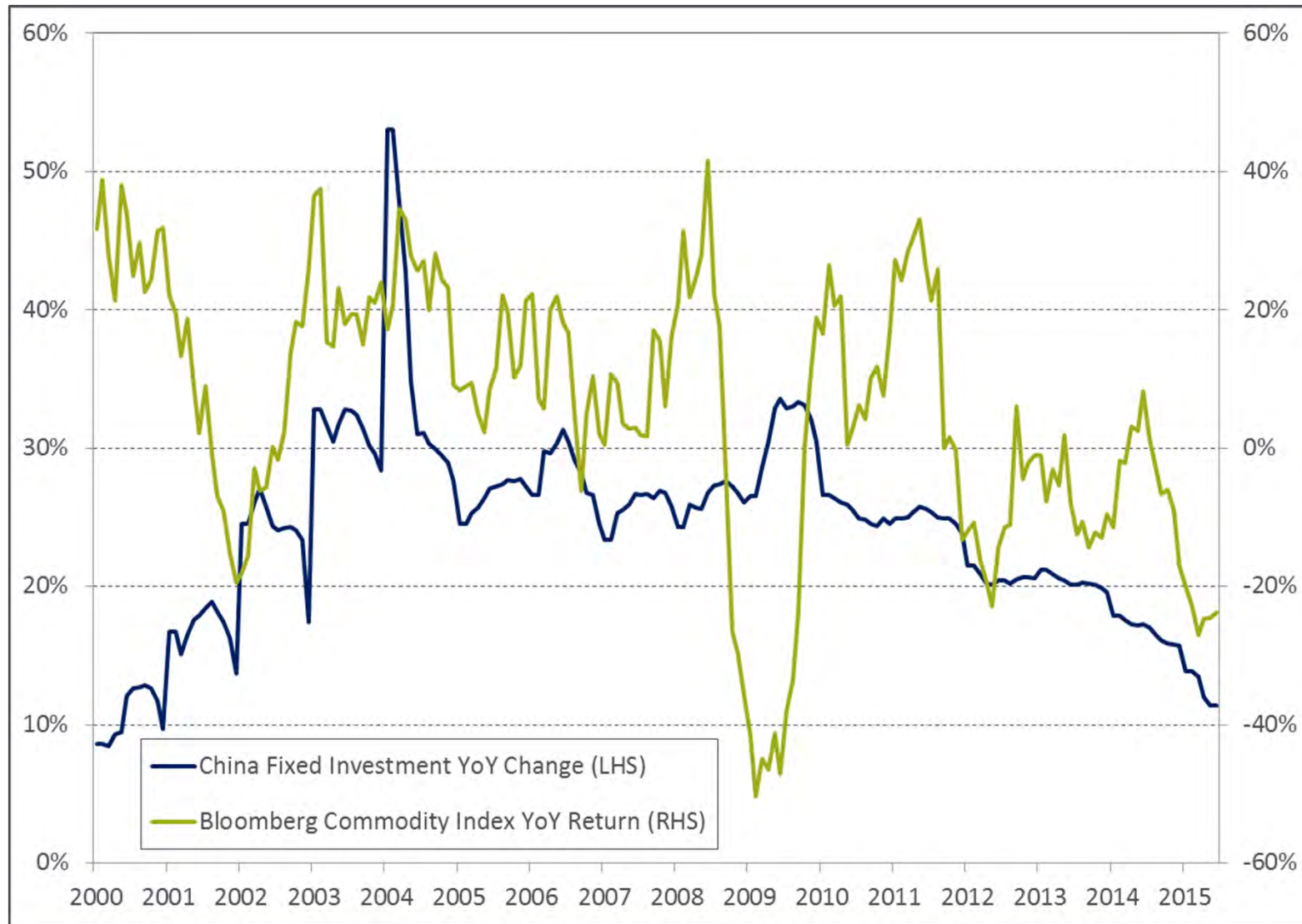
## Slowing China Import Demand Has Repercussions for Emerging Currencies



Source: MSCI, National Bureau of Statistics of China, Bloomberg

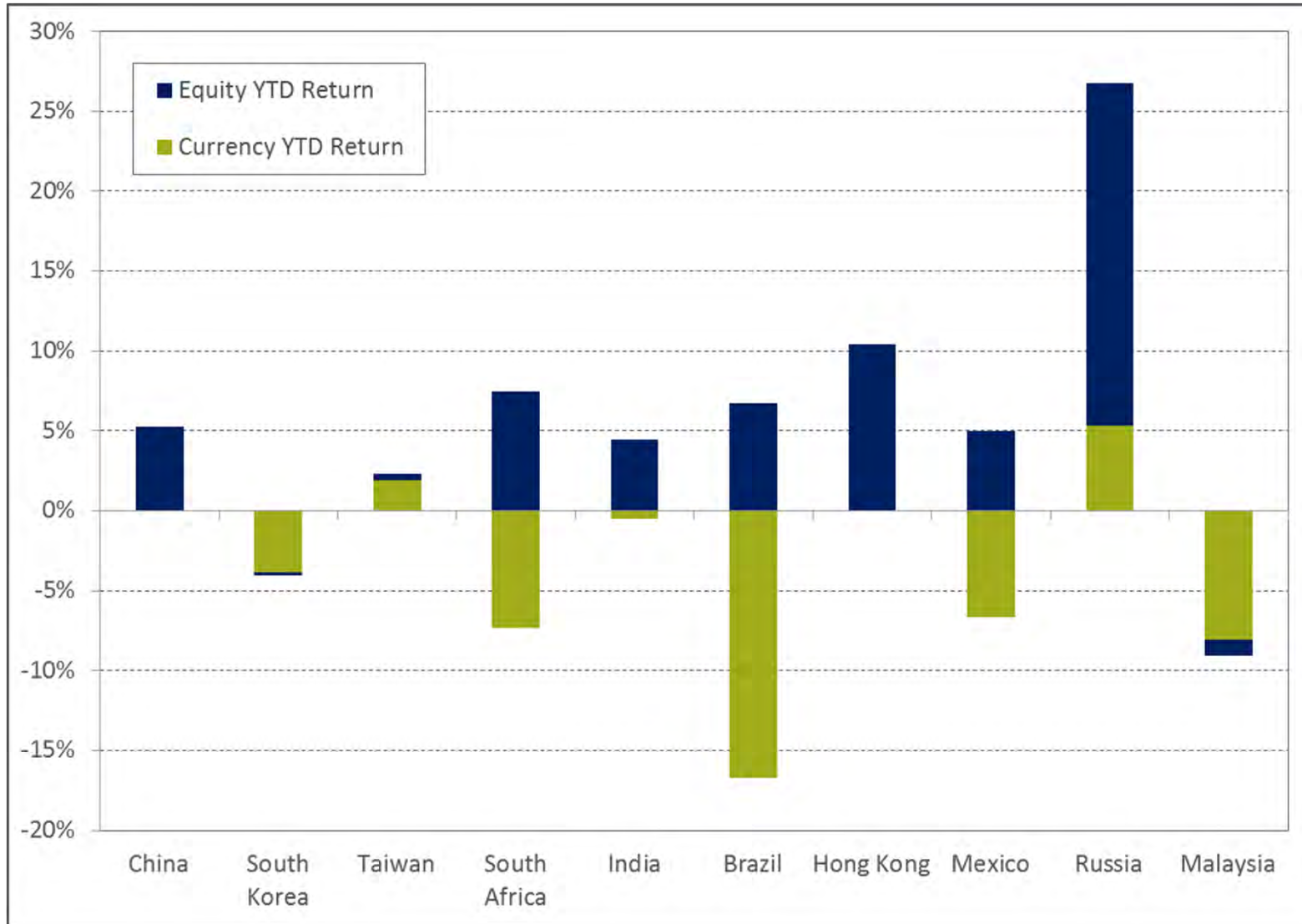


## Decline in Commodity Prices Coincides with Slowing Fixed Asset Investment in China



Source: Bloomberg, National Bureau of Statistics of China

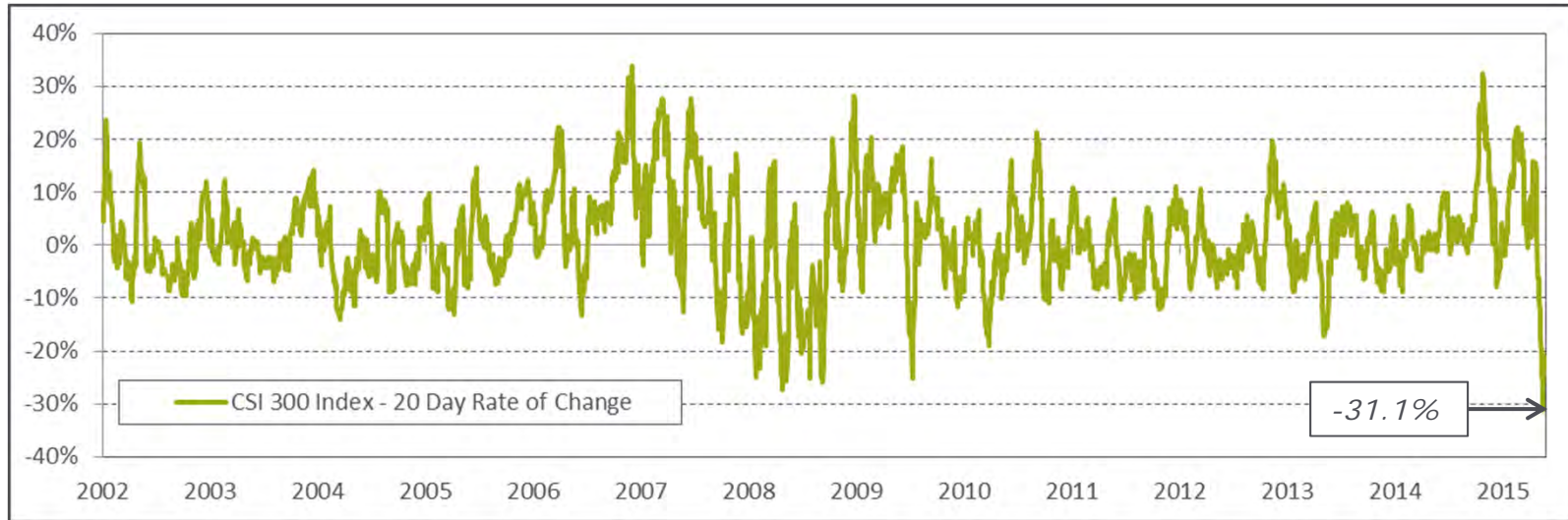
## Major Emerging Markets Still Experiencing Currency Headwinds



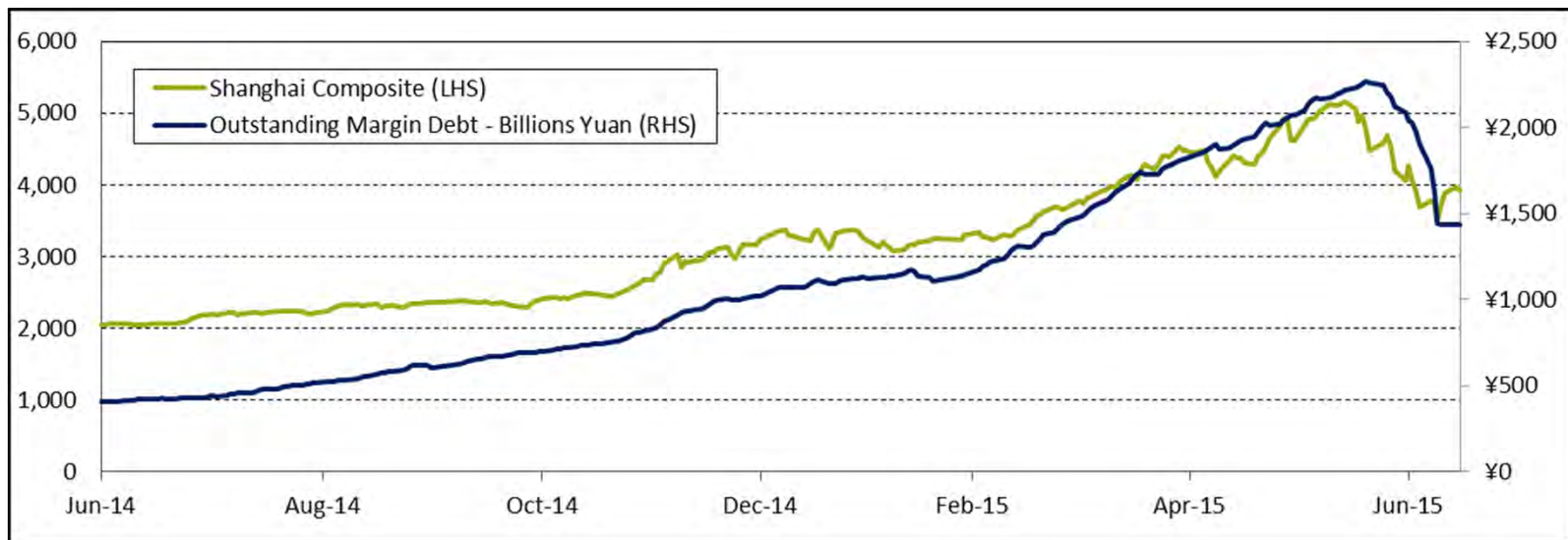
Source: MSCI, Bloomberg  
Note: Chart representative of top 10 country weights

# Market Focus: China

## Recent Drawdown Has Been Extreme and Historic

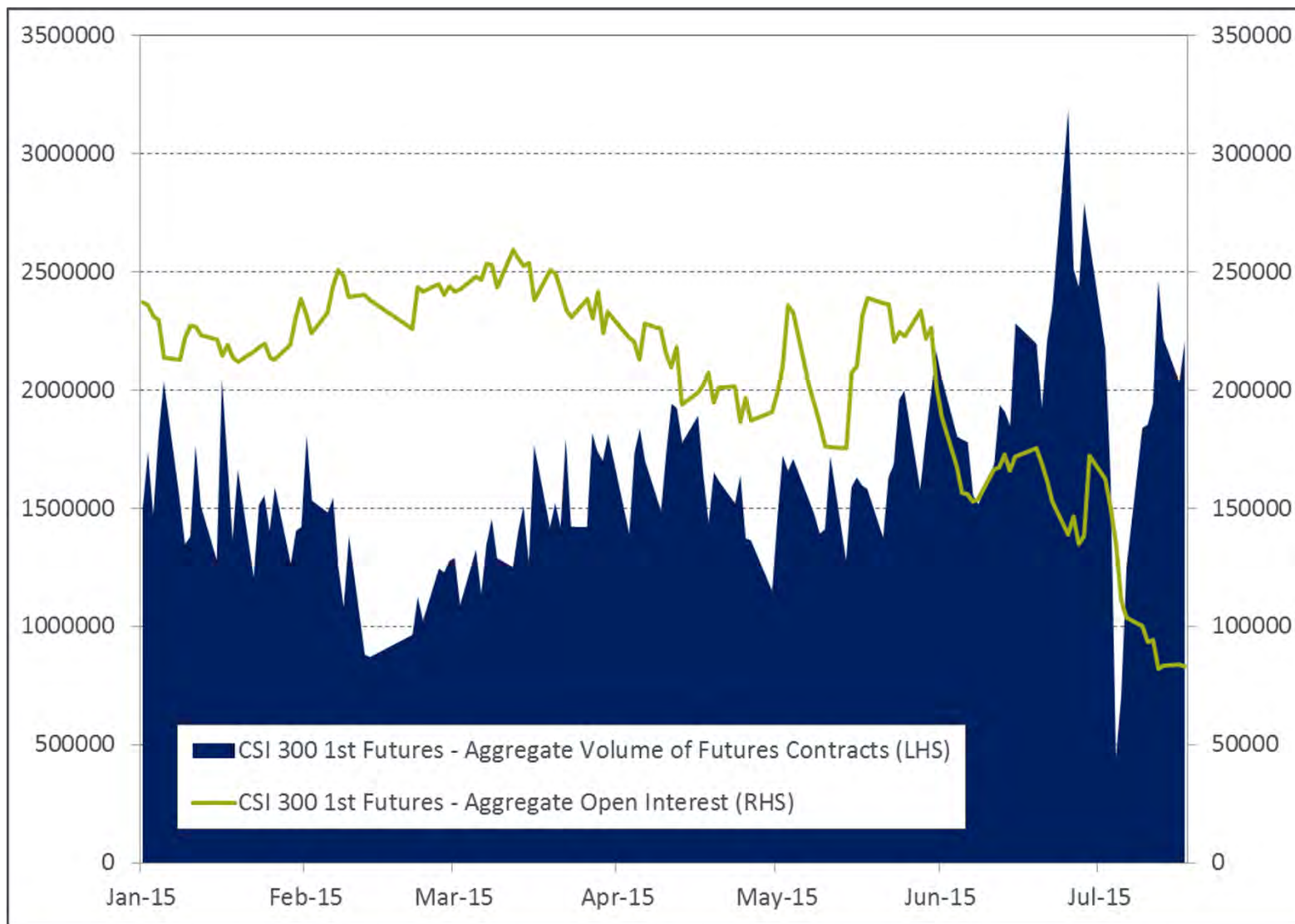


Source: Bloomberg



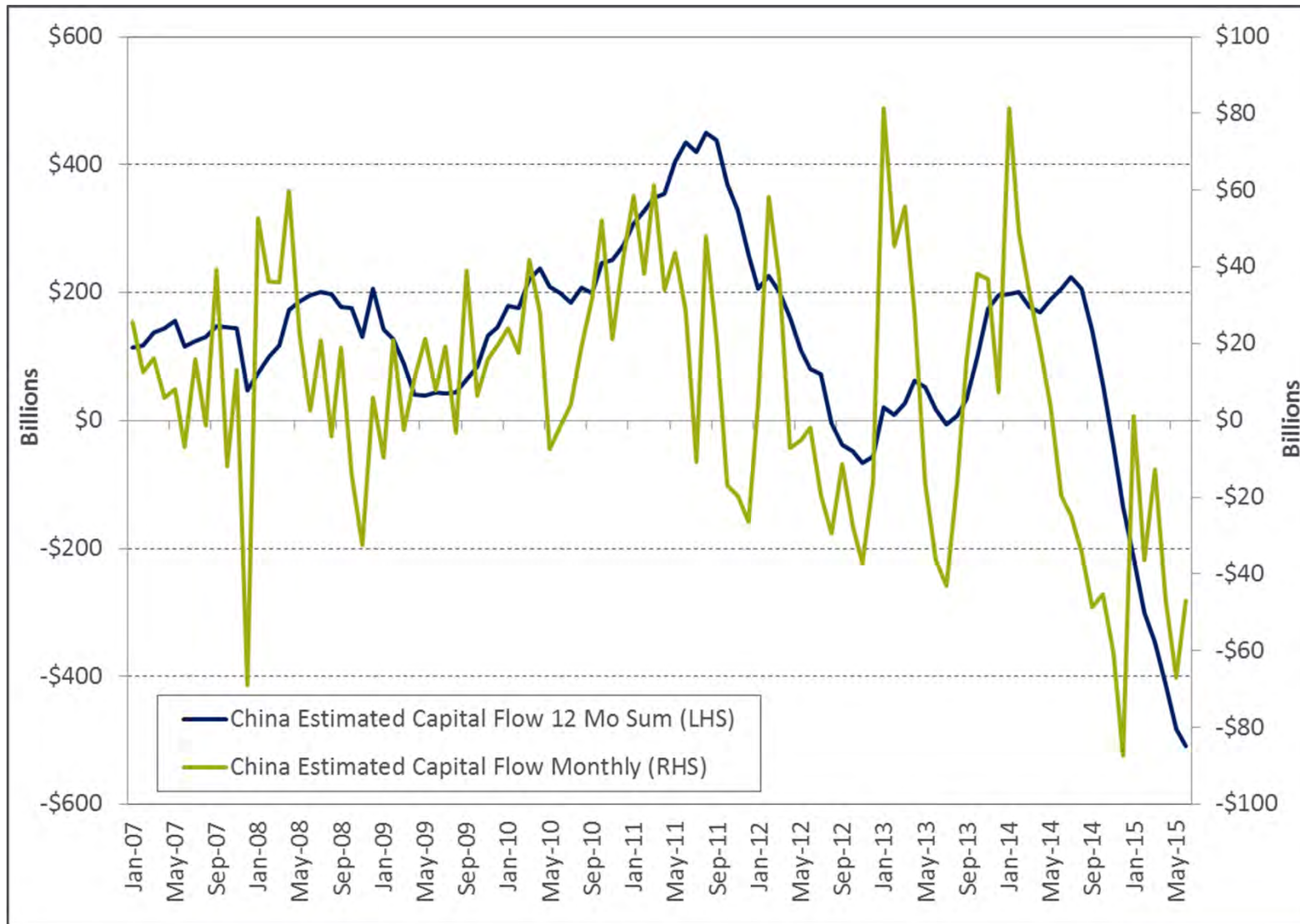
Source: Shanghai Stock Exchange, Bloomberg

## Liquidity Subject to Large Swings and Government Intervention



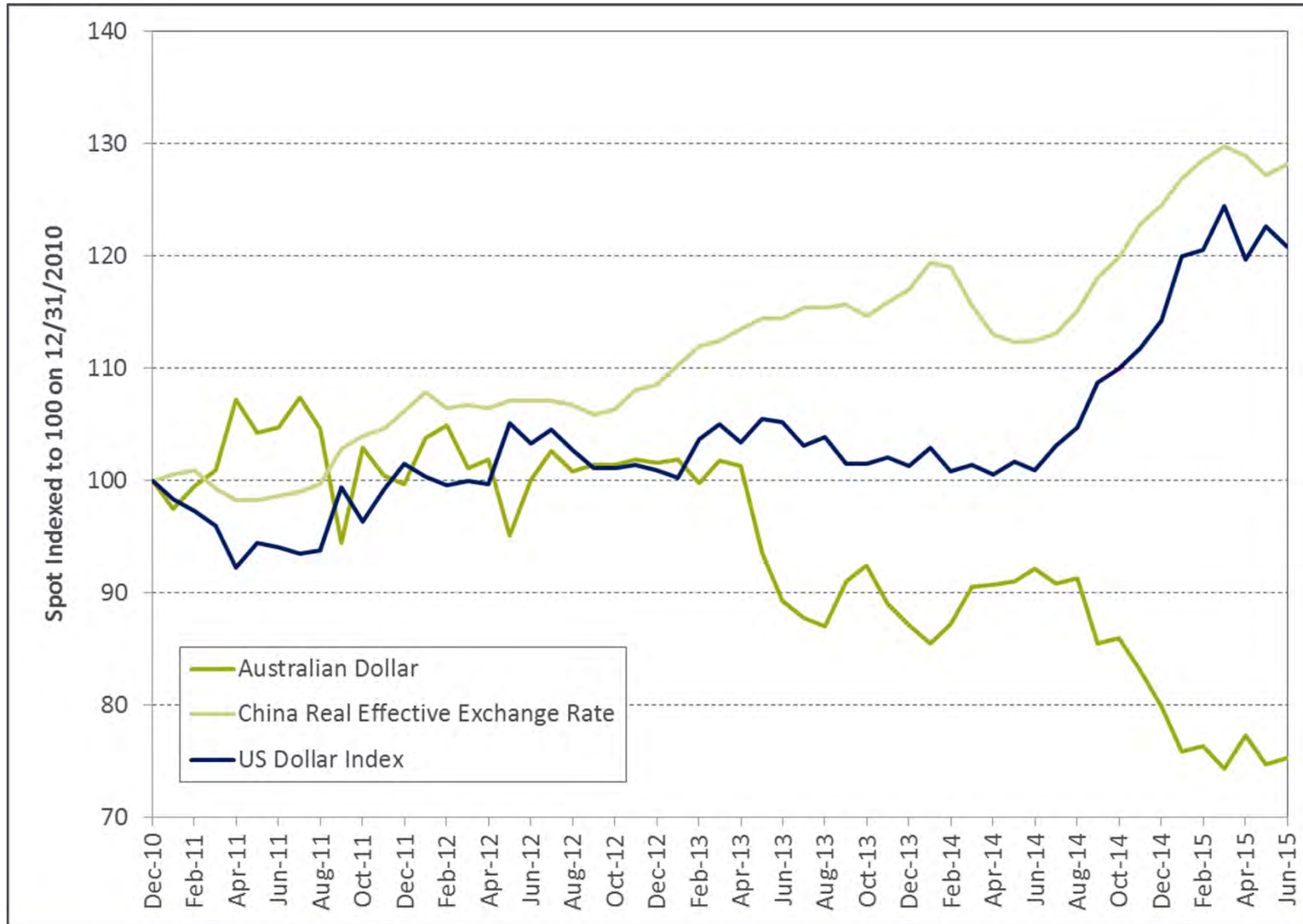
Source: China Financial Futures Exchange, Bloomberg

## China Experiencing Capital Outflows After Years of Foreign Investment Growth



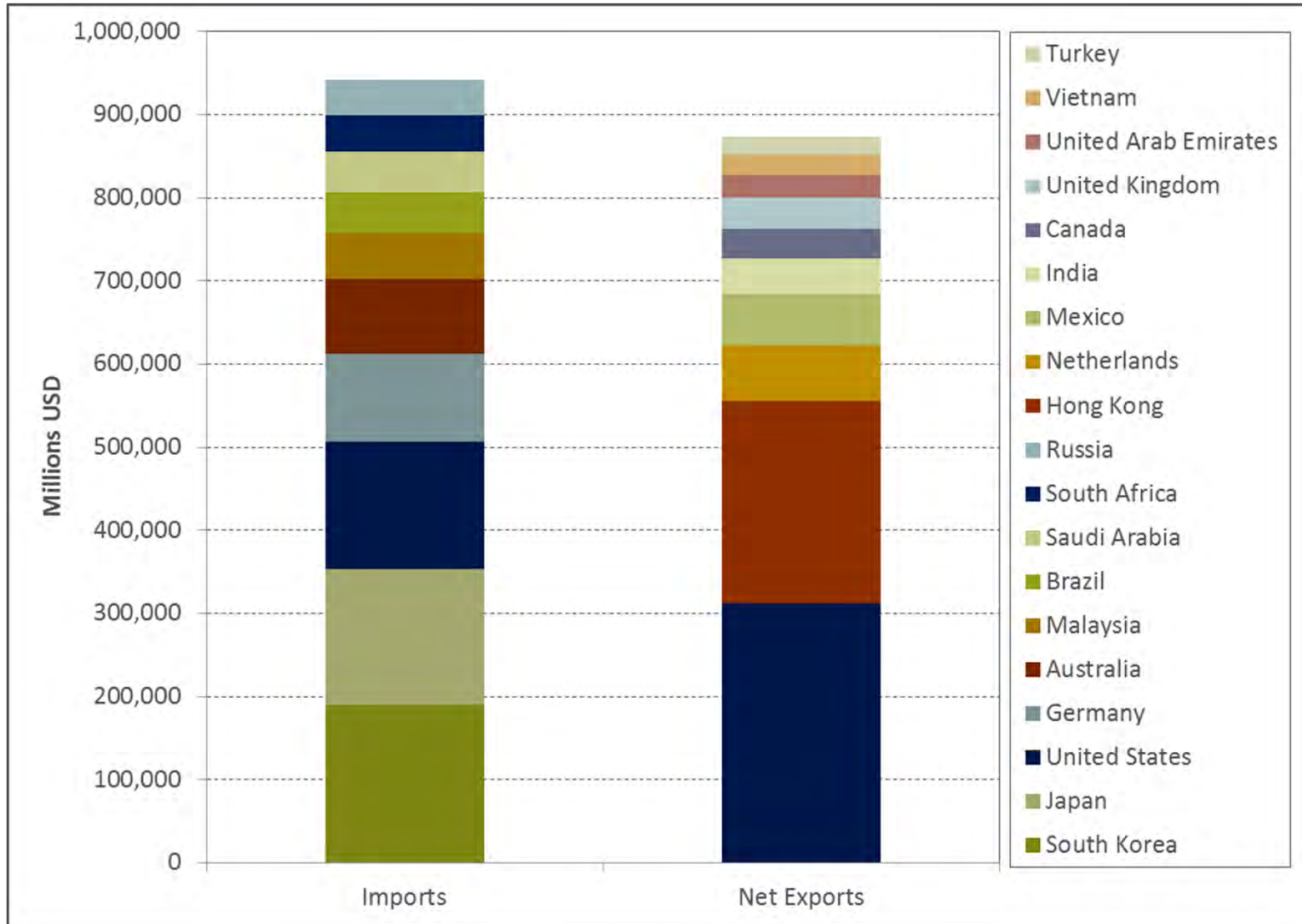
Source: Bloomberg

Strong Dollar is a Tailwind to Yuan/Renminbi Strength Because of Currency Peg



Source: Bloomberg

## Large Trading Partners Most Likely to Be Affected by Slowing Growth and Volatility in China



Source: Bloomberg

Note: Chart shows 10 largest trading partners for imports and net exports based on value of trade in total US dollars



## Index Performance Summary as of 7/31/2015

	2008	2009	2010	2011	2012	2013	2014	Q1	Q2	JUL	YTD
MSCI EAFE	-43.4%	31.8%	7.8%	-12.1%	17.3%	22.8%	-4.9%	4.9%	0.6%	2.1%	7.7%
Russell 2500	-36.8%	34.4%	26.7%	-2.5%	17.9%	36.8%	7.1%	5.2%	-0.3%	-0.2%	4.6%
Russell 1000	-37.6%	28.4%	16.1%	1.5%	16.4%	33.1%	13.2%	1.6%	0.1%	1.9%	3.7%
MSCI ACWI	-42.2%	34.6%	12.7%	-7.3%	16.1%	22.8%	4.2%	2.3%	0.3%	0.9%	3.6%
Russell 2000	-33.8%	27.2%	26.9%	-4.2%	16.3%	38.8%	4.9%	4.3%	0.4%	-1.2%	3.5%
S&P 500	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.0%	0.3%	2.1%	3.4%
Credit Suisse Lev Loan	-28.8%	44.9%	10.0%	1.8%	9.4%	6.2%	2.1%	2.1%	0.8%	0.1%	3.0%
JPM EMBI Glob Div	-12.0%	29.8%	12.2%	7.3%	17.4%	-5.3%	7.4%	2.0%	-0.3%	0.5%	2.2%
Credit Suisse Hedge Fund	-19.1%	18.6%	10.9%	-2.5%	7.7%	9.7%	4.1%	2.5%	-0.5%	-1.3%	2.0%
Barclays US Corp HY	-26.2%	58.2%	15.1%	5.0%	15.8%	7.4%	2.5%	2.5%	0.0%	-0.6%	1.9%
Barclays US Agg Interm	4.9%	6.5%	6.1%	6.0%	3.6%	-1.0%	4.1%	1.3%	-0.7%	0.5%	1.1%
Barclays Municipal	-2.5%	12.9%	2.4%	10.7%	6.8%	-2.6%	9.1%	1.0%	-0.9%	0.7%	0.8%
Barclays US Govt/Credit 1-3	5.0%	3.8%	2.8%	1.6%	1.3%	0.6%	0.8%	0.6%	0.1%	0.1%	0.8%
Barclays US Agg Bond	5.2%	5.9%	6.5%	7.8%	4.2%	-2.0%	6.0%	1.6%	-1.7%	0.7%	0.6%
FTSE NAREIT Equity REITs	-37.7%	28.0%	28.0%	8.3%	18.1%	2.5%	30.1%	4.8%	-10.0%	5.6%	-0.4%
Barclays US Govt/Credit Long	8.4%	1.9%	10.2%	22.5%	8.8%	-8.8%	19.3%	3.4%	-7.6%	2.2%	-2.4%
Barclays US Long Credit	-3.9%	16.8%	10.7%	17.1%	12.7%	-6.6%	16.4%	3.1%	-7.3%	1.5%	-3.0%
Citi WGBI	10.9%	2.6%	5.2%	6.4%	1.6%	-4.0%	-0.5%	-2.5%	-1.5%	0.5%	-3.6%
MSCI EM	-53.3%	78.5%	18.9%	-18.4%	18.2%	-2.6%	-2.2%	2.2%	0.7%	-6.9%	-4.2%
Barclays US Strips 20+ Yr	59.5%	-36.0%	10.9%	58.5%	3.0%	-21.0%	46.4%	5.5%	-14.3%	5.9%	-4.3%
JPM GBI EM Glob Div	-5.2%	22.0%	15.7%	-1.8%	16.8%	-9.0%	-5.7%	-4.0%	-1.0%	-2.6%	-7.3%
Bloomberg Commodity	-35.6%	18.9%	16.8%	-13.3%	-1.1%	-9.5%	-17.0%	-5.9%	4.7%	-10.6%	-12.0%
Alerian MLP	-36.9%	76.4%	35.9%	13.9%	4.8%	27.6%	4.8%	-5.2%	-6.1%	-3.2%	-13.9%

*Source: Morningstar Direct*

# State Employees' Retirement System

# Vermont State Employees

## Total Fund Performance Summary

	Market Value	3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
<b>Employees Composite</b>	<b>\$1,625,863,637</b>	<b>0.1%</b>	<b>47</b>	<b>2.3%</b>	<b>53</b>	<b>0.1%</b>	<b>97</b>	<b>7.6%</b>	<b>92</b>	<b>9.0%</b>	<b>80</b>
<i>Policy Index</i>		-0.1%	60	1.7%	80	0.0%	97	7.0%	95	7.9%	94
<i>Allocation Index</i>		-0.1%	66	1.7%	80	0.0%	97	7.1%	95	7.9%	94
<i>InvestorForce Public DB Gross Median</i>		0.0%		2.4%		3.2%		10.2%		10.3%	

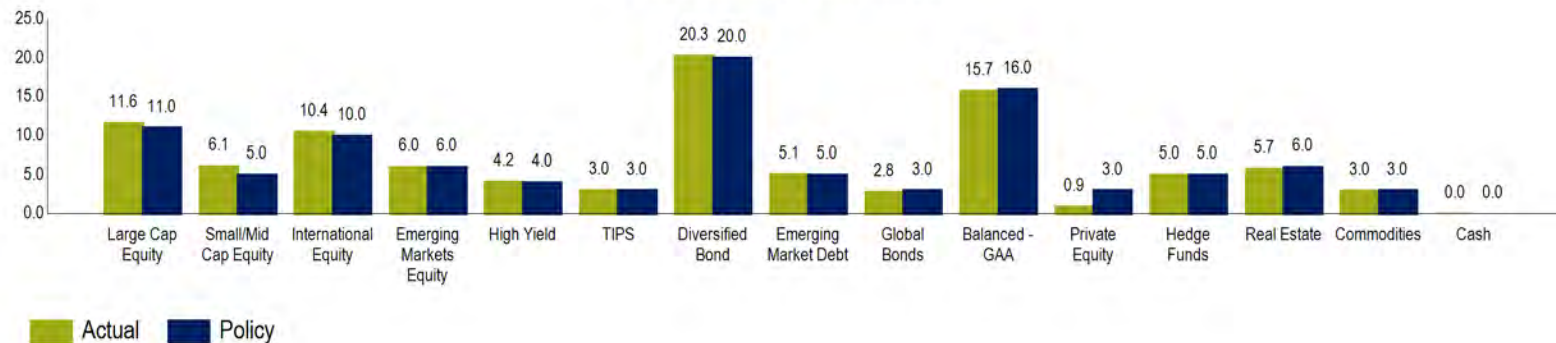
### 3 Years Ending June 30, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Employees Composite	7.64%	92	5.22%	51	1.46	95	2.66	95
Policy Index	7.00%	95	4.72%	23	1.47	94	2.84	92
Allocation Index	7.06%	95	4.77%	26	1.47	94	2.73	94

### 5 Years Ending June 30, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Employees Composite	9.05%	80	7.14%	36	1.26	78	2.08	58
Policy Index	7.91%	94	6.95%	30	1.13	90	1.86	81
Allocation Index	7.89%	94	7.01%	31	1.12	91	1.80	86

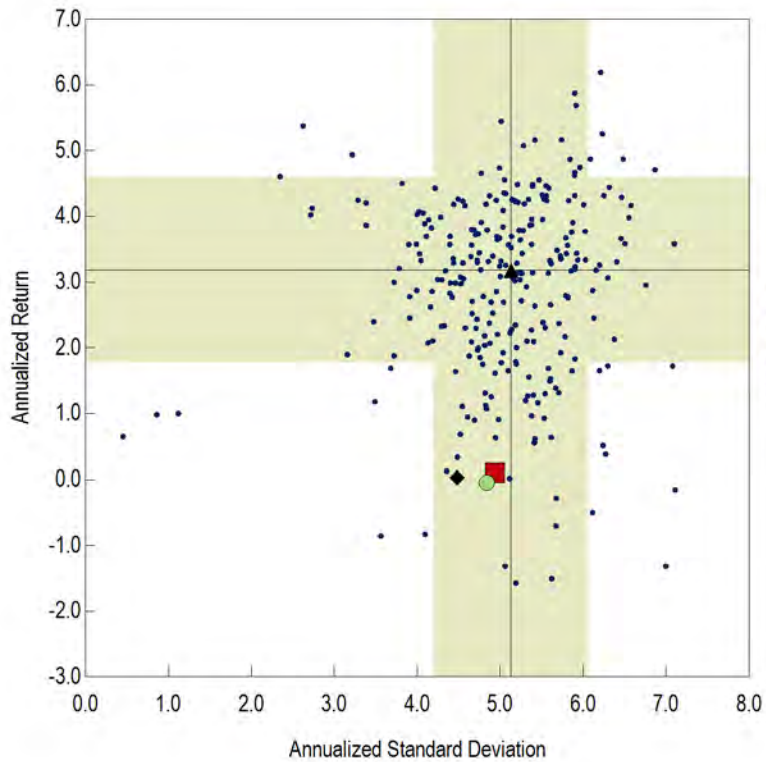
### Actual vs Target Allocation (%)



# Vermont State Employees

## Total Fund Risk/Return

1 Year Ending June 30, 2015



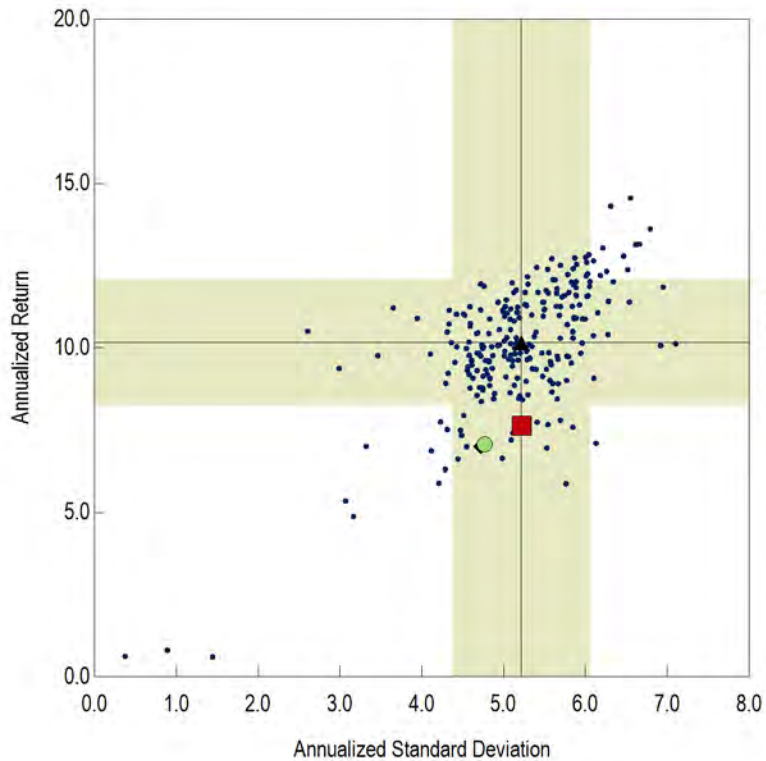
1 Year Ending June 30, 2015

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Employees Composite	0.10%	97	4.94%	40	0.02	97
Policy Index	0.03%	97	4.48%	22	0.00	97
S&P 500	7.42%	1	9.30%	99	0.80	24
60% MSCI ACWI (Net)/40% CITI WGBI	-3.22%	99	6.22%	93	-0.52	99
Citi WGBI	-9.02%	99	4.04%	11	-2.24	99
MSCI ACWI	0.71%	93	8.96%	99	0.08	95
MSCI ACWI ex USA	-5.26%	99	10.66%	99	-0.49	99
InvestorForce Public DB Gross Median	3.18%	--	5.13%	--	0.62	--

# Vermont State Employees

## Total Fund Risk/Return

3 Years Ending June 30, 2015



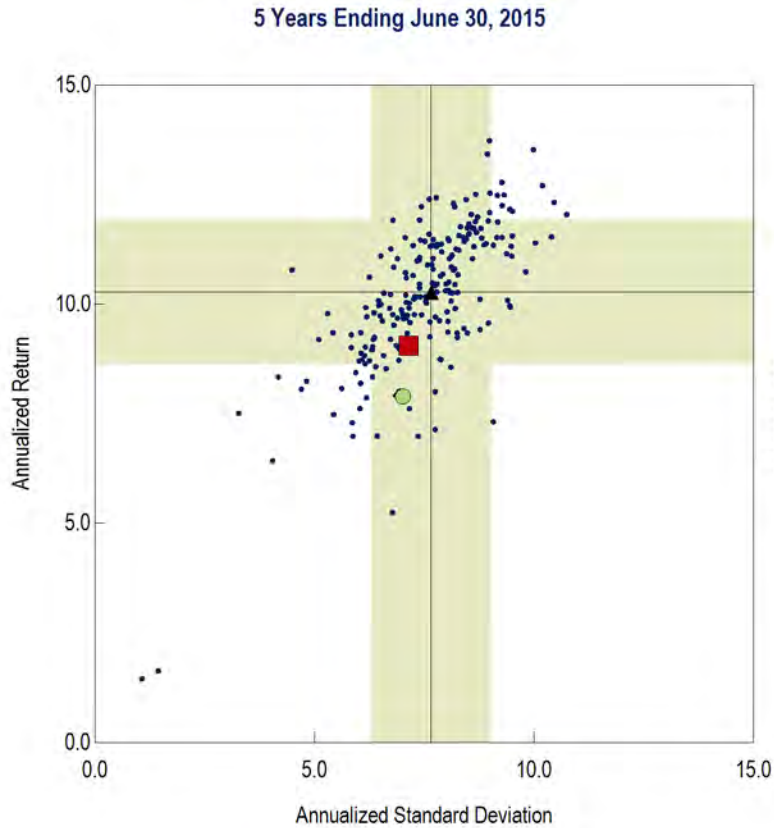
- Employees Composite
- ◆ Policy Index
- Allocation Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB Gross

3 Years Ending June 30, 2015

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Employees Composite	7.64%	92	5.22%	51	1.46	95
Policy Index	7.00%	95	4.72%	23	1.47	94
S&P 500	17.31%	1	8.55%	99	2.02	42
60% MSCI ACWI (Net)/40% CITI WGBI	6.65%	97	6.20%	94	1.07	99
Citi WGBI	-2.45%	99	4.39%	10	-0.57	99
MSCI ACWI	13.01%	3	8.73%	99	1.49	93
MSCI ACWI ex USA	9.44%	72	10.35%	99	0.91	99
InvestorForce Public DB Gross Median	10.16%	--	5.22%	--	1.97	--

# Vermont State Employees

## Total Fund Risk/Return



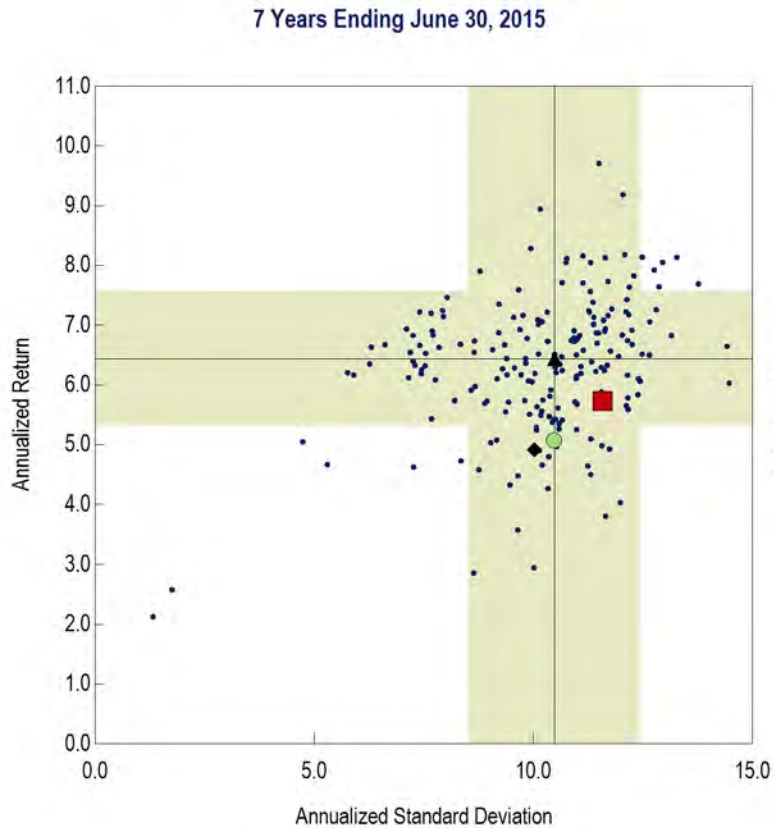
- Employees Composite
- ◆ Policy Index
- Allocation Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB Gross

5 Years Ending June 30, 2015

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Employees Composite	9.05%	80	7.14%	36	1.26	78
Policy Index	7.91%	94	6.95%	30	1.13	90
S&P 500	17.34%	1	12.00%	99	1.44	27
60% MSCI ACWI (Net)/40% CITI WGBI	7.65%	95	9.22%	92	0.82	99
Citi WGBI	1.05%	99	5.37%	5	0.19	99
MSCI ACWI	11.93%	11	13.61%	99	0.87	99
MSCI ACWI ex USA	7.76%	94	15.66%	99	0.49	99
InvestorForce Public DB Gross Median	10.28%	--	7.66%	--	1.36	--

# Vermont State Employees

## Total Fund Risk/Return



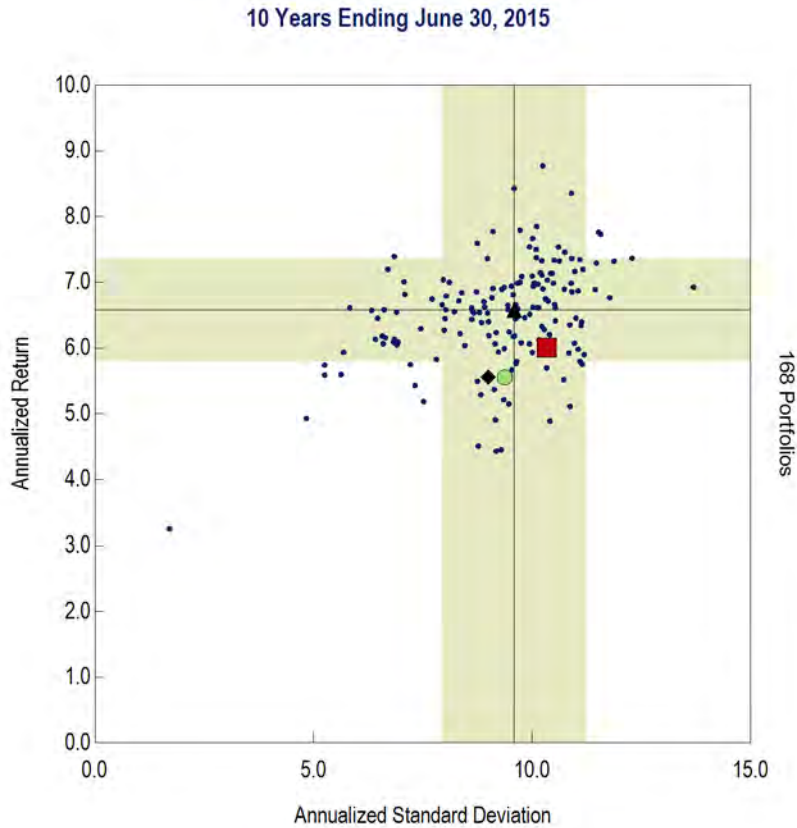
- Employees Composite
- ◆ Policy Index
- Allocation Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB Gross

7 Years Ending June 30, 2015

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Employees Composite	5.73%	75	11.57%	77	0.48	87
Policy Index	4.91%	91	10.02%	38	0.48	88
S&P 500	9.42%	1	16.33%	99	0.57	63
60% MSCI ACWI (Net)/40% CITI WGBI	3.93%	98	12.37%	93	0.31	99
Citi WGBI	1.75%	99	6.74%	5	0.24	99
MSCI ACWI	4.79%	92	18.38%	99	0.25	99
MSCI ACWI ex USA	1.48%	99	20.73%	99	0.07	99
InvestorForce Public DB Gross Median	6.44%	--	10.48%	--	0.60	--

# Vermont State Employees

## Total Fund Risk/Return



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

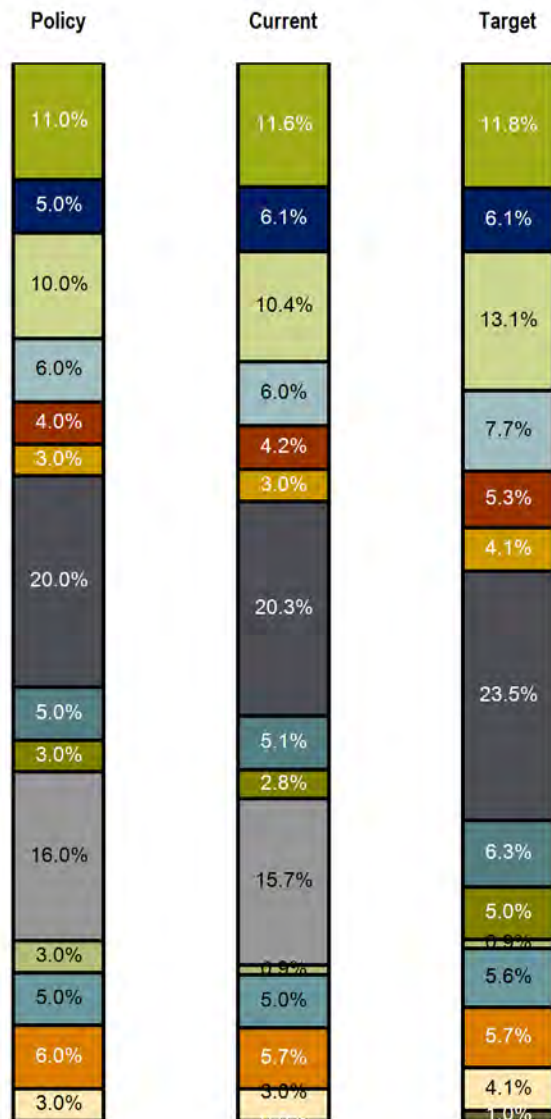
10 Years Ending June 30, 2015

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Employees Composite	6.01%	78	10.33%	74	0.46	87
Policy Index	5.56%	90	9.00%	34	0.48	81
S&P 500	7.89%	2	14.74%	99	0.45	89
60% MSCI ACWI (Net)/40% CITI WGBI	5.40%	93	10.94%	89	0.38	98
Citi WGBI	3.08%	99	6.60%	7	0.27	99
MSCI ACWI	6.41%	60	16.58%	99	0.31	99
MSCI ACWI ex USA	5.54%	90	18.88%	99	0.23	99
InvestorForce Public DB Gross Median	6.58%	--	9.59%	--	0.56	--



# Vermont State Employees

## Total Fund Asset Allocation vs. Policy Targets



- Large Cap Equity
- Small/Mid Cap Equity
- International Equity
- Emerging Markets Equity
- High Yield
- TIPS
- Diversified Bond
- Emerging Market Debt
- Global Bonds
- Balanced - GAA
- Private Equity
- Hedge Funds
- Real Estate
- Commodities
- Cash

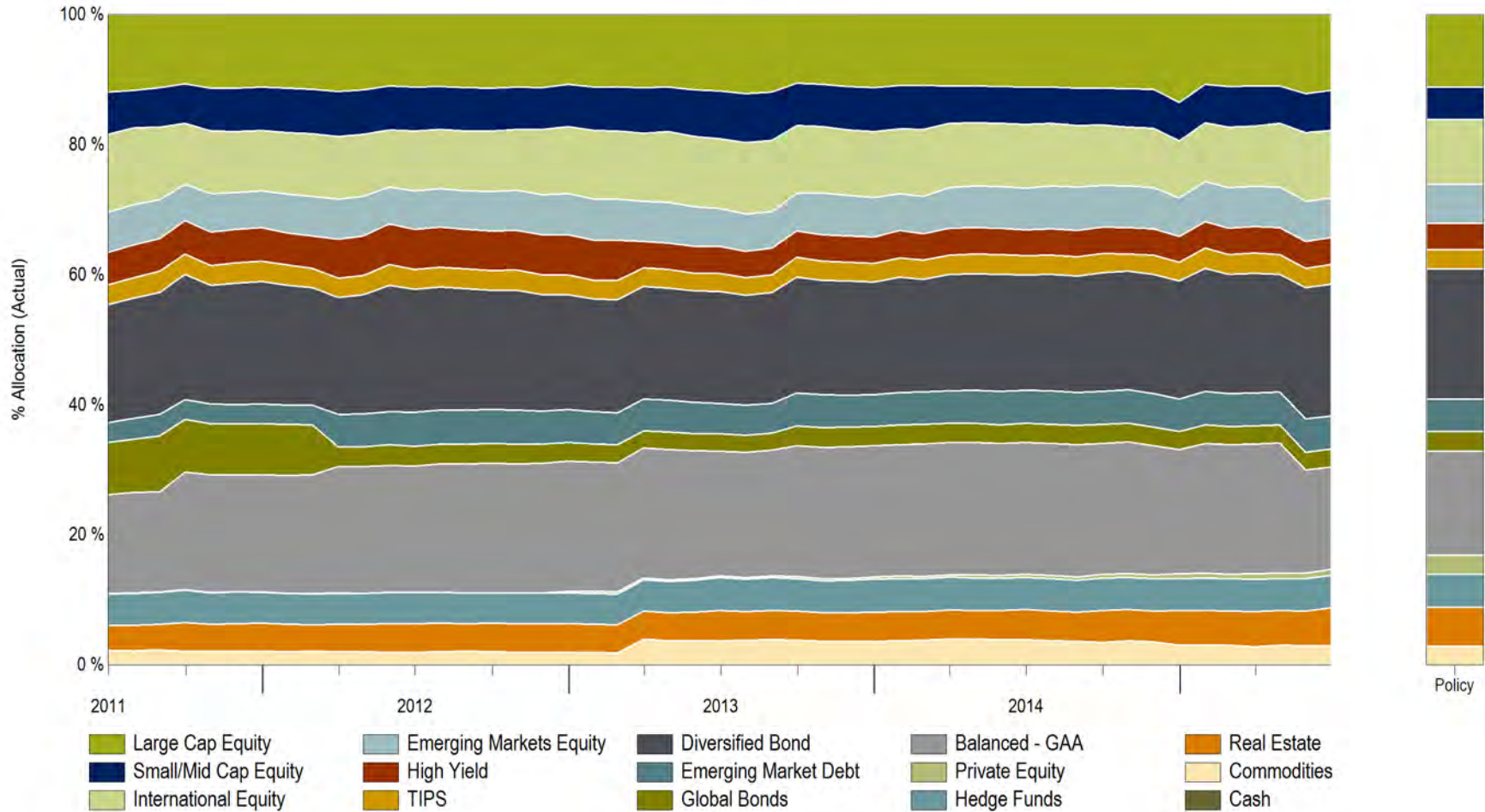
### Asset Allocation vs. Target

	Current	Policy	Current	Difference*
Large Cap Equity	\$189,367,742	11.00%	11.65%	0.65%
Small/Mid Cap Equity	\$99,595,430	5.00%	6.13%	1.13%
International Equity	\$169,700,168	10.00%	10.44%	0.44%
Emerging Markets Equity	\$98,209,908	6.00%	6.04%	0.04%
High Yield	\$67,490,150	4.00%	4.15%	0.15%
TIPS	\$49,391,664	3.00%	3.04%	0.04%
Diversified Bond	\$329,799,287	20.00%	20.28%	0.28%
Emerging Market Debt	\$82,284,986	5.00%	5.06%	0.06%
Global Bonds	\$44,957,058	3.00%	2.77%	-0.23%
Balanced - GAA	\$255,943,770	16.00%	15.74%	-0.26%
Private Equity	\$14,651,034	3.00%	0.90%	-2.10%
Hedge Funds	\$82,013,256	5.00%	5.04%	0.04%
Real Estate	\$93,455,574	6.00%	5.75%	-0.25%
Commodities	\$48,740,226	3.00%	3.00%	0.00%
Cash	\$263,384	--	0.02%	0.02%
<b>Total</b>	<b>\$1,625,863,637</b>	<b>100.00%</b>	<b>100.00%</b>	

\*Difference between Policy and Current Allocation

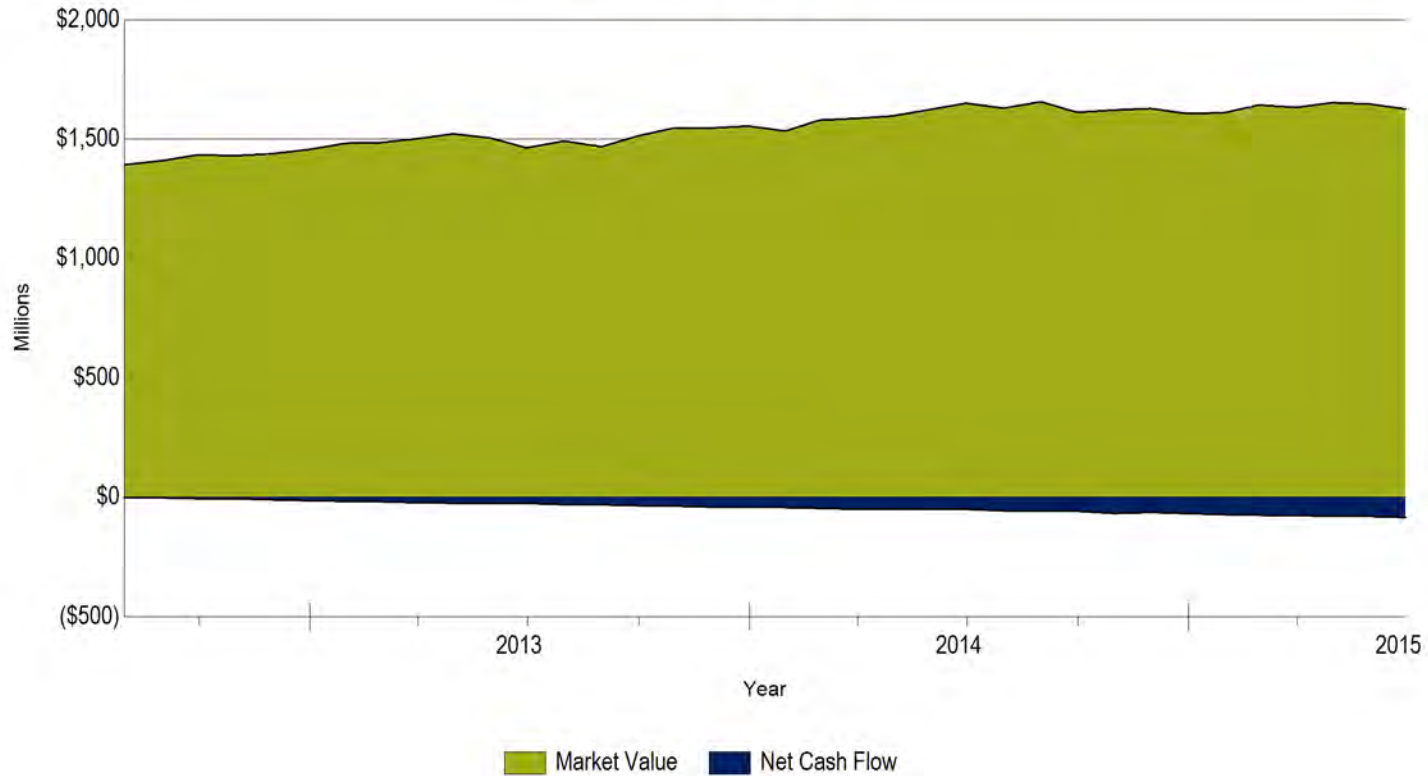
Total Fund Asset Allocation History

Asset Allocation History



Total Fund Asset Growth Summary

3 Years Ending June 30, 2015



	Last Three Months	Year-To-Date	One Year	Three Years
Beginning Market Value	\$1,632,903,632	\$1,606,602,018	\$1,650,586,256	\$1,370,552,550
- Withdrawals	-\$161,751,030	-\$226,114,799	-\$307,392,779	-\$561,517,927
+ Contributions	\$154,891,392	\$210,149,871	\$273,773,265	\$477,189,841
= Net Cash Flow	-\$6,859,639	-\$15,964,928	-\$33,619,515	-\$84,328,086
+ Net Investment Change	-\$180,356	\$35,226,548	\$8,896,896	\$339,639,173
= Ending Market Value	\$1,625,863,637	\$1,625,863,637	\$1,625,863,637	\$1,625,863,637

## Vermont State Employees

### Total Fund Asset Growth Summary by Manager

	Quarter Ending June 30, 2015					Ending Market Value
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	
Aberdeen	\$100,150,937	-\$184,160	\$184,160	\$0	-\$1,941,030	\$98,209,908
Acadian	\$64,378,999	-\$78,456	\$78,456	\$0	\$814,420	\$65,193,418
Allianz Structured Alpha	\$44,954,342	-\$366,377	\$0	-\$366,377	-\$624,655	\$43,963,310
AQR Global Risk Premium	\$128,968,861	-\$130,627	\$130,627	\$0	-\$3,348,790	\$125,620,071
BlackRock TIPS	\$49,927,134	-\$9,393	\$9,393	\$0	-\$535,470	\$49,391,664
Champlain	\$32,972,716	-\$866,271	\$66,271	-\$800,000	\$913,243	\$33,085,959
GAM	\$16,314,640	-\$16,145,675	\$0	-\$16,145,675	-\$412	\$168,553
GAM Unconstrained Bond	--	\$0	\$64,627,895	\$64,627,895	\$45,472	\$64,673,367
Grosvenor	\$65,192,680	\$0	\$16,200,000	\$16,200,000	\$452,023	\$81,844,703
Guggenheim	\$50,470,989	-\$61,435	\$61,435	\$0	\$530,765	\$51,001,754
Harbourvest Dover VIII Fund	\$5,485,045	\$0	\$425,302	\$425,302	\$294,660	\$6,205,007
Harbourvest Partners IX Buyout Fund	\$3,705,563	\$0	\$314,841	\$314,841	-\$22,534	\$3,997,870
Harbourvest Partners IX Credit Opportunities	\$481,933	\$0	\$72,297	\$72,297	-\$2,939	\$551,290
Harbourvest Partners IX Venture Fund	\$3,211,099	\$0	\$162,150	\$162,150	-\$10,429	\$3,362,820
HIPEP VII	\$402,771	\$0	\$122,122	\$122,122	\$9,153	\$534,046
KDP	\$16,416,587	-\$25,693	\$25,693	\$0	\$71,809	\$16,488,396
Mellon Dynamic Growth	\$37,252,723	-\$57,721	\$57,721	\$0	-\$662,650	\$36,590,074
Mondrian	\$64,078,356	-\$60,009	\$60,009	\$0	\$228,709	\$64,307,065
Mondrian GFI	\$45,078,013	-\$38,874	\$38,874	\$0	-\$120,955	\$44,957,058
Morgan Stanley Prime Property	\$40,155,138	-\$115,532	\$0	-\$115,532	\$2,650,876	\$42,690,483
PIMCO All Asset	\$93,957,452	-\$211,838	\$0	-\$211,838	-\$12,125	\$93,733,490
PIMCO Core Plus	\$89,801,577	-\$67,618	\$67,618	\$0	-\$1,314,362	\$88,487,215
PIMCO Unconstrained	\$106,429,795	-\$65,787,263	\$159,369	-\$65,627,895	\$236,714	\$41,038,614
RREEF America REIT III	\$7,510,758	-\$854,903	\$0	-\$854,903	\$966,312	\$7,622,167
Schroder	\$46,191,151	\$0	\$0	\$0	\$2,549,075	\$48,740,226

## Vermont State Employees

### Total Fund Asset Growth Summary by Manager

	Quarter Ending June 30, 2015					Ending Market Value
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	
Siguler Guff	\$5,918,737	\$0	\$733,224	\$733,224	\$0	\$6,651,960
SSgA ACWI Ex US	\$24,036,345	-\$4,215	\$16,704,215	\$16,700,000	-\$536,660	\$40,199,685
SSgA Barclays Aggregate Index	\$16,319,525	-\$1,375	\$33,301,375	\$33,300,000	-\$420,864	\$49,198,661
SSgA Russell 2000 Growth	\$22,739,535	-\$5,605,302	\$4,105,302	-\$1,500,000	\$468,927	\$21,708,463
SSgA S&P 400	\$8,885,014	-\$1,885	\$1,885	\$0	-\$93,383	\$8,791,631
SSgA S&P 500 Cap-Wgt	\$129,389,770	-\$4,109,473	\$17,009,473	\$12,900,000	-\$1,833,892	\$140,455,879
SSgA S&P 500 Equal-Wgt	\$49,448,992	-\$6,710	\$6,710	\$0	-\$540,124	\$48,908,867
T. Rowe	\$139,293	-\$136,348	\$0	-\$136,348	\$51	\$2,996
Transwestern / Aslan III	\$348,511	-\$650	\$0	-\$650	\$12,924	\$360,785
UBS Trumbull	\$34,320,317	-\$95,035	\$0	-\$95,035	\$1,904,897	\$36,130,179
Vermont Cash	\$190,864	-\$32,510	\$105,030	\$72,520	\$0	\$263,384
Wellington	\$35,606,171	-\$59,944	\$59,944	\$0	\$403,207	\$36,009,378
Wellington DAS	\$43,623,861	\$0	\$0	\$0	-\$1,185,741	\$42,438,121
Wellington OIF	\$65,045,569	-\$66,635,528	\$0	-\$66,635,528	\$1,590,096	\$136
Wellington Opportunistic EMD	\$83,401,659	\$0	\$0	\$0	-\$1,116,673	\$82,284,986
zPermal	\$208	-\$208	\$0	-\$208	\$0	--
<b>Total</b>	<b>\$1,632,903,632</b>	<b>-\$161,751,030</b>	<b>\$154,891,392</b>	<b>-\$6,859,639</b>	<b>-\$180,356</b>	<b>\$1,625,863,637</b>

# Vermont State Employees

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Employees Composite</b>	<b>1,625,863,637</b>	<b>100.0</b>	<b>100.0</b>	<b>0.1</b>	<b>47</b>	<b>2.3</b>	<b>53</b>	<b>0.1</b>	<b>97</b>	<b>7.6</b>	<b>92</b>	<b>9.0</b>	<b>80</b>
<i>Policy Index</i>				-0.1	60	1.7	80	0.0	97	7.0	95	7.9	94
<i>Allocation Index</i>				-0.1	66	1.7	80	0.0	97	7.1	95	7.9	94
<i>InvestorForce Public DB Gross Median</i>				0.0		2.4		3.2		10.2		10.3	
<b>US Equity</b>	<b>288,963,172</b>	<b>17.8</b>	<b>15.0</b>	<b>0.5</b>	<b>44</b>	<b>3.0</b>	<b>52</b>	<b>8.3</b>	<b>42</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Russell 3000</i>				0.1	54	1.9	64	7.3	51	17.7	59	17.5	55
<i>eA All US Equity Gross Median</i>				0.3		3.2		7.3		18.3		17.8	
<b>Large Cap Comp</b>	<b>189,367,742</b>	<b>11.6</b>	<b>11.0</b>	<b>-0.1</b>	<b>63</b>	<b>1.1</b>	<b>66</b>	<b>6.9</b>	<b>57</b>	<b>18.1</b>	<b>49</b>	<b>17.8</b>	<b>45</b>
<i>S&amp;P 500</i>				0.3	53	1.2	63	7.4	53	17.3	61	17.3	53
<i>eA US Large Cap Equity Gross Median</i>				0.3		2.0		7.6		17.9		17.4	
SSgA S&P 500 Cap-Wgt	140,455,879	8.6	8.0	0.3	53	1.2	63	7.4	53	17.3	61	--	--
<i>S&amp;P 500</i>				0.3	53	1.2	63	7.4	53	17.3	61	17.3	53
SSgA S&P 500 Equal-Wgt	48,908,867	3.0	3.0	-1.1	87	0.7	71	6.1	65	19.6	27	18.4	33
<i>S&amp;P 500 Equal Weighted</i>				-1.1	87	0.7	71	6.1	65	19.6	27	18.4	31
T. Rowe	2,996	0.0	0.0										
<b>Small/Mid Cap Comp</b>	<b>99,595,430</b>	<b>6.1</b>	<b>5.0</b>	<b>1.6</b>	<b>27</b>	<b>6.6</b>	<b>36</b>	<b>10.8</b>	<b>21</b>	<b>19.3</b>	<b>46</b>	<b>18.8</b>	<b>39</b>
<i>Russell 2000</i>				0.4	49	4.8	59	6.5	55	17.8	64	17.1	68
<i>eA US Small-Mid Cap Equity Gross Median</i>				0.4		5.4		7.0		19.0		18.1	
SSgA S&P 400	8,791,631	0.5	0.5	-1.1	69	4.2	59	6.4	67	18.6	57	--	--
<i>S&amp;P 400 MidCap</i>				-1.1	69	4.2	59	6.4	67	18.6	58	17.8	64
<i>eA US Mid Cap Equity Gross Median</i>				-0.1		4.9		8.1		19.2		18.3	
Champlain	33,085,959	2.0	2.0	2.8	8	6.9	25	10.2	33	19.5	45	18.8	42
<i>Russell 2500</i>				-0.3	56	4.8	52	5.9	72	18.7	57	17.9	63
<i>eA US Mid Cap Equity Gross Median</i>				-0.1		4.9		8.1		19.2		18.3	
Wellington	36,009,378	2.2	2.0	1.1	28	5.5	16	11.8	2	18.7	45	18.4	30
<i>Russell 2000 Value</i>				-1.2	81	0.8	83	0.8	73	15.5	80	14.8	84
<i>eA US Small Cap Value Equity Gross Median</i>				-0.1		3.1		3.6		18.4		17.1	
SSgA Russell 2000 Growth	21,708,463	1.3	0.5	2.0	57	8.7	52	12.3	44	20.1	54	19.3	63
<i>Russell 2000 Growth</i>				2.0	57	8.7	50	12.3	44	20.1	54	19.3	63
<i>eA US Small Cap Growth Equity Gross Median</i>				2.4		8.7		11.7		20.6		20.0	

Fiscal Year End is 6/30

Report is Gross of manager fees, except where otherwise noted

# Vermont State Employees

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Int'l Equity Comp</b>	<b>169,700,168</b>	<b>10.4</b>	<b>10.0</b>	<b>0.7</b>	<b>77</b>	<b>5.3</b>	<b>77</b>	<b>-5.3</b>	<b>91</b>	<b>12.4</b>	<b>64</b>	<b>10.2</b>	<b>70</b>
MSCI EAFE				0.6	81	5.5	74	-4.2	79	12.0	74	9.5	83
eA All EAFE Equity Gross Median				1.8		6.9		-1.5		13.2		11.3	
Acadian	65,193,418	4.0	4.0	1.3	63	5.7	71	-5.5	91	13.8	45	10.8	56
Mondrian	64,307,065	4.0	4.0	0.4	86	5.4	75	-5.2	90	12.1	70	10.3	68
MSCI EAFE				0.6	81	5.5	74	-4.2	79	12.0	74	9.5	83
SSgA ACWI Ex US	40,199,685	2.5	2.0	0.6	70	4.2	81	-5.1	82	9.7	81	--	--
MSCI ACWI ex USA				0.5	74	4.0	82	-5.3	83	9.4	83	7.8	96
eA ACWI ex-US All Cap Equity Gross Median				1.2		6.0		-1.4		12.3		10.7	
<b>Emerging Market Comp</b>	<b>98,209,908</b>	<b>6.0</b>	<b>6.0</b>	<b>-1.9</b>	<b>96</b>	<b>1.1</b>	<b>71</b>	<b>-7.5</b>	<b>77</b>	<b>2.7</b>	<b>86</b>	<b>--</b>	<b>--</b>
Aberdeen	98,209,908	6.0	6.0	-1.9	96	1.1	71	-7.5	77	2.7	86	6.3	36
MSCI Emerging Markets				0.7	59	2.9	43	-5.1	59	3.7	73	3.7	77
eA Emg Mkts Equity Gross Median				1.0		2.6		-3.7		5.8		5.2	
<b>US Fixed Income</b>	<b>446,681,101</b>	<b>27.5</b>	<b>24.0</b>	<b>-0.9</b>	<b>62</b>	<b>1.3</b>	<b>21</b>	<b>2.6</b>	<b>16</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Barclays Aggregate				-1.7	81	-0.1	84	1.9	39	1.8	70	3.3	65
eA All US Fixed Inc Gross Median				-0.6		0.6		1.6		2.6		4.0	
<b>Diversified Fixed</b>	<b>329,799,287</b>	<b>20.3</b>	<b>20.0</b>	<b>-1.2</b>	<b>69</b>	<b>0.9</b>	<b>31</b>	<b>3.4</b>	<b>8</b>	<b>2.8</b>	<b>46</b>	<b>5.0</b>	<b>38</b>
Barclays Aggregate				-1.7	81	-0.1	84	1.9	39	1.8	70	3.3	65
eA All US Fixed Inc Gross Median				-0.6		0.6		1.6		2.6		4.0	
Allianz Structured Alpha	43,963,310	2.7	2.0	-1.4	37	3.6	1	11.6	1	7.9	1	9.7	1
Citigroup 10 Year Treasury				-3.0	99	-0.6	99	3.8	1	0.7	99	4.1	41
PIMCO Core Plus	88,487,215	5.4	5.0	-1.5	43	0.9	11	2.3	26	2.2	67	4.1	41
Barclays Aggregate				-1.7	70	-0.1	82	1.9	66	1.8	88	3.3	85
PIMCO Unconstrained	41,038,614	2.5	2.5	-0.3	6	0.4	38	0.7	99	1.2	99	--	--
25% HY, 25% EMD, 50% BC Agg				-0.9	15	1.0	7	0.5	99	3.5	11	5.5	4
3-Month Libor Total Return USD				0.1	3	0.1	59	0.3	99	0.3	99	0.3	99
Wellington DAS	42,438,121	2.6	3.0	-2.7	99	0.3	48	6.0	1	4.1	5	7.6	1
Wellington Custom Benchmark				-3.4	99	-0.3	94	4.9	1	1.6	94	5.4	4
SSgA Barclays Aggregate Index	49,198,661	3.0	3.0	-1.7	70	--	--	--	--	--	--	--	--
Barclays Aggregate				-1.7	70	-0.1	82	1.9	66	1.8	88	3.3	85
3-Month Libor Total Return USD				0.1	3	0.1	59	0.3	99	0.3	99	0.3	99
eA US Core Fixed Inc Gross Median				-1.5		0.2		2.0		2.4		3.9	
GAM Unconstrained Bond	64,673,367	4.0	4.5	--	--	--	--	--	--	--	--	--	--
3-Month LIBOR + 3%				0.8	1	1.6	1	3.3	4	3.3	15	3.3	85
eA US Core Fixed Inc Gross Median				-1.5		0.2		2.0		2.4		3.9	

Wellington DAS is Net of Fees. Allianz is net of fees from inception to Q3 2012, and grossed up quarterly since GAM Unconstrained Bond was funded in June 2015

# Vermont State Employees

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>High Yield Comp</b>	<b>67,490,150</b>	<b>4.2</b>	<b>4.0</b>	<b>0.9</b>	<b>20</b>	<b>3.5</b>	<b>23</b>	<b>1.8</b>	<b>24</b>	<b>7.2</b>	<b>44</b>	<b>8.8</b>	<b>52</b>
Barclays High Yield				0.0	76	2.5	74	-0.4	66	6.8	58	8.6	59
eA US High Yield Fixed Inc Gross Median				0.4		2.9		0.4		7.0		8.8	
KDP	16,488,396	1.0	1.0	0.4	46	2.8	61	1.1	37	5.8	82	7.7	86
Barclays High Yield				0.0	76	2.5	74	-0.4	66	6.8	58	8.6	59
BofA Merrill Lynch US High Yield BB-B Rated				0.0	76	2.7	67	0.7	45	6.8	59	8.4	67
Guggenheim	51,001,754	3.1	3.0	1.1	17	3.8	16	2.0	17	--	--	--	--
Barclays High Yield				0.0	76	2.5	74	-0.4	66	6.8	58	8.6	59
eA US High Yield Fixed Inc Gross Median				0.4		2.9		0.4		7.0		8.8	
<b>TIPS</b>	<b>49,391,664</b>	<b>3.0</b>	<b>3.0</b>										
BlackRock TIPS	49,391,664	3.0	3.0	-1.1	--	0.5	--	-1.7	--	-0.8	--	3.3	--
Barclays US TIPS				-1.1	--	0.3	--	-1.7	--	-0.8	--	3.3	--
<b>Global Fixed Income Comp</b>	<b>44,957,058</b>	<b>2.8</b>	<b>3.0</b>	<b>-0.3</b>	<b>44</b>	<b>-2.2</b>	<b>68</b>	<b>-6.6</b>	<b>75</b>	<b>-2.9</b>	<b>98</b>	<b>1.8</b>	<b>90</b>
Citi WGBI				-1.5	73	-4.0	88	-9.0	87	-2.4	95	1.0	96
eA All Global Fixed Inc Gross Median				-0.7		-0.1		-2.7		3.1		4.6	
Mondrian GFI	44,957,058	2.8	3.0	-0.3	44	-2.2	68	-6.6	75	-2.9	98	1.1	96
Citi WGBI				-1.5	73	-4.0	88	-9.0	87	-2.4	95	1.0	96
<b>Emerging Market Debt</b>	<b>82,284,986</b>	<b>5.1</b>	<b>5.0</b>										
Wellington Opportunistic EMD	82,284,986	5.1	5.0	-1.3	93	0.7	52	-2.2	36	4.0	36	7.2	26
JP Morgan EMBI Global TR				-0.3	61	1.8	38	-1.6	34	3.4	43	6.5	41
eA All Emg Mkts Fixed Inc Gross Median				0.0		0.8		-4.3		3.0		5.9	
<b>Total Real Estate</b>	<b>93,455,574</b>	<b>5.7</b>	<b>6.0</b>	<b>6.3</b>	<b>--</b>	<b>9.6</b>	<b>--</b>	<b>17.8</b>	<b>--</b>	<b>15.4</b>	<b>--</b>	<b>--</b>	<b>--</b>
NCREIF Property Index				3.1	--	6.8	--	13.0	--	11.6	--	12.7	--
NCREIF ODCE				3.8	--	7.3	--	14.4	--	13.1	--	14.4	--
Morgan Stanley Prime Property	42,690,483	2.6	2.0	6.6	--	10.1	--	19.6	--	16.8	--	16.8	--
UBS Trumbull	36,130,179	2.2	2.0	5.6	--	8.7	--	15.6	--	11.9	--	12.7	--
RREEF America REIT III	7,622,167	0.5	0.5	14.5	--	17.3	--	27.0	--	24.4	--	30.9	--
Transwestern / Aslan III	360,785	0.0	0.5	3.7	--	3.8	--	8.8	--	24.9	--	6.7	--
Siguler Guff	6,651,960	0.4	1.0	0.0	--	3.8	--	9.3	--	--	--	--	--

Wellington Opportunistic EMD is Net of manager fees

Real Estate is as of Q2 2015. Siguler Guff is based on preliminary data



## Vermont State Employees

### Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Hedge Fund Comp</b>	<b>82,013,256</b>	<b>5.0</b>	<b>5.0</b>	<b>0.6</b>	<b>38</b>	<b>2.0</b>	<b>65</b>	<b>1.1</b>	<b>75</b>	<b>8.0</b>	<b>41</b>	<b>--</b>	<b>--</b>
<i>eV Alt Fund of Funds - Multi-Strategy Median</i>				0.2		2.5		3.9		7.7		5.5	
Grosvenor	81,844,703	5.0	5.0	0.7	34	2.5	50	2.9	60	8.7	32	--	--
GAM	168,553	0.0	0.0										
<b>GAA Comp</b>	<b>255,943,770</b>	<b>15.7</b>	<b>16.0</b>	<b>-1.3</b>	<b>59</b>	<b>2.0</b>	<b>33</b>	<b>-1.8</b>	<b>74</b>	<b>6.5</b>	<b>54</b>	<b>8.1</b>	<b>48</b>
<i>eA Global TAA Gross Median</i>				-1.2		1.0		0.6		6.9		7.8	
Mellon Dynamic Growth	36,590,074	2.3	2.0	-1.8	67	5.9	2	13.6	1	11.1	10	11.2	15
<i>Mellon Dynamic Growth Benchmark</i>				-0.2	21	0.5	59	-1.5	73	7.0	46	7.6	54
AQR Global Risk Premium	125,620,071	7.7	8.0	-2.6	86	1.3	46	-3.9	82	5.8	70	9.1	33
<i>60% MSCI World / 40% CITI WGBI</i>				-0.3	22	0.2	67	-2.5	75	7.7	37	8.7	41
PIMCO All Asset	93,733,490	5.8	6.0	0.0	17	0.3	61	-5.0	86	4.5	82	6.3	77
<i>PIMCO All Asset Index</i>				-0.8	36	0.8	52	0.7	48	3.2	93	5.3	88
<i>CPI + 5% (Seasonally Adjusted)</i>				2.1	5	3.1	24	5.2	16	6.4	55	6.9	59
Wellington OIF	136	0.0	0.0	2.4	5	6.7	1	2.1	30	9.5	20	7.9	50
<i>65% MSCI ACWI (Net) / 35% BC Agg</i>				-0.4	23	1.8	35	1.2	40	9.1	21	9.1	31
<b>Commodities</b>	<b>48,740,226</b>	<b>3.0</b>	<b>3.0</b>										
Schroder	48,740,226	3.0	3.0	5.5	--	-4.3	--	-31.6	--	-11.4	--	-4.4	--
<i>Bloomberg Commodity Index</i>				4.7	--	-1.6	--	-23.7	--	-8.8	--	-3.9	--
<b>Cash</b>	<b>263,384</b>	<b>0.0</b>	<b>0.0</b>										
Vermont Cash	263,384	0.0		0.0	--	0.0	--	0.0	--	0.0	--	0.1	--
<i>91 Day T-Bills</i>				0.0	--	0.0	--	0.0	--	0.0	--	0.1	--
<b>Private Equity</b>	<b>14,651,034</b>	<b>0.9</b>	<b>3.0</b>	<b>2.0</b>	<b>--</b>	<b>3.4</b>	<b>--</b>	<b>19.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Cambridge Associates US All PE</i>				0.0	--	2.6	--	4.9	--	14.5	--	14.8	--
Harbourvest Partners IX Credit Opportunities	551,290	0.0											
Harbourvest Partners IX Venture Fund	3,362,820	0.2											
Harbourvest Partners IX Buyout Fund	3,997,870	0.2											
Harbourvest Dover VIII Fund	6,205,007	0.4											
HIPEP VII	534,046	0.0											

Harbourvest is based on final Capital Account Statements for Q2 2015

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

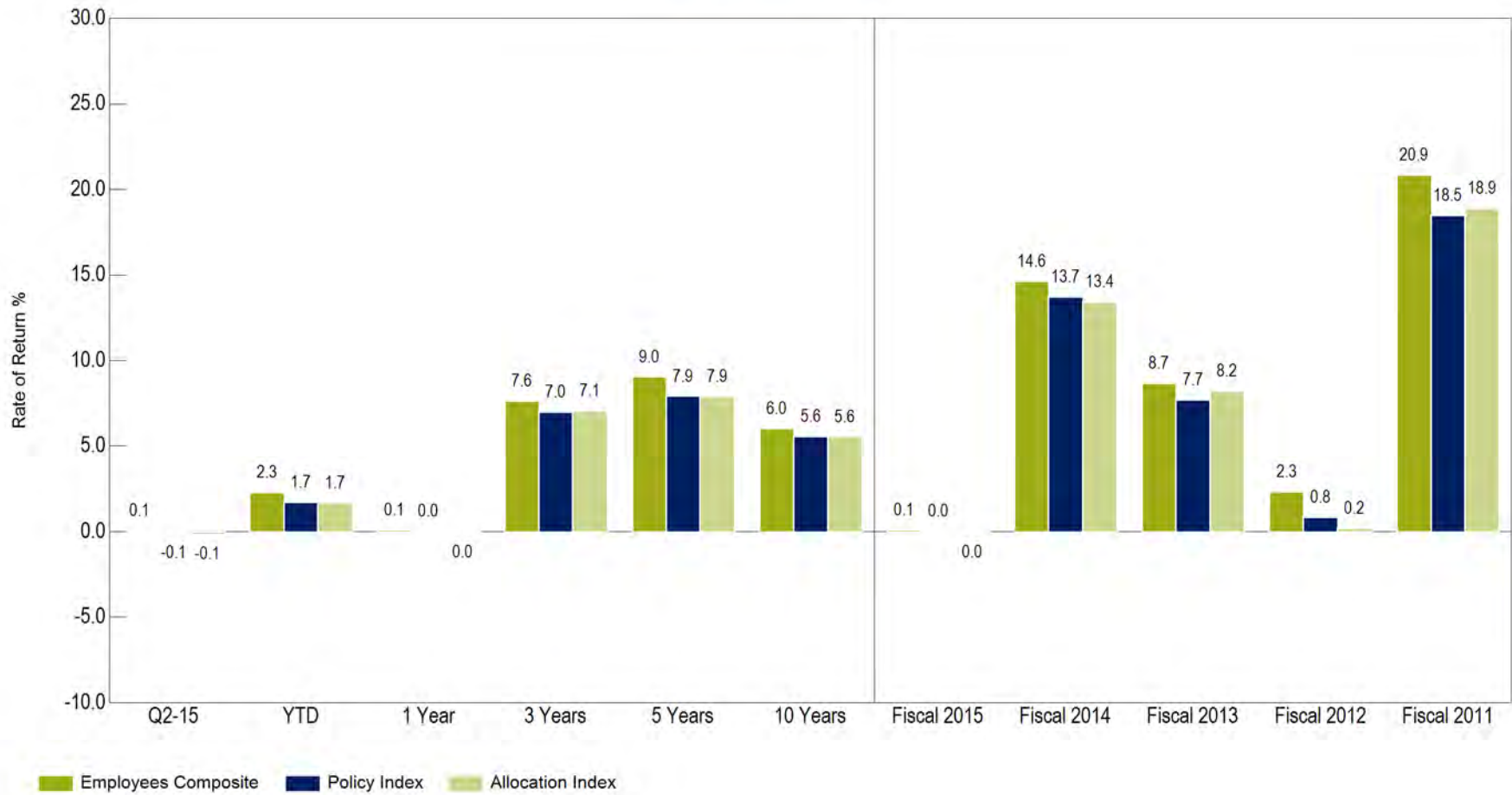
Mellon Dynamic Growth Benchmark: 60% MSCI All Country World Index IMI/ 40% Citigroup GDP Weighted

Hedge Fund Comp and Commodities are Net of Manager Fees

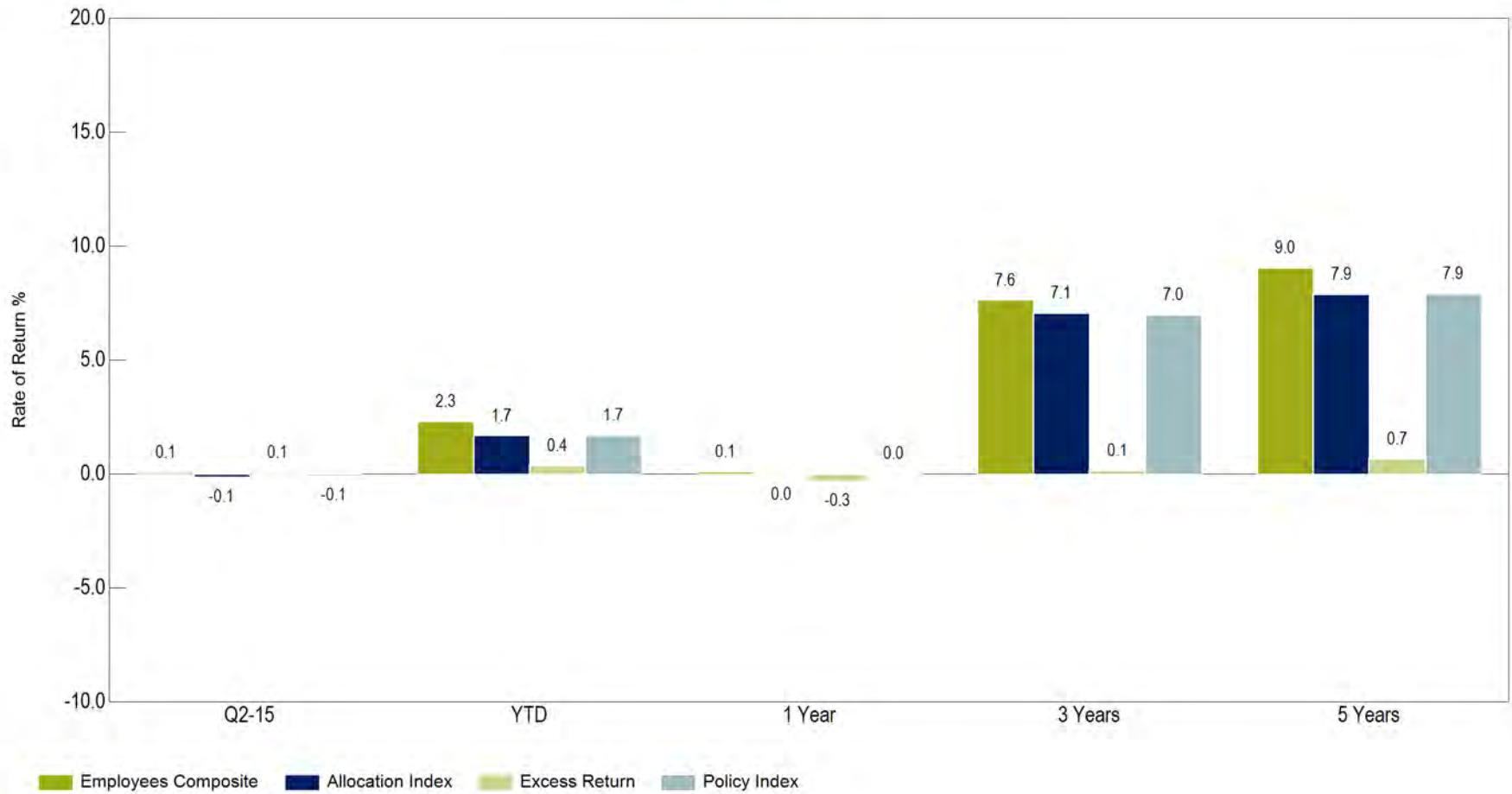
Wellington OIF is Net of Manager Fees

Total Fund Return Summary

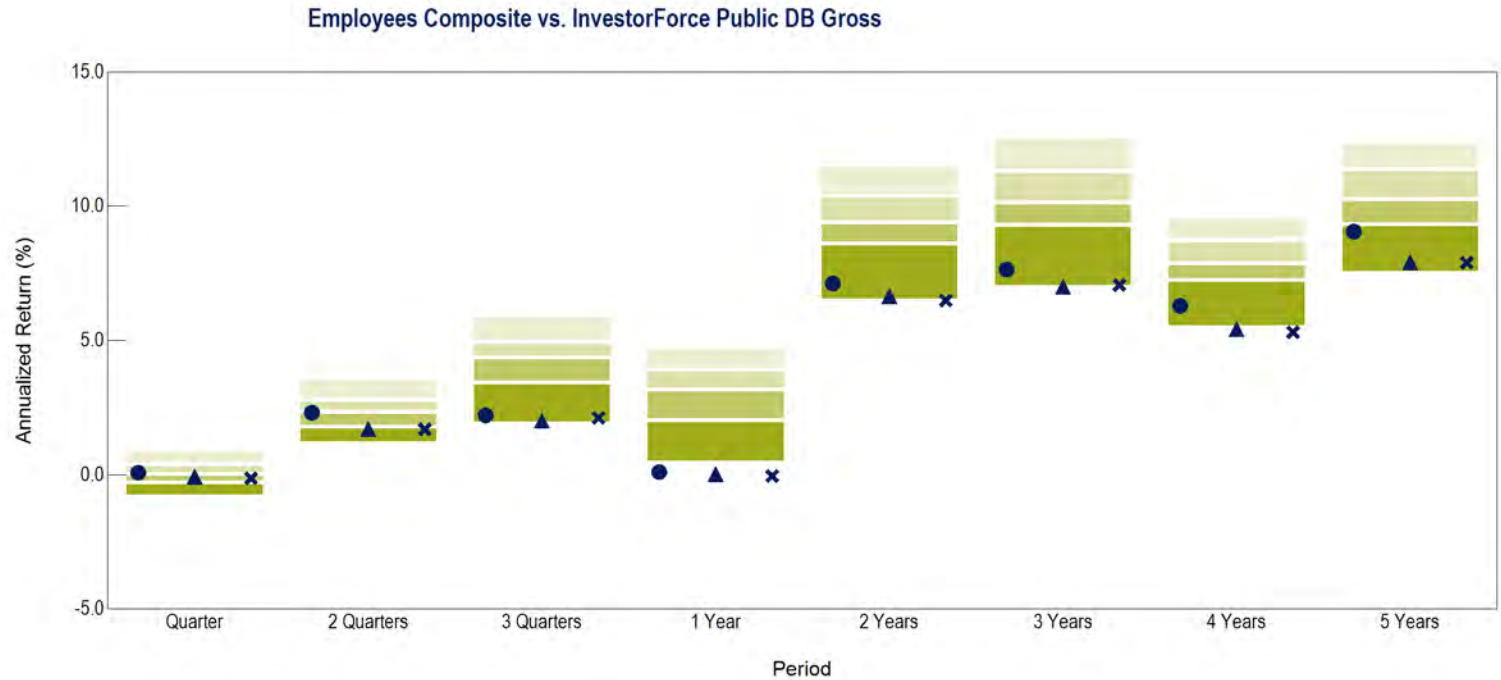
Return Summary Gross



Return Summary Gross

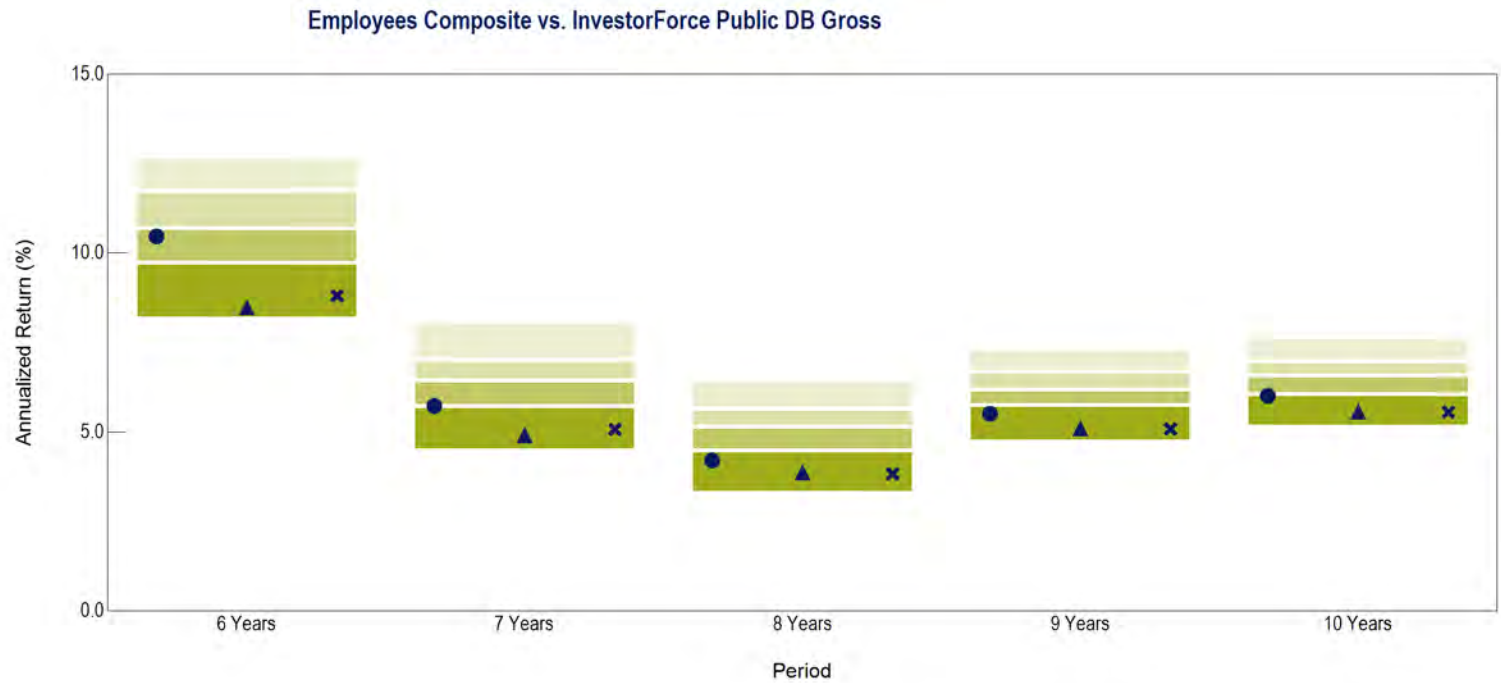


Total Fund Return Summary vs. Peer Universe



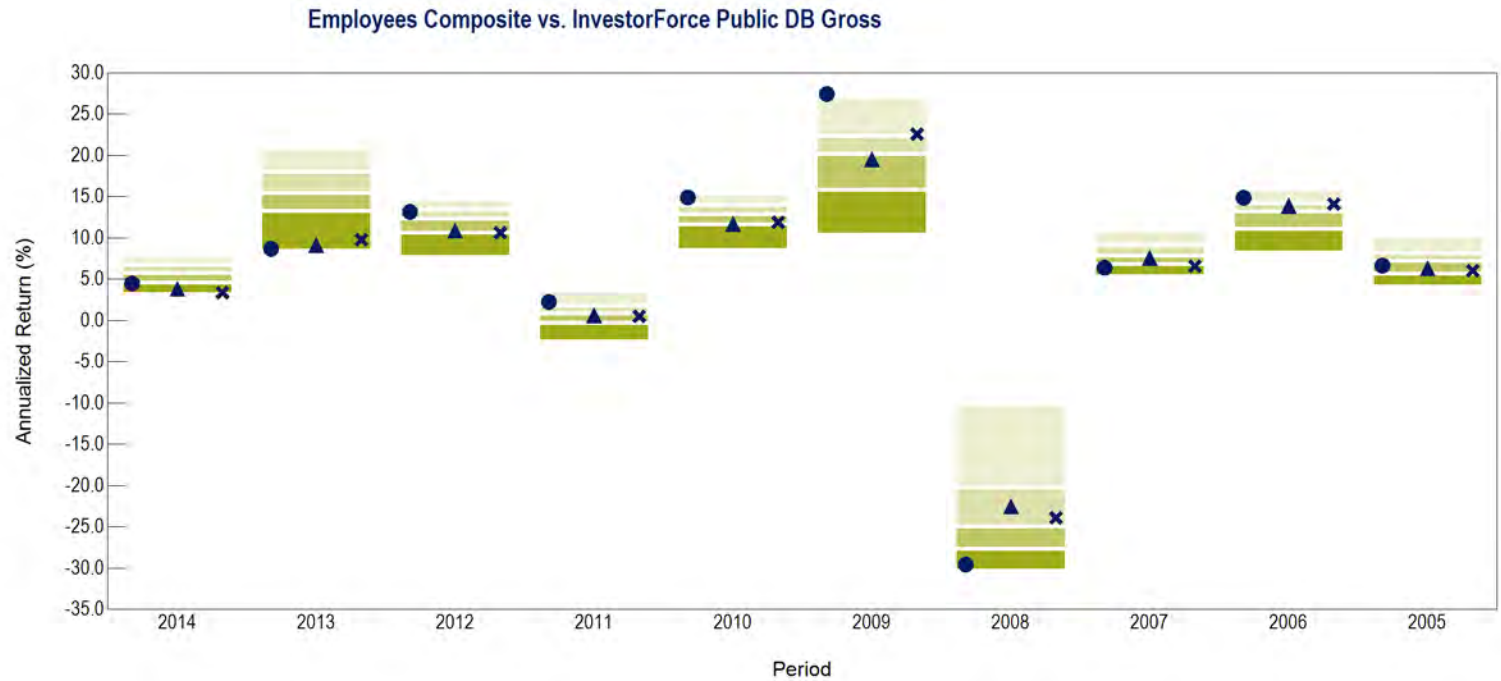
	Return (Rank)															
	Quarter		2 Quarters		3 Quarters		1 Year		2 Years		3 Years		4 Years		5 Years	
5th Percentile	0.9	3.6	0.9	3.6	0.9	3.6	0.9	3.6	0.9	3.6	0.9	3.6	0.9	3.6	0.9	3.6
25th Percentile	0.4	2.8	0.4	2.8	0.4	2.8	0.4	2.8	0.4	2.8	0.4	2.8	0.4	2.8	0.4	2.8
Median	0.0	2.4	0.0	2.4	0.0	2.4	0.0	2.4	0.0	2.4	0.0	2.4	0.0	2.4	0.0	2.4
75th Percentile	-0.3	1.8	-0.3	1.8	-0.3	1.8	-0.3	1.8	-0.3	1.8	-0.3	1.8	-0.3	1.8	-0.3	1.8
95th Percentile	-0.8	1.2	-0.8	1.2	-0.8	1.2	-0.8	1.2	-0.8	1.2	-0.8	1.2	-0.8	1.2	-0.8	1.2
# of Portfolios	293	282	293	282	293	282	293	282	293	282	293	282	293	282	293	282
● Employees Composite	0.1	(47)	2.3	(53)	2.2	(94)	0.1	(97)	7.1	(92)	7.6	(92)	6.3	(92)	9.0	(80)
▲ Policy Index	-0.1	(61)	1.7	(80)	2.0	(95)	0.0	(97)	6.7	(95)	7.0	(95)	5.4	(96)	7.9	(94)
× Allocation Index	-0.1	(66)	1.7	(80)	2.1	(95)	0.0	(97)	6.5	(96)	7.1	(95)	5.3	(96)	7.9	(94)

Total Fund Return Summary vs. Peer Universe



	Return (Rank)									
5th Percentile	12.7		8.1		6.4		7.3		7.6	
25th Percentile	11.7		7.0		5.7		6.7		7.0	
Median	10.7		6.4		5.2		6.2		6.6	
75th Percentile	9.7		5.7		4.5		5.8		6.1	
95th Percentile	8.2		4.5		3.3		4.7		5.2	
# of Portfolios	203		199		187		181		168	
● Employees Composite	10.5	(56)	5.7	(75)	4.2	(82)	5.5	(85)	6.0	(78)
▲ Policy Index	8.5	(93)	4.9	(91)	3.9	(87)	5.1	(90)	5.6	(90)
× Allocation Index	8.8	(89)	5.1	(88)	3.8	(87)	5.1	(90)	5.6	(90)

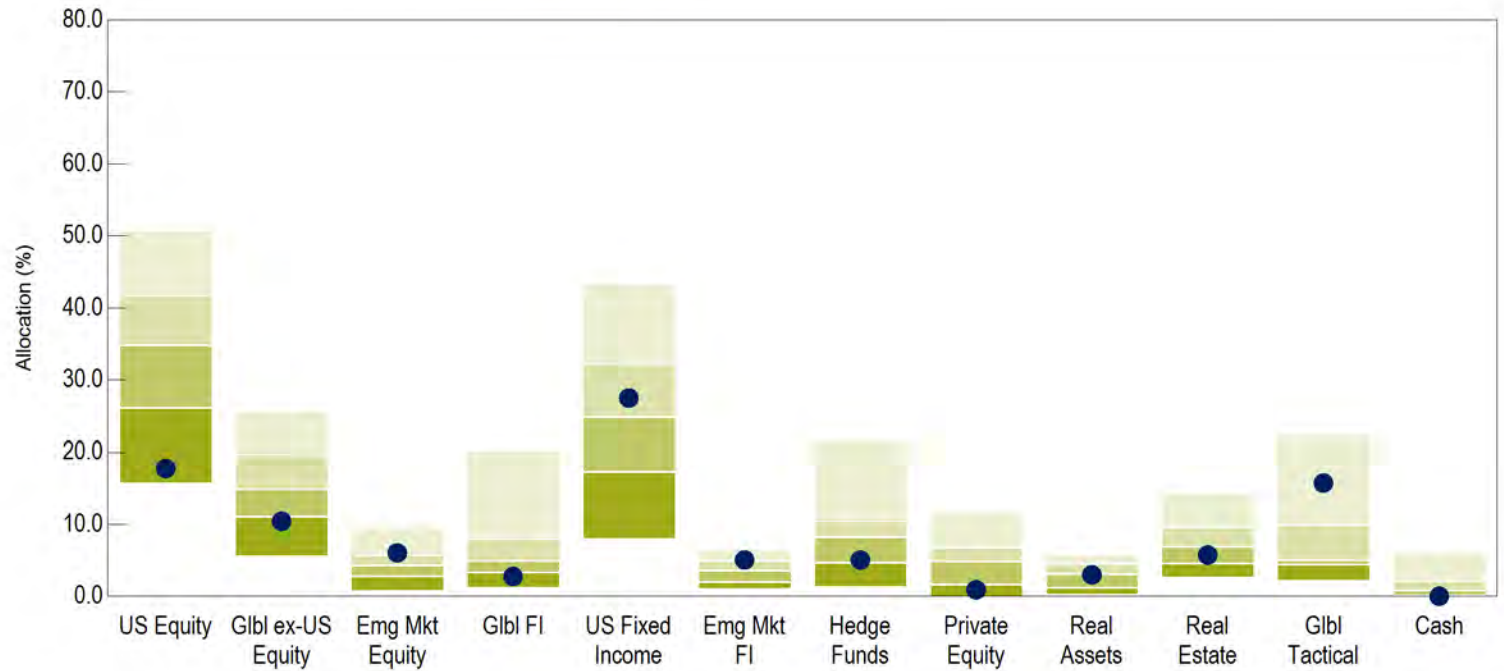
Total Fund Return Summary vs. Peer Universe



	Return (Rank)										
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	
5th Percentile	8.0	20.8	14.6	3.6	15.4	27.0	-10.1	11.0	15.9	10.2	
25th Percentile	6.8	18.0	13.4	1.9	14.0	22.4	-20.1	9.1	14.2	8.2	
Median	5.8	15.5	12.4	0.9	12.9	20.2	-24.9	7.9	13.2	7.3	
75th Percentile	4.6	13.3	10.7	-0.3	11.7	15.9	-27.6	6.9	11.2	5.7	
95th Percentile	3.2	8.5	7.8	-2.5	8.6	10.5	-30.3	5.4	8.3	4.2	
# of Portfolios	248	231	236	206	188	184	181	177	171	158	
● Employees Composite	4.5 (79)	8.7 (95)	13.1 (29)	2.2 (17)	14.9 (12)	27.4 (5)	-29.6 (90)	6.4 (83)	14.9 (17)	6.6 (60)	
▲ Policy Index	3.8 (91)	9.1 (93)	10.9 (73)	0.6 (60)	11.7 (75)	19.5 (54)	-22.5 (34)	7.6 (54)	13.9 (31)	6.3 (63)	
× Allocation Index	3.4 (94)	9.8 (92)	10.6 (76)	0.5 (61)	11.9 (71)	22.6 (24)	-23.9 (42)	6.6 (81)	14.1 (28)	6.0 (70)	

Total Fund Allocation vs. Peer Universe

Total Plan Allocation vs. InvestorForce Public DB Gross  
As of June 30, 2015



	Allocation (Rank)												
5th Percentile	50.7	25.6	9.7	20.2	43.3	6.6	21.6	11.6	5.7	14.4	22.5	6.1	--
25th Percentile	41.8	19.8	5.8	8.0	32.2	5.0	10.6	6.9	4.6	9.7	10.0	2.2	--
Median	34.9	15.0	4.4	5.0	24.9	3.7	8.3	5.0	3.2	6.9	5.1	1.0	--
75th Percentile	26.2	11.1	2.9	3.4	17.4	2.1	4.8	1.7	1.3	4.6	4.5	0.2	--
95th Percentile	15.8	5.6	0.8	1.2	8.1	1.1	1.4	0.0	0.3	2.7	2.3	0.0	--
# of Portfolios	270	262	101	46	227	47	86	76	48	177	70	237	--
● Employees Composite	17.8 (93)	10.4 (80)	6.0 (18)	2.8 (83)	27.5 (41)	5.1 (19)	5.0 (71)	0.9 (85)	3.0 (51)	5.7 (65)	15.7 (14)	0.0 (93)	--

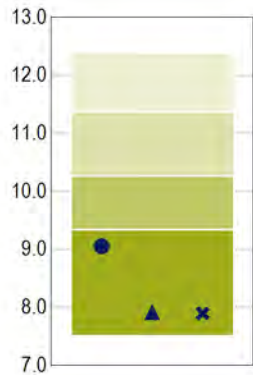
Employees Composite vs. IFx Public DB Gross  
3 Years





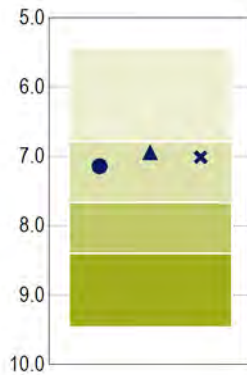
Employees Composite vs. IFx Public DB Gross  
5 Years

Anlzd Return



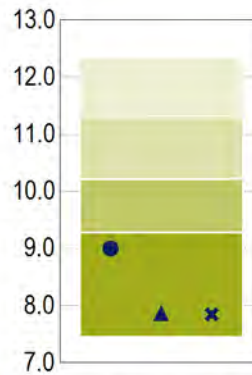
● Employees Composite	
Value	9.05
%tile	80
▲ Policy Index	
Value	7.91
%tile	94
✕ Allocation Index	
Value	7.89
%tile	94
Universe	
5th %tile	12.38
25th %tile	11.38
Median	10.28
75th %tile	9.34
95th %tile	7.52

Anlzd Standard Deviation



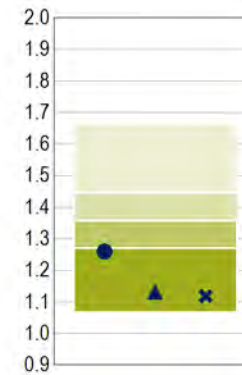
● Employees Composite	
Value	7.14
%tile	36
▲ Policy Index	
Value	6.95
%tile	30
✕ Allocation Index	
Value	7.01
%tile	31
Universe	
5th %tile	5.44
25th %tile	6.78
Median	7.66
75th %tile	8.40
95th %tile	9.45

Ann Excess RF Return



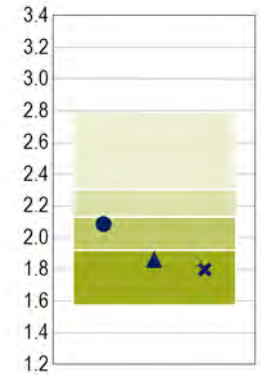
● Employees Composite	
Value	9.00
%tile	80
▲ Policy Index	
Value	7.86
%tile	94
✕ Allocation Index	
Value	7.84
%tile	94
Universe	
5th %tile	12.33
25th %tile	11.33
Median	10.22
75th %tile	9.29
95th %tile	7.46

Sharpe Ratio



● Employees Composite	
Value	1.26
%tile	78
▲ Policy Index	
Value	1.13
%tile	90
✕ Allocation Index	
Value	1.12
%tile	91
Universe	
5th %tile	1.66
25th %tile	1.45
Median	1.36
75th %tile	1.27
95th %tile	1.07

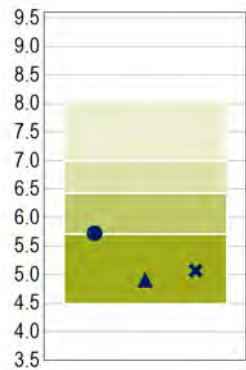
Sortino Ratio RF



● Employees Composite	
Value	2.08
%tile	58
▲ Policy Index	
Value	1.86
%tile	81
✕ Allocation Index	
Value	1.80
%tile	86
Universe	
5th %tile	2.79
25th %tile	2.31
Median	2.13
75th %tile	1.92
95th %tile	1.57

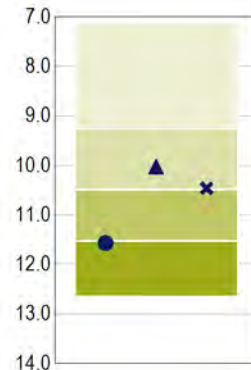
Employees Composite vs. IFx Public DB Gross  
7 Years

Anlzd Return



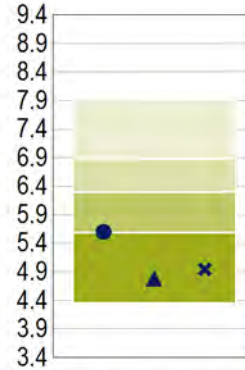
● Employees Composite	
Value	5.73
%tile	75
▲ Policy Index	
Value	4.91
%tile	91
× Allocation Index	
Value	5.07
%tile	88
Universe	
5th %tile	8.06
25th %tile	7.01
Median	6.44
75th %tile	5.72
95th %tile	4.50

Anlzd Standard Deviation



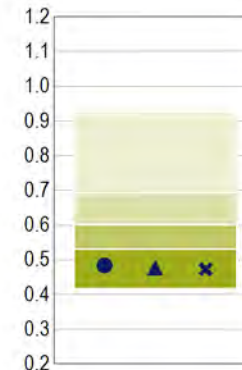
● Employees Composite	
Value	11.57
%tile	77
▲ Policy Index	
Value	10.02
%tile	38
× Allocation Index	
Value	10.47
%tile	50
Universe	
5th %tile	7.15
25th %tile	9.25
Median	10.48
75th %tile	11.52
95th %tile	12.64

Ann Excess RF Return



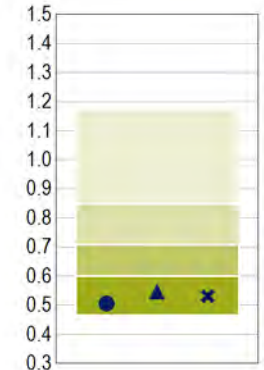
● Employees Composite	
Value	5.60
%tile	75
▲ Policy Index	
Value	4.78
%tile	91
× Allocation Index	
Value	4.94
%tile	88
Universe	
5th %tile	7.93
25th %tile	6.88
Median	6.31
75th %tile	5.59
95th %tile	4.37

Sharpe Ratio



● Employees Composite	
Value	0.48
%tile	87
▲ Policy Index	
Value	0.48
%tile	88
× Allocation Index	
Value	0.47
%tile	89
Universe	
5th %tile	0.93
25th %tile	0.70
Median	0.60
75th %tile	0.53
95th %tile	0.42

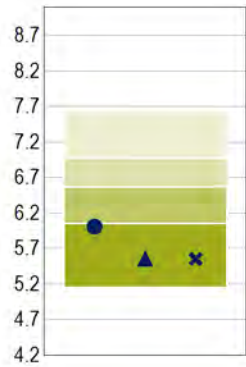
Sortino Ratio RF



● Employees Composite	
Value	0.51
%tile	93
▲ Policy Index	
Value	0.55
%tile	86
× Allocation Index	
Value	0.53
%tile	90
Universe	
5th %tile	1.17
25th %tile	0.85
Median	0.71
75th %tile	0.60
95th %tile	0.47

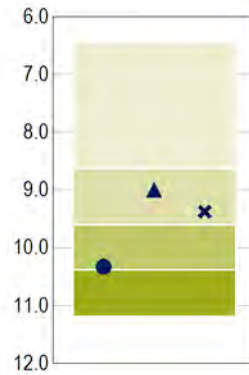
Employees Composite vs. IFx Public DB Gross  
10 Years

Anlzd Return



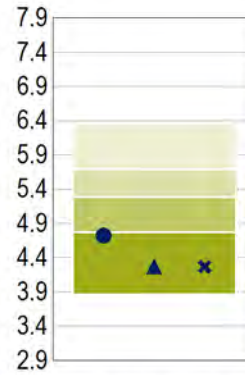
● Employees Composite	
Value	6.01
%tile	78
▲ Policy Index	
Value	5.56
%tile	90
✕ Allocation Index	
Value	5.55
%tile	90
Universe	
5th %tile	7.64
25th %tile	6.99
Median	6.58
75th %tile	6.07
95th %tile	5.16

Anlzd Standard Deviation



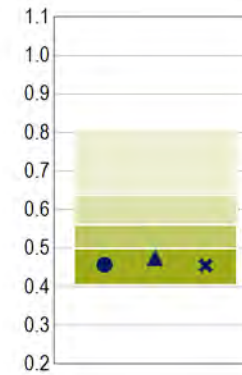
● Employees Composite	
Value	10.33
%tile	74
▲ Policy Index	
Value	9.00
%tile	34
✕ Allocation Index	
Value	9.37
%tile	44
Universe	
5th %tile	6.43
25th %tile	8.62
Median	9.59
75th %tile	10.37
95th %tile	11.18

Ann Excess RF Return



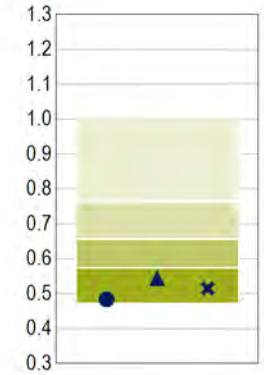
● Employees Composite	
Value	4.72
%tile	78
▲ Policy Index	
Value	4.27
%tile	90
✕ Allocation Index	
Value	4.27
%tile	90
Universe	
5th %tile	6.35
25th %tile	5.70
Median	5.29
75th %tile	4.78
95th %tile	3.87

Sharpe Ratio



● Employees Composite	
Value	0.46
%tile	87
▲ Policy Index	
Value	0.48
%tile	81
✕ Allocation Index	
Value	0.46
%tile	87
Universe	
5th %tile	0.81
25th %tile	0.64
Median	0.56
75th %tile	0.50
95th %tile	0.41

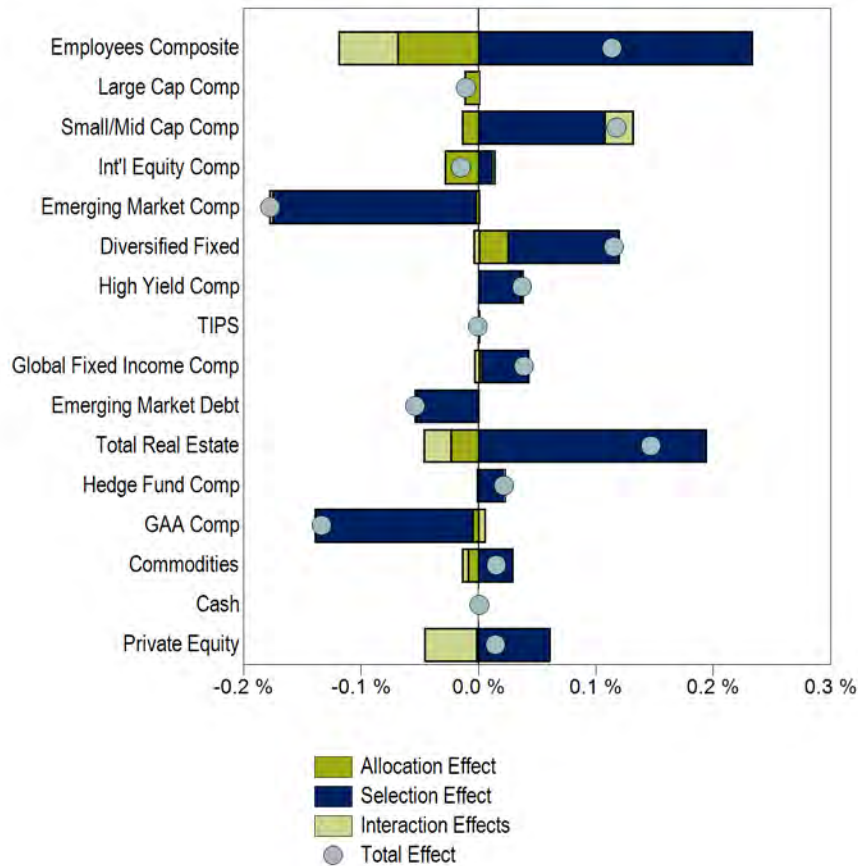
Sortino Ratio RF



● Employees Composite	
Value	0.48
%tile	95
▲ Policy Index	
Value	0.54
%tile	83
✕ Allocation Index	
Value	0.51
%tile	87
Universe	
5th %tile	1.01
25th %tile	0.76
Median	0.66
75th %tile	0.58
95th %tile	0.47

Total Fund Attribution Analysis

Attribution Effects Relative to Policy Index  
3 Months Ending June 30, 2015



Attribution Summary  
3 Months Ending June 30, 2015

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Large Cap Comp	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Small/Mid Cap Comp	1.6%	-0.5%	2.2%	0.1%	0.0%	0.0%	0.1%
Int'l Equity Comp	0.7%	0.6%	0.1%	0.0%	0.0%	0.0%	0.0%
Emerging Market Comp	-1.9%	0.7%	-2.6%	-0.2%	0.0%	0.0%	-0.2%
Diversified Fixed	-1.2%	-1.7%	0.5%	0.1%	0.0%	0.0%	0.1%
High Yield Comp	0.9%	0.0%	0.9%	0.0%	0.0%	0.0%	0.0%
TIPS	-1.1%	-1.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Global Fixed Income Comp	-0.3%	-1.5%	1.3%	0.0%	0.0%	0.0%	0.0%
Emerging Market Debt	-1.3%	-0.3%	-1.0%	-0.1%	0.0%	0.0%	-0.1%
Total Real Estate	6.3%	3.1%	3.2%	0.2%	0.0%	0.0%	0.1%
Hedge Fund Comp	0.6%	0.2%	0.4%	0.0%	0.0%	0.0%	0.0%
GAA Comp	-1.3%	-0.5%	-0.8%	-0.1%	0.0%	0.0%	-0.1%
Commodities	5.5%	4.7%	0.9%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Private Equity	2.0%	0.0%	2.0%	0.1%	0.0%	0.0%	0.0%
<b>Total</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>-0.1%</b>	<b>0.0%</b>	<b>0.1%</b>

Note: Plan attribution calculations are returns based and the results shown reflect the composites shown. As a result, the total returns shown may vary from the calculated returns shown on the performance report.

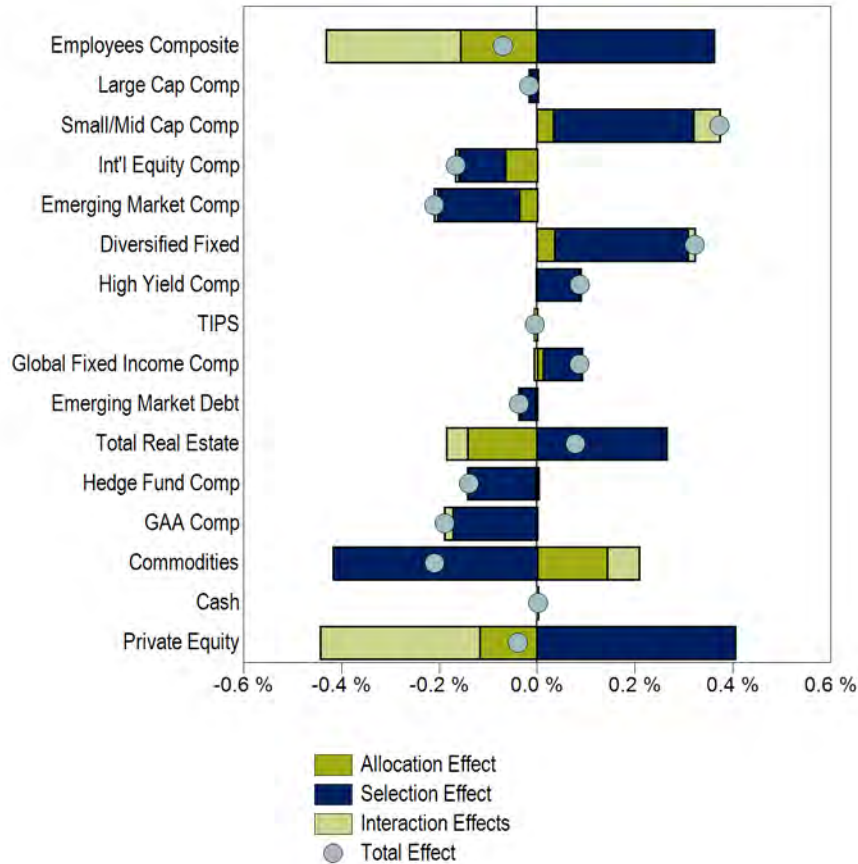
The target return shown for each composite is a custom index, based on aggregated policy indices. This policy index asset weights the underlying policy indices of each option in the plan and the respective benchmark.

The allocation, selection, and interaction effects are calculated using the custom index described above along with the policy or target weight of each composite.

May not add up due to rounding.

Total Fund Attribution Analysis

Attribution Effects Relative to Policy Index  
1 Year Ending June 30, 2015



Attribution Summary  
1 Year Ending June 30, 2015

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Large Cap Comp	6.9%	7.1%	-0.1%	0.0%	0.0%	0.0%	0.0%
Small/Mid Cap Comp	10.8%	4.5%	6.3%	0.3%	0.0%	0.1%	0.4%
Int'l Equity Comp	-5.3%	-4.3%	-1.0%	-0.1%	-0.1%	0.0%	-0.2%
Emerging Market Comp	-7.5%	-5.1%	-2.4%	-0.2%	0.0%	0.0%	-0.2%
Diversified Fixed	3.4%	1.9%	1.6%	0.3%	0.0%	0.0%	0.3%
High Yield Comp	1.8%	-0.4%	2.2%	0.1%	0.0%	0.0%	0.1%
TIPS	-1.7%	-1.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Global Fixed Income Comp	-6.6%	-9.0%	2.4%	0.1%	0.0%	0.0%	0.1%
Emerging Market Debt	-2.2%	-1.6%	-0.6%	0.0%	0.0%	0.0%	0.0%
Total Real Estate	17.8%	13.0%	4.9%	0.3%	-0.1%	0.0%	0.1%
Hedge Fund Comp	1.1%	3.9%	-2.8%	-0.1%	0.0%	0.0%	-0.1%
GAA Comp	-1.8%	-0.8%	-1.1%	-0.2%	0.0%	0.0%	-0.2%
Commodities	-31.6%	-23.7%	-7.9%	-0.4%	0.1%	0.1%	-0.2%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Private Equity	19.1%	4.9%	14.2%	0.4%	-0.1%	-0.3%	0.0%
<b>Total</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>0.4%</b>	<b>-0.2%</b>	<b>-0.3%</b>	<b>-0.1%</b>

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

# Vermont State Employees

## Total Fund Risk Statistics

3 Years Ending June 30, 2015

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank	Tracking Error	Rank
Employees Composite	100.00%	7.64%	92	5.22%	51	-0.03%	70	1.46	95	2.66	95	0.83%	31
Policy Index	--	7.00%	95	4.72%	23	0.00%	70	1.47	94	2.84	92	0.00%	1
US Equity	17.77%	18.57%	48	9.14%	31	0.21%	49	2.03	29	5.19	18	1.55%	4
Russell 3000	--	17.73%	59	8.71%	16	0.00%	53	2.03	28	5.41	15	0.00%	1
Large Cap Comp	11.65%	18.09%	49	8.66%	25	0.63%	50	2.08	30	5.59	19	0.73%	1
S&P 500	--	17.31%	61	8.55%	21	0.00%	63	2.02	42	5.19	27	0.00%	1
Small/Mid Cap Comp	6.13%	19.32%	46	10.96%	47	4.02%	61	1.76	46	4.26	21	2.84%	1
Russell 2000	--	17.81%	64	12.50%	86	0.00%	90	1.42	82	2.67	78	0.00%	1
Int'l Equity Comp	10.44%	12.41%	64	10.41%	59	0.77%	71	1.19	66	3.13	41	1.93%	10
MSCI EAFE	--	11.97%	74	10.52%	63	0.00%	84	1.13	76	2.62	61	0.00%	1
Emerging Market Comp	6.04%	2.71%	86	12.97%	81	-0.89%	84	0.21	87	0.31	89	4.73%	58
MSCI Emerging Markets	--	3.71%	73	12.46%	64	0.00%	76	0.29	74	0.47	72	0.00%	1
US Fixed Income	27.47%	3.26%	38	3.27%	67	1.35%	38	0.99	55	1.27	66	1.08%	24
Barclays Aggregate	--	1.83%	70	2.95%	56	0.00%	86	0.61	85	1.01	82	0.00%	1
Diversified Fixed	20.28%	2.84%	46	3.32%	68	0.86%	53	0.84	69	1.28	65	0.90%	17
Barclays Aggregate	--	1.83%	70	2.95%	56	0.00%	86	0.61	85	1.01	82	0.00%	1
High Yield Comp	4.15%	7.17%	44	3.54%	18	1.73%	22	2.02	23	3.03	27	1.16%	58
Barclays High Yield	--	6.81%	58	4.33%	57	0.00%	69	1.57	65	2.66	52	0.00%	1
TIPS	3.04%	-0.78%	83	5.26%	83	-0.01%	81	-0.16	79	-0.20	87	0.18%	7
Barclays US TIPS	--	-0.76%	77	5.23%	76	0.00%	77	-0.15	74	-0.20	87	0.00%	1
Global Fixed Income Comp	2.77%	-2.94%	98	4.53%	59	-0.59%	99	-0.66	99	-1.07	99	1.65%	11
Citi WGBI	--	-2.45%	95	4.39%	55	0.00%	97	-0.57	98	-0.78	98	0.00%	1
Emerging Market Debt	5.06%	3.97%	36	6.81%	29	0.76%	36	0.58	36	0.76	38	1.28%	10
JP Morgan EMBI Global TR	--	3.44%	43	7.19%	39	0.00%	46	0.47	45	0.68	43	0.00%	1
Total Real Estate	5.75%	15.43%	--	6.40%	--	0.28%	--	2.40	--	1,795.43	--	2.44%	--
NCREIF Property Index	--	11.63%	--	4.67%	--	0.00%	--	2.48	--	1,351.80	--	0.00%	--
Hedge Fund Comp	5.04%	8.02%	41	3.28%	37	1.68%	41	2.44	28	6.42	18	1.42%	10
HFRI Fund of Funds Composite Index	--	6.26%	67	2.91%	27	0.00%	70	2.14	45	4.83	39	0.00%	1
GAA Comp	15.74%	6.51%	54	7.03%	63	-0.04%	70	0.92	65	1.27	73	3.48%	40
60% MSCI ACWI (Net)/40% CITI WGBI	--	6.65%	53	6.20%	43	0.00%	69	1.07	52	2.75	22	0.00%	1
Commodities	3.00%	-11.36%	--	13.88%	--	-1.72%	--	-0.82	--	-1.28	--	4.72%	--

# Vermont State Employees

## Total Fund Risk Statistics

### 5 Years Ending June 30, 2015

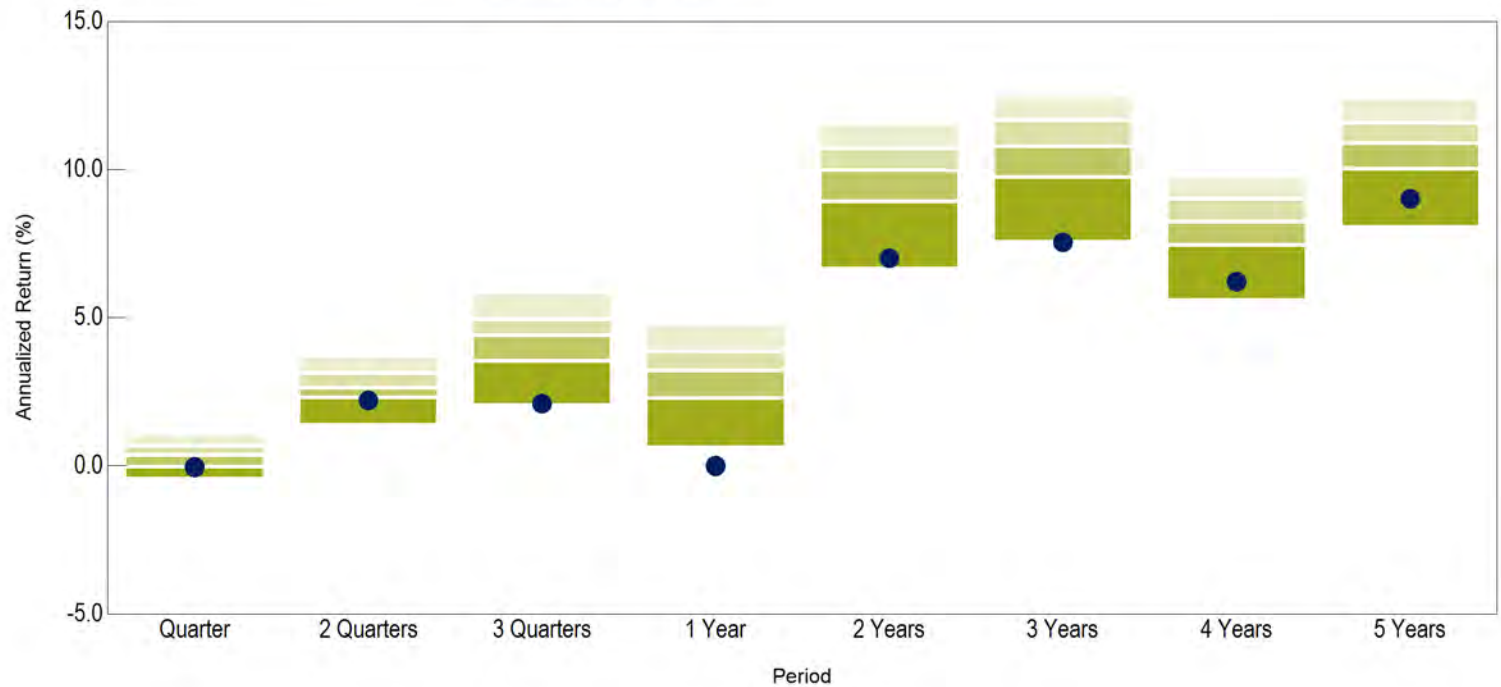
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank	Tracking Error	Rank
Employees Composite	100.00%	9.05%	80	7.14%	36	0.96%	15	1.26	78	2.08	58	0.76%	10
Policy Index	--	7.91%	94	6.95%	30	0.00%	55	1.13	90	1.86	81	0.00%	1
US Equity	17.77%	--	--	--	--	--	--	--	--	--	--	--	--
Russell 3000	--	17.53%	55	12.48%	25	0.00%	43	1.40	31	2.38	28	0.00%	1
Large Cap Comp	11.65%	17.75%	45	12.57%	45	-0.36%	53	1.41	43	2.40	41	0.97%	1
S&P 500	--	17.34%	53	12.00%	27	0.00%	48	1.44	36	2.55	27	0.00%	1
Small/Mid Cap Comp	6.13%	18.84%	39	14.79%	33	3.92%	40	1.27	33	2.10	25	2.98%	1
Russell 2000	--	17.08%	68	16.79%	79	0.00%	87	1.01	83	1.65	72	0.00%	1
Int'l Equity Comp	10.44%	10.20%	70	14.79%	23	1.30%	67	0.69	60	1.10	50	2.08%	11
MSCI EAFE	--	9.54%	83	15.73%	55	0.00%	85	0.60	84	0.96	74	0.00%	1
Emerging Market Comp	6.04%	--	--	--	--	--	--	--	--	--	--	--	--
MSCI Emerging Markets	--	3.69%	77	18.05%	58	0.00%	77	0.20	77	0.31	74	0.00%	1
US Fixed Income	27.47%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays Aggregate	--	3.35%	65	2.82%	49	0.00%	87	1.17	81	1.98	74	0.00%	1
Diversified Fixed	20.28%	4.96%	38	3.28%	64	1.44%	39	1.50	49	2.53	39	1.41%	29
Barclays Aggregate	--	3.35%	65	2.82%	49	0.00%	87	1.17	81	1.98	74	0.00%	1
High Yield Comp	4.15%	8.77%	52	5.01%	21	1.69%	23	1.74	25	2.58	40	1.38%	54
Barclays High Yield	--	8.61%	59	6.00%	66	0.00%	72	1.43	72	2.33	60	0.00%	1
TIPS	3.04%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays US TIPS	--	3.29%	59	5.21%	72	0.00%	81	0.62	77	0.88	52	0.00%	1
Global Fixed Income Comp	2.77%	1.81%	90	5.67%	57	0.77%	91	0.31	90	0.53	85	1.86%	12
Citi WGBI	--	1.05%	96	5.37%	48	0.00%	97	0.19	97	0.26	97	0.00%	1
Emerging Market Debt	5.06%	--	--	--	--	--	--	--	--	--	--	--	--
JP Morgan EMBI Global TR	--	6.52%	41	7.28%	22	0.00%	40	0.89	36	1.27	28	0.00%	1
Total Real Estate	5.75%	--	--	--	--	--	--	--	--	--	--	--	--
NCREIF Property Index	--	12.71%	--	5.14%	--	0.00%	--	2.47	--	996.51	--	0.00%	--
Hedge Fund Comp	5.04%	--	--	--	--	--	--	--	--	--	--	--	--
HFRI Fund of Funds Composite Index	--	4.10%	74	3.81%	37	0.00%	75	1.06	62	1.54	62	0.00%	1
GAA Comp	15.74%	8.09%	48	8.34%	43	1.68%	54	0.96	56	1.41	63	3.54%	27
60% MSCI ACWI (Net)/40% CITI WGBI	--	7.65%	54	9.22%	61	0.00%	77	0.82	70	1.36	65	0.00%	1
Commodities	3.00%	--	--	--	--	--	--	--	--	--	--	--	--

# VPIC Allocation Comparison



Total Fund Return Summary vs. Peer Universe

VPIC Composite vs. InvestorForce Public DB > \$1B Gross  
Ending June 30, 2015



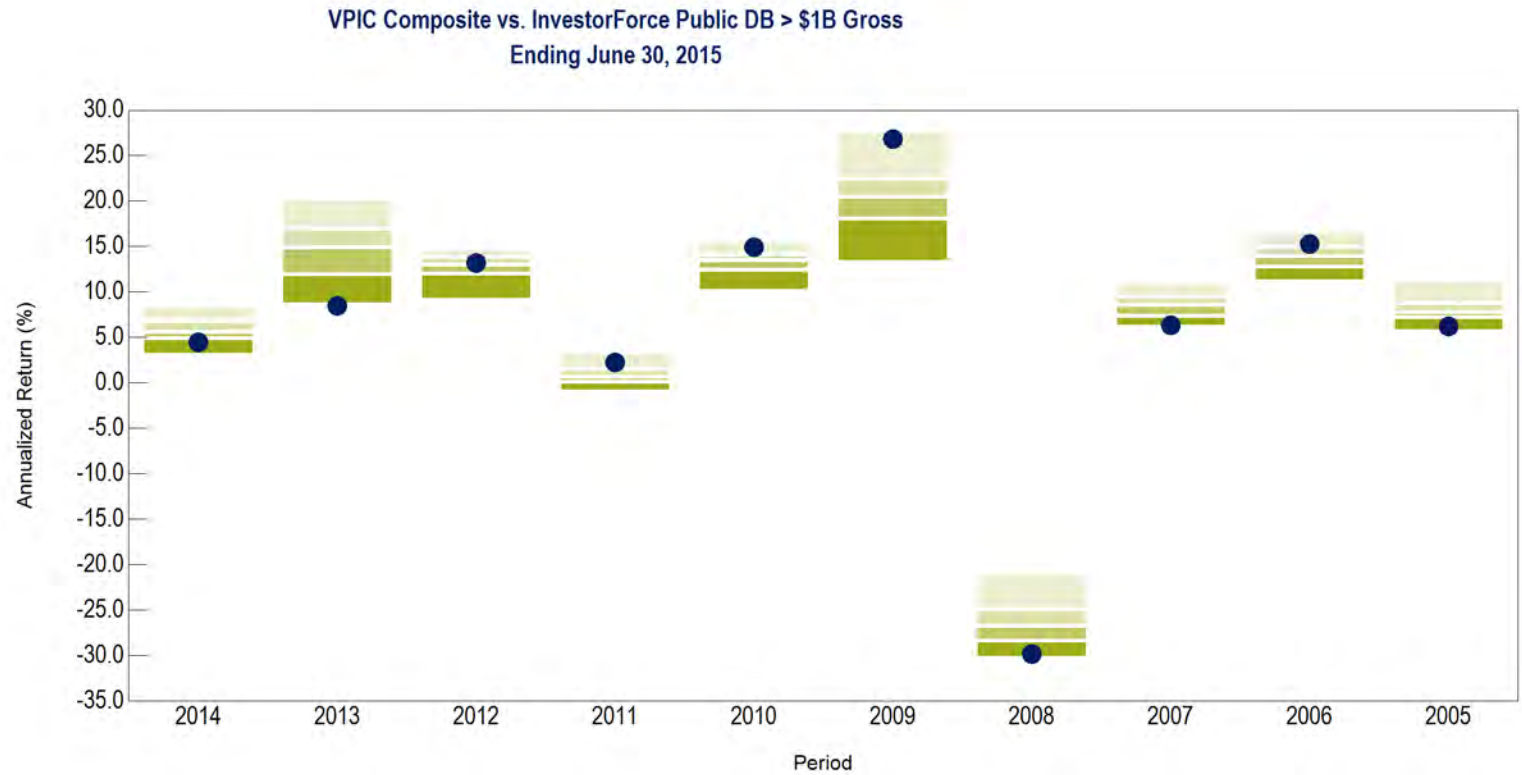
	Quarter		2 Quarters		3 Quarters		1 Year		2 Years		3 Years		4 Years		5 Years	
5th Percentile	1.1	3.7	5.8	4.8	11.5	12.5	9.7	12.4								
25th Percentile	0.7	3.1	5.0	3.9	10.7	11.7	9.0	11.6								
Median	0.4	2.6	4.4	3.2	10.0	10.8	8.2	10.9								
75th Percentile	0.0	2.3	3.5	2.3	8.9	9.7	7.5	10.0								
95th Percentile	-0.4	1.4	2.1	0.6	6.7	7.6	5.6	8.1								
# of Portfolios	100	94	93	92	88	86	85	83								
● Composite	0.0	(79)	2.2	(79)	2.1	(95)	0.0	(97)	7.0	(94)	7.5	(96)	6.2	(94)	9.0	(91)

Total Fund Return Summary vs. Peer Universe



	Return (Rank)							
5th Percentile	12.9		8.1		6.4		7.3	
25th Percentile	11.9		7.0		5.6		6.8	
Median	11.3		6.3		5.0		6.3	
75th Percentile	10.4		5.7		4.5		5.9	
95th Percentile	8.7		4.5		3.5		4.9	
# of Portfolios	73		73		68		68	
● Composite	10.4	(74)	5.6	(82)	4.0	(87)	5.4	(90)
								5.9 (89)

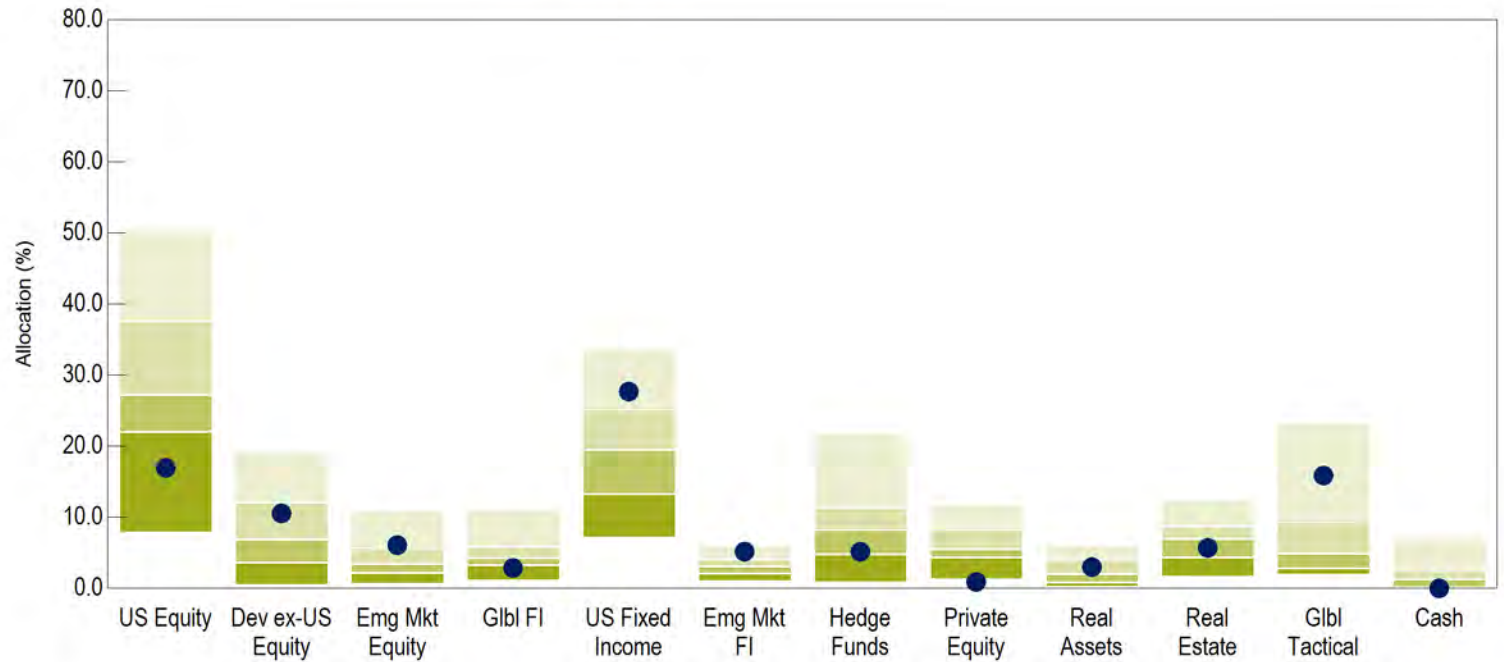
Total Fund Return Summary vs. Peer Universe



	Return (Rank)									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
5th Percentile	8.5	20.2	14.7	3.3	15.7	27.7	-21.0	11.0	16.6	11.2
25th Percentile	6.8	17.0	13.9	1.6	14.2	22.5	-24.9	9.5	15.0	8.8
Median	5.7	15.0	13.0	0.8	13.5	20.5	-26.7	8.6	13.9	7.9
75th Percentile	4.9	12.0	12.1	0.1	12.5	18.1	-28.3	7.4	12.9	7.3
95th Percentile	3.1	8.7	9.2	-0.9	10.2	13.4	-30.2	6.2	11.2	5.7
# of Portfolios	79	67	74	68	66	66	65	64	64	58
● Composite	4.5 (82)	8.5 (96)	13.2 (43)	2.2 (12)	14.9 (14)	26.8 (8)	-29.8 (93)	6.3 (92)	15.3 (21)	6.2 (91)

Total Fund Allocation vs. Peer Universe

VPIC Composite vs. InvestorForce Public DB > \$1B Gross  
As of June 30, 2015



	Allocation (Rank)												
5th Percentile	50.3	19.2	10.9	11.2	33.6	6.0	21.8	11.7	6.1	12.4	23.3	7.0	--
25th Percentile	37.6	12.2	5.8	5.9	25.2	4.2	11.5	8.3	4.1	8.8	9.4	2.5	--
Median	27.3	7.0	3.5	4.3	19.6	3.2	8.3	5.6	2.1	7.1	5.0	1.4	--
75th Percentile	22.1	3.7	2.3	3.3	13.3	2.2	4.9	4.5	0.9	4.4	3.0	0.2	--
95th Percentile	7.9	0.6	0.7	1.2	7.2	1.1	1.0	1.4	0.3	1.7	2.0	0.0	--
# of Portfolios	91	15	34	24	84	25	42	45	24	75	19	78	--
● Composite	17.0 (88)	10.5 (32)	6.1 (23)	2.9 (83)	27.7 (14)	5.2 (16)	5.2 (74)	0.9 (97)	3.0 (38)	5.7 (64)	15.9 (11)	0.0 (93)	--

## VPIC Composite

### Total Fund Performance - Gross

	Ending June 30, 2015												Market Value (\$)
	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	
<b>VPIC Composite</b>	0.0	79	2.2	79	0.0	97	7.5	96	9.0	91	5.9	89	3,939,258,427
<i>60% MSCI World / 40% CITI WGBI</i>	-0.3	93	0.2	99	-2.5	99	7.7	95	8.7	94	5.7	92	
<i>InvestorForce Public DB &gt; \$1B Gross Median</i>	0.4		2.6		3.2		10.8		10.9		6.8		
<b>Vermont State Teachers</b>	-0.2	71	2.0	65	-0.2	97	7.4	94	8.9	84	5.8	85	1,629,047,911
<i>Allocation Index</i>	-0.2	68	1.7	80	0.0	97	6.9	96	7.8	94	5.4	93	
<i>Policy Index</i>	-0.1	63	1.7	80	0.0	97	7.0	95	7.9	94	5.4	93	
<i>InvestorForce Public DB Gross Median</i>	0.0		2.4		3.2		10.2		10.3		6.6		
<b>Vermont State Employees</b>	0.1	47	2.3	53	0.1	97	7.6	92	9.0	80	6.0	78	1,625,863,637
<i>Allocation Index</i>	-0.1	66	1.7	80	0.0	97	7.1	95	7.9	94	5.6	90	
<i>Policy Index</i>	-0.1	61	1.7	80	0.0	97	7.0	95	7.9	94	5.6	90	
<i>InvestorForce Public DB Gross Median</i>	0.0		2.4		3.2		10.2		10.3		6.6		
<b>Vermont Municipal Employees</b>	0.1	47	2.3	52	0.1	97	7.7	92	9.1	80	6.2	70	530,064,767
<i>Allocation Index</i>	-0.1	67	1.7	79	0.0	97	7.1	95	7.9	94	5.6	88	
<i>Policy Index</i>	-0.1	61	1.7	80	0.0	97	7.0	95	7.9	94	5.7	88	
<i>InvestorForce Public DB Gross Median</i>	0.0		2.4		3.2		10.2		10.3		6.6		
<b>City of Burlington</b>	0.0	52	2.3	55	0.1	96	7.6	93	9.0	82	5.7	87	154,282,112
<i>Allocation Index</i>	-0.1	65	1.7	80	0.0	97	7.0	96	--	--	--	--	
<i>Policy Index</i>	-0.1	61	1.7	80	0.0	97	7.0	95	7.9	94	5.1	96	
<i>60% MSCI World / 40% CITI WGBI</i>	-0.3	78	0.2	99	-2.5	99	7.7	92	8.7	88	5.7	87	
<i>InvestorForce Public DB Gross Median</i>	0.0		2.4		3.2		10.2		10.3		6.6		

## 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
<b>Composite</b>	<b>3,939,258,427</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>	<b>79</b>	<b>2.2</b>	<b>79</b>	<b>0.0</b>	<b>97</b>	<b>7.5</b>	<b>96</b>	<b>9.0</b>	<b>91</b>
<i>InvestorForce Public DB &gt; \$1B Gross Median</i>				0.4		2.6		3.2		10.8		10.9	
<b>Total Equity</b>	<b>1,323,327,515</b>	<b>33.6</b>	<b>32.0</b>	<b>0.1</b>	<b>69</b>	<b>3.3</b>	<b>57</b>	<b>1.1</b>	<b>63</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>MSCI ACWI</i>				0.3	63	2.7	66	0.7	67	13.0	70	11.9	75
<i>eA All Global Equity Gross Median</i>				0.8		3.6		2.4		14.5		13.6	
<b>US Equity</b>	<b>667,966,685</b>	<b>17.0</b>	<b>16.0</b>	<b>0.5</b>	<b>44</b>	<b>3.0</b>	<b>52</b>	<b>8.3</b>	<b>42</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Russell 3000</i>				0.1	54	1.9	64	7.3	51	17.7	59	17.5	55
<i>eA All US Equity Gross Median</i>				0.3		3.2		7.3		18.3		17.8	
<b>Large Cap Comp</b>	<b>435,838,910</b>	<b>11.1</b>	<b>11.0</b>	<b>-0.1</b>	<b>62</b>	<b>1.1</b>	<b>66</b>	<b>6.9</b>	<b>57</b>	<b>18.1</b>	<b>49</b>	<b>17.7</b>	<b>45</b>
<i>S&amp;P 500</i>				0.3	53	1.2	63	7.4	53	17.3	61	17.3	53
<i>eA US Large Cap Equity Gross Median</i>				0.3		2.0		7.6		17.9		17.4	
<b>SSgA S&amp;P 500 Cap-Wgt</b>	<b>324,565,489</b>	<b>8.2</b>	<b>8.0</b>	<b>0.3</b>	<b>53</b>	<b>1.2</b>	<b>63</b>	<b>7.4</b>	<b>53</b>	<b>17.4</b>	<b>60</b>	<b>--</b>	<b>--</b>
<i>S&amp;P 500</i>				0.3	53	1.2	63	7.4	53	17.3	61	17.3	53
<b>SSgA S&amp;P 500 Equal-Wgt</b>	<b>111,266,615</b>	<b>2.8</b>	<b>3.0</b>	<b>-1.1</b>	<b>87</b>	<b>0.7</b>	<b>71</b>	<b>6.1</b>	<b>65</b>	<b>19.6</b>	<b>27</b>	<b>18.4</b>	<b>33</b>
<i>S&amp;P 500 Equal Weighted</i>				-1.1	87	0.7	71	6.1	65	19.6	27	18.4	31
<b>T. Rowe</b>	<b>6,807</b>	<b>0.0</b>	<b>0.0</b>										
<i>S&amp;P 500</i>													

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
<b>Small/Mid Cap Comp</b>	<b>232,127,775</b>	<b>5.9</b>	<b>5.0</b>	<b>1.6</b>	<b>27</b>	<b>6.5</b>	<b>36</b>	<b>10.8</b>	<b>21</b>	<b>19.3</b>	<b>47</b>	<b>18.8</b>	<b>39</b>
<i>Russell 2000</i>				0.4	49	4.8	59	6.5	55	17.8	64	17.1	68
<i>eA US Small-Mid Cap Equity Gross Median</i>				0.4		5.4		7.0		19.0		18.1	
<b>SSgA S&amp;P 400</b>	<b>21,795,187</b>	<b>0.6</b>	<b>0.5</b>	<b>-1.1</b>	<b>69</b>	<b>4.2</b>	<b>59</b>	<b>6.4</b>	<b>67</b>	<b>18.7</b>	<b>57</b>	<b>--</b>	<b>--</b>
<i>S&amp;P 400 MidCap</i>				-1.1	69	4.2	59	6.4	67	18.6	58	17.8	64
<i>eA US Mid Cap Equity Gross Median</i>				-0.1		4.9		8.1		19.2		18.3	
<b>Champlain</b>	<b>81,158,313</b>	<b>2.1</b>	<b>2.0</b>	<b>2.8</b>	<b>8</b>	<b>6.9</b>	<b>25</b>	<b>10.2</b>	<b>33</b>	<b>19.5</b>	<b>45</b>	<b>18.8</b>	<b>42</b>
<i>Russell 2500</i>				-0.3	56	4.8	52	5.9	72	18.7	57	17.9	63
<i>eA US Mid Cap Equity Gross Median</i>				-0.1		4.9		8.1		19.2		18.3	
<b>Wellington</b>	<b>85,479,072</b>	<b>2.2</b>	<b>2.0</b>	<b>1.1</b>	<b>28</b>	<b>5.5</b>	<b>16</b>	<b>11.8</b>	<b>2</b>	<b>18.7</b>	<b>45</b>	<b>18.4</b>	<b>30</b>
<i>Russell 2000 Value</i>				-1.2	81	0.8	83	0.8	73	15.5	80	14.8	84
<i>eA US Small Cap Value Equity Gross Median</i>				-0.1		3.1		3.6		18.4		17.1	
<b>SSgA Russell 2000 Growth</b>	<b>43,695,203</b>	<b>1.1</b>	<b>0.5</b>	<b>2.0</b>	<b>57</b>	<b>8.7</b>	<b>52</b>	<b>12.3</b>	<b>44</b>	<b>20.1</b>	<b>54</b>	<b>19.3</b>	<b>63</b>
<i>Russell 2000 Growth</i>				2.0	57	8.7	50	12.3	44	20.1	54	19.3	63
<i>eA US Small Cap Growth Equity Gross Median</i>				2.4		8.7		11.7		20.6		20.0	

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
<b>Int'l Equity Comp</b>	<b>415,543,911</b>	<b>10.5</b>	<b>10.0</b>	<b>0.7</b>	<b>77</b>	<b>5.3</b>	<b>77</b>	<b>-5.4</b>	<b>91</b>	<b>12.4</b>	<b>64</b>	<b>10.2</b>	<b>70</b>
MSCI EAFE				0.6	81	5.5	74	-4.2	79	12.0	74	9.5	83
eA All EAFE Equity Gross Median				1.8		6.9		-1.5		13.2		11.3	
<b>Acadian</b>	<b>159,695,136</b>	<b>4.1</b>	<b>4.0</b>	<b>1.3</b>	<b>63</b>	<b>5.7</b>	<b>71</b>	<b>-5.5</b>	<b>91</b>	<b>13.8</b>	<b>45</b>	<b>10.8</b>	<b>56</b>
<b>Mondrian</b>	<b>157,723,612</b>	<b>4.0</b>	<b>4.0</b>	<b>0.4</b>	<b>86</b>	<b>5.4</b>	<b>75</b>	<b>-5.2</b>	<b>90</b>	<b>12.1</b>	<b>70</b>	<b>10.3</b>	<b>68</b>
MSCI EAFE				0.6	81	5.5	74	-4.2	79	12.0	74	9.5	83
S&P EPAC LargeMidCap				0.7	78	6.0	66	-3.9	75	12.2	70	10.0	76
<b>SSgA ACWI Ex US</b>	<b>98,125,163</b>	<b>2.5</b>	<b>2.0</b>	<b>0.6</b>	<b>70</b>	<b>4.2</b>	<b>81</b>	<b>-5.1</b>	<b>82</b>	<b>9.7</b>	<b>81</b>	<b>--</b>	<b>--</b>
MSCI ACWI ex USA				0.5	74	4.0	82	-5.3	83	9.4	83	7.8	96
eA ACWI ex-US All Cap Equity Gross Median				1.2		6.0		-1.4		12.3		10.7	
<b>Emerging Market Comp</b>	<b>239,816,919</b>	<b>6.1</b>	<b>6.0</b>										
eA Emg Mkts Equity Gross Median													
<b>Aberdeen</b>	<b>239,816,919</b>	<b>6.1</b>	<b>6.0</b>	<b>-1.9</b>	<b>96</b>	<b>1.1</b>	<b>71</b>	<b>-7.5</b>	<b>77</b>	<b>2.7</b>	<b>86</b>	<b>6.3</b>	<b>36</b>
MSCI Emerging Markets				0.7	59	2.9	43	-5.1	59	3.7	73	3.7	77
eA Emg Mkts Equity Gross Median				1.0		2.6		-3.7		5.8		5.2	



# 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
<b>US Fixed Income</b>	<b>1,090,162,638</b>	<b>27.7</b>	<b>24.0</b>	<b>-0.9</b>	<b>62</b>	<b>1.3</b>	<b>21</b>	<b>2.6</b>	<b>16</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Barclays Aggregate				-1.7	81	-0.1	84	1.9	39	1.8	70	3.3	65
eA All US Fixed Inc Gross Median				-0.6		0.6		1.6		2.6		4.0	
<b>Diversified Fixed Income</b>	<b>805,197,749</b>	<b>20.4</b>	<b>20.0</b>	<b>-1.2</b>	<b>69</b>	<b>0.9</b>	<b>30</b>	<b>3.5</b>	<b>7</b>	<b>2.9</b>	<b>45</b>	<b>5.0</b>	<b>38</b>
Barclays Aggregate				-1.7	81	-0.1	84	1.9	39	1.8	70	3.3	65
eA All US Fixed Inc Gross Median				-0.6		0.6		1.6		2.6		4.0	
<b>Allianz Structured Alpha</b>	<b>109,639,079</b>	<b>2.8</b>	<b>2.0</b>	<b>-1.4</b>	<b>37</b>	<b>3.5</b>	<b>1</b>	<b>11.5</b>	<b>1</b>	<b>7.8</b>	<b>1</b>	<b>9.7</b>	<b>1</b>
Citigroup 10 Year Treasury				-3.0	99	-0.6	99	3.8	1	0.7	99	4.1	41
<b>SSgA Barclays Aggregate Index</b>	<b>121,054,412</b>	<b>3.1</b>	<b>3.0</b>	<b>-1.7</b>	<b>70</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Barclays Aggregate				-1.7	70	-0.1	82	1.9	66	1.8	88	3.3	85
3-Month Libor Total Return USD				0.1	3	0.1	59	0.3	99	0.3	99	0.3	99
eA US Core Fixed Inc Gross Median				-1.5		0.2		2.0		2.4		3.9	
<b>PIMCO Core Plus</b>	<b>212,575,314</b>	<b>5.4</b>	<b>5.0</b>	<b>-1.5</b>	<b>43</b>	<b>0.9</b>	<b>10</b>	<b>2.4</b>	<b>24</b>	<b>2.2</b>	<b>67</b>	<b>4.1</b>	<b>40</b>
Barclays Aggregate				-1.7	70	-0.1	82	1.9	66	1.8	88	3.3	85
<b>PIMCO Unconstrained</b>	<b>99,192,547</b>	<b>2.5</b>	<b>2.5</b>	<b>-0.3</b>	<b>6</b>	<b>0.4</b>	<b>38</b>	<b>0.7</b>	<b>99</b>	<b>1.2</b>	<b>99</b>	<b>--</b>	<b>--</b>
25% HY, 25% EMD, 50% BC Agg				-0.9	15	1.0	7	0.5	99	3.5	11	5.5	4
3-Month Libor Total Return USD				0.1	3	0.1	59	0.3	99	0.3	99	0.3	99
<b>Wellington DAS</b>	<b>106,417,375</b>	<b>2.7</b>	<b>3.0</b>	<b>-2.7</b>	<b>99</b>	<b>0.3</b>	<b>48</b>	<b>6.0</b>	<b>1</b>	<b>4.1</b>	<b>5</b>	<b>7.6</b>	<b>1</b>
Wellington Custom Benchmark				-3.4	99	-0.3	94	4.9	1	1.6	94	5.4	4
<b>GAM Unconstrained Bond</b>	<b>156,319,022</b>	<b>4.0</b>	<b>4.5</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
3-Month LIBOR + 3%				0.8	1	1.6	1	3.3	4	3.3	15	3.3	85
eA US Core Fixed Inc Gross Median				-1.5		0.2		2.0		2.4		3.9	
<b>High Yield Comp</b>	<b>165,112,669</b>	<b>4.2</b>	<b>4.0</b>	<b>0.9</b>	<b>20</b>	<b>3.5</b>	<b>23</b>	<b>1.8</b>	<b>24</b>	<b>7.2</b>	<b>44</b>	<b>8.8</b>	<b>52</b>
eA US High Yield Fixed Inc Gross Median				0.4		2.9		0.4		7.0		8.8	
<b>KDP</b>	<b>40,916,632</b>	<b>1.0</b>	<b>1.0</b>	<b>0.4</b>	<b>46</b>	<b>2.8</b>	<b>61</b>	<b>1.1</b>	<b>37</b>	<b>5.8</b>	<b>82</b>	<b>7.7</b>	<b>86</b>
<b>Guggenheim</b>	<b>124,196,037</b>	<b>3.2</b>	<b>3.0</b>	<b>1.1</b>	<b>17</b>	<b>3.8</b>	<b>16</b>	<b>2.0</b>	<b>17</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Barclays High Yield				0.0	76	2.5	74	-0.4	66	6.8	58	8.6	59
BofA Merrill Lynch US High Yield BB-B Rated				0.0	76	2.7	67	0.7	45	6.8	59	8.4	67
eA US High Yield Fixed Inc Gross Median				0.4		2.9		0.4		7.0		8.8	
<b>TIPS</b>	<b>119,852,220</b>	<b>3.0</b>	<b>3.0</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
eA TIPS / Infl Indexed Fixed Inc Gross Median													
<b>BlackRock TIPS</b>	<b>119,852,220</b>	<b>3.0</b>	<b>3.0</b>	<b>-1.1</b>	<b>--</b>	<b>0.5</b>	<b>--</b>	<b>-1.7</b>	<b>--</b>	<b>-0.8</b>	<b>--</b>	<b>3.3</b>	<b>--</b>
Barclays US TIPS				-1.1	--	0.3	--	-1.7	--	-0.8	--	3.3	--

Wellington DAS is Net of Fees. 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  
 GAM Unconstrained Bond was funded in June 2015

## 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
<b>Global Fixed Income Comp</b>	<b>113,487,667</b>	<b>2.9</b>	<b>3.0</b>	<b>-0.3</b>	<b>44</b>	<b>-2.2</b>	<b>68</b>	<b>-6.6</b>	<b>75</b>	<b>-2.9</b>	<b>98</b>	<b>1.8</b>	<b>90</b>
<i>eA All Global Fixed Inc Gross Median</i>				-0.7		-0.1		-2.7		3.1		4.6	
<b>Mondrian GFI</b>	<b>113,487,667</b>	<b>2.9</b>	<b>3.0</b>	<b>-0.3</b>	<b>44</b>	<b>-2.2</b>	<b>68</b>	<b>-6.6</b>	<b>75</b>	<b>-2.9</b>	<b>98</b>	<b>1.1</b>	<b>96</b>
<i>Citi WGBI</i>				-1.5	73	-4.0	88	-9.0	87	-2.4	95	1.0	96
<b>Emerging Market Debt</b>	<b>204,186,576</b>	<b>5.2</b>	<b>5.0</b>										
<i>eA All Emg Mkts Fixed Inc Gross Median</i>													
<b>Wellington Opportunistic EMD</b>	<b>204,186,576</b>	<b>5.2</b>	<b>5.0</b>	<b>-1.3</b>	<b>93</b>	<b>0.7</b>	<b>52</b>	<b>-2.2</b>	<b>36</b>	<b>4.0</b>	<b>36</b>	<b>7.2</b>	<b>26</b>
<i>JP Morgan EMBI Global TR</i>				-0.3	61	1.8	38	-1.6	34	3.4	43	6.5	41
<i>eA All Emg Mkts Fixed Inc Gross Median</i>				0.0		0.8		-4.3		3.0		5.9	
<b>Total Real Estate</b>	<b>224,871,243</b>	<b>5.7</b>	<b>6.0</b>	<b>4.4</b>	<b>--</b>	<b>7.6</b>	<b>--</b>	<b>15.6</b>	<b>--</b>	<b>14.7</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Morgan Stanley Prime Property</b>	<b>102,556,542</b>	<b>2.6</b>	<b>2.0</b>	<b>4.5</b>	<b>--</b>	<b>7.9</b>	<b>--</b>	<b>17.3</b>	<b>--</b>	<b>16.0</b>	<b>--</b>	<b>16.3</b>	<b>--</b>
<b>UBS Trumbull</b>	<b>86,796,541</b>	<b>2.2</b>	<b>2.0</b>	<b>3.5</b>	<b>--</b>	<b>6.6</b>	<b>--</b>	<b>13.3</b>	<b>--</b>	<b>11.2</b>	<b>--</b>	<b>12.3</b>	<b>--</b>
<b>RREEF America REIT III</b>	<b>18,310,945</b>	<b>0.5</b>	<b>0.5</b>	<b>12.2</b>	<b>--</b>	<b>15.0</b>	<b>--</b>	<b>24.5</b>	<b>--</b>	<b>23.6</b>	<b>--</b>	<b>30.5</b>	<b>--</b>
<b>Siguler Guff</b>	<b>16,329,981</b>	<b>0.4</b>	<b>1.0</b>	<b>0.0</b>	<b>--</b>	<b>3.8</b>	<b>--</b>	<b>9.3</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Transwestern / Aslan III</b>	<b>877,234</b>	<b>0.0</b>	<b>0.5</b>	<b>2.9</b>	<b>--</b>	<b>3.0</b>	<b>--</b>	<b>-0.8</b>	<b>--</b>	<b>21.2</b>	<b>--</b>	<b>4.7</b>	<b>--</b>
<i>NCREIF Property Index</i>				3.1	--	6.8	--	13.0	--	11.6	--	12.7	--
<i>NCREIF ODCE</i>				3.8	--	7.3	--	14.4	--	13.1	--	14.4	--
<b>Hedge Fund Comp</b>	<b>203,355,632</b>	<b>5.2</b>	<b>5.0</b>	<b>0.6</b>	<b>38</b>	<b>2.0</b>	<b>65</b>	<b>1.1</b>	<b>75</b>	<b>8.0</b>	<b>41</b>	<b>--</b>	<b>--</b>
<i>eV Alt Fund of Funds - Multi-Strategy Median</i>				0.2		2.5		3.9		7.7		5.5	
<b>Grosvenor</b>	<b>202,934,395</b>	<b>5.2</b>	<b>5.0</b>	<b>0.7</b>	<b>34</b>	<b>2.5</b>	<b>50</b>	<b>2.9</b>	<b>60</b>	<b>8.7</b>	<b>32</b>	<b>--</b>	<b>--</b>
<b>GAM</b>	<b>421,238</b>	<b>0.0</b>	<b>0.0</b>										

Wellington Opportunistic EMD is Net of manager fees

Real Estate is updated through Q2 2015. Siguler Guff data is preliminary

Hedge Fund Comp and Commodities are Net of Manager 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
<b>GAA Comp</b>	<b>625,380,055</b>	<b>15.9</b>	<b>16.0</b>	<b>-1.3</b>	<b>59</b>	<b>2.0</b>	<b>33</b>	<b>-1.9</b>	<b>74</b>	<b>6.5</b>	<b>54</b>	<b>8.1</b>	<b>48</b>
<i>eA Global TAA Gross Median</i>				-1.2		1.0		0.6		6.9		7.8	
<b>Mellon Dynamic Growth</b>	<b>85,792,896</b>	<b>2.2</b>	<b>2.0</b>	<b>-1.8</b>	<b>67</b>	<b>5.9</b>	<b>2</b>	<b>13.5</b>	<b>1</b>	<b>11.1</b>	<b>10</b>	<b>11.2</b>	<b>15</b>
<i>Mellon Dynamic Growth Benchmark</i>				-0.2	21	0.5	59	-1.5	73	7.0	46	7.6	54
<b>AQR Global Risk Premium</b>	<b>309,938,037</b>	<b>7.9</b>	<b>8.0</b>	<b>-2.6</b>	<b>86</b>	<b>1.3</b>	<b>46</b>	<b>-3.9</b>	<b>82</b>	<b>5.8</b>	<b>70</b>	<b>9.1</b>	<b>33</b>
<i>60% MSCI World / 40% CITI WGBI</i>				-0.3	22	0.2	67	-2.5	75	7.7	37	8.7	41
<b>PIMCO All Asset</b>	<b>229,648,695</b>	<b>5.8</b>	<b>6.0</b>	<b>0.0</b>	<b>17</b>	<b>0.3</b>	<b>61</b>	<b>-5.0</b>	<b>86</b>	<b>4.5</b>	<b>82</b>	<b>6.3</b>	<b>77</b>
<i>PIMCO All Asset Index</i>				-0.8	36	0.8	52	0.7	48	3.2	93	5.3	88
<i>CPI + 5% (Seasonally Adjusted)</i>				2.1	5	3.1	24	5.2	16	6.4	55	6.9	59
<b>Wellington OIF</b>	<b>426</b>	<b>0.0</b>	<b>0.0</b>										
<i>65% MSCI World (Net) /35% BC Agg</i>													
<b>Commodities</b>	<b>117,817,236</b>	<b>3.0</b>	<b>3.0</b>										
<b>Schroder</b>	<b>117,817,236</b>	<b>3.0</b>	<b>3.0</b>	<b>5.5</b>	<b>--</b>	<b>-4.3</b>	<b>--</b>	<b>-31.6</b>	<b>--</b>	<b>-11.4</b>	<b>--</b>	<b>-4.3</b>	<b>--</b>
<i>Bloomberg Commodity Index</i>				4.7	--	-1.6	--	-23.7	--	-8.8	--	-3.9	--
<b>Cash</b>	<b>860,673</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	<b>--</b>	<b>0.1</b>	<b>--</b>
<i>91 Day T-Bills</i>				0.0	--	0.0	--	0.0	--	0.0	--	0.1	--
<b>Private Equity</b>	<b>35,809,191</b>	<b>0.9</b>	<b>3.0</b>	<b>1.9</b>	<b>--</b>	<b>3.4</b>	<b>--</b>	<b>17.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Cambridge Associates US All PE</i>				0.0	--	2.6	--	4.9	--	14.5	--	14.8	--
<b>Harbourvest Partners IX Credit Opportunities</b>	<b>1,346,185</b>	<b>0.0</b>	<b>--</b>										
<b>Harbourvest Partners IX Venture Fund</b>	<b>8,237,427</b>	<b>0.2</b>	<b>--</b>										
<b>Harbourvest Partners IX Buyout Fund</b>	<b>9,863,807</b>	<b>0.3</b>	<b>--</b>										
<b>Harbourvest Dover VIII Fund</b>	<b>15,056,870</b>	<b>0.4</b>	<b>--</b>										
<b>HIPEP VII</b>	<b>1,304,902</b>	<b>0.0</b>	<b>--</b>										

Harbourvest is based on estimated Capital Account Statements for Q2 2015

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

Mellon Dynamic Growth Benchmark: 60% MSCI All Country World Index IMI / 40% Citigroup GDP Weighted Wellington OIF is Net of Manager Fees

# VPIC Composite

## Total Fund Performance - Net

	Ending June 30, 2015						
	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Market Value (\$)
VPIC Composite	-0.2	2.0	-0.4	7.1	8.5	5.6	3,939,258,427
Vermont State Teachers	-0.3	1.8	-0.6	6.9	8.5	5.5	1,629,047,911
<i>Allocation Index</i>	-0.2	1.7	0.0	6.9	7.8	5.4	
<i>Policy Index</i>	-0.1	1.7	0.0	7.0	7.9	5.4	
Vermont State Employees	0.0	2.1	-0.3	7.2	8.6	5.7	1,625,863,637
<i>Allocation Index</i>	-0.1	1.7	0.0	7.1	7.9	5.6	
<i>Policy Index</i>	-0.1	1.7	0.0	7.0	7.9	5.6	
Vermont Municipal Employees	-0.1	2.1	-0.3	7.3	8.7	5.8	530,064,767
<i>Allocation Index</i>	-0.1	1.7	0.0	7.1	7.9	5.6	
<i>Policy Index</i>	-0.1	1.7	0.0	7.0	7.9	5.7	
City of Burlington	-0.1	2.0	-0.3	7.1	8.5	5.4	154,282,112
<i>Allocation Index</i>	-0.1	1.7	0.0	7.0	--	--	
<i>Policy Index</i>	-0.1	1.7	0.0	7.0	7.9	5.1	
60% MSCI World / 40% CITI WGBI	-0.3	0.2	-2.5	7.7	8.7	5.7	

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 (%)
<b>Composite</b>	<b>3,939,258,427</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>	<b>2.2</b>	<b>0.0</b>	<b>7.5</b>	<b>9.0</b>
<b>Total Equity</b>	<b>1,323,327,515</b>	<b>33.6</b>	<b>32.0</b>	<b>0.1</b>	<b>3.3</b>	<b>1.1</b>	<b>--</b>	<b>--</b>
<i>MSCI ACWI</i>				0.3	2.7	0.7	13.0	11.9
<b>US Equity</b>	<b>667,966,685</b>	<b>17.0</b>	<b>16.0</b>	<b>0.5</b>	<b>3.0</b>	<b>8.3</b>	<b>--</b>	<b>--</b>
<i>Russell 3000</i>				0.1	1.9	7.3	17.7	17.5
<b>Large Cap Comp</b>	<b>435,838,910</b>	<b>11.1</b>	<b>11.0</b>	<b>-0.1</b>	<b>1.1</b>	<b>6.9</b>	<b>18.1</b>	<b>17.7</b>
<i>S&amp;P 500</i>				0.3	1.2	7.4	17.3	17.3
<b>SSgA S&amp;P 500 Cap-Wgt</b>	<b>324,565,489</b>	<b>8.2</b>	<b>8.0</b>	<b>0.3</b>	<b>1.2</b>	<b>7.4</b>	<b>17.4</b>	<b>--</b>
<i>S&amp;P 500</i>				0.3	1.2	7.4	17.3	17.3
<b>SSgA S&amp;P 500 Equal-Wgt</b>	<b>111,266,615</b>	<b>2.8</b>	<b>3.0</b>	<b>-1.1</b>	<b>0.7</b>	<b>6.1</b>	<b>19.6</b>	<b>18.4</b>
<i>S&amp;P 500 Equal Weighted</i>				-1.1	0.7	6.1	19.6	18.4
<b>T. Rowe</b>	<b>6,807</b>	<b>0.0</b>	<b>0.0</b>					
<i>S&amp;P 500</i>								
<b>Small/Mid Cap Comp</b>	<b>232,127,775</b>	<b>5.9</b>	<b>5.0</b>	<b>1.6</b>	<b>6.5</b>	<b>10.8</b>	<b>19.3</b>	<b>18.8</b>
<i>Russell 2000</i>				0.4	4.8	6.5	17.8	17.1
<b>SSgA S&amp;P 400</b>	<b>21,795,187</b>	<b>0.6</b>	<b>0.5</b>	<b>-1.1</b>	<b>4.2</b>	<b>6.4</b>	<b>18.7</b>	<b>--</b>
<i>S&amp;P 400 MidCap</i>				-1.1	4.2	6.4	18.6	17.8
<b>Champlain</b>	<b>81,158,313</b>	<b>2.1</b>	<b>2.0</b>	<b>2.8</b>	<b>6.9</b>	<b>10.2</b>	<b>19.5</b>	<b>18.8</b>
<i>Russell 2500</i>				-0.3	4.8	5.9	18.7	17.9
<b>Wellington</b>	<b>85,479,072</b>	<b>2.2</b>	<b>2.0</b>	<b>1.1</b>	<b>5.5</b>	<b>11.8</b>	<b>18.7</b>	<b>18.4</b>
<i>Russell 2000 Value</i>				-1.2	0.8	0.8	15.5	14.8
<b>SSgA Russell 2000 Growth</b>	<b>43,695,203</b>	<b>1.1</b>	<b>0.5</b>	<b>2.0</b>	<b>8.7</b>	<b>12.3</b>	<b>20.1</b>	<b>19.3</b>
<i>Russell 2000 Growth</i>				2.0	8.7	12.3	20.1	19.3

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



June 30, 2015

VPIC Composite

Total Fund Performance Detail – Net

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
<b>Int'l Equity Comp</b>	<b>415,543,911</b>	<b>10.5</b>	<b>10.0</b>	<b>0.7</b>	<b>5.3</b>	<b>-5.4</b>	<b>12.4</b>	<b>10.2</b>
<i>MSCI EAFE</i>				0.6	5.5	-4.2	12.0	9.5
<b>Acadian</b>	<b>159,695,136</b>	<b>4.1</b>	<b>4.0</b>	<b>1.3</b>	<b>5.7</b>	<b>-5.5</b>	<b>13.8</b>	<b>10.8</b>
<b>Mondrian</b>	<b>157,723,612</b>	<b>4.0</b>	<b>4.0</b>	<b>0.4</b>	<b>5.4</b>	<b>-5.2</b>	<b>12.1</b>	<b>10.3</b>
<i>MSCI EAFE</i>				0.6	5.5	-4.2	12.0	9.5
<i>S&amp;P EPAC LargeMidCap</i>				0.7	6.0	-3.9	12.2	10.0
<b>SSgA ACWI Ex US</b>	<b>98,125,163</b>	<b>2.5</b>	<b>2.0</b>	<b>0.6</b>	<b>4.2</b>	<b>-5.1</b>	<b>9.7</b>	<b>--</b>
<i>MSCI ACWI ex USA</i>				0.5	4.0	-5.3	9.4	7.8
<b>Emerging Market Comp</b>	<b>239,816,919</b>	<b>6.1</b>	<b>6.0</b>					
<b>Aberdeen</b>	<b>239,816,919</b>	<b>6.1</b>	<b>6.0</b>	<b>-1.9</b>	<b>1.1</b>	<b>-7.5</b>	<b>2.7</b>	<b>6.3</b>
<i>MSCI Emerging Markets</i>				0.7	2.9	-5.1	3.7	3.7
<b>US Fixed Income</b>	<b>1,090,162,638</b>	<b>27.7</b>	<b>24.0</b>	<b>-0.9</b>	<b>1.3</b>	<b>2.6</b>	<b>--</b>	<b>--</b>
<i>Barclays Aggregate</i>				-1.7	-0.1	1.9	1.8	3.3
<b>Diversified Fixed Income</b>	<b>805,197,749</b>	<b>20.4</b>	<b>20.0</b>	<b>-1.2</b>	<b>0.9</b>	<b>3.5</b>	<b>2.9</b>	<b>5.0</b>
<i>Barclays Aggregate</i>				-1.7	-0.1	1.9	1.8	3.3
<b>Allianz Structured Alpha</b>	<b>109,639,079</b>	<b>2.8</b>	<b>2.0</b>	<b>-1.4</b>	<b>3.5</b>	<b>11.5</b>	<b>7.8</b>	<b>9.7</b>
<i>Citigroup 10 Year Treasury</i>				-3.0	-0.6	3.8	0.7	4.1
<b>SSgA Barclays Aggregate Index</b>	<b>121,054,412</b>	<b>3.1</b>	<b>3.0</b>	<b>-1.7</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Barclays Aggregate</i>				-1.7	-0.1	1.9	1.8	3.3
<i>3-Month Libor Total Return USD</i>				0.1	0.1	0.3	0.3	0.3
<b>PIMCO Core Plus</b>	<b>212,575,314</b>	<b>5.4</b>	<b>5.0</b>	<b>-1.5</b>	<b>0.9</b>	<b>2.4</b>	<b>2.2</b>	<b>4.1</b>
<i>Barclays Aggregate</i>				-1.7	-0.1	1.9	1.8	3.3
<b>PIMCO Unconstrained</b>	<b>99,192,547</b>	<b>2.5</b>	<b>2.5</b>	<b>-0.3</b>	<b>0.4</b>	<b>0.7</b>	<b>1.2</b>	<b>--</b>
<i>25% HY, 25% EMD, 50% BC Agg</i>				-0.9	1.0	0.5	3.5	5.5
<i>3-Month Libor Total Return USD</i>				0.1	0.1	0.3	0.3	0.3
<b>Wellington DAS</b>	<b>106,417,375</b>	<b>2.7</b>	<b>3.0</b>	<b>-2.7</b>	<b>0.3</b>	<b>6.0</b>	<b>4.1</b>	<b>7.6</b>
<i>Wellington Custom Benchmark</i>				-3.4	-0.3	4.9	1.6	5.4
<b>GAM Unconstrained Bond</b>	<b>156,319,022</b>	<b>4.0</b>	<b>4.5</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>3-Month LIBOR + 3%</i>				0.8	1.6	3.3	3.3	3.3

Wellington Custom Benchmark: 5/1/2002 - 5/31/2011 is the Barclays Aggregate; 6/1/2011 - Present is the Citigroup US Strips Index  
 GAM Unconstrained Bond was funded in June 2015

VPIC Composite

Total Fund Performance Detail – Net

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
<b>High Yield Comp</b>	165,112,669	4.2	4.0	0.9	3.5	1.8	7.2	8.8
KDP	40,916,632	1.0	1.0	0.4	2.8	1.1	5.8	7.7
Guggenheim	124,196,037	3.2	3.0	1.1	3.8	2.0	--	--
<i>Barclays High Yield</i>				0.0	2.5	-0.4	6.8	8.6
<i>BofA Merrill Lynch US High Yield BB-B Rated</i>				0.0	2.7	0.7	6.8	8.4
<b>TIPS</b>	119,852,220	3.0	3.0					
BlackRock TIPS	119,852,220	3.0	3.0	-1.1	0.5	-1.7	-0.8	3.3
<i>Barclays US TIPS</i>				-1.1	0.3	-1.7	-0.8	3.3
<b>Global Fixed Income Comp</b>	113,487,667	2.9	3.0					
Mondrian GFI	113,487,667	2.9	3.0	-0.3	-2.2	-6.6	-2.9	1.8
<i>Citi WGBI</i>				-1.5	-4.0	-9.0	-2.4	1.0
<b>Emerging Market Debt</b>	204,186,576	5.2	5.0					
Wellington Opportunistic EMD	204,186,576	5.2	5.0	-1.3	0.7	-2.2	4.0	7.2
<i>JP Morgan EMBI Global TR</i>				-0.3	1.8	-1.6	3.4	6.5
<b>Total Real Estate</b>	224,871,243	5.7	6.0	4.4	7.6	15.6	14.7	--
Morgan Stanley Prime Property	102,556,542	2.6	2.0	4.5	7.9	17.3	16.0	16.3
UBS Trumbull	86,796,541	2.2	2.0	3.5	6.6	13.3	11.2	12.3
RREEF America REIT III	18,310,945	0.5	0.5	12.2	15.0	24.5	23.6	30.5
Siguler Guff	16,329,981	0.4	1.0	0.0	3.8	9.3	--	--
Transwestern / Aslan III	877,234	0.0	0.5	2.9	3.0	-0.8	21.2	4.7
<i>NCREIF Property Index</i>				3.1	6.8	13.0	11.6	12.7
<i>NCREIF ODCE</i>				3.8	7.3	14.4	13.1	14.4

Real Estate is updated through Q2 2014. Siguler Guff data is preliminary

VPIC Composite

Total Fund Performance Detail – Net

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
<b>Hedge Fund Comp</b>	<b>203,355,632</b>	<b>5.2</b>	<b>5.0</b>	<b>0.6</b>	<b>2.0</b>	<b>1.1</b>	<b>8.0</b>	<b>--</b>
Grosvenor	202,934,395	5.2	5.0	0.7	2.5	2.9	8.7	--
GAM	421,238	0.0	0.0					
<b>GAA Comp</b>	<b>625,380,055</b>	<b>15.9</b>	<b>16.0</b>	<b>-1.3</b>	<b>2.0</b>	<b>-1.9</b>	<b>6.5</b>	<b>8.1</b>
Mellon Dynamic Growth	85,792,896	2.2	2.0	-1.8	5.9	13.5	11.1	11.2
Mellon Dynamic Growth Benchmark				-0.2	0.5	-1.5	7.0	7.6
<b>AQR Global Risk Premium</b>	<b>309,938,037</b>	<b>7.9</b>	<b>8.0</b>	<b>-2.6</b>	<b>1.3</b>	<b>-3.9</b>	<b>5.8</b>	<b>9.1</b>
60% MSCI World / 40% CITI WGBI				-0.3	0.2	-2.5	7.7	8.7
<b>PIMCO All Asset</b>	<b>229,648,695</b>	<b>5.8</b>	<b>6.0</b>	<b>0.0</b>	<b>0.3</b>	<b>-5.0</b>	<b>4.5</b>	<b>6.3</b>
PIMCO All Asset Index				-0.8	0.8	0.7	3.2	5.3
CPI + 5% (Seasonally Adjusted)				2.1	3.1	5.2	6.4	6.9
<b>Wellington OIF</b>	<b>426</b>	<b>0.0</b>	<b>0.0</b>					
65% MSCI World (Net) /35% BC Agg								
<b>Commodities</b>	<b>117,817,236</b>	<b>3.0</b>	<b>3.0</b>					
Schroder	117,817,236	3.0	3.0	5.5	-4.3	-31.6	-11.4	-4.3
Bloomberg Commodity Index				4.7	-1.6	-23.7	-8.8	-3.9
<b>Cash</b>	<b>860,673</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>
91 Day T-Bills				0.0	0.0	0.0	0.0	0.1
<b>Private Equity</b>	<b>35,809,191</b>	<b>0.9</b>	<b>3.0</b>	<b>1.9</b>	<b>3.4</b>	<b>17.4</b>	<b>--</b>	<b>--</b>
Cambridge Associates US All PE				0.0	2.6	4.9	14.5	14.8
Harbourvest Partners IX Credit Opportunities	1,346,185	0.0	--					
Harbourvest Partners IX Venture Fund	8,237,427	0.2	--					
Harbourvest Partners IX Buyout Fund	9,863,807	0.3	--					
Harbourvest Dover VIII Fund	15,056,870	0.4	--					
HIPEP VII	1,304,902	0.0	--					

Harbourvest is based on estimated Capital Account Statements for Q2 2015

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

Index: 60% MSCI All Country World Index IMI/ 40% Citigroup GDP Weighted



# VPIC Composite

## Total Fund Yearly Performance - Gross

	Ending June 30, 2015																	
	2014 (%)	Rank	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank
<b>VPIC Composite</b>	4.5	82	8.5	96	13.2	43	2.2	12	14.9	14	26.8	8	-29.8	93	6.3	92	15.3	21
<i>InvestorForce Public DB &gt; \$1B Gross Median</i>	5.7		15.0		13.0		0.8		13.5		20.5		-26.7		8.6		13.9	
<b>Vermont State Teachers</b>	4.5	80	8.2	96	13.2	27	2.2	17	14.9	12	26.5	7	-30.1	93	6.3	84	15.7	7
<i>Allocation Index</i>	3.4	94	9.3	93	10.8	74	0.7	60	11.6	77	22.7	24	-25.2	55	6.5	82	14.8	18
<i>Policy Index</i>	3.8	91	9.1	93	10.9	73	0.6	60	11.7	75	19.3	55	-24.3	45	7.6	54	14.4	23
<i>InvestorForce Public DB Gross Median</i>	5.8		15.5		12.4		0.9		12.9		20.2		-24.9		7.9		13.2	
<b>Vermont State Employees</b>	4.5	79	8.7	95	13.1	29	2.2	17	14.9	12	27.4	5	-29.6	90	6.4	83	14.9	17
<i>Allocation Index</i>	3.4	94	9.8	92	10.6	76	0.5	61	11.9	71	22.6	24	-23.9	42	6.6	81	14.1	28
<i>Policy Index</i>	3.8	91	9.1	93	10.9	73	0.6	60	11.7	75	19.5	54	-22.5	34	7.6	54	13.9	31
<i>InvestorForce Public DB Gross Median</i>	5.8		15.5		12.4		0.9		12.9		20.2		-24.9		7.9		13.2	
<b>Vermont Municipal Employees</b>	4.5	80	8.9	93	13.2	28	2.2	17	14.9	12	27.8	4	-29.4	89	6.3	87	14.8	18
<i>Allocation Index</i>	3.3	95	10.0	92	10.7	74	0.6	60	11.8	72	22.2	27	-23.0	37	6.7	81	13.6	40
<i>Policy Index</i>	3.8	91	9.1	93	10.9	73	0.6	60	11.7	75	19.3	55	-21.9	30	7.7	53	13.7	35
<i>InvestorForce Public DB Gross Median</i>	5.8		15.5		12.4		0.9		12.9		20.2		-24.9		7.9		13.2	
<b>City of Burlington</b>	4.5	78	8.4	96	13.1	29	2.2	17	14.9	12	26.6	6	-30.3	96	5.5	94	13.4	46
<i>Policy Index</i>	3.8	91	9.1	93	10.9	73	0.6	60	11.7	75	19.3	55	-24.3	45	7.4	61	12.6	58
<i>60% MSCI World / 40% CITI WGBI</i>	3.1	96	13.9	70	10.6	76	-0.3	77	9.8	92	19.2	56	-22.7	36	10.3	13	14.7	20
<i>InvestorForce Public DB Gross Median</i>	5.8		15.5		12.4		0.9		12.9		20.2		-24.9		7.9		13.2	

## VPIC Composite

### Total Fund Yearly Performance - Gross

	2014 (%)	Rank	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank
<b>Composite</b>	<b>4.5</b>	<b>82</b>	<b>8.5</b>	<b>96</b>	<b>13.2</b>	<b>43</b>	<b>2.2</b>	<b>12</b>	<b>14.9</b>	<b>14</b>	<b>26.8</b>	<b>8</b>	<b>-29.8</b>	<b>93</b>	<b>6.3</b>	<b>92</b>	<b>15.3</b>	<b>21</b>
<i>InvestorForce Public DB &gt; \$1B Gross Median</i>	5.7		15.0		13.0		0.8		13.5		20.5		-26.7		8.6		13.9	
<b>Total Equity</b>	<b>5.1</b>	<b>45</b>	<b>23.4</b>	<b>65</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<i>MSCI ACWI</i>	4.2	54	22.8	66	16.1	61	-7.3	53	12.7	65	34.6	44	-42.2	55	11.7	50	21.0	61
<i>eA All Global Equity Gross Median</i>	4.6		26.2		17.2		-7.0		14.3		33.3		-41.3		11.6		22.5	
<b>US Equity</b>	<b>11.6</b>	<b>41</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<i>Russell 3000</i>	12.6	33	33.6	64	16.4	45	1.0	39	16.9	61	28.3	60	-37.3	54	5.1	60	15.7	46
<i>eA All US Equity Gross Median</i>	10.3		35.6		16.0		-0.4		19.6		30.9		-36.9		6.8		15.1	
<b>Large Cap Comp</b>	<b>13.7</b>	<b>35</b>	<b>33.9</b>	<b>48</b>	<b>16.6</b>	<b>38</b>	<b>1.4</b>	<b>41</b>	<b>17.6</b>	<b>22</b>	<b>40.4</b>	<b>11</b>	<b>-40.3</b>	<b>81</b>	<b>4.6</b>	<b>74</b>	<b>16.2</b>	<b>40</b>
<i>S&amp;P 500</i>	13.7	35	32.4	62	16.0	45	2.1	34	15.1	47	26.5	56	-37.0	57	5.5	68	15.8	43
<i>eA US Large Cap Equity Gross Median</i>	12.5		33.6		15.6		0.4		14.8		28.0		-36.3		8.0		14.8	
<b>SSgA S&amp;P 500 Cap-Wgt</b>	<b>13.7</b>	<b>34</b>	<b>32.4</b>	<b>61</b>	<b>16.1</b>	<b>44</b>	<b>2.2</b>	<b>33</b>	--	--	--	--	--	--	--	--	--	--
<i>S&amp;P 500</i>	13.7	35	32.4	62	16.0	45	2.1	34	15.1	47	26.5	56	-37.0	57	5.5	68	15.8	43
<b>SSgA S&amp;P 500 Equal-Wgt</b>	<b>14.4</b>	<b>25</b>	<b>36.2</b>	<b>29</b>	<b>17.5</b>	<b>29</b>	<b>-0.1</b>	<b>56</b>	<b>22.0</b>	<b>5</b>	<b>46.7</b>	<b>4</b>	<b>-40.6</b>	<b>83</b>	<b>0.5</b>	<b>90</b>	<b>15.9</b>	<b>42</b>
<i>S&amp;P 500 Equal Weighted</i>	14.5	24	36.2	29	17.7	27	-0.1	56	21.9	5	46.3	5	-39.7	78	1.5	87	15.8	43
<b>T. Rowe</b>																		
<i>S&amp;P 500</i>																		

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

	2014 (%)	Rank	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank
<b>Small/Mid Cap Comp</b>	<b>7.9</b>	<b>37</b>	<b>38.4</b>	<b>49</b>	<b>15.2</b>	<b>59</b>	<b>0.9</b>	<b>31</b>	<b>27.3</b>	<b>48</b>	<b>33.1</b>	<b>60</b>	<b>-34.0</b>	<b>21</b>	<b>1.8</b>	<b>73</b>	<b>10.9</b>	<b>71</b>
Russell 2000	4.9	64	38.8	45	16.3	49	-4.2	70	26.9	52	27.2	82	-33.8	21	-1.6	84	18.4	21
eA US Small-Mid Cap Equity Gross Median	6.5		38.2		16.0		-1.5		26.9		35.2		-38.1		8.8		13.9	
<b>SSgA S&amp;P 400</b>	<b>9.7</b>	<b>49</b>	<b>33.7</b>	<b>68</b>	<b>17.9</b>	<b>31</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
S&P 400 MidCap	9.8	49	33.5	70	17.9	31	-1.7	52	26.6	33	37.4	53	-36.2	30	8.0	59	10.3	72
eA US Mid Cap Equity Gross Median	9.3		35.8		16.1		-1.4		24.5		37.9		-40.1		9.7		13.7	
<b>Champlain</b>	<b>9.1</b>	<b>54</b>	<b>39.2</b>	<b>26</b>	<b>12.9</b>	<b>78</b>	<b>3.8</b>	<b>14</b>	<b>22.8</b>	<b>64</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Russell 2500	7.1	71	36.8	43	17.9	31	-2.5	60	26.7	33	34.4	66	-36.8	34	1.4	85	16.2	31
eA US Mid Cap Equity Gross Median	9.3		35.8		16.1		-1.4		24.5		37.9		-40.1		9.7		13.7	
<b>Wellington</b>	<b>8.0</b>	<b>27</b>	<b>34.9</b>	<b>77</b>	<b>16.9</b>	<b>51</b>	<b>1.8</b>	<b>16</b>	<b>28.3</b>	<b>39</b>	<b>32.6</b>	<b>50</b>	<b>-26.5</b>	<b>15</b>	<b>-2.1</b>	<b>45</b>	<b>20.5</b>	<b>33</b>
Russell 2000 Value	4.2	68	34.5	78	18.0	43	-5.5	69	24.5	72	20.6	85	-28.9	27	-9.8	82	23.5	14
eA US Small Cap Value Equity Gross Median	5.8		38.1		16.9		-3.3		26.9		32.0		-32.3		-2.9		18.7	
<b>SSgA Russell 2000 Growth</b>	<b>5.6</b>	<b>33</b>	<b>43.3</b>	<b>70</b>	<b>14.7</b>	<b>47</b>	<b>-3.0</b>	<b>61</b>	<b>29.2</b>	<b>44</b>	<b>34.2</b>	<b>60</b>	<b>-38.4</b>	<b>26</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Russell 2000 Growth	5.6	32	43.3	70	14.6	48	-2.9	60	29.1	46	34.5	59	-38.5	26	7.0	64	13.3	40
eA US Small Cap Growth Equity Gross Median	3.9		45.6		14.3		-1.5		28.6		36.5		-41.5		11.0		12.3	
<b>Int'l Equity Comp</b>	<b>-2.3</b>	<b>32</b>	<b>23.6</b>	<b>57</b>	<b>14.0</b>	<b>92</b>	<b>-9.2</b>	<b>22</b>	<b>9.4</b>	<b>71</b>	<b>25.4</b>	<b>92</b>	<b>-42.0</b>	<b>33</b>	<b>10.9</b>	<b>64</b>	<b>33.7</b>	<b>11</b>
MSCI EAFE	-4.9	70	22.8	65	17.3	77	-12.1	53	7.8	83	31.8	69	-43.4	45	11.2	62	26.3	61
eA All EAFE Equity Gross Median	-3.7		24.6		20.4		-12.0		11.7		36.5		-44.1		13.2		27.3	
<b>Acadian</b>	<b>-2.7</b>	<b>36</b>	<b>27.2</b>	<b>31</b>	<b>17.0</b>	<b>82</b>	<b>-13.0</b>	<b>60</b>	<b>14.6</b>	<b>34</b>	<b>27.7</b>	<b>85</b>	<b>-49.0</b>	<b>85</b>	<b>8.7</b>	<b>78</b>	<b>37.4</b>	<b>3</b>
<b>Mondrian</b>	<b>-1.6</b>	<b>25</b>	<b>23.9</b>	<b>55</b>	<b>9.8</b>	<b>99</b>	<b>-3.5</b>	<b>3</b>	<b>3.6</b>	<b>97</b>	<b>24.4</b>	<b>94</b>	<b>-37.1</b>	<b>11</b>	<b>12.4</b>	<b>55</b>	<b>31.1</b>	<b>22</b>
MSCI EAFE	-4.9	70	22.8	65	17.3	77	-12.1	53	7.8	83	31.8	69	-43.4	45	11.2	62	26.3	61
S&P EPAC LargeMidCap	-4.5	61	22.2	69	18.1	70	-11.7	47	9.2	73	34.3	59	-43.3	44	12.9	52	25.2	74
<b>SSgA ACWI Ex US</b>	<b>-3.6</b>	<b>62</b>	<b>15.5</b>	<b>82</b>	<b>17.2</b>	<b>75</b>	<b>-13.5</b>	<b>73</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
MSCI ACWI ex USA	-3.9	66	15.3	83	16.8	77	-13.7	73	11.2	75	41.4	41	-45.5	58	16.7	63	26.7	70
eA ACWI ex-US All Cap Equity Gross Median	-2.0		19.5		19.6		-11.5		15.0		38.7		-45.2		17.4		28.6	

VPIC Composite

Total Fund Yearly Performance - Gross

	2014 (%)	Rank	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank
<b>Emerging Market Comp</b>																		
<i>eA Emg Mkts Equity Gross Median</i>																		
<b>Aberdeen</b>	-1.1	59	-5.9	94	26.4	11	-10.5	4	29.1	6	81.7	37	--	--	--	--	--	--
<i>MSCI Emerging Markets</i>	-2.2	74	-2.6	80	18.2	68	-18.4	48	18.9	64	78.5	57	-53.3	42	39.4	60	32.2	70
<i>eA Emg Mkts Equity Gross Median</i>	-0.1		1.0		20.9		-18.6		20.1		79.5		-54.0		40.5		34.2	
<b>US Fixed Income</b>	6.1	30	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<i>Barclays Aggregate</i>	6.0	33	-2.0	83	4.2	70	7.8	32	6.5	57	5.9	73	5.2	27	7.0	33	4.3	72
<i>eA All US Fixed Inc Gross Median</i>	4.2		-0.3		6.1		6.5		6.9		9.3		2.4		6.2		4.7	
<b>Diversified Fixed Income</b>	7.3	18	-2.1	84	7.2	41	8.6	21	9.5	26	21.5	19	-14.9	87	4.4	79	--	--
<i>Barclays Aggregate</i>	6.0	33	-2.0	83	4.2	70	7.8	32	6.5	57	5.9	73	5.2	27	7.0	33	4.3	72
<i>eA All US Fixed Inc Gross Median</i>	4.2		-0.3		6.1		6.5		6.9		9.3		2.4		6.2		4.7	
<b>Allianz Structured Alpha</b>	17.3	1	-0.5	18	11.8	1	7.3	67	12.7	1	22.6	2	--	--	--	--	--	--
<i>Citigroup 10 Year Treasury</i>	10.7	1	-7.8	99	4.2	89	17.0	1	8.1	26	-9.9	99	20.3	1	9.8	1	1.4	99
<b>SSgA Barclays Aggregate Index</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<i>Barclays Aggregate</i>	6.0	52	-2.0	82	4.2	90	7.8	46	6.5	76	5.9	80	5.2	37	7.0	47	4.3	69
<i>3-Month Libor Total Return USD</i>	0.2	99	0.3	6	0.4	99	0.3	99	0.3	99	0.8	99	3.2	56	5.5	87	5.4	3
<i>eA US Core Fixed Inc Gross Median</i>	6.0		-1.4		5.9		7.7		7.3		8.9		4.1		6.9		4.5	
<b>PIMCO Core Plus</b>	5.4	75	-2.5	95	7.4	20	7.7	52	9.1	9	--	--	--	--	--	--	--	--
<i>Barclays Aggregate</i>	6.0	52	-2.0	82	4.2	90	7.8	46	6.5	76	5.9	80	5.2	37	7.0	47	4.3	69
<b>PIMCO Unconstrained</b>	3.0	95	-1.5	55	4.6	82	--	--	--	--	--	--	--	--	--	--	--	--
<i>25% HY, 25% EMD, 50% BC Agg</i>	5.0	83	-0.9	27	10.6	2	7.4	63	10.1	6	23.1	2	-7.1	95	5.5	86	7.6	1
<i>3-Month Libor Total Return USD</i>	0.2	99	0.3	6	0.4	99	0.3	99	0.3	99	0.8	99	3.2	56	5.5	87	5.4	3
<b>Wellington DAS</b>	14.0	1	-3.9	99	8.5	8	18.3	1	7.9	29	9.8	43	--	--	--	--	--	--
<i>Wellington Custom Benchmark</i>	13.3	1	-8.1	99	5.1	73	18.0	1	6.5	76	5.9	80	5.2	37	7.0	47	4.3	69
<b>GAM Unconstrained Bond</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<i>3-Month LIBOR + 3%</i>	3.2	93	3.3	1	3.5	96	3.3	98	3.4	99	3.8	95	6.2	28	8.7	1	8.6	1
<i>eA US Core Fixed Inc Gross Median</i>	6.0		-1.4		5.9		7.7		7.3		8.9		4.1		6.9		4.5	

GAM Unconstrained Bond was funded in June 2015

## VPIC Composite

### Total Fund Yearly Performance - Gross

	2014 (%)	Rank	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank
<b>High Yield Comp</b>	<b>2.9</b>	<b>43</b>	<b>7.6</b>	<b>52</b>	<b>14.9</b>	<b>62</b>	<b>5.7</b>	<b>37</b>	<b>14.0</b>	<b>71</b>	<b>41.2</b>	<b>65</b>	<b>-19.0</b>	<b>29</b>	<b>4.7</b>	<b>11</b>	--	--
eA US High Yield Fixed Inc Gross Median	2.5		7.6		15.5		4.9		14.9		45.0		-21.2		3.5		10.5	
<b>KDP</b>	<b>2.8</b>	<b>44</b>	<b>5.2</b>	<b>93</b>	<b>12.6</b>	<b>87</b>	<b>6.6</b>	<b>15</b>	<b>11.7</b>	<b>92</b>	--	--	--	--	--	--	--	--
<b>Guggenheim</b>	<b>2.9</b>	<b>43</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Barclays High Yield	2.5	52	7.4	54	15.8	43	5.0	49	15.1	45	58.2	14	-26.2	81	1.9	89	11.8	28
BofA Merrill Lynch US High Yield BB-B Rated	3.5	27	6.3	80	14.7	65	5.4	45	14.5	64	46.1	49	-23.7	70	2.7	72	10.7	49
eA US High Yield Fixed Inc Gross Median	2.5		7.6		15.5		4.9		14.9		45.0		-21.2		3.5		10.5	
<b>TIPS</b>																		
eA TIPS / Infl Indexed Fixed Inc Gross Median																		
<b>BlackRock TIPS</b>	<b>3.5</b>	--	<b>-8.6</b>	--	<b>7.0</b>	--	<b>13.6</b>	--	<b>6.4</b>	--	--	--	--	--	--	--	--	--
Barclays US TIPS	3.6	--	-8.6	--	7.0	--	13.6	--	6.3	--	11.4	--	-2.4	--	11.6	--	0.4	--
<b>Global Fixed Income Comp</b>	<b>-0.7</b>	<b>85</b>	<b>-6.2</b>	<b>97</b>	<b>3.7</b>	<b>90</b>	<b>7.3</b>	<b>21</b>	<b>10.9</b>	<b>21</b>	<b>16.0</b>	<b>32</b>	<b>0.3</b>	<b>57</b>	<b>11.2</b>	<b>15</b>	--	--
eA All Global Fixed Inc Gross Median	2.5		0.2		9.5		5.0		7.3		10.6		1.4		8.7		6.1	
<b>Mondrian GFI</b>	<b>-0.7</b>	<b>85</b>	<b>-6.2</b>	<b>97</b>	<b>2.1</b>	<b>97</b>	<b>5.8</b>	<b>38</b>	<b>8.6</b>	<b>33</b>	<b>8.8</b>	<b>59</b>	<b>10.2</b>	<b>11</b>	<b>11.5</b>	<b>13</b>	<b>5.5</b>	<b>64</b>
Citi WGBI	-0.5	82	-4.0	86	1.6	98	6.4	33	5.2	85	2.6	97	10.9	9	11.0	17	6.1	51
<b>Emerging Market Debt</b>																		
eA All Emg Mkts Fixed Inc Gross Median																		
<b>Wellington Opportunistic EMD</b>	<b>6.1</b>	<b>20</b>	<b>-5.1</b>	<b>39</b>	<b>19.9</b>	<b>35</b>	<b>7.6</b>	<b>16</b>	<b>13.7</b>	<b>70</b>	--	--	--	--	--	--	--	--
JP Morgan EMBI Global TR	5.5	27	-6.6	61	18.5	59	8.5	7	12.0	87	28.2	65	-10.9	52	6.3	73	9.9	95
eA All Emg Mkts Fixed Inc Gross Median	1.8		-6.1		19.1		2.6		14.5		30.7		-10.8		7.7		12.3	

## VPIC Composite

### Total Fund Yearly Performance - Gross

	2014 (%)	Rank	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank
<b>Total Real Estate</b>	15.0	--	14.7	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Morgan Stanley Prime Property	15.5	--	17.4	--	12.6	--	16.8	--	15.8	--	-33.7	--	-4.7	--	16.2	--	18.4	--
UBS Trumbull	11.7	--	10.4	--	10.2	--	13.2	--	16.9	--	-22.3	--	-7.5	--	13.9	--	16.6	--
RREEF America REIT III	27.8	--	16.9	--	23.8	--	55.4	--	9.1	--	-64.1	--	-41.7	--	18.1	--	--	--
Siguler Guff	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Transwestern / Aslan III	2.2	--	49.9	--	13.8	--	-11.8	--	-41.9	--	-87.7	--	-26.0	--	3.5	--	-16.3	--
NCREIF Property Index	11.8	--	11.0	--	10.5	--	14.3	--	13.1	--	-16.9	--	-6.5	--	15.8	--	16.6	--
NCREIF ODCE	12.5	--	13.9	--	10.9	--	16.0	--	16.4	--	-29.8	--	-10.0	--	16.0	--	16.3	--
<b>Hedge Fund Comp</b>	2.4	60	14.1	22	9.3	24	-3.8	46	--	--	--	--	--	--	--	--	--	--
eV Alt Fund of Funds - Multi-Strategy Median	3.0		10.5		6.5		-4.0		6.1		13.9		-20.2		11.2		10.8	
<b>Grosvenor GAM</b>	3.4	44	15.2	16	8.5	29	-3.4	42	--	--	--	--	--	--	--	--	--	--
<b>GAA Comp</b>	4.8	32	3.2	69	15.3	2	0.8	34	18.0	19	31.0	21	-26.3	61	5.7	87	--	--
eA Global TAA Gross Median	2.7		7.7		10.6		-0.8		14.6		23.4		-25.5		11.0		14.3	
<b>Mellon Dynamic Growth</b>	6.8	12	12.2	31	11.3	40	1.0	34	16.1	29	31.4	17	-36.0	92	1.7	95	--	--
Mellon Dynamic Growth Benchmark	3.5	43	10.3	40	11.5	37	-0.6	50	8.8	86	17.4	79	-22.4	46	7.9	60	--	--
<b>AQR Global Risk Premium</b>	8.3	5	-2.0	88	16.0	1	7.0	12	25.1	5	--	--	--	--	--	--	--	--
60% MSCI World / 40% CITI WGBI	3.1	45	13.9	24	10.6	51	-0.3	43	9.8	83	19.2	78	-22.7	46	10.3	52	14.7	47
<b>PIMCO All Asset</b>	1.7	70	1.7	74	16.5	1	3.4	17	14.7	50	24.1	44	-14.8	24	9.6	53	--	--
PIMCO All Asset Index	4.9	30	0.2	77	8.1	62	7.6	11	8.5	87	16.5	80	-6.7	14	7.7	61	6.0	99
CPI + 5% (Seasonally Adjusted)	5.7	21	6.6	54	6.9	69	8.2	11	6.5	94	8.0	92	5.0	1	9.3	53	7.6	99
<b>Wellington OIF</b>																		
65% MSCI World (Net) /35% BC Agg																		

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 Dynamic Growth Benchmark: 60% MSCI All Country World Index IMI/ 40% Citigroup GDP Weighted

VPIC Composite

Total Fund Yearly Performance - Gross

	2014 (%)	Rank	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank
<b>Commodities</b>																		
<b>Schroder</b>	<b>-23.6</b>	--	<b>-8.4</b>	--	<b>0.5</b>	--	<b>-6.8</b>	<b>99</b>	<b>17.1</b>	<b>53</b>	--	--	--	--	--	--	--	--
<i>Bloomberg Commodity Index</i>	-17.0	--	-9.5	--	-1.1	--	-13.3	99	16.8	55	18.9	67	-35.6	30	16.2	94	2.1	56
<b>Cash</b>	<b>0.0</b>	--	<b>0.0</b>	--	<b>0.1</b>	--	<b>0.2</b>	--	<b>0.3</b>	--	<b>0.6</b>	--	<b>2.4</b>	--	<b>6.4</b>	--	<b>5.2</b>	--
<i>91 Day T-Bills</i>	0.0	--	0.0	--	0.1	--	0.0	--	0.1	--	0.1	--	1.3	--	4.4	--	5.0	--
<b>Private Equity</b>	<b>24.9</b>	--	<b>9.0</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<i>Cambridge Associates US All PE</i>	11.1	--	21.3	--	14.2	--	11.0	--	20.4	--	13.4	--	-22.4	--	19.7	--	28.7	--
<b>Harbourvest Partners IX Credit Opportunities</b>																		
<b>Harbourvest Partners IX Venture Fund</b>																		
<b>Harbourvest Partners IX Buyout Fund</b>																		
<b>Harbourvest Dover VIII Fund</b>																		
<b>HIPEP VII</b>																		

# Manager Characteristics

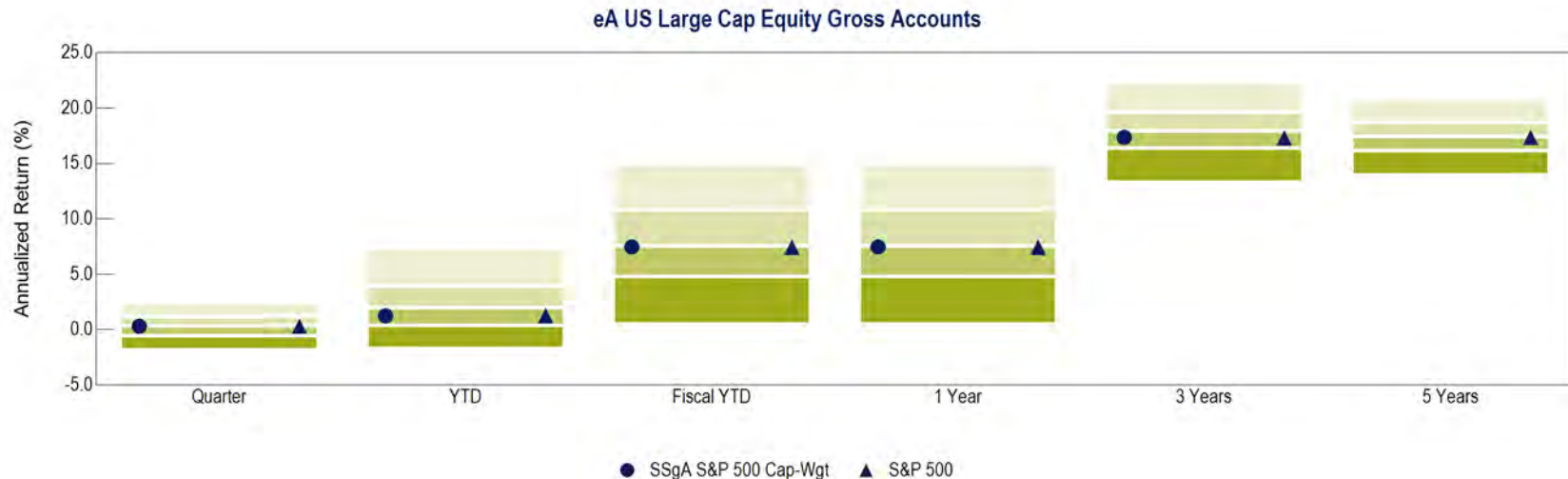


# SSgA S&P 500 Cap-Wgt

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

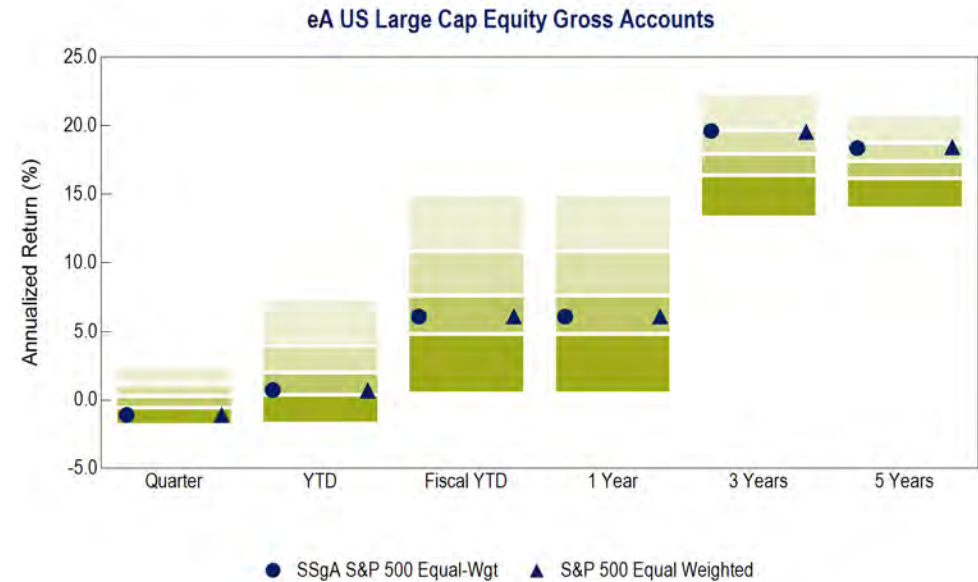
## Characteristics

	Portfolio	S&P 500
Number of Holdings	502	502
Weighted Avg. Market Cap. (\$B)	128.0	127.9
Median Market Cap. (\$B)	17.9	17.9
Price To Earnings	23.0	21.9
Price To Book	4.8	4.4
Price To Sales	3.2	3.0
Return on Equity (%)	19.6	19.4
Yield (%)	2.1	2.1
Beta	1.0	1.0
R-Squared	1.0	1.0

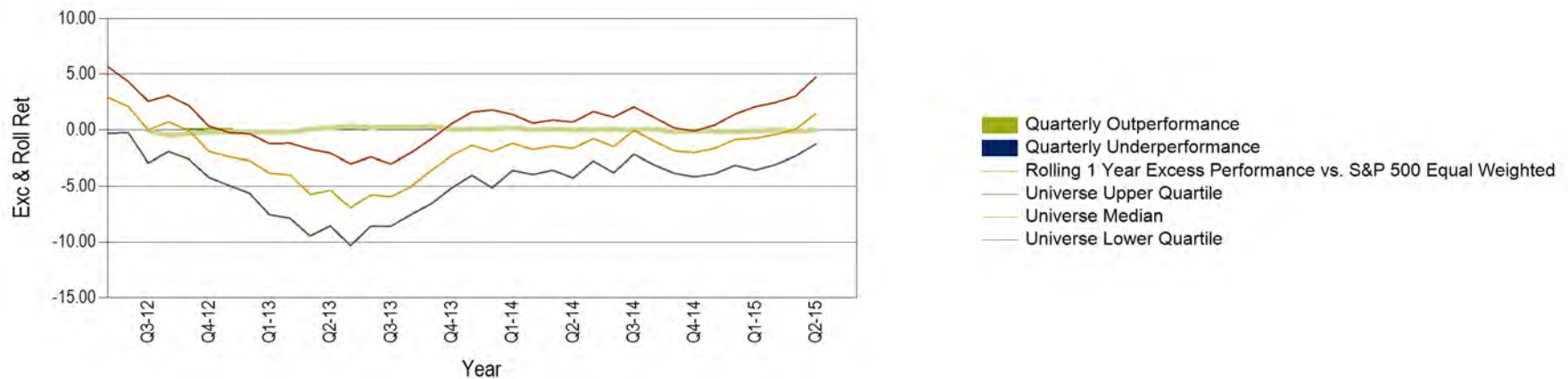


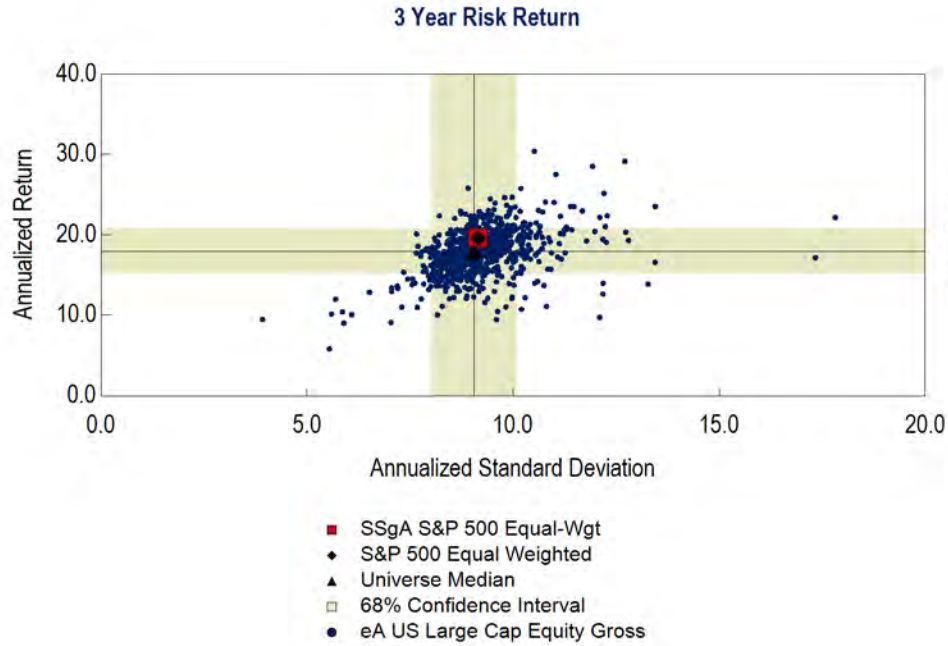
# SSgA S&P 500 Equal-Wgt

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



### Annualized Excess Performance

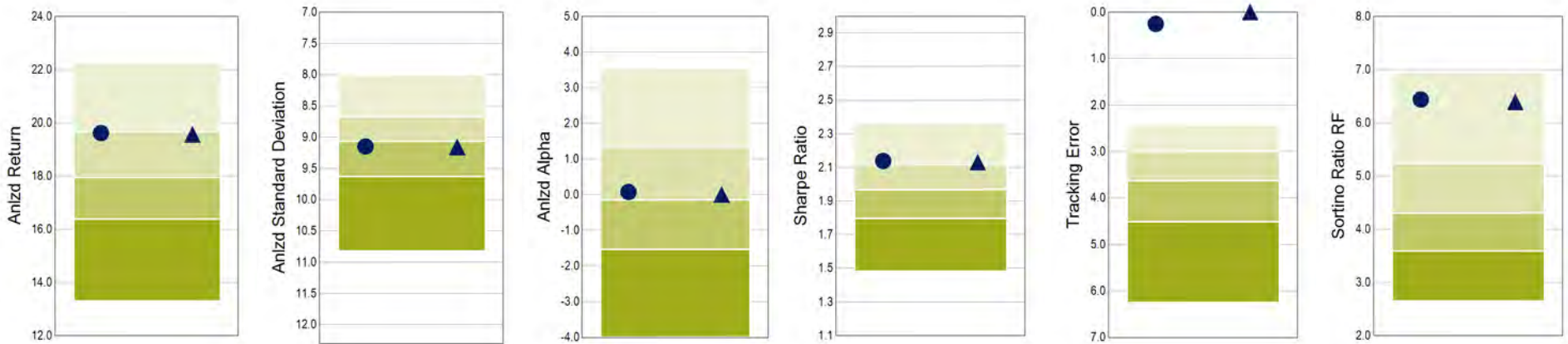




### Characteristics

	Portfolio	S&P 500
Number of Holdings	502	502
Weighted Avg. Market Cap. (\$B)	37.7	127.9
Median Market Cap. (\$B)	17.9	17.9
Price To Earnings	23.7	21.9
Price To Book	4.1	4.4
Price To Sales	2.9	3.0
Return on Equity (%)	17.9	19.4
Yield (%)	1.9	2.1
Beta	1.0	1.0
R-Squared	0.9	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	400	400
Weighted Avg. Market Cap. (\$B)	5.3	5.3
Median Market Cap. (\$B)	3.7	3.7
Price To Earnings	27.5	26.1
Price To Book	3.7	3.2
Price To Sales	2.8	2.6
Return on Equity (%)	15.4	14.3
Yield (%)	1.5	1.5
Beta	1.0	1.0
R-Squared	1.0	1.0



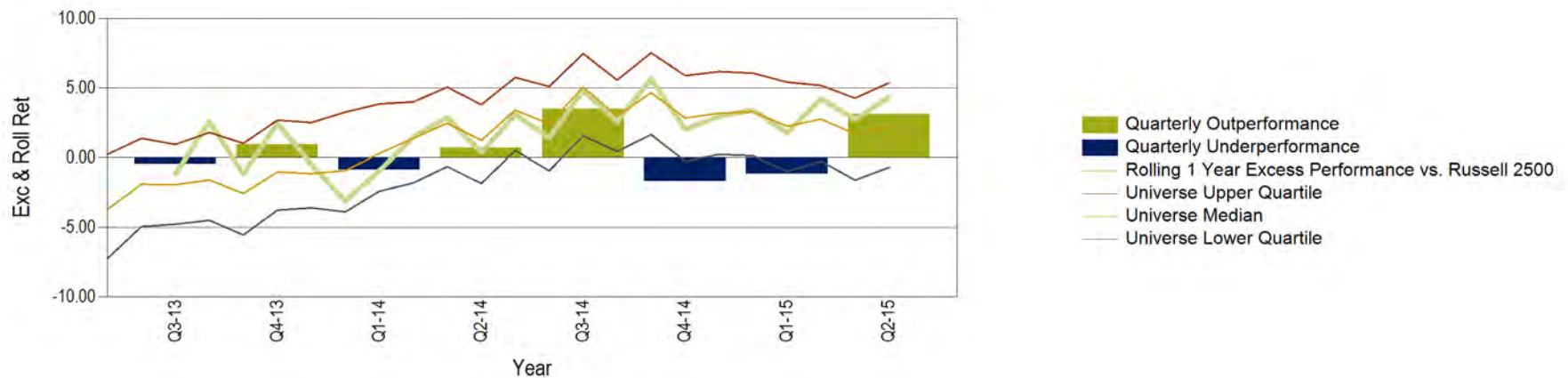
# Champlain

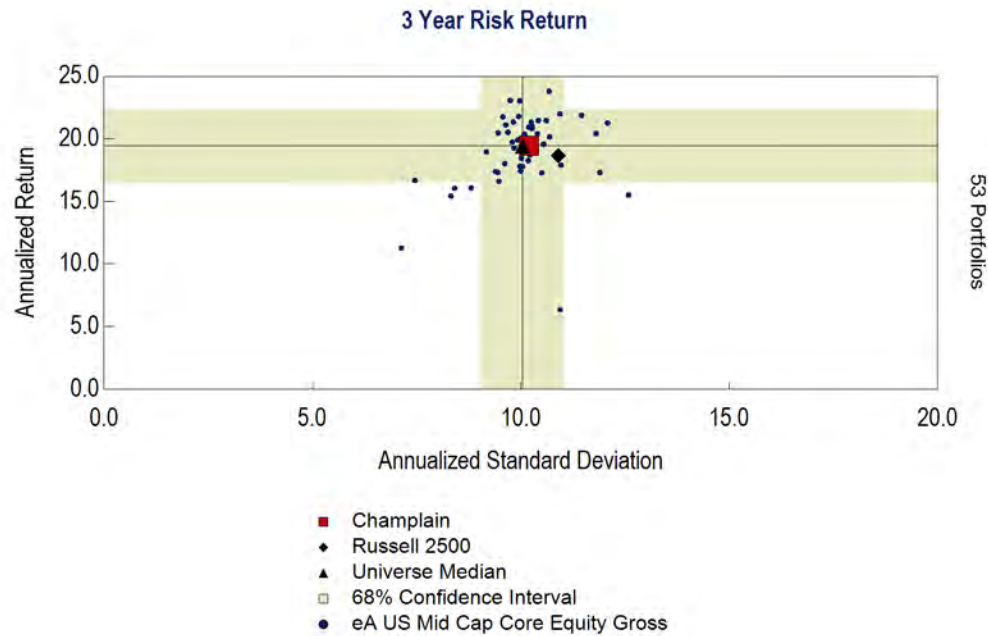
Champlain employs a fundamental, bottom-up approach to investing in equity assets. They believe that superior companies purchased at attractive valuations have the highest probability to wealth creation. Champlain seeks strong businesses with credible and sincere management and aims to buy shares of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

eA US Mid Cap Core Equity Gross Accounts



Annualized Excess Performance

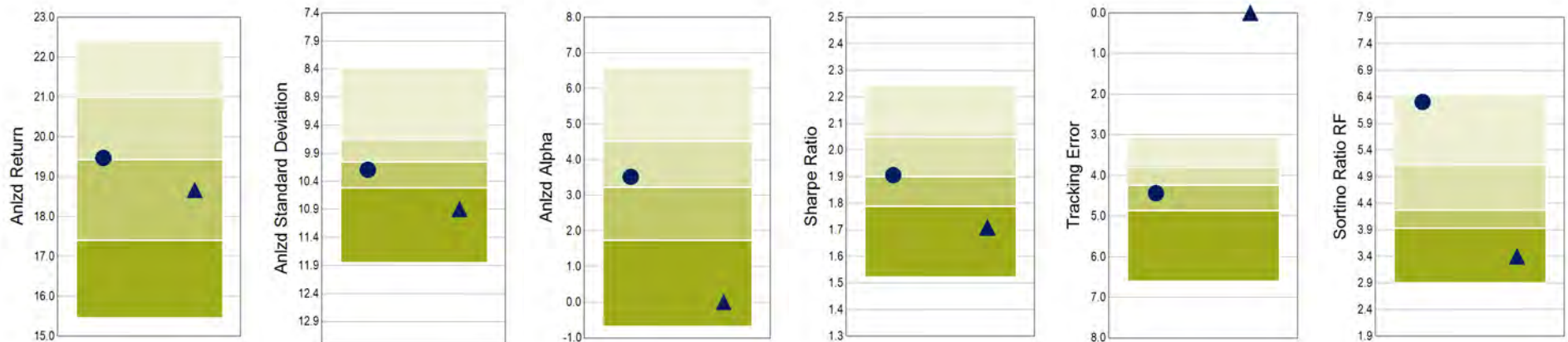




### Characteristics

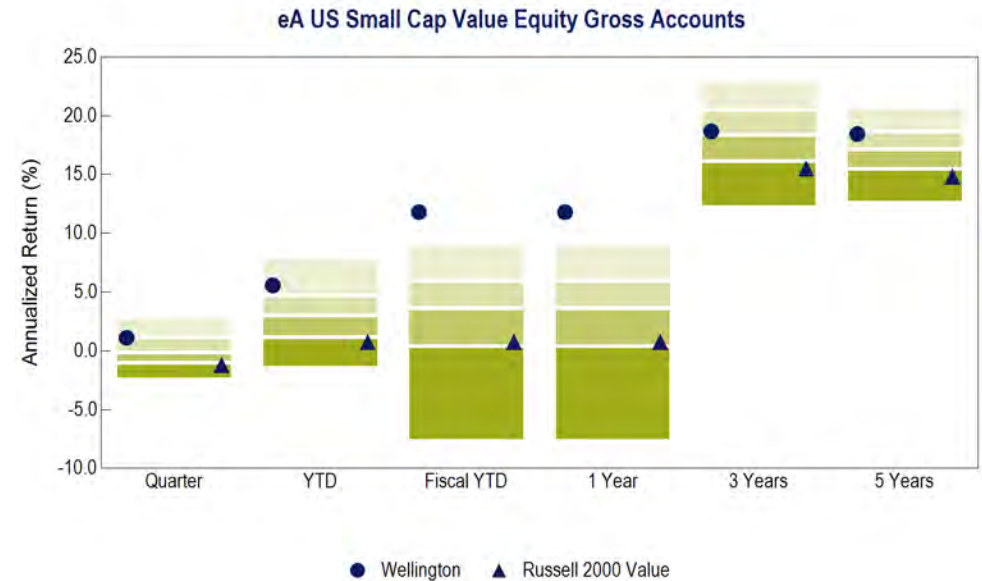
	Portfolio	Russell 2500
Number of Holdings	58	2,495
Weighted Avg. Market Cap. (\$B)	8.0	4.1
Median Market Cap. (\$B)	5.1	1.1
Price To Earnings	27.2	25.5
Price To Book	4.4	3.4
Price To Sales	3.7	2.8
Return on Equity (%)	17.0	12.4
Yield (%)	1.3	1.3
Beta		1.0
R-Squared		1.0

### 3 Year Risk Statistics

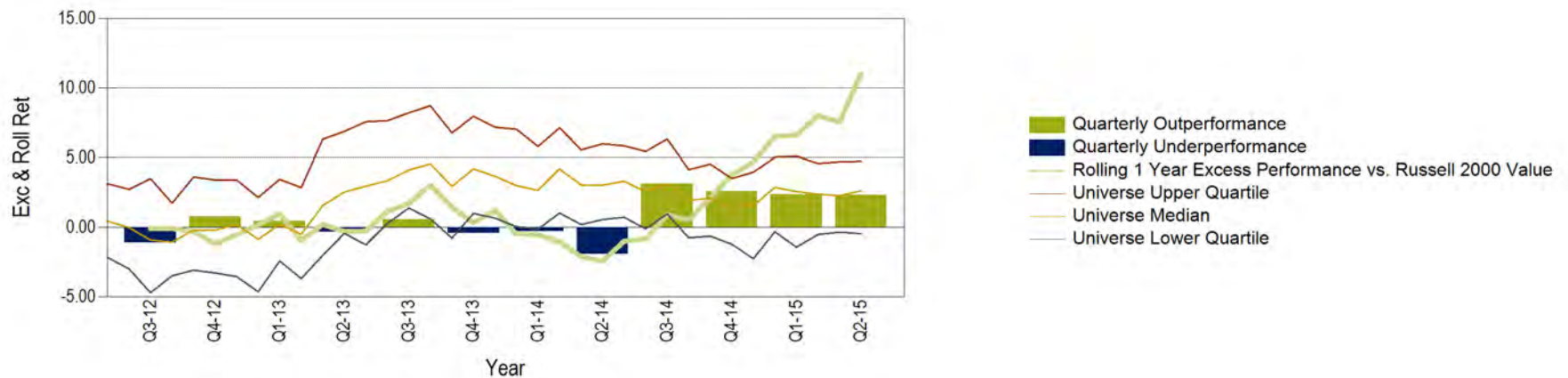


# Wellington

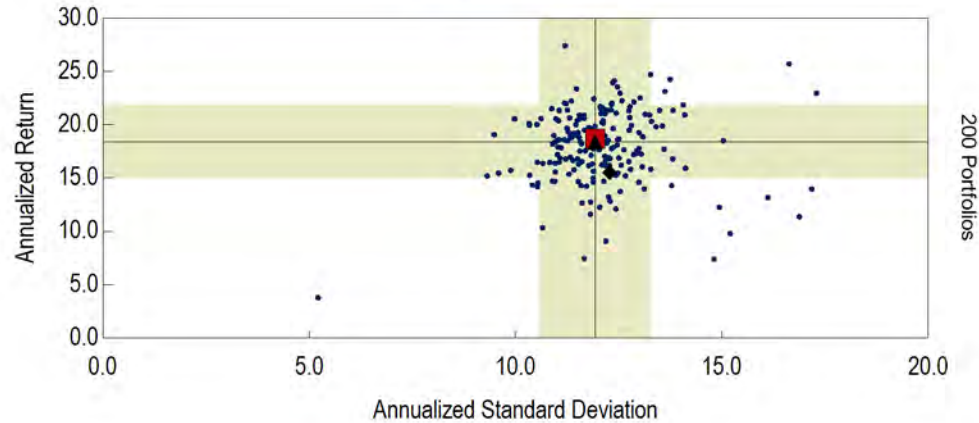
Wellington's investment objective is to seek long-term total returns in excess of the Russell 2000 Value Index by investing in conservatively-valued securities of high-quality, small cap companies. Wellington employ a bottom-up stock selection process that utilizes Wellington Management's proprietary,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



### Annualized Excess Performance



## 3 Year Risk Return

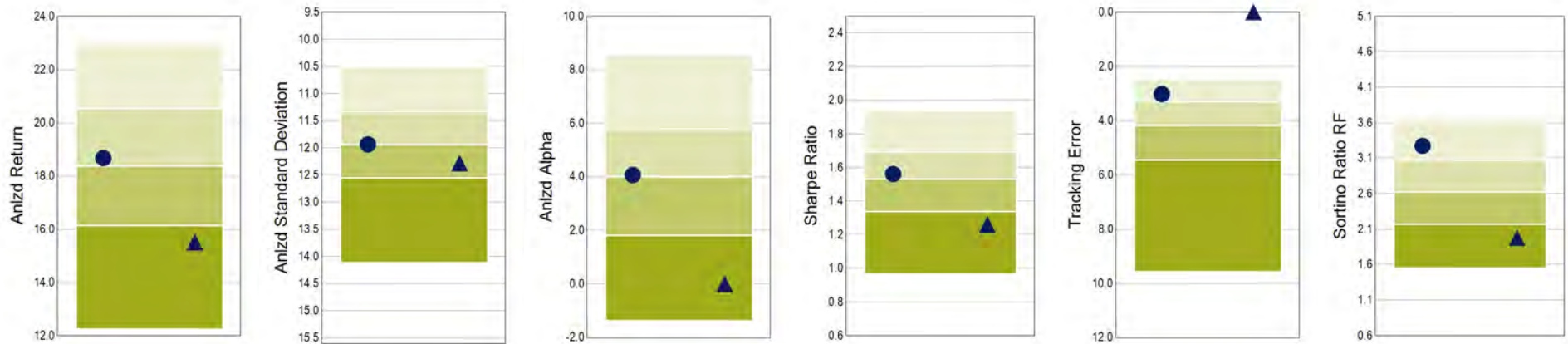


- Wellington
- ◆ Russell 2000 Value
- ▲ Universe Median
- 68% Confidence Interval
- eA US Small Cap Value Equity Gross

## Characteristics

	Portfolio	Russell 2000 Value
Number of Holdings	78	1,319
Weighted Avg. Market Cap. (\$B)	1.8	1.7
Median Market Cap. (\$B)	1.3	0.7
Price To Earnings	24.9	20.0
Price To Book	2.3	1.7
Price To Sales	1.9	2.5
Return on Equity (%)	9.0	7.9
Yield (%)	1.5	1.8
Beta		1.0
R-Squared		1.0

## 3 Year Risk Statistics

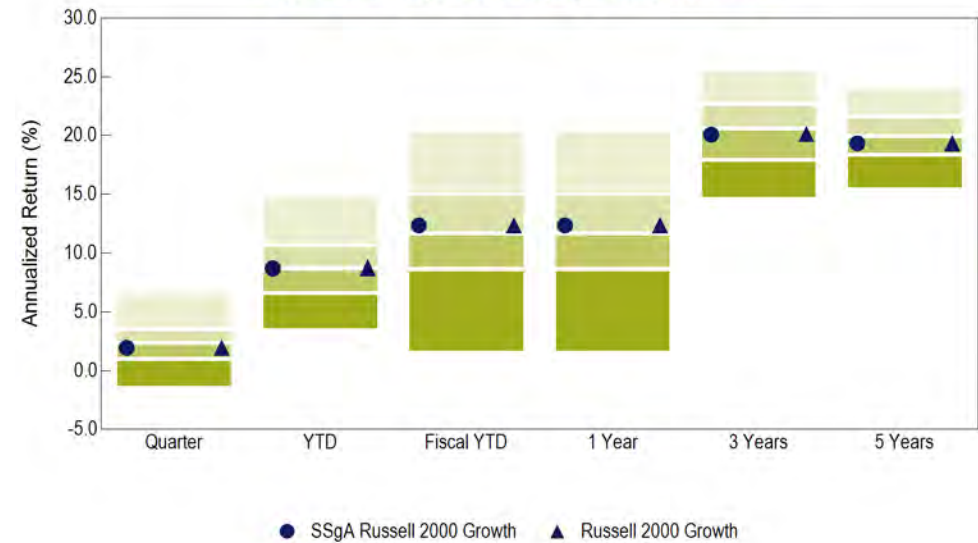




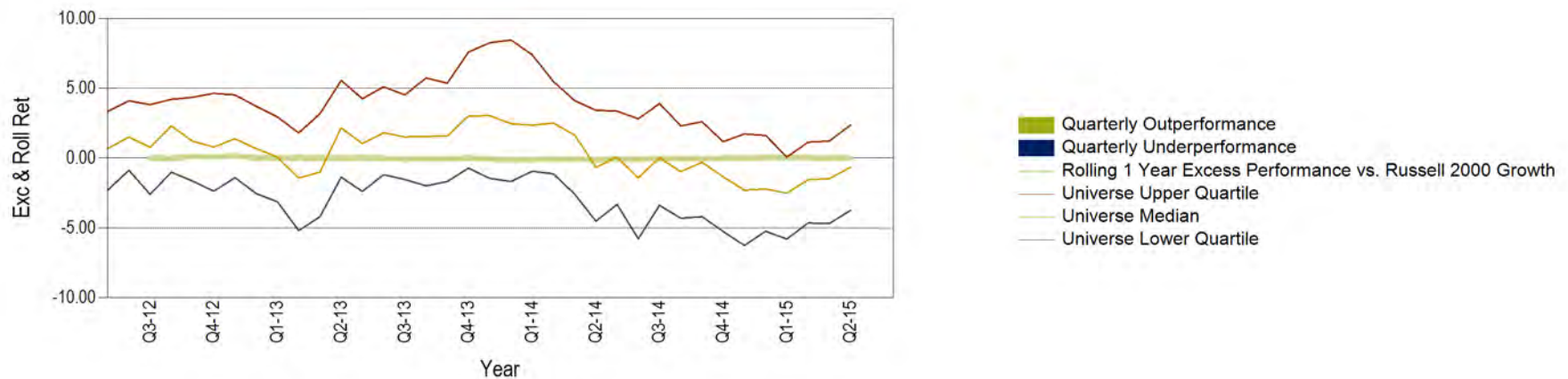
# SSgA Russell 2000 Growth

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

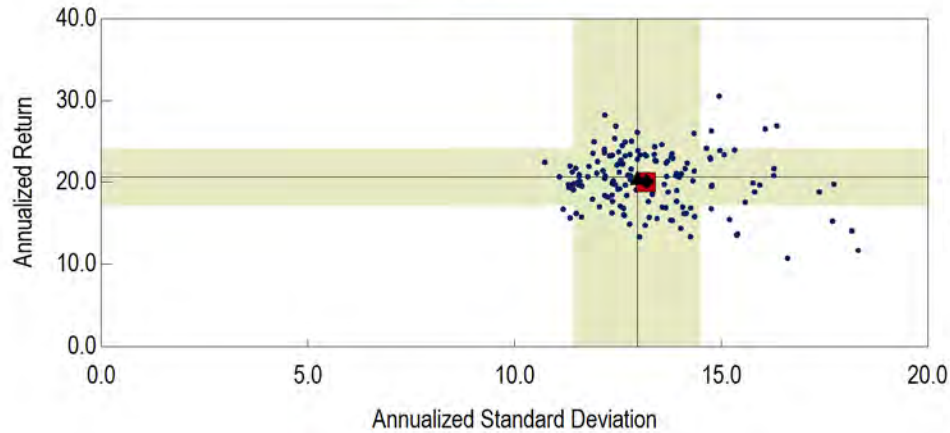


Annualized Excess Performance



# SSgA Russell 2000 Growth

### 3 Year Risk Return

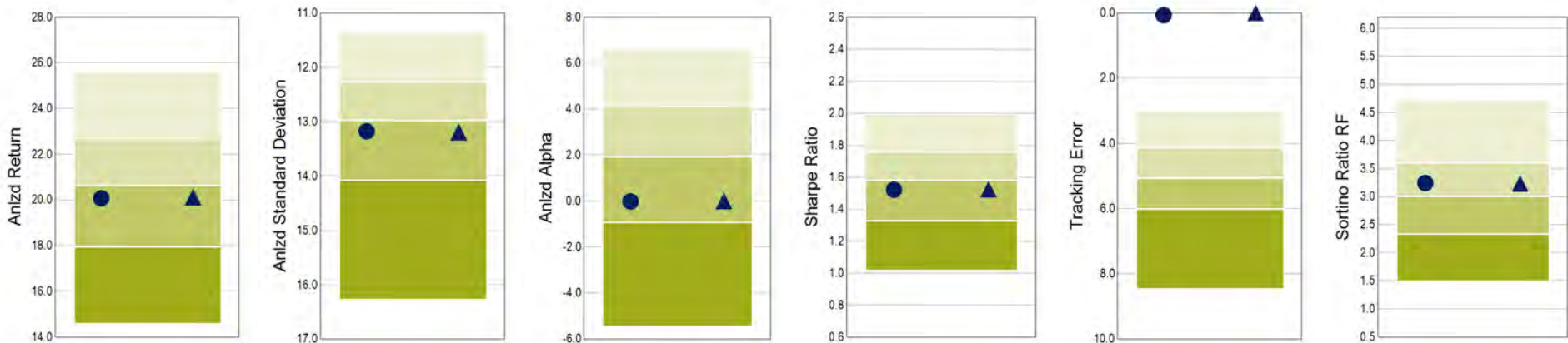


- SSGA Russell 2000 Growth
- ◆ Russell 2000 Growth
- ▲ Universe Median
- 68% Confidence Interval
- eA US Small Cap Growth Equity Gross

### Characteristics

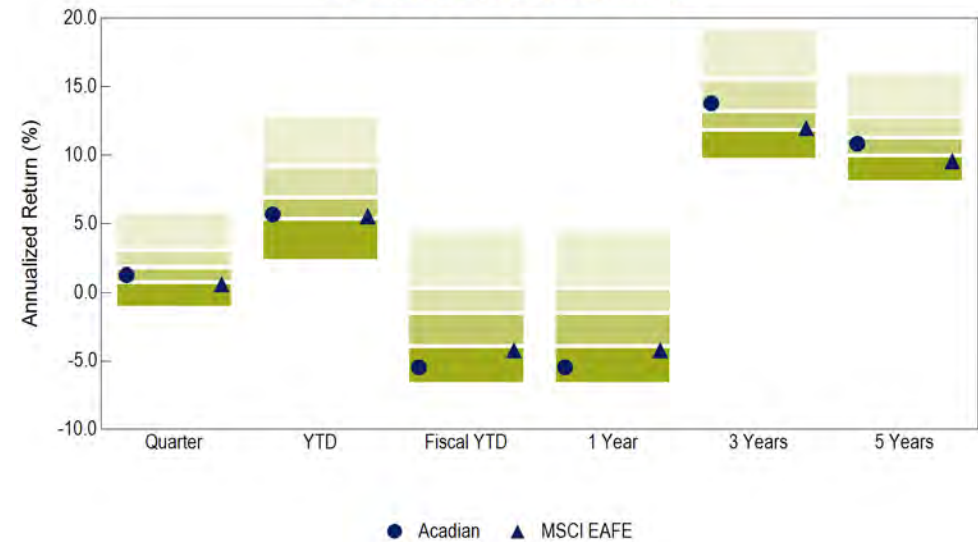
	Portfolio	Russell 2000 Growth
Number of Holdings	1,102	1,163
Weighted Avg. Market Cap. (\$B)	2.1	2.1
Median Market Cap. (\$B)	1.0	0.9
Price To Earnings	31.8	31.4
Price To Book	6.1	5.7
Price To Sales	3.8	3.3
Return on Equity (%)	17.2	16.0
Yield (%)	0.6	0.5
Beta		1.0
R-Squared		1.0

### 3 Year Risk Statistics

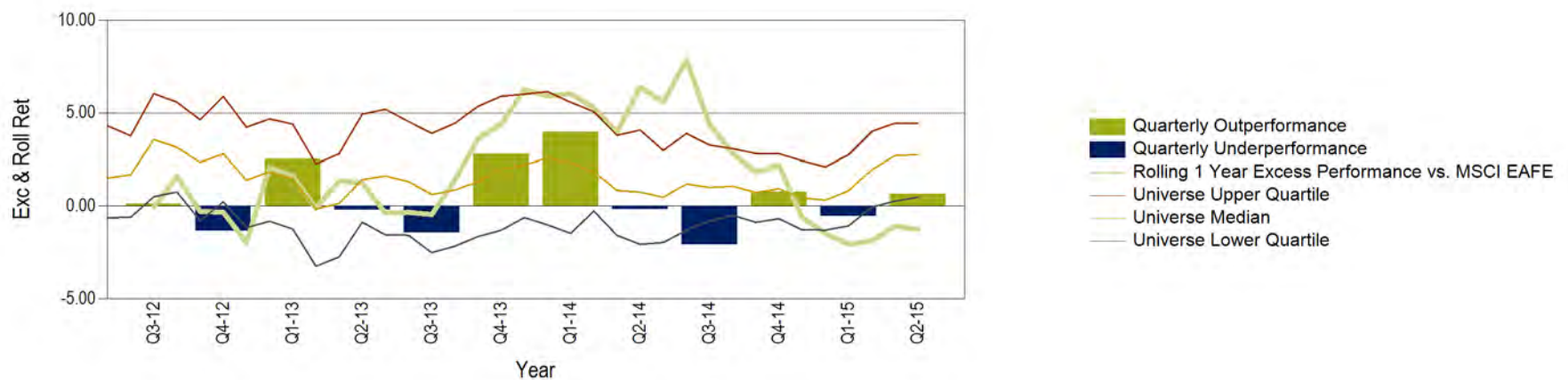


Acadian believes that the larger the pool of potential investments, the greater the potential opportunity an active manager has to add value. They believe that stocks and markets have many attributes that are related to potential outperformance, and that a successful investment approach must be multi-faceted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

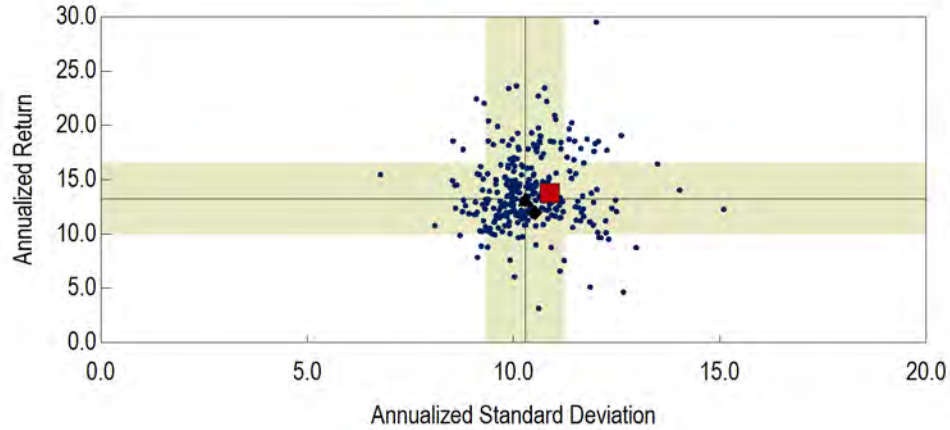
eA All EAFE Equity Gross Accounts



Annualized Excess Performance



3 Year Risk Return

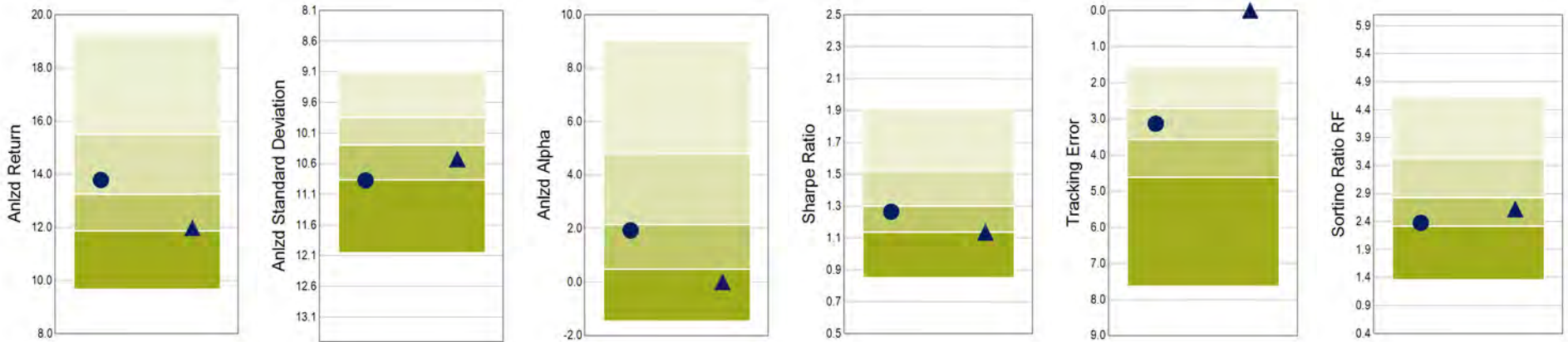


- Acadian
- ◆ MSCI EAFE
- ▲ Universe Median
- 68% Confidence Interval
- eA All EAFE Equity Gross

Characteristics

	Portfolio	MSCI EAFE
Number of Holdings	452	911
Weighted Avg. Market Cap. (\$B)	19.9	57.6
Median Market Cap. (\$B)	0.8	9.1
Price To Earnings	20.4	20.5
Price To Book	2.4	2.5
Price To Sales	1.3	2.1
Return on Equity (%)	14.0	14.5
Yield (%)	2.5	3.0
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics



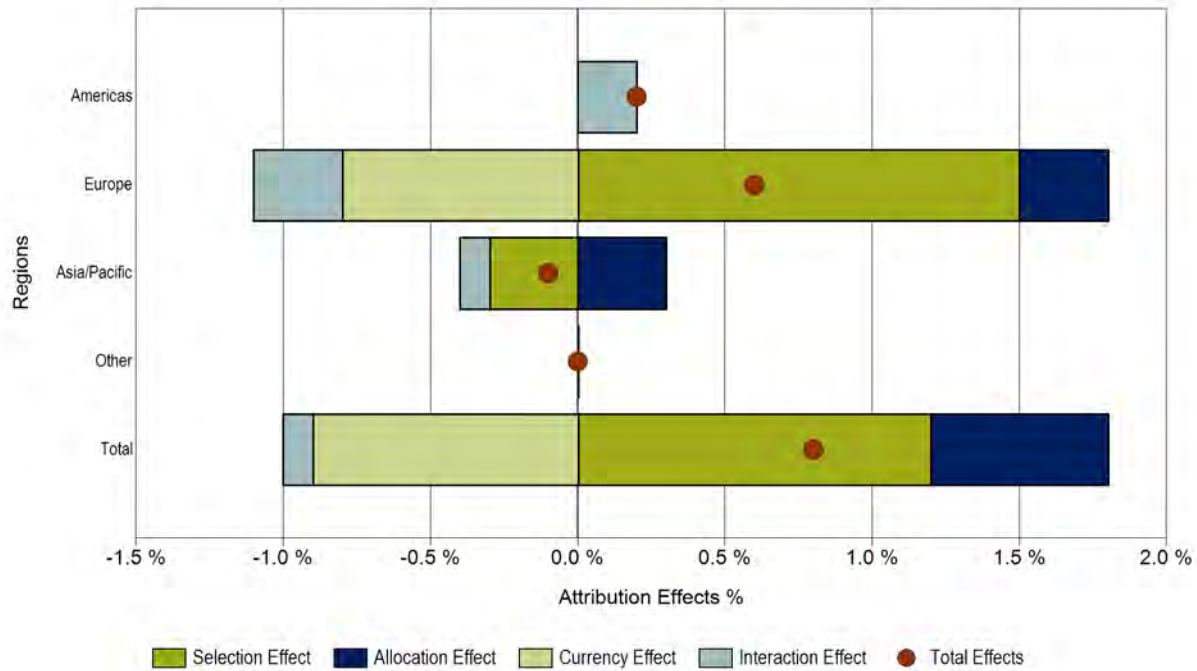
## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>Americas</b>				
Brazil*	1.0%	0.0%	2.1%	7.0%
Canada	4.5%	0.0%	2.1%	-0.9%
Mexico*	0.5%	0.0%	3.5%	0.3%
United States	0.2%	0.0%	11.0%	0.2%
<b>Total-Americas</b>	<b>6.1%</b>	<b>0.0%</b>	<b>2.4%</b>	<b>--</b>
<b>Europe</b>				
Austria	0.8%	0.2%	4.9%	2.6%
Belgium	1.1%	1.3%	-4.3%	1.1%
Denmark	0.7%	1.7%	14.0%	2.4%
Finland	3.9%	0.9%	8.7%	-3.1%
France	4.5%	9.8%	5.1%	1.0%
Germany	9.0%	9.6%	-0.5%	-4.7%
Ireland	1.7%	0.3%	-4.6%	8.5%
Italy	2.0%	2.3%	2.1%	2.8%
Netherlands	4.5%	2.7%	-0.6%	2.3%
Norway	1.8%	0.6%	0.9%	3.9%
Poland*	0.5%	0.0%	3.4%	-0.9%
Portugal	0.2%	0.2%	-0.3%	2.9%
Spain	0.9%	3.5%	-9.0%	-2.1%
Sweden	5.0%	3.1%	-0.4%	-2.4%
Switzerland	3.8%	9.3%	2.1%	1.3%
United Kingdom	11.4%	19.8%	6.2%	2.9%
<b>Total-Europe</b>	<b>51.9%</b>	<b>65.2%</b>	<b>2.4%</b>	<b>0.6%</b>

## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>AsiaPacific</b>				
Australia	9.4%	7.3%	1.6%	-6.0%
Hong Kong	0.1%	3.1%	28.2%	3.9%
India*	0.3%	0.0%	-8.6%	-6.5%
Japan	22.4%	22.2%	4.0%	3.0%
Korea*	3.1%	0.0%	0.3%	6.6%
Malaysia*	0.0%	0.0%	2.3%	3.8%
New Zealand	0.5%	0.1%	10.4%	-10.8%
Singapore	3.0%	1.5%	7.5%	0.0%
Taiwan*	2.2%	0.0%	1.7%	4.5%
Thailand*	0.3%	0.0%	-1.7%	0.1%
<b>Total-AsiaPacific</b>	<b>41.3%</b>	<b>34.3%</b>	<b>3.3%</b>	<b>1.0%</b>
<b>Other</b>				
Israel	0.5%	0.6%	-1.0%	-1.2%
South Africa*	0.1%	0.0%	4.9%	5.3%
Turkey*	0.0%	0.0%	-3.9%	1.6%
<b>Total-Other</b>	<b>0.7%</b>	<b>0.6%</b>	<b>-0.3%</b>	<b>-1.2%</b>
<b>Totals</b>				
Developed	92.0%	100.0%	4.2%	0.8%
Emerging*	8.0%	0.0%	2.3%	--

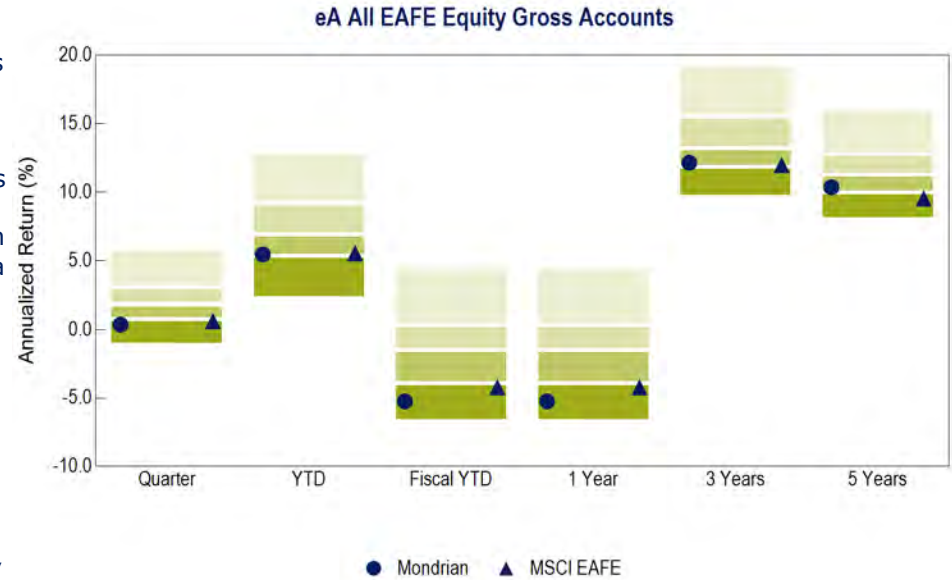
Acadian Performance Attribution vs. MSCI EAFE



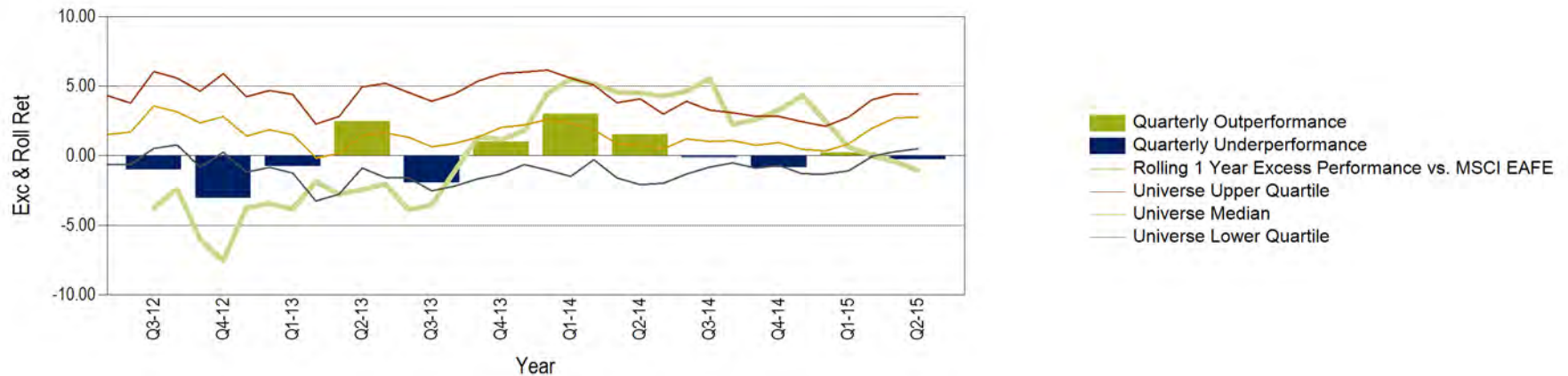
	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Totals</b>									
Americas	2.4%	--	6.1%	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%
Europe	2.4%	0.6%	51.9%	65.2%	1.5%	0.3%	-0.8%	-0.3%	0.6%
Asia/Pacific	0.4%	1.2%	41.3%	34.2%	-0.3%	0.3%	0.0%	-0.1%	-0.1%
Other	-3.8%	-1.2%	0.7%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>1.6%</b>	<b>0.8%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.2%</b>	<b>0.6%</b>	<b>-0.9%</b>	<b>-0.1%</b>	<b>0.8%</b>
<b>Totals</b>									
Developed	2.4%	0.8%	92.0%	100.0%	2.3%	0.0%	-0.8%	-0.2%	1.3%
Emerging*	-7.7%	--	8.0%	0.0%	0.0%	0.0%	0.0%	-0.5%	-0.5%

# Mondrian

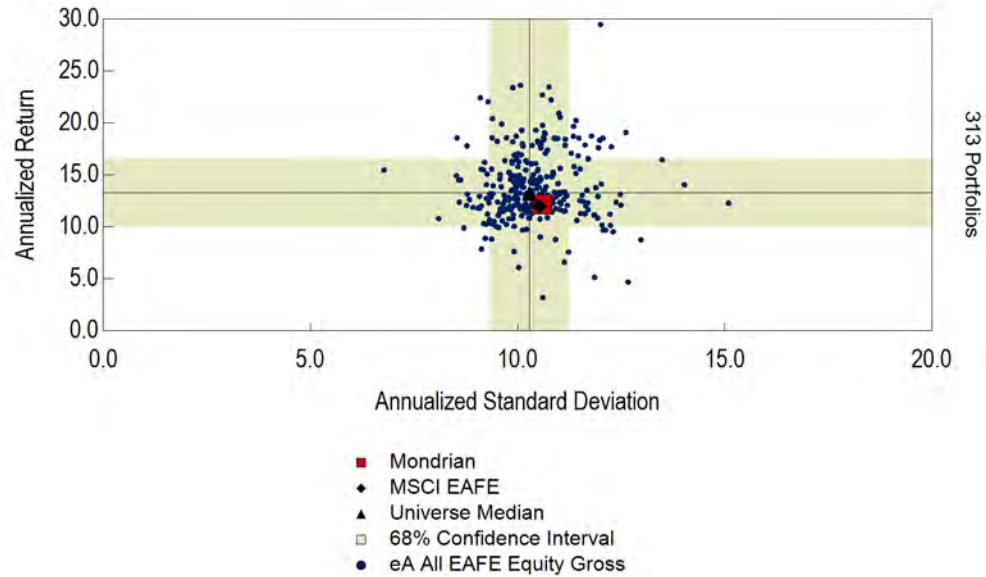
The firm is an active value-oriented defensive manager. The firm's value driven investment philosophy is based on the belief that investments need to be evaluated in terms of their fundamental long-term value. The firm believes that the value of a company lies in its future income stream as dividends 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.



## Annualized Excess Performance



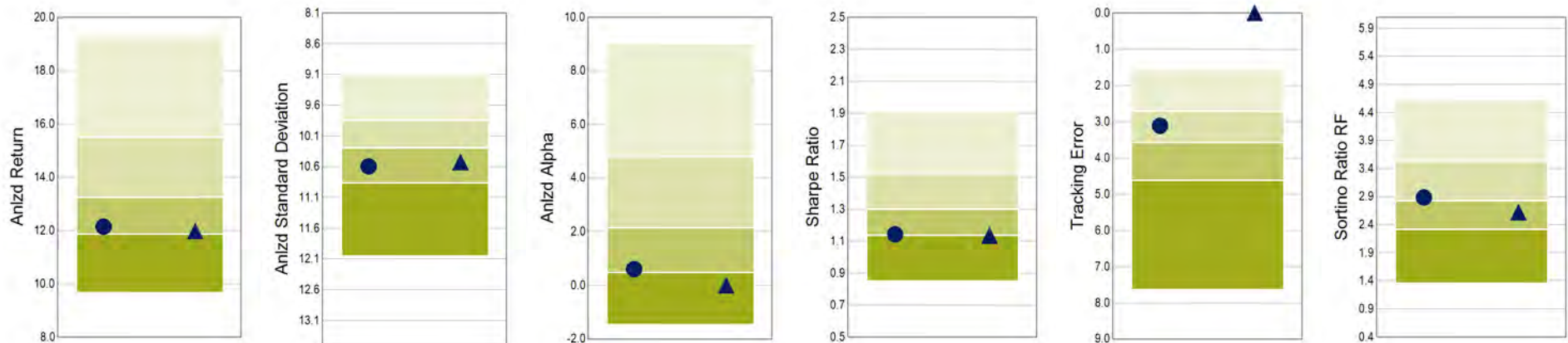
## 3 Year Risk Return



## Characteristics

	Portfolio	MSCI EAFE
Number of Holdings	55	911
Weighted Avg. Market Cap. (\$B)	65.0	57.6
Median Market Cap. (\$B)	39.6	9.1
Price To Earnings	21.1	20.5
Price To Book	2.3	2.5
Price To Sales	1.6	2.1
Return on Equity (%)	12.7	14.5
Yield (%)	3.7	3.0
Beta		1.0
R-Squared		1.0

## 3 Year Risk Statistics





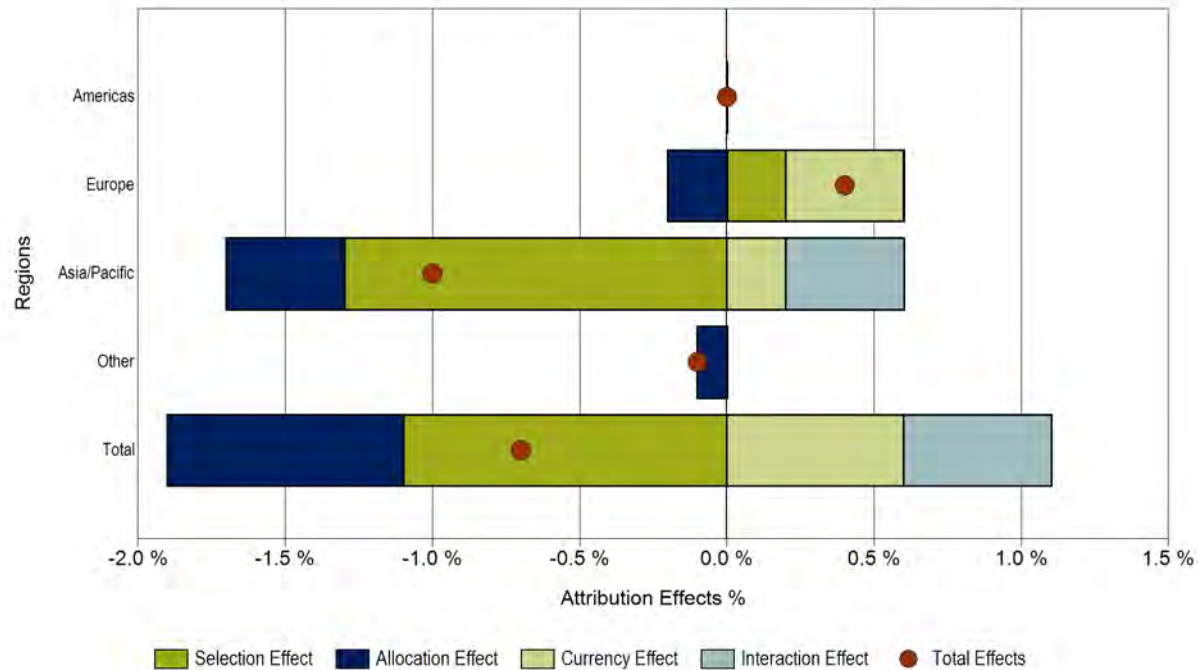
## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>Europe</b>				
Denmark	0.2%	1.7%	7.1%	2.4%
France	9.1%	9.8%	-0.2%	1.0%
Germany	8.2%	9.6%	-5.1%	-4.7%
Italy	2.9%	2.3%	5.9%	2.8%
Netherlands	4.6%	2.7%	-2.6%	2.3%
Norway	0.2%	0.6%	10.4%	3.9%
Spain	1.4%	3.5%	-5.4%	-2.1%
Sweden	6.2%	3.1%	-6.5%	-2.4%
Switzerland	18.0%	9.3%	4.7%	1.3%
United Kingdom	23.0%	19.8%	2.9%	2.9%
<b>Total-Europe</b>	<b>73.7%</b>	<b>65.2%</b>	<b>0.9%</b>	<b>0.6%</b>

## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>AsiaPacific</b>				
Australia	2.5%	7.3%	4.0%	-5.9%
Japan	13.8%	22.3%	-1.9%	3.0%
Singapore	6.7%	1.5%	-4.6%	0.0%
<b>Total-AsiaPacific</b>	<b>22.9%</b>	<b>34.2%</b>	<b>-2.0%</b>	<b>1.2%</b>
<b>Other</b>				
Israel	3.4%	0.6%	-4.6%	-1.2%
<b>Total-Other</b>	<b>3.4%</b>	<b>0.6%</b>	<b>-4.6%</b>	<b>-1.2%</b>
<b>Totals</b>				
Developed	100.0%	100.0%	0.1%	0.8%

Mondrian Performance Attribution vs. MSCI EAFE

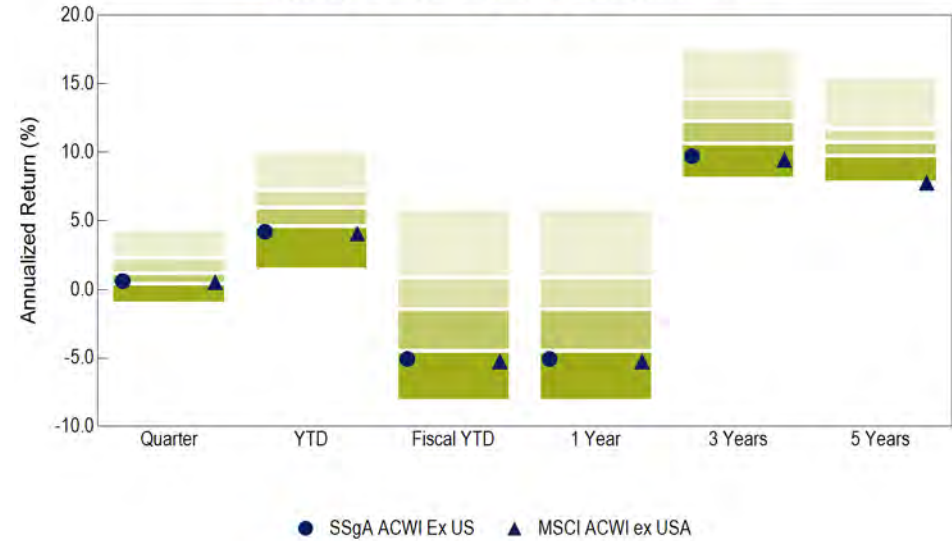


	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Totals</b>									
Americas	--	--	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Europe	0.9%	0.6%	73.7%	65.2%	0.2%	-0.2%	0.4%	0.0%	0.4%
Asia/Pacific	-2.0%	1.2%	22.9%	34.2%	-1.3%	-0.4%	0.2%	0.4%	-1.0%
Other	-4.6%	-1.2%	3.4%	0.6%	0.0%	-0.1%	0.0%	0.0%	-0.1%
<b>Total</b>	<b>0.1%</b>	<b>0.8%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-1.1%</b>	<b>-0.8%</b>	<b>0.6%</b>	<b>0.5%</b>	<b>-0.7%</b>
<b>Totals</b>									
Developed	0.1%	0.8%	100.0%	100.0%	-1.3%	0.0%	0.6%	0.0%	-0.7%

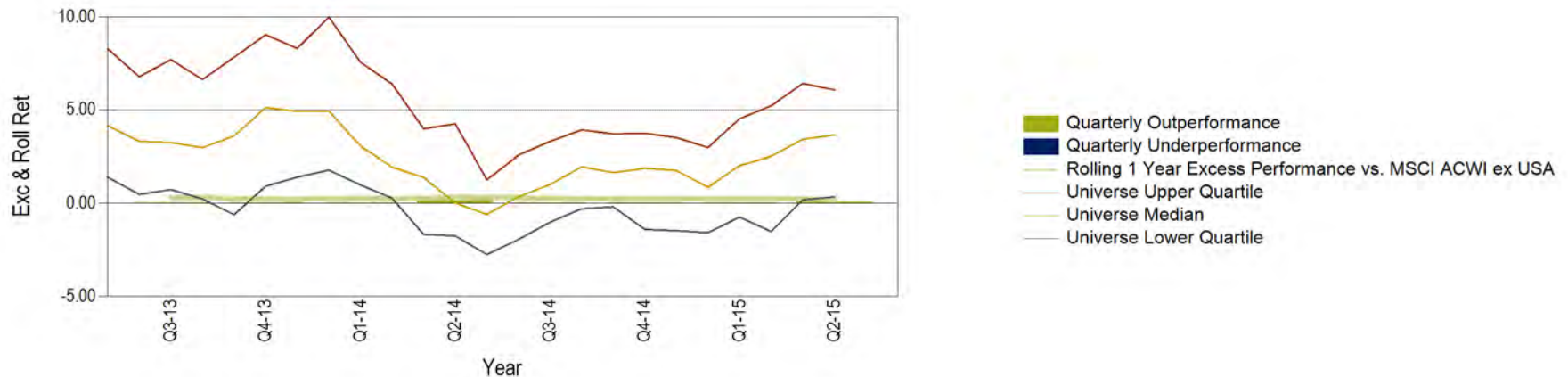
# SSgA ACWI Ex US

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.

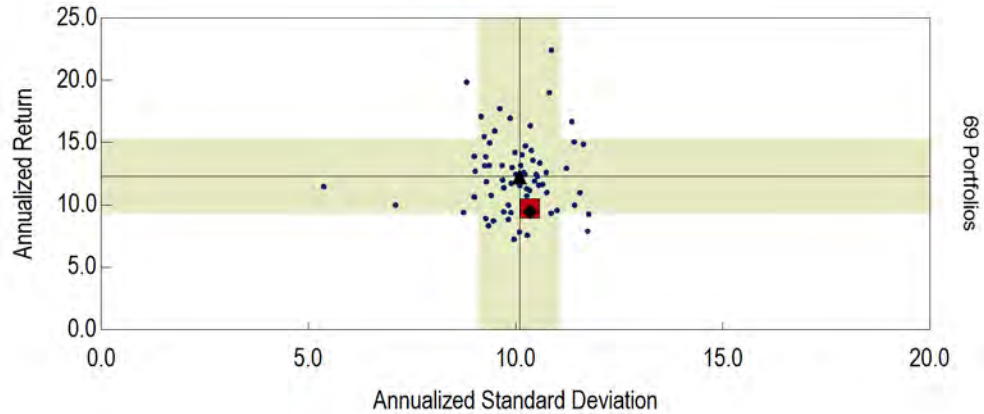
eA ACWI ex-US All Cap Equity Gross Accounts



Annualized Excess Performance



## 3 Year Risk Return

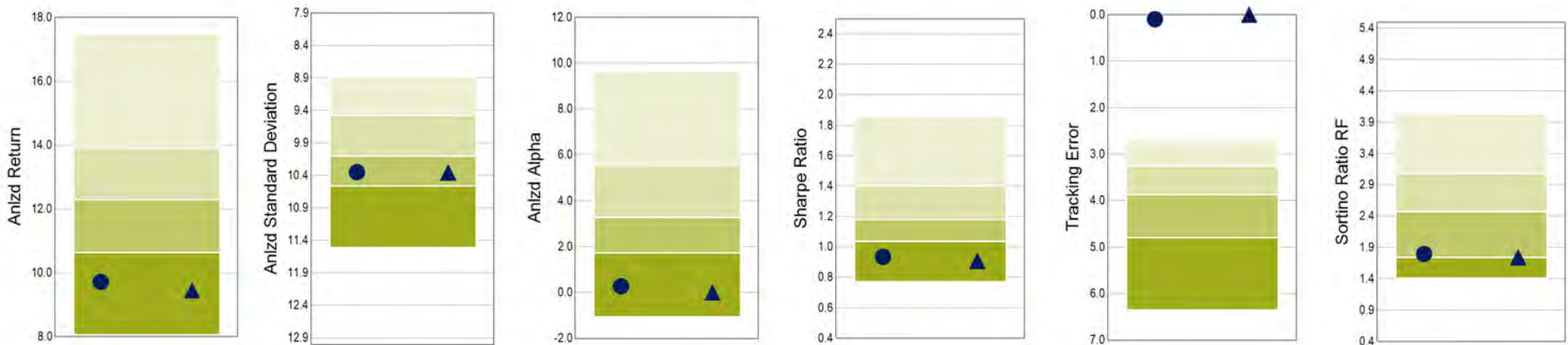


- SSgA ACWI Ex US
- ◆ MSCI ACWI ex USA
- ▲ Universe Median
- 68% Confidence Interval
- eA ACWI ex-US All Cap Equity Gross

## Characteristics

	Portfolio	MSCI ACWI ex USA
Number of Holdings	30	1,843
Weighted Avg. Market Cap. (\$B)	15.9	52.2
Median Market Cap. (\$B)	4.8	7.1
Price To Earnings	18.9	20.0
Price To Book	2.6	2.5
Price To Sales	2.6	2.2
Return on Equity (%)	13.0	15.2
Yield (%)	3.7	2.9
Beta		1.0
R-Squared		1.0

## 3 Year Risk Statistics



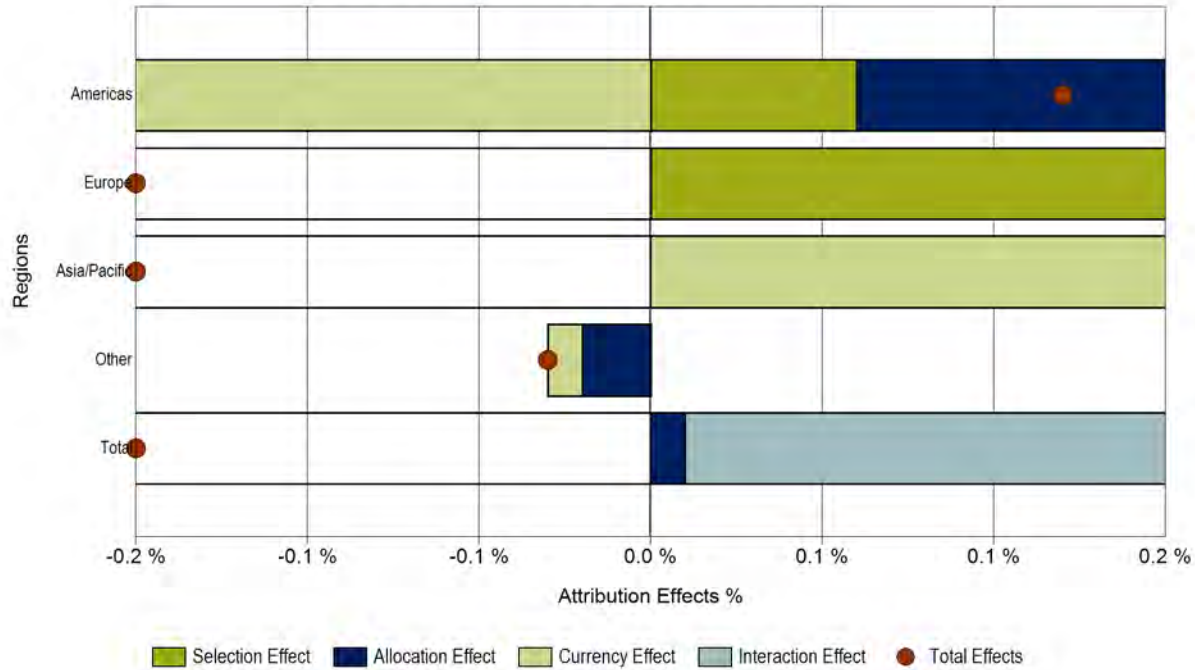
## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>Americas</b>				
Canada	0.5%	6.8%	-4.8%	-0.7%
Chile*	4.4%	0.3%	-6.0%	-3.0%
Colombia*	6.2%	0.1%	1.5%	3.4%
Peru*	20.5%	0.1%	0.8%	0.8%
<b>Total-Americas</b>	<b>31.6%</b>	<b>9.9%</b>	<b>-0.1%</b>	<b>0.6%</b>
<b>Europe</b>				
Ireland	1.0%	0.2%	6.9%	8.5%
Poland*	2.1%	0.3%	5.9%	-0.4%
Russia*	36.8%	0.8%	-1.9%	7.7%
<b>Total-Europe</b>	<b>40.0%</b>	<b>48.0%</b>	<b>-1.3%</b>	<b>0.8%</b>

## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>AsiaPacific</b>				
China*	4.2%	5.0%	9.4%	7.1%
India*	11.7%	1.6%	-10.4%	-3.4%
Korea*	0.7%	3.2%	1.5%	-3.7%
Malaysia*	1.8%	0.8%	-0.6%	-7.8%
Taiwan*	10.0%	2.8%	-6.6%	1.2%
<b>Total-AsiaPacific</b>	<b>28.5%</b>	<b>39.2%</b>	<b>-5.2%</b>	<b>0.8%</b>
<b>Totals</b>				
Developed	1.6%	78.4%	2.9%	0.7%
Emerging*	98.4%	21.6%	-2.1%	1.1%

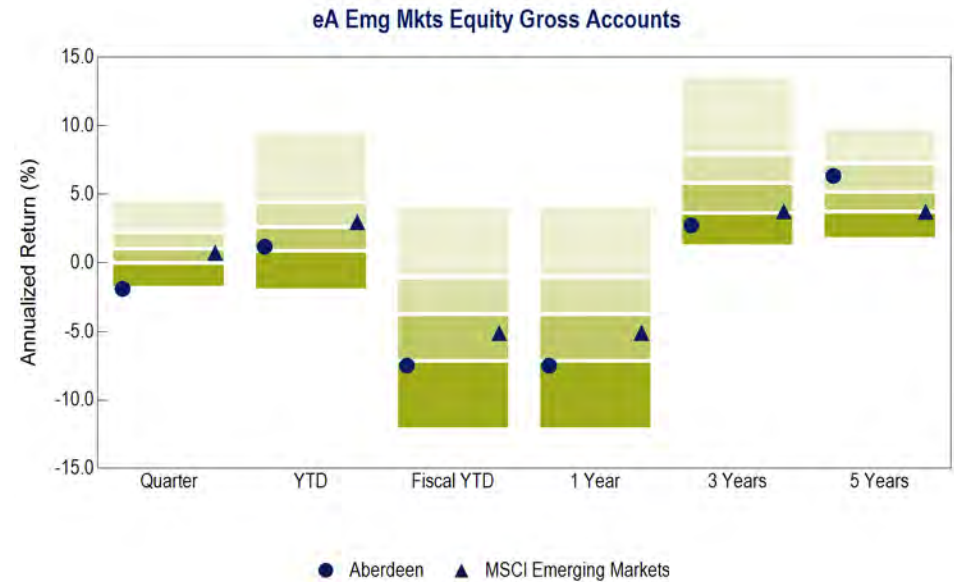
SSgA ACWI Ex US Performance Attribution vs. MSCI ACWI ex USA



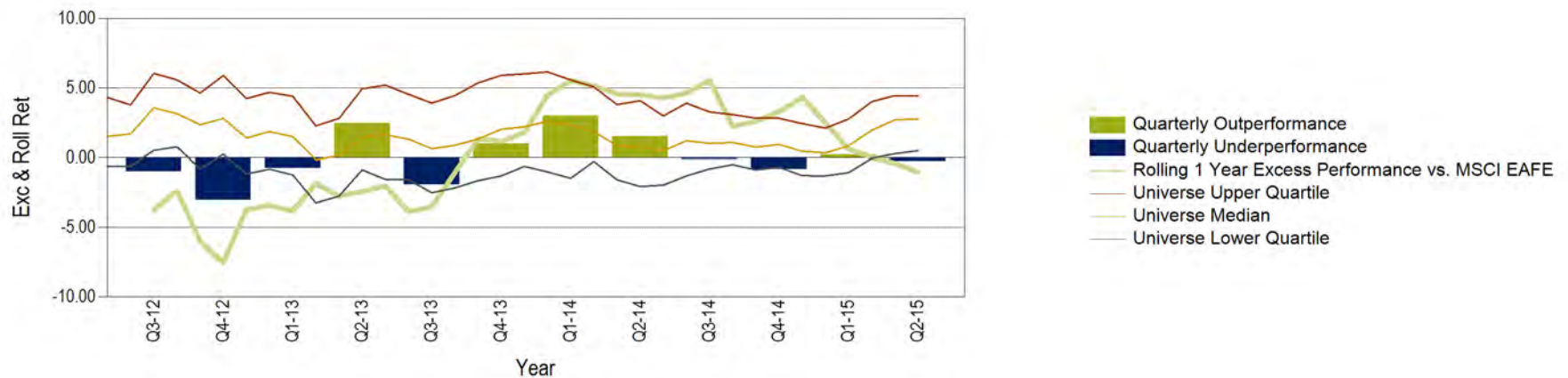
	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Totals</b>									
Americas	-0.1%	0.6%	31.6%	9.9%	0.1%	0.1%	-0.2%	0.1%	0.1%
Europe	-1.3%	0.8%	40.0%	48.0%	1.0%	0.2%	-2.0%	-0.2%	-1.0%
Asia/Pacific	-5.2%	0.8%	28.5%	39.2%	-2.6%	-0.3%	0.3%	0.7%	-1.9%
Other	--	0.0%	0.0%	2.8%	--	0.0%	0.0%	--	0.0%
<b>Total</b>	<b>-2.0%</b>	<b>0.7%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-1.5%</b>	<b>0.0%</b>	<b>-2.0%</b>	<b>0.7%</b>	<b>-2.8%</b>
<b>Totals</b>									
Developed	2.9%	0.7%	1.6%	78.4%	3.3%	0.5%	-1.8%	-3.3%	-1.3%
Emerging*	-2.1%	1.1%	98.4%	21.6%	-0.7%	1.7%	-0.2%	-2.4%	-1.5%

# Aberdeen

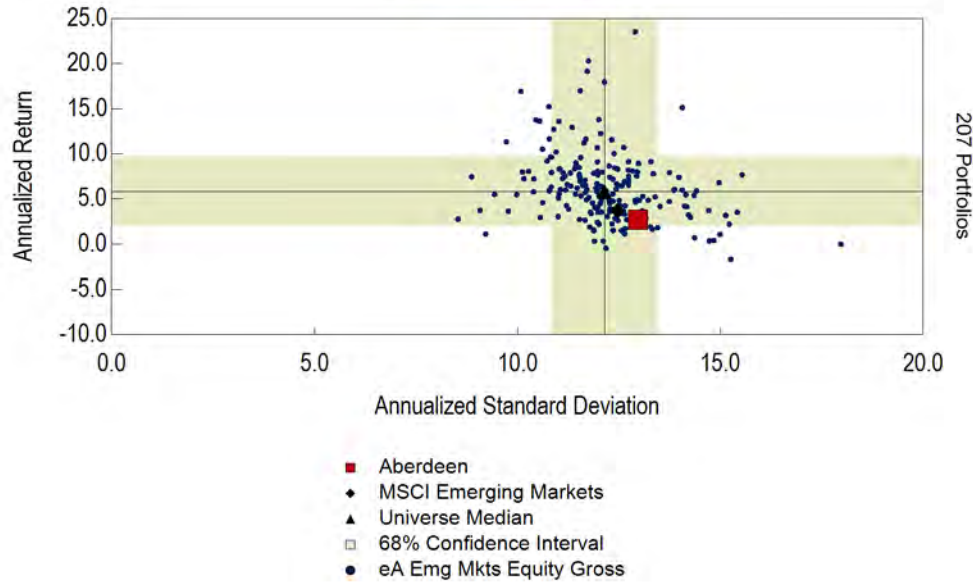
Aberdeen believes, given the inefficiency of markets, that competitive long-term returns are achieved by identifying high quality stocks at attractive valuations and holding for the long term. It is their belief that sound fundamentals drive stock prices over time. They employ a fundamental bottom-up 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.



### Annualized Excess Performance



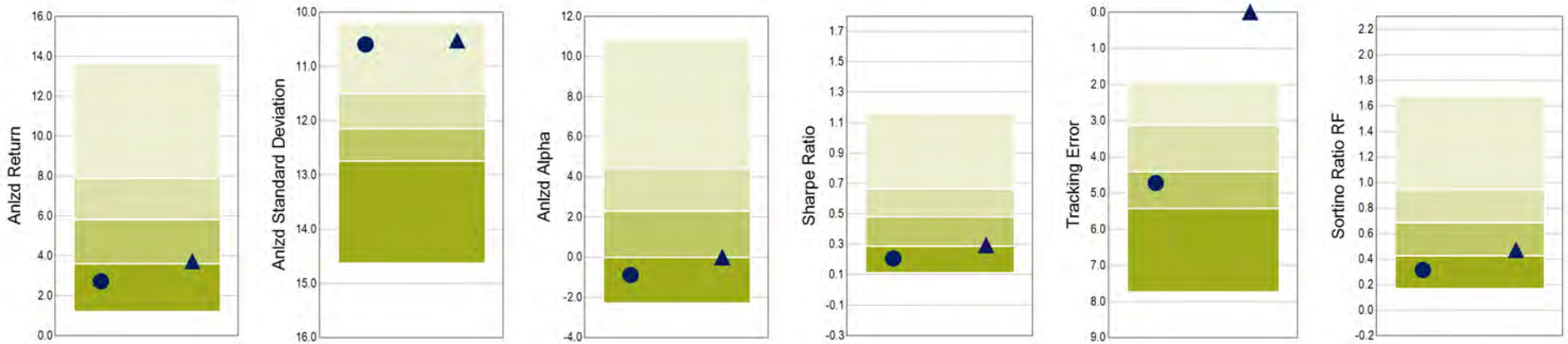
3 Year Risk Return



Characteristics

	Portfolio	MSCI Emerging Markets
Number of Holdings	75	838
Weighted Avg. Market Cap. (\$B)	25.4	39.7
Median Market Cap. (\$B)	13.0	5.0
Price To Earnings	20.6	18.8
Price To Book	3.7	2.6
Price To Sales	2.8	2.6
Return on Equity (%)	19.5	17.3
Yield (%)	2.8	2.5
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics





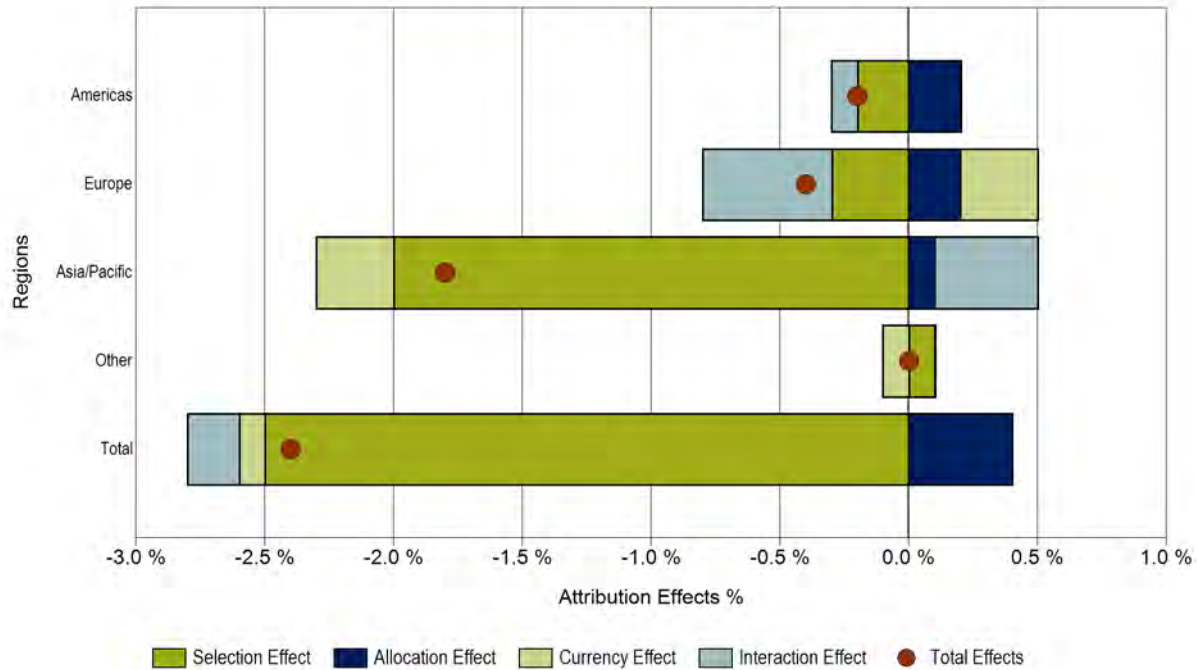
## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>Americas</b>				
Brazil*	10.9%	7.3%	4.3%	7.0%
Chile*	1.3%	1.4%	-1.6%	-3.0%
Mexico*	8.2%	4.7%	-3.1%	0.4%
United States	1.6%	0.0%	15.0%	0.2%
<b>Total-Americas</b>	<b>21.9%</b>	<b>14.5%</b>	<b>2.0%</b>	<b>3.5%</b>
<b>Europe</b>				
Hungary*	0.0%	0.2%	39.4%	11.0%
Luxembourg	1.5%	0.0%	-1.6%	1.1%
Poland*	1.8%	1.5%	4.5%	-0.4%
Portugal	1.1%	0.0%	3.9%	2.0%
Russia*	4.7%	3.7%	0.5%	7.7%
United Kingdom	4.9%	0.0%	-1.8%	3.0%
<b>Total-Europe</b>	<b>14.0%</b>	<b>5.9%</b>	<b>0.3%</b>	<b>5.9%</b>

## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>AsiaPacific</b>				
China*	5.2%	23.1%	0.5%	7.1%
Hong Kong	8.5%	0.0%	-0.2%	5.6%
India*	15.8%	7.5%	-3.6%	-3.4%
Indonesia*	3.4%	2.8%	-17.4%	-13.6%
Korea*	6.1%	15.0%	-8.7%	-3.7%
Malaysia*	2.0%	3.5%	-7.3%	-7.8%
Philippines*	4.3%	1.4%	-4.9%	-4.7%
Taiwan*	4.8%	12.9%	1.0%	1.2%
Thailand*	5.3%	2.4%	3.0%	-3.4%
<b>Total-AsiaPacific</b>	<b>55.3%</b>	<b>68.4%</b>	<b>-3.3%</b>	<b>0.2%</b>
<b>Other</b>				
South Africa*	4.0%	8.0%	1.0%	-0.6%
Turkey*	4.9%	1.5%	-1.3%	1.2%
<b>Total-Other</b>	<b>8.9%</b>	<b>11.1%</b>	<b>-0.3%</b>	<b>0.3%</b>
<b>Totals</b>				
Developed	17.7%	0.0%	0.9%	--
Emerging*	82.3%	100.0%	-1.9%	1.1%

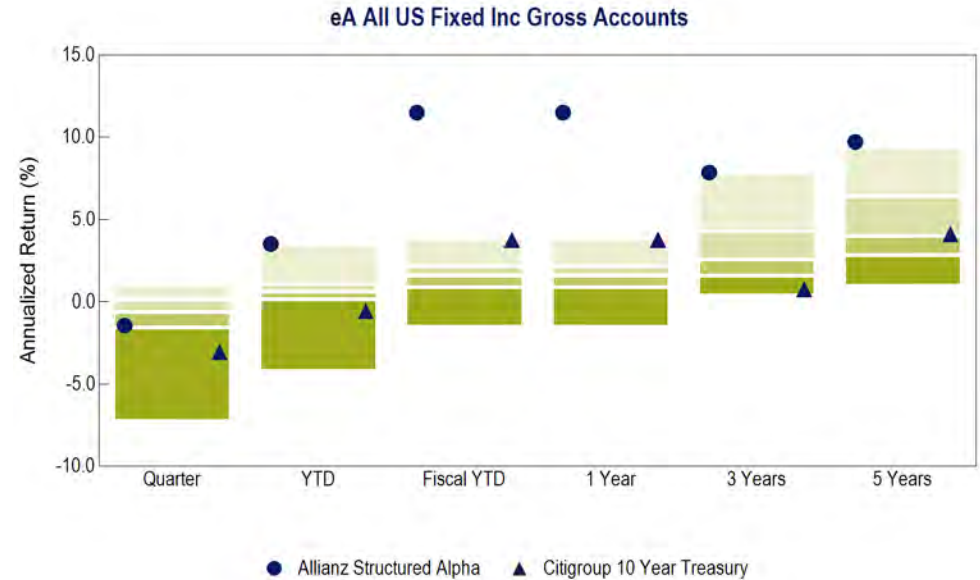
Aberdeen Performance Attribution vs. MSCI Emerging Markets



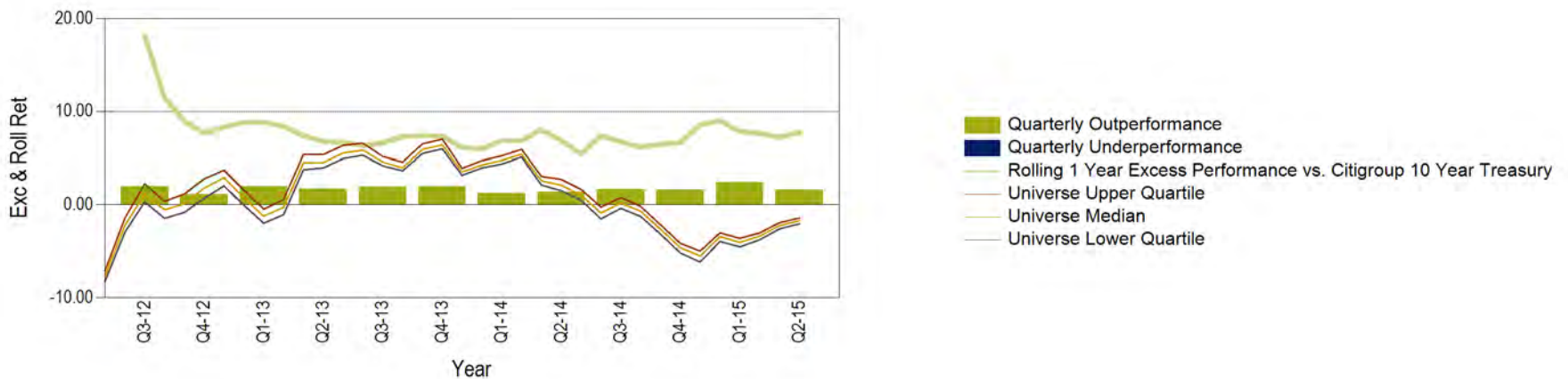
	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Totals</b>									
Americas	2.0%	3.5%	21.9%	14.5%	-0.2%	0.2%	0.0%	-0.1%	-0.2%
Europe	0.3%	5.9%	14.0%	5.9%	-0.3%	0.2%	0.3%	-0.5%	-0.4%
Asia/Pacific	-3.3%	0.2%	55.3%	68.4%	-2.0%	0.1%	-0.3%	0.4%	-1.8%
Other	-0.3%	0.3%	8.9%	11.1%	0.1%	0.0%	-0.1%	0.0%	0.0%
<b>Total</b>	<b>-1.4%</b>	<b>1.1%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-2.5%</b>	<b>0.4%</b>	<b>-0.1%</b>	<b>-0.2%</b>	<b>-2.4%</b>
<b>Totals</b>									
Developed	0.9%	--	17.7%	0.0%	0.0%	0.0%	0.3%	-0.4%	-0.1%
Emerging*	-1.9%	1.1%	82.3%	100.0%	-2.4%	0.0%	-0.4%	0.4%	-2.4%

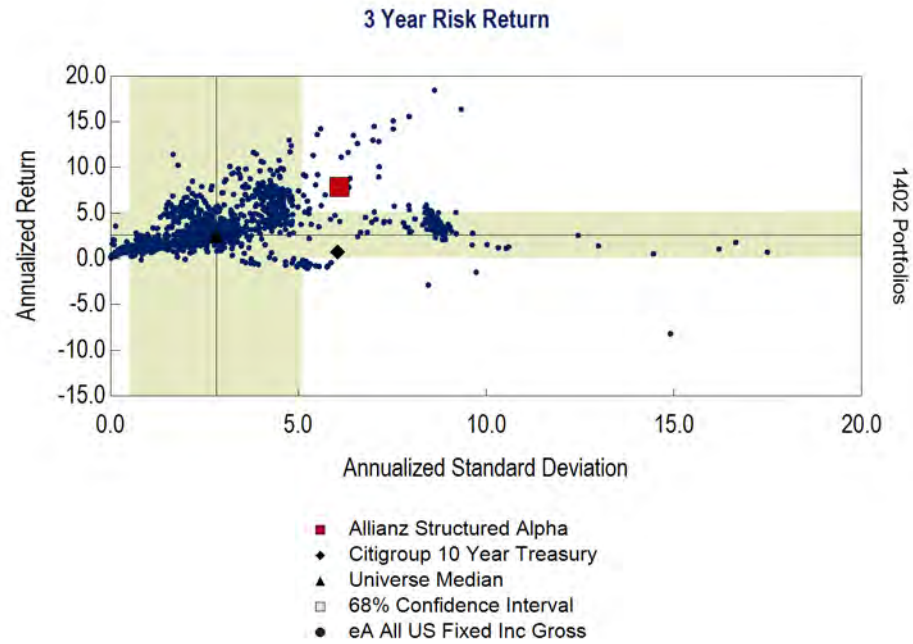
# Allianz Structured Alpha

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

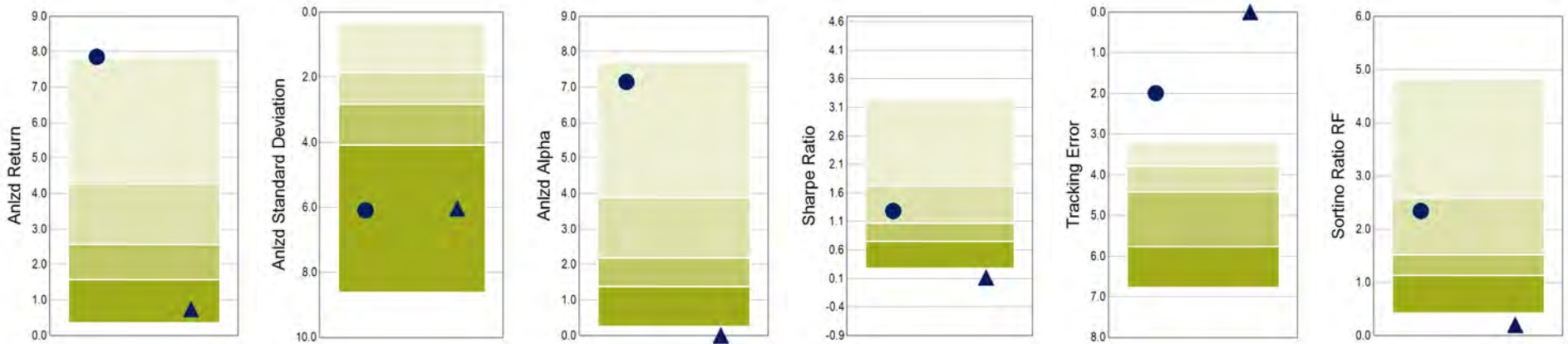


## Annualized Excess Performance



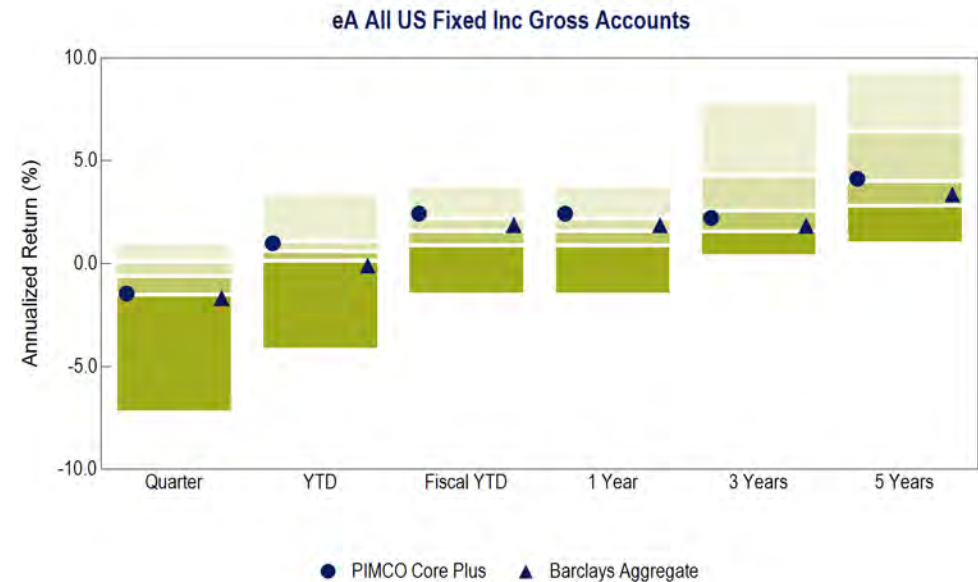


### 3 Year Risk Statistics

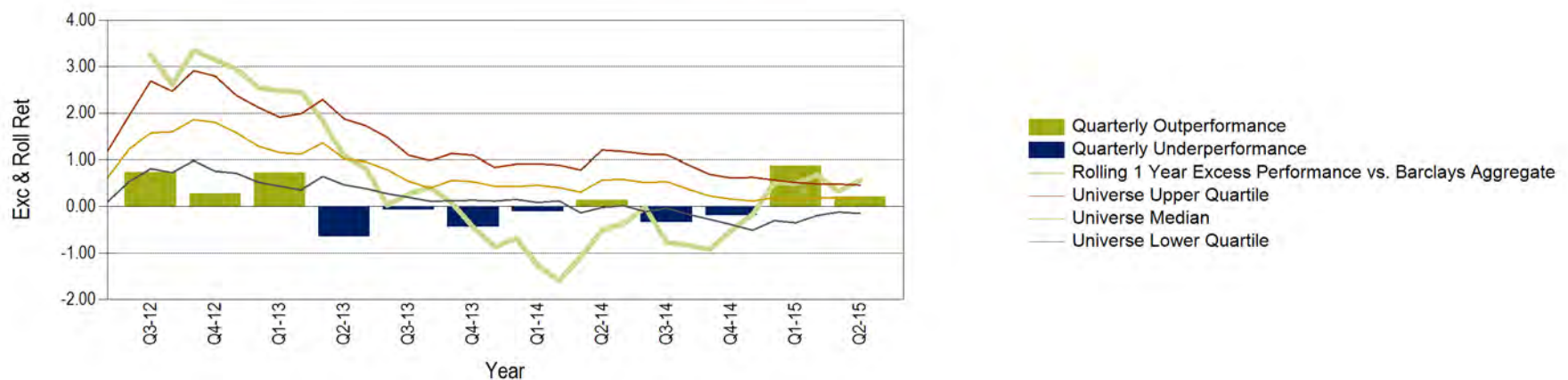


# PIMCO Core Plus

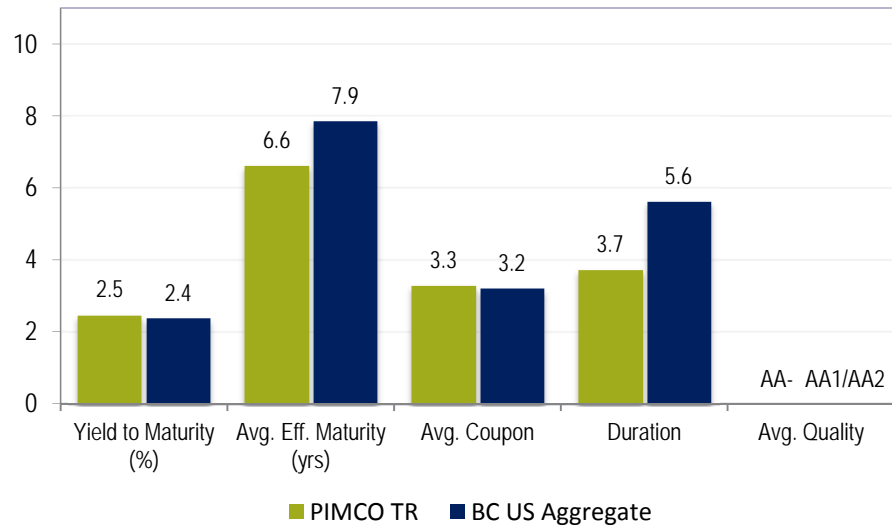
PIMCO's investment process expects to generate above-benchmark returns by building diversified, risk-averse portfolios based upon their long-term secular outlook. This is achieved by analyzing fundamental global trends in such areas as political factors, inflation, volatility, growth, and currency, amongst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



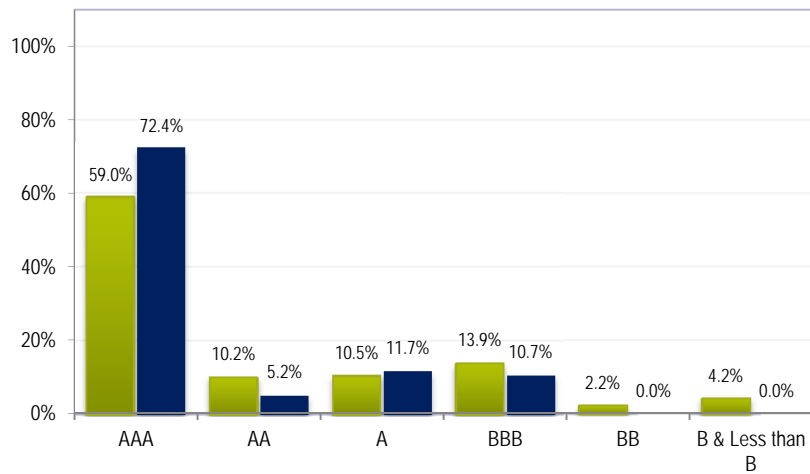
### Annualized Excess Performance



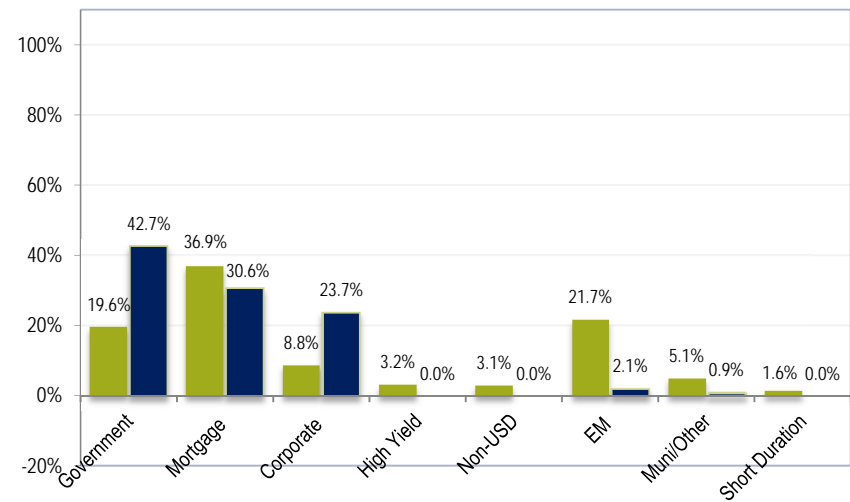
Characteristics



Quality Rating



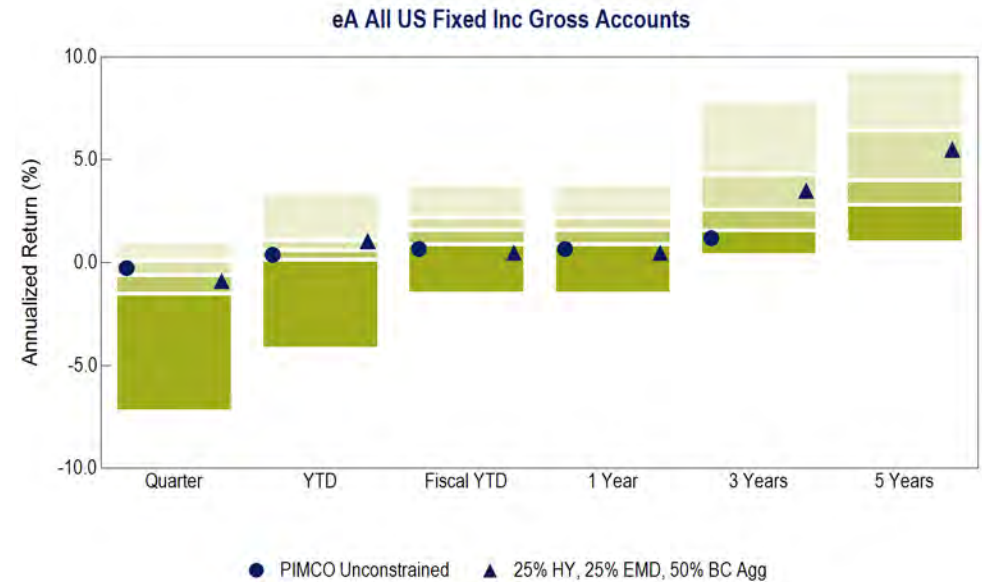
Sectors



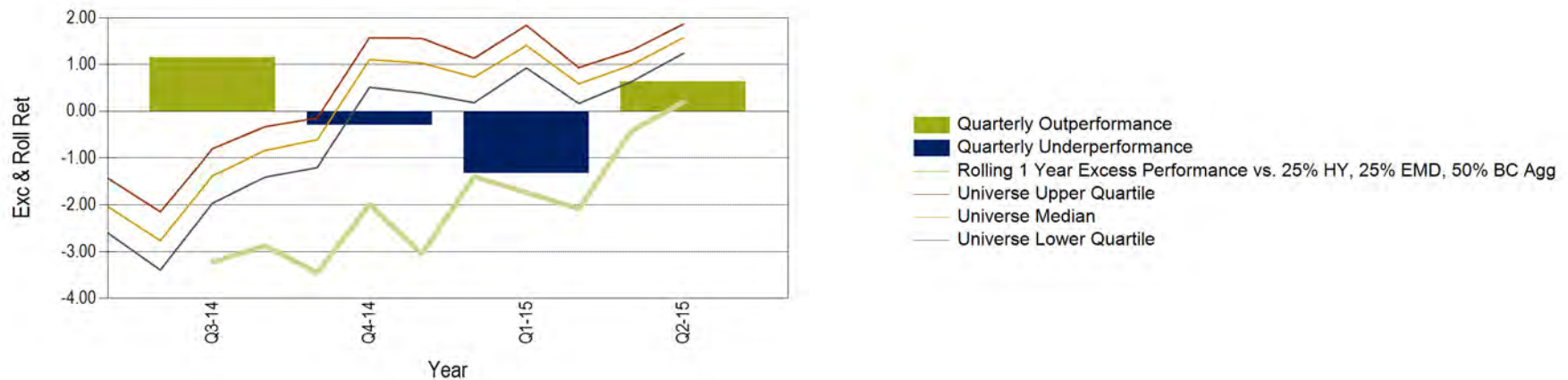
Source: PIMCO

# PIMCO Unconstrained

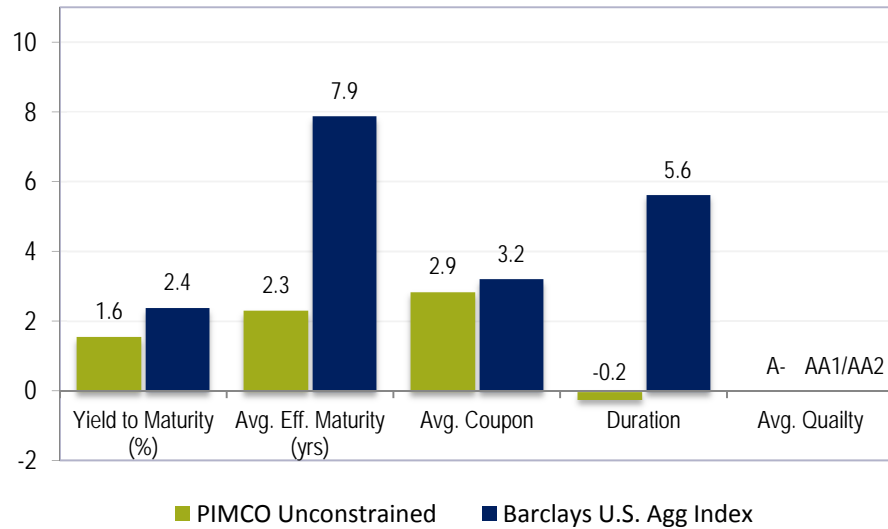
The PIMCO Unconstrained Bond Strategy is an absolute return-oriented, investment grade quality fixed income strategy that embodies PIMCO's secular thinking, global themes, and integrated investment process without the constraints of a benchmark or significant sector/instrument limitations. The strategy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



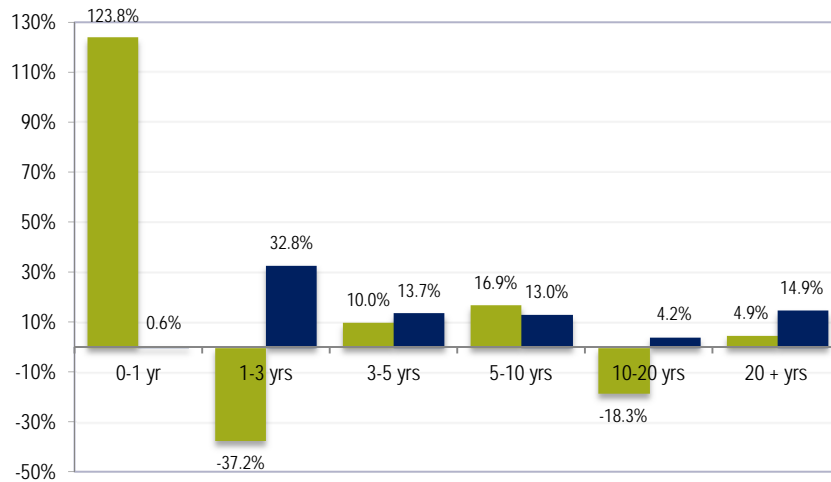
## Annualized Excess Performance



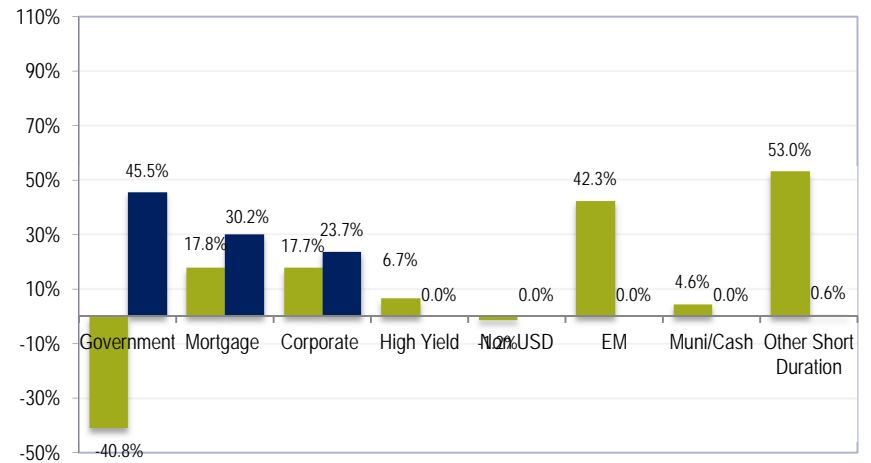
Characteristics



Maturity



Sectors

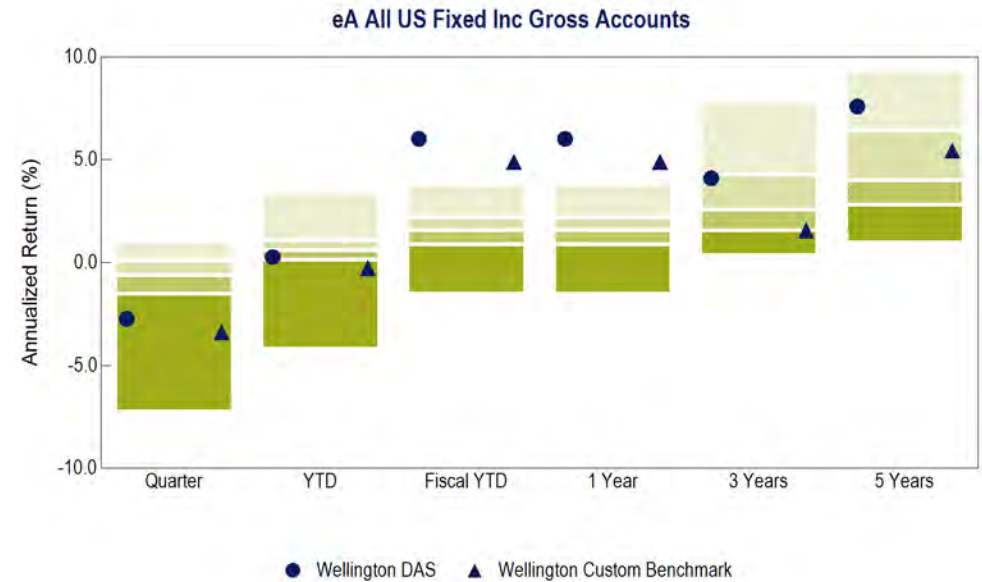


Source: PIMCO

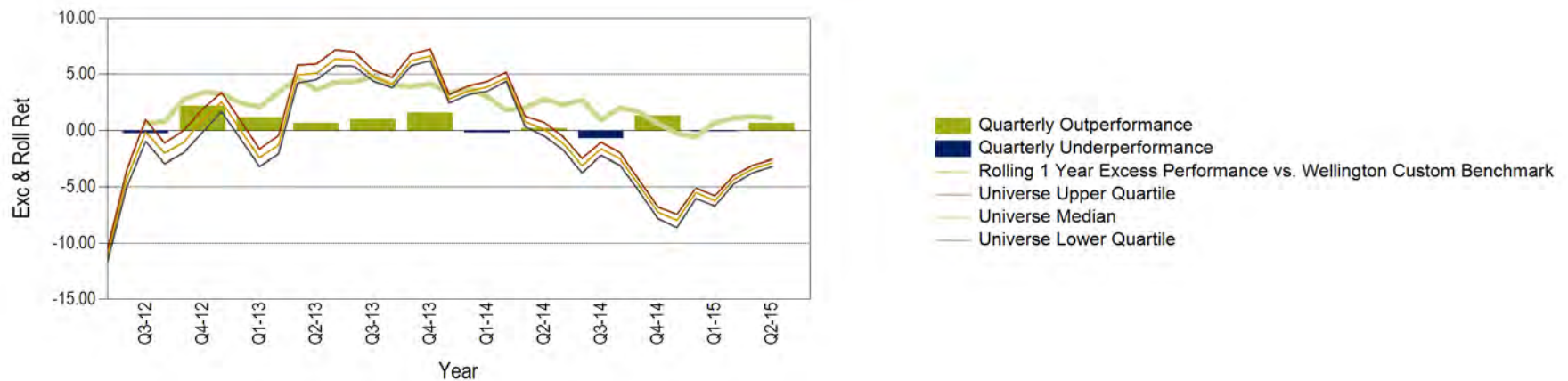


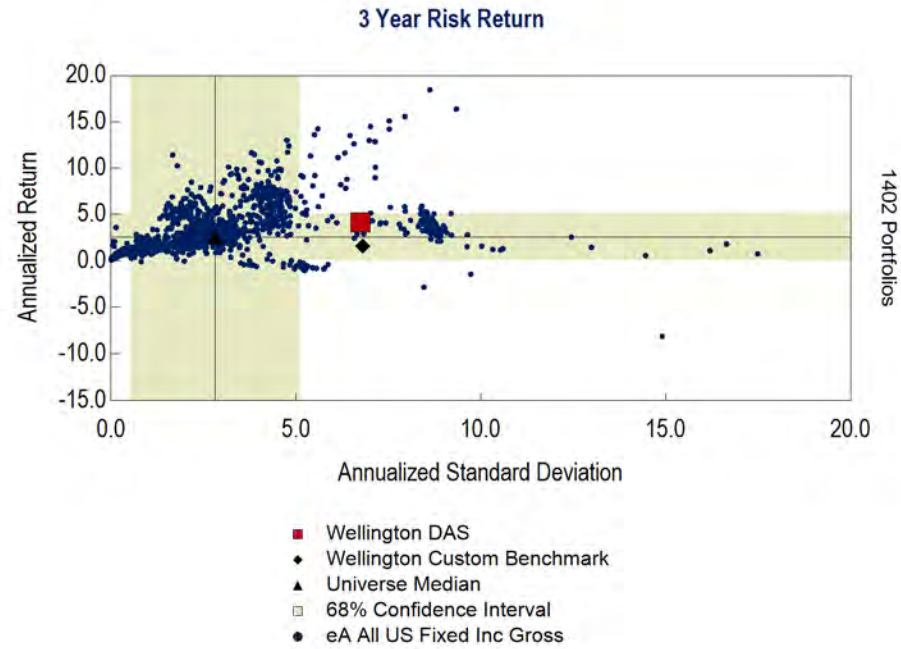
# Wellington DAS

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.

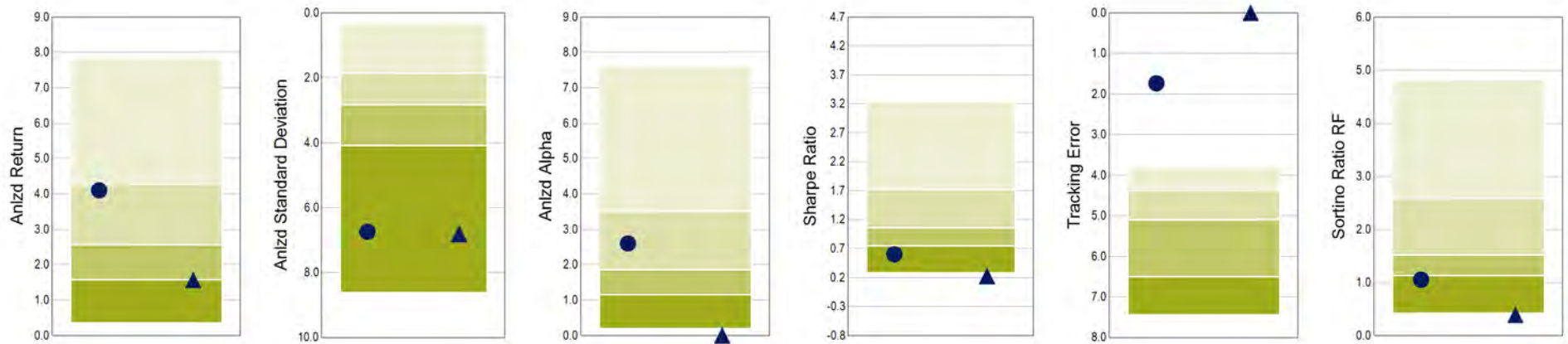


## Annualized Excess Performance



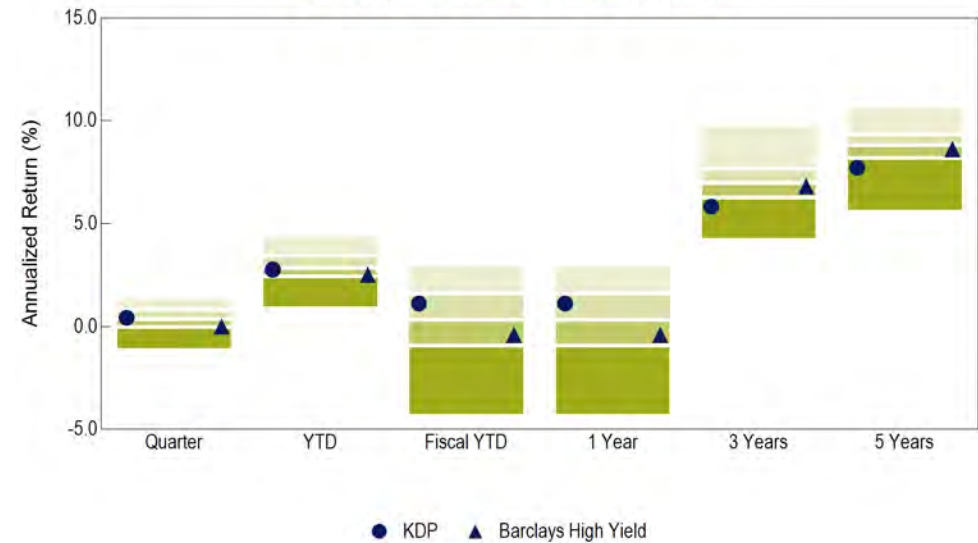


### 3 Year Risk Statistics

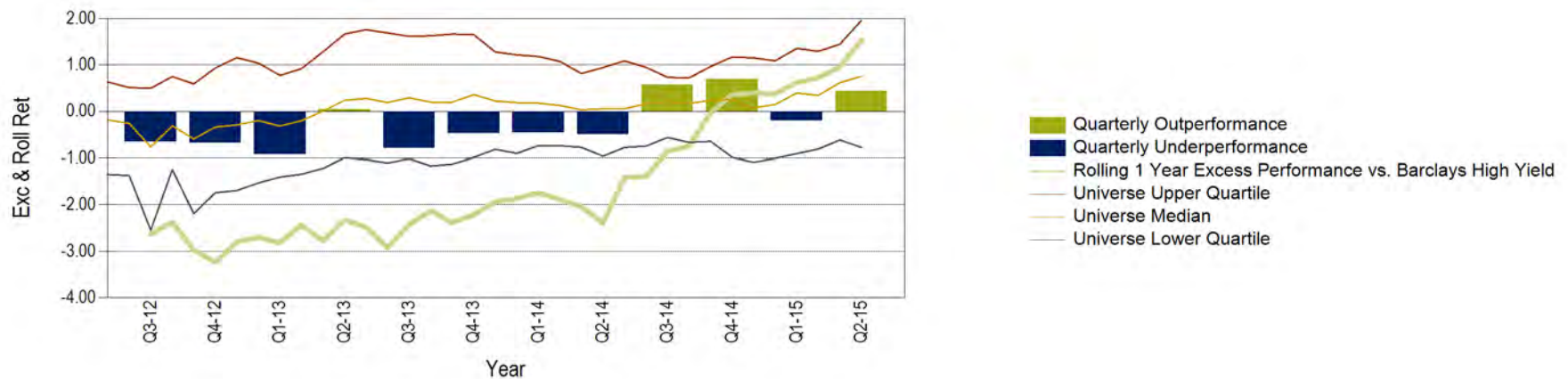


KDP believes that the key to delivering superior risk-adjusted returns lies in controlling credit risk. To do this the firm combines rigorous, bottom-up credit analysis with an active, top-down management approach that ensures a strong overall credit profile and broad portfolio diversification. KDP employs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

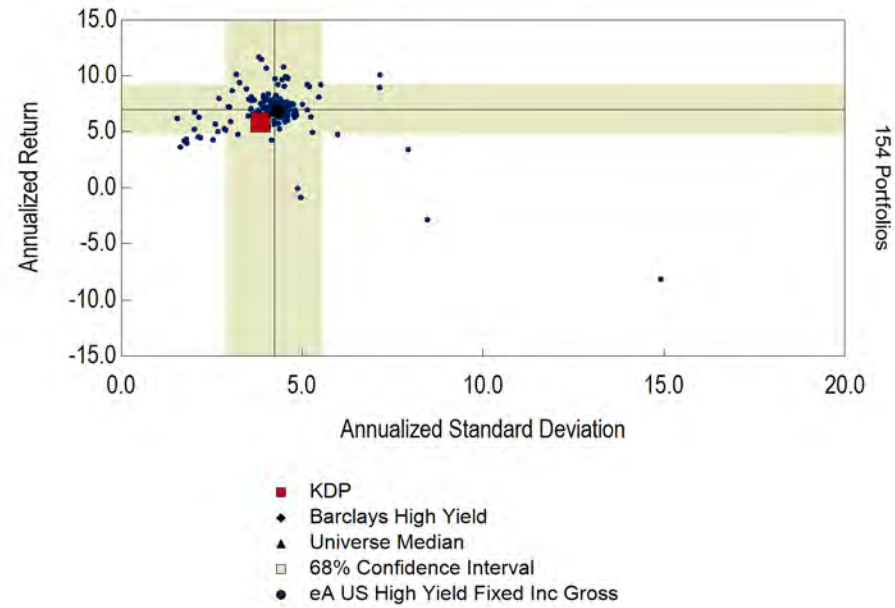
eA US High Yield Fixed Inc Gross Accounts



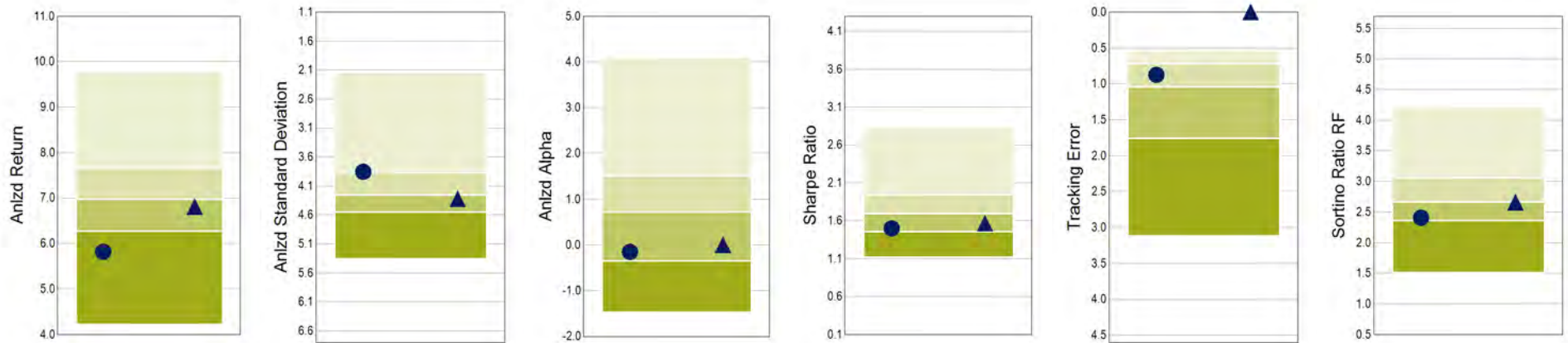
Annualized Excess Performance



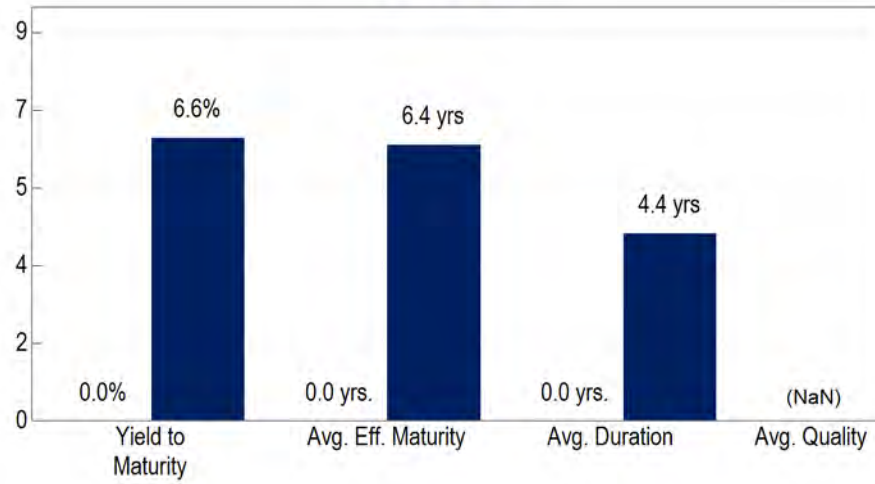
### 3 Year Risk Return



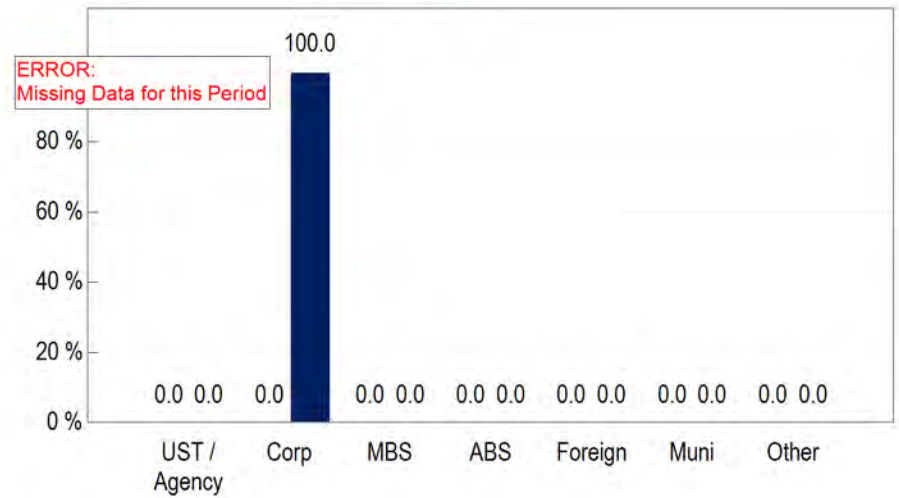
### 3 Year Risk Statistics



Characteristics



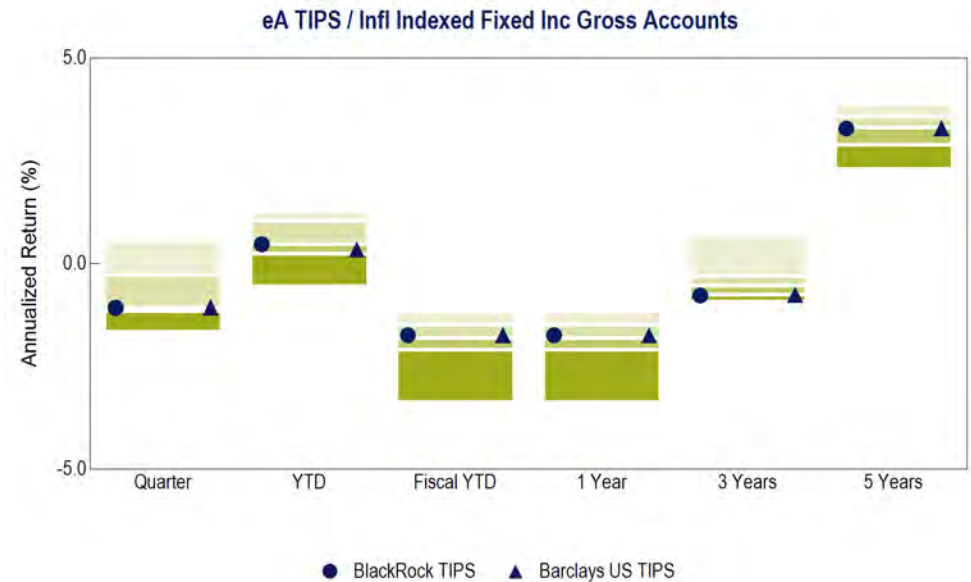
Sectors



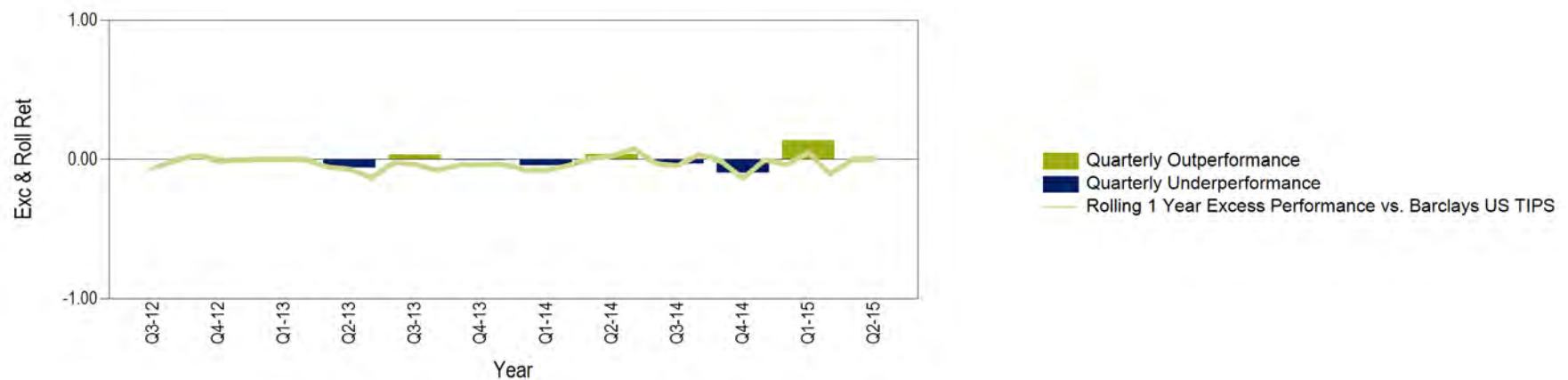
■ KDP ■ Barclays High Yield

# BlackRock TIPS

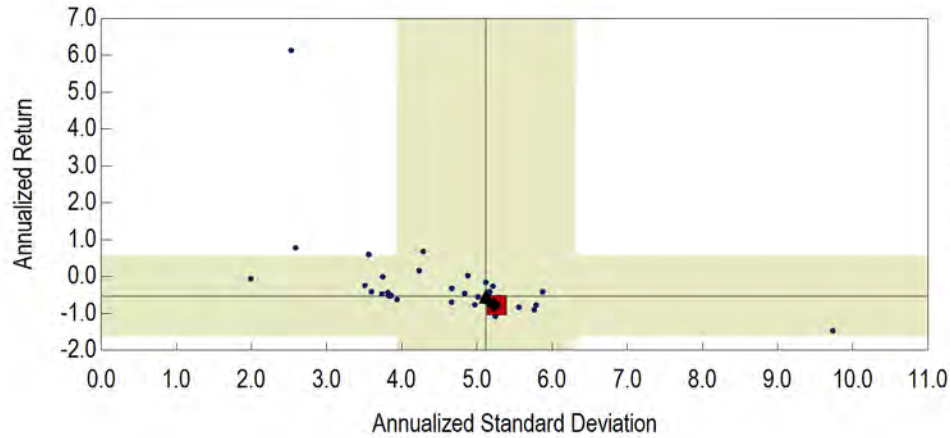
In the management of an inflation-linked bond portfolio, BlackRock will utilize multiple strategies to outperform the index. These include: duration and yield curve positioning, technical supply/demand anomalies related primarily to the ILB auction cycle, seasonal factors related to non-seasonally adjusted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

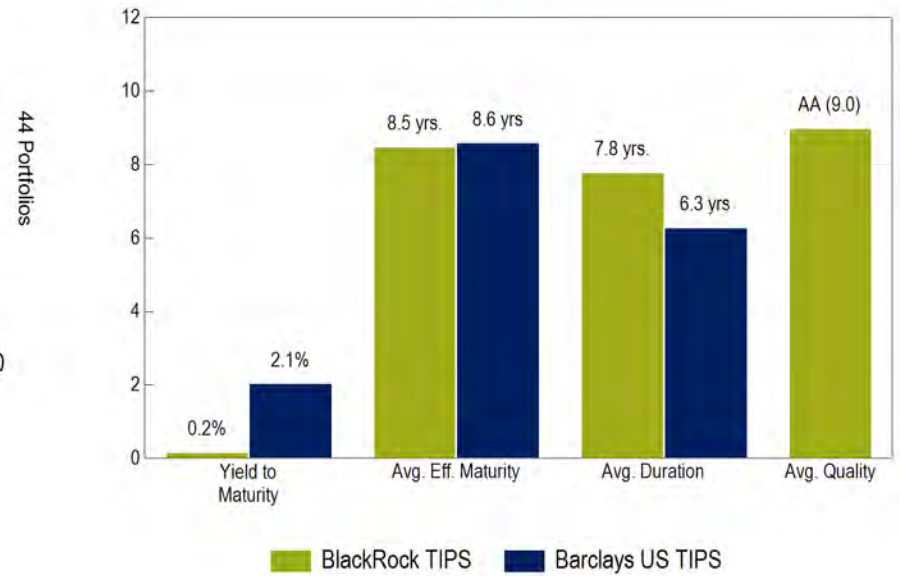


### 3 Year Risk Return

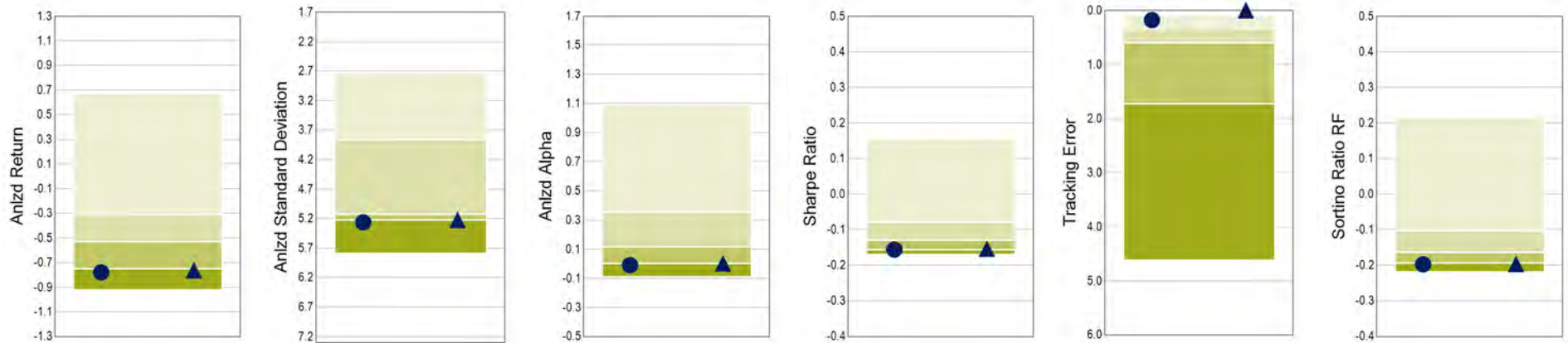


- BlackRock TIPS
- ◆ Barclays US TIPS
- ▲ Universe Median
- 68% Confidence Interval
- eA TIPS / Infl Indexed Fixed Inc Gross

### Characteristics

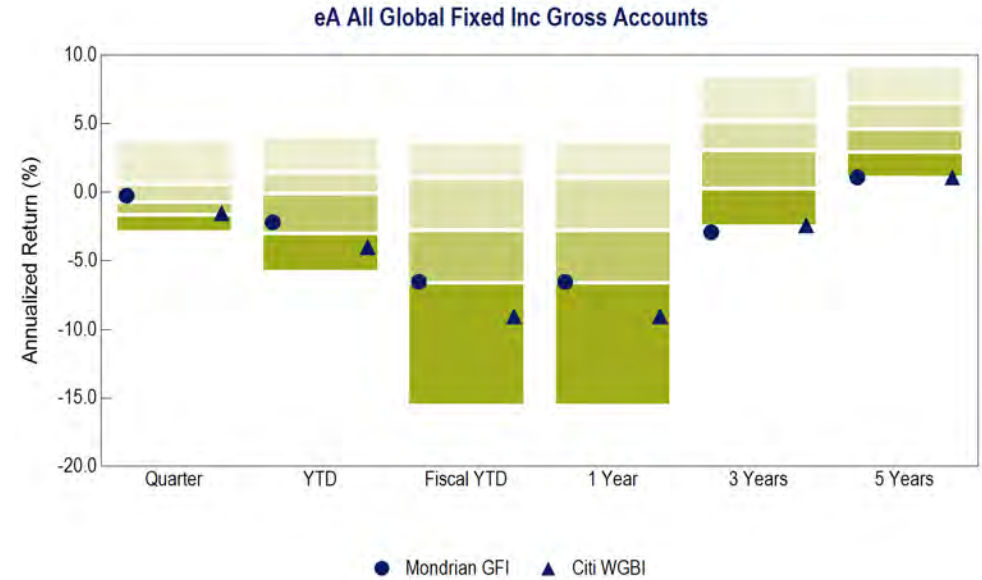


### 3 Year Risk Statistics

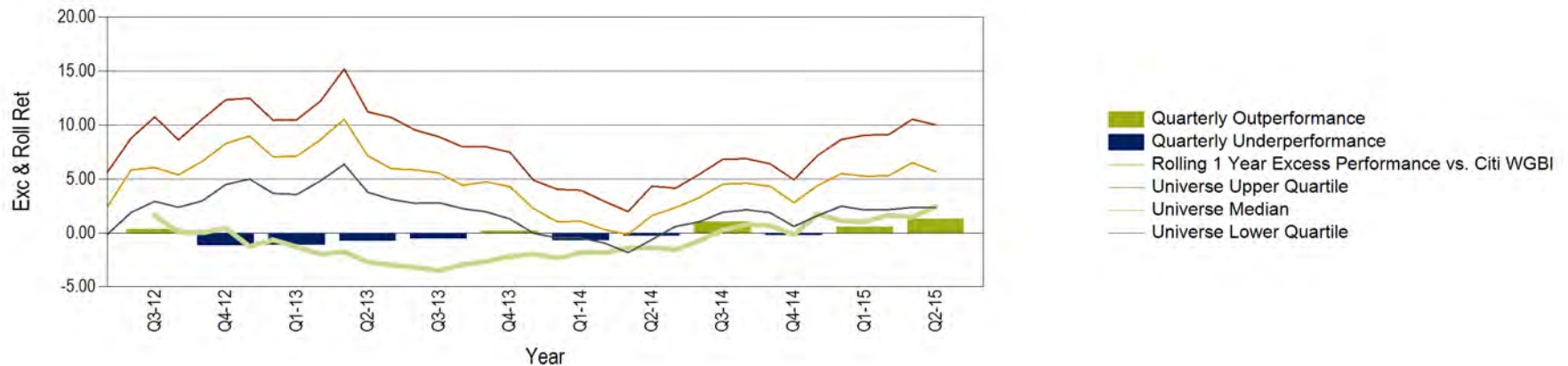


# Mondrian GFI

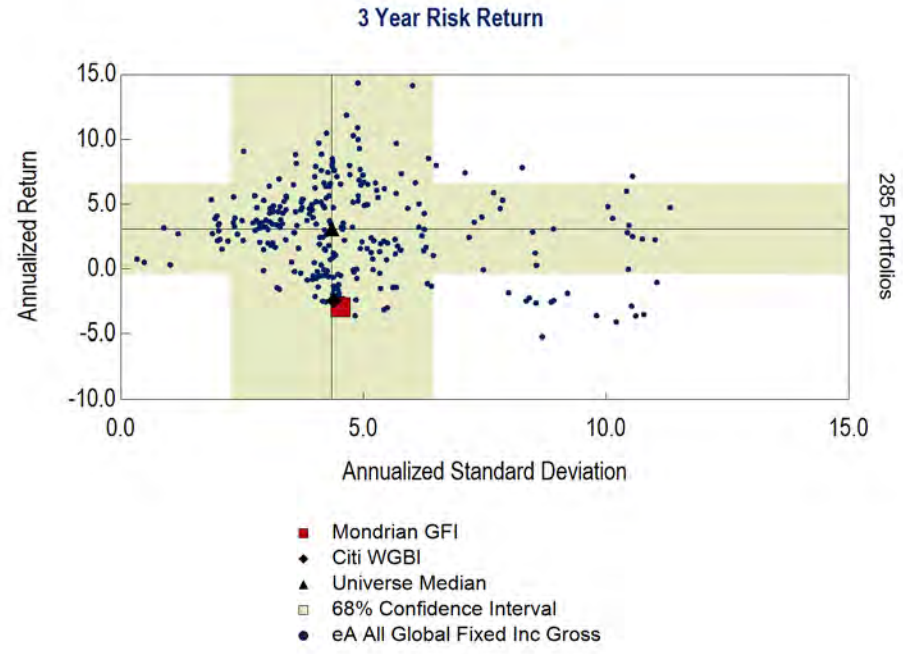
Bond yield for each market minus Mondrian's inflation forecast for that country. Mondrian will consider investing in the government debt of all countries within the Citigroup World Government Bond Index and other developed world bond markets. Within the emerging world most countries are researched and 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.



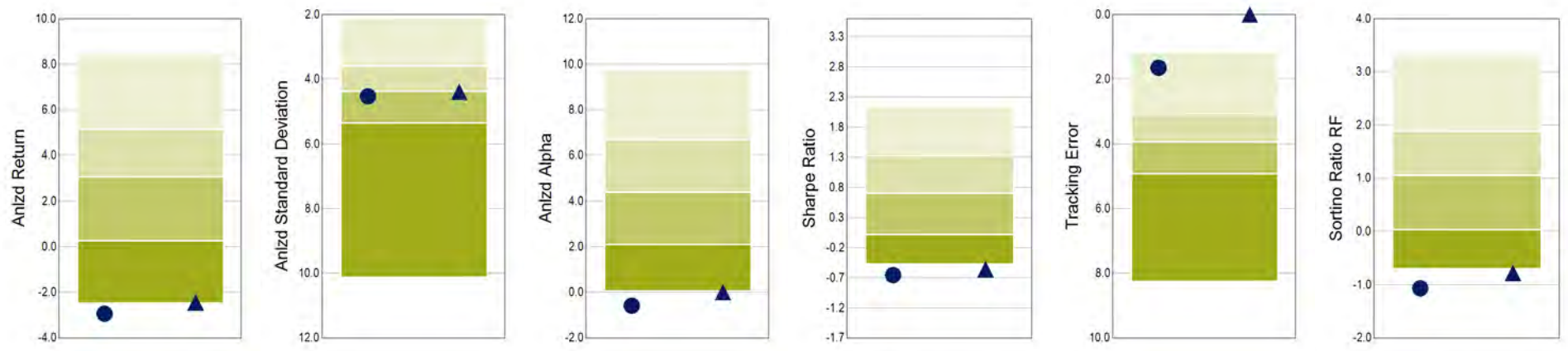
## Annualized Excess Performance



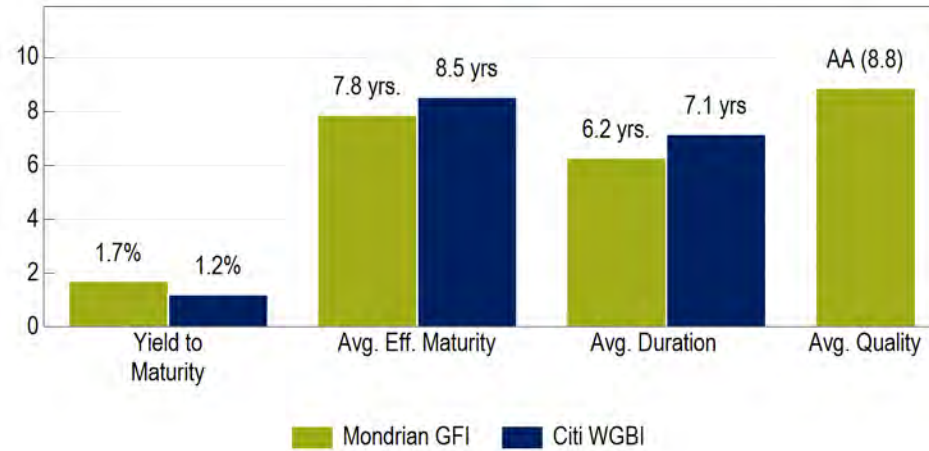




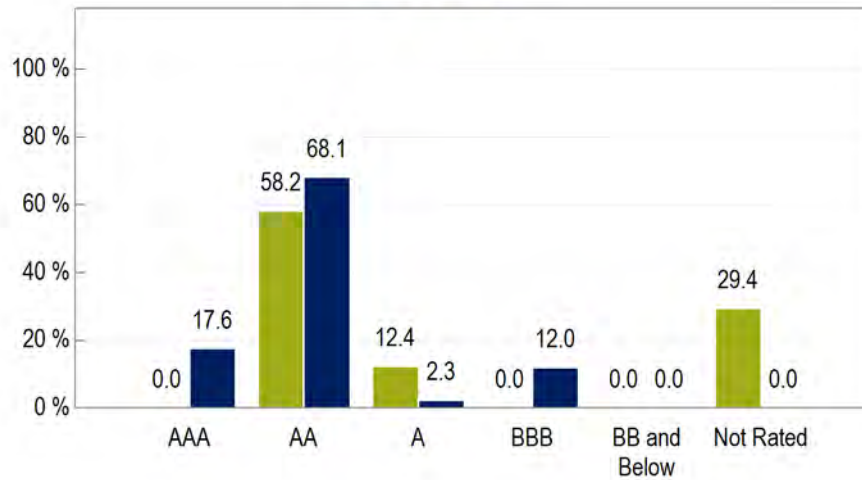
### 3 Year Risk Statistics



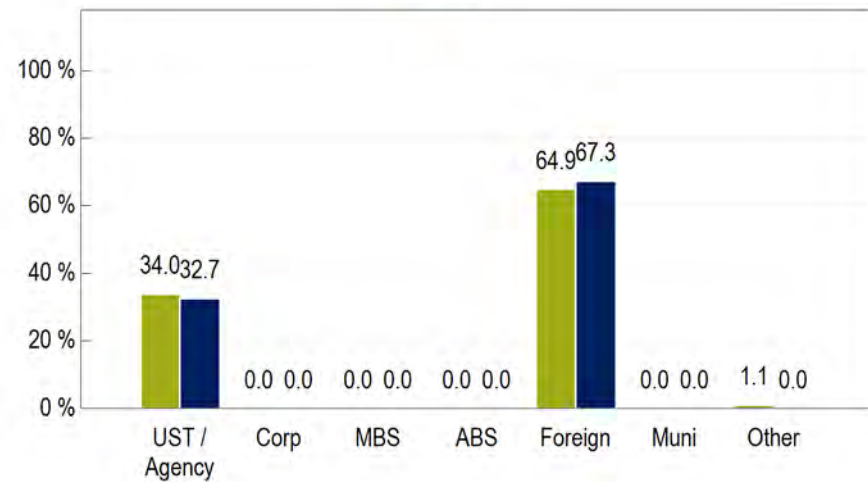
### Characteristics



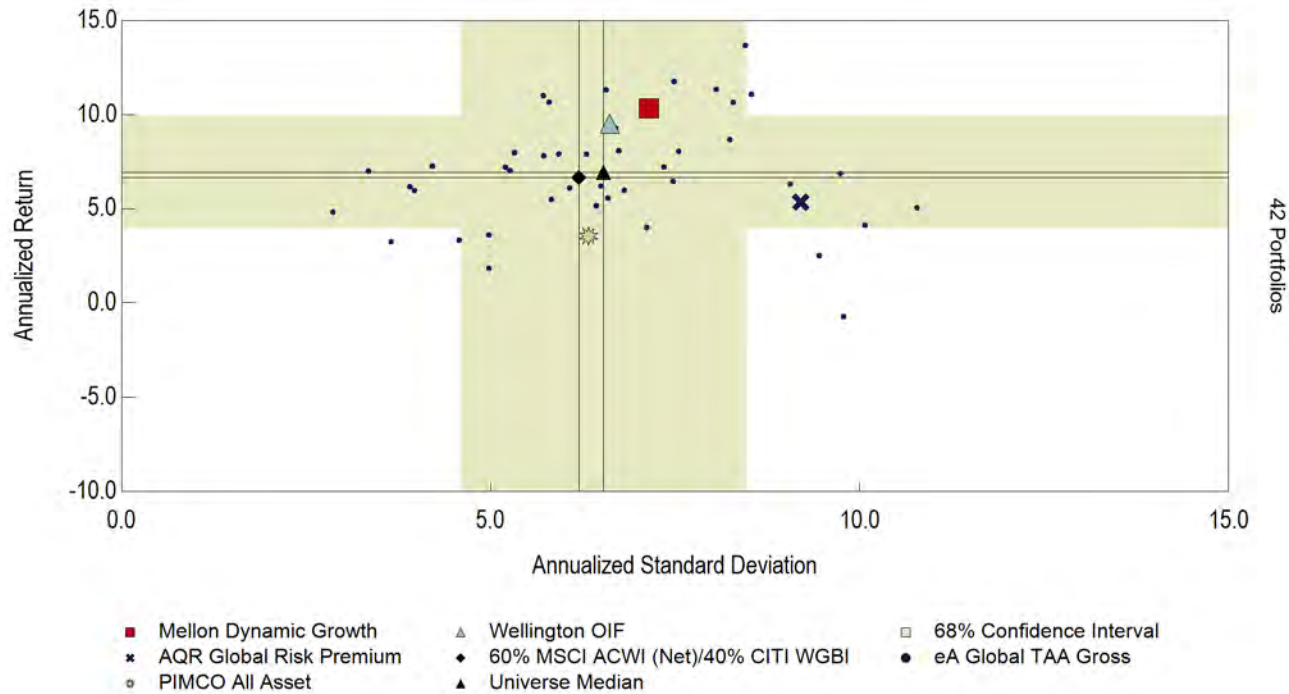
### Quality Ratings



### Sectors



Annualized Return vs. Annualized Standard Deviation  
3 Years Ending June 30, 2015



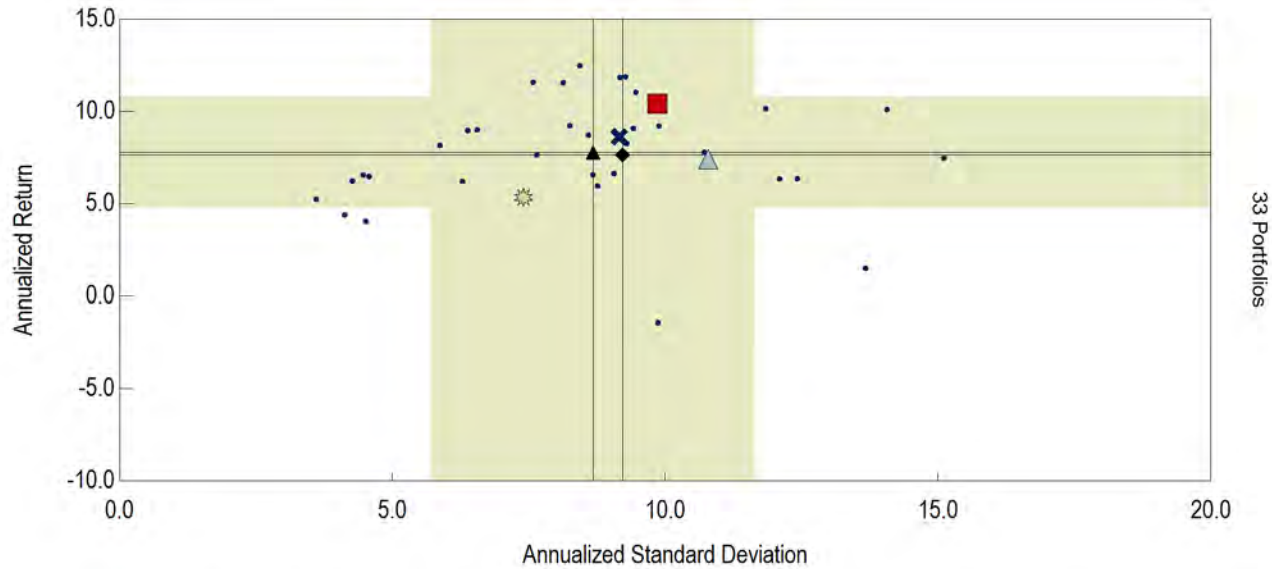
### Statistics Summary

3 Years Ending June 30, 2015

	Anlzd Return	Anlzd Standard Deviation
GAA Comp	6.00%	7.08%
Mellon Dynamic Growth	10.34%	7.14%
AQR Global Risk Premium	5.35%	9.20%
PIMCO All Asset	3.54%	6.33%
Wellington OIF	9.52%	6.61%

# Total Global Asset Allocation/Better Beta

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending June 30, 2015



- Mellon Dynamic Growth
- ✱ AQR Global Risk Premium
- PIMCO All Asset
- ▲ Wellington OIF
- ◆ 60% MSCI ACWI (Net)/40% CITI WGBI
- ▲ Universe Median
- 68% Confidence Interval
- eA Global TAA Gross

## Statistics Summary 5 Years Ending June 30, 2015

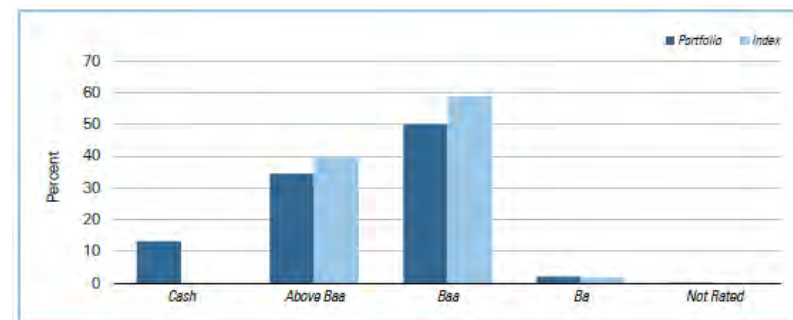
	Annualized Return	Annualized Standard Deviation
GAA Comp	7.47%	8.36%
Mellon Dynamic Growth	10.43%	9.85%
AQR Global Risk Premium	8.62%	9.16%
PIMCO All Asset	5.34%	7.40%
Wellington OIF	7.41%	10.79%

# Wellington Emerging Local Debt

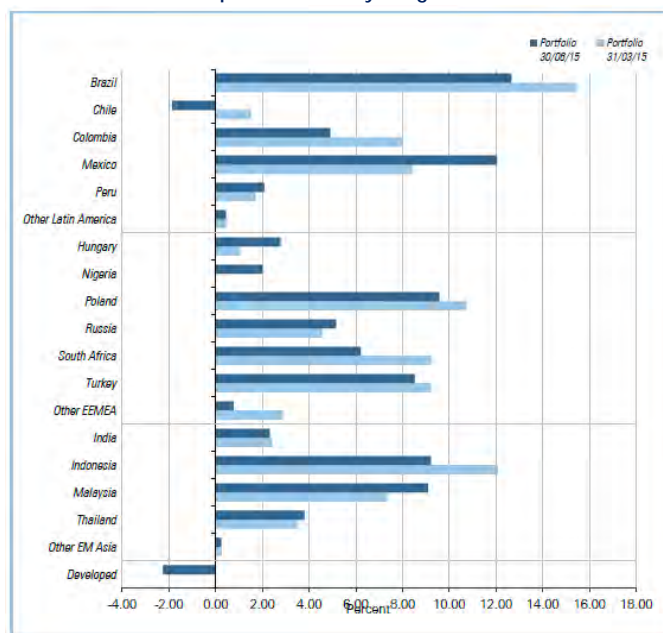
Portfolio Statistics

	Portfolio	Index
Yield - Total	6.67%	6.93%
Effective Duration	4.84 Yrs	4.92 Yrs
Corporate Exposure	0.83%	—
EM Currency Exposure	94.93%	100.00%
Average Quality	A3	Baa1

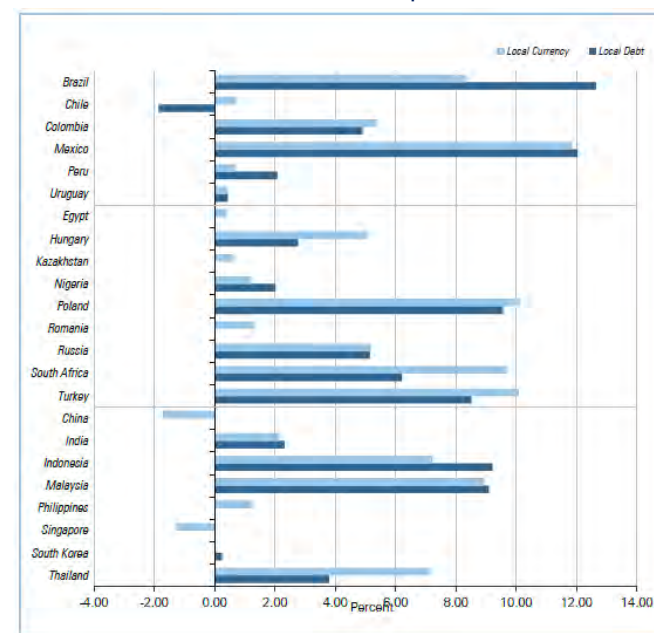
Quality Distribution



Comparative Country Weights



EM Local Market Exposure



Source: Wellington



## Wellington Opportunistic Emerging Market Debt

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

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

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

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

# Mellon Capital Global Alpha I (Global Asset Allocation)

## Equity Exposure

	Account/Fund	* Benchmark	Overweight/ (Underweight)
Australia	6.1%	1.6%	4.5%
Canada	1.3%	2.2%	-0.8%
France	4.0%	2.3%	1.7%
Germany	10.9%	2.1%	8.8%
Hong Kong	2.8%	0.8%	2.0%
Italy	-3.4%	0.6%	-4.0%
Japan	14.5%	5.3%	9.1%
Netherlands	5.6%	0.6%	5.0%
Spain	1.6%	0.8%	0.7%
Switzerland	3.4%	2.1%	1.3%
United Kingdom	-13.6%	4.7%	-18.4%
United States	20.6%	34.6%	-14.0%
Other	0.6%	2.4%	-1.7%
	<b>54.4%</b>	<b>60.0%</b>	<b>-5.6%</b>

## Bond Exposure

	Account/Fund	* Benchmark	Overweight/ (Underweight)
Australia	-6.4%	1.4%	-7.7%
Canada	-6.4%	1.6%	-8.0%
Europe ex-UK	-24.5%	13.1%	-37.7%
Japan	11.6%	4.4%	7.2%
United Kingdom	10.4%	2.3%	8.1%
United States	45.3%	15.2%	30.2%
Other	2.0%	2.0%	0.0%
	<b>32.1%</b>	<b>40.0%</b>	<b>-7.9%</b>
	<b>13.5%</b>	<b>0.0%</b>	<b>13.5%</b>
	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

## Currency Exposure

	Account/Fund	* Benchmark	Overweight/ (Underweight)
Australia	10.2%	1.5%	8.7%
Canada	-2.8%	1.9%	-4.7%
Denmark	0.4%	0.3%	0.0%
Euro	-1.6%	8.9%	-10.5%
Japan	14.9%	4.9%	10.0%
New Zealand	8.1%	0.0%	8.1%
Norway	0.8%	0.3%	0.5%
Sweden	-1.5%	0.6%	-2.1%
Switzerland	-8.1%	1.4%	-9.5%
United Kingdom	-6.2%	3.5%	-9.7%
United States	82.0%	74.9%	7.1%
Other	3.8%	1.8%	1.9%
	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

Source: Mellon Capital Management

\*Benchmark is: 60% MSCI World Index Half-Hedged/ 40% Citi WGBI Half-Hedged

## Mellon Capital Global Alpha I (Global Asset Allocation)

### Performance & Attribution – 2015 Q2

Period	Strategy <sup>^</sup> Return	Benchmark <sup>****</sup> Return	Alpha	Global Stock/Bond Allocation	Equity Country Allocation	Bond Country Allocation	Currency Allocation	Benchmark Implementation <sup>***</sup>	Misc. <sup>**</sup>	Total Alpha
April-2015	0.50%	1.08%	-0.58%	16	-33	84	-128	2	2	-58
May-2015	-0.06%	0.00%	-0.07%	19	13	38	-73	1	-4	-6
June-2015	-1.91%	-1.95%	0.04%	18	41	51	-105	-2	0	4

### Performance & Attribution – Calendar Years & Annualized as of 06/30/2015

Period	Strategy <sup>^</sup> Return	Benchmark <sup>****</sup> Return	Alpha	Global Stock/Bond Allocation	Equity Country Allocation	Bond Country Allocation	Currency Allocation	Benchmark Implementation <sup>***</sup>	Misc. <sup>**</sup>	Total Alpha
Year to date 2015	7.69%	1.24%	6.45%	26	423	246	-48	-12	10	645
2014	6.53%	6.12%	0.41%	-18	-2	9	101	24	-74	41
2013	17.84%	15.12%	2.72%	334	-111	54	-54	5	45	272
2012	11.23%	11.17%	0.06%	-24	-46	216	-180	19	21	6
2011	0.86%	-0.75%	1.62%	-174	123	131	75	26	-20	161
2010	16.09%	8.78%	7.31%	-81	17	291	338	134	32	731
2009	31.42%	17.43%	13.99%	196	354	191	125	325	208	1399
2008	-36.00%	-22.36%	-13.64%	-970	-154	233	-421	-431	379	-1364
2007	1.63%	7.87%	-6.24%	108	-181	-208	-315	17	-44	-624
2006	20.79%	12.83%	7.95%	349	132	-32	225	38	84	796
2005	16.44%	7.14%	9.30%	298	398	140	-5	12	87	930
(Partial) 2004	14.41%	9.53%	4.88%	62	40	135	164	63	24	488
1 Year	13.79%	2.10%	11.70%	21	573	344	201	6	24	1169
3 Years	13.36%	9.61%	3.75%	124	106	157	-34	8	14	375
5 Years	12.55%	9.21%	3.34%	28	104	157	22	15	8	334
10 Years	7.49%	5.75%	1.73%	5	87	119	-17	13	-34	174
Inception to date*	8.06%	5.94%	2.11%	9	87	123	0	19	-27	212

Source: Mellon Capital Management



NEPC, LLC

June 30, 2015





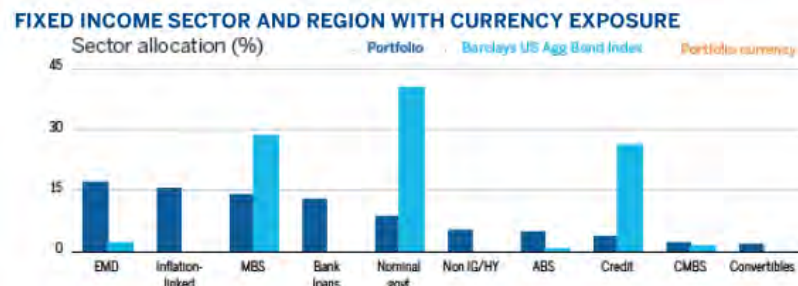
- PIMCO's All Asset Fund uses a Fund of Mutual Funds approach. Investment funds are continuously reallocated between various PIMCO Mutual funds base on strategic allocation decisions made by the advisor to the investment manager. Because both by policy and practice fixed income related securities tend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

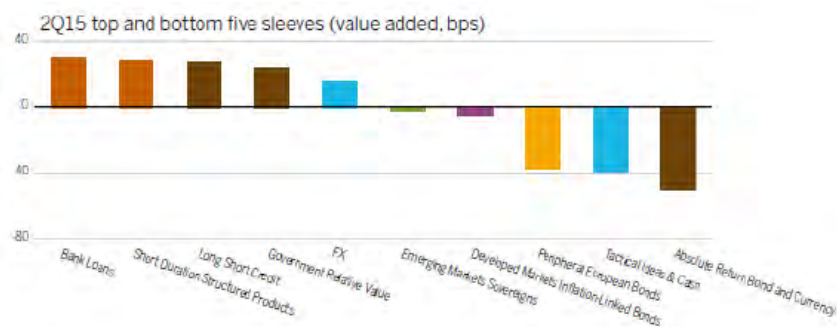
## Characteristics

	Portfolio	Benchmark
Yield to worst %	2.2	2.0
OAS (bps)	156	44
Duration – effective	5.2	5.2
Convexity – effective	0.7	-0.1

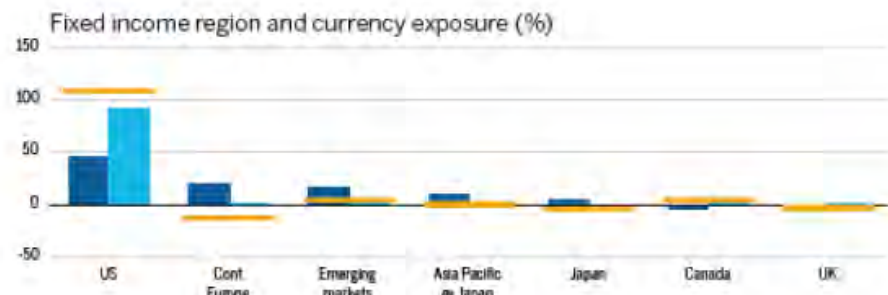
## Sector Allocation



## Top Relative Contributors and Detractors



## Regional Allocation

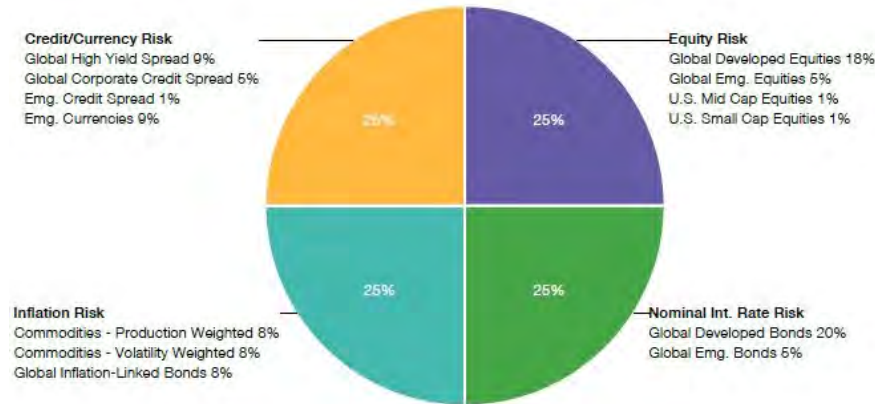


Source: Wellington

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

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

Risk Allocation



Estimated Exposure Breakdown

Long Exposure (% of NAV)	
<b>Equity Risk</b>	
Global Developed Equities	23%
Global Emerging Equities	5%
U.S. Mid Cap Equities	2%
U.S. Small Cap Equities	1%
<b>Total Equity Risk</b>	<b>31%</b>
<b>Nominal Interest Rate Risk</b>	
Global Developed Bonds	72%
Global Emerging Bonds	22%
<b>Total Nominal Interest Rate Risk</b>	<b>94%</b>
<b>Inflation Risk</b>	
Commodities - Production Weighted	10%
Commodities - Volatility Weighted	18%
Global Inflation-Linked Bonds	37%
<b>Total Inflation Risk</b>	<b>64%</b>
<b>Credit/Currency Risk</b>	
Global High Yield Spread	31%
Global Corporate Credit Spread	60%
Emerging Credit Spread	4%
Emerging Currencies	24%
<b>Total Credit/Currency Risk</b>	<b>119%</b>
<b>Total Fund Exposures</b>	<b>308%</b>

Long Exposure (% of NAV)	
<b>Equity Market Exposures</b>	
Americas	18%
Europe	6%
Asia ex-Japan	5%
Japan	2%
<b>Total Equity Market Exposures</b>	<b>31%</b>
<b>Bond Market Exposures - Nominal and Inflation-Linked</b>	
Americas	53%
Europe	53%
Asia	25%
<b>Total Bond Market Exposures</b>	<b>131%</b>
<b>Emerging Currency Exposures</b>	
Asia	9%
Europe	9%
Latin America	6%
Dollar Block ex-U.S.	0%
<b>Total Emerging Currency Exposures</b>	<b>24%</b>

Source: AQR



NEPC, LLC

June 30, 2015

## 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.

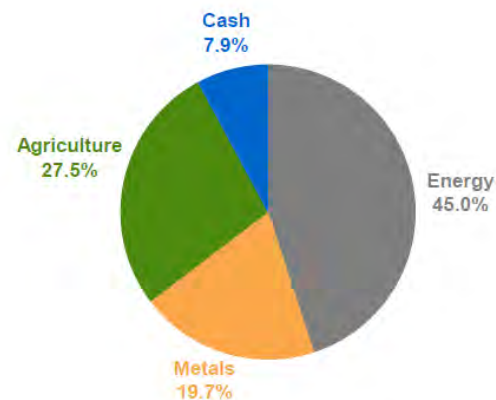
-Implementation with the most liquid instruments will be preferred and will help in limiting transaction costs.

-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.

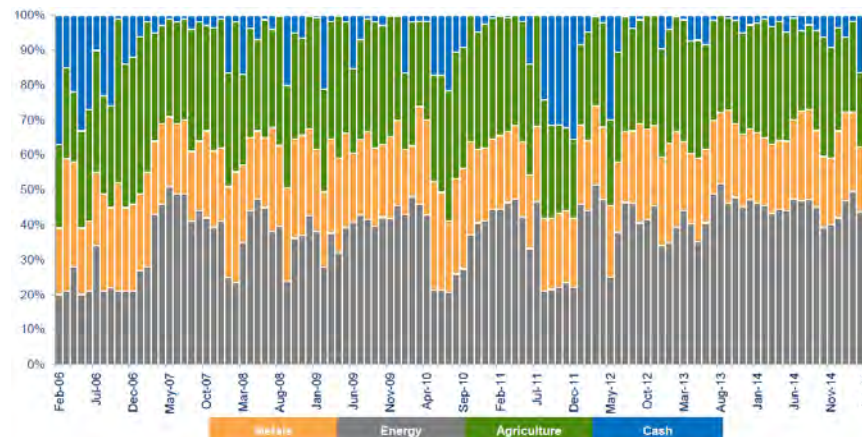
## Sector Exposure

	Futures	Equities	Other*	Total Exposure	Benchmark†	Difference
Energy 45.0%	Crude	22.5	1.4	23.9	28.0	-4.1
	Gas Oil	2.0		2.0	2.0	0.0
	Gasoline	2.9		2.9	4.8	-1.9
	Heating Oil	4.2		4.2	4.1	0.1
	Natural Gas	8.2	1.8	10.0	5.6	4.4
	Coal	2.1		2.1		2.1
Metals 19.7%	Aluminium	3.1		3.1	4.2	-1.1
	Copper	1.5		1.5	5.2	-3.7
	Gold	6.3		6.3	4.1	2.2
	Lead				0.6	-0.6
	Nickel	1.4		1.4	1.0	0.4
	Palladium				0.1	-0.1
	Platinum	0.5		0.5	0.5	0.0
	Silver	2.5		2.5	2.3	0.2
	Tin				0.3	-0.3
	Zinc	0.4		0.4	1.3	-0.9
Agriculture 27.5%	Canola	1.3		1.3		1.3
	Cocoa	1.7		1.7	1.6	0.1
	Coffee	1.4		1.4	2.4	-1.0
	Corn	2.9		2.9	5.8	-2.9
	Cotton	4.1		4.1	3.0	1.1
	Feeder Cattle				0.3	-0.3
	Lean Hogs	2.2		2.2	1.5	0.7
	Live Cattle	3.0		3.0	3.9	-0.9
	Lumber				0.3	-0.3
	Oats				0.1	-0.1
	Orange Juice				0.4	-0.4
	Palm Oil	1.2		1.2		1.2
	Rapeseed	0.6		0.6	0.3	0.3
	Rough Rice				0.2	-0.2
	Rubber	0.9		0.9	0.3	0.6
	Soybean Meal	2.1		2.1	0.8	1.3
	Soybean Oil	1.2		1.2	1.2	0.0
Soybeans				4.5	-4.5	
Sugar	0.4		0.4	2.9	-2.5	
Wheat	4.4		4.4	4.4	0.0	
Cash 7.9%	Cash			7.9		7.9
<b>TOTAL</b>	<b>84.9</b>	<b>3.2</b>	<b>4.1</b>	<b>100.0</b>	<b>100.0</b>	

## Current Asset Allocation



## Historical Sector Asset Allocation



Source: Schroder



NEPC, LLC

June 30, 2015

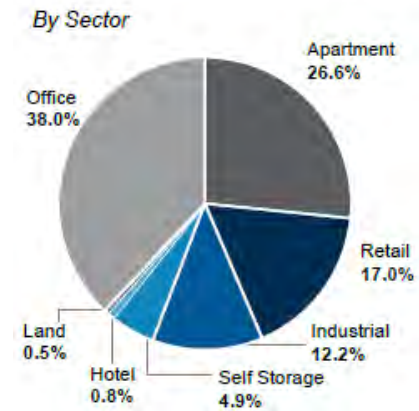
## Schroder Commodities

- 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.



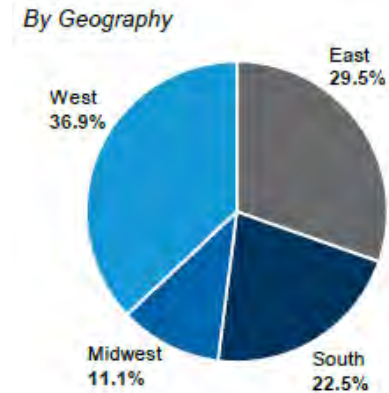
Property sector Returns

%	SECOND QUARTER		
	INCOME	APPRECIATION	TOTAL
Office	1.3	1.8	3.1
Retail	1.2	5.6	6.8
Industrial	1.3	2.3	3.6
Self Storage	1.3	2.3	3.5
Apartment	0.9	3.8	4.7
Hotel	1.9	(0.6)	1.2



Geographic Region Returns

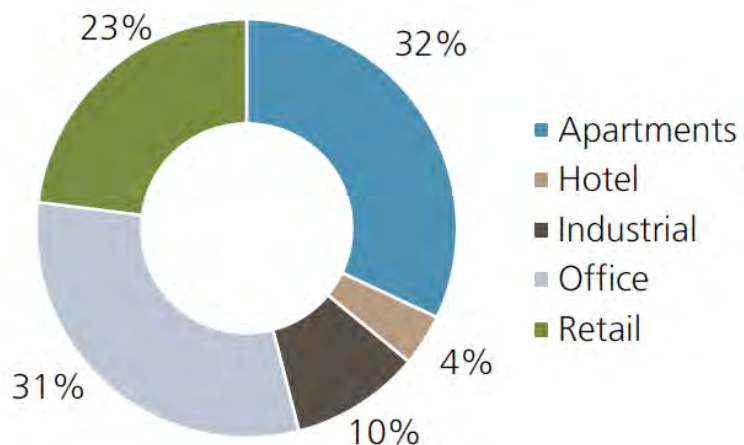
%	SECOND QUARTER		
	INCOME	APPRECIATION	TOTAL
East	1.3	1.5	2.9
Midwest	1.1	3.9	5.0
South	1.0	3.0	4.1
West	1.1	3.5	4.6



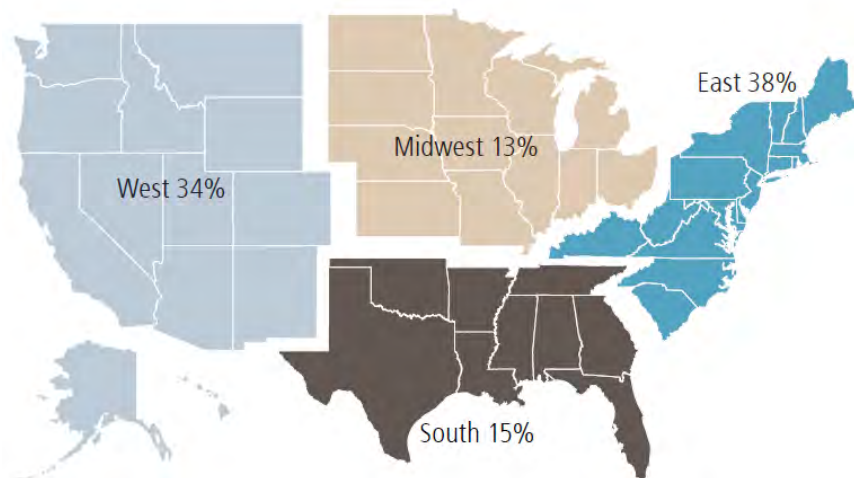
Source: Morgan Stanley

# UBS Trumbull Property Fund

## Portfolio distribution by property type<sup>1</sup>



## Distribution by geographic division<sup>1</sup>



## Key statistics

Gross asset value (GAV)	USD 20.1 bn
Net asset value (NAV)	USD 17.1 bn
Cash as a % of GAV	2.4%
Debt as % of GAV	13.5%
Number of investments	201
Number of investors	416
Deposits <sup>2</sup>	USD 374.5 m
Redemptions <sup>2</sup>	USD 125.7 m

## Returns (%)

	Quarterly	One-year rolling
Income	1.25	5.08
Appreciation	1.67	7.32
Total (before fees)	2.92	12.68
Total (after fees)	2.67	11.57

Source: UBS

## Real Estate - RREEF America REIT III

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

### Investment Summary

Net Asset Value <sup>2</sup>	\$404,351,173
Number of Shares Outstanding	16,109,897
Net Asset Value Per Share	\$25.10
Cash Balance of Fund	\$83,346,410
Debt <sup>3</sup>	\$385,742,983
Inception Date <sup>4</sup>	March 31, 2003
Redemption Shares Outstanding	5,654,868
Institutional Investors	117

### Property Information

#### Diversification/Occupancy

	Real Estate Investments	Gross Real Estate Value (millions)	Percent of Value	Quarter-end Occupancy <sup>5</sup>
Retail	4	\$170.3	20%	85%
Office	19	464.6	54%	80%
Industrial	10	108.1	12%	91%
Development/Land/Other	6	120.9	14%	N/A
<b>Total</b>	<b>39</b>	<b>\$863.9</b>	<b>100%</b>	<b>83%</b>

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

Note: The above charts reflect the Fund's investment in unconsolidated joint ventures. See "Performance Notes" and "Important Information" for further information.

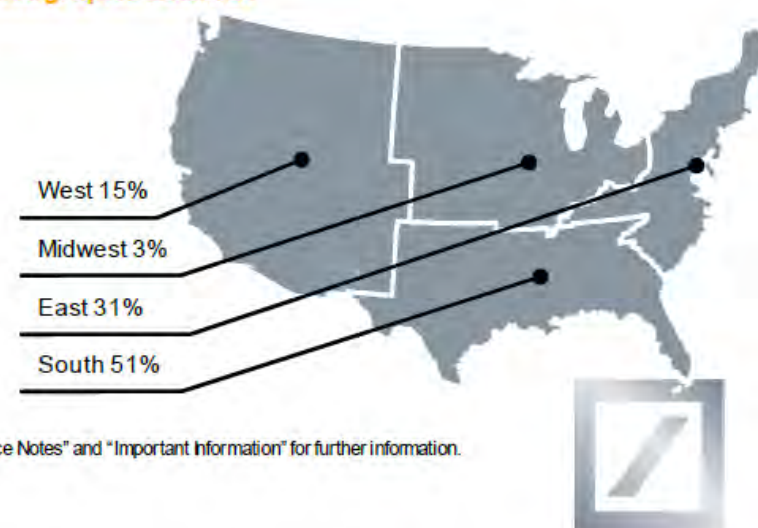
Confidential. Not for Public Distribution.

### Adjusted Share Price

#### Share price gross of distributions

	Adjusted Share Price
June 30, 2015	\$81.27
December 31, 2012	\$59.48
Percentage Increase	36.6%

#### Geographic Location



## Grosvenor Institutional Partners, LP

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

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

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

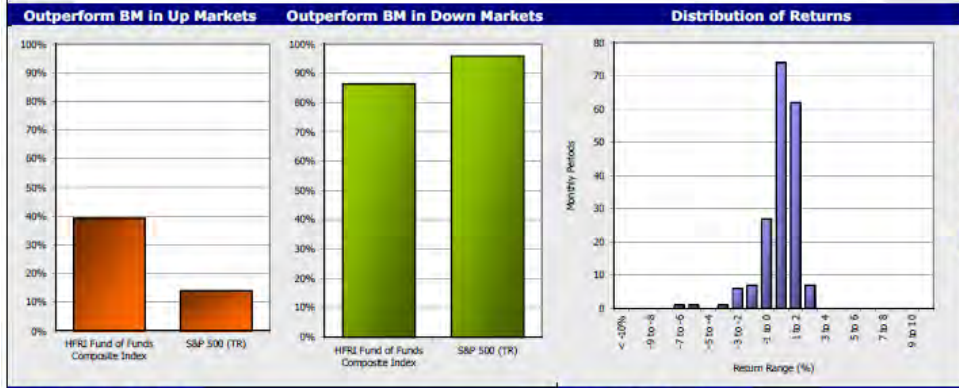
# Grosvenor Institutional Partners, LP



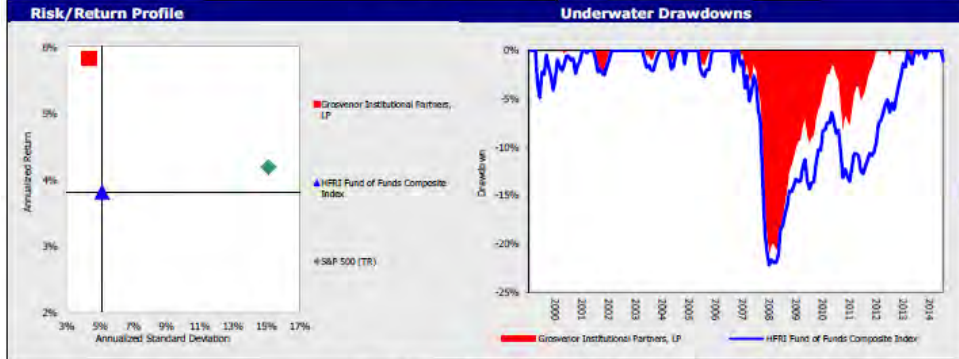
Grosvenor Institutional Partners, LP  
Grosvenor Capital Management, LP

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

Monthly Performance (%) Net of Fees														Statistical Analysis			
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	Fund	BM1	BM2	
2015	-0.4%	1.6%	0.5%	0.2%	0.9%	-0.4%								2.4%			
2014	0.0%	1.6%	-0.1%	-0.6%	0.8%	1.1%	-0.7%	0.8%	-0.2%	-0.3%	0.6%	0.3%	3.3%	Annualized Compound ROR	5.8%	3.8%	4.2%
2013	2.6%	0.6%	1.4%	0.8%	1.7%	-0.6%	1.7%	0.2%	1.7%	1.3%	1.6%	1.1%	15.2%	3 Yr Return	8.7%	6.3%	17.3%
2012	1.6%	1.8%	0.9%	-0.1%	-1.4%	0.4%	0.8%	1.2%	0.8%	0.5%	0.7%	1.2%	8.6%	5 Yr Return	6.2%	4.1%	17.3%
2011	0.9%	1.0%	0.0%	0.9%	-0.1%	-1.1%	-0.2%	-2.8%	-2.7%	1.7%	-0.7%	-0.6%	-3.7%	Best Month	2.7%	5.2%	10.9%
2010	0.7%	0.3%	1.6%	0.8%	-1.8%	-0.9%	0.7%	0.2%	1.7%	1.2%	0.5%	1.5%	6.5%	Worst Month	-6.9%	-6.5%	-16.8%
2009	1.2%	0.0%	-0.6%	0.1%	2.7%	0.9%	2.2%	1.8%	2.3%	0.7%	1.0%	1.0%	13.9%	% Positive Months	76.9%	64.5%	61.3%
2008	-2.4%	1.3%	-1.8%	0.2%	1.5%	-0.7%	-2.0%	-1.3%	-6.9%	-5.3%	-3.2%	-2.3%	-20.9%	<b>Risk</b>			
2007	1.7%	0.8%	1.4%	1.4%	2.3%	0.4%	0.8%	-2.1%	1.2%	2.7%	-0.6%	0.5%	10.7%	Standard Deviation	4.3%	5.1%	15.1%
2006	1.9%	0.4%	1.5%	1.1%	-0.9%	-0.6%	0.0%	0.8%	0.5%	1.3%	1.7%	1.4%	9.4%	3 Yr Standard Deviation	2.8%	2.9%	8.6%
														5 Yr Standard Deviation	3.6%	3.8%	12.0%
														Sharpe Ratio (3.5%)	0.5	0.1	0.1
														Sortino Ratio (7.0%)	-0.3	-0.7	-0.2
														Downside Deviation (7.0%)	3.8%	4.4%	11.7%
														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		0.2%	0.4%
Annualized Alpha		3.0%	5.1%
Beta		0.7	0.1
Correlation		0.9	0.5
R-Squared		73.2%	26.1%



Annual Returns	Fund	BM1	BM2
2015-(YTD)	2.4%	2.7%	1.2%
2014	3.3%	3.4%	13.7%
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%

Latest Returns	Fund	BM1	BM2
Last Month	-0.3%	-1.1%	-1.9%
Last 3 Months	0.7%	0.2%	0.3%
Last Year	2.9%	3.9%	7.4%
2-Year	6.9%	5.8%	15.7%
3-Year	8.7%	6.3%	17.3%
4-Year	5.9%	3.5%	14.2%
5-Year	6.2%	4.1%	17.3%

Drawdown Analysis	Fund	BM1	BM2
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%

\*\*\*Fast Performance is not indicative of future results. Ratios are calculated based on a risk-free rate of 3.5%. Actual ratios may vary depending on the actual risk-free rate and life of the fund.\*\*\*

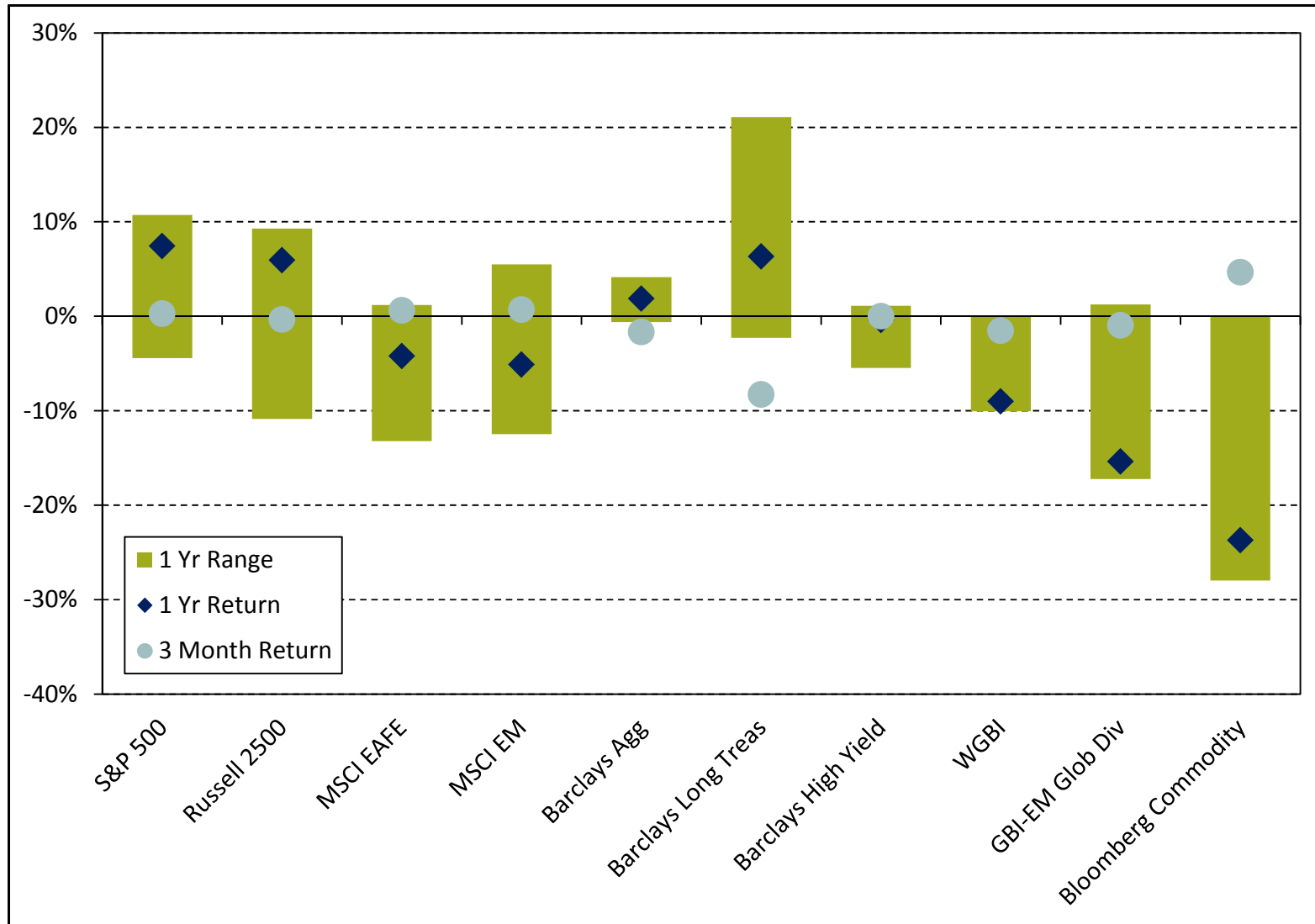
# Appendix

## Index Performance Summary as of 6/30/2015

	2008	2009	2010	2011	2012	2013	2014	Q1	APR	MAY	JUN	Q2	YTD
<b>MSCI EAFE</b>	-43.38%	31.78%	7.75%	-12.14%	17.32%	22.78%	-4.90%	4.88%	4.08%	-0.51%	-2.83%	0.62%	5.52%
<b>Russell 2500</b>	-36.79%	34.39%	26.71%	-2.51%	17.88%	36.80%	7.07%	5.17%	-1.75%	2.14%	-0.69%	-0.34%	4.81%
<b>Russell 2000</b>	-33.79%	27.17%	26.85%	-4.18%	16.35%	38.82%	4.89%	4.32%	-2.55%	2.28%	0.75%	0.42%	4.75%
<b>Credit Suisse Hedge Fund</b>	-19.07%	18.57%	10.95%	-2.52%	7.67%	9.73%	4.13%	2.48%	0.02%	0.83%	N/A	2.48%	3.35%
<b>MSCI EM</b>	-53.33%	78.51%	18.88%	-18.42%	18.22%	-2.60%	-2.19%	2.24%	7.69%	-4.00%	-2.60%	0.69%	2.95%
<b>Credit Suisse Leveraged Loan</b>	-28.75%	44.87%	9.98%	1.82%	9.43%	6.15%	2.06%	2.07%	0.90%	0.20%	-0.31%	0.79%	2.87%
<b>MSCI ACWI</b>	-42.19%	34.63%	12.67%	-7.35%	16.13%	22.80%	4.16%	2.31%	2.90%	-0.13%	-2.35%	0.35%	2.66%
<b>Barclays US Corp High Yield</b>	-26.16%	58.21%	15.12%	4.98%	15.81%	7.44%	2.45%	2.52%	1.21%	0.30%	-1.49%	0.00%	2.53%
<b>Russell 1000</b>	-37.60%	28.43%	16.10%	1.50%	16.42%	33.11%	13.24%	1.59%	0.71%	1.31%	-1.88%	0.11%	1.71%
<b>JPM EMBI Global Diversified</b>	-12.03%	29.82%	12.24%	7.35%	17.44%	-5.25%	7.43%	2.01%	1.63%	-0.39%	-1.56%	-0.34%	1.67%
<b>S&amp;P 500</b>	-37.00%	26.46%	15.06%	2.11%	16.00%	32.39%	13.69%	0.95%	0.96%	1.29%	-1.94%	0.28%	1.23%
<b>Barclays US Govt/Cred 1-3</b>	4.97%	3.82%	2.80%	1.59%	1.26%	0.64%	0.77%	0.59%	0.08%	0.08%	-0.03%	0.13%	0.72%
<b>Barclays US Agg Interm</b>	4.86%	6.46%	6.15%	5.97%	3.56%	-1.02%	4.12%	1.32%	-0.01%	0.00%	-0.66%	-0.67%	0.64%
<b>Barclays Municipal</b>	-2.47%	12.91%	2.38%	10.70%	6.78%	-2.55%	9.05%	1.01%	-0.52%	-0.28%	-0.09%	-0.89%	0.11%
<b>Barclays US Agg Bond</b>	5.24%	5.93%	6.54%	7.84%	4.21%	-2.02%	5.97%	1.61%	-0.36%	-0.24%	-1.09%	-1.68%	-0.10%
<b>Bloomberg Commodity</b>	-35.65%	18.91%	16.83%	-13.32%	-1.06%	-9.52%	-17.01%	-5.94%	5.73%	-2.70%	1.73%	4.66%	-1.56%
<b>Citi WGBI</b>	10.89%	2.55%	5.17%	6.35%	1.65%	-4.00%	-0.48%	-2.51%	1.10%	-2.34%	-0.28%	-1.55%	-4.02%
<b>Barclays US Long Credit</b>	-3.92%	16.80%	10.69%	17.13%	12.73%	-6.62%	16.39%	3.06%	-2.04%	-1.77%	-3.62%	-7.26%	-4.42%
<b>Barclays US Govt/Cred Long</b>	8.44%	1.92%	10.16%	22.49%	8.78%	-8.83%	19.31%	3.36%	-2.41%	-1.68%	-3.68%	-7.57%	-4.47%
<b>JPM GBI EM Glob Div</b>	-5.22%	21.98%	15.68%	-1.75%	16.76%	-8.98%	-5.72%	-3.96%	2.92%	-2.58%	-1.22%	-0.96%	-4.88%
<b>FTSE NAREIT Equity REITs</b>	-37.73%	27.99%	27.96%	8.29%	18.06%	2.47%	30.14%	4.75%	-5.49%	-0.12%	-4.60%	-9.95%	-5.67%
<b>Barclays US Strips 20+ Yr</b>	59.50%	-36.04%	10.88%	58.52%	2.96%	-20.95%	46.38%	5.54%	-5.60%	-3.01%	-6.41%	-14.32%	-9.57%
<b>Alerian MLP</b>	-36.91%	76.41%	35.85%	13.88%	4.80%	27.58%	4.80%	-5.23%	6.18%	-3.58%	-8.28%	-6.09%	-11.00%

Source: Morningstar Direct

## Broad Market Performance Summary as of 6/30/2015

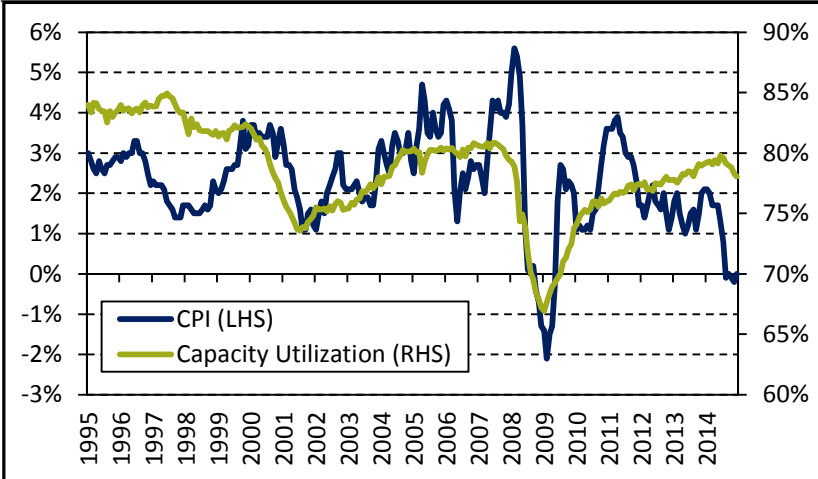


*Source: Bloomberg, Standard and Poors, Russell, MSCI, Barclays, Citigroup, JP Morgan*  
 \*1 Yr Range: Represents range of cumulative high/low daily index returns for an investment made one year ago



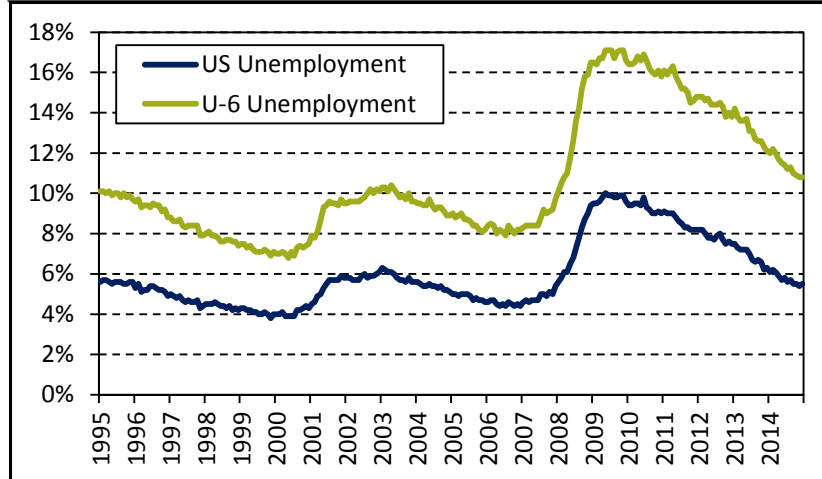
# US Economic Indicators

## Inflation has stayed low



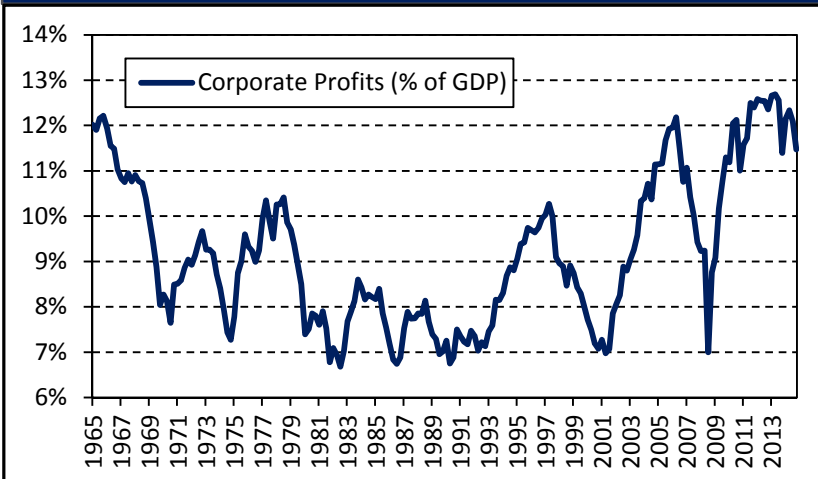
Source: Bloomberg, Federal Reserve, Bureau of Labor Statistics

## Unemployment steadily improving



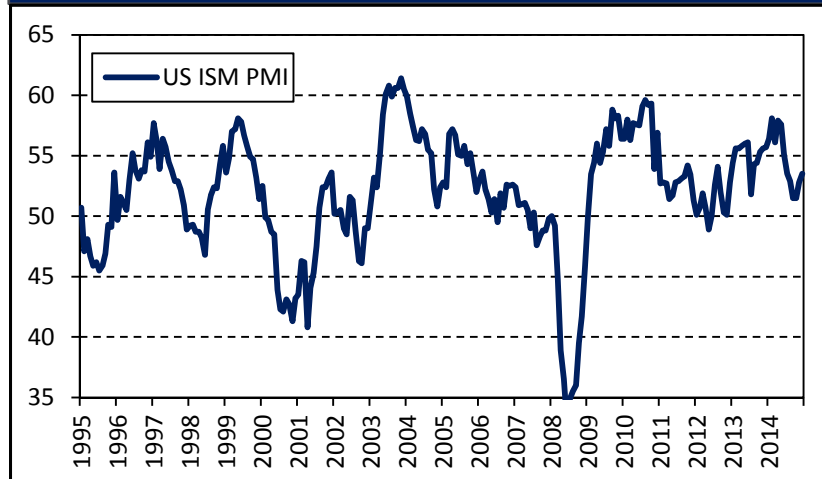
Source: Bloomberg, Bureau of Labor Statistics

## Corporate profits at secular highs



Source: Bloomberg, Bureau of Economic Analysis

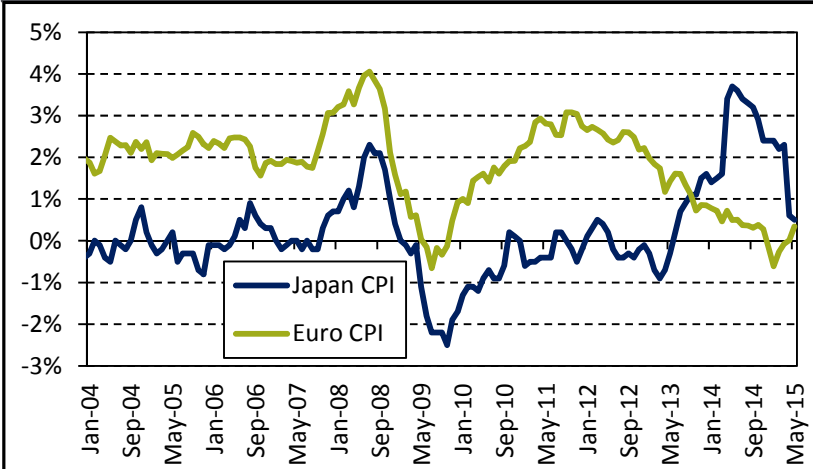
## Manufacturing above average but trending lower



Source: Bloomberg, Institute for Supply Management

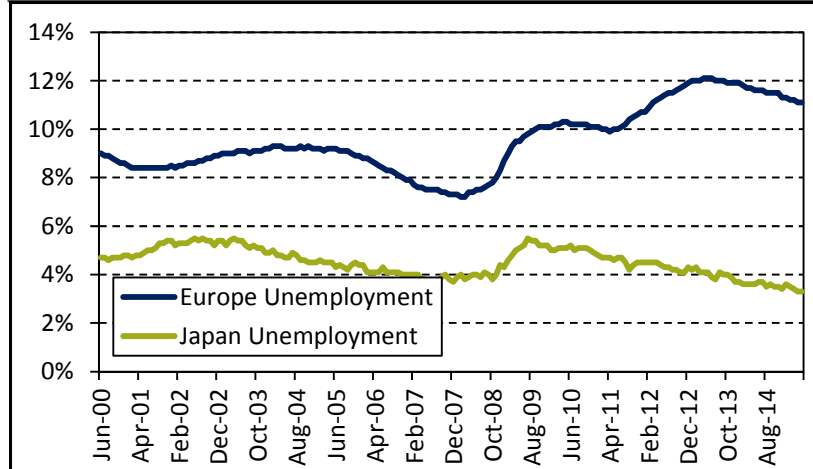
# International Economic Indicators

## Inflation outlook slowly improving



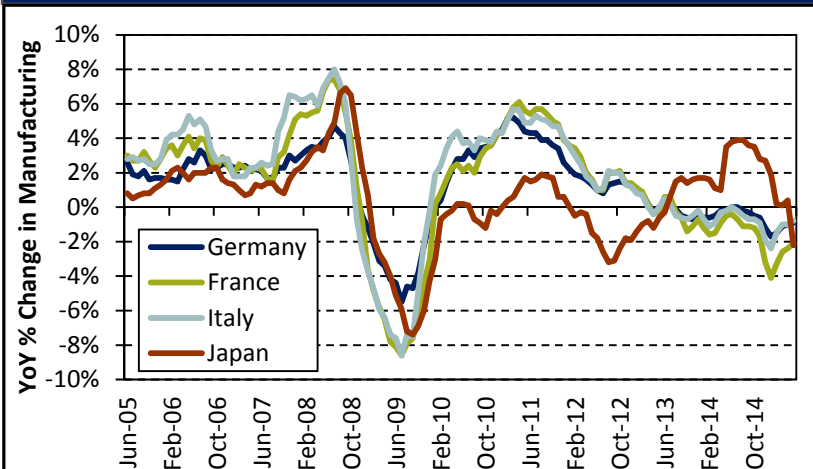
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

## Europe employment recovery lagging



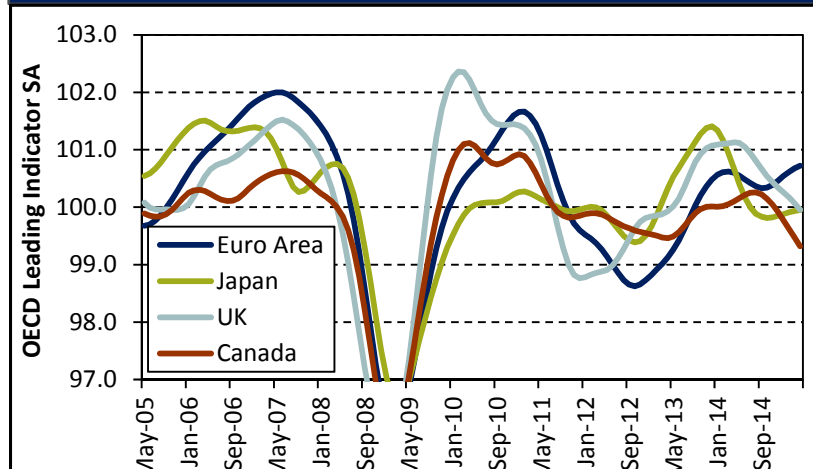
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

## Manufacturing in Japan has lagged



Source: Bloomberg, OECD, Eurostat

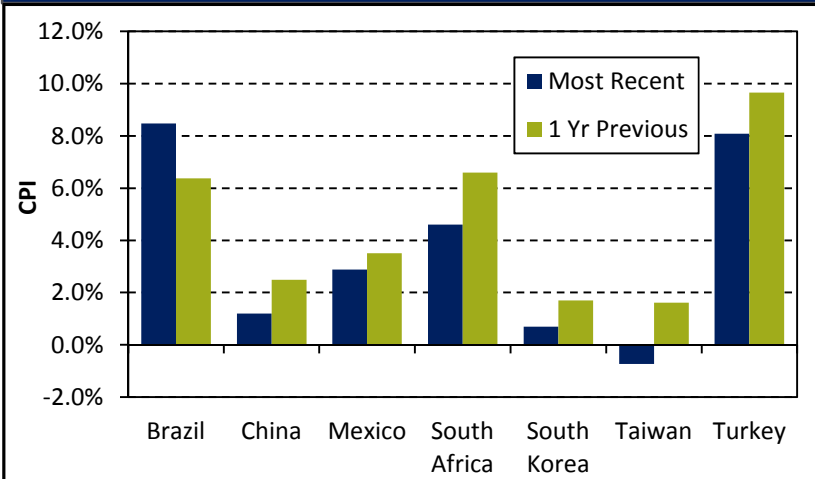
## Leading indicators neutral to positive



Source: Bloomberg, OECD

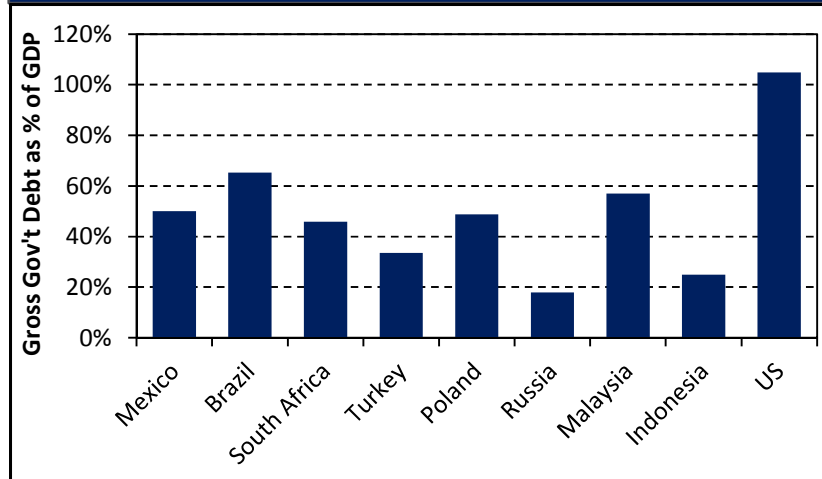
# Emerging Market Economic Indicators

## EM inflation is varied by country



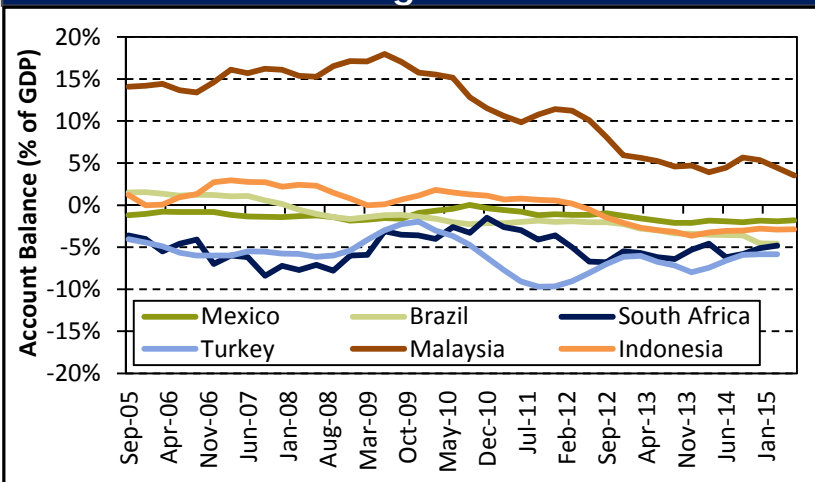
Source: Bloomberg

## Relatively healthy Debt/GDP ratios



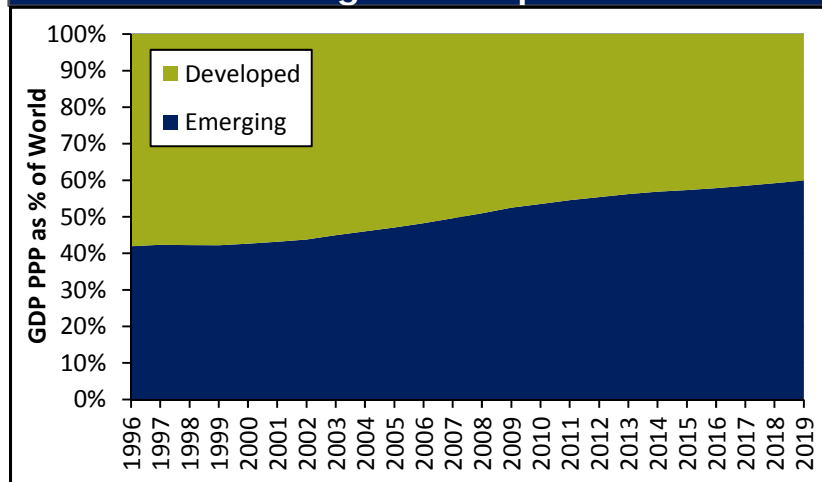
Source: Bloomberg, IMF

## Some improvement in account balance challenged countries



Source: Bloomberg

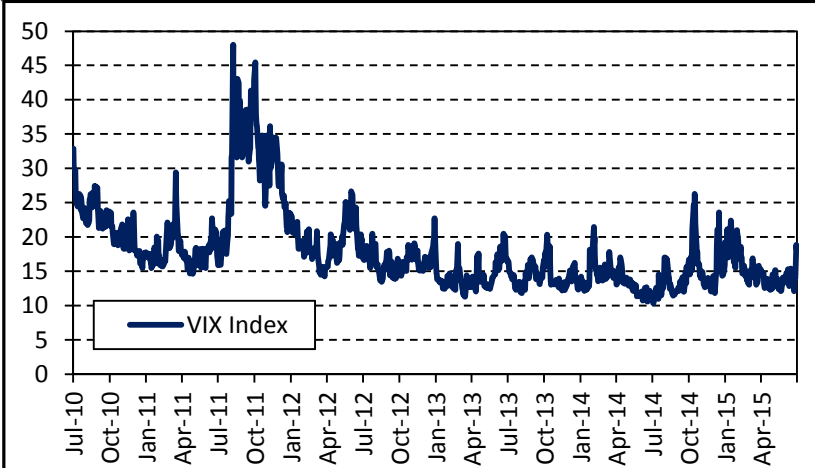
## Emerging economies make up >50% of global output



Source: Bloomberg, IMF

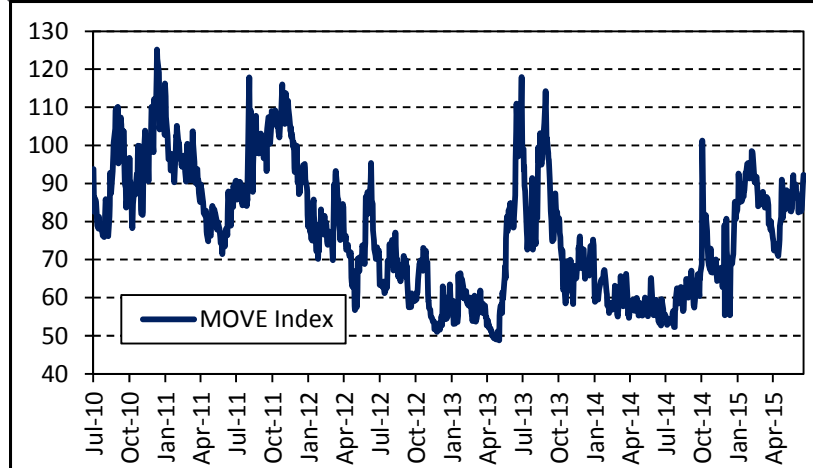
# Volatility

## Equity volatility remains low



Source: Bloomberg, CBOE

## Treasury rates experiencing periods of higher volatility



Source: Bloomberg, Merrill Lynch

## Sustained uptick in currency volatilities



Source: Bloomberg, Deutsche Bank

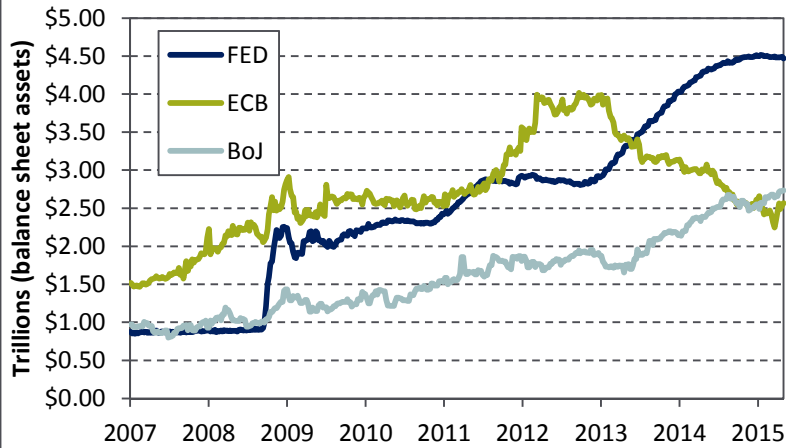
## Commodity pricing volatility has moderated



Source: Bloomberg, Merrill Lynch

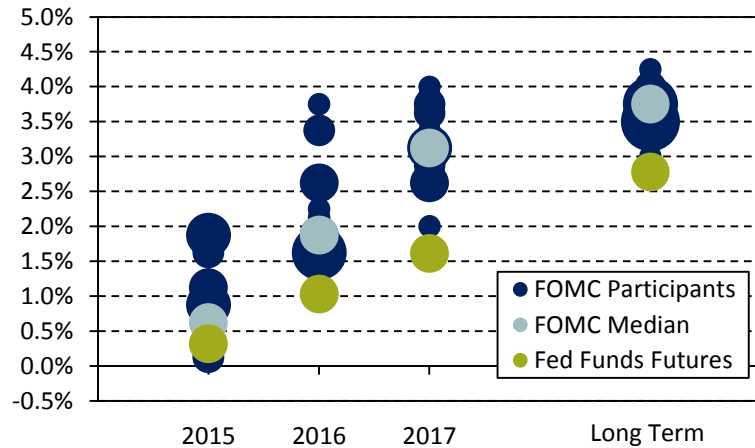
# Central Banks

## Major central bank policy divergence



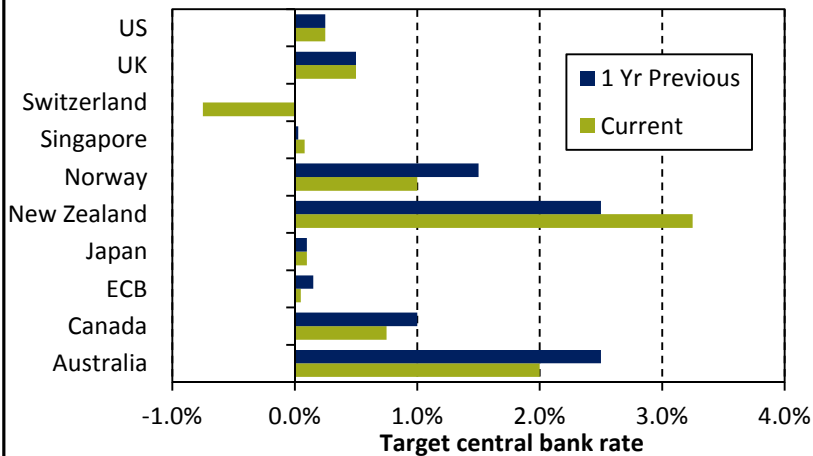
Source: Bloomberg, Federal Reserve, Bank of Japan, ECB, NEPC

## Fed's ideal rate of policy firming above market expectations



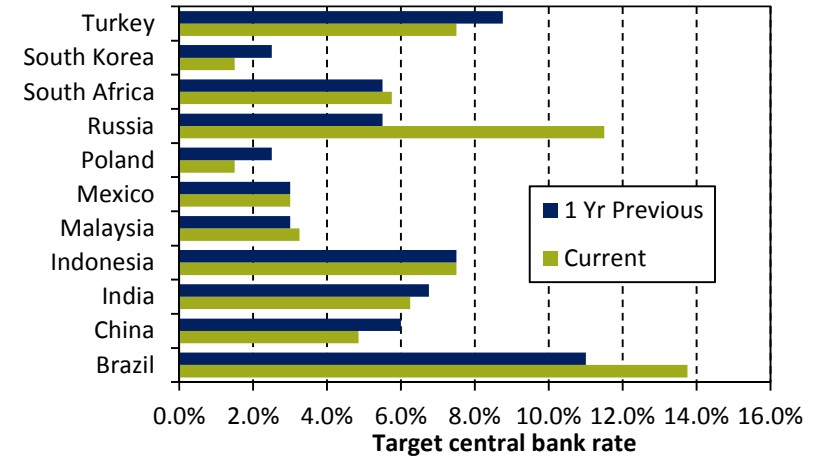
Source: Bloomberg, Federal Reserve, NEPC

## Many developed central banks have maintained low interest rates



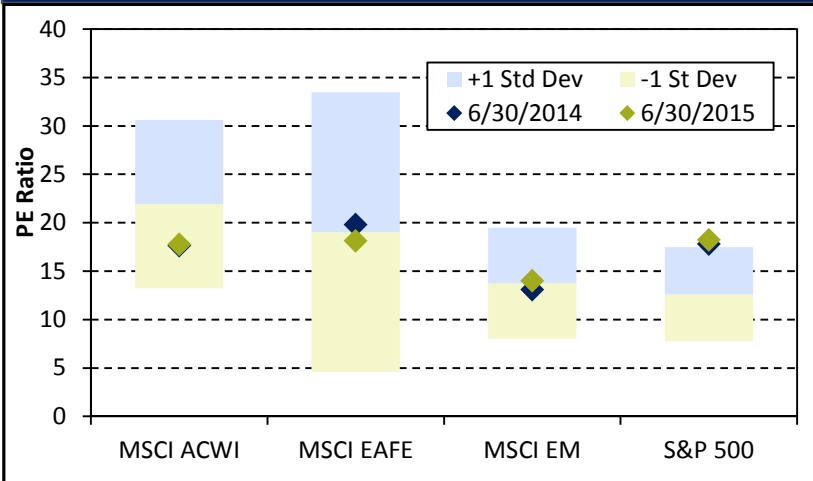
Source: Bloomberg

## EM central bank policies have varied by circumstance



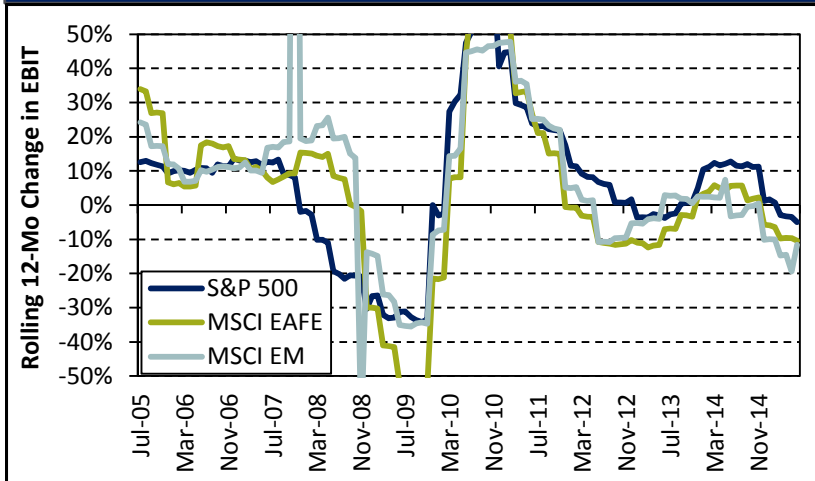
Source: Bloomberg

Global valuations are mixed



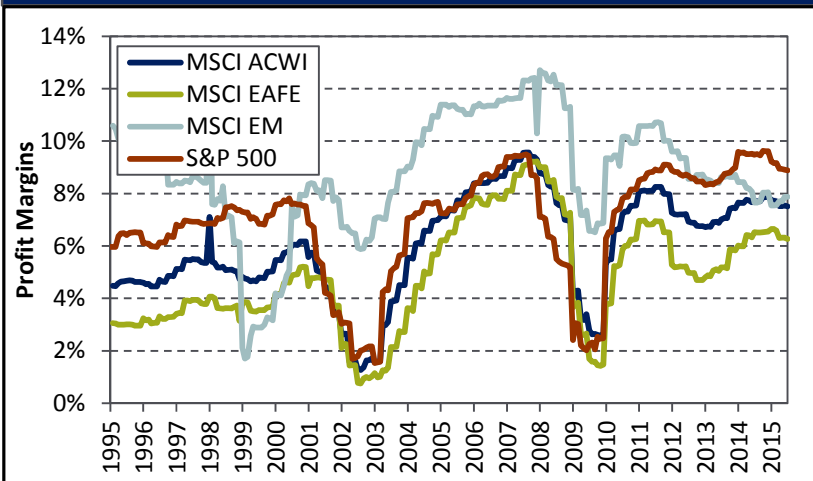
Source: Bloomberg, Standard and Poors, MSCI \*MSCI EAFE is ex UK Telecom

Earnings growth trending lower



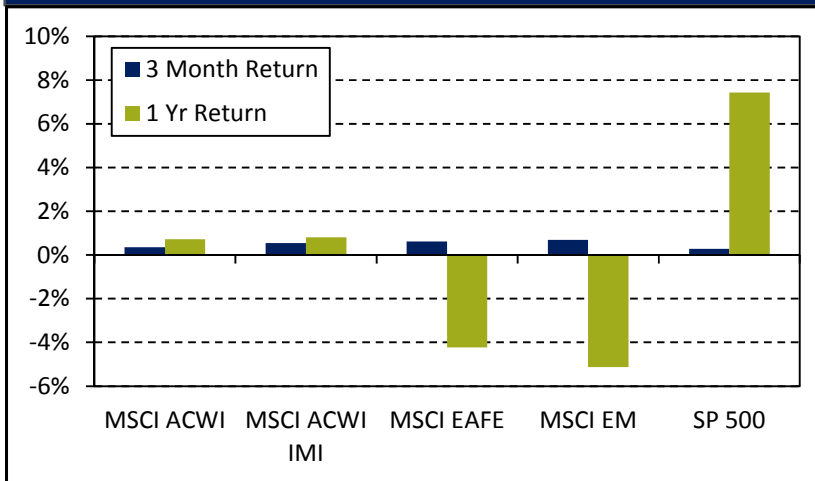
Source: Bloomberg, Standard and Poors, MSCI

Margins elevated, but largely a US story



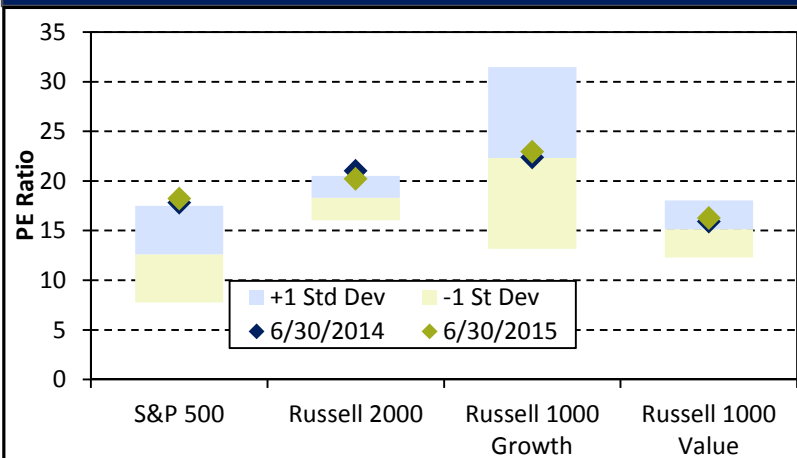
Source: Bloomberg, MSCI

Significant global variance in returns



Source: Bloomberg, MSCI

Valuations near or above historical norms



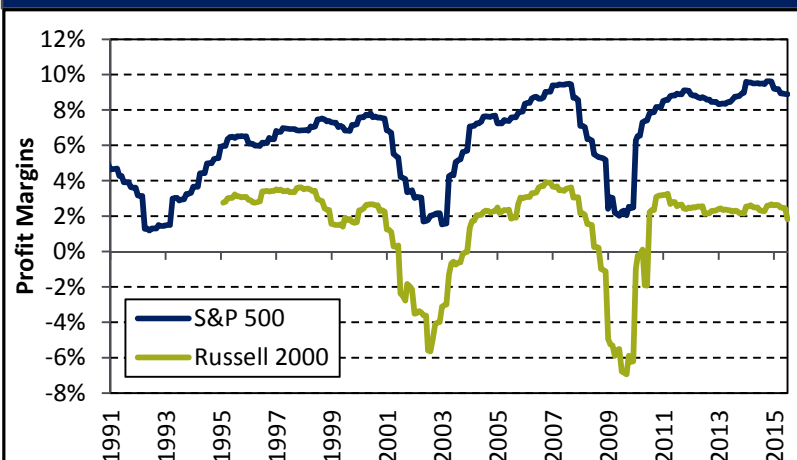
Source: Bloomberg, Standard and Poors, Russell \*Russell 2000 PE is index adjusted positive

Growth recovery marked by inconsistency



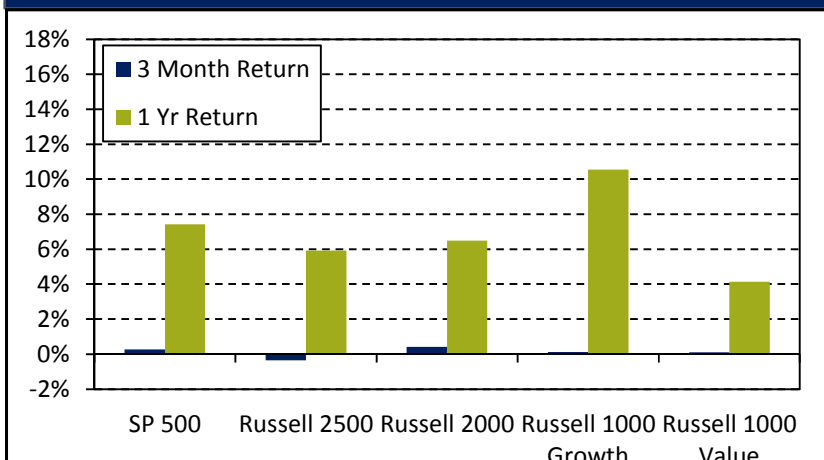
Source: Bloomberg, Bureau of Economic Analysis

Profit margins remain elevated



Source: Bloomberg, Standard and Poors, Russell

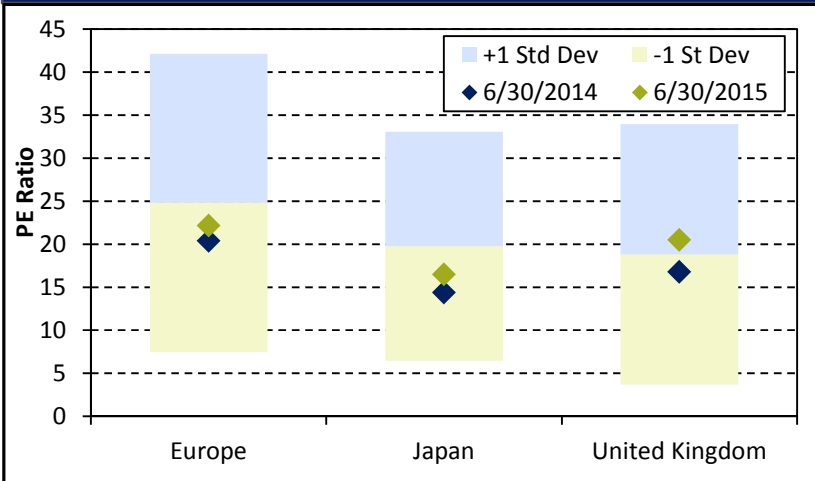
Trailing performance is positive



Source: Bloomberg, Standard and Poors, Russell

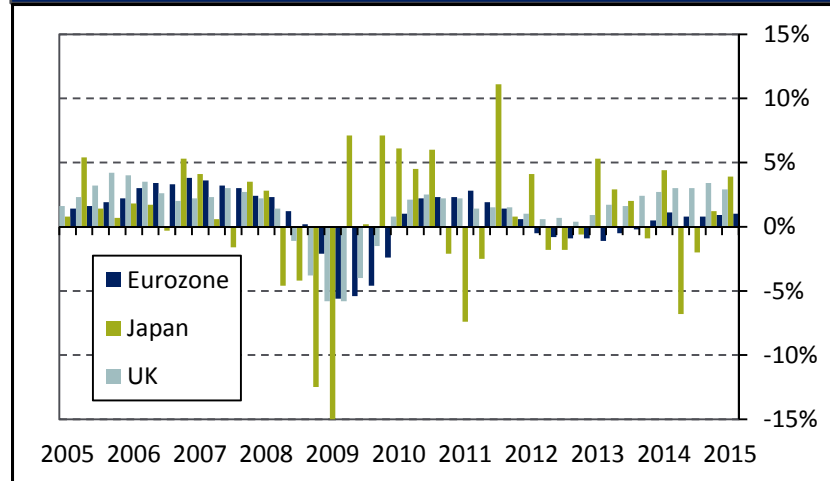
# International Equity

## PEs near historical medians



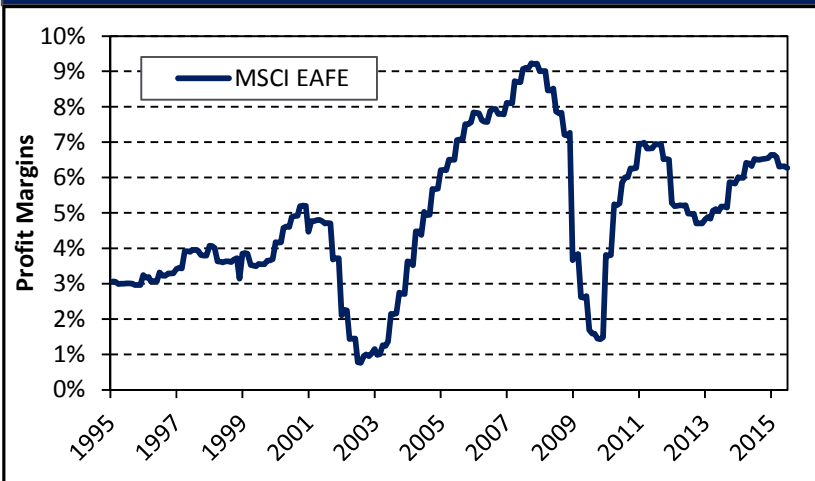
Source: Bloomberg, MSCI, FTSE \*UK represented by FTSE 100 Index

## Slow Global Growth



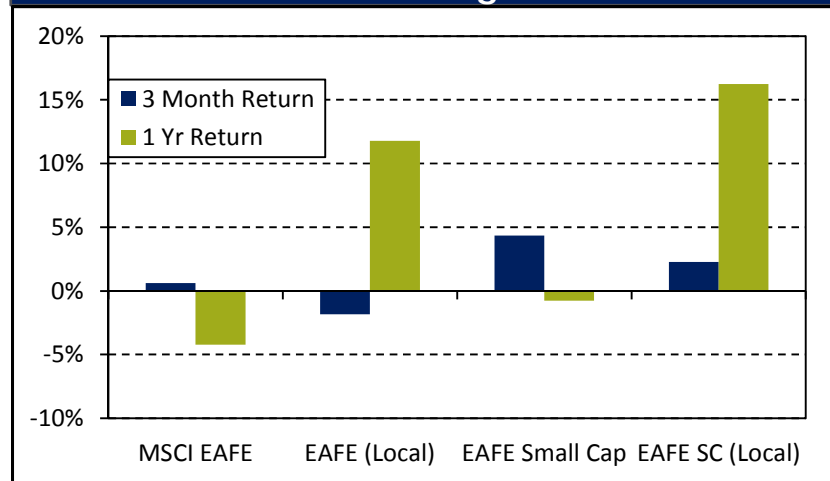
Source: Bloomberg

## Margins elevated but not at extremes



Source: Bloomberg, MSCI

## Positive performance muted by dollar strength

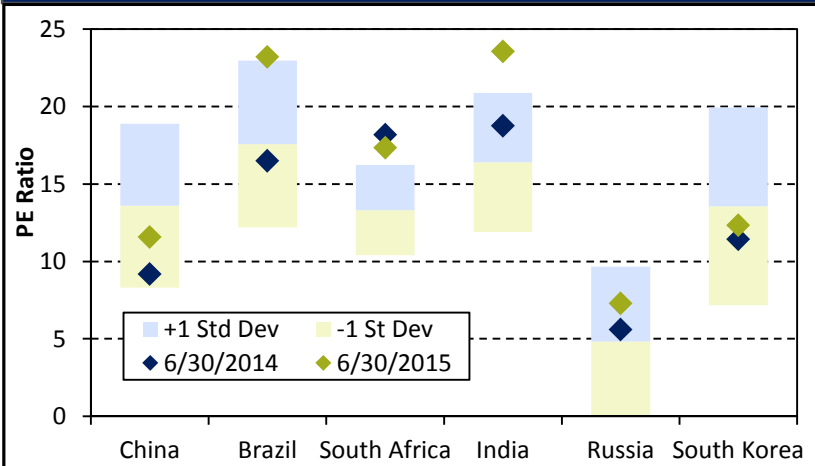


Source: Bloomberg, MSCI



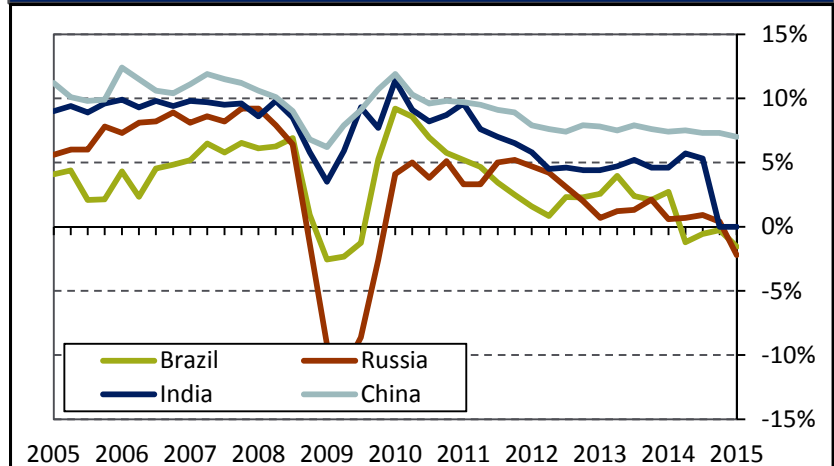
# Emerging Markets Equity

## Regional valuations show divergence



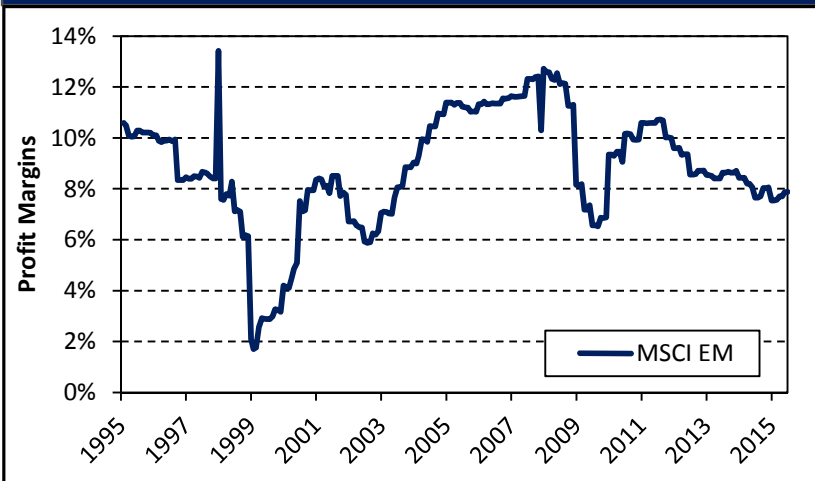
Source: Bloomberg, MSCI

## Slowing growth in major economies



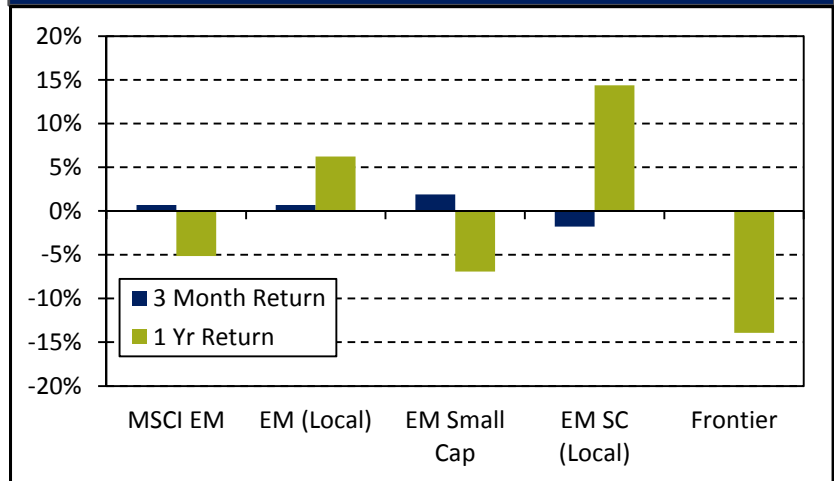
Source: Bloomberg

## Profit margins in line with history



Source: Bloomberg, MSCI

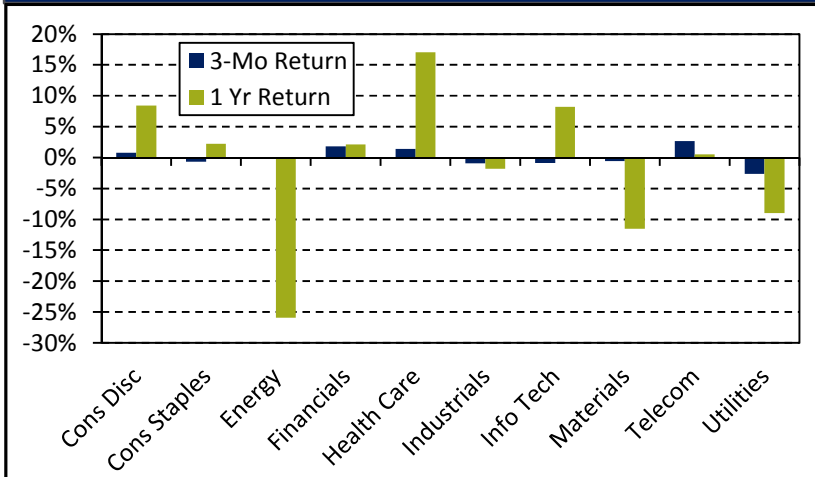
## Dollar strength has detracted



Source: Bloomberg, MSCI

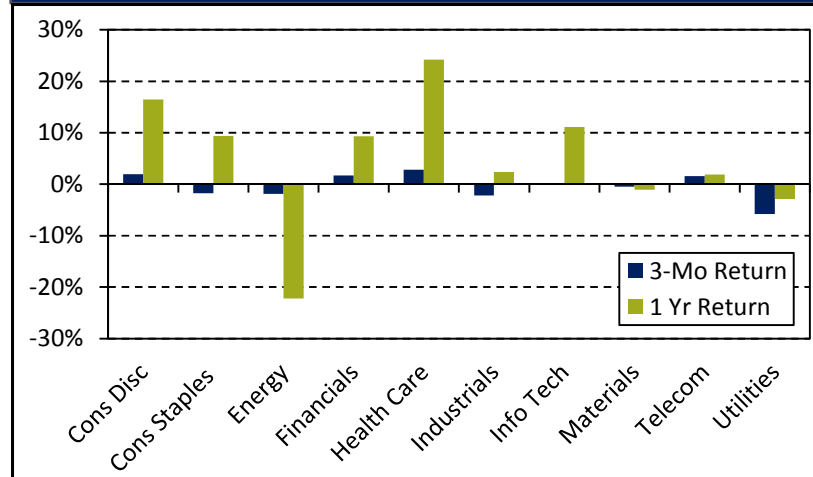
## Global Equity by Sector

### MSCI ACWI returns led by health care rally



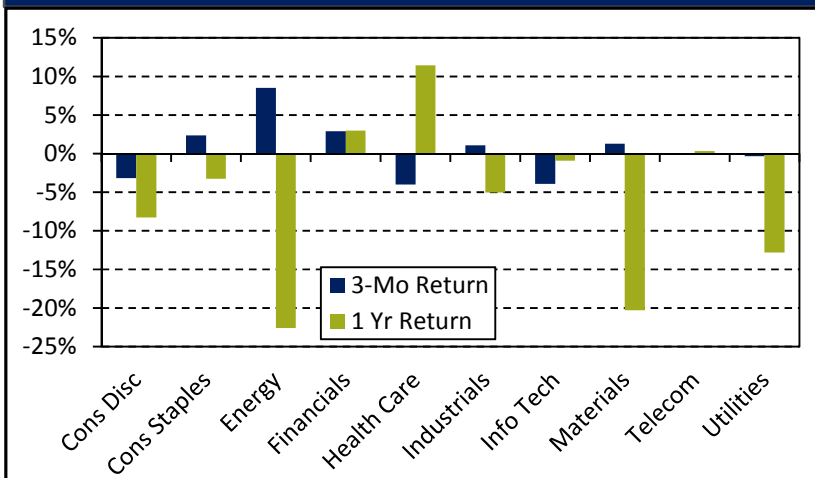
Source: Bloomberg, MSCI

### S&P 500 sector returns vary



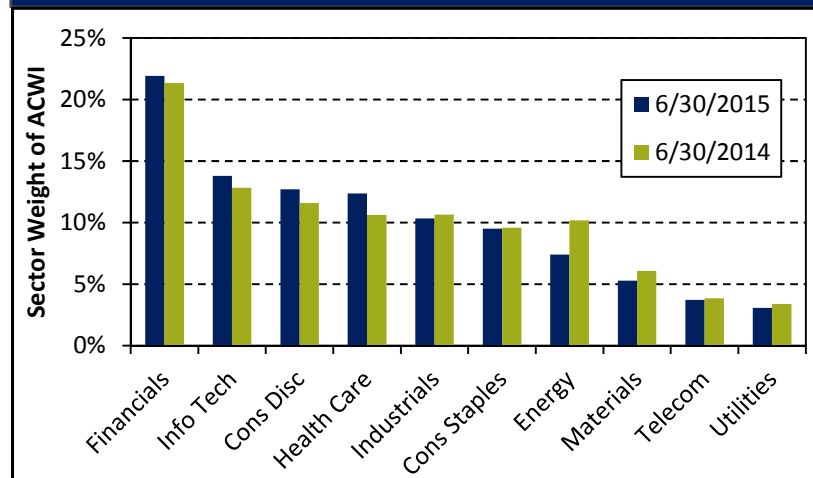
Source: Bloomberg, Standard and Poors

### Energy sensitivity especially pronounced in EM



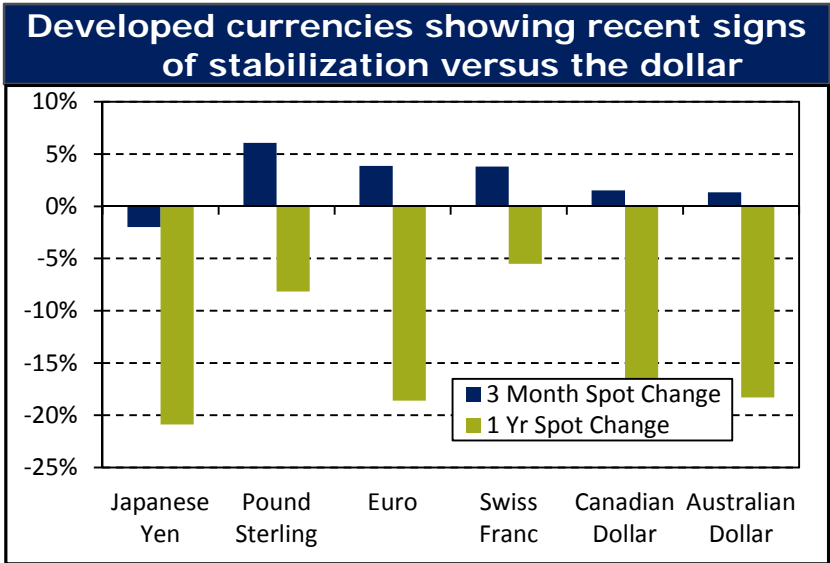
Source: Bloomberg, MSCI

### Global energy sector weight has fallen

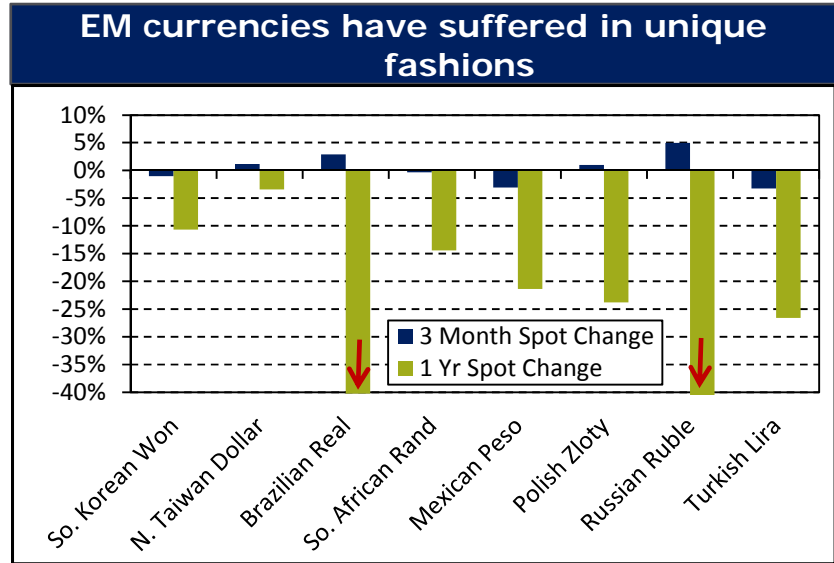


Source: Bloomberg, MSCI

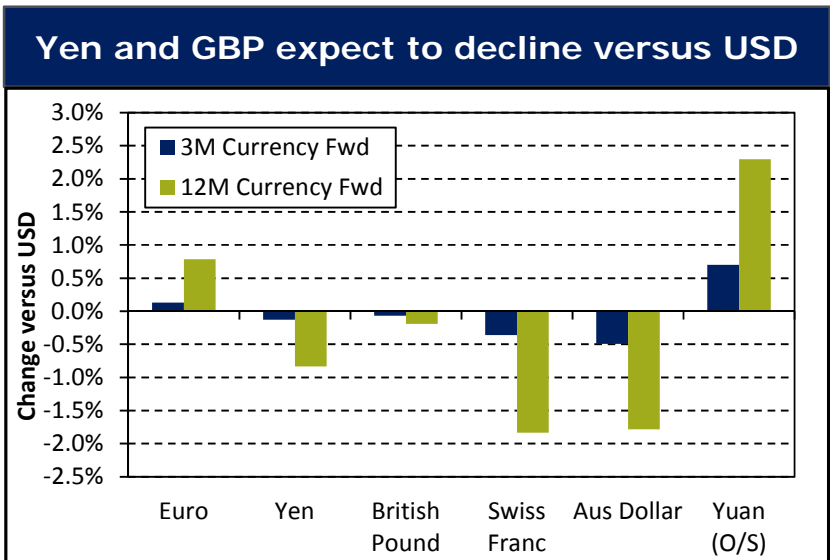
# Currencies



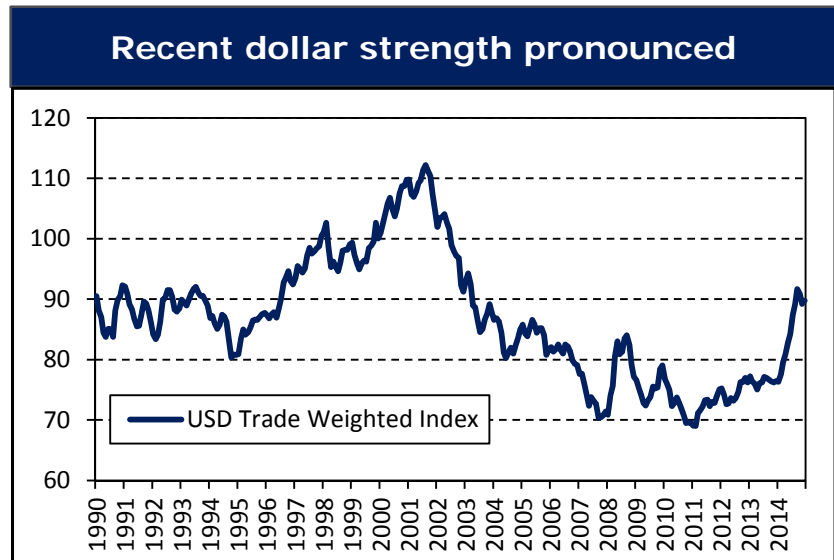
Source: Bloomberg



Source: Bloomberg

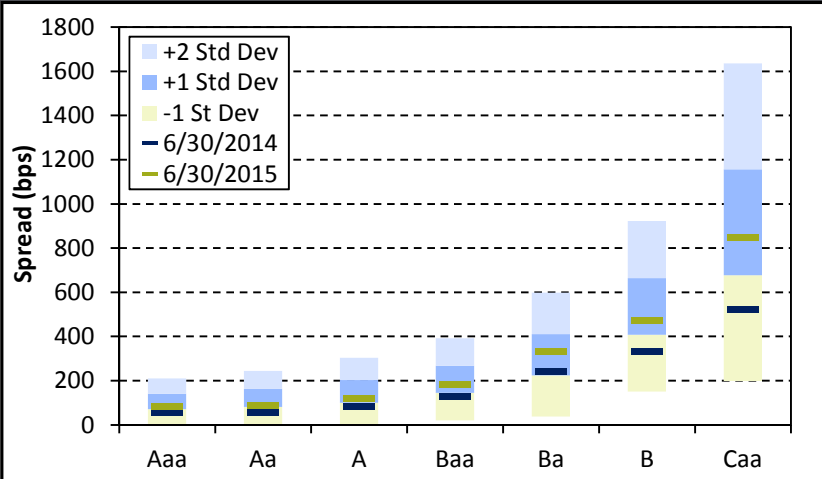


Source: Bloomberg



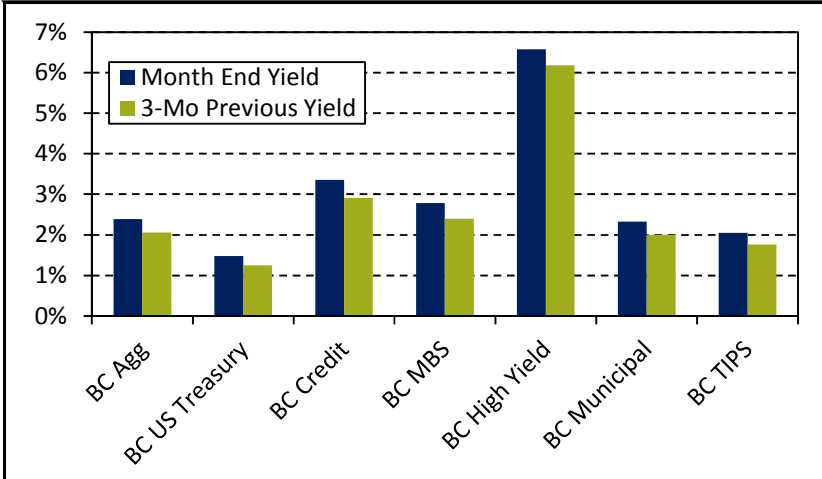
Source: Bloomberg, Federal Reserve

Spreads levels in line with history



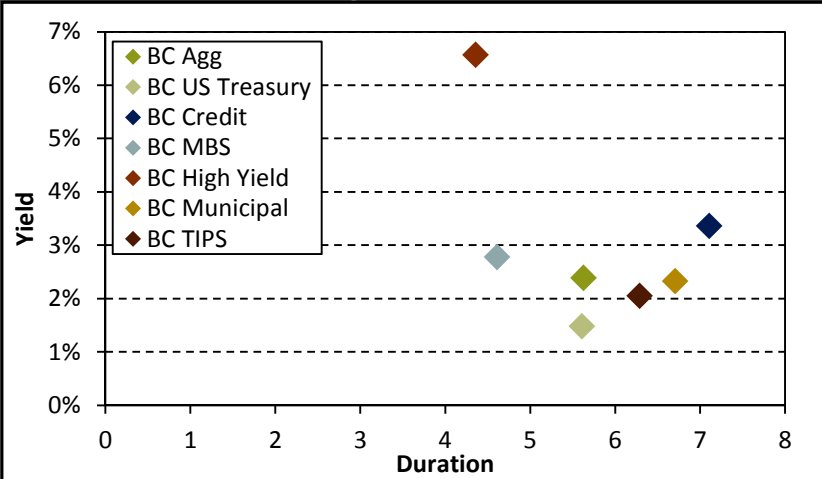
Source: Bloomberg, Barclays

Yields have stayed mostly flat



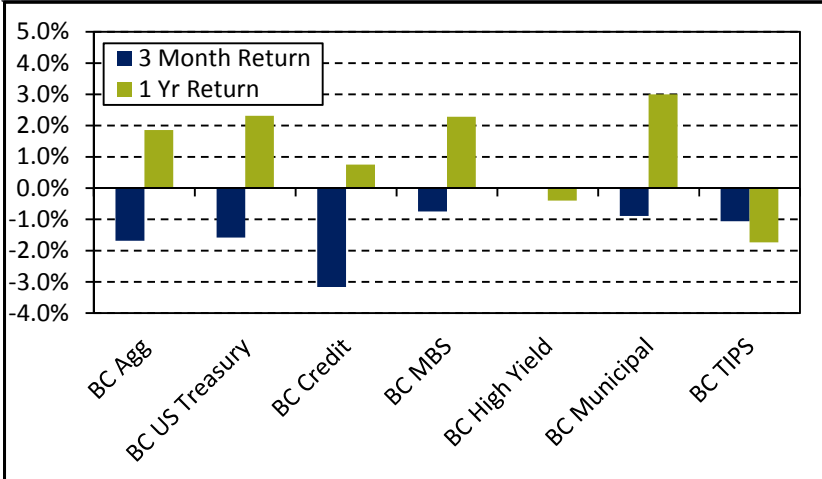
Source: Bloomberg, Barclays

Similar yield/duration tradeoff among major US indices



Source: Bloomberg, Barclays

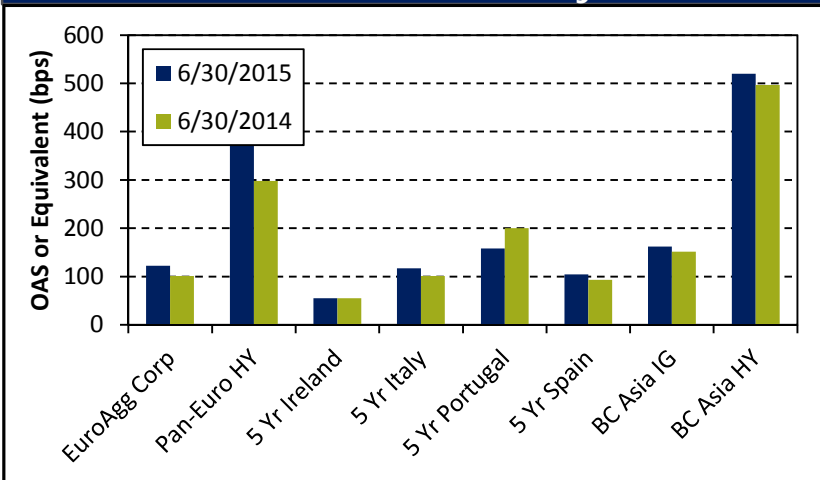
Recent performance muting trailing returns



Source: Bloomberg, Barclays

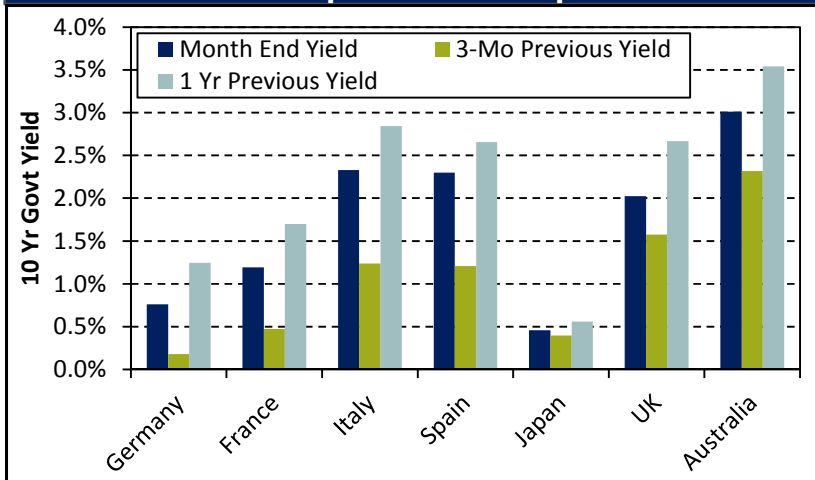
## International Developed Fixed Income

### European periphery yields relatively lower versus Germany



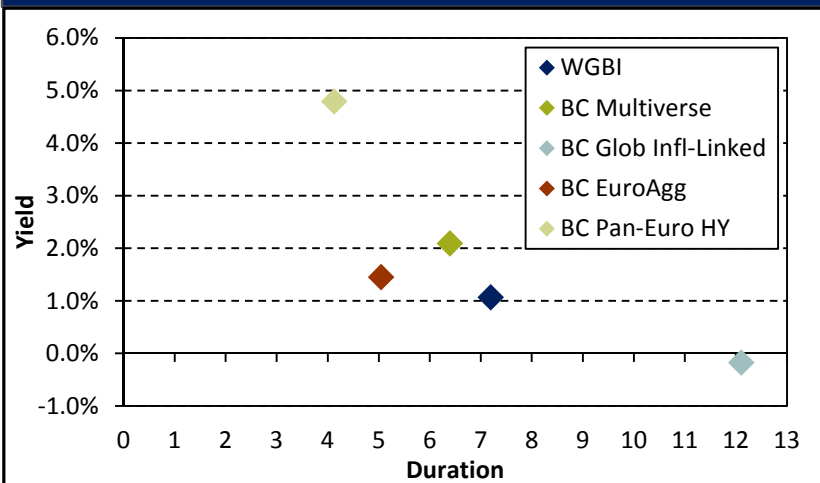
Source: Barclays, Bloomberg, \*European periphery spreads are over equivalent German Bund

### Global yields are at or near historic lows despite recent uptick



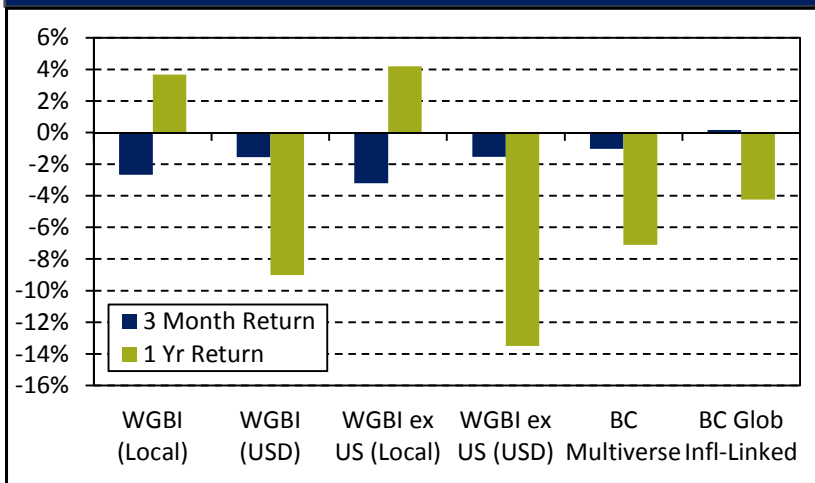
Source: Bloomberg

### Low global yields relative to duration



Source: Bloomberg, Citigroup, Barclays

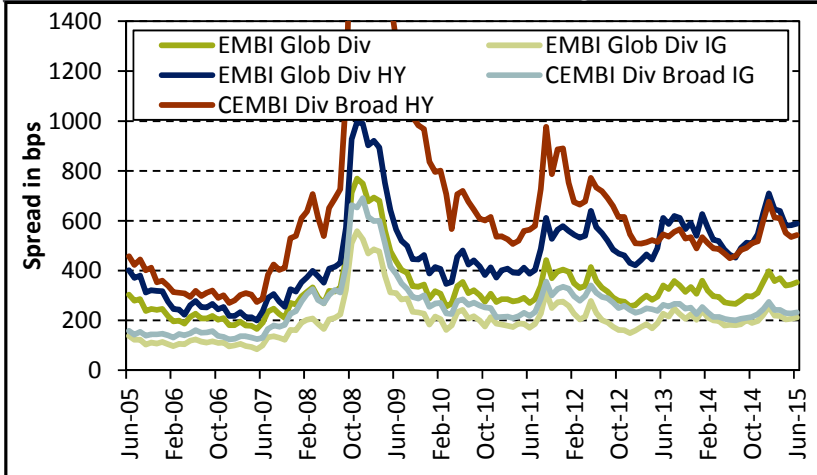
### Global bonds negative in USD terms



Source: Bloomberg, Citigroup, Barclays

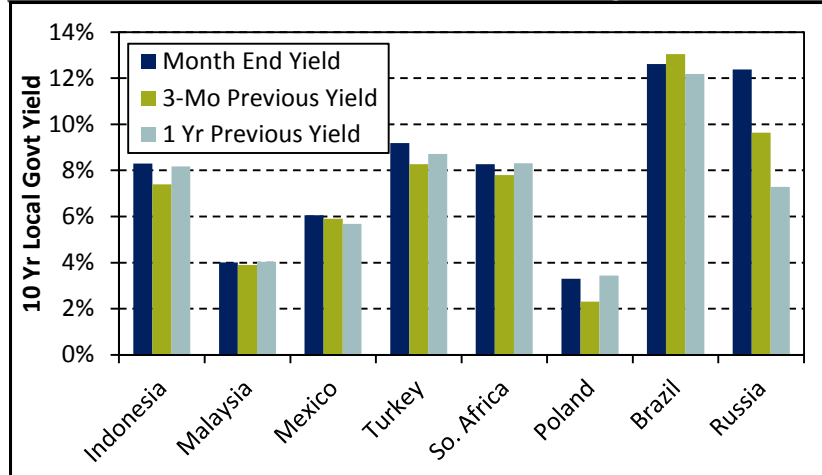
# Emerging Markets Fixed Income

## Spreads have compressed slightly, still in line with history



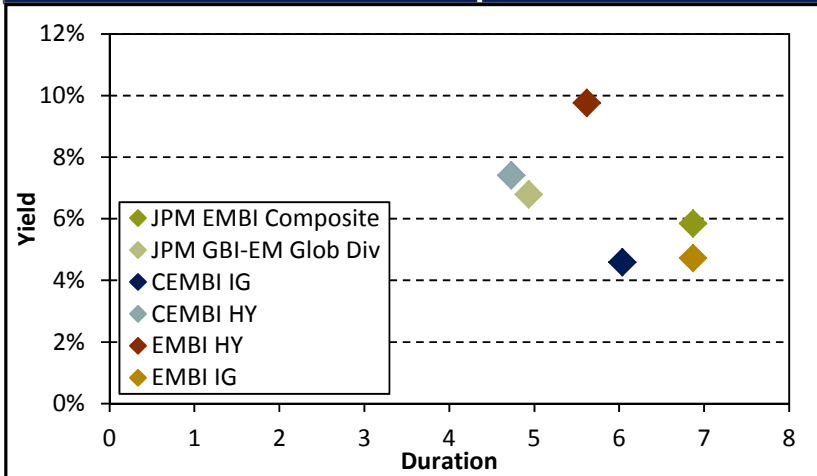
Source: Bloomberg, JP Morgan

## Emerging market bond yield changes have varied directionally



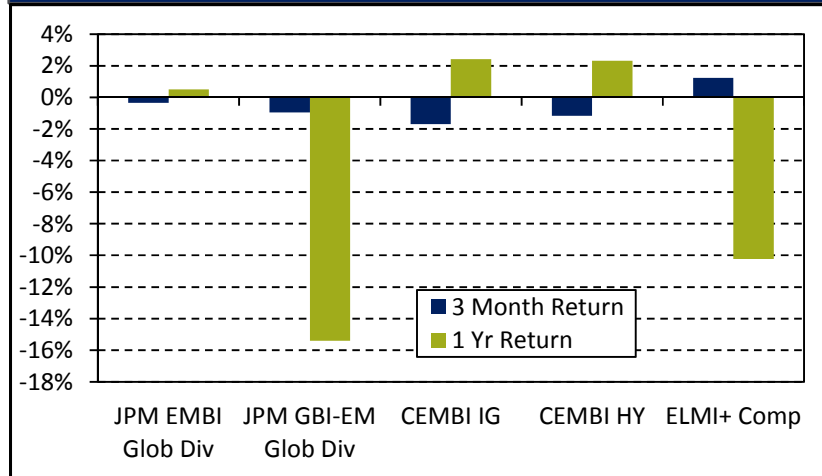
Source: Bloomberg

## EM yields higher versus global counterparts



Source: Bloomberg, JP Morgan

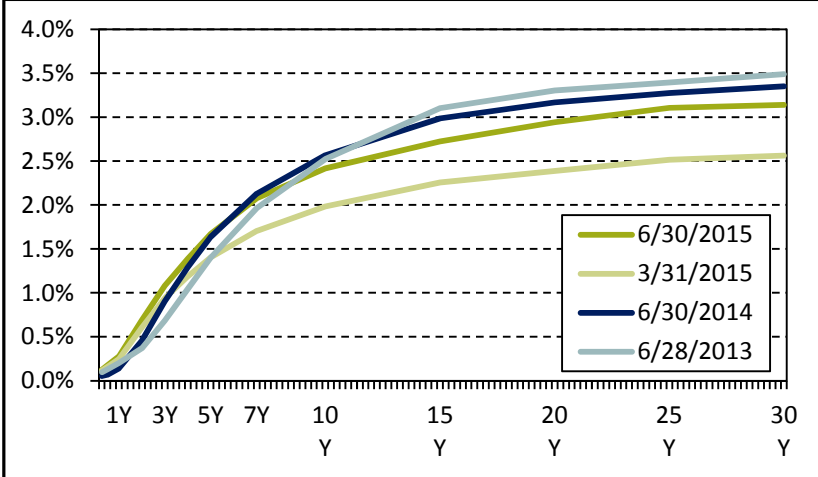
## Currency effect pronounced in EMD returns



Source: Bloomberg, JP Morgan

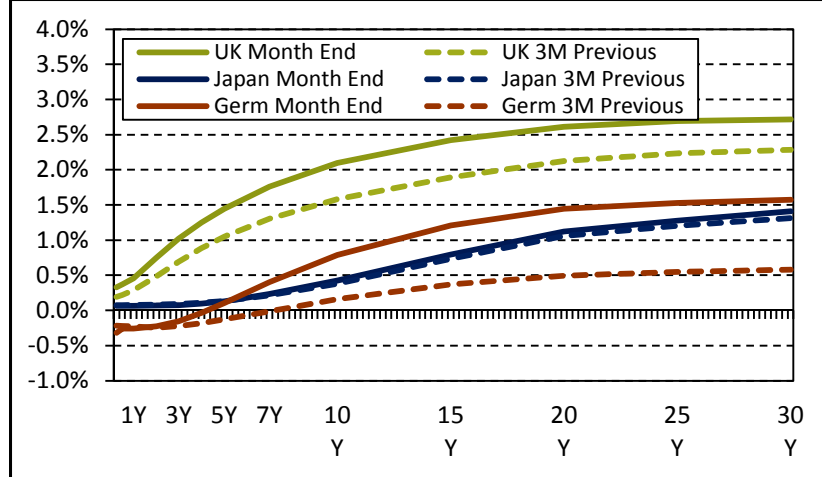
# Rates

## Treasury yield curve moderately higher during the year



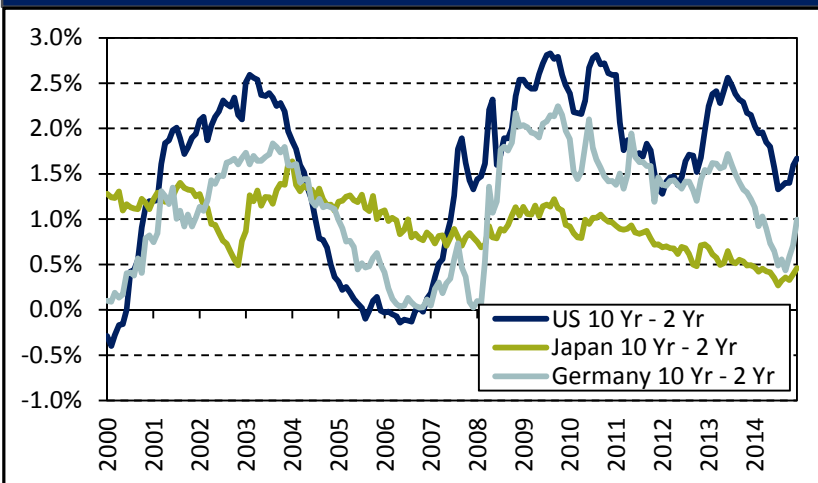
Source: Bloomberg

## German and UK curves have shifted upwards



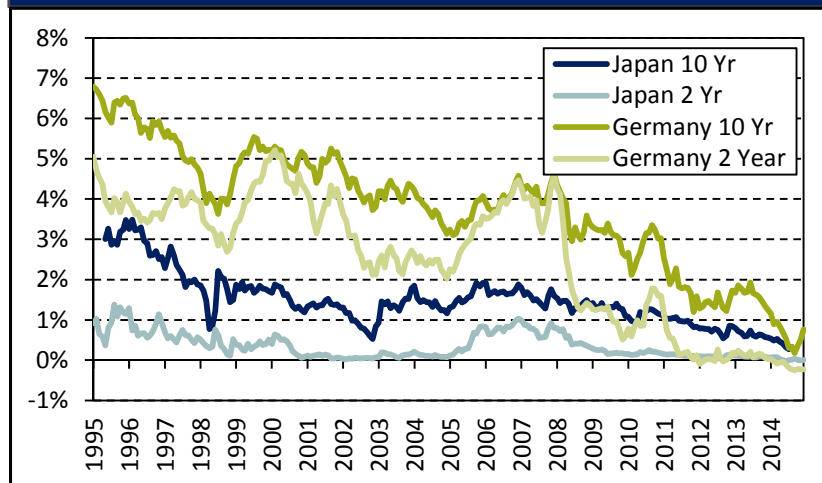
Source: Bloomberg

## Global yield curves have flattened



Source: Bloomberg

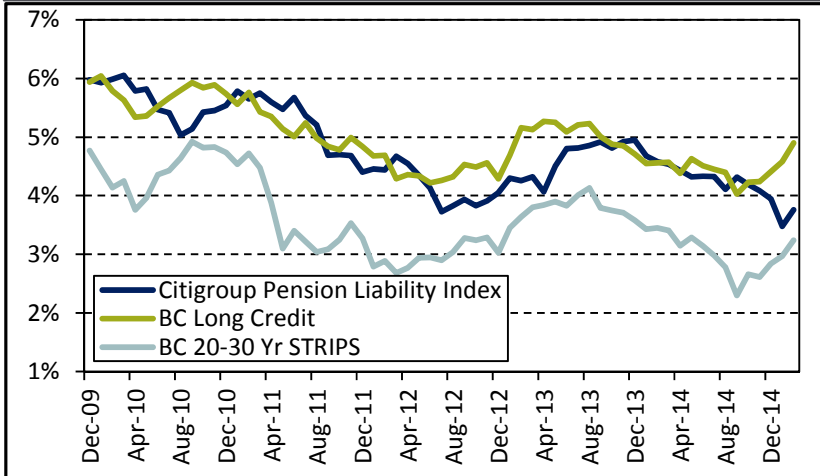
## Global yields have trended lower over long term



Source: Bloomberg

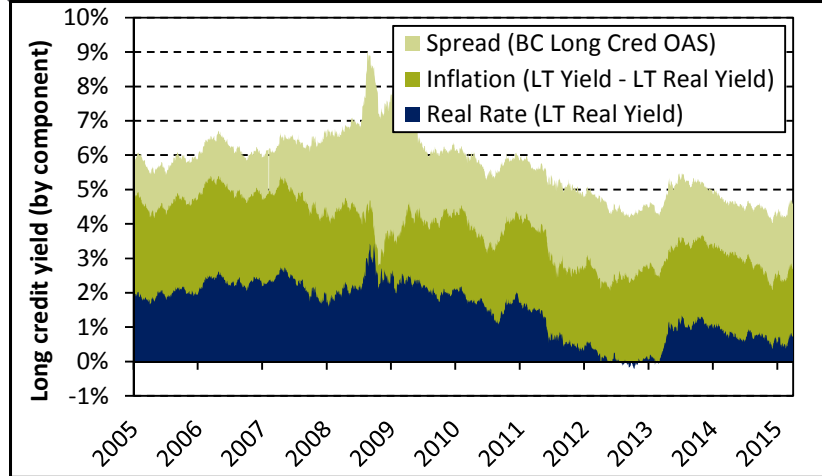
# Long Rates and Liability

## Long duration yields have fallen over last few years even with recent uptick



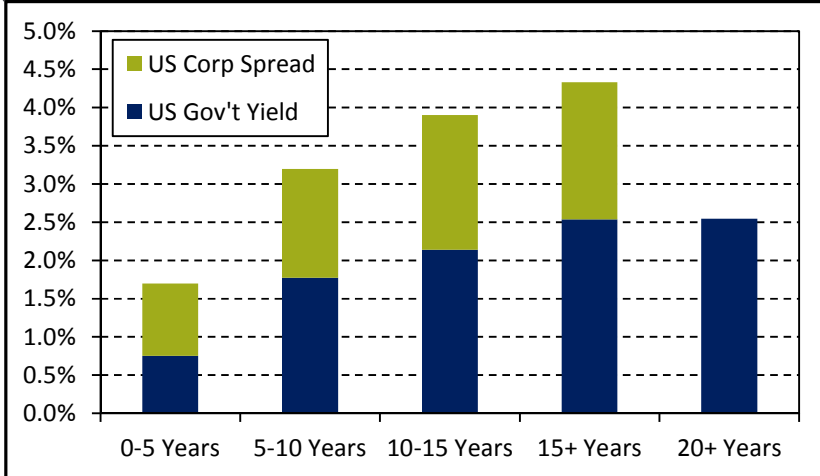
Source: Bloomberg, Citigroup, Barclays

## Lower yields driven by low inflation expectations and real rates



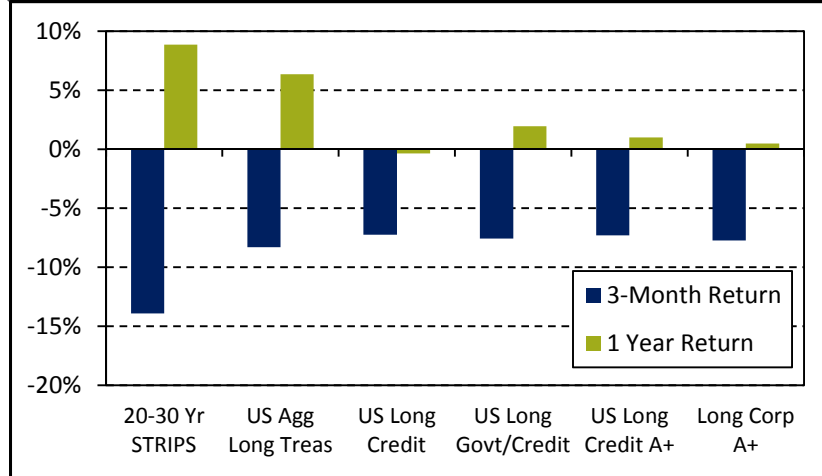
Source: Bloomberg, US Treasury, Barclays, NEPC

## Yields are low but spreads remain near historic averages



Source: Bloomberg, BofA Merrill Lynch, Barclays \*No index for 20+ year corporate

## Recent rise in rates have pushed long duration returns negative

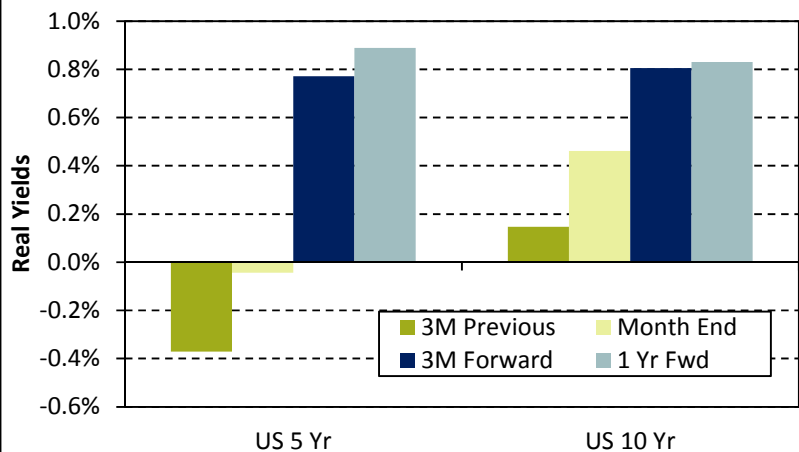


Source: Bloomberg, Barclays



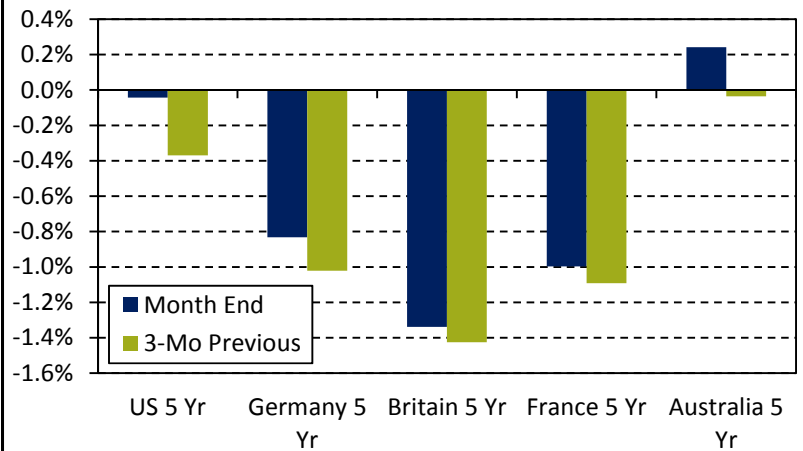
## Inflation and Real Rates

### US real yields have risen slightly



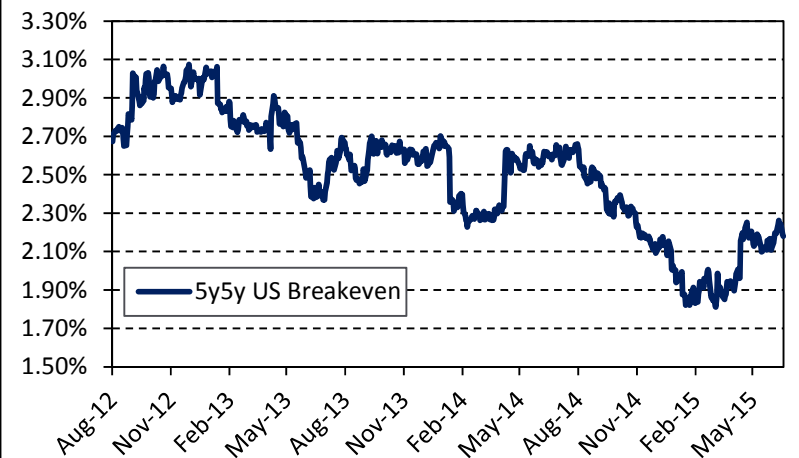
Source: Bloomberg

### Global real yields are flat to negative



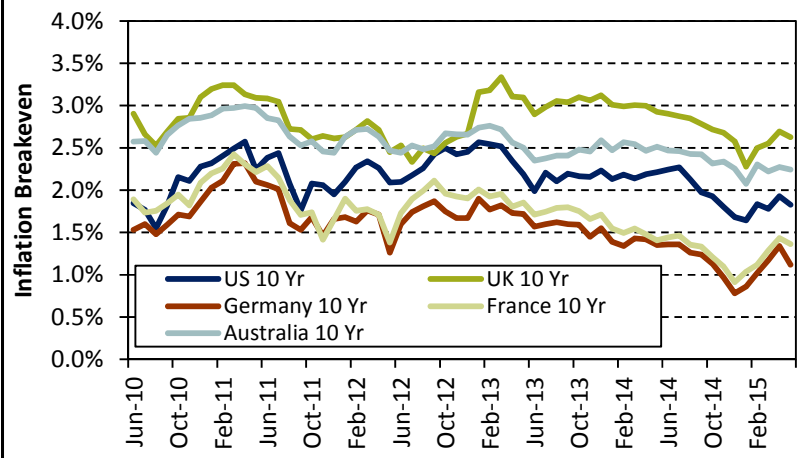
Source: Bloomberg

### US inflation expectations on downward trend



Source: Bloomberg

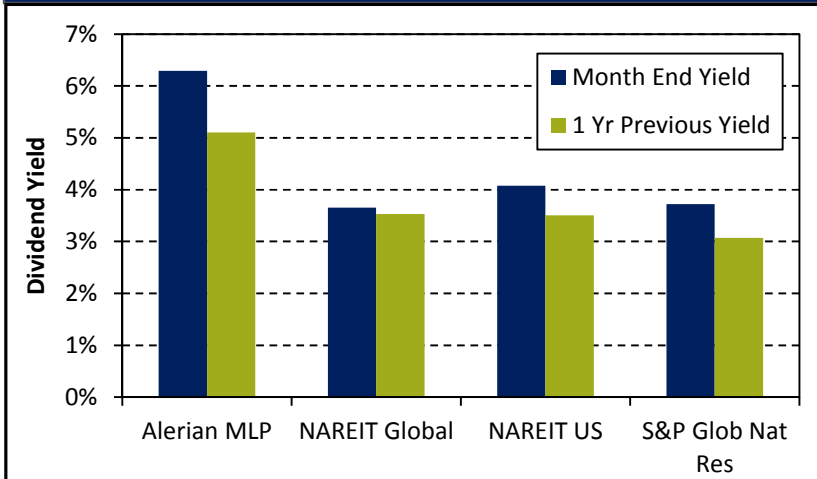
### Global inflation expectations remain subdued



Source: Bloomberg

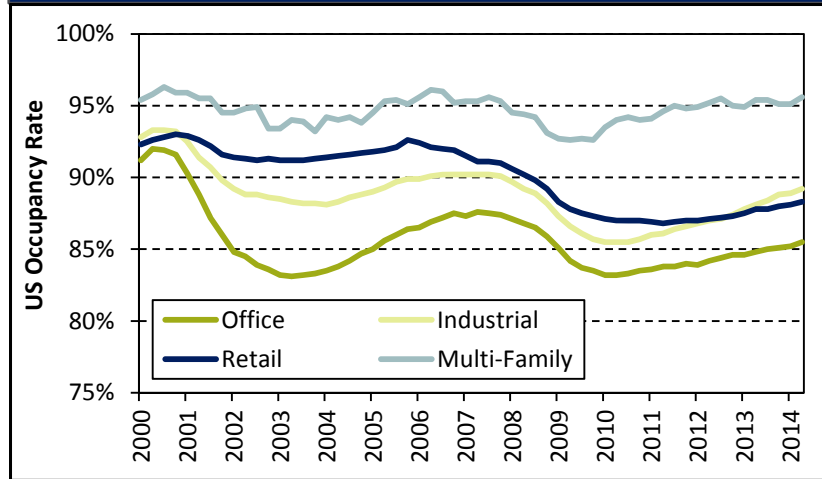
## Inflation Sensitive Growth Assets

### Yields slightly higher relative to last year



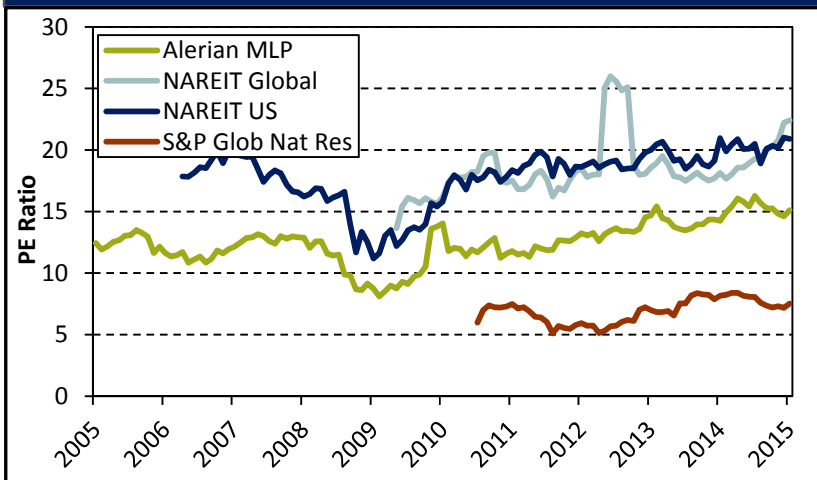
Source: Bloomberg, Alerian, Nareit, Standard and Poors

### Gradual recovery in occupancy rates



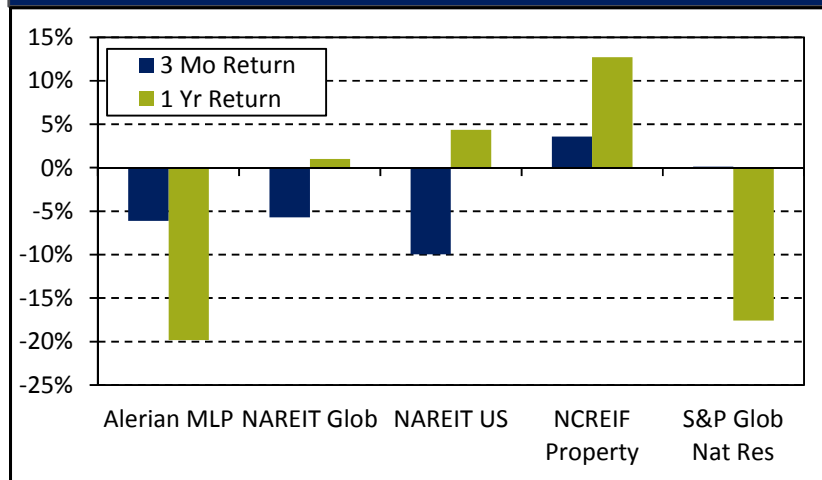
Source: Bloomberg, CB Richard Ellis

### PE Ratios near or above averages



Source: Bloomberg, US Census Bureau

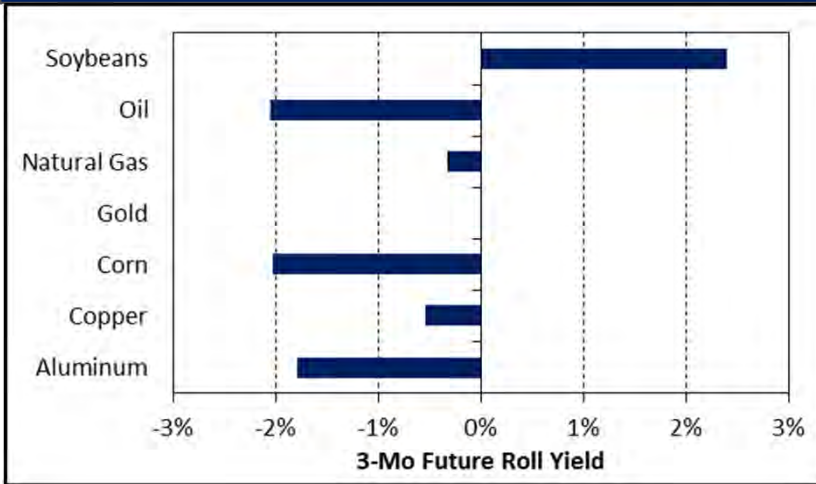
### Recent REIT selloff has cut into long rally



Source: Bloomberg, Alerian, Nareit, Standard and Poors

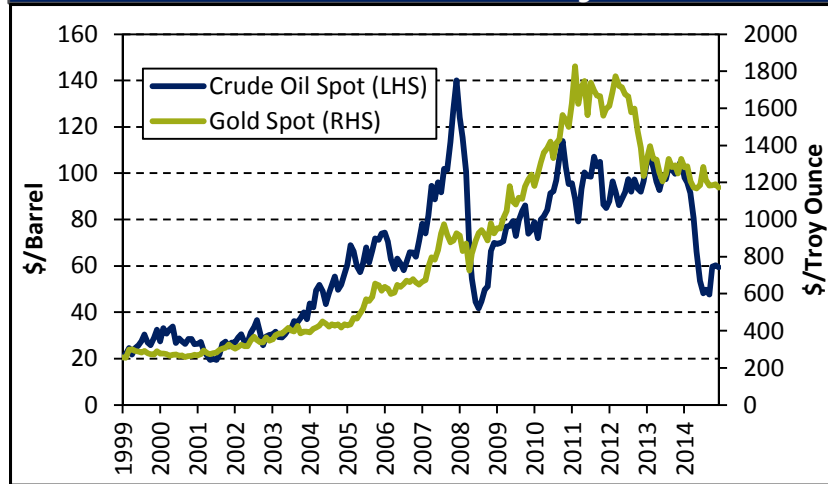
# Commodities

## Negative roll yields in major commodity futures



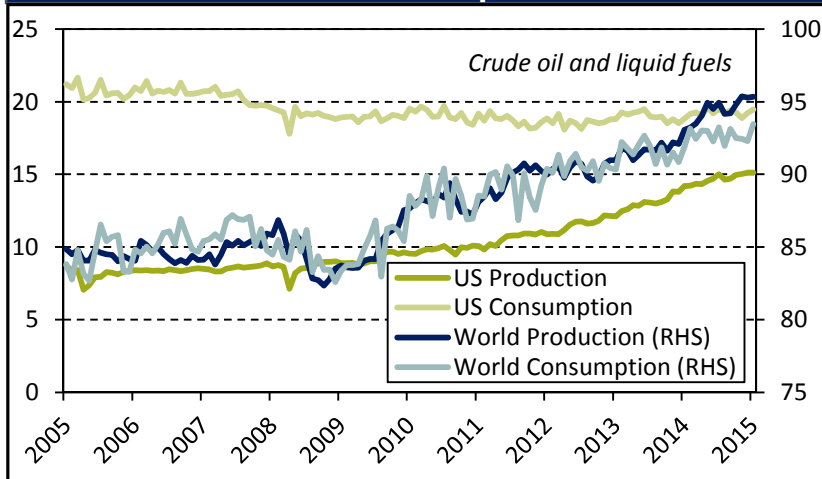
Source: Bloomberg

## Precipitous fall in oil prices with slight recent recovery



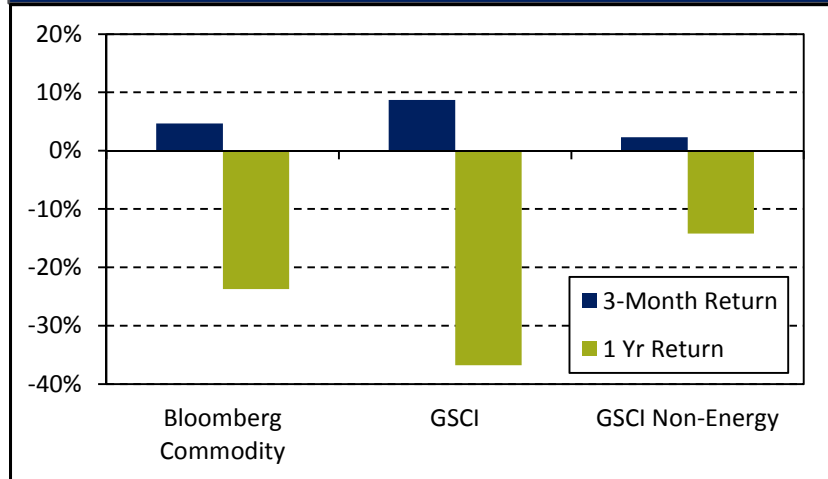
Source: Bloomberg

## US fuel production closing gap with consumption



Source: Bloomberg, US Department of Energy \*Crude oil and liquid fuels

## Commodity indices flat recently after oil-induced decline



Source: Bloomberg, Standard and Poors

## Glossary of Investment Terminology

The calculation methodology for each measure of performance is outlined below.

Measurement	Description	Equation
<b>Policy Target</b>	Measures policy allocation decisions.	= TARGET ASSET WEIGHTS X INDEX RETURNS
<b>Allocation Index</b>	Measures actual allocation decisions. Deviations from the policy target can be derived. (Allocation Index – Policy Index)	= ACTUAL ASSET WEIGHTS X INDEX RETURNS
<b>Composite (Total Return)</b>	Measures actual performance and can derive active management decisions. (Composite – Allocation Index)	= ACTUAL ASSET WEIGHTS X ACTUAL RETURNS

The calculation methodology for each measure of attribution is outlined below.

Measurement	Description	Equation
<b>Allocation Effect</b>	Measure the effects of overweighting or underweighting managers and asset classes.	= (ACTUAL MANAGER WEIGHT – POLICY TARGET WEIGHT) X POLICY INDEX RETURN
<b>Selection Effect</b>	Measures the managers' ability to add excess return relative to the policy index.	= (ACTUAL MANAGER RETURN – INDEX RETURN) X POLICY TARGET WEIGHT
<b>Interaction Effect</b>	Measures the cross correlation of both selection and allocation affects and is often referred to as an "error term".	= (ACTUAL MANAGER RETURN X (ACTUAL MANAGER WEIGHT – POLICY TARGET WEIGHT)) – ((MANAGER WEIGHT – POLICY TARGET WEIGHT) X INDEX RETURN)

## Glossary of Investment Terminology

**# Of Portfolios/Observations<sup>1</sup>** – The total number of data points that make up a specified universe

**Allocation Index<sup>3</sup>** - 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 Effect<sup>2</sup>** - 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)<sup>3</sup>** - 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)<sup>3</sup>** - 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.

**Attribution<sup>3</sup>** - 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 Maturity<sup>4</sup>** - 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 Average<sup>1</sup>** - 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) Attribution<sup>1</sup>** - 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) Attribution<sup>1</sup>** - 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)<sup>4</sup>** - 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.

**Correlation<sup>1</sup>** - 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: <sup>1</sup>InvestorForce, <sup>2</sup>Interaction Effect Performance Attribution, <sup>3</sup>NEPC, LLC, <sup>4</sup>Investopedia, <sup>5</sup>Hedgeco.net

## Glossary of Investment Terminology

**Coupon<sup>4</sup>** – 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 Effect<sup>1</sup>** - Is the effect that changes in currency exchange rates over time affect excess performance.

**Derivative Instrument<sup>3</sup>** - 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 Deviation<sup>1</sup>** - 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.*

**Duration<sup>3</sup>** - 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 Ratio<sup>1</sup>** – 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 Bond<sup>3</sup>** - 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 Hurdle<sup>5</sup>** – 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 Mark<sup>4</sup>** - 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 Rate<sup>4</sup>** - 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 Effects<sup>2</sup>** - 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.

**Median<sup>3</sup>** - 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 Duration<sup>3</sup>** - The percentage change in the price of a fixed income security that results from a change in yield.

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

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

**Net Investment Change<sup>1</sup>** – Is the change in an investment after accounting for all Net Cash Flows.

**Performance Fee<sup>4</sup>** - 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: <sup>1</sup>InvestorForce, <sup>2</sup>Interaction Effect Performance Attribution, <sup>3</sup>NEPC, LLC, <sup>4</sup>Investopedia, <sup>5</sup>Hedgeco.net

## Glossary of Investment Terminology

**Policy Index<sup>3</sup>** - 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)<sup>4</sup>** - 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)<sup>3</sup>** - The weighted equity P/E is based on current price and trailing 12 months earnings per share (EPS).

**Price to Sales (P/S)<sup>4</sup>** - 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)<sup>4</sup>** - 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) Effect<sup>2</sup>** - 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 rate<sup>5</sup>** – is a hurdle rate that once beaten allows a fund manager to charge a performance fee based on the entire annualized return.

**Tiered Fee<sup>1</sup>** – 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 Effects<sup>2</sup>** - 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 Return<sup>1</sup>** - 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.

**Universe<sup>3</sup>** - The list of all assets eligible for inclusion in a portfolio.

**Upside Deviation<sup>1</sup>** – Standard Deviation of Positive Returns

**Weighted Avg. Market Cap.<sup>4</sup>** - 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 (%)<sup>3</sup>** - The current yield of a security is the current indicated annual dividend rate divided by current price.

**Yield to Maturity<sup>3</sup>** -The discount rate that equates the present value of cash flows, both principal and interest, to market price.

Data Source: <sup>1</sup>InvestorForce, <sup>2</sup>Interaction Effect Performance Attribution, <sup>3</sup>NEPC, LLC, <sup>4</sup>Investopedia, <sup>5</sup>Hedgeco.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 Y = Return Series Y which is the risk free return (91 day T-bills)

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

*Formula:*  
 $(\text{Annualized Return of Portfolio} - \text{Annualized Return of Risk Free}) / \text{Annualized Standard Deviation (Portfolio Returns)}$

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

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

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

*Formula:*  
 $(\text{Portfolio Average Return} - \text{Average Return of Risk-Free Rate}) / \text{Portfolio Beta}$

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

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

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

Data Source: InvestorForce



## Information Disclaimer and Reporting Methodology

### Information Disclaimer

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- All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.
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- The client's custodian bank is NEPC's preferred data source unless otherwise directed. NEPC generally 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 manager 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.