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Vermont Pension Investment Committee

Third Quarter Investment Performance Analysis

November 26, 2013

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Market Review

Investment Market Update: As of September 30, 2013

PERFORMANCE THROUGH 9/30/2013

Sector	Index	2008	2009	2010	2011	2012	Q1	Q2	SEP	Q3	2013
Small Cap Growth	Russell 2000 Growth	-38.5%	34.5%	29.1%	-2.9%	14.6%	13.2%	3.7%	7.0%	12.8%	32.5%
Small Cap	Russell 2000	-33.8%	27.2%	26.9%	-4.2%	16.3%	12.4%	3.1%	6.4%	10.2%	27.7%
SMID Cap	Russell 2500	-36.8%	34.4%	26.7%	-2.5%	17.9%	12.8%	2.3%	5.7%	9.1%	25.9%
Small Cap Value	Russell 2000 Value	-28.9%	20.6%	24.5%	-5.5%	18.1%	11.6%	2.5%	5.8%	7.6%	23.1%
Large Cap Growth	Russell 1000 Growth	-38.4%	37.2%	16.7%	2.6%	15.3%	9.5%	2.1%	4.5%	8.1%	20.9%
Large Cap	Russell 1000	-37.6%	28.4%	16.1%	1.5%	16.4%	11.0%	2.7%	3.5%	6.0%	20.8%
Large Cap Value	Russell 1000 Value	-36.8%	19.7%	15.5%	0.4%	17.5%	12.3%	3.2%	2.5%	3.9%	20.5%
Large Cap	S&P 500	-37.0%	26.5%	15.1%	2.1%	16.0%	10.6%	2.9%	3.1%	5.2%	19.8%
Int'l Developed	MSCI EAFE	-43.4%	31.8%	7.8%	-12.1%	17.3%	5.1%	-1.0%	7.4%	11.6%	16.1%
Diversified	Diversified*	-24.5%	24.1%	13.5%	1.3%	12.7%	5.9%	0.1%	3.4%	4.7%	11.2%
High Yield	Barclays US High Yield	-26.2%	58.2%	15.1%	5.0%	15.8%	2.9%	-1.4%	1.0%	2.3%	3.7%
REITS	Wilshire US REIT	-39.2%	28.6%	28.6%	9.2%	17.6%	7.4%	-1.4%	3.3%	-3.0%	2.7%
Govt/Credit	Barclays US Govt/Credit 1-3 Yr	5.0%	3.8%	2.8%	1.6%	1.3%	0.2%	-0.1%	0.3%	0.4%	0.5%
Govt/Credit	Barclays Govt/Credit 1-5 Yr	5.1%	4.6%	4.1%	3.1%	2.2%	0.3%	-0.7%	0.6%	0.6%	0.1%
Interm Govt/Credit	Barclays US Govt/Credit Interm	5.1%	5.2%	5.9%	5.8%	3.9%	0.3%	-1.7%	0.8%	0.6%	-0.8%
Interm Core Bonds	Barclays US Agg Interm	4.9%	6.5%	6.1%	6.0%	3.6%	0.2%	-1.8%	1.0%	0.8%	-0.9%
Core Bonds	Barclays US Agg Bond	5.2%	5.9%	6.5%	7.8%	4.2%	-0.1%	-2.3%	0.9%	0.6%	-1.9%
Muni Bonds	Barclays Municipal	-2.5%	12.9%	2.4%	10.7%	6.8%	0.3%	-3.0%	2.2%	-0.2%	-2.9%
Global Bonds	Citi WGBI	10.9%	2.6%	5.2%	6.4%	1.6%	-2.8%	-3.0%	2.0%	2.9%	-2.9%
Emerging Equities	MSCI EM	-53.3%	78.5%	18.9%	-18.4%	18.2%	-1.6%	-8.1%	6.5%	5.8%	-4.4%
EMD External	Barclays EM USD	-14.7%	34.2%	12.8%	7.0%	17.9%	-1.5%	-5.1%	2.3%	1.4%	-5.2%
EMD Local	JPM GBI EM Glob Div	-5.2%	22.0%	15.7%	-1.8%	16.8%	-0.1%	-7.0%	4.4%	-0.4%	-7.6%
Long Credit	Barclays US Long Credit	-3.9%	16.8%	10.7%	17.1%	12.7%	-1.8%	-6.3%	0.5%	-0.0%	-8.0%
Commodities	DJ UBS Commodity	-35.6%	18.9%	16.8%	-13.3%	-1.1%	-1.1%	-9.5%	-2.6%	2.1%	-8.6%
Long Govt/Credit	Barclays US Govt/Credit Long	8.4%	1.9%	10.2%	22.5%	8.8%	-2.0%	-6.1%	0.5%	-0.8%	-8.7%
Treasury STRIPS	Barclays US Strips 20+ Yr	59.5%	-36.0%	10.9%	58.5%	3.0%	-5.4%	-7.6%	-1.0%	-5.4%	-17.2%

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

Sources: Barclays, Bloomberg, Wilshire

Investment Market Update: As of October 31, 2013

PERFORMANCE THROUGH 10/31/2013

Sector	Index	2008	2009	2010	2011	2012	Q1	Q2	Q3	OCT	2013
Small Cap Growth	Russell 2000 Growth	-38.5%	34.5%	29.1%	-2.9%	14.6%	13.2%	3.7%	12.8%	1.8%	34.9%
Small Cap	Russell 2000	-33.8%	27.2%	26.9%	-4.2%	16.3%	12.4%	3.1%	10.2%	2.5%	30.9%
SMID Cap	Russell 2500	-36.8%	34.4%	26.7%	-2.5%	17.9%	12.8%	2.3%	9.1%	3.2%	30.0%
Small Cap Value	Russell 2000 Value	-28.9%	20.6%	24.5%	-5.5%	18.1%	11.6%	2.5%	7.6%	3.3%	27.1%
Large Cap Growth	Russell 1000 Growth	-38.4%	37.2%	16.7%	2.6%	15.3%	9.5%	2.1%	8.1%	4.4%	26.2%
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Large Cap Value	Russell 1000 Value	-36.8%	19.7%	15.5%	0.4%	17.5%	12.3%	3.2%	3.9%	4.4%	25.7%
Large Cap	S&P 500	-37.0%	26.5%	15.1%	2.1%	16.0%	10.6%	2.9%	5.2%	4.6%	25.3%
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Diversified	Diversified*	-24.5%	24.1%	13.5%	1.3%	12.7%	5.9%	0.1%	4.7%	3.0%	14.6%
REITS	Wilshire US REIT	-39.2%	28.6%	28.6%	9.2%	17.6%	7.4%	-1.4%	-3.0%	4.1%	6.9%
High Yield	Barclays US High Yield	-26.2%	58.2%	15.1%	5.0%	15.8%	2.9%	-1.4%	2.3%	2.5%	6.3%
Govt/Credit	Barclays US Govt/Credit 1-3 Yr	5.0%	3.8%	2.8%	1.6%	1.3%	0.2%	-0.1%	0.4%	0.2%	0.6%
Govt/Credit	Barclays Govt/Credit 1-5 Yr	5.1%	4.6%	4.1%	3.1%	2.2%	0.3%	-0.7%	0.6%	0.4%	0.5%
Emerging Equities	MSCI EM	-53.3%	78.5%	18.9%	-18.4%	18.2%	-1.6%	-8.1%	5.8%	4.9%	0.3%
Interm Govt/Credit	Barclays US Govt/Credit Interm	5.1%	5.2%	5.9%	5.8%	3.9%	0.3%	-1.7%	0.6%	0.6%	-0.2%
Interm Core Bonds	Barclays US Agg Interm	4.9%	6.5%	6.1%	6.0%	3.6%	0.2%	-1.8%	0.8%	0.6%	-0.2%
Core Bonds	Barclays US Agg	5.2%	5.9%	6.5%	7.8%	4.2%	-0.1%	-2.3%	0.6%	0.8%	-1.1%
Global Bonds	Citi WGBI	10.9%	2.6%	5.2%	6.4%	1.6%	-2.8%	-3.0%	2.9%	1.0%	-2.0%
Muni Bonds	Barclays Municipal	-2.5%	12.9%	2.4%	10.7%	6.8%	0.3%	-3.0%	-0.2%	0.8%	-2.1%
EMD External	Barclays EM USD Agg	-14.7%	34.2%	12.8%	7.0%	17.9%	-1.5%	-5.1%	1.4%	2.1%	-3.2%
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Long Govt/Credit	Barclays US Govt/Credit Long	8.4%	1.9%	10.2%	22.5%	8.8%	-2.0%	-6.1%	-0.8%	2.1%	-6.9%
Commodities	DJ UBS Commodity	-35.6%	18.9%	16.8%	-13.3%	-1.1%	-1.1%	-9.5%	2.1%	-1.5%	-9.9%
Treasury STRIPS	Barclays US Strips 20+ Yr	59.5%	-36.0%	10.9%	58.5%	3.0%	-5.4%	-7.6%	-5.4%	2.1%	-15.5%

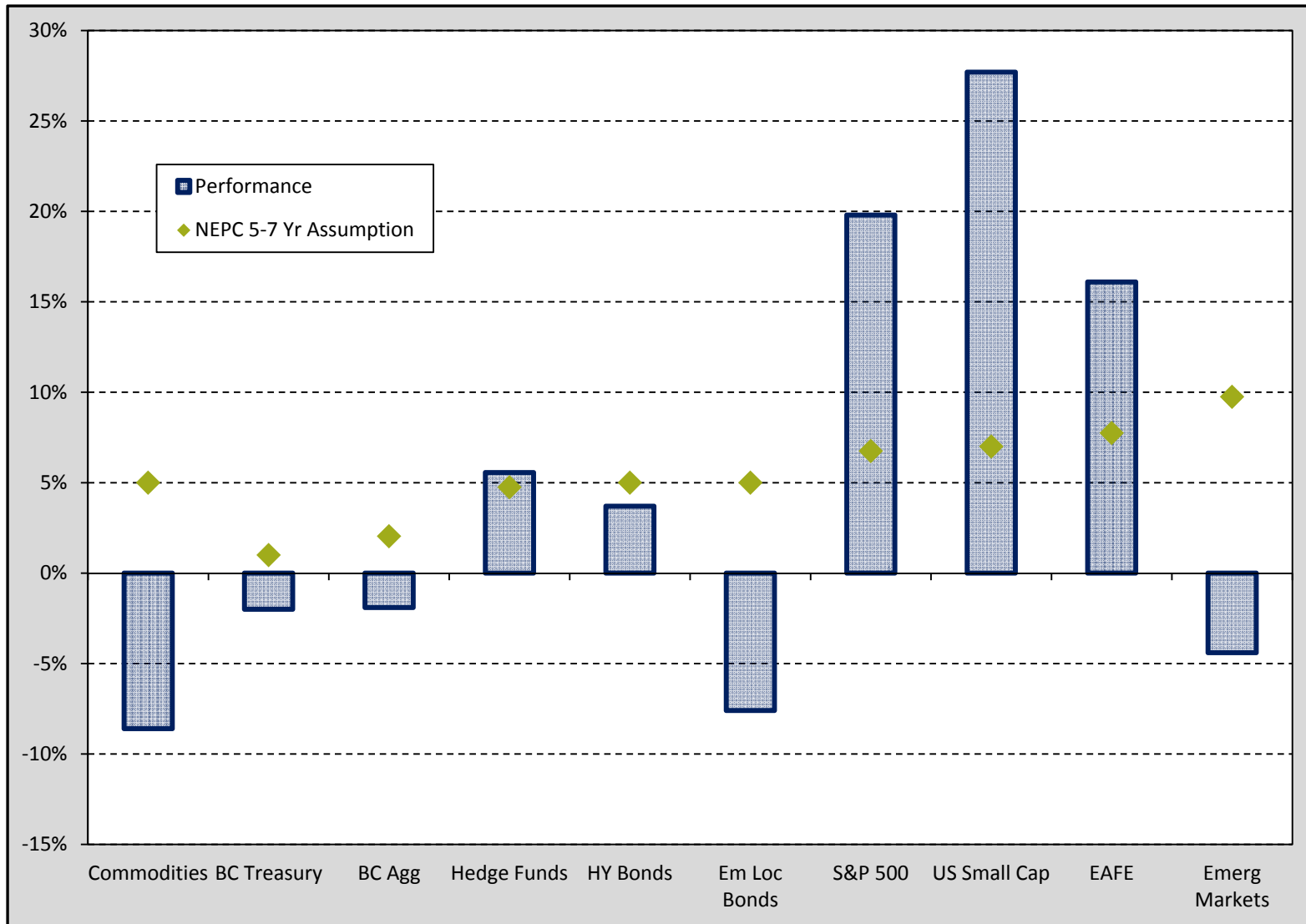
* 35% LC, 10% SC, 12% Intl Equity, 3% Emerging Equity, 25% Core Bonds, 5% HY, 5% Global Bonds, 5% REITS

Source: Morningstar Direct

- **After a volatile 2nd quarter that left few places for investors to take shelter, equity markets surged in the 3rd quarter**
 - Fears of a 2013 Fed taper proved overstated when a continuation of current bond purchasing policy was announced on September 18th
 - Volatility receded in most asset classes outside of Treasuries
 - US equities, led by small cap issues, continued their extraordinary run and markets (once again) shrugged off the prospect of fiscal gridlock
 - European and Emerging Markets issues finally joined in on the upswing
 - Following a difficult 2nd quarter Risk Parity strategies rebounded
- **While investors will gladly accept the gains from the domestic equity rally, for many a diversified portfolio has been challenging**
 - Emerging market equity and debt indices remain negative through the 3rd quarter
 - Though yields have risen, fixed income returns have been muted
 - High Yield and Bank Loans have posted modest returns whereas many 'safer' asset classes have posted losses on the year
 - While positive, hedge fund returns have been tame in comparison to traditional US equity markets
 - Commodities stayed mired in a slump as the energy landscape continued to change

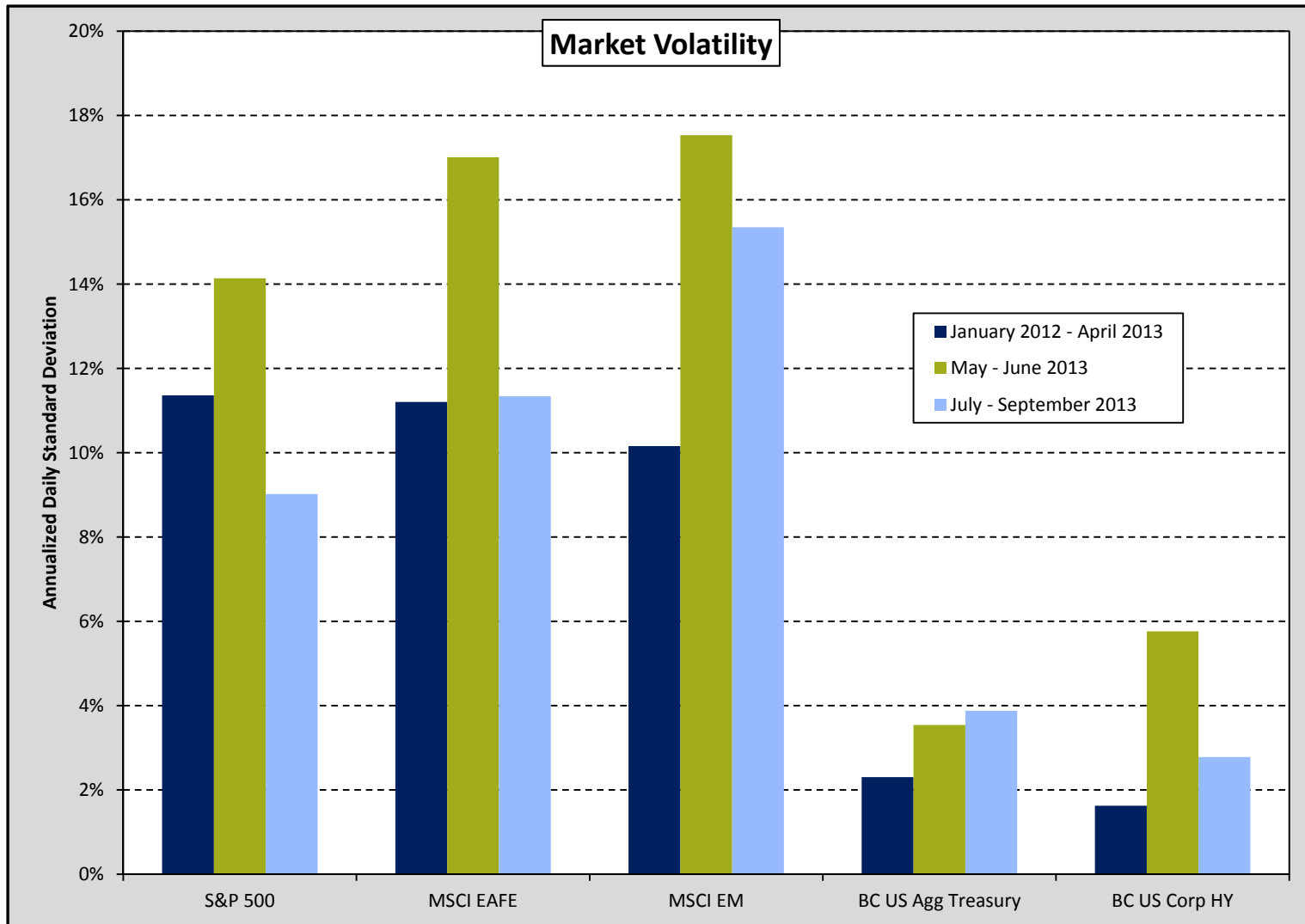
- **Divergence in returns and policy has complicated the “Risk On, Risk Off” environment driven by central banks**
 - Fed action has overwhelmed US legislative inaction to propel markets but the extent to which this will continue remains uncertain
 - Complacency by the European Central Bank hasn’t held back a surging European equity market but threatens to do so in the future
 - Emerging market central banks have been battling currency depreciation and face unique country-by-country growing pains
 - Meanwhile Japan faces the unknown outcomes of “Abe-nomics” and the BoJ’s grand experiment in monetary stimulus
- **The case to stay the course remains strong**
 - US equity surge backed more by Fed actions than fundamental improvements
 - Corporate profits remain at secular highs, cyclically adjusted valuations are expensive, the growth outlook is still mild, and long term fiscal issues persist unresolved
 - High relative growth and attractive valuations in emerging economies remain in place
 - But an active approach is likely necessary as some countries face their own problems
 - Even so, a 10-15% allocation to EM within the equity portfolio is market neutral, a sound starting point for portfolios when rebalancing gains from US equities
 - Multi-asset strategies such as Risk Parity remain solid building blocks for a diversified allocation
 - Private credit strategies including direct lending and real estate debt represent attractive opportunities
- **It is important to stay vigilant by balancing risks and keeping a watchful eye on opportunities that often arise amid periods of changing volatility**

So Far in 2013... Diversification Hasn't Helped



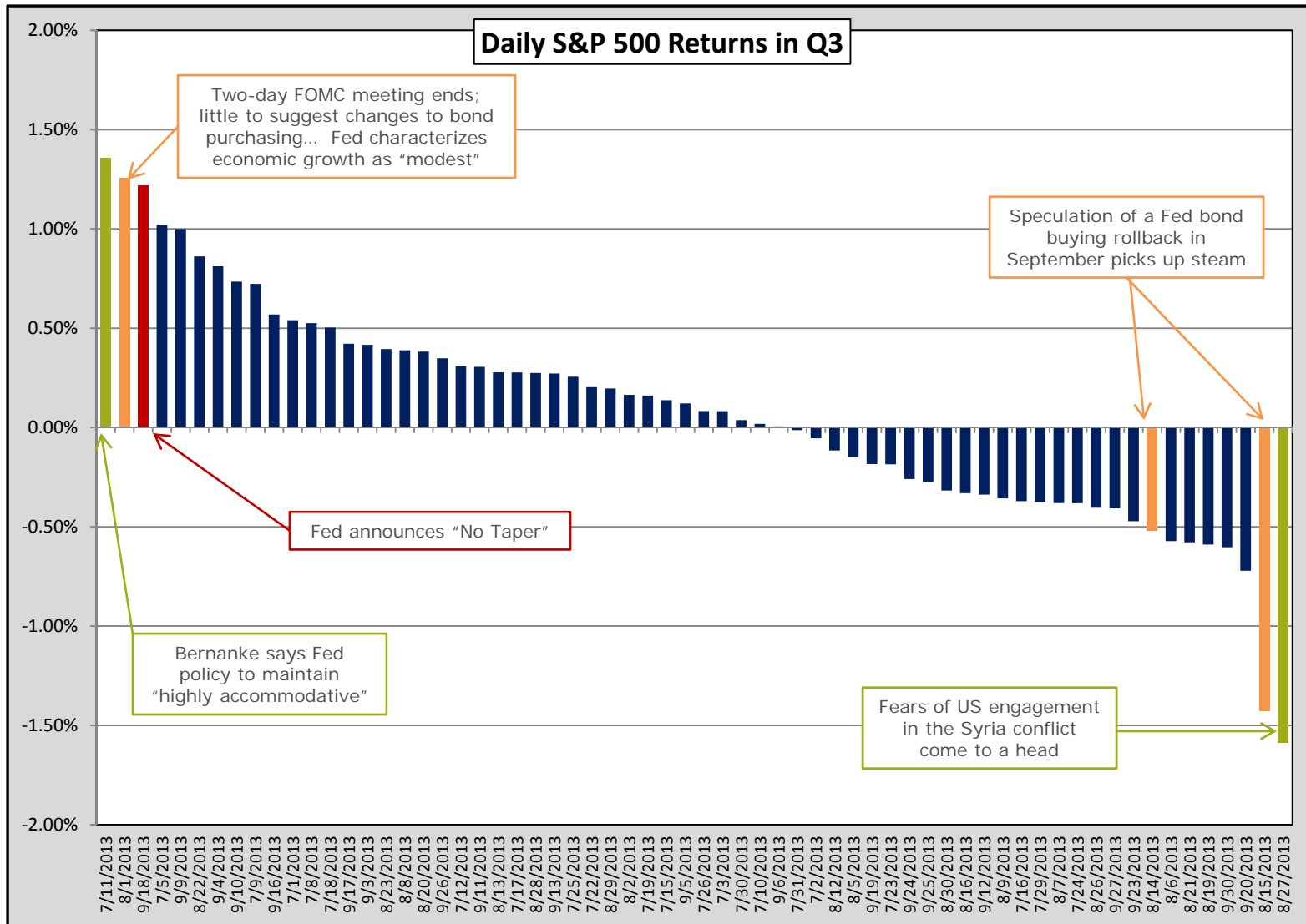
Source: Bloomberg, NEPC as of 9/30

Volatility Has Receded in Most Asset Classes After a Spike in May and June



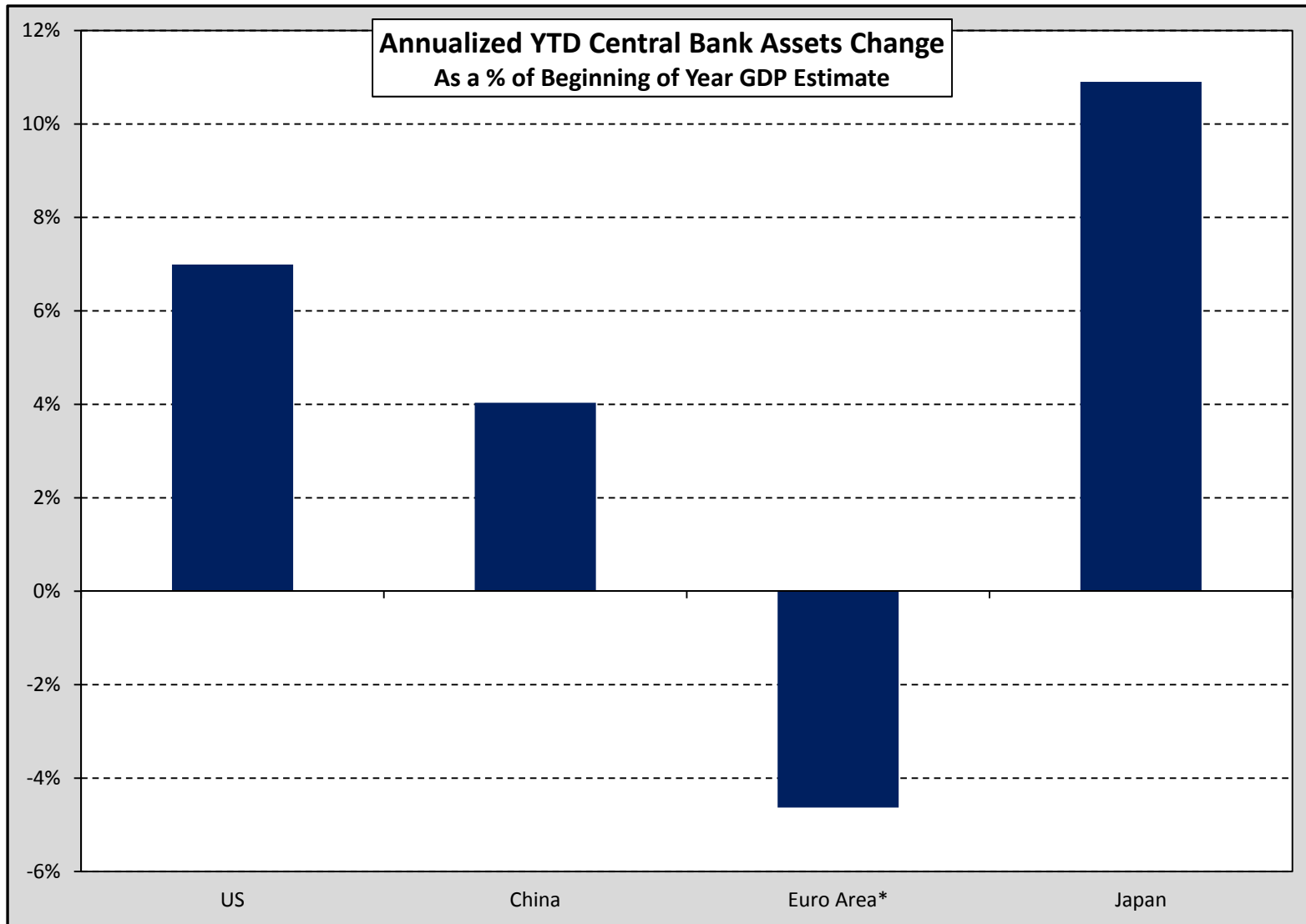
Source: Bloomberg as of 9/30

The Fed Continued to Prove It Can Drive Markets



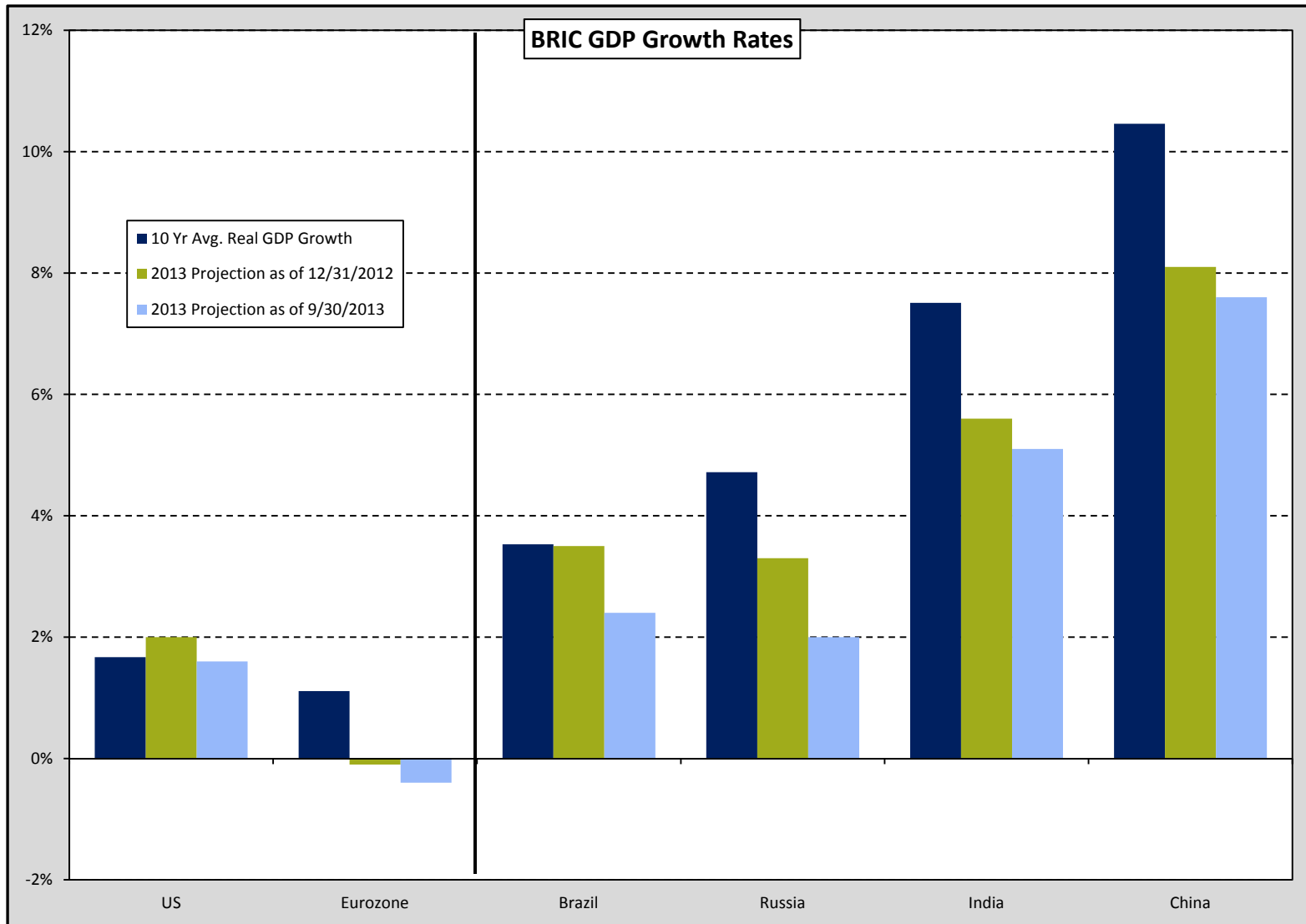
Source: Bloomberg, NEPC as of 9/30

Major Economies Continue Easing while the ECB Has Tightened



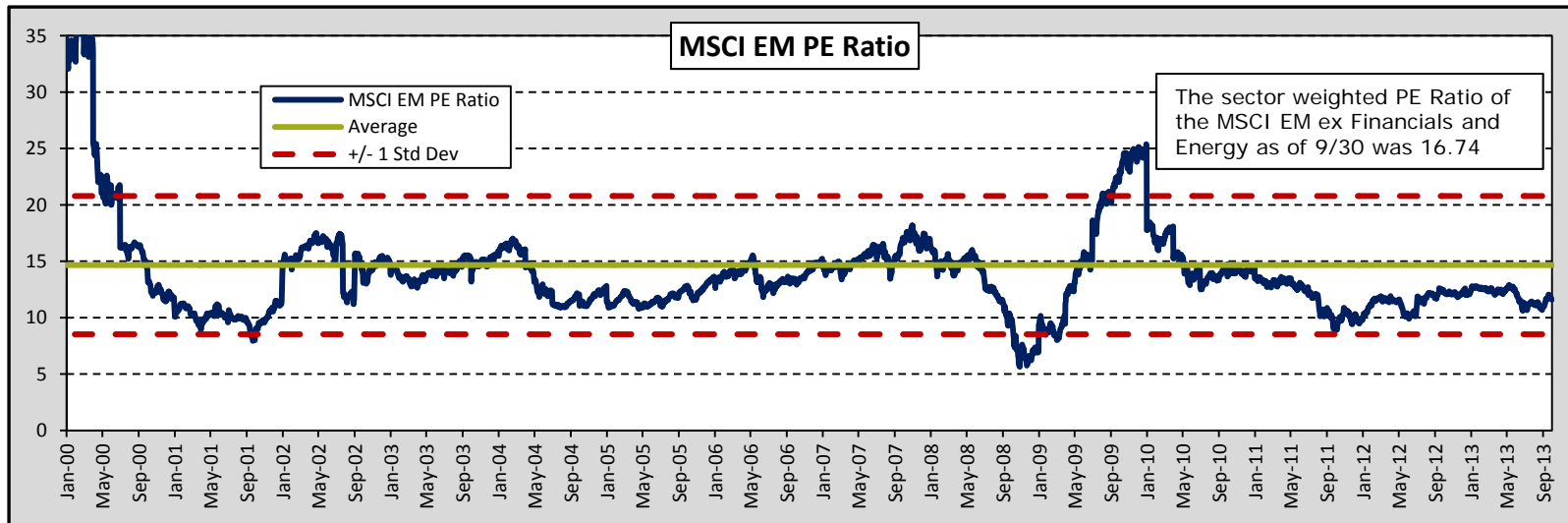
Source: Bloomberg as of 9/30; All calculations converted to USD *GDP figure reflects World Bank Euro Area GDP

Real GDP Growth Forecasts

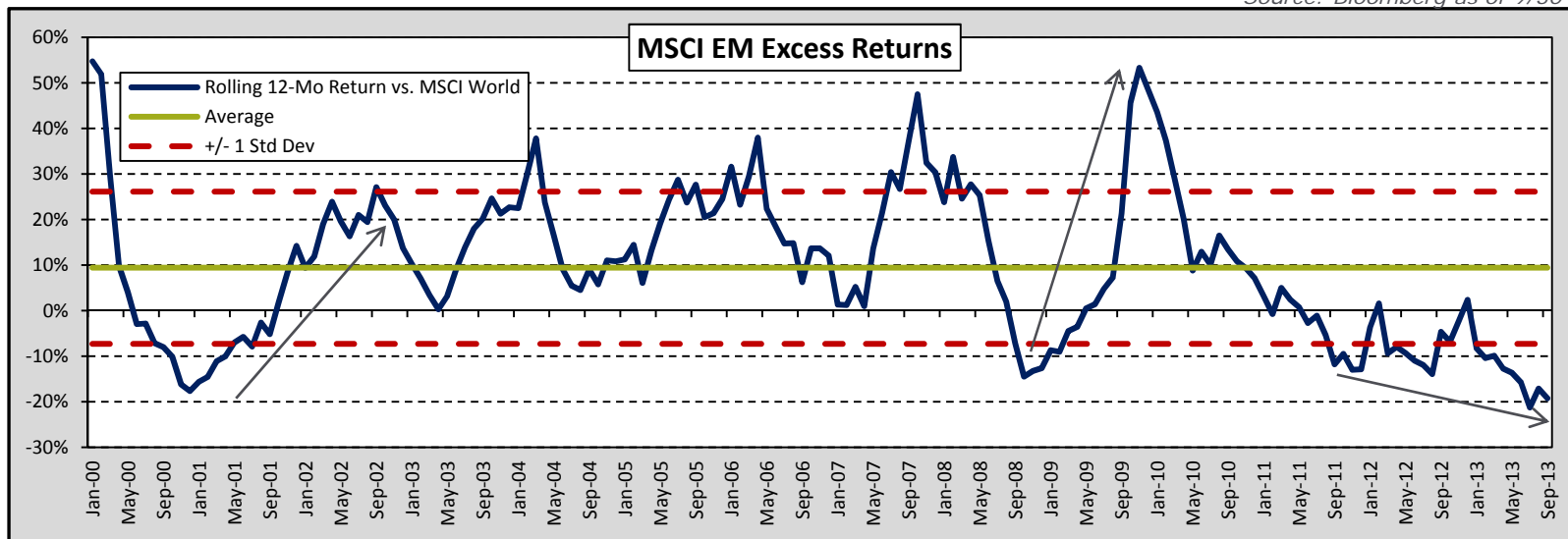


Source: Bloomberg as of 9/30

Valuations Attractive on the Whole and Performance Relative to MSCI World Is At Lower Bound

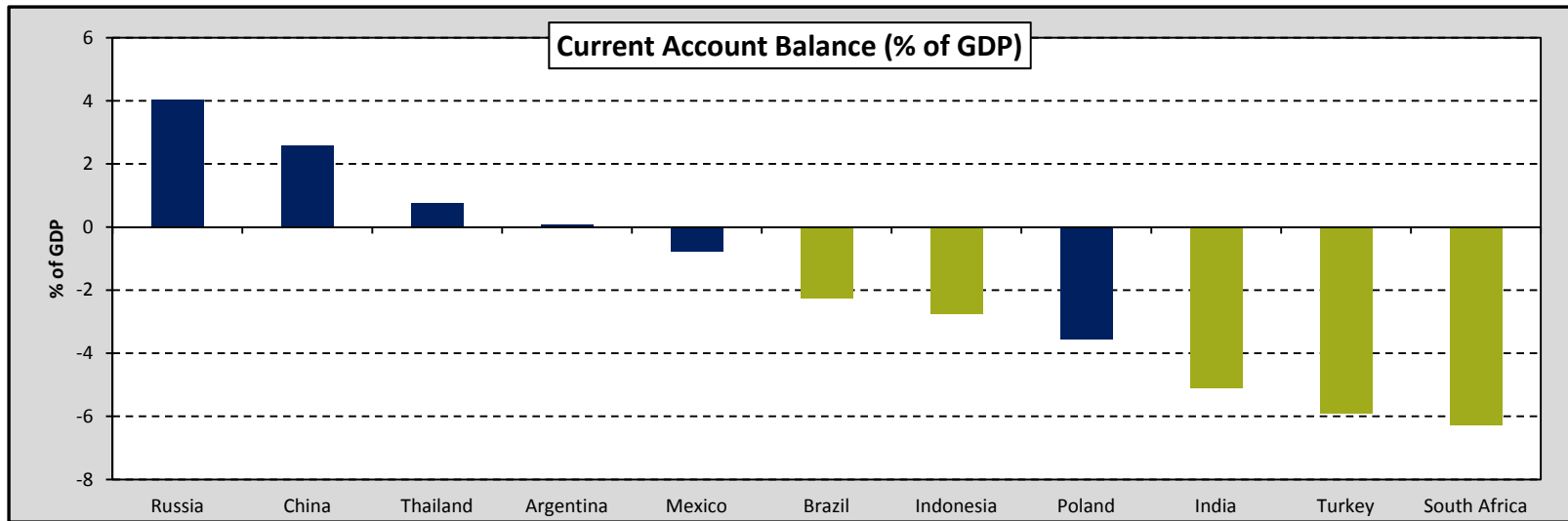


Source: Bloomberg as of 9/30

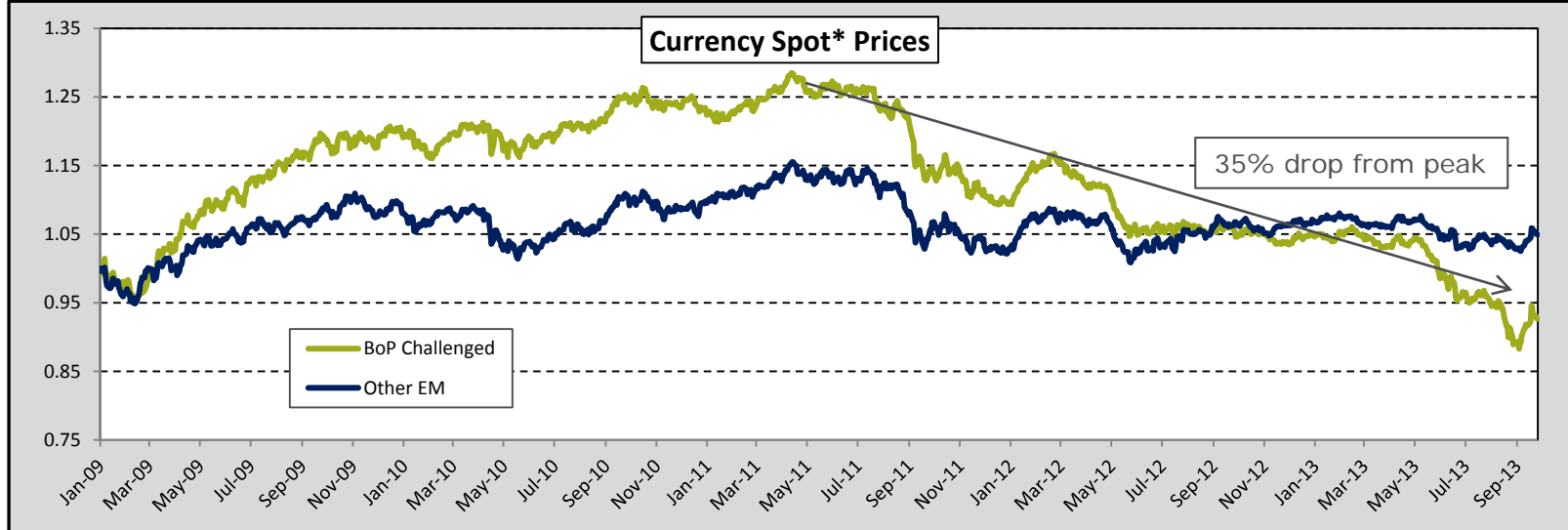


Source: Bloomberg as of 9/30

EM Countries With Current Account Deficits Face Currency Headwinds



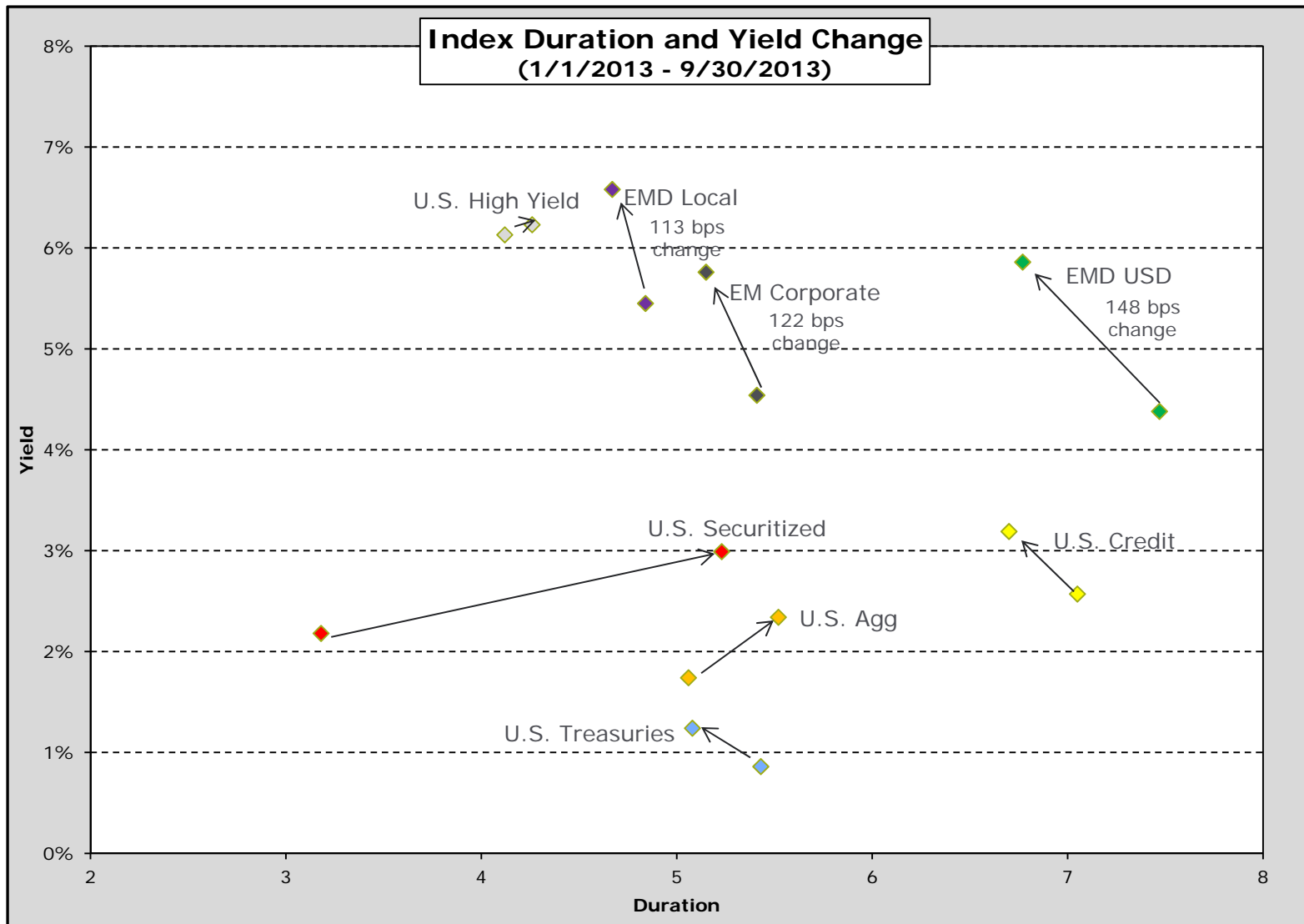
Source: IMF



Source: Bloomberg as of 9/25

*Versus USD; Brazilian Real, Indian Rupee, Indonesian Rupiah, Turkish Lira, and South African Rand make up BoP Challenged basket

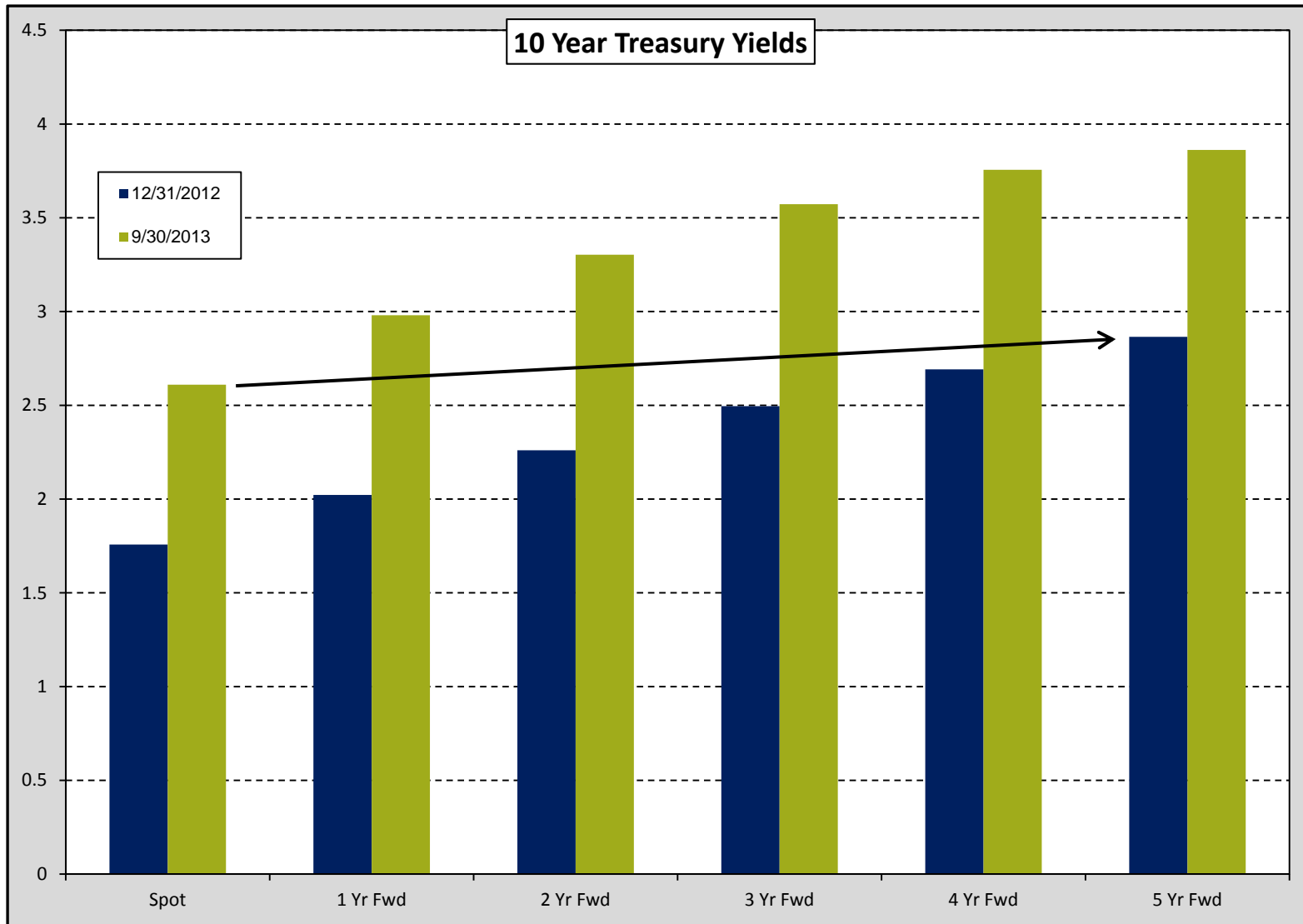
Yields Changed but EM Debt Retained Relative Attractiveness



Source: Barclays and JP Morgan as of 9/30

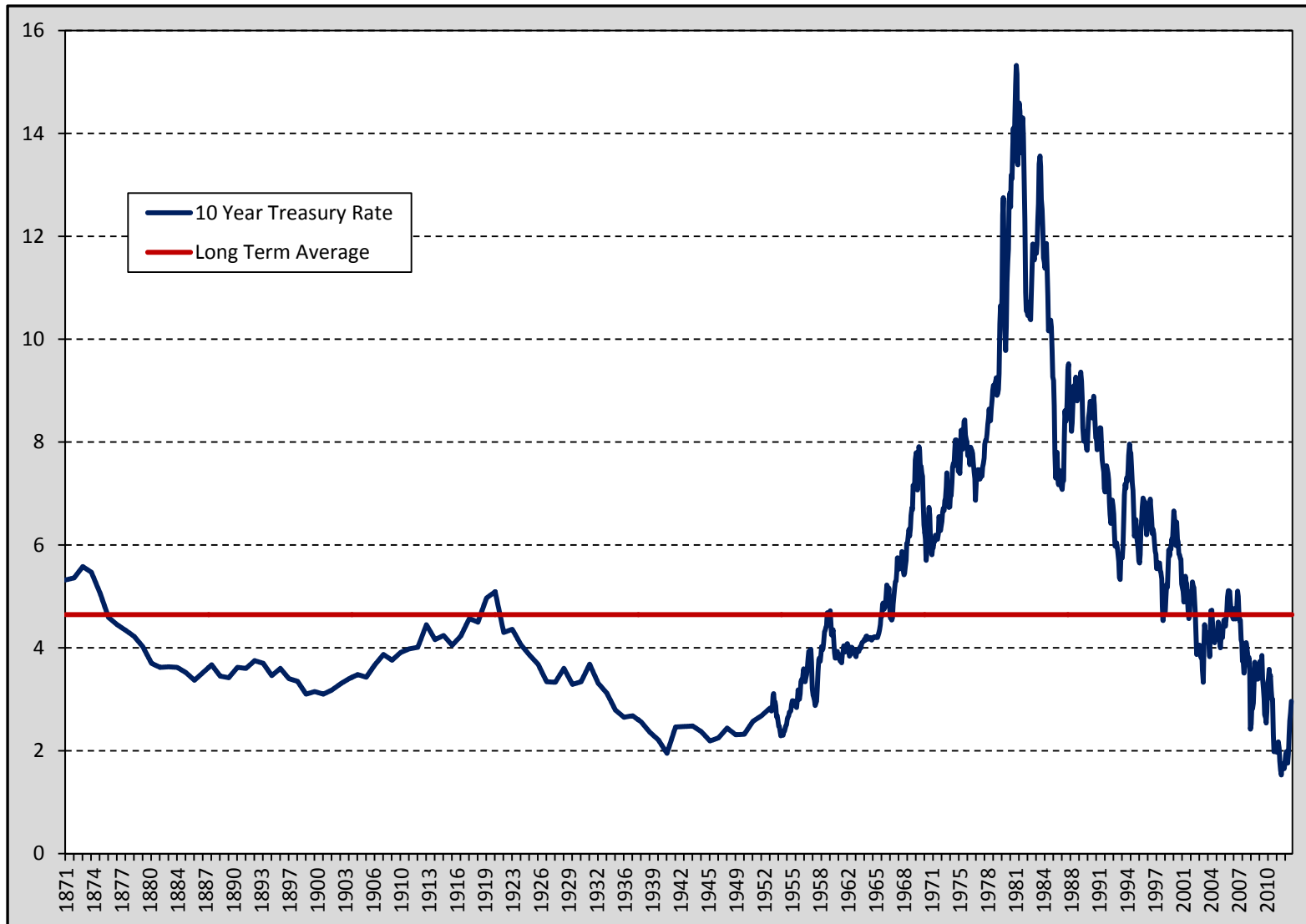
- **Emerging markets remain likely to outpace developed markets in economic growth**
 - Yet lower than recent experience
- **There are several reasons to maintain a positive outlook on EM**
 - Growth is still high relative to the developed world
 - Overall valuations attractive on a historical basis
 - Healthy government balance sheets
 - Continued development of middle class
- **There are also reasons to proceed with caution**
 - Slowing growth (though now priced in)
 - Balance of payment and currency issues in prominent countries
 - Potential to get worse before it gets better
 - Economies face challenging growth
 - Transition to reliance on Consumption vs. Investment/exports
 - Social unrest and political turmoil threaten to derail this path
- **Looking forward, a more nuanced view on emerging markets is needed to navigate a tricky environment**
 - Individual EM countries are likely to behave in a more idiosyncratic fashion
 - Sound active management can alleviate some of the macro challenges
 - Critical to recognize that higher return expectations come with high volatility

Vermont Pension Investment Committee
Market Expectations – Then and Now



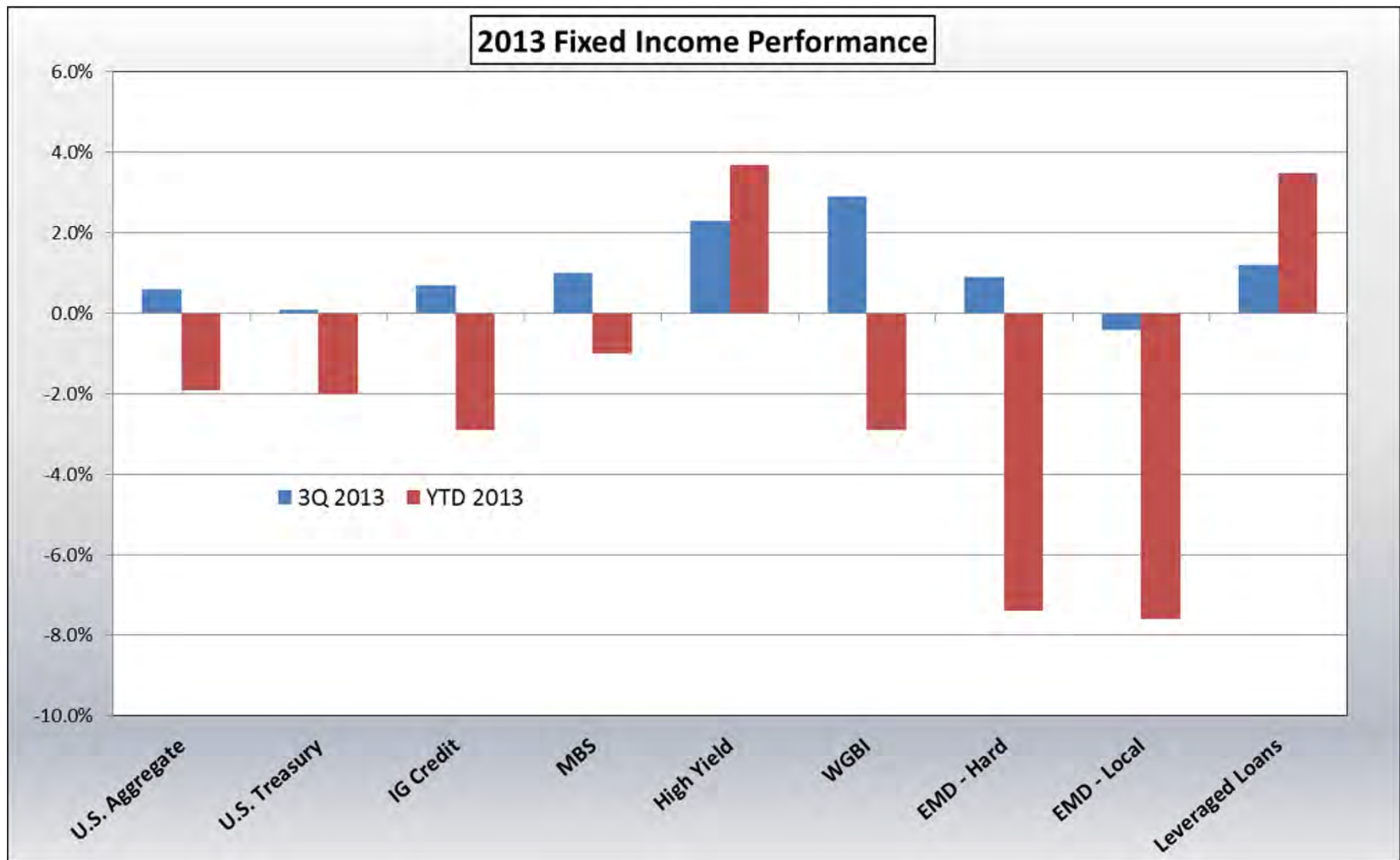
Source: Bloomberg as of 9/30

Yields Have Historically Moved in Long Term Cycles



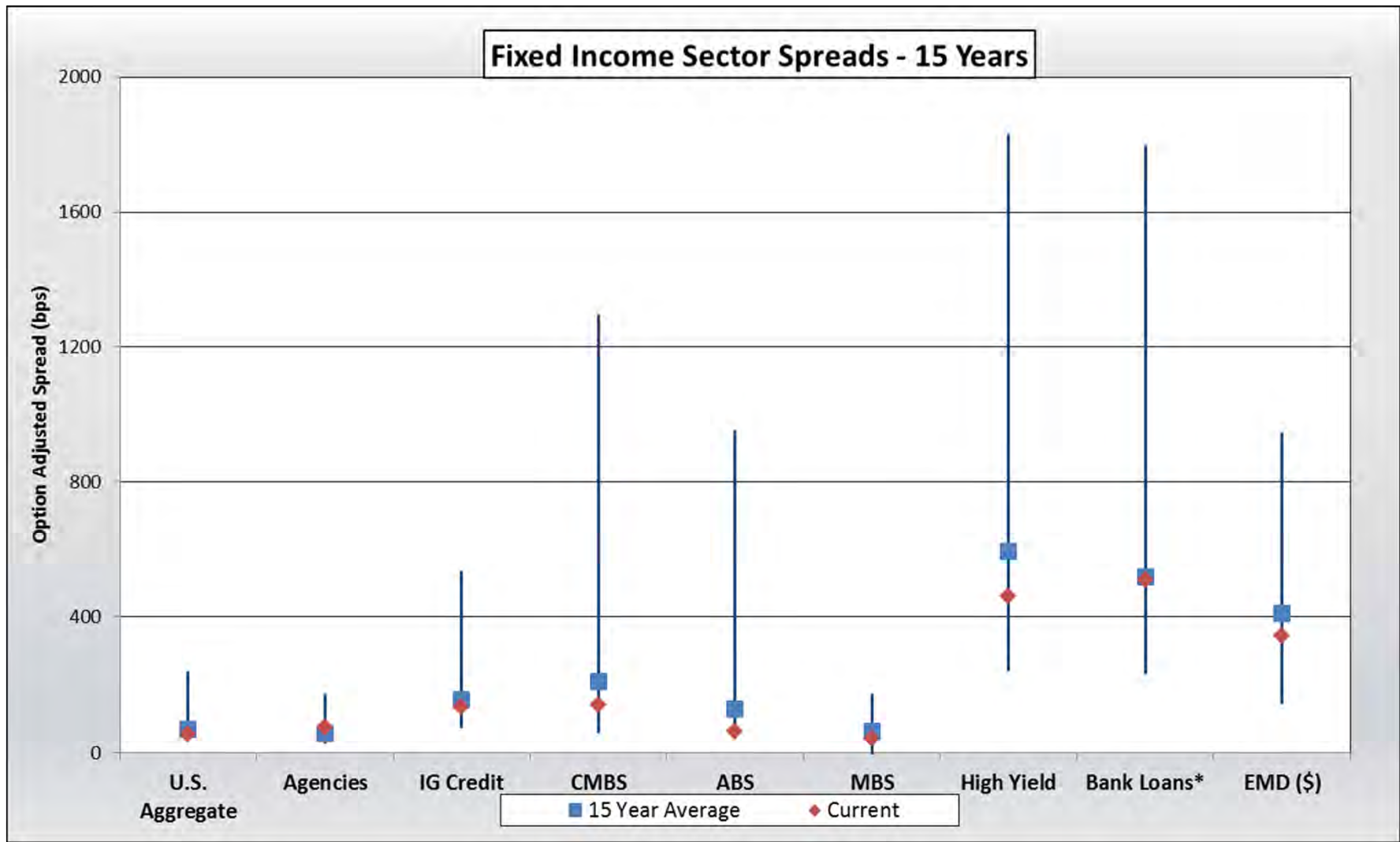
Source: Shiller Data as of 9/30

Fixed Income Performance



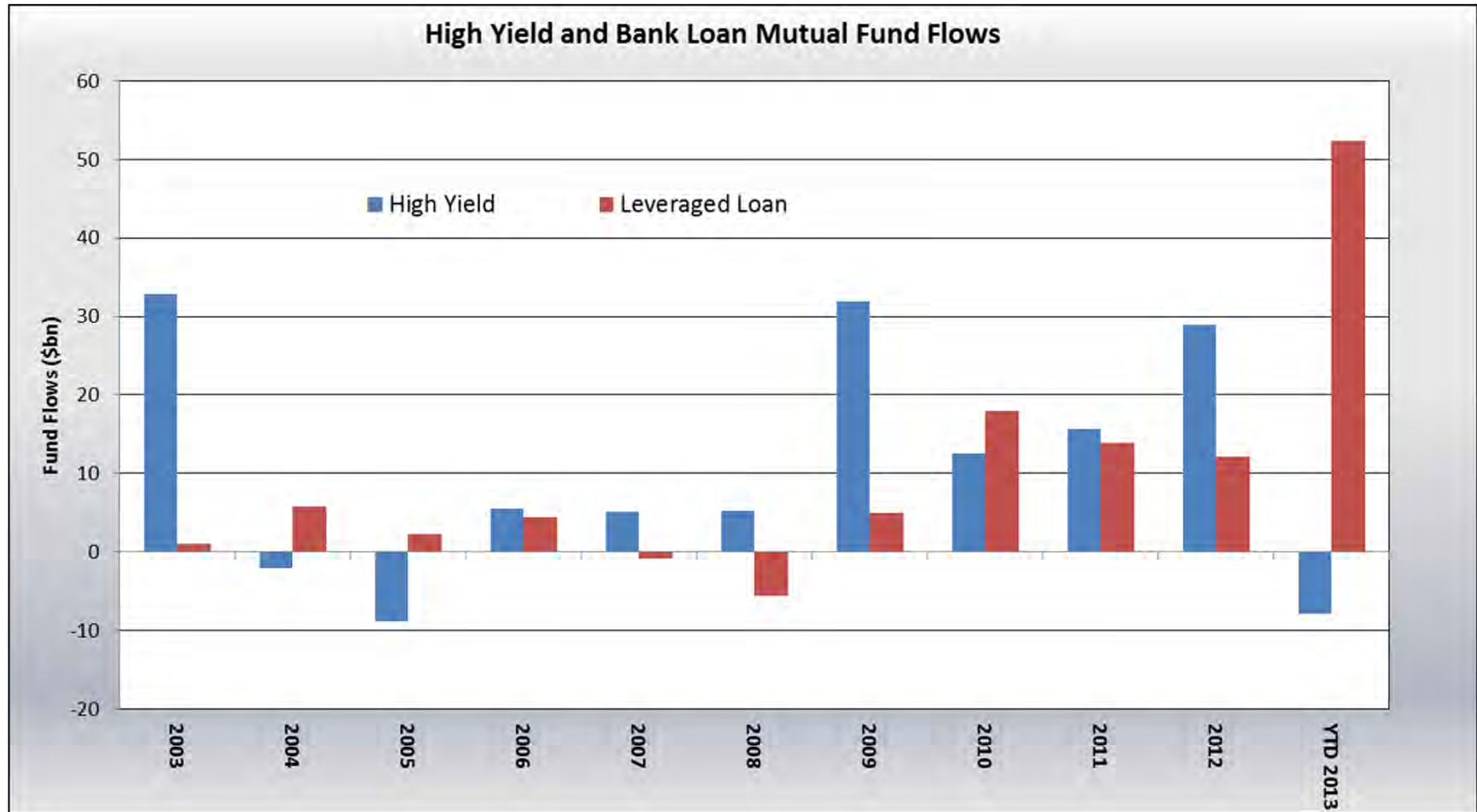
Source: Bloomberg, as of 9/30/2013

Fixed Income Sector Spreads



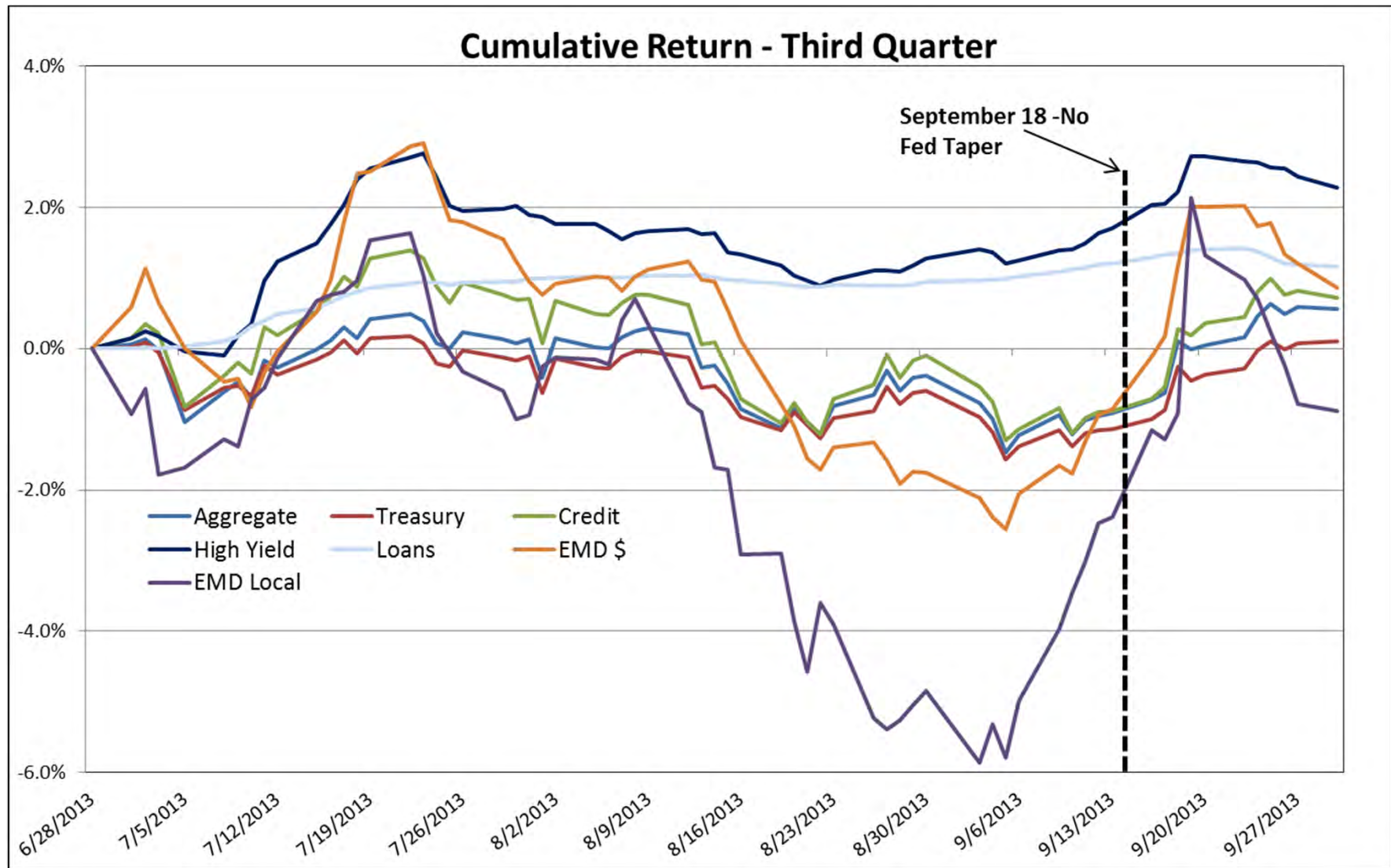
* Using 3-year Discount Margin

Source: Barclays Live, as of 9/30/2013



- **67 consecutive weeks of inflows into loan funds**
 - \$52 billion into a \$650 billion market
 - Supply is keeping pace

Source: JP Morgan, as of 9/30/2013



Source: Bloomberg, as of 9/30/2013

State Teachers' Retirement System

Vermont State Teachers

Total Fund Performance Summary

	Market Value	3 Mo	Rank	YTD	Rank	Fiscal YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
Teachers Composite	\$1,631,596,405	3.8%	89	4.9%	98	3.8%	89	7.1%	96	8.2%	83	7.8%	58
<i>Policy Index</i>		4.2%	75	5.8%	92	4.2%	75	7.7%	93	7.3%	97	6.3%	94
<i>Allocation Index</i>		4.2%	76	5.8%	92	4.2%	76	7.8%	92	7.3%	97	6.7%	89
<i>IFx Public DB Gross Median</i>		4.7%		10.1%		4.7%		12.0%		9.5%		8.0%	

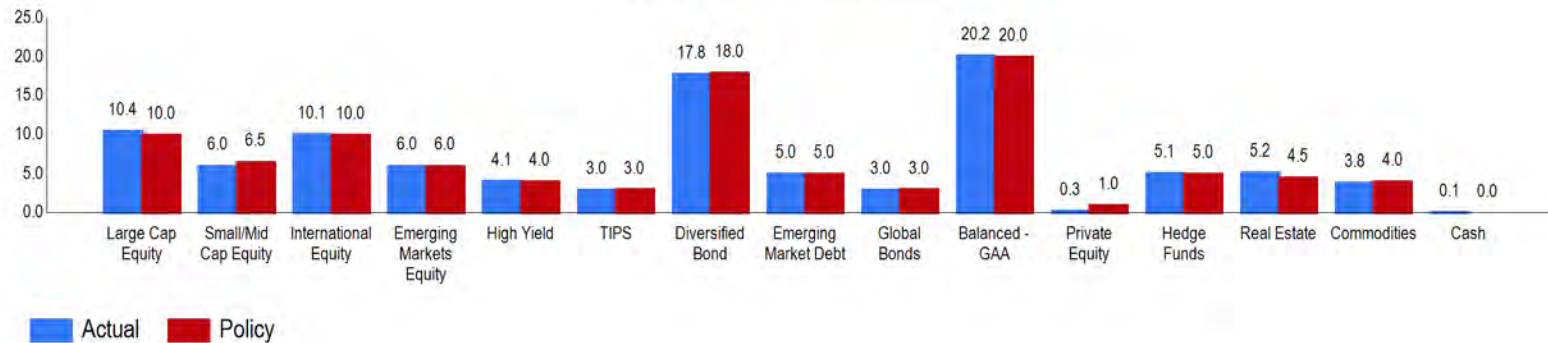
3 Years Ending September 30, 2013

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Teachers Composite	8.22%	81	7.55%	43	1.08	79	1.60	59
Policy Index	7.27%	97	7.35%	37	0.98	91	1.45	75
Allocation Index	7.29%	97	7.47%	41	0.97	91	1.39	82

5 Years Ending September 30, 2013

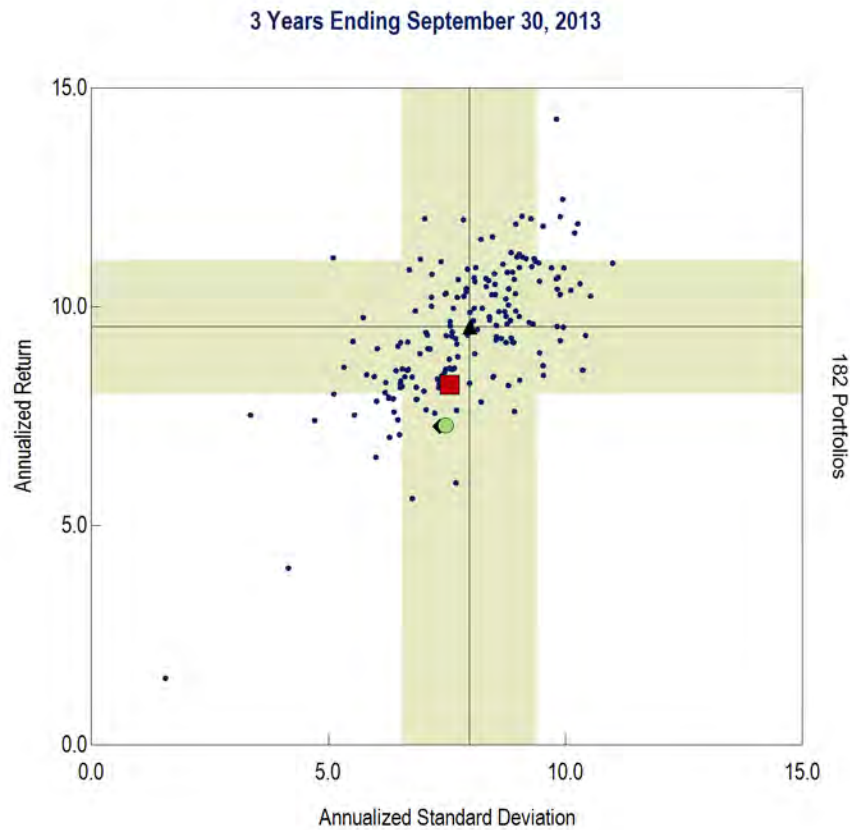
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Teachers Composite	7.76%	55	12.70%	84	0.60	83	0.65	90
Policy Index	6.34%	94	11.41%	53	0.55	95	0.63	93
Allocation Index	6.71%	88	11.82%	59	0.56	94	0.64	92

Actual vs Target Allocation (%)

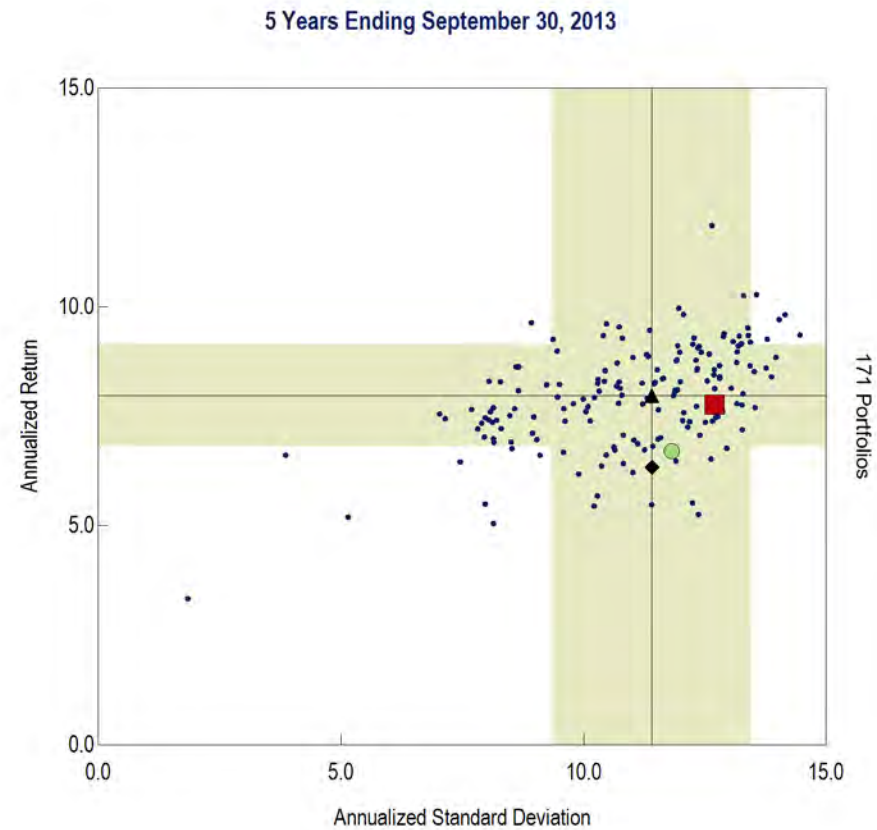


Vermont State Teachers

Total Fund Risk/Return



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

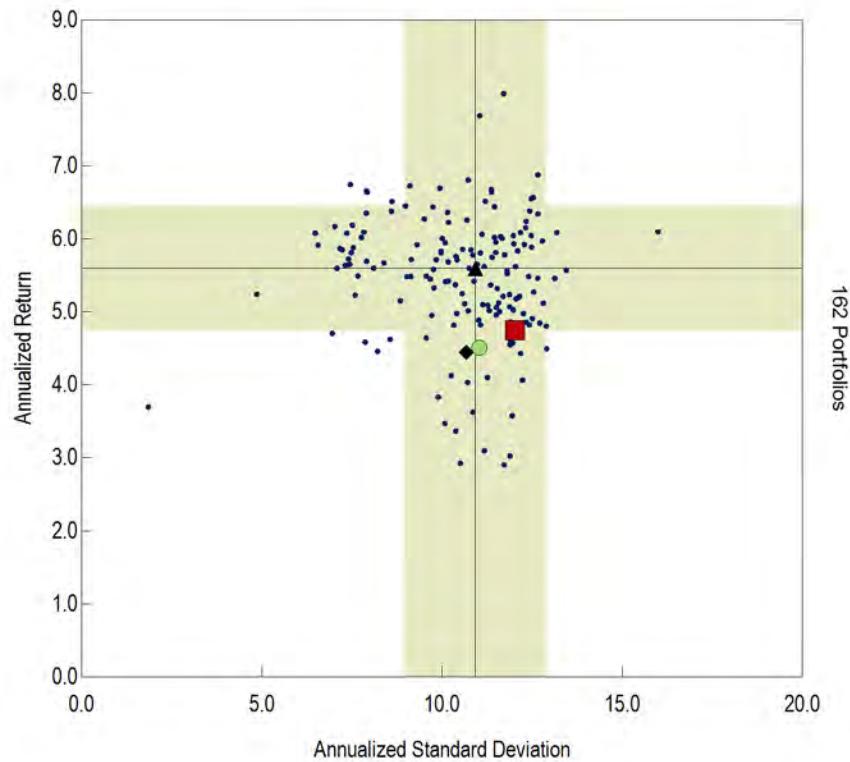


- Teachers Composite
- ◆ Policy Index
- Allocation Index
- ▲ Universe Median
- 68% Confidence Interval
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Vermont State Teachers

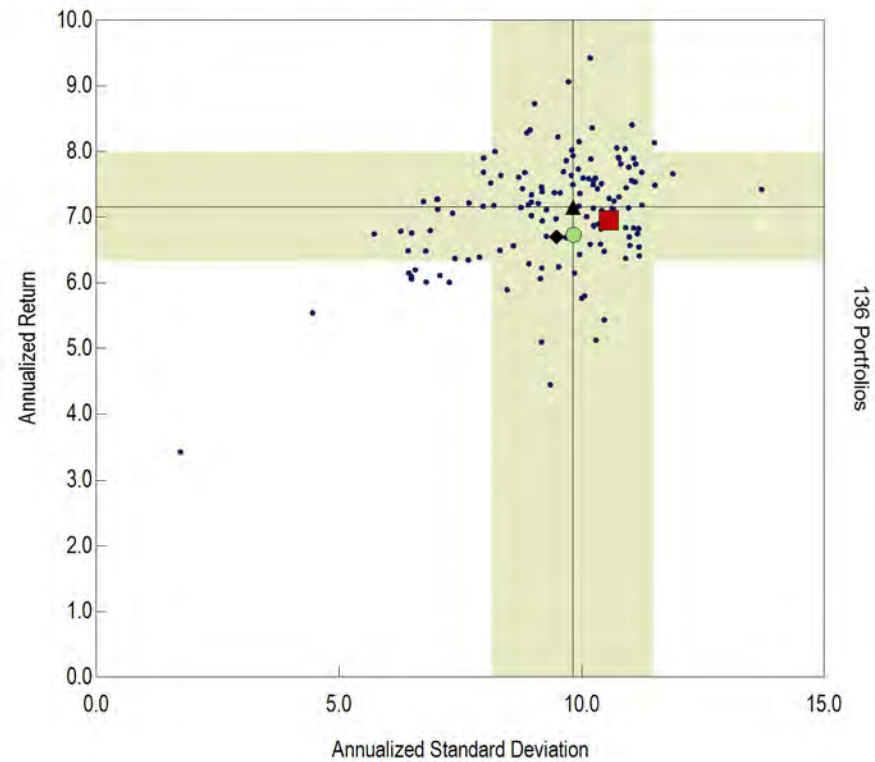
Total Fund Risk/Return

7 Years Ending September 30, 2013



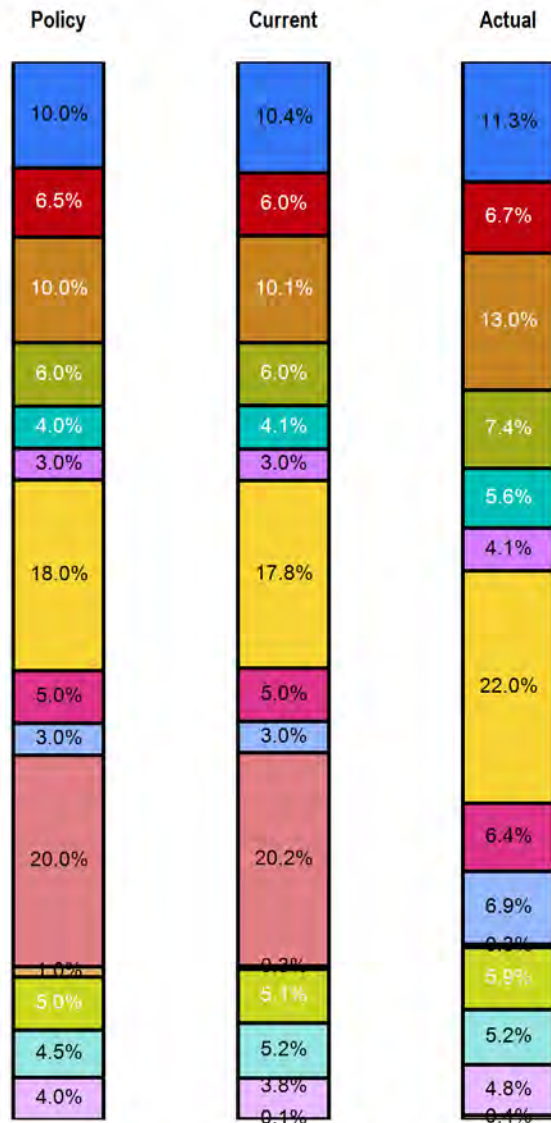
- Teachers Composite
- ◆ Policy Index
- Allocation Index
- ▲ Universe Median
- 68% Confidence Interval
- IFx Public DB Gross

10 Years Ending September 30, 2013



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

Total Fund Asset Allocation vs. Policy Targets

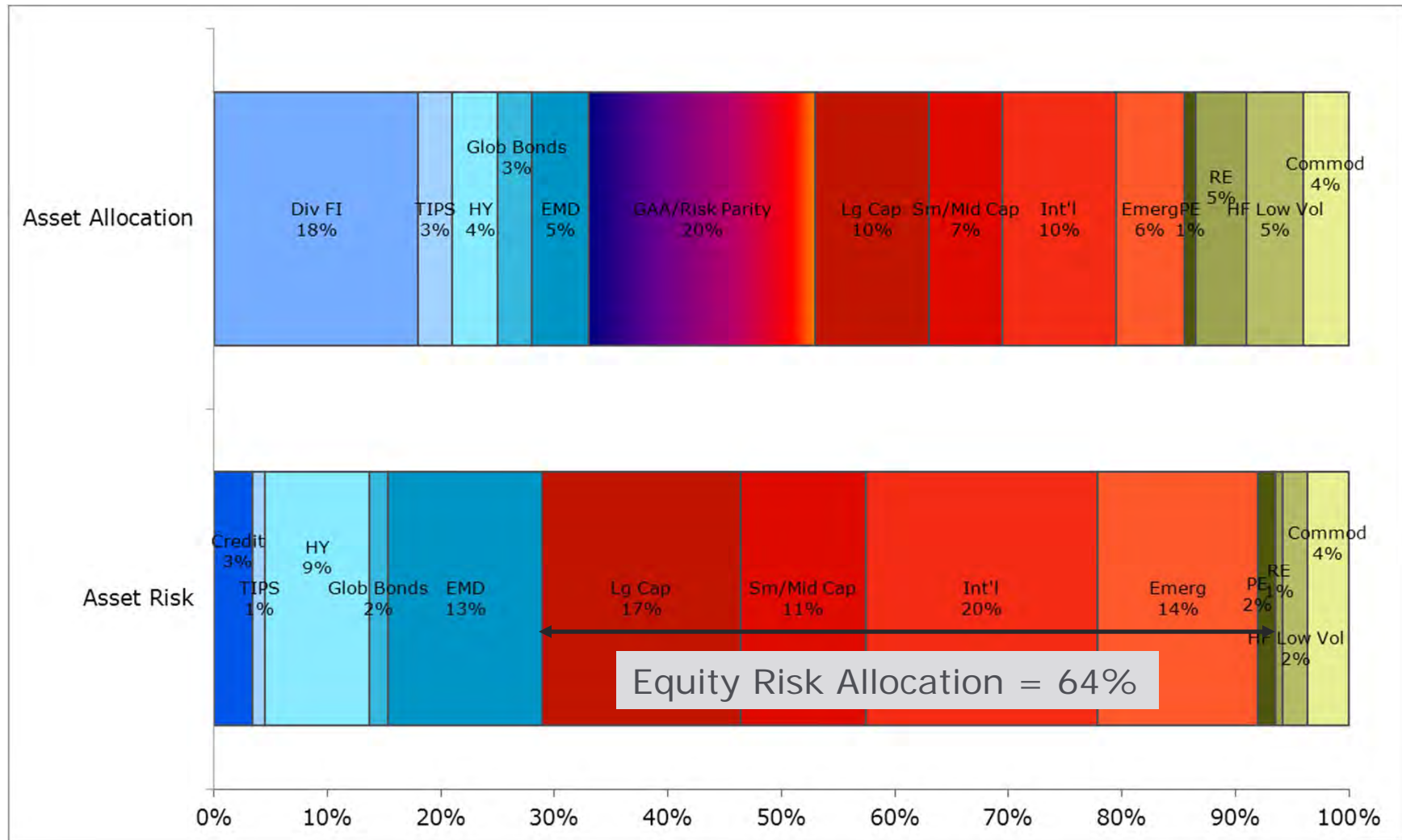


- Large Cap Equity
- Small/Mid Cap Equity
- International Equity
- Emerging Markets Equity
- High Yield
- TIPS
- Diversified Bond
- Emerging Market Debt
- Global Bonds
- Balanced - GAA
- Private Equity
- Hedge Funds
- Real Estate
- Commodities
- Cash

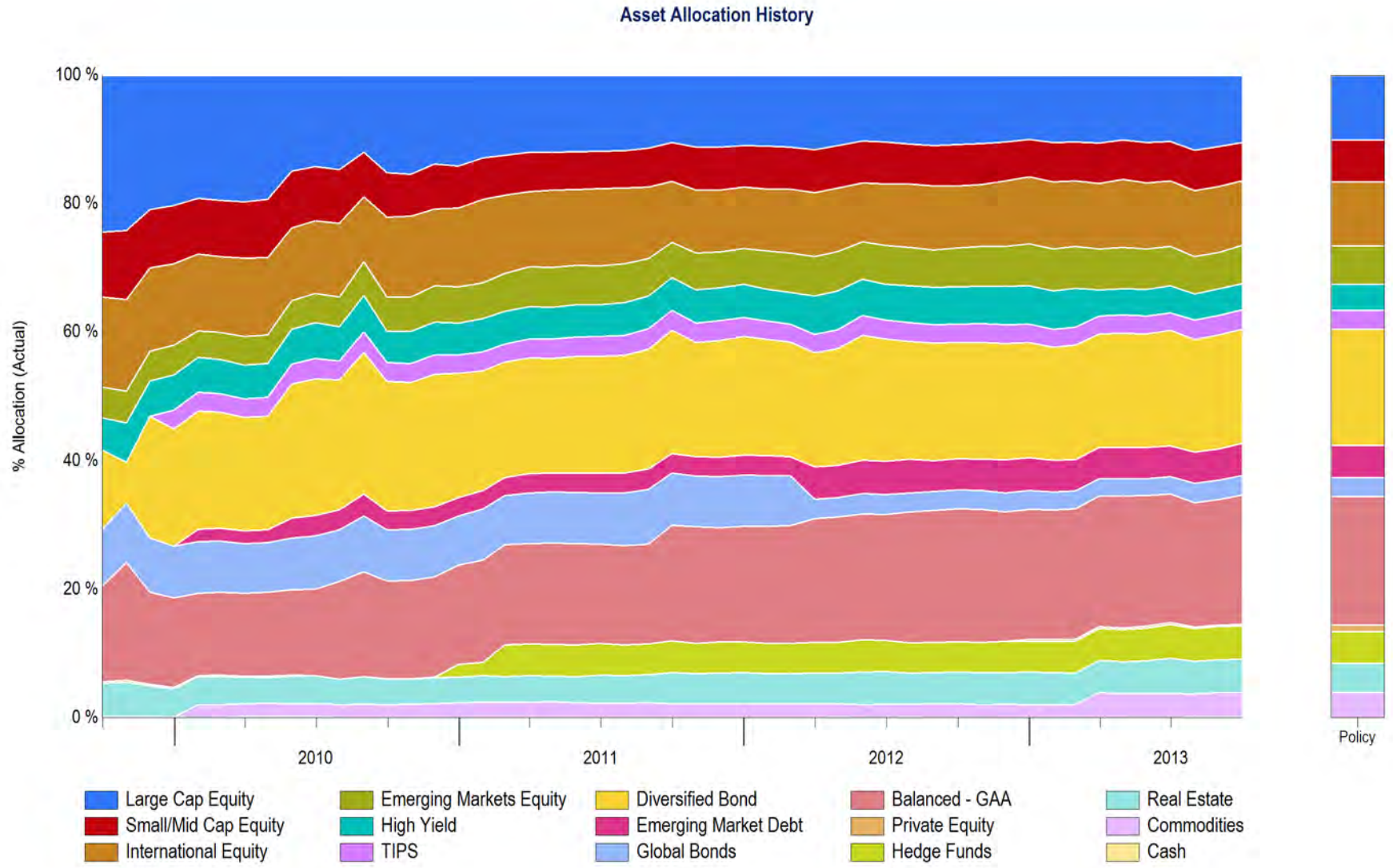
Asset Allocation vs. Target

	Current	Policy	Current	Difference*
Large Cap Equity	\$170,203,038	10.0%	10.4%	0.4%
Small/Mid Cap Equity	\$97,497,387	6.5%	6.0%	-0.5%
International Equity	\$164,476,793	10.0%	10.1%	0.1%
Emerging Markets Equity	\$97,584,453	6.0%	6.0%	0.0%
High Yield	\$66,442,785	4.0%	4.1%	0.1%
TIPS	\$48,731,895	3.0%	3.0%	0.0%
Diversified Bond	\$289,947,522	18.0%	17.8%	-0.2%
Emerging Market Debt	\$81,637,655	5.0%	5.0%	0.0%
Global Bonds	\$48,626,546	3.0%	3.0%	0.0%
Balanced - GAA	\$329,275,886	20.0%	20.2%	0.2%
Private Equity	\$4,382,930	1.0%	0.3%	-0.7%
Hedge Funds	\$83,802,776	5.0%	5.1%	0.1%
Real Estate	\$85,030,235	4.5%	5.2%	0.7%
Commodities	\$62,634,511	4.0%	3.8%	-0.2%
Cash	\$1,321,991	--	0.1%	0.1%
Total	\$1,631,596,405	100.0%	100.0%	

*Difference between Policy and Current Allocation

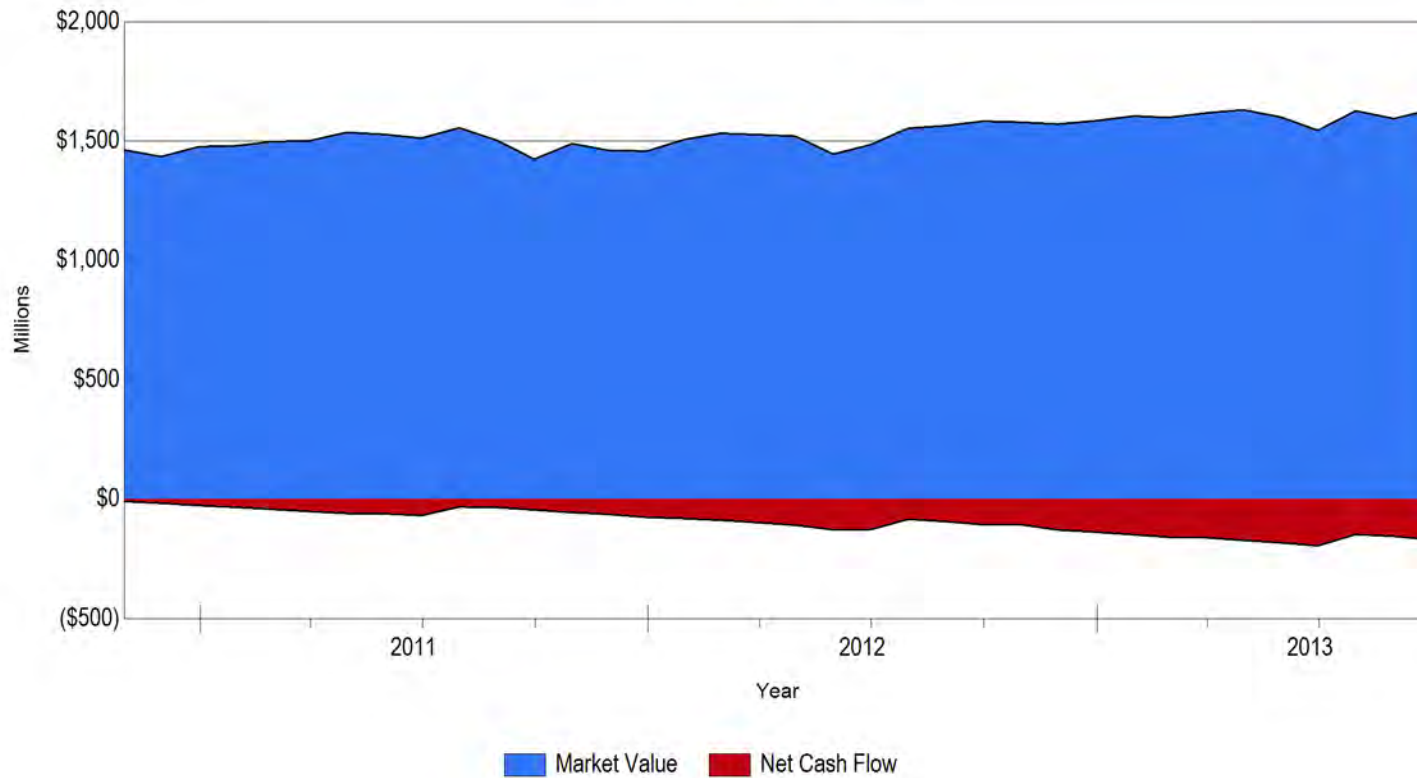


Total Fund Asset Allocation History



Total Fund Asset Growth Summary

3 Years Ending September 30, 2013



	Last Three Months	Year-To-Date	Fiscal Year-To-Date	One Year	Three Years
Beginning Market Value	\$1,544,936,275	\$1,585,232,773	\$1,544,936,275	\$1,583,520,994	\$1,438,175,029
- Withdrawals	-\$45,659,313	-\$146,100,685	-\$45,659,313	-\$187,587,812	-\$1,018,468,131
+ Contributions	\$71,455,125	\$114,559,846	\$71,455,125	\$124,655,292	\$849,550,151
= Net Cash Flow	\$25,795,812	-\$31,540,840	\$25,795,812	-\$62,932,520	-\$169,381,858
+ Net Investment Change	\$60,864,317	\$77,904,471	\$60,864,317	\$111,007,930	\$362,803,234
= Ending Market Value	\$1,631,596,405	\$1,631,596,405	\$1,631,596,405	\$1,631,596,405	\$1,631,596,405

Vermont State Teachers

Total Fund Asset Growth Summary by Manager

	Quarter Ending September 30, 2013					Ending Market Value
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	
Aberdeen	\$95,327,067	\$0	\$0	\$0	\$2,257,386	\$97,584,453
Acadian	\$62,557,655	-\$500,000	\$0	-\$500,000	\$6,335,839	\$68,393,493
Allianz Structured Alpha	\$37,682,453	\$0	\$2,500,000	\$2,500,000	\$288,814	\$40,471,266
AQR Global Risk Premium	\$121,350,379	\$0	\$5,600,000	\$5,600,000	\$2,799,676	\$129,750,055
BlackRock TIPS	\$42,376,815	\$0	\$6,000,000	\$6,000,000	\$355,081	\$48,731,895
Champlain	\$32,947,551	-\$2,500,000	\$0	-\$2,500,000	\$2,826,255	\$33,273,807
GAM	\$16,709,913	\$0	\$0	\$0	\$186,162	\$16,896,075
Grosvenor	\$32,416,659	\$0	\$0	\$0	\$1,154,452	\$33,571,111
Harbourvest Dover VIII Fund	\$1,308,217	-\$49,188	\$218,100	\$168,912	\$0	\$1,477,129
Harbourvest Partners IX Buyout Fund	\$1,661,128	\$0	\$0	\$0	\$0	\$1,661,128
Harbourvest Partners IX Credit Opportunities	\$307,269	\$0	\$0	\$0	\$0	\$307,269
Harbourvest Partners IX Venture Fund	\$937,404	\$0	\$0	\$0	\$0	\$937,404
KDP	\$16,370,361	\$0	\$0	\$0	\$244,500	\$16,614,861
Mellon Global Expanded Alpha	\$32,547,713	\$0	\$0	\$0	\$1,506,113	\$34,053,826
Mondrian	\$62,204,432	-\$2,300,000	\$2,000,000	-\$300,000	\$6,218,650	\$68,123,083
Mondrian GFI	\$42,608,759	-\$1,100,000	\$6,000,000	\$4,900,000	\$1,117,787	\$48,626,546
Morgan Stanley Prime Property	\$36,915,766	-\$124,156	\$0	-\$124,156	\$1,600,359	\$38,391,969
Permal	\$32,626,761	\$0	\$0	\$0	\$708,830	\$33,335,590
PIMCO All Asset	\$91,836,010	-\$209,833	\$3,500,000	\$3,290,167	\$2,895,530	\$98,021,706
PIMCO Core Plus	\$100,410,391	\$0	\$4,000,000	\$4,000,000	\$517,982	\$104,928,372
PIMCO Unconstrained	\$100,940,256	-\$1,300,000	\$4,000,000	\$2,700,000	\$251,047	\$103,891,304
Post Advisory	\$48,596,927	\$0	\$0	\$0	\$1,230,997	\$49,827,924
RREEF America REIT III	\$14,668,570	-\$3,029,174	\$0	-\$3,029,174	\$546,660	\$12,186,056
Schroder	\$57,563,646	\$0	\$3,100,000	\$3,100,000	\$1,970,865	\$62,634,511
SSgA ACWI Ex US	\$33,297,552	-\$8,700,000	\$0	-\$8,700,000	\$3,362,665	\$27,960,217

Vermont State Teachers

Total Fund Asset Growth Summary by Manager

	Quarter Ending September 30, 2013					Ending Market Value
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	
SSgA Russell 2000 Growth	\$23,179,308	-\$3,200,000	\$0	-\$3,200,000	\$2,947,632	\$22,926,940
SSgA S&P 400	\$6,910,477	\$0	\$0	\$0	\$523,925	\$7,434,402
SSgA S&P 500 Cap-Wgt	\$72,591,889	-\$5,200,000	\$5,000,000	-\$200,000	\$4,056,982	\$76,448,871
SSgA S&P 500 Equal-Wgt	\$40,858,408	-\$9,700,000	\$10,000,000	\$300,000	\$3,146,150	\$44,304,558
T. Rowe	\$46,286,880	-\$6,000,000	\$6,000,000	\$0	\$3,162,729	\$49,449,609
Transwestern / Aslan III	\$472,900	\$0	\$0	\$0	\$0	\$472,900
UBS Trumbull	\$33,051,102	-\$90,966	\$90,966	\$0	\$928,208	\$33,979,310
Vermont Cash	\$231,927	-\$155,996	\$1,246,059	\$1,090,064	\$1	\$1,321,991
Wellington	\$30,696,536	-\$1,500,000	\$2,000,000	\$500,000	\$2,665,703	\$33,862,239
Wellington DAS	\$37,875,676	\$0	\$2,500,000	\$2,500,000	\$280,904	\$40,656,580
Wellington OIF	\$63,400,610	\$0	\$0	\$0	\$4,049,689	\$67,450,299
Wellington Opportunistic EMD	\$73,210,909	\$0	\$7,700,000	\$7,700,000	\$726,746	\$81,637,655
Total	\$1,544,936,275	-\$45,659,313	\$71,455,125	\$25,795,812	\$60,864,317	\$1,631,596,405

Vermont State Teachers

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	2013 Q3 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
Teachers Composite	1,631,596,405	100.0	100.0	3.8	89	4.9	98	7.1	96	8.2	83	7.8	58
<i>Policy Index</i>				4.2	75	5.8	92	7.7	93	7.3	97	6.3	94
<i>Allocation Index</i>				4.2	76	5.8	92	7.8	92	7.3	97	6.7	89
<i>IFx Public DB Gross Median</i>				4.7		10.1		12.0		9.5		8.0	
Large Cap Comp	170,203,038	10.4	10.0	5.8	59	21.2	49	21.9	44	16.8	39	12.1	22
<i>S&P 500</i>				5.2	70	19.8	68	19.3	69	16.3	48	10.0	60
<i>eA US Large Cap Equity Gross Median</i>				6.3		21.0		21.4		16.2		10.5	
T. Rowe	49,449,609	3.0	3.0	5.9	56	20.6	56	20.4	60	16.8	40	10.7	45
SSgA S&P 500 Cap-Wgt	76,448,871	4.7	4.0	5.2	70	19.8	68	19.4	69	16.3	48	--	--
<i>S&P 500</i>				5.2	70	19.8	68	19.3	69	16.3	48	10.0	60
SSgA S&P 500 Equal-Wgt	44,304,558	2.7	3.0	6.7	43	23.8	21	27.5	11	17.6	25	13.9	7
<i>S&P 500 Equal Weighted</i>				6.7	42	23.9	19	27.4	11	17.7	23	13.8	8
Small/Mid Cap Comp	97,497,387	6.0	6.5	9.4	59	26.9	49	29.5	61	19.3	46	13.2	60
<i>Russell 2000</i>				10.2	47	27.7	42	30.1	56	18.3	59	11.2	85
<i>eA US Small-Mid Cap Equity Gross Median</i>				9.9		26.7		30.5		19.0		13.7	
SSgA S&P 400	7,434,402	0.5	0.5	7.6	74	23.4	62	27.9	50	--	--	--	--
<i>S&P 400 MidCap</i>				7.5	74	23.2	64	27.7	52	17.5	52	13.1	59
<i>eA US Mid Cap Equity Gross Median</i>				8.6		24.8		27.8		17.5		13.4	
Champlain	33,273,807	2.0	2.0	8.6	50	27.0	29	28.6	38	18.7	34	--	--
<i>Russell 2500</i>				9.1	45	25.9	39	29.8	30	18.4	36	12.7	64
<i>eA US Mid Cap Equity Gross Median</i>				8.6		24.8		27.8		17.5		13.4	
Wellington	33,862,239	2.1	2.0	8.2	64	23.8	72	28.8	68	19.6	37	13.8	37
<i>Russell 2000 Value</i>				7.6	80	23.1	77	27.0	81	16.6	75	9.1	96
<i>eA US Small Cap Value Equity Gross Median</i>				8.7		26.3		31.0		18.7		12.9	
SSgA Russell 2000 Growth	22,926,940	1.4	2.0	12.7	57	32.5	61	33.0	59	19.9	72	13.2	74
<i>Russell 2000 Growth</i>				12.8	57	32.5	61	33.1	59	20.0	72	13.2	74
<i>eA US Small Cap Growth Equity Gross Median</i>				13.2		34.0		34.0		21.5		14.7	

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

Vermont State Teachers

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	2013 Q3 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
Int'l Equity Comp	164,476,793	10.1	10.0	10.0	75	15.5	64	20.9	75	8.4	78	6.1	86
MSCI EAFE				11.6	39	16.1	58	23.8	55	8.5	78	6.4	82
eA All EAFE Equity Gross Median				11.1		16.5		24.1		10.2		8.2	
Acadian	68,393,493	4.2	4.0	10.1	72	17.2	43	23.3	58	9.1	70	6.0	87
Mondrian	68,123,083	4.2	4.0	9.7	81	16.5	51	20.6	76	8.6	76	6.2	84
MSCI EAFE				11.6	39	16.1	58	23.8	55	8.5	78	6.4	82
SSgA ACWI Ex US	27,960,217	1.7	2.0	10.2	46	10.3	74	16.8	77	6.2	89	--	--
MSCI ACWI ex USA				10.1	49	10.0	75	16.5	82	5.9	92	6.3	84
eA ACWI ex-US All Cap Equity Gross Median				10.0		12.1		19.4		9.2		8.6	
Emerging Market Comp	97,584,453	6.0	6.0	2.4	85	-5.4	85	0.9	79	--	--	--	--
Aberdeen	97,584,453	6.0	6.0	2.4	85	-5.4	85	0.9	79	4.2	13	13.8	8
MSCI Emerging Markets				5.8	48	-4.4	73	1.0	78	-0.3	69	7.2	70
eA Emg Mkts Equity Gross Median				5.7		-2.2		4.0		1.2		8.7	
Diversified Fixed	289,947,522	17.8	18.0	0.5	72	-1.7	73	-1.0	69	4.2	39	7.8	32
Barclays Aggregate				0.6	64	-1.9	78	-1.7	82	2.9	68	5.4	66
eA All US Fixed Inc Gross Median				0.7		-0.8		-0.3		3.6		6.2	
Allianz Structured Alpha	40,471,266	2.5	2.0	0.8	31	-1.5	41	-1.1	50	5.8	1	8.6	5
Citigroup 10 Year Treasury				-0.7	98	-5.5	99	-5.7	99	2.9	83	5.2	94
PIMCO Core Plus	104,928,372	6.4	6.5	0.5	73	-1.9	74	-1.4	65	3.7	43	--	--
Barclays Aggregate				0.6	65	-1.9	74	-1.7	80	2.9	83	5.4	90
PIMCO Unconstrained	103,891,304	6.4	6.5	0.2	93	-1.1	25	-0.5	24	--	--	--	--
25% HY, 25% EMD, 50% BC Agg				1.1	3	-1.9	75	-0.2	17	5.1	3	8.7	5
3-Month Libor Total Return USD				0.1	95	0.2	4	0.3	9	0.4	99	0.6	99
Wellington DAS	40,656,580	2.5	3.0	0.7	34	-3.1	97	-1.1	47	7.5	1	8.6	5
Wellington Custom Benchmark				-2.1	99	-9.1	99	-9.7	99	5.3	2	6.9	34
High Yield Comp	66,442,785	4.1	4.0	2.4	41	4.6	35	7.8	38	9.4	48	11.4	76
Barclays High Yield				2.3	54	3.7	61	7.1	53	9.2	57	13.5	19
eA US High Yield Fixed Inc Gross Median				2.3		4.1		7.3		9.3		12.3	
Post Advisory	49,827,924	3.1	3.0	2.7	17	5.2	23	8.5	27	9.8	36	11.7	69
KDP	16,614,861	1.0	1.0	1.5	96	2.1	95	4.7	93	7.8	92	--	--
Barclays High Yield				2.3	54	3.7	61	7.1	53	9.2	57	13.5	19
BofA Merrill Lynch US High Yield BB-B Rated				2.1	66	2.9	80	6.1	76	8.4	80	11.9	64

Wellington DAS Custom Benchmark tracked the BC Agg from 5/2002 through 2/2011, and the CG US Treasury STRIPS from 7/11 through present. The benchmark change coincided with the switch in collateral position.

Vermont State Teachers

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	2013 Q3 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
Global Fixed Income Comp	48,626,546	3.0	3.0	2.3	48	-5.4	96	-8.1	99	1.4	93	6.4	56
<i>Citi WGBI</i>				2.9	29	-2.9	76	-4.6	90	1.0	94	4.3	94
<i>eA All Global Fixed Inc Gross Median</i>				2.2		-1.0		0.6		4.0		6.7	
Mondrian GFI	48,626,546	3.0	3.0	2.3	48	-5.4	96	-8.1	99	0.4	99	5.1	83
<i>Citi WGBI</i>				2.9	29	-2.9	76	-4.6	90	1.0	94	4.3	94
Emerging Market Debt	81,637,655	5.0	5.0										
Wellington Opportunistic EMD	81,637,655	5.0	5.0	0.9	33	-5.9	38	-2.5	43	6.3	21	--	--
<i>JP Morgan EMBI Global TR</i>				0.9	35	-7.4	71	-4.3	81	5.3	47	9.9	58
<i>eA All Emg Mkts Fixed Inc Gross Median</i>				0.6		-6.6		-3.0		5.1		10.3	
TIPS	48,731,895	3.0	3.0										
BlackRock TIPS	48,731,895	3.0	3.0	0.7	--	-6.8	--	-6.1	--	4.0	--	--	--
<i>Barclays US TIPS</i>				0.7	--	-6.7	--	-6.1	--	4.0	--	5.3	--
Total Real Estate	85,030,235	5.2	4.5	3.7	--	11.4	--	14.0	--	--	--	--	--
Morgan Stanley Prime Property	38,391,969	2.4	2.0	4.3	--	13.4	--	16.6	--	16.0	--	1.3	--
UBS Trumbull	33,979,310	2.1	2.0	2.8	--	8.0	--	10.1	--	11.7	--	2.2	--
RREEF America REIT III	12,186,056	0.7	0.5	4.7	--	13.4	--	15.7	--	29.7	--	-9.9	--
Transwestern / Aslan III	472,900	0.0	0.0	0.0	--	43.6	--	61.9	--	5.6	--	-38.2	--
<i>NCREIF Property Index</i>				2.6	--	8.2	--	11.0	--	12.7	--	3.4	--
<i>NCREIF ODCE</i>				3.6	--	10.4	--	13.0	--	14.3	--	0.7	--
Hedge Fund Comp	83,802,776	5.1	5.0	2.5	32	9.3	25	12.2	20	--	--	--	--
<i>eA HFN FOF - Multi-Strategy Net Median</i>				2.0		6.9		8.8		4.7		4.6	
Grosvenor	33,571,111	2.1	2.0	3.6	16	10.6	14	13.4	14	--	--	--	--
GAM	16,896,075	1.0	1.0	1.1	72	9.2	26	11.7	26	--	--	--	--
Permal	33,335,590	2.0	2.0	2.2	45	8.2	35	11.3	29	--	--	--	--
<i>HFRI Fund of Funds Composite Index</i>				1.6	59	5.1	72	6.4	73	2.5	78	1.9	79

Wellington Opportunistic EMD was transitioned from Wellington EMD on October 3, 2011. Past performance has been linked to the current account.

Transwestern is as of June 30th

Vermont State Teachers

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	2013 Q3 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
GAA Comp	329,275,886	20.2	20.0	3.6	58	0.4	62	2.7	58	6.7	43	9.6	8
<i>eA Global TAA Gross Median</i>				3.9		2.4		3.7		5.6		7.9	
Mellon Global Expanded Alpha	34,053,826	2.1	2.5	4.6	41	7.4	28	8.0	35	8.5	26	9.1	38
<i>Mellon CF GEA Index</i>				6.8	5	4.7	40	7.4	36	4.9	54	5.9	72
AQR Global Risk Premium	129,750,055	8.0	8.0	2.3	76	-3.7	85	-2.0	84	7.3	37	--	--
<i>60% MSCI World / 40% CITI WGBI</i>				6.1	13	9.1	16	10.1	24	8.0	33	7.2	59
PIMCO All Asset	98,021,706	6.0	5.0	3.2	65	0.1	65	3.2	53	6.9	39	9.5	10
<i>PIMCO All Asset Index</i>				1.3	87	-0.8	69	0.0	68	5.1	53	6.9	60
<i>CPI + 5%</i>				1.7	86	5.0	40	6.2	40	7.4	36	6.4	66
Wellington OIF	67,450,299	4.1	4.5	6.4	11	5.8	37	8.7	30	4.2	64	8.1	47
<i>65% MSCI ACWI (Net) / 35% BC Agg</i>				5.3	25	8.5	20	10.6	18	7.9	35	7.4	58
Commodities	62,634,511	3.8	4.0										
Schroder	62,634,511	3.8	4.0	3.4	--	-6.8	--	-12.3	--	0.3	--	--	--
<i>Dow Jones-UBS Commodity Index TR</i>				2.1	--	-8.6	--	-14.3	--	-3.2	--	-5.3	--
<i>eA Commodities Gross Median</i>				--		--		--		--		--	
Cash	1,321,991	0.1	0.0										
Vermont Cash	1,321,991	0.1	0.0	0.0	--	0.0	--	0.0	--	0.1	--	0.3	--
<i>91 Day T-Bills</i>				0.0	--	0.0	--	0.1	--	0.1	--	0.1	--
Private Equity	4,382,930	0.3	1.0										
Harbourvest Partners IX Credit Opportunities	307,269	0.0											
Harbourvest Partners IX Venture Fund	937,404	0.1											
Harbourvest Partners IX Buyout Fund	1,661,128	0.1											
Harbourvest Dover VIII Fund	1,477,129	0.1											
<i>Cambridge Private Equity Index</i>													

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

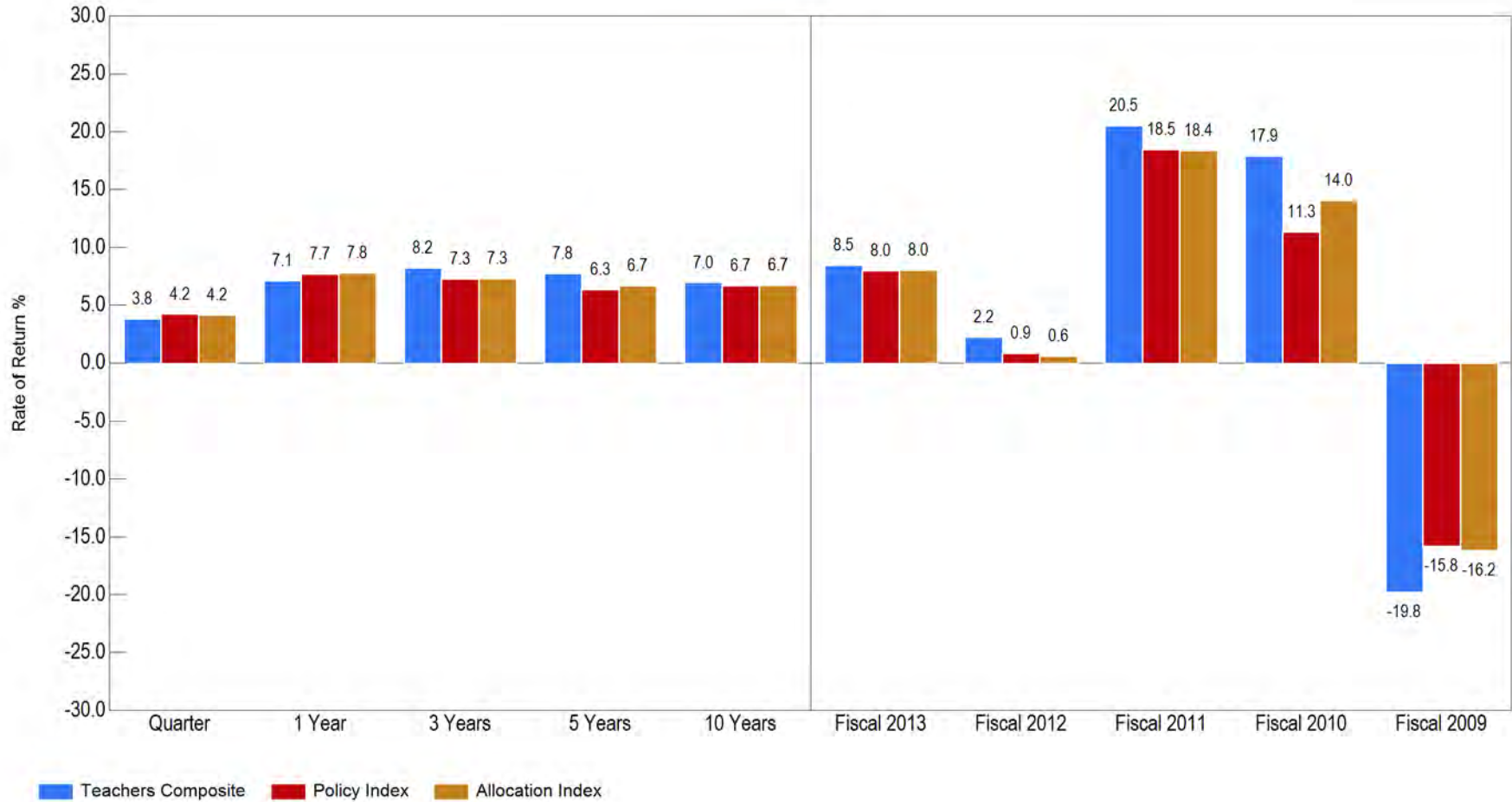
PIMCO All Asset Index: 40% BC Agg/ 30% TIPS/ 10% S&P500/ 10% BC HY/ 10% JPM EMBI+

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

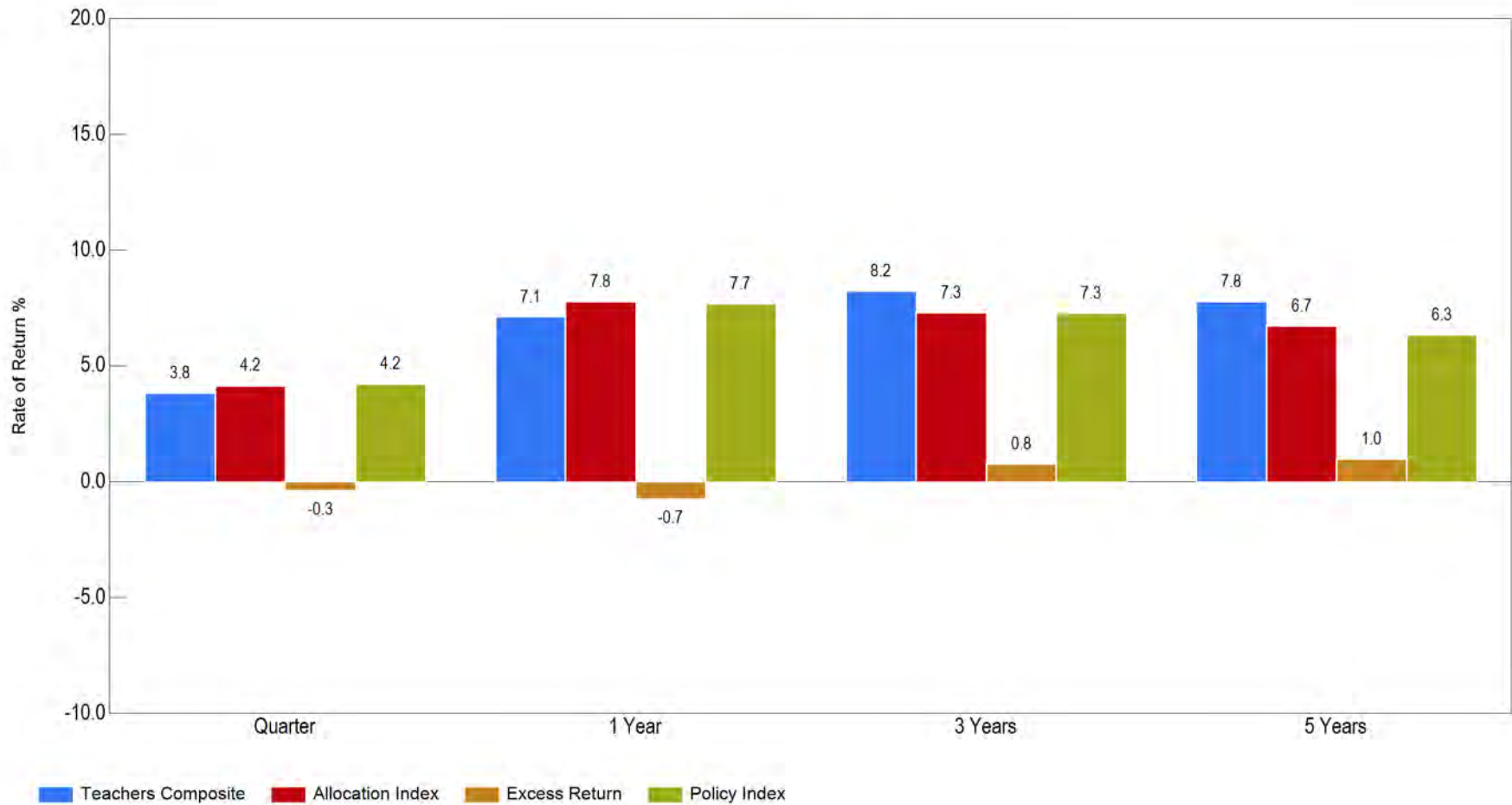
Harbourvest is as of June 30th, and has been cash adjust for capital call and disbursements

Vermont State Teachers
Teachers Composite

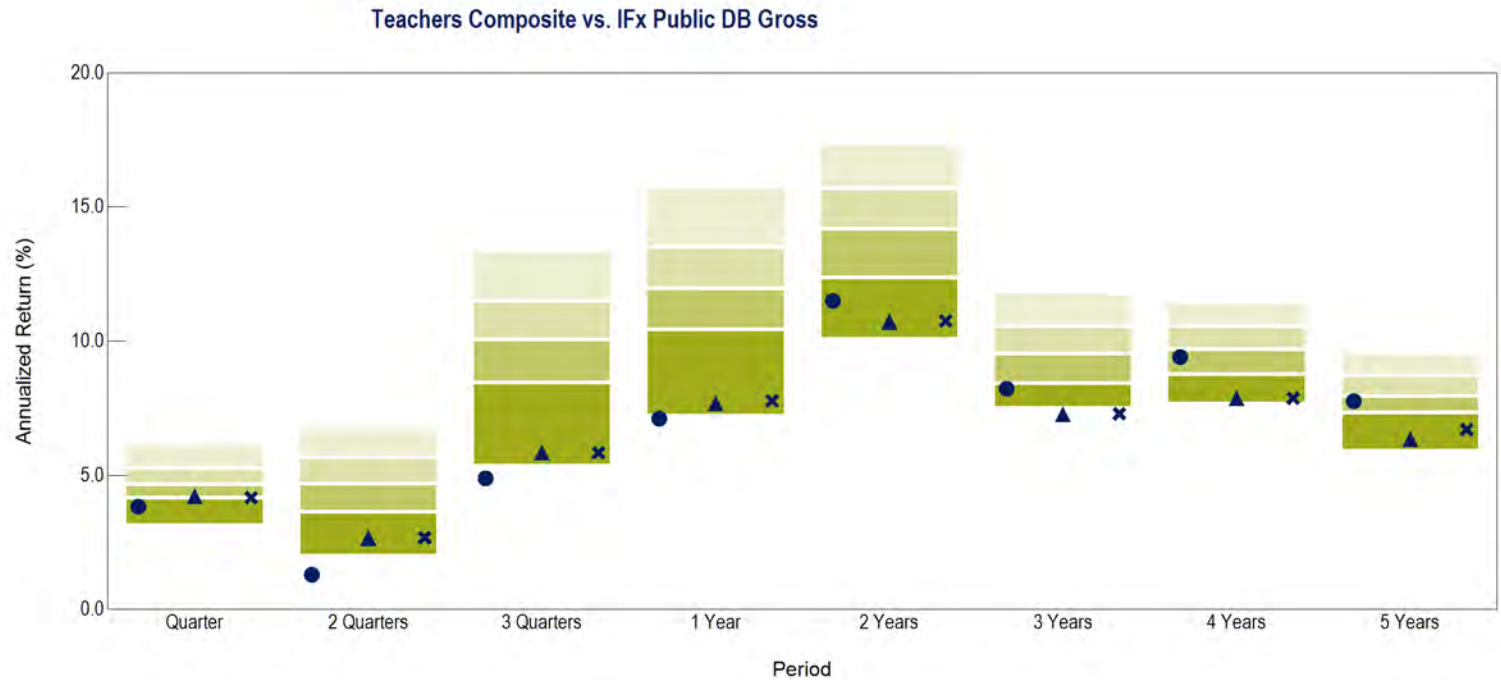
Return Summary Gross



Return Summary Gross

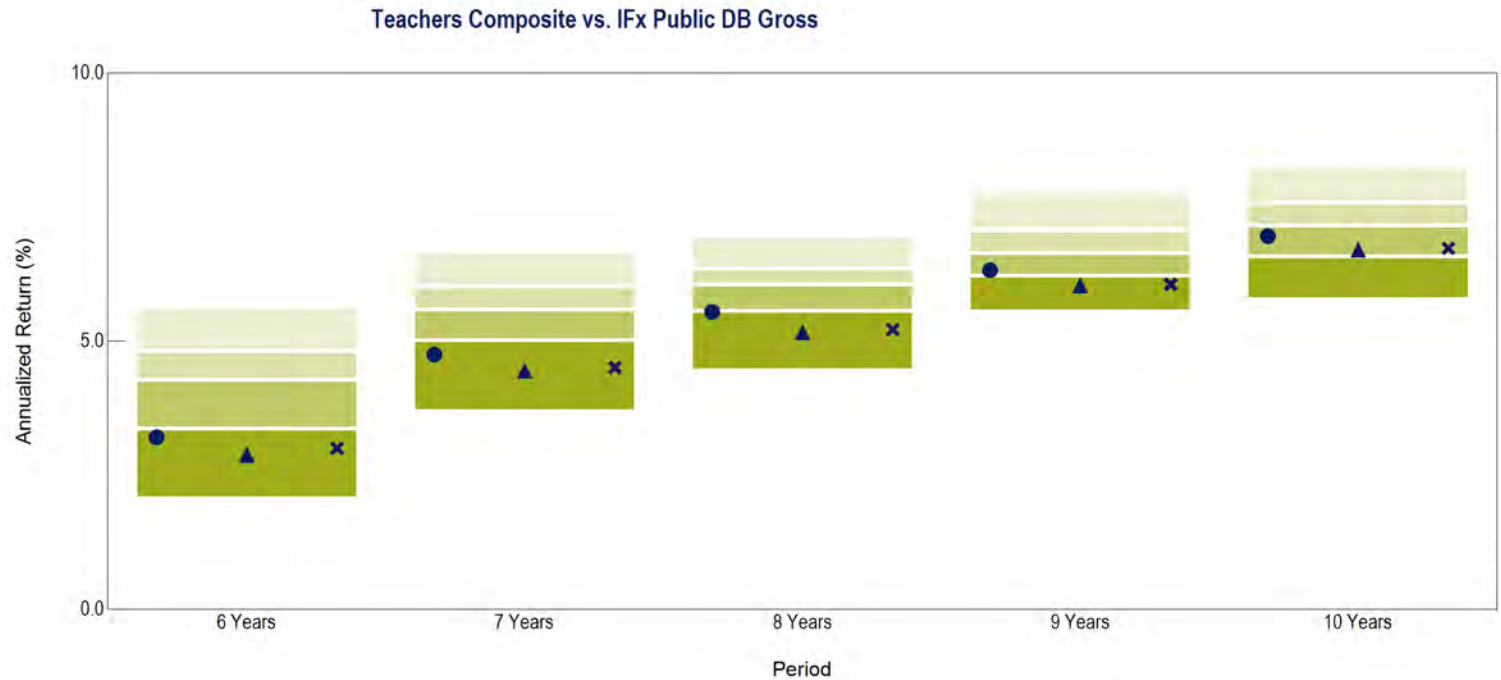


Total Fund Return Summary vs. Peer Universe



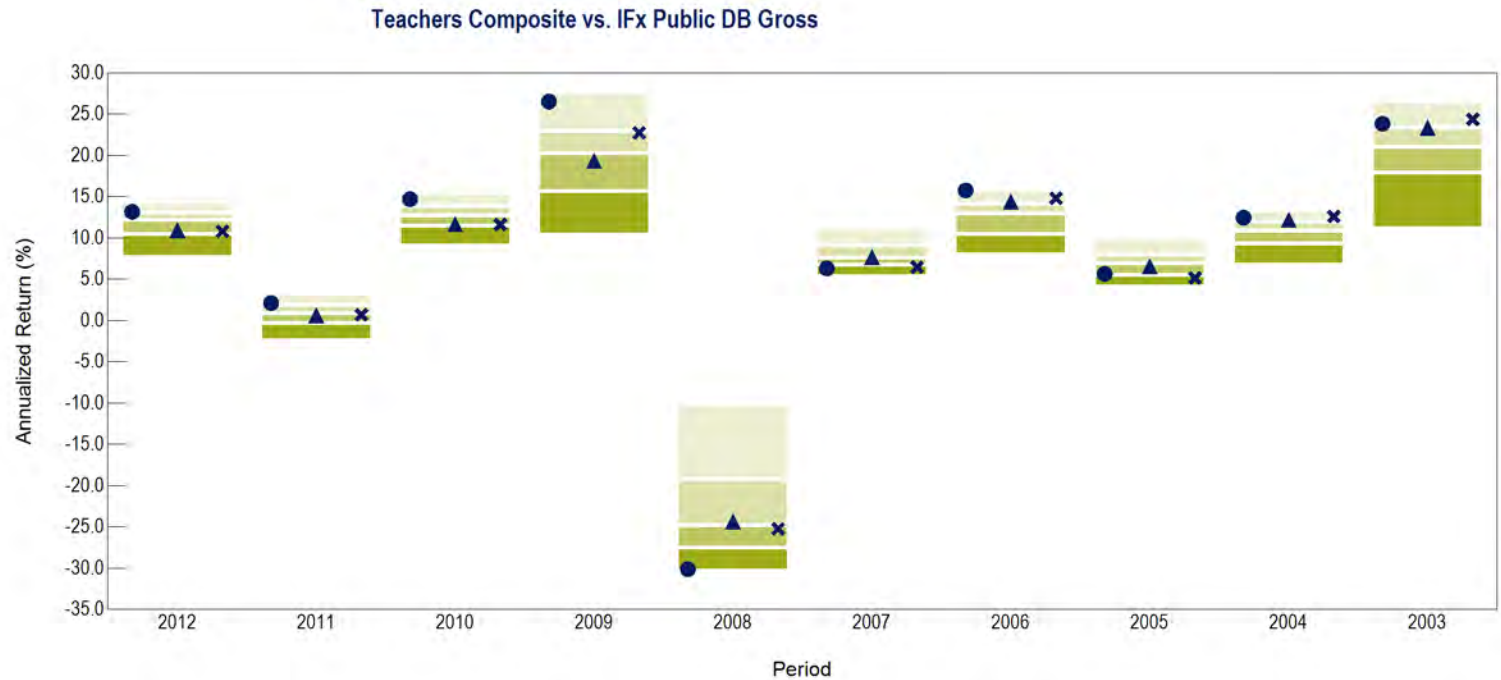
	Return (Rank)							
	Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	4 Years	5 Years
5th Percentile	6.2	6.8	13.4	15.8	17.4	11.8	11.5	9.6
25th Percentile	5.3	5.7	11.5	13.5	15.7	10.6	10.6	8.7
Median	4.7	4.7	10.1	12.0	14.2	9.5	9.7	8.0
75th Percentile	4.2	3.6	8.5	10.4	12.4	8.4	8.8	7.4
95th Percentile	3.1	2.0	5.4	7.2	10.1	7.5	7.7	5.9
# of Portfolios	215	214	214	211	201	182	174	171
● Teachers Composite	3.8 (89)	1.3 (99)	4.9 (98)	7.1 (96)	11.5 (90)	8.2 (83)	9.4 (59)	7.8 (58)
▲ Policy Index	4.2 (75)	2.7 (89)	5.8 (92)	7.7 (93)	10.7 (93)	7.3 (97)	7.9 (93)	6.3 (94)
× Allocation Index	4.2 (76)	2.7 (89)	5.8 (92)	7.8 (92)	10.8 (93)	7.3 (97)	7.9 (93)	6.7 (89)

Total Fund Return Summary vs. Peer Universe



	Return (Rank)									
5th Percentile	5.6		6.7		7.0		7.8		8.2	
25th Percentile	4.8		6.0		6.4		7.1		7.6	
Median	4.3		5.6		6.1		6.6		7.2	
75th Percentile	3.4		5.0		5.6		6.2		6.6	
95th Percentile	2.1		3.7		4.5		5.6		5.8	
# of Portfolios	165		162		152		143		136	
● Teachers Composite	3.2	(83)	4.7	(86)	5.5	(78)	6.3	(70)	7.0	(61)
▲ Policy Index	2.9	(88)	4.4	(91)	5.2	(88)	6.0	(83)	6.7	(72)
× Allocation Index	3.0	(87)	4.5	(90)	5.2	(88)	6.1	(83)	6.7	(71)

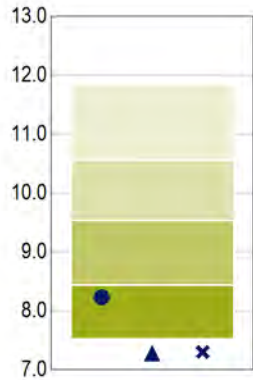
Total Fund Return Summary vs. Peer Universe



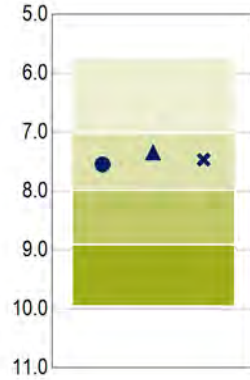
	Return (Rank)																			
5th Percentile	14.3	3.4	15.5	27.6	-10.2	11.1	15.8	9.9	13.2	26.5										
25th Percentile	13.1	1.9	13.9	23.0	-19.2	9.1	14.2	8.1	12.0	23.4										
Median	12.2	0.9	12.8	20.3	-24.7	7.7	13.0	6.9	10.9	21.0										
75th Percentile	10.5	-0.3	11.5	15.7	-27.4	6.8	10.5	5.5	9.4	17.9										
95th Percentile	7.7	-2.4	9.2	10.4	-30.2	5.4	8.0	4.2	6.8	11.2										
# of Portfolios	192	162	154	152	149	146	136	131	125	119										
● Teachers Composite	13.2	(24)	2.1	(20)	14.7	(13)	26.5	(8)	-30.1	(94)	6.3	(83)	15.7	(6)	5.6	(73)	12.4	(14)	23.8	(21)
▲ Policy Index	10.9	(71)	0.6	(62)	11.7	(72)	19.3	(55)	-24.3	(49)	7.6	(52)	14.4	(20)	6.6	(57)	12.2	(21)	23.3	(28)
× Allocation Index	10.8	(72)	0.7	(62)	11.6	(74)	22.7	(26)	-25.2	(57)	6.5	(80)	14.8	(17)	5.1	(81)	12.6	(11)	24.4	(18)

Teachers Composite vs. IFx Public DB Gross
3 Years

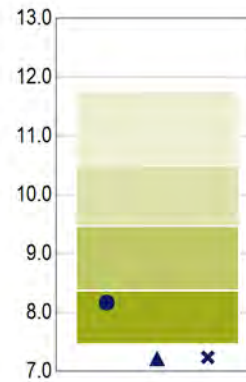
Anlzd Return



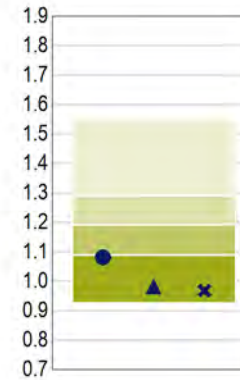
Anlzd Standard Deviation



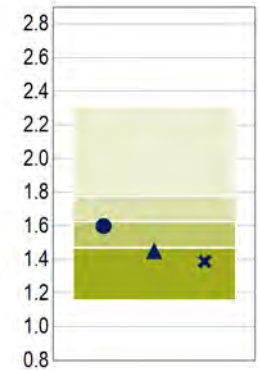
Ann Excess RF Return



Sharpe Ratio



Sortino Ratio RF



● Teachers Composite	
Value	8.22
%tile	83
▲ Policy Index	
Value	7.27
%tile	97
× Allocation Index	
Value	7.29
%tile	97
Universe	
5th %tile	11.84
25th %tile	10.57
Median	9.54
75th %tile	8.44
95th %tile	7.53

● Teachers Composite	
Value	7.55
%tile	38
▲ Policy Index	
Value	7.35
%tile	33
× Allocation Index	
Value	7.47
%tile	36
Universe	
5th %tile	5.74
25th %tile	7.02
Median	7.98
75th %tile	8.90
95th %tile	9.95

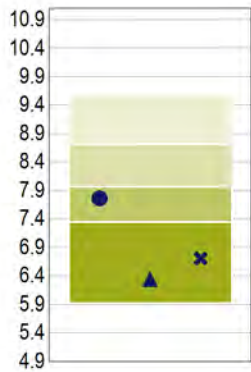
● Teachers Composite	
Value	8.16
%tile	83
▲ Policy Index	
Value	7.21
%tile	97
× Allocation Index	
Value	7.23
%tile	97
Universe	
5th %tile	11.77
25th %tile	10.50
Median	9.48
75th %tile	8.38
95th %tile	7.46

● Teachers Composite	
Value	1.08
%tile	79
▲ Policy Index	
Value	0.98
%tile	91
× Allocation Index	
Value	0.97
%tile	92
Universe	
5th %tile	1.55
25th %tile	1.29
Median	1.19
75th %tile	1.09
95th %tile	0.93

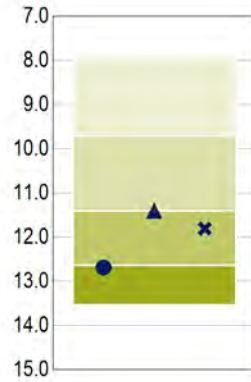
● Teachers Composite	
Value	1.60
%tile	56
▲ Policy Index	
Value	1.45
%tile	76
× Allocation Index	
Value	1.39
%tile	83
Universe	
5th %tile	2.31
25th %tile	1.78
Median	1.63
75th %tile	1.47
95th %tile	1.16

Teachers Composite vs. IFx Public DB Gross
5 Years

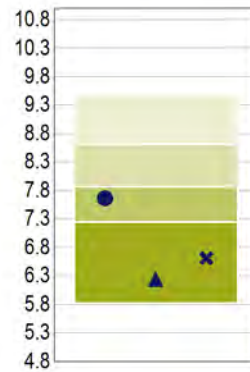
Anlzd Return



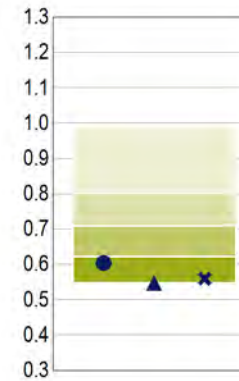
Anlzd Standard Deviation



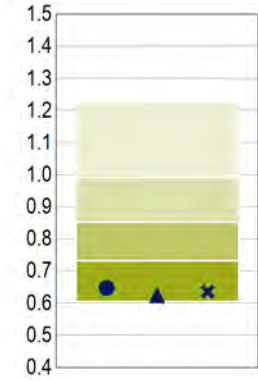
Ann Excess RF Return



Sharpe Ratio



Sortino Ratio RF



● Teachers Composite	
Value	7.76
%tile	58
▲ Policy Index	
Value	6.34
%tile	94
× Allocation Index	
Value	6.71
%tile	89
Universe	
5th %tile	9.58
25th %tile	8.73
Median	7.98
75th %tile	7.35
95th %tile	5.93

● Teachers Composite	
Value	12.70
%tile	79
▲ Policy Index	
Value	11.41
%tile	51
× Allocation Index	
Value	11.82
%tile	56
Universe	
5th %tile	7.93
25th %tile	9.70
Median	11.40
75th %tile	12.63
95th %tile	13.52

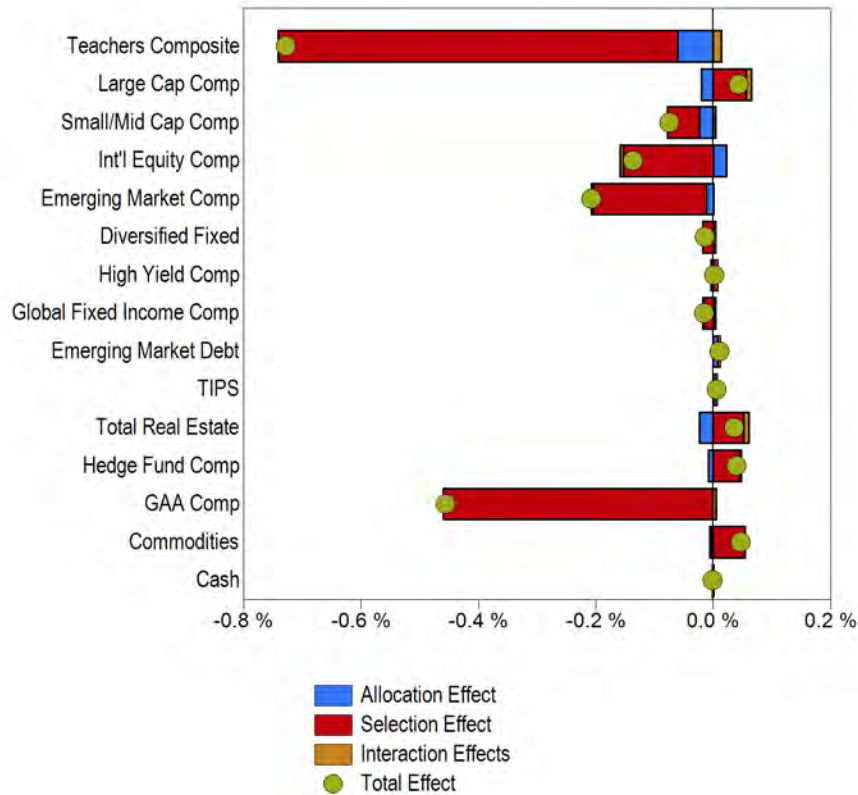
● Teachers Composite	
Value	7.66
%tile	58
▲ Policy Index	
Value	6.24
%tile	94
× Allocation Index	
Value	6.61
%tile	89
Universe	
5th %tile	9.48
25th %tile	8.63
Median	7.88
75th %tile	7.26
95th %tile	5.83

● Teachers Composite	
Value	0.60
%tile	83
▲ Policy Index	
Value	0.55
%tile	96
× Allocation Index	
Value	0.56
%tile	95
Universe	
5th %tile	0.99
25th %tile	0.80
Median	0.71
75th %tile	0.62
95th %tile	0.55

● Teachers Composite	
Value	0.65
%tile	92
▲ Policy Index	
Value	0.63
%tile	94
× Allocation Index	
Value	0.64
%tile	94
Universe	
5th %tile	1.23
25th %tile	0.99
Median	0.85
75th %tile	0.73
95th %tile	0.61

Total Fund Attribution Analysis

**Attribution Effects Relative to Policy Index
3 Months Ending September 30, 2013**



**Attribution Summary
3 Months Ending September 30, 2013**

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Large Cap Comp	5.8%	5.2%	0.6%	0.1%	0.0%	0.0%	0.0%
Small/Mid Cap Comp	9.4%	10.2%	-0.8%	-0.1%	0.0%	0.0%	-0.1%
Int'l Equity Comp	10.0%	11.6%	-1.6%	-0.2%	0.0%	0.0%	-0.1%
Emerging Market Comp	2.4%	5.8%	-3.4%	-0.2%	0.0%	0.0%	-0.2%
Diversified Fixed	0.5%	0.6%	-0.1%	0.0%	0.0%	0.0%	0.0%
High Yield Comp	2.4%	2.3%	0.1%	0.0%	0.0%	0.0%	0.0%
Global Fixed Income Comp	2.3%	2.9%	-0.6%	0.0%	0.0%	0.0%	0.0%
Emerging Market Debt	0.9%	0.9%	0.1%	0.0%	0.0%	0.0%	0.0%
TIPS	0.7%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Real Estate	3.7%	2.6%	1.1%	0.1%	0.0%	0.0%	0.0%
Hedge Fund Comp	2.5%	1.6%	0.9%	0.0%	0.0%	0.0%	0.0%
GAA Comp	3.6%	5.9%	-2.3%	-0.5%	0.0%	0.0%	-0.5%
Commodities	3.4%	2.1%	1.3%	0.1%	0.0%	0.0%	0.0%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	3.8%	4.5%	-0.7%	-0.7%	-0.1%	0.0%	-0.7%

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.

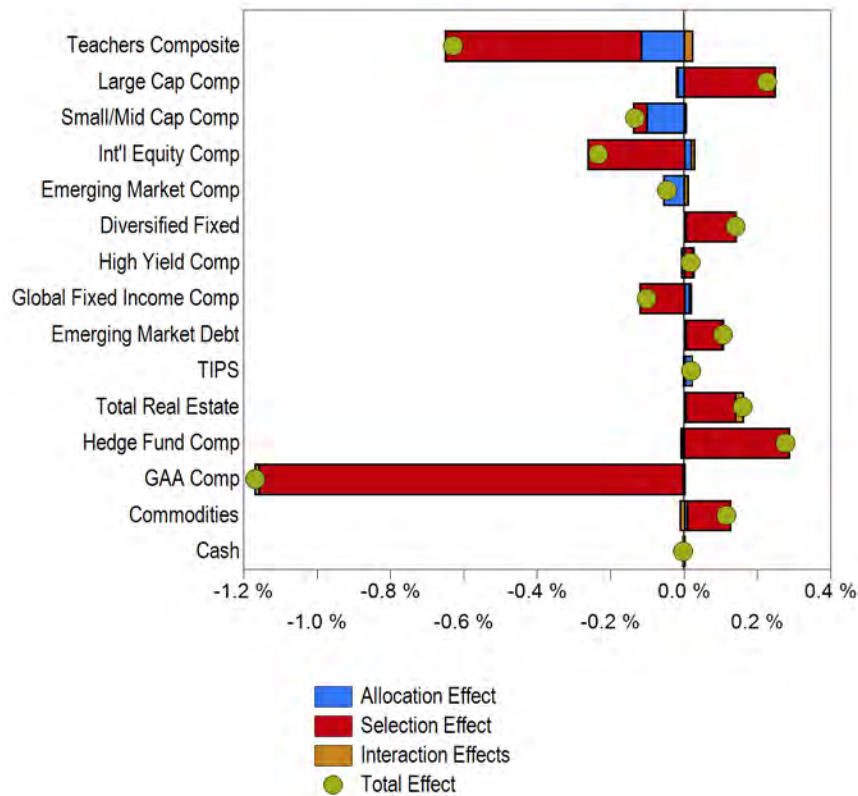
The target return shown for each composite is a custom index, based on aggregated policy indices. This policyindex asset weights the underlying policy indices of each option in the plan and the respective benchmark.

The allocation, selection, and interaction effects are calculated using the custom index described above alongwith 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 September 30, 2013**



**Attribution Summary
1 Year Ending September 30, 2013**

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Large Cap Comp	21.9%	19.3%	2.6%	0.2%	0.0%	0.0%	0.2%
Small/Mid Cap Comp	29.5%	30.1%	-0.6%	0.0%	-0.1%	0.0%	-0.1%
Int'l Equity Comp	20.9%	23.8%	-2.9%	-0.3%	0.0%	0.0%	-0.2%
Emerging Market Comp	0.9%	1.0%	-0.1%	0.0%	-0.1%	0.0%	0.0%
Diversified Fixed	-1.0%	-1.7%	0.7%	0.1%	0.0%	0.0%	0.1%
High Yield Comp	7.8%	7.1%	0.7%	0.0%	0.0%	0.0%	0.0%
Global Fixed Income Comp	-8.1%	-4.6%	-3.5%	-0.1%	0.0%	0.0%	-0.1%
Emerging Market Debt	-2.5%	-4.3%	1.8%	0.1%	0.0%	0.0%	0.1%
TIPS	-6.1%	-6.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Real Estate	14.0%	11.0%	3.0%	0.1%	0.0%	0.0%	0.2%
Hedge Fund Comp	12.2%	6.4%	5.8%	0.3%	0.0%	0.0%	0.3%
GAA Comp	2.7%	8.4%	-5.7%	-1.2%	0.0%	0.0%	-1.2%
Commodities	-12.2%	-14.3%	2.1%	0.1%	0.0%	0.0%	0.1%
Cash	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	7.0%	7.6%	-0.6%	-0.5%	-0.1%	0.0%	-0.6%

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

The target return shown for each composite is a custom index, based on aggregated policy indices. This policyindex 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 alongwith the policy or target weight of each composite.

May not add up due to rounding.

Vermont State Teachers

Total Fund Risk Statistics

3 Years Ending September 30, 2013

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank	Tracking Error	Rank
Teachers Composite	100.00%	8.22%	83	7.55%	38	0.79%	22	1.08	79	1.60	56	0.81%	11
Policy Index	--	7.27%	97	7.35%	33	0.00%	52	0.98	91	1.45	76	0.00%	1
Large Cap Comp	10.43%	16.79%	39	13.20%	50	-0.48%	48	1.27	44	1.88	41	1.14%	1
S&P 500	--	16.27%	48	12.41%	30	0.00%	42	1.31	36	2.01	31	0.00%	1
Small/Mid Cap Comp	5.98%	19.29%	46	15.69%	35	2.66%	44	1.23	41	1.77	33	2.36%	1
Russell 2000	--	18.29%	59	17.14%	70	0.00%	72	1.06	68	1.56	55	0.00%	1
Int'l Equity Comp	10.08%	8.41%	78	15.99%	22	0.63%	72	0.52	71	0.74	69	2.16%	8
MSCI EAFE	--	8.47%	78	17.35%	59	0.00%	82	0.48	81	0.71	74	0.00%	1
Emerging Market Comp	5.98%	--	--	--	--	--	--	--	--	--	--	--	--
MSCI Emerging Markets	--	-0.33%	69	19.65%	57	0.00%	69	-0.02	69	-0.03	69	0.00%	1
Diversified Fixed	17.77%	4.17%	39	3.40%	65	1.17%	42	1.21	59	1.72	59	1.69%	39
Barclays Aggregate	--	2.86%	68	2.82%	49	0.00%	84	0.99	77	1.38	80	0.00%	1
High Yield Comp	4.07%	9.42%	48	5.64%	25	1.66%	30	1.66	28	2.41	35	1.30%	51
Barclays High Yield	--	9.19%	57	6.63%	68	0.00%	73	1.38	73	2.07	71	0.00%	1
Global Fixed Income Comp	2.98%	1.38%	93	5.96%	53	0.35%	95	0.22	94	0.35	89	2.01%	11
Citi WGBI	--	1.02%	94	5.50%	41	0.00%	96	0.17	96	0.22	96	0.00%	1
Emerging Market Debt	5.00%	--	--	--	--	--	--	--	--	--	--	--	--
JP Morgan EMBI Global TR	--	5.32%	47	7.88%	20	0.00%	43	0.67	41	0.89	31	0.00%	1
TIPS	2.99%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays US TIPS	--	4.02%	54	5.67%	81	0.00%	83	0.70	84	0.86	63	0.00%	1
Total Real Estate	5.21%	--	--	--	--	--	--	--	--	--	--	--	--
NCREIF Property Index	--	12.67%	--	5.19%	--	0.00%	--	2.43	--	1,068.40	--	0.00%	--
Hedge Fund Comp	5.14%	--	--	--	--	--	--	--	--	--	--	--	--
HFRI Fund of Funds Composite Index	--	2.45%	78	4.21%	40	0.00%	78	0.57	75	0.79	73	0.00%	1
GAA Comp	20.18%	6.68%	43	8.99%	42	0.89%	44	0.74	42	1.06	41	3.34%	11
60% MSCI ACWI (Net)/40% CITI WGBI	--	6.69%	43	9.78%	60	0.00%	54	0.68	47	0.97	43	0.00%	1
Commodities	3.84%	--	--	--	--	--	--	--	--	--	--	--	--
Dow Jones-UBS Commodity Index TR	--	-3.16%	--	16.44%	--	0.00%	--	-0.20	--	-0.27	--	0.00%	--
Cash	0.08%	--	--	--	--	--	--	--	--	--	--	--	--

Vermont State Teachers

Vermont State Teachers

5 Years Ending September 30, 2013

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank	Tracking Error	Rank
Teachers Composite	100.00%	7.76%	58	12.70%	79	0.78%	51	0.60	83	0.65	92	2.11%	56
Policy Index	--	6.34%	94	11.41%	51	0.00%	83	0.55	96	0.63	94	0.00%	1
Large Cap Comp	10.43%	12.08%	22	19.87%	82	1.14%	41	0.60	39	0.74	47	2.63%	9
S&P 500	--	10.02%	60	18.08%	45	0.00%	62	0.55	58	0.70	57	0.00%	1
Small/Mid Cap Comp	5.98%	13.20%	60	22.43%	59	2.83%	66	0.58	63	0.75	62	2.82%	1
Russell 2000	--	11.15%	85	24.01%	82	0.00%	92	0.46	90	0.61	84	0.00%	1
Int'l Equity Comp	10.08%	6.07%	86	20.55%	18	0.19%	83	0.29	81	0.38	80	2.43%	7
MSCI EAFE	--	6.35%	82	22.16%	53	0.00%	86	0.28	85	0.38	80	0.00%	1
Emerging Market Comp	5.98%	--	--	--	--	--	--	--	--	--	--	--	--
MSCI Emerging Markets	--	7.23%	70	26.35%	50	0.00%	69	0.27	70	0.37	65	0.00%	1
Diversified Fixed	17.77%	7.80%	32	5.90%	72	1.58%	54	1.30	73	1.24	81	4.17%	69
Barclays Aggregate	--	5.41%	66	3.66%	46	0.00%	88	1.45	63	2.18	53	0.00%	1
High Yield Comp	4.07%	11.40%	76	9.81%	20	1.79%	35	1.15	32	0.87	75	4.77%	69
Barclays High Yield	--	13.53%	19	13.28%	88	0.00%	84	1.01	78	0.91	67	0.00%	1
Global Fixed Income Comp	2.98%	6.35%	56	8.36%	57	2.14%	70	0.75	67	1.12	49	3.98%	30
Citi WGBI	--	4.25%	94	7.43%	38	0.00%	96	0.56	90	0.80	76	0.00%	1
Emerging Market Debt	5.00%	--	--	--	--	--	--	--	--	--	--	--	--
JP Morgan EMBI Global TR	--	9.95%	58	10.80%	8	0.00%	30	0.91	23	0.77	22	0.00%	1
TIPS	2.99%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays US TIPS	--	5.31%	70	7.40%	66	0.00%	83	0.70	86	0.72	78	0.00%	1
Total Real Estate	5.21%	--	--	--	--	--	--	--	--	--	--	--	--
NCREIF Property Index	--	3.35%	--	7.83%	--	0.00%	--	0.42	--	0.51	--	0.00%	--
Hedge Fund Comp	5.14%	--	--	--	--	--	--	--	--	--	--	--	--
HFRI Fund of Funds Composite Index	--	1.92%	79	5.29%	35	0.00%	82	0.34	79	0.37	79	0.00%	1
GAA Comp	20.18%	9.62%	8	12.82%	53	3.54%	31	0.74	29	0.80	45	4.12%	19
60% MSCI ACWI (Net)/40% CITI WGBI	--	6.77%	61	13.62%	66	0.00%	74	0.49	66	0.64	61	0.00%	1
Commodities	3.84%	--	--	--	--	--	--	--	--	--	--	--	--
Dow Jones-UBS Commodity Index TR	--	-5.29%	--	19.17%	--	0.00%	--	-0.28	--	-0.35	--	0.00%	--
Cash	0.08%	--	--	--	--	--	--	--	--	--	--	--	--
91 Day T-Bills	--	0.10%	--	0.03%	--	0.00%	--	0.00	--	--	--	0.00%	--

VPIC Composite

VPC Monthly Flash Report

Total Plan Performance

Ending September 30, 2013

	2013 Q3 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Market Value (\$)
VPIC Composite	3.9	84	5.1	97	7.4	95	8.4	79	8.1	49	3,755,629,552
<i>IFx Public DB Gross Median</i>	4.7		10.1		12.0		9.5		8.0		
Vermont State Teachers	3.8	89	4.9	98	7.1	96	8.2	83	7.8	58	1,631,596,405
<i>Allocation Index</i>	4.2	76	5.8	92	7.8	92	7.3	97	6.7	89	
<i>Policy Index</i>	4.2	75	5.8	92	7.7	93	7.3	97	6.3	94	
Vermont State Employees	4.0	82	5.3	96	7.5	94	8.5	75	8.3	37	1,513,003,488
<i>Allocation Index</i>	4.4	69	6.3	91	8.2	91	7.4	97	7.0	81	
<i>Policy Index</i>	4.2	75	5.8	92	7.7	93	7.3	97	6.7	89	
Vermont Municipal Employees	4.1	80	5.5	94	7.7	92	8.6	72	8.6	29	470,995,497
<i>Allocation Index</i>	4.4	66	6.5	90	8.4	91	7.5	96	7.2	78	
<i>Policy Index</i>	4.2	75	5.8	92	7.7	93	7.3	97	6.8	88	
City of Burlington	3.9	86	5.1	97	7.3	95	8.4	76	8.1	46	140,034,163
<i>Allocation Index</i>	4.3	72	6.0	91	8.0	91	--	--	--	--	
<i>Policy Index</i>	4.2	75	5.8	92	7.7	93	7.3	97	6.3	94	
<i>60% MSCI World / 40% CITI WGBI</i>	6.1	6	9.1	65	10.1	79	8.0	88	7.2	78	

VPIC Composite

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	2013 Q3 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Fiscal YTD (%)	Rank
Composite	3,755,629,552	100.0	100.0	3.9	84	5.1	97	7.4	95	8.4	79	8.1	49	3.9	84
<i>IFx Public DB Gross Median</i>				4.7		10.1		12.0		9.5		8.0		4.7	
Total Equity	1,237,451,710	32.9	--	7.2	68	15.3	63	--	--	--	--	--	--	7.2	68
<i>MSCI ACWI</i>				7.9	57	14.4	68	17.7	67	10.2	74	7.7	75	7.9	57
<i>eA All Global Equity Gross Median</i>				8.3		17.0		20.2		12.2		9.3		8.3	
Large Cap Comp	393,545,637	10.5	10.0	5.8	58	21.2	48	21.9	43	16.8	39	12.1	21	5.8	58
<i>S&P 500</i>				5.2	70	19.8	68	19.3	69	16.3	48	10.0	60	5.2	70
<i>eA US Large Cap Equity Gross Median</i>				6.3		21.0		21.4		16.2		10.5		6.3	
T. Rowe	112,630,138	3.0	3.0	5.9	56	20.6	56	20.4	60	16.8	40	10.7	45	5.9	56
SSgA S&P 500 Cap-Wgt	176,996,864	4.7	4.0	5.2	70	19.8	68	19.4	69	16.3	47	--	--	5.2	70
<i>S&P 500</i>				5.2	70	19.8	68	19.3	69	16.3	48	10.0	60	5.2	70
SSgA S&P 500 Equal-Wgt	103,918,635	2.8	3.0	6.7	43	23.8	21	27.5	11	17.6	25	13.8	7	6.7	43
<i>S&P 500 Equal Weighted</i>				6.7	42	23.9	19	27.4	11	17.7	23	13.8	8	6.7	42
Small/Mid Cap Comp	236,397,716	6.3	6.5	9.5	58	27.1	48	29.7	59	19.3	46	13.2	60	9.5	58
<i>Russell 2000</i>				10.2	47	27.7	42	30.1	56	18.3	59	11.2	85	10.2	47
<i>eA US Small-Mid Cap Equity Gross Median</i>				9.9		26.7		30.5		19.0		13.7		9.9	
SSgA S&P 400	21,793,063	0.6	0.5	7.6	74	23.4	63	27.9	50	--	--	--	--	7.6	74
<i>S&P 400 MidCap</i>				7.5	74	23.2	64	27.7	52	17.5	52	13.1	59	7.5	74
<i>eA US Mid Cap Equity Gross Median</i>				8.6		24.8		27.8		17.5		13.4		8.6	
Champlain	79,546,114	2.1	2.0	8.6	50	27.0	29	28.6	38	18.7	34	--	--	8.6	50
<i>Russell 2500</i>				9.1	45	25.9	39	29.8	30	18.4	36	12.7	64	9.1	45
<i>eA US Mid Cap Equity Gross Median</i>				8.6		24.8		27.8		17.5		13.4		8.6	
Wellington	78,952,854	2.1	2.0	8.2	64	23.8	72	28.8	68	19.6	37	13.8	37	8.2	64
<i>Russell 2000 Value</i>				7.6	80	23.1	77	27.0	81	16.6	75	9.1	96	7.6	80
<i>eA US Small Cap Value Equity Gross Median</i>				8.7		26.3		31.0		18.7		12.9		8.7	

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

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

VPIC Composite

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	2013 Q3 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Fiscal YTD (%)	Rank
SSgA Russell 2000 Growth	56,105,685	1.5	2.0	12.7	57	32.5	61	33.0	59	19.9	72	13.2	74	12.7	57
<i>Russell 2000 Growth</i>				12.8	57	32.5	61	33.1	59	20.0	72	13.2	74	12.8	57
<i>eA US Small Cap Growth Equity Gross Median</i>				13.2		34.0		34.0		21.5		14.7		13.2	
Int'l Equity Comp	387,853,190	10.3	10.0	10.0	75	15.5	64	20.9	74	8.4	78	6.1	86	10.0	75
<i>MSCI EAFE</i>				11.6	39	16.1	58	23.8	55	8.5	78	6.4	82	11.6	39
<i>eA All EAFE Equity Gross Median</i>				11.1		16.5		24.1		10.2		8.2		11.1	
Acadian	159,018,476	4.2	4.0	10.1	72	17.2	43	23.3	58	9.1	70	6.0	87	10.1	72
Mondrian	158,476,506	4.2	4.0	9.7	81	16.5	51	20.6	76	8.6	76	6.2	84	9.7	81
<i>MSCI EAFE</i>				11.6	39	16.1	58	23.8	55	8.5	78	6.4	82	11.6	39
<i>S&P EPAC LargeMidCap</i>				11.6	38	15.8	62	23.3	58	8.9	72	7.2	69	11.6	38
SSgA ACWI Ex US	70,358,208	1.9	2.0	10.2	46	10.3	74	16.8	77	6.2	90	--	--	10.2	46
<i>MSCI ACWI ex USA</i>				10.1	49	10.0	75	16.5	82	5.9	92	6.3	84	10.1	49
<i>eA ACWI ex-US All Cap Equity Gross Median</i>				10.0		12.1		19.4		9.2		8.6		10.0	
Emerging Market Comp	219,655,167	5.8	6.0												
<i>eA Emg Mkts Equity Gross Median</i>															
Aberdeen	219,655,167	5.8	6.0	2.4	85	-5.4	85	0.9	79	4.2	13	13.8	8	2.4	85
<i>MSCI Emerging Markets</i>				5.8	48	-4.4	73	1.0	78	-0.3	69	7.2	70	5.8	48
<i>eA Emg Mkts Equity Gross Median</i>				5.7		-2.2		4.0		1.2		8.7		5.7	
Diversified Fixed Income	670,861,493	17.9	18.0	0.5	72	-1.7	73	-1.0	69	4.2	39	7.8	32	0.5	72
<i>Barclays Aggregate</i>				0.6	64	-1.9	78	-1.7	82	2.9	68	5.4	66	0.6	64
<i>eA All US Fixed Inc Gross Median</i>				0.7		-0.8		-0.3		3.6		6.2		0.7	
Allianz Structured Alpha	93,880,478	2.5	2.0	0.8	31	-1.5	41	-1.1	51	5.8	1	8.6	5	0.8	31
<i>Citigroup 10 Year Treasury</i>				-0.7	98	-5.5	99	-5.7	99	2.9	83	5.2	94	-0.7	98
PIMCO Core Plus	242,722,309	6.5	6.5	0.5	73	-1.9	74	-1.4	65	3.7	43	--	--	0.5	73
<i>Barclays Aggregate</i>				0.6	65	-1.9	74	-1.7	80	2.9	83	5.4	90	0.6	65
PIMCO Unconstrained	240,289,224	6.4	6.5	0.2	93	-1.1	25	-0.5	24	--	--	--	--	0.2	93
<i>25% HY, 25% EMD, 50% BC Agg</i>				1.1	3	-1.9	75	-0.2	17	5.1	3	8.7	5	1.1	3
<i>3-Month Libor Total Return USD</i>				0.1	95	0.2	4	0.3	9	0.4	99	0.6	99	0.1	95
Wellington DAS	93,969,482	2.5	3.0	0.7	34	-3.1	97	-1.1	47	7.5	1	8.6	5	0.7	34
<i>Wellington Custom Benchmark</i>				-2.1	99	-9.1	99	-9.7	99	5.3	2	6.9	34	-2.1	99
High Yield Comp	151,969,734	4.0	4.0	2.4	40	4.6	35	7.8	38	9.4	48	11.4	76	2.4	40
<i>eA US High Yield Fixed Inc Gross Median</i>				2.3		4.1		7.3		9.3		12.3		2.3	

Wellington DAS Custom Benchmark tracked the BC Agg from 5/2002 through 2/2011, and the CG US Treasury STRIPS from 7/11 through present. The benchmark change coincided with the switch in collateral position.

VPIC Composite

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	2013 Q3 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Fiscal YTD (%)	Rank
Post Advisory	114,323,092	3.0	3.0	2.7	17	5.3	22	8.6	24	9.8	35	11.7	69	2.7	17
KDP	37,646,641	1.0	1.0	1.5	96	2.1	95	4.7	93	7.8	92	--	--	1.5	96
<i>Barclays High Yield</i>				2.3	54	3.7	61	7.1	53	9.2	57	13.5	19	2.3	54
<i>BofA Merrill Lynch US High Yield BB-B Rated</i>				2.1	66	2.9	80	6.1	76	8.4	80	11.9	64	2.1	66
Global Fixed Income Comp	113,853,217	3.0	3.0	2.3	48	-5.4	96	-8.1	99	1.4	93	6.4	56	2.3	48
<i>eA All Global Fixed Inc Gross Median</i>				2.2		-1.0		0.6		4.0		6.7		2.2	
Mondrian GFI	113,853,217	3.0	3.0	2.3	48	-5.4	96	-8.1	99	0.4	99	5.1	83	2.3	48
<i>Citi WGBI</i>				2.9	29	-2.9	76	-4.6	90	1.0	94	4.3	94	2.9	29
Emerging Market Debt	189,564,637	5.0	5.0												
<i>eA All Emg Mkts Fixed Inc Gross Median</i>															
Wellington Opportunistic EMD	189,564,637	5.0	5.0	0.9	33	-5.9	38	-2.5	43	6.3	21	--	--	0.9	33
<i>JP Morgan EMBI Global TR</i>				0.9	35	-7.4	71	-4.3	81	5.3	47	9.9	58	0.9	35
<i>eA All Emg Mkts Fixed Inc Gross Median</i>				0.6		-6.6		-3.0		5.1		10.3		0.6	
TIPS	113,139,503	3.0	3.0												
<i>eA TIPS / Infl Indexed Fixed Inc Gross Median</i>															
BlackRock TIPS	113,139,503	3.0	3.0	0.7	--	-6.8	--	-6.1	--	4.0	--	--	--	0.7	--
<i>Barclays US TIPS</i>				0.7	--	-6.7	--	-6.1	--	4.0	--	5.3	--	0.7	--
Total Real Estate	179,385,147	4.8	4.5	3.7	--	11.4	--	14.1	--	--	--	--	--	3.7	--
Morgan Stanley Prime Property	80,988,162	2.2	2.0	4.3	--	13.4	--	16.7	--	16.1	--	1.4	--	4.3	--
UBS Trumbull	71,679,624	1.9	2.0	2.8	--	8.0	--	10.1	--	11.7	--	2.2	--	2.8	--
RREEF America REIT III	25,719,281	0.7	0.5	4.7	--	13.4	--	15.7	--	29.7	--	-9.9	--	4.7	--
Transwestern / Aslan III	998,080	0.0	0.0	0.0	--	43.6	--	61.9	--	5.4	--	-38.2	--	0.0	--
<i>NCREIF Property Index</i>				2.6	--	8.2	--	11.0	--	12.7	--	3.4	--	2.6	--
<i>NCREIF ODCE</i>				3.6	--	10.4	--	13.0	--	14.3	--	0.7	--	3.6	--
Hedge Fund Comp	187,273,762	5.0	5.0	2.5	32	9.3	25	12.2	20	--	--	--	--	2.5	32
<i>eA HFN FOF - Multi-Strategy Net Median</i>				2.0		6.9		8.8		4.7		4.6		2.0	
Grosvenor	75,358,927	2.0	2.0	3.6	16	10.6	14	13.4	14	--	--	--	--	3.6	16

Wellington Opportunistic EMD was transitioned from Wellington EMD on October 3, 2011. Past performance has been linked to the current account.

VPIC Composite

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	Policy %	2013 Q3 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Fiscal YTD (%)	Rank
GAM	37,559,518	1.0	1.0	1.1	72	9.2	26	11.7	26	--	--	--	--	1.1	72
Permal	74,355,317	2.0	2.0	2.2	45	8.2	35	11.3	29	--	--	--	--	2.2	45
<i>HFRI Fund of Funds Composite Index</i>															
GAA Comp	755,325,858	20.1	20.0	3.6	58	0.4	62	2.6	58	6.7	43	9.6	8	3.6	58
<i>eA Global TAA Gross Median</i>															
				3.9		2.4		3.7		5.6		7.9		3.9	
Mellon Global Expanded Alpha	77,018,714	2.1	2.5	4.6	41	7.4	28	8.0	35	8.5	26	9.1	38	4.6	41
<i>Mellon CF GEA Index</i>															
				6.8	5	4.7	40	7.4	36	4.9	54	5.9	72	6.8	5
AQR Global Risk Premium	298,231,336	7.9	8.0	2.3	76	-3.7	85	-2.0	84	7.3	37	--	--	2.3	76
<i>60% MSCI World / 40% CITI WGBI</i>															
				6.1	13	9.1	16	10.1	24	8.0	33	7.2	59	6.1	13
PIMCO All Asset	227,380,137	6.1	5.0	3.2	65	0.1	65	3.2	53	6.9	39	9.5	10	3.2	65
<i>PIMCO All Asset Index</i>															
				1.3	87	-0.8	69	0.0	68	5.1	53	6.9	60	1.3	87
<i>CPI + 5%</i>															
				1.7	86	5.0	40	6.2	40	7.4	36	6.4	66	1.7	86
Wellington OIF	152,695,671	4.1	4.5	6.4	11	5.8	37	8.7	30	4.2	64	8.1	47	6.4	11
<i>65% MSCI World (Net) /35% BC Agg</i>															
				5.5	22	10.3	10	12.2	13	8.9	22	7.5	57	5.5	22
Commodities	144,323,107	3.8	4.0												
Schroder	144,323,107	3.8	4.0	3.4	--	-6.8	--	-12.2	--	0.4	--	--	--	3.4	--
<i>Dow Jones-UBS Commodity Index TR</i>															
				2.1	--	-8.6	--	-14.3	--	-3.2	--	-5.3	--	2.1	--
<i>eA Commodities Gross Median</i>															
				--		--		--		--		--		--	
Cash	2,159,459	0.1	0.0	0.0	--	0.0	--	0.0	--	0.1	--	0.3	--	0.0	--
<i>91 Day T-Bills</i>															
				0.0	--	0.0	--	0.1	--	0.1	--	0.1	--	0.0	--
Private Equity	10,321,926	0.3	1.0												
<i>Cambridge Private Equity Index</i>															
Harbourvest Partners IX Credit Opportunities	694,855	0.0	--												
Harbourvest Partners IX Venture Fund	2,176,861	0.1	--												
Harbourvest Partners IX Buyout Fund	3,756,464	0.1	--												
Harbourvest Dover VIII Fund	3,693,746	0.1	--												

VPIC Composite

Total Plan Performance

	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank
<i>IF Public DB Gross Median</i>	11.9		0.8		13.0		17.9		-21.6		8.4		11.6		6.2	
Teachers' Composite																
Teachers Composite	13.1	21	2.1	19	14.7	20	26.5	3	-30.1	94	6.3	95	15.7	4	5.6	54
<i>Policy Index</i>	10.9	67	0.6	51	11.7	75	19.3	40	-24.3	64	7.6	72	14.4	18	6.6	49
<i>Allocation Index</i>	10.8	69	0.7	51	11.6	76	22.7	25	-25.2	70	6.5	94	14.8	11	5.1	60
Employees' Composite																
Employees Composite	13.1	23	2.3	18	15.1	17	27.4	3	-29.6	92	6.4	94	14.9	11	6.6	49
<i>Policy Index</i>	10.9	67	0.6	51	11.7	75	19.5	39	-22.5	60	7.6	73	13.9	29	6.3	50
<i>Allocation Index</i>	10.6	71	0.5	51	11.9	72	22.6	26	-23.9	63	6.6	94	14.1	28	6.0	52
Municipal Composite																
Municipal Composite	13.1	23	2.4	18	14.9	19	28.4	2	-29.4	91	6.3	95	14.8	11	7.8	37
<i>Policy Index</i>	10.9	67	0.6	51	11.7	75	19.3	40	-21.9	54	7.7	72	13.7	30	7.2	47
<i>Allocation Index</i>	10.7	70	0.6	51	11.8	73	22.2	28	-23.0	62	6.7	93	13.6	31	6.5	49
Burlington Composite																
Burlington Composite	13.1	23	2.4	18	15.0	18	28.0	2	-30.3	95	5.5	97	13.4	32	7.9	35
<i>Policy Index</i>	10.9	67	0.6	51	11.7	75	19.3	40	-24.3	64	7.4	77	12.6	36	6.1	51

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

VPIC Composite

Total Fund Performance Detail

	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank
Composite	13.1	22	2.2	18	14.9	19	27.0	3	-29.8	93	6.3	95	15.3	7	6.2	50
<i>IF Public DB Gross Median</i>	11.9		0.8		13.0		17.9		-21.6		8.4		11.6		6.2	
Large Cap Comp	16.6	38	1.4	41	17.6	22	40.5	11	-40.3	81	4.6	74	16.2	40	4.6	79
<i>S&P 500</i>	16.0	45	2.1	34	15.1	47	26.5	56	-37.0	57	5.5	68	15.8	43	4.9	77
<i>eA US Large Cap Equity Gross Median</i>	15.6		0.4		14.8		28.0		-36.3		8.0		14.8		7.7	
T. Rowe	16.8	35	1.8	37	14.0	61	30.4	41	-36.0	49	6.2	62	16.9	36	--	--
SSgA S&P 500 Cap-Wgt	16.1	44	2.2	33	--	--	--	--	--	--	--	--	--	--	--	--
<i>S&P 500</i>	16.0	45	2.1	34	15.1	47	26.5	56	-37.0	57	5.5	68	15.8	43	4.9	77
SSgA S&P 500 Equal-Wgt	17.5	29	-0.1	56	22.0	5	46.7	4	-40.6	83	0.5	90	15.9	42	--	--
<i>S&P 500 Equal Weighted</i>	17.7	27	-0.1	56	21.9	5	46.3	5	-39.7	78	1.5	87	15.8	43	8.1	47
Small/Mid Cap Comp	15.1	59	0.8	32	27.4	48	33.6	58	-34.0	21	1.8	73	10.9	71	4.8	89
<i>Russell 2000</i>	16.3	49	-4.2	70	26.9	52	27.2	82	-33.8	21	-1.6	84	18.4	21	4.6	90
<i>eA US Small-Mid Cap Equity Gross Median</i>	16.0		-1.5		26.9		35.2		-38.1		8.8		13.9		10.4	
SSgA S&P 400	18.0	30	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<i>S&P 400 MidCap</i>	17.9	31	-1.7	52	26.6	33	37.4	53	-36.2	30	8.0	59	10.3	72	12.5	47
<i>eA US Mid Cap Equity Gross Median</i>	16.1		-1.4		24.5		37.9		-40.1		9.7		13.7		12.1	
Champlain	12.9	78	3.8	14	22.8	64	--	--	--	--	--	--	--	--	--	--
<i>Russell 2500</i>	17.9	31	-2.5	60	26.7	33	34.4	66	-36.8	34	1.4	85	16.2	31	8.1	83
<i>eA US Mid Cap Equity Gross Median</i>	16.1		-1.4		24.5		37.9		-40.1		9.7		13.7		12.1	
Wellington	16.9	51	1.8	16	28.3	39	32.6	50	-26.5	15	-2.1	45	20.5	33	11.2	26
<i>Russell 2000 Value</i>	18.0	43	-5.5	69	24.5	72	20.6	85	-28.9	27	-9.8	82	23.5	14	4.7	78
<i>eA US Small Cap Value Equity Gross Median</i>	16.9		-3.3		26.9		32.0		-32.3		-2.9		18.7		8.2	
SSgA Russell 2000 Growth	14.4	50	-3.0	61	29.2	44	34.2	60	-38.4	26	--	--	--	--	--	--
<i>Russell 2000 Growth</i>	14.6	48	-2.9	60	29.1	46	34.5	59	-38.5	26	7.0	64	13.3	40	4.2	79
<i>eA US Small Cap Growth Equity Gross Median</i>	14.3		-1.5		28.6		36.5		-41.5		11.0		12.3		7.6	

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

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

VPIC Composite

Total Fund Performance Detail

	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank
Int'l Equity Comp	14.0	92	-9.2	27	9.4	75	25.4	88	-42.0	40	10.9	65	33.7	7	14.2	79
MSCI EAFE	17.3	77	-12.1	57	7.8	86	31.8	63	-43.4	52	11.2	63	26.3	62	13.5	81
eA EAFE All Cap Equity Gross Median	20.1		-11.4		11.7		34.3		-42.9		13.4		27.4		17.7	
Acadian	17.0	82	-13.0	60	14.6	34	27.7	85	-49.0	85	8.7	78	37.4	3	--	--
Mondrian	9.8	99	-3.5	3	3.6	97	24.4	94	-37.1	11	12.4	55	31.1	22	13.4	83
MSCI EAFE	17.3	77	-12.1	53	7.8	83	31.8	69	-43.4	45	11.2	62	26.3	61	13.5	83
S&P EPAC LargeMidCap	18.1	70	-11.7	47	9.2	73	34.3	59	-43.3	44	12.9	52	25.2	74	15.2	70
SSgA ACWI Ex US	17.2	75	-13.5	73	--	--	--	--	--	--	--	--	--	--	--	--
MSCI ACWI ex USA	16.8	77	-13.7	73	11.2	75	41.4	41	-45.5	58	16.7	63	26.7	70	16.6	94
eA ACWI ex-US All Cap Equity Gross Median	19.6		-11.5		15.0		38.7		-45.2		17.4		28.6		20.5	
Emerging Market Comp																
Aberdeen	26.4	11	-10.5	4	29.1	6	81.6	38	--	--	--	--	--	--	--	--
MSCI Emerging Markets	18.2	68	-18.4	48	18.9	64	78.5	57	-53.3	42	39.4	60	32.2	70	34.0	70
eA Emg Mkts Equity Gross Median	20.9		-18.6		20.1		79.5		-54.0		40.5		34.2		36.5	
Diversified Fixed	7.0	26	8.7	16	9.4	8	21.7	2	-14.9	99	4.4	96	--	--	--	--
Barclays Aggregate	4.2	90	7.8	46	6.5	76	5.9	80	5.2	37	7.0	47	4.3	69	2.4	79
eA US Core Fixed Inc Gross Median	5.9		7.7		7.3		8.9		4.1		6.9		4.5		2.7	
Allianz Structured Alpha	10.6	2	7.3	67	12.7	1	22.6	2	--	--	--	--	--	--	--	--
Citigroup 10 Year Treasury	4.2	89	17.0	1	8.1	26	-9.9	99	20.3	1	9.8	1	1.4	99	2.0	93
PIMCO Core Plus	7.4	20	7.7	52	9.1	9	--	--	--	--	--	--	--	--	--	--
Barclays Aggregate	4.2	90	7.8	46	6.5	76	5.9	80	5.2	37	7.0	47	4.3	69	2.4	79
PIMCO Unconstrained	4.6	82	--	--	--	--	--	--	--	--	--	--	--	--	--	--
25% HY, 25% EMD, 50% BC Agg	10.6	2	7.4	63	10.1	6	23.1	2	-7.1	95	5.5	86	7.6	1	4.6	1
3-Month Libor Total Return USD	0.4	99	0.3	99	0.3	99	0.8	99	3.2	56	5.5	87	5.4	3	3.7	3
Wellington DAS	8.5	8	18.3	1	7.9	29	9.8	43	--	--	--	--	--	--	--	--
Wellington Custom Benchmark	3.5	96	25.7	1	6.5	76	5.9	80	5.2	37	7.0	47	4.3	69	2.4	79
High Yield Comp	14.9	62	5.7	37	14.0	71	41.2	65	-19.0	29	4.7	11	--	--	--	--
eA US High Yield Fixed Inc Gross Median	15.5		4.9		14.9		45.0		-21.2		3.5		10.5		3.7	
Post Advisory	15.3	53	5.6	40	14.3	67	41.6	64	-19.0	29	4.7	11	9.2	76	4.1	35
KDP	12.8	83	5.7	35	12.1	91	--	--	--	--	--	--	--	--	--	--
Barclays High Yield	15.8	43	5.0	49	15.1	45	58.2	14	-26.2	81	1.9	89	11.8	28	2.7	81
BofA Merrill Lynch US High Yield BB-B Rated	14.7	65	5.4	45	14.5	64	46.1	49	-23.7	70	2.7	72	10.7	49	3.4	64

Wellington DAS Custom Benchmark tracked the BC Agg from 5/2002 through 2/2011, and the CG US Treasury STRIPS from 7/11 through present. The benchmark change coincided with the switch in collateral position.

VPIC Composite

Total Fund Performance Detail

	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank
Global Fixed Income Comp	3.7	90	7.3	21	10.9	21	16.0	32	0.3	57	11.2	15	--	--	--	--
<i>eA All Global Fixed Inc Gross Median</i>	9.5		5.0		7.3		10.6		1.4		8.7		6.1		-1.2	
Mondrian GFI	2.1	97	5.8	38	8.6	33	8.8	59	10.2	11	11.5	13	5.5	64	-3.5	61
<i>Citigroup WGBI</i>	1.6	98	6.4	33	5.2	85	2.6	97	10.9	9	11.0	17	6.1	51	-6.9	93
Emerging Market Debt																
Wellington Opportunistic EMD	19.9	35	7.6	16	13.7	70	--	--	--	--	--	--	--	--	--	--
<i>JP Morgan EMBI Global TR</i>	18.5	59	8.5	7	12.0	87	28.2	65	-10.9	52	6.3	73	9.9	95	10.7	74
<i>eA All Emg Mkts Fixed Inc Gross Median</i>	19.1		2.6		14.5		30.7		-10.8		7.7		12.3		12.3	
TIPS																
BlackRock TIPS	7.0	--	13.6	--	6.4	--	--	--	--	--	--	--	--	--	--	--
<i>Barclays US TIPS</i>	7.0	--	13.6	--	6.3	--	11.4	--	-2.4	--	11.6	--	0.4	--	2.8	--
Total Real Estate	13.4	--	20.0	--	--	--	--	--	--	--	--	--	--	--	--	--
Morgan Stanley Prime Property	12.6	--	16.8	--	15.8	--	-33.7	--	-4.7	--	16.2	--	18.4	--	19.9	--
UBS Trumbull	10.2	--	13.2	--	16.9	--	-22.3	--	-7.5	--	13.9	--	16.6	--	21.1	--
RREEF America REIT III	23.8	--	55.4	--	9.1	--	-64.1	--	-41.7	--	18.1	--	--	--	--	--
Transwestern / Aslan III																
<i>NCREIF Property Index</i>																
Hedge Fund Comp	9.3	24	-3.8	46	--	--	--	--	--	--	--	--	--	--	--	--
<i>eA HFN FOF - Multi-Strategy Net Median</i>	6.5		-4.0		6.1		13.9		-20.2		11.2		10.8		7.6	
Grosvenor	8.5	29	-3.4	42	--	--	--	--	--	--	--	--	--	--	--	--
GAM	8.3	31	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Permal	10.5	14	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<i>HFRI Fund of Funds Composite Index</i>	4.7	74	-5.7	68	5.7	55	11.5	62	-21.4	57	10.3	56	10.4	56	7.5	51

Wellington Opportunistic EMD was transitioned from Wellington EMD on October 3, 2011. Past performance has been linked to the current account.

VPIC Composite

Total Fund Performance Detail

	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank	2006 (%)	Rank	2005 (%)	Rank
GAA Comp	15.2	5	0.6	34	17.9	20	31.0	21	-26.3	61	5.7	87	--	--	--	--
<i>eA Global TAA Gross Median</i>	10.6		-0.8		14.6		23.4		-25.5		11.0		14.3		8.4	
Mellon Global Expanded Alpha	11.3	40	1.0	34	16.1	29	31.4	17	-36.0	92	1.7	95	--	--	--	--
<i>Mellon CF GEA Index</i>	11.0	46	-4.9	86	10.1	82	25.4	37	-27.0	65	13.4	36	16.6	34	7.5	68
AQR Global Risk Premium	15.8	1	6.6	12	24.6	7	--	--	--	--	--	--	--	--	--	--
<i>60% MSCI World / 40% CITI WGBI</i>	10.6	51	-0.3	43	9.8	83	19.2	78	-22.7	46	10.3	52	14.7	47	3.1	99
PIMCO All Asset	16.5	1	3.4	17	14.7	50	24.1	44	-14.8	24	9.6	53	--	--	--	--
<i>PIMCO All Asset Index</i>	8.1	62	7.6	11	8.5	87	16.5	80	-6.7	14	7.7	61	6.0	99	3.5	99
<i>CPI + 5%</i>	6.8	69	8.1	11	6.5	94	7.9	92	5.0	1	9.3	53	7.6	99	8.5	47
Wellington OIF	14.3	11	-13.8	98	17.8	20	36.8	14	--	--	--	--	--	--	--	--
<i>65% MSCI World (Net) /35% BC Agg</i>	11.9	29	-0.7	50	10.5	81	21.6	62	-26.9	64	8.4	55	14.4	48	7.1	75
Commodities																
Schroder	0.5	--	-6.8	99	17.1	53	--	--	--	--	--	--	--	--	--	--
<i>Dow Jones-UBS Commodity Index TR</i>	-1.1	--	-13.3	99	16.8	55	18.9	67	-35.6	30	16.2	94	2.1	56	21.4	99
<i>eA Commodities Gross Median</i>	--		0.0		17.6		24.5		-40.3		33.4		2.8		27.1	
Cash																
91 Day T-Bills	0.1	--	0.2	--	--	--	--	--	--	--	--	--	--	--	--	--
<i>91 Day T-Bills</i>	0.1	--	0.0	--	0.1	--	0.1	--	1.3	--	4.4	--	5.0	--	3.2	--
Private Equity																
Harbourvest Partners IX Credit Opportunities	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Harbourvest Partners IX Venture Fund	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Harbourvest Partners IX Buyout Fund	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Harbourvest Dover VIII Fund	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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

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

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

What helped performance

- US stocks continued their march upward in the third quarter, the S&P 500 Index gained 5.2%, shrugging off uncertainty around the continuity of the Federal Reserve's accommodative monetary policy. Small-cap shares continued to lead in the third quarter and year to date, with the Russell 2000 Index returning 10.2% for the third quarter.
 - T. Rowe returned 5.9%, Champlain returned 8.6% and the SSgA Russell 2000 Growth Strategy returned 12.7%
- The quarter also was positive for international and emerging markets. Returns were boosted on the back of improving economic data in Europe, especially in some of the more troubled regions such as Greece, Italy and Spain.
 - The International Equity Composite returned 10.0%
- The Global Asset Allocation Composite returned 3.6%
 - Managers with higher equity allocations did best with Mellon Global Expanded Alpha returning 4.6%, PIMCO All Asset returning 3.2% and AQR returning 2.3%
- For US core real estate, fundamentals continue to improve with increasing rents and decreasing vacancy rates; new supply, that is, construction, is still muted, and income spreads relative to treasuries, though narrowing, remain attractive.
 - Real Estate Composite returned 3.7% (*preliminary*) in the third quarter.
- Commodities rebounded in Q3
 - Schroder returned 3.4%, which was ahead of the Dow Jones-UBS Commodity Index TR return of 2.1%

What hurt performance

- Fixed income markets were beset by volatility in the third quarter as bonds continued to price in the Fed eventually tapering its monetary stimulus.
 - VPIC'S Diversified Fixed Income portfolio was in line with the Barclays Aggregate returning 0.5% while the index returned 0.6%
- Emerging markets' debt improved from the second quarter. That said, results were mixed. Concerns of a secular slowdown across emerging markets, specifically in Brazil, Indonesia, India, South Africa and Turkey, and the specter of a Fed tightening drove spreads higher over the period.
 - Wellington Opportunistic Emerging Market Debt matched its benchmark return of 0.9% for the quarter, YTD return remains negative at -5.9%.
- While the quarter was positive for emerging markets, Aberdeen underperformed its index.
 - Aberdeen returned 2.4%, trailing the MSCI Emerging Market Index return of 5.8%

T. Rowe Price – Large Cap Core

- What Helped: Consumer discretionary sector contributed the most to outperformance due to security choices which included non-index holding in Las Vegas Sands, along with an overweight in Netflix
- What Hurt: No sector materially detracted from relative results during the quarter

SSgA S&P 500 Equal Weighted – Large Cap Core

- What Helped: Materials sector had the highest quarterly return at 10.37%
- What Hurt: Telecommunication Services returned -1.0% for the quarter

SSgA S&P 500 Cap Weighted – Large Cap Core

- What Helped: Materials had the largest quarterly return at 10.30%
- What Hurt: Telecommunication Services returned -4.40%

SSgA S&P Mid Cap 400 – SMID

- What Helped: Energy returned 15.57%
- What Hurt: Consumer Staples had the lowest sector return at 0.93%

Wellington – Small Cap Value Equities

- What Helped: Sector allocation, a residual of the stock-by-stock selection process, was a significant contributor to outperformance for the quarter
- What Hurt: Security selection in financials and information technology detracted from relative returns

Champlain – Mid Cap Core Equities

- What Helped: Overweighting to energy sector with portfolio names strongly outperforming the index
- What Hurt: Consumer staples holdings lagged noticeably this quarter as most of the staples companies' shares were absolutely and relatively weak

SSgA Russell 2000 Growth – Small Cap Growth Equities

- What Helped: Information technology added 3.73% to third quarter's return
- What Hurt: Utilities had no contribution to the quarter's return

Acadian – Int'l Developed Equities

- What Helped: Stock selection in France and Denmark and a combination of stock selection and an underweight position in Switzerland
- What Hurt: Stock selection detracted 85 bps and country allocation detracted 105 bps

SSgA – MSCI ACWI Ex-US

- What Helped: Financial contributed 2.76% to the third quarter return
- What Hurt: Utilities contributed the least to the quarter's return, 0.26%

Mondrian – Int'l Developed Equities

- What Helped: Overweight position in Spain, stock selection in France and Germany and an overweight position in the telecommunication services sector
- What Hurt: Stock selection in Japan, the UK and Spain, stock selection in health care and information technology sectors and an overweight position in the health care sector

Aberdeen – Emerging Market Equities

- What Helped: Asset allocation, non-benchmark exposure to Hong Kong and an underweight to Korea
- What Hurt: Currency effect, overweight to Turkey, particularly the banking stocks, weak stock selection in South Africa, underweighting to Malaysia and Taiwan all detracted

PIMCO – Core Plus Fixed Income

- What Helped: Average underweight to U.S. duration as yields rose across intermediate and long term maturities, a focus on the front end of the U.S. yield curve, holdings TIPS, as inflation expectations rose, an allocation to non-Agency mortgages, a focus on financials and modest exposure to high yield corporate bonds.
- What Hurt: Tactical positioning in Japanese interest rates, as yields declined and an overall underweight to investment-grade corporate bonds, which outperformed like-duration Treasuries

Allianz – Core Fixed Income

- What Helped: Portfolio was able to benefit during the quarter by hitting not only its range-bound profit zones but also several directional zones.
- What Hurt: Restructuring costs for some short call positions in July, S&P 500 down 2.9% in August on worries about the conflict in Syria, the associated rise in volatility from 12 to 17 generated some negative mark to market

PIMCO - Unconstrained

- What Helped: U.S. government rates, as gains from swaption positions and from duration-hedging swaps outweighed losses from mid- to longer-dated Treasuries/Treasury Inflation- Protected Securities (TIPS) positions, duration positioning in Australian rates, holdings in the industrial and financial corporate sectors, which gained over the course of the quarter, securitized exposure, led by non-Agency mortgagebacked security (MBS) positions
- What Hurt: Short positioning in eurozone rates, French futures, and Japanese rates, losses on buy-protection positioning in credit default swap indices, as spreads decreased, short positions in developed foreign currencies, including the euro, British pound, and Australia dollar, led losses in currencies

Wellington – Diversified Alpha Strategies

- What Helped: Seven of 11 strategies contributed positive alpha during the period. Health Care, International Contrarian Value, and Special Equity were the largest sources of outperformance.
- What Hurt: Negative contributors included Select Intrinsic Value, Global Contrarian Equity, and Select Rates Relative Value.

Schroders – Commodities

- What Helped: The best performing sector during Q3 was precious metals and energy
- What Hurt: The worst performers were corn (-32.7%), canola (-21.0%), soybeans (-18.3%), soybean oil (-15.4%) and soybean meal (-12.9%)

Post Advisory – High Yield Debt

- What Helped: Defensive portfolio construction prior to weakness at end of second quarter, lower duration and less volatile securities which were sold and replaced with attractive new issues along with active participation in several large new issues
- What Hurt: Flight to quality due to uncertainty around Fed monetary policy

KDP – High Yield Debt

- What Helped: The biggest industry contributors to positive performance this quarter were Electric Generation, E&P, Gas Distribution, Gaming, and Metals & Mining
- What Hurt: Building & Construction, Oil Refining, and Telecom-Wireless were the most significant contributors of negative performance

Mondrian – Global Fixed Income

- What Helped: Overweighting to Poland and Sweden
- What Hurt: Underweighting to the Euro and Eurozone bonds, in particular those of the Eurozone periphery detracted from performance, as did the underweight to United Kingdom and the overweight to Mexico

Wellington – Opportunistic Emerging Market Debt

- What Helped: Positive security selection in Indonesia and Russia, an overweight country allocation to the Ivory Coast and Nigeria and an underweighting to Ukraine
- What Hurt: Security selection in Brazil, both an underweight country allocation and negative security selection in Mexico, a lack of exposure to Egypt, negative security selection in Peru and Argentina

Mellon Global Expanded Alpha I – Global Asset Allocation

- What Helped: Global stock/bond allocation added 57 bps to performance
- What Hurt: Bond country allocation detracted 51 bps.

PIMCO All Asset – Global Asset Allocation

- What Helped: Exposures to EM equities, holdings in high yield credit strategies, exposure to EM bonds, allocations to alternatives that seek returns by targeting low-beta or market-neutral relative exposures
- What Hurt: Allocation to long maturity U.S. bond strategies as yields rose at the long-end of the curve

Wellington OIF – Global Asset Allocation

- What Helped: European equities and bonds, gold mining stocks, and positions related to the Terms of Trade Reversal theme
- What Hurt: Opportunistic exposures and concentrated US equities detracted along with a short position in US retailers

AQR Global Risk Premium – Global Asset Allocation

- What Helped: Returns for all four risk categories in the Fund were positive for the quarter with equities contributing +0.9%, Nominal Interest Rates contributing +0.4%, Inflation contributing +0.7%, and Credit contributing +0.4%
- What Hurt: U.K. gilts were the worst-performing government bonds in the portfolio, emerging market currencies performed poorly relative to the developed currency basket. In particular, they underperformed relative to the Euro

Manager Executive Summary

Manager	Historical Staff & Organization Changes	Investment Process Changes	Focused Placement List	Watch List History	Latest Meeting with NEPC
T. Rowe Price	No changes	No Changes	Preferred: No Action	n/a	11/27/2012: Onsite visit and update on firm and product.
SSgA S&P 500 Cap-Wght	No changes	No changes	Neutral: No Action	n/a	10/7/2013: Update on indexing capabilities with SSgA at NEPC
SSgA S&P 500 Equal-Wght	No changes	No changes	Neutral: No Action	n/a	10/7/2013: Update on indexing capabilities with SSgA at NEPC
SSgA S&P 400	No changes	No changes	Neutral: No Action	n/a	12/18/2012: Update on the firm and portfolio management teams.

Manager Executive Summary

Manager	Historical Staff & Organization Changes	Investment Process Changes	Focused Placement List	Watch List History	Latest Meeting with NEPC
Champlain SMID	No changes	No changes	Preferred: No Action	n/a	6/19/2013: Onsite visit, firm and product update
Wellington Small Value	No changes	No changes	Preferred: No Action	n/a	11/5/2012: Onsite visit, firm and product update
SSgA Russell 2000 Growth	No changes	No changes	Neutral: No Action	n/a	10/7/2013: Update on indexing capabilities with SSgA at NEPC
Acadian Int'l Equity	<p>6/2/10: James Wylie, Head of Sales, left.</p> <p>6/15/10: Charles Wang, Director of Research, left.</p> <p>7/2/10: Matt Cohen, Portfolio Manager, will depart at yr end.</p> <p>Oct 2010: Joshua White will be joining as a Portfolio Manager</p> <p>March 2011: Terrance Burnham, Director of Portfolio Management, left.</p> <p>Qi Zeng, Client Portfolio Manager, left</p>	<p>Acadian has moved from the Barra risk model to an in house developed model based off of Axioma data. This gives the team the ability to develop their own risk factors. The risk model was implemented on September 1st 2012.</p>	Preferred: No Action	<p>7/28/2010: Watch</p> <p>10/24/2011: Preferred</p>	10/31/2012: General update.
Mondrian Int'l Equity	<p>March 2010: Fiona Barwick, Partner, will depart.</p> <p>Hellman & Friedman, a PE firm with a 27% stake is looking to exit over the next few years.</p>	No Changes	Preferred: No Action	n/a	9/20/2013: Update meeting with Liz Desmond and Paul Ross at NEPC

Manager Executive Summary

Manager	Historical Staff & Organization Changes	Investment Process Changes	Focused Placement List	Watch List History	Latest Meeting with NEPC
SSgA ACWI Ex-US	No changes	No changes	Neutral: No Action	n/a	10/7/2013: Update on indexing capabilities with SSgA at NEPC
Aberdeen Emerging Markets	Adul Jalil Rasheed has decided to leave the team. He was a mid level portfolio manager on the strategy and head of the Islamic Asset Management business based in Malaysia.. Prior to that they have not had any staff turnover for the past two years.	No changes	Preferred: No Action	n/a	10/30/2013: Meeting with Hugh Young and Nicholas Hadow in Aberdeen's Singapore office to discuss emerging markets equity capacity and organizational issues.
Allianz Structured Alpha	No changes	No changes	Neutral: No Action	n/a	3/28/2013: Onsite at Allianz, comprehensive review
Wellington DAS	No changes	No changes	Neutral: No Action	n/a	9/11/2012: Update meeting
PIMCO Core Plus	No changes	No changes	Preferred: No Action	n/a	10/18/2013: Update with Rob Morena

Manager Executive Summary

Manager	Historical Staff & Organization Changes	Investment Process Changes	Focused Placement List	Watch List History	Latest Meeting with NEPC
Post Advisory	<p>January 2013: Melinda Newman, Senior Portfolio Manager no longer with firm.</p> <p>1Q2013</p> <ul style="list-style-type: none"> •Senior Analyst Dan Ross joins firm <p>2Q2013</p> <ul style="list-style-type: none"> •Vijay Padmanabhan leaves on sabbatical for family related reasons • Kapil Singh leaves company to pursue another opportunity • Post hires Analyst Iris Shin – starts mid-May 	No changes	Preferred: On Hold	<p>3/29/2011: Hold</p> <p>1/9/2012: No Action</p> <p>4/3/2012: Hold</p> <p>4/29/2013: Client Review</p>	7/31/2012: Update on product and recent departures
KDP	No changes	No changes	Neutral: No Action	n/a	11/8/2013: Update meeting with Kingman Penniman
Mondrian Global Bonds	No changes	No changes	Neutral: No Action	n/a	6/28/12- Firm and strategy update
PIMCO Unconstrained Bond	No changes	No changes	Preferred: No Action	n/a	5/22/2013 Comprehensive Review at NEPC
Wellington Opportunistic Emerging Market Debt	<p>Wellington announced that Ricardo Adroque, a lead member of their emerging market debt team will be departing the Firm in mid-April. Ricardo is the lead PM for local currency EM debt portfolios and is a key member involved in the Opportunistic EMD portfolio. Ricardo's departure is amicable and he is leaving to work with a family member running a hedge fund based in California</p>	No changes	Preferred: No Action	n/a	6/3/2013: Follow up meeting with Jim Valone to discuss Ricardo Adroque, PM departure

Manager Executive Summary

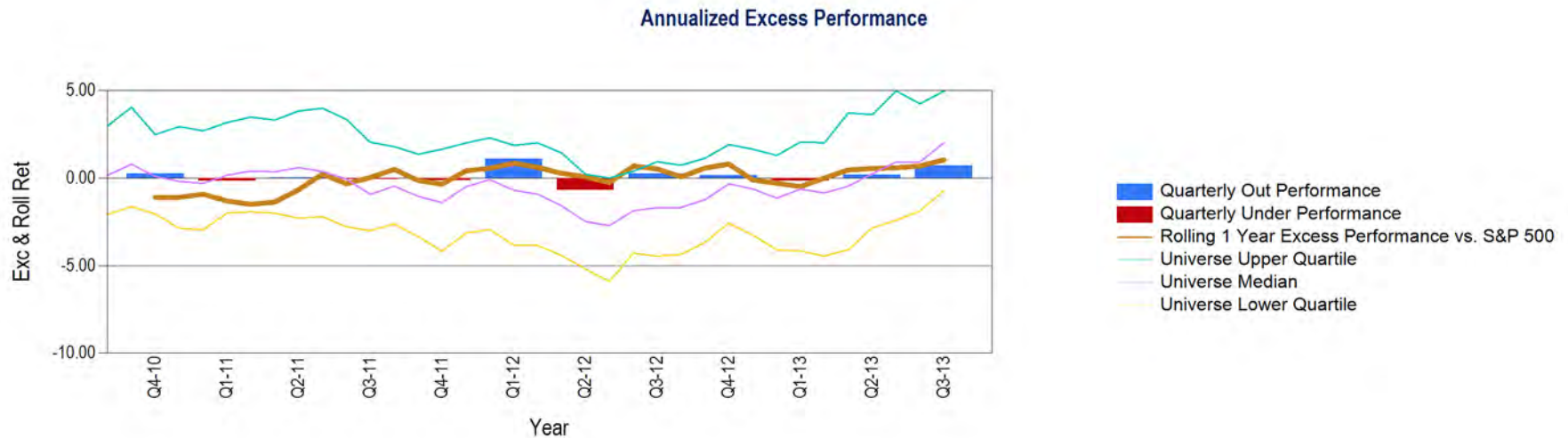
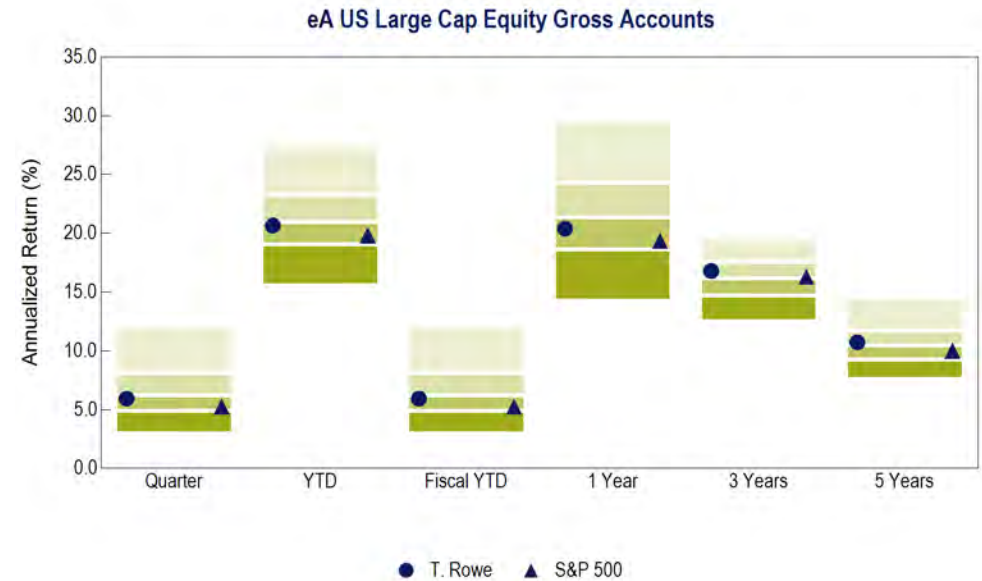
Manager	Historical Staff & Organization Changes	Investment Process Changes	Focused Placement List	Watch List History	Latest Meeting with NEPC
BlackRock TIPS	No changes	No changes	Preferred:No Action	4/12/2012: Preferred	10/8/2013: Update meeting at Blackrock
Mellon Global Expanded Alpha I	10/28/2010: Helen Potter, Portfolio Manager March 2011: Michael Ho, CIO, is leaving Lex Hubert is returning to MCM	New, more diversified benchmark adds international and emerging small cap equities, high yield and emerging market debt. Changes to portfolio/benchmarked expected to occur at end of third quarter.	Preferred: Watch	1/19/2012: Preferred	5/22/2012: Update
AQR Global Risk Premium	No changes	No changes	Preferred: No Action	4/29/2010: Preferred	7/1/2013: Update with Brian Crowell and Michael Mendelson
PIMCO All Asset	No changes	No changes	Preferred: No Action	n/a	5/1/2012: Reviewed recent performance, investment strategy, and market expectations.
Wellington OIF	November 2012: Mark Lynch hired as Portfolio Manager	No changes	Preferred: No Action	n/a	4/2/2013: Update, onsite

Manager Executive Summary

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

Manager Characteristics

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



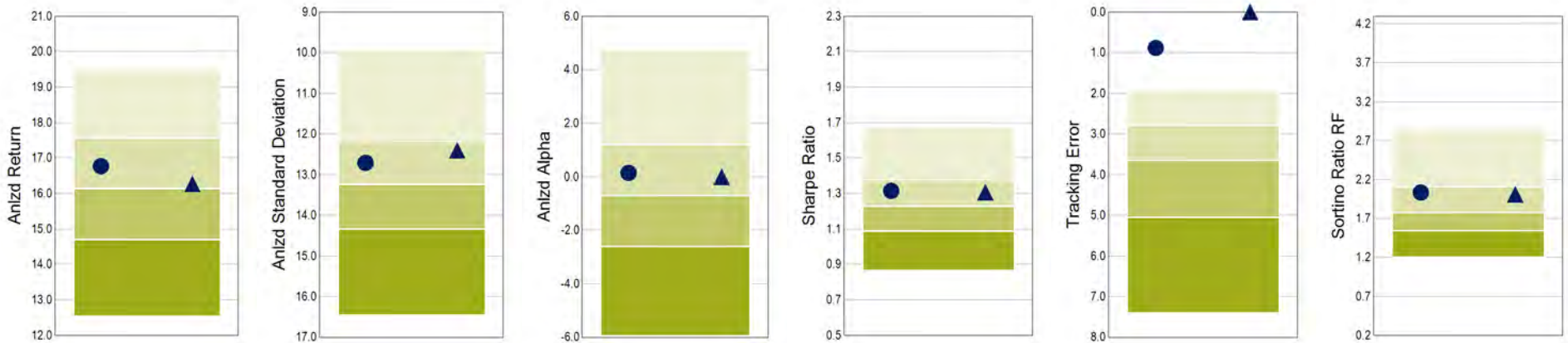


- T. Rowe
- ◆ S&P 500
- 68% Confidence Interval
- eA US Large Cap Equity Gross

Characteristics

	Portfolio	S&P 500
Number of Holdings	254	500
Weighted Avg. Market Cap. (\$B)	101.1	103.0
Median Market Cap. (\$B)	21.3	15.0
Price To Earnings	21.4	19.1
Price To Book	4.0	3.6
Price To Sales	2.6	2.1
Return on Equity (%)	18.9	18.3
Yield (%)	1.9	2.1
Beta	1.0	1.0
R-Squared	1.0	1.0

3 Year Risk Statistics



SSgA S&P 500 Cap-Wgt

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

Characteristics

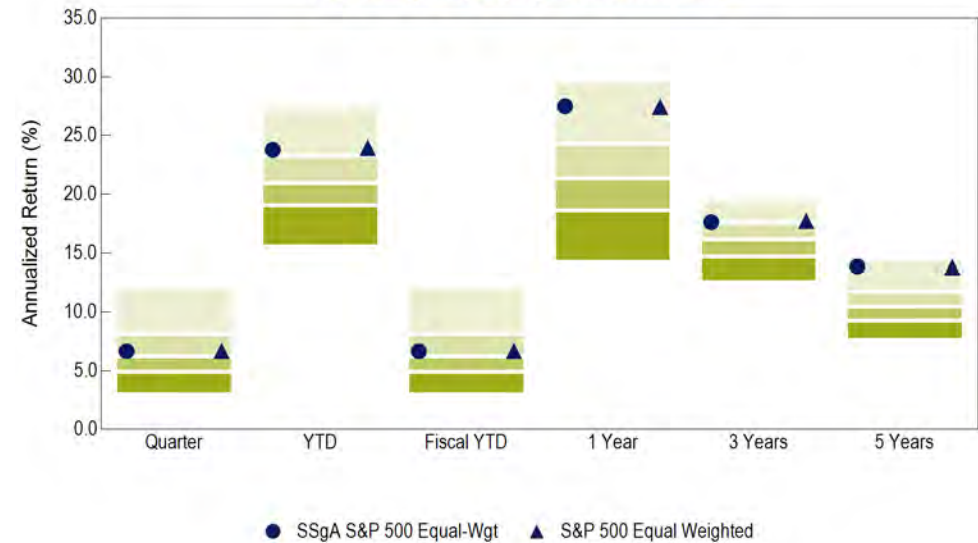
	Portfolio	S&P 500
Number of Holdings	503	500
Weighted Avg. Market Cap. (\$B)	103.1	103.0
Median Market Cap. (\$B)	15.0	15.0
Price To Earnings	20.6	19.1
Price To Book	3.7	3.6
Price To Sales	2.4	2.1
Return on Equity (%)	19.0	18.3
Yield (%)	2.1	2.1
Beta	1.0	1.0
R-Squared	1.0	1.0



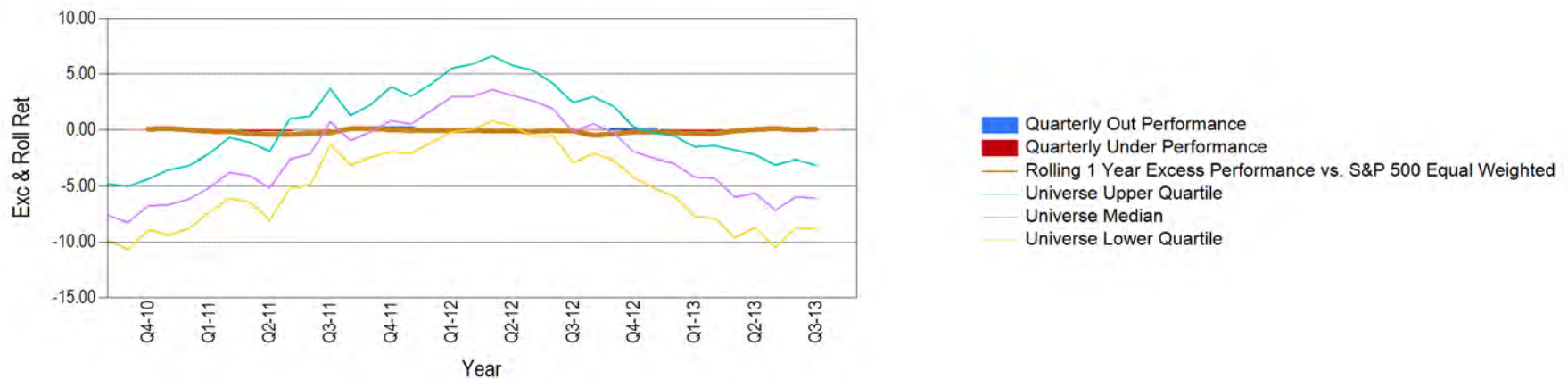
SSgA S&P 500 Equal-Wgt

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.

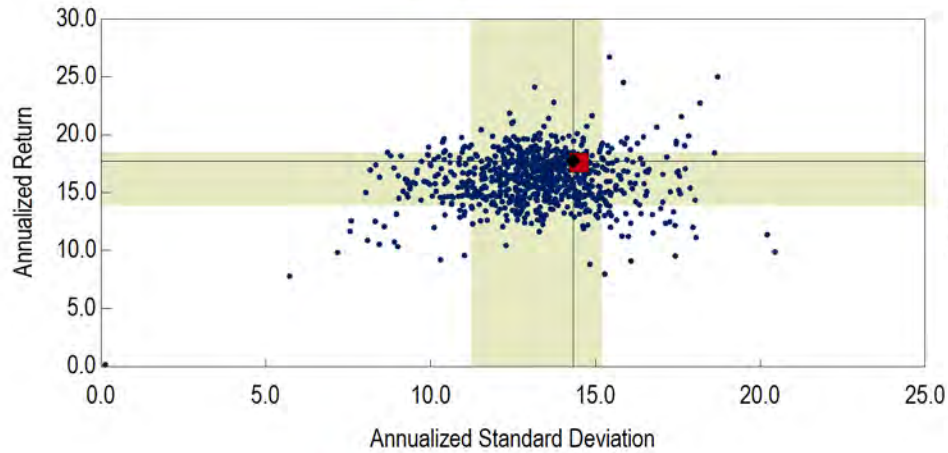
eA US Large Cap Equity Gross Accounts



Annualized Excess Performance



3 Year Risk Return

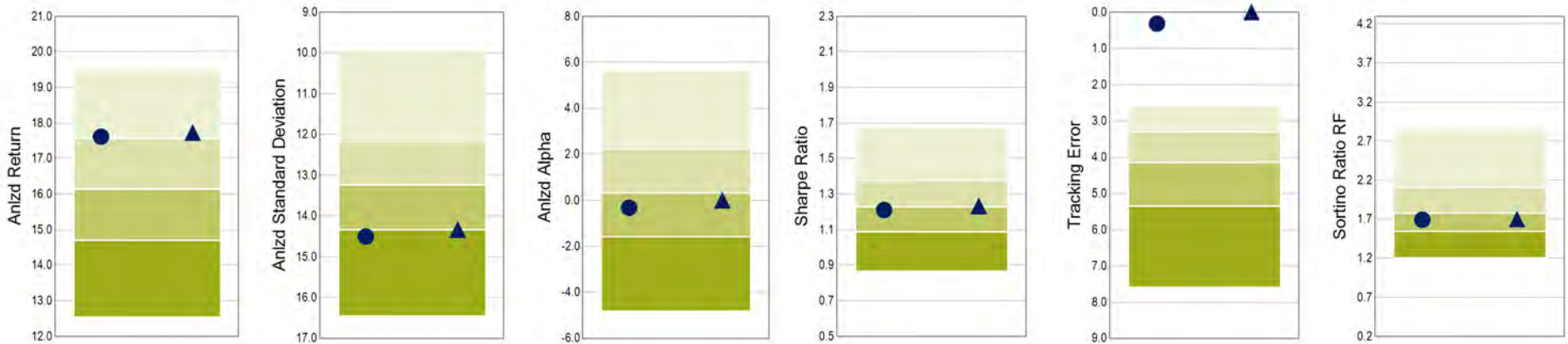


- SSgA S&P 500 Equal-Wgt
- ◆ S&P 500 Equal Weighted
- 68% Confidence Interval
- eA US Large Cap Equity Gross

Characteristics

	Portfolio	S&P 500
Number of Holdings	495	500
Weighted Avg. Market Cap. (\$B)	30.2	103.0
Median Market Cap. (\$B)	15.0	15.0
Price To Earnings	22.8	19.1
Price To Book	3.5	3.6
Price To Sales	2.2	2.1
Return on Equity (%)	16.9	18.3
Yield (%)	1.9	2.1
Beta	1.2	1.0
R-Squared	1.0	1.0

3 Year Risk Statistics

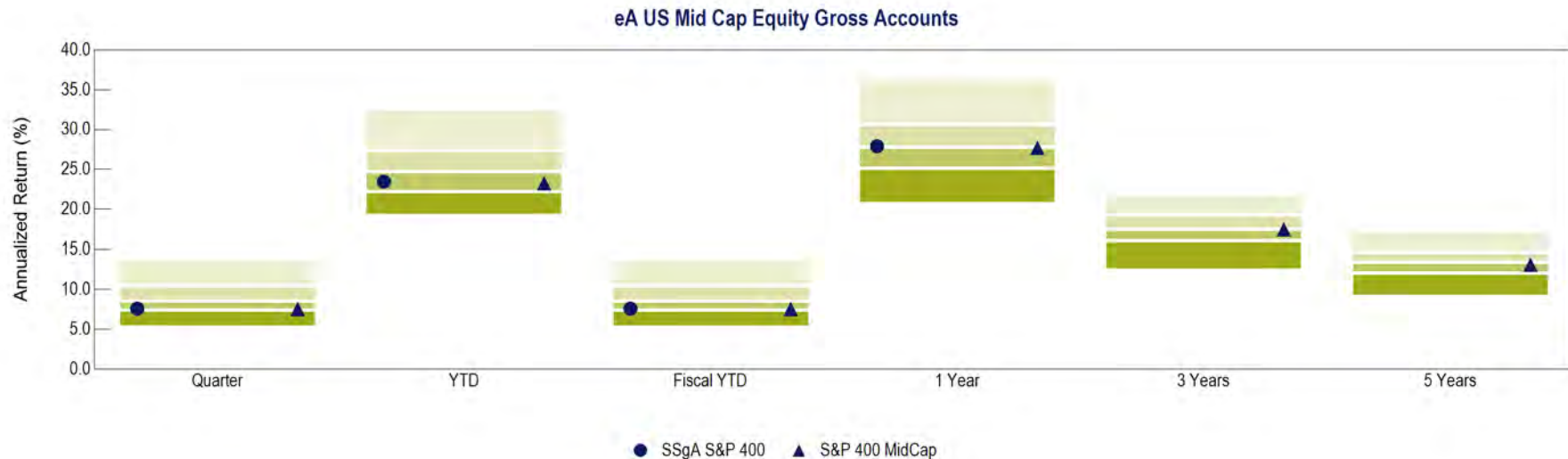


SSgA S&P 400

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

Characteristics

	Portfolio	S&P 400 MidCap
Number of Holdings	404	400
Weighted Avg. Market Cap. (\$B)	4.7	4.7
Median Market Cap. (\$B)	3.3	3.4
Price To Earnings	25.1	23.0
Price To Book	3.5	3.2
Price To Sales	2.4	2.2
Return on Equity (%)	15.0	13.7
Yield (%)	1.4	1.4
Beta		1.0
R-Squared		1.0



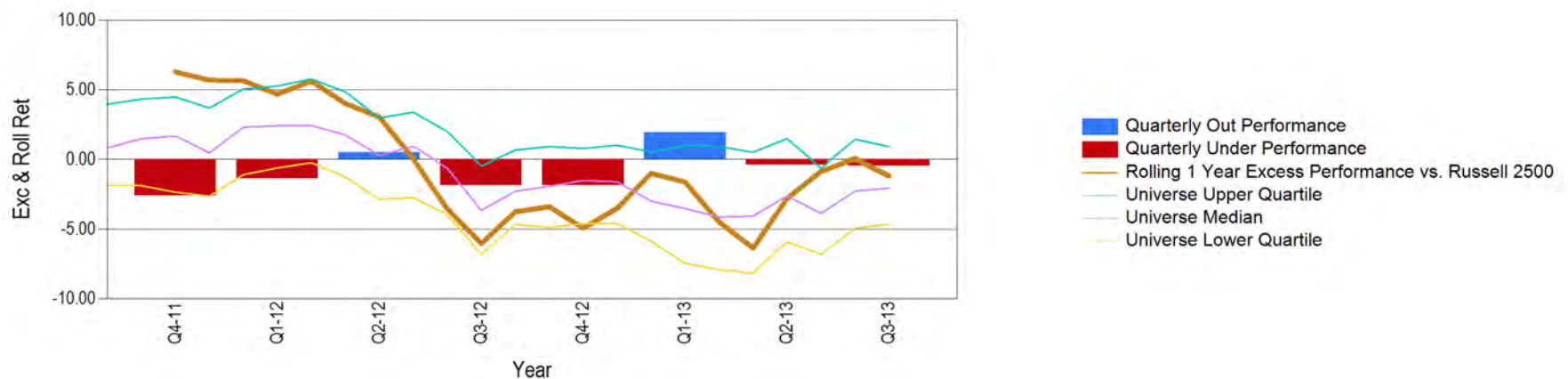
Champlain

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

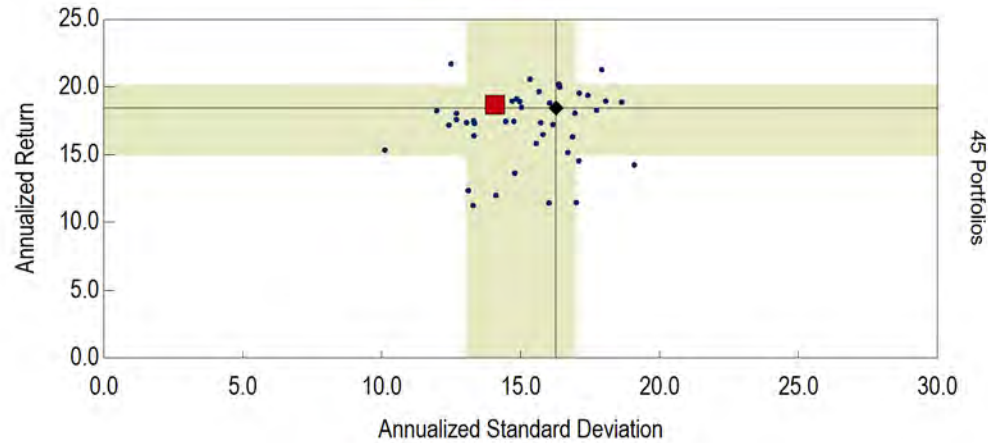
eA US Mid Cap Core Equity Gross Accounts



Annualized Excess Performance



3 Year Risk Return

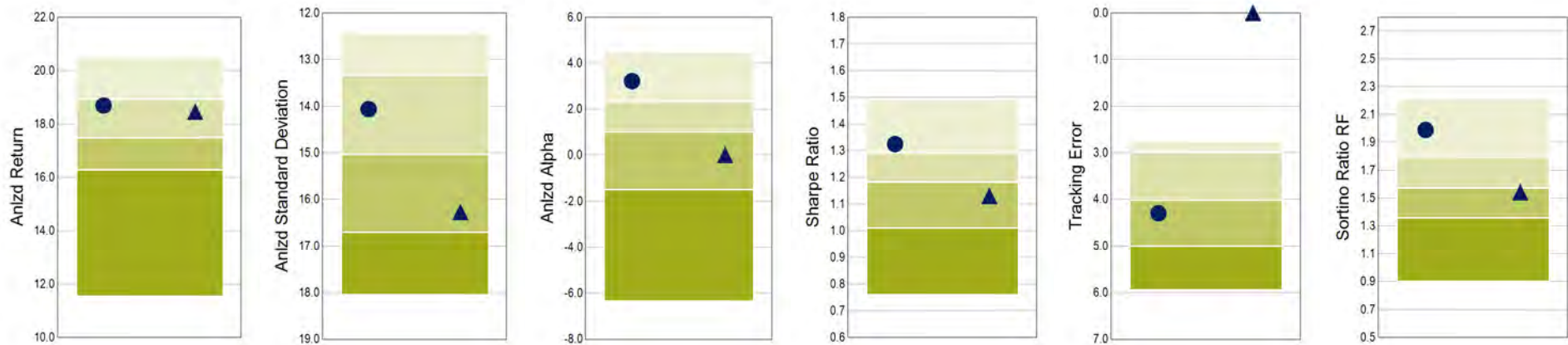


- Champlain
- ◆ Russell 2500
- 68% Confidence Interval
- eA US Mid Cap Core Equity Gross

Characteristics

	Portfolio	Russell 2500
Number of Holdings	66	2,472
Weighted Avg. Market Cap. (\$B)	8.2	3.4
Median Market Cap. (\$B)	6.0	0.9
Price To Earnings	29.1	22.6
Price To Book	3.7	3.0
Price To Sales	2.8	2.2
Return on Equity (%)	15.3	12.5
Yield (%)	1.1	1.2
Beta		1.0
R-Squared		1.0

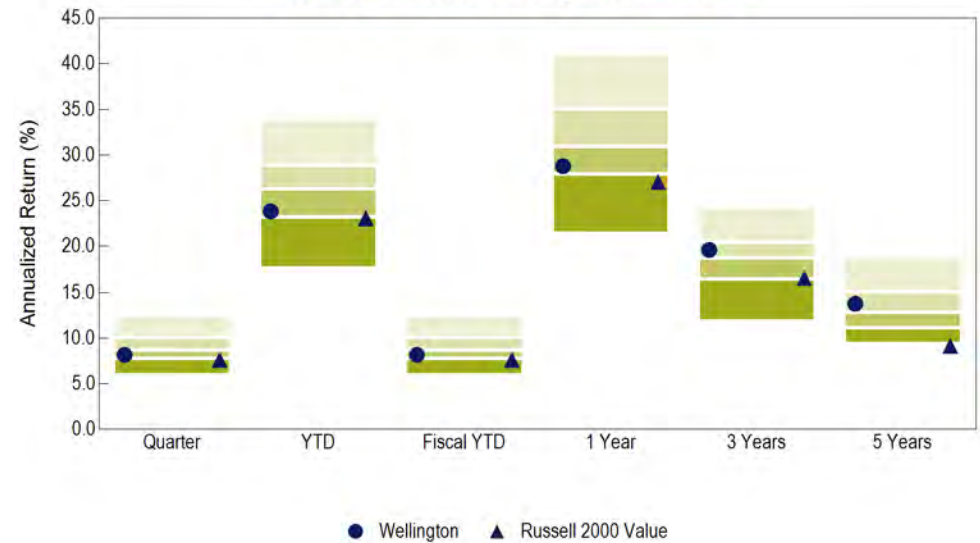
3 Year Risk Statistics



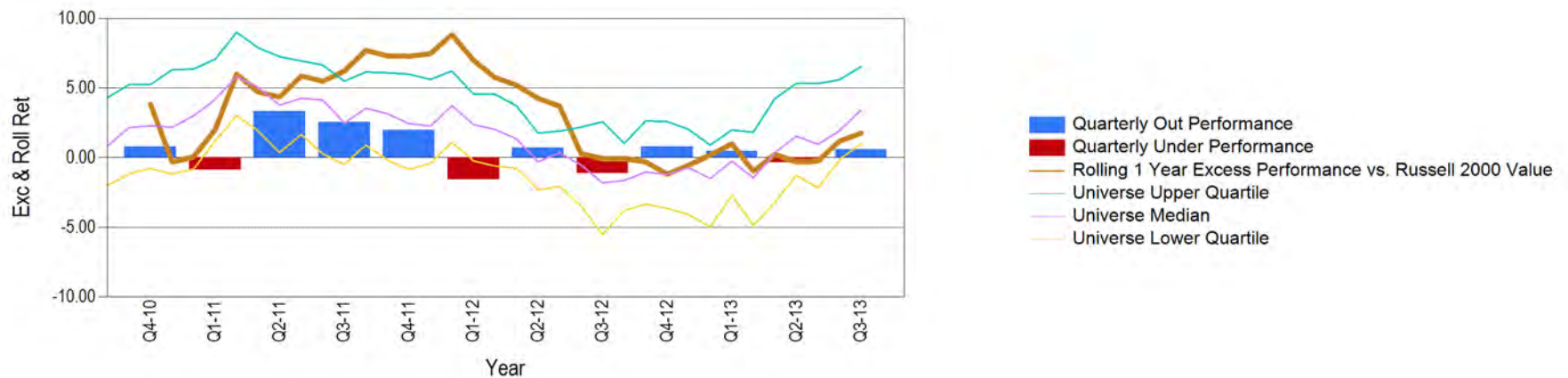
Wellington

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

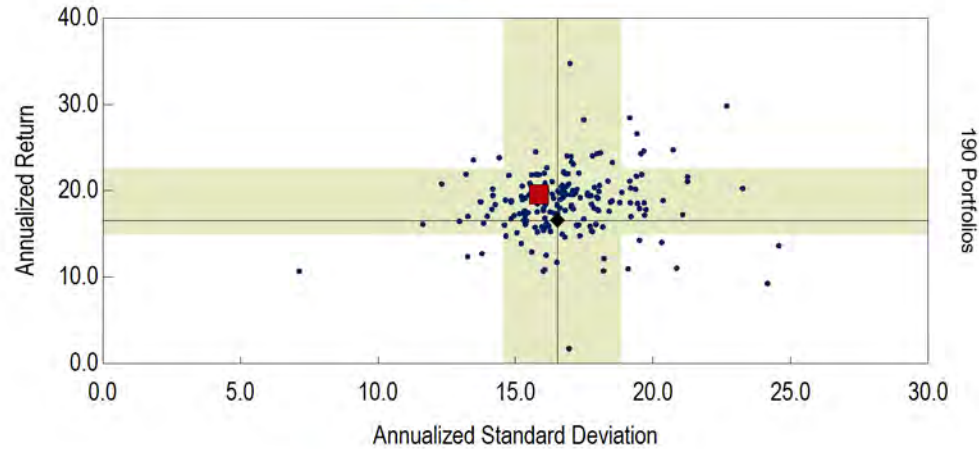
eA US Small Cap Value Equity Gross Accounts



Annualized Excess Performance



3 Year Risk Return

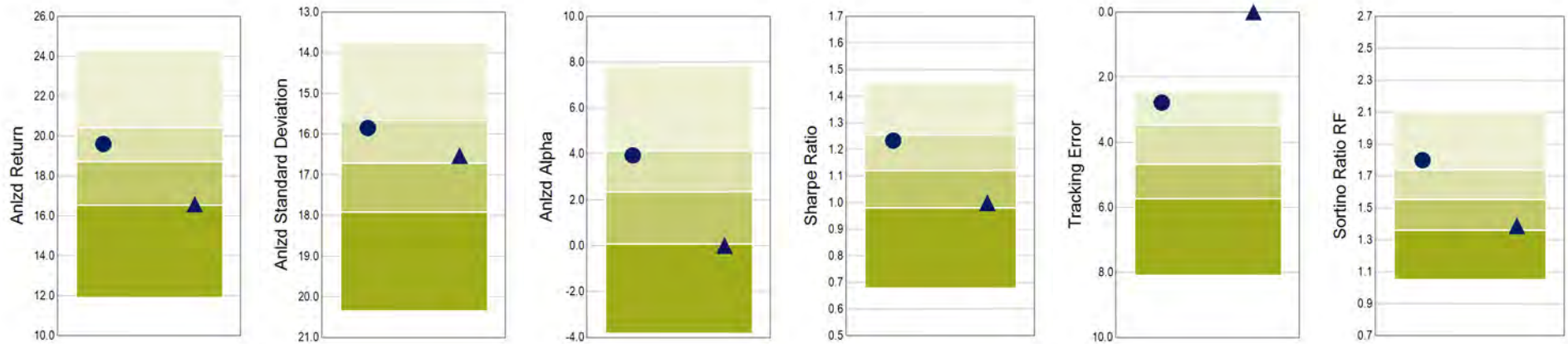


Characteristics

	Portfolio	Russell 2000 Value
Number of Holdings	76	1,343
Weighted Avg. Market Cap. (\$B)	1.6	1.4
Median Market Cap. (\$B)	1.5	0.5
Price To Earnings	22.9	17.6
Price To Book	2.3	1.7
Price To Sales	1.5	1.8
Return on Equity (%)	11.5	8.3
Yield (%)	1.4	1.7
Beta		1.0
R-Squared		1.0

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

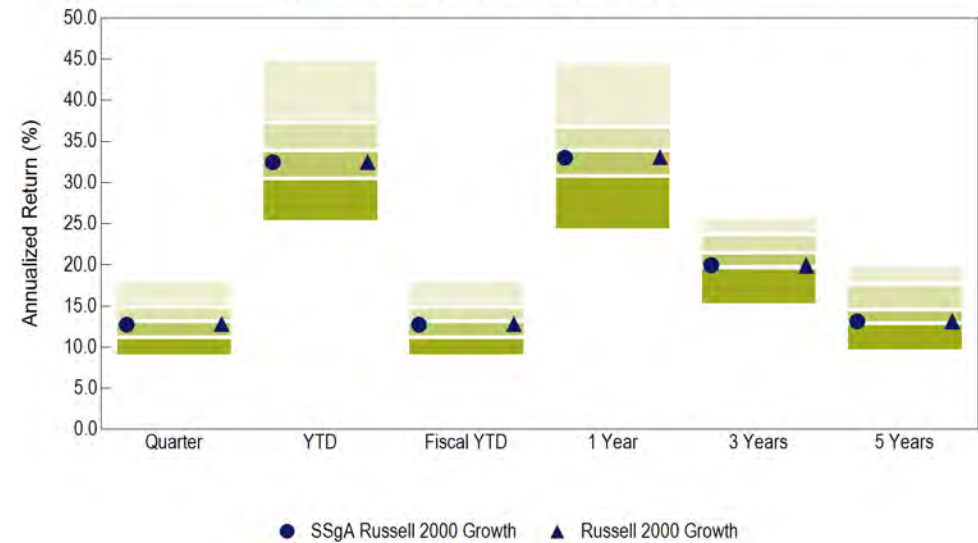
3 Year Risk Statistics



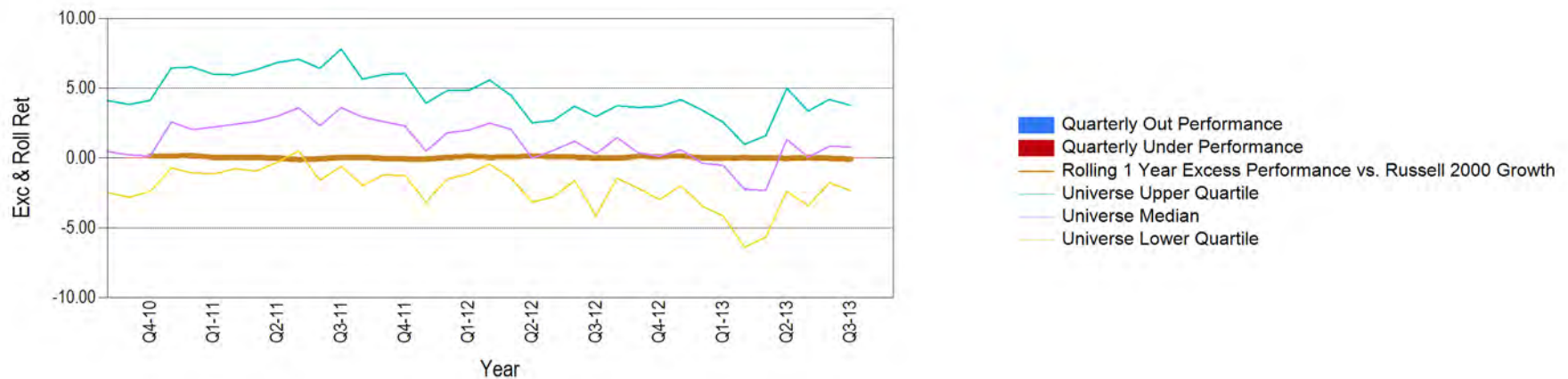
SSgA Russell 2000 Growth

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

eA US Small Cap Growth Equity Gross Accounts

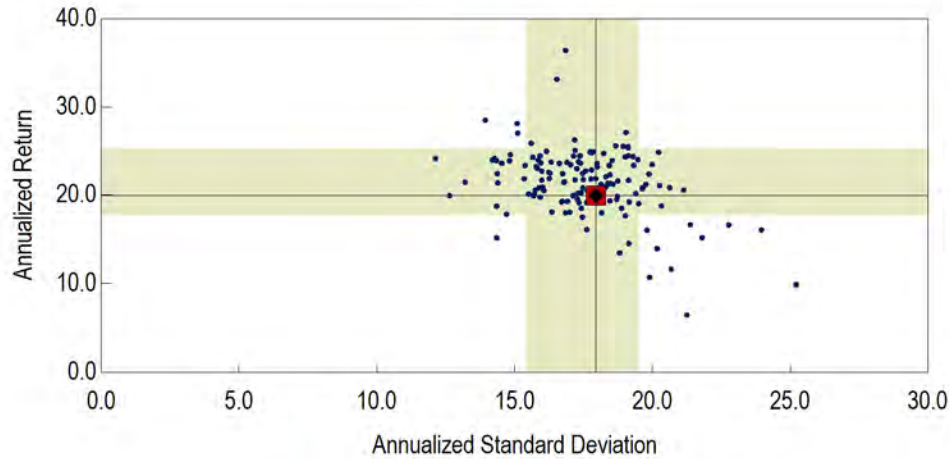


Annualized Excess Performance



SSgA Russell 2000 Growth

3 Year Risk Return

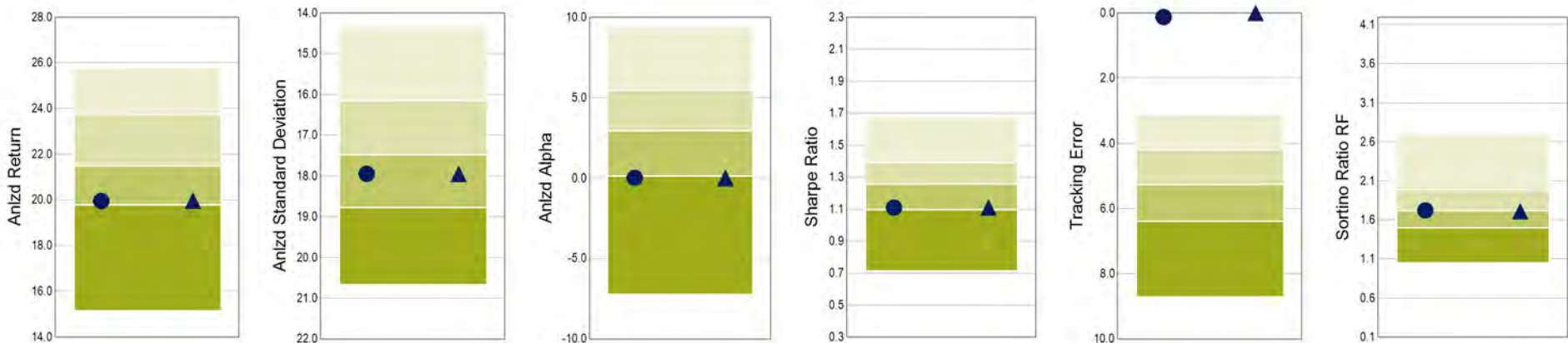


- SSgA Russell 2000 Growth
- ◆ Russell 2000 Growth
- 68% Confidence Interval
- eA US Small Cap Growth Equity Gross

Characteristics

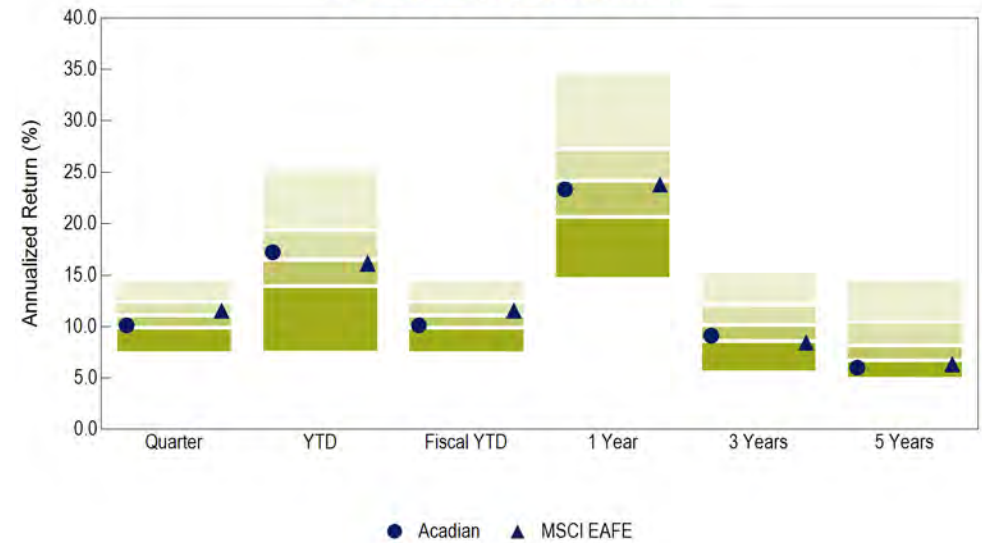
	Portfolio	Russell 2000 Growth
Number of Holdings	1,130	1,117
Weighted Avg. Market Cap. (\$B)	1.8	1.8
Median Market Cap. (\$B)	0.8	0.8
Price To Earnings	28.1	27.4
Price To Book	5.2	5.0
Price To Sales	3.0	2.6
Return on Equity (%)	16.0	15.4
Yield (%)	0.6	0.4
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics

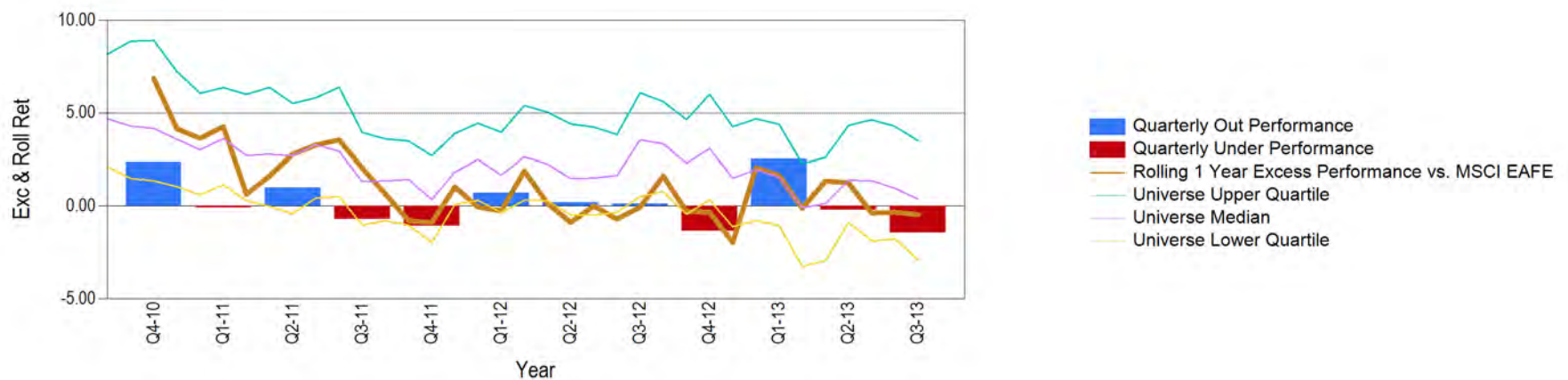


Acadian believes that the larger the pool of potential investments, the greater the potential opportunity an active manager has to add value. They believe that stocks and markets have many attributes that are related to potential outperformance, and that a successful investment approach must be multi-faceted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

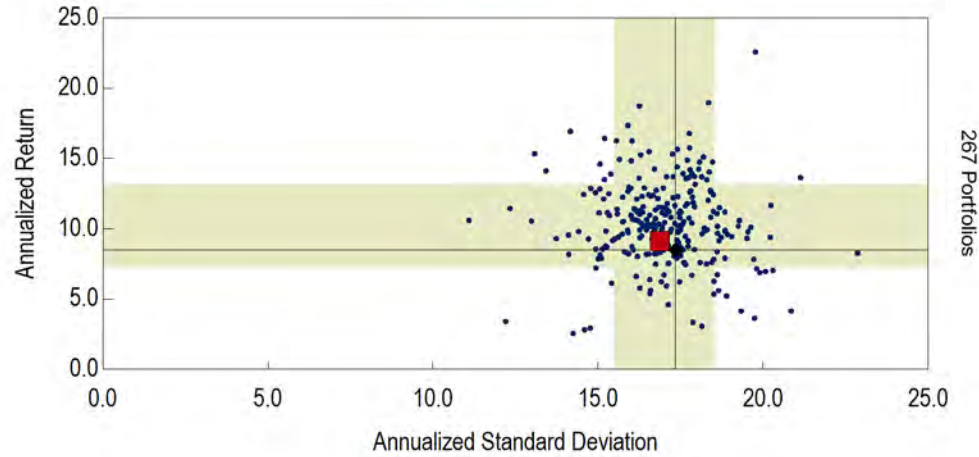
eA All EAFE Equity Gross Accounts



Annualized Excess Performance



3 Year Risk Return

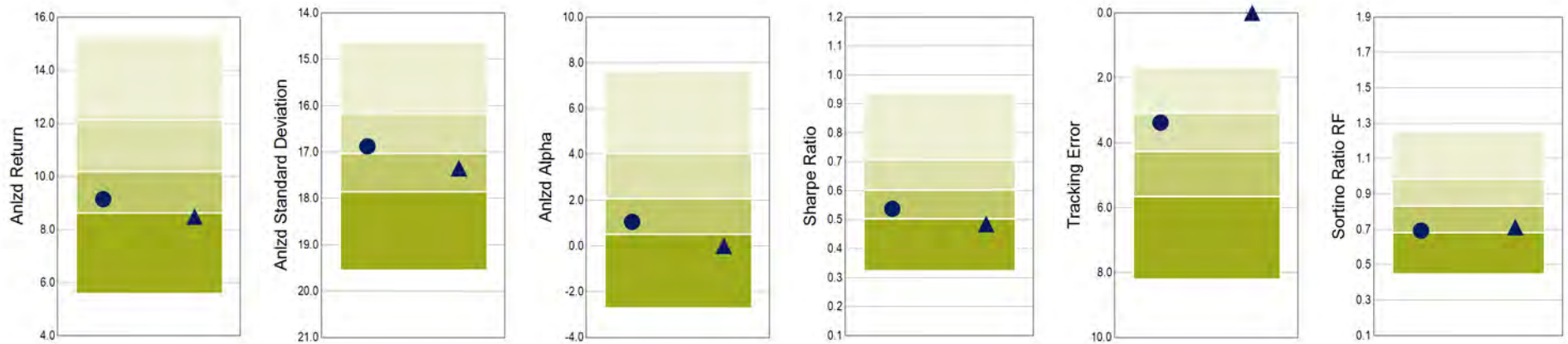


Characteristics

	Portfolio	MSCI EAFE
Number of Holdings	386	909
Weighted Avg. Market Cap. (\$B)	29.2	59.5
Median Market Cap. (\$B)	1.0	8.5
Price To Earnings	13.4	18.2
Price To Book	1.5	2.2
Price To Sales	0.7	1.7
Return on Equity (%)	13.9	13.5
Yield (%)	2.9	3.0
Beta		1.0
R-Squared		1.0

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

3 Year Risk Statistics

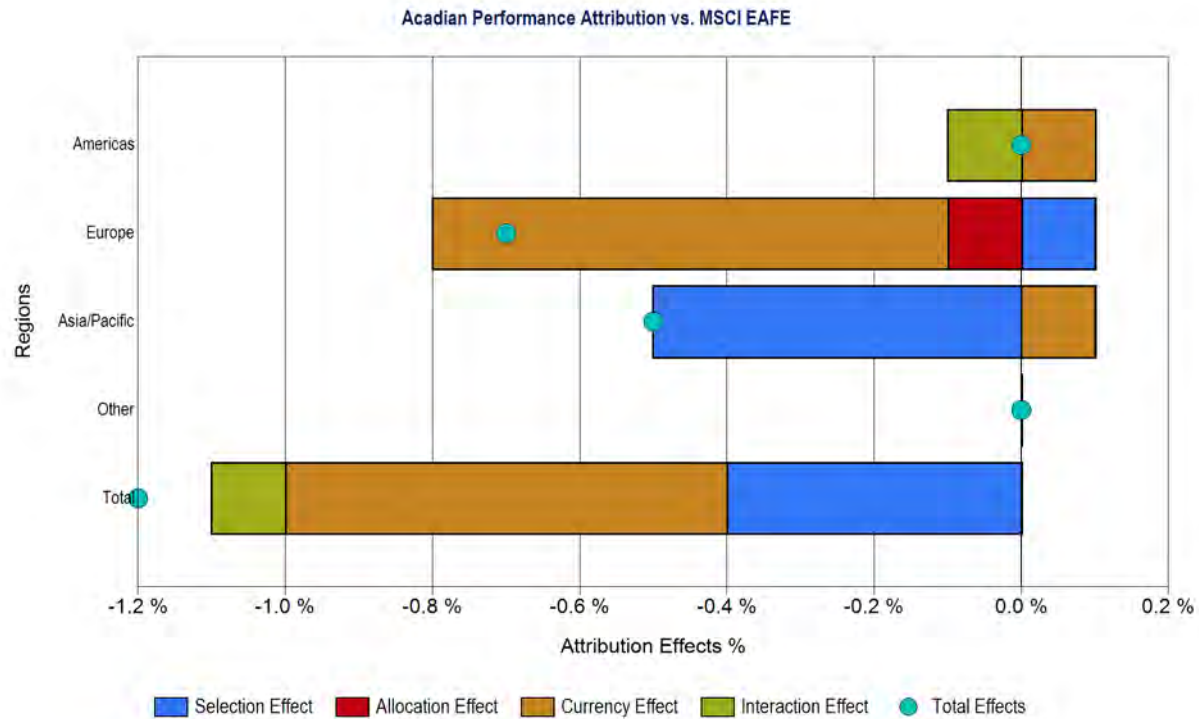


Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
Americas				
Brazil*	4.3%	0.0%	5.3%	8.4%
Canada	4.4%	0.0%	7.5%	8.8%
Chile*	0.0%	0.0%	--	--
Colombia*	0.0%	0.0%	--	--
Mexico*	0.1%	0.0%	3.0%	-1.7%
Peru*	0.0%	0.0%	--	--
United States	0.4%	0.0%	19.6%	5.6%
Total-Americas	9.3%	0.0%	7.0%	--
Europe				
Austria	1.5%	0.3%	9.2%	19.2%
Belgium	0.2%	1.1%	5.4%	13.6%
Czech Republic*	0.0%	0.0%	--	--
Denmark	1.3%	1.1%	27.5%	13.7%
Finland	1.2%	0.8%	25.6%	26.6%
France	6.3%	9.5%	21.7%	15.6%
Germany	13.2%	8.7%	7.4%	12.5%
Greece	0.0%	0.0%	-16.9%	33.6%
Hungary*	0.0%	0.0%	--	--
Ireland	0.1%	0.3%	-16.3%	17.0%
Italy	1.7%	1.9%	23.8%	20.0%
Netherlands	3.5%	2.6%	6.3%	15.0%
Norway	2.6%	0.8%	8.7%	9.2%
Poland*	0.1%	0.0%	18.6%	17.2%
Portugal	0.2%	0.2%	27.2%	11.1%
Russia*	0.0%	0.0%	--	--
Spain	0.2%	2.8%	38.8%	25.6%
Sweden	5.8%	3.1%	8.0%	15.2%
Switzerland	4.7%	9.2%	14.7%	9.5%
United Kingdom	13.2%	21.7%	16.4%	12.0%
Total-Europe	55.7%	64.1%	13.3%	13.6%

Country Allocation

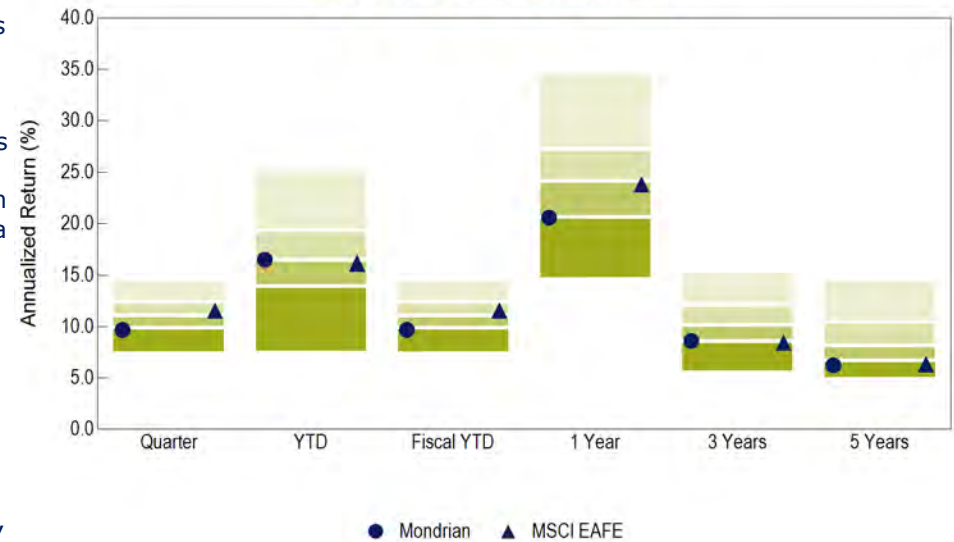
	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
AsiaPacific				
Australia	2.9%	8.0%	1.5%	12.0%
China*	0.0%	0.0%	--	--
Hong Kong	0.7%	3.0%	5.0%	8.9%
India*	0.0%	0.0%	--	--
Indonesia*	0.0%	0.0%	--	--
Japan	26.1%	22.6%	0.1%	6.6%
Korea*	2.1%	0.0%	-0.9%	3.7%
Malaysia*	0.0%	0.0%	--	--
New Zealand	0.0%	0.1%	-0.6%	17.6%
Philippines*	0.0%	0.0%	--	--
Singapore	2.5%	1.7%	3.3%	4.6%
Taiwan*	0.7%	0.0%	-2.8%	0.8%
Thailand*	0.0%	0.0%	--	--
Total-AsiaPacific	35.0%	35.4%	0.4%	8.0%
Other				
Egypt*	0.0%	0.0%	--	--
Israel	0.0%	0.5%	--	2.2%
Morocco*	0.0%	0.0%	--	--
South Africa*	0.0%	0.0%	--	--
Turkey*	0.0%	0.0%	--	--
Total-Other	0.0%	0.5%	--	2.2%
Totals				
Developed	92.7%	100.0%	5.3%	11.5%
Emerging*	7.3%	0.0%	-1.2%	--
Other	0.0%	--	--	--
Cash	0.0%	--	--	--



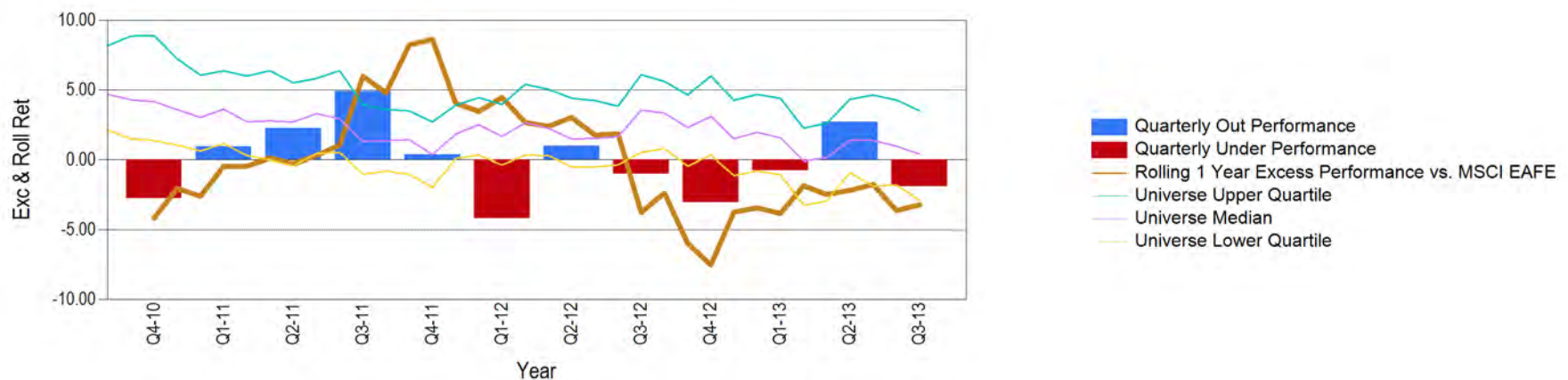
	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Totals									
Americas	7.0%	--	9.3%	0.0%	0.0%	0.0%	0.1%	-0.1%	0.0%
Europe	13.3%	13.6%	55.7%	64.1%	0.1%	-0.1%	-0.7%	0.0%	-0.7%
Asia/Pacific	6.6%	8.0%	35.0%	35.4%	-0.5%	0.0%	0.1%	0.0%	-0.5%
Other	--	2.0%	0.0%	0.5%	--	0.0%	0.0%	--	0.0%
Total	10.4%	11.6%	100.0%	100.0%	-0.4%	0.0%	-0.6%	-0.1%	-1.2%
Totals									
Developed	10.8%	11.6%	92.7%	100.0%	-0.3%	0.0%	-0.8%	0.0%	-1.0%
Emerging*	5.3%	--	7.3%	0.0%	0.0%	0.0%	0.1%	-0.3%	-0.2%

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

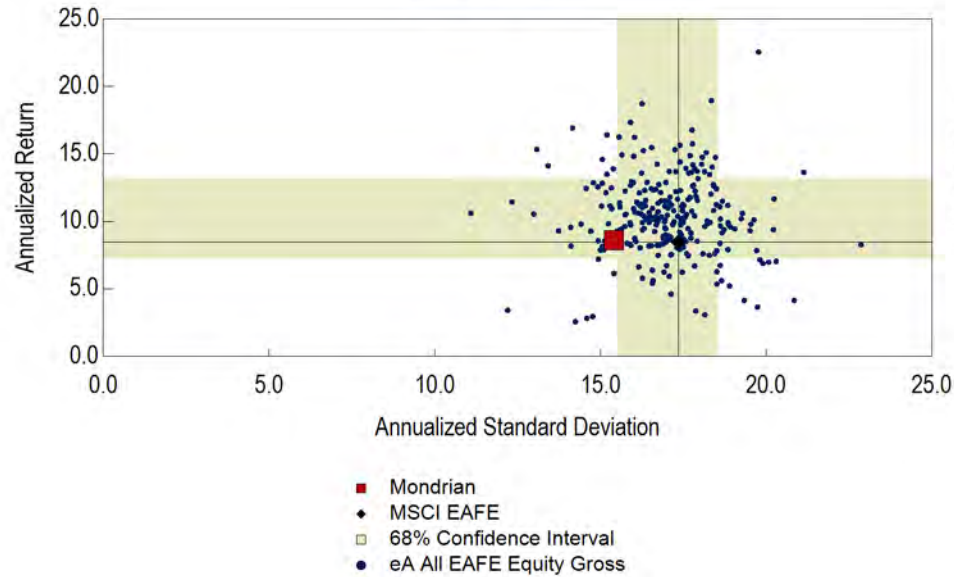
eA All EAFE Equity Gross Accounts



Annualized Excess Performance



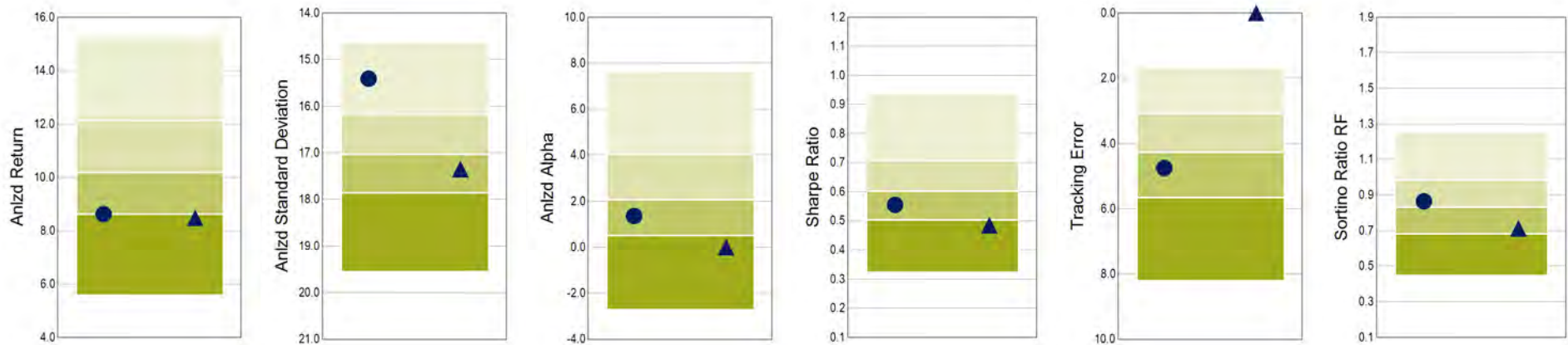
3 Year Risk Return



Characteristics

	Portfolio	MSCI EAFE
Number of Holdings	52	909
Weighted Avg. Market Cap. (\$B)	62.7	59.5
Median Market Cap. (\$B)	37.2	8.5
Price To Earnings	19.7	18.2
Price To Book	2.0	2.2
Price To Sales	1.2	1.7
Return on Equity (%)	14.0	13.5
Yield (%)	4.0	3.0
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics



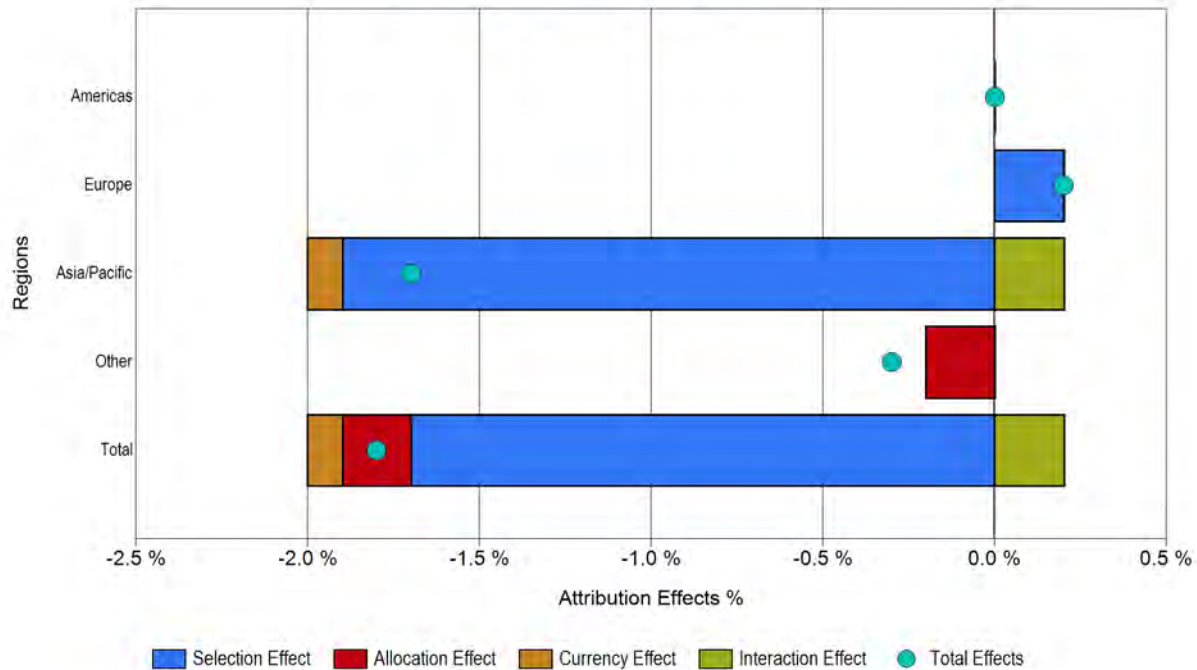
Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
Americas				
Brazil*	0.0%	0.0%	--	--
Canada	0.0%	0.0%	--	--
Chile*	0.0%	0.0%	--	--
Colombia*	0.0%	0.0%	--	--
Mexico*	0.0%	0.0%	--	--
Peru*	0.0%	0.0%	--	--
United States	0.0%	0.0%	--	--
Total-Americas	0.0%	0.0%	--	--
Europe				
Austria	0.0%	0.3%	--	19.2%
Belgium	0.0%	1.1%	--	13.6%
Czech Republic*	0.0%	0.0%	--	--
Denmark	0.0%	1.1%	--	13.7%
Finland	0.0%	0.8%	--	26.6%
France	14.9%	9.5%	19.2%	15.6%
Germany	6.3%	8.7%	20.3%	12.5%
Greece	0.0%	0.0%	--	33.6%
Hungary*	0.0%	0.0%	--	--
Ireland	0.0%	0.3%	--	17.0%
Italy	2.1%	1.9%	15.4%	20.0%
Netherlands	6.3%	2.6%	14.4%	15.0%
Norway	0.0%	0.8%	--	9.2%
Poland*	0.0%	0.0%	--	--
Portugal	0.0%	0.2%	--	11.1%
Russia*	0.0%	0.0%	--	--
Spain	6.5%	2.8%	20.0%	25.6%
Sweden	0.0%	3.1%	--	15.2%
Switzerland	7.9%	9.2%	5.9%	9.5%
United Kingdom	21.6%	21.7%	9.0%	12.0%
Total-Europe	65.6%	64.1%	13.9%	13.6%

Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
AsiaPacific				
Australia	4.5%	8.0%	6.9%	12.0%
China*	1.6%	0.0%	9.1%	12.2%
Hong Kong	0.0%	3.0%	--	8.9%
India*	0.0%	0.0%	--	--
Indonesia*	0.0%	0.0%	--	--
Japan	18.8%	22.6%	1.4%	6.6%
Korea*	0.0%	0.0%	--	--
Malaysia*	0.0%	0.0%	--	--
New Zealand	0.0%	0.1%	--	17.6%
Philippines*	0.0%	0.0%	--	--
Singapore	5.3%	1.7%	2.1%	4.6%
Taiwan*	1.1%	0.0%	-4.9%	3.1%
Thailand*	0.0%	0.0%	--	--
Total-AsiaPacific	31.3%	35.4%	2.5%	8.0%
Other				
Egypt*	0.0%	0.0%	--	--
Israel	3.1%	0.5%	-2.8%	2.0%
Morocco*	0.0%	0.0%	--	--
South Africa*	0.0%	0.0%	--	--
Turkey*	0.0%	0.0%	--	--
Total-Other	3.1%	0.5%	-2.8%	2.0%
Totals				
Developed	97.3%	100.0%	10.0%	11.6%
Emerging*	2.7%	0.0%	3.6%	--
Other	0.0%	--	--	--
Cash	0.0%	--	--	--

Mondrian Performance Attribution vs. MSCI EAFE

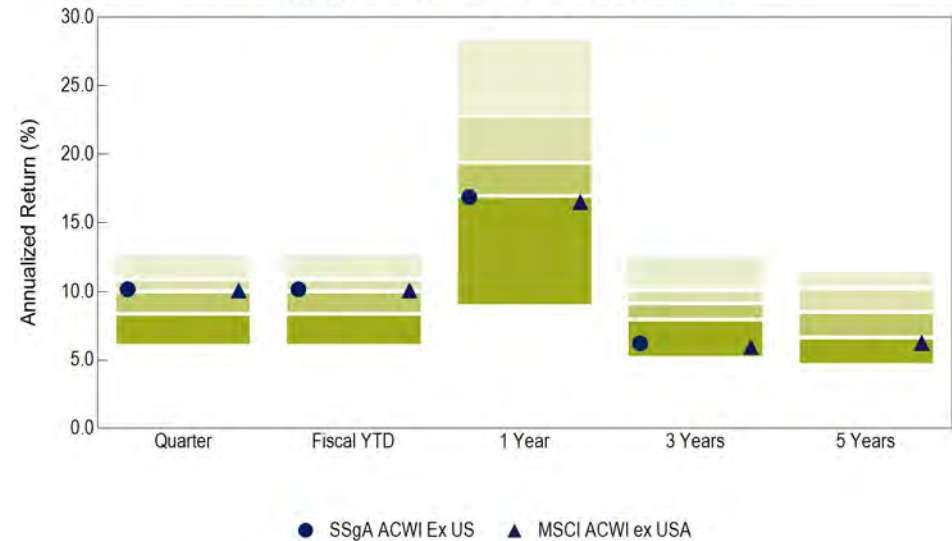


	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Totals									
Americas	--	--	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Europe	13.9%	13.6%	65.6%	64.1%	0.2%	0.0%	0.0%	0.0%	0.2%
Asia/Pacific	2.5%	8.0%	31.3%	35.4%	-1.9%	0.0%	-0.1%	0.2%	-1.7%
Other	-2.8%	2.0%	3.1%	0.5%	0.0%	-0.2%	0.0%	0.0%	-0.3%
Total	9.8%	11.6%	100.0%	100.0%	-1.7%	-0.2%	-0.1%	0.2%	-1.8%
Totals									
Developed	10.0%	11.6%	97.3%	100.0%	-1.6%	0.0%	-0.1%	0.0%	-1.7%
Emerging*	3.6%	--	2.7%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%

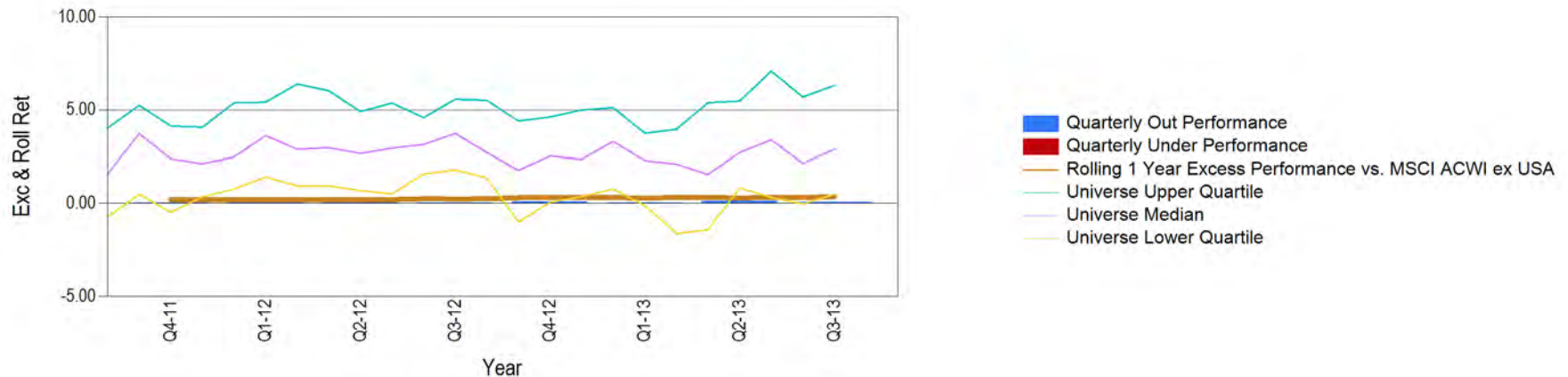
SSgA ACWI Ex US

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

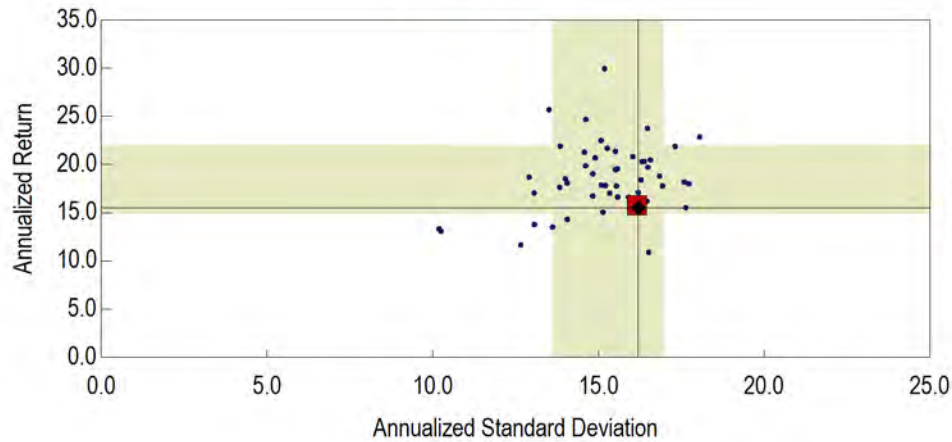
eA ACWI ex-US All Cap Equity Gross Accounts



Annualized Excess Performance



2 Year Risk Return

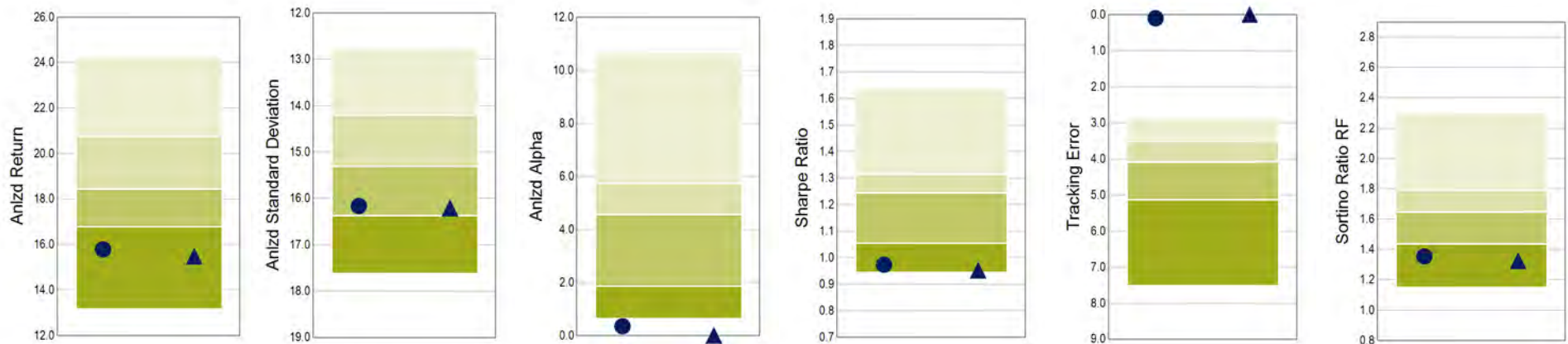


- SSgA ACWI Ex US
- ◆ MSCI ACWI ex USA
- 68% Confidence Interval
- eA ACWI ex-US All Cap Equity Gross

Characteristics

	Portfolio	MSCI ACWI ex USA
Number of Holdings	1,893	1,822
Weighted Avg. Market Cap. (\$B)	52.7	52.7
Median Market Cap. (\$B)	6.6	6.5
Price To Earnings	19.0	18.0
Price To Book	2.8	2.3
Price To Sales	2.0	1.8
Return on Equity (%)	15.4	14.6
Yield (%)	3.0	3.0
Beta		1.0
R-Squared		1.0

2 Year Risk Statistics



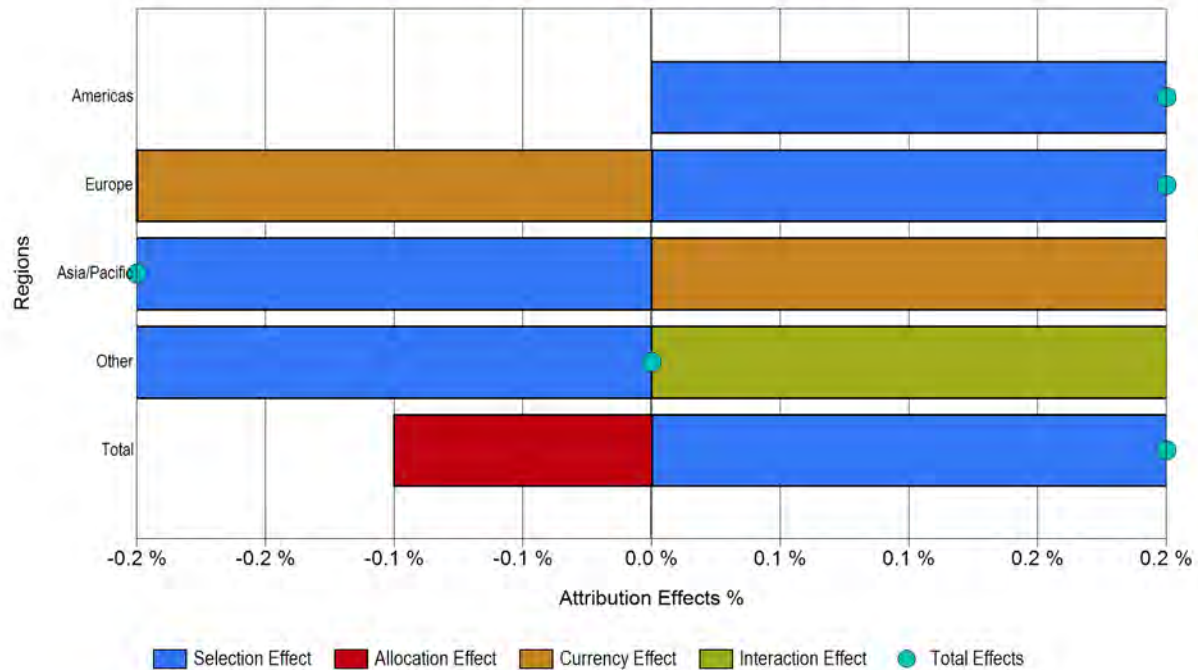
Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
Americas				
Brazil*	1.9%	2.5%	7.2%	8.5%
Canada	5.8%	7.3%	18.3%	9.0%
Chile*	0.3%	0.4%	-2.8%	-5.5%
Colombia*	0.6%	0.3%	18.7%	9.4%
Mexico*	0.8%	1.2%	-0.7%	-1.7%
Peru*	1.3%	0.1%	-3.7%	-3.7%
United States	0.0%	0.0%	--	--
Total-Americas	10.6%	11.7%	11.6%	7.2%
Europe				
Austria	0.1%	0.2%	32.7%	19.2%
Belgium	0.0%	0.8%	--	13.6%
Czech Republic*	0.0%	0.1%	--	13.3%
Denmark	0.0%	0.8%	--	13.7%
Finland	0.0%	0.5%	--	26.6%
France	12.1%	6.7%	22.1%	15.6%
Germany	0.0%	6.1%	--	12.5%
Greece	0.0%	0.0%	--	33.6%
Hungary*	0.0%	0.1%	--	-4.9%
Ireland	1.3%	0.2%	9.0%	17.0%
Italy	1.3%	1.3%	29.0%	20.0%
Netherlands	0.5%	1.8%	4.6%	15.0%
Norway	0.0%	0.6%	--	9.2%
Poland*	0.3%	0.3%	1.1%	17.8%
Portugal	0.0%	0.1%	--	11.1%
Russia*	7.4%	1.3%	11.1%	13.5%
Spain	0.0%	2.0%	--	25.6%
Sweden	0.0%	2.2%	--	15.2%
Switzerland	0.2%	6.5%	23.6%	9.5%
United Kingdom	21.3%	15.3%	16.4%	12.0%
Total-Europe	44.6%	47.0%	17.0%	13.6%

Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
AsiaPacific				
Australia	0.4%	5.7%	-3.1%	12.0%
China*	0.9%	4.0%	10.1%	12.2%
Hong Kong	4.7%	2.1%	16.4%	8.9%
India*	0.7%	1.5%	0.9%	-4.9%
Indonesia*	1.4%	0.7%	-21.4%	-23.7%
Japan	19.2%	16.0%	6.1%	6.6%
Korea*	12.3%	3.2%	9.1%	15.1%
Malaysia*	0.0%	0.9%	--	-3.0%
New Zealand	0.0%	0.1%	--	17.6%
Philippines*	0.0%	0.2%	--	-4.3%
Singapore	2.1%	1.2%	2.6%	4.6%
Taiwan*	1.1%	2.6%	5.8%	3.7%
Thailand*	1.5%	0.6%	1.1%	-5.1%
Total-AsiaPacific	44.3%	38.8%	6.8%	7.1%
Other				
Egypt*	0.0%	0.1%	--	16.9%
Israel	0.1%	0.4%	-23.3%	2.0%
Morocco*	0.0%	0.0%	--	1.2%
South Africa*	0.0%	1.6%	--	9.0%
Turkey*	0.1%	0.4%	-2.6%	-6.7%
Total-Other	0.2%	2.4%	-16.9%	5.3%
Totals				
Developed	69.3%	78.0%	14.1%	11.3%
Emerging*	30.6%	22.0%	6.6%	6.0%
Other	0.0%	--	--	--
Cash	0.2%	--	0.0%	--

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

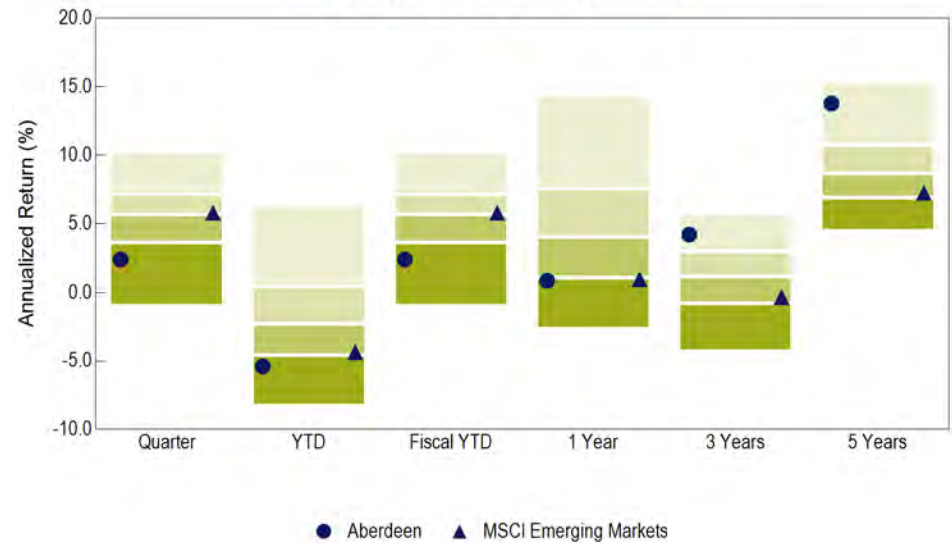


	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Totals									
Americas	11.6%	7.2%	10.6%	11.7%	0.5%	0.0%	0.0%	0.0%	0.5%
Europe	17.0%	13.6%	44.6%	47.0%	1.7%	0.0%	-0.2%	-0.1%	1.4%
Asia/Pacific	6.8%	7.1%	44.3%	38.8%	-0.5%	-0.1%	0.5%	-0.1%	-0.2%
Other	-16.9%	5.3%	0.2%	2.4%	-0.5%	0.0%	0.0%	0.5%	0.0%
Cash	0.0%	--	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	11.8%	10.1%	100.0%	100.0%	1.1%	-0.1%	0.3%	0.3%	1.7%
Totals									
Developed	14.1%	11.3%	69.3%	78.0%	2.2%	0.0%	-0.3%	-0.2%	1.6%
Emerging*	6.6%	6.0%	30.6%	22.0%	-0.3%	-0.1%	0.6%	-0.1%	0.1%
Cash	0.0%	--	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

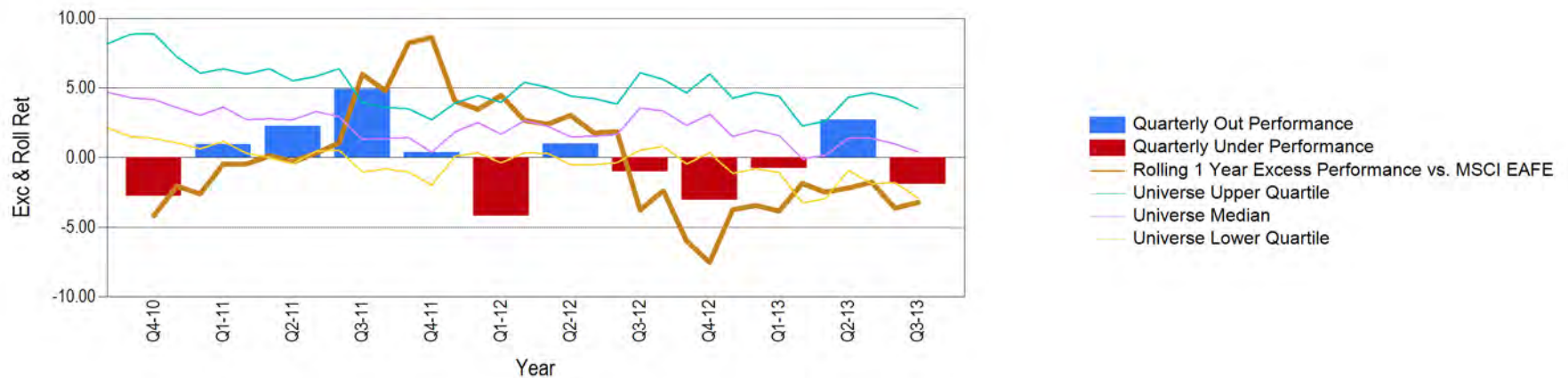
Aberdeen

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

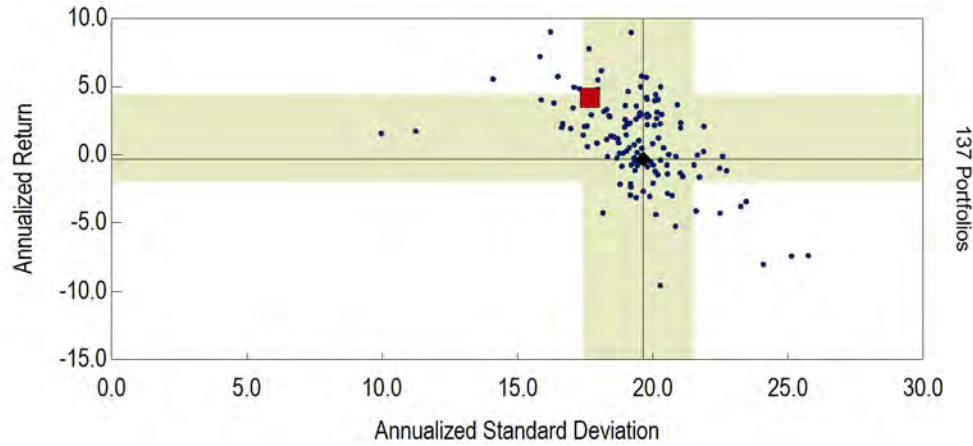
eA Emg Mkts Equity Gross Accounts



Annualized Excess Performance



3 Year Risk Return

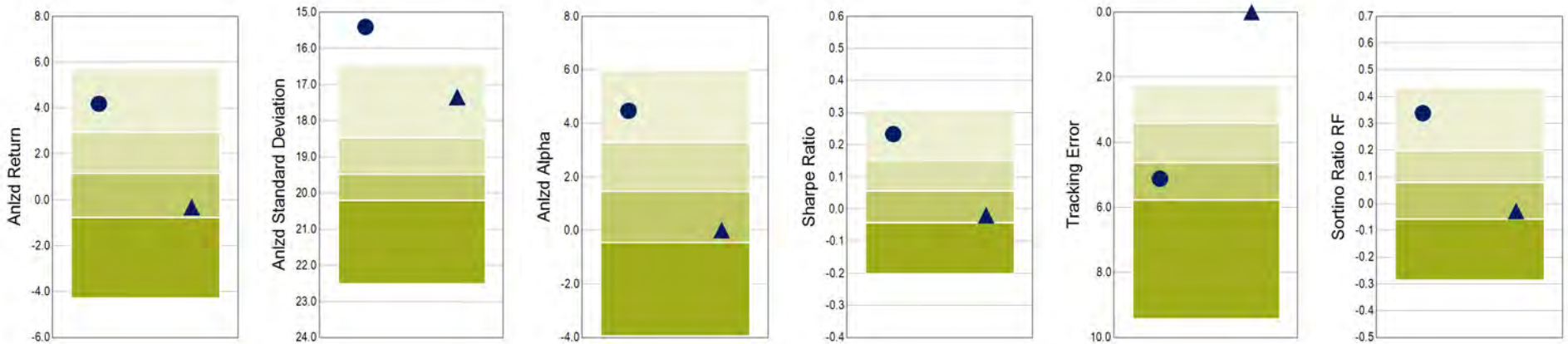


- Aberdeen
- ◆ MSCI Emerging Markets
- 68% Confidence Interval
- eA Emg Mkts Equity Gross

Characteristics

	Portfolio	MSCI Emerging Markets
Number of Holdings	61	818
Weighted Avg. Market Cap. (\$B)	33.5	35.9
Median Market Cap. (\$B)	16.5	4.5
Price To Earnings	17.4	16.4
Price To Book	3.1	2.4
Price To Sales	3.0	2.1
Return on Equity (%)	20.5	17.8
Yield (%)	2.8	2.7
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics



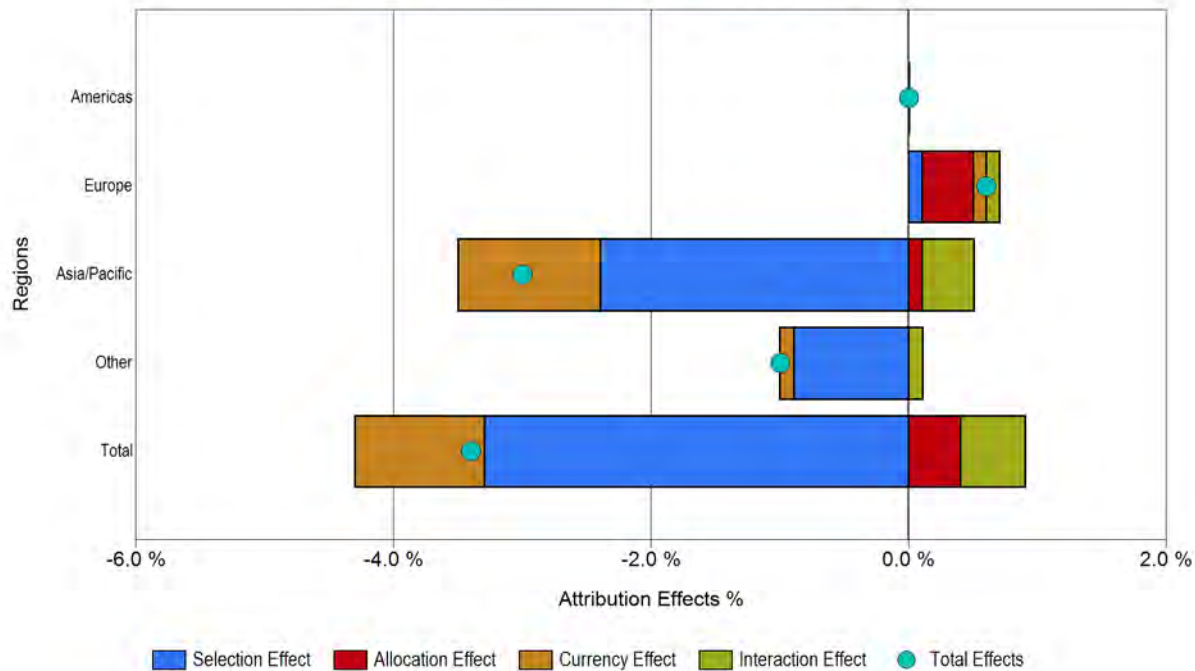
Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
Americas				
Brazil*	14.8%	11.3%	7.7%	8.5%
Canada	0.0%	0.0%	--	--
Chile*	1.4%	1.9%	7.5%	-5.5%
Colombia*	0.0%	1.2%	--	9.4%
Mexico*	8.0%	5.4%	-2.2%	-1.7%
Peru*	0.0%	0.5%	--	-3.7%
United States	0.0%	0.0%	--	--
Total-Americas	24.2%	20.3%	4.4%	4.2%
Europe				
Austria	0.0%	0.0%	--	--
Belgium	0.0%	0.0%	--	--
Czech Republic*	0.0%	0.2%	--	13.3%
Denmark	0.0%	0.0%	--	--
Finland	0.0%	0.0%	--	--
France	0.0%	0.0%	--	--
Germany	0.0%	0.0%	--	--
Greece	0.0%	0.0%	--	--
Hungary*	1.6%	0.2%	16.1%	-4.9%
Ireland	0.0%	0.0%	--	--
Italy	0.0%	0.0%	--	--
Luxembourg	2.5%	0.0%	16.2%	6.0%
Netherlands	0.0%	0.0%	--	--
Norway	0.0%	0.0%	--	--
Poland*	1.7%	1.6%	27.0%	17.8%
Portugal	0.0%	0.0%	--	--
Russia*	4.1%	5.8%	9.6%	13.5%
Spain	0.0%	0.0%	--	--
Sweden	0.0%	0.0%	--	--
Switzerland	0.0%	0.0%	--	--
United Kingdom	5.0%	0.0%	11.3%	12.0%
Total-Europe	14.9%	7.8%	13.9%	13.8%

Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
AsiaPacific				
Australia	0.0%	0.0%	--	--
China*	6.3%	18.2%	8.0%	12.2%
Hong Kong	7.8%	0.0%	3.2%	8.9%
India*	12.9%	6.8%	-0.9%	-4.9%
Indonesia*	3.1%	3.2%	-21.0%	-23.7%
Japan	0.0%	0.0%	--	--
Korea*	5.7%	14.6%	9.7%	15.1%
Malaysia*	2.6%	4.0%	-4.5%	-3.0%
New Zealand	0.0%	0.0%	--	--
Philippines*	3.5%	1.0%	-5.9%	-4.3%
Singapore	0.0%	0.0%	--	--
Taiwan*	5.2%	11.9%	-5.7%	3.7%
Thailand*	5.3%	2.8%	-1.2%	-5.1%
Total-AsiaPacific	52.4%	62.5%	-0.3%	5.6%
Other				
Egypt*	0.0%	0.2%	--	16.9%
Israel	0.0%	0.0%	--	--
Morocco*	0.0%	0.1%	--	1.2%
South Africa*	3.0%	7.2%	-0.1%	9.0%
Turkey*	5.4%	1.9%	-8.5%	-6.7%
Total-Other	8.4%	9.4%	-5.5%	5.9%
Totals				
Developed	15.3%	0.0%	8.0%	--
Emerging*	84.7%	100.0%	1.5%	6.0%
Other	0.0%	--	--	--
Cash	0.0%	--	--	--

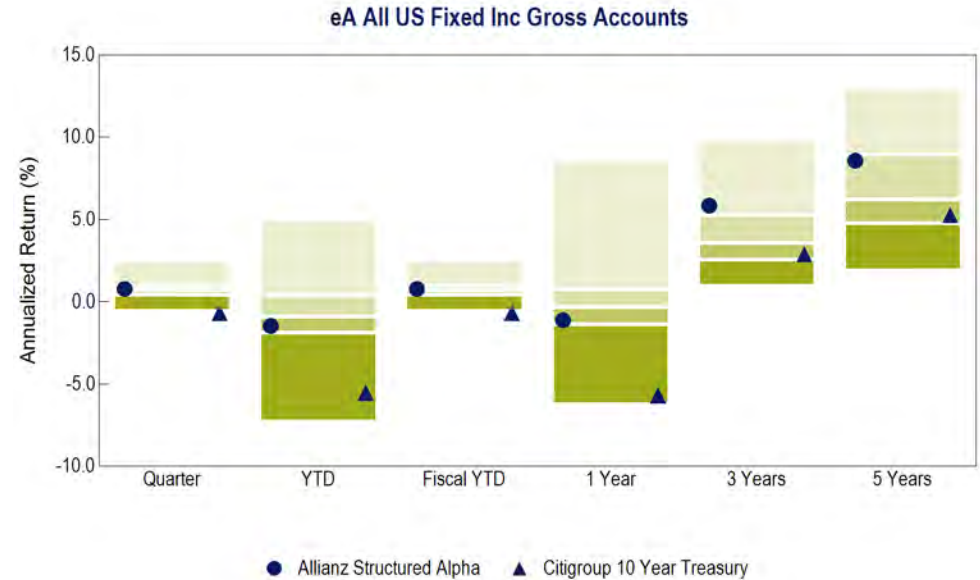
Aberdeen Performance Attribution vs. MSCI Emerging Markets



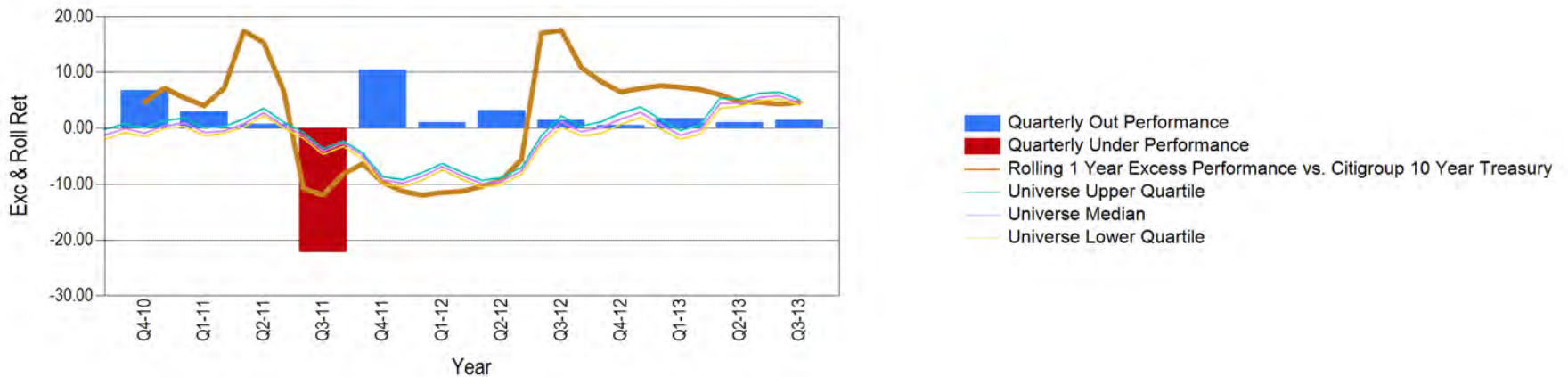
	Returns and Weights				Attribution Effects				
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	Total Effects
Totals									
Americas	4.4%	4.2%	24.2%	20.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Europe	13.9%	13.8%	14.9%	7.8%	0.1%	0.4%	0.1%	0.1%	0.6%
Asia/Pacific	-0.3%	5.6%	52.4%	62.5%	-2.4%	0.1%	-1.1%	0.4%	-3.0%
Other	-5.5%	5.9%	8.4%	9.4%	-0.9%	0.0%	-0.1%	0.1%	-1.0%
Total	2.5%	6.0%	100.0%	100.0%	-3.3%	0.4%	-1.0%	0.5%	-3.4%
Totals									
Developed	8.0%	--	15.3%	0.0%	0.0%	0.0%	0.1%	0.2%	0.3%
Emerging*	1.5%	6.0%	84.7%	100.0%	-3.1%	0.0%	-1.2%	0.5%	-3.8%

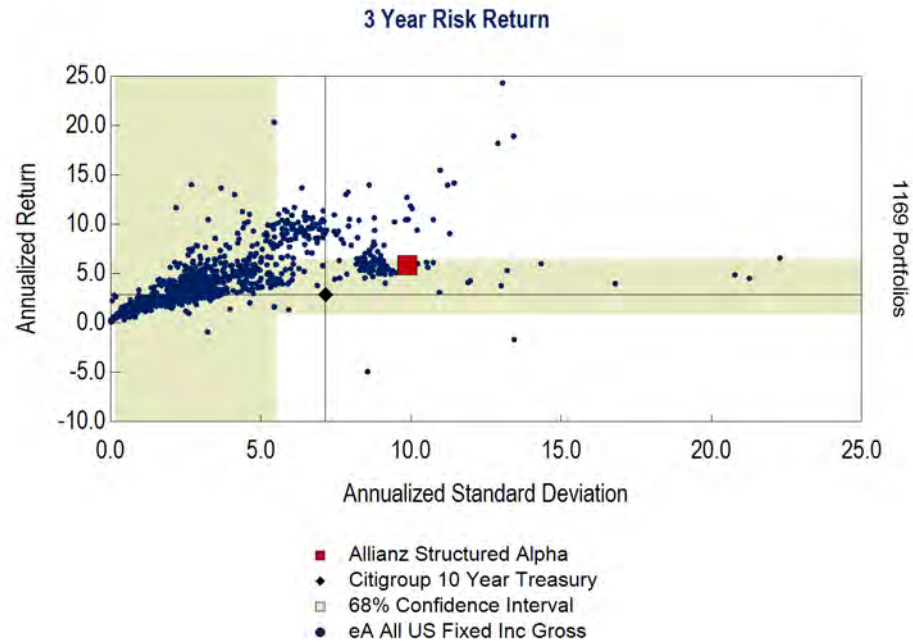
Allianz Structured Alpha

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.

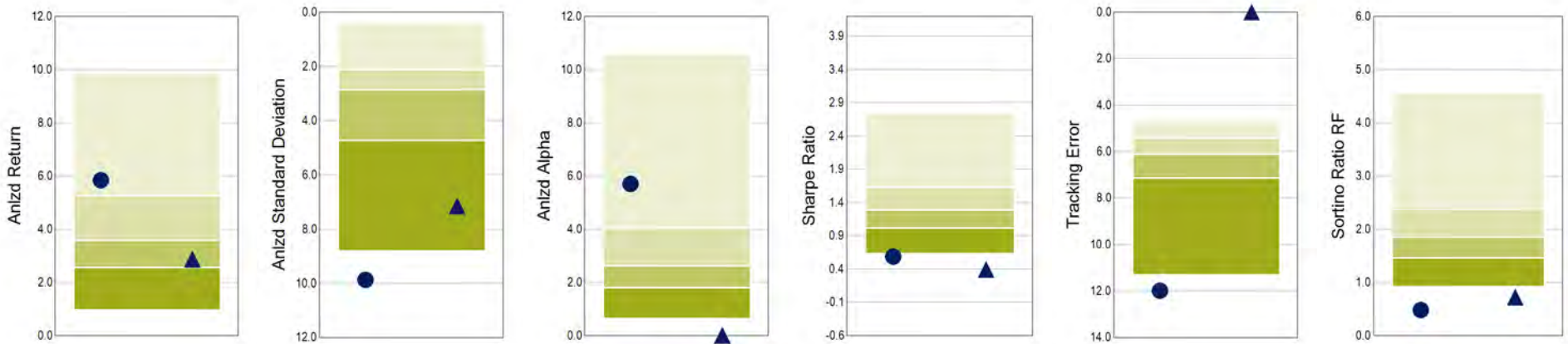


Annualized Excess Performance



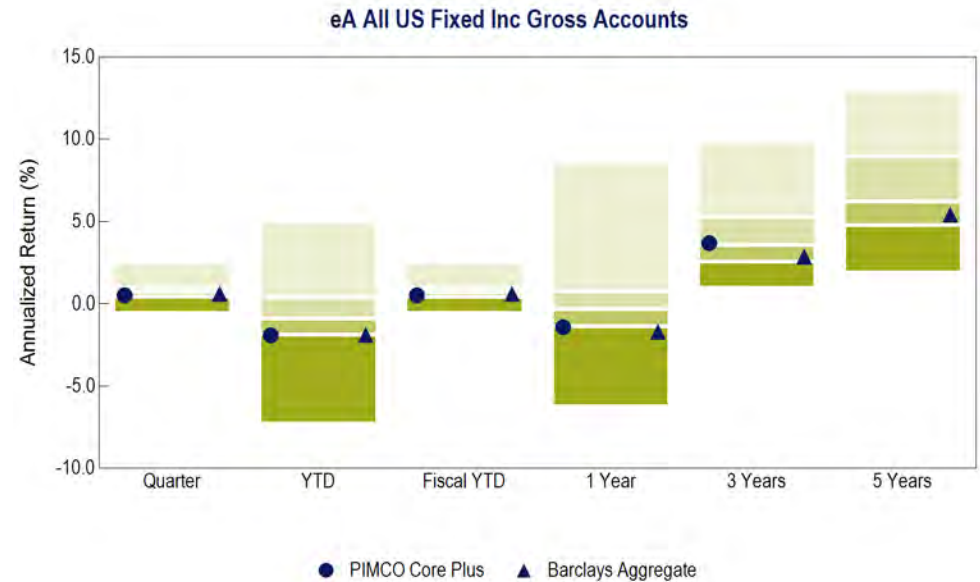


3 Year Risk Statistics

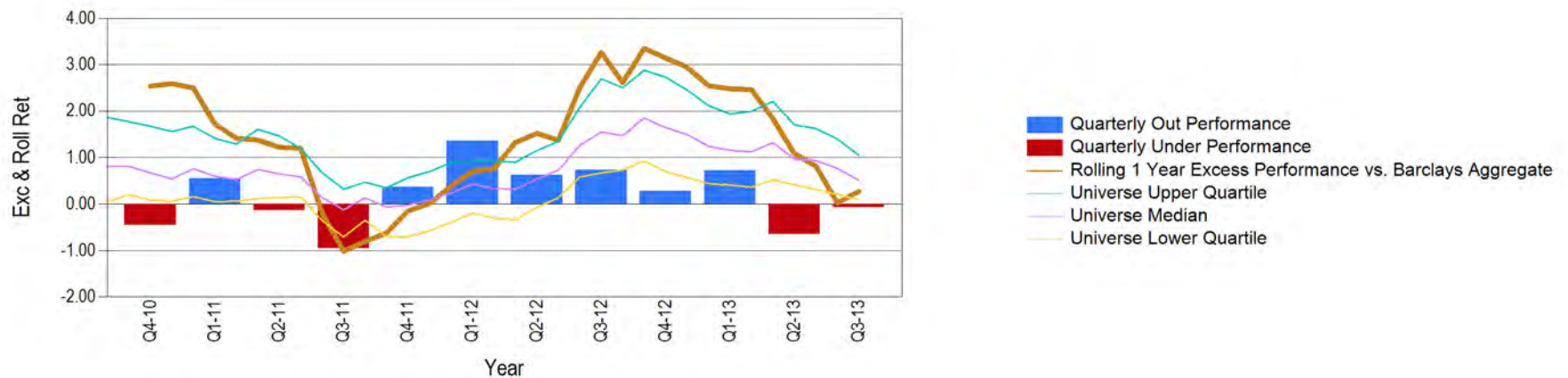


PIMCO Core Plus

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.

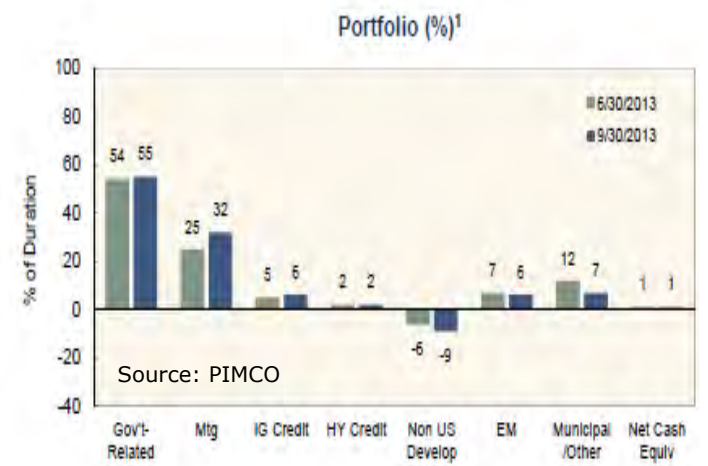


Annualized Excess Performance

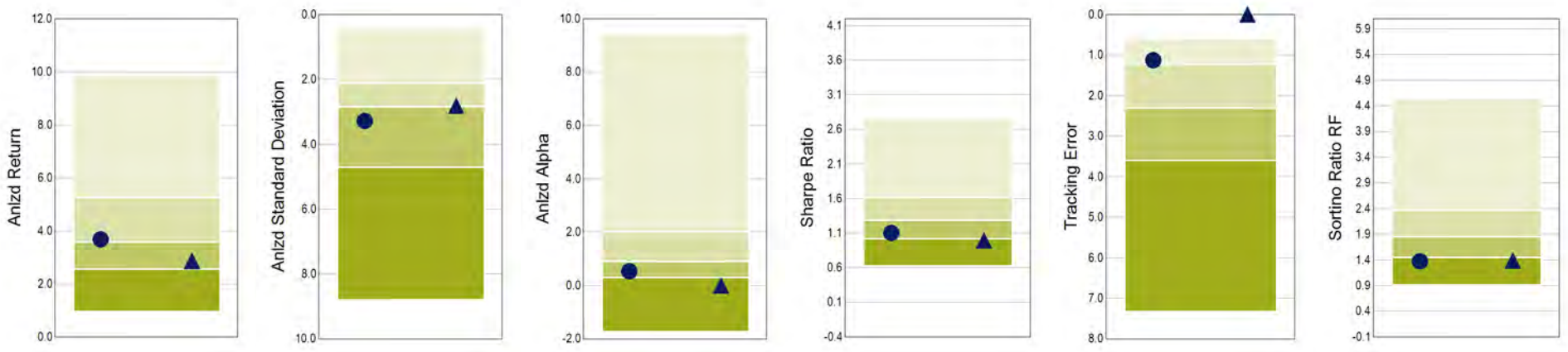




- PIMCO Core Plus
- ◆ Barclays Aggregate
- 68% Confidence Interval
- eA All US Fixed Inc Gross

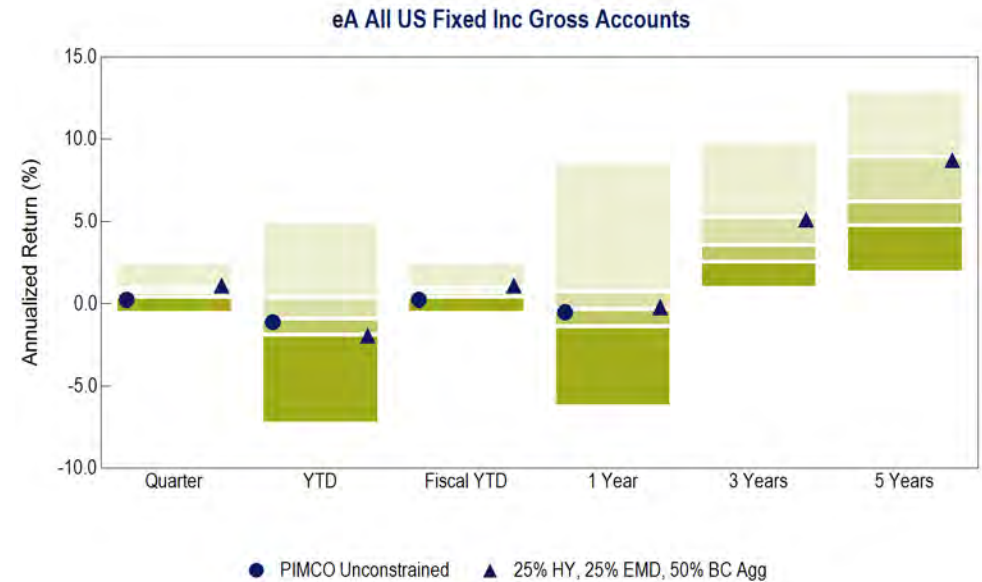


3 Year Risk Statistics

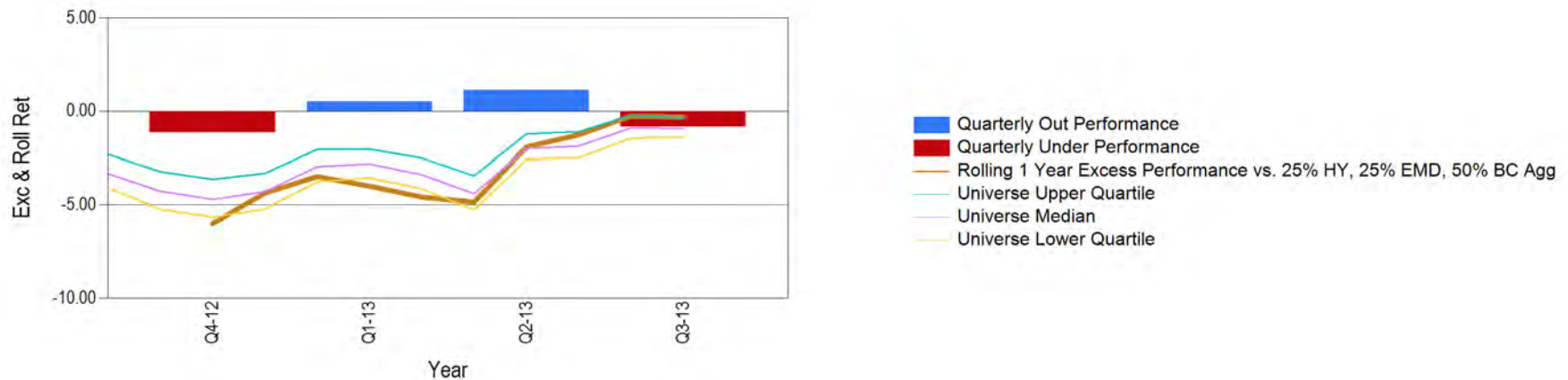


PIMCO Unconstrained

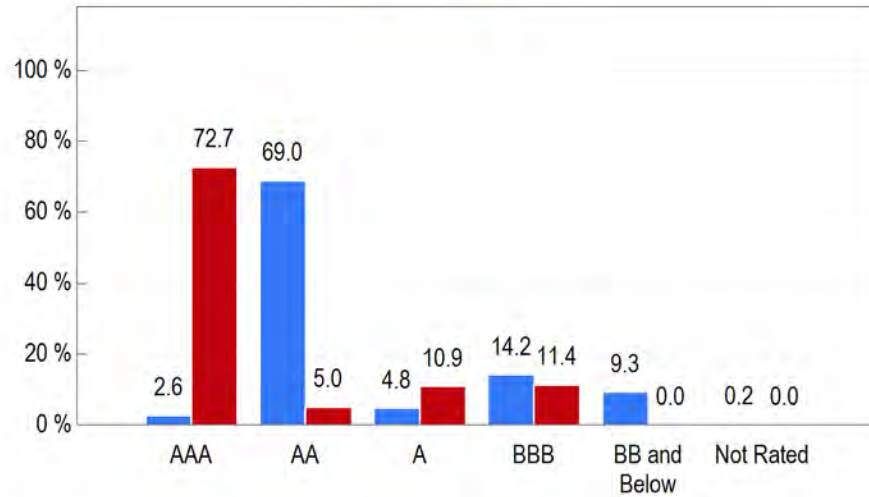
The PIMCO Unconstrained Bond Strategy is an absolute return-oriented, investment grade quality fixed income strategy that embodies PIMCO's secular thinking, global themes, and integrated investment process without the constraints of a benchmark or significant sector/instrument limitations. The strategy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



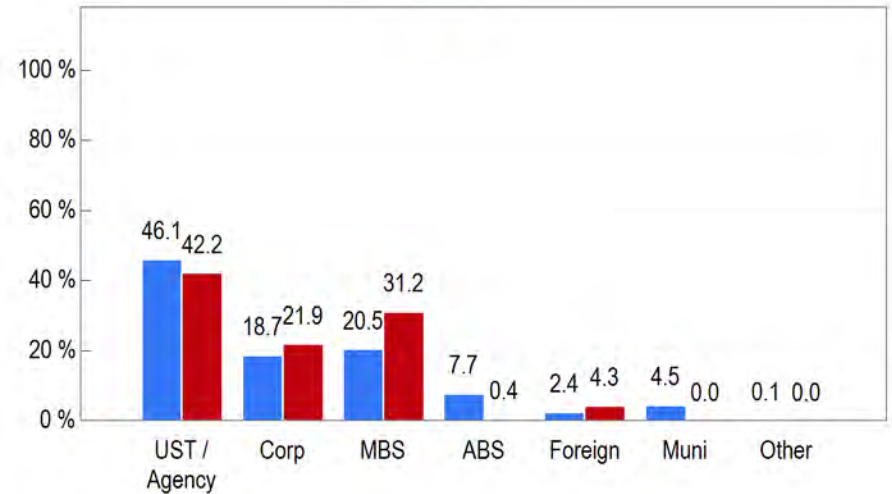
Annualized Excess Performance



Quality Ratings



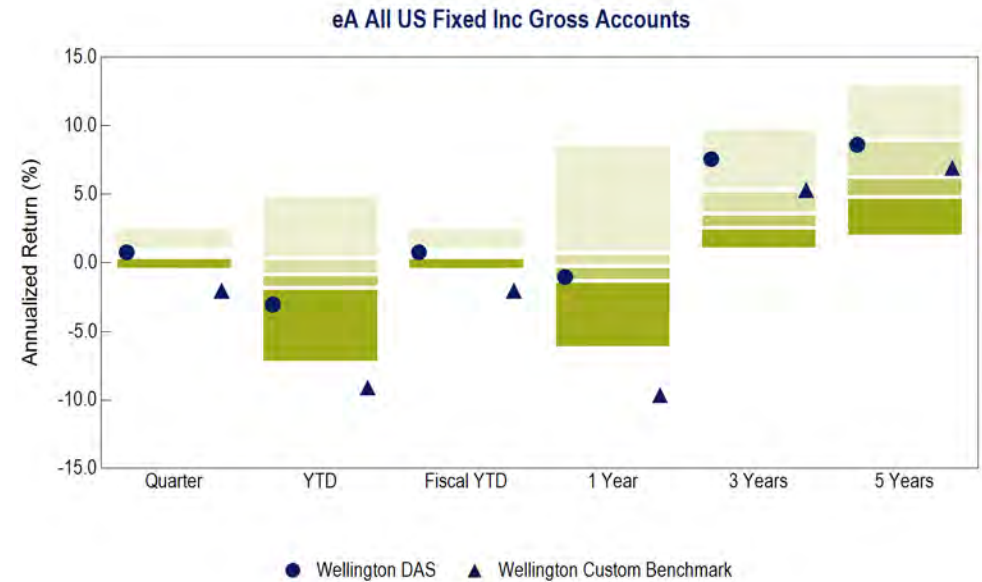
Sectors



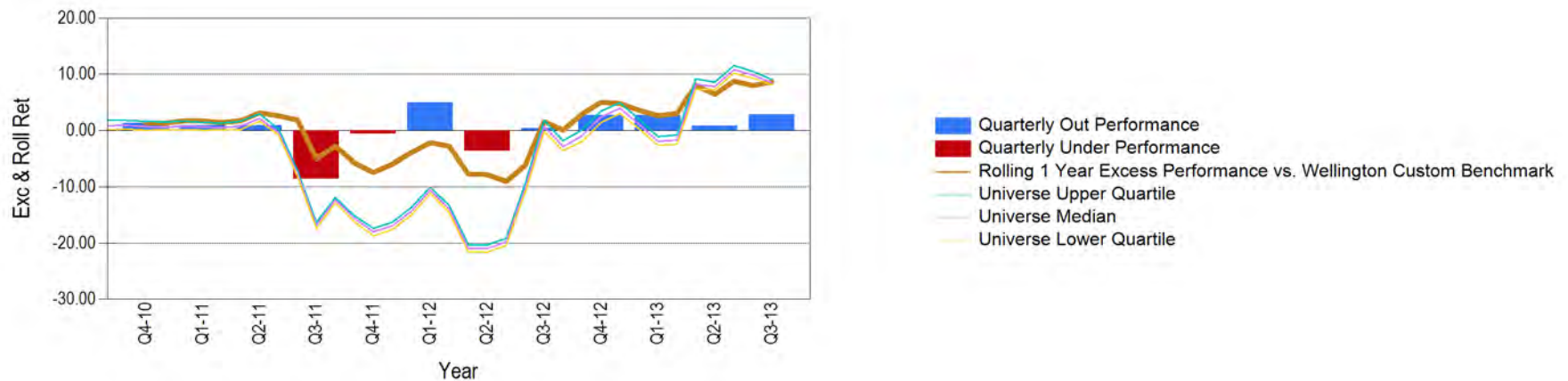
■ PIMCO Unconstrained ■ Barclays Aggregate

Wellington DAS

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

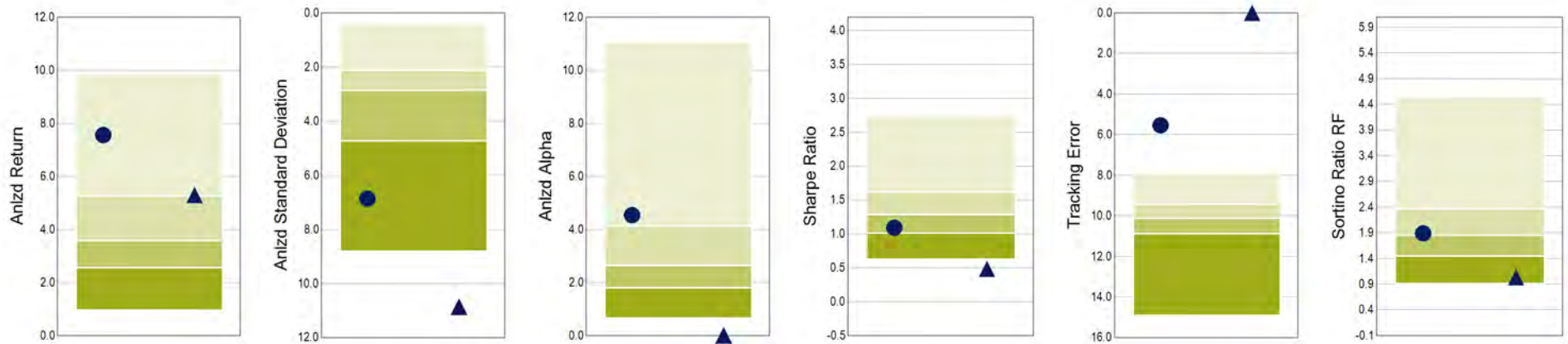


Annualized Excess Performance





3 Year Risk Statistics



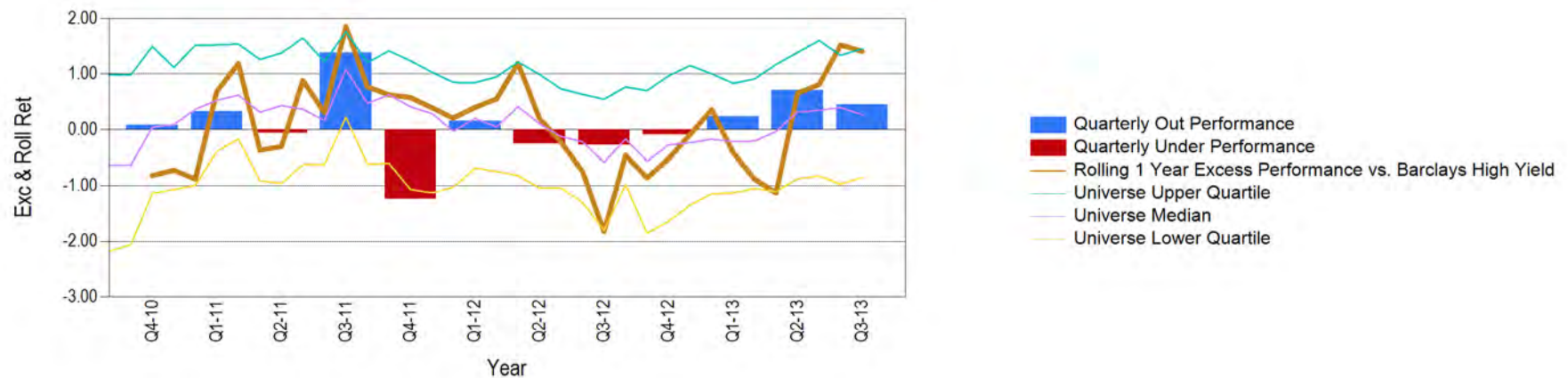
Post Advisory

Post's team concentrate on under-followed and misunderstood credits as they believe that these securities have the highest probability of being mispriced by the consensus view. They also consider the downside protection afforded by a security. Post believe the downside risk is the most important factor to be aware of. It is through downside protection that they believe they avoid much of the volatility that exists in the high yield market. Their process is quantitative oriented. They generate ideas by looking for companies that are preferably not covered by Wall St. Having found a company they apply a value scoring model to review the issue. They look at both quantitative and qualitative factors, with the different factors being given different weights, although all factors apply across all industries to allow them to standardize. The most important quantitative factor is free cash flow and the most important qualitative factor is the management team and corporate structure. That said, the factors do gradually change over time, this is a result of constantly reviewing the model.

eA US High Yield Fixed Inc Gross Accounts

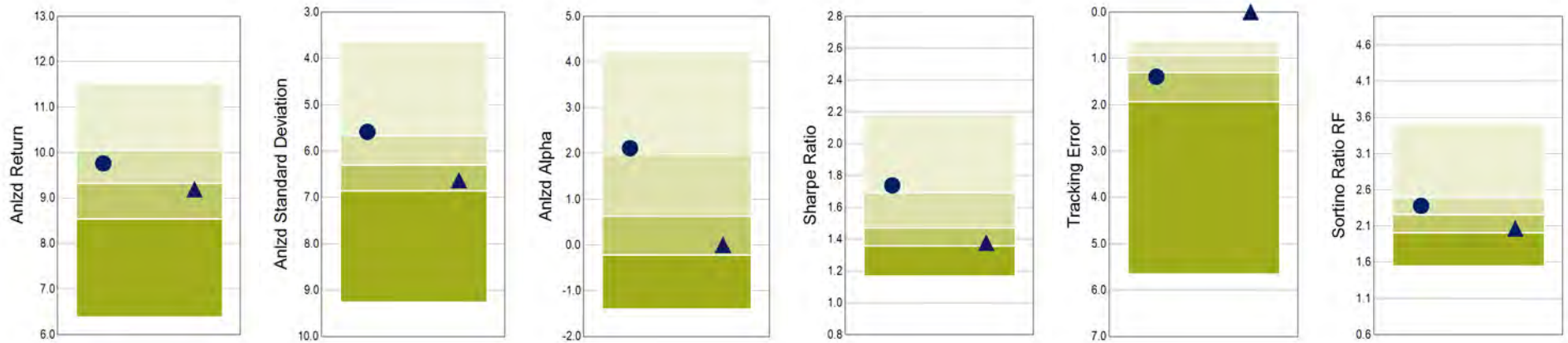


Annualized Excess Performance

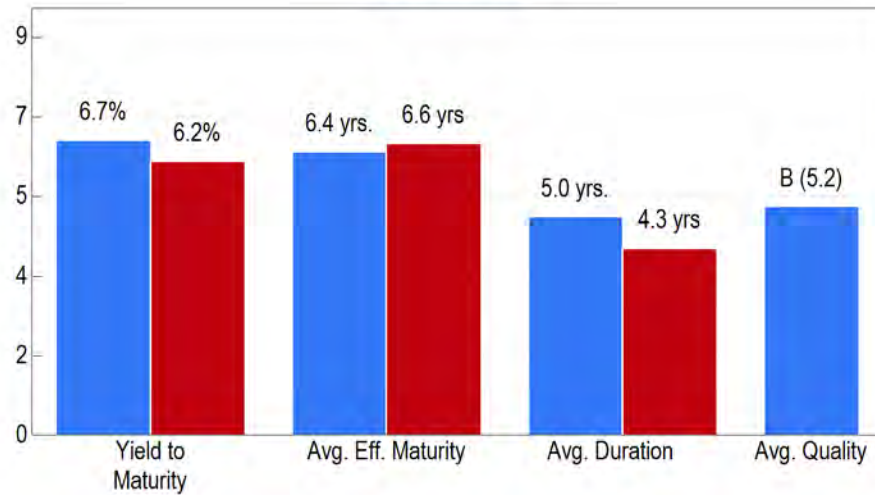




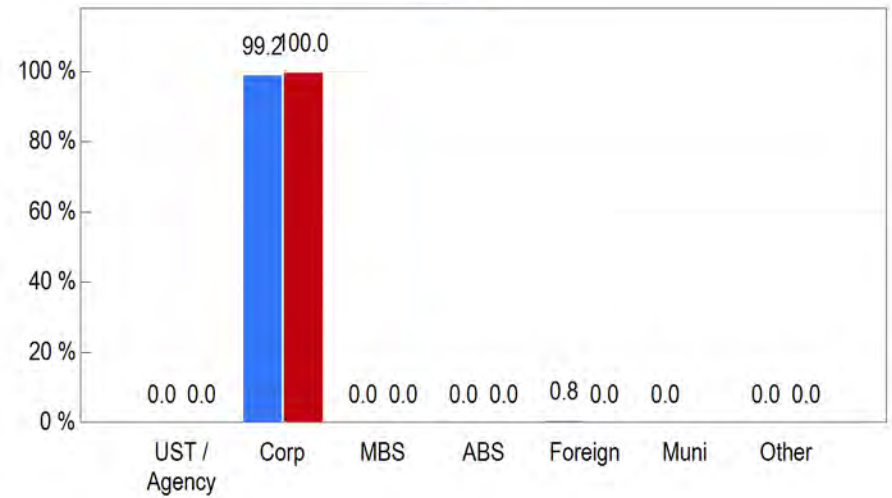
3 Year Risk Statistics



Characteristics



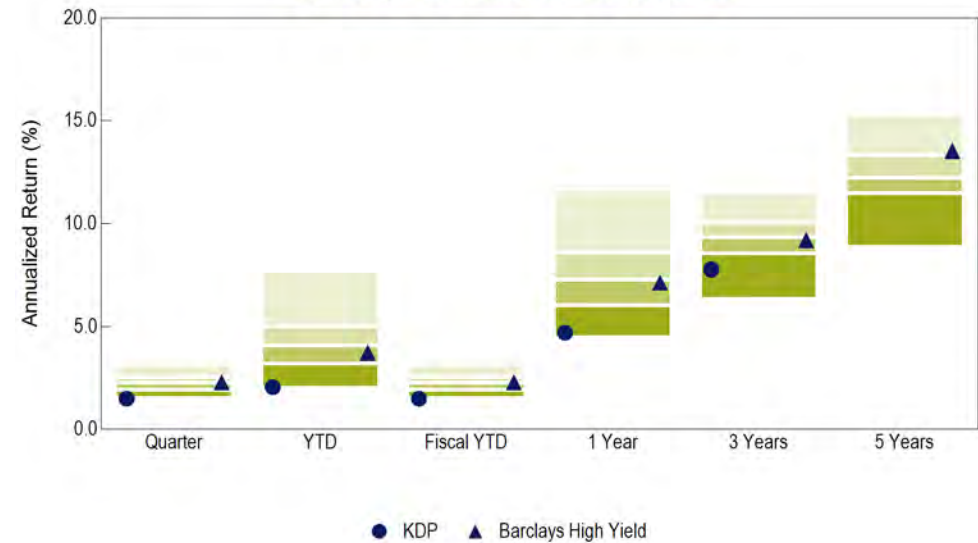
Sectors



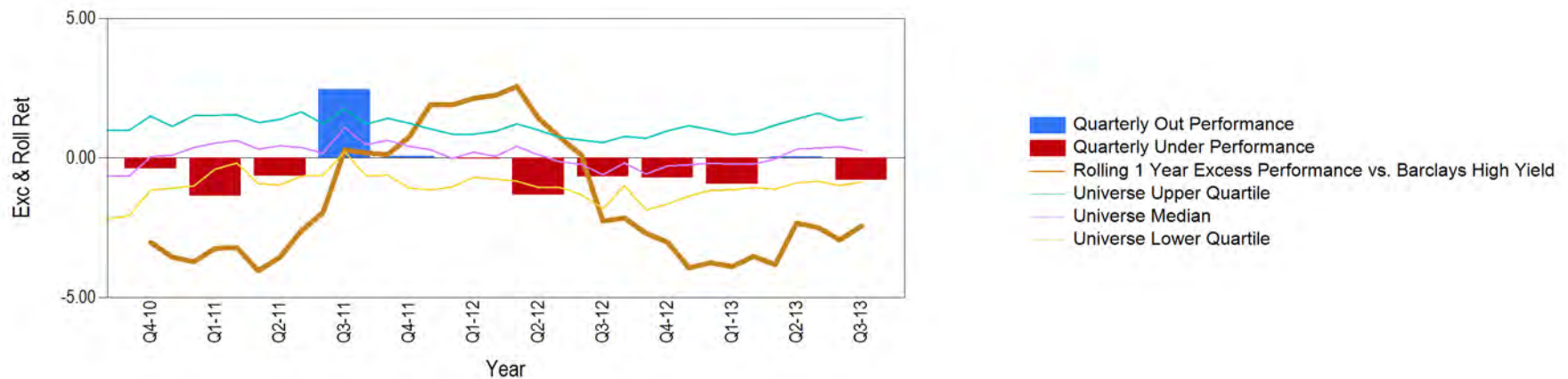
Post Advisory Barclays High Yield

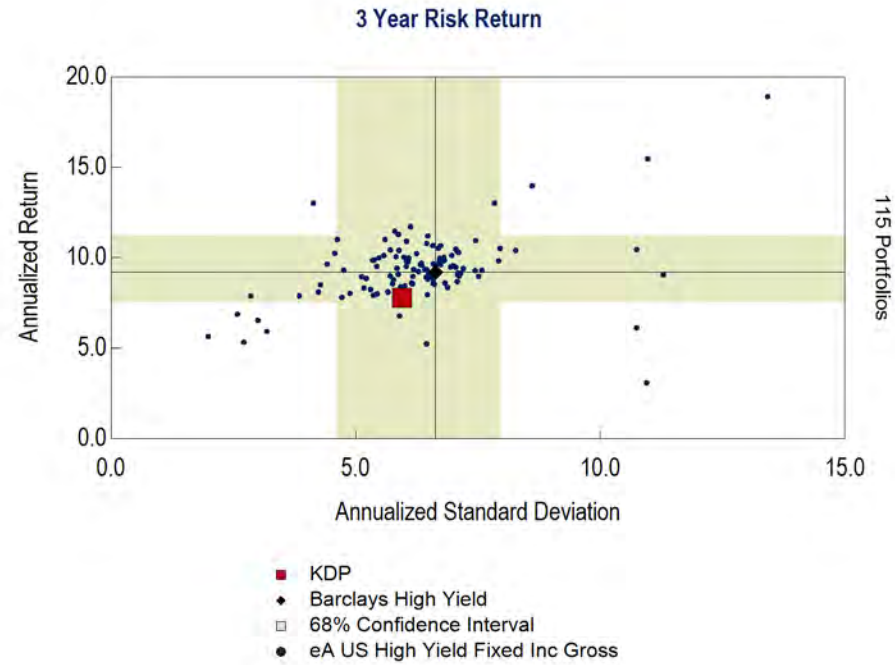
KDP believes that the key to delivering superior risk-adjusted returns lies in controlling credit risk. To do this the firm combines rigorous, bottom-up credit analysis with an active, top-down management approach that ensures a strong overall credit profile and broad portfolio diversification. KDP employs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

eA US High Yield Fixed Inc Gross Accounts

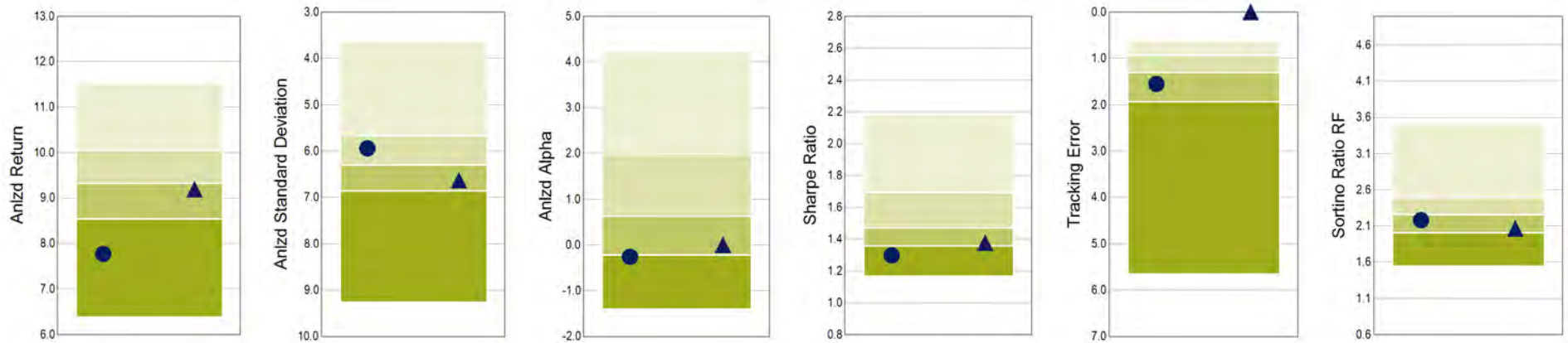


Annualized Excess Performance

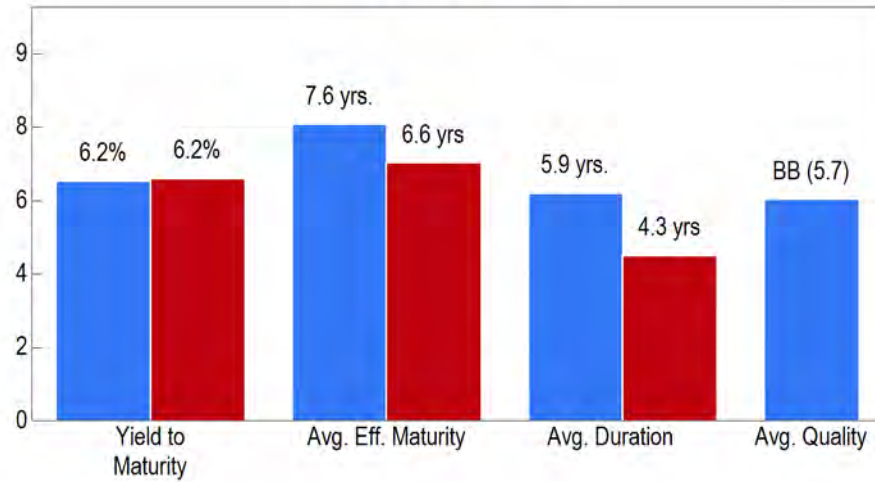




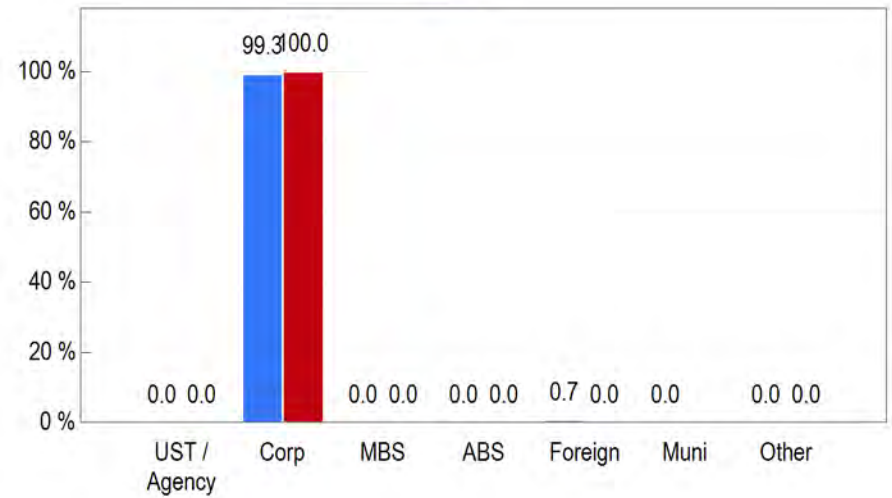
3 Year Risk Statistics



Characteristics



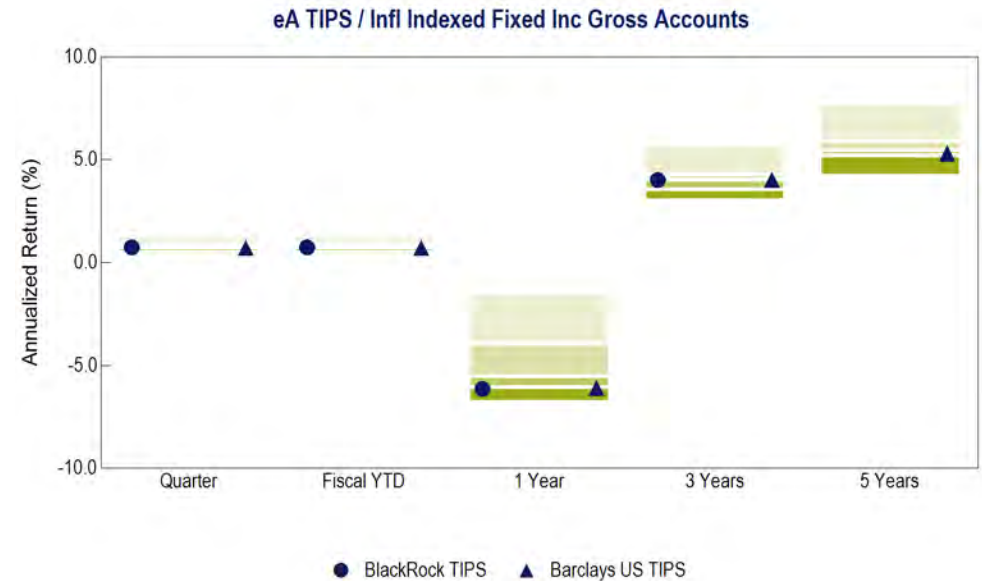
Sectors



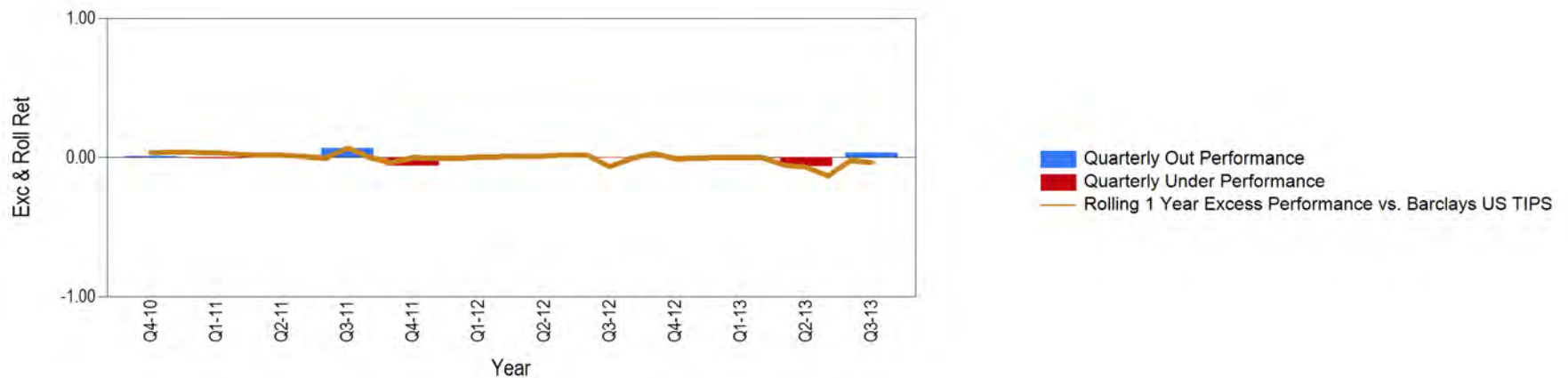
■ KDP ■ Barclays High Yield

BlackRock TIPS

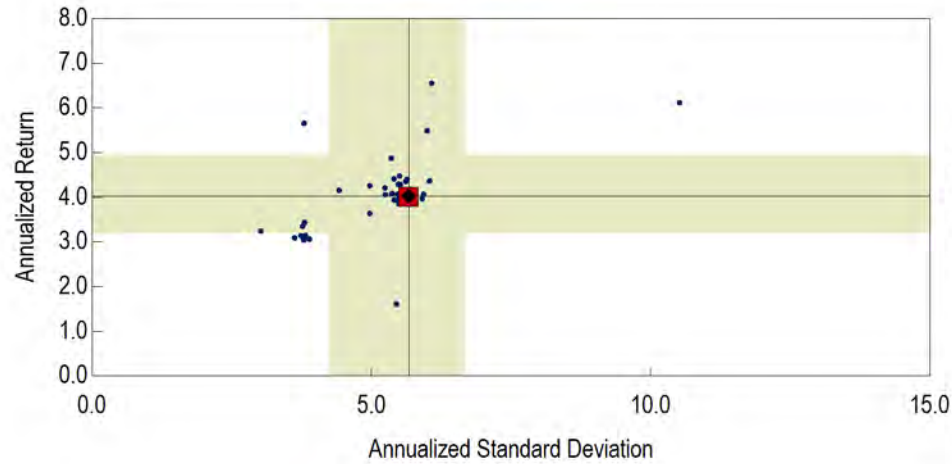
In the management of an inflation-linked bond portfolio, BlackRock will utilize multiple strategies to outperform the index. These include: duration and yield curve positioning, technical supply/demand anomalies related primarily to the ILB auction cycle, seasonal factors related to non-seasonally adjusted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



Annualized Excess Performance

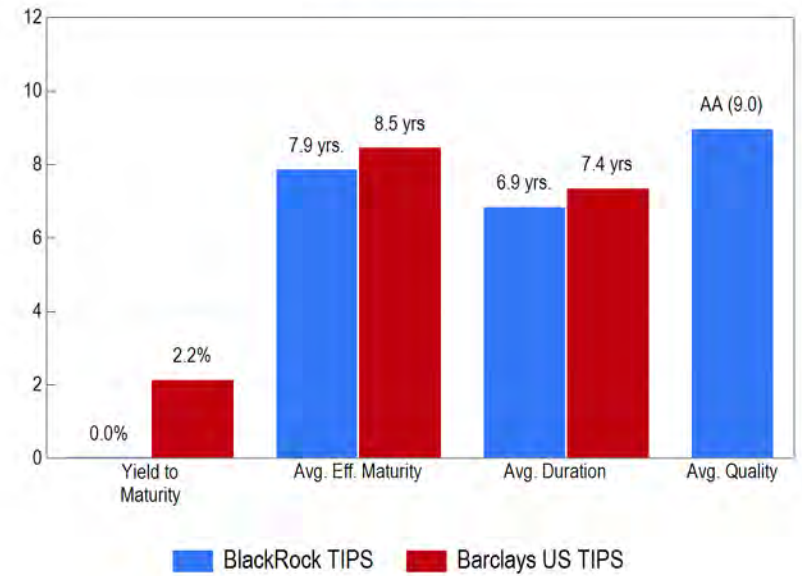


3 Year Risk Return

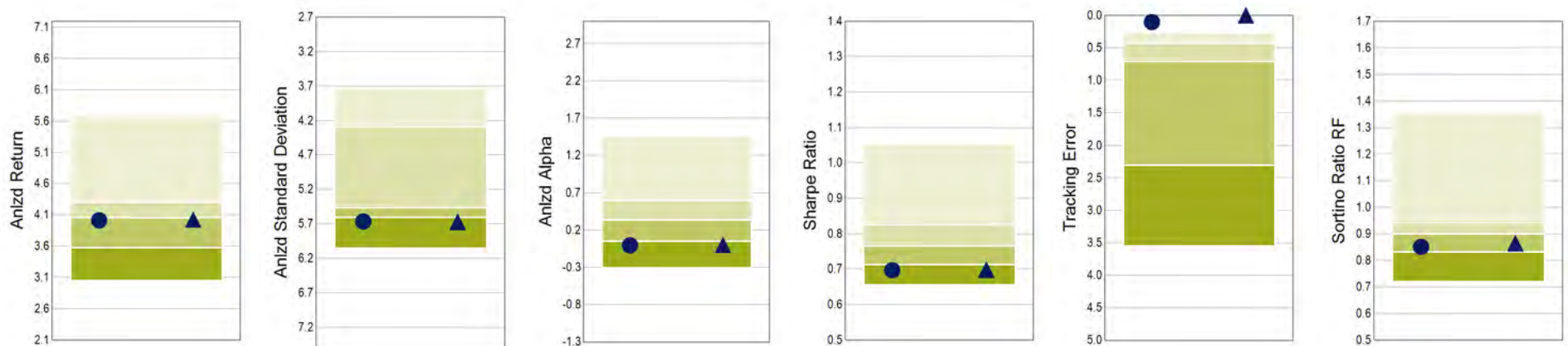


- BlackRock TIPS
- ◆ Barclays US TIPS
- 68% Confidence Interval
- eA TIPS / Infl Indexed Fixed Inc Gross

Characteristics

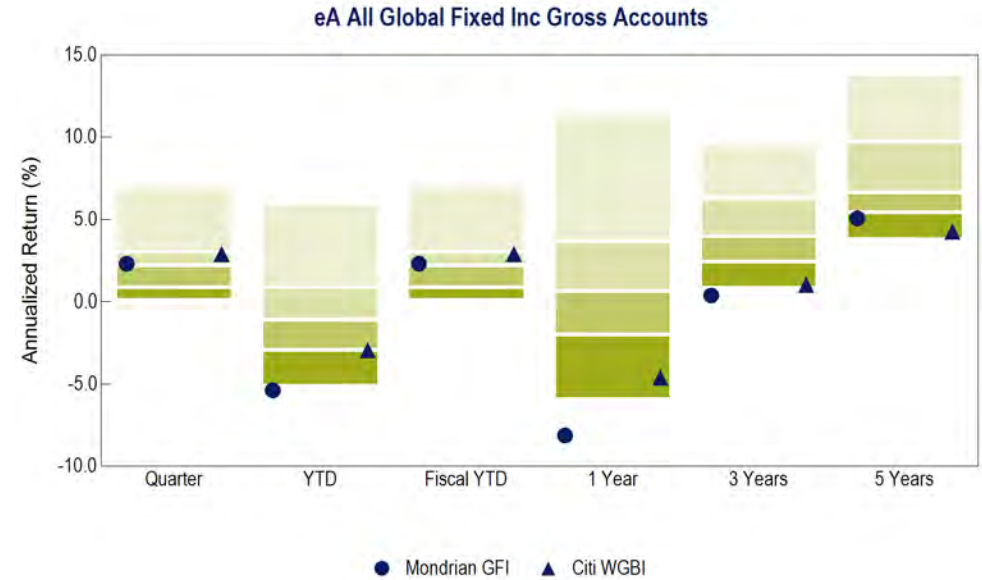


3 Year Risk Statistics

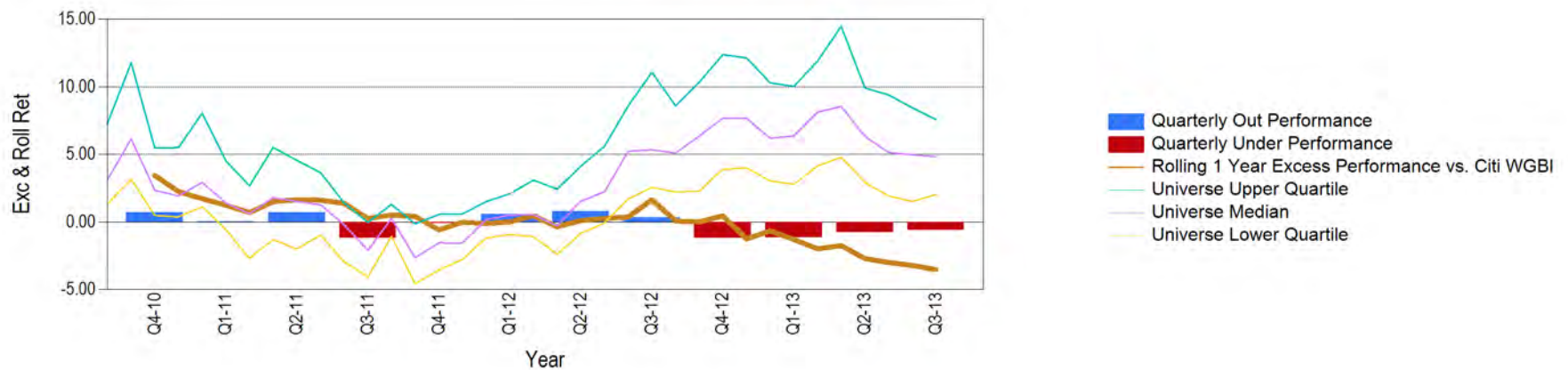


Mondrian GFI

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

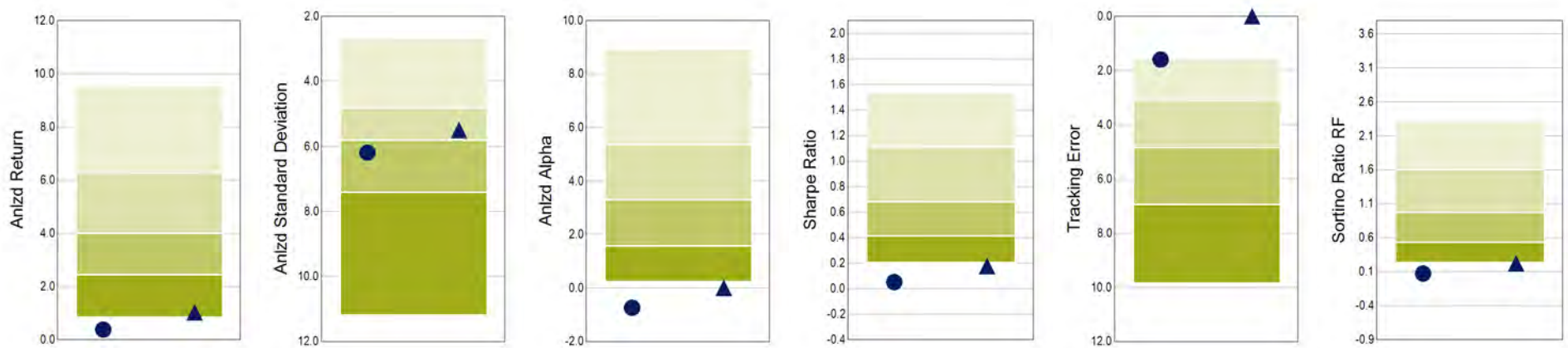


Annualized Excess Performance

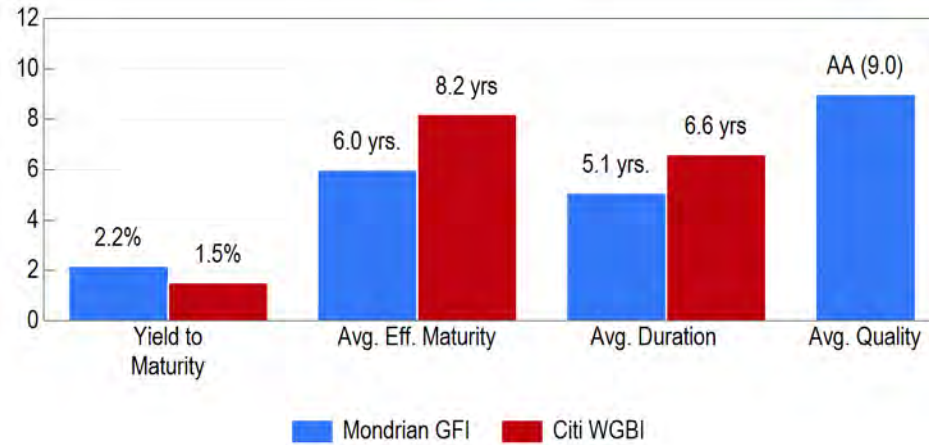




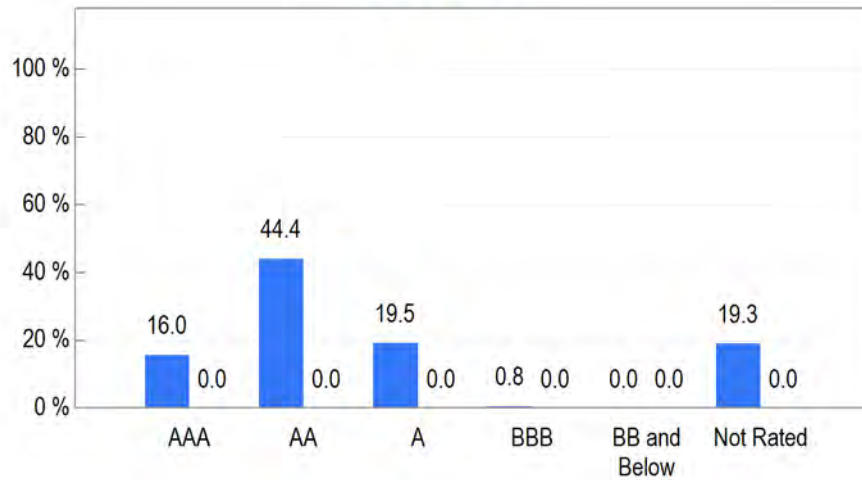
3 Year Risk Statistics



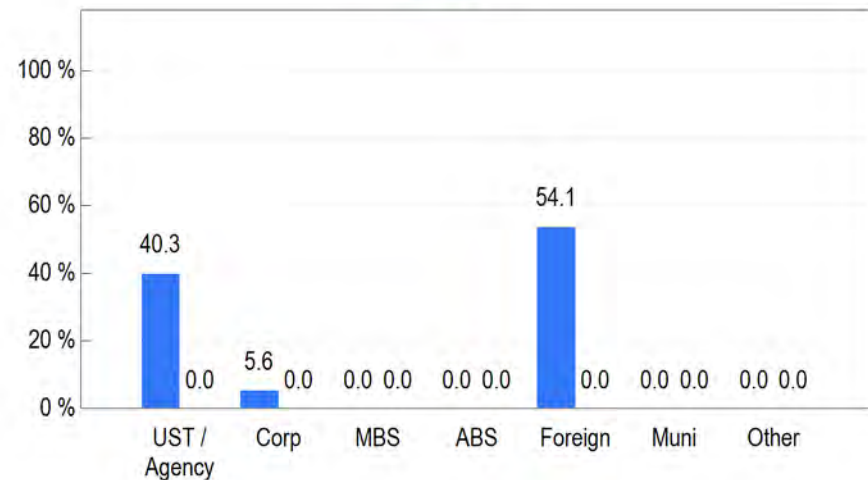
Characteristics



Quality Ratings



Sectors

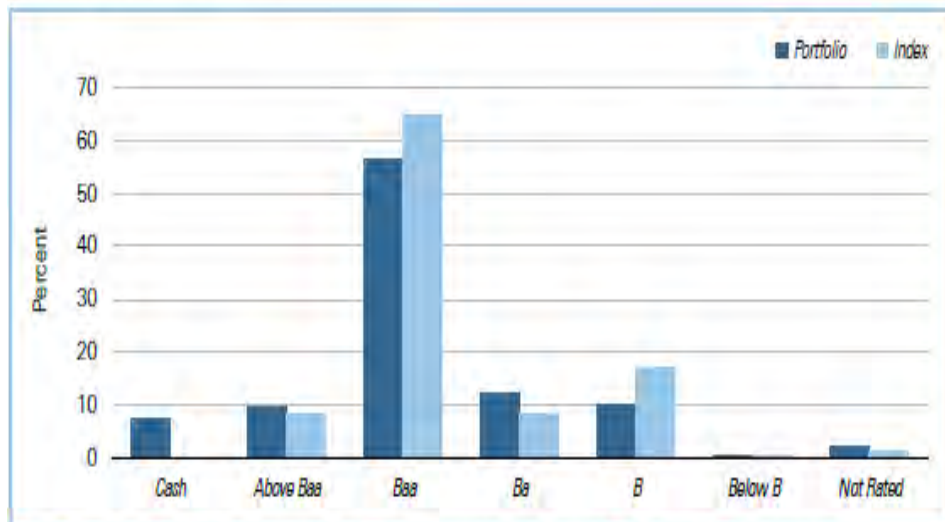


Wellington Opportunistic Emerging Market Debt

Portfolio Statistics

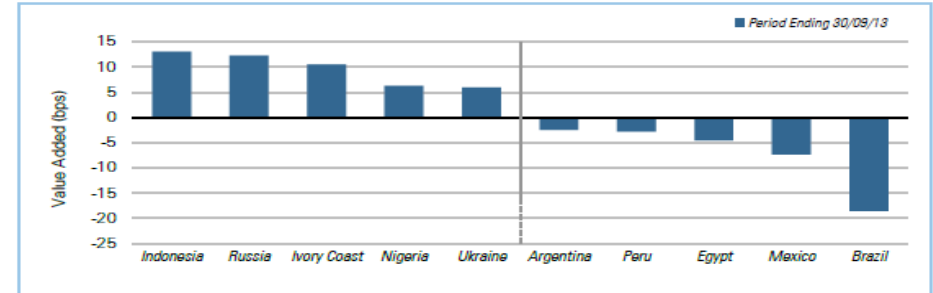
	Portfolio	Index
Yield	5.52%	5.76%
Effective Duration	6.68 Yrs	6.81 Yrs
Spread Duration	6.58 Yrs	6.81 Yrs
Corporate Exposure	10.47%	—
EM Local Market Exposure	12.74%	—
EM Currency Exposure	2.77%	—
Average Quality	Baa2	Baa3

Quality Distribution



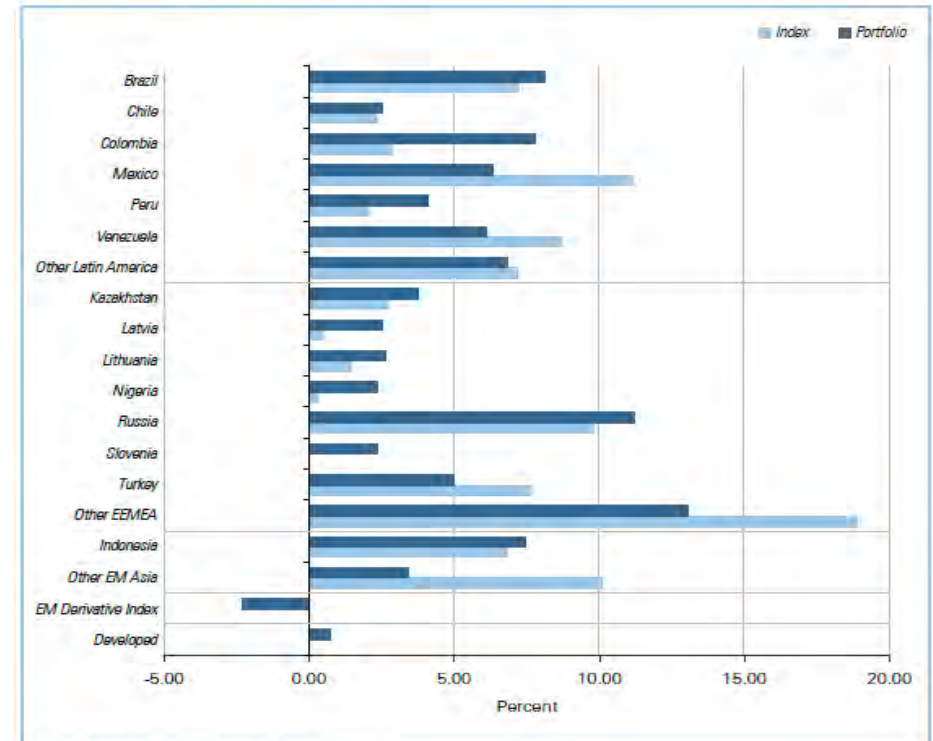
May not add to 100% due to derivative positions in portfolios that permit the use of such instruments
 Quality ratings are based on the highest of Fitch, Moody or S&P.

Top/Bottom 5 Country Contributors to Portfolio Alpha



The attribution results are based on Wellington Management's internally calculated returns, which may differ from the official returns.

Country Weights versus Index



Country Weights represents Market Exposure

Wellington Opportunistic Emerging Market Debt

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

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

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

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

Mellon Global Expanded Alpha I (Global Asset Allocation)

Market Exposures

Equity Exposure			
Country	Mellon %	Index %	Over %
Australia	8.7%	1.5%	7.3%
Canada	1.8%	1.9%	-0.1%
Emerging Markets	5.6%	5.4%	0.2%
France	-4.1%	1.7%	-5.8%
Germany	17.5%	1.6%	15.9%
Hong Kong	4.7%	0.5%	4.2%
Italy	0.0%	0.4%	-0.4%
Japan	-2.2%	4.2%	-6.4%
Netherlands	2.0%	0.5%	1.5%
Spain	-3.0%	0.6%	-3.4%
Switzerland	-7.3%	1.6%	-8.9%
United Kingdom	3.9%	4.0%	-0.1%
United States	36.9%	24.1%	12.8%
Other	-2.3%	2.0%	0.0%
Total	66.8%	50.0%	16.8%

Bond Exposure			
Country	Mellon %	Index %	Over %
Australia	2.8%	0.7%	2.1%
Canada	0.9%	0.8%	0.1%
Emerging Markets	5.2%	5.0%	0.2%
Europe ex UK	-5.4%	6.2%	-11.6%
International	10.0%	10.0%	0.0%
Japan	2.8%	2.8%	0.0%
United Kingdom	-11.1%	1.1%	-12.2%
United States	15.9%	17.4%	-1.5%
Other	1.0%	1.0%	0.0%
Total	22.0%	45.0%	-23.0%

Currency Exposure			
Country	Mellon %	Index %	Over %
Australia	-11.0%	1.1%	-12.1%
Canada	-15.1%	1.5%	-16.6%
Denmark	0.2%	0.2%	0.0%
Emerging Markets	10.8%	10.4%	0.4%
Euro	-31.8%	6.5%	-38.3%
Japan	3.5%	3.5%	0.0%
New Zealand	2.8%	0.0%	2.8%
Norway	4.6%	0.2%	4.4%
Sweden	10.2%	0.5%	9.7%
Switzerland	-1.7%	0.9%	-2.6%
United Kingdom	40.9%	4.0%	36.9%
United States	83.9%	70.3%	13.9%
Other	2.7%	0.9%	1.5%
Total	100.0%	100.0%	0.0%

Commodity and Cash Exposure

	Mellon %	Index %	Over %
Commodity	4.7%	5.0%	-0.3%
Cash	6.5%	0.0%	6.5%
Total	11.2%	5.0%	6.2%

The core philosophy behind Mellon's Global Expanded Alpha strategy is that global capital markets are an orderly and mostly rational structure over the long term and that prices reflect expected returns based on fundamentals. However while equilibrium exists there are factors in the capital markets which cause prices to deviate from the equilibrium.

Mellon seeks to diversify investment exposure across many asset classes. Global Stocks, Global Bonds and Currencies are the broad asset classes in which Global Alpha I is exposed. Mellon determines expected returns, risks, and correlations for each asset class in the twelve major capital markets (Australia, Canada, France, Germany, Hong Kong, Italy, Japan, the Netherlands, Spain, Switzerland, the U.K., and the U.S.) where they actively allocate assets. Model has been expanded to new alpha sources: emerging markets and commodities. Alpha in the emerging market is extracted through both emerging market equities and currencies. Emerging market equity and currency models rely on similar signals to those employed in developed equities and currencies models. Relative Valuation is the basis for asset class investment decisions. Investment instruments used include Futures, Forwards, Options and Asset Class Funds. Mellon is capable of taking Long/Short positions in any instruments but must be Net Long Stocks and Bonds.

Source: Mellon Capital Management



September 30, 2013

Mellon Global Expanded Alpha I (Global Asset Allocation)

Performance & Attribution 2013

Period	Strategy Return	Benchmark Return	Alpha	Global Stock/Bond	Equity Country	Bond Country	Currency	Benchmark Replication	Commodity Allocation	Misc.	Total Alpha
Apr-13	1.32%	1.95%	-0.63%	12	-4	33	-92	-3	-5	-5	-63
May-13	0.50%	-1.17%	1.66%	66	57	39	-9	-1	14	2	167
Jun-13	-3.89%	-2.74%	-1.15%	-27	-43	-56	13	-8	9	-3	-115
Jul-13	3.88%	2.76%	1.12%	64	6	-7	31	9	6	2	112
Aug-13	-2.07%	-1.33%	-0.73%	-29	-7	-24	-21	-3	13	-4	-74
Sep-13	2.89%	3.10%	-0.21%	23	-31	-19	14	-5	1	-5	-108

Performance & Attribution – Calendar Years & Annualized as of 9/30/2013

Period	Strategy Return	Benchmark Return	Alpha	Global Stock/Bond	Equity Country	Bond Country	Currency	Benchmark Replication	Commodity Allocation	Misc.	Total Alpha
YTD 2013	6.96%	6.42%	0.54%	189	-166	-15	34	-22	50	-15	54
2012	11.27%	11.45%	-0.17%	-24	-16	197	-214	10	18	12	-18
2011	-0.13%	-1.60%	1.47%	-168	136	139	56	26	2	-43	147
(Partial) 2010	10.43%	5.72%	4.71%	-137	71	185	291	65	-6	2	471

Source: Mellon Capital Management

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

PIMCO All Asset

Fund Number	735									
Fund Name	All Asset Fund									
Total Fund Net Assets (\$US MM)	32,909.2									
	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	7/31/2013	8/31/2013	9/30/2013
Short-Term Strategies:	0.1%	0.1%	0.1%	0.3%	0.0%	0.2%	-0.2%	1.0%	0.0%	0.8%
Low Duration Fund	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	-			
Short Term Fund	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%			
Net Cash Equivalents	-	-	-	0.0%	0.0%	0.2%	-0.2%			
US Core and Long Maturity Bond Strategies:	8.2%	6.3%	5.2%	5.8%	10.8%	11.3%	10.4%	9.3%	8.9%	8.3%
GNMA Fund	-	-	-	-	-	-	-			
Investment Grade Corporate Bond Fund	5.0%	3.2%	2.0%	1.2%	2.8%	3.1%	2.6%			
Long Duration Total Return Fund	0.1%	0.1%	0.1%	0.1%	1.8%	3.2%	3.1%			
Long Term Credit Fund	3.0%	2.8%	2.9%	2.8%	3.7%	3.6%	3.8%			
Long-Term US Government Fund	0.1%	0.0%	0.0%	0.0%	1.0%	0.7%	0.7%			
Mortgage-Backed Securities Fund	-	-	-	-	-	-	-			
Total Return Fund	0.0%	0.2%	0.1%	1.7%	1.5%	0.7%	0.2%			
EM and Global Bond Strategies:	24.1%	28.3%	31.0%	30.8%	28.7%	26.9%	26.8%	26.5%	26.4%	25.0%
Diversified Income Fund	4.4%	4.1%	4.2%	4.4%	4.3%	4.0%	3.6%			
Emerging Local Bond Fund	5.7%	7.0%	8.0%	7.9%	7.4%	7.0%	7.1%			
Emerging Markets Bond Fund	2.7%	3.8%	4.5%	4.0%	3.4%	3.1%	3.1%			
Emerging Markets Corporate Bond Fund	-	-	-	0.4%	0.8%	0.7%	0.7%			
Emerging Markets Currency	7.1%	7.7%	8.0%	8.0%	7.0%	6.6%	6.8%			
Foreign Bond Fund (Unhedged)	1.5%	2.5%	2.8%	2.9%	2.7%	2.4%	2.4%			
Global Advantage Strategy Bond Fund	2.7%	3.2%	3.4%	3.3%	3.2%	3.0%	3.0%			
Global Bond Fund (Unhedged)	-	-	-	-	-	-	-			
Credit Strategies:	28.9%	28.2%	29.8%	30.4%	29.5%	29.1%	29.3%	28.4%	28.4%	26.1%
Convertible Fund	3.4%	3.2%	3.0%	2.1%	0.7%	0.3%	0.1%			
Floating Income Fund	7.4%	6.9%	6.7%	6.7%	6.6%	6.2%	5.4%			
High Yield Fund	6.5%	6.8%	7.9%	8.1%	6.2%	6.0%	6.3%			
High Yield Spectrum Fund	1.6%	1.9%	2.5%	2.6%	3.0%	3.7%	4.1%			
Income Fund	9.1%	8.6%	8.7%	8.8%	10.3%	10.0%	10.3%			
Senior Floating Rate Fund	0.8%	0.7%	0.9%	2.1%	2.6%	2.8%	3.1%			
Inflation Related Strategies:	17.6%	17.0%	12.6%	8.0%	2.5%	2.0%	2.1%	2.7%	3.3%	5.2%
CommoditiesPLUS™ Strategy Fund	4.5%	6.6%	6.3%	5.4%	2.4%	1.8%	1.8%			
CommodityRealReturn Strategy Fund@	4.5%	2.5%	1.9%	1.8%	0.1%	0.1%	0.1%			
Global Advantage@ Inflation-Linked Bond Exchange-Traded Fund	-	-	-	-	0.1%	0.1%	0.1%			
Real Return Asset Fund	5.3%	4.5%	1.0%	0.0%	0.0%	0.0%	0.0%			
Real Return Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
RealEstateRealReturn Strategy Fund	3.3%	3.3%	3.5%	0.8%	-	-	0.2%			
US Equity Strategies:	1.3%	1.0%	1.0%	0.9%	0.9%	1.0%	1.0%	1.1%	1.1%	1.1%
Fundamental IndexPLUS@	-	-	-	-	-	-	-			
Fundamental IndexPLUS@ AR	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%			
Small Cap StocksPLUS@ AR Strategy	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%			
Small Company Fundamental IndexPLUS@ AR Strategy	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.7%			
StocksPLUS@ Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
StocksPLUS@ Absolute Return Fund	0.3%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%			
Global Equity Strategies:	13.4%	14.8%	18.2%	18.4%	17.8%	16.8%	16.4%	16.8%	17.2%	19.7%
EM Fundamental IndexPLUS@ AR Strategy Fund	8.9%	9.4%	9.8%	10.1%	9.7%	8.9%	8.3%			
EqS Dividend Fund	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%			
EqS Emerging Markets Fund	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%			
EqS Pathfinder Fund	2.3%	2.0%	1.9%	1.8%	1.8%	1.8%	1.8%			
International Fundamental IndexPLUS@ AR Strategy Fund	0.8%	2.2%	5.4%	5.4%	5.3%	5.1%	5.3%			
International StocksPLUS@ AR Strategy Fund (U.S. Dollar Hedged)	0.5%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%			
International StocksPLUS@ AR Strategy Fund (Unhedged)	0.6%	0.6%	0.5%	0.5%	0.6%	0.6%	0.6%			
Alternative Strategies:	6.4%	4.4%	2.2%	5.4%	9.6%	12.7%	14.2%	14.3%	14.7%	13.7%
Credit Absolute Return Fund	0.2%	0.2%	0.2%	0.2%	0.5%	0.5%	1.0%			
EqS Long/Short Fund	-	-	0.4%	0.4%	0.3%	0.4%	0.4%			
Fundamental Advantage Absolute Return Strategy Fund	3.6%	2.0%	1.2%	2.8%	4.1%	2.8%	2.9%			
Mortgage Opportunities Fund	-	-	-	-	-	-	0.1%			
Unconstrained Bond Fund	2.6%	2.1%	0.4%	2.0%	3.8%	5.3%	6.2%			
Worldwide Fundamental Advantage AR Strategy Fund	-	-	-	-	0.8%	3.7%	3.7%			
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: PIMCO



NEPC, LLC

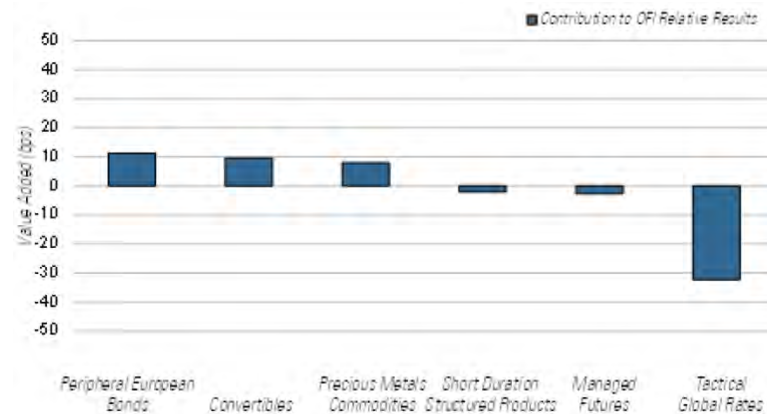
September 30, 2013

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

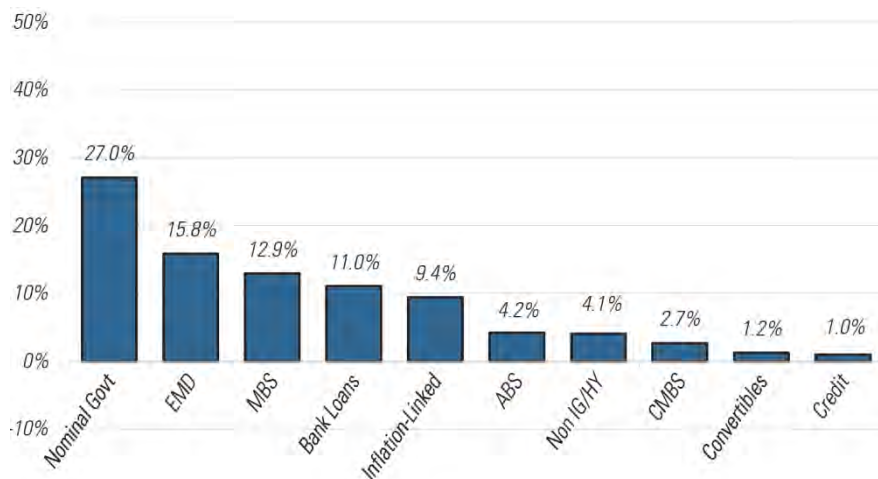
Characteristics

	<i>Barclays Capital US Aggregate Bond</i>	
	<i>Portfolio</i>	<i>Bond</i>
Duration	4.5 yrs	5.4 yrs
OAS	154 bps	52 bps
YTM	3.4 %	2.4 %

Top Relative Contributors and Detractors

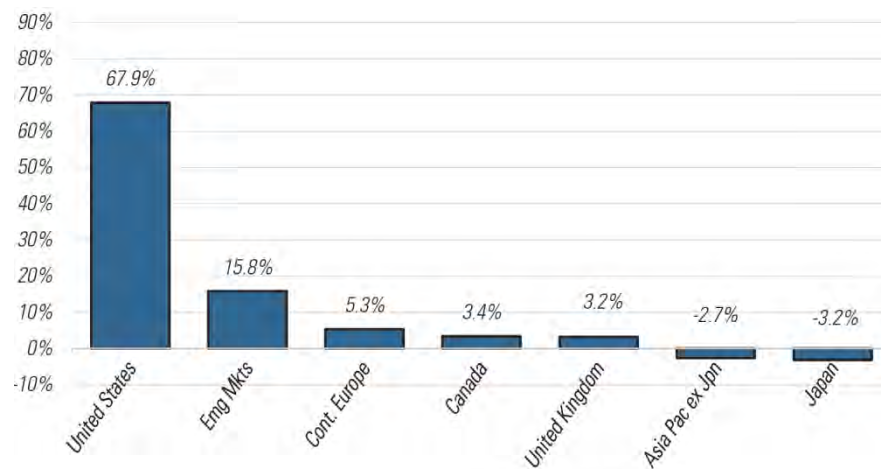


Sector Allocation



Source: Wellington

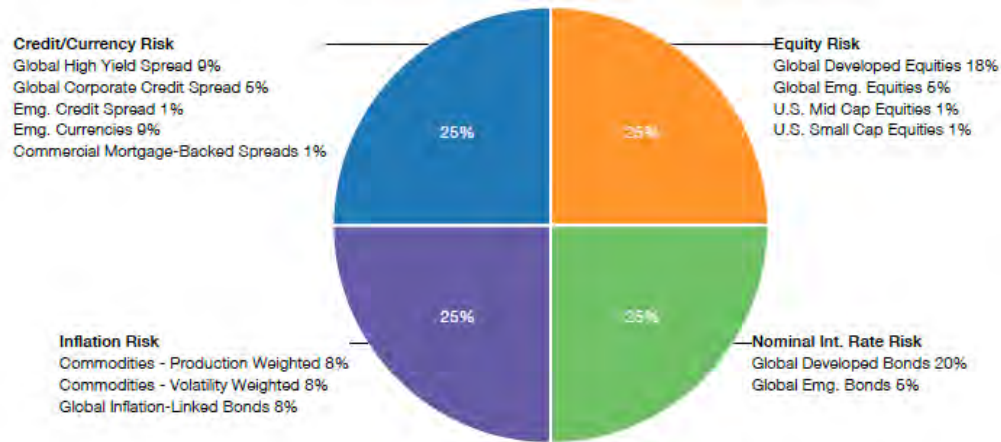
Regional Allocation



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

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

Risk Allocation



Estimated Exposure Breakdown

Long Exposure (% of NAV)		Long Exposure (% of NAV)	
Equity Risk		Equity Market Exposures	
Global Developed Equities	22%	Americas	17%
Global Emerging Equities	5%	Europe	6%
U.S. Mid Cap Equities	1%	Asia ex-Japan	4%
U.S. Small Cap Equities	1%	Japan	2%
Total Equity Risk	29%	Total Equity Market Exposures	29%
Nominal Interest Rate Risk		Bond Market Exposures - Nominal and Inflation-Linked	
Global Developed Bonds	84%	Americas	47%
Global Emerging Bonds	15%	Europe	50%
Total Nominal Interest Rate Risk	99%	Asia	30%
Inflation Risk		Total Bond Market Exposures	128%
Commodities - Production Weighted	11%	Emerging Currency Exposures	
Commodities - Volatility Weighted	13%	Asia	5%
Global Inflation-Linked Bonds	29%	Europe	6%
Total Inflation Risk	53%	Latin America	6%
Credit/Currency Risk		Dollar Block ex-U.S.	3%
Global High Yield Spread	21%	Total Emerging Currency Exposures	19%
Global Corporate Credit Spread	44%	Total Fund Exposures	
Emerging Credit Spread	3%	269%	
Emerging Currencies	19%		
Commercial Mortgage-Backed Spreads	1%		
Total Credit/Currency Risk	89%		

Source: AQR

AQR Global Risk Premium Fund

-The AQR Global Risk Premium Fund is equally risk weighted between four major asset classes or risk exposures: equities, interest rates, inflation, and alternative risk exposures - almost entirely spread/credit.

-By diversifying broadly & globally - across the broadest possible set of liquid risk-bearing assets, diversifying risk rather than capital - avoiding risk concentration by sizing broad risk exposures equally, the strategy develops a an efficient portfolio that is likely to outperform traditional asset allocations.

-Individual exposures are implemented through a variety of instruments, including: stock index futures and swaps, bond futures, interest rate swaps, global inflation-linked bonds, currency forwards, credit derivatives, and commodity futures & swaps.

-Implementation decisions include capital usage, liquidity, transaction costs, and counterparty exposure. Since the strategy is levered, there is limited available capital; therefore, derivative instruments such as swaps and futures, will be preferred to physical investment in a market, all else being equal.

-The majority of exposures are accessed synthetically - generally, over 70% of the funds capital is invested in cash funds through SSgA and Dreyfus. These are money market funds meant to preserve capital, not meant to chase a spread above LIBOR as an additional source of return.

-The fund attempts to maintain a healthy liquidity profile, both from a risk management standpoint and in order to fulfill the promise of monthly liquidity to investors.

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

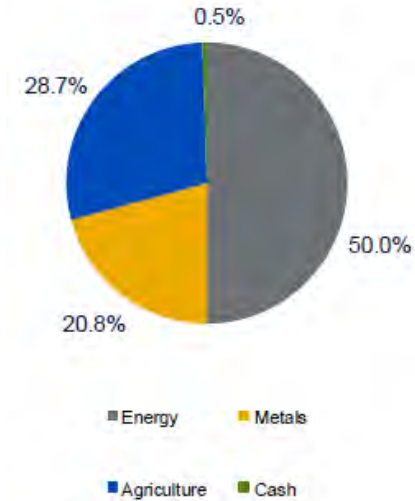
-Swap agreements and forwards take on counterparty risk. Counterparties are chosen based on analysis from a separate counterparty committee who determine approved counterparties across AQR's, limitations to exposures to each counterparty, as well as presenting AQR's credit worthiness to counterparties. Counterparty exposure is spread across several firms in order to minimize this risk.

Sector Exposure

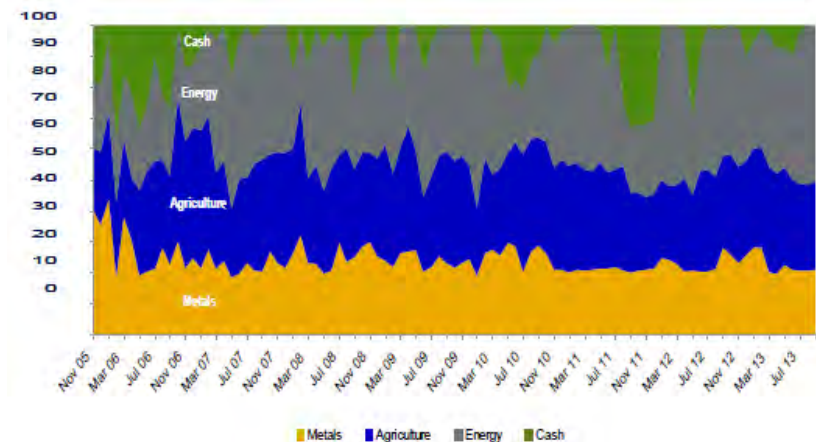
Current Exposures as of September 30, 2013

			Futures	Equities	ETF/Swaps	Total Exposure
Energy	50.0%	Crude Oil	29.3			29.3
		Gas Oil	4.0			4.0
		Gasoline	5.3			5.3
		Heating Oil	5.5			5.5
		Natural Gas	4.9	1.0		5.9
Metals	20.8%	Coal				
		Aluminum	4.1			4.1
		Copper	5.1			5.1
		Lead	0.4			0.4
		Nickel	1.2			1.2
		Tin	1.1			1.1
		Zinc	1.3			1.3
		Gold	2.7			2.7
		Silver	0.7	1.1		1.8
		Palladium				3.1
		Platinum				
Grains	7.9%	Corn	3.8			3.8
		Oats				
		Rough Rice				
		Wheat	4.1			4.1
Oilseeds	3.9%	Rapeseed				
		Soybeans	2.8			2.8
		Soybean Meal	0.8			0.8
		Soybean Oil	0.3			0.3
Softs	9.2%	Cocoa	1.9		1.1	3.0
		Coffee	2.3			2.3
		Orange Juice				
Livestock	4.5%	Sugar	3.2		0.7	3.9
		Milk				
		Live Cattle	3.5			3.5
Materials & Fibers	3.2%	Lean Hogs	1.0			1.0
		Feeder Cattle				
		Fish				
Cash	0.5%	Cotton	0.9		2.3	3.2
		Lumber				
		Denatured Ethanol				
		Fertilizer				
		Rubbers				
Cash	0.5%	Cash				0.5
TOTAL			90.2	2.1	7.2	100.0

Current Asset Allocation



Historical Sector Asset Allocation



Source: Schroder

Schroder Commodities

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

Morgan Stanley Prime Property

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

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

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

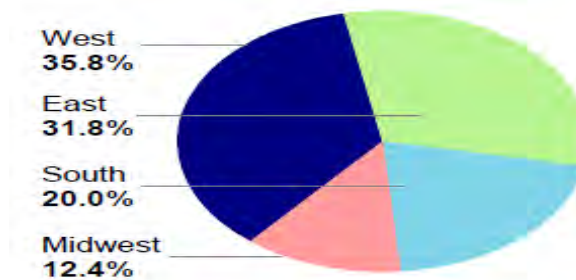
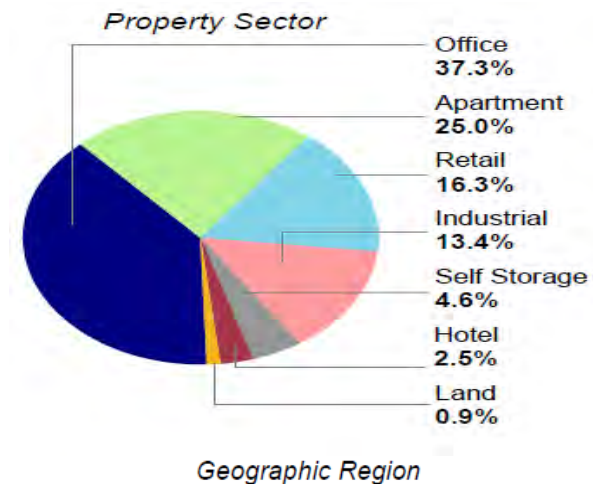
-Employment of these strategies have helped PRIME deliver strong relative returns including outperforming the NFI-ODCE benchmark over the trailing 1-year, 3-year, 5-year and 10-year periods

PROPERTY SECTOR RETURNS

%	Third Quarter		
	Income	Appreciation	Total
Office	1.5	3.8	5.4
Retail	1.4	3.2	4.6
Industrial	1.4	1.0	2.4
Self Storage	1.5	3.9	5.5
Apartment	1.0	2.4	3.5
Hotel	1.4	(5.4)	(4.0)

GEOGRAPHIC REGION RETURNS

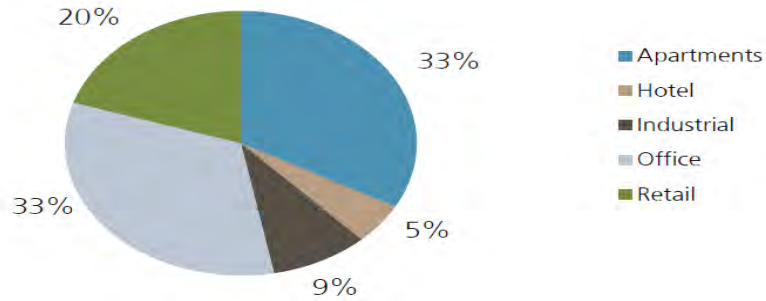
%	Third Quarter		
	Income	Appreciation	Total
East	1.4	1.7	3.1
Midwest	1.1	1.8	2.9
South	1.6	2.8	4.5
West	1.2	3.7	4.9



UBS Trumbull Property Fund

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

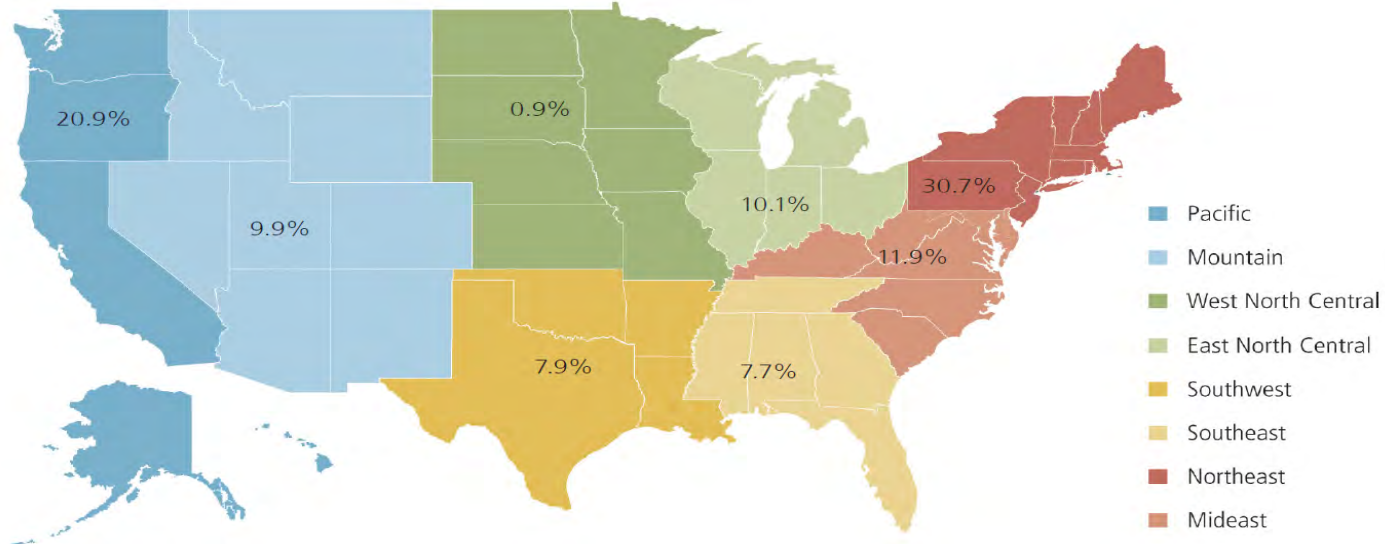
Portfolio Distribution by Property Type



Key Statistics

Gross asset value (GAV)	USD 15.5 bn	Quarterly returns (%)	
Net asset value (NAV)	USD 13.3 bn	Income	1.31
Cash as a % of GAV	4.8%	Appreciation	1.45
Debt as % of GAV	13.1%	Total (before fees)	2.76
Number of investments	179	Total (after fees)	2.50
Number of investors	397	One-year rolling returns (%)	
Deposits ²	USD 295.0 m	Income	5.19
Redemptions ²	USD 52.0 m	Appreciation	4.71
		Total (before fees)	10.08
		Total (after fees)	8.97

Distribution by Geographic Division



Source: UBS Realty Investors

Real Estate - RREEF America REIT III

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

Investment Summary

Net Asset Value ¹	\$788,748,036
Number of Shares Outstanding	16,109,897
Net Asset Value Per Share	\$48.96
Cash Balance of Fund	\$145,379,400
Debt ²	\$586,520,016
Inception Date ³	March 31, 2003
Redemption Shares Outstanding	5,677,232
Institutional Investors	118

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

Property Information

Diversification/Occupancy

	Real Estate Investments	Gross Real Estate Value (millions)	Percent of Value	Quarter-end Occupancy
Retail	5	\$178.8	14%	92%
Residential	2	157.3	13%	97%
Office	28	609.5	49%	80%
Industrial	19	153.5	12%	79%
Development/Land/Other	7	150.1	12%	N/A
Total	61	\$1,249.2	100%	84%

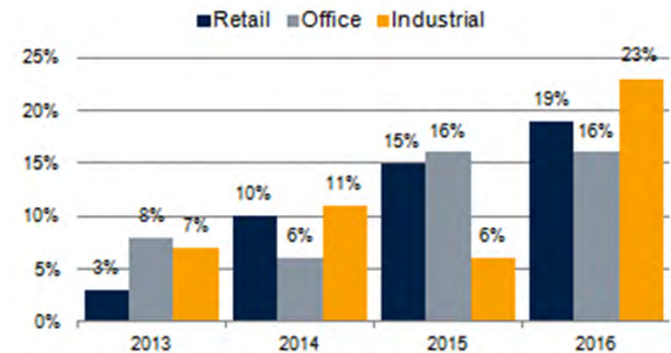
Note: Property diversification by type and geographic location based on gross real estate value and primary use of assets.

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

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

³ Date of first asset acquisition.

Lease Maturities



Geographic Location



Grosvenor Institutional Partners, LP

Grosvenor Institutional Partners, LP
Grosvenor Capital Management, LP

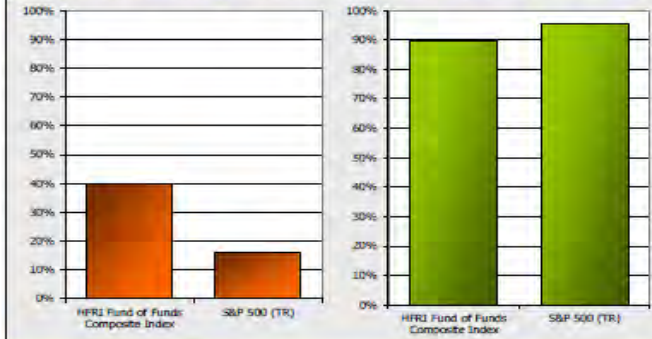


Benchmark 1 (BM1): HFRI Fund of Funds Composite Index
Benchmark 2 (BM2): S&P 500 (TR)

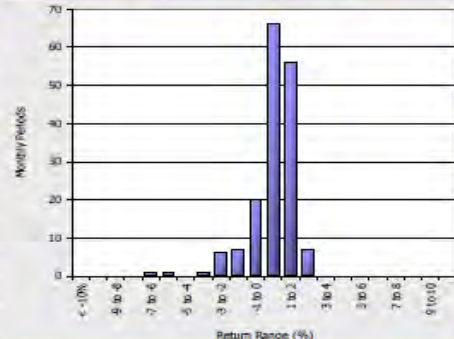
Monthly Performance (%) Net of Fees													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2013	2.6%	0.6%	1.4%	0.8%	1.7%	-0.6%	1.7%	0.2%	1.6%	0.2%	1.6%	0.2%	10.5%
2012	1.6%	1.8%	0.9%	-0.1%	-1.4%	0.4%	0.8%	1.2%	0.8%	0.5%	0.7%	1.2%	-8.6%
2011	0.9%	1.0%	0.0%	0.9%	-0.1%	-1.1%	-0.2%	-2.8%	-2.7%	1.7%	-0.7%	-0.6%	-3.7%
2010	0.7%	0.3%	1.6%	0.8%	-1.8%	-0.9%	0.7%	0.2%	1.7%	1.2%	0.5%	1.5%	6.5%
2009	1.2%	0.0%	-0.6%	0.1%	2.7%	0.9%	2.2%	1.8%	2.3%	0.7%	1.0%	1.0%	13.9%
2008	-2.4%	1.3%	-1.8%	0.2%	1.5%	-0.7%	-2.0%	-1.3%	-6.9%	-5.3%	-3.2%	-2.3%	-20.9%
2007	1.7%	0.8%	1.4%	1.4%	2.3%	0.4%	0.8%	-2.1%	1.2%	2.7%	-0.6%	0.5%	10.7%
2006	1.9%	0.4%	1.5%	1.1%	-0.9%	-0.6%	0.0%	0.8%	0.5%	1.3%	1.7%	1.4%	9.4%
2005	0.2%	1.2%	-0.3%	-1.0%	0.4%	1.2%	1.3%	0.9%	-1.0%	-1.2%	1.3%	1.6%	6.8%
2004	1.5%	0.8%	0.4%	0.2%	-0.6%	0.1%	-0.5%	0.3%	0.8%	0.6%	1.8%	1.5%	6.9%

Statistical Analysis			
	Fund	BM1	BM2
Returns			
Annualized Compound ROR	5.8%	3.6%	2.9%
3 Yr Return	6.1%	2.5%	16.3%
5 Yr Return	4.7%	1.9%	10.0%
Best Month	2.7%	5.2%	10.9%
Worst Month	-6.9%	-6.5%	-16.8%
9% Positive Months	78.2%	64.2%	60.6%
Risk			
Standard Deviation	4.5%	5.3%	15.7%
3 Yr Standard Deviation	4.1%	4.2%	12.4%
5 Yr Standard Deviation	5.1%	5.3%	18.1%
Sharpe Ratio (3.5%)	0.5	0.0	0.0
Sortino Ratio (7.0%)	-0.3	-0.7	-0.3
Downside Deviation (7.0%)	3.9%	4.6%	12.2%
Max Drawdown	-21.0%	-22.2%	-50.9%
Months In Maximum Drawdown	14	14	16
Months To Recover	48		37

Outperform BM in Up Markets **Outperform BM in Down Markets**



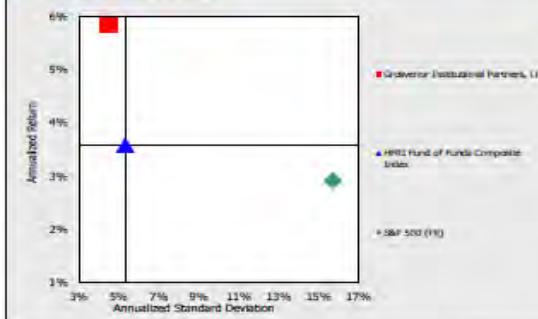
Distribution of Returns



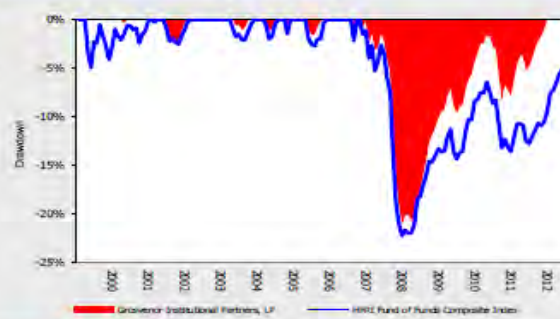
Comparison To Benchmark(s)			
Monthly Alpha		0.3%	0.4%
Annualized Alpha		3.2%	5.3%
Beta		0.7	0.1
Correlation		0.9	0.5
R-Squared		72.9%	25.2%

Annual Returns				
	2013-(YTD)	10.5%	5.1%	19.8%
	2012	8.6%	4.8%	16.0%
	2011	-3.7%	-5.7%	2.1%
	2010	6.5%	5.7%	15.1%
	2009	13.9%	11.5%	26.5%
	2008	-20.9%	-21.4%	-37.0%

Risk/Return Profile



Underwater Drawdowns



Latest Returns

Last Month	1.6%	1.3%	3.1%
Last 3 Months	3.6%	1.6%	5.2%
Last Year	13.2%	6.4%	19.3%
2-Year	9.9%	4.7%	24.7%
3-Year	6.1%	2.5%	16.3%
4-Year	6.1%	2.7%	14.7%
5-Year	4.7%	1.9%	10.0%

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

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

Grosvenor Institutional Partners, LP

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

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

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

Permal Fixed Income Holdings N.V.

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

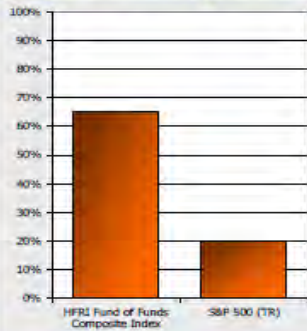


Benchmark 1 (BM1): HFRI Fund of Funds Composite Index
Benchmark 2 (BM2): S&P 500 (TR)

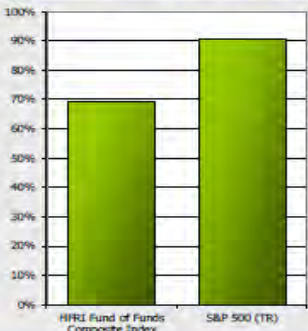
Monthly Performance (%) Net of Fees													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2013	2.6%	0.4%	1.7%	1.2%	1.6%	-2.0%	1.4%	-0.8%	1.5%				7.8%
2012	2.3%	2.0%	0.1%	-0.2%	-1.1%	0.1%	1.2%	0.9%	1.5%	0.8%	0.2%	1.8%	10.2%
2011	1.4%	1.3%	0.1%	1.2%	-0.2%	-1.4%	0.3%	-3.0%	-4.0%	1.9%	-0.9%	-1.0%	-4.5%
2010	1.2%	0.7%	2.4%	2.1%	-2.3%	-0.7%	1.0%	0.4%	1.9%	2.1%	0.1%	2.2%	11.5%
2009	1.1%	-0.8%	0.5%	2.8%	5.5%	2.9%	3.3%	2.9%	2.9%	1.2%	1.4%	2.0%	28.6%
2008	-0.7%	0.2%	-1.0%	0.5%	0.8%	0.3%	-1.8%	-1.1%	-4.0%	-7.4%	-2.8%	-2.0%	-17.5%
2007	1.5%	1.4%	0.6%	1.5%	0.9%	0.4%	0.7%	-1.8%	1.8%	2.2%	0.1%	0.0%	9.6%
2006	2.3%	0.6%	1.0%	1.9%	-0.8%	-0.2%	0.7%	0.7%	0.3%	1.5%	1.4%	1.6%	11.6%
2005	-0.2%	1.4%	-0.6%	-0.4%	0.4%	1.7%	1.4%	1.3%	1.4%	-1.0%	1.7%	1.5%	8.8%
2004	1.3%	0.8%	0.9%	-1.4%	-0.7%	1.0%	0.2%	1.2%	1.4%	1.5%	2.5%	1.5%	10.6%

Statistical Analysis	Fund	BM1	BM2
Returns			
Annualized Compound ROR	7.3%	5.0%	6.9%
3 Yr Return	5.8%	2.5%	16.3%
5 Yr Return	7.5%	1.9%	10.0%
Best Month	5.9%	6.9%	10.9%
Worst Month	-27.9%	-7.5%	-16.8%
% Positive Months	73.1%	64.2%	62.2%
Risk			
Standard Deviation	9.5%	6.1%	16.0%
3 Yr Standard Deviation	5.2%	4.2%	12.4%
5 Yr Standard Deviation	6.9%	5.3%	18.1%
Sharpe Ratio (3.5%)	0.4	0.3	0.3
Sortino Ratio (7.0%)	0.0	-0.4	0.0
Downside Deviation (7.0%)	8.4%	4.8%	12.0%
Max Drawdown	-36.8%	-22.2%	-50.9%
Months In Maximum Drawdown	5	14	16
Months To Recover	33		37
Comparison To Benchmark(s)			
Monthly Alpha		0.1%	0.4%
Annualized Alpha		1.8%	5.4%
Beta		1.1	0.3
Correlation		0.7	0.5
R-Squared		54.8%	23.4%

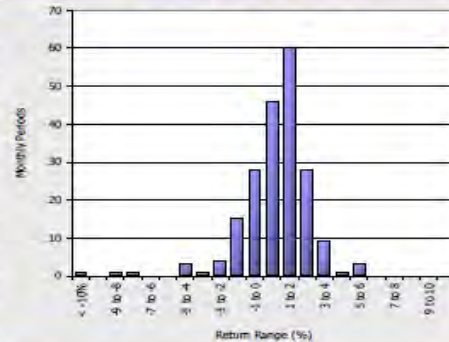
Outperform BM in Up Markets



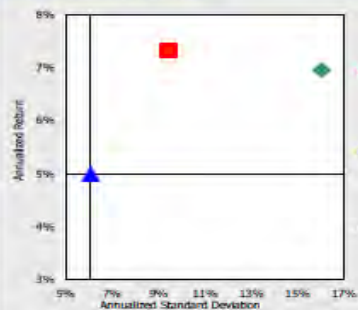
Outperform BM in Down Markets



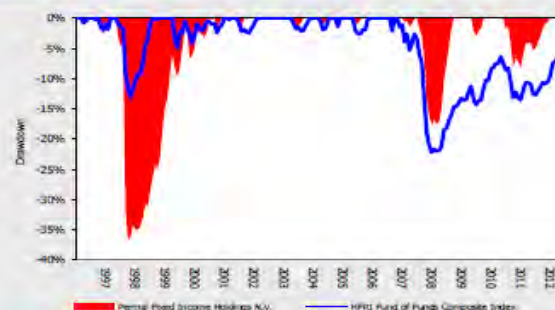
Distribution of Returns



Risk/Return Profile



Underwater Drawdowns



Annual Returns	Fund	BM1	BM2
2013-(YTD)	7.8%	5.1%	19.8%
2012	10.2%	4.8%	16.0%
2011	-4.5%	-5.7%	2.1%
2010	11.5%	5.7%	15.1%
2009	28.6%	11.5%	26.5%
2008	-17.5%	-21.4%	-37.0%

Latest Returns

Period	Fund	BM1	BM2
Last Month	1.5%	1.3%	3.1%
Last 3 Months	2.1%	1.6%	5.2%
Last Year	10.8%	6.4%	19.3%
2-Year	9.0%	4.7%	24.7%
3-Year	5.8%	2.5%	16.3%
4-Year	7.3%	2.7%	14.7%
5-Year	7.5%	1.9%	10.0%

Drawdown Analysis

Drawdown Rank	Fund	BM1	BM2
1	-36.8%	-22.2%	-50.9%
2	-17.7%	-13.1%	-44.7%
3	-0.2%	-4.9%	-15.4%
4	-3.0%	-2.7%	-6.8%
5	-2.5%	-2.5%	-6.6%

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

Permal Fixed Income Holdings

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

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

GAM U.S. Institutional Diversity



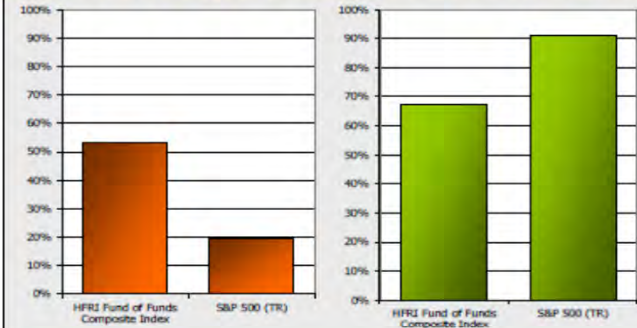
GAM U.S. Institutional Diversity
GAM London Limited

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

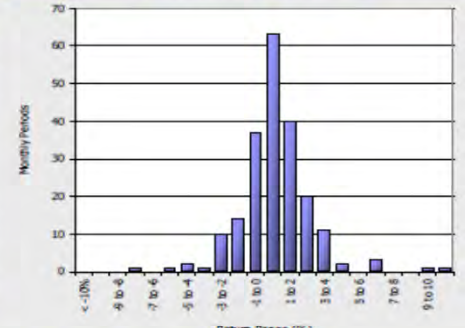
Monthly Performance (%) Net of Fees														
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	
2013	2.8%	0.3%	0.6%	2.0%	2.1%	-1.0%	0.4%	-1.3%	1.9%					8.0%
2012	1.9%	1.6%	0.2%	-0.7%	-1.0%	-0.2%	1.3%	0.5%	0.8%	0.4%	0.3%	1.2%		6.6%
2011	-0.1%	0.9%	0.1%	0.8%	-0.9%	-1.0%	0.4%	-2.4%	-2.0%	0.7%	-0.4%	-0.1%		-4.0%
2010	-0.6%	0.4%	0.8%	-0.1%	-2.5%	-3.3%	0.1%	-0.2%	1.2%	1.1%	0.1%	1.0%		-2.1%
2009	0.8%	0.1%	-0.1%	-0.4%	1.1%	-0.2%	0.9%	1.1%	1.3%	-0.3%	1.1%	-0.1%		5.4%
2008	-2.1%	1.0%	-2.2%	-0.1%	0.9%	-0.4%	-1.8%	-1.2%	-4.7%	-2.5%	-2.1%	-0.9%		-15.0%
2007	0.1%	2.6%	-0.6%	2.2%	1.3%	1.1%	-0.7%	-3.0%	2.4%	2.6%	-1.8%	0.2%		6.4%
2006	3.8%	1.3%	1.3%	3.5%	-2.7%	-1.9%	1.2%	0.5%	0.6%	2.4%	1.6%	3.1%		15.3%
2005	-0.4%	1.4%	-0.8%	-0.9%	-0.6%	1.4%	1.4%	1.0%	1.8%	-1.4%	2.9%	2.9%		9.1%
2004	2.0%	0.6%	0.2%	0.1%	-2.0%	-0.1%	-1.2%	-0.4%	1.0%	0.6%	2.7%	1.4%		-4.8%

Statistical Analysis			
	Fund	BM1	BM2
Returns			
Annualized Compound ROR	7.6%	5.2%	7.4%
3 Yr Return	4.1%	2.5%	16.3%
5 Yr Return	1.5%	1.9%	10.0%
Best Month	10.2%	6.9%	10.9%
Worst Month	-7.9%	-7.5%	-16.8%
% Positive Months	68.1%	64.7%	62.3%
Risk			
Standard Deviation	7.2%	6.1%	16.0%
3 Yr Standard Deviation	4.0%	4.2%	12.4%
5 Yr Standard Deviation	4.2%	5.3%	18.1%
Sharpe Ratio (3.5%)	0.6	0.3	0.3
Sortino Ratio (7.0%)	0.1	-0.4	0.0
Downside Deviation (7.0%)	4.7%	4.8%	11.9%
Max Drawdown	-17.3%	-22.2%	-50.9%
Months In Maximum Drawdown	47	14	16
Months To Recover			37

Outperform BM in Up Markets **Outperform BM in Down Markets**



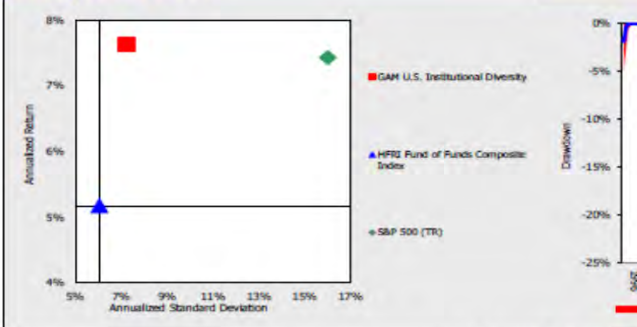
Distribution of Returns



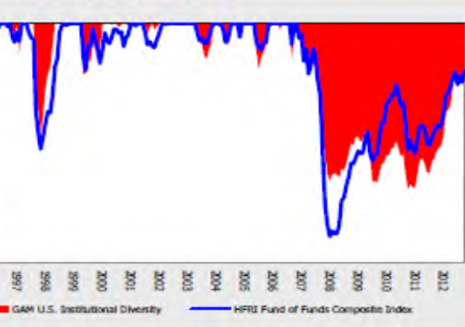
Comparison To Benchmark(s)			
Monthly Alpha		0.2%	0.5%
Annualized Alpha		2.2%	6.1%
Beta		1.0	0.2
Correlation		0.9	0.4
R-Squared		75.6%	18.7%

Annual Returns				
	2013-(YTD)	8.0%	5.1%	19.8%
	2012	6.6%	4.8%	16.0%
	2011	-4.0%	-5.7%	2.1%
	2010	-2.1%	5.7%	15.1%
	2009	5.4%	11.5%	26.5%
	2008	-15.0%	-21.4%	-37.0%

Risk/Return Profile



Underwater Drawdowns



Latest Returns

Last Month	1.9%	1.3%	3.1%
Last 3 Months	1.0%	1.6%	5.2%
Last Year	10.1%	6.4%	19.3%
2-Year	7.4%	4.7%	24.7%
3-Year	4.1%	2.5%	16.3%
4-Year	2.2%	2.7%	14.7%
5-Year	1.5%	1.9%	10.0%

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

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

GAM U.S. Institutional Diversity

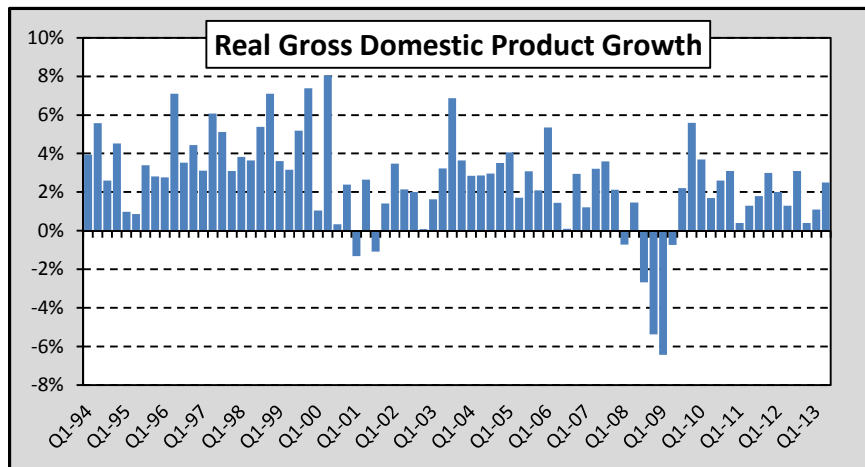
-The GAM Diversity strategy aims seeks to achieve absolute returns with diversification of risk and low correlation to traditional asset classes such as equities and bonds. GAM strategy targets net returns of 9-13% net per annum with 5-7% volatility and 0.2-0.6 correlation to the S&P 500 and 0.0-0.2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

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

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

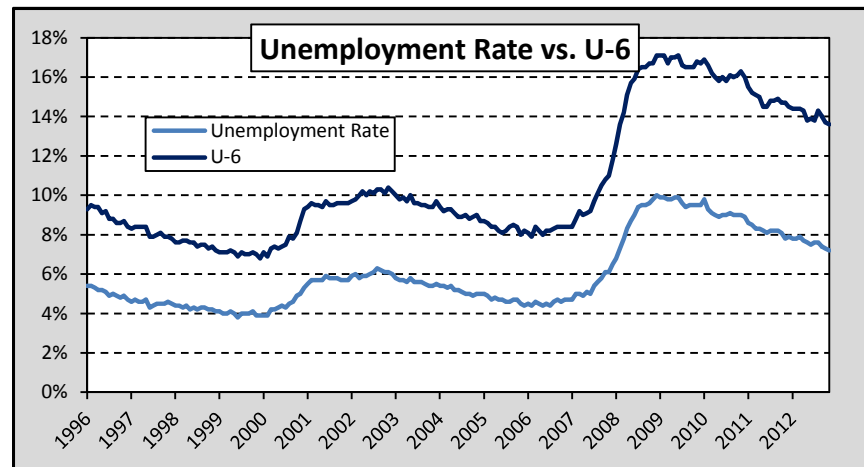
Appendix

US Economic Environment



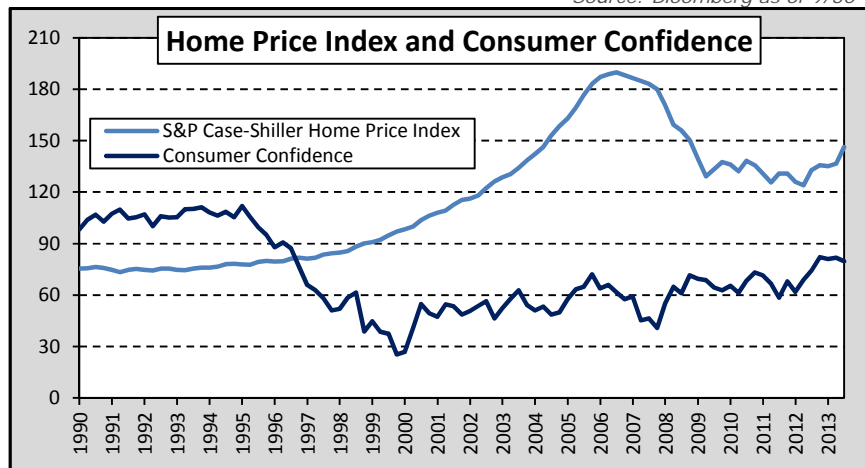
GDP growth accelerated in the second quarter, with a revised estimate up to 2.5% from an initial estimate of 1.7%

Source: Bloomberg as of 9/30



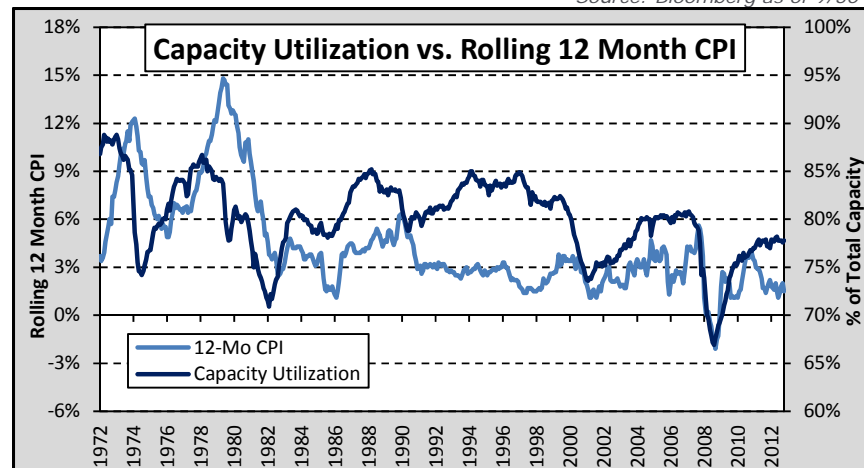
Unemployment fell to 7.2% in September; U-6 also decreased, to 13.6%

Source: Bloomberg as of 9/30



Consumer confidence fell slightly to 79.7 in September; the Case-Shiller home price index (as of 6/30) rose to its highest level (146.32) since the financial crisis

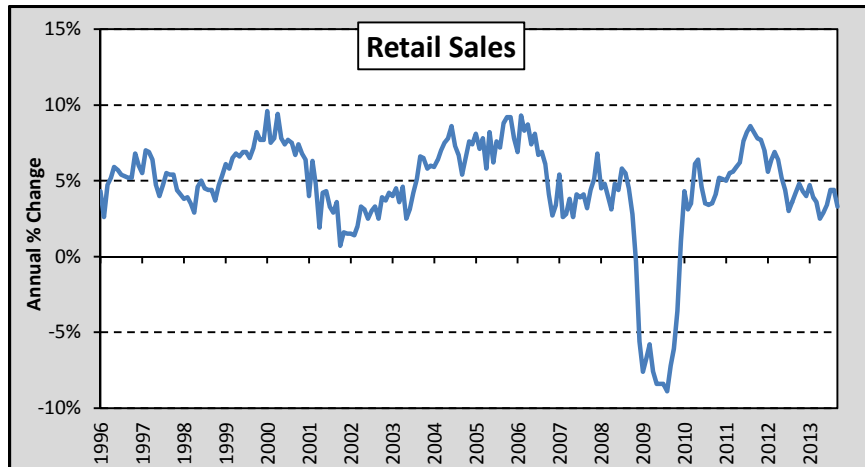
Source: Bloomberg as of 9/30



Rolling 12 month CPI decreased to 1.5% at August end; capacity utilization stayed nearly flat at 77.8% in the month

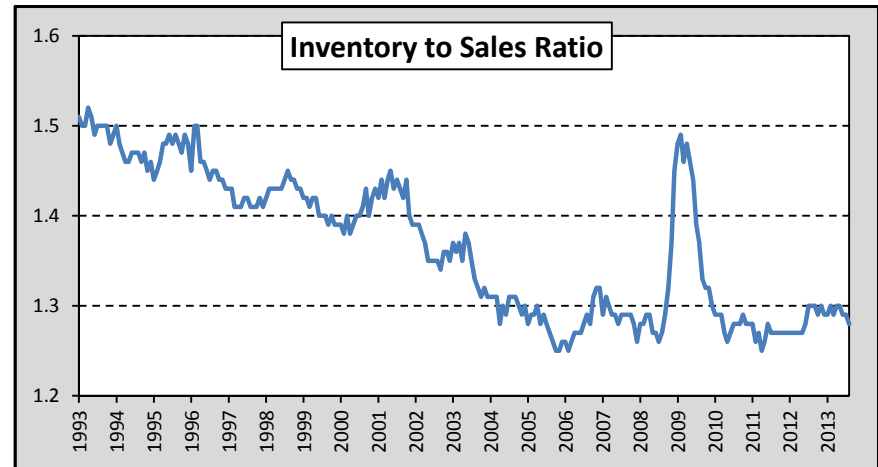
Source: Bloomberg as of 8/31

Components of GDP



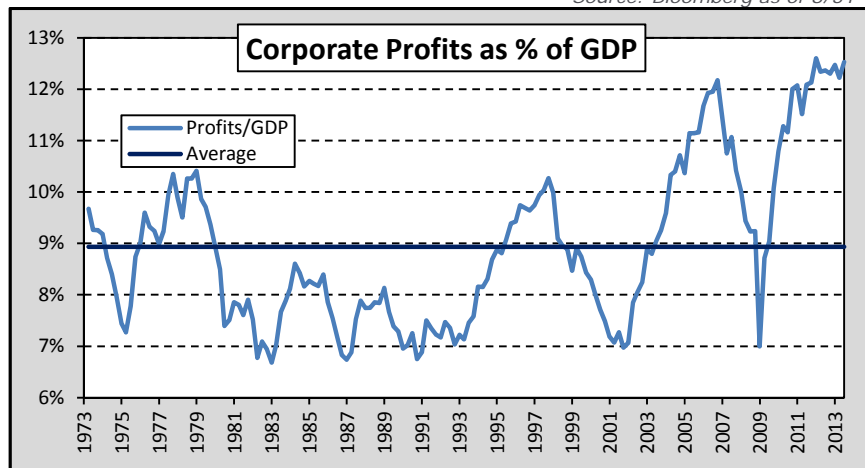
Retail sales fell to a 3.3% year-over-year growth rate in August

Source: Bloomberg as of 8/31



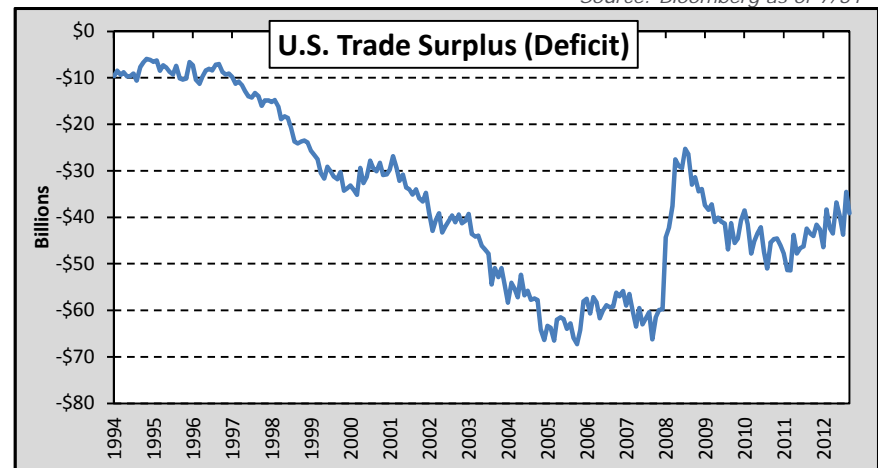
The inventory-to-sales ratio has remained mostly flat since early 2010 and closed at 1.28 in July

Source: Bloomberg as of 7/31



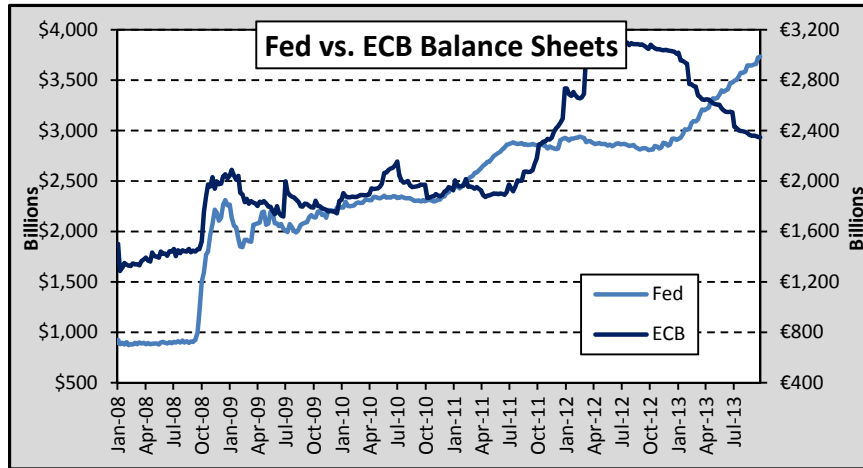
Corporate Profits as a percent of GDP remained near secular highs at 12.5% at Q2 end

Source: Bloomberg as of 6/30



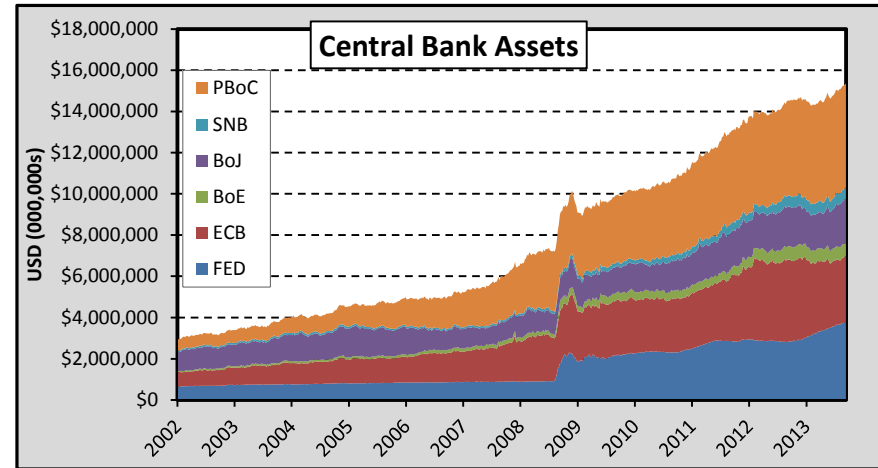
The trade deficit increased through July

Source: Bloomberg as of 7/31



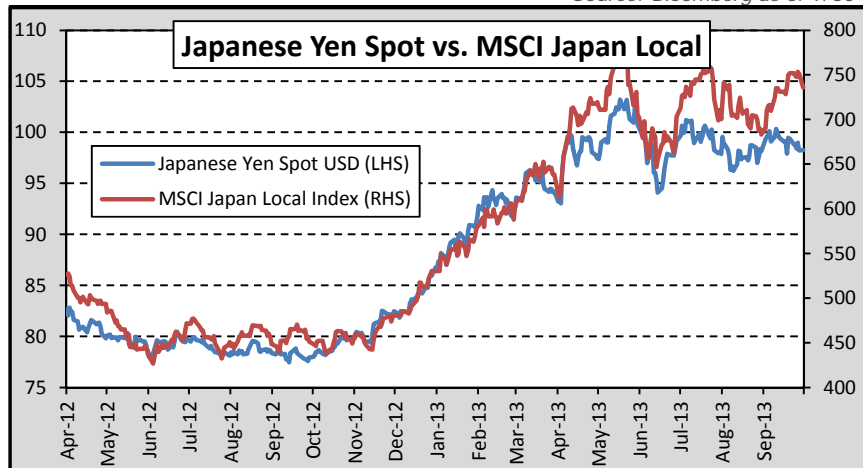
Federal Reserve Bank balance sheets have increased in 2013 while European Central Bank balance sheets have decreased significantly

Source: Bloomberg as of 9/30



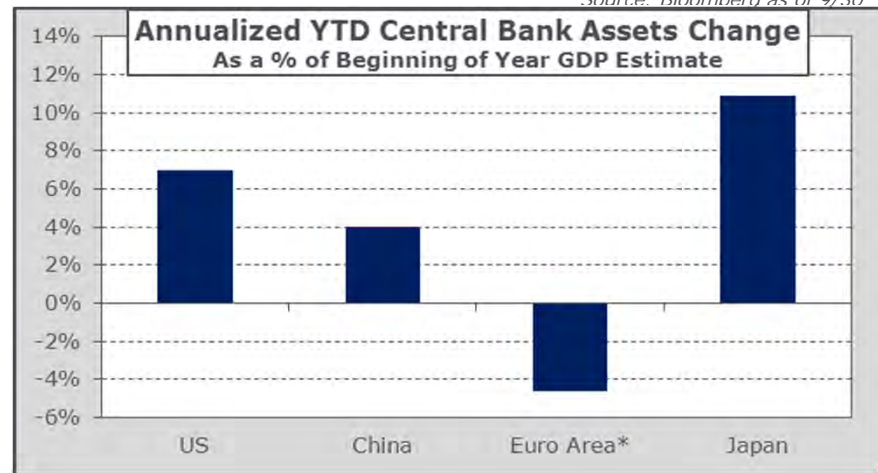
Central bank assets worldwide have risen significantly since 2008

Source: Bloomberg as of 9/30



The Japanese Yen has weakened 13.3% relative to the US dollar in 2013; while the MSCI Japan TR Net Local Index returned 41.1%

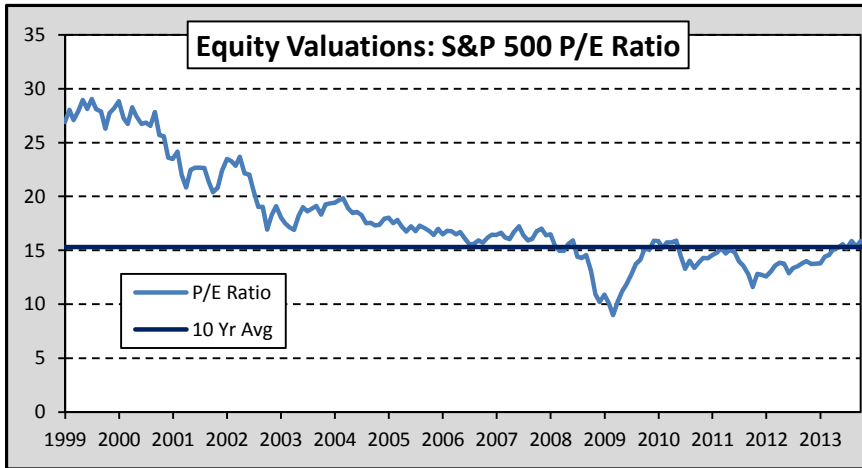
Source: Bloomberg as of 9/30



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

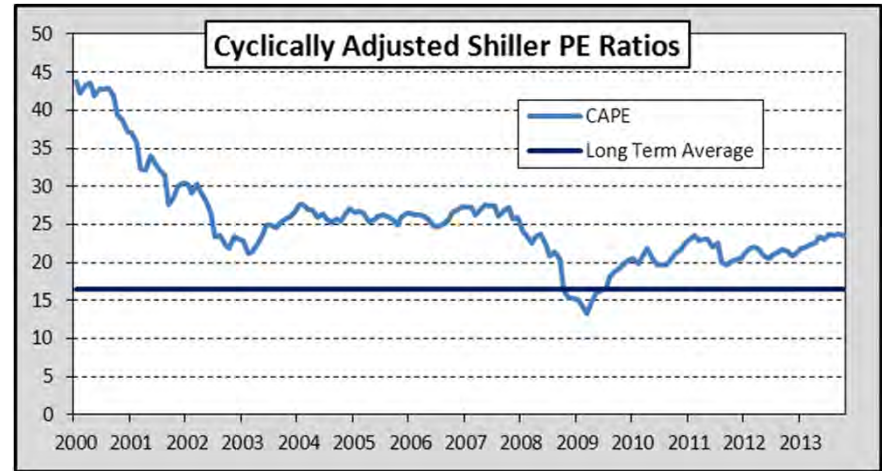
Source: Bloomberg as of 9/30; All calculations converted to USD *GDP figure reflects World Bank Euro Area GDP

Market Environment – US Equity



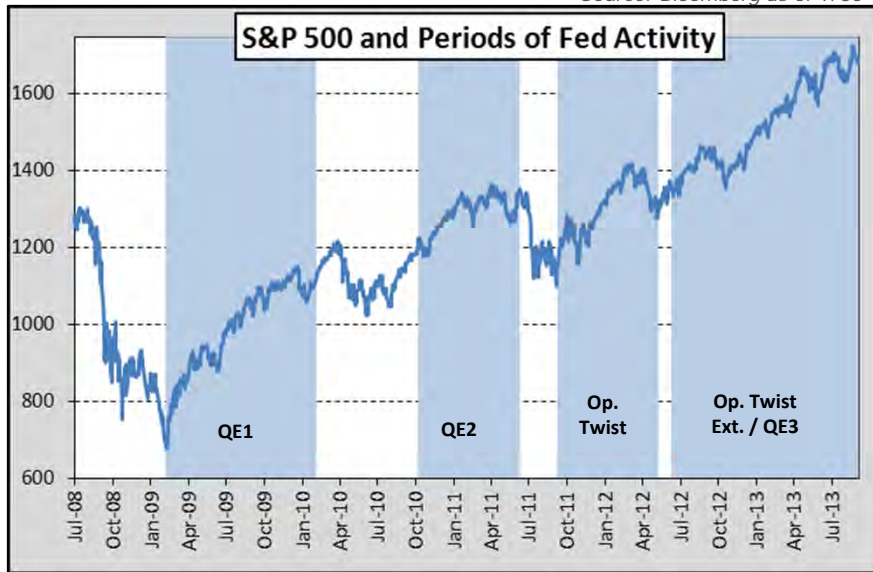
S&P valuations are slightly above the 10 year average using current PE Ratios...

Source: Bloomberg as of 9/30

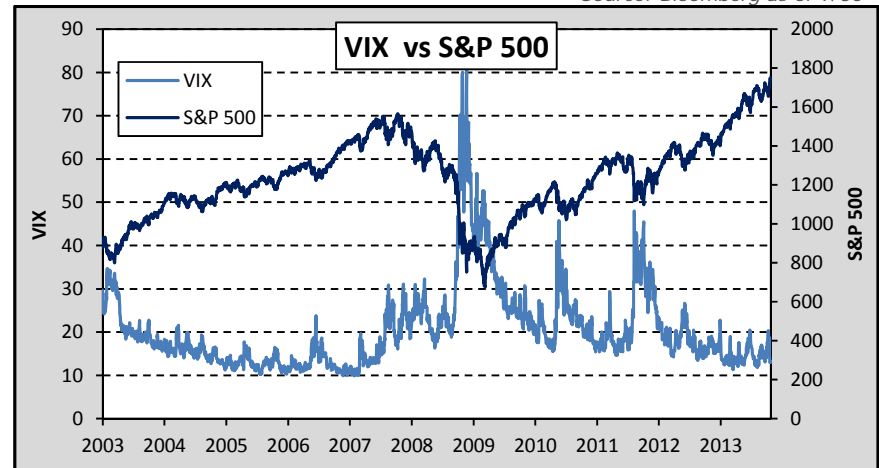


...The cyclically adjusted Shiller PE Ratio however is well above the long term average of 16.5 and above the 10 year average of 23.1

Source: Bloomberg as of 9/30



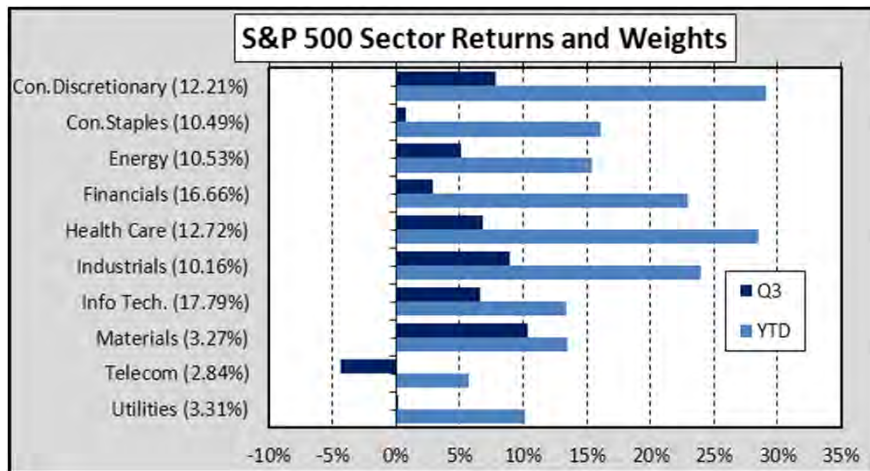
Source: Bloomberg as of 9/30



The VIX fell 2.4% in September; the S&P 500 rose 3.1% on the month, retracing small August losses

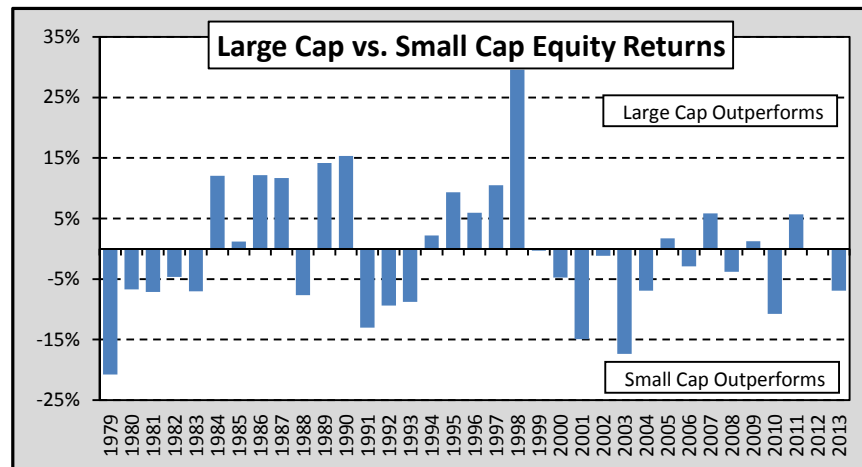
Source: Bloomberg as of 9/30

US Stock Market Performance



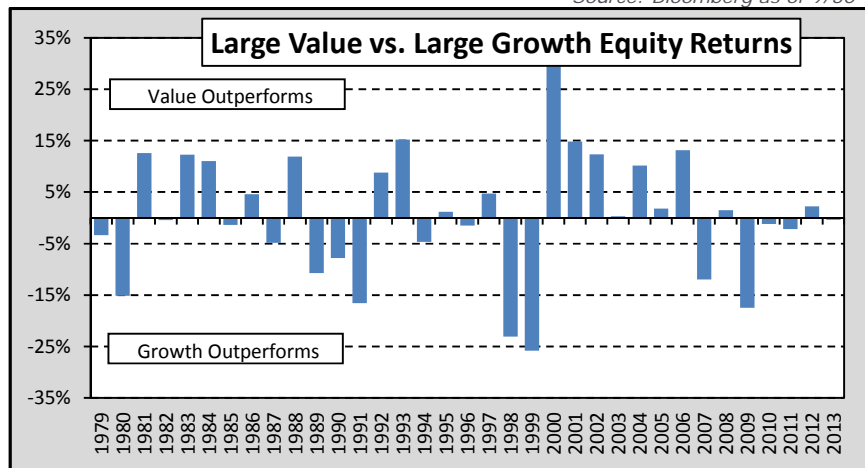
Healthcare and Consumer Discretionary have led all sectors YTD as telecom and utilities have lagged but are still positive on the year

Source: Bloomberg as of 9/30



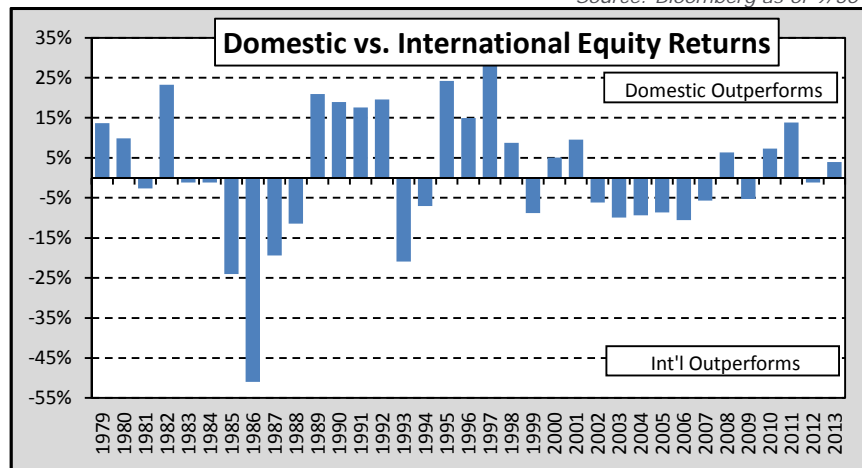
Small cap has outperformed large cap in 2013

Source: Bloomberg as of 9/30



Large growth stocks have marginally outperformed large value in 2013

Source: Bloomberg as of 9/30



Domestic equity has outperformed international equity in 2013

Source: Bloomberg as of 9/30

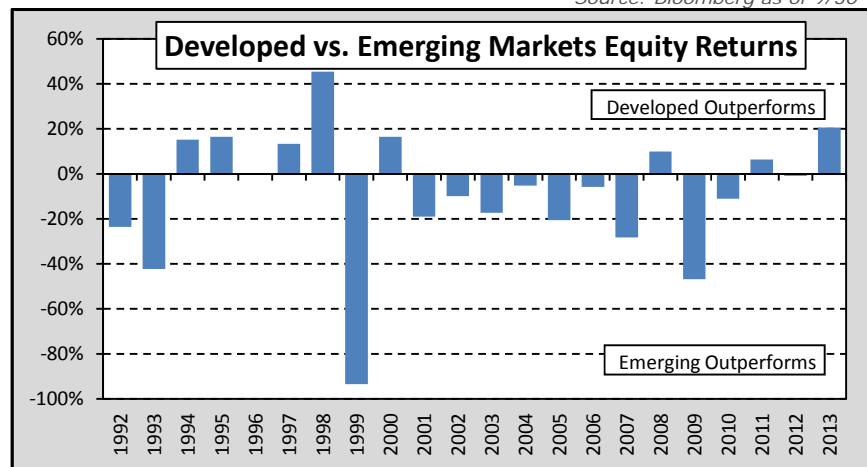
Non-US Stock Performance

Developed Market Equity Returns (U.S. Dollars)				
	YTD	Q3	1 Yr.	3 Yr. Ann.
Europe ex UK	15.4%	14.3%	25.1%	5.2%
United Kingdom	8.9%	11.0%	12.7%	6.5%
Japan	22.3%	6.0%	29.2%	7.1%
Pacific Ex Japan	1.9%	9.0%	7.3%	3.2%
Canada	-0.2%	8.2%	-0.1%	0.6%
USA	18.3%	5.2%	17.3%	16.1%

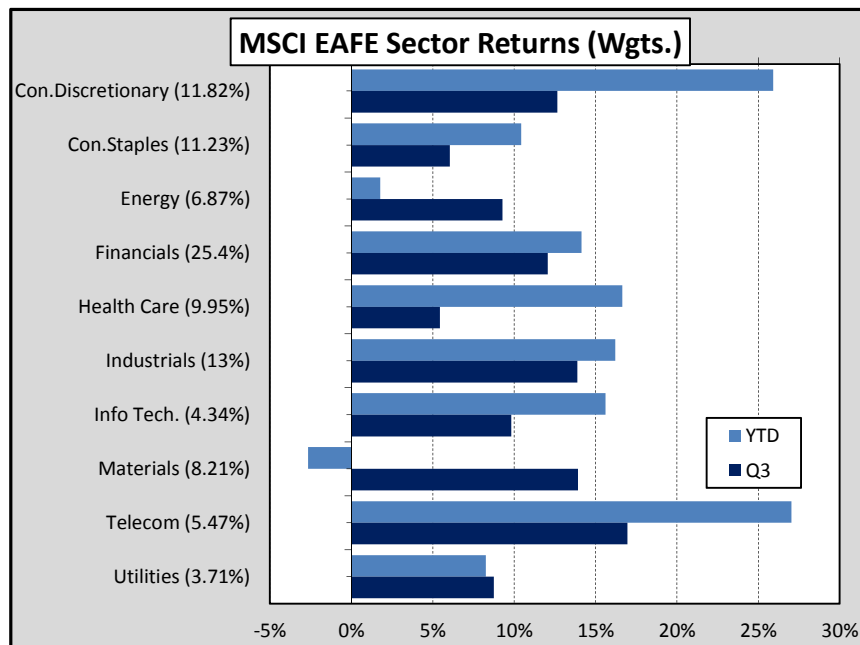
US Dollar Return vs. Major Foreign Currencies				
(Negative = Dollar Depreciates, Positive = Dollar Appreciates)				
	YTD	Q3	1 Yr.	3 Yr. Ann.
Euro	-2.5%	-4.0%	-5.2%	0.3%
Japanese Yen	11.7%	-0.9%	20.7%	5.0%
British Pound	0.4%	-6.4%	-0.1%	-1.0%
Canada	3.7%	-2.1%	4.5%	0.0%
Australia	10.4%	-2.0%	10.2%	1.2%

Currency Impact on Developed Mkt. Returns				
(Negative = Currency Hurt, Positive = Currency Helped)				
	YTD	Q3	1 Yr.	3 Yr. Ann.
MSCI EAFE (Local)	19.3%	7.5%	28.3%	10.0%
MSCI EAFE (USD)	16.1%	11.6%	23.8%	9.2%
Currency Impact	-3.2%	4.1%	-4.5%	-0.8%

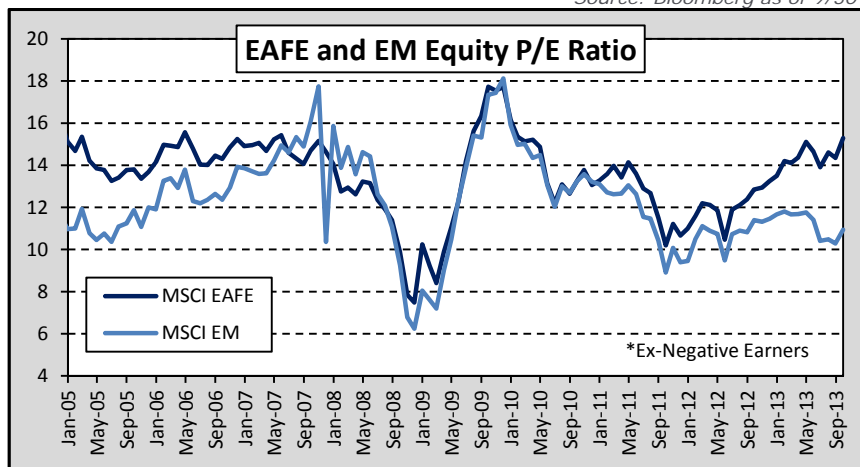
Source: Bloomberg as of 9/30



Source: Bloomberg as of 9/30

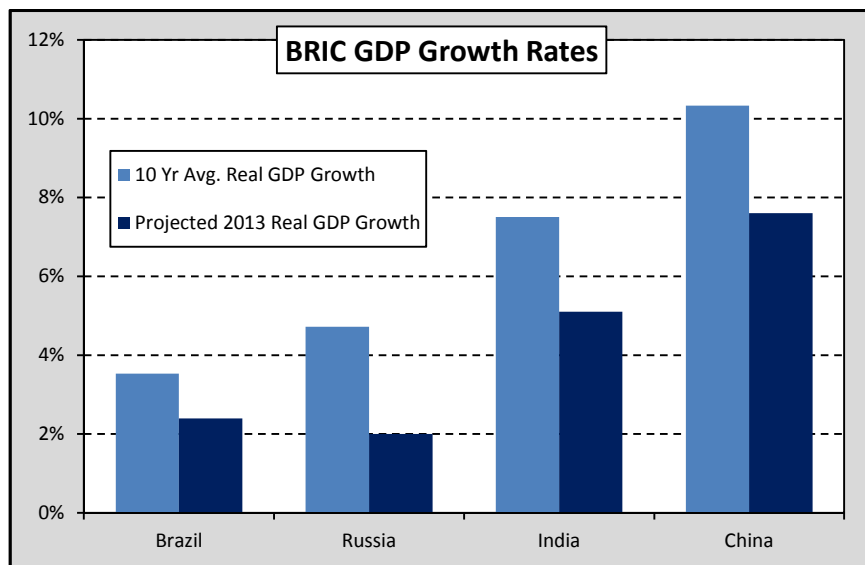


Source: Bloomberg as of 9/30

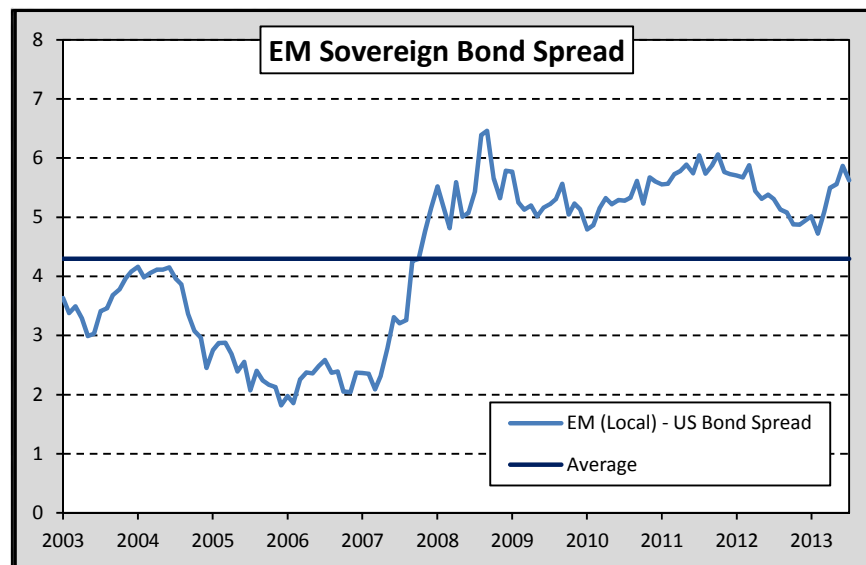


Source: Bloomberg as of 9/30

Emerging Markets



Source: Bloomberg as of 9/30



Source: Bloomberg as of 9/30

	MSCI EM	MSCI EM Small Cap
PE Ratio	11.61	20.63
PE Historical Avg	14.45	17.08
PB Ratio	1.54	1.24
Historical Avg	1.54	1.27
PS Ratio	1.01	0.71
Historical Avg	1.12	0.70

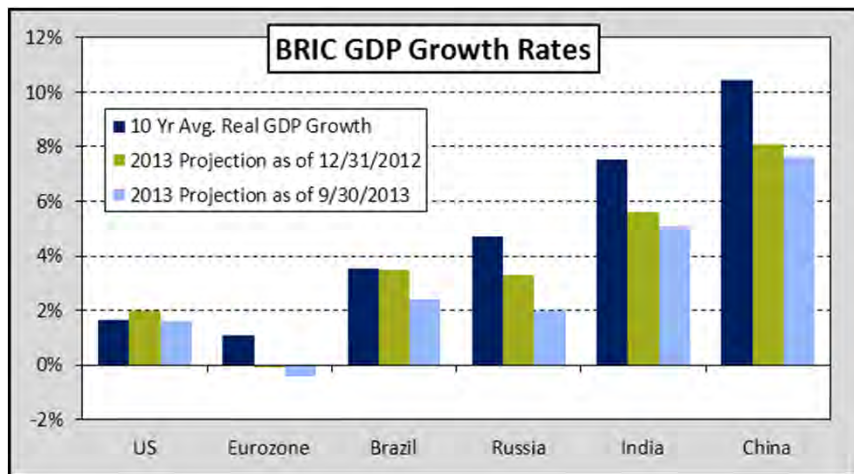
- MSCI EM PE and PS Ratios are below historical averages
- MSCI EM PB Ratio is in line with its historical average
- MSCI EM Small Cap PE and PS Ratios are above historical averages
- MSCI EM Small Cap PB is below its historical average

Source: Bloomberg as of 9/30

	YTD	Q3	1 Yr.	3 Yr. Ann.
Brazilian Real	7.6%	-0.5%	8.7%	8.0%
Russian Ruble	5.6%	-1.4%	3.6%	1.8%
Indian Rupee	12.3%	4.6%	15.5%	9.4%
Chinese Renminbi	-1.8%	-0.3%	-2.7%	-3.1%
Singapore Dollar	-0.7%	-0.2%	-0.9%	-0.9%
Hungarian Forint	-0.4%	-3.2%	-0.9%	2.6%
Turkish Lira	11.6%	4.5%	11.0%	9.5%
Mexican Peso	1.8%	1.1%	1.8%	1.3%
So. African Rand	15.5%	1.4%	17.1%	10.1%
So. Korean Won	1.1%	-6.2%	-3.4%	-1.9%

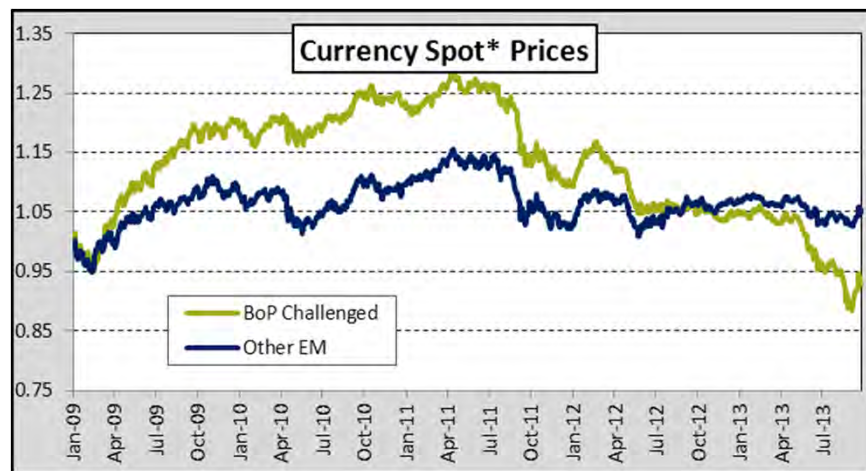
Source: Bloomberg as of 9/30

Market Environment – Emerging Markets



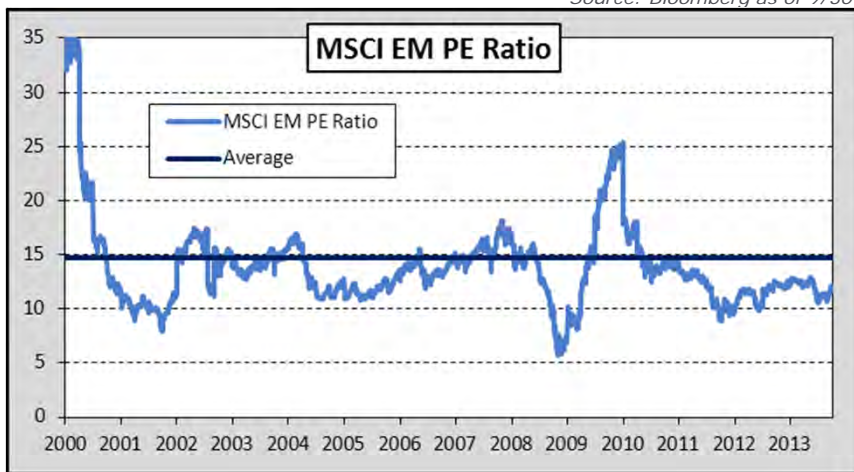
Projected GDP growth rates have continued to decline in emerging market countries

Source: Bloomberg as of 9/30



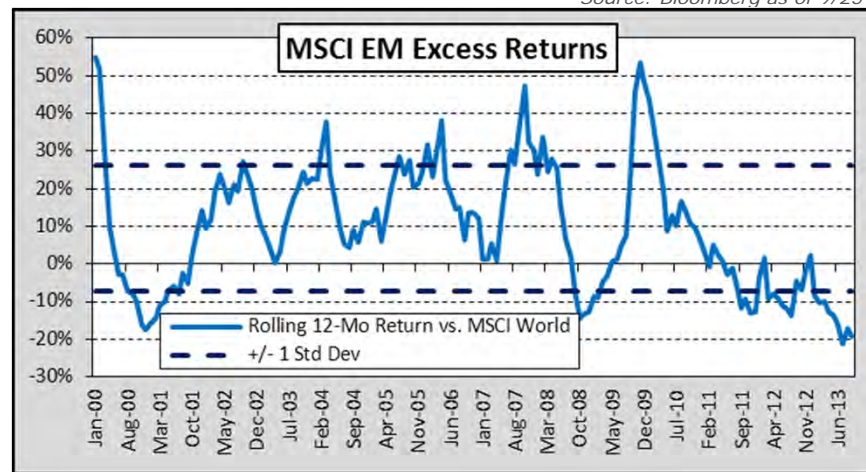
Currencies of BoP challenged countries (Brazil, India, Indonesia, Turkey, and South Africa) depreciated $\approx 35\%$ from their peak

Source: Bloomberg as of 9/25



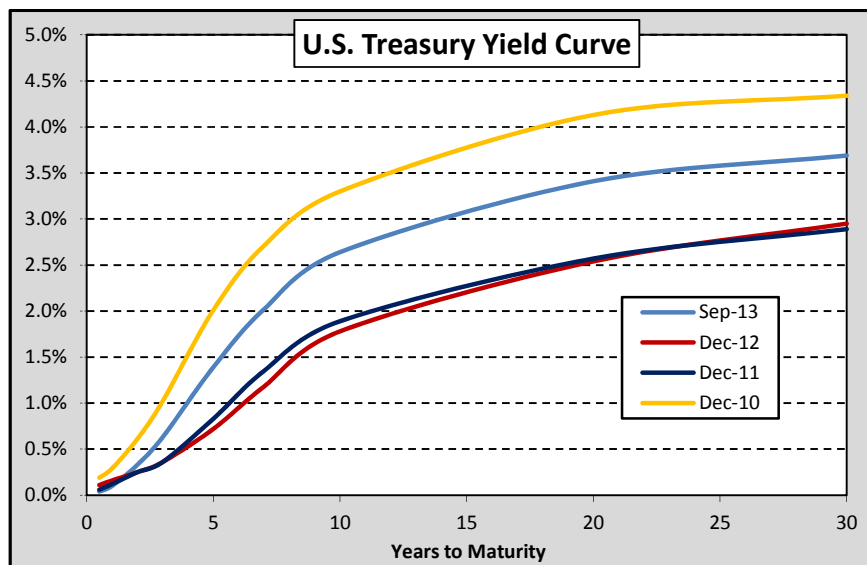
The MSCI EM PE Ratio remains below its long term average

Source: Bloomberg as of 9/30

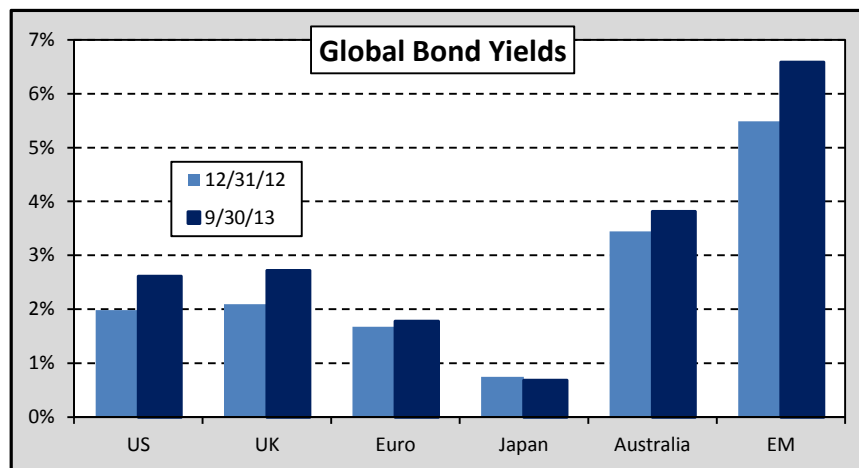


MSCI EM Rolling 12-Month excess returns relative to MSCI World are at the lower bound of historical data

Source: Bloomberg as of 9/30

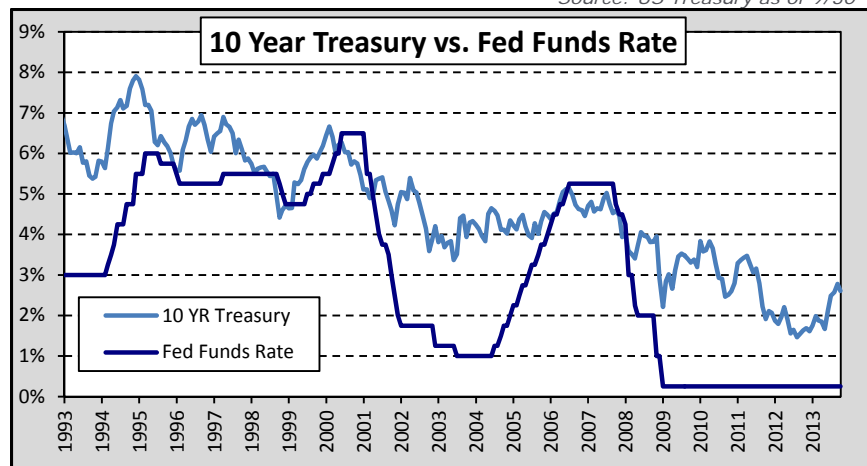


Source: US Treasury as of 9/30



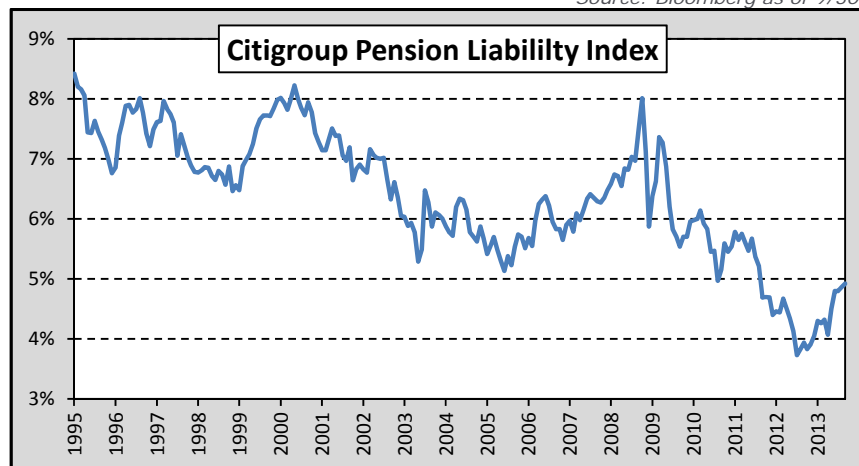
Bond yields across the globe have mostly risen in 2013

Source: Bloomberg as of 9/30



Fed Funds rate remained at 0.25% while the 10 Yr. Treasury Yield finished September at 2.6%

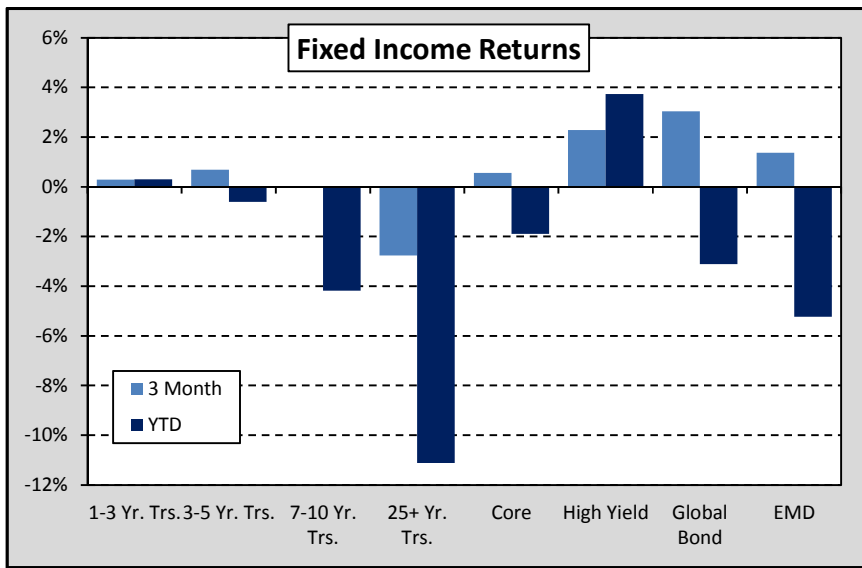
Source: Bloomberg as of 9/30



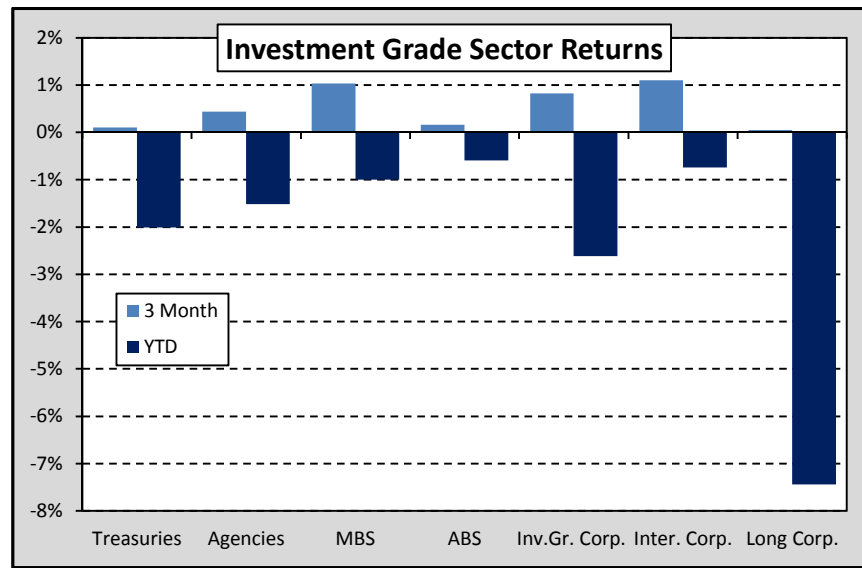
The Citi Pension discount rate rose slightly to 4.92% through September

Source: Citigroup as of 9/30

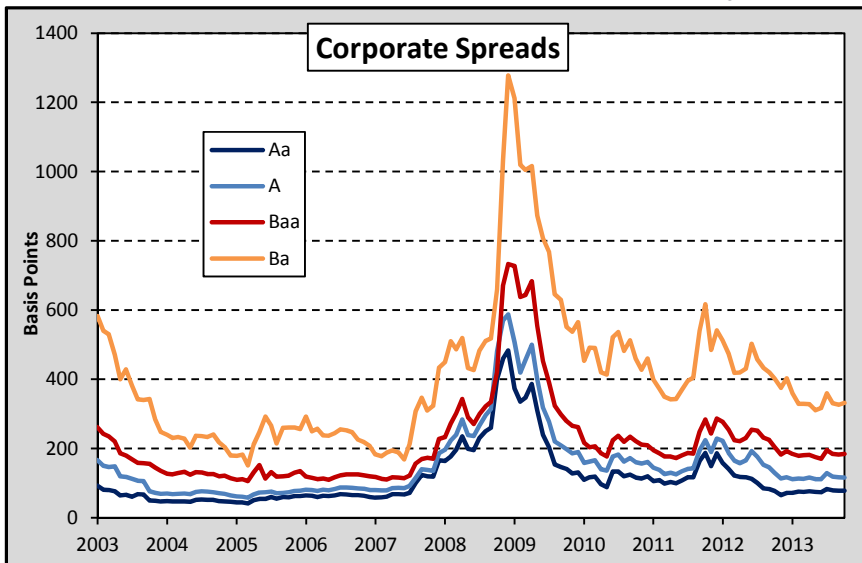
Fixed Income Performance



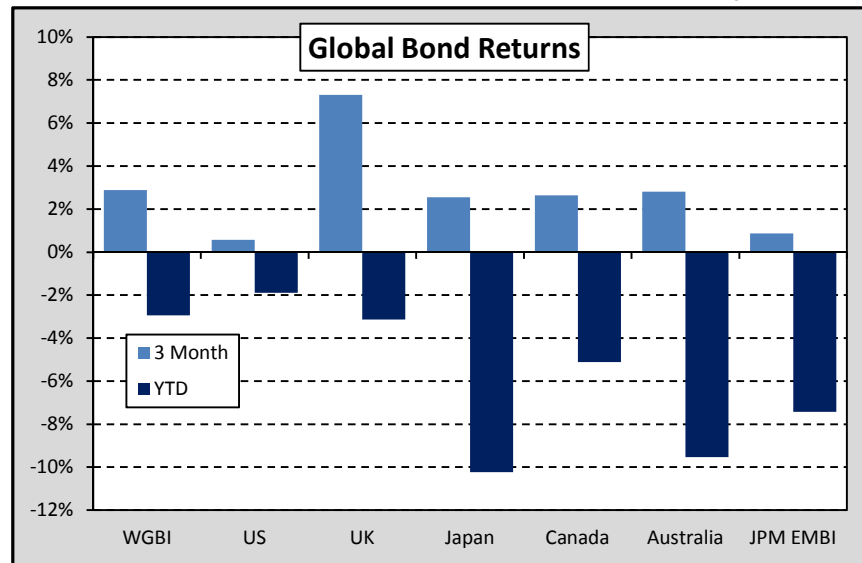
Source: Barclays as of 9/30



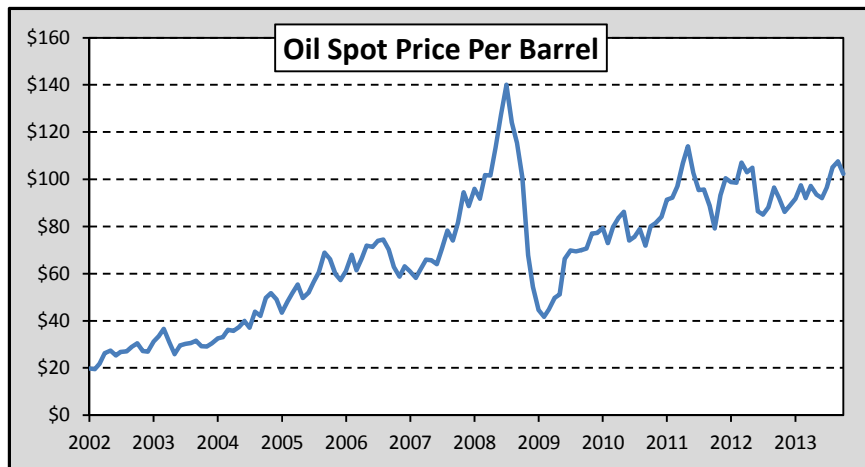
Source: Barclays as of 9/30



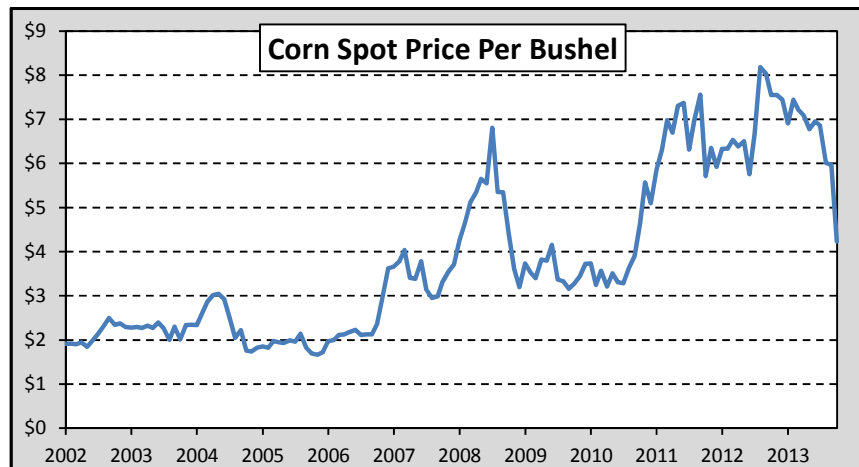
Source: Barclays as of 9/30



Source: Barclays, Bloomberg as of 9/30



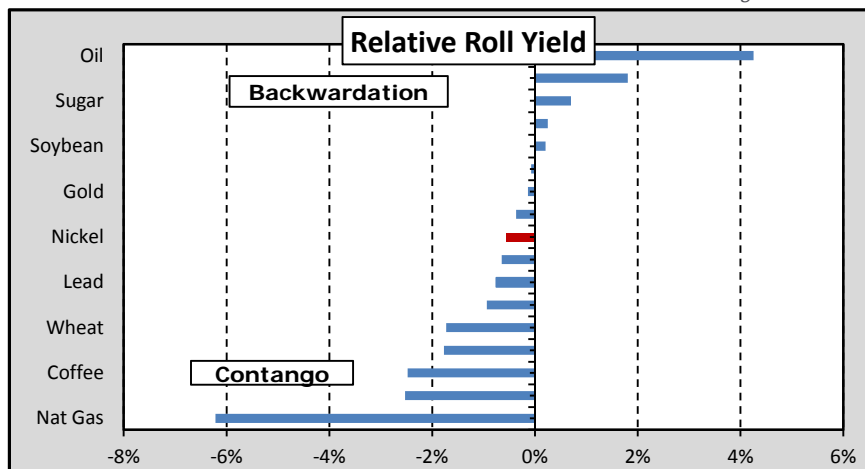
Oil prices finished September down at \$102.33 per barrel



Corn prices finished September down at \$4.23 per bushel

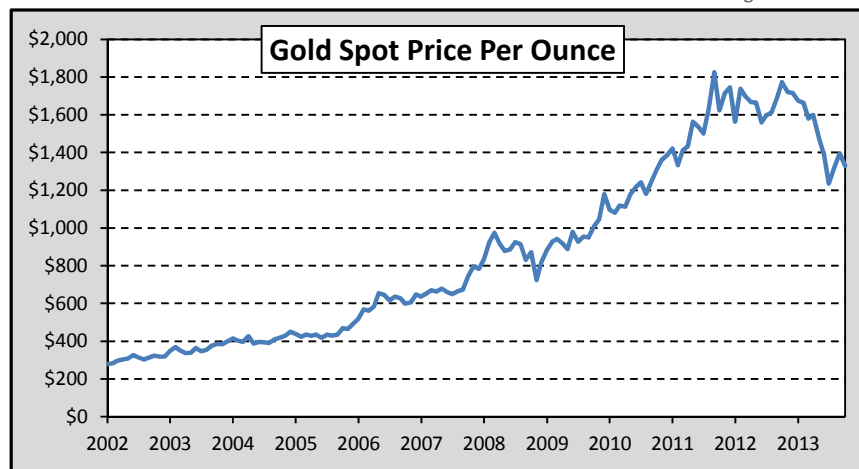
Source: Bloomberg as of 9/30

Source: Bloomberg as of 9/30



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

Source: Bloomberg as of 9/30



Gold prices finished September down at \$1328.94 per ounce

Source: Bloomberg as of 9/30

Glossary of Investment Terminology

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Glossary of Investment Terminology

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

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

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

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

Formula:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Glossary of Investment Terminology

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

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

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

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

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

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

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

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

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

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

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

Upside Deviation¹ – Standard Deviation of Positive Returns

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

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

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

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

Glossary of Investment Terminology—Risk Statistics

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

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

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

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

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

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

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

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

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

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

Formula:
 $\text{Calculation Average } (X-Y) / \text{Downside Deviation } (X-Y) * 2$
Where X=Return Series 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

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