



State Board of Administration of Florida

Major Mandate Review  
Second Quarter 2014

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## Executive Summary

Second Quarter 2014

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### Executive Summary

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- The major mandates outperformed their respective benchmarks over all longer time periods through June 30, 2014.
- The Pension Plan outperformed its Performance Benchmark over the trailing one-, three-, five-, ten- and fifteen-year time periods.
  - Global Equity has been a consistent source of value added over the trailing one-, three- and five-year time periods. Fixed Income, Real Estate and Strategic Investments have also added value.
- Over the trailing one-, five-, and ten-year periods, the Pension Plan's return ranked in the top quartile of the TUCS Top Ten Defined Benefit Plan universe and ranked in the top half of the universe over the trailing three-year period.
- The FRS Investment Plan met or outperformed the Total Plan Aggregate Benchmark during the second quarter and over all trailing periods.
- The Lawton Chiles Endowment Fund outperformed its benchmark over all trailing periods, primarily due to strong public equity performance.
- The CAT Funds and Florida PRIME continued to outperform their respective benchmarks over both short and long time periods.

# State Board of Administration of Florida Florida Retirement System

## Pension Plan Review Second Quarter 2014



### Executive Summary

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- The Pension Plan assets totaled \$149.1 billion as of June 30, 2014 which represents a \$4.2 billion increase since last quarter.
- The Pension Plan, when measured against the Performance Benchmark, outperformed over the trailing one-, three-, five-, ten- and fifteen-year periods.
- Relative to the Absolute Nominal Target Rate of Return, the Pension Plan underperformed over the fifteen-year period, but has outperformed over the trailing one-, three-, five-, twenty- and twenty five-year time periods.
- The Pension Plan is well-diversified across six broad asset classes, and each asset class is also well-diversified.
  - Public market asset class investments do not significantly deviate from their broad market-based benchmarks, e.g., sectors, market capitalizations, global regions, credit quality, duration, and security types.
  - Private market asset classes are well-diversified by vintage year, geography, property type, sectors, investment vehicle/asset type and investment strategy.
  - Asset allocation is monitored on a daily basis to ensure that the actual asset allocation of the Pension Plan remains close to the long-term policy targets set forth in the Investment Policy Statement.
- Hewitt EnnisKnupp and SBA staff revisit the plan design annually through informal and formal asset allocation and asset liability reviews.
- Adequate liquidity exists within the asset allocation to pay the monthly obligations of the Pension Plan consistently and on a timely basis.

## FRS Pension Plan Change in Market Value Periods Ending 6/30/2014

Summary of Cash Flows		
	Second Quarter	Fiscal YTD*
<b>Beginning Market Value</b>	\$144,911,449,706	\$132,382,915,266
<b>+/- Net Contributions/(Withdrawals)</b>	(\$1,382,977,267)	(\$5,920,869,454)
<b>Investment Earnings</b>	\$5,569,483,904	\$22,635,910,530
<b>= Ending Market Value</b>	\$149,097,956,343	\$149,097,956,343
<b>Net Change</b>	\$4,186,506,637	\$16,715,041,076

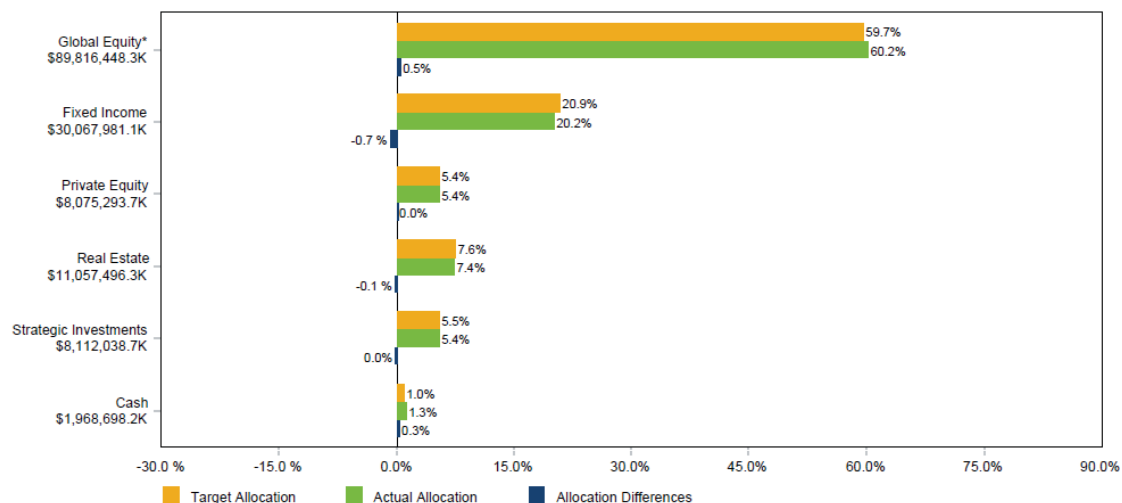
\*Period July 2013 – June 2014

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## Asset Allocation as of 6/30/2014 Total Fund Assets = \$149.1 Billion

	Market Value (\$)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund	149,097,956,343	100.0	100.0		
Global Equity*	89,816,448,308	60.2	59.7	45.0	65.0
Fixed Income	30,067,981,116	20.2	20.9	10.0	26.0
Private Equity	8,075,293,669	5.4	5.4	4.0	16.0
Real Estate	11,057,496,324	7.4	7.6	2.0	9.0
Strategic Investments	8,112,038,740	5.4	5.5	0.0	16.0
Cash	1,968,698,186	1.3	1.0	0.8	5.0

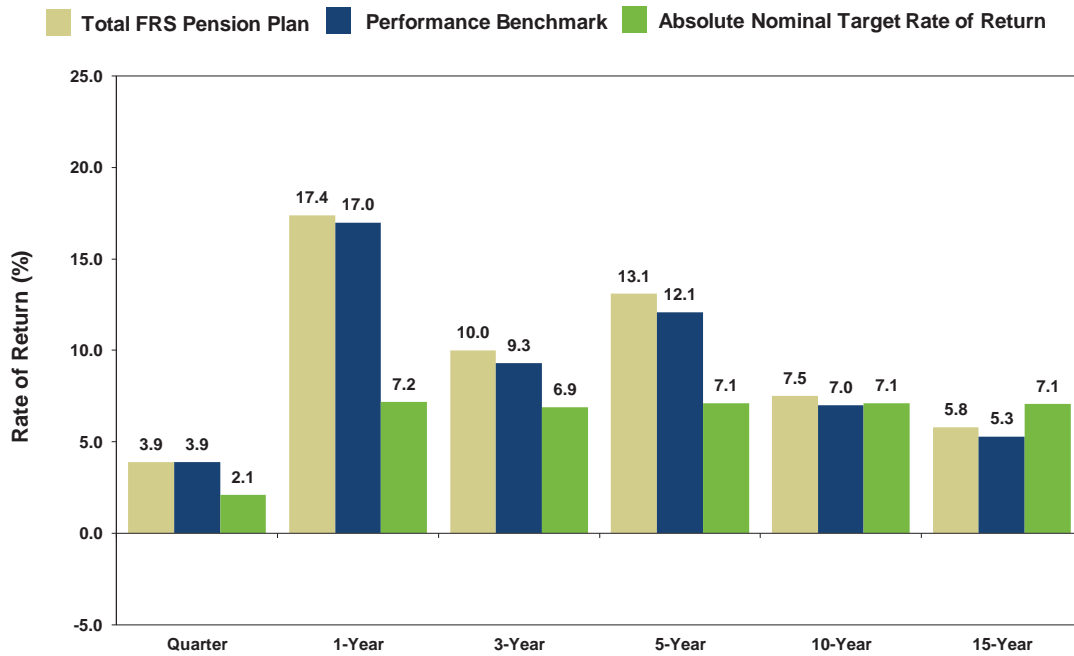


\* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

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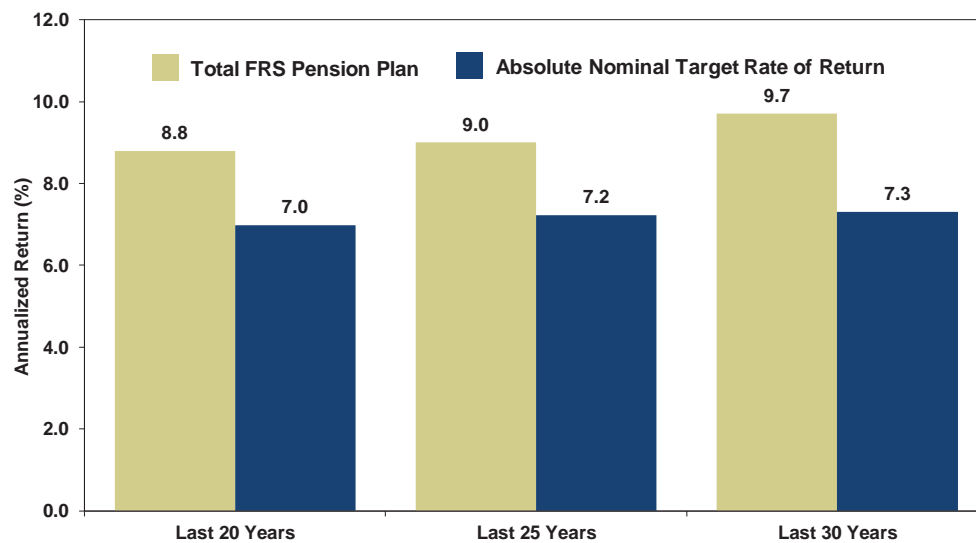
## FRS Pension Plan Investment Results Periods Ending 6/30/2014



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## FRS Pension Plan Investment Results Periods Ending 6/30/2014

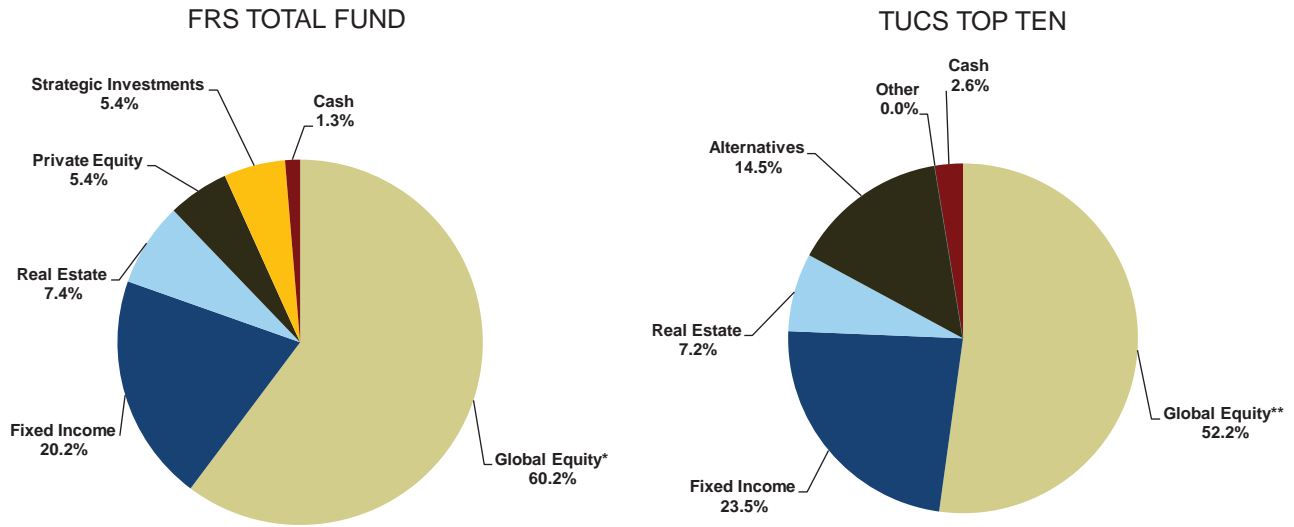
### Long-Term FRS Pension Plan Performance Results vs. SBA's Long-Term Investment Objective



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# Comparison of Asset Allocation (TUCS Top Ten) As of 6/30/2014

## FRS Pension Plan vs. Top Ten Defined Benefit Plans

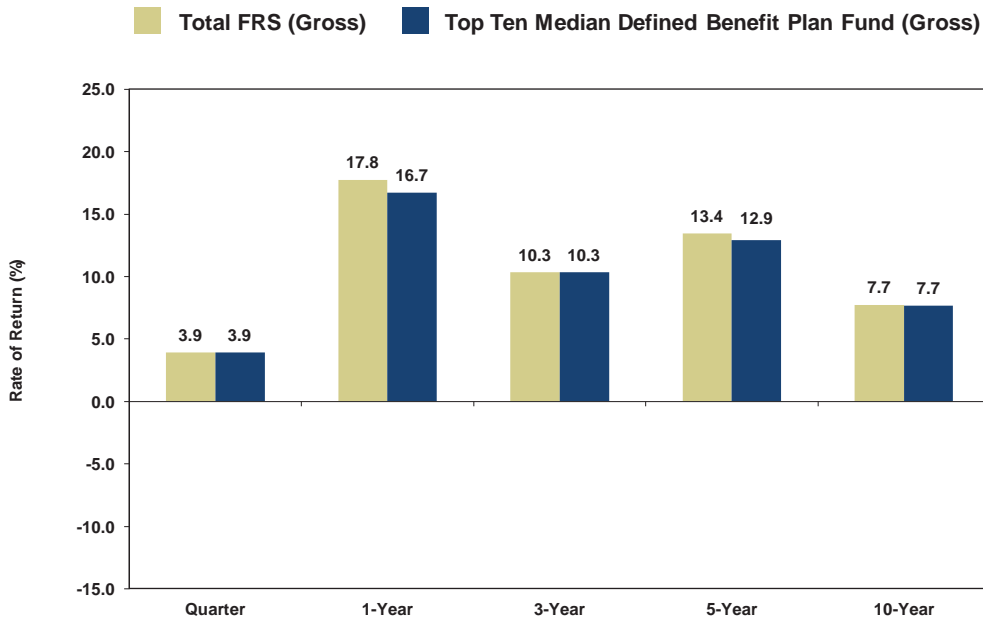


\*Global Equity Allocation: 27.8% Domestic Equities; 28.3% Foreign Equities; 4.1% Global Equities. Percentages are of the Total FRS Fund.

\*\*Global Equity Allocation: 31.8% Domestic Equities; 20.4% Foreign Equities.

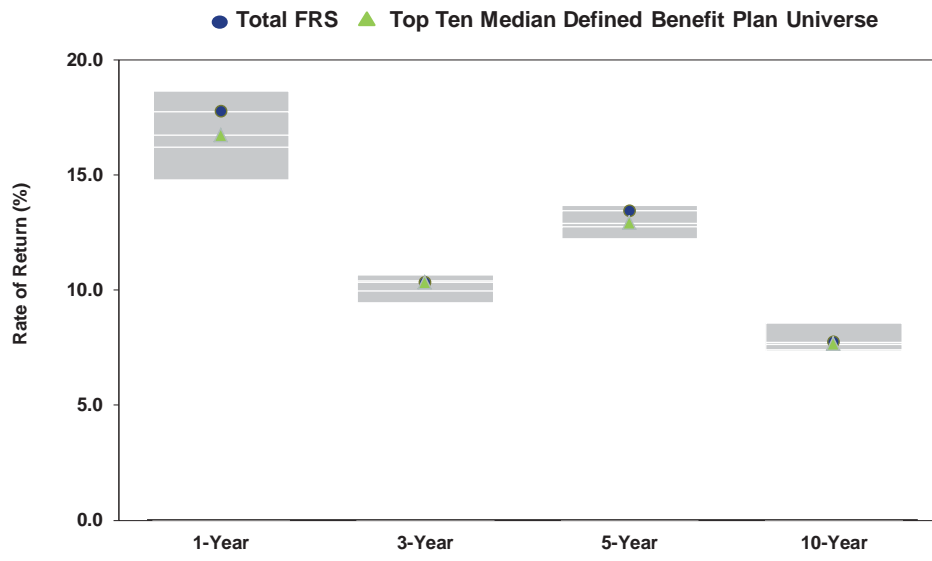
Note: The TUCS Top Ten Universe includes \$1,310.0 billion in total assets. The median fund size was \$130.2 billion and the average fund size was \$131.1 billion.

# FRS Results Relative to TUCS Top Ten Defined Benefit Plans Periods Ending 6/30/2014



Note: The TUCS Top Ten Universe includes \$1,310.0 billion in total assets. The median fund size was \$130.2 billion and the average fund size was \$131.1 billion.

# Top Ten Defined Benefit Plans FRS Universe Comparison (TUCS) Periods Ending 6/30/2014



FRS Percentile Ranking	1-Year	3-Year	5-Year	10-Year
	25	50	25	25

Note: The TUCS Top Ten Universe includes \$1,310.0 billion in total assets. The median fund size was \$130.2 billion and the average fund size was \$131.1 billion.

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# State Board of Administration of Florida Florida Retirement System

Investment Plan Review  
Second Quarter 2014

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## Executive Summary

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- The FRS Investment Plan outperformed the Total Plan Aggregate Benchmark over the trailing one-, three-, five- and ten-year periods. This suggests strong relative performance of the underlying fund options in which participants are investing.
- The Investment Plan Expense Ratio for the FRS Investment Plan is lower, on average, when compared to a defined contribution peer group and is significantly lower than the average corporate and public defined benefit plan.
- Management fees are lower than the median as represented by Morningstar's mutual fund universe for every investment category.
- The FRS Investment Plan offers an appropriate number of fund options that span the risk and return spectrum.
- The Investment Policy Statement is revisited periodically to ensure that the structure and guidelines of the FRS Investment Plan are appropriate, taking into consideration the FRS Investment Plan's goals and objectives.

## Total Investment Plan Returns & Cost

### Periods Ending 6/30/2014\*

	One-Year	Three-Year	Five-Year	Ten-Year
<b>FRS Investment Plan</b>	<b>15.5%</b>	<b>8.7%</b>	<b>11.0%</b>	<b>6.6%</b>
<i>Total Plan Aggregate Benchmark**</i>	15.1	8.5	10.5	6.1
FRS Investment Plan vs. Total Plan Aggregate Benchmark	0.4	0.2	0.5	0.5

### Periods Ending 12/31/2012\*\*\*

	Five-Year Average Return****	Five-Year Net Value Added	Expense Ratio
<b>FRS Investment Plan</b>	<b>2.27%</b>	<b>0.54%</b>	<b>0.37%</b>
<i>Peer Group</i>	2.33	-0.02	0.32
FRS Investment Plan vs. Peer Group	-0.06	0.56	0.05

\*Returns shown are net of fees.

\*\*Aggregate benchmark returns are an average of the individual portfolio benchmark returns at their actual weights.

\*\*\*Source: 2012 CEM Benchmarking Report. Peer group for the Five-Year Average Return and Value Added represents the U.S. Median plan return based on the CEM 2012 Survey that included 166 U.S. defined contribution plans with assets ranging from \$40 million to \$41 billion. Peer group for the Expense Ratio represents a custom peer group for FSBA of 20 DC plans including corporate and public plans with assets between \$2.4 - \$14.1 billion.

\*\*\*\*Returns shown are gross of fees.

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# State Board of Administration of Florida CAT Fund Review

Second Quarter 2014

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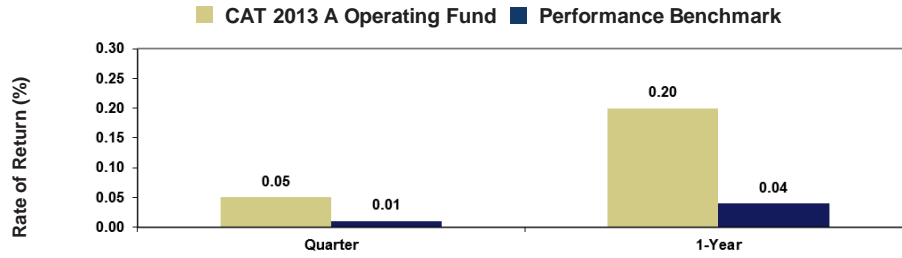
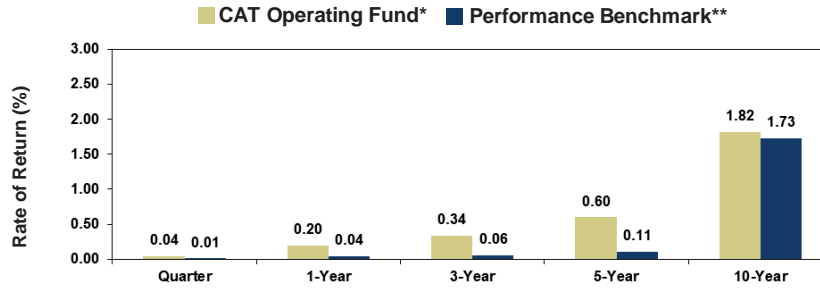
## Executive Summary

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- Performance of the CAT Funds on both an absolute and relative basis has been strong over short- and long-term time periods.
- The CAT Funds are adequately diversified across issuers within the short-term bond market.
- The Investment Policy Statement appropriately constrains the CAT Funds to invest in short-term and high quality bonds to minimize both interest rate and credit risk.
- Adequate liquidity exists to address the cash flow obligations of the CAT Funds.
- The Investment Policy Statement is revisited periodically to ensure that the structure and guidelines of the CAT Funds are appropriate, taking into consideration the CAT Funds' goals and objectives.

# CAT Funds Investment Results

## Periods Ending 6/30/2014



\*CAT Operating Fund: Beginning March 2008, the returns for the CAT Fund reflect marked-to-market returns. Prior to that time, cost-based returns are used.  
 \*\*Performance Benchmark: The CAT Fund was benchmarked to the IBC First Tier through February 2008. From March 2008 to December 2009, it was the Merrill Lynch 1-Month LIBOR. From January 2010 to June 2010, it was a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Funds Gross Index. Effective July 2010, it is a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Funds Net Index.

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# State Board of Administration of Florida Lawton Chiles Endowment Fund Review

Second Quarter 2014



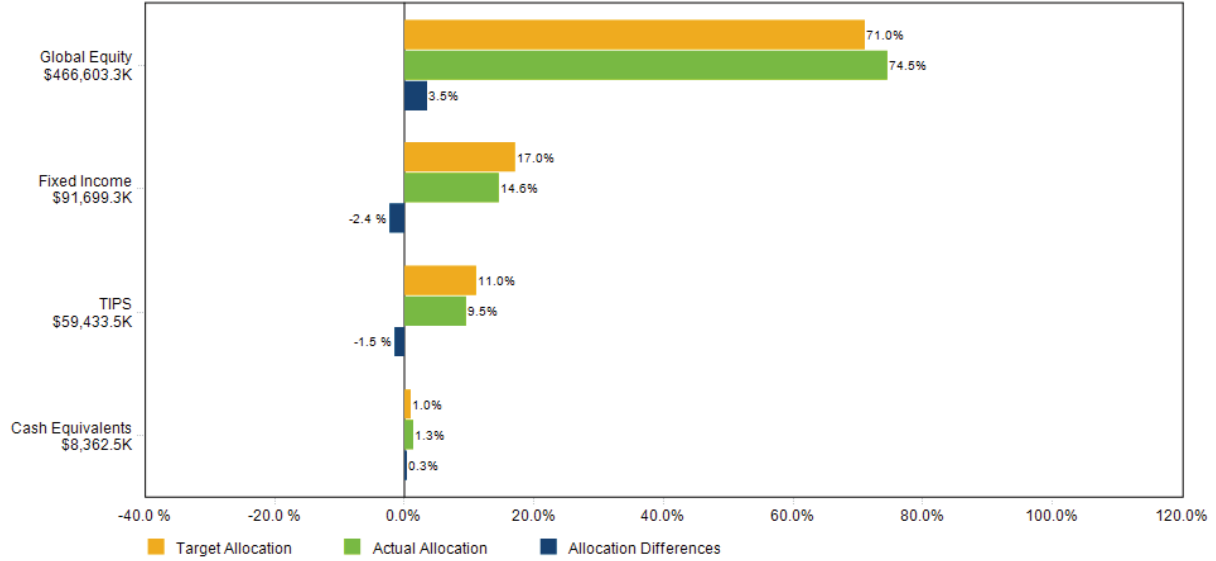
## Executive Summary

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- Established in July 1999, the Lawton Chiles Endowment Fund (LCEF) was created to provide a source of funding for child health and welfare programs, elder programs and research related to tobacco use.
  - The investment objective is to preserve the real value of the net contributed principal and provide annual cash flows for appropriation.
  - The Endowment's investments are diversified across various asset classes including global equity, fixed income, inflation-indexed bonds (TIPS) and cash.
- The Endowment assets totaled \$626.1 million as of June 30, 2014.
- The Endowment's return outperformed that of its Target during the second quarter and over the trailing one-, three-, five- and ten-year time periods.

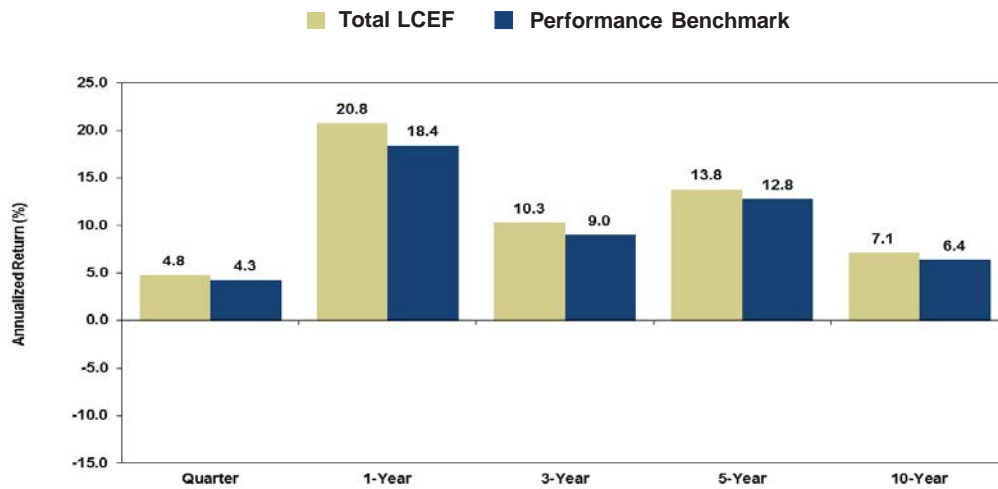
## Asset Allocation as of 6/30/2014 Total LCEF Assets = \$626.1 Million

	Market Value (\$)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
LCEF Total Fund	626,104,239	100.00	100.00		
Global Equity	466,603,330	74.52	71.00	61.00	81.00
Fixed Income	91,699,308	14.65	17.00	12.00	22.00
TIPS	59,433,514	9.49	11.00	6.00	16.00
Cash Equivalents	8,362,475	1.34	1.00	0.00	10.00



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## LCEF Investment Results Periods Ending 6/30/2014



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# State Board of Administration of Florida Florida PRIME and Fund B Review

Second Quarter 2014

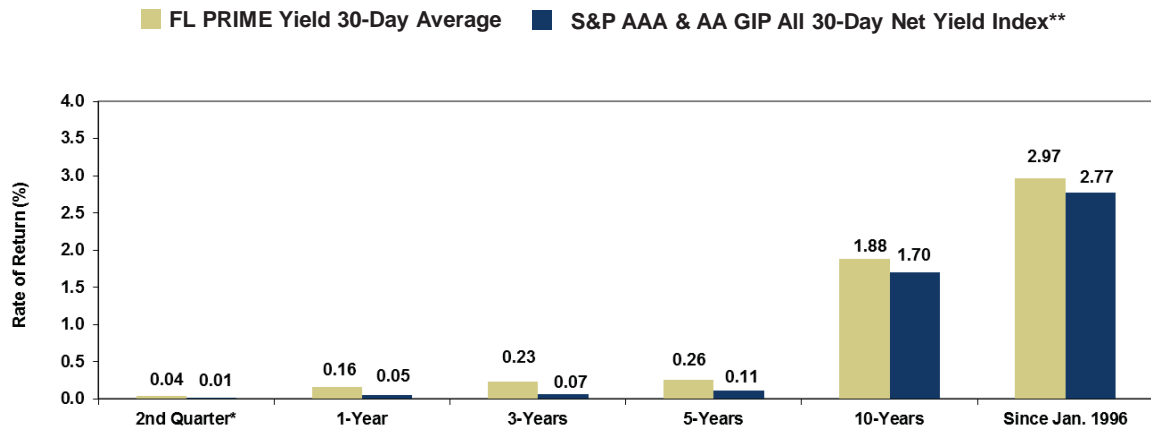


## Executive Summary

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- The purpose of Florida PRIME is safety, liquidity, and competitive returns with minimal risk for participants.
- The Investment Policy Statement appropriately constrains Florida PRIME to invest in short-term and high quality bonds to minimize both interest rate and credit risk.
- Florida PRIME is adequately diversified across issuers within the short-term bond market, and adequate liquidity exists to address the cash flow obligations of Florida PRIME.
- Performance of Florida PRIME, on both an absolute and relative basis, has been strong over short- and long-term time periods.
- As of June 30, 2014, the total market value of Florida PRIME was \$7.2 billion.
- Hewitt EnnisKnupp, in conjunction with SBA staff, compiles an annual best practices report that includes a full review of the Investment Policy Statement, operational items, and investment structure for Florida PRIME.

## Florida PRIME Investment Results Periods Ending 6/30/2014



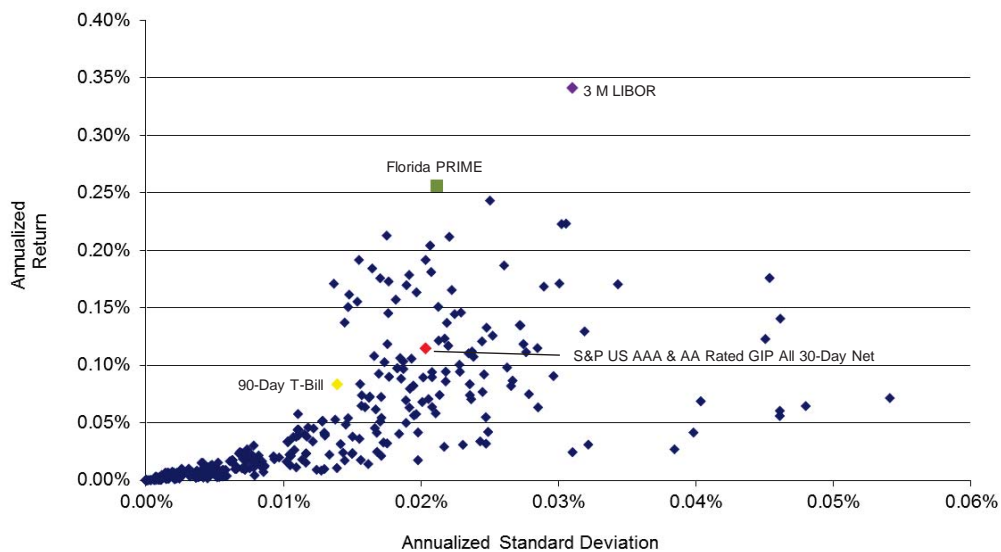
\*Returns less than one year are not annualized.

\*\*S&P AAA & AA GIP All 30-Day Net Yield Index for all time periods shown.

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## Florida PRIME Risk vs. Return 5 Years Ending 6/30/2014



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## Fund B Change in Market Value Periods Ending 6/30/2014

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Cash Flows as of 6/30/2014	Second Quarter	Fiscal YTD*
Opening Balance	\$107,932,781	\$147,771,439
Participant Distributions	(\$54,340,000)	(\$101,385,000)
Expenses Paid	(\$3,345)	(\$14,315)
Price Change	\$3,253,182	\$10,470,494
Closing Balance	\$56,842,618	\$56,842,618
<b>Change</b>	<b>(\$51,090,163)</b>	<b>(\$90,928,821)</b>

\*Period July 2013 – June 2014

- As of June 2014, 98.5% of the original principal in Fund B has been returned to participants.

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## Appendix



### FRS Investment Plan Costs

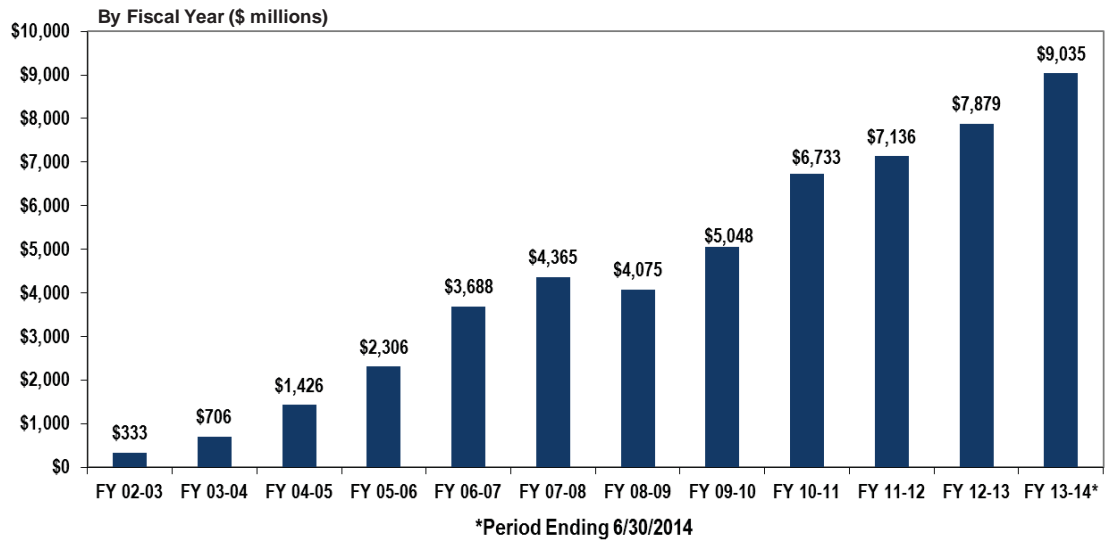
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Investment Category	Investment Plan Fee*	Average Mutual Fund Fee**
Large Cap Equity	0.25%	0.84%
Mid Cap Equity	0.36%	1.01%
Small Cap Equity	0.89%	1.11%
International Equity	0.33%	1.10%
Diversified Bonds	0.29%	0.68%
Balanced Funds	0.05%	0.97%
Money Market	0.06%	0.18%

\*Average fee if multiple products in category as of 6/30/2014.

\*\*Source: Morningstar as of 6/30/2014.

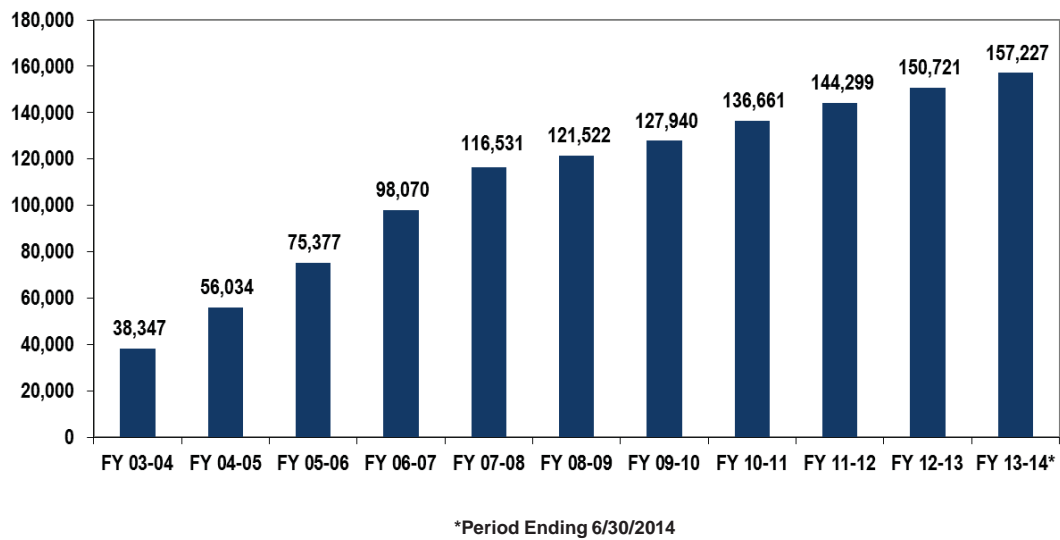
## Investment Plan Fiscal Year End Assets Under Management



Source: Investment Plan Administrator

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## Investment Plan Membership



Source: Investment Plan Administrator

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## Florida Hurricane Catastrophe Fund Background

- The purpose of the Florida Hurricane Catastrophe Fund (FHCF) is to provide a stable, ongoing and timely source of reimbursement to insurers for a portion of their hurricane losses.
- Both the CAT Fund (Operating Fund) and the CAT 2013 A Fund are internally managed portfolios benchmarked to a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Funds Net Index.
- As of June 30, 2014, the total value of all FHCF accounts was \$11.9 billion.

## CAT Operating Fund Characteristics Period Ending 6/30/2014

Effective Maturity Schedule	
O/N* - 14 Days	24.3%
15 - 30 Days	10.5
31 - 60 Days	9.8
61 - 90 Days	8.9
91 - 120 Days	8.1
121 - 150 Days	8.5
151 - 180 Days	3.1
181 - 210 Days	6.4
211 - 240 Days	2.3
241 - 270 Days	4.0
271 - 300 Days	0.0
301 - 365 Days	2.0
366 - 732 Days	5.1
733 - 1,098 Days	5.5
1,099 - 1,875 Days	1.5
<b>Total % of Portfolio:</b>	<b>100.0%</b>
S & P Credit Quality Composition	
AAA	51.7%
AA	2.3
A	45.7
Non-Investment Grade	0.3
<b>Total % of Portfolio:</b>	<b>100.0%</b>

\*O/N stands for overnight.

## CAT 2013 A Fund Characteristics Period Ending 6/30/2014

Effective Maturity Schedule	
O/N* - 14 Days	19.9%
15 - 30 Days	12.4
31 - 60 Days	9.3
61 - 90 Days	8.8
91 - 120 Days	0.0
121 - 150 Days	16.0
151 - 180 Days	3.4
181 - 210 Days	4.0
211 - 240 Days	1.7
241 - 270 Days	5.7
271 - 300 Days	3.0
301 - 365 Days	5.7
366 - 732 Days	4.5
733 - 1,098 Days	5.6
1,099 - 1,875 Days	0.0
<b>Total % of Portfolio:</b>	<b>100.0%</b>

S & P Credit Quality Composition	
AAA	53.1%
AA	1.2
A	45.7
Non-Investment Grade	0.0
<b>Total % of Portfolio:</b>	<b>100.0%</b>

\*O/N stands for overnight.

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## Florida PRIME Characteristics Quarter Ending 6/30/2014

Cash Flows as of 6/30/2014	Second Quarter	Fiscal YTD*
Opening Balance	\$7,906,452,644	\$7,278,092,920
Participant Deposits	\$2,794,395,561	\$15,068,791,801
Transfers from Fund B	\$54,340,000	\$101,385,000
Gross Earnings	\$3,581,084	\$14,314,095
Participant Withdrawals	(\$3,566,767,608)	(\$15,268,933,892)
Fees	(\$583,105)	(\$2,231,347)
Closing Balance (6/30/2014)	\$7,191,418,576	\$7,191,418,576
<b>Change</b>	<b>(\$715,034,068)</b>	<b>(\$86,674,344)</b>

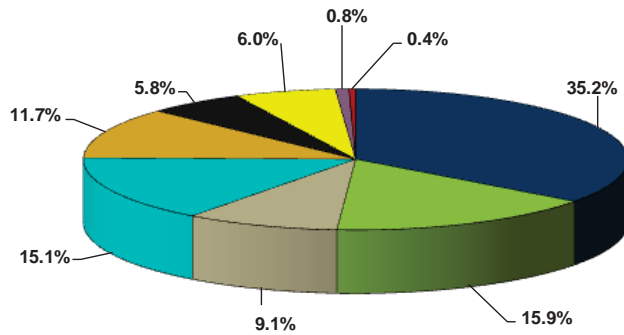
\*Period July 2013 – June 2014

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## Florida PRIME Characteristics Quarter Ending 6/30/2014

### Portfolio Composition



- Bank Instrument - Fixed
- Repurchase Agreements
- Corporate Commercial Paper - Fixed
- Bank Instrument - Floating
- Mutual Funds - Money Market
- Asset-Backed Commercial Paper - Fixed
- Corporate Notes - Floating
- Corporate Commercial Paper - Floating
- Asset-Backed Commercial Paper - Floating

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## Florida PRIME Characteristics Period Ending 6/30/2014

Effective Maturity Schedule	
1-7 Days	48.9%
8-30 Days	17.7
31-90 Days	19.3
91-180 Days	9.1
181+ Days	5.0
<b>Total % of Portfolio:</b>	<b>100.0%</b>

S & P Credit Quality Composition	
A-1+	61.3%
A-1	38.7
<b>Total % of Portfolio:</b>	<b>100.0%</b>

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FRS Pension Plan | Second Quarter 2014

## Quarterly Investment Review

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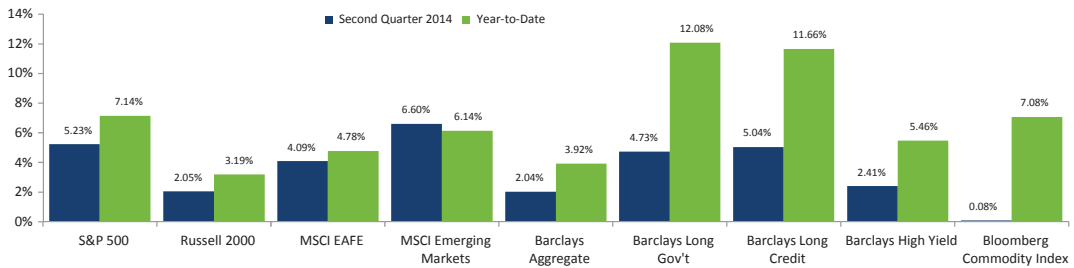




## Market Environment

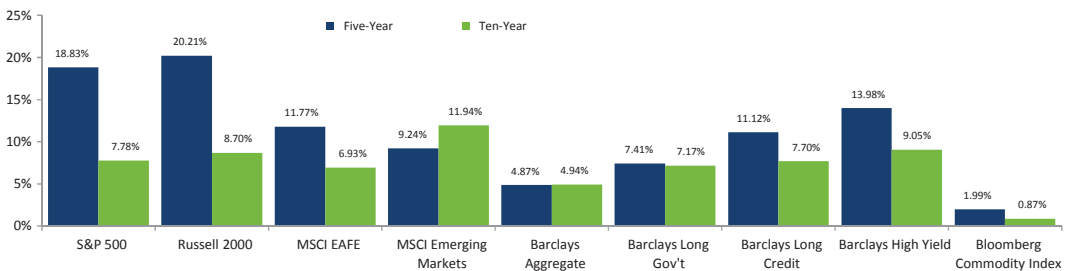
## Market Highlights

SHORT-TERM RETURNS  
AS OF 06/30/2014



Source: Russell, MSCI, Barclays, DJ - UBS

LONG-TERM ANNUALIZED RETURNS  
AS OF 06/30/2014



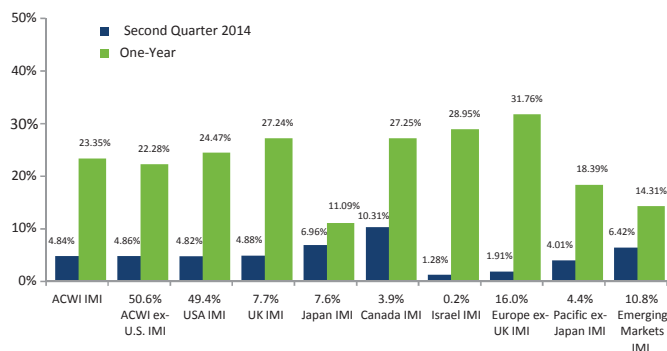
Source: Russell, MSCI, Barclays, DJ - UBS

## Market Highlights

	Returns of the Major Capital Markets				
	Second Quarter	1-Year	3-Year	5-Year	10-Year
<b>Domestic Stock Indices</b>					
Dow Jones U.S. Total Stock Market Index	4.84%	25.02%	16.44%	19.42%	8.40%
Russell 3000 Index	4.87%	25.22%	16.46%	19.33%	8.23%
S&P 500 Index	5.23%	24.61%	16.58%	18.83%	7.78%
Russell 2000 Index	2.05%	23.64%	14.57%	20.21%	8.70%
<b>Global Stock Indices</b>					
MSCI All Country World IMI Index	4.84%	23.35%	10.37%	14.77%	7.80%
MSCI All Country World ex-U.S. IMI Index	4.86%	22.28%	5.88%	11.50%	8.01%
MSCI EAFE Index	4.09%	23.57%	8.10%	11.77%	6.93%
MSCI Emerging Markets Index	6.60%	14.31%	-0.39%	9.24%	11.94%
<b>Domestic/Foreign Bond Indices</b>					
Barclays Aggregate Bond Index	2.04%	4.38%	3.67%	4.87%	4.94%
Barclays Long Gov't Index	4.73%	6.44%	8.70%	7.41%	7.17%
Barclays Long Credit Index	5.04%	13.34%	9.81%	11.12%	7.70%
Barclays Long Gov't/Credit Index	4.94%	10.77%	9.56%	9.59%	7.60%
WSB Non-U.S. WGBI Index	2.64%	8.88%	1.03%	3.59%	4.90%

## Global Equity Markets

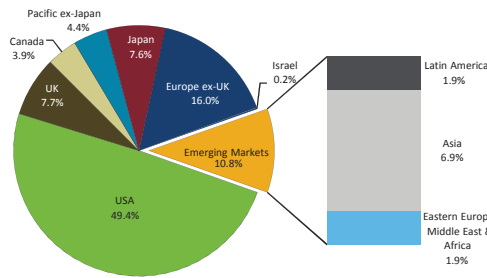
GLOBAL MSCI IMI INDEX RETURNS  
AS OF 06/30/2014



- Global equity markets increased in value during the second quarter of 2014.
- Equities enjoyed a smooth upward ride through the second quarter. Much of the move was driven by the renewal of the U.S. economic recovery, stabilization of emerging market data, and further loosening of monetary policy by the European Central Bank.
- During the quarter, Canada proved to be the best performing equity market.

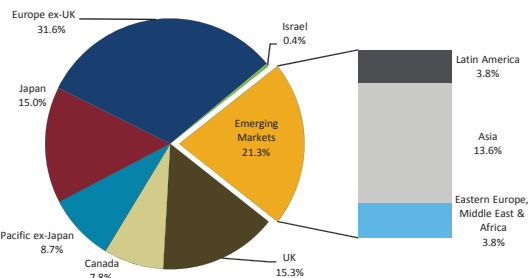
## Global Equity Markets

MSCI ALL COUNTRY WORLD IMI INDEX  
GEOGRAPHIC ALLOCATION AS OF 06/30/2014



Source: MSCI

MSCI ALL COUNTRY WORLD EX-U.S. IMI INDEX  
GEOGRAPHIC ALLOCATION AS OF 06/30/2014



Source: MSCI

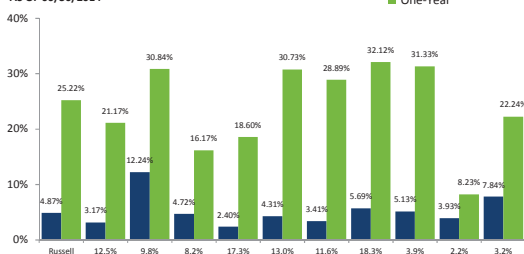
- The two exhibits on this slide illustrate the percentage that each country/region represents of the global equity market as measured by the MSCI All Country World IMI Index and the MSCI All Country World ex-U.S. IMI Index.

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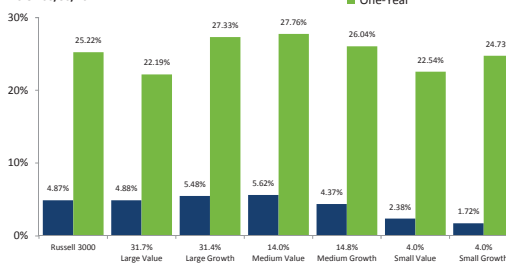
## U.S. Equity Markets

RUSSELL GICS SECTOR RETURNS  
AS OF 06/30/2014



Source: Russell Indexes

RUSSELL STYLE RETURNS  
AS OF 06/30/2014



Source: Russell Indexes

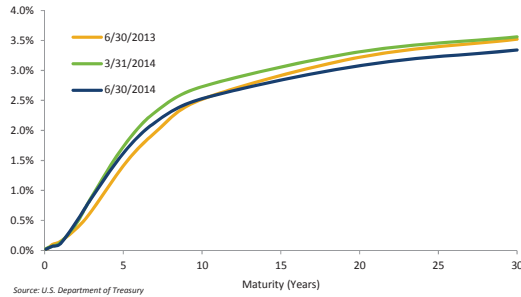
- The Russell 3000 Index returned 4.87% during the quarter and returned 25.22% over the one-year period.
- During the second quarter, the Energy and Utilities sectors were the strongest performers, posting returns of 12.24% and 7.84%, respectively. The Consumer Discretionary and Financials sectors were the weakest performers, producing returns of 3.17% and 2.40%, respectively.
- Performance across the market capitalization spectrum was positive over the quarter. Small cap stocks trailed the larger segments of the markets and performance among the style biases was mixed, with value outperforming growth in the mid and small cap segments of the market and growth outperforming in the large cap space.

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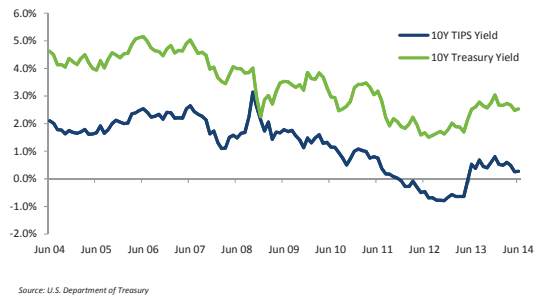
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## U.S. Fixed Income Markets

U.S. TREASURY YIELD CURVE



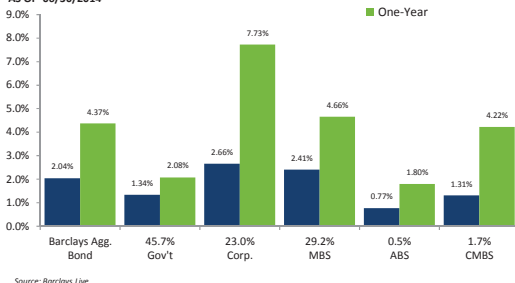
U.S. 10-YEAR TREASURY AND TIPS YIELDS



- The Treasury yield curve flattened during the second quarter, driven by long bond yields falling through much of the quarter and short rates moving slightly higher. Recent moves in interest rates were in significant part attributable to the U.S. Federal Reserve as it endeavors to keep the adjustment to more “normal” interest rates gradual and well flagged in advance.
- The 10-year U.S. Treasury yield ended the quarter at 2.53%, 20 basis points lower than its level at the beginning of the quarter.
- The 10-year TIPS yield fell by 33 basis points over the quarter and ended the period at 0.27%.

## U.S. Fixed Income Markets

BARCLAYS AGGREGATE RETURNS BY SECTOR AS OF 06/30/2014

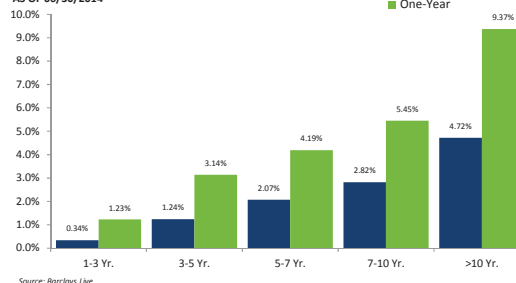


BARCLAYS AGGREGATE RETURNS BY QUALITY AND HIGH YIELD RETURNS AS OF 06/30/2014



- The Barclays Aggregate Bond Index returned 2.04% in the second quarter. Corporates were the strongest performing index segment, returning 2.66%.
- In the investment grade market, lower quality bonds outperformed higher quality bonds.
- High yield bonds underperformed aggregate investment grade corporate bonds.
- Long duration bonds continued to outperform shorter duration bonds.

BARCLAYS AGGREGATE RETURNS BY MATURITY AS OF 06/30/2014



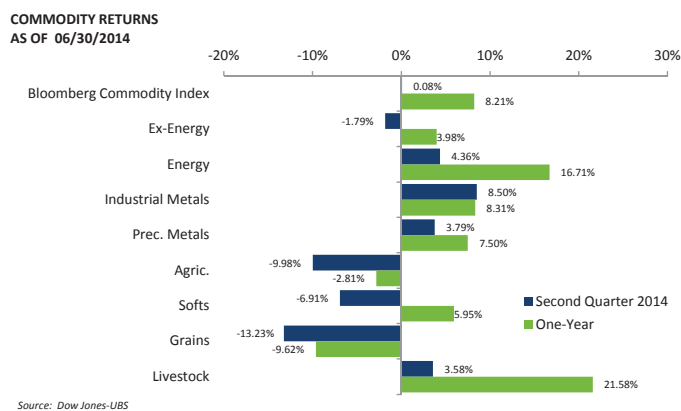
## Credit Spreads

Spread (bps)	6/30/2014	3/31/2014	6/30/2013	Quarterly Change (bps)	1-Year Change (bps)
U.S. Aggregate	38	44	61	-6	-23
Long Gov't	4	5	6	-1	-2
Long Credit	148	155	198	-7	-50
Long Gov't/Credit	97	102	124	-5	-27
MBS	24	38	60	-14	-36
CMBS	86	107	150	-21	-64
ABS	48	50	58	-2	-10
Corporate	99	106	152	-7	-53
High Yield	337	358	492	-21	-155
Global Emerging Markets	260	294	345	-34	-85

Source: Barclays Live

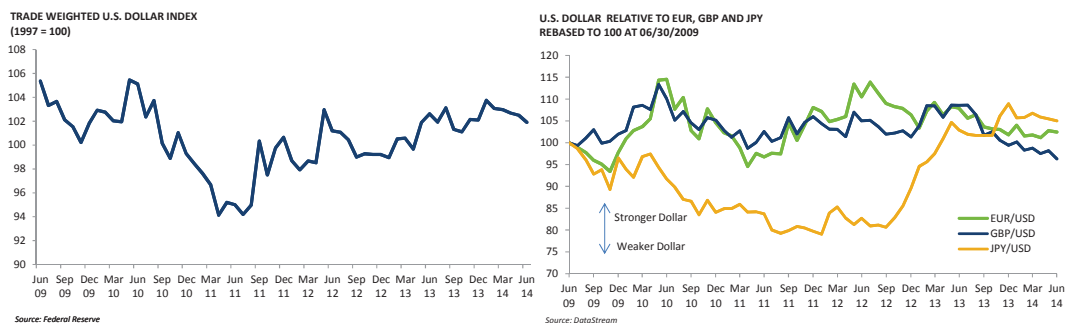
- During the second quarter, credit spreads fell across most areas of the bond market.
- Emerging market bond spreads (-34 basis points) fell by the most over the quarter, followed by high yield bond and CMBS spreads (-21 basis points for each category).

## Commodities



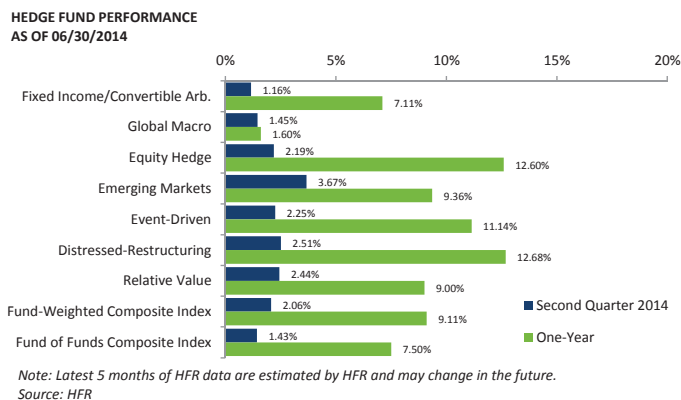
- The Bloomberg Commodity Index was broadly flat during the second quarter with a return of 0.08%.
- Over the quarter, the best performing segments of the market were Industrial Metals and Energy, returning 8.50% and 4.36%, respectively.
- Grains and Agriculture were the worst performing sectors of the market during the quarter with returns of -13.23% and -9.98%, respectively.

## Currency



- As measured through the broad trade weighted U.S. dollar index, the U.S. dollar modestly depreciated during the quarter.
- Across the major currency pairs, the U.S. dollar weakened against the Japanese Yen and British Pound and appreciated against the Euro during the quarter.

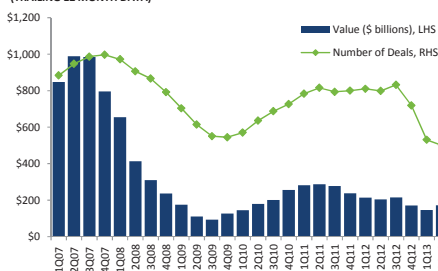
## Hedge Fund Markets Overview



- Hedge fund performance was positive over the quarter.
- The HFRI Fund-Weighted Composite Index and the HFRI Fund of Funds Composite Index produced returns of 2.06% and 1.43%, respectively, during the quarter.
- Emerging Markets and Distressed-Restructuring strategies were the strongest performers during the quarter, gaining 3.67% and 2.51%, respectively.

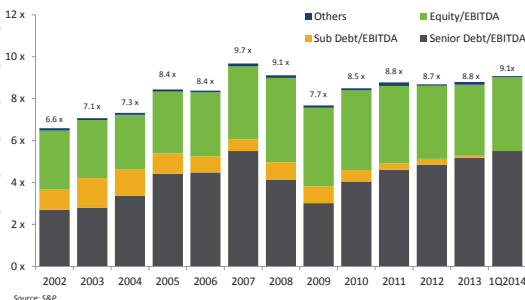
## Private Equity Market Overview

LTM GLOBAL SPONSOR M&A DEAL VOLUME AND VALUE  
(TRAILING 12 MONTH DATA)



Source: ThomsonOne

PURCHASE PRICE MULTIPLES



Source: S&P

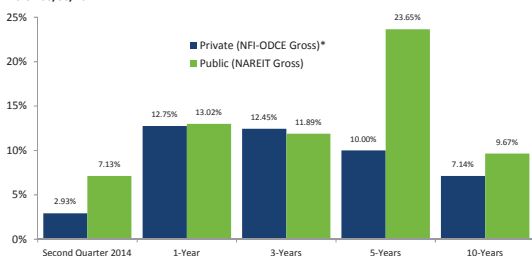
- Fundraising:** \$331 billion closed on a rolling 12-month basis ("LTM") continuing the upward trend that began in 3Q 2010. LTM fundraising now stands at 10% above the ten-year average level of \$300 billion. While well below the peak pre-crisis levels (\$490B), LTM fundraising is approaching the higher end of reasonable levels. Dry powder has increased to an estimated \$910 billion, 2% above the 2008 peak. A portion of this is due to the growth in the Infrastructure and Private Debt asset classes.
- Buyout:** Activity increased slightly since last quarter. \$94.1 billion of global sponsor-backed M&A deals closed in 1Q 2014, an 80% increase over the five-year quarterly average. 1Q purchase price multiples (PPMs) were 9.2x EBITDA for large cap and 8.3x for mid cap; both are running above their ten-year averages. European PPMs were just slightly below their ten-year averages for all deal sizes. LTM exits reached the highest level in value since 3Q 2011 and a new high in number of deals at ~ 1,500.
- Venture:** Healthy investment activity occurred during 1Q 2014, with \$9.5 billion invested in 951 deals vs. \$8.4 billion invested in 1,112 deals in 4Q 2013. This is the highest dollar amount committed since 2001, although the number of deals is relatively consistent with recent periods. Exit activity continues to be low but shows some signs of improvement, especially amongst IPOs which increased in number to 36 (50% over 4Q 2013).
- Mezzanine:** Managers are deploying capital due to aggressive senior lending and strong high yield markets. While fundraising has begun to abate, there is excess capital in the market. Dry powder is estimated at \$41.5 billion, roughly equal to the total raised over the last three years.
- Distressed Debt:** Activity continues to be subdued and is expected to continue in this manner. Credit health is being maintained by "covenant lite" structures, plenty of available capital for refinancing, and growing GDP. Increased leverage on current deals may result in more distressed opportunities in a couple of years.
- Secondaries:** LTM funds raised continue to increase, reaching \$21.4 billion, the highest level since the 2008 peak of \$26.7 billion. Dry powder stands at ~\$45.8 billion, 2.2x the average annual deployment rate over the last two years. Transaction activity is on pace with 2013 and expected to exceed 2013 for all of 2014. Average discounts for the quarter were 9.7%, an increase from 8.3% at year end, driven primarily by some large trades in non buyout and venture funds. High quality funds can trade at a premium.
- Infrastructure:** Fundraising declined from 4Q 2013. On a LTM basis, the number of funds closed decreased 17% to 47 funds, but the average fund size reached a new peak in 1Q 2014 at \$3.98 billion. Dry powder of \$100 billion stands at an all-time high, with 49% of that targeted for North America. 1Q 2014 activity picked up over 1Q 2013 with 119 deals completed at a total value of \$43 billion. No trend is discernible at this point as the first quarter of any year is a notoriously slow quarter for infrastructure.

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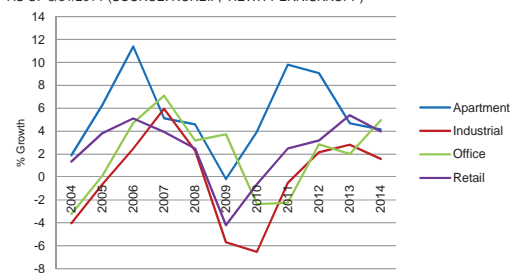
## U.S. Commercial Real Estate Markets

PRIVATE VS. PUBLIC REAL ESTATE RETURNS  
AS OF 06/30/2014



\*Second quarter returns are preliminary  
Sources: NCREIF, NAREIT

NOI GROWTH BY PROPERTY TYPE  
AS OF 3/31/2014 (SOURCE: NCREIF, HEWITT ENNISKNUPP)



- Private commercial real estate total returns accelerated slightly in 2Q relative to 1Q. Despite this, the Core recovery is mature and many coastal markets are fully valued; thus, a resumption of moderating total return trends is expected going forward. PREA's consensus forecast of the NPI for 2014 is 9.5%, which is just slightly above the sector's long run average.
- U.S. REITs continued to display strong positive momentum in 2Q, returning 7.0%. At the mid-point of 2014, the NAREIT U.S. Equity REIT Index was up 17.7%. A continued decline in Treasury yields (down 50 bps from January 1 when the 10-year Treasury was at 3.0%) and continued strength in operating fundamentals has spurred the rally. An increase in interest rates poses the most immediate threat to a pullback in REITs; however, the strengthening economy will continue to drive fundamentals and support pricing.
- Sector fundamentals continue to rebound more widely, helping to support and expand current pricing. Non-core investments should disproportionately benefit as value enhancement strategies are executed (e.g., leasing, repositioning, select development). Metro areas significantly supported by technology, healthcare, and energy sectors are expected to continue to outperform.
- In particular, rental rate growth, which has been modest to-date in all property types except apartments, has plenty of room for improvement. Net Operating Income growth across all property sectors remains attractive as excess space continues to be absorbed and new supply remains largely below average, creating attractive on-going cash flow yields, even in the Core sector.
- New supply is expected to rise modestly across most property types, with the exception of the apartment sector. While the demand/supply gap should remain favorable for most property types on a near-term basis, market selection will become even more important as the supply cycle ramps up.
- Rising interest rates should be monitored. While gains in sector fundamentals will help offset rising rates, the offset will not be complete. Portfolio structure and other long-term risk mitigation measures are important for managing liquidity and interest rate sensitivities.

Source: HEK, NAREIT, NCREIF  
\*Preliminary

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## Total Fund

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As of June 30, 2014

### Highlights

#### Executive Summary

- Performance of the Pension Plan, when measured against the Performance Benchmark, has been strong over short- and long-term time periods.
- Performance relative to peers is also competitive over short- and long-term time periods.
- The Pension Plan is well-diversified across six broad asset classes, and each asset class is also well-diversified.
- Public market asset class investments do not significantly deviate from their broad market based benchmarks, e.g., sectors, market capitalizations, global regions, credit quality, duration, and security types.
- Private market asset classes are well-diversified by vintage year, geography, property type, sectors, investment vehicle/asset type, or investment strategy.
- Asset allocation is monitored on a daily basis to ensure the actual asset allocation of the plan remains close to the long-term policy targets set forth in the Investment Policy Statement.
- Hewitt EnnisKnupp and SBA staff revisit the plan design annually through informal and formal asset allocation and asset liability reviews.
- Adequate liquidity exists within the asset allocation to pay the monthly obligations of the Pension Plan consistently and on a timely basis.

#### Performance Highlights

- Over the trailing one-, three-, and five-year periods, the Total Fund outperformed the Performance Benchmark. During the second quarter, the Fund performed in line with its Benchmark, returning 3.9%

#### Asset Allocation

- The Fund assets total \$149.1 billion as of June 30, 2014, which represents a \$4.2 billion increase since last quarter.
- Actual allocations for all asset classes were within their respective policy ranges at quarter-end.
- The Fund was modestly overweight to global equity and cash, with corresponding marginal underweights to fixed income and real estate.

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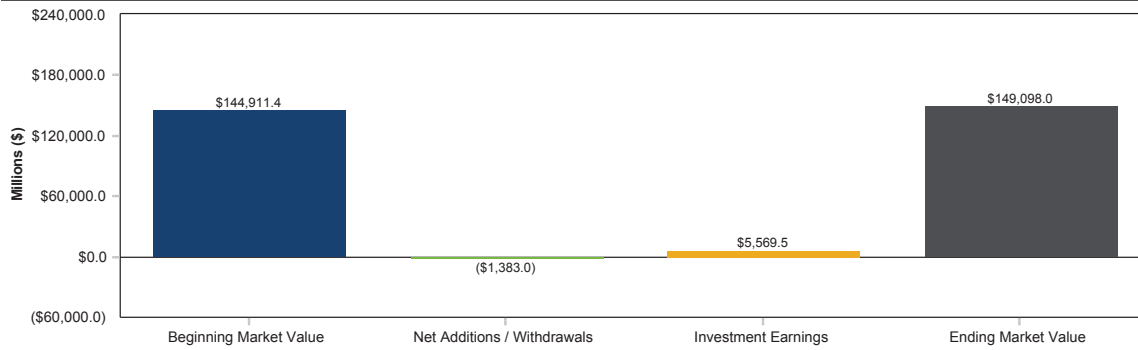


**Total Fund**

As of June 30, 2014

**Total Plan Asset Summary**

**Change in Market Value  
From April 1, 2014 to June 30, 2014**



**Summary of Cash Flow**

	1 Quarter	Fiscal YTD*
<b>Total Fund</b>		
Beginning Market Value	144,911,449,706	132,382,915,266
+ Additions / Withdrawals	-1,382,977,267	-5,920,869,454
+ Investment Earnings	5,569,483,904	22,635,910,530
<b>= Ending Market Value</b>	<b>149,097,956,343</b>	<b>149,097,956,343</b>

\*Period July 2013 - June 2014

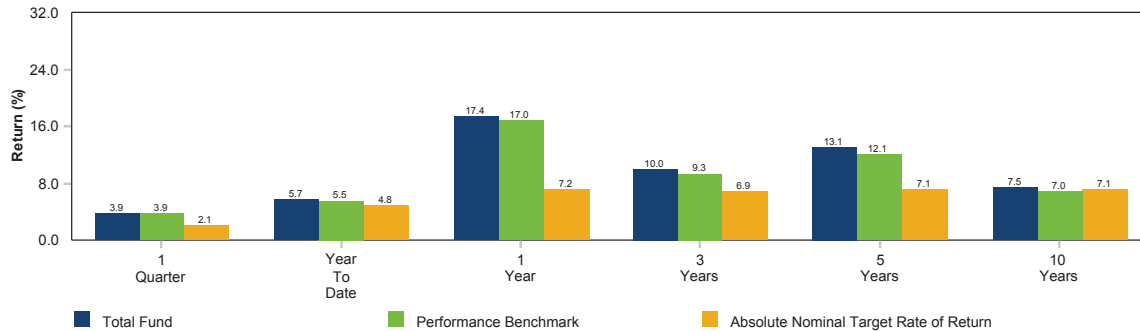


**Total Fund**

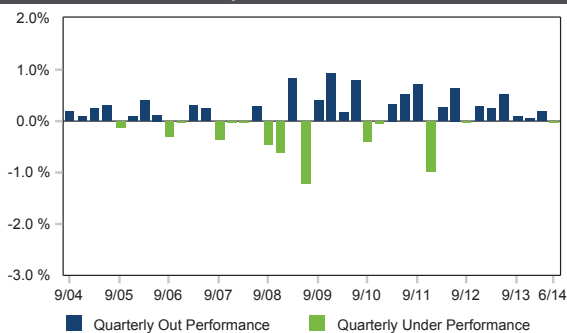
As of June 30, 2014

**Total Plan Performance Summary**

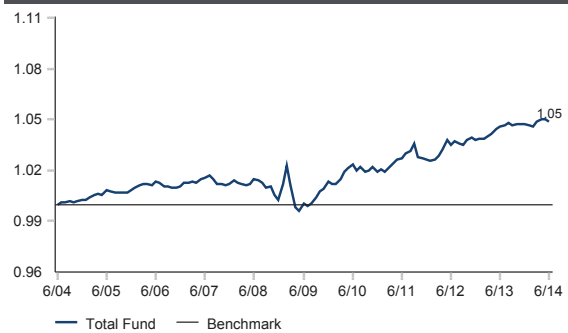
**Return Summary**



**Quarterly Excess Performance**



**Ratio of Cumulative Wealth - 10 Years**



As of June 30, 2014

**Asset Allocation & Performance**

	Allocation			Performance(%)					
	Market Value (\$)	%	Policy(%)	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
<b>Total Fund</b>	<b>149,097,956,343</b>	<b>100.0</b>	<b>100.0</b>	<b>3.9 (46)</b>	<b>5.7 (62)</b>	<b>17.4 (20)</b>	<b>10.0 (34)</b>	<b>13.1 (29)</b>	<b>7.5 (26)</b>
<i>Performance Benchmark</i>				3.9 (46)	5.5 (65)	17.0 (41)	9.3 (61)	12.1 (70)	7.0 (67)
<i>Absolute Nominal Target Rate of Return</i>				2.1 (97)	4.8 (88)	7.2 (98)	6.9 (99)	7.1 (100)	7.1 (61)
<b>Global Equity*</b>	<b>89,816,448,308</b>	<b>60.2</b>	<b>59.7</b>	<b>4.7</b>	<b>6.1</b>	<b>23.5</b>	<b>11.6</b>	<b>16.0</b>	<b>7.6</b>
<i>Asset Class Target</i>				4.8	6.2	23.4	10.5	14.9	7.1
<b>Domestic Equities</b>	<b>41,497,580,187</b>	<b>27.8</b>		<b>4.7 (30)</b>	<b>6.7 (25)</b>	<b>25.3 (40)</b>	<b>16.5 (25)</b>	<b>19.5 (34)</b>	<b>8.3 (46)</b>
<i>Asset Class Target</i>				4.9 (24)	6.9 (18)	25.2 (42)	16.5 (27)	19.3 (45)	8.2 (51)
<b>Foreign Equities</b>	<b>42,219,568,091</b>	<b>28.3</b>		<b>4.7 (43)</b>	<b>5.6 (35)</b>	<b>22.0 (43)</b>	<b>7.4 (43)</b>	<b>13.1 (15)</b>	<b>8.8 (21)</b>
<i>Asset Class Target</i>				4.8 (36)	5.8 (29)	22.3 (38)	6.0 (75)	11.6 (75)	8.0 (47)
<b>Global Equities</b>	<b>6,101,092,834</b>	<b>4.1</b>		<b>4.2</b>	<b>5.5</b>	<b>22.2</b>	<b>10.8</b>	<b>14.6</b>	<b>7.1</b>
<i>Benchmark</i>				4.9	6.2	23.6	11.3	15.0	8.0
<b>Fixed Income</b>	<b>30,067,981,116</b>	<b>20.2</b>	<b>20.9</b>	<b>1.7 (92)</b>	<b>3.0 (95)</b>	<b>3.8 (96)</b>	<b>4.0 (84)</b>	<b>6.5 (65)</b>	<b>5.3 (60)</b>
<i>Asset Class Target</i>				1.6 (95)	2.8 (98)	3.3 (97)	3.3 (94)	4.6 (100)	4.9 (84)
<b>Private Equity</b>	<b>8,075,293,669</b>	<b>5.4</b>	<b>5.4</b>	<b>6.6</b>	<b>12.4</b>	<b>19.9</b>	<b>12.3</b>	<b>15.2</b>	<b>8.7</b>
<i>Asset Class Target</i>				5.6	9.1	28.2	19.5	22.6	12.2
<i>Secondary Target**</i>				3.4	11.1	20.5	14.6	17.1	14.7
<b>Real Estate</b>	<b>11,057,496,324</b>	<b>7.4</b>	<b>7.6</b>	<b>3.1 (29)</b>	<b>6.9 (18)</b>	<b>14.9 (13)</b>	<b>14.2 (10)</b>	<b>9.6 (19)</b>	<b>9.0</b>
<i>Asset Class Target</i>				2.8 (42)	5.9 (48)	12.9 (52)	11.9 (37)	8.2 (50)	4.4
<b>Strategic Investments</b>	<b>8,112,038,740</b>	<b>5.4</b>	<b>5.5</b>	<b>2.3</b>	<b>5.8</b>	<b>13.2</b>	<b>10.9</b>	<b>15.9</b>	
<i>Short-Term Target</i>				2.6	4.6	11.3	8.1	9.5	
<b>Cash</b>	<b>1,968,698,186</b>	<b>1.3</b>	<b>1.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.3</b>	<b>0.6</b>	<b>1.0</b>
<i>iMoneyNet First Tier Institutional Money Market Funds Net Index</i>				0.0	0.0	0.0	0.0	0.1	1.9

Benchmark and universe descriptions can be found in the Appendix.

\* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

\*\* The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index.



As of June 30, 2014

**Asset Allocation & Performance**

	Performance(%)									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Total Fund</b>	<b>16.9 (25)</b>	<b>14.2 (32)</b>	<b>-0.5 (75)</b>	<b>13.5 (66)</b>	<b>20.8 (32)</b>	<b>-26.7 (46)</b>	<b>9.1 (39)</b>	<b>14.6 (46)</b>	<b>7.8 (68)</b>	<b>12.0 (58)</b>
<i>Performance Benchmark</i>	15.9 (40)	12.8 (56)	-1.2 (86)	12.9 (48)	19.5 (40)	-26.1 (39)	8.9 (41)	14.4 (50)	7.3 (77)	11.5 (63)
<i>Absolute Nominal Target Rate of Return</i>	6.6 (93)	6.8 (99)	8.1 (3)	6.6 (98)	7.9 (97)	5.1 (1)	8.9 (42)	6.6 (99)	7.6 (70)	7.4 (100)
<b>Global Equity*</b>	<b>25.2</b>	<b>17.8</b>	<b>-6.5</b>	<b>15.9</b>	<b>33.7</b>	<b>-39.9</b>	<b>8.4</b>	<b>17.5</b>	<b>8.6</b>	<b>14.4</b>
<i>Asset Class Target</i>	23.7	16.5	-7.9	15.1	33.8	-40.4	8.5	18.4	8.7	14.1
<b>Domestic Equities</b>	<b>34.1 (53)</b>	<b>16.3 (48)</b>	<b>1.6 (21)</b>	<b>17.2 (65)</b>	<b>28.8 (43)</b>	<b>-37.4 (43)</b>	<b>5.3 (42)</b>	<b>14.7 (52)</b>	<b>6.3 (67)</b>	<b>12.3 (68)</b>
<i>Asset Class Target</i>	33.6 (59)	16.4 (41)	1.0 (30)	16.9 (70)	28.3 (55)	-37.3 (40)	5.1 (43)	15.7 (31)	6.1 (77)	11.9 (89)
<b>Foreign Equities</b>	<b>17.4 (60)</b>	<b>19.3 (27)</b>	<b>-12.9 (45)</b>	<b>15.2 (7)</b>	<b>42.7 (11)</b>	<b>-44.4 (34)</b>	<b>16.1 (31)</b>	<b>26.4 (55)</b>	<b>16.1 (54)</b>	<b>21.3 (34)</b>
<i>Asset Class Target</i>	16.0 (76)	17.2 (83)	-14.6 (80)	13.0 (42)	43.7 (10)	-46.1 (74)	16.4 (23)	26.7 (49)	16.6 (44)	20.9 (39)
<b>Global Equities</b>	<b>26.3</b>	<b>15.6</b>	<b>-5.7</b>	<b>10.4</b>	<b>32.8</b>	<b>-41.8</b>	<b>10.2</b>	<b>20.0</b>	<b>9.4</b>	<b>15.4</b>
<i>Benchmark</i>	25.4	16.0	-6.7	13.1	34.6	-42.1	11.8	21.1	11.3	16.4
<b>Fixed Income</b>	<b>-1.5 (53)</b>	<b>6.4 (61)</b>	<b>7.6 (44)</b>	<b>9.2 (34)</b>	<b>14.4 (45)</b>	<b>-3.9 (43)</b>	<b>6.7 (37)</b>	<b>4.7 (51)</b>	<b>2.8 (34)</b>	<b>5.0 (65)</b>
<i>Asset Class Target</i>	-2.1 (70)	4.2 (89)	7.8 (37)	6.5 (92)	5.9 (89)	5.2 (5)	7.2 (32)	4.7 (49)	2.5 (48)	4.7 (79)
<b>Private Equity</b>	<b>15.0</b>	<b>12.4</b>	<b>8.0</b>	<b>18.6</b>	<b>-12.1</b>	<b>-4.3</b>	<b>16.5</b>	<b>12.2</b>	<b>12.9</b>	<b>0.6</b>
<i>Asset Class Target</i>	36.6	19.4	4.0	19.9	32.8	-32.8	9.6	20.2	10.6	16.5
<i>Secondary Target**</i>	17.0	14.9	14.7	17.2	-9.6	-5.3	30.0	22.6	36.4	19.2
<b>Real Estate</b>	<b>16.8 (11)</b>	<b>14.4 (7)</b>	<b>14.5 (17)</b>	<b>5.1 (73)</b>	<b>-22.8 (35)</b>	<b>-1.5 (20)</b>	<b>13.6 (61)</b>	<b>22.5 (25)</b>	<b>17.2 (78)</b>	<b>17.4 (23)</b>
<i>Asset Class Target</i>	11.2 (50)	12.2 (25)	15.3 (11)	8.8 (64)	-29.7 (58)	-1.1 (19)	12.1 (82)	6.5 (94)	8.8 (100)	7.8 (100)
<b>Strategic Investments</b>	<b>16.1</b>	<b>15.2</b>	<b>5.5</b>	<b>8.9</b>	<b>22.0</b>	<b>-37.4</b>				
<i>Short-Term Target</i>	11.6	9.1	4.2	3.5	20.8	-33.6				
<b>Cash</b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>	<b>1.7</b>	<b>-5.8</b>	<b>4.1</b>	<b>5.1</b>	<b>3.4</b>	<b>1.4</b>
<i>iMoneyNet First Tier Institutional Money Market Funds Net Index</i>	0.0	0.1	0.1	0.2	0.7	3.0	5.4	5.1	3.4	1.4

\* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

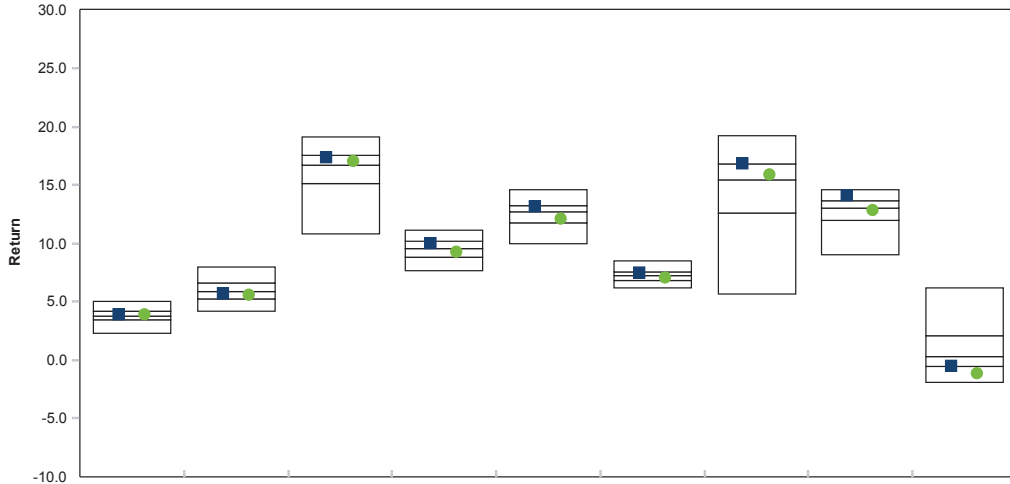
\*\* The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index.



As of June 30, 2014

Plan Sponsor Peer Group Analysis

All Public Plans > \$1B-Total Fund



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2013	2012	2011
■ Total Fund	3.9 (46)	5.7 (52)	17.4 (29)	10.0 (34)	13.1 (29)	7.5 (29)	16.9 (25)	14.2 (12)	-0.5 (75)
● Performance Benchmark	3.9 (46)	5.5 (65)	17.0 (41)	9.3 (61)	12.1 (70)	7.0 (67)	15.9 (40)	12.8 (56)	-1.2 (86)
5th Percentile	5.1	8.0	19.1	11.1	14.6	8.5	19.3	14.6	6.2
1st Quartile	4.2	6.6	17.6	10.2	13.2	7.5	16.9	13.7	2.1
Median	3.8	5.9	16.8	9.6	12.7	7.2	15.5	13.0	0.4
3rd Quartile	3.5	5.3	15.1	8.8	11.8	6.9	12.6	11.9	-0.6
95th Percentile	2.3	4.2	10.9	7.7	10.0	6.3	5.7	9.0	-1.9
Population	78	78	77	71	68	61	83	86	91

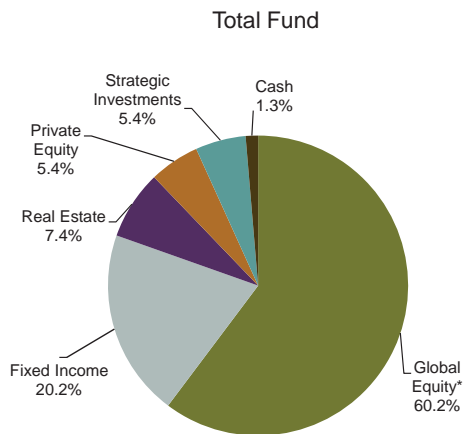
Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.



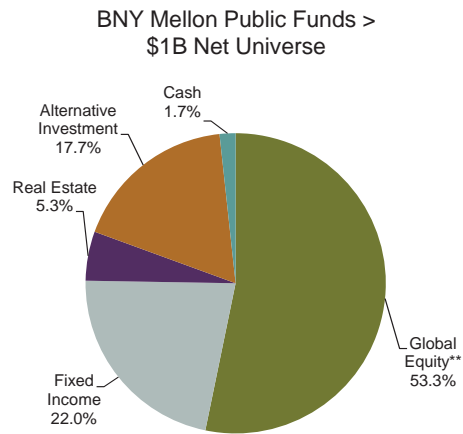
Total Fund

As of June 30, 2014

Universe Asset Allocation Comparison



\*Global Equity Allocation: 27.8% Domestic Equities; 28.3% Foreign Equities; 4.1% Global Equities. Percentages are of the Total FRS Fund.

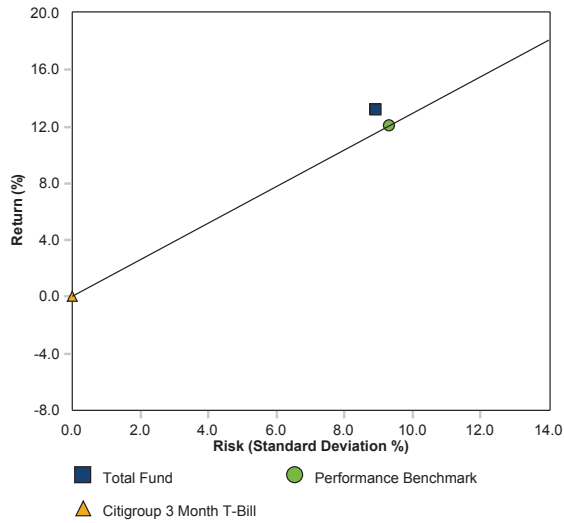


\*\*Global Equity Allocation: 29.4% Domestic Equities; 23.9% Foreign Equities.

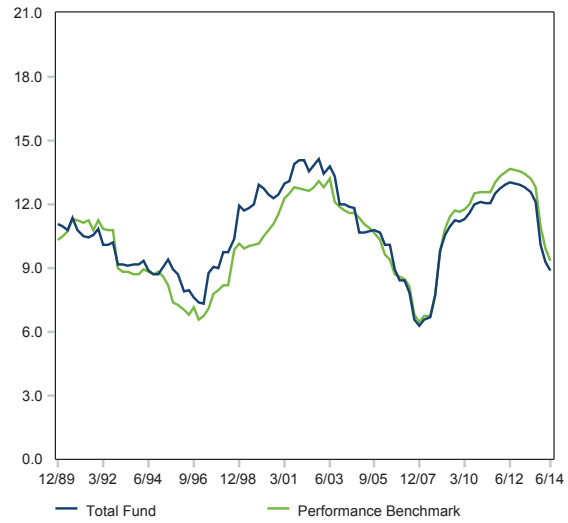


Total Fund Risk Profile

Annualized Return vs. Annualized Standard Deviation 5 Years



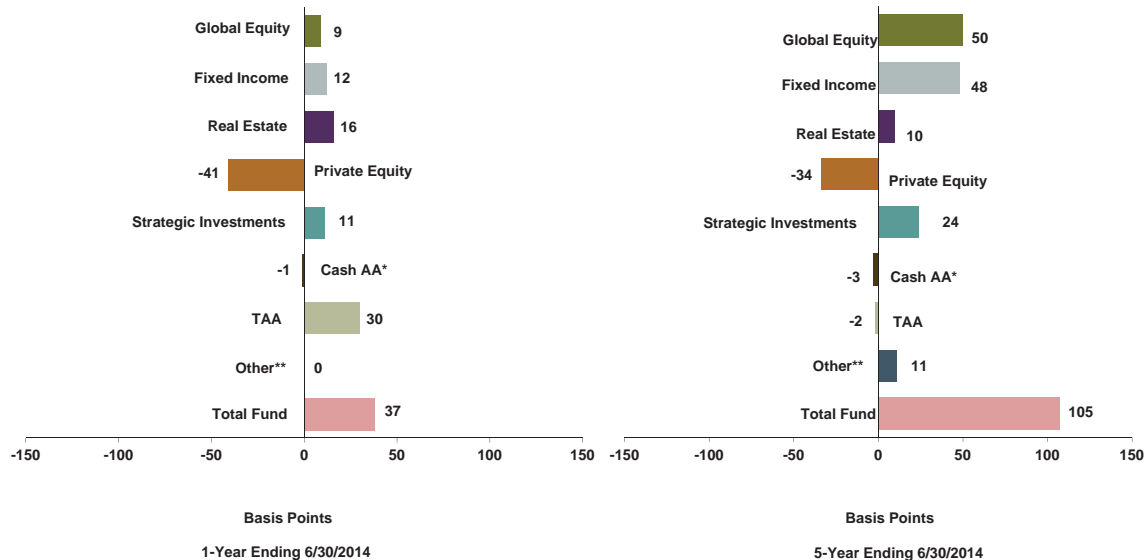
Rolling 5 Years Standard Deviation



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Total Fund	0.92	0.78	1.18	0.99	1.43	1.49	0.95	13.14	8.91	1.00
Performance Benchmark	0.00	0.00	N/A	1.00	1.27	0.00	1.00	12.08	9.33	1.00
Citigroup 3 Month T-Bill	-11.81	9.33	-1.27	0.01	N/A	0.07	0.00	0.07	0.02	0.12

Attribution

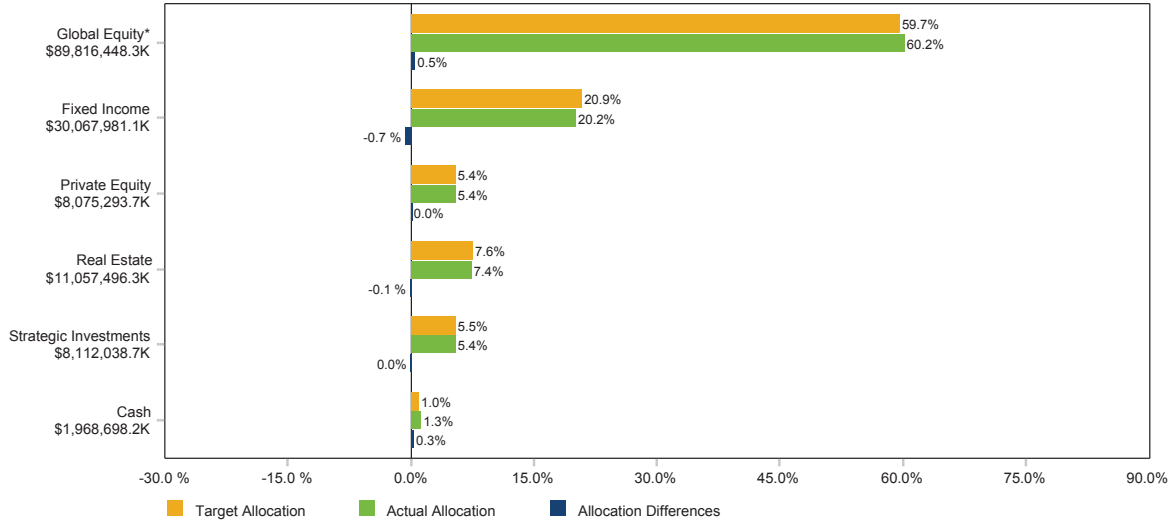


\*Cash AA includes Cash and Central Custody, Securities Lending Account income from 12/2009 to 3/2013 and unrealized gains and losses on securities lending collateral beginning June 2013, TF STIPFRS NAV Adjustment Account, and the Cash Expense Account.

\*\*Other includes legacy accounts and unexplained differences due to methodology.

Asset Allocation Compliance

	Market Value (\$)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund	149,097,956,343	100.0	100.0		
Global Equity*	89,816,448,308	60.2	59.7	45.0	65.0
Fixed Income	30,067,981,116	20.2	20.9	10.0	26.0
Private Equity	8,075,293,669	5.4	5.4	4.0	16.0
Real Estate	11,057,496,324	7.4	7.6	2.0	9.0
Strategic Investments	8,112,038,740	5.4	5.5	0.0	16.0
Cash	1,968,698,186	1.3	1.0	0.8	5.0



\* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

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## Global Equity

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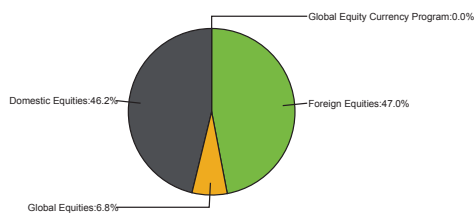
### Global Equity\*

As of June 30, 2014

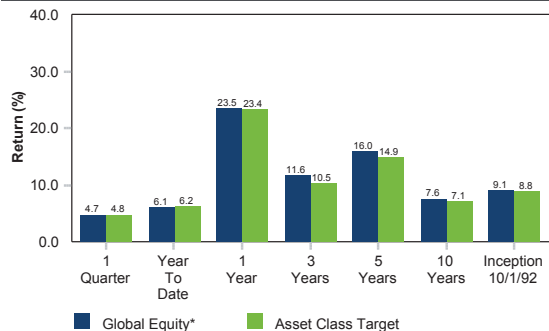
#### Global Equity\* Portfolio Overview

##### Current Allocation

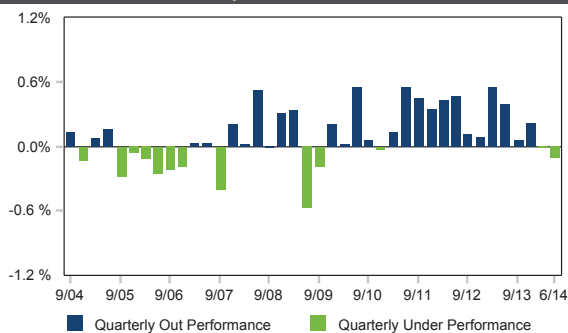
June 30, 2014 : \$89,816M



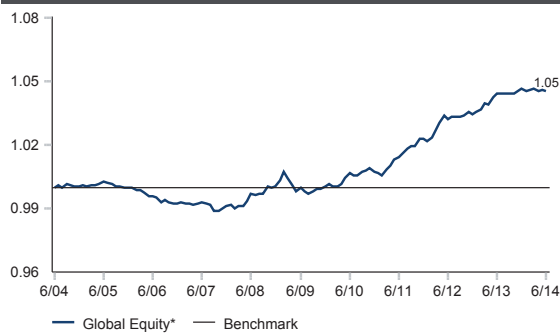
##### Return Summary



##### Quarterly Excess Performance



##### Ratio of Cumulative Wealth - 10 Years



\* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

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## Domestic Equities

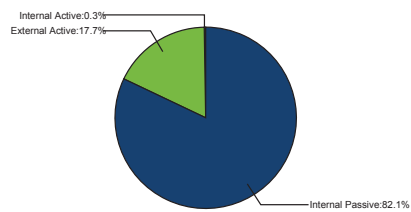
### Domestic Equities

As of June 30, 2014

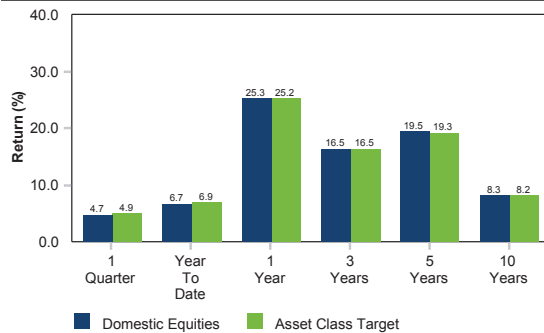
#### Domestic Equities Portfolio Overview

##### Current Allocation

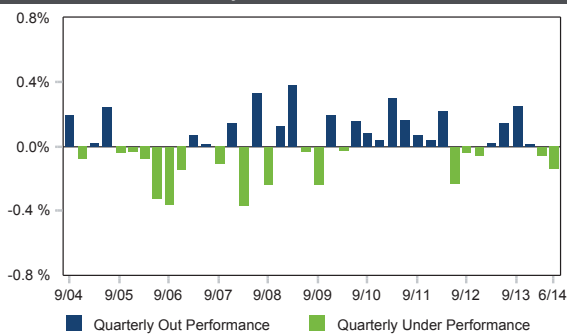
June 30, 2014 : \$41,498M



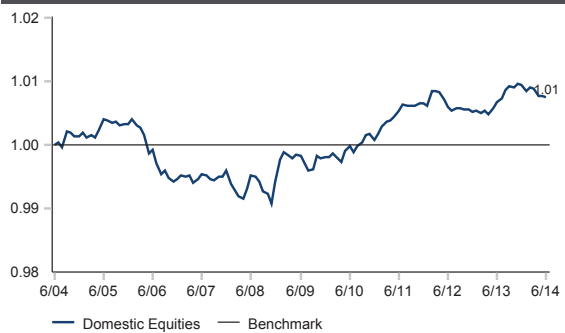
##### Return Summary



##### Quarterly Excess Performance



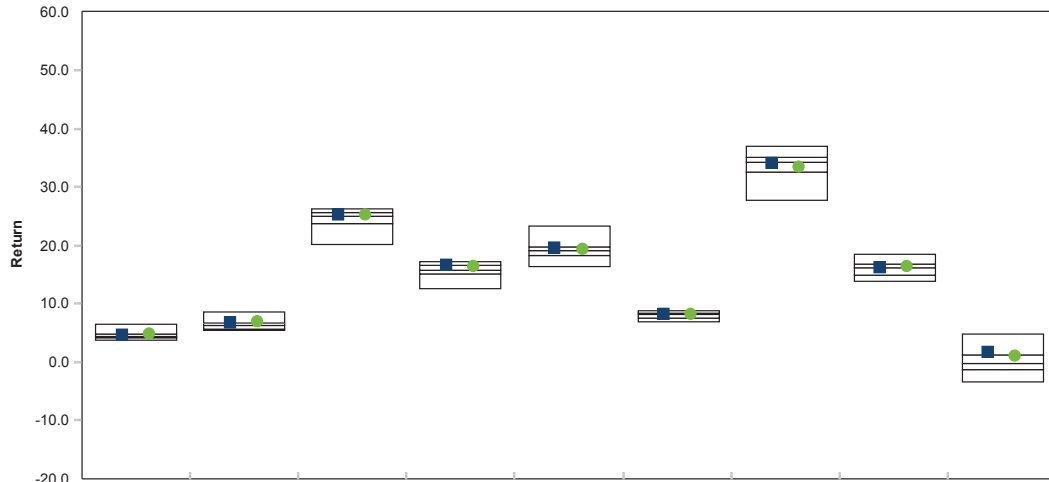
##### Ratio of Cumulative Wealth - 10 Years



As of June 30, 2014

**Plan Sponsor Peer Group Analysis**

All Public Plans > \$1B-US Equity Segment



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2013	2012	2011
■ Domestic Equities	4.7 (30)	6.7 (25)	25.3 (40)	16.5 (25)	19.5 (34)	8.3 (46)	34.1 (53)	16.3 (48)	1.6 (21)
● Asset Class Target	4.9 (24)	6.9 (18)	25.2 (42)	16.5 (27)	19.3 (45)	8.2 (51)	33.6 (59)	16.4 (41)	1.0 (30)
5th Percentile	6.5	8.7	26.4	17.4	23.4	8.9	37.0	18.4	4.8
1st Quartile	4.9	6.7	25.7	16.5	19.9	8.4	35.2	16.8	1.4
Median	4.4	6.3	25.0	15.7	19.1	8.2	34.4	16.2	-0.1
3rd Quartile	4.1	5.8	23.9	15.2	18.4	7.7	32.6	15.0	-1.2
95th Percentile	3.7	5.4	20.1	12.6	16.4	7.0	27.8	13.8	-3.4
Population	55	54	53	49	42	23	46	47	51

Parenteses contain percentile rankings.  
Calculation based on monthly periodicity.

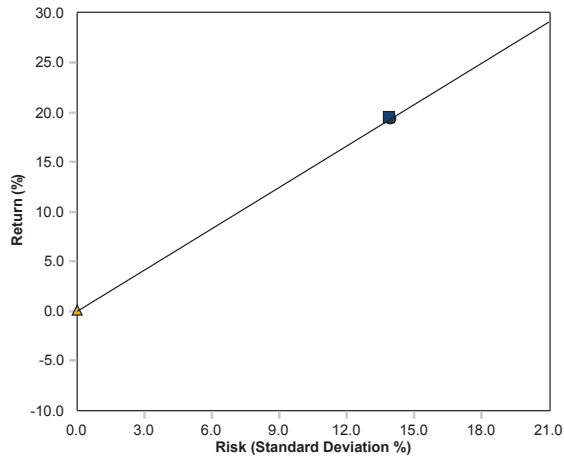


**Domestic Equities**

As of June 30, 2014

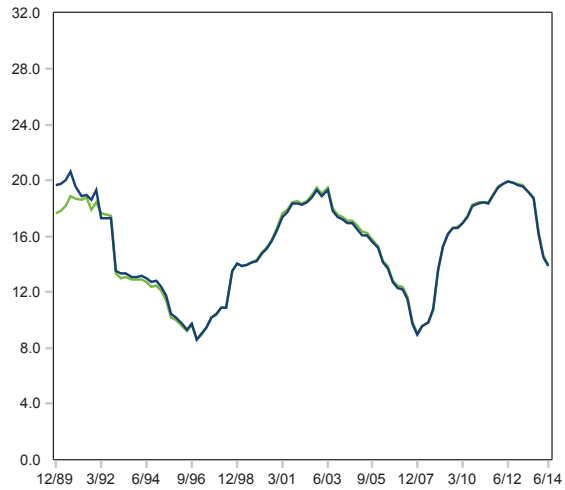
**Domestic Equities Risk Profile**

Annualized Return vs. Annualized Standard Deviation 5 Years



■ Domestic Equities    ● Asset Class Target  
▲ Citigroup 3 Month T-Bill

Rolling 5 Years Standard Deviation



— Domestic Equities    — Asset Class Target

**5 Years Historical Statistics**

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Domestic Equities	0.18	0.27	0.66	1.00	1.36	0.25	1.00	19.55	13.89	1.00
Asset Class Target	0.00	0.00	N/A	1.00	1.34	0.00	1.00	19.33	13.94	1.00
Citigroup 3 Month T-Bill	-18.68	13.94	-1.34	0.01	N/A	0.07	0.00	0.07	0.02	0.07







## Foreign Equities

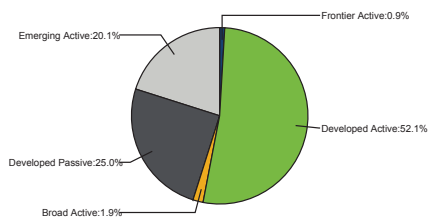
### Foreign Equities

As of June 30, 2014

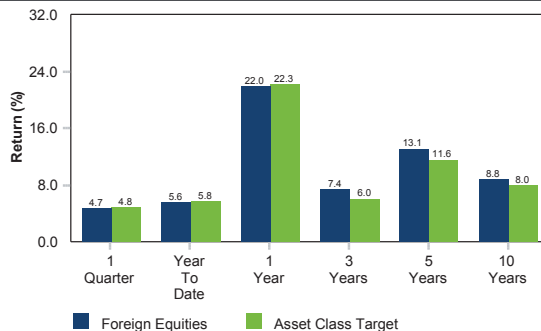
#### Foreign Equities Portfolio Overview

##### Current Allocation

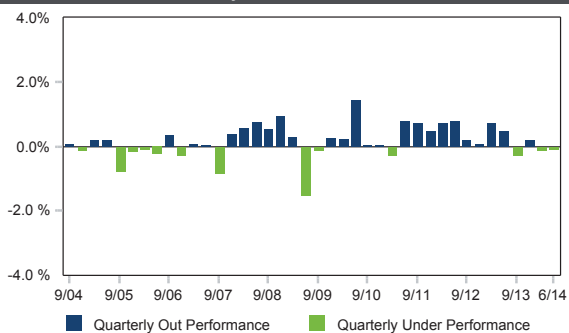
June 30, 2014 : \$42,220M



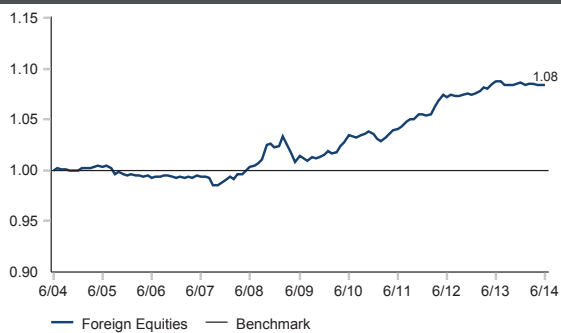
##### Return Summary



##### Quarterly Excess Performance



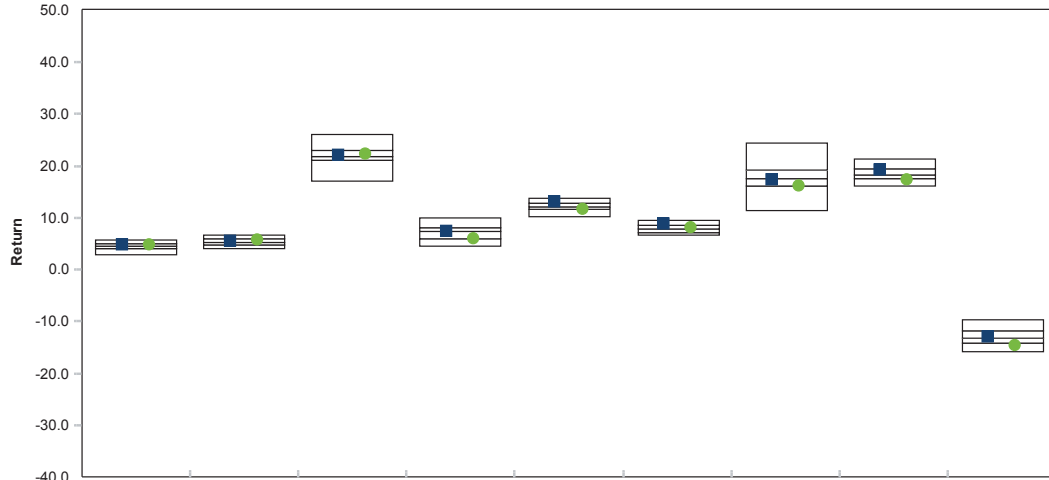
##### Ratio of Cumulative Wealth - 10 Years



As of June 30, 2014

**Plan Sponsor Peer Group Analysis**

All Public Plans > \$1B-Intl. Equity Segment



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2013	2012	2011
■ Foreign Equities	4.7 (43)	5.6 (35)	22.0 (43)	7.4 (43)	13.1 (15)	8.8 (21)	17.4 (60)	19.3 (27)	-12.9 (45)
● Asset Class Target	4.8 (36)	5.8 (29)	22.3 (38)	6.0 (75)	11.6 (75)	8.0 (47)	16.0 (76)	17.2 (83)	-14.6 (80)
5th Percentile	5.6	6.6	26.0	10.0	13.7	9.6	24.5	21.4	-9.7
1st Quartile	5.1	5.9	22.9	8.0	12.9	8.7	19.3	19.5	-11.9
Median	4.6	5.3	21.7	7.4	12.2	7.9	17.5	18.4	-13.1
3rd Quartile	4.1	4.8	21.0	6.0	11.6	7.1	16.2	17.5	-14.2
95th Percentile	2.8	4.0	17.1	4.4	10.1	6.7	11.3	16.1	-15.8
Population	53	53	53	45	40	23	44	41	45

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

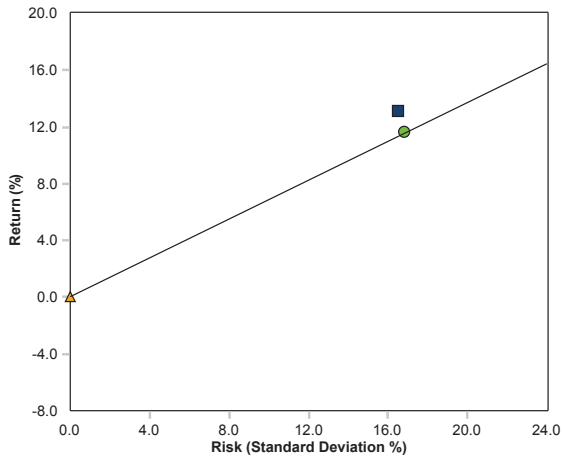


**Foreign Equities**

As of June 30, 2014

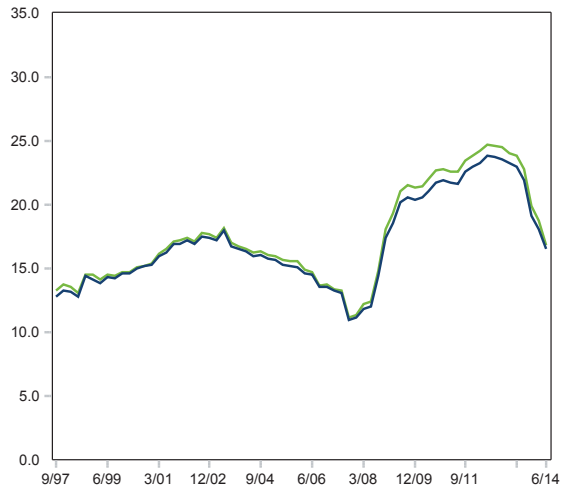
**Foreign Equities Risk Profile**

Annualized Return vs. Annualized Standard Deviation 5 Years



■ Foreign Equities    ● Asset Class Target  
▲ Citigroup 3 Month T-Bill

Rolling 5 Years Standard Deviation



— Foreign Equities    — Asset Class Target

**5 Years Historical Statistics**

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Foreign Equities	1.30	0.90	1.44	1.00	0.83	1.58	0.98	13.08	16.52	1.00
Asset Class Target	0.00	0.00	N/A	1.00	0.73	0.00	1.00	11.58	16.86	1.00
Citigroup 3 Month T-Bill	-12.34	16.86	-0.73	0.03	N/A	0.07	0.00	0.07	0.02	0.16





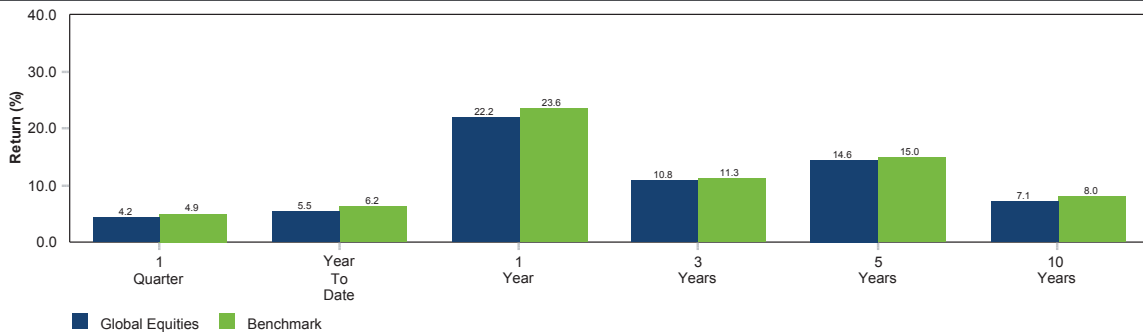
## Global Equities

### Global Equities

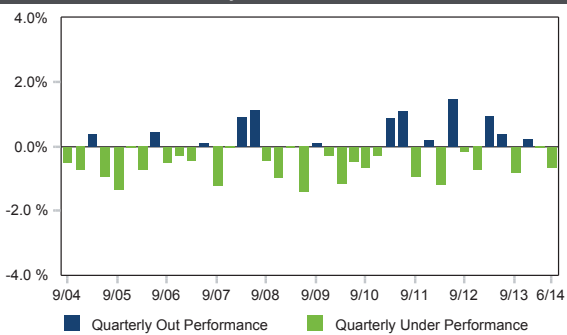
As of June 30, 2014

#### Global Equities Performance Summary

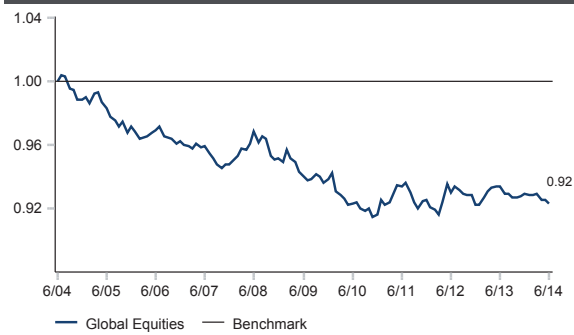
##### Return Summary



##### Quarterly Excess Performance

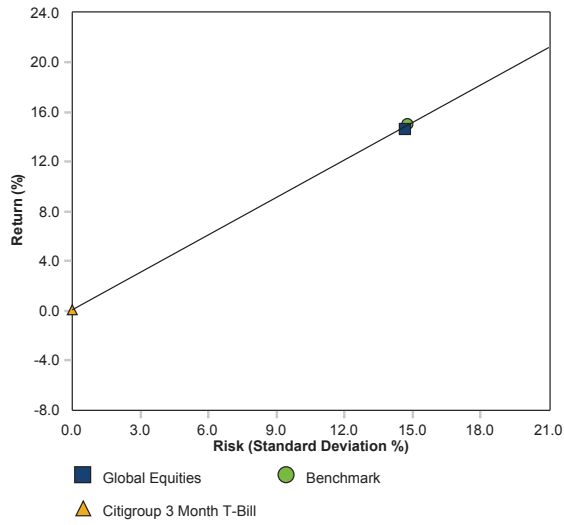


##### Ratio of Cumulative Wealth - 10 Years



Global Equities Risk Profile

Annualized Return vs. Annualized Standard Deviation 5 Years



Rolling 5 Years Standard Deviation



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Global Equities	-0.39	1.47	-0.27	0.99	1.00	-0.18	0.99	14.58	14.66	1.00
Benchmark	0.00	0.00	N/A	1.00	1.02	0.00	1.00	15.01	14.80	1.00
Citigroup 3 Month T-Bill	-15.07	14.80	-1.02	0.02	N/A	0.07	0.00	0.07	0.02	0.13

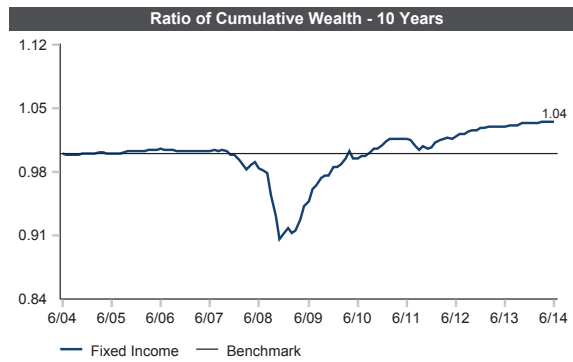
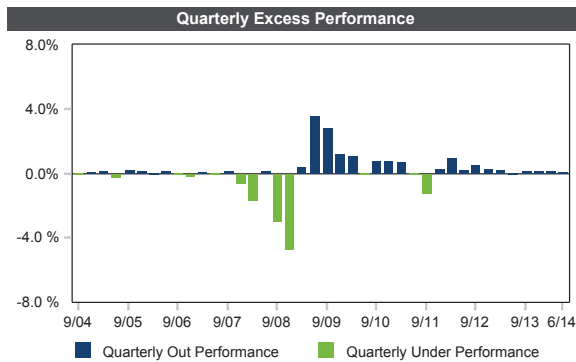
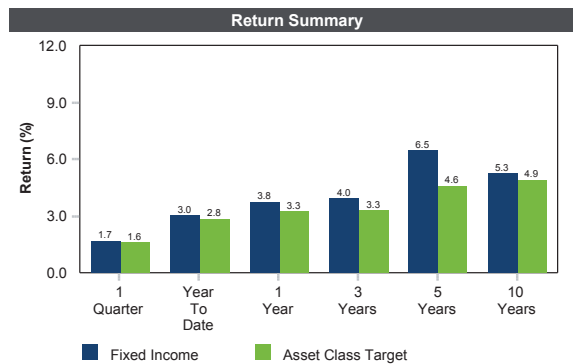
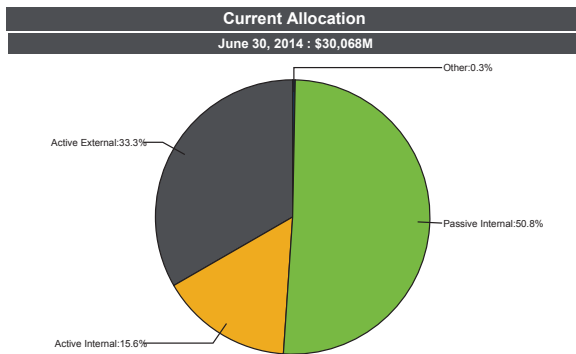
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## Fixed Income

### Fixed Income As of June 30, 2014

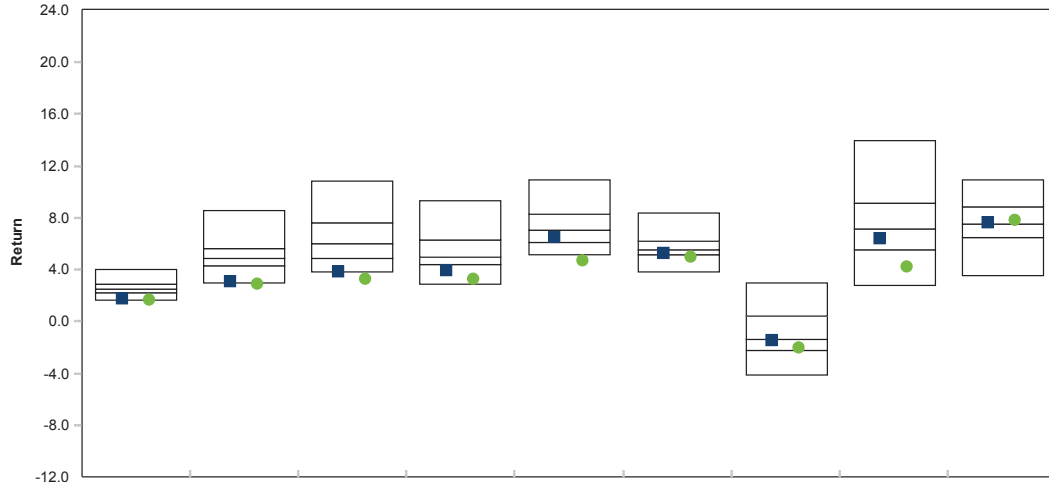
#### Fixed Income Portfolio Overview



As of June 30, 2014

Plan Sponsor Peer Group Analysis

All Public Plans > \$1B-US Fixed Income Segment



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2013	2012	2011
■ Fixed Income	1.7 (92)	3.0 (95)	3.8 (96)	4.0 (84)	6.5 (65)	5.3 (60)	-1.5 (53)	6.4 (61)	7.6 (44)
● Asset Class Target	1.6 (95)	2.8 (98)	3.3 (97)	3.3 (94)	4.6 (100)	4.9 (84)	-2.1 (70)	4.2 (89)	7.8 (37)
5th Percentile	4.0	8.5	10.9	9.3	10.9	8.3	3.0	13.9	10.9
1st Quartile	2.9	5.6	7.6	6.3	8.2	6.1	0.4	9.2	8.8
Median	2.5	4.9	6.0	5.0	7.0	5.5	-1.3	7.2	7.5
3rd Quartile	2.2	4.3	4.9	4.4	6.1	5.1	-2.2	5.5	6.5
95th Percentile	1.6	3.0	3.9	2.9	5.2	3.8	-4.1	2.8	3.5
Population	54	54	54	49	41	25	46	48	52

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

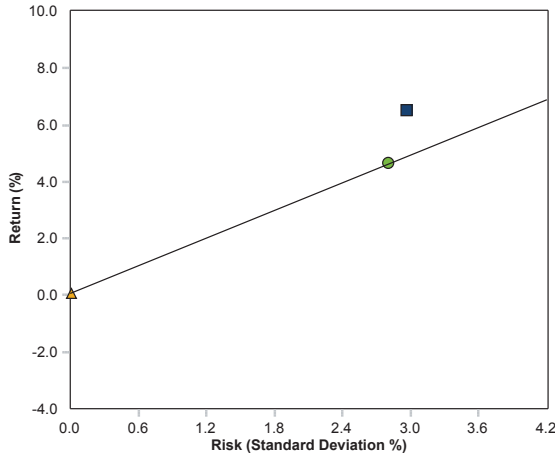


Fixed Income

As of June 30, 2014

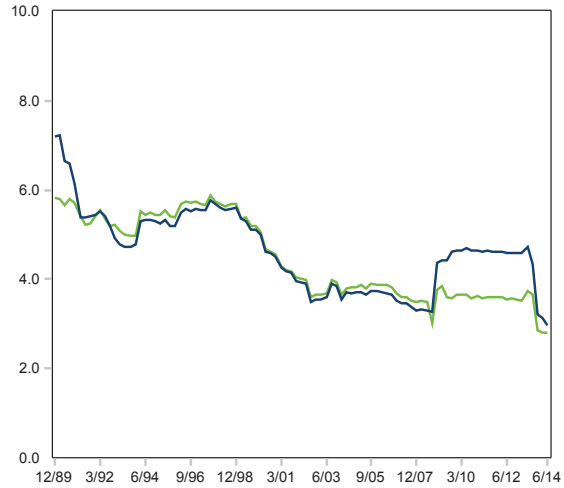
Fixed Income Risk Profile

Annualized Return vs. Annualized Standard Deviation 5 Years



■ Fixed Income    ● Asset Class Target  
▲ Citigroup 3 Month T-Bill

Rolling 5 Years Standard Deviation



— Fixed Income    — Asset Class Target

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Fixed Income	1.78	1.18	1.51	0.84	2.12	1.93	0.97	6.50	2.97	0.92
Asset Class Target	0.00	0.00	N/A	1.00	1.60	0.00	1.00	4.63	2.80	1.00
Citigroup 3 Month T-Bill	-4.50	2.80	-1.60	0.00	N/A	0.08	0.00	0.07	0.02	-0.03





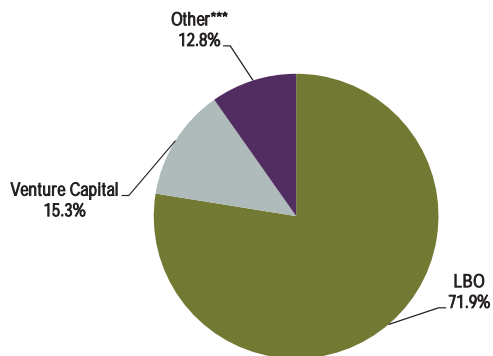
## Private Equity

Private Equity

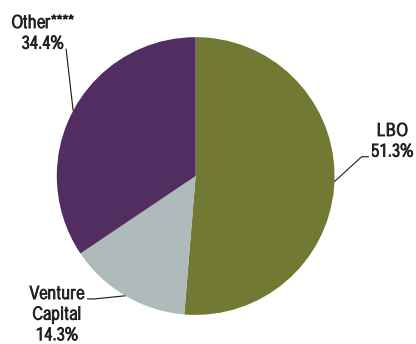
As of June 30, 2014

### Overview

**FRS Private Equity by Market Value\***



**Private Equity Strategies by Market Value\*\***



\*Allocation data is as of June 30, 2014.

\*\*Allocation data is as of June 30, 2013, from the Preqin database.

\*\*\* Other for the FRS Private Equity consists of Growth Capital, Secondary, PE Cash, and PE Transition.

\*\*\*\* Other for the Preqin data consists of Distressed PE, Growth, Mezzanine, and other Private Equity/Special Situations.

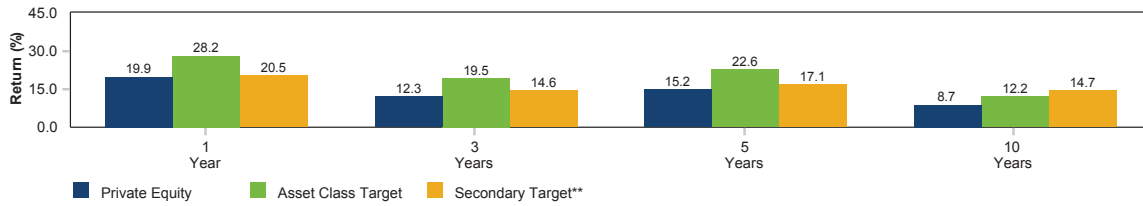
Preqin universe is comprised of 6,200 private equity funds representing \$3.2 trillion.

Private Equity

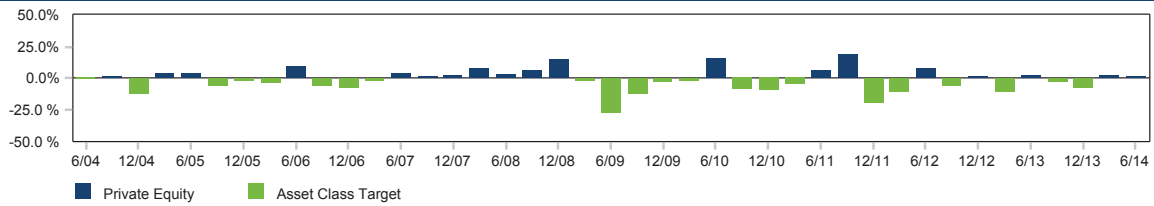
As of June 30, 2014

Time-Weighted Investment Results

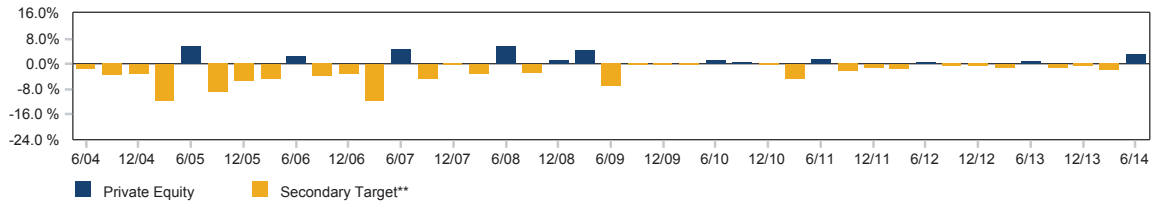
Return Summary



Quarterly Excess Performance vs. Asset Class Target



Quarterly Excess Performance vs. Secondary Target



\*\* The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index based on actual ABAL weights. Secondary target data is on a quarterly lag.

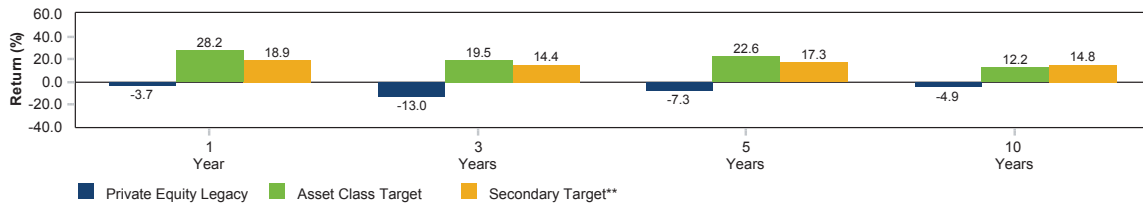


Private Equity Legacy

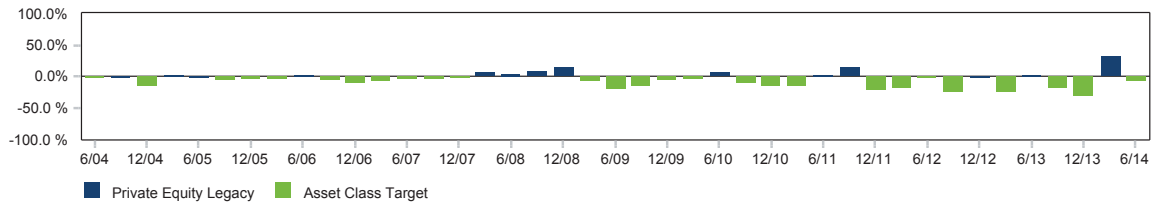
As of June 30, 2014

Time-Weighted Investment Results

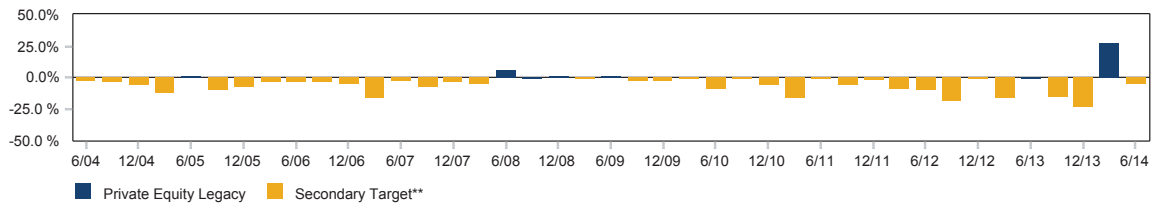
Return Summary



Quarterly Excess Performance vs. Asset Class Target



Quarterly Excess Performance vs. Secondary Target



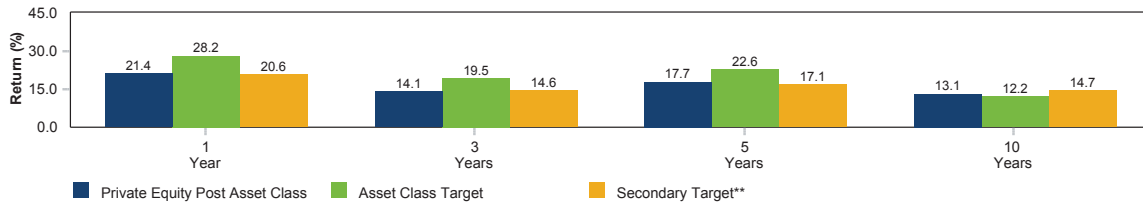
\*\* The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index based on actual ABAL weights. Secondary target data is on a quarterly lag.



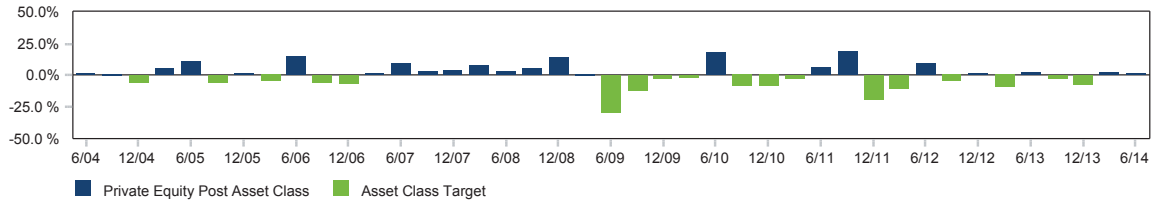


**Time-Weighted Investment Results**

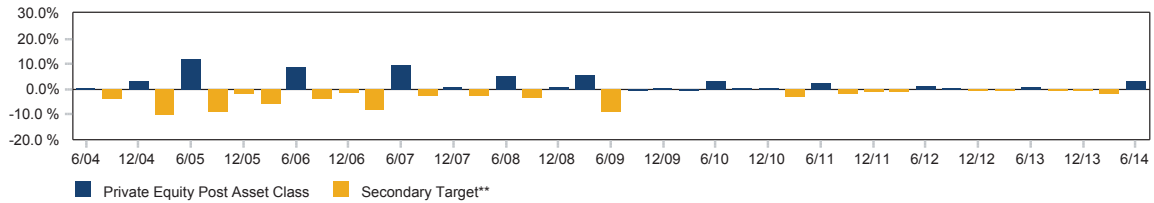
**Return Summary**



**Quarterly Excess Performance vs. Asset Class Target**



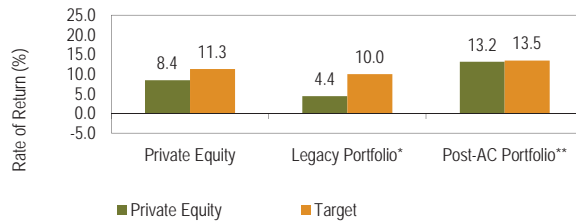
**Quarterly Excess Performance vs. Secondary Target**



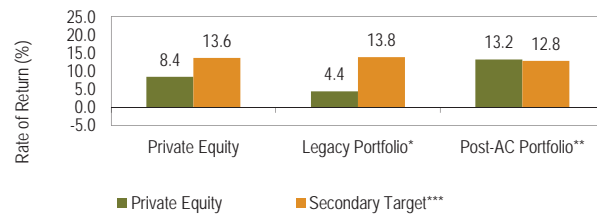
\*\* The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index based on actual ABAL weights. Secondary target data is on a quarterly lag.

**Dollar-Weighted Investment Results**

Since Inception



Since Inception



\*The Inception Date for the Legacy Portfolio is January 1989.

\*\* The Inception Date for the Post-AC Portfolio is September 2000.

\*\*\* The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index based on actual ABAL weights. Secondary Target data is on a quarterly lag.

Private Equity Dollar-Weighted Performance					
Cumulative Performance Measures Since Inception Through June 30, 2014					
Name	Years Since Inception	Commitment	Net Paid In Cap.	Net Asset Value	IRR
Corporate Partners	CLOSED	N/A	-\$133,709,385	\$0	N/A
Cypress Equity Group Trust Fund	CLOSED	N/A	-\$10,754,517	\$0	N/A
Centre Capital Investors II	CLOSED	N/A	\$49,152,080	\$0	N/A
Carlyle Partners II	CLOSED	N/A	-\$284,660,120	\$0	N/A
Hicks, Muse, Tate & Furst Fund III	CLOSED	N/A	\$540,221	\$0	N/A
Ripplewood Partners I	CLOSED	N/A	-\$75,695,566	\$0	N/A
Lexington Co-Investment Partners	CLOSED	N/A	-\$162,640,110	\$0	N/A
Apollo Investment Fund IV	CLOSED	N/A	-\$167,780,082	\$0	N/A
Thomas H. Lee Equity Fund IV	CLOSED	N/A	\$12,688,674	\$0	N/A
Chartwell Capital Investors II	CLOSED	N/A	-\$18,081,250	\$0	N/A
Green Equity Investors III	CLOSED	N/A	-\$71,272,553	\$0	N/A
Wills, Stein & Partners II	CLOSED	N/A	\$16,660,823	\$0	N/A
Liberty Partners I	CLOSED	N/A	-\$357,890,548	\$0	N/A
Liberty Partners II	CLOSED	N/A	-\$230,207,954	\$0	N/A
Liberty Partners III	CLOSED	N/A	-\$8,884,470	\$0	N/A
Liberty Partners IV	CLOSED	N/A	\$66,000,789	\$0	N/A
Carlyle Partners III	CLOSED	N/A	-\$255,015,243	\$0	N/A
Wills, Stein & Partners III	CLOSED	N/A	\$2,030,799	\$0	N/A
Thomas H. Lee Equity Fund V	CLOSED	N/A	-\$33,151,752	\$0	N/A
Ripplewood Partners II	CLOSED	N/A	-\$6,764,567	\$0	N/A
Hicks, Muse, Tate & Furst Fund IV	CLOSED	N/A	\$133,564,790	\$0	N/A
TSG Capital Fund III	CLOSED	N/A	\$46,347,448	\$23,246	N/A
Apollo Investment Fund V	CLOSED	N/A	-\$228,690,025	\$0	N/A
Hicks, Muse, Tate & Furst Equity Fund V	CLOSED	N/A	-\$205,486,674	\$0	N/A
Green Equity Investors IV	CLOSED	N/A	-\$96,524,915	\$0	N/A
Wellspring Capital Partners III	CLOSED	N/A	-\$58,517,235	\$0	N/A
TPG Partners IV	CLOSED	N/A	-\$40,815,847	\$0	N/A
FS Equity Partners V	CLOSED	N/A	-\$43,981,800	\$0	N/A
Kohlberg Investors V	CLOSED	N/A	-\$2,741,662	\$0	N/A
Liberty Partners V	15.35	\$329,664,259	-\$49,355,364	\$2,563,734	2.8%
Lexington Capital Partners IV	13.21	\$200,000,000	-\$141,014,961	\$9,963,140	19.4%
Liberty Partners VI	12.46	\$595,484,687	\$209,041,466	\$17,927,983	-6.9%
Lexington Capital Partners V	11.89	\$100,000,000	-\$52,875,433	\$14,313,046	19.1%
Lexington Co-Investment Partners II	11.76	\$500,000,000	-\$534,194,703	\$86,534,943	25.3%
Top Tier Venture Capital II	10.76	\$120,000,000	\$31,019,923	\$72,212,227	4.8%
Gores Capital Partners I	10.44	\$50,000,000	-\$7,749,957	\$20,287,783	12.7%
Platinum Equity Capital Partners I	10.39	\$50,000,000	-\$53,383,159	\$17,543,889	58.4%
Partheon Venture Partners II	10.38	\$100,000,000	\$58,147,500	\$90,945,776	6.5%
Grove Street Partners Ventures	10.01	\$200,000,000	\$105,765,843	\$194,049,047	7.7%
Kebo Investment Associates VII	10.00	\$50,000,000	-\$27,391,863	\$6,381,000	12.0%
Fairview Ventures Fund II	10.00	\$50,000,000	\$31,817,262	\$36,623,680	1.7%
Hellman & Friedman Capital Partners V	9.56	\$75,000,000	-\$104,556,834	\$9,826,509	28.0%
New Mountain Partners II	9.47	\$50,000,000	-\$32,110,099	\$6,717,864	13.2%

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Private Equity Dollar-Weighted Performance (continued)					
Cumulative Performance Measures Since Inception Through June 30, 2014					
Name	Years Since Inception	Commitment	Net Paid In Cap.	Net Asset Value	IRR
Top Tier Venture Capital III	9.22	\$75,000,000	\$41,333,159	\$63,059,063	5.7%
Carlyle Partners IV	9.18	\$75,000,000	-\$52,423,554	\$22,078,841	13.3%
Warburg Pincus Private Equity IX	8.83	\$75,000,000	-\$28,845,244	\$31,839,022	11.0%
Lexington Co-Investment Partners 2005	8.79	\$500,000,000	\$235,209,178	\$330,281,962	3.4%
Pomona Capital VI	8.79	\$50,000,000	\$11,546,289	\$26,104,529	5.8%
Liberty Partners VII	8.68	\$200,000,000	\$49,079,200	\$18,956,872	-5.9%
Lexington Capital Partners VI B	8.57	\$100,000,000	\$35,355,109	\$59,151,174	7.2%
Apollo Investment Fund VI	8.56	\$200,000,000	\$4,396,999	\$146,944,780	10.7%
Wellspring Capital Partners IV	8.43	\$75,000,000	\$12,209,105	\$44,077,156	8.0%
Blackstone Capital Partners V	8.30	\$150,000,000	\$53,848,568	\$122,907,704	7.3%
TowerBrook Investors II	8.25	\$75,000,000	\$9,845,768	\$46,030,826	9.6%
Thoma Cresse Fund VIII	8.24	\$50,000,000	-\$9,198,470	\$49,575,818	15.0%
TPG Partners V	8.01	\$100,000,000	\$51,275,309	\$71,463,462	3.6%
Fairview Ventures Fund III	8.01	\$75,000,000	\$44,592,216	\$79,706,051	13.1%
Pemira IV	7.87	\$50,000,000	\$21,961,067	\$51,835,609	8.2%
Lindsay Goldberg & Bessemer II	7.87	€ 100,000,000	\$6,390,530	\$55,727,171	8.9%
Grove Street Partners Buyouts	7.76	\$150,000,000	\$61,905,529	\$105,182,686	9.0%
Thomas H Lee Equity Fund VI	7.63	\$75,000,000	\$48,076,328	\$72,960,609	6.5%
First Reserve Fund XI	7.63	\$100,000,000	\$49,842,284	\$58,096,009	1.8%
3i Europartners Vb	7.63	\$99,000,000	\$52,640,827	\$52,868,095	0.1%
RCP Advisors Fund IV	7.51	€ 50,000,000	\$13,159,058	\$37,408,103	11.0%
Hellman & Friedman Capital Partners VI	7.45	\$100,000,000	-\$14,778,644	\$49,573,250	12.2%
Providence Equity Partners VI	7.30	\$50,000,000	\$22,640,462	\$35,012,069	5.3%
Carlyle Partners Europe III	7.28	\$49,000,000	\$22,903,941	\$46,985,904	8.8%
Green Equity Investors V	7.16	€ 100,000,000	\$14,570,003	\$83,043,240	18.1%
Gores Capital Partners II	6.93	\$50,000,000	\$9,486,576	\$29,375,919	10.7%
New Mountain Partners III	6.90	\$100,000,000	\$62,472,228	\$97,056,707	10.3%
Carlyle Partners V	6.76	\$200,000,000	\$75,321,452	\$176,788,509	13.4%
Kohlberg Investors VI	6.72	\$50,000,000	-\$9,254,235	\$15,157,449	14.5%
Apollo Investment Fund VII	6.70	\$200,000,000	-\$42,200,274	\$125,165,527	26.3%
Kebo Investment Associates VIII	6.70	\$100,000,000	\$71,697,085	\$88,455,340	6.9%
Platinum Equity Capital Partners II	6.70	\$75,000,000	\$2,731,708	\$52,193,201	16.6%
RCP Advisors Fund V	6.65	\$50,000,000	\$25,128,419	\$40,783,412	10.7%
Warburg Pincus Private Equity X	6.61	\$150,000,000	\$71,427,151	\$132,409,520	9.0%
Top Tier Venture Capital IV	6.40	\$100,000,000	\$65,985,146	\$113,890,523	14.0%
TPG Partners VI	6.21	\$200,000,000	\$119,531,389	\$173,682,231	10.3%
Liberty Partners Group II	6.13	\$12,625,000	\$650,395	-\$158	0.0%
PAI Europe V	6.13	\$27,500,000	\$29,522,222	\$40,383,042	7.1%
Pomona Capital VII	6.02	€ 50,000,000	\$12,458,416	\$26,832,068	10.7%
GS Partners Ventures II	6.01	\$200,000,000	\$123,874,420	\$207,084,633	20.1%
Advent International GPE VI	5.98	\$58,000,000	\$23,423,934	\$62,932,603	18.4%
TowerBrook Investors III	5.96	\$150,000,000	\$79,357,461	\$123,125,508	12.7%
CVC European Equity Partners V	5.96	\$70,000,000	\$45,458,155	\$77,551,972	12.2%

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Private Equity Dollar-Weighted Performance (continued)					
Cumulative Performance Measures Since Inception Through June 30, 2014					
Name	Years Since Inception	Commitment	Net Paid In Cap.	Net Asset Value	IRR
Lindsay Goldberg III	5.96	\$100,000,000	\$53,096,989	\$69,573,750	8.9%
Thoma Bravo Fund IX	5.96	€ 50,000,000	\$35,876,181	\$48,027,814	41.5%
KKR European Fund III	5.85	\$40,000,000	\$38,573,542	\$51,761,775	9.2%
Ares Corporate Opportunities Fund III	5.77	\$100,000,000	\$19,043,942	\$83,125,043	21.9%
RCP Advisors Fund VII	5.73	€ 50,000,000	\$30,168,027	\$32,112,272	2.3%
Cressey & Company Fund IV	5.65	\$50,000,000	\$15,288,702	\$32,914,377	16.7%
Blackstone Capital Partners VI	5.65	\$200,000,000	\$88,649,706	\$105,411,627	13.2%
First Reserve Fund XII	5.63	\$200,000,000	\$131,740,535	\$154,897,580	3.6%
Carlyle Asia Growth Partners IV	5.54	\$75,000,000	\$45,070,092	\$53,961,124	5.6%
Charterhouse Capital Partners IX	5.18	\$70,000,000	\$43,770,268	\$67,005,535	13.5%
Top Tier Special Opportunities Fund	5.10	\$12,450,000	\$11,110,804	\$8,200,917	-7.5%
Riverside Capital Appreciation Fund V	5.04	€ 75,000,000	\$33,964,894	\$48,370,767	7.1%
Freeman Spogli Equity Partners VI	4.93	\$75,000,000	\$57,016,895	\$82,799,767	14.0%
Energy Capital Partners II	4.92	\$100,000,000	\$53,886,158	\$103,875,604	19.9%
KPS Special Situations Fund III	4.77	\$50,000,000	\$27,964,075	\$39,241,639	13.5%
Gores Capital Partners III	4.75	\$125,000,000	\$72,433,055	\$87,636,455	8.3%
Charlebank Equity Fund VII	4.69	\$75,000,000	\$34,160,581	\$56,103,045	17.8%
Loxington Capital Partners VII	4.58	\$200,000,000	\$74,381,114	\$133,260,104	17.3%
3i Growth Capital Fund	4.27	\$40,000,000	\$22,475,949	\$27,040,702	3.8%
Riverside Europe Fund IV	4.04	\$40,000,000	\$37,130,583	\$44,865,874	5.8%
TA XI	3.92	€ 100,000,000	\$42,500,000	\$66,740,460	15.6%
Snow Phipps II	3.89	€ 50,000,000	\$23,040,248	\$29,882,421	11.2%
Pantheon Global Secondary Fund IV	3.86	\$100,000,000	\$41,500,034	\$68,770,423	20.9%
JH Whitley VII	3.72	\$75,000,000	\$37,767,639	\$42,495,926	5.9%
Tident V	3.67	\$75,000,000	\$59,170,255	\$66,030,076	6.3%
RCP Advisors Fund VII	3.58	\$50,000,000	\$21,012,538	\$22,576,124	3.8%
EnCap Energy XII A	3.51	\$60,000,000	\$29,656,936	\$49,792,311	13.8%
EnCap Energy Capital Fund VIII	3.37	\$75,000,000	\$45,697,409	\$54,420,780	10.8%
Corfus Group V	3.20	\$50,000,000	\$29,904,186	\$33,369,782	7.8%
Montagu Private Equity Fund IV	3.10	\$40,000,000	\$20,407,363	\$24,081,539	6.0%
Wellspring Capital Partners V	3.00	\$150,000,000	\$56,588,244	\$47,402,950	-10.2%
GS Partners Buyouts II	2.94	€ 300,000,000	\$55,284,273	\$57,419,240	2.8%
Fairview Special Opportunities Fund	2.92	\$25,000,000	\$77,701,823	\$89,573,404	14.8%
ABRY Partners VII	2.89	\$75,000,000	\$58,823,327	\$68,941,984	9.3%
Hellman & Friedman Capital Partners VII	2.89	\$200,000,000	\$118,006,819	\$129,950,480	6.7%
Berkshire Fund VIII	2.85	\$60,000,000	\$22,482,568	\$21,653,689	-2.8%
BC European Capital IX	2.78	\$70,000,000	\$46,943,119	\$53,543,931	9.1%
Strategic Investors Fund V A	2.75	\$125,000,000	\$63,619,641	\$72,645,814	11.4%
Francisco Partners III	2.68	€ 75,000,000	\$55,882,624	\$69,394,988	15.3%
TPG Growth II	2.52	\$100,000,000	\$47,375,183	\$53,897,092	12.5%
TrueBridgeFLSBA Special Purpose	2.45	\$50,000,000	\$26,975,000	\$33,252,858	20.1%
TrueBridge - Kauffman Fellows Endowment Fund III	2.45	\$100,000,000	\$77,902,350	\$92,524,321	12.3%
Loxington Co-Investment Partners 2005 II Pool III	2.38	\$500,000,000	\$198,780,913	\$220,414,408	15.0%
Platinum Equity Capital Partners III	2.36	\$200,000,000	\$26,432,327	\$46,662,998	21.0%

Private Equity Dollar-Weighted Performance (continued)					
Cumulative Performance Measures Since Inception Through June 30, 2014					
Name	Years Since Inception	Commitment	Net Paid In Cap.	Net Asset Value	IRR
Dorham Commodity Partners Fund VI	2.25	\$100,000,000	\$32,893,595	\$36,079,649	8.3%
Thoma Bravo Fund X	2.24	\$100,000,000	\$59,861,875	\$97,975,571	32.0%
Providence Equity Partners VII	2.14	\$150,000,000	\$32,765,529	\$31,496,731	-3.4%
Warburg Pincus Private Equity XI	2.10	\$200,000,000	\$83,552,185	\$90,711,724	8.2%
AXA Secondary Fund V	2.05	\$100,000,000	\$47,679,704	\$71,009,346	24.4%
Summit Partners Growth Equity Fund VIII A	2.04	\$60,000,000	\$57,039,853	\$65,259,109	19.7%
RCP Advisors Fund VIII	2.00	\$50,000,000	\$10,035,407	\$7,941,117	-22.1%
Strategic Investors Fund V A Opportunity	1.95	\$50,000,000	\$24,256,961	\$26,650,637	9.0%
Carlyle Partners VI	1.69	\$200,000,000	\$41,148,669	\$38,521,680	-29.3%
GS Partners Ventures III	1.69	\$150,000,000	\$21,537,805	\$19,462,513	-18.1%
Apax VIII	1.67	\$157,584,000	\$36,285,658	\$34,745,884	-4.8%
Green Equity Investors VI	1.67	\$200,000,000	\$56,492,534	\$64,927,975	17.9%
Ares Corporate Opportunities Fund IV	1.65	\$200,000,000	\$49,186,173	\$46,239,934	-7.2%
Advent International GPE VII	1.56	\$100,000,000	\$42,211,000	\$54,137,808	27.2%
Silver Lake Partners IV	1.52	\$100,000,000	\$15,372,265	\$13,708,604	-29.2%
EnCap Energy Capital Fund IX	1.47	\$75,000,000	\$14,250,355	\$13,516,527	-7.5%
Loxington Middle Market Investors III	1.46	\$100,000,000	\$17,197,575	\$22,456,325	66.0%
EnCap Energy Institutional Fund XII A	1.44	€ 100,000,000	\$38,380,836	\$35,897,451	-9.5%
SVB Strategic Investors Fund W A	1.25	\$125,000,000	\$14,442,478	\$14,385,890	-0.9%
TowerBrook Investors IV	1.14	\$190,000,000	\$1,588,145	\$2,071,338	-100.0%
KKR Asia Fund II	1.04	\$100,000,000	\$26,564,332	\$24,950,010	-24.5%
TrueBridge-Kauffman Fellows Endowment Fund III	1.01	\$150,000,000	\$22,544,440	\$20,040,188	-18.4%
KPS Special Situations Fund IV	1.01	\$150,000,000	\$12,376,347	\$12,172,287	-14.18%
Riverside Capital Appreciation Fund VI	1.01	\$75,000,000	\$9,298,553	\$7,074,130	-43.75%
TrueBridgeFLSBA Special Purpose II	1.01	\$25,000,000	\$1,283,888	\$1,263,050	-19.75%
Insight Venture Partners VIII	1.01	\$75,000,000	\$50,508,165	\$48,166,137	-10.07%
W Capital Partners III	0.89	\$75,000,000	\$18,632,133	\$18,324,588	N/A
Thoma Bravo Special Opportunities Fund I	0.86	\$50,000,000	\$22,306,922	\$30,762,954	N/A
Apollo Investment Fund VIII	0.84	\$200,000,000	\$8,889,133	\$7,231,202	N/A
AXA LBO Fund V	0.84	\$58,000,000	\$36,048,495	\$35,182,875	N/A
DCPF W Oil and Gas Co-Investment Fund	0.75	\$50,000,000	\$4,705,809	\$4,512,239	N/A
CVC Capital Partners VI	0.71	\$75,000,000	\$79,814	\$33,790	N/A
Energy Capital Partners III	0.42	\$150,000,000	\$7,555,809	\$5,489,388	N/A
ASF VI	0.42	€ 150,000,000	\$18,575,506	\$19,179,705	N/A
Pemra V	0.40	\$73,800,000	\$21,454,378	\$19,512,676	N/A
New Mountain Partners IV	0.40	\$100,000,000	\$46,527	\$2,856,744	N/A
Atlas Capital Resources II	0.40	\$20,000,000	\$1,585,373	\$1,003,017	N/A
Pod Oak Energy Partners II	0.37	\$25,000,000	\$245,356	\$4,508	N/A
SVB Capital Partners III	0.23	€ 22,500,000	\$2,636,687	\$2,991,753	N/A
Asia Alternatives FL Investor	0.13	\$150,000,000	\$679,913	\$78,269	N/A
RCP Advisors Fund IX	0.13	\$50,000,000	\$500,000	\$500,000	N/A
Thoma Bravo Fund XI	0.07	\$150,000,000	\$4,800,462	\$3,588,924	N/A
The Energy & Mineral Group Fund III	0.04	\$100,000,000	\$46,394	\$0	N/A
Robson Technology Partners	N/A	\$50,000,000	\$20,795	\$20,795	N/A
<b>Private Equity on Cash at Transition</b>			<b>\$2,147,892,210</b>	<b>\$7,824,924,697</b>	<b>8.6%</b>

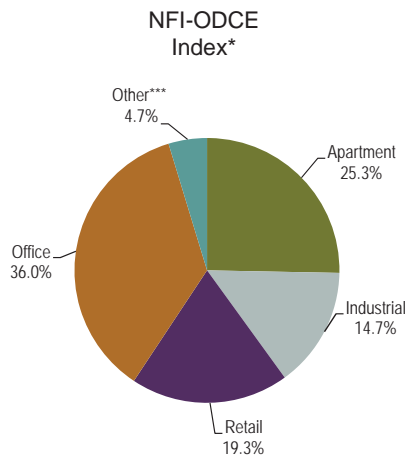
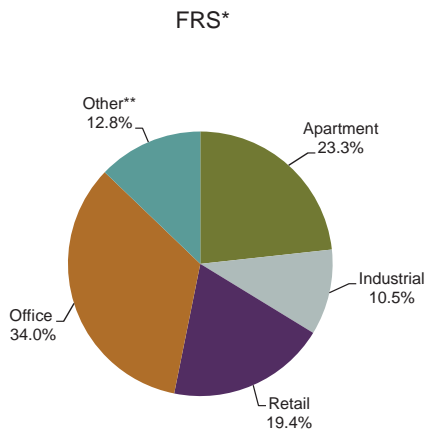


## Real Estate

Real Estate

As of June 30, 2014

### Overview



\*Property Allocation data is as of June 30, 2014. The FRS chart includes only the FRS private real estate assets. Property type information for the REIT portfolios is not included.

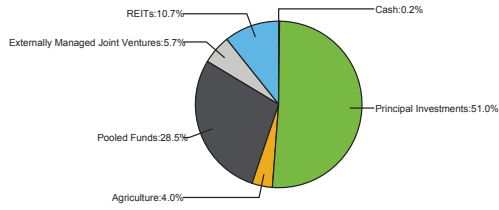
\*\*Other for the FRS consists of Hotel, Land, Preferred Equity, Agriculture, Self-Storage and Senior Housing.

\*\*\*Other for the NFI-ODCE Index consists of Hotel, Senior Living, Health Care, Mixed Use, Single Family Residential, Parking, Timber/Agriculture, Land and Infrastructure.

Real Estate Portfolio Overview

Current Allocation

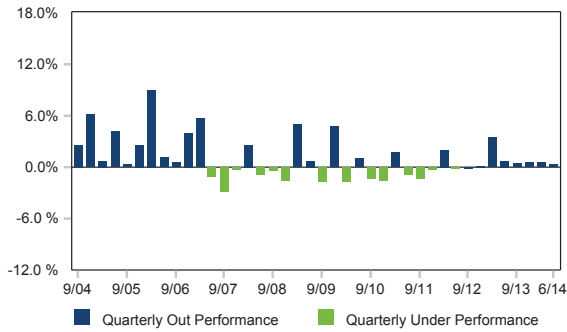
June 30, 2014 : \$11,057M



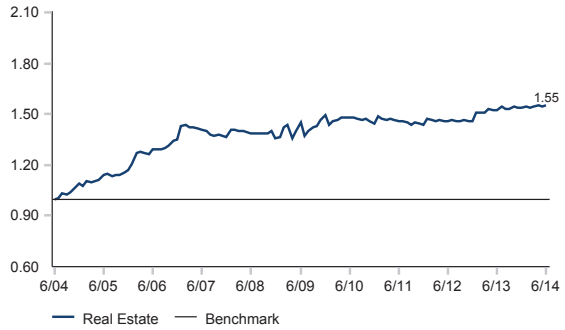
Return Summary



Quarterly Excess Performance

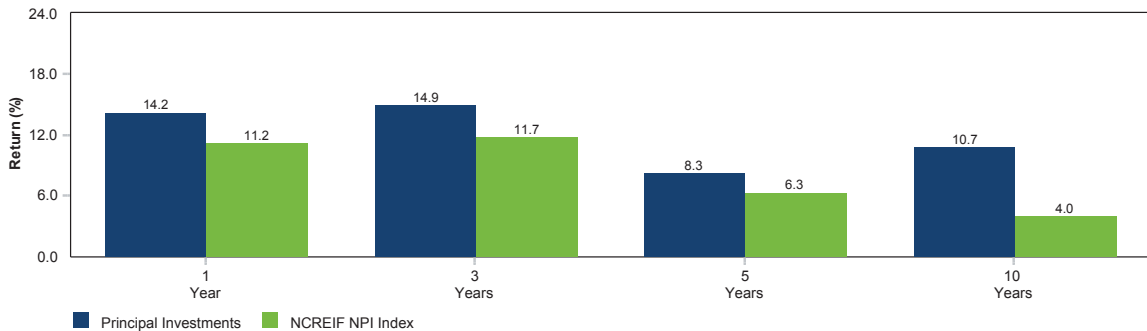


Ratio of Cumulative Wealth - 10 Years

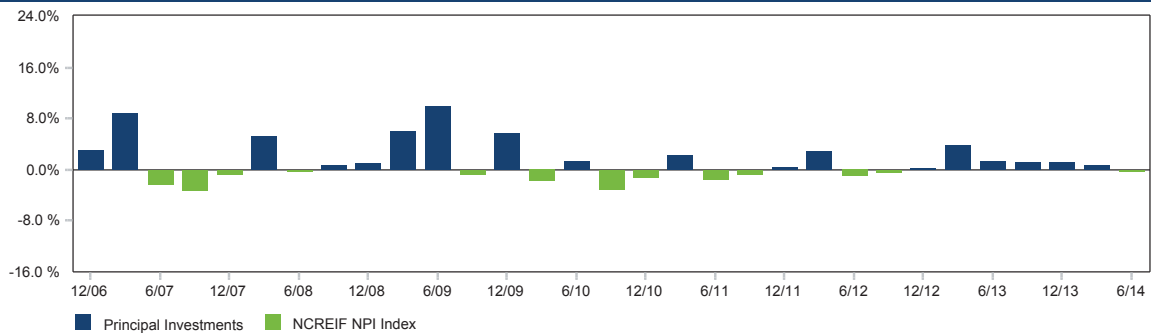


Principal Investments

Return Summary



Quarterly Excess Performance

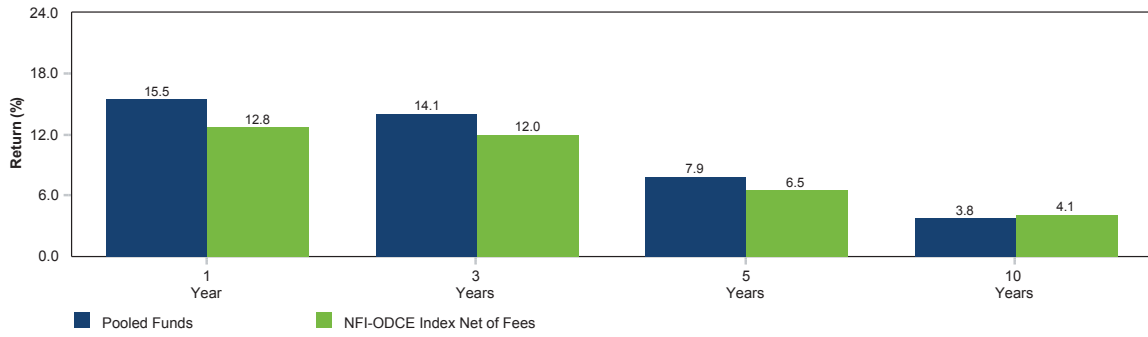


Pooled Funds

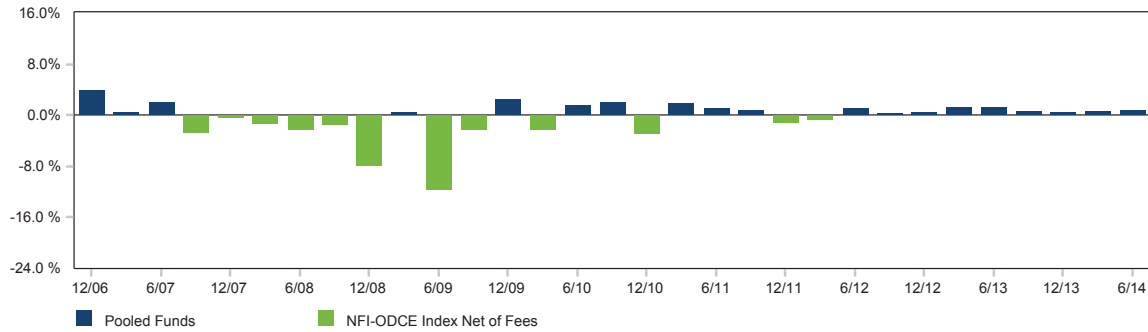
As of June 30, 2014

Pooled Funds

Return Summary



Quarterly Excess Performance

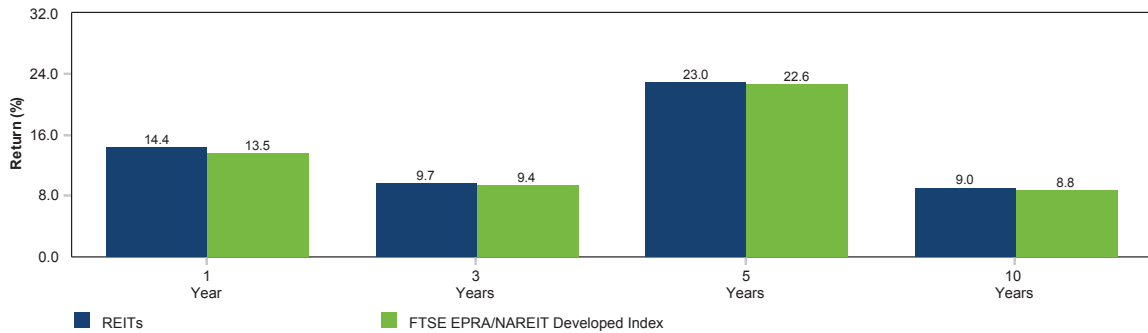


REITs

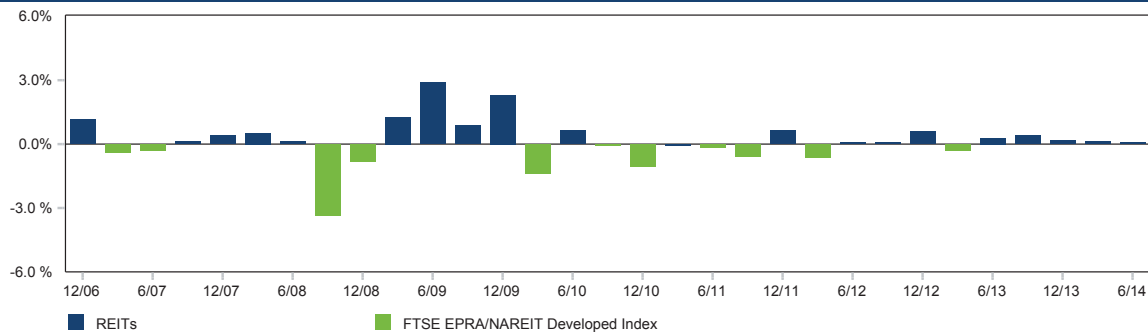
As of June 30, 2014

REITs

Return Summary



Quarterly Excess Performance



**Real Estate Pooled Funds Time-Weighted Performance Measures Through June 30, 2014**

<u>Name</u>	<u>Inception Date</u>	<u>Commitment</u>	<u>Net Asset Value</u>	<u>Since Inception Managed Return</u>
<b>Pooled Funds</b>				
Beacon Capital Strategic Partners Fund V	Sep-07	\$100,000,000	\$28,339,542	-13.3%
BlackRock Retail Opportunity Fund	Nov-07	\$60,000,000	\$485,141	-33.6%
Blackstone Asia	Jan-14	\$200,000,000	\$45,088,401	4.7%
Blackstone Real Estate Partners VI	Oct-07	\$200,000,000	\$292,261,870	6.3%
Blackstone Real Estate Partners VII	May-12	\$300,000,000	\$255,165,115	24.2%
Brookfield-Fairfield US Multi	Sep-12	\$50,000,000	\$56,446,780	20.0%
Brookfield-Fairfield US Multi II	Feb-14	\$75,000,000	\$8,034,462	-5.1%
Carlyle Realty Partners VI	Feb-12	\$83,000,000	\$57,480,221	20.7%
Diamond Property Fund	Aug-06	\$100,000,000	\$44,133,152	-9.5%
Enhanced Property Fund	May-07	\$100,000,000	\$46,064,218	-0.7%
Hines US Office Value Added Fund II	Sep-07	\$135,437,699	\$41,082,401	-20.3%
JP Morgan Pooled Fund	Sep-03	\$250,000,000	\$333,113,099	7.9%
JP Morgan Special Situation Fund	Jan-08	\$150,000,000	\$134,601,451	-0.9%
Prime Property Fund	Jun-06	\$250,000,000	\$299,724,735	5.1%
Principal Financial Group Pooled Fund	Oct-03	\$175,000,000	\$261,723,580	6.3%
Prudential PRISA	Apr-05	\$250,000,000	\$269,823,112	4.5%
Prudential PRISA Fund II	Sep-07	\$145,000,000	\$148,448,214	-1.0%
Prudential PRISA III	Jan-08	\$150,000,000	\$183,389,449	-3.4%
Rockpoint Real Estate Fund III	Jan-08	\$100,000,000	\$24,330,240	-51.9%
Rockpoint Real Estate Fund IV	Jan-13	\$100,000,000	\$31,494,589	47.5%
RREEF America REIT Pooled Fund	Jul-03	\$250,000,000	\$249,209,013	6.1%
Starwood Opportunity Fund IX	Apr-13	\$100,000,000	\$78,235,414	17.2%
Tristan EPISO 3	Mar-14	€75,000,000	\$8,192,664	-10.0%
UBS Pooled Fund	Jul-03	\$200,000,000	\$249,124,860	6.9%
<b>Total Pooled Funds</b>			<b>\$3,145,991,720</b>	<b>4.3%</b>

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## Strategic Investments

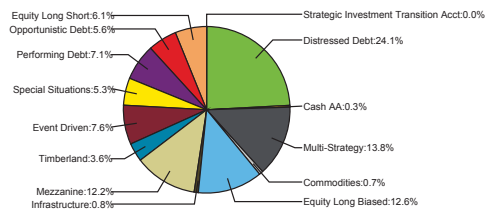
### Strategic Investments

As of June 30, 2014

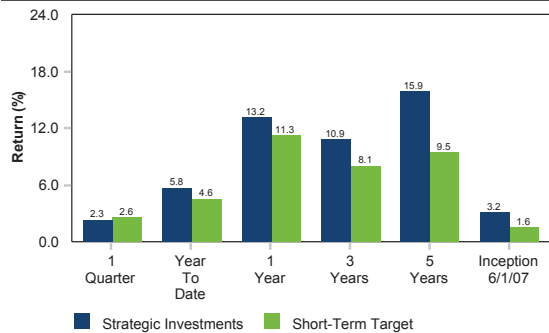
#### Strategic Investments Portfolio Overview

##### Current Allocation

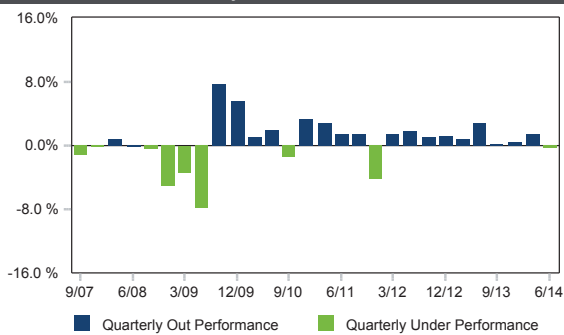
June 30, 2014 : \$8,112M



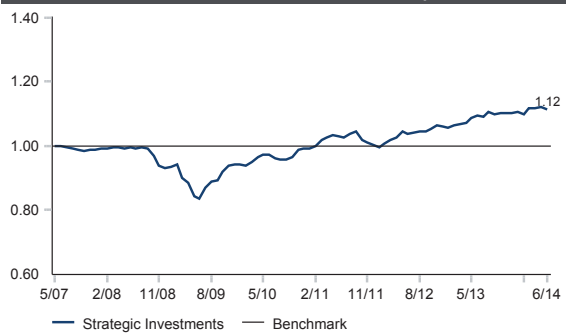
##### Return Summary



##### Quarterly Excess Performance



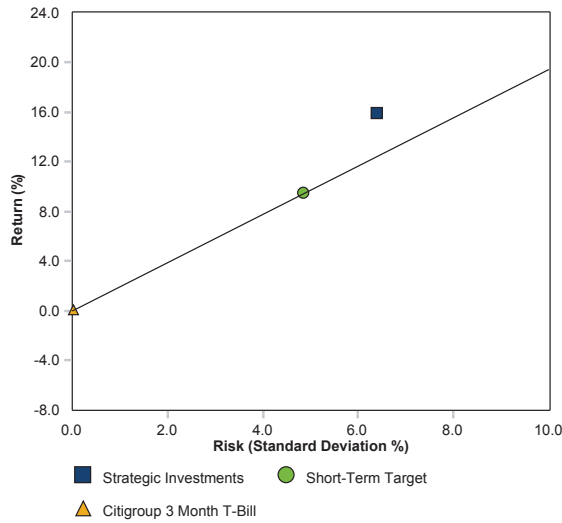
##### Ratio of Cumulative Wealth - Since Inception



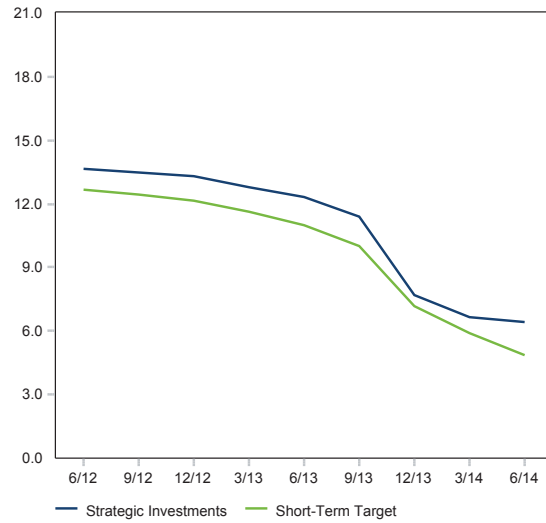


Strategic Investments Risk Profile

Annualized Return vs. Annualized Standard Deviation 5 Years



Rolling 5 Years Standard Deviation



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Strategic Investments	5.89	3.79	1.55	0.65	2.35	5.42	1.07	15.93	6.40	0.81
Short-Term Target	0.00	0.00	N/A	1.00	1.88	0.00	1.00	9.45	4.85	1.00
Citigroup 3 Month T-Bill	-9.10	4.84	-1.88	0.04	N/A	0.07	0.00	0.07	0.02	0.19



Strategic Investments Value-Added Returns

For Time Periods Ending June 2014

Style/Manager	Commitment	1 Year			3 Year			5 Year			10 Year			Since Inception		
		Mgd Return	Bmk Return	Value Added	Mgd Return	Bmk Return	Value Added	Mgd Return	Bmk Return	Value Added	Mgd Return	Bmk Return	Value Added	Mgd Return	Bmk Return	Value Added
<b>Performing Debt</b>																
<i>Senior Loans:</i>																
ABRY Advanced Securities Fund	\$150,000,000	49.58%	6.95%	42.62%	29.79%	6.77%	23.02%	31.87%	7.14%	24.73%				25.73%	6.31%	19.42%
ABRY Advanced Securities Fund II	\$150,000,000	15.22%	6.95%	8.27%	15.44%	6.77%	8.67%							12.42%	6.94%	5.48%
Apollo Credit Liquidity Fund	\$238,233,051	16.75%	6.95%	9.80%	16.50%	6.77%	9.73%	35.50%	7.14%	28.36%				14.06%	6.97%	7.09%
Audax Credit Opportunities	\$200,000,000	7.57%	6.95%	0.62%	7.31%	6.77%	0.54%							6.97%	7.14%	-0.17%
Blackstone Credit Liquidity Partners, L.P.	\$250,000,000	67.16%	6.95%	60.20%	23.79%	6.77%	17.01%	45.44%	7.14%	38.30%				15.96%	6.97%	8.99%
Providence TMT Debt Opportunity Fund II, L.P.	\$100,000,000	12.75%	6.95%	5.80%	12.62%	6.77%	5.85%							9.86%	7.25%	2.60%
Providence TMT Special Situation Fund	\$150,000,000	8.48%	6.95%	1.53%	10.59%	6.77%	3.82%	21.74%	7.14%	14.60%				11.67%	6.86%	4.80%
Providence Debt Fund III, L.P.	\$150,000,000													-5.24%	5.17%	-10.41%
<b>Mezzanine</b>																
<i>Corporate Mezzanine:</i>																
ABRY Senior Equity III, L.P.	\$60,000,000	18.48%	6.95%	11.53%	16.03%	6.77%	9.25%							13.78%	7.21%	6.57%
ABRY Senior Equity IV, L.P.	\$100,000,000	8.22%	6.95%	1.27%										6.35%	6.69%	-0.33%
Carlyle Mezzanine Partners II, L.P.	\$150,000,000	16.72%	6.95%	9.77%	10.56%	6.77%	3.79%	9.98%	7.14%	2.84%				7.87%	6.38%	1.49%
Crescent Mezzanine Partners VI	\$150,000,000	7.30%	6.95%	0.34%										3.74%	6.63%	-2.88%
Falcon Strategic Partners III	\$75,000,000	5.15%	6.95%	-1.80%	10.97%	6.77%	4.20%	13.13%	7.14%	5.99%				13.13%	7.14%	5.99%
Falcon Strategic Partners IV	\$100,000,000	5.16%	6.95%	-1.79%										3.60%	7.14%	-3.54%
GSO Capital Opportunities Fund	\$200,000,000	11.56%	6.95%	4.61%	23.71%	6.77%	16.94%	22.38%	7.14%	15.24%				19.75%	6.38%	13.37%
GSO Capital Opportunities Fund II	\$150,000,000	13.71%	6.95%	6.76%										21.38%	6.72%	14.66%
Levine Leichtman Capital Partners IV	\$100,000,000	9.37%	6.95%	2.42%	24.02%	6.77%	17.25%							24.97%	7.08%	17.89%
Levine Leichtman Capital Partners V	\$200,000,000													0.33%	6.32%	-6.00%
TCW Crescent Mezzanine Partners V	\$150,000,000	11.94%	6.95%	4.99%	12.34%	6.77%	5.57%	12.71%	7.14%	5.57%				9.48%	6.45%	3.03%
VSS Structured Capital II	\$75,000,000	37.01%	6.95%	30.06%	23.40%	6.77%	16.63%	12.20%	7.14%	5.06%				9.80%	7.16%	2.64%
<i>Real Estate Mezzanine:</i>																
BlackRock Carbon Capital III	\$100,000,000	19.78%	6.95%	12.82%	14.39%	6.77%	7.62%	10.57%	7.14%	3.43%				10.02%	7.06%	2.96%
BlackRock Carbon Capital V	\$150,000,000													2.20%	6.32%	-4.12%
Principal RE Debt (SBAF Mortgage Fund)	\$300,000,000	9.13%	6.95%	2.17%	9.70%	6.77%	2.93%							5.82%	7.06%	-1.23%



Strategic Investments Value-Added Returns (continued)																
For Time Periods Ending June 2014																
Style/Manager	Commitment	1 Year			3 Year			5 Year			10 Year			Since Inception		
		Mgd Return	Bmk Return	Value Added	Mgd Return	Bmk Return	Value Added	Mgd Return	Bmk Return	Value Added	Mgd Return	Bmk Return	Value Added	Mgd Return	Bmk Return	Value Added
<b>Distressed Debt</b>																
<i>Corporate Securities/Structured Products:</i>																
Blackstone/GSO Capital Solutions Fund	\$100,000,000	25.12%	6.95%	18.17%	14.14%	6.77%	7.37%							17.34%	7.21%	10.13%
CVI Credit Value Fund A	\$100,000,000	20.85%	6.95%	13.90%	24.41%	6.77%	17.64%							20.59%	7.34%	13.24%
CVI Credit Value Fund II A, L.P.	\$200,000,000	26.57%	6.95%	19.62%										19.33%	7.48%	11.85%
CVI Global Value Fund A-Class P	\$250,000,000	27.20%	6.95%	20.25%	21.74%	6.77%	14.97%	25.97%	7.14%	18.82%				23.00%	6.45%	16.55%
Distressed Managers II FL LP	\$150,000,000	7.66%	6.95%	0.71%	-1.53%	6.77%	-8.31%	3.06%	7.14%	-4.08%				0.96%	8.88%	-7.92%
Oaktree Opportunities Fund VIII, L.P.	\$100,000,000	19.90%	6.95%	12.95%	13.29%	6.77%	6.52%							12.87%	7.12%	5.75%
Oaktree Opportunities Fund VIII, L.P.	\$50,000,000	13.41%	6.95%	6.46%										8.13%	6.74%	1.39%
Oaktree Opportunity Fund IX	\$100,000,000	7.36%	6.95%	0.41%										5.51%	7.41%	-1.90%
OCM Opportunities Fund VIIb	\$50,000,000	10.68%	6.95%	3.72%	14.76%	6.77%	7.98%	24.14%	7.14%	17.00%				13.03%	4.47%	8.56%
PCG Special Situations Partners, L.P.	\$150,000,000	21.84%	6.95%	14.89%	8.72%	6.77%	1.95%	11.26%	7.14%	4.12%	6.92%	8.38%	-1.46%	7.91%	9.49%	-1.58%
Special Situation Partners II	\$100,000,000	8.37%	6.95%	1.41%	10.16%	6.77%	3.39%	18.71%	7.14%	11.57%				6.46%	5.15%	1.31%
Varde Fund X, L.P.	\$100,000,000	14.23%	6.95%	7.28%	11.73%	6.77%	4.96%							10.38%	7.19%	3.19%
The Varde Fund XI (C), L.P.	\$200,000,000													8.25%	6.32%	1.93%
Wayzata Opportunities Fund II	\$50,000,000	28.62%	6.95%	21.67%	21.18%	6.77%	14.40%	27.80%	7.14%	20.66%				16.38%	5.24%	11.13%
Wayzata Opportunities Fund III, LP	\$150,000,000	-7.19%	6.95%	-14.14%										-15.39%	7.48%	-22.87%
<i>Real Estate Distressed Debt:</i>																
Bayview Opportunity Master Fund II b	\$100,000,000	26.52%	6.95%	19.57%	26.33%	6.77%	19.56%							20.21%	7.14%	13.07%
Bayview Opportunity Fund IIb	\$150,000,000	9.49%	6.95%	2.54%										7.39%	7.41%	-0.02%
Cerberus Institutional Real Estate Partners III, L.P.	\$150,000,000													2.95%	5.17%	-2.23%
Colony Distressed Credit Fund II	\$75,000,000	13.74%	6.95%	6.78%										10.05%	6.72%	3.33%
Square Mile Partners III	\$100,000,000	14.82%	6.95%	7.87%	15.46%	6.77%	8.69%	9.74%	7.14%	2.60%				6.57%	7.06%	-0.49%
Tricon IX	\$105,000,000	14.11%	6.95%	7.16%	12.22%	6.77%	5.45%	9.36%	7.14%	2.22%				9.60%	6.45%	3.15%
Tricon XI A, L.P.	\$100,000,000	18.35%	6.95%	11.40%										12.86%	6.96%	5.90%
TriGate Property Partners II, L.P.	\$50,000,000	1.33%	6.95%	-5.62%										-0.08%	6.72%	-6.81%
<b>Opportunistic Debt</b>																
Anchorage Capital Fund	\$150,000,000	16.00%	14.34%	1.66%										14.99%	12.30%	2.69%
King Street Capital Fund	\$200,000,000	8.46%	14.34%	-5.88%	6.65%	8.62%	-1.97%							6.46%	8.13%	-1.67%
<b>Equity Long/Short</b>																
Highline Capital Partners	\$150,000,000	21.12%	13.41%	7.71%	11.10%	6.50%	4.60%							9.59%	5.50%	4.09%
Scopia FX LLC	\$100,000,000	4.30%	13.41%	-9.10%										5.51%	10.06%	-4.55%
Scout Capital Partners II LP	\$200,000,000	5.42%	13.41%	-7.99%										11.97%	14.13%	-2.17%
Three Bridges Europe Fund LP	\$75,000,000	7.44%	13.41%	-5.96%										11.04%	12.20%	-1.16%
JHL Capital Group Fund LLC	\$100,000,000													-0.57%	0.27%	-0.84%

Strategic Investments Value-Added Returns (continued)																
For Time Periods Ending June 2014																
Style/Manager	Commitment	1 Year			3 Year			5 Year			Since Inception					
		Mgd Return	Bmk Return	Value Added	Mgd Return	Bmk Return	Value Added	Mgd Return	Bmk Return	Value Added	Mgd Return	Bmk Return	Value Added			
<b>Equity Long Biased</b>																
<i>Active Equity:</i>																
Cevian Capital II	\$100,000,000	25.13%	29.28%	-4.15%	9.80%	8.67%	1.13%							15.59%	9.67%	5.91%
KV Partners	\$250,000,000	30.87%	29.28%	1.59%	-1.26%	8.62%	-9.88%							1.70%	11.92%	-10.22%
P2 Capital Fund	\$100,000,000	20.60%	23.64%	-3.04%	17.64%	14.57%	3.07%							19.60%	17.94%	1.66%
Starboard Value and Opportunity Fund	\$125,000,000	14.74%	23.64%	-8.90%	13.89%	14.57%	-0.68%							13.52%	13.29%	0.24%
<i>GP Investments:</i>																
Blackstone Unit Trusts		52.87%	25.22%	27.45%	25.52%	16.46%	9.06%	26.08%	19.33%	6.78%	4.47%	6.47%	-2.01%			
Lexington GP Holdings	\$41,250,000	8.12%	6.95%	2.17%	27.57%	6.77%	20.80%							20.04%	7.12%	12.52%
Providence Equity Global Group	\$150,000,000	-6.32%	6.95%	-13.28%										0.23%	6.63%	-4.39%
<b>Timberland</b>																
Boston Timber Opportunities	\$300,000,000	15.55%	10.78%	4.77%										10.66%	10.07%	0.59%
Jackson Timberland Opportunities	\$150,000,000	13.30%	9.78%	3.52%										5.57%	9.07%	-3.49%
<b>Infrastructure</b>																
Global Infrastructure Partners II, L.P.	\$150,000,000	23.80%	6.95%	16.85%										27.02%	6.78%	20.23%
<b>Commodities</b>																
Orion Mine Finance Fund I	\$100,000,000	8.37%	6.95%	1.42%										5.11%	6.72%	-1.61%
EIG Energy Fund XVI, L.P.	\$100,000,000													-31.51%	3.99%	-35.50%
<b>Special Situations</b>																
Castlelake Aviation II	\$75,000,000	18.56%	6.95%	11.61%	16.44%	6.77%	9.67%							14.65%	7.34%	7.31%
Florida Growth Fund	\$250,000,000	7.45%	6.95%	0.50%	8.42%	6.77%	1.65%							6.40%	7.04%	-0.64%
Florida Growth Fund Tranche II	\$250,000,000	14.45%	6.95%	7.50%										3.17%	6.60%	-3.43%
GI Partners III	\$100,000,000	21.23%	6.95%	14.28%	14.39%	6.77%	7.61%	17.12%	7.14%	9.98%	12.05%	7.06%	4.99%			
G.I. Partners Fund IV, L.P.														3.79%	-3.79%	
Florida Growth Fund Credit Tranche														0.74%	-0.74%	
<b>Flexible Mandates</b>																
<i>Event Driven</i>																
Gruss Global Investors Fund	\$150,000,000	6.66%	14.09%	-7.43%										4.97%	7.11%	-2.14%
Mason Capital Fund	\$200,000,000	6.94%	14.09%	-7.15%	6.19%	6.63%	-0.44%							5.58%	5.56%	0.02%
Utespeed Partners, L.P.	\$100,000,000													8.39%	5.75%	2.64%
Luxor Capital Partners	\$100,000,000													1.80%	5.45%	-3.65%
<i>Multi-strategy Hedge Funds:</i>																
Davidson Kempner Institutional Partners	\$100,000,000	7.67%	14.09%	-6.43%										7.67%	14.09%	-6.43%
OZ Domestic Partners II, L.P.	\$150,000,000	7.83%	14.09%	-6.26%										11.73%	14.50%	-2.77%
Taconic Opportunity Fund	\$200,000,000	7.66%	14.09%	-6.43%	7.35%	6.63%	0.73%							7.15%	5.69%	1.46%
Volk Capital Management LP	\$150,000,000	21.63%	14.09%	7.53%										19.46%	14.50%	4.96%
HBK Fund II, L.P.	\$150,000,000													6.54%	10.83%	-4.29%
<b>Cash</b>																
Strategic Investments Cash		0.08%	0.02%	0.05%	0.21%	0.04%	0.17%	0.39%	0.12%	0.28%	-0.21%	0.62%	-0.83%			
<b>Strategic Investments</b>			<b>13.19%</b>	<b>11.26%</b>	<b>1.93%</b>	<b>10.89%</b>	<b>8.66%</b>	<b>2.83%</b>	<b>15.93%</b>	<b>9.45%</b>	<b>6.48%</b>	<b>3.15%</b>	<b>1.58%</b>	<b>1.57%</b>		

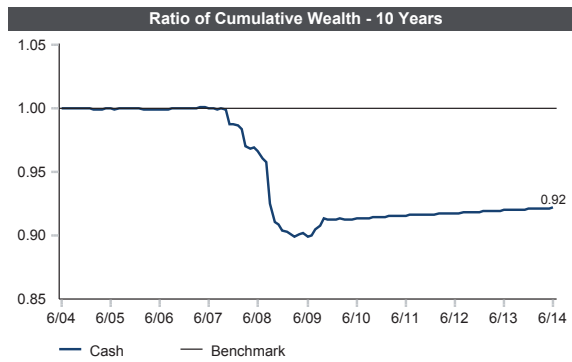
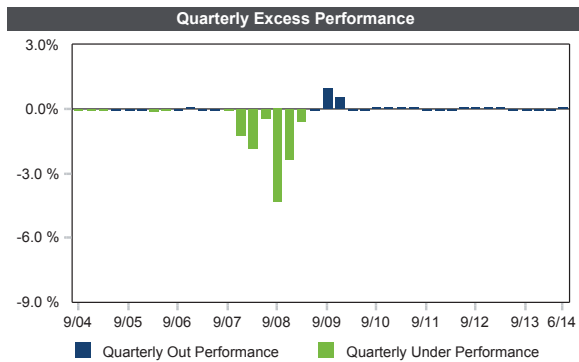
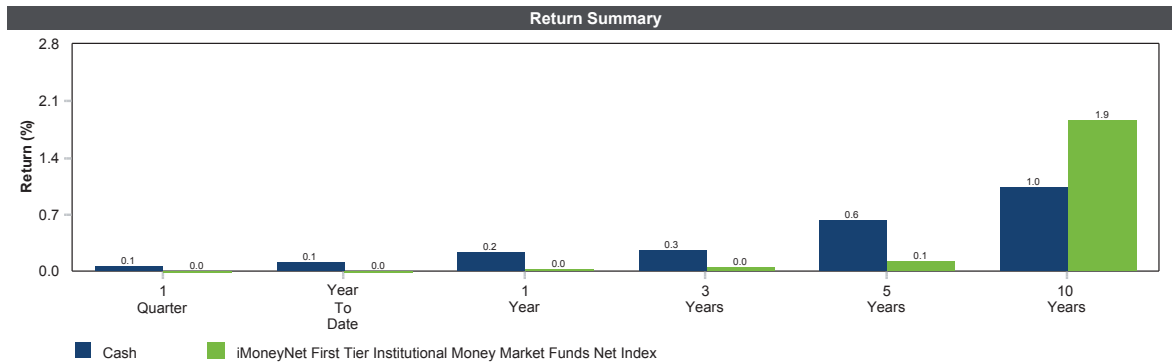
Value-Added returns are managed returns minus benchmark returns.  
Terminated portfolios are not shown individually but are included in the aggregate.



## Cash

### Cash As of June 30, 2014

#### Cash Performance Summary





## Appendix

As of June 30, 2014

### Securities Lending

FRS Pension Plan		
Net Income		
June 2014	Fiscal Year to Date	Calendar Year to Date
\$5,192,359	\$43,515,444	\$20,395,973
Returns (annualized basis points)		
June 2014	Fiscal Year to Date	Calendar Year to Date
88	87	94

## Historical Policy Allocation

	Global Equity (%)	Domestic (%)	Foreign Equity (%)	Global Equity (%)	Strategic (%)	Fixed Income (%)	Real Estate (%)	Private Equity (%)	High Yield (%)
6/30/2014	59.7	--	--	--	5.5	20.9	7.6	5.4	--
3/31/2014	60.0	--	--	--	5.5	20.9	7.4	4.9	--
12/31/2013	57.5	--	--	--	5.3	24.0	7.2	5.0	--
9/30/2013	57.2	--	--	--	5.2	24.0	7.4	5.1	--
6/30/2013	57.4	--	--	--	5.0	24.0	7.5	5.1	--
3/31/2013	57.6	--	--	--	4.8	24.0	7.6	5.0	--
12/31/2012	57.2	--	--	--	5.0	24.0	7.5	5.2	--
9/30/2012	57.5	--	--	--	4.7	24.0	7.6	5.2	--
6/30/2012	55.6	--	--	--	4.4	26.0	7.7	5.3	--
3/31/2012	57.1	--	--	--	4.0	26.0	7.2	4.7	--
12/31/2011	56.8	--	--	--	4.1	26.0	7.2	4.9	--
9/30/2011	57.6	--	--	--	3.7	26.0	6.9	4.7	--
6/30/2011	59.2	--	--	--	3.2	26.0	6.4	4.3	--
3/31/2011	60.0	--	--	--	2.6	26.0	6.3	4.0	--
12/31/2010	59.6	--	--	--	2.8	26.0	6.3	4.3	--
9/30/2010	58.2	--	--	--	4.2	26.0	6.5	4.2	--
6/30/2010	--	36.5	19.2	--	3.9	27.2	6.3	4.0	1.9
3/31/2010	--	37.1	19.3	--	3.7	27.3	6.2	3.6	1.9
12/31/2009	--	37.1	19.3	--	3.6	27.2	6.4	3.5	1.9
9/30/2009	--	37.0	19.3	--	3.5	26.9	6.9	3.5	1.9
6/30/2009	--	36.5	19.3	--	3.4	26.4	7.9	3.6	1.9
3/31/2009	--	34.4	19.3	--	3.6	25.0	10.0	4.8	1.9
12/31/2008	--	34.6	19.2	--	4.0	25.0	9.8	4.5	1.9
9/30/2008	--	36.2	19.1	--	4.3	26.1	7.9	3.5	1.9
6/30/2008	--	36.8	19.2	--	4.2	26.5	7.3	3.2	1.9
3/31/2008	--	36.3	19.1	--	4.5	26.3	7.4	3.7	1.8
12/31/2007	--	37.7	18.7	--	4.5	26.8	6.6	3.4	1.4
9/30/2007	--	38.9	17.8	--	4.4	27.1	6.2	3.2	1.4
6/30/2007	--	42.6	14.4	--	4.4	27.3	5.9	3.2	1.4
03/01/04 - 03/31/04	--	50.6	14.0	3.0	--	22.4	5.6	3.4	--
02/02/04 - 02/29/04	--	50.5	14.0	3.0	--	22.6	5.5	3.4	--
01/01/04 - 02/01/04	--	51.3	14.0	2.0	--	22.7	5.5	3.5	--
12/01/03 - 12/31/03	--	51.1	14.0	2.0	--	22.8	5.5	3.6	--
11/03/03 - 11/30/03	--	51.7	13.5	2.0	--	22.8	5.6	3.5	--
10/29/03 - 11/02/03	--	51.7	13.5	2.0	--	23.0	5.5	3.3	--
10/01/03 - 10/28/03	--	51.7	13.0	2.0	--	23.0	5.5	3.3	--
09/01/03 - 09/30/03	--	53.5	12.5	1.0	--	22.9	5.7	3.4	--
08/01/03 - 08/31/03	--	53.4	12.5	1.0	--	23.5	5.2	3.4	--
07/01/03 - 07/31/03	--	52.5	12.5	1.0	--	24.2	4.9	3.6	--
06/02/03 - 06/30/03	--	52.5	12.5	1.0	--	24.6	4.6	3.6	--
04/01/01 - 06/01/03	--	54.0	12.0	0.0	--	25.0	4.1	3.6	--
10/31/99 - 03/31/01	--	54.0	12.0	0.0	--	25.0	4.0	2.8	--
02/31/95 - 10/31/99	--	61.0	8.0	0.0	--	26.0	4.0	0.0	--
09/30/94 - 03/31/95	--	59.0	8.0	0.0	--	24.0	8.0	0.0	--
06/30/93 - 09/30/94	--	59.0	3.0	0.0	--	29.0	8.0	0.0	--
11/30/88 - 06/30/93	--	55.0	0.0	0.0	--	36.0	8.0	0.0	--
12/31/87 - 11/30/88	--	50.0	5.0	0.0	--	36.5	7.5	0.0	--

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As of June 30, 2014

### Appendix

#### Total FRS Assets

**Performance Benchmark** - A combination of the Global Equity Target, the Barclays Capital U.S. Intermediate Aggregate Index, the Private Equity Target Index, the Real Estate Investments Target Index, the Strategic Investments Target Benchmark, and the iMoneyNet First Tier Institutional Money Market Funds Net Index. The short-term target policy allocations to the Strategic Investments, Real Estate and Private Equity asset classes are floating and based on the actual average monthly balance of the Global Equity asset class. Prior to October 1, 2013, the Performance benchmark was a combination of the Global Equity Target, the Barclays Aggregate Bond Index, the Private Equity Target Index, the Real Estate Investments Target Index, the Strategic Investments Target Benchmark, and the iMoneyNet First Tier Institutional Money Market Funds Net Index. The short-term target policy allocations to the Strategic Investments, Real Estate and Private Equity asset classes are floating and based on the actual average monthly balance of the Global Equity asset class. Prior to July 2010, the Performance Benchmark was a combination of the Russell 3000 Index, the Foreign Equity Target Index, the Strategic Investments Target Benchmark, the Barclays Aggregate Bond Index, the Real Estate Investments Target Index, the Private Equity Target Index, the Barclays U.S. High Yield Ba/B 2% Issuer Capped Index, and the iMoneyNet First Tier Institutional Money Market Funds Gross Index. During this time, the short-term target policy allocations to Strategic Investments, Real Estate and Private Equity asset classes were floating and based on the actual average monthly balance of the Strategic Investments, Real Estate and Private Equity asset classes. The target weights shown for Real Estate and Private Equity were the allocations that the asset classes were centered around. The actual target weight floated around this target month to month based on changes in asset values.

#### Total Global Equity

**Performance Benchmark** - A custom version of the MSCI All Country World Investable Market Index, adjusted to exclude companies divested under the provisions of the Protecting Florida's Investments Act (PFIA). Prior to July 2010, the asset class benchmark is a weighted average of the underlying Domestic Equities, Foreign Equities and Global Equities historical benchmarks.

#### Total Domestic Equities

**Performance Benchmark** - The Russell 3000 Index. Prior to July 1, 2002, the benchmark was the Wilshire 2500 Stock Index. Prior to January 1, 2001, the benchmark was the Wilshire 2500 Stock Index ex-Tobacco. Prior to May 1, 1997, the benchmark was the Wilshire 2500 Stock Index. Prior to September 1, 1994, the benchmark was the S&P 500 Stock Index.

#### Total Foreign Equities

**Performance Benchmark** - A custom version of the MSCI ACWI ex-U.S. Investable Market Index adjusted to exclude companies divested under the PFIA. Prior to April 1, 2008, it was the MSCI All Country World Index ex-U.S. Investable Market Index. Prior to September 24, 2007, the target was the MSCI All Country World ex-U.S. Free Index. Prior to November 1, 1999, the benchmark was 85% MSCI Europe, Australasia and Far East (EAFE) Foreign Stock Index and 15% IFICI Emerging Markets Index with a half weight in Malaysia. Prior to March 31, 1995, the benchmark was the EAFE Index.

#### Total Global Equities

**Performance Benchmark** - Aggregated based on each underlying manager's individual benchmark. The calculation accounts for the actual weight and the benchmark return. The benchmarks used for the underlying managers include both the MSCI FSB All Country World ex-Sudan ex-Iran Net Index and MSCI FSB All Country World ex-Sudan ex-Iran Net Investable Market Index (IMI).

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As of June 30, 2014

## Appendix

### Total Fixed Income

**Performance Benchmark** - The Barclays Capital U.S. Intermediate Aggregate Index. Prior to October 1, 2013, it was the Barclays U.S. Aggregate Bond Index. Prior to June 1, 2007, it was the Fixed Income Management Aggregate (FIMA). Prior to July 1, 1999, the benchmark was the Florida High Yield Extended Duration Index. Prior to July 31, 1997, the benchmark was the Florida Extended Duration Index. Prior to July 1, 1989, the Salomon Brothers Broad Investment-Grade Bond Index was the benchmark. For calendar year 1985, the performance benchmark was 70% Shearson Lehman Extended Duration and 30% Salomon Brothers Mortgage Index.

### Total Private Equity

**Performance Benchmark** - The domestic equities target index return (Russell 3000 Index) plus a fixed premium return of 300 basis points per annum. Prior to July 1, 2010, it was the domestic equities target index return plus a fixed premium return of 450 basis points per annum. Prior to November 1, 1999, Private Equities was part of the Domestic Equities asset class and its benchmark was the domestic equities target index return plus 750 basis points.

### Total Real Estate

**Performance Benchmark** - A combination of 90% NCREIF ODCE Index, net of fees, and 10% FTSE EPRA/NAREIT Developed Index, net of fees. Prior to July 1, 2010, it was a combination of 90% NCREIF ODCE Index, gross of fees, and 10% Dow Jones U.S. Select RESI. Prior to June 1, 2007, it was the Consumer Price Index plus 450 basis points annually. Prior to July 1, 2003, the benchmark was the Dow Jones U.S. Select Real Estate Securities Index Un-Levered. Prior to November 1, 1999, the benchmark was the Russell-NCREIF Property Index.

### Total Strategic Investments

**Performance Benchmark** - Long-term, 5% plus the contemporaneous rate of inflation or CPI. Short-term, a weighted aggregation of individual portfolio level benchmarks.

### Total Cash

**Performance Benchmark** - The iMoneyNet First Tier Institutional Money Market Funds Net Index. Prior to July 1, 2010, it was the iMoneyNet First Tier Institutional Money Market Funds Gross Index. Prior to June 1, 2007, it was the return of the Merrill Lynch 90-Day (Auction Average) Treasury Bill Yield Index.

As of June 30, 2014

## Appendix

### Description of Benchmarks

**Barclays Capital U.S. Intermediate Aggregate Bond Index** - A market value-weighted index consisting of U.S. Treasury securities, corporate bonds and mortgage-related and asset-backed securities with one to ten years to maturity and an outstanding par value of \$250 million or greater.

**Consumer Price Index (CPI)** - The CPI, an index consisting of a fixed basket of goods bought by the typical consumer and used to measure consumer inflation.

**FTSE EPRA/NAREIT Developed Index** - An index designed to represent general trends in eligible real estate equities worldwide. Relevant real estate activities are defined as the ownership, disposal and development of income-producing real estate. This index covers the four primary core asset classes (Industrial, Retail, Office, and Apartment).

**iMoneyNet First Tier Institutional Money Market Funds Net Index** - An average of non-governmental institutional funds that do not hold any second tier securities. It includes money market mutual funds, net of fees, that invest in commercial paper, bank obligations and short-term investments in the highest ratings category and is open to corporations and fiduciaries only.

**MSCI All Country World Investable Market Index** - A free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets. This investable market index contains constituents from the large, mid, and small cap size segments and targets a coverage range around 99% of free-float adjusted market capitalization.

**NCREIF ODCE Property Index** - The NCREIF ODCE is a capitalization-weighted, gross of fee, time-weighted return index. The index is a summation of open-end funds, which NCREIF defines as infinite-life vehicles consisting of multiple investors who have the ability to enter or exit the fund on a periodic basis, subject to contribution and/or redemption requests.

**Russell 3000 Index** - A capitalization-weighted stock index consisting of the 3,000 largest publicly traded U.S. stocks by capitalization. This represents most publicly traded, liquid U.S. stocks.

## Appendix

## Description of Universes

**Total Fund** - A universe comprised of 78 total fund portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics and Investment Metrics. Aggregate assets in the universe comprised \$813.8 billion as of quarter-end and the average market value was \$21.4 billion.

**Domestic Equity** - A universe comprised of 55 total domestic equity portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised \$195.2 billion as of quarter-end and the average market value was \$5.4 billion.

**Foreign Equity** - A universe comprised of 53 total international equity portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised \$168.3 billion as of quarter-end and the average market value was \$5.0 billion.

**Fixed Income** - A universe comprised of 54 total fixed income portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised \$217.0 billion as of quarter-end and the average market value was \$6.2 billion.

**Real Estate** - A universe comprised of 21 total real estate portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised \$44.4 billion as of quarter-end and the average market value was \$2.3 billion.

**Private Equity** - An appropriate universe for private equity is unavailable.

**Strategic Investments** - An appropriate universe for strategic investments is unavailable.

## Appendix

## Explanation of Exhibits

**Quarterly and Cumulative Excess Performance** - The vertical axis, excess return, is a measure of fund performance less the return of the primary benchmark. The horizontal axis represents the time series. The quarterly bars represent the underlying funds' relative performance for the quarter.

**Risk-Return Graph** - The horizontal axis, annualized standard deviation, is a statistical measure of risk, or the volatility of returns. The vertical axis is the annualized rate of return. As investors generally prefer less risk to more risk and always prefer greater returns, the upper left corner of the graph is the most attractive place to be. The line on this exhibit represents the risk and return trade-offs associated with market portfolios, or index funds.

**Ratio of Cumulative Wealth Graph** - An illustration of a portfolio's cumulative, un-annualized performance relative to that of its benchmark. An upward-sloping line indicates superior fund performance versus its benchmark. Conversely, a downward-sloping line indicates underperformance by the fund. A flat line is indicative of benchmark-like performance.

**Performance Comparison - Universe Comparison** - An illustration of the distribution of returns for a particular asset class. The component's return is indicated by the circle and its performance benchmark by the triangle. The top and bottom borders represent the 5th and 95th percentiles, respectively. The solid line indicates the median while the dotted lines represent the 25th and 75th percentiles.



FRS Investment Plan | Second Quarter 2014

## Quarterly Investment Review

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## FRS Investment Plan

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As of June 30, 2014

### Asset Allocation & Performance

	Allocation		Performance(%)					
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
<b>FRS Investment Plan</b>	<b>9,034,889,894</b>	<b>100.0</b>	<b>3.3</b>	<b>4.9</b>	<b>15.5</b>	<b>8.7</b>	<b>11.0</b>	<b>6.6</b>
<i>Total Plan Aggregate Benchmark</i>			3.3	4.9	15.1	8.5	10.5	6.1
<b>Balanced Funds</b>	<b>4,064,682,438</b>	<b>45.0</b>	<b>3.5</b>	<b>5.1</b>	<b>14.3</b>	<b>8.0</b>	<b>10.0</b>	<b>6.2</b>
FRS Select Conservative Balanced Fund	667,506,757	7.4	2.0	3.1	6.3	3.9	5.2	4.6
<i>Conservative Balanced Fund Target Benchmark</i>			1.9	3.0	6.1	3.8	5.0	4.2
FRS Select Moderate Balanced Fund	2,561,289,318	28.3	3.6	5.3	15.1	8.6	10.7	6.4
<i>Moderate Balanced Fund Target Benchmark</i>			3.5	5.3	15.1	8.4	10.4	6.1
FRS Select Aggressive Balanced Fund	835,886,363	9.3	4.3	6.2	19.5	10.7	12.9	6.9
<i>Aggressive Balanced Fund Target Benchmark</i>			4.2	6.2	19.6	10.7	12.9	7.0
<b>Cash</b>	<b>873,396,786</b>	<b>9.7</b>	<b>0.0 (1)</b>	<b>0.1 (1)</b>	<b>0.2 (1)</b>	<b>0.2 (1)</b>	<b>0.2 (1)</b>	<b>1.9 (3)</b>
FRS Select Yield Plus Money Market Active Fund	873,396,786	9.7	0.0 (1)	0.1 (1)	0.2 (1)	0.2 (1)	0.2 (1)	1.9 (3)
<i>iMoneyNet 1st Tier Institutional Net Index</i>			0.0 (23)	0.0 (23)	0.0 (21)	0.0 (23)	0.1 (14)	1.9 (2)
<b>TIPS</b>	<b>156,293,163</b>	<b>1.7</b>	<b>3.9</b>	<b>5.9</b>	<b>4.6</b>	<b>3.7</b>	<b>5.6</b>	<b>5.3</b>
FRS Select TIPS Fund	156,293,163	1.7	3.9 (23)	5.9 (30)	4.6 (39)	3.7 (14)	5.6 (27)	5.3 (31)
<i>Barclays Capital US TIPS</i>			3.8 (25)	5.8 (31)	4.4 (44)	3.6 (30)	5.6 (31)	5.2 (32)
<b>Fixed Income</b>	<b>641,714,649</b>	<b>7.1</b>	<b>2.0 (4)</b>	<b>3.8 (3)</b>	<b>4.9 (9)</b>	<b>4.1 (19)</b>	<b>5.9 (28)</b>	<b>5.5 (12)</b>
FRS Select U.S. Bond Enhanced Index Fund	135,975,664	1.5	2.1 (34)	4.1 (33)	4.5 (24)	3.8 (33)	5.0 (28)	5.1 (27)
<i>Barclays Aggregate Index</i>			2.0 (35)	3.9 (34)	4.4 (25)	3.7 (33)	4.9 (29)	4.9 (32)
Pyramis Intermediate Duration Pool Fund	93,201,513	1.0	1.4 (17)	2.7 (16)	3.7 (32)	3.4 (38)	5.2 (44)	4.6 (33)
<i>Barclays Intermediate Aggregate</i>			1.6 (6)	2.8 (12)	3.5 (44)	2.9 (65)	4.2 (65)	4.6 (34)
FRS Select High Yield Fund	176,833,298	2.0	2.3 (46)	5.4 (35)	10.9 (56)	8.6 (47)	-	-
<i>Barclays Capital U.S. High Yield BA/B 1% Issuer Cap Index</i>			2.4 (31)	5.4 (34)	11.2 (46)	9.4 (20)	-	-
PIMCO Total Return Fund	235,704,173	2.6	2.3 (1)	3.7 (4)	4.8 (10)	4.2 (19)	6.2 (26)	6.2 (1)
<i>Barclays Aggregate Index</i>			2.0 (3)	3.9 (3)	4.4 (13)	3.7 (34)	4.9 (50)	4.9 (18)

Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.

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As of June 30, 2014

**Asset Allocation & Performance**

	Allocation		Performance(%)					
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
<b>Domestic Equity</b>	<b>2,523,581,761</b>	<b>27.9</b>	<b>4.5 (46)</b>	<b>6.7 (39)</b>	<b>26.0 (39)</b>	<b>16.3 (33)</b>	<b>20.5 (21)</b>	<b>9.1 (22)</b>
FRS Select U.S. Stock Market Index Fund <i>Russell 3000 Index</i>	595,866,975	6.6	4.9 (43) 4.9 (44)	7.0 (34) 6.9 (34)	25.3 (41) 25.2 (42)	16.5 (28) 16.5 (30)	19.4 (14) 19.3 (15)	8.3 (22) 8.2 (24)
FRS Select U.S. Large Value Stock Fund <i>Russell 1000 Value Index</i>	336,668,919	3.7	5.1 (27) 5.1 (27)	7.9 (25) 8.3 (13)	24.5 (27) 23.8 (39)	17.0 (18) 16.9 (18)	19.5 (15) 19.2 (18)	-
QMA Mid Cap Quantitative Core Fund <i>S&amp;P MidCap 400</i>	460,260,464	5.1	5.4 (15) 4.3 (38)	8.8 (20) 7.5 (33)	27.6 (27) 25.2 (51)	16.9 (14) 15.3 (32)	23.9 (5) 21.7 (16)	-
FRS Select U.S. Large Growth Stock Active Fund <i>Russell 1000 Growth Index</i>	153,010,423	1.7	4.6 (47) 5.1 (29)	5.0 (47) 6.3 (21)	30.1 (22) 26.9 (47)	15.9 (39) 16.3 (29)	18.9 (32) 19.2 (23)	8.7 (19) 8.2 (35)
Fidelity Growth Company Fund <i>Russell 3000 Growth Index</i>	445,282,638	4.9	3.8 (70) 4.9 (39)	6.6 (16) 6.0 (28)	30.3 (21) 26.8 (52)	16.9 (20) 16.1 (33)	21.7 (4) 19.3 (20)	11.1 (1) 8.3 (34)
American Beacon Small Cap Value Fund <i>Russell 2000 Value Index</i>	178,030,034	2.0	2.9 (24) 2.4 (34)	4.6 (24) 4.2 (36)	25.7 (36) 22.5 (65)	15.9 (40) 14.6 (61)	22.0 (18) 19.9 (61)	-
T. Rowe Price Small Cap Stock Fund <i>Russell 2000 Index</i>	329,089,622	3.6	2.2 (14) 2.0 (15)	4.3 (13) 3.2 (16)	24.0 (53) 23.6 (60)	15.9 (16) 14.6 (46)	23.2 (8) 20.2 (43)	10.7 (2) 8.7 (27)
Fidelity Low Priced Stock Fund <i>Russell 2500 Value Index</i>	25,372,687	0.3	2.9 (66) 4.2 (39)	5.0 (62) 7.9 (29)	22.5 (80) 24.9 (54)	15.7 (26) 16.0 (22)	20.4 (37) 21.6 (18)	10.7 (13) 9.4 (46)
<b>International/Global Equity</b>	<b>651,214,242</b>	<b>7.2</b>	<b>4.3 (57)</b>	<b>5.0 (52)</b>	<b>23.6 (31)</b>	<b>8.6 (22)</b>	<b>12.8 (33)</b>	<b>8.1 (49)</b>
FRS Select Foreign Stock Index Fund <i>MSCI World ex USA</i>	210,070,844	2.3	4.8 (50) 4.6 (53)	5.6 (43) 5.4 (47)	24.2 (27) 23.8 (29)	7.9 (28) 7.6 (34)	12.0 (42) 11.7 (49)	7.4 (53) 7.2 (57)
American Funds New Perspective Fund <i>MSCI All Country World Index Net</i>	246,760,959	2.7	3.2 (76) 5.0 (31)	3.6 (79) 6.2 (48)	21.8 (62) 22.9 (53)	12.2 (28) 10.8 (47)	15.9 (35) 14.4 (54)	9.5 (35) 7.0 (59)
American Funds Euro-Pacific Growth Fund <i>MSCI All Country World ex-U.S. Index</i>	194,382,439	2.2	3.0 (92) 5.2 (26)	3.7 (76) 5.9 (17)	22.4 (58) 22.3 (59)	7.4 (55) 6.2 (81)	12.0 (14) 11.2 (62)	-
<b>FRS Self-Dir Brokerage Acct</b>	<b>124,006,855</b>	<b>1.4</b>						

Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.



As of June 30, 2014

**Asset Allocation & Performance**

	Performance(%)									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>FRS Investment Plan</b>	<b>15.2</b>	<b>10.5</b>	<b>0.7</b>	<b>10.6</b>	<b>18.4</b>	<b>-23.2</b>	<b>7.8</b>	<b>12.4</b>	<b>7.4</b>	<b>10.6</b>
<i>Total Plan Aggregate Benchmark</i>	14.6	9.7	0.9	10.2	16.8	-23.4	6.1	13.9	6.1	11.0
<b>Balanced Funds</b>	<b>12.3</b>	<b>9.7</b>	<b>1.4</b>	<b>9.2</b>	<b>16.4</b>	<b>-22.8</b>	<b>7.7</b>	<b>13.9</b>	<b>6.9</b>	<b>11.0</b>
FRS Select Conservative Balanced Fund <i>Conservative Balanced Fund Target Benchmark</i>	2.6 2.5	5.2 4.8	3.9 4.0	5.3 4.8	9.3 8.7	-7.3 -8.0	8.5 7.6	7.1 6.7	4.4 4.0	6.4 6.3
FRS Select Moderate Balanced Fund <i>Moderate Balanced Fund Target Benchmark</i>	13.2	10.4	1.2	10.0	17.2	-23.8	7.4	14.2	6.8	11.3
FRS Select Aggressive Balanced Fund <i>Aggressive Balanced Fund Target Benchmark</i>	19.7 19.9	12.8 12.5	-0.9 -0.8	11.3 11.0	20.9 21.1	-32.2 -32.4	8.2 7.5	17.6 18.6	8.6 8.5	13.1 14.1
<b>Cash</b>	<b>0.2 (1)</b>	<b>0.3 (1)</b>	<b>0.2 (1)</b>	<b>0.3 (2)</b>	<b>0.3 (34)</b>	<b>2.4 (41)</b>	<b>5.4 (1)</b>	<b>5.2 (1)</b>	<b>3.5 (1)</b>	<b>1.4 (1)</b>
FRS Select Yield Plus Money Market Active Fund <i>iMoneyNet 1st Tier Institutional Net Index</i>	0.2 (1) 0.0 (24)	0.3 (1) 0.1 (23)	0.2 (1) 0.1 (23)	0.3 (2) 0.2 (7)	0.3 (34) 0.7 (3)	2.4 (41) 3.0 (5)	5.4 (1) 5.4 (1)	5.2 (1) 5.2 (1)	3.5 (1) 3.3 (1)	1.5 (1) 1.5 (1)
<b>TIPS</b>	<b>-8.5</b>	<b>7.1</b>	<b>13.6</b>	<b>6.4</b>	<b>11.3</b>	<b>-2.0</b>	<b>11.7</b>	<b>0.5</b>	<b>2.8</b>	<b>8.4</b>
FRS Select TIPS Fund <i>Barclays Capital US TIPS</i>	-8.5 (50) -8.6 (52)	7.1 (32) 7.0 (37)	13.6 (16) 13.6 (17)	6.4 (36) 6.3 (47)	11.3 (38) 11.4 (35)	-2.0 (42) -2.4 (47)	11.7 (24) 11.6 (24)	0.5 (28) 0.4 (36)	2.8 (22) 2.8 (20)	8.4 (27) 8.5 (26)
<b>Fixed Income</b>	<b>-1.1 (84)</b>	<b>6.0 (42)</b>	<b>6.7 (1)</b>	<b>7.6 (28)</b>	<b>11.7 (55)</b>	<b>1.4 (48)</b>	<b>6.9 (13)</b>	<b>4.8 (19)</b>	<b>2.7 (1)</b>	<b>4.8 (1)</b>
FRS Select U.S. Bond Enhanced Index Fund <i>Barclays Aggregate Index</i>	-2.0 (18) -2.0 (18)	4.4 (10) 4.2 (11)	7.9 (63) 7.8 (64)	6.7 (45) 6.5 (46)	6.5 (7) 5.9 (8)	5.9 (84) 5.2 (86)	7.2 (57) 7.0 (59)	4.3 (2) 4.3 (1)	2.5 (52) 2.4 (53)	4.4 (25) 4.3 (25)
Pyramis Intermediate Duration Pool Fund <i>Barclays Intermediate Aggregate</i>	-0.5 (66) -1.0 (82)	4.9 (59) 3.6 (79)	5.9 (13) 6.0 (11)	7.0 (34) 6.1 (50)	11.9 (54) 6.5 (87)	-1.7 (56) 4.9 (10)	6.0 (30) 7.0 (12)	4.8 (20) 4.6 (23)	2.2 (10) 2.0 (12)	3.9 (17) 3.8 (19)
FRS Select High Yield Fund <i>Barclays Capital U.S. High Yield BA/B 1% Issuer Cap Index</i>	6.1 (73) 6.3 (69)	12.9 (79) 14.7 (58)	6.0 (6) 6.9 (3)	13.6 (75) 13.9 (65)	- -	- -	- -	- -	- -	- -
PIMCO Total Return Fund <i>Barclays Aggregate Index</i>	-2.0 (99) -2.0 (99)	10.2 (3) 4.2 (69)	4.0 (46) 7.8 (1)	8.7 (13) 6.5 (38)	13.7 (43) 5.9 (94)	4.7 (11) 5.2 (9)	8.9 (1) 7.0 (13)	3.9 (71) 4.3 (31)	2.8 (1) 2.4 (7)	5.0 (1) 4.3 (9)

Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.



As of June 30, 2014

**Asset Allocation & Performance**

	Performance(%)									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Domestic Equity</b>	<b>35.2 (40)</b>	<b>16.9 (33)</b>	<b>0.3 (35)</b>	<b>20.4 (24)</b>	<b>30.9 (53)</b>	<b>-36.5 (32)</b>	<b>5.2 (58)</b>	<b>14.1 (50)</b>	<b>8.2 (43)</b>	<b>12.9 (49)</b>
FRS Select U.S. Stock Market Index Fund <i>Russell 3000 Index</i>	33.6 (40)	16.5 (37)	1.0 (41)	17.1 (14)	28.6 (48)	-37.2 (51)	5.2 (65)	15.7 (36)	6.2 (49)	12.0 (34)
FRS Select U.S. Large Value Stock Fund <i>Russell 1000 Value Index</i>	34.8 (31)	15.4 (60)	1.6 (21)	15.2 (30)	20.8 (66)	-35.2 (29)	-	-	-	-
QMA Mid Cap Quantitative Core Fund <i>S&amp;P MidCap 400</i>	35.6 (49)	20.4 (8)	0.1 (19)	28.9 (14)	36.5 (50)	-36.8 (32)	8.3 (54)	11.9 (49)	11.6 (49)	-
FRS Select U.S. Large Growth Stock Active Fund <i>Russell 1000 Growth Index</i>	36.6 (26)	16.0 (47)	1.2 (34)	13.6 (67)	41.5 (31)	-37.3 (26)	11.9 (73)	4.1 (75)	13.3 (12)	4.6 (85)
Fidelity Growth Company Fund <i>Russell 3000 Growth Index</i>	37.9 (17)	18.8 (14)	0.9 (37)	20.8 (7)	41.5 (31)	-40.7 (55)	20.2 (17)	9.8 (16)	13.8 (11)	12.4 (10)
American Beacon Small Cap Value Fund <i>Russell 2000 Value Index</i>	40.1 (42)	16.5 (63)	-4.0 (51)	26.2 (37)	35.4 (40)	-31.9 (34)	-6.4 (42)	14.7 (77)	5.8 (56)	-
T. Rowe Price Small Cap Stock Fund <i>Russell 2000 Index</i>	37.6 (85)	18.0 (8)	-0.1 (32)	32.5 (18)	38.5 (42)	-33.3 (10)	-1.7 (91)	12.8 (37)	8.4 (45)	18.8 (22)
Fidelity Low Priced Stock Fund <i>Russell 2500 Value Index</i>	33.3 (68)	19.2 (13)	-3.4 (51)	24.8 (44)	27.7 (87)	-32.0 (6)	-7.3 (99)	20.2 (9)	7.7 (80)	21.6 (12)
<b>International/Global Equity</b>	<b>21.6 (33)</b>	<b>18.6 (53)</b>	<b>-11.3 (22)</b>	<b>10.1 (73)</b>	<b>34.8 (62)</b>	<b>-40.9 (19)</b>	<b>15.0 (46)</b>	<b>23.2 (80)</b>	<b>14.9 (58)</b>	<b>17.9 (67)</b>
FRS Select Foreign Stock Index Fund <i>MSCI World ex USA</i>	20.5 (39)	17.6 (63)	-11.8 (26)	9.2 (77)	32.3 (69)	-42.5 (28)	12.7 (57)	25.8 (63)	14.7 (61)	20.5 (47)
American Funds New Perspective Fund <i>MSCI All Country World Index Net</i>	27.1 (42)	21.0 (17)	-7.4 (41)	13.0 (57)	37.7 (45)	-37.7 (28)	16.3 (31)	20.1 (36)	11.5 (51)	14.5 (57)
American Funds Euro-Pacific Growth Fund <i>MSCI All Country World ex-U.S. Index</i>	20.6 (61)	19.6 (18)	-13.3 (70)	9.8 (23)	39.6 (15)	-40.3 (6)	19.3 (3)	22.3 (97)	21.4 (4)	-
FRS Self-Dir Brokerage Acct										

Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.



**FRS Investment Plan**

As of June 30, 2014

**Asset Allocation**

Asset Allocation as of 6/30/2014								
	U.S. Equity	Non-U.S. Equity	U.S. Fixed Income	TIPS	Cash	Brokerage	Total	% of Total
FRS Select Conservative Balanced Fund	60,075,608	60,075,608	260,327,635	60,075,608	226,952,297		667,506,757	7.4%
FRS Select Moderate Balanced Fund	845,225,475	589,096,543	1,126,967,300				2,561,289,318	28.3%
FRS Select Aggressive Balanced Fund	417,943,182	234,048,182	183,895,000				835,886,363	9.3%
<b>Total Balanced Funds</b>	<b>\$ 1,323,244,265</b>	<b>\$ 883,220,333</b>	<b>\$ 1,571,189,935</b>	<b>\$ 60,075,608</b>	<b>\$ 226,952,297</b>	<b>\$ -</b>	<b>\$ 4,064,682,438</b>	<b>45.0%</b>
FRS Select Yield Plus Money Market Active Fund					873,396,786		873,396,786	9.7%
<b>Total Cash</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 873,396,786</b>	<b>\$ -</b>	<b>\$ 873,396,786</b>	<b>9.7%</b>
FRS Select TIPS Fund				156,293,163			156,293,163	1.7%
<b>Total TIPS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 156,293,163</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 156,293,163</b>	<b>1.7%</b>
FRS Select U.S. Bond Enhanced Index Fund			135,975,664				135,975,664	1.5%
Pyramis Intermediate Duration Pool Fund			93,201,513				93,201,513	1.0%
FRS Select High Yield Fund			176,833,298				176,833,298	2.0%
PIMCO Total Return Fund			235,704,173				235,704,173	2.6%
<b>Total Fixed Income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 641,714,649</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 641,714,649</b>	<b>7.1%</b>
FRS Select U.S. Stock Market Index Fund	595,866,975						595,866,975	6.6%
FRS Select U.S. Large Value Stock Fund	336,668,919						336,668,919	3.7%
QMA Mid Cap Quantitative Core Fund	460,260,464						460,260,464	5.1%
FRS Select U.S. Large Growth Stock Active Fund	153,010,423						153,010,423	1.7%
Fidelity Growth Company Fund	445,282,638						445,282,638	4.9%
American Beacon Small Cap Value Fund	178,030,033						178,030,033	2.0%
T. Rowe Price Small Cap Stock Fund	329,089,622						329,089,622	3.6%
Fidelity Low Priced Stock Fund	25,372,687						25,372,687	0.3%
<b>Total Domestic Equity</b>	<b>\$ 2,523,581,761</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,523,581,761</b>	<b>27.9%</b>
FRS Select Foreign Stock Index Fund		210,070,844					210,070,844	2.3%
American Funds New Perspective Fund	101,665,515	122,640,197			22,455,247		246,760,959	2.7%
American Funds Euro-Pacific Growth Fund	194,382	178,831,844	1,360,677		13,995,536		194,382,439	2.2%
<b>Total International/Global Equity</b>	<b>\$ 101,859,897</b>	<b>\$ 511,542,884</b>	<b>\$ 1,360,677</b>	<b>\$ -</b>	<b>\$ 36,450,783</b>	<b>\$ -</b>	<b>\$ 651,214,242</b>	<b>7.2%</b>
FRS Self-Dir Brokerage Acct						124,006,855	124,006,855	1.4%
<b>Total Self-Dir Brokerage Acct</b>						<b>\$ 124,006,855</b>	<b>\$ 124,006,855</b>	<b>1.4%</b>
<b>Total Portfolio</b>	<b>\$ 3,948,685,923</b>	<b>\$ 1,394,763,217</b>	<b>\$ 2,214,265,261</b>	<b>\$ 216,368,771</b>	<b>\$ 1,136,799,866</b>	<b>\$ 124,006,855</b>	<b>\$ 9,034,889,894</b>	<b>100.0%</b>
<b>Percent of Total</b>	<b>43.70%</b>	<b>15.44%</b>	<b>24.51%</b>	<b>2.39%</b>	<b>12.58%</b>	<b>1.37%</b>	<b>100.0%</b>	

Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.



As of June 30, 2014

Multi Timeperiod Statistics

	3 Years Return	3 Years Standard Deviation	3 Years Sharpe Ratio	3 Years Tracking Error	3 Years Information Ratio	3 Years Up Market Capture	3 Years Down Market Capture
FRS Investment Plan	8.74	7.22	1.20	0.45	0.56	101.81	100.16
FRS Select Conservative Balanced Fund	3.95	2.57	1.52	0.20	0.77	102.72	100.34
FRS Select Moderate Balanced Fund	8.57	6.64	1.27	0.40	0.29	99.97	97.93
FRS Select Aggressive Balanced Fund	10.67	9.21	1.15	0.66	-0.09	98.25	96.76
FRS Select Yield Plus Money Market Active Fund	0.24	0.02	14.52	0.01	15.03	547.12	N/A
FRS Select TIPS Fund	3.67	5.48	0.68	0.17	0.65	100.08	98.13
FRS Select U.S. Bond Enhanced Index Fund	3.82	2.82	1.34	0.16	0.95	102.45	99.72
Pyramis Intermediate Duration Pool Fund	3.42	2.23	1.51	0.58	0.94	116.61	111.59
FRS Select High Yield Fund	8.63	5.30	1.59	0.52	-1.34	94.84	100.28
PIMCO Total Return Fund	4.19	3.92	1.06	2.69	0.20	119.01	126.00
FRS Select U.S. Stock Market Index Fund	16.52	12.86	1.26	0.06	0.97	100.13	99.82
FRS Select U.S. Large Value Stock Fund	16.96	12.88	1.29	1.17	0.02	100.19	100.27
QMA Mid Cap Quantitative Core Fund	16.91	16.47	1.03	1.85	0.87	106.64	102.09
FRS Select U.S. Large Growth Stock Active Fund	15.93	14.23	1.11	3.50	-0.02	106.06	116.20
Fidelity Growth Company Fund	16.91	15.69	1.08	4.88	0.22	117.35	132.88
American Beacon Small Cap Value Fund	15.95	17.67	0.93	2.98	0.46	108.57	108.05
T. Rowe Price Small Cap Stock Fund	15.94	16.38	0.99	2.36	0.47	96.60	86.29
Fidelity Low Priced Stock Fund	15.69	13.64	1.14	4.52	-0.12	92.34	87.09
FRS Select Foreign Stock Index Fund	7.94	15.61	0.57	1.86	0.15	98.37	96.01
American Funds New Perspective Fund	12.21	13.76	0.91	2.73	0.47	101.40	92.88
American Funds Euro-Pacific Growth Fund	7.41	15.78	0.53	3.20	0.32	96.42	89.42

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## Appendix

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As of June 30, 2014

### Benchmark Descriptions

**Balanced Benchmarks** - A weighted average composite of the underlying components' benchmarks for each fund.

**iMoneyNet 1st Tier Institutional Net Index** - An index made up of the entire universe of money market mutual funds. The index currently represents over 1,300 funds, or approximately 99 percent of all money fund assets.

**Barclays Inflation Index** - An index that measures the performance of the U.S. Treasury Inflation-Protected Securities ("TIPS") market.

**Barclays Aggregate Bond Index** - A market value-weighted index consisting of government bonds, SEC-registered corporate bonds and mortgage-related and asset-backed securities with at least one year to maturity and an outstanding par value of \$250 million or greater. This index is a broad measure of the performance of the investment grade U.S. fixed income market.

**Barclays Intermediate Aggregate Bond Index** - A market value-weighted index consisting of U.S. Treasury securities, corporate bonds and mortgage-related and asset-backed securities with one to ten years to maturity and an outstanding par value of \$250 million or greater.

**Barclays U.S. High Yield BA/B 1% Issuer Cap Index** - An index composed of non-investment grade corporate debt denominated in U.S. dollars. The issues have to have an outstanding par value of \$150 million or greater and at least one year of maturity remaining.

**Russell 3000 Index** - A capitalization-weighted index consisting of the 3,000 largest publicly traded U.S. stocks by capitalization. This index is a broad measure of the performance of the aggregate domestic equity market.

**Russell 3000 Growth Index** - An index that measures the performance of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.

**Russell 1000 Value Index** - An index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower I/B/E/S growth forecasts.

**Russell 1000 Growth Index** - An index that measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher I/B/E/S growth forecasts.

**Russell 2000 Value Index** - A capitalization-weighted index representing those companies within the Russell 2000 Index with lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.

**Russell 2000 Index** - An index that measures the performance of approximately 2000 small capitalization stocks.

**Russell 2500 Value Index** - A capitalization-weighted index representing those companies within the Russell 2500 Index with lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.

**S&P 400 Mid-Cap Index** - A market capitalization-weighted index of stocks in all major industries in the mid-range of the U.S. stock market.

**S&P 500 Index** - A capitalization-weighted stock index consisting of 500 of the largest publicly traded U.S. stocks by capitalization.

**MSCI All Country World ex-U.S. Index** - A capitalization-weighted index consisting of 23 developed and 21 emerging countries, but excluding the U.S.

**MSCI All Country World Index Net** - A capitalization-weighted index of stocks representing approximately 46 developed and emerging countries, including the U.S. and Canadian markets.

**MSCI World ex-U.S. Index** - A capitalization-weighted index of stocks representing 22 developed country stock markets, including Canada and excluding the U.S. market.

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**Descriptions of Universes**

**FRS Select Yield Plus Money Market Active Fund** - A money market universe calculated and provided by Lipper.

**FRS Select TIPS Fund** - An inflation-protected bond universe calculated and provided by Lipper.

**FRS Select U.S. Bond Enhanced Index Fund** - A long-term bond fixed income universe calculated and provided by Lipper.

**Pyramis Intermediate Duration Pool Fund** - A broad intermediate-term fixed income universe calculated and provided by Lipper.

**FRS Select High Yield Fund** - A high yield bond fixed income universe calculated and provided by Lipper.

**PIMCO Total Return Fund** - A broad intermediate-term fixed income universe calculated and provided by Lipper.

**FRS Select U.S. Stock Market Index Fund** - A large-cap blend universe calculated and provided by Lipper.

**FRS Select U.S. Large Value Stock Fund** - A large-cap value universe calculated and provided by Lipper.

**QMA Mid Cap Quantitative Core Fund** - A mid-cap universe calculated and provided by Lipper.

**FRS Select U.S. Large Growth Stock Active Fund** - A large-cap growth universe calculated and provided by Lipper.

**Fidelity Growth Company Fund** - A large-cap growth universe calculated and provided by Lipper.

**American Beacon Small Cap Value Fund** - A small-cap value universe calculated and provided by Lipper.

**T. Rowe Price Small Cap Stock Fund** - A small-cap growth universe calculated and provided by Lipper.

**Fidelity Low Priced Stock Fund** - A mid-cap blend universe calculated and provided by Lipper.

**FRS Select Foreign Stock Index Fund** - A foreign blend universe calculated and provided by Lipper.

**American Funds New Perspective Fund** - A global stock universe calculated and provided by Lipper.

**American Funds Euro-Pacific Growth Fund** - A foreign large blend universe calculated and provided by Lipper.

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Lawton Chiles Endowment Fund | Second Quarter 2014

## Quarterly Investment Review

Visit the *HEK Blog* (<http://www.hekblog.com>); sharing our best thinking.

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## LCEF Total Fund

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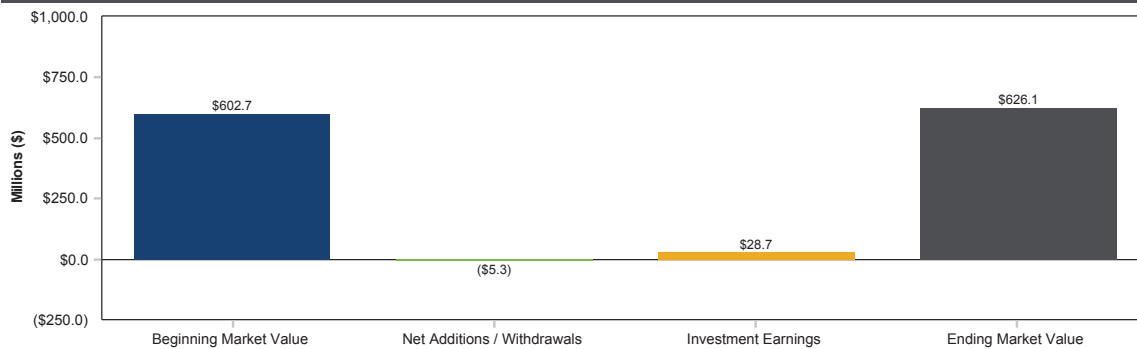
1

### LCEF Total Fund

As of June 30, 2014

#### Total Plan Asset Summary

#### Change in Market Value From April 1, 2014 to June 30, 2014



#### Summary of Cash Flow

	1 Quarter	Fiscal YTD*
<b>LCEF Total Fund</b>		
Beginning Market Value	602,674,366	479,320,081
+ Additions / Withdrawals	-5,300,000	40,000,000
+ Investment Earnings	28,729,873	106,784,158
<b>= Ending Market Value</b>	<b>626,104,239</b>	<b>626,104,239</b>

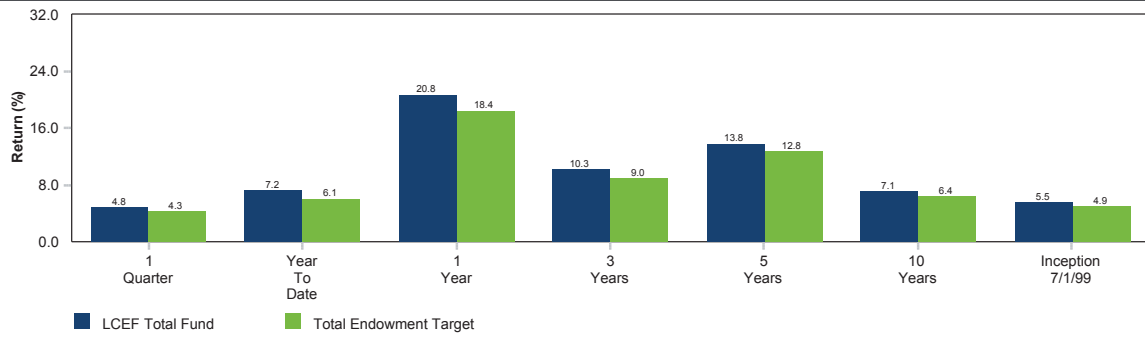
\*Period July 2013 - June 2014

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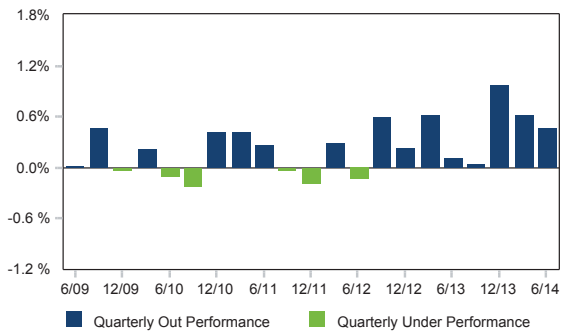
2

## Total Plan Performance Summary

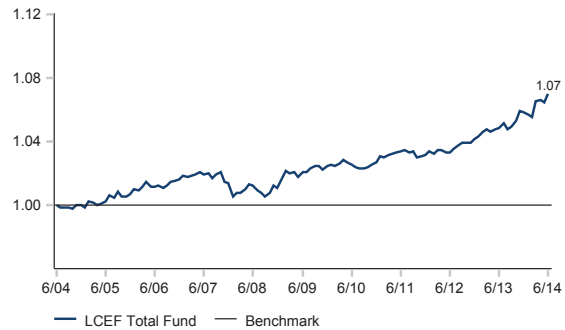
## Return Summary



## Quarterly Excess Performance



## Ratio of Cumulative Wealth - 10 Years



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## Asset Allocation &amp; Performance

	Allocation			Performance(%)					
	Market Value (\$)	%	Policy(%)	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
<b>LCEF Total Fund</b>	<b>626,104,239</b>	<b>100.0</b>	<b>100.0</b>	<b>4.8 (6)</b>	<b>7.2 (10)</b>	<b>20.8 (4)</b>	<b>10.3 (12)</b>	<b>13.8 (4)</b>	<b>7.1 (35)</b>
<i>Total Endowment Target</i>				4.3 (13)	6.1 (26)	18.4 (9)	9.0 (49)	12.8 (20)	6.4 (63)
<b>Global Equity*</b>	<b>466,603,330</b>	<b>74.5</b>	<b>71.0</b>	<b>5.6</b>	<b>8.3</b>	<b>27.5</b>	<b>15.4</b>	<b>18.8</b>	<b>8.4</b>
<i>Global Equity Target</i>				5.0	6.6	24.5	13.5	17.3	7.8
<b>Fixed Income</b>	<b>91,699,308</b>	<b>14.6</b>	<b>17.0</b>	<b>2.0 (51)</b>	<b>3.9 (51)</b>	<b>4.2 (65)</b>	<b>3.8 (68)</b>	<b>5.1 (83)</b>	<b>5.0 (58)</b>
<i>Barclays Aggregate Index</i>				2.0 (50)	3.9 (49)	4.4 (61)	3.7 (69)	4.9 (86)	4.9 (61)
<b>TIPS</b>	<b>59,433,514</b>	<b>9.5</b>	<b>11.0</b>	<b>3.8</b>	<b>5.8</b>	<b>4.3</b>	<b>3.6</b>	<b>5.7</b>	<b>5.6</b>
<i>Barclays U.S. TIPS</i>				3.8	5.8	4.4	3.6	5.6	5.2
<b>Cash Equivalents</b>	<b>8,362,475</b>	<b>1.3</b>	<b>1.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.2</b>	<b>0.5</b>	<b>1.2</b>	<b>2.1</b>
<i>S&amp;P US AAA &amp; AA Rated GIP 30D Net Yield Index</i>				0.0	0.0	0.0	0.1	0.2	1.8

Benchmark and universe descriptions are provided in the Appendix.

\*Global Equity became an asset class in September 2012 by merging the Domestic Equities and Foreign Equities asset classes. The return series prior to September 2012 is a weighted average of Domestic Equities' and Foreign Equities' historical performance.

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As of June 30, 2014

**Calendar Year Performance**

	Performance(%)									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>LCEF Total Fund</b>	14.7 (48)	13.2 (22)	1.9 (13)	14.0 (13)	21.2 (46)	-29.2 (72)	6.3 (85)	15.0 (20)	7.4 (50)	12.0 (35)
<i>Total Endowment Target</i>	12.8 (70)	12.2 (46)	1.5 (15)	13.7 (15)	19.6 (56)	-28.9 (71)	6.5 (81)	14.0 (35)	6.7 (64)	12.1 (34)
<b>Global Equity*</b>	27.1	20.4	-1.1	17.0	30.8	-39.6	6.8	17.4	8.5	12.7
<i>Global Equity Target</i>	24.3	19.4	-2.2	16.1	30.5	-39.2	7.2	17.8	7.9	13.5
<b>Fixed Income</b>	-1.8 (68)	4.6 (90)	7.6 (32)	7.0 (73)	4.6 (84)	5.8 (20)	7.3 (42)	4.4 (37)	2.7 (28)	4.4 (58)
<i>Barclays Aggregate Index</i>	-2.0 (69)	4.2 (93)	7.8 (29)	6.5 (75)	5.9 (77)	5.2 (25)	7.0 (53)	4.3 (39)	2.4 (51)	4.3 (60)
<b>TIPS</b>	-8.7	7.2	13.6	6.1	13.3	-2.0	12.4	0.8	2.9	8.8
<i>Barclays U.S. TIPS</i>	-8.6	7.0	13.6	6.3	11.4	-2.4	11.6	0.4	2.8	8.5
<b>Cash Equivalents</b>	0.2	1.3	0.1	2.0	2.6	0.5	5.4	5.2	3.3	1.4
<i>S&amp;P US AAA &amp; AA Rated GIP 30D Net Yield Index</i>	0.1	0.1	0.2	0.3	0.7	2.3	4.7	5.1	3.4	1.4

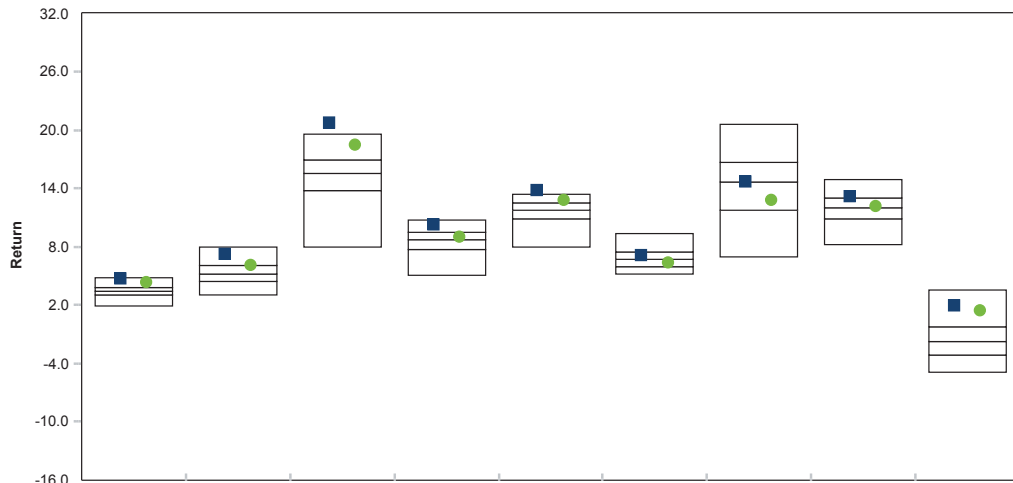
\*Global Equity became an asset class in September 2012 by merging the Domestic Equities and Foreign Equities asset classes. The return series prior to September 2012 is a weighted average of Domestic Equities' and Foreign Equities' historical performance.



As of June 30, 2014

**Plan Sponsor Peer Group Analysis**

**All Endowments-Total Fund**



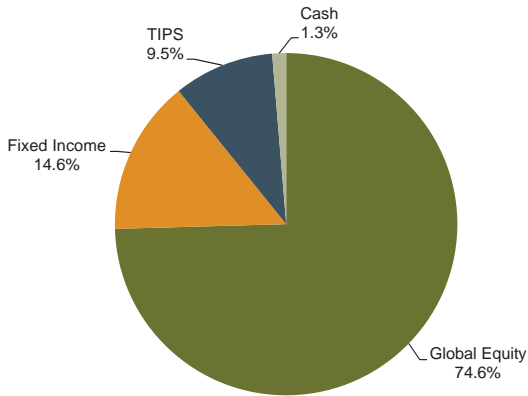
	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2013	2012	2011
■ LCEF Total Fund	4.8 (6)	7.2 (10)	20.8 (4)	10.3 (12)	13.8 (4)	7.1 (35)	14.7 (48)	13.2 (22)	1.9 (13)
● Total Endowment Target	4.3 (13)	6.1 (26)	18.4 (9)	9.0 (49)	12.8 (20)	6.4 (63)	12.8 (70)	12.2 (46)	1.5 (15)
5th Percentile	4.9	8.0	19.7	10.8	13.4	9.4	20.7	14.9	3.5
1st Quartile	3.9	6.1	17.0	9.6	12.6	7.5	16.8	13.1	-0.3
Median	3.5	5.2	15.6	8.8	11.8	6.8	14.7	12.0	-1.8
3rd Quartile	3.1	4.5	13.8	7.8	10.9	6.0	11.8	10.9	-3.1
95th Percentile	2.0	3.1	8.0	5.1	8.0	5.2	7.0	8.2	-4.9
Population	192	188	183	157	123	85	343	342	332

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

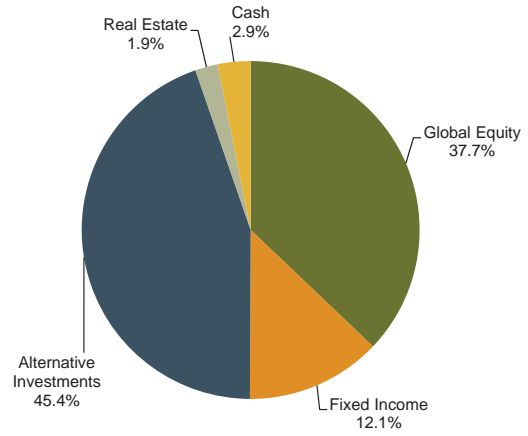


Universe Asset Allocation Comparison

LCEF Total Fund

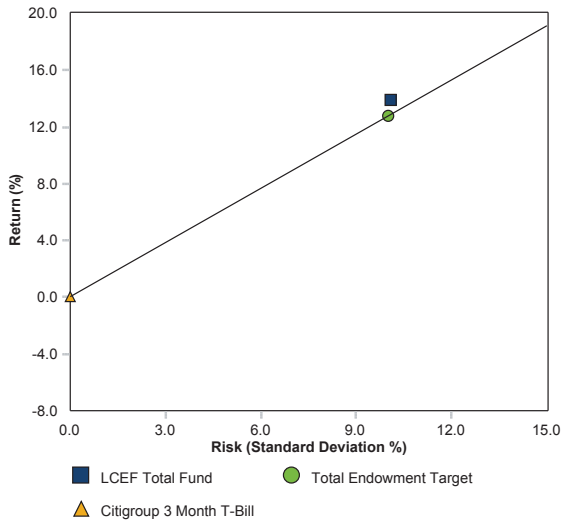


BNY Mellon Endowment Universe

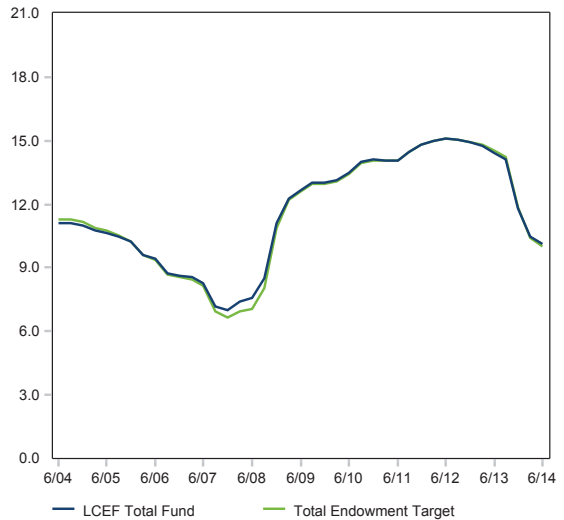


LCEF Total Fund Risk Profile

Annualized Return vs. Annualized Standard Deviation 5 Years



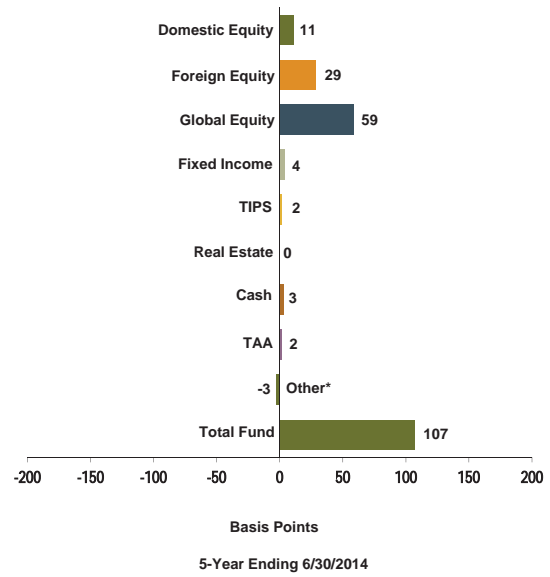
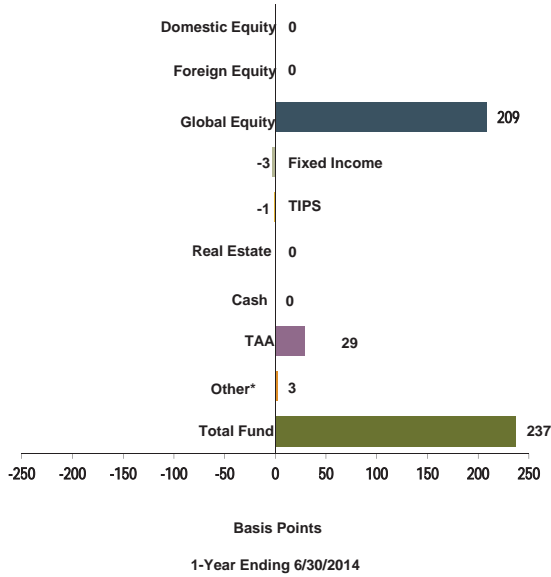
Rolling 5 Years Standard Deviation



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
LCEF Total Fund	0.96	0.75	1.29	0.99	1.33	0.89	1.01	13.83	10.10	1.00
Total Endowment Target	0.00	0.00	N/A	1.00	1.25	0.00	1.00	12.76	10.01	1.00
Citigroup 3 Month T-Bill	-12.48	10.01	-1.25	0.01	N/A	0.07	0.00	0.07	0.02	0.07

Attribution



\*Other includes differences between official performance value added due to methodology and extraordinary payouts.

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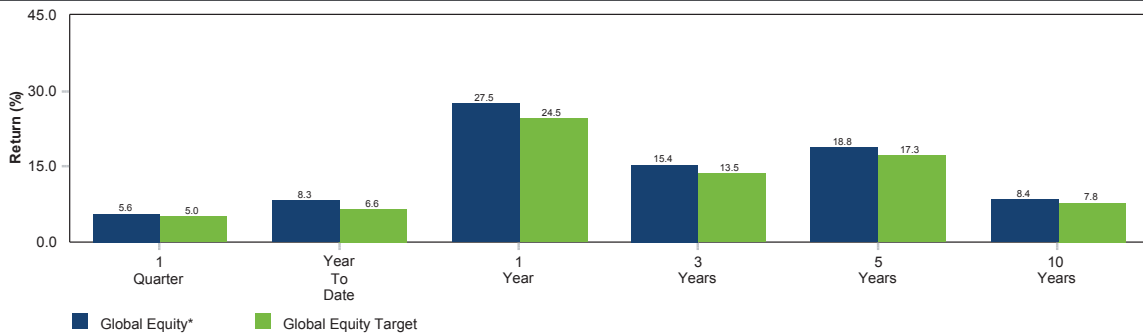
## Global Equity

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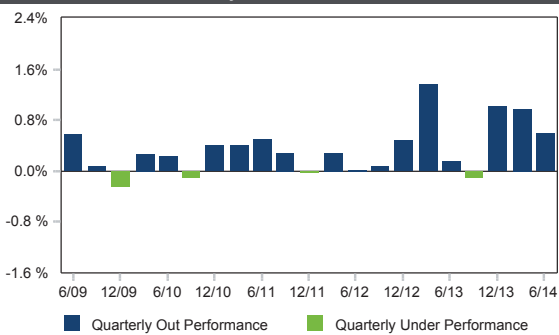
11

### Global Equity\* As of June 30, 2014 Total Plan Performance Summary

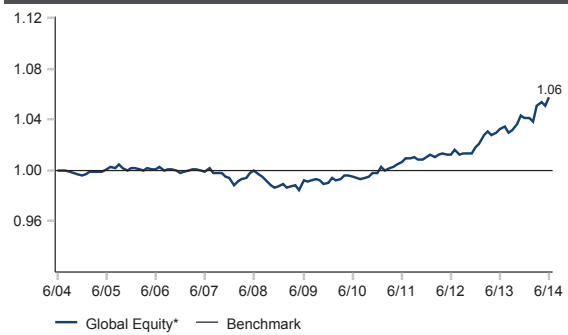
#### Return Summary



#### Quarterly Excess Performance



#### Ratio of Cumulative Wealth - 10 Years

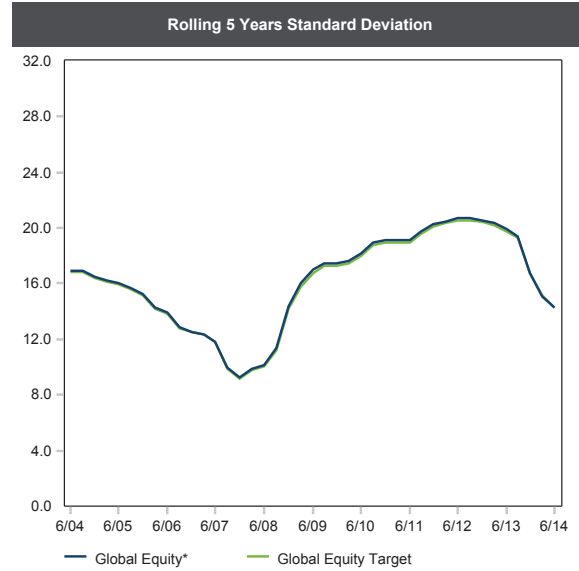
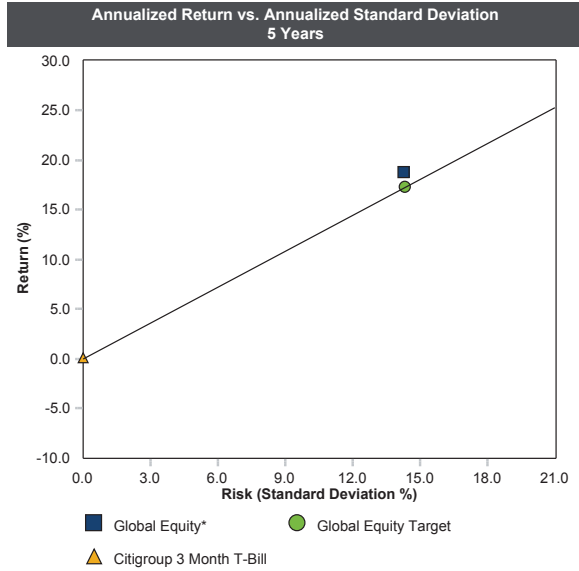


\*Global Equity became an asset class in September 2012 by merging the Domestic Equities and Foreign Equities asset classes. The return series prior to September 2012 is a weighted average of Domestic Equities' and Foreign Equities' historical performance.

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Global Equity Risk Profile



5 Years Historical Statistics										
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Global Equity*	1.28	1.00	1.28	1.00	1.28	1.38	1.00	18.77	14.28	1.00
Global Equity Target	0.00	0.00	N/A	1.00	1.18	0.00	1.00	17.27	14.32	1.00
Citigroup 3 Month T-Bill	-16.97	14.32	-1.18	0.01	N/A	0.07	0.00	0.07	0.02	0.10

\*Global Equity became an asset class in September 2012 by merging the Domestic Equities and Foreign Equities asset classes. The return series prior to September 2012 is a weighted average of Domestic Equities' and Foreign Equities' historical performance.

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## Fixed Income

### Fixed Income

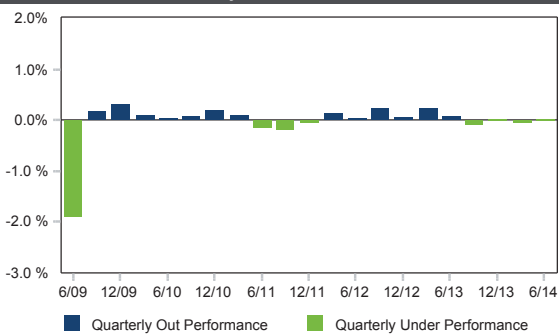
As of June 30, 2014

#### Total Plan Performance Summary

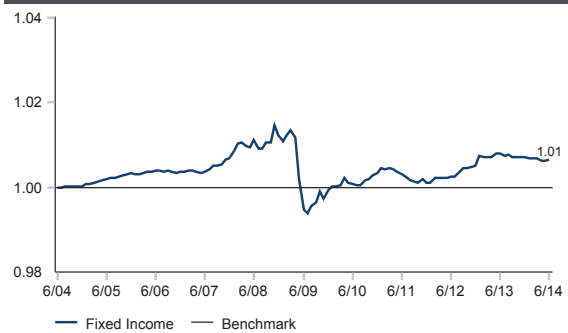
#### Return Summary



#### Quarterly Excess Performance



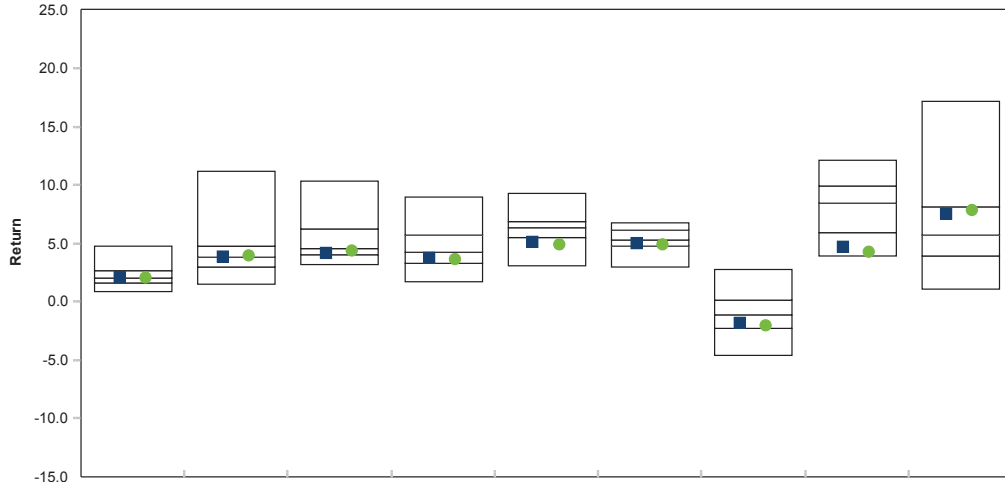
#### Ratio of Cumulative Wealth - 10 Years



As of June 30, 2014

Plan Sponsor Peer Group Analysis

All Endowments-US Fixed Income Segment



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years	2013	2012	2011
■ Fixed Income	2.0 (51)	3.9 (51)	4.2 (65)	3.8 (68)	5.1 (83)	5.0 (58)	-1.8 (68)	4.6 (90)	7.6 (32)
● Barclays Aggregate Index	2.0 (50)	3.9 (49)	4.4 (61)	3.7 (69)	4.9 (86)	4.9 (61)	-2.0 (69)	4.2 (93)	7.8 (29)
5th Percentile	4.7	11.2	10.3	9.0	9.4	6.8	2.8	12.1	17.2
1st Quartile	2.7	4.8	6.3	5.8	6.9	6.2	0.1	9.9	8.1
Median	2.0	3.9	4.5	4.3	6.4	5.3	-1.1	8.5	5.7
3rd Quartile	1.6	3.0	4.0	3.4	5.5	4.8	-2.3	5.9	4.0
95th Percentile	0.9	1.5	3.2	1.7	3.1	3.0	-4.5	4.0	1.2
Population	54	49	44	40	25	17	41	50	49

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

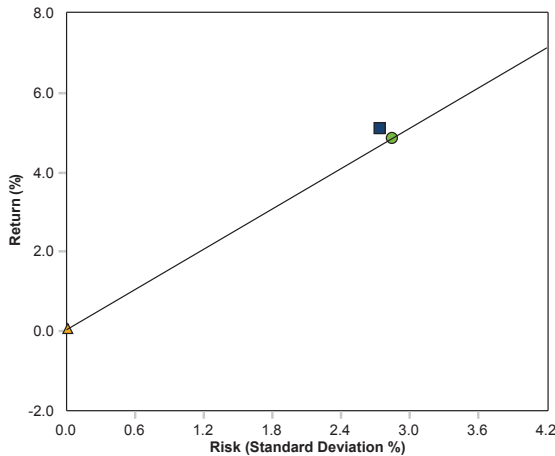


Fixed Income

As of June 30, 2014

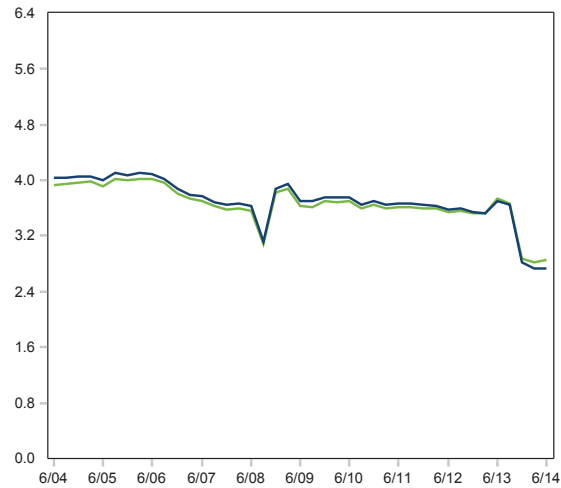
Fixed Income Risk Profile

Annualized Return vs. Annualized Standard Deviation 5 Years



■ Fixed Income      ● Barclays Aggregate Index  
▲ Citigroup 3 Month T-Bill

Rolling 5 Years Standard Deviation



— Fixed Income      — Barclays Aggregate Index

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Fixed Income	0.23	0.29	0.80	0.99	1.81	0.44	0.96	5.10	2.74	1.00
Barclays Aggregate Index	0.00	0.00	N/A	1.00	1.65	0.00	1.00	4.85	2.85	1.00
Citigroup 3 Month T-Bill	-4.71	2.85	-1.65	0.00	N/A	0.08	0.00	0.07	0.02	-0.05





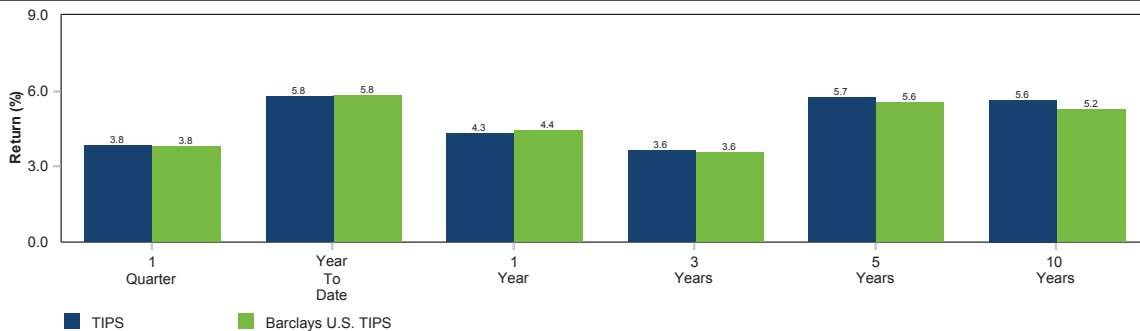
## TIPS

### TIPS

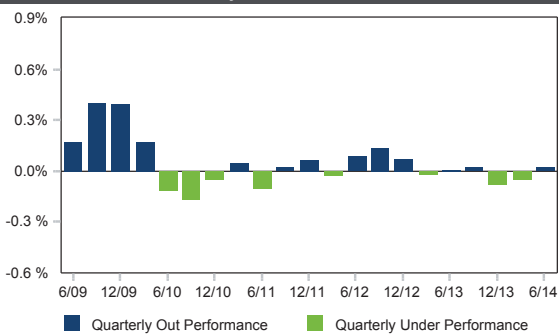
As of June 30, 2014

#### Total Plan Performance Summary

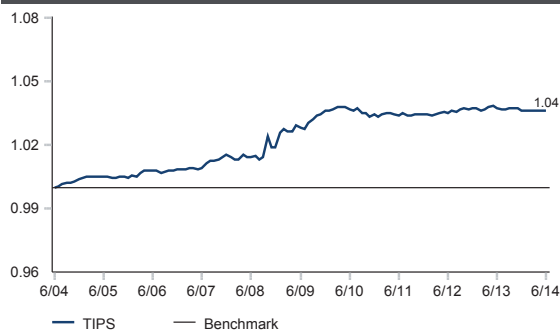
#### Return Summary



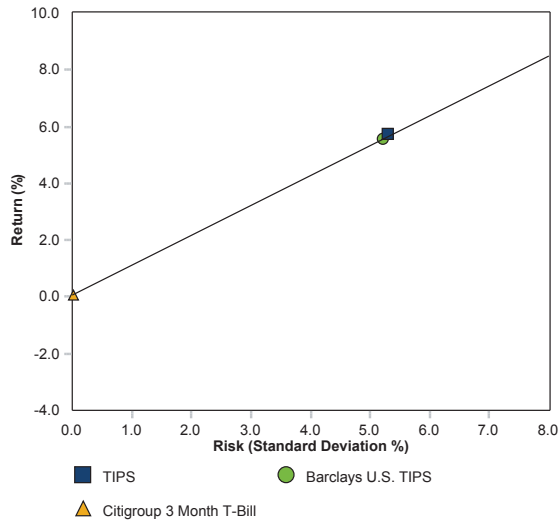
#### Quarterly Excess Performance



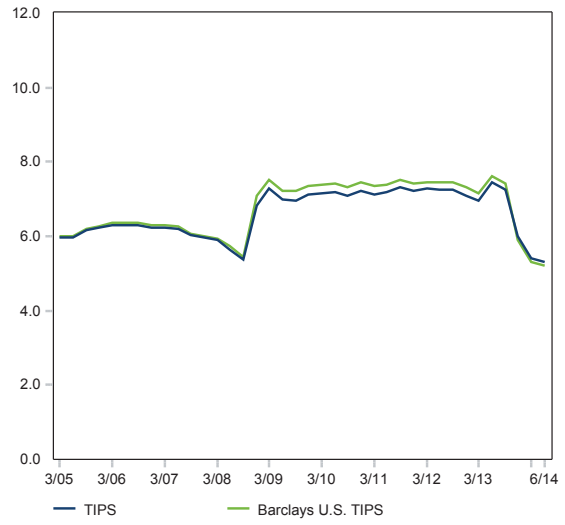
#### Ratio of Cumulative Wealth - 10 Years



Annualized Return vs. Annualized Standard Deviation  
5 Years



Rolling 5 Years Standard Deviation



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
TIPS	0.16	0.28	0.58	1.00	1.06	0.08	1.01	5.72	5.30	1.00
Barclays U.S. TIPS	0.00	0.00	N/A	1.00	1.05	0.00	1.00	5.55	5.22	1.00
Citigroup 3 Month T-Bill	-5.48	5.22	-1.05	0.00	N/A	0.07	0.00	0.07	0.02	0.02



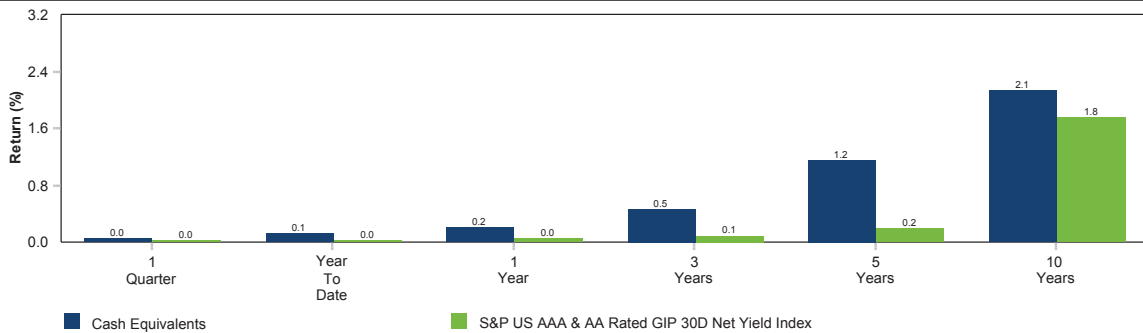
## Cash Equivalents

### Cash Equivalents

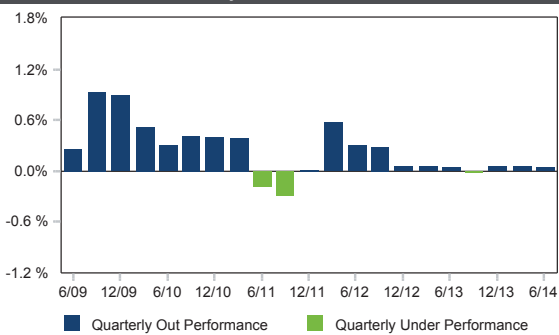
As of June 30, 2014

#### Total Plan Performance Summary

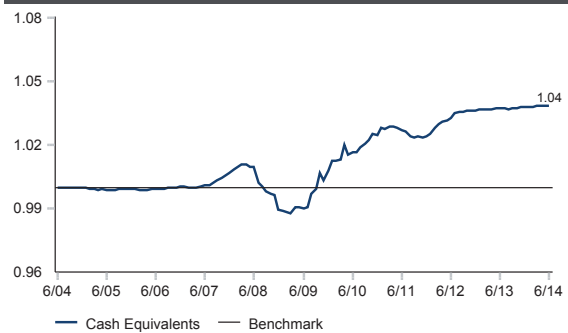
#### Return Summary



#### Quarterly Excess Performance

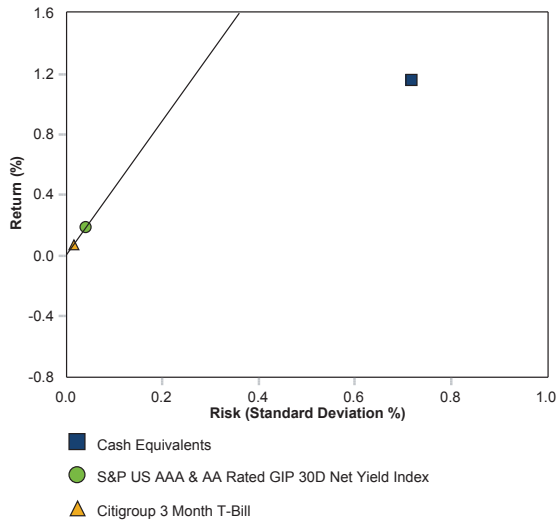


#### Ratio of Cumulative Wealth - 10 Years

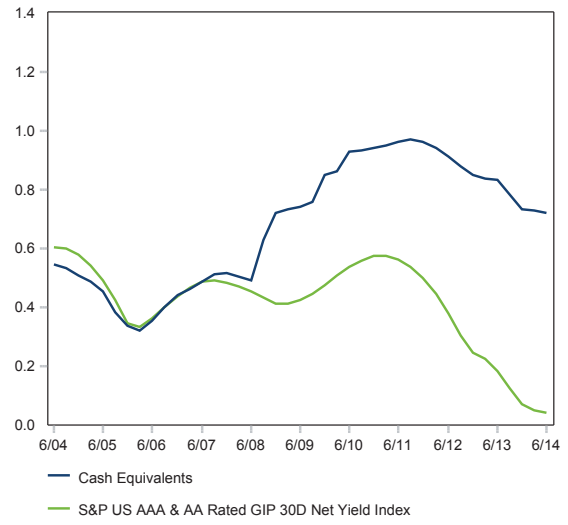


Cash Equivalents Risk Profile

Annualized Return vs. Annualized Standard Deviation  
5 Years



Rolling 5 Years Standard Deviation



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Cash Equivalents	0.96	0.70	1.37	0.18	1.50	-0.24	7.49	1.15	0.72	0.42
S&P US AAA & AA Rated GIP 30D Net Yield Index	0.00	0.00	N/A	1.00	3.08	0.00	1.00	0.19	0.04	1.00
Citigroup 3 Month T-Bill	-0.11	0.04	-3.08	0.24	N/A	0.04	0.19	0.07	0.02	0.49

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## Appendix

As of June 30, 2014

### Securities Lending

<b>Lawton Chiles Endowment Fund</b>		
Net Income		
June 2014	Fiscal Year to Date	Calendar Year to Date
\$22,702	\$252,178	\$183,210
Returns (annualized basis points)		
June 2014	Fiscal Year to Date	Calendar Year to Date
56	71	79

As of June 30, 2014

## Benchmark Descriptions

### LCEF Total Fund

Total Endowment Target - A weighted blend of the individual asset class target benchmarks.

### Total Global Equity

MSCI ACWI IMI ex-Tobacco - From 9/1/2012 forward, a custom version of the MSCI ACWI IMI adjusted to reflect a 55% fixed weight in the MSCI USA IMI and a 45% fixed weight in the MSCI ACWI ex-USA IMI, and excluding certain equities of tobacco-related companies. From 9/1/2012 to 9/30/2013, a custom version of the MSCI ACWI IMI excluding tobacco-related companies. Prior to 9/1/2012, the benchmark is a weighted average of both the Domestic Equities and Foreign Equities historical benchmarks.

### Total Domestic Equities

Russell 3000 Index ex-Tobacco - Prior to 9/1/2012, an index that measures the performance of the 3,000 stocks that make up the Russell 1000 and Russell 2000 Indices, while excluding tobacco companies.

### Total Foreign Equities

MSCI ACWI ex-US IMI ex-Tobacco - Prior to 9/1/2012, a capitalization-weighted index representing 44 countries, but excluding the United States. The index includes 23 developed and 21 emerging market countries, and excludes tobacco companies.

### Total Fixed Income

Barclays Aggregate Bond Index - A market value-weighted index consisting of the Barclays Credit, Government, and Mortgage-Backed Securities Indices. The index also includes credit card, auto, and home equity loan-backed securities. This index is the broadest available measure of the aggregate investment grade U.S. fixed income market.

### Total TIPS

Barclays U.S. TIPS - A market value-weighted index consisting of U.S. Treasury Inflation-Protected Securities with one or more years remaining until maturity with total outstanding issue size of \$500 million or more.

### Total Cash Equivalents

S&P U.S. AAA & AA Rated GIP 30-Day Net Yield Index - An unmanaged, net-of-fees, market index representative of the Local Government Investment Pool. On 10/1/2011, the S&P U.S. AAA & AA Rated GIP 30-Day Net Yield Index replaced the S&P U.S. AAA & AA Rated GIP 30-Day Gross Yield Index, which was previously used from 4/30/08 - 9/30/11. Prior to 4/30/08, it was the average 3-month T-bill rate.

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As of June 30, 2014

## Universe Descriptions

### LCEF Total Fund

A universe comprised of 192 total endowment portfolio returns, net of fees, calculated and provided by BNY Mellon Performance & Risk Analytics and Investment Metrics. Aggregate assets in the universe comprised \$230.7 billion as of quarter-end and the average market value was \$2.3 billion.

### Total Fixed Income

A universe comprised of 54 total fixed income portfolio returns, net of fees, of endowment plans calculated and provided by BNY Mellon Performance & Risk Analytics and Investment Metrics. Aggregate assets in the universe comprised \$17.3 billion as of quarter-end and the average market value was \$208.9 million.

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Explanation of Exhibits

**Quarterly and Cumulative Excess Performance** - The vertical axis, excess return, is a measure of fund performance less the return of the primary benchmark. The horizontal axis represents the time series. The quarterly bars represent the underlying funds' relative performance for the quarter.

**Risk-Return Graph** - The horizontal axis, annualized standard deviation, is a statistical measure of risk, or the volatility of returns. The vertical axis is the annualized rate of return. As investors generally prefer less risk to more risk and always prefer greater returns, the upper left corner of the graph is the most attractive place to be. The line on this exhibit represents the risk and return trade-offs associated with market portfolios, or index funds.

**Ratio of Cumulative Wealth Graph** - An illustration of a portfolio's cumulative, un-annualized performance relative to that of its benchmark. An upward-sloping line indicates superior fund performance versus its benchmark. Conversely, a downward-sloping line indicates underperformance by the fund. A flat line is indicative of benchmark-like performance.

**Performance Comparison - Universe Comparison** - An illustration of the distribution of returns for a particular asset class. The component's return is indicated by the circle and its performance benchmark by the triangle. The top and bottom borders represent the 5th and 95th percentiles, respectively. The solid line indicates the median while the dotted lines represent the 25th and 75th percentiles.

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