

**STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2013**

	September-13							Current FYTD		Prior Year FY13		3 Years Ended 6/30/2013		5 Years Ended 6/30/2013
	Market Value	Allocation		Quarter		Month		Gross	Net	Gross	Net	Gross	Net	Net
		Actual	Policy	Gross	Net	Gross	Net							
TOTAL BONDING FUND	3,155,040	100.0%	100.0%	0.47%	0.45%	0.53%	0.52%	0.47%	0.45%	3.07%	2.96%	4.53%	4.42%	0.89%
<i>POLICY TARGET BENCHMARK</i>				<i>0.32%</i>	<i>0.32%</i>	<i>0.52%</i>	<i>0.52%</i>	<i>0.32%</i>	<i>0.32%</i>	<i>-0.32%</i>	<i>-0.32%</i>	<i>1.98%</i>	<i>1.98%</i>	<i>-0.81%</i>
ATTRIBUTION ANALYSIS														
Asset Allocation				-0.01%	-0.01%	0.00%	0.00%	-0.01%	-0.01%	0.18%	0.18%	0.34%	0.34%	
Manager Selection				0.16%	0.13%	0.01%	0.00%	0.16%	0.13%	3.21%	3.10%	2.22%	2.11%	
TOTAL RELATIVE RETURN				0.15%	0.13%	0.00%	0.00%	0.15%	0.13%	3.39%	3.28%	2.55%	2.45%	
FIXED INCOME														
Western Asset	450,422	14.3%	20.0%	0.51%	0.47%	0.97%	0.96%	0.51%	0.47%	2.17%	1.99%	6.29%	6.10%	6.95%
Prudential	141,476	4.5%	4.4%	1.09%	1.01%	1.41%	1.38%	1.09%	1.01%	2.03%	1.74%	6.55%	6.25%	7.83%
PIMCO (DiSCO) (2)	193,245	6.1%	6.1%	2.01%	2.01%	0.73%	0.73%	2.01%	2.01%	33.07%	33.07%	N/A	N/A	N/A
BC Aggregate				0.57%	0.57%	0.95%	0.95%	0.57%	0.57%	-0.69%	-0.69%	3.51%	3.51%	5.19%
Declaration	117,203	3.7%	4.4%	0.72%	0.60%	1.36%	1.32%	0.72%	0.60%	2.49%	2.00%	6.76%	6.27%	N/A
BC Global Aggregate (US Securitized Portion)				1.53%	1.53%	1.41%	1.41%	1.53%	1.53%	1.34%	1.34%	4.73%	4.73%	
State Street	252,058	8.0%	7.7%	0.36%	0.35%	0.76%	0.76%	0.36%	0.35%	N/A	N/A	N/A	N/A	N/A
BC Gov/Credit				0.36%	0.36%	0.75%	0.75%	0.36%	0.36%	-0.62%	-0.62%			
Wells Capital (formerly Strong)	587,801	18.6%	20.0%	0.95%	0.89%	0.92%	0.90%	0.95%	0.89%	3.19%	2.97%	7.43%	7.21%	9.34%
BC US Credit BAA				0.77%	0.77%	0.96%	0.96%	0.77%	0.77%	1.77%	1.77%	6.00%	6.00%	8.19%
TOTAL FIXED INCOME	1,742,205	55.2%	55.0%	0.86%	0.81%	0.96%	0.94%	0.86%	0.81%	4.90%	4.71%	7.50%	7.31%	7.89%
BC Aggregate (1)				0.57%	0.57%	0.95%	0.95%	0.57%	0.57%	-0.69%	-0.69%	3.51%	3.51%	5.19%
CASH EQUIVALENTS														
Northern Trust	1,412,835					0.01%	0.01%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL CASH EQUIVALENTS	1,412,835	44.8%	45.0%	0.02%	0.02%	0.01%	0.01%	0.02%	0.02%	0.27%	0.27%	0.27%	0.27%	0.45%
90 Day T-Bill				0.02%	0.02%	0.01%	0.01%	0.02%	0.02%	0.11%	0.11%	0.11%	0.11%	0.30%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.

(2) All limited partnership-type investments' returns will only be reported net of fees, which is standard practice by the investment consultant.