

**STATE BONDING FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF JANUARY 31, 2014**

	January-14					December-13					September-13					Current FYTD		Prior Year FY13		3 Years Ended 6/30/2013		5 Years Ended 6/30/2013
	Allocation		Month			Allocation		Quarter			Allocation		Quarter			Gross	Net	Gross	Net	Gross	Net	Net
	Market Value	Actual	Policy	Gross	Net	Market Value	Actual	Policy	Gross	Net	Market Value	Actual	Policy	Gross	Net							
<b>TOTAL BONDING FUND</b>	<b>3,189,338</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.83%</b>	<b>0.82%</b>	<b>3,171,622</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.56%</b>	<b>0.54%</b>	<b>3,155,040</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.47%</b>	<b>0.45%</b>	<b>1.87%</b>	<b>1.81%</b>	<b>3.07%</b>	<b>2.96%</b>	<b>4.53%</b>	<b>4.42%</b>	<b>0.89%</b>
<i>POLICY TARGET BENCHMARK</i>				<i>0.82%</i>	<i>0.82%</i>				<i>-0.07%</i>	<i>-0.07%</i>				<i>0.32%</i>	<i>0.32%</i>	<i>1.07%</i>	<i>1.07%</i>	<i>-0.32%</i>	<i>-0.32%</i>	<i>1.98%</i>	<i>1.98%</i>	<i>-0.81%</i>
ATTRIBUTION ANALYSIS																						
<b>Asset Allocation</b>				<b>-0.02%</b>	<b>-0.02%</b>				<b>0.01%</b>	<b>0.01%</b>				<b>-0.01%</b>	<b>-0.01%</b>	<b>-0.02%</b>	<b>-0.02%</b>	<b>0.18%</b>	<b>0.18%</b>	<b>0.34%</b>	<b>0.34%</b>	
<b>Manager Selection</b>				<b>0.03%</b>	<b>0.02%</b>				<b>0.62%</b>	<b>0.60%</b>				<b>0.15%</b>	<b>0.13%</b>	<b>0.82%</b>	<b>0.76%</b>	<b>3.21%</b>	<b>3.10%</b>	<b>2.22%</b>	<b>2.11%</b>	
<b>TOTAL RELATIVE RETURN</b>				<b>0.01%</b>	<b>0.00%</b>				<b>0.63%</b>	<b>0.60%</b>				<b>0.15%</b>	<b>0.12%</b>	<b>0.80%</b>	<b>0.74%</b>	<b>3.39%</b>	<b>3.28%</b>	<b>2.55%</b>	<b>2.45%</b>	
<b>FIXED INCOME</b>																						
Western Asset	581,500	18.2%	17.6%	1.69%	1.68%	552,848	17.4%	17.5%	0.29%	0.25%	450,422	14.3%	20.0%	0.51%	0.47%	2.51%	2.40%	2.17%	1.99%	6.29%	6.10%	6.95%
Prudential	137,929	4.3%	4.4%	1.45%	1.42%	144,828	4.6%	4.4%	0.57%	0.49%	141,476	4.5%	4.4%	1.09%	1.01%	3.13%	2.96%	2.03%	1.74%	6.55%	6.25%	7.83%
PIMCO (DISCO) (2)	98,196	3.1%	3.1%	1.17%	1.17%	105,386	3.3%	3.3%	3.84%	3.84%	193,245	6.1%	6.1%	2.01%	2.01%	7.18%	7.18%	33.07%	33.07%	N/A	N/A	N/A
PIMCO (BRAVO II) (2)	7,694	0.2%	0.2%	13.84%	13.84%	7,359	0.2%	0.2%	N/A	N/A												
<b>BC Aggregate</b>				<b>1.48%</b>	<b>1.48%</b>				<b>-0.14%</b>	<b>-0.14%</b>				<b>0.57%</b>	<b>0.57%</b>	<b>1.92%</b>	<b>1.92%</b>	<b>-0.69%</b>	<b>-0.69%</b>	<b>3.51%</b>	<b>3.51%</b>	<b>5.19%</b>
Declaration (Mortgage)	16,595	0.5%	1.5%	0.57%	0.55%	40,006	1.3%	3.1%	0.45%	0.37%	117,203	3.7%	4.4%	0.72%	0.64%	1.75%	1.57%	2.49%	2.00%	6.76%	6.27%	N/A
<b>BC Global Aggregate (US Securitized Portion)</b>				<b>1.01%</b>	<b>1.01%</b>				<b>0.25%</b>	<b>0.25%</b>				<b>1.53%</b>	<b>1.53%</b>	<b>2.82%</b>	<b>2.82%</b>	<b>1.34%</b>	<b>1.34%</b>	<b>4.73%</b>	<b>4.73%</b>	
Declaration (Total Return) <i>3m LIBOR</i>	91,450	2.9%	2.9%	1.09%	1.09%	41,205	1.3%	1.3%	N/A	N/A	0	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State Street <b>BC Gov/Credit</b>	259,231	8.1%	7.7%	1.47%	1.47%	254,508	8.0%	7.7%	-0.05%	-0.06%	252,058	8.0%	7.7%	0.36%	0.35%	1.77%	1.76%	N/A	N/A	N/A	N/A	N/A
Wells Capital (formerly Strong) <b>BC US Credit BAA</b>	558,038	17.5%	17.6%	1.79%	1.77%	554,772	17.5%	17.5%	1.49%	1.44%	587,801	18.6%	20.0%	0.95%	0.89%	4.29%	4.16%	3.19%	2.97%	7.43%	7.21%	9.34%
				<b>1.68%</b>	<b>1.68%</b>				<b>1.35%</b>	<b>1.35%</b>				<b>0.77%</b>	<b>0.77%</b>	<b>3.85%</b>	<b>3.85%</b>	<b>1.77%</b>	<b>1.77%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>8.19%</b>
<b>TOTAL FIXED INCOME</b>	<b>1,750,632</b>	<b>54.9%</b>	<b>55.0%</b>	<b>1.69%</b>	<b>1.67%</b>	<b>1,700,912</b>	<b>53.6%</b>	<b>55.0%</b>	<b>0.93%</b>	<b>0.88%</b>	<b>1,742,205</b>	<b>55.2%</b>	<b>55.0%</b>	<b>0.86%</b>	<b>0.82%</b>	<b>3.51%</b>	<b>3.41%</b>	<b>4.90%</b>	<b>4.71%</b>	<b>7.50%</b>	<b>7.31%</b>	<b>7.89%</b>
<b>BC Aggregate (1)</b>				<b>1.48%</b>	<b>1.48%</b>				<b>-0.14%</b>	<b>-0.14%</b>				<b>0.57%</b>	<b>0.57%</b>	<b>1.92%</b>	<b>1.92%</b>	<b>-0.69%</b>	<b>-0.69%</b>	<b>3.51%</b>	<b>3.51%</b>	<b>5.19%</b>
<b>CASH EQUIVALENTS</b>																						
Northern Trust	1,438,705			0.00%	0.00%	1,470,710			0.00%	0.00%	1,412,835					N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>TOTAL CASH EQUIVALENTS</b>	<b>1,438,705</b>	<b>45.1%</b>	<b>45.0%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>1,470,710</b>	<b>46.4%</b>	<b>45.0%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>1,412,835</b>	<b>44.8%</b>	<b>45.0%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.27%</b>	<b>0.27%</b>	<b>0.27%</b>	<b>0.27%</b>	<b>0.45%</b>
<i>90 Day T-Bill</i>				<i>0.01%</i>	<i>0.01%</i>				<i>0.02%</i>	<i>0.02%</i>				<i>0.02%</i>	<i>0.02%</i>	<i>0.04%</i>	<i>0.04%</i>	<i>0.11%</i>	<i>0.11%</i>	<i>0.11%</i>	<i>0.11%</i>	<i>0.30%</i>

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.