

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

	July-14					Current FYTD		Prior Year FY14		3 Years Ended 6/30/2014		5 Years Ended 6/30/2014	
	Market Value	Allocation		Month		Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net
		Actual	Policy	Gross <sup>(1)</sup>	Net								
<b>TOTAL BONDING FUND</b>	<b>3,266,573</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.09%</b>	<b>-0.09%</b>	<b>-0.09%</b>	<b>-0.09%</b>	<b>4.15%</b>	<b>4.06%</b>	<b>4.21%</b>	<b>4.11%</b>	<b>5.28%</b>	<b>5.18%</b>
<i>POLICY TARGET BENCHMARK</i>				<i>-0.14%</i>	<i>-0.14%</i>	<i>-0.14%</i>	<i>-0.14%</i>	<i>2.42%</i>	<i>2.42%</i>	<i>2.04%</i>	<i>2.04%</i>	<i>2.70%</i>	<i>2.70%</i>
<b>ATTRIBUTION ANALYSIS</b>													
<b>Asset Allocation</b>				<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>-0.02%</b>	<b>-0.02%</b>	<b>0.06%</b>	<b>0.06%</b>		
<b>Manager Selection</b>				<b>0.05%</b>	<b>0.05%</b>	<b>0.05%</b>	<b>0.05%</b>	<b>1.75%</b>	<b>1.66%</b>	<b>2.10%</b>	<b>2.00%</b>		
<b>TOTAL RELATIVE RETURN</b>				<b>0.05%</b>	<b>0.04%</b>	<b>0.05%</b>	<b>0.04%</b>	<b>1.73%</b>	<b>1.64%</b>	<b>2.16%</b>	<b>2.06%</b>		
<b>FIXED INCOME</b>													
Western Asset	565,705	17.3%	17.4%	-0.09%	-0.13%	-0.09%	-0.13%	6.13%	5.99%	5.69%	5.52%	8.72%	8.54%
Prudential	143,553	4.4%	4.4%	-0.21%	-0.21%	-0.21%	-0.21%	6.71%	6.42%	6.06%	5.76%	8.55%	8.25%
PIMCO (DiSCO) (1)	92,154	2.8%	2.8%	0.00%	0.00%	0.00%	0.00%	12.02%	12.02%	N/A	N/A	N/A	N/A
PIMCO (BRAVO II) (1)	15,483	0.5%	0.5%	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
<b>BC Aggregate</b>				<b>-0.25%</b>	<b>-0.25%</b>	<b>-0.25%</b>	<b>-0.25%</b>	<b>4.37%</b>	<b>4.37%</b>	<b>3.66%</b>	<b>3.66%</b>	<b>4.85%</b>	<b>4.85%</b>
Declaration (Total Return) (1) <i>3m LIBOR</i>	156,903	4.8%	4.8%	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
State Street <b>BC Gov/Credit</b>	252,942	7.7%	7.7%	-0.11%	-0.11%	-0.11%	-0.11%	4.26%	4.23%	N/A	N/A	N/A	N/A
Wells Capital <b>BC US Credit BAA</b>	574,508	17.6%	17.4%	-0.20%	-0.20%	-0.20%	-0.20%	10.01%	9.79%	7.70%	7.48%	10.19%	9.97%
<b>TOTAL FIXED INCOME</b>	<b>1,801,248</b>	<b>55.1%</b>	<b>55.0%</b>	<b>-0.12%</b>	<b>-0.13%</b>	<b>-0.12%</b>	<b>-0.13%</b>	<b>7.76%</b>	<b>7.60%</b>	<b>7.48%</b>	<b>7.29%</b>	<b>9.42%</b>	<b>9.23%</b>
<b>BC Aggregate</b>				<b>-0.25%</b>	<b>-0.25%</b>	<b>-0.25%</b>	<b>-0.25%</b>	<b>4.37%</b>	<b>4.37%</b>	<b>3.66%</b>	<b>3.66%</b>	<b>4.85%</b>	<b>4.85%</b>
<b>CASH EQUIVALENTS</b>													
Northern Trust (1)	1,465,325			0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	N/A	N/A	N/A	N/A
<b>TOTAL CASH EQUIVALENTS</b>	<b>1,465,325</b>	<b>44.9%</b>	<b>45.0%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.17%</b>	<b>0.17%</b>	<b>0.24%</b>	<b>0.24%</b>
<b>90 Day T-Bill</b>				<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.06%</b>	<b>0.06%</b>	<b>0.08%</b>	<b>0.08%</b>	<b>0.11%</b>	<b>0.11%</b>

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

**Effective July 1, 2013, net of fee returns are calculated on a cash basis in the month paid. Prior years were accrual based and split evenly over the 12 months of the**

(1) All limited partnership-type (and mutual funds as of 7/1/14) investment returns will only be reported net of fees, which is standard practice by the investment consultant.