

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

	August-14					July-14					Current FYTD		Prior Year FY14		3 Years Ended 6/30/2014		5 Years Ended 6/30/2014		
	Allocation			Month		Allocation			Month		Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net	
	Market Value	Actual	Policy	Gross ⁽¹⁾	Net	Market Value	Actual	Policy	Gross ⁽¹⁾	Net									
TOTAL BONDING FUND	3,287,662	100.0%	100.0%	0.65%	0.64%	3,266,573	100.0%	100.0%	-0.09%	-0.09%	0.57%	0.55%	4.15%	4.06%	4.21%	4.11%	5.28%	5.18%	
<i>POLICY TARGET BENCHMARK</i>				<i>0.61%</i>	<i>0.61%</i>				<i>-0.14%</i>	<i>-0.14%</i>	<i>0.47%</i>	<i>0.47%</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>	
ATTRIBUTION ANALYSIS																			
Asset Allocation				0.00%	0.00%				0.00%	0.00%	0.00%	0.00%	-0.02%	-0.02%	0.06%	0.06%			
Manager Selection				0.04%	0.03%				0.05%	0.05%	0.09%	0.08%	1.75%	1.66%	2.10%	2.00%			
TOTAL RELATIVE RETURN				0.04%	0.03%				0.05%	0.04%	0.09%	0.08%	1.73%	1.64%	2.16%	2.06%			
FIXED INCOME																			
Western Asset	568,216	17.3%	17.5%	1.23%	1.23%	565,705	17.3%	17.4%	-0.09%	-0.13%	1.14%	1.10%	6.13%	5.99%	5.69%	5.52%	8.72%	8.54%	
Prudential	144,017	4.4%	4.4%	1.22%	1.15%	143,553	4.4%	4.4%	-0.21%	-0.21%	1.01%	0.94%	6.71%	6.42%	6.06%	5.76%	8.55%	8.25%	
PIMCO (DiSCO) (1)	88,980	2.7%	2.7%	0.62%	0.62%	92,154	2.8%	2.8%	0.00%	0.00%	0.62%	0.62%	12.02%	12.02%	N/A	N/A	N/A	N/A	
PIMCO (BRAVO II) (1)	14,857	0.5%	0.5%	0.00%	0.00%	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	
BC Aggregate				1.10%	1.10%				-0.25%	-0.25%	0.85%	0.85%	4.37%	4.37%	3.66%	3.66%	4.85%	4.85%	
Declaration (Total Return) (1) 3m LIBOR	158,651	4.8%	4.8%	-0.03%	-0.03%	156,903	4.8%	4.8%	0.00%	0.00%	-0.03%	-0.03%	N/A	N/A	N/A	N/A	N/A	N/A	
				0.02%	0.02%				0.02%	0.02%	0.04%	0.04%							
State Street BC Gov/Credit	254,972	7.8%	7.7%	1.20%	1.20%	252,942	7.7%	7.7%	-0.11%	-0.11%	1.08%	1.08%	4.26%	4.23%	N/A	N/A	N/A	N/A	
				1.20%	1.20%				-0.11%	-0.11%	1.09%	1.09%	4.28%	4.28%					
Wells Capital BC US Credit BAA	578,651	17.6%	17.5%	1.62%	1.57%	574,508	17.6%	17.4%	-0.20%	-0.20%	1.42%	1.37%	10.01%	9.79%	7.70%	7.48%	10.19%	9.97%	
				1.61%	1.61%				-1.40%	-1.40%	0.18%	0.18%	9.46%	9.46%	7.12%	7.12%	9.05%	9.05%	
TOTAL FIXED INCOME	1,808,345	55.0%	55.0%	1.20%	1.17%	1,801,248	55.1%	55.0%	-0.12%	-0.13%	1.07%	1.04%	7.76%	7.60%	7.48%	7.29%	9.42%	9.23%	
BC Aggregate				1.10%	1.10%				-0.25%	-0.25%	0.85%	0.85%	4.37%	4.37%	3.66%	3.66%	4.85%	4.85%	
CASH EQUIVALENTS																			
Northern Trust (1)	1,479,317			0.00%	0.00%	1,465,325			0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	N/A	N/A	N/A	N/A	
TOTAL CASH EQUIVALENTS	1,479,317	45.0%	45.0%	0.00%	0.00%	1,465,325	44.9%	45.0%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.17%	0.17%	0.24%	0.24%	
90 Day T-Bill				0.00%	0.00%				0.00%	0.00%	0.01%	0.01%	0.06%	0.06%	0.08%	0.08%	0.11%	0.11%	

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 fiscal year.

(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.