

**STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2014**

	September-14							Current FYTD		Prior Year FY14		3 Years Ended 6/30/2014		5 Years Ended 6/30/2014	
	Market Value	Allocation		Quarter		Month		Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net
		Actual	Policy	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net								
TOTAL BONDING FUND	3,272,018	100.0%	100.0%	0.09%	0.08%	-0.47%	-0.47%	0.09%	0.08%	4.15%	4.06%	4.21%	4.11%	5.28%	5.18%
<i>POLICY TARGET BENCHMARK</i>				<i>0.10%</i>	<i>0.10%</i>	<i>-0.37%</i>	<i>-0.37%</i>	<i>0.10%</i>	<i>0.10%</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				0.00%	-0.02%	-0.10%	-0.10%	0.00%	-0.02%	1.75%	1.66%	2.10%	2.00%		
TOTAL RELATIVE RETURN				0.00%	-0.02%	-0.10%	-0.10%	0.00%	-0.02%	1.73%	1.64%	2.16%	2.06%		
FIXED INCOME															
Western Asset	572,550	17.5%	17.6%	0.36%	0.32%	-0.77%	-0.77%	0.36%	0.32%	6.13%	5.99%	5.69%	5.52%	8.72%	8.54%
Prudential	144,753	4.4%	4.4%	-0.31%	-0.38%	-1.31%	-1.31%	-0.31%	-0.38%	6.71%	6.42%	6.06%	5.76%	8.55%	8.25%
PIMCO (DiSCO) (1)	83,797	2.6%	2.6%	1.43%	1.43%	0.80%	0.80%	1.43%	1.43%	12.02%	12.02%	N/A	N/A	N/A	N/A
PIMCO (BRAVO II) (1)	19,336	0.6%	0.6%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
BC Aggregate				0.17%	0.17%	-0.68%	-0.68%	0.17%	0.17%	4.37%	4.37%	3.66%	3.66%	4.85%	4.85%
Declaration (Total Return) (1)	149,229	4.6%	4.6%	0.65%	0.65%	0.68%	0.68%	0.65%	0.65%	N/A	N/A	N/A	N/A	N/A	N/A
3m LIBOR				0.06%	0.06%	0.02%	0.02%	0.06%	0.06%						
State Street	253,974	7.8%	7.7%	0.16%	0.15%	-0.91%	-0.92%	0.16%	0.15%	4.26%	4.23%	N/A	N/A	N/A	N/A
BC Gov/Credit				0.17%	0.17%	-0.91%	-0.91%	0.17%	0.17%	4.28%	4.28%				
Wells Capital	574,809	17.6%	17.6%	-0.12%	-0.17%	-1.52%	-1.52%	-0.12%	-0.17%	10.01%	9.79%	7.70%	7.48%	10.19%	9.97%
BC US Credit BAA				-1.60%	-1.60%	-1.78%	-1.78%	-1.60%	-1.60%	9.46%	9.46%	7.12%	7.12%	9.05%	9.05%
TOTAL FIXED INCOME	1,798,448	55.0%	55.0%	0.20%	0.16%	-0.86%	-0.86%	0.20%	0.16%	7.76%	7.60%	7.48%	7.29%	9.42%	9.23%
BC Aggregate				0.17%	0.17%	-0.68%	-0.68%	0.17%	0.17%	4.37%	4.37%	3.66%	3.66%	4.85%	4.85%
CASH EQUIVALENTS															
Northern Trust (1)	1,473,570			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	N/A	N/A	N/A	N/A
TOTAL CASH EQUIVALENTS	1,473,570	45.0%	45.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.17%	0.17%	0.24%	0.24%
90 Day T-Bill				0.01%	0.01%	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.