



TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

EXECUTIVE SUMMARY

JUNE 30, 2014

STRATEGIC INVESTMENT SOLUTIONS, INC.

333 Bush Street, Suite 2000
San Francisco, CA 94104
(415) 362-3484

- Despite a revision to US Q1 GDP growth to an annualized -2.9%, less uncertainty over the outlook for Federal Reserve monetary policy and subdued volatility led to a robust second quarter for the S&P 500, which rose 5.2%.
- The US Treasury yield curve flattened as shorter-term rates were relatively steady and benchmark 10-year yields fell 20 basis points.
- With investors continuing to reach for yield, lower grade corporate debt outperformed. US BAA-rated securities returned 3.4% during the second quarter.
- New easing measures introduced at the European Central Bank's June policy meeting, including negative deposit rates and targeted long-term refinancing operations to boost bank lending, led to a 2.1% rise in Europe ex-UK equities in the second quarter.
- The MSCI Emerging Markets Net Return Index rose 6.6% during the second quarter as fears over sooner-than-expected Federal Reserve tightening diminished and geopolitical risk remained subdued.
- The State Street Investor Confidence Index® (ICI) measures risk appetite by analyzing buying and selling patterns of institutional investors. With confidence remaining robust among North American and European institutions but falling among Asian institutions, the Global ICI decreased 0.8 points during the quarter to 119.5, remaining significantly above the neutral level of 100.
- For the period ending 6/30/14, the one quarter returns for, respectively, the NAREIT Equity index and the NCREIF Property index (one quarter lag), were 7.0% and 2.7%; one-year, 13.2% and 11.2%; three-year, 11.8% and 11.7% and five-year, 23.5% and 7.9%.
- US REITs had a strong Q2 as the US economy rebounded with improving demand. All property sectors did well, reflecting the increased economic activity and job growth.
- Global real estate stocks also did well in the second quarter, with Europe's markets generally reacting positively to bond yields as well as economic stimulus announcements. Asia Pacific turned positive after having a difficult first quarter.

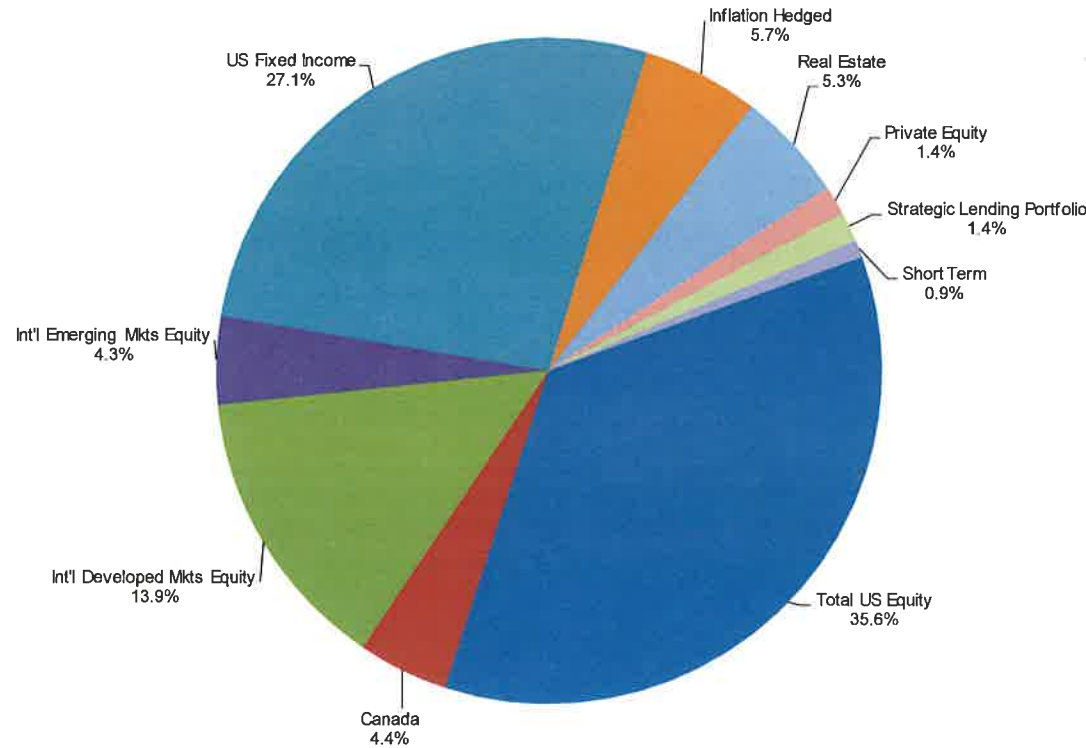
Market Indices Review

Periods Ending June 30, 2014

INDEX	STYLE	1 QTR	1 YEAR	3 YEAR	5 YEAR	7 YEAR	10 YEAR
NORTH AMERICAN EQUITY INDICES							
S&P 1500	Large Cap Broad	5.05	24.70	16.48	19.18	6.42	8.09
S&P 500	Large Cap Core	5.23	24.61	16.58	18.83	6.16	7.78
S&P MidCap 400	Mid Cap Broad	4.33	25.24	15.26	21.67	8.56	10.50
S&P Small Cap 600	Small Cap Broad	2.07	25.54	16.81	21.98	8.06	9.95
Russell 3000 Growth	Large Cap Growth	4.86	26.75	16.11	19.34	7.97	8.27
Russell 3000 Value	Large Cap Value	4.89	23.71	16.73	19.28	4.86	8.04
NASDAQ Composite	Large Cap Core	5.31	31.17	18.12	20.51	8.98	9.02
DJIA	Large Cap Core	2.83	15.56	13.57	17.83	6.13	7.64
S&P/T SX 60	Canadian Large Cap Broad	10.18	27.08	3.99	11.57	4.01	11.51
INTERNATIONAL INDICES							
MSCI EAFE NET	International Equity	4.09	23.57	8.10	11.77	0.97	6.93
MSCI AC World -ex US	International Equity	5.03	21.75	5.73	11.11	1.27	7.75
MSCI Emerging Markets	Emerging Markets	6.71	14.68	-0.05	9.58	2.59	12.30
Citigroup World Govt	Global Fixed	2.27	6.85	1.57	3.60	5.47	4.82
Citigroup World Govt ex US	International Fixed	2.64	8.88	1.03	3.59	5.62	4.90
US FIXED INCOME INDICES							
3-Month Treasury Bills	Cash	0.01	0.03	0.05	0.07	0.53	1.51
Barclays Aggregate	Core Fixed	2.04	4.37	3.66	4.85	5.35	4.93
Barclays Govt/Credit	Core Fixed	1.92	4.28	4.08	5.09	5.42	4.94
Barclays Mortgage	Mortgages	2.41	4.66	2.80	3.92	5.24	4.95
NAR Equity REIT	Real Estate	6.98	13.21	11.84	23.52	5.01	9.61
NCREIF Property - One Qtr lag	Real Estate	2.74	11.17	11.69	7.89	5.10	8.65

Asset Allocation Analysis - Total Plan

CURRENT ALLOCATION BY ASSET CLASS



As of June 30, 2014

	Actual \$	Actual %
Total US Equity	15,224,393,876	35.6%
Canada	1,885,765,960	4.4%
Int'l Developed Mkts Equity	5,955,592,208	13.9%
Int'l Emerging Mkts Equity	1,836,615,214	4.3%
US Fixed Income	11,593,523,578	27.1%
Inflation Hedged	2,427,953,888	5.7%
Real Estate	2,286,445,846	5.3%
Private Equity	604,036,186	1.4%
Strategic Lending Portfolio	618,122,884	1.4%
Short Term	369,579,840	0.9%
TOTAL	42,802,029,480	100.0%

	TARGET	ACTUAL	DIFF
Total US Equity	33.0%	35.6%	2.6%
Canada	4.0%	4.4%	0.4%
Int'l Developed Mkts Equity	13.0%	13.9%	0.9%
Int'l Emerging Mkts Equity	5.0%	4.3%	-0.7%
US Fixed Income	25.0%	27.1%	2.1%
Inflation Hedged	4.0%	5.7%	1.7%
Real Estate	7.0%	5.3%	-1.7%
Private Equity	3.0%	1.4%	-1.6%
Strategic Lending Portfolio	5.0%	1.4%	-3.6%
Short Term	1.0%	0.9%	-0.1%

	03/31/13	06/30/14	DIFF
Total US Equity	35.5%	35.6%	0.1%
Canada	4.2%	4.4%	0.2%
Int'l Developed Mkts Equity	14.0%	13.9%	-0.1%
Int'l Emerging Mkts Equity	3.9%	4.3%	0.4%
US Fixed Income	27.5%	27.1%	-0.4%
Inflation Hedged	5.9%	5.7%	-0.2%
Real Estate	5.4%	5.3%	-0.1%
Private Equity	1.2%	1.4%	0.2%
Strategic Lending Portfolio	1.1%	1.4%	0.3%
Short Term	1.3%	0.9%	-0.4%

Performance Summary

Periods Ending June 30, 2014

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Total Fund	4.50	16.65	10.64	12.29	5.91	6.85
<i>Policy Index¹</i>	<u>4.34</u>	<u>16.88</u>	<u>10.59</u>	<u>12.38</u>	<u>6.23</u>	<u>7.34</u>
Excess Return	0.16	-0.23	0.05	-0.09	-0.32	-0.49
<i>Allocation Index²</i>	4.48	16.54	10.06	11.93	--	--
North American Equity	5.90	25.40	15.12	--	--	--
<i>N.A. Equity Custom³</i>	<u>5.60</u>	<u>24.98</u>	<u>15.01</u>	--	--	--
Excess Return	0.30	0.42	0.11			
US Equity	5.42	25.19	16.55	19.21	6.42	8.13
<i>US Equity Custom⁴</i>	<u>5.05</u>	<u>24.70</u>	<u>16.48</u>	<u>19.18</u>	<u>6.42</u>	<u>8.09</u>
Excess Return	0.37	0.49	0.07	0.03	0.00	0.04
Index	5.20	24.46	16.55	18.79	6.22	--
<i>S&P 500</i>	<u>5.23</u>	<u>24.61</u>	<u>16.58</u>	<u>18.83</u>	<u>6.16</u>	<u>7.78</u>
Excess Return	-0.03	-0.15	-0.03	-0.04	0.06	
Quant	5.68	23.83	15.98	18.32	6.53	8.16
<i>S&P 500</i>	<u>5.23</u>	<u>24.61</u>	<u>16.58</u>	<u>18.83</u>	<u>6.16</u>	<u>7.78</u>
Excess Return	0.45	-0.78	-0.60	-0.51	0.37	0.38
Sector	5.98	26.32	16.66	18.90	6.31	7.99
<i>S&P 500</i>	<u>5.23</u>	<u>24.61</u>	<u>16.58</u>	<u>18.83</u>	<u>6.16</u>	<u>7.78</u>
Excess Return	0.75	1.71	0.08	0.07	0.15	0.21

1 Effective 1/1/13, Policy Index is 33% S&P 1500/ 4% S&P TSX 60/ 13% MSCI EAFE IMI net/ 5% MSCI Emerging Markets net/ 25% Citigroup LPF/ 4% Citigroup TIPS/ 7% NCREIF 1Q Lag/ 3% S&P 500 + 3% 1Q Lag/ 1% 91 Day T-Bill / 5% Strategic Lending.

2 Effective 4/1/14, Total Fund Allocation Index is 34.09% S&P 1500/ 4.13% S&P TSX 60/ 13.43% MSCI EAFE IMI net/ 5.17% MSCI Emerging Markets net/ 27.42% Citigroup LPF/ 7.16% Citigroup TIPS/ 5.37% NCREIF 1Q Lag/ 1.17% S&P 500 + 3% 1Q Lag/ 1.06% Strategic Lending/ 1.0% 91 Day T-Bill.

3 Effective 1/1/13, benchmark is 89.19% S&P 1500/ 10.81% S&P TSX 60; linked to 87.5% S&P 1500/ 12.5% S&P TSX 60 Index.

4 Effective 7/1/04, benchmark is S&P 1500; linked to 100% S&P 500 Index.

Performance Summary

Periods Ending June 30, 2014

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Mid Cap ⁵	4.32	26.66	16.03	22.08	7.44	9.84
S&P MidCap 400 ⁵	<u>4.33</u>	<u>25.24</u>	<u>15.26</u>	<u>21.67</u>	<u>8.17</u>	<u>10.14</u>
Excess Return	-0.01	1.42	0.77	0.41	-0.73	-0.30
Small Cap ⁶	2.03	25.34	15.86	-	-	-
S&P 600 SmallCap	<u>2.07</u>	<u>25.54</u>	<u>16.81</u>	<u>21.98</u>	<u>8.06</u>	<u>9.95</u>
Excess Return	-0.04	-0.20	-0.95			
Canada	9.97	27.08	4.13	-	-	-
S&P/TSX 60	<u>10.18</u>	<u>27.08</u>	<u>3.99</u>	<u>11.57</u>	<u>4.01</u>	<u>11.51</u>
Excess Return	-0.21	0.00	0.14			
International Equity	4.10	20.47	8.21	13.09	3.05	8.60
Int'l Equity Custom ⁷	<u>4.61</u>	<u>21.56</u>	<u>6.17</u>	<u>10.83</u>	<u>0.50</u>	<u>6.58</u>
Excess Return	-0.51	-1.09	2.04	2.26	2.55	2.02
Int'l Developed Mkts Equity	3.31	22.04	9.80	14.08	3.69	9.07
MSCI EAFE IMI net	<u>3.84</u>	<u>24.22</u>	<u>8.31</u>	<u>12.16</u>	<u>1.36</u>	<u>7.22</u>
Excess Return	-0.53	-2.18	1.49	1.92	2.33	1.85
American Century	-0.58	28.32	13.89	19.50	-	-
MSCI EAFE Small Cap	<u>2.08</u>	<u>29.08</u>	<u>9.84</u>	<u>15.21</u>	<u>2.48</u>	<u>8.73</u>
Excess Return	-2.66	-0.76	4.05	4.29		

5 Effective 7/1/08, strategy was changed from SMID Cap. Benchmark is linked to 100% S&P 1000 Index.

6 Use 100% Russell 2000 Futures returns January 2011-June 2012. Use weighted blend of Russell 2000 Futures and Small Cap Fund returns July 2012- October 2012.

Use 100% Small Cap Fund returns November 2012-present.

7 Effective 1/1/13, benchmark is 72.22% MSCI EAFE IMI net/ 27.78% MSCI Emerging Mkts net; linked to 100% MSCI EAFE IMI net (10/08-12/12) and 100% MSCI EAFE net Index (7/04-9/08).

Performance Summary

Periods Ending June 30, 2014

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Baring Asset Mgmt	3.71	18.86	8.97	13.33	--	--
<i>MSCI EAFE</i>	<u>4.09</u>	<u>23.57</u>	<u>8.10</u>	<u>11.77</u>	<u>0.97</u>	<u>6.93</u>
Excess Return	-0.38	-4.71	0.87	1.56		
GE Asset	0.41	21.88	7.18	12.67	--	--
<i>MSCI Europe</i>	<u>3.30</u>	<u>29.28</u>	<u>8.67</u>	<u>13.03</u>	<u>0.98</u>	<u>7.54</u>
Excess Return	-2.89	-7.40	-1.49	-0.36		
Marathon	3.85	24.45	11.31	14.65	4.87	10.33
<i>MSCI EAFE net</i>	<u>4.09</u>	<u>23.57</u>	<u>8.10</u>	<u>11.77</u>	<u>0.97</u>	<u>6.97</u>
Excess Return	-0.24	0.88	3.21	2.88	3.90	3.36
Pacific Indexed Portfolio ⁸	4.76	12.28	6.06	8.94	0.41	5.79
<i>MSCI Pacific net</i> ⁹	<u>5.77</u>	<u>13.10</u>	<u>7.10</u>	<u>9.58</u>	<u>1.18</u>	<u>5.79</u>
Excess Return	-1.01	-0.82	-1.04	-0.64	-0.77	0.00
PanAgora Asset Mgmt	4.32	25.72	9.89	14.06	2.74	8.65
<i>MSCI EAFE</i>	<u>4.09</u>	<u>23.57</u>	<u>8.10</u>	<u>11.77</u>	<u>0.97</u>	<u>6.93</u>
Excess Return	0.23	2.15	1.79	2.29	1.77	1.72
Pyramis Global	2.64	27.38	11.55	16.52	--	--
<i>MSCI EAFE Small Cap</i>	<u>2.08</u>	<u>29.08</u>	<u>9.84</u>	<u>15.21</u>	<u>2.48</u>	<u>8.73</u>
Excess Return	0.56	-1.70	1.71	1.31		

8 Effective 9/4/10, internally managed by TCRS staff. Amundi Pacific terminated.

9 Effective 7/1/04. Benchmark is linked to MSCI ACWI Asia Pacific Free.

Performance Summary

Periods Ending June 30, 2014

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
TT International	3.61	23.97	9.52	13.03	--	--
<i>MSCI EAFE</i>	<u>4.09</u>	<u>23.57</u>	<u>8.10</u>	<u>11.77</u>	<u>0.97</u>	<u>6.93</u>
Excess Return	-0.48	0.40	1.42	1.26		
Walter Scott	4.76	15.84	8.34	13.51	5.30	9.85
<i>MSCI EAFE net</i> ¹⁰	<u>4.09</u>	<u>23.57</u>	<u>8.10</u>	<u>11.77</u>	<u>0.23</u>	<u>7.12</u>
Excess Return	0.67	-7.73	0.24	1.74	5.07	2.73
Int'l Emerging Mkts Equity	6.89	14.90	--	--	--	--
<i>MSCI Emerging Markets Net Custom</i>	<u>6.62</u>	<u>14.51</u>	--	--	--	--
Excess Return	0.27	0.39				
US Fixed Income	3.70	7.73	7.31	8.33	7.07	6.11
<i>Citigroup LPF</i> ¹¹	<u>3.57</u>	<u>6.77</u>	<u>6.26</u>	<u>6.35</u>	<u>6.65</u>	<u>5.81</u>
Excess Return	0.13	0.96	1.05	1.98	0.42	0.30
Corporate	4.56	12.13	10.10	11.69	8.98	7.53
<i>Citigroup LPF Credit</i> ¹²	<u>4.40</u>	<u>11.27</u>	<u>8.53</u>	<u>9.27</u>	<u>7.81</u>	<u>6.76</u>
Excess Return	0.16	0.86	1.57	2.42	1.17	0.77

10 Effective 3/1/09. Benchmark is linked to MSCI Europe Index.

11 Effective 9/1/11. Benchmark is linked to 50% Citigroup BIG/ 50% Citigroup LPF (4/1/11-8/31/11) and 100% Citigroup BIG (8/1/05-3/31/11).

12 Effective 7/1/11. Benchmark is linked to 50% Citigroup BIG Credit/ 50% Citigroup LPF (4/1/11-6/30/11) and 100% Citigroup BIG Credit Index (1/1/01-3/31/11).

Performance Summary

Periods Ending June 30, 2014

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Gov't 1-5	4.18	8.22	10.42	10.52	7.77	--
<i>Citigroup LPF Treas/Govt Spons¹³</i>	<u>3.81</u>	<u>5.09</u>	<u>7.02</u>	<u>5.83</u>	<u>6.28</u>	<u>5.60</u>
Excess Return	0.37	3.13	3.40	4.69	1.49	
Gov't 5 Plus	3.83	5.25	7.27	7.60	6.58	5.76
<i>Citigroup LPF Treas/Govt Spons¹⁴</i>	<u>3.81</u>	<u>5.09</u>	<u>7.02</u>	<u>6.70</u>	<u>7.15</u>	<u>6.08</u>
Excess Return	0.02	0.16	0.25	0.90	-0.57	-0.32
MBS	2.48	4.70	3.14	4.51	4.66	4.54
<i>Citi BIG Mortgage</i>	<u>2.41</u>	<u>4.59</u>	<u>2.79</u>	<u>3.97</u>	<u>5.31</u>	<u>5.00</u>
Excess Return	0.07	0.11	0.35	0.54	-0.65	-0.46
Inflation Hedged	4.05	4.66	3.62	5.35	6.00	5.24
<i>Citi TIPS</i>	<u>4.12</u>	<u>4.66</u>	<u>3.68</u>	<u>5.70</u>	<u>5.95</u>	<u>5.29</u>
Excess Return	-0.07	0.00	-0.06	-0.35	0.05	-0.05
Real Estate	1.64	10.72	10.28	5.32	3.83	7.47
<i>NCREIF 1Q Lag</i>	<u>2.74</u>	<u>11.17</u>	<u>11.69</u>	<u>7.89</u>	<u>5.10</u>	<u>8.65</u>
Excess Return	-1.10	-0.45	-1.41	-2.57	-1.27	-1.18
Private Equity*	6.29	23.77	15.81			
<i>S&P 500 +3% 1Q Lag*</i>	<u>2.51</u>	<u>24.75</u>	<u>21.60</u>			
Excess Return	3.78	-0.98	-5.79			

13 Effective 9/1/11. Benchmark is linked to Citi 1-7 Govt (7/1/11-8/31/11), 50% Citigroup 1-5 Govt/ 50% Citigroup 1-7 Govt (4/1/11-6/30/11), and 100% Citigroup 1-5 Govt (9/1/09-3/31/11).

14 Effective 7/1/11. Benchmark is linked to 50% Citigroup Core 5+ Govt/ 50% Citigroup 7+ Govt (4/1/11-6/30/11), 100% Citigroup Core 5+ Govt (9/1/09-3/31/11), and 100% Citigroup Govt (7/1/04-8/31/09).

* Effective 4/1/12. One quarter lagged IRR returns are provided by Cambridge Associates.

Performance Summary

Periods Ending June 30, 2014

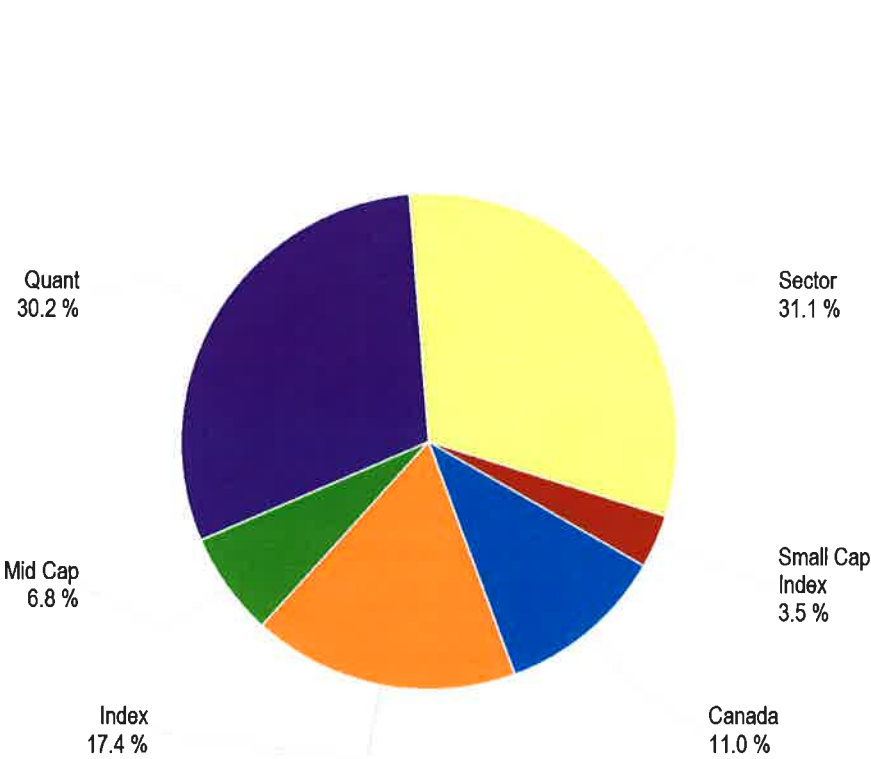
	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Strategic Lending Portfolio¹⁵	2.54	--	--	--	--	--
<i>Strategic Lending¹⁶</i>	<u>1.93</u>	<u>8.89</u>	--	--	--	--
Excess Return	0.61					
Short Term	0.16	0.73	0.86	1.41	--	--
<i>91 Day T-Bills</i>	<u>0.01</u>	<u>0.03</u>	<u>0.05</u>	<u>0.07</u>	<u>0.53</u>	<u>1.51</u>
Excess Return	0.15	0.70	0.81	1.34		
Short Duration	0.33	1.43	1.50	1.94	--	--
<i>Citi 6 Month T-Bill</i>	<u>0.02</u>	<u>0.08</u>	<u>0.17</u>	<u>0.19</u>	<u>0.82</u>	<u>1.68</u>
Excess Return	0.31	1.35	1.33	1.75		
Cash	0.09	0.39	0.78	1.29	1.87	2.37
<i>91 Day T-Bills</i>	<u>0.01</u>	<u>0.03</u>	<u>0.05</u>	<u>0.07</u>	<u>0.53</u>	<u>1.51</u>
Excess Return	0.08	0.36	0.73	1.22	1.34	0.86

15 Funded 8/1/13. Reported net of fees.

16 Effective 1/1/13, benchmark is 50% Barclays HY 2% Issuer Capped/ 50% Credit Suisse Leveraged Loans.

Manager Allocation Analysis - North American Equity

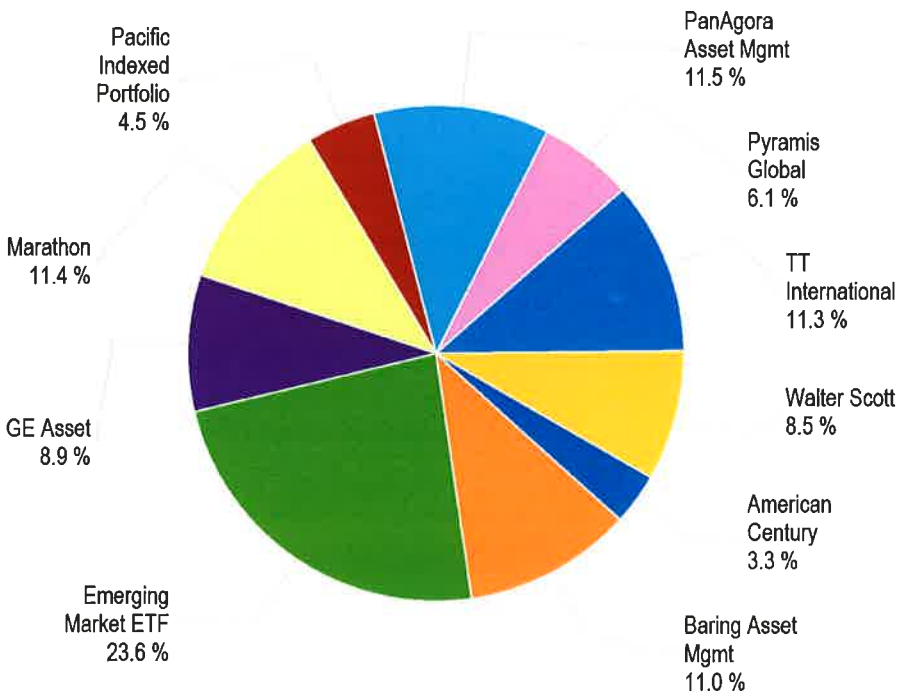
As of June 30, 2014



	Actual \$	Actual %
Canada	\$1,885,765,960	11.0%
Index	\$2,974,712,676	17.4%
Mid Cap	\$1,160,312,941	6.8%
Quant	\$5,167,215,665	30.2%
Sector	\$5,326,600,115	31.1%
Small Cap Index	\$595,552,479	3.5%
Total	\$17,110,159,836	

Manager Allocation Analysis - International Equity

As of June 30, 2014

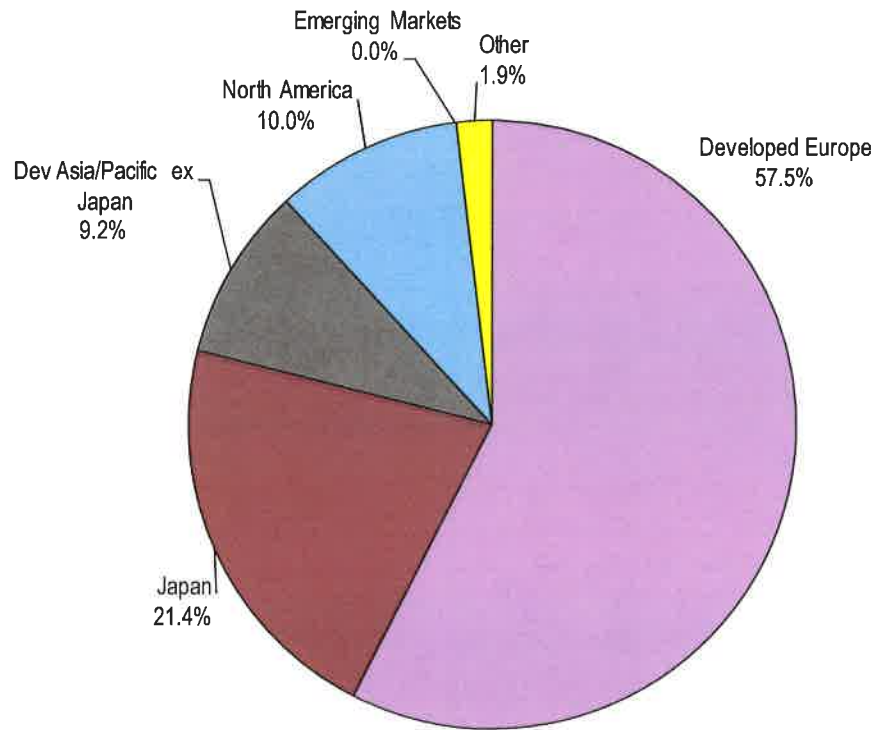


	Actual \$	Actual %
American Century	\$260,479,018	3.3%
Baring Asset Mgmt	\$856,576,991	11.0%
Emerging Market ETF	\$1,836,615,214	23.6%
GE Asset	\$693,333,896	8.9%
Marathon	\$885,389,002	11.4%
Pacific Indexed Portfolio	\$347,628,507	4.5%
PanAgora Asset Mgmt	\$893,448,933	11.5%
Pyramis Global	\$477,498,262	6.1%
TT International	\$878,397,318	11.3%
Walter Scott	\$662,840,281	8.5%
Total	\$7,792,207,422	

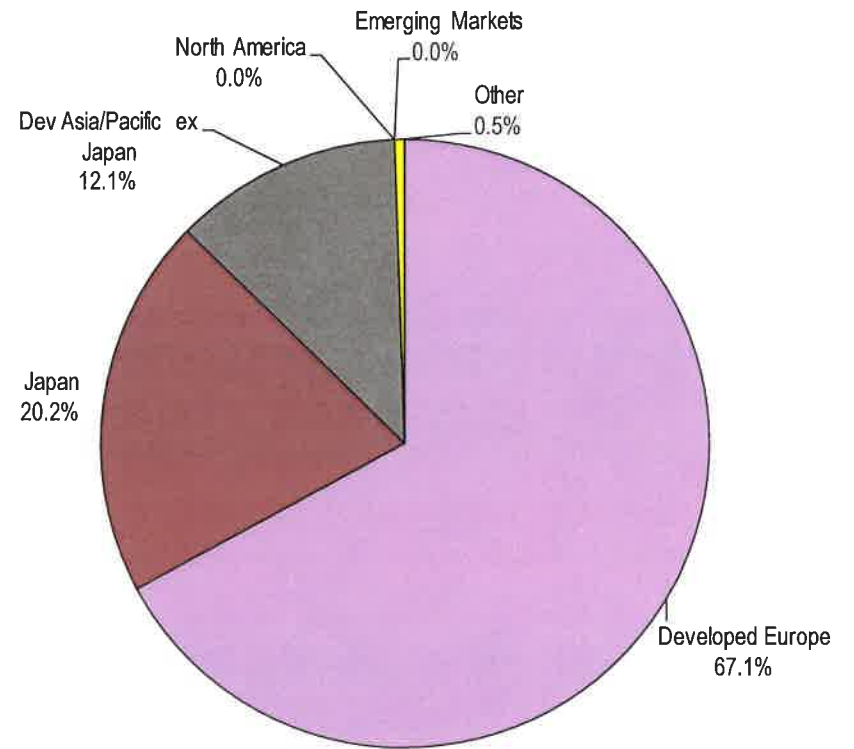
Developed International Equity Portfolio Regional Weights

As of June 30, 2014

Developed International Equity



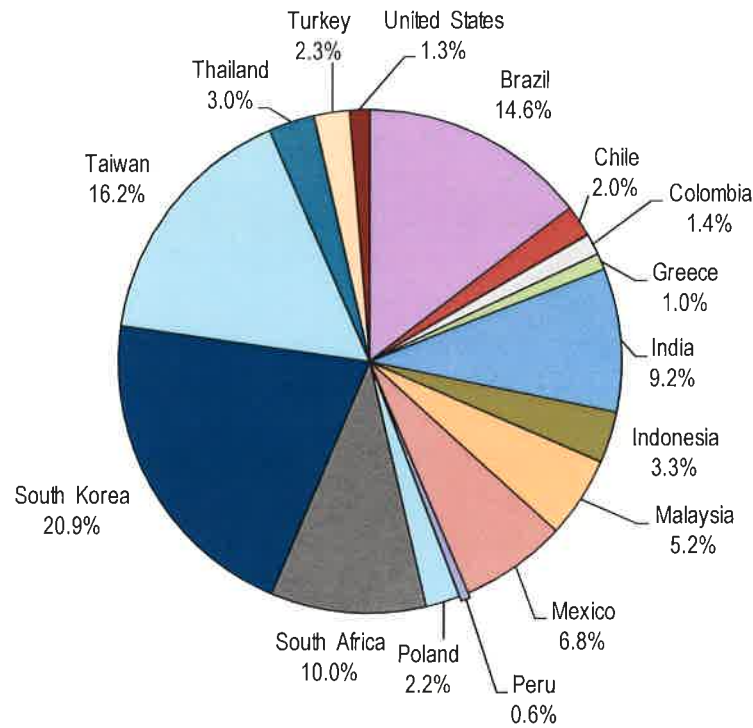
MSCI EAFE Index



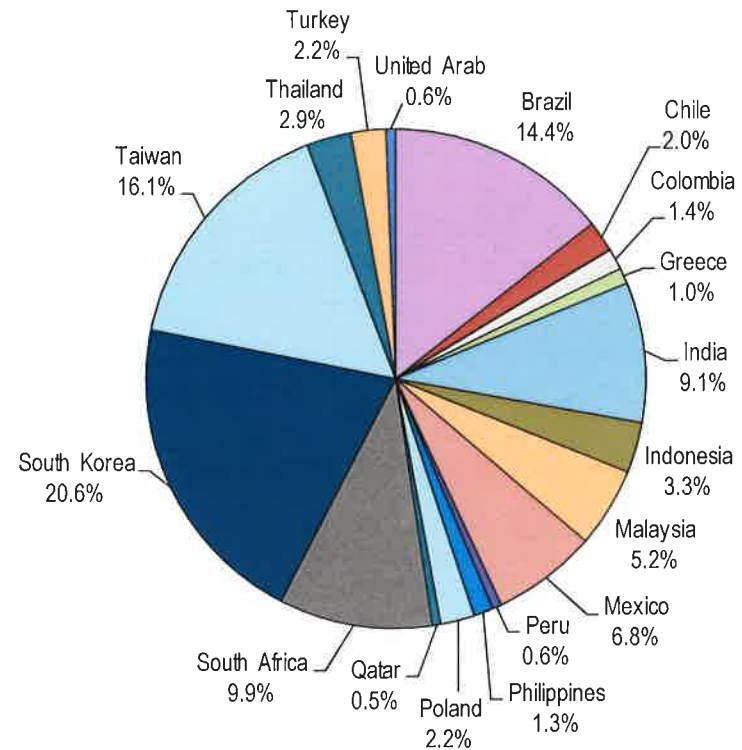
Emerging Market ETF Portfolio Regional Weights

As of June 30, 2014

Emerging Market ETF

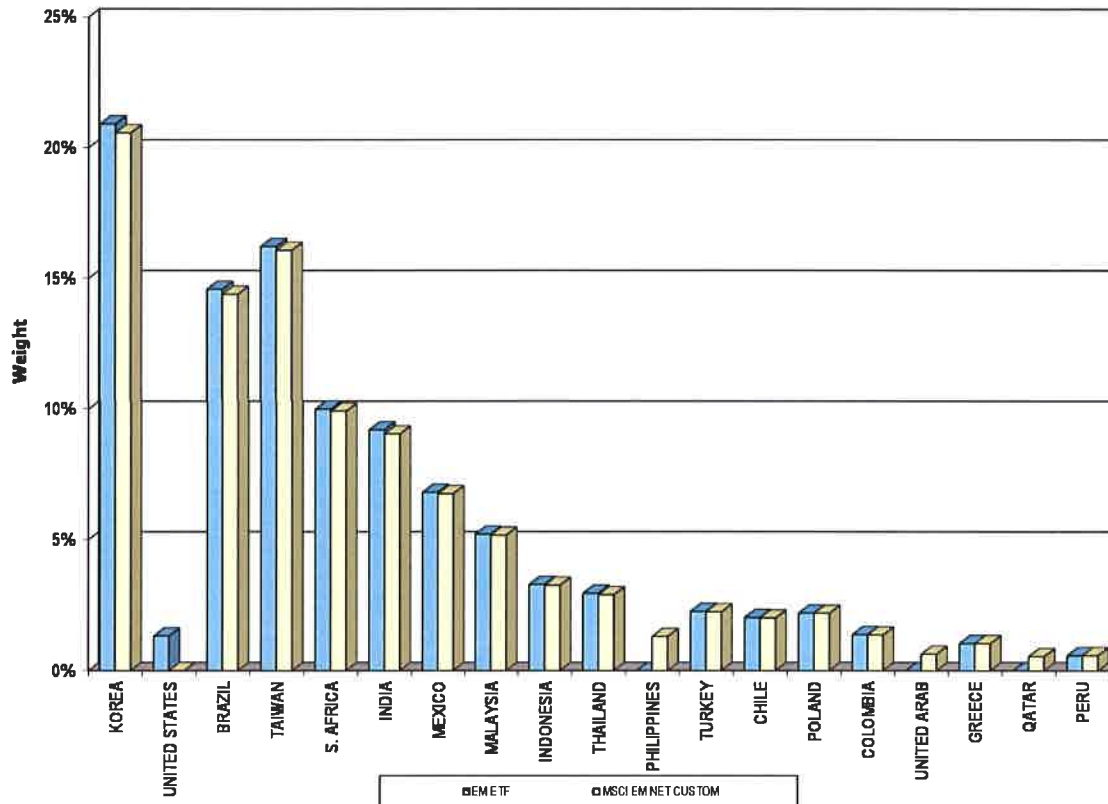


MSCI Emerging Market Net Custom Index



Portfolio Country Weights - Emerging Market ETF

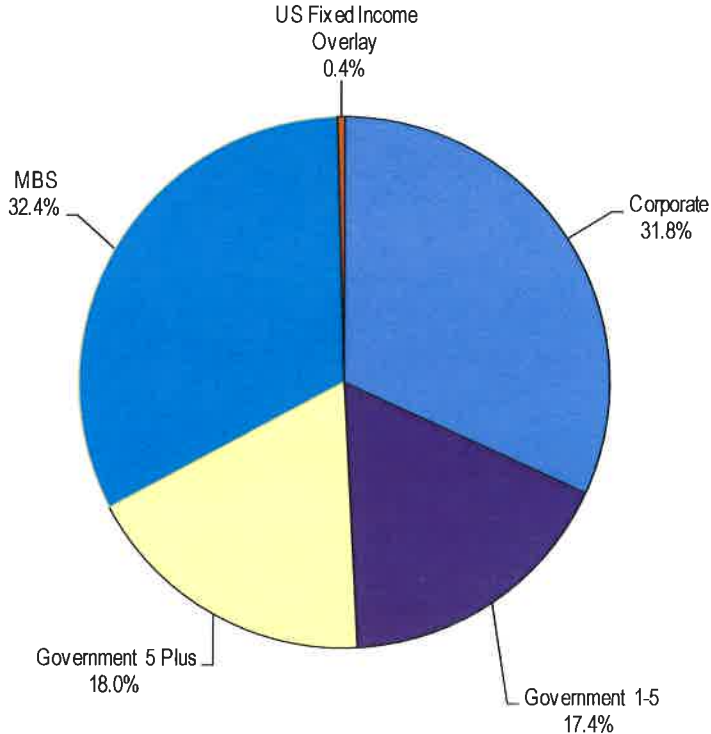
As of June 30, 2014



COUNTRY	TCRS MARKET VALUE (\$ 000)	EM ETF	MSCI EM NET CUSTOM	DIFF
KOREA	\$ 384,020	20.9%	20.6%	+0.3%
UNITED STATES	\$ 24,341	1.3%	0.0%	+1.3%
BRAZIL	\$ 267,863	14.6%	14.4%	+0.2%
TAIWAN	\$ 297,843	16.2%	16.1%	+0.1%
S. AFRICA	\$ 183,452	10.0%	9.9%	+0.1%
INDIA	\$ 169,118	9.2%	9.1%	+0.2%
MEXICO	\$ 125,357	6.8%	6.8%	+0.1%
MALAYSIA	\$ 95,714	5.2%	5.2%	+0.0%
INDONESIA	\$ 60,516	3.3%	3.3%	+0.0%
THAILAND	\$ 54,304	3.0%	2.9%	+0.1%
PHILIPPINES	\$ -	0.0%	1.3%	-1.3%
TURKEY	\$ 41,589	2.3%	2.2%	+0.0%
CHILE	\$ 37,223	2.0%	2.0%	+0.0%
POLAND	\$ 40,405	2.2%	2.2%	+0.0%
COLOMBIA	\$ 25,264	1.4%	1.4%	+0.0%
UNITED ARAB	\$ -	0.0%	0.6%	-0.6%
GREECE	\$ 18,990	1.0%	1.0%	+0.0%
QATAR	\$ -	0.0%	0.5%	-0.5%
PERU	\$ 10,616	0.6%	0.6%	-0.0%
	\$ 1,836,615	100.0%	100.0%	0.0%

Manager Allocation Analysis - US Fixed Income

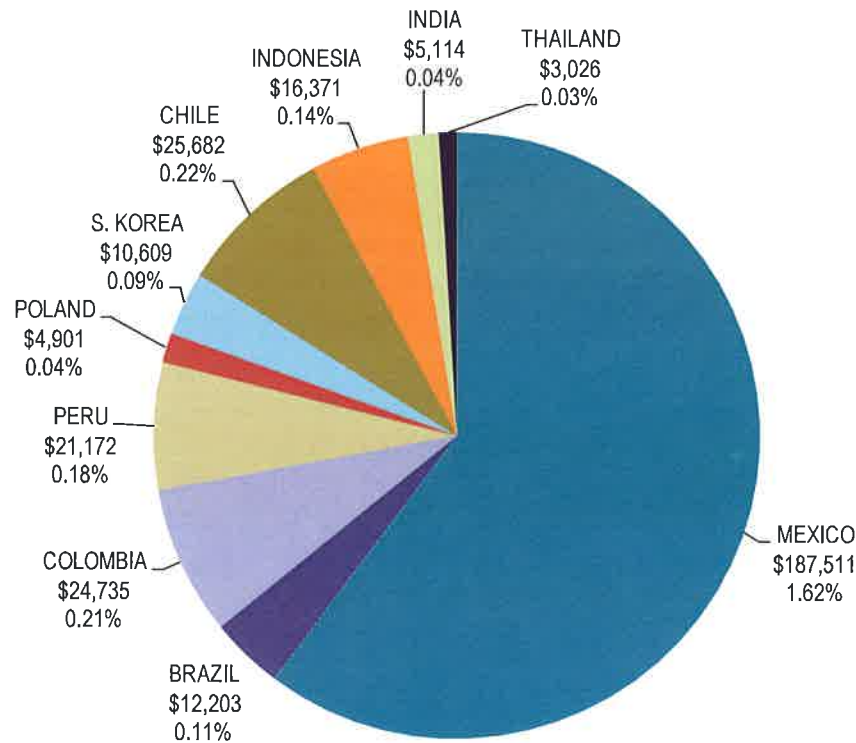
As of June 30, 2014



	Actual \$	Actual %
Corporate	3,690,531,428	31.8%
Government 1-5	2,011,515,944	17.4%
Government 5 Plus	2,086,370,296	18.0%
MBS	3,754,316,234	32.4%
US Fixed Income Overlay	50,789,676	0.4%
TOTAL	11,593,523,578	100.0%

Emerging Market Investment Grade Bond Portfolio Regional Weights

As of June 30, 2014



COUNTRY	TCRS MARKET VALUE (\$ 000)	TCRS FI	LPF	DIFF
MEXICO	\$ 187,511	1.62%	0.85%	+0.77%
OTHER*	\$ -		0.82%	-0.82%
TURKEY	\$ -		0.39%	-0.39%
BRAZIL	\$ 12,203	0.11%	0.38%	-0.27%
PHILIPPINES	\$ -		0.27%	-0.27%
COLOMBIA	\$ 24,735	0.21%	0.25%	-0.04%
PERU	\$ 21,172	0.18%	0.12%	+0.06%
POLAND	\$ 4,901	0.04%	0.10%	-0.06%
S. KOREA	\$ 10,609	0.09%	0.09%	0.00%
S. AFRICA	\$ -		0.07%	-0.07%
CHILE	\$ 25,682	0.22%	0.04%	+0.18%
INDONESIA	\$ 16,371	0.14%	0.03%	+0.11%
INDIA	\$ 5,114	0.04%		+0.04%
MALAYSIA	\$ -			0.00%
TAIWAN	\$ -			0.00%
THAILAND	\$ 3,026	0.03%		+0.03%
GREECE	\$ -			0.00%
	\$ 311,324	2.68%	3.41%	-0.73%

* Includes Bahrain, British Virgin, Curacao, Iceland, Isle of Man, Panama, Qatar, Slovakia, Slovenia and Uruguay.
 **Countries excluded: United States, Japan, Germany, France, The United Kingdom, Italy, Canada, Australia, Spain, Israel, Belgium, Ireland, Luxembourg, Netherlands, Norway, Sweden and Switzerland.