

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

EXECUTIVE SUMMARY

JUNE 30, 2015



333 BUSH STREET | SAN FRANCISCO | 94104 | 415.362.3484

- In the U.S., the decline in the corporate earnings and extended valuations limited both the S&P 500 and the Russell 3000 gains; the indices increased by a modest 0.3% and 0.1%, respectively, in the second quarter.
- The persisting absence of the Greek bail-out agreement continued to weigh heavily on the investors throughout the second quarter as the European ex-UK equities lost 0.8%. On the positive side, the lack of the EU-Greece deal made the rate increase by the Bank of England less likely, propelling the UK equities up 3.0% in the second quarter.
- The dollar lost ground against both the euro and the pound in the second quarter as the Federal Reserve remained data dependent on the timing of the rate increase, and the jump in the retail sales for several countries in Europe raised hopes of a speedier economic recovery than previously anticipated.
- The drop in corporate earnings depressed the U.S. corporate bond market; the lower-rated corporate bonds led the way with a 3.3% drop in total returns in the second quarter.
- The precipitous decline in the Chinese equities offset gains in Latin America and Emergent Europe; the MSCI Emerging Markets Net Return Index remained nearly flat, rising a humble 0.7% during the second quarter.
- The State Street Investor Confidence Index® (ICI) measures risk appetite by analyzing the buying and selling patterns of the institutional investors. The strong upsurge in the North American institutions' confidence was partly offset by its decline among Asian and European investors, which capped the overall Global ICI increase over the second quarter at a modest 6.9 points. The quarter-ending value of 127.0 remained well above the neutral level of 100.
- For the period ending 6/30/15, the one quarter returns for, respectively, the NAREIT Equity index and the NCREIF Property index (one quarter lag), were -9.95% and 3.57%; one year, 4.33% and 12.71%; three years, 8.93% and 11.46%; and five years, 14.28% and 12.75%.
- In the US, the 10-year yield rose 43 bps during the second quarter, negatively impacting yield-focused investments, and in particular REIT share prices. Per AEW, REITs were trading at an 8% discount to NAV at the end of June, down from a 3% discount the prior month and below the historical average of a 4% premium.
- Outperformers for the second quarter included the United Kingdom and Hong Kong, with the United Kingdom positively impacted by the Conservative party win and Hong Kong benefiting from liquidity moving from A shares to H shares.

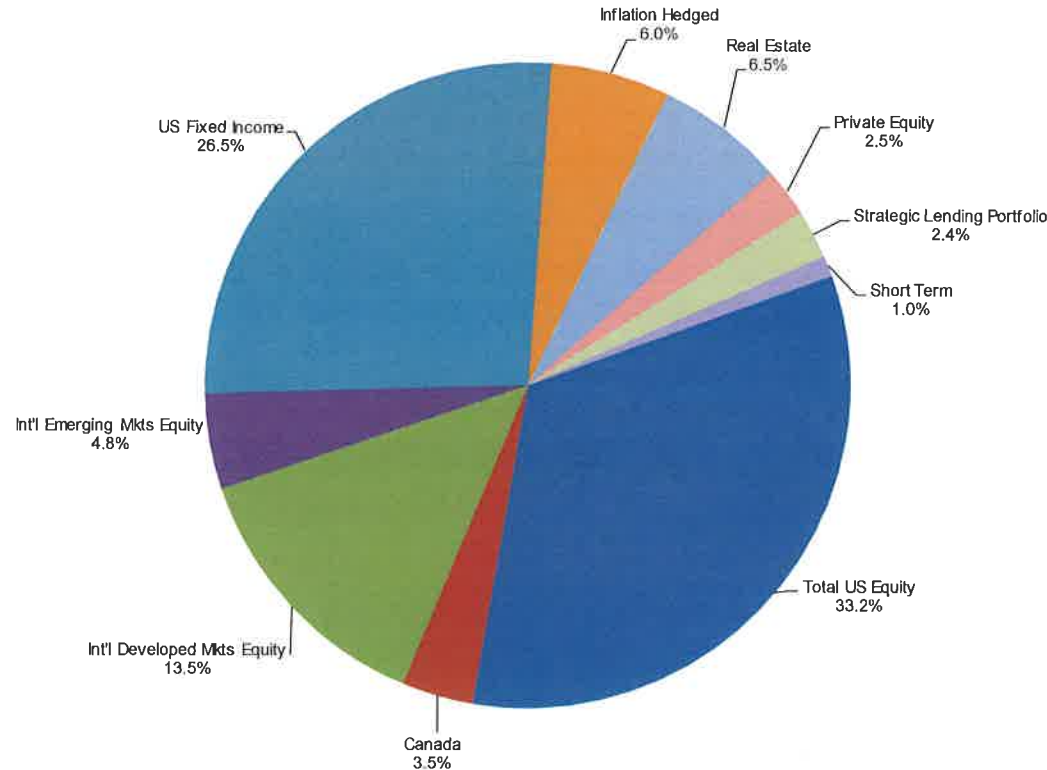
Periods Ending June 30, 2015

INDEX	STYLE	1 QTR	2 QTRS	3 QTRS	1 YEAR	2 YEAR	3 YEAR	5 YEAR
US EQUITY INDICES								
Russell 3000	Large Cap Broad	0.1%	1.9%	7.3%	7.3%	15.9%	17.7%	17.5%
S&P 500	Large Cap Core	0.3%	1.2%	6.2%	7.4%	15.7%	17.3%	17.3%
Russell 1000	Large Cap Core	0.1%	1.7%	6.7%	7.4%	16.0%	17.7%	17.6%
Russell 1000 Growth	Large Cap Growth	0.1%	4.0%	8.9%	10.6%	18.5%	18.0%	18.6%
Russell 1000 Value	Large Cap Value	0.1%	-0.6%	4.3%	4.1%	13.5%	17.3%	16.5%
Russell Midcap	Mid Cap Core	-1.5%	2.4%	8.4%	6.6%	16.3%	19.3%	18.2%
Russell Midcap Growth	Mid Cap Growth	-1.1%	4.2%	10.3%	9.5%	17.5%	19.2%	18.7%
Russell Midcap Value	Mid Cap Value	-2.0%	0.4%	6.5%	3.7%	15.1%	19.1%	17.7%
Russell 2000	Small Cap Core	0.4%	4.8%	14.9%	6.5%	14.7%	17.8%	17.1%
Russell 2000 Growth	Small Cap Growth	2.0%	8.7%	19.7%	12.3%	18.4%	20.1%	19.3%
Russell 2000 Value	Small Cap Value	-1.2%	0.8%	10.2%	0.8%	11.1%	15.5%	14.8%
NASDAQ Composite	Large Cap Core	2.0%	5.9%	11.9%	14.4%	22.5%	20.8%	20.2%
INTERNATIONAL INDICES								
MSCI ACW	Global Equity	0.5%	3.0%	3.5%	1.2%	11.8%	13.6%	12.5%
MSCI EAFE	International Equity	0.8%	5.9%	2.1%	-3.8%	9.3%	12.5%	10.0%
MSCI ACW ex US	International Equity	0.7%	4.3%	0.4%	-4.8%	7.9%	9.9%	8.2%
MSCI Emerging Markets	Emerging Markets	0.8%	3.1%	-1.5%	-4.8%	4.5%	4.1%	4.0%
Citigroup World Govt	Global Fixed	-1.5%	-4.0%	-5.4%	-9.0%	-1.4%	-2.4%	1.0%
Citigroup World Govt ex US	International Fixed	-1.5%	-5.8%	-8.6%	-13.5%	-2.9%	-3.9%	0.3%
US FIXED INCOME INDICES								
91 Day T-Bills	Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Barclays Aggregate	Core Fixed	-1.7%	-0.1%	1.7%	1.9%	3.1%	1.8%	3.3%
Barclays Govt/Credit	Core Fixed	-2.1%	-0.3%	1.5%	1.7%	3.0%	1.8%	3.5%
Barclays Mortgage	Mortgages	-0.7%	0.3%	2.1%	2.3%	3.5%	1.9%	2.9%
NAREIT Equity	Real Estate	-10.0%	-5.7%	7.7%	4.3%	8.7%	8.9%	14.3%
NCREIF Property	Real Estate	3.1%	6.8%	10.1%	13.0%	12.1%	11.6%	12.7%

Asset Allocation Analysis - Total Plan

As of June 30, 2015

CURRENT ALLOCATION BY ASSET CLASS



	Actual \$	Actual %
Total US Equity	14,366,817,475	33.2%
Canada	1,525,557,774	3.5%
Int'l Developed Mkts Equity	5,854,085,851	13.5%
Int'l Emerging Mkts Equity	2,075,326,711	4.8%
US Fixed Income	11,478,895,563	26.5%
Inflation Hedged	2,581,969,628	6.0%
Real Estate	2,792,426,371	6.5%
Private Equity	1,062,585,466	2.5%
Strategic Lending Portfolio	1,055,262,949	2.4%
Short Term	444,664,974	1.0%
TOTAL	43,237,592,762	100.0%

	TARGET	ACTUAL	DIFF
Total US Equity	33.0%	33.2%	0.2%
Canada	4.0%	3.5%	-0.5%
Int'l Developed Mkts Equity	13.0%	13.5%	0.5%
Int'l Emerging Mkts Equity	5.0%	4.8%	-0.2%
US Fixed Income	25.0%	26.5%	1.5%
Inflation Hedged	4.0%	6.0%	2.0%
Real Estate	7.0%	6.5%	-0.5%
Private Equity	3.0%	2.5%	-0.5%
Strategic Lending Portfolio	5.0%	2.4%	-2.6%
Short Term	1.0%	1.0%	0.0%

	03/31/15	06/30/15	DIFF
Total US Equity	34.3%	33.2%	-1.1%
Canada	3.6%	3.5%	0.0%
Int'l Developed Mkts Equity	13.1%	13.5%	0.5%
Int'l Emerging Mkts Equity	4.5%	4.8%	0.3%
US Fixed Income	27.7%	26.5%	-1.1%
Inflation Hedged	5.9%	6.0%	0.0%
Real Estate	6.2%	6.5%	0.3%
Private Equity	2.2%	2.5%	0.3%
Strategic Lending Portfolio	2.2%	2.4%	0.2%
Short Term	0.3%	1.0%	0.7%

Performance Summary

Periods Ending June 30, 2015

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Total Fund	-0.65	3.33	9.84	10.85	6.59	6.45
<i>Policy Index¹</i>	<u>-0.65</u>	<u>2.95</u>	<u>9.76</u>	<u>10.71</u>	<u>6.92</u>	<u>6.78</u>
Excess Return	0.00	0.38	0.08	0.14	-0.33	-0.33
<i>Allocation Index²</i>	<u>-0.79</u>	<u>2.63</u>	<u>9.25</u>	<u>10.31</u>	<u>6.61</u>	<u>6.36</u>
North American Equity	0.12	5.48	16.20	16.49	--	--
<i>N.A. Equity Custom³</i>	<u>0.15</u>	<u>4.85</u>	<u>16.08</u>	<u>15.97</u>	<u>--</u>	<u>--</u>
Excess Return	-0.03	0.63	0.12	0.52		
US Equity	0.19	7.85	17.58	17.95	9.54	8.19
<i>US Equity Custom⁴</i>	<u>0.17</u>	<u>7.31</u>	<u>17.47</u>	<u>17.43</u>	<u>9.61</u>	<u>8.10</u>
Excess Return	0.02	0.54	0.11	0.52	-0.07	0.09
Index	0.27	7.50	17.27	17.35	9.47	--
S&P 500	<u>0.28</u>	<u>7.42</u>	<u>17.31</u>	<u>17.34</u>	<u>9.42</u>	<u>7.89</u>
Excess Return	-0.01	0.08	-0.04	0.01	0.05	
Quant	-0.20	7.24	16.75	17.36	9.42	8.17
S&P 500	<u>0.28</u>	<u>7.42</u>	<u>17.31</u>	<u>17.34</u>	<u>9.42</u>	<u>7.89</u>
Excess Return	-0.48	-0.18	-0.56	0.02	0.00	0.28
Sector	0.92	8.78	17.73	18.00	9.75	8.19
S&P 500	<u>0.28</u>	<u>7.42</u>	<u>17.31</u>	<u>17.34</u>	<u>9.42</u>	<u>7.89</u>
Excess Return	0.64	1.36	0.42	0.66	0.33	0.30

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 4/1/15, Total Fund Allocation Index is 33.5% S&P 1500/ 4.1% S&P TSX 60/ 13.2% MSCI EAFE IMI net/ 5.1% MSCI Emerging Markets net/ 26.3% Citigroup LPF/ 6.2% Citigroup TIPS/ 6.2% NCREIF 1Q Lag/ 2.2% S&P 500 + 3% 1Q Lag/ 2.2% Strategic Lending/ 1% 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.

Performance Summary

Periods Ending June 30, 2015

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Mid Cap ⁵	-1.54	8.05	19.86	18.74	10.40	9.32
<i>S&P MidCap 400</i> ⁵	<u>-1.06</u>	<u>6.40</u>	<u>18.60</u>	<u>17.82</u>	<u>10.74</u>	<u>9.38</u>
Excess Return	-0.48	1.65	1.26	0.92	-0.34	-0.06
Small Cap ⁶	0.23	6.91	18.71	--	--	--
<i>S&P 600 SmallCap</i>	<u>0.19</u>	<u>6.72</u>	<u>18.81</u>	<u>18.44</u>	<u>11.57</u>	<u>9.28</u>
Excess Return	0.04	0.19	-0.10			
Canada	-0.42	-14.14	4.52	4.94	--	--
<i>S&P/TSX 60</i>	<u>-0.33</u>	<u>-14.09</u>	<u>4.50</u>	<u>4.72</u>	<u>-0.32</u>	<u>6.90</u>
Excess Return	-0.09	-0.05	0.02	0.22		
International Equity	1.19	-3.39	11.12	10.24	3.47	6.95
<i>Int'l Equity Custom</i> ⁷	<u>0.39</u>	<u>-5.64</u>	<u>9.50</u>	<u>8.16</u>	<u>1.28</u>	<u>4.62</u>
Excess Return	0.80	2.25	1.62	2.08	2.19	2.33
Int'l Developed Mkts Equity	2.41	-0.24	13.96	11.92	4.59	7.76
<i>MSCI EAFE IMI net</i>	<u>1.09</u>	<u>-3.78</u>	<u>12.43</u>	<u>9.88</u>	<u>2.44</u>	<u>5.45</u>
Excess Return	1.32	3.54	1.53	2.04	2.15	2.31
American Century	4.38	0.85	19.40	15.56	--	--
<i>MSCI EAFE Small Cap</i>	<u>4.34</u>	<u>-0.77</u>	<u>15.69</u>	<u>12.40</u>	<u>5.43</u>	<u>6.59</u>
Excess Return	0.04	1.62	3.71	3.16		

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, 2015

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Baring Asset Mgmt	1.72	-3.33	11.11	10.49	–	–
<i>MSCI EAFE</i>	<u>0.62</u>	<u>-4.22</u>	<u>11.97</u>	<u>9.54</u>	<u>1.97</u>	<u>5.12</u>
Excess Return	1.10	0.89	-0.86	0.95		
GE Asset	2.32	-4.08	12.22	10.30	–	–
<i>MSCI Europe</i>	<u>0.36</u>	<u>-7.65</u>	<u>12.37</u>	<u>10.02</u>	<u>1.57</u>	<u>5.03</u>
Excess Return	1.96	3.57	-0.15	0.28		
Marathon	3.28	0.32	15.21	12.31	5.82	8.62
<i>MSCI EAFE net</i>	<u>0.62</u>	<u>-4.22</u>	<u>11.97</u>	<u>9.54</u>	<u>1.97</u>	<u>4.81</u>
Excess Return	2.66	4.54	3.24	2.77	3.85	3.81
Pacific Indexed ⁸	1.43	3.81	10.85	8.77	1.70	5.68
<i>MSCI Pacific net</i> ⁹	<u>1.14</u>	<u>2.70</u>	<u>11.22</u>	<u>8.80</u>	<u>2.94</u>	<u>5.39</u>
Excess Return	0.29	1.11	-0.37	-0.03	-1.24	0.29
PanAgora Asset Mgmt	1.42	-0.14	14.65	12.79	4.19	7.11
<i>MSCI EAFE</i>	<u>0.62</u>	<u>-4.22</u>	<u>11.97</u>	<u>9.54</u>	<u>1.97</u>	<u>5.12</u>
Excess Return	0.80	4.08	2.68	3.25	2.22	1.99
Pyramis Global	5.35	1.18	17.21	14.23	–	–
<i>MSCI EAFE Small Cap</i>	<u>4.34</u>	<u>-0.77</u>	<u>15.69</u>	<u>12.40</u>	<u>5.43</u>	<u>6.59</u>
Excess Return	1.01	1.95	1.52	1.83		

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

9 Effective 7/1/04.

Performance Summary

Periods Ending June 30, 2015

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
TT International	2.77	2.09	16.96	11.87	--	--
<i>MSCI EAFE</i>	<u>0.62</u>	<u>-4.22</u>	<u>11.97</u>	<u>9.54</u>	<u>1.97</u>	<u>5.12</u>
Excess Return	2.15	6.31	4.99	2.33		
Walter Scott	0.35	-1.78	9.31	10.19	5.50	8.49
<i>MSCI EAFE net</i> ¹⁰	<u>0.62</u>	<u>-4.22</u>	<u>11.97</u>	<u>9.54</u>	<u>1.25</u>	<u>4.96</u>
Excess Return	-0.27	2.44	-2.66	0.65	4.25	3.53
Int'l Emerging Mkts Equity	-2.08	-11.90	--	--	--	--
<i>MSCI Emerging Markets ND Custom</i>	<u>-1.47</u>	<u>-10.58</u>	--	--	--	--
Excess Return	-0.61	-1.32				
US Fixed Income	-4.04	2.76	3.17	6.12	6.60	5.77
<i>Citigroup LPF</i> ¹¹	<u>-4.23</u>	<u>2.98</u>	<u>2.24</u>	<u>5.14</u>	<u>5.96</u>	<u>5.45</u>
Excess Return	0.19	-0.22	0.93	0.98	0.64	0.32
Corporate	-5.24	0.93	5.13	8.01	8.67	6.83
<i>Citigroup LPF Credit</i> ¹²	<u>-5.38</u>	<u>0.46</u>	<u>3.66</u>	<u>6.44</u>	<u>7.24</u>	<u>5.95</u>
Excess Return	0.14	0.47	1.47	1.57	1.43	0.88

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, 2015

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Gov't 1-5	-5.76	4.44	3.51	8.28	7.35	--
<i>Citigroup LPF Treas/Govt Spons¹³</i>	<u>-5.94</u>	<u>5.19</u>	<u>1.33</u>	<u>5.71</u>	<u>5.91</u>	<u>5.42</u>
Excess Return	0.18	-0.75	2.18	2.57	1.44	
Gov't 5 Plus	-5.73	5.25	1.52	6.09	6.23	5.72
<i>Citigroup LPF Treas/Govt Spons¹⁴</i>	<u>-5.94</u>	<u>5.19</u>	<u>1.33</u>	<u>5.73</u>	<u>6.48</u>	<u>5.91</u>
Excess Return	0.21	0.06	0.19	0.36	-0.25	-0.19
MBS	-0.73	2.46	2.10	3.23	4.05	4.20
<i>Citi BIG Mortgage</i>	<u>-0.78</u>	<u>2.35</u>	<u>1.90</u>	<u>2.89</u>	<u>4.49</u>	<u>4.60</u>
Excess Return	0.05	0.11	0.20	0.34	-0.44	-0.40
Inflation Hedged	-1.35	-1.57	-0.81	3.21	3.48	4.41
<i>Citi TIPS</i>	<u>-1.39</u>	<u>-1.67</u>	<u>-0.83</u>	<u>3.39</u>	<u>3.60</u>	<u>4.18</u>
Excess Return	0.04	0.10	0.02	-0.18	-0.12	0.23
Real Estate	2.56	12.82	11.21	11.81	3.88	7.28
<i>NCREIF 1Q Lag</i>	<u>3.57</u>	<u>12.71</u>	<u>11.46</u>	<u>12.75</u>	<u>4.98</u>	<u>8.38</u>
Excess Return	-1.01	0.11	-0.25	-0.94	-1.10	-1.10
Traditional Private Equity*	4.53	20.54	19.29	17.66		
<i>S&P 500 +3% 1Q Lag</i>	<u>1.67</u>	<u>15.20</u>	<u>18.74</u>	<u>19.25</u>		
Excess Return	2.86	5.34	0.55	-1.59		

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, 2015

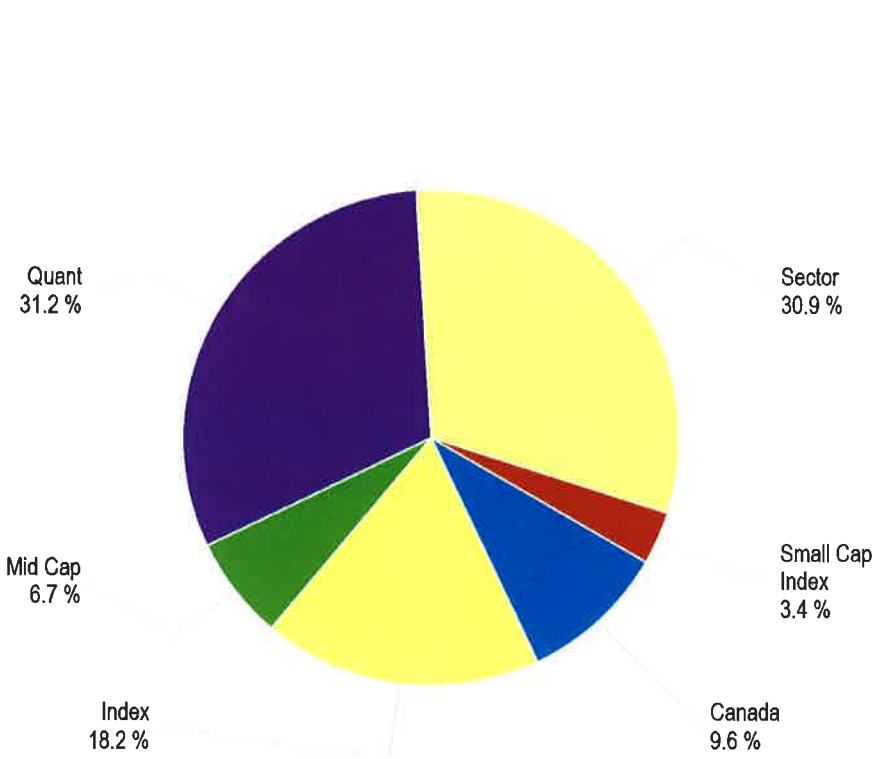
	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Strategic Lending Portfolio¹⁵	1.05	0.84	--	--	--	--
<i>Strategic Lending¹⁶</i>	<u>0.40</u>	<u>0.89</u>	--	--	--	--
Excess Return	0.65	-0.05				
Short Term	0.83	1.93	1.22	1.41	1.62	--
<i>91 Day T-Bills</i>	<u>0.00</u>	<u>0.01</u>	<u>0.04</u>	<u>0.05</u>	<u>0.13</u>	<u>1.29</u>
Excess Return	0.83	1.92	1.18	1.36	1.49	
Short Duration	0.23	0.82	1.20	1.47	2.29	--
<i>91 Day T-Bills</i>	<u>0.00</u>	<u>0.01</u>	<u>0.04</u>	<u>0.05</u>	<u>0.13</u>	<u>1.29</u>
Excess Return	0.23	0.81	1.16	1.42	2.16	
Cash	0.12	0.34	0.44	1.13	1.20	2.20
<i>91 Day T-Bills</i>	<u>0.00</u>	<u>0.01</u>	<u>0.04</u>	<u>0.05</u>	<u>0.13</u>	<u>1.29</u>
Excess Return	0.12	0.33	0.40	1.08	1.07	0.91

15 Funded 8/1/13. Reported net of fees. ICG Europe Fund VI April capital contribution rolled forward to June 30, 2015.

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

Manager Allocation Analysis - North American Equity

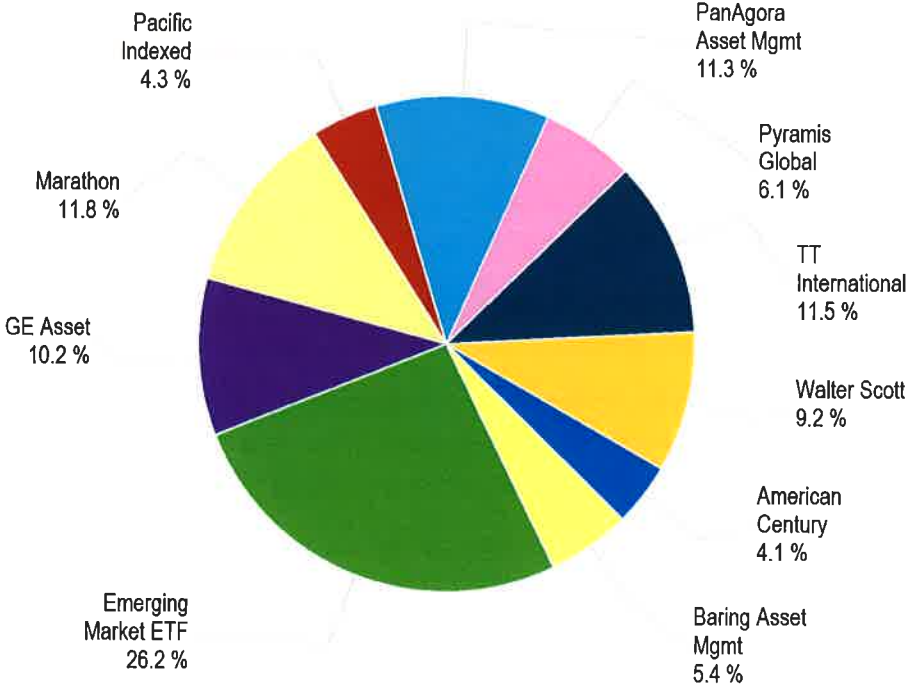
As of June 30, 2015



	Actual \$	Actual %
Canada	\$1,525,557,774	9.6%
Index	\$2,887,139,005	18.2%
Mid Cap	\$1,072,480,721	6.7%
Quant	\$4,950,965,707	31.2%
Sector	\$4,910,493,322	30.9%
Small Cap Index	\$545,738,720	3.4%
Total	\$15,892,375,249	

Manager Allocation Analysis - International Equity

As of June 30, 2015

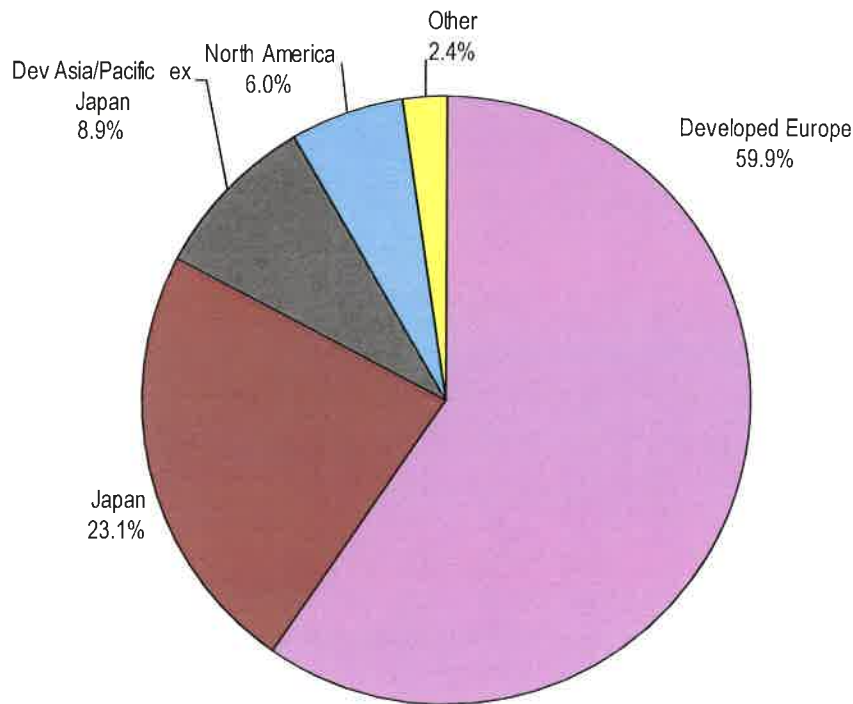


	Actual \$	Actual %
American Century	\$324,049,777	4.1%
Baring Asset Mgmt	\$427,366,277	5.4%
Emerging Market ETF	\$2,075,326,711	26.2%
GE Asset	\$812,719,952	10.2%
Marathon	\$936,719,259	11.8%
Pacific Indexed	\$340,532,823	4.3%
PanAgora Asset Mgmt	\$894,671,873	11.3%
Pyramis Global	\$483,226,551	6.1%
TT International	\$908,762,058	11.5%
Walter Scott	\$726,037,281	9.2%
Total	\$7,929,412,562	

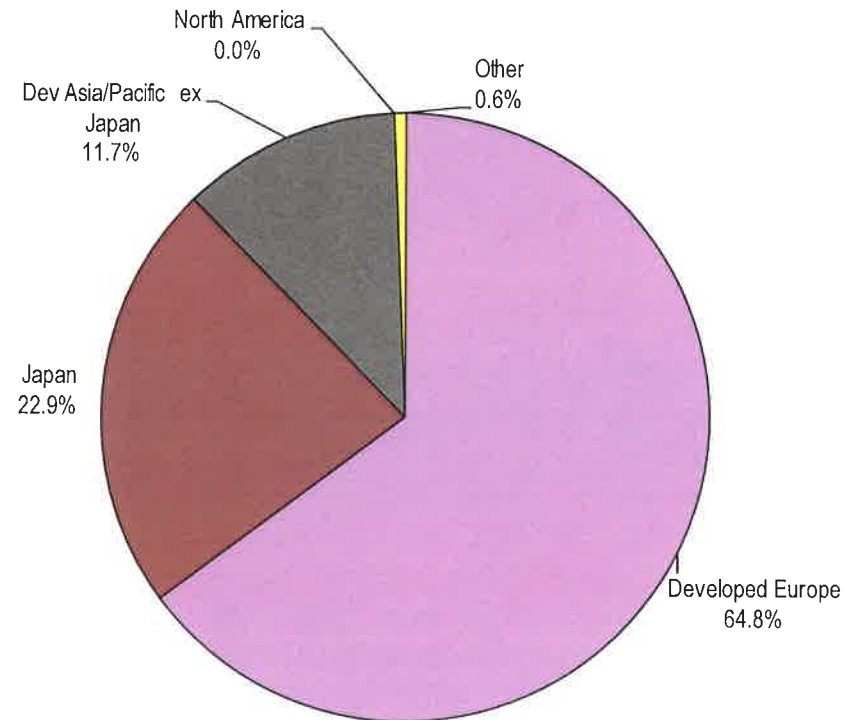
Developed International Equity Portfolio Regional Weights

As of June 30, 2015

Developed International Equity



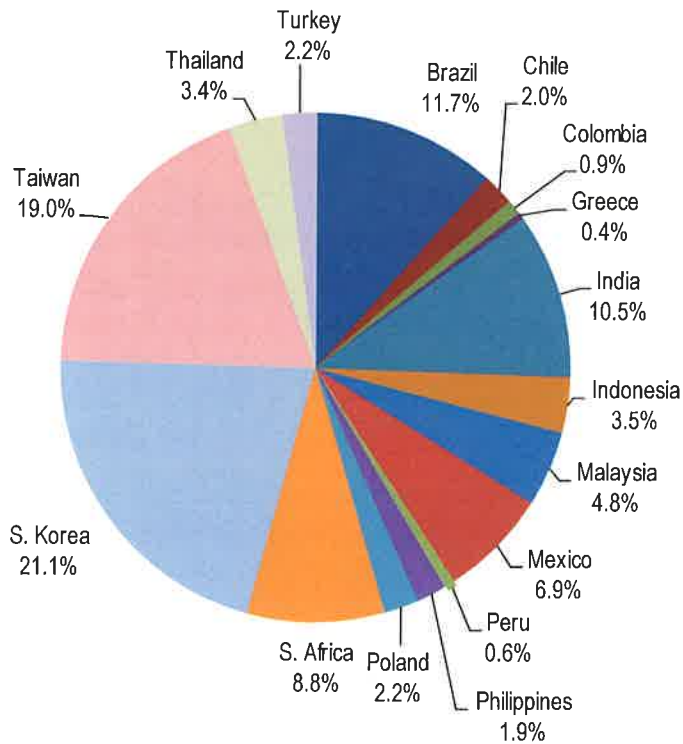
MSCI EAFE Index



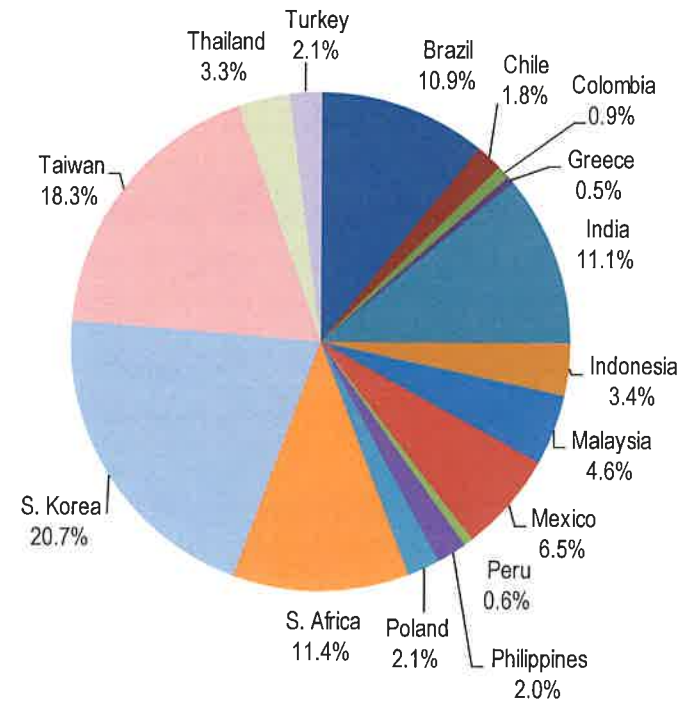
Emerging Market ETF Portfolio Regional Weights

As of June 30, 2015

Emerging Market ETF

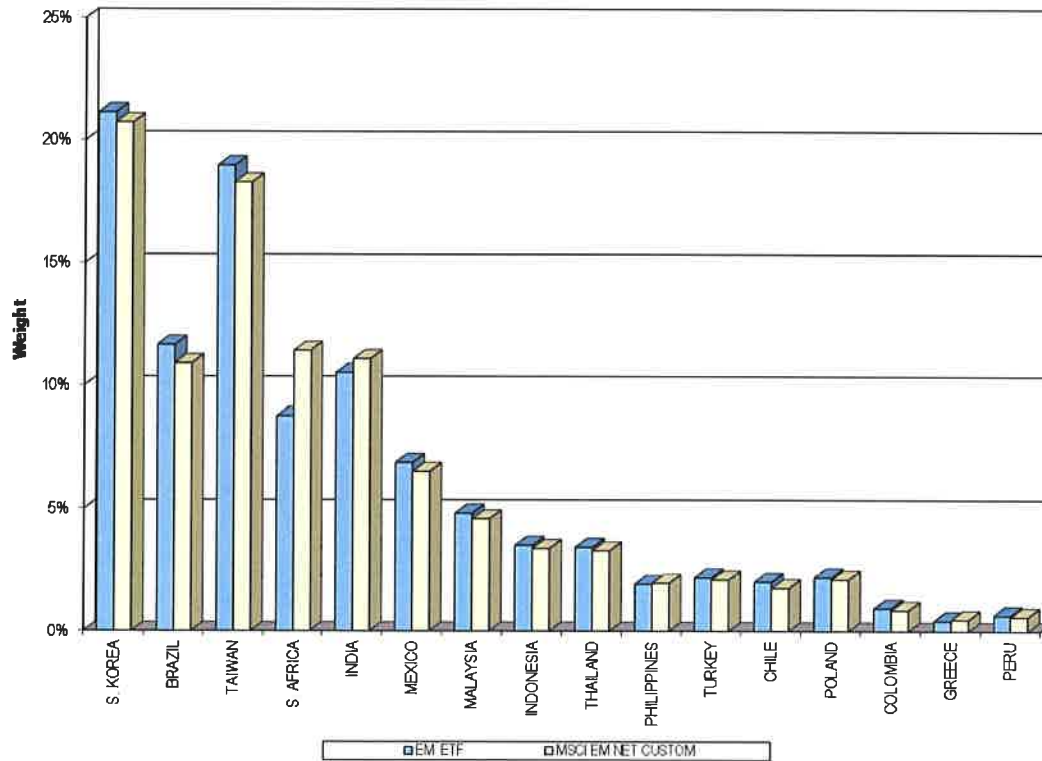


MSCI Emerging Market Net Custom Index



Portfolio Country Weights - Emerging Market ETF

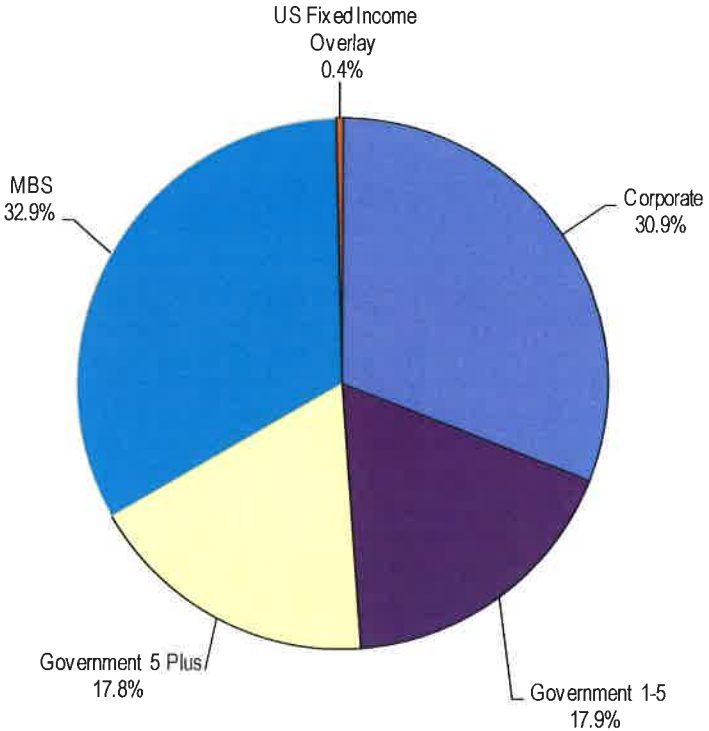
As of June 30, 2015



COUNTRY	TCRS MARKET VALUE (\$ 000)	EM ETF	MSCI EM NET CUSTOM	DIFF
S. KOREA	\$ 438,738	21.1%	20.7%	+0.4%
BRAZIL	\$ 241,909	11.7%	10.9%	+0.8%
TAIWAN	\$ 393,869	19.0%	18.3%	+0.7%
S. AFRICA	\$ 181,803	8.8%	11.4%	-2.7%
INDIA	\$ 218,199	10.5%	11.1%	-0.6%
MEXICO	\$ 142,853	6.9%	6.5%	+0.4%
MALAYSIA	\$ 99,848	4.8%	4.6%	+0.2%
INDONESIA	\$ 72,743	3.5%	3.4%	+0.1%
THAILAND	\$ 70,976	3.4%	3.3%	+0.1%
PHILIPPINES	\$ 39,981	1.9%	2.0%	-0.0%
TURKEY	\$ 45,335	2.2%	2.1%	+0.1%
CHILE	\$ 41,831	2.0%	1.8%	+0.3%
POLAND	\$ 45,664	2.2%	2.1%	+0.1%
COLOMBIA	\$ 19,438	0.9%	0.9%	+0.1%
GREECE	\$ 8,838	0.4%	0.5%	-0.0%
PERU	\$ 13,302	0.6%	0.6%	+0.1%
	\$ 2,075,327	100.0%	100.0%	0.0%

Manager Allocation Analysis - US Fixed Income

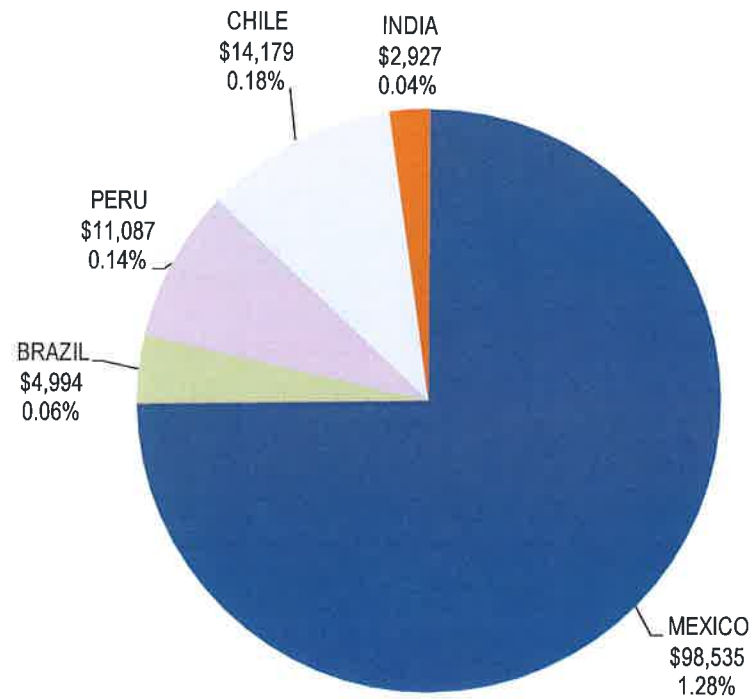
As of June 30, 2015



	Actual \$	Actual %
Corporate	3,551,295,044	30.9%
Government 1-5	2,052,977,988	17.9%
Government 5 Plus	2,048,206,549	17.8%
MBS	3,777,661,048	32.9%
US Fixed Income Overlay	48,754,934	0.4%
TOTAL	11,478,895,563	100.0%

Emerging Market Investment Grade Bond Portfolio Regional Weights

As of June 30, 2015



COUNTRY	TCSR MARKET VALUE (\$ 000)	TCSR FI	LPF	DIFF
MEXICO	\$ 98,535	1.28%	0.82%	+0.46%
OTHER*	\$ -		0.81%	-0.81%
BRAZIL	\$ 4,994	0.06%	0.57%	-0.51%
TURKEY	\$ -		0.41%	-0.41%
INDONESIA	\$ -		0.30%	-0.30%
PHILIPPINES	\$ -		0.28%	-0.28%
COLOMBIA	\$ -		0.22%	-0.22%
PERU	\$ 11,087	0.14%	0.14%	0.00%
S. AFRICA	\$ -		0.10%	-0.10%
S. KOREA	\$ -		0.08%	-0.08%
POLAND	\$ -		0.05%	-0.05%
CHILE	\$ 14,179	0.18%	0.04%	+0.14%
MALAYSIA	\$ -		0.02%	-0.02%
INDIA	\$ 2,927	0.04%		+0.04%
THAILAND	\$ -			0.00%
TAIWAN	\$ -			0.00%
	\$ 131,722	1.70%	3.84%	-2.14%

* 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.