

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

EXECUTIVE SUMMARY

MARCH 31, 2015



- In the US, although the Federal Reserve removed the word “patient” from its statement, a data dependent Federal Reserve in no rush to tighten offset worries over the effects of declining oil prices on the energy sector. As a result, the S&P 500 rose 1.0% during the first quarter.
- The European Central Bank officially began purchasing sovereign debt under its quantitative easing program. This helped boost Europe ex-UK equities 5.5% during the first quarter.
- The euro fell 11.2% versus the dollar during the first quarter, driven by monetary policy divergence.
- Despite fears of rising defaults in the energy sector, lower-rated corporate bonds (BAA) rose 2.3% during the first quarter.
- The MSCI Emerging Markets Net Return Index rose 2.2% during the first quarter, driven by strong performance in emerging Asia.
- The State Street Investor Confidence Index® (ICI) measures risk appetite by analyzing buying and selling patterns of institutional investors. With confidence rising among North American institutions, the Global ICI rose 17.9 points during the quarter to 120.1, remaining above the neutral level of 100.
- For the period ending 3/31/15, the one quarter returns for the NAREIT Equity index and the NCREIF Property index (one quarter lag), are 4.8% and 3.0%; one-year, 24.0% and 11.8%; three-year, 14.2% and 11.1%; and five-year, 15.7% and 12.1%, respectively.
- The ratio of the S&P 500 price-to-earnings multiple to the REIT Adjusted Funds From Operations (“AFFO”) forward multiple declined to 0.70 from 0.73 the prior month. The historical average is 1.2.
- REIT dividend yields were 3.4% at the end of March. With the ten-year Treasury yield at 1.9%, the REIT dividend yield spread widened to 151 basis points, compared to the long-term average of 109 basis points.

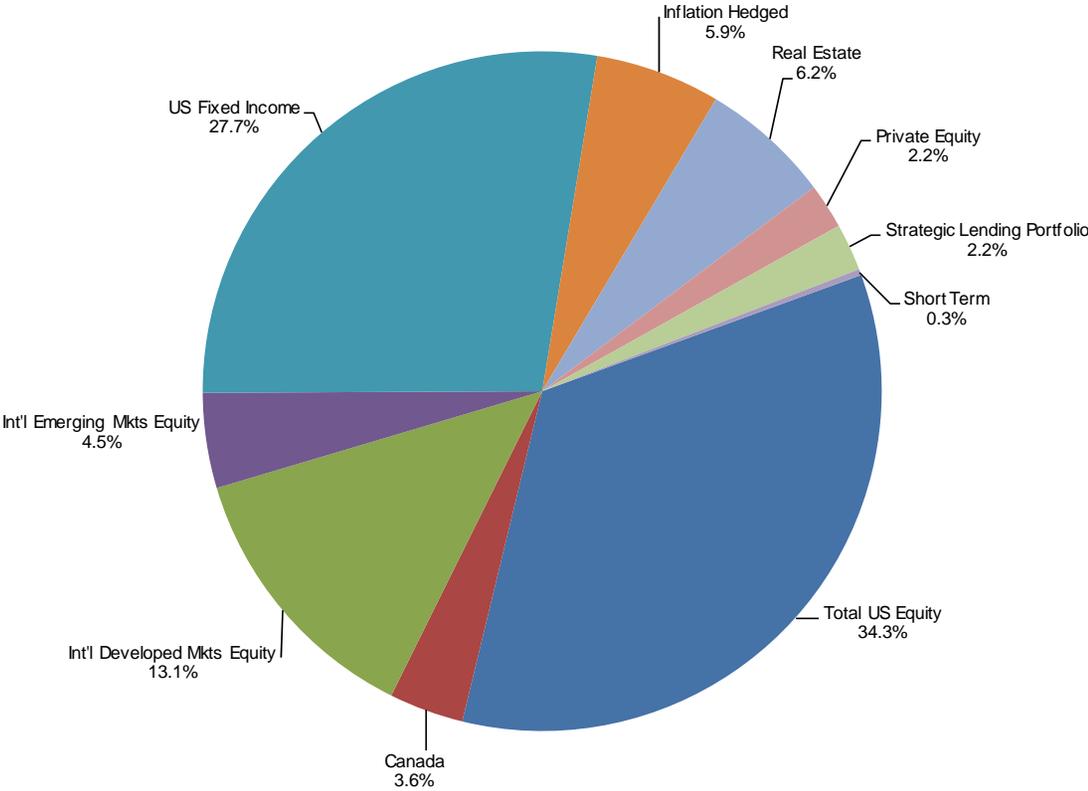
Periods Ending March 31, 2015

INDEX	STYLE	1 QTR	2 QTRS	3 QTRS	1 YEAR	2 YEAR	3 YEAR	5 YEAR
US EQUITY INDICES								
Russell 3000	Large Cap Broad	1.8%	7.1%	7.1%	12.4%	17.4%	16.4%	14.7%
S&P 500	Large Cap Core	1.0%	5.9%	7.1%	12.7%	17.2%	16.1%	14.5%
Russell 1000	Large Cap Core	1.6%	6.6%	7.2%	12.7%	17.5%	16.4%	14.7%
Russell 1000 Growth	Large Cap Growth	3.8%	8.8%	10.4%	16.1%	19.6%	16.3%	15.6%
Russell 1000 Value	Large Cap Value	-0.7%	4.2%	4.0%	9.3%	15.3%	16.4%	13.8%
Russell Midcap	Mid Cap Core	4.0%	10.1%	8.3%	13.7%	18.5%	18.1%	16.2%
Russell Midcap Growth	Mid Cap Growth	5.4%	11.5%	10.7%	15.6%	19.8%	17.4%	16.4%
Russell Midcap Value	Mid Cap Value	2.4%	8.6%	5.8%	11.7%	17.2%	18.6%	15.8%
Russell 2000	Small Cap Core	4.3%	14.5%	6.0%	8.2%	16.3%	16.3%	14.6%
Russell 2000 Growth	Small Cap Growth	6.6%	17.4%	10.2%	12.1%	19.4%	17.7%	16.6%
Russell 2000 Value	Small Cap Value	2.0%	11.6%	2.0%	4.4%	13.2%	14.8%	12.5%
NASDAQ Composite	Large Cap Core	3.8%	9.7%	12.2%	18.1%	24.0%	18.0%	16.7%
INTERNATIONAL INDICES								
MSCI ACWI	Global Equity	2.4%	3.0%	0.7%	6.0%	11.4%	11.3%	9.6%
MSCI EAFE	International Equity	5.0%	1.3%	-4.6%	-0.5%	8.4%	9.5%	6.6%
MSCI ACWI ex US	International Equity	3.6%	-0.4%	-5.5%	-0.6%	5.9%	6.9%	5.3%
MSCI Emerging Markets	Emerging Markets	2.3%	-2.3%	-5.5%	0.8%	-0.1%	0.7%	2.1%
Citigroup World Govt	Global Fixed	-2.5%	-4.0%	-7.6%	-5.5%	-2.1%	-1.6%	1.4%
Citigroup World Govt ex US	International Fixed	-4.4%	-7.1%	-12.1%	-9.8%	-3.9%	-3.3%	0.4%
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	1.6%	3.4%	3.6%	5.7%	2.8%	3.1%	4.4%
Barclays Govt/Credit	Core Fixed	1.8%	3.7%	3.9%	5.9%	2.8%	3.4%	4.8%
Barclays Mortgage	Mortgages	1.1%	2.9%	3.1%	5.5%	2.8%	2.5%	3.6%
NAREIT Equity	Real Estate	4.8%	19.6%	15.9%	24.0%	13.6%	14.2%	15.7%
NCREIF Property	Real Estate	3.6%	6.7%	9.5%	12.7%	11.9%	11.5%	12.8%

Asset Allocation Analysis - Total Plan

As of March 31, 2015

CURRENT ALLOCATION BY ASSET CLASS



	Actual \$	Actual %
Total US Equity	15,017,644,574	34.3%
Canada	1,553,214,345	3.6%
Int'l Developed Mkts Equity	5,716,219,227	13.1%
Int'l Emerging Mkts Equity	1,977,318,175	4.5%
US Fixed Income	12,105,036,181	27.7%
Inflation Hedged	2,599,758,451	5.9%
Real Estate	2,713,884,567	6.2%
Private Equity	944,454,122	2.2%
Strategic Lending Portfolio	983,320,474	2.2%
Short Term	124,338,090	0.3%
TOTAL	43,735,188,206	100.0%

	TARGET	ACTUAL	DIFF
Total US Equity	33.0%	34.3%	1.3%
Canada	4.0%	3.6%	-0.4%
Int'l Developed Mkts Equity	13.0%	13.1%	0.1%
Int'l Emerging Mkts Equity	5.0%	4.5%	-0.5%
US Fixed Income	25.0%	27.7%	2.7%
Inflation Hedged	4.0%	5.9%	1.9%
Real Estate	7.0%	6.2%	-0.8%
Private Equity	3.0%	2.2%	-0.8%
Strategic Lending Portfolio	5.0%	2.2%	-2.8%
Short Term	1.0%	0.3%	-0.7%

	12/31/14	03/31/15	DIFF
Total US Equity	36.4%	34.3%	-2.1%
Canada	3.6%	3.6%	0.0%
Int'l Developed Mkts Equity	11.9%	13.1%	1.2%
Int'l Emerging Mkts Equity	3.9%	4.5%	0.6%
US Fixed Income	27.5%	27.7%	0.2%
Inflation Hedged	5.5%	5.9%	0.4%
Real Estate	6.1%	6.2%	0.1%
Private Equity	1.9%	2.2%	0.3%
Strategic Lending Portfolio	2.0%	2.2%	0.2%
Short Term	1.0%	0.3%	-0.7%

Periods Ending March 31, 2015

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Total Fund	2.38	8.68	9.79	10.07	6.52	6.68
<i>Policy Index</i> ¹	<u>2.16</u>	<u>8.12</u>	<u>9.87</u>	<u>9.87</u>	<u>6.80</u>	<u>7.04</u>
Excess Return	0.22	0.56	-0.08	0.20	-0.28	-0.36
<i>Allocation Index</i> ²	2.10	8.09	9.26	9.39	--	--
North American Equity	1.51	11.57	14.68	--	--	--
<i>N.A. Equity Custom</i> ³	<u>0.55</u>	<u>10.56</u>	<u>14.66</u>	--	--	--
Excess Return	0.96	1.01	0.02			
US Equity	2.30	13.48	16.18	15.05	9.24	8.33
<i>US Equity Custom</i> ⁴	<u>1.39</u>	<u>12.54</u>	<u>16.23</u>	<u>14.64</u>	<u>9.27</u>	<u>8.26</u>
Excess Return	0.91	0.94	-0.05	0.41	-0.03	0.07
Index	1.02	12.78	16.08	14.43	9.01	--
<i>S&P 500</i>	<u>0.95</u>	<u>12.73</u>	<u>16.11</u>	<u>14.47</u>	<u>8.95</u>	<u>8.01</u>
Excess Return	0.07	0.05	-0.03	-0.04	0.06	
Quant	1.89	13.56	15.44	14.49	9.13	8.35
<i>S&P 500</i>	<u>0.95</u>	<u>12.73</u>	<u>16.11</u>	<u>14.47</u>	<u>8.95</u>	<u>8.01</u>
Excess Return	0.94	0.83	-0.67	0.02	0.18	0.34
Sector	2.41	14.24	16.13	14.82	9.18	8.22
<i>S&P 500</i>	<u>0.95</u>	<u>12.73</u>	<u>16.11</u>	<u>14.47</u>	<u>8.95</u>	<u>8.01</u>
Excess Return	1.46	1.51	0.02	0.35	0.23	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 1/1/15, Total Fund Allocation Index is 33.7% S&P 1500/ 4.1% S&P TSX 60/ 13.3% MSCI EAFE IMI net/ 5.1% MSCI Emerging Markets net/ 26.4% Citigroup LPF/ 6.4% Citigroup TIPS/ 6.1% NCREIF 1Q Lag/ 1.9% S&P 500 + 3% 1Q Lag/ 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 March 31, 2015

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Mid Cap ⁵	6.33	14.48	18.55	16.90	11.52	9.91
<i>S&P MidCap 400</i> ⁵	<u>5.31</u>	<u>12.19</u>	<u>17.03</u>	<u>15.72</u>	<u>11.50</u>	<u>9.95</u>
Excess Return	1.02	2.29	1.52	1.18	0.02	-0.04
Small Cap⁶	4.00	8.83	17.30	--	--	--
<i>S&P 600 SmallCap</i>	<u>3.96</u>	<u>8.72</u>	<u>17.30</u>	<u>16.25</u>	<u>11.61</u>	<u>9.68</u>
Excess Return	0.04	0.11	0.00			
Canada	-6.02	-5.17	2.08	--	--	--
<i>S&P/TSX 60</i>	<u>-6.34</u>	<u>-5.03</u>	<u>2.03</u>	<u>2.62</u>	<u>1.37</u>	<u>7.28</u>
Excess Return	0.32	-0.14	0.05			
International Equity	4.27	-0.61	8.52	7.22	3.11	6.69
<i>Int'l Equity Custom</i> ⁷	<u>3.54</u>	<u>-1.67</u>	<u>6.62</u>	<u>4.94</u>	<u>0.90</u>	<u>4.47</u>
Excess Return	0.73	1.06	1.90	2.28	2.21	2.22
Int'l Developed Mkts Equity	5.79	0.63	10.84	8.60	4.05	7.37
<i>MSCI EAFE IMI net</i>	<u>4.96</u>	<u>-1.17</u>	<u>9.22</u>	<u>6.47</u>	<u>1.95</u>	<u>5.23</u>
Excess Return	0.83	1.80	1.62	2.13	2.10	2.14
American Century	6.85	-3.94	15.40	11.94	--	--
<i>MSCI EAFE Small Cap</i>	<u>5.56</u>	<u>-2.92</u>	<u>10.67</u>	<u>8.80</u>	<u>4.10</u>	<u>6.17</u>
Excess Return	1.29	-1.02	4.73	3.14		

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 March 31, 2015

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Baring Asset Mgmt	5.49	-1.45	8.33	7.31	--	--
<i>MSCI EAFE</i>	<u>4.88</u>	<u>-0.92</u>	<u>9.02</u>	<u>6.16</u>	<u>1.55</u>	<u>4.95</u>
Excess Return	0.61	-0.53	-0.69	1.15		
GE Asset	5.25	-5.87	8.81	6.36	--	--
<i>MSCI Europe</i>	<u>3.45</u>	<u>-4.94</u>	<u>9.37</u>	<u>6.38</u>	<u>0.91</u>	<u>4.91</u>
Excess Return	1.80	-0.93	-0.56	-0.02		
Marathon	6.16	0.87	11.68	9.33	5.16	8.14
<i>MSCI EAFE net</i>	<u>4.88</u>	<u>-0.92</u>	<u>9.02</u>	<u>6.16</u>	<u>1.55</u>	<u>4.70</u>
Excess Return	1.28	1.79	2.66	3.17	3.61	3.44
Pacific Indexed ⁸	7.36	7.22	8.13	5.54	1.70	5.47
<i>MSCI Pacific net</i> ⁹	<u>7.61</u>	<u>7.40</u>	<u>8.39</u>	<u>5.92</u>	<u>3.08</u>	<u>5.12</u>
Excess Return	-0.25	-0.18	-0.26	-0.38	-1.38	0.35
PanAgora Asset Mgmt	6.12	2.72	11.83	9.24	3.68	6.88
<i>MSCI EAFE</i>	<u>4.88</u>	<u>-0.92</u>	<u>9.02</u>	<u>6.16</u>	<u>1.55</u>	<u>4.95</u>
Excess Return	1.24	3.64	2.81	3.08	2.13	1.93
Pyramis Global	6.05	-1.42	11.88	10.25	--	--
<i>MSCI EAFE Small Cap</i>	<u>5.56</u>	<u>-2.92</u>	<u>10.67</u>	<u>8.80</u>	<u>4.10</u>	<u>6.17</u>
Excess Return	0.49	1.50	1.21	1.45		

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

9 Effective 7/1/04.

Performance Summary

Periods Ending March 31, 2015

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
TT International	6.30	2.93	13.23	8.00	--	--
<i>MSCI EAFE</i>	<u>4.88</u>	<u>-0.92</u>	<u>9.02</u>	<u>6.16</u>	<u>1.55</u>	<u>4.95</u>
Excess Return	1.42	3.85	4.21	1.84		
Walter Scott	3.71	2.55	7.91	8.13	5.21	8.23
<i>MSCI EAFE net</i> ¹⁰	<u>4.88</u>	<u>-0.92</u>	<u>9.02</u>	<u>6.16</u>	<u>0.62</u>	<u>4.85</u>
Excess Return	-1.17	3.47	-1.11	1.97	4.59	3.38
Int'l Emerging Mkts Equity	-0.39	-3.83	--	--	--	--
<i>MSCI Emerging Markets ND Custom</i>	<u>-0.12</u>	<u>-3.24</u>	--	--	--	--
Excess Return	-0.27	-0.59				
US Fixed Income	2.61	11.06	6.16	7.75	7.15	6.48
<i>Citigroup LPF</i> ¹¹	<u>2.62</u>	<u>11.37</u>	<u>5.32</u>	<u>6.82</u>	<u>6.43</u>	<u>6.21</u>
Excess Return	-0.01	-0.31	0.84	0.93	0.72	0.27
Corporate	3.16	11.37	8.56	9.79	9.39	7.79
<i>Citigroup LPF Credit</i> ¹²	<u>2.95</u>	<u>10.85</u>	<u>7.01</u>	<u>8.33</u>	<u>7.95</u>	<u>6.93</u>
Excess Return	0.21	0.52	1.55	1.46	1.44	0.86

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).

Periods Ending March 31, 2015

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Gov't 1-5	3.32	15.45	8.38	10.27	7.83	--
<i>Citigroup LPF Treas/Govt Spons¹³</i>	<u>3.36</u>	<u>16.09</u>	<u>6.05</u>	<u>7.43</u>	<u>6.66</u>	<u>6.39</u>
Excess Return	-0.04	-0.64	2.33	2.84	1.17	
Gov't 5 Plus	3.39	15.92	6.17	8.80	7.04	6.58
<i>Citigroup LPF Treas/Govt Spons¹⁴</i>	<u>3.36</u>	<u>16.09</u>	<u>6.05</u>	<u>8.75</u>	<u>7.10</u>	<u>6.93</u>
Excess Return	0.03	-0.17	0.12	0.05	-0.06	-0.35
MBS	1.19	5.78	2.80	3.96	4.11	4.50
<i>Citi BIG Mortgage</i>	<u>1.15</u>	<u>5.64</u>	<u>2.53</u>	<u>3.69</u>	<u>4.52</u>	<u>4.93</u>
Excess Return	0.04	0.14	0.27	0.27	-0.41	-0.43
Inflation Hedged	1.65	3.82	0.73	4.25	3.63	4.70
<i>Citi TIPS</i>	<u>1.50</u>	<u>3.82</u>	<u>0.77</u>	<u>4.51</u>	<u>3.75</u>	<u>4.64</u>
Excess Return	0.15	0.00	-0.04	-0.26	-0.12	0.06
Real Estate	2.57	11.81	10.89	11.55	3.74	7.19
<i>NCREIF 1Q Lag</i>	<u>3.04</u>	<u>11.81</u>	<u>11.11</u>	<u>12.13</u>	<u>4.70</u>	<u>8.38</u>
Excess Return	-0.47	0.00	-0.22	-0.58	-0.96	-1.19
Traditional Private Equity*	4.50	22.00	19.04	17.25		
<i>S&P 500 +3% 1Q Lag</i>	<u>5.58</u>	<u>17.00</u>	<u>22.44</u>	<u>21.01</u>		
Excess Return	-1.08	5.00	-3.40	-3.76		

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 March 31, 2015

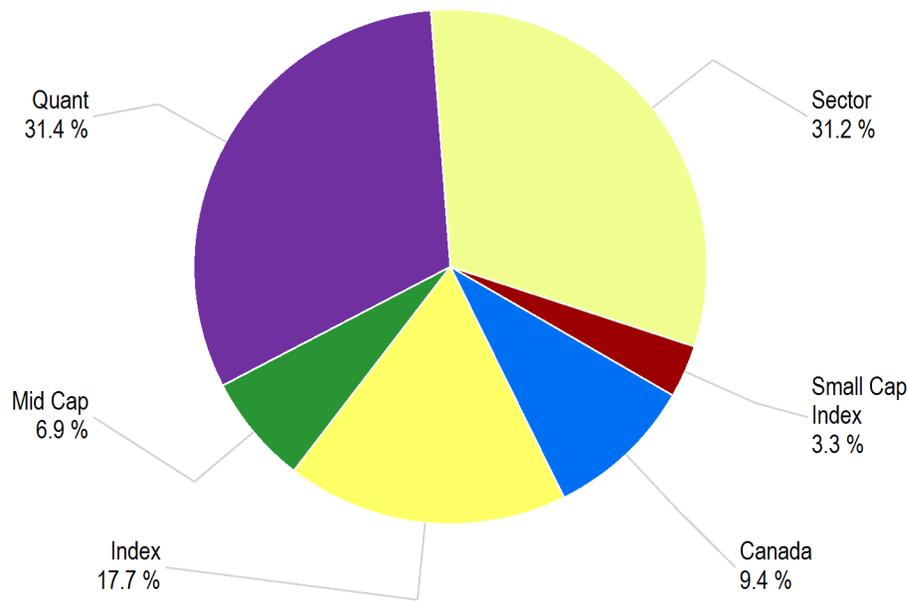
	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Strategic Lending Portfolio ¹⁵	2.18	2.44	--	--	--	--
<i>Strategic Lending</i> ¹⁶	<u>2.30</u>	<u>2.43</u>	--	--	--	--
Excess Return	-0.12	0.01				
Short Term	0.59	1.25	1.05	1.34	1.65	--
<i>91 Day T-Bills</i>	<u>0.00</u>	<u>0.02</u>	<u>0.05</u>	<u>0.06</u>	<u>0.19</u>	<u>1.36</u>
Excess Return	0.59	1.23	1.00	1.28	1.46	
Short Duration	0.28	0.93	1.32	1.53	2.42	--
<i>91 Day T-Bills</i>	<u>0.00</u>	<u>0.02</u>	<u>0.05</u>	<u>0.06</u>	<u>0.19</u>	<u>1.36</u>
Excess Return	0.28	0.91	1.27	1.47	2.23	
Cash	0.02	0.30	0.79	1.19	1.31	2.26
<i>91 Day T-Bills</i>	<u>0.00</u>	<u>0.02</u>	<u>0.05</u>	<u>0.06</u>	<u>0.19</u>	<u>1.36</u>
Excess Return	0.02	0.28	0.74	1.13	1.12	0.90

15 Funded 8/1/13. Reported net of fees. Triton Debt Opp Fund market value is rolled forward from Q4 2014, and adjusted for Q4 cash flows.

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

Manager Allocation Analysis - North American Equity

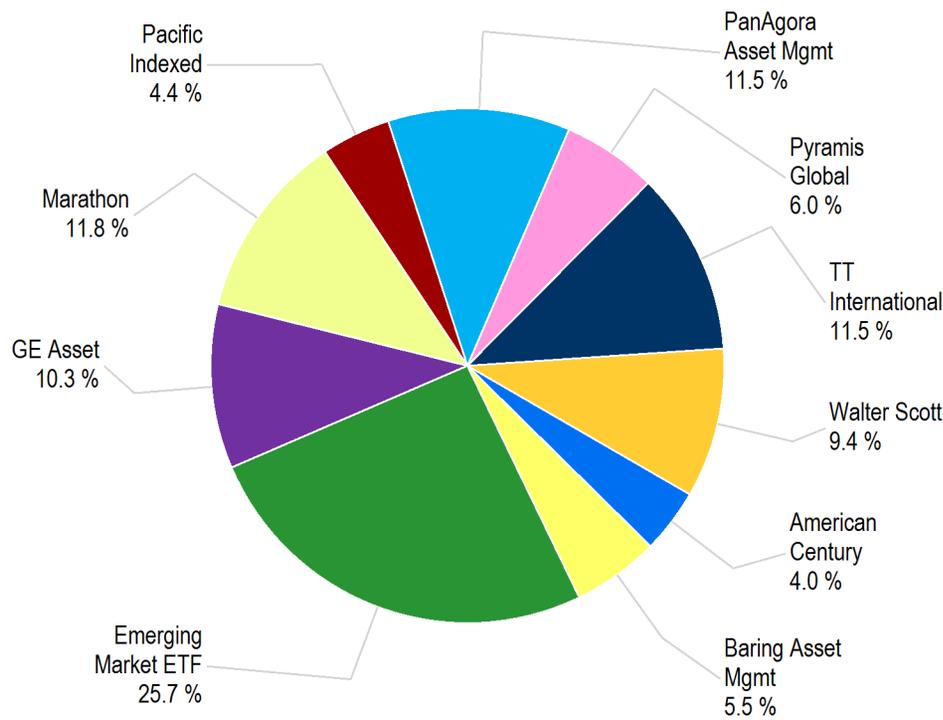
As of March 31, 2015



	Actual \$	Actual %
Canada	\$1,553,214,345	9.4%
Index	\$2,938,190,413	17.7%
Mid Cap	\$1,147,459,280	6.9%
Quant	\$5,207,110,466	31.4%
Sector	\$5,175,720,182	31.2%
Small Cap Index	\$549,164,233	3.3%
Total	\$16,570,858,919	

Manager Allocation Analysis - International Equity

As of March 31, 2015

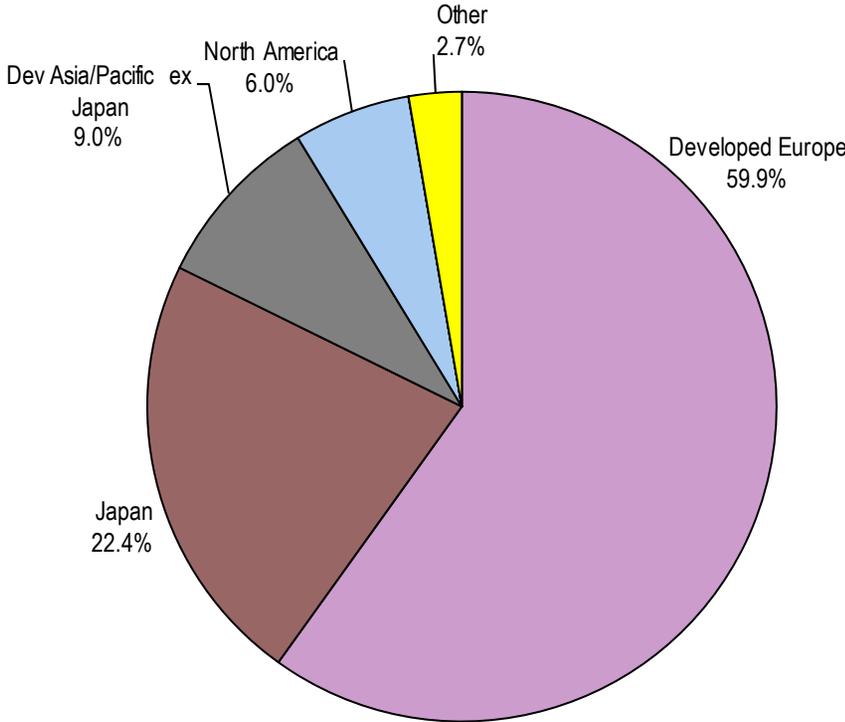


	Actual \$	Actual %
American Century	\$310,437,433	4.0%
Baring Asset Mgmt	\$420,120,614	5.5%
Emerging Market ETF	\$1,977,318,175	25.7%
GE Asset	\$794,305,171	10.3%
Marathon	\$906,951,556	11.8%
Pacific Indexed	\$335,740,409	4.4%
PanAgora Asset Mgmt	\$882,160,742	11.5%
Pyramis Global	\$458,677,598	6.0%
TT International	\$884,285,806	11.5%
Walter Scott	\$723,539,898	9.4%
Total	\$7,693,537,402	

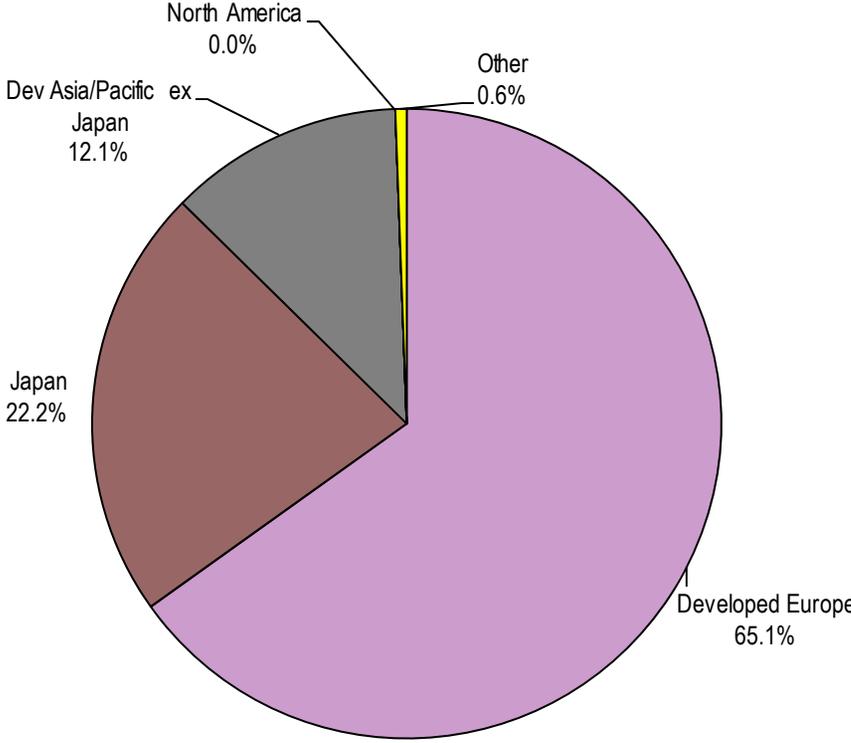
Developed International Equity Portfolio Regional Weights

As of March 31, 2015

Developed International Equity



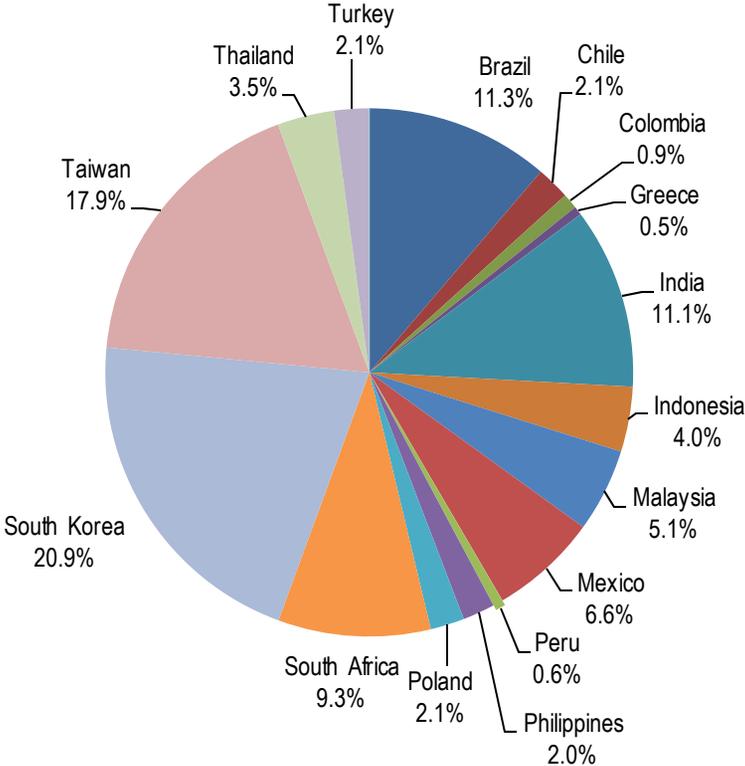
MSCI EAFE Index



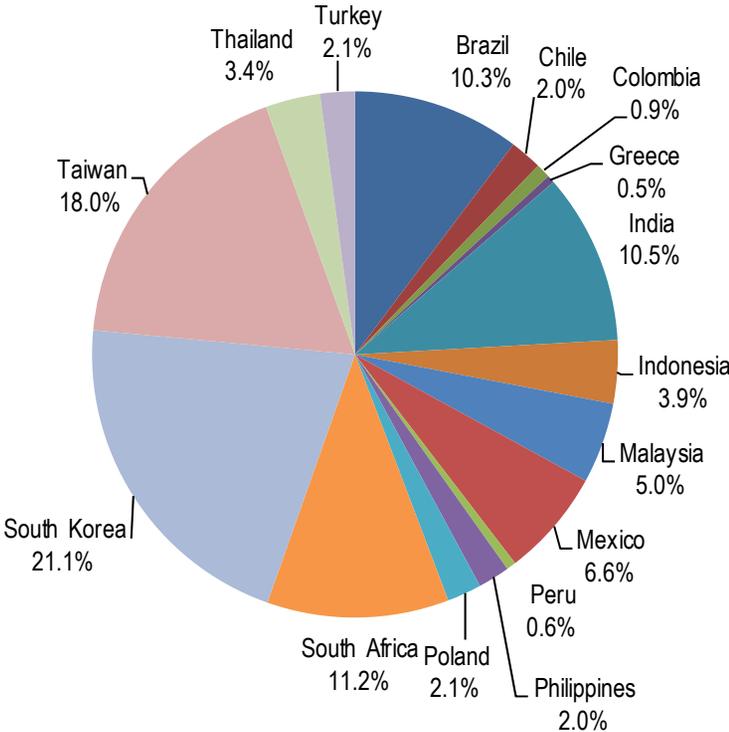
Emerging Market ETF Portfolio Regional Weights

As of March 31, 2015

Emerging Market ETF

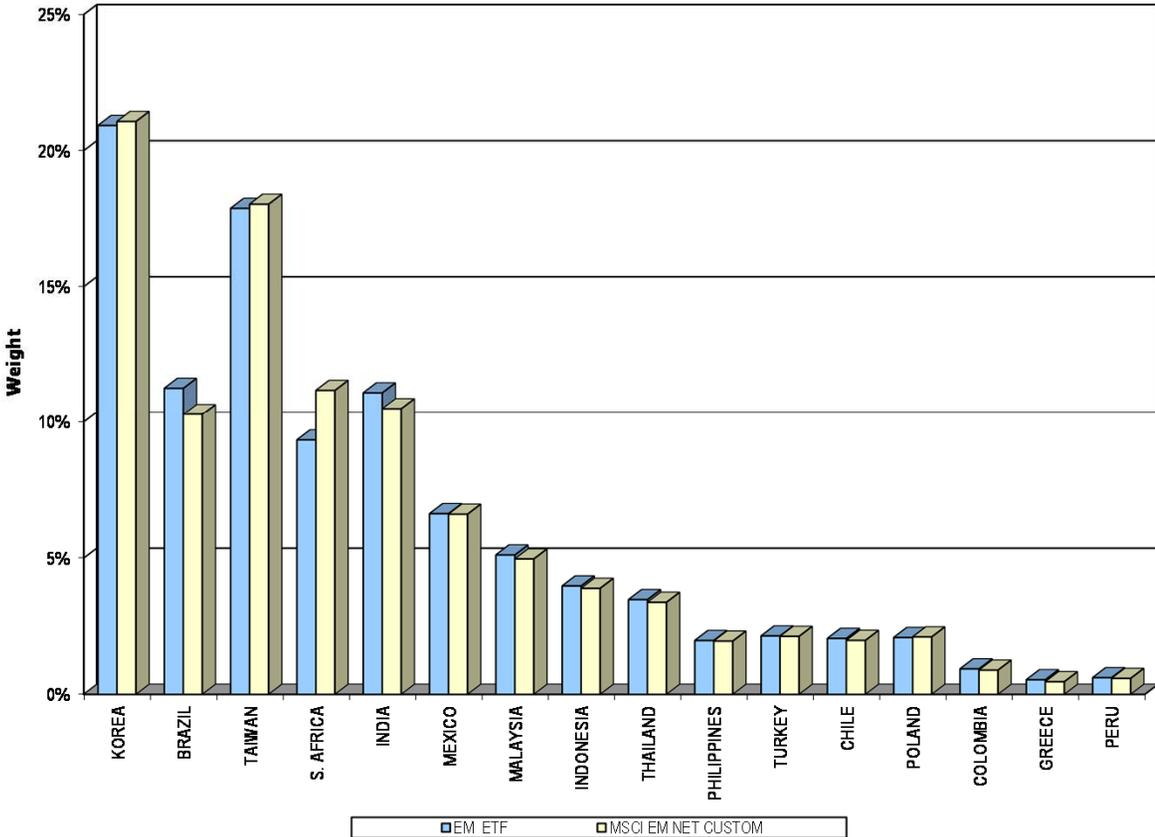


MSCI Emerging Market Net Custom Index



Portfolio Country Weights - Emerging Market ETF

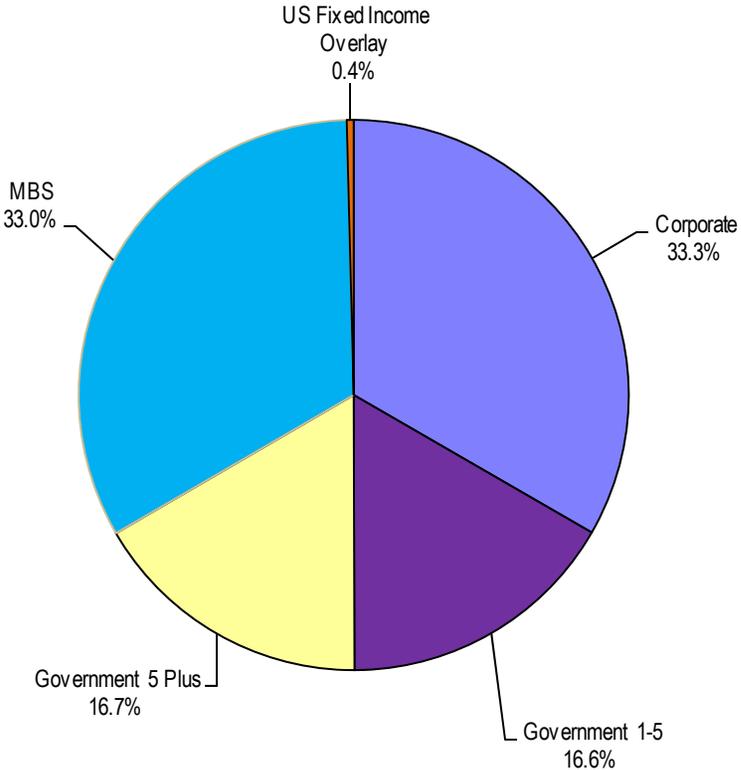
As of March 31, 2015



COUNTRY	TCRS MARKET VALUE (\$ 000)	EM ETF	MSCI EM NET CUSTOM	DIFF
KOREA	\$ 413,668	20.9%	21.1%	-0.1%
BRAZIL	\$ 222,614	11.3%	10.3%	+1.0%
TAIWAN	\$ 353,448	17.9%	18.0%	-0.2%
S. AFRICA	\$ 184,581	9.3%	11.2%	-1.8%
INDIA	\$ 219,316	11.1%	10.5%	+0.6%
MEXICO	\$ 131,032	6.6%	6.6%	+0.0%
MALAYSIA	\$ 101,062	5.1%	5.0%	+0.1%
INDONESIA	\$ 78,601	4.0%	3.9%	+0.1%
THAILAND	\$ 68,677	3.5%	3.4%	+0.1%
PHILIPPINES	\$ 39,037	2.0%	2.0%	+0.0%
TURKEY	\$ 42,365	2.1%	2.1%	+0.0%
CHILE	\$ 40,553	2.1%	2.0%	+0.1%
POLAND	\$ 41,225	2.1%	2.1%	-0.0%
COLOMBIA	\$ 18,463	0.9%	0.9%	+0.0%
GREECE	\$ 10,586	0.5%	0.5%	+0.1%
PERU	\$ 12,090	0.6%	0.6%	+0.0%
	\$ 1,977,318	100.0%	100.0%	0.0%

Manager Allocation Analysis - US Fixed Income

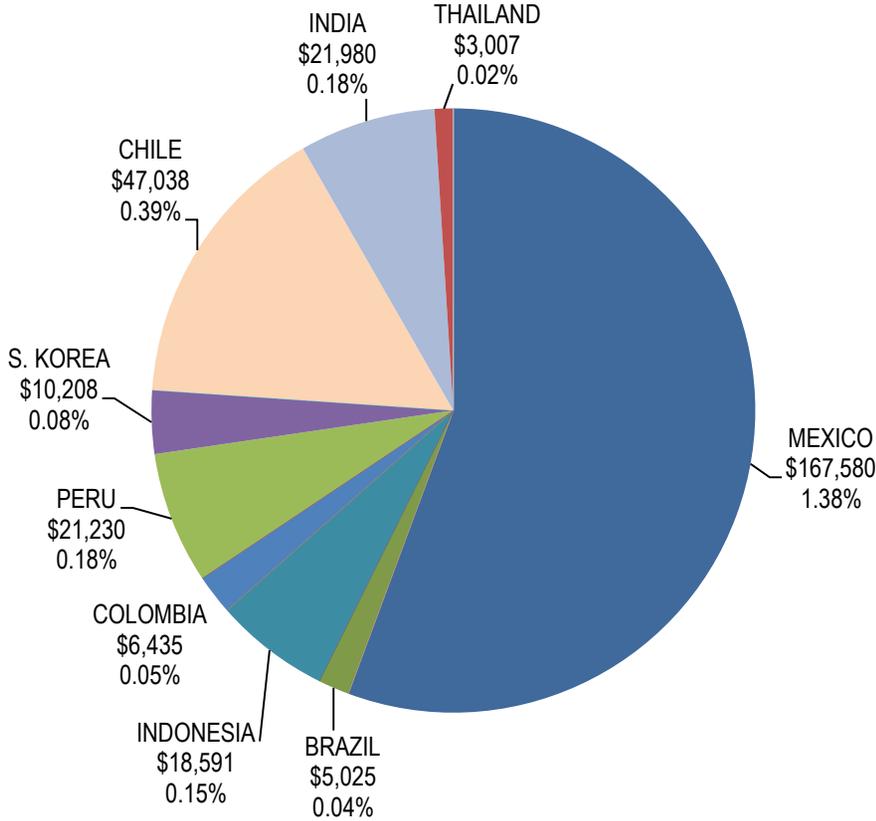
As of March 31, 2015



	Actual \$	Actual %
Corporate	4,034,551,461	33.3%
Government 1-5	2,012,120,124	16.6%
Government 5 Plus	2,018,355,034	16.7%
MBS	3,991,275,951	33.0%
US Fixed Income Overlay	48,733,611	0.4%
TOTAL	12,105,036,181	100.0%

Emerging Market Investment Grade Bond Portfolio Regional Weights

As of March 31, 2015



COUNTRY	TCRS MARKET VALUE (\$ 000)	TCRS FI	LPF	DIFF
MEXICO	\$ 167,580	1.38%	0.89%	+0.49%
OTHER*	\$ -		0.85%	-0.85%
BRAZIL	\$ 5,025	0.04%	0.56%	-0.52%
TURKEY	\$ -		0.41%	-0.41%
INDONESIA	\$ 18,591	0.15%	0.33%	-0.18%
PHILIPPINES	\$ -		0.28%	-0.28%
COLOMBIA	\$ 6,435	0.05%	0.23%	-0.18%
S. AFRICA	\$ -		0.14%	-0.14%
PERU	\$ 21,230	0.18%	0.13%	+0.05%
S. KOREA	\$ 10,208	0.08%	0.10%	-0.02%
POLAND	\$ -		0.09%	-0.09%
CHILE	\$ 47,038	0.39%	0.04%	+0.35%
INDIA	\$ 21,980	0.18%		+0.18%
THAILAND	\$ 3,007	0.02%		+0.02%
MALAYSIA	\$ -			0.00%
TAIWAN	\$ -			0.00%
	\$ 301,094	2.49%	4.05%	-1.56%

* 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.