

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

**EXECUTIVE SUMMARY**

**DECEMBER 31, 2014**

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- Although volatility picked up, the S&P 500 rose 4.9% during the fourth quarter, driven by more dovish Fed commentary, gains in the labor market, and strong retail sales.
- Small cap equities outperformed in the US as the Russell 2000 index rose 9.7% in the fourth quarter.
- The decision by OPEC to not cut production led to sharp declines in the price of oil. Consequently, the Russell 3000 energy sector fell 12.9% in the fourth quarter.
- The euro fell 4.2% versus the dollar during the fourth quarter as monetary policy divergence and expectations of more unconventional easing by the ECB continued.
- With increased geopolitical risk and fears of Eurozone deflation, the Treasury curve flattened as 1- through 3-year rates rose while 5- through 30-year rates declined.
- The MSCI Emerging Markets Net Return Index fell 4.5% during the fourth quarter as the sharp decline in the price of oil and geopolitical tensions led to fears of contagion.
- The State Street Investor Confidence Index® (ICI) measures risk appetite by analyzing buying and selling patterns of institutional investors. With confidence declining among North American and European institutions, the Global ICI fell 11.8points during the quarter to 112.1, remaining above the neutral level of 100.
- For the period ending 12/31/14, the one quarter returns for, respectively, the NAREIT Equity index and the NCREIF Property index (one quarter lag), were 14.2% and 2.63%; one year, 30.14% and 11.26%; three years, 16.33% and 11.08%; and five years, 16.88% and 10.99%.
- With the drop in oil prices, US consumers are expected to spend the savings, which should benefit the retail real estate sector. However, if energy companies stop spending and start cutting jobs, areas around Dallas and Houston, could be negatively impacted as consumers cut back.
- Searching for yield, many real estate investors are investing in riskier assets and accepting lower returns and longer periods of illiquidity.

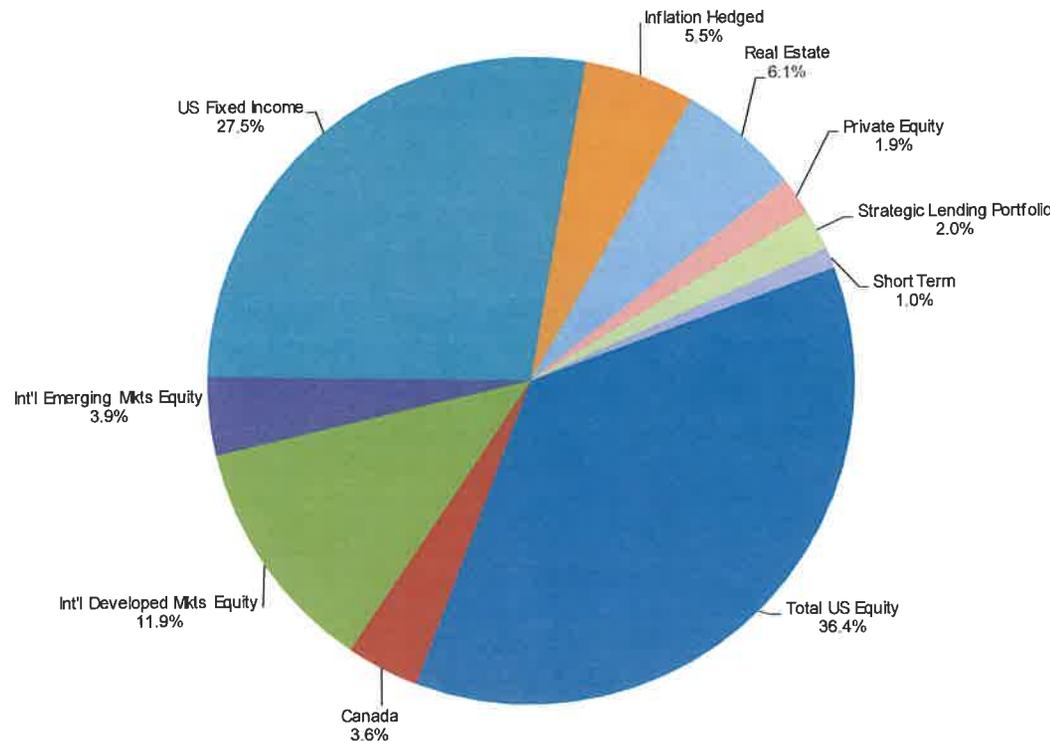
Periods Ending December 31, 2014

INDEX	STYLE	1 QTR	2 QTRS	3 QTRS	1 YEAR	2 YEAR	3 YEAR	5 YEAR
<b>US EQUITY INDICES</b>								
Russell 3000	Large Cap Broad	5.2%	5.3%	10.4%	12.6%	22.6%	20.5%	15.6%
S&P 500	Large Cap Core	4.9%	6.1%	11.7%	13.7%	22.7%	20.4%	15.5%
Russell 1000	Large Cap Core	4.9%	5.6%	11.0%	13.2%	22.8%	20.6%	15.6%
Russell 1000 Growth	Large Cap Growth	4.8%	6.3%	11.8%	13.0%	22.8%	20.3%	15.8%
Russell 1000 Value	Large Cap Value	5.0%	4.8%	10.1%	13.5%	22.6%	20.9%	15.4%
Russell Midcap	Mid Cap Core	5.9%	4.2%	9.4%	13.2%	23.5%	21.4%	17.2%
Russell Midcap Growth	Mid Cap Growth	5.8%	5.1%	9.7%	11.9%	23.2%	20.7%	16.9%
Russell Midcap Value	Mid Cap Value	6.1%	3.2%	9.1%	14.7%	23.8%	22.0%	17.4%
Russell 2000	Small Cap Core	9.7%	1.7%	3.7%	4.9%	20.7%	19.2%	15.5%
Russell 2000 Growth	Small Cap Growth	10.1%	3.3%	5.1%	5.6%	23.0%	20.1%	16.8%
Russell 2000 Value	Small Cap Value	9.4%	0.0%	2.4%	4.2%	18.4%	18.3%	14.3%
NASDAQ Composite	Large Cap Core	5.7%	8.1%	13.8%	14.7%	26.6%	23.5%	17.2%
<b>INTERNATIONAL INDICES</b>								
MSCI ACWI	Global Equity	0.5%	-1.7%	3.5%	4.7%	13.7%	14.7%	9.7%
MSCI EAFE	International Equity	-3.5%	-9.2%	-5.2%	-4.5%	8.5%	11.6%	5.8%
MSCI ACWI ex US	International Equity	-3.8%	-8.8%	-4.0%	-3.4%	5.7%	9.5%	4.9%
MSCI Emerging Markets	Emerging Markets	-4.4%	-7.6%	-1.5%	-1.8%	-2.0%	4.4%	2.1%
Citigroup World Govt	Global Fixed	-1.5%	-5.2%	-3.1%	-0.5%	-2.3%	-1.0%	1.7%
Citigroup World Govt ex US	International Fixed	-2.9%	-8.1%	-5.7%	-2.7%	-3.6%	-1.9%	0.8%
<b>US FIXED INCOME INDICES</b>								
91 Day T-Bills	Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Barclays Aggregate	Core Fixed	1.8%	2.0%	4.0%	6.0%	1.9%	2.7%	4.4%
Barclays Govt/Credit	Core Fixed	1.8%	2.0%	4.0%	6.0%	1.7%	2.8%	4.7%
Barclays Mortgage	Mortgages	1.8%	2.0%	4.4%	6.1%	2.3%	2.4%	3.7%
NAREIT Equity	Real Estate	14.2%	10.6%	18.3%	30.1%	15.5%	16.3%	16.9%
NCREIF Property	Real Estate	3.0%	5.7%	8.8%	11.8%	11.4%	11.1%	12.1%

Asset Allocation Analysis - Total Plan

As of December 31, 2014

CURRENT ALLOCATION BY ASSET CLASS



	Actual \$	Actual %
Total US Equity	15,654,187,277	36.4%
Canada	1,558,670,743	3.6%
Int'l Developed Mkts Equity	5,104,883,725	11.9%
Int'l Emerging Mkts Equity	1,685,667,065	3.9%
US Fixed Income	11,811,128,335	27.5%
Inflation Hedged	2,375,127,583	5.5%
Real Estate	2,638,907,708	6.1%
Private Equity	814,734,210	1.9%
Strategic Lending Portfolio	873,616,252	2.0%
Short Term	444,389,594	1.0%
<b>TOTAL</b>	<b>42,961,312,492</b>	<b>100.0%</b>

	TARGET	ACTUAL	DIFF
Total US Equity	33.0%	36.4%	3.4%
Canada	4.0%	3.6%	-0.4%
Int'l Developed Mkts Equity	13.0%	11.9%	-1.1%
Int'l Emerging Mkts Equity	5.0%	3.9%	-1.1%
US Fixed Income	25.0%	27.5%	2.5%
Inflation Hedged	4.0%	5.5%	1.5%
Real Estate	7.0%	6.1%	-0.9%
Private Equity	3.0%	1.9%	-1.1%
Strategic Lending Portfolio	5.0%	2.0%	-3.0%
Short Term	1.0%	1.0%	0.0%

	09/30/14	12/31/14	DIFF
Total US Equity	35.9%	36.4%	0.5%
Canada	4.1%	3.6%	-0.5%
Int'l Developed Mkts Equity	12.4%	11.9%	-0.5%
Int'l Emerging Mkts Equity	4.2%	3.9%	-0.3%
US Fixed Income	27.4%	27.5%	0.1%
Inflation Hedged	5.7%	5.5%	-0.2%
Real Estate	6.0%	6.1%	0.2%
Private Equity	1.7%	1.9%	0.2%
Strategic Lending Portfolio	1.6%	2.0%	0.4%
Short Term	1.0%	1.0%	0.0%

## Performance Summary

Periods Ending December 31, 2014

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
<b>Total Fund</b>	<b>2.25</b>	<b>8.76</b>	<b>11.42</b>	<b>10.09</b>	<b>5.67</b>	<b>6.39</b>
<i>Policy Index<sup>1</sup></i>	<u>2.03</u>	<u>8.69</u>	<u>11.50</u>	<u>9.99</u>	<u>6.01</u>	<u>6.73</u>
Excess Return	0.22	0.07	-0.08	0.10	-0.34	-0.34
<i>Allocation Index<sup>2</sup></i>	2.10	8.58	10.84	9.53	--	--
<b>North American Equity</b>	<b>3.65</b>	<b>12.18</b>	<b>18.48</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>N.A. Equity Custom<sup>3</sup></i>	<u>4.20</u>	<u>11.99</u>	<u>18.81</u>	--	--	--
Excess Return	-0.55	0.19	-0.33			
<b>US Equity</b>	<b>4.53</b>	<b>13.25</b>	<b>19.96</b>	<b>15.77</b>	<b>7.30</b>	<b>7.92</b>
<i>US Equity Custom<sup>4</sup></i>	<u>5.20</u>	<u>13.08</u>	<u>20.38</u>	<u>15.62</u>	<u>7.54</u>	<u>7.89</u>
Excess Return	-0.67	0.17	-0.42	0.15	-0.24	0.03
Index	4.93	13.57	20.35	15.42	7.32	--
<i>S&amp;P 500</i>	<u>4.93</u>	<u>13.69</u>	<u>20.41</u>	<u>15.45</u>	<u>7.27</u>	<u>7.67</u>
Excess Return	0.00	-0.12	-0.06	-0.03	0.05	
Quant	3.93	13.09	19.10	15.23	7.33	7.98
<i>S&amp;P 500</i>	<u>4.93</u>	<u>13.69</u>	<u>20.41</u>	<u>15.45</u>	<u>7.27</u>	<u>7.67</u>
Excess Return	-1.00	-0.60	-1.31	-0.22	0.06	0.31
Sector	4.09	14.39	20.12	15.40	7.12	7.81
<i>S&amp;P 500</i>	<u>4.93</u>	<u>13.69</u>	<u>20.41</u>	<u>15.45</u>	<u>7.27</u>	<u>7.67</u>
Excess Return	-0.84	0.70	-0.29	-0.05	-0.15	0.14

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 10/1/14, Total Fund Allocation Index is 33.8% S&P 1500/ 4.1% S&P TSX 60/ 13.3% MSCI EAFE IMI net/ 5.1% MSCI Emerging Markets net/ 26.7% Citigroup LPF/ 6.7% Citigroup TIPS/ 6% NCREIF 1Q Lag/ 1.7% S&P 500 + 3% 1Q Lag/ 1.6% 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 December 31, 2014

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
<b>Mid Cap<sup>5</sup></b>	5.78	11.69	21.00	17.28	8.65	9.15
<i>S&amp;P MidCap 400<sup>5</sup></i>	<u>6.35</u>	<u>9.77</u>	<u>19.99</u>	<u>16.54</u>	<u>9.30</u>	<u>9.34</u>
Excess Return	-0.57	1.92	1.01	0.74	-0.65	-0.19
<b>Small Cap<sup>6</sup></b>	<b>9.91</b>	<b>5.77</b>	<b>20.63</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>S&amp;P 600 SmallCap</i>	<u>9.85</u>	<u>5.76</u>	<u>20.24</u>	<u>17.27</u>	<u>9.77</u>	<u>9.02</u>
Excess Return	0.06	0.01	0.39	-	-	-
<b>Canada</b>	<b>-4.12</b>	<b>2.69</b>	<b>6.45</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>S&amp;P/TSX 60</i>	<u>-3.85</u>	<u>2.99</u>	<u>6.50</u>	<u>5.18</u>	<u>1.38</u>	<u>8.38</u>
Excess Return	-0.27	-0.30	-0.05	-	-	-
<b>International Equity</b>	<b>-3.21</b>	<b>-4.32</b>	<b>11.23</b>	<b>6.87</b>	<b>1.48</b>	<b>6.32</b>
<i>Int'l Equity Custom<sup>7</sup></i>	<u>-3.98</u>	<u>-3.79</u>	<u>9.23</u>	<u>4.48</u>	<u>-0.93</u>	<u>4.09</u>
Excess Return	0.77	-0.53	2.00	2.39	2.41	2.23
<b>Int'l Developed Mkts Equity</b>	<b>-2.36</b>	<b>-4.53</b>	<b>13.07</b>	<b>7.93</b>	<b>2.19</b>	<b>6.85</b>
<i>MSCI EAFE IMI net</i>	<u>-3.41</u>	<u>-4.91</u>	<u>11.39</u>	<u>5.71</u>	<u>-0.10</u>	<u>4.71</u>
Excess Return	1.05	0.38	1.68	2.22	2.29	2.14
American Century	-2.53	-5.71	17.04	11.38	-	-
<i>MSCI EAFE Small Cap</i>	<u>-2.27</u>	<u>-4.95</u>	<u>13.83</u>	<u>8.63</u>	<u>2.35</u>	<u>6.04</u>
Excess Return	-0.26	-0.76	3.21	2.75	-	-

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 December 31, 2014

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
Baring Asset Mgmt	-3.64	-7.42	9.94	6.57	--	--
<i>MSCI EAFE</i>	<u>-3.57</u>	<u>-4.90</u>	<u>11.06</u>	<u>5.33</u>	<u>-0.47</u>	<u>4.43</u>
Excess Return	-0.07	-2.52	-1.12	1.24		
GE Asset	-4.01	-10.45	11.52	4.97	--	--
<i>MSCI Europe</i>	<u>-4.35</u>	<u>-6.18</u>	<u>11.86</u>	<u>5.28</u>	<u>-0.86</u>	<u>4.60</u>
Excess Return	0.34	-4.27	-0.34	-0.31		
Marathon	-2.45	-3.80	13.62	8.89	3.26	7.63
<i>MSCI EAFE net</i>	<u>-3.57</u>	<u>-4.90</u>	<u>11.06</u>	<u>5.33</u>	<u>-0.47</u>	<u>4.25</u>
Excess Return	1.12	1.10	2.56	3.56	3.73	3.38
Pacific Indexed <sup>8</sup>	-1.85	-2.43	9.45	4.63	-1.27	4.69
<i>MSCI Pacific net<sup>9</sup></i>	<u>-2.08</u>	<u>-2.70</u>	<u>9.60</u>	<u>5.66</u>	<u>0.56</u>	<u>4.18</u>
Excess Return	0.23	0.27	-0.15	-1.03	-1.83	0.51
PanAgora Asset Mgmt	-1.95	-0.45	13.95	8.30	1.70	6.28
<i>MSCI EAFE</i>	<u>-3.57</u>	<u>-4.90</u>	<u>11.06</u>	<u>5.33</u>	<u>-0.47</u>	<u>4.43</u>
Excess Return	1.62	4.45	2.89	2.97	2.17	1.85
Pyramis Global	-1.38	-4.99	15.51	10.14	--	--
<i>MSCI EAFE Small Cap</i>	<u>-2.27</u>	<u>-4.95</u>	<u>13.83</u>	<u>8.63</u>	<u>2.35</u>	<u>6.04</u>
Excess Return	0.89	-0.04	1.68	1.51		

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

9 Effective 7/1/04.

## Performance Summary

Periods Ending December 31, 2014

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
TT International	-2.08	-4.46	15.21	7.37	--	--
<i>MSCI EAFE</i>	<u>-3.57</u>	<u>-4.90</u>	<u>11.06</u>	<u>5.33</u>	<u>-0.47</u>	<u>4.43</u>
Excess Return	1.49	0.44	4.15	2.04		
Walter Scott	-1.60	-2.61	11.04	8.12	4.09	8.06
<i>MSCI EAFE net</i> <sup>10</sup>	<u>-3.57</u>	<u>-4.90</u>	<u>11.06</u>	<u>5.33</u>	<u>-1.33</u>	<u>4.40</u>
Excess Return	1.97	2.29	-0.02	2.79	5.42	3.66
Int'l Emerging Mkts Equity	<b>-5.65</b>	<b>-3.13</b>	--	--	--	--
<i>MSCI Emerging Markets Net Custom</i>	<u>-5.50</u>	<u>-1.19</u>	--	--	--	--
Excess Return	-0.15	-1.94				
<b>US Fixed Income</b>	<b>3.60</b>	<b>12.58</b>	<b>5.32</b>	<b>7.77</b>	<b>6.92</b>	<b>6.18</b>
<i>Citigroup LPF</i> <sup>11</sup>	<u>4.00</u>	<u>12.94</u>	<u>4.10</u>	<u>6.60</u>	<u>6.44</u>	<u>5.90</u>
Excess Return	-0.40	-0.36	1.22	1.17	0.48	0.28
<b>Corporate</b>	<b>3.04</b>	<b>13.52</b>	<b>8.19</b>	<b>9.88</b>	<b>8.82</b>	<b>7.37</b>
<i>Citigroup LPF Credit</i> <sup>12</sup>	<u>3.11</u>	<u>13.17</u>	<u>6.47</u>	<u>8.18</u>	<u>7.61</u>	<u>6.50</u>
Excess Return	-0.07	0.35	1.72	1.70	1.21	0.87

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 December 31, 2014

	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
<b>Gov't 1-5</b>	<b>5.59</b>	<b>17.81</b>	<b>7.10</b>	<b>10.25</b>	<b>7.82</b>	<b>--</b>
<i>Citigroup LPF Treas/Govt Spons<sup>13</sup></i>	<u>6.34</u>	<u>18.09</u>	<u>3.57</u>	<u>6.92</u>	<u>6.55</u>	<u>5.99</u>
Excess Return	-0.75	-0.28	3.53	3.33	1.27	
<b>Gov't 5 Plus</b>	<b>6.17</b>	<b>17.66</b>	<b>3.83</b>	<b>8.54</b>	<b>6.83</b>	<b>6.20</b>
<i>Citigroup LPF Treas/Govt Spons<sup>14</sup></i>	<u>6.34</u>	<u>18.09</u>	<u>3.57</u>	<u>8.34</u>	<u>7.22</u>	<u>6.53</u>
Excess Return	-0.17	-0.43	0.26	0.20	-0.39	-0.33
<b>MBS</b>	<b>1.74</b>	<b>6.24</b>	<b>2.68</b>	<b>4.09</b>	<b>4.16</b>	<b>4.38</b>
<i>Citi BIG Mortgage</i>	<u>1.80</u>	<u>6.12</u>	<u>2.35</u>	<u>3.77</u>	<u>4.72</u>	<u>4.78</u>
Excess Return	-0.06	0.12	0.33	0.32	-0.56	-0.40
<b>Inflation Hedged</b>	<b>0.16</b>	<b>4.41</b>	<b>0.43</b>	<b>4.02</b>	<b>4.21</b>	<b>4.59</b>
<i>Citi TIPS</i>	<u>0.27</u>	<u>4.55</u>	<u>0.52</u>	<u>4.27</u>	<u>4.29</u>	<u>4.45</u>
Excess Return	-0.11	-0.14	-0.09	-0.25	-0.08	0.14
<b>Real Estate</b>	<b>4.32</b>	<b>14.69</b>	<b>11.53</b>	<b>6.84</b>	<b>4.02</b>	<b>7.81</b>
<i>NCREIF 1Q Lag</i>	<u>2.63</u>	<u>11.26</u>	<u>11.08</u>	<u>10.99</u>	<u>4.72</u>	<u>8.55</u>
Excess Return	1.69	3.43	0.45	-4.15	-0.70	-0.74
<b>Traditional Private Equity*</b>	<b>4.56</b>	<b>25.78</b>	<b>18.38</b>	<b>17.03</b>		
<i>S&amp;P 500 +3% 1Q Lag</i>	<u>1.88</u>	<u>22.87</u>	<u>26.19</u>	<u>18.71</u>		
Excess Return	2.68	2.91	-7.81	-1.68		

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 December 31, 2014

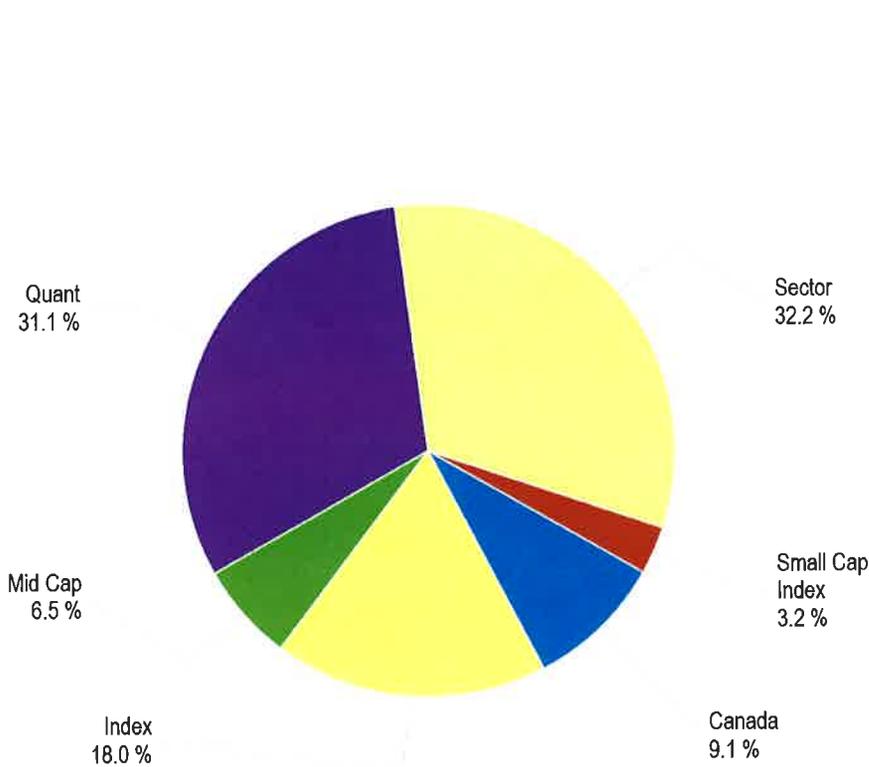
	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
<b>Strategic Lending Portfolio<sup>15</sup></b>	<b>-1.43</b>	<b>2.80</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Strategic Lending<sup>16</sup></i>	<u>-0.68</u>	<u>2.27</u>	--	--	--	--
Excess Return	-0.75	0.53				
<b>Short Term</b>	<b>0.34</b>	<b>0.80</b>	<b>0.98</b>	<b>1.31</b>	<b>1.73</b>	<b>--</b>
<i>91 Day T-Bills</i>	<u>0.00</u>	<u>0.02</u>	<u>0.05</u>	<u>0.06</u>	<u>0.26</u>	<u>1.42</u>
Excess Return	0.34	0.78	0.93	1.25	1.47	
Short Duration	0.15	0.88	1.56	1.59	2.57	--
<i>91 Day T-Bills</i>	<u>0.00</u>	<u>0.02</u>	<u>0.05</u>	<u>0.06</u>	<u>0.26</u>	<u>1.42</u>
Excess Return	0.15	0.86	1.51	1.53	2.31	
<b>Cash</b>	<b>0.10</b>	<b>0.38</b>	<b>0.79</b>	<b>1.27</b>	<b>1.46</b>	<b>2.31</b>
<i>91 Day T-Bills</i>	<u>0.00</u>	<u>0.02</u>	<u>0.05</u>	<u>0.06</u>	<u>0.26</u>	<u>1.42</u>
Excess Return	0.10	0.36	0.74	1.21	1.20	0.89

15 Funded 8/1/13. Reported net of fees. Blackstone Tactical Opp Fund market value is rolled forward from Q3 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

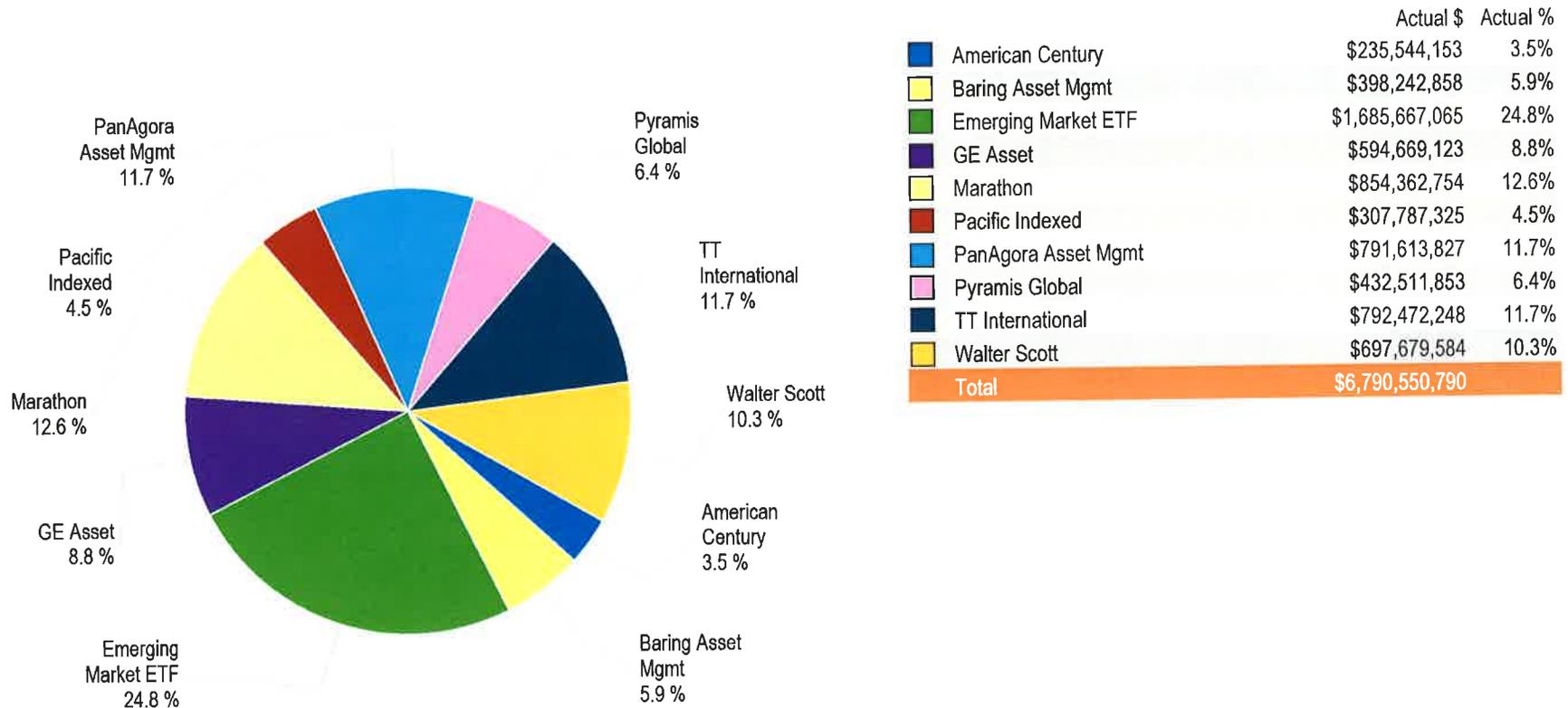
As of December 31, 2014



	Actual \$	Actual %
Canada	\$1,558,670,743	9.1%
Index	\$3,093,569,414	18.0%
Mid Cap	\$1,117,380,902	6.5%
Quant	\$5,351,994,159	31.1%
Sector	\$5,548,279,638	32.2%
Small Cap Index	\$542,963,164	3.2%
<b>Total</b>	<b>\$17,212,858,020</b>	

Manager Allocation Analysis - International Equity

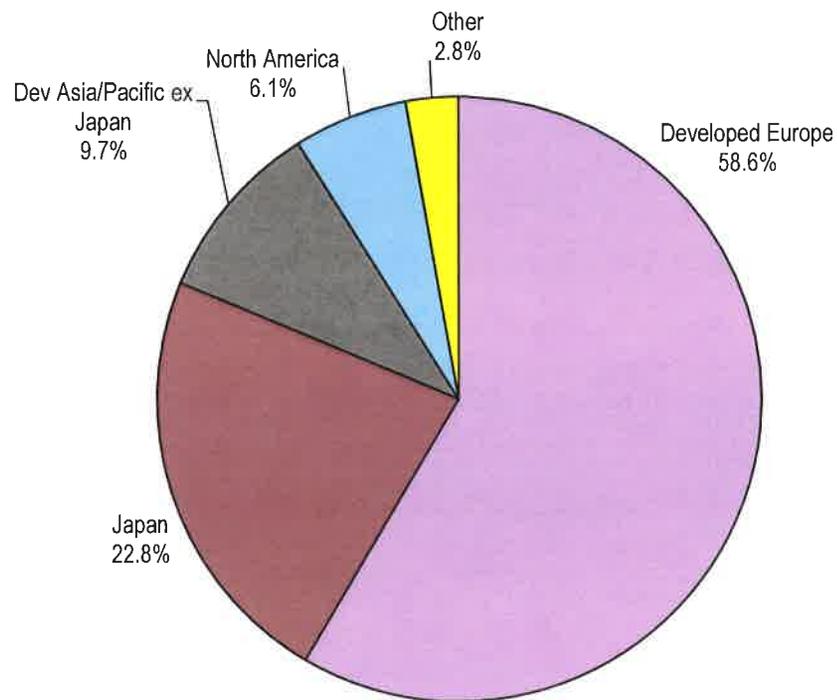
As of December 31, 2014



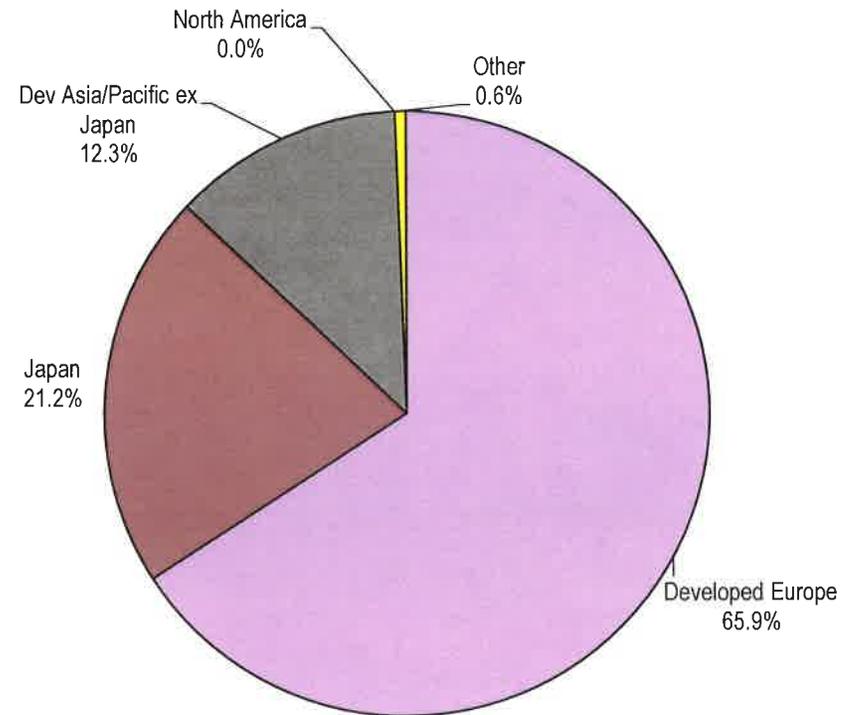
Developed International Equity Portfolio Regional Weights

As of December 31, 2014

Developed International Equity



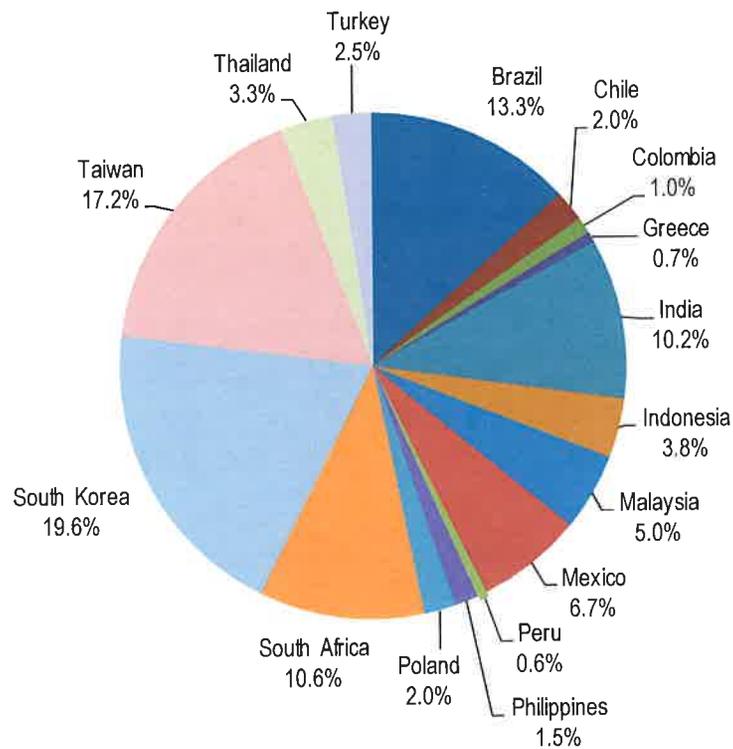
MSCI EAFE Index



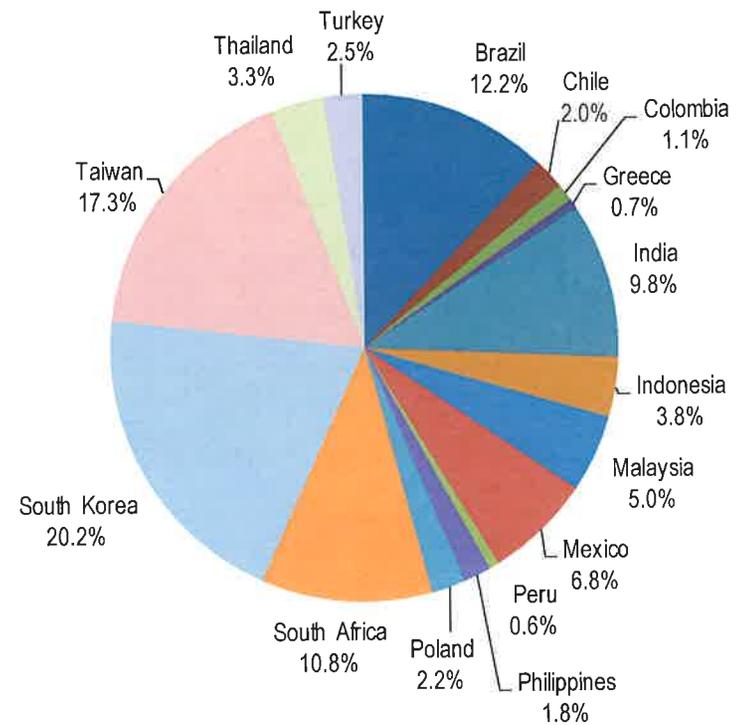
Emerging Market ETF Portfolio Regional Weights

As of December 31, 2014

Emerging Market ETF

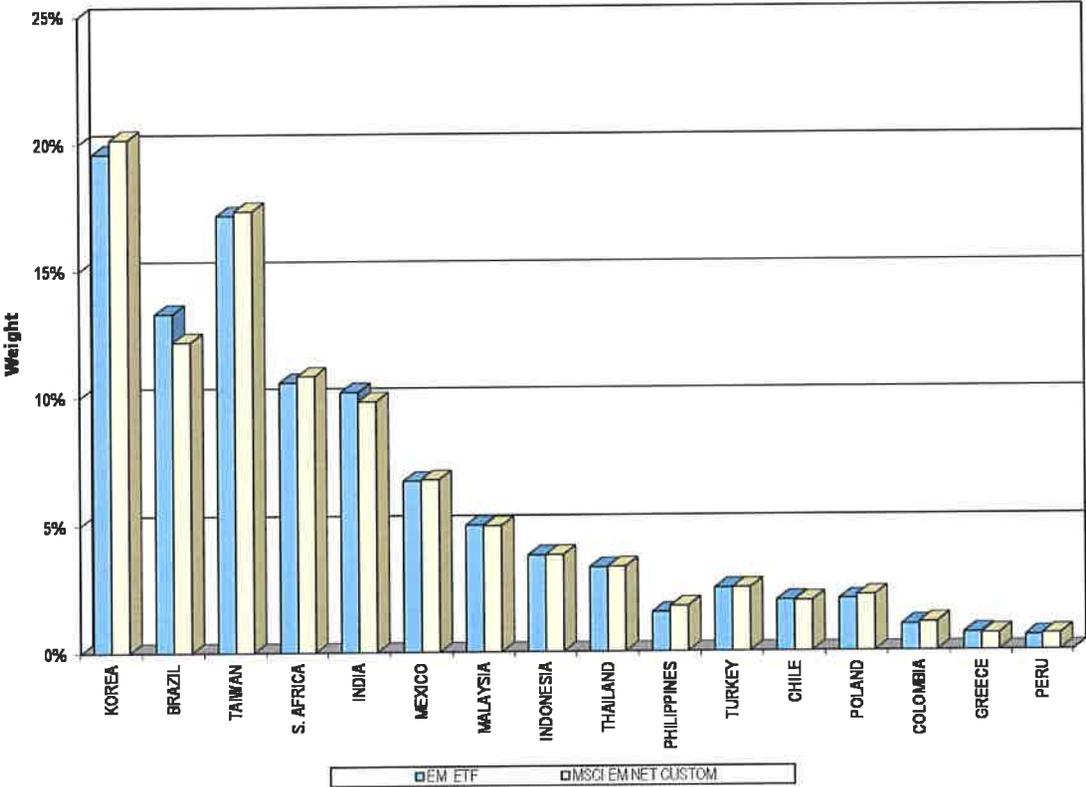


MSCI Emerging Market Net Custom Index



Portfolio Country Weights - Emerging Market ETF

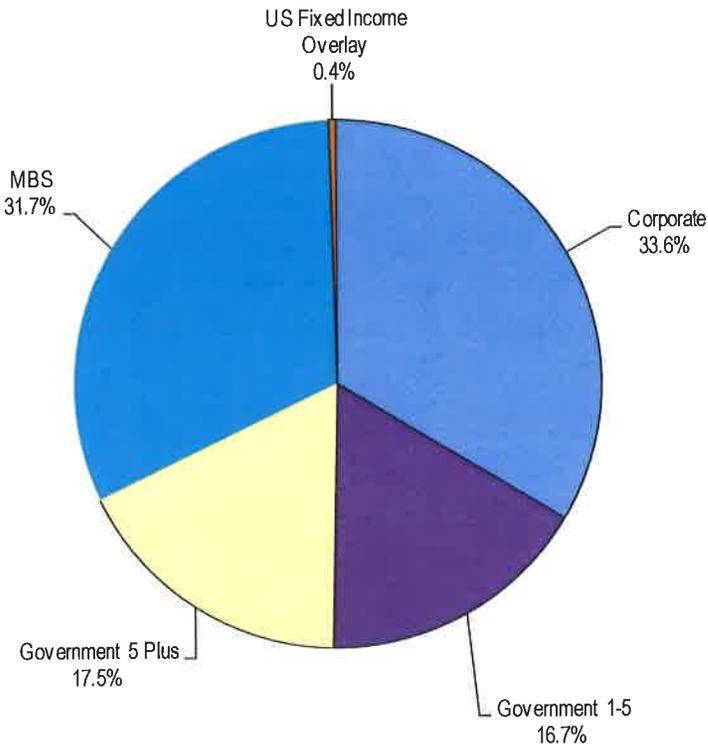
As of December 31, 2014



COUNTRY	TCRS MARKET VALUE ( \$ 000)	EM ETF	MSCI EM NET CUSTOM	DIFF
KOREA	\$ 330,498	19.6%	20.2%	-0.6%
BRAZIL	\$ 224,352	13.3%	12.2%	+1.1%
TAIWAN	\$ 289,516	17.2%	17.3%	-0.2%
S. AFRICA	\$ 178,522	10.6%	10.8%	-0.2%
INDIA	\$ 171,821	10.2%	9.8%	+0.4%
MEXICO	\$ 113,351	6.7%	6.8%	-0.1%
MALAYSIA	\$ 83,972	5.0%	5.0%	+0.0%
INDONESIA	\$ 63,913	3.8%	3.8%	-0.0%
THAILAND	\$ 55,788	3.3%	3.3%	-0.0%
PHILIPPINES	\$ 25,833	1.5%	1.8%	-0.2%
TURKEY	\$ 41,797	2.5%	2.5%	-0.0%
CHILE	\$ 33,472	2.0%	2.0%	+0.0%
POLAND	\$ 34,244	2.0%	2.2%	-0.1%
COLOMBIA	\$ 17,217	1.0%	1.1%	-0.1%
GREECE	\$ 11,657	0.7%	0.7%	+0.0%
PERU	\$ 9,714	0.6%	0.6%	-0.1%
	\$ 1,685,667	100.0%	100.0%	0.0%

Manager Allocation Analysis - US Fixed Income

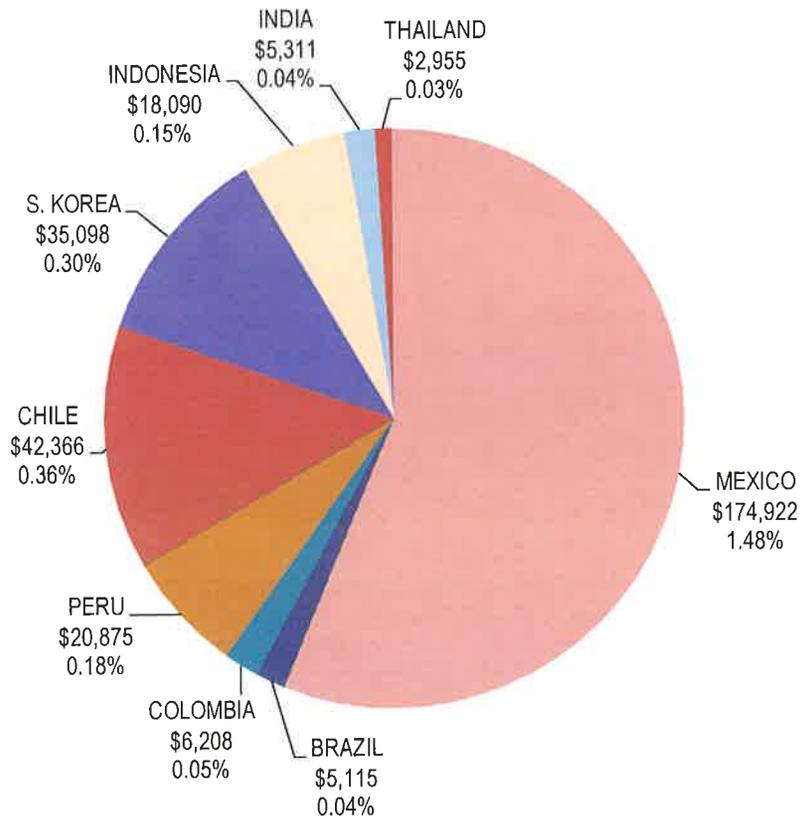
As of December 31, 2014



	Actual \$	Actual %
Corporate	3,971,493,595	33.6%
Government 1-5	1,974,849,872	16.7%
Government 5 Plus	2,066,706,851	17.5%
MBS	3,748,911,764	31.7%
US Fixed Income Overlay	49,166,253	0.4%
<b>TOTAL</b>	<b>11,811,128,335</b>	<b>100.0%</b>

Emerging Market Investment Grade Bond Portfolio Regional Weights

As of December 31, 2014



COUNTRY	TCRS MARKET VALUE ( \$ 000)	TCRS FI	LPF	DIFF
OTHER*	\$ -		1.00%	-1.00%
MEXICO	\$ 174,922	1.48%	0.81%	+0.67%
TURKEY	\$ -		0.38%	-0.38%
BRAZIL	\$ 5,115	0.04%	0.35%	-0.31%
COLOMBIA	\$ 6,208	0.05%	0.22%	-0.17%
PERU	\$ 20,875	0.18%	0.13%	+0.05%
POLAND	\$ -		0.09%	-0.09%
CHILE	\$ 42,366	0.36%	0.03%	+0.33%
PHILIPPINES	\$ -		0.00%	0.00%
S. KOREA	\$ 35,098	0.30%	0.00%	+0.30%
S. AFRICA	\$ -		0.00%	0.00%
INDONESIA	\$ 18,090	0.15%		+0.15%
INDIA	\$ 5,311	0.04%		+0.04%
THAILAND	\$ 2,955	0.03%		+0.03%
MALAYSIA	\$ -			0.00%
TAIWAN	\$ -			0.00%
	\$ 310,940	2.63%	3.01%	-0.38%

\* 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.