

AGENDA
INVESTMENT ADVISORY COUNCIL MEETING
Tuesday, August 19, 2014
12:00 Noon
State Board of Investment
Board Room – First Floor
60 Empire Drive, St. Paul, MN

- | | |
|---|------------|
| | TAB |
| 1. Approval of Minutes of May 20, 2014 | |
| 2. Report from the Executive Director (M. Perry) | A |
| A. Quarterly Investment Review
(April 1, 2014 – June 30, 2014) | |
| B. Administrative Report | B |
| 1. Reports on Budget and Travel | |
| 2. Update on Sudan | |
| 3. Update on Iran | |
| 4. Update on 529 Plan | |
| 5. Litigation Update | |
| 3. Review of manager performance for the period ending
June 30, 2014 (M. Perry) | C |
| 4. Alternative Investment Report (M. Perry) | D |
| Review of current strategy | |
| 5. Transition Management Discussion
(T. Brusehaver, M. Menssen, L. Stagg) | E |
| Presentation | |
| 6. Review and Discussion of SBI Alternative Investment Program
(R. Hill, A. Krech) | F |
| Presentation | |
| 7. Other items | |

INVESTMENT ADVISORY COUNCIL

MINUTES

August 19, 2014

**Minutes
Investment Advisory Council
May 20, 2014**

The Investment Advisory Council (IAC) met at 12:00 P.M. Tuesday May 20, 2014 in the Board Room – First Floor, 60 Empire Drive, St. Paul, Minnesota.

MEMBERS PRESENT: Denise Anderson, Jeff Bailey, Dave Bergstrom, Kerry Brick, Doug Gorence, Dennis Duerst, Kim Faust, Laurie Hacking, Kristin Hanson (for Jim Schowalter), Jay Kiedrowski, Gary Martin, Malcolm McDonald, and Elaine Voss.

MEMBERS ABSENT: John Bohan and Mary Vanek.

SBI STAFF: Mansco Perry, Jim Heidelberg, LeaAnn Stagg, Patricia Ammann, Tammy Brusehaver, Stephanie Gleeson, Aaron Griga, Ryan Hill, J.J. Kirby, Steve Kuettel, Mike Menssen, Charlene Olson and Melissa Mader.

OTHERS ATTENDING: Ann Posey, Callan Associates Inc.; Bert Black, Celeste Grant, Christie Eller, Cumah Blake and Joe Sathe, Office of the Governor; Edgar Hernandez, SEIU; Charles Hellie and John Fisher, REAM; Linda Littrell, Retiree; Emily Moore, Retiree; Mary Palmer, State Retiree; and Gordon Voss.

The minutes of the February 18, 2014 meeting were approved.

Executive Director's Report

Mr. Perry, Executive Director, referred members to Tab A of the meeting materials. He reported that the Combined Funds had outperformed its Composite Index over the ten-year period ending March 31, 2014 (Combined Funds 8.0% vs. Composite 7.7%) and had provided a real rate of return over the latest 20-year period (Combined Funds 8.8% vs. CPI 2.4%).

Mr. Perry said that the Combined Funds' assets increased 1.1% for the quarter ending March 31, 2014 due to positive market performance. He said the asset mix was on target, and he stated that the Combined Funds matched its Composite Index for the quarter (Combined Funds 2.1% vs. Composite 2.1%), and outperformed for the year (Combined Funds 15.6% vs. 14.3%) and over longer periods.

Mr. Perry reported that the domestic stock manager group outperformed its target for the quarter (Domestic Stocks 2.1% vs. Target 2.0%), for the year (Domestic Stocks 24.1% vs. Target 22.6%) and most remaining time periods. He said the international stock manager group underperformed its target for the quarter (International Stocks 0.2% vs. Target 0.5%) but outperformed for the year (International Stocks 13.4% vs. Target 12.3%) and all remaining time periods. Mr. Perry stated the bond segment outperformed its target for the quarter (Bonds 2.0%

vs. Target 1.8%), for the year (Bonds 0.5% vs. Target -0.1%) and all remaining periods. He concluded his report with the comment that, as of March 31, 2014, the SBI was responsible for close to \$75 billion in assets under management.

Mr. Perry referred members to Tab B of the meeting materials for a legislative update. Mr. Perry began with the Omnibus Pension Bill, which he noted was awaiting the Governor's signature. Mr. Perry stated that the first item of interest in the Omnibus Pension bill would give greater investment option flexibility within the various state defined contribution plans as well as the SBI's Supplemental Investment Fund.

The second item in the Omnibus Pension Bill that Mr. Perry noted was the merger of Duluth Teachers Retirement Fund Association into the Teachers Retirement Association. He stated that if the merger takes place, the assets from Duluth would be transferred to the SBI by calendar year end. Mr. Brick requested clarification on the quantity of assets being transferred, and Mr. Perry replied that it was roughly \$200M. Mr. Bailey asked if there were any concerns regarding the quality of assets being transferred? Mr. Perry replied that most of the assets in the Duluth plan were in commingled funds and would be converted to cash before transfer. He additionally noted that counsel would review the private equity funds prior to transfer.

Next, Mr. Perry discussed the Women's Economic Security Act, (WESA) which he noted had been signed by the governor. He stated that the SBI sought and received an exemption from the pay equity certificate requirement of WESA for its Deferred Compensation Plan investment manager contracts. He noted that all other SBI contracts would need to comply with this requirement going forward. Mr. Perry stated that WESA also required that a study on the potential development of a state administered retirement savings plan be completed by Minnesota Management and Budget (MMB). The goal of such a savings plan would be to provide a retirement savings vehicle for employees in the state of Minnesota who had limited access to traditional savings methods. He noted that the SBI would work with MMB on the investment component of this study.

Lastly, Mr. Perry shared that the SBI worked with the State Auditor's Office on a bill to enhance statewide OPEB reporting to the State Auditor's Office. He concluded Tab B by referring members to the budget and other items including the Iran and Sudan updates.

Mr. Perry referred members to Tab C of the meeting materials for an overview of the SBI Administrative Committee report to the Board of the SBI's annual Management and Budget Plan for fiscal year 2015. First, Mr. Perry noted that the majority of the work plan items in Sections B through E were of a recurring nature and he would not review them at this time. Mr. Perry reviewed the new work plan items under Section A, Development of Investment Policies. He first discussed the review of transition managers, which he anticipated would be completed by the end of the first quarter. He then introduced the more comprehensive reviews of both the fixed income and public equity investment structures and noted that they would begin mid-year but likely spill over into the following year. He noted that staff would complete a review of liquid alternative investment strategies such as master limited partnerships, public REITS and commodities, some of which could fit in the defined contribution plans as well as the combined funds. Mr. Perry stated that the SBI staff would research various risk management approaches

used by different organizations and determine which might be most appropriate for the SBI. He then commented that the swaps discussion was a holdover from the last work plan and that until regulators finished their work, no further action regarding their use could be taken by the SBI. Lastly, Mr. Perry shared that the SBI would be working with MSRS to review the investment structures of various defined contribution plans that the MSRS administers with the goal of providing recommendations for investment changes. A discussion followed regarding the IAC's guidance on SBI's investment policies and the best format for the IAC to provide the most constructive feedback. The conclusion was that, for now, members would be contacted individually for their ideas.

Ms. Hacking and Mr. Perry then reviewed the fiscal year 2015 administrative budget request that would be going to the Board for approval. Ms. Hacking stated that the budget proposal included funding for five additional SBI staff and she noted that a previous independent review had concluded that the SBI was relatively understaffed. Mr. Perry stated that two of the new staff would be assigned to alternatives, one to public markets, and two to accounting. After a brief discussion, Mr. Bergstrom moved the passage of the workplan and budget proposals, and Mr. McDonald seconded the motion. The motion passed. Mr. Perry stated that the Fiduciary Education Plan and the SBI Executive Director's Performance Evaluation Process would additionally be taken to the Board.

Mr. Perry then referred members to Tab E containing the recommendation to terminate Turner Investments LP. He reviewed the rationale for termination, which included significant under performance and high portfolio manager and analyst turnover. He stated that although the assets had already been withdrawn, the SBI needed a motion to approve the termination of Turner. Mr. Duerst moved approval of the motion, and Ms. Faust seconded. The motion passed. Mr. Bailey then asked about the replacement process for the terminated investment manager. Mr. Perry commented that although staff may search for a replacement in the future, the Turner assets were converted to cash and used for needed plan withdrawals.

Referring members to Tab F, Mr. Kirby and Mr. Hill reviewed the SBI's alternative investment portfolio. They focused the presentation on the relative sizes of the four sub-categories of alternatives - Private Equity, Real Estate, Resource and Yield-Oriented - and the \$4.4 billion of market value difference between current and target level for alternative investments, otherwise called "dry powder." Mr. Kirby explained the historical reasons for the "dry powder." Mr. Kirby and Mr. Hill then summarized the two new investment commitments. In lieu of guest presentations from private equity managers, Mr. Kirby and Mr. Hill discussed staffs' due diligence process and responded to IAC questions. The first recommendation was a \$125 million commitment to Banc Fund IX, L.P., an existing manager in the financial services buyout space. The second was a \$200 million commitment to Merit Energy Partners I, L.P., an existing manager in the oil and gas buyout space. The discussion of staff's due diligence process was well received by the IAC members. Ms. Voss moved approval of the two new commitments and Mr. McDonald seconded. The motion passed.

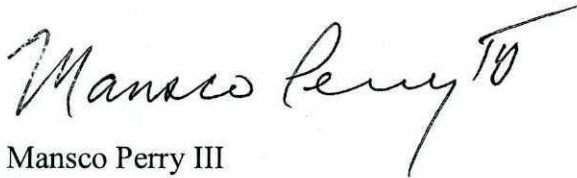
Mr. Perry referred members to Tab G for a follow-up discussion of the unallocated portion of alternative investments. He reviewed how the SBI had directed the unused funds to either stocks or bonds historically, and noted that when the Basics and the Post Fund were combined the

policy, in the context of a strategic asset allocation, had been made to put it all in bonds. A lengthy discussion followed. Mr. Perry noted and Mr. Bailey concurred that any change in how the unallocated portion of the alternative investments was directed would most appropriately be dealt with in the context of a strategic asset allocation review.

Mr. Perry briefly discussed that formatting and delivery enhancements to the IAC books would be made in the future.

The meeting adjourned at 2:06 P.M.

Respectfully submitted,

A handwritten signature in cursive script that reads "Mansco Perry III". The signature is written in dark ink and includes a long, sweeping horizontal line at the end.

Mansco Perry III
Executive Director

TAB

A

LONG TERM OBJECTIVES
Period Ending 6/30/2014

COMBINED FUNDS: \$59.5 Billion	Result	Compared to Objective
Match or Exceed Composite Index (10 Yr.) Outperform a composite market index weighted in a manner that reflects the long-term asset allocation of the Combined Funds over the latest 10 year period.	8.4% (1)	0.3 percentage point above the target
Provide Real Return (20 yr.) Provide returns that are 3-5 percentage points greater than inflation over the latest 20 year period.	9.0%	6.6 percentage points above CPI

(1) Performance is calculated net of fees.

SUMMARY OF ACTUARIAL VALUATIONS**Nine Plans of MSRS, PERA and TRA
July 1, 2013****Liabilities**

Actuarial Accrued Liabilities \$65.1 billion

Assets

Current Actuarial Value \$48.8 billion

Funding RatioCurrent Actuarial Value divided by
Accrued Liabilities 74.9%**Actuarial Assumptions:**

1. Liabilities calculated using entry age normal cost method.
2. Difference between actual returns and actuarially expected returns spread over five years.
3. Interest/Discount Rate – 5-Year Select and Ultimate Rates:

July 1, 2012 – June 30, 2017	8%
July 1, 2017 – and later	8.5%
4. Full Funding Target Date:

2040 – MSRS General
2031 – PERA General
2037 – TRA

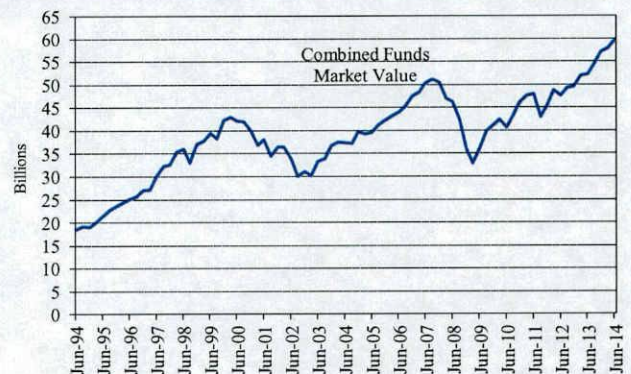
EXECUTIVE SUMMARY
Combined Funds (Net of Fees)

Asset Growth

The market value of the Combined Funds increased 2.9% during the second quarter of 2014. Positive investment returns caused the increase in market value.

Asset Growth
During Second Quarter 2014
(Millions)

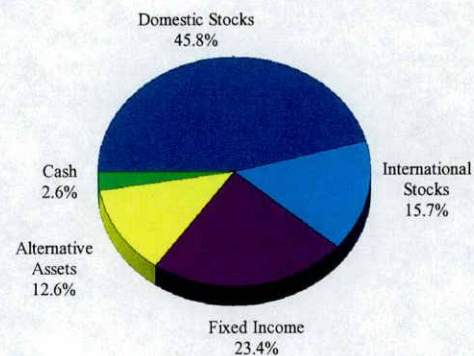
Beginning Value	\$ 57,756
Net Contributions	-534
Investment Return	2,228
Ending Value	\$ 59,450



Asset Mix

The allocation to domestic and international equities slightly increased due to positive returns.

	Policy Targets	Actual Mix 6/30/2014	Actual Market Value (Millions)
Domestic Stocks	45.0%	45.8%	\$27,201
Int'l. Stocks	15.0	15.7	9,303
Bonds	18.0	23.4	13,889
Alternative Assets*	20.0	12.6	7,508
Cash	2.0	2.6	1,549
	100.0%	100.0%	\$59,450

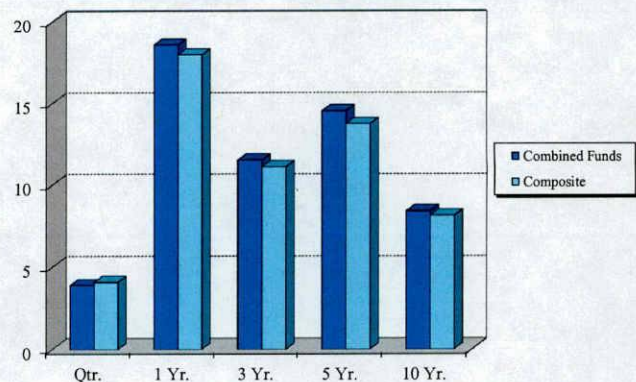


* Any uninvested allocation is held in bonds.

Fund Performance (Net of Fees)

The Combined Funds underperformed its target for the quarter and outperformed for the year.

	Period Ending 6/30/2014				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Combined Funds	3.9%	18.6%	11.5%	14.5%	8.4%
Composite	4.1	18.0	11.1	13.7	8.1



Note: Column sums throughout this report may not add due to rounding.

EXECUTIVE SUMMARY

Stock and Bond Manager Performance (Net of Fees)

Domestic Stocks

The domestic stock manager group (active, semi-passive and passive combined) underperformed its target for the quarter and outperformed for the year.

Russell 3000: The Russell 3000 measures the performance of the 3,000 largest U.S. companies based on total market capitalization.

	Period Ending 6/30/2014				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Dom. Stocks	4.5%	25.9%	16.5%	19.5%	8.2%
Asset Class Target*	4.9	25.2	16.5	19.3	8.2

* The Domestic Equity Asset Class Target is the Russell 3000 effective 10/1/03. From 7/1/99 to 9/30/03, it was the Wilshire 5000 Investable Index.

International Stocks

The international stock manager group (active, semi-passive and passive combined) underperformed its target for the quarter and the year.

MSCI ACWI Free ex U.S. (net): The Morgan Stanley Capital International All Country World Index is a free float-adjusted market capitalization Index that is designed to measure equity market performance in the global developed and emerging markets. There are 45 countries included in this index. It does not include the United States.

	Period Ending 6/30/2014				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Int'l. Stocks	4.7%	21.4%	6.3%	11.7%	8.0%
Asset Class Target*	5.0	21.7	5.7	11.1	7.8

* Since 6/1/08 the International Equity Asset Class Target is the Standard MSCI ACWI ex U.S. (net). From 10/1/07 to 5/31/08 the benchmark was the Provisional Standard MSCI ACWI ex U.S. (net). From 10/1/03 to 9/30/07 the target was MSCI ACWI ex U.S. (net).

Bonds

The bond manager group (active and semi-passive combined) outperformed its target for the quarter and the year.

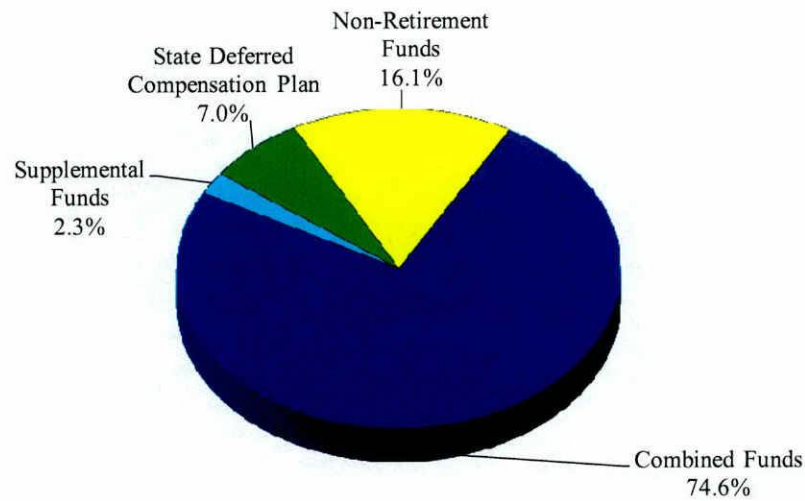
Barclays Capital Aggregate: The Barclays Capital Aggregate Bond Index reflects the performance of the broad bond market for investment grade (Baa or higher) bonds, U.S. treasury and agency securities, and mortgage obligations with maturities greater than one year.

	Period Ending 6/30/2014				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Bonds	2.1%	5.0%	4.5%	6.6%	5.3%
Asset Class Target	2.0	4.4	3.7	4.9	4.9

Alternative Investments

	Period Ending 6/30/2014				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Alternatives	4.8%	18.9%	13.2%	14.7%	15.5%

EXECUTIVE SUMMARY
Funds Under Management



**6/30/2014
 Market Value
 (Billions)**

Retirement Funds	
Combined Funds	\$59.5
Supplemental Investment Fund	1.8
- Excluding Deferred Compensation Plan Assets	
State Deferred Compensation Plan	5.6
Non-Retirement Funds	
Assigned Risk Plan	0.3
Permanent School Fund	1.1
Environmental Trust Fund	0.8
Miscellaneous Trust Accounts	0.1
Other Post Employment Benefits Accounts	0.4
State Cash Accounts	9.0
Minnesota College Savings Plan	1.2
Total	\$79.8

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MINNESOTA STATE BOARD OF INVESTMENT

QUARTERLY INVESTMENT REPORT

Second Quarter 2014
(April 1, 2014 - June 30, 2014)

Table of Contents

	Page
Capital Market Indices	2
Financial Markets Review	3
Combined Funds	5
Stock and Bond Manager Pools	9
Alternative Investments	10
Supplemental Investment Fund	11
Fund Description	
Income Share Account	
Growth Share Account	
Common Stock Index Account	
International Share Account	
Bond Market Account	
Money Market Account	
Fixed Interest Account	
Volunteer Firefighter Account	
Deferred Compensation Plan	14
Assigned Risk Plan	17
Permanent School Fund	18
Environmental Trust Fund	19
State Cash Accounts	20
Composition of State Investment Portfolios	21

VARIOUS CAPITAL MARKET INDICES

	Period Ending 6/30/2014				
	Qtr.	Yr.	3 Yr.	5 Yr.	10 Yr.
Domestic Equity					
Russell 3000 (broad market)	4.9%	25.2%	16.5%	19.3%	8.2%
Russell 1000 (large cap)	5.1	25.4	16.6	19.3	8.2
Russell 2000 (small cap)	2.0	23.6	14.6	20.2	8.7
Dow Jones Wilshire Composite	4.8	25.0	16.4	19.4	8.4
Dow Jones Industrials	2.8	15.6	13.6	17.8	7.6
S&P 500	5.2	24.6	16.6	18.8	7.8
Domestic Fixed Income					
Barclays Capital Aggregate (1)	2.0	4.4	3.7	4.9	4.9
Barclays Capital Gov't./Corp.	1.9	4.3	4.1	5.1	4.9
3 month U.S. Treasury Bills	0.0	0.1	0.1	0.1	1.6
International					
Emerging Markets Free (2)	6.6	14.3	-0.4	9.2	11.9
ACWI Free ex-U.S. (3)	5.0	21.7	5.7	11.1	7.8
EAFE (4)	4.1	23.6	8.1	11.8	6.9
World ex-U.S. (5)	4.6	23.8	7.6	11.7	7.2
Salomon Non U.S. Gov't. Bond	2.6	8.9	1.0	3.6	4.9
Inflation Measure					
Consumer Price Index CPI-U (6)	0.9	2.1	1.8	2.0	2.2
Consumer Price Index CPI-W (7)	0.9	2.0	1.8	2.2	2.4

(1) Barclays Capital Aggregate Bond index. Includes governments, corporates and mortgages.

(2) Morgan Stanley Capital International Emerging Markets Free index. (Net index)

(3) Morgan Stanley Capital International All Country World Index Ex-U.S. (Net index)

(4) Morgan Stanley Capital International index of Europe, Australasia and the Far East (EAFE). (Net index)

(5) Morgan Stanley Capital International World Ex-U.S. Index (Developed Markets) (Net index)

(6) Consumer Price Index (CPI) for all urban consumers, also known as CPI-U.

(7) Consumer Price Index (CPI) for all wage earners, also known as CPI-W.

FINANCIAL MARKETS REVIEW

DOMESTIC STOCKS

The U.S. stock market, as measured by the Russell 3000 index, posted a 4.9% return for the second quarter of 2014. The second quarter was marked by extremely low equity market volatility despite uneven economic performance, geopolitical tensions, and the ongoing reduction in asset purchases by the Fed. Within the Russell 3000, Energy was the best performing sector with a 12.2% return while Financial Services was the weakest with a 2.3% return for the quarter. Large capitalization stocks outperformed small cap during the quarter.

Performance of the Russell Style Indices for the quarter is shown below:

Large Growth	Russell 1000 Growth	5.1%
Large Value	Russell 1000 Value	5.1%
Small Growth	Russell 2000 Growth	1.7%
Small Value	Russell 2000 Value	2.4%

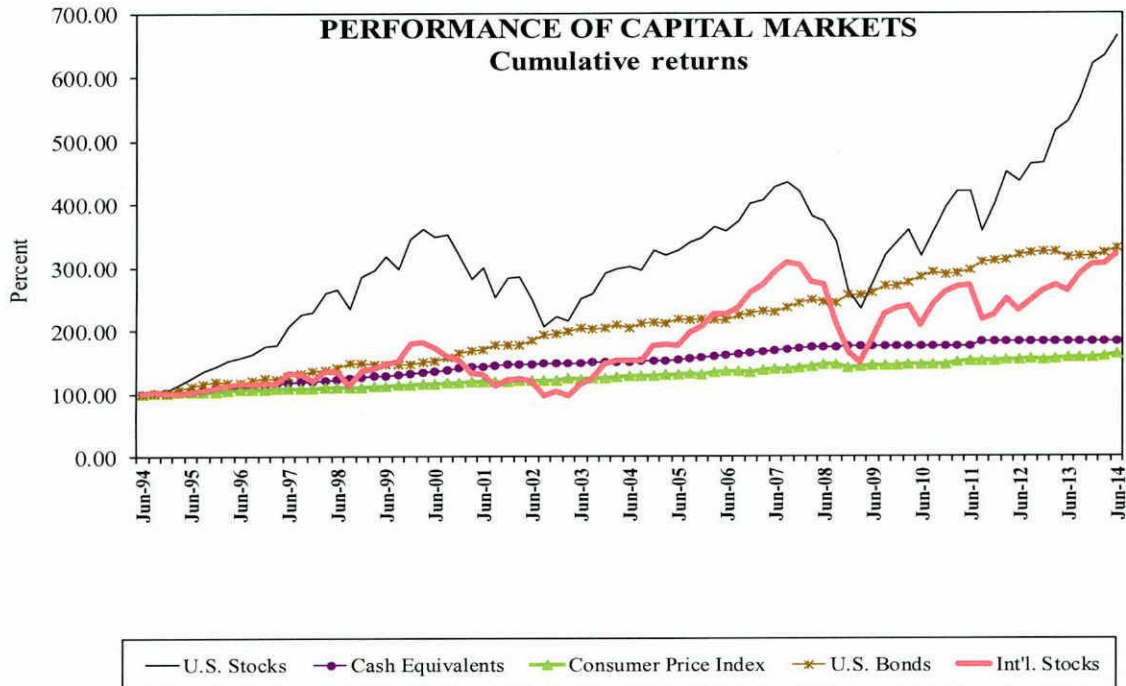
The Russell 3000 index returned 25.2% for the year ending June 30, 2014.

DOMESTIC BONDS

The U.S. bond market, as measured by the Barclays Capital U.S. Aggregate Bond Index, produced a total return of 2.0% for the quarter. Yields on shorter U.S. Treasuries declined during the quarter, while the long end increased. The 2-year U.S. Treasury ended the first quarter higher by 4 basis points at 0.5%, the 5-year decreased by 9 basis points to 1.6%, the 10-year decreased by 19 basis points to 2.5%, and the 30-year decreased by 20 basis points to 3.4%. Investment grade corporate bonds and agency MBS outperformed the benchmark during the quarter, while all other sectors underperformed the broader benchmark.

The major sector returns for the Barclays Capital U.S. Aggregate Bond Index for the quarter were:

U.S. Treasury	1.4%
Agency	1.5
Corporates	2.7
Agency MBS	2.4
Commercial Mortgages	1.3
Asset-backed	0.8



FINANCIAL MARKETS REVIEW

INTERNATIONAL STOCKS

In aggregate, developed international stock markets (as measured by the MSCI World ex U.S. index net) provided a return of 4.6% for the quarter. The quarterly performance of the six largest stock markets is shown below:

United Kingdom	6.1%
Japan	6.7
Canada	9.9
France	1.7
Germany	1.7
Switzerland	2.1

The World ex U.S. index returned 23.8% during the last year.

The World ex U.S. index is compiled by Morgan Stanley Capital International (MSCI) and is a measure of 22 markets located in Europe, Australasia, Far East, and Canada. The major markets listed above comprise about 73% of the value of the developed international markets in the index.

EMERGING MARKETS

Emerging markets (as measured by MSCI Emerging Markets Free index net) provided a return of 6.6% for the quarter. The quarterly performance of the six largest stock markets in the index is shown below:

China	5.5%
Korea	6.4
Taiwan	10.3
Brazil	7.5
South Africa	4.5
India	12.7

The Emerging Markets Free index returned 14.3% during the last year.

The Emerging Markets Free (EMF) index is compiled by MSCI and measures performance of 23 stock markets in Latin America, Asia, Africa and Eastern Europe. EMF includes only those securities foreign investors are allowed to hold. The markets listed above comprise about 71% of the value of the emerging international markets in the index.

REAL ESTATE

During the second quarter of 2014, real estate posted its 18th consecutive quarter of positive returns with the NCREIF Property Index posting a return of 2.9%. Real Estate markets have seen a healthy recovery since the 2008-2009 crash. Fundraising for private real estate funds remained strong in 2Q 2014, with total commitments of \$43 billion (Source: Preqin).

PRIVATE EQUITY

The ongoing moderate economic recovery, combined with a low interest rate environment and a record level of dry powder at \$1.1 trillion, continue to fuel investor demand for increasing private equity allocations. General Partners distributed capital back to Limited Partners at record levels in 2013, and so LPs are faced with finding appropriate ways to reinvest capital. This has driven an increase in private equity fundraising, reaching \$132 billion across a variety of strategies in 2Q 2014, up from \$104 billion in 1Q 2014 (Source: Preqin). Although the aggregate amount of capital has increased, the number of funds closed during the quarter remained low. Buyout activity in 2Q 14 increased over 1Q 2014; however the aggregate value of the deals was lower (\$80 billion vs. \$82 billion).

RESOURCE FUNDS

During the second quarter of 2014, crude oil traded between a range of \$99/bbl and \$107/bbl. The average price for the first quarter of 2014 was \$103/bbl, which is \$5 above the average price from the first quarter of 2014. Strong global energy demand and unrest in the Middle East continued to provide strength to oil prices.

COMBINED FUNDS

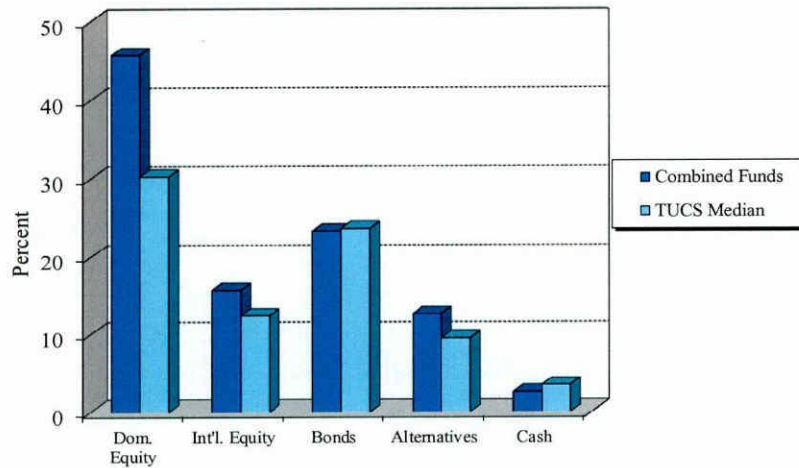
The comparison universe used by the SBI is the Trust Universe Comparison Service (TUCS). Only funds with assets over \$1 billion are included in the comparisons shown in this section.

Asset Mix Compared to Other Pension Funds

On 6/30/2014, the asset mix of the Combined Funds was:

Comparisons of the Combined Funds' asset mix to the median allocation to stocks, bonds and other assets of the public and corporate funds in TUCS over \$1 billion are shown below:

	\$ Millions	%
Domestic Stocks	\$27,201	45.8%
International Stocks	9,303	15.7
Bonds	13,889	23.4
Alternative Assets	7,508	12.6
Unallocated Cash	1,549	2.6
Total	\$59,450	100.0%



	Dom. Equity	Int'l Equity	Bonds	Alternatives	Cash
Combined Funds	45.8%	15.7%	23.4%	12.6%	2.6%
Median Allocation in TUCS*	30.3	12.4	23.7	9.5**	3.5

* Public and corporate plans over \$1 billion.

** May include assets other than alternatives.

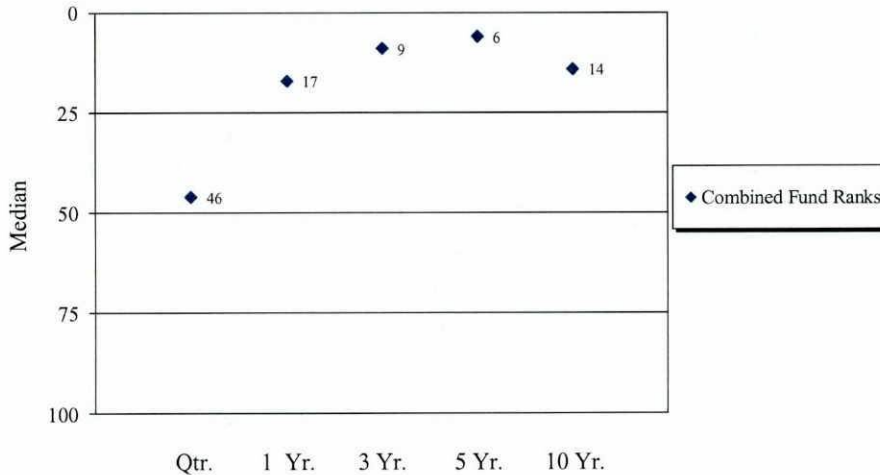
COMBINED FUNDS
Performance Compared to Other Pension Funds

While the SBI is concerned with how its returns compare to other pension investors, universe comparisons should be used with great care. There are several reasons why such comparisons will provide an “apples to oranges” look at performance:

- **Differing Allocations.** Asset allocation will have a dominant effect on return. The allocation to stocks among the funds in TUCS typically ranges from 20-90%, a very wide range for meaningful comparison. In addition, it appears that many funds do not include alternative asset holdings in their reports to TUCS. This further distorts comparisons among funds.
- **Differing Goals/Liabilities.** Each pension fund structures its portfolio to meet its own liabilities and risk tolerance. This will result in different choices on asset mix. Since asset mix will largely determine investment results, a universe ranking is not relevant to a discussion of how well a plan sponsor is meeting its long-term liabilities.

With these considerations in mind, the performance of the Combined Funds compared to other public and corporate pension funds in Trust Universe Comparison Service (TUCS) are shown below.

The SBI’s returns are ranked against public and corporate plans with over \$1 billion in assets. All funds in TUCS report their returns gross of fees.



	Period Ending 6/30/2014				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Combined Funds Percentile Rank in TUCS*	46th	17th	9th	6th	14th

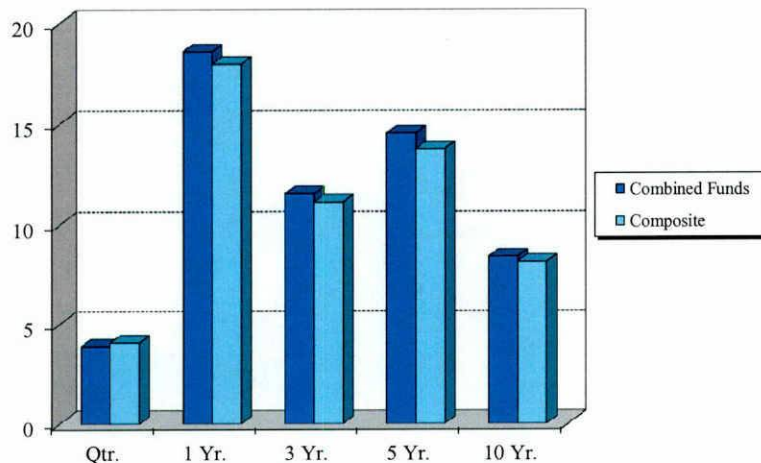
* Compared to public and corporate plans greater than \$1 billion, gross of fees.

**COMBINED FUNDS
Performance Compared to Composite Index**

The Combined Funds' performance is evaluated relative to a composite of market indices. The composite is weighted in a manner that reflects the asset allocation of the Combined Funds:

	Market Index	Combined Funds Composite* 2Q14
Domestic Stocks	Russell 3000	45.0%
Int'l. Stocks	MSCI ACWI Free ex-U.S.	15.0
Bonds	Barclays Capital Aggregate	25.4*
Alternative Investments	Alternative Investments	12.6*
Unallocated Cash	3 Month T-Bills	2.0
		100.0%

* Alternative asset and fixed income weights are reset in the composite at the start of each month to reflect the amount of unfunded commitments in alternative asset classes. The above Combined Funds Composite weighting was as of the beginning of the quarter.



	Period Ending 6/30/2014				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Combined Funds**	3.9%	18.6%	11.5%	14.5%	8.4%
Composite Index	4.1	18.0	11.1	13.7	8.1

** Actual returns are reported net of fees.

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STOCK AND BOND MANAGERS
Performance of Asset Pools (Net of Fees)

Domestic Stocks

Target: Russell 3000

Expectation: If one-third of the pool is actively managed, one-third is semi-passively managed, and one-third is passively managed, the entire pool is expected to exceed the target by .18% - .40% annualized, over time.

	Period Ending 6/30/2014				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Domestic Stocks	4.5%	25.9%	16.5%	19.5%	8.2%
Asset Class Target*	4.9	25.2	16.5	19.3	8.2

* The Domestic Equity Asset Class Target is the Russell 3000 effective 10/1/03. From 7/1/99 to 9/30/03, it was the Wilshire 5000 Investable Index.



International Stocks

Target: Standard MSCI ACWI Free ex U.S. (net)

Expectation: If at least one-third of the pool is managed actively, no more than one-third is semi-passively managed, and at least one-quarter is passively managed, the entire pool is expected to exceed the target by .25% - .75% annualized, over time.

	Period Ending 6/30/2014				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Int'l. Stocks	4.7%	21.4%	6.3%	11.7%	8.0%
Asset Class Target*	5.0	21.7	5.7	11.1	7.8

* The Int'l Equity Asset Class Target is MSCI ACWI Free ex U.S. (net) effective 10/1/03.

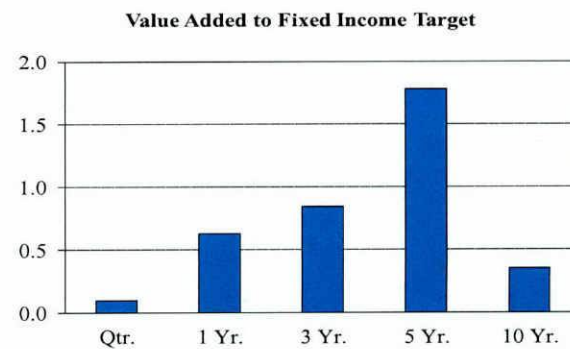


Bonds

Target: Barclays Capital Aggregate Bond Index

Expectation: If half of the pool is actively managed and half is managed semi-passively, the entire pool is expected to exceed the target by .20% - .35% annualized, over time.

	Period Ending 6/30/2014				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Bonds	2.1%	5.0%	4.5%	6.6%	5.3%
Asset Class Target	2.0	4.4	3.7	4.9	4.9



ALTERNATIVE INVESTMENTS
Performance of Asset Categories
(Net of Fees)

Alternative Investments

Expectation: The alternative investments are measured against themselves using actual portfolio returns.

	Period Ending 6/30/2014				
	Qtr.	Yr.	3 Yr.	5 Yr.	10 Yr.
Alternatives	4.8%	18.9%	13.2%	14.7%	15.5%
Inflation	0.9%	2.1%	1.8%	2.0%	2.2%

Real Estate Investments (Equity emphasis)

Expectation: Real estate investments are expected to exceed the rate of inflation by 5% annualized, over the life of the investment.

	Period Ending 6/30/2014				
	Qtr.	Yr.	3 Yr.	5 Yr.	10 Yr.
Real Estate	7.2%	18.0%	12.0%	5.9%	7.4%

The SBI began its real estate program in the mid-1980's and periodically makes new investments. Some of the existing investments are relatively immature and returns may not be indicative of future results.

Private Equity Investments (Equity emphasis)

Expectation: Private equity investments are expected to exceed the rate of inflation by 10% annualized, over the life of the investment.

	Period Ending 6/30/2014				
	Qtr.	Yr.	3 Yr.	5 Yr.	10 Yr.
Private Equity	4.8%	20.3%	13.6%	17.6%	16.2%

The SBI began its private equity program in the mid-1980's and periodically makes new investments. Some of the existing investments are relatively immature and returns may not be indicative of future results.

Resource Investments (Equity emphasis)

Expectation: Resource investments are expected to exceed the rate of inflation by 5% annualized, over the life of the investment.

	Period Ending 6/30/2014				
	Qtr.	Yr.	3 Yr.	5 Yr.	10 Yr.
Resource	4.4%	11.7%	10.7%	14.5%	27.4%

The SBI began its resource program in the mid-1980's and periodically makes new investments. Some of the existing investments are relatively immature and returns may not be indicative of future results.

Yield Oriented Investments (Debt emphasis)

Expectation: Yield oriented investments are expected to exceed the rate of inflation by 5.5% annualized, over the life of the investment.

	Period Ending 6/30/2014				
	Qtr.	Yr.	3 Yr.	5 Yr.	10 Yr.
Yield Oriented	3.7%	22.1%	16.5%	14.2%	17.5%

The SBI began its yield oriented program in 1994. Some of the existing investments are relatively immature and returns may not be indicative of future returns.

SUPPLEMENTAL INVESTMENT FUND

The Minnesota Supplemental Investment Fund is a multi-purpose investment program that offers a range of investment options to state and local public employees. The different participating groups use the Fund for a variety of purposes:

1. It functions as the investment manager for all assets of the Unclassified Employees Retirement Plan, Public Employees Defined Contribution Plan, Hennepin County Supplemental Retirement Plan, and Health Care Savings Plan.
2. It is one investment vehicle offered to employees as part of Minnesota State Colleges and University's Individual Retirement Account Plan and College Supplemental Retirement Plan.
3. It serves as an external money manager for a portion of some local police and firefighter retirement plans.
4. It serves as the investment vehicle for the Voluntary Statewide Volunteer Firefighter Plan.

A wide diversity of investment goals exists among the Fund's participants. In order to meet those needs, the Fund has been structured much like a "family of mutual funds." Participants may allocate their investments among one or more accounts that are appropriate for their needs, within the statutory requirements and rules established by the participating organizations. Participation in the Fund is accomplished through the purchase or sale of shares in each account.

The investment returns shown in this report are calculated using a time-weighted rate of return formula. All returns are net of investment management fees.

On 6/30/2014 the market value of the entire Fund was \$1.8 billion.

Investment Options

	6/30/2014 Market Value (In Millions)
Income Share Account – a balanced portfolio utilizing both common stocks and bonds.	\$350
Growth Share Account – an actively managed, all common stock portfolio.	\$203
Common Stock Index Account – a passively managed, all common stock portfolio designed to track the performance of the entire U.S. stock market.	\$445
International Share Account – a portfolio of non U.S. stocks that incorporates both active and passive management.	\$210
Bond Market Account – an actively managed, all bond portfolio.	\$110
Money Market Account – a portfolio utilizing short-term, liquid debt securities.	\$249
Fixed Interest Account – a portfolio of stable value instruments, including security backed contracts and insurance company and bank investment contracts.	\$196
Volunteer Firefighter Account – a balanced portfolio only used by the Voluntary Statewide Volunteer Firefighter Plan.	\$26

SUPPLEMENTAL INVESTMENT FUND ACCOUNTS

INCOME SHARE ACCOUNT

Investment Objective

The primary investment objective of the Income Share Account is similar to that of the Combined Funds. The Account seeks to maximize long-term real rates of return, while limiting short-run portfolio return volatility.

Asset Mix

The Income Share Account is invested in a balanced portfolio of common stocks and bonds. Common stocks provide the potential for significant capital appreciation, while bonds act as a deflation hedge and provide portfolio diversification.

	Target	Actual
Stocks	60.0%	60.9%
Bonds	35.0	34.2
Cash	5.0	4.9
	100.0%	100.0%

Period Ending 6/30/2014

	Annualized				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Account	3.6%	16.7%	11.7%	13.9%	7.5%
Benchmark*	3.6	16.3	11.2	13.4	6.9

* 60% Russell 3000/35% Barclays Capital Aggregate Bond Index/
5% T-Bills Composite.

GROWTH SHARE ACCOUNT

Investment Objective

The Growth Share Account's investment objective is to generate above-average returns from capital appreciation on common stocks.

Asset Mix

The Growth Share Account is invested primarily in the common stocks of US companies. The managers in the account also hold varying levels of cash.

Period Ending 6/30/2014

	Annualized				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Account	4.3%	26.1%	16.5%	19.6%	8.0%
Benchmark*	4.9	25.2	16.5	19.3	8.2

* Russell 3000

COMMON STOCK INDEX ACCOUNT

Investment Objective and Asset Mix

The investment objective of the Common Stock Index Account is to generate returns that track those of the U.S. stock market as a whole. The Account is designed to track the performance of the Russell 3000, a broad-based equity market indicator.

The Account is invested 100% in common stock.

Period Ending 6/30/2014

	Annualized				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Account	4.9%	25.2%	16.4%	19.4%	8.3%
Benchmark*	4.9	25.2	16.5	19.3	8.2

* Russell 3000

INTERNATIONAL SHARE ACCOUNT

Investment Objective and Asset Mix

The investment objective of the International Share Account is to earn a high rate of return by investing in the stock of companies outside the U.S. At least twenty-five percent of the Account is "passively managed" and no more than 33% of the Account is "semi-passively managed." These portions of the Account are designed to track and modestly outperform, respectively, the return of 23 developed markets included in the Morgan Stanley Capital International World ex U.S. Index. The remainder of the Account is "actively managed" by several international managers and emerging markets specialists who buy and sell stocks in an attempt to maximize market value.

Period Ending 6/30/2014

	Annualized				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Account	4.7%	21.4%	6.3%	11.7%	8.1%
Benchmark*	5.0	21.7	5.7	11.1	7.8

* The Int'l Equity Asset Class Target is MSCI ACWI Free ex U.S. (net).

SUPPLEMENTAL INVESTMENT FUND ACCOUNTS

BOND MARKET ACCOUNT

Investment Objective

The investment objective of the Bond Market Account is to exceed the return of the broad domestic bond market by investing in fixed income securities.

Asset Mix

The Bond Market Account invests primarily in high-quality, government and corporate bonds that have intermediate to long-term maturities, usually 3 to 20 years.

	Period Ending 6/30/2014				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Account	2.1%	5.0%	4.5%	6.6%	5.3%
Barclays Capital Aggregate	2.0	4.4	3.7	4.9	4.9

MONEY MARKET ACCOUNT

Investment Objective

The investment objective of the Money Market Account is to protect principal by investing in short-term, liquid U.S. Government securities.

Asset Mix

The Account is invested entirely in high quality, short-term U.S. Treasury and Agency securities. The average maturity of the portfolios is less than 90 days.

	Period Ending 6/30/2014				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Account	0.0%	0.1%	0.2%	0.2%	1.8%
3 month T-Bills	0.0	0.1	0.1	0.1	1.5

FIXED INTEREST ACCOUNT

Investment Objectives

The investment objectives of the Fixed Interest Account are to protect investors from loss of their original investment and to provide competitive interest rates using somewhat longer-term investments than typically found in a money market account.

Asset Mix

The Account is invested in a well-diversified portfolio of high-quality fixed income securities with strong credit ratings. The Account also invests in contracts issued by highly rated insurance companies and banks which are structured to provide principal protection for the Account's diversified bond portfolios, regardless of daily market changes.

	Period Ending 6/30/2014				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Account	0.4%	1.9%	2.5%	3.1%	3.8%
Benchmark*	0.3	1.2	1.0	1.2	2.6

* The Fixed Interest Benchmark is the 3 year Constant Maturity Treasury Bill +45 basis points.

VOLUNTEER FIREFIGHTER ACCOUNT

The investment objective of the Volunteer Firefighter Account is to maximize long-term returns while limiting short-term portfolio return volatility.

The Account is invested in a balanced portfolio:

	Target	Actual
Domestic Stocks	35.0	35.2%
International Stocks	15.0	15.0
Bonds	45.0	45.1
Cash	5.0	4.7
	100.0%	100.0%

	Period Ending 6/30/2014				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Account	3.4%	13.9%	8.9%	N/A	N/A
Benchmark*	3.4	13.8	8.4	N/A	N/A

* The benchmark for this account is 35% Russell 3000, 15% MSCI ACWI Free ex U.S. (net), 45% Barclays Capital Aggregate, 5% 3 month T-Bills.

DEFERRED COMPENSATION PLAN ACCOUNTS

The Deferred Compensation Plan provides public employees with a tax-sheltered retirement savings plan that is a supplement to their primary retirement plan. (In most cases, the primary plan is a defined benefit plan administered by TRA, PERA, or MSRS.)

Participants choose from 4 actively managed mutual funds
5 passively managed mutual funds and 11 target retirement

fund options. The SBI also offers a money market option and a stable value option. All provide for daily pricing needs of the plan administrator. Participants may also choose from hundreds of funds in a mutual fund window. The current plan structure became effective July 1, 2011. The investment options and objectives are outlined below.

Investment Options

	6/30/2014 Market Value (in Millions)
Vanguard Index Institutional Plus Shares (passive)	\$926
Janus Twenty (active)	\$526
Vanguard Mid Cap Index Institutional Shares (passive)	\$390
T. Rowe Price Small-Cap Stock (active)	\$619
Fidelity Diversified International (active)	\$297
Vanguard Total International Stock Index Institutional Plus (passive)	\$159
Vanguard Balanced Index Institutional Shares (passive)	\$648
Dodge & Cox Income Fund (active)	\$199
Vanguard Total Bond Market Index Institutional Shares (passive)	\$172
SIF Money Market Account	\$66
SIF Fixed Interest Account (stable value)	\$1,353
State Street Global Advisors MN Target Retirement Funds	\$228
Income Fund	\$30
2015 Fund	\$33
2020 Fund	\$54
2025 Fund	\$41
2030 Fund	\$23
2035 Fund	\$18
2040 Fund	\$11
2045 Fund	\$7
2050 Fund	\$5
2055 Fund	\$2
2060 Fund	\$3

DEFERRED COMPENSATION PLAN ACCOUNTS

LARGE CAP EQUITY

Vanguard Index Institutional Plus (passive)

- A passive domestic stock portfolio that tracks the S&P 500.

Fund	Period Ending 6/30/2014			
	Qtr.	1 Yr.	3 Yr.	5 Yr.
				Annualized
	5.2%	24.6%	16.6%	18.8%
S&P 500	5.2	24.6	16.6	18.8

Janus Twenty (active)

- A concentrated fund of large cap stocks which is expected to outperform the S&P 500, over time.

Fund	Period Ending 6/30/2014			
	Qtr.	1 Yr.	3 Yr.	5 Yr.
				Annualized
	3.7%	26.3%	14.8%	14.3%
S&P 500	5.2	24.6	16.6	18.8

MID CAP EQUITY

Vanguard Mid Cap Index (passive)

- A fund that passively invests in companies with medium market capitalizations that tracks the CRSP US Mid-Cap Index.

Fund	Period Ending 6/30/2014			
	Qtr.	1 Yr.	3 Yr.	5 Yr.
				Annualized
	4.5%	26.3%	15.4%	22.0%
CRSP US Mid-Cap	4.5	26.3	15.5	22.1

SMALL CAP EQUITY

T. Rowe Price Small Cap (active)

- A fund that invests primarily in companies with small market capitalizations and is expected to outperform the Russell 2000.

Fund	Period Ending 6/30/2014			
	Qtr.	1 Yr.	3 Yr.	5 Yr.
				Annualized
	2.1%	24.0%	15.9%	23.2%
Russell 2000	2.0	23.6	14.6	20.2

INTERNATIONAL EQUITY

Fidelity Diversified International (active)

- A fund that invests primarily in stocks of companies located outside the United States and is expected to outperform the MSCI index of Europe, Australasia and the Far East (EAFE), over time.

Fund	Period Ending 6/30/2014			
	Qtr.	1 Yr.	3 Yr.	5 Yr.
				Annualized
	3.9%	23.0%	8.7%	12.1%
MSCI EAFE	4.1	23.6	8.1	11.8

Vanguard Total International Stock Index (passive)

- A fund that seeks to track the investment performance of the MSCI All Country World ex USA Investable Market Index, an index designed to measure equity market performance in developed and emerging markets, excluding the United States.

Fund	Period Ending 6/30/2014			
	Qtr.	1 Yr.	3 Yr.	5 Yr.
				Annualized
	5.0%	22.5%	5.9%	N/A
ACWI ex US IMI	5.2	22.8	6.1	N/A

DEFERRED COMPENSATION PLAN ACCOUNTS

BALANCED

Vanguard Balanced Index (passive)

- A fund that passively invests in a mix of domestic stocks and bonds. The fund is expected to track a weighted benchmark of 60% CRSP US Total Market Index/40% Barclays Capital Aggregate.

Fund	Period Ending 6/30/2014			
	Qtr.	1 Yr.	3 Yr.	5 Yr.
			Annualized	
	3.7%	16.4%	11.4%	13.7%
Benchmark	3.7	16.6	11.5	13.7

FIXED INCOME

Dodge & Cox Income Fund (active)

- A fund that invests primarily in investment grade securities in the U.S. bond market which is expected to outperform the Barclays Capital Aggregate, over time.

Fund	Period Ending 6/30/2014			
	Qtr.	1 Yr.	3 Yr.	5 Yr.
			Annualized	
	2.2%	6.6%	4.9%	6.6%
Barclays Capital Agg.	2.0	4.4	3.7	4.9

Vanguard Total Bond Market Index (passive)

- A fund that passively invests in a broad, market-weighted bond index that is expected to track the Barclays Capital Aggregate.

Fund	Period Ending 6/30/2014			
	Qtr.	1 Yr.	3 Yr.	5 Yr.
			Annualized	
	2.0%	4.3%	3.6%	4.8%
Barclays Capital Agg.	2.0	4.4	3.7	4.9

Money Market Account

- A fund that invests in short-term debt instruments which is expected to outperform the return on 3-month U.S. Treasury Bills.

Fund	Period Ending 6/30/2014			
	Qtr.	1 Yr.	3 Yr.	5 Yr.
			Annualized	
	0.0%	0.1%	0.2%	0.2%
3-Mo. Treas.	0.0	0.1	0.1	0.1

FIXED INTEREST ACCOUNT

- A portfolio composed of stable value instruments which are primarily investment contracts and security backed contracts. The account is expected to outperform the return of the 3 year Constant Maturity Treasury + 45 basis points, over time.

Fund	Period Ending 6/30/2014			
	Qtr.	1 Yr.	3 Yr.	5 Yr.
			Annualized	
	0.4%	1.9%	2.5%	3.1%
Benchmark	0.3	1.2	1.0	1.2

MN TARGET RETIREMENT ACCOUNTS

- Target retirement funds offer a mix of investments that are adjusted over time to reduce risk and become more conservative as the target retirement date approaches.

See Page A-107 for returns.

ASSIGNED RISK PLAN

Investment Objectives

The Assigned Risk Plan has two investment objectives: to minimize the mismatch between assets and liabilities and to provide sufficient liquidity for the payment of on-going claims and operating expenses.

Asset Mix

The Assigned Risk Plan is invested in a portfolio of common stocks and bonds. The actual asset mix will fluctuate in response to changes in the Plan's liability stream.

	6/30/2014 Target	6/30/2014 Actual
Stocks	20.0%	19.5%
Bonds	80.0	80.5
Total	100.0%	100.0%

Investment Management

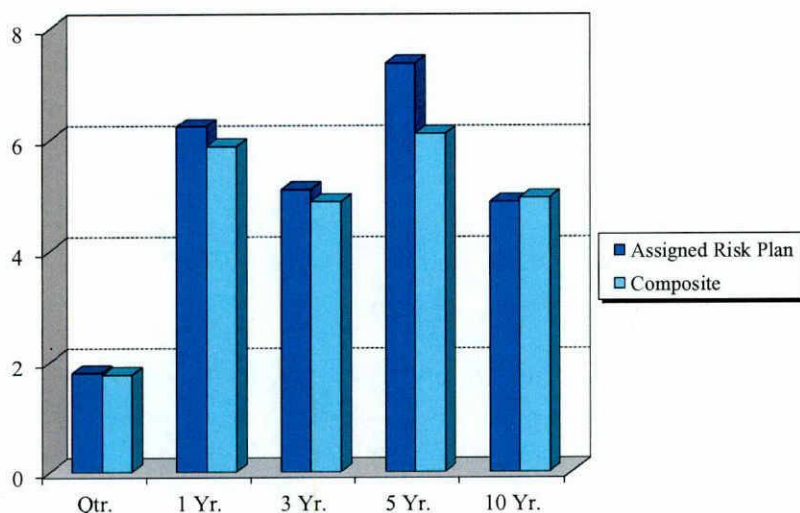
RBC Global Asset Management (US) manages the bond segment of the Fund. GE Investment Management manages the equity segment.

Performance Benchmarks

Since July 1, 2011, the fixed income benchmark has been the Barclays Capital Intermediate Government Index. Since July 1, 1994, the equity benchmark has been the S&P 500 index. The total fund benchmark is a combination of the fixed income and equity benchmarks, weighted according to the total fund asset allocation targets.

Market Value

On June 30, 2014 the market value of the Assigned Risk Plan was \$302 million.



Period Ending 6/30/2014

	Annualized				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Fund*	1.8%	6.2%	5.1%	7.4%	4.9%
Composite	1.8	5.9	4.9	6.1	5.0
Equity Segment*	5.1	25.3	16.5	16.9	7.9
Benchmark	5.2	24.6	16.6	18.8	7.8
Bond Segment*	0.9	1.5	1.9	4.8	3.9
Benchmark	0.9	1.5	2.0	2.9	4.0

* Actual returns are calculated net of fees.

PERMANENT SCHOOL FUND

Investment Objectives

The investment objective of the Permanent School Fund is to produce a growing level of spendable income, within the constraints of maintaining adequate portfolio quality and liquidity. The income from the portfolio is used to offset expenditures on school aid payments to local school districts.

Asset Mix

Effective with FY98, the Permanent School Fund is invested in a balanced portfolio of common stocks and bonds. Common stocks provide the potential for significant capital appreciation, while bonds provide portfolio diversification and a more stable stream of current income.

	6/30/2014 Target	6/30/2014 Actual
Stocks	50.0%	51.2%
Bond	48.0	46.9
Cash	2.0	1.9
Total	100.0%	100.0%

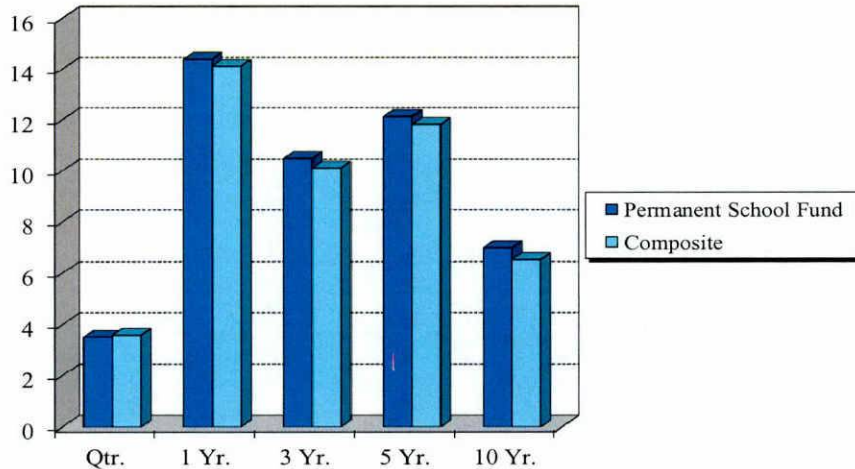
Prior to FY98, the Fund was invested entirely in fixed income securities in order to maximize current income. It is understood that the change in asset mix will reduce portfolio income in the short term, but will enhance the value of the fund, over time.

Investment Management

SBI staff manages all assets of the Permanent School Fund. The stock segment is passively managed to track the performance of the S&P 500. The bond segment is actively managed to add incremental value through sector, security and yield curve decisions.

Market Value

On June 30, 2014 the market value of the Permanent School Fund was \$ 1,102 million.



Period Ending 6/30/2014
Annualized

	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
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Total Fund*	3.5%	14.4%	10.5%	12.1%	7.0%
Composite	3.6	14.1	10.1	11.8	6.5
Equity Segment*	5.2	24.5	16.5	18.8	7.8
S&P 500	5.2	24.6	16.6	18.8	7.8
Bond Segment*	1.9	5.0	4.3	5.3	5.6
Barclays Capital Agg.	2.0	4.4	3.7	4.9	4.9

* Actual returns are calculated net of fees.

ENVIRONMENTAL TRUST FUND

Investment Objective

The objective of the Environmental Trust Fund is to increase the market value of the Fund over time in order to increase the annual amount made available for spending.

Asset Mix

The Environmental Trust Fund is invested in a balanced portfolio of common stocks and bonds. Common stocks provide the potential for significant capital appreciation, while bonds act as a deflation hedge and provide portfolio diversification. As of July 1, 1999, the asset

allocation changed from 50% stocks/50% fixed income to 70% stocks /30% fixed income.

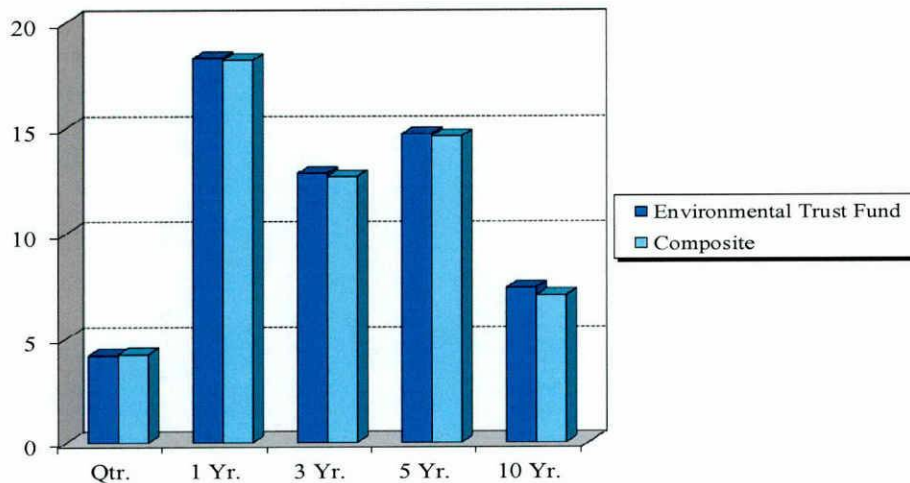
Investment Management

SBI staff manage all assets of the Environmental Trust Fund. The bond segment is actively managed to add incremental value through sector, security and yield curve decisions. The stock segment is passively managed to track the performance of the S&P 500.

Market Value

On June 30, 2014 the market value of the Environmental Trust Fund was \$842 million.

	6/30/2014 Target	6/30/2014 Actual
Stocks	70.0%	70.6%
Bonds	28.0	27.5
Cash	2.0	1.9
Total	100.0%	100.0%



	Period Ending 6/30/2014				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Fund*	4.2%	18.3%	12.8%	14.7%	7.4%
Composite	4.2	18.2	12.7	14.6	7.1
Equity Segment*	5.2	24.5	16.5	18.8	7.8
S&P 500	5.2	24.6	16.6	18.8	7.8
Bond Segment*	1.9	5.0	4.3	5.3	5.6
Barclays Capital Agg.	2.0	4.4	3.7	4.9	4.9

* Actual returns are calculated net of fees.

STATE CASH ACCOUNTS

Description

State Cash Accounts represent the cash balances in more than 400 separate accounts that flow through the Minnesota State Treasury. These accounts vary greatly in size.

Most accounts are invested by SBI staff through a short-term pooled fund referred to as the Treasurer’s Cash Pool. It contains the cash balances of special or dedicated accounts necessary for the operation of certain State agencies and non-dedicated cash in the State Treasury.

In addition, each State of Minnesota bond sale requires two additional pools, one for bond proceeds and one for debt reserve transfer.

Because of special legal restrictions, a small number of cash accounts cannot be commingled. These accounts are invested separately.

Investment Objectives

Safety of Principal. To preserve capital.

Liquidity. To meet cash needs without the forced sale of securities at a loss.

Competitive Rate of Return. To provide a level of current income consistent with the goal of preserving capital.

Asset Mix

The SBI maximizes current income while preserving capital by investing all cash accounts in high quality, liquid, short-term investments. These include U.S. Treasury and Agency issues, repurchase agreements, bankers acceptances, commercial paper, and certificates of deposit.

Investment Management

All state cash accounts are managed by SBI investment staff. As noted above, most of the assets of the cash accounts are invested through the large commingled investment pool.

	Market Value (Millions)	Period Ending 6/30/2014				
		Qtr.	1 Yr.	3 Yr.	Annualized 5 Yr.	10 Yr.
Treasurer’s Cash Pool*	\$8,972	0.2%	0.6%	0.5%	0.7%	2.3%
Custom Benchmark**		0.0	0.0	0.0	0.0	1.5
3 month T-Bills		0.0	0.1	0.1	0.1	1.5

* Actual returns are calculated net of fees.

** Beginning in January 2003, the Treasurer’s Cash Pool is measured against the iMoneyNet, All Taxable Money Fund Report Average.

MINNESOTA STATE BOARD OF INVESTMENT
Composition of State Investment Portfolios By Type of Investment
Market Value June 30, 2014 (in Thousands)

	Cash & ST	Bonds Int	Bonds Ext	Stock Int	Stock Ext	Ext Intl	Alternative	Total
COMBINED RETIREMENT FUNDS								
Teachers Retirement Fund	536,124 2.65%	0	4,732,984 23.35%	0	9,269,159 45.74%	3,170,211 15.64%	2,558,422 12.62%	20,266,900 100%
Public Employees Retirement Fund	456,975 2.63%	0	4,061,777 23.36%	0	7,954,655 45.74%	2,720,628 15.65%	2,195,600 12.63%	17,389,635 100%
State Employees Retirement Fund	290,336 2.53%	0	2,683,530 23.38%	0	5,255,473 45.79%	1,797,462 15.66%	1,450,587 12.64%	11,477,388 100%
Public Employees Police & Fire	185,874 2.57%	0	1,696,489 23.37%	0	3,322,434 45.78%	1,136,329 15.66%	917,040 12.63%	7,258,166 100%
12 Highway Patrol Retirement Fund	17,395 2.61%	0	155,810 23.36%	0	305,141 45.75%	104,364 15.65%	84,224 12.63%	666,934 100%
Judges Retirement Fund	5,164 2.94%	0	40,879 23.28%	0	80,058 45.60%	27,382 15.60%	22,097 12.59%	175,580 100%
Correctional Employees Retirement	24,279 2.77%	0	204,488 23.32%	0	400,473 45.68%	136,968 15.62%	110,536 12.61%	876,744 100%
Public Employees Correctional	12,429 2.74%	0	105,666 23.33%	0	206,938 45.69%	70,776 15.63%	57,118 12.61%	452,927 100%
Legislative Retirement Fund	109 1.31%	0	1,962 23.67%	0	3,843 46.36%	1,314 15.85%	1,061 12.80%	8,289 100%
PERA Minneapolis Retirement	21,081 2.40%	0	205,527 23.41%	0	402,511 45.85%	137,666 15.68%	111,099 12.66%	877,884 100%
TOTAL COMBINED FUNDS	1,549,766 2.61%	0	13,889,112 23.36%	0	27,200,685 45.75%	9,303,100 15.64%	7,507,784 12.63%	59,450,447 100%

	Cash & ST	Bonds Int	Bonds Ext	Stock Int	Stock Ext	Ext Intl	Alternative	Total
MINNESOTA SUPPLEMENTAL FUNDS								
Income Share Account	17,358 4.96%	119,456 34.17%	0	0	212,835 60.87%	0	0	349,649 100%
Growth Share Account	0	0	0	0	202,631 100.00%	0	0	202,631 100%
Money Market Account	249,152 100.00%	0	0	0	0	0	0	249,152 100%
Common Stock Index	0	0	0	0	444,917 100.00%	0	0	444,917 100%
Bond Market Account	0	0	110,487 100.00%	0	0	0	0	110,487 100%
International Share Account	0	0	0	0	0	209,815 100.00%	0	209,815 100%
Fixed Interest Account	0	0	196,316 100.00%	0	0	0	0	196,316 100%
Volunteer Firefighters Account	1,243 4.75%	0	11,812 45.07%	0	9,219 35.18%	3,934 15.01%	0	26,208 100%
TOTAL SUPPLEMENTAL FUNDS	267,753 14.97%	119,456 6.68%	318,615 17.81%	0	869,602 48.61%	213,749 11.95%	0	1,789,175 100%
MN DEFERRED COMP PLAN	72,851 1.30%	0	2,073,990 37.15%	0	2,934,839 52.57%	501,084 8.98%	0	5,582,764 100%
TOTAL RETIREMENT FUNDS	1,890,370 2.83%	119,456 0.18%	16,281,717 24.37%	0	31,005,126 46.40%	10,017,933 14.99%	7,507,784 11.24%	66,822,386 100%

	Cash & ST	Bonds Int	Bonds Ext	Stock Int	Stock Ext	Ext Intl	Alternative	Total
ASSIGNED RISK PLAN	6,601 2.19%	0	236,423 78.31%	0	58,875 19.50%	0	0	301,899 100%
ENVIRONMENTAL FUND	16,201 1.92%	231,586 27.49%	0	594,712 70.59%	0	0	0	842,499 100%
PERMANENT SCHOOL FUND	21,049 1.92%	517,032 46.93%	0	563,537 51.16%	0	0	0	1,101,618 100%
Miscellaneous Trust Funds	368 0.26%	60,097 41.94%	0	82,812 57.80%	0	0	0	143,277 100%
Other Post Employment Funds (OPEB's)	18,214 4.05%	65,005 14.46%	0	366,274 81.49%	0	0	0	449,493 100%
TREASURERS CASH	8,706,543 100.00%	0	0	0	0	0	0	8,706,543 100%
MISCELLANEOUS STATE ACCOUNTS	0	265,276 100.00%	0		0	0	0	265,276 100%
TOTAL CASH AND NON-RETIREMENT	8,768,976 74.25%	1,138,996 9.64%	236,423 2.00%	1,607,335 13.61%	58,875 0.50%	0	0	11,810,605 100%
GRAND TOTAL	10,659,346 13.56%	1,258,452 1.60%	16,518,140 21.01%	1,607,335 2.04%	31,064,001 39.51%	10,017,933 12.74%	7,507,784 9.55%	78,632,991 100%

TAB

B

EXECUTIVE DIRECTOR'S ADMINISTRATIVE REPORT

DATE: August 12, 2014

TO: Members, State Board of Investment

FROM: **Mansco Perry III**

1. Reports on Budget and Travel

A report on the SBI's administrative budget for the Fiscal Year 2014 is included as **Attachment A**.

A report on travel for the period from May 4, 2014 – June 30, 2014 is included as **Attachment B**.

2. Update on Sudan

Each quarter, staff provides a report to the Board on steps taken to implement *Minnesota Statutes*, section 11A.243 that requires SBI actions concerning companies with operations in Sudan. Staff receives periodic reports from the Conflict Risk Network (CRN) about the status of companies with operations in Sudan.

The SBI is restricted from purchasing stock in the companies designated as highest offenders by the CRN. Accordingly, staff updates the list of restricted stocks and notifies investment managers that they may not purchase shares in companies on the restricted list. Staff receives monthly reports from the SBI's custodian bank concerning SBI holdings of companies on the CRN list and writes letters as required by law.

According to the law, after 90 days following the SBI's communication, a company continues to have active business operations in Sudan, the SBI must divest holdings of the company according to the following schedule:

- at least 50% shall be sold within nine months after the company appeared on the Task Force list; and
- 100% shall be sold within fifteen months after the company appeared on the list.

In the second quarter, SBI managers divested 7,625 shares in companies on the divestment list.

Attachment C is a copy of the June 25, 2014 letter sent to each international equity manager and domestic equity manager containing the most recent restricted list and the list of stocks to be divested.

Attachment D is an updated list of companies with operations in Sudan.

3. Update on Iran

Each quarter, staff provides a report to the Board on steps taken to implement *Minnesota Statutes*, section 11A.244 that requires SBI actions concerning companies with operations in Iran.

SBI receives information on companies with Iran operations from IW Financial, through Glass Lewis. Staff receives monthly reports from the SBI's custodian bank concerning SBI holdings of companies on the restricted list and writes letters as required by the law.

According to the law, if after 90 days following the SBI's communication a company continues to have scrutinized business operations, the SBI must divest all publicly traded securities of the company according to the following schedule:

- at least 50% shall be sold within nine months after the company appeared on the scrutinized list; and
- 100% within fifteen months after the company appeared on the scrutinized list.

In the second quarter, SBI held no shares of companies on the divestment list.

Attachment E is a copy of the June 25, 2014 letter sent to each international equity manager and domestic equity manager and fixed income manager containing the end of quarter restricted list and the list of companies to be divested.

4. Update on 529 Plan

The SBI and the Minnesota Office of Higher Education (OHE) have completed a new five year contract with TIAA-CREF to provide administrative, marketing and investment services for the state's 529 College Savings Plan. The new investment structure increases the number of investment options from 12 to 18 and increases the age bands in the Managed Allocation Option from six to nine in an effort to give investors a more controlled, smoother reduction to their investment option's equity allocation. The new investment structure helps to significantly lower the overall plan fees and makes it more competitive in the national 529 plan market.

The roll-out of the new investment options and the reduced administrative fees began in August 2014. The Minnesota 529 plan is currently just over \$1 billion in assets.

5. Litigation Update

SBI legal counsel will give the Board a verbal update on status of litigation at the Board meeting on September 9, 2014.

ATTACHMENT A

STATE BOARD OF INVESTMENT
 FISCAL YEAR 2014 ADMINISTRATIVE BUDGET REPORT
 FISCAL YEAR 2014 FINAL

ITEM	FISCAL YEAR 2014 BUDGET	FISCAL YEAR 2014 ACTUAL
PERSONAL SERVICES		
FULL TIME EMPLOYEES	\$ 3,286,000	\$ 3,131,300
PART TIME EMPLOYEES	\$ 72,000	\$ 49,631
MISCELLANEOUS PAYROLL	235,000	225,360
SUBTOTAL	\$ 3,593,000	\$ 3,406,291
STATE OPERATIONS		
RENTS & LEASES	200,000	200,419
REPAIRS/ALTERATIONS/MAINTENANCE	10,000	21,797
PRINTING & BINDING	5,000	3,603
PROFESSIONAL/TECHNICAL SERVICES	250,000	89,300
COMPUTER SYSTEMS SERVICES	23,000	17,739
COMMUNICATIONS	26,000	21,140
TRAVEL, IN-STATE	1,000	633
TRAVEL, OUT-STATE	42,000	41,136
SUPPLIES	20,000	26,795
EQUIPMENT	20,000	75,292
EMPLOYEE DEVELOPMENT	10,000	15,635
OTHER OPERATING COSTS	140,000	11,222
SUBTOTAL	\$ 747,000	\$ 524,712
TOTAL ADMINISTRATIVE BUDGET	\$ 4,340,000	\$ 3,931,003

ATTACHMENT B

STATE BOARD OF INVESTMENT

Travel Summary by Date
SBI Travel May 4, 2014 – June 30, 2014

Purpose	Name(s)	Destination and Date	Total Cost
Conference: Institutional Investor Services (IIS) Client Advisory Council Meeting sponsored by State Street Bank	M. Perry	Boston, MA 5/5-5/6	\$1,557.35
Conference: National Association of State Investment Professionals (NASIP)	M. Menssen T. Brusehaver	Salt Lake City, UT 5/6-5/9	\$3,671.50
Conference & Education: GFOA's 108 th Annual Conference	P. Anderson W. Murphy S. Baribeau B. Nicol K. Leisz	Minneapolis, MN 5/19-5/21	\$2,120.00
Manager Monitoring Alternative Investment Managers: Hellman & Friedman Annual Meeting; Silver Lake Partners; Elevation Partners Manager Monitoring Consultant: Callan Associates	J. Kirby	San Francisco, CA 5/20-5/23	\$2,743.27
Conference: Institutional Limited Partners Association (ILPA) Conference Manager Monitoring Master Custodian: State Street Bank	L. Stagg	Boston, MA 6/2-6/6	\$1,551.73

STATE BOARD OF INVESTMENT

**Travel Summary by Date
SBI Travel May 4, 2014 – June 30, 2014**

Purpose	Name(s)	Destination and Date	Total Cost
Manager Monitoring Alternative Investment Manager: KKR's 2014 Americas Investors' Meeting; Leonard Green & Partners Manager Search Alternative Investment Managers: Oaktree Capital	R. Hill	Los Angeles, CA 6/23-6/26	\$1,844.41
Conference: RFK Compass Hyannis Port Conference	M. Perry	Chatham, MA 6/23-6/25	\$1,014.29
Conference: National Association of Public Pension Attorneys	J. Mule	Nashville, TN 6/24-6/27	\$1,147.67

ATTACHMENT C

Letter to SBI International Equity and Domestic Equity Managers

June 25, 2014

Regarding: Sudan Companies

Dear Manager:

The Minnesota State Board of Investment (SBI) sent you prior communication concerning holdings in companies doing business in Sudan. **This new communication applies to all SBI equity portfolios managed by your organization and replaces all prior communications. This communication also applies to all depository receipts or ADR's of any of the listed companies.**

Minnesota Statutes, section 11A.243 requires the SBI to implement a Sudan restriction.

Attachment 1 is the List of Restricted Sudan Stocks. **These securities may not be purchased for the SBI portfolio that your organization manages.** If you own securities of companies on the Restricted List **and** the companies are **not** on the divestment list, then you do not need to sell your holdings. Please note that the attached List makes changes to the List of Restricted Sudan Companies that was attached to the March 17, 2014 letter you received. **This new list is effective June 27, 2014.**

- The following companies have been **added** to the Restricted List:
 - **China Poly Group** **China**
 - **Poly Property Group** **China**

- The following companies have been **removed** from the Restricted List:
 - **Avtodizel OAO** **Russia**
 - **Tverskoy Excavator OJSC** **Russia**
 - **Yaroclavsky Diesel Equipment Plan OAO** **Russia**

Attachment 2 is the List of Sudan Stocks Requiring Divestment. The following company has been **added** to the divestment list:

- **MAN SE** **Germany**

If you own securities of companies on the List of Sudan Companies Requiring Divestment in the SBI portfolio that your organization manages, then you must divest those holdings according to the schedule provided in the Attachment:

- At least 50 percent of a company's holdings must be sold by the date indicated, and
- At least 100 percent of a company's holdings must be sold by the date indicated.

Attachment 3 is a list of security identifiers for the companies on the List of Restricted Sudan Stocks (**Attachment 1**) that your organization may use. The SBI does not represent that this is a complete list of identifiers. The manager is responsible for identifying all listings. Please note that the list of security identifiers may have information on companies not on the restricted list.

If you have any questions about this matter, please contact Tammy Brusehaver or Aaron Griga, Domestic Equities; Stephanie Gleeson, International Equities or me.

Sincerely,

LeaAnn M. Stagg
Chief Operating Officer

Enclosures

cc: Michael J. Menssen, Public Markets
Tammy Brusehaver, Domestic Equities
Aaron Griga, Domestic Equities
Stephanie Gleeson, International Equities
Patricia Ammann, Public Programs

ATTACHMENT 1

Restricted Sudan Stocks	
Company Name	Country of Origin
Andritz AG	Austria
Orca Gold Inc.	Canada
Statesman Resources Limited	Canada
China Poly Group Corporation	China
Poly Property Group Co. Ltd.	China
China Gezhouba Group Company Limited	China
China Hydraulic and Hydroelectric Construction Group AKA Sinohydro Group	China
Daqing Huake Group Company Limited	China
Jinan Diesel Company Limited	China
PetroChina AKA China National Petroleum Corporation (CNPC)	China
China North Industries Group Corporation AKA CNGC/Norinco	China
Norinco International Cooperation Ltd	China
Liaoning Huajin Tongda Chemical Co. Ltd.	China
Sichuan Nitrocell Co. Ltd	China
North Navigation Control Technology Co. Ltd (formerly China North Optical-Electrical Technology Company Limited)	China
AKM Industrial Company Limited	China
China Machinery Engineering Corporation	China
China Petroleum and Chemical Corporation AKA Sinopec Corp.	China
Sinopec Engineering Group Co. Ltd.	China
Kingdream PLC	China
Sinopec Shanghai Petrochemicals Ltd	China
Sinopec Yizheng Chemical Fibre Co Ltd	China
Jiangxi Hongdu Aviation AKA Hongdu Aviation	China
Dongfeng Motor Group Company Limited	China
Harbin Electric Company Ltd.	China
Egypt Kuwait Holding Company	Egypt
Alstom	France
Kunlun Energy Co. Ltd	Hong Kong
Sinopec Kanton Holdings Limited	Hong Kong
Alstom India Ltd	India
Alstom T&D India Ltd. (formerly Areva T&D India)	India
Bharat Electronics Limited	India
Bharat Heavy Electricals Limited	India
Indian Oil Corporation Ltd. AKA IOCL	India
Chennai Petroleum Corporation Ltd. AKA CPCL	India
Lanka IOC Limited	India
Oil and Natural Gas Company AKA ONGC	India
Mangalore Refinery and Petrochemicals Limited	India
Oil India Limited	India
Energy House Holding Co KSCC, The (formerly AREF Energy Holding Company)	Kuwait
MAN SE	Germany
Renk AG	Germany
Managem	Morocco

ATTACHMENT 1

Restricted Sudan Stocks	
Company Name	Country of Origin
Societe Metallurgique D'imiter	Morocco
Petroliam Nasional Berhad AKA Petronas	Malaysia
KLCC Property Holdings Bhd	Malaysia
Malaysia International Shipping Company AKA MISC Berhad	Malaysia
Petronas Gas Berhad	Malaysia
Petronas Dagangan Berhad	Malaysia
Petronas Chemicals Group Berhad	Malaysia
Engen	Malaysia
Malaysia Marine and Heavy Engineering Holdings Bhd	Malaysia
Scomi Group Berhad	Malaysia
Scomi Engineering Berhad	Malaysia
Scomi Energy Services Bhd	Malaysia
GAZ Group	Russia
GAZ Auto Plant	Russia
Pavlovsky Bus Plant	Russia
LS Industrial Systems	South Korea

Note: List contains parent companies and subsidiaries publicly traded.
AKA means "Also Known As"

Source: EIRIS Conflict Risk Network

SBI Effective Date: June 27, 2014

ATTACHMENT 2

Sudan Stocks Requiring Divestment

Company Name	Country of Origin	Divest 50 Percent By this Date	Divest 100 Percent By this date
China Petroleum and Chemical Corporation AKA Sinopec Corp	China	April 30, 2008	October 31, 2008
PetroChina Company	China	April 30, 2008	October 31, 2008
Oil and Natural Gas Corp AKA ONGC	India	April 30, 2008	October 31, 2008
Malaysia International Shipping Company AKA MISC Berhad	Malaysia	April 30, 2008	October 31, 2008
Alstom	France	April 30, 2008	October 31, 2008
Dongfeng Motor Group Company Limited	China	March 31, 2011	September 30, 2011
Andritz AG	Austria	September 30, 2014	March 31, 2015
Bharat Electronics Limited	India	September 30, 2014	March 31, 2015
Bharat Heavy Electricals	India	September 30, 2014	March 31, 2015
MAN SE	Germany	December 31, 2014	June 30, 2015

Note: AKA means "Also Known As"

Source: Conflict Risk Network

SBI Effective Date: June 27, 2014

Security Identifiers for "Scrutinized" Stocks

ATTACHMENT 3

The following security identifiers correlate with the Second Quarter 2014 Sudan Company Report and are current as of May 16, 2014

ALL DATA IS FROM BLOOMBERG LP UNLESS OTHERWISE NOTED.

STOCKS ADDED SINCE LAST REPORT ARE HIGHLIGHTED

Company	Primary Company (Affiliate/Parent)	Exchange	Security Type	Security Name	Ticker	WPK Number	SEDOL	CUSIP	Sicovam	SIN	COMMON	CINS	Fondscore
ALSTOM INDIA LTD	ALSTOM	Natl India (XNSE)	Common Stock	ALSTOM PROJECTS INDIA LTD	ALST IB	A0EAYM	6230834 IN			INE878A01011			
ALSTOM INDIA LTD	ALSTOM	Natl India (XNSE)	Common Stock	ALSTOM PROJECTS INDIA LTD	ALST IN	A0EAYM	6230834 IN			INE878A01011			
ALSTOM INDIA LTD	ALSTOM	Natl India (XNSE)	Common Stock	ALSTOM PROJECTS INDIA LTD	ALST IS	A0EAYM	6230834 IN			INE878A01011			
ALSTOM SA	ALSTOM	Equiduct (XEQT)	Common Stock	ALSTOM	ALO BQ	A0F7BK	B0DJ8Q5 FR			FR0010220475	022581074		
ALSTOM SA	ALSTOM	BATS Europe (BATE)	Common Stock	ALSTOM	ALO EB	A0F7BK	B0DJ8Q5 FR			FR0010220475	022581074		
ALSTOM SA	ALSTOM	EN Paris (XPAR)	Common Stock	ALSTOM	ALO FP	A0F7BK	B0DJ8Q5 FR			FR0010220475	022581074		
ALSTOM SA	ALSTOM	TOM MTF (TMX)	Common Stock	ALSTOM	ALO MT	A0F7BK	B0DJ8Q5 FR			FR0010220475	022581074		
ALSTOM SA	ALSTOM	Aquis Exchg (AQXE)	Common Stock	ALSTOM	ALO QX	A0F7BK	B0DJ8Q5 FR			FR0010220475	022581074		
ALSTOM SA	ALSTOM	Turquoise (TRQX)	Common Stock	ALSTOM	ALO QT	A0F7BK	B0DJ8Q5 FR			FR0010220475	022581074		
ALSTOM SA	ALSTOM	CHI-X AII TS (CHIX)	Common Stock	ALSTOM	ALP IQ	A0F7BK	B0DJ8Q5 FR			FR0010220475	022581074		
ALSTOM SA	ALSTOM	Frankfurt (XFRA)	Common Stock	ALSTOM	AOMD GB	A0F7BK	B0G0412 DE			FR0010220475	022581074		
ALSTOM SA	ALSTOM	Frankfurt (XFRA)	Common Stock	ALSTOM	AOMD GD	A0F7BK	B0G0412 DE			FR0010220475	022581074		
ALSTOM SA	ALSTOM	Frankfurt (XFRA)	Common Stock	ALSTOM	AOMD GE	A0F7BK	B0G0412 DE			FR0010220475	022581074		
ALSTOM SA	ALSTOM	Frankfurt (XFRA)	Common Stock	ALSTOM	AOMD GH	A0F7BK	B0G0412 DE			FR0010220475	022581074		
ALSTOM SA	ALSTOM	Frankfurt (XFRA)	Common Stock	ALSTOM	AOMD GI	A0F7BK	B0G0412 DE			FR0010220475	022581074		
ALSTOM SA	ALSTOM	Frankfurt (XFRA)	Common Stock	ALSTOM	AOMD GM	A0F7BK	B0G0412 DE			FR0010220475	022581074		
ALSTOM SA	ALSTOM	Frankfurt (XFRA)	Common Stock	ALSTOM	AOMD GR	A0F7BK	B0G0412 DE			FR0010220475	022581074		
ALSTOM SA	ALSTOM	Frankfurt (XFRA)	Common Stock	ALSTOM	AOMD GS	A0F7BK	B0G0412 DE			FR0010220475	022581074		
ALSTOM SA	ALSTOM	Frankfurt (XFRA)	Common Stock	ALSTOM	AOMD GY	A0F7BK	B0G0412 DE			FR0010220475	022581074		
ALSTOM SA	ALSTOM	Frankfurt (XFRA)	Common Stock	ALSTOM	AOMD TH	A0F7BK	B0G0412 DE			FR0010220475	022581074		
ALSTOM SA	ALSTOM	OTC US (OOC)	Common Stock	ALSTOM	AOMFF PQ	A0F7BK	B0GLY93 US			FR0010220475	022581074	F0259M475	
ALSTOM SA	ALSTOM	OTC US (OOC)	Common Stock	ALSTOM	AOMFF US	A0F7BK	B0GLY93 US			FR0010220475	022581074	F0259M475	
ALSTOM SA	ALSTOM	Euro Comp (XLON)	Common Stock	ALSTOM	AOMFF UV	A0F7BK	B0GLY93 US			FR0010220475	022581074	F0259M475	
ALSTOM SA	ALSTOM	LSE EuropeQS (XLON)	Common Stock	ALSTOM	ALO EU	A0F7BK	B0YL7Q7 GB			FR0010220475	022581074		
ALSTOM SA	ALSTOM	LSE EuropeQS (XLON)	Common Stock	ALSTOM	ALO LI	A0F7BK	B0YL7Q7 GB			FR0010220475	022581074		
ALSTOM SA	ALSTOM	LSE EuropeQS (XLON)	Common Stock	ALSTOM	ALO LO	A0F7BK	B0YL7Q7 GB			FR0010220475	022581074		
ALSTOM SA	ALSTOM	Euro OTC (XLON)	Common Stock	ALSTOM	ALO XA	A0F7BK	B0YL7Q7 GB			FR0010220475	022581074		
ALSTOM SA	ALSTOM	Euro OTC (XLON)	Common Stock	ALSTOM	ALO XB	A0F7BK	B0YL7Q7 GB			FR0010220475	022581074		
ALSTOM SA	ALSTOM	Euro OTC (XLON)	Common Stock	ALSTOM	ALO XD	A0F7BK	B0YL7Q7 GB			FR0010220475	022581074		
ALSTOM SA	ALSTOM	Euro OTC (XLON)	Common Stock	ALSTOM	ALO XE	A0F7BK	B0YL7Q7 GB			FR0010220475	022581074		
ALSTOM SA	ALSTOM	Euro OTC (XLON)	Common Stock	ALSTOM	ALO XO	A0F7BK	B0YL7Q7 GB			FR0010220475	022581074		
ALSTOM SA	ALSTOM	Euro OTC (XLON)	Common Stock	ALSTOM	ALO XS	A0F7BK	B0YL7Q7 GB			FR0010220475	022581074		
ALSTOM SA	ALSTOM	Euro OTC (XLON)	Common Stock	ALSTOM	ALO XT	A0F7BK	B0YL7Q7 GB			FR0010220475	022581074		
ALSTOM SA	ALSTOM	Euro TLX (ETLX)	Common Stock	ALSTOM	ALO TE	A0F7BK	B0YL7Q7 GB			FR0010220475	022581074		
ALSTOM SA	ALSTOM	EN Paris (XPAR)	Common Stock	ALSTOM - NEW	ALONVFF	A0F7BK	B3NWFN8 IT			FR0010220475	022581074		
ALSTOM SA	ALSTOM	Euro Comp (XLON)	Common Stock	ALSTOM - NEW	ALONVEUR EU	A112HM	BL95HS9 FR			FR0010220475	105416865		
ALSTOM SA	ALSTOM	OTC US (OOC)	GDR	ALSTOM	ALSMY PQ	A1CS4B	B3DY4Z2 US	021244207		US0212442075	105416865		
ALSTOM SA	ALSTOM	OTC US (OOC)	GDR	ALSTOM	ALSMY US	A1CS4B	B3DY4Z2 US	021244207		US0212442075	081982680		
ALSTOM SA	ALSTOM	OTC US (OOC)	GDR	ALSTOM	ALSMY UV	A1CS4B	B3DY4Z2 US	021244207		US0212442075	081982680		
ALSTOM T&D INDIA LTD	ALSTOM	Natl India (XNSE)	Common Stock	AREVA T&D INDIA LTD	ATD IB	A0RB87	6139890 IN			INE200A01026			
ALSTOM T&D INDIA LTD	ALSTOM	Natl India (XNSE)	Common Stock	AREVA T&D INDIA LTD	ATD IN	A0RB87	6139890 IN			INE200A01026			
ALSTOM T&D INDIA LTD	ALSTOM	Natl India (XNSE)	Common Stock	AREVA T&D INDIA LTD	ATD IS	A0RB87	6139890 IN			INE200A01026			
ANDRITZ AG	ANDRITZ GROUP	Vienna (WBAH)	Common Stock	ANDRITZ AG	ANDR AV	832305	B1WVFE8 AT			AT0000730007	013042748		
ANDRITZ AG	ANDRITZ GROUP	BATS Europe (BATE)	Common Stock	ANDRITZ AG	ANDR EB	832305	B1WVFE8 AT			AT0000730007	013042748		
ANDRITZ AG	ANDRITZ GROUP	CHI-X Europe (CHIX)	Common Stock	ANDRITZ AG	ANDR IX	832305	B1WVFE8 AT			AT0000730007	013042748		
ANDRITZ AG	ANDRITZ GROUP	Turquoise (TRQX)	Common Stock	ANDRITZ AG	ANDR TQ	832305	B1WVFE8 AT			AT0000730007	013042748		
ANDRITZ AG	ANDRITZ GROUP	Xetra (XETR)	Common Stock	ANDRITZ AG	AZZ BF	832305	B1X9FH2 DE			AT0000730007	013042748		
ANDRITZ AG	ANDRITZ GROUP	Xetra (XETR)	Common Stock	ANDRITZ AG	AZZ GD	832305	B1X9FH2 DE			AT0000730007	013042748		
ANDRITZ AG	ANDRITZ GROUP	Xetra (XETR)	Common Stock	ANDRITZ AG	AZZ GF	832305	B1X9FH2 DE			AT0000730007	013042748		
ANDRITZ AG	ANDRITZ GROUP	Xetra (XETR)	Common Stock	ANDRITZ AG	AZZ GM	832305	B1X9FH2 DE			AT0000730007	013042748		
ANDRITZ AG	ANDRITZ GROUP	Xetra (XETR)	Common Stock	ANDRITZ AG	AZZ GR	832305	B1X9FH2 DE			AT0000730007	013042748		
ANDRITZ AG	ANDRITZ GROUP	Xetra (XETR)	Common Stock	ANDRITZ AG	AZZ GS	832305	B1X9FH2 DE			AT0000730007	013042748		
ANDRITZ AG	ANDRITZ GROUP	Xetra (XETR)	Common Stock	ANDRITZ AG	AZZ GY	832305	B1X9FH2 DE			AT0000730007	013042748		
ANDRITZ AG	ANDRITZ GROUP	Xetra (XETR)	Common Stock	ANDRITZ AG	AZZ TH	832305	B1X9FH2 DE			AT0000730007	013042748		
ANDRITZ AG	ANDRITZ GROUP	Tradegate (XGAT)	Common Stock	ANDRITZ AG	ADRZF US	832305	B1XBL38 US			AT0000730007	013042748	A1123105	
ANDRITZ AG	ANDRITZ GROUP	OTC US (OOC)	Common Stock	ANDRITZ AG	ADRZF UV	832305	B1XBL38 US			AT0000730007	013042748	A1123105	
ANDRITZ AG	ANDRITZ GROUP	Euro Comp (XLON)	Common Stock	ANDRITZ AG	ANDR EJ	832305	B28F3F6 GB			AT0000730007	013042748		
ANDRITZ AG	ANDRITZ GROUP	LSE EuropeQS (XLON)	Common Stock	ANDRITZ AG	ANDR LI	832305	B28F3F6 GB			AT0000730007	013042748		
ANDRITZ AG	ANDRITZ GROUP	LSE EuropeQS (XLON)	Common Stock	ANDRITZ AG	ANDR LO	832305	B28F3F6 GB			AT0000730007	013042748		
ANDRITZ AG	ANDRITZ GROUP	Euro OTC (XLON)	Common Stock	ANDRITZ AG	ANDR XA	832305	B28F3F6 GB			AT0000730007	013042748		
ANDRITZ AG	ANDRITZ GROUP	Euro OTC (XLON)	Common Stock	ANDRITZ AG	ANDR XB	832305	B28F3F6 GB			AT0000730007	013042748		
ANDRITZ AG	ANDRITZ GROUP	Euro OTC (XLON)	Common Stock	ANDRITZ AG	ANDR XD	832305	B28F3F6 GB			AT0000730007	013042748		
ANDRITZ AG	ANDRITZ GROUP	Euro OTC (XLON)	Common Stock	ANDRITZ AG	ANDR XE	832305	B28F3F6 GB			AT0000730007	013042748		
ANDRITZ AG	ANDRITZ GROUP	Euro OTC (XLON)	Common Stock	ANDRITZ AG	ANDR XL	832305	B28F3F6 GB			AT0000730007	013042748		
ANDRITZ AG	ANDRITZ GROUP	Euro OTC (XLON)	Common Stock	ANDRITZ AG	ANDR XV	832305	B28F3F6 GB			AT0000730007	013042748		
ANDRITZ AG	ANDRITZ GROUP	OTC US (OOC)	ADR	ANDRITZ AG-UNSPON ADR	ADRZY PQ		B3DY4P2 US	034522102		US0345221024			
ANDRITZ AG	ANDRITZ GROUP	OTC US (OOC)	ADR	ANDRITZ AG-UNSPON ADR	ADRZY US		B3DY4P2 US	034522102		US0345221024			
ANDRITZ AG	ANDRITZ GROUP	OTC US (OOC)	ADR	ANDRITZ AG-UNSPON ADR	ADRZY UV		B3DY4P2 US	034522102		US0345221024			
BHARAT ELECTRONICS LIMITED	BHARAT ELECTRONICS LIMITED	Natl India (XNSE)	Common Stock	BHARAT ELECTRONICS LIMITED	BHE IB	120304	0139715 IN			INE263A01016			
BHARAT ELECTRONICS LIMITED	BHARAT ELECTRONICS LIMITED	Natl India (XNSE)	Common Stock	BHARAT ELECTRONICS LIMITED	BHE IN	120304	0139715 IN			INE263A01016			
BHARAT ELECTRONICS LIMITED	BHARAT ELECTRONICS LIMITED	Natl India (XNSE)	Common Stock	BHARAT ELECTRONICS LIMITED	BHE IS	120304	0139715 IN			INE263A01016			
BHARAT HEAVY ELECTRICALS	BHARAT HEAVY ELECTRICALS LIMITED	Natl India (XNSE)	Common Stock	BHARAT HEAVY ELECTRICALS	BHEL IB	A1JLKM	B6SNRV2 IN			INE257A01026			
BHARAT HEAVY ELECTRICALS	BHARAT HEAVY ELECTRICALS LIMITED	Natl India (XNSE)	Common Stock	BHARAT HEAVY ELECTRICALS	BHEL IN	A1JLKM	B6SNRV2 IN			INE257A01026			
BHARAT HEAVY ELECTRICALS	BHARAT HEAVY ELECTRICALS LIMITED	Natl India (XNSE)	Common Stock	BHARAT HEAVY ELECTRICALS	BHEL IS	A1JLKM	B6SNRV2 IN			INE257A01026			
BHARAT HEAVY ELECTRICALS	BHARAT HEAVY ELECTRICALS LIMITED	Natl India (XNSE)	Second Lending	BHARAT HEAVY ELECTRICALS-SLB	BHELS IN								
BHARAT HEAVY ELECTRICALS	BHARAT HEAVY ELECTRICALS LIMITED	Natl India (XNSE)	Second Lending	BHARAT HEAVY ELECTRICALS-SLB	BHELS IS								

Company	Primary Company (Affiliate/Parent)	Exchange	Security Type	Security Name	Ticker	WPK Number	SEDOL	CUSIP	Sicovam	ISIN	COMMON	CINS	Fondscode
CATERPILLAR INC	CATERPILLAR INC	Buenos Floor (XBUE)	Receipt	CATERPILLAR INC-CEDEAR	CAT AF		2378277 AR			ARDEUT110079	033876874		
CATERPILLAR INC	CATERPILLAR INC	Buenos Floor (XBUE)	Receipt	CATERPILLAR INC-CEDEAR	CAT AR		2378277 AR			ARDEUT110079	033876874		
CATERPILLAR INC	CATERPILLAR INC	Soma (BVMF)	BDR	CATERPILLAR-BDR	CATP34 BS		B463G7R			BRCATPBDR003			
CATERPILLAR INC	CATERPILLAR INC	Soma (BVMF)	BDR	CATERPILLAR-BDR	CATP04 BZ		B463G7R			BRCATPBDR003			
CATERPILLAR INC	CATERPILLAR INC	Euro OTC (XLON)	Common Stock	CATERPILLAR INC	CAT XB	850598	0180162 GB	149123101		US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	Euro OTC (XLON)	Common Stock	CATERPILLAR INC	CAT XV	850598	0180162 GB	149123101		US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	Euro Comp (XLON)	Common Stock	CATERPILLAR INC	CATEUR EU	850598	0180162 GB	149123101		US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	Euro OTC (XLON)	Common Stock	CATERPILLAR INC	CATEUR XL	850598	0180162 GB	149123101		US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	Euro OTC (XLON)	Common Stock	CATERPILLAR INC	CATEUR XS	850598	0180162 GB	149123101		US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	New York (XNYS)	Common Stock	CATERPILLAR INC	CAT UB	850598	2180201 US	149123101	005978	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	New York (XNYS)	Common Stock	CATERPILLAR INC	CAT UC	850598	2180201 US	149123101	005978	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	New York (XNYS)	Common Stock	CATERPILLAR INC	CAT UD	850598	2180201 US	149123101	005978	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	New York (XNYS)	Common Stock	CATERPILLAR INC	CAT UF	850598	2180201 US	149123101	005978	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	New York (XNYS)	Common Stock	CATERPILLAR INC	CAT UM	850598	2180201 US	149123101	005978	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	New York (XNYS)	Common Stock	CATERPILLAR INC	CAT UN	850598	2180201 US	149123101	005978	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	New York (XNYS)	Common Stock	CATERPILLAR INC	CAT UP	850598	2180201 US	149123101	005978	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	New York (XNYS)	Common Stock	CATERPILLAR INC	CAT US	850598	2180201 US	149123101	005978	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	New York (XNYS)	Common Stock	CATERPILLAR INC	CAT UT	850598	2180201 US	149123101	005978	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	New York (XNYS)	Common Stock	CATERPILLAR INC	CAT UX	850598	2180201 US	149123101	005978	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	New York (XNYS)	Common Stock	CATERPILLAR INC	CAT VJ	850598	2180201 US	149123101	005978	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	New York (XNYS)	Common Stock	CATERPILLAR INC	CAT VK	850598	2180201 US	149123101	005978	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	New York (XNYS)	Common Stock	CATERPILLAR INC	CAT VY	850598	2180201 US	149123101	005978	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	Mexico (XMXE)	Common Stock	CATERPILLAR INC	CAT MM	850598	2180201 US	149123101	005978	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	Lima (XLM)	Common Stock	CATERPILLAR INC	CAT PE	850598	2065978 MX	149123101	005978	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	EN Paris (XPAR)	Common Stock	CATERPILLAR INC	CATR FP	850598	2743778 FE	149123101	919161	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	SIX Swiss Ex (XSXX)	Common Stock	CATERPILLAR INC	CAT SE	850598	4516310 CH	149123101	919161	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	SIX Swiss Ex (XSXX)	Common Stock	CATERPILLAR INC	CAT SW	850598	4516310 CH	149123101	919161	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	Frankfurt (XFRA)	Common Stock	CATERPILLAR INC	CAT1 GB	850598	5626520 DE	149123101	919161	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	Frankfurt (XFRA)	Common Stock	CATERPILLAR INC	CAT1 GD	850598	5626520 DE	149123101	919161	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	Frankfurt (XFRA)	Common Stock	CATERPILLAR INC	CAT1 GF	850598	5626520 DE	149123101	919161	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	Frankfurt (XFRA)	Common Stock	CATERPILLAR INC	CAT1 GH	850598	5626520 DE	149123101	919161	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	Frankfurt (XFRA)	Common Stock	CATERPILLAR INC	CAT1 GI	850598	5626520 DE	149123101	919161	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	Frankfurt (XFRA)	Common Stock	CATERPILLAR INC	CAT1 GM	850598	5626520 DE	149123101	919161	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	Dusseldorf (XDUS)	Common Stock	CATERPILLAR INC	CAT1 GO	850598	5626520 DE	149123101	919161	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	Frankfurt (XFRA)	Common Stock	CATERPILLAR INC	CAT1 GR	850598	5626520 DE	149123101	919161	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	Frankfurt (XFRA)	Common Stock	CATERPILLAR INC	CAT1 GS	850598	5626520 DE	149123101	919161	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	Frankfurt (XFRA)	Common Stock	CATERPILLAR INC	CAT1 GY	850598	5626520 DE	149123101	919161	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	Tradegate (XGAT)	Common Stock	CATERPILLAR INC	CAT1 TH	850598	5626520 DE	149123101	919161	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	EuroTLX (ETLX)	Common Stock	CATERPILLAR INC	CAT TE	850598	B83WZ14 IT	149123101	005978	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	Santiago Comercio (XSGO)	Common Stock	CATERPILLAR INC	CAT CC	850598	B8BLXY2 CL	149123101	005978	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	Santiago Comercio (XSGO)	Common Stock	CATERPILLAR INC	CAT CI	850598	B8BLXY2 CL	149123101	005978	US1491231015	00986537		
CATERPILLAR INC	CATERPILLAR INC	Euro Comp (XLON)	Common Stock	CATERPILLAR INC	CATCHF EU	850598		149123101		US1491231015	00986537		
CHINA GEZHOUBA GROUP COMPANY LTD	CHINA GEZHOUBA GROUP COMPANY LTD	Shanghai (XSHG)	Common Stock	CHINA GEZHOUBA GROUP CO LT-A	800068 CG	A0M31Z	6377214 CN			CNE000000QF1			
CHINA GEZHOUBA GROUP COMPANY LTD	CHINA GEZHOUBA GROUP COMPANY LTD	Shanghai (XSHG)	Common Stock	CHINA GEZHOUBA GROUP CO LT-A	800068 CH	A0M31Z	6377214 CN			CNE000000QF1			
SINOHYDRO GROUP	CHINA HYDRAULIC AND HYDROELECTRIC CONSTRUCTION GROUP (SINOHYDRO)	Shanghai (XSHG)	Common Stock	SINOHYDRO GROUP LTD-A	801869 CG	A1JNL6	B4TH690 CN			CNE1000017G1			
SINOHYDRO GROUP	CHINA HYDRAULIC AND HYDROELECTRIC CONSTRUCTION GROUP (SINOHYDRO)	Shanghai (XSHG)	Common Stock	SINOHYDRO GROUP LTD-A	801869 CH	A1JNL6	B4TH690 CN			CNE1000017G1			
CHINA MACHINERY ENGINEERING CORPORATION	CHINA MACHINERY ENGINEERING CORPORATION	Hong Kong (XHKG)	Common Stock	CHINA MACHINERY ENGINEERIN-H	1829 HK	A1KAFT	B94VGS8 HK			CNE100001NP4	086987414		
CHINA MACHINERY ENGINEERING CORPORATION	CHINA MACHINERY ENGINEERING CORPORATION	Frankfurt (XFRA)	Common Stock	CHINA MACHINERY ENGINEERIN-H	C3M GF	A1KAFT				CNE100001NP4	086987414		
CHINA MACHINERY ENGINEERING CORPORATION	CHINA MACHINERY ENGINEERING CORPORATION	Frankfurt (XFRA)	Common Stock	CHINA MACHINERY ENGINEERIN-H	C3M GR	A1KAFT				CNE100001NP4	086987414		
DAQING HUAKE GROUP CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Shenzhen (XSHE)	Common Stock	DAQING HUAKE GROUP CO-A	000985 CH	A0M4C2	6277949 CN			CNE000001402			
DAQING HUAKE GROUP CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Shenzhen (XSHE)	Common Stock	DAQING HUAKE GROUP CO-A	000985 CS	A0M4C2	6277949 CN			CNE000001402			
JINAN DIESEL ENGINE CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Shenzhen (XSHE)	Common Stock	JINAN DIESEL ENGINE CO-A	000617 CH	A0M3ZT	6486106 CN			CNE000000MS3			
JINAN DIESEL ENGINE CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Shenzhen (XSHE)	Common Stock	JINAN DIESEL ENGINE CO-A	000617 CS	A0M3ZT	6486106 CN			CNE000000MS3			
KUNLUN ENERGY CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	Common Stock	KUNLUN ENERGY CO LTD	CTJ1 GB	A1CV3E	5387753 DE	952131	BMG5320C1082	050092003			
KUNLUN ENERGY CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	Common Stock	KUNLUN ENERGY CO LTD	CTJ1 GF	A1CV3E	5387753 DE	952131	BMG5320C1082	050092003			
KUNLUN ENERGY CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	Common Stock	KUNLUN ENERGY CO LTD	CTJ1 GM	A1CV3E	5387753 DE	952131	BMG5320C1082	050092003			
KUNLUN ENERGY CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	Common Stock	KUNLUN ENERGY CO LTD	CTJ1 GR	A1CV3E	5387753 DE	952131	BMG5320C1082	050092003			
KUNLUN ENERGY CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	Common Stock	KUNLUN ENERGY CO LTD	CTJ1 GS	A1CV3E	5387753 DE	952131	BMG5320C1082	050092003			
KUNLUN ENERGY CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Tradegate (XGAT)	Common Stock	KUNLUN ENERGY CO LTD	CTJ1 TH	A1CV3E	5387753 DE	952131	BMG5320C1082	050092003			
KUNLUN ENERGY CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Hong Kong (XHKG)	Common Stock	KUNLUN ENERGY CO LTD	135 HK	A1CV3E	6340078 HK	952131	BMG5320C1082	050092003			
KUNLUN ENERGY CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	OTC Exchange (OOTC)	Common Stock	KUNLUN ENERGY CO LTD	KUNUF PQ	A1CV3E	B01DD23 US	952131	BMG5320C1082	050092003			
KUNLUN ENERGY CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	OTC Exchange (OOTC)	Common Stock	KUNLUN ENERGY CO LTD	KUNUF UV	A1CV3E	B01DD23 US	952131	BMG5320C1082	050092003			
KUNLUN ENERGY CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	OTC Exchange (OOTC)	ADR	CNPC HONG KONG LTD-UNSP	KLYCY PQ	A1J7V7	B3L2812 US	50126A101	US50126A1016				
KUNLUN ENERGY CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	OTC Exchange (OOTC)	ADR	CNPC HONG KONG LTD-UNSP	KLYCY US	A1J7V7	B3L2812 US	50126A101	US50126A1016				
KUNLUN ENERGY CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	OTC Exchange (OOTC)	ADR	CNPC HONG KONG LTD-UNSP	KLYCY UV	A1J7V7	B3L2812 US	50126A101	US50126A1016				
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	Common Stock	PETROCHINA CO LTD	PC6 GB	A0M4YQ	5939507 DE			CNE1000003W8	011014674		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	Common Stock	PETROCHINA CO LTD	PC6 GD	A0M4YQ	5939507 DE			CNE1000003W8	011014674		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	Common Stock	PETROCHINA CO LTD	PC6 GF	A0M4YQ	5939507 DE			CNE1000003W8	011014674		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	Common Stock	PETROCHINA CO LTD	PC6 GH	A0M4YQ	5939507 DE			CNE1000003W8	011014674		

Company	Primary Company (Affiliate/Parent)	Exchange	Security Type	Security Name	Ticker	WPK Number	SEDOL	CUSIP	Sicovam	ISIN	COMMON	GINS	Fondscore
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	Common Stock	PETROCHINA CO LTD	PC6 GM	A0M4YQ	5939507 DE			CNE1000003W8	011014874		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	Common Stock	PETROCHINA CO LTD	PC6 GR	A0M4YQ	5939507 DE			CNE1000003W8	011014874		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	Common Stock	PETROCHINA CO LTD	PC6 GS	A0M4YQ	5939507 DE			CNE1000003W8	011014874		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	Common Stock	PETROCHINA CO LTD	PC6 GY	A0M4YQ	5939507 DE			CNE1000003W8	011014874		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Hong Kong (XHKG)	Common Stock	PETROCHINA CO LTD-H	857 HK	A0M4YQ	6226576 HK			CNE1000003W8	011014874		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	OTC US (OOTC)	Common Stock	PETROCHINA CO LTD	PCCYF US	A0M4YQ	B01DNL9 US			CNE1000003W8	011014874	Y6883Q104	
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	OTC US (OOTC)	Common Stock	PETROCHINA CO LTD	PCCYF UV	A0M4YQ	B01DNL9 US			CNE1000003W8	011014874	Y6883Q104	
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Shanghai (XSHG)	Common Stock	PETROCHINA CO LTD	801857 CG	A0NANC	B28SLD9 CN			CNE1000007Q1	033421664		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Shanghai (XSHG)	Common Stock	PETROCHINA CO LTD	801857 CH	A0NANC	B28SLD9 CN			CNE1000007Q1	033421664		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	New York (XNYS)	ADR	PETROCHINA CO LTD -ADR	PTR UB	936983	2568841 US	74640E100		US71646E1001	011511449		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	New York (XNYS)	ADR	PETROCHINA CO LTD -ADR	PTR UC	936983	2568841 US	74640E100		US71646E1001	011511449		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	New York (XNYS)	ADR	PETROCHINA CO LTD -ADR	PTR UD	936983	2568841 US	74640E100		US71646E1001	011511449		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	New York (XNYS)	ADR	PETROCHINA CO LTD -ADR	PTR UF	936983	2568841 US	74640E100		US71646E1001	011511449		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	New York (XNYS)	ADR	PETROCHINA CO LTD -ADR	PTR UM	936983	2568841 US	74640E100		US71646E1001	011511449		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	New York (XNYS)	ADR	PETROCHINA CO LTD -ADR	PTR UN	936983	2568841 US	74640E100		US71646E1001	011511449		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	New York (XNYS)	ADR	PETROCHINA CO LTD -ADR	PTR UP	936983	2568841 US	74640E100		US71646E1001	011511449		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	New York (XNYS)	ADR	PETROCHINA CO LTD -ADR	PTR US	936983	2568841 US	74640E100		US71646E1001	011511449		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	New York (XNYS)	ADR	PETROCHINA CO LTD -ADR	PTR UT	936983	2568841 US	74640E100		US71646E1001	011511449		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	New York (XNYS)	ADR	PETROCHINA CO LTD -ADR	PTR UX	936983	2568841 US	74640E100		US71646E1001	011511449		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	New York (XNYS)	ADR	PETROCHINA CO LTD -ADR	PTR VJ	936983	2568841 US	74640E100		US71646E1001	011511449		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	New York (XNYS)	ADR	PETROCHINA CO LTD -ADR	PTR VK	936983	2568841 US	74640E100		US71646E1001	011511449		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	New York (XNYS)	ADR	PETROCHINA CO LTD -ADR	PTR VY	936983	2568841 US	74640E100		US71646E1001	011511449		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	ADR	PETROCHINA CO LTD -ADR	PC6A GB	936983	4633327 DE	71640E100		US71646E1001	011511449		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	ADR	PETROCHINA CO LTD -ADR	PC6A GF	936983	4633327 DE	71640E100		US71646E1001	011511449		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	ADR	PETROCHINA CO LTD -ADR	PC6A GM	936983	4633327 DE	71640E100		US71646E1001	011511449		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	ADR	PETROCHINA CO LTD -ADR	PC6A GR	936983	4633327 DE	71640E100		US71646E1001	011511449		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	ADR	PETROCHINA CO LTD -ADR	PC6A GS	936983	4633327 DE	71640E100		US71646E1001	011511449		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	ADR	PETROCHINA CO LTD -ADR	PC6A GY	936983	4633327 DE	71640E100		US71646E1001	011511449		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Singapore (XSES)	ADR	PETROCHINA CO LTD -ADR	PTR SP	936983	B3KTK63 SG			US71646E1001	011511449		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Mexico (XMEX)	ADR	PETROCHINA CO LTD -ADR	PTRN MM	936983	B569834 MX	74640E100		US71646E1001	011511449		
PETROCHINA CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Tradegate (XGAT)	ADR	PETROCHINA CO LTD -ADR	PC6A TH	936983		74640E100		US71646E1001	011511449		
AKM INDUSTRIAL CO. LTD.	CHINA NORTH INDUSTRIES GROUP CORPORATION (CNGC/NORINCO)	Hong Kong (XHKG)	Common Stock	AKM INDUSTRIAL CO LTD	8298 HK	A0D86T	B02J0J3 HK			HK8298013897	021553654		
AKM INDUSTRIAL CO. LTD.	CHINA NORTH INDUSTRIES GROUP CORPORATION (CNGC/NORINCO)	Berlin (XBER)	Common Stock	AKM INDUSTRIAL CO LTD	AIQ GB	A0D86T	B06L0H3 DE			HK8298013897	021553654		
AKM INDUSTRIAL CO. LTD.	CHINA NORTH INDUSTRIES GROUP CORPORATION (CNGC/NORINCO)	Berlin (XBER)	Common Stock	AKM INDUSTRIAL CO LTD	AIQ GR	A0D86T	B06L0H3 DE			HK8298013897	021553654		
LIAONING HUAJIN TONGDA CHEMICALS CO. LTD	CHINA NORTH INDUSTRIES GROUP CORPORATION (CNGC/NORINCO)	Shenzhen (XSHE)	Common Stock	LIAONING HUAJIN TONGDA CHE - A	000059 CH	A0M30T	6796143 CN			CNE000000N9			
LIAONING HUAJIN TONGDA CHEMICALS CO. LTD	CHINA NORTH INDUSTRIES GROUP CORPORATION (CNGC/NORINCO)	Shenzhen (XSHE)	Common Stock	LIAONING HUAJIN TONGDA CHE - A	000059 CS	A0M30T	6796143 CN			CNE000000N9			
NORINCO INTERNATIONAL COOPERATION LTD.	CHINA NORTH INDUSTRIES GROUP CORPORATION (CNGC/NORINCO)	Shenzhen (XSHE)	Common Stock	NORINCO INTL COOPERATION -A	000085 CH	A0M35W	6112125 CN			CNE000000VZ9			
NORINCO INTERNATIONAL COOPERATION LTD.	CHINA NORTH INDUSTRIES GROUP CORPORATION (CNGC/NORINCO)	Shenzhen (XSHE)	Common Stock	NORINCO INTL COOPERATION -A	000085 CS	A0M35W	6112125 CN			CNE000000VZ9			
NORTH NAVIGATION CONTROL TECHNOLOGY CO. LTD.	CHINA NORTH INDUSTRIES GROUP CORPORATION (CNGC/NORINCO)	Shenzhen (XSHE)	Common Stock	NORTH NAVIGATION CONTROL T-A	800435 CG	A0M4L5	6649946 CN			CNE000001F88			
NORTH NAVIGATION CONTROL TECHNOLOGY CO. LTD.	CHINA NORTH INDUSTRIES GROUP CORPORATION (CNGC/NORINCO)	Shenzhen (XSHE)	Common Stock	NORTH NAVIGATION CONTROL T-A	800435 CH	A0M4L5	6649946 CN			CNE000001F88			
SICHUAN NITROCELL CO. LTD.	CHINA NORTH INDUSTRIES GROUP CORPORATION (CNGC/NORINCO)	Shenzhen (XSHE)	Common Stock	SICHUAN NITROCELL CO LTD-A	002246 CH	A0RPGJ	B39G5K4 CN			CNE100000B7			
SICHUAN NITROCELL CO. LTD.	CHINA NORTH INDUSTRIES GROUP CORPORATION (CNGC/NORINCO)	Shenzhen (XSHE)	Common Stock	SICHUAN NITROCELL CO LTD-A	002246 CS	A0RPGJ	B39G5K4 CN			CNE100000B7			
CHINA PETROLEUM & CHEMICAL CORP aka SINOPEC CORP	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Shanghai (XSHG)	Common Stock	CHINA PETROLEUM & CHEMICAL-A	600028 CH	A0M4G4	6373728 CN			CNE000001861			
CHINA PETROLEUM & CHEMICAL CORP aka SINOPEC CORP	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Hong Kong (XHKG)	Common Stock	CHINA PETROLEUM & CHEMICAL-H	386 HK	A0M4XN	6291819 HK			CNE1000002Q2	012150504		
CHINA PETROLEUM & CHEMICAL CORP aka SINOPEC CORP	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Frankfurt (XFRA)	Common Stock	CHINA PETROLEUM & CHEMICAL - H	CHU GB	A0M4XN	7027756 DE			CNE1000002Q2	012150504		
CHINA PETROLEUM & CHEMICAL CORP aka SINOPEC CORP	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Frankfurt (XFRA)	Common Stock	CHINA PETROLEUM & CHEMICAL - H	CHU GD	A0M4XN	7027756 DE			CNE1000002Q2	012150504		
CHINA PETROLEUM & CHEMICAL CORP aka SINOPEC CORP	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Frankfurt (XFRA)	Common Stock	CHINA PETROLEUM & CHEMICAL - H	CHU GF	A0M4XN	7027756 DE			CNE1000002Q2	012150504		
CHINA PETROLEUM & CHEMICAL CORP aka SINOPEC CORP	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Frankfurt (XFRA)	Common Stock	CHINA PETROLEUM & CHEMICAL - H	CHU GH	A0M4XN	7027756 DE			CNE1000002Q2	012150504		
CHINA PETROLEUM & CHEMICAL CORP aka SINOPEC CORP	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Frankfurt (XFRA)	Common Stock	CHINA PETROLEUM & CHEMICAL - H	CHU GM	A0M4XN	7027756 DE			CNE1000002Q2	012150504		

Company	Primary Company (Affiliate/Parent)	Exchange	Security Type	Security Name	Ticker	WPK Number	SEDOL	CUSIP	Sicovam	ISIN	COMMON	GINS	Fondcode
SINOPEC SHANGHAI PETROCHEMICALS LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Frankfurt (XFRA)	Common Stock	SINOPEC SHANGHAI PETROCHEM-H	SGJH GS	A0M4Y5	5888632 DE		908303	CNE1000004C8	005096162		
SINOPEC SHANGHAI PETROCHEMICALS LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Frankfurt (XFRA)	Common Stock	SINOPEC SHANGHAI PETROCHEM-H	SGJH GY	A0M4Y5	5888632 DE		908303	CNE1000004C8	005096162		
SINOPEC SHANGHAI PETROCHEMICALS LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Hong Kong (XHKG)	Common Stock	SINOPEC SHANGHAI PETROCHEM-H	338 HK	A0M4Y5	6797458 HK		908303	CNE1000004C8	005096162		
SINOPEC SHANGHAI PETROCHEMICALS LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	New York (XNYS)	ADR	SINOPEC SHANGHAI-SPONS ADR	SHI UB	887169	2800059 US		908289	US82935M1099	012248750		
SINOPEC SHANGHAI PETROCHEMICALS LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	New York (XNYS)	ADR	SINOPEC SHANGHAI-SPONS ADR	SHI UC	887169	2800059 US		908289	US82935M1099	012248750		
SINOPEC SHANGHAI PETROCHEMICALS LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	New York (XNYS)	ADR	SINOPEC SHANGHAI-SPONS ADR	SHI UD	887169	2800059 US		908289	US82935M1099	012248750		
SINOPEC SHANGHAI PETROCHEMICALS LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	New York (XNYS)	ADR	SINOPEC SHANGHAI-SPONS ADR	SHI UF	887169	2800059 US		908289	US82935M1099	012248750		
SINOPEC SHANGHAI PETROCHEMICALS LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	New York (XNYS)	ADR	SINOPEC SHANGHAI-SPONS ADR	SHI UN	887169	2800059 US		908289	US82935M1099	012248750		
SINOPEC SHANGHAI PETROCHEMICALS LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	New York (XNYS)	ADR	SINOPEC SHANGHAI-SPONS ADR	SHI UP	887169	2800059 US		908289	US82935M1099	012248750		
SINOPEC SHANGHAI PETROCHEMICALS LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	New York (XNYS)	ADR	SINOPEC SHANGHAI-SPONS ADR	SHI UT	887169	2800059 US		908289	US82935M1099	012248750		
SINOPEC SHANGHAI PETROCHEMICALS LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	New York (XNYS)	ADR	SINOPEC SHANGHAI-SPONS ADR	SHI UX	887169	2800059 US		908289	US82935M1099	012248750		
SINOPEC SHANGHAI PETROCHEMICALS LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	New York (XNYS)	ADR	SINOPEC SHANGHAI-SPONS ADR	SHI VJ	887169	2800059 US		908289	US82935M1099	012248750		
SINOPEC SHANGHAI PETROCHEMICALS LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	New York (XNYS)	ADR	SINOPEC SHANGHAI-SPONS ADR	SHI VK	887169	2800059 US		908289	US82935M1099	012248750		
SINOPEC SHANGHAI PETROCHEMICALS LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	New York (XNYS)	ADR	SINOPEC SHANGHAI-SPONS ADR	SHI VY	887169	2800059 US		908289	US82935M1099	012248750		
SINOPEC SHANGHAI PETROCHEMICALS LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Frankfurt (XFRA)	ADR	SINOPEC SHANGHAI-SPONS ADR	SHI GB	887169	5734638 DE	82935M109	908289	US82935M1099	012248750		
SINOPEC SHANGHAI PETROCHEMICALS LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Frankfurt (XFRA)	ADR	SINOPEC SHANGHAI-SPONS ADR	SHI GF	887169	5734638 DE	82935M109	908289	US82935M1099	012248750		
SINOPEC SHANGHAI PETROCHEMICALS LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Frankfurt (XFRA)	ADR	SINOPEC SHANGHAI-SPONS ADR	SHI GM	887169	5734638 DE	82935M109	908289	US82935M1099	012248750		
SINOPEC SHANGHAI PETROCHEMICALS LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Frankfurt (XFRA)	ADR	SINOPEC SHANGHAI-SPONS ADR	SHI GR	887169	5734638 DE	82935M109	908289	US82935M1099	012248750		
SINOPEC SHANGHAI PETROCHEMICALS LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Frankfurt (XFRA)	ADR	SINOPEC SHANGHAI-SPONS ADR	SHI GS	887169	5734638 DE	82935M109	908289	US82935M1099	012248750		
SINOPEC SHANGHAI PETROCHEMICALS LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Singapore (XSES)	ADR	SINOPEC SHANGHAI-SPONS ADR	SHI SP	887169	B3MNGN2	82935M109	908289	US82935M1099	012248750		
SINOPEC SHANGHAI PETROCHEMICALS LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	New York (XNYS)	ADR	SINOPEC SHANGHAI-SPONS ADR	SHI US	887169	2800059 US		908289	US82935M1099	012248750		
SINOPEC YIZHENG CHEMICAL FIBRE CO LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Shanghai (XSHG)	Common Stock	SINOPEC YIZHENG CHEMICAL -A	600871 CG	A0M3V6	6968740			CNE000000H53			
SINOPEC YIZHENG CHEMICAL FIBRE CO LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Shanghai (XSHG)	Common Stock	SINOPEC YIZHENG CHEMICAL -A	600871 CH	A0M3V6	6968740			CNE000000H53			
SINOPEC YIZHENG CHEMICAL FIBRE CO LTD	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Hong Kong (XHKG)	Common Stock	SINOPEC YIZHENG CHEMICAL-H	1033 HK	A0M4Y6	6984669 HK		917709	CNE1000004D8	008060662		
POLY PROPERTY GROUP CO LTD	CHINA POLY GROUP CORPORATION	Hong Kong (XHKG)	Common Stock	POLY PROPERTY GROUP CO LTD	119 HK	885546	6220987 HK			HK0119000674	004580702		
POLY PROPERTY GROUP CO LTD	CHINA POLY GROUP CORPORATION	Frankfurt (XFRA)	Common Stock	POLY PROPERTY GROUP CO LTD	CMJ GB	885546	B1HJJS7 DE			HK0119000674	004580702		
POLY PROPERTY GROUP CO LTD	CHINA POLY GROUP CORPORATION	Frankfurt (XFRA)	Common Stock	POLY PROPERTY GROUP CO LTD	CMJ GF	885546	B1HJJS7 DE			HK0119000674	004580702		
POLY PROPERTY GROUP CO LTD	CHINA POLY GROUP CORPORATION	Frankfurt (XFRA)	Common Stock	POLY PROPERTY GROUP CO LTD	CMJ GR	885546	B1HJJS7 DE			HK0119000674	004580702		
POLY PROPERTY GROUP CO LTD	CHINA POLY GROUP CORPORATION	Frankfurt (XFRA)	Common Stock	POLY PROPERTY GROUP CO LTD	CMJ GS	885546	B1HJJS7 DE			HK0119000674	004580702		
POLY PROPERTY GROUP CO LTD	CHINA POLY GROUP CORPORATION	OTC US (OOTC)	Common Stock	POLY PROPERTY GROUP CO LTD	PHKIF US	885546	B23CST1 US			HK0119000674	004580702	Y7064G105	
POLY PROPERTY GROUP CO LTD	CHINA POLY GROUP CORPORATION	OTC US (OOTC)	Common Stock	POLY PROPERTY GROUP CO LTD	PHKIF UV	885546	B23CST1 US			HK0119000674	004580702	Y7064G105	
DONGFENG MOTOR GROUP COMPANY LIMITED	DONGFENG MOTOR GROUP COMPANY LIMITED	OTC US (OOTC)	Common Stock	DONGFENG MOTOR GRP CO LTD-H	DNFGF PQ	A0M4XY	80XZY65 US			CNE100000312	023857456	Y21042109	
DONGFENG MOTOR GROUP COMPANY LIMITED	DONGFENG MOTOR GROUP COMPANY LIMITED	OTC US (OOTC)	Common Stock	DONGFENG MOTOR GRP CO LTD-H	DNFGF UV	A0M4XY	80XZY65 US			CNE100000312	023857456	Y21042109	
DONGFENG MOTOR GROUP COMPANY LIMITED	DONGFENG MOTOR GROUP COMPANY LIMITED	Hong Kong (XHKG)	Common Stock	DONGFENG MOTOR GRP CO LTD-H	489 HK	A0M4XY	B0PH5N3 HK			CNE100000312	023857456		
DONGFENG MOTOR GROUP COMPANY LIMITED	DONGFENG MOTOR GROUP COMPANY LIMITED	Frankfurt (XFRA)	Common Stock	DONGFENG MOTOR GRP CO LTD-H	D4D GB	A0M4XY	B0TBB66 DE			CNE100000312	023857456		
DONGFENG MOTOR GROUP COMPANY LIMITED	DONGFENG MOTOR GROUP COMPANY LIMITED	Frankfurt (XFRA)	Common Stock	DONGFENG MOTOR GRP CO LTD-H	D4D GF	A0M4XY	B0TBB66 DE			CNE100000312	023857456		
DONGFENG MOTOR GROUP COMPANY LIMITED	DONGFENG MOTOR GROUP COMPANY LIMITED	Frankfurt (XFRA)	Common Stock	DONGFENG MOTOR GRP CO LTD-H	D4D GM	A0M4XY	B0TBB66 DE			CNE100000312	023857456		
DONGFENG MOTOR GROUP COMPANY LIMITED	DONGFENG MOTOR GROUP COMPANY LIMITED	Frankfurt (XFRA)	Common Stock	DONGFENG MOTOR GRP CO LTD-H	D4D GR	A0M4XY	B0TBB66 DE			CNE100000312	023857456		
DONGFENG MOTOR GROUP COMPANY LIMITED	DONGFENG MOTOR GROUP COMPANY LIMITED	Frankfurt (XFRA)	Common Stock	DONGFENG MOTOR GRP CO LTD-H	D4D GS	A0M4XY	B0TBB66 DE			CNE100000312	023857456		
DONGFENG MOTOR GROUP COMPANY LIMITED	DONGFENG MOTOR GROUP COMPANY LIMITED	Frankfurt (XFRA)	Common Stock	DONGFENG MOTOR GRP CO LTD-H	D4D GY	A0M4XY	B0TBB66 DE			CNE100000312	023857456		
DONGFENG MOTOR GROUP COMPANY LIMITED	DONGFENG MOTOR GROUP COMPANY LIMITED	OTC US (OOTC)	Common Stock	DONGFENG MOTOR GRP CO LTD-H	DNFGF US	A0M4XY	80XZY65 US			CNE100000312	023857456	Y21042109	
DONGFENG MOTOR GROUP COMPANY LIMITED	DONGFENG MOTOR GROUP COMPANY LIMITED	OTC US (OOTC)	Common Stock	DONGFENG MOTOR GRP CO LTD-H	DNFGF PQ	B3SQPT4 US	257738203			US2577382037			
DONGFENG MOTOR GROUP COMPANY LIMITED	DONGFENG MOTOR GROUP COMPANY LIMITED	OTC US (OOTC)	ADR	DONGFENG MOTOR GRP-H-UNS	DNFGY US	B3SQPT4 US	257738203			US2577382037			
DONGFENG MOTOR GROUP COMPANY LIMITED	DONGFENG MOTOR GROUP COMPANY LIMITED	OTC US (OOTC)	Common Stock	DONGFENG MOTOR GRP CO LTD-H	DNFGY UV	B3SQPT4 US	257738203			US2577382037			
EGYPT KUWAIT HOLDING CO	EGYPT KUWAIT HOLDING CO	Kuwait (XKUW)	Common Stock	EGYPT KUWAIT HOLDING CO SAE	EKHOLDIN KK	A0H1G7	B0S8H15 KW			EG69082C013			
EGYPT KUWAIT HOLDING CO	EGYPT KUWAIT HOLDING CO	Cairo (XCAI)	Common Stock	EGYPT KUWAIT HOLDING CO SAE	EKHO EC	A0H1G7	B0QMD00 EG			EGS69082C013			
EGYPT KUWAIT HOLDING CO	EGYPT KUWAIT HOLDING CO	Cairo (XCAI)	Common Stock	EGYPT KUWAIT HOLDING CO SAE	EKHO EY	A0H1G7	B0QMD00 EG			EGS69082C013			
EGYPT KUWAIT HOLDING CO	EGYPT KUWAIT HOLDING CO	EGX (XCAI)	Right	EGYPT KUWAIT HOLDING CO-RTS	EKHOR EC	A111ER	BLD35V8 EG			EGS92032C019			
EGYPT KUWAIT HOLDING CO	EGYPT KUWAIT HOLDING CO	EGX (XCAI)	Right	EGYPT KUWAIT HOLDING CO-RTS	EKHOR EY	A111ER	BLD35V8 EG			EGS92032C019			

Company	Primary Company (Affiliate/Parent)	Exchange	Security Type	Security Name	Ticker	WPK Number	SEDOL	QUSIP	Sicovam	SIN	COMMON	CINS	Fondscode
ENERGY HOUSE HOLDING CO KSCC/THE	ENERGY HOLDING CO KSCC/THE	Kuwait (XKUW)	Common Stock	ENERGY HOLDING CO KSCC/THE	ENERGYH KK	A0KD4C	B13B909 KW						
GAZ AUTO PLANT	GAZ GROUP	MICEX Main (MISX)	Common Stock	GAZ-CLS	GAZA RM	903426	B5BKBJ9 RU	950570		RU0000303429	034991693		
GAZ AUTO PLANT	GAZ GROUP	MICEX Main (MISX)	Common Stock	GAZ-CLS	GAZA RM	903426	B5BKBJ9 RU	950579		RU0000303428	034991693		
GAZ AUTO PLANT	GAZ GROUP	MICEX Main (MISX)	Preference	GAZ-CLS-PFD	GAZAP RM	910283	B5BK299 RU			RU0000102834			
GAZ AUTO PLANT	GAZ GROUP	MICEX Main (MISX)	Preference	GAZ-CLS-PFD	GAZAP RX	910283	B5BK299 RU			RU0000102834			
PAVLOVSKY BUS PLANT	GAZ GROUP	MICEX Main (MISX)	Common Stock	PAVLOVSKY BUS-CLS	PAZA RM	908324	B57MPG4 RU			RU0000908324			
PAVLOVSKY BUS PLANT	GAZ GROUP	MICEX Main (MISX)	Common Stock	PAVLOVSKY BUS-CLS	PAZA RX	908324	B57MPG4 RU			RU0000908324			
CHEMOIL ENERGY LIMITED	GLENCORE PLC	Berlin (XBER)	Common Stock	CHEMOIL ENERGY LTD	LHT GB	A0LBTC	B1L6R79 DE			HK0000035813	02711866		
CHEMOIL ENERGY LIMITED	GLENCORE PLC	Berlin (XBER)	Common Stock	CHEMOIL ENERGY LTD	LHT GF	A0LBTC	B1L6R79 DE			HK0000035813	02711866		
CHEMOIL ENERGY LIMITED	GLENCORE PLC	Berlin (XBER)	Common Stock	CHEMOIL ENERGY LTD	LHT GR	A0LBTC	B1L6R79 DE			HK0000035813	02711866		
CHEMOIL ENERGY LIMITED	GLENCORE PLC	Berlin (XBER)	Common Stock	CHEMOIL ENERGY LTD	LHT GT	A0LBTC	B1L6R79 DE			HK0000035813	02711866		
GLENCORE PLC	GLENCORE PLC	Hong Kong (XHKG)	Common Stock	GLENCORE PLC	805 HK	A1JAGV	B3NFY58 HK			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	OTC US (OOTC)	Common Stock	GLENCORE PLC	GLCNF PQ	A1JAGV	B4MSCG9 US			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	OTC US (OOTC)	Common Stock	GLENCORE PLC	GLCNF US	A1JAGV	B4MSCG9 US			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	OTC US (OOTC)	Common Stock	GLENCORE PLC	GLCNF UV	A1JAGV	B4MSCG9 US			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	BATS Europe (BATE)	Common Stock	GLENCORE PLC	GLCNF EB	A1JAGV	B4T3BW6 GB			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	Chi-X Europe (CHIX)	Common Stock	GLENCORE PLC	GLCNF VV	A1JAGV	B4T3BW6 GB			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	London Int'l (XLON)	Common Stock	GLENCORE PLC	GLCNF LN	A1JAGV	B4T3BW6 GB			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	Aquis Exch (AQXE)	Common Stock	GLENCORE PLC	GLCNF QX	A1JAGV	B4T3BW6 GB			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	Turquoise (TRQX)	Common Stock	GLENCORE PLC	GLCNF TO	A1JAGV	B4T3BW6 GB			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	Frankfurt (XTRA)	Common Stock	GLENCORE PLC	8GC GB	A1JAGV	B55NST3 DE			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	Frankfurt (XTRA)	Common Stock	GLENCORE PLC	8GC GF	A1JAGV	B55NST3 DE			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	Frankfurt (XTRA)	Common Stock	GLENCORE PLC	8GC GH	A1JAGV	B55NST3 DE			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	Frankfurt (XTRA)	Common Stock	GLENCORE PLC	8GC GM	A1JAGV	B55NST3 DE			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	Frankfurt (XTRA)	Common Stock	GLENCORE PLC	8GC GR	A1JAGV	B55NST3 DE			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	Frankfurt (XTRA)	Common Stock	GLENCORE PLC	8GC GS	A1JAGV	B55NST3 DE			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	Common Stock	Common Stock	GLENCORE PLC	8GC GV	A1JAGV	B55NST3 DE			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	Mexico (XMEX)	Common Stock	GLENCORE PLC	GLENN MM	A1JAGV	B7NQY6 MX			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	Johannesburg (XJSE)	Common Stock	GLENCORE PLC	GLN SJ	A1JAGV	B6MVA8 ZA			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	Tradedate (XGAT)	Common Stock	GLENCORE PLC	8GC TH	A1JAGV	B6MVA8 ZA			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	Equiduct (XEQT)	Common Stock	GLENCORE PLC	GLN BQ	A1JAGV	B6MVA8 ZA			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	Euro Comp (XLON)	Common Stock	GLENCORE PLC	GLN EU	A1JAGV	B6MVA8 ZA			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	Euro OTC (XLON)	Common Stock	GLENCORE PLC	GLN XB	A1JAGV	B6MVA8 ZA			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	Euro OTC (XLON)	Common Stock	GLENCORE PLC	GLN XV	A1JAGV	B6MVA8 ZA			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	Euro Comp (XLON)	Common Stock	GLENCORE PLC	GLENEUR EU	A1JAGV	B6MVA8 ZA			JE008433B4	063082236		
GLENCORE PLC	GLENCORE PLC	OTC US (OOTC)	ADR	GLENCORE PLC -UNSP ADR	GLNCP PQ	A1WY82	B99L415 US	37827X100		US37827X1000			
GLENCORE PLC	GLENCORE PLC	OTC US (OOTC)	ADR	GLENCORE PLC -UNSP ADR	GLNCP US	A1WY82	B99L415 US	37827X100		US37827X1000			
GLENCORE PLC	GLENCORE PLC	ADR	ADR	GLENCORE PLC -UNSP ADR	GLNCP UV	A1WY82	B99L415 US	37827X100		US37827X1000			
GLENCORE PLC	GLENCORE PLC	Frankfurt (XTRA)	ADR	GLENCORE PLC -UNSP ADR	8GCA GF	A1WY82	B99L415 US	37827X100		US37827X1000			
GLENCORE PLC	GLENCORE PLC	Frankfurt (XTRA)	ADR	GLENCORE PLC -UNSP ADR	8GCA GR	A1WY82	B99L415 US	37827X100		US37827X1000			
GLENCORE PLC	GLENCORE PLC	Frankfurt (XTRA)	ADR	GLENCORE PLC -UNSP ADR	8GCA GS	A1WY82	B99L415 US	37827X100		US37827X1000			
HARBIN ELECTRIC CO LTD	HARBIN ELECTRIC CO LTD	Hong Kong (XHKG)	Common Stock	HARBIN ELECTRIC CO LTD-H	1133 HK	A0M4X8	6422761 HK	930709		CNE1000003C0	011043780		
HARBIN ELECTRIC CO LTD	HARBIN ELECTRIC CO LTD	Frankfurt (XTRA)	Common Stock	HARBIN ELECTRIC CO LTD-H	HP6B GB	A0M4X8	B1HJDX0 DE	930709		CNE1000003C0	011043780		
HARBIN ELECTRIC CO LTD	HARBIN ELECTRIC CO LTD	Frankfurt (XTRA)	Common Stock	HARBIN ELECTRIC CO LTD-H	HP6B GF	A0M4X8	B1HJDX0 DE	930709		CNE1000003C0	011043780		
HARBIN ELECTRIC CO LTD	HARBIN ELECTRIC CO LTD	Frankfurt (XTRA)	Common Stock	HARBIN ELECTRIC CO LTD-H	HP6B GR	A0M4X8	B1HJDX0 DE	930709		CNE1000003C0	011043780		
HARBIN ELECTRIC CO LTD	HARBIN ELECTRIC CO LTD	OTC US (OOTC)	Common Stock	HARBIN ELECTRIC CO LTD-H	HP6B US	A0M4X8	B3BHK00 US	930709		CNE1000003C0	011043780	Y30683109	
HARBIN ELECTRIC CO LTD	HARBIN ELECTRIC CO LTD	OTC US (OOTC)	Common Stock	HARBIN ELECTRIC CO LTD-H	HP6B LV	A0M4X8	B3BHK00 US	930709		CNE1000003C0	011043780	Y30683109	
CHENNAI PETROLEUM CORPORATION LIMITED	INDIAN OIL CORP LTD aka IOCL	Mumbai (XBOM)	Common Stock	CHENNAI PETROLEUM CORP LTD	MRL IB	A0B968	6121563 IN			INE178A01016			
CHENNAI PETROLEUM CORPORATION LIMITED	INDIAN OIL CORP LTD aka IOCL	Mumbai (XBOM)	Common Stock	CHENNAI PETROLEUM CORP LTD	MRL IN	A0B968	6121563 IN			INE178A01016			
CHENNAI PETROLEUM CORPORATION LIMITED	INDIAN OIL CORP LTD aka IOCL	Mumbai (XBOM)	Common Stock	CHENNAI PETROLEUM CORP LTD	MRL IS	A0B968	6121563 IN			INE178A01016			
INDIAN OIL CORP LTD	INDIAN OIL CORP LTD aka IOCL	Natl India (XNSE)	Common Stock	INDIAN OIL CORPORATION LTD	IOCL IB	A0B9FM	6253767 IN			INE242A01010			
INDIAN OIL CORP LTD	INDIAN OIL CORP LTD aka IOCL	Natl India (XNSE)	Common Stock	INDIAN OIL CORPORATION LTD	IOCL IN	A0B9FM	6253767 IN			INE242A01010			
INDIAN OIL CORP LTD	INDIAN OIL CORP LTD aka IOCL	Natl India (XNSE)	Common Stock	INDIAN OIL CORPORATION LTD	IOCL IS	A0B9FM	6253767 IN			INE242A01010			
INDIAN OIL CORP LTD	INDIAN OIL CORP LTD aka IOCL	Natl India (XNSE)	Common Stock	INDIAN OIL CORPORATION LTD	IOCL IN					N.A.			
INDIAN OIL CORP LTD	INDIAN OIL CORP LTD aka IOCL	Natl India (XNSE)	Common Stock	INDIAN OIL CORPORATION LTD	IOCL IS					N.A.			
INDIAN OIL CORP LTD	INDIAN OIL CORP LTD aka IOCL	Colombo (XCOL)	Common Stock	LANKA IOC PLC	LIOC SL	A0D83L	B0591G4 LK			LK0345N00005			
JIANGXI HONGDU AVIATION INDUSTRY CO LTD	JIANGXI HONGDU AVIATION INDUSTRY CO LTD	Shanghai (XSHG)	Common Stock	JIANGXI HONGDU AVIATION-A	800316 CG	A0MAEK	6304375 CN			CNE0000015N3			
JIANGXI HONGDU AVIATION INDUSTRY CO LTD	JIANGXI HONGDU AVIATION INDUSTRY CO LTD	Shanghai (XSHG)	Common Stock	JIANGXI HONGDU AVIATION-A	800316 CH	A0MAEK	6304375 CN			CNE0000015N3			
JX HOLDINGS INC	JX HOLDINGS INC	Frankfurt (XTRA)	Common Stock	JX HOLDINGS INC	JHU GF	A1CS9H	B55WTCO DE			JP3386450005	049326777		
JX HOLDINGS INC	JX HOLDINGS INC	Frankfurt (XTRA)	Common Stock	JX HOLDINGS INC	JHU GR	A1CS9H	B55WTCO DE			JP3386450005	049326777		
JX HOLDINGS INC	JX HOLDINGS INC	Frankfurt (XTRA)	Common Stock	JX HOLDINGS INC	JHU GM	A1CS9H	B55WTCO DE			JP3386450005	049326777		
JX HOLDINGS INC	JX HOLDINGS INC	Frankfurt (XTRA)	Common Stock	JX HOLDINGS INC	JHU GS	A1CS9H	B55WTCO DE			JP3386450005	049326777		
JX HOLDINGS INC	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	JX HOLDINGS INC	5020 JE	A1CS9H	B627LW9 JP			JP3386450005	049326777		
JX HOLDINGS INC	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	JX HOLDINGS INC	5020 JI	A1CS9H	B627LW9 JP			JP3386450005	049326777		
JX HOLDINGS INC	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	JX HOLDINGS INC	5020 JJ	A1CS9H	B627LW9 JP			JP3386450005	049326777		
JX HOLDINGS INC	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	JX HOLDINGS INC	5020 JK	A1CS9H	B627LW9 JP			JP3386450005	049326777		
JX HOLDINGS INC	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	JX HOLDINGS INC	5020 JL	A1CS9H	B627LW9 JP			JP3386450005	049326777		
JX HOLDINGS INC	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	JX HOLDINGS INC	5020 JM	A1CS9H	B627LW9 JP			JP3386450005	049326777		
JX HOLDINGS INC	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	JX HOLDINGS INC	5020 JN	A1CS9H	B627LW9 JP			JP3386450005	049326777		
JX HOLDINGS INC	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	JX HOLDINGS INC	5020 JO	A1CS9H	B627LW9 JP			JP3386450005	049326777		
JX HOLDINGS INC	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	JX HOLDINGS INC	5020 JP	A1CS9H	B627LW9 JP			JP3386450005	049326777		
JX HOLDINGS INC	JX HOLDINGS INC	OTC US (OOTC)	ADR	JX HOLDINGS INC - UNSPON ADR	JXHLV PQ	A1CVU3	B58ATZ8 US	466295102		US4662951023			
JX HOLDINGS INC	JX HOLDINGS INC	OTC US (OOTC)	ADR	JX HOLDINGS INC - UNSPON ADR	JXHLV US	A1CVU3	B58ATZ8 US	466295102	968503	US4662951023			
JX HOLDINGS INC	JX HOLDINGS INC	OTC US (OOTC)	ADR	JX HOLDINGS INC - UNSPON ADR	JXHLV UV	A1CVU3	B58ATZ8 US	466295102		US4662951023			
NIPPO CORP	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	NIPPO CORP	1881 JE	857846	6640789 JP	968503		JP3750200002	001227858		
NIPPO CORP	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	NIPPO CORP	1881 JI	857846	6640789 JP	968503		JP3750200002	001227858		
NIPPO CORP	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	NIPPO CORP	1881 JJ	857846	6640789 JP	968503		JP3750200002	001227858		
NIPPO CORP	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	NIPPO CORP	1881 JK	857846	6640789 JP	968503		JP3750200002	001227858		
NIPPO CORP	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	NIPPO CORP	1881 JL	857846	6640789 JP	968503		JP3750200002	001227858		
NIPPO CORP	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	NIPPO CORP	1881 JM	857846	6640789 JP	968503		JP3750200002	001227858		
NIPPO CORP	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	NIPPO CORP	1881 JN	857846	6640789 JP	968503		JP3750200002	001227858		
NIPPO CORP	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	NIPPO CORP	1881 JO	857846	6640789 JP	968503		JP3750200002	001227858		
TOHO TITANIUM CO	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	TOHO TITANIUM CO LTD	5727 JI	857914	6894627			JP3601800000	006339204		
TOHO TITANIUM CO	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	TOHO TITANIUM CO LTD	5727 JJ	857914	6894627			JP3601800000	006339204		
TOHO TITANIUM CO	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	TOHO TITANIUM CO LTD	5727 JK	857914	6894627			JP3601800000	006339204		
TOHO TITANIUM CO	JX HOLDINGS INC	Tokyo											

Company	Primary Company (Affiliate/Parent)	Exchange	Security Type	Security Name	Ticker	WPK Number	BEDOL	CUSIP	Sicovam	ISIN	COMMON	CINS	Fondscore
RELiance INDUSTRIES LTD	RELiance INDUSTRIES LTD	Natl India (XNSE)	Common Stock	RELiance INDUSTRIES LTD	RIL IG	046078	6099628 IN		064067	INE002A01018			
RELiance INDUSTRIES LTD	RELiance INDUSTRIES LTD	Natl India (XNSE)	Common Stock	RELiance INDUSTRIES LTD	RIL IN	046078	6099628 IN		064067	INE002A01018			
RELiance INDUSTRIES LTD	RELiance INDUSTRIES LTD	Natl India (XNSE)	Common Stock	RELiance INDUSTRIES LTD	RIL IS	046078	6099628 IN		064067	INE002A01018			
RELiance INDUSTRIES LTD	RELiance INDUSTRIES LTD	Luxembourg (XLUX)	GDR	RELiance INDUSTRIES LTD	RIGDS LX	884241	4731148 LU	759470107	064066	US7594701077		010146160	
RELiance INDUSTRIES LTD	RELiance INDUSTRIES LTD	Frankfurt (XFRA)	GDR	RELiance INDUSTRIES LTD	RLI GB	884241	5732568 DE	759470107	064066	US7594701077		010146160	
RELiance INDUSTRIES LTD	RELiance INDUSTRIES LTD	Frankfurt (XFRA)	GDR	RELiance INDUSTRIES LTD	RLI GD	884241	5732568 DE	759470107	064066	US7594701077		010146160	
RELiance INDUSTRIES LTD	RELiance INDUSTRIES LTD	Frankfurt (XFRA)	GDR	RELiance INDUSTRIES LTD	RLI GF	884241	5732568 DE	759470107	064066	US7594701077		010146160	
RELiance INDUSTRIES LTD	RELiance INDUSTRIES LTD	Frankfurt (XFRA)	GDR	RELiance INDUSTRIES LTD	RLI GR	884241	5732568 DE	759470107	064066	US7594701077		010146160	
RELiance INDUSTRIES LTD	RELiance INDUSTRIES LTD	Frankfurt (XFRA)	GDR	RELiance INDUSTRIES LTD	RLI GS	884241	5732568 DE	759470107	064066	US7594701077		010146160	
RELiance INDUSTRIES LTD	RELiance INDUSTRIES LTD	Frankfurt (XFRA)	GDR	RELiance INDUSTRIES LTD	RLI GY	884241	5732568 DE	759470107	064066	US7594701077		010146160	
RELiance INDUSTRIES LTD	RELiance INDUSTRIES LTD	Frankfurt (XFRA)	GDR	RELiance INDUSTRIES LTD	RIGD EB	884241	B16CYP9 GB	759470107	064066	US7594701077		010146160	
RELiance INDUSTRIES LTD	RELiance INDUSTRIES LTD	BATS Europe (BATE)	GDR	RELiance INDUSTRIES LTD	RIGD IX	884241	B16CYP9 GB	759470107	064066	US7594701077		010146160	
RELiance INDUSTRIES LTD	RELiance INDUSTRIES LTD	Chi-X Europe (CHIX)	GDR	RELiance INDUSTRIES LTD	RIGD LI	884241	B16CYP9 GB	759470107	064066	US7594701077		010146160	
RELiance INDUSTRIES LTD	RELiance INDUSTRIES LTD	London Intl (XLON)	GDR	RELiance INDUSTRIES LTD	RIGD LI	884241	B16CYP9 GB	759470107	064066	US7594701077		010146160	
RELiance INDUSTRIES LTD	RELiance INDUSTRIES LTD	Turquoise (TRQX)	GDR	RELiance INDUSTRIES LTD	RIGD TQ	884241	B16CYP9 GB	759470107	064066	US7594701077		010146160	
RELiance INDUSTRIES LTD	RELiance INDUSTRIES LTD	Euro Comp (XLON)	Receipt	RELiance INDS-SPONS GDR 144A	RIGD EU	884241		759470107	064066	US7594701077		010146160	
RELiance INDUSTRIES LTD	RELiance INDUSTRIES LTD	Euro OTG (XLON)	GDR	RELiance INDS-SPONS GDR 144A	RIGDUSD XV	884241		759470107	064066	US7594701077		010146160	
SCOMI ENERGY SERVICES BHD	SCOMI GROUP BERHAD	Bursa Malays (XKLS)	Common Stock	SCOMI ENERGY SERVICES BHD	SES MK	215406	6081593			MYL704500007			
SCOMI ENGINEERING BERHAD	SCOMI GROUP BERHAD	Bursa Malaysia (XKLS)	Common Stock	SCOMI ENGINEERING BHD	SEB MK	903056	6088452 MY			MYL736600007			
SCOMI GROUP BERHAD	SCOMI GROUP BERHAD	Bursa Malaysia (XKLS)	Common Stock	SCOMI GROUP BHD	SOB MK	120745	600PKJ3 MY			MYL715800008		024633128	
STATESMAN RESOURCES LIMITED	STATESMAN RESOURCES LIMITED	Venture (XTSX)	Common Stock	STATESMAN RESOURCES LTD	SRR DS	A1J2NC	B80L116	857652200		CA8576522004		025302885	
STATESMAN RESOURCES LIMITED	STATESMAN RESOURCES LIMITED	Venture (XTSX)	Common Stock	STATESMAN RESOURCES LTD	SRR CN	A1J2NC	B80L116 CA	857652200		CA8576522004		025302885	
STATESMAN RESOURCES LIMITED	STATESMAN RESOURCES LIMITED	Venture (XTSX)	Common Stock	STATESMAN RESOURCES LTD	SRR CV	A1J2NC	B80L116 CA	857652200		CA8576522004		025302885	
STATESMAN RESOURCES LIMITED	STATESMAN RESOURCES LIMITED	Venture (XTSX)	Common Stock	STATESMAN RESOURCES LTD	SRR TG	A1J2NC	B80L116 CA	857652200		CA8576522004		025302885	
STATESMAN RESOURCES LIMITED	STATESMAN RESOURCES LIMITED	Venture (XTSX)	Common Stock	STATESMAN RESOURCES LTD	SRR TN	A1J2NC	B80L116 CA	857652200		CA8576522004		025302885	

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ATTACHMENT D

IRIS Conflict Risk Network (CRN) List of "Scrutinized" Companies in Sudan List Effective Through August 31, 2014

Company Name	Country of Origin
Alstom	France
Alstom India Ltd	India
Areva T&D India Ltd.	India
Andritz AG	Austria
Bharat Electronics Limited	India
Bharat Heavy Electricals Limited	India
Caterpillar Inc.	US
China Gezhouba Group Company Ltd.	China
China Hydraulic and Hydroelectric Construction Group AKA Sinohydro	China
Sichuan Power Development Co., Ltd.	China
Sinohydro Engineering Bureau 8 Co. Ltd	China
Sinohydro Bureau 7 Co., Ltd.	China
Sinohydro Group Ltd.	China
China Machinery Engineering Corporation	China
China National Petroleum Corporation AKA CNPC	China
Daqing Huake Group Co., Ltd.	China
Jinan Diesel Co., Ltd.	China
Kunlun Energy Co., Ltd.	Hong Kong
PetroChina Co., Ltd.	China
China North Industries Group Corporation AKA CNGC/NORINCO	China
AKM Industrial Co., Ltd.	Hong Kong
Liaoning Huajin Tongda Chemicals	China
NORINCO International Cooperation Ltd.	China
North Navigation Control Technology Co., Ltd	China
Sichuan Nitrocell Co., Ltd	China
China Petrochemical Corporation AKA Sinopec Group	China
China Petroleum and Chemical Corporation AKA Sinopec Corp	China
Kingdream PLC	China
Sinopec Engineering Group Co. Ltd.	China
Sinopec Kanton Holdings Ltd.	Hong Kong
Sinopec Shanghai Petrochemicals Ltd.	China
Sinopec Yizheng Chemical Fibre Co., Ltd.	China
China Poly Group Corporation	China
Poly Property Group Co. Ltd.	China
Dongfeng Motor Group Co. Ltd.	China
Egypt Kuwait Holding Company	Egypt
Energy House Holding Company KSCC (previously known as AREF Energy Holding Company)	Kuwait
GAZ Group	Russia
GAZ Auto Plant	Russia
Pavlovsky Bus Plant	Russia
Glencore PLC	Switzerland
Chemoil Energy Ltd	Singapore
Viterra Inc.	Canada
Harbin Electric Company Ltd.	China
Indian Oil Corporation Ltd. AKA IOCL	India
Chennai Petroleum Corporation Limited AKA CPCL	India
Lanka IOC Ltd	India
Jiangxi Hongdu Aviation AKA Hongdu Aviation	China
JX Holdings	Japan
Nippo Corporation	Japan
Eneos Globe Company	Japan
Toho Titanium Co.	Japan
LS Industrial Systems	South Korea
MAN SE	Germany
Renk AG	Germany
Managem	Morocco
ONA S.A.	Morocco
Societe Metallurgique D'imiter	Morocco
Oil and Natural Gas Corporation Limited, AKA ONGC	India
ONGC Videsh Limited AKA OVL	India
Mangalore Refinery and Petrochemicals Ltd. AKA MRPL	India
Oil India Ltd.	India
Orca Gold Inc. (previously known as Shark Minerals)	Canada
Petroliam Nasional Berhad AKA Petronas	Malaysia
Engen	Malaysia
KLCC Property Holdings Bhd	Malaysia
Malaysia International Shipping Company AKA MISC Berhad	Malaysia
Malaysia Marine and Heavy Engineering Holdings Bhd	Malaysia
Petronas Chemicals Group Berhad	Malaysia
Petronas Dagangan Bhd	Malaysia
Petronas Gas Bhd	Malaysia
PT Pertamina Persero	Indonesia
Ranhill Berhad	Malaysia
Reliance Industries Ltd.	India
Scomi Group Berhad	Malaysia
Scomi Energy Services Bhd	Malaysia
Scomi Engineering Berhad	Malaysia
Statesman Resources Limited	Canada
Trafigura Beheer	Netherlands

Note: List contains parent companies and subsidiaries publicly traded
AKA means "also known as"

EIRIS Conflict Risk Network (CRN) List of Companies in Sudan for "Substantial Action"
List Effective Through August 31, 2014

<u>Company Name</u>	<u>Country of Origin</u>
Atlas Copco	Sweden
Schlumberger LTD	Netherlands
Wartsila OYJ	Finland

EIRIS Conflict Risk Network (CRN) List of Companies in Sudan with "No Publicly Traded Equity"
or "Not Relevant under the CRN Targeted Divestment Model"
List Effective Through August 31, 2014

<u>Company Name</u>	<u>Country of Origin</u>
Abdel Hadi Abdullah Al-Qahtani & Sons Group of Companies	Saudi Arabia
Africa Energy	Nigeria
Ansan Wikfs Investments Ltd.	Yemen
APS Engineering Company S.p.A.	Italy
Arcadia Petroleum	UK
Ascom Group SA	Moldova
China International Water & Electric Corp AKA CWE	China
Citadel Capital	Egypt
Daedong Industrial Machinery Co., Ltd	South Korea
Dindir Petroleum International/Edgo Group	Jordan
Emirates Telecommunication Corporation	UAE
European Marmot Co. Group	Switzerland
Express Petroleum and Gas Company	Nigeria
FMC Technologies Inc.	US
GIAD Automotive Industry Co.	Sudan
Hemia II AS	Norway
Hi-Tech Petroleum Group Co., Ltd.	Sudan
HTC Yemen International Ltd.	Yemen
IGS (International Geoscience Services) Ltd.	United Kingdom
Kamaz OJSC	Russia
Kuwait Foreign Petroleum Exploration Company AKA KUFPEC	Kuwait
La Mancha Resources	Canada
Lahmeyer International	Germany
Mott MacDonald	UK
MTN Group	South Africa
Petrolin Group	Gabon
Petronneeds Service International Company	Sudan
PetroTrans Company Ltd.	Hong Kong
Quest Qualitas FZCO	United Arab Emirates
Saras S.p.A.	Italy
Shandong Electric Power Construction Corporation	China
Shanghai Electric Group Co. Ltd	China
SMEC Holdings Limited AKA Snowy Mountain Engineering Corporation	Australia
Soma Group	Turkey
Star Petroleum S.A.	Spain
STR Projetos e Participacoes	Brazil
Sudan Petroleum Corporation AKA Sudapet	Sudan
Sudatel Telecom Group Limited	Sudan
Tamoil	Libya
Toro Gold Ltd.	UK
UAE for Gold Minerals and Investment Company Ltd.	United Arab Emirates
Vitol Group	Switzerland
Zain Group	Kuwait

Source: EIRIS Conflict Risk Network: EIRIS CRN is a project of the merger November 10, 2010 of Save Darfur Coalition and Genocide Intervention Network

ATTACHMENT E

Letter to SBI International Equity and Domestic Equity Managers

June 25, 2014

Regarding: Iran Companies

Dear Manager:

The Minnesota State Board of Investment (SBI) sent you prior communication concerning holdings in companies doing business in Iran. **This new communication applies to all SBI equity portfolios managed by your organization and replaces all prior communications. This communication also applies to all depository receipts or ADR's of any of the listed companies.**

Minnesota Statutes, section 11A.244, requires the Minnesota State Board of Investment (SBI) to implement an Iran restriction.

Attachment 1 is the List of Restricted Iran Companies. **These securities may not be purchased for the SBI portfolio that your organization manages.** If you own securities of companies on the Restricted List **and** the companies are **not** on the divestment list, then you do not need to sell your holdings. Please note that the attached List makes changes to the List of Restricted Iran Companies that was attached to the March 17, 2014 letter you received. **This new list is effective June 27, 2014.**

The following company has been **added** to the restricted list:

- **Harbin Electric Company Ltd.** **China**

The following companies have been **removed** from the restricted list:

- **Gazprom OAO** **Russia**
- **GS Engineering & Construction Corp** **South Korea**
- **GS Holdings** **South Korea**
- **Ina-Industrija Nafte DD** **Croatia**
- **Punj Lloyd Ltd.** **India**

Attachment 2 is the List of Iran Companies Requiring Divestment. The following company has been **removed** from the divestment list:

- **Gazprom OAO** **Russia**

If you own securities of companies on the List of Iran Companies Requiring Divestment in the SBI portfolio that your organization manages, then you must divest those holdings according to the schedule provided in the Attachment:

- At least 50 percent of a company's holdings must be sold by the date indicated, and
- At least 100 percent of a company's holdings must be sold by the date indicated.

Attachment 3 is a list of security identifiers for the companies on the List of Restricted Iran Companies (**Attachment 1**) that your organization may use. The SBI does not represent that this is a complete list of identifiers. The manager is responsible for identifying all listings.

If you have any questions about this matter, please contact Aaron Griga or Tammy Brusehaver, Domestic Equity; Stephanie Gleeson, International Equity or me.

Sincerely,

LeaAnn M. Stagg
Chief Operating Officer

Enclosures

cc: Michael J. Menssen, Public Markets
Tammy Brusehaver, Domestic Equity
Aaron Griga, Domestic Equity
Stephanie Gleeson, International Equity
Patricia Ammann, Public Programs

ATTACHMENT 1
RESTRICTED IRAN COMPANIES
SECURITIES OF COMPANIES MAY NOT BE PURCHASED FOR PORTFOLIO

COMPANY NAME	COUNTRY
Bharat Petroleum Corporation Ltd.	India
China Petroleum & Chemical Corp	China
Daelim Industrial	South Korea
Gail (India) Ltd.	India
Gubre Fabrikalari T.A.S.	Turkey
Harbin Electric Company Ltd.	China
Indian Oil Corporation Ltd.	India
L G International	South Korea
Liquefied Natural Gas Ltd	Australia
Marie Tecnimont S.p.A.	Italy
Mitsui & Co. Ltd	Japan
Nagarjuna Fertilizers & Chemicals Ltd.	India
Oil & Natural Gas Corporation Ltd.	India
PetroChina Co. Ltd.	China
Toyota Tsusho Corporation	Japan

Effective Date: June 27, 2014

ATTACHMENT 2

LIST OF IRAN COMPANIES REQUIRING DIVESTMENT

Company Name	Country of Origin	Divest 50 Percent By this Date	Divest 100 Percent By this Date
Mitsui & Company, Ltd.	Japan	September 30, 2012	March 31, 2013
Toyota Tsusho	Japan	September 30, 2012	March 31, 2013

Effective Date: June 27, 2014

ATTACHMENT 3
IRAN RESTRICTED COMPANIES
Security Identifiers

COMPANY_NAME	SEDOL	ISIN	SYMBOL	CUSIP	CUSIP_2	COUNTRY
Bharat Petroleum Corporation Ltd.	6099723	INE029A01011	500547			India
China Petroleum & Chemical Corp	2639189	US16941R1086	386	16941R108		China
China Petroleum & Chemical Corp	B4QSP22	US16941R1086	386	16941R108		China
China Petroleum & Chemical Corp	2654375	US16941R1086	386	16941R108		China
China Petroleum & Chemical Corp	B0RSW00	US16941R1086	386	16941R108		China
China Petroleum & Chemical Corp	B01XKR4	CNE1000002Q2	386	16941R108		China
China Petroleum & Chemical Corp	7027756	CNE1000002Q2	386	16941R108		China
China Petroleum & Chemical Corp	6291819	CNE1000002Q2	386	16941R108		China
China Petroleum & Chemical Corp	6373728	CNE0000018G1	386	16941R108		China
China Petroleum & Chemical Corp	B1C5SX8	ARDEUT114071	386	16941R108		China
Daelim Industrial	6246604	KR7000211003	A000210			South Korea
Daelim Industrial	B1T52M8	KR7000211003	A000210			South Korea
Daelim Industrial	6249584	KR7000210005	A000210			South Korea
Gail (India) Ltd.	B1HJOL7	US36268T2069	532155	36268T206	36268T107	India
Gail (India) Ltd.	3235520	US36268T2069	532155	36268T206	36268T107	India
Gail (India) Ltd.	B2NTDN1	US36268T2069	532155	36268T206	36268T107	India
Gail (India) Ltd.	B033102	US36268T2069	532155	36268T206	36268T107	India
Gail (India) Ltd.	2498517	US36268T1079	532155	36268T206	36268T107	India
Gail (India) Ltd.	3235490	US36268T1079	532155	36268T206	36268T107	India
Gail (India) Ltd.	6133405	INE129A01019	532155	36268T206	36268T107	India
Gubre Fabrikalari T.A.S.	B03MTC7	TRAGUBRF91E2	GUBRF			Turkey
Gubre Fabrikalari T.A.S.	B188YV1	TRAGUBRF91E2	GUBRF			Turkey
Harbin Electric Company Ltd.	2407665	US4114591005	1133			China
Harbin Electric Company Ltd.	B3BHKK0	CNE1000003C0	1133			China
Harbin Electric Company Ltd.	B1HJDX0	CNE1000003C0	1133			China
Harbin Electric Company Ltd.	6422761	CNE1000003C0	1133			China
Indian Oil Corporation Ltd.	6253767	INE242A01010	530965			India
L G International	B02PV43	KR7001120005	A001120			Korea South
L G International	6537115	KR7001120005	A001120			Korea South
Liquefied Natural Gas Ltd	B05KKL5	AU000000LNG0	LNG			Australia
Liquefied Natural Gas Ltd	B2RHN19	AU000000LNG0	LNG			Australia
Liquefied Natural Gas Ltd	B02L5H2	AU000000LNG0	LNG			Australia

ATTACHMENT 3
IRAN RESTRICTED COMPANIES
Security Identifiers

COMPANY_NAME	SEDOL	ISIN	SYMBOL	CUSIP	CUSIP_2	COUNTRY
Maire Tecnimont S.p.A.	B68TGK2	US56064T1016	MT	56064T101		Italy
Maire Tecnimont S.p.A.	B2N7CX8	IT0004931058	MT	56064T101		Italy
Maire Tecnimont S.p.A.	BBHGQ65	IT0004931058	MT	56064T101		Italy
Maire Tecnimont S.p.A.	B4XXV22	IT0004931058	MT	56064T101		Italy
Maire Tecnimont S.p.A.	BBGTNT7	IT0004931058	MT	56064T101		Italy
Mitsui & Co. Ltd	4597058	XS0029348686	8031	606827202		Japan
Mitsui & Co. Ltd	2597061	US6068272029	8031	606827202		Japan
Mitsui & Co. Ltd	B1HHX89	US6068272029	8031	606827202		Japan
Mitsui & Co. Ltd	B0ZGPX0	JP3893600001	8031	606827202		Japan
Mitsui & Co. Ltd	B03KWZ5	JP3893600001	8031	606827202		Japan
Mitsui & Co. Ltd	5736463	JP3893600001	8031	606827202		Japan
Mitsui & Co. Ltd	4594071	JP3893600001	8031	606827202		Japan
Mitsui & Co. Ltd	6597302	JP3893600001	8031	606827202		Japan
Nagarjuna Fertilizers & Chemicals Ltd.	6628644	INE580A01013	500075			India
Oil & Natural Gas Corporation Ltd.	6139362	INE213A01011	500312			India
PetroChina Co. Ltd.	B569834	US71646E1001	857	71646E100		China
PetroChina Co. Ltd.	B3KTK63	US71646E1001	857	71646E100		China
PetroChina Co. Ltd.	2568841	US71646E1001	857	71646E100		China
PetroChina Co. Ltd.	4633327	US71646E1001	857	71646E100		China
PetroChina Co. Ltd.	B28SLD9	CNE1000007Q1	857	71646E100		China
PetroChina Co. Ltd.	B17H0R7	CNE1000003W8	857	71646E100		China
PetroChina Co. Ltd.	5939507	CNE1000003W8	857	71646E100		China
PetroChina Co. Ltd.	B01DNL9	CNE1000003W8	857	71646E100		China
PetroChina Co. Ltd.	6226576	CNE1000003W8	857	71646E100		China
PetroChina Co. Ltd.	B1C5SR2	ARDEUT113958	857	71646E100		China
Toyota Tsusho Corporation	B3DTSN3	US89240C1062	8015			Japan
Toyota Tsusho Corporation	B6361P8	JP3635000007	8015			Japan
Toyota Tsusho Corporation	B3BK3N3	JP3635000007	8015			Japan
Toyota Tsusho Corporation	6900580	JP3635000007	8015			Japan

Effective Date: June 27, 2014

Letter to SBI Fixed Income Managers

June 25, 2014

Regarding: Iran Companies

Dear Manager:

The Minnesota State Board of Investment (SBI) sent you prior communication concerning holdings in companies doing business in Iran. **This communication applies to the SBI fixed income portfolio managed by your organization.**

Minnesota Statutes, section 11A.244, requires the Minnesota State Board of Investment (SBI) to implement an Iran restriction.

Attachment 1 is the List of Restricted Iran Companies. **These securities may not be purchased for the SBI portfolio that your organization manages.** If you own securities of companies on the Restricted List **and** the companies are **not** on the divestment list, then you do not need to sell your holdings. Please note that the attached List makes changes to the List of Restricted Iran Companies that was attached to the March 17, 2014 letter you received. **This new list is effective June 27, 2014.**

The following company has been **added** to the restricted list:

- **Harbin Electric Company Ltd.** **China**

The following companies have been **removed** from the restricted list:

- **Gazprom OAO** **Russia**
- **GS Engineering & Construction Corp** **South Korea**
- **GS Holdings** **South Korea**
- **Ina-Industrija Nafta DD** **Croatia**
- **Punj Lloyd Ltd.** **India**

Attachment 2 is the List of Iran Companies Requiring Divestment. The following company has been **removed** from the divestment list:

- **Gazprom OAO** **Russia**

If you own securities of companies on the List of Iran Companies Requiring Divestment in the SBI portfolio that your organization manages, then you must divest those holdings according to the schedule provided in the Attachment:

- At least 50 percent of a company's holdings must be sold by the date indicated, and
- At least 100 percent of a company's holdings must be sold by the date indicated.

If you have any questions about this matter, please contact Tammy Brusehaver, Manager, Long-Term Debt or me.

Sincerely,

LeaAnn M. Stagg
Chief Operating Officer

Enclosures

cc: Michael J. Menssen, Public Markets
Tammy Brusehaver, Long-Term Debt
Steve Kuettel, Manager, Short-Term Debt
Patricia Ammann, Public Programs

ATTACHMENT 1
RESTRICTED IRAN COMPANIES
SECURITIES OF COMPANIES MAY NOT BE PURCHASED FOR PORTFOLIO

COMPANY NAME	COUNTRY
Bharat Petroleum Corporation Ltd.	India
China Petroleum & Chemical Corp	China
Daelim Industrial	South Korea
Gail (India) Ltd.	India
Gubre Fabrikalari T.A.S.	Turkey
Harbin Electric Company Ltd.	China
Indian Oil Corporation Ltd.	India
L G International	South Korea
Liquefied Natural Gas Ltd	Australia
Marie Tecnimont S.p.A.	Italy
Mitsui & Co. Ltd	Japan
Nagarjuna Fertilizers & Chemicals Ltd.	India
Oil & Natural Gas Corporation Ltd.	India
PetroChina Co. Ltd.	China
Toyota Tsusho Corporation	Japan

Effective Date: June 27, 2014

ATTACHMENT 2

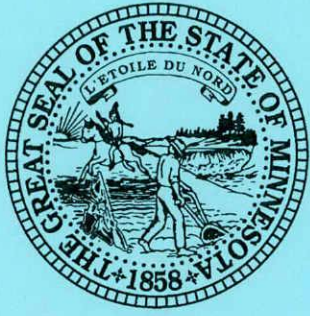
LIST OF IRAN COMPANIES REQUIRING DIVESTMENT

Company Name	Country of Origin	Divest 50 Percent By this Date	Divest 100 Percent By this Date
Mitsui & Company, Ltd.	Japan	September 30, 2012	March 31, 2013
Toyota Tsusho	Japan	September 30, 2012	March 31, 2013

Effective Date: June 27, 2014

TAB

C



STATE BOARD OF INVESTMENT

Domestic Equity Manager Evaluation Reports

Second Quarter, 2014

Domestic Equity

Table of Contents

	Page
Domestic Equity Performance Summary	A-5
Active Manager Performance Summary (quarter, 1, 3, 5 year periods)	A-6
Semi-Passive and Passive Manager Performance Summary (quarter, 1, 3, 5 year periods)	A-7
Active Manager Performance Summary (by calendar year)	A-8
Semi-Passive and Passive Manager Performance Summary (by calendar years)	A-9
Large Cap Growth (R1000 Growth)	A-11
Large Cap Value (R1000 Value)	A-19
Small Cap Growth (R2000 Growth)	A-27
Small Cap Value (R2000 Value)	A-33
Semi-Passive and Passive	A-41

COMBINED RETIREMENT FUNDS
ACTIVE DOMESTIC EQUITY MANAGERS
Periods Ending June, 2014

	Quarter		1 Year		3 Years		5 Years	
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %
Russell 1000 Growth Aggregate	3.8	5.1	31.0	26.9	16.2	16.3	20.8	19.2
Russell 1000 Value Aggregate	4.4	5.1	25.5	23.8	16.3	16.9	19.0	19.2
Russell 2000 Growth Aggregate	-2.7	1.7	19.7	24.7	10.9	14.5	18.9	20.5
Russell 2000 Value Aggregate	4.0	2.4	27.1	22.5	17.2	14.6	23.6	19.9
Active Manager Aggregate	3.4	4.3	27.4	25.0	15.4	16.0	19.7	19.4
Semi-Passive Aggregate	5.0	5.1	25.4	25.4	17.3	16.6	19.6	19.3
Passive Manager (BlackRock)	4.9	4.9	25.2	25.2	16.5	16.5	19.3	19.3
Total Aggregate	4.5	4.9	25.9	25.2	16.5	16.5	19.5	19.3
Russell 3000 Index		4.9		25.2		16.5		19.3

	2013		2012		2011		2010		2009	
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %
Russell 1000 Growth Aggregate	42.0	33.5	15.5	15.3	-0.4	2.6	19.3	16.7	44.5	37.2
Russell 1000 Value Aggregate	36.5	32.5	16.9	17.5	-2.1	0.4	15.0	15.5	23.8	19.7
Russell 2000 Growth Aggregate	47.2	43.3	12.0	14.6	-5.6	-2.9	29.1	29.1	33.6	34.5
Russell 2000 Value Aggregate	40.8	34.5	19.6	18.1	-4.5	-5.5	30.5	24.5	36.3	20.6
Active Manager Aggregate	40.2	34.7	15.4	16.3	-2.7	0.0	19.7	18.7	32.3	27.9
Semi-Passive Aggregate	33.2	33.1	17.7	16.4	2.2	1.5	15.2	16.1	28.5	28.4
Passive Manager (BlackRock)	33.5	33.6	16.4	16.4	0.8	1.0	17.2	16.9	28.2	28.3
Total Aggregate	35.1	33.6	16.6	16.4	0.4	1.0	17.1	16.9	29.6	28.3
Russell 3000 Index		33.6		16.4		1.0		16.9		28.3

COMBINED RETIREMENT FUNDS
ACTIVE DOMESTIC EQUITY MANAGERS
Periods Ending June, 2014
Performance versus Russell Style Benchmarks for All Periods

	Quarter		1 Year		3 Years		5 Years		Since Inception (1)		Market Value (in millions)	Pool %
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %		
Russell 1000 Growth												
INTECH	3.6	5.1	26.3	26.9	15.1	16.3	19.4	19.2	7.4	8.3	\$547.1	1.9%
Jacobs Levy	4.9	5.1	29.1	26.9	16.1	16.3	20.7	19.2	7.1	8.3	\$641.2	2.3%
Sands Capital	1.3	5.1	33.2	26.9	19.6	16.3	25.8	19.2	10.5	8.3	\$649.4	2.3%
Winslow-Large Cap	4.6	5.1	27.5	26.9	14.4	16.3	18.6	19.2	9.4	8.3	\$285.7	1.0%
Zevenbergen Capital	5.4	5.1	37.6	26.9	15.6	16.3	21.4	19.2	10.6	9.0	\$620.1	2.2%
Aggregate	3.8	5.1	31.0	26.9	16.2	16.3	20.8	19.2			\$2,743.5	9.8%
Russell 1000 Value												
Barrow, Hanley	3.6	5.1	24.1	23.8	16.1	16.9	18.6	19.2	8.3	7.9	\$793.4	2.8%
Earnest Partners	4.1	5.1	22.3	23.8	12.9	16.9	16.4	19.2	6.2	7.1	\$526.2	1.9%
LSV Asset Mgmt.	4.6	5.1	27.9	23.8	19.4	16.9	21.0	19.2	9.3	7.9	\$800.0	2.8%
Systematic Financial Mgmt.	5.2	5.1	26.6	23.8	14.6	16.9	18.9	19.2	7.9	7.9	\$750.3	2.7%
Aggregate	4.4	5.1	25.5	23.8	16.3	16.9	19.0	19.2			\$2,869.9	10.2%
SMALL CAP												
Russell 2000 Growth												
McKinley Capital	1.5	1.7	32.3	24.7	18.3	14.5	23.1	20.5	7.7	9.2	\$389.2	1.4%
Next Century Growth	-6.8	1.7	11.3	24.7	6.5	14.5	16.5	20.5	2.8	4.3	\$363.5	1.3%
Aggregate	-2.7	1.7	19.7	24.7	10.9	14.5	18.9	20.5			\$752.7	2.7%
Russell 2000 Value												
Goldman Sachs	3.9	2.4	27.1	22.5	17.7	14.6	22.9	19.9	10.6	8.6	\$270.6	1.0%
Hotchkis & Wiley	6.3	2.4	33.0	22.5	18.9	14.6	28.5	19.9	9.9	8.6	\$251.9	0.9%
Martingale Asset Mgmt.	2.8	2.4	28.0	22.5	17.9	14.6	21.8	19.9	8.2	8.6	\$214.1	0.8%
Peregrine Capital	3.3	2.4	22.6	22.5	15.4	14.6	22.5	19.9	11.4	10.5	\$355.3	1.3%
Aggregate	4.0	2.4	27.1	22.5	17.2	14.6	23.6	19.9			\$1,091.9	3.9%
Active Mgr. Aggregate (2)	3.4	4.3	27.4	25.0	15.4	16.0	19.7	19.4			\$7,458.0	26.6%

(1) Since retention by the SBI. Time period varies for each manager.

(2) The Active Manager Aggregate Benchmark is the aggregate of the weighted average of the active manager benchmarks and is not the Russell 3000.

Note: All aggregates include the performance of terminated managers.

**COMBINED RETIREMENT FUNDS
DOMESTIC EQUITY MANAGERS
Periods Ending June, 2014
Versus Manager Benchmarks**

	Quarter		1 Year		3 Years		5 Years		Since Inception (1)		Market Value (in millions)	Pool %
	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk		
	%	%	%	%	%	%	%	%	%	%		%
SEMI-PASSIVE MANAGERS (2)												
BlackRock Institutional	5.3	5.1	25.6	25.4	17.6	16.6	19.4	19.3	9.7	9.3	\$2,345.4	8.4%
INTECH	4.4	5.1	24.8	25.4	16.4	16.6			15.6	15.6	\$2,589.9	9.2%
JP Morgan	4.9	5.1	25.8	25.4	17.3	16.6	20.0	19.3	9.7	9.3	\$3,039.0	10.8%
Mellon Capital	5.4	5.1	25.4	25.4	17.7	16.6	19.7	19.3	9.0	9.3	\$2,728.5	9.7%
Semi-Passive Aggregate (R1000)	5.0	5.1	25.4	25.4	17.3	16.6	19.6	19.3			\$10,702.8	38.1%
PASSIVE MANAGER (R3000)												
BlackRock Institutional	4.9	4.9	25.2	25.2	16.5	16.5	19.3	19.3	9.1	9.0	\$9,909.5	35.3%
Total Aggregate (3)	4.5	4.9	25.9	25.2	16.5	16.5	19.5	19.3	10.5	10.7	\$28,070.3	100.0%
Russell 3000		4.9		25.2		16.5		19.3		11.0		
Russell 1000		5.1		25.4		16.6		19.3		11.2		
Russell 2000		2.0		23.6		14.6		20.2		9.8		

(1) Since retention by the SBI. Time period varies for each manager.

(2) Semi-Passive managers' benchmark is the Russell 1000 index beginning 1/1/04 and was the Completeness Fund benchmark prior to 1/1/04.

(3) The Total Aggregate benchmark is the Russell 3000 effective 10/1/03. From 7/1/99 to 9/30/03, it was the Wilshire 5000 Investable Index. From 11/1/93 to 6/30/99, the target was the Wilshire 5000 as reported with no adjustments. Prior to 11/1/93, the Wilshire 5000 was adjusted to reflect SBI mandated restrictions, which included liquor and tobacco, American Home Products and South Africa.

Note: All aggregates include the performance of terminated managers.

COMBINED RETIREMENT FUNDS
ACTIVE DOMESTIC EQUITY MANAGERS
Calendar Year Returns Versus
Russell Style Benchmarks for All Periods

	2013		2012		2011		2010		2009	
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %
Russell 1000 Growth										
INTECH	34.1	33.5	17.8	15.3	0.1	2.6	19.5	16.7	34.0	37.2
Jacobs Levy	37.0	33.5	13.0	15.3	6.6	2.6	19.5	16.7	37.1	37.2
Sands Capital	42.4	33.5	24.2	15.3	2.7	2.6	26.8	16.7	71.6	37.2
Winslow-Large Cap	37.4	33.5	13.7	15.3	0.1	2.6	16.8	16.7	40.9	37.2
Zevenbergen Capital	60.6	33.5	8.0	15.3	-9.8	2.6	22.9	16.7	57.4	37.2
Aggregate	42.0	33.5	15.5	15.3	-0.4	2.6	19.3	16.7	44.5	37.2
Russell 1000 Value										
Barrow, Hanley	35.5	32.5	15.5	17.5	1.7	0.4	10.4	15.5	23.2	19.7
Earnest Partners	32.0	32.5	10.7	17.5	-4.7	0.4	18.5	15.5	31.6	19.7
LSV Asset Mgmt.	41.2	32.5	20.4	17.5	-0.8	0.4	14.0	15.5	24.0	19.7
Systematic Financial Mgmt.	35.0	32.5	18.2	17.5	-7.4	0.4	18.1	15.5	23.2	19.7
Aggregate	36.5	32.5	16.9	17.5	-2.1	0.4	15.0	15.5	23.8	19.7
SMALL CAP										
Russell 2000 Growth										
McKinley Capital	51.6	43.3	23.2	14.6	-7.9	-2.9	28.5	29.1	28.0	34.5
Next Century Growth	50.3	43.3	1.9	14.6	-4.5	-2.9	29.6	29.1	35.0	34.5
Aggregate	47.2	43.3	12.0	14.6	-5.6	-2.9	29.1	29.1	33.6	34.5
Russell 2000 Value										
Goldman Sachs	39.3	34.5	16.6	18.1	1.3	-5.5	27.0	24.5	27.8	20.6
Hotchkis & Wiley	46.0	34.5	24.1	18.1	-10.8	-5.5	43.4	24.5	62.5	20.6
Martingale Asset Mgmt.	43.1	34.5	20.1	18.1	-5.2	-5.5	27.4	24.5	19.4	20.6
Peregrine Capital	37.3	34.5	18.8	18.1	-4.1	-5.5	27.3	24.5	45.8	20.6
Aggregate	40.8	34.5	19.6	18.1	-4.5	-5.5	30.5	24.5	36.3	20.6
Active Mgr. Aggregate (1)	40.2	34.7	15.4	16.3	-2.7	0.0	19.7	18.7	32.3	27.9

(1) The Active Manager Aggregate Benchmark is the aggregate of the weighted average of the active manager benchmarks and is not the Russell 3000.

Note: All aggregates include the performance of terminated managers. Returns shown are full-year returns only. Performance of managers hired during a calendar year are reported beginning with the following calendar year.

**COMBINED RETIREMENT FUNDS
DOMESTIC EQUITY MANAGERS
Calendar Year Returns Versus
Manager Benchmarks**

	2013		2012		2011		2010		2009	
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %
SEMI-PASSIVE MANAGERS										
BlackRock Institutional	33.3	33.1	19.0	16.4	1.6	1.5	14.0	16.1	27.6	28.4
INTECH	33.0	33.1	16.6	16.4	2.9	1.5				
JP Morgan	33.7	33.1	17.6	16.4	1.1	1.5	16.8	16.1	32.1	28.4
Mellon Capital	32.6	33.1	17.3	16.4	4.6	1.5	13.7	16.1	25.6	28.4
Semi-Passive Aggregate (R1000)	33.2	33.1	17.7	16.4	2.2	1.5	15.2	16.1	28.5	28.4
PASSIVE MANAGER (R3000)										
BlackRock Institutional	33.5	33.6	16.4	16.4	0.8	1.0	17.2	16.9	28.2	28.3
Total Aggregate	35.1	33.6	16.6	16.4	0.4	1.0	17.1	16.9	29.6	28.3
Russell 3000		33.6		16.4		1.0		16.9		28.3
Russell 1000		33.1		16.4		1.5		16.1		28.4
Russell 2000		38.8		16.3		-4.2		26.9		27.2

Note: All aggregates include the performance of terminated managers. Returns shown are full-year returns only.
Performance of managers hired during a calendar year are reported beginning with the following calendar year.

Large Cap Growth (R1000 Growth)

Large Cap Growth (R1000 Growth)

Table of Contents

	Page
INTECH Investment Management LLC	A-14
Jacobs Levy Equity Management, Inc.	A-15
Sands Capital Management, LLC	A-16
Winslow Capital Management, LLC	A-17
Zevenbergen Capital Investments LLC	A-18

INTECH INVESTMENT MANAGEMENT LLC
Periods Ending June, 2014

Portfolio Manager: Adrian Banner

Assets Under Management: \$547,113,140

Investment Philosophy

Through the application of a proprietary mathematical process, the investment strategy is designed to determine more efficient weightings of the securities within the Russell 1000 Growth benchmark. No specific sector or security selection decisions based on fundamentals are required. Risk parameters include: 1) minimize absolute standard deviation or maximize information ratio, 2) security positions limited to lesser of 2.5% or 10 times maximum index security weight, and 3) beta equal to or less than benchmark beta. Target security positions are established using an optimization routine designed to build a portfolio that will outperform a passive benchmark over the long term. Rebalancing to target proportions occurs every six (6) business days, and partial re-optimization occurs weekly.

Staff Comments

Staff has no concerns at this time.

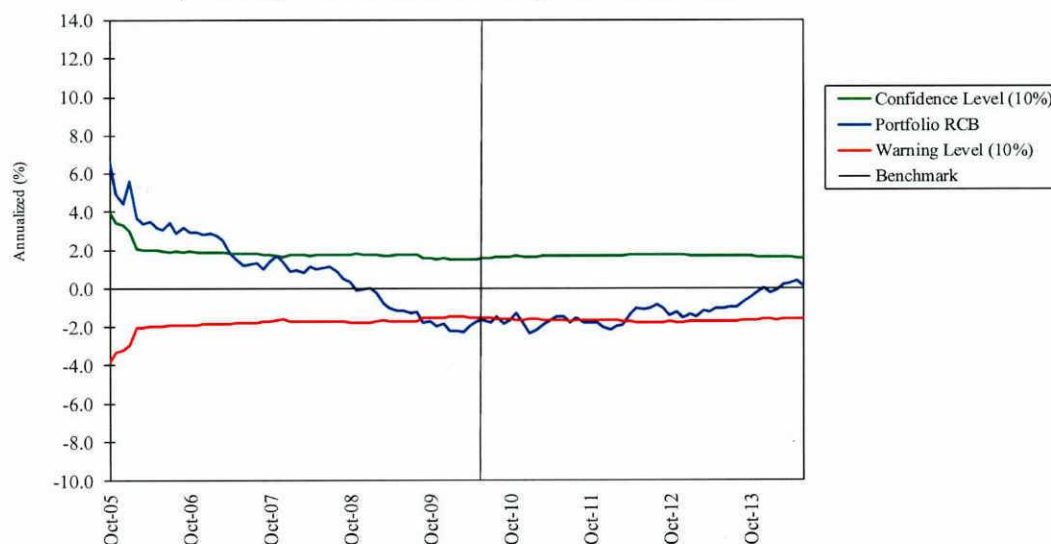
Quantitative Evaluation

	Actual	R1000 Growth
Last Quarter	3.6%	5.1%
Last 1 year	26.3	26.9
Last 2 years	21.0	21.9
Last 3 years	15.1	16.3
Last 4 years	20.2	20.7
Last 5 years	19.4	19.2
Since Inception (1/05)	7.4	8.3

Recommendation

No action required.

INTECH INVESTMENT MANAGEMENT LLC
 Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending
 Note: Area left of the vertical line includes performance prior to retention by the SBI.

JACOBS LEVY EQUITY MANAGEMENT, INC.
Periods Ending June, 2014

Portfolio Manager: Bruce Jacobs and Ken Levy

Assets Under Management: \$641,211,935

Investment Philosophy

The strategy combines human insight and intuition, finance and behavioral theory, and state-of-the-art quantitative and statistical methods. Security expected returns generated from numerous models become inputs for the firm's proprietary portfolio optimizer. The optimizer is run daily with the objective of maximizing the information ratio, while ensuring proper diversification across market inefficiencies, securities, industries, and sectors. Extensive data scrubbing is conducted on a daily basis using both human and technology resources. Liquidity, trading costs, and investor guidelines are incorporated within the optimizing process.

Staff Comments

Staff has no concerns at this time.

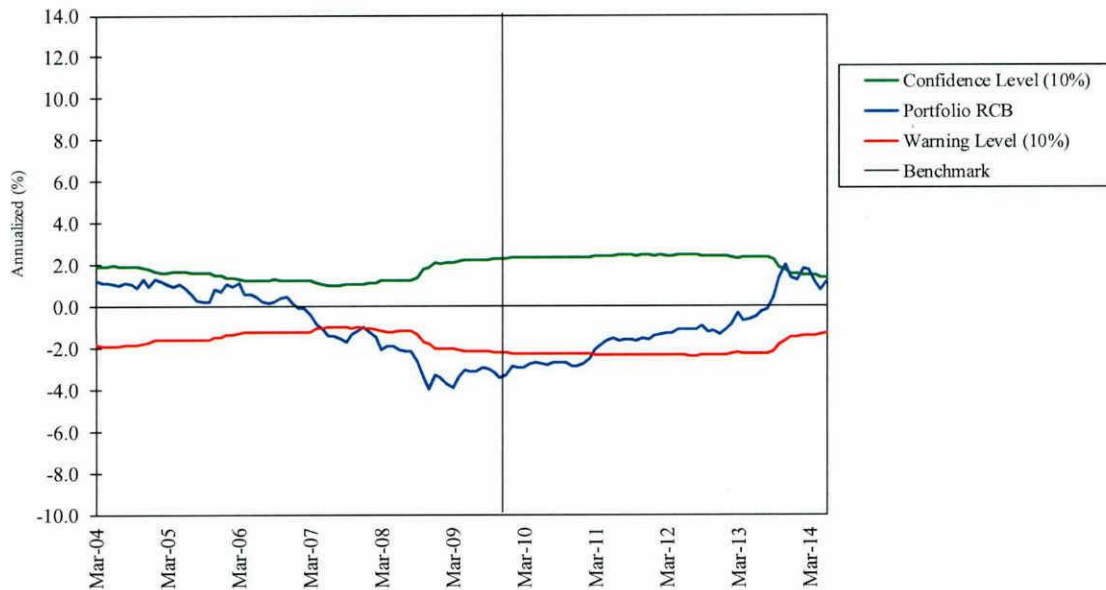
Quantitative Evaluation

	Actual	R1000 Growth
Last Quarter	4.9%	5.1%
Last 1 year	29.1	26.9
Last 2 years	22.4	21.9
Last 3 years	16.1	16.3
Last 4 years	21.9	20.7
Last 5 years	20.7	19.2
Since Inception (1/05)	7.1	8.3

Recommendation

No action required.

JACOBS LEVY EQUITY MANAGEMENT
Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending

Note: Area to the left of vertical line includes performance prior to retention by the SBI.

SANDS CAPITAL MANAGEMENT, LLC
Periods Ending June, 2014

Portfolio Manager: Frank Sands, Jr.

Assets Under Management: \$649,408,430

Investment Philosophy

The manager invests in high-quality, seasoned and growing businesses. Bottom-up, company-focused, long-term oriented research is the cornerstone of the investment process. The strategy focuses on six (6) key investment criteria: 1) sustainable above average earnings growth; 2) leadership position in a promising business space; 3) significant competitive advantages or unique business franchise; 4) management with a clear mission and value added focus; 5) financial strength; and 6) rational valuation relative to the overall market and the company's business prospects.

Staff Comments

Sands has been consistent with their investment process, and the organization remains stable. The portfolio underperformed significantly during the quarter due to negative stock selection in Healthcare and Technology. The outperformance for the year is attributed to positive stock selection in Consumer Discretionary and Technology sectors.

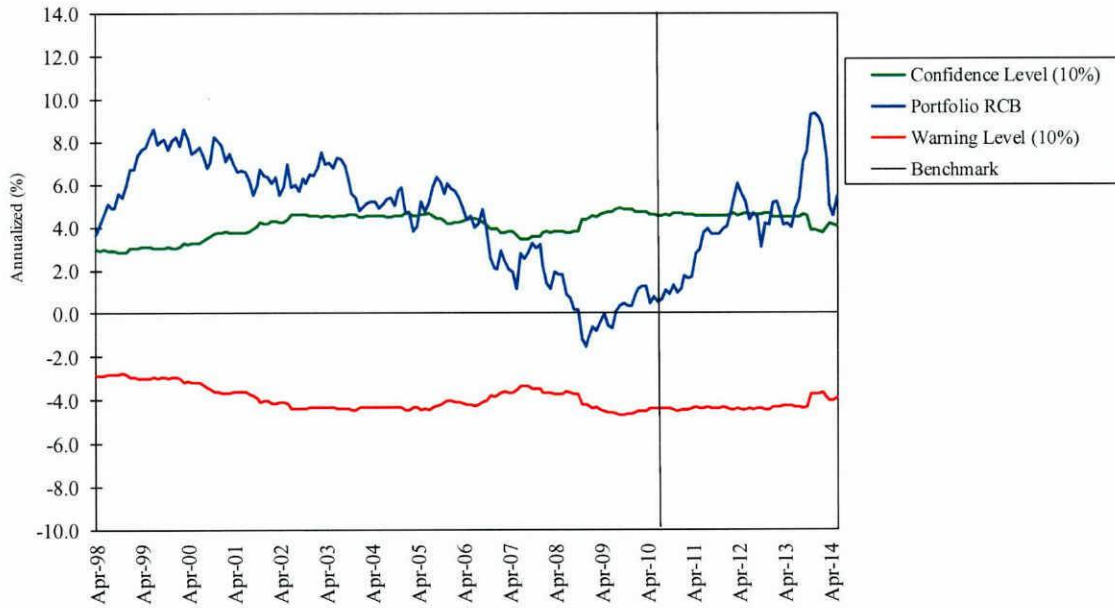
Quantitative Evaluation

	Actual	R1000 Growth
Last Quarter	1.3%	5.1%
Last 1 year	33.2	26.9
Last 2 years	24.7	21.9
Last 3 years	19.6	16.3
Last 4 years	25.8	20.7
Last 5 years	25.8	19.2
Since Inception (1/05)	10.5	8.3

Recommendation

No action required.

SANDS CAPITAL MANAGEMENT, LLC
Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending

Note: Area to the left of vertical line includes performance prior to retention by the SBI.

WINSLOW CAPITAL MANAGEMENT, LLC
Periods Ending June, 2014

Portfolio Manager: Justin Kelly and Patrick Burton

Assets Under Management: \$285,669,854

Investment Philosophy

The strategy identifies companies that can grow earnings above consensus expectations to build portfolios with forward weighted earnings growth in the range of 15-20% annually. A quantitative screen is employed for factors such as revenue and earnings growth, return on invested capital, earnings consistency, earnings revisions, low financial leverage and high free cash flow rates relative to net income. Resulting companies are subjected to a qualitative assessment within the context of industry sectors. Detailed examination of income statements, cash flow and balance sheet projections is conducted, along with a judgment on the quality of management. Attractively valued stocks are chosen based on P/E relative to the benchmark, sector peers, the company's sustainable future growth rate and return on invested capital. Final portfolio construction includes diversification by economic sectors, earnings growth rates, price/earnings ratios and market capitalizations.

Staff Comments

On April 14th, Nuveen announced that TIAA-CREF had entered into an agreement to purchase Nuveen Investments, which is Winslow's parent company.

Staff has no concerns at this time.

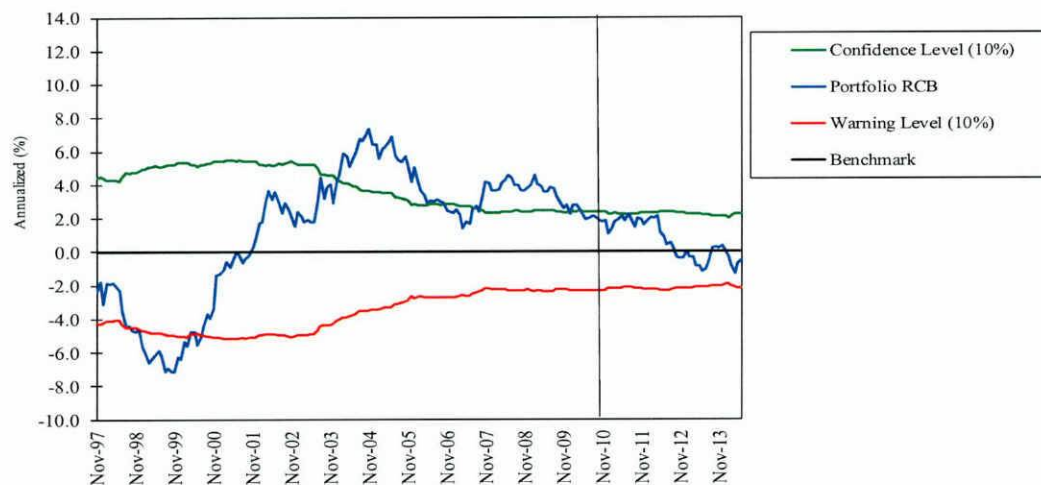
Quantitative Evaluation

	Actual	R1000 Growth
Last Quarter	4.6%	5.1%
Last 1 year	27.5	26.9
Last 2 years	21.9	21.9
Last 3 years	14.4	16.3
Last 4 years	20.3	20.7
Last 5 years	18.6	19.2
Since Inception (1/05)	9.4	8.3

Recommendation

No action required.

WINSLOW CAPITAL MANAGEMENT, LLC
Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending
 Note: Area to the left of vertical line includes performance prior to retention by the SBI.

ZEVENBERGEN CAPITAL INVESTMENTS LLC
Periods Ending June, 2014

Portfolio Manager: Nancy Zevenbergen

Assets Under Management: \$620,149,722

Investment Philosophy

Zevenbergen is an equity growth manager. The investment philosophy is based on the belief that earnings drive stock prices while quality provides capital protection. Hence, portfolios are constructed with companies showing above-average earnings growth prospects and strong financial characteristics. They consider diversification for company size, expected growth rates and industry weightings to be important risk control factors. Zevenbergen uses a bottom-up fundamental approach to security analysis. Research efforts focus on finding companies with superior products or services showing consistent profitability. Attractive buy candidates are reviewed for sufficient liquidity and potential diversification. The firm emphasizes that they are not market timers.

Staff Comments

Zevenbergen has been consistent with their investment process, and the organization remains stable. For the year, positions in Tesla Motors and Netflix attributed to the majority of outperformance. The significant outperformance for the year is not a concern due to the expected higher tracking error, or active risk, for this portfolio.

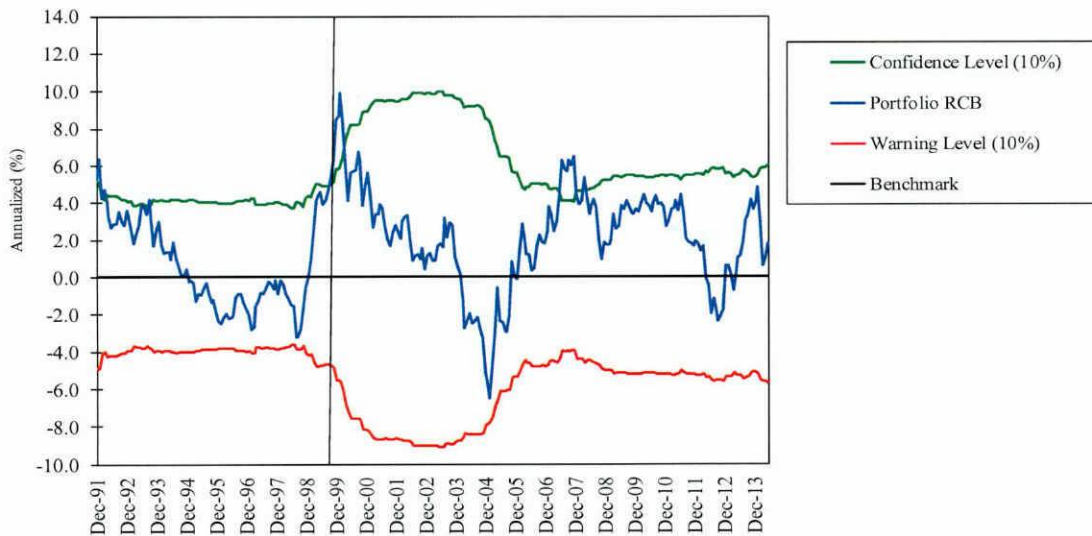
Quantitative Evaluation

	Actual	R1000 Growth
Last Quarter	5.4%	5.1%
Last 1 year	37.6	26.9
Last 2 years	32.2	21.9
Last 3 years	15.6	16.3
Last 4 years	21.7	20.7
Last 5 years	21.4	19.2
Since Inception (4/94)	10.6	9.0

Recommendation

No action required.

ZEVENBERGEN CAPITAL INVESTMENTS LLC
Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending
 Note: Area to the left of vertical line includes performance prior to retention by the SBI.

Large Cap Value (R1000 Value)

Large Cap Value (R1000 Value)

Table of Contents

	Page
Barrow, Hanley, Mewhinney & Strauss, Inc.	A-22
Earnest Partners, LLC	A-23
LSV Asset Management	A-24
Systematic Financial Management, L.P.	A-25

BARROW, HANLEY, MEWHINNEY & STRAUSS, INC.
Periods Ending June, 2014

Portfolio Manager: Tim Culler

Assets Under Management: \$793,372,266

Investment Philosophy

The manager's approach is based on the underlying philosophy that markets are inefficient. Inefficiencies can best be exploited through adherence to a value-oriented investment process dedicated to the selection of securities on a bottom-up basis. The team does not attempt to time the market or rotate in and out of broad market sectors.

The manager remains fully invested with a defensive, conservative orientation based on the belief that superior returns can be achieved while taking below average risks. This strategy is implemented by constructing portfolios of individual stocks that exhibit price/earnings and price/book ratios significantly *below* the market and dividend yields significantly *above* the market. Risk control is achieved by limiting sector weights to 35% and industry weights to 15%. In periods of economic recovery and rising equity markets, profitability and earnings growth are rewarded by the expansion of price/earnings ratios and the generation of excess returns.

Staff Comments

Staff has no concerns at this time.

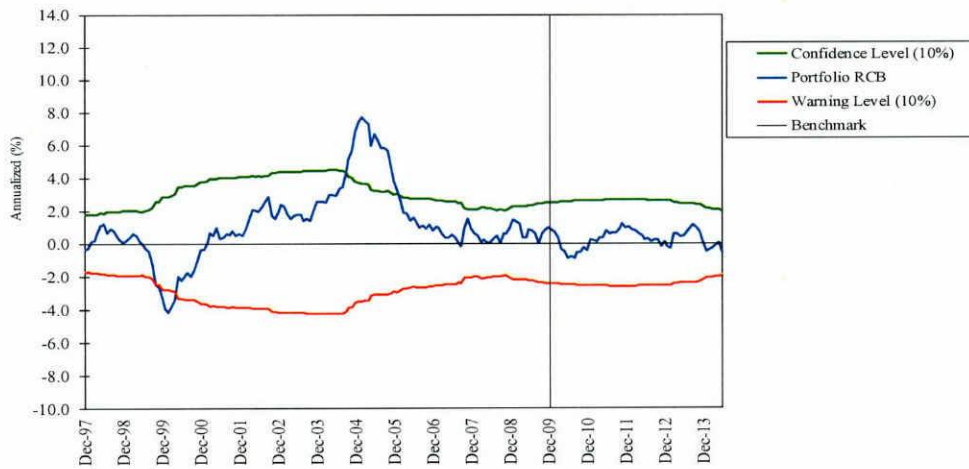
Quantitative Evaluation

	Actual	R1000 Value
Last Quarter	3.6%	5.1%
Last 1 year	24.1	23.8
Last 2 years	24.8	24.6
Last 3 years	16.1	16.9
Last 4 years	20.3	19.8
Last 5 years	18.6	19.2
Since Inception (4/04)	8.3	7.9

Recommendation

No action required.

BARROW, HANLEY, MEWHINNEY & STRAUSS, INC.
 Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending
 Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

EARNEST PARTNERS, LLC
Periods Ending June, 2014

Portfolio Manager: Paul Viera

Assets Under Management: \$526,167,737

Investment Philosophy

Earnest Partners utilizes its proprietary Return Pattern Recognition model and rigorous fundamental review to identify stocks with the most attractive relative returns. They have identified six performance drivers – valuation measures, operating trends, market trends, growth measures, profitability measures and macroeconomic measures. Extensive research is conducted to determine which combination of performance drivers, or return patterns, precede out-performance for stocks in each sector. They select stocks whose return patterns suggest favorable performance and control risk using a statistical program designed to measure and control the prospects of substantially under-performing the benchmark. The portfolio is diversified across industry groups.

Staff Comments

Earnest's investment philosophy remains constant and the organization remains stable.

Staff has no concerns at this time.

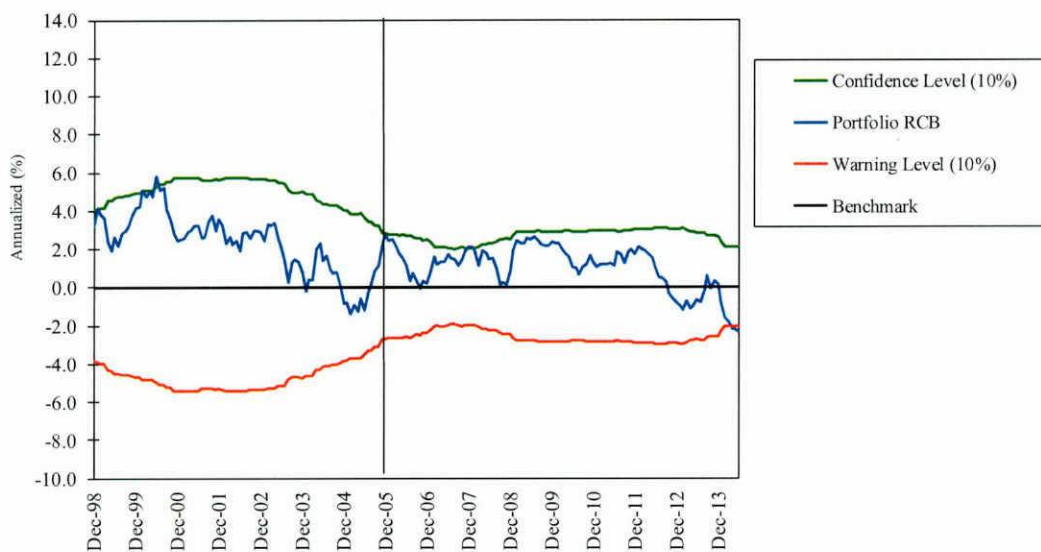
Quantitative Evaluation

	Actual	R1000 Value
Last Quarter	4.1%	5.1%
Last 1 year	22.3	23.8
Last 2 years	19.8	24.6
Last 3 years	12.9	16.9
Last 4 years	16.7	19.8
Last 5 years	16.4	19.2
Since Inception (7/00)	6.2	7.1

Recommendation

No action required.

EARNEST PARTNERS
Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending
 Note: Area to left of vertical line includes performance prior to retention by the SBI.

LSV ASSET MANAGEMENT
Periods Ending June, 2014

Portfolio Manager: Josef Lakonishok

Assets Under Management: \$799,993,720

Investment Philosophy

The fundamental premise on which LSV's investment philosophy is based is that superior long-term results can be achieved by systematically exploiting the judgmental biases and behavioral weaknesses that influence the decisions of many investors. These include: the tendency to extrapolate the past too far into the future, wrongly equating a good company with a good investment irrespective of price, ignoring statistical evidence and developing a "mindset" about a company.

The strategy's primary emphasis is the use of quantitative techniques to select individual securities in what would be considered a bottom-up approach. Value factors and security selection dominate sector/industry factors as explanatory variables of performance. The competitive strength of this strategy is that it avoids introducing to the process any judgmental biases and behavioral weaknesses that often influence investment decisions.

Staff Comments

Staff has no concerns at this time.

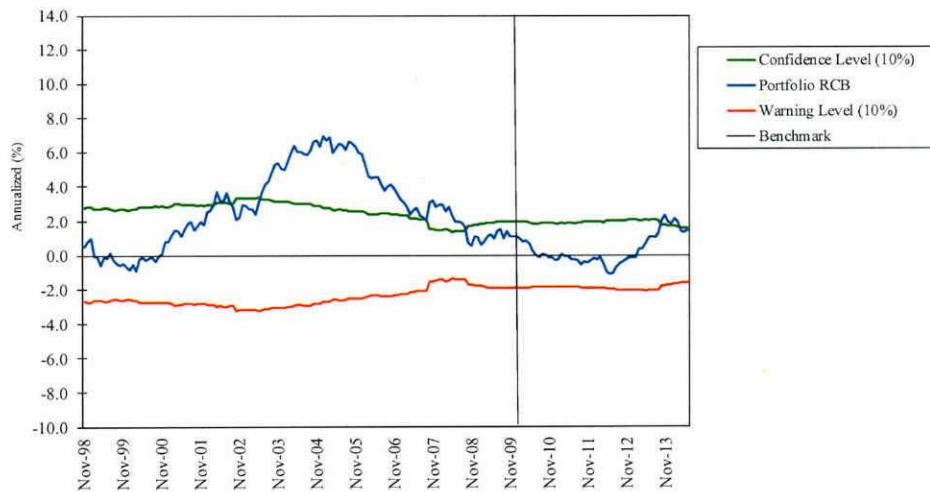
Quantitative Evaluation

	Actual	R1000 Value
Last Quarter	4.6%	5.1%
Last 1 year	27.9	23.8
Last 2 years	30.9	24.6
Last 3 years	19.4	16.9
Last 4 years	21.8	19.8
Last 5 years	21.0	19.2
Since Inception (4/04)	9.3	7.9

Recommendation

No action required.

LSV ASSET MANAGEMENT
 Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending

Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

SYSTEMATIC FINANCIAL MANAGEMENT, L.P.
Periods Ending June, 2014

Portfolio Manager: Kevin McCreesh

Assets Under Management: \$750,260,503

Investment Philosophy

Systematic's investment strategy favors companies with low forward P/E multiples and a positive earnings catalyst. Cash flow is analyzed to confirm earnings and to avoid companies that may have employed accounting gimmicks to report earnings in excess of Wall Street expectations. The investment strategy attempts to avoid stocks in the "value trap" by focusing only on companies with confirmed fundamental improvement as evidenced by a genuine positive earnings surprise.

The investment process begins with quantitative screening that ranks the universe based on: 1) low forward P/E, and 2) a positive earnings catalyst, which is determined by a proprietary 16-factor model that is designed to be predictive of future positive earnings surprises. The screening process generates a research focus list of 150 companies, sorted by sector, upon which rigorous fundamental analysis is conducted to confirm each stock's value and catalysts for appreciation.

Staff Comments

Staff met with Systematic during the quarter.

Staff has no concerns at this time.

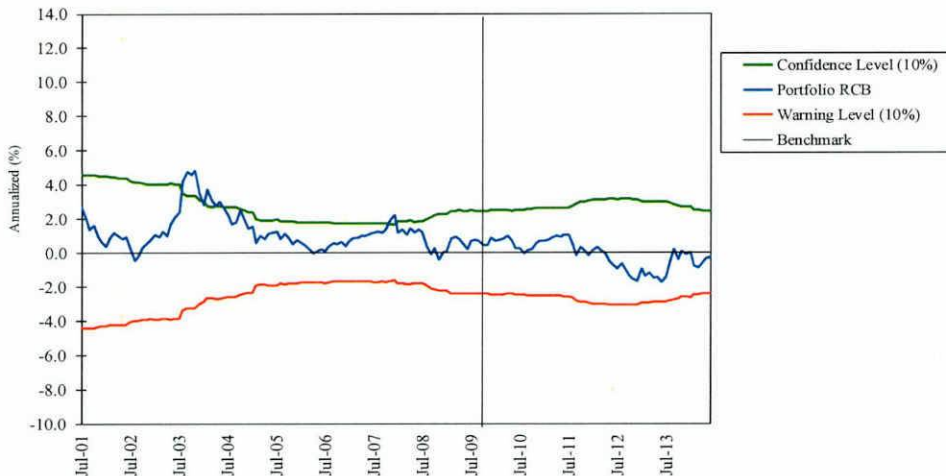
Quantitative Evaluation

	Actual	R1000 Value
Last Quarter	5.2%	5.1%
Last 1 year	26.6	23.8
Last 2 years	26.0	24.6
Last 3 years	14.6	16.9
Last 4 years	19.4	19.8
Last 5 years	18.9	19.2
Since Inception (4/04)	7.9	7.9

Recommendation

No action required.

SYSTEMATIC FINANCIAL MANAGEMENT, LP
 Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending
 Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

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Small Cap Growth (R2000 Growth)

Small Cap Growth (R2000 Growth)

Table of Contents

	Page
McKinley Capital Management, LLC	A-30
Next Century Growth Investors, LLC	A-31

MCKINLEY CAPITAL MANAGEMENT, LLC.
Periods Ending June, 2014

Portfolio Manager: Robert A. Gillam

Assets Under Management: \$389,153,774

Investment Philosophy

The team believes that excess market returns can be achieved through the construction and management of a diversified, fundamentally sound portfolio of inefficiently priced securities whose earnings growth rates are accelerating above market expectations. Using proprietary quantitative models, the team systematically searches for and identifies early signs of accelerating growth. The initial universe consists of growth and value stocks from all capitalization categories.

The primary model includes a linear regression model to identify common stocks that are inefficiently priced relative to the market while adjusting each security for standard deviation. The ratio of alpha to standard deviation is the primary screening value and is used to filter out all but the top 10% of stocks in its initial universe. The remaining candidates are tested for liquidity and strength of earnings. In the final portfolio construction process, qualitative aspects are examined, including economic factors, Wall Street research, and specific industry themes.

Staff Comments

Staff met with McKinley during the quarter.

McKinley's one year return benefited from positive returns in non-benchmark names held in the portfolio and strong stock selection in Healthcare.

Staff has no concerns at this time.

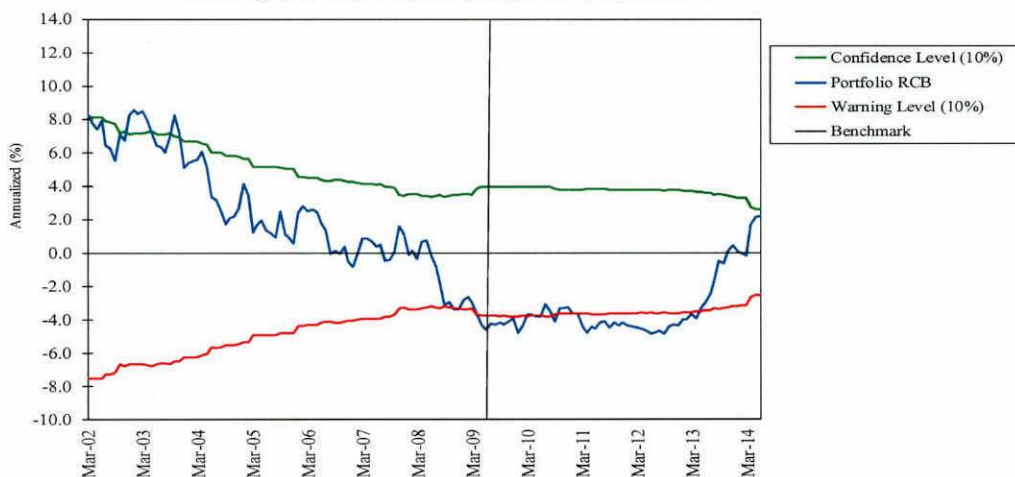
Quantitative Evaluation

	Actual	R2000 Growth
Last Quarter	1.5%	1.7%
Last 1 year	32.3	24.7
Last 2 years	31.9	24.2
Last 3 years	18.3	14.5
Last 4 years	23.9	21.1
Last 5 years	23.1	20.5
Since Inception (1/04)	7.7	9.2

Recommendation

No action required.

MCKINLEY CAPITAL MANAGEMENT
Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending
 Note: Area to left of vertical line includes performance prior to retention by the SBI.

NEXT CENTURY GROWTH INVESTORS, LLC
Periods Ending June, 2014

Portfolio Manager: Thomas Press and Don Longlet

Assets Under Management: \$363,527,740

Investment Philosophy

Next Century Growth's (NCG) goal is to invest in the highest quality and fastest growing companies in America. They believe that growth opportunities exist regardless of the economic cycle. NCG uses fundamental analysis to identify companies that will surpass consensus earnings estimates, which they believe to be the number one predictor of future out-performance. Their investment process focuses on growth companies that have superior top line revenue growth (15% or greater), high profitability, and strong balance sheets, and are well poised to outperform the market. NCG believes in broad industry diversification; sector exposures are limited to twice the benchmark weighting and individual positions to five percent.

Staff Comments

Staff met with Next Century during the quarter.

Next Century's quarter and one year performance was negatively affected by holdings in their portfolio with the highest growth characteristics, which underperformed the benchmark. Also, the portfolio had less exposure to companies that performed well during this time period vs. benchmark. Next Century is considering tightening their sector weightings relative to the index in an effort to reduce the volatility in their returns.

Staff is closely monitoring Next Century and any changes to the investment process.

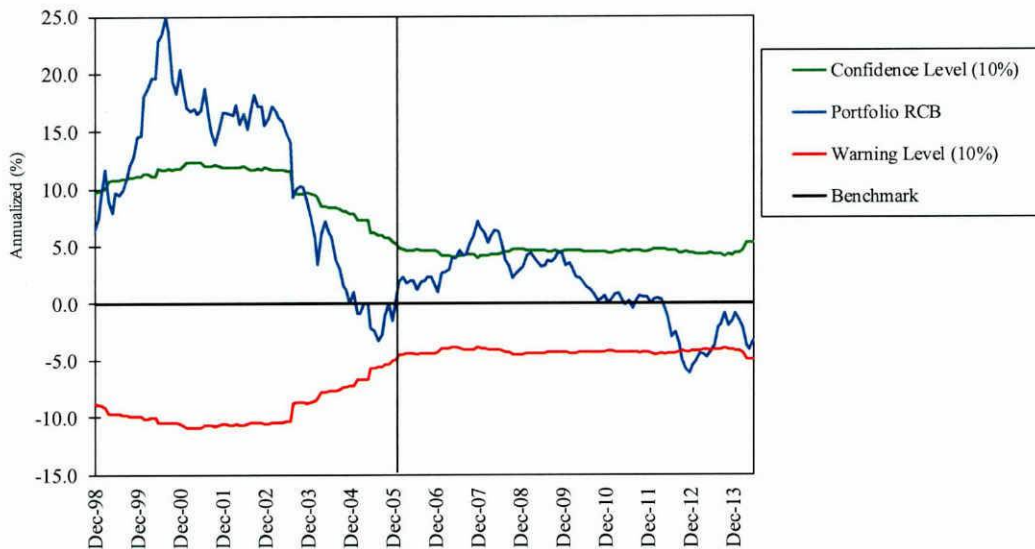
Quantitative Evaluation

	Actual	R2000 Growth
Last Quarter	-6.8%	1.7%
Last 1 year	11.3	24.7
Last 2 years	13.8	24.2
Last 3 years	6.5	14.5
Last 4 years	15.8	21.1
Last 5 years	16.5	20.5
Since Inception (7/00)	2.8	4.3

Recommendation

No action required.

NEXT CENTURY GROWTH INVESTORS, LLC
 Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending
 Note: Area to left of vertical line includes performance prior to the retention by the SBI.

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Small Cap Value (R2000 Value)

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A-34

Small Cap Value (R2000 Value)

Table of Contents

	Page
Goldman Sachs Asset Management, L.P.	A-36
Hotchkis & Wiley Capital Management	A-37
Martingale Asset Management, L.P.	A-38
Peregrine Capital Management	A-39

GOLDMAN SACHS ASSET MANAGEMENT, L.P.
Periods Ending June, 2014

Portfolio Manager: Sally Pope-Davis and Rob Crystal Assets Under Management: \$270,598,667

Investment Philosophy

The firm's value equity philosophy is based on the belief that all successful investing begins with fundamental stock selection that should thoughtfully weigh a stock's price and prospects. A company's prospective ability to generate high cash flow returns on capital will strongly influence investment success. The team follows a strong valuation discipline to purchase well-positioned, cash generating businesses run by shareholder-oriented management teams.

Through extensive proprietary research, the team confirms that a candidate company's long-term competitive advantage and earnings power are intact. The team seeks to purchase a stock at a price that encompasses a healthy margin of safety. The investment process involves three steps: 1) prioritizing research, 2) analyzing fundamentals, and 3) portfolio construction. The independent Risk and Performance Analytics Group (RPAG) monitors daily portfolio management risk, adherence to client guidelines and general portfolio strategy.

Staff Comments

Staff met with Goldman Sachs during the quarter.

Staff has no concerns at this time.

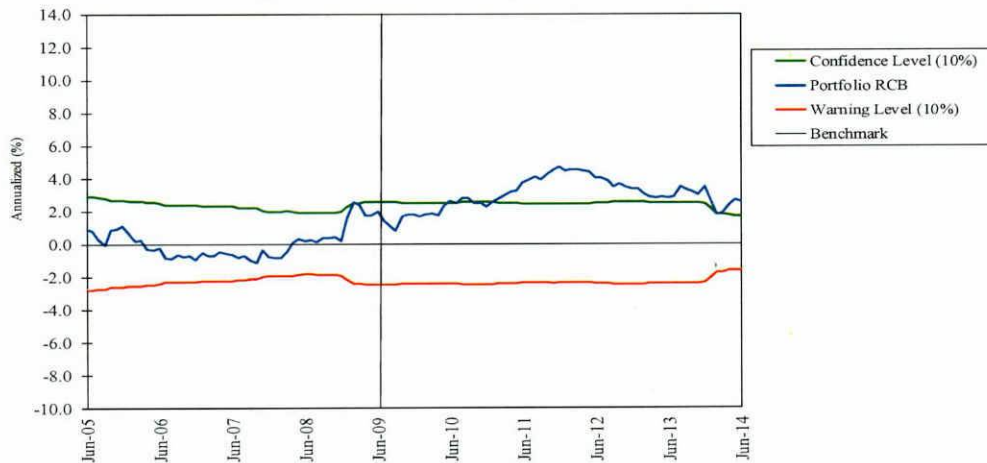
Quantitative Evaluation

	Actual	R2000 Value
Last Quarter	3.9%	2.4%
Last 1 year	27.1	22.5
Last 2 years	26.9	23.6
Last 3 years	17.7	14.6
Last 4 years	22.0	18.6
Last 5 years	22.9	19.9
Since Inception (1/04)	10.6	8.6

Recommendation

No action required.

GOLDMAN SACHS ASSET MANAGEMENT, L.P.
 Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending
 Note: Area to left of vertical line includes performance prior to retention by the SBI.

HOTCHKIS & WILEY CAPITAL MANAGEMENT
Periods Ending June, 2014

Portfolio Manager: Jim Miles and David Green

Assets Under Management: \$251,929,135

Investment Philosophy

The firm seeks to exploit mispriced securities in the small cap market by investing in “undiscovered” or “out of favor” companies. The team invests in stocks where the present value of the company's future cash flows exceeds the current market price. This approach exploits equity market inefficiencies created by irrational investor behavior and lack of Wall Street research coverage of smaller capitalization stocks. The team employs a disciplined, bottom-up investment process that emphasizes internally generated fundamental research.

The investment process begins with a quantitative screen based on market capitalization, trading liquidity and enterprise value/normalized EBIT, supplemented with ideas generated from the investment team. Internal research is then utilized to identify the most attractive valuation opportunities within this value universe. The primary focus of the research analyst is to determine a company’s “normal” earnings power, which is the basis for security valuation.

Staff Comments

Staff has no concerns at this time.

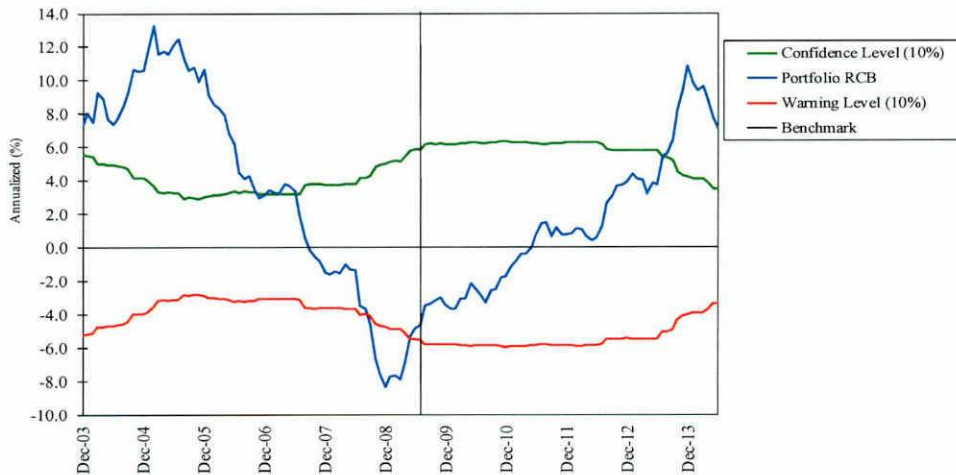
Quantitative Evaluation

	Actual	R2000 Value
Last Quarter	6.3%	2.4%
Last 1 year	33.0	22.5
Last 2 years	32.5	23.6
Last 3 years	18.9	14.6
Last 4 years	24.2	18.6
Last 5 years	28.5	19.9
Since Inception (1/04)	9.9	8.6

Recommendation

No action required.

HOTCHKIS & WILEY CAPITAL MANAGEMENT
Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending
 Note: Area to left of vertical line includes performance prior to retention by the SBI.

MARTINGALE ASSET MANAGEMENT, L.P.
Periods Ending June, 2014

Portfolio Manager: William Jacques

Assets Under Management: \$214,120,797

Investment Philosophy

Martingale's investment process seeks to exploit the long-term link between undervalued company fundamentals and current market prices to achieve superior investment returns. Martingale has a long history of employing sound quantitative methods.

The valuation process is comprised of well-researched valuation indicators that have stood the test of time, with improvements made only after careful evaluation, testing and analysis. Multiple characteristics of quality, value and momentum are examined. The quality of company management is assessed by reviewing commitment to R&D, accounting practices with regard to earnings and cash flow from operations, and the ability to manage inventory.

The average holding period of a stock is typically one year. Every holding is approached as an investment in the business, with the intention of holding it until either objectives are reached, or it becomes apparent that there are better opportunities in other stocks.

Staff Comments

Staff has no concerns at this time.

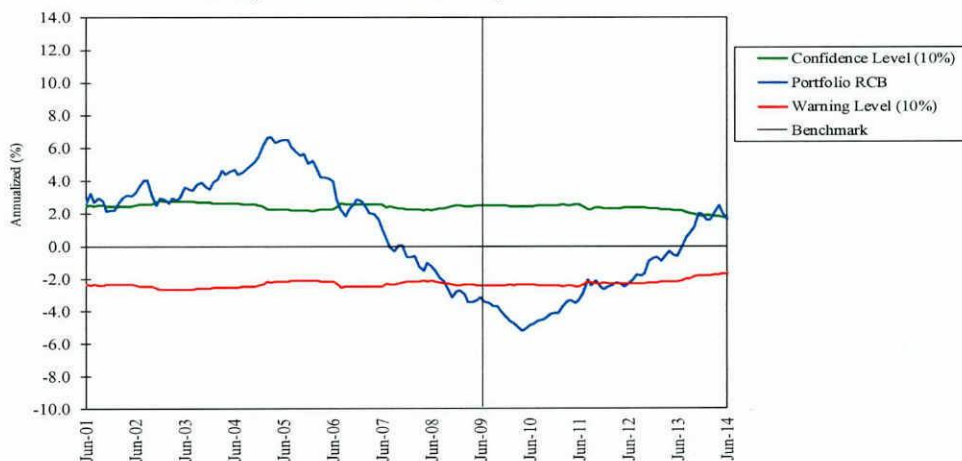
Quantitative Evaluation

	Actual	R2000 Value
Last Quarter	2.8%	2.4%
Last 1 year	28.0	22.5
Last 2 years	29.5	23.6
Last 3 years	17.9	14.6
Last 4 years	22.1	18.6
Last 5 years	21.8	19.9
Since Inception (1/04)	8.2	8.6

Recommendation

No action required.

MARTINGALE ASSET MANAGEMENT, L.P.
 Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending
 Note: Area to left of vertical line includes performance prior to retention by the SBI.

PEREGRINE CAPITAL MANAGEMENT, INC
Periods Ending June, 2014

Portfolio Manager: Doug Pugh and Tasso Coin

Assets Under Management: \$355,312,908

Investment Philosophy

Peregrine's Small Cap Value investment process begins with the style's proprietary valuation analysis, which is designed to identify the small cap value stocks most likely to outperform. The valuation analysis identifies the most under-priced securities on a sector-by-sector basis. Drawing on thirty years of data, the analysis looks at different combinations of sixty fundamental factors most relevant in each independent sector to identify stocks that offer significant value relative to the companies' underlying fundamentals. The focus of the team's fundamental research is to determine if one or more of the style's "Value Buy Criteria" are present. These include short-term problems, unrecognized assets, take-over potential, and catalysts for change. The portfolio is diversified and sector weights are aligned closely with the benchmark. This allows stock selection to drive performance.

Staff Comments

Staff met with Peregrine during the quarter.

Staff has no concerns at this time.

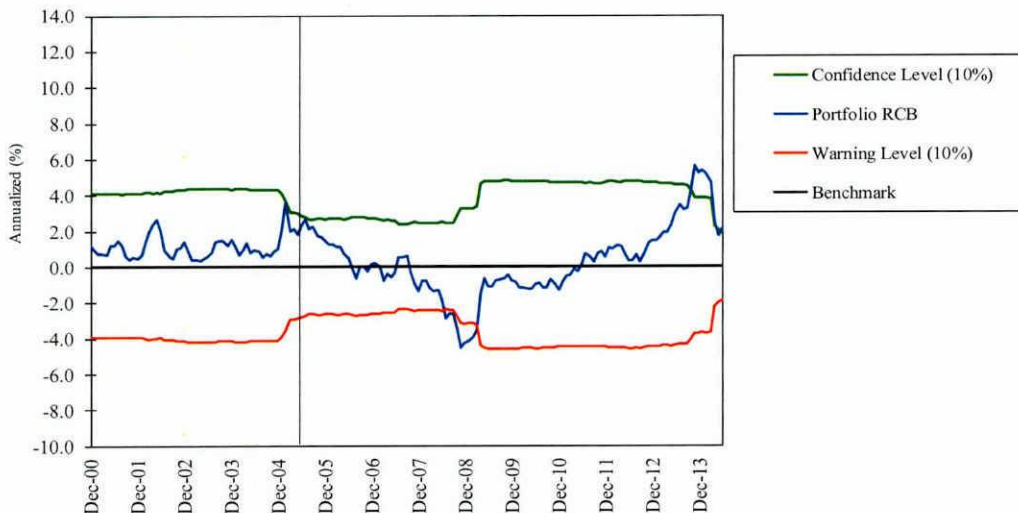
Quantitative Evaluation

	Actual	R2000 Value
Last Quarter	3.3%	2.4%
Last 1 year	22.6	22.5
Last 2 years	24.9	23.6
Last 3 years	15.4	14.6
Last 4 years	20.0	18.6
Last 5 years	22.5	19.9
Since Inception (7/00)	11.4	10.5

Recommendation

No action required.

PEREGRINE CAPITAL MANAGEMENT, INC.
 Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending
 Note: Area to left of vertical line includes performance prior to retention by SBI.

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Semi-Passive and Passive

Semi-Passive and Passive

Table of Contents

	Page
Semi-Passive	
BlackRock Institutional Trust Co., N.A. (Russell 1000)	A-44
INTECH Investment Management LLC (Russell 1000)	A-45
J.P. Morgan Investment Management, Inc. (Russell 1000)	A-46
Mellon Capital Management Corporation (Russell 1000)	A-47
Passive	
BlackRock Institutional Trust Co., N.A. (Russell 3000)	A-48

BLACKROCK INSTITUTIONAL TRUST CO., N.A.
Periods Ending June, 2014

Portfolio Manager: Raffaele Savi

Assets Under Management: \$2,345,405,566

Investment Philosophy – Semi-Passive Style

The Core Alpha Model disaggregates individual equity returns for each of the 3500 stocks in their universe into fundamental, expectational, and technical components. The fundamental factors look at measures of underlying company value including earnings, book value, cash flow, and sales. These factors help identify securities that trade at prices below their true economic value. The expectational factors incorporate future earnings and growth rate forecasts made by over 2500 security analysts. The technical factors provide a measure of recent changes in company fundamentals, consensus expectations, and performance. Estimated alphas are then calculated and are used in a portfolio optimization algorithm to identify the optimal portfolio.

Staff Comments

Staff met with BlackRock during the quarter.

Staff has no concerns at this time.

Quantitative Evaluation

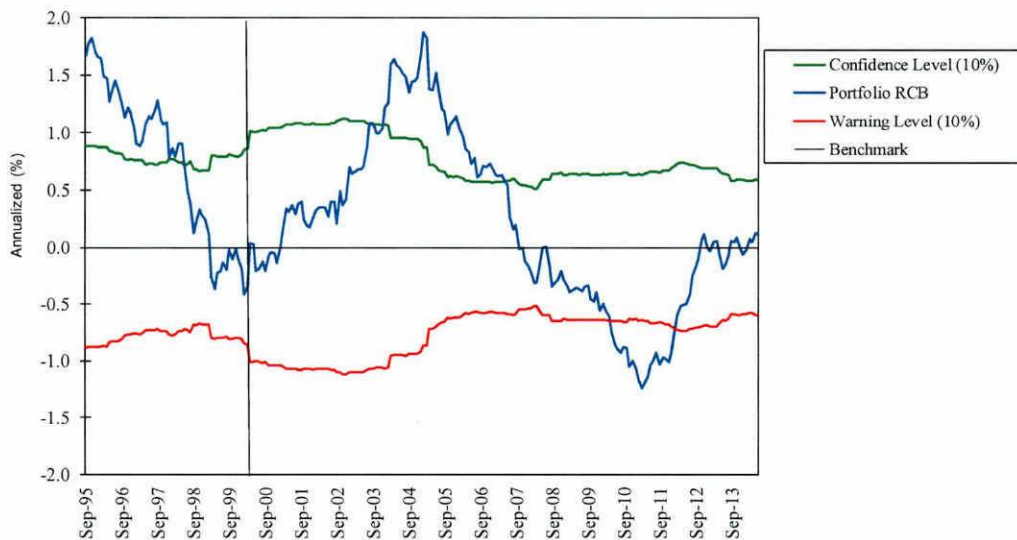
	Actual	Manager Benchmark*
Last Quarter	5.3%	5.1%
Last 1 year	25.6	25.4
Last 2 years	23.7	23.3
Last 3 years	17.6	16.6
Last 4 years	21.0	20.3
Last 5 years	19.4	19.3
Since Inception (1/95)	9.7	9.3

Recommendation

No action required.

* Russell 1000 since 1/1/04. Completeness Fund through 12/31/03.

BLACKROCK INSTITUTIONAL TRUST CO.- SEMI-PASSIVE
Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending
 Note: Area to the left of vertical line includes performance prior to retention by the SBI.

INTECH INVESTMENT MANAGEMENT LLC
Periods Ending June, 2014

Portfolio Manager: Adrian Banner

Assets Under Management: \$2,589,907,963

Investment Philosophy – Semi-Passive Style

Staff Comments

Through the application of a proprietary mathematical process, the investment strategy is designed to determine more efficient weightings of the securities within the Russell 1000 benchmark. No specific sector or security selection decisions based on fundamentals are required. Risk parameters include: 1) minimize absolute standard deviation or maximize information ratio, 2) security positions limited to lesser of 1.0% or 8 times maximum index security weight, 3) beta equal to or less than benchmark beta, and 4) constraining the weighted average capital distribution to be roughly equal to the capital distribution of the benchmark. Target security positions are established using a weekly optimization routine designed to build a portfolio that will outperform a passive benchmark over the long term. Rebalancing to target proportions occurs every six (6) business days.

Staff has no concerns at this time.

Quantitative Evaluation

Recommendation

	Actual	Russell 1000	
Last Quarter	4.4%	5.1%	No action required.
Last 1 year	24.8	25.4	
Last 2 years	22.9	23.3	
Last 3 years	16.4	16.6	
Last 4 years	20.2	20.3	
Last 5 years	N/A	N/A	
Since Inception (4/10)	15.6	15.6	

INTECH Investment Management LLC - Semi-Passive
Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending
Note: Shaded area includes performance prior to retention by the SBI.

J.P. MORGAN INVESTMENT MANAGEMENT INC.
Periods Ending June, 2014

Portfolio Manager: Ralph Zingone

Assets Under Management: \$3,038,957,789

Investment Philosophy – Semi-Passive Style

Staff Comments

J.P. Morgan believes that superior stock selection is necessary to achieve excellent investment results. To accomplish this objective, they use fundamental research and a systematic valuation model. Analysts forecast the earnings and dividends for the 650 stock universe and enter them into a stock valuation model that calculates an expected return for each security. The stocks are ranked according to their expected return within their economic sectors. The most undervalued stocks are placed in the first quintile. The portfolio includes stocks from the first four quintiles, always favoring the highest ranked stocks whenever possible. Stocks in the fifth quintile are sold. In addition, the portfolio closely approximates the sector, style, and security weightings of the index chosen by the plan sponsor. The firm remains fully invested at all times.

Staff has no concerns at this time.

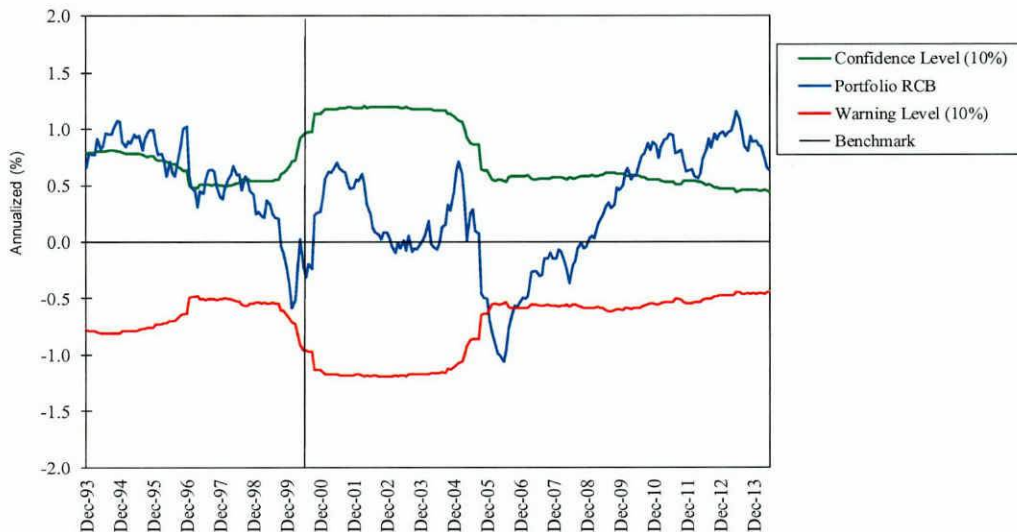
Quantitative Evaluation

Recommendation

	Actual	Manager Benchmark*	
Last Quarter	4.9%	5.1%	No action required.
Last 1 year	25.8	25.4	
Last 2 years	24.1	23.3	
Last 3 years	17.3	16.6	
Last 4 years	20.9	20.3	
Last 5 years	20.0	19.3	
Since Inception (1/95)	9.7	9.3	

* Russell 1000 since 1/1/04. Completeness Fund through 12/31/03.

JP MORGAN - SEMI-PASSIVE
 Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending
 Note: Area to left of vertical line includes performance prior to retention by SBI.

MELLON CAPITAL MANAGEMENT CORPORATION
Periods Ending June, 2014

Portfolio Manager: Warren Chiang

Assets Under Management: \$2,728,530,535

Investment Philosophy – Semi-Passive Style

Staff Comments

Mellon believes that rigorous and consistent application of fundamentally based valuation criteria will produce value added investment returns. Mellon builds a portfolio by using a series of more than 30 integrated computer models that value a universe of 3500 stocks. Their models rank each security based on fundamental momentum, relative value, future cash flow, and supplementary models. A composite ranking then provides one ranked list of securities reflecting their relative attractiveness. Stocks that fall below the median ranking are sold, and proceeds are reinvested in stocks from the top deciles in the ranking system. They use the BARRA risk model to monitor the portfolio's systematic risk and industry weightings relative to the selected benchmark. For this semi-passive mandate, they seek to achieve a residual risk of 1.5% or less. The firm remains fully invested at all times.

Staff has no concerns at this time.

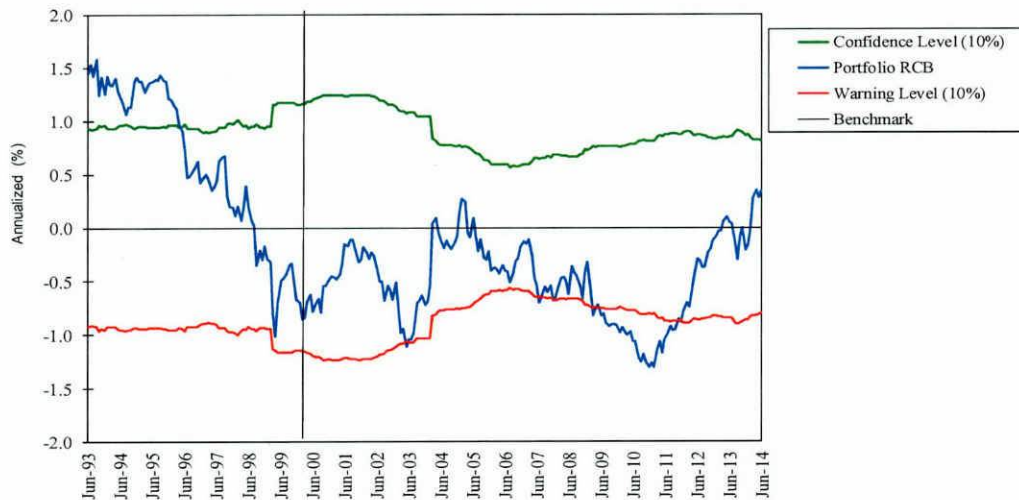
Quantitative Evaluation

Recommendation

	Actual	Manager Benchmark*	
Last Quarter	5.4%	5.1%	No action required.
Last 1 year	25.4	25.4	
Last 2 years	23.3	23.3	
Last 3 years	17.7	16.6	
Last 4 years	21.2	20.3	
Last 5 years	19.7	19.3	
Since Inception (1/95)	9.0	9.3	

* Russell 1000 since 1/1/04. Completeness Fund through 12/31/03.

MELLON CAPITAL MANAGEMENT- SEMI-PASSIVE
Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending
 Note: Area to the left of vertical line includes performance prior to retention by the SBI.

BLACKROCK INSTITUTIONAL TRUST CO., N.A.
Periods Ending June, 2014

Portfolio Manager: Peter Sietsema

Assets Under Management: \$9,909,496,800

Investment Philosophy – Passive Style

Barclays Global Investors seeks to minimize 1) tracking error, 2) transaction costs, and 3) investment and operational risks. The portfolio is passively managed against the asset class target using a proprietary optimization process that integrates a transaction cost model. The resulting portfolio closely matches the characteristics of the benchmark with less exposure to illiquid stocks.

Staff Comments

Staff met with BlackRock during the quarter.

Staff has no concerns at this time.

Quantitative Evaluation

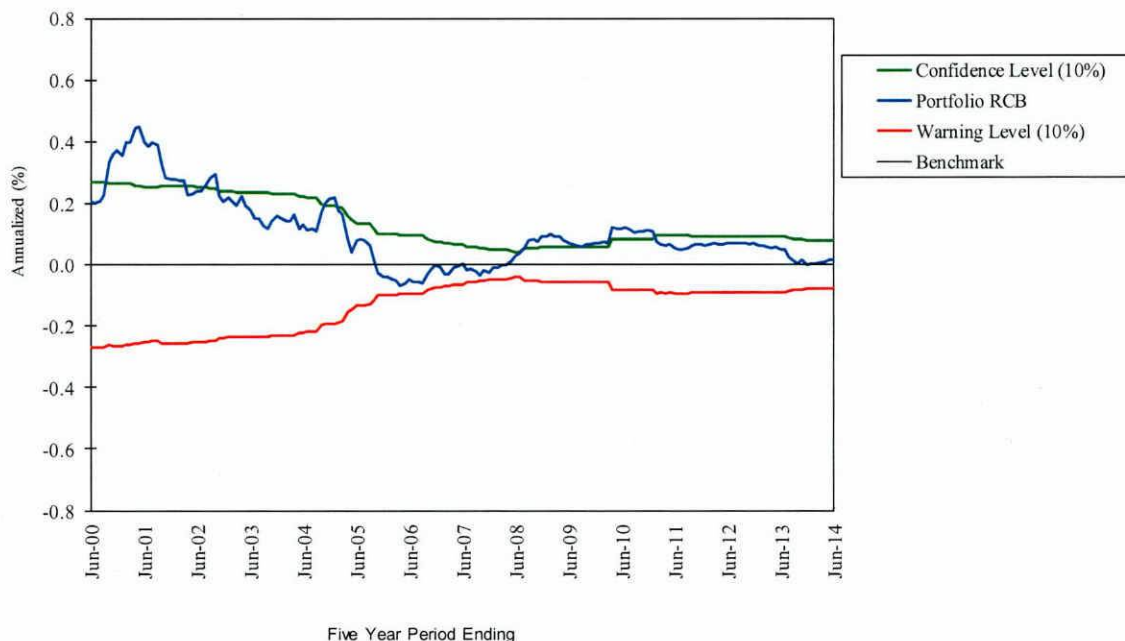
	Actual	Manager Benchmark*
Last Quarter	4.9%	4.9%
Last 1 year	25.2	25.2
Last 2 years	23.3	23.3
Last 3 years	16.5	16.5
Last 4 years	20.2	20.2
Last 5 years	19.3	19.3
Since Inception (7/95)	9.1	9.0

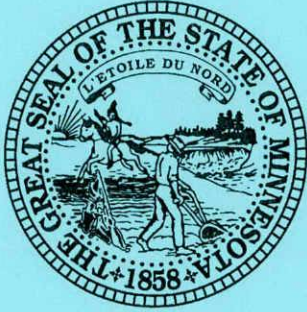
Recommendation

No action required.

* Russell 3000 since 10/1/03, Wilshire 5000 through 7/1/95.

BLACKROCK INSTITUTIONAL TRUST CO.- PASSIVE
Rolling Five Year Returns Compared to Benchmark





STATE BOARD OF INVESTMENT

Bond Manager Evaluation Reports

Second Quarter, 2014

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A-50

Bond Managers

Table of Contents

	Page
Bond Manager Performance Summary (quarter, 1, 3, 5, year periods)	A-52
Bond Manager Performance Summary (by calendar years)	A-53
Aberdeen Asset Management Inc.	A-54
Columbia Management Investment Advisers, LLC	A-55
Dodge & Cox	A-56
Pacific Investment Management Company LLC (PIMCO)	A-57
Western Asset Management Company	A-58
BlackRock Financial Management, Inc.	A-59
Goldman Sachs Asset Management	A-60
Neuberger Berman Fixed Income LLC	A-61

COMBINED RETIREMENT FUNDS
BOND MANAGERS
Periods Ending June, 2014

	Quarter		1 Year		3 Years		5 Years		Since (1) Inception		Market Value (in millions)	Pool %
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %		
Active Managers												
Aberdeen	2.3	2.0	5.1	4.4	5.0	3.7	7.7	4.9	5.9	5.8	\$1,089.8	7.8%
Columbia (RiverSource)	2.1	2.0	5.2	4.4	4.9	3.7	6.5	4.9	5.8	5.8	\$1,193.4	8.5%
Dodge & Cox	2.2	2.0	6.7	4.4	5.2	3.7	7.0	4.9	6.9	5.8	\$1,508.3	10.8%
PIMCO	1.6	2.0	3.5	4.4	4.3	3.7	7.2	4.9	7.5	5.4	\$1,582.1	11.3%
Western	2.6	2.0	6.1	4.4	5.2	3.7	7.7	4.9	9.1	7.9	\$1,609.2	11.5%
Active Mgr. Aggregate	2.2	2.0	5.3	4.4	4.9	3.7	7.3	4.9			\$6,982.9	50.0%
Semi-Passive Managers												
BlackRock	2.1	2.0	4.6	4.4	4.0	3.7	5.5	4.9	5.9	5.8	\$1,911.0	13.7%
Goldman	2.2	2.0	4.8	4.4	4.3	3.7	6.0	4.9	6.1	5.8	\$2,549.6	18.3%
Neuberger	2.1	2.0	4.6	4.4	4.0	3.7	6.4	4.9	7.0	6.8	\$2,526.2	18.1%
Semi-Passive Mgr. Aggregate	2.1	2.0	4.7	4.4	4.1	3.7	6.0	4.9			\$6,986.8	50.0%
Historical Aggregate (2)	2.1	2.0	5.0	4.4	4.5	3.7	6.6	4.9	8.1	8.0	\$13,969.7	100.0%
Barclays Capital Aggregate (3)		2.0		4.4		3.7		4.9		8.0		

(1) Since retention by the SBI. Time period varies for each manager.

(2) Includes performance of terminated managers.

(3) Prior to July 1994, this index reflects the Salomon BIG.

COMBINED RETIREMENT FUNDS
BOND MANAGERS
Calendar Year Returns

	2013		2012		2011		2010		2009	
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %
Active Managers										
Aberdeen	-1.5	-2.0	7.7	4.2	8.0	7.8	10.7	6.5	18.4	5.9
Columbia (RiverSource)	-1.0	-2.0	6.9	4.2	8.1	7.8	8.1	6.5	14.0	5.9
Dodge & Cox	0.9	-2.0	8.5	4.2	5.0	7.8	7.8	6.5	16.5	5.9
PIMCO	-1.3	-2.0	9.3	4.2	4.5	7.8	12.1	6.5	15.5	5.9
Western	-1.4	-2.0	7.8	4.2	7.1	7.8	10.9	6.5	17.5	5.9
Active Mgr. Aggregate	-0.8	-2.0	8.1	4.2	6.4	7.8	10.0	6.5	16.5	5.9
Semi-Passive Managers										
BlackRock	-1.8	-2.0	5.0	4.2	8.0	7.8	6.5	6.5	9.6	5.9
Goldman	-1.7	-2.0	5.4	4.2	8.3	7.8	8.0	6.5	12.0	5.9
Neuberger	-2.0	-2.0	5.4	4.2	7.6	7.8	9.1	6.5	14.3	5.9
Semi-Passive Mgr. Aggregate	-1.8	-2.0	5.3	4.2	8.0	7.8	7.9	6.5	12.0	5.9
Historical Aggregate										
	-1.3	-2.0	6.7	4.2	7.2	7.8	9.0	6.5	14.3	5.9
Barclays Capital Aggregate		-2.0		4.2		7.8		6.5		5.9

The benchmark for the Fixed Income Asset Class is the Barclays Capital U.S. Aggregate Bond Index.

ABERDEEN ASSET MANAGEMENT INC.
Periods Ending June, 2014

Portfolio Manager: Neil Moriarty

Assets Under Management: \$1,089,812,825

Investment Philosophy

Aberdeen (formerly Deutsche) believes there are pricing inefficiencies inherent in bond markets and that diligent credit analysis, security structure evaluation, and relative value assessment can be used to exploit these inefficiencies. The firm avoids interest rate forecasting and sector rotation because they believe these strategies will not deliver consistent outperformance versus the benchmark over time. The firm's valued added is derived primarily from individual security selection. Portfolio managers and analysts research bonds within their sector of expertise and construct portfolios from the bottom-up, bond by bond. Sector weightings are a byproduct of the bottom-up security selection. Aberdeen was retained by the SBI in February 2000.

Staff Comments

Aberdeen announced that Chris Gagnier, Head of North American Fixed Income, will be retiring at the end of December 2014. Charles Tan is currently Deputy Head of North American Fixed Income and will succeed Chris upon his retirement. Staff anticipates a smooth transition. Aberdeen also appointed Co-heads to replace Gary Marshall, current Head of Americas, who is returning to the UK to serve as Chief Executive of Scottish Widows Investment Partnership (SWIP). Gary's roles of CFO and COO will be split. Bev Hendry, will be CFO and Co-head of Americas. Andrew Smith, who has been acting deputy to Gary, will be COO and Co-head of Americas. Aberdeen completed their acquisition of Scottish Widows Investment Partners (SWIP) on April 1, 2014.

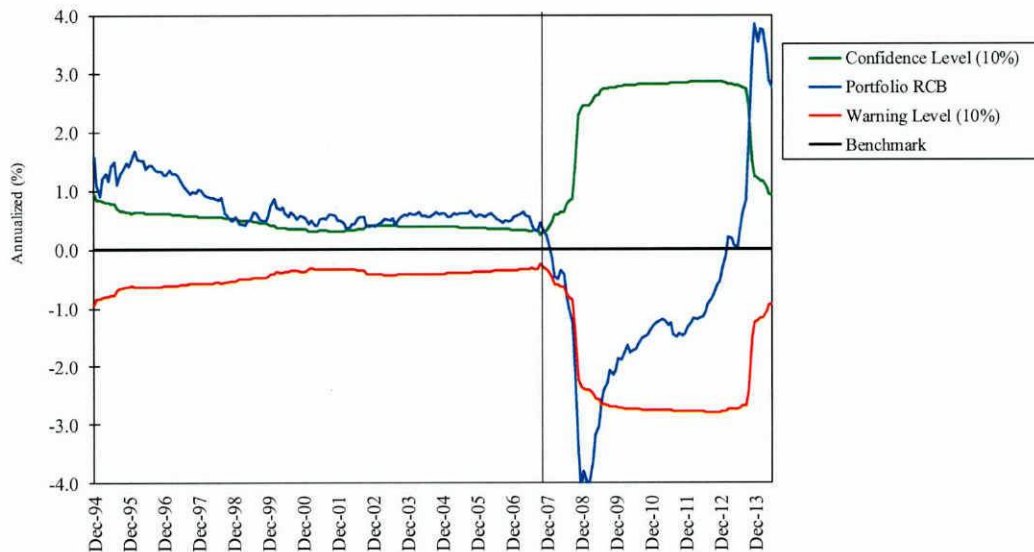
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	2.3%	2.0%
Last 1 year	5.1	4.4
Last 2 years	3.2	1.8
Last 3 years	5.0	3.7
Last 4 years	5.3	3.7
Last 5 years	7.7	4.9
Since Inception (2/00)	5.9	5.8

Recommendations

No action required.

ABERDEEN ASSET MANAGEMENT
 Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending

Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

COLUMBIA MANAGEMENT INVESTMENT ADVISERS, LLC
Periods Ending June, 2014

Portfolio Manager: Colin Lundgren

Assets Under Management: \$1,193,395,728

Investment Philosophy

Columbia (formerly American Express and RiverSource) manages portfolios using a top-down approach culminating with in-depth fundamental research and credit analysis. Five portfolio components are actively managed: duration, maturity structure, sector selection, industry emphasis, and security selection. Duration and maturity structure are determined by the firm's economic analysis and interest rate outlook. This analysis also identifies sectors and industries expected to produce the best risk-adjusted return. In-depth fundamental research and credit analysis combined with proprietary valuation disciplines is used to identify attractive individual securities. Columbia was retained by the SBI in July 1993.

Staff Comments

Staff has no concerns at this time.

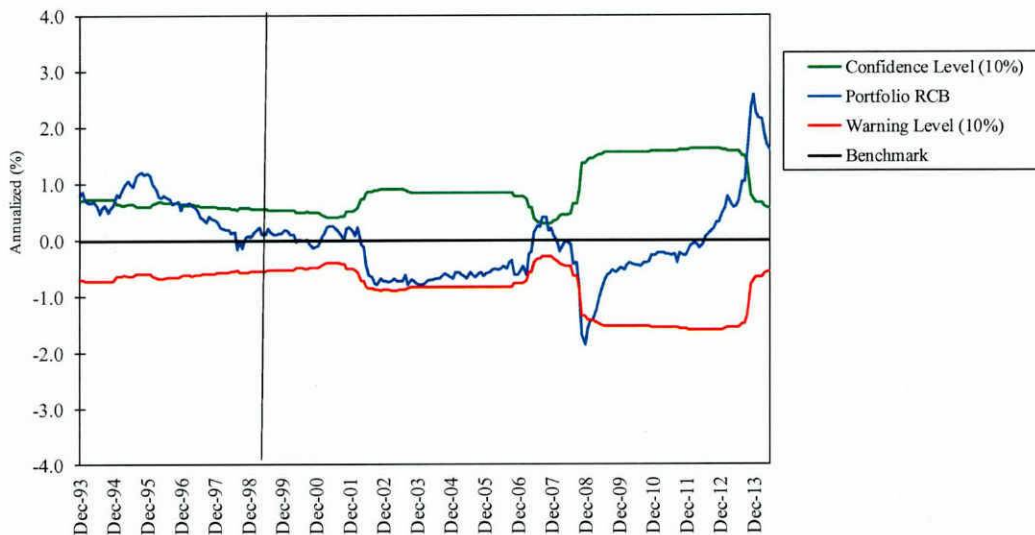
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	2.1%	2.0%
Last 1 year	5.2	4.4
Last 2 years	3.0	1.8
Last 3 years	4.9	3.7
Last 4 years	5.1	3.7
Last 5 years	6.5	4.9
Since Inception (7/93)	5.8	5.8

Recommendations

No action required.

COLUMBIA MANAGEMENT - FIXED INCOME
Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending
 Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

DODGE & COX, INC.
Periods Ending June, 2014

Portfolio Manager: Dana Emery

Assets Under Management: \$1,508,303,076

Investment Philosophy

Dodge & Cox manages a high quality, diversified portfolio of securities that are selected through fundamental analysis. The firm believes that by combining fundamental research with a long-term investment horizon it is possible to uncover inefficiencies in market sectors and individual securities. The firm combines this fundamental research with a disciplined program of risk analysis. To seek superior returns over the long-term, Dodge & Cox emphasizes sector and security selection, strives to build portfolios that have a higher yield than the broad bond market, and analyzes portfolio and individual security risk. Dodge & Cox was retained by the SBI in February 2000.

Staff Comments

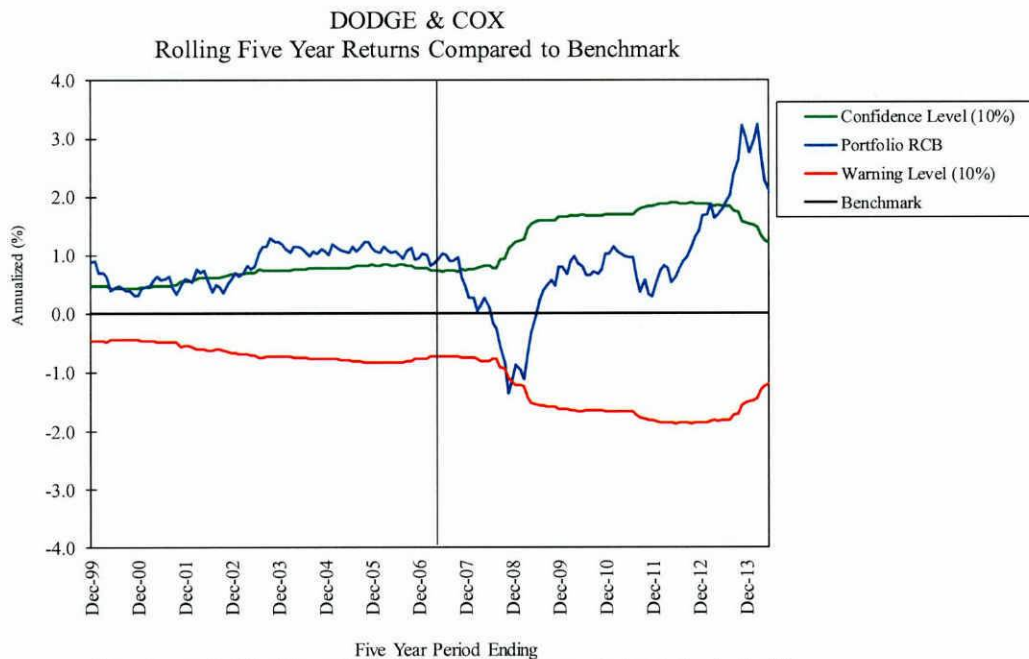
Staff has no concerns at this time.

Quantitative Evaluation

	Actual	Benchmark
Last Quarter	2.2%	2.0%
Last 1 year	6.7	4.4
Last 2 years	4.7	1.8
Last 3 years	5.2	3.7
Last 4 years	5.5	3.7
Last 5 years	7.0	4.9
Since Inception (2/00)	6.9	5.8

Recommendations

No action required.



Note: Area to the left of the vertical line includes performance prior to retention by the SBI

PACIFIC INVESTMENT MANAGEMENT COMPANY LLC (PIMCO)
Periods Ending June, 2014

Portfolio Manager: Bill Gross

Assets Under Management: \$1,582,146,222

Investment Philosophy

PIMCO's investment approach seeks to outperform a client's benchmark on a consistent basis, while maintaining overall risk similar to the index. PIMCO's approach to investing has three key principles: the utilization of multiple strategies, a long-term orientation and bond selection from a broad universe. PIMCO's investment process starts with an annual Secular Forum. The goal of this Forum is to look beyond the current business cycle and determine how secular forces will play out over the next 3 to 5 years. Quarterly, PIMCO holds Economic Forums to evaluate growth and inflation over the next 6 to 9 months. Following PIMCO's Secular and Economic Forums, the PIMCO Investment Committee (IC) develops key portfolio strategies. They consider both the "top-down" conclusions emanating from PIMCO's Forum, as well as the "bottom-up" market intelligence provided by PIMCO's teams of sector specialist portfolio managers. Through an interactive series of meetings, the IC defines a set of consistent strategies that are then implemented. PIMCO was retained by the SBI in September 2008.

Staff Comments

PIMCO has requested to transition the primary portfolio manager from Bill Gross to Saumil Parikh at the end of the third quarter. Saumil is a Managing Director, Generalist Portfolio Manager, and permanent member of PIMCO's Investment Committee. Staff has previously met with Saumil, has reviewed information from PIMCO, and is comfortable transitioning him to primary portfolio manager.

Mohammed El-Erian, Chief Executive Officer and Co-Chief Investment Officer, resigned from PIMCO in March 2014. Although Mr. El-Erian was not the Portfolio Manager for the SBI portfolio, he was a member of PIMCO's Investment Committee. A new CEO and six deputy CIOs were named following Mr. El-Erian's resignation. In addition, PIMCO created and filled the new position of President.

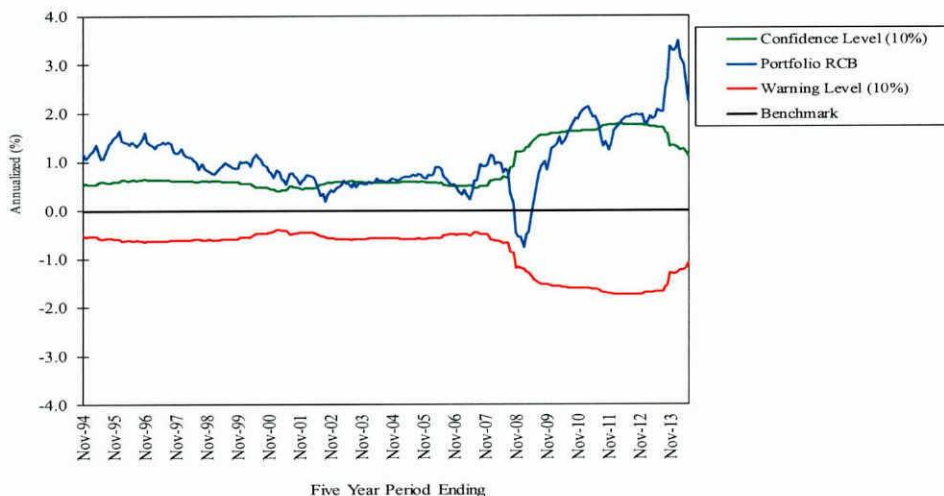
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	1.6%	2.0%
Last 1 year	3.5	4.4
Last 2 years	3.2	1.8
Last 3 years	4.3	3.7
Last 4 years	4.9	3.7
Last 5 years	7.2	4.9
Since Inception (9/08)	7.5	5.4

Recommendations

No action required.

PACIFIC INVESTMENT MANAGEMENT CO.
 Rolling Five Year Returns Compared to Benchmark



Note: Graph includes performance of the manager prior to retention by SBI.

WESTERN ASSET MANAGEMENT COMPANY
Periods Ending June, 2014

Portfolio Manager: Ken Leech

Assets Under Management: \$1,609,245,310

Investment Philosophy

Western emphasizes the use of multiple strategies and active sector and issue selection, while constraining interest rate risk. Multiple strategies are proportioned so that results do not depend on one or two opportunities. This approach adds consistent value over time and can reduce volatility. Long-term value investing is Western's fundamental approach. In making their sector decision, the firm seeks out the greatest long-term value by analyzing all fixed income market sectors and their economic expectations. Individual issues are identified based on relative credit strength, liquidity, issue structure, event risk, and market valuation. Western believes that successful interest rate forecasting is extremely difficult and consequently keeps portfolio duration within a narrow band around the benchmark. Western was retained by the SBI in July 1984.

Staff Comments

Steve Walsh, CIO, retired in March 2014. Ken Leech, who previously served as Western's co-CIO with Mr. Walsh from 1998 to 2008, was named CIO. Western reached settlements with the SEC and U.S. Department of Labor relating to two investigations into certain fixed income trades. In reaching the settlements, Western neither confirmed nor denied the allegations. The SBI portfolio was not affected by the trades or the settlement.

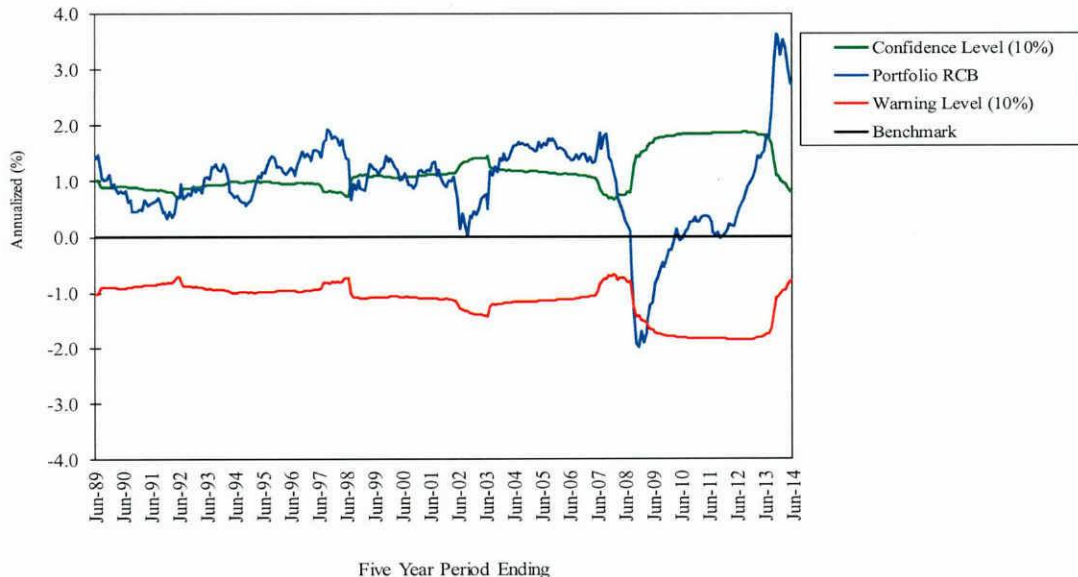
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	2.6%	2.0%
Last 1 year	6.1	4.4
Last 2 years	3.7	1.8
Last 3 years	5.2	3.7
Last 4 years	5.5	3.7
Last 5 years	7.7	4.9
Since Inception (7/84)	9.1	7.9

Recommendations

No action required.

WESTERN ASSET MANAGEMENT
Rolling Five Year Returns Compared to Benchmark



BLACKROCK FINANCIAL MANAGEMENT
Periods Ending June, 2014

Portfolio Manager: Akiva Dickstein

Assets Under Management: \$1,910,951,065

Investment Philosophy

BlackRock manages an enhanced index portfolio closely tracking the Barclays Capital U.S. Aggregate Bond Index. The firm's enhanced index strategy is a controlled-duration, sector rotation style, which can be described as active management with tighter duration, sector, and quality constraints. BlackRock seeks to add value through: (i) controlling portfolio duration within a narrow band relative to the benchmark, (ii) relative value sector/sub-sector rotation and security selection, (iii) rigorous quantitative analysis to the valuation of each security and of the portfolio as a whole, (iv) intense credit analysis and review, and (v) the judgment of experienced portfolio managers. Advanced risk analytics measure the potential impact of various sector and security strategies to ensure consistent value added and controlled volatility. BlackRock was retained by the SBI in April 1996.

Staff Comments

Staff met with BlackRock during the quarter to meet Akiva Dickstein, who is the current portfolio manager. Mr. Dickstein, Head of Mortgages, replaced Brian Weinstein, who resigned from BlackRock in June 2014. Staff is comfortable with this change.

BlackRock has also expanded its Executive Leadership team and hired Barry Knapp as Head of Thematic Strategies within the Americas Fixed Income group.

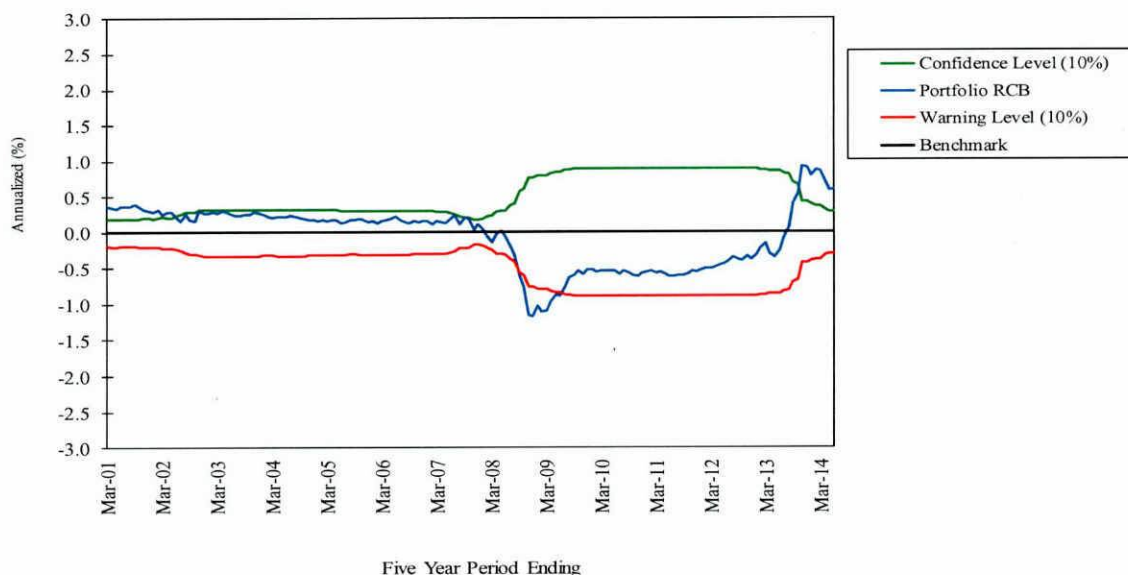
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	2.1%	2.0%
Last 1 year	4.6	4.4
Last 2 years	2.2	1.8
Last 3 years	4.0	3.7
Last 4 years	4.0	3.7
Last 5 years	5.5	4.9
Since Inception (4/96)	5.9	5.8

Recommendation

No action required.

BLACKROCK, INC.
Rolling Five Year Returns Compared to Benchmark



GOLDMAN SACHS ASSET MANAGEMENT
Periods Ending June, 2014

Portfolio Manager: Mike Goosay

Assets Under Management: \$2,549,612,014

Investment Philosophy

Goldman manages an enhanced index portfolio closely tracking the Barclays Capital U.S. Aggregate Bond Index. Goldman's process can be viewed as active management within a very risk-controlled framework. The firm relies primarily on sector allocation and security selection strategies to generate incremental return. To a lesser degree, term structure strategies are also implemented. Goldman combines long-term strategic investment tilts with short-term tactical trading opportunities. Strategic tilts are based on fundamental and quantitative sector research and seek to optimize the long-term risk/return profile of portfolios. Tactical trades between sectors and securities within sectors are implemented to take advantage of short-term market anomalies. Goldman was retained by the SBI in July 1993.

Staff Comments

Staff met with Goldman during the quarter.

Staff has no concerns at this time.

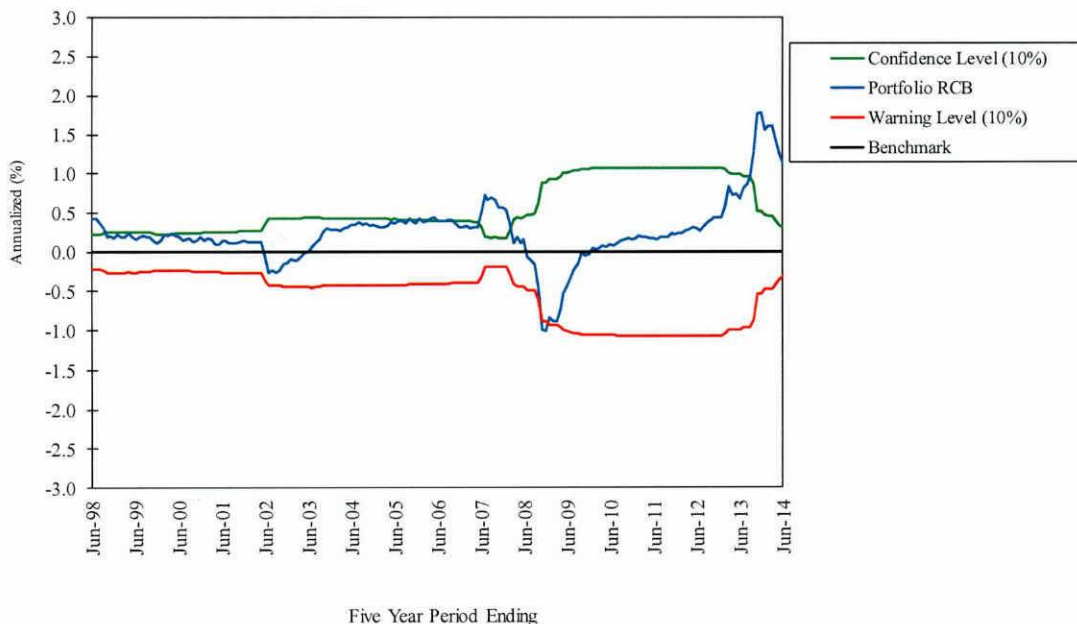
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	2.2%	2.0%
Last 1 year	4.8	4.4
Last 2 years	2.4	1.8
Last 3 years	4.3	3.7
Last 4 years	4.4	3.7
Last 5 years	6.0	4.9
Since Inception (7/93)	6.1	5.8

Recommendations

No action required.

GOLDMAN SACHS ASSET MANAGEMENT
Rolling Five Year Returns Compared to Benchmark



NEUBERGER BERMAN FIXED INCOME LLC
Periods Ending June, 2014

Portfolio Manager: Andrew Johnson

Assets Under Management: \$2,526,206,645

Investment Philosophy

Neuberger (formerly Lincoln) manages an enhanced index portfolio closely tracking the Barclays Capital U.S. Aggregate Bond Index. Neuberger's process relies on a combination of quantitative tools and active management judgment. Explicit quantification and control of risks are at the heart of their process. Neuberger uses proprietary risk exposure measures to analyze 24 interest rate factors, and over 30 spread-related factors. For each interest rate factor, the portfolio is very closely matched to the index to ensure that the portfolio earns the same return as the index for any change in interest rates. For each spread factor, the portfolio can deviate slightly from the index as a means of seeking value-added. Setting target active risk exposures that must fall within pre-established maximums controls risk. To control credit risk, corporate holdings are diversified across a large number of issues. Neuberger was retained by the SBI in July 1988.

Staff Comments

Staff has no concerns at this time.

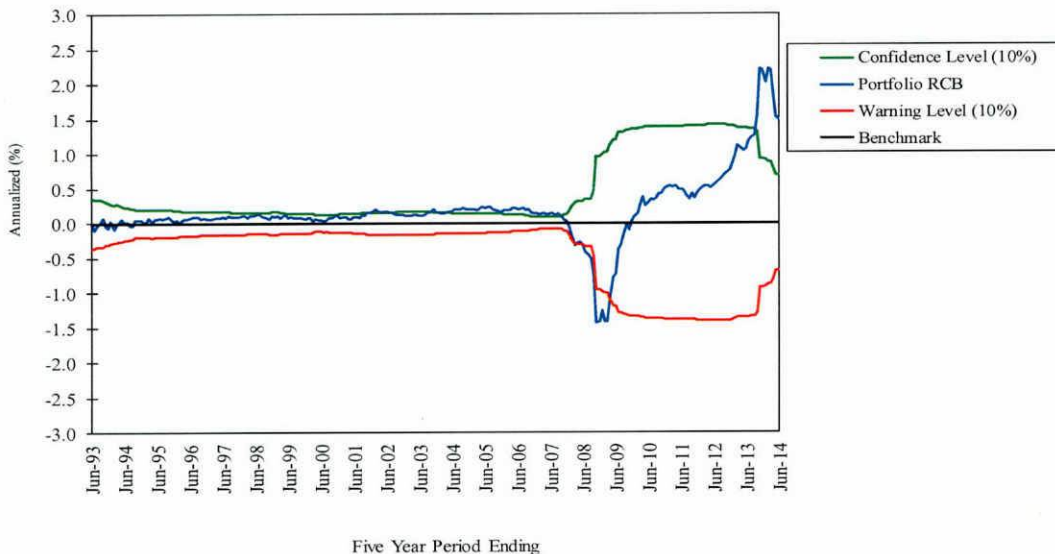
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	2.1%	2.0%
Last 1 year	4.6	4.4
Last 2 years	2.2	1.8
Last 3 years	4.0	3.7
Last 4 years	4.3	3.7
Last 5 years	6.4	4.9
Since Inception (7/88)	7.0	6.8

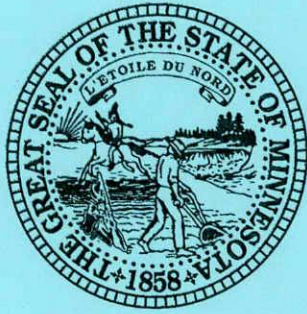
Recommendations

No action required.

NEUBERGER BERMAN
Rolling Five Year Returns Compared to Benchmark



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STATE BOARD OF INVESTMENT

International Manager Evaluation Reports

Second Quarter, 2014

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A-64

International Managers

Table of Contents

	Page
International Manager Performance Summary (quarter, 1, 3, 5, year periods)	A-66
International Manager Performance Summary (by calendar years)	A-67
Acadian Asset Management, LLC	A-68
Columbia Management Investment Advisers, LLC	A-69
J.P. Morgan Investment Management Inc.	A-70
Marathon Asset Management LLP	A-71
McKinley Capital Management LLC	A-72
Pyramis Global Advisors Trust Company – Active	A-73
Capital International, Inc.	A-74
Morgan Stanley Investment Management Inc.	A-75
AQR Capital Management, LLC	A-76
Pyramis Global Advisors Trust Company – Semi-Passive	A-77
State Street Global Advisors – Semi-Passive	A-78
State Street Global Advisors – Passive Emerging Markets	A-79
State Street Global Advisors – Passive Developed Markets	A-80

**COMBINED RETIREMENT FUNDS
INTERNATIONAL STOCK MANAGERS
Periods Ending June, 2014**

	Quarter		1 Year		3 Years		5 Years		Since (1) Inception		Market Value (in millions)	Pool %
	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk		
	%	%	%	%	%	%	%	%	%	%		
Active Developed Markets (2)												
Acadian	5.2	4.6	28.7	23.8	9.8	7.6	14.1	11.7	6.7	6.4	\$400.7	4.2%
Columbia	4.0	4.6	17.5	23.8	7.3	7.6	12.5	11.7	2.4	3.8	\$359.4	3.8%
J.P. Morgan	4.6	4.6	21.0	23.8	7.4	7.6	12.1	11.7	6.3	6.4	\$317.0	3.3%
Marathon	3.9	4.6	24.2	23.8	10.9	7.6	14.4	11.7	9.1	5.7	\$791.7	8.3%
McKinley	2.9	4.6	22.3	23.8	8.5	7.6	12.6	11.7	5.8	6.4	\$317.2	3.3%
Pyramis (Fidelity)	3.4	4.6	20.8	23.8	9.3	7.6	13.5	11.7	8.0	6.4	\$370.6	3.9%
Aggregate	4.0	4.6	22.7	23.8	9.0	7.6	13.0	11.7			\$2,556.6	26.9%
Active Emerging Markets (3)												
Capital International	5.3	6.6	13.3	14.3	-2.9	-0.4	6.8	9.2	10.8	11.5	\$769.1	8.1%
Morgan Stanley	6.6	6.6	12.0	14.3	2.3	-0.4	10.3	9.2	12.2	11.5	\$847.0	8.9%
Aggregate	6.0	6.6	12.6	14.3	-0.4	-0.4	8.5	9.2			\$1,616.2	17.0%
Semi-Passive Developed Markets (2)												
AQR	3.3	4.6	23.4	23.8	8.5	7.6	13.3	11.7	7.0	6.4	\$366.2	3.8%
Pyramis (Fidelity)	4.5	4.6	24.1	23.8	8.5	7.6	12.6	11.7	7.4	6.4	\$545.6	5.7%
State Street	3.2	4.6	25.9	23.8	7.3	7.6	11.5	11.7	5.9	6.4	\$334.2	3.5%
Aggregate	3.8	4.6	24.4	23.8	8.2	7.6	12.5	11.7			\$1,246.0	13.1%
Passive Developed Markets (2)												
State Street	4.8	4.6	24.3	23.8	7.9	7.6	12.2	11.7	7.0	6.7	\$3,780.8	39.7%
Passive Emerging Markets (3)												
State Street	6.6	6.6	14.3	14.3					8.3	8.3	\$317.1	3.3%
Since 10/1/92												
Equity Only (4) (6)	4.7	5.0	21.4	21.7	6.3	5.7	11.7	11.1	7.3	6.9	\$9,516.8	100.0%
Total Program (5) (6)	4.7	5.0	21.4	21.7	6.3	5.7	11.7	11.1	7.5	6.9	\$9,516.8	100.0%
SBI Int'l Equity Target (6)		5.0		21.7		5.7		11.1		6.9		
MSCI ACWI ex. U.S. (7)		5.0		21.7		5.7		11.1		7.1		
MSCI World ex U.S. (net)		4.6		23.8		7.6		11.7		6.8		
MSCI EAFE (net)		4.1		23.6		8.1		11.8		6.6		
MSCI Emerging Markets (8)		6.6		14.3		-0.4		9.2		8.4		

(1) Since retention by the SBI. Time period varies for each manager.

(2) Since 6/1/08 the developed markets manager's benchmark is the Standard (large + mid) MSCI World ex U.S. (net). From 10/1/07 through 5/31/08 the benchmark was the Provisional Standard MSCI World ex U.S. (net). From 10/1/03 to 9/30/07 the benchmark was MSCI World ex U.S. (net). Prior to that date, it was MSCI EAFE Free (net). From 10/1/01 to 5/31/02 the benchmark was the Provisional MSCI EAFE Free (net).

(3) Since 6/1/08 the emerging markets manager's benchmark is the Standard (large + mid) MSCI Emerging Markets Free (net). From 10/1/07 through 5/31/08 the benchmark was the Provisional Standard MSCI Emerging Markets Free (net). From 1/1/01 to 9/30/07 the benchmark was MSCI Emerging Markets Free (net). Prior to that date, it was MSCI Emerging Markets Free (gross). From 10/1/01 to 5/31/02 the benchmark was the Provisional MSCI Emerging Markets Free (net).

(4) Equity managers only. Includes impact of terminated managers.

(5) Includes impact of currency overlay on the passive EAFE portfolio from 12/1/95-10/31/00.

(6) Since 6/1/08 the International Equity asset class target is the Standard (large + mid) MSCI ACWI ex U.S. (net). From 10/1/07 through 5/31/08 the benchmark was the Provisional Standard MSCI ACWI ex U.S. (net). From 10/1/03 to 9/30/07 the target was MSCI ACWI ex U.S. (net). From 1/1/01 to 9/30/03, the target was MSCI EAFE Free (net) plus Emerging Markets Free (net), and from 7/1/99 to 12/31/00 the target was MSCI EAFE Free (net) plus Emerging Markets Free (gross). From 7/1/99 to 9/30/03, the weighting of each index fluctuated with market capitalization. From 10/1/01 to 5/31/02 all international benchmarks being reported were the MSCI Provisional indices. From 12/31/96 to 6/30/99 the benchmark was fixed at 87% EAFE Free (net)/13% Emerging Markets Free (gross). On 5/1/96, the portfolio began transitioning from 100% EAFE Free (net) to the 12/31/96 fixed weights. 100% EAFE Free (net) prior to 5/1/96.

(7) MSCI ACWI Free ex U.S. (gross) through 12/31/00. MSCI ACWI ex U.S. (net) thereafter.

(8) MSCI Emerging Markets Free (gross) through 12/31/00. MSCI Emerging Markets (net) thereafter.

**COMBINED RETIREMENT FUNDS
INTERNATIONAL STOCK MANAGERS
Calendar Year Returns**

	2013		2012		2011		2010		2009	
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %
Active Developed Markets (1)										
Acadian	26.1	21.0	17.6	16.4	-12.9	-12.2	13.9	8.9	28.8	33.7
Columbia	23.9	21.0	19.0	16.4	-12.1	-12.2	15.2	8.9	29.3	33.7
J.P. Morgan	19.5	21.0	18.4	16.4	-10.2	-12.2	7.6	8.9	37.5	33.7
Marathon	28.5	21.0	17.9	16.4	-9.2	-12.2	14.4	8.9	29.8	33.7
McKinley	28.0	21.0	16.9	16.4	-15.5	-12.2	11.8	8.9	24.1	33.7
Pyramis (Fidelity)	26.7	21.0	20.3	16.4	-11.9	-12.2	11.7	8.9	35.1	33.7
Aggregate	25.4	21.0	17.9	16.4	-11.7	-12.2	11.9	8.9	31.9	33.7
Active Emerging Markets (2)										
Capital International	0.7	-2.6	13.8	18.2	-22.8	-18.4	16.1	18.9	83.1	78.5
Morgan Stanley	0.5	-2.6	21.1	18.2	-17.8	-18.4	18.4	18.9	71.7	78.5
Aggregate	0.6	-2.6	17.5	18.2	-20.6	-18.4	17.1	18.9	77.3	78.5
Semi-Passive Developed Markets (1)										
AQR	24.1	21.0	20.8	16.4	-13.9	-12.2	11.4	8.9	36.0	33.7
Pyramis (Fidelity)	23.2	21.0	19.4	16.4	-12.6	-12.2	11.5	8.9	30.2	33.7
State Street	25.3	21.0	17.3	16.4	-15.6	-12.2	8.7	8.9	34.9	33.7
Aggregate	24.0	21.0	19.2	16.4	-13.8	-12.2	10.6	8.9	33.6	33.7
Passive Developed Markets (1)										
State Street	21.4	21.0	16.7	16.4	-11.9	-12.2	9.9	8.9	34.0	33.7
Passive Emerging Markets (2)										
State Street	-2.5	-2.6	18.5	18.2						
Equity Only (3) (4)	17.8	15.3	17.6	16.8	-14.2	-13.7	12.3	11.2	41.2	41.5
Total Program (4)	17.8	15.3	17.6	16.8	-14.2	-13.7	12.3	11.2	41.2	41.5
SBI Int'l Equity Target (5)		15.3		16.8		-13.7		11.2		41.5
MSCI ACWI Free ex. U.S. (net)		15.3		16.8		-13.7		11.2		41.5
MSCI World ex U.S. (net)		21.0		16.4		-12.2		8.9		33.7
MSCI EAFE Free (net)		22.8		17.3		-12.1		7.7		31.8
MSCI Emerging Markets Free (net)		-2.6		18.2		-18.4		18.9		78.5

- (1) Since 6/1/08 the developed markets manager's benchmark is the Standard (large + mid) MSCI World ex U.S. (net). From 10/1/07 through 5/31/08 the benchmark was the Provisional Standard MSCI World ex U.S. (net). From 10/1/03 to 9/30/07 the benchmark was MSCI World ex U.S. (net).
- (2) Since 6/1/08 the emerging markets manager's benchmark is the Standard (large + mid) MSCI Emerging Markets (net). From 10/1/07 through 5/31/08 the benchmark was the Provisional Standard MSCI Emerging Markets (net). From 1/1/01 to 9/30/07 the benchmark was MSCI Emerging Markets Free (net).
- (3) Equity managers only. Includes impact of terminated managers.
- (4) Since 6/1/08 the International Equity asset class target is the Standard (large + mid) MSCI ACWI ex U.S. (net). From 10/1/07 through 5/31/08 the benchmark was the Provisional Standard MSCI ACWI ex U.S. (net). From 10/1/03 to 9/30/07 the target was MSCI ACWI ex U.S. (net).

ACADIAN ASSET MANAGEMENT, LLC
Periods Ending June, 2014

Portfolio Manager: John Chisholm

Assets Under Management: \$400,653,859

Investment Philosophy

Acadian believes there are inefficiencies in the global equity markets that can be exploited by a disciplined quantitative investment process. In evaluating markets and stocks, Acadian believes it is most effective to use a range of measures, including valuation, price trends, financial quality and earnings information. Risk control is a critical part of the Acadian approach. Acadian's process seeks to capture value-added at both the stock and the sector/country level. The process is active and bottom-up, but each stock forecast also contains a sector/country forecast. Selection is made from a very broad investment universe using disciplined, factor-driven quantitative models. Portfolios are constructed with an optimizer and are focused on targeting a desired level of active risk relative to a client's chosen benchmark index.

Staff Comments

Staff has no concerns at this time.

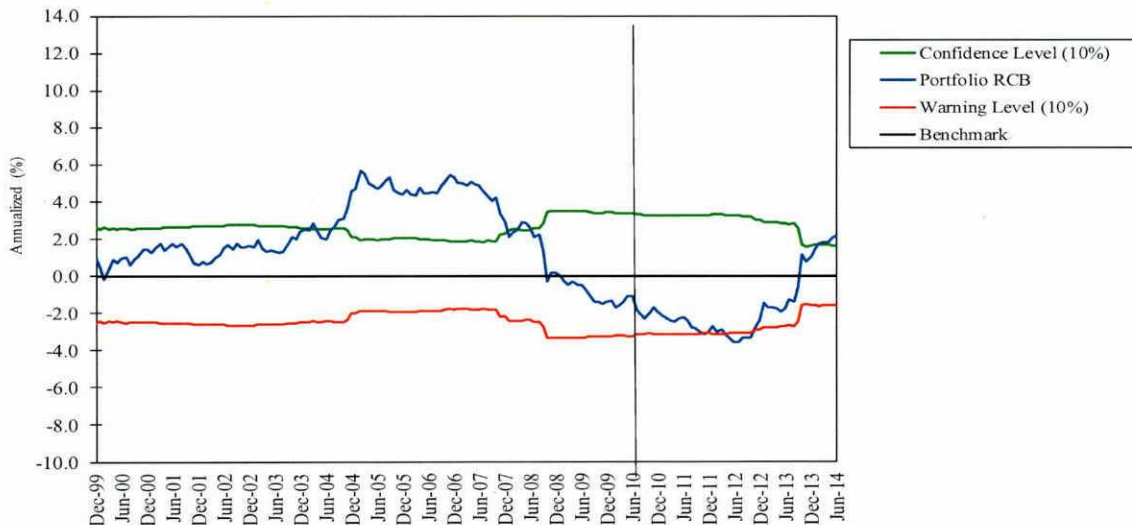
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	5.2%	4.6%
Last 1 year	28.7	23.8
Last 2 years	25.0	20.4
Last 3 years	9.8	7.6
Last 4 years	15.2	12.9
Last 5 years	14.1	11.7
Since Inception (7/05)	6.7	6.4

Recommendations

No action required.

ACADIAN ASSET MANAGEMENT
 Rolling Five Year Returns Compared to Benchmark



5 Year Period Ending
 Note: Area to the left of vertical line includes performance prior to retention by the SBI.

COLUMBIA MANAGEMENT INVESTMENT ADVISERS, LLC
Periods Ending June, 2014

Portfolio Manager: William Davies

Assets Under Management: \$359,391,394

Investment Philosophy

Columbia's philosophy focuses on key forces of change in markets and the companies that will benefit. The firm believes that in a global marketplace, where sustainable competitive advantage is rare, their research should focus on the dynamics of change. A good understanding of the likely impact of these changes at a company level, complemented with an appreciation of the ability of management to exploit these changes, creates significant opportunities to pick winners and avoid losers.

Staff Comments

Staff met with the manager during the quarter.
 Staff has no concerns at this time.

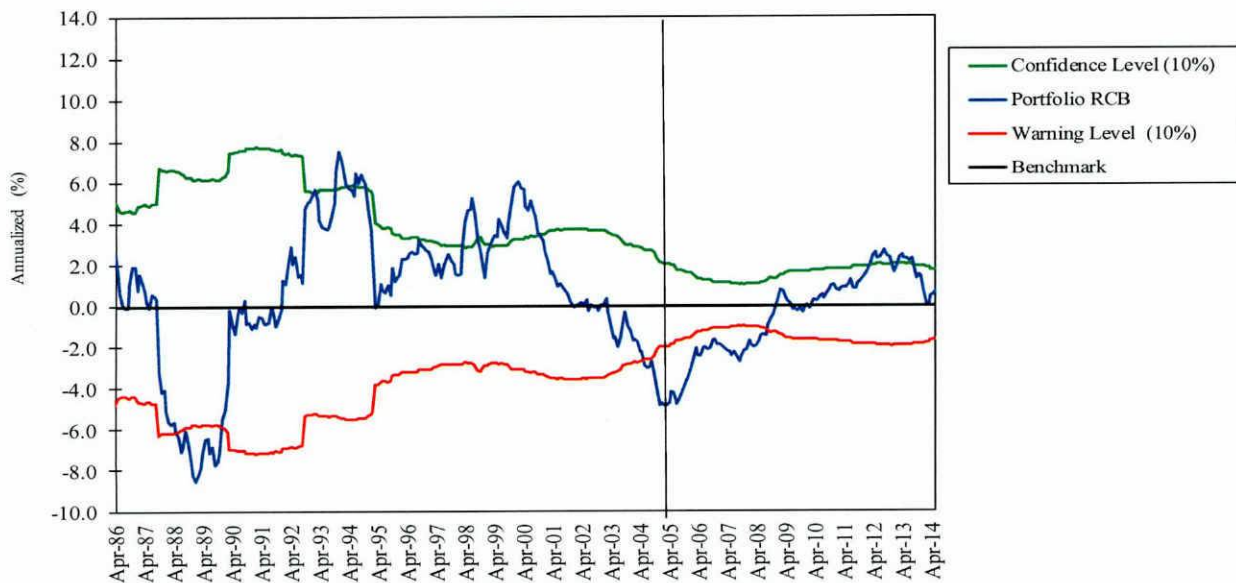
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	4.0%	4.6%
Last 1 year	17.5	23.8
Last 2 years	18.3	20.4
Last 3 years	7.3	7.6
Last 4 years	13.9	12.9
Last 5 years	12.5	11.7
Since Inception (3/00)	2.4	3.8

Recommendations

No action required.

COLUMBIA MANAGEMENT INVESTMENT ADVISERS
Rolling Five Year Returns Compared to Benchmark



5 Year Period Ending
 Note: Area to the left of vertical line includes performance prior to retention by the SBI.

J.P. MORGAN INVESTMENT MANAGEMENT INC.
Periods Ending June, 2014

Portfolio Manager: James Fisher

Assets Under Management: \$317,046,415

Investment Philosophy

JP Morgan's international equity strategy seeks to add value through active stock selection, while remaining diversified by both sector and region. The portfolio displays a large capitalization size bias and a slight growth orientation. Stock selection decisions reflect the insights of approximately 150 locally based investors, ranking companies within their respective local markets. The most attractive names in each region are then further validated by a team of Global Sector Specialists who seek to take the regional team rankings and put these into a global context. The team of six senior portfolio managers draws together the insights of both the regional and global specialists, constructing a portfolio of the most attractive names.

Staff Comments

Staff met with the manager during the quarter.

 Staff has no concerns at this time.

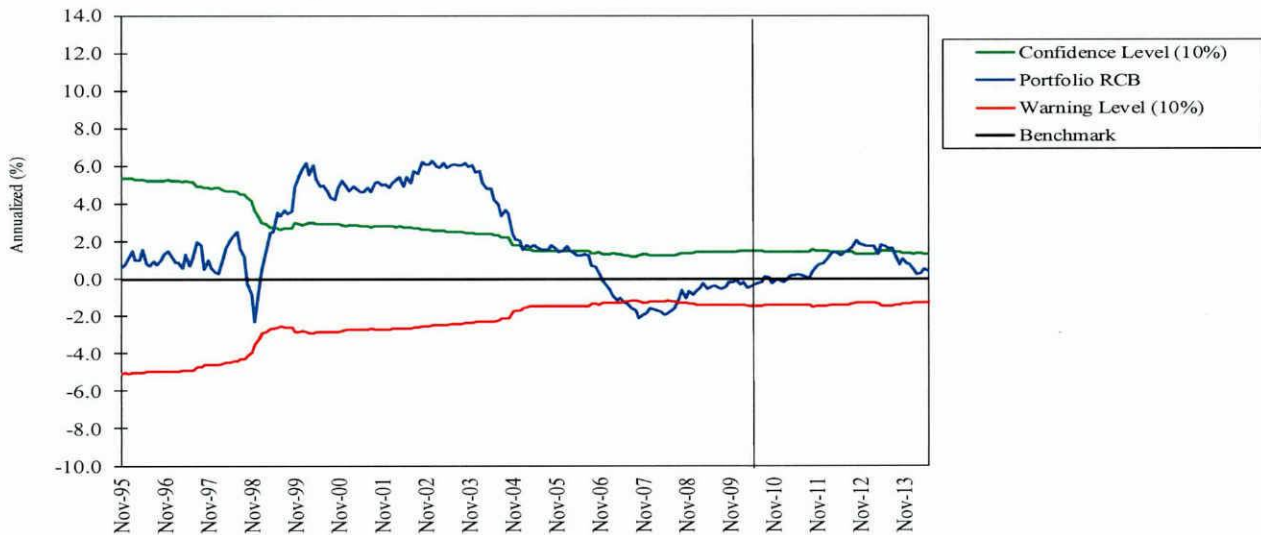
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	4.6%	4.6%
Last 1 year	21.0	23.8
Last 2 years	19.1	20.4
Last 3 years	7.4	7.6
Last 4 years	13.1	12.9
Last 5 years	12.1	11.7
Since Inception (7/05)	6.3	6.4

Recommendations

No action required.

J.P. MORGAN INVESTMENT MANAGEMENT, INC.
Rolling Five Year Returns Compared to Benchmark



5 Year Period Ending

Note: Area to the left of vertical line includes performance prior to retention by the SBI

MARATHON ASSET MANAGEMENT LLP
Periods Ending June, 2014

Portfolio Manager: William Arah

Assets Under Management: \$791,745,743

Investment Philosophy

Marathon uses a blend of flexible, qualitative disciplines to construct portfolios which exhibit a value bias. Style and emphasis will vary over time and by market, depending on Marathon's perception of lowest risk opportunity. Since they believe that competition determines profitability, Marathon is attracted to industries where the level of competition is declining and they will hold a sector position as long as the level of competition does not increase. At the stock level, Marathon tracks a company's competitive position versus the attractiveness of their products or services and attempts to determine whether the company is following an appropriate reinvestment strategy for their current competitive position.

Staff Comments

Staff has no concerns at this time.

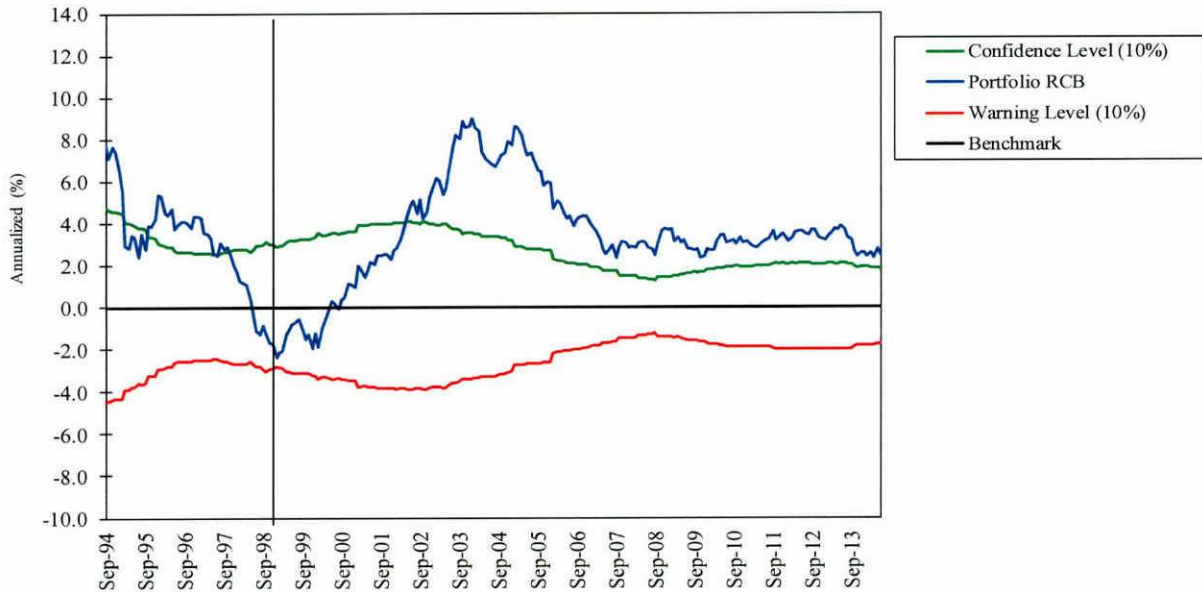
Quantitative Evaluation

	Custom	
	Actual	Benchmark
Last Quarter	3.9%	4.6%
Last 1 year	24.2	23.8
Last 2 years	23.3	20.4
Last 3 years	10.9	7.6
Last 4 years	15.2	12.9
Last 5 years	14.4	11.7
Since Inception (11/93)	9.1	5.7

Recommendations

No action required.

MARATHON ASSET MANAGEMENT
Rolling Five Year Returns Compared to Benchmark



5 Year Period Ending

Note: Area to the left of vertical line includes performance prior to retention by the SBI.

MCKINLEY CAPITAL MANAGEMENT LLC
Periods Ending June, 2014

Portfolio Manager: Robert A. Gillam

Assets Under Management: \$317,217,028

Investment Philosophy

At McKinley Capital, investment decisions are based on the philosophy that excess market returns can be achieved through the construction and active management of a diversified, fundamentally sound portfolio of inefficiently priced common stocks whose earnings growth rates are accelerating above market expectations. A disciplined quantitative investment process drives all product strategies. The firm can be described as a bottom-up growth manager. They employ both a systematic screening process and a qualitative overview to construct and manage portfolios. Investment ideas are initially generated by the quantitative investment process. The balance of the qualitative overlay seeks to identify securities with earnings estimates that are reasonable and sustainable. All portfolios managed by McKinley Capital use the same investment process and construction methodology to manage portfolios.

Staff Comments

Stable organization and process with improved recent returns. The SBI has confidence in the strategy to add value when growth is being rewarded in the market.

Staff met with the manager during the quarter.

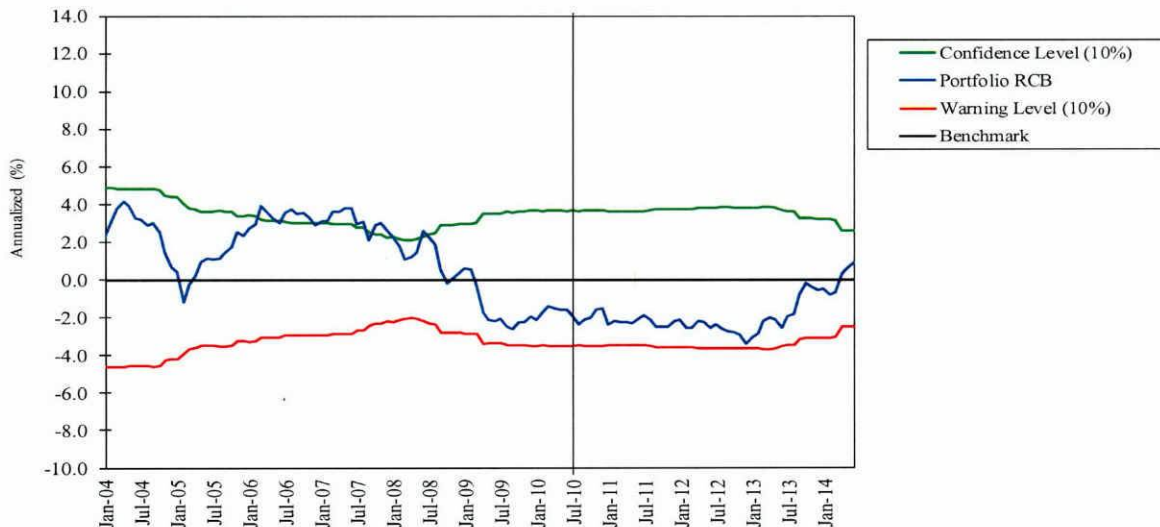
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	2.9%	4.6%
Last 1 year	22.3	23.8
Last 2 years	21.5	20.4
Last 3 years	8.5	7.6
Last 4 years	13.7	12.9
Last 5 years	12.6	11.7
Since Inception (7/05)	5.8	6.4

Recommendations

No action required.

MCKINLEY CAPITAL MANAGEMENT
Rolling Five Year Returns Compared to Benchmark



5 Year Period Ending

Note: Area to the left of vertical line includes performance prior to retention by the SBI

PYRAMIS GLOBAL ADVISORS TRUST COMPANY (Active)
Periods Ending June, 2014

Portfolio Manager: Chris Steward & Brian Hoesly **Assets Under Management:** \$370,551,226

Investment Philosophy

Pyramis' International Growth is a core, growth-oriented strategy that provides diversified exposure to the developed international markets. The investment process combines active stock selection and regional asset allocation. Four portfolio managers in London, Tokyo, Hong Kong, Smithfield Rhode Island, and Toronto construct regional sub-portfolios, selecting stocks based on Fidelity analysts' bottom-up research and their own judgment and expertise. Portfolio guidelines seek to ensure risk is commensurate with the performance target and to focus active risk on stock selection. Resulting portfolios typically contain between 200-250 holdings.

Staff Comments

Staff met with the manager during the quarter.

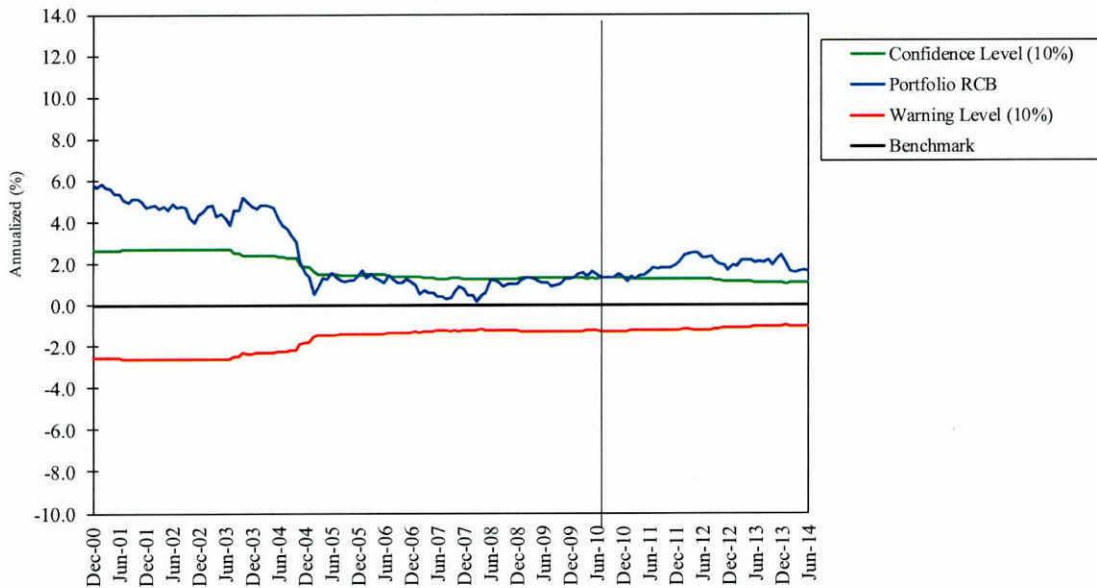
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	3.4%	4.6%
Last 1 year	20.8	23.8
Last 2 years	22.0	20.4
Last 3 years	9.3	7.6
Last 4 years	14.5	12.9
Last 5 years	13.5	11.7
Since Inception (7/05)	8.0	6.4

Recommendations

No action required.

PYRAMIS GLOBAL ADVISORS TRUST CO. - INTL GROWTH
Rolling Five Year Returns Compared to Benchmark



5 Year Period Ending

Note: Area to the left of vertical line includes performance prior to retention by the SBI

CAPITAL INTERNATIONAL, INC.
Periods Ending June, 2014

Portfolio Manager: Victor Kohn

Assets Under Management: \$769,146,789

Investment Philosophy

Capital International's philosophy is value-oriented, as they focus on identifying the difference between the underlying value of a company and the price of its securities in its home market. Capital International's basic, fundamental, bottom-up approach is blended with macroeconomic and political judgments on the outlook for economies, industries, currencies and markets. The team of portfolio managers and analysts each select stocks for the portfolio based on extensive field research and direct company contact.

Staff Comments

Staff met with the manager during the quarter.

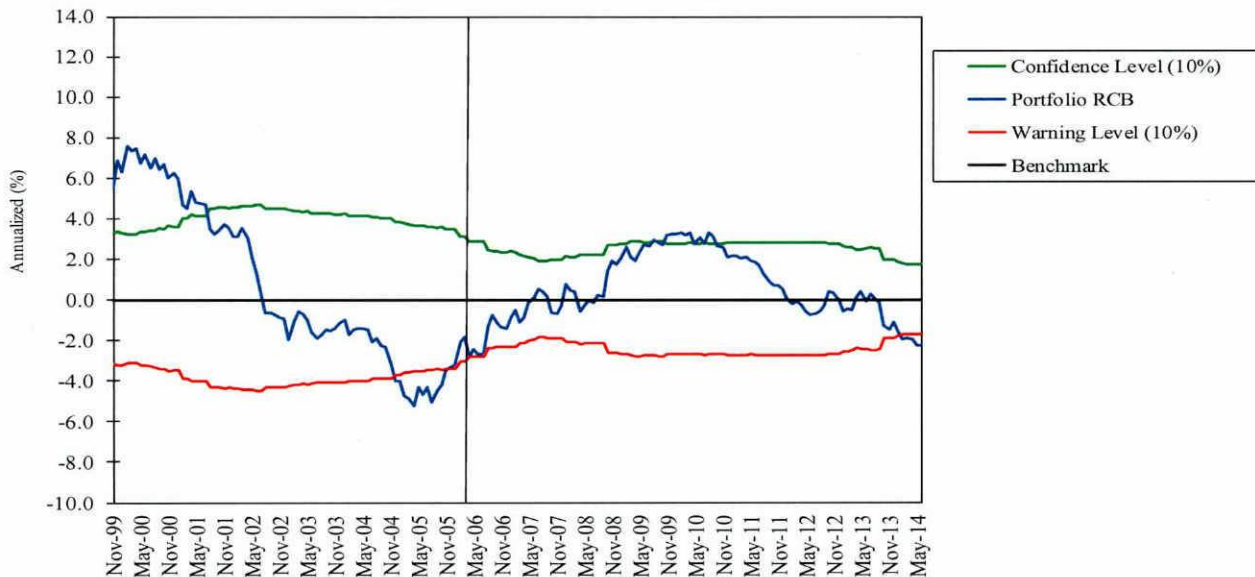
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	5.3%	6.6%
Last 1 year	13.3	14.3
Last 2 years	8.8	8.4
Last 3 years	-2.9	-0.4
Last 4 years	2.9	6.0
Last 5 years	6.8	9.2
Since Inception (3/01)	10.8	11.5

Recommendations

No action required.

CAPITAL INTERNATIONAL, INC.
Rolling Five Year Returns Compared to Benchmark



5 Year Period Ending

Note: Area to the left of vertical line includes performance prior to retention by the SBI.

MORGAN STANLEY INVESTMENT MANAGEMENT INC.
Periods Ending June, 2014

Portfolio Manager: Ruchir Sharma

Assets Under Management: \$847,013,571

Investment Philosophy

Morgan Stanley's style is core with a growth bias. They follow a top-down approach to country allocation and a bottom-up approach to stock selection. Morgan Stanley's macro-economic and stock selection analyses are qualitative as well as quantitative, concentrating on fundamentals. Their top-down analysis highlights countries with improving fundamentals and attractive valuations. Their bottom-up approach to stock selection focuses on purchasing companies with strong operating earnings potential at attractive valuations.

Staff Comments

Staff has no concerns at this time.

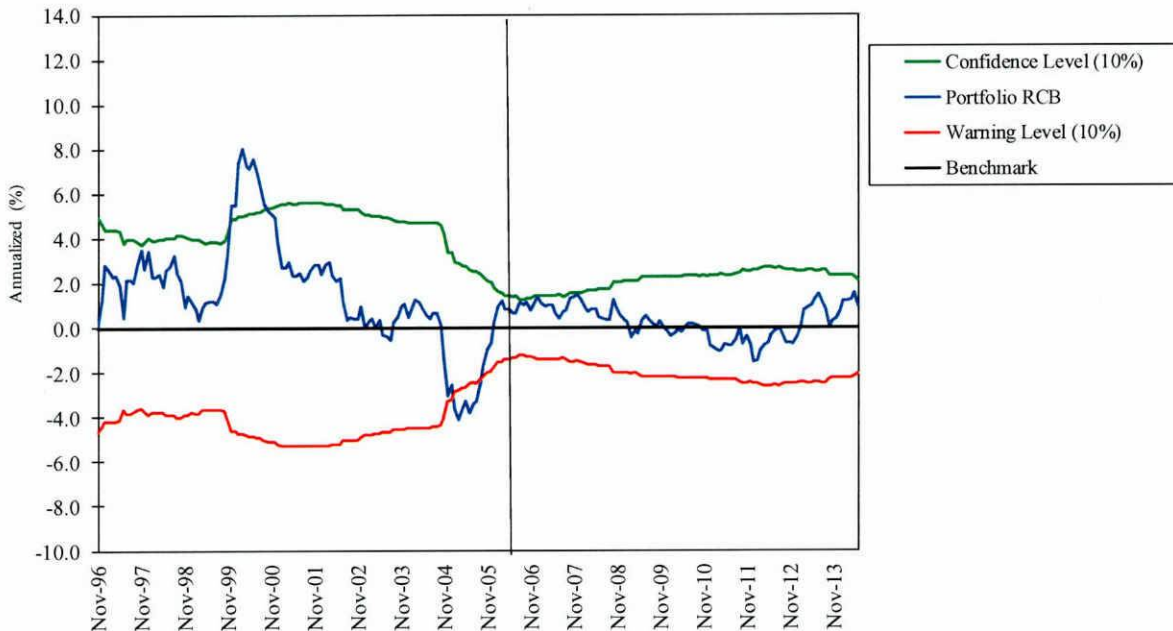
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	6.6%	6.6%
Last 1 year	12.0	14.3
Last 2 years	10.2	8.4
Last 3 years	2.3	-0.4
Last 4 years	7.6	6.0
Last 5 years	10.3	9.2
Since Inception (3/01)	12.2	11.5

Recommendations

No action required.

MORGAN STANLEY INVESTMENT MANAGEMENT
Rolling Five Year Returns Compared to Benchmark



5 Year Period Ending

Note: Area to the left of vertical line includes performance prior to retention by the SBI.

AQR CAPITAL MANAGEMENT, LLC
Periods Ending June, 2014

Portfolio Manager: Cliff Asnes

Assets Under Management: \$366,175,905

Investment Philosophy

AQR employs a disciplined quantitative approach emphasizing both top-down country/currency allocation and bottom-up security selection decisions to generate excess returns. AQR's investment philosophy is based on the fundamental concepts of value and momentum. AQR's international equity product incorporates stock selection, country selection, and currency selection models as the primary alpha sources. Dynamic strategy allocation (between the three primary alpha sources) and style weighting are employed as secondary alpha sources.

Staff Comments

Staff has no concerns at this time.

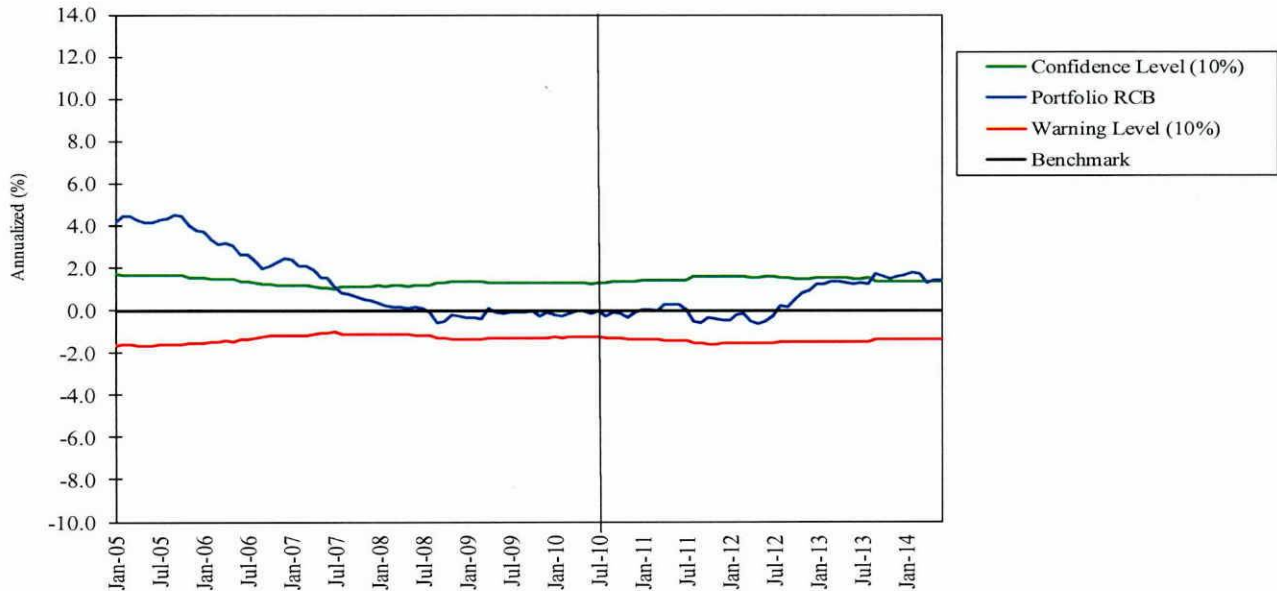
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	3.3%	4.6%
Last 1 year	23.4	23.8
Last 2 years	23.8	20.4
Last 3 years	8.5	7.6
Last 4 years	14.4	12.9
Last 5 years	13.3	11.7
Since Inception (7/05)	7.0	6.4

Recommendations

No action required.

AQR CAPITAL MANAGEMENT, LLC
Rolling Five Year Returns Compared to Benchmark



5 Year Period Ending

Note: Area to the left of vertical line includes performance prior to retention by the SBI

PYRAMIS GLOBAL ADVISORS TRUST COMPANY (Semi-Passive)
Periods Ending June, 2014

Portfolio Manager: Cesar Hernandez

Assets Under Management: \$545,626,328

Investment Philosophy

Pyramis' Select International strategy combines active stock selection with quantitative risk control to provide consistent excess returns above the benchmark while minimizing relative volatility and risk. By combining five regional sub-portfolios in the U.K., Canada, Continental Europe, Japan, and the Pacific Basin ex Japan, the portfolio manager produces a portfolio made up of the best ideas of the firm's research analysts. Each regional portfolio is created so that stock selection is the largest contributor to active return while systematic, sector, and factor risks are minimized. The portfolio manager uses a combination of proprietary and third-party optimization models to monitor and control risk within each regional module. Resulting portfolios typically contain between 275 and 325 holdings.

Staff Comments

Staff met with the manager during the quarter.

Staff has no concerns at this time.

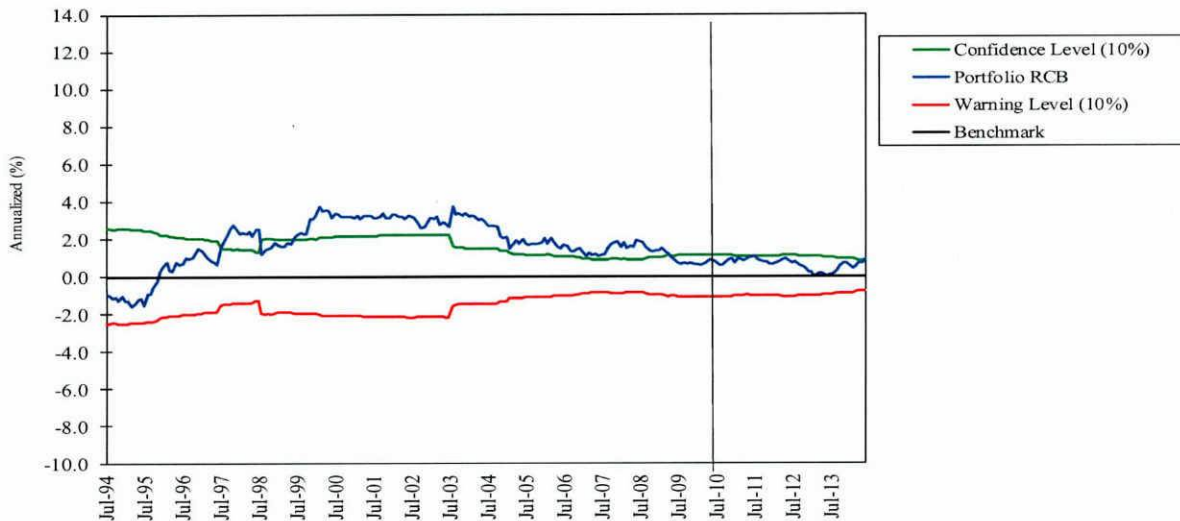
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	4.5%	4.6%
Last 1 year	24.1	23.8
Last 2 years	21.3	20.4
Last 3 years	8.5	7.6
Last 4 years	14.0	12.9
Last 5 years	12.6	11.7
Since Inception (7/05)	7.4	6.4

Recommendations

No action required.

PYRAMIS GLOBAL ADVISORS TRUST CO. - SELECT INTL
Rolling Five Year Returns Compared to Benchmark



5 Year Period Ending
 Note: Area to the left of vertical line includes performance prior to retention by the SBI

STATE STREET GLOBAL ADVISORS (Semi-Passive)
Periods Ending June, 2014

Portfolio Manager: Adel Daghmouri

Assets Under Management: \$334,230,875

Investment Philosophy

SSgA's Alpha strategy is managed using a quantitative process. Stock selection provides the best opportunity to add consistent value. Industry factors have come to dominate country factors and an approach that uses industry weights to add incremental value complements stock selection. Unwanted biases are controlled through disciplined risk-control techniques. Country and regional allocations are a result of the security selection process but are managed to remain with +/- 5% of the benchmarks allocation. Sector and industry allocations are managed to be within +/- 3% of the benchmarks allocation. The portfolio managers on this team have extensive experience and insight, which is used in conjunction with the models to create core portfolios.

Staff Comments

There have been changes to the investment team recently and shortly after inception of the account. In addition, significant changes are being made to the investment process. The SBI is monitoring this strategy closely due to these changes and to the portfolio's recent underperformance.

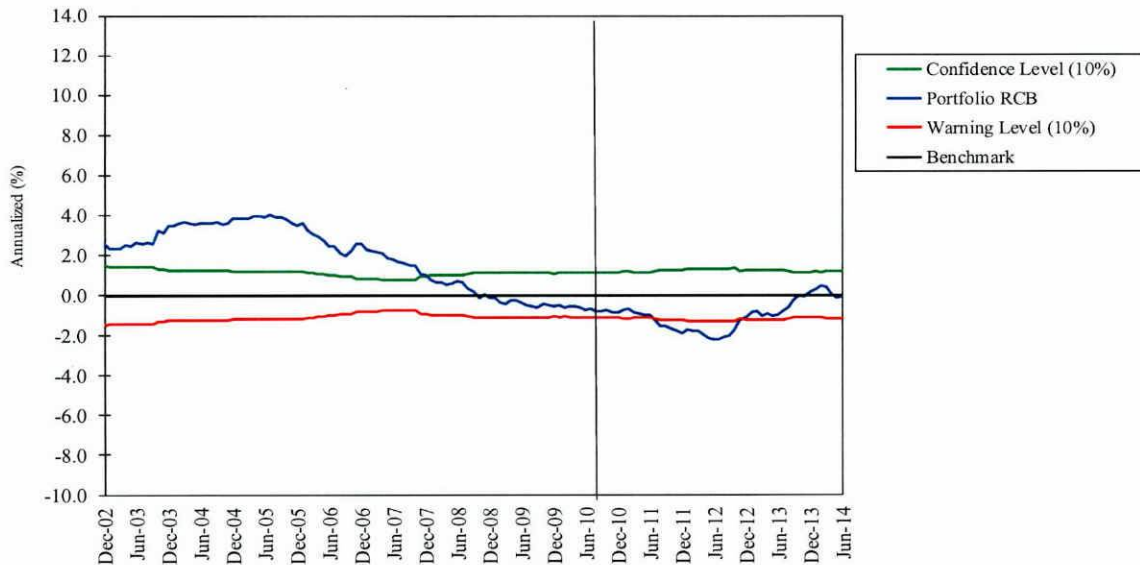
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	3.2%	4.6%
Last 1 year	25.9	23.8
Last 2 years	23.6	20.4
Last 3 years	7.3	7.6
Last 4 years	12.8	12.9
Last 5 years	11.5	11.7
Since Inception (7/05)	5.9	6.4

Recommendations

No action required.

STATE STREET GLOBAL ADVISORS - ALPHA
Rolling Five Year Returns Compared to Benchmark



5 Year Period Ending

Note: Area to the left of vertical line includes performance prior to retention by the SBI

**STATE STREET GLOBAL ADVISORS (Passive Developed Markets)
Periods Ending June, 2014**

Portfolio Manager: Lynn Blake

Assets Under Management: \$3,780,754,871

Investment Philosophy

State Street Global Advisors (SSgA) passively manages the portfolio against the Morgan Stanley Capital International (MSCI) World ex U.S. index of 23 markets located in the developed markets outside of the United States (including Canada). SSgA fully replicates the index whenever possible because it results in lower turnover, higher tracking accuracy and lower market impact costs. The MSCI World ex U.S. (net) index reinvests dividends assuming a withholding tax on dividends, according to the Luxembourg tax rate. Whereas the portfolio reinvests dividends using all available reclaims and tax credits available to a U.S. pension fund, which should result in modest positive tracking error, over time.

Staff Comments

Staff met with the manager during the quarter.

Staff has no concerns at this time.

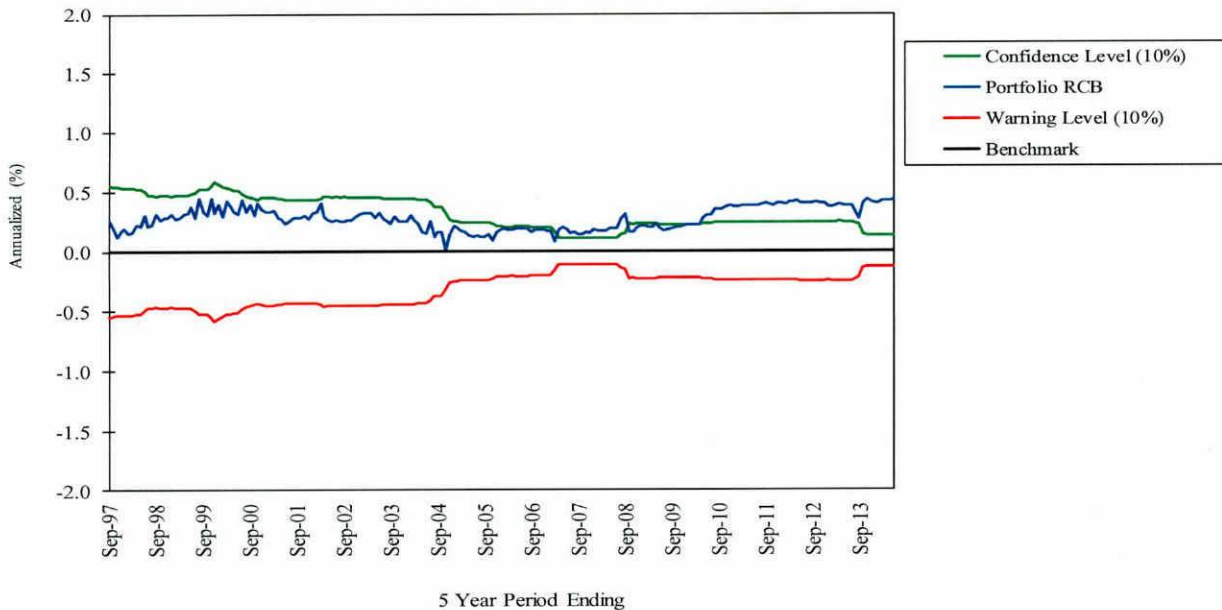
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	4.8%	4.6%
Last 1 year	24.3	23.8
Last 2 years	20.8	20.4
Last 3 years	7.9	7.6
Last 4 years	13.3	12.9
Last 5 years	12.2	11.7
Since Inception (10/92)	7.0	6.7

Recommendation

No action required.

**SSGA - PASSIVE DEVELOPED MARKETS
Rolling Five Year Returns Compared to Benchmark**



**STATE STREET GLOBAL ADVISORS (Passive Emerging Markets)
Periods Ending June, 2014**

Portfolio Manager: Tom Coleman

Assets Under Management: \$317,139,171

Investment Philosophy

State Street Global Advisors passively manages the portfolio against the Morgan Stanley Capital International (MSCI) Emerging Markets index of 21 markets located in the emerging markets outside of the United States. SSgA fully replicates the index whenever possible because it results in lower turnover, higher tracking accuracy and lower market impact costs.

Staff Comments

Staff met with the manager during the quarter.

Staff has no concerns at this time.

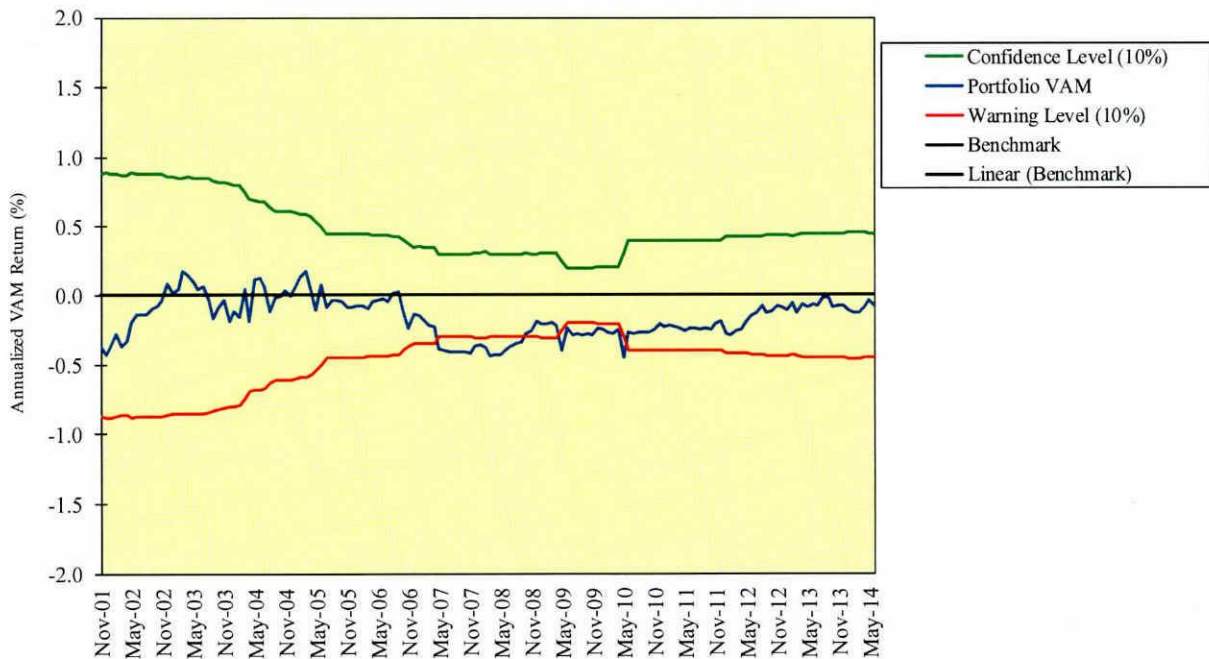
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	6.6%	6.6%
Last 1 year	14.3	14.3
Last 2 years	8.5	8.4
Last 3 years	N/A	N/A
Last 4 years	N/A	N/A
Last 5 years	N/A	N/A
Since Inception (12/11)	8.3	8.3

Recommendation

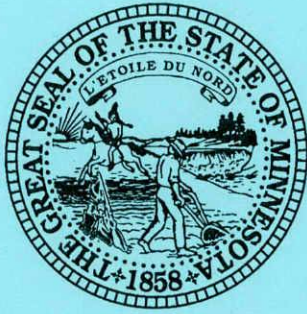
No action required.

**SSGA - PASSIVE EMERGING MARKETS
Rolling Five Year VAM**



5 Year Period Ending

Note: Shaded area includes performance prior to the retention by the SBI.



STATE BOARD OF INVESTMENT

Non-Retirement Manager Evaluation Reports

Second Quarter, 2014

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A-82

Non-Retirement Managers

Table of Contents

	Page
Non-Retirement Manager Performance Summary (quarter, 1, 3, 5 year periods)	A-84
Non-Retirement Manager Performance Summary (by calendar year)	A-85
GE Asset Management Inc. – Assigned Risk Plan	A-86
RBC Global Asset Management (U.S.) Inc. – Assigned Risk Plan	A-87
Galliard Capital Management, Inc.	A-88
Internal Stock Pool – Trust/Non-Retirement Assets	A-89
Internal Bond Pool – Income Share Account	A-90
Internal Bond Pool – Trust/Non-Retirement Assets	A-91

NON - RETIREMENT MANAGERS
Periods Ending June, 2014

	Quarter		1 Year		3 Years		5 Years		Since (1) Inception		Market Value (in millions)
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	
GE Asset Management (S&P 500 Index)	5.1	5.2	25.3	24.6	16.5	16.6	16.9	18.8	10.3	9.8	\$60.0
RBC Global Asset Management (2) (Barclays Capital Intermediate Government)	0.9	0.9	1.5	1.5	1.9	2.0	4.8	2.9	5.5	5.6	\$241.9
Galliard Capital Management (3 yr. Constant Maturity Treasury + 45 bp)	0.4	0.3	1.9	1.2	2.5	1.0	3.1	1.2	5.0	3.8	\$1,549.3
Internal Stock Pool (S&P 500 Index)	5.2	5.2	24.5	24.6	16.5	16.6	18.8	18.8	9.4	9.4	\$1,605.0
Internal Bond Pool - Income Share (Barclays Capital Aggregate)	1.9	2.0	5.2	4.4	4.6	3.7	5.7	4.9	7.3	6.9	\$119.5
Internal Bond Pool - Trust (Barclays Capital Aggregate)	1.9	2.0	5.0	4.4	4.3	3.7	5.3	4.9	6.7	6.2	\$871.9

(1) Since retention by the SBI. Time period varies by manager.

(2) Prior to July 2011, a blended benchmark consisting of 25% Merrill Lynch (ML) Mortgage Master, 25% ML 1-3 Yr. Gov't, 25% ML 5-10 Yr. Tsy/Ag, 15% ML 3-5 Yr. Tsy/Ag, and 10% ML 91 day T-Bill was utilized.

NON - RETIREMENT MANAGERS
Calendar Year Returns

	2013		2012		2011		2010		2009	
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %
GE Asset Management (S&P 500 Index)	34.5	32.4	16.8	16.0	-2.2	2.1	10.7	15.1	32.3	26.5
RBC Global Asset Management (1) (Barclays Capital intermediate Government)	-1.3	-1.2	1.8	1.7	7.1	6.2	8.4	5.0	8.3	0.9
Galliard Capital Management (3 yr. Constant Maturity Treasury + 45 bp)	2.2	1.0	2.8	0.8	3.4	1.2	4.1	1.5	4.7	1.9
Internal Stock Pool (S&P 500 Index)	32.2	32.4	16.0	16.0	2.2	2.1	15.1	15.1	26.3	26.5
Internal Bond Pool - Income Share (Barclays Capital Aggregate)	0.6	-2.0	6.2	4.2	5.3	7.8	7.0	6.5	12.9	5.9
Internal Bond Pool - Trust (Barclays Capital Aggregate)	0.0	-2.0	5.8	4.2	5.6	7.8	6.3	6.5	12.2	5.9

(1) Prior to July 2011, a blended benchmark consisting of 25% Merrill Lynch (ML) Mortgage Master, 25% ML 1-3 Yr. Gov't, 25% ML 5-10 Yr. Tsy/Ag, 15% ML 3-5 Yr. Tsy/Ag, and 10% ML 91 day T-Bill was utilized.

GE ASSET MANAGEMENT INC. - Assigned Risk Plan
Periods Ending June, 2014

Portfolio Manager: Dave Carlson

Assets Under Management: \$59,978,969

Investment Philosophy
Assigned Risk Plan

GE's Multi-Style Equity program attempts to outperform the S&P 500 consistently while controlling overall portfolio risk through a multiple manager approach. A value portfolio, a growth portfolio and a research portfolio are combined to create a well diversified equity portfolio while maintaining low relative volatility and a style-neutral position between growth and value. All GE managers focus on stock selection from a bottom-up perspective.

Staff Comments

Staff met with GE during the quarter.

Staff has no concerns at this time.

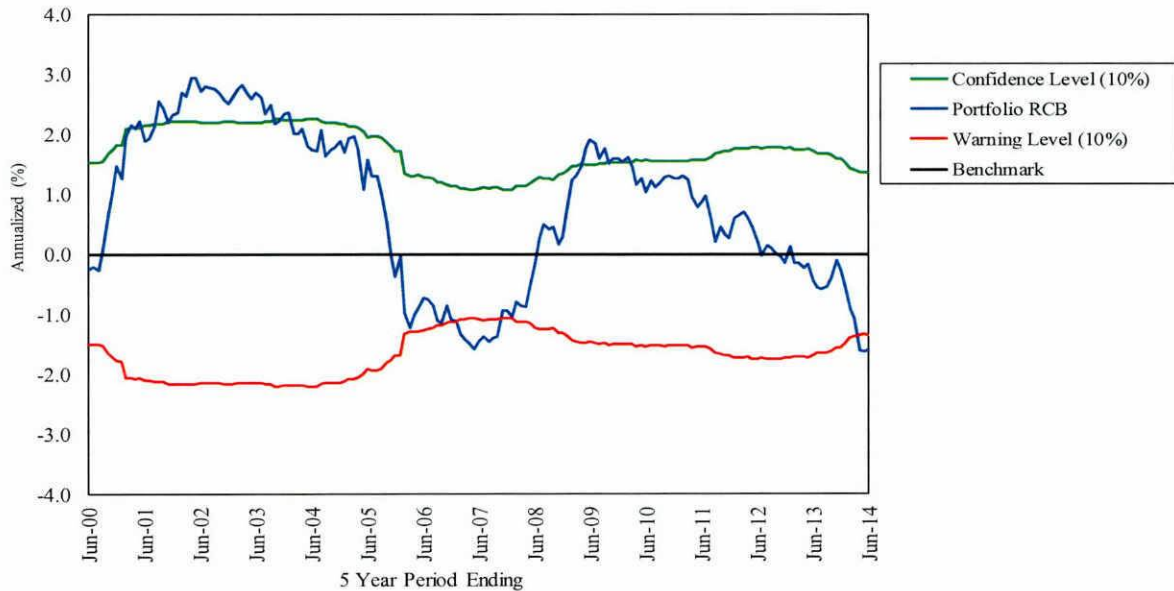
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	5.1%	5.2%
Last 1 year	25.3	24.6
Last 2 years	24.3	22.6
Last 3 years	16.5	16.6
Last 4 years	19.1	20.0
Last 5 years	16.9	18.8
Since Inception (1/95)	10.3	9.8

Recommendation

No action required.

GE ASSET MANAGEMENT
Rolling Five Year Returns Compared to Benchmark



RBC GLOBAL ASSET MANAGEMENT (U.S.) INC. - Assigned Risk Plan
Periods Ending June, 2014

Portfolio Manager: Brian Svendahl

Assets Under Management: \$241,920,355

Investment Philosophy
Assigned Risk Plan

RBC uses a top-down approach to fixed income investing. Their objective is to obtain superior long-term investment returns over a pre-determined benchmark that reflects the quality constraints and risk tolerance of the Assigned Risk Plan. Due to the specific liability requirement of the plan, return enhancement will focus on sector analysis and security selection. Yield curve and duration analysis are secondary considerations.

Staff Comments

Staff has no concerns at this time.

Quantitative Evaluation

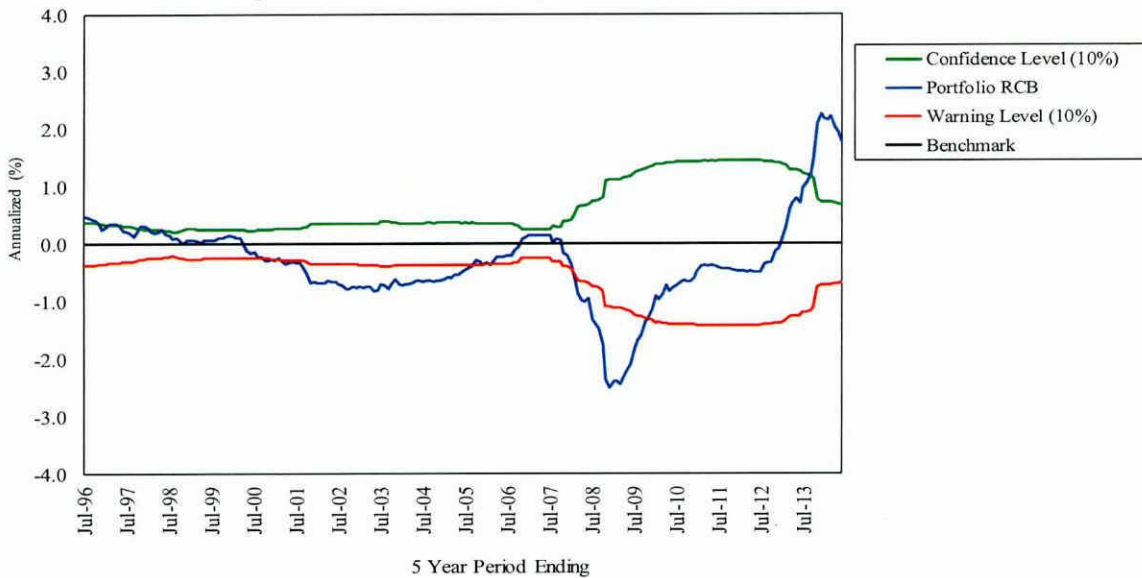
	Actual	Benchmark*
Last Quarter	0.9%	0.9%
Last 1 year	1.5	1.5
Last 2 years	0.5	0.5
Last 3 years	1.9	2.0
Last 4 years	2.7	2.2
Last 5 years	4.8	2.9
Since Inception (7/91)	5.5	5.6

Recommendation

No action required.

* From 4/1/02-6/30/11, blended benchmark consisted of 25% Merrill Lynch (ML) Mortgage Master, 25% ML 1-3 Yr. Gov't, 25% ML 5-10 Yr. Tsy/Ag, 15% ML 3-5 Yr. Tsy/Ag, 10% ML 91 day T-Bill. Effective 7/1/11, Barclays Capital Intermediate Government Index.

RBC GLOBAL ASSET MANAGEMENT
Rolling Five Year Returns Compared to Benchmark



GALLIARD CAPITAL MANAGEMENT, INC.
Periods Ending June, 2014

Portfolio Manager: Karl Tourville

Assets Under Management: \$1,549,256,562

Investment Philosophy

Galliard Capital Management manages the Fixed Interest Account in the Supplemental Investment Fund. The stable value fund is managed to protect principal and provide competitive interest rates using instruments somewhat longer than typically found in money market-type accounts. The manager invests cash flows to optimize yields. The manager invests in high quality fixed income securities and investment contracts with U.S. and non-U.S. financial institutions. To maintain necessary liquidity, the manager invests a portion of the portfolio in its Stable Return Fund and in cash equivalents. The Stable Return Fund is a large, daily priced fund consisting of a wide range of stable value instruments that is available to retirement plans of all sizes.

Staff Comments

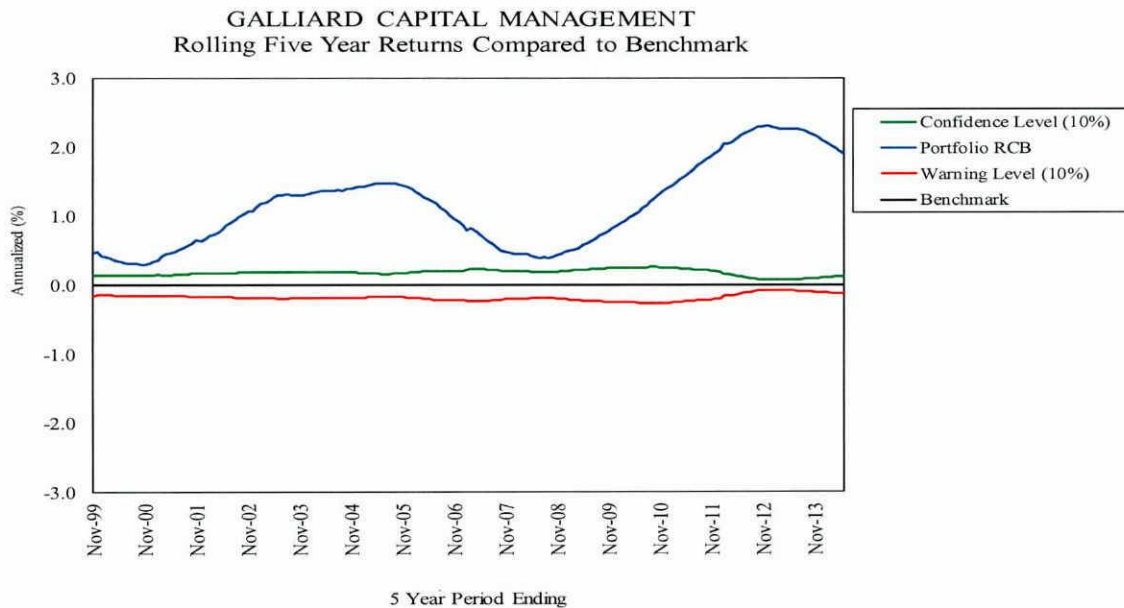
Staff has no concerns at this time.

Quantitative Evaluation

	Actual	Benchmark
Last Quarter	0.4%	0.3%
Last 1 year	1.9	1.2
Last 2 years	2.2	1.0
Last 3 years	2.5	1.0
Last 4 years	2.8	1.0
Last 5 years	3.1	1.2
Since Inception (11/94)	5.0	3.8

Recommendation

No action required.



INTERNAL STOCK POOL - Trust/Non-Retirement Assets
Periods Ending June, 2014

Portfolio Manager: Mike Messen

Assets Under Management: \$1,604,970,912

Investment Philosophy
Environmental Trust Fund
Permanent School Fund

Staff Comments

The Internal Equity Pool is managed to closely track the S&P 500 Index. The strategy replicates the S&P 500 by owning all of the names in the index at weightings similar to those of the index. The optimization model's estimate of tracking error with this strategy is approximately 10 basis points per year.

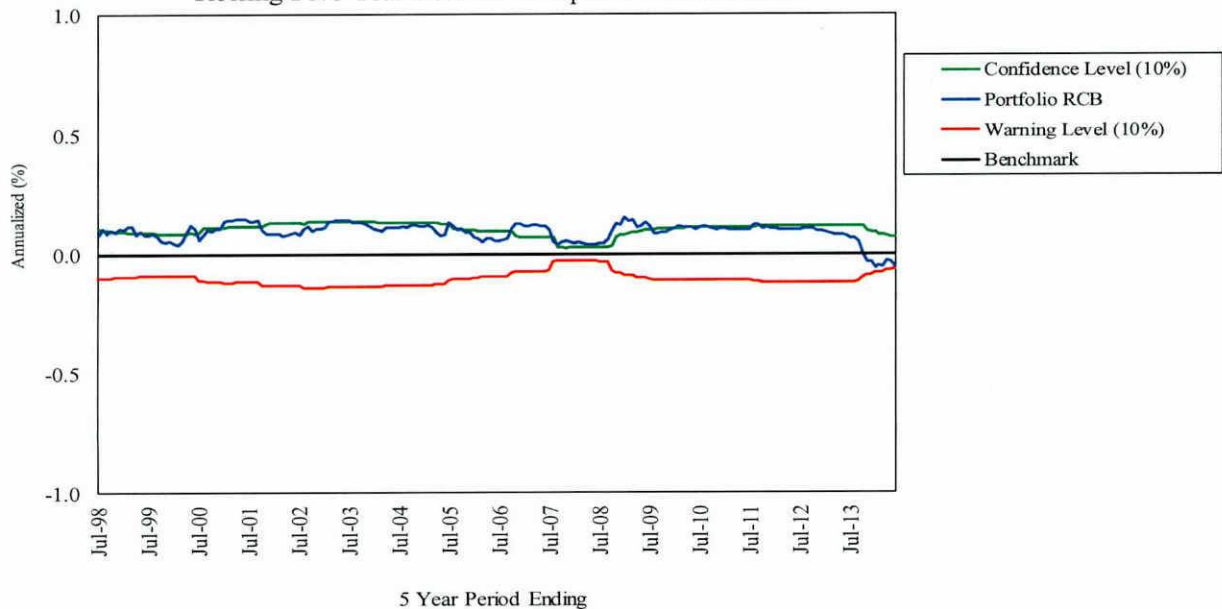
Staff has no concerns at this time.

Quantitative Evaluation

Recommendation

	Actual	Benchmark	
Last Quarter	5.2%	5.2%	No action required.
Last 1 year	24.5	24.6	
Last 2 years	22.5	22.6	
Last 3 years	16.5	16.6	
Last 4 years	19.9	20.0	
Last 5 years	18.8	18.8	
Since Inception (7/93)	9.4	9.4	

INTERNAL STOCK POOL
Trust/Non-Retirement Assets
Rolling Five Year Returns Compared to Benchmark



INTERNAL BOND POOL - Income Share Account
Periods Ending June, 2014

Portfolio Manager: Mike Messen

Assets Under Management: \$119,455,932

Investment Philosophy
Income Share Account

The investment approach emphasizes sector and security selection. The approach utilizes sector trading and relative spread analysis of both sectors and individual issues. The portfolio weightings in mortgage and corporate securities are consistently equal to or greater than the market weightings. The portfolio duration remains close to the benchmark duration but may be shortened or lengthened depending on changes in the economic outlook.

Staff Comments

On July 1, 2014, management of the bonds in the Income Share Account transitioned from an internal portfolio managed by Mike Messen to the externally managed Bond Market Account (SIF).

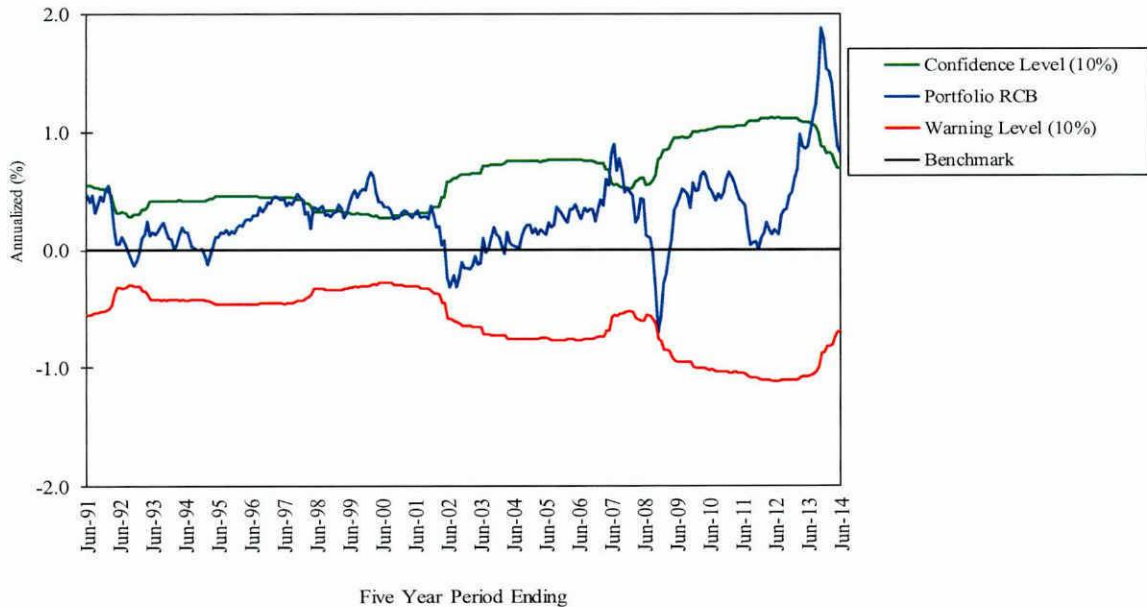
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	1.9%	2.0%
Last 1 year	5.2	4.4
Last 2 years	3.6	1.8
Last 3 years	4.6	3.7
Last 4 years	4.5	3.7
Last 5 years	5.7	4.9
Since Inception (7/86)	7.3	6.9

Recommendation

No action required.

INTERNAL BOND POOL - INCOME SHARE ACCOUNT
Rolling Five Year Returns Compared to Benchmark



INTERNAL BOND POOL - Trust/Non-Retirement Assets
Periods Ending June, 2014

Portfolio Manager: Mike Messen

Assets Under Management: \$871,856,276

Investment Philosophy
Environmental Trust Fund
Permanent School Trust Fund

Staff Comments

The internal bond portfolio's investment approach emphasizes sector and security selection. The approach utilizes sector trading and relative spread analysis of both sectors and individual issues. The portfolio weightings in mortgage and corporate securities are consistently equal to or greater than the market weightings. The portfolio duration remains close to the benchmark duration but may be shortened or lengthened depending on changes in the economic outlook.

Staff has no concerns at this time.

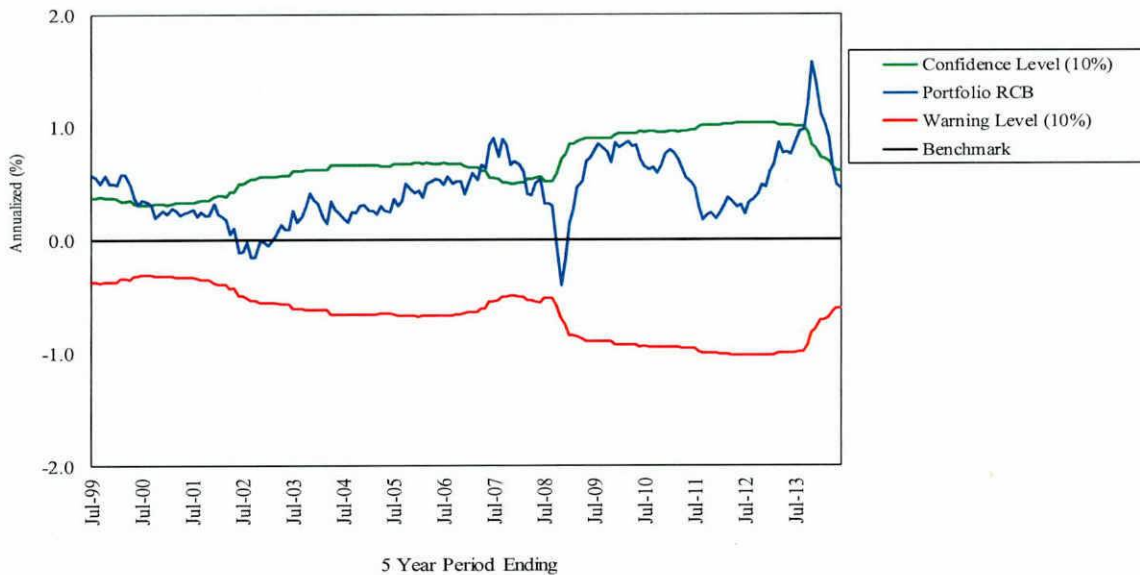
Quantitative Evaluation

Recommendation

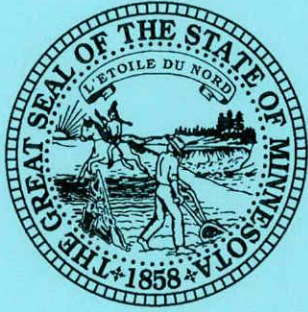
	Actual	Benchmark	
Last Quarter	1.9%	2.0%	No action required.
Last 1 year	5.0	4.4	
Last 2 years	3.2	1.8	
Last 3 years	4.3	3.7	
Last 4 years	4.3	3.7	
Last 5 years	5.3	4.9	
Since Inception (7/94)*	6.7	6.2	

* Date started managing the pool against the Barclays Capital Aggregate.

INTERNAL BOND POOL - TRUST/NON-RETIREMENT ASSETS
Rolling Five Year Returns Compared to Benchmark



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STATE BOARD OF INVESTMENT

Deferred Compensation Plan Evaluation Reports

Second Quarter, 2014

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A-94

Deferred Compensation Plan

Table of Contents

	Page
Fund Manager Performance Summary (quarter, 1, 3, 5 year periods)	A-96
Fund Manager Performance Summary (by calendar year)	A-98
Janus Twenty	A-100
Vanguard Index Institutional Plus	A-101
Vanguard Mid-Cap Index Institutional	A-102
T. Rowe Price Small Cap Stock Fund	A-103
Vanguard Balanced Index Institutional Fund	A-104
Dodge & Cox Income Fund	A-105
Vanguard Total Bond Market Index Institutional	A-106
Fidelity Diversified International	A-107
Vanguard Total International Stock Index Institutional Plus	A-108
State Street Global Advisors MN Target Retirement Funds	A-109

MN STATE 457 DEFERRED COMPENSATION PLAN
FUND OPTIONS (1)
Periods Ending June, 2014

457 Mutual Funds	Quarter		1 Year		3 Years		5 Years		Since (2) Retention by SBI		State's Participation In Fund (\$ millions)
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	%	%	
Large Cap Equity:											
Janus Twenty (S&P 500)	3.7	5.2	26.3	24.6	14.8	16.6	14.3	18.8	4.0	4.3	\$526.2
Vanguard Institutional Index Plus (S&P 500)	5.2	5.2	24.6	24.6	16.6	16.6	18.8	18.8	4.4	4.3	\$925.7
Mid Cap Equity:											
Vanguard Mid-Cap Index (CRSP US Mid-Cap) (3)	4.5	4.5	26.3	26.3	15.4	15.5	22.0	22.1	10.4	10.4	\$390.5
Small Cap Equity:											
T. Rowe Price Small-Cap Stock (Russell 2000)	2.1	2.0	24.0	23.6	15.9	14.6	23.2	20.2	10.7	8.0	\$618.6
Balanced:											
Vanguard Balanced Index Inst. Fund (60% CRSP US Total Market, 40% Barclays Capital Agg) (4)	3.7	3.7	16.4	16.6	11.4	11.5	13.7	13.7	7.5	7.4	\$647.6
Bond:											
Dodge & Cox Income Fund (Barclays Capital Aggregate)	2.2	2.0	6.6	4.4	4.9	3.7	6.6	4.9	6.2	5.6	\$198.7
Vanguard Total Bond Market Index Inst. (Barclays Capital Aggregate)	2.0	2.0	4.3	4.4	3.6	3.7	4.8	4.9	4.8	4.8	\$172.3
International:											
Fidelity Diversified International (MSCI EAFE-Free)	3.9	4.1	23.0	23.6	8.7	8.1	12.1	11.8	7.5	4.6	\$296.6
Vanguard Total International Stock Index (FTSE Global All Cap ex US) (5)	5.0	5.2	22.5	22.8	5.9	6.1	11.1	11.2	5.9	6.1	\$159.4

Numbers in blue include returns prior to retention by SBI.

Benchmarks for the Funds are noted in parentheses below the Fund names.

- (1) Money Market Account and Fixed Interest Accounts are also offered in the Supplemental Investment Fund, which is described within Tab A. Performance for these accounts is reported under the Deferred Compensation Plan accounts within Tab A.
- (2) Vanguard Total International retained July 2011; Vanguard Mid-Cap Index Fund retained January 2004; Vanguard Balanced, Vanguard Total Bond Mkt. retained December 2003; all others, July 1999.
- (3) Benchmark is the CRSP US Mid-Cap Index beginning February 2013. Prior to that date it was the MSCI US Mid-Cap 450 Index.
- (4) Benchmark is 60% CRSP US Total Market Index and 40% Barclays Capital US Aggregate Bond Index beginning January 2013. Prior to that date it was 60% MSCI US Broad Market Index and 40% Barclays Capital US Aggregate Bond Index.
- (5) Benchmark is the FTSE Global All Cap ex US Index beginning June 2013; MSCI ACWI ex US IMI beginning December 2010; MSCI EAFE and Emerging Markets Index beginning August 2006. Prior to that date it was the total International Composite Index, which is the MSCI EAFE Index and the Select Emerging Markets Free Index.

**MN STATE 457 DEFERRED COMPENSATION PLAN
FUND OPTIONS
Periods Ending June, 2014**

SSgA Target Retirement Funds	Quarter		1 Year		3 Years		5 Years		Since Retention by the SBI*		State Participation in Fund (\$ millions)
	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk	
	%	%	%	%	%	%	%	%	%	%	
Income Fund	3.0	3.1	9.8	9.9	6.7	6.8	8.8	9.1	6.7	6.8	\$30.0
2015 Fund	3.2	3.2	10.6	10.7	8.0	8.2	10.7	10.9	8.0	8.2	\$32.9
2020 Fund	3.9	3.9	13.9	14.0	10.2	10.3	12.8	13.0	10.2	10.3	\$54.2
2025 Fund	4.1	4.1	16.6	16.7	11.5	11.6	14.2	14.3	11.5	11.6	\$40.8
2030 Fund	4.2	4.2	18.3	18.4	12.2	12.3	15.0	15.2	12.2	12.3	\$23.0
2035 Fund	4.3	4.3	19.6	19.7	12.6	12.7	15.6	15.8	12.6	12.7	\$17.9
2040 Fund	4.5	4.5	20.7	20.8	12.5	12.6	15.9	16.1	12.5	12.6	\$11.2
2045 Fund	4.6	4.6	21.8	21.9	12.6	12.7	16.1	16.2	12.6	12.7	\$7.4
2050 Fund	4.6	4.6	22.0	22.1	12.7	12.7	16.1	16.3	12.7	12.7	\$5.0
2055 Fund	4.6	4.6	22.0	22.1	12.6	12.7	16.1	16.3	12.6	12.7	\$2.3
2060 Fund	4.6	4.6	22.0	22.1	12.7	12.7			12.7	12.7	\$2.9

Note: Each Fund benchmark is the aggregate of the returns of the Fund's underlying index funds weighted by the Fund's asset allocation. The underlying index funds are listed below.

SSgA Index Funds	Quarter		1 Year		3 Years		5 Years		Actual	Bmk
	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk		
	%	%	%	%	%	%	%	%		
S&P 500 Index Fund (S&P 500)	5.2	5.2	24.6	24.6	16.6	16.6	18.8	18.8	16.6	16.6
DJ-UBS Roll Select Commodity Index Fund (DJ-UBS Roll Select Commodity Index)	0.7	0.8	8.5	8.9					0.5	0.8
Russell Small/Mid Cap Index Fund (Russell Small Cap Completeness Index)	3.5	3.5	27.3	27.4					26.4	26.4
Global All Cap Equity ex US Index Fund (MSCI ACWI ex U.S. IMI)	5.0	4.9	22.7	22.3	6.2	5.9			6.2	5.9
Global Real Estate Securities Index Fund (FTSE EPRA/NAREIT Dev Liquid)	8.0	7.8	13.6	12.8	9.9	9.1			9.9	9.1
Long Government Bond Index Fund (Barclays Capital Long Government)	4.7	4.7	6.4	6.4	8.6	8.7	7.4	7.4	8.6	8.7
Bond Index Fund (Barclays Capital Aggregate)	2.0	2.0	4.4	4.4	3.6	3.7	4.9	4.9	3.6	3.7
Inflation Protection Bond Index Fund (Barclays Capital U.S. TIPS)	3.8	3.8	4.4	4.4	3.5	3.6	5.5	5.6	3.5	3.6
High Yield Bond Index Fund (Barclays Capital U.S. High Yield Very Liquid)	2.5	2.4	12.3	12.0	9.3	9.5			9.3	9.5
U.S. Short-Term Govt/Credit Index Fund (Barclays Capital 1-3 Yr Govt/Credit)	0.3	0.3	1.0	1.1	1.8	1.0			1.8	1.0

Numbers in blue include returns prior to retention by SBI.

Benchmarks for the Funds are noted in parenthesis below the Fund names.

*Target Retirement Funds inception date is July 2011.

**MN STATE 457 DEFERRED COMPENSATION PLAN
FUND OPTIONS (1)
Calendar Year Returns**

	2013		2012		2011		2010		2009	
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %
457 Mutual Funds										
Large Cap Equity:										
Janus Twenty (S&P 500)	33.1	32.4	22.3	16.0	-8.2	2.1	7.0	15.1	43.3	26.5
Vanguard Institutional Index Plus (S&P 500)	32.4	32.4	16.0	16.0	2.1	2.1	15.1	15.1	26.7	26.5
Mid Cap Equity:										
Vanguard Mid-Cap Index (CRSP US Mid-Cap) (2)	35.2	35.4	16.0	16.0	-2.0	-1.9	25.7	25.7	40.5	40.5
Small Cap Equity:										
T. Rowe Price Small-Cap Stock (Russell 2000)	37.7	38.8	18.0	16.3	-0.1	-4.2	32.5	26.9	38.5	27.2
Balanced:										
Vanguard Balanced Index Inst. Fund (60% CRSP US Total Market, 40% Barclays Capital Agg) (3)	18.1	18.2	11.5	11.6	4.3	4.1	13.3	13.5	20.2	19.7
Bond:										
Dodge & Cox Income Fund (Barclays Capital Aggregate)	0.6	-2.0	8.0	4.2	4.8	7.8	7.2	6.5	16.1	5.9
Vanguard Total Bond Market Index Inst. (Barclays Capital Aggregate)	-2.1	-2.0	4.2	4.2	7.7	7.8	6.6	6.5	6.1	5.9
International:										
Fidelity Diversified International (MSCI EAFE-Free)	25.2	22.8	19.4	17.3	-13.8	-12.1	9.7	7.7	31.8	31.8
Vanguard Total International Stock Index (FTSE Global All Cap ex US) (4)	15.2	15.9	18.3	17.0	-14.6	-14.3	11.1	10.7	36.7	40.4

Numbers in blue include returns prior to retention by SBI.

Benchmarks for the Funds are noted in parentheses below the Fund names.

- (1) Money Market Account and Fixed Interest Accounts are also offered in the Supplemental Investment Fund, which is described within Tab A. Performance for these accounts are reported under the Deferred Compensation Plan accounts within Tab A.
- (2) Benchmark is the CRSP US Mid-Cap Index beginning February 2013. Prior to that date it was the MSCI US Mid-Cap 450 Index.
- (3) Benchmark is 60% CRSP US Total Market Index and 40% Barclays Capital US Aggregate Bond Index beginning January 2013. Prior to that date it was 60% MSCI US Broad Market Index and 40% Barclays Capital US Aggregate Bond Index.
- (4) Benchmark is the FTSE Global All Cap ex US Index beginning June 2013; MSCI ACWI ex US IMI beginning December 2010; MSCI EAFE and Emerging Markets Index beginning August 2006. Prior to that date it was the total International Composite Index, which is the MSCI EAFE Index and the Select Emerging Markets Free Index.

**MN STATE 457 DEFERRED COMPENSATION PLAN
FUND OPTIONS
Calendar Year Returns**

SSgA Target Retirement Funds	2013		2012		2011		2010		2009	
	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk
	%	%	%	%	%	%	%	%	%	%
Income Fund	5.1	5.3	9.7	9.8	4.6	4.8	9.6	10.1	14.8	15.0
2015 Fund	5.6	5.8	11.0	11.0	6.9	7.1	12.1	12.5	15.3	14.4
2020 Fund	8.8	9.1	12.5	12.5	7.3	7.4	13.6	13.9	18.3	17.5
2025 Fund	13.2	13.5	13.7	13.7	5.9	6.0	14.6	14.7	20.3	19.6
2030 Fund	16.0	16.3	14.3	14.1	4.9	5.0	15.1	15.3	21.9	21.4
2035 Fund	18.1	18.5	14.9	14.7	3.5	3.6	15.7	15.8	24.3	23.9
2040 Fund	19.7	20.0	15.5	15.3	1.5	1.6	15.9	16.1	26.7	26.5
2045 Fund	21.3	21.6	16.0	15.8	0.0	0.1	16.2	16.2	27.2	27.0
2050 Fund	21.4	21.7	15.9	15.8	0.1	0.1	16.1	16.2	27.2	27.0
2055 Fund	21.4	21.7	15.9	15.8	0.1	0.1	16.1	16.2	27.2	27.0
2060 Fund	21.4	21.7	16.0	15.8						

Note: Each Fund benchmark is the aggregate of the returns of the Fund's underlying index funds weighted by the Fund's asset allocation.
The underlying index funds are listed below.

SSgA Index Funds	2013		2012		2011		2010		2009	
	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk
	%	%	%	%	%	%	%	%	%	%
S&P 500 Index Fund (S&P 500)	32.4	32.4	16.0	16.0	2.1	2.1	15.1	15.1	26.7	26.5
DJ-UBS Roll Sheet Commodity Index Fund (DJ-UBS Roll Select Commodity Index)	-9.3	-9.1								
Russell Small/Mid Cap Index Fund (Russell Small Cap Completeness Index)	38.4	38.5								
Global All Cap Equity ex U.S. Index Fund (MSCI ACWI ex U.S. IMI)	15.4	15.8	18.2	17.0						
Global Real Estate Securities Index Fund (FTSE EPRA/NAREIT Dev Liquid)	2.7	2.5	28.9	27.5	-5.4	-5.8	19.1	18.4		
Long Government Bond Index Fund (Barclays Capital Long Government)	-12.5	-12.5	3.8	3.8	29.2	29.1	9.5	9.4	-12.2	-12.2
Bond Index Fund (Barclays Capital Aggregate)	-2.1	-2.0	4.2	4.2	7.8	7.8	6.6	6.5	6.4	5.9
Inflation Protection Bond Index Fund (Barclays Capital U.S. TIPS)	-8.6	-8.6	6.9	7.0	13.5	13.6	6.2	6.3	11.3	11.4
High Yield Bond Index Fund (Barclays Capital U.S. High Yield Very Liquid)	6.6	6.6	14.8	15.4	5.7	6.1	12.5	15.1		
U.S. Short-Term Govt/Credit Bond Index Fund (Barclays Capital 1-3 Yr Govt/Credit)	0.6	0.6	3.9	1.3	1.5	1.6	2.4	2.8		

Numbers in blue include returns prior to retention by SBI.

Benchmarks for the Funds are noted in parenthesis below the Fund names.

**MN STATE 457 DEFERRED COMPENSATION PLAN
LARGE CAP EQUITY – JANUS TWENTY
Periods Ending June, 2014**

Portfolio Manager: Marc Pinto

**State's Participation in Fund: \$526,217,697
Total Assets in Fund: \$9,567,919,646**

**Investment Philosophy
Janus Twenty**

The investment objective of this fund is long-term growth of capital from increases in the market value of the stocks it owns. The fund will concentrate its investments in a core position of between twenty to thirty common stocks. This non-diversified fund seeks to invest in companies that the portfolio manager believes have strong current financial positions and offer growth potential.

Staff Comments

Staff continues to monitor the change in portfolio manager from 2013.

Quantitative Evaluation

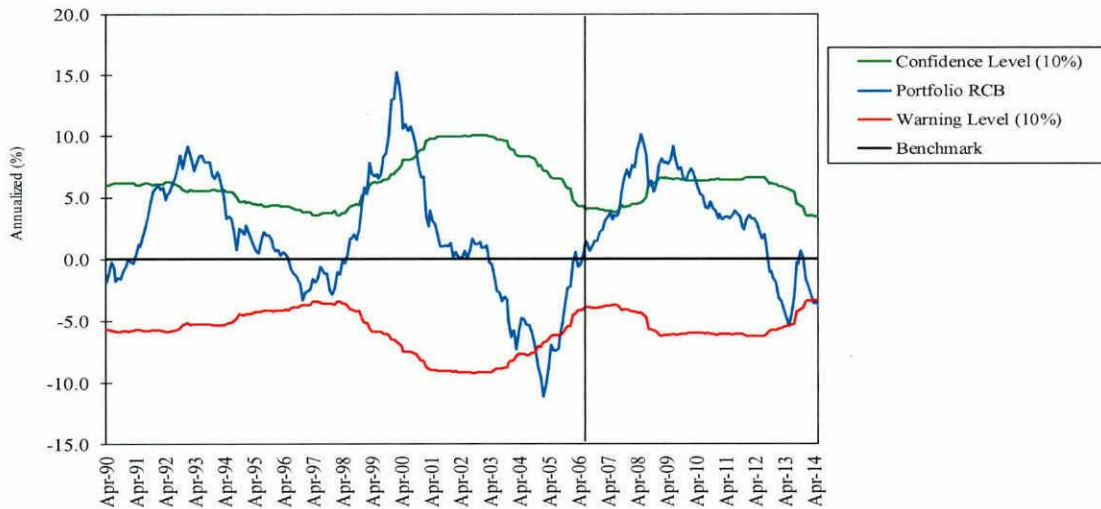
	Actual	Benchmark*
Last Quarter	3.7%	5.2%
Last 1 year	26.3	24.6
Last 2 years	20.9	22.6
Last 3 years	14.8	16.6
Last 4 years	16.7	20.0
Last 5 years	14.3	18.8
Since Retention by SBI (7/99)	4.0	4.3

Recommendation

No action required.

*Benchmark is the S&P 500.

**LARGE CAP EQUITY - JANUS TWENTY
Rolling Five Year Returns Compared to Benchmark**



Five Year Period Ending

Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

**MN STATE 457 DEFERRED COMPENSATION PLAN
EQUITY INDEX – VANGUARD INSTITUTIONAL INDEX PLUS
Periods Ending June, 2014**

Portfolio Manager: Mike Buek

**State's Participation in Fund: \$925,733,121
Total Assets in Fund: \$80,775,000,000**

**Investment Philosophy
Vanguard Institutional Index**

This fund attempts to provide investment results, before fund expenses, that parallel the performance of the Standard & Poor's 500 Index. The fund invests in all 500 stocks listed in the S&P 500 index in approximately the same proportions as they are represented in the index. The managers have tracked the S&P 500's performance with a high degree of accuracy. The fund may use futures and options for temporary purposes, but generally remains fully invested in common stock.

Staff Comments

No tracking issues.

Quantitative Evaluation

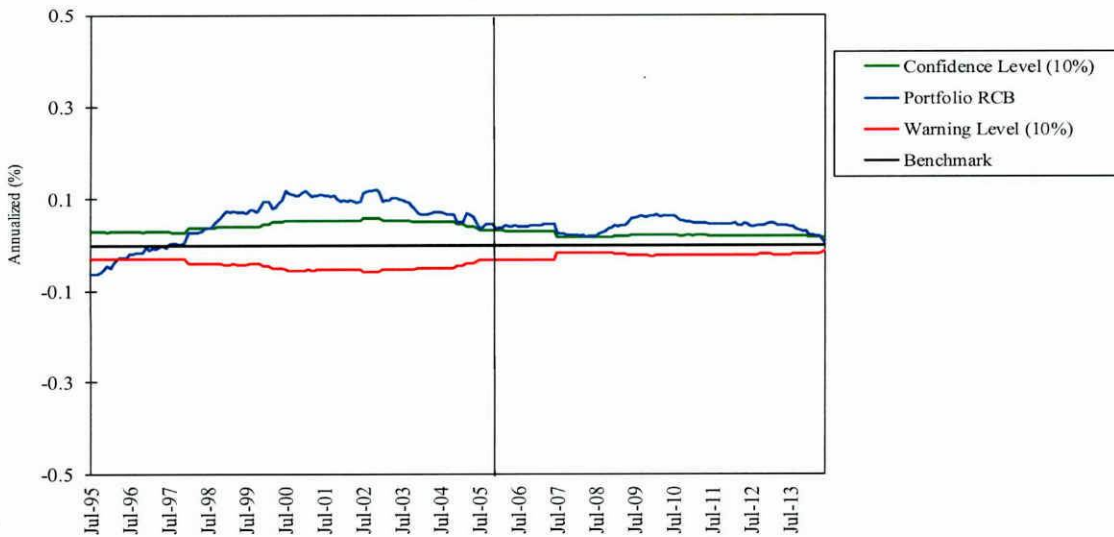
	Actual	Benchmark*
Last Quarter	5.2%	5.2%
Last 1 year	24.6	24.6
Last 2 years	22.6	22.6
Last 3 years	16.6	16.6
Last 4 years	20.0	20.0
Last 5 years	18.8	18.8
Since Retention by SBI (7/99)	4.4	4.3

Recommendation

No action required.

*Benchmark is the S&P 500.

**EQUITY INDEX - VANGUARD INSTITUTIONAL INDEX PLUS
Rolling Five Year Returns Compared to Benchmark**



Five Year Period Ending
Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

**MN STATE 457 DEFERRED COMPENSATION PLAN
MID CAP EQUITY – VANGUARD MID-CAP INDEX
Periods Ending June, 2014**

Portfolio Manager: Donald Butler

**State's Participation in Fund: \$390,487,160
Total Assets in Fund: \$10,077,000,000**

**Investment Philosophy
Vanguard Mid-Cap Index**

The fund employs a "passive management"- or indexing-investment approach designed to track the performance of the MSCI US Mid Cap 450 Index, a broadly diversified index of stocks of medium-size U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting within the index.

Staff Comments

No tracking issues.

Quantitative Evaluation

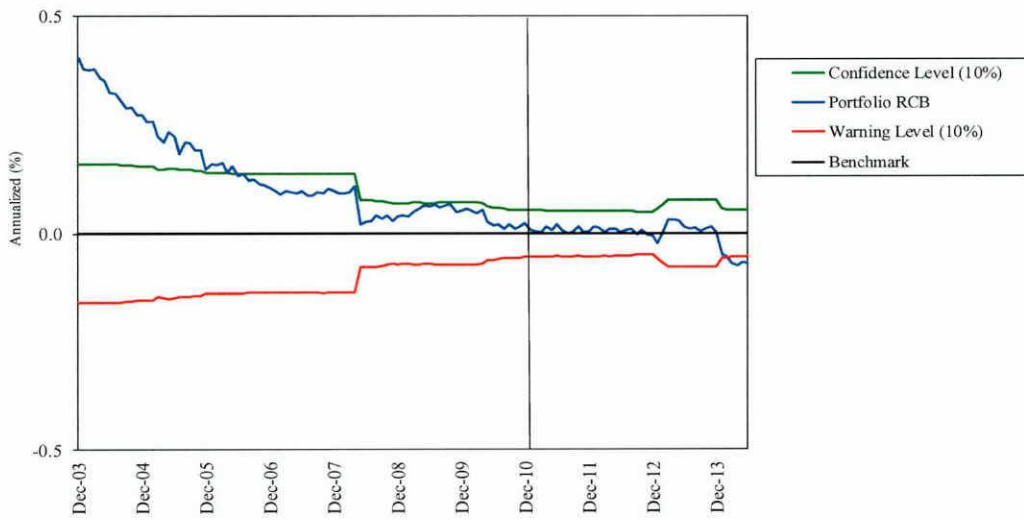
	Actual	Benchmark*
Last Quarter	4.5%	4.5%
Last 1 year	26.3	26.3
Last 2 years	25.6	25.8
Last 3 years	15.4	15.5
Last 4 years	20.8	20.9
Last 5 years	22.0	22.1
Since Retention by SBI (1/04)	10.4	10.4

Recommendation

No action required.

*Benchmark is the CRSP US Mid-Cap Index.

**MID CAP EQUITY - VANGUARD MID-CAP INDEX
Rolling Five Year Returns Compared to Benchmark**



Five Year Period Ending
Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

**MN STATE 457 DEFERRED COMPENSATION PLAN
SMALL CAP EQUITY – T. ROWE PRICE SMALL CAP STOCK FUND
Periods Ending June, 2014**

Portfolio Manager: Gregory A. McCrickard

**State's Participation in Fund: \$618,613,526
Total Assets in Fund: \$10,372,810,501**

**Investment Philosophy
T. Rowe Price Small Cap Equity Fund**

The strategy of this fund is to invest primarily in stocks of small to medium-sized companies that are believed to offer either superior earnings growth or appear undervalued. The fund normally invests at least 80% of assets in equities of small companies in the Russell 2000 or S&P Small-Cap 600. The manager does not favor making big bets on any particular sector or any particular stock. The fund's combination of growth and value stocks offers investors relatively more stable performance compared to other small cap stock funds.

Staff Comments

Staff has no concerns at this time.

Quantitative Evaluation

	Actual	Benchmark*
Last Quarter	2.1%	2.0%
Last 1 year	24.0	23.6
Last 2 years	23.8	23.9
Last 3 years	15.9	14.6
Last 4 years	22.4	19.9
Last 5 years	23.2	20.2
Since Retention by SBI (7/99)	10.7	8.0

Recommendation

No action required.

*Benchmark is the Russell 2000.

**SMALL CAP EQUITY - T. ROWE PRICE SMALL CAP STOCK FUND
Rolling Five Year Returns Compared to Benchmark**



Five Year Period Ending

Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

**MN STATE 457 DEFERRED COMPENSATION PLAN
BALANCED – VANGUARD BALANCED INDEX INSTITUTIONAL FUND
Periods Ending June, 2014**

Portfolio Manager: Michael Perre

**State's Participation in Fund: \$647,625,762
Total Assets in Fund: \$6,896,000,000**

**Investment Philosophy
Vanguard Balanced Index Fund**

The fund's assets are divided between stocks and bonds, with an average of 60% of its assets in stocks and 40% in bonds. The fund's stock segment attempts to track the performance of the MSCI US Broad Market Index, an unmanaged index representing the overall U.S. equity market. The fund's bond segment attempts to track the performance of the Barclays Capital Aggregate Bond Index, an unmanaged index that covers virtually all taxable fixed-income securities.

Staff Comments

No tracking issues.

Quantitative Evaluation

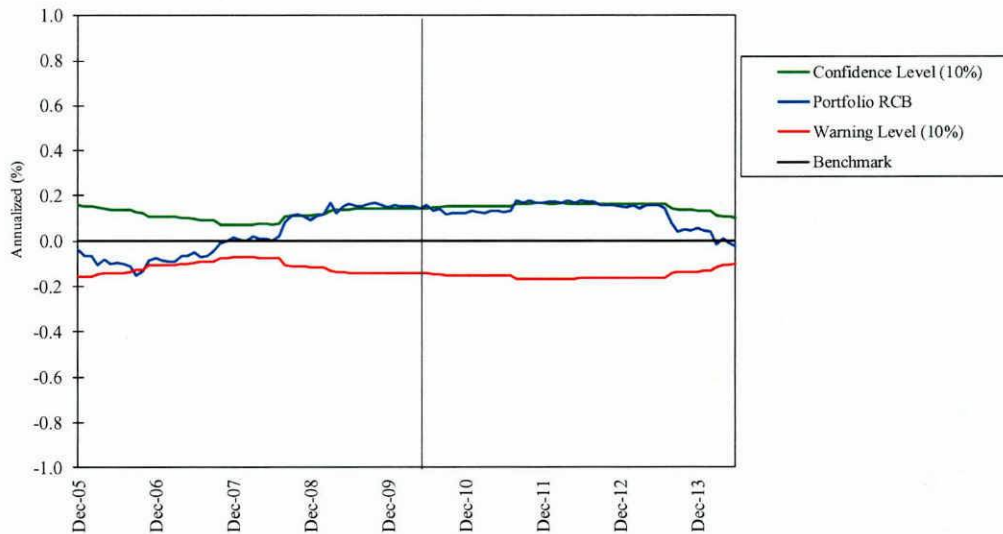
	Actual	Benchmark*
Last Quarter	3.7%	3.7%
Last 1 year	16.4	16.6
Last 2 years	14.3	14.4
Last 3 years	11.4	11.5
Last 4 years	13.6	13.7
Last 5 years	13.7	13.7
Since Retention by SBI (12/03)	7.5	7.4

Recommendation

No action required.

*Benchmark is 60% CRSP US Total Market Index and 40% Barclays Capital US Aggregate Bond Index.

**BALANCED - VANGUARD BALANCED INDEX
Rolling Five Year Returns Compared to Benchmark**



Five Year Period Ending
Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

**MN STATE 457 DEFERRED COMPENSATION PLAN
BOND – DODGE & COX INCOME FUND
Periods Ending June, 2014**

Portfolio Manager: Dana Emery

**State's Participation in Fund: \$198,714,576
Total Assets in Fund: \$27,835,072,375**

**Investment Philosophy
Dodge & Cox Income Fund**

Staff Comments

The objective of this fund is a high and stable rate of current income with capital appreciation being a secondary consideration. This portfolio is invested primarily in intermediate term, investment-grade quality corporate and mortgage bonds and, to a lesser extent, government issues. While the fund invests primarily in the U.S. bond market, it may invest a small portion of assets in dollar-denominated foreign securities. The duration of the portfolio is kept near that of the bond market as a whole.

Staff has no concerns at this time.

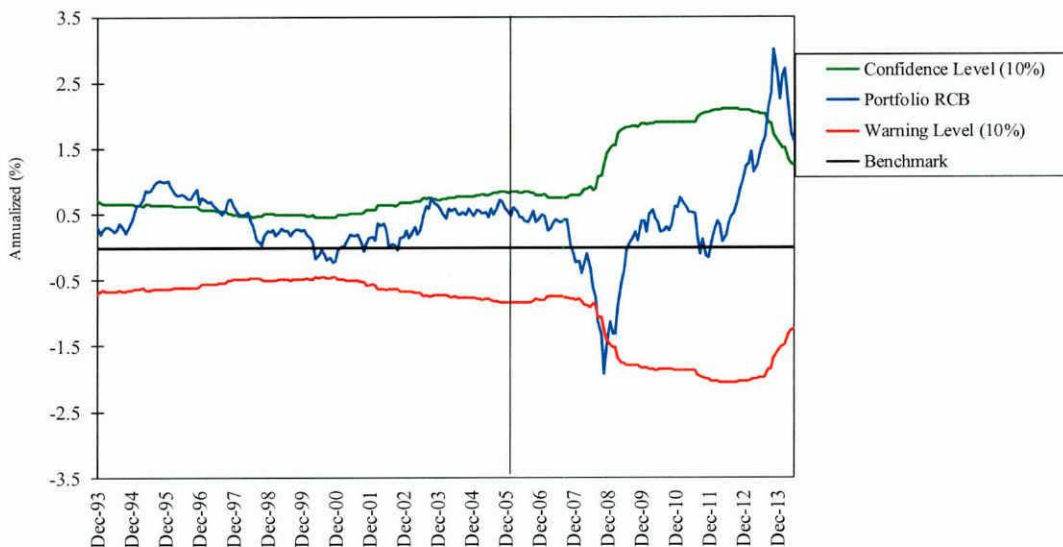
Quantitative Evaluation

Recommendation

	Actual	Benchmark*	
Last Quarter	2.2%	2.0%	No action required.
Last 1 year	6.6	4.4	
Last 2 years	4.4	1.8	
Last 3 years	4.9	3.7	
Last 4 years	5.2	3.7	
Last 5 years	6.6	4.9	
Since Retention By SBI (7/99)	6.2	5.6	

*Benchmark is the Barclays Capital Aggregate.

**BOND - DODGE & COX INCOME FUND
Rolling Five Year Returns Compared to Benchmark**



Five Year Period Ending
Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

MN STATE 457 DEFERRED COMPENSATION PLAN
BOND – VANGUARD TOTAL BOND MARKET INDEX INSTITUTIONAL
 Periods Ending June, 2014

Portfolio Manager: Kenneth Volpert

State's Participation in Fund: \$172,331,886
Total Assets in Fund: \$22,372,000,000

Investment Philosophy
Vanguard Total Bond Market Index
Institutional

Staff Comments

The fund attempts to track the performance of the Barclays Capital Aggregate Bond Index, which is a widely recognized measure of the entire taxable U.S. bond market. The index consists of more than 7,800 U.S. Treasury, federal agency, mortgage-backed, and investment-grade corporate securities. Because it is not practical or cost-effective to own every security in the index, the fund invests in a large sampling that matches key characteristics of the index (such as market-sector weightings, coupon interest rates, credit quality, and maturity). To boost returns, the fund holds a higher percentage than the index in short-term, investment-grade corporate bonds and a lower percentage in short-term Treasury securities.

No tracking issues.

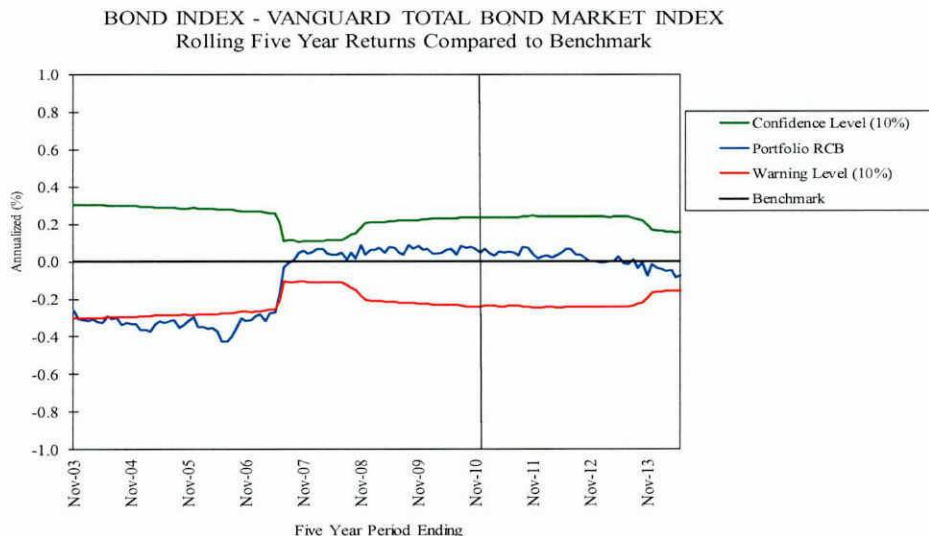
Quantitative Evaluation

Recommendation

	Actual	Benchmark*
Last Quarter	2.0%	2.0%
Last 1 year	4.3	4.4
Last 2 years	1.7	1.8
Last 3 years	3.6	3.7
Last 4 years	3.6	3.7
Last 5 years	4.8	4.9
Since Retention by SBI (12/03)	4.8	4.8

No action required.

*Benchmark is the Barclays Capital Aggregate.



Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

**MN STATE 457 DEFERRED COMPENSATION PLAN
INTERNATIONAL – FIDELITY DIVERSIFIED INTERNATIONAL
Periods Ending June, 2014**

Portfolio Manager: William Bower

**State's Participation in Fund: \$296,633,541
Total Assets in Fund: \$15,095,020,000**

**Investment Philosophy
Fidelity Diversified International**

The goal of this fund is capital appreciation by investing in securities of companies located outside of the United States. While the fund invests primarily in stocks, it may also invest in bonds. Most investments are made in companies that have a market capitalization of \$100 million or more and which are located in developed countries. To select the securities, the manager uses fundamental analysis of companies supplemented by relevant economic and regulatory factors and computer-aided quantitative analysis. The manager rarely invests in currency to protect the account from exchange fluctuations.

Staff Comments

Staff has no concerns at this time.

Quantitative Evaluation

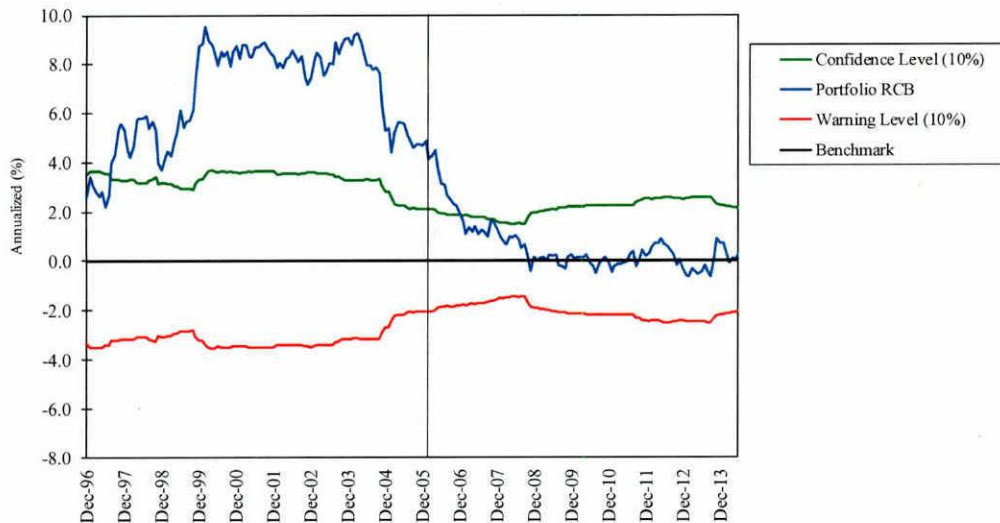
	Actual	Benchmark*
Last Quarter	3.9%	4.1%
Last 1 year	23.0	23.6
Last 2 years	20.6	21.1
Last 3 years	8.7	8.1
Last 4 years	13.8	13.3
Last 5 years	12.1	11.8
Since Retention By SBI (7/99)	7.5	4.6

Recommendation

No action required.

*Benchmark is the MSCI EAFE-Free.

INTERNATIONAL - FIDELITY DIVERSIFIED INTERNATIONAL
Rolling Five Year Returns Compared to Benchmark



Five Year Period Ending

Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

**MN STATE 457 DEFERRED COMPENSATION PLAN
INTERNATIONAL – VANGUARD TOTAL INTERNATIONAL STOCK INDEX
Periods Ending June, 2014**

Portfolio Manager: Michael Perre

**State's Participation in Fund: \$159,377,231
Total Assets in Fund: \$90,957,000,000**

**Investment Philosophy
Vanguard Total International Stock Index**

The fund seeks to track the performance of the FTSE Global All Cap ex US Index, an index designed to measure equity market performance in developed and emerging markets, excluding the United States. The fund assets are invested in the small, mid, and large cap common stocks included in the target index. The fund assets are allocated based on each region's weighting in the index.

Staff Comments

Tracking error due to fair value pricing.

Quantitative Evaluation

	Actual	Benchmark*
Last Quarter	5.0%	5.2%
Last 1 year	22.5	22.8
Last 2 years	18.0	18.3
Last 3 years	5.9	6.1
Last 4 years	11.7	11.5
Last 5 years	11.1	11.2
Since Retention by SBI (7/11)	5.9	6.1

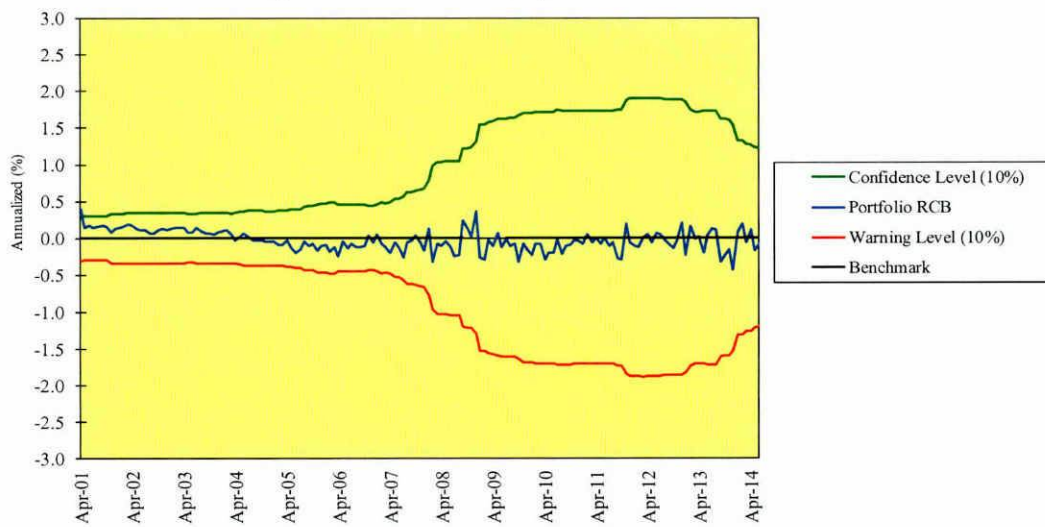
Recommendation

No action required.

Numbers in blue include returns prior to retention by SBI.

* Benchmark is the FTSE Global All Cap ex US Index beginning June 2013; MSCI ACWI ex US IMI Index beginning December 2010; MSCI EAFE + Emerging Markets Index beginning August 2006. Prior to that date it was the Total International Composite Index, which is the MSCI EAFE Index and the Select Emerging Markets Free Index.

**INTERNATIONAL - VANGUARD TOTAL INTERNATIONAL INDEX
Rolling Five Year Returns Compared to Benchmark**



Five Year Period Ending
Note: Shaded area includes performance prior to retention by SBI.

**MN STATE 457 DEFERRED COMPENSATION PLAN
TARGET RETIREMENT FUNDS – STATE STREET GLOBAL ADVISORS (SSgA)
Periods Ending June, 2014**

Portfolio Manager: Various Index Fund Managers	State's Participation in Fund: \$227,597,099
	Total Assets in Fund: \$2,510,958,250

**Investment Philosophy
Target Retirement Funds**

The most important factor in determining the asset allocation mix is the time horizon of each fund. Funds with longer time horizons are assigned initial risk and return objectives which reflect the need to outpace inflation, the ability to take on more short-term volatility, and a reduced need for regular income. This results in larger starting equity allocations. Funds with shorter time horizons are assigned risk and return objectives that reflect a lower tolerance for volatility and an increased need for regular income, and therefore lower equity allocations.

The broad equity/fixed allocations are driven by the risk and return objectives for each fund. In determining the mix, the following factors are considered:

- The time horizon of each fund, which translates into a specific risk/return objective.
- SSgA current capital market assumptions and their impact on the forward looking risk/return of the portfolio.
- The need to differentiate the risk/return profiles for each portfolio so as to offer distinctly different options for plan participants.

Staff Comments

Staff has no concerns at this time.

Recommendation

No action required.

Targeted Asset Allocations: Rebalanced Quarterly

Fund	Total Equity	Total Fixed Income	US										Global REITs
			1-3 Yr Gov't Credit	US TIPS	US Agg - Bonds	US High Yield Bonds	Long-Term Gov't Bonds	Large US Stocks	Small/Mid Cap Stocks	Commodities	Non-US Stocks		
2060	90.0	10.0	0.0	0.0	0.0	0.0	10.0	35.9	16.0	3.5	34.6	0.0	
2055	90.0	10.0	0.0	0.0	0.0	0.0	10.0	35.9	16.0	3.5	34.6	0.0	
2050	90.0	10.0	0.0	0.0	0.0	0.0	10.0	35.9	16.0	3.5	34.6	0.0	
2045	88.5	11.5	0.0	0.0	1.5	0.0	10.0	35.7	15.3	3.5	34.0	0.0	
2040	83.5	16.5	0.0	0.0	6.5	0.0	10.0	35.0	13.0	3.5	32.0	0.0	
2035	77.8	22.2	0.0	0.4	11.0	0.8	10.0	33.7	10.9	3.5	29.7	0.0	
2030	70.3	29.7	0.0	2.7	13.2	3.8	10.0	31.3	8.8	3.5	26.7	0.0	
2025	61.3	38.7	0.0	9.2	18.0	6.0	5.5	27.1	6.5	3.5	22.0	2.2	
2020	48.7	51.3	1.2	17.8	25.0	6.8	0.5	20.6	4.1	3.5	15.7	4.8	
2015	36.2	63.8	17.5	18.8	20.5	7.0	0.0	14.5	2.6	3.5	10.6	5.0	
Income	35.0	65.0	20.0	18.0	20.0	7.0	0.0	13.8	2.6	3.5	10.1	5.0	

Note: Totals may not add due to rounding.

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TAB

D

DATE: August 12, 2014

TO: Members, Investment Advisory Council

FROM: Ryan Hill and Andrew Krech

Staff has reviewed the following information agenda item:

- Review of current strategy.

INFORMATION ITEM:

Review of Current Strategy.

To increase overall portfolio diversification, 20% of the Combined Funds is allocated to alternative investments. Alternative investments include real estate, private equity, resource, and yield-oriented investments in which Minnesota State Board of Investment (SBI) participation is limited to commingled funds or other pooled vehicles. Charts summarizing the Board's current commitments are attached (see **Attachments A and B**).

- a. The real estate investment strategy is to establish and maintain a broadly diversified real estate portfolio comprised of investments that provide overall diversification by property type and location. The main component of this portfolio consists of investments in diversified Real Estate Investment Trusts (REITs) and closed-end commingled funds. The remaining portion of the portfolio can include investments in less diversified, more focused (specialty) commingled funds and REITs.
- b. The private equity investment strategy, which includes leveraged buyouts and venture capital, is to establish and maintain a broadly diversified private equity portfolio comprised of investments that provide diversification by industry type, stage of corporate development and location.

- c. The strategy for resource investments is to establish and maintain a portfolio of resource investment vehicles that provide an inflation hedge and additional diversification. Resource investments will include oil and gas investments, energy service industry investments and other investments that are diversified geographically and by type.

- d. The strategy for yield-oriented investments is to target funds that typically provide a current return and may have an equity component such as subordinated debt or mezzanine investments. Yield-oriented investments will provide diversification by including investments in the private equity, resource and real estate categories.

ATTACHMENT A

Minnesota State Board of Investment
Pooled Alternative Investments
Combined Funds
June 30, 2014

Combined Funds Market Value \$59,450,445,832
 Amount Available for Investment **\$4,462,371,288**

	Current Level	Target Level	Difference
Market Value (MV)	\$7,427,717,878	\$11,890,089,166	\$4,462,371,288
MV +Unfunded	\$12,234,240,041	\$20,807,656,041	\$8,573,416,000

Asset Class	Market Value	Unfunded Commitment	Total
Private Equity	\$4,513,772,992	\$3,079,781,822	\$7,593,554,814
Real Estate	\$695,821,234	\$168,086,836	\$863,908,070
Resource	\$1,220,566,450	\$1,050,937,371	\$2,271,503,821
Yield-Oriented	\$997,557,202	\$507,716,134	\$1,505,273,335
Total	\$7,427,717,878	\$4,806,522,162	\$12,234,240,041

ATTACHMENT B

Minnesota State Board of Investment - Alternative Investments -

As of June 30, 2014

Investment	Total Commitment	Funded Commitment	Market Value	Distributions	Unfunded Commitment	IRR %	MOIC*	Period Years
I. REAL ESTATE								
Blackstone								
Blackstone Real Estate Partners V	100,000,000	97,030,342	104,759,534	68,384,068	4,174,052	9.87	1.78	8.17
Blackstone Real Estate Partners VI	100,000,000	98,737,973	144,144,365	39,533,393	3,520,125	12.78	1.86	7.25
Blackstone Real Estate Partners VII	100,000,000	70,483,414	84,376,856	14,542,495	29,516,586	22.51	1.40	2.59
Blackstone Strategic Partners (CSFB)								
Strategic Partners III RE	25,000,000	25,555,711	10,756,882	2,976,030	9,006	-10.02	0.54	9.00
Strategic Partners IV RE	50,000,000	49,370,807	26,610,996	18,193,286	1,217,406	-2.34	0.91	6.03
Colony Capital								
Colony Investors II	80,000,000	78,482,328	2,600	90,022,404	1,517,672	4.68	1.15	19.25
Colony Investors III	100,000,000	100,000,000	4,769,078	168,237,707	0	14.57	1.73	16.50
Silverpeak Real Estate Partners								
Silverpeak Legacy Pension Partners II	75,000,000	70,753,841	30,671,619	44,736,036	9,857,501	1.28	1.07	9.00
Silverpeak Legacy Pension Partners III	150,000,000	66,143,137	26,970,790	0	83,274,488	-14.77	0.41	6.11
T.A. Associates Realty								
Realty Associates Fund VI	50,000,000	50,000,000	354,630	75,950,501	0	9.42	1.53	12.01
Realty Associates Fund VII	75,000,000	75,000,000	37,146,043	37,279,081	0	-0.16	0.99	9.62
Realty Associates Fund VIII	100,000,000	100,000,000	64,389,691	13,781,239	0	-4.01	0.78	8.00
Realty Associates Fund IX	100,000,000	100,000,000	93,118,324	40,825,360	0	9.63	1.34	5.85
Realty Associates Fund X	100,000,000	65,000,000	67,749,825	2,582,845	35,000,000	9.61	1.08	2.33
Real Estate Total	1,205,000,000	1,046,557,553	695,821,234	617,044,445	168,086,836		1.25	
II. RESOURCE								
Apache Corp.								
1986 Net Profits Interest	30,000,000	30,000,000	3,056,730	57,291,940	0	12.17	2.01	27.50
EIG Global Energy Partners								
EIG Energy Fund XIV	100,000,000	105,190,917	52,479,992	80,306,530	9,422,519	8.15	1.26	7.20
EIG Energy Fund XV	150,000,000	108,957,172	117,397,435	21,480,550	41,042,828	12.79	1.27	4.06
EIG Energy Fund XVI	200,000,000	25,500,000	19,050,821	0	174,500,000	-30.91	0.75	0.80
EnCap Energy								
EnCap Energy Capital Fund VII	100,000,000	89,680,365	22,910,493	114,726,305	10,872,378	18.13	1.53	7.00
EnCap Energy Capital Fund VIII	100,000,000	68,145,326	73,017,450	7,262,765	31,854,674	11.13	1.18	3.75
Encap Energy Fund IX	100,000,000	18,932,869	18,397,031	0	81,067,131	-4.11	0.97	1.56
Energy & Minerals Group								
NGP Midstream & Resources	100,000,000	98,077,949	131,675,488	97,861,601	2,233,074	24.57	2.34	7.25
The Energy & Minerals Group Fund II	100,000,000	74,182,903	111,111,597	132,688	25,817,097	33.39	1.50	2.77
The Energy & Minerals Group Fund III	200,000,000	24,713,607	24,713,607	0	175,286,393	-1.07	1.00	0.32
Energy Capital Partners								
Energy Capital Partners II-A	100,000,000	82,947,645	104,029,588	28,412,880	20,992,888	22.57	1.60	3.95
Energy Capital Partners III	200,000,000	9,924,224	9,924,224	0	190,075,776	0.00	1.00	0.53
First Reserve								
First Reserve Fund X	100,000,000	100,000,000	7,664,930	174,944,249	0	30.60	1.83	9.66
First Reserve Fund XI	150,000,000	150,000,000	87,268,039	80,067,085	0	2.51	1.12	7.52
First Reserve Fund XII	150,000,000	139,333,432	117,094,517	40,541,046	10,666,568	3.77	1.13	5.66
First Reserve Fund XIII	200,000,000	0	0	0	200,000,000	N/A	0.00	0.66
NGP								
Natural Gas Partners IX	150,000,000	135,957,074	85,667,002	139,330,537	11,382,735	15.42	1.65	6.69
NGP Natural Resources X	150,000,000	88,526,690	96,577,484	1,594,924	61,473,310	8.94	1.11	2.72
Sheridan								
Sheridan Production Partners I	100,000,000	100,002,260	78,865,997	79,750,000	0	12.37	1.59	7.25
Sheridan Production Partners II	100,000,000	95,750,000	59,664,024	5,750,000	4,250,000	-22.57	0.68	3.75
Resource Total	2,580,000,000	1,545,822,433	1,220,566,450	929,453,101	1,050,937,371		1.39	
III. YIELD-ORIENTED								
Audax Group								
Audax Mezzanine Fund III	100,000,000	54,601,376	46,911,686	15,543,607	45,398,624	8.16	1.14	4.24
Citicorp Mezzanine								
CM Liquidating Partnership	100,000,000	88,029,296	3,275,907	132,324,719	0	15.83	1.54	14.66
Crescent Capital Group								
TCW/Crescent Mezzanine Partners III	75,000,000	68,868,042	6,197,550	156,103,491	29,701,079	36.03	2.36	13.25
Gold Hill Venture Lending								
Gold Hill Venture Lending	40,000,000	40,000,000	5,387,292	62,355,021	0	11.44	1.69	9.75
Gold Hill 2008	25,852,584	25,852,584	22,443,378	14,583,367	0	12.84	1.43	6.00
GS Mezzanine Partners								
GS Mezzanine Partners III	75,000,000	74,934,629	712,030	100,709,739	65,371	8.53	1.35	10.97
GS Mezzanine Partners 2006 Institutional	100,000,000	74,999,888	24,073,369	102,445,787	25,000,112	3.90	1.69	8.23
GS Mezzanine Partners V	150,000,000	88,656,155	45,674,437	72,781,287	52,327,832	10.49	1.34	6.69
Merit Capital Partners								
William Blair Mezzan. Cap. Fd. III	60,000,000	57,243,241	2,054,872	111,114,465	2,756,759	15.51	1.98	14.49
Merit Mezzanine Fund IV	75,000,000	70,178,571	29,306,049	70,633,359	4,821,429	8.13	1.42	9.54
Merit Mezzanine Fund V	75,000,000	51,306,122	44,528,300	12,026,111	23,693,878	4.92	1.10	4.53
Merit Energy Partners								
Merit Energy Partners B	24,000,000	24,000,000	53,717,995	143,058,902	0	24.54	8.20	18.00
Merit Energy Partners C	50,000,000	50,000,000	161,366,496	364,427,735	0	31.25	10.52	15.67
Merit Energy Partners D	88,000,000	70,938,303	88,146,276	286,240,815	0	23.93	5.28	13.10
Merit Energy Partners E	100,000,000	39,983,197	53,646,676	62,965,133	0	16.54	2.92	9.71
Merit Energy Partners F	100,000,000	57,841,607	45,370,745	22,337,486	42,158,394	3.48	1.17	8.27
Merit Energy Partners H	100,000,000	81,860,748	80,033,945	3,339,129	18,139,252	1.90	1.02	3.41
Portfolio Advisors								
DLJ Investment Partners II	27,375,168	23,164,217	885,810	34,750,077	4,955,172	10.62	1.54	14.49
DLJ Investment Partners III	100,000,000	55,454,629	17,401,868	52,668,672	46,544,660	5.74	1.26	8.02

Minnesota State Board of Investment
- Alternative Investments -

As of June 30, 2014

Investment	Total Commitment	Funded Commitment	Market Value	Distributions	Unfunded Commitment	IRR %	MOIC*	Period Years
Prudential Capital Partners								
<i>Prudential Capital Partners I</i>	100,000,000	97,768,017	3,955,694	148,562,578	6,975,419	11.00	1.56	13.20
<i>Prudential Capital Partners II</i>	100,000,000	94,465,185	29,324,265	108,063,400	5,936,783	9.06	1.45	9.00
<i>Prudential Capital Partners III</i>	100,000,000	93,030,745	76,237,075	54,978,126	9,875,722	12.67	1.41	5.20
<i>Prudential Capital Partners IV</i>	100,000,000	32,007,544	31,951,098	1,024,370	67,992,456	5.73	1.03	2.44
Summit Partners								
<i>Summit Subordinated Debt Fund II</i>	45,000,000	40,500,000	3	93,649,473	4,500,000	56.28	2.31	16.91
<i>Summit Subordinated Debt Fund III</i>	45,000,000	42,690,965	13,423,190	42,695,450	2,850,000	8.55	1.31	10.37
<i>Summit Subordinated Debt Fund IV</i>	50,000,000	37,605,902	28,303,983	17,592,684	12,394,098	7.69	1.22	6.26
Windjammer Capital Investors								
<i>Windjammer Mezzanine & Equity Fund II</i>	66,708,861	52,095,147	1,985,663	79,007,099	14,360,347	8.83	1.55	14.25
<i>Windjammer Senior Equity Fund III</i>	75,000,000	64,451,545	57,168,964	56,621,134	13,139,865	16.05	1.77	8.49
<i>Windjammer Senior Equity Fund IV</i>	100,000,000	25,871,117	24,072,583	192,829	74,128,883	-6.90	0.94	2.35
<i>Yield-Oriented Total</i>	2,246,936,613	1,678,398,773	997,557,202	2,422,796,046	507,716,134		2.04	
IV. PRIVATE EQUITY								
Adams Street Partners								
<i>Adams Street Global Secondary Fund 5</i>	100,000,000	23,170,000	19,371,344	4,634,115	76,830,000	5.15	1.04	2.03
Advent International								
<i>Advent International GPE VI-A</i>	50,000,000	47,450,005	54,304,953	28,637,971	2,549,995	18.43	1.75	6.25
<i>Advent International GPE VII</i>	90,000,000	36,360,000	45,946,811	900,000	53,640,000	27.65	1.29	1.78
Affinity Ventures								
<i>Affinity Ventures IV</i>	4,000,000	4,000,000	1,506,066	1,541,970	0	-7.00	0.76	10.00
<i>Affinity Ventures V</i>	5,000,000	4,250,000	2,781,613	1,218,342	750,000	-1.86	0.94	5.99
APAX Partners								
<i>Apax VIII - USD</i>	200,000,000	46,099,370	44,849,662	0	153,900,630	-4.13	0.97	1.31
aPriori								
<i>DLJ Merchant Banking Partners III</i>	125,000,000	121,917,361	9,952,917	278,705,787	3,082,639	19.48	2.37	13.75
Banc Fund								
<i>Banc Fund VII</i>	45,000,000	45,000,000	40,481,010	812,725	0	-1.17	0.92	9.25
<i>Banc Fund VIII</i>	98,250,000	98,250,000	129,903,104	7,661,973	0	14.60	1.40	6.18
<i>Banc Fund IX</i>	67,000,000	0	0	0	67,000,000	N/A	0.00	0.05
Blackstone								
<i>Blackstone Capital Partners IV</i>	70,000,000	72,150,427	31,298,982	164,364,076	2,120,881	37.70	2.71	11.97
<i>Blackstone Capital Partners V</i>	140,000,000	129,280,499	122,323,008	77,829,763	12,642,206	7.26	1.55	8.41
<i>Blackstone Capital Partners VI</i>	100,000,000	45,462,787	52,494,285	5,119,762	54,537,213	12.85	1.27	5.93
Blackstone Strategic Partners (CSFB)								
<i>DLJ Strategic Partners</i>	100,000,000	95,064,515	4,468,880	169,360,076	3,385,485	22.45	1.83	13.44
<i>Strategic Partners II-B</i>	100,000,000	83,892,891	4,832,264	155,679,724	10,307,109	35.19	1.91	10.95
<i>Strategic Partners III VC</i>	25,000,000	24,195,371	10,748,435	21,633,298	804,629	6.60	1.34	9.08
<i>Strategic Partners III-B</i>	100,000,000	76,520,773	45,228,001	68,727,242	16,637,131	7.06	1.49	9.08
<i>Strategic Partners IV-B</i>	100,000,000	89,674,343	57,793,786	84,096,577	10,325,657	13.95	1.58	6.26
<i>Strategic Partners IV VC</i>	40,500,000	38,641,845	27,374,946	26,978,105	1,693,261	9.78	1.41	6.03
<i>Strategic Partners V</i>	100,000,000	68,594,074	79,614,862	25,969,315	31,405,926	36.57	1.54	2.87
<i>Strategic Partners VI</i>	150,000,000	7,500,000	7,500,000	0	142,500,000	0.00	1.00	0.21
BLUM Capital Partners								
<i>Blum Strategic Partners II</i>	50,000,000	40,185,889	261,257	89,708,870	2,127,584	22.43	2.24	12.95
<i>Blum Strategic Partners III</i>	75,000,000	74,806,485	16,283,617	59,233,049	193,515	-1.03	1.01	9.08
<i>Blum Strategic Partners IV</i>	150,000,000	147,168,674	85,934,504	63,978,778	15,258,645	0.17	1.02	6.61
Carval Investors								
<i>CVI Global Value Fund</i>	200,000,000	190,000,000	89,701,972	220,471,602	10,000,000	9.89	1.63	7.46
<i>CarVal Credit Value Fund I</i>	100,000,000	95,000,000	152,282,751	23,494,887	5,000,000	22.27	1.85	3.75
<i>CVI Credit Value Fund A II</i>	150,000,000	142,500,000	166,636,718	428,690	7,500,000	19.73	1.17	1.66
Chicago Growth Partners (William Blair)								
<i>William Blair Capital Partners VII</i>	50,000,000	48,150,000	1,951,929	64,492,866	1,650,000	8.06	1.38	13.31
<i>Chicago Growth Partners I</i>	50,000,000	52,441,998	18,670,534	40,242,061	300,000	2.96	1.12	8.93
<i>Chicago Growth Partners II</i>	60,000,000	51,416,980	51,483,630	32,667,311	8,331,020	18.29	1.64	6.30
Court Square Capital Partners								
<i>Court Square Capital Partners</i>	100,000,000	80,294,872	1,355,559	180,017,021	10,505,273	28.94	2.26	12.55
<i>Court Square Capital Partners II</i>	175,000,000	158,809,890	98,791,842	136,495,781	17,830,316	10.45	1.48	7.82
<i>Court Square Capital Partners III</i>	175,000,000	26,865,456	24,815,022	1,950,384	148,134,544	-2.03	1.00	2.08
Crescendo								
<i>Crescendo IV</i>	101,500,000	101,500,000	16,097,885	34,972,153	0	-6.84	0.50	14.31
CVC Capital Partners								
<i>CVC European Equity Partners V</i>	121,668,315	120,221,308	113,011,394	56,196,486	1,447,007	12.73	1.41	6.26
<i>CVC Capital Partners VI</i>	308,068,076	2,139,605	1,038,187	0	305,928,471	-51.48	0.49	0.98
Diamond Castle Partners								
<i>Diamond Castle Partners IV</i>	100,000,000	89,548,359	42,941,640	51,011,538	10,492,126	0.75	1.05	7.81
DSV Partners								
<i>DSV Partners IV</i>	10,000,000	10,000,000	31,652	39,196,082	0	10.61	3.92	29.22
Elevation Partners								
<i>Elevation Partners</i>	75,000,000	68,979,413	9,477,697	97,347,813	12,106,177	10.81	1.55	9.12
Fox Paine & Company								
<i>Fox Paine Capital Fund II</i>	50,000,000	45,926,013	17,402,797	73,394,027	12,326,825	19.51	1.98	14.00
GHJM Marathon Fund								
<i>GHJM Marathon Fund V</i>	50,000,000	49,928,158	36,595,918	55,935,083	148,553	11.87	1.85	9.74
<i>TrailHead Fund</i>	20,000,000	10,014,187	8,851,931	6,955	9,985,813	-8.70	0.88	2.35
GS Capital Partners								
<i>GS Capital Partners 2000</i>	50,000,000	50,000,000	6,925,901	104,131,433	0	22.47	2.22	13.83
<i>GS Capital Partners V</i>	100,000,000	66,390,364	36,646,577	149,074,047	26,041,099	17.44	2.80	9.25
<i>GS Capital Partners VI</i>	100,000,000	68,765,149	35,407,290	55,919,857	23,401,845	4.34	1.33	7.41
GTCR Golder Rauner								
<i>GolderThomaCressey & Rauner Fund IV</i>	20,000,000	20,000,000	115,507	42,300,018	0	25.06	2.12	20.41
<i>GTCR VI</i>	90,000,000	90,000,000	2,258,466	77,813,800	0	-3.88	0.89	16.00
<i>GTCR VII</i>	131,250,000	129,390,615	552,460	306,551,141	1,859,375	21.93	2.37	14.39
<i>GTCR IX</i>	75,000,000	69,539,933	57,201,973	54,566,328	5,460,067	12.71	1.61	8.00
<i>GTCR X</i>	100,000,000	85,462,889	98,821,797	9,736,572	14,537,111	14.86	1.27	3.55
<i>GTCR Fund XI</i>	110,000,000	0	0	0	110,000,000	N/A	0.00	0.62

Minnesota State Board of Investment
- Alternative Investments -

As of June 30, 2014

Investment	Total Commitment	Funded Commitment	Market Value	Distributions	Unfunded Commitment	IRR %	MOIC*	Period Years
Hellman & Friedman								
<i>Hellman & Friedman Capital Partners V</i>	160,000,000	146,115,880	20,381,384	395,183,831	15,917,142	28.02	2.84	9.58
<i>Hellman & Friedman Capital Partners VI</i>	175,000,000	168,551,235	79,964,735	216,091,108	7,571,384	11.64	1.76	7.25
<i>Hellman & Friedman Capital Partners VII</i>	50,000,000	31,887,368	32,670,143	2,385,664	18,112,632	7.11	1.10	5.19
IK Investment Partners								
<i>IK Fund VII</i>	196,929,501	46,703,241	39,966,837	3,347,503	150,226,260	-7.95	0.93	0.79
Kohlberg Kravis Roberts								
<i>KKR Millennium Fund</i>	200,000,000	200,000,000	65,505,963	338,754,535	0	16.52	2.02	11.56
<i>KKR 2006 Fund</i>	200,000,000	202,775,014	155,093,758	148,055,324	10,529,184	8.03	1.50	7.76
Leonard Green & Partners								
<i>Green Equity Investors VI</i>	200,000,000	60,137,121	68,345,231	658,342	139,862,879	18.20	1.15	2.29
Lexington Capital Partners								
<i>Lexington Capital Partners VI-B</i>	100,000,000	98,365,297	59,580,026	78,861,484	1,634,703	8.46	1.41	8.51
<i>Lexington Capital Partners VII</i>	200,000,000	148,195,376	133,693,005	73,615,706	51,804,624	19.20	1.40	5.05
<i>Lexington Capital Partners VIII</i>	150,000,000	0	0	0	150,000,000	N/A	0.00	0.32
Merced Capital								
<i>Merced Partners II</i>	75,000,000	63,768,881	21,989,450	104,406,983	0	24.63	1.98	7.25
<i>Merced Partners III</i>	100,000,000	100,000,000	103,290,695	19,997,107	0	8.12	1.23	4.15
<i>Merced Partners IV</i>	125,000,000	46,875,000	45,809,953	0	78,125,000	-4.93	0.98	0.97
Nordic Capital								
<i>Nordic Capital Fund VIII</i>	200,416,885	17,132,954	13,657,628	49,418	183,283,930	-18.79	0.80	0.80
PERMIRA								
<i>Permira V</i>	198,692,528	43,660,868	40,601,334	164,069	155,031,660	-15.87	0.93	0.50
Public Pension Capital Management								
<i>Public Pension Capital</i>	80,000,000	0	0	0	80,000,000	N/A	0.00	0.12
RWI Ventures								
<i>RWI Ventures I</i>	7,603,265	7,603,265	521,963	6,094,262	0	-4.48	0.87	8.00
Sightline Healthcare								
<i>Sightline Healthcare Fund III</i>	20,000,000	20,000,000	1,287,149	5,465,766	0	-12.29	0.34	15.44
<i>Sightline Healthcare Fund IV</i>	7,700,000	7,753,673	2,728,881	4,621,834	0	-1.34	0.95	10.76
Silver Lake Partners								
<i>Silver Lake Partners II</i>	100,000,000	89,314,415	46,093,785	106,175,489	11,681,453	10.18	1.70	10.00
<i>Silver Lake Partners III</i>	100,000,000	85,337,573	66,385,404	70,921,026	15,397,854	16.42	1.61	7.25
<i>Silver Lake Partners IV</i>	100,000,000	15,323,411	14,083,609	0	84,676,589	-15.98	0.92	1.75
Split Rock Partners								
<i>Split Rock Partners</i>	50,000,000	44,799,999	31,150,944	3,597,893	5,200,001	-4.42	0.78	9.16
<i>Split Rock Partners II</i>	60,000,000	43,275,000	33,764,092	7,770,098	16,025,000	-1.82	0.96	6.17
Summit Partners								
<i>Summit Ventures V</i>	25,000,000	24,125,000	84,548	33,274,796	875,000	8.10	1.38	16.25
<i>Summit Partners Growth Equity Fund VIII</i>	100,000,000	54,000,000	51,899,350	8,676,064	46,000,000	18.70	1.12	3.15
T. Rowe Price								
<i>Thoma Cressey</i>	102,022,947	102,022,947	68,517,219	52,350,371	0	19.72	1.18	N/A
Thoma Cressey								
<i>Thoma Cressey Fund VI</i>	35,000,000	33,915,000	698,131	34,128,882	1,085,000	0.31	1.03	15.86
<i>Thoma Cressey Fund VII</i>	50,000,000	50,000,000	5,543,810	96,053,915	0	23.30	2.03	13.85
<i>Thoma Cressey Fund VIII</i>	70,000,000	68,932,574	69,406,154	92,278,226	770,000	15.04	2.35	8.16
ThomasMcNerney & Partners								
<i>ThomasMcNerney & Partners I</i>	30,000,000	29,400,000	15,140,474	10,504,694	600,000	-2.65	0.87	11.65
<i>ThomasMcNerney & Partners II</i>	50,000,000	44,125,000	47,653,403	13,574,160	5,875,000	8.07	1.39	8.00
Varde Fund								
<i>Varde Fund IX</i>	100,000,000	100,000,000	59,780,269	140,385,254	0	15.18	2.00	6.02
<i>Varde Fund X</i>	150,000,000	150,000,000	215,190,600	0	0	12.11	1.43	4.19
<i>Varde Fund XI</i>	200,000,000	180,000,000	192,158,820	0	20,000,000	9.41	1.07	0.97
Vestar Capital Partners								
<i>Vestar Capital Partners IV</i>	55,000,000	52,761,494	7,170,736	89,682,116	746,945	13.54	1.84	14.54
<i>Vestar Capital Partners V</i>	75,000,000	74,741,675	65,503,665	23,187,761	583,554	3.37	1.19	8.53
<i>Vestar Capital Partners VI</i>	100,000,000	34,653,913	36,225,260	0	65,346,087	10.45	1.05	2.77
Warburg Pincus								
<i>Warburg Pincus Equity Partners</i>	100,000,000	100,000,000	3,099,131	158,591,853	0	9.94	1.62	16.01
<i>Warburg Pincus Private Equity VIII</i>	100,000,000	100,000,000	59,398,856	186,663,449	0	16.17	2.46	12.21
<i>Warburg Pincus Private Equity IX</i>	100,000,000	100,000,000	41,088,907	139,702,706	0	10.94	1.81	8.93
<i>Warburg Pincus Private Equity X</i>	150,000,000	150,060,914	132,084,213	79,061,379	0	9.01	1.41	6.68
<i>Warburg Pincus Private Equity XI</i>	200,000,000	89,383,377	91,416,058	4,519,400	110,616,623	9.66	1.07	1.52
Wayzata								
<i>Wayzata Opportunities Fund</i>	100,000,000	93,180,000	36,492,900	139,155,230	6,820,000	10.26	1.89	8.53
<i>Wayzata Opportunities Fund II</i>	150,000,000	57,450,000	62,293,121	127,479,300	92,550,000	16.44	3.30	6.69
<i>Wayzata Opportunities Fund III</i>	150,000,000	18,390,000	16,203,006	136,917	131,610,000	-13.76	0.89	2.04
WelshCarsonAnderson & Stowe								
<i>WelshCarsonAnderson & Stowe VIII</i>	100,000,000	100,000,000	122,929	128,668,552	0	3.10	1.29	15.93
<i>WelshCarsonAnderson & Stowe IX</i>	125,000,000	123,750,000	13,697,084	184,171,644	1,250,000	10.83	1.60	14.01
<i>WelshCarsonAnderson & Stowe X</i>	100,000,000	98,578,466	73,682,121	71,003,214	2,000,000	6.78	1.47	8.54
<i>WelshCarsonAnderson & Stowe XI</i>	100,000,000	86,704,811	88,332,927	30,600,267	13,295,189	13.07	1.37	5.94
Private Equity Total	10,230,601,517	7,146,671,239	4,513,772,992	6,675,273,044	3,079,781,822		1.57	
Alternatives Total	16,262,538,129	11,417,449,999	7,427,717,878	10,644,566,636	4,806,522,162		1.58	

Notes

None of the data presented herein has been reviewed or approved by either the general partner or investment manager. The performance and valuation data presented herein is not a guarantee or prediction of future results. Ultimately, the actual performance and value of any investment is not known until final liquidation. Because there is no industry-standardized method for valuation or reporting comparisons of performance and valuation data among different investments is difficult.

* MOIC: Multiple of Invested Capital

TAB

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DATE: August 12, 2014

TO: Members, Investment Advisory Council

FROM: Tammy Brusehaver, Mike Menssen and LeaAnn Stagg

SUBJECT: SBI Transition Management

Periodically, the SBI must move pension assets for purposes of rebalancing of the assets, managing cash flows into and out of portfolios, implementing investment policy changes and funding or terminating investment managers. In order to restructure these assets, Staff has handled such movements internally, relied on our investment managers, and in more complex situations, utilized the services of a transition manager. When Staff has used a transition manager, it has been limited to State Street Global Markets (SSGM) in conjunction with the custodial services provided by State Street Bank.

A transition manager acts as a very short-term asset manager. They are tasked with converting a legacy portfolio to a new, target portfolio in an efficient and cost effective manner while managing multiple tasks. While the SBI restructures or rebalances assets infrequently, the size of an asset restructuring can be large, generating sizable transition costs which must be prudently managed. In order to introduce competition into the transition manager selection process, Staff is proposing to establish a "bench" of transition managers from which to solicit bids as the need to restructure assets demands.

At the August IAC meeting, Staff will present an overview of transition management and its use at the SBI. We have included a research paper provided by Callan which provides a good explanation of the transition management process. Staff has been reviewing potential transition management service providers and is in the process of determining which candidates best meet our needs. Additionally, Staff is considering the use of a third party "transaction cost analysis" provider to help provide standardization and transparency in the measurement of transition costs. **We will not be making any recommendations at the August meeting, but will instead be asking the IAC members for comments and feedback on their own experiences with transition management services.** We anticipate presenting our findings at the November IAC meeting for your consideration and a recommendation to the Board at the December meeting.

Transition Management

Beyond the Basics

- Fund sponsors employ transition management for portfolio liquidation, benchmark or manager changes, asset allocation shifts, portfolio rebalancing, and other restructuring. The objective is to preserve the value of the legacy portfolio and give the target portfolio the best possible start.
- Callan believes the transition manager must accept the role of a fiduciary because the manager is entrusted with executing an effective liquidation and asset reallocation, while managing cost and risk throughout the entire process.
- In this paper, Callan reviews the various explicit and implicit costs of a transition, discusses multiple available sources of liquidity, and offers discussion points for plan sponsors vetting a potential manager's transition management capabilities.

Introduction

Transition management is the cost-effective and efficient restructuring of institutional portfolios from single or multiple investment managers/asset classes to a new allocation over a short-term horizon. The concept behind transition management is relatively simple and straightforward; however, passing the baton from legacy portfolio to target portfolio is a complex transaction that can be fraught with uncertainty. Transition management goes beyond the basics—it is not just another trade—and every activity in the transition process has cost and risk ramifications. Explicit commission costs or trading basis point charges are but a small percentage of the actual transition costs.

A fund sponsor seeks out a transition manager to assist with portfolio liquidation, benchmark or manager changes, asset allocation shifts, portfolio rebalancing, and/or other restructuring of designated investment portfolios or company stock (single stock portfolios). Transition management is not merely a trading activity; rather, it should be treated as short-term asset management that requires prudence and

investment discretion. It requires the skill and judgment of an investment fiduciary. The distinguishing factor of a transition manager is that it “terminates” itself naturally after the completion of a transition; so, the transition manager is actually an asset “reallocation” manager.

Transition management centralizes the coordination of activities and parties involved in order to eliminate unnecessary transactions, reduce costs, and maintain the maximum amount of market exposure (asset class or manager style) during the transition period.

The transition manager is responsible for managing risks, implementation shortfall (explicit and implicit costs), information leakage, trading (in-kind transfer, crossing, agency and/or principal basis), and liquidity considerations. Identifying “Point A” [legacy portfolio(s)]—and especially “Point B” [target portfolio(s)]—is critical. You cannot establish a coherent portfolio transition strategy without knowing Point B.¹

Transition management centralizes the coordination of activities and parties involved in order to eliminate unnecessary transactions, reduce costs, and maintain the maximum amount of market exposure (asset class or manager style) during the transition period. While this is no small task, the transition manager is entrusted to prudently manage the process. The objective is to preserve the value of the legacy portfolio while giving the target portfolio (whether an asset class and/or manager) an optimal beginning.

Understanding Transition Costs

In an ideal world, the legacy portfolio would instantly map to the target portfolio at zero cost. But the reality is that transitions are one of the most complex transactions with which a fund sponsor must contend, and every single activity in the process has cost (risk) ramifications. While the final costs are not known until the actual liquidation of the legacy portfolio(s) and funding of the target portfolio(s), ensuring that all parties understand the costs inherent in the transition process will help to avoid unpleasant surprises.

Implementation shortfall—which compares the value of the assets at the end of the transition to the value of the portfolio assuming an immediate shift to the destination portfolio—is the accepted measurement of transition cost.² The difference in value is the total cost to implement change.

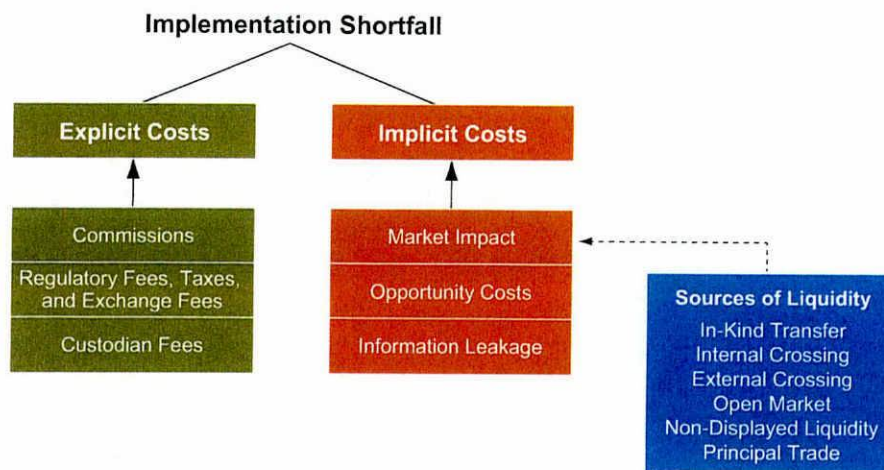
The measure is the total performance of the transition assets compared to the performance of the target portfolio; thus, it is crucial that the target portfolio is defined. Although there are different variations to the calculation of implementation shortfall, the basic premise is the same. **Exhibit 1** illustrates the explicit and implicit costs that make up the implementation shortfall.

1 Firing a manager without a replacement manager can be problematic because the assets to be liquidated would be subjected to a myriad of uncertainties and costs. The liquidation is a one-way trade given that the target manager is unknown. The exit and temporary parking costs can be expensive. The exit costs are commissions, regulatory fees, taxes, custodian fees, foreign currency execution, exchange fees, etc. The temporary parking costs are investment management fees (short-term investment fund management fees for all cash liquidation and investment management index/passive fees) and/or optimized solution costs (such as synthetic overlay using futures, ETFs, swaps, etc.) that may apply while waiting for the target manager.

2 Implementation shortfall was introduced by Andre Perold, who defined it as the difference between the actual portfolio return and the paper return benchmark. (“The implementation shortfall: Paper vs. reality.” *The Journal of Portfolio Management*, Spring 1988: 4 – 9.)

Exhibit 1

The Components of Implementation Shortfall: Explicit and Implicit Costs



Source: Callan

Explicit costs are the most visible during the transition period. These include commissions (compensation for the transition manager),³ regulatory fees, taxes, exchange fees, and custody fees. Explicit costs are the most discernible, yet they are also the smallest component of the total transition cost. The largest explicit cost is commissions. The cost is normally expressed in cents per share or basis points of the notional traded value. The explicit fees depend on the trading strategy that is selected prior to execution. **Implicit costs** constitute the largest portion of the entire transition cost. They include market impact, opportunity costs, and information leakage.

Market Impact and Sources of Liquidity

A transition planning phase is essential to mitigate market impact, which is the price movement of the securities in the portfolio when the trade order is sent. It is influenced by numerous factors, including the volume of the security being traded, liquidity (average daily trading volume), bid/ask spread, price volatility of the security, and the particular country/exchange where the security is traded. The trade needs to be executed with stealth, speed, and strength.

Because of the significant cost attached to market impact, it is where the transition manager earns its keep, and the manager's ability to optimize multiple sources of liquidity is of utmost importance. These sources include in-kind transfer, internal crossing, external crossing, open market, non-displayed liquidity, and principal trade.

³ Sources of compensation can include foreign currency (FX) fees or spread earned, click fees, finder's fees, revenue sharing arrangements with broker dealers, etc.

In-kind transfer matches the legacy portfolio(s) against the target portfolio(s) to determine which securities are common to both the sell side and the buy side of the transition. This type is always optimal because there is no liquidity impact and it is instantaneous. There is no change in ownership and no bid/ask spread.

Internal and external crossing use electronic venues to anonymously match orders between buyer and seller at a specified price. Internal crossing is the ability to cross the transition flow against the manager's other trading flows, which result from other transitions or securities/funds moving in and out of their portfolios or books. Depending on the transition manager's depth of internal liquidity, internal crossing is ideal because it reveals little; if natural internal crosses are present, there is virtually no market impact. However, waiting for a cross can introduce timing risk. External crossing provides the same benefits as internal crossing. The main difference is that the transition manager is now seeking external liquidity, typically through electronic networks that cater to institutional order flow. (Examples of external crossing networks include ITG's POSIT®, Liquidnet, and BIDS.) The drawbacks are the size and liquidity of the cross, and information leakage. Dark pools of liquidity, which are technically considered external crossing, are categorized as non-displayed liquidity for the purposes of this paper.

Open market uses the primary exchange where a stock is listed; essentially, the transition manager has to execute the order out in the marketplace. Market impact is high because the transition manager has to pay the bid/ask spread. Although the speed of going to the market reduces timing risk, the liquidity impact could be substantial. Ultimately, the primary exchange is the single largest source of liquidity for any given security.

Given that market trading is slowly going away from central exchanges where pricing transparency exists, dark pools are becoming part of the toolkit available to transition managers.

Non-displayed liquidity is actually the floor brokers (not specialists) who are willing to buy or sell individual stocks if there is a need for liquidity. Floor brokers will not display or advertise the bid/ask price and size on any trading screen. Access to non-displayed liquidity, via internal or external brokers, can be very important for an optimal transition. Another component of non-displayed liquidity is the proliferation of so-called "dark pools" of liquidity. Given that market trading is slowly going away from central exchanges where pricing transparency exists, dark pools are becoming part of the toolkit available to transition managers. Depending on how open and transparent—or how murky, dark, or toxic—it is, investors should be mindful that such non-displayed liquidity access is not a free lunch. Transition managers have to understand the liquidity characteristics of dark pools and be astute in going in and out; in short, "swim at your own risk."

Principal trade is the ability of a broker/dealer to utilize capital to implement transactions by acting as the buyer or seller and counterparty to the transaction. The broker/dealer is not acting as an agent (where the agent is seeking to achieve the best execution in the markets for the client). When liquidity and timing are issues, principal trades may be the right option. The speed is immediate; however, the commissions and spreads of such arrangements can be very high.

Opportunity Costs and Information Leakage

Opportunity costs occur when the value of the target portfolio rises and/or the value of the legacy portfolio falls before the full completion of the transition. This is the tracking error between the legacy and the

target portfolio (or the cost of not being invested in the target portfolio). This is the single largest cost in any transition. The magnitude of the opportunity cost is exacerbated when a transition involves multiple asset classes because the legacy and target portfolios cut across the asset allocation target of a fund sponsor. The transition manager is responsible for the timing of implementation of the asset allocation shift. Thus, the expert use of synthetic overlay and trading strategies is paramount. A good transition manager knows how to manage the tracking error and asset allocation exposure gaps, especially if they are acting as a discretionary fiduciary. The management of opportunity cost is no longer a trading issue, but an investment management exercise.

Information leakage costs occur even before the actual liquidation begins and can persist during the transition period. One common practice by fund sponsors is to bid out the details of a transition every time there is portfolio restructuring. Such a practice often compromises the value of the assets being transitioned even before the actual start date of the liquidation. Another approach is to hire a bench or pool of transition managers under an optional use contract, perhaps over a three-to-five-year period. Limiting the disclosure to a few helps to preserve confidentiality. The process is further solidified if the transition managers are contracted as fiduciaries. Another aspect of information leakage is when a transition manager is trying to get to an indication of interest for a specific security at a certain price point or testing the liquidity of the market. This is also known as “pinging” the market and it could lead to information leakage. The impact of information leakage can be felt primarily in three ways:⁴

During the transition process, the transition manager is looked upon as a discretionary caretaker of the portfolio(s) to be liquidated and as the conduit for the funding of the target portfolio(s).

1. Price impact occurs when the stock price moves in opposition to the transition manager's trade order (e.g., the price increases for a buy order) because of information leakage.
2. Gaming takes place when traders use information about the transition manager's trade order to affect execution and thereby manipulate prices.
3. Adverse selection is when the transition manager's execution is conditioned on whether the stock price moves in the transition manager's favor (e.g., the buy order gets executed if the stock moves downward later, but not if it moves up).

Just like opportunity costs, information leakage cannot be completely quantified. The only way to try to control this cost is to manage information from all parties involved—fund sponsor, consultants, investment managers (terminated, current, and newly hired), custodian, and the transition manager.

Setting Policies and Guidelines

During the transition process, the transition manager is looked upon as a discretionary caretaker of the portfolio(s) to be liquidated and as the conduit for the funding of the target portfolio(s). A fund sponsor has to establish certain guidelines with a transition manager and at minimum should include the following responsibilities:

- **Strategy development:** Before the transition, the transition manager should provide the fund sponsor with a written portfolio transition (liquidation) strategy, including the time frame required, to achieve the desired objective of liquidating the legacy portfolio(s) and building (and/or funding) the target portfolio(s).

⁴ “Are You Playing in a Toxic Dark Pool? A Guide to Preventing Information Leakage.” Hitesh Mittal, Head of Algorithmic Trading, Investment Technology Group, June 2008.

- **Fiduciary responsibility:** The transition manager will act as a fully discretionary fiduciary and will perform the portfolio transition—from legacy to target portfolio(s)—with utmost care and prudence. The fund sponsor realizes that markets fluctuate and risks are inherent during the transition period. However, market forces do not absolve the transition manager from negligence. The transition manager also must carry the appropriate coverage for errors and omissions and professional liability insurance.
- **Seamless execution:** The manager should minimize tracking error and maintain asset class (benchmark) exposure, and should coordinate trading activity with investment managers (both legacy and target portfolios) and the custodial bank. During the transition period, the preservation of capital must be taken into consideration through the expert use of all sources of liquidity, namely: in-kind transfers (“cherry picking” of the legacy portfolio for the target portfolio), internal and external crossing networks, primary exchanges, non-displayed liquidity, and principal trades. The strategic and tactical deployment of cash, futures, ETFs, and other hedging strategies are among the tools required to accomplish a smooth transition.
- **Daily reporting:** During the transition period, daily reporting of all trade activity—from commencement of the liquidation to the completion and full funding of the target portfolios—should be available to the fund sponsor.
- **Final analysis:** After the completion of the transition, the transition manager should provide the fund sponsor with a report on the outcome of the transition. The report should include relevant statistics (e.g., tracking error, costs, volume-weighted average price, T Standard, etc.) and full trading/transaction reports.

The Fiduciary Transition Manager

Since the concept of the “fiduciary” transition manager was introduced by Callan in 2004, there has been much debate on what that really entails. To help determine the extent of a transition manager’s fiduciary scope of responsibilities, a fund sponsor should use the following list as a starting point for deeper conversations. Confirm whether the manager will:

- Provide at a minimum three options to effectuate a transition (liquidation), detail the costs, pros, and cons for each, and include a recommendation.
- Vote proxies during the transition period.
- Be responsible for mandatory and voluntary corporate actions.
- Retain investment discretion and control of the transition/legacy portfolio(s) absent a target portfolio(s) and, if so, the maximum length of such investment discretion.
- Apply risk management tools to manage tracking error and mitigate risk.
- Ensure best execution in the selection and evaluation of broker outlets, whether on an agency or principal basis.
- Be able to contract in writing as a fiduciary.
- Disclose all sources of revenue, including the other side of the trade, foreign currency, click fees, dark pool utilization, etc.

-
- Contain costs and fees detrimental to the value of assets.
 - Curtail information leakage, including pre-hedging and front running activities detrimental to the fund sponsor.
 - Disclose all aspects of foreign currency execution, including all sources of revenue.
 - Accept and report using the T Standard as the relevant measure for implementation shortfall.
 - Accept that what is in the best interest of the fund sponsor, the plan, and its beneficiaries is of paramount importance and may not necessarily be aligned with the transition manager's best interests.

Beyond the Basics

Transition management goes beyond the basics. During that period when the baton is being passed from legacy portfolio(s) to target portfolio(s), an extremely complex transaction occurs. In managing that process, the transition manager becomes the discretionary caretaker of the assets involved and must accept the role of a fiduciary—a role with many inherent responsibilities. The transition manager is entrusted with executing an effective liquidation and is also required to be a cost and risk manager, a project manager, and an asset reallocation manager. Ultimately, the objective is to preserve the value of the legacy portfolio and give the target portfolio the best possible start.



Author – Virgilio “Bo” Abesamis III

Virgilio “Bo” Abesamis III is an Executive Vice President and is the Manager of Callan’s Trust, Custody and Securities Lending Group. He joined Callan in 1987 and is a shareholder of the firm.

This paper is a revised version of a paper written by the same author and published by Callan in 2004. If you have any questions or comments, please email institute@callan.com.

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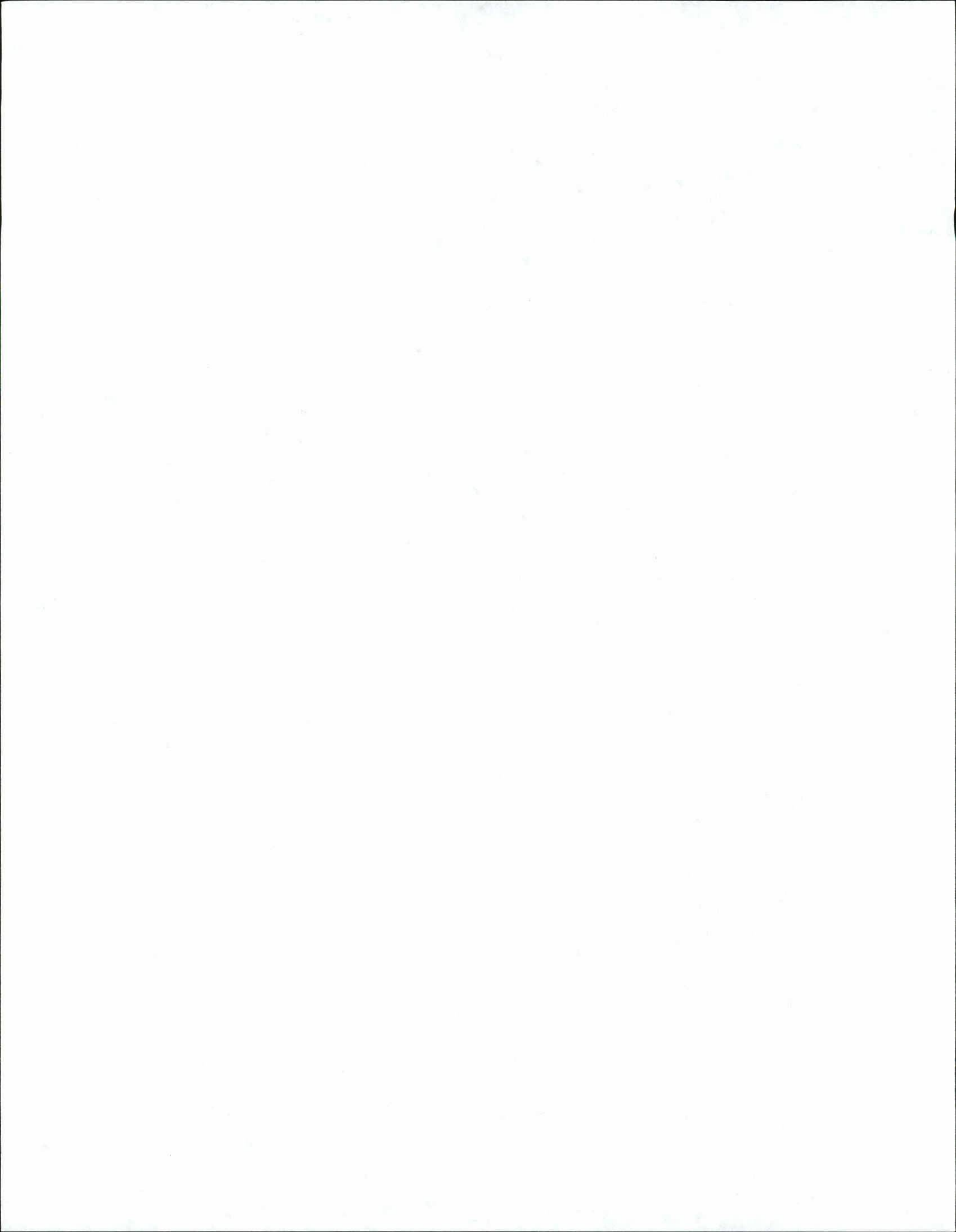
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TAB

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DATE: August 12, 2014

TO: Members, Investment Advisory Council

FROM: Mansco Perry III

SUBJECT: MSBI Alternative Investment Program

Recently, J.J. Kirby accepted a position as Research Director for a local family office Wealth Management Institution. With J.J.'s departure, there has now been a complete turnover of the staff covering the SBI's Alternative Investment Program. Ryan Hill, who had been working on our fixed income program, has been transitioning to the Alternatives program for the past six months. Recently, Andrew Krech joined the SBI from the Macalester College Investment Office and has joined Ryan in our Alternatives program. Andrew worked for me at Macalester when I served as its CIO. We also have plans to add to the Alternatives team.

As a result of J.J.'s departure, we will not be making a recommendation for new investments this quarter. We are in the process of performing due diligence on several managers. Given the transitioning, I believe it's prudent to ensure that the members of the team going forward are comfortable with our recommendations rather than rely solely upon the work done by a departing member of the team.

Given the transitioning taking place, I decided to take this opportunity to give the IAC a review of the current status of the Alternatives program. A significant part of this discussion will focus not only on performance to date, but we plan on sharing how we believe we will approach the portfolio as we progress forward. We have no firm plans but believe that we should investigate a broader investment opportunity set than has historically been the case. We will not be making any recommendations or drawing any conclusions. However, we are hoping that members of the IAC will provide comments and give us their perspectives. While we anticipate that we will broaden the scope of opportunities we will investigate, we do anticipate that we will continue to support the many successful general partner groups that have been helpful in making the SBI's Alternative program a successful one.

DATE: August 12, 2014

TO: Members, Investment Advisory Council

FROM: Ryan Hill and Andrew Krech

SUBJECT: MSBI Alternative Investment Program

Background

The MSBI has traditionally employed a bottom-up investment strategy in the Alternatives portfolio, whereby investment decisions were largely determined by the deal flow opportunity set available at the time and the amount of capital the MSBI sought to deploy over a given time horizon. While the Alternatives portfolio is diversified across four broad sub-asset class sectors (Private Equity, Resources, Real Estate, and Yield-Oriented), there are several sub-asset classes to which the MSBI has no exposure. The purpose of this memo is to (a) summarize the current Alternatives portfolio and performance, (b) discuss additional sub-asset classes to which the MSBI has no exposure, and (c) summarize potential impacts to both the Alternatives and Combined Funds portfolios of adding exposure to additional sub-asset classes.

Current Alternatives Portfolio

Because the MSBI's investment in a limited partnership cannot represent more than 20% of the total fund and there must be at least four additional limited partners in any investment, the MSBI has increasingly been forced to focus on funds with larger capital fundraising targets. The overall commitment levels have generally risen over time as the Combined Funds portfolio has increased in size, with recent commitment sizes ranging from \$100 to \$200 million per deal.

The asset allocation of the Combined Funds on a market value basis, as of 6/30/2014, is as follows:

	Actual*
• Domestic Equity	45.8%
• Fixed Income	23.4%
• International Equity	15.7%
• Alternatives	12.6%
• Cash	2.6%

*May not add to 100% due to rounding.

An analysis of the underlying exposures of the Combined Funds implies the following allocation as of 6/30/2014:

	Combined Funds, Ex Alternatives	Alternatives Portfolio	Total Combined Funds
Equity Assets	61.4%	6.9%	68.3%
Credit Assets	23.4%	1.9%	25.3%
Real Assets	0%	3.8%	3.8%
Cash	2.6%	0%	2.6%
Total	87.4%	12.6%	100%

In evaluating underlying exposures, staff sought to determine the percentage of the Combined Funds portfolio that is invested in equity assets, credit assets, and real assets. Staff analyzed the Alternatives portfolio, categorized each investment by exposure type, and determined that approximately 68% of the Combined Funds portfolio is invested in equity assets, 25% in credit assets, and 4% in real assets (e.g. private real estate and energy). The remaining 3% of the portfolio is invested in cash.

As of 6/30/2014, the Alternatives portfolio has a market value of \$7.4 billion and an unfunded commitment level of \$4.5 billion. The allocation of the Alternatives portfolio is provided in the table below.

	Market Value (%)	Unfunded (%)	MV + Unfunded (%)
Private Equity	61	64	62
Resources	23	23	23
Real Estate	9	4	7
Yield-Oriented	7	9	8

As measured by the average age of each portfolio (market value + unfunded), the Real Estate and Yield-Oriented portfolios are more mature than the Private Equity and Resources portfolios. This implies that consistent investment in private equity and resources has increased exposure to these areas over time, while at the same time exposure to real estate and yield-oriented investments has been reduced.

The Alternatives portfolio is concentrated in funds that primarily focus on North American companies. Global funds, which make up 30% of the portfolio, have mandates that allow for investment around the world, but in actuality are predominantly invested in North America and Europe. At present, the Alternatives portfolio has little to no exposure to other parts of the world, including Asia or South America.

- North America 63%
- Global 30%
- Europe 7%

Approximately 77% of the current Alternatives portfolio is made up of follow-on investments, meaning that the SBI has participated in subsequent funds after making an initial investment with a manager.

Investment Performance of the Alternatives Portfolio

The historical investment performance of the Alternatives portfolio, its underlying sub-strategies, and the Combined Funds is summarized in the table below.

	1YR	3YR	5YR	10YR	20YR
Private Equity	20.3	13.6	17.6	16.2	15.7
Resources	15.9	13.7	13.5	25.1	19.0
Real Estate	18.0	12.0	6.0	7.3	9.0
Yield-Oriented	17.0	12.5	13.6	16.2	15.7
<i>Total Alternatives</i>	<i>18.9</i>	<i>13.2</i>	<i>14.7</i>	<i>15.5</i>	<i>14.4</i>
<i>Combined Funds</i>	<i>18.6</i>	<i>11.5</i>	<i>14.5</i>	<i>8.4</i>	<i>9.0</i>

The Alternatives portfolio has outperformed the Combined Funds portfolio over every time period, with the level of outperformance being greater over longer time periods. Within the Alternatives portfolio, the Resources portfolio has been the best performing portfolio over the long-term.

Opportunity Set

There are several sub-asset classes to which the MSBI currently has no exposure, including but not limited to:

Private Markets

- **Direct Lending:** Typically senior, secured, and highly customized floating-rate private financings to middle-market companies.
- **Distressed Debt:** Securities of companies or government entities that are experiencing financial distress, default, or are in bankruptcy.
- **Timberland/Agriculture:** Farms and plantations producing trees and other agricultural products.
- **Private Infrastructure:** Long lived, income-generating assets that often operate under long term price contracts, such as toll roads, airports, water treatment, or shipping vessels.
- **Commodities:** Typically involves futures contracts or options on agricultural products, oil and gas, or precious and industrial metals.
- **Unconstrained/Opportunistic:** Strategies that can hold a variety of asset types. These strategies may take short positions, use leverage, and have varying degrees of net market exposure.

Public Markets

- **Real Estate Investment Trusts (REITs):** Publicly traded shares of a company that owns and operates commercial real estate properties.
- **Master Limited Partnerships (MLPs):** Publicly traded limited partnership that owns and operates assets related to production, transportation and processing of oil and gas.
- **Listed Infrastructure:** Investments in the publicly traded securities of companies that build, own, or operate infrastructure assets.

Investments in public structures such as MLPs and REITs would result in increased liquidity of the Alternatives portfolio, as well as allow for rebalancing and reduction of the unallocated portion of the portfolio. This is in contrast to the current Alternatives portfolio, which is entirely composed of illiquid private market investments.

In addition to greater liquidity, the possible benefits of including additional asset classes in the Alternatives pool include greater diversification and potentially lower volatility, increased inflation protection, and reduced contribution of equity risk to the Combined Funds.

Summary

The existing Alternatives pool, while invested across four broad asset classes (Private Equity, Real Estate, Yield-Oriented and Resources), remains relatively concentrated in U.S. Private Equity. Consideration should be given to the possible benefits of further diversification of the portfolio. Diversification could be achieved across multiple horizons:

- Investments in additional asset sub-classes
- Investments in new geographic regions (e.g. non-U.S., non-Europe)
- Investments in smaller funds, which may imply smaller commitment sizes

The Alternatives portfolio may also benefit from investment in public structures, which would accommodate rebalancing more easily than the existing, entirely private portfolio. In addition, investment in public structures would allow for the unallocated portion of the portfolio to be put to work more easily.

Another aspect of the Alternatives portfolio that should be monitored is the underling risk exposure of the portfolio, and the impact of those risk exposures on the Combined Funds. The current Alternatives portfolio is heavily exposed to U.S. equity risk, given the large weight in domestic Private Equity and smaller weight in Credit and Real Assets. U.S. Equities also make up the largest exposure of the Combined Funds excluding Alternatives.

Staff plans to evaluate a broad set of investment options for the Alternatives portfolio than exists currently. We recognize that casting a wider net may not necessarily result in investments in new asset classes, new regions, or smaller funds. **Staff believes that just as a clear investment thesis is necessary for any new investment, a well thought-out rationale should also exist for investments *not* made.**