



Commonwealth of Pennsylvania State Employees' Retirement System

Quarterly Investment Performance Analysis

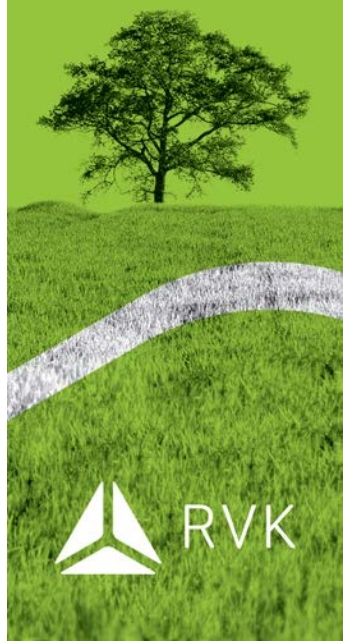
Period Ended: December 31, 2014

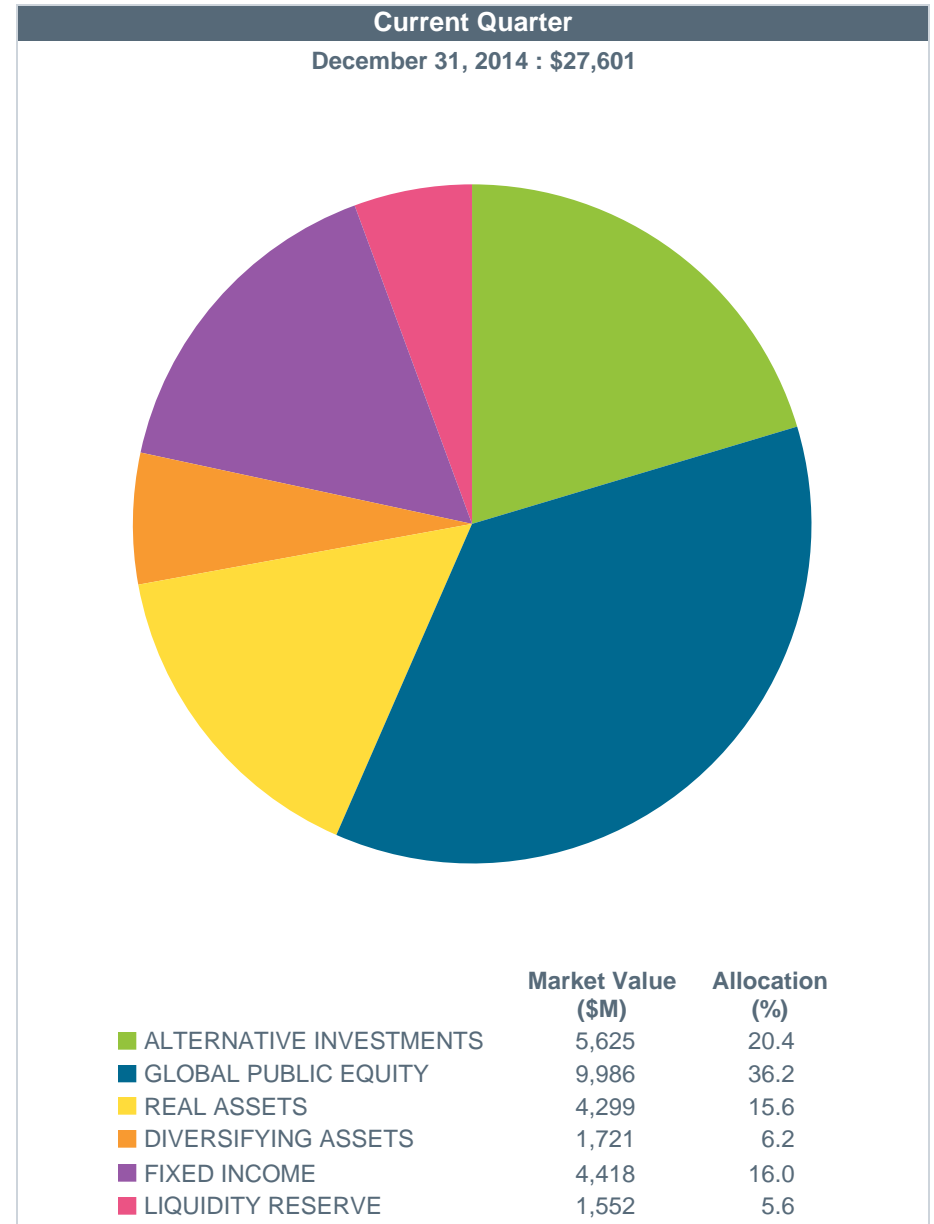
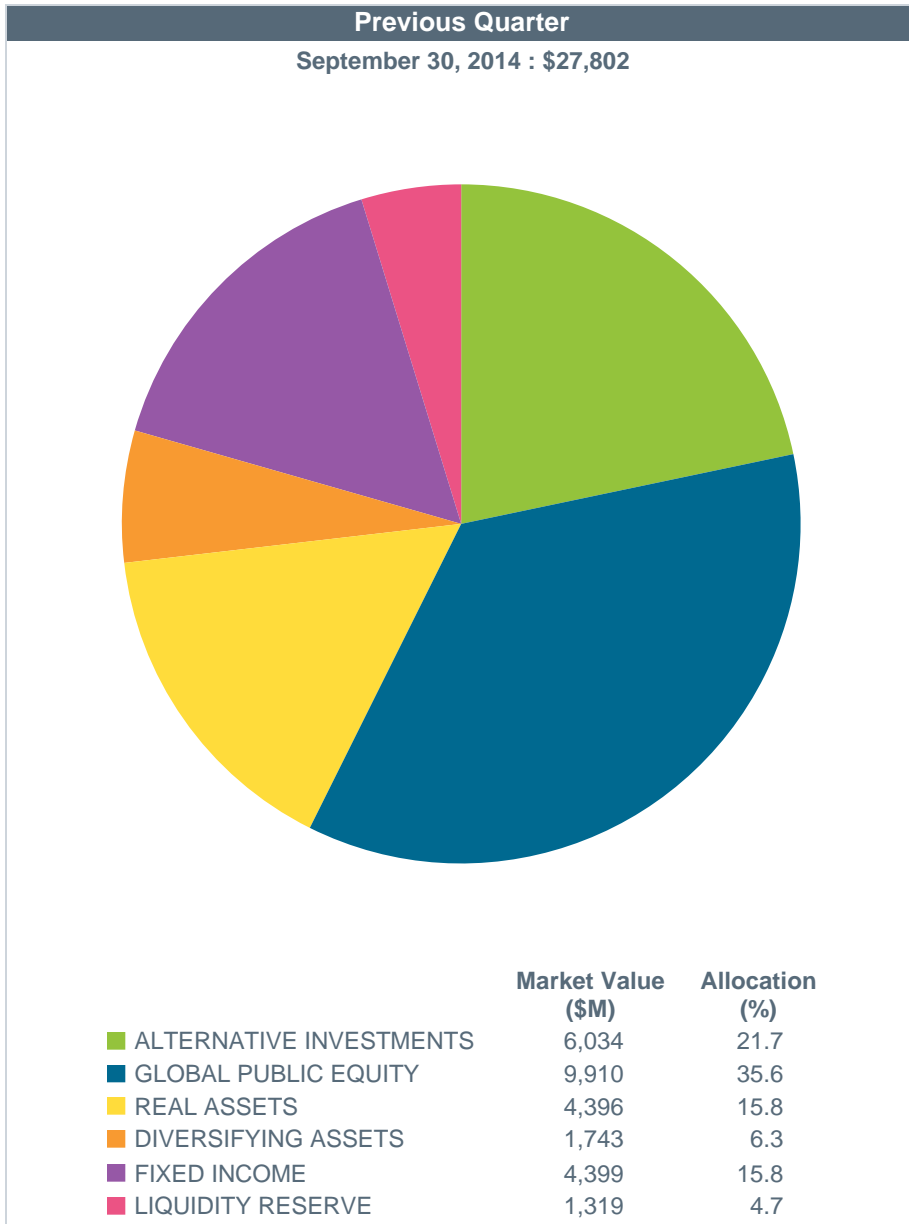


Commonwealth of Pennsylvania State Employees' Retirement System
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As of December 31, 2014

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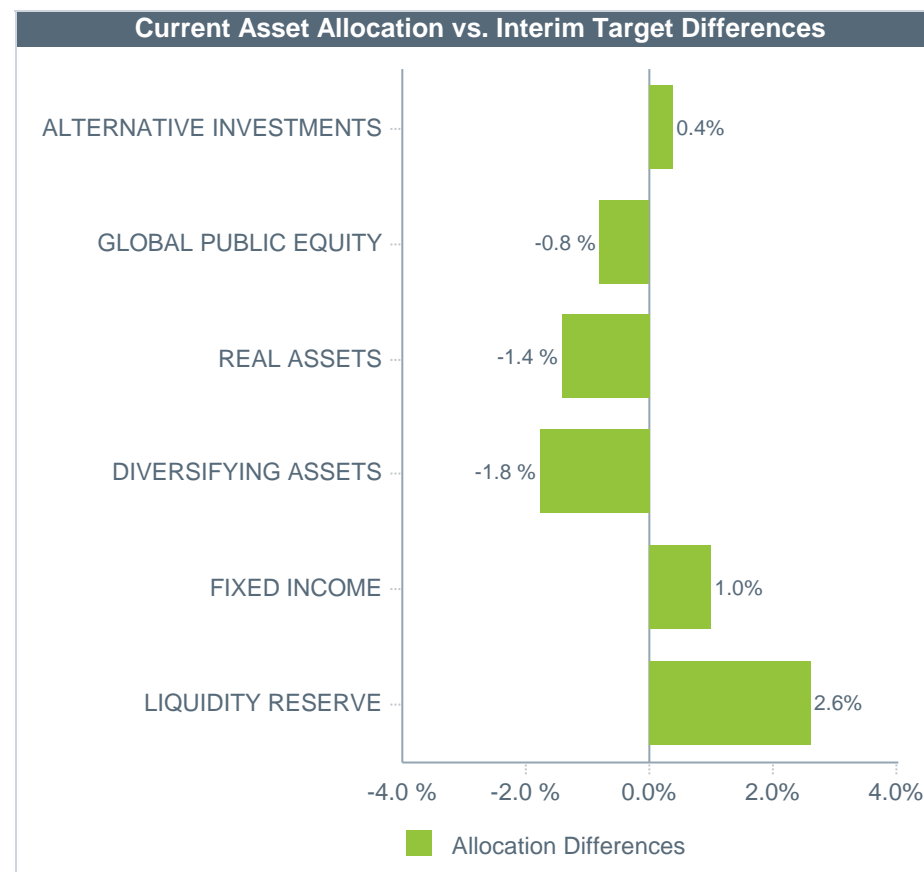
Total Fund Composite





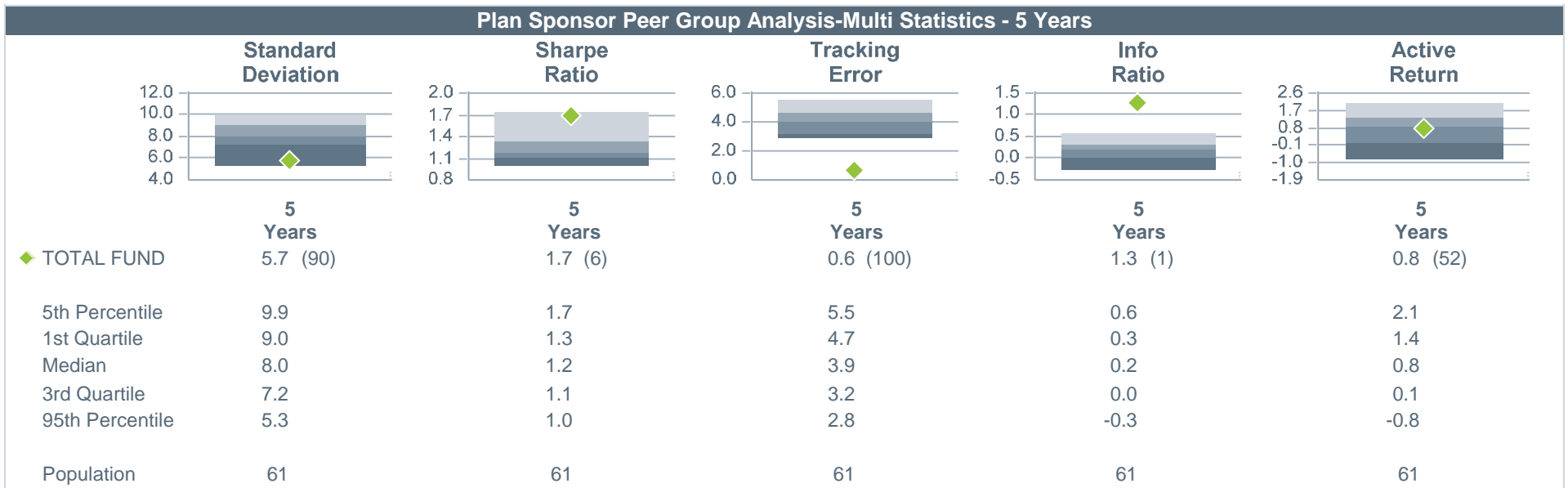
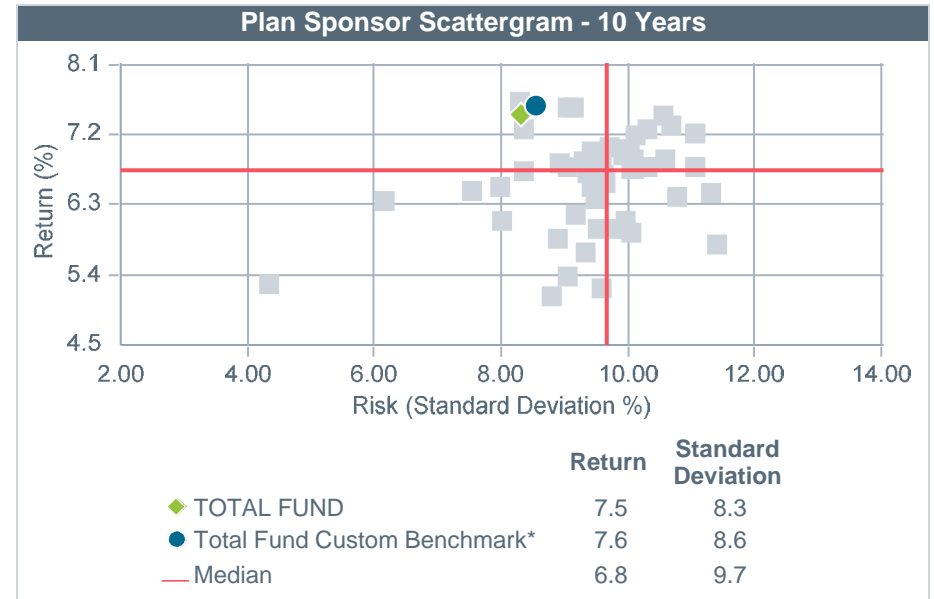
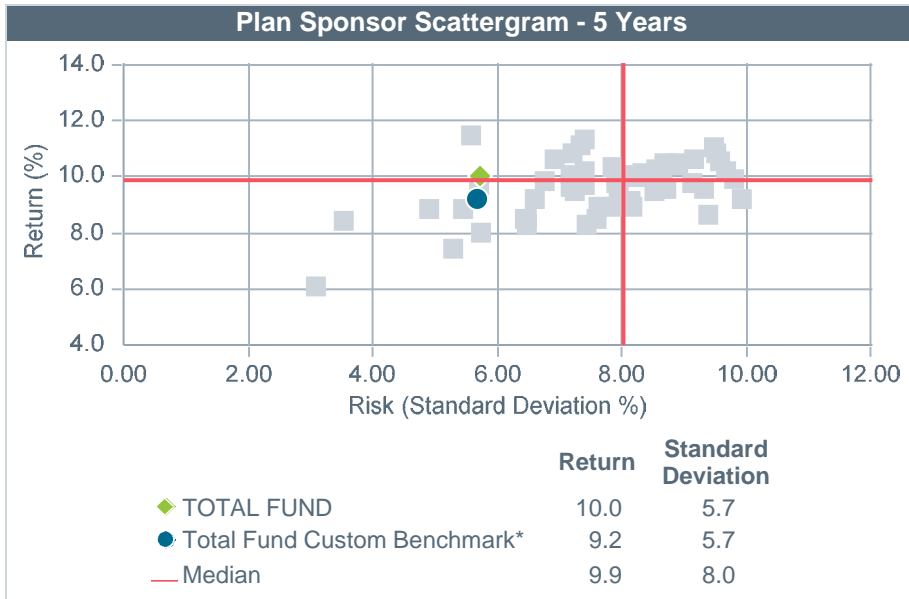
Allocations shown may not sum up to 100% exactly due to rounding.

Current Asset Allocation vs. Interim Target			
	Market Value (\$M)	Allocation (%)	Target (%)
ALTERNATIVE INVESTMENTS	5,625	20.4	20.0
GLOBAL PUBLIC EQUITY	9,986	36.2	37.0
REAL ASSETS	4,299	15.6	17.0
DIVERSIFYING ASSETS	1,721	6.2	8.0
FIXED INCOME	4,418	16.0	15.0
LIQUIDITY RESERVE	1,552	5.6	3.0
Total Fund	27,601	100.0	100.0



Schedule of Investable Assets						
Periods Ending	Beginning Market Value (\$M)	Net Cash Flow (\$M)	Gain/Loss (\$M)	Ending Market Value (\$M)	%Return	Unit Value
CYTD	27,449	-1,563	1,715	27,601	6.4	106.4

Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding. Target allocations represent interim targets.

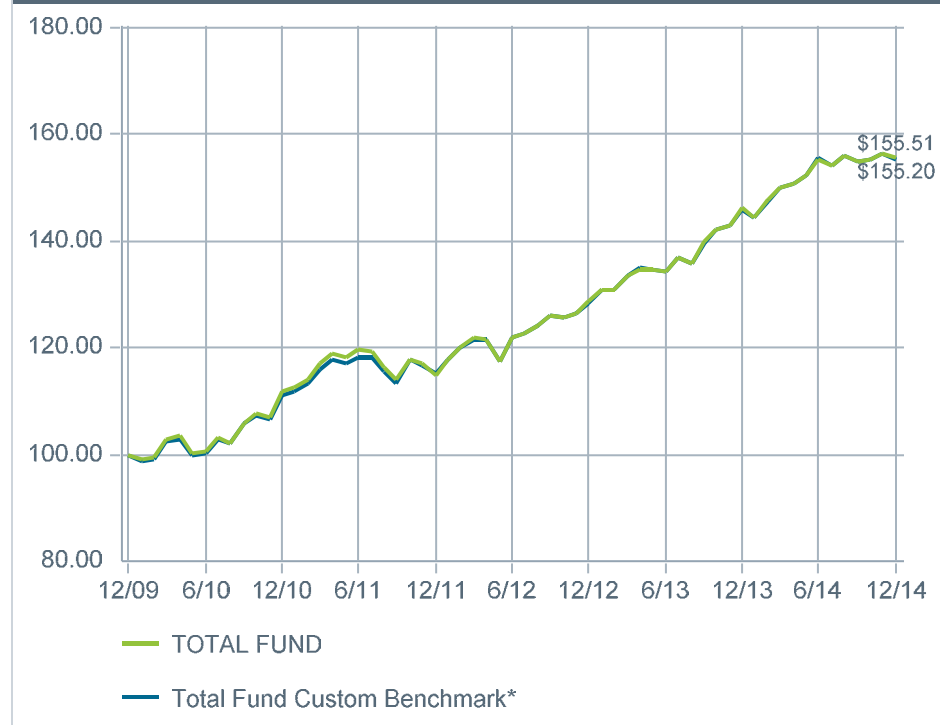


Performance shown is gross of fees. Calculation is based on monthly periodicity. Parentheses contain percentile ranks. *Please see Addendum for the complete history of the benchmark.

Plan Sponsor Peer Group Analysis - All Public Plans > \$1B-Total Fund

	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years
◆ TOTAL FUND (Gross)	0.5 (92)	7.0 (32)	7.0 (32)	11.3 (56)	10.0 (43)	3.6 (98)	7.5 (13)
5th Percentile	3.0	9.2	9.2	14.2	11.5	6.5	7.7
1st Quartile	2.2	7.3	7.3	12.7	10.4	5.9	7.0
Median	1.5	6.6	6.6	11.8	9.9	5.2	6.8
3rd Quartile	1.1	5.4	5.4	10.3	9.1	4.8	6.4
95th Percentile	0.3	4.1	4.1	8.4	8.3	3.7	5.3
Population	77	73	73	64	61	61	56

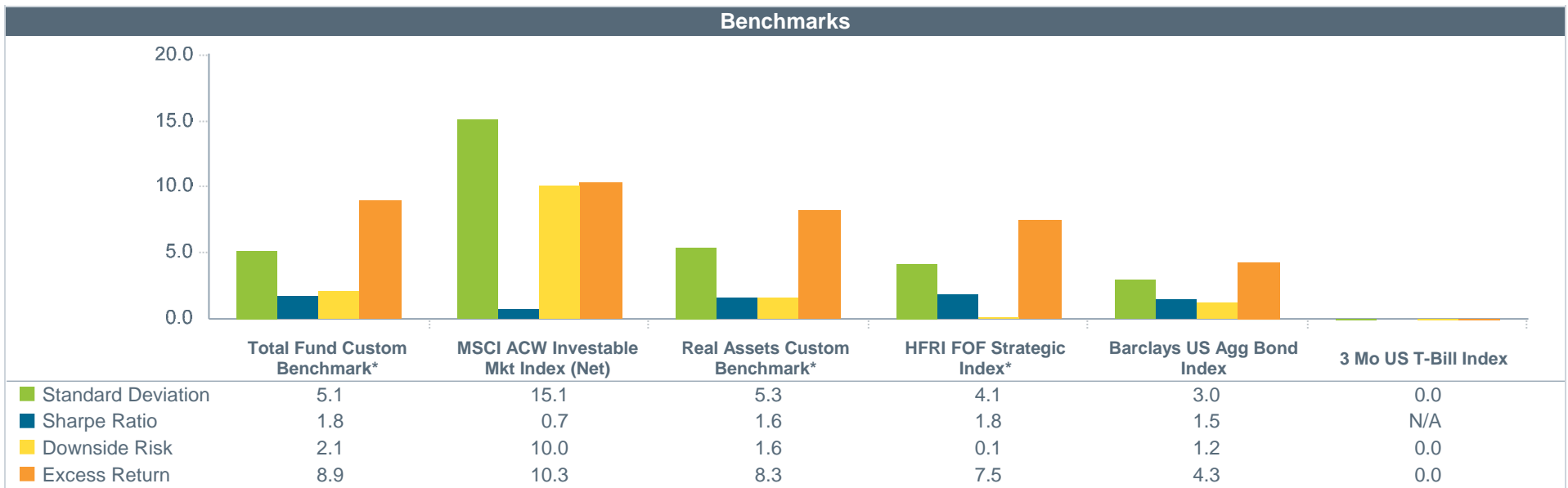
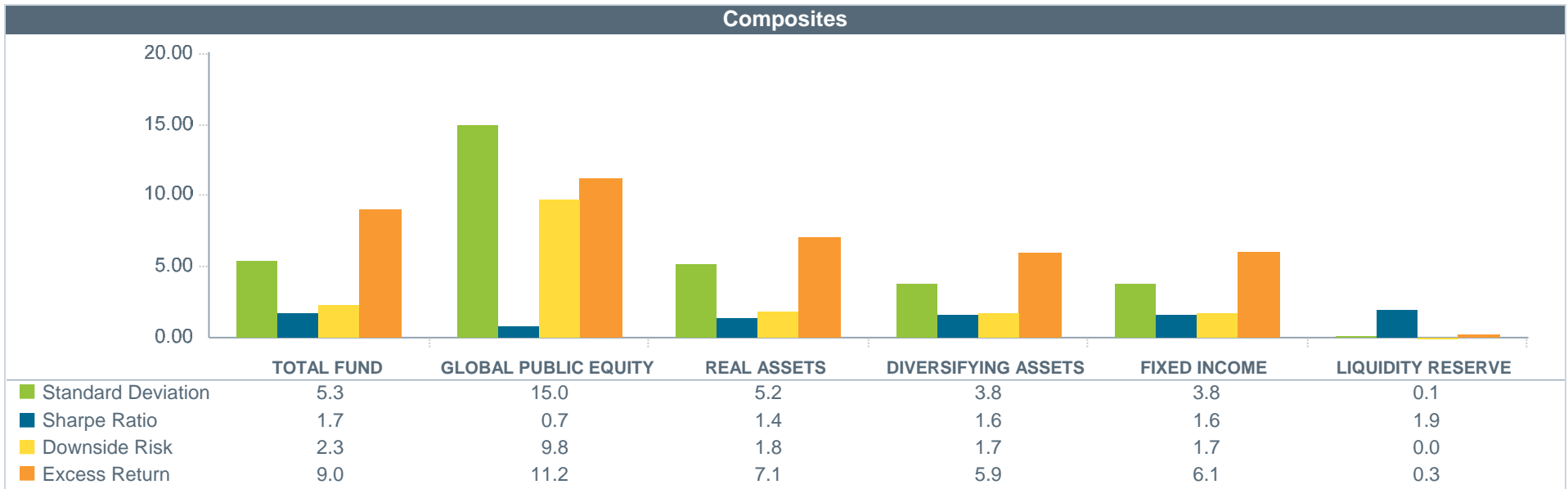
Growth of \$100 - 5 Years



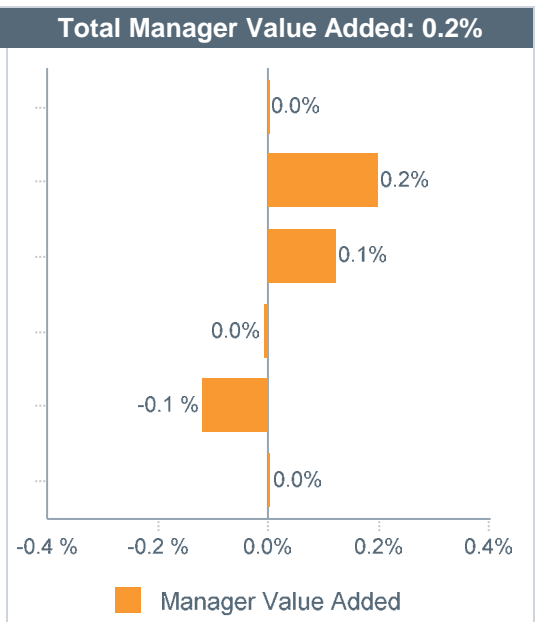
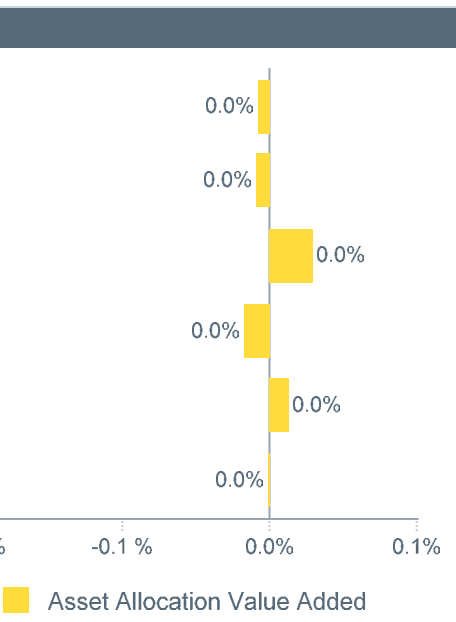
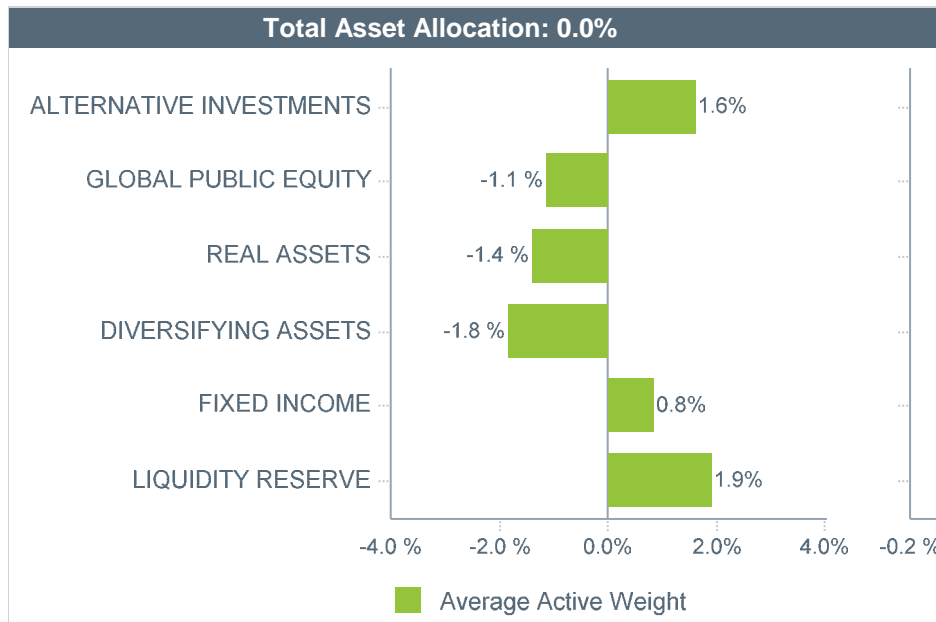
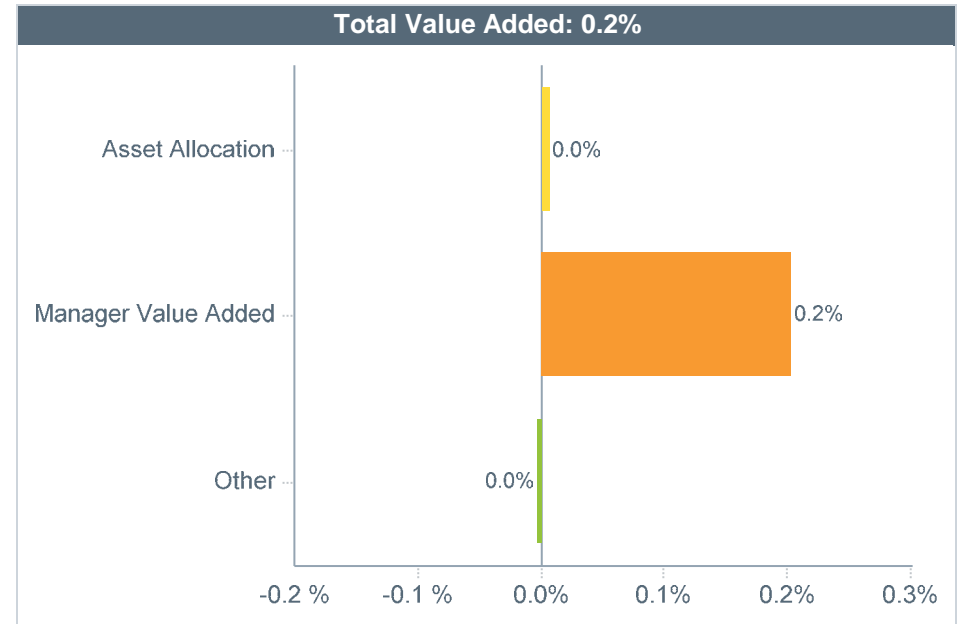
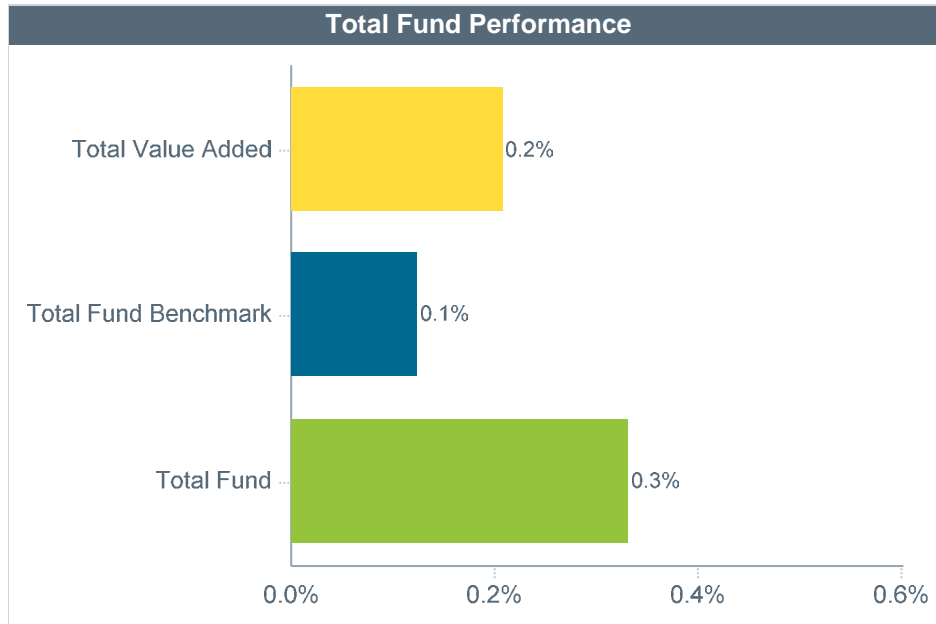
Risk and Return - 5 Years



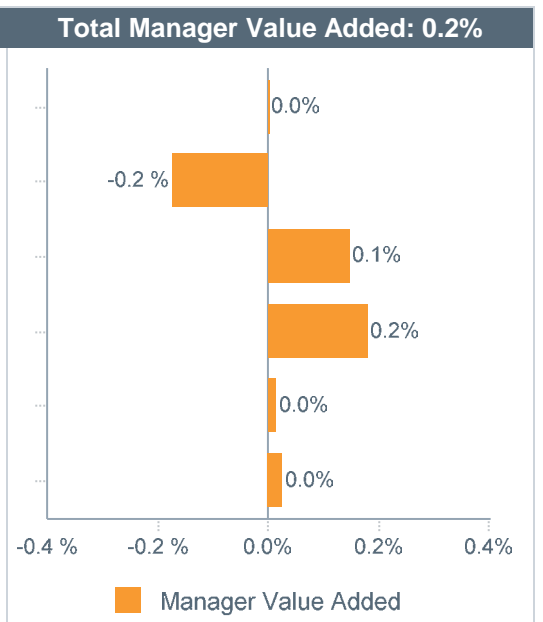
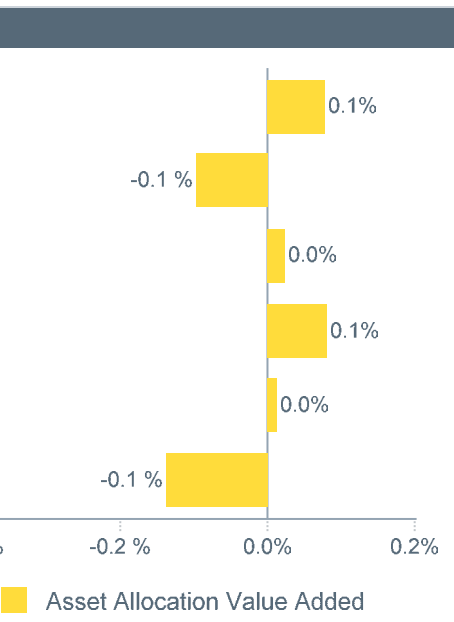
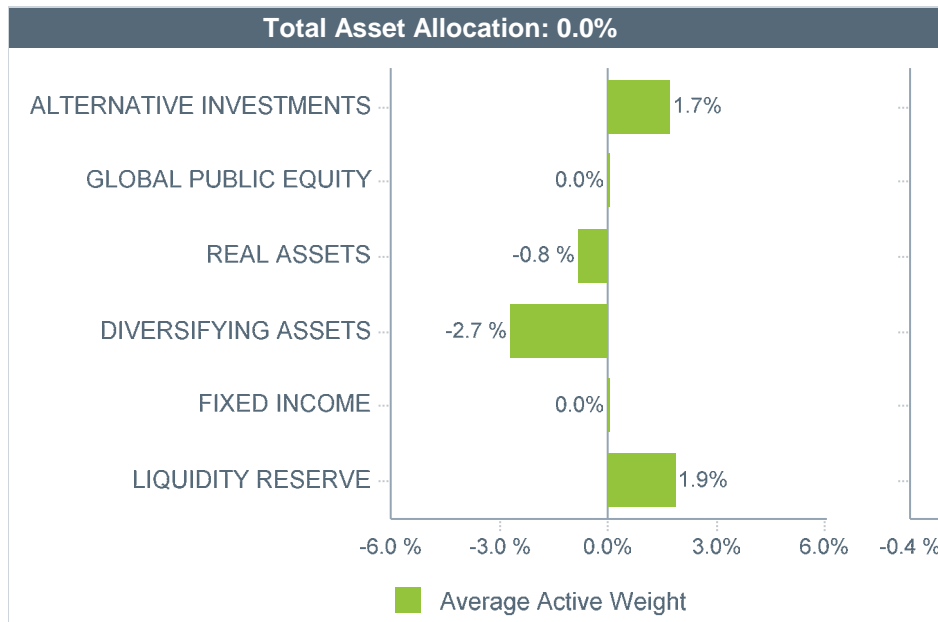
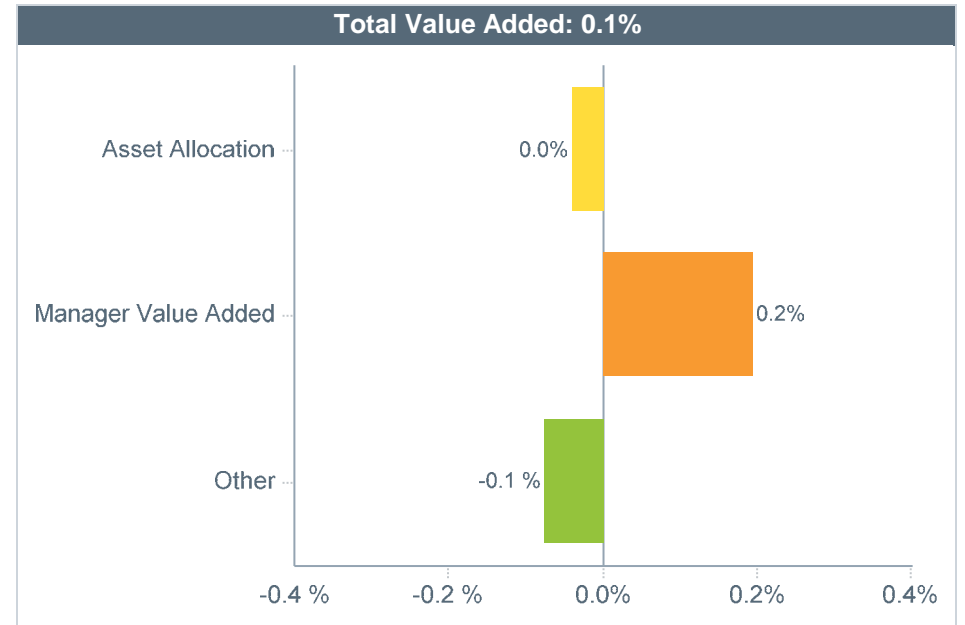
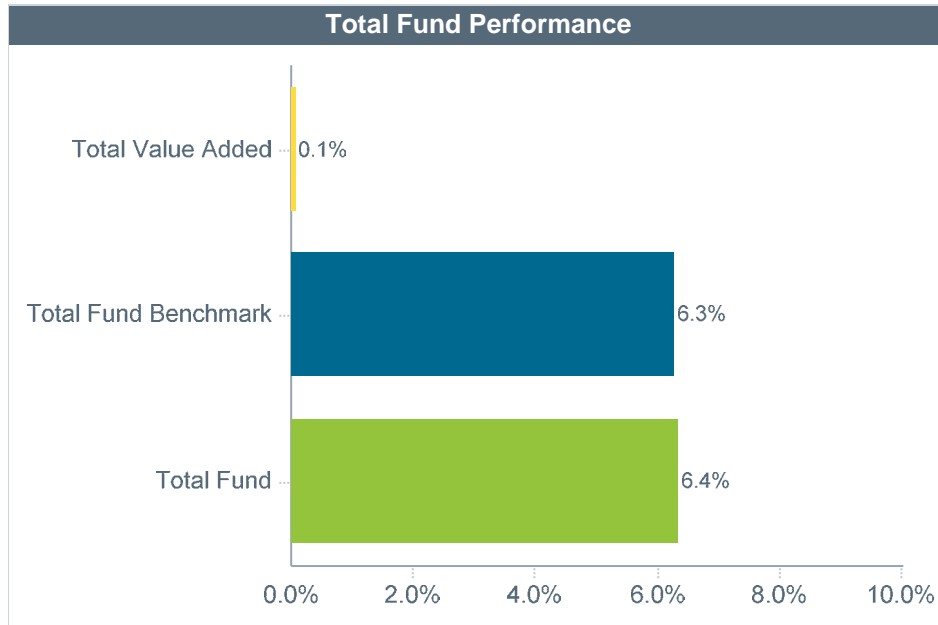
Performance shown is net of fees unless otherwise noted. Calculation is based on monthly periodicity. Parentheses contain percentile ranks. *Please see Addendum for the complete history of the benchmark. Composites with less history than the specified time period will not appear in the chart. Quarter lagged composites are not shown in risk and return chart.



Statistics shown are based on net of fees returns. Calculation is based on quarterly periodicity. *Please see Addendum for the complete history of the benchmark. Excess Return statistic is calculated against the BofA ML 3 Mo US T-Bill Index. Quarter lagged composites are not shown in historical statistic charts.



Performance shown is net of fees. Calculation is based on monthly periodicity. See Glossary for additional information regarding the Total Fund Attribution calculation. *Please see Addendum for the complete history of the benchmark.



Performance shown is net of fees. Calculation is based on monthly periodicity. See Glossary for additional information regarding the Total Fund Attribution calculation. *Please see Addendum for the complete history of the benchmark.

Commonwealth of Pennsylvania State Employees' Retirement System
 Asset Allocation & Performance
 Composites - NET OF FEES

As of December 31, 2014

	Allocation		Performance (%)								
	Market Value (\$M)	%	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
TOTAL FUND	27,601	100.0	0.3	6.4	6.4	10.6	9.2	2.8	6.6	10.0	01/01/1981
<i>Total Fund Custom Benchmark*</i>			0.1	6.3	6.3	10.4	9.2	4.7	7.6	N/A	
<i>Total Fund Public Mkt Equiv Benchmark*</i>			0.6	7.6	7.6	12.9	10.1	5.2	8.0	N/A	
ALTERNATIVE INVESTMENTS	5,625	20.4	-0.3	13.1	13.1	12.4	13.3	7.0	12.6	11.2	01/01/1986
<i>Burgiss All Private Equity Custom Index (Qtr Lag)</i>			-0.4	15.5	15.5	14.5	14.4	7.3	13.1	17.2	
<i>R 3000 Index + 3% (Qtr Lag)</i>			0.8	21.3	21.3	26.8	19.2	9.4	11.7	14.4	
GLOBAL PUBLIC EQUITY	9,986	36.2	1.1	3.3	3.3	15.4	10.5	2.0	5.8	6.5	01/01/2002
<i>MSCI ACW Investable Mkt Index (Net)</i>			0.6	3.8	3.8	14.3	9.5	3.1	6.4	7.0	
REAL ASSETS	4,299	15.6	-1.4	6.3	6.3	7.6	7.3	0.6	7.2	7.6	01/01/1984
<i>Real Assets Custom Index</i>			-2.2	5.4	5.4	8.6	8.5	1.1	6.0	6.5	
<i>Consumer Price Index + 3%</i>			-0.6	3.8	3.8	4.4	4.7	4.7	5.2	5.8	
DIVERSIFYING ASSETS	1,721	6.2	0.9	6.7	6.7	8.8	6.1	3.7	N/A	3.6	07/01/2007
<i>HFRI FOF Strategic Index*</i>			0.9	4.0	4.0	10.7	7.7	6.5	6.0	6.5	
FIXED INCOME	4,418	16.0	1.0	6.1	6.1	4.5	6.3	5.7	5.9	9.2	01/01/1981
<i>Barclays US Agg Bond Index</i>			1.8	6.0	6.0	2.7	4.4	4.8	4.7	8.3	
LIQUIDITY RESERVE	1,552	5.6	0.1	0.5	0.5	0.4	0.3	0.8	1.8	4.0	01/01/1987
<i>BofA ML 3 Mo US T-Bill Index</i>			0.0	0.0	0.0	0.1	0.1	0.4	1.5	3.8	

Performance shown is net of fees. Performance is annualized for periods greater than one year. Allocations shown may not sum to 100% exactly due to rounding. RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies. *Please see Addendum for the complete history of the benchmark. Burgiss index data has been provided by StepStone.

Commonwealth of Pennsylvania State Employees' Retirement System
 Calendar Years
 Composites - NET OF FEES

As of December 31, 2014

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
TOTAL FUND	13.6	12.0	2.7	11.9	9.2	-28.7	17.2	16.4	14.5	15.1
<i>Total Fund Custom Benchmark*</i>	13.7	11.4	3.6	11.3	18.7	-25.4	14.3	16.2	13.6	14.2
ALTERNATIVE INVESTMENTS	12.8	11.4	12.7	16.5	-7.8	-6.8	35.8	18.4	27.1	17.0
<i>Burgiss All Private Equity Custom Index (Qtr Lag)</i>	15.8	12.3	12.8	15.6	-9.8	-7.0	33.3	23.6	26.6	19.5
<i>R 3000 Index + 3% (Qtr Lag)</i>	25.2	34.1	3.6	14.3	-3.6	-19.2	20.0	13.5	18.0	17.7
GLOBAL PUBLIC EQUITY	26.3	17.6	-7.0	15.4	35.8	-48.6	12.8	21.6	11.7	17.0
<i>MSCI ACW Investable Mkt Index (Net)</i>	23.6	16.4	-7.9	14.3	36.4	-42.3	11.2	20.9	11.5	16.4
REAL ASSETS	8.0	8.6	6.0	7.4	-15.8	-13.0	24.8	18.4	29.9	14.5
<i>Real Assets Custom Benchmark*</i>	9.1	11.5	7.3	9.2	-19.8	-10.1	20.7	13.0	21.1	13.8
<i>Consumer Price Index + 3%</i>	4.5	4.8	6.1	4.5	5.8	3.1	7.2	5.6	6.5	6.4
DIVERSIFYING ASSETS	11.2	8.6	-1.8	6.3	13.7	-15.9	N/A	N/A	N/A	N/A
<i>HFRI FOF Strategic Index*</i>	22.2	6.6	3.3	3.4	3.7	3.8	5.6	5.1	3.1	1.3
FIXED INCOME	-2.2	10.0	6.2	11.7	31.9	-17.4	6.1	7.7	4.9	7.7
<i>Barclays US Agg Bond Index</i>	-2.0	4.2	7.8	6.5	5.9	5.2	7.0	4.3	2.4	4.3
LIQUIDITY RESERVE	0.3	0.4	0.2	0.3	0.5	3.4	5.1	4.9	2.9	1.7
<i>BofA ML 3 Mo US T-Bill Index</i>	0.1	0.1	0.1	0.1	0.2	2.1	5.0	4.8	3.1	1.3

Performance shown is net of fees. RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies.
 *Please see Addendum for the complete history of the benchmark. Burgiss index data has been provided by StepStone.

Commonwealth of Pennsylvania State Employees' Retirement System
 Asset Allocation & Performance
 ALTERNATIVE INVESTMENTS - NET OF FEES

As of December 31, 2014

	Allocation		Performance (%)										
	Market Value (\$M)	%	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2013	2012	Since Incep.	Inception Date
ALTERNATIVE INVESTMENTS	5,625	20.4	-0.3	13.1	13.1	12.4	13.3	7.0	12.6	12.8	11.4	11.2	01/01/1986
<i>Burgiss All Private Equity Custom Index (Qtr Lag)</i>			-0.4	15.5	15.5	14.5	14.4	7.3	13.1	15.8	12.3	17.2	
<i>R 3000 Index + 3% (Qtr Lag)</i>			0.8	21.3	21.3	26.8	19.2	9.4	11.7	25.2	34.1	14.4	
Private Equity	3,396	12.3	-0.7	15.4	15.4	14.5	14.6	7.8	14.9	14.3	13.8	13.3	04/01/1986
<i>Burgiss Buyout Custom Index (Qtr Lag)</i>			-0.9	14.9	14.9	14.7	14.9	7.3	14.4	16.1	13.1	26.2	
Special Situations	859	3.1	2.3	9.0	9.0	11.3	13.8	7.7	14.1	16.8	8.3	13.3	01/01/1995
<i>Burgiss Special Situations Custom Index (Qtr Lag)</i>			-0.6	10.1	10.1	12.2	11.3	6.0	10.8	12.9	13.5	11.8	
Venture Capital	1,370	5.0	-1.2	9.9	9.9	7.9	9.4	4.2	5.3	6.1	7.7	6.4	01/01/1986
<i>Burgiss Venture Capital Custom Index (Qtr Lag)</i>			1.1	21.7	21.7	14.5	14.5	8.3	9.7	15.6	6.7	14.6	

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Commonwealth of Pennsylvania State Employees' Retirement System
 Asset Allocation & Performance
 GLOBAL PUBLIC EQUITY - NET OF FEES

As of December 31, 2014

	Allocation		Performance (%)										
	Market Value (\$M)	%	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2013	2012	Since Incep.	Inception Date
GLOBAL PUBLIC EQUITY	9,986	36.2	1.1	3.3	3.3	15.4	10.5	2.0	5.8	26.3	17.6	6.5	01/01/2002
<i>MSCI ACW Investable Mkt Index (Net)</i>			0.6	3.8	3.8	14.3	9.5	3.1	6.4	23.6	16.4	7.0	
Global Mandates	654	2.4	1.2	3.9	3.9	15.1	11.1	5.6	N/A	22.3	20.2	6.9	11/01/2006
<i>MSCI World Index (Net)</i>			1.0	4.9	4.9	15.5	10.2	3.3	6.0	26.7	15.8	4.5	
Walter Scott & Ptnrs Gbl Gr Eq (SA) <i>MSCI World Index (Net)</i>	654	2.4	1.2	3.9	3.9	14.8	10.4	6.6	N/A	22.3	19.0	7.8	10/01/2006
			1.0	4.9	4.9	15.5	10.2	3.3	6.0	26.7	15.8	4.9	
U.S. Equity	5,168	18.7	5.5	11.2	11.2	20.5	16.1	4.8	7.0	34.1	17.4	10.8	01/01/1981
<i>R 3000 Index*</i>			5.2	12.6	12.6	20.5	15.6	7.5	7.9	33.6	16.4	11.0	
U.S. Mid/Large Cap Equity	4,442	16.1	5.0	12.7	12.7	20.9	16.3	4.9	7.4	33.8	17.2	9.4	01/01/1994
<i>R 1000 Index</i>			4.9	13.2	13.2	20.6	15.6	7.5	8.0	33.1	16.4	9.6	
Cornerstone LC Growth (SA) <i>R 1000 Growth Index</i>	356	1.3	5.3	9.0	9.0	N/A	N/A	N/A	N/A	25.6	N/A	15.5	07/01/2012
			4.8	13.1	13.1	20.3	15.8	8.4	8.5	33.5	15.3	20.1	
Diamond Hill LC (SA) <i>R 1000 Index</i>	420	1.5	4.7	10.5	10.5	N/A	N/A	N/A	N/A	38.6	N/A	22.5	07/01/2012
			4.9	13.2	13.2	20.6	15.6	7.5	8.0	33.1	16.4	20.8	
Epoch LC Value (SA) <i>R 1000 Value Index</i>	400	1.4	6.8	13.9	13.9	N/A	N/A	N/A	N/A	34.6	N/A	20.7	07/01/2012
			5.0	13.5	13.5	20.9	15.4	6.4	7.3	32.5	17.5	21.5	
Iridian Asset Mgmt MCV (SA) <i>R Mid Cap Index</i>	406	1.5	4.5	14.1	14.1	27.5	20.5	12.4	12.8	43.2	26.7	14.9	03/01/1995
			5.9	13.2	13.2	21.4	17.2	8.9	9.6	34.8	17.3	11.7	
MCM Russell 1000 Index (SA) <i>R 1000 Index</i>	2,860	10.4	4.9	13.2	13.2	20.5	N/A	N/A	N/A	33.1	16.0	20.5	01/01/2012
			4.9	13.2	13.2	20.6	15.6	7.5	8.0	33.1	16.4	20.6	
U.S. Small Cap Equity	725	2.6	8.4	2.7	2.7	18.5	15.0	7.4	7.2	36.4	19.0	10.0	01/01/1994
<i>R 2500 Index*</i>			6.8	7.1	7.1	20.0	16.4	8.9	8.7	36.8	17.9	11.0	
Emerald Adv PA Sm Cap Core Eq (SA) <i>R 2500 Index*</i>	447	1.6	8.4	0.9	0.9	17.1	13.5	7.3	10.1	35.0	18.0	13.0	10/01/1994
			6.8	7.1	7.1	20.0	16.4	8.9	8.7	36.8	17.9	9.9	
Mellon Cap Mgmt PA Quant Eq (SA) <i>R 2500 Index*</i>	279	1.0	8.5	5.6	5.6	20.9	17.0	8.6	9.0	38.8	20.5	12.8	10/01/1994
			6.8	7.1	7.1	20.0	16.4	8.9	8.7	36.8	17.9	11.4	

Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding. RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies. *Please see Addendum for the complete history of the benchmark.

Commonwealth of Pennsylvania State Employees' Retirement System
 Asset Allocation & Performance
 GLOBAL PUBLIC EQUITY - NET OF FEES

As of December 31, 2014

	Allocation		Performance (%)										
	Market Value (\$M)	%	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2013	2012	Since Incep.	Inception Date
Non-U.S. Equity	4,164	15.1	-3.8	-5.1	-5.1	10.0	5.3	-1.9	4.3	18.3	18.3	6.5	11/01/1995
<i>MSCI ACW Ex US IMI (Net)*</i>			-3.9	-3.9	-3.9	9.2	4.7	-0.5	5.6	15.8	17.0	5.8	
Non-U.S. Developed Markets Equity	3,336	12.1	-3.2	-4.8	-4.8	11.7	6.8	-1.1	4.3	23.6	18.5	6.4	01/01/2002
<i>MSCI ACW Ex US IMI (Net)</i>			-3.9	-3.9	-3.9	9.2	4.7	-0.3	5.4	15.8	17.0	7.5	
Non-U.S. Dev Mid/Large Cap Equity	2,853	10.3	-3.3	-4.5	-4.5	11.4	6.6	-2.2	3.5	22.4	18.3	5.6	01/01/2002
<i>MSCI World Ex US Index (Net)</i>			-3.7	-4.3	-4.3	10.5	5.2	-0.4	4.6	21.0	16.4	6.3	
Artisan Int'l Growth Eq (SA)	430	1.6	1.0	-0.1	-0.1	16.9	9.8	3.0	8.1	27.6	25.4	11.2	04/01/2003
<i>MSCI ACW Ex US Index (Net)*</i>			-3.9	-3.9	-3.9	9.0	4.4	-1.1	4.4	15.3	16.8	9.5	
MCM MSCI World Ex US Index (SA)	1,427	5.2	-3.7	-4.3	-4.3	10.9	N/A	N/A	N/A	21.6	17.2	10.9	01/01/2012
<i>MSCI World Ex US Index (Net)</i>			-3.7	-4.3	-4.3	10.5	5.2	-0.4	4.6	21.0	16.4	10.5	
Morgan Stanley Inv Mgmt Int'l Eq (SA)	403	1.5	-5.0	-5.9	-5.9	11.2	6.4	1.8	5.2	21.7	20.1	6.9	12/01/1999
<i>MSCI EAFE Index (Net)*</i>			-3.6	-4.9	-4.9	11.1	5.3	-0.5	4.6	22.8	17.3	3.4	
Templeton Int'l Eq (SA)	593	2.1	-4.2	-7.1	-7.1	10.1	5.0	-0.3	4.9	21.4	18.1	7.5	01/01/1995
<i>MSCI ACW Ex US Index (Net)*</i>			-3.9	-3.9	-3.9	9.0	4.4	-1.1	4.3	15.3	16.8	5.2	
Non-U.S. Dev Small Cap Equity	483	1.8	-2.1	-6.8	-6.8	13.3	8.0	3.0	7.2	31.2	19.0	7.2	10/01/1993
<i>MSCI Wrld Ex US Sm Cap Index (Net)</i>			-3.4	-5.3	-5.3	11.8	7.9	2.0	5.9	25.6	17.5	N/A	
Harris Assoc Int'l SCV (SA)	483	1.8	-2.1	-6.8	-6.8	13.4	8.7	5.9	8.8	31.3	19.2	12.8	07/01/2003
<i>MSCI Wrld Ex US Sm Cap Index (Net)</i>			-3.4	-5.3	-5.3	11.8	7.9	2.0	5.9	25.6	17.5	10.2	

Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding. RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies. *Please see Addendum for the complete history of the benchmark.

Commonwealth of Pennsylvania State Employees' Retirement System
 Asset Allocation & Performance
 GLOBAL PUBLIC EQUITY - NET OF FEES

As of December 31, 2014

	Allocation		Performance (%)										
	Market Value (\$M)	%	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2013	2012	Since Incep.	Inception Date
Emerging Markets Equity	828	3.0	-6.2	-5.9	-5.9	2.9	-0.3	-4.8	4.2	-1.1	17.0	7.8	01/01/2002
<i>MSCI Emg Mkts Index (Net)</i>			-4.5	-2.2	-2.2	4.0	1.8	-1.3	8.4	-2.6	18.2	11.5	
Ashmore Emerging Small Cap Equity (SA)	118	0.4	-6.8	-10.9	-10.9	N/A	N/A	N/A	N/A	N/A	N/A	-4.1	05/01/2013
<i>MSCI Emg Mkts Small Cap Index (Net)</i>			-6.0	1.0	1.0	7.6	2.9	0.4	9.6	1.0	22.2	-2.4	
BlackRock Emg Mkts Index (CF)	143	0.5	-4.5	-2.5	-2.5	3.8	1.2	N/A	N/A	-2.7	18.0	6.1	07/01/2009
<i>MSCI Emg Mkts Index (Net)</i>			-4.5	-2.2	-2.2	4.0	1.8	-1.3	8.4	-2.6	18.2	6.8	
Delaware Emerging Markets Equity (SA)	252	0.9	-9.9	-7.2	-7.2	N/A	N/A	N/A	N/A	N/A	N/A	-1.0	05/01/2013
<i>MSCI Emg Mkts Index (Net)</i>			-4.5	-2.2	-2.2	4.0	1.8	-1.3	8.4	-2.6	18.2	-2.4	
GlobeFlex Emerging Small Cap (SA)	80	0.3	-3.7	3.1	3.1	N/A	N/A	N/A	N/A	N/A	N/A	6.5	08/01/2013
<i>MSCI Emg Mkts Small Cap Index (Net)</i>			-6.0	1.0	1.0	7.6	2.9	0.4	9.6	1.0	22.2	3.7	
Martin Currie Emerging Markets Equity (SA)	234	0.8	-3.8	-6.8	-6.8	N/A	N/A	N/A	N/A	N/A	N/A	-6.8	01/01/2014
<i>MSCI Emg Mkts Index (Net)</i>			-4.5	-2.2	-2.2	4.0	1.8	-1.3	8.4	-2.6	18.2	-2.2	
Transition Management - Equities													
Northern Trust Equity Transition (SA)	-	0.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	01/01/2012

Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding. RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies. *Please see Addendum for the complete history of the benchmark.

Commonwealth of Pennsylvania State Employees' Retirement System
 Asset Allocation & Performance
 REAL ASSETS - NET OF FEES

As of December 31, 2014

	Allocation		Performance (%)										Inception Date
	Market Value (\$M)	%	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2013	2012	Since Incep.	
REAL ASSETS	4,299	15.6	-1.4	6.3	6.3	7.6	7.3	0.6	7.2	8.0	8.6	7.6	01/01/1984
<i>Real Assets Custom Benchmark*</i>			-2.2	5.4	5.4	8.6	8.5	1.1	6.0	9.1	11.5	6.5	
<i>Consumer Price Index + 3%</i>			-0.6	3.8	3.8	4.4	4.7	4.7	5.2	4.5	4.8	5.8	
Private Real Assets	964	3.5	1.9	15.8	15.8	13.8	12.8	1.4	8.8	13.3	12.5	8.7	01/01/1984
<i>Private Real Assets Custom Benchmark*</i>			2.5	14.2	14.2	15.2	13.5	3.5	7.5	15.4	15.9	6.8	
<i>Consumer Price Index + 3%</i>			-0.6	3.8	3.8	4.4	4.7	4.7	5.2	4.5	4.8	5.8	
Private Energy	249	0.9	2.5	14.0	14.0	11.0	12.9	10.5	N/A	5.9	13.2	19.5	04/01/2005
<i>R 3000 Index + 3% (Qtr Lag)</i>			0.8	21.3	21.3	26.8	19.2	9.4	11.7	25.2	34.1	10.8	
Non-Core Real Estate	715	2.6	1.7	16.4	16.4	14.7	12.2	-1.7	6.2	15.5	12.0	7.8	01/01/1984
<i>All-Open End Funds Index (Qtr Lag)</i>			3.0	12.0	12.0	11.9	11.9	1.1	5.8	12.6	11.2	6.3	
Public Real Assets	3,335	12.1	-2.4	3.7	3.7	5.7	5.6	0.0	6.5	6.3	7.3	6.4	07/01/1986
<i>Public Real Assets Custom Benchmark*</i>			-3.6	2.8	2.8	6.7	6.9	0.2	5.4	7.2	10.1	5.9	
<i>Consumer Price Index + 3%</i>			-0.6	3.8	3.8	4.4	4.7	4.7	5.2	4.5	4.8	5.8	
Core Real Estate	1,873	6.8	3.1	9.1	9.1	9.2	7.6	-0.4	5.4	13.0	5.6	5.8	07/01/1986
<i>Custom Core Index (Qtr Lag)</i>			2.9	11.9	11.9	11.4	10.8	1.7	6.2	12.3	10.1	5.9	
REITs	326	1.2	-4.7	8.4	8.4	15.8	11.9	3.3	9.3	12.0	27.8	10.9	04/01/1996
<i>Custom Public Index (Qtr Lag)</i>			-4.6	7.0	7.0	16.0	11.8	1.2	7.6	12.4	29.7	10.4	
Commodities & Infrastructure	1,136	4.1	-9.7	-5.1	-5.1	-2.6	0.7	-1.7	3.2	-5.4	3.1	7.5	11/01/2001
<i>Commodities & Infrastructure Custom Benchmark*</i>			-12.6	-10.2	-10.2	-3.1	-0.3	-3.7	1.1	-2.2	3.7	5.2	
BAAM Custom Commodities Fund LP	457	1.7	-8.7	-11.0	-11.0	-6.6	-2.3	-0.7	N/A	-9.9	1.7	1.0	05/01/2007
<i>BAAM Custom Index</i>			-14.6	-19.3	-19.3	-8.3	-4.1	-5.6	N/A	-6.1	1.7	-3.8	
Harvest Fund Advisors MLP	189	0.7	-6.7	17.5	17.5	N/A	N/A	N/A	N/A	N/A	N/A	14.5	05/01/2013
<i>S&P MLP Index (TR)</i>			-12.0	7.7	7.7	13.6	17.8	N/A	N/A	29.8	4.9	8.9	
Kayne Anderson MLP	170	0.6	-9.9	8.4	8.4	N/A	N/A	N/A	N/A	N/A	N/A	8.1	05/01/2013
<i>S&P MLP Index (TR)</i>			-12.0	7.7	7.7	13.6	17.8	N/A	N/A	29.8	4.9	8.9	
Wellington Inf Protection (CF)	321	1.2	-12.5	-12.7	-12.7	-4.4	-1.2	-4.3	3.9	-4.4	4.8	3.9	01/01/2005
<i>Wellington Dvf'd Infl Hedge Comp Index</i>			-9.0	-8.2	-8.2	-1.7	1.2	-0.9	5.4	-1.9	5.7	5.4	

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Commonwealth of Pennsylvania State Employees' Retirement System
 Asset Allocation & Performance
 DIVERSIFYING ASSETS - NET OF FEES

As of December 31, 2014

	Allocation		Performance (%)										
	Market Value (\$M)	%	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2013	2012	Since Incep.	Inception Date
DIVERSIFYING ASSETS HISTORY	1,721	6.2	0.9	6.7	6.7	8.8	6.1	3.6	4.9	11.2	8.6	5.2	01/01/2002
DIVERSIFYING ASSETS	1,721	6.2	0.9	6.7	6.7	8.8	6.1	3.7	N/A	11.2	8.6	3.6	07/01/2007
<i>HFRI FOF Strategic Index*</i>			1.0	4.1	4.1	10.7	7.7	6.6	6.0	22.2	6.6	6.5	
Direct Hedge Funds	109	0.4	1.9	2.8	2.8	N/A	N/A	N/A	N/A	N/A	N/A	4.0	10/01/2013
Hoplite Partners, L.P. <i>HFRI Eq Hedge (Tot) Index</i>	22	0.1	7.7 0.0	4.2 1.8	4.2 1.8	N/A 7.7	N/A 4.8	N/A 2.1	N/A 4.7	N/A 14.3	N/A 7.4	7.0 5.2	10/01/2013
Luxor Capital Partners LP <i>HFRI ED: (Tot) Index</i>	18	0.1	-8.3 -1.5	-9.8 1.0	-9.8 1.0	N/A 7.3	N/A 6.0	N/A 3.9	N/A 5.6	N/A 12.5	N/A 8.9	-9.8 1.0	01/01/2014
MKP Opportunity Partners, L.P. <i>HFRI Macro (Tot) Index</i>	15	0.1	3.4 2.4	-2.2 5.7	-2.2 5.7	N/A 1.7	N/A 1.7	N/A 2.5	N/A 4.3	N/A -0.4	N/A -0.1	-2.2 5.7	01/01/2014
Pine River Fund Ltd. <i>HFRI Rel Value (Tot) Index</i>	21	0.1	0.5 -1.0	4.9 3.9	4.9 3.9	N/A 7.2	N/A 6.6	N/A 5.1	N/A 6.3	N/A 7.1	N/A 10.6	4.2 5.1	10/01/2013
Samlyn Onshore Fund LP <i>HFRI Eq Hedge (Tot) Index</i>	16	0.1	6.6 0.0	N/A 1.8	N/A 1.8	N/A 7.7	N/A 4.8	N/A 2.1	N/A 4.7	N/A 14.3	N/A 7.4	6.1 -1.4	07/01/2014
Stelliam Fund LP <i>HFRI Eq Hedge (Tot) Index</i>	17	0.1	3.1 0.0	N/A 1.8	N/A 1.8	N/A 7.7	N/A 4.8	N/A 2.1	N/A 4.7	N/A 14.3	N/A 7.4	13.9 2.8	02/01/2014

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Commonwealth of Pennsylvania State Employees' Retirement System
 Asset Allocation & Performance
 DIVERSIFYING ASSETS - NET OF FEES

As of December 31, 2014

	Allocation		Performance (%)										
	Market Value (\$M)	%	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2013	2012	Since Incep.	Inception Date
Absolute Return	155	0.6	-0.5	-1.4	-1.4	3.0	2.7	1.3	N/A	3.3	7.4	1.4	07/01/2007
<i>3 Mo LIBOR Index + 3%*</i>			0.8	3.2	3.2	3.3	3.3	3.5	3.8	3.3	3.4	3.6	
Arden Inst'l LP	26	0.1	0.2	12.9	12.9	8.6	6.2	2.9	N/A	6.2	6.9	3.7	10/01/2006
<i>3 Mo LIBOR Index + 3%*</i>			0.8	3.2	3.2	3.3	3.3	3.5	3.8	3.3	3.4	3.8	
BAAM Custom ARS Fund LP	55	0.2	0.7	5.2	5.2	5.3	4.9	2.3	4.8	2.5	8.4	5.1	01/01/2002
<i>3 Mo LIBOR Index + 3%*</i>			0.8	3.2	3.2	3.3	3.3	3.5	3.8	3.3	3.4	3.3	
Mesirow Multi-Manager Fund III LP	33	0.1	-2.1	4.1	4.1	9.5	6.9	4.2	5.7	14.3	10.2	6.2	10/01/2002
<i>3 Mo LIBOR Index + 3%*</i>			0.8	3.2	3.2	3.3	3.3	3.5	3.8	3.3	3.4	3.4	
MSAIP Inst'l LP	15	0.1	0.2	14.7	14.7	10.0	6.7	3.1	4.7	8.7	6.7	5.0	07/01/2002
<i>3 Mo LIBOR Index + 3%*</i>			0.8	3.2	3.2	3.3	3.3	3.5	3.8	3.3	3.4	3.3	
PAAMCO Newport Sequoia Fund LLC	12	0.0	1.5	-51.0	-51.0	-26.9	-18.5	-14.4	-7.4	-14.8	-6.4	-4.7	07/01/2002
<i>3 Mo LIBOR Index + 3%*</i>			0.8	3.2	3.2	3.3	3.3	3.5	3.8	3.3	3.4	3.3	
Rock Creek Penn Quarter LP	13	0.0	-4.8	0.3	0.3	5.5	3.8	1.2	N/A	8.6	7.7	2.2	10/01/2006
<i>3 Mo LIBOR Index + 3%*</i>			0.8	3.2	3.2	3.3	3.3	3.5	3.8	3.3	3.4	3.8	
Hedged Strategies	1,457	5.3	1.0	8.1	8.1	N/A	N/A	N/A	N/A	13.2	N/A	9.3	04/01/2012
<i>HFRI FOF Comp Index</i>			1.0	3.4	3.4	5.7	3.3	0.4	3.0	9.0	4.8	4.9	
Arden Keystone Fund LP	146	0.5	0.5	5.4	5.4	N/A	N/A	N/A	N/A	N/A	N/A	8.3	05/01/2013
<i>HFRI FOF Comp Index</i>			1.0	3.4	3.4	5.7	3.3	0.4	3.0	9.0	4.8	4.8	
Blackstone Keystone Fund	994	3.6	1.4	9.5	9.5	N/A	N/A	N/A	N/A	15.7	N/A	13.6	07/01/2012
<i>HFRI FOF Comp Index</i>			1.0	3.4	3.4	5.7	3.3	0.4	3.0	9.0	4.8	6.4	
Entrust Keystone Fund	314	1.1	-0.1	5.9	5.9	N/A	N/A	N/A	N/A	13.9	N/A	8.6	04/01/2012
<i>HFRI FOF Comp Index</i>			1.0	3.4	3.4	5.7	3.3	0.4	3.0	9.0	4.8	4.9	
Tiger Keystone Partners, L.P.	3	0.0	-2.6	0.2	0.2	N/A	N/A	N/A	N/A	4.6	N/A	1.7	04/01/2012
<i>HFRI FOF Comp Index</i>			1.0	3.4	3.4	5.7	3.3	0.4	3.0	9.0	4.8	4.9	

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Commonwealth of Pennsylvania State Employees' Retirement System
 Asset Allocation & Performance
 FIXED INCOME - NET OF FEES

As of December 31, 2014

	Allocation		Performance (%)										
	Market Value (\$M)	%	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2013	2012	Since Incep.	Inception Date
FIXED INCOME	4,418	16.0	1.0	6.1	6.1	4.5	6.3	5.7	5.9	-2.2	10.0	9.2	01/01/1981
<i>Barclays US Agg Bond Index</i>			1.8	6.0	6.0	2.7	4.4	4.8	4.7	-2.0	4.2	8.3	
Core Plus Fixed Income	1,252	4.5	-0.2	6.0	6.0	N/A	N/A	N/A	N/A	4.4	N/A	6.2	10/01/2012
Brandywine Global Opp (SA)	197	0.7	0.0	6.0	6.0	5.1	N/A	N/A	N/A	-3.7	13.8	6.1	02/01/2011
<i>Citigroup Wrld Gov't Bond Index</i>			-1.5	-0.5	-0.5	-1.0	1.7	3.1	3.1	-4.0	1.6	0.8	
Pyramis Gbl Adv HY CMBS (SA)	303	1.1	1.8	10.4	10.4	14.6	17.2	8.6	7.6	10.7	23.1	9.6	04/01/1997
<i>Barclays US CMBS Ex AAA Index</i>			1.0	3.9	3.9	6.8	12.3	-1.7	-0.9	1.4	15.5	N/A	
SEI Struc Cred: HY Bank Loans (CF)	239	0.9	0.5	6.2	6.2	12.2	16.5	N/A	N/A	6.0	25.3	16.2	05/01/2008
<i>Citigroup High Yield Market Index</i>			-1.4	1.8	1.8	7.9	8.7	8.3	7.3	7.2	15.2	8.5	
Stone Harbor EMD (SA)	126	0.5	-4.7	1.3	1.3	3.8	6.8	7.1	N/A	-9.8	22.4	8.2	04/01/2005
<i>JPM Emg Mkt Bond Index</i>			-1.6	5.5	5.5	5.3	7.3	7.1	7.7	-6.6	18.5	8.0	
Stone Harbor Gbl HY (SA)	197	0.7	-1.6	1.3	1.3	8.3	7.9	7.7	7.1	8.3	15.9	8.5	07/01/2000
<i>Citigroup High Yield Market Index</i>			-1.4	1.8	1.8	7.9	8.7	8.3	7.3	7.2	15.2	7.6	
Waterfall Asset Mgmt ABS (SA)	175	0.6	0.7	6.4	6.4	10.3	N/A	N/A	N/A	9.6	15.0	11.2	03/01/2010
<i>3 Mo LIBOR Index + 8%</i>			2.0	8.3	8.3	8.3	8.3	8.8	10.1	8.3	8.5	8.4	
WR Huff HY Bond Fund (SA)	15	0.1	-6.1	6.7	6.7	14.8	17.9	16.3	12.1	23.1	15.0	11.0	07/01/1986
<i>Citigroup High Yield Market Index</i>			-1.4	1.8	1.8	7.9	8.7	8.3	7.3	7.2	15.2	8.5	

WR Huff HY Bond Fund (SA) is currently undergoing liquidation.

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Commonwealth of Pennsylvania State Employees' Retirement System
 Asset Allocation & Performance
 FIXED INCOME - NET OF FEES

As of December 31, 2014

	Allocation		Performance (%)										
	Market Value (\$M)	%	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2013	2012	Since Incep.	Inception Date
Core Fixed Income	1,874	6.8	1.7	6.0	6.0	3.9	5.7	5.4	5.2	-2.1	8.1	5.5	01/01/2002
<i>Barclays US Agg Bond Index</i>			1.8	6.0	6.0	2.7	4.4	4.8	4.7	-2.0	4.2	5.0	
Mackay Shields Core Fixed Income (SA)	198	0.7	1.4	5.1	5.1	N/A	N/A	N/A	N/A	N/A	N/A	4.2	07/01/2013
<i>Barclays US Agg Bond Index</i>			1.8	6.0	6.0	2.7	4.4	4.8	4.7	-2.0	4.2	4.2	
Mellon Cap Mgmt Bond Index (SA)	1,142	4.1	1.8	6.0	6.0	2.4	4.3	4.6	4.6	-2.3	3.8	7.8	04/01/1984
<i>Barclays US Agg Bond Index*</i>			1.8	6.0	6.0	2.7	4.4	4.8	4.7	-2.0	4.2	8.1	
PIMCO Core Bond Fund (SA)	250	0.9	1.7	5.9	5.9	N/A	N/A	N/A	N/A	-2.8	N/A	1.5	01/01/2013
<i>Barclays US Agg ex Trsy</i>			1.7	6.5	6.5	3.4	4.8	5.1	4.9	-1.6	5.5	2.4	
Taplin, Canida & Habacht Corp FI (SA)	180	0.7	1.1	7.3	7.3	5.4	6.7	6.6	5.7	-1.2	10.5	6.5	12/01/2000
<i>Barclays US Credit Index</i>			1.8	7.5	7.5	4.8	6.3	6.2	5.5	-2.0	9.4	6.4	
UBS Core Bond (SA)	103	0.4	1.7	5.7	5.7	N/A	N/A	N/A	N/A	N/A	N/A	4.4	07/01/2013
<i>Barclays US Agg Bond Index</i>			1.8	6.0	6.0	2.7	4.4	4.8	4.7	-2.0	4.2	4.2	
Global TIPS	767	2.8	0.0	3.9	3.9	0.1	2.4	3.0	3.6	-8.1	5.0	3.5	02/01/2003
<i>Barclays US Trsy: US TIPS Index</i>			0.0	3.6	3.6	0.4	4.1	4.2	4.4	-8.6	7.0	5.0	
Brown Brothers TIPS (SA)	203	0.7	0.1	3.8	3.8	N/A	N/A	N/A	N/A	-8.4	N/A	0.0	02/01/2012
<i>Barclays US Trsy: US TIPS Index</i>			0.0	3.6	3.6	0.4	4.1	4.2	4.4	-8.6	7.0	-0.3	
New Century Global TIPS (SA)	107	0.4	0.5	5.2	5.2	N/A	N/A	N/A	N/A	-4.9	N/A	1.8	02/01/2012
<i>Barclays Wrld Gov Infl-Lnkd Index (Unhedged)</i>			0.3	4.1	4.1	1.9	4.0	3.6	4.2	-4.8	6.9	1.1	
NISA Inv Adv TIPS (SA)	458	1.7	-0.1	3.6	3.6	-0.6	2.0	2.7	N/A	-8.7	3.8	3.5	04/01/2007
<i>Barclays US Trsy: US TIPS Index*</i>			0.0	3.6	3.6	-0.6	2.0	2.8	N/A	-8.6	3.8	N/A	

Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding. RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies. *Please see Addendum for the complete history of the benchmark.

Commonwealth of Pennsylvania State Employees' Retirement System
 Asset Allocation & Performance
 FIXED INCOME - NET OF FEES

As of December 31, 2014

	Allocation		Performance (%)										
	Market Value (\$M)	%	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2013	2012	Since Incep.	Inception Date
Nominal U.S. Treasuries	525	1.9	3.5	10.4	10.4	2.1	N/A	N/A	N/A	-7.5	4.2	2.5	09/01/2011
<i>Barclays US Trsy Bellwethers: 10 Yr</i>			3.6	10.7	10.7	2.1	6.1	5.5	5.2	-7.8	4.1	3.1	
PIMCO US Treasuries (SA)	263	1.0	3.3	10.1	10.1	2.0	N/A	N/A	N/A	-7.2	3.9	2.6	09/01/2011
<i>Barclays US Trsy Bellwethers: 10 Yr</i>			3.6	10.7	10.7	2.1	6.1	5.5	5.2	-7.8	4.1	3.1	
Wellington US Treasuries (SA)	262	0.9	3.7	10.7	10.7	2.2	N/A	N/A	N/A	-7.8	4.5	1.8	10/01/2011
<i>Barclays US Trsy Bellwethers: 10 Yr</i>			3.6	10.7	10.7	2.1	6.1	5.5	5.2	-7.8	4.1	2.3	
Transition Management - Fixed Income													
Northern Trust Fixed Income Transition (SA)	-	0.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12/01/2012

Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding. RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies. *Please see Addendum for the complete history of the benchmark.

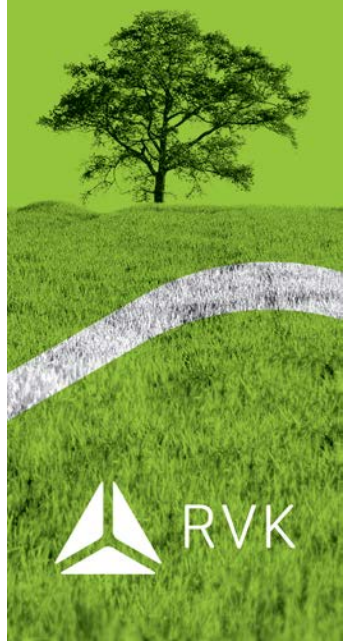
Commonwealth of Pennsylvania State Employees' Retirement System
 Asset Allocation & Performance
 LIQUIDITY RESERVE - NET OF FEES

As of December 31, 2014

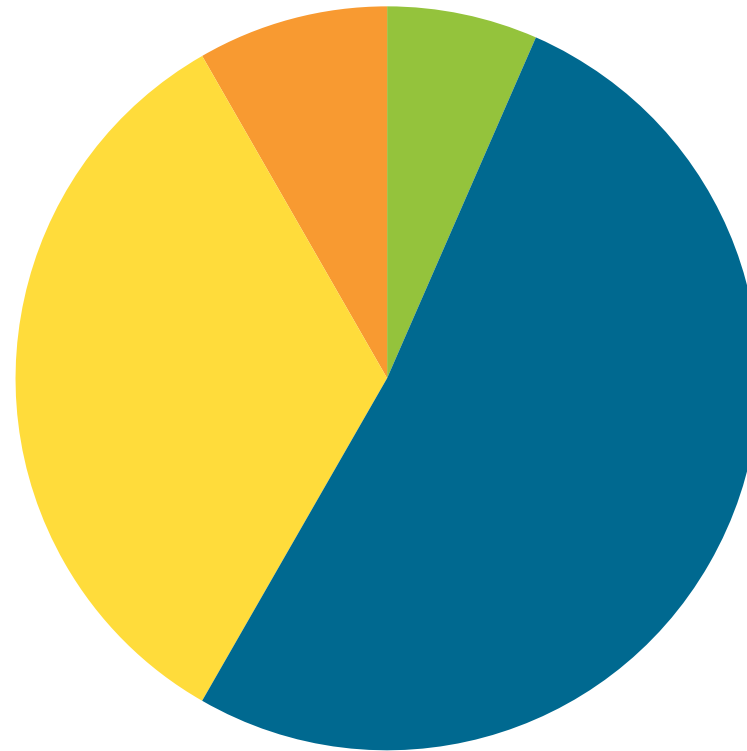
	Allocation		Performance (%)										
	Market Value (\$M)	%	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2013	2012	Since Incep.	Inception Date
LIQUIDITY RESERVE	1,552	5.6	0.1	0.5	0.5	0.4	0.3	0.8	1.8	0.3	0.4	4.0	01/01/1987
Cash Equivalent	1,204	4.4	0.1	0.4	0.4	0.3	0.3	0.8	1.8	0.2	0.4	4.0	01/01/1987
<i>BofA ML 3 Mo US T-Bill Index</i>			<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.1</i>	<i>0.4</i>	<i>1.5</i>	<i>0.1</i>	<i>0.1</i>	<i>3.8</i>	
Cash Management (SA)	1,191	4.3	0.1	0.4	0.4	0.3	0.3	0.8	1.8	0.2	0.4	4.0	01/01/1987
<i>BofA ML 3 Mo US T-Bill Index</i>			<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.1</i>	<i>0.4</i>	<i>1.5</i>	<i>0.1</i>	<i>0.1</i>	<i>3.8</i>	
Overnight Cash (SA)	13	0.0	0.0	0.1	0.1	0.1	0.1	0.6	N/A	0.1	0.1	0.6	12/01/2007
<i>BofA ML 3 Mo US T-Bill Index</i>			<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.1</i>	<i>0.4</i>	<i>1.5</i>	<i>0.1</i>	<i>0.1</i>	<i>0.4</i>	
Short-Term Notes	349	1.3	0.2	0.8	0.8	N/A	N/A	N/A	N/A	N/A	N/A	0.6	04/01/2013
<i>Barclays US Gov't/Credit: 1-3 Yr Bond Index</i>			<i>0.2</i>	<i>0.8</i>	<i>0.8</i>	<i>0.9</i>	<i>1.4</i>	<i>2.3</i>	<i>2.9</i>	<i>0.6</i>	<i>1.3</i>	<i>0.7</i>	
PNC Short Duration (SA)	232	0.8	0.2	0.7	0.7	N/A	N/A	N/A	N/A	N/A	N/A	0.6	04/01/2013
<i>Barclays US Gov't/Credit: 1-3 Yr Bond Index</i>			<i>0.2</i>	<i>0.8</i>	<i>0.8</i>	<i>0.9</i>	<i>1.4</i>	<i>2.3</i>	<i>2.9</i>	<i>0.6</i>	<i>1.3</i>	<i>0.7</i>	
StoneRidge Short Duration (SA)	116	0.4	0.2	1.0	1.0	N/A	N/A	N/A	N/A	N/A	N/A	0.7	04/01/2013
<i>Barclays US Gov't/Credit: 1-3 Yr Bond Index</i>			<i>0.2</i>	<i>0.8</i>	<i>0.8</i>	<i>0.9</i>	<i>1.4</i>	<i>2.3</i>	<i>2.9</i>	<i>0.6</i>	<i>1.3</i>	<i>0.7</i>	

Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding. RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies.

Sub-Composites



December 31, 2014 : \$9,986



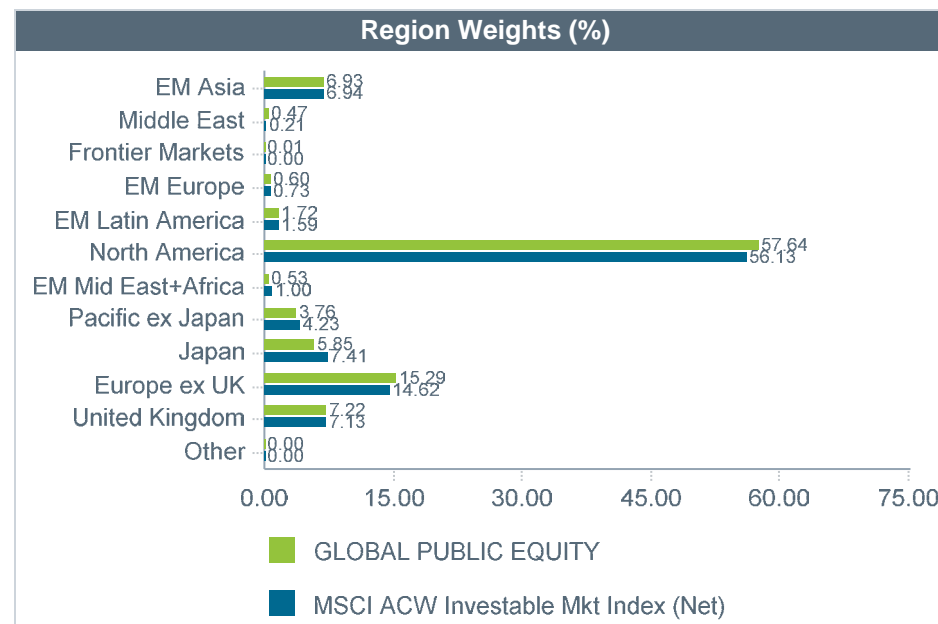
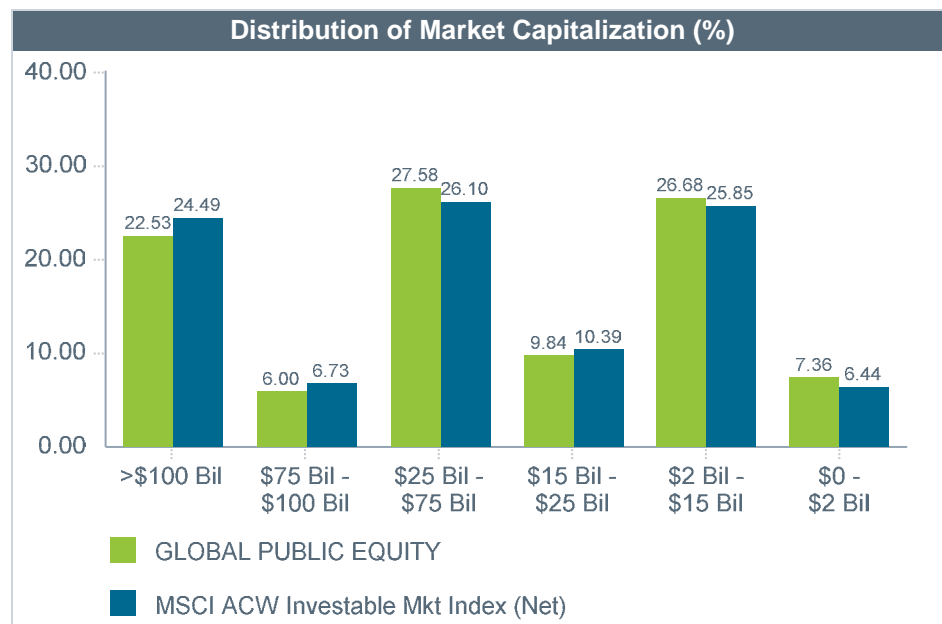
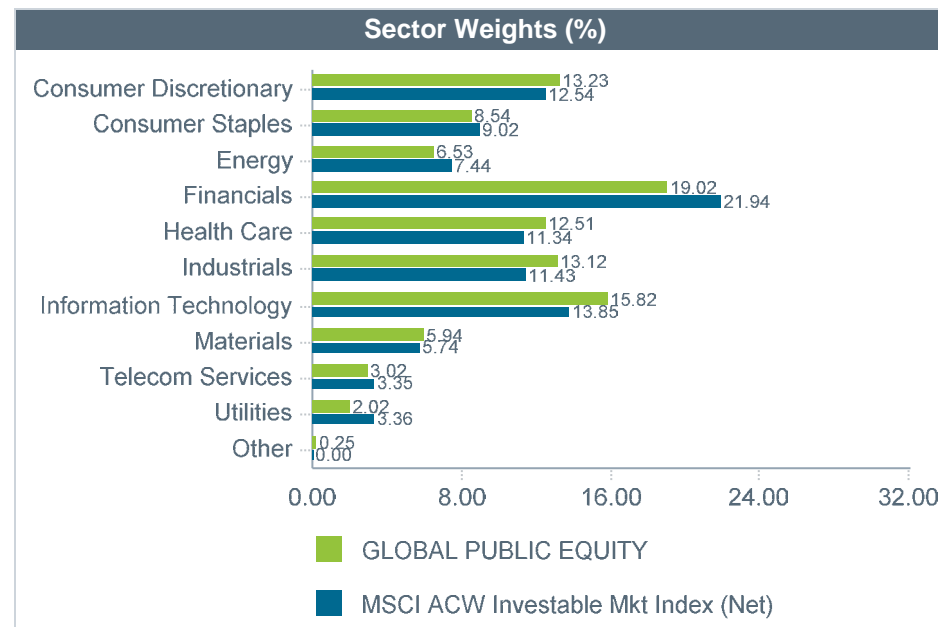
	Market Value (\$M)	Allocation (%)
Global Mandates	654	6.55
U.S. Equity	5,168	51.75
Non-U.S. Developed Markets Equity	3,336	33.41
Emerging Markets Equity	828	8.30
Transition Management - Equities	-	0.00

Allocations shown may not sum up to 100% exactly due to rounding.

Commonwealth of Pennsylvania State Employees' Retirement System
GLOBAL PUBLIC EQUITY vs. MSCI ACW Investable Mkt Index (Net)
Portfolio Characteristics

As of December 31, 2014

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	72,929	79,061
Median Mkt. Cap (\$M)	6,413	1,398
Price/Earnings Ratio	17.74	16.96
Price/Book Ratio	2.68	2.56
5 Yr. EPS Growth Rate (%)	13.92	14.56
Current Yield (%)	2.17	2.42
Beta (5 Years, Monthly)	0.98	1.00
Number of Securities	3,322	8,603



Sector allocation to "Other" consists of ETFs. Region allocation to "Other" consists of holdings domiciled in countries/regions that do not meet economic development, size, liquidity, or market accessibility criteria as defined by the MSCI region standards.



December 31, 2014 : \$654



	Market Value (\$M)	Allocation (%)
■ Walter Scott & Ptnrs Glbl Gr Eq (SA)	654	100.00

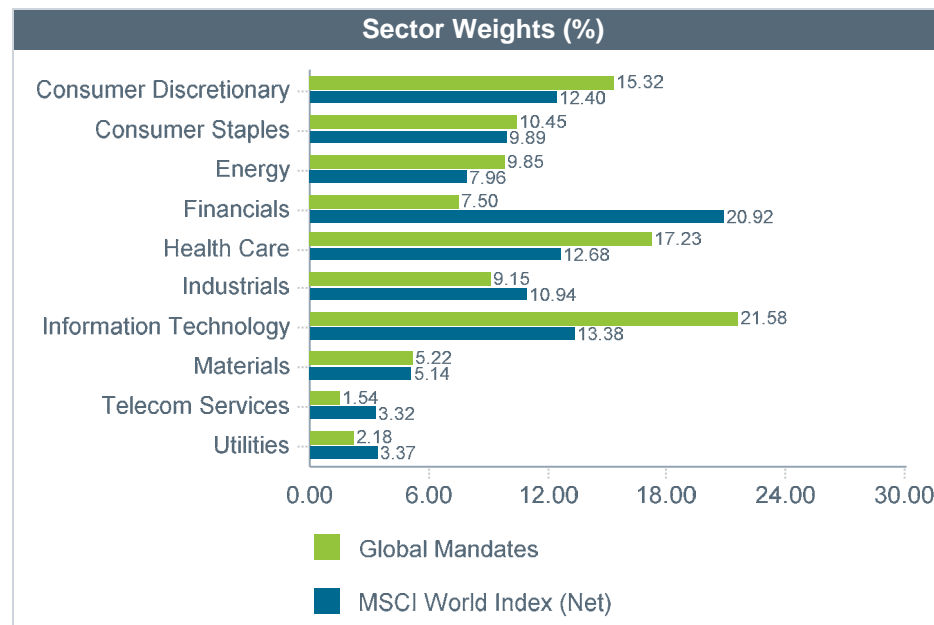
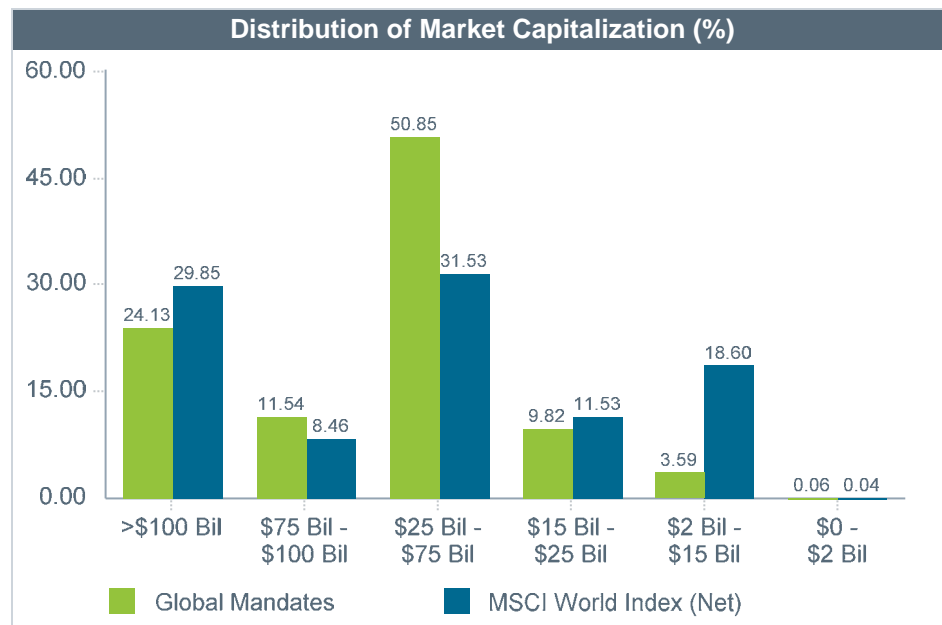
Allocations shown may not sum up to 100% exactly due to rounding.

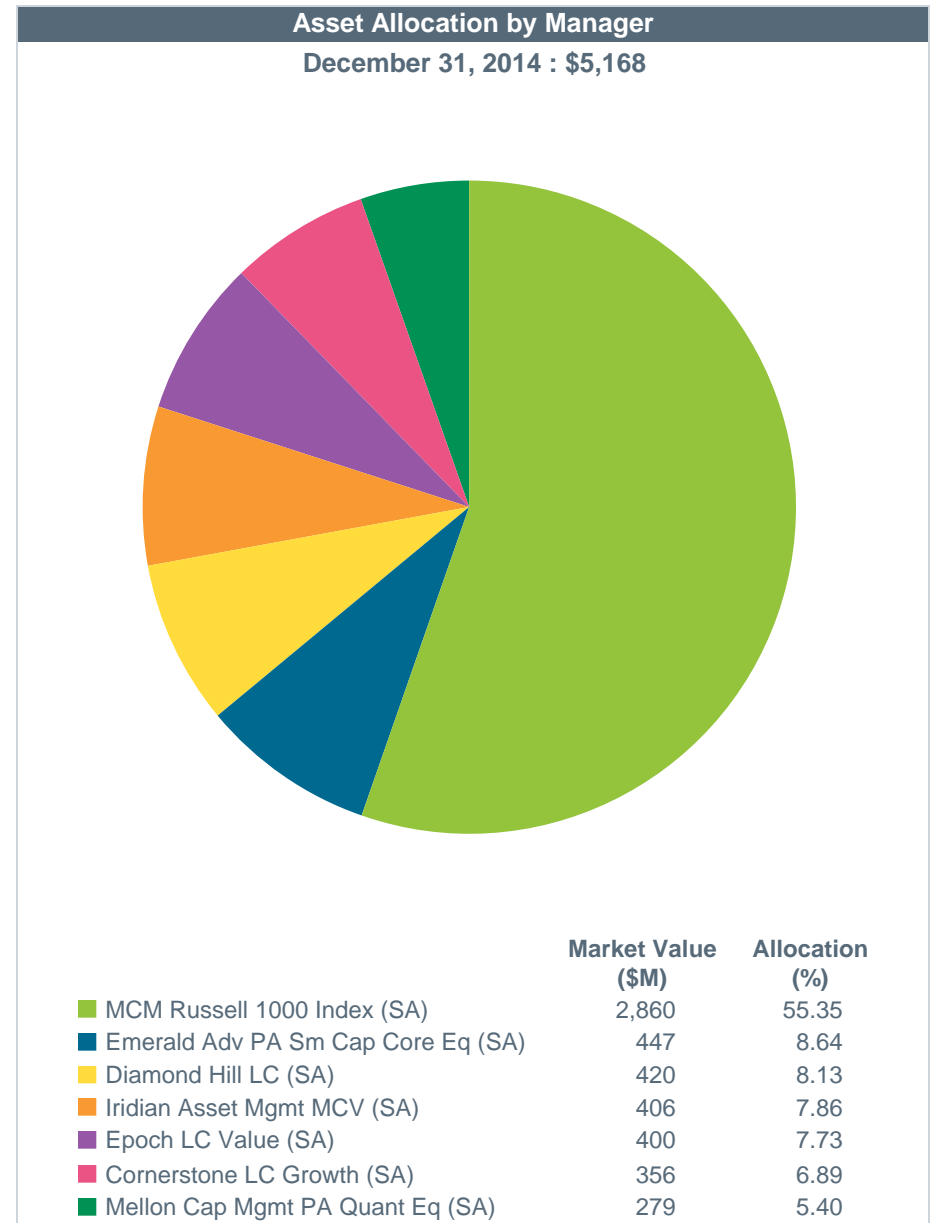
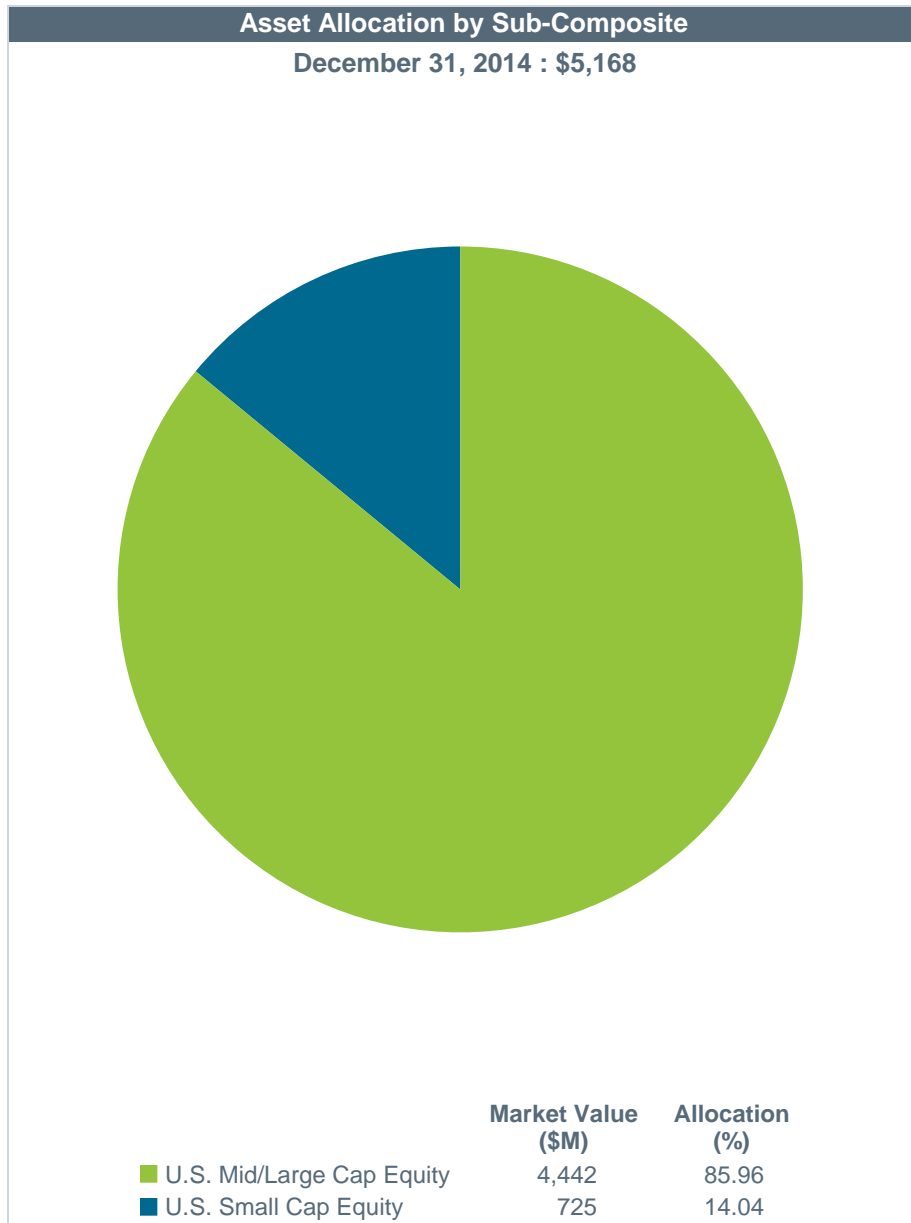
Commonwealth of Pennsylvania State Employees' Retirement System
Global Mandates vs. MSCI World Index (Net)
Portfolio Characteristics

As of December 31, 2014

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Nike Inc	3.85	0.20	3.65	8.10
MasterCard Inc	3.75	0.26	3.49	16.73
TJX Companies Inc (The)	3.17	0.14	3.03	16.22
Precision Castparts Corp.	2.95	0.10	2.85	1.70
Novo Nordisk A/S	2.79	0.26	2.53	-11.60
Keyence Corp	2.57	0.06	2.51	3.29
DBS Group Holdings Ltd	2.46	0.08	2.38	7.64
Colgate-Palmolive Co	2.44	0.19	2.25	6.69
Industria De Diseno Textil Inditex SA	2.32	0.09	2.23	4.97
Oracle Corp	2.31	0.48	1.83	17.84
% of Portfolio	28.61	1.86		

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	93,386	96,646
Median Mkt. Cap (\$M)	47,245	11,120
Price/Earnings Ratio	19.73	17.64
Price/Book Ratio	3.22	2.65
5 Yr. EPS Growth Rate (%)	12.21	14.30
Current Yield (%)	1.92	2.46
Beta (5 Years, Monthly)	0.91	1.00
Number of Securities	57	1,636

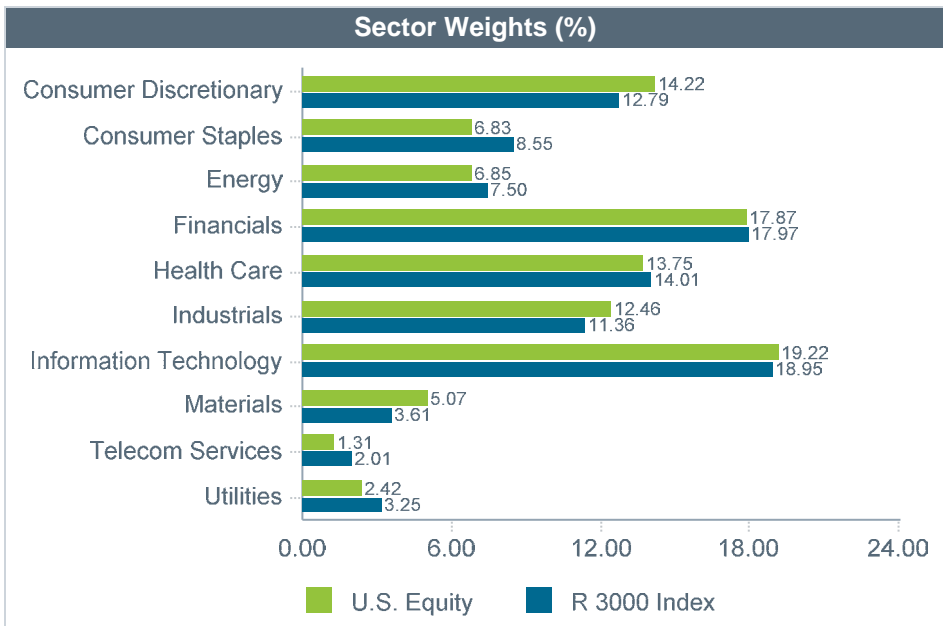
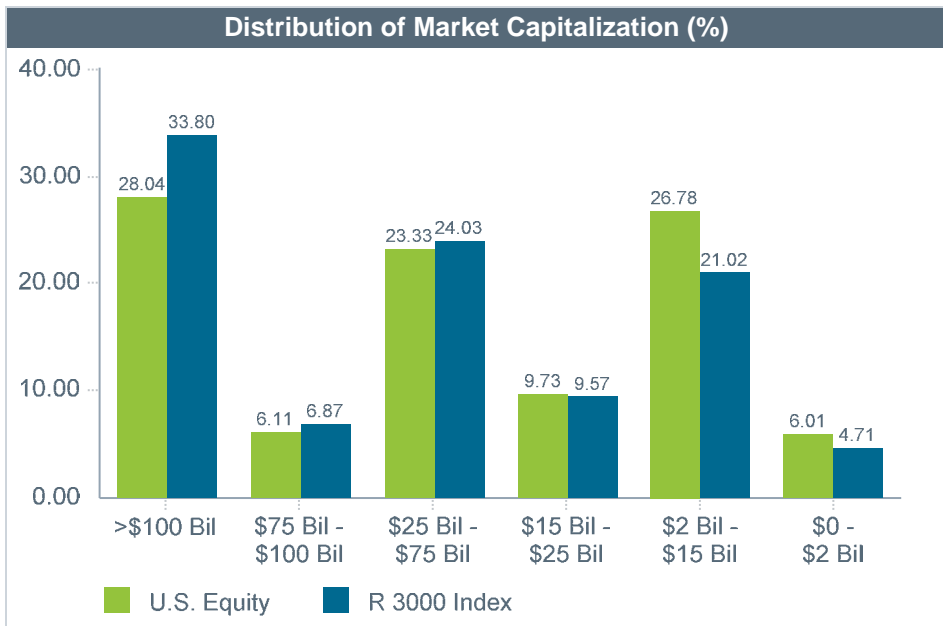


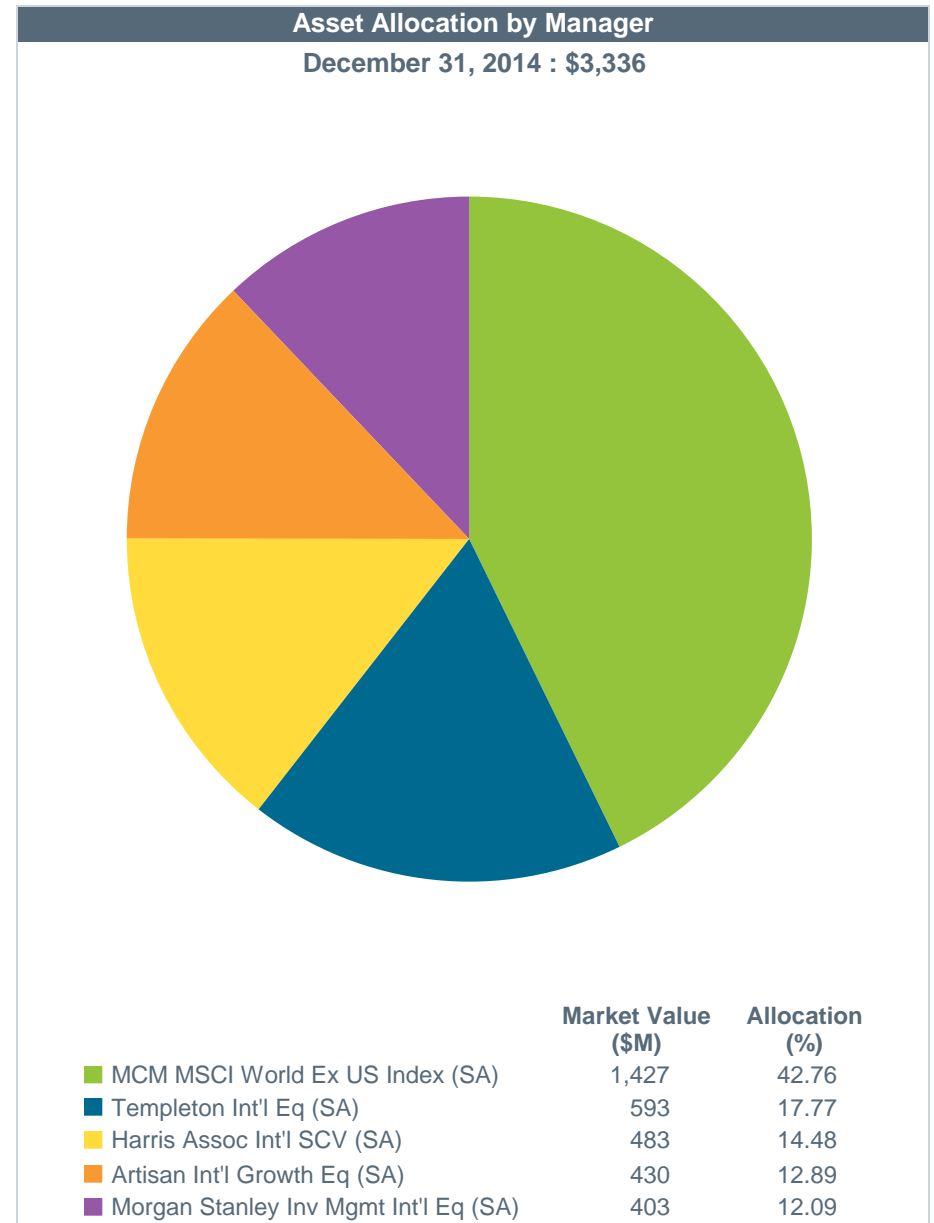
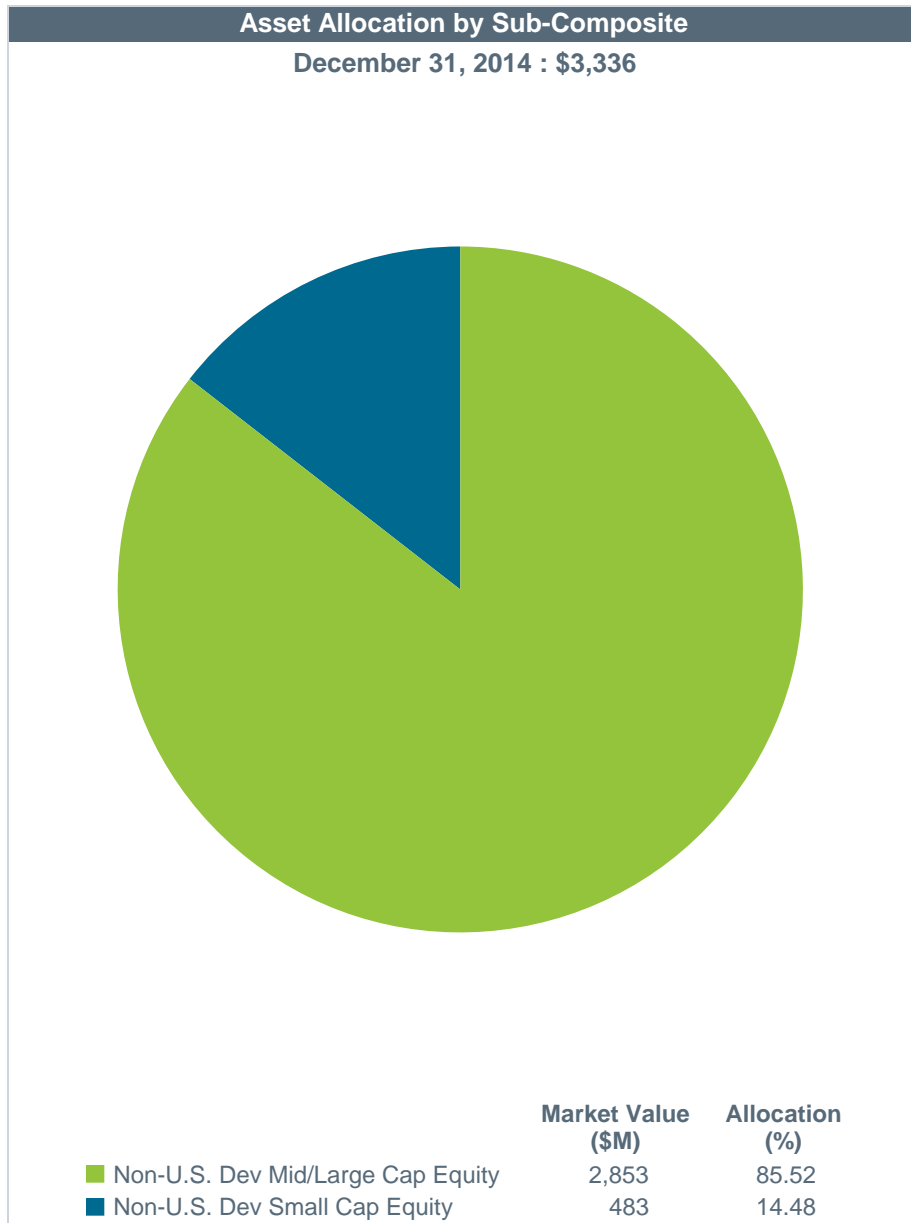


Allocations shown may not sum up to 100% exactly due to rounding. Asset Allocation by Manager excludes liquidating accounts.

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Apple Inc	2.10	2.92	-0.82	10.03
Microsoft Corp	1.73	1.68	0.05	0.83
Exxon Mobil Corp	1.17	1.74	-0.57	-1.00
Procter & Gamble Co (The)	1.12	1.08	0.04	9.61
JPMorgan Chase & Co	1.09	1.04	0.05	4.59
Walt Disney Co (The)	1.05	0.72	0.33	7.12
Citigroup Inc	1.03	0.72	0.31	4.44
Comcast Corp	0.94	0.66	0.28	7.87
Pfizer Inc	0.92	0.87	0.05	6.26
United Technologies Corp	0.91	0.46	0.45	9.50
% of Portfolio	12.06	11.89		

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	89,199	107,530
Median Mkt. Cap (\$M)	7,145	1,500
Price/Earnings Ratio	19.45	19.12
Price/Book Ratio	3.01	2.98
5 Yr. EPS Growth Rate (%)	16.07	15.42
Current Yield (%)	1.66	1.85
Beta (5 Years, Monthly)	1.02	1.00
Number of Securities	1,155	3,054





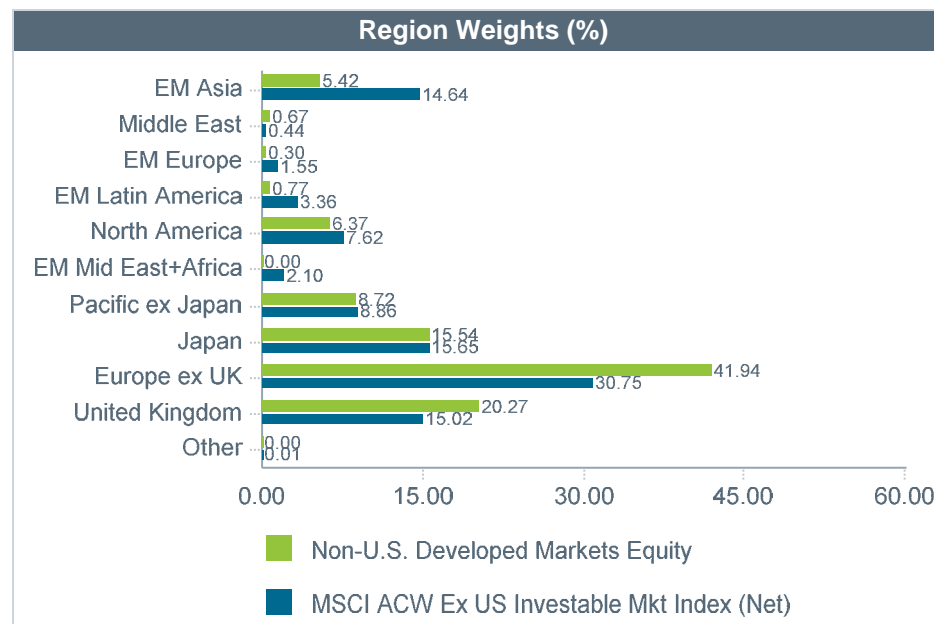
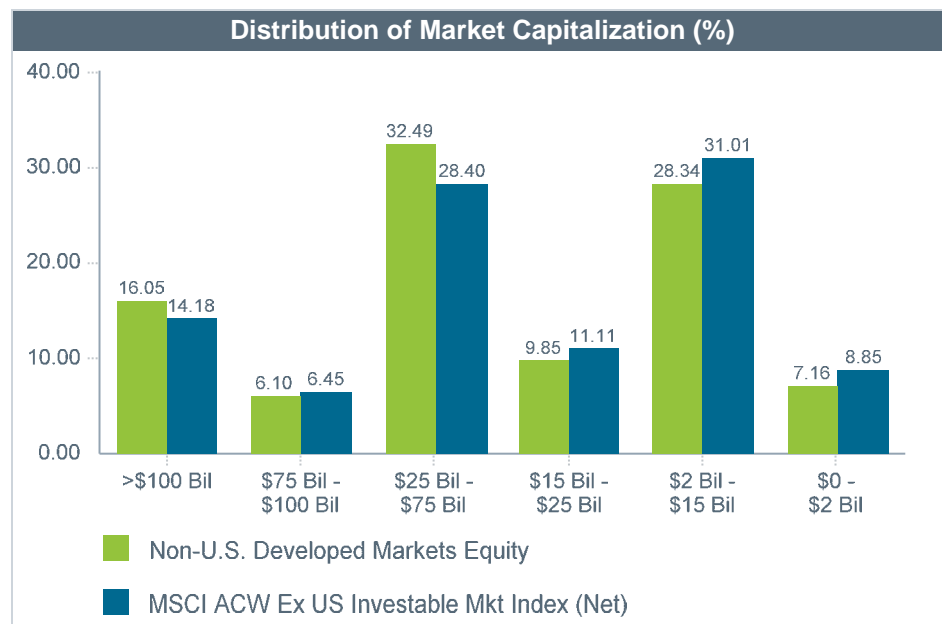
Allocations shown may not sum up to 100% exactly due to rounding. Asset Allocation by Manager excludes liquidating accounts.

Commonwealth of Pennsylvania State Employees' Retirement System
 Non-U.S. Developed Markets Equity vs. MSCI ACW Ex US Investable Mkt Index (Net)
 Portfolio Characteristics

As of December 31, 2014

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Roche Holding AG	1.77	0.95	0.82	-8.31
Nestle SA, Cham Und Vevey	1.72	1.17	0.55	-0.13
Toyota Motor Corp	1.66	0.85	0.81	6.99
Bayer AG	1.52	0.56	0.96	-2.38
Novartis AG	1.37	1.06	0.31	-1.48
Sanofi	1.10	0.54	0.56	-19.06
British American Tobacco PLC	0.92	0.50	0.42	-3.31
AIA Group Ltd	0.90	0.33	0.57	7.62
Unilever NV	0.83	0.32	0.51	0.09
Glaxosmithkline PLC	0.82	0.52	0.30	-5.07
% of Portfolio	12.61	6.80		

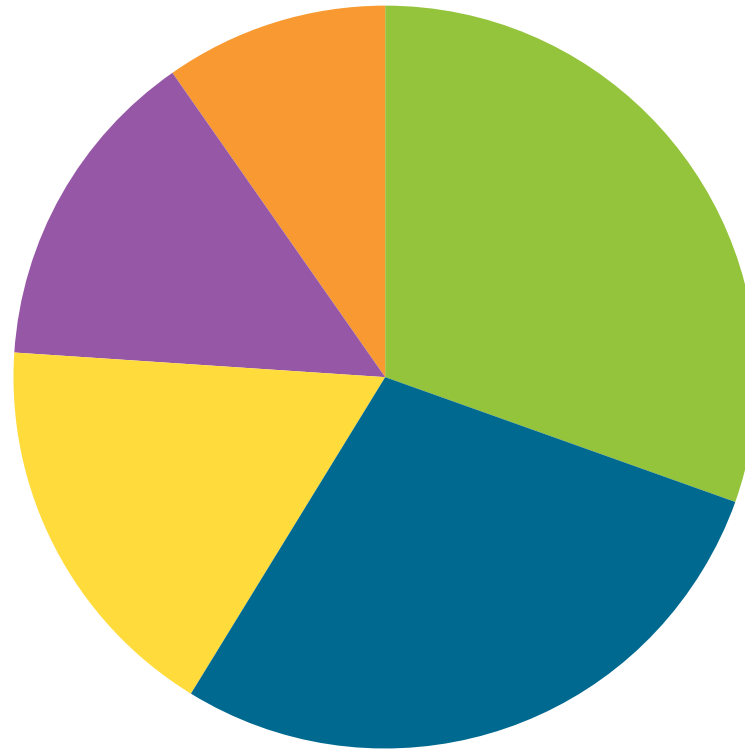
Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	52,976	47,976
Median Mkt. Cap (\$M)	8,558	1,162
Price/Earnings Ratio	16.85	14.91
Price/Book Ratio	2.29	2.14
5 Yr. EPS Growth Rate (%)	10.46	13.03
Current Yield (%)	2.97	3.02
Beta (5 Years, Monthly)	0.98	1.00
Number of Securities	1,109	6,092



Allocation to "Other" consists of holdings domiciled in countries/regions that do not meet economic development, size, liquidity, or market accessibility criteria as defined by the MSCI region standards.



December 31, 2014 : \$828



	Market Value (\$M)	Allocation (%)
Delaware Emerging Markets Equity (SA)	252	30.46
Martin Currie Emerging Markets Equity (SA)	234	28.29
BlackRock Emg Mkts Index (CF)	143	17.30
Ashmore Emerging Small Cap Equity (SA)	118	14.24
GlobeFlex Emerging Small Cap (SA)	80	9.71

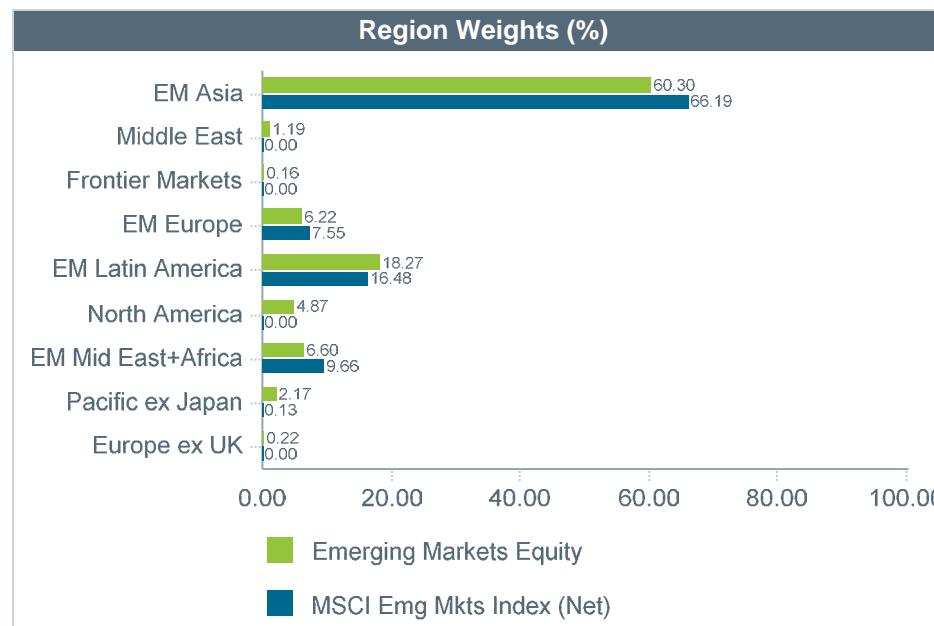
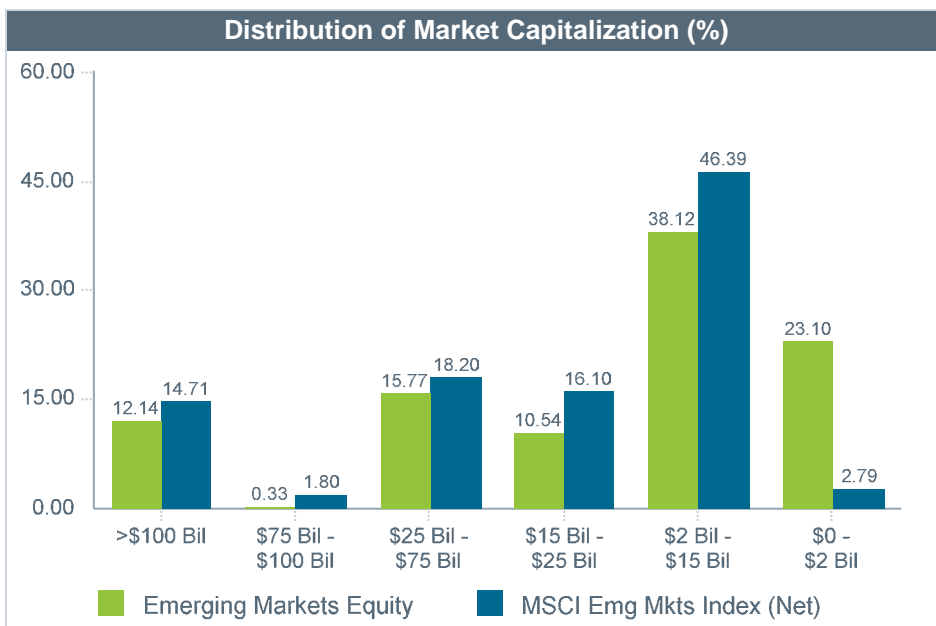
Allocations shown may not sum up to 100% exactly due to rounding.

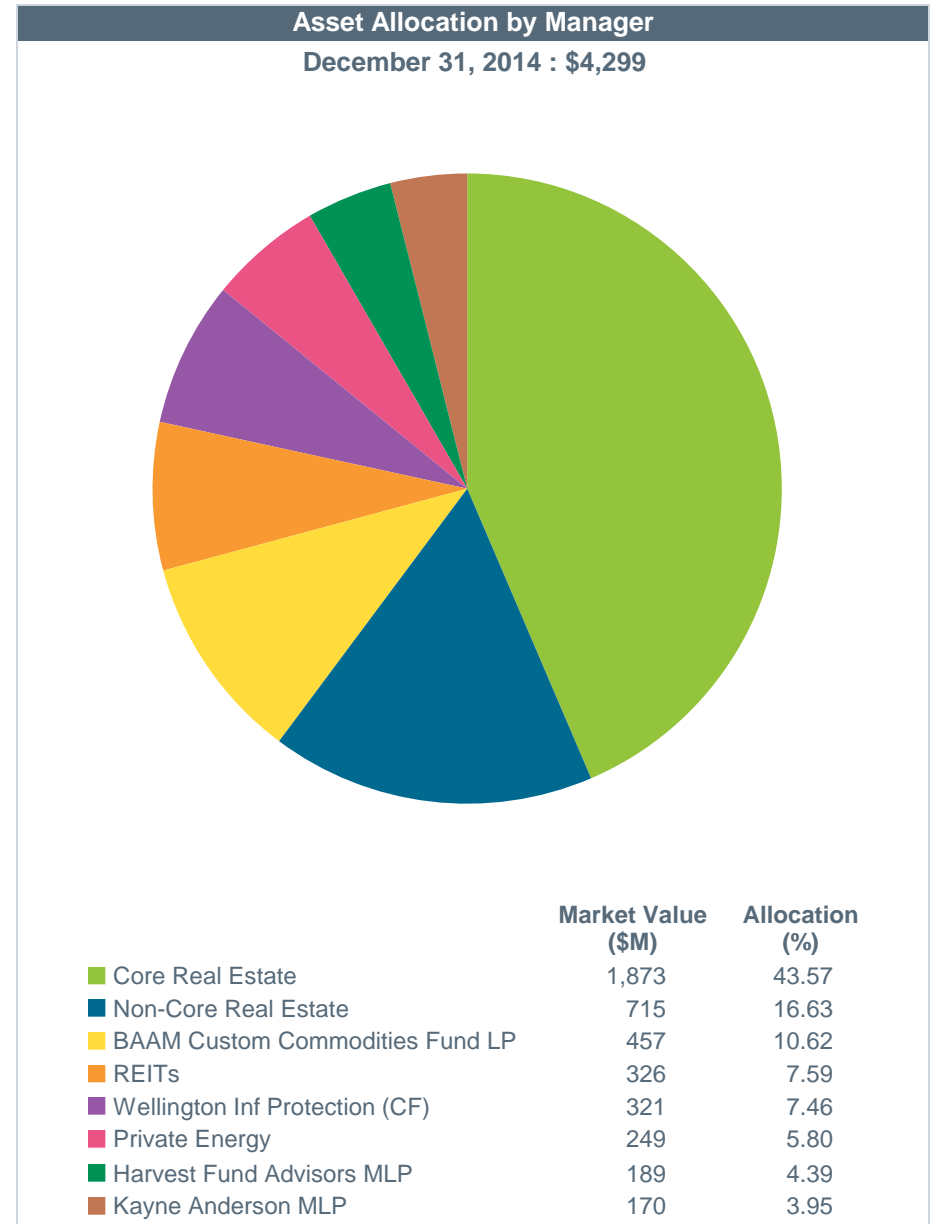
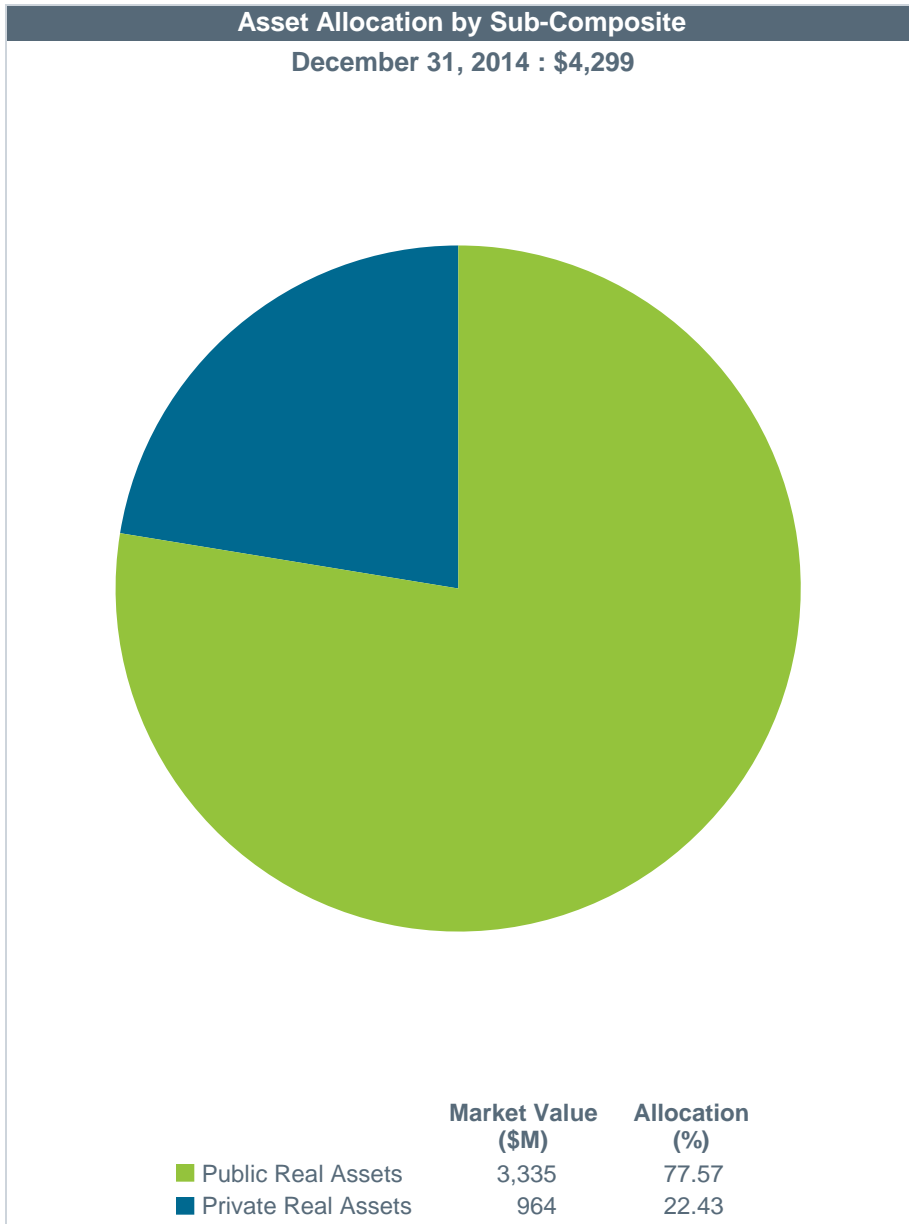
Commonwealth of Pennsylvania State Employees' Retirement System
 Emerging Markets Equity vs. MSCI Emg Mkts Index (Net)
 Portfolio Characteristics

As of December 31, 2014

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Samsung Electronics Co Ltd	4.20	3.52	0.68	9.64
iShares MSCI India ETF	2.57	0.00	2.57	-0.71
Industrial & Commercial Bank of China Ltd	1.97	1.41	0.56	17.11
Baidu Inc	1.81	0.00	1.81	4.46
Taiwan Semiconductor Mfg	1.59	2.88	-1.29	13.05
Taiwan Semiconductor Mfg (ADR)	1.51	2.88	-1.37	10.90
Naspers Ltd	1.32	1.36	-0.04	18.96
Tencent Holdings LTD	1.28	1.96	-0.68	-2.46
Reliance Industries Ltd	1.28	0.48	0.80	-7.54
SK Telecom Co Ltd	1.27	0.06	1.21	-10.98
% of Portfolio	18.80	14.55		

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	32,863	41,144
Median Mkt. Cap (\$M)	4,104	5,233
Price/Earnings Ratio	11.56	11.80
Price/Book Ratio	2.00	2.10
5 Yr. EPS Growth Rate (%)	15.68	15.79
Current Yield (%)	2.37	2.77
Beta (5 Years, Monthly)	1.01	1.00
Number of Securities	1,108	834



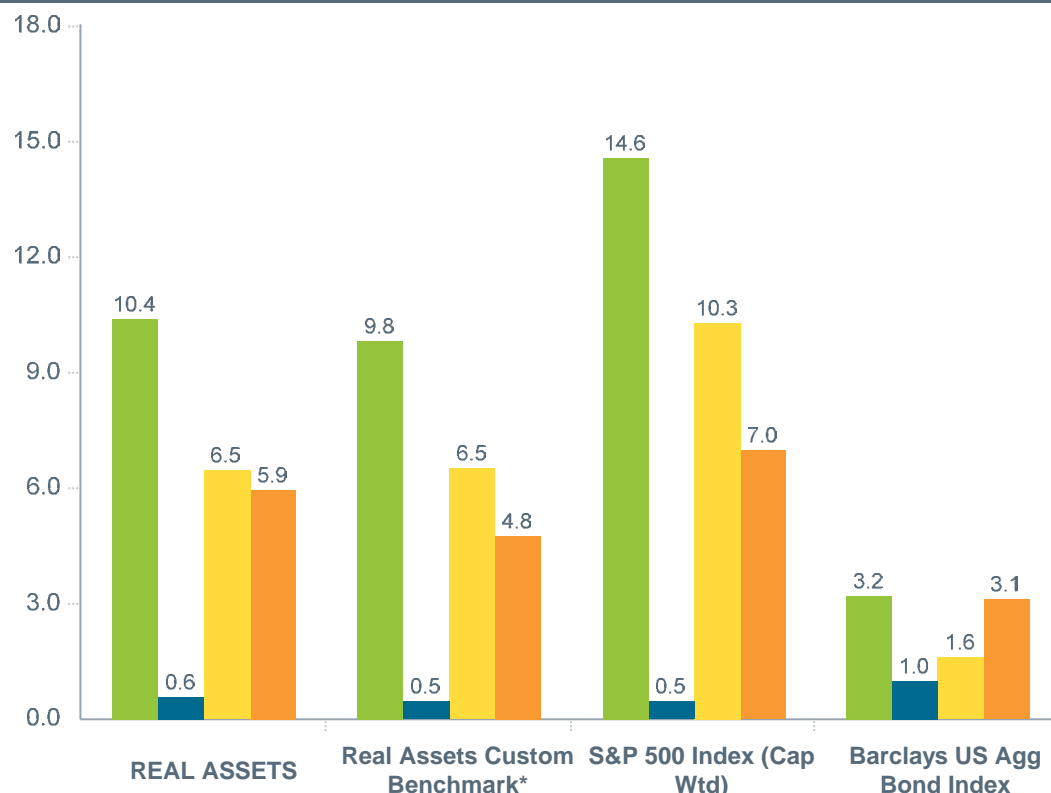


Allocations shown may not sum up to 100% exactly due to rounding.

Comparative Performance

	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2013	2012	2011	Since Incep.	Inception Date
REAL ASSETS	-1.4	6.3	6.3	7.6	7.3	0.6	7.2	8.0	8.6	6.0	7.6	01/01/1984
Real Assets Custom Benchmark*	-2.2	5.4	5.4	8.6	8.5	1.1	6.0	9.1	11.5	7.3	6.5	
Difference	0.8	0.9	0.9	-1.0	-1.2	-0.5	1.2	-1.1	-2.9	-1.3	1.1	

Historical Statistics - 10 Years



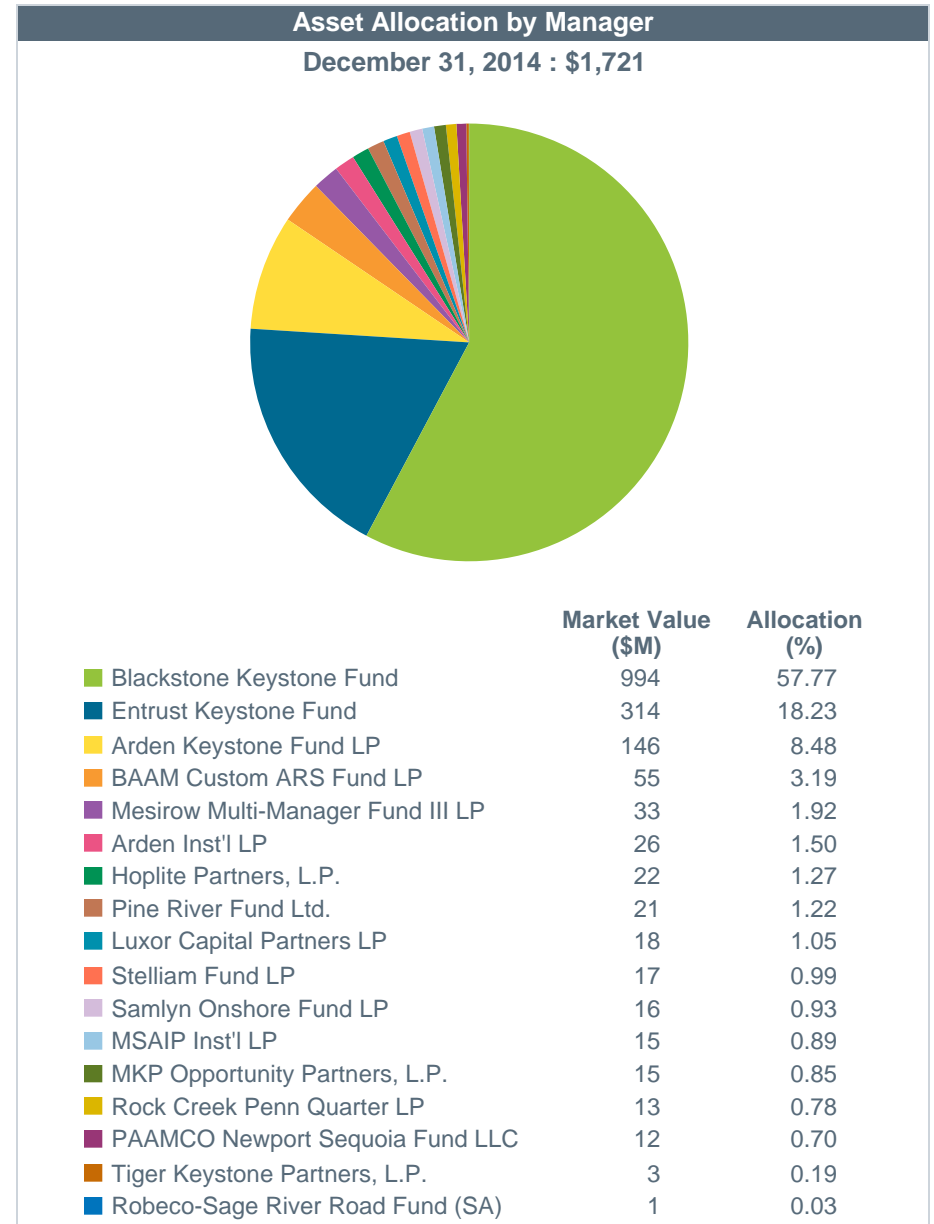
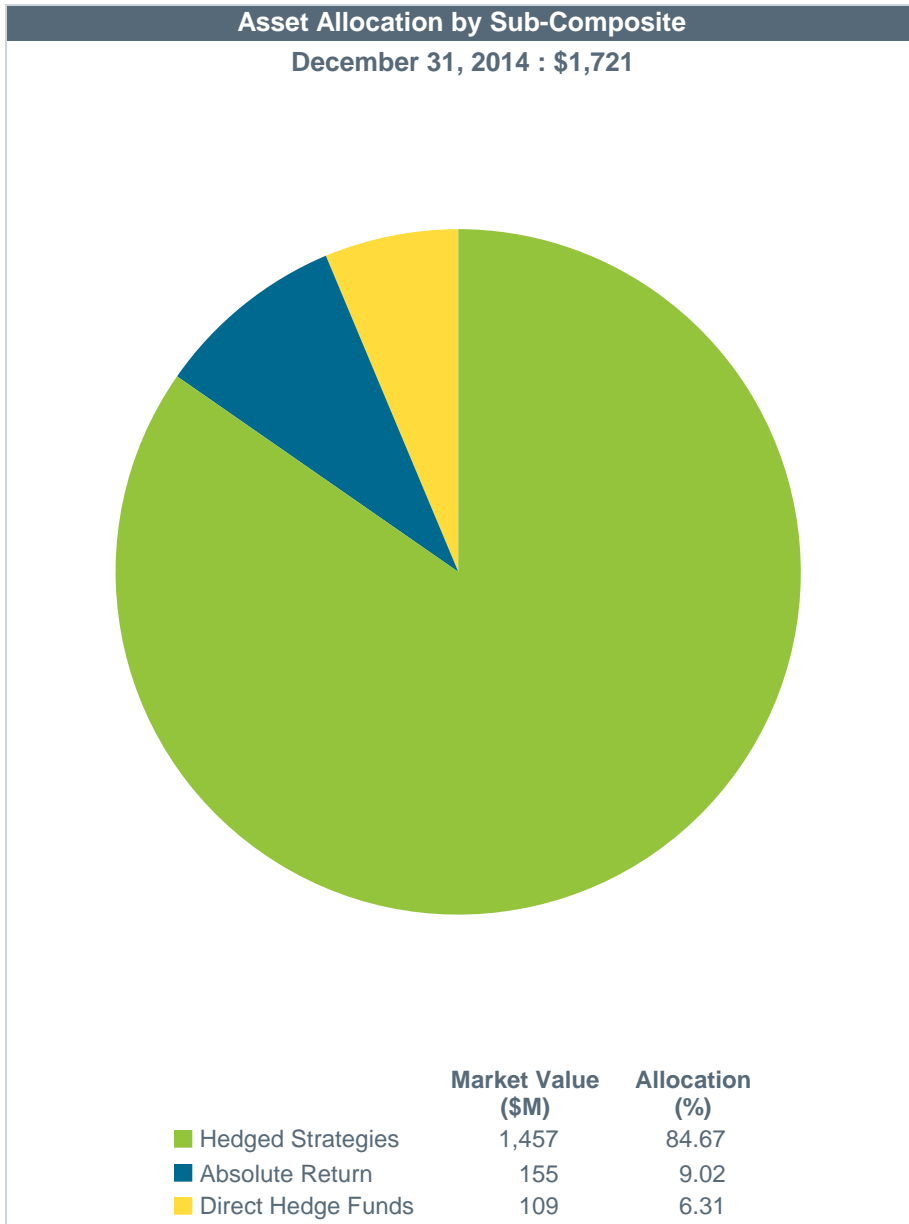
Standard Deviation	10.4	9.8	14.6	3.2
Sharpe Ratio	0.6	0.5	0.5	1.0
Downside Risk	6.5	6.5	10.3	1.6
Excess Return	5.9	4.8	7.0	3.1

Actual Correlation - 10 Years

	Actual Correlation
Real Assets Custom Benchmark*	0.94
S&P 500 Index (Cap Wtd)	-0.01
R 2000 Index	-0.02
MSCI EAFE Index (Net)	0.06
MSCI Emg Mkts Index (Net)	0.03
Barclays US Agg Bond Index	-0.34
Barclays US Trsy: US TIPS Index	-0.25
Wilshire US REIT Index	-0.14
HFN FOF Multi-Strat Index (Net)	0.24
Bloomberg Cmdty Index (TR)	0.23
3 Mo US T-Bill Index	0.21
Consumer Price Index	0.29

Performance shown is net of fees. Calculation is based on monthly periodicity.
*Please see Addendum for the complete history of the benchmark.
Excess Return statistic is calculated against the BofA ML 3 Mo US T-Bill Index.



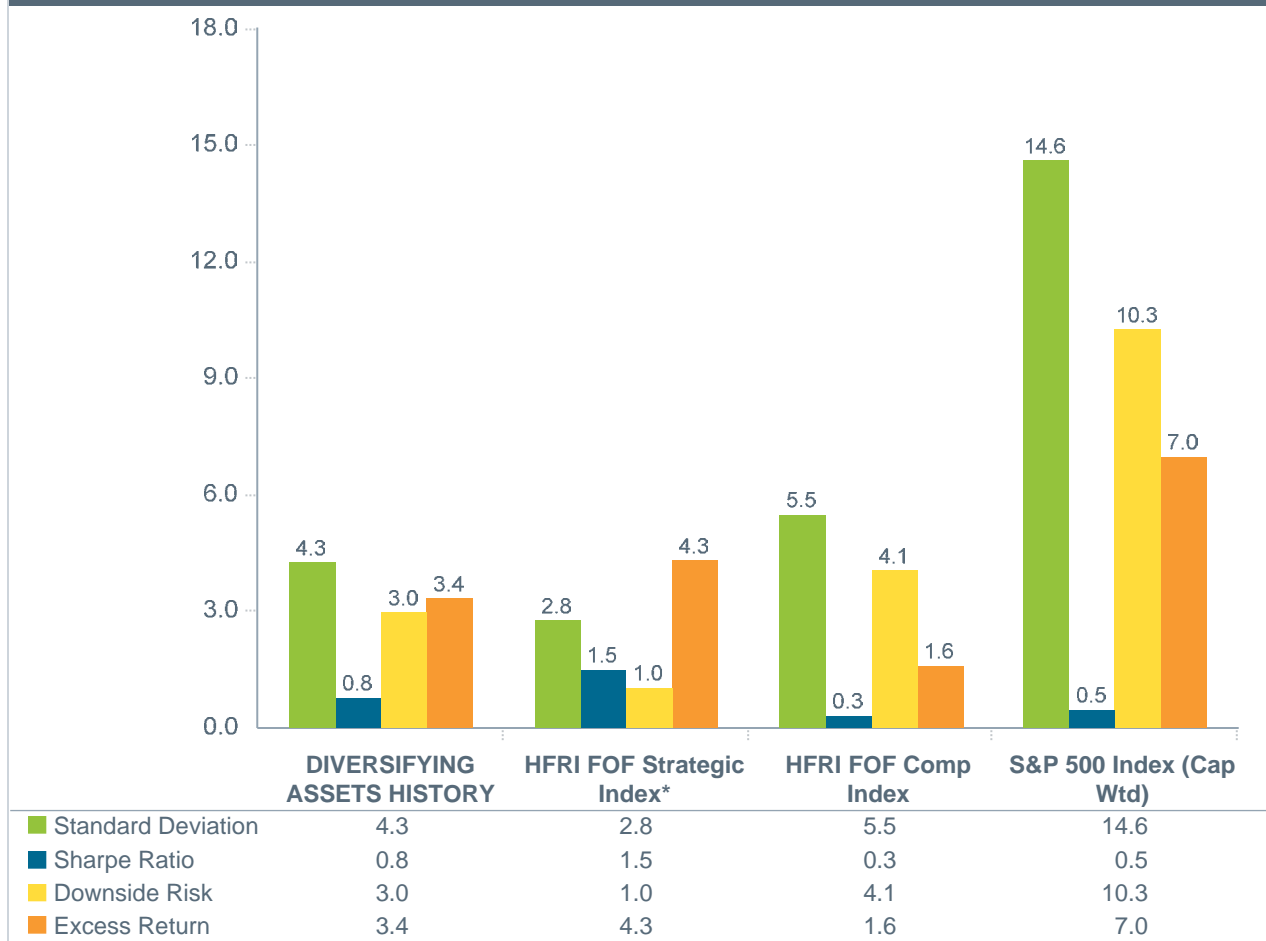


Allocations shown may not sum up to 100% exactly due to rounding.

Comparative Performance

	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2013	2012	2011	Since Incep.	Inception Date
DIVERSIFYING ASSETS HISTORY	0.9	6.7	6.7	8.8	6.1	3.6	4.9	11.2	8.6	-1.8	5.2	01/01/2002
HFRI FOF Strategic Index*	1.0	4.1	4.1	10.7	7.7	6.6	6.0	22.2	6.6	3.3	4.9	
Difference	-0.1	2.6	2.6	-1.9	-1.6	-3.0	-1.1	-11.0	2.0	-5.1	0.3	

Historical Statistics - 10 Years

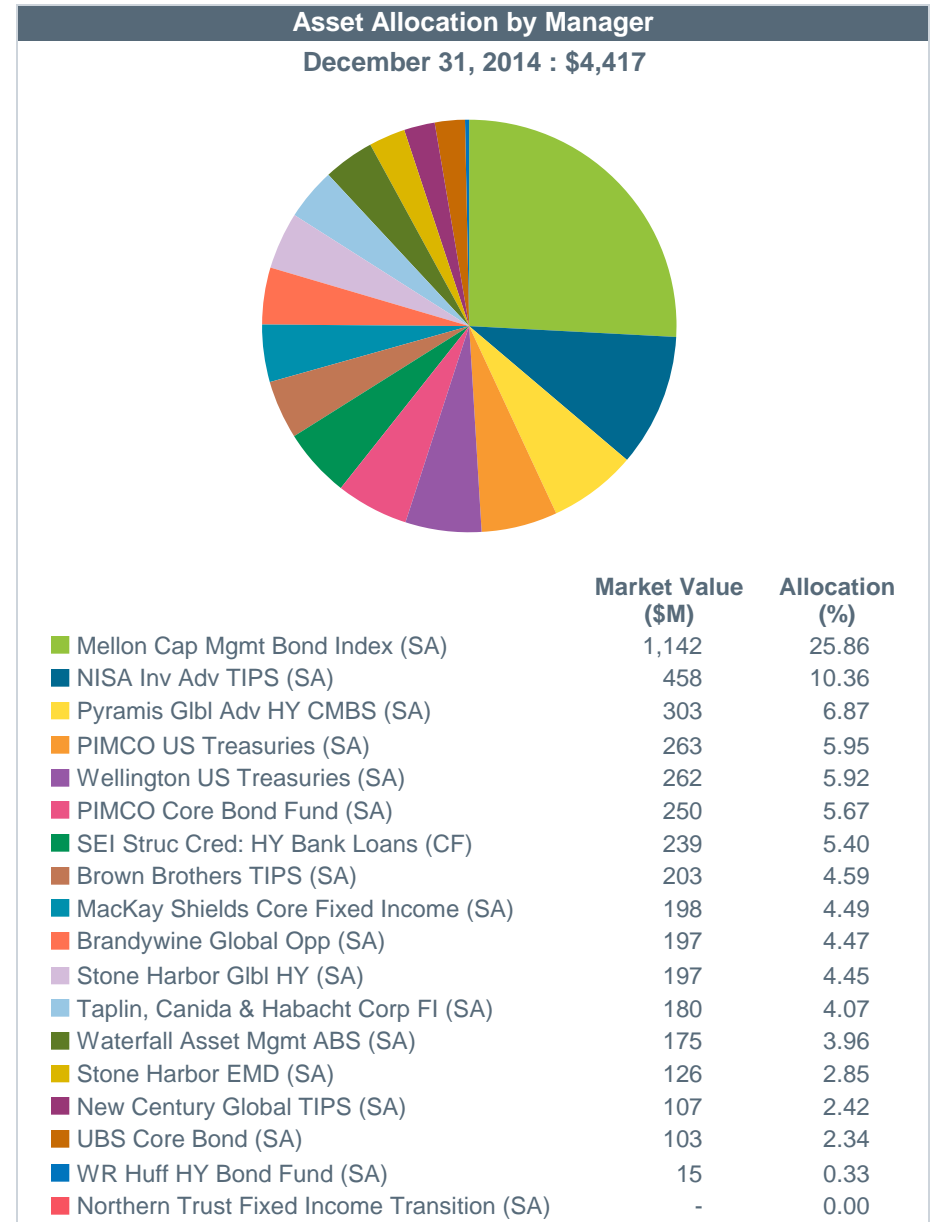
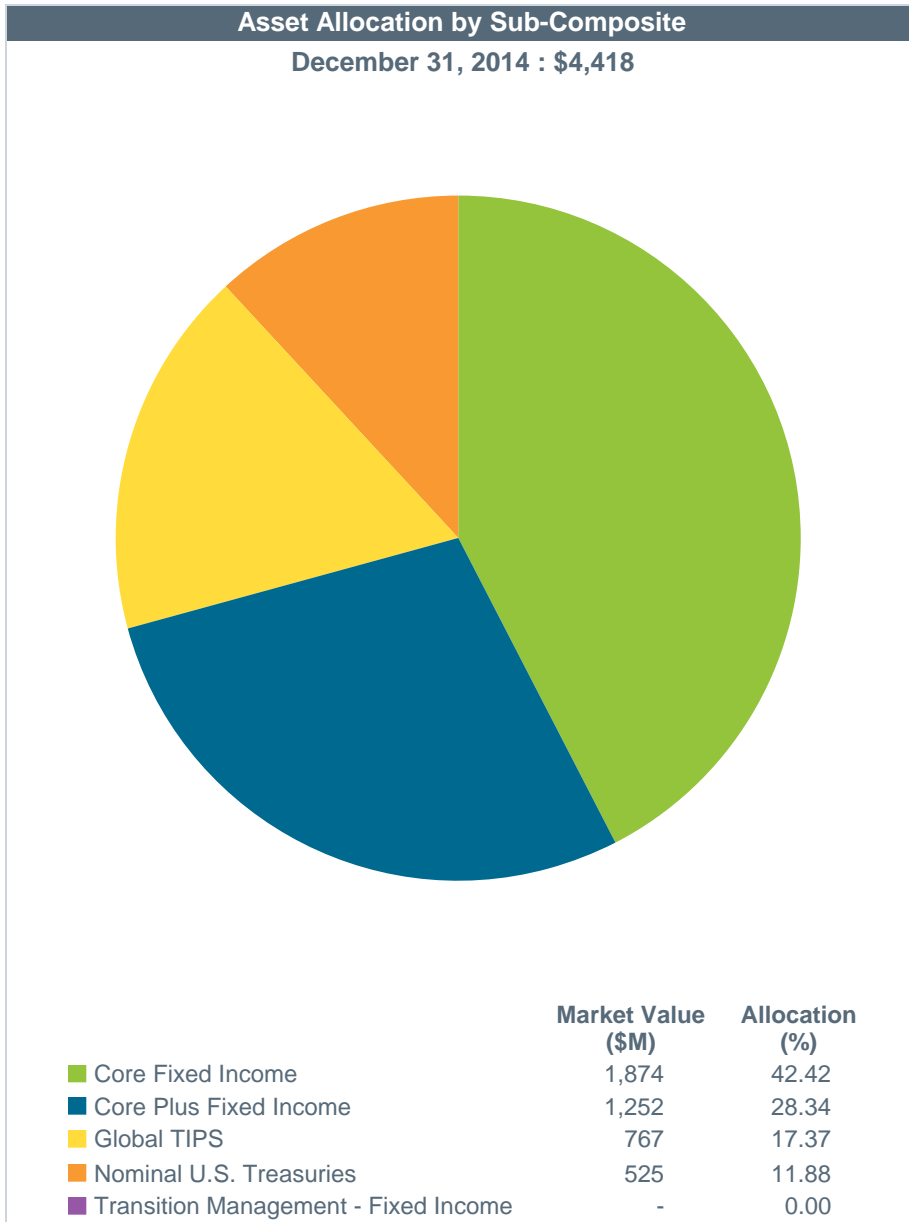


Actual Correlation - 10 Years

	Actual Correlation
HFRI FOF Strategic Index*	0.27
HFRI FOF Strategic Index	0.91
HFRI FOF Comp Index	0.94
S&P 500 Index (Cap Wtd)	0.59
R 2000 Index	0.53
MSCI EAFE Index (Net)	0.66
MSCI Emg Mkts Index (Net)	0.65
Barclays US Agg Bond Index	-0.09
Barclays US Trsy: US TIPS Index	0.14
Wilshire US REIT Index	0.29
HFN FOF Multi-Strat Index (Net)	0.93
Bloomberg Cmdty Index (TR)	0.58
3 Mo US T-Bill Index	-0.08
Consumer Price Index	0.26

Performance shown is net of fees. Calculation is based on monthly periodicity. *Please see Addendum for the complete history of the benchmark. Excess Return statistic is calculated against the BofA ML 3 Mo US T-Bill Index. Performance for DIVERSIFYING ASSETS HISTORY is for reference purposes only.



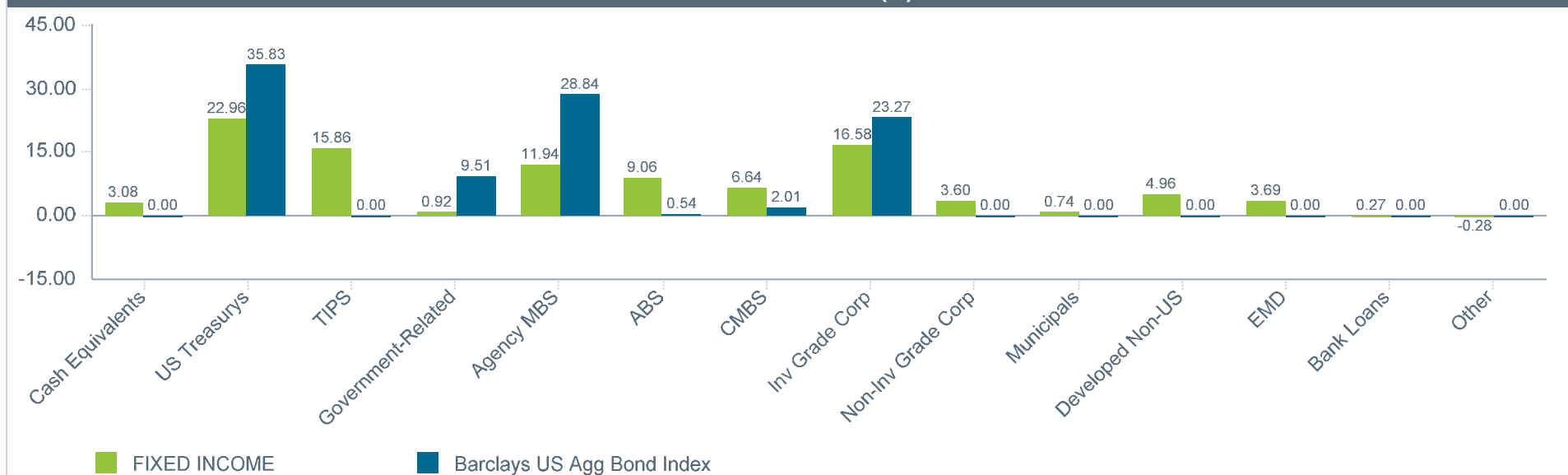


Allocations shown may not sum up to 100% exactly due to rounding. Asset Allocation by Manager excludes liquidating accounts.

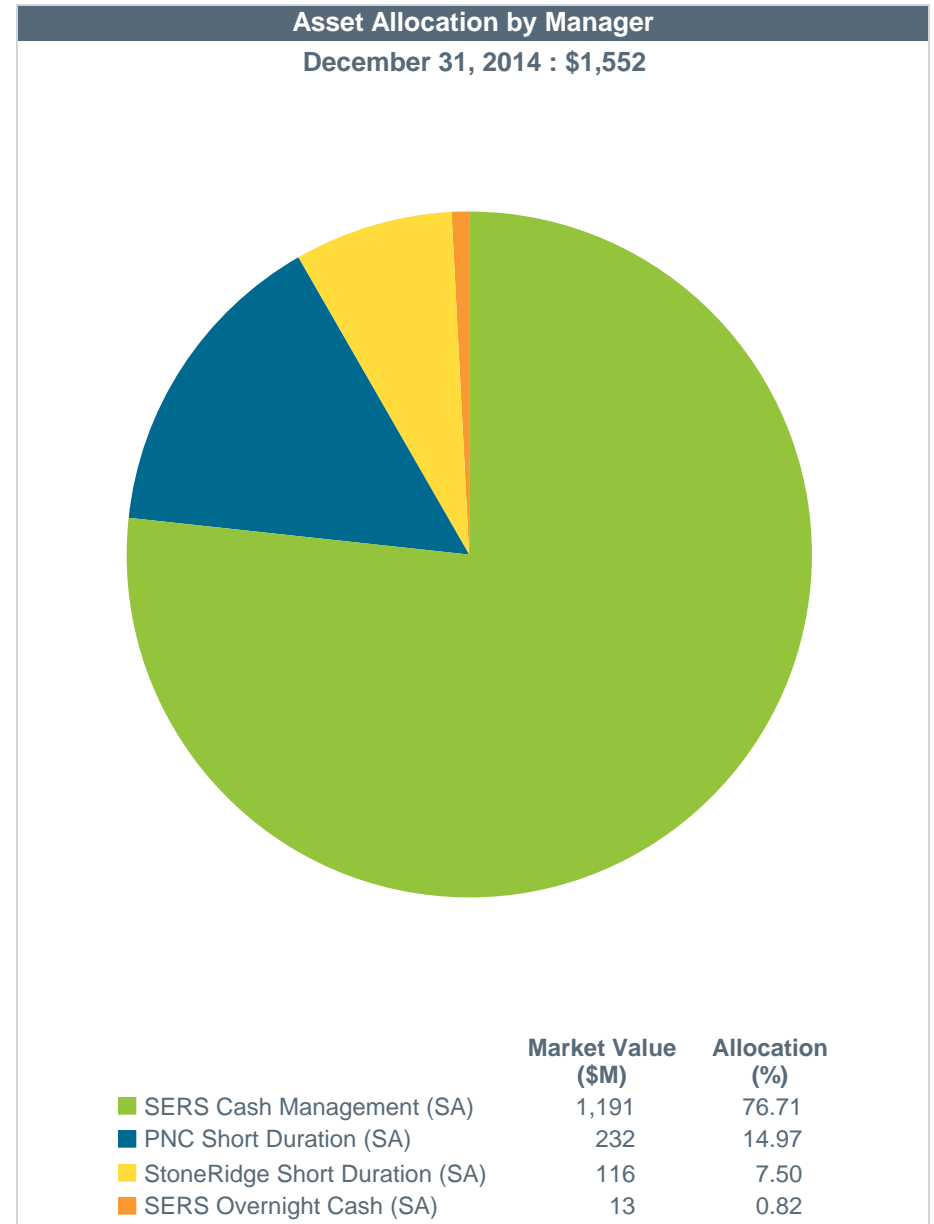
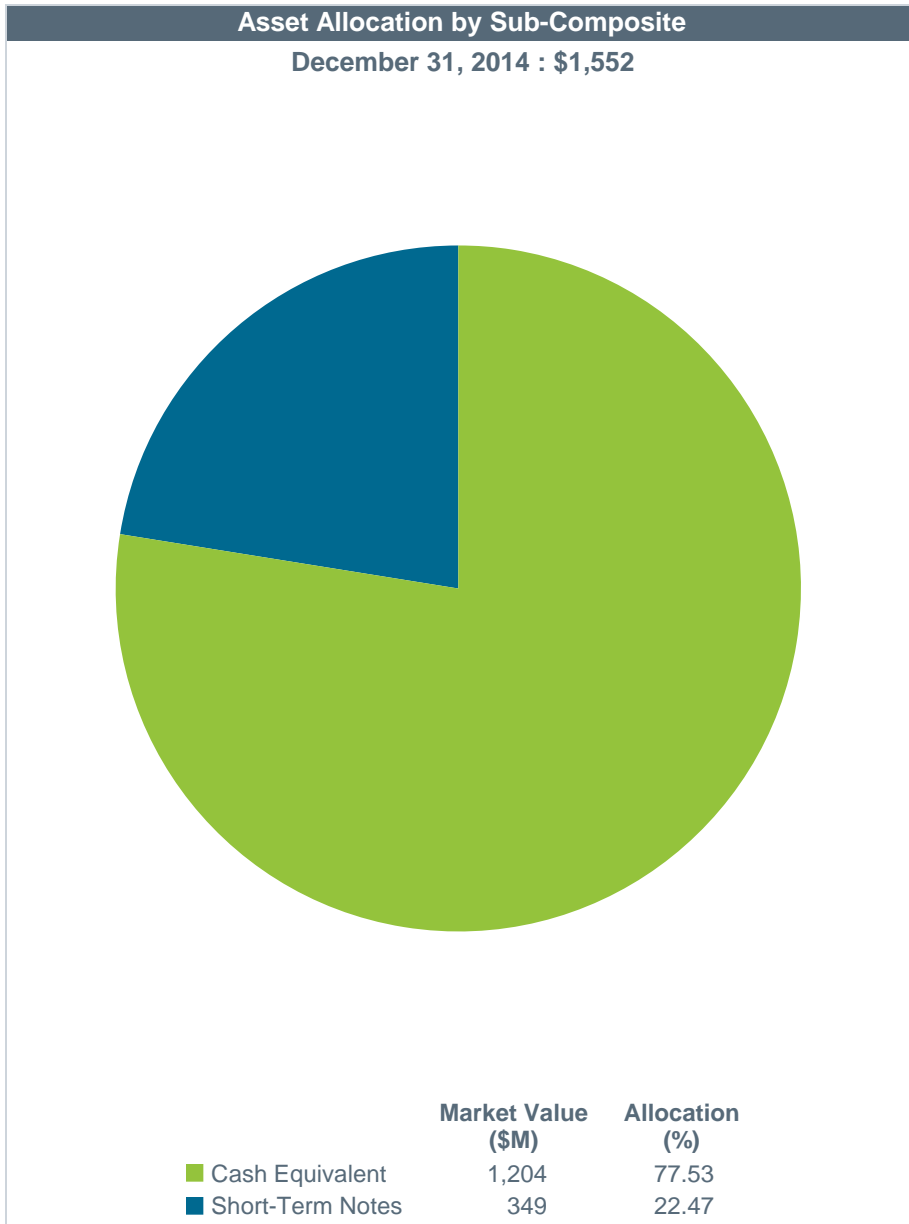
Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	6.28	5.55
Avg. Maturity	8.80	7.69
Avg. Quality	A1	Aa1/Aa2
Yield To Maturity (%)	3.30	2.25

Sector Distribution (%)

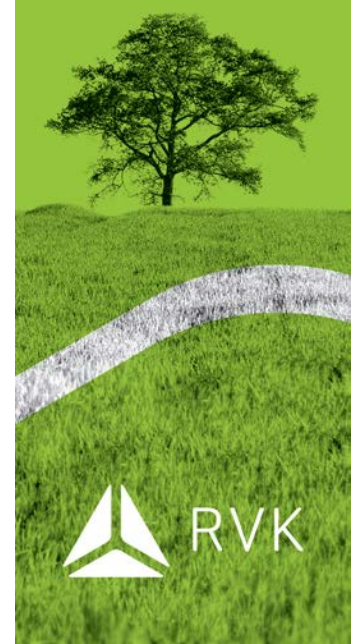


Allocation to "Other" consists of equity, warrants, accrued interest, unrealized G/L on forwards, high yield and other securitized products. Negative sector allocation reflects managers' use of derivatives. Data shown does not include liquidating accounts and fixed income transition accounts. Effective Duration, Average Quality, and Yield to Maturity statistics have been estimated using the manager's benchmark when statistics are not provided by the manager.



Allocations shown may not sum up to 100% exactly due to rounding.

Capital Markets Review

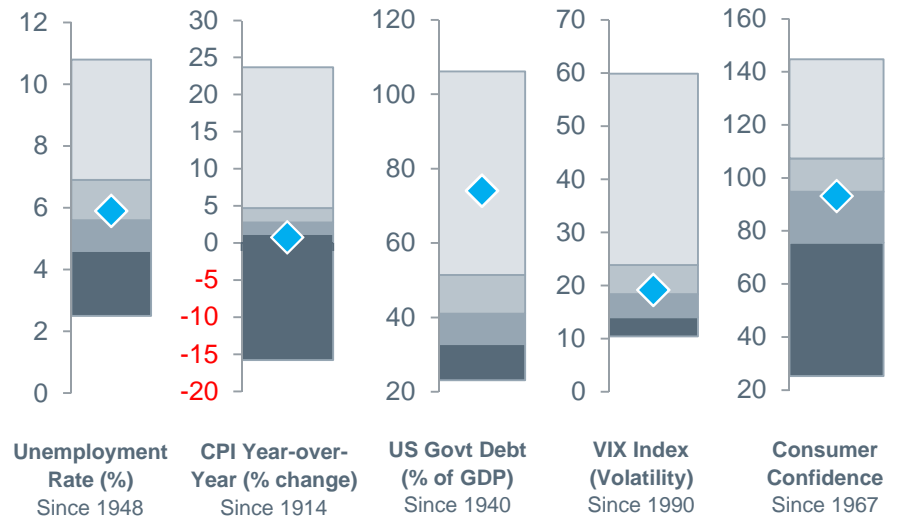


Fourth Quarter Economic Environment

Key Economic Indicators

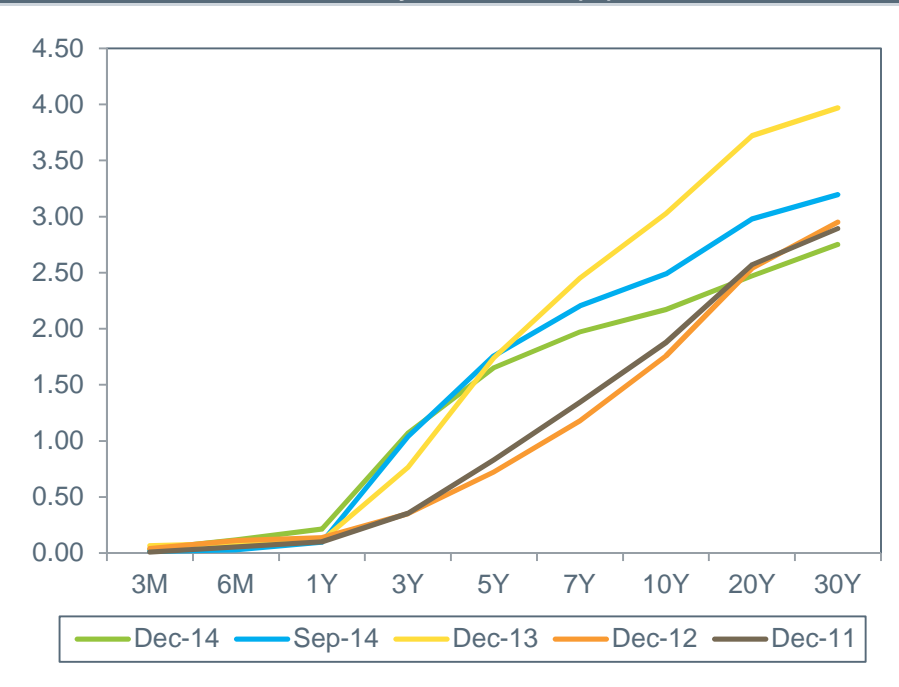
Multiple periods of heightened volatility hit global markets in Q4. However, a strengthening of the U.S. dollar combined with rapidly falling oil prices caused domestic markets to decouple from international markets. The U.S. economy continues to show strength compared to foreign regions. Non-farm payroll jobs increased at an average monthly rate of 289,000 rounding out the strongest year of job gains since 1999. Furthermore, the unemployment rate continued to decline, ending the year at 5.6%. While market participants continue to forecast interest rate hikes by mid-2015, further signs of disinflation could push the date out further. Economic developments in Europe and emerging economies were less impressive. European monetary policy has proven successful in recapitalizing the banking system; however, lending remains constrained due to weak loan demand from the private sector. Within emerging economies, falling oil prices and a rising U.S. dollar have led to renewed concerns over possible balance of payments issues and capital flight.

Key Economic Indicators



Economic Indicators	Dec-14	Sep-14	Dec-13	Dec-11	20 Yr
Federal Funds Rate (%)	0.06 ▼	0.07	0.07	0.04	2.85
Breakeven Infl. - 1 Yr (%)	-0.21 ▼	-0.19	1.50	1.22	1.14
Breakeven Infl. - 10 Yr (%)	1.68 ▼	1.97	2.23	1.95	2.05
CPI YoY (Headline) (%)	0.80 ▼	1.70	1.50	3.00	2.38
Unemployment Rate (%)	5.60 ▼	5.90	6.70	8.50	6.01
Real GDP YoY (%)	2.50 ▼	2.70	3.10	1.70	2.47
PMI - Manufacturing	53.50 ▼	56.10	56.10	52.80	52.03
USD Total Wtd Idx (%)	85.13 ▲	81.09	76.20	73.35	86.26
WTI Crude Oil per Barrel (\$)	53 ▼	91	98	99	53.51
Gold Spot per Oz (\$)	1,185 ▼	1,208	1,206	1,564	704

Treasury Yield Curve (%)



Market Performance (%)	QTD	YTD	1 Yr	5 Yr	10 Yr
S&P 500 (Cap Wtd)	4.93	13.69	13.69	15.45	7.67
Russell 2000	9.73	4.89	4.89	15.54	7.77
MSCI EAFE (Net)	-3.57	-4.90	-4.90	5.33	4.43
MSCI EAFE SC (Net)	-2.27	-4.95	-4.95	8.63	6.04
MSCI Emg Mkts (Net)	-4.50	-2.19	-2.19	1.78	8.43
Barclays US Agg Bond	1.79	5.97	5.97	4.45	4.71
BofA ML 3 Mo US T-Bill	0.00	0.04	0.04	0.09	1.54
NCREIF ODCE (Gross)	3.26	12.50	12.50	13.93	7.10
Wilshire US REIT	15.13	31.78	31.78	17.26	8.26
HFN FOF Multi-Strat	0.67	3.03	3.03	3.12	2.75
Bloomberg Cmtdy (TR)	-12.10	-17.01	-17.01	-5.53	-1.86

Treasury data courtesy of the U.S. Department of the Treasury. Economic data courtesy of Bloomberg Professional Service.

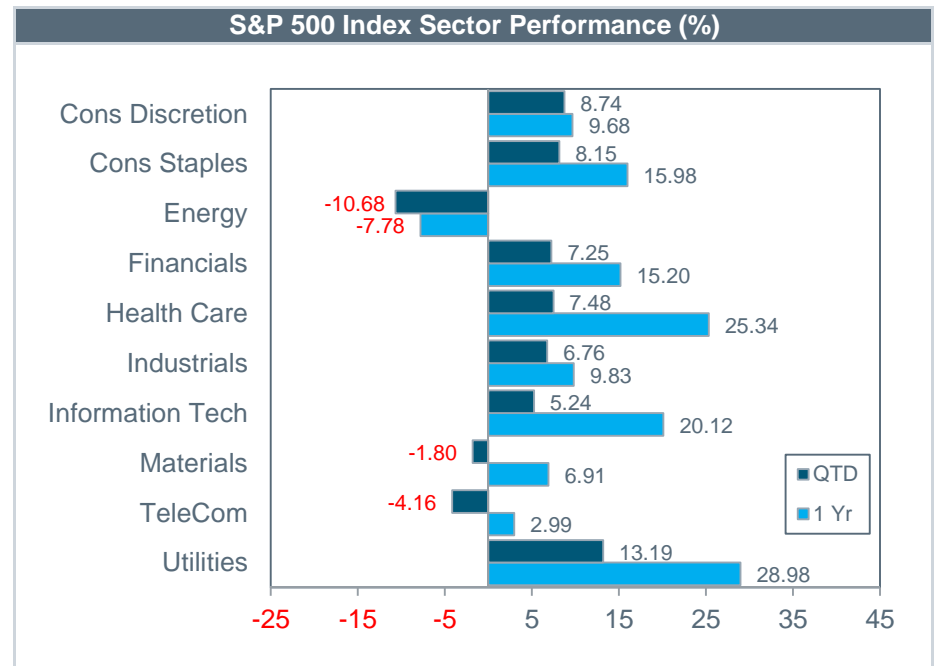
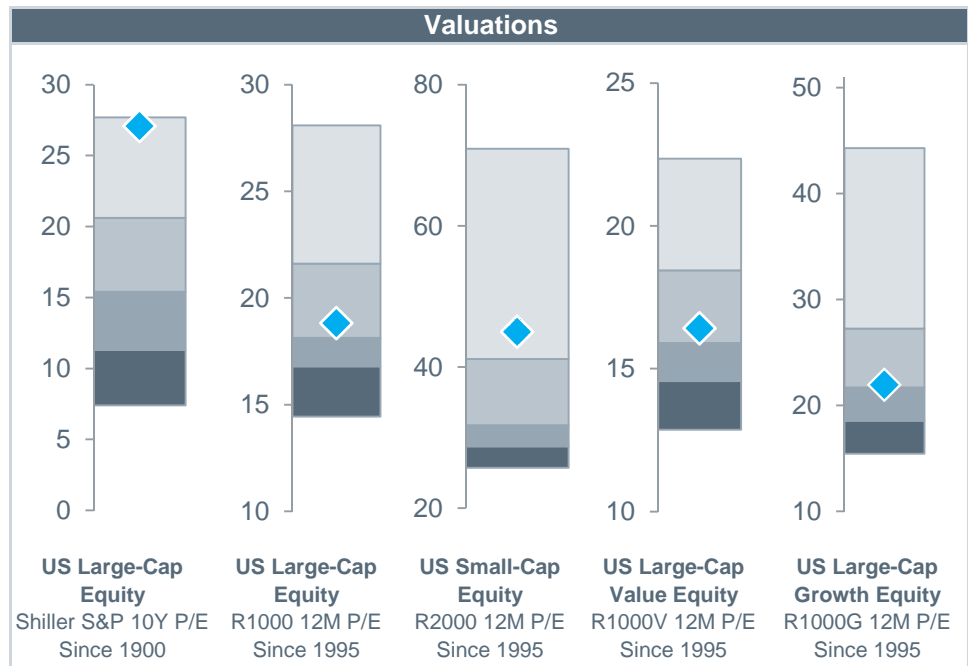
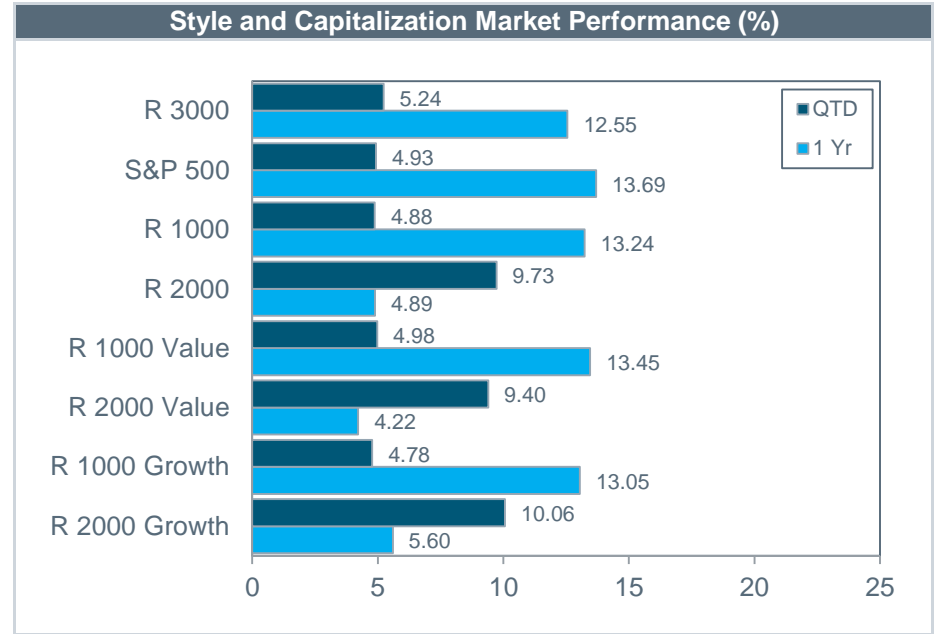
Fourth Quarter Review

Broad Market
 The U.S. equity market rallied significantly in October and November, supported by a revised Q3 GDP growth estimate of 5%.

Market Cap
 As the risk appetite of investors increased during the quarter, small-cap stocks outpaced the mid- and large-cap segments with a spread of nearly 500 basis points between the Russell 2000 and Russell 1000. This represented a trend reversal, as small-cap underperformed large-cap earlier in 2014.

Style
 Value stocks finished the year on a positive note with the spread between the Russell 3000 Value and Russell 3000 Growth increasing by 26 basis points for the year.

Sector
 Due to a spike in volatility and anticipation of interest rate declines, high dividend stocks outperformed lower yielding stocks, with the strongest results in the Utilities sector. Energy stocks lagged the general market significantly for the quarter.



Valuation data courtesy of Bloomberg Professional Service and Robert J. Shiller, Irrational Exuberance, Second Edition. P/E metrics shown represent the 5th through 95th percentiles to minimize the effect of outliers.

Fourth Quarter Review

Broad Market

Poor performance plagued developed international markets across the board, while emerging economies were hurt by deflationary headwinds from an oversupply of oil and weaker than expected demand in developed countries.

Market Cap & Style

Small-cap outperformed for the quarter but was in line with large-cap for the full year. Growth stocks significantly outperformed value for the quarter and finished ahead of value stocks over the calendar year.

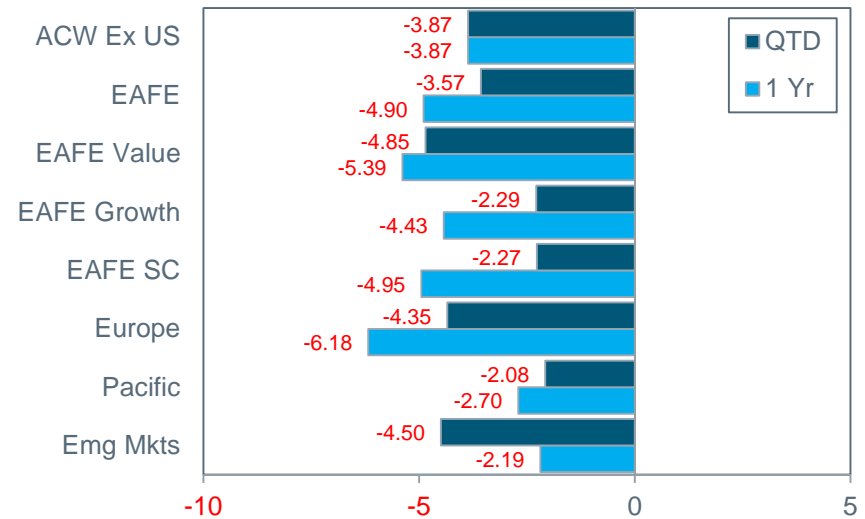
Developed Markets

One of the only bright spots in the developed world was Hong Kong. In September, China announced reforms to the Hong Kong electoral system which spurred protests. Upon the dissolution of the protests in December, the market moved into positive territory.

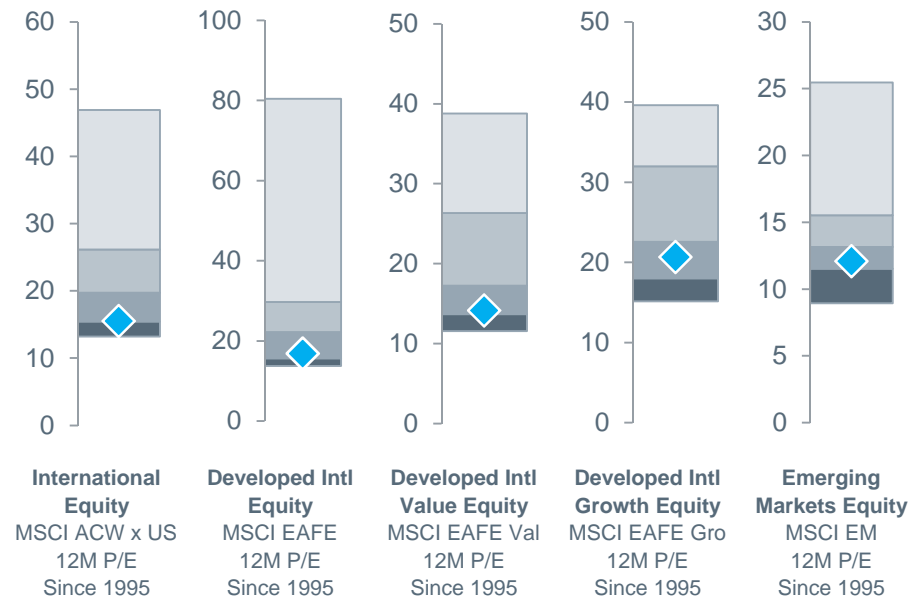
Emerging Markets

Emerging and frontier markets returned less than their developed counterparts. Russia, which was impacted by collapsing oil prices and increased Ukraine-related economic sanctions, was the worst performer.

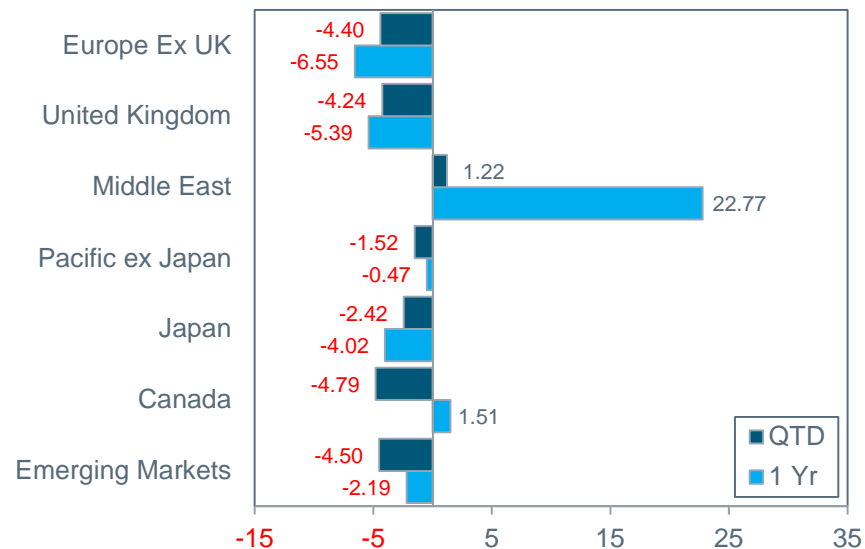
MSCI Style and Capitalization Market Performance (%)



Valuations



MSCI Region Performance (%)



Valuation data courtesy of Bloomberg Professional Service. P/E metrics shown represent the 5th through 95th percentiles to minimize the effect of outliers. All returns are shown net of foreign taxes on dividends.

Fourth Quarter Review

Broad Market

U.S. fixed income performed modestly well as the treasury yield curve flattened over the quarter. The Barclays U.S. Aggregate Index returned 1.8% for the quarter, ending 2014 with a return above its 5- and 10-year averages. 2014 was the second least volatile year since the inception of the Barclays U.S. Aggregate Index.

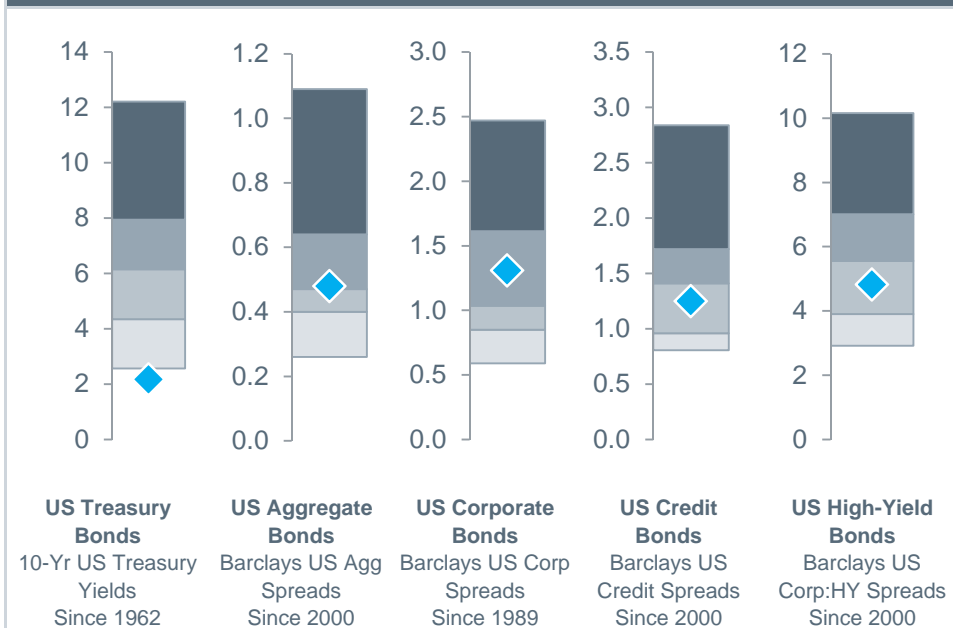
US Treasury Market

Long duration treasuries outperformed intermediate duration by 765 basis points as the market favored duration and quality.

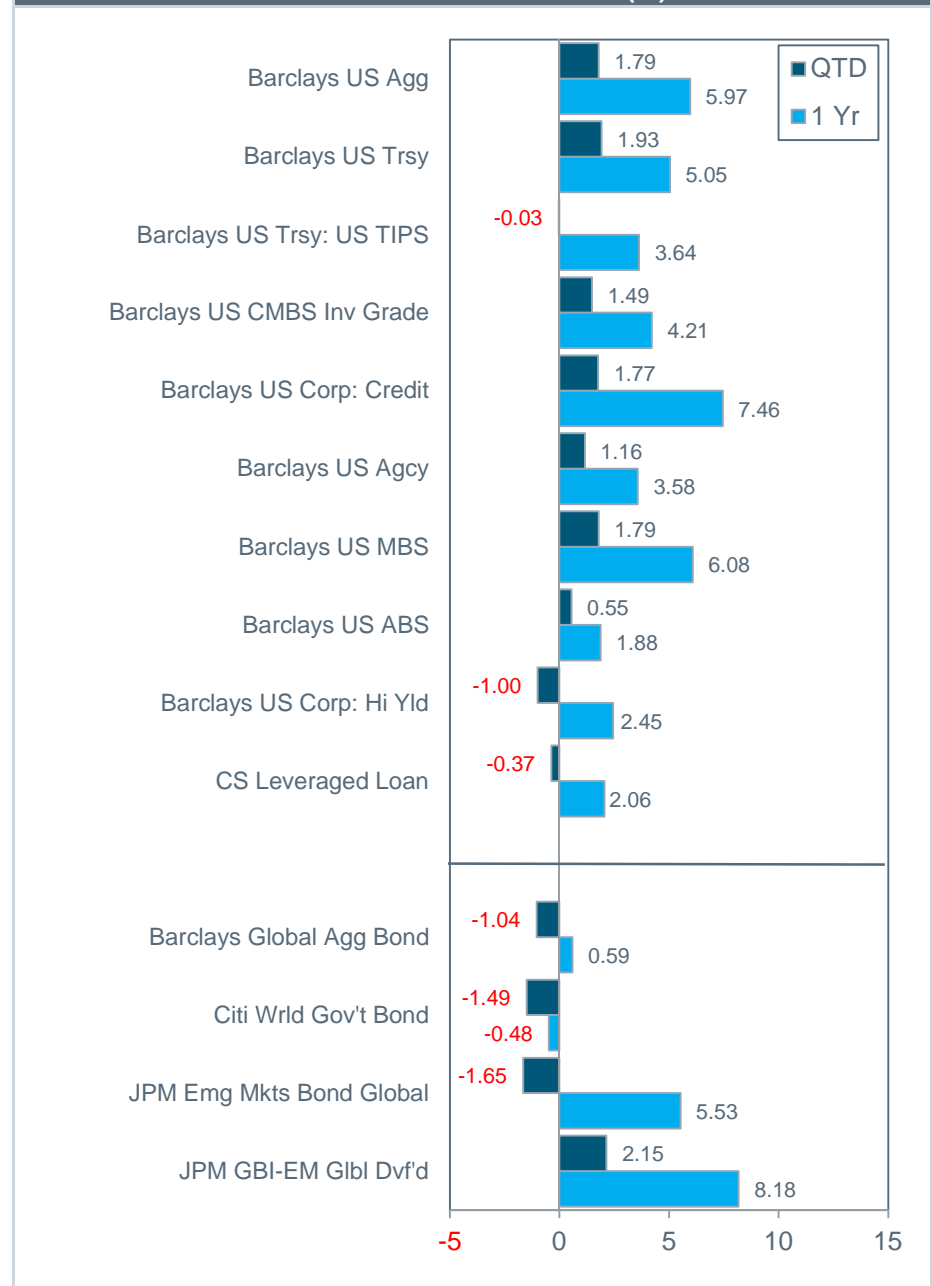
Foreign Currency

As the U.S. dollar strengthened, exposure to foreign currency impacted returns. The hedged Barclays Global Aggregate Bond Index outperformed the unhedged version by 324 basis points in Q4 and 700 basis points for the year. Excluding currency effects, the government bonds of other developed countries performed similarly to U.S. Treasuries. However, emerging markets debt (EMD) underperformed due to the recent market bias toward quality. Local currency EMD has suffered doubly due to foreign currency exposure.

Valuations



Fixed Income Performance (%)



Valuation data courtesy of Bloomberg Professional Service.

Valuations shown represent the 5th through 95th percentiles to minimize the effect of outliers.

Fourth Quarter Review - Absolute Return

General Market - Hedge Funds

Funds with concentration in event-oriented themes suffered due to two developments in Q4. As such, hedge funds experienced larger than expected losses during the volatile, early half of October, and failed to rebound by quarter end. Generally, long/short equity funds maintained or added to long exposures during the October bottom, which helped these funds earn positive returns in November and December.

General Market - Global Tactical Asset Allocation (GTAA)

In the fourth quarter, GTAA managers with fewer benchmark constraints underperformed more-traditional asset allocations such as a static 60/40 portfolio. In all, 2014 was a difficult year for GTAA managers, as exposure to foreign developed and emerging market equities weighed on performance. Managers with valuation driven asset allocation processes continued to find attractive valuations in emerging and developed foreign equity markets relative to U.S. equities. However, strategies that maintain heavier U.S. equity and fixed income exposure have continued to outperform globally-oriented peers.

Fourth Quarter Review - Real Assets

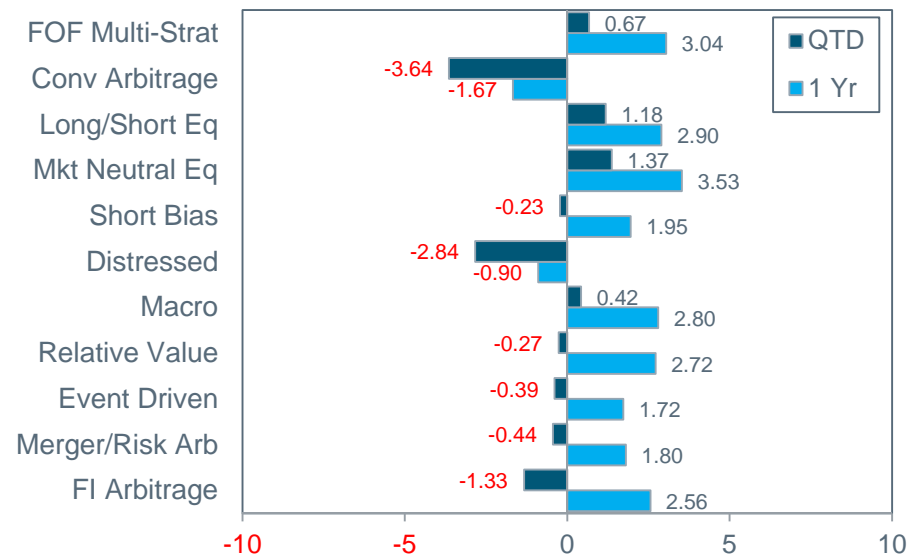
General Market - Diversified Inflation Strategies (DIS)

Few bright spots existed for diversified inflation strategies (DIS) in Q4 as inflation expectations continued to fall. The historic decrease in oil prices and commodities detracted significantly from the returns of many managers. The Goldman Sachs Commodities Index finished the year down 33.1%, losing 27.7% in the fourth quarter. Natural Resources equities depreciated over 10% after a second straight negative quarter.

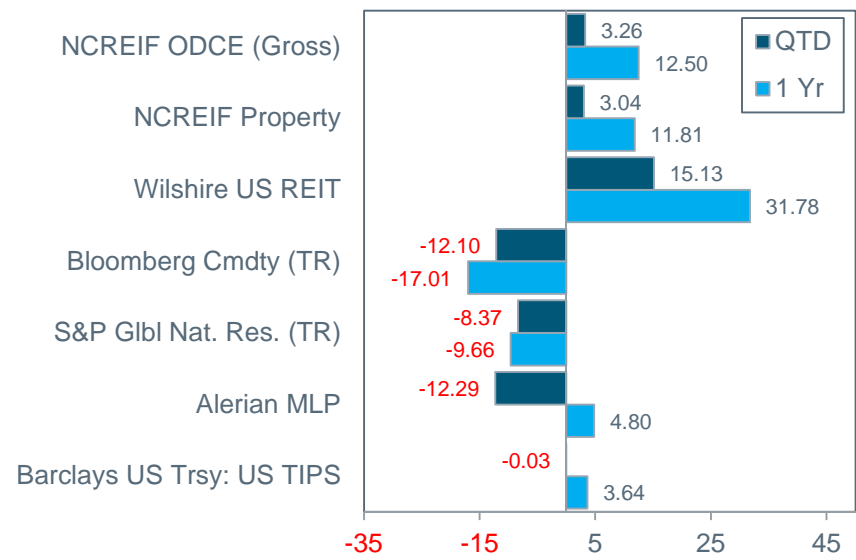
General Market - Real Estate

Performance in the U.S. Core Real Estate market capped off a strong year, as evidenced by a 3.3% preliminary total return in Q4 for the NCREIF-ODCE index, resulting in a 12.5% return for the year. Additionally, publicly-traded real estate securities bounced back in Q4. The U.S. commercial real estate market showed continued improvement with drops in vacancy rates occurring in the office, industrial, and retail sectors. Private real estate investment reached an all-time high in 2014 with \$742 billion in assets under management.

HFN Hedge Fund Performance (%)



Real Asset Performance (%)



Annual Asset Class Performance

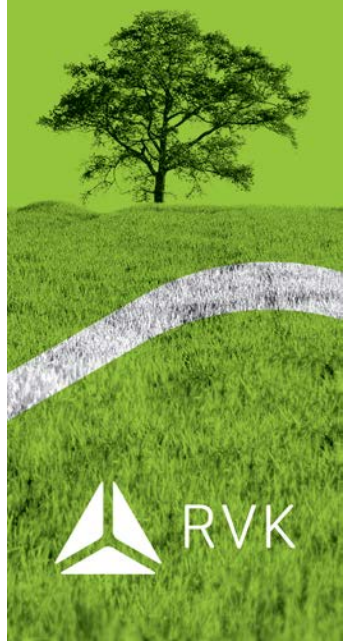
As of December 31, 2014

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Best	31.84	12.35	25.91	61.34	33.16	34.00	35.97	39.38	8.44	78.51	28.60	22.49	20.00	38.82	31.78
	31.04	8.44	16.56	55.81	31.45	26.19	32.18	16.23	5.24	58.21	26.86	15.99	18.23	32.39	19.31
	16.16	7.89	14.81	47.25	25.55	21.39	26.34	15.97	2.06	46.78	22.04	13.56	17.59	29.30	13.69
	14.28	7.28	10.25	38.59	20.25	21.36	19.31	11.63	-2.35	31.78	18.88	9.24	17.32	22.78	12.50
	13.15	6.61	5.54	36.18	18.33	13.82	18.37	11.17	-10.01	28.60	16.83	7.84	16.34	13.94	5.97
	12.40	5.64	3.58	28.97	13.06	13.54	16.32	9.91	-20.47	27.18	16.36	4.98	16.00	9.10	4.89
	11.63	5.28	3.12	28.68	11.13	6.75	15.79	6.97	-26.16	26.46	15.12	2.11	15.81	7.44	3.64
	6.18	4.42	1.78	23.93	10.88	5.33	11.85	6.60	-33.79	18.91	15.06	0.10	10.94	1.86	3.03
	-3.02	2.49	-1.41	11.93	9.15	4.91	9.85	5.49	-35.65	11.41	10.16	-4.18	8.82	0.07	2.45
	-5.86	-2.62	-6.17	9.28	8.56	4.55	4.85	5.00	-37.00	9.72	7.75	-5.55	6.98	-2.02	0.04
	-7.56	-11.89	-7.83	8.39	8.46	3.07	4.33	1.87	-39.20	5.93	6.54	-12.14	4.80	-2.60	-2.19
	-9.10	-12.53	-15.94	5.87	6.79	2.84	2.71	1.45	-43.38	1.92	6.31	-13.32	4.21	-8.61	-4.90
	-14.17	-19.51	-20.48	4.10	4.34	2.74	2.07	-1.57	-47.01	0.21	4.77	-15.94	0.11	-8.83	-4.95
Worst	-30.83	-21.44	-22.10	1.15	1.33	2.43	0.41	-17.55	-53.33	-29.76	0.13	-18.42	-1.06	-9.52	-17.01
	S&P 500 - US Large Cap	R 2000 - US Small Cap	MSCI EAFE (Net) - Int'l Dev.	MSCI EAFE SC (Net) - Int'l SC	MSCI EM (Net) - Int'l Emg Mkts	Barclays US Agg Bond - FI	Barclays US Corp: Hi Yield - FI	Barclays US Trsy: US TIPS - FI	Barclays US Gov/Credit: Lng - FI	NCREIF ODCE (Gross) - Real Estate	Wilshire US REIT - REITs	HFN FOF Multi-Strat (Net) - ARS	Bloomberg Cmdty (TR) - Commod.	BofA ML 3 Mo T-Bill - Cash Equiv	

Performance shown for HFN FOF Multi-Strat (Net) is preliminary and subject to change.



Addendum & Glossary



Performance Related Comments

- Performance shown is net of fees except where noted.
- Allocations shown may not sum up to 100% exactly due to rounding.
- RVK, Inc. began monitoring the assets of the Commonwealth of Pennsylvania State Employees' Retirement System as of October 1, 2011. Prior historical data was provided by BNY Mellon and Rocatón. Subsequent restructuring of composites during Q4 2012 caused staff to direct BNY to recalculate select composites. This updated history was provided to RVK from inception through 12/31/2012 and cannot be independently verified by RVK due to the absence of accounting history related to newly created historical composites.
- Gross performance shown for the Total Fund Composite is calculated by BNY Mellon by adding the estimated annual expense ratio to the net return stream.
- Manager-reported performance may differ from custodian-reported performance for Diversifying Asset managers due to cash flows and valuation revisions.
- Due to the nature of the fund, the market value and performance for SEI Struc Cred: HY Bank Loans (CF) is lagged by one month.
- Beginning in Q2 2012, PAAMCO Newport Sequoia Fund LLC reports performance on a two month lag.
- Due to the nature of the asset classes, performance for Private Equity, Special Situations, Venture Capital, Private Energy, Non-Core Real Estate, Core Real Estate, and REITs are lagged by one quarter.
- RVK calculates performance beginning with the first full month following inception.
- Total Fund Composite performance shown for calendar years 1981-1984 was updated to be consistent with the 1983-1985 CAFR letters as directed by SERS staff. RVK received the updated calendar year performance for 1981-1984 directly from BNY Mellon. Each calendar year return was converted to twelve equal monthly returns so that the linked performance matches each total calendar year performance. It is important to note that the methodology used to derive these monthly returns may affect the accuracy of risk measures for periods including 1981-1984. The updated calendar year performance and all linked performance shown has not been independently reviewed by RVK.
- Liquidating accounts with market values under \$1 million are not shown in this report, but are included in the composites' market values and performance calculations.
- Fixed Income characteristics and allocations are provided by the managers.

Peer Group and Index Comments

- The All Public Plans > \$1 Billion-Total Fund plan sponsor universe includes public funds with total fund market values over \$1 billion in the Investment Metrics (IM) and BNY Mellon universe.
- See the following pages for the complete historical composition of indices marked with an asterisk (*).
- Indices show N/A for since inception returns when the fund contains more history than the corresponding benchmark.
- Effective October 1, 2013 the Wellington Diversified Inflation Hedges Composite Index consists of 25% MSCI World Energy >\$3B, 7% MSCI World Agriculture Products, Fertilizers & Agricultural Chemicals, and Forest Products, 3% MSCI World Construction & Farm Machinery, Packaged Food & Meats, and Paper Product, 5% MSCI World Metals & Mining > \$3B, 3% MSCI World Utilities, 1% MSCI World Oil & Gas, Storage & Transport, 0.5% MSCI World Telecommunications, 0.5% MSCI World Transportation Ex. Air Freight, Logistics, and Airlines, 3.5% MSCI ACW IMI Gold & Precious Metals, 1.5% S&P GSCI Precious Metals Total Return, 25% Bloomberg Commodity Index Total Return, 20% Barclays US TIPS 1-10 Year, and 5% Barclays Emerging Markets Tradable Government Inflation-Linked Bond.

Plan Sponsor Peer Groups - RVK utilizes the Mellon Analytical Solutions Trust Universe along with the Investment Metrics Plan Sponsor Universe. The combined Mellon Analytical Solutions Trust Universe and Investment Metrics Plan Sponsor Universe is used for comparison of total fund composite results and utilizes actual client returns compiled from consultant and custodial data. The Plan Sponsor Peer Group database includes performance and other quantitative data for over 1,273 plans which include corporate, endowment, foundation, public, and Taft Hartley plans, across 6 standard peer groups. Plan Sponsor Peer Groups are gross of fees.

Indices - All indices and related information are considered intellectual property and are licensed by each index provider. The indices may not be copied, used or distributed without the index provider's prior written approval. Index providers make no warranties and bear no liability with respect to the indices, any related data, their quality, accuracy, suitability and/or completeness.

<u>Manager/Composite/Benchmark Name</u>	<u>Benchmark Composition</u>	<u>Since</u>
Total Fund Custom Benchmark* (Historical performance through 9/30/2011 was provided by Rocaton)	The custom index is calculated monthly using January 1st and December 31st actual plan weights of the asset allocation structure.	Inception
	The custom index is calculated using the Strategic Target Weights.	8/1/2007
	The custom index is calculated using 12/31/2009 actual plan weights and the 2010 target weights.	1/1/2010
	The custom index is calculated using 2011 target weights, and consists of:	10/1/2011
	24.5% SERS - Alternative Investment Composite Returns	
	3.9% MSCI World Index (Net)	
	9.6% R 3000 Index	
16.5% MSCI ACW Ex US IMI (Net)		
15.5% 3 Mo LIBOR Index + 3%		
9.5% Townsend Stylized Benchmark		
3% Commodities & Infrastructure Custom Benchmark*		
17.5% Fixed Income Custom Index*		
		7/1/2012
	21% SERS - Alternative Investment Composite Returns	
	37% MSCI ACW Investable Mkt Index (Net)	
	15% Real Assets Custom Benchmark*	
	12% Diversifying Assets Custom Benchmark*	
	17% Barclays US Agg Bond Index	
	3% BofA Merrill Lynch 3 Month US Treasury Bill Index	
	The custom index is calculated using interim target weights, and currently consists of:	4/1/2014
	20% SERS - Alternative Investment Composite Returns	
	37% MSCI ACW Investable Mkt Index (Net)	
	17% Real Assets Custom Benchmark*	
	8% HFRI FOF: Strategic Index	
	15% Barclays US Agg Bond Index	
	3% BofA Merrill Lynch 3 Month US Treasury Bill Index	

<u>Manager/Composite/Benchmark Name</u>	<u>Benchmark Composition</u>	<u>Since</u>
Total Fund Public Mkt Equiv Benchmark* (Historical performance through 9/30/2011 was provided by Rocaton)	The custom index is calculated monthly using January 1st and December 31st actual plan weights of the asset allocation structure.	Inception
	The custom index is calculated using the Strategic Target Weights.	8/1/2007
	The custom index is calculated using 12/31/2009 actual plan weights and the 2010 target weights.	1/1/2010
	The custom index is calculated using 2011 target weights, and consists of:	
	24.5% R 3000 Index + 3% (Qtr Lag)	
	3.9% MSCI World Index (Net)	
	9.6% R 3000 Index	
	16.5% MSCI ACW Ex US IMI (Net)	
	15.5% 3 Mo LIBOR Index + 3%	
	9.5% Consumer Price Index + 3%	
	3% Consumer Price Index + 3%	
	17.5% Fixed Income Custom Index*	10/1/2011
	21% R 3000 Index + 3% (Qtr Lag)	
	37% MSCI ACW Investable Mkt Index (Net)	
	15% Consumer Price Index + 3%	
	12% Diversifying Assets Custom Benchmark*	
	17% Barclays US Agg Bond Index	
	3% BofA Merrill Lynch 3 Month US Treasury Bill Index	7/1/2012
	The custom index is calculated using interim target weights, and currently consists of:	4/1/2014
	20% R 3000 Index + 3% (Qtr Lag)	
	37% MSCI ACW Investable Mkt Index (Net)	
	17% Consumer Price Index + 3%	
	8% HFRI FOF: Strategic Index	
	15% Barclays US Agg Bond Index	
	3% BofA Merrill Lynch 3 Month US Treasury Bill Index	
Burgiss Custom Indices	The custom indices utilize the Burgiss private equity database and are provided by StepStone. They are calculated using the time-weighted returns for a composite of funds based on their specified strategies and with the same vintage dates as SERS's funds. For all Burgiss benchmarks, Geographic Focus, Industry Focus, Fund Size, and Currency are all inclusive across countries, industries, funds, and currencies, respectively. Asset Class compositions are listed below for each index.	
Burgiss All Private Equity Custom Index (Qtr Lag)	Asset Class: Corporate Finance, Generalist, Venture Capital	
Burgiss Buyout Custom Index (Qtr Lag)	Asset Class: Corporate Finance/Buyout	

**Commonwealth of Pennsylvania State Employees' Retirement System
Custom Benchmark Composition**

As of December 31, 2014

<u>Manager/Composite/Benchmark Name</u>	<u>Benchmark Composition</u>	<u>Since</u>
Burgiss Special Situations Custom Index (Qtr Lag)	Asset Class: Corporate Finance/Distressed Securities, Corporate Finance/Mezzanine, Corporate Finance/Special Situations	
Burgiss Venture Capital Custom Index (Qtr Lag)	Asset Class: Venture Capital	
US Equity	100% Wilshire 5000 Value Wtd Total Index 100% R 3000 Index	Inception 1/1/1999
US Small Cap Equity	100% Wilshire 4500 Completion Index 100% R 2500 Index	Inception 1/1/1999
Mellon Cap Mgmt PA Quant Eq (SA)	100% Wilshire 4500 Completion Index 100% R 2500 Index	Inception 1/1/1999
Emerald Adv PA Growth Eq (SA)	100% R 2000 Index 100% R 2500 Index	Inception 1/1/2005
Non-US Equity (Historical performance through 9/30/2008 was provided by Rocaton)	80% SERS Custom Core International Index 20% FTSE Europe & Pacific Medium/Small Cap Index	Inception
	80% MSCI EAFE Index (Free) 20% FTSE Europe & Pacific Medium/Small Cap Index	2/1/2000
	80% MSCI EAFE Index (Free) 20% S&P World Equity EMI EPAC	7/1/2000
	68.56% MSCI EAFE Index (Free) 17.15% S&P World Equity EMI EPAC 14.29% MSCI EMF Index (Net) (Effective 1/1/2001)	11/1/2000
	85.71% S&P World Equity EMI EPAC 14.29% MSCI EMF Index (Net) (Effective 1/1/2001)	5/1/2001
	Month-End% S&P World Equity EMI EPAC Month-End% MSCI EMF Index (Net) (Effective 1/1/2001)	1/1/2002
	62.98% MSCI EAFE Index (Net) 15.74% S&P EMI EPAC (Gross)	10/1/2006
	21.28% MSCI Emerging Markets Index (Net) 64.8% MSCI EAFE Index (Net) 16.2% S&P EMI EPAC (Gross) 19.0% MSCI Emerging Markets Index (Net)	7/1/2007

Commonwealth of Pennsylvania State Employees' Retirement System
 Custom Benchmark Composition

As of December 31, 2014

<u>Manager/Composite/Benchmark Name</u>	<u>Benchmark Composition</u>	<u>Since</u>
	100% MSCI ACW Ex US IM Index (Net)	10/1/2008
	65.5% MSCI EAFE IM Index (Net) 34.5% MSCI Emerging Markets Index (Net)	1/1/2010
	100% MSCI ACW Ex US IM Index (Net)	1/1/2011
Morgan Stanley Inv Mgmt Int'l Eq (SA)	100% MSCI EAFE Free Index (Net) 100% S&P Developed Ex US Large/Mid Cap TR Index (Gross) 100% MSCI EAFE Index (Net)	Inception 5/1/2000 10/1/2006
Templeton Int'l Eq (SA)	100% SERS Custom Core International Index 100% MSCI ACW Ex US Free Index (Gross) 100% S&P Global Ex US BM TR Index (Gross) 100% S&P Global Ex US Lg Mid Cap Index (Gross) 100% MSCI EAFE Index (Net) 100% MSCI ACW Ex US Index (Net)	Inception 2/1/2000 5/1/2001 1/1/2004 10/1/2006 1/1/2010
Artisan Int'l Growth Eq (SA)	100% S&P Global Ex US BM TR Index (Gross) 100% MSCI EAFE Index (Net) 100% MSCI ACW Ex US Index (Net)	Inception 10/1/2006 1/1/2010
Real Assets Custom Benchmark	Provided by Townsend The custom index is calculated monthly using beginning of the month asset class weights applied to each corresponding primary benchmark return.	Inception 1/1/2013
Private Real Assets Custom Benchmark	Provided by Townsend The custom index is calculated monthly using beginning of the month asset class weights applied to each corresponding primary benchmark return.	Inception 1/1/2013
Public Real Assets Custom Benchmark	Provided by Townsend The custom index is calculated monthly using beginning of the month asset class weights applied to each corresponding primary benchmark return.	Inception 1/1/2013
Custom Core Index (Qtr Lag)	Composed of NFI All Open-end Funds Index and NFI Timber Index in proportion to the Open-end funds plus IMAs and Timber of SERS' Core Portfolio.	
Custom Public Index (Qtr Lag)	Wilshire Real Estate Securities Index S&P Citigroup Global Index	Inception 1/1/2006
Commodities & Infrastructure Custom Benchmark	100% S&P GS Commodity Index 71.4% S&P GS Commodity Index 28.6% Wellington Dvf'd Inf Hedge Comp Index	Inception 1/1/2005

Commonwealth of Pennsylvania State Employees' Retirement System
 Custom Benchmark Composition

As of December 31, 2014

<u>Manager/Composite/Benchmark Name</u>	<u>Benchmark Composition</u>	<u>Since</u>
	28.6% S&P GS Commodity Index 35.7% Wellington Dvf'd Inf Hedge Comp Index 35.7% BAAM Custom Index	5/1/2007
	50% Wellington Dvf'd Inf Hedge Comp Index 50% BAAM Custom Index	2/1/2010
	50% BAAM Custom Index 25% Wellington Dvf'd Inf Hedge Comp Index 25% S&P MLP Index (TR)	5/1/2013
DIVERSIFYING ASSETS	3 Mo LIBOR Index	Inception
	3 Mo LIBOR Index + 3%	1/1/2009
	65% R 3000 Index 35% 3 Mo LIBOR Index + 3%	7/1/2012
	100% HFRI FOF: Strategic Index	4/1/2014
Absolute Return Composite & Underlying Managers	3 Mo LIBOR Index	Inception
	3 Mo LIBOR Index + 3%	1/1/2009
NISA Inv Adv TIPS (SA)	The Custom TIPS Benchmark is a custom blend of TIPS determined monthly based on the following rules of inclusion and weighting: 1. Identify all TIPS with real durations between 4 and 6 years and find the average duration of all such securities. 2. Identify all TIPS with real durations between 2 and 4 years and find the average duration of all such securities. 3. Weight each of the buckets created in steps 1 and 2 such that the weighted average real duration of all included securities is 4.0 years. If there are less than two securities identified in #1 above, the two TIPS with real durations immediately above 4 years will be identified. If there are less than two securities identified in #2 above, the two TIPS with real durations immediately below 4 years will be identified.	Inception
	100% Barclays US Trsy: US TIPS Index	1/1/2013
Mellon Cap Mgmt Bond Index (SA)	20% Barclays US Gov: Intermediate Term Bond Index 30% Barclays US Gov: Long Term Bond Index 25% Barclays US Corp: Investment Grade Index 25% Barclays US MBS Index	Inception
	100% Barclays US Agg Bond Index	1/1/2003



Glossary

Alpha - A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the portfolio's historical performance not explained by movements of the market or a portfolio's non-systematic return.

Alpha Ratio - A measure of a portfolio's non-systematic return per unit of downside risk. It is measured by dividing the alpha of a portfolio by the downside risk. The non-systematic return is a measure of a portfolio's historical performance not explained by movements of the market.

Average Quality - Bond quality ratings are reported using the investment managers' and the index providers' preferred rating agency. **Average Quality for managers unable to provide this statistic has been estimated using a credit quality distribution provided by the manager.** There are two primary rating agencies in the US. *Moody's* assigns ratings on a system that employs up to four symbols (consisting of letters and numbers) such as, Aaa, Aa2, etc., with Aaa being the highest or safest rating. *Standard & Poor's (S&P)* employs a system that uses + and - along with letters such as AAA, AA+, etc. The two rating agencies' systems are summarized below:

<u>S&P</u>	<u>Moody's</u>	<u>Explanation</u>	<u>S&P</u>	<u>Moody's</u>	<u>Explanation</u>
Higher Credit Quality – Investment Grade			Lower Credit Quality – Below Investment Grade		
AAA	Aaa	Prime/Highest credit quality	BB+	Ba1	Speculative/Low credit quality
AA+	Aa1	High credit quality	BB	Ba2	
AA	Aa2		BB-	Ba3	
AA-	Aa3		B+	B1	Highly speculative
A+	A1	Upper-medium credit quality	B	B2	
A	A2		B-	B3	
A-	A3		CCC+	Caa1	Substantial credit/default risk
BBB+	Baa1	Lower-medium credit quality	CCC	Caa2	Extremely speculative
BBB	Baa2		CCC-	Caa3	
BBB-	Baa3		CC	Ca	Vulnerable to default
			C	Ca	
			D	C	In default

Beta - A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk.

Buy and Hold Attribution - At the beginning of the time period under analysis, the manager and benchmark portfolios are broken down into segments (i.e., styles, sectors, countries, and regions) based on the desired type of attribution. The formula assumes zero turn-over to the manager and benchmark portfolios throughout the period and calculates the segment returns ("buy and hold returns") to arrive at performance attribution. Due to portfolio turnover, buy and hold attribution may not accurately represent quarterly performance relative to the benchmark. Country, region, sector, and style allocations are as of the date one quarter prior to the reporting date, and the returns shown are for those segments throughout the quarter reported. Due to disclosure guidelines set by each investment manager, equity characteristics shown are as of the most recent date available. The following is the methodology for segment classification:

Sector - Attribution is calculated using the Global Industry Classification Standard (GICS) which is a detailed and comprehensive structure for sector and industry analysis. Stocks are classified by their primary sector, as defined by S&P Capital IQ data.

Country/Region - Attribution is calculated using the Morgan Stanley Capital International (MSCI) region standards. Stocks are classified by their domicile country/region, as defined by S&P Capital IQ data.

Style - Stocks are classified into the following style boxes: large/mid/small vs. growth/neutral/value. Stocks are classified along large/mid/small categories at the time of the Russell index rebalancing, using the index market cap boundaries as cutoff points. Stocks are classified along growth/neutral/value categories at the time of the Russell index rebalancing, using the price/book ratio as supplied by S&P Capital IQ. Stocks in the Russell 3000 Index portfolio are sorted by price/book ratio; names with the highest price/book ratio that make up 1/3 of the total market capitalization are assigned to the growth category, names that make up the subsequent 1/3 of the total market capitalization are assigned to the neutral category, while the balance of the names are assigned to the value category.

Portfolio Characteristics and Buy and Hold Attribution reports utilize product-specific data for all mutual funds and commingled funds.

Glossary

Capital Markets Review -

Breakeven Inflation - Measures the expected inflation rate at each stated maturity by taking the difference between the real yield of the inflation-linked maturity curve and the yield of the closest nominal Treasury maturity.

Consumer Confidence - Measures domestic consumer confidence as defined by the degree of optimism on the state of the economy that consumers express through saving and spending.

Consumer Price Index (CPI) - Measures the change in the price level of consumer goods and services.

Option-Adjusted Spread - Measures the flat spread of an index or bond to the Treasury yield curve after removing the effect of any embedded options.

Purchasing Managers Index (PMI) - Measures economic activity by surveying purchasing managers on a monthly basis as to whether business conditions have improved, worsened, or stayed the same.

US Dollar Total Weighted Index - Measures the value of the US Dollar relative to a basket of other world currencies. It is calculated as the weighted geometric mean of the dollar's value versus the EUR, GBP, CAD, SEK, CHF, and JPY.

VIX - Measures the implied volatility of S&P 500 Index options by looking at the market's expectation of the S&P 500 Index volatility over the next 30 day period. Commonly referred to as the "fear index" or the "fear gauge."

Consistency - The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance.

Convexity - A measure of the shape of the curve that describes the relationship between bond prices and bond yields.

Correlation - A statistical measure of the relationship between asset class returns. A value of 1.00 is a perfect correlation; that is, the asset classes always move in the same direction. A value of -1.00 indicates a perfect negative correlation, in which the asset classes always move in opposite directions of each other. A value of 0 indicates there is no relationship between the direction of returns of the two asset classes. Correlation calculations only consider the direction of changes relative to two variables and not the magnitude of those changes.

Coupon Rate - The percentage rate of interest paid on a bond or fixed income security; it is typically paid twice per year.

Current Yield - The annual income of a security divided by the security's current price.

Down Market Capture - Down market by definition is negative benchmark return and down market capture represents the ratio in % terms of the average portfolios return over the benchmark during the down market period. The lower the value of the down market capture the better the product's performance.

Downside Risk - A measure similar to standard deviation, but focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. The higher the factor, the riskier the product.

Earnings Per Share - It is backward looking, calculated using the one year current EPS divided by the one year EPS five years ago.

Effective Duration - The weighted average duration of all the bonds in a given portfolio, weighted by their dollar values.

Excess Return vs. Market - Average of the monthly arithmetic difference between the manager's return and the benchmark return over a specified time period, shown on an annualized basis.

Excess Return vs. Risk Free - Average of the monthly arithmetic difference between the manager's return and the risk-free return (i.e., BofA ML 3 Mo US T-Bill Index unless specified otherwise) over a specified time period, shown on an annualized basis.

Excess Risk - A measure of the standard deviation of a portfolio's performance relative to the risk free return.

Expense Ratios - Morningstar is the source for mutual fund expense ratios.

Gain/Loss - The net increase or decrease in the market value of a portfolio excluding its Net Cash Flow for a given period.

Indices - All indices and related information are considered intellectual property and are licensed by each index provider. The indices may not be copied, used or distributed without the index provider's prior written approval. Index providers make no warranties and bear no liability with respect to the indices, any related data, their quality, accuracy, suitability and/or completeness.

Information Ratio - Measured by dividing the active rate of return by the tracking error. The higher the information ratio, the more value-added contribution by the manager.

Glossary

Liability Driven Investing (LDI) - A method to optimally structure asset investments relative to liabilities. The change in liabilities is estimated by the Ryan Labs Generic PPA Index of appropriate duration for that Plan. This benchmark is based on generic data and is therefore an approximation. RVK is not an actuarial firm, and does not have actuarial expertise.

Estimated Funded Status - The estimated ratio of a Plan's assets relative to its future liabilities. This is calculated by dividing the Plan's asset market value by the estimated present value of its liabilities. The higher the estimated funded status, the better the Plan's ability to cover its projected benefit obligations. An estimated funded status of 100% indicates a Plan that is fully funded.

Estimated PV of Liabilities - An estimate of a Plan's future liabilities in present value terms. The beginning of the period liability is provided by the Plan's actuary. The period-end present value liability estimate provided in this report is derived by applying the estimated percentage change generated using the Ryan Labs Generic PPA Index with duration similar to that reported on the most recent actuarial valuation report.

Duration of Liabilities - The sensitivity of the value of a Plan's liabilities to changes in interest rates, as calculated by the Plan's actuary.

Duration of Assets - The dollar-weighted average duration of all the individual Plan assets.

Estimated Plan Hedge Ratio - The estimate of how well a Plan's investment portfolio is hedged against changes in interest rates - a primary driver of funded status movements. This is calculated by dividing the dollar-weighted values of both the Plan asset duration by the liability duration and multiplying by the estimated funded status. An estimated plan hedge ratio of zero indicates that the Plan's liabilities have not been hedged, whereas a value of one indicates fully hedged.

Modified Duration - The approximate percentage change in a bond's price for a 100 basis point change in yield.

Net Cash Flow - The sum, in dollars, of a portfolio's contributions and withdrawals. This includes all management fees and expenses only when performance shown is gross of fees.

Peer Groups -

Plan Sponsor Peer Groups - RVK utilizes the Mellon Analytical Solutions Trust Universe along with the Investment Metrics Plan Sponsor Universe. The combined Mellon Analytical Solutions Trust Universe and Investment Metrics Plan Sponsor Universe is used for comparison of total fund composite results and utilizes actual client returns compiled from consultant and custodial data. The Plan Sponsor Peer Group database includes performance and other quantitative data for over 2,100 plans which include corporate, endowment, foundation, public, and Taft Hartley plans. Plan Sponsor Peer Groups are gross of fees.

Institutional Peer Groups (Separate Account and Commingled Fund) - RVK utilizes the Investment Metrics Separate Account and Commingled Fund Manager Peer Groups for peer comparison and rankings. The Separate Account and Commingled Fund Peer Group database includes performance and other quantitative data for over 1,000 investment management firms, 6,400 investment products, across 100 standard peer groups. Separate Account and Commingled Fund Peer Groups are gross of fees.

Mutual Fund (MF) Peer Groups - RVK utilizes the Lipper Mutual Fund Manager Peer Groups for peer comparison and rankings. The Lipper Manager Peer Group database includes performance and other quantitative data for over 700 investment management firms and 24,500 investment products, across more than 140 standard peer groups. Mutual Fund Peer Groups are net of fees.

Percentile Rankings - Percentile rank compares an individual fund's performance with those of other funds within a defined peer group of managers possessing a similar investment style. Percentile rank identifies the percentage of a fund's peer group that has a higher return (or other comparative measurement) than the fund being ranked. Conversely, 100 minus the individual fund's ranking will identify the percentage of funds within the peer group that have a lower return than the fund being ranked.

1 - Highest Statistical Value

100 - Lowest Statistical Value

Example: American Funds AMCP;R-4 (RAFEX) is ranked in the 4th percentile within the IM US Equity Large-Cap Growth Funds (MF) Peer Group for the Sharpe Ratio. Within the IM US Equity Large-Cap Growth Funds peer group, 4% of the other funds performed better than American Funds AMCP;R-4 (RAFEX), while 96% of the funds performed worse.

Performance Methodology - RVK endorses the Global Investment Performance Standards (GIPS) and calculates performance for investment managers and composites using different methodologies. Investment manager performance is calculated by revaluing the portfolio on the date of all large external cash flows while composite performance is calculated using the Modified Dietz calculation methodology. According to the CFA Institute, "Only investment management firms that actually manage assets can claim compliance with the Standards. Plan Sponsors and consultants cannot make a claim of compliance unless they actually manage assets for which they are making a claim of compliance. They can claim to endorse the Standards and/or require that their investment managers comply with the Standards."

Investment Managers - Performance is calculated for interim periods between all large external cash flows for a given month and geometrically linked to calculate period returns. An external cash flow is defined as cash, securities, or assets that enter or exit a portfolio. RVK defines a "large cash flow" as a net aggregate cash flow of $\geq 10\%$ of the beginning-period portfolio market value or any cash flow that causes RVK calculated performance to deviate from manager/custodian reported performance in excess of 5 basis points for a given month.

Glossary

Composites - The Modified Dietz methodology is utilized to calculate asset class, sub-asset class, and total fund composite performance. The Modified Dietz method calculates a time-weighted total rate of return that considers the timing of external cash flows; however, it does not utilize interim period performance to mitigate the impact of significant cash in- and outflows to the composite.

RVK calculates performance beginning with the first full month following inception. Since inception performance may vary from manager reported performance due to RVK using the first full month of returns as the inception date. Performance for both managers and composites is annualized for periods greater than one year.

Portfolio Characteristics - Due to disclosure guidelines set by each investment manager, portfolio characteristics shown are as of the most recent date available.

Private Equity Quartile Ranks – Private Equity quartile ranks are generated using vintage year peer group data provided by Thomson Reuters, and are based on each fund's annualized, since inception internal rate of return (IRR). Three Private Equity peer groups are available via Thomson Reuters: Buyout, Venture, and All Private Equity. Ranks are available quarterly, at a one-quarter lag.

Return - Compounded rate of return for the period.

%Return - The time-weighted rate of return of a portfolio for a given period.

R-Squared - The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. High R-Squared means a higher correlation of the portfolio's performance to the appropriate benchmark.

Risk Free Benchmark - BofA ML 3 Mo US T-Bill Index unless specified otherwise.

RVK Liquidity Rating - A qualitative method for determining the relative amount of liquidity in a portfolio. The characteristics considered when determining relative liquidity include trading volume, gates for redemption, leverage, nature of transactions, and pricing mechanisms. The RVK Liquidity Rating is calculated using beginning of month investment weights applied to each corresponding asset class liquidity rating.

<u>Asset Class</u>	<u>RVK Liquidity Rating</u>	<u>Asset Class</u>	<u>RVK Liquidity Rating</u>
<u>Liquid Investments</u>		<u>Less Liquid Investments</u>	
T-Bills and Treasuries	100	Fixed Income Plus Sector	50
Cash Equivalents	98	Bank Loans	50
TIPS	95	Stable Value (Plan Sponsor Directed)	50
US Large Cap Equity	95	Absolute Return Strategies	35
Diversified Real Return	93	<u>Not Liquid Investments</u>	
Stable Value (Participant Directed)	91	Core Real Estate	25
Non-US Large Cap Equity	90	Core Plus Real Estate	15
Global Tactical Asset Allocation	88	Plus Only Real Estate	5
US Small Cap Equity	85	Private Equity Funds of Funds	5
REITS	85		
Non-US Small Cap Equity	85		
Emerging Markets Equity	85		
Core Fixed Income	85		
Core Plus Fixed Income	80		

Sharpe Ratio - Represents the excess rate of return over the risk-free return (i.e., BofA ML 3 Mo US T-Bill Index unless specified otherwise), divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.

Simple Alpha - The difference between the manager's return and the benchmark's return.

Spread Duration - A measure of the price sensitivity of a bond to a 100 basis-point movement of the bond's spread relative to Treasuries.

Glossary

Standard Deviation - A statistical measure of the range of a portfolio's performance. The variability of a return around its average return over a specified time period.

Time Period Abbreviations - **QTD** - Quarter-to-Date. **CYTD** - Calendar Year-to-Date. **FYTD** - Fiscal Year-to-Date. **YOY** - Year Over Year.

Thematic Classification - Represents dedicated manager allocations; as such, thematic allocations are approximations. RVK categorizes the following asset classes as Alpha, Capital Appreciation, Capital Preservation, and Inflation:

<u>Alpha</u>	<u>Capital Appreciation</u>	<u>Capital Preservation</u>	<u>Inflation</u>
Absolute Return Strategies	Public Equity	Core Fixed Income	TIPS
Currency Overlay	Private Equity	CMBS Fixed Income	Bank Loans
	Preferred Securities	Asset Backed Fixed Income	Core Real Estate
	High Yield	Domestic Core Plus Fixed Income	Real Return
	Convertible Fixed Income	Mortgage Backed Fixed Income	Inflation Hedges
	TALF Funds	International Developed Fixed Income	REITS
	Distressed Debt	Cash Equivalents	Commodities
	Emerging Market Fixed Income	Stable Value	
	Value Added Real Estate		
	Opportunistic Real Estate		

Total Fund Attribution - A method for identifying the sources of a total fund's over- or underperformance relative to its benchmark. The calculation identifies the contributions of positive or negative total fund excess return caused by allocation differences relative to the total fund's custom benchmark, and performance differences of the investment managers relative to the benchmark components that represent them.

Total Fund Performance -

Total Fund - The percentage return of the total fund for the specified time period.

Total Fund Benchmark - The percentage return of the total fund benchmark for the specified time period; calculated using the target asset allocation and the corresponding benchmark returns.

Total Value Added - The percentage of over- or underperformance of the total fund as compared to the total fund benchmark.

Total Value Added -

Asset Allocation - Shows how the variance of the total fund's actual allocation from its target allocation added to or subtracted from fund performance.

Manager Value Added - The portion of the total value added attributable to the outperformance or underperformance of the fund's investment managers, relative to the individual benchmarks that represent them in the total fund benchmark.

Market Timing/Other - The contribution of other residual factors, including estimation error and transaction timing.

Total Fund Beta - Total Fund Beta is calculated using the S&P 500 as the benchmark. It represents a measure of the sensitivity of the total fund to movements in the S&P 500 and is a measure of the Total Fund's non-diversifiable or systematic risk.

Tracking Error - A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark.

Treynor Ratio - Similar to Sharpe ratio, but focuses on beta rather than excess risk (standard deviation). Treynor ratio represents the excess rate of return over the risk-free rate (i.e., BofA ML 3 Mo US T-Bill Index unless specified otherwise) divided by the beta. The result is the absolute rate of return per unit of risk. The higher the value, the better historical risk-adjusted performance.

Unit Value - The dollar value of a portfolio, assuming an initial nominal investment of \$100, growing at the compounded rate of %Return for a given period.

Up Market Capture - Up market by definition is positive benchmark return and up market capture represents the ratio in % terms of the average portfolios return over the benchmark during the up market period. The higher the value of the up market capture the better the product's performance.

Yield to Maturity - The rate of return achieved on a bond or other fixed income security assuming the security is bought and held to maturity and that the coupon interest paid over the life of the bond will be reinvested at the same rate of return.

Yield to Worst - The bond yield calculated by using the worst possible yield taking into consideration all call, put, and optional sink dates.

PORTLAND

CHICAGO

NEW YORK

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