Bay County Employees Ret System

September 25, 2012

PRESENTED BY
Todd Needham, CFA
Client Portfolio Manager

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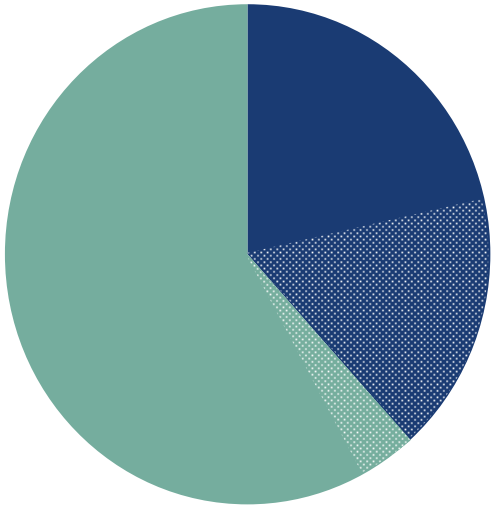
BOSTON CHICAGO DETROIT SAN FRANCISCO WASHINGTON DC

firm overview

EXPERIENCED PROFESSIONALS AND DEEP RESOURCES

Since 1926, Loomis Sayles has established one of the richest investment management traditions in the industry

- Serving institutional investors for more than 80 years
- $171 billion in assets under management
- $70 million committed to proprietary fixed income and equity research in 2012
- Offering a broad and comprehensive range of global and domestic fixed income and equity products



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*As of 6/30/2012. * 75% of CFA charterholders are investment professionals and 25% are non-investment professionals.*

firm overview

INSTITUTIONAL PRODUCT OFFERINGS

Fixed Income

BROAD MARKET
Short Duration
Intermediate Duration
Core
Core Plus
Multisector

GLOBAL
Global Bond
Global Credit
Global High Yield
Emerging Markets Debt

ALTERNATIVES
Absolute Strategies
Credit Long/Short
Multi-Asset Real Return

SECTOR SPECIFIC
Bank Loans
Corporates
Credit Asset
High Yield
Securitized

LDI
Custom LDI
Long Duration Corporate
Long Duration Government Credit

Equity

GROWTH
Large Cap
Mid Cap
Small Cap
All Cap

VALUE
Large Cap
Mid Cap
Small Cap
Focused Value
Capital Income

CORE
Small/Mid Cap
Equity Research Core

GLOBAL
Global Equity Opps

SECTOR SPECIFIC
Energy
Financial Services
Technology

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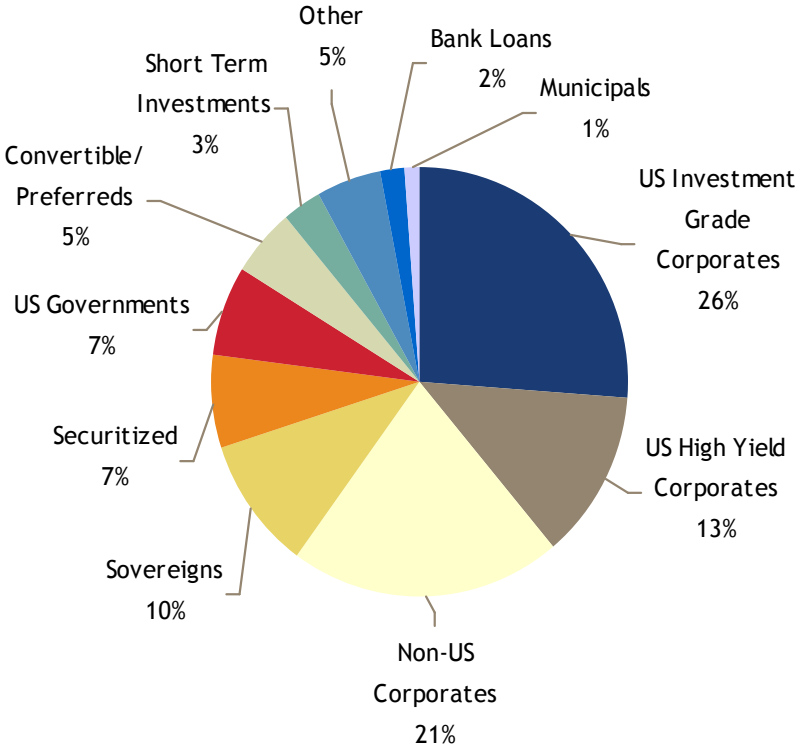
As of 6/30/2012.

firm overview

LOOMIS SAYLES FIXED INCOME ASSETS UNDER MANAGEMENT

$156 billion as of June 30, 2012

	ASSETS ($ billions)
US Investment Grade Corporates	41
Non-US Corporates	33
US High Yield Corporates	20
Sovereigns	15
US Governments	11
Securitized	11
Convertible/Preferreds	8
Other	8
Short Term Investments	4
Bank Loans	4
Municipals	1



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As of 6/30/2012.

investment research

PROPRIETARY RESEARCH: THE CORNERSTONE OF OUR BUSINESS

Integral to our investment process

- $70 million committed to proprietary fixed income and equity research in 2012
- 125 employees firmwide dedicated to investment research; 60% of investment professionals*

Credit research
- Director
  29 years experience
- Associate Director
  27 years experience
- 19 senior credit analysts
  21 years average experience
- 7 credit analysts
  8 years average experience
- 12 research associates

Macro strategies
- Director
  32 years experience
- Associate Director/
  Senior Global Macro Strategist
  17 years experience
- Chief Economist
  32 years experience
- Senior Macro Analyst
  14 years experience
- Research Associate

Securitized research
- Senior Strategist
  15 years experience
- 6 securitized asset analysts
  12 years average experience

Product specific research
- 16 equity product analysts/associate
  13 years average experience
- 16 fixed income product analysts
  11 years average experience

Quantitative research risk analysis
- Director
  25 years experience
- 14 quantitative research analysts – 5 PhDs
  13 years average experience

Sovereign research
- 5 senior global sovereign analysts
  21 years average experience
- Sovereign Analyst
  7 years experience
- Research Associate

Equity research
- Director
  32 years experience
- 12 global analysts
  22 years average experience
- 4 junior analyst/research associates

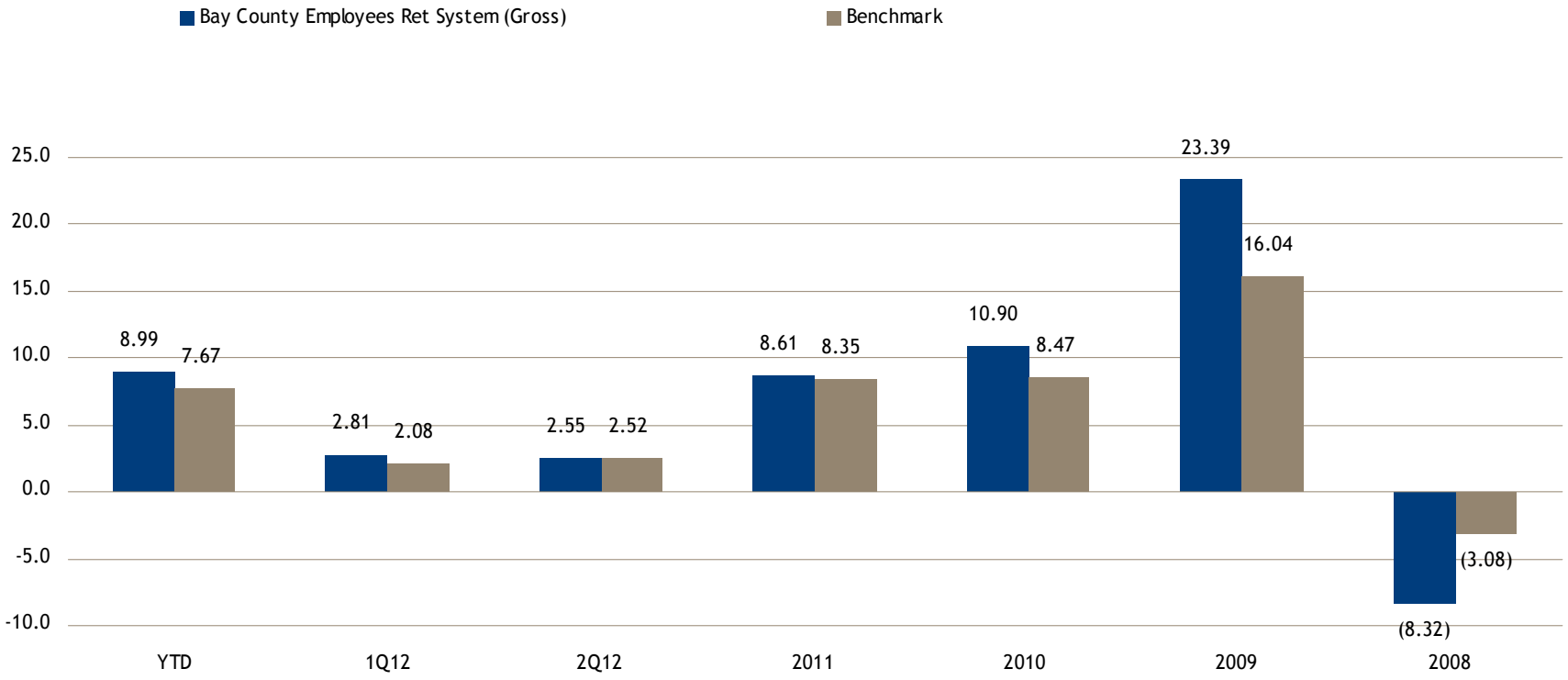
** 211 investment professionals*
As of 6/30/2012; Years experience indicates industry experience.

guideline summary

- The portfolio benchmark is the Barclays U.S. Corporate Investment Grade
- A maximum of 10% of the portfolio may be invested in securities rated below Moody or S&P Baa3/BBB-. If the agency ratings of a security are not equivalent, the higher rating shall apply.
- Account may not hold securities that are not rated.
- The minimum average rating must be equivalent to Moody or S&P rating of A3/A-.
- Effective duration of the portfolio should be maintained between +/- 2 years of the benchmark's duration
- A maximum of 5% of the portfolio may be invested in outstanding shares of a single issuer, excluding US Govt.
- A maximum of 5% of the portfolio may be invested in any single issuer, excluding US Treasuries, Govt. Agencies, and Govt. sponsored enterprises.
- Account may hold Yankee securities. All securities must be denominated in U.S. Dollars

investment results

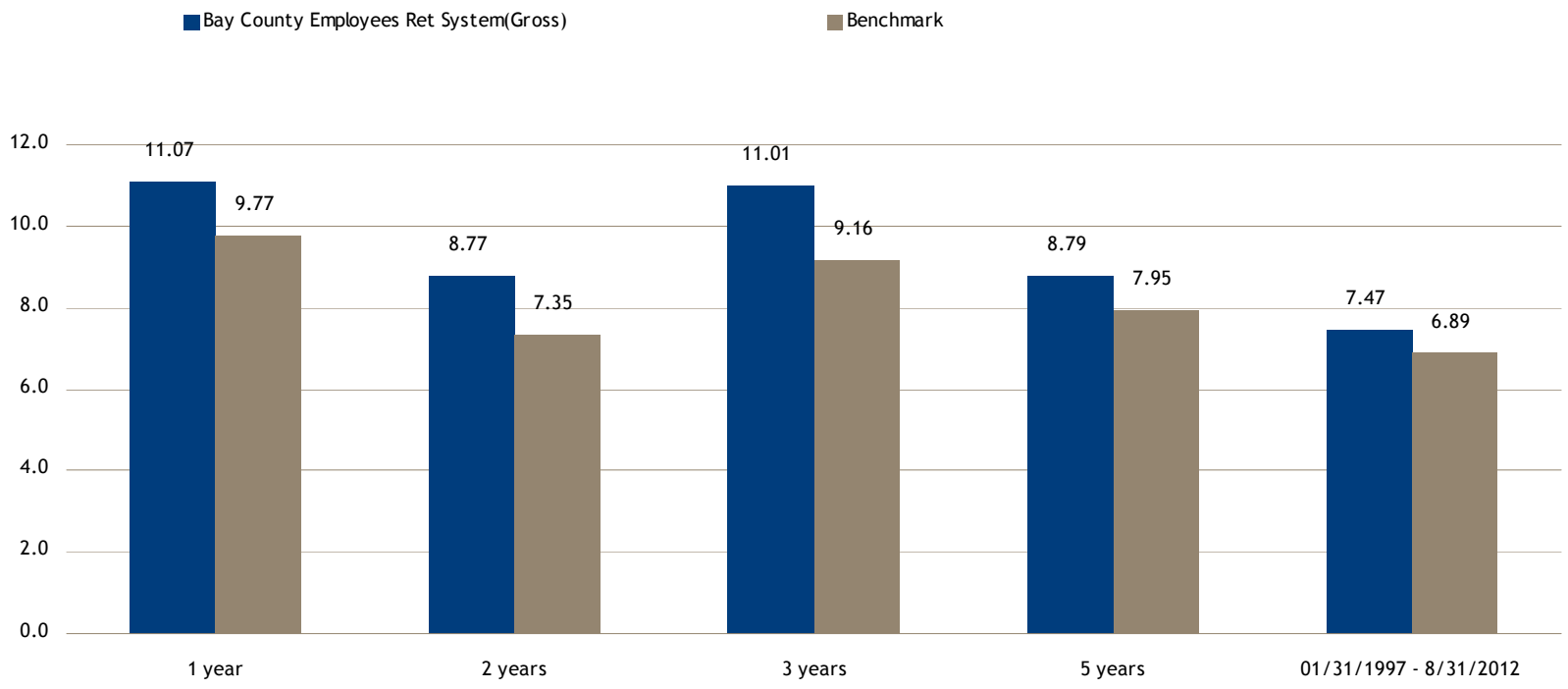
CALENDAR YEAR RETURNS (%) AS OF 8/31/2012



The current benchmark is Barclays U.S. Corporate Investment Grade. (1) Citigroup Broad Inv-Grade (BIG) from 1/31/1997 to 6/30/1999; Barclays Credit from 6/30/1999 to 2/29/2012; and Barclays U.S. Corporate Investment Grade from 2/29/2012 to 8/31/2012. Returns over one year are annualized. Information is reported on a trade date basis. Data Source: Barclays Capital, Bloomberg

investment results

ANNUALIZED RETURNS (%) AS OF 8/31/2012



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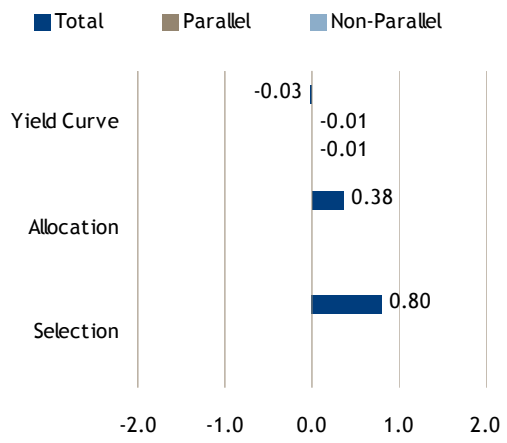
performance attribution

12/31/2011 THROUGH 8/31/2012 (%)

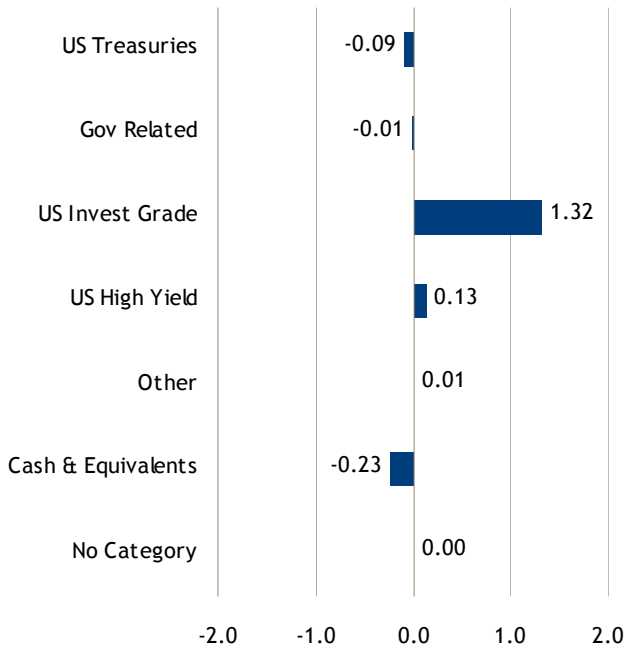
Total Returns

Account Return	8.99
Benchmark Return	7.91
Excess Return	1.08

Excess Return Attribution



Excess Return Attribution by Sector



The Attribution benchmark is Barclays U.S. Corporate Investment Grade. Figures on bar charts may not add up to total excess return as they exclude impact of trading and pricing differences. Data Source: Barclays Capital

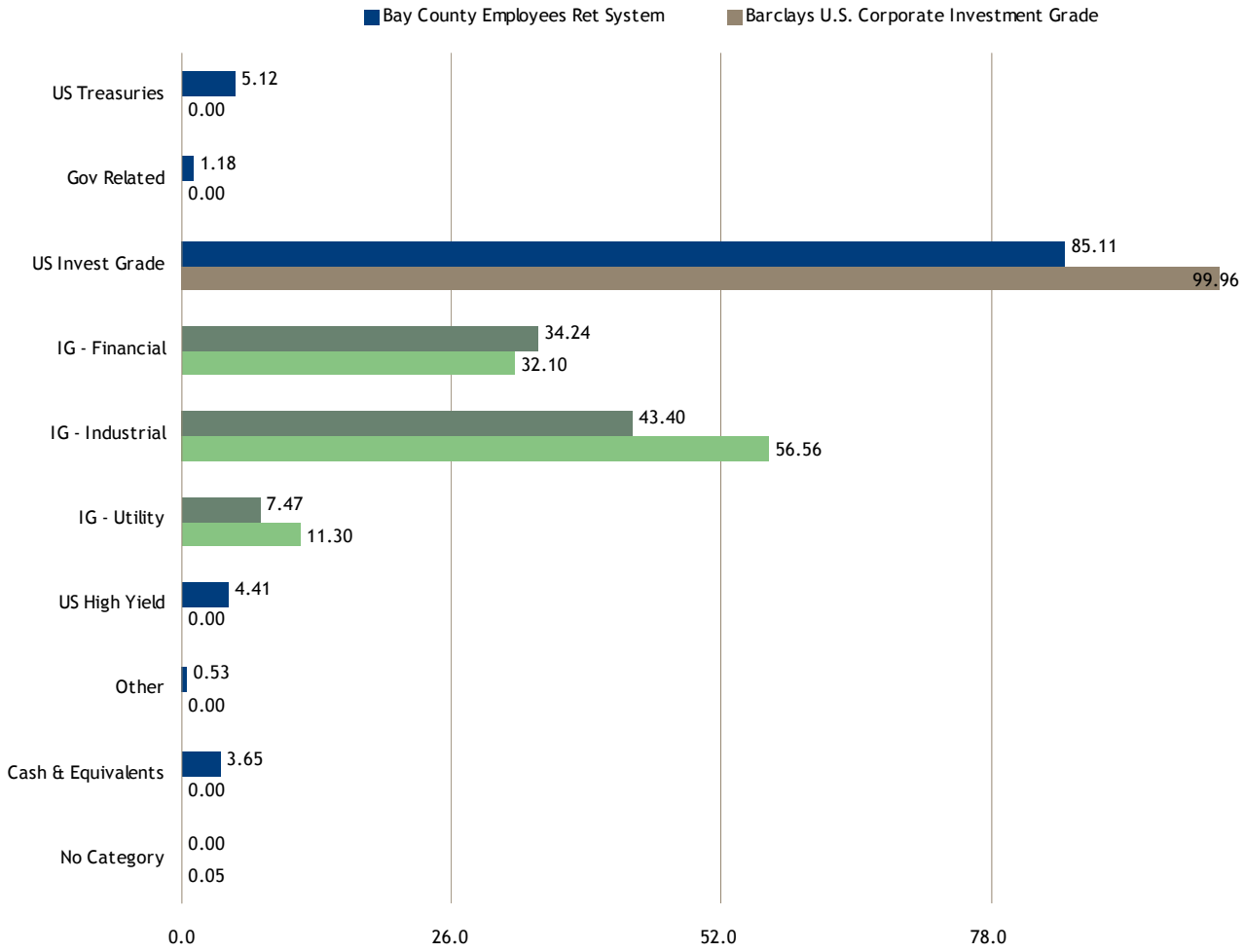
historical characteristics summary

	Bay County Employees Ret System 12/31/2011	Bay County Employees Ret System 8/31/2012	Barclays U.S. Corporate Investment Grade 8/31/2012
Yield to Maturity	4.19%	3.29%	2.85%
Maturity	9.86 years	9.88 years	10.54 years
Duration	6.74 years	7.17 years	7.11 years
Coupon Rate	5.21%	4.94%	5.19%
Average Quality	A3	A3	Baa1

Duration used is Effective. Data Source: Barclays Capital

characteristics summary

SECTOR DISTRIBUTION (%) AS OF 8/31/2012



Data Source: Barclays Capital

Bay County Employees Ret System

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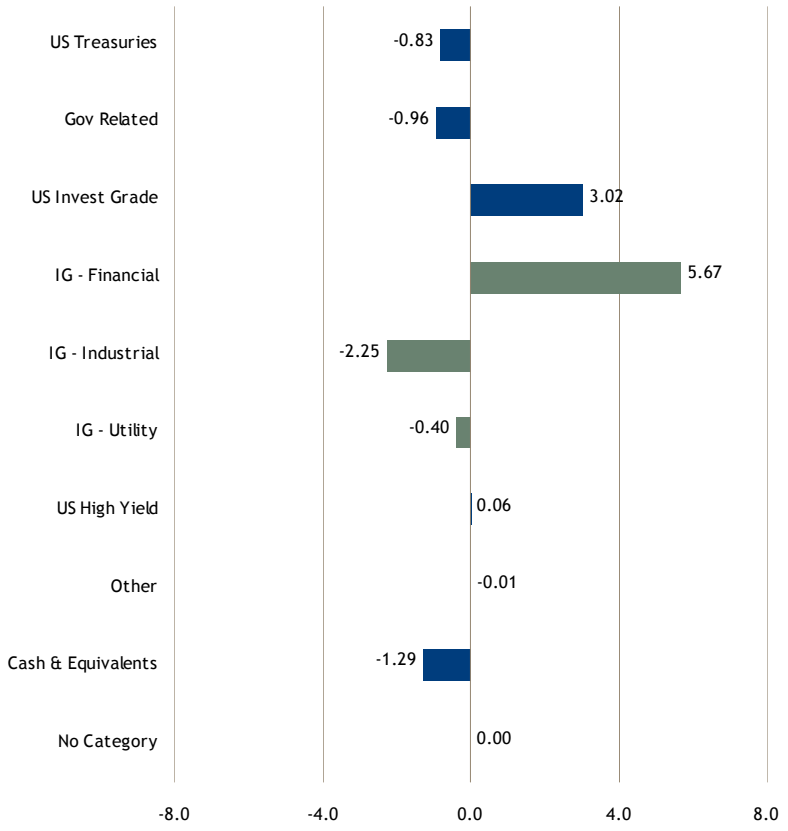
sector allocation change

12/31/2011 TO 8/31/2012 (%)



	Account Final Weight
US Treasuries	5.12
Gov Related	1.18
US Invest Grade	85.11
IG - Financial	34.24
IG - Industrial	43.40
IG - Utility	7.47
US High Yield	4.41
Other	0.53
Cash & Equivalents	3.65
No Category	0.00

Bay County Employees Ret System

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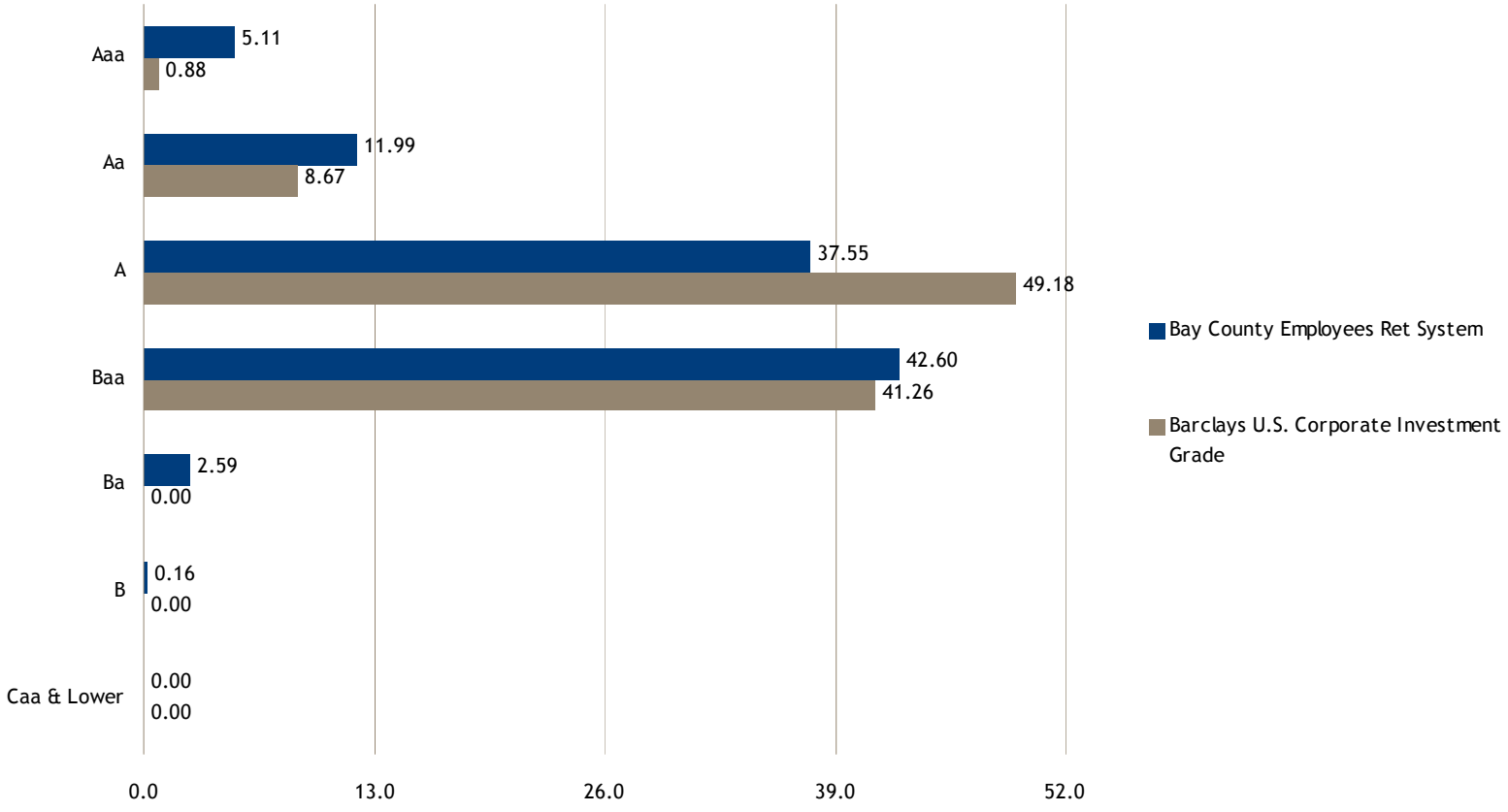
Data Source: Barclays Capital

characteristics summary

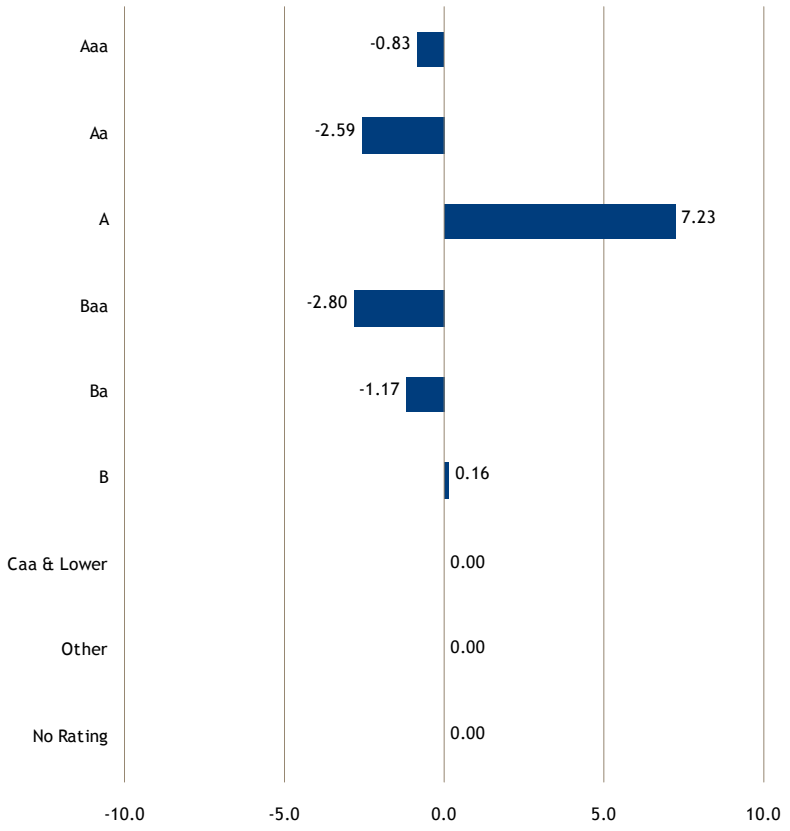
QUALITY DISTRIBUTION (%) AS OF 8/31/2012



For split rated securities in the quality distribution, the higher of Moody and S&P is used. The account's split rating treatment is based on client guidelines. The benchmark follows the vendor's methodology. Cash, Government & Agencies, and Aaa rated positions are reflected in the Aaa category. Data Source: Barclays Capital

quality allocation change

12/31/2011 TO 8/31/2012 (%)

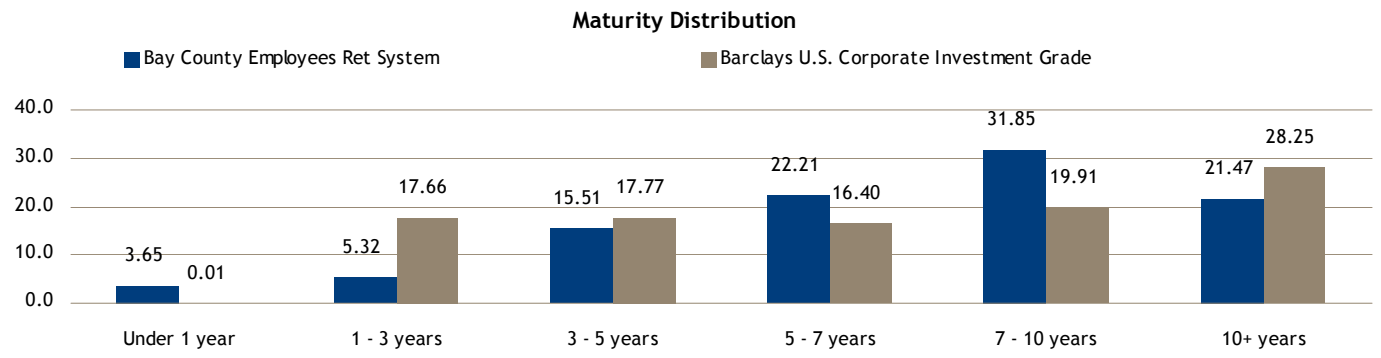


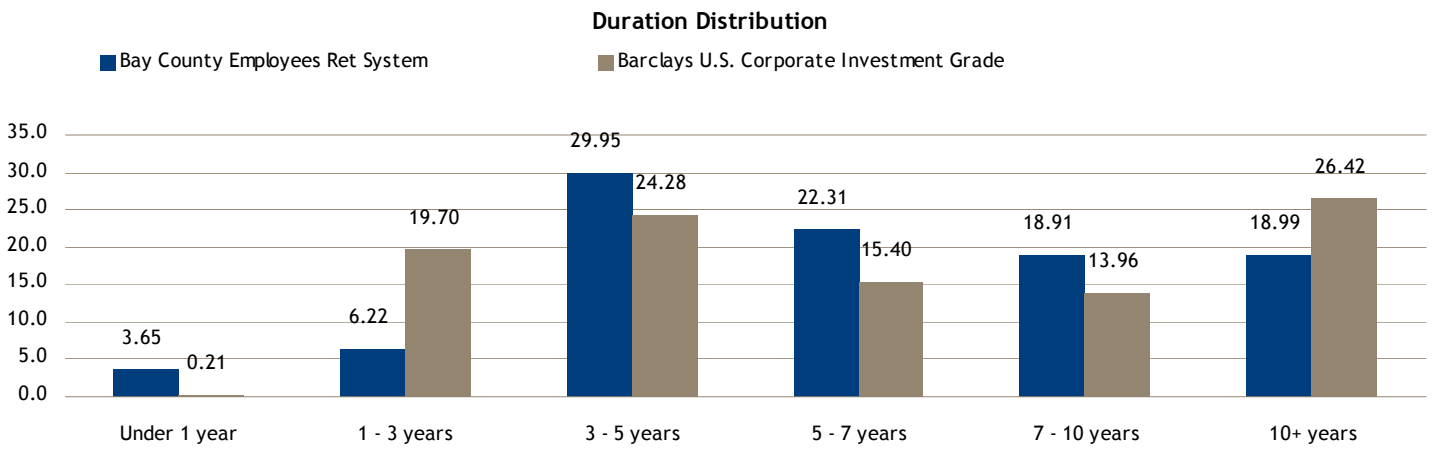
	Account Final Weight
Aaa	5.11
Aa	11.99
A	37.55
Baa	42.60
Ba	2.59
B	0.16
Caa & Lower	0.00
Other	0.00
No Rating	0.00

For split rated securities in the quality distribution, the higher of Moody and S&P is used. The account's split rating treatment is based on client guidelines. The benchmark follows the vendor's methodology. Cash, Government & Agencies, and Aaa rated positions are reflected in the Aaa category. Data Source: Barclays Capital

characteristics summary

AS OF 8/31/2012 (%)





The current benchmark is Barclays U.S. Corporate Investment Grade. Data Source: Barclays Capital

Economic and Macro Environment Outlook

Year-end Forecast	U.S. Domestic			Global			Western Europe			Asia Pacific			Latin America		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
GDP Growth	1.7%	2.0%	1.9%	2.9%	2.6%	3.0%	1.5%	-0.2%	0.9%	4.3%	5.0%	4.9%	4.2%	3.6%	4.1%
CPI Inflation	3.1%	1.9%	2.0%	3.7%	3.0%	2.9%	2.8%	2.2%	1.9%	3.5%	2.6%	2.7%	6.9%	6.0%	6.3%
Current Account Balance (Billions $)	(466)	(532)	(541)	-	-	-	234.0	263.6	312.9	390	324	334	(66.9)	(86.6)	(101.8)
Interest Rates (10-Year); end of year	**1.89%**	1.50%	2.25%	-	-	-	-	-	-	-	-	-	-	-	-

MACRO ENVIRONMENT

US Economy

- We expect growth to remain sub-2% over the next 12 months as firms anticipate some sort of fiscal austerity (fiscal cliff).
- Growth in real disposable personal income (after inflation & taxes) slows to a crawl in 2013 as payroll tax holiday ends.
- Exports continue to slow as the European recession deepens and as the Chinese slowdown is drawn out.
- Fiscal tightening will be a drag on growth in 2013.
- The unemployment rate will remain high and inflation low.
- The Fed is on hold at least through 2014.

Fiscal Uncertainty Across Advanced Economies

- Europe has been enduring tight fiscal policy, particularly in the periphery and in the UK. The US may be headed down a similar path although it continues to avoid addressing its long-term structural issues.
- Legislation due to expire at year end is slated to cause a $500-700 billion fiscal drag (3-4% of GDP) in 2013. Lame duck Congress likely to extend Bush tax cuts into 2013, but the risk of gridlock is significant.
- As gridlock dominates the legislature long-term planning is difficult if not impossible, holding back US growth.
- A US fiscal cliff in 2013 is a recession risk.

Credit Cycle

- Decelerating global growth and the stronger dollar has hurt profits.
- Strong US corporate and bank balance sheets should limit default rates in the event of a recession. Maturity wall has been pushed forward.
- Corporate health is strong although nonfinancial debt is increasing while profits and cash flows are slowing.
- Domestic profits to slow in reaction to "sequester" budget cuts (e.g. defense, utilities sectors).
- Political instability, European bank and fiscal deleveraging and bank recapitalizations in Spain will keep tensions very high in Europe.

Risk Expectations & Liquidity Are Driving Markets

- The CRIC Cycle (crisis, response, improvement, complacency) is alive and well.
- Liquidity evaporated in Europe with the end of the 2nd LTRO.
- Austerity and bailout fatigue is coming to a head across Europe.
- Portfolios continue to rebalance toward less risky assets.
- Credit creation is decelerating in Europe and China.
- Monetary policy in advanced economies will remain loose for a long time.
- Emerging markets are to face renewed food inflation.

The opinions expressed are based upon subjective judgments and will evolve as future events unfold.
Data source: Loomis Sayles Economics, Bloomberg, Moody's Investors Services, Consensus Economics
As of 7/23/2012

bond market environment

10-YEAR US TREASURY YIELDS

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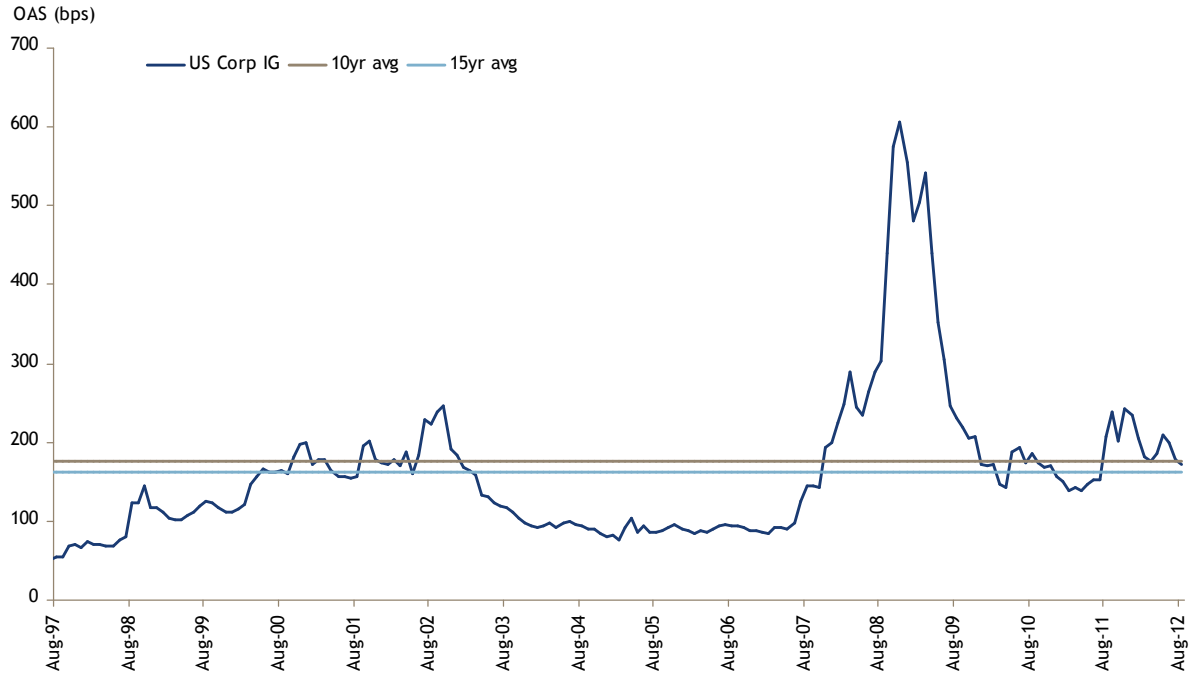
Chart illustrates 10 Year Treasury Yields from 1/02/62 – 8/31/2012
Data source: Bloomberg

bond market environment

US HIGH GRADE CORPORATE SPREADS



	8/31/2012	10 Yr Average	15 Yr Average	Current Spread to 10 Yr Avg	Current Spread to 15 Yr Avg
US Corp IG	172	175	163	(3)	9
Aaa	59	91	86	(32)	(27)
Aa	83	119	110	(36)	(27)
A	145	160	148	(15)	(3)
Baa	225	221	208	3	16

Data source: Barclays Capital. Averages computed by Loomis Sayles. Data through 8/31/2012

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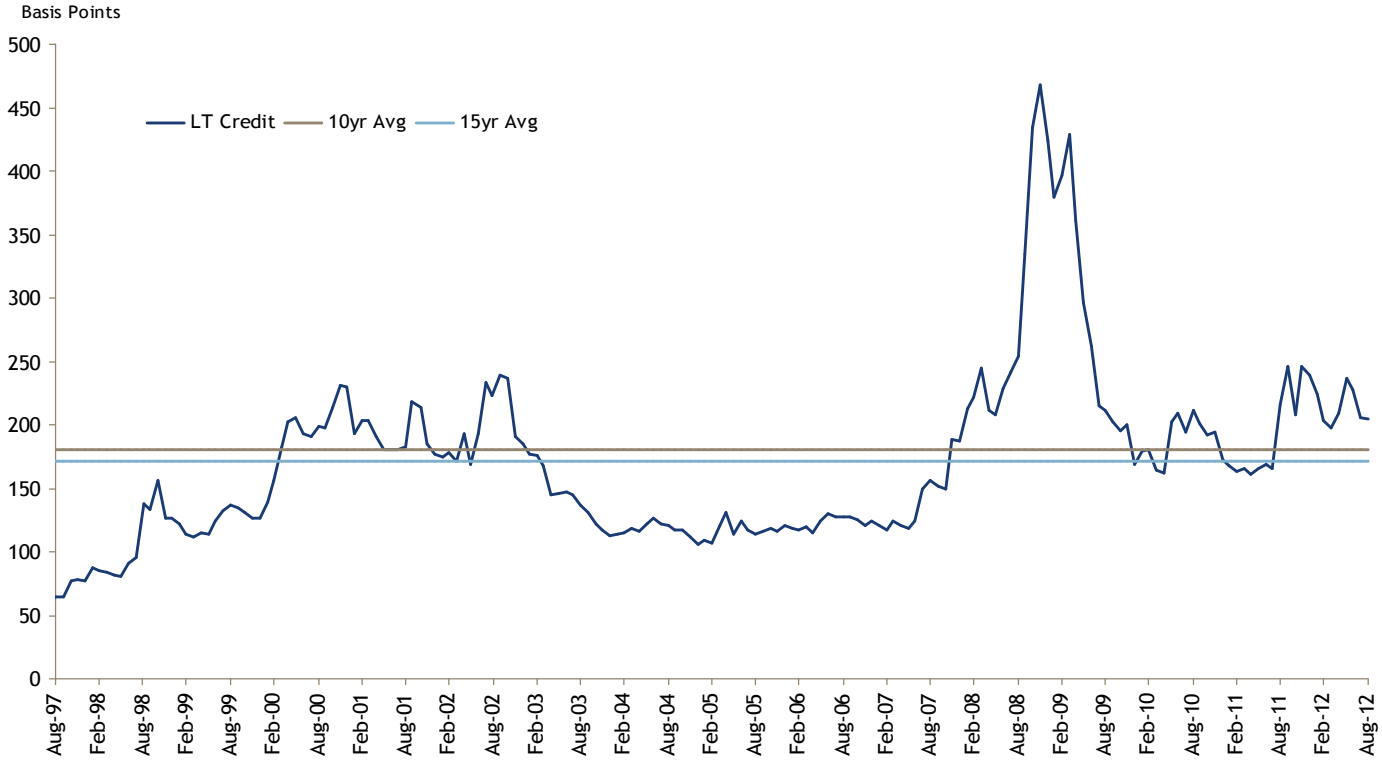
bond market environment

LONG TERM CREDIT SPREADS



	8/31/2012	10 Yr Average	15 Yr Average	Current Spread to 10 Yr Avg	Current Spread to 15 Yr Avg
LT Credit	205	181	171	24	34
LT Aaa	99	93	92	6	8
LT Aa	143	121	116	22	26
LT A	183	164	155	19	28
LT Baa	250	222	212	28	38

Data source: Barclays Capital. Averages computed by Loomis Sayles. Data through 8/31/2012

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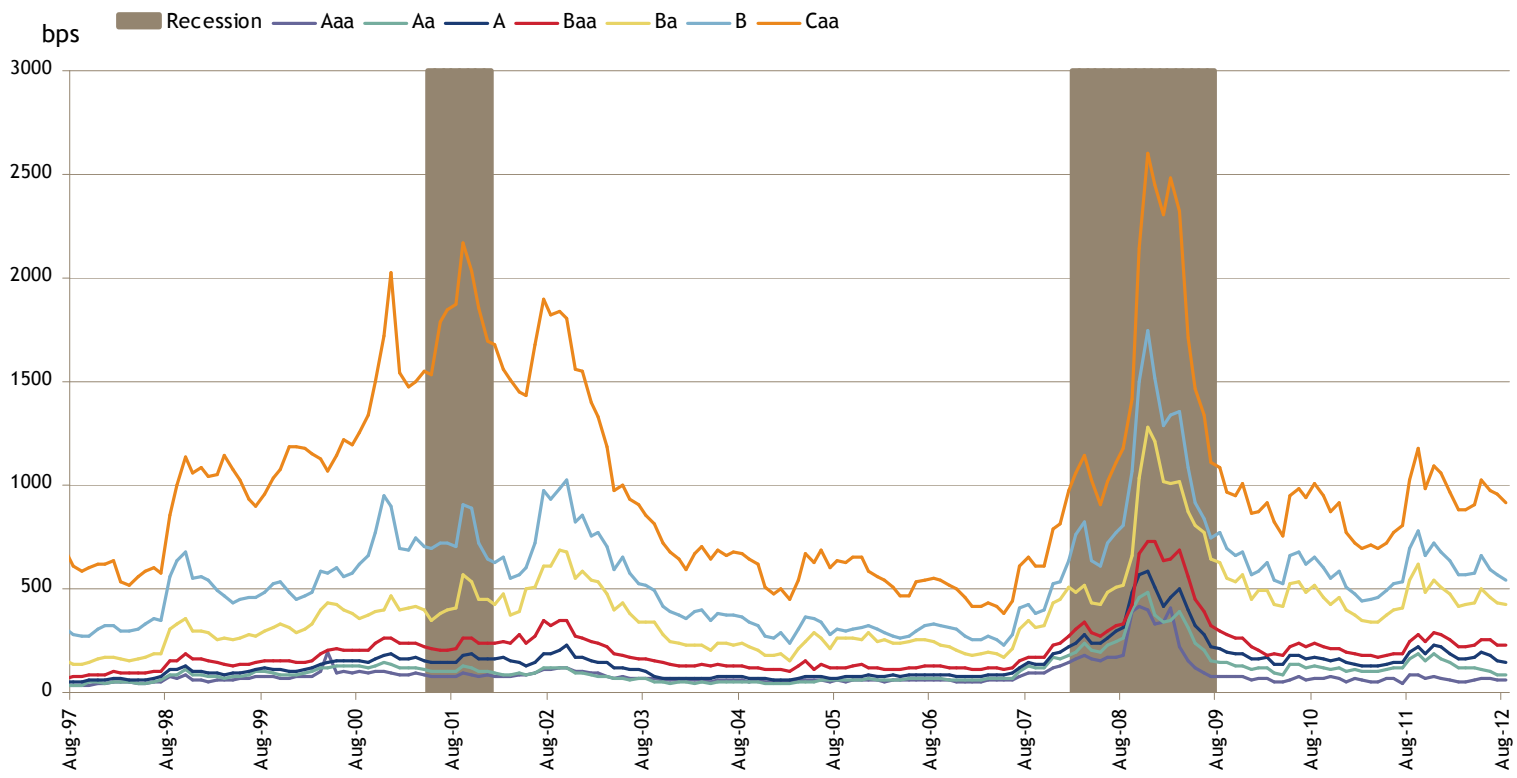
bond market environment

SPREADS BY CREDIT QUALITY



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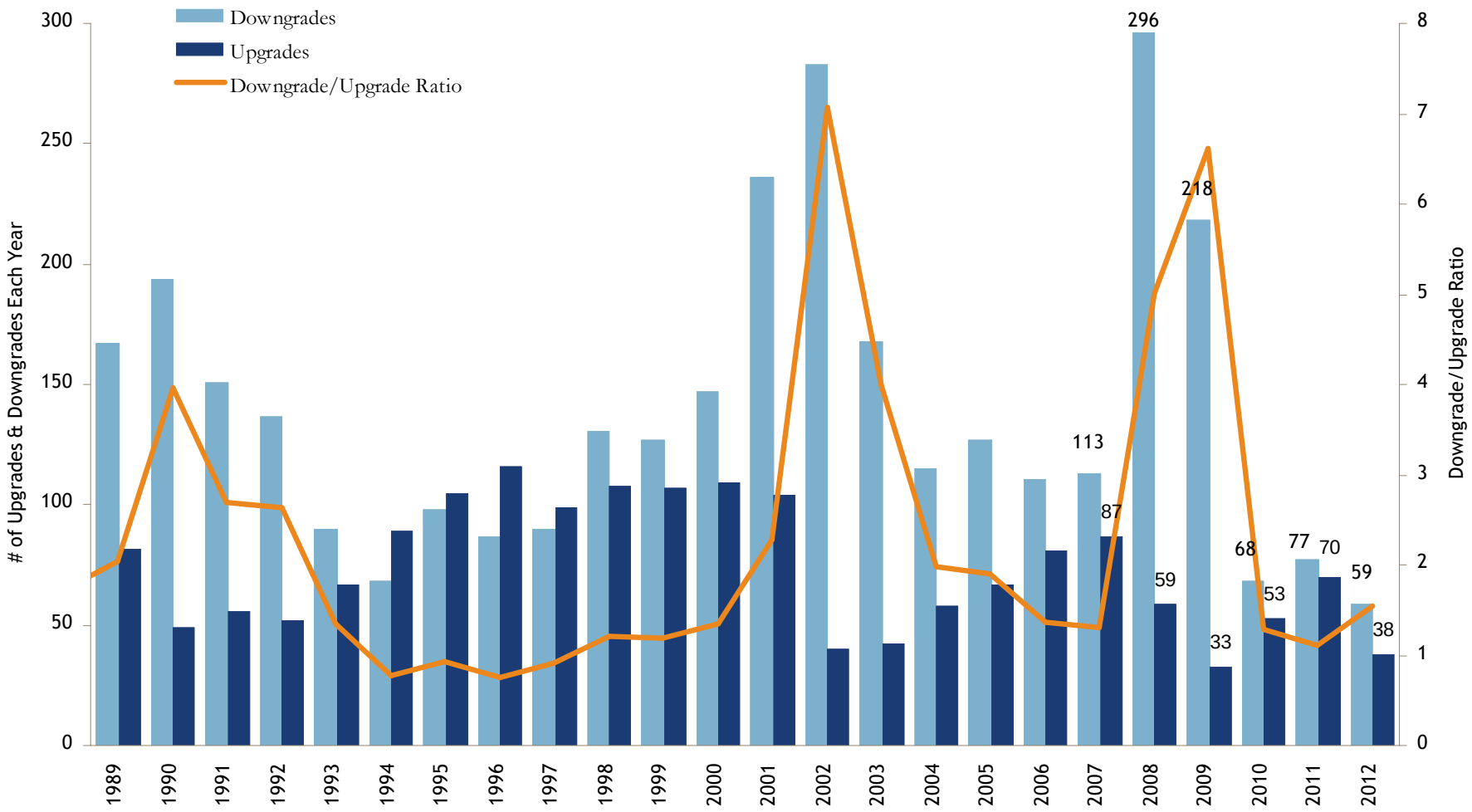
Source: Barclays Capital; data through 8/31/2012. Shaded area denotes recession period.

bond market environment

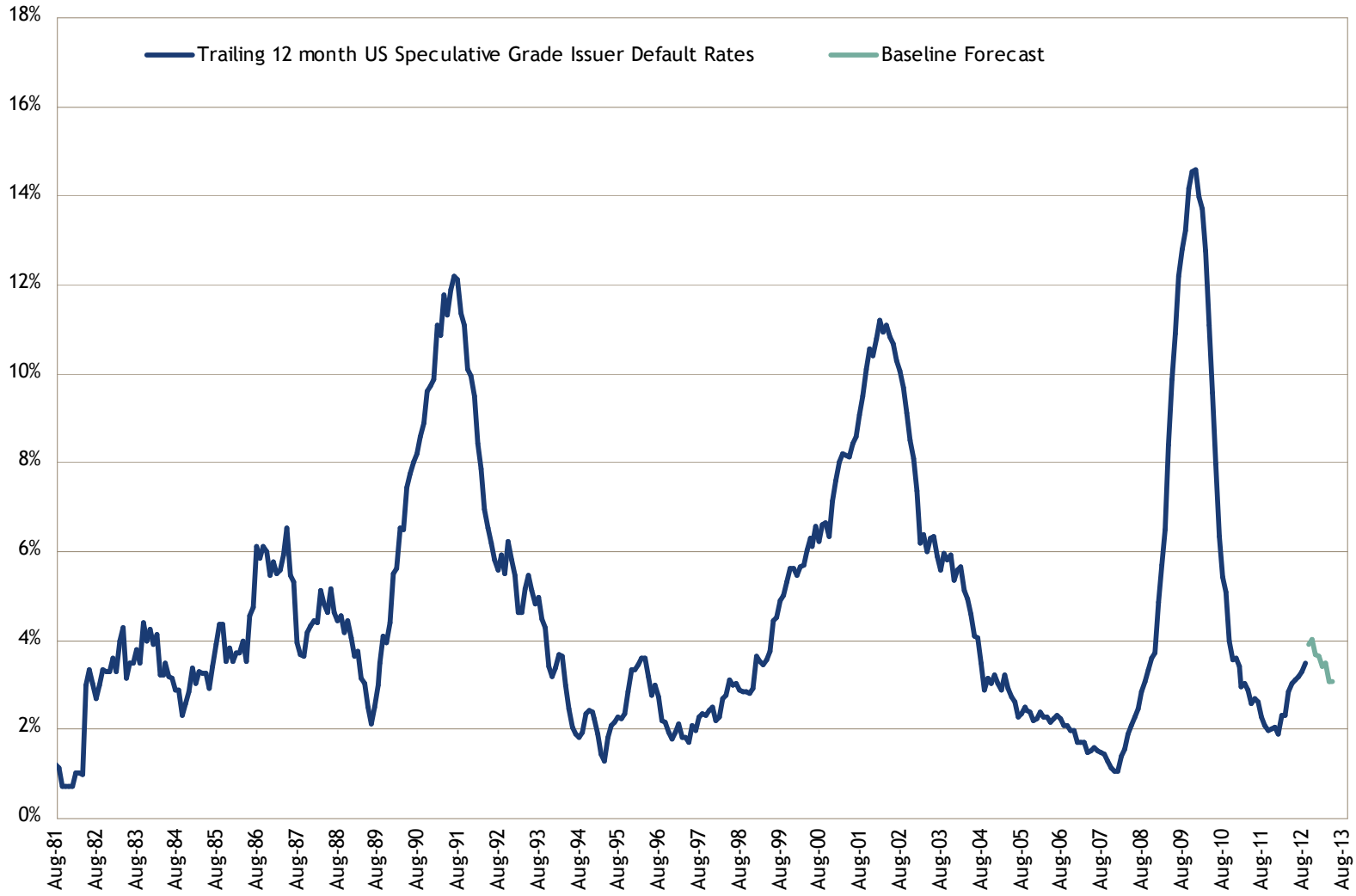
US INVESTMENT GRADE CREDIT QUALITY TRENDS



Yearly Data. Source: Moodys: History through July 2012

bond market environment

US SPECULATIVE GRADE DEFAULT TRENDS



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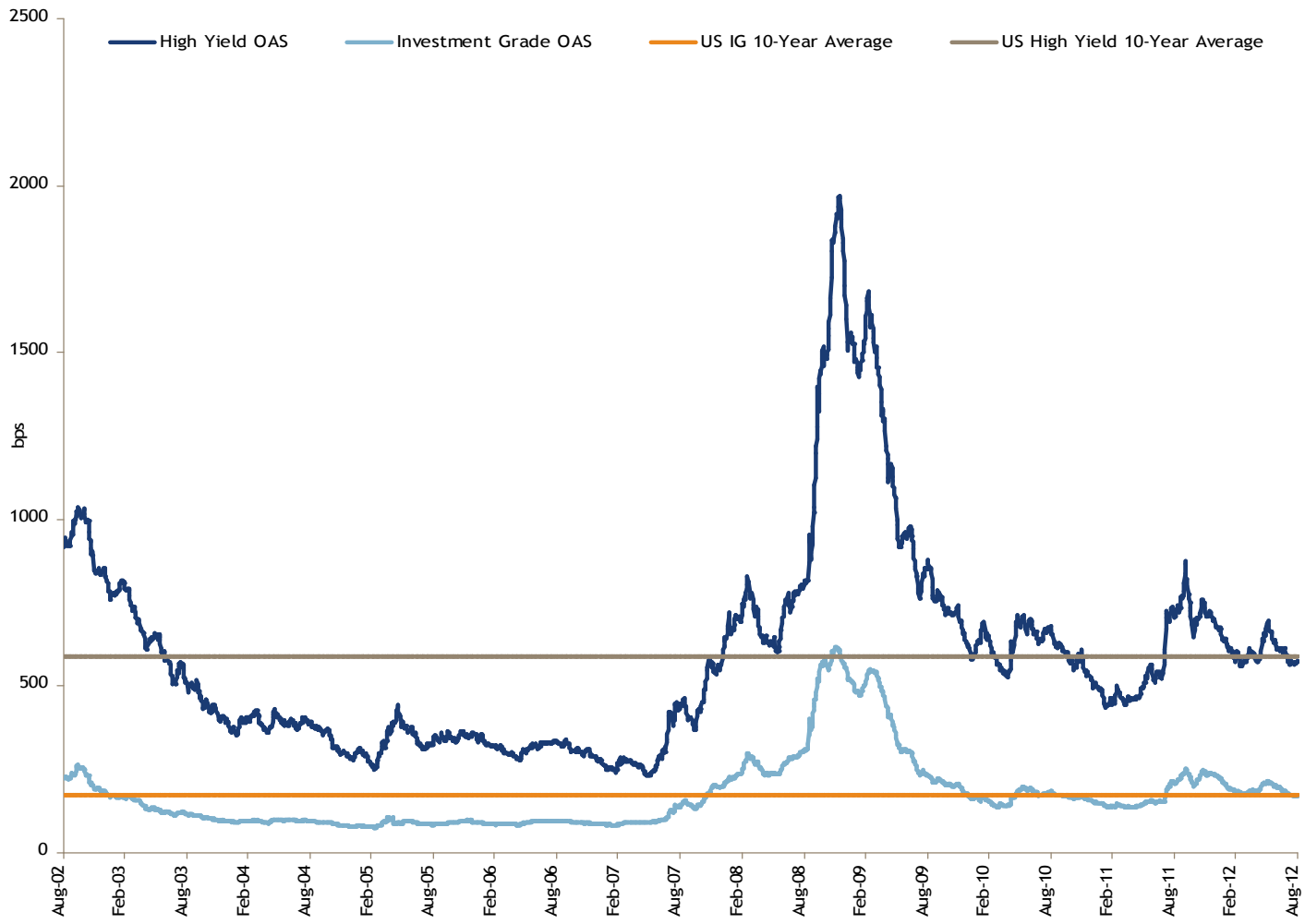
Source: Moodys: History through August 2012. Moodys Forecast through: August 2013

bond market environment

US INVESTMENT GRADE AND HIGH YIELD OPTION-ADJUSTED SPREADS



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Data source: Barclays Capital, history through 8/31/2012

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Barclays Industry Summary - by Sector/Industry

Date Run: 09/21/2012
Bay County Employees Ret System — Appraisal Date: 08/31/2012
4407N1-KLWFIM — Administrative Currency: USD

Mkt Val USD	Security Name	Coupon	Effective Maturity Dt	YTM	Quality	Duration	Lcl Unit Cost	Lcl Price	USD Unit Cost	USD Price	% of Port	% with Deriv	Weight by Industry	Spread
6,379,174	Banking -- Banking	4.81	02/26/2018	2.83	A3	4.77			100.37	109.59	21.50%	21.50%		191
208,054	AMERICAN EXPRESS CO	7.00	03/19/2018	1.91	A3	4.70	102.91	126.88	102.91	126.88	0.70%	0.70%	3.26%	53
402,506	BANK OF AMERICA CORP	5.63	07/01/2020	4.04	A3	6.53	102.51	110.87	102.51	110.87	1.36%	1.36%	6.31%	252
158,637	BANK OF AMERICA CORP	5.88	01/05/2021	4.16	A3	6.84	102.25	112.40	102.25	112.40	0.53%	0.53%	2.49%	273
302,708	BARCLAYS BANK PLC	3.90	04/07/2015	2.05	A1	2.46	101.21	104.65	101.21	104.65	1.02%	1.02%	4.75%	178
142,874	BARCLAYS PLC	2.75	02/23/2015	1.91	A1	2.41	99.94	101.99	99.94	101.99	0.48%	0.48%	2.24%	166
119,089	BEAR STEARNS CO INC	5.30	10/30/2015	1.52	A2	2.92	95.71	111.64	95.71	111.64	0.40%	0.40%	1.87%	
346,412	BEAR STEARNS CO INC	4.65	07/02/2018	2.31	A2	5.20	87.67	112.82	87.67	112.82	1.17%	1.17%	5.43%	100
363,166	CITIGROUP INC	6.13	11/21/2017	2.92	A3	4.55	103.08	115.45	103.08	115.45	1.22%	1.22%	5.69%	235
111,888	CITIGROUP INC	6.13	05/15/2018	3.07	A3	4.90	99.78	115.97	99.78	115.97	0.38%	0.38%	1.75%	249
100,946	CITIGROUP INC	5.38	08/09/2020	3.69	A3	6.70	102.85	111.83	102.85	111.83	0.34%	0.34%	1.58%	217
146,298	CITIGROUP INC	4.45	01/10/2017	2.56	A3	4.01	99.86	107.74	99.86	107.74	0.49%	0.49%	2.29%	198
234,665	GOLDMAN SACH GROUP INC	5.35	01/15/2016	2.70	A3	3.12	96.43	108.46	96.43	108.46	0.79%	0.79%	3.68%	229
232,529	GOLDMAN SACHS GROUP INC	6.15	04/01/2018	3.44	A3	4.77	107.83	113.70	107.83	113.70	0.78%	0.78%	3.65%	289
347,273	GOLDMAN SACHS GROUP INC	5.38	03/15/2020	4.20	A3	6.26	103.52	107.77	103.52	107.77	1.17%	1.17%	5.44%	267
130,122	GOLDMAN SACHS GROUP INC	6.00	06/15/2020	4.24	A3	6.41	109.34	111.88	109.34	111.88	0.44%	0.44%	2.04%	272
222,486	HSBC HOLDINGS PLC	5.10	04/05/2021	3.16	Aa3	7.14	105.36	115.03	105.36	115.03	0.75%	0.75%	3.49%	178
125,222	HSBC HOLDINGS PLC	4.00	03/30/2022	3.18	Aa3	8.12	99.35	107.21	99.35	107.21	0.42%	0.42%	1.96%	170
102,584	HSBC USA INC	2.38	02/13/2015	1.34	A1	2.39	101.24	102.47	101.24	102.47	0.35%	0.35%	1.61%	109
147,781	JP MORGAN CHASE & CO SUB NTS	5.13	09/15/2014	1.57	A3	1.92	96.81	107.10	96.81	107.10	0.50%	0.50%	2.32%	132
135,247	JPMORGAN CHASE & CO	3.45	03/01/2016	1.54	A2	3.33	99.79	106.47	99.79	106.47	0.46%	0.46%	2.12%	119
300,123	JPMORGAN CHASE & CO	4.63	05/10/2021	3.12	A2	7.35	103.08	111.83	103.08	111.83	1.01%	1.01%	4.70%	164
148,217	JPMORGAN CHASE & CO	4.35	08/15/2021	3.17	A2	7.68	99.52	109.60	99.52	109.60	0.50%	0.50%	2.32%	161
28,417	MERRILL LYNCH & CO	6.40	08/28/2017	3.41	A3	4.40	109.55	113.62	109.55	113.62	0.10%	0.10%	0.45%	283
125,002	MERRILL LYNCH & CO	6.88	04/25/2018	3.61	A3	4.76	100.76	116.64	100.76	116.64	0.42%	0.42%	1.96%	302
158,922	MORGAN STANLEY	5.63	09/23/2019	5.04	A3	5.84	97.88	103.48	97.88	103.48	0.54%	0.54%	2.49%	408
440,610	MORGAN STANLEY SUB NTS	4.75	04/01/2014	2.83	Baa1	1.51	94.57	102.93	94.57	102.93	1.49%	1.49%	6.91%	232
210,655	NORDEA BANK AB 144A W/O RTS	3.13	03/20/2017	2.21	Aa3	4.23	99.93	103.93	99.93	103.93	0.71%	0.71%	3.30%	170
111,673	RABOBANK NEDERLAND 144A W/O RTS	4.75	01/15/2020	3.10	Aa2	6.39	106.67	111.07	106.67	111.07	0.38%	0.38%	1.75%	162
95,560	RABOBANK NEDERLAND UTREC	3.38	01/19/2017	1.99	Aa2	4.11	99.91	105.78	99.91	105.78	0.32%	0.32%	1.50%	150
71,231	ROYAL BK OF SCOTLAND PLC	5.63	08/24/2020	4.26	A2	6.67	99.95	109.48	99.95	109.48	0.24%	0.24%	1.12%	295
30,698	SANTANDER HOLDINGS USA	4.63	04/19/2016	4.40	Baa1	3.33	99.56	100.63	99.56	100.63	0.10%	0.10%	0.48%	399
143,883	US BANCORP	1.65	04/15/2017	1.14	Aa3	4.50	99.81	102.26	99.81	102.26	0.48%	0.48%	2.26%	57

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Mkt Val USD	Security Name	Coupon	Effective Maturity Dt	YTM	Quality	Duration	Lcl Unit Cost	Lcl Price	USD Unit Cost	USD Price	% of Port	% with Deriv	Weight by Industry	Spread
	Banking -- Banking (cont.)													
76,163	WELLS FARGO & CO	4.60	04/01/2021	2.66	A1	7.27	99.77	115.26	99.77	115.26	0.26%	0.26%	1.19%	119
147,628	WELLS FARGO & COMPANY	1.50	07/01/2015	0.95	A1	2.77	99.80	101.55	99.80	101.55	0.50%	0.50%	2.31%	66
209,903	WELLS FARGO CO	3.68	06/15/2016	1.30	A1	3.53	100.67	108.78	100.67	108.78	0.71%	0.71%	3.29%	74
402,426	Basic Industry -- Chemicals	6.31	09/21/2032	5.99	Ba1	10.50			100.68	104.56	1.36%	1.36%		355
224,185	BRASKEM AMERICA FINANCE 144A W/O	7.13	01/22/2041	7.11	Baa3	12.65	98.48	103.50	98.48	103.50	0.76%	0.76%	55.71%	444
148,050	METHANEX CORP	5.25	03/01/2022	4.41	Baa3	7.78	104.16	107.00	104.16	107.00	0.50%	0.50%	36.79%	293
30,191	OLIN CORP	5.50	08/15/2022	5.50	Ba1	7.91	100.00	100.50	100.00	100.50	0.10%	0.10%	7.50%	
1,337,466	Basic Industry -- Metals and Mining	5.42	01/23/2025	4.78	Baa2	8.17			99.55	106.13	4.51%	4.51%		281
130,570	ALCOA INC	6.15	08/15/2020	4.88	Baa3	6.52	104.11	108.54	104.11	108.54	0.44%	0.44%	9.76%	350
131,016	ARCELORMITTAL	6.13	06/01/2018	6.23	Baa3	4.87	99.00	99.25	99.00	99.25	0.44%	0.44%	9.80%	564
128,130	ARCELORMITTAL	10.10	06/01/2019	7.40	Baa3	5.08	97.52	114.00	97.52	114.00	0.43%	0.43%	9.58%	584
34,032	ARCELORMITTAL	6.50	02/25/2022	6.96	Baa3	7.26	99.28	97.13	99.28	97.13	0.11%	0.11%	2.54%	543
106,306	BARRICK AUSTRALIA FINANC	5.95	10/15/2039	5.07	Baa1	14.56	99.86	115.87	99.86	115.87	0.36%	0.36%	7.95%	241
125,446	CVRD VALE LTD	6.88	11/21/2036	5.76	A3	12.91	98.48	117.56	98.48	117.56	0.42%	0.42%	9.38%	309
11,691	NEWMONT MINING CORP	5.88	04/01/2035	4.98	Baa1	13.35	88.78	114.46	88.78	114.46	0.04%	0.04%	0.87%	232
42,851	NEWMONT MINING CORP	6.25	10/01/2039	5.11	Baa1	14.34	98.81	119.83	98.81	119.83	0.14%	0.14%	3.20%	252
99,584	NEWMONT MINING CORP	4.88	09/15/2041	4.85	Baa1	15.88	99.14	102.48	99.14	102.48	0.34%	0.34%	7.45%	220
140,423	PEABODY ENERGY CORP 144A W/RTS	6.00	11/15/2018	5.54	Ba1	5.22	100.00	102.25	100.00	102.25	0.47%	0.47%	10.50%	
180,158	RIO TINTO FIN USA PLC	1.63	08/21/2017	1.62	A3	4.80	99.45	100.04	99.45	100.04	0.61%	0.61%	13.47%	103
143,271	TECK RESOURCES LIMITED	3.00	03/01/2019	2.87	Baa2	5.99	99.71	100.81	99.71	100.81	0.48%	0.48%	10.71%	198
63,989	TECK RESOURCES LIMITED	3.75	02/01/2023	4.00	Baa2	8.85	99.19	98.21	99.19	98.21	0.22%	0.22%	4.78%	248
388,321	Basic Industry -- Paper	7.33	08/25/2023	3.69	Baa3	6.97			114.37	121.28	1.31%	1.31%		256
77,620	DOMTAR CORP	6.25	09/01/2042	6.23	Baa3	14.10	99.58	103.35	99.58	103.35	0.26%	0.26%	19.99%	357
143,782	INTL PAPER CO	7.95	06/15/2018	2.56	Baa2	4.84	117.36	129.03	117.36	129.03	0.48%	0.48%	37.03%	206
96,811	INTL PAPER CO	9.38	05/15/2019	3.47	Baa2	5.29	132.28	135.54	132.28	135.54	0.33%	0.33%	24.93%	255
70,108	ROCK-TENN CO 144A W/RTS	4.45	03/01/2019	3.51	Baa3	5.77	99.91	105.52	99.91	105.52	0.24%	0.24%	18.05%	252
196,420	Capital Goods -- Aerospace/Defense	4.92	02/17/2018	3.15	Ba1	4.79			100.34	106.99	0.66%	0.66%		225
74,690	BE AEROSPACE INC	5.25	04/01/2020	4.20	Ba2	6.44	102.00	104.25	102.00	104.25	0.25%	0.25%	38.03%	272
11,219	TEXTRON INC	5.60	12/01/2017	3.34	Baa3	4.61	92.99	110.79	92.99	110.79	0.04%	0.04%	5.71%	246
110,512	TEXTRON INC	4.63	09/21/2016	2.42	Baa3	3.69	99.96	108.46	99.96	108.46	0.37%	0.37%	56.26%	191

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Barclays Industry Summary - by Sector/Industry

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Mkt Val USD	Security Name	Coupon	Effective Maturity Dt	YTM	Quality	Duration	Lcl Unit Cost	Lcl Price	USD Unit Cost	USD Price	% of Port	% with Deriv	Weight by Industry	Spread
149,126	Capital Goods -- Construction Machinery	3.35	02/19/2024	2.76	Baa1	7.45			97.79	105.86	0.50%	0.50%		151
97,614	CATERPILLAR FINANCIAL SE	1.63	06/01/2017	1.12	A2	4.58	99.84	102.34	99.84	102.34	0.33%	0.33%	65.46%	57
51,512	JOY GLOBAL INC	6.63	11/15/2036	5.87	Baa2	12.90	93.91	112.52	93.91	112.52	0.17%	0.17%	34.54%	330
211,650	Capital Goods -- Diversified Manufacturing	6.24	06/24/2018	2.44	Baa1	5.05			100.39	120.73	0.71%	0.71%		192
160,519	INGERSOLL-RAND FIN I	6.88	08/15/2018	2.68	Baa1	5.10	100.60	123.17	100.60	123.17	0.54%	0.54%	75.84%	217
51,131	SNAP-ON INC	4.25	01/15/2018	1.71	A3	4.89	99.72	113.08	99.72	113.08	0.17%	0.17%	24.16%	112
1,080,922	Cash & Equivalent -- Cash & Equivalent	0.10	09/03/2012	0.10	Aa1	0.00			100.00	100.00	3.64%	3.64%		0
1,080,922	U S Dollars	0.10	09/03/2012	0.10	Aa1	0.00	1.00	100.00	1.00	100.00	3.64%	3.64%	100.00%	
685,176	Communications -- Media Cable	5.41	11/26/2025	3.99	Baa3	9.36			104.51	113.86	2.31%	2.31%		214
28,211	CCO HLDGS LLC/CAP CORP	7.38	12/01/2015	4.47	Ba3	4.11	100.00	111.00	100.00	111.00	0.10%	0.10%	4.12%	328
59,851	CCO HLDGS LLC/CAP CORP	6.63	01/31/2017	4.85	Ba3	5.88	99.50	108.25	99.50	108.25	0.20%	0.20%	8.74%	337
89,445	COMCAST CORP	5.65	06/15/2035	4.54	Baa1	13.98	94.92	118.07	94.92	118.07	0.30%	0.30%	13.05%	192
144,100	COX COMMUN INC 144A W/O RTS	6.45	12/01/2036	4.97	Baa2	13.72	117.38	123.69	117.38	123.69	0.49%	0.49%	21.03%	239
229,796	DIRECTV HLDG/FIN INC	5.00	03/01/2021	3.37	Baa2	7.21	104.89	112.40	104.89	112.40	0.77%	0.77%	33.54%	189
73,586	DIRECTV HOLDINGS/FING	3.80	03/15/2022	3.44	Baa2	8.11	99.96	103.30	99.96	103.30	0.25%	0.25%	10.74%	196
60,187	TIME WARNER CABLE INC	4.00	06/01/2021	2.82	Baa2	7.76	99.11	109.46	99.11	109.46	0.20%	0.20%	8.78%	129
887,541	Communications -- Media NonCable	5.32	10/30/2021	3.30	Baa2	7.27			104.83	114.53	2.99%	2.99%		163
231,186	BRITISH SKY BROADCASTING 144A W/O	6.10	02/15/2018	2.51	Baa1	4.79	100.67	118.29	100.67	118.29	0.78%	0.78%	26.05%	113
60,998	CBS CORP	4.30	11/15/2020	2.87	Baa2	7.25	95.51	110.72	95.51	110.72	0.21%	0.21%	6.87%	164
67,957	DISCOVERY COMMUNICATIONS	3.30	05/15/2022	2.91	Baa2	8.49	99.17	103.60	99.17	103.60	0.23%	0.23%	7.66%	143
26,030	MOODY'S CORPORATION	4.50	09/01/2022	4.07	Baa1	8.33	99.22	103.98	99.22	103.98	0.09%	0.09%	2.93%	251
166,324	NBC UNIVERSAL	4.38	04/01/2021	2.74	Baa1	7.32	107.86	112.88	107.86	112.88	0.56%	0.56%	18.74%	121
173,844	NEWS AMERICA INC	7.30	04/30/2028	5.43	Baa1	10.13	114.92	121.72	114.92	121.72	0.59%	0.59%	19.59%	281
144,632	OMNICOM GROUP INC	4.45	08/15/2020	2.93	Baa1	6.92	103.86	111.06	103.86	111.06	0.49%	0.49%	16.30%	145
16,569	THOMSON REUTERS CORP	3.95	09/30/2021	2.89	A3	7.78	101.44	108.80	101.44	108.80	0.06%	0.06%	1.87%	142
666,773	Communications -- Wireless	4.96	05/15/2021	2.33	A3	6.48			99.27	121.90	2.25%	2.25%		104
160,213	ALLTEL CORP	7.88	07/01/2032	3.87	A3	12.40	88.61	158.90	88.61	158.90	0.54%	0.54%	24.03%	136
89,535	AMERICA MOVIL SA USD	5.75	01/15/2015	0.97	A2	2.24	95.05	111.18	95.05	111.18	0.30%	0.30%	13.43%	71
207,060	AMERICA MOVIL SA USD	5.00	03/30/2020	2.68	A2	6.44	109.44	116.22	109.44	116.22	0.70%	0.70%	31.05%	115
209,965	AMERICA MOVIL SA USD	2.38	09/08/2016	1.39	A2	3.82	99.19	103.84	99.19	103.84	0.71%	0.71%	31.49%	83
1,034,041	Communications -- Wirelines	6.49	07/31/2030	5.76	Baa2	10.57			99.34	108.93	3.49%	3.49%		344
7,854	AT&T CORP SR NTS	8.00	11/15/2031	4.13	A2	11.90	127.77	154.72	127.77	154.72	0.03%	0.03%	0.76%	154
59,032	AT&T INC	6.30	01/15/2038	4.49	A2	14.60	108.21	130.38	108.21	130.38	0.20%	0.20%	5.71%	198

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	Communications -- Wirelines (cont.)													
188,918	AT&T INC	5.35	09/01/2040	4.28	A2	16.21	100.60	120.00	100.60	120.00	0.64%	0.64%	18.27%	163
225,174	EMBARQ CORP	8.00	06/01/2036	7.33	Baa3	11.35	101.38	110.59	101.38	110.59	0.76%	0.76%	21.78%	467
22,845	FRONTIER COMMUNICATIONS	7.88	04/15/2015	3.34	Ba2	2.36	100.00	111.25	100.00	111.25	0.08%	0.08%	2.21%	306
72,688	TELECOM ITALIA CAPITAL	7.20	07/18/2036	8.41	Baa2	10.96	98.32	90.00	98.32	90.00	0.24%	0.24%	7.03%	576
103,278	TELEFONICA EMISIONES SAU	7.05	06/20/2036	7.98	Baa2	11.22	107.28	92.50	107.28	92.50	0.35%	0.35%	9.99%	532
4,611	TELEFONICA EMISIONES SAU	5.46	02/16/2021	6.71	Baa2	6.86	91.25	92.00	91.25	92.00	0.02%	0.02%	0.45%	519
57,850	TELEFONICA EMISIONES SAU	3.99	02/16/2016	5.13	Baa2	3.25	92.66	96.25	92.66	96.25	0.19%	0.19%	5.59%	455
139,187	TELSTRA CORP LTD 144A W/O RTS	4.80	10/12/2021	3.08	A2	7.60	99.25	114.14	99.25	114.14	0.47%	0.47%	13.46%	156
152,604	US WEST COMM	7.25	10/15/2015	6.09	Baa3	7.01	87.75	102.51	87.75	102.51	0.51%	0.51%	14.76%	343
760,550	Consumer Cyclical -- Automotive	4.71	04/29/2018	2.86	Baa2	4.82			107.05	110.86	2.56%	2.56%		195
157,869	DAIMLER FINANCE NA LLC 144A W/O	2.63	09/15/2016	1.59	A3	3.82	99.35	104.04	99.35	104.04	0.53%	0.53%	20.76%	115
237,222	FORD MOTOR CREDIT CO LLC	8.13	01/15/2020	4.38	Baa3	5.87	123.38	123.82	123.38	123.82	0.80%	0.80%	31.19%	285
149,151	FORD MOTOR CREDIT CO LLC	5.75	02/01/2021	4.37	Baa3	6.92	100.00	110.00	100.00	110.00	0.50%	0.50%	19.61%	311
73,581	TOYOTA MOTOR CREDIT CORP	2.00	09/15/2016	0.94	Aa3	3.87	99.48	104.19	99.48	104.19	0.25%	0.25%	9.67%	47
142,727	VOLKSWAGEN INTL FIN NV 144A W/O	1.63	03/22/2015	1.14	A3	2.49	99.71	101.23	99.71	101.23	0.48%	0.48%	18.77%	87
139,828	Consumer Cyclical -- Entertainment	6.36	02/06/2039	4.81	Baa2	14.53			101.17	126.13	0.47%	0.47%		235
92,104	TIME WARNER INC	6.10	07/15/2040	4.86	Baa2	15.07	99.93	122.03	99.93	122.03	0.31%	0.31%	65.87%	229
47,724	VIACOM INC SR NT	6.88	04/30/2036	4.71	Baa1	13.50	103.55	134.04	103.55	134.04	0.16%	0.16%	34.13%	248
161,836	Consumer Cyclical -- Lodging	4.33	12/24/2017	3.20	Baa3	4.76			99.86	106.69	0.55%	0.55%		242
43,311	WYNDHAM WORLDWIDE	7.38	03/01/2020	4.28	Baa3	6.09	100.00	120.06	100.00	120.06	0.15%	0.15%	26.76%	276
11,232	WYNDHAM WORLDWIDE	5.75	02/01/2018	3.35	Baa3	4.77	99.95	111.84	99.95	111.84	0.04%	0.04%	6.94%	280
107,294	WYNDHAM WORLDWIDE	2.95	02/01/2017	2.75	Baa3	4.22	99.79	100.76	99.79	100.76	0.36%	0.36%	66.30%	224
372,976	Consumer Cyclical -- Retailers	4.31	02/12/2020	3.44	Baa1	5.97			99.87	107.45	1.26%	1.26%		236
137,539	CVS PASS-THROUGH TRUST 144A W/O RTS	5.77	10/24/2024	4.84	Baa1	8.74	100.00	113.97	100.00	113.97	0.46%	0.46%	36.88%	336
26,140	DOLLAR GENERAL CORP	4.13	07/15/2017	3.22	Ba1	4.45	100.00	104.00	100.00	104.00	0.09%	0.09%	7.01%	
209,297	LOTTE SHOPPING USD 144A W/O RTS	3.38	05/09/2017	2.55	A3	4.34	99.77	103.60	99.77	103.60	0.71%	0.71%	56.12%	200
210,041	Consumer Non_Cyclical -- Consumer Products	4.55	10/20/2021	4.06	Baa3	7.67			99.87	104.06	0.71%	0.71%		252
73,460	NEWELL RUBBERMAID INC	4.00	06/15/2022	3.55	Baa3	8.31	99.68	104.09	99.68	104.09	0.25%	0.25%	34.97%	203
136,580	WHIRLPOOL CORP	4.85	06/15/2021	4.34	Baa3	7.32	99.97	104.04	99.97	104.04	0.46%	0.46%	65.03%	278
275,713	Consumer Non_Cyclical -- Food and Beverage	5.44	04/22/2021	3.84	Baa3	7.20			99.28	111.53	0.93%	0.93%		242
50,004	CAMPBELL SOUP CO	2.50	08/02/2022	2.54	A2	9.01	99.34	99.81	99.34	99.81	0.17%	0.17%	18.14%	102
178,143	PERNOD-RICARD SA 144A W/O RTS	5.75	04/07/2021	3.59	Baa3	6.99	99.07	116.46	99.07	116.46	0.60%	0.60%	64.61%	221

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	Consumer Non_Cyclical -- Food and Beverage (cont.)													
47,566	POST HOLDINGS INC 144A W/RTS	7.38	02/15/2020	6.17	B1	6.07	100.00	105.38	100.00	105.38	0.16%	0.16%	17.25%	469
153,380	Consumer Non_Cyclical -- Healthcare	5.88	03/15/2022	5.10	Ba2	7.39			101.63	106.38	0.52%	0.52%		362
153,380	HCA INC	5.88	03/15/2022	5.10	Ba2	7.39	101.63	106.38	101.63	106.38	0.52%	0.52%	100.00%	362
372,076	Consumer Non_Cyclical -- Pharmaceuticals	5.03	09/17/2028	3.06	A1	10.35			98.90	115.16	1.25%	1.25%		111
149,429	AMGEN INC	5.15	05/15/2041	4.72	A1	15.90	99.17	109.17	99.17	109.17	0.50%	0.50%	40.16%	207
73,805	GLAXOSMITHKLINE CAPITAL	2.85	05/08/2022	2.35	A1	8.65	99.32	104.55	99.32	104.55	0.25%	0.25%	19.84%	88
148,842	ROCHE HLDGS INC 144A W/O RTS	6.00	03/01/2019	1.74	Aa3	5.63	98.43	126.43	98.43	126.43	0.50%	0.50%	40.00%	26
160,780	Consumer Non_Cyclical -- Supermarkets	4.79	04/09/2028	5.85	Baa3	8.60			96.70	90.48	0.54%	0.54%		419
67,378	DELHAIZE GROUP	5.70	10/01/2040	7.45	Baa3	12.52	92.39	81.85	92.39	81.85	0.23%	0.23%	41.91%	486
93,402	DELHAIZE GROUP	4.13	04/10/2019	4.70	Baa3	5.77	99.81	96.70	99.81	96.70	0.31%	0.31%	58.09%	371
552,838	Consumer Non_Cyclical -- Tobacco	4.54	10/14/2021	2.76	Baa1	7.98			99.39	111.63	1.86%	1.86%		123
143,175	ALTRIA GROUP INC	9.25	08/06/2019	2.60	Baa1	5.57	99.88	142.53	99.88	142.53	0.48%	0.48%	25.90%	108
144,729	ALTRIA GROUP INC	2.85	08/09/2022	2.92	Baa1	8.88	99.89	99.64	99.89	99.64	0.49%	0.49%	26.18%	140
144,451	BAT INTL FINANCE PLC 144A W/O RTS	3.25	06/07/2022	3.00	Baa1	8.56	99.06	102.42	99.06	102.42	0.49%	0.49%	26.13%	148
120,483	PHILIP MORRIS INTL INC	2.50	08/22/2022	2.48	A2	9.07	98.62	100.33	98.62	100.33	0.41%	0.41%	21.79%	92
1,092,794	Electric -- Electric	4.27	06/21/2021	3.05	Baa2	6.96			103.16	108.44	3.68%	3.68%		143
102,279	ALTA WIND HOLDINGS LLC 144A W/O	7.00	06/13/2024	6.26	Baa3	7.58	100.00	111.32	100.00	111.32	0.34%	0.34%	9.36%	359
146,106	AMEREN ILLINOIS CO	2.70	09/01/2022	2.65	A3	9.01	99.96	100.68	99.96	100.68	0.49%	0.49%	13.37%	
147,530	BALTIMORE GAS & ELECTRIC	2.80	08/15/2022	2.64	Baa1	8.94	99.62	101.64	99.62	101.64	0.50%	0.50%	13.50%	108
145,503	DUKE ENERGY CORP	1.63	08/15/2017	1.57	Baa2	4.79	99.67	100.28	99.67	100.28	0.49%	0.49%	13.31%	98
173,826	EDISON INTERNATIONAL	3.75	09/15/2017	2.29	Baa2	4.59	99.81	106.91	99.81	106.91	0.59%	0.59%	15.91%	180
70,975	EXELON GENERATION CO LLC	6.25	10/01/2039	5.36	Baa1	14.10	97.71	115.69	97.71	115.69	0.24%	0.24%	6.49%	271
280,096	FPL GROUP CAPITAL INC	6.00	03/01/2019	2.86	Baa1	5.60	113.42	118.78	113.42	118.78	0.94%	0.94%	25.63%	138
26,479	IPALCO ENTERPRISES INC	5.00	05/01/2018	4.14	Ba1	4.95	99.93	104.25	99.93	104.25	0.09%	0.09%	2.42%	
526,613	Energy -- Independent	5.96	04/30/2024	3.55	Baa3	7.75			99.50	114.13	1.77%	1.77%		194
257,267	ANADARKO PETROLEUM CORP	6.38	09/15/2017	2.26	Baa3	4.35	99.88	119.57	99.88	119.57	0.87%	0.87%	48.85%	108
98,996	NEWFIELD EXPLORATION CO	5.75	01/30/2022	4.57	Baa3	7.57	99.86	109.50	99.86	109.50	0.33%	0.33%	18.80%	301
27,379	NEWFIELD EXPLORATION CO	5.63	07/01/2024	4.79	Baa3	9.02	100.00	108.50	100.00	108.50	0.09%	0.09%	5.20%	326
15,713	PIONEER NATURAL RESOURCE	3.95	07/15/2022	3.51	Baa3	8.40	99.44	104.04	99.44	104.04	0.05%	0.05%	2.98%	195
15,805	SM ENERGY CO 144A W/RTS	6.50	07/01/2020	5.53	Ba2	6.67	100.00	104.25	100.00	104.25	0.05%	0.05%	3.00%	399
111,453	TALISMAN ENERGY	5.50	05/15/2042	5.04	Baa2	15.53	98.14	109.88	98.14	109.88	0.38%	0.38%	21.16%	237

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918,938	Energy -- Integrated	3.57	09/13/2020	2.67	A2	7.06			101.45	106.82	3.10%	3.10%		128
153,681	BP CAPITAL MARKETS PLC	4.50	10/01/2020	2.33	A2	6.94	99.45	116.34	99.45	116.34	0.52%	0.52%	16.72%	80
150,567	BP CAPITAL MARKETS PLC	3.25	05/06/2022	2.52	A2	8.51	99.90	106.52	99.90	106.52	0.51%	0.51%	16.38%	100
144,100	BP CAPITAL MARKETS PLC	1.85	05/05/2017	1.33	A2	4.48	100.00	102.34	100.00	102.34	0.49%	0.49%	15.68%	78
122,817	CENOVUS ENERGY INC	3.00	08/15/2022	2.78	Baa1	8.86	99.13	102.23	99.13	102.23	0.41%	0.41%	13.37%	121
202,342	ENI SPA 144A W/O RTS	4.15	10/01/2020	4.25	A2	6.90	99.84	99.44	99.84	99.44	0.68%	0.68%	22.02%	269
10,504	TOTAL CAPITAL INTL SA	2.88	02/17/2022	2.32	Aa1	8.53	96.42	104.93	96.42	104.93	0.04%	0.04%	1.14%	76
134,927	TOTAL CAPITAL SA	4.45	06/24/2020	2.19	Aa1	6.80	111.94	116.50	111.94	116.50	0.45%	0.45%	14.68%	63
664,473	Energy -- Oil Field Services	6.44	11/05/2024	3.82	Baa2	8.17			105.05	119.70	2.24%	2.24%		216
158,168	CAMERON INTL CORP	5.95	12/01/2040	4.84	Baa1	15.30	103.07	120.18	103.07	120.18	0.53%	0.53%	23.80%	219
125,812	ENSCO PLC	4.70	03/15/2021	3.12	Baa1	7.17	98.03	112.21	98.03	112.21	0.42%	0.42%	18.93%	160
79,696	PRIDE INTERNATIONAL INC	8.50	06/15/2019	3.41	Baa1	5.46	114.50	131.03	114.50	131.03	0.27%	0.27%	11.99%	210
75,961	PRIDE INTERNATIONAL INC	6.88	08/15/2020	3.19	Baa1	6.51	106.13	126.30	106.13	126.30	0.26%	0.26%	11.43%	167
147,275	ROWAN COMPANIES INC	7.88	08/01/2019	4.21	Baa3	5.62	110.44	122.07	110.44	122.07	0.50%	0.50%	22.16%	265
77,561	ROWAN COMPANIES INC	5.00	09/01/2017	3.19	Baa3	4.52	99.50	108.30	99.50	108.30	0.26%	0.26%	11.67%	263
146,842	Energy -- Refining	5.13	03/01/2021	3.18	Baa2	7.20			99.95	114.91	0.49%	0.49%		191
146,842	MARATHON PETROLEUM CORP	5.13	03/01/2021	3.18	Baa2	7.20	99.95	114.91	99.95	114.91	0.49%	0.49%	100.00%	191
288,725	Finance Companies -- Non Captive Consumer	6.60	01/24/2017	4.52	Baa3	3.85			98.66	108.23	0.97%	0.97%		391
5,309	SLM CORP	5.38	05/15/2014	2.59	Baa3	1.62	87.50	104.60	87.50	104.60	0.02%	0.02%	1.84%	
64,506	SLM CORP	8.45	06/15/2018	5.30	Baa3	4.72	98.63	115.50	98.63	115.50	0.22%	0.22%	22.34%	436
75,338	SLM CORP	6.25	01/25/2016	4.00	Baa3	3.11	98.94	107.00	98.94	107.00	0.25%	0.25%	26.09%	370
143,573	SLM CORP	6.00	01/25/2017	4.51	Baa3	3.93	98.94	105.75	98.94	105.75	0.48%	0.48%	49.73%	396
1,257,397	Finance Companies -- Non Captive Diversified	5.58	11/29/2018	2.80	A1	5.34			103.89	114.81	4.24%	4.24%		209
126,433	CIT GROUP INC	5.00	08/15/2022	4.96	Ba3	8.07	100.00	100.76	100.00	100.76	0.43%	0.43%	10.06%	340
986,452	GENERAL ELEC CAP CORP	5.63	05/01/2018	2.18	Aa1	4.94	104.96	118.42	104.96	118.42	3.32%	3.32%	78.45%	162
68,925	INTL LEASE FINANCE CORP	5.75	05/15/2016	4.43	Baa3	3.34	100.00	104.35	100.00	104.35	0.23%	0.23%	5.48%	389
75,587	INTL LEASE FINANCE CORP	5.88	08/15/2022	5.86	Baa3	7.78	100.00	100.62	100.00	100.62	0.25%	0.25%	6.01%	429
105,394	Financial Other -- Financial Other	6.75	04/06/2021	6.38	Baa3	6.58			100.00	102.68	0.36%	0.36%		481
105,394	AVIATION CAPITAL GROUP 144A W/O RTS	6.75	04/06/2021	6.38	Baa3	6.58	100.00	102.68	100.00	102.68	0.36%	0.36%	100.00%	481
349,212	Govt Owned-No Guar -- Govt Owned-No Guar	3.37	10/22/2019	2.70	A2	6.42			99.09	102.39	1.18%	1.18%		159
201,715	CODELCO INC 144A W/O RTS	3.00	07/17/2022	2.97	A1	8.76	98.66	100.49	98.66	100.49	0.68%	0.68%	57.76%	145
147,496	PETROBRAS INTL FIN CO	3.88	01/27/2016	2.33	A3	3.22	99.66	104.99	99.66	104.99	0.50%	0.50%	42.24%	178

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213,067	Industrial Other -- Industrial Other	3.50	01/13/2017	2.04	A3	4.08			99.52	106.07	0.72%	0.72%		149
213,067	HUTCH WHAMPOA INT 11 LTD 144A W/O	3.50	01/13/2017	2.04	A3	4.08	99.52	106.07	99.52	106.07	0.72%	0.72%	100.00%	149
181,793	Insurance -- Health - Insurance	4.51	05/26/2021	3.07	Baa2	7.63			103.79	110.32	0.61%	0.61%		132
150,586	CIGNA CORP	4.00	11/15/2021	3.12	Baa2	8.08	104.61	107.38	104.61	107.38	0.51%	0.51%	82.83%	159
31,207	WELLPOINT INC	7.00	02/15/2019	2.86	A3	5.45	99.84	124.52	99.84	124.52	0.11%	0.11%	17.17%	
1,003,029	Insurance -- Life	5.62	07/30/2022	3.59	Baa1	6.88			103.76	113.03	3.38%	3.38%		235
36,786	AFLAC INC	2.65	02/15/2017	1.49	A3	4.24	99.91	104.99	99.91	104.99	0.12%	0.12%	3.67%	98
28,480	AMERICAN INTL GROUP	5.45	05/18/2017	2.65	A3	4.20	106.89	112.36	106.89	112.36	0.10%	0.10%	2.84%	169
348,883	AMERICAN INTL GROUP	5.60	10/18/2016	2.45	A3	3.70	100.56	112.32	100.56	112.32	1.18%	1.18%	34.78%	197
27,864	HARTFORD FINL SVCS GRP	5.50	03/30/2020	4.12	Baa2	6.28	100.42	109.15	100.42	109.15	0.09%	0.09%	2.78%	305
49,299	HARTFORD FINL SVCS GRP	5.13	04/15/2022	4.24	Baa2	7.76	99.46	107.48	99.46	107.48	0.17%	0.17%	4.92%	276
120,849	NATIONWIDE FINANCIAL SER 144A W/O	5.38	03/25/2021	4.37	Baa1	6.97	99.42	107.53	99.42	107.53	0.41%	0.41%	12.05%	305
151,668	PRUDENTIAL FINANCIAL INC	6.63	06/21/2040	5.16	A2	14.47	123.95	125.01	123.95	125.01	0.51%	0.51%	15.12%	261
93,273	PRUDENTIAL FINANCIAL INC	5.38	06/21/2020	3.17	A2	6.59	99.39	115.55	99.39	115.55	0.31%	0.31%	9.30%	186
44,236	UNUM CORP NTS	6.75	12/15/2028	6.04	Baa2	10.42	94.22	109.17	94.22	109.17	0.15%	0.15%	4.41%	349
101,690	UNUM GROUP	5.63	09/15/2020	4.14	Baa2	6.57	101.51	110.40	101.51	110.40	0.34%	0.34%	10.14%	271
487,133	Insurance -- P&C	5.35	06/04/2021	4.13	Baa2	7.21			98.86	109.11	1.64%	1.64%		278
62,667	BERKSHIRE HATHAWAY FIN	3.00	05/15/2022	2.62	Aa1	8.60	99.23	103.56	99.23	103.56	0.21%	0.21%	12.86%	106
51,853	CNA FINANCIAL CORP	5.75	08/15/2021	3.84	Baa2	7.34	99.63	114.97	99.63	114.97	0.17%	0.17%	10.64%	253
83,412	HANOVER INSURANCE GROUP	6.38	06/15/2021	5.04	Baa3	6.96	99.33	109.87	99.33	109.87	0.28%	0.28%	17.12%	373
143,380	LIBERTY MUTUAL GROUP 144A W/O RTS	5.00	06/01/2021	4.36	Baa2	7.24	97.84	104.96	97.84	104.96	0.48%	0.48%	29.43%	305
120,046	WILLIS GROUP HOLDINGS LT	5.75	03/15/2021	4.18	Baa3	6.88	99.10	111.68	99.10	111.68	0.40%	0.40%	24.64%	291
25,775	WILLIS NORTH AMERICA INC	7.00	09/29/2019	3.87	Baa3	5.72	99.50	119.51	99.50	119.51	0.09%	0.09%	5.29%	231
156,746	Local Authorities -- Local Authorities	5.10	11/10/2029	5.68	A2	11.47			80.73	96.69	0.53%	0.53%		303
156,746	ILLINOIS ST	5.10	11/10/2029	5.68	A2	11.47	80.73	96.69	80.73	96.69	0.53%	0.53%	100.00%	303
1,141,659	Natural Gas -- Pipelines	6.33	02/11/2026	3.81	Baa3	8.42			108.30	117.68	3.85%	3.85%		196
150,744	EL PASO PIPELINE PART OP	6.50	04/01/2020	3.82	Baa3	6.15	100.00	117.89	100.00	117.89	0.51%	0.51%	13.20%	270
28,814	ENERGY TRANSFER PARTNERS	6.13	02/15/2017	2.55	Baa3	4.00	102.50	114.98	102.50	114.98	0.10%	0.10%	2.52%	227
39,758	ENERGY TRANSFER PARTNERS	6.63	10/15/2036	5.97	Baa3	12.74	104.66	111.09	104.66	111.09	0.13%	0.13%	3.48%	331
155,535	ENERGY TRANSFER PARTNERS	6.70	07/01/2018	3.22	Baa3	4.98	99.71	118.53	99.71	118.53	0.52%	0.52%	13.62%	178
43,087	ENERGY TRANSFER PARTNERS	4.65	03/01/2021	3.78	Baa3	7.30	99.68	106.55	99.68	106.55	0.15%	0.15%	3.77%	226
147,150	KINDER MORGAN ENER PART	5.63	09/01/2041	5.12	Baa2	15.42	103.11	110.38	103.11	110.38	0.50%	0.50%	12.89%	253
337,260	NISOURCE FINANCE CORP	6.40	03/15/2018	2.59	Baa3	4.72	115.79	119.69	115.79	119.69	1.14%	1.14%	29.54%	199

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	Natural Gas -- Pipelines (cont.)													
36,214	NISOURCE FINANCE CORP	6.80	01/15/2019	3.35	Baa3	5.37	99.72	119.85	99.72	119.85	0.12%	0.12%	3.17%	187
147,541	ONEOK PARTNERS LP	6.13	08/01/2040	5.14	Baa2	14.87	116.89	117.52	116.89	117.52	0.50%	0.50%	12.92%	
55,556	TENNESSEE GAS PIPELINE	7.63	04/01/2037	5.29	Baa1	13.00	118.30	135.71	118.30	135.71	0.19%	0.19%	4.87%	264
733,015	REITs -- REITs	5.82	07/27/2025	3.81	Baa2	8.46			98.45	112.36	2.47%	2.47%		261
53,504	BIOMED REALTY LP	6.13	04/15/2020	3.67	Baa3	6.25	98.98	116.58	98.98	116.58	0.18%	0.18%	7.30%	224
134,300	BRANDYWINE OPER PARTNERS	4.95	03/15/2018	3.82	Baa3	4.89	98.91	105.57	98.91	105.57	0.45%	0.45%	18.32%	346
200,828	HIGHWOODS PPTY INC SR NTS	7.50	04/15/2018	3.76	Baa3	4.68	98.50	118.88	98.50	118.88	0.68%	0.68%	27.40%	354
61,642	HIGHWOODS REALTY LTD	5.85	03/15/2017	3.58	Baa3	3.98	92.00	109.38	92.00	109.38	0.21%	0.21%	8.41%	307
52,447	REALTY INCOME CORP	5.95	09/15/2016	2.35	Baa1	3.59	99.57	113.81	99.57	113.81	0.18%	0.18%	7.16%	104
230,294	SIMON PROPERTY GROUP INC	4.75	09/15/2041	4.27	A3	16.67	99.49	110.12	99.49	110.12	0.78%	0.78%	31.42%	161
1,167,259	Technology -- Technology	4.18	12/02/2023	3.10	A3	7.90			101.45	110.36	3.93%	3.93%		175
142,919	CISCO SYSTEMS INC	5.50	01/15/2040	3.92	A1	16.20	96.11	129.22	96.11	129.22	0.48%	0.48%	12.24%	135
16,393	CORNING INC	5.90	03/15/2014	1.56	A3	1.45	95.43	106.56	95.43	106.56	0.06%	0.06%	1.40%	133
67,552	CORNING INC	5.75	08/15/2040	4.51	A3	15.69	99.32	122.57	99.32	122.57	0.23%	0.23%	5.79%	194
76,274	EQUIFAX INC	7.00	07/01/2037	5.34	Baa1	13.42	99.76	125.96	99.76	125.96	0.26%	0.26%	6.53%	269
16,075	EQUIFAX INC	4.45	12/01/2014	1.69	Baa1	2.14	99.79	106.06	99.79	106.06	0.05%	0.05%	1.38%	
111,638	HEWLETT-PACKARD CO	4.30	06/01/2021	4.28	A3	7.41	103.89	100.41	103.89	100.41	0.38%	0.38%	9.56%	284
90,193	HEWLETT-PACKARD CO	2.60	09/15/2017	2.81	A3	4.71	99.99	98.99	99.99	98.99	0.30%	0.30%	7.73%	227
65,363	JABIL CIRCUIT INC	5.63	12/15/2020	4.54	Ba1	6.80	105.75	107.75	105.75	107.75	0.22%	0.22%	5.60%	328
128,641	KLA INSTRUMENTS CORP	6.90	05/01/2018	3.02	Baa1	4.79	111.42	120.21	111.42	120.21	0.43%	0.43%	11.02%	251
31,795	MOTOROLA INC DEB	7.50	05/15/2025	5.01	Baa2	8.88	109.18	124.97	109.18	124.97	0.11%	0.11%	2.72%	
203,470	SAMSUNG ELECTRON AMERICA 144A	1.75	04/10/2017	1.51	A1	4.42	99.63	101.05	99.63	101.05	0.69%	0.69%	17.43%	98
76,712	SYMANTEC CORP	2.75	06/15/2017	2.37	Baa2	4.50	99.81	101.69	99.81	101.69	0.26%	0.26%	6.57%	182
140,233	TEXAS INSTRUMENTS INC	1.65	08/03/2019	1.65	A1	6.62	99.39	100.05	99.39	100.05	0.47%	0.47%	12.01%	66
544,255	Transportation -- Airlines	6.27	03/24/2018	4.24	Baa1	4.66			100.78	109.75	1.83%	1.83%		286
31,444	CONTINENTAL AIRLINES INC 2009-2	7.25	05/29/2018	4.55	A3	4.76	100.00	114.00	100.00	114.00	0.11%	0.11%	5.78%	299
86,105	CONTL AIRLINES A	4.75	07/21/2018	3.97	A3	5.13	100.00	105.50	100.00	105.50	0.29%	0.29%	15.82%	271
139,311	DELTA AIR LINES	4.95	11/09/2016	3.33	A3	3.78	100.00	107.26	100.00	107.26	0.47%	0.47%	25.60%	210
58,362	DELTA AIR LINES 071A	6.82	09/07/2019	5.54	Baa1	5.63	107.25	109.25	107.25	109.25	0.20%	0.20%	10.72%	456
180,767	DELTA AIR LINES 091A	7.75	11/21/2016	4.28	A3	3.66	100.00	114.25	100.00	114.25	0.61%	0.61%	33.21%	297
48,264	US AIRWAYS 2012-1A PTT	5.90	10/01/2024	5.39	Baa2	8.92	100.00	105.50	100.00	105.50	0.16%	0.16%	8.87%	274

(F) - The higher of Moody and Standard & Poor ratings is used.

Duration values relect effective duration to effective maturity

Barclays Industry Summary - by Sector/Industry

Date Run: 09/21/2012
Appraisal Date: 08/31/2012
Administrative Currency: USD

Bay County Employees Ret System
4407N1-KLWFIM

Mkt Val USD	Security Name	Coupon	Effective Maturity Dt	YTM	Quality	Duration	Lcl Unit Cost	Lcl Price	USD Unit Cost	USD Price	% of Port	% with Deriv	Weight by Industry	Spread
352,075	Transportation -- Railroads	5.64	06/03/2022	2.91	A3	7.09			103.42	115.02	1.19%	1.19%		70
59,150	BURLINGTN NORTH SANTA FE	5.75	11/01/2039	4.41	A3	15.41	99.66	123.94	99.66	123.94	0.20%	0.20%	16.80%	184
144,295	CANADIAN PACIFIC RAILWAY	4.50	01/15/2022	3.26	Baa3	7.92	108.49	110.42	108.49	110.42	0.49%	0.49%	40.98%	174
148,629	UNION PACIFIC RR 98-A	6.70	11/12/2015	1.97	Aa3	2.98	100.00	115.93	100.00	115.93	0.50%	0.50%	42.22%	-75
244,122	Transportation -- Transportation Services	5.29	10/30/2031	4.26	Baa1	11.64			102.33	116.26	0.82%	0.82%		205
148,450	ERAC USA FINANCE COMPANY 144A W/	7.00	10/15/2037	5.33	Baa1	13.36	104.00	126.44	104.00	126.44	0.50%	0.50%	60.81%	267
95,672	FEDEX CORP	2.63	08/01/2022	2.60	Baa1	8.96	99.75	100.46	99.75	100.46	0.32%	0.32%	39.19%	107
1,515,157	Treasuries -- Treasuries	3.99	06/21/2038	2.51	Aaa	18.09			117.22	124.90	5.11%	5.11%		0
442,682	U S TREASURY BOND	5.38	02/15/2031	2.23	Aaa	13.50	141.11	147.31	141.11	147.31	1.49%	1.49%	29.22%	
75,164	U S TREASURY BOND	4.50	02/15/2036	2.45	Aaa	16.51	129.63	136.45	129.63	136.45	0.25%	0.25%	4.96%	
289,127	U S TREASURY BOND	3.75	08/15/2041	2.62	Aaa	19.63	113.53	122.86	113.53	122.86	0.97%	0.97%	19.08%	
361,775	U S TREASURY BOND	3.13	02/15/2042	2.66	Aaa	20.63	104.09	109.48	104.09	109.48	1.22%	1.22%	23.88%	
258,445	U S TREASURY BOND	3.00	05/15/2042	2.67	Aaa	20.77	105.34	106.80	105.34	106.80	0.87%	0.87%	17.06%	
87,964	U S TREASURY NOTES	3.88	08/15/2040	2.59	Aaa	19.08	87.37	125.48	87.37	125.48	0.30%	0.30%	5.81%	
29,668,751	Total	4.94	07/17/2022	3.29	A3	7.17			98.72	111.38				191

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(F) - The higher of Moody and Standard & Poor ratings is used.

Duration values relect effective duration to effective maturity