

**Virginia Retirement System  
Performance Summary  
As of December 31, 2013**

**TOTAL FUND PERFORMANCE**

(Expressed in Percentages)

	<b>10 Yr</b>	<b>5 Yr</b>	<b>3 Yr</b>	<b>1 Yr</b>	<b>Qtr</b>	<b>Month</b>	<b>Fiscal YTD</b>	<b>Cal YTD</b>
<b>Total Public Equity</b>	<b>7.4</b>	<b>15.9</b>	<b>10.6</b>	<b>24.2</b>	<b>7.3</b>	<b>1.8</b>	<b>14.7</b>	<b>24.2</b>
<i>Benchmark<sup>1</sup></i>	7.0	14.8	9.9	23.1	7.0	1.7	14.5	23.1
<b>Total Investment-Grade Fixed Income</b>	<b>5.1</b>	<b>6.5</b>	<b>3.8</b>	<b>-1.8</b>	<b>0.0</b>	<b>-0.5</b>	<b>0.6</b>	<b>-1.8</b>
<i>Benchmark<sup>2</sup></i>	4.7	4.3	3.4	-2.0	-0.2	-0.5	0.4	-2.0
<b>Total Credit Strategies</b>	<b>n/a</b>	<b>14.1</b>	<b>7.0</b>	<b>8.5</b>	<b>2.5</b>	<b>1.0</b>	<b>5.4</b>	<b>8.5</b>
<i>Benchmark<sup>3</sup></i>	n/a	12.1	6.3	6.0	2.5	0.6	5.0	6.0
<b>Total Real Assets</b>	<b>9.4</b>	<b>6.4</b>	<b>12.8</b>	<b>11.0</b>	<b>2.8</b>	<b>2.9</b>	<b>6.0</b>	<b>11.0</b>
<i>Benchmark<sup>4</sup></i>	9.2	5.8	12.0	10.4	2.6	0.9	5.7	10.4
<b>Total Private Equity</b>	<b>14.9</b>	<b>9.5</b>	<b>14.7</b>	<b>18.4</b>	<b>6.2</b>	<b>6.1</b>	<b>10.1</b>	<b>18.4</b>
<i>Benchmark<sup>5</sup></i>	10.5	12.8	18.8	22.5	7.9	5.0	8.5	22.5
<b>Total Strategic Opportunities Portfolio</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>0.8</b>	<b>0.0</b>	<b>-0.5</b>	<b>0.1</b>	<b>0.8</b>
<i>Benchmark<sup>6</sup></i>	n/a	n/a	n/a	1.5	0.5	0.1	1.2	1.5
<b>Total Fund</b>	<b>7.1</b>	<b>11.5</b>	<b>8.9</b>	<b>13.9</b>	<b>4.3</b>	<b>1.6</b>	<b>8.8</b>	<b>13.9</b>
<i>VRS Custom Benchmark<sup>7</sup></i>	6.5	10.5	8.6	13.2	4.3	1.3	8.4	13.2

Notes:

1. Effective July 2009, the Public Equity Custom Benchmark is risk-adjusted. Effective April 2010, the risk-adjusted benchmark is based on the market-value weights of the MSCI ACWI IMI Index.
2. Effective July 2012, the Investment-Grade Fixed Income Custom Benchmark consists of the Citigroup BIG Index.
3. Effective July 2012, the Credit Strategies Custom Benchmark is the weighted average of the Citigroup Broad Investment Grade Index (10%), the Bank of America Merrill Lynch BB-B Constrained Index (20%), the S&P Performing Loan Index (30%), the Emerging Market Debt Custom Benchmark (20%), and the Bank of America Merrill Lynch All U.S. Convertibles Index (20%). For the four years prior to July 2012, the risk-adjusted benchmark is the weighted average of the Bank of America Merrill Lynch U.S. High Yield BB-B Constrained Index and the Bank of America All Convertibles Index.
4. Effective July 2013, the Real Assets Custom Benchmark is the weighted average of the NCREIF ODCE Index (net) lagged by three months (private real estate), the Dow Jones US Select REIT Index (domestic public real estate), the FTSE/EPRA/NAREIT Developed Index (global public real estate) and the CPI-U Index plus 400 basis points per annum lagged by three months (other real assets) with modified benchmarking for Other Real Assets during the increased allocation period.
5. Effective July 2013, the Private Equity Custom Benchmark is the MSCI ACWI IMI with the Developed Market Currencies 50% Hedged customized for the VRS dividend withholding tax rates lagged by three months plus 250 basis points per annum with modified benchmarking during the increased allocation period.
6. Effective July 2013, the Strategic Opportunities Portfolio Custom Benchmark is a weighted average of the benchmarks of the mandates within the program. The weights are based on the beginning-of-month notional account value for the assets within the program.
7. The VRS Custom Benchmark is a blend of the Asset Class Benchmarks at policy weights.

Source: Bank of New York Mellon

# Virginia Retirement System

## Asset Allocation as of December 31, 2013

(Dollar amounts in Billions / Percent of Total Fund)

