City of Nassau Bay
Financial Statements
Fiscal Year 2014

May 31, 2014

City of Nassau Bay
Fiscal Year 2014
Summary Financial Report
May-2014 (67% of the fiscal year completed)

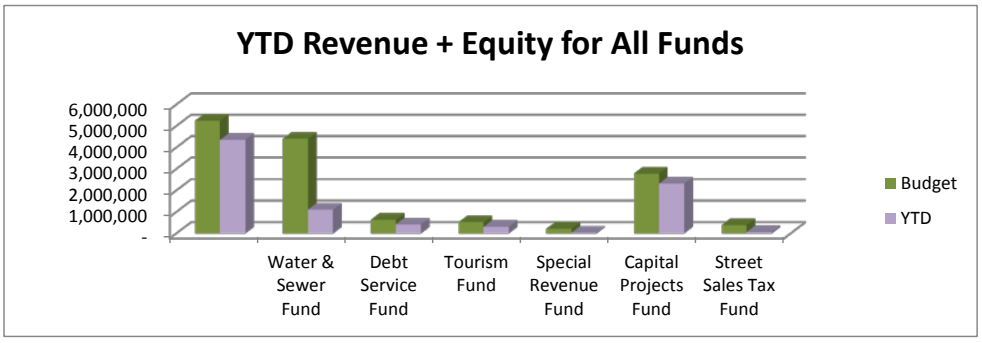
No.	Department	FY14 Adopted Budget	FY14 12 Month Actual	Percent Received or Spent	5-Year Avg May each year
	General Fund Revenue:				
	Property Taxes	2,747,400	3,303,421	120% *	104%
	Franchise Fees	440,000	250,945	57%	57%
	Sales Taxes	450,000	277,988	62%	53%
	Permits and Fees	101,310	89,718	89%	65%
	Fines	166,230	102,627	62%	98%
	Ambulance Fees	286,000	207,955	73%	65%
	Other Revenue	277,310	50,868	18%	52%
	Insurance Claims & Rebates	18,000	9,514	53%	200%
	Interest on Investments	5,000	4,641	93%	28%
	From Other Funds	117,400	58,700	50%	60%
	Total Current Revenue	4,608,650	4,356,378	95%	86%
	Transfers (To) From	-	-	0%	0%
	Equity	639,111	-	0%	0%
	Total Revenue Budget	5,247,761	4,356,378	83%	79%

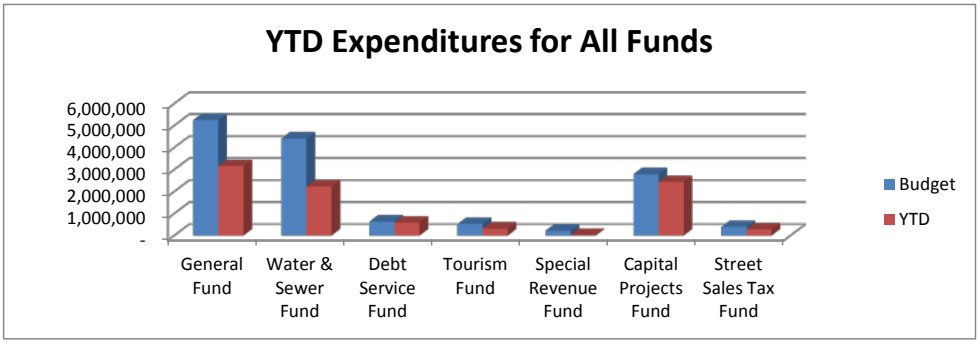
*Property Tax Revenue YTD still includes TIRZ allocation. A budgeted $620,000 will only be transferred to the TIRZ in June 2014.

	General Fund Department Expenditures:				
1	General & Administrative	1,171,141	765,412	65%	58%
2	Building Department	128,610	76,737	60%	49%
3	Emergency Management	144,030	87,662	61%	62%
4	Fire Department	363,690	223,678	62%	51%
5	Public Works	424,580	277,392	65%	55%
6	Parks and Recreation	333,640	227,571	68%	55%
7	Police Department	1,232,980	714,918	58%	62%
8	Sanitation & Recycling	236,330	137,624	58%	58%
9	Animal Control	38,320	25,678	67%	60%
10	Contingency	100,000	14,821	15%	21%
11	Information Services	231,080	155,593	67%	59%
12	Municipal Court	125,950	77,717	62%	56%
13	Emergency Medical Service	434,860	268,279	62%	59%
14	Fire Marshal	113,935	59,915	53%	54%
15	Planning & Development	15,000	-	0%	45%
16	Code Enforcement	74,845	45,302	61%	68%
17	Conference Center	78,770	-	0%	0%
	Total General Fund Expenditures	5,247,761	3,158,299	60%	56%
	Water & Sewer Fund Revenue:				
	Water Sales	1,100,000	543,284	49%	55%
	Sewer Charges	1,000,000	527,687	53%	56%
	Other Charges	38,300	35,738	93%	9%
	Total Current Revenue	2,138,300	1,106,709	52%	44%
	Equity	2,267,660	-	0%	0%
	Total W&S Revenue Budget	4,405,960	1,106,709	25%	41%
	W&S Fund Department Expenditures:				
1	General & Administrative - Water & Sewer	1,120,530	692,228	62%	61%
2	Water Department	1,086,440	290,139	27%	36%
3	Sewer Department	1,811,320	993,838	55%	21%
4	Debt Service & Depreciation	387,670	256,081	66%	63%
	Total W&S Fund Expenditures	4,405,960	2,232,286	51%	44%

City of Nassau Bay
Fiscal Year 2014
Summary Financial Report
May-2014 (67% of the fiscal year completed)

No. Department	FY14 Adopted Budget	FY14 12 Month Actual	Percent Received or Spent	5-Year Avg May each year
Debt Service Fund - 04				
Total Revenue + Equity	630,840	423,009	67%	84%
Total Expenditures	630,840	583,606	93%	89%
Tourism Fund - 06				
Total Revenue + Equity	520,190	306,098	59%	50%
Total Expenditures	520,190	312,017	60%	62%
Special Revenue & Grant Fund - 07				
Total Revenue + Equity	217,750	32,715	15%	24%
Total Expenditures	217,750	28,643	13%	27%
Street Sales Tax Fund - 10				
Total Revenue + Equity	392,550	70,269	18%	20%
Total Expenditures	392,550	277,699	71%	16%
Capital Projects Fund - 09				
Total Revenue + Equity	2,790,620	2,320,425	83%	42%
Total Expenditures	2,790,620	2,421,257	87%	26%
Total Nassau Bay Budget	14,205,671	9,013,806	63%	48%





City of Nassau Bay
Fiscal Year 2014
Summary Financial Report
May-2014 (67% of the fiscal year completed)

No. Department	FY14 Adopted Budget	FY14 12 Month Actual	Percent Received or Spent	5-Year Avg May each year
Combined Operating Funds Report:				
Operating Revenue:				
General Fund	4,608,650	4,356,378	95%	86%
Water & Sewer Fund	2,138,300	1,106,709	52%	44%
Tourism Fund	520,400	306,098	59%	55%
Special Revenue Fund	37,500	32,715	87%	23%
Total Revenue	7,304,850	5,801,900	79%	67%
(Increase)/Decrease in Balance Forward Yr/Yr				
General Fund	639,111	-	0%	0%
Water & Sewer Fund	2,267,660	-	0%	0%
Tourism Fund	(210)	-	0%	0%
Special Revenue Fund	180,250	-	0%	0%
Total Balance Forward	3,086,811	-	0%	0%
Total Operating Rev & Bal Forward	10,391,661	5,801,900	56%	57%
Operating Expenditures:				
General Fund	5,247,761	3,158,299	60%	56%
Water & Sewer Fund	4,405,960	2,232,286	51%	44%
Tourism Fund	520,190	312,017	60%	62%
Special Revenue Fund	217,750	28,643	13%	27%
Total Operating Expenditures	10,391,661	5,731,244	55%	48%
Combined Capital Assets Funds:				
Capital Assets Funds Revenue:				
Debt Service Fund	613,590	423,009	69%	84%
Sales Tax Streets Fund	115,500	70,269	61%	55%
Capital Projects Fund	2,416,000	2,320,425	96%	85%
Total	3,145,090	2,813,703	89%	80%
(Increase)/Decrease in Balance Forward Yr/Yr				
Debt Service Fund	17,250	-	0%	0%
Sales Tax Streets Fund	277,050	-	0%	0%
Capital Projects Fund	374,620	-	0%	0%
Total Balance Forward	668,920	-	0%	0%
Total Capital Assets Funds Revenue	3,814,010	2,813,703	74%	56%
Capital Assets Funds Expenditures:				
Debt Service Fund	630,840	583,606	93%	89%
Sales Tax Streets Fund	392,550	277,699	71%	16%
Capital Projects Fund	2,790,620	2,421,257	87%	26%
Total Capital Assets Expenditures	3,814,010	3,282,562	86%	52%
Total Nassau Bay Budget	14,205,671	9,013,806	63%	48%
End of Year Reserves	**Operating**			
General Fund	1,255,214			
Water & Sewer Fund	1,105,449			
Tourism Fund	224,589			
Special Revenue Fund	27,895			
Total Operating End of Year Reserves	2,613,147			
End of Year Reserves	**Capital**			
Debt Service Fund	163,925			
Sales Tax Streets Fund	146,685			
Capital Projects Fund	148			
Total Capital End of Year Reserves	310,758			
Total End of Year Reserves	2,923,905			

CITY OF NASSAU BAY INVESTMENT PORTFOLIO
May 31, 2014

TexPool Investments

Fund	Investments 5/1/2014	Additions	Interest	Withdrawals	Investments 5/31/2014
General Fund	$ 91,502.66	$ -	$ 1.89	$ -	$ 91,504.55
Water & Sewer Fund	$ 12,874.68	$ -	$ 0.31	$ -	$ 12,874.99
Debt Service Fund	$ 3,837.48	$ -	$ -	$ -	$ 3,837.48
Tourism Fund	$ 5,562.79	$ -	$ -	$ -	$ 5,562.79
Special Rev. & Grants	$ 2,541.72	$ -	$ -	$ -	$ 2,541.72
Capital Projects Fund	$ 97.60	$ -	$ -	$ -	$ 97.60
Street Sales Tax	$ 4,689.41	$ -	$ -	$ -	$ 4,689.41
Sub-Total	**$ 121,106.34**	**$ -**	**$ 2.20**	**$ -**	**$ 121,108.54**
Nassau Bay Economic Development Corporation	$ 210,658.10	$ 20,998.08	$ 4.61	$ -	$ 231,660.79
Nassau Bay Tax Increment Reinvestment Zone No. 1	$ -	$ -	$ -	$ -	$ -
TIRZ Revenue - RDA Equity	$ -	$ -	$ -	$ -	$ -
Sub-Total	**$ 210,658.10**	**$ 20,998.08**	**$ 4.61**	**$ -**	**$ 231,660.79**
TexPool Grand Total	**$ 331,764.44**	**$ 20,998.08**	**$ 6.81**	**$ -**	**$ 352,769.33**

Texpool's weighted average maturity (*) was 85 days and the average interest rate was 0.0244%.

(*) TexPool WAM Days (2) To arrive at weighted average maturity, the maturity of floating rate and variable rate securities was deemed to be the final maturity of such securities.

CITY OF NASSAU BAY INVESTMENT PORTFOLIO
May 31, 2014

Logic Investments

Fund	Investments 5/1/2014	Additions	Interest	Withdrawals	Investments 5/31/2014
General Fund	$ 1,675,114.82	$ -	$ 131.65	$ 295,482.90	$ 1,379,763.57
Water & Sewer Fund	$ 1,494,319.96	$ -	$ 107.23	$ 395,215.30	$ 1,099,211.89
Debt Service Fund	$ -	$ -	$ -	$ -	$ -
Tourism Fund	$ -	$ -	$ -	$ -	$ -
Special Rev. & Grants	$ -	$ -	$ -	$ -	$ -
Capital Projects Fund	$ 225,779.28	$ -	$ 11.93	$ 195,622.40	$ 30,168.81
Street Sales Tax	$ -	$ -	$ -	$ -	$ -
Sub-Total	**$ 3,395,214.06**	**$ -**	**$ 250.81**	**$ 886,320.60**	**$ 2,509,144.27**
Nassau Bay Economic Development Corporation	$ -	$ -	$ -	$ -	$ -
Nassau Bay Tax Increment Reinvestment Zone No. 1	$ -	$ -	$ -	$ -	$ -
TIRZ Revenue - RDA Equity	$ -	$ -	$ -	$ -	$ -
Sub-Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
TexPool Grand Total	**$ 3,395,214.06**	**$ -**	**$ 250.81**	**$ 886,320.60**	**$ 2,509,144.27**

Logic's weighted average maturity (*) was 56 days and the average interest rate was 0.0989%.

(*) Logic WAM Days To arrive at weighted average maturity, the maturity of floating rate and variable rate securities was deemed to be the final maturity of such securities.

CITY OF NASSAU BAY INVESTMENT PORTFOLIO
May 31, 2014

Texas Citizens Bank - DDA

TCB DDA Minimum Balance - Qualifies the City for a .90 earnings credit on account analysis fees

$ 650,000.00

Texas Citizens Bank - MMA Investments

Fund	Investments 5/1/2014	Additions	Interest	Withdrawals	Investments 5/31/2014
General Fund	$ 1,437,570.63	$ 135,000.00	$ 560.94	$ 410,769.40	$ 1,162,362.17
Water & Sewer Fund	$ 801,204.52	$ -	$ 306.22	$ -	$ 801,510.74
Debt Service Fund	$ 16,724.49	$ 713.54	$ 6.41	$ -	$ 17,444.44
Tourism Fund	$ 219,976.07	$ 81,157.61	$ 86.07	$ -	$ 301,219.75
Special Rev. & Grants	$ 218,462.71	$ -	$ 83.46	$ 1,600.78	$ 216,945.39
Capital Projects Fund	$ 322.18	$ 320,000.00	$ 8.01	$ -	$ 320,330.19
Street Sales Tax	$ 201,040.02	$ 10,499.03	$ 77.09	$ -	$ 211,616.14
Sub-Total	**$ 2,895,300.62**	**$ 547,370.18**	**$ 1,128.20**	**$ 412,370.18**	**$ 3,031,428.82**
Nassau Bay Economic Development Corporation	$ -	$ -	$ -	$ -	$ -
Nassau Bay Tax Increment Reinvestment Zone No. 1	$ -	$ -	$ -	$ -	$ -
TIRZ Revenue - RDA Equity	$ -				$ -
Sub-Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
MMA Grand Total	**$ 2,895,300.62**	**$ 547,370.18**	**$ 1,128.20**	**$ 412,370.18**	**$ 3,031,428.82**

CITY OF NASSAU BAY INVESTMENT PORTFOLIO
May 31, 2014

Texas Citizens Bank - Repurchase Agreement

TCB Repurchase Agreement - Sweep Account to collect all excess over $650,000 minimum in DDA

Weighted Average	$ 179,122.85
Ending Balance as of 05/31/2014	$ 227,794.92
Interest Rate	0.15%
Interest Earned	$ 22.08

Fund	Investments 5/1/2014	Interest	Investments 5/31/2014
General Fund	$ 25,037.95	$ 12.26	$ 124,252.08
Water & Sewer Fund	$ 22,072.20	$ 6.84	$ 103,542.84
Debt Service Fund	$ -	$ -	$ -
Tourism Fund	$ -	$ 2.98	$ -
Special Rev. & Grants	$ -	$ -	$ -
Capital Projects Fund	$ -	$ -	$ -
Street Sales Tax	$ -	$ -	$ -
Sub-Total	**$ 47,110.15**	**$ 22.08**	**$ 227,794.92**
Nassau Bay Economic Development Corporation	$ -	$ -	$ -
Nassau Bay Tax Increment Reinvestment Zone No. 1	$ -	$ -	$ -
TIRZ Revenue - RDA Equity	$ -	$ -	$ -
Sub-Total	**$ -**	**$ -**	**$ -**
MMA Grand Total	**$ 47,110.15**	**$ 22.08**	**$ 227,794.92**

CITY OF NASSAU BAY INVESTMENT PORTFOLIO

May 31, 2014

TWDB Combination Tax and Revenue Obligations - Series 2011

Closed - March 24, 2011	$	2,445,000
Release of Funds - Portion of Initial	$	(2,246,072)
Investments - Portion of Initial	**$**	**198,928**

TWDB - Bank of Texas	Investments 5/1/2014	Additions	Total Appr./(Depr.)	Withdrawals	Investments 5/31/2014
Cavanal Hill US Treas-Admin Fd#0002	$ 208,724.90	$ -	$ -	$ -	$ 208,724.90
Total TWDB Investments	**$ 208,724.90**	**$ -**	**$ -**	**$ -**	**$ 208,724.90**

CITY OF NASSAU BAY INVESTMENT PORTFOLIO
May 31, 2014

Economic Development Corporation

	Investments 5/1/2014	Additions	Interest	Withdrawals	Investments 5/31/2014
Texpool - Economic Development Corp.	$ 210,658.10	$ 20,998.08	$ 4.61	$ -	$ 231,660.79
TCB - City MMA	$ -	$ -	$ -	$ -	$ -
TCB - EDC BizReward Checking	$ 20,038.85	$ -	$ -	$ -	$ 20,038.85
TCB - EDC BizReward Savings	$ 3,010.62	$ -	$ 0.51	$ 360.00	$ 2,651.13
Total EDC Investments	**$ 233,707.57**	**$ 20,998.08**	**$ 5.12**	**$ 360.00**	**$ 254,350.77**

CITY OF NASSAU BAY INVESTMENT PORTFOLIO
May 31, 2014

Nassau Bay Redevelopment Authority

	Investments 5/1/2014	Additions	Interest	Withdrawals	Investments 5/31/2014
Texpool - Nassau Bay Redevelopment Authority	$ -	$ -	$ -	$ -	$ -
Logic - Nassau Bay Redevelopment Authority	$ 527,867.02	$ -	$ 44.31	$ -	$ 527,911.33
TCB - City MMA	$ -	$ -	$ -	$ -	$ -
TCB - RDA BizReward Checking	$ 20,397.88	$ -	$ -	$ -	$ 20,397.88
TCB - RDA BizReward Savings	$ 245,922.49	$ -	$ 83.55	$ -	$ 246,006.04
Total RDA Investments	**$ 794,187.39**	**$ -**	**$ 127.86**	**$ -**	**$ 794,315.25**

CITY OF NASSAU BAY INVESTMENT PORTFOLIO

May 31, 2014

Month Ending Investment Portfolio Balances by Fund*

Fund	TexPool	Logic	TCB - MMA	TCB Repo Agreement	TWDB Bank of Texas	Investments 5/31/2014
General Fund	$ 91,504.55	$ 1,379,763.57	$ 1,162,362.17	$ 124,252.08	$ -	$ 2,757,882.37
Water & Sewer Fund	$ 12,874.99	$ 1,099,211.89	$ 801,510.74	$ 103,542.84	$ 208,724.90	$ 2,225,865.36
Debt Service Fund	$ 3,837.48	$ -	$ 17,444.44	$ -	$ -	$ 21,281.92
Tourism Fund	$ 5,562.79	$ -	$ 301,219.75	$ -	$ -	$ 306,782.54
Special Rev. & Grants	$ 2,541.72	$ -	$ 216,945.39	$ -	$ -	$ 219,487.11
Capital Projects Fund	$ 97.60	$ 30,168.81	$ 320,330.19	$ -	$ -	$ 350,596.60
Street Sales Tax	$ 4,689.41	$ -	$ 211,616.14	$ -	$ -	$ 216,305.55
Sub-Total	**$ 121,108.54**	**$ 2,509,144.27**	**$ 3,031,428.82**	**$ 227,794.92**	**$ 208,724.90**	**$ 6,098,201.45**
Nassau Bay Economic Development Corporation	$ -	$ -	$ -	$ -	$ -	$ -
Nassau Bay Tax Increment Reinvestment Zone No. 1	$ -	$ -	$ -	$ -	$ -	$ -
TIRZ Revenue - RDA Equity	$ -	$ -	$ -	$ -	$ -	$ -
Sub-Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Grand Total	**$ 121,108.54**	**$ 2,509,144.27**	**$ 3,031,428.82**	**$ 227,794.92**	**$ 208,724.90**	**$ 6,098,201.45**

*City Investment Portfolio Balances exclude the EDC & RDA

This investment report is in compliance with the investment strategy as established by the City of Nassau Bay & the Public Funds Investment Act (Chapter 2256).

Prepared By: Jaime Vasquez

Jaime Vasquez, Senior Accountant

Verified By: Csilla Stiles

Csilla L. Stiles, Finance Director

TMRS Quarterly Summary

Period Ended: March 31, 2014

Capital Markets Review
As of March 31, 2014

First Quarter Economic Environment

During the first quarter, capital markets delivered generally positive returns after an initial period of volatility in January. In the U.S., the Federal Reserve ("Fed") released its Comprehensive Capital Analysis and Review ("CCAR") or "stress test", which illustrated continuing improvement in the U.S. banking industry. In her first press conference as Fed chair, Janet Yellen focused on the persistently below target rate of inflation. Moreover, Yellen indicated that the Fed will review a "wide range of information" before deciding to increase interest rates. Private employment finally reached pre-recession levels in the first quarter of 2014, adding 192,000 jobs in March with the retail, construction, and healthcare sectors each adding workers. Additionally, the number of people employed relative to the working-age population rose to 58.9%, a four-year high. U.S. GDP growth forecasts were revised upward to 2.6% for the last quarter of 2013. However, harsh winter weather conditions and widening trade deficits have dampened first quarter GDP growth estimates to 1.5%.

At quarter end, the IMF revised its global GDP growth estimate downward to 3.6% from an earlier estimate of 3.7%. Overall, investment managers and economists provided mixed long-term outlooks. The Russian annexation of Crimea contributed to sharp declines in Russian equity and currency markets. Outside of nearby emerging markets, global markets largely withstood the geopolitical turmoil. Argentina debased the peso by 19.0%, its largest devaluation since 2002, but inflation stubbornly remained below market expectations. In the Asia-Pacific region, China's economic growth outlook slowed, while the results of Prime Minister Shinzo Abe's structural reforms in Japan appeared increasingly uncertain.

Domestic Equities

- U.S. equity markets faltered at the start of the quarter following a robust year in 2013, but finished in positive territory. The S&P 500 returned 1.81% on the quarter.
- Value outperformed growth stocks, as the Russell 3000 Value returned 2.92%, while the Russell 3000 Growth earned 1.07% for the quarter.
- Mid-cap stocks posted the most attractive returns, followed by large- and small-cap respectively. The Russell 1000 Index returned 2.05%, while the Russell 2000 Index returned 1.12%.
- While portfolios with above average concentrations of high-dividend and Healthcare stocks fared better than most, a weak performing Consumer Discretionary sector was detrimental to active managers.

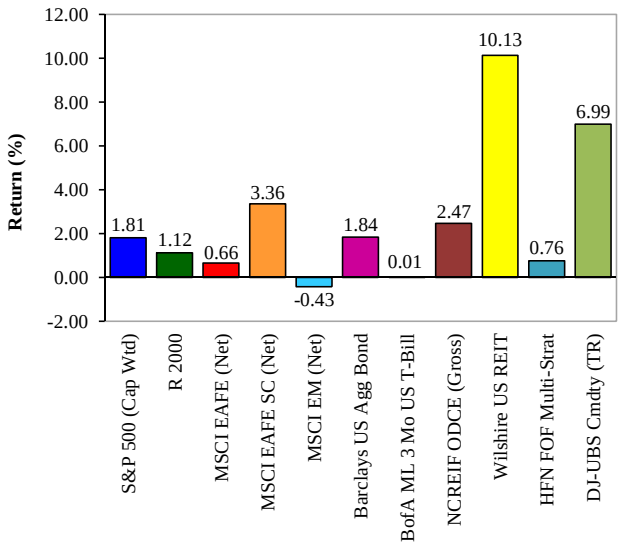
International Equities

- Non-U.S. developed markets continued to lag the U.S. markets; however, returns of major indices were still positive across the board.
- Developed markets outperformed emerging markets for the fifth quarter in a row, with the MSCI EAFE returning 0.66% and the MSCI Emerging Markets returning -0.43%.

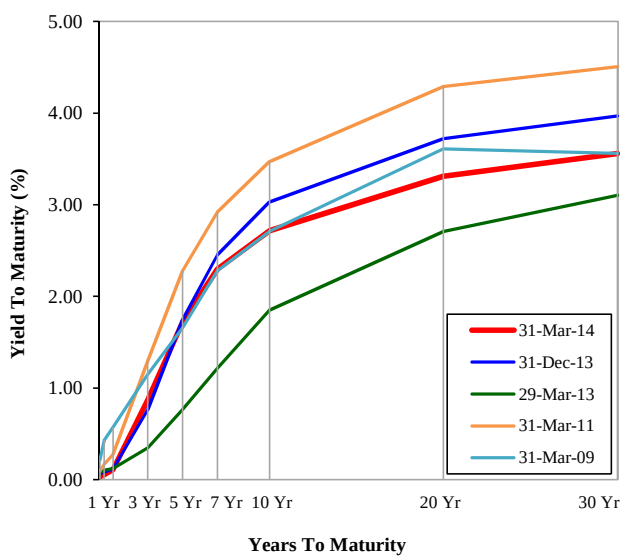
Fixed Income

- Fixed income markets started the year on a positive note, with the Barclays US Aggregate Bond Index returning 1.84%.
- During the quarter, the Fed's comments on the end of quantitative easing pushed the 2-year yield up to 0.44%, a 6 basis point increase, while concerns over the global economic environment weighed on longer maturities.

QTD



Treasury Yield Curve



Trailing-Period Performance

	Mth End - Jan 2014	Mth End - Feb 2014	MTD	QTD	CYTD	1 Year	2 Years	3 Years	5 Years	10 Years
S&P 500 (Cap Wtd)	-3.46	4.57	0.84	1.81	1.81	21.86	17.84	14.66	21.16	7.42
R 2000	-2.77	4.71	-0.68	1.12	1.12	24.90	20.52	13.18	24.31	8.53
MSCI EAFE (Net)	-4.03	5.56	-0.64	0.66	0.66	17.56	14.36	7.21	16.02	6.53
MSCI EAFE SC (Net)	-1.54	5.52	-0.53	3.36	3.36	23.26	18.17	9.40	21.70	8.61
MSCI EM (Net)	-6.49	3.31	3.07	-0.43	-0.43	-1.43	0.25	-2.86	14.48	10.11
Barclays US Agg Bond	1.48	0.53	-0.17	1.84	1.84	-0.10	1.82	3.75	4.80	4.46
BofA ML 3 Mo US T-Bill	0.01	0.00	0.00	0.01	0.01	0.07	0.09	0.08	0.12	1.65
NCREIF ODCE (Gross)	N/A	N/A	N/A	2.47	2.47	13.71	12.24	13.04	7.30	7.17
Wilshire US REIT	3.88	5.04	0.93	10.13	10.13	4.42	9.11	10.52	29.24	8.19
HFN FOF Multi-Strat	-0.16	1.58	-0.65	0.76	0.76	6.34	5.74	2.62	4.54	2.88
DJ-UBS Cmdty (TR)	0.30	6.24	0.41	6.99	6.99	-2.10	-2.56	-7.37	4.24	0.43

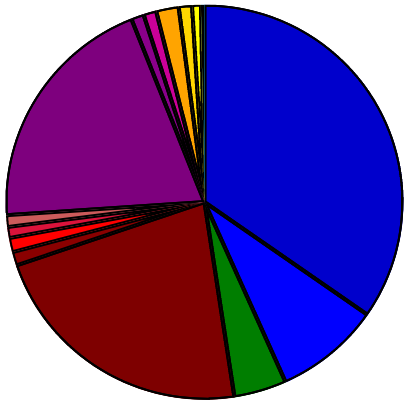
Treasury data courtesy of the U.S. Department of the Treasury.
Performance for the HFN FOF Multi-Strat Index is preliminary and subject to change.

RVK

Texas Municipal Retirement System
Total Fund Composite
Asset Alloc. by Manager, Asset Alloc. vs. Target, and Schedule of Investable Assets
As of March 31, 2014

Asset Allocation by Manager

March 31, 2014: $22,790,641,690

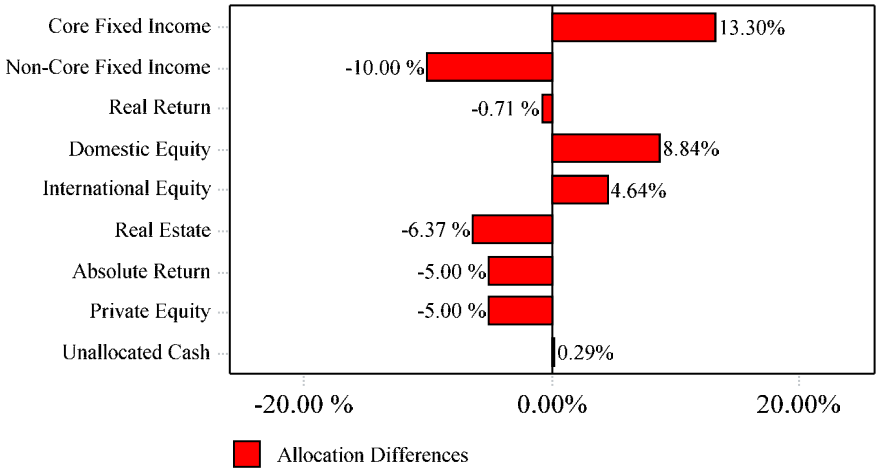


	Market Value ($)	Allocation (%)
BlackRock, Inc. Core (SA)	7,906,123,126	34.69
PIMCO Core Plus Fixed Income (SA)	1,963,222,610	8.61
Colchester Global Inflation Linked Bond (SA)	977,378,330	4.29
Northern Trust R3000 Index (CF) (NL)	5,059,616,226	22.20
UBS US Equity Min Vol Fund (CF) (NL)	254,554,113	1.12
SSgA Russell Fundamental US (CF)	265,973,845	1.17
Epoch U.S. Choice (SA)	205,528,454	0.90
Sasco U.S. Contrarian Value (SA)	218,181,142	0.96
Northern Trust ACW ex US IMI (CF) (NL)	4,572,296,630	20.06
UBS World Ex US Min Vol Fund (CF) (NL)	236,092,812	1.04
SSgA Russell Fund. Global Ex-US (CF)	238,447,022	1.05
Core Real Estate	418,300,011	1.84
Non-Core Real Estate	246,584,357	1.08
Harrison St. Real Estate Securities	161,715,257	0.71
State Street Government STIF 6 (CF) - Cash	66,627,756	0.29
Citigroup Global Markets, Inc.	1	0.00

Asset Allocation vs. Target Allocation

	Market Value ($)	Allocation (%)	Target (%)
Core Fixed Income	9,869,345,736	43.30	30.00
Non-Core Fixed Income	-	-	10.00
Real Return	977,378,330	4.29	5.00
Domestic Equity	6,003,853,781	26.34	17.50
International Equity	5,046,836,464	22.14	17.50
Real Estate	826,599,625	3.63	10.00
Absolute Return	-	-	5.00
Private Equity	-	-	5.00
Unallocated Cash	66,627,756	0.29	0.00
Total Fund	22,790,641,690	100.00	100.00

Asset Allocation vs. Target Allocation Differences



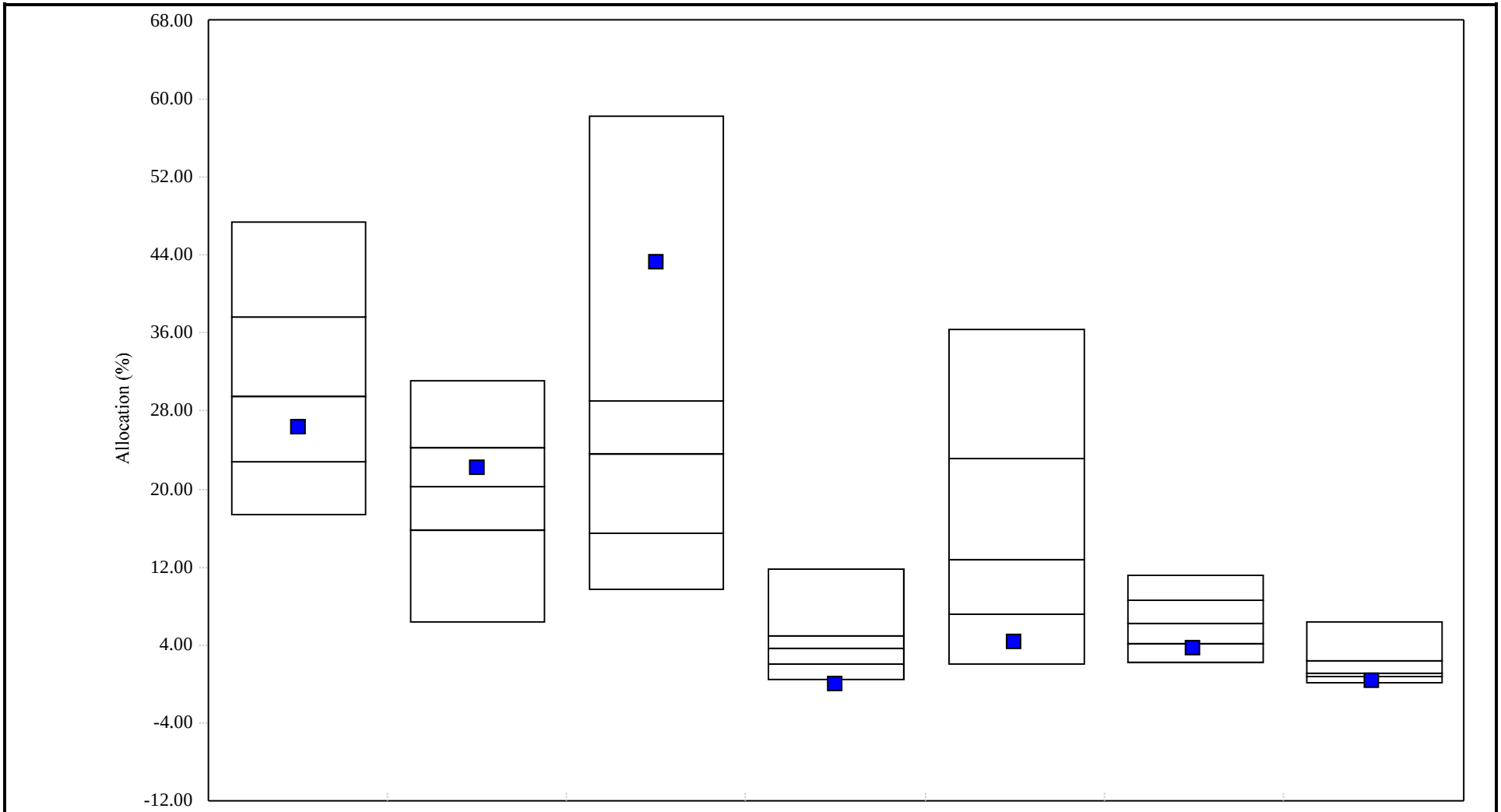
Schedule of Investable Assets

Periods Ending	Beginning Market Value ($)	Net Cash Flow ($)	Gain/Loss ($)	Ending Market Value ($)	%Return	Unit Value
CYTD	**22,374,178,482**	**-2,974,669**	**419,437,878**	**22,790,641,690**	**1.95**	**101.95**

Allocations shown may not sum up to 100% exactly due to rounding. Performance shown is gross of fees and provided by State Street. Gain/Loss figure includes both realized and unrealized gains and losses. Market value shown for Citigroup Global Markets, Inc. represents residual cash from liquidation.

RVK

Texas Municipal Retirement System
All Public Plans > $1B-Total Fund
Plan Sponsor TF Asset Allocation
As of March 31, 2014



	US Equity	Intl. Equity	US Fixed Income	Intl. Fixed Income	Alternative Inv.	Real Estate	Cash
Total Fund Composite	26.34 (64)	22.14 (41)	43.30 (12)	0.00	4.29 (87)	3.63 (83)	0.29 (84)
Median	29.46	20.30	23.67	3.58	12.79	6.24	1.15
Population	50	48	51	29	38	30	25

Parentheses contain percentile ranks. Allocations shown may not sum up to 100% exactly due to rounding.

Texas Municipal Retirement System
Comparative Performance
As of March 31, 2014

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	2013	Since Incep.	Inception Date
Total Fund Composite	**1.95**	**1.95**	**8.29**	**7.31**	**9.32**	**6.98**	**6.54**	**9.75**	**8.98**	**01/01/1989**
Actual Allocation Benchmark	1.74	1.74	8.25	7.05	8.78	6.61	5.85	9.70	8.35	
Difference	0.21	0.21	0.04	0.26	0.54	0.37	0.69	0.05	0.63	
Total Fixed Income Composite	**1.85**	**1.85**	**-0.15**	**4.06**	**5.53**	**4.96**	**5.13**	**-1.94**	**8.41**	**01/01/1989**
Fixed Income Benchmark	1.84	1.84	-0.10	3.75	5.01	4.61	4.47	-2.02	7.78	
Difference	0.01	0.01	-0.05	0.31	0.52	0.35	0.66	0.08	0.63	
Real Return Composite	**2.60**	**2.60**	**-0.73**	**4.60**	**N/A**	**N/A**	**N/A**	**-4.06**	**5.04**	**02/01/2011**
Barclays Wrld Gov Infl-Lnkd Index (Unhedged)	2.68	2.68	-1.59	3.75	6.40	4.89	5.01	-4.84	4.49	
Difference	-0.08	-0.08	0.86	0.85	N/A	N/A	N/A	0.78	0.55	
Global Equity Composite	**1.59**	**1.59**	**17.93**	**9.75**	**18.37**	**N/A**	**N/A**	**24.87**	**4.58**	**02/01/2008**
Global Equity Benchmark	1.42	1.42	17.69	9.60	18.20	N/A	N/A	24.49	4.44	
Difference	0.17	0.17	0.24	0.15	0.17	N/A	N/A	0.38	0.14	
Domestic Equity Composite	**2.10**	**2.10**	**22.26**	**14.53**	**21.88**	**N/A**	**N/A**	**33.20**	**7.94**	**02/01/2008**
R 3000 Index	1.97	1.97	22.61	14.61	21.93	6.60	7.86	33.55	7.96	
Difference	0.13	0.13	-0.35	-0.08	-0.05	N/A	N/A	-0.35	-0.02	
International Equity Composite	**0.98**	**0.98**	**13.17**	**4.82**	**14.70**	**N/A**	**N/A**	**16.31**	**1.08**	**02/01/2008**
International Equity Benchmark	0.87	0.87	12.80	4.58	14.38	0.27	5.77	15.82	0.81	
Difference	0.11	0.11	0.37	0.24	0.32	N/A	N/A	0.49	0.27	
Real Estate Composite	**7.76**	**7.76**	**13.75**	**N/A**	**N/A**	**N/A**	**N/A**	**11.69**	**11.80**	**01/01/2012**
NCREIF ODCE Index (Gross) (AWA) - 1 Quarter Lag	3.17	3.17	13.94	13.60	3.68	3.25	7.16	13.04	12.43	
Difference	4.59	4.59	-0.19	N/A	N/A	N/A	N/A	-1.35	-0.63	
TMRS Unallocated Cash (SA)	**0.00**	**0.00**	**0.16**	**0.07**	**0.10**	**N/A**	**N/A**	**0.12**	**0.25**	**06/01/2008**
BofA ML 3 Mo US T-Bill Index	0.01	0.01	0.07	0.08	0.12	0.91	1.65	0.07	0.28	
Difference	-0.01	-0.01	0.09	-0.01	-0.02	N/A	N/A	0.05	-0.03	

- Historical performance shown for the Total Fixed Income, Global Equity, Domestic Equity, and International Equity composites is provided by State Street.
- RVK cautions that for private market investments like Commercial Real Estate, for which there are no market prices, as are available for public securities, and for which an appraised value is calculated only quarterly, daily time weighted return calculations (public market return methodology) are imperfect at best and usually misleading.

Performance shown is gross of fees and provided by State Street. Performance is annualized for periods greater than one year. Real Estate performance is available quarterly. Real Estate fund returns are calculated by Private Edge and are lagged 1 quarter. Inception date shown for the Real Estate Composite represents the first full quarter following initial funding. Inception dates for non-real estate composites represents the first full month following initial funding.

RVK

Texas Municipal Retirement System
Addendum
As of March 31, 2014

Custom Benchmark Comments

The **Actual Allocation Benchmark** is calculated monthly using beginning of month asset class weights applied to each corresponding benchmark return and currently consists of the following:

Russell 3000 Index
International Equity Benchmark
Fixed Income Benchmark
Barclays World Government Inflation-Linked Index (Unhedged)*
NCREIF Open-End Diversified Core Equity Index (Gross) (AWA)**
BofA Merrill Lynch 3 Month US Treasury Bill Index

*As the Real Return asset class structure becomes diversified, the performance objective will be the Consumer Price Index + 4%.
**Performance for the NCREIF Open-End Diversified Core Equity Index (Gross) (AWA) is available quarterly and lagged 1 quarter; interim months assume a 0.00% return.

The **Fixed Income Benchmark** is calculated monthly and consists of the Barclays Gov't/Credit Long Term Bond Index through June 30, 2009; Barclays US Aggregate Bond Index thereafter.

The **Global Equity Benchmark** is calculated monthly and consists of 50% Russell 3000 Index and 50% MSCI EAFE Index (Net) through July 31, 2010; a blend of the Russell 3000 Index, MSCI All Country World Excluding US Investable Market Index (Net) and MSCI EAFE Index (Net) at beginning of month investment weights through November 30, 2012; and 50% Russell 3000 Index and 50% MSCI All Country World Excluding US Investable Market Index (Net) thereafter.

The **International Equity Benchmark** is calculated monthly and consists of the MSCI EAFE Index (Net) through July 31, 2010; a blend of the MSCI All Country World Excluding US Investable Market Index (Net) and MSCI EAFE Index (Net) at beginning of month investment weights through January 31, 2012; and the MSCI All Country World Excluding US Investable Market Index (Net) thereafter.

Real Estate Performance Comment

"Privately held real estate fund returns are one-quarter lagged and are provided by Private Edge. Quarterly returns are incorporated in the last month of that particular quarter. The returns for the first two months are zero.

Market values are previous quarter-end values as reported, rolled forward with current cash flows. Returns and market values provided by Private Edge are rolled into their respective Real Estate composite and the Total Plan composite.

Publicly traded real estate fund performance is non-lagged, reflecting monthly fluctuations. Detailed information regarding methodology can be found in the internal TMRS Performance Reporting Policy statement" (State Street Performance Team).