

Employer ID No: 13-5645888
Plan Number: 333

Consolidated Financial Statements with Supplemental Schedules and
Report of Independent Certified Public Accountants

**PENTEGRA DEFINED BENEFIT PLAN
FOR FINANCIAL INSTITUTIONS**

As of June 30, 2013 and 2012, and
for the year ended June 30, 2013

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

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Note: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors and Participants of
The Pentegra Defined Benefit Plan for Financial Institutions

We have audited the accompanying consolidated financial statements of the Pentegra Defined Benefit Plan for Financial Institutions (the “Plan”), which comprise the consolidated statement of net assets available for benefits as of June 30, 2013 and the related consolidated statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management’s responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial status of the Pentegra Defined Benefit Plan for Financial Institutions as of June 30, 2013 and changes in its financial status for the year ended June 30, 2013 in accordance with accounting principles generally accepted in the United States of America.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules, Schedule H, Part IV, Line 4i - Schedule of assets (held at end of year) as of June 30, 2013 and Schedule H, Part IV Line 4j - schedule of reportable transactions for the year ended June 30, 2013, are presented for purposes of additional analysis and are not a required part of the financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such supplementary information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other matter

The consolidated financial statements of the Plan as of and for the year ended June 30, 2012, were audited by other auditors. Those auditors expressed an unmodified opinion on those 2012 consolidated financial statements in their report dated April 12, 2013.

Grant Thornton LLP

New York, New York
April 10, 2014

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS
Consolidated Statements of Net Assets Available for Benefits
As of June 30, 2013 and 2012
(in thousands)

	<u>2013</u>	<u>2012</u>
ASSETS		
Investments, at fair value	\$ 2,912,648	\$ 2,819,242
Accrued investment income	15,681	11,619
Accounts receivable	5,680	3,964
Employer contributions receivable	1,498	5,196
Receivables for securities sold, not yet settled	1,671	2,722
Goodwill and intangible assets	14,725	12,319
Cash	16,792	10,587
Other assets	<u>5,234</u>	<u>4,240</u>
Total assets	<u>2,973,929</u>	<u>2,869,889</u>
LIABILITIES		
Accounts payable and other liabilities	29,402	21,106
Interest rate swaps	15,593	-
Payables for securities purchased, not yet settled	<u>1,774</u>	<u>5,700</u>
Total liabilities	<u>46,769</u>	<u>26,806</u>
Net assets available for benefits	<u>\$ 2,927,160</u>	<u>\$ 2,843,083</u>

The accompanying notes are an integral part of these financial statements.

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS
Consolidated Statement of Changes in Net Assets Available for Benefits
For the year ended June 30, 2013
(in thousands)

ADDITIONS

Contributions	\$ 128,316
Investment income/(loss)	
Net appreciation in fair value of investments	135,129
Interest	68,745
Dividends	3,713
Less	
Administrative asset fee	(12,288)
Investment advisory services	<u>(1,203)</u>
Net investment income	<u>194,096</u>
Administrative and service income	<u>50,444</u>
Total additions	<u>372,856</u>

DEDUCTIONS

Benefit payments	180,739
Administrative expenses	45,198
Other	<u>3,572</u>
Total deductions	<u>229,509</u>
Net increase	143,347

TRANSFER OF ASSETS

Transfers into the Plan	18
Transfers out of the Plan	<u>(59,288)</u>
Total increase in net assets	84,077

NET ASSETS AVAILABLE FOR BENEFITS

Beginning of year	<u>2,843,083</u>
End of year	<u>\$ 2,927,160</u>

The accompanying notes are an integral part of this financial statement.

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

Notes to Consolidated Financial Statements

As of June 30, 2013 and 2012, and for the year ended June 30, 2013

(Amounts in thousands)

1. DESCRIPTION OF THE PLAN

The following description of the Pentegra Defined Benefit Plan for Financial Institutions (the “Plan”) is provided for general information purposes only. Participants should refer to their respective Summary Plan Descriptions for more complete information including pension benefits.

General

A description of the Plan’s Comprehensive Retirement Program, effective July 1, 2012, has been published in the Plan’s Regulations, 27th Revision (the “Regulations”). This document, and various amendments to it, has been made available to participating employers and their participants by being posted on the Plan sponsor website. The Plan operates as a multiple employer plan under the Employee Retirement Income Security Act of 1974 (“ERISA”) and the Internal Revenue Code (“IRC”). As such, all plan assets back all plan liabilities. The Plan files one Form 5500 on behalf of all employers who participate in the Plan. The Bank of New York Mellon (“BNY Mellon”) serves as the trustee of the Plan. The Plan is subject to the provisions of ERISA and the IRC. The Plan’s management is responsible for monitoring and controlling the activity of the Plan in accordance with the provisions of ERISA and the IRC.

The Plan’s consolidated financial statements include the consolidation of the results of operations and net assets of Pentegra Services, Inc. (“PSI”), a wholly owned subsidiary of the Plan (see Note 12).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires plan management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated benefits and changes therein at the date of the consolidated financial statements. Actual results could differ significantly from those estimates. Estimates that are particularly susceptible to change include assumptions used in determining the actuarial present value of accumulated plan benefits and the fair value of investments.

Risk and Uncertainties

Investment securities (see Notes 6, 7 and 8) are exposed to various risks, such as interest rate, credit risk and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

Notes to Consolidated Financial Statements

As of June 30, 2013 and 2012, and for the year ended June 30, 2013

(Amounts in thousands)

Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividend income is recorded on the ex-dividend date.

Realized gains and losses on the sales of investment securities are recorded as the difference between proceeds received and cost. Cost is determined on an average cost basis. Net appreciation or depreciation includes realized gains and losses and the change in the fair value of securities held for the year ended June 30, 2013.

Investment Valuation

Investments are stated at fair value. Fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (see Note 6).

Administrative Expenses

In addition to the administrative expenses of PSI (see Note 12), administrative expenses incurred to administer the Plan, including audit, legal, consulting and board meeting expenses are assessed to participating employers and are paid out of the Plan assets.

Fiduciary liability insurance premiums aggregating \$292 in 2013 were paid by participating employers directly and are not reflected in the Plan's consolidated financial statements.

Payment of Benefits

Benefit payments to participants are recorded upon distribution. As of June 30, 2013 and 2012, net assets available for benefits included \$11,380 and \$11,546, respectively, of benefits due to participants who have withdrawn from the Plan, or beneficiaries who have not yet received their distribution.

Contributions

The Plan accepts employer contributions for the current plan year up to eight and a half months after the Plan year end as allowed by ERISA. Certain contributions from employers on Schedule SB of Form 5500 represent reimbursements to the Plan for administrative services and are therefore recorded as such on the consolidated financial statements.

Vesting

Participants are vested immediately in their contributions plus interest thereon. Participants should refer to their respective Summary Plan Descriptions to determine the vesting schedule for benefits accrued for employer provided benefits.

Pension Benefits

Pension benefits are provided to participants under several types of retirement options based upon years of continuous service and age. Retirement benefits are paid to participants in various forms of joint and survivor annuities. A lump-sum payment option may also be available. Participants should refer to their respective Summary Plan Descriptions for more information.

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

Notes to Consolidated Financial Statements

As of June 30, 2013 and 2012, and for the year ended June 30, 2013

(Amounts in thousands)

Recently Adopted Accounting Standards

ASU No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards* (“ASU No. 2011-04”) - In May 2011, the FASB issued ASU No. 2011-04, which amends ASC 820, Fair Value Measurements and Disclosures. ASU No. 2011-04 also requires the categorization by level for items that are only required to be disclosed at fair value and information about transfers between Level 1 and Level 2. In addition, the ASU provides guidance on measuring the fair value of financial instruments managed within a portfolio and the application of premiums and discounts on fair value measurements. The ASU requires additional disclosure for Level 3 measurements regarding the sensitivity of fair value to changes in unobservable inputs and any interrelationships between those inputs. The new guidance was effective for reporting periods beginning after December 15, 2011. The adoption did not have a material effect on the consolidated statements of net assets available for benefits and consolidated statement of changes in net assets available for benefits.

Recently Issued Accounting Standards

ASU No. 2011-11 and ASU No. 2013-01, *Balance Sheet (ASC Topic 210): Disclosures about Offsetting Assets and Liabilities* - In December 2011, the FASB issued ASU No. 2011-11 and in January 2013, the FASB issued ASU No. 2013-01, an update to ASU No. 2011-11. This topic will require a reporting entity to present enhanced disclosures for financial instruments and derivative instruments that are offset or subject to master netting agreements or similar such agreements. This update is effective for annual reporting periods beginning on or after January 1, 2013. Plan management has not determined the impact on the update in the consolidated financial statements.

3. SUMMARY OF ACTUARIAL ASSUMPTIONS

Actuarial Cost Methods

The actuarial cost method used to value all benefits is the traditional unit credit method. As part of the valuation process, the funded status of each participating employer is separately determined. Employers in an unfunded position are billed for their required contributions. Employers in an over-funded position can use their surplus to offset all or a portion of their contribution requirement.

Actuarial Asset Valuation

The actuarial valuation uses the market value of assets.

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

Notes to Consolidated Financial Statements

As of June 30, 2013 and 2012, and for the year ended June 30, 2013

(Amounts in thousands)

Actuarial Valuation Assumptions

The significant assumptions used in the actuarial valuation are:

- For the 2013 actuarial valuation, the interest rates used for determining the minimum required contribution are based on the three segment yield rates for 2013 under the Moving Ahead for Progress in the 21st Century Act (“MAP-21”) with 85%-115% corridors surrounding the 25 year average of the 24 month average segment rates as of September 30, 2012, as described in IRS Notice 2012-55. The rates are as follows:

<u>Years</u>	<u>Rate</u>
1-5	4.94 %
6-20	6.15
21+	6.76

- For the 2012 actuarial valuation, the interest rates used for determining the minimum required contribution were based on the three segment yield rates for 2012 under the MAP-21 with 90%-110% corridors surrounding the 25 year average of the 24 month average segment rates as of September 30, 2011:

<u>Years</u>	<u>Rate</u>
1-5	5.54 %
6-20	6.85
21+	7.52

- Normal retirement is assumed to occur at ages 45-70. For the period prior to retirement, withdrawals, deaths, and disabilities are anticipated.
- For the 2013 actuarial valuation, separate rates for non-annuitants (based on Retired Pensioner 2000 Mortality Tables (“RP-2000”) “employees” table without collar or amount adjustments, projected to 2028 using scale AA) and annuitants (based on RP-2000 “Healthy Annuitants” table without collar or amount adjustments projected to 2020 using scale AA) were used.
- For the 2012 actuarial valuation, the mortality table used is based on IRC Section 430(h) (3) (A), using the generational option.
- The interest rate assumed for lump sum benefits is the same as the valuation interest rate, as required by the Pension Protection Act of 2006 (“PPA”) as amended by MAP-21.
- Normal cost for each employer includes the estimated administrative expenses for the plan year, as required under PPA.

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(Amounts in thousands)

- An interest rate of 6.25% was used to determine the actuarial present value of accumulated plan benefits under ASC 960, Plan Accounting-Defined Benefit Pension Plans, as of July 1, 2013. The rate used for this measurement as of July 1, 2012 was 6.00%.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

4. FUNDING POLICY

The Plan is a defined benefit pension plan to which employers make contributions based upon calculations prepared annually by the Plan's outside actuary, Towers Watson. The calculations are designed to determine the amounts necessary to fund the target normal cost of pension benefits and the 7 year amortization of the Plan's funding shortfall. The Plan met the minimum funding requirements of ERISA for the years ended June 30, 2013 and 2012. For the 2011-2012 plan year, participating employers had the option to fund a portion of their shortfall over a 15 year period rather than over a 7 year period.

Certain participating employers have elected to participate on a contributory basis, whereby participants are required to contribute a percentage of their salaries. Participants are always 100% vested in the value of their contributions. Participants' accumulated contributions, including interest, were \$ 7,981 and \$8,209 at June 30, 2013 and 2012, respectively. Pursuant to federal regulations, the interest rate credited to these contributions at June 30, 2013 and 2012, was 1.10% and 2.40%, respectively.

5. ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments and lump-sum distributions, which are attributable under the Plan's provisions to service rendered by employees as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (1) retired or terminated employees or their beneficiaries, (2) beneficiaries of employees who have died, and (3) present employees or their beneficiaries. The actuarial present value of accumulated plan benefits is determined by an independent actuary and it is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

Notes to Consolidated Financial Statements

As of June 30, 2013 and 2012, and for the year ended June 30, 2013

(Amounts in thousands)

The actuarial present value of accumulated plan benefits as of June 30, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Vested benefits for		
Retirees and beneficiaries currently receiving payments	\$ 1,112,249	\$ 1,075,184
Other participants	<u>1,803,361</u>	<u>1,857,914</u>
Total vested benefits	2,915,610	2,933,098
Nonvested benefits	<u>34,283</u>	<u>36,393</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 2,949,893</u>	<u>\$ 2,969,491</u>

The changes in the actuarial present value of accumulated plan benefits for the year ended June 30, 2013 is as follows:

	<u>2013</u>
Changes in accumulated plan benefits	
Beginning of year	<u>\$ 2,969,491</u>
Increase (decrease) during the year attributable to	
Interest due to decrease in the discount period	171,312
Benefits paid	(180,739)
Withdrawn employers	(60,584)
New employers	12,843
Changes in benefits adopted by certain employers	(932)
Assumption changes	(96,994)
Benefits accumulated and actuarial experience	<u>135,496</u>
Net decrease	<u>(19,598)</u>
End of year	<u>\$ 2,949,893</u>

6. FAIR VALUE MEASUREMENTS

ASC 820, Fair Value Measurements and Disclosures, provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, as follows: Level 1, which refers to securities valued using unadjusted quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

Notes to Consolidated Financial Statements

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(Amounts in thousands)

Asset Valuation Techniques

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets at fair value. There have been no changes in the methodologies used at June 30, 2013 and 2012.

- Common stocks are valued at quoted prices in active markets.
- Corporate debt securities (excluding equity linked notes [“ELN’s”]), interest rate swaps (see Note 8), and preferred stocks are valued by management based on information provided by BNY Mellon, using the following techniques: matrix pricing, market pricing, market corroborated pricing and inputs such as yield curves and indices.
- U.S. government securities are valued at prevailing market prices traded on the secondary markets or are valued by management based on information provided by BNY Mellon using the following observable inputs: matrix pricing, market pricing, market corroborated pricing and inputs such as yield curves and indices.
- Common collective trust funds (“Funds”), are valued at net asset value (“NAV”), which is calculated by the investment manager or sponsor of the Fund based on the fair value of the underlying assets of each fund. Equity funds have a primary objective of matching the performance of an index of a particular segment of the financial market, such as Standard & Poor’s 500 Index. Fixed income funds are invested primarily in investment grade corporate and government bonds and seek to match the performance of particular bond indexes such as the Barclays Capital U.S. Long Term Credit Index. The short term funds are primarily invested in shorter maturity government and corporate securities. The Funds can be redeemed daily with 1-2 days’ notice except for Barlow Partners Group Trust of \$ 62,668 and \$58,528 which can be redeemed annually with 60 days’ notice as of June 30, 2013 and 2012, respectively. As of June 30, 2013 and 2012, the Plan had no unfunded commitments for the Funds.
- ELN’s of \$20,751 and \$165,670 as of June 30, 2013 and 2012, respectively, which are in the category of A-rated corporate debt securities, are valued at bid price that the originating trading desk would be willing to execute a trade (see Note 8).
- Real estate funds are valued at NAV, which is calculated by the investment manager or sponsor of the Funds which is based on data obtained from real estate appraisals, comparables, or valued based on valuation techniques such as the cash flow projection model. Redemption from these Funds varies as per the Funds’ cash flow availability. Payout of redemptions may be deferred up to 27 months at the discretion of the Funds. As of June 30, 2013 and 2012, the Plan had reserve commitments of \$750 and \$1,183 respectively, which may or may not be called during the life of the investment.

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

Notes to Consolidated Financial Statements

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(Amounts in thousands)

- Private equity investments are valued at NAV, which is calculated by the fund manager and is based on the valuation of the underlying investments, which include inputs such as cost, operating results, discounted future cash flows and market based comparable data. For the year ended June 30, 2013, \$100,896 of these funds can be redeemed annually or quarterly with a 60-65 days' notice while \$71,189 of these funds are not liquid subject to distributions by the fund manager. For the year ended June 30, 2012, \$91,234 of these funds could be redeemed annually or quarterly with 60-65 days' notice while \$11,702 of these funds were not liquid. There are various strategies employed including: private debt and equity investments, combining core long holdings of equities with short sales of stock or stock index options, event driven and other directional. As of June 30, 2013 and 2012, the Plan had remaining capital commitments for additional contributions to the limited partnerships totaling \$101,987 and \$53,013, respectively.

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS
Notes to Consolidated Financial Statements
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(Amounts in thousands)

The following tables set forth by level within the fair value hierarchy a summary of the Plan's investments measured at fair value on a recurring basis at June 30, 2013 and 2012:

	Fair Value Measurements as of June 30, 2013			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Common stocks				
Financial services	\$ 46,426	\$ -	\$ -	\$ 46,426
Consumer non durables	30,252	-	-	30,252
Technology	20,161	-	-	20,161
Materials and services	16,332	-	-	16,332
Capital goods and services	5,132	-	-	5,132
Consumer durables	1,923	-	-	1,923
Utilities	1,105	-	-	1,105
Energy	1,656	-	-	1,656
Total common stocks	122,987	-	-	122,987
Corporate debt securities				
AAA credit rating	-	71,655	-	71,655
AA credit rating	-	154,753	-	154,753
A credit rating	-	306,183	5,491	311,674
BBB credit rating	-	295,962	-	295,962
Not rated	-	76,258	-	76,258
Total corporate debt securities	-	904,811	5,491	910,302
Government securities	64,043	102,484	-	166,527
Private equity	-	4,844	167,241	172,085
Preferred stock	-	1,224	-	1,224
Common collective trust funds - equity	-	912,517	62,668	975,185
Common collective trust funds - fixed income	-	395,877	-	395,877
Common collective trust funds - short term	-	51,121	-	51,121
Real estate funds	-	-	50,577	50,577
Municipal and other government debt and other	120	66,643	-	66,763
Total	\$ 187,150	\$ 2,439,521	\$ 285,977	\$ 2,912,648
Other financial instruments*				
Interest rate swaps	\$ -	\$ (15,593)	\$ -	\$ (15,593)

* Other financial instruments are interest rate swap derivatives classified as liabilities which are not reflected in investments at fair value in the consolidated statements of net assets available for benefits.

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(Amounts in thousands)

	Fair Value Measurements as of June 30, 2012			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Common stocks				
Financial services	\$ 21,043	\$ -	\$ -	\$ 21,043
Materials and services	36	-	-	36
Total common stocks	21,079	-	-	21,079
Corporate debt securities				
AAA credit rating	-	85,474	-	85,474
AA credit rating	-	129,768	-	129,768
A credit rating	-	368,207	137,113	505,320
BBB credit rating	-	224,386	-	224,386
Below BBB credit rating	-	39	-	39
Not rated	-	75,911	-	75,911
Total corporate debt securities	-	883,785	137,113	1,020,898
Government securities	62,039	127,936	-	189,975
Private equity	-	-	102,936	102,936
Preferred stock	-	1,156	-	1,156
Common collective trust funds - equity	-	692,979	58,528	751,507
Common collective trust funds - fixed income	-	629,825	-	629,825
Common collective trust funds - short term	-	50,204	-	50,204
Real estate funds	-	-	40,516	40,516
Interest rate swaps	-	6,472	-	6,472
Municipal and other government debt and other	19	4,655	-	4,674
Total	\$ 83,137	\$ 2,397,012	\$ 339,093	\$ 2,819,242

The Plan's policy is to recognize all transfers between levels at the beginning of the reporting period. For the year ended June 30, 2013, \$4,721 in corporate debt securities (ELN's) were transferred from Level 2 to Level 3, due to changes in the ELN's observable valuation inputs.

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The following tables present a reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3) for the year ended June 30, 2013.

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	June 30, 2013				
	Private Equity	Real Estate Funds	Corporate Debt Sec. (ELN's)	CCT Equity	Total
Beginning balance - July 01, 2012	\$ 102,936	\$ 40,516	\$ 137,113	\$ 58,528	\$ 339,093
Realized gains	12,666	13	20,123	-	32,802
Unrealized gains (losses)	(8,099)	7,093	(19,595)	4,140	(16,461)
Purchases	109,054	2,955	-	-	112,009
Issuances	-	-	-	-	-
Settlements	(49,316)	-	(136,871)	-	(186,187)
Transfers into Level 3	-	-	4,721	-	4,721
Ending balance - June 30, 2013	<u>\$ 167,241</u>	<u>\$ 50,577</u>	<u>\$ 5,491</u>	<u>\$ 62,668</u>	<u>\$ 285,977</u>
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses related to assets still held at the reporting date	<u>\$ (2,665)</u>	<u>\$ 7,093</u>	<u>\$ 771</u>	<u>\$ 4,140</u>	<u>\$ 9,339</u>

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS
Notes to Consolidated Financial Statements
As of June 30, 2013 and 2012, and for the year ended June 30, 2013
(Amounts in thousands)

The following tables set forth a summary of the Plan's investments with a reported NAV at June 30, 2013 and 2012:

Fair Value Estimated Using Net Asset Value Per Share					
June 30, 2013					
Investment	Fair Value	Unfunded Commitment	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
Common collective trust funds - equity	\$ 912,517	\$ -	daily	None	1-2 days
Barlow Partners Group Trust	62,668	-	annual	None	60 days
Common collective trust funds-fixed income	395,877	-	daily	None	1-2 days
Private equity	100,896	-	annual, quarterly	None	60-65 days
NYLCAP, Highstar, Dyal, Medley, Etc.	71,189	101,987	subject to distributions by fund manager	None	NA
Real estate funds	<u>50,577</u>	<u>-</u>	varies as per funds' cash flow availability	None	NA
Total	<u>\$ 1,593,724</u>	<u>\$ 101,987</u>			

Fair Value Estimated Using Net Asset Value Per Share					
June 30, 2012					
Investment	Fair Value	Unfunded Commitment	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
Common collective trust funds - equity	\$ 692,979	\$ -	daily	None	1-2 days
Barlow Partners Group Trust	58,528	-	annual	None	60 days
Common collective trust funds-fixed income	629,825	-	daily	None	1-2 days
Private equity	91,234	-	annual, quarterly	None	60-65 days
NYLCAP, Highstar, Dyal	11,702	52,763	subject to distributions by fund manager	None	NA
Real estate funds	<u>40,516</u>	<u>250</u>	varies as per funds' cash flow availability	None	NA
Total	<u>\$ 1,524,784</u>	<u>\$ 53,013</u>			

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

Notes to Consolidated Financial Statements

As of June 30, 2013 and 2012, and for the year ended June 30, 2013

(Amounts in thousands)

The following table represents the Plan's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments as of June 30, 2013, and the significant unobservable inputs and the ranges of values for these inputs:

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements June 30, 2013

Instrument	Fair Value	Principal Valuation Technique	Significant Unobservable Inputs	Range of Significant Input Values	Weighted Average	
CCT Equity	\$ 62,668	Practical Expedient	Net Asset Value	N/A	N/A	
Corporate Debt Sec (ELN's)	5,491	Option Valuation Model	Volatility	12.0%-18.0%	15.0%	
Private Equity	167,241	Practical Expedient	Net Asset Value	N/A	N/A	
			Market Comparables	Revenue Growth	N/A	N/A
				Multiples	N/A	N/A
				Discount Rate	5.0%-40.7%	N/A
			Weight Ascribed to Market Comparables	0.0%-100.0%	25.0%	
		Discounted Cashflow	Discount Rate	N/A	N/A	
		Multiples	1.3x-8.4x	N/A		
Real Estate	50,577	Practical Expedient	Net Asset Value	N/A	N/A	
			Discounted Cashflow	Projected Cashflow	N/A	N/A
			Discount Rate	N/A	N/A	

N/A - audited data not provided by fund managers in most recent financial report.

In estimating the fair value of the investments in level 3, the Plan may use third-party pricing sources or appraisers. In substantiating the reasonableness of the pricing data provided by third parties, a variety of factors are evaluated including review of methods and assumptions used by external sources, recently executed transactions, existing contracts, economic conditions, industry and market developments, and overall credit ratings.

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

Notes to Consolidated Financial Statements

As of June 30, 2013 and 2012, and for the year ended June 30, 2013

(Amounts in thousands)

7. INVESTMENTS

For the year ended June 30, 2013, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$135,129 as presented in the consolidated statement of changes in net assets available for benefits as follows:

Net appreciation (depreciation) in fair value of investments	
whose fair value was determined based on quoted market prices	
Common stocks	\$ 11,328
U.S. treasuries	(1,862)
Net appreciation (depreciation) in fair value of investments	
whose fair value was estimated	
Private equity	5,411
Preferred stocks	68
Government securities	(914)
Corporate debt securities	(27,260)
Common collective trust funds - equity	168,849
Common collective trust funds - fixed income	1,151
Real estate funds	7,106
Interest rate swaps	(22,065)
Municipal and other government debt and other	<u>(6,683)</u>
Net appreciation in fair value of investments	<u>\$ 135,129</u>

The Plan's investments that represent 5% or more of net assets available for benefits as of June 30, 2013 and 2012, as follows:

	<u>2013</u>	<u>2012</u>
Blackrock Long Term Credit Bond Index Fund	\$ 151,398	\$ 191,772
State Street Long Credit Index Fund	*	229,153
Blackrock Russell 1000 Value Fund	171,643	149,472
State Street S&P 500 Flagship Fund	181,702	195,877

* This investment did not represent 5% of the Plan's net assets available for benefits.

8. DERIVATIVES

Derivative financial instruments are used as hedging investments and to provide incremental income. The Plan holds equity linked notes covering a notional amount of \$20,000 and \$145,000 and an estimated fair value of \$20,751 and \$165,670 as of June 30, 2013 and 2012, respectively. An equity linked note consists of a discounted fixed income instrument plus a longer term call option on an underlying equity market

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

Notes to Consolidated Financial Statements

As of June 30, 2013 and 2012, and for the year ended June 30, 2013

(Amounts in thousands)

index, such as the Standard & Poor's 500. When the note matures, the Plan will receive the principal of the note plus the value of the option. If the value of the underlying equity market has appreciated, the option will appreciate commensurately. If the underlying equity market has not appreciated, the value of the option will be zero and the Plan will receive the maturity value of the note. At June 30, 2013, approximately 89% of the equity linked notes was comprised of the discounted fixed income instrument and 11% was comprised of the call option. At June 30, 2012, approximately 83% of the equity linked notes was comprised of the discounted fixed income instrument and 17% was comprised of the call option.

The Plan also holds interest rate swaps covering a notional amount of \$228,748 as of June 30, 2013 and 2012. The Plan utilizes the interest rate swaps to hedge interest rate exposure for a portion of its liabilities. The interest rate swap structure consists of one counterparty agreeing to pay a sequence of floating rate payments while receiving a series of fixed rate payments (based on the terms of a fixed income security). The swap cash flows are based off the notional amount. Since the Plan initiated two interest rate swap contracts in August 2008, and one contract in 2011, the Plan has been a receive-fixed and pay-floating counterparty. The fair value of the fixed and floating positions of the interest rate swaps was \$(15,593) and \$6,472 as of June 30, 2013 and 2012, respectively, and is included in the consolidated statements of net assets available for benefits. United States treasury and United States agency securities, in the amount of \$18,823 and \$8,355, are held by counterparties to fully collateralize the net swap position as of June 30, 2013 and 2012, respectively.

As a result of the use of derivative contracts, the Company is exposed to the risk that counterparties will fail to fulfill their contractual obligations. To mitigate such counterparty risk, the derivative contracts are backed by the investment-grade credit ratings of several major financial institutions. In addition, the interest rate swaps follow the guidelines of the International Swaps and Derivatives Association ("ISDA") agreement. Counterparty credit risk is evaluated in determining the fair value of derivative instruments.

The following tables summarizes the Plan's use of derivatives and the effect on the consolidated statements of net assets available for benefits as of June 30, 2013 and 2012, respectively, and the consolidated statement of changes in net assets available for benefits for the year ended June 30, 2013.

Fair Value of Derivative Instruments as of June 30, 2013				
	Consolidated Statements of Net Assets Available for Benefits	Asset Derivatives	Liability Derivatives	Total
Interest rate swap contracts	Liability - investments - at estimated fair value	\$ 2,132	\$ (17,725)	\$ (15,593)
Equity linked notes	Assets - investments - at estimated fair value	<u>20,751</u>	<u>-</u>	<u>20,751</u>
Total derivatives		<u>\$ 22,883</u>	<u>\$ (17,725)</u>	<u>\$ 5,158</u>

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Notes to Consolidated Financial Statements

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(Amounts in thousands)

Fair Value of Derivative Instruments as of June 30, 2012				
	Consolidated Statements of Net Assets Available for Benefits	Asset Derivatives	Liability Derivatives	Total
Interest rate swap contracts	Assets - investments - at estimated fair value	\$ 8,011	\$ (1,539)	\$ 6,472
Equity linked notes	Assets - investments - at estimated fair value	<u>165,670</u>	<u>-</u>	<u>165,670</u>
Total derivatives		<u>\$ 173,681</u>	<u>\$ (1,539)</u>	<u>\$ 172,142</u>

Effect of Derivative Instruments on the Consolidated Statement of Changes in Net Assets Available for Benefits for the Year Ended June 30, 2013				
	Consolidated Statement of Changes in Net Assets Available for Benefits	Realized Gain	Net Unrealized Appreciation	Total
Interest rate swap contracts	Net appreciation/(depreciation) in fair value of investments	\$ -	\$ (22,065)	\$ (22,065)
Equity linked notes	Net appreciation/(depreciation) in fair value of investments	<u>20,295</u>	<u>(18,172)</u>	<u>2,123</u>
Total derivatives		<u>\$ 20,295</u>	<u>\$ (40,237)</u>	<u>\$ (19,942)</u>

9. EXEMPT PARTIES-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by BNY Mellon. BNY Mellon is the trustee of the Plan and, therefore, these transactions qualify as party-in-interest transactions. Investments managed by BNY Mellon which totaled \$91,333 and \$111,012 as of June 30, 2013 and 2012, respectively, are included in the consolidated statements of net assets available for benefits. Income earned on these investments was \$4,983 for the year ended June 30, 2013, and is included in interest as shown in the consolidated statement of changes in net assets available for benefits. Fees paid by the Plan for investment management services of \$330 for the year ended June 30, 2013, are included in investment advisory services as shown in the consolidated statement of changes in net assets available for benefits. The board of directors of the Plan are comprised of executive officers of participating employers of the Plan and as such are participants in the Plan. In addition, investments held by the Plan of \$1,061 and \$6,223 as of June 30, 2013 and 2012, respectively, are fixed income securities backed by the Federal Home Loan Banking system. Some of the banks in this system are participating employers in the Plan.

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

Notes to Consolidated Financial Statements

As of June 30, 2013 and 2012, and for the year ended June 30, 2013

(Amounts in thousands)

10. PLAN TERMINATION

The board of directors shall have the right to amend or terminate the Plan or trust agreement subject to the provisions set forth in ERISA, at any time in whole or in part, for any reason, and without the consent of any participating employer or participant, and each employer by its adoption of the Plan and Trust shall be deemed to have delegated this authority to the board of directors. No amendment, however, shall impair such rights of payment as the participant would have had, if such amendment had not been made, with respect to benefits accrued prior to such amendment. In the event that the Plan is terminated, the net assets of the Plan will be allocated for payment of benefits to the participants in an order of priority determined in accordance with ERISA, applicable regulations thereunder and the Plan document.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (“PBGC”) if the Plan terminates. Generally, the PBGC guarantees most vested normal-age retirement benefits, early retirement benefits, and certain disability and survivor’s pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan’s termination, subject to a statutory ceiling on the amount of an individual’s monthly benefit.

11. FEDERAL INCOME TAX STATUS

The Internal Revenue Service (“IRS”) has determined and informed the Plan by letter dated December 5, 2007, that the Plan’s Regulations and related trust are designed in accordance with the applicable sections of the IRC. The Regulations have been amended and restated twice since receiving the determination letter and the restatements have been submitted to the IRS. The initial restatement was submitted to the IRS on January 31, 2008. At such time, the IRS had placed a moratorium on issuing determination letters to defined benefit plans that have a pension equity feature. The Plan offers a pension equity feature. Although the moratorium supposedly has recently been lifted, the reason the IRS has not yet issued a determination letter to the Plan on the initial restatement is the pension equity feature. In accordance with the applicable filing cycle, a subsequent restatement of the Plan was timely submitted to the IRS on January 31, 2013. The Plan administrator and the Plan’s tax counsel believe that the Plan’s Regulations are designed and are currently being operated in compliance with the applicable requirements of the IRC and the Plan and related trust continue to be tax-exempt.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2010. However, the Plan could be open indefinitely to a Department of Labor (“DOL”) audit.

12. CONSOLIDATED FINANCIAL STATEMENTS

The Plan’s consolidated financial statements include the accounts of the Plan and PSI. Intercompany transactions and balances have been eliminated.

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

Notes to Consolidated Financial Statements

As of June 30, 2013 and 2012, and for the year ended June 30, 2013

(Amounts in thousands)

PSI is a full service retirement benefits consulting firm including plan design, compliance and administration, strategic consulting, actuarial services, and investment management to qualified and nonqualified plans. Fee income is recognized as services are performed. Income related to the operations of PSI in the amount of \$33,761 for the year ended June 30, 2013, is included in administrative and service income in the consolidated statement of changes in net assets available for benefits as presented herein.

Administrative expenses related to the operations of PSI totaled \$28,274 for the year ended June 30, 2013. PSI administrative expenses include payroll, other employee, professional, office and other expenses.

Non-interest bearing cash from PSI as presented on Form 5500 is included in other assets in the consolidated statements of net assets available for benefits in the amount of \$11,478 and \$7,545 as of June 30, 2013 and 2012, respectively.

Management makes certain complex judgments with respect to its goodwill and intangible assets which are a direct result of PSI's acquisitions of Advanced Pension Solution during the year ended June 30, 2013, Alliance Benefit Group during the year ended June 30, 2011 and the subsidiaries of Retirement System Group Inc. during the year ended June 30, 2009. These include assumptions and estimates used to determine the fair value of the amount reported. Fair value is determined using historical financial statements, financial projections, comparable company public filings, the purchase agreement, and other relevant company data. Goodwill totaled \$8,786 and \$7,502 and intangible assets, net of amortization totaled \$5,938 and \$4,817 as of June 30, 2013 and 2012, respectively, and are included on the consolidated statements of net assets available for benefits.

13. SUBSEQUENT EVENTS

Subsequent events were evaluated through April 10, 2014, which is the date the consolidated financial statements are available to be issued. During the period from July 1, 2013 through April 10, 2014, the Plan made approximately \$292.5 million in capital commitments, of which approximately \$139.2 million has been funded.

SUPPLEMENTAL SCHEDULES

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS
Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)
As of June 30, 2013

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	Cusip	(c) Description of Investment Including Maturity Date, Rate of Interest Collateral, par or Maturity Value			(d) Cost	(e) Current Value
			Rate	Maturity	Par Value		
*	FEDERAL HOME LN BK CONS BD	3133X1BV8	4.500%	16-Sep-13	\$ 115,000	\$ 123,338	\$ 116,044
*	FEDERAL HOME LN BK CONS BD	3133XKQX6	4.875%	17-May-17	425,000	451,961	483,076
*	FEDERAL HOME LN BK CONS BD	3133XMQ87	5.000%	17-Nov-17	90,000	95,569	103,327
*	FEDERAL HOME LN BK CONS BD	3133XSAE8	3.625%	18-Oct-13	355,000	367,536	358,653
	FEDERAL HOME LN MTG CORP	3134A4UM4	4.500%	15-Jan-14	235,000	252,038	240,440
	FEDERAL HOME LN MTG CORP	3137EAAD1	5.250%	18-Apr-16	135,000	147,488	151,967
	FEDERAL HOME LN MTG CORP	3137EAAM1	5.000%	16-Feb-17	715,000	773,094	814,006
	FEDERAL HOME LN MTG CORP	3137EABP3	4.875%	13-Jun-18	100,000	106,781	115,334
	FEDERAL JUDICIARY OFFICE BLDG	313490BW3	0.000%	15-Aug-16	8,265,000	1,074,779	7,853,072
	FEDERAL JUDICIARY OFFICE BLDG	313490CD4	0.000%	15-Feb-20	8,615,000	857,633	7,162,856
	FEDERAL NATL MTG ASSN	31359MA45	5.000%	15-Apr-15	175,000	190,914	189,355
	FEDERAL NATL MTG ASSN	31359MFJ7	7.125%	15-Jan-30	230,000	289,584	324,017
	FEDERAL NATL MTG ASSN	31359MFP3	7.250%	15-May-30	205,000	262,080	293,822
	FEDERAL NATL MTG ASSN	31398AVZ2	2.750%	13-Mar-14	190,000	188,813	193,374
	FEDERAL NATL MTG ASSN	3135G0BA0	2.375%	11-Apr-16	2,500,000	2,645,715	2,613,850
	FEDERAL NATL MTG ASSN	3135G0VA8	0.500%	30-Mar-16	2,615,000	2,622,450	2,600,356
	FINANCE COMPANY	317705AA9	10.700%	6-Oct-17	2,000,000	2,162,500	2,754,200
	FINANCE COMPANY	317705AC5	9.800%	30-Nov-17	10,000,000	9,937,500	13,509,800
	FINANCE COMPANY	31771CS71	0.000%	6-Jun-16	10,500,000	888,930	10,218,600
	FINANCE COMPANY	31771EAM3	0.000%	6-Dec-18	6,200,000	487,382	5,568,964
	FINANCE STRIPS INT PMT ON 10%	31771CCF0	0.000%	11-May-15	5,400,000	771,282	5,325,426
	FINANCE STRIPS INT PMT ON 9.6%	31771C2B0	0.000%	27-Jun-16	3,000,000	389,880	2,916,840
	FINANCE STRIPS INT PMT ON 9.8%	31771CC45	0.000%	30-May-17	165,000	19,846	155,917
	FINANCE STRIPS INT PMT ON 9.8%	31771CEY7	0.000%	30-May-17	909,000	109,335	858,960
	FINANCE STRIPS INT PMT ON 9.9%	31771CS55	0.000%	6-Jun-15	1,107,000	157,194	1,090,827
	ISRAEL ST	465138ZR9	7.250%	15-Dec-28	2,800,000	2,669,436	3,752,000
	ISRAEL ST US GOVT GTD NTSZERO CPN GTD NTS CL 3-Z	465139EA7	0.000%	15-Aug-14	6,251,000	1,275,016	6,215,369
	ISRAEL STATE OF AID	465139DQ3	0.000%	15-Sep-22	16,650,000	1,935,063	12,687,966
	ISRAEL STATE OF AID	465139DY6	0.000%	15-Aug-13	12,251,000	2,706,001	12,245,242
	RESOLUTION FDG CORP	761157AD8	8.875%	15-Jul-20	1,000,000	994,010	1,424,650
	TENNESSEE VALLEY AUTH BD	880591DW9	4.750%	1-Aug-13	145,000	155,325	145,525
	U S TREASURY BOND	912810FP8	5.375%	15-Feb-31	675,000	745,031	879,296
	U S TREASURY BOND	912810FB9	6.125%	15-Nov-27	125,000	149,336	171,524
	U S TREASURY BOND	912810FM5	6.250%	15-May-30	300,000	367,078	425,016
	U S TREASURY BOND	912810EQ7	6.250%	15-Aug-23	750,000	892,852	1,006,410
	U S TREASURY BOND	912810DX3	7.500%	15-Nov-16	770,000	972,187	941,325
	U S TREASURY BOND	912810ET1	7.625%	15-Feb-25	240,000	326,025	360,374

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Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)
As of June 30, 2013

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	Cusip	(c) Description of Investment Including Maturity Date, Rate of Interest Collateral, par or Maturity Value			(d) Cost	(e) Current Value
			Rate	Maturity	Par Value		
	U S TREASURY BOND	912810EL8	8.000%	15-Nov-21	\$ 790,000	\$ 1,072,548	\$ 1,145,318
	U S TREASURY NOTE	912828KF6	1.875%	28-Feb-14	425,000	414,109	429,862
	U S TREASURY NOTE	912828JT8	2.000%	30-Nov-13	125,000	123,242	125,976
	U S TREASURY NOTE	912828JK7	3.125%	31-Aug-13	960,000	994,350	964,838
	U S TREASURY NOTE	912828JM3	3.125%	30-Sep-13	965,000	998,323	972,238
	U S TREASURY NOTE	912828JG6	3.375%	31-Jul-13	780,000	816,563	782,098
	U S TREASURY NOTE	912828HR4	3.500%	15-Feb-18	850,000	843,359	935,332
	U S TREASURY NOTE	912828JR2	3.750%	15-Nov-18	910,000	913,413	1,017,280
	U S TREASURY NOTE	912828CA6	4.000%	15-Feb-14	745,000	796,684	762,865
	U S TREASURY NOTE	912828JH4	4.000%	15-Aug-18	445,000	455,916	502,467
	U S TREASURY NOTE	912828BH2	4.250%	15-Aug-13	620,000	669,259	623,199
	U S TREASURY NOTE	912828EE6	4.250%	15-Aug-15	645,000	690,002	697,509
	U S TREASURY NOTE	912828DC1	4.250%	15-Nov-14	510,000	548,409	538,050
	U S TREASURY NOTE	912828EW6	4.500%	15-Feb-16	75,000	81,000	82,705
	U S TREASURY NOTE	912828GH7	4.625%	15-Feb-17	750,000	811,463	849,143
	U S TREASURY NOTE	912828HA1	4.750%	15-Aug-17	980,000	1,065,444	1,124,854
	U S TREASURY NOTE	912828FF2	5.125%	15-May-16	300,000	334,806	338,415
	U S TREASURY NOTE	912828PZ7	1.250%	15-Mar-14	1,700,000	1,735,568	1,713,141
	U S TREASURY NOTE	912828QS2	0.750%	15-Jun-14	3,215,000	3,237,711	3,231,943
	U S TREASURY NOTE	912828RV4	0.250%	15-Dec-14	9,125,000	9,114,123	9,127,099
	U S TREASURY NOTE	912828SE1	0.250%	15-Feb-15	5,400,000	5,374,438	5,396,814
	U S TREASURY NOTE	912828SP6	0.375%	15-Apr-15	4,500,000	4,501,421	4,504,050
	U S TREASURY NOTE	912828SU5	0.250%	15-May-15	1,940,000	1,938,105	1,936,818
	U S TREASURY NOTE	912828TD2	0.250%	15-Jul-15	5,200,000	5,194,439	5,185,804
	U S TREASURY NOTE	912828TK6	0.250%	15-Aug-15	4,500,000	4,491,449	4,484,520
	U S TREASURY NOTE	912828TP5	0.250%	15-Sep-15	1,005,000	1,001,863	1,000,920
	U S TREASURY NOTE	912828TT7	0.250%	15-Oct-15	3,400,000	3,388,629	3,384,870
	U S TREASURY NOTE	912828UC2	0.250%	15-Dec-15	2,435,000	2,428,744	2,420,341
	U S TREASURY NOTE	912828VC1	0.250%	15-May-16	6,045,000	6,011,154	5,980,802
	Total government securities				<u>165,543,000</u>	<u>98,607,514</u>	<u>166,527,052</u>
	ALTRIA GROUP INC	02209SAD5	9.700%	10-Nov-18	4,000,000	5,273,800	5,317,640
	ALTRIA GROUP INC	02209SAJ2	9.250%	6-Aug-19	5,000,000	5,538,500	6,622,000
	ANR PIPELINE CO	001814AQ5	7.375%	15-Feb-24	1,440,000	1,587,096	1,749,773
	ANR PIPELINE CO	001814AR3	9.625%	1-Nov-21	11,590,000	16,380,524	16,422,682
	ASIAN DEVELOPMENT BANK	045167BN2	5.500%	27-Jun-16	80,000	86,931	91,184

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As of June 30, 2013

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	Cusip	(c) Description of Investment Including Maturity Date, Rate of Interest Collateral, par or Maturity Value			(d) Cost	(e) Current Value
			Rate	Maturity	Par Value		
	ASSOCIATES CORP OF NORTH AMERI	046003JU4	6.950%	1-Nov-18	\$ 5,000,000	\$ 5,075,200	\$ 5,921,500
	ASTRAZENECA PLC	046353AD0	6.450%	15-Sep-37	70,000	77,236	85,994
	ATLANTIC MARINE CORPS COMMUNIT	048677AC2	5.373%	1-Dec-50	3,924,922	3,856,354	3,532,430
	ATLANTIC RICHFIELD CO	048825AZ6	9.125%	1-Aug-31	2,500,000	2,567,450	3,541,625
	AURORA MILITARY HOUSING L 144A	05178RAB1	5.625%	15-Dec-35	5,000,000	5,331,050	4,800,000
	AURORA MILITARY HOUSING LLC	05178TAA9	5.820%	15-Jul-34	2,500,000	2,761,300	2,425,000
	AUTOZONE INC	053332AN2	2.875%	15-Jan-23	5,000,000	4,881,950	4,565,800
	BANK OF AMERICA CORP	060505DA9	5.420%	15-Mar-17	5,000,000	4,549,850	5,354,800
	BANK OF AMERICA CORP	638585AP4	7.250%	15-Oct-25	5,000,000	5,626,350	5,635,600
	BANK OF SMITHTOWN	065023AB9	11.000%	1-Jul-19	7,000,000	7,739,256	7,463,750
	BANK ONE CORP	059438AH4	7.625%	15-Oct-26	3,000,000	3,878,010	3,798,360
	BARCLAYS BANK PLC ASIAN EQUI BASKET & REL CURR	06738KGC9	0.000%	12-Apr-16	5,000,000	5,000,000	4,948,500
	BARCLAYS BANK PLC EMERG MKTS ELN	06740PHQ2	0.000%	26-May-16	10,000,000	10,000,000	10,310,500
	BARCLAYS BANK PLC NIKKEI 225 IDX & JAP YEN ELN	06738KGD7	0.000%	12-Apr-17	5,000,000	5,000,000	5,491,500
	BAYLOR COLLEGE OF MEDICINE	07284RAA0	5.259%	15-Nov-46	6,675,000	7,136,977	6,295,860
	BEAR STEARNS COMMERCIA PW17 A3	07388QAC3	5.736%	11-Jun-50	1,517,050	1,594,621	1,577,702
	BEAR STEARNS COS LLC/THE	07385TAJ5	5.700%	15-Nov-14	3,500,000	3,332,350	3,728,515
	BELLSOUTH CAPITAL FUNDING CORP	079857AH1	7.875%	15-Feb-30	10,000,000	12,518,100	12,392,900
	BERKSHIRE HATHAWAY FINANCE COR	084664BQ3	4.250%	15-Jan-21	3,000,000	3,142,500	3,203,490
	BLACKSTONE HOLDINGS FINAN 144A	09256BAB3	5.875%	15-Mar-21	7,000,000	7,090,580	7,912,380
	BRITISH TELECOMMUNICATIONS PLC	111021AE1	9.625%	15-Dec-30	325,000	440,566	489,268
	BURLINGTON NORTHERN SANTA FE L	12189LAA9	5.750%	1-May-40	5,905,000	7,277,913	6,576,339
	BURLINGTON NORTHERN SANTA FE L	12189TBB9	7.000%	1-Feb-14	8,000,000	8,651,360	8,286,160
	CAMP PENDLETON & QUANTICO 144A	134011AJ4	5.572%	1-Oct-50	5,820,000	6,023,700	5,601,750
	CANADIAN NATURAL RESOURCES LTD	136385AL5	6.250%	15-Mar-38	8,339,000	10,016,901	9,314,663
	CANADIAN PACIFIC RAILWAY CO	136440AL8	9.450%	1-Aug-21	1,250,000	1,424,061	1,731,950
	CITICORP LEASE PASS-THROUGH TR	17305BAB7	8.040%	15-Dec-19	10,000,000	11,411,500	12,110,300
	COMCAST CABLE COMMUNICATIONS H (FORMERLY AT&T)	00209TAB1	9.455%	15-Nov-22	5,000,000	5,808,300	7,075,200
	COMCAST CABLE HOLDINGS LLC	879240AQ2	10.125%	15-Apr-22	5,000,000	5,715,850	6,846,650
	COMMONWEALTH EDISON CO	202795HS2	6.150%	15-Sep-17	3,000,000	3,369,900	3,497,370
	CONTINENTAL AIRLINES 2000-2 CL	210805DD6	7.707%	2-Oct-22	4,813,277	5,020,248	5,246,472
	COUNTRYWIDE FINANCIAL CORP	222372AJ3	6.250%	15-May-16	4,789,000	3,771,338	5,222,309
	CREDIT SUISSE FIRST BOST C2 A2	22541SHT8	5.416%	15-May-36	5,000,000	5,382,813	5,089,600
	CREDIT SUISSE FIRST BOST C2 A3	225458RR1	4.691%	15-Apr-37	4,312,693	4,504,238	4,408,867
	CSX CORP	126408GK3	6.150%	1-May-37	3,706,000	4,678,862	4,262,975
	CSX TRANSPORTATION INC	126410LK3	9.750%	15-Jun-20	1,512,000	1,518,940	2,078,304

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	CVS CAREMARK CORP	126650BJ8	6.250%	1-Jun-27	5,000,000	4,864,350	5,926,800
	DEERE & CO	244199BB0	6.950%	25-Apr-14	100,000	113,172	105,229
	DEVON ENERGY CORP	251799AA0	7.950%	15-Apr-32	5,000,000	7,082,130	6,544,200
	DISCOVERY COMMUNICATIONS LLC	25470DAF6	3.300%	15-May-22	7,000,000	7,136,500	6,693,470
	DOUBLELINE OPPORTUNISTIC FUND	999Z89702			46,040	50,000,000	51,968,411
	DUKE ENERGY CAROLINAS LLC	264399DK9	6.000%	1-Dec-28	5,000,000	5,291,000	5,585,150
	ELECTRICITE DE FRANCE SA 144A	268317AB0	6.500%	26-Jan-19	5,000,000	5,755,000	5,924,400
	ELI LILLY & CO	532457AM0	7.125%	1-Jun-25	3,000,000	3,861,780	3,915,240
	ELI LILLY & CO	532457AZ1	5.500%	15-Mar-27	5,000,000	4,902,300	5,757,250
	ENSCO PLC	26874QAB6	7.200%	15-Nov-27	3,970,000	5,207,449	4,709,095
	ENTERPRISE PRODUCTS OPERATING	29379VAM5	7.550%	15-Apr-38	5,000,000	6,929,300	6,363,600
	EXELON GENERATION CO LLC	30161MAJ2	5.750%	1-Oct-41	10,167,000	11,359,861	10,473,433
	EXPRESS SCRIPTS HOLDING CO	30219GAG3	6.125%	15-Nov-41	5,065,000	6,477,679	5,849,518
	FARMERS EXCHANGE CAPITAL	309588AC5	7.050%	15-Jul-28	10,000,000	8,093,200	11,640,300
	FIRST NIAGARA FINANCIAL GROUP	33582VAB4	6.750%	19-Mar-20	5,000,000	5,256,600	5,792,900
	FISHERS LANE ASSOCIATES L 144A	33803WAB5	5.477%	5-Aug-40	10,000,000	10,000,000	9,909,200
	GENERAL AMERICAN LIFE INSURANC	368770AA1	7.625%	15-Jan-24	10,000,000	8,345,100	12,381,400
	GENERAL ELECTRIC CAPITAL CORP	36962G3U6	5.625%	1-May-18	5,000,000	4,833,408	5,735,000
	GENERAL ELECTRIC CAPITAL CORP	36962GXZ2	6.750%	15-Mar-32	8,000,000	8,678,000	9,592,160
	GOLDMAN SACHS GROUP INC/THE	38141GES9	5.950%	15-Jan-27	5,000,000	4,749,850	5,141,300
	GRUPO TELEVISIA SAB	40049JAV9	6.625%	18-Mar-25	10,000,000	11,855,000	11,689,600
	GS MORTGAGE SECURITIES GG6 A3	36228CWV1	5.587%	10-Apr-38	4,750,000	5,098,457	4,912,355
	GTE SOUTHWEST INC	362338AQ8	8.500%	15-Nov-31	3,000,000	3,564,600	3,872,460
	HARLEY-DAVIDSON FUNDING CORP	41283DAB9	6.800%	15-Jun-18	5,000,000	4,903,650	5,945,700
	HISTORIC TW INC	887315AM1	9.150%	1-Feb-23	5,000,000	5,912,049	6,788,800
	HYDRO-QUEBEC	448814DF7	9.375%	15-Apr-30	5,000,000	5,276,050	7,866,750
	HYDRO-QUEBEC	448814EJ8	8.050%	7-Jul-24	85,000	100,568	116,903
	INTER-AMERICAN DEVELOPMENT BAN	458182BV3	7.000%	15-Jun-25	3,220,000	3,761,507	4,329,226
	INTER-AMERICAN DEVELOPMENT BAN	4581X0AF5	3.500%	8-Jul-13	95,000	97,684	95,057
	INTER-AMERICAN DEVELOPMENT BAN	4581X0BD9	3.000%	22-Apr-14	160,000	159,550	163,422
	INTERNATIONAL BANK FOR RECONST	459056JN8	0.000%	15-Feb-15	320,000	32,496	315,763
	INTERNATIONAL BANK FOR RECONST	459056LD7	7.625%	19-Jan-23	7,810,000	10,409,972	11,001,400
	INTERNATIONAL BUSINESS MACHINE	459200AM3	7.000%	30-Oct-25	9,720,000	11,340,342	12,771,011
	INTERNATIONAL BUSINESS MACHINE	459200AS0	6.500%	15-Jan-28	5,000,000	5,283,400	6,292,550
	JEFFERIES GROUP LLC	472319AE2	6.450%	8-Jun-27	7,222,000	6,369,485	7,113,670
	JOHNSON & JOHNSON	478160AU8	5.150%	15-Jul-18	115,000	120,809	133,083
	JP MORGAN CHASE COMMER LD12 A3	46632HAC5	5.928%	15-Feb-51	2,617,888	2,794,595	2,720,692

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	JP MORGAN CHASE COMMERCIAL A3	46630DAC6	5.790%	15-Feb-51	\$ 7,000,000	\$ 7,475,234	\$ 7,191,870
	JPMORGAN CHASE BANK NA	48121CYK6	6.000%	1-Oct-17	10,000,000	9,914,800	11,390,900
	KINDER MORGAN ENERGY PARTNERS	494550AJ5	7.400%	15-Mar-31	7,250,000	9,605,598	8,596,398
	KKR GROUP FINANCE CO II L 144A	48249DAA9	5.500%	1-Feb-43	10,000,000	10,000,000	9,135,100
	KROGER CO/THE	501044CH2	6.150%	15-Jan-20	5,000,000	4,982,650	5,819,050
	LACLEDE GAS CO	505588AY9	7.000%	1-Jun-29	5,000,000	5,812,500	5,943,400
	LB-UBS COMMERCIAL MORTGAGE C6 A3	50179MAC5	5.337%	15-Sep-39	4,200,000	4,339,781	4,358,928
	LCOR ALEXANDRIA LLC	50181QAH1	6.800%	15-Sep-28	5,000,000	6,082,500	5,525,000
	LEONARD WOOD FAMILY COMMUNITY 144A	526602AE7	5.909%	15-Jul-40	6,716,109	6,460,225	7,347,893
	MASSACHUSETTS MUTUAL LIFE INSURANCE	575767AD0	7.500%	1-Mar-24	4,550,000	3,908,040	5,553,366
	MERCK SHARP & DOHME CORP	589331AE7	5.950%	1-Dec-28	5,000,000	5,116,400	5,961,100
	MERRILL LYNCH MORTGAGE CIP1 A3A	59022HJJ2	4.949%	12-Jul-38	5,000,000	5,274,219	5,166,700
	MERRILL LYNCH MORTGAGE TRUST C1 A3	59023BAC8	5.683%	12-May-39	5,900,000	6,351,258	6,152,520
	METLIFE INC	59156RAG3	5.000%	24-Nov-13	100,000	100,515	101,855
	MICROSOFT CORP	594918AL8	4.000%	8-Feb-21	2,000,000	2,130,000	2,162,000
	MID-ATLANTIC FAMILY MILITARY COMMUNITY	59524EAB8	5.240%	1-Aug-50	3,937,814	3,949,628	3,621,686
	ML-CFC COMMERCIAL MORTGAGE 2 A3	60687UAC1	5.859%	12-Jun-46	2,532,003	2,679,176	2,543,017
	ML-CFC COMMERCIAL MORTGAGE 8 A2	60688BAB4	5.860%	12-Aug-49	7,409,772	7,953,927	7,595,831
	MOBIL CORP	607059AT9	8.625%	15-Aug-21	240,000	313,238	337,063
	MORGAN STANLEY	61744YAD0	5.950%	28-Dec-17	4,000,000	3,519,671	4,438,160
	MORGAN STANLEY	61747YCE3	6.000%	28-Apr-15	11,700,000	12,779,091	12,544,272
	MORGAN STANLEY COMMUNITY A2 144A	617458AC8	3.884%	15-Sep-47	3,000,000	3,103,125	3,176,610
	MOTOROLA SOLUTIONS INC	620076BB4	3.750%	15-May-22	7,695,000	7,901,534	7,480,463
	NATIONAL CITY CORP	635405AQ6	4.900%	15-Jan-15	5,000,000	4,502,150	5,300,550
	NAVY NEW ORLEANS NAVY HOU 144A	647677AJ2	5.754%	15-Dec-38	10,500,000	10,769,800	10,185,000
	NEW ZEALAND GOVERNMENT INTERNATIONAL	650162AP5	8.750%	1-Apr-16	3,575,000	3,617,058	4,243,168
	NEWS AMERICA INC	652478BC1	7.430%	1-Oct-26	10,000,000	10,228,500	11,830,500
	NORFOLK SOUTHERN CORP	655844AJ7	7.800%	15-May-27	2,177,000	2,655,047	2,786,778
	NORFOLK SOUTHERN RAILWAY CO	655855FA7	9.750%	15-Jun-20	2,088,000	2,097,584	2,893,383
	NOVARTIS SECURITIES INVESTMENT	66989GAA8	5.125%	10-Feb-19	80,000	82,346	92,075
	OCCIDENTAL PETROLEUM CORP	674599BE4	9.250%	1-Aug-19	500,000	496,250	679,315
	OHANA MILITARY COMMUNITIES LLC	677071AG7	5.780%	1-Oct-36	11,280,000	12,650,520	11,464,090
	OIL CASUALTY INSURANCE LTD	677788AA9	8.000%	15-Sep-34	5,000,000	5,000,000	5,517,950
	ORACLE CORP	68402LAC8	5.250%	15-Jan-16	1,090,000	1,085,847	1,205,475
	PACIFIC BELL TELEPHONE CO	694032AT0	7.125%	15-Mar-26	5,000,000	5,138,400	6,117,800
	PEPSI BOTTLING GROUP INC/THE	713409AC4	7.000%	1-Mar-29	10,000,000	12,094,000	12,830,800
	PETRO-CANADA	71644EAF9	7.000%	15-Nov-28	4,705,000	5,581,965	5,746,452

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	PFIZER INC	717081DB6	6.200%	15-Mar-19	\$ 90,000	\$ 99,620	\$ 108,527
	PPL ENERGY SUPPLY LLC	69352JAG2	5.700%	15-Oct-35	2,000,000	1,890,460	2,148,280
	PROCTER & GAMBLE CO/THE	742718DA4	4.950%	15-Aug-14	50,000	54,106	52,496
	PROCTER & GAMBLE CO/THE	742718DN6	4.700%	15-Feb-19	130,000	130,936	146,622
	PRUDENTIAL HOLDINGS LLC	74438GAC5	7.245%	18-Dec-23	10,000,000	10,687,000	12,271,400
	PUBLIC SERVICE CO OF OKLAHOMA	744533BJ8	6.625%	15-Nov-37	10,000,000	13,005,500	12,213,700
	QUEST DIAGNOSTICS INC	74834LAS9	4.700%	1-Apr-21	5,000,000	5,586,850	5,197,650
	REPUBLIC OF KOREA	50064FAD6	4.875%	22-Sep-14	225,000	222,446	234,522
	RIO TINTO FINANCE USA LTD	767201AD8	7.125%	15-Jul-28	10,500,000	12,854,625	12,865,650
	SHELL INTERNATIONAL FINANCE BV	822582AF9	4.000%	21-Mar-14	185,000	192,091	189,616
	SIEMENS FINANCIERINGSMAATSCHAP	826200AD9	6.125%	17-Aug-26	11,000,000	11,619,970	13,059,860
	SOUTHERN CALIFORNIA EDISON CO	842400ERO	5.000%	15-Jan-14	100,000	105,822	102,406
	SOUTHERN CAPITAL CORP 2002-1G	84254QAA7	5.700%	30-Jun-23	1,842,421	2,012,642	1,919,303
	SSARIS HLDGS LLC SEC PARTN NT	999G05908			318,205	318,195	322,137
	STATOIL ASA (FORMERLY NORSK HYDRO A S)	656531AC4	7.750%	15-Jun-23	100,000	116,246	134,668
	STATOIL ASA (FORMERLY NORSK HYDRO A S)	656531AD2	7.150%	15-Nov-25	3,650,000	4,678,753	4,792,961
	STATOILHYDRO ASA	NA5525905	7.875%	9-Dec-22	12,000,000	15,069,750	16,269,600
	SUNAMERICA FINANCIAL GROUP INC	026351AZ9	6.625%	15-Feb-29	10,309,000	13,046,684	12,063,798
	TARGET CORP (FORMERLY DAYTON HUDSON)	239753BC9	9.875%	1-Jul-20	6,275,000	6,724,853	8,528,729
	TECK RESOURCES LTD	878742AW5	6.250%	15-Jul-41	5,000,000	5,492,200	4,736,850
	TECK RESOURCES LTD	878742AY1	3.750%	1-Feb-23	5,000,000	5,126,500	4,593,900
	TIME WARNER ENTERTAINMENT CO L	88731EAF7	8.375%	15-Mar-23	5,000,000	5,659,700	6,227,900
	TORCHMARK CORP	891027AF1	7.875%	15-May-23	2,000,000	2,083,040	2,509,540
	TRANSALTA CORP	89346DAC1	6.650%	15-May-18	6,000,000	5,989,740	6,792,000
	TRANSCANADA PIPELINES LTD	8935268Y2	7.125%	15-Jan-19	5,000,000	5,922,500	6,097,700
	UNITED PARCEL SERVICE INC	911312AJ5	6.200%	15-Jan-38	25,000	26,823	31,029
	UNITED TECHNOLOGIES CORP	913017AT6	6.700%	1-Aug-28	50,000	52,937	62,712
	US BANK NA/CINCINNATI OH	90331HKP7	4.950%	30-Oct-14	125,000	131,145	131,921
	USF&G CAPITAL III	90330SAA8	8.312%	1-Jul-46	7,415,000	9,637,228	8,840,534
	VALE OVERSEAS LTD	91911TAH6	6.875%	21-Nov-36	75,000	72,729	75,937
	VALIDUS HOLDINGS LTD	91915WAB8	8.875%	26-Jan-40	9,000,000	11,206,100	11,364,030
	VERIZON MARYLAND (FORMERLY CHESAPEAKE & POTOMAC TEL)	165069AQ8	8.300%	1-Aug-31	5,765,000	6,576,434	7,188,148
	VERIZON NEW ENGLAND INC (FORMERLY NEW ENGLAND TEL & TEL)	644239AY1	7.875%	15-Nov-29	6,663,000	7,842,817	8,300,099
	VIRGINIA MASON MEDICAL CENTER	927847AA1	5.136%	15-Aug-44	10,000,000	10,000,000	9,310,200
	VOTORANTIM OVERSEAS IV	92908KAA3	7.750%	24-Jun-20	2,500,000	2,521,875	2,793,750
	WACHOVIA BANK COMMERCIA C28 A4	92978MAE6	5.572%	15-Oct-48	5,000,000	5,391,406	5,525,500
	WACHOVIA BANK COMMERCIA C33 A3	92978NAC8	5.924%	15-Feb-51	3,382,114	3,597,724	3,462,338

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	WACHOVIA CORP	337358BH7	7.574%	1-Aug-26	\$ 4,000,000	\$ 5,046,840	\$ 5,091,600
	WAL-MART STORES INC	931142CN1	3.000%	3-Feb-14	2,900,000	2,955,216	2,944,863
	WASTE MANAGEMENT INC	902917AH6	7.000%	15-Jul-28	4,661,000	5,490,938	5,751,115
	WFRBS COMMERCIAL MO C4 A2 144A	92936CAC3	3.454%	15-Jun-44	5,377,000	5,457,655	5,648,431
	Total corporate debt instruments				<u>748,970,308</u>	<u>871,510,037</u>	<u>910,302,700</u>
	CALIFORNIA ST	13063A5G5	7.550%	1-Apr-39	75,000	74,636	100,428
	CLARK CNTY NV	180848FS7	6.754%	1-Jul-38	4,285,000	5,648,530	5,164,582
	DIST OF COLUMBIA REVENUE	25483VEC4	7.625%	1-Oct-35	8,280,000	10,351,076	9,429,844
	MUNI ELEC AUTH OF GEORGIA	626207YM0	6.655%	1-Apr-57	10,000,000	11,945,900	10,667,200
	NEW JERSEY ST ECON DEV AUTH EN	64577QAJ0	6.000%	15-Jun-22	2,000,000	2,000,000	1,938,060
	NEW JERSEY ST ECON DEV AUTH LE	645913AA2	7.425%	15-Feb-29	3,705,000	4,767,001	4,516,210
	NEW JERSEY ST TRANSPRTN TRUST	646136XR7	6.561%	15-Dec-40	6,000,000	7,933,803	6,769,800
	PORT AUTH OF NEW YORK & NEW JE	73358WJA3	4.458%	1-Oct-62	10,000,000	9,905,400	8,926,800
	SOUTH CAROLINA ST PUBLIC SVC A	837151AA7	6.454%	1-Jan-50	5,925,000	7,941,487	6,835,080
	UTAH ST HSG CORP MILITARY HSG	917435AA7	5.392%	1-Jul-50	6,914,865	7,156,332	6,638,270
	VIRGIN ISLANDS PUBLIC FIN AUTH	927676RZ1	5.250%	1-Oct-27	5,000,000	5,179,950	5,256,450
	Total municipal and other government debt				<u>62,184,865</u>	<u>72,904,116</u>	<u>66,242,724</u>
	FIRSTAR RLTY L L C CUM PFD RESTRNON CUM PFD	33765A202			1,000	914,950	1,224,375
	Total preferred stock				<u>1,000</u>	<u>914,950</u>	<u>1,224,375</u>
	3M CO	88579Y101			400	28,690	43,740
	ALEXION PHARMACEUTICALS INC	015351109			10,000	938,228	922,400
	ALPHA & OMEGA SEMICONDUCTOR				63,000	539,632	481,320
	AMBARELLA INC	G037AX101			37,100	628,404	624,393
	AMERICAN AXLE & MANUFACTURING	024061103			57,100	930,326	1,063,773
	ARES CAPITAL CORP	04010L103			58,203	1,055,583	1,001,092
	B/E AEROSPACE INC	073302101			11,200	644,397	706,496
	BLUE NILE INC	09578R103			33,000	1,076,291	1,246,740
	CABOT MICROELECTRONICS CORP	12709P103			19,100	672,107	630,491
	CAPITAL ONE FINANCIAL CORP	14040H105			18,000	1,011,757	1,130,580
	CHARLES SCHWAB CORP/THE	808513105			61,400	1,055,031	1,303,522

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS
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(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	Cusip	(c) Description of Investment Including Maturity Date, Rate of Interest Collateral, par or Maturity Value			(d) Cost	(e) Current Value
			Rate	Maturity	Par Value		
	CHIPOTLE MEXICAN GRILL INC	169656105			\$ 3,200	\$ 1,085,826	\$ 1,165,920
	CLEAN HARBORS INC	184496107			17,500	953,948	884,275
	COHEN & STEERS INC	19247A100			25,800	924,570	876,684
	COMSCORE INC	20564W105			56,300	946,199	1,373,157
	CONCUR TECHNOLOGIES INC	206708109			9,500	681,222	773,110
	CONTANGO OIL & GAS CO	21075N204			16,600	661,633	560,250
	COSTAR GROUP INC	22160N109			6,000	621,598	774,420
	CREDIT ACCEPTANCE CORP	225310101			9,800	1,079,949	1,029,490
	CYPRESS SEMICONDUCTOR CORP	232806109			64,000	662,850	686,720
	DUPONT FABROS TECHNOLOGY INC	26613Q106			42,000	1,039,888	1,014,300
	EBAY INC	278642103			17,000	920,182	879,240
	ENTREPRENEURSHARES GLOBAL FUND	293828208			279,590	3,000,000	3,304,753
	EQUITY RESIDENTIAL	29476L107			17,800	1,012,129	1,033,468
	EVERCORE PARTNERS INC	29977A105			26,600	1,068,140	1,044,848
	EXLSERVICE HOLDINGS INC	302081104			21,200	657,245	626,672
	EXPEDIA INC	30212P303			17,200	1,090,299	1,034,580
	FEDERATED INVESTORS INC	314211103			43,500	1,043,910	1,192,335
	FINISH LINE INC/THE	317923100			46,200	871,860	1,009,932
	FS BANCORP/LAGRANGE IN	30262T106			16,896	760,320	743,424
	GEO GROUP INC/THE	36159R103			29,100	1,037,552	987,945
	GLOBUS MEDICAL INC A	379577208			71,250	1,077,457	1,201,275
	GOLUB CAPITAL BDC INC	38173M102			1,346,229	20,429,414	23,559,008
	GOOGLE INC	38259P508			850	697,060	748,315
	GORDMANS STORES INC	38269P100			78,254	999,136	1,065,037
	GUESS? INC	401617105			38,500	1,073,974	1,194,655
	HAIN CELESTIAL GROUP INC/THE	405217100			17,600	1,059,036	1,144,176
	HCI GROUP INC	40416E103			20,000	644,558	614,400
	HERBALIFE LTD	G4412G101			20,250	825,092	914,085
	HERCULES TECHNOLOGY GROWTH CAP	427096508			84,179	1,074,852	1,173,455
	HORNBECK OFFSHORE SERVICES INC	440543106			20,000	897,665	1,070,000
	ICU MEDICAL INC	44930G107			17,500	1,073,803	1,261,050
	II-VI INC	902104108			64,700	1,077,578	1,052,022
	INTER PARFUMS INC	458334109			40,500	1,056,518	1,155,060
	INTUITIVE SURGICAL INC	46120E602			1,950	1,005,563	986,957
	IPC THE HOSPITALIST CO INC	44984A105			22,250	982,312	1,142,760
	IPG PHOTONICS CORP	44980X109			10,600	665,734	643,738

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	IROBOT CORP	462726100			\$ 30,000	\$ 737,964	\$ 1,193,100
	ITC HOLDINGS CORP	465685105			12,100	1,042,741	1,104,730
	IXYS CORP	46600W106			67,500	671,903	746,550
	J&J SNACK FOODS CORP	466032109			14,200	1,020,023	1,104,760
	JAKKS PACIFIC INC	47012E106			96,300	1,074,469	1,083,375
	K12 INC	48273U102			37,500	844,200	985,125
	LAS VEGAS SANDS CORP	517834107			15,500	837,882	820,415
	LIQUIDITY SERVICES INC	53635B107			18,800	640,532	651,796
	LSB INDUSTRIES INC	502160104			33,900	1,269,387	1,030,899
	MANTECH INTERNATIONAL CORP	564563104			36,600	941,263	955,992
	MEDNAX INC	58502B106			11,700	1,021,018	1,071,486
	MEN'S WEARHOUSE INC/THE	587118100			31,800	968,270	1,203,630
	MERCURY GENERAL CORP	589400100			26,500	1,051,186	1,164,940
	MICROCHIP TECHNOLOGY INC	595017104			17,500	642,273	651,875
	MOLINA HEALTHCARE INC	60855R100			20,300	669,892	754,754
	MORNINGSTAR INC	617700109			15,700	1,060,572	1,218,006
	NATIONAL INSTRUMENTS CORP	636518102			21,800	650,479	609,092
	NATIONAL INTERSTATE CORP	63654U100			34,000	1,079,839	994,500
	NAVIGATORS GROUP INC/THE	638904102			19,000	1,077,877	1,083,760
	NETFLIX INC	64110L106			3,000	576,039	633,270
	NETSCOUT SYSTEMS INC	64115T104			27,300	677,629	637,182
	OPLINK COMMUNICATIONS INC	68375Q403			41,900	673,511	727,803
	OPTIMER PHARMACEUTICALS INC	68401H104			81,200	1,067,980	1,174,964
	PANERA BREAD CO	69840W108			6,500	1,105,970	1,208,610
	PAPA JOHN'S INTERNATIONAL INC	698813102			17,600	1,063,015	1,150,512
	PAREXEL INTERNATIONAL CORP	699462107			23,100	869,736	1,061,907
	PENNANTPARK INVESTMENT CORP	708062104			93,351	1,069,980	1,031,529
	PORTFOLIO RECOVERY ASSOCIATES	73640Q105			5,600	683,159	860,328
	REGENERON PHARMACEUTICALS INC	75886F107			4,000	767,626	899,520
	RIVERBED TECHNOLOGY INC	768573107			42,500	662,302	661,300
	SEATTLE GENETICS INC	812578102			32,500	1,054,988	1,022,450
	SERVICE CORP INTERNATIONAL/US	817565104			66,300	1,064,571	1,195,389
	SHUTTERSTOCK INC	825690100			6,000	305,941	334,680
	SOLERA HOLDINGS INC	83421A104			11,300	639,204	628,845
	SONIC AUTOMOTIVE INC	83545G102			45,000	1,054,774	951,300
	SOURCEFIRE INC	83616T108			13,900	696,896	772,145

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			Rate	Maturity	Par Value		
	STARBUCKS CORP	855244109			\$ 18,300	\$ 1,074,204	\$ 1,198,833
	STEEL DYNAMICS INC	858119100			43,400	672,811	647,094
	STRATASYS LTD	M85548101			8,800	668,264	736,912
	SYKES ENTERPRISES INC	871237103			43,500	668,321	685,560
	SYNCHRONOSS TECHNOLOGIES INC	87157B103			22,800	676,381	703,836
	SYNOPSIS INC	871607107			19,300	676,399	689,975
	SYNTEL INC	87162H103			10,600	658,273	666,422
	TASER INTERNATIONAL INC	87651B104			127,000	1,086,361	1,082,040
	TESLA MOTORS INC	88160R101			8,000	348,742	858,880
	TEXAS ROADHOUSE INC	882681109			42,400	843,722	1,060,848
	THERAVANCE INC	88338T104			14,000	362,733	539,420
	TITAN MACHINERY INC	88830R101			46,900	1,253,224	920,647
	TRAVELZOO INC	89421Q106			28,300	655,412	771,458
	TRIPADVISOR INC	896945201			15,900	794,329	967,833
	UBIQUITI NETWORKS INC	90347A100			48,000	974,525	841,920
	ULTIMATE SOFTWARE GROUP INC	90385D107			6,600	654,656	774,114
	UNDER ARMOUR INC	904311107			15,500	819,944	925,505
	UNITED THERAPEUTICS CORP	91307C102			15,500	914,206	1,020,210
	VERISIGN INC	92343E102			14,100	654,846	629,706
	VIRTUSA CORP	92827P102			30,400	664,468	673,664
	W&T OFFSHORE INC	92922P106			76,700	1,148,425	1,096,043
	WESTWOOD HOLDINGS GROUP INC	961765104			24,500	1,054,420	1,051,540
	WYNN RESORTS LTD	983134107			8,300	1,049,419	1,062,151
	ZUMIEZ INC	989817101			32,200	811,421	925,750
	Total equity - common stocks				<u>4,791,652</u>	<u>113,860,112</u>	<u>122,986,942</u>
	BARLOW PARTNERS OFFSHORE LTD CL A	999G05783			23,354	25,000,000	46,342,852
	CENTERFIELD CAPITAL PARTNERS	99VVAPLN1			3,845,517	4,577,368	3,845,517
	DYAL OFFSHORE INVESTORS II, L.P.	99VVAKW2			7,169,628	7,447,727	7,169,628
	FORTRESS WORLDWIDE TRANSP	99VVAM5H9			8,304,164	7,958,392	8,304,164
	HIGHSTAR CAPITAL IV L	99VVALMM1			10,172,892	11,154,320	10,172,892
	MEDLEY OPPORTUNIFY FUND II L P	99VVAT3G8			9,571,130	10,654,225	9,571,130
	MORGAN STANLEY IFHF SPV LP	99VVAJMK0			1,213,349	1,087,784	1,213,349
	MORGAN STANLEY INSTIT CAYMAN	999G05940			414,400	410,873	635,354
	NB STRATEGIC PARTNERS	99VVATAM7			3,906,025	3,392,539	3,906,025
	NEW CANAAN FUNDING MEZZANINE V	99VVAPLZ4			3,536,107	3,604,949	3,536,107
	NYLCAP MEZZ PARTNERS III LP	999313315			16,405,370	16,299,640	16,405,370
	PINEBRIDGE MULTI-STRATEGY	99VVAQJ02			50,000	50,000,000	49,073,576

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			Rate	Maturity	Par Value	Cost	Current Value
	RCP FUND VIII FEEDER LTD	99VVAT3F0			\$ 1,194,086	\$ 1,500,000	\$ 1,194,086
	RFE INVT PARTNERS VIII L P	99VVATNT8			2,414,896	3,195,857	2,414,896
	STIEVEN FINANCIAL OFFSHORE	99VVAQ9L7			4,000	4,000,000	4,844,228
	VCFA PRIVATE EQUITY PARTNERS IV	99VVABVY7			1,937,528	3,277,606	1,937,528
	VCFA VENTURE PARTNERS III	999058266			1,518,193	2,889,490	1,518,193
	Total private equity				<u>71,680,640</u>	<u>156,450,770</u>	<u>172,084,895</u>
	MSREF DOMESTIC	99VVABVX9			53,394	1,002,982	53,394
	MSREF INTERNATIONAL	99VVABVW1			105,196	1,497,970	105,196
	SENTINEL REAL ESTATE FUNDS	999178023			749	47,576,660	50,418,165
	Total real estate funds				<u>159,339</u>	<u>50,077,612</u>	<u>50,576,755</u>
	BARLOW PARTNERS GROUP TRUST	999G05775			14,693,900	14,693,900	62,667,632
	BLACKROCK EAFE EQUITY INDEX FUND	999G05866			522,445	67,993,564	98,167,336
	BLACKROCK EQUITY INDEX FUND	99VVAHQK0			191,197	69,206,831	99,922,819
	BLACKROCK INT TERM CREDIT BOND INDEX FUND	999F25668			119,007	5,087,100	5,660,224
	BLACKROCK INTERMEDIATE GOVT/CREDIT BOND INDEX F	999G05841			170,342	4,507,874	5,145,615
	BLACKROCK LONG TERM CREDIT BOND INDEX FUND	999G05874			2,399,400	107,147,186	151,398,448
	BLACKROCK RUSSELL 2000 EQUITY INDEX FUND	999G05858			2,417,882	27,863,398	74,012,520
	BLACKROCK RUSSELL 2000 GROWTH	99VVALMN9			2,225,754	42,869,562	57,292,344
	BLACKROCK RUSSELL 1000 VALUE FUND	99VVAHQL8			2,190,394	117,952,610	171,643,041
	SSGA S & P 500 FLAGSHIP	999G05833			516,710	135,866,803	181,702,131
	SSGA 20+ YEAR HIGH US HIGH QUALITY CORPORATE NL	999G36978			9,421,213	94,500,000	108,833,855
	SSGA 5-20 YEAR US HIGH QUALITY CORPORATE NL	999G36960			173,969	1,746,283	1,938,886
	SSGA LONG CREDIT INDEX NL	999G05825			3,853,139	92,313,720	122,899,733
	SSGA RUSSELL 2000 GROWTH FUND	99VVALMP4			5,567,015	113,000,000	139,292,279
	SSGA S&P MIDCAP 400 INDEX NL	99VVAQ9F0			592,664	80,000,000	90,484,448
*	BNY EB TEMP INV FD	996115960			51,121,201	51,121,201	51,121,201
	Total common collective trust funds				<u>96,176,232</u>	<u>1,025,870,031</u>	<u>1,422,182,512</u>
	ENTERPRISE BANK & TRUST CD		0.200%	18-Nov-13	100,000	100,000	100,000
	EVERBANK JACKSONVILLE FL CD		0.500%	29-Nov-13	100,000	100,000	100,000
	FIFTH THIRD BANK CD		0.400%	2-Jun-14	100,000	100,000	100,000
	DISCOVER BANK CD		0.400%	17-Oct-14	100,000	100,000	100,000
	Total certificates of deposit				<u>400,000</u>	<u>400,000</u>	<u>400,000</u>

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			Rate	Maturity	Par Value		
	PEOPLES UNITED BANK					\$ 119,705	\$ 119,705
	Total interest bearing cash					119,704.55	119,705
	Total investments						2,912,647,659
	IRS PAY FLT 3M LIB CITI 2.444% 12/22/23	99QABKP33	2.44 %	22-Dec-23	\$ (97,500,000)	(97,500,000)	(97,500,000)
	IRS PAY FLT 3M LIB DB 2.381% 12/22/38	99QABKP17	2.38 %	22-Dec-38	(84,718,000)	(84,718,000)	(84,718,000)
	IRS PAY FLT 3M USD DB 2.255% 4/20/16	99QABSK23	2.26 %	20-Apr-16	(46,530,000)	(46,530,000)	(46,530,000)
	IRS REC FXD 2.255% USD DB 4/20/16	99QABSK31	2.26 %	20-Apr-16	46,530,000	46,530,000	48,662,424
	IRS REC FXD 2.381% DB 12/22/38	99QABKP25	2.38 %	22-Dec-38	84,718,000	84,718,000	69,677,683
	IRS REC FXD 2.444% CITI 12/22/23	99QABKP41	2.44 %	22-Dec-23	97,500,000	97,500,000	94,814,682
	Total interest rate swaps				\$ -	\$ -	(15,593,209)
	Net investments						\$ 2,897,054,450

* Party-in-interest

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS
Form 5500, Schedule H, Part IV, Line 4j - Schedule of Reportable Transactions
As of June 30, 2013

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Lease Rental	Number of Transactions	Expense Incurred with Transaction	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
Single Transactions									
		\$ -	\$ -	-	-	-	\$ -	\$ -	\$ -
Series in the Same Security									
Bank of New York-Mellon	BNY Mellon Cash Reserve	322,924,868	-	-	113	-	-	322,924,868	-
Bank of New York-Mellon	BNY Mellon Cash Reserve	-	326,983,627	-	115	-	326,983,627	326,983,627	-
Bank of New York-Mellon	BNY EB TEMP INV FD	997,198,809	-	-	374	-	-	997,198,809	-
Bank of New York-Mellon	BNY EB TEMP INV FD	-	996,281,603	-	275	-	996,281,603	996,281,603	-