

New Jersey Division of Investment

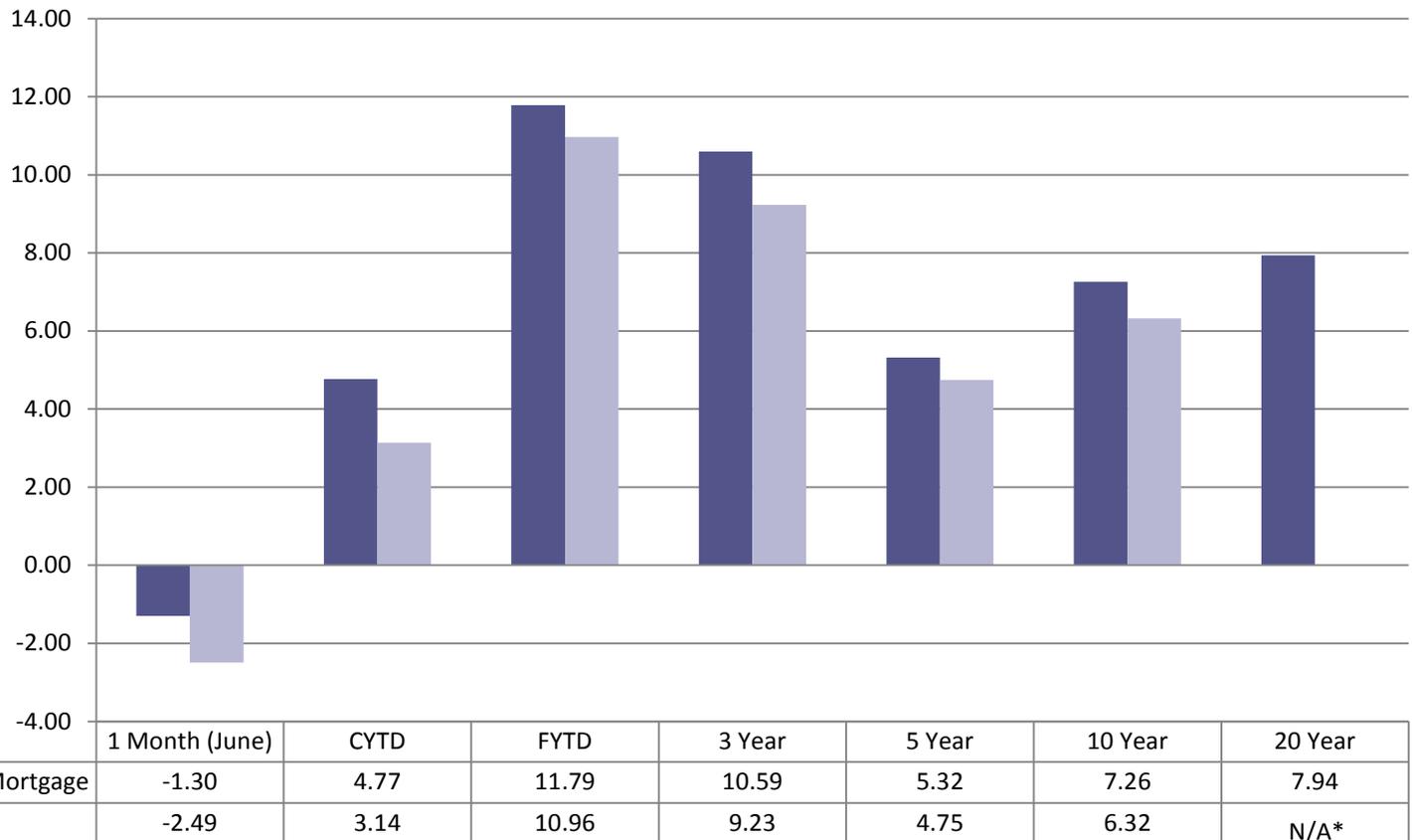
Director's Report

September 19, 2013

State Investment Council Meeting

“The mission of the New Jersey Division of Investment is to achieve the best possible return at an acceptable level of risk using the highest fiduciary standards.”

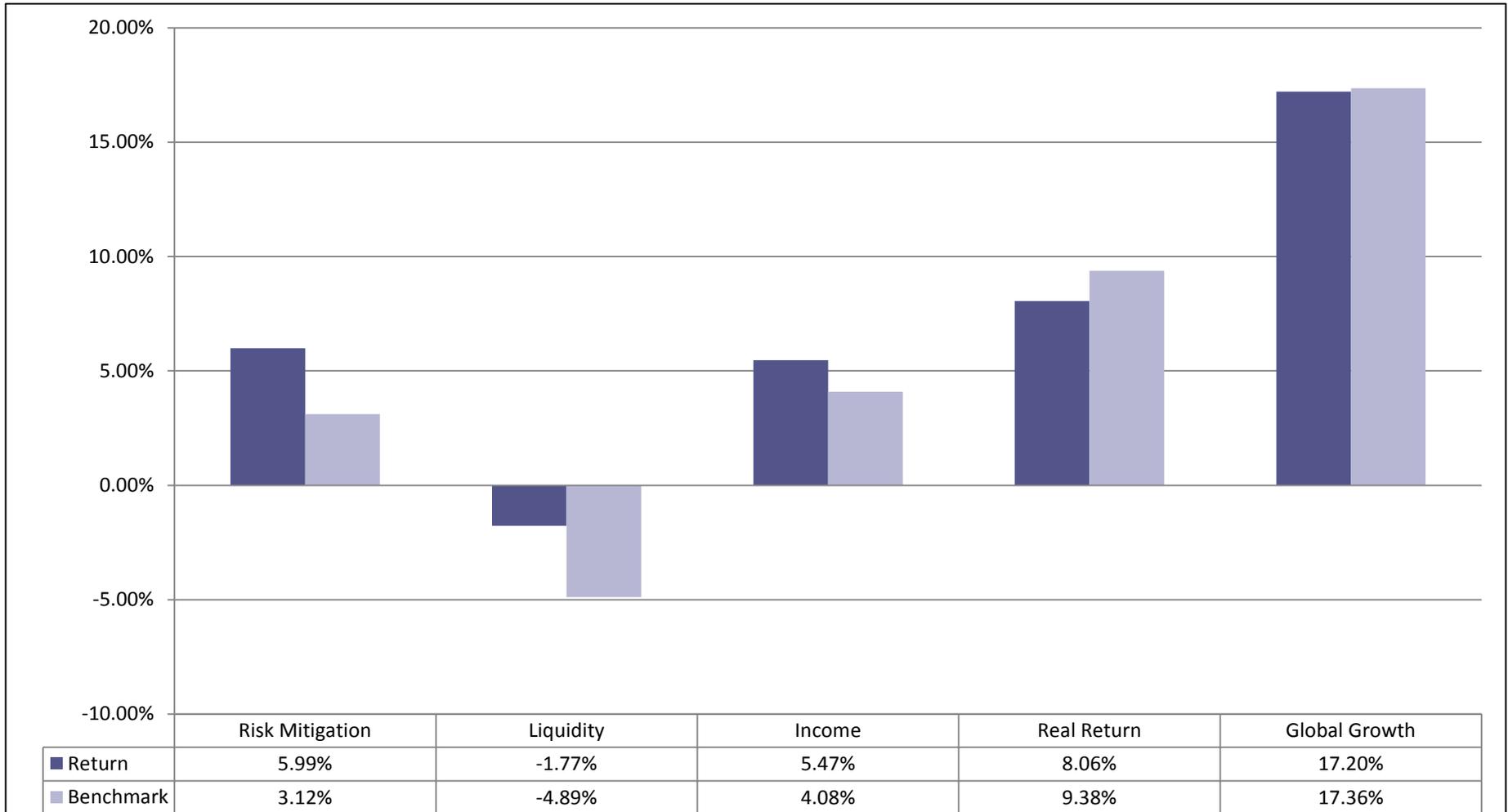
Final FY 2013 Fund Performance



- The Total Fund ex Police and Fire Mortgages returned 11.79% in Fiscal Year 2013, outperforming the benchmark by 83 bps.
- The Fund has outperformed its benchmark in each of the last three fiscal years (FY11 by 100 bps, FY12 by 226 bps, and FY13 by 83 bps), adding incremental value of \$2.8 billion to the Pension Fund.
- The Fund is ahead of the benchmark on a calendar year-to-date, 1-, 3-, 5-, and 10-year return basis.

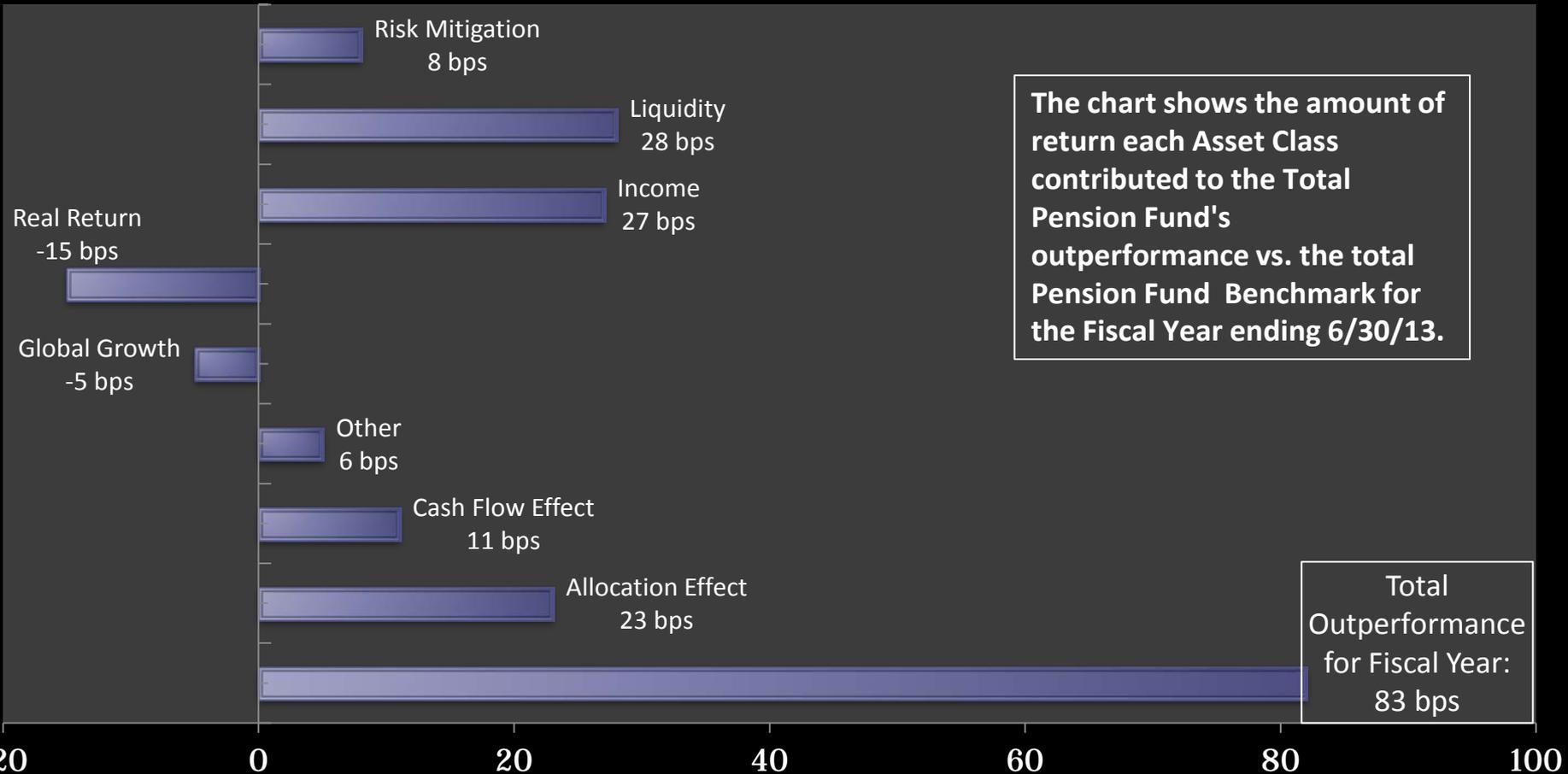
*Benchmark return not available for 20-Year period

FY 2013 Performance by Asset Class



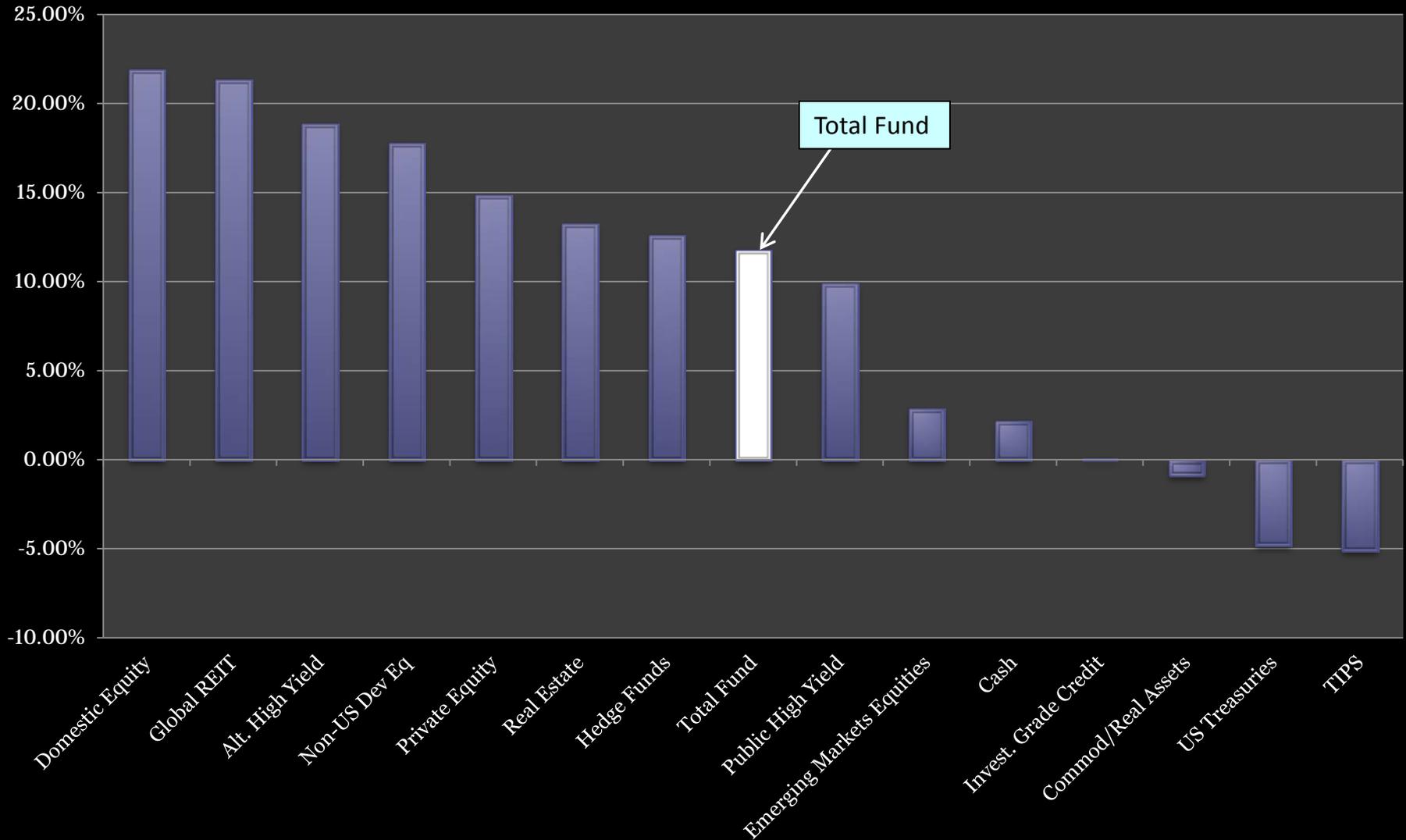
Three of five asset classes outperformed their respective benchmarks for the Fiscal Year

Pension Fund Attribution vs. Benchmark Fiscal Year Ending June 30, 2013



Allocation Effect indicates the effect of asset allocation bets, i.e. overweights or underweights vs. the target allocations
Cash Flow Effect reflects the impact of cash flows – i.e. money added to or taken from asset classes

Fiscal Year 2013 Pension Fund Returns by Investment Type



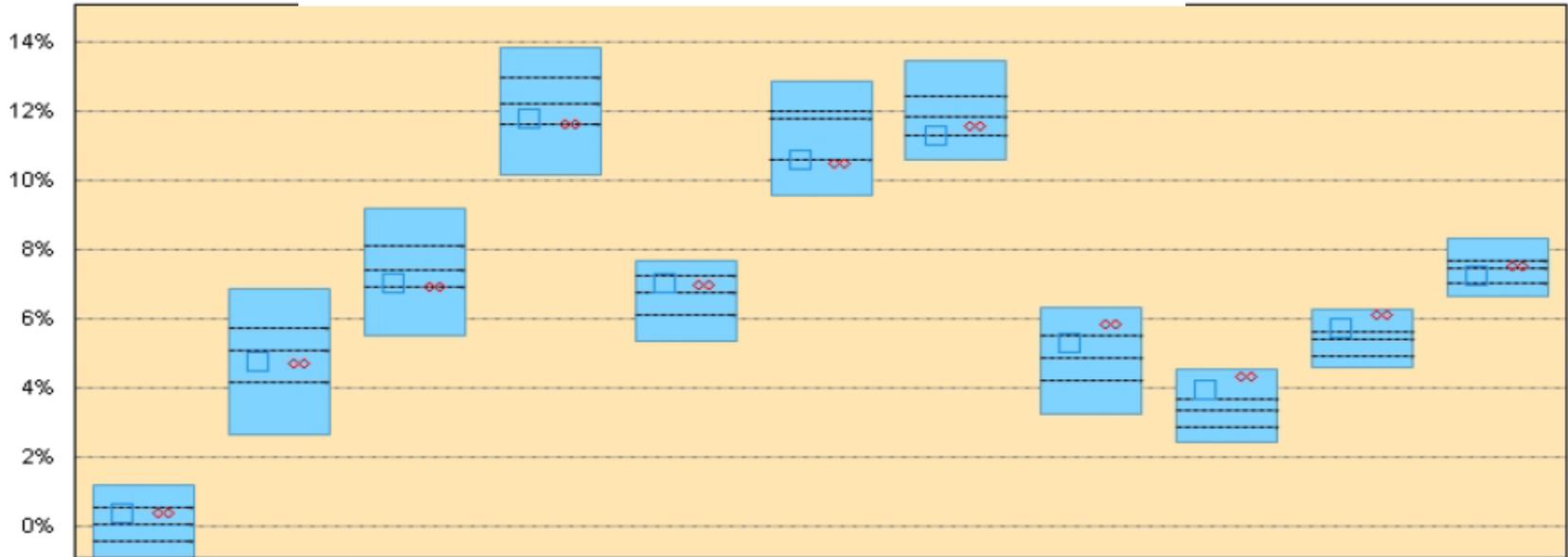
Returns Since Global Financial Crisis

Since the onset of the Global Financial Crisis in mid-2007, New Jersey is the best performing US Public Pension Fund among large similarly funded plans

	NJDOI	Texas Teachers	Florida SBA	Ohio Teachers	Connecticut	South Carolina	Virginia	Mass PRIM	CalSTRS	Maryland	CalPERS
Approximate Assets (billions)	74	112	162	68	24	27	59	54	166	40	264
FY 2013	11.79%	10.21%	13.12%	13.70%	11.49%	10.00%	11.80%	12.70%	13.80%	10.60%	12.50%
FY 2012	2.52%	2.70%	0.29%	2.34%	-0.90%	0.40%	1.40%	-0.08%	1.84%	0.36%	1.00%
FY 2011	18.03%	22.20%	22.09%	22.59%	20.75%	18.30%	19.10%	22.30%	23.10%	20.04%	20.90%
FY 2010	13.35%	15.60%	14.03%	13.54%	12.88%	13.80%	14.10%	12.82%	12.20%	14.03%	11.60%
FY 2009	-15.48%	-21.90%	-19.03%	-21.66%	-17.37%	-19.30%	-21.10%	-23.87%	-25.03%	-20.01%	-23.40%
FY 2008	-2.70%	-2.10%	-4.42%	-5.44%	-4.71%	-2.56%	-4.40%	-1.81%	-3.69%	-5.40%	-4.90%
6-Yr Annualized	3.94%	3.41%	3.40%	3.08%	2.88%	2.64%	2.53%	2.53%	2.44%	2.35%	1.86%

New Jersey Division of Investment Performance Comparison

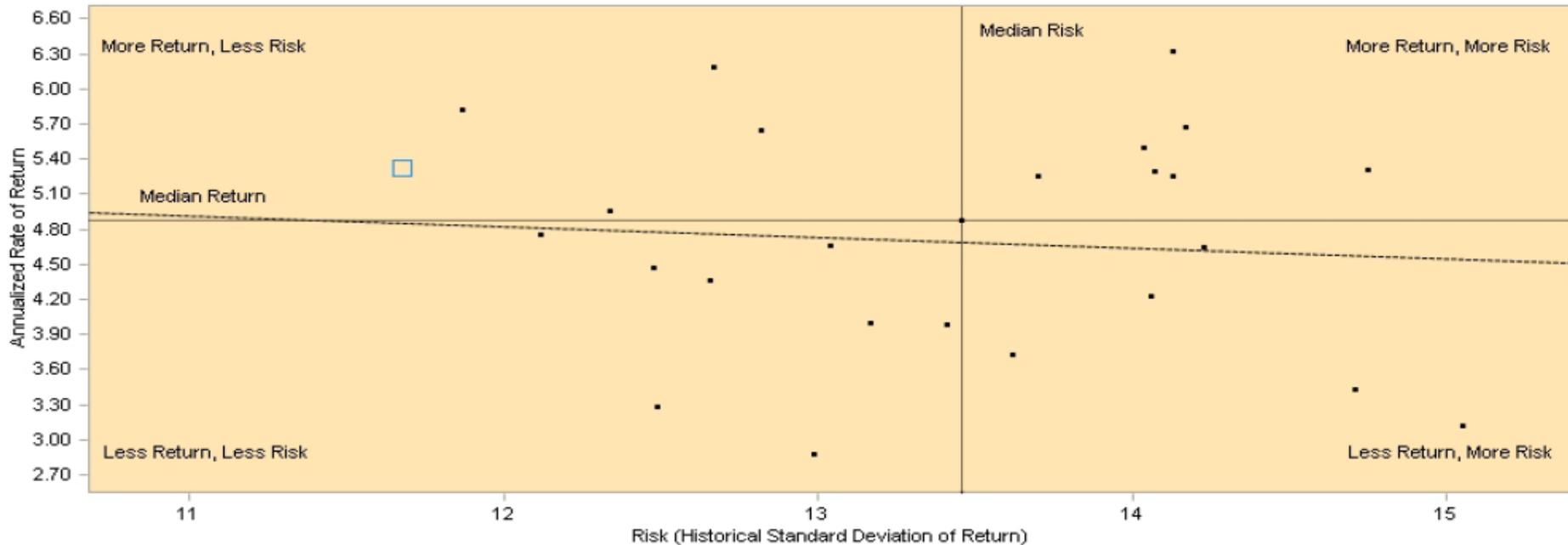
Total Returns of Master Trusts - Public : Plans > \$25 Billion
Cumulative Periods Ending : June 30, 2013



Percentile Rankings	1 Qtr	2 Qtrs	3 Qtrs	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	10 Years
5th	1.23	6.87	9.20	13.80	7.69	12.86	13.42	6.32	4.53	6.28	8.34
25th	0.58	5.76	8.08	12.96	7.26	12.01	12.42	5.50	3.68	5.61	7.65
50th	0.08	5.09	7.40	12.22	6.76	11.75	11.83	4.87	3.37	5.40	7.45
75th	-0.43	4.17	6.92	11.63	6.13	10.56	11.31	4.22	2.86	4.91	7.02
95th	-0.89	2.68	5.54	10.15	5.35	9.54	10.57	3.28	2.44	4.58	6.64
No. Of Obs	28	28	28	28	28	27	26	26	26	26	26
□ Total Pension Fund ex ◇ Total Fund	0.41 (28)	4.77 (53)	7.01 (67)	11.78 (67)	7.05 (32)	10.59 (70)	11.28 (79)	5.32 (25)	3.96 (17)	5.74 (17)	7.26 (66)
	0.39 (32)	4.70 (67)	6.92 (75)	11.63 (75)	6.97 (39)	10.47 (83)	11.54 (66)	5.82 (13)	4.36 (13)	6.10 (9)	7.50 (45)

Total Fund performance ranks in the top quartile for 5-, 6-, and 7-year periods, displaying the benefits of the Fund's diversified investment approach.

New Jersey Division of Investment
Risk vs Total Returns of Master Trusts - Public : Plans > \$25 Billion
 5 Years Ending June 30, 2013



Risk Rank: 100 = lowest risk; 1 = highest risk
 Return Rank: 1 = highest return; 100 = lowest return

	Risk Value	Risk Rank	Return Value	Return Rank
□ Total Pension Fund ex Police	11.68	99	5.32	25
Median	13.46		4.87	

Over the past 5 years, the Fund ranks in the Top 1% in terms of risk (less risk than 99% of peers), and in the Top Quartile in terms of return (higher return than 75% of peers)

Top Quartile: Risk-Adjusted Returns

New Jersey Division of Investment Risk Summary Statistics

Total Returns of Master Trusts - Public : Plans > \$1 Billion



Sharpe Ratio:

The Sharpe Ratio exhibits how well the return compensates the investor for the risk taken. Thus, higher Sharpe Ratios equate to greater risk-adjusted returns. It is calculated by subtracting the risk-free rate from the portfolio return and dividing by the standard deviation of the portfolio return.

Percentile Rankings	Sharpe Ratio	Sharpe Ratio	Sharpe Ratio	Sharpe Ratio
5th	1.81	1.75	1.10	0.97
25th	1.30	1.29	0.39	0.24
50th	1.19	1.17	0.34	0.19
75th	1.11	1.08	0.30	0.16
95th	1.02	1.03	0.24	0.12
<input type="checkbox"/> Total Pension Fund ex Police	1.40 (17)	1.37 (15)	0.43 (13)	0.29 (15)

Market Updates – July 1 through September 12

- Equities have rallied since July 1 on generally improving economic data in the US and Europe. Developed Non-US markets have outperformed US shares FYTD, although the US has performed better CYTD. Emerging Markets have trailed developed markets significantly on tapering concerns, although these markets have rallied significantly in September, up 6.75% through September 12th
- Interest rates continued their march higher as the 10 Year Treasury broke 3% for the first time in 26 months in early September before closing at 2.91% on September 12th
- August Employment Report (and revised July report) disappointed as payrolls rose less than expected
- Mortgage Applications and new home sales down recently as average 30-year mortgage rate has risen to approximately 4.75%; home prices up 12% year-over-year as of July
- U.S. car sales have soared to pre-slump level, as low interest rates and job growth have encouraged consumers to buy
- Verizon completes largest corporate bond deal ever at \$49 billion, far exceeding the previous issuance record of \$17 billion sold by Apple in April of 2013. Demand for the offering was reported to be near \$100 billion
- Upcoming Events to Watch: September Fed Meeting (Tapering Decision), US Debt Ceiling, Syria Decision, German Elections

Division of Investment Updates

- Sold approximately \$800 million of US equities in August and September
- Sold approximately \$200 million of Emerging Equity in September
- Re-optimized the Non-US Developed Portfolio in \$2.6 billion rebalancing. Incorporated \$1.3 billion of the actively managed portfolio and reduced expected tracking error from 53 to 22 basis points
- Hedged most of the Treasury exposure in the portfolio. At times had under \$100 million of net Treasury exposures
- Decreased Investment Grade Credit exposure by approximately \$500 million. Overweight to Investment Grade Credit relative to target at its lowest level since the target allocation was reduced significantly at the start of Fiscal Year 2013
- Increased exposure to UK Inflation Linked securities in place of US Inflation linked issues
- Fixed Income portfolio duration stands at 6.59 years as of September 11th, down from 6.73 years as of last SIC (July 11, 2013)

Asset Allocation with Hedges as of September 11, 2013

Asset Class	Long Term Target Range	Current Allocation	FY 2013 Target	FY 2014 Target	Over/Under Weight 2014 Target	Current Assets	Adjustments to Exposure based on Hedges	Total Net Exposure	FY 2013 Target (\$)	FY 2014 Target (\$)	Over/Under Weight for 2014	Weight (\$) vs. FY 2014 Target w/ Hedges	No:
RISK MITIGATION	0-5%	2.74%	4.00%	3.50%	-0.76%	2,044,677,318		2,044,677,318	2,982,532,050	2,609,715,544	(565,038,226)	(565,038,226)	1
Absolute Return HF's	0-5%	2.74%	4.00%	3.50%	-0.76%	2,044,677,318		2,044,677,318	2,982,532,050	2,609,715,544	(565,038,226)	(565,038,226)	2
LIQUIDITY	2-15%	5.92%	6.50%	4.50%	1.42%	4,411,269,519		3,957,582,019	4,846,614,582	3,355,348,557	1,055,920,962	602,233,462	3
Cash Equivalents	0-15%	2.59%	1.50%	1.00%	1.59%	1,928,000,000		1,928,000,000	1,118,449,519	745,633,013	1,182,366,987	1,182,366,987	4
TIPS	0-10%	2.36%	2.50%	2.50%	-0.14%	1,757,400,919		1,757,400,919	1,864,082,532	1,864,082,532	(106,681,613)	(106,681,613)	5
US Treasuries	0-10%	0.97%	2.50%	1.00%	-0.03%	725,868,600	(453,687,500)	272,181,100	1,864,082,532	745,633,013	(19,764,413)	(473,451,913)	6
INCOME	20-40%	24.11%	26.00%	26.30%	-2.19%	17,980,361,765		17,980,361,765	19,386,458,328	19,610,148,231	(1,629,786,466)	(1,629,786,466)	6
Investment Grade Credit	8-23%	12.87%	13.00%	12.10%	0.77%	9,594,779,961		9,594,779,961	9,693,229,164	9,022,159,452	572,620,509	572,620,509	7
High Yield Fixed Income	0-10%	4.78%	6.00%	5.50%	-0.72%	3,565,071,307		3,565,071,307	4,473,798,076	4,100,981,569	(535,910,262)	(535,910,262)	8
Credit-Oriented HF's	0-6%	2.90%	4.00%	3.50%	-0.60%	2,161,520,090		2,161,520,090	2,982,532,050	2,609,715,544	(448,195,454)	(448,195,454)	9
Debt-Related PE	0-4%	1.08%	1.50%	2.00%	-0.92%	805,238,872		805,238,872	1,118,449,519	1,491,266,025	(686,027,153)	(686,027,153)	10
Debt Related Real Estate	1-4%	1.38%	0.00%	2.00%	-0.62%	1,027,252,900		1,027,252,900	0	1,491,266,025	(464,013,125)	(464,013,125)	11
P&F Mortgage	--	1.11%	1.50%	1.20%	-0.09%	826,498,635		826,498,635	1,118,449,519	894,759,615	(68,260,980)	(68,260,980)	12
REAL RETURN	3-12%	6.08%	9.50%	6.00%	0.08%	4,533,383,923		4,529,022,821	7,083,513,620	4,473,798,076	59,585,847	55,224,745	13
Commodities/RA	2-7%	2.54%	4.00%	2.50%	0.04%	1,891,876,465	(4,361,102)	1,887,515,363	2,982,532,050	1,864,082,532	27,793,934	23,432,831	14
Equity Related Real Estate	2-7%	3.54%	5.50%	3.50%	0.04%	2,641,507,458		2,641,507,458	4,100,981,569	2,609,715,544	31,791,914	31,791,914	16
GLOBAL GROWTH	45-65%	61.04%	54.00%	59.70%	1.34%	45,513,575,636		45,107,695,196	40,264,182,680	44,514,290,852	999,284,784	593,404,344	17
US Equity	15-35%	28.38%	23.80%	26.50%	1.88%	21,163,476,732	(221,937,589)	20,941,539,143	17,746,065,700	19,759,274,834	1,404,201,898	1,182,264,309	15
Non-US Dev Market Eq	8-20%	13.54%	12.50%	12.70%	0.84%	10,098,579,868	(53,687,510)	10,044,892,358	9,320,412,658	9,469,539,260	629,040,608	575,353,098	16
Emerging Market Eq	5-15%	7.76%	7.00%	8.00%	-0.24%	5,787,386,735	(130,255,341)	5,657,131,394	5,219,431,088	5,965,064,101	(177,677,366)	(307,932,707)	17
Equity-Oriented HF's	0-8%	4.15%	4.50%	4.00%	0.15%	3,090,958,509		3,090,958,509	3,355,348,557	2,982,532,050	108,426,459	108,426,459	18
Buyouts/Venture Cap	4-10%	7.21%	6.20%	8.50%	-1.29%	5,373,173,792		5,373,173,792	4,622,924,678	6,337,880,607	(964,706,815)	(964,706,815)	19
OTHER	0.00%	0.11%	0.00%	0.00%	0.11%	80,033,099		80,033,099	0	0	80,033,099	80,033,099	20

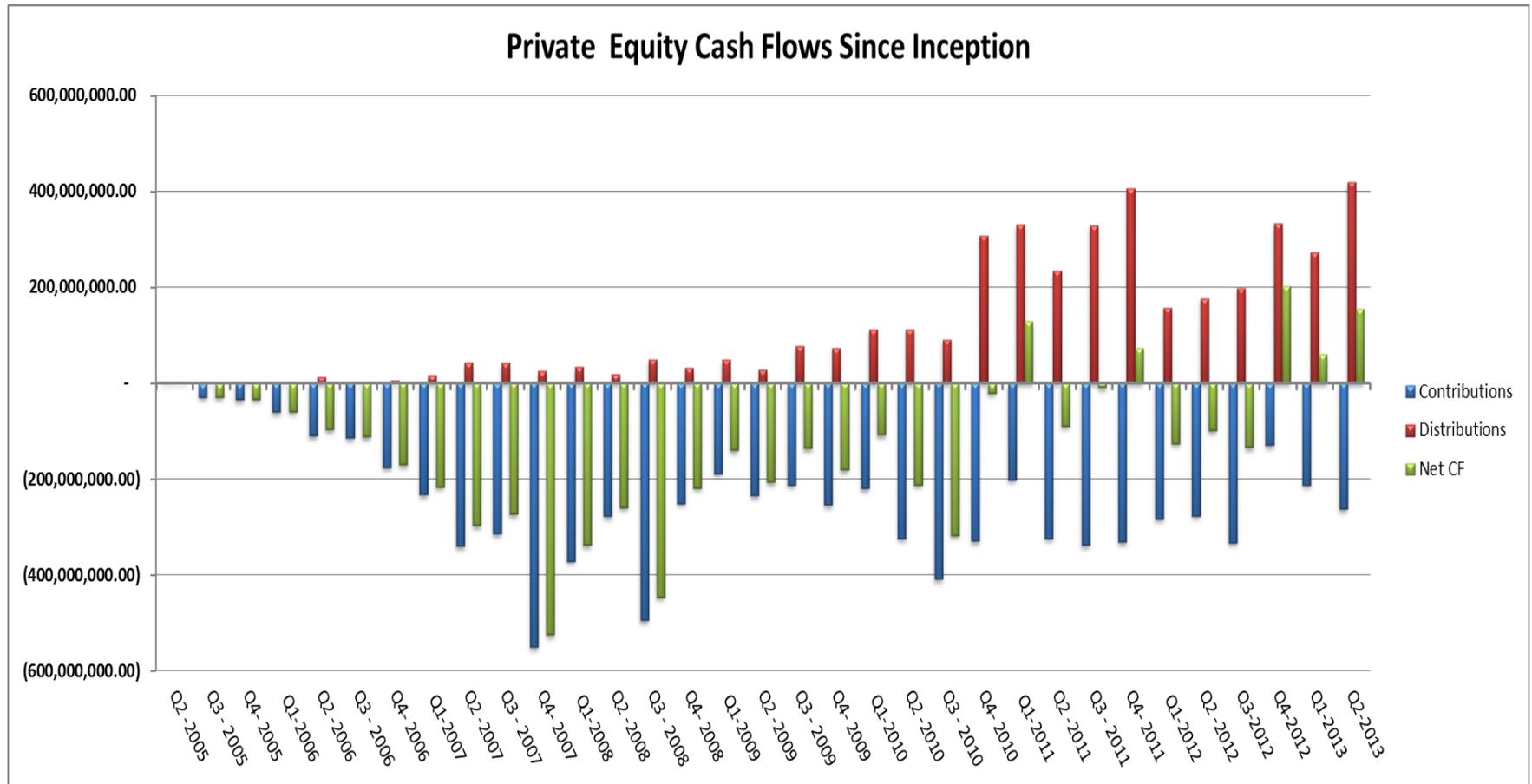
Based on estimated values

Performance and Capital Markets Update (through August 31, 2013)

Asset Class (through Aug. 31, 2013)	July %	August % (Est.)	FYTD % (Est.)	CYTD % (Est.)	1-Year (Est.)	2-Year (Est.)	No.		
Risk Mitigation	0.00	(1.21)	(1.21)	3.91	4.21	2.69	1		
Liquidity	0.41	(0.59)	(0.19)	(4.06)	(3.40)	2.42	2		
Income	0.35	(0.40)	(0.05)	0.32	2.57	6.61	3		
Real Return	0.45	0.39	0.85	5.64	6.81	6.11	4		
Global Growth	3.79	(1.88)	1.83	9.69	15.88	11.52	5		
Total Pension Fund ex P&F Mort.	2.37	(1.22)	1.13	5.95	10.04	9.17	6		
Total Policy Benchmark	2.39	(1.08)	1.29	4.47	9.05	8.28	7		
Estimated Market Value	\$73.3 billion						8		
	Aug. 31, 2013	MTD %	FYTD %	CYTD %	1 Yr %	3Yrs %	5 Yrs %	10 Yrs %	9
Domestic Equity	S&P 500	(2.90)	2.04	16.15	18.70	18.39	7.30	7.12	10
	Russell 2000	(3.18)	3.60	20.03	26.30	20.51	7.95	8.74	11
International Equity	MCSI EAFE	(1.31)	3.90	8.54	19.18	9.78	2.10	8.08	12
	MSCI EMF	(2.60)	(1.32)	(10.78)	(0.08)	1.10	2.01	12.52	13
Bond	Barclays Agg	(0.51)	(0.37)	(2.81)	(2.46)	2.59	4.94	4.78	14
	Barclays HY	(0.61)	1.28	2.72	7.58	9.91	11.44	9.05	15
	Barclays US Tips	(1.99)	(1.78)	(10.41)	(9.53)	4.66	4.69	N/A	16
Commodity	DJUBS Com	3.40	4.81	(6.16)	(10.0)	(0.36)	(7.10)	2.45	17

Private Equity Cash Flows Since Inception

For Fiscal Year 2013, NJDOI contributed \$938 million to Private Equity through Capital Calls, while it received \$1,221 million through Distributions



State Investment Council

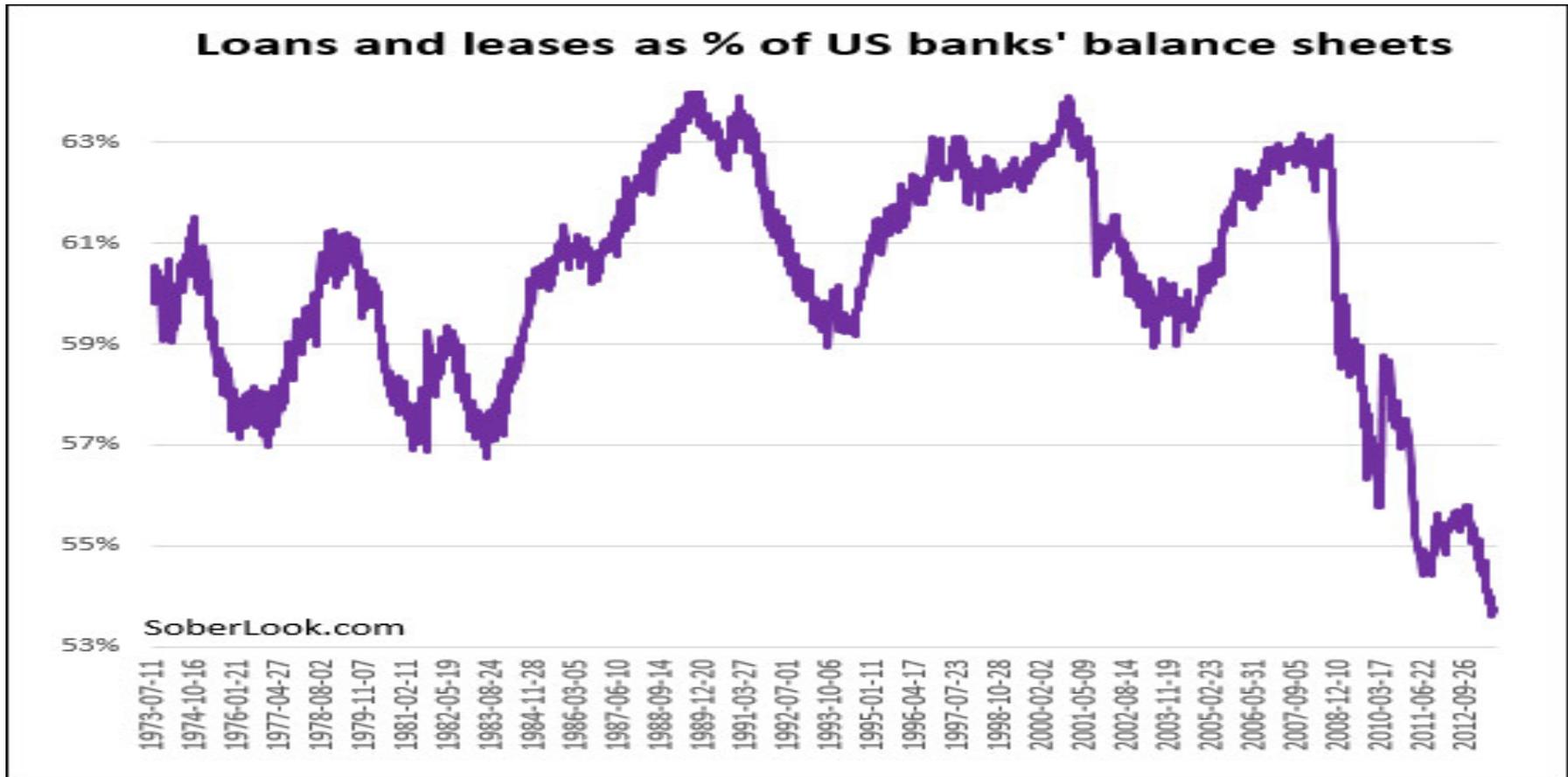
Notifications

Prologis European Properties Fund

- In July, the Division presented an investment of €135 million in Prologis European Properties Fund II.
- The management fee for the investment was reported as 0.75% per annum.
 - This reflected a reduction for scale due to the aggregated commitments of €200 million by several non-discretionary real estate consulting clients of R.V. Kuhns & Associates, Inc.
- As part of negotiating final legal documents, it has come to the Division's attention that the 0.75% management fee could increase to 1.00% in the event that the aggregate commitments of these clients decrease below the minimum amount of €200 million due to redemptions.
- The fees will remain at 0.75% for a minimum of two (2) years due to the fund's lock-up.

Interesting Charts

Credit as Percentage of Banks' Balance Sheets Lowest in 40 years



Credit is being displaced by cash reserves. The result of the Fed's asset purchases has been further dilution of US banks' balance sheets. Credit expansion in the US has been slowing and is well below pre-recession levels.

Emerging World Loses Growth Lead

Passing the Baton

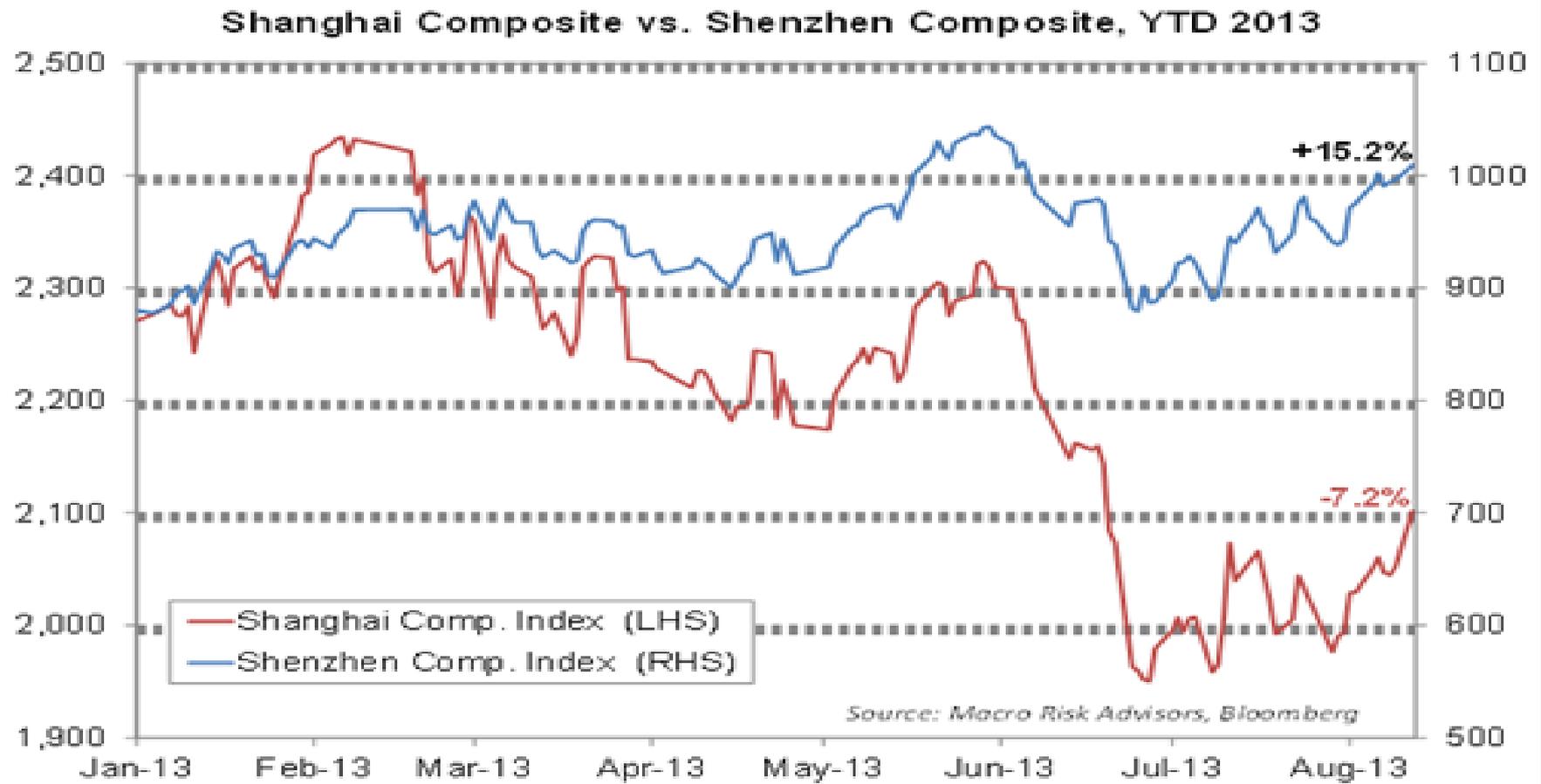
Contribution to global GDP growth, in percentage points



Note: Data are through Aug. 7. Source: Bridgewater Associates LP The Wall Street Journal

For the first time since mid-2007, the developed economies, including the U.S., Europe and Japan, are contributing more to growth in the \$74 trillion global economy than the emerging economies, which include China, Brazil and India.

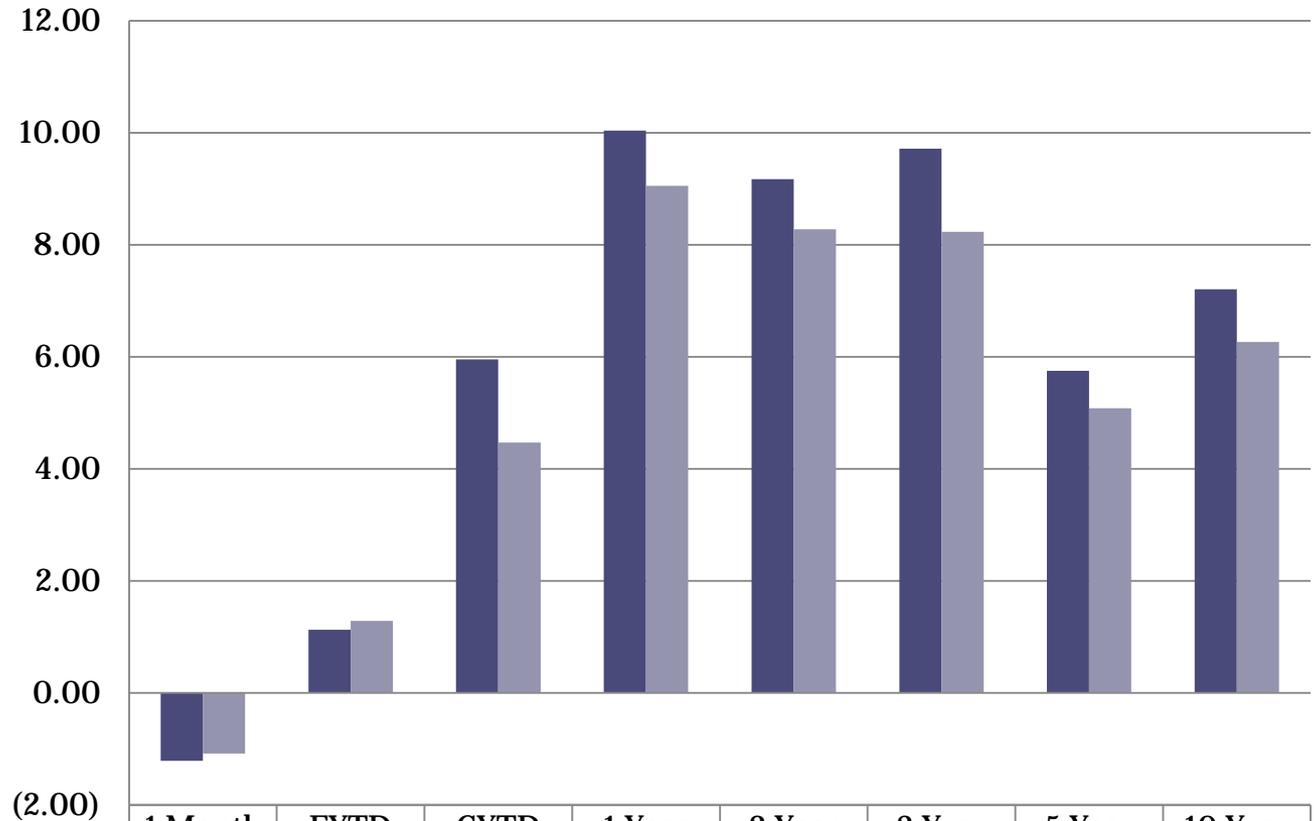
Effect of State Owned Enterprises on Emerging Markets



The Shanghai Composite was down over 7% YTD, and it is predominantly made up of large state-owned enterprises. Meanwhile, the Shenzhen Composite was up more than 15% and is comprised primarily of smaller, younger, privately-owned companies.

Performance Appendix

Total Fund ex Police and Fire Mortgages as of 8/31/13



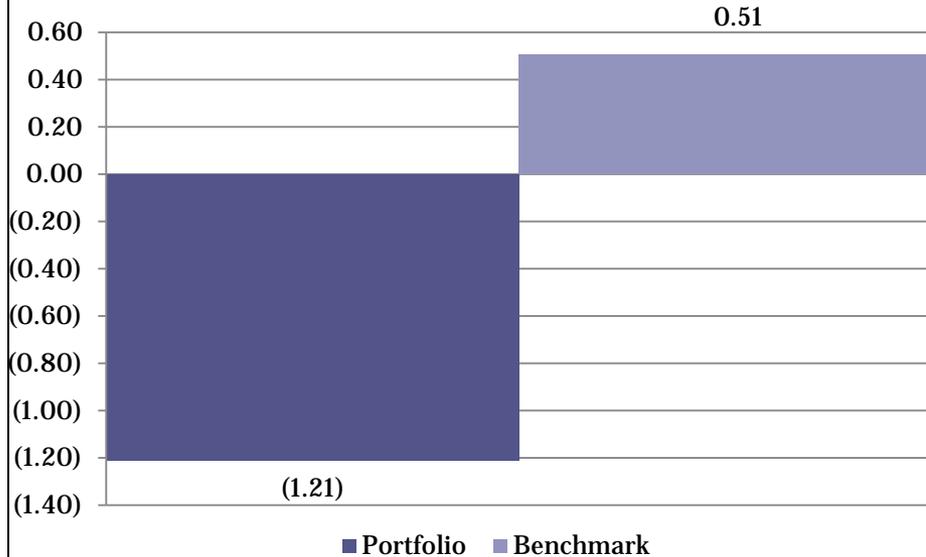
■ Total Fund ex Police & Fire Mortgage
■ Benchmark

	1 Month	FYTD	CYTD	1 Year	2 Year	3 Year	5 Year	10 Year
Total Fund ex Police & Fire Mortgage	(1.22)	1.13	5.95	10.04	9.17	9.72	5.75	7.20
Benchmark	(1.08)	1.29	4.47	9.05	8.28	8.23	5.08	6.27

- The Total Fund ex Police and Fire Mortgages returned -1.22% in August to bring the Fiscal Year-to-Date return to 1.13% and the Calendar Year-to-Date return to 5.95%.
- The Fund is ahead of the benchmark calendar year-to-date and for 1-, 2-, 3-, 5- and 10-year periods.

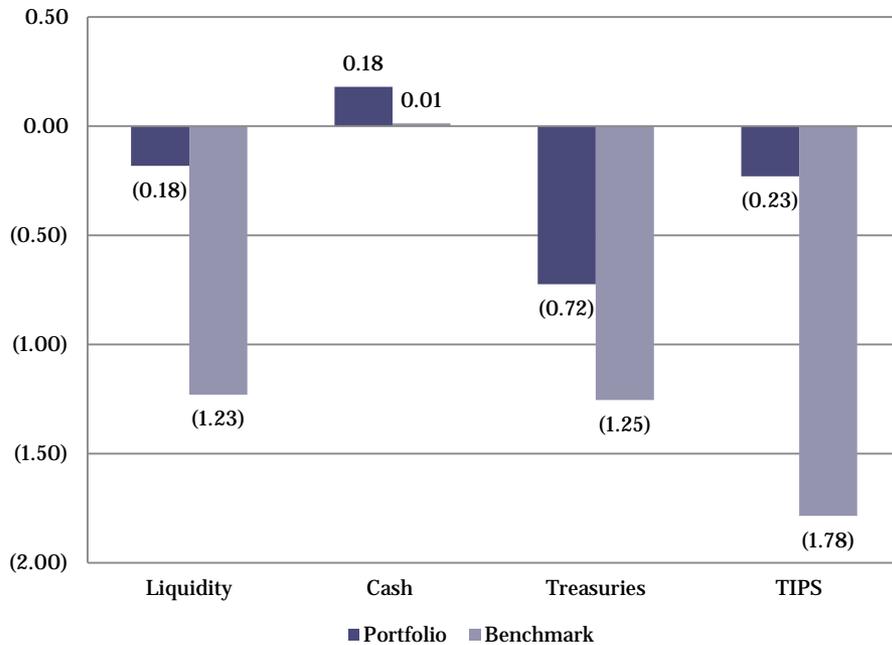
Based on estimated values

Risk Mitigation FYTD Performance as of Aug 31, 2013



Returns as of Aug 31, 2013	1 Month	FYTD	CYTD	1 Year	2 Year
Absolute Return Hedge Funds	(1.21)	(1.21)	3.91	4.21	2.69
Fund of Fund Lag	0.98	(0.43)	5.63	7.49	1.51
<i>Difference</i>	<i>(2.19)</i>	<i>(0.78)</i>	<i>(1.73)</i>	<i>(3.28)</i>	<i>1.18</i>

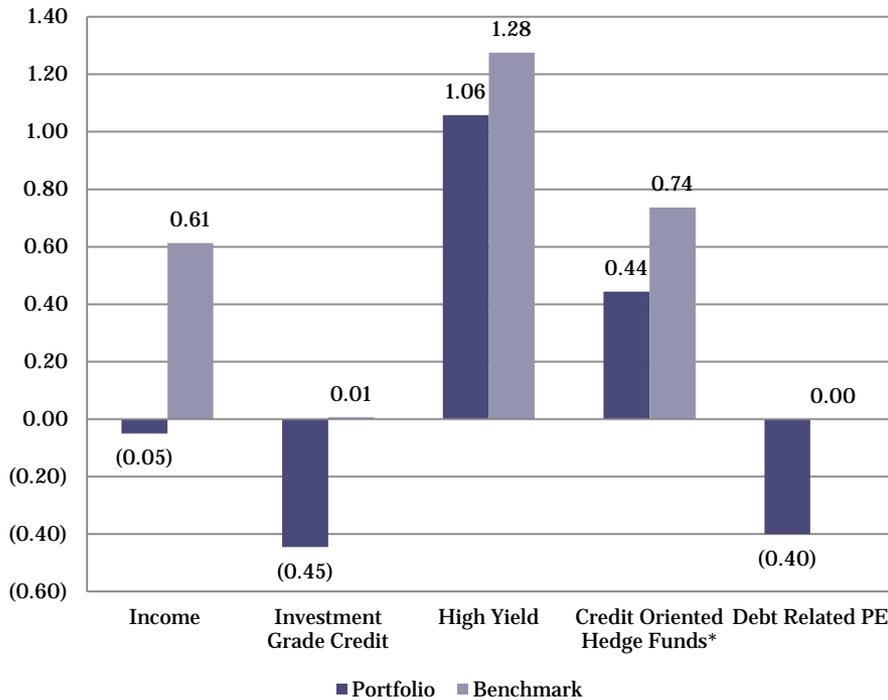
- The Risk Mitigation return is composed largely of the returns of Absolute Return Hedge Funds. The returns are generally reported on a one month lag for direct funds and one to two months for fund of funds.
- The Absolute Return Hedge Funds as a group have returned -1.21% FYTD and 3.91% CYTD in what has been a challenging environment for macro-oriented and CTA managers. While the return is below the HFRI Fund of Funds Index for the fiscal year, the portfolio has outperformed the HFRI Macro Index over all periods. The Fund's underweight to the Risk Mitigation category against the target allocation has positively contributed to performance FYTD.

FYTD Liquidity Performance as of 8/31/13


Returns as of Aug 31, 2013	1 Month	FYTD	CYTD	1 Year	2 Year
Cash Equivalents	0.11	0.18	1.62	2.06	2.15
91 Day Treasury Bill (Daily)	0.01	0.01	0.05	0.11	0.08
<i>Difference</i>	<i>0.10</i>	<i>0.17</i>	<i>1.57</i>	<i>1.96</i>	<i>2.06</i>
Common B High Grade US Treasuries	(0.34)	(0.72)	(6.35)	(7.30)	3.02
Custom US Treasuries Benchmark	(0.57)	(1.25)	(5.19)	(6.29)	(0.54)
<i>Difference</i>	<i>0.23</i>	<i>0.53</i>	<i>(1.16)</i>	<i>(1.02)</i>	<i>3.56</i>
TIPS	(1.11)	(0.23)	(9.16)	(7.57)	2.04
Custom TIPS Benchmark	(1.98)	(1.78)	(14.38)	(12.79)	(2.28)
<i>Difference</i>	<i>0.87</i>	<i>1.56</i>	<i>5.22</i>	<i>5.22</i>	<i>4.32</i>

- The Liquidity portfolio has outperformed the benchmark by 105 basis points FYTD as all three components of the portfolio have exceeded their respective benchmarks.
- An underweight to Treasuries and TIPS relative to the target allocation has helped performance as Cash has outperformed.
- Relative performance for Treasuries and TIPS has benefited from having a shorter duration than the benchmark.

FYTD Income Performance as of 8/31/13

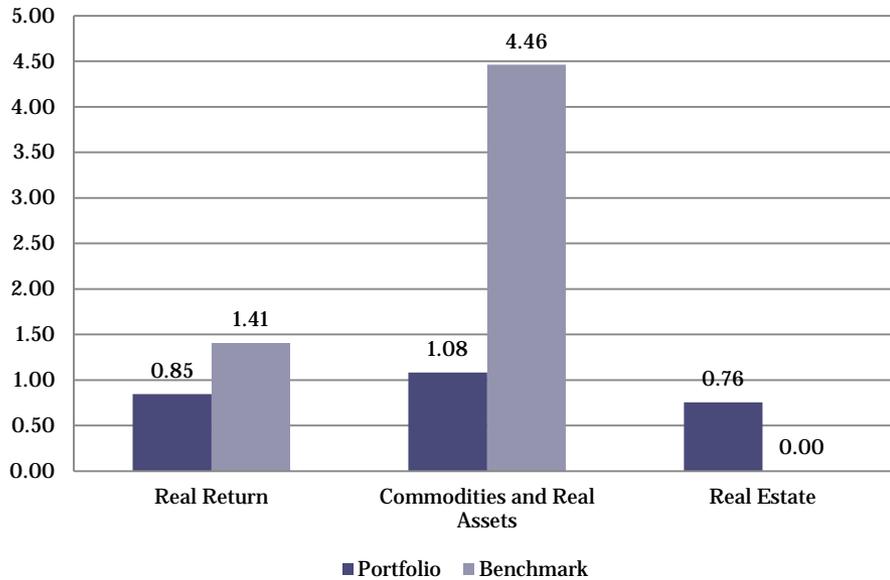


Returns as of Aug 31, 2013	1 Month	FYTD	CYTD	1 Year	2 Year
Investment Grade Credit	(0.74)	(0.45)	(4.41)	(3.44)	4.20
Custom Investment Grade Credit	(0.67)	0.01	(5.05)	(3.52)	3.21
<i>Difference</i>	<i>(0.08)</i>	<i>(0.45)</i>	<i>0.64</i>	<i>0.07</i>	<i>0.99</i>
High Yield	0.08	1.06	6.65	12.43	10.52
Barclays Corp High Yield (Daily)	(0.61)	1.28	2.71	7.56	10.68
<i>Difference</i>	<i>0.68</i>	<i>(0.22)</i>	<i>3.94</i>	<i>4.87</i>	<i>(0.16)</i>
Credit-Oriented Hedge Funds*	0.44	0.44	10.74	15.51	7.11
Custom Credit HF Benchmark	1.26	0.74	9.72	14.43	7.29
<i>Difference</i>	<i>(0.81)</i>	<i>(0.29)</i>	<i>1.02</i>	<i>1.08</i>	<i>(0.18)</i>
Debt-Related Private Equity	(0.40)	(0.36)	15.66	22.41	13.60
Cambridge PE 1 Qtr Lag	0.00	0.00	8.11	12.85	11.96
<i>Difference</i>	<i>(0.40)</i>	<i>(0.36)</i>	<i>7.54</i>	<i>9.55</i>	<i>1.65</i>

- The Income portfolio has underperformed by 66 basis points FYTD
- The Investment Grade Credit portfolio has underperformed the benchmark FYTD as the portfolio has lower-beta, higher quality securities. The portfolio is ahead of the benchmark for the one and two year periods.
- The High Yield portfolio has performed well over the last year, as alternative High Yield strategies are up over 17% for this period.
- Credit Oriented Hedge Funds have also been additive over the last year as managers with distressed and structured credit exposure have been the best performers.

*Reported on a one month lag.
Based on estimated values

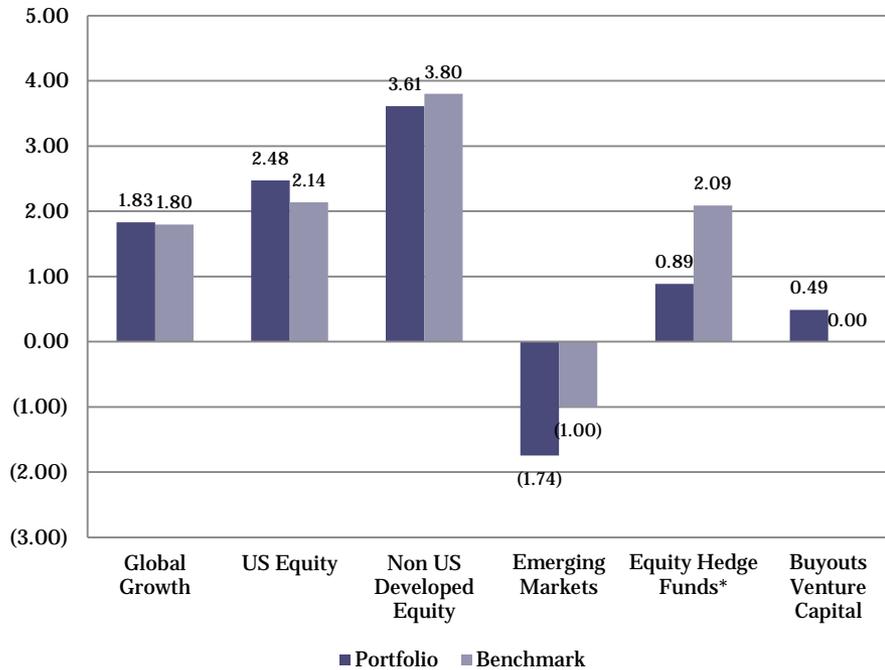
FYTD Real Return Performance as of 8/31/13



Returns as of Aug 31, 2013	1 Month	FYTD	CYTD	1 Year	2 Year
Commodities & Real Assets	0.11	1.08	(4.59)	(4.73)	(5.68)
Custom Commodities and RA Benchmark	0.63	4.46	5.97	5.85	1.76
<i>Difference</i>	<i>(0.51)</i>	<i>(3.38)</i>	<i>(10.57)</i>	<i>(10.57)</i>	<i>(7.44)</i>
Real Estate	0.55	0.76	11.81	13.89	11.65
NCREIF Property Index	0.00	0.00	5.51	10.73	11.38
<i>Difference</i>	<i>0.55</i>	<i>0.76</i>	<i>6.30</i>	<i>3.17</i>	<i>0.27</i>

- The Real Return portfolio underperformed by 56 basis points FYTD; however, since the bulk of the portfolio is reported on a lag, the Division believes the performance of the portfolio is understated.
- Recent performance of the Real Estate Portfolio has been strong relative to the benchmark based on valuation increases.
- The Fund's underweight to Real Return relative to the target weight has been a positive contributor to performance as equity markets have outperformed.

FYTD Global Growth Performance as of 8/31/13



Returns as of Aug 31, 2013	1 Month	FYTD	CYTD 1 Year	2 Year
Domestic Equity	(2.82)	2.48	16.64	19.87 18.81
S&P 1500 Super Composite (Daily)	(2.95)	2.14	16.41	19.38 18.45
<i>Difference</i>	0.13	0.34	0.23	0.48 0.36
Non-US Dev Market Equity	(1.31)	3.61	7.79	17.72 6.98
NJDI Iran + Sudan Free EAFE + Canada	(1.35)	3.80	7.40	17.41 7.89
<i>Difference</i>	0.04	(0.19)	0.39	0.31 (0.92)
Emerging Market Equity	(2.81)	(1.74)	(11.54)	(0.42) (2.42)
NJDI Iran + Sudan Free EM Index	(1.80)	(1.00)	(9.95)	1.49 (1.83)
<i>Difference</i>	(1.01)	(0.75)	(1.59)	(1.91) (0.60)
Total Equity Oriented Hedge Funds*	0.89	0.89	11.45	16.35 7.21
Custom Equity HF Benchmark	2.82	2.09	11.98	14.17 2.88
<i>Difference</i>	(1.93)	(1.20)	(0.51)	2.18 4.33
Buyouts-Venture Capital	0.37	0.49	10.93	14.86 10.08
Cambridge Associates PE 1 Qtr Lag	0.00	0.00	8.11	12.85 11.96
<i>Difference</i>	0.37	0.49	2.81	2.00 (1.88)

- The Global Growth portfolio has outperformed the benchmark by 3 basis points FYTD and is ahead by 78 basis points year to date.
- The Fund's overweight to Global Growth relative to the target weight, in particular US and Developed Non-US equity, has positively impacted Total Fund performance FYTD as publicly traded equities have been the best performing segment of the portfolio.
- The Domestic Equity portfolio is now ahead of the benchmark by 34 basis points FYTD, while the Developed Market Non-US equity portfolio trails by 19 basis points FYTD.
- The Emerging Markets portfolio trails the benchmark by 75 basis points FYTD as the Adviser portfolios have underperformed by 43 basis points while the ETF portfolio underperformed by 105 basis points. The Adviser portfolio has outperformed by over 150 bps over the past two years.
- The Equity Oriented hedge fund portfolio has performed well over the past year, up over 16%, more than 200 bps above the index, as the managers with higher net equity exposure have done exceptionally well.

*Reported on a one month lag

Based on estimated values