NEW JERSEY DIVISION OF INVESTMENT

Director's Report

May 27, 2015

State Investment Council Meeting

Key Investment Themes

- **The recent reversal of both US dollar strength and commodity price weakness have coincided with near-term outperformance for non-U.S. equity markets**
  - U.S. equities have performed well on an absolute basis and key indices have reached record highs, but non-U.S. stocks have recently outperformed
  - fiscal year-to-date, the U.S. equity market has outperformed other global equity markets, and the Fund has benefitted from its overweight position relative to the Policy Benchmark
  - the U.S. economy now appears to be rebounding following a weak start to 2015 that was impacted by dollar strength and commodity weakness

  The Fund is overweight U.S. equities and continues to maintain a home country bias

- **Fixed income markets have recently declined as global rates have risen from extraordinarily low levels**
  - rates have risen sharply following a rally in early 2015 ahead of the start of quantitative easing in Europe
  - fiscal year-to-date, fixed income has realized positive returns as U.S. Treasury rates have declined, on balance
  - the start of monetary policy tightening may prove challenging for Treasuries in light of historically low yields

  The Fund is underweight U.S. Treasury securities and is maintaining a below-benchmark duration profile ahead of the Fed's "lift-off" to higher targeted interest rates

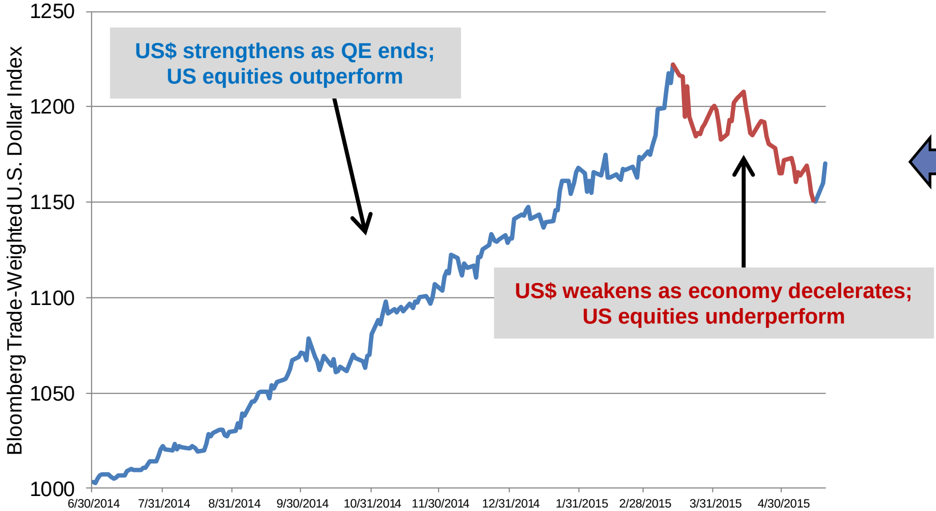
- **Following a period of outsized performance, fiscal year-to-date public market returns have been subpar and uneven, leading to certain dislocations and a likelihood for higher volatility going forward**
  - fiscal year-to-date, Risk Mitigation has been the best relative performing asset class within the Fund, with absolute return strategies leading more volatile public market returns

The Fund is maintaining an above target allocation to cash

The Division is recommending an increase in the allocation to Risk Mitigation in light of stretched valuations in certain public market asset classes

Sharp Moves in the U.S. Dollar and Oil Are Impacting Global Economies and Capital Markets

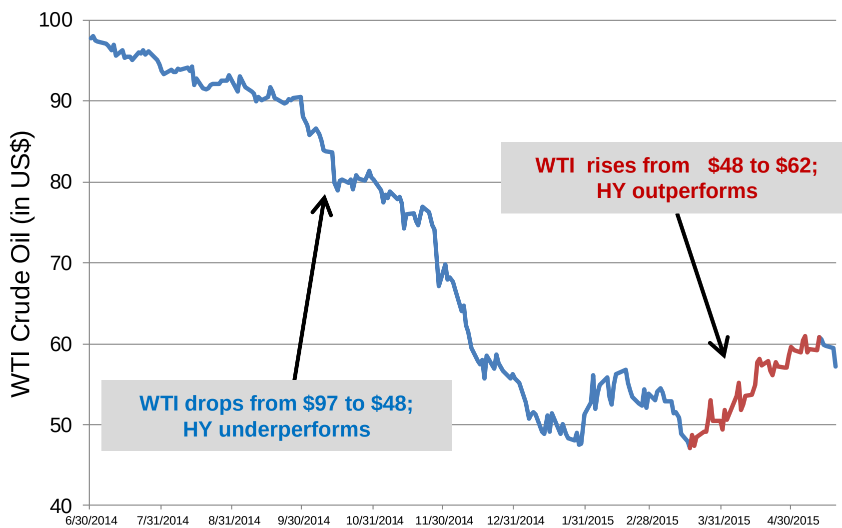
Partial Reversal of U.S. Dollar Strengthening



The U.S. dollar rose 22% versus a trade-weighted basket of currencies since the beginning of the fiscal year through mid-March, reflecting divergent paths for global monetary policies and economic prospects, as well as an expectation for higher U.S. interest rates. **The greenback reversed course and declined by 6% over the ensuing two months as U.S. economic growth slowed and markets discounted the possibility that Fed "lift-off" may be delayed.** Over the same two month period, the euro outperformed the dollar by 8% and European stocks outperformed the U.S. market by 6.5%.

Partial Rebound in Oil

Crude oil dropped 57% since the beginning of the fiscal year through mid-March, as supply concerns led to a sharp sell-off. **Since reaching its trough, oil has gained 30% in less than two months as U.S. drillers reduced active rigs by 57% to the lowest level since September 2010.** As oil rebounded, interest rates broadly moved sharply higher. The energy-sensitive high yield market proved resilient and realized positive returns (+2%), outperforming long-dated Treasuries by 7.5% over the same two month period.



Directional changes in the US$ and oil are impacting financial market returns

Source: Bloomberg

4

Impact of U.S. Dollar and Energy Prices on Capital Market Returns

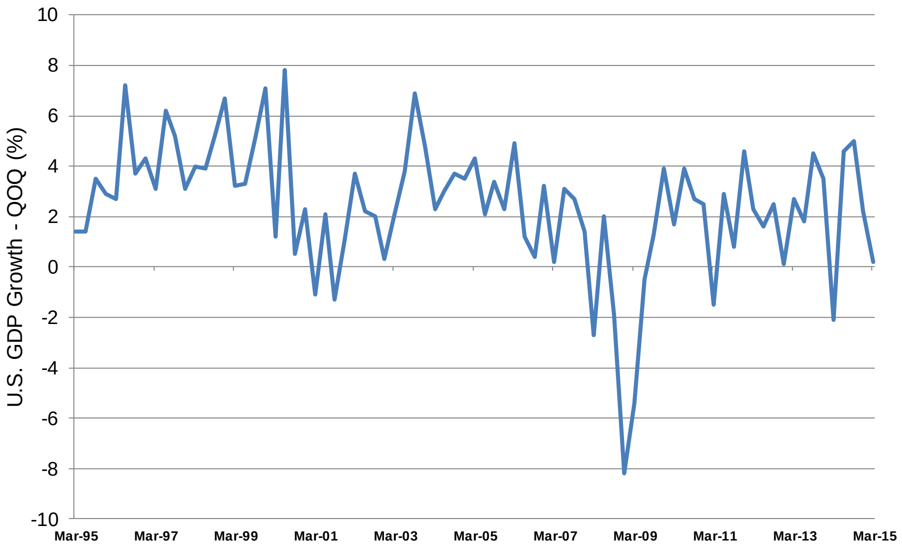
(returns in US$)

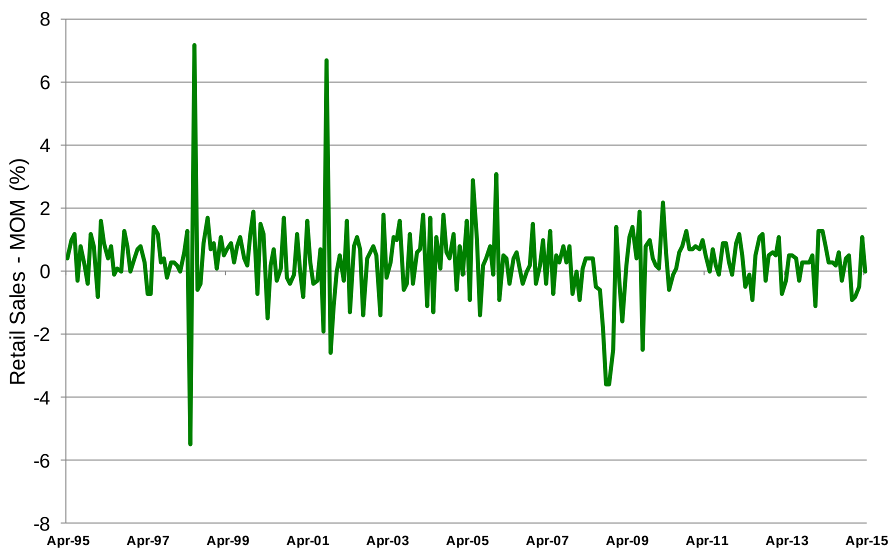
	June 30, 2014 - March 16, 2015	March 16, 2015 - April 30, 2015	June 30, 2014 - April 30, 2015
Commodities & Currencies	OPEC inaction leads oil lower. US$ strengthens as QE comes to an end.	Oil bounces as global economy rebounds. European economic recovery strengthens currency.	
WTI Crude Oil	-56.8%	+24.7%	-46.2%
Trade Weighted US Dollar	+21.3%	-4.2%	+16.1%
Equities	US equities realize strong returns while global equities sell off.	EM and Non-US DM realize strong returns while US is essentially flat.	
US Equities	+7.5%	+0.3%	+7.8%
European Equities	-8.5%	+5.5%	-3.4%
Emerging Markets	-9.0%	+11.7%	+1.7%
Fixed Income	Treasuries realize solid returns and high yield bonds sell off.	High yield bonds rally and Treasuries realize modest gain.	
US Treasuries	+3.0%	+0.4%	+3.4%
High Yield Bonds	-1.0%	+1.8%	+0.8%

Source: Barclays Capital and Bloomberg

Update on the U.S. Economy

During the March quarter, the U.S. economy expanded a tepid 0.2%, representing a sharp deceleration from the 2.2% pace from the prior quarter. Business spending contracted as lower energy prices depressed capital expenditures and a strong U.S. dollar weakened demand for exports. The increased trade deficit trimmed 1.3% off GDP, while corporate earnings were adversely impacted by the strong dollar and lower earnings within the energy sector.





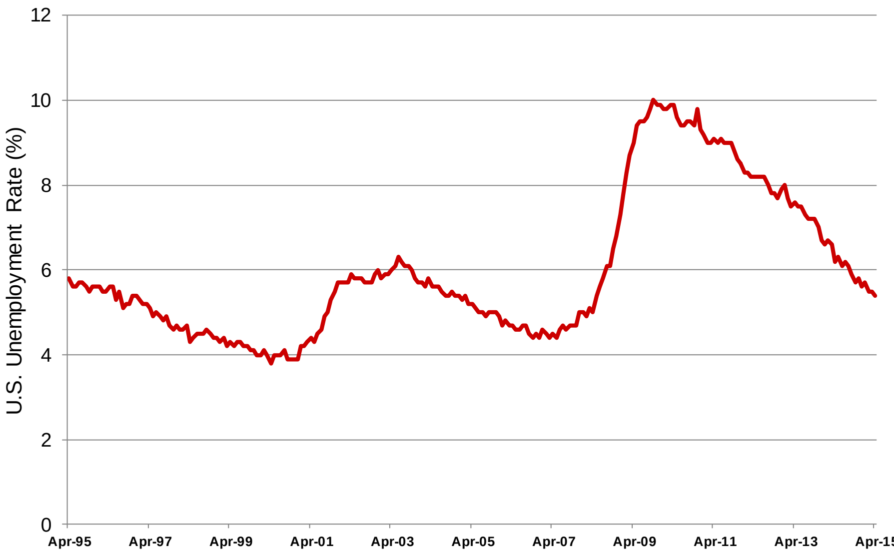
Despite lower energy prices during the March quarter, consumer spending decelerated from its highest level in nine years (4.4%) to an annualized rate of 1.9%. More recently, **retail sales in April were flat versus the prior month,** suggesting transient factors such as inclement weather and west coast port strikes may not fully explain the slowdown in spending.

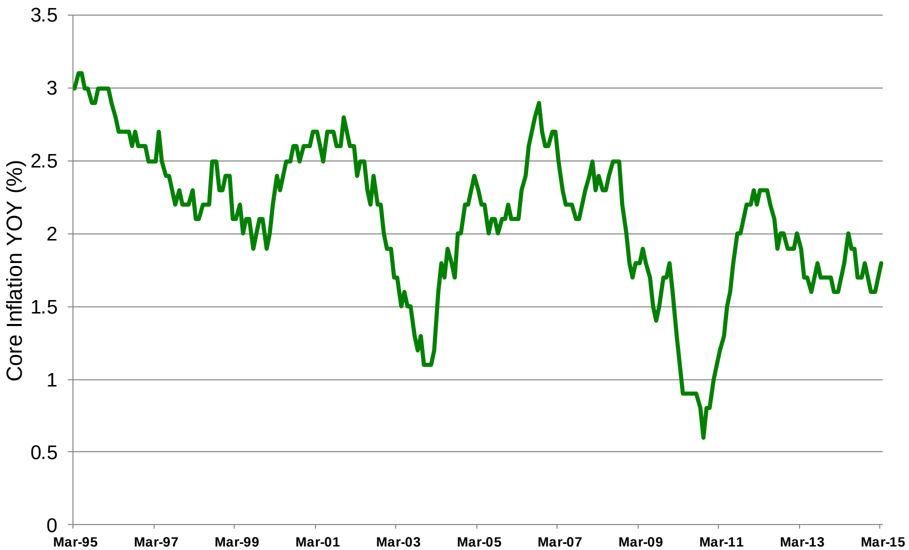
While U.S. stocks realized favorable returns, performance lagged the global equity rally as the strong dollar adversely impacted returns for multi-nationals, as U.S. energy producers faced the headwind of lower oil, and as the economy decelerated early in 2015

Source: Bloomberg

Update on the U.S. Economy

Improvements in the job market may help economic growth prospects going forward. **In April, the unemployment rate (5.4%) dropped to its lowest level in nearly seven years,** although the participation rate (62.8%) remained near its lowest level since 1978. In the meantime, year-over-year wage growth of 2.2% was modest versus the underlying strength in job creation.





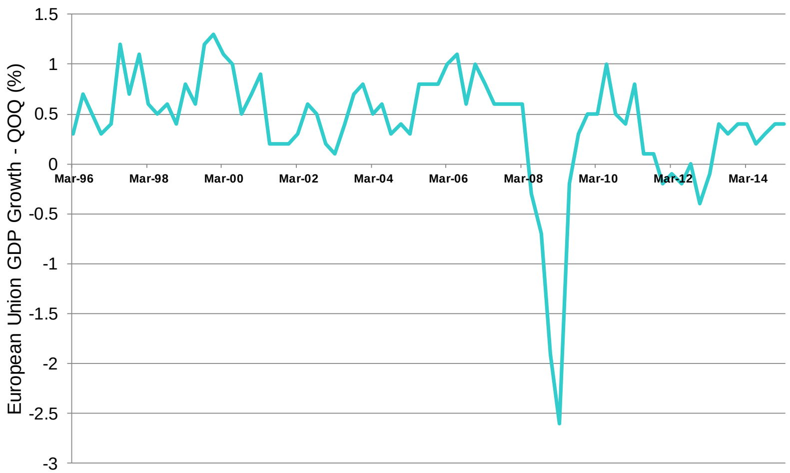
In March, year-over-year core inflation increased at a 1.8% pace, suggesting the aforementioned drop in oil may prove to have only a temporary effect on consumer prices. Still, headline inflation actually declined (-0.1%) on a year-over-year basis through March. According to the minutes of the April 2015 FOMC Meeting (released May 20), the Federal Reserve staff modestly increased its near term forecast for inflation to reflect recent monthly data and “a path for crude oil prices that was a bit higher.” Still, the FOMC “thought it unlikely that the data available in June would provide sufficient confirmation” to increase the targeted Fed Funds rate.

While U.S. economic growth has been disappointing so far in 2015, a more favorable backdrop for employment and the Fed's expectation that inflation will pick up both suggest that Fed "lift-off" will commence this year, but the pace and timing of policy tightening remain data dependent

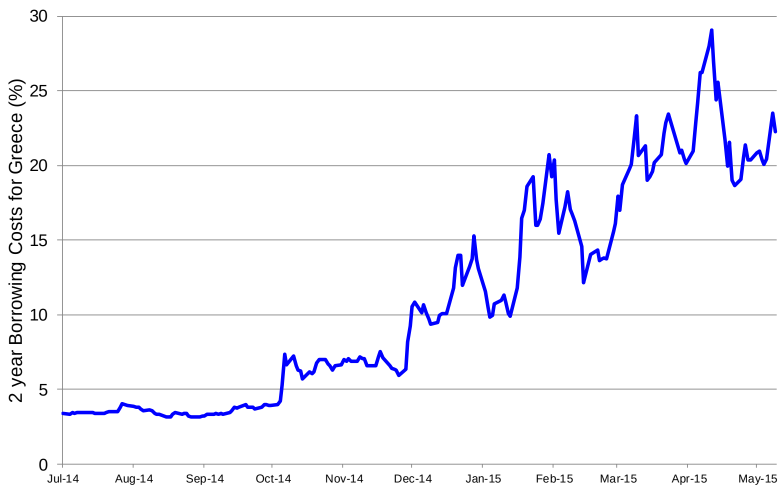
Source: Bloomberg

Update on the European Economy

During the March quarter, the European economy expanded 0.4%, its strongest performance in nearly two years, and the first time since 2011 that quarterly European growth exceeded U.S. growth. The modest growth coincided with the start of a €1.1 trillion (US$1.2 trillion) quantitative easing program and was supported by a weaker euro and lower oil prices. According to ECB Chair Mario Draghi, "The economic situation and the short-term outlook for the euro area are currently brighter than they have been for several years" as a "strengthened financial sector, an accommodative macroeconomic policy setting, sound fiscal policies and a determination by euro area governments to pursue structural reforms should allow the euro area to embark on a sustainable growth path in a context of price stability."



The European recovery may now face some challenges as the euro has subsequently strengthened and oil has rebounded. Additionally, as of this writing, no permanent solution has been reached for Greece at the same time Greek banks are nearing their own ECB borrowing limits as depositors' withdrawal rates accelerate. The increased rate of bank withdrawal and the lack of progress in Greek negotiations with the IMF and ECB raise the risk of tighter lending requirements for banks that, in turn, could force the Greek government to impose capital controls. While a Grexit scenario remains a risk, as reflected in **elevated Greek borrowing costs**, progress has been made in reducing global financial institution exposure to Greece and the European Union is somewhat more resilient to contagion risk in the wake of a modest economic recovery.

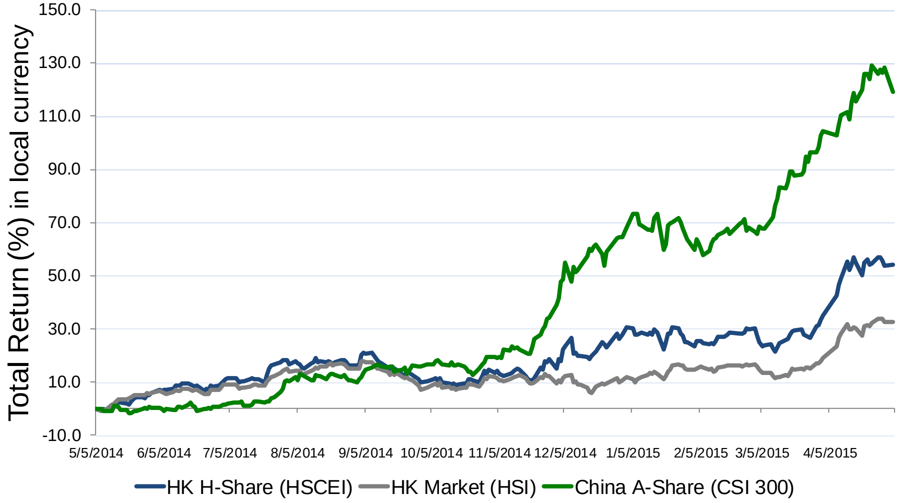


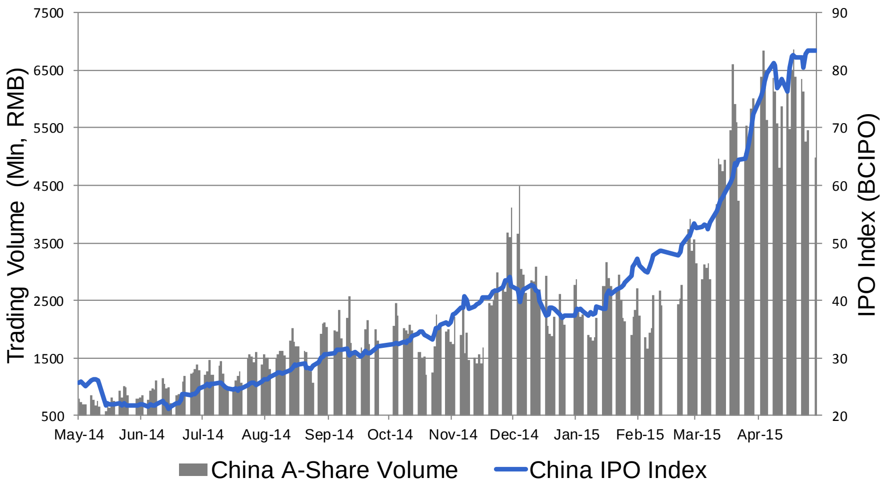
Strong European equity returns were supported by the start of quantitative easing and a modest economic recovery; going forward, the tailwinds of a weak euro and low energy prices may not provide the same stimulative effect

Source: Bloomberg

Update on China

Over the past year, China's mainland stock market has more than doubled in value. A key driver of the outsized returns was the introduction of the Stock Connect program in November 2014 allowed Chinese investors to participate in trading on the Hong Kong exchange and helped expand foreign investor access to the mainland exchange. Further monetary policy accommodation also supported increased fund flows and valuations as the People's Bank of China (PBoC) reduced targeted borrowing costs three times since November.





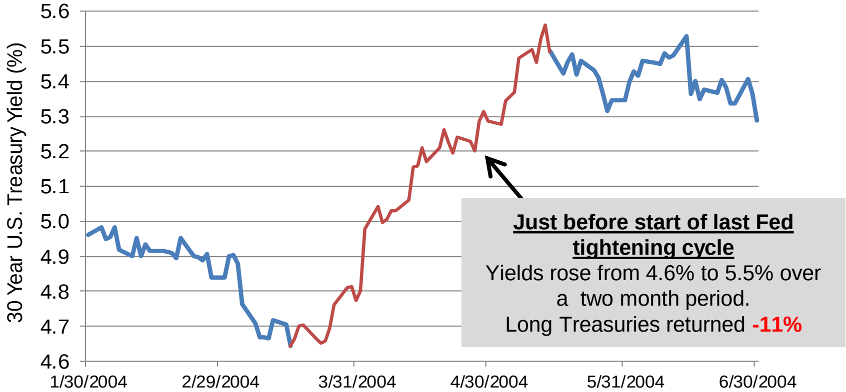
Monetary stimulus from the PBoC, local investor buying on margin, and optimism regarding the Stock Connect program have led to a significant increase in trading volume. This, in turn, has given strength to a rally that has supported an IPO market on track to set a new record. Going forward, increased inclusion in global indices will likely support further volume gains and increase demand for shares.

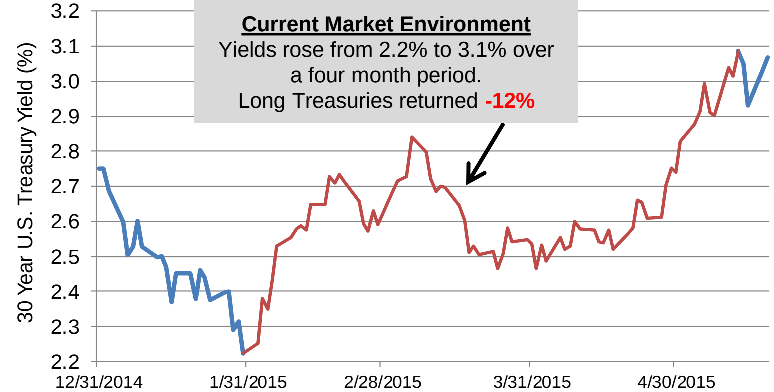
Outsized gains in China have impacted relative returns, as the Fund's Emerging Markets Program is underweight China; going forward, returns for mainland China will play a more significant role as its index market share increases

Source: Bloomberg and Morgan Stanley

Public Fixed Income Markets Face Challenges As U.S. Policy Accommodation Declines

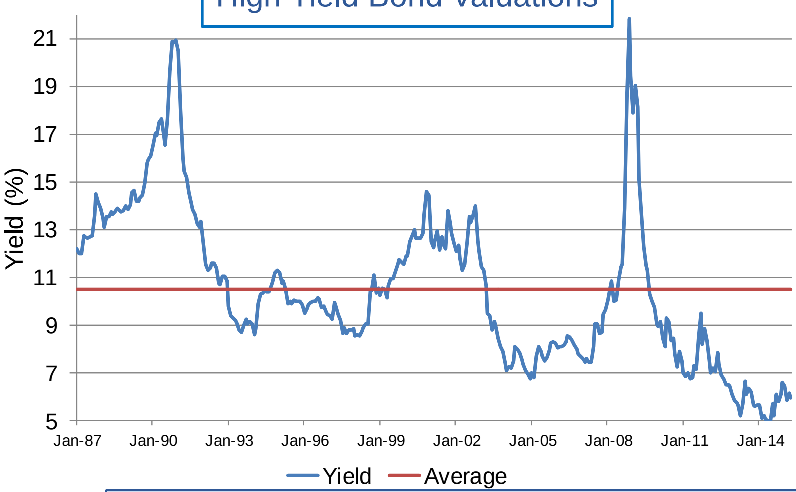
30-year U.S. Treasury Bond Yield Ahead of "Lift-Off"





"When the Fed decides it's time to begin raising rates… we could see a sharp jump in long-term rates."
- Dr. Janet Yellen, Chair, Federal Reserve May 6, 2015

High Yield Bond Valuations



The current yield is 450 bps below the long-term *average* yield

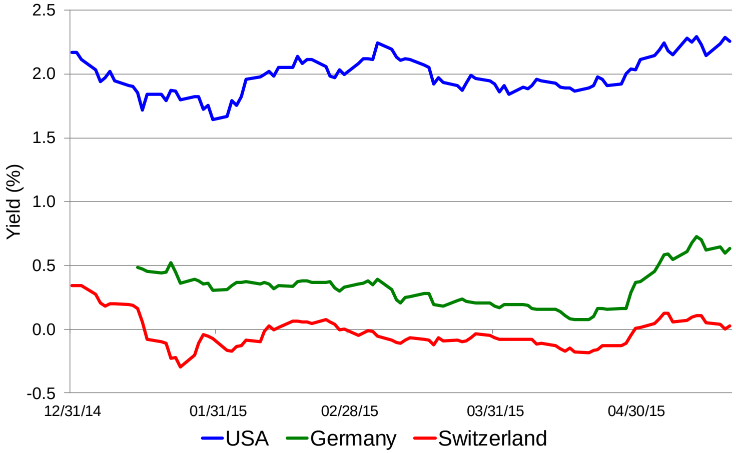
""In the market for leveraged loans, we've certainly seen a reach for yield and we're seeing a deterioration in underwriting standards. We've also seen a compression in spreads on high yield debt which certainly looks like a reach for yield- type of behavior."
- Dr. Janet Yellen, Chair, Federal Reserve May 6, 2015

The Fund is maintaining a defensive posture towards the fixed income markets ahead of tighter monetary policy and in light of high valuations

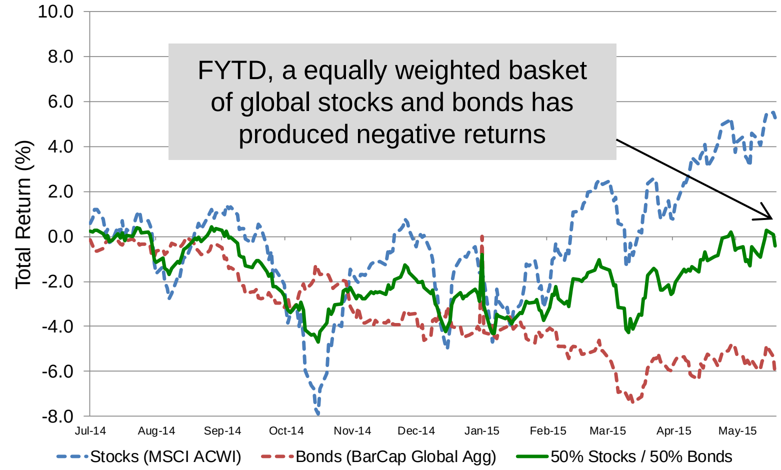
Source: Barclays Capital and Bloomberg

Low Interest Rates And High Market Valuations Support a More Defensive Posture

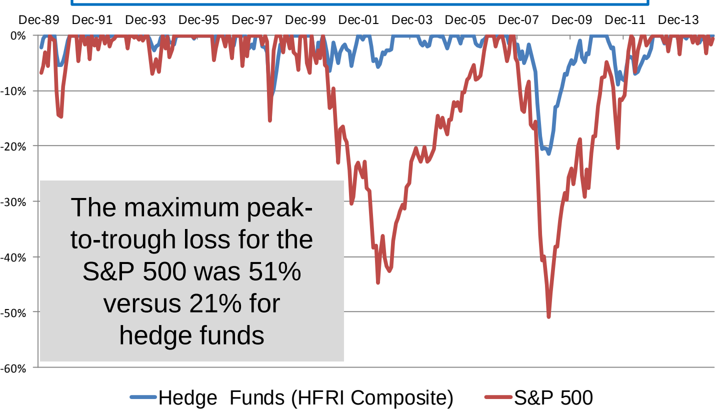
Select Global Sovereign Bond Yields



Fiscal YTD Global Capital Market Returns



Historical Drawdowns



““After more than six years at the zero lower bound, lift-off will signal a regime shift even though policy would only be slightly less accommodative after lift-off than it is before. I expect that this will have implications for global capital flows, foreign exchange valuation and financial asset prices even if it is mostly anticipated when it occurs.”

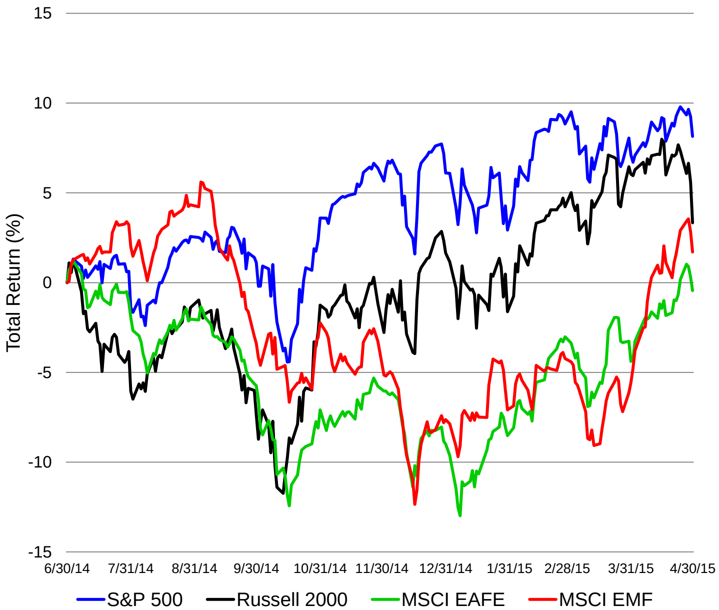
- William Dudley, President, New York Federal Reserve May 12, 2015

The current low interest rate environment has resulted in higher valuations for financial assets and may be a harbinger for lower near-term returns; with equity market indices at record highs, a modest increase in downside protection is warranted

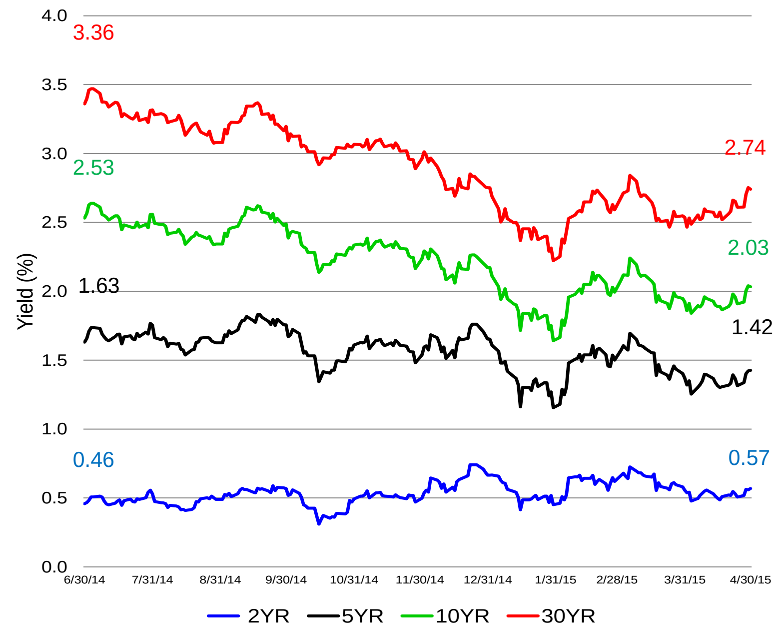
Source: Barclays Capital, Bloomberg and Hedge Fund Research, Inc.

Capital Markets Update (through April 30, 2015)

Fiscal YTD 2015 Equity Market Returns



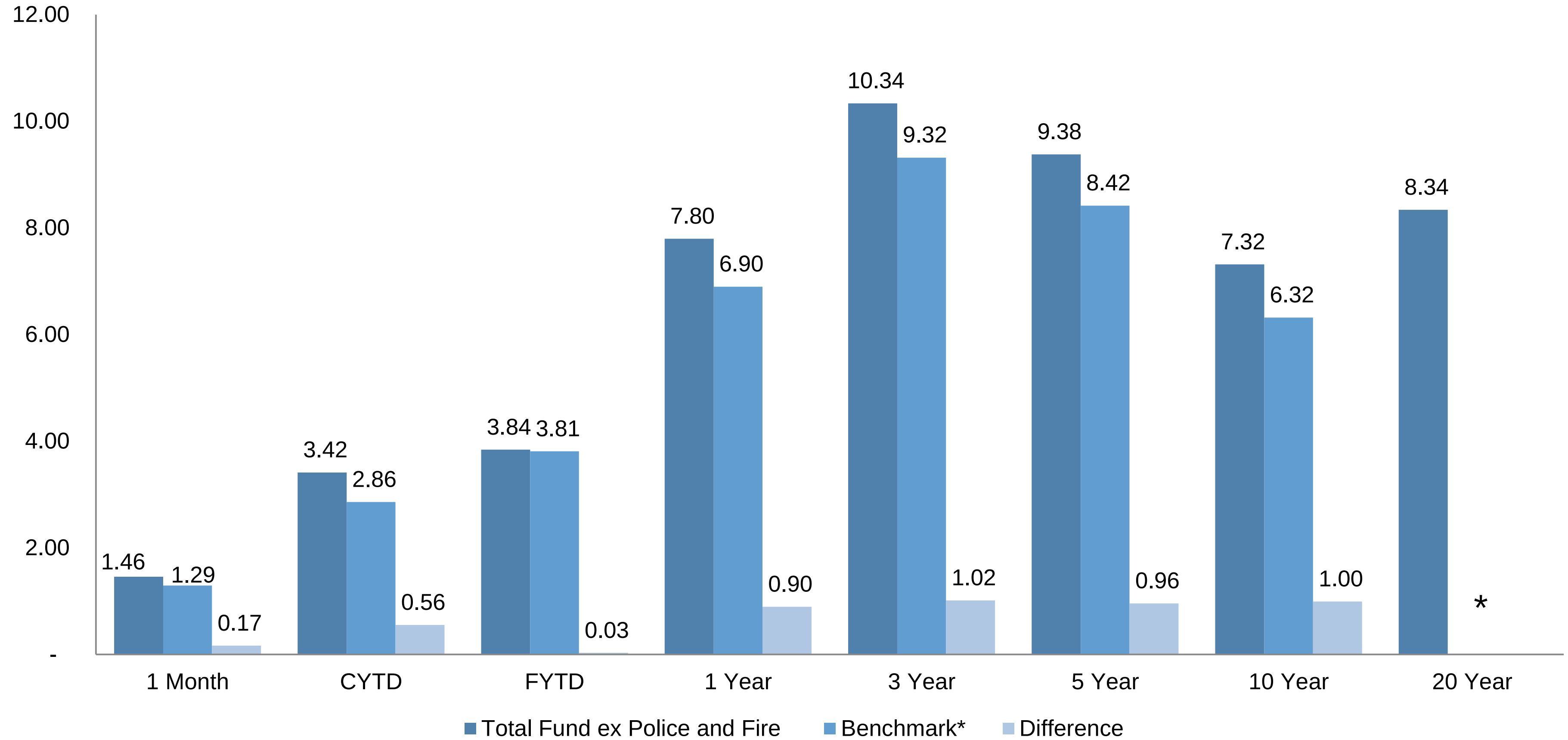
Fiscal YTD 2015 U.S. Treasury Yields



	April 30, 2015	MTD %	CYTD %	FYTD %	1 Yr %	3Yrs %	5 Yrs %	10 Yrs %	
Domestic Equity	S&P 500	0.96	1.92	8.14	12.97	24.98	17.33	8.32	1
	Russell 2000	(2.55)	1.66	3.34	9.71	22.11	19.16	9.16	2
International Equity	MSCI EAFE	4.12	9.39	(0.44)	2.29	13.89	13.12	6.36	3
	MSCI EMF	7.72	10.11	1.71	8.12	5.65	20.84	9.93	4
Bond	Barclays Agg	(0.36)	1.24	3.23	4.46	2.60	4.12	4.75	5
	Barclays HY	1.21	3.76	0.80	2.58	7.51	8.35	8.42	6
	Barclays US Tips	0.74	2.17	0.06	2.48	0.20	3.96	4.43	7
Commodity	Bloomberg	5.73	(0.56)	(22.94)	(24.71)	(8.34)	(7.39)	(3.77)	8
Real Estate	Bloomberg REIT	(5.26)	(1.48)	8.17	11.90	22.31	16.79	8.07	9

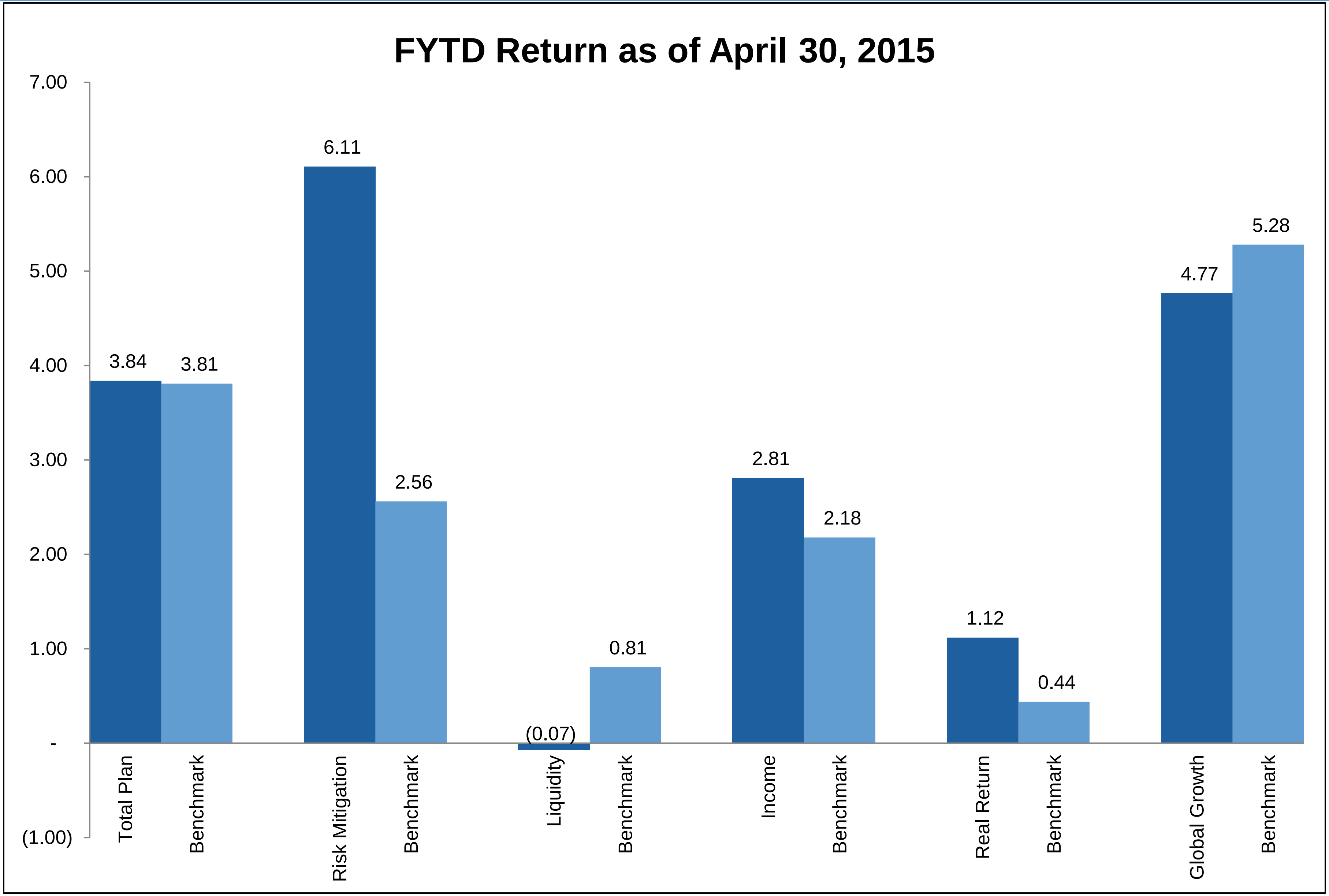
Source: Barclays Capital and Bloomberg

Total Fund ex Police and Fire Performance as of April 30, 2015



- The Total Fund ex Police and Fire Mortgages returned 1.46% in April, outperforming the benchmark by 16 bps
- Calendar Year to Date the Fund has returned 3.42% and Fiscal Year-to-Date the Fund has returned 3.84%
- **The Fund return is above the benchmark for all periods shown**
- **Total Plan assets as of April 30, 2015 were approximately $79.2 billion**

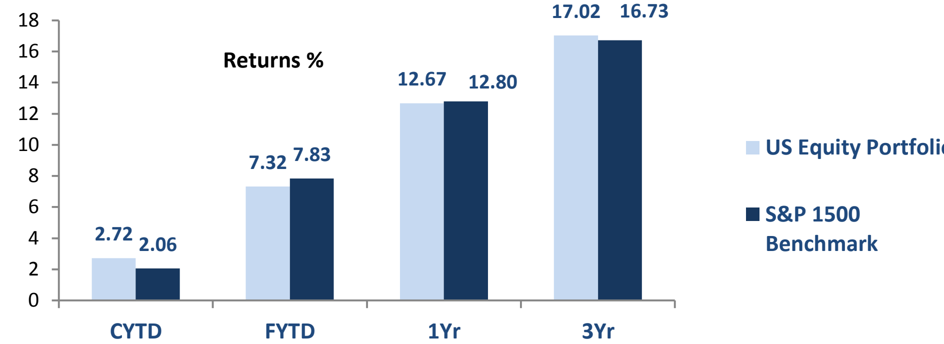
*Benchmark return not available for 20-Year period


FYTD Return as of April 30, 2015
7.00
6.00
5.00
4.00
3.00
2.00
1.00
-
(1.00)
3.84
3.81
6.11
2.56
(0.07)
0.81
2.81
2.18
1.12
0.44
4.77
5.28
Total Plan
Benchmark
Risk Mitigation
Benchmark
Liquidity
Benchmark
Income
Benchmark
Real Return
Benchmark
Global Growth
Benchmark

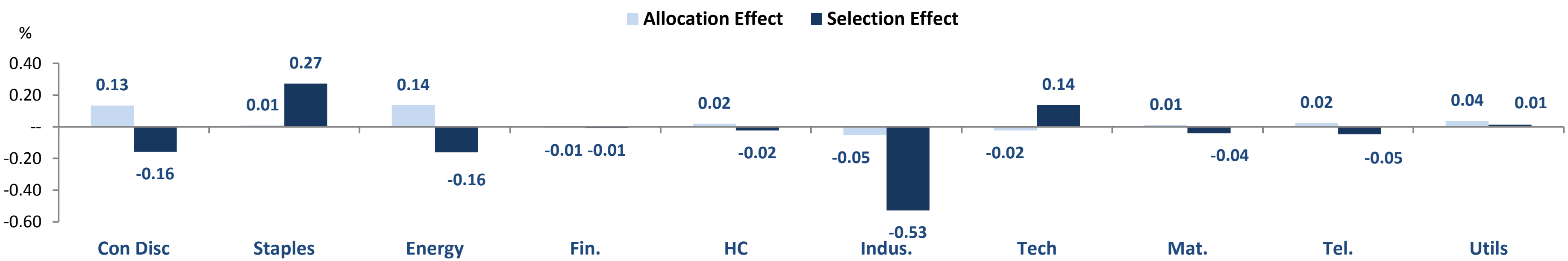
Pension Fund Attribution vs. Benchmark
Fiscal Year to Date through April 30th, 2015

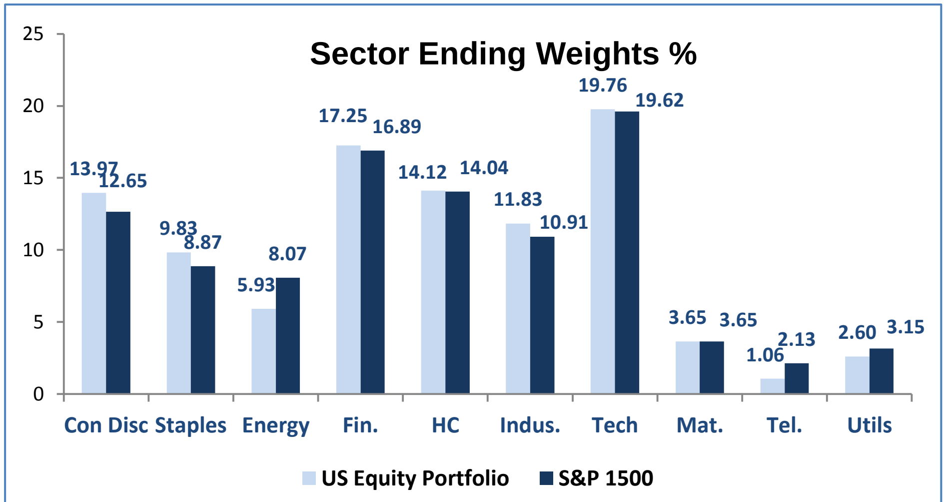
TO BE DISTRIBUTED AT MEETING

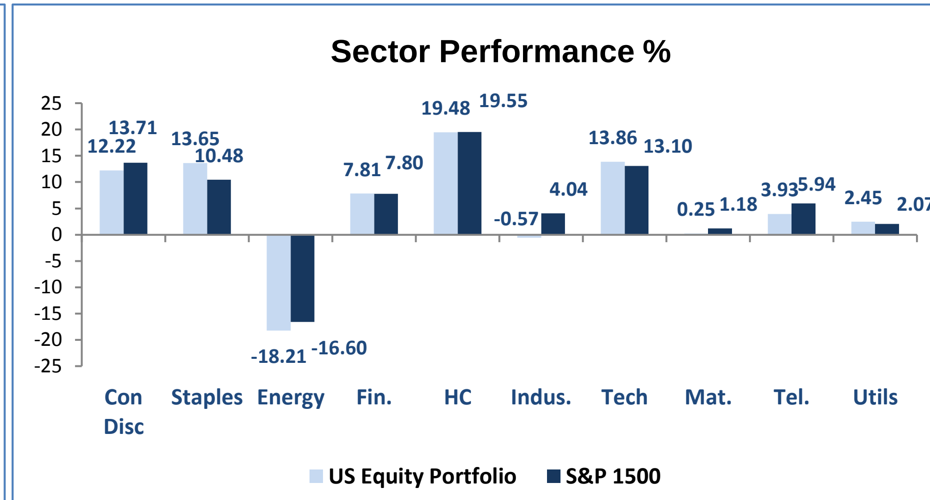
For the fiscal year to date, the US Equity Portfolio returned 7.32% versus the Benchmark return of 7.83%. Relative performance was negatively impacted by the effect of oil price volatility on commodity-related industrial stocks and an underweight exposure to certain specialty retailing stocks. The largest positive contribution to returns came from favorable stock selection within Consumer Staples and an underweight to the energy sector.



Portfolio Sector Attribution FYTD% - Breakdown of Excess Return:	Portfolio Return:	7.32%	Benchmark Return:	7.83%	Excess Return:	-0.51%



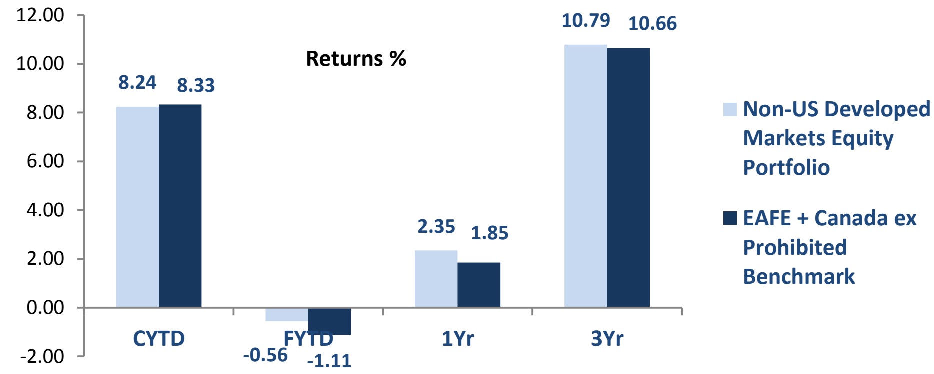




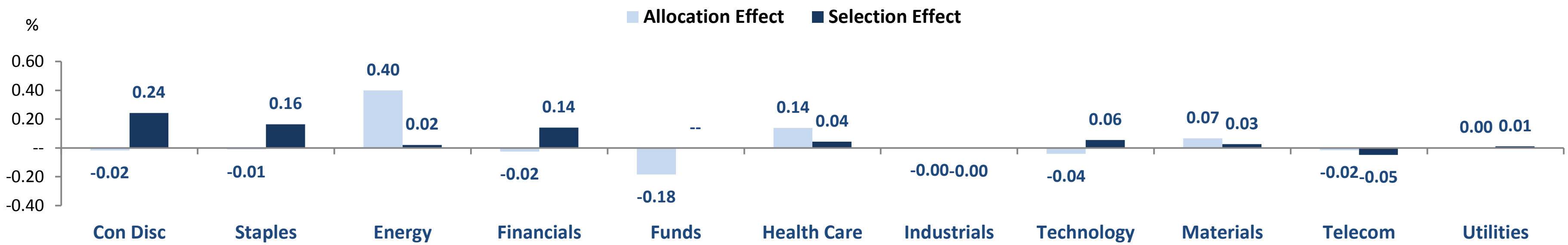
Source: State Street, Factset

Non-US Developed Markets Equity Portfolio – As of April 30th 2015 In USD

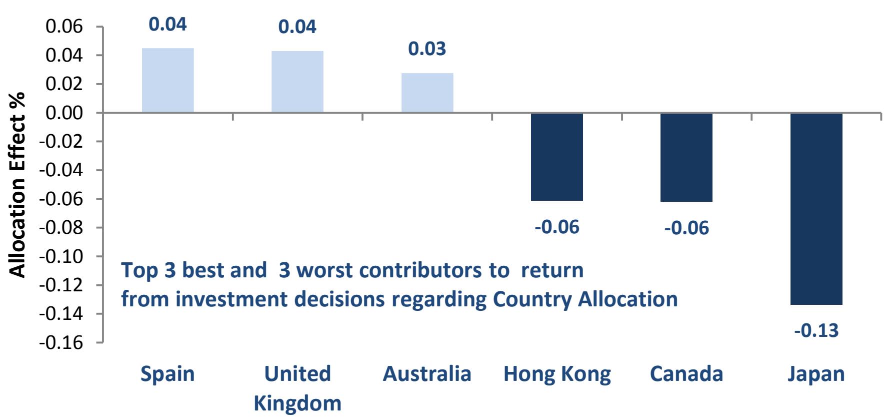
For the fiscal year to date, the Non-US Developed Markets Equity Portfolio returned -0.56% versus the Benchmark return of -1.11%. The outperformance was driven by a strategic move to underweight Canada in response to this market's sensitivity to oil prices. Good stock selection in Japan and France also added value. The move to mitigate the impact of oil exposure in the portfolio was also reflected in the underweight allocation to the Energy Sector, which resulted in Energy being the largest positive contributor to Sector Allocation Effect. Stock selection within the Consumer Discretionary sector was a positive contributor to the portfolio's outperformance.

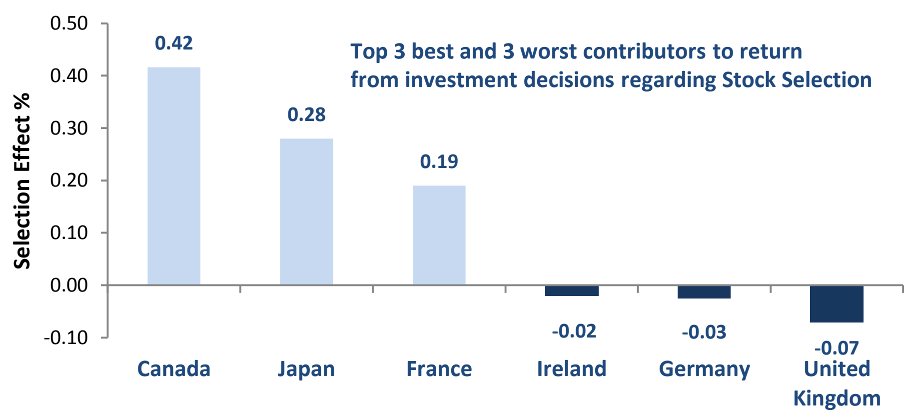


Portfolio Sector Attribution FYTD% - Breakdown of Excess Return: Portfolio Return: -0.56% Benchmark Return: -1.11% Excess Return: +0.55%



Portfolio Country Attribution FYTD% - Breakdown of Excess Return: Portfolio Return: -0.56% Benchmark Return: -1.11% Excess Return: +0.55%

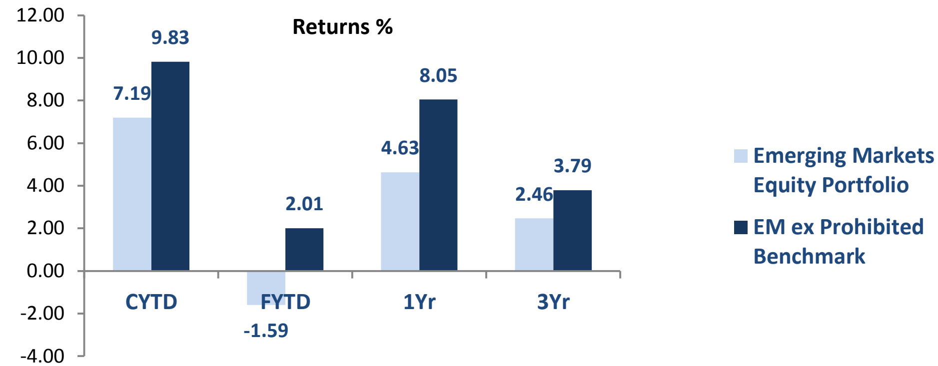




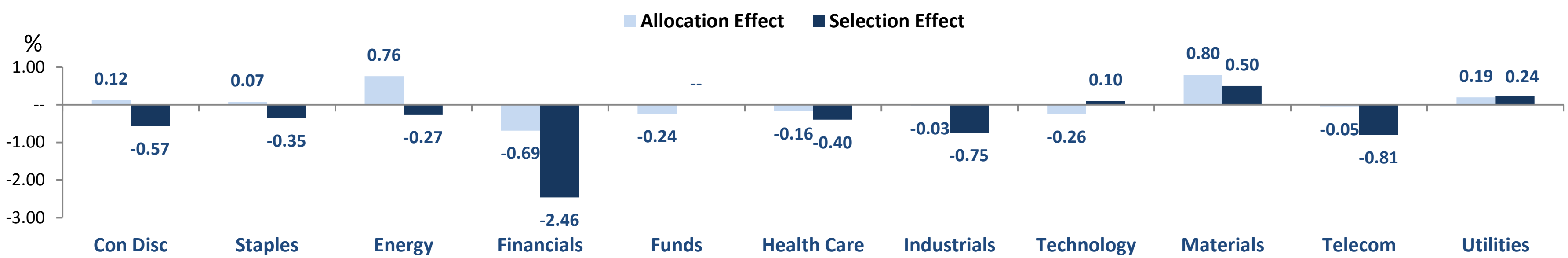
Source: State Street, Factset

Emerging Markets Equity Portfolio – As of April 30th 2015 In USD

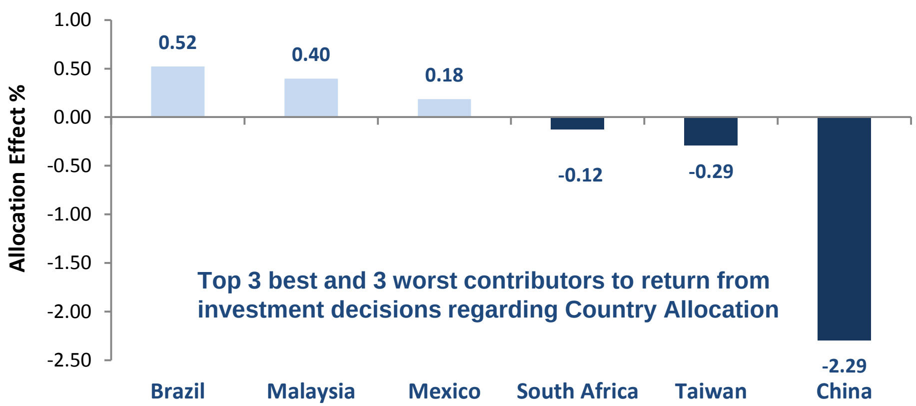
For the fiscal year to date, the Emerging Markets Equity portfolio returned -1.59% versus the Benchmark return of 2.01%. Global geopolitical turmoil combined with volatile oil prices, diverging monetary policies of central banks, and a stronger US dollar all presented a challenging investment environment for the Emerging Markets. The largest negative impact to portfolio performance resulted from having an underweight to China, whose markets experienced a strong rally during the fiscal year, along with stock selection in Russia and within the Financials sector. Positive contributions to performance resulted from the underweight positions in Brazil, Malaysia and Mexico as well as underweight positions in Materials and Energy.

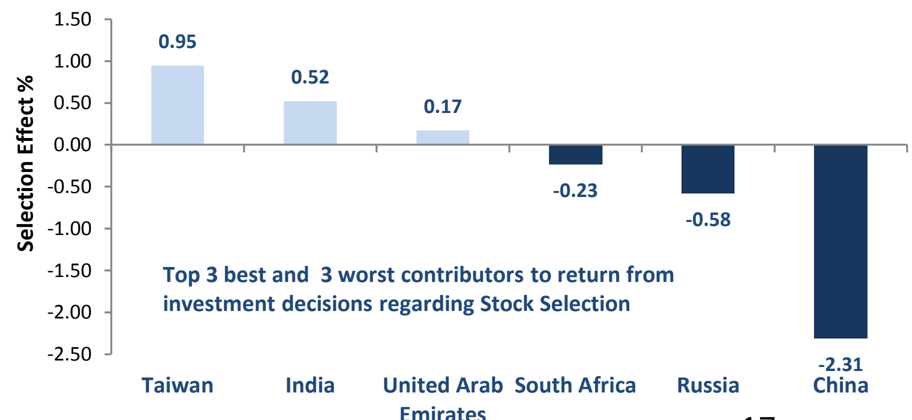


Portfolio Sector Attribution FYTD% - Breakdown of Excess Return:	Portfolio Return:	-1.59%	Benchmark Return:	2.01%	Excess Return:	-3.60%



Portfolio Country Attribution FYTD% - Breakdown of Excess Return:	Portfolio Return:	-1.59%	Benchmark Return:	2.01%	Excess Return:	-3.60%

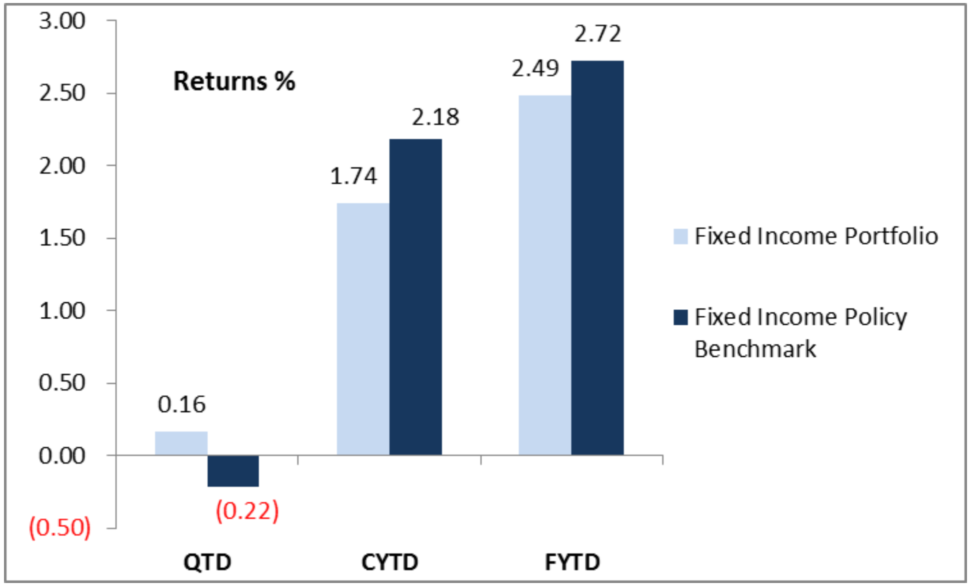




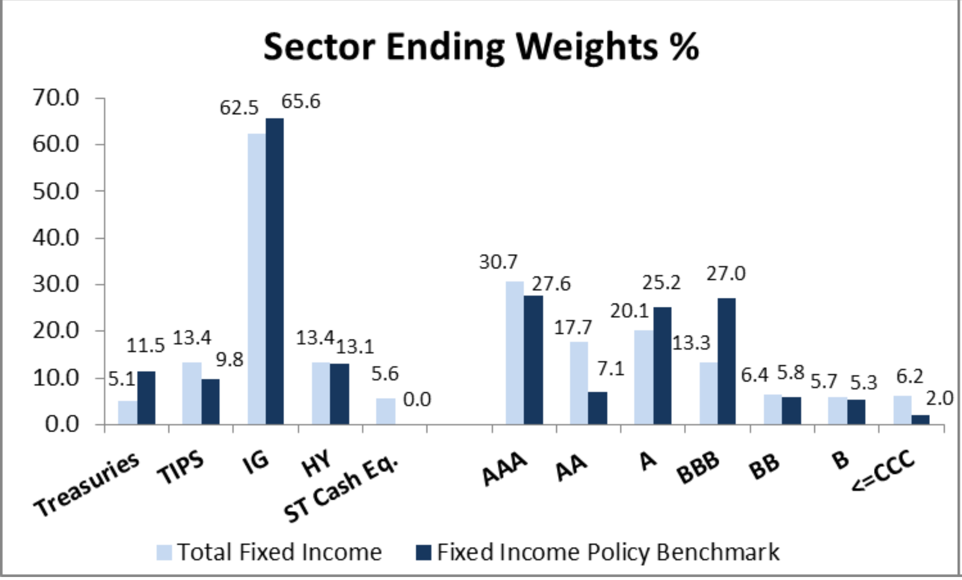
Source: State Street, Factset

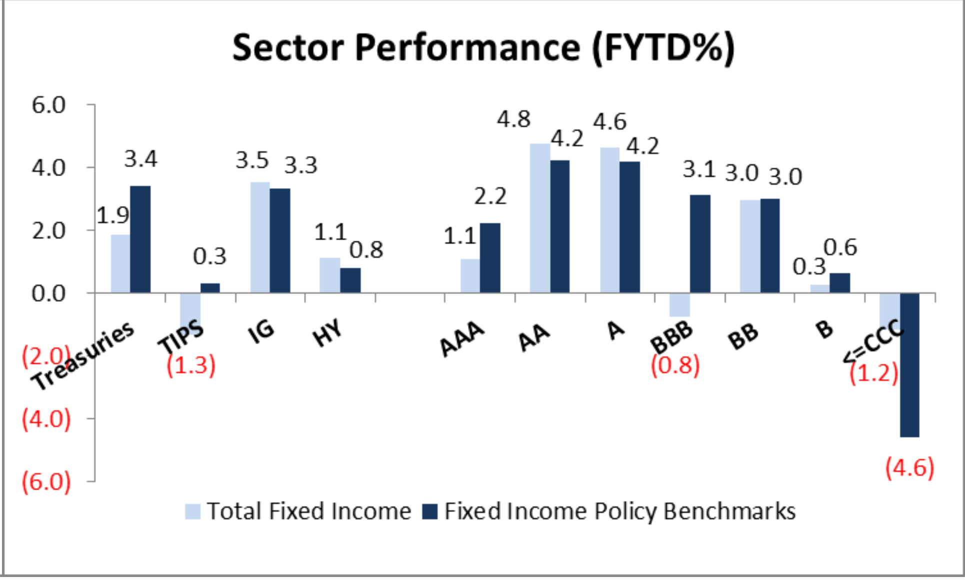
Domestic Fixed Income Portfolio – As of April 30th 2015

For the fiscal year to date, the US Fixed Income Portfolio returned 2.49% versus the Benchmark return of 2.72%. Relative performance was adversely impacted by the Fund's underweight allocation and below benchmark duration profile versus U.S. Treasuries. Over the past ten months, lower interest rates have led to higher bond prices. FYTD, U.S. Treasuries outperformed investment grade (IG) and high yield (HY) corporate bonds as five, ten and thirty-year yields declined 21, 50, and 62 basis points, respectively. The Fund benefited from strong relative returns within the IG and HY portfolios. Within IG, quality selection added value as the Fund emphasized higher quality securities that outperformed on a duration-adjusted basis. Within HY, favorable returns (+1.1% versus +0.8% for the BarCap High Yield Index) were attributable to security selection.



Portfolio Sector Attribution – Weights and Performance





Source: State Street and FactSet

Asset Allocation with Hedges as of April 30, 2015

Line#	Asset Class	Current Assets Not Adjusted for Hedges ($ in millions)	Current Allocation Not Adjusted for Hedges	FY 2015 Target	Over/Under Weight 2015 Target (Hedge Adjusted)	Long Term Target Range
1	**RISK MITIGATION**	**3,336**	**4.24%**	**4.00%**	**0.24%**	**0-5%**
2	Absolute Return HFs	3,336	4.24%	4.00%	0.24%	0-5%
3	**LIQUIDITY**	**7,828**	**9.94%**	**8.25%**	**1.69%**	**2-15%**
4	Cash Eqv/Short Term	5,631	7.15%	5.00%	2.15%	0-15%
5	TIPS	1,594	2.02%	1.50%	0.52%	0-10%
6	US Treasuries	604	0.77%	1.75%	-0.98%	0-10%
7	**INCOME**	**16,660**	**21.15%**	**22.60%**	**-1.45%**	**20-40%**
8	Investment Grade Credit	7,744	9.83%	10.00%	-0.17%	8-23%
9	High Yield	1,629	2.07%	2.00%	0.07%	0-8%
10	Global Diversified Credit	2,293	2.91%	3.50%	-0.59%	0-7%
11	Credit-Oriented HFs	2,933	3.72%	4.00%	-0.28%	0-6%
12	Debt-Related PE	784	1.00%	1.00%	0.00%	0-4%
13	Debt Related Real Estate	361	0.46%	1.00%	-0.54%	1-4%
14	P&F Mortgage	917	1.16%	1.10%	0.06%	--
15	**REAL RETURN**	**4,892**	**6.21%**	**7.25%**	**-1.04%**	**3-12%**
16	Commodities	607	0.77%	1.00%	-0.23%	0-7%
17	Private Real Assets	1,176	1.49%	2.00%	-0.51%	0-7%
18	Equity Related Real Estate [1]	3,109	3.95%	4.25%	-0.30%	2-7%
19	**GLOBAL GROWTH**	**45,766**	**58.10%**	**57.90%**	**0.20%**	**45-65%**
20	US Equity	22,635	28.74%	27.25%	1.49%	15-35%
21	Non-US Dev Market Eq	8,695	11.04%	12.00%	-0.96%	8-20%
22	Emerging Market Eq	4,693	5.96%	6.40%	-0.44%	5-15%
23	Buyouts/Venture Cap [2]	6,241	7.92%	8.25%	-0.33%	4-10%
24	Equity-Oriented HFs	3,501	4.45%	4.00%	0.45%	0-8%
25	**OPPORTUNISTIC PE**	**180**	**0.23%**	**0.00%**	**0.00%**	0.00%
26	**OTHER**	**107**	**0.14%**	**0.00%**	**0.00%**	0.00%

[1] Current assets do not include receivables of $396 million related to Real Estate secondary sale

[2] Current assets do not include receivables of $33 million related to Private Equity secondary sale

Based on preliminary values

NJDOI Updates (3/1/15 through 4/30/15)

US Equity

- Net sales of $157 million for the period. Overweight relative to its fiscal 2015 target declined from approximately 250 bps including hedges to 150 bps
- Continued to make back FYTD underperformance. Outperformed by 29 bps in April, reducing FYTD underperformance to 51 bps from peek of 155 bps as of the end of January
- Trimmed exposure to REITs and utilities due to the expectation of rising interest rates. In addition, the overweight to consumer staples was reduced based on the high valuation and the drag on revenues from the stronger dollar.

International Equity

- The Non-US Developed Markets portfolio was a net buyer of approximately $296 million and moved from a 114 bps underweight to a 96 bps underweight relative to its fiscal 2015 target
  - In the Developed ETF portfolio, increased currency hedged exposure to Japan and initiated Europe
- The Emerging Market portfolio was net buyer of approximately $13 million and moved from a 52 bps underweight to a 44 bps underweight relative to its fiscal 2015 target
- Initiated a British Pounds hedged and increased existing Euro and Yen hedges

Fixed Income

- Net purchaser of $440 million of investment grade bonds for the period
  - Net buys of $288 million in corporates and $153 million of Treasuries and TIPS
- Despite the net purchases, moved from a 13 bps overweight relative to the fiscal 2015 target for Investment Grade Credit at the start of the period to a 17 bps underweight at the end of the period. Slightly increased overweight to TIPS and underweight to Treasuries during the period
- Increased allocation to Short Term Cash Equivalent account from 59 bps to 90 bps. YTW for account improved from 0.30% at start of period to 0.84% at end of the period
- Duration stands at 5.2 years (ex cash) vs benchmark duration of 6.1 years. When factoring in cash, duration stands at 4.3 years

Cash Flows

- Through April 30th, received approximately $1.6 billion from the local municipalities, schools, and police & fire districts for FY15 employer appropriations

State Investment Council

Notifications

Alternative Investment Notifications

BlueCrest Capital Redemption

The Division has submitted to redeem its full interest in BlueCrest Capital International Limited – Class F (“BlueCrest” or the “Fund”) for June 30, 2015 ($283.98 million NAV as of 3/31/15).

The Division originally presented a $200 million commitment in BlueCrest to the State Investment Council (“SIC”) on March 22, 2012, with initial funding on 4/30/2012. As part of a plan to increase the portfolio’s allocation to Risk Mitigation, the Division presented an additional $100 million investment in the Fund at the SIC meeting held February 3, 2014, and it was funded on 2/28/2014. As part of the Division’s Risk Mitigation bucket, BlueCrest has underperformed expectations, leading to the decision to redeem from the Fund, which was supported by hedge fund consultant Cliffwater.

Regiment Capital Redemption

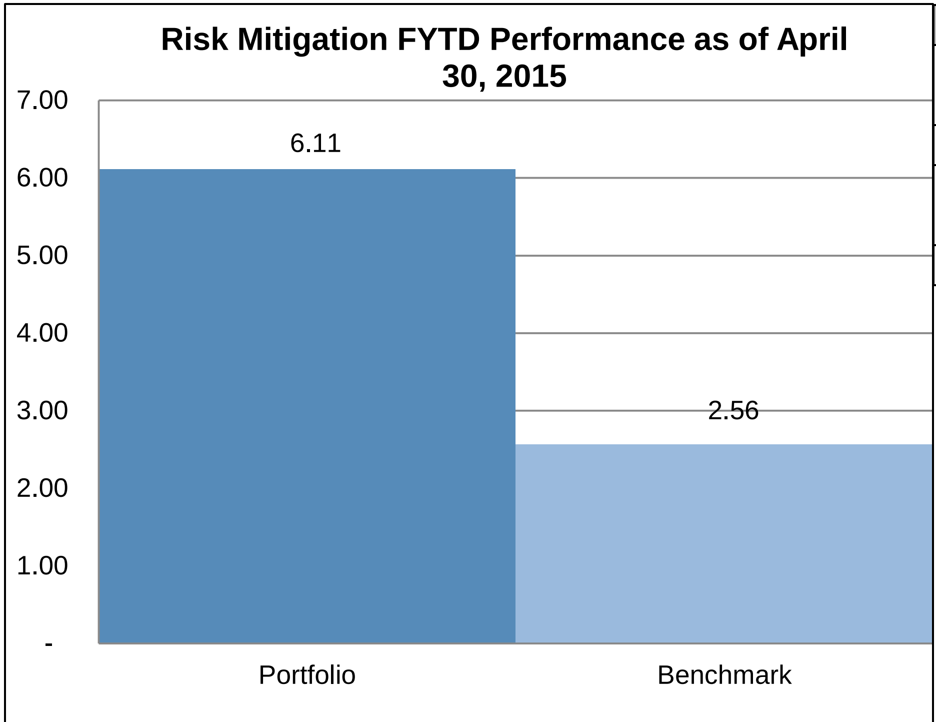
The Division submitted its request on March 24, 2015 to redeem its full interest in Regiment Capital Ltd. Fund (“Regiment” or the “Fund”) for July 1, 2015 ($148.56 million NAV as of 3/31/15). Subsequently, the Division was notified on April 28, 2015 by the manager about its intention to wind down the operations of the Fund. In lieu of normal course redemptions, cash proceeds will be returned to investors over time by way of compulsory redemption of a pro rata share of each investor’s shares. The first compulsory redemption is anticipated to take place on June 1, 2015, where an estimated 50% of the Fund’s value will be distributed. Starting on July 1, 2015, the Fund’s management fee will be significantly reduced from 1.50% per annum to 0.75% per annum of the cost basis of any remaining portfolio investments.

The Division originally presented a $150 million commitment in Regiment to the State Investment Council on December 8, 2011, with full funding on 12/30/2011. Regiment is a diversified long/short credit hedge fund. Concerns regarding performance led the Division to conclude that redemption pressure would increase the firm’s business risk. Due to these concerns, the Division, with recommendation from its hedge fund consultant, Cliffwater LLC, submitted its notice of full redemption of its Regiment interests.

Purpose of Notification:

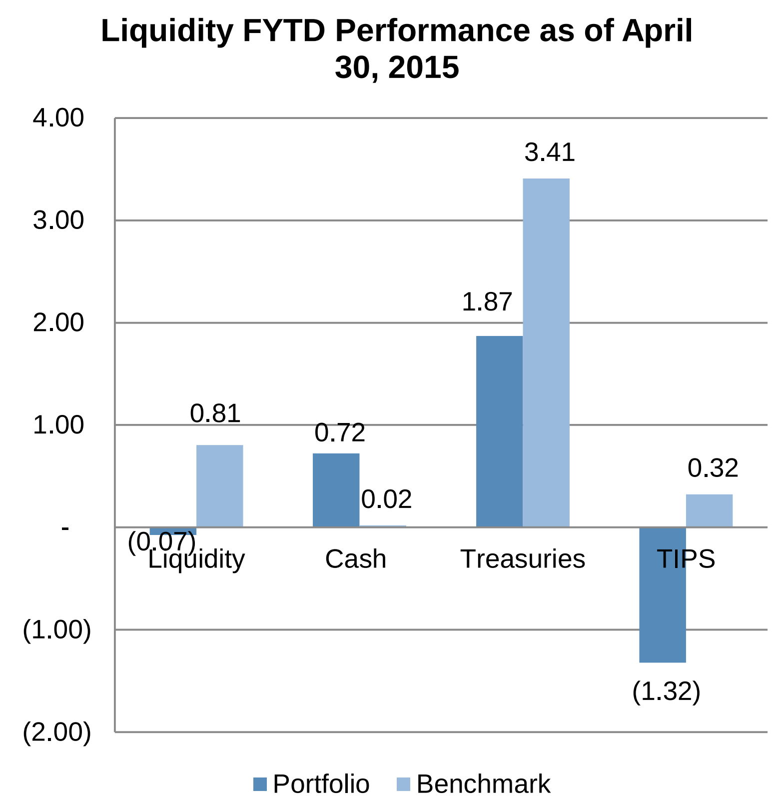
The Division is notifying the SIC of this transaction under its Modifications Procedures.

Performance Appendix



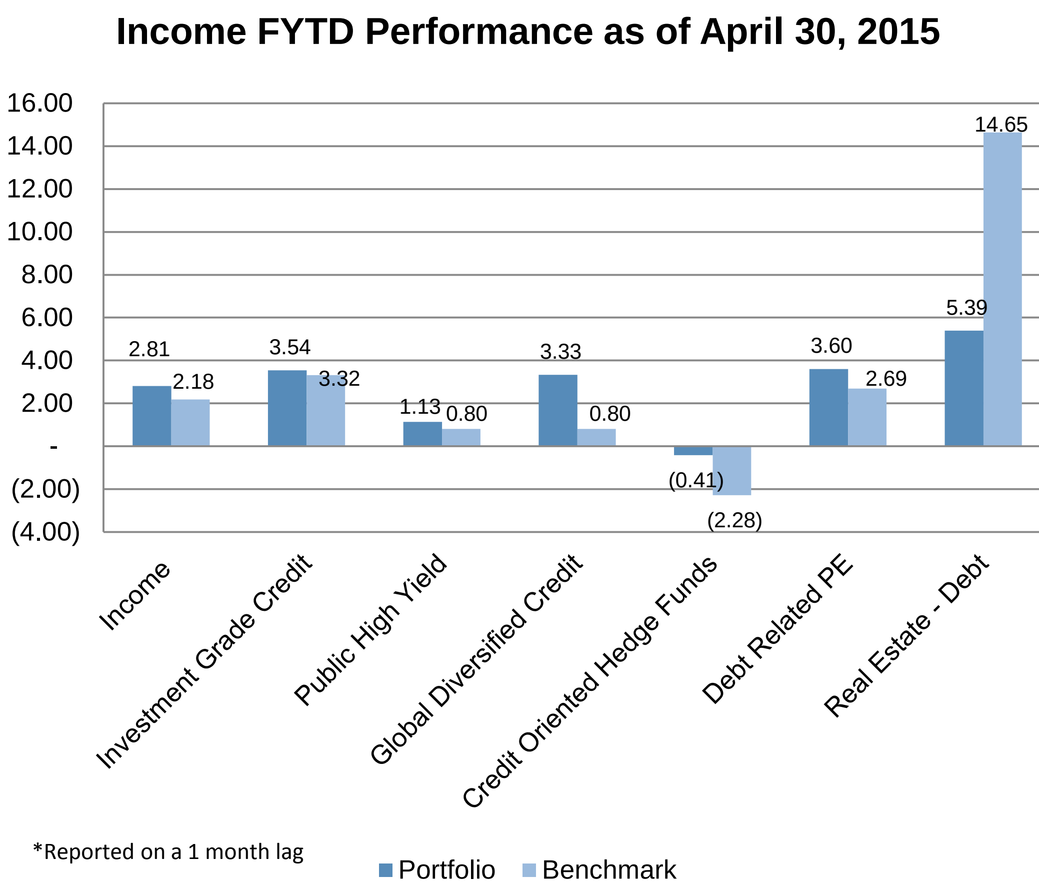
Returns as of April 30, 2015	1 Month	CYTD	FYTD	1 Year	2 Year	3 Year
Absolute Return Hedge Funds	0.97	3.55	6.11	6.96	4.23	4.52
T-Bill + 300 BP	0.25	1.00	2.56	3.07	3.07	3.09
Difference	*0.72*	*2.55*	*3.55*	*3.88*	*1.16*	*1.43*
Total Risk Mitigation	**0.97**	**3.55**	**6.11**	**6.96**	**4.23**	**4.52**
T-Bill + 300 BP	0.25	1.00	2.56	3.07	3.07	3.09
Difference	*0.72*	*2.55*	*3.55*	*3.88*	*1.16*	*1.43*

- 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 6.11% FYTD and 6.96% for the trailing one-year period
- Investments in systematic macro funds, discretionary macro funds, and a low net exposure equity fund have driven the strong performance FYTD
- The Risk Mitigation asset class has outperformed the benchmark over a 1, 2, and 3 year period



Returns as of April 30, 2015	1 Month	CYTD	FYTD	1 Year	2 Year	3 Year
Cash Equivalents	0.20	0.37	0.72	0.89	0.93	1.67
91 day treasury bill	0.00	0.01	0.02	0.03	0.04	0.07
Difference	*0.20*	*0.36*	*0.70*	*0.86*	*0.88*	*1.60*
US Treasuries	(0.18)	1.15	1.87	2.20	(3.02)	0.40
Custom Benchmark	(0.53)	1.11	3.41	4.87	0.85	1.40
Difference	*0.35*	*0.04*	*(1.54)*	*(2.67)*	*(3.87)*	*(1.00)*
TIPS	0.85	1.95	(1.32)	0.65	(3.22)	0.49
Custom Tips Benchmark	0.70	2.17	0.32	4.14	(3.52)	(0.36)
Difference	*0.15*	*(0.22)*	*(1.65)*	*(3.49)*	*0.30*	*0.85*
Total Liquidity	**0.29**	**0.75**	**(0.07)**	**0.40**	**(1.78)**	**0.57**
Benchmark	0.02	0.64	0.81	3.22	(0.99)	0.37
Difference	*0.28*	*0.11*	*(0.88)*	*(2.81)*	*(0.79)*	*0.20*

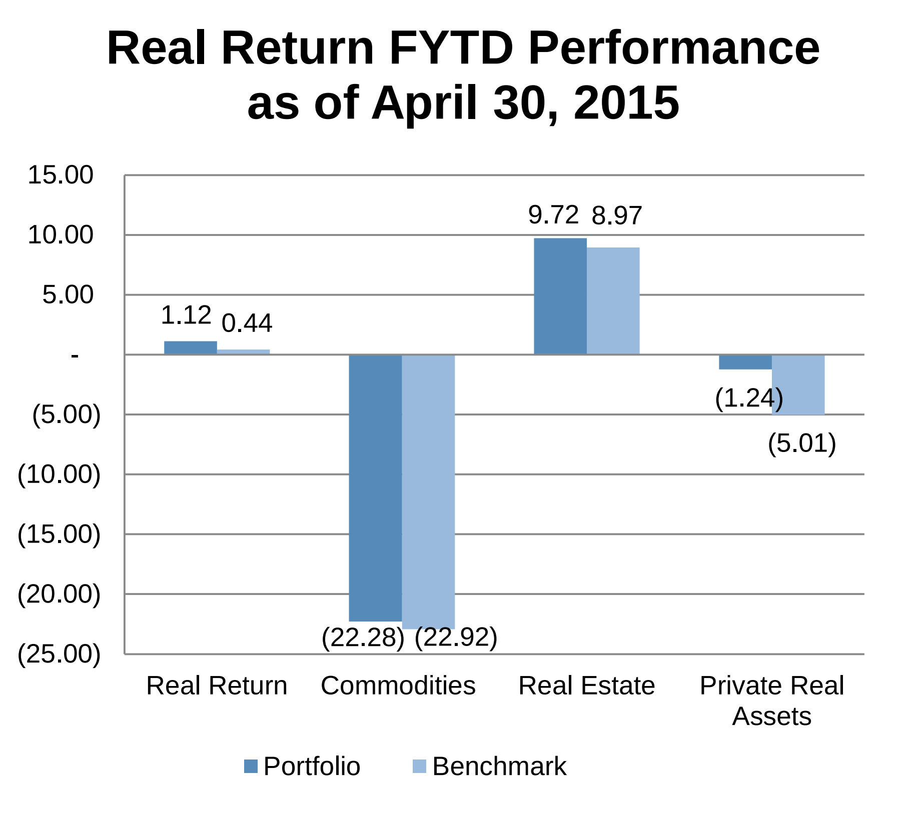
- The Liquidity portfolio has underperformed the benchmark by 88 basis points FYTD as the Treasuries and TIPs portfolios have each underperformed their respective benchmarks. Both portfolios have suffered from having a shorter duration than the benchmark
- An overweight to TIPs and an underweight to nominal Treasuries and Cash has also detracted from performance FYTD
- Over the trailing three years, the Liquidity portfolio has outperformed the benchmark by 20 bps, as outperformance by Cash and TIPS has offset underperformance of the Treasury portfolio



Returns as of April 30, 2015	1 Month	CYTD	FYTD	1 Year	2 Year	3 Year
High Grade	(0.15)	1.72	3.54	5.36	2.09	4.25
Custom IGC Benchmark	(0.59)	1.56	3.32	4.54	1.06	3.42
Difference	*0.44*	*0.16*	*0.21*	*0.82*	*1.04*	*0.82*
Public High Yield	1.15	3.80	1.13	3.10	4.72	7.86
Barclays Corp High Yield (Daily)	1.21	3.76	0.80	2.58	4.42	7.51
Difference	*(0.06)*	*0.04*	*0.33*	*0.52*	*0.30*	*0.35*
Global Diversified Credit	0.86	1.57	3.33	8.96	12.86	14.52
Barclays Corp High Yield (Daily)	1.21	3.76	0.80	2.58	4.42	7.51
Difference	*(0.35)*	*(2.19)*	*2.53*	*6.38*	*8.44*	*7.00*
Credit-Oriented Hedge Funds	(0.05)	0.89	(0.41)	0.41	7.53	9.09
Custom Benchmark	0.34	(0.23)	(2.28)	(1.19)	5.17	6.86
Difference	*(0.39)*	*1.12*	*1.87*	*1.60*	*2.36*	*2.23*
Debt-Related Private Equity	(0.16)	1.57	3.60	6.88	13.64	15.15
BarCap Corp HY (1 Qtr lag) + 300 bps	0.91	0.64	2.69	5.53	7.72	10.82
Difference	*(1.07)*	*0.93*	*0.91*	*1.35*	*5.93*	*4.33*
Real Estate-Debt	0.72	3.83	5.39	9.47		
Barclays CMBS 2.0 Baa + 100 (Qtr lag)	3.46	6.85	14.65	17.46		
Difference	*(2.74)*	*(3.02)*	*(9.26)*	*(7.99)*		
Total Income	**0.17**	**1.86**	**2.81**	**5.15**	**4.89**	**6.84**
Benchmark	0.26	1.98	2.18	3.72	2.29	5.11
Difference	*(0.09)*	*(0.12)*	*0.63*	*1.43*	*2.60*	*1.73*

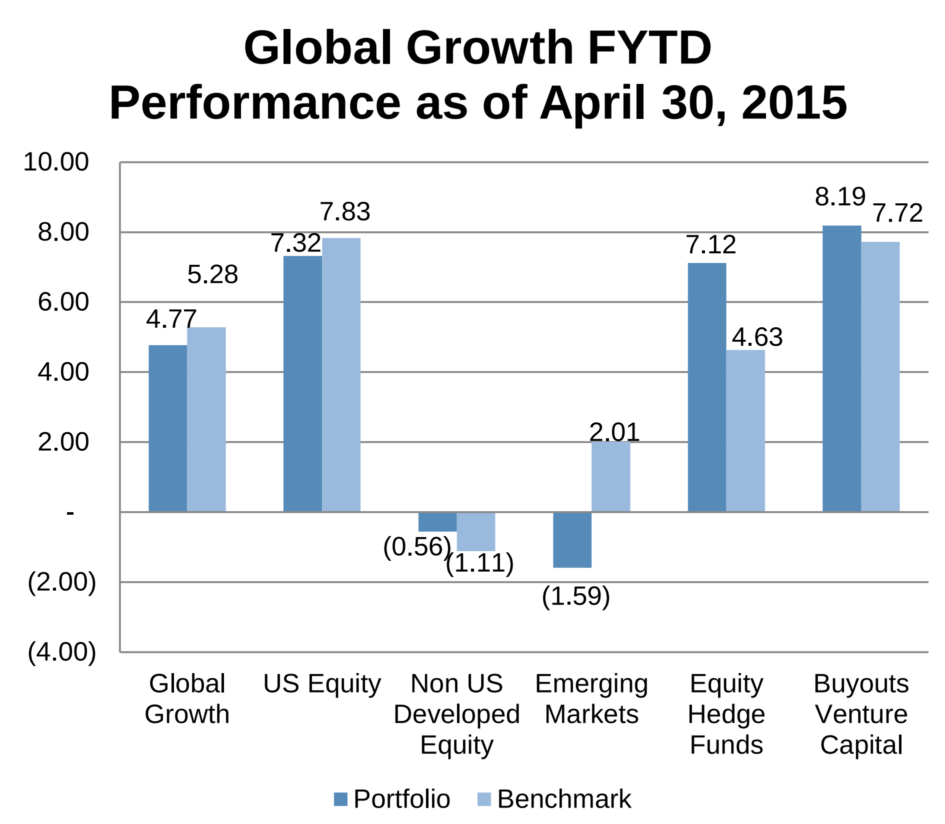
- The Income portfolio has outperformed by 62 basis points FYTD and is ahead over all other periods
- The Investment Grade Credit portfolio has outperformed the benchmark FYTD as the portfolio has lower-beta, higher quality securities. The portfolio is ahead of the benchmark for all periods
- Both Public High Yield and Global Diversified Credit have outperformed over all periods FYTD and longer. Over the past three years, the return of the Global Diversified Credit portfolio (14.5%) is nearly double the return of the High Yield index
- Credit Oriented Hedge Funds and Debt Related PE have outperformed for all periods greater than one month
- While the Real Estate Debt portfolio has trailed the benchmark over all periods, returns have been strong on an absolute basis

*Reported on a one month lag.
** Reported on a one quarter lag



Returns as of April 30, 2015	1 Month	CYTD	FYTD	1 Year	2 Year	3 Year
Private Real Assets	0.51	(3.51)	(1.24)			
CA Energy Upst & Royalties & PE Lagged Daily	-	(12.66)	(5.01)			
Difference	*0.51*	*9.15*	*3.77*			
Commodities	*(2.14)*	*(6.80)*	*(22.28)*			
Bloomberg Commodity Index Total Return	*5.73*	*(0.55)*	*(22.92)*			
Difference	*(7.87)*	*(6.25)*	*0.64*			
Real Return Real Estate	1.68	5.90	9.72	16.26	15.92	14.95
Real Estate Index	-	3.03	8.97	11.46	12.42	11.78
Difference	*1.68*	*2.88*	*0.75*	*4.80*	*3.51*	*3.17*
Total Real Return	**0.92**	**1.89**	**1.12**	**6.18**	**8.14**	**8.04**
Benchmark	0.78	(1.75)	0.44	2.31	6.69	7.14
Difference	*0.14*	*3.64*	*0.68*	*3.87*	*1.45*	*0.90*

- The Real Return portfolio has underperformed by 68 basis points FYTD
- The primary driver of the outperformance has been the Private Real Asset portfolio which has returned -1.24% vs -5.01% for the benchmark.
- Commodities are down significantly fiscal year to date, although the portfolio has outperformed the benchmark by 64 bps
- The Real Estate portfolio continues to perform well and is ahead of the benchmark for all periods shown



Returns as of April 30, 2015	1 Month	CYTD	FYTD	1 Year	2 Year	3 Year
Domestic Equity	0.94	2.72	7.32	12.67	17.05	17.02
S&P 1500 Super Composite (Daily)	0.65	2.06	7.83	12.80	16.56	16.73
Difference	*0.29*	*0.67*	*(0.51)*	*(0.13)*	*0.50*	*0.29*
Non-US Dev Market Eq	3.97	8.24	(0.56)	2.35	7.66	10.79
NJDI ex Iran& Sudan EAFE + Canada	4.28	8.33	(1.11)	1.85	7.18	10.66
Difference	*(0.31)*	*(0.09)*	*0.56*	*0.50*	*0.49*	*0.13*
Emerging Market Eq	6.31	7.19	(1.59)	4.63	0.87	2.46
NJDI Iran + Sudan Free EM Index	7.46	9.83	2.01	8.05	2.90	3.79
Difference	*(1.15)*	*(2.64)*	*(3.60)*	*(3.41)*	*(2.03)*	*(1.32)*
Total Equity Oriented Hedge Funds	0.89	5.24	7.12	7.36	11.51	10.95
Custom Benchmark	0.18	3.56	4.63	4.89	8.87	7.41
Difference	*0.71*	*1.68*	*2.49*	*2.47*	*2.64*	*3.54*
Buyouts-Venture Capital	2.76	4.13	8.19	19.12	20.54	18.13
Cambridge Associates PE 1 Qtr Lag	-	0.83	7.72	11.09	16.10	15.46
Difference	*2.76*	*3.30*	*0.47*	*8.03*	*4.44*	*2.67*
Total Global Growth	**2.27**	**4.56**	**4.77**	**10.03**	**13.04**	**13.56**
Benchmark	2.02	4.19	5.28	9.41	11.53	12.70
Difference	*0.26*	*0.37*	*(0.52)*	*0.62*	*1.51*	*0.86*

- The Global Growth portfolio has underperformed the benchmark by 51 basis points FYTD. Global Growth is ahead of the benchmark on a one, two, and three year basis.
- The Domestic Equity portfolio trails the benchmark by 51 bps fiscal year to date and is ahead of the benchmark by 29 bps for the trailing three years.
- The Developed Market Non-US equity portfolio is ahead of the benchmark for the one, two, and three-year periods.
- The Emerging Markets portfolio trails the benchmark by 360 basis points FYTD as the Adviser portfolios have underperformed by 455 basis points while the ETF portfolio underperformed by 146 basis points.
- Equity Oriented Hedge Funds are ahead of the benchmarks for one, two, and three year periods
- The Private Equity portfolio has outperformed the benchmark for all periods shown and is the best performing segment of the portfolio for the 1-,2-,3-year periods

*Reported on a one month lag