



**Police & Firemen's Retirement System of New Jersey
Policy Benchmark**

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Chapter I: Policy Benchmark

<u>Asset Class</u>	<u>Policy Benchmark</u>	<u>Weight</u>
U.S. Large Cap Equity	Russell 1000 Index Excluding Prohibited and Exclusionary Investments	24%
U.S. Small / Mid Cap Equity	Russell 2500 Index Excluding Prohibited and Exclusionary Investments	4%
Non-U.S. Developed Index	MSCI EAFE + Canada Index Excluding Prohibited and Exclusionary Investments	9.5%
Non-U.S. Developed Small-Cap Index	MSCI EAFE + Canada Small-Cap Index Excluding Prohibited and Exclusionary Investments	2%
Emerging Markets Equity	MSCI Emerging Markets Index Excluding Prohibited and Exclusionary Investments	6%
Emerging Markets Small Cap Equity	MSCI Emerging Markets Small-Cap Index Excluding Prohibited and Exclusionary Investments	1.5%
Private Equity	Cambridge Associates Global Private Equity Index Quarter Lag	10%
U.S. Treasury	Bloomberg Barclays U.S. Treasury Index	7%
PFRS Mortgage	Bloomberg Barclays U.S. Mortgage Backed Security Index -125 bps	5%
Global Multisector Fixed Income	Bloomberg Barclays U.S. Aggregate Index Excluding Prohibited and Exclusionary Investments	6%

U.S. Investment Grade Corporate Bonds	Bloomberg Barclays U.S. Corporate Credit Index Excluding Prohibited And Exclusionary Investments	5%
Private Debt	Credit Suisse Leveraged Loan Index + 100 bps	8%
Real Estate	43% NCREIF ODCE (Capitalization Weighted) Index / 57% NCREIF Property Index Quarter Lag	7%
Infrastructure	Core CPI + 300 bps	3%
Cash	Bloomberg Barclays U.S. 1-3 Month Treasury Bill Index	2%

Chapter II: Historical Revisions

* EPEI (Excluding Prohibited and Exclusionary Investments)

November 8, 2021

Initial policy benchmark adopted by PFRSNJ.

24% Russell 1000 Index EPEI, 6% Russell 2500 Index EPEI, 10% MSCI EAFE + Canada Index EPEI, 2% MSCI EAFE + Canada Small-Cap Index EPEI, 6% MSCI Emerging Markets Index EPEI, 2% MSCI Emerging Markets Small-Cap Index EPEI, 10% Cambridge Associates Global Private Equity Index Quarter Lag, 7% Bloomberg Barclays U.S. Treasury Index, 3% Bloomberg Barclays U.S. 1-3 Month Treasury Bill Index, 5% Bloomberg Barclays U.S. Mortgage Backed Security Index -125 bps, 7% Bloomberg Barclays U.S. Aggregate Index EPEI, 8% Credit Suisse Leveraged Loan Index + 100 bps, 7% NCREIF ODCE (Capitalization Weighted) Index Quarter Lag, 3% Core CPI + 300 bps

April 8, 2023

Added the US corporate credit and dedicated cash allocations. De-risked the portfolio by shifting the capital out of public equity and into fixed income. Specified sub allocation within real estate.

24% Russell 1000 Index EPEI, 4% Russell 2500 Index EPEI, 9.5% MSCI EAFE + Canada Index EPEI, 2% MSCI EAFE + Canada Small-Cap Index EPEI, 6% MSCI Emerging Markets Index EPEI, 1.5% MSCI Emerging Markets Small-Cap Index EPEI, 10% Cambridge Associates Global Private Equity Index Quarter Lag, 7% Bloomberg Barclays U.S. Treasury Index, 2% Bloomberg Barclays U.S. 1-3 Month Treasury Bill Index, 5% Bloomberg Barclays U.S. Corporate Credit Index EPEI, 5% Bloomberg Barclays U.S. Mortgage Backed Security Index - 125 bps, 6% Bloomberg Barclays U.S. Aggregate Index EPEI, 8% Credit Suisse Leveraged Loan Index + 100 bps, 3.01% NCREIF ODCE (Capitalization Weighted) Index, 3.99% NCREIF Property Index) Quarter Lag, 3% Core CPI + 300 bps