

# Managing Director Report



September 2011 – October 2011

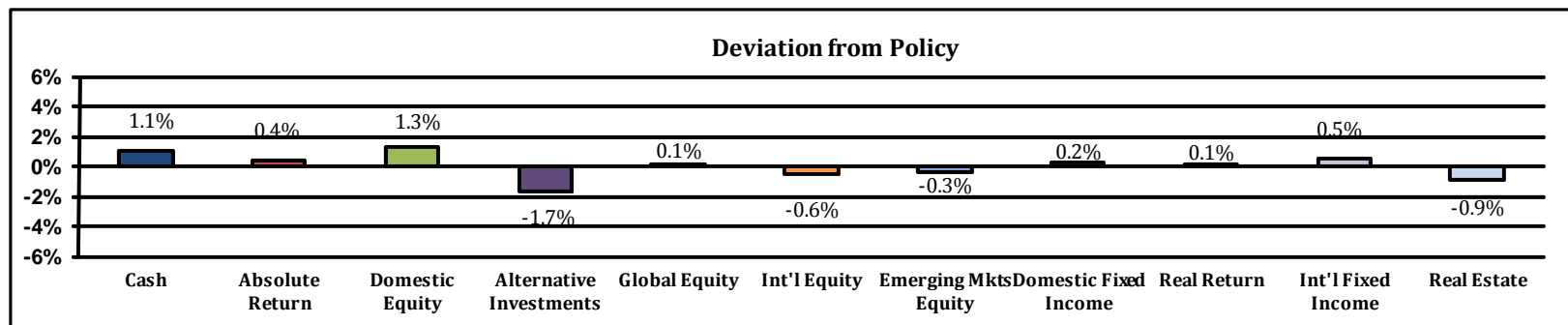
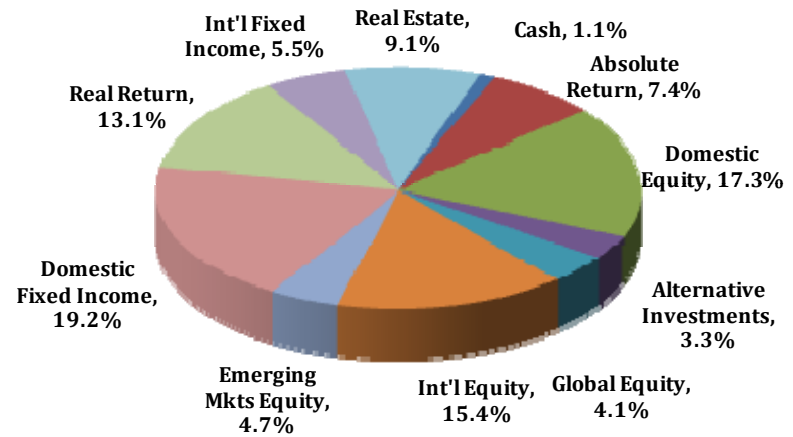
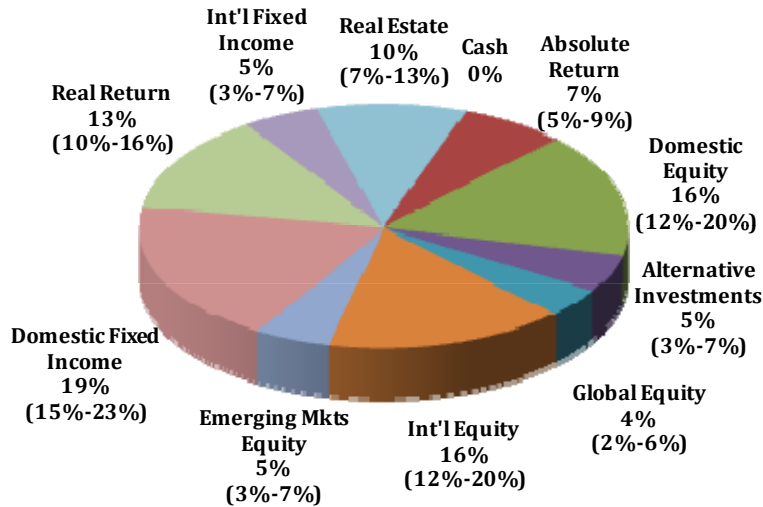
# Total Fund Overview - September 2011

	September	Year to Date
Beginning Value	\$8,999,061,962	\$8,547,965,167
Cash Flow	(\$35,111,836)	\$268,825,136
Investment Gains/Losses	(\$416,700,271)	(\$269,540,448)
Ending Value	\$8,547,249,855	\$8,547,249,855
Total Fund Returns	-4.64%	-3.02%

# Asset Allocation - October 2011

Policy

Actual



Real Return includes TIPS, Commodities, Timber, Energy, and Agriculture.

Opportunistic Investing is included in Alternative Investments and comprises 0.4% of the total fund assets.

# Performance - October 2011

	Market Value	% Of Fund	October	3 Months	YTD	1 Year	3 Years	5 Years	7 Years	10 Years
Total U.S. Equity <i>Russell 3000</i>	1,547,861,814	17.3%	11.69 11.51	(3.71) (3.31)	0.39 0.47	7.70 7.90	12.36 12.28	0.34 0.55	4.03 4.08	4.91 4.37
Global Equity <i>MSCI World</i>	363,174,558	4.1%	10.12 10.34	(6.43) (6.29)	(1.56) (3.12)	1.82 1.76				
Total International Equity <i>MSCI EAFE</i>	1,385,178,546	15.4%	9.99 9.64	(10.14) (9.76)	(7.06) (6.78)	(2.94) (4.08)	10.78 9.90	(2.08) (2.41)	4.58 4.19	5.55 5.73
Total Emerging Markets Equity <i>MSCI EMF</i>	418,755,965	4.7%	12.98 13.25	(12.41) (11.91)	(12.79) (11.53)	(9.68) (7.72)	24.53 23.23	4.10 6.52	11.61 13.83	14.27 16.82
Total US Fixed Income <i>BC U.S. Universal Index</i>	1,723,334,224	19.2%	1.29 0.57	0.14 1.88	5.53 6.48	4.35 4.84	12.35 9.71	7.32 6.37	6.51 5.58	6.85 5.73
Total International Fixed Income <i>50% Citigroup Non U.S. WBGI Hedged/50% Unhedged</i>	491,151,000	5.5%	0.75 0.16	0.46 0.62	6.51 4.76	3.44 2.23	8.12 5.13	7.47 5.03	6.24 4.52	7.11 4.35
Total Real Return <i>Total Real Return Custom Benchmark</i>	1,176,868,889	13.1%	2.39 1.34	(0.05) 2.20	7.93 10.77	6.40 9.08	10.21 9.99	5.19 7.90	4.68 6.47	
Total Absolute Return <i>Total Absolute Return Target Benchmark</i>	659,460,772	7.4%	(0.09) 0.47	0.62 1.43	6.95 4.85	9.87 5.85	10.17 5.91	8.01 7.84		
Total Alternative Investments	257,550,731	2.9%	1.57	5.22	15.56	20.67	4.02	8.46	12.05	7.51
Opportunistic Investing <i>91- Day T-bill</i>	35,172,183	0.4%	(3.03) 0.00	(3.03) 0.03	1.80 0.10	1.80 0.13	13.41 0.18			
Total Real Estate <i>Total Real Estate Custom Benchmark</i>	812,834,751	9.1%	3.90 1.26	2.14 2.94	8.60 11.24	10.86 15.32	(0.89) (0.46)	2.57 3.28	7.46 7.38	7.39 7.55
Total Short Term Investments <i>91- Day T-bill</i>	94,905,510	1.1%	1.86 0.00	(0.94) 0.03	0.66 0.10	0.91 0.13	3.19 0.18	2.95 1.66	3.26 2.23	2.83 1.99
Total Fund	8,966,248,943	100.0%	5.34	(2.86)	2.17	4.46	10.83	4.09	6.46	6.71

# Portfolio Activity - September 2011

## **Alternatives**

*Exhibit 1 & 2*

- \$6.3 million in net transfers from cash including the funding of \$1.9 million to Abbott Capital Private Equity Investors 2007, \$1.1 million to Abbott Capital Private Equity Investors 2008, \$750,000 to Abbott Capital Private Equity Investors 2009, \$750,000 to Abbott Capital Private Equity Investors 2010, \$400,000 to Adams Street 2008 U.S. Fund, \$225,000 to Adams Street 2009 Direct Fund, \$165,000 to Adams Street 2010 Non-U.S. Developed Markets Fund, \$40,000 to Adams Street 2010 Non-U.S. Emerging Markets Fund, \$42,000 to Adams Street 2011 Non-U.S. Developed Markets Fund, and \$2.4 million to Mesirow Financial Private Equity Fund IV.

## **Real Estate**

*Exhibit 2*

- \$3.3 million in net transfers to cash including the funding of \$1.7 million to Fidelity Growth Fund III.

## **Real Return**

*Exhibit 1*

- \$0.9 million in net transfers from cash including the funding of \$614,770 to EnerVest Fund XII and \$350,000 to Hancock Agricultural Investment Group.

## **Manager Cash**

*Exhibit 4*

- Cash in manager portfolio was at 3.32% of total assets or 1.43% excluding PIMCO's cash that is used to back its futures positions.