



Agenda Item 7

May 14, 2012

ITEM NAME: Infrastructure and Forestland Annual Program Review

PROGRAM: Real Assets – Infrastructure and Forestland

ITEM TYPE: Program Review – Information

EXECUTIVE SUMMARY

This agenda item provides an annual update on the position and performance of the Infrastructure and Forestland Program.

- As of December 31, 2011, the Infrastructure Portfolio has outperformed the program's benchmark with net of fee returns of 42.5%, 26.2% and 8.0% for 1-year, 3-year and since inception periods, respectively.
- As of December 31, 2011, the Forestland Portfolio has underperformed the program's benchmark with net of fee returns of -10.8%, -4.0% and -0.7%, for 1-year, 3-year and since inception periods, respectively.

This agenda item also provides a status update of FY 2011 Investment Office Roadmap objectives and key staffing. A board consultant opinion letter for each of the programs is attached.

BACKGROUND

This agenda item is the 2012 Annual Program Review for the Infrastructure and Forestland Program. The Program Review is a result of the restructuring of the Investment Committee agendas recommended by an Investment Office Rapid Results team.

ANALYSIS

The attached presentation (Attachment 1) provides an update on the following items for Calendar Year 2011:

- Program Overview: Role & Scope
- Portfolio Characteristics and Performance
- Policy Compliance & Delegations
- Market Update
- Significant Transactions
- Targeted Investment Initiatives
- Costs, Staffing and INVO Roadmap Objectives

ATTACHMENTS

Attachment 1 – Infrastructure and Forestland Program Review

Attachment 2 – Consultant Opinion Letter: Infrastructure Program

Attachment 3 – Consultant Opinion Letter: Forestland Program

TED ELIOPOULOS
Senior Investment Officer
Real Assets

JOSEPH A. DEAR
Chief Investment Officer