



Agenda Item 11d(2)

December 10, 2012

ITEM NAME: Infrastructure and Forestland Program Update

PROGRAM: Real Assets – Infrastructure and Forestland

ITEM TYPE: Program Update – Information

EXECUTIVE SUMMARY

This agenda item provides a quarterly update on the position and performance of the Infrastructure and Forestland Programs as of September 30, 2012. The attached presentation (Attachment 1) provides an update on the following items for each program:

- Program Overview: Role and Scope
- Program Summary
- Financial Overview and Continuity Schedule
- Portfolio Characteristics and Performance
- Policy Compliance, Target and Delegations
- Investment Activity

BACKGROUND

Quarterly Program Updates for the Investment Committee were recommended by an Investment Office Rapid Results team.

ANALYSIS

Performance data presented in this report reflects the financial statements of the investment partnerships for the period ending June 30, 2012.

- The Infrastructure Portfolio underperformed the Program's benchmark with net of fees returns of -0.9% and 3.7% for quarter and 1-year periods, respectively. The Infrastructure Portfolio outperformed the Program's benchmark with net of fees returns of 28.1%, 10.9%, and 8.0% for the 3-year, 5-year and since inception periods, respectively.
- The Forestland Portfolio underperformed the Program's benchmark with net of fees returns of -0.2%, -11.5%, -3.8% and -0.7% for the quarter, 1-year, 3-year and since inception periods, respectively.

ATTACHMENTS

Attachment 1 – Infrastructure and Forestland Program Update

Attachment 2 – Consultant Letter: Infrastructure Program, Meketa Investment Group, Inc.

Attachment 3 – Market Update: Infrastructure Program, Meketa Investment
Group, Inc.

Attachment 4 – Consultant Letter: Forestland Program, Wilshire Associates

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