CIO Total Fund Performance Report
Fiscal Year Ending June 30, 2012

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Investment Committee
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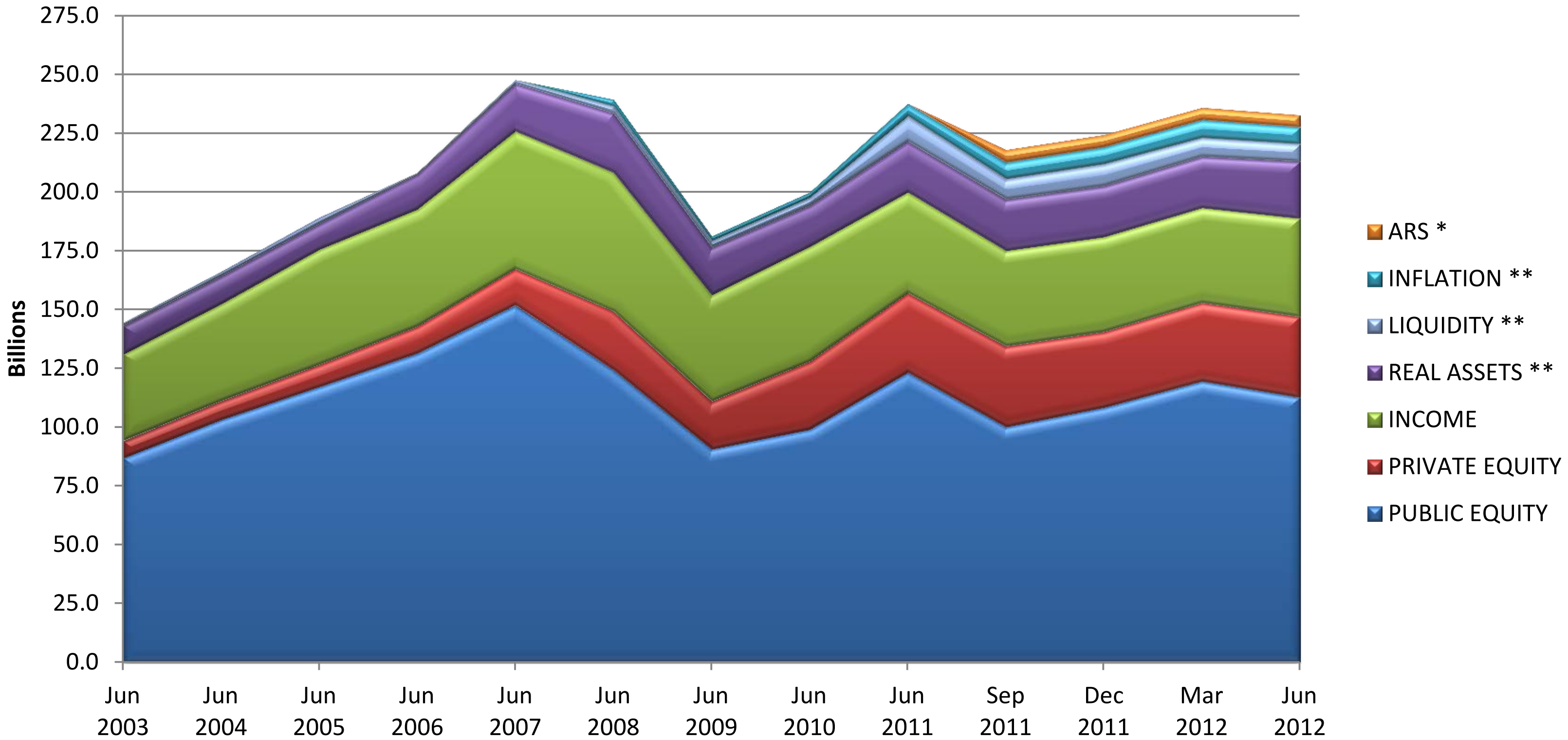
Agenda

- Fiscal Year 2011-12 Market Highlights
- Total Fund Allocation Trend
- Total Fund Performance
- Asset Class Performance
- Summary

Fiscal Year 2011-12 Market Highlights

- Global markets experienced high volatility throughout the fiscal year caused by on-going European debt crisis and slowing of global economic growth
- Broad equity market as measured by FTSE All World returned -7% for the fiscal year
  - Significant difference in performance between US and International markets
  - US market increased 3%, whereas developed international and emerging markets declined about 15% and 16% respectively
  - Variance between geographical regions seemed linked to a “flight to safety” and the relatively strong performance of US corporations
- Risk premiums, as measured by credit spreads, widened as concerns about the European debt crisis, a China slow down, Middle East uprisings and developed market debt burdens continued
  - US Country debt downgraded in August 2011
  - Greece negotiated a bond swap in March 2012 with its private creditors as technical default
  - Although ECB injected new liquidity into the banking system and the European rescue fund capacity was expanded, concerns are mounting over EURO countries such as Spain and Italy on the feasibility of their austerity plan.

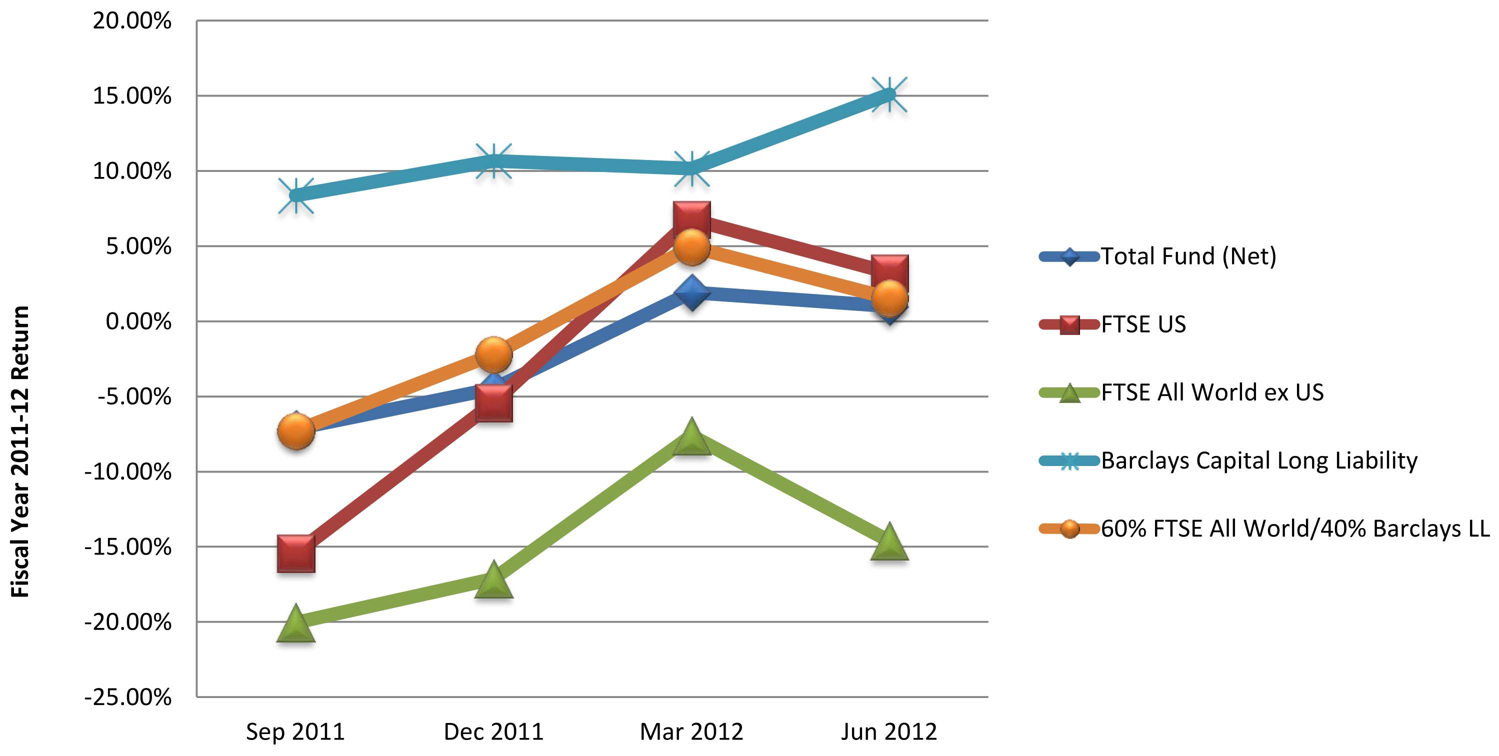
10 Year Total Fund Allocation Trend



* ARS Program was a part of Public Equity prior July 1, 2011

** Inflation, Liquidity and Real Assets were created on July 1, 2011 from existing portfolios; therefore historical values are being represented for prior years

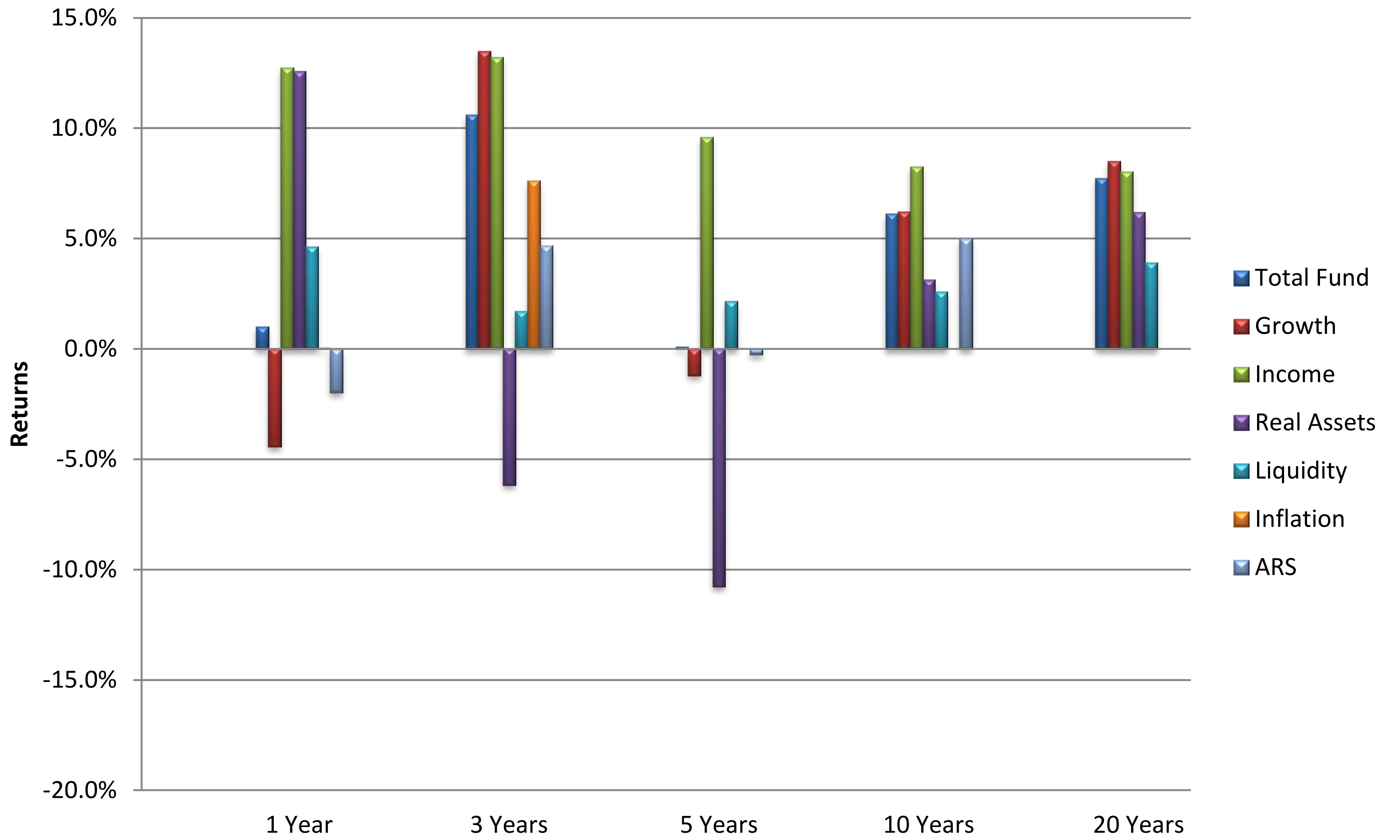
Total Fund Fiscal Year 2011-12 Performance of Market Benchmarks



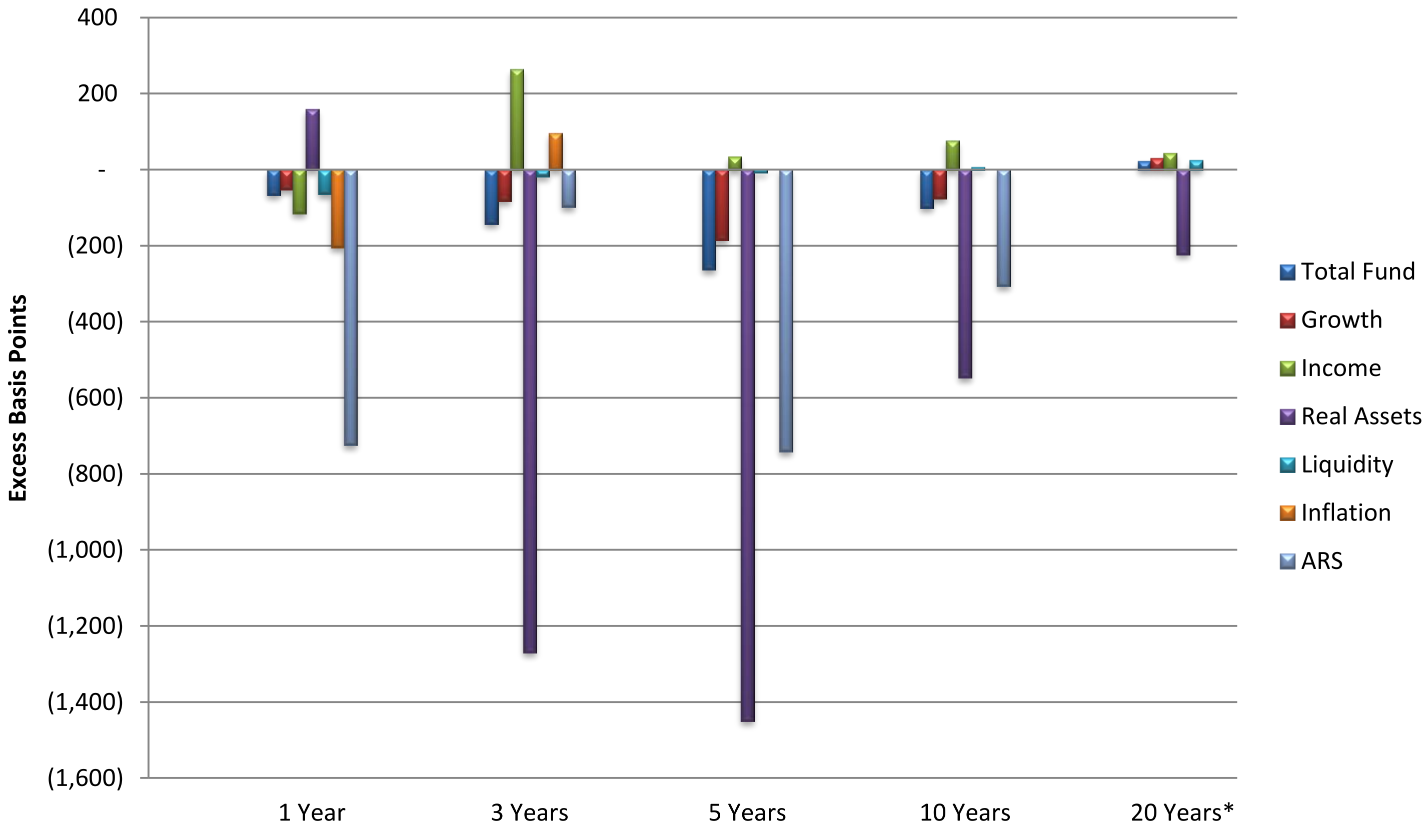
Total Fund Fiscal Year 2011-12 Performance Summary

- Total Fund 1.0% fiscal year return underperformed the benchmark by 67 basis points for the period ended June 30, 2012
  - Private Equity, Income, Real Assets, Inflation and Liquidity all contributed to the Total Fund's positive absolute return during the year
  - Public Equity -7.2% fiscal year return and Absolute Return Strategies -2.0% fiscal year return were a drag on Total Fund performance
  - Total Fund's exposure to international markets of 30% was a drag on performance since international markets underperformed US markets in Public Equity, Private Equity and Fixed Income
- Total Fund's 67 basis point underperformance equates to a negative $1.5 billion of dollar value added for the fiscal year
  - Real Assets and Private Equity returns were positive versus their respective benchmarks; therefore resulting in $346 million and $113 million to their respective programs
  - Public Equity, Income, Inflation and Liquidity excess returns were negative versus their respective benchmarks; therefore resulting in a negative dollar value added

Total Fund Returns as of June 30, 2012

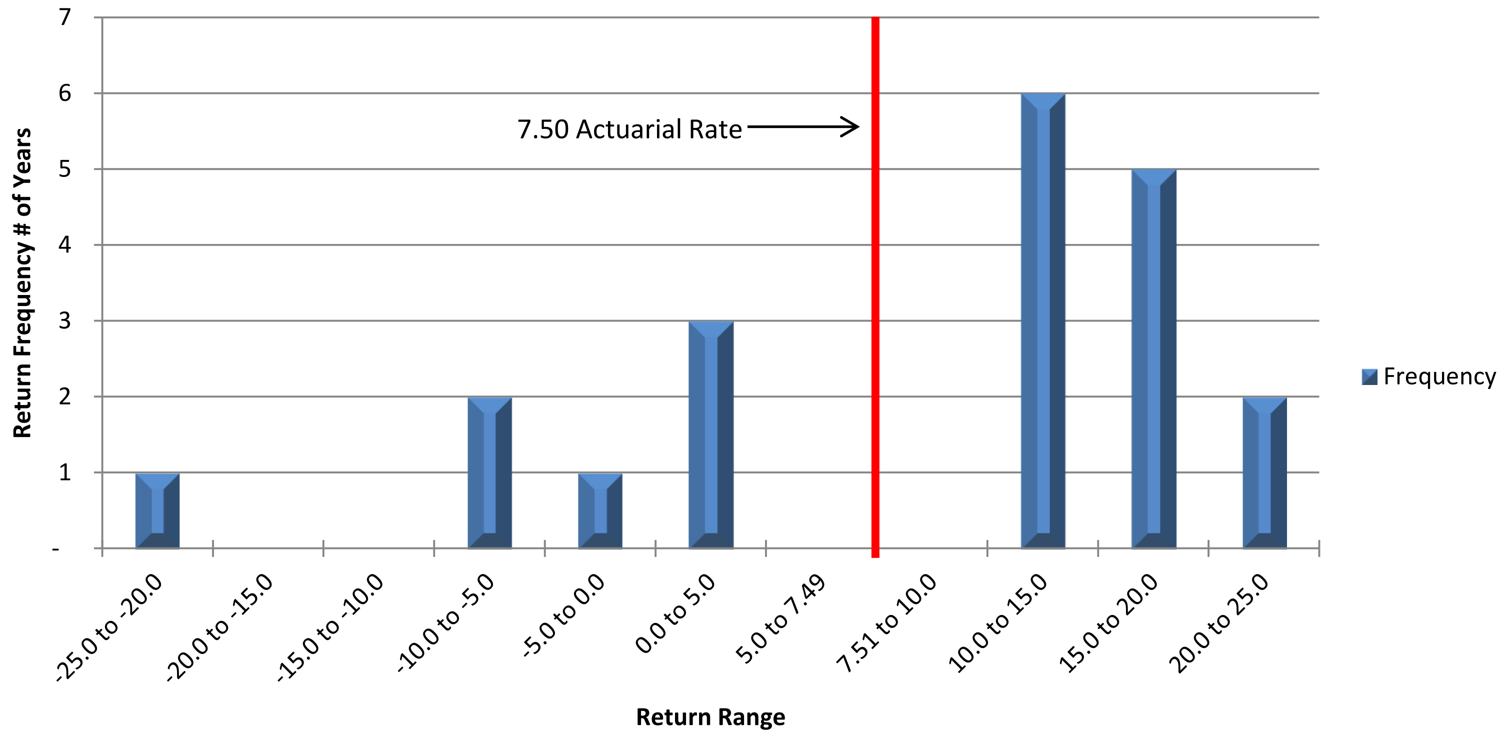


Total Fund Excess Returns as of June 30, 2012



* Total Fund's 20 Years excess Returns are compared to the Actuarial Rate 7.50%

Total Fund Fiscal Year Returns FY 1992-93 through FY 2011-12

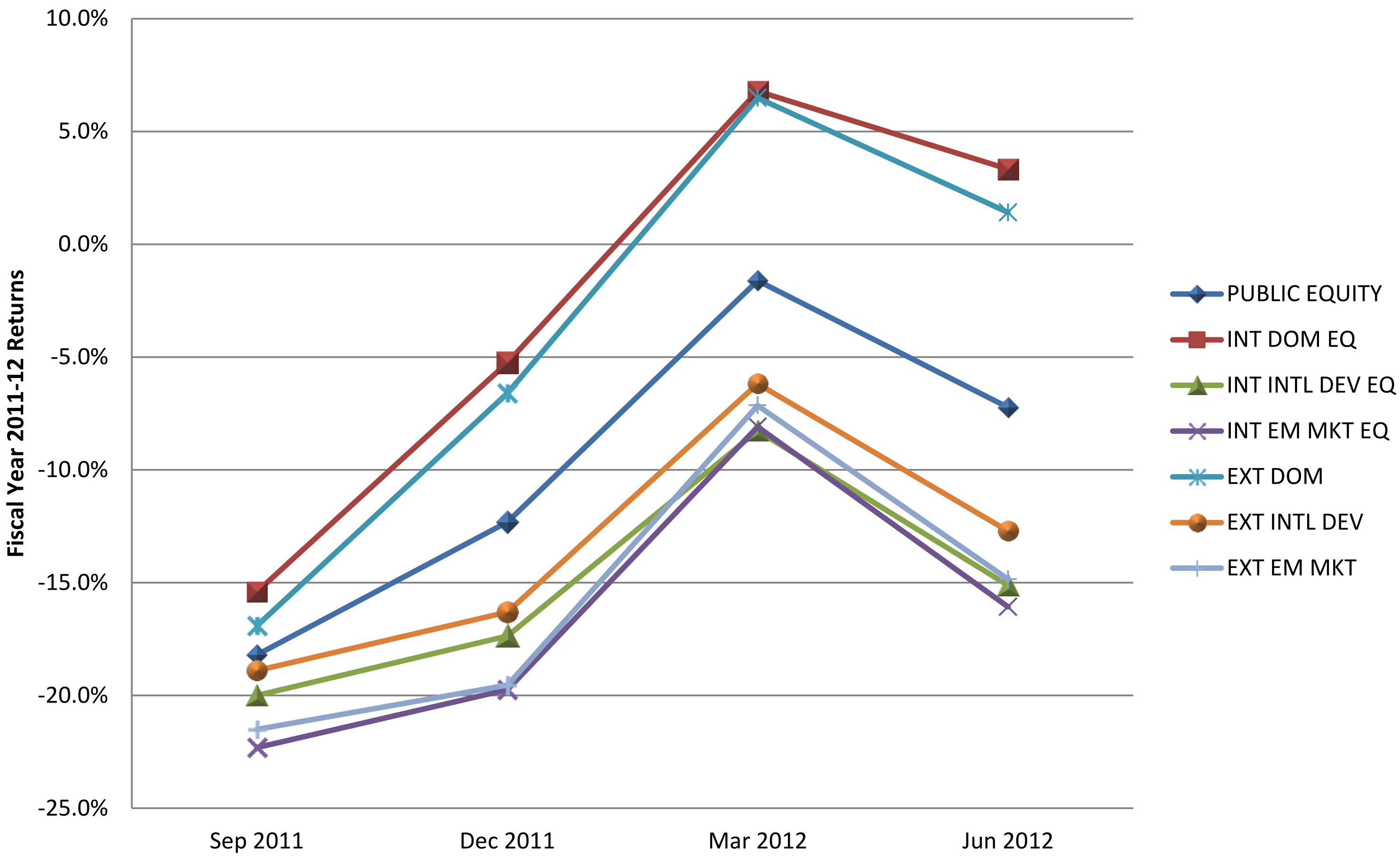


- Total Fund's annualized 20 Year Return 7.73%
- Total Fund's fiscal year Return has outperformed the 7.50 Actuarial Rate 13 out of the 20 fiscal year return periods

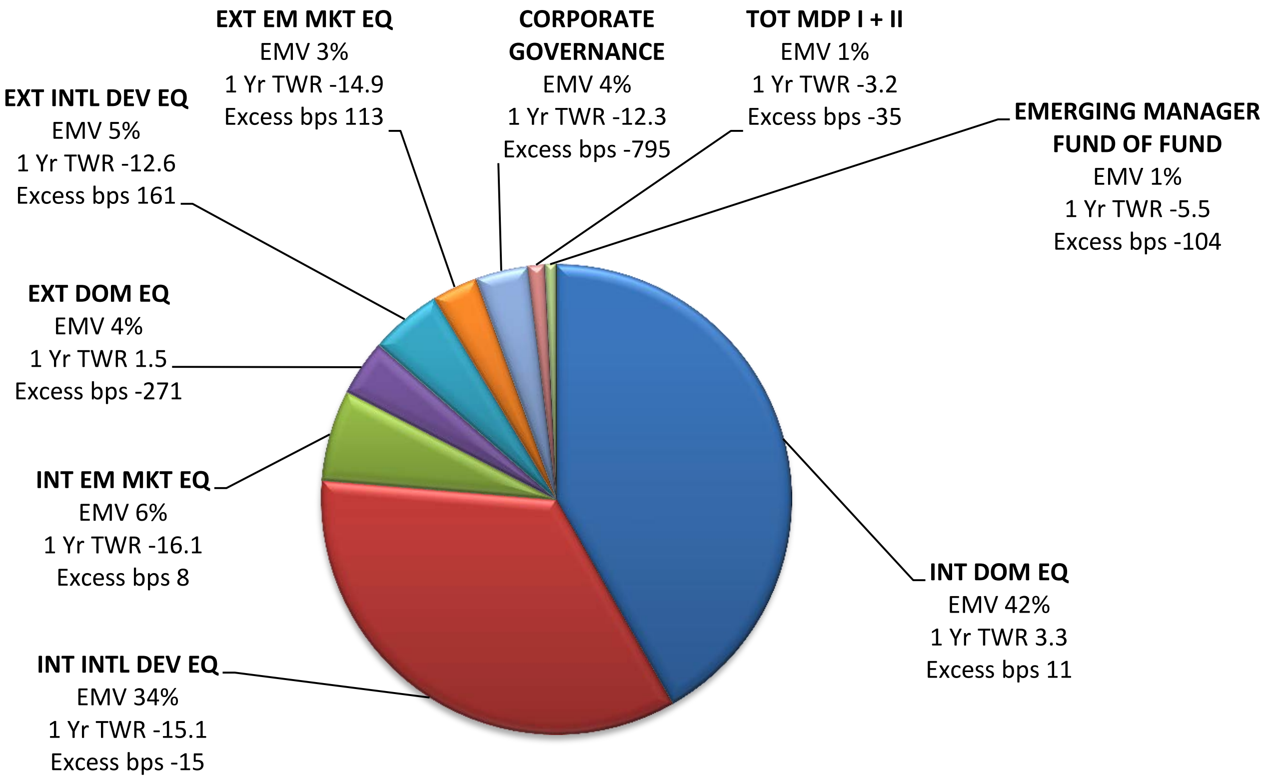
Public Equity Fiscal Year 2011-12 Performance Summary

- Public Equity -7.2% fiscal year return underperformed the benchmark by 22 basis points
  - Internal and external management in US Domestic returned 3.3% and 1.5%, respectively
  - Internal and external management in International Developed returned -15.1% and -12.6%, respectively
  - Internal and external management in Emerging Markets returned -16.1% and -14.9%, respectively
- The market experienced a very large divergence between the domestic US and international segments
  - International active management was rewarded with positive relative performance by external managers in both developed and emerging markets segments
  - Domestic active management fared poorly as security selection did not work when correlation increased between securities
  - Positive results were generated in low risk index oriented equity strategies

Public Equity Fiscal Year 2011-12 Performance by Market Segment



Public Equity Performance by Strategy
as of June 30, 2012



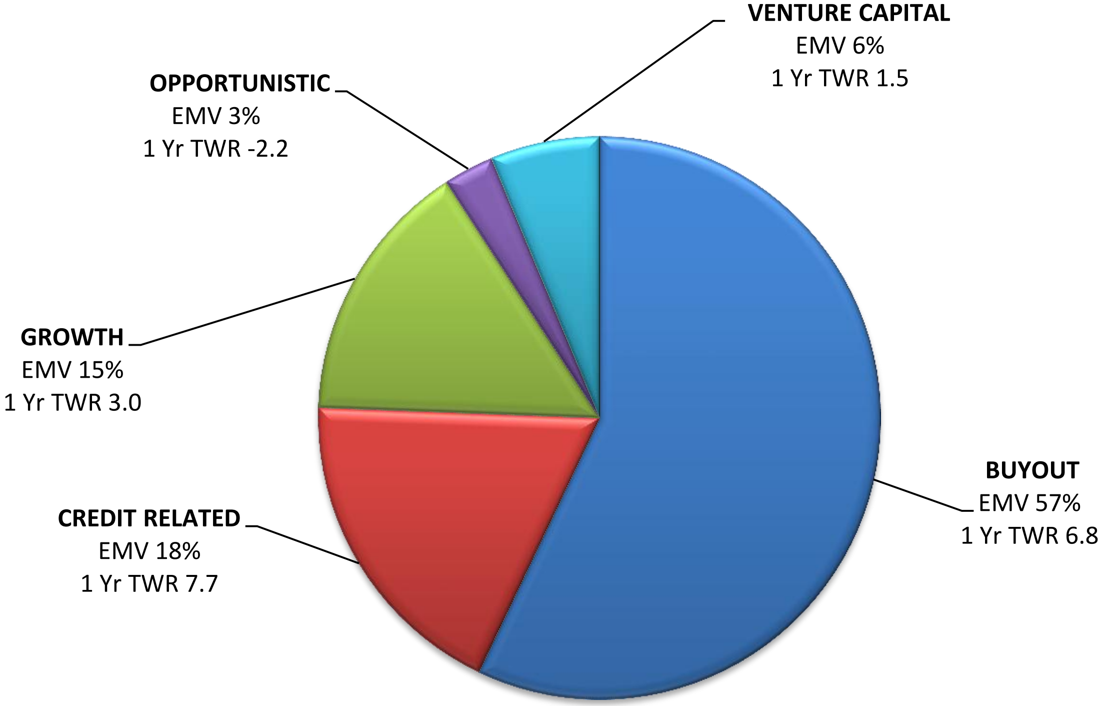
EMV = Ending Market Value

TWR = Time Weighted Return

Private Equity Fiscal Year 2011-12 Performance Summary

- Private Equity 5.4% fiscal year return outperformed its benchmark by 35 basis points
- Buyouts funds and Credit funds continue to be the main drivers of return
  - Buyout 57% of portfolio 6.8% fiscal year return
  - Credit 18% of portfolio 7.7% fiscal year return
- Growth funds and Venture Capital funds continue to underperform and are areas of focus for portfolio restructuring
  - Growth 15% of portfolio and 3.0% fiscal year return
  - Venture Capital 6% of portfolio and 1.5% fiscal year return
- Domestic Investments outperformed international investments 6.3% vs. 3.2%
- Top 10 Private Equity fund families contributed 74% of overall 1-year total gains
  - Apollo, largest fund family, 14% of portfolio 3.2% fiscal year return
  - Carlyle, second largest fund family, 11% of portfolio 6.6% fiscal year return
  - Best performer of the top 10 fund families: Silver Lake 3% of portfolio 20.7% fiscal year return

Private Equity Performance by Strategy
as of June 30, 2012*



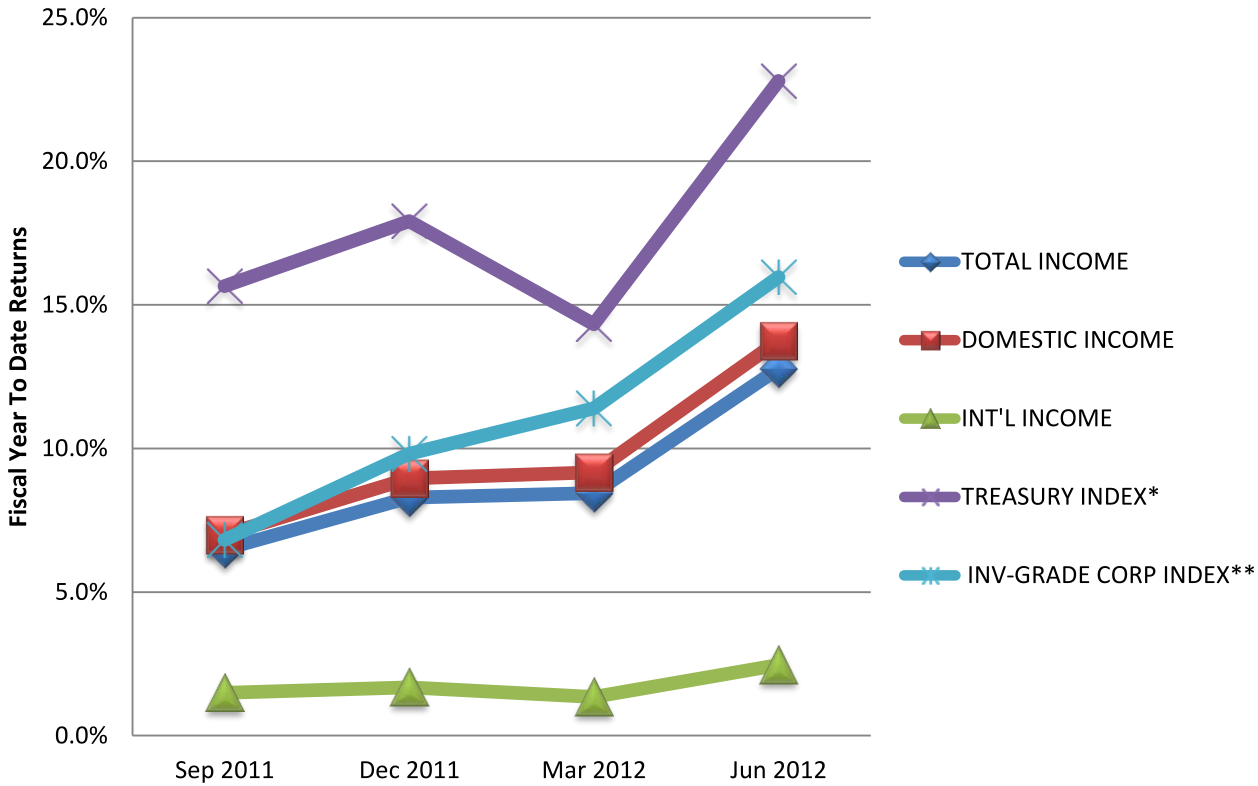
* Private Equity performance is based on General Partners most recent received financial statements plus any cash adjustments made by State Street Bank thru June 30, 2012.

EMV = Ending Market Value
TWR = Time Weighted Return

Income Fiscal Year 2011-12 Performance Summary

- Income 12.7% fiscal year return underperformed the benchmark by 115 basis points
  - US Income 13.8% fiscal year return
  - International Income fiscal year return 2.5%
- Income underperformed the benchmark due to:
  - Risk assets were not rewarded as market became concerned about the European financial and debt crisis
  - US Income lagged the benchmark by 129 basis points due to a higher exposure to US Financial, high yield, Government Agencies and underweight US Treasury Securities compared to the benchmark
  - External managers exceeded the benchmark by 167 basis points due to being short periphery Europe and Japan

Income Fiscal Year 2011-12 Performance by Market Segment



* Represents 30% weight of Domestic Income benchmark

** Represents 25% weight of Domestic Income benchmark

Inflation Fiscal Year 2011-12 Performance Summary

- Inflation Asset Class 0.5% fiscal year return underperformed the benchmark by 204 basis points
  - Inflation Linked Bonds 8.2% fiscal year return
  - Commodities -11.0% fiscal year return
- Inflation Assets underperformed the benchmark due to an overweight to commodities
  - Commodities had a difficult year due to global economic uncertainty, natural disasters, and a China slow down in economic activity

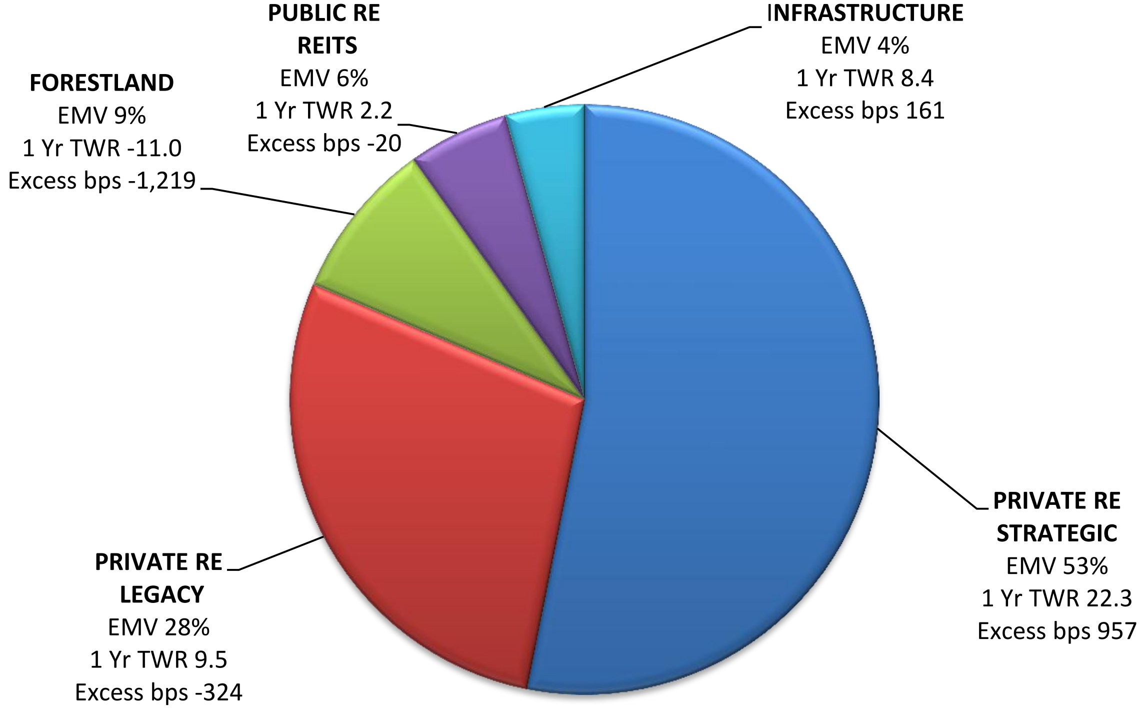
Liquidity Fiscal Year 2011-12 Performance Summary

- Liquidity Asset Class 4.6% fiscal year return underperformed the benchmark by 64 basis points
  - US Treasury 2 – 10 Yr. portfolio, initiated on July 1, 2011, 6.8% fiscal year return
  - Cash portfolio 0.5% fiscal year return
- Liquidity Asset Class underperformed the benchmark due to an excess allocation to cash from a desire to maintain liquidity in a volatile market environment

Real Assets Fiscal Year 2011-12 Performance Summary

- Real Assets 12.6% fiscal year return outperformed the benchmark by 160 basis points due to the continued steady improvement over the past twelve months of Commercial Real Estate fundamentals.
- Real Estate 15.9% fiscal year return outperformed the benchmark by 322 basis points
  - Private Real Estate 17.2% fiscal year return
    - Strategic Real Estate Portfolio 22.3% fiscal year return
    - Legacy Real Estate Portfolio (Ex. Public) 9.5% fiscal year return impacted by non-stabilized and non-income producing assets
  - Public Real Estate 2.2% fiscal year return reflects the equity-like exposure of REITS, which were impacted by the volatility of the broad equity market
- Forestland -11.0% fiscal year return underperformed the benchmark by 1,219 basis points
  - This was attributable to two large US investments acquired in 2007 and 2008 which have been impacted by the continued weakness in home construction
- Infrastructure 8.4% fiscal year return outperformed the benchmark by 161 basis points due to strong performance by its direct investment

Real Assets Performance by Strategy
as of June 30, 2012*



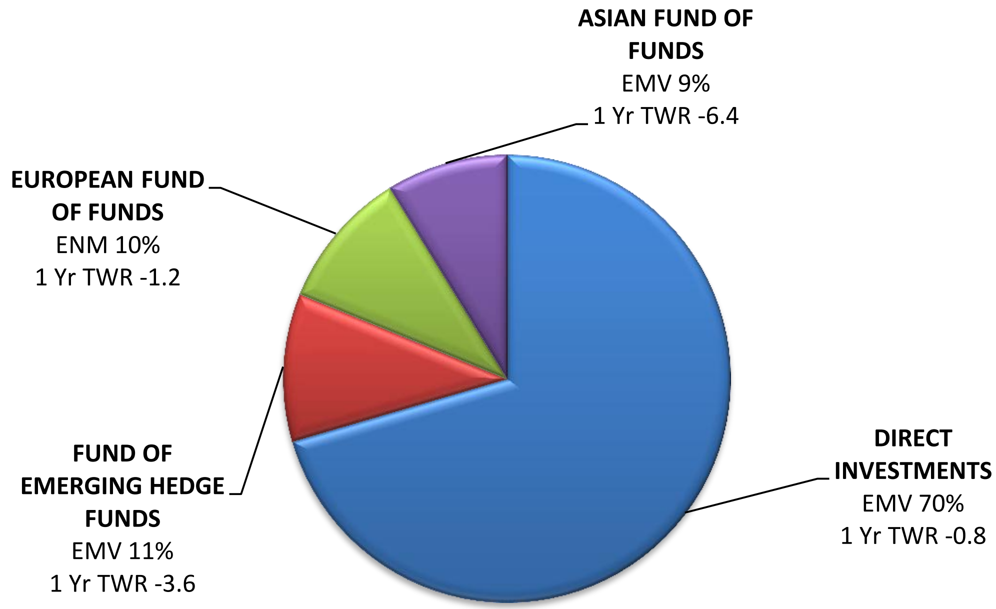
* Private Real Estate, Forestland and Infrastructure performance is based on General Partners March 31, 2012 financial statements

EMV = Ending Market Value
TWR = Time Weighted Return

Absolute Return Strategies Fiscal Year 2011-12 Performance Summary

- Absolute Return Strategies -2.0% fiscal year return outperformed Public Equity for the fiscal year which is expected due to its low correlation
- Hedge Funds suffered from a "risk-on, risk-off" environment which made it difficult to find and capitalize on opportunities
- Direct Hedge Fund investments fiscal year return -0.8%
  - Best performing funds: fixed income relative value 11.3%, systematic macro/trend-follower 7.5%, convertible/credit arbitrage 4.6% and multi-strategy 2%
  - Worst performing funds: global long/short equity -12.9%, European-focused long/short equity -11.5% and equity event-driven -10.1%
- Fund of Hedge Funds fiscal year return -4.1%
- ARS underperformed the benchmark of 1-Yr T-Note + 5% by 724 basis points
  - Program outperformed its peer index, Hedge Fund Research Inc., by 290 basis points
  - Program has underperformed the benchmark for all time periods

Absolute Return Strategy Performance
as of June 31, 2012*



* ARS strategy benchmarks are not available in order to calculate Excess BPS

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TWR = Time Weighted Return

Summary

- The Fund returned 1.0% in a difficult and volatile fiscal year.
- The Investment team reacted quickly to market volatility in August 2011, rebalancing fund and adding equity exposure near market low.
- Relatively large allocation to non-US stocks was a performance drag; however, the Investment Strategy Group believes the global composition of the equity portfolio is still appropriate for the long-term.
- Real Estate's outperformance of the benchmark, due to relatively strong performance of the Strategic vs. Legacy portfolio, affirms the real estate strategy.