



Public Equity Portfolio Overview

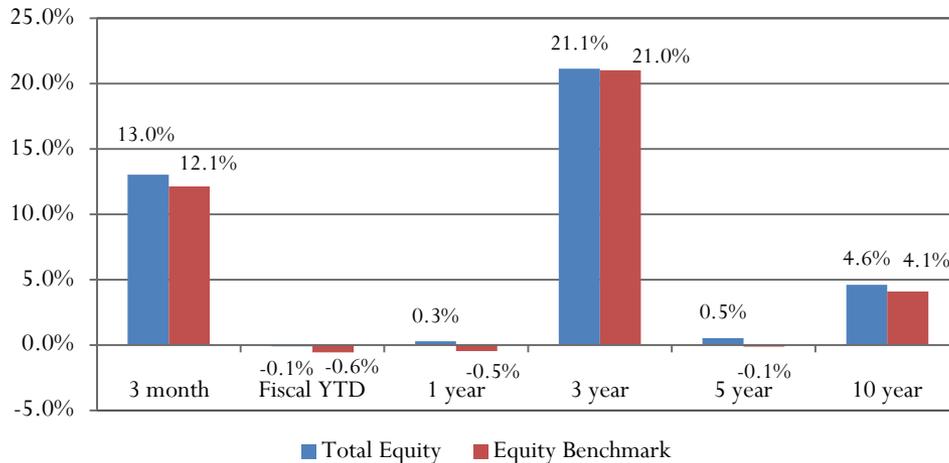
May 30, 2012

Agenda

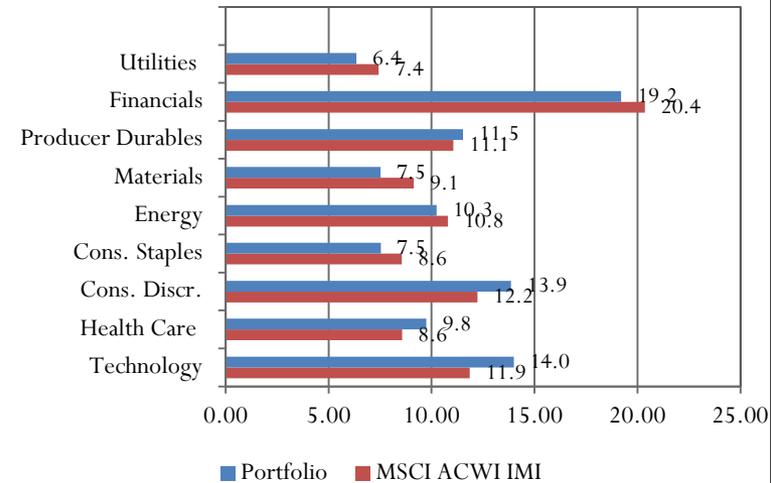
- Review of Global Equity Portfolio
 - Performance and Allocation Metrics
- Global Equity Initiatives
- Hedged Equity

Total Equity Profile – March 31, 2012

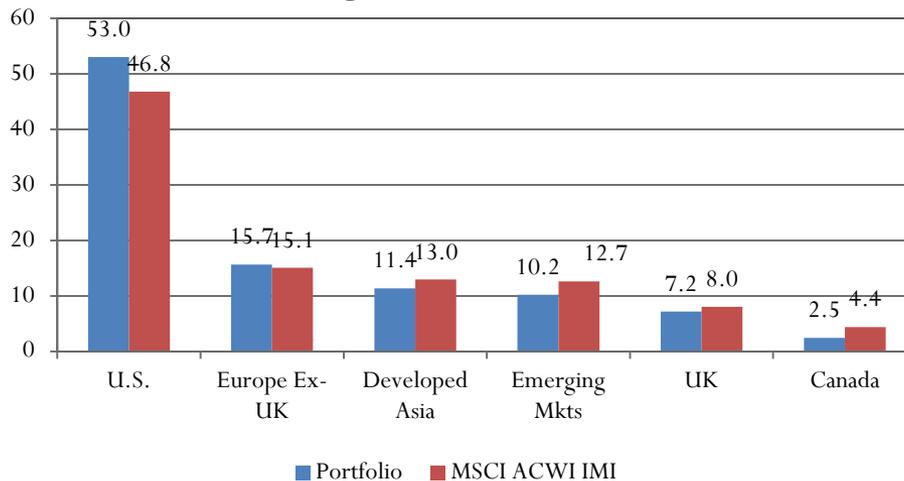
Performance



Sector Allocation



Regional Allocation

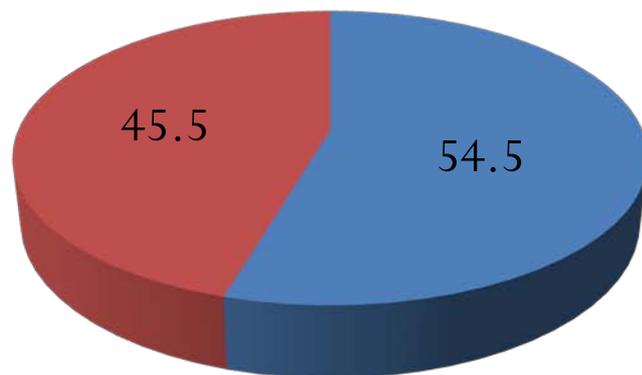


Portfolio Characteristics

	Portfolio	MSCI ACWI IMI
Price/Earnings	15.5	15.2
Dividend Yield (%)	2.43	2.61
Price/Book	1.75	1.74
Debt/Equity	0.79	0.82
Market Cap (\$ Weighted Median)	28,562.8	36,036.0
Return on Equity – 1 Year	17.4	17.5

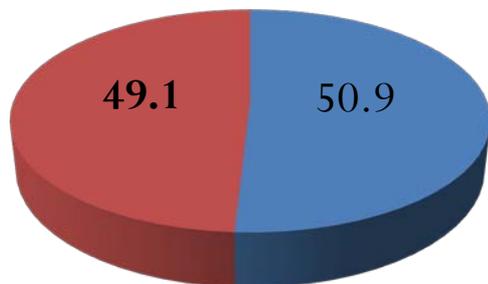
Active-Passive Allocation – March 31, 2012

Total Equity (%)

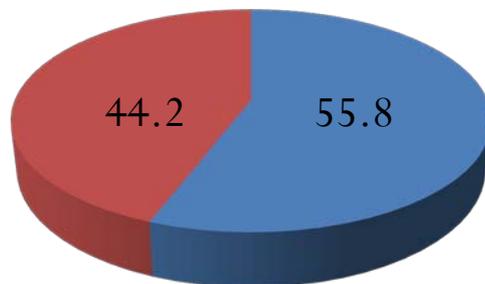


■ Active ■ Passive

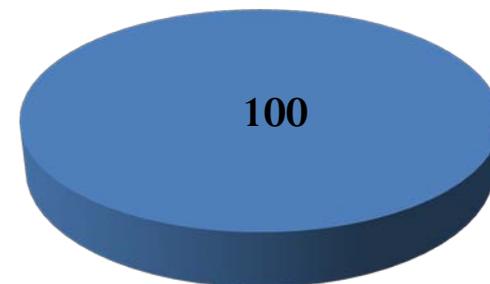
Domestic



Intl



Global



Equity Market Overview - US

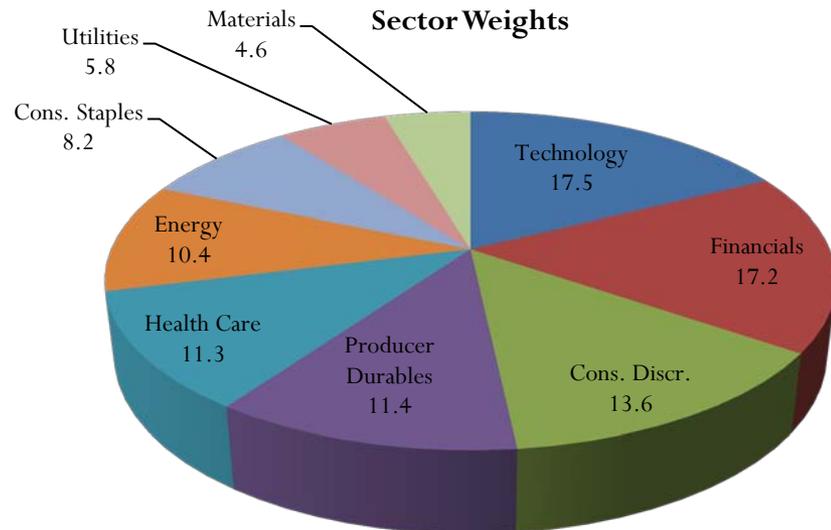
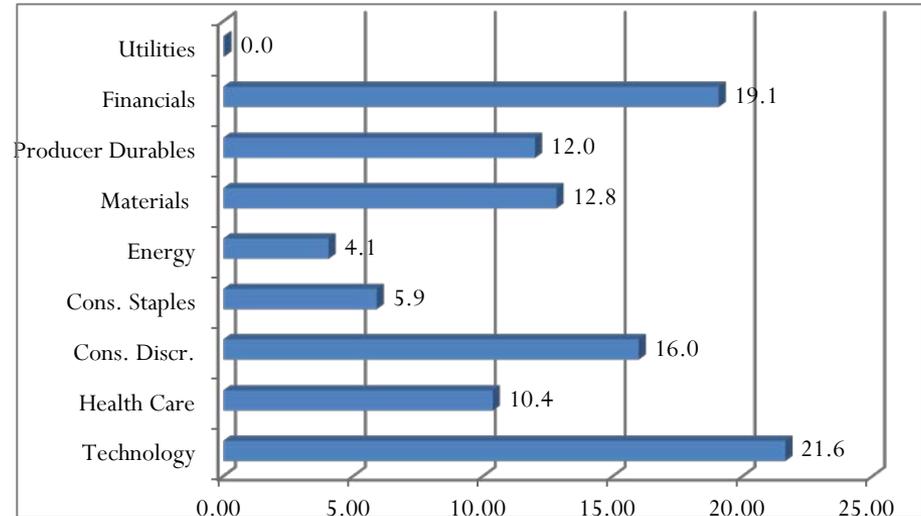
Russell 3000

The Russell 3000 was up 13% for the quarter with all sectors showing positive returns.

Comfort that LTRO funding would at least buy some time for European countries to address their fiscal problems resulted in a surge in investors' appetite for risk.

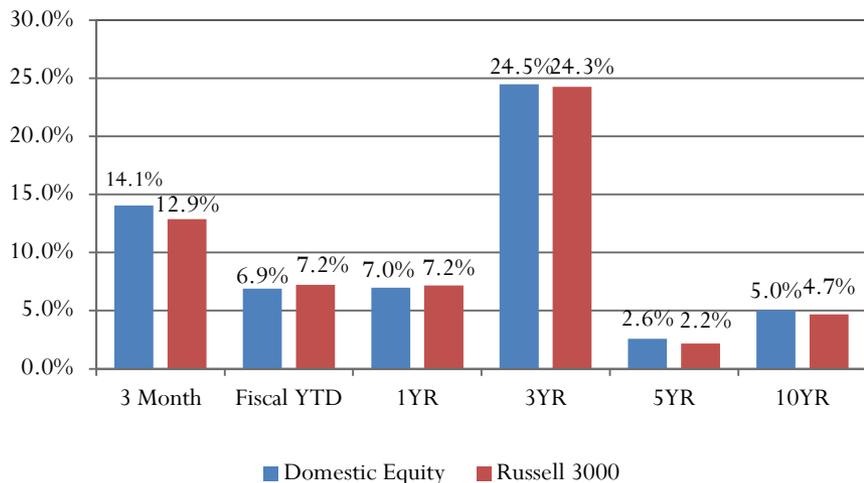
Information Technology and Financials, the two biggest sectors were up 21.6% and 16.0% respectively.

Large cap stocks were up 12.9% vs small cap stocks up 12.4%. Growth outperformed value reflecting investors renewed interest in risk and cyclical sectors.

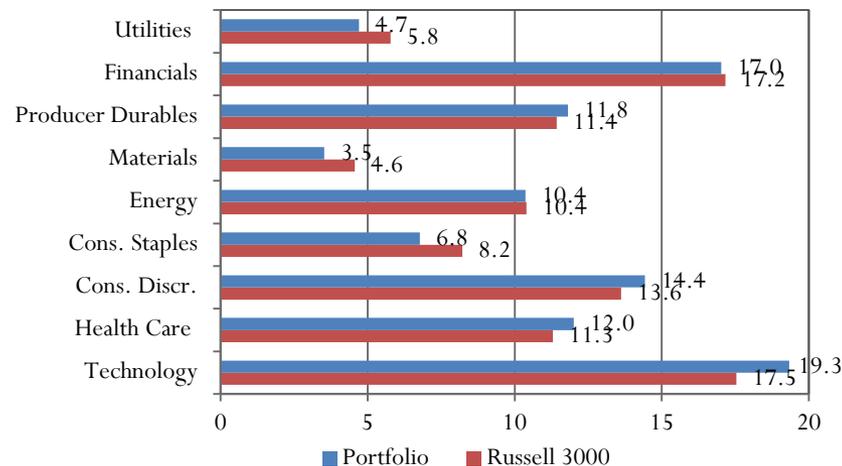


U.S. Equity Portfolio Profile – March 31 2012

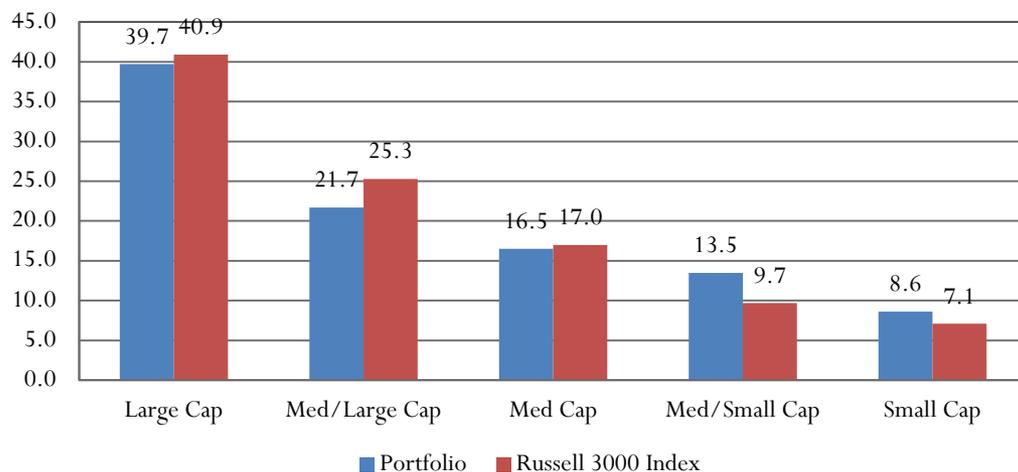
Performance



Sector Allocation



Market Capitalization



Portfolio Characteristics

	Portfolio	Russell 3000 Index
Price/Earnings	17.00	17.10
Dividend Yield (%)	1.74	1.93
Price/Book	2.24	2.25
Debt/Equity	1.04	1.13
Market Cap (\$ Weighted Median)	32,470	36,036
Return on Equity – 1 Year	19.4	19.4

Equity Market Overview – International ex US

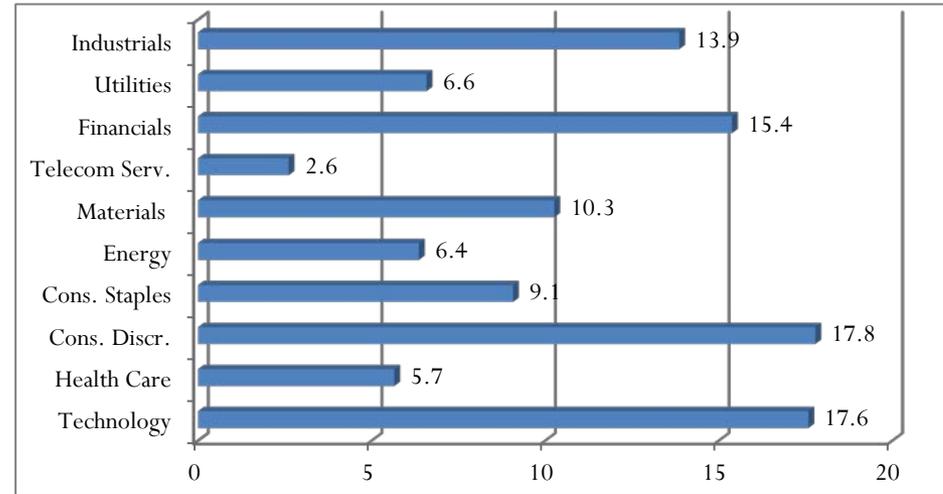
ACWI ex US IMI

All sectors were up during the quarter as investors became buyers of risk.

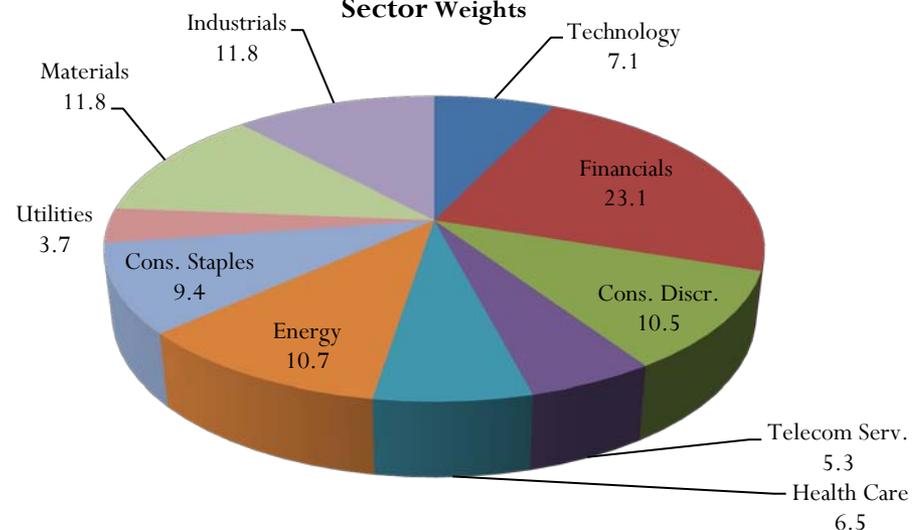
Similar to the reaction in US markets, international markets were buoyed by the liquidity provided by LTRO for European banks.

Cyclical sectors Information Technology and Consumer Discretionary were the strongest performers.

Returns

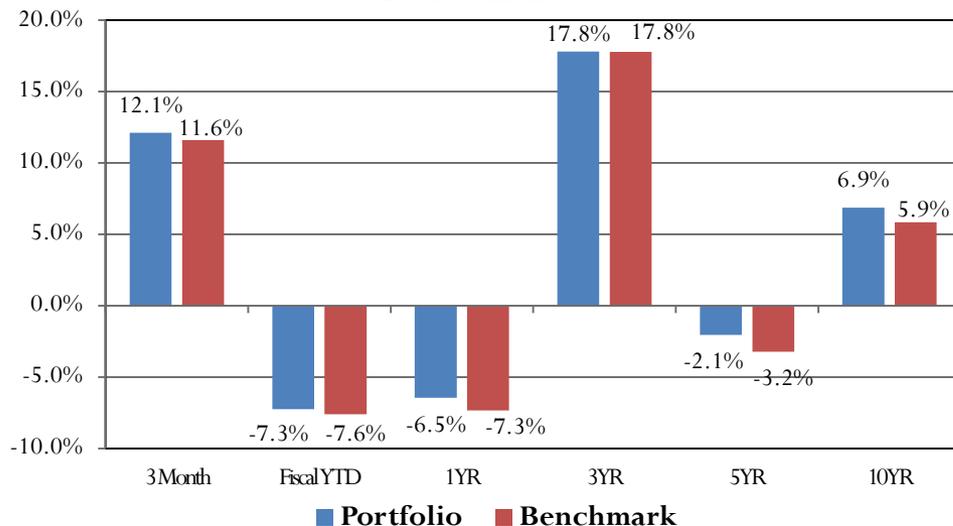


Sector Weights

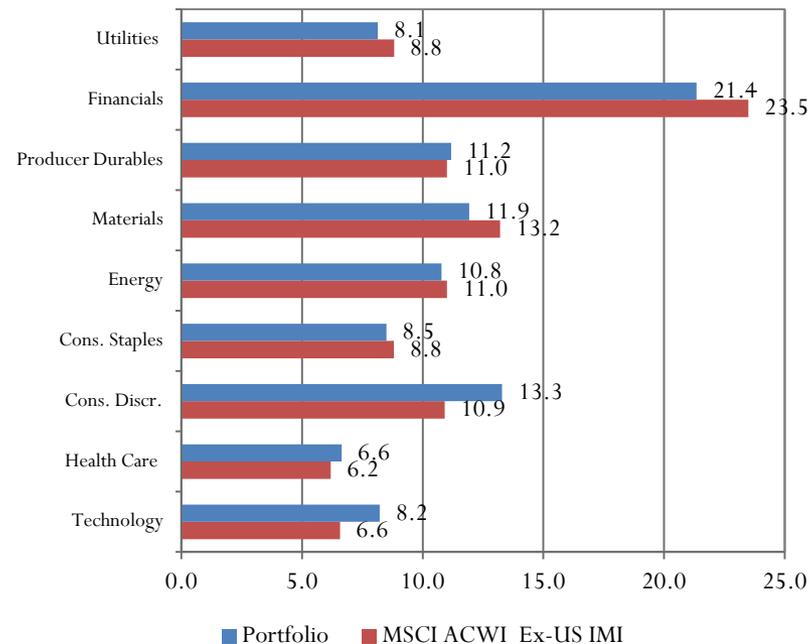


Non-U.S. Equity Profile – March 31, 2012

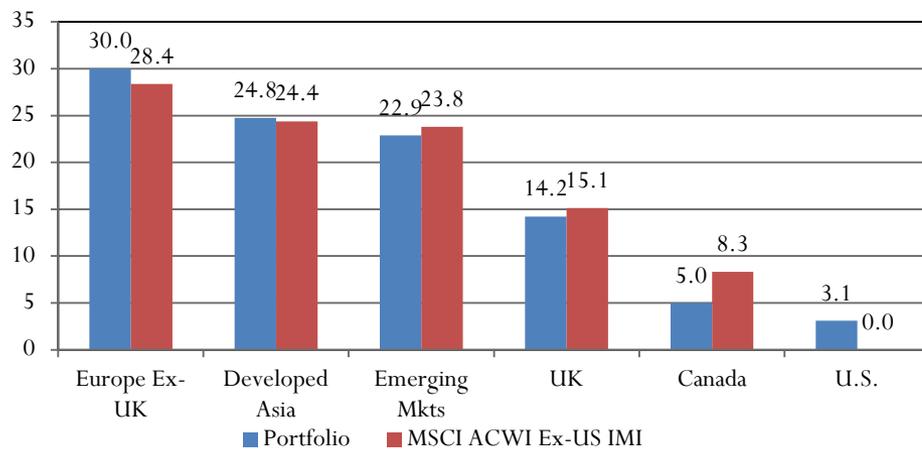
Performance



Sector Allocation



Regional Allocation



Portfolio Characteristics

	Portfolio	MSCI ACWI Ex-US IMI
Price/Earnings	14.20	13.90
Dividend Yield (%)	3.07	3.21
Price/Book	1.45	1.44
Debt/Equity	0.51	0.53
Market Cap (\$ Weighted Median)	21,381	21,382
Return on Equity –1 Year	15.70	15.70

Global Equity – US & Non-US Portfolio Initiatives

- Implement an Emerging Manager of Manager Platform
 - RFI's currently under review
- Complete Non-US and Emerging Market Searches
 - Non-US short list currently under review
 - Evaluating Emerging Market candidates for semi-finalist visit
- Continue to work with SAS to implement portfolio risk management system

Hedge Fund Portfolio

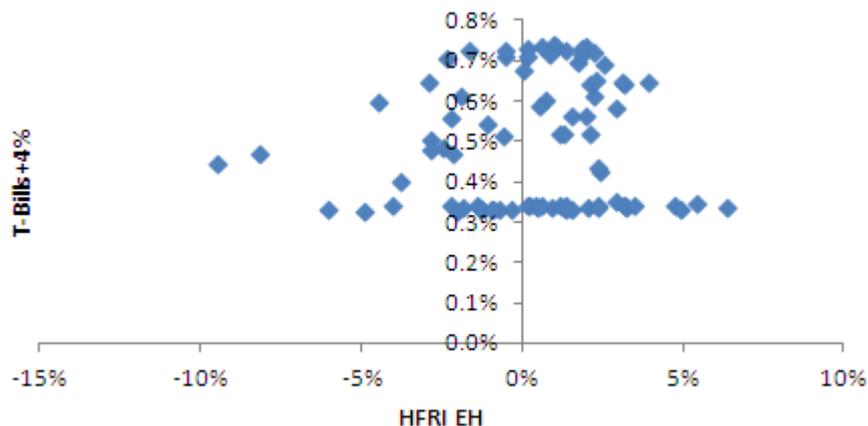
- First investment made 5/1/12 – Tiger Tar Heel Partners
 - Tiger Consumer - \$100M (Equity long/short – U.S Consumer Sector)
 - Hound Partners - \$40M (Equity long/short – Global)
- Expect to continue to make allocations to top tier managers
- Implement appropriate benchmark

Hedge Fund Benchmark

- HF policy benchmark based on beta adjusted public equity index
 - Reflective of portfolio construction methodology
 - Beta initially dynamic based on aggregation of targeted betas of HF investments
 - Ultimately anticipate static beta of 0.4
- Benchmark options considered
 - Beta adjusted equity market index
 - Investable, measurable, unambiguous, specified in advance, representative
 - Risk premium (e.g. T-Bills+4%)
 - Does not convey the beta exposure of an equity substitute HF portfolio
 - HFRI Fund of Funds Index
 - Opaque, relatively lower equity L/S weighting, exposure to non-equity asset class hedge funds
 - HFRI Equity Hedge Index
 - Low participation, bias towards smaller funds

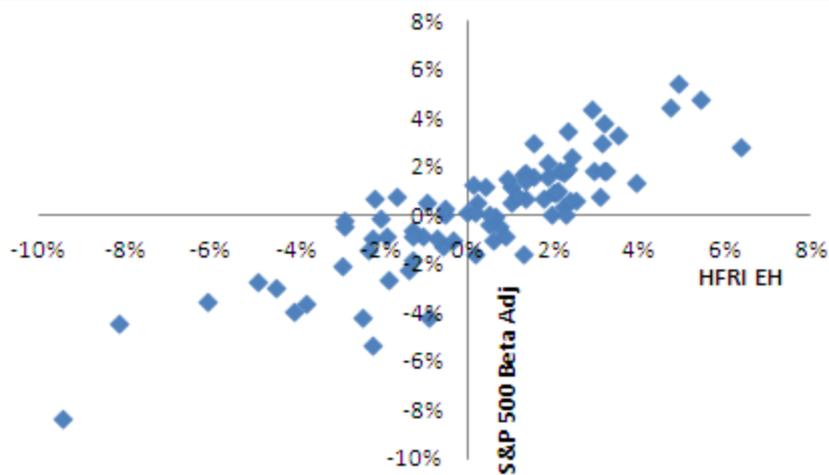
Comparison of Benchmarks

HFRI Equity Hedge vs. U.S. T-Bills+4%



- A risk premium benchmark does not reflect the beta inherent in an equity substitute HF portfolio
- Low correlation (.05)

HFRI Equity Hedge vs. SPX Beta Adjusted



- A beta adjusted equity benchmark reflects the underlying equity L/S strategy adjusted for the reduction in volatility
- Strong positive correlation (.85)