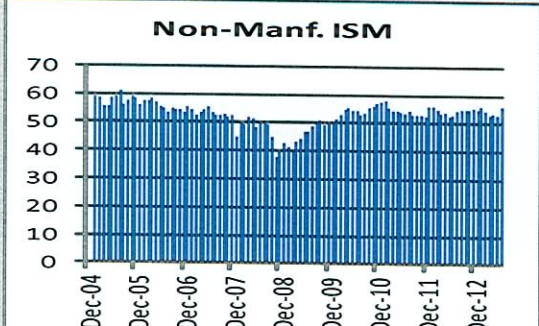
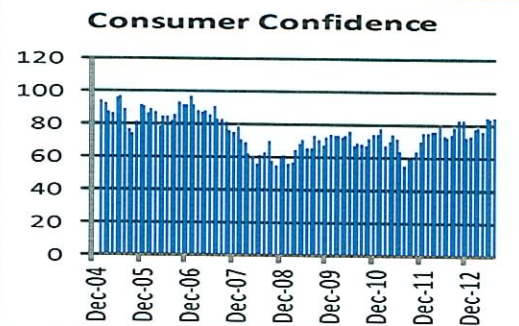
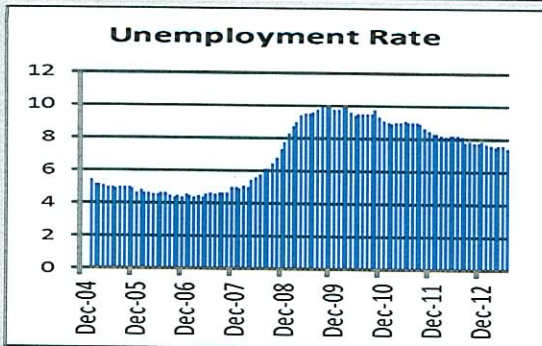
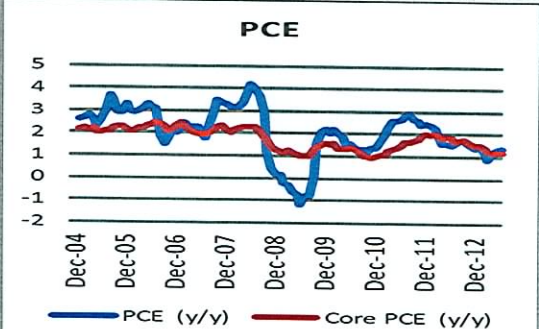
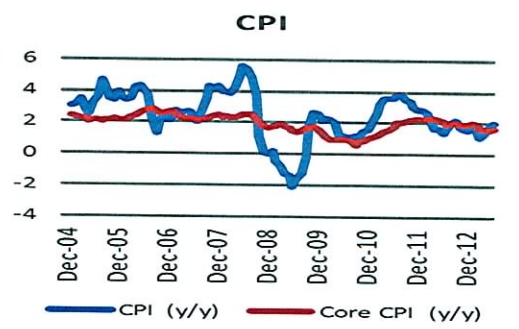
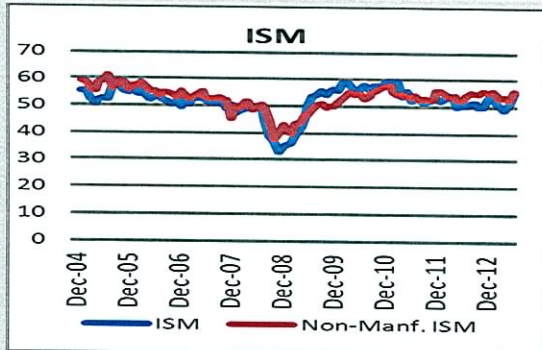
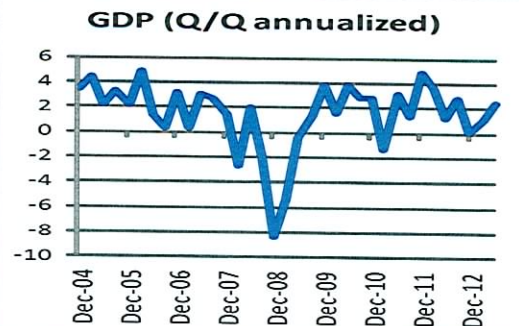
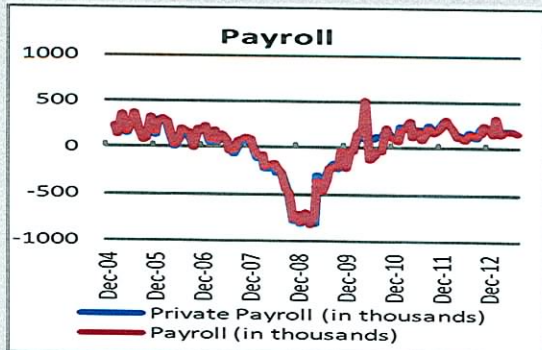




IMD Performance Review

September 18, 2013

U.S. Economic Environment



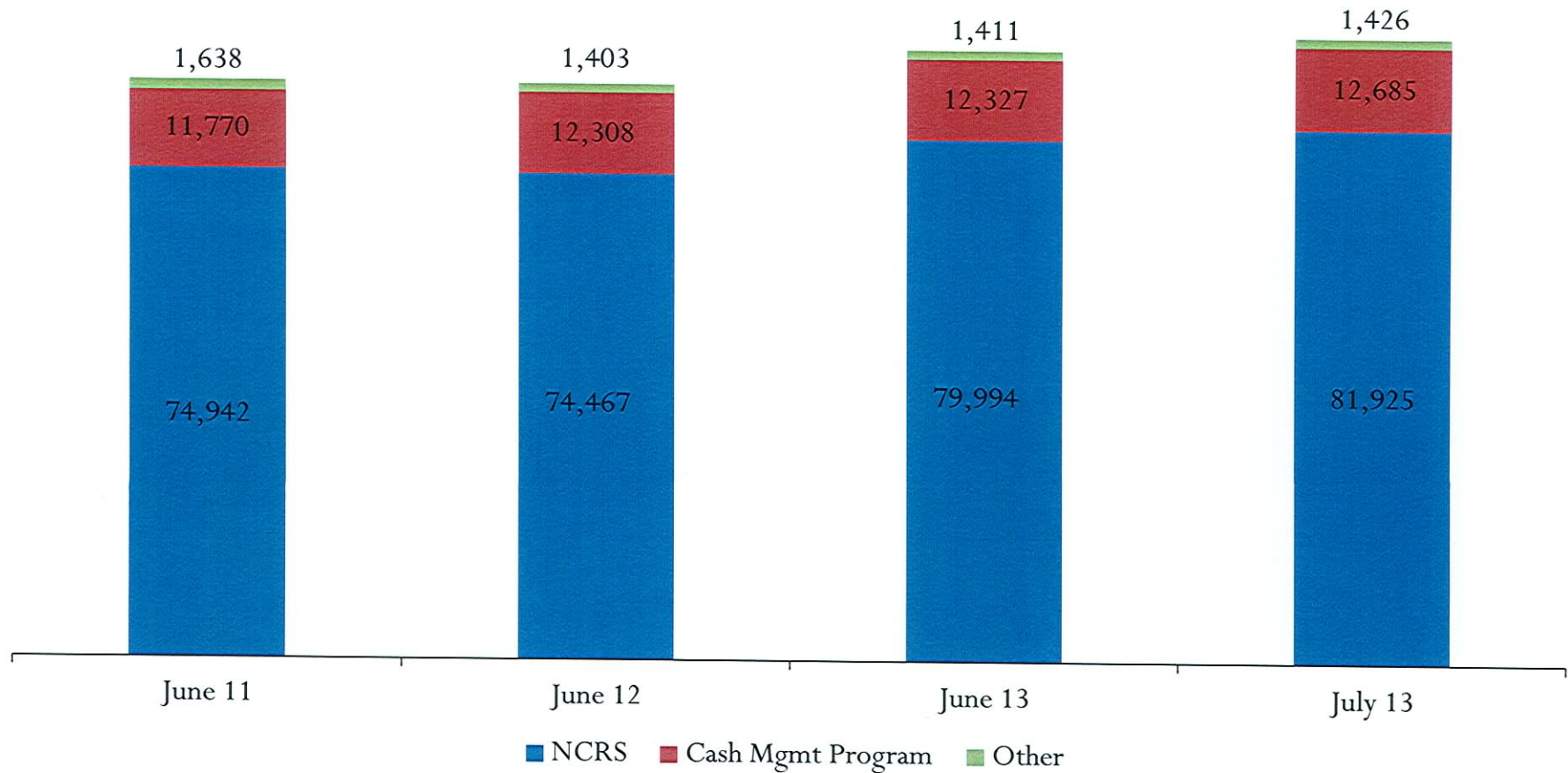
Global Economic Environment

<div> <div>Real GDP YoY</div> <div>Unemployment</div> <div>CPI YoY</div> </div>							<div> <div>Real GDP YoY</div> <div>Unemployment</div> <div>CPI YoY</div> </div>						
Countries	Date	Value	Date	Value	Date	Value	Countries	Date	Value	Date	Value	Date	Value
U.S.	06/13	1.6	07/13	7.4	07/13	2	Asia/Pacific/Latam						
Europe							China	06/13	7.5			07/13	2.7
Germany	06/13	0.5	07/13	6.8	07/13	1.9	India	06/13	4.4			07/13	10.85
France	06/13	0.3	07/13	11	07/13	1.1	Japan	06/13	0.9	07/13	3.8	07/13	0.7
U.K	06/13	1.6	06/13	7.8	07/13	2.8	Indonesia	06/13	5.81			07/13	8.61
Italy	06/13	-2	07/13	12	07/13	1.2	Brazil	06/13	3.28			07/13	6.27
Spain	06/13	-1.6	07/13	26.3	07/13	1.8	Australia	06/13	2.6	07/13	5.7	06/13	2.4



Investment Management Division Assets Under Management (\$mil)

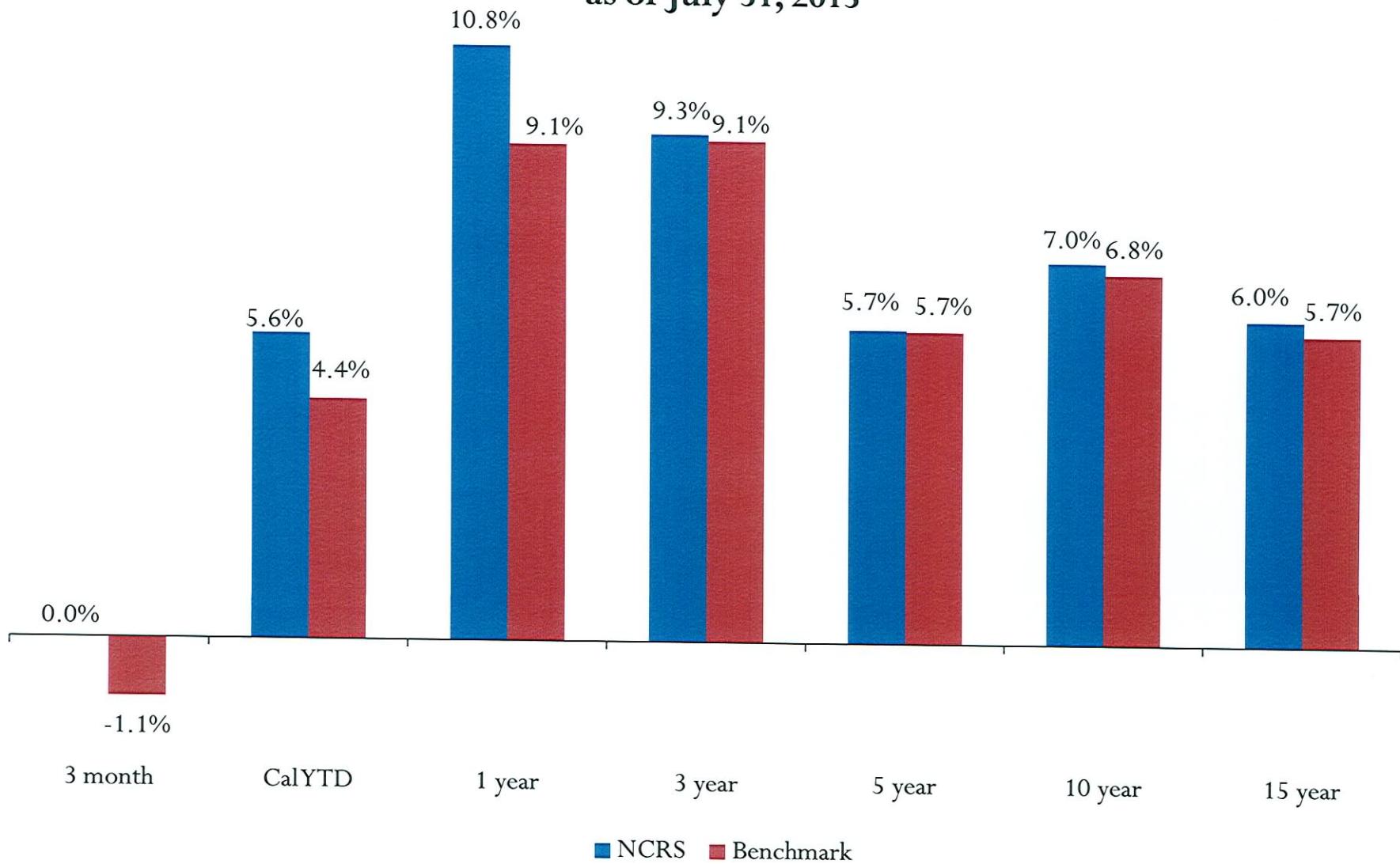
\$96.04 Billion as of July 31, 2013



NCRS Asset Allocation as of July 31, 2013

	Market Value	Current	Strategic Target	Transitional Target
Global Equity	\$38,808,170,199	47.37%	40.50%	44.28%
Total Fixed Income	\$26,371,877,400	32.19%	36.00%	35.27%
LTIF	\$25,988,844,649	31.72%		
Real Estate	\$6,460,512,994	7.89%	8.00%	7.89%
Alternatives	\$3,677,601,297	4.49%	6.50%	4.49%
Private Equity	\$3,405,639,571	4.16%		
Hedge Funds	\$271,961,726	0.33%		
Credit	\$3,499,033,567	4.27%	4.50%	4.27%
Inflation	\$2,421,634,496	2.96%	4.50%	2.96%
Cash	<u>686,539,980</u>	<u>0.84%</u>	<u>0.00</u>	<u>0.84%</u>
Total Fund	\$81,925,369,933	100.00%	100.00%	100.00%

NCRS Total Net Portfolio Return vs. Benchmark as of July 31, 2013



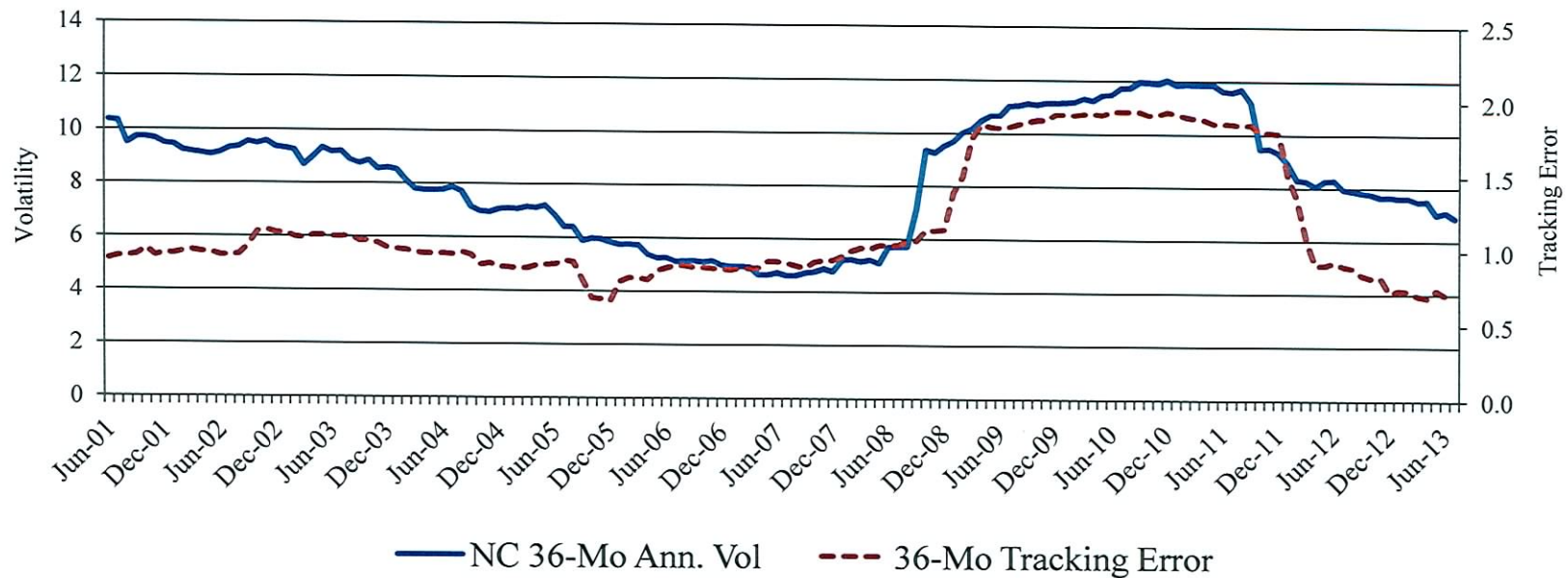
NCRS Net Return Attribution
Contribution to Total Fund Performance vs. Benchmark

	3 months	1 Year	3 Years	5 Years
Global Equity	0.49	0.82	0.21	0.21
Fixed Income	0.20	0.53	0.08	0.23
Real Estate	0.19	0.00	-0.22	-0.27
Private Equity	0.00	-0.18	-0.17	-0.23
Hedge Funds	0.01	0.00	0.01	-0.04
Credit Strategies	0.14	0.56	0.28	0.17
Inflation Portfolio	0.05	0.05	-0.07	-0.04
Cash	0.00	0.00	0.00	0.00
Total NCRS	1.07	1.77	0.13	0.03

NCRS Gross of Fees Return and Risk
BNY Mellon Universe - Public Funds > \$1B

<u>Returns</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>15 Year</u>
25th percentile	15.44	11.46	6.92	8.23	6.90
Median	13.64	10.99	6.13	7.74	6.42
75th percentile	11.94	9.96	5.46	7.28	5.93
NCRS	11.33	9.73	6.19	7.31	6.17
Percentile Rank	80	79	47	70	65
<u>Risk</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>15 Year</u>
25th percentile	5.07	9.09	12.69	10.34	10.74
Median	4.70	8.18	11.90	9.73	10.24
75th percentile	4.13	7.38	10.83	8.95	9.10
NCRS	4.26	6.89	10.11	8.17	8.72
Percentile Rank	69	82	83	92	85

NCRS Rolling 3 Year Total Fund Volatility & Tracking Error as of July 31, 2013



NCRS Risk and Return Metrics as of July 31, 2013

Program	POSITION		36-MONTH					60-MONTH				
	\$ Bil	% Wgt	Return	St. Dev	Active Return	TE	IR	Return	St. Dev	Active Return	TE	IR
Global Equity	38.8	47.4	12.6	15.4	0.4	0.7	0.6	5.3	20.1	0.5	1.1	0.5
Fixed Income	26.4	32.2	4.8	4.3	0.3	0.8	0.4	7.4	5.8	0.6	1.0	0.6
Real Estate	6.5	7.9	11.9	3.1	-3.3	5.2	-0.6	-4.1	8.0	-4.3	7.4	-0.6
Private Equity	3.4	4.2	8.9	3.3	-2.8	10.8	-0.3	3.1	6.0	-3.1	16.7	-0.2
Hedged Strategies	0.3	0.3	2.1	3.6	-0.3	3.4	-0.1	-0.3	7.1	-3.6	7.1	-0.5
Credit Strategies	3.5	4.3	11.4	4.0	8.4	4.2	2.0	--	--	--	--	--
Inflation Portfolio	2.4	3.0	-9.7	16.1	-7.3	12.7	-0.6	--	--	--	--	--
Cash	0.7	0.8	--	--	--	--	--	--	--	--	--	--
Total NCRS	81.9	100.0	9.3	6.9	0.1	0.7	0.2	5.7	10.1	0.0	1.5	0.0

NCRS Liquidity Profile as of June 30, 2013

Invested

30-Jun-13	GlobalEquity	Credit Portfolio	Inflation Portfolio	Hedge Fund Portfolio	Private Equity	Real Estate	Fixed Income	TOTAL	Allocation
Level 1	\$36,139,486,724	\$353,333,411	\$1,043,968,997	-	\$108,292,891	\$518,679,299	\$27,012,774,667	\$65,176,535,990	81.5%
Level 2	\$961,055,704	\$1,197,381,663	\$417,282,201	-	-	\$1,461,595,972	-	\$4,037,315,540	5.0%
Level 3	-	\$925,945,352	-	\$255,298,863	\$23,414,082	-	-	\$1,204,658,297	1.5%
Level 4	-	\$821,139,401	\$897,965,350	\$16,847,166	\$3,318,114,094	\$4,521,529,180	-	\$9,575,595,190	12.0%
TOTAL	\$37,100,542,428	\$3,297,799,827	\$2,359,216,548	\$272,146,029	\$3,449,821,067	\$6,501,804,451	\$27,012,774,667	\$79,994,105,017	

Invested-Unfunded

30-Jun-13	GlobalEquity	Credit Portfolio	Inflation Portfolio	Hedge Fund Portfolio	Private Equity	Real Estate	Fixed Income	TOTAL	Allocation
Level 1	\$33,110,886,167	\$353,333,411	\$1,043,968,997	-	\$108,292,891	\$518,679,299	\$24,754,180,609	\$59,889,341,375	74.9%
Level 2	\$961,055,704	\$1,197,381,663	\$417,282,201	-	-	\$1,461,595,972	-	\$4,037,315,540	5.0%
Level 3	-	\$925,945,352	-	\$255,298,863	\$23,414,082	-	-	\$1,204,658,297	1.5%
Level 4	-	\$1,140,299,540	\$1,783,100,887	\$16,847,166	\$5,142,418,975	\$6,780,123,238	-	\$14,862,789,805	18.6%
TOTAL	\$34,071,941,871	\$3,616,959,966	\$3,244,352,085	\$272,146,029	\$5,274,125,948	\$8,760,398,509	\$24,754,180,609	\$79,994,105,017	

The Liquidity Level defines the level of liquidity for each investment.

Level 1: Highly liquid (T+3 or less)

Level 2: Separate or Commingled Funds with Monthly, Quarterly or Semi-Annual redemption period

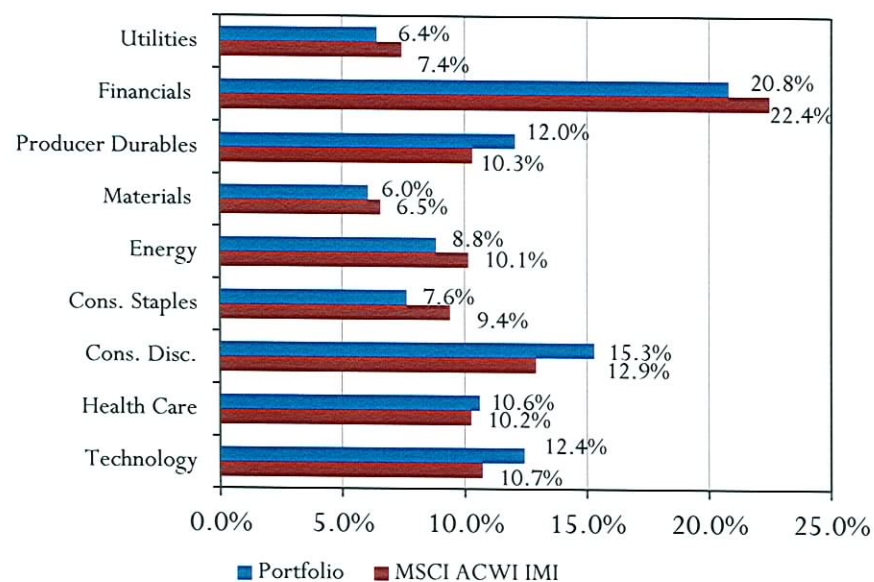
Level 3: Annual to 24 month redemption period

Level 4: Illiquid (> 24 month redemption period)

NCRS Global Equity Net Performance as of July 31, 2013

	3 Month	1 Year	3 Years	5 Years	10 Years
Global Equity	2.91	23.79	12.66	5.31	7.33
Custom Equity Benchmark ¹	1.84	21.80	12.23	4.78	6.83
Domestic Portfolio	7.19	28.01	18.00	8.71	8.38
Russell 3000	6.57	26.86	18.09	8.57	8.14
Non-US Portfolio	(1.35)	18.88	6.64	0.89	8.42
Custom Non-US Benchmark ²	(2.44)	17.44	6.44	0.25	7.53
Global Portfolio	6.39	32.62	15.66	7.87	-
MSCI ACWI	1.45	20.50	11.19	3.81	7.86
Equity Rebalance	2.96	22.28	-	-	
Rebalance Custom Benchmark ³	2.34	22.40	-	-	
Equity Hedge	2.56	8.41	-	-	
Equity Hedge Custom Benchmark ⁴	0.70	5.45	-	-	

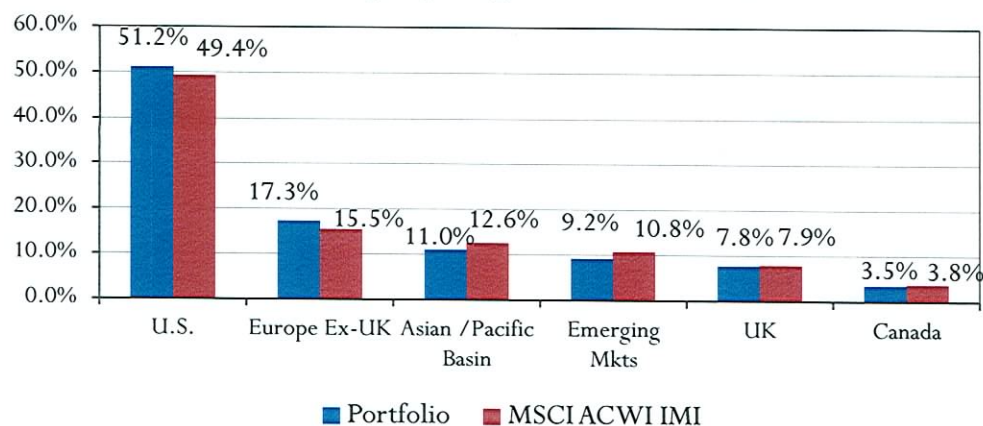
Total Equity Sector Allocation



Portfolio Characteristics

	Portfolio	MSCI ACWI IMI
Price/Earnings	18.3	17.8
Dividend Yield	2.30	2.48
Price/Book	1.93	1.92
Debt/Equity	0.84	0.88
Market Cap (\$ Weighted Median)	29,540	31,266
Return on Equity - 1 Year	15.1	15.3

Total Equity Regional Allocation



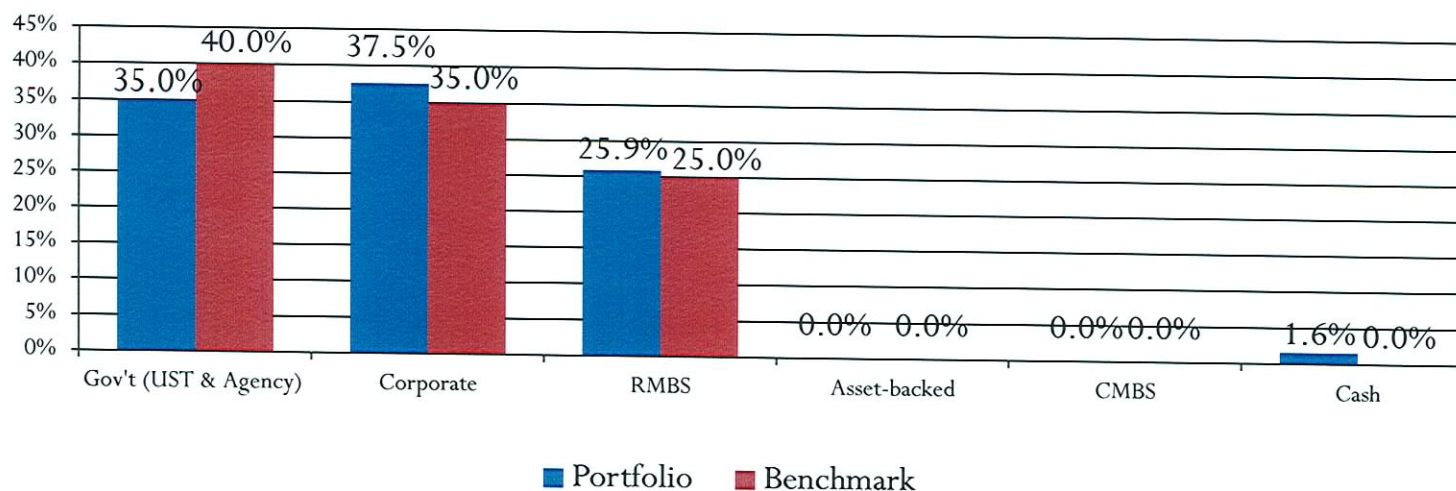
NCRS Fixed Income Net Performance as of July 31, 2013

	3 Month	1 Year	3 Years	5 Years	10 Years
Total Fixed Income	(5.03)	(2.80)	4.79	7.36	6.34
ML Custom Benchmark ⁵	(5.59)	(4.12)	4.46	6.79	5.93
Core Fixed Income	(5.27)	(3.16)	4.76	7.37	6.37
Non-Core Fixed Income	0.70	9.07	8.24	9.14	-
ML Custom Benchmark ⁵	(5.59)	(4.12)	4.46	6.79	5.93

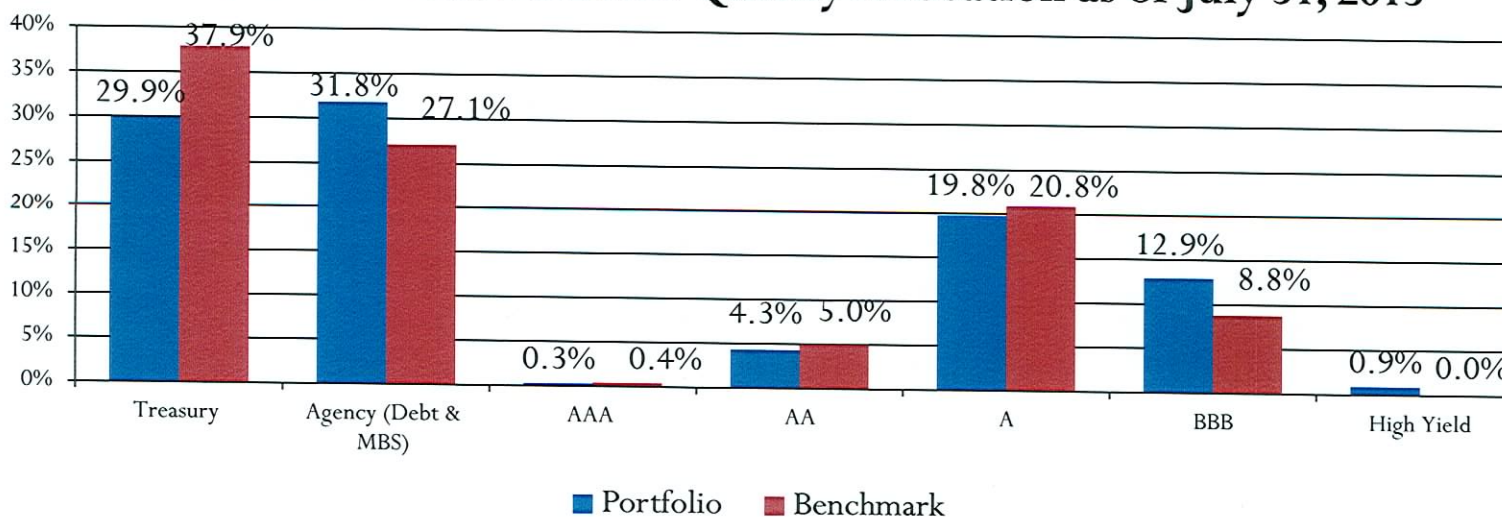
Internal Core Fixed Income Portfolio Characteristics as of July 31, 2013

	<u>Avg. Coupon</u>	<u>Yield to Maturity</u>	<u>Duration</u>
Government (Treasury & Agency)	5.35%	2.33%	8.0
Corporate	5.69%	4.18%	8.6
Mortgage	4.20%	3.03%	4.8
Total	5.18%	3.20%	7.5

Internal Core Fixed Income Sector Allocation as of July 31, 2013



Internal Core Fixed Income Quality Allocation as of July 31, 2013



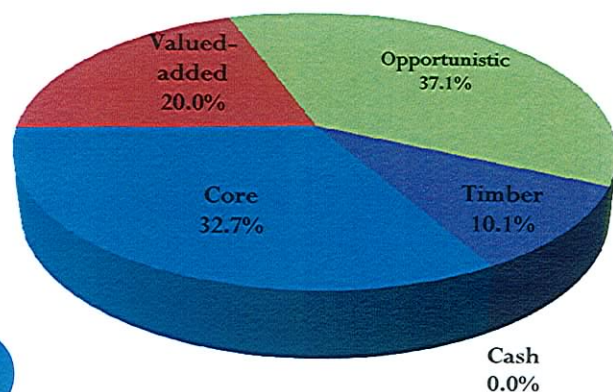
NCRS Real Estate Net Performance as of July 31, 2013

	3 Month	1 Year	3 Years	5 Years	10 Years
Total Real Estate	1.89	11.27	11.86	(4.13)	4.30
Custom Real Estate Benchmark ⁶	(0.53)	11.33	15.17	0.16	7.00
Core Private Real Estate (w/o Timber)	2.40	14.73	12.72	0.74	(3.34)
Value Add Private Real Estate	1.84	11.44	15.02	(3.80)	3.58
Opportunistic Private Real Estate	4.33	10.26	11.37	(9.23)	5.08
Timber	(0.93)	6.90	(5.48)	(4.35)	11.31
REITS	(6.20)	14.32	12.75	5.62	-

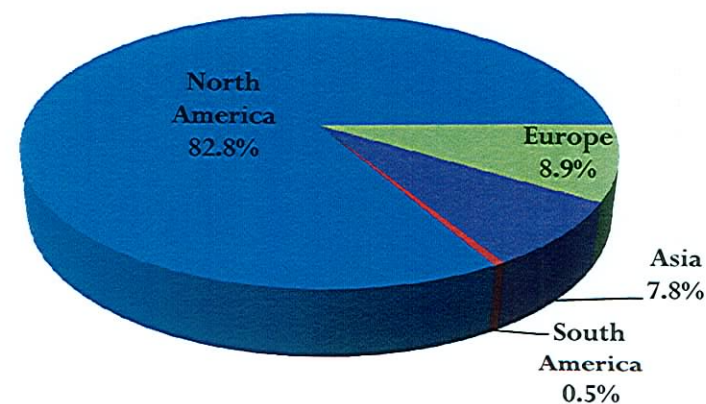
Real Estate IRR by Vintage Year

	<u>Pre-04</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Total</u>
NCRS	7.71	10.20	-3.15	-2.99	1.20	10.40	8.36	12.83	-14.02	0.00	3.72
Funds	20	4	15	19	13	6	5	8	8	2	100

Strategy Allocation by Value



Geographic Allocation by Value



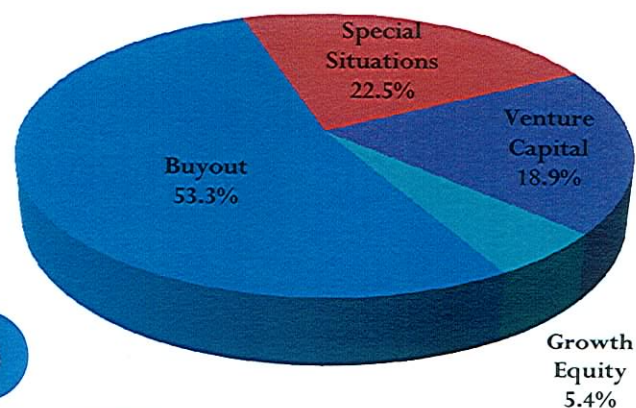
NCRS Alternatives Net Performance as of July 31, 2013

	3 Month	1 Year	3 Years	5 Years	10 Years
Alternatives	2.91	6.72	8.29	2.70	5.62
Custom Alternatives Benchmark ⁷	2.78	10.37	11.01	6.81	7.93
Private Equity	3.00	6.77	8.93	3.12	7.13
Custom Private Equity Benchmark ⁸	2.98	10.74	11.76	6.22	10.00
Hedge Funds	1.73	6.15	2.11	(0.33)	2.70
Custom Hedge Fund Benchmark ⁹	0.20	5.61	2.40	3.22	5.19

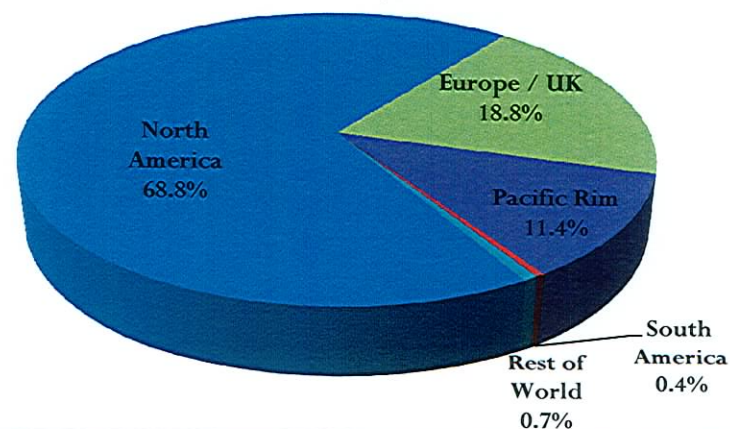
Private Equity IRR by Vintage Year

	<u>Pre-03</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Total</u>
NCRS	12.56	13.23	6.79	5.32	2.20	5.22	7.00	8.96	11.94	-0.51	-21.58	-30.01	5.91
Funds	26	2	3	11	21	13	17	3	1	6	5	6	114

**Private Equity Strategy
Allocation by Commitments**



**Private Equity Geographic
Allocation by Value**



NCRS Credit Strategies & Inflation Portfolio Net Performance as of July 31, 2013

	3 Month	1 Year	3 Years	5 Years	10 Years
Total Credit Strategies	4.22	17.68	11.36	-	-
Custom Credit Benchmark ¹⁰	0.64	3.88	3.00	-	-
Total Inflation Portfolio	(1.32)	(5.50)	(9.69)	-	-
Custom Inflation Benchmark	(2.93)	(6.97)	(2.38)	-	-

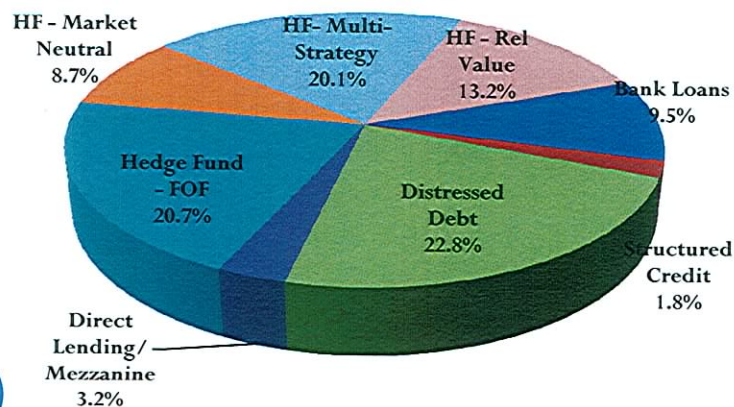
Credit Strategies IRR by Vintage Year

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Total</u>
NCRS	3.52	16.76	10.88	22.42	13.74	6.32	6.19	15.00	10.44
Funds	1	1	3	1	4	9	2	3	24

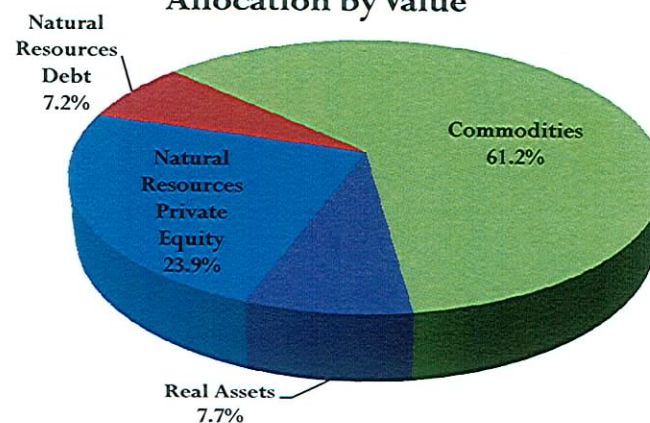
Inflation Portfolio IRR by Vintage Year

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Total</u>
NCRS	5.06	12.58	13.44	n/a	-6.89	-8.68	15.35	4.02	-4.38
Funds	1	2	2	0	3	9	7	7	31

Credit Strategies Strategy Allocation by Value



Inflation Portfolio Strategy Allocation by Value



New Investments – Since May IAC Meeting

<u>Fund Name</u>	<u>Firm Name</u>	<u>Commitment</u>	<u>Closing Date</u>
<u>Global Equity</u>			
None			
<u>Private Equity</u>			
Warburg Pincus Private Equity XI	Warburg Pincus LLC	\$150,000,000	7/8/2013
CVC Capital Partners VI	CVC Capital Partners	€ 75,000,000	7/10/2013
Avista Capital Partners III	Avista Capital Partners	\$150,000,000	7/12/2013
Catterton Growth Partners II	Catterton Growth Partners	\$75,000,000	8/5/2013
<u>Real Estate</u>			
Rockpoint NYC CIP Investors	Rockpoint Group	\$90,000,000	6/26/2013
<u>Credit Strategies</u>			
Highbridge Irish Specialty Loan Fund III	Highbridge Principal Strategies	\$150,000,000	6/17/2013
GSO Capital Solutions Fund II	GSO Capital Partners	\$84,667,160	8/20/2013
<u>Inflation Portfolio</u>			
GSO Bakken Holdings I	GSO Capital Partners	\$15,000,000	6/4/2013
DCPF VI Oil and Gas Co-Inv Fund	Denham Capital	\$50,000,000	7/26/2013
GSO Energy Partners - SMA	GSO Capital Partners	\$100,000,000	7/26/2013
<u>Hedge Funds</u>			
None			

Appendix: NCRS Asset Class Net Performance
As of July 31, 2013

	1 Year	3 Years	5 Years	10 Years	15 Years
Global Equity	23.79%	12.66%	5.31%	7.33%	5.22%
Benchmark	21.80%	12.23%	4.78%	6.83%	4.28%
Fixed Income	-2.80%	4.79%	7.36%	6.34%	6.61%
Benchmark	-4.12%	4.46%	6.79%	5.93%	6.28%
Real Estate	11.27%	11.86%	-4.13%	4.30%	5.50%
Benchmark	11.33%	15.17%	0.16%	7.00%	8.15%
Private Equity	6.77%	8.93%	3.12%	7.13%	5.98%
Benchmark	10.74%	11.76%	6.22%	10.00%	6.61%
Hedge Funds	6.15%	2.11%	-0.33%	2.70%	-
Benchmark	5.61%	2.40%	3.22%	5.19%	-
Credit Strategies	17.68%	11.36%	-	-	-
Benchmark	3.88%	3.00%	-	-	-
Inflation Portfolio	-5.50%	-9.69%	-	-	-
Benchmark	-6.97%	-2.38%	-	-	-

NOTES:

1. As of 5/1/12, the Global Equity Benchmark is the dynamically weighted return of the Domestic Benchmark, the Non-US Benchmark, the Global Benchmark, the Rebalance Benchmark, and the Equity Hedge Benchmark
2. As of 10/1/10, the Custom Non-US Benchmark is the MSCI ACWI ex US IMI Index
3. The Equity Rebalance (Gladius) Custom Benchmark is a combination of the return of the underlying benchmarks within share class A, and share class B's performance minus the accrued premium of share class B.
4. The Equity Hedge Custom Benchmark is the return of the MSCI World Index beta adjusted to the target beta of the Equity Hedge portfolio.
5. The ML Custom Benchmark consists of 40% Gov't 5+yr / 35% Corp. (Inv. Grade - BBB Max 25%) 5+yr / 25% Mtg. Master
6. As of 7/1/07, the Custom Real Estate Benchmark consists of 90% NCREIF ODCE Index / 10% FTSE EPRA/NAREIT Global Securities Index
7. As of 7/1/11, the Custom Alternatives Benchmark is the dynamically weighted return of the Custom Private Equity Benchmark and the Custom Hedge Fund Benchmark
8. As of 7/1/11, The Custom Private Equity Benchmark is the custom Cambridge Associates benchmark
9. As of 7/1/11, The Custom Hedge Fund Benchmark is the HFRI FOF Conservative Index
10. As of 7/1/11, The Custom Credit Benchmark consists of 50% HFRX Distressed / 20% HFRX Relative Value / 15% CS Leveraged Loan / 15% BOA High Yield
11. As of 7/1/11, The Custom Inflation Benchmark is the dynamically weighted return of the Private Energy benchmark (Cambridge Energy) and the Commodities benchmark (DJ-UBS Commodities Index)
12. As of 7/1/11, the Total Pension Custom Benchmark consists of the dynamically weighted return of the Fixed Income Benchmark, Custom Equity Benchmark, Custom Real Estate Benchmark, Custom Alternatives Benchmark, Custom Credit Benchmark, & Custom Inflation Benchmark