

Asset Allocation of Similar Plans

Prepared For:

The City of Providence Employee Retirement
System

Submitted by

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On

May 23, 2013

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Harvard

<i>Evolution of the Policy Portfolio</i>			
	1995	2005	2013
Domestic Equities	38%	15%	11%
Foreign Equities	15	10	11
Emerging Markets	5	5	11
Private Equities	12	13	16
Total Equity	70	43	49
Absolute Return	0	12	15
Real Estate	7	10	10
Natural Resources	0	10	13
Publicly Traded Commodities	6	3	2
Total Real Assets	13	23	25
Domestic Bonds	15	11	4
Foreign Bonds	5	5	2
High Yield	2	5	2
Inflation-Indexed Bonds	0	6	3
Total Fixed Income	22	27	11
Cash	-5	-5	0
TOTAL	100%	100%	100%

Source: http://www.hmc.harvard.edu/investment-management/policy_portfolio.html
 Report: http://www.hmc.harvard.edu/docs/Final_Annual_Report_2012.pdf

YALE

	Yale University	Educational Institution Mean
Absolute Return	14.5%	23.8%
Domestic Equity	5.8	18.5
Fixed Income	3.9	13.3
Foreign Equity	7.8	18.2
Natural Resources	8.3	8.2
Private Equity	35.3	10.9
Real Estate	21.7	4.3
Cash	2.7	2.7

Data as of June 30, 2012

Source:

a) http://investments.yale.edu/images/documents/Yale_Endowment_11.pdf

b) http://investments.yale.edu/images/documents/Yale_Endowment_12.pdf

J. Retirement Benefits (continued)

Target allocations and weighted-average asset allocations of the investment portfolio for the MIT defined benefit plan and postretirement welfare benefit plan at June 30, 2012 and 2011 are shown in Table 28.

	Defined benefit plan Plan assets as of June 30			Postretirement welfare benefit plan Plan assets as of June 30		
	Target Allocation	2012	2011	Target Allocation	2012	2011
Cash & cash equivalents	–	4%	2%	–	8%	2%
Fixed income	8%	8%	10%	20%	19%	22%
Equities	52%	53%	51%	50%	48%	55%
Marketable alternatives	29%	24%	26%	25%	21%	18%
Real estate	11%	11%	11%	5%	4%	3%
Total	100%	100%	100%	100%	100%	100%

The following table summarizes the notional exposure and net ending fair value of derivative financial instruments held by the MIT defined benefit plan at June 30, 2012 and 2011. Refer to Note C for detailed discussion regarding derivative financial instruments.

<i>(in thousands of dollars)</i>	Notional exposure		Net ending fair value amount	Net gain (loss)
	Long	Short		
Fiscal year 2012				
Fixed income instruments				
Fixed income futures	\$ –	\$ (3,700)	\$ (9)	\$ 8
Interest rate swaps	–	(3,743)	(85)	(1,056)
Total fixed income instruments	–	(7,443)	(94)	(1,048)
Commodity and other instruments				
IOS index swaps	\$ –	\$ (7,322)	\$ 5	\$ 205
Total index instruments	–	(7,322)	5	205
Credit instruments	–	(13,027)	7,056	(27)
2012 Total	\$ –	\$ (27,792)	\$ 6,967	\$ (870)
Fiscal year 2011				
Fixed income instruments				
Fixed income futures	\$ 1,000	\$ (6,600)	\$ (17)	\$ (179)
Interest rate swaps	–	(13,206)	(23)	(23)
Total fixed income instruments	1,000	(19,806)	(40)	(202)
Credit instruments	–	(24,565)	13,253	(736)
2011 Total	\$ 1,000	\$ (44,371)	\$ 13,213	\$ (938)

Brown

Actual Allocation as of June 30, 2012 (%)

Public Equity	23
Equity-Like Credit	4
Hedged Strategies	24
Private Equity	24
Real Assets	14
<hr/>	
Total Equity	89
Fixed Income	10
Cash	1
<hr/>	
Long-Term Pool	100

Stanford

The strategic asset allocation targets for the MP as of June 30, 2011

LONG-TERM POLICY TARGETS

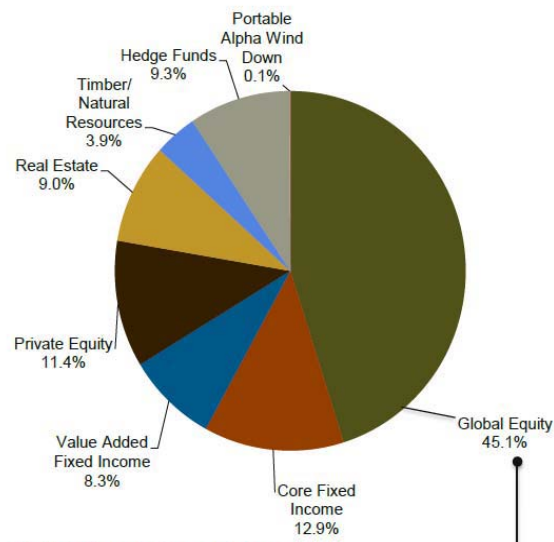
Long-Term Policy Targets	
Asset Class	Strategic Allocation
Public Equity	37%
Real Estate	16%
Private Equity	12%
Natural Resources	7%
Absolute Return	18%
Fixed Income	10%

Source: http://www.smc.stanford.edu/sites/default/files/site_files/Report%20from%20SMC%202011.pdf

Mass. Pension: PRIT Fund

PRIT Fund Asset Allocation

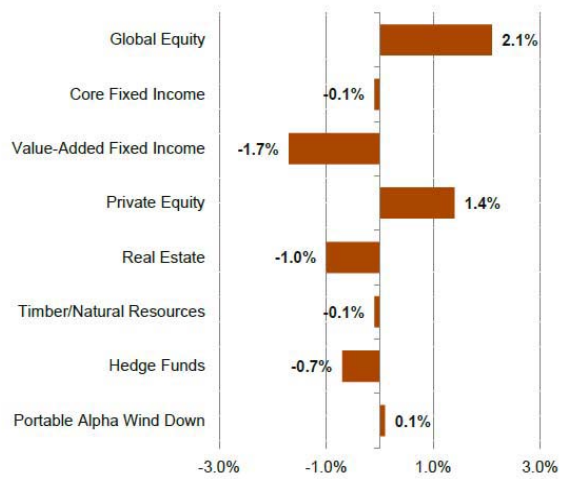
Actual Allocation as of March 31, 2013



Global Equity Breakdown

Domestic Equity	20.3%
International Equity	17.9%
Emerging Markets Equity	6.9%

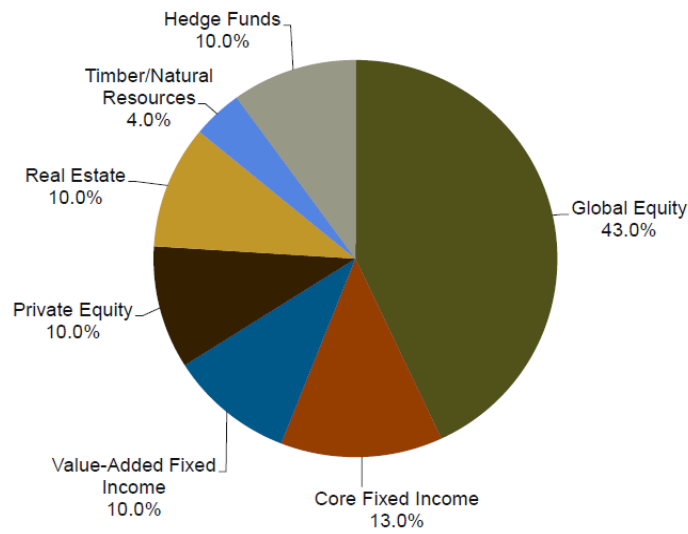
Actual Allocation vs. Target Allocation



Mass. Pension: PRIT Fund

PRIT Fund Asset Allocation

Long-Term Asset Allocation Targets



New Jersey Division of Investment
Actual Allocation vs FY 2013 Investment Plan Target¹
2/28/13

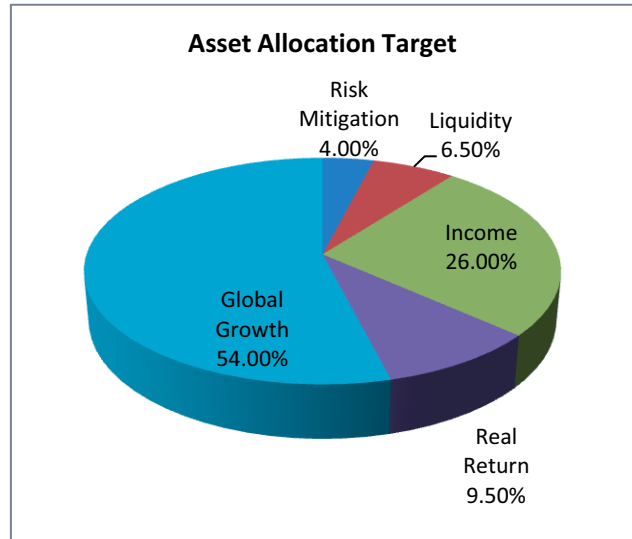
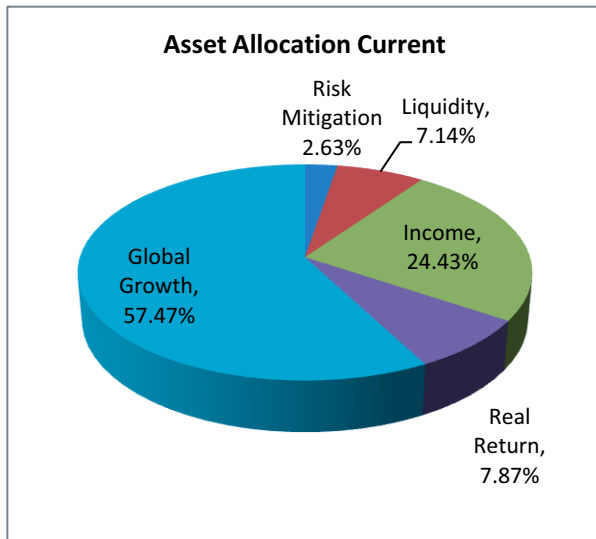
	Actual Allocation %	Target %	Difference%	Allocation\$ ⁽²⁾
Absolute Return/Risk Mitigation	2.63%	4.00%	-1.37%	1,910.28
Risk Mitigation	2.63%	4.00%	-1.37%	1,910.28
Cash Equivalents ⁽³⁾	3.75%	1.50%	2.25%	2,726.41
TIPS	2.45%	2.50%	-0.05%	1,781.85
US Treasuries	0.94%	2.50%	-1.56%	686.27
Total Liquidity	7.14%	6.50%	0.64%	5,194.53
Investment Grade Credit	15.01%	13.00%	2.01%	10,923.95
High Yield Fixed Income	4.35%	6.00%	-1.65%	3,164.89
Credit Orient Hedge Funds	2.75%	4.00%	-1.25%	1,997.29
Debt Related Private Equity	1.07%	1.50%	-0.43%	780.49
Police and Fire Mortgage Program	1.25%	1.50%	-0.25%	908.10
Total Income	24.43%	26.00%	-1.57%	17,774.72
Commodities and Other Real Assets	2.88%	4.00%	-1.12%	2,092.49
Real Estate ⁽²⁾	5.00%	5.50%	-0.50%	3,636.68
Total Real Return	7.87%	9.50%	-1.63%	5,729.17
US Equity	26.13%	23.80%	2.33%	19,014.54
Non-US Developed Markets Equity	13.35%	12.50%	0.85%	9,711.47
Emerging Markets Equity	7.32%	7.00%	0.32%	5,329.18
Equity Oriented Hedge Funds	4.00%	4.50%	-0.50%	2,910.28
Buyouts/Venture Capital	6.67%	6.20%	0.47%	4,850.50
Total Global Growth	57.47%	54.00%	3.47%	41,815.97
Other Cash and Receivables	0.46%	0.00%	0.46%	334.55
Total Pension Fund	100.00%	100.00%	0.00%	72,759.22

¹ Figures are unaudited and are subject to change.

² Reflects the most recent market values available.

³ The cash aggregate comprises the four common fund cash accounts, in addition to the seven plan cash accounts.

Totals may not equal sum of components due to rounding





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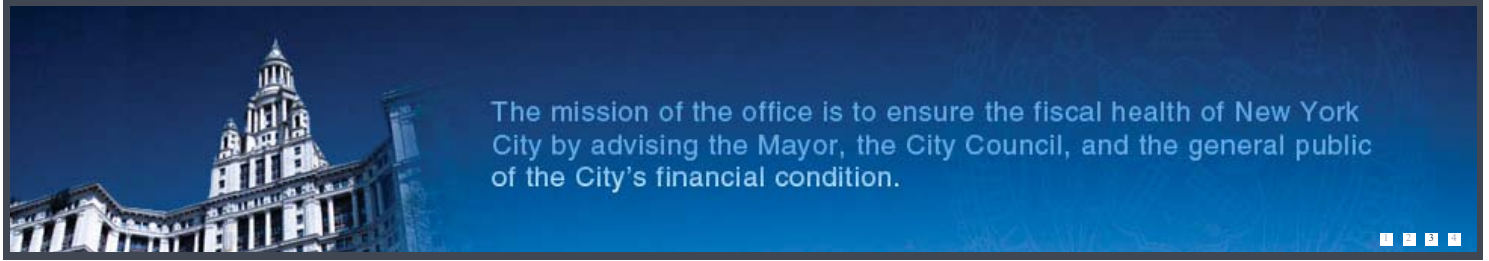
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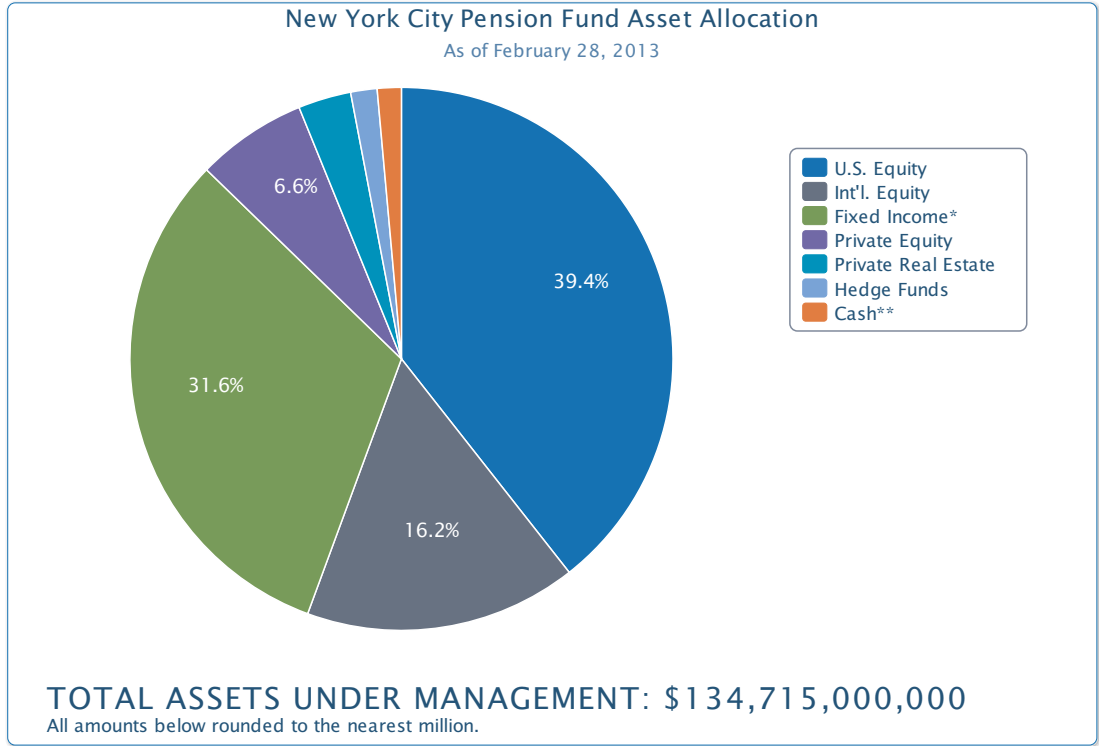
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2013 Assets | 2012 Assets | 2011 Assets | 2010 Assets



	Teachers	Employees	Police	Fire	Board of Ed.	Total
U.S. Equity	\$20,953	\$16,489	\$10,770	\$3,489	\$1,374	\$53,075
Int'l. Equity	8,021	7,197	4,460	1,332	1,412	\$ 21,845
Fixed Income*	15,393	14,368	9,071	2,793	1,009	\$ 42,634
Private Equity	2,423	3,775	1,975	593	107	\$ 8,873
Private Real Estate	1,022	1,909	911	326	76	\$ 4,244
Hedge Funds	0	1,175	709	234	0	\$ 2,118

Cash**	656	771	324	134	40	\$1,926
Total	\$48,469	\$45,684	\$28,220	\$8,981	\$3,361	\$134,715
Investment Return						
FY ending 6/30/12	1.85%	1.32%	0.87%	1.10%	0.10%	
FYTD***	10.29%	10.42%	10.45%	10.13%	11.03%	

* U.S. Fixed Income assets do not include cash.
 ** Cash includes Securities Lending, State Street Short Term and BNY-Mellon CD accounts.
 *** Fiscal Year to Date begins July 1st.

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CalPERS

Asset Class	Actual Investment (\$ Billions)	Actual Investment %	Interim Strategic Target % ¹
Growth	\$163.6	64.0%	64.0%
Public Equity	\$131.9	52.0%	50.0%
Private Equity	\$31.7	12.0%	14.0%
Income	\$40.7	16.0%	17.0%
Liquidity	\$10.7	4.0%	4.0%
Real Assets	\$24.6	10.0%	11.0%
Real Estate	\$21.4	8.0%	9.0%
Forestland/ Infrastructure	\$3.2	1.0%	2.0%
Inflation	\$9.7	4.0%	4.0%
Absolute Return Strategy	\$5.2	2.0%	N/A
Multi Asset Class Strategy	\$0.5	0.0%	N/A
Total Fund*	\$255.0	100.0%	100.0%

¹ Target allocation effective July 2011.

* Figures are rounded for viewing purposes.

Allocation as of Feb. 28, 2013

Dated: 04-30-2013

Source: <http://www.calpers.ca.gov/index.jsp?bc=/investments/assets/assetallocation.xml>

CalSTRS

Current Investment Portfolio

From CalSTRS investment portfolio, the asset allocation mix for the period ending March 31, 2013.

Asset Allocation as of March 31, 2013

Assets	Market Value (in millions)	Actual	Current Target	Difference	Range
Global Equity	88,591	54.1%	53.0%	1.1%	47 – 59
Fixed Income	28,447	17.4%	20.0%	(2.6%)	17 – 23
Real Estate	22,264	13.6%	12.0%	1.6%	9 – 15
Private Equity	21,608	13.2%	12.0%	1.2%	9 – 15
Cash	1,075	0.7%	1.0%	(0.3%)	-2 – 4
Inflation Sensitive	726	0.4%	2.0%	(1.6%)	0 – 5
Overlay	964	0.6%	0.0%	0.6%	0 – 3
Total Investment Assets	163,675	100.0%	100.0%		

Source: <http://www.calstrs.com/current-investment-portfolio>

State of Texas

ASSET ALLOCATION ADOPTED 2/26/13

Asset Class	Benchmark	Long Term Target
<u>Return Seeking Assets:</u>		79.0%
Global Equity¹		55.0%
Public Equity ²	MSCI ACWI	45.0%
Private Equity ³	S&P 1500 +300 bps	10.0%
Global Credit^{1, 2}	Barclays US HY 2% Issuer Cap	10.0%
Real Assets¹		14.0%
Public Real Estate ²	FTSE EPRA/NAREIT	10.0%
Private Real Estate ³	NCREIF – ODCE	
Infrastructure ³	CPI + 450 bps/Macquarie Global Infra. Index ⁴	4.0%
Special Situations:¹		0 - 5%⁵
<u>Risk Reduction/Liquidity Assets:³</u>		21.0%
Fixed Income - Rates	Barclays Intermediate Treasury Index	15.0%
Cash (approximately)	91 Day Treasury bill	1.0%
Hedge Funds/Absolute Return	U.S. 3-Month Treasury bill +400 bps	5.0%
Global Total		100.0%

¹May be implemented through hedge fund structures

²Asset class band of 10% +/- of target

³Asset class band of 5% +/- of target

⁴Infrastructure: comprised of 75% Private (CPI + 450 bps) and 25% listed (Macquarie Global Infra. Index)

⁵Any allocation to Special Situations would have a corresponding reduction to the most similar asset class as further discussed in Section 2.2(E).

- C. **Return Seeking/Risk Reduction (Liquidity) Framework.** The Board of Trustees has adopted the asset allocation reflected in this policy to improve long-term expected return and sharpe ratio of the Trust. This framework for the asset allocation between return seeking and risk reduction/liquidity assets in the form presented provides broader diversification, improved returns in disparate economic regimes, improved long-term economic cost profile, a clearer distinction of the separate roles different fixed income segments play and an increase in less liquid investments.