

Overview of State Investment Portfolio

Select Committee on
Capital Financing and Investments



Investment Portfolio Overview



Permanent Mineral Trust Fund

Investment Pool Profile

Fund Type: Permanent Fund

Main Objective: Produce maximized long-term investment income and capital gains while providing appropriate liquidity

Primary Investment Goal: Capital appreciation, total return, and protection against inflation

Long-Term Return Expectation: CPI + 4%

Spending Policy: 5% of the five-year rolling average market value, calculated on the first day of the fiscal year

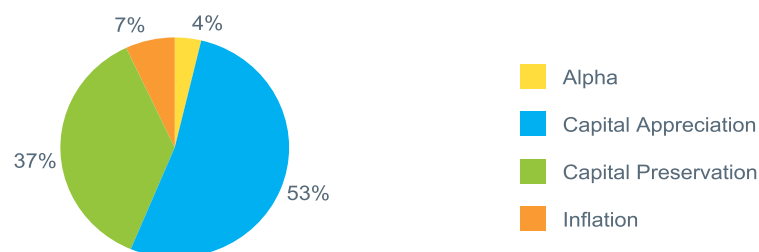
Funding Source: Constitutional and statutory mineral severance tax revenues, and occasional direct legislative appropriations

Liquidity Constraints: The corpus cannot be spent but only invested for income and capital gains

Maximum Equity Allocation: 55%

Current Target Equity Allocation: 50%

Asset Allocation by Theme



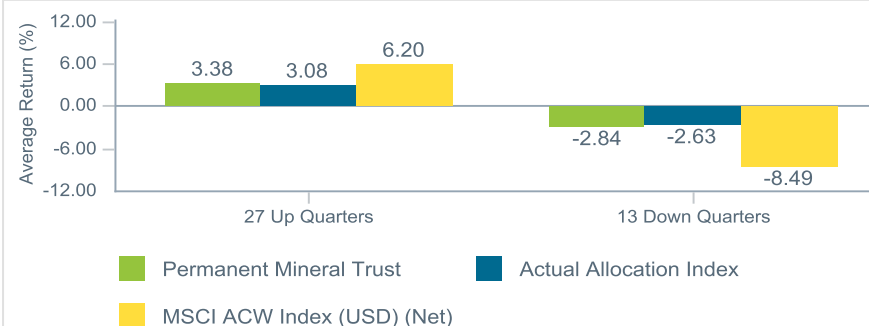
MPT Stats

	5 Years	10 Years
Maximum Return	6.12	8.80
Minimum Return	-6.89	-8.83
Standard Deviation	5.88	7.56
vs. S&P 500 Index (Cap Wtd)		
Beta	0.43	0.43
vs. BofA ML 3 Mo US T-Bill Index		
Sharpe Ratio	0.88	0.56

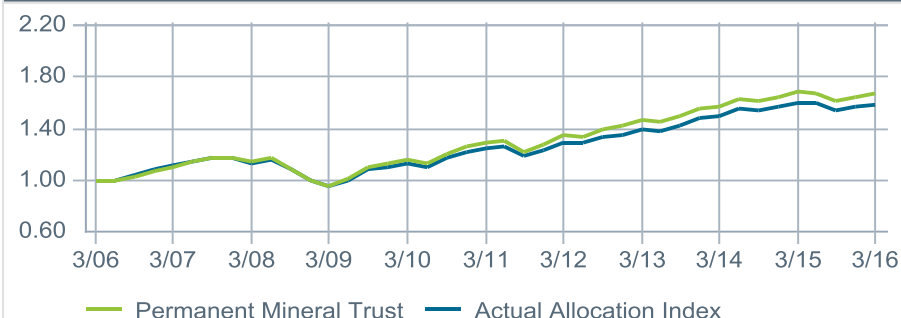
Asset Allocation vs. Target Allocation

	Market Value (\$000)	Allocation (%)	Minimum Range (%)	Target (%)	Maximum Range (%)
Permanent Mineral Trust	7,187,102	100.00	-	100.00	-
US Equity	1,463,163	20.36	13.15	16.40	19.65
Global Equity	241,721	3.36	2.35	3.10	3.85
International Equity	1,003,377	13.96	9.00	11.50	14.00
Private Equity	347,087	4.83	2.00	4.00	6.00
Real Estate	483,459	6.73	4.50	7.50	10.50
Absolute Return	267,936	3.73	4.50	7.50	10.50
Convertibles	128,898	1.79	1.00	2.00	3.00
Fixed Income	2,628,983	36.58	40.00	45.00	50.00
Public Purpose Investments	162,116	2.26	0.00	0.00	0.00
Cash (inv. in SAP)	460,362	6.41	0.00	3.00	6.00

Up/Down Markets - 10 Years



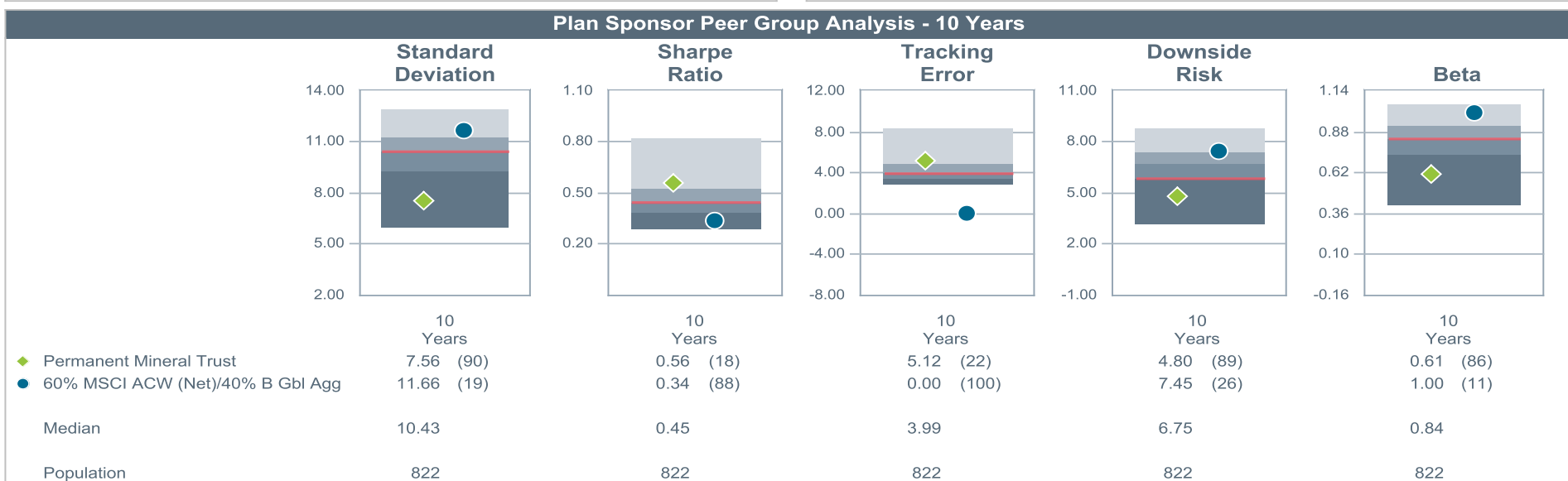
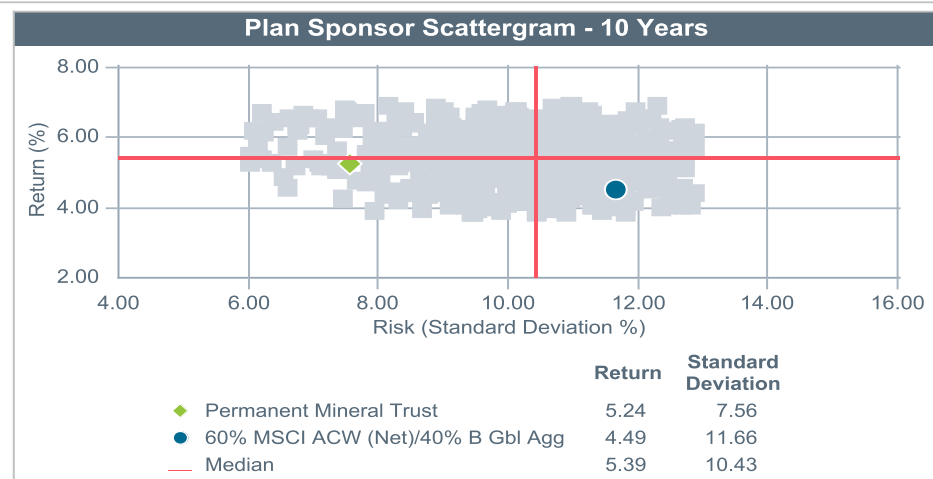
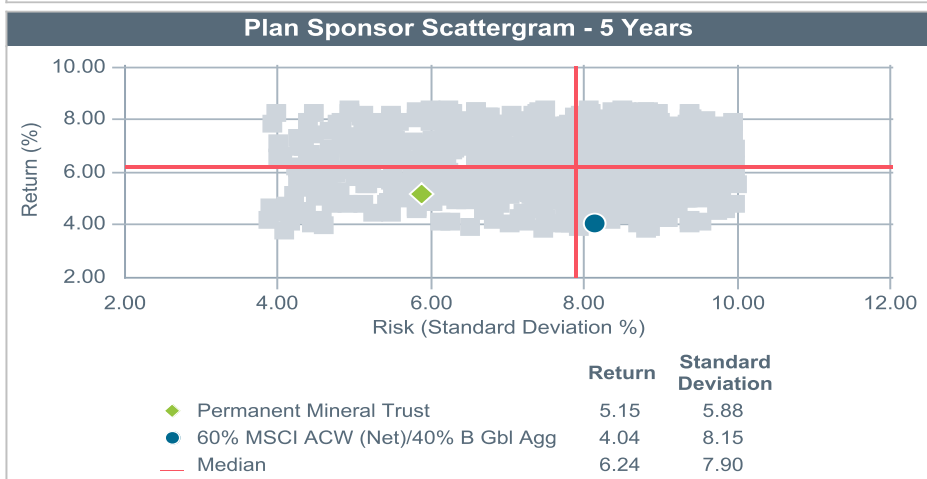
Growth of \$1 - 10 Years



Data is as of March 31, 2016. Performance shown is gross of fees. Calculations are based on quarterly periodicity. Fixed Income Target and Ranges include Public Purpose Investments.

Permanent Mineral Trust Fund

Comparative Performance										
	1 Year	3 Years	5 Years	7 Years	10 Years	2015	2014	2013	2012	2011
Permanent Mineral Trust	-0.75	4.47	5.15	8.25	5.24	-0.35	5.92	9.66	11.23	1.10
All Master Trust - Total Fund Median	-1.44	5.74	6.24	10.60	5.39	-0.44	6.17	15.67	12.42	0.34
60% MSCI ACW (Net)/40% B Gbl Agg	-0.61	3.80	4.04	9.18	4.49	-2.47	2.78	12.05	11.45	-2.07



Data is as of March 31, 2016. Performance shown is gross of fees. Calculations are based on quarterly periodicity.
The global 60%/40% index is shown for illustrative purposes only and is not the benchmark utilized for ongoing performance monitoring.

Historical Spending and Investment Income:

Permanent Mineral Trust Fund

For FY (\$ in Millions)	PMTF Market Value	Contributions to the Corpus		Investment Income			Total Investment Income	Annual Spending	Net Cash Flow	Net Cash Flow w/o Capital Gains	Net Cash Flow w/o Capital Gains or Severance Taxes	Ending Reserve Balance
		Severance Taxes & Legislative Appropriations	Reserve Account Spillover	Interest & Dividends	Distributed Capital Gains	Direct Fees Paid / Accrued						
2002	\$1,755.6	\$124.2	\$0.0	\$93.7	\$0.0	-\$3.2	\$90.5	\$123.8	\$90.9	\$90.9	-\$33.3	\$0.0
2003	\$1,864.4	\$93.8	\$0.0	\$61.4	\$0.0	-\$2.7	\$58.6	\$125.2	\$27.3	\$27.3	-\$66.5	\$0.0
2004	\$2,050.8	\$194.8	\$0.0	\$102.9	\$0.0	-\$4.8	\$98.1	\$87.5	\$205.4	\$205.4	\$10.6	\$10.6
2005	\$2,218.2	\$220.2	\$0.0	\$90.6	\$0.0	-\$2.9	\$87.8	\$94.3	\$213.7	\$213.7	-\$6.5	\$55.1
2006	\$2,557.8	\$495.9	\$0.0	\$127.9	\$0.0	-\$3.9	\$124.0	\$104.5	\$515.4	\$515.4	\$19.5	\$74.6
2007	\$3,070.6	\$341.8	\$19.2	\$118.9	\$37.8	-\$6.2	\$150.5	\$117.6	\$393.9	\$356.1	\$14.3	\$88.2
2008	\$3,728.1	\$396.0	\$171.1	\$139.9	\$189.4	-\$7.9	\$321.4	\$136.3	\$752.2	\$562.8	\$166.8	\$102.2
2009	\$4,135.4	\$484.5	-\$118.9	\$140.3	\$2.5	-\$7.5	\$135.3	\$157.1	\$343.8	\$341.2	-\$143.3	\$102.2
2010	\$3,893.8	\$233.7	\$59.5	\$138.0	\$7.7	-\$6.3	\$139.5	\$173.9	\$258.8	\$251.1	\$17.4	\$156.5
2011	\$4,414.1	\$402.7	\$91.8	\$129.2	\$93.1	-\$6.6	\$215.8	\$192.4	\$517.8	\$424.7	\$22.0	\$144.3
2012	\$5,325.8	\$387.8	\$3.1	\$144.6	\$99.8	-\$8.6	\$205.8	\$215.0	\$381.8	\$312.0	-\$75.8	\$144.3
2013	\$5,595.5	\$345.5	\$102.1	\$140.3	\$232.8	-\$6.5	\$366.6	\$233.6	\$580.6	\$347.8	\$2.3	\$175.2
2014	\$6,112.8	\$352.8	\$127.1	\$137.3	\$266.1	-\$8.0	\$395.3	\$253.4	\$621.8	\$355.7	\$2.9	\$190.1
2015	\$6,979.1	\$346.5	\$134.2	\$155.3	\$349.3	-\$10.4	\$494.2	\$284.3	\$690.7	\$341.3	-\$5.2	\$255.8

Fiscal year ends June 30th. The annual spending policy amount is calculated using the average trailing 5-year market value.

Net Cash Flow = Contributions to the Corpus + Total Investment Income – Annual Spending

Reserve Account Spillover also includes deferred realized capital gains.

Common School Permanent Land Fund

Investment Pool Profile

Fund Type: Permanent Fund

Main Objective: Produce maximized long-term investment income and capital gains while providing appropriate liquidity

Primary Investment Goal: Capital appreciation, total return, and protection against inflation

Long-Term Return Expectation: CPI + 4%

Spending Policy: 5% of the five-year rolling average market value, calculated on the first day of the fiscal year

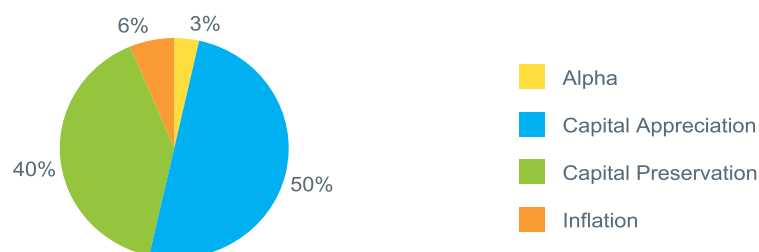
Funding Source: Royalties, leases, fees and permits, and other revenue generated from State lands

Liquidity Constraints: The corpus cannot be spent but only invested for income and capital gains

Maximum Equity Allocation: 55%

Current Target Equity Allocation: 50%

Asset Allocation by Theme



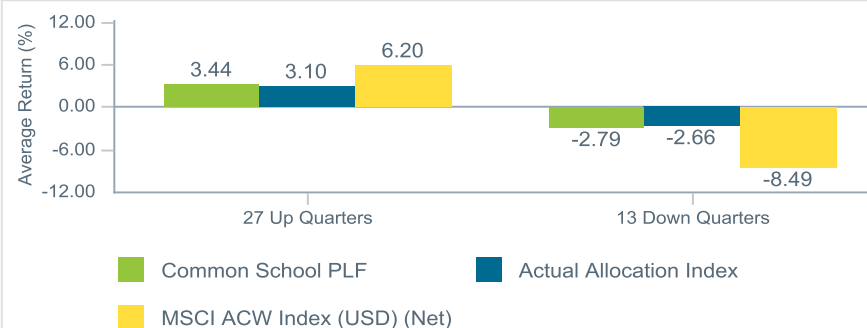
MPT Stats

	5 Years	10 Years
Maximum Return	6.32	8.83
Minimum Return	-7.00	-8.50
Standard Deviation	5.90	7.59
vs. S&P 500 Index (Cap Wtd)		
Beta	0.43	0.43
vs. BofA ML 3 Mo US T-Bill Index		
Sharpe Ratio	0.89	0.59

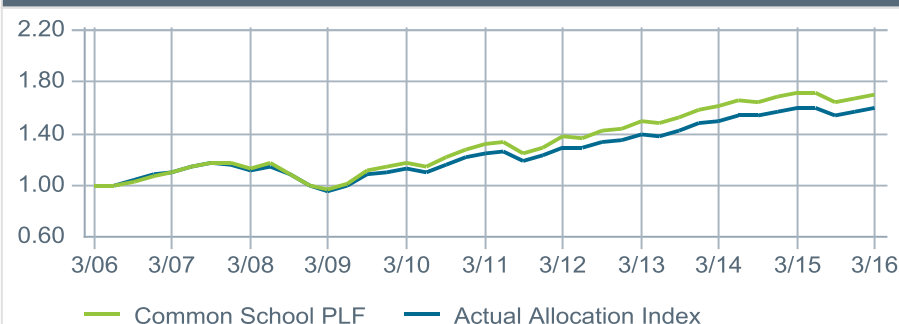
Asset Allocation vs. Target Allocation

	Market Value (\$000)	Allocation (%)	Minimum Range (%)	Target (%)	Maximum Range (%)
Common School PLF	3,447,774	100.00	-	100.00	-
US Equity	690,159	20.02	13.15	16.40	19.65
Global Equity	114,626	3.32	2.35	3.10	3.85
International Equity	432,246	12.54	9.00	11.50	14.00
Private Equity	160,969	4.67	2.00	4.00	6.00
Real Estate	222,029	6.44	4.50	7.50	10.50
Absolute Return	120,617	3.50	4.50	7.50	10.50
Convertibles	60,475	1.75	1.00	2.00	3.00
Fixed Income	1,136,105	32.95	40.00	45.00	50.00
Public Purpose Investments	238,360	6.91	0.00	0.00	0.00
Cash (inv. in SAP)	272,188	7.89	0.00	3.00	6.00

Up/Down Markets - 10 Years



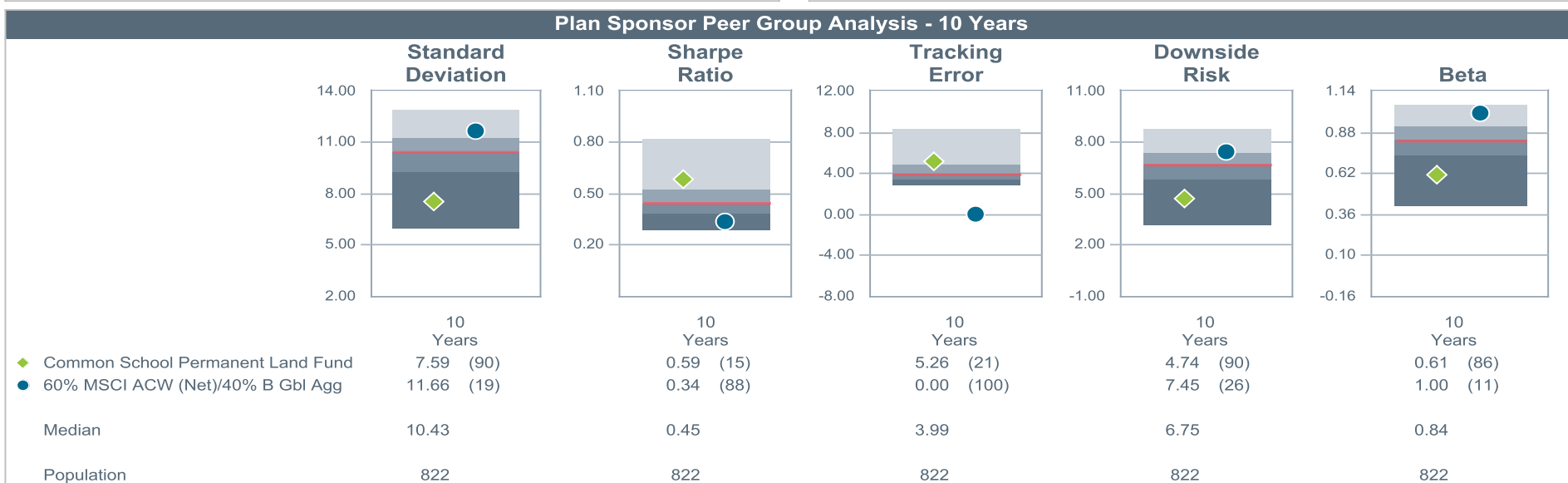
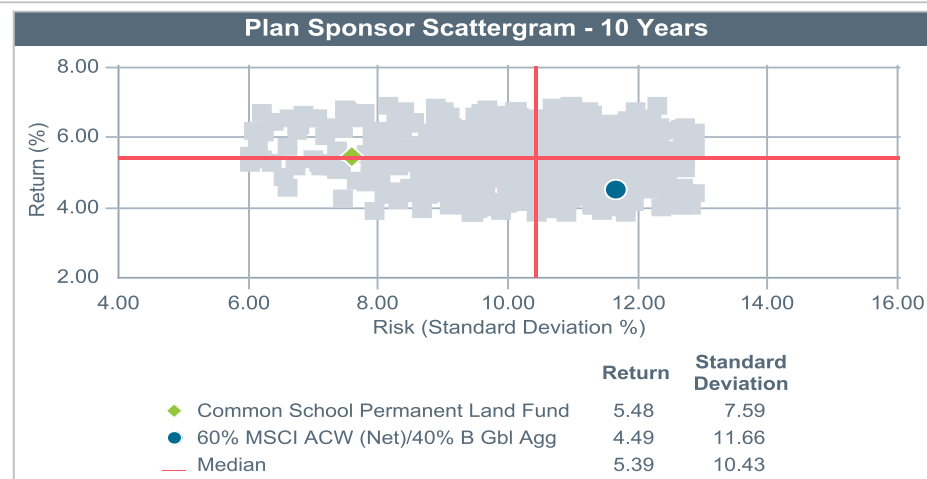
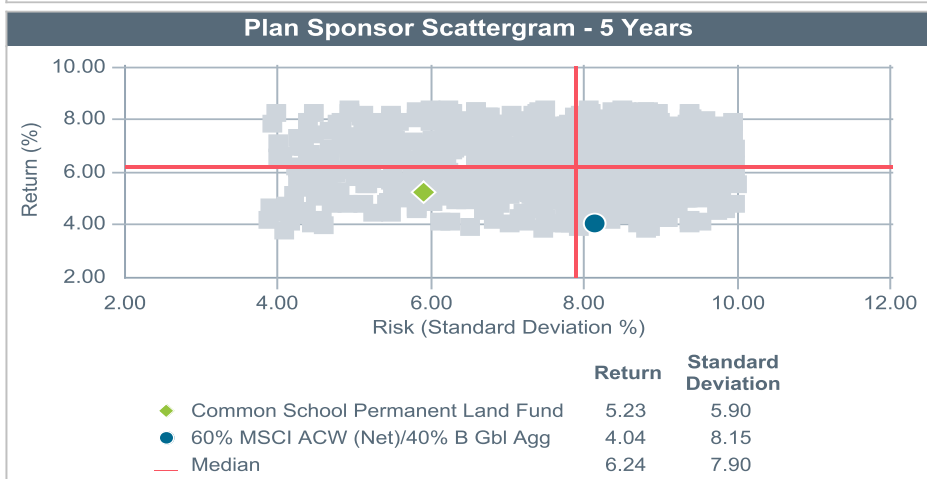
Growth of \$1 - 10 Years



Data is as of March 31, 2016. Performance shown is gross of fees. Calculations are based on quarterly periodicity. Fixed Income Target and Ranges include Public Purpose Investments.

Common School Permanent Land Fund

Comparative Performance										
	1 Year	3 Years	5 Years	7 Years	10 Years	2015	2014	2013	2012	2011
Common School Permanent Land Fund	-0.55	4.56	5.23	8.50	5.48	-0.22	6.03	9.82	11.40	1.35
All Master Trust - Total Fund Median	-1.44	5.74	6.24	10.60	5.39	-0.44	6.17	15.67	12.42	0.34
60% MSCI ACW (Net)/40% B Gbl Agg	-0.61	3.80	4.04	9.18	4.49	-2.47	2.78	12.05	11.45	-2.07



Data is as of March 31, 2016. Performance shown is gross of fees. Calculations are based on quarterly periodicity.
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Historical Spending and Investment Income:

Common School Permanent Land Fund

For FY (\$ in Millions)	CSPLF Market Value	Contributions to the Corpus		Investment Income			Total Investment Income	Annual Spending	Net Cash Flow	Net Cash Flow w/o Capital Gains	Net Cash Flow w/o Capital Gains or Severance Taxes	Ending Reserve Balance
		Severance Taxes & Legislative Appropriations	Reserve Account Spillover	Interest & Dividends	Distributed Capital Gains	Direct Fees Paid / Accrued						
2002	\$899.2	\$31.2	\$0.0	\$40.6	\$0.0	-\$2.9	\$37.7	\$69.2	-\$0.2	-\$0.2	-\$31.5	\$0.0
2003	\$930.3	\$44.8	\$0.0	\$37.7	\$0.0	-\$1.6	\$36.1	\$68.3	\$12.5	\$12.5	-\$32.2	\$0.0
2004	\$1,013.9	\$67.0	\$2.6	\$50.7	\$0.0	-\$2.5	\$48.2	\$45.4	\$72.4	\$72.4	\$5.4	\$2.8
2005	\$1,014.3	\$88.4	\$0.2	\$52.7	\$0.0	-\$1.6	\$51.1	\$47.0	\$92.7	\$92.7	\$4.3	\$34.3
2006	\$1,165.2	\$153.7	\$0.0	\$55.9	\$0.0	-\$2.0	\$53.8	\$50.2	\$157.3	\$157.3	\$3.6	\$37.7
2007	\$1,371.6	\$147.7	\$0.0	\$49.7	\$18.7	-\$3.0	\$65.5	\$55.0	\$158.3	\$139.5	-\$8.2	\$30.5
2008	\$1,678.3	\$161.3	\$55.1	\$54.3	\$82.9	-\$3.3	\$133.9	\$62.4	\$287.8	\$205.0	\$43.7	\$46.8
2009	\$1,766.0	\$163.8	-\$52.1	\$58.3	\$1.8	-\$3.1	\$57.0	\$70.0	\$98.7	\$96.9	-\$66.9	\$47.0
2010	\$1,622.5	\$140.9	\$32.2	\$53.2	\$3.9	-\$2.5	\$54.6	\$76.0	\$151.7	\$147.8	\$6.9	\$47.0
2011	\$1,901.5	\$142.4	\$19.9	\$57.5	\$43.5	-\$2.7	\$98.4	\$83.4	\$177.3	\$133.8	-\$8.6	\$62.0
2012	\$2,236.5	\$187.6	\$0.5	\$61.8	\$41.4	-\$3.6	\$99.6	\$92.0	\$195.6	\$154.3	-\$33.3	\$69.0
2013	\$2,371.3	\$176.8	\$38.7	\$61.1	\$84.5	-\$2.7	\$142.8	\$99.0	\$259.4	\$174.9	-\$1.9	\$74.2
2014	\$2,630.6	\$190.5	\$58.4	\$59.5	\$116.4	-\$3.4	\$172.5	\$107.6	\$313.8	\$197.4	\$6.9	\$80.7
2015	\$3,046.5	\$196.5	\$282.8	\$73.6	\$146.7	-\$4.6	\$215.7	\$121.9	\$573.2	\$426.5	\$230.0	\$109.7

Fiscal year ends June 30th. The annual spending policy amount is calculated using the average trailing 5-year market value.

Net Cash Flow = Contributions to the Corpus + Total Investment Income – Annual Spending

Reserve Account Spillover also includes deferred realized capital gains.

Permanent Land Fund

Investment Pool Profile

Fund Type: Permanent Fund

Main Objective: Produce maximized long-term investment income and capital gains while providing appropriate liquidity

Primary Investment Goal: Capital appreciation, total return, and protection against inflation

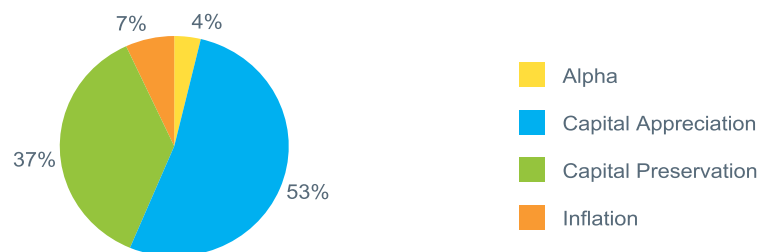
Long-Term Return Expectation: CPI + 4%

Funding Source: Royalties, leases, fees and permits, and other revenue generated from State lands

Maximum Equity Allocation: 55%

Current Target Equity Allocation: 50%

Asset Allocation by Theme



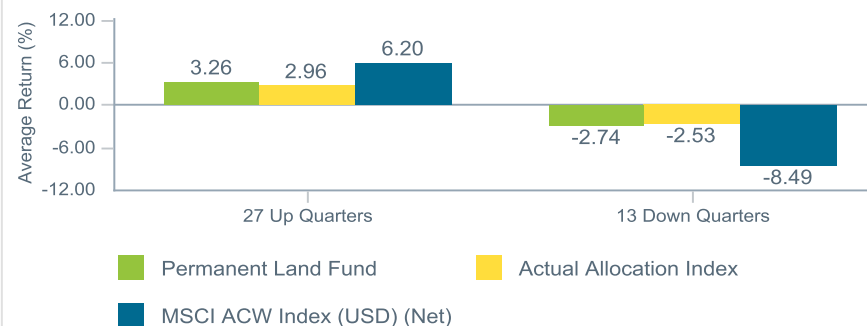
MPT Stats

	5 Years	10 Years
Maximum Return	5.95	8.47
Minimum Return	-6.56	-8.45
Standard Deviation	5.66	7.27
vs. S&P 500 Index (Cap Wtd)		
Beta	0.41	0.41
vs. BofA ML 3 Mo US T-Bill Index		
Sharpe Ratio	0.89	1.25

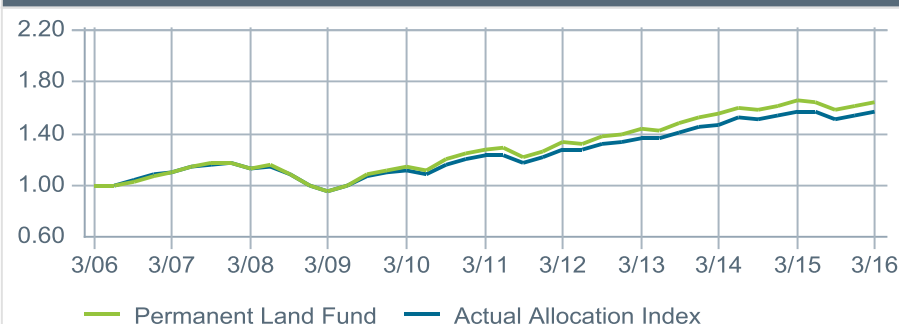
Asset Allocation vs. Target Allocation

	Market Value (\$000)	Allocation (%)	Minimum Range (%)	Target (%)	Maximum Range (%)
Permanent Land Fund	178,980	100.00	-	100.00	-
US Equity	36,816	20.57	13.15	16.40	19.65
Global Equity	6,230	3.48	2.35	3.10	3.85
International Equity	23,477	13.12	9.00	11.50	14.00
Private Equity	8,522	4.76	2.00	4.00	6.00
Real Estate	12,030	6.72	4.50	7.50	10.50
Absolute Return	6,682	3.73	4.50	7.50	10.50
Convertibles	3,305	1.85	1.00	2.00	3.00
Fixed Income	72,089	40.28	38.00	43.00	48.00
Cash (inv. in SAP)	9,828	5.49	0.00	5.00	10.00

Up/Down Markets - 10 Years



Growth of \$1 - 10 Years



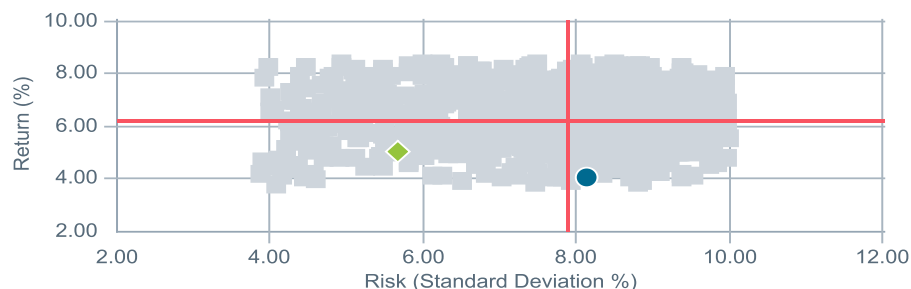
Data is as of March 31, 2016. Performance shown is gross of fees. Calculations are based on quarterly periodicity.

Permanent Land Fund

Comparative Performance

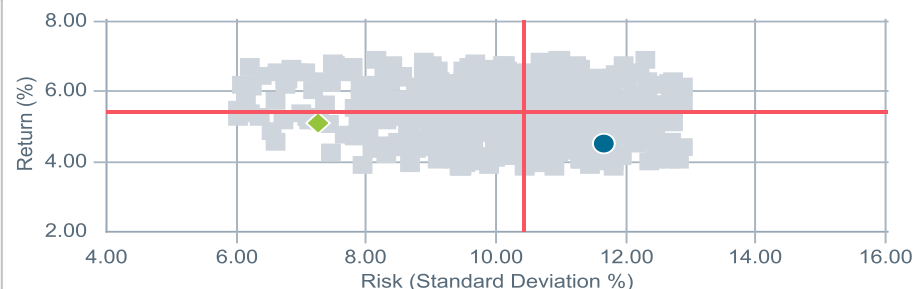
	1 Year	3 Years	5 Years	7 Years	10 Years	2015	2014	2013	2012	2011
Permanent Land Fund	-0.64	4.39	5.08	8.01	5.08	-0.44	6.01	9.19	10.99	1.23
All Master Trust - Total Fund Median	-1.44	5.74	6.24	10.60	5.39	-0.44	6.17	15.67	12.42	0.34
60% MSCI ACW (Net)/40% B Gbl Agg	-0.61	3.80	4.04	9.18	4.49	-2.47	2.78	12.05	11.45	-2.07

Plan Sponsor Scattergram - 5 Years



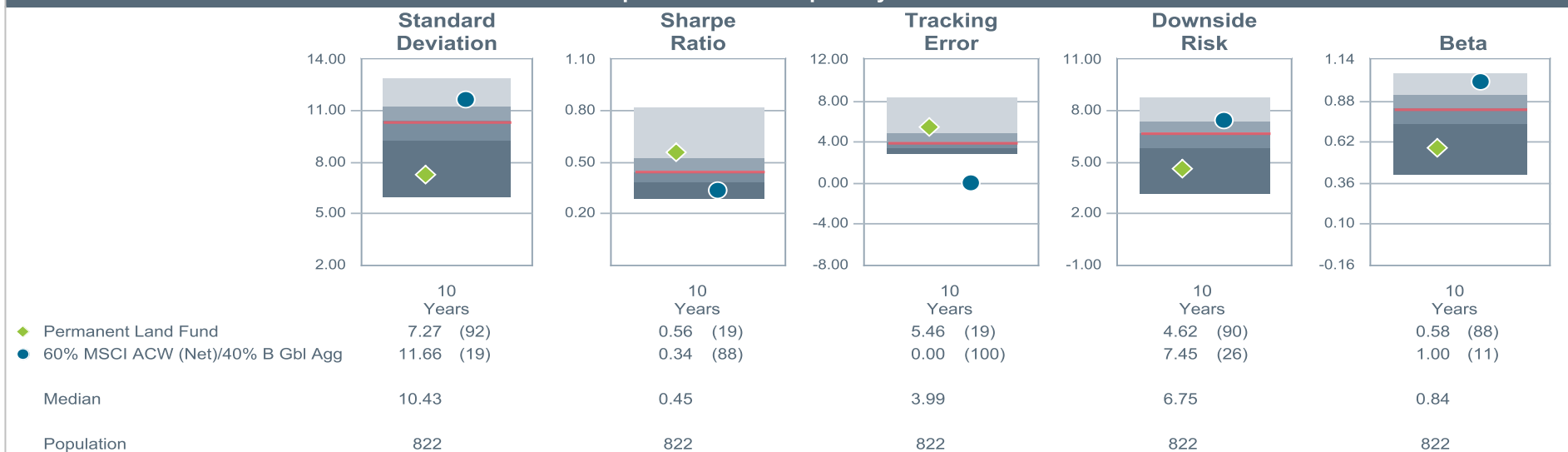
	Return	Standard Deviation
Permanent Land Fund	5.08	5.66
60% MSCI ACW (Net)/40% B Gbl Agg	4.04	8.15
Median	6.24	7.90

Plan Sponsor Scattergram - 10 Years



	Return	Standard Deviation
Permanent Land Fund	5.08	7.27
60% MSCI ACW (Net)/40% B Gbl Agg	4.49	11.66
Median	5.39	10.43

Plan Sponsor Peer Group Analysis - 10 Years



Data is as of March 31, 2016. Performance shown is gross of fees. Calculations are based on quarterly periodicity. The global 60%/40% index is shown for illustrative purposes only and is not the benchmark utilized for ongoing performance monitoring.

University Permanent Land Fund

Investment Pool Profile

Fund Type: Permanent Fund

Main Objective: Produce maximized long-term investment income and capital gains while providing appropriate liquidity

Primary Investment Goal: Capital appreciation, total return, and protection against inflation

Long-Term Return Expectation: CPI + 4%

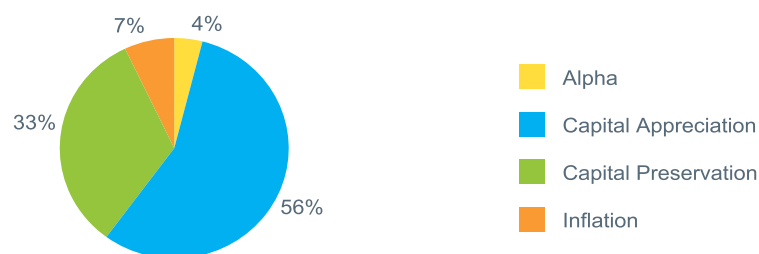
Funding Source: Royalties, leases, fees and permits, and other revenue generated from State lands

Liquidity Constraints: The corpus cannot be spent but only invested for income and capital gains

Maximum Equity Allocation: 55%

Current Target Equity Allocation: 50%

Asset Allocation by Theme



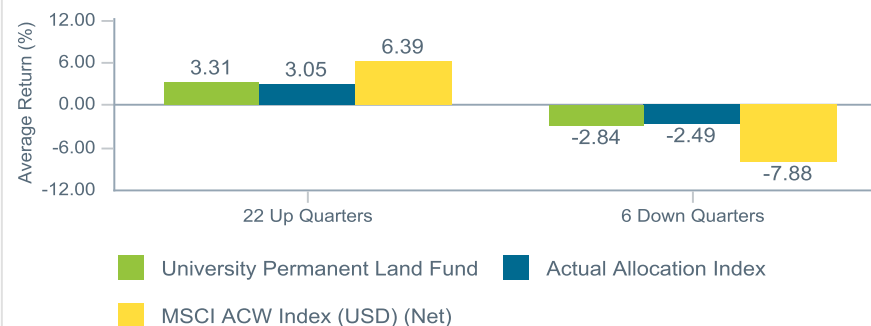
MPT Stats

	5 Years	7 Years
Maximum Return	5.70	8.46
Minimum Return	-6.81	-6.81
Standard Deviation	5.82	6.43
vs. S&P 500 Index (Cap Wtd)		
Beta	0.43	0.42
vs. BofA ML 3 Mo US T-Bill Index		
Sharpe Ratio	0.86	1.23

Asset Allocation vs. Target Allocation

	Market Value (\$000)	Allocation (%)	Minimum Range (%)	Target (%)	Maximum Range (%)
University Permanent Land Fund	20,382	100.00	-	100.00	-
US Equity	4,780	23.45	13.15	16.40	19.65
Global Equity	692	3.40	2.35	3.10	3.85
International Equity	2,719	13.34	9.00	11.50	14.00
Private Equity	1,104	5.42	2.00	4.00	6.00
Real Estate	1,352	6.63	4.50	7.50	10.50
Absolute Return	811	3.98	4.50	7.50	10.50
Convertibles	374	1.84	1.00	2.00	3.00
Fixed Income	7,349	36.05	38.00	43.00	48.00
Cash (inv. in SAP)	1,201	5.89	0.00	5.00	10.00

Up/Down Markets - 7 Years



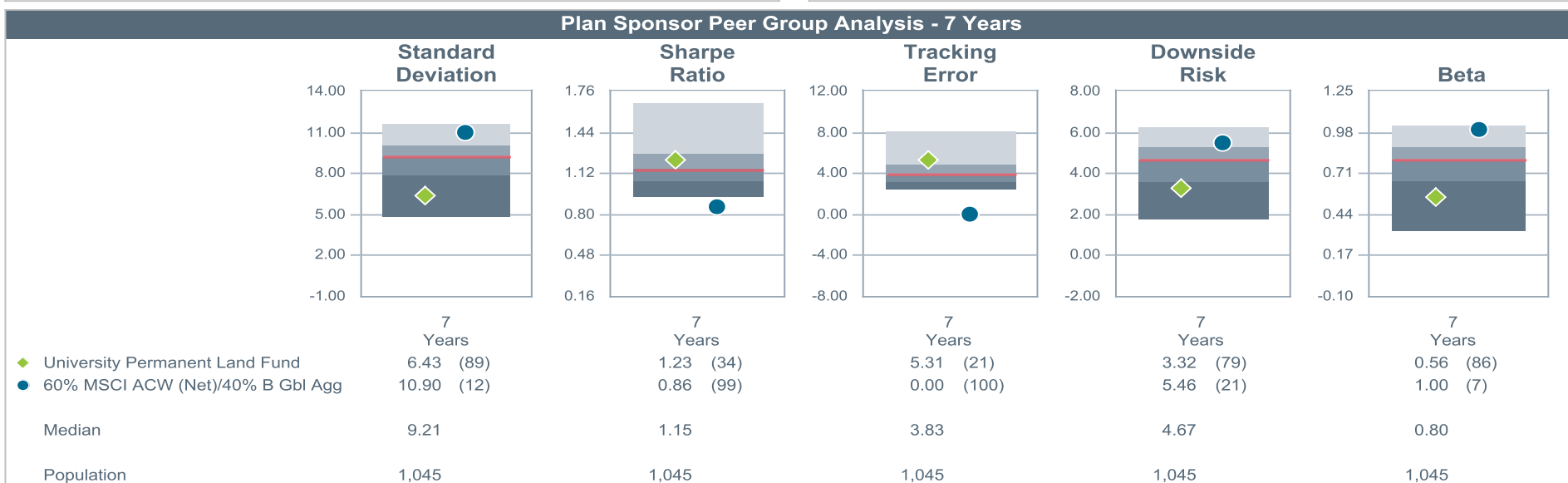
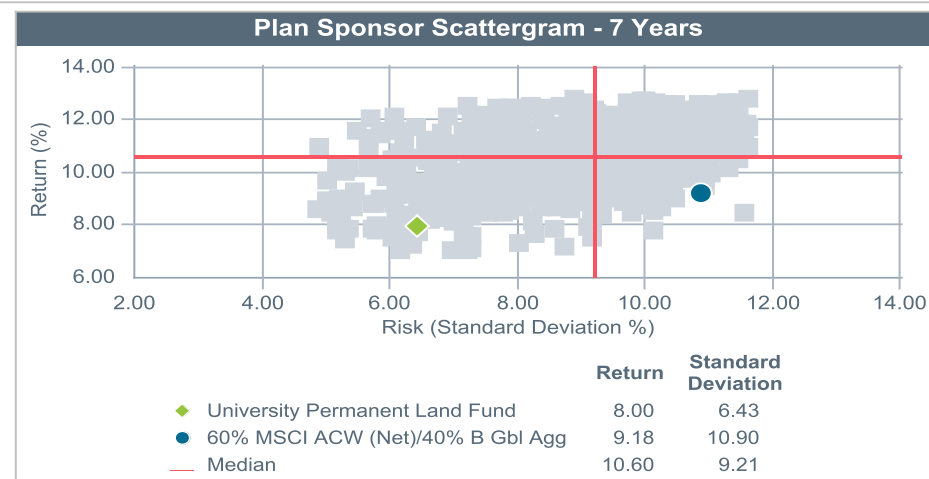
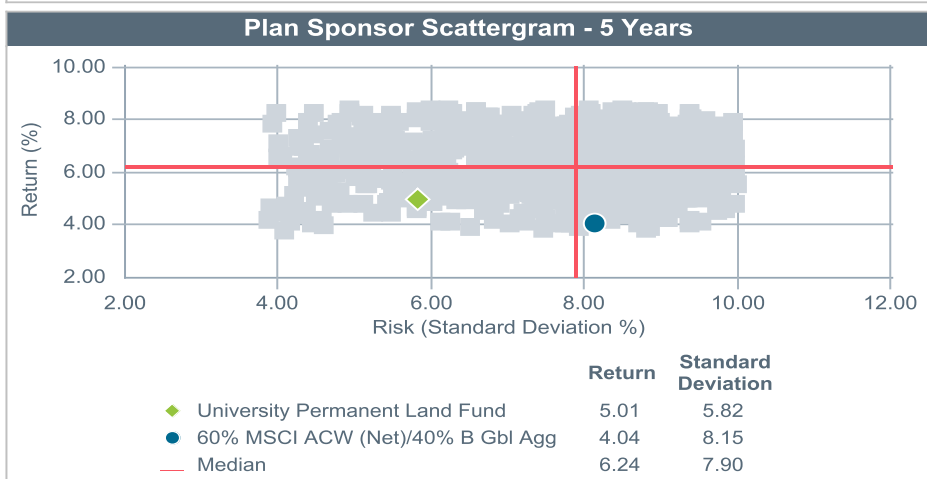
Growth of \$1 - 7 Years



Data is as of March 31, 2016. Performance shown is gross of fees. Calculations are based on quarterly periodicity.

University Permanent Land Fund

Comparative Performance										
	1 Year	3 Years	5 Years	7 Years	10 Years	2015	2014	2013	2012	2011
University Permanent Land Fund	-0.89	4.56	5.01	8.00	N/A	-0.53	6.17	9.65	10.56	0.88
All Master Trust - Total Fund Median	-1.44	5.74	6.24	10.60	5.39	-0.44	6.17	15.67	12.42	0.34
60% MSCI ACW (Net)/40% B Gbl Agg	-0.61	3.80	4.04	9.18	4.49	-2.47	2.78	12.05	11.45	-2.07



Data is as of March 31, 2016. Performance shown is gross of fees. Calculations are based on quarterly periodicity. The global 60%/40% index is shown for illustrative purposes only and is not the benchmark utilized for ongoing performance monitoring.

Hathaway Scholarship Endowment Fund

Investment Pool Profile

Fund Type: Permanent Fund

Main Objective: Produce maximized long-term investment income and capital gains while providing appropriate liquidity

Primary Investment Goal: Capital appreciation, total return, and protection against inflation

Long-Term Return Expectation: CPI + 4%

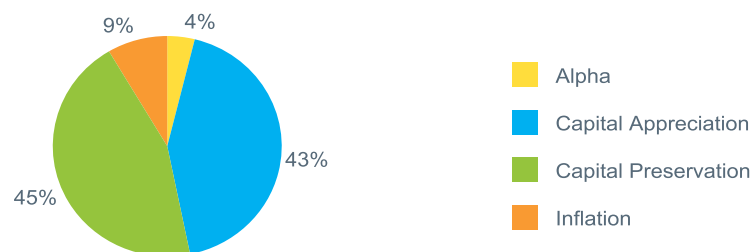
Funding Source: Federal mineral royalties

Liquidity Constraints: The corpus cannot be spent but only invested for income and capital gains

Maximum Equity Allocation: 55%

Current Target Equity Allocation: 45%

Asset Allocation by Theme



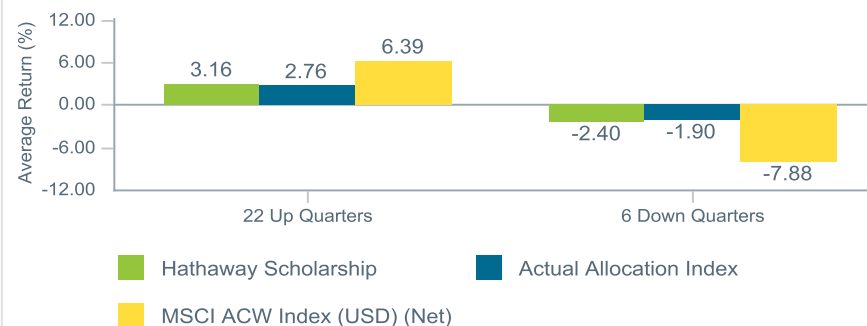
MPT Stats

	5 Years	7 Years
Maximum Return	5.41	7.95
Minimum Return	-5.85	-5.85
Standard Deviation	5.13	6.05
vs. S&P 500 Index (Cap Wtd)		
Beta	0.36	0.39
vs. BofA ML 3 Mo US T-Bill Index		
Sharpe Ratio	0.92	1.29

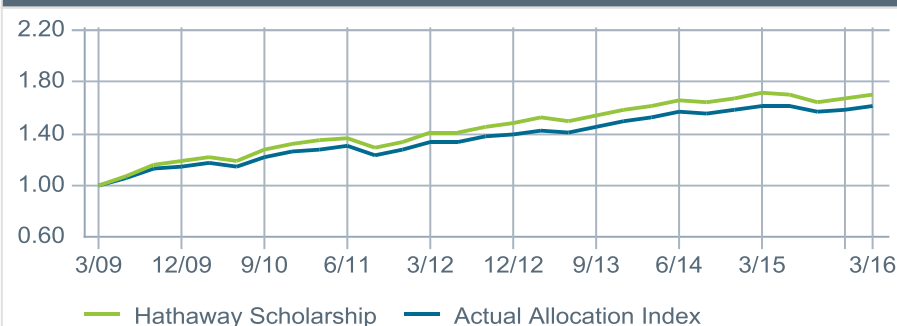
Asset Allocation vs. Target Allocation

	Market Value (\$000)	Allocation (%)	Minimum Range (%)	Target (%)	Maximum Range (%)
Hathaway Scholarship	561,253	100.00	-	100.00	-
US Equity	96,604	17.21	12.95	16.20	19.45
Global Equity	15,834	2.82	2.25	3.00	3.75
International Equity	64,141	11.43	8.70	11.20	13.70
Real Estate	41,176	7.34	4.30	7.30	10.30
Absolute Return	21,729	3.87	4.30	7.30	10.30
Convertibles	10,151	1.81	1.00	2.00	3.00
Fixed Income	262,955	46.85	43.00	48.00	53.00
Cash (inv. in SAP)	48,662	8.67	0.00	5.00	10.00

Up/Down Markets - 7 Years



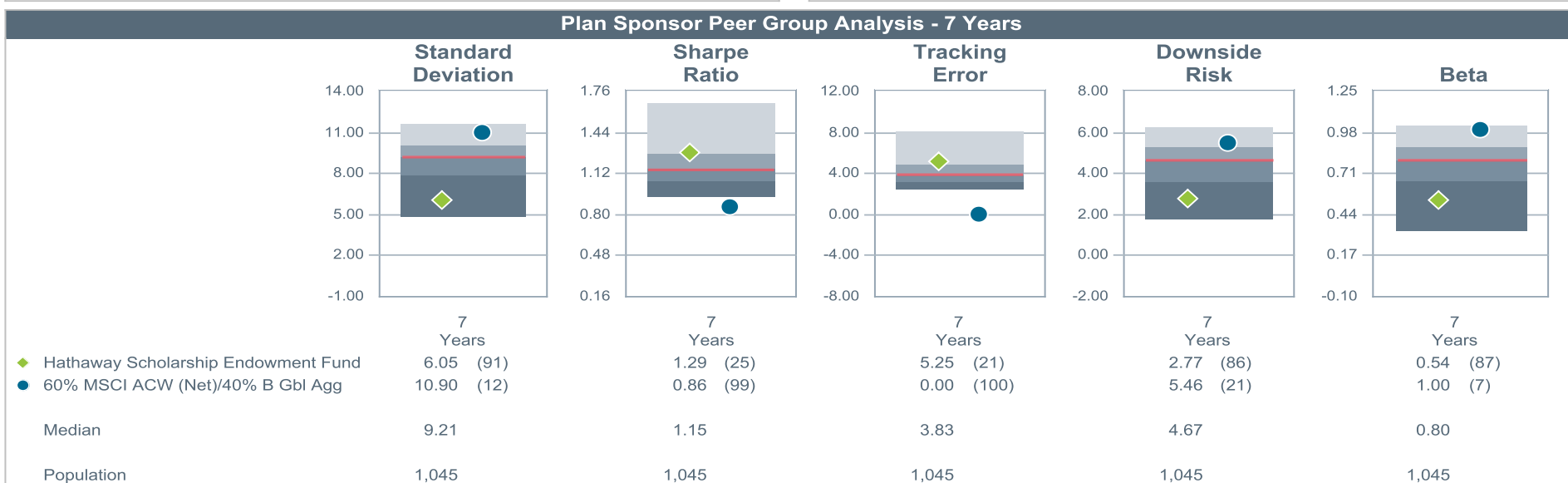
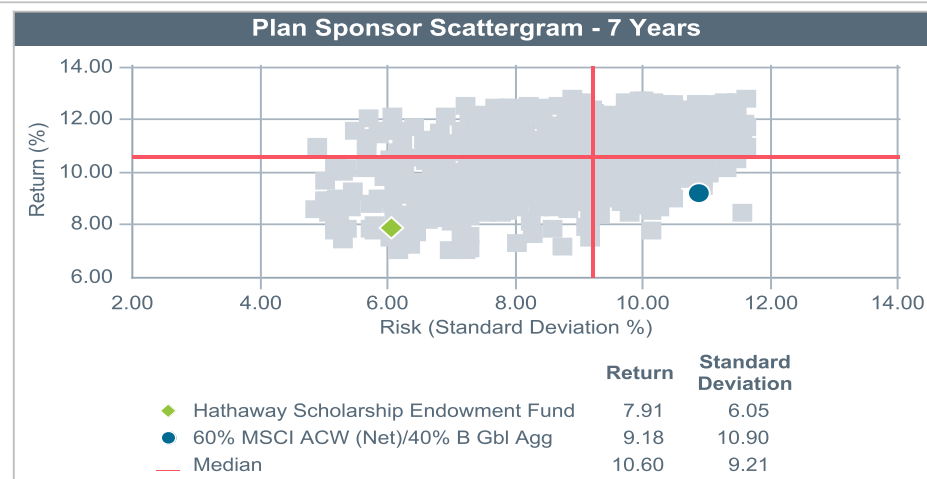
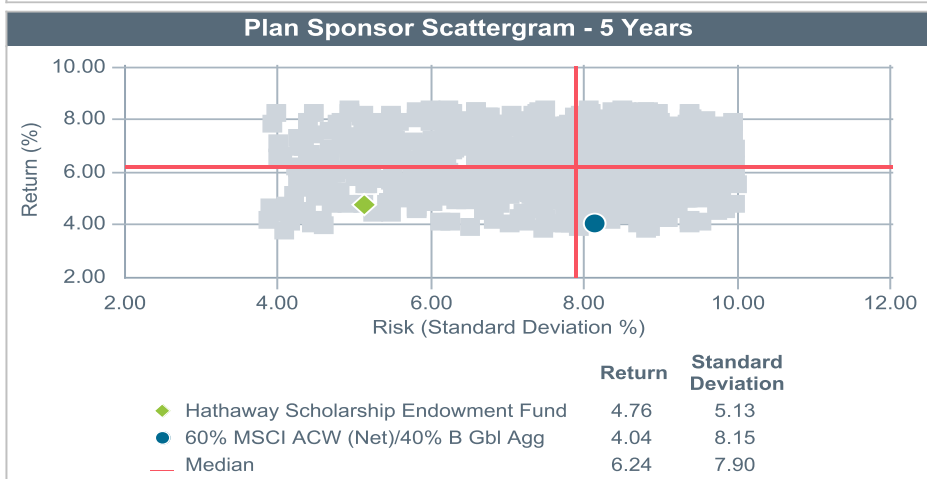
Growth of \$1 - 7 Years



Data is as of March 31, 2016. Performance shown is gross of fees. Calculations are based on quarterly periodicity.

Hathaway Scholarship Endowment Fund

Comparative Performance										
	1 Year	3 Years	5 Years	7 Years	10 Years	2015	2014	2013	2012	2011
Hathaway Scholarship Endowment Fund	-0.30	3.93	4.76	7.91	N/A	-0.29	5.63	7.19	10.57	1.68
All Master Trust - Total Fund Median	-1.44	5.74	6.24	10.60	5.39	-0.44	6.17	15.67	12.42	0.34
60% MSCI ACW (Net)/40% B Gbl Agg	-0.61	3.80	4.04	9.18	4.49	-2.47	2.78	12.05	11.45	-2.07



Data is as of March 31, 2016. Performance shown is gross of fees. Calculations are based on quarterly periodicity.
The global 60%/40% index is shown for illustrative purposes only and is not the benchmark utilized for ongoing performance monitoring.

Historical Spending and Investment Income:

Hathaway Scholarship Endowment Fund

For FY (\$ in Millions)	Hath Market Value	Contributions to the Corpus		Investment Income			Total Investment Income	Annual Spending	Net Cash Flow	Net Cash Flow w/o Capital Gains	Net Cash Flow w/o Capital Gains or FMRs	Ending Reserve Balance
		School Foundation FMRs & Coal Bonus	Reserve Account Spillover	Interest & Dividends	Distributed Capital Gains	Direct Fees Paid / Accrued						
2005	\$0.0	\$3.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$3.4	\$3.4	\$0.0	\$0.0
2006	\$0.0	\$205.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$205.8	\$205.8	\$0.0	\$0.0
2007	\$0.0	\$89.1	\$0.0	\$12.9	\$0.0	\$0.0	\$12.9	\$3.0	\$99.1	\$99.1	\$9.9	\$23.4
2008	\$0.0	\$101.7	\$19.3	\$15.0	\$2.3	\$1.0	\$18.3	\$7.7	\$131.5	\$129.3	\$27.6	\$12.0
2009	\$418.0	\$42.9	\$3.8	\$16.6	\$0.5	-\$0.2	\$16.8	\$10.8	\$52.7	\$52.2	\$9.3	\$12.0
2010	\$431.1	\$7.1	\$0.0	\$15.8	\$0.9	\$0.3	\$17.0	\$13.5	\$10.7	\$9.7	\$2.6	\$20.5
2011	\$467.0	\$0.0	\$0.0	\$13.6	\$18.1	-\$0.6	\$31.0	\$14.9	\$16.2	-\$1.9	-\$1.9	\$34.4
2012	\$502.8	\$0.0	\$28.3	\$13.9	\$12.1	-\$0.8	\$25.2	\$15.4	\$38.0	\$26.0	\$26.0	\$15.9
2013	\$518.4	\$0.0	\$17.3	\$12.9	\$21.2	-\$0.5	\$33.6	\$15.3	\$35.5	\$14.3	\$14.3	\$17.5
2014	\$533.1	\$0.0	\$14.8	\$12.0	\$19.6	-\$0.7	\$31.0	\$15.5	\$30.3	\$10.6	\$10.6	\$18.4
2015	\$575.7	\$0.0	\$19.2	\$12.8	\$23.9	-\$0.8	\$35.9	\$16.0	\$39.1	\$15.2	\$15.2	\$19.5

Fiscal year ends June 30th. Net Cash Flow = Contributions to the Corpus + Total Investment Income – Annual Spending
Reserve Account Spillover also includes deferred realized capital gains.

Higher Education Endowment Fund

Investment Pool Profile

Fund Type: Permanent Fund

Main Objective: Produce maximized long-term investment income and capital gains while providing appropriate liquidity

Primary Investment Goal: Capital appreciation, total return, and protection against inflation

Long-Term Return Expectation: CPI + 4%

Spending Policy: 5% of the five-year rolling average market value, calculated on the first day of the fiscal year

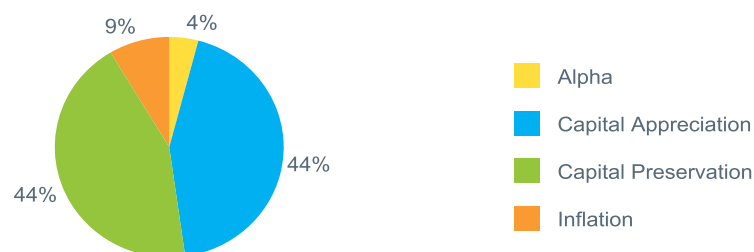
Funding Source: Federal mineral royalties

Liquidity Constraints: The corpus cannot be spent but only invested for income and capital gains

Maximum Equity Allocation: 55%

Current Target Equity Allocation: 45%

Asset Allocation by Theme



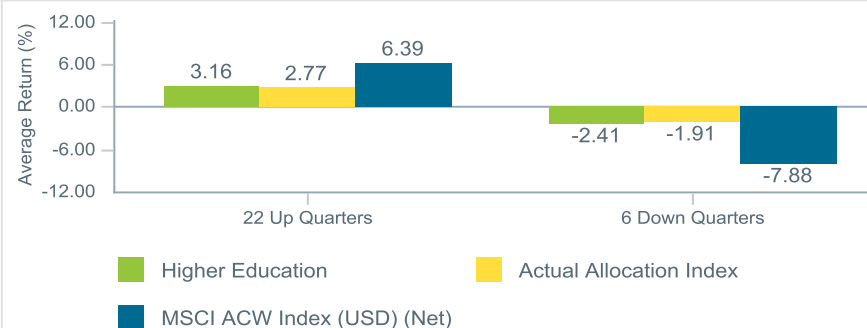
MPT Stats

	5 Years	7 Years
Maximum Return	5.41	8.11
Minimum Return	-5.85	-5.85
Standard Deviation	5.15	6.06
vs. S&P 500 Index (Cap Wtd)		
Beta	0.37	0.39
vs. BofA ML 3 Mo US T-Bill Index		
Sharpe Ratio	0.92	1.28

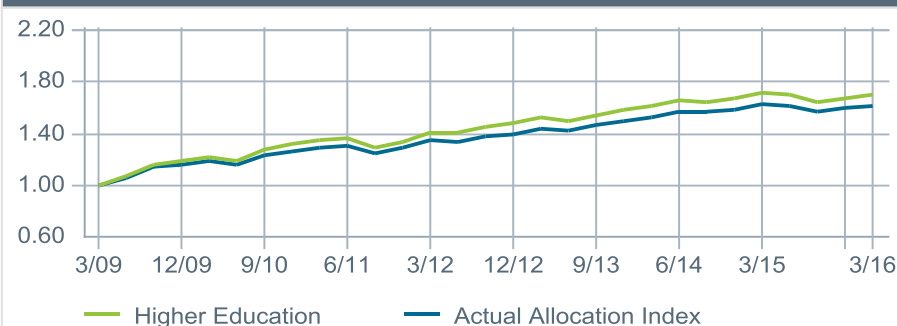
Asset Allocation vs. Target Allocation

	Market Value (\$000)	Allocation (%)	Minimum Range (%)	Target (%)	Maximum Range (%)
Higher Education	115,769	100.00	-	100.00	-
US Equity	20,049	17.32	12.95	16.20	19.45
Global Equity	3,318	2.87	2.25	3.00	3.75
International Equity	13,649	11.79	8.70	11.20	13.70
Real Estate	8,431	7.28	4.30	7.30	10.30
Absolute Return	4,752	4.10	4.30	7.30	10.30
Convertibles	2,137	1.85	1.00	2.00	3.00
Fixed Income	54,757	47.30	43.00	48.00	53.00
Cash (inv. in SAP)	8,676	7.49	0.00	5.00	10.00

Up/Down Markets - 7 Years



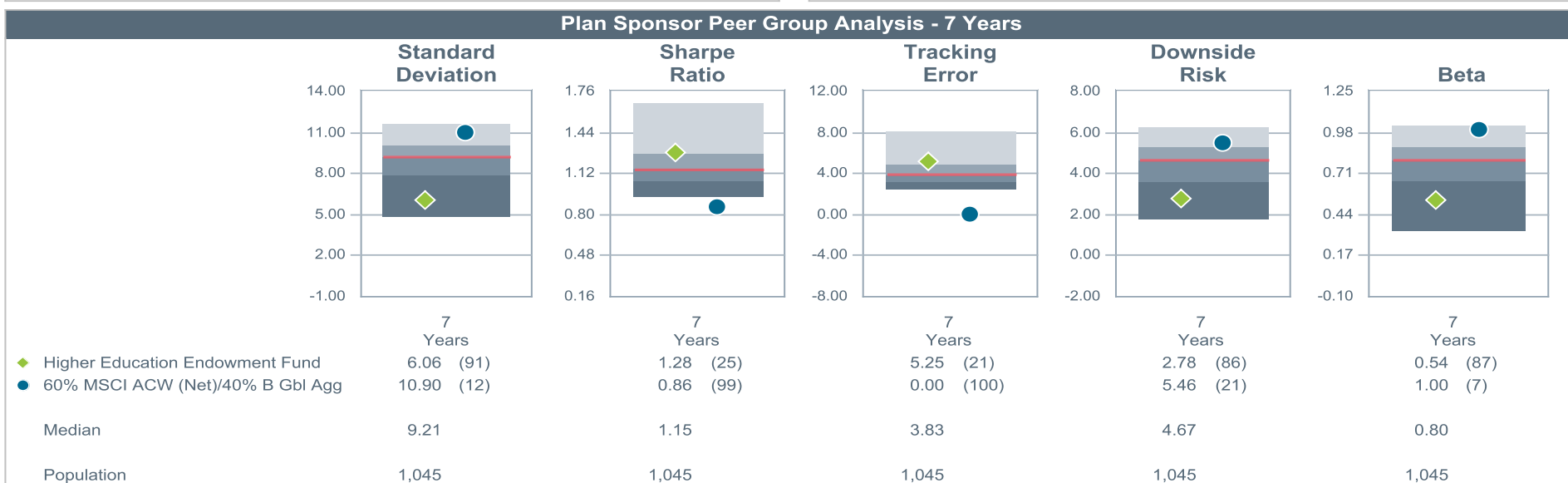
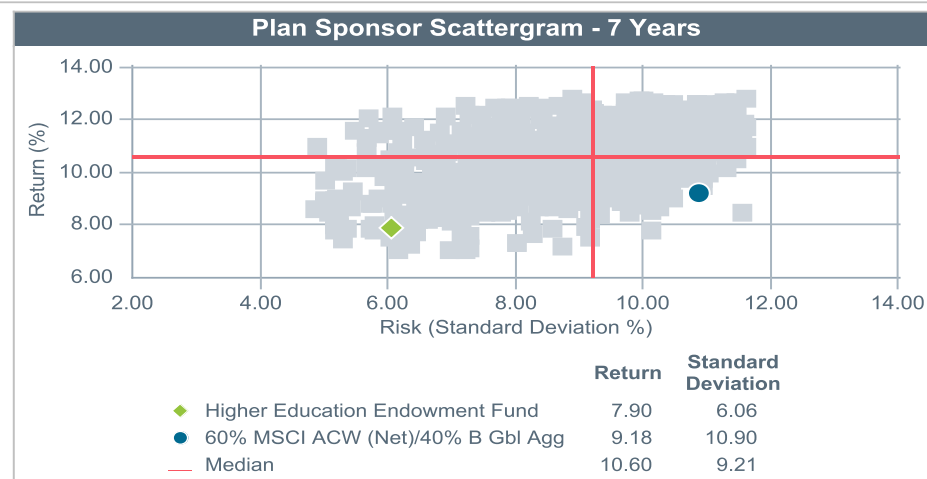
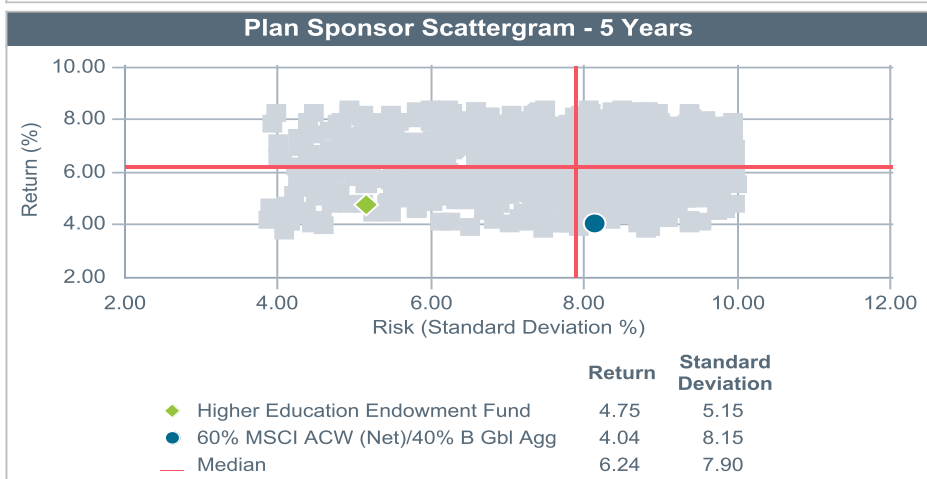
Growth of \$1 - 7 Years



Data is as of March 31, 2016. Performance shown is gross of fees. Calculations are based on quarterly periodicity.

Higher Education Endowment Fund

Comparative Performance										
	1 Year	3 Years	5 Years	7 Years	10 Years	2015	2014	2013	2012	2011
Higher Education Endowment Fund	-0.39	3.91	4.75	7.90	N/A	-0.34	5.60	7.25	10.60	1.63
All Master Trust - Total Fund Median	-1.44	5.74	6.24	10.60	5.39	-0.44	6.17	15.67	12.42	0.34
60% MSCI ACW (Net)/40% B Gbl Agg	-0.61	3.80	4.04	9.18	4.49	-2.47	2.78	12.05	11.45	-2.07



Data is as of March 31, 2016. Performance shown is gross of fees. Calculations are based on quarterly periodicity. The global 60%/40% index is shown for illustrative purposes only and is not the benchmark utilized for ongoing performance monitoring.

Historical Spending and Investment Income:

Higher Education Endowment Fund

For FY (\$ in Millions)	HiEd Market Value	Contributions to the Corpus		Investment Income			Total Investment Income	Annual Spending	Net Cash Flow	Net Cash Flow w/o Capital Gains	Net Cash Flow w/o Capital Gains or FMRs	Ending Reserve Balance
		School Foundation FMRs	Reserve Account Spillover	Interest & Dividends	Distributed Capital Gains	Direct Fees Paid / Accrued						
2005	\$0.0	\$0.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.9	\$0.9	\$0.0	\$0.0
2006	\$0.9	\$54.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$54.7	\$54.7	\$0.0	\$0.0
2007	\$48.4	\$23.7	\$0.0	\$0.7	\$0.0	\$0.0	\$0.7	\$2.4	\$22.0	\$22.0	-\$1.7	\$0.0
2008	\$78.9	\$25.7	\$0.0	\$4.0	\$0.6	-\$0.1	\$4.5	\$3.2	\$27.0	\$26.4	\$0.7	\$1.3
2009	\$104.8	\$0.0	\$0.0	\$4.0	\$0.1	-\$0.2	\$3.9	\$3.9	\$0.1	\$0.0	\$0.0	\$1.4
2010	\$96.1	\$0.0	\$0.0	\$3.5	\$0.2	-\$0.2	\$3.5	\$4.1	-\$0.6	-\$0.8	-\$0.8	\$4.7
2011	\$102.7	\$0.0	\$0.0	\$3.0	\$3.2	-\$0.2	\$6.1	\$4.3	\$1.8	-\$1.5	-\$1.5	\$6.4
2012	\$111.5	\$0.0	\$3.4	\$3.1	\$2.7	-\$0.2	\$5.6	\$4.9	\$4.1	\$1.4	\$1.4	\$3.7
2013	\$111.8	\$0.0	\$2.5	\$2.8	\$5.1	-\$0.1	\$7.8	\$5.3	\$5.0	-\$0.1	-\$0.1	\$4.0
2014	\$113.9	\$0.0	\$1.3	\$2.6	\$4.3	-\$0.2	\$6.7	\$5.4	\$2.7	-\$1.6	-\$1.6	\$4.0
2015	\$121.1	\$0.0	\$1.9	\$2.7	\$5.1	-\$0.2	\$7.6	\$5.6	\$4.0	-\$1.2	-\$1.2	\$4.2

Fiscal year ends June 30th. The annual spending policy amount is calculated using the average trailing 5-year market value.
 Net Cash Flow = Contributions to the Corpus + Total Investment Income – Annual Spending
 Reserve Account Spillover also includes deferred realized capital gains.

Workers Compensation Fund

Investment Pool Profile

Fund Type: Permanent Fund

Main Objective: To be invested for the very long-term to produce a situation in which the fund is self funding or nearly self-funding in order to substantially reduce or eliminate the need for employer contributions

Primary Investment Goal: Safety of capital, yield, and capital appreciation

Long-Term Return Expectation: CPI + 3%

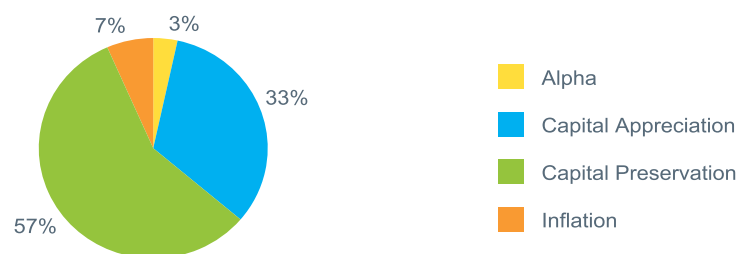
Funding Source: Employer premiums

Liquidity Constraints: The Fund must be managed for long-term return with cash flow necessary only in the case of a disaster

Maximum Equity Allocation: 45%

Current Target Equity Allocation: 30%

Asset Allocation by Theme



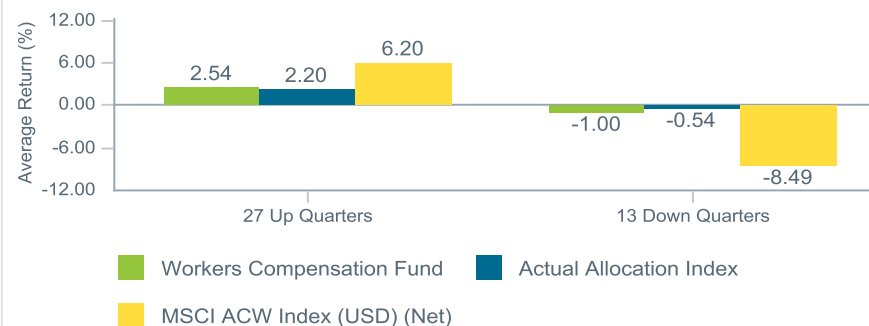
MPT Stats

	5 Years	10 Years
Maximum Return	4.06	7.93
Minimum Return	-3.34	-3.64
Standard Deviation	3.79	4.82
vs. S&P 500 Index (Cap Wtd)		
Beta	0.24	0.23
vs. BofA ML 3 Mo US T-Bill Index		
Sharpe Ratio	1.12	0.89

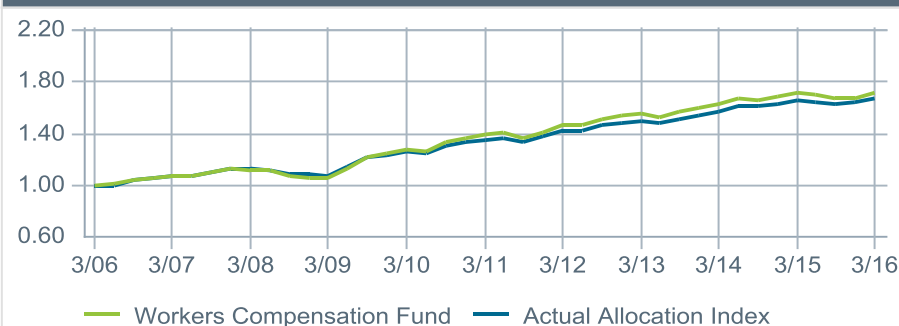
Asset Allocation vs. Target Allocation

	Market Value (\$000)	Allocation (%)	Minimum Range (%)	Target (%)	Maximum Range (%)
Workers Compensation Fund	1,839,298	100.00	-	100.00	-
US Equity	188,766	10.26	7.75	10.00	12.25
Global Equity	33,583	1.83	1.40	1.90	2.40
International Equity	128,670	7.00	5.60	7.10	8.60
Real Estate	73,022	3.97	2.25	4.00	5.75
Absolute Return	62,869	3.42	4.00	7.00	10.00
Convertibles	49,876	2.71	1.75	3.00	4.25
Fixed Income	1,127,474	61.30	56.00	62.00	68.00
Cash (inv. in SAP)	175,037	9.52	0.00	5.00	10.00

Up/Down Markets - 10 Years



Growth of \$1 - 10 Years



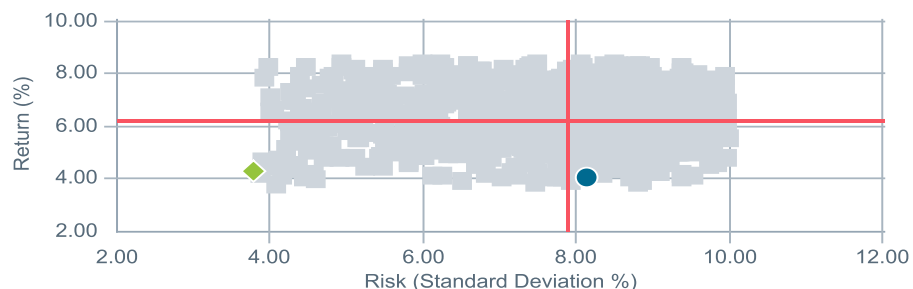
Data is as of March 31, 2016. Performance shown is gross of fees. Calculations are based on quarterly periodicity.

Workers Compensation Fund

Comparative Performance

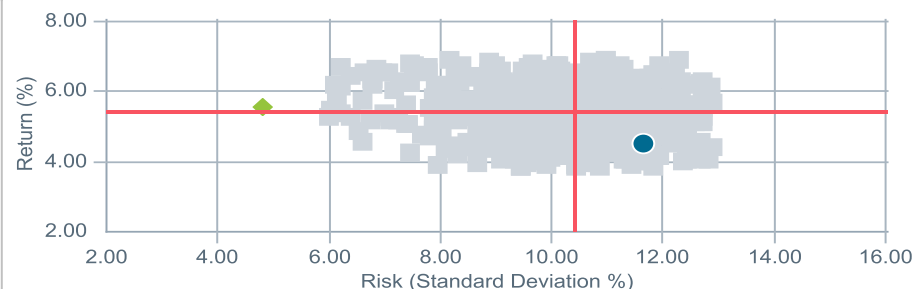
	1 Year	3 Years	5 Years	7 Years	10 Years	2015	2014	2013	2012	2011
Workers Compensation Fund	0.14	3.22	4.31	7.27	5.55	-0.26	5.26	4.33	9.21	3.03
All Master Trust - Total Fund Median	-1.44	5.74	6.24	10.60	5.39	-0.44	6.17	15.67	12.42	0.34
60% MSCI ACW (Net)/40% B Gbl Agg	-0.61	3.80	4.04	9.18	4.49	-2.47	2.78	12.05	11.45	-2.07

Plan Sponsor Scattergram - 5 Years



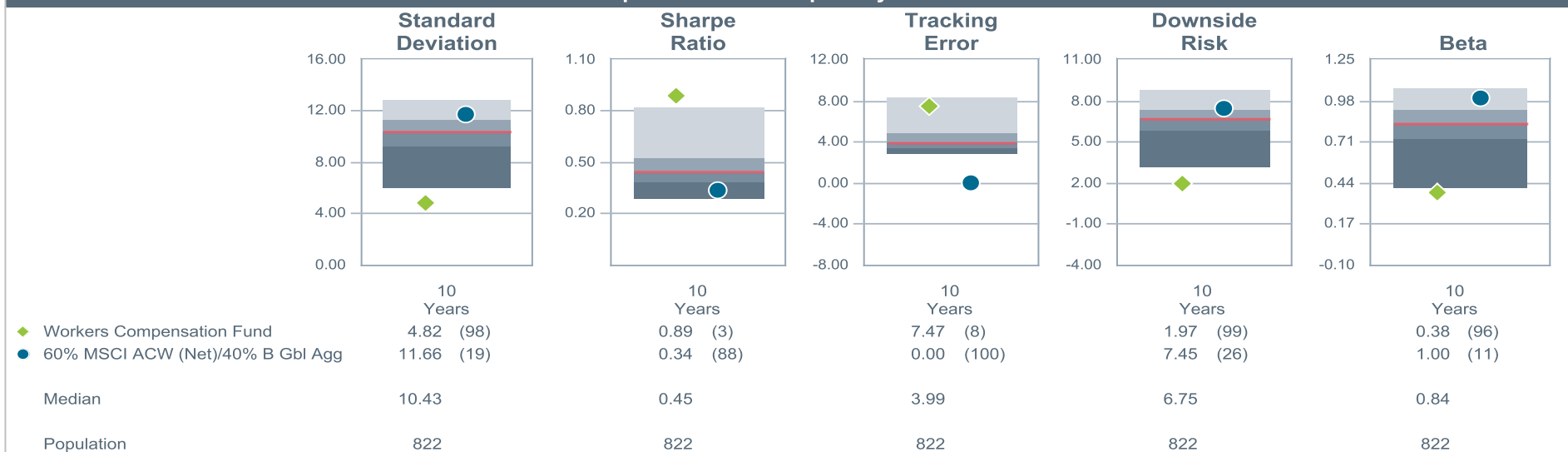
	Return	Standard Deviation
Workers Compensation Fund	4.31	3.79
60% MSCI ACW (Net)/40% B Gbl Agg	4.04	8.15
Median	6.24	7.90

Plan Sponsor Scattergram - 10 Years



	Return	Standard Deviation
Workers Compensation Fund	5.55	4.82
60% MSCI ACW (Net)/40% B Gbl Agg	4.49	11.66
Median	5.39	10.43

Plan Sponsor Peer Group Analysis - 10 Years



Data is as of March 31, 2016. Performance shown is gross of fees. Calculations are based on quarterly periodicity. The global 60%/40% index is shown for illustrative purposes only and is not the benchmark utilized for ongoing performance monitoring.

Tobacco Settlement Trust

Investment Pool Profile

Fund Type: Non-Permanent Fund

Main Objective: Managed for investment of payments received pursuant to the Master Settlement Agreement

Primary Investment Goal: Safety of capital, yield, and liquidity

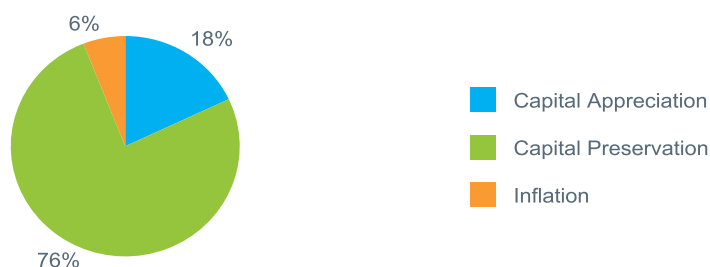
Long-Term Return Expectation: CPI + 2.25%

Funding Source: Settlement proceeds received under the 1998 Master Settlement Agreement between States and tobacco companies

Maximum Equity Allocation: 0%

Current Target Equity Allocation: 0%

Asset Allocation by Theme



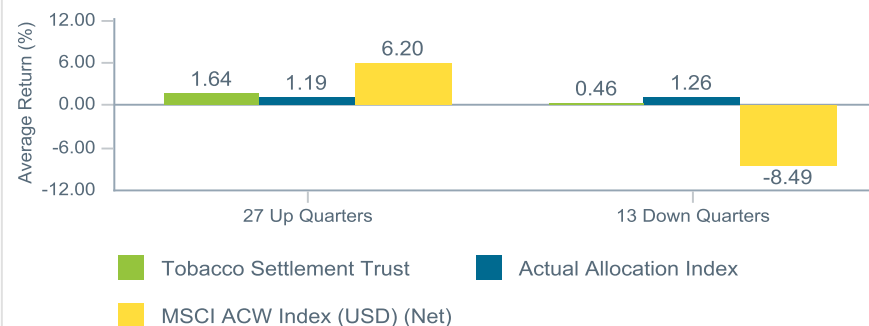
MPT Stats

	5 Years	10 Years
Maximum Return	3.01	5.27
Minimum Return	-3.07	-3.07
Standard Deviation	2.83	3.21
vs. S&P 500 Index (Cap Wtd)		
Beta	0.00	0.05
vs. BofA ML 3 Mo US T-Bill Index		
Sharpe Ratio	1.23	1.18

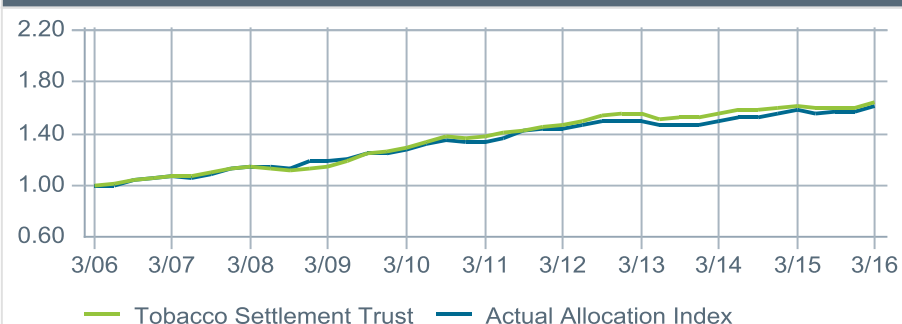
Asset Allocation vs. Target Allocation

	Market Value (\$000)	Allocation (%)	Minimum Range (%)	Target (%)	Maximum Range (%)
Tobacco Settlement Trust	83,726	100.00	-	100.00	-
Convertibles	2,360	2.82	1.75	3.00	4.25
Fixed Income	76,402	91.25	88.00	94.00	100.00
Cash (inv. in SAP)	4,964	5.93	0.00	3.00	6.00

Up/Down Markets - 10 Years



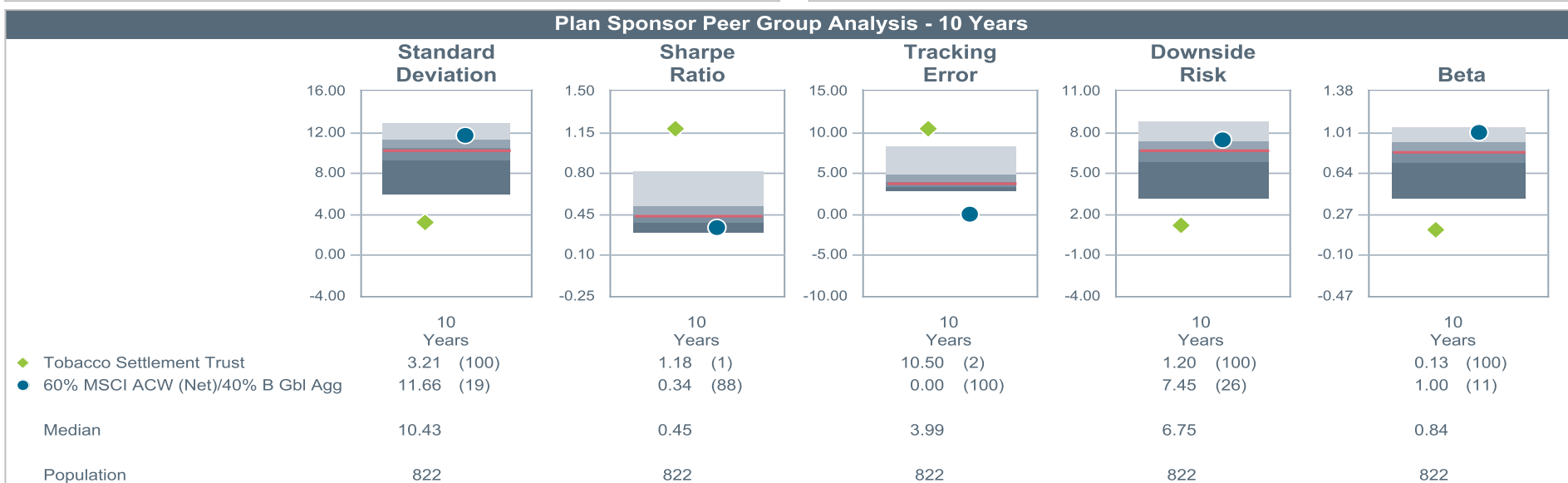
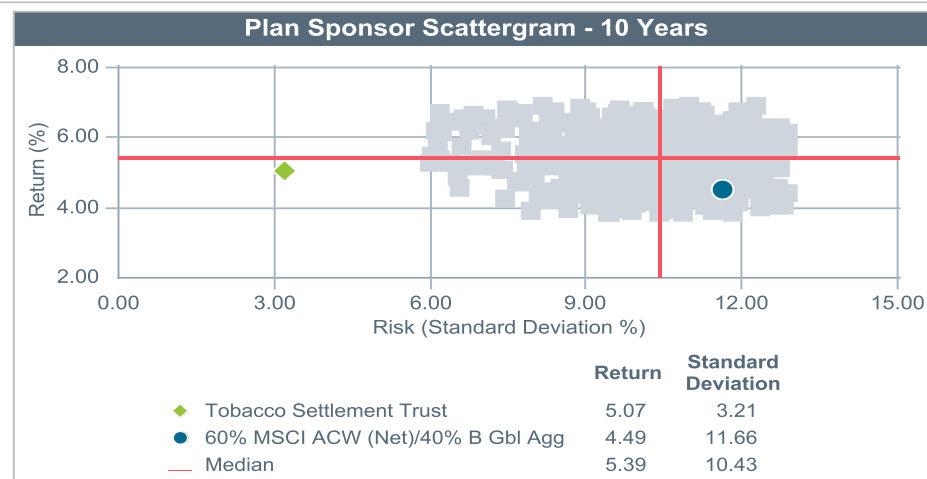
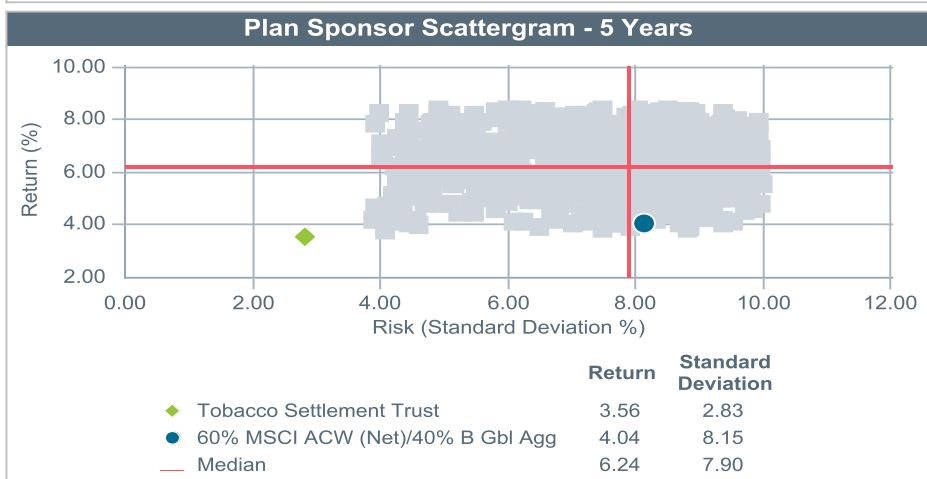
Growth of \$1 - 10 Years



Data is as of March 31, 2016. Performance shown is gross of fees. Calculations are based on quarterly periodicity.

Tobacco Settlement Trust

Comparative Performance										
	1 Year	3 Years	5 Years	7 Years	10 Years	2015	2014	2013	2012	2011
Tobacco Settlement Trust	1.29	1.85	3.56	5.37	5.07	-0.07	4.98	-2.06	7.05	6.14
All Master Trust - Total Fund Median	-1.44	5.74	6.24	10.60	5.39	-0.44	6.17	15.67	12.42	0.34
60% MSCI ACW (Net)/40% B Gbl Agg	-0.61	3.80	4.04	9.18	4.49	-2.47	2.78	12.05	11.45	-2.07



Data is as of March 31, 2016. Performance shown is gross of fees. Calculations are based on quarterly periodicity. The global 60%/40% index is shown for illustrative purposes only and is not the benchmark utilized for ongoing performance monitoring.

State Agency Pool

Investment Pool Profile

Fund Type: Non-Permanent Fund

Main Objective: Produce an investment return so that State agencies have the advantage of better income from their invested funds, while maintaining liquidity

Primary Investment Goal: Safety of capital, yield, and liquidity

Long-Term Return Expectation: CPI + 2%

Funding Source: Monies from all other State funds pooled for investment

Liquidity Constraints: The Fund must meet the day-to-day cash flow needs of the State

Maximum Equity Allocation: 0%

Current Target Equity Allocation: 0%

Asset Allocation by Theme



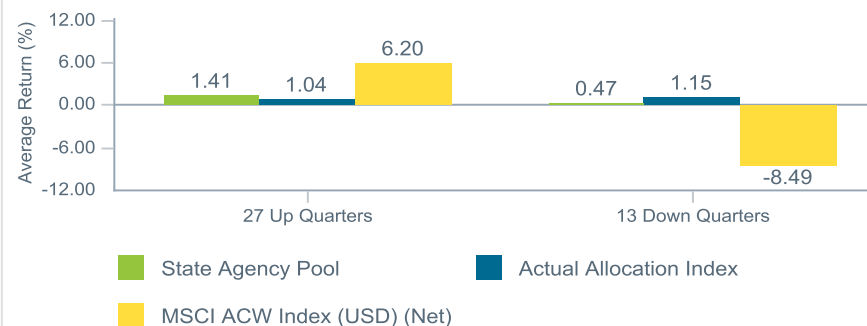
MPT Stats

	5 Years	10 Years
Maximum Return	2.62	4.64
Minimum Return	-2.47	-2.47
Standard Deviation	2.37	2.67
vs. S&P 500 Index (Cap Wtd)		
Beta	0.00	0.04
vs. BofA ML 3 Mo US T-Bill Index		
Sharpe Ratio	1.23	1.20

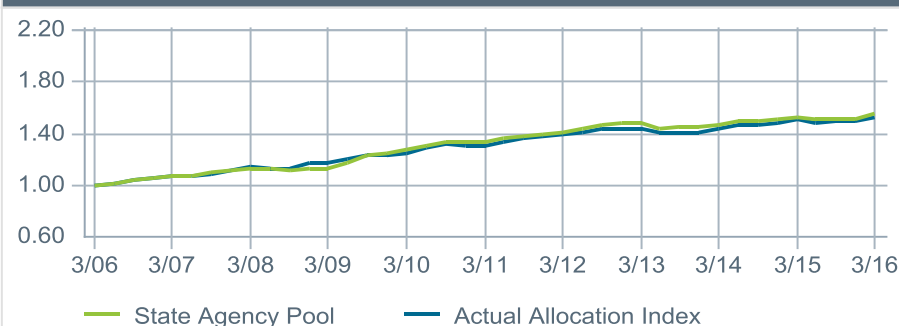
Asset Allocation vs. Target Allocation

	Market Value (\$000)	Allocation (%)	Minimum Range (%)	Target (%)	Maximum Range (%)
State Agency Pool	6,039,536	100.00	-	100.00	-
Convertibles	170,251	2.82	1.75	3.00	4.25
Fixed Income	4,950,135	81.96	82.00	88.00	94.00
Cash Equivalents	754,451	12.49	0.00	9.00	18.00
Public Purpose Investments	164,699	2.73	0.00	0.00	0.00

Up/Down Markets - 10 Years



Growth of \$1 - 10 Years



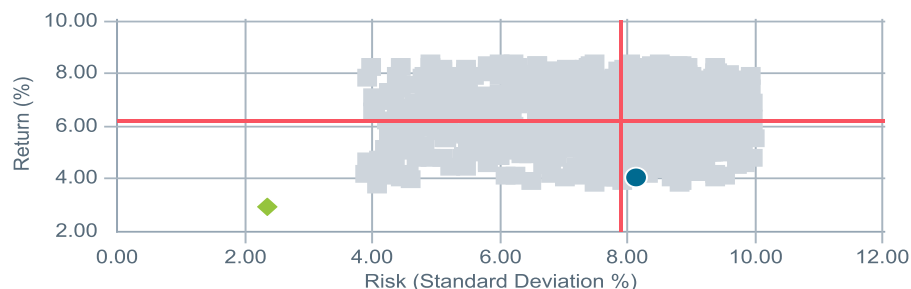
Data is as of March 31, 2016. Performance shown is gross of fees. Calculations are based on quarterly periodicity. Fixed Income Target and Ranges include Public Purpose Investments.

State Agency Pool

Comparative Performance

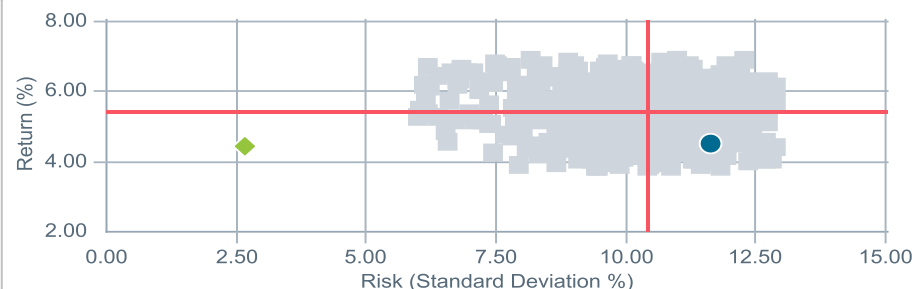
	1 Year	3 Years	5 Years	7 Years	10 Years	2015	2014	2013	2012	2011
State Agency Pool	1.07	1.57	2.98	4.53	4.46	-0.09	4.09	-1.68	5.90	4.99
All Master Trust - Total Fund Median	-1.44	5.74	6.24	10.60	5.39	-0.44	6.17	15.67	12.42	0.34
60% MSCI ACW (Net)/40% B Gbl Agg	-0.61	3.80	4.04	9.18	4.49	-2.47	2.78	12.05	11.45	-2.07

Plan Sponsor Scattergram - 5 Years



	Return	Standard Deviation
State Agency Pool	2.98	2.37
60% MSCI ACW (Net)/40% B Gbl Agg	4.04	8.15
Median	6.24	7.90

Plan Sponsor Scattergram - 10 Years



	Return	Standard Deviation
State Agency Pool	4.46	2.67
60% MSCI ACW (Net)/40% B Gbl Agg	4.49	11.66
Median	5.39	10.43

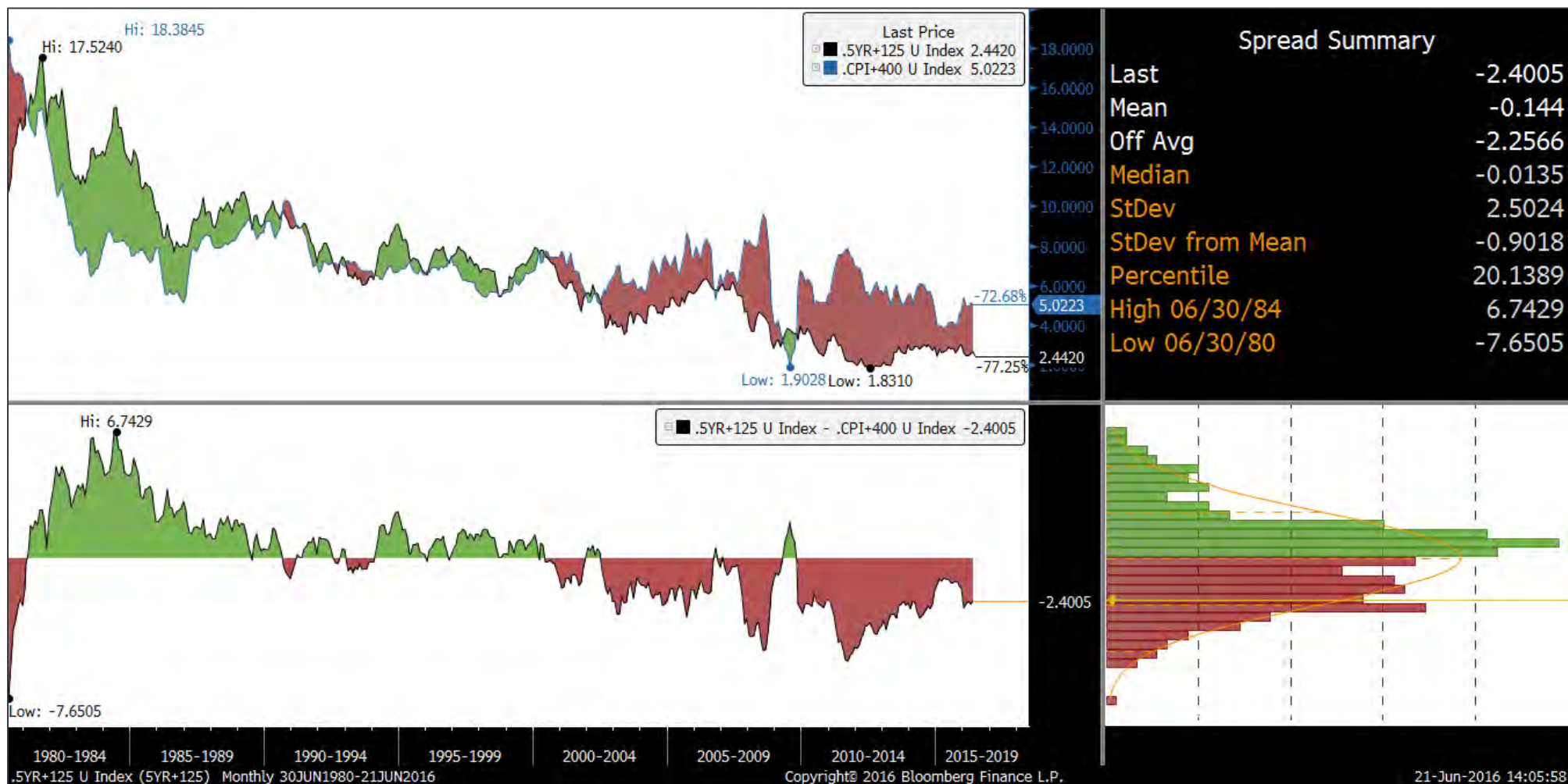
Plan Sponsor Peer Group Analysis - 10 Years



Data is as of March 31, 2016. Performance shown is gross of fees. Calculations are based on quarterly periodicity. The global 60%/40% index is shown for illustrative purposes only and is not the benchmark utilized for ongoing performance monitoring.

Permanent Funds: Long-Term Return Target

5 Year Treasury Yields vs. CPI + 4%



Summary Observations & Common Themes



Summary Observations & Common Themes

1. The seven Permanent Funds and two Non-Permanent Funds each have unique objectives and constraints.
2. A similar pool of investment managers is utilized for each Fund, although not every asset class is shared amongst the nine funds.
3. The nine funds utilize similar investment managers but have slightly different target allocations to each asset class, based on each Fund's unique objectives and constraints.
4. While all nine funds are conservatively positioned, the Permanent Funds are permitted to invest in equities and alternatives whereas the Non-Permanent Funds are not.
5. The current annual spending cap of 5% for Permanent Mineral Trust Fund, Common School Permanent Land Fund, and Higher Education Endowment Fund and a long-term return expectation of CPI + 4% creates a mismatch between investment return targets and annual spending.
6. There is a low probability that the Permanent Funds will achieve their long-term return target of 4% above the expected rate of inflation with the current strategic asset allocation and anticipated capital market conditions in the future.