

**State Universities Retirement System  
of Illinois (SURS)**

**Investment Update**



**February 2012**

**Volume 22, Issue 8**





# State Universities Retirement System Investment Update

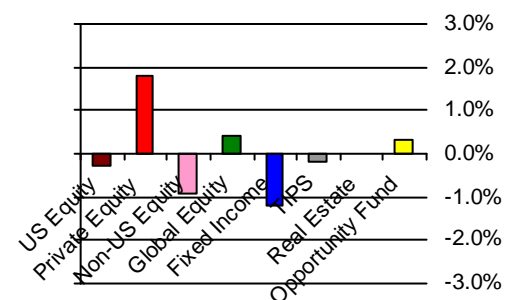
April 16, 2012  
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www.surs.org

		February	Quarter	Fiscal	1 Year	3 Years	5 Years	10 Years
		<u>2012</u>	<u>Ended</u>	<u>Y-T-D</u>	<u>Ended</u> <sup>1</sup>	<u>Ended</u> <sup>1</sup>	<u>Ended</u> <sup>1</sup>	<u>Ended</u> <sup>1</sup>
<b>SURS TOTAL FUND</b>		3.1%	7.3%	1.3%	3.6%	18.9%	3.2%	6.6%
Market Goal / Policy Portfolio		3.0%	6.8%	1.5%	4.0%	19.9%	3.0%	6.6%
Public Funds Index		2.8%	7.1%	2.1%	3.2%	17.3%	3.0%	6.2%
<b>EQUITIES</b>	SURS U.S. Equity	4.2%	10.3%	3.7%	4.6%	28.1%	2.0%	5.0%
	Performance Benchmark	4.2%	10.4%	4.1%	4.5%	26.7%	2.0%	5.2%
	SURS Private Equity	-4.5%	-4.5%	-4.5%	11.5%	5.3%	8.2%	8.5%
	Performance Benchmark	-14.0%	-14.0%	-14.0%	5.7%	6.8%	4.4%	9.1%
	SURS Non-U.S. Equity	5.7%	11.5%	-6.1%	-4.6%	21.1%	-1.6%	7.4%
	Performance Benchmark	5.6%	11.5%	-6.2%	-6.1%	22.8%	-0.7%	8.0%
	SURS Global Equity	5.0%	9.3%	-0.9%	-0.5%	23.9%	0.4%	5.5%
	Performance Benchmark	5.0%	10.9%	-1.6%	-1.5%	23.7%	0.0%	5.4%
<b>FIXED INCOME</b>	SURS Core / Core Plus	0.2%	2.9%	4.7%	6.8%	10.6%	7.3%	6.5%
	Performance Benchmark	0.0%	2.0%	5.9%	8.4%	7.5%	6.4%	5.9%
	SURS TIPS	-0.3%	2.5%	9.1%	13.9%	12.7%	8.7%	7.7%
	Performance Benchmark	-0.3%	2.0%	9.4%	14.6%	11.2%	7.9%	7.1%
<b>REAL ESTATE</b>	SURS Direct Real Estate	2.5%	2.5%	2.5%	14.9%	-4.4%	0.0%	1.5%
	Performance Benchmark	3.5%	3.5%	3.5%	17.4%	-7.1%	-0.8%	3.3%
	SURS RE Invest Trust (REITS)	0.9%	11.0%	0.9%	3.4%	38.9%	-2.9%	10.5%
	Performance Benchmark	1.1%	11.5%	1.4%	3.5%	39.4%	-3.9%	9.5%
<b>Opportunity Fund</b>								
SURS		3.6%	4.3%	-3.9%	-2.6%	5.4%	8.0%	9.3%
Performance Benchmark		0.9%	2.3%	6.5%	10.8%	3.9%	0.3%	5.8%

U.S. Equity Benchmark –Dow Jones U.S. Total Stock Market Index; Private Benchmark –Dow Jones U.S. Total Stock Market Index +500 bps (reported quarterly in arrears); Non-U.S. Equity Benchmark –MSCI All Country World Ex-U.S. Index; Global Equity Benchmark –MSCI All Country World Index; Core Fixed Income Benchmark –Barclays Capital Aggregate Bond Index; TIPS Benchmark –Barclays Capital U.S. TIPS Index; Direct Real Estate Benchmark –NCREIF ODCE Index (reported quarterly in arrears); U.S. Real Estate Investment Trust Securities Benchmark –Dow Jones U.S. Select Real Estate Securities Index; Global Real Estate Investment Trust Securities Benchmark –FTSE EPRA/NAREIT Developed Index and Developed Ex-U.S. Index; Opportunity Fund Benchmark –Blended combination of the individual portfolio benchmarks. <sup>1</sup> or since inception, whichever is less.

Asset Allocation and Target %'s	\$'s (in millions)	Actual %	Current Policy %	June 2011 Approved %
U.S. Equity	\$ 4,274	30.7%	31.0%	30.0%
Private Equity	1,084	7.8%	6.0%	6.0%
Non-U.S. Equity	2,652	19.1%	20.0%	20.0%
Global Equity	1,451	10.4%	10.0%	10.0%
Fixed Income	2,758	19.8%	21.0%	19.0%
TIPS	531	3.8%	4.0%	4.0%
Real Estate	972	7.0%	7.0%	10.0%
Opportunity Fund	185	1.3%	1.0%	1.0%
<b>Total Fund</b>	<b>\$ 13,906</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**Actual v. Policy Deviation  
As of February 29, 2012**



**Asset Allocation**  
**As of February 29, 2012**

	Structured			Total
	Passive	Active	Active	
<b>U.S. Equity</b>	18.2%	7.2%	5.4%	30.7%
<b>Non-U.S. Equity</b>	8.6%	5.2%	5.3%	19.1%
<b>Global Equity</b>	0.0%	0.0%	10.4%	10.4%
<b>Fixed Income</b>	3.5%	0.0%	16.3%	19.8%
<b>TIPS</b>	0.0%	0.0%	3.8%	3.8%
<b>REITS</b>	1.1%	0.0%	3.0%	4.1%
<b><u>Alternative Investment Strategies</u></b>				
<b>Private Equity</b>	0.0%	0.0%	7.8%	7.8%
<b>Real Estate</b>	0.0%	0.0%	2.9%	2.9%
<b>Opportunity Fund</b>	<u>0.0%</u>	<u>0.0%</u>	<u>1.3%</u>	<u>1.3%</u>
<b>Total</b>	31.4%	12.4%	56.2%	100.0%

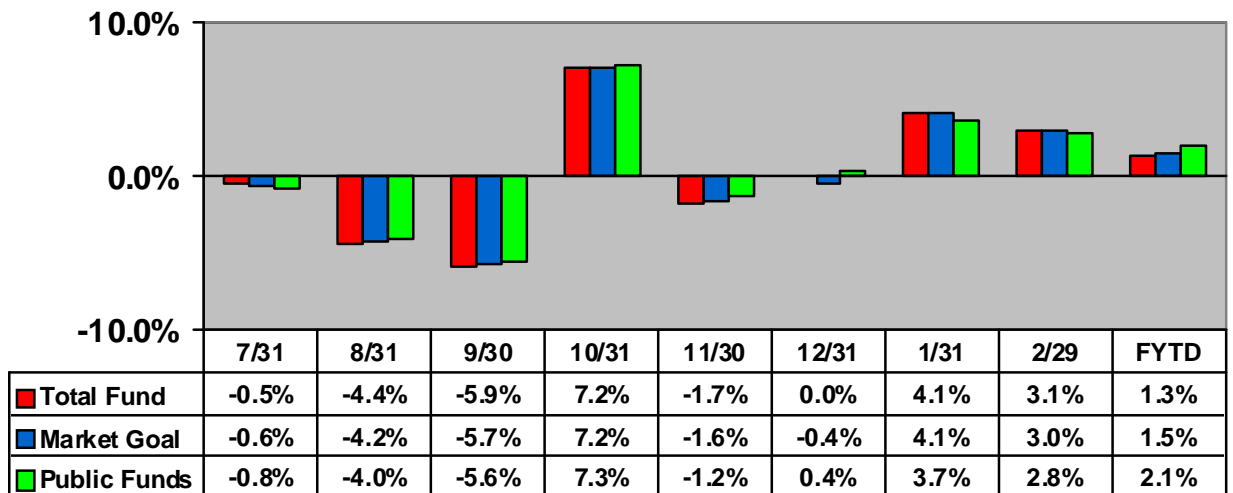
**Total Fund Summary**

SURS total fund returned 3.1% for February, exceeding the Market Goal by 0.1% and the estimated Public Funds Index by 0.3%.

The above benchmark return relative to the Market Goal during February was due primarily to:

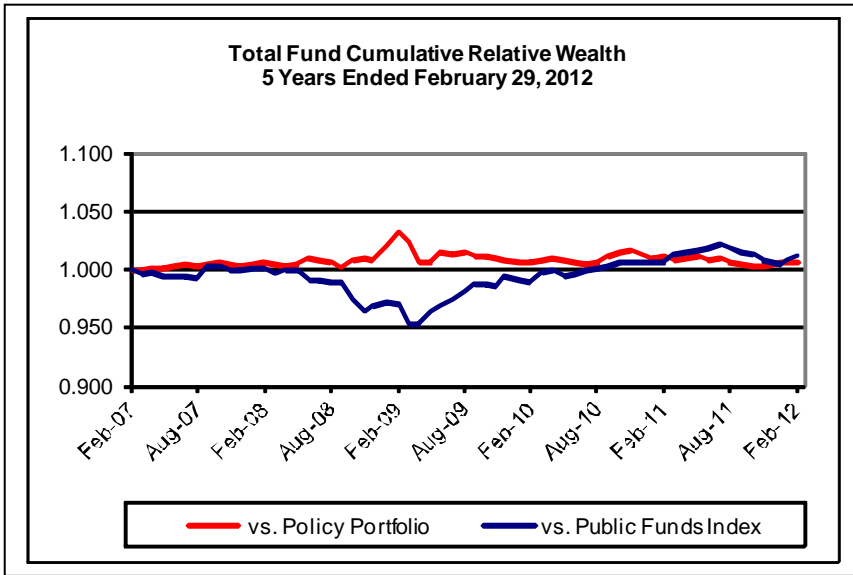
- Above benchmark performance in the Non-U.S. Equity and Core/Core Plus Fixed Income asset classes which was partially offset by
- Below benchmark performance in the Global Equity, TIPS and REIT asset classes. In addition, the portfolio was positively impacted by
- An above target allocation to Global Equity, one of the better absolute performing asset classes as measured against the Market Goal, and
- A below target allocation to Core/Core Plus Fixed Income and TIPS, two of the poorer absolute performing asset classes as measured against the Market Goal.

**Total Fund Return Comparison**

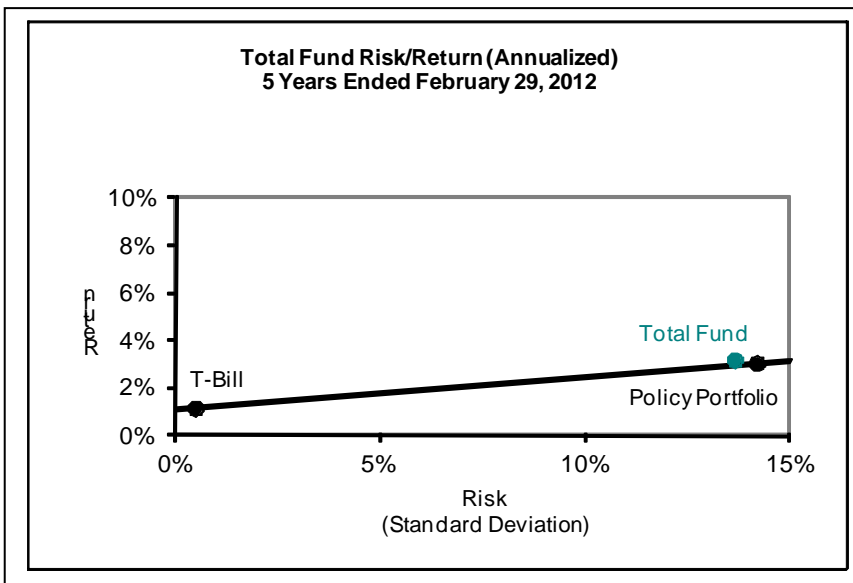


## Longer-Term Results

The longer-term results, as indicated in the two graphs below, reflect how SURS compares on both an absolute and a risk-adjusted basis.



As the chart on the left indicates, SURS has performed favorably with the Policy Portfolio for the past several years. The ending values indicate that over the past five years, SURS has exceeded the Policy Portfolio by approximately 0.7%. The chart also indicates that during the same time period, SURS portfolio has exceeded the median Public Funds Index return by approximately 1.0%.



The chart to the left indicates that SURS total fund return has measured less than the level of volatility of the policy portfolio during the past five years. In addition, the chart also indicates that SURS has achieved a marginally greater return with a lower level of volatility. This can be determined by the teal marker, indicating SURS total fund, being on the line to the left of the policy portfolio marker.

On a risk-adjusted basis, SURS has exceeded its benchmark for the five-year period by 21 basis points on an annualized basis (3.17% versus required return of 2.96%).

SURS Statistics as of February 2012	
Standard Deviation of Plan (5 Year Time Period)	13.66%
Actuarially Assumed Rate of Investment Return *	7.75%
Five Year Actual Investment Return	3.17%
* On October 28, 2010, the Board reduced from 8.5% to 7.75% the long-term assumed rate of investment return, effective with the valuation period as of June 30, 2010.	
Investment Management Firms Utilized by SURS	
Emerging, Minority, Women and Disabled Ownership as of December 2011	
As a % of Total Assets	22.9%
As a % of Total Assets, per Public Act 96-0006	14.9%
As a % of Total Actively-Managed Assets, per Public Act 96-0006	21.7%

SURS Total Fund Investment Performance As of February 2012		
	SURS Fund	CPI U
1 Year Ended	3.6%	2.9%
5 Years Ended	3.2%	2.3%
10 Years Ended	6.6%	2.5%
20 Years Ended	8.0%	2.5%
25 Years Ended	8.3%	2.9%
Since October 1981	10.2%	3.0%

The returns and commentary for seven of the nine major asset portfolios follow.

## U.S. Equities: \$4.3 Billion and 30.7% of Fund

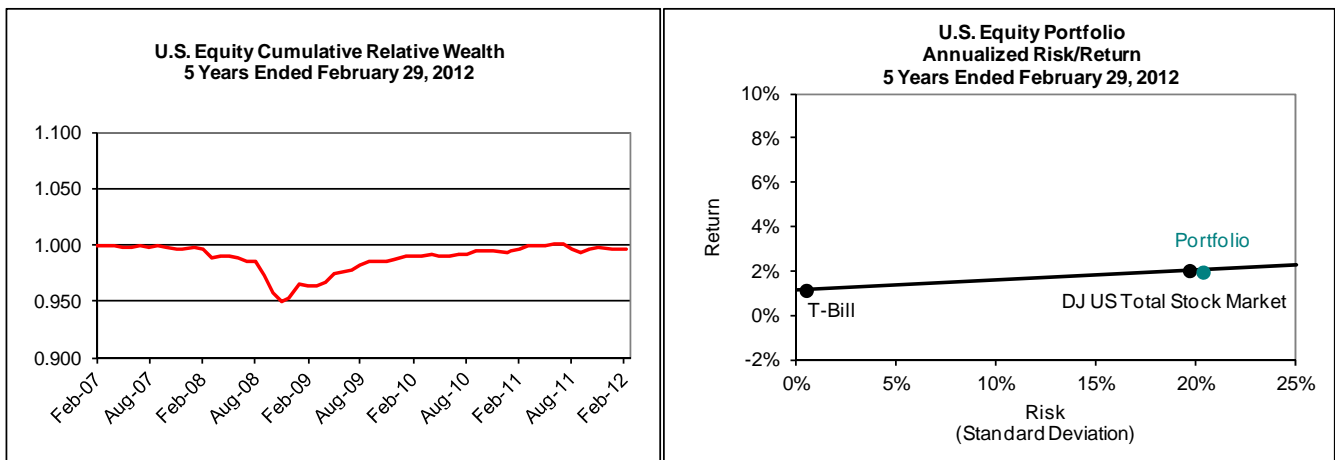
U.S. Equities experienced positive returns for the month of February. The broad market, as measured by the Dow Jones U.S. Total Stock Market (TSM) Index, posted a return of 4.2% for the month. During February, large cap outperformed small cap stocks, and growth outperformed value stocks. SURS portfolio matched the benchmark for the month, returning 4.2%. Relative results were mixed for February, with seven of the thirteen active and structured active accounts achieving returns equal to or better than their respective benchmarks. Returns worth noting for the first eight months of the 2012 fiscal year include:

<u>Portfolio</u>			<u>Benchmark</u>	
Buford, Dickson, Harper & Sparrow	-2.1%	v.	Russell 2000 Growth	-0.7%
EARNEST Partners	4.1%	v.	Russell Midcap	0.6%
Holland Capital Management	2.7%	v.	Russell Midcap Growth	0.5%
Lombardia Capital Partners	2.0%	v.	Russell 2000 Value	-1.4%
NCM Capital Management	-1.8%	v.	Russell Midcap Growth	0.5%
PIMCO StocksPlus	1.5%	v.	PIMCO StocksPlus Custom	4.0%
Profit Investment Management	-5.9%	v.	Russell 2000 Growth	-0.7%
Progress Investment Management	2.9%	v.	Russell 3000	4.0%

	February 2012	FYTD	1 YR	3 YR	5 YR	10 YR
<b>SURS</b>	<b>4.2%</b>	<b>3.7%</b>	<b>4.6%</b>	<b>28.1%</b>	<b>2.0%</b>	<b>5.0%</b>
DJ U.S. Total Stock Market	4.2%	4.1%	4.5%	26.7%	2.0%	5.2%
DJ U.S. Large Cap TSM	4.4%	4.7%	5.1%	25.7%	1.9%	4.7%
DJ U.S. Lrg Cap Growth TSM	5.0%	5.4%	5.1%	26.1%	3.8%	4.6%
DJ U.S. Lrg Cap Value TSM	3.9%	4.0%	4.1%	24.2%	-0.6%	4.4%
DJ U.S. Small Cap TSM	3.4%	-0.4%	0.7%	34.6%	3.8%	8.9%
DJ U.S. Sm Cap Growth TSM	3.8%	-0.8%	1.7%	35.8%	5.2%	9.0%
DJ U.S. Sm Cap Value TSM	3.1%	-0.1%	-0.4%	33.2%	2.5%	8.8%
S&P 500	4.3%	5.0%	5.1%	25.6%	1.6%	4.2%
Russell 3000	4.2%	4.0%	4.4%	26.5%	1.8%	4.8%
Russell 2000	2.4%	-1.1%	-0.2%	29.5%	1.8%	7.0%

### Longer-Term Results

The five-year cumulative relative wealth chart, below (left) indicates that SURS U.S. Equity portfolio has lagged its benchmark return by approximately 0.3%. SURS U.S. Equity portfolio return trailed its benchmark by 10 basis points while incurring slightly greater risk than the benchmark. SURS portfolio has returned 1.96%, while the risk-adjusted benchmark return is 2.06%.



## Non-U.S. Equities: \$2.7 Billion and 19.1% of Fund

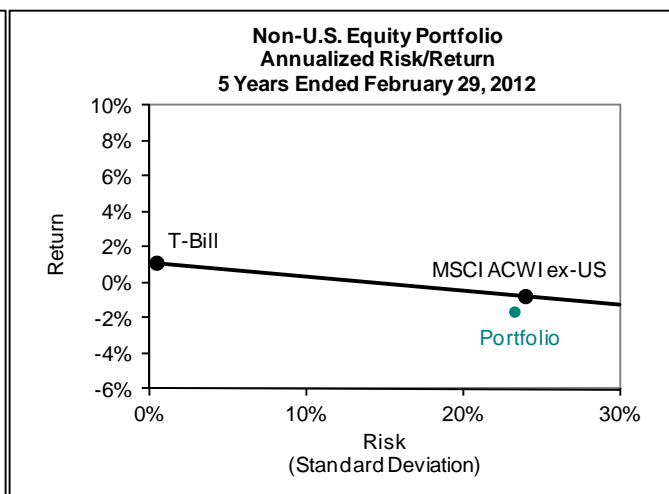
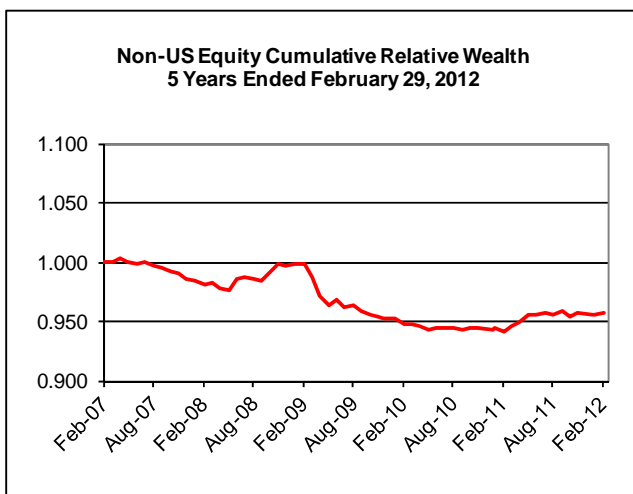
Non-U.S. Equities posted positive returns for the month of February. The broad international markets, as represented by the MSCI All Country World Ex-US Index, returned 5.6%. SURS portfolio performance exceeded the benchmark for the period by 0.1%, returning 5.7%. Growth stocks outperformed value stocks for the month. Comparative performance of the emerging markets has been strong for the one-, three-, five- and ten-year periods. Relative results were mixed for February, with four of SURS eight active and structured active accounts posting returns equal to or better than their respective benchmarks. Returns worth noting for the first eight months of the 2012 fiscal year include:

<u>Portfolio</u>			<u>Benchmark</u>	
BTC International Alpha Tilts	-8.3%	v.	MSCI EAFE	-6.8%
Ativo Capital Management	-8.2%	v.	MSCI ACWI Ex-US	-6.2%
Herndon Capital Management	-5.8%	v.	MSCI EAFE	-6.8%
Progress Investment Management	-5.7%	v.	MSCI EAFE	-6.8%
Strategic Global Advisors	-5.4%	v.	MSCI EAFE	-6.8%

	February 2012	FYTD	1 YR	3 YR	5 YR	10YR
<b>SURS</b>	<b>5.7%</b>	<b>-6.1%</b>	<b>-4.6%</b>	<b>21.1%</b>	<b>-1.6%</b>	<b>7.4%</b>
Performance Benchmark	5.6%	-6.2%	-6.1%	22.8%	-0.7%	8.0%
MSCI All Country World Ex-US	5.6%	-6.2%	-6.1%	22.8%	-0.7%	8.0%
MSCI All Country World Ex-US Growth	5.8%	-6.4%	-5.2%	22.0%	0.0%	N/A
MSCI All Country World Ex-US Value	5.4%	-6.1%	-7.0%	23.6%	-1.5%	N/A
MSCI EAFE	5.7%	-6.8%	-7.5%	19.7%	-2.9%	6.3%
MSCI EAFE Growth	6.0%	-5.8%	-5.0%	19.9%	-1.3%	5.9%
MSCI EAFE Value	5.4%	-7.7%	-9.8%	19.6%	-4.6%	6.6%
MSCI EAFE Small Cap	6.0%	-7.0%	-6.1%	27.1%	-1.8%	11.0%
MSCI Emerging Markets	6.0%	-4.6%	-0.1%	32.3%	6.2%	15.2%
S&P BMI Ex-US	5.6%	11.5%	-6.6%	22.7%	-1.4%	4.7%

### Longer-Term Results

The five-year cumulative relative wealth chart, below (left) indicates that SURS Non-U.S. Equity portfolio has lagged its benchmark return by approximately 4.3%. On a risk-adjusted basis, SURS Non-U.S. Equity portfolio has trailed its benchmark by 93 basis points, generating a lower return although with slightly less volatility than the benchmark. SURS portfolio has returned -1.62%, while the risk-adjusted benchmark return is -0.69%.



## Global Equities: \$1.5 Billion and 10.4% of Fund

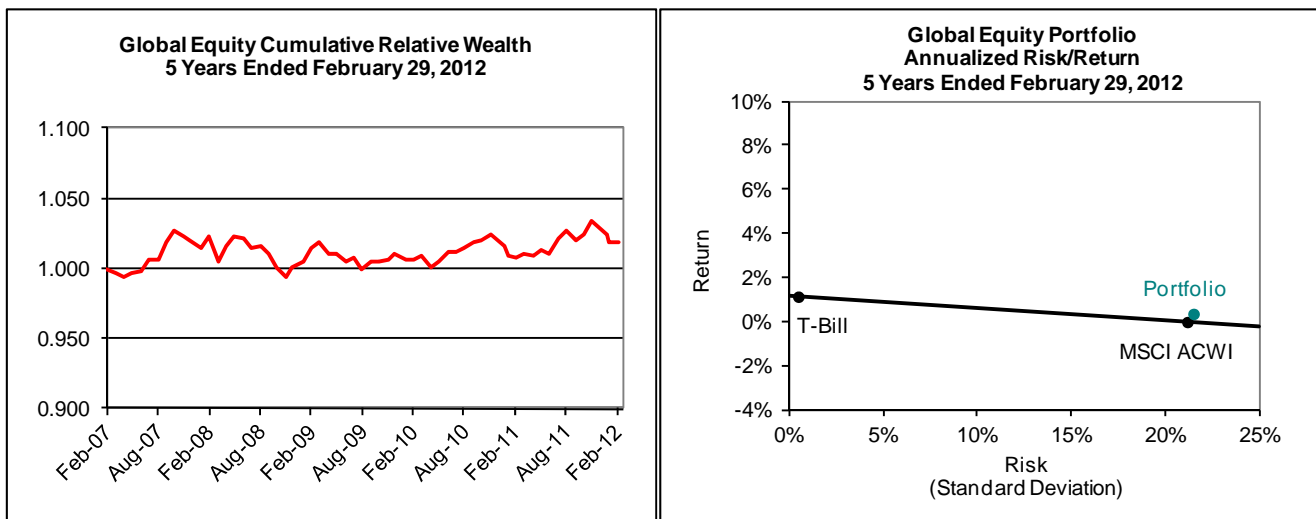
Global Equities posted positive returns for the month of February. The broad market as measured by the MSCI All Country World Index (ACWI) rose 5.0% during the month. SURS portfolio performance matched the benchmark return during January, returning 5.0%. Relative results for the SURS portfolio were mixed for February, with two of the five active accounts posting a return equal to or better than their respective benchmarks. Returns worth noting for the first eight months of the 2012 fiscal year include:

<u>Portfolio</u>			<u>Benchmark</u>	
Aberdeen Asset Management	0.5%	v.	MSCI ACWI	-1.6%
Calamos Investments	1.3%	v.	MSCI ACWI	-1.6%
T. Rowe Price	1.1%	v.	MSCI ACWI	-1.6%
Wellington Management	-0.6%	v.	MSCI ACWI	-1.6%

	February 2012	FYTD	1 YR	3 YR	5 YR	Since Inception
<b>SURS</b>	<b>5.0%</b>	<b>-0.9%</b>	<b>-0.5%</b>	<b>23.9%</b>	<b>0.4%</b>	<b>5.5%</b>
Performance Benchmark	5.0%	-1.6%	-1.5%	23.7%	0.0%	5.4%
MSCI All Country World	5.0%	-1.6%	-1.5%	23.7%	0.1%	5.7%
MSCI World	4.9%	-1.2%	-1.7%	22.7%	-0.6%	5.1%
Dow Jones U.S. Total Stock Mkt	4.2%	4.1%	4.5%	26.7%	2.0%	5.5%
MSCI All Country World Ex-US	5.6%	-6.2%	-6.1%	22.8%	-0.7%	7.4%

### Longer-Term Results

The five-year cumulative relative wealth chart, below (left) indicates that SURS Global Equities portfolio has outpaced its benchmark return by approximately 1.9%. The portfolio is generating slightly higher returns with marginally greater volatility than the benchmark. On a risk-adjusted basis, the portfolio exceeded its benchmark by 38 basis points on an annualized basis of 0.35% versus a required return of -0.03%.



## Fixed Income: \$2.8 Billion and 19.8% of Fund

The U.S. fixed income markets experienced flat returns for the month of February. The broad market, as measured by the Barclays Capital Aggregate Index, posted a return of 0.0% for the month. SURS core/core plus fixed income portfolio returned 0.2%, outpacing the benchmark return by 0.2% during February. The Long Term Corporate and Intermediate Corporate sectors experienced the strongest performance for the period. For the month, the investment return for nine of the ten active accounts was equal to or better than the returns of their benchmarks. Returns worth noting for the first eight months of the 2012 fiscal year include:

### Portfolio

Chicago Equity Partners	6.4%
Garcia Hamilton & Associates	5.3%
PIMCO Total Return	2.9%
Taplin, Canida & Habacht	7.8%

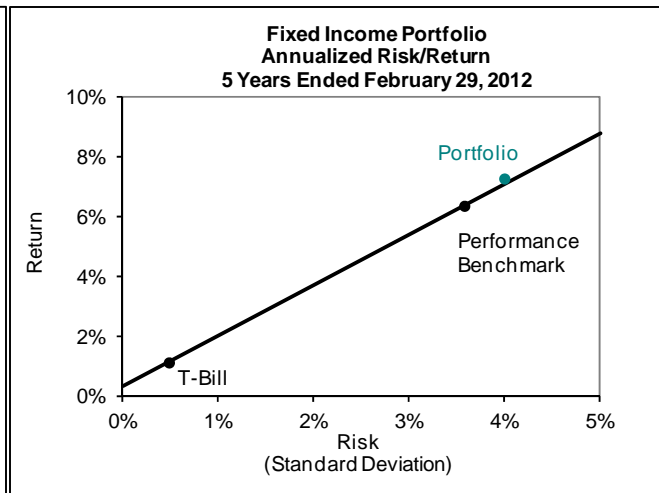
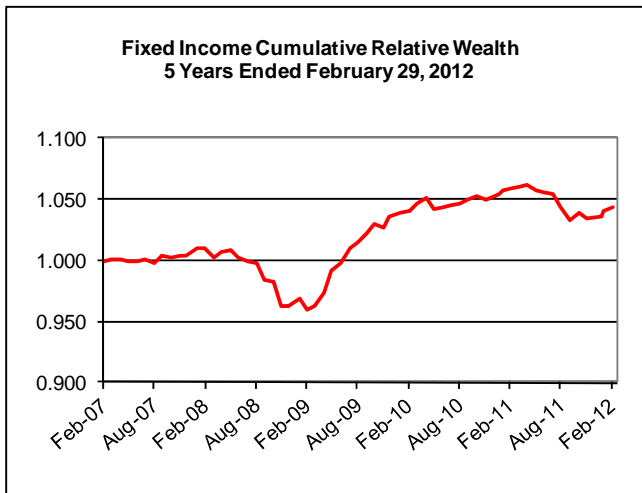
### Benchmark

Barclays Capital Aggregate	5.9%
Barclays Capital Aggregate	5.9%
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Barclays Capital Aggregate	5.9%

	February 2012	FYTD	1 YR	3 YR	5 YR	10 YR
<b>SURS</b>	<b>0.2%</b>	<b>4.7%</b>	<b>6.8%</b>	<b>10.6%</b>	<b>7.3%</b>	<b>6.5%</b>
Performance Benchmark	0.0%	5.9%	8.4%	7.5%	6.4%	5.9%
Barclays Capital Aggregate	0.0%	5.9%	8.4%	7.5%	6.4%	5.7%
Barclays Capital Universal	0.2%	5.7%	8.2%	8.6%	6.3%	6.0%
Long Term Government	-2.0%	23.6%	27.7%	10.2%	9.9%	8.5%
Intermediate Government	-0.4%	4.0%	6.1%	4.1%	5.6%	4.8%
Long Term Corporate	1.0%	16.3%	19.0%	19.2%	8.6%	8.1%
Intermediate Corporate	0.8%	5.2%	7.5%	11.7%	6.5%	6.0%
Mortgage Backed	0.1%	3.8%	6.4%	5.7%	6.4%	5.5%
90-day Treasury Bills	0.0%	0.0%	0.0%	0.1%	1.1%	1.8%

### Longer-Term Results

The five-year cumulative relative wealth chart, below (left) indicates that SURS fixed income portfolio has exceeded its benchmark return by approximately 4.4%. On a risk-adjusted basis, the portfolio is producing a higher return with somewhat more volatility than the benchmark. The portfolio has outpaced its risk-adjusted benchmark by 20 basis points on an annualized basis of 7.28% versus a required return of 7.08%.



## Treasury Inflation-Protected Securities (TIPS): \$0.5 Billion and 3.8% of Fund

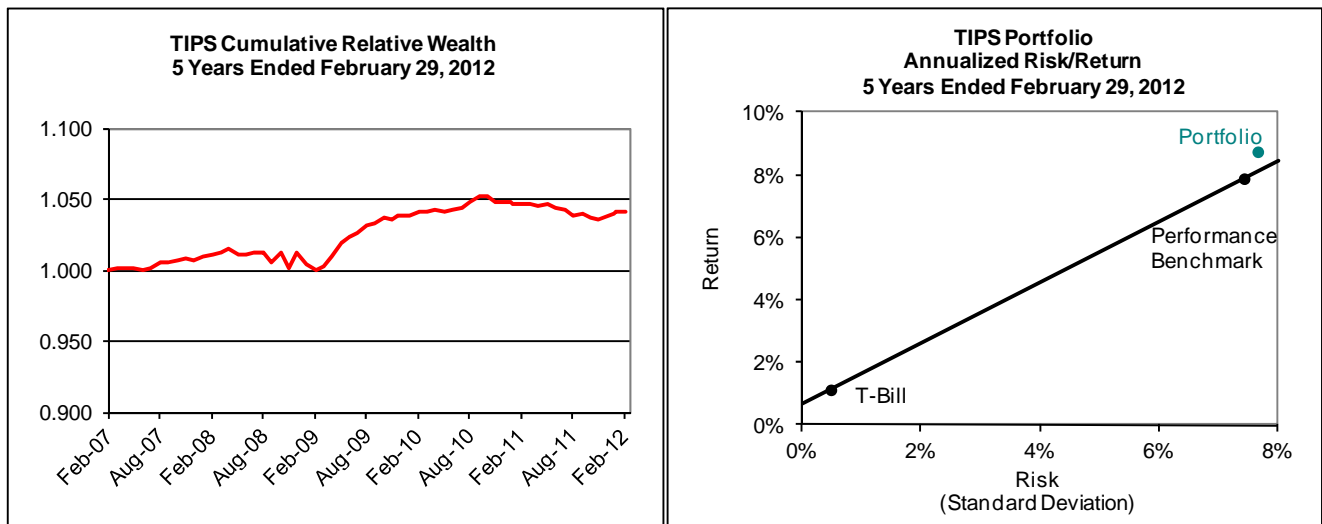
The TIPS markets experienced negative results during February, returning -0.3% for the month. SURS portfolio performance matched the benchmark for the period, returning -0.3%. For the month, two of the three managers in the portfolio equaled or exceeded the benchmark. Returns worth noting for the first eight months of the 2012 fiscal year include:

<u>Portfolio</u>				<u>Benchmark</u>	
Longfellow Investment Mgmt	8.5%	v.	Barclays Capital U.S. TIPS Index	9.4%	

	February 2012	FYTD	1 YR	3 YR	5 YR	Since Inception
<b>SURS</b>	<b>-0.3%</b>	<b>9.1%</b>	<b>13.9%</b>	<b>12.7%</b>	<b>8.7%</b>	<b>7.7%</b>
Custom Benchmark	-0.3%	9.4%	14.6%	11.2%	7.9%	7.1%
Barclays U.S. TIPS Index	-0.3%	9.4%	14.6%	11.2%	7.9%	7.8%
Barclays 1-10 year TIPS Index	0.1%	5.3%	9.3%	9.1%	7.0%	7.0%
90-day Treasury Bills	0.0%	0.0%	0.0%	0.1%	1.1%	2.5%

### Longer-Term Results

The five-year cumulative relative wealth chart, below (left) indicates that SURS TIPS portfolio has added approximately 4.1% in value above its benchmark. On a risk-adjusted basis, the portfolio has experienced a higher return with slightly greater volatility than its benchmark. The portfolio has outpaced its risk-adjusted benchmark by 64 basis points on an annualized basis of 8.75% versus required return of 8.11%.



## Real Estate: \$1.0 Billion and 7.0% of Fund

### Real Estate Investment Trust Securities (REITS): U.S. and Global (4.1% of Fund)

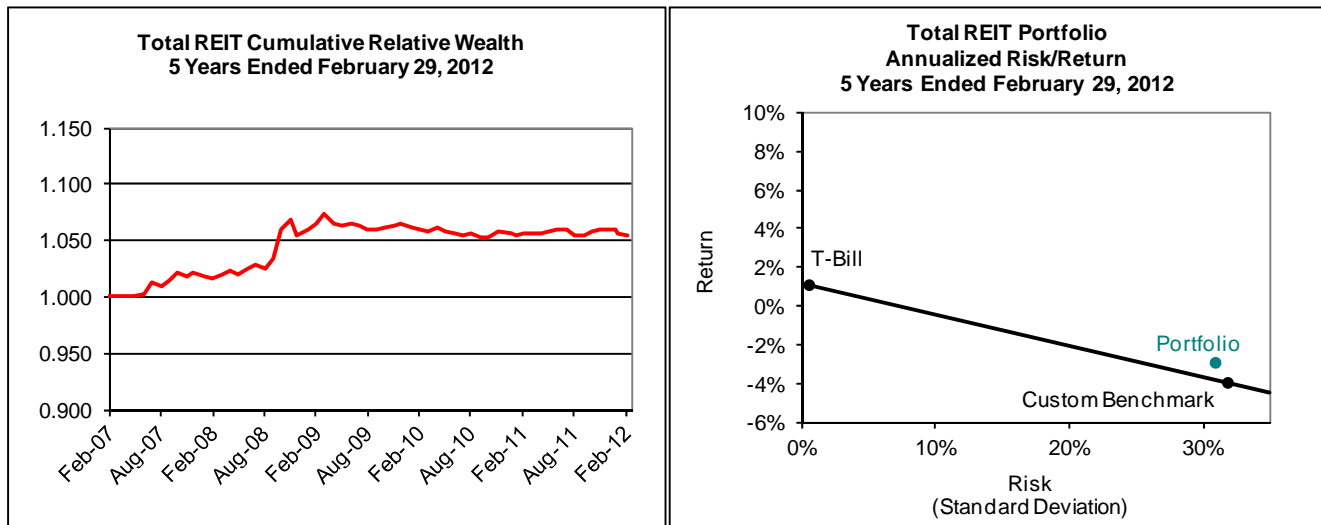
The U.S. and global REIT markets experienced positive investment performance for February. SURS total REIT portfolio trailed its benchmark by 0.2%, returning 0.9% for the month. Returns worth noting for the first eight months of the 2012 fiscal year include:

<u>Portfolio</u>				<u>Benchmark</u>	
RREEF Securities (Domestic)	1.8%	v.		DJ U.S. Select Real Estate Sec	3.4%
RREEF Global REIT	-2.6%	v.		FTSE EPRA/NAREIT Devel	-1.3%

	February 2012	FYTD	1 YR	3 YR	5 YR	10 YR
<b>SURS</b>	<b>0.9%</b>	<b>0.9%</b>	<b>3.4%</b>	<b>38.9%</b>	<b>-2.9%</b>	<b>10.5%</b>
Custom Benchmark	1.1%	1.4%	3.5%	39.4%	-3.9%	9.5%
Dow Jones U.S. Select Real Estate Securities	-1.0%	3.4%	6.1%	43.7%	-2.4%	10.4%
FTSE EPRA /NAREIT Developed Index	3.5%	-1.3%	0.1%	33.0%	-5.1%	-5.1%
FTSE EPRA /NAREIT Developed Ex-U.S	7.6%	-4.2%	-2.9%	28.2%	-6.7%	-6.7%

### Longer-Term Results: Total REITS

The five-year cumulative relative wealth chart, below (left) indicates that SURS Total REIT portfolio has added approximately 5.5% in value above its benchmark. As can be seen from the chart, the five-year trend has been positive. On a risk-adjusted basis, the portfolio return has exceeded its benchmark by 89 basis points while providing a higher return with marginally less volatility. SURS portfolio has returned -2.87%, while the risk-adjusted benchmark return is -3.76%.



## Real Estate (continued)

### Direct Real Estate (2.9% of Fund)

SURS began funding its direct real estate portfolio in June 2005 and reports performance one quarter in arrears. The one year return through December 31, 2011, was 14.9% as compared to its benchmark return of 17.4%.

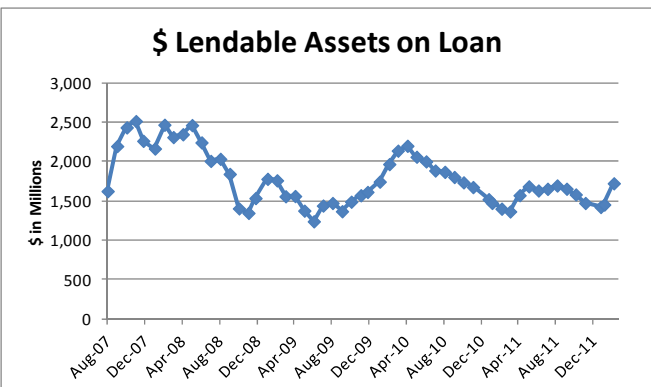
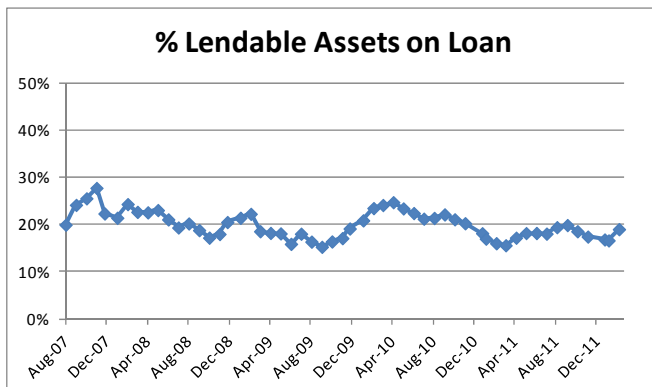
	December 2011	FYTD	1 YR	3 YR	5 YR	Since Inception
<b>SURS</b>	2.5%	2.5%	14.9%	-4.4%	0.0%	1.5%
NCREIF ODCE Index	3.5%	3.5%	17.4%	-7.1%	-0.8%	3.3%
Consumer Price Index	-0.5%	0.0%	3.0%	2.4%	2.3%	2.3%

The RREEF America II Fund targets a 6% real rate of return for the fund and the RREEF America III Fund targets an 8% real rate of return. The investment objective of UBS Trumbull Property Fund is to provide a 5% real rate of return. Franklin Templeton pursues a 9% preferred real rate of return.

### Securities Lending

Credit Suisse began providing third-party securities lending services to SURS as of August 1, 2007. Program statistics for the month of February and the 2012 fiscal year are as listed, below:

<b>Securities Lending Income as of February 29, 2012</b>	
<b>Total for the Month</b>	\$389,754
<b>Fiscal Year to Date</b>	\$3,185,532
<b>Fiscal Year to Date Monthly Average</b>	\$398,191



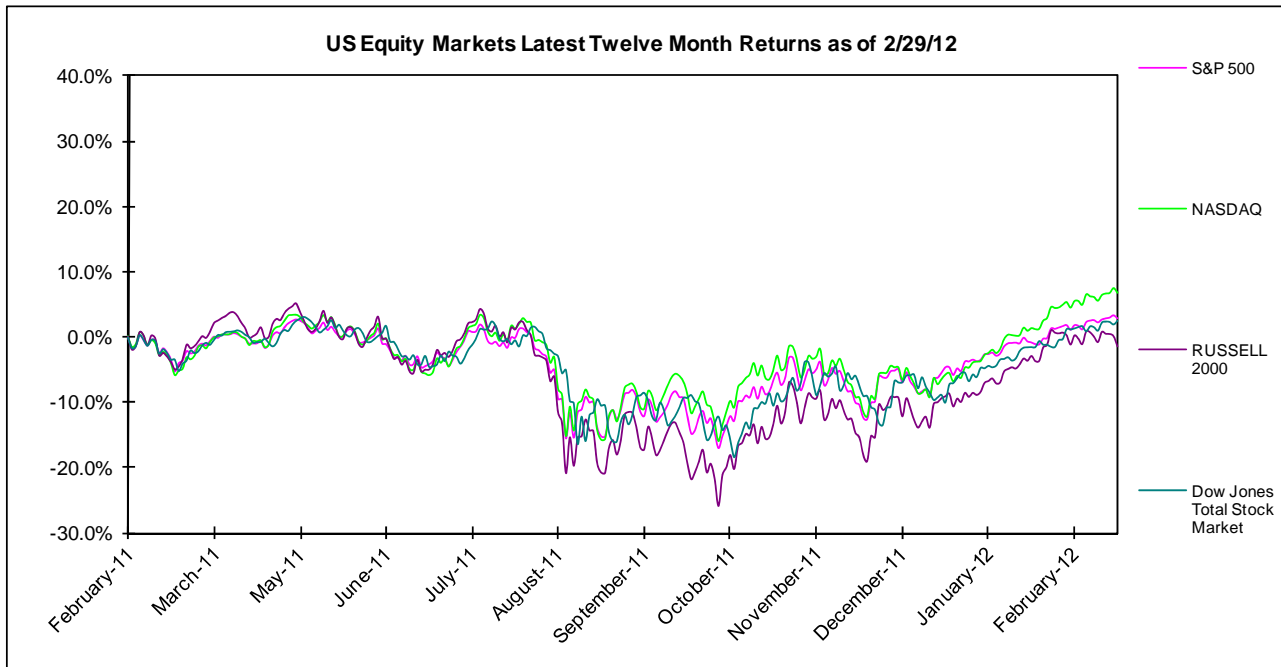
### Items of Interest

If you have any questions regarding this Investment Update or anything else, please contact us.

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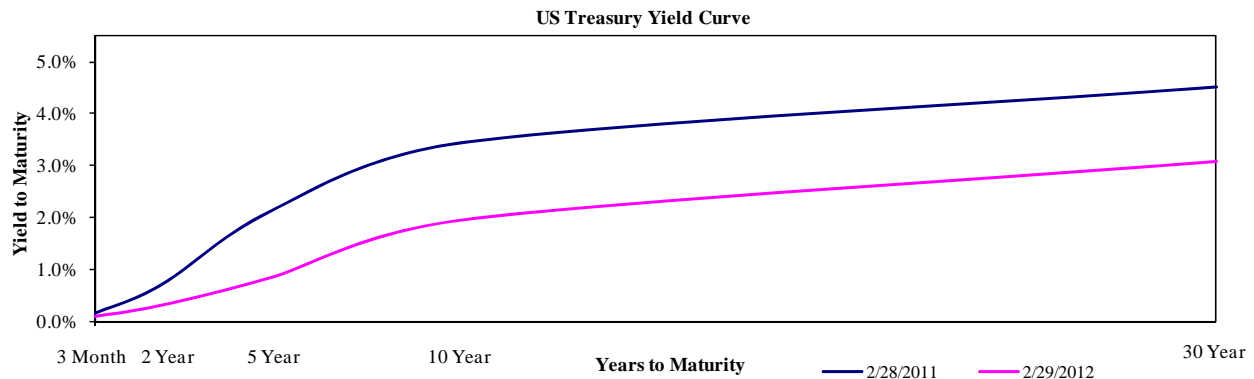
## MARKET OVERVIEW

<u>US Equity Markets</u>	<u>February 28, 2011</u>	<u>February 29, 2012</u>	<u>Rate of Return</u>
Dow Jones Industrial	12,226.34	12,952.07	5.94 %
S&P 500	1,327.22	1,365.68	5.12 %
Nasdaq Composite	2,782.27	2,966.89	7.77 %
Russell 1000	736.24	756.42	4.86 %
Russell 2000	823.45	810.94	(0.15)%
Russell 3000	791.44	810.36	4.45 %
Dow Jones Total Stock Market	13,867.45	14,211.69	4.53 %



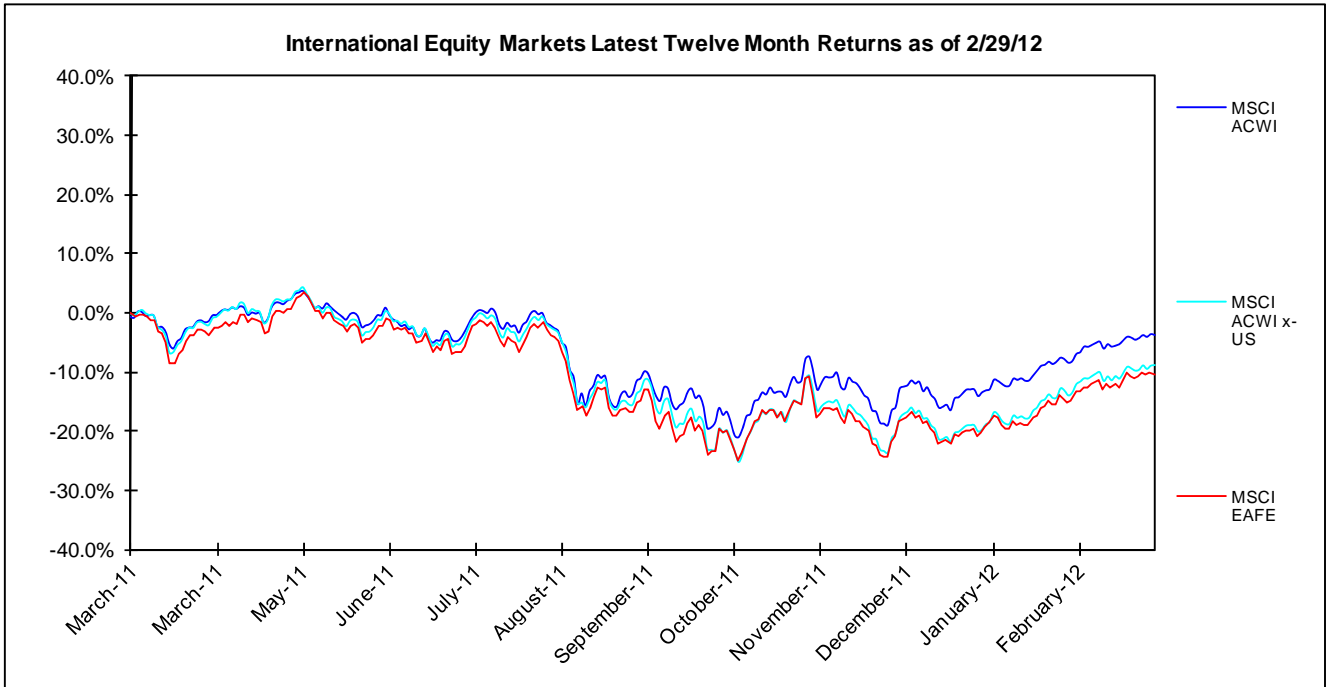
### Current Yield as of

<u>US Treasury Market</u>	<u>February 28, 2011</u>	<u>February 29, 2012</u>	<u>% Change</u>
3-Month Treasury Bill	0.13%	0.08%	-0.06%
2-Year Treasury Note	0.68%	0.29%	-0.39%
5-Year Treasury Note	2.14%	0.84%	-1.30%
10-Year Treasury Bond	3.43%	1.94%	-1.48%
30-Year Treasury Bond	4.50%	3.07%	-1.43%



## MARKET OVERVIEW

<u>International Markets</u>	<u>February 28, 2011</u>	<u>February 29, 2012</u>	<u>Rate of Return</u>
MSCI ACWI	344.82	331.93	(1.49)%
MSCI ACWI x-US	272.33	248.34	(6.10)%
MSCI EAFE	1,749.01	1,567.67	(7.45)%













### CBOE S&P 500 Volatility Index



## MARKET OVERVIEW

### Foreign Exchange

	 USD	 EUR	 JPY	 GBP	 CHF	 CAD	 AUD	 NZD	 HKD	 NOK
SEK	6.6194	8.8200	.08157	10.536	7.3187	6.6868	7.1039	5.5213	.85341	1.1838
NOK	5.5919	7.4509	.06891	8.9003	6.1826	5.6488	6.0011	4.6642	.72094	-
HKD	7.7564	10.335	.09558	12.345	8.5758	7.8353	8.3241	6.4696	-	1.3871
NZD	1.1989	1.5975	.01477	1.9082	1.3255	1.2111	1.2866	-	.15457	.21440
AUD	.93180	1.2416	.01148	1.4831	1.0302	.94129	-	.77722	.12013	.16663
CAD	.98992	1.3190	.01220	1.5756	1.0945	-	1.0624	.82570	.12763	.17703
CHF	.90445	1.2051	.01115	1.4396	-	.91366	.97065	.75441	.11661	.16174
GBP	.62828	.83715	.00774	-	.69465	.63468	.67427	.52405	.08100	.11236
JPY	81.149	108.13	-	129.16	89.722	81.975	87.088	67.687	10.462	14.512
EUR	.75050	-	.00925	1.1945	.82978	.75814	.80543	.62600	.09676	.13421
USD	-	1.3325	.01232	1.5917	1.1056	1.0102	1.0732	.83411	.12893	.17883

### Commodities

#### Standard & Poor's Goldman Sachs Commodity Index



Source: Bloomberg. Calculations are as of the last monthly trading day. All data is as of February 29, 2012.

**Schedule of Self-Managed Plan Investment Allocation  
as of February 29, 2012**

	<u>U.S. Stocks</u>	<u>Non-U.S. Stocks</u>	<u>Fixed Income</u>	<u>Balanced</u>	<u>Real Estate</u>	<u>Total</u>
<b>Fidelity Funds</b>						
<b>Actively Managed</b>						
Fidelity Managed Income Portfolio			17,867,375			17,867,375
PIMCO Total Return Institutional			26,591,372			26,591,372
Fidelity Puritan				127,654,028		127,654,028
Fidelity Freedom K Funds <sup>(1)</sup>				56,170,274		56,170,274
Ariel Fund	14,873,993					14,873,993
American Beacon Large Cap Value Inst.	2,880,991					2,880,991
Buffalo Small Cap	6,486,720					6,486,720
Hartford Capital Appreciation Y	21,598,625					21,598,625
Fidelity Growth Company Class K <sup>(6)</sup>	42,807,462					42,807,462
Fidelity Contrafund	50,960,539					50,960,539
Fidelity Low Priced Stock Class K <sup>(6)</sup>	26,949,682					26,949,682
Fidelity Diversified International Class K <sup>(6)</sup>		26,467,230				26,467,230
Fidelity Worldwide		13,978,144				13,978,144
Fidelity Real Estate Investment					5,901,386	5,901,386
<b>Passively Managed</b>						
Spartan U.S. Bond Index Institutional <sup>(4),(7)</sup>			18,538,744			18,538,744
Fidelity Four In One Index				7,666,101		7,666,101
Spartan Extended Market Index	14,953,564					14,953,564
Spartan Total Market Index	9,555,289					9,555,289
Spartan 500 Index Institutional <sup>(7)</sup>	45,960,704					45,960,704
Spartan International Index		8,526,623				8,526,623
<b>Fidelity Total</b>	<b>237,027,569</b>	<b>48,971,997</b>	<b>62,997,491</b>	<b>191,490,403</b>	<b>5,901,386</b>	<b>546,388,846</b>
						<b>57.1%</b>
<b>TIAA-CREF Funds</b>						
<b>Actively Managed</b>						
CREF Money Market Account			18,144,611			18,144,611
TIAA Traditional Annuity			67,465,185			67,465,185
CREF Bond Market Account			34,533,855			34,533,855
CREF Inflation-Linked Bond Account			21,551,779			21,551,779
CREF Social Choice Account				33,162,663		33,162,663
TIAA-CREF Lifecycle Funds - Premier Class <sup>(5),(8)</sup>				18,955,082		18,955,082
CREF Growth Account <sup>(2)</sup>	268,790					268,790
CREF Stock Account	92,879,907					92,879,907
CREF Global Equities Account		30,989,292				30,989,292
TIAA Real Estate Account					3,696,657	3,696,657
<b>Passively Managed</b>						
CREF Equity Index Account	41,474,559					41,474,559
TIAA-CREF Large-Cap Growth Index	46,827,626					46,827,626
<b>TIAA-CREF Total</b>	<b>181,450,882</b>	<b>30,989,292</b>	<b>141,695,431</b>	<b>52,117,745</b>	<b>3,696,657</b>	<b>409,950,008</b>
						<b>42.9%</b>
<b>GRAND TOTALS</b>	<b><u>\$418,478,451</u></b>	<b><u>\$79,961,289</u></b>	<b><u>\$204,692,922</u></b>	<b><u>\$243,608,148</u></b>	<b><u>\$9,598,043</u></b>	<b><u>\$956,338,854</u></b>
	<b>43.8%</b>	<b>8.4%</b>	<b>21.4%</b>	<b>25.5%</b>	<b>1.0%</b>	<b>100.0%</b>
<b>SMP Forfeiture Reserve <sup>(3)</sup></b>						<b>9,724,387</b>
<b>SMP Disability Reserve <sup>(3)</sup></b>						<b>58,271,161</b>
<b>Total SMP Investments</b>						<b><u>1,024,334,402</u></b>

- As of February 29, 2012, the Fidelity Freedom K Fund (lifecycle) series is the default fund for members who have selected the Self-Managed Plan, but have not yet selected individual mutual/variable annuity funds.
- CREF Growth Account is no longer an approved option for the Self-Managed Plan. Assets remaining in the Account were invested prior to termination of this option.
- These assets are commingled with the SURS defined benefit plan investments and accrue interest equal to the overall annual rate of return of the fund, net of fees. The reserve totals are preliminary and unaudited.
- Effective April 2011, the name changed from Fidelity U.S. Bond Index Fund to Spartan U.S. Bond Index Fund.
- Effective August 5, 2011, the fund transferred to the lower-cost Premier share class.
- Effective September 14, 2011, the fund transferred to the lower-cost K share class.
- Effective September 14, 2011, the fund transferred to the lower-cost institutional share class.
- Effective November 2011, the TIAA-CREF Lifecycle 2055 Fund - Premier Class Fund became an SMP approved investment option.

**SURS Private Equity Program Returns**  
**Investment Values for Month Ended February 29, 2012**  
**Investment Performance for Quarter Ended December 31, 2011 <sup>(1)</sup>**

Manager	Incep	Benchmark	Assets (\$mil)	Quarter Mgr	Quarter Bmark	FYTD Mgr	FYTD Bmark	1 YR Mgr	1 YR Bmark	3 YR Mgr	3 YR Bmark	5 YR Mgr	5 YR Bmark	10 YR Mgr	10 YR Bmark	Incep <sup>(2)</sup> Mgr	Incep <sup>(2)</sup> Bmark
Adams Street Partners (SEP)	Jan-91	DJ US Ttl Stk Mkt + 5%	284	-4.36%	-14.01%	-4.36%	-14.01%	10.44%	5.73%	4.44%	6.77%	7.89%	4.36%	7.39%	9.06%	28.53%	11.64%
ASP 2009 Offering (FOF)	Jan-09	DJ US Ttl Stk Mkt + 5%	32	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
ASP 2008 Offering (FOF)	Jan-08	DJ US Ttl Stk Mkt + 5%	46	-2.93%	-14.01%	-2.93%	-14.01%	12.35%	5.73%	12.81%	6.77%	11.25%	0.23%	11.25%	0.23%	11.25%	0.23%
ASP Global Secondary (FOF)	Mar-04	DJ US Ttl Stk Mkt + 5%	13	-0.33%	-14.01%	-0.33%	-14.01%	28.46%	5.73%	10.48%	6.77%	10.03%	4.36%	12.48%	9.75%	12.48%	9.75%
ASP 2007 Global Opportunity (FOF)	Jun-07	DJ US Ttl Stk Mkt + 5%	73	-5.14%	-14.01%	-5.14%	-14.01%	14.97%	5.73%	8.67%	6.77%	4.08%	2.93%	4.08%	2.93%	4.08%	2.93%
ASP Non-U.S. P'ships (FOF)	Jul-98	DJ US Ttl Stk Mkt + 5%	44	-7.64%	-14.01%	-7.64%	-14.01%	9.05%	5.73%	1.59%	6.77%	8.26%	4.36%	14.93%	9.06%	13.16%	6.44%
Muller and Monroe ILPEFF (FOF)	Dec-04	DJ US Ttl Stk Mkt + 5%	13	-0.57%	-14.01%	-0.57%	-14.01%	2.46%	5.73%	2.89%	6.77%	0.01%	4.36%	-1.69%	7.89%	-1.69%	7.89%
Muller and Monroe MPEFF (FOF)	Mar-08	DJ US Ttl Stk Mkt + 5%	16	-4.55%	-14.01%	-4.55%	-14.01%	11.84%	5.73%	7.37%	6.77%	3.35%	0.24%	3.35%	0.24%	3.35%	0.24%
Pantheon Ventures, Inc. (SEP)	Mar-02	DJ US Ttl Stk Mkt + 5%	430	-4.01%	-14.01%	-4.01%	-14.01%	10.79%	5.73%	6.14%	6.77%	9.17%	4.36%	10.38%	9.22%	10.38%	9.22%
Pantheon Europe Fund III (FOF)	Jan-03	DJ US Ttl Stk Mkt + 5%	53	-9.09%	-14.01%	-9.09%	-14.01%	18.06%	5.73%	3.51%	6.77%	13.27%	4.36%	15.81%	11.86%	15.81%	11.86%
Pantheon Europe Fund VI (FOF)	Sep-08	DJ US Ttl Stk Mkt + 5%	20	-7.17%	-14.01%	-7.17%	-14.01%	5.13%	5.73%	4.22%	6.77%	2.74%	3.54%	2.74%	3.54%	2.74%	3.54%
Pantheon Global Second II (FOF)	Mar-04	DJ US Ttl Stk Mkt + 5%	10	-6.34%	-14.01%	-6.34%	-14.01%	2.36%	5.73%	-5.65%	6.77%	1.49%	4.36%	6.64%	9.75%	6.64%	9.75%
Pantheon USA 8 (FOF)	Jan-08	DJ US Ttl Stk Mkt + 5%	49	-1.62%	-14.01%	-1.62%	-14.01%	17.18%	5.73%	4.17%	6.77%	2.55%	0.23%	2.55%	0.23%	2.55%	0.23%
Progress Investment (FOF)	Jul-95	DJ US Ttl Stk Mkt + 5%	1	8.06%	-14.01%	8.06%	-14.01%	30.35%	5.73%	3.16%	6.77%	0.19%	4.36%	-2.46%	9.06%	-1.93%	10.56%
<b>Total Private Equities</b>	<b>Jan-91</b>	<b>DJ US Ttl Stk Mkt + 5%</b>	<b>1,084</b>	<b>-4.46%</b>	<b>-14.01%</b>	<b>-4.46%</b>	<b>-14.01%</b>	<b>11.51%</b>	<b>5.73%</b>	<b>5.30%</b>	<b>6.77%</b>	<b>8.22%</b>	<b>4.36%</b>	<b>8.46%</b>	<b>9.06%</b>	<b>22.61%</b>	<b>11.64%</b>

(1) reports quarterly in arrears

(2) or since inception, whichever is less

(FOF) fund of funds

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**Progress Investment Manager of Managers Program  
Investment Performance for Month Ended February 29, 2012**

Manager	Incep (1)	Benchmark	Assets (\$mil)	Month Mgr	Month Bmark	FYTD Mgr	FYTD Bmark	1 YR (2) Mgr	1 YR (2) Bmark	3 YR (2) Mgr	3 YR (2) Bmark	5 YR (2) Mgr	5 YR (2) Bmark	Incep (2) Mgr	Incep (2) Bmark
<b>PROGRESS TOTAL FUND</b>															
		<b>May-08 Custom</b>	477	4.0%	3.7%	2.6%	2.8%	3.9%	3.5%	20.0%	20.7%	3.5%	2.4%	3.5%	2.4%
<b>U.S. Equity</b>															
AH Lisanti Capital	May-08	Russell 2000 Growth	11	5.8%	3.3%	-6.1%	-0.7%	-2.0%	2.4%	29.9%	31.2%	4.5%	6.1%	4.5%	6.1%
Bowling	Jan-11	Russell 1000	44	3.7%	4.4%	1.2%	4.5%	1.3%	4.9%	4.2%	7.8%	4.2%	7.8%	4.2%	7.8%
Fortaleza	May-08	Russell 1000 Growth	20	5.4%	4.8%	2.0%	6.7%	3.6%	7.6%	23.6%	27.5%	2.1%	4.6%	2.1%	4.6%
Graham and Dodd	May-10	Russell 1000 Value	30	2.9%	4.0%	-3.4%	2.3%	-4.7%	2.2%	10.9%	13.3%	10.9%	13.3%	10.9%	13.3%
GW Capital	May-08	Russell 2000 Value	16	2.7%	1.5%	3.5%	-1.4%	2.3%	-2.7%	32.8%	27.7%	5.6%	3.3%	5.6%	3.3%
Hahn	Jan-11	Russell Midcap	44	4.8%	4.1%	7.0%	0.6%	9.8%	2.6%	14.3%	6.0%	14.3%	6.0%	14.3%	6.0%
Herdon Capital Management	May-08	Russell 1000 Value	46	5.7%	4.0%	4.1%	2.3%	8.3%	2.2%	30.5%	25.0%	6.3%	-0.3%	6.3%	-0.3%
Holland Capital Management	Jan-10	Russell 1000 Growth	40	5.2%	4.8%	7.4%	6.7%	8.6%	7.6%	16.9%	17.2%	16.9%	17.2%	16.9%	17.2%
<b>TOTAL U.S. Equity</b>	May-08	Russell 3000	251	4.6%	4.2%	2.9%	4.0%	4.3%	4.4%	25.3%	26.5%	2.7%	2.4%	2.7%	2.4%
<b>Non-U.S. Equity</b>															
Brown Capital Management	May-08	MSCIEAFE	18	7.5%	5.7%	-7.5%	-6.8%	-7.0%	-7.5%	22.6%	19.7%	-1.9%	-5.1%	-1.9%	-5.1%
Chesword Lane	Oct-09	MSCIEAFE	20	6.4%	5.7%	-2.7%	-6.8%	-3.7%	-7.5%	2.9%	3.8%	2.9%	3.8%	2.9%	3.8%
Herdon Capital Management	May-08	MSCI ACWI Ex-US	26	5.6%	5.6%	-4.9%	-6.2%	-1.6%	-6.1%	21.7%	22.8%	-3.0%	-3.7%	-3.0%	-3.7%
John Hsu Capital	May-08	MSCIEAFE	20	6.0%	5.7%	-7.6%	-6.8%	-12.4%	-7.5%	24.2%	19.7%	-1.4%	-5.1%	-1.4%	-5.1%
Sky Investment	Nov-11	MSCIEAFE	19	5.5%	5.7%	10.0%	10.3%	10.0%	10.3%	10.0%	10.3%	10.0%	10.3%	10.0%	10.3%
Strategic Global Advisors	May-08	MSCIEAFE	30	5.0%	5.7%	-5.3%	-6.8%	-3.3%	-7.5%	24.4%	19.7%	-2.5%	-5.1%	-2.5%	-5.1%
<b>TOTAL Non-U.S. Equity</b>	May-08	MSCIEAFE	132	5.9%	5.7%	-5.7%	-6.8%	-5.7%	-7.5%	22.9%	19.7%	-2.3%	-5.1%	-2.3%	-5.1%
<b>Fixed Income</b>															
Ambassador	May-08	Barclays Capital Aggregate	22	0.1%	0.0%	5.9%	5.9%	7.2%	8.4%	8.5%	7.5%	7.7%	6.4%	7.7%	6.4%
Garcia Hamilton	Oct-09	Barclays Capital Aggregate	12	0.4%	0.0%	5.0%	5.9%	6.6%	8.4%	6.7%	6.4%	6.7%	6.4%	6.7%	6.4%
LM Capital Management	May-08	Barclays Capital Aggregate	22	0.0%	0.0%	5.9%	5.9%	8.5%	8.4%	9.7%	7.5%	6.8%	6.4%	6.8%	6.4%
New Century Advisors	May-08	Barclays Capital Aggregate	22	0.1%	0.0%	5.6%	5.9%	8.4%	8.4%	8.5%	7.5%	7.0%	6.4%	7.0%	6.4%
Piedmont Advisors	May-08	Barclays Capital Aggregate	16	0.1%	0.0%	5.6%	5.9%	8.1%	8.4%	9.5%	7.5%	6.4%	6.4%	6.4%	6.4%
<b>TOTAL Fixed Income</b>	May-08	Barclays Capital Aggregate	94	0.1%	0.0%	5.6%	5.9%	7.8%	8.4%	8.6%	7.5%	6.9%	6.4%	6.9%	6.4%

(1) inception date of account (2) or since inception, whichever is less

Asset Class	\$s (millions)	Actual %
U.S. Equity	\$ 251	52.6%
Private Equity	-	0.0%
Non-U.S. Equity	132	27.7%
Global Equity	-	0.0%
Fixed Income	94	19.7%
TIPS	-	0.0%
Real Estate	-	0.0%
<b>Total Fund</b>	<b>\$ 477</b>	<b>100.0%</b>

**SURS Manager Diversity Program Returns  
Investment Performance for Month Ended February 29, 2012**

Manager	Incep	Benchmark	Assets (\$mil)	Month Mgr	Month Bmark	Quarter Mgr	Quarter Bmark	FYTD Mgr	FYTD Bmark	1 YR Mgr	1 YR Bmark	3 YR Mgr	3 YR Bmark	5 YR Mgr	5 YR Bmark	Incep Mgr	Incep Bmark
<b>TOTAL MDP</b>	Jan-05	Policy Portfolio	1,250	2.6%	2.4%	6.7%	7.1%	3.8%	3.2%	6.5%	5.8%	19.8%	21.0%	3.3%	2.6%	5.4%	5.1%
<b>U.S. Equity: Active</b>																	
Buford, Dickson, Harper & Sparrow	Jun-05	Custom/Russell 2000 Growth	21	5.8%	3.3%	10.5%	10.8%	-2.1%	-0.7%	-1.0%	2.4%	22.9%	31.2%	2.4%	2.3%	4.7%	5.7%
Channing Capital Management	Apr-05	Russell Midcap Value	69	3.8%	3.8%	11.5%	10.3%	0.9%	0.7%	1.0%	1.5%	25.0%	31.9%	1.6%	1.0%	4.6%	5.7%
EARNEST Partners	Jun-11	Russell Midcap	69	4.6%	4.1%	10.3%	10.3%	4.1%	0.6%	4.1%	0.6%	4.1%	0.6%	4.1%	0.6%	4.1%	0.6%
Fiduciary Management Associates	May-11	Russell 2000	68	2.0%	2.4%	5.9%	10.4%	-0.9%	-1.1%	-3.5%	-3.4%	-3.5%	-3.4%	-3.4%	-3.5%	-3.5%	-3.4%
Holland Capital Management	Apr-05	Custom/Russell Midcap Growth	66	5.3%	4.5%	7.1%	10.4%	2.0%	2.5%	8.0%	3.8%	28.1%	32.2%	5.7%	4.2%	6.6%	7.5%
Lombard Capital Partners	Apr-05	Russell 2000 Value	70	0.6%	1.5%	9.8%	9.9%	2.0%	-1.4%	1.4%	-2.7%	33.6%	27.7%	4.8%	-0.4%	7.5%	4.2%
NCM Capital Management	Apr-05	Russell Midcap Growth	68	4.4%	4.5%	9.0%	10.4%	-1.8%	0.5%	0.5%	3.8%	29.7%	32.2%	2.9%	4.1%	8.1%	7.0%
Profit Investment Management	Apr-05	Custom / Russell 2000 Growth	67	3.0%	3.3%	10.6%	10.8%	-5.9%	-0.7%	-5.5%	0.3%	33.0%	29.7%	4.0%	1.9%	7.2%	5.5%
<b>Composite, Active U.S. Equity</b>		Blended	500	3.4%	3.2%	9.2%	10.4%	-0.2%	-0.4%	0.9%	0.9%	29.2%	30.5%	3.4%	2.2%	6.6%	5.8%
<b>TOTAL U.S. Equity</b>	Jan-05	Blended	500	3.4%	3.2%	9.2%	10.4%	-0.2%	-0.4%	0.9%	0.9%	28.9%	30.4%	3.3%	2.8%	5.6%	5.4%
<b>Non-U.S. Equity</b>																	
Ativo Capital Management	Jul-08	MSCI ACWI Ex-U.S.	79	6.0%	5.6%	9.8%	11.5%	-8.2%	-6.2%	-6.7%	-6.1%	24.0%	22.8%	-0.7%	-1.1%	-0.7%	-1.1%
Herdon Capital Management	Aug-06	MSCI EAFE	133	5.7%	5.7%	11.8%	10.3%	-5.8%	-6.8%	-5.0%	-7.5%	19.4%	19.7%	-1.4%	-2.9%	1.5%	-0.1%
Strategic Global Advisors	Aug-08	MSCI EAFE	65	4.9%	5.7%	9.4%	10.3%	-5.4%	-6.8%	-3.5%	-7.5%	24.4%	19.7%	1.3%	-1.4%	1.3%	-1.4%
<b>TOTAL Non-U.S. Equity</b>	Aug-06	Blended	276	5.6%	5.7%	10.7%	10.7%	-6.5%	-6.6%	-5.4%	-7.1%	21.0%	20.1%	-1.2%	-2.8%	1.1%	-0.5%
<b>Private Equity</b>																	
Muller and Monroe ILPEFF	Dec-04	DJ U.S. Total Stk Mkt + 5% (1)	13	-0.6%	-14.0%	-0.6%	-14.0%	-0.6%	-14.0%	2.5%	5.7%	2.9%	6.8%	0.0%	4.4%	-1.7%	7.9%
Muller and Monroe MPEFF	Mar-08	DJ U.S. Total Stk Mkt + 5% (1)	16	-4.6%	-14.0%	-4.6%	-14.0%	-4.6%	-14.0%	11.8%	5.7%	7.4%	6.8%	3.4%	4.6%	3.4%	0.2%
<b>TOTAL Private Equity</b>	Dec-04	DJ U.S. Total Stk Mkt + 5% (1)	29	-2.7%	-14.0%	-2.7%	-14.0%	-2.7%	-14.0%	7.1%	5.7%	5.0%	6.8%	1.4%	4.4%	0.3%	7.9%
<b>Fixed Income: Core</b>																	
Garcia Hamilton	Feb-09	Barclays Capital Aggregate	33	0.5%	0.0%	4.8%	2.0%	5.3%	5.9%	7.1%	8.4%	9.4%	7.5%	9.4%	7.5%	9.4%	7.5%
LM Capital Group	Dec-10	Barclays Capital Aggregate	54	0.2%	0.0%	3.1%	2.0%	6.0%	5.9%	8.9%	8.4%	8.1%	7.5%	8.1%	7.5%	8.1%	7.5%
Pugh Capital Management	Apr-06	Barclays Capital Aggregate	83	0.2%	0.0%	2.5%	2.0%	6.2%	5.9%	8.9%	8.4%	8.9%	7.5%	7.3%	6.4%	7.3%	6.5%
Smith Graham & Company	Apr-06	Barclays Capital Aggregate	53	0.4%	0.0%	3.2%	2.0%	5.5%	5.9%	7.8%	8.4%	8.6%	7.5%	6.3%	6.4%	6.5%	6.5%
<b>Composite, Core Fixed Inc</b>		Barclays Capital Aggregate	223	0.3%	0.0%	3.1%	2.0%	5.8%	5.9%	8.4%	8.4%	9.0%	7.5%	6.5%	6.4%	6.6%	6.5%
<b>Fixed Income: TIPS</b>																	
Longfellow Investment Mgmt	Apr-10	Barclays Capital U.S. TIPS	120	-0.3%	-0.3%	1.9%	2.0%	8.5%	9.4%	13.1%	14.6%	10.2%	10.2%	9.5%	10.2%	9.5%	10.2%
New Century Advisors	Apr-10	Barclays Capital U.S. TIPS	92	-0.2%	-0.3%	2.1%	2.0%	9.6%	9.4%	14.6%	14.6%	10.4%	10.2%	10.4%	10.2%	10.4%	10.2%
<b>Composite, TIPS</b>		Barclays Capital U.S. TIPS	212	-0.2%	-0.3%	2.0%	2.0%	9.0%	9.4%	13.8%	14.6%	9.9%	10.2%	9.9%	10.2%	9.9%	10.2%
<b>TOTAL Fixed Income</b>	Apr-06	Blended	435	0.0%	-0.2%	2.6%	2.0%	7.3%	7.6%	10.9%	11.3%	9.8%	8.5%	6.9%	7.0%	7.0%	7.0%
<b>Real Estate</b>																	
Franklin Templeton EMREFF	Aug-11	9% Absolute Return	10	NM/F	NM/F	NM/F	NM/F	NM/F	NM/F	NM/F	NM/F	NM/F	NM/F	NM/F	NM/F	NM/F	NM/F
<b>TOTAL Real Estate</b>	Aug-11		10	NM/F	NM/F	NM/F	NM/F	NM/F	NM/F	NM/F	NM/F	NM/F	NM/F	NM/F	NM/F	NM/F	NM/F

**Custom Benchmark Composition**

MDP Policy Portfolio	35% Russell 2500 Index, 23% S&P 500, 7% MSCI EAFE and 35% Barclays Capital Aggregate through January 2008; value weighted as of February 2008
Buford, Dickson, Harper & Sparrow	Russell 2000 through December 2007, Russell 2000 Growth as of January 2008
Holland Custom	Russell Midcap through March 2007, Russell Midcap Growth as of April 2007
Profit Custom	Russell 2000 through April 2011, Russell 2000 Growth as of May 2011

(1) reports quarterly in arrears

Asset Class	\$'s (millions)	Actual %
U.S. Equity	\$ 500	40.0%
Private Equity	29	2.3%
Non-U.S. Equity	276	22.1%
Global Equity	-	0.0%
Fixed Income	223	17.8%
TIPS	212	16.9%
Real Estate	10	0.8%
<b>Total Fund</b>	<b>\$ 1,250</b>	<b>100.0%</b>

February-12	Incep (01)	Benchmark	\$ millions	% Fund	2/2012 Mgr	2/2012 Bmark	FYTD Mgr	FYTD Bmark	1 YR (2) Mgr	1 YR (2) Bmark	3 YR (2) Mgr	3 YR (2) Bmark	5 YR (2) Mgr	5 YR (2) Bmark	10 YR (2) Mgr	10 YR (2) Bmark
<b>U.S. Equities</b>																
Buford, Dickson, Harper & Sparrow	Jun-05	Custom / Russell 2000 Growth	21	0.2%	5.85%	3.29%	-2.13%	-0.74%	-1.02%	2.38%	22.91%	31.21%	2.40%	2.33%	4.73%	5.73%
Profit Investment Management	Apr-05	Custom / Russell 2000 Growth	67	0.5%	2.99%	3.29%	-5.92%	-0.74%	-5.54%	0.29%	32.96%	29.67%	4.04%	1.92%	7.21%	5.52%
Lombardia Capital Partners	Apr-05	Russell 2000 Value	70	0.5%	0.55%	1.49%	2.01%	-1.44%	1.38%	-2.72%	33.61%	27.66%	4.80%	-0.36%	7.45%	4.16%
Fiduciary Management Associates	May-11	Russell 2000	68	0.5%	1.96%	2.39%	-0.94%	-1.09%	-3.54%	-3.37%	-3.54%	-3.37%	-3.54%	-3.37%	-3.54%	-3.37%
EARNEST Partners	Jun-11	Russell Midcap	69	0.5%	4.61%	4.15%	4.15%	0.62%	4.15%	0.62%	4.15%	0.62%	4.15%	0.62%	4.15%	0.62%
NCM Capital Management	Apr-05	Russell Midcap Growth	68	0.5%	4.36%	4.46%	-1.78%	0.54%	0.48%	3.83%	29.71%	32.17%	2.85%	4.09%	8.12%	6.98%
Holland Capital Management	Apr-05	Custom / Russell Midcap Growth	66	0.5%	5.25%	4.46%	2.75%	0.54%	7.96%	3.83%	28.13%	32.17%	5.74%	4.15%	6.64%	7.53%
Channing Capital Management	Apr-05	Russell Midcap Value	69	0.5%	3.82%	3.84%	0.95%	0.71%	1.00%	1.45%	25.01%	31.85%	1.57%	1.03%	4.55%	5.70%
Progress Investment	May-08	Russell 3000	251	1.8%	4.56%	4.23%	2.90%	4.01%	4.26%	4.45%	25.28%	26.50%	2.68%	2.40%	2.68%	2.40%
<i>Active U.S. Equities</i>	Oct-81	Blended	751	5.4%	3.80%	3.01%	1.32%	1.05%	2.97%	2.09%	27.59%	28.66%	0.46%	1.21%	4.66%	5.80%
Jacobs Levy Equity Management	Feb-08	Russell 3000	249	1.8%	5.32%	4.23%	3.94%	4.01%	8.00%	4.45%	30.54%	26.50%	3.51%	3.41%	3.51%	3.41%
PIMCO StocksPlus	Oct-87	Custom / Russell 3000	257	1.8%	3.84%	4.23%	1.49%	4.01%	1.83%	4.43%	33.20%	26.77%	3.83%	2.32%	5.29%	4.59%
Piedmont Investment Advisors	Jan-08	S&P 500	246	1.8%	4.74%	4.32%	5.66%	4.98%	6.88%	5.12%	24.17%	25.56%	-0.27%	0.49%	-0.27%	0.49%
T. Rowe Price	Mar-08	S&P 500	246	1.8%	4.50%	4.32%	5.62%	4.98%	5.49%	5.12%	25.58%	25.56%	3.85%	3.09%	3.85%	3.09%
<i>Structured Active U.S.</i>	Oct-87	Blended	998	7.2%	4.59%	4.28%	3.27%	4.16%	4.47%	4.53%	30.98%	26.58%	2.41%	1.96%	4.64%	4.42%
Northern Trust Investments	Feb-99	Dow Jones U.S. Total Stock Market	1,492	10.7%	4.25%	4.25%	4.34%	4.09%	4.81%	4.53%	26.81%	26.67%	2.15%	2.03%	5.23%	5.17%
Rhumbline Advisers	Feb-05	Custom / Wilshire 5000	1,032	7.4%	4.23%	4.23%	4.32%	4.11%	4.64%	4.40%	25.98%	26.37%	2.05%	1.92%	4.44%	4.35%
<i>Passive U.S. Equities</i>	Jul-86	Blended	2,525	18.2%	4.24%	4.24%	4.32%	4.09%	4.73%	4.47%	26.48%	26.56%	2.08%	1.98%	5.17%	5.14%
<b>Total U.S. Equities</b>	<b>Oct-81</b>	<b>Dow Jones U.S. Total Stock Market</b>	<b>4,274</b>	<b>30.7%</b>	<b>4.25%</b>	<b>4.25%</b>	<b>3.70%</b>	<b>4.09%</b>	<b>4.63%</b>	<b>4.53%</b>	<b>28.14%</b>	<b>26.67%</b>	<b>1.96%</b>	<b>2.03%</b>	<b>5.01%</b>	<b>5.17%</b>

**Non-U.S. Equities**

Ativo Capital Management	Jul-08	MSCI ACWI Ex-US	79	0.6%	6.01%	5.62%	-8.15%	-6.24%	-6.66%	-6.10%	24.00%	22.79%	-0.72%	-1.06%	-0.72%	-1.06%
GlobeFlex Capital	Dec-11	MSCI ACWI Ex-US	159	1.1%	5.19%	5.62%	11.09%	11.52%	11.09%	11.52%	11.09%	11.52%	11.09%	11.52%	11.09%	11.52%
Herdon Capital Management	Aug-06	MSCI EAFE	133	1.0%	5.67%	5.74%	-5.84%	-6.78%	-5.02%	-7.45%	19.43%	19.74%	-1.37%	-2.93%	1.47%	-0.12%
Martin Currie	Jul-92	MSCI ACWI Ex-US	163	1.2%	6.01%	5.62%	-6.68%	-6.24%	-2.97%	-6.10%	19.42%	22.79%	-1.87%	-0.75%	7.17%	8.03%
Progress Investment	May-08	MSCI EAFE	132	1.0%	5.87%	5.74%	-5.67%	-6.78%	-5.71%	-7.45%	22.93%	19.74%	-2.29%	-5.07%	-2.29%	-5.07%
Strategic Global Advisors	Aug-08	MSCI EAFE	65	0.5%	4.94%	5.74%	-5.40%	-6.78%	-3.49%	-7.45%	24.37%	19.74%	1.28%	-1.41%	1.28%	-1.41%
<i>Active Non U.S. Equities</i>	Jul-92	Blended	731	5.3%	5.65%	5.65%	-5.04%	-6.74%	-2.64%	-6.79%	19.83%	22.34%	-1.77%	-1.02%	6.92%	7.97%
BTC Alpha Tilts	Nov-03	MSCI EAFE	323	2.3%	5.65%	5.74%	-8.34%	-6.78%	-7.91%	-7.45%	20.10%	19.74%	-3.25%	-2.93%	6.45%	6.29%
Pyramis Global Advisors	Dec-11	MSCI ACWI Ex-US	398	2.9%	5.98%	5.62%	11.34%	11.52%	11.34%	11.52%	11.34%	11.52%	11.34%	11.52%	11.34%	11.52%
<i>Structured Active Non U.S.</i>	Nov-03	MSCI EAFE	722	5.2%	5.83%	5.74%	-7.29%	-6.78%	-7.13%	-7.45%	20.12%	19.74%	-2.99%	-2.93%	6.61%	6.29%
BTC Emerging Markets	Oct-09	MSCI Emerging Markets	145	1.0%	5.95%	5.99%	-4.71%	-4.57%	-0.42%	-0.11%	9.38%	9.68%	9.38%	9.68%	9.38%	9.68%
BTC International	Jul-86	MSCI ACWI Ex-US	1,054	7.6%	5.66%	5.62%	-6.18%	-6.24%	-5.80%	-6.10%	23.26%	22.79%	-0.27%	-0.75%	8.36%	8.01%
<i>Passive Non U.S. Equities</i>	Jul-86	Blended / MSCI ACWI Ex-US	1,199	8.6%	5.70%	5.66%	-6.15%	-6.19%	-5.02%	-5.28%	23.59%	23.27%	-0.11%	-0.51%	8.51%	8.23%
<b>Total Non U.S. Equities</b>	<b>Jul-86</b>	<b>MSCI ACWI Ex-US</b>	<b>2,652</b>	<b>19.1%</b>	<b>5.72%</b>	<b>5.62%</b>	<b>-6.10%</b>	<b>-6.24%</b>	<b>-4.57%</b>	<b>-6.10%</b>	<b>21.07%</b>	<b>22.79%</b>	<b>-1.62%</b>	<b>-0.75%</b>	<b>7.39%</b>	<b>8.03%</b>

**Global Equities**

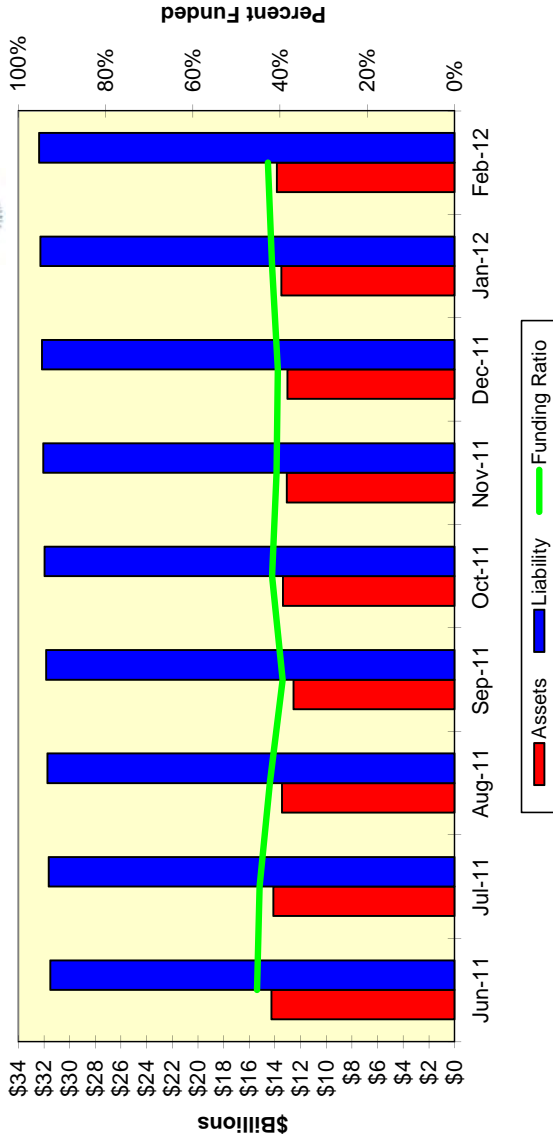
Aberdeen Asset Management	Aug-08	MSCI ACWI	288	2.1%	4.10%	5.03%	0.48%	-1.63%	3.77%	-1.49%	25.50%	23.71%	3.26%	1.71%	3.26%	1.71%
Calamos Investments	Aug-08	MSCI ACWI	281	2.0%	3.49%	5.03%	1.28%	-1.63%	1.06%	-1.49%	23.51%	23.71%	7.23%	1.71%	7.23%	1.71%
Mondrian Investment Partners	Dec-11	MSCI ACWI	283	2.0%	4.17%	5.03%	8.15%	10.91%	8.15%	10.91%	8.15%	10.91%	8.15%	10.91%	8.15%	10.91%
T. Rowe Price Global	Oct-08	MSCI ACWI	299	2.1%	6.95%	5.03%	1.12%	-1.63%	0.00%	-1.49%	23.58%	23.71%	13.62%	13.21%	13.62%	13.21%
Wellington Management	Jun-02	Custom / MSCI ACWI	300	2.2%	6.13%	5.03%	-0.64%	-1.63%	-0.79%	-1.49%	26.29%	23.71%	0.53%	0.12%	5.96%	5.45%
<b>Total Global Equities</b>	<b>Jan-04</b>	<b>Blended / MSCI ACWI</b>	<b>1,451</b>	<b>10.4%</b>	<b>4.99%</b>	<b>5.03%</b>	<b>-0.87%</b>	<b>-1.63%</b>	<b>-0.46%</b>	<b>-1.49%</b>	<b>23.87%</b>	<b>23.71%</b>	<b>0.35%</b>	<b>-0.02%</b>	<b>5.54%</b>	<b>5.37%</b>

February-12	Incep (1)	Benchmark	\$ millions	% Fund	2/2012 Mgr	2/2012 Bmark	FYTD Mgr	FYTD Bmark	1 YR Mgr	1 YR Bmark	3 YR Mgr	3 YR Bmark	5 YR Mgr	5 YR Bmark	10 YR Mgr	10 YR Bmark
<b>Private Equities</b>																
Adams Street Partners	Jan-91	DJ U.S. Total Stock Market + 5% (3)	492	3.5%	-4.42%	-14.01%	-4.42%	-14.01%	11.52%	5.73%	5.22%	6.77%	7.88%	4.36%	7.95%	9.06%
Muller and Monroe	Dec-04	DJ U.S. Total Stock Market + 5% (3)	29	0.2%	-2.68%	-14.01%	-2.68%	-14.01%	7.07%	5.73%	5.00%	6.77%	1.44%	4.36%	0.33%	7.89%
Pantheon Ventures, Inc.	Mar-02	DJ U.S. Total Stock Market + 5% (3)	562	4.0%	-4.62%	-14.01%	-4.62%	-14.01%	11.65%	5.73%	5.41%	6.77%	8.88%	4.36%	10.02%	9.22%
Progress Investment	Jul-95	DJ U.S. Total Stock Market + 5% (3)	1	0.0%	8.06%	-14.01%	8.06%	-14.01%	30.35%	5.73%	3.16%	6.77%	0.19%	4.36%	-2.46%	9.06%
<b>Total Private Equities</b>	<b>Jan-91</b>	<b>DJ U.S. Total Stock Market + 5% (3)</b>	<b>1,084</b>	<b>7.8%</b>	<b>-4.46%</b>	<b>-14.01%</b>	<b>-4.46%</b>	<b>-14.01%</b>	<b>11.51%</b>	<b>5.73%</b>	<b>5.30%</b>	<b>6.77%</b>	<b>8.22%</b>	<b>4.36%</b>	<b>8.46%</b>	<b>9.06%</b>
<b>TOTAL EQUITIES</b>	<b>Oct-81</b>	<b>Blended</b>	<b>9,460</b>	<b>68.0%</b>	<b>4.34%</b>	<b>4.37%</b>	<b>-0.29%</b>	<b>-1.11%</b>	<b>1.90%</b>	<b>0.92%</b>	<b>22.09%</b>	<b>23.64%</b>	<b>1.34%</b>	<b>1.47%</b>	<b>5.94%</b>	<b>6.34%</b>
<b>Fixed Income</b>																
Cash Flow	Oct-81	90-day T-bills	170	1.2%	0.01%	0.01%	0.06%	0.02%	0.13%	0.05%	0.25%	0.11%	1.61%	1.13%	2.40%	1.85%
<i>Core Fixed Income Managers</i>																
Chicago Equity Partners	Oct-10	Barclays Capital Aggregate	269	1.9%	-0.40%	-0.02%	6.42%	5.88%	9.08%	8.37%	5.41%	5.18%	5.41%	5.18%	5.41%	5.18%
Pugh Capital Management	Apr-06	Barclays Capital Aggregate	83	0.6%	0.16%	-0.02%	6.17%	5.88%	8.85%	8.37%	8.91%	7.52%	7.25%	6.36%	7.27%	6.49%
<i>Core Plus Fixed Income Managers</i>																
Garcia Hamilton & Associates	Feb-09	Barclays Capital Aggregate	33	0.2%	0.47%	-0.02%	5.35%	5.88%	7.13%	8.37%	9.40%	7.52%	9.40%	7.52%	9.40%	7.52%
LM Capital Group	Dec-10	Barclays Capital Aggregate	54	0.4%	0.16%	-0.02%	6.02%	5.88%	8.91%	8.37%	8.06%	7.47%	8.06%	7.47%	8.06%	7.47%
Metropolitan West Asset Mgmt.	Nov-01	Barclays Capital Aggregate	372	2.7%	0.74%	-0.02%	5.46%	5.88%	7.43%	8.37%	13.67%	7.52%	8.49%	6.36%	6.84%	5.47%
Neuberger Berman	Dec-10	Barclays Capital Aggregate	274	2.0%	0.74%	-0.02%	5.48%	5.88%	7.95%	8.37%	7.82%	7.47%	7.82%	7.47%	7.82%	7.47%
PIMCO Total Return	Oct-81	Barclays Capital Aggregate	801	5.8%	0.10%	-0.02%	2.91%	5.88%	5.47%	8.37%	11.59%	7.52%	8.54%	6.36%	7.19%	5.68%
Progress Investment	May-08	Barclays Capital Aggregate	94	0.7%	0.11%	-0.02%	5.63%	5.88%	7.76%	8.37%	8.55%	7.52%	6.94%	6.37%	6.94%	6.49%
Smith Graham & Company	Apr-06	Barclays Capital Aggregate	53	0.4%	0.37%	-0.02%	5.49%	5.88%	7.79%	8.37%	8.65%	7.52%	6.31%	6.36%	6.46%	6.49%
Taplin, Canida & Habacht	Apr-06	Barclays Capital Aggregate	66	0.5%	0.55%	-0.02%	7.75%	5.88%	10.60%	8.37%	11.89%	7.52%	7.28%	6.36%	7.39%	6.49%
<i>Active Fixed Income</i>																
State Street Global Advisors	Sep-10	Barclays Capital Aggregate	2,269	16.3%	0.26%	-0.02%	4.37%	5.88%	6.48%	8.37%	11.23%	7.52%	7.55%	6.36%	6.64%	5.92%
Passive Fixed Income	Oct-86	Blended / Barclays Capital Aggregate	489	3.5%	0.00%	-0.02%	5.78%	5.88%	8.23%	8.37%	4.78%	4.75%	4.65%	4.71%	4.91%	4.98%
<b>Total Core Fixed Income</b>	<b>Oct-81</b>	<b>Barclays Capital Aggregate</b>	<b>2,758</b>	<b>19.8%</b>	<b>0.21%</b>	<b>-0.02%</b>	<b>4.66%</b>	<b>5.88%</b>	<b>6.84%</b>	<b>8.37%</b>	<b>10.56%</b>	<b>7.52%</b>	<b>7.28%</b>	<b>6.36%</b>	<b>6.46%</b>	<b>5.92%</b>
<b>TIPS</b>																
Longfellow Investment Management	Apr-10	Barclays Capital U.S. TIPS	120	0.9%	-0.28%	-0.33%	8.47%	9.42%	13.09%	14.57%	9.53%	10.24%	9.53%	10.24%	9.53%	10.24%
New Century Advisors	Apr-10	Barclays Capital U.S. TIPS	92	0.7%	-0.21%	-0.33%	9.62%	9.42%	14.64%	14.57%	10.37%	10.24%	10.37%	10.24%	10.37%	10.24%
PIMCO US TIPS	May-99	Barclays Capital U.S. TIPS	319	2.3%	-0.41%	-0.33%	9.21%	9.42%	14.06%	14.57%	13.11%	11.21%	8.48%	7.89%	7.65%	7.10%
<b>Total TIPS</b>	<b>Jul-04</b>	<b>Barclays Capital U.S. TIPS (4)</b>	<b>531</b>	<b>3.8%</b>	<b>-0.35%</b>	<b>-0.33%</b>	<b>9.07%</b>	<b>9.42%</b>	<b>13.90%</b>	<b>14.57%</b>	<b>12.69%</b>	<b>11.21%</b>	<b>8.75%</b>	<b>7.89%</b>	<b>7.70%</b>	<b>7.10%</b>
<b>TOTAL FIXED INCOME</b>	<b>Oct-81</b>	<b>Custom</b>	<b>3,289</b>	<b>23.6%</b>	<b>0.12%</b>	<b>-0.07%</b>	<b>5.36%</b>	<b>6.42%</b>	<b>7.93%</b>	<b>9.30%</b>	<b>10.99%</b>	<b>7.89%</b>	<b>7.58%</b>	<b>6.48%</b>	<b>6.55%</b>	<b>5.91%</b>

February-12	Incep (1)	Benchmark	\$ millions	% Fund	2/2012 Mgr	2/2012 Bmark	FYTD Mgr	FYTD Bmark	1 YR (2) Mgr	1 YR (2) Bmark	3 YR (2) Mgr	3 YR (2) Bmark	5 YR (2) Mgr	5 YR (2) Bmark	10 YR (2) Mgr	10 YR (2) Bmark
<b>Real Estate</b>																
Dune Real Estate Parallel Fund II	Apr-09	NCREIF Property Index	24	0.2%	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
Franklin Templeton EMREFF	Aug-11	9% Absolute Return	10	0.1%	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
RREEF America II Fund	Jun-05	NCREIF ODCE Index (3)	118	0.8%	2.27%	3.48%	2.27%	3.48%	15.45%	17.39%	-7.58%	-7.09%	-1.50%	-0.80%	1.43%	3.30%
RREEF America III Fund	Apr-06	NCREIF ODCE Index (3)	13	0.1%	5.60%	3.48%	5.60%	3.48%	51.50%	17.39%	-26.30%	-7.09%	-16.31%	-0.80%	-14.45%	0.51%
UBS Trumbull Property Fund	Jun-06	NCREIF ODCE Index (3)	240	1.7%	2.29%	3.48%	2.29%	3.48%	12.77%	17.39%	0.46%	-7.09%	3.36%	-0.80%	3.86%	0.53%
<b>Total Direct Real Estate</b>	<b>Jun-05</b>	<b>NCREIF ODCE Index (3)</b>	<b>405</b>	<b>2.9%</b>	<b>2.52%</b>	<b>3.48%</b>	<b>2.52%</b>	<b>3.48%</b>	<b>14.94%</b>	<b>17.39%</b>	<b>-4.38%</b>	<b>-7.09%</b>	<b>-0.04%</b>	<b>-0.80%</b>	<b>1.52%</b>	<b>3.30%</b>
<b>U.S. REITS</b>																
BTC REIT Fund	Mar-00	Dow Jones U.S. Select R. E. Sec. Index	88	0.6%	-1.02%	-1.02%	3.34%	3.44%	5.93%	6.07%	43.53%	43.72%	-2.45%	-2.43%	10.23%	10.37%
CBRE Clarion Real Estate Securities	Mar-00	Dow Jones U.S. Select R. E. Sec. Index	151	1.1%	-1.07%	-1.02%	3.51%	3.44%	6.59%	6.07%	44.10%	43.72%	-0.34%	-2.43%	11.67%	10.37%
RREEF Securities	Mar-00	Dow Jones U.S. Select R. E. Sec. Index	111	0.8%	-1.36%	-1.02%	1.80%	3.44%	4.77%	6.07%	43.49%	43.72%	-1.75%	-2.43%	11.78%	10.37%
<b>Total U.S. REITS</b>	<b>Mar-00</b>	<b>Dow Jones U.S. Select R.E. Sec. (4)</b>	<b>350</b>	<b>2.5%</b>	<b>-1.15%</b>	<b>-1.02%</b>	<b>2.92%</b>	<b>3.44%</b>	<b>5.84%</b>	<b>6.07%</b>	<b>43.78%</b>	<b>43.72%</b>	<b>-1.43%</b>	<b>-2.43%</b>	<b>11.30%</b>	<b>10.37%</b>
<b>Global REITs</b>																
BTC Int'l REIT Fund	May-07	FTSE EPRA/NAREIT Developed Ex-US	67	0.5%	7.43%	7.56%	-4.31%	-4.16%	-2.87%	-2.87%	28.37%	28.20%	-6.71%	-6.74%	-6.71%	-6.74%
CBRE Clarion Global REIT	Apr-07	FTSE EPRA/NAREIT Developed Index	78	0.6%	3.07%	3.47%	-1.38%	-1.34%	0.90%	0.07%	31.43%	33.02%	-3.03%	-5.10%	-3.03%	-5.10%
RREEF Global REIT	Aug-07	FTSE EPRA/NAREIT Developed Index	72	0.5%	3.08%	3.47%	-2.56%	-1.34%	0.07%	0.07%	32.42%	33.02%	-3.34%	-3.11%	-3.34%	-3.11%
<b>Total GLOBAL REITS</b>	<b>Apr-07</b>	<b>Blended</b>	<b>217</b>	<b>1.6%</b>	<b>4.39%</b>	<b>4.71%</b>	<b>-2.70%</b>	<b>-2.23%</b>	<b>-0.97%</b>	<b>-0.86%</b>	<b>30.89%</b>	<b>31.59%</b>	<b>-4.69%</b>	<b>-5.54%</b>	<b>-4.69%</b>	<b>-5.54%</b>
<b>TOTAL REAL ESTATE INVESTMENT TRUSTS</b>																
<b>TOTAL REITS</b>	<b>Mar-00</b>	<b>Custom</b>	<b>567</b>	<b>4.1%</b>	<b>0.90%</b>	<b>1.10%</b>	<b>0.91%</b>	<b>1.41%</b>	<b>3.36%</b>	<b>3.55%</b>	<b>38.93%</b>	<b>39.36%</b>	<b>-2.87%</b>	<b>-3.91%</b>	<b>10.48%</b>	<b>9.53%</b>
<b>Opportunity Fund</b>																
Angelo Gordon GECC (PPIP)	Nov-09	12% Absolute Return	57	0.4%	1.57%	2.87%	-10.31%	5.83%	-9.42%	12.00%	9.38%	12.00%	9.38%	12.00%	9.38%	12.00%
Oaktree Capital Management (PPIP)	Feb-10	12% Absolute Return	16	0.1%	10.29%	2.87%	2.46%	5.83%	6.75%	12.00%	9.82%	12.00%	9.82%	12.00%	9.82%	12.00%
RLJ Western (PPIP)	Nov-09	12% Absolute Return	53	0.4%	-4.30%	2.87%	-8.44%	5.83%	-6.92%	12.00%	8.37%	12.00%	8.37%	12.00%	8.37%	12.00%
<i>Public-Private Investment Prgm</i>	Nov-09	12% Absolute Return	126	0.9%	0.02%	2.87%	-8.28%	5.83%	-7.15%	12.00%	8.93%	12.00%	8.93%	12.00%	8.93%	12.00%
Alinda Capital Partners	Dec-09	CPI + 5% (3)	24	0.2%	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
Macquarie Capital	Apr-10	CPI + 5% (3)	34	0.2%	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
<i>Infrastructure</i>	Dec-09	CPI + 5% (3)	58	0.4%	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
Private Opportunities Fund	Sep-01	DJ U.S. Total Stock Market + 5% (3)	1	0.0%	-9.43%	-14.01%	-9.43%	-14.01%	52.92%	5.73%	2.82%	6.77%	-2.86%	4.36%	1.71%	7.97%
<i>Private Opportunities Fund</i>	Sep-01	DJ U.S. Total Stock Market + 5% (3)	1	0.0%	-9.43%	-14.01%	-9.43%	-14.01%	52.92%	5.73%	2.82%	6.77%	-2.86%	4.36%	1.71%	7.97%
<b>TOTAL OPPORTUNITY FUND</b>	<b>Jul-99</b>	<b>Custom</b>	<b>185</b>	<b>1.3%</b>	<b>3.59%</b>	<b>0.91%</b>	<b>-3.89%</b>	<b>6.51%</b>	<b>-2.57%</b>	<b>10.80%</b>	<b>5.37%</b>	<b>3.90%</b>	<b>7.99%</b>	<b>0.27%</b>	<b>9.32%</b>	<b>5.79%</b>
<b>TOTAL FUND</b>																
<b>TOTAL FUND</b>	<b>Oct-81</b>	<b>Policy Portfolio</b>	<b>13,906</b>	<b>100.0%</b>	<b>3.07%</b>	<b>2.98%</b>	<b>1.26%</b>	<b>1.45%</b>	<b>3.61%</b>	<b>4.01%</b>	<b>18.91%</b>	<b>19.86%</b>	<b>3.17%</b>	<b>3.04%</b>	<b>6.57%</b>	<b>6.60%</b>
Policy Portfolio Benchmark consists of 31% U.S. Equities (Dow Jones U.S. Total Stock Market), 20% Non-U.S. Equities (MSCI ACWI ex-US), 10% Global Equities (MSCI ACWI), 6% Private Equity (Dow Jones U.S. Total Stock Market + 5%), 21% Fixed Income (Barclays Capital Aggregate), 4% TIPS (Barclays Capital U.S. TIPS), 3% Direct Real Estate (NCREIF ODCE Index), 4% REITs (Blended Benchmark) and 1% Opportunity Fund (Blended Benchmark)																
(1) inception date of account (2) or since inception, whichever is less (3) reports quarterly in arrears (4) TIPS benchmark used beginning April 2006 (NMF) not meaningful (FOF) fund of funds																



**SURS Funding Status  
2012 Fiscal Year-to-Date Results**



	Estimated		Unfunded		Market Value	
	Assets	Liabilities	Liabilities	Funding Ratio	Rate of Return Month	Rate of Return FYTD
Jun-11	\$ 14.27	\$ 31.51	\$ 17.24	45.3%	-0.52%	-0.5%
Jul-11	14.13	31.62	17.49	44.7%	-4.40%	-4.9%
Aug-11	13.44	31.73	18.29	42.4%	-5.90%	-10.5%
Sep-11	12.56	31.84	19.28	39.4%	7.21%	-4.1%
Oct-11	13.37	31.95	18.58	41.8%	-1.65%	-5.6%
Nov-11	13.08	32.06	18.98	40.8%	-0.01%	-5.6%
Dec-11	13.03	32.16	19.14	40.5%	4.11%	-1.8%
Jan-12	13.49	32.27	18.78	41.8%	3.07%	1.3%
Feb-12	13.85	32.38	18.53	42.8%		

**Note:** Assets and liabilities are estimated and unaudited through February 29, 2012. During 2009, the asset valuation method was changed, which resulted in a five-year smoothing method being utilized. The fund has an actuarial value funding ratio of 44.3% at the end of fiscal year 2011.