



# Nebraska Investment Council

Alternative Investment Performance Supplement  
Data as of 12/31/2015

**Aon Hewitt**  
Retirement and Investment

Investment advice and consulting services provided by Aon Hewitt Investment Consulting, Inc., an Aon Company.

**AON**  
Empower Results®

# Overview

---

- The state of Nebraska's Defined Benefit Plan, Cash Balance Benefit Plan, and Health Care and 50/50 Endowments invest in Private Equity and Real Estate
  - 5% policy target to Private Equity (all pools)
  - 7.5% policy target to Real Estate for DB and CBB Plans, 5% policy target to Real Estate for endowments
- The slides that follow include vintage year and partnership level performance information for these investments
- As private market investments are not valued as frequently as public market investments, performance information is reported on a time lag
  - All information presented in this presentation is as of December 31, 2015

# Real Estate – DB/CBB & Endowment Performance Summary by Vintage Year

## Vintage Year Performance – DB/CBB

Vintage Year	Number of Investments	Commitment	Unfunded Commitment	Cumulative Paid-In	Cumulative Distributions	Net Asset Value	Total Value	Return Multiples		
								DPI <sup>1</sup>	TVPI <sup>2</sup>	IRR
2004	0	\$0	\$0	\$183,528,392	\$226,385,612	\$0	\$226,385,613	1.23x	1.23x	11.69%
2006	2	250,000,000	0	261,194,955	68,860,295	327,594,952	396,455,246	0.26x	1.52x	5.11%
2007	4	125,250,000	10,909,203	118,463,669	63,831,107	79,850,243	143,681,350	0.54x	1.21x	4.77%
2008	2	50,000,000	1,155,811	50,777,563	39,148,827	31,607,167	70,755,994	0.77x	1.39x	8.42%
2010	2	150,000,000	7,020,788	142,979,212	48,775,986	156,741,838	205,517,824	0.34x	1.44x	14.65%
2011	1	25,000,000	4,105,050	23,432,698	13,684,171	19,496,511	33,180,682	0.58x	1.42x	17.09%
2012	1	20,000,000	6,254,898	14,093,185	1,031,361	16,541,568	17,572,929	0.07x	1.25x	17.67%
2013	1	20,000,000	2,907,514	17,092,486	2,621,857	17,109,010	19,730,867	0.15x	1.15x	8.86%
2014	1	50,000,000	32,396,282	17,603,718	1,012,012	22,125,100	23,137,112	0.06x	1.31x	106.52%
2015	4	180,000,000	105,192,392	74,809,038	605,564	78,303,205	78,908,769	0.01x	1.05x	7.94%
<b>Total</b>	<b>18</b>	<b>\$870,250,000</b>	<b>\$169,941,938</b>	<b>\$903,974,916</b>	<b>\$465,956,793</b>	<b>\$749,369,593</b>	<b>\$1,215,326,386</b>	<b>0.52x</b>	<b>1.34x</b>	<b>7.06%</b>

- Vintage years and investment types largely drive performance
- The 2004 vintage year consists of 100% REIT investments
- The 2006 vintage year consists of 100% open-end diversified Core equity funds

## Vintage Year Performance -- Endowment

Vintage Year	Number of Investments	Commitment	Unfunded Commitment	Cumulative Paid-In	Cumulative Distributions	Net Asset Value	Total Value	Return Multiples		
								DPI <sup>1</sup>	TVPI <sup>2</sup>	IRR
2008	1	\$20,000,000	\$1,877,218	\$18,031,928	\$19,930,303	\$8,085,762	\$28,016,065	1.11x	1.55x	12.05%
2009	1	10,000,000	1,620,000	8,314,116	4,488,094	5,714,354	10,202,448	0.54x	1.23x	7.26%
2010	3	26,000,000	0	26,000,000	3,569,992	34,969,516	38,539,508	0.14x	1.48x	11.71%
2014	1	7,500,000	4,859,442	2,640,558	149,347	3,318,766	3,468,113	0.06x	1.31x	132.97%
2015	1	10,000,000	9,000,000	1,000,000	0	1,291,732	1,291,732	0.00x	1.29x	66.86%
2016	1	6,000,000	6,000,000	0	0	0	0	N/A	N/A	N/A
<b>Total</b>	<b>8</b>	<b>\$79,500,000</b>	<b>\$23,356,660</b>	<b>\$55,986,602</b>	<b>\$28,137,736</b>	<b>\$53,380,131</b>	<b>\$81,517,867</b>	<b>0.50x</b>	<b>1.46x</b>	<b>11.71%</b>

- 2008 consists of the domestic fund of funds, which has performed well early in its term
- 2009 is primarily weighted to the international fund of funds which is still relatively early in its term and still experiencing the J-curve effect
- 2010 consists of Core investments and have benefited from a positively timed entry into the market

<sup>1</sup> DPI is the ratio of Cumulative Distributions to Cumulative Paid-In

<sup>2</sup> TVPI is the ratio of Total Value to Cumulative Paid-In

# Real Estate -- DB/CBB Portfolio Time-Weighted Performance<sup>2</sup> by Investment

Partnership Name	Style	Investment Vehicle	Net Asset Value	Time-Weighted Returns					
				Current Quarter	1 Year	3 Year	5 Year	Since Inception	Inception Date
Prudential Property Investment Separate Account	Core	Open end	\$176,466,330	3.00%	14.54%	13.63%	13.48%	4.96%	3/31/2006
UBS Trumbull Property Fund	Core	Open end	151,128,622	2.76%	11.81%	10.54%	10.53%	5.35%	6/30/2006
Cornerstone Patriot Fund LP	Core	Open end	137,781,380	3.14%	13.34%	10.71%	11.49%	11.77%	11/10/2010
UBS Trumbull Property Income Fund	Core	Open end	63,338,451	2.61%	N/A	N/A	N/A	8.39%	4/1/2015
<b>Core</b>			<b>528,714,782</b>	<b>2.92%</b>	<b>13.15%</b>	<b>11.85%</b>	<b>11.90%</b>	<b>5.38%</b>	<b>3/31/2006</b>
Prudential Property Investment Separate Account II	Core Plus	Open end	60,215,508	4.21%	16.47%	14.51%	15.15%	1.89%	6/29/2007
<b>Core-Plus</b>			<b>60,215,508</b>	<b>4.21%</b>	<b>16.47%</b>	<b>14.51%</b>	<b>15.15%</b>	<b>1.89%</b>	<b>6/29/2007</b>
Beacon Capital Strategic Partners Fund V, L.P.	Value Added	Closed end	4,544,914	-3.87%	2.46%	8.59%	9.09%	-10.03%	8/24/2007
Heitman Value Partners Fund II, L.P.	Value Added	Closed end	11,606,600	5.76%	18.82%	23.02%	21.47%	0.06%	11/5/2007
Almanac Realty Securities Fund V, L.P.	Value Added	Closed end	13,296,691	3.99%	5.13%	13.14%	12.97%	7.30%	5/12/2008
Rockwood Capital Real Estate Partners Fund IX, L.P.	Value Added	Closed end	16,541,568	4.57%	18.26%	-169.77%	N/A	N/A	12/28/2012
Almanac Realty Securities Fund VII, L.P.	Value Added	Closed end	9,270,283	5.56%	N/A	N/A	N/A	3.94%	4/24/2015
Rockwood Capital Real Estate Partners Fund X, L.P.	Value Added	Closed end	-184,796	N/A	N/A	N/A	N/A	N/A	N/A
<b>Value Added</b>			<b>55,075,260</b>	<b>3.79%</b>	<b>11.97%</b>	<b>16.91%</b>	<b>16.02%</b>	<b>-2.73%</b>	<b>8/24/2007</b>
Rockpoint Real Estate Fund III, L.P.	Opportunistic	Closed end	3,483,221	-4.26%	4.63%	10.28%	18.66%	N/A	12/21/2007
CB Richard Ellis Strategic Partners U.S. Opportunity Fund V, L.P.	Opportunistic	Closed end	18,310,476	20.67%	33.14%	18.15%	15.51%	-24.63%	8/13/2008
Landmark Real Estate Partners VI, L.P.	Opportunistic	Closed end	18,960,458	1.29%	6.53%	14.97%	15.05%	43.39%	5/19/2010
AG Realty Fund VIII, L.P.	Opportunistic	Closed end	19,496,511	8.01%	24.25%	17.58%	N/A	14.94%	1/23/2012
Torchlight Debt Opportunity Fund IV	Opportunistic	Closed end	17,109,010	1.36%	11.31%	N/A	N/A	7.34%	9/30/2013
Landmark Real Estate Partners VII, L.P.	Opportunistic	Closed end	22,125,100	39.81%	86.00%	N/A	N/A	83.91%	9/12/2014
Torchlight Debt Opportunity Fund V	Opportunistic	Closed end	5,879,267	-0.70%	N/A	N/A	N/A	-5.22%	6/29/2015
<b>Opportunistic</b>			<b>105,364,043</b>	<b>9.90%</b>	<b>21.66%</b>	<b>17.16%</b>	<b>17.88%</b>	<b>-29.58%</b>	<b>12/21/2007</b>
<b>Total Direct RE Portfolio</b>			<b>\$749,369,593</b>	<b>3.93%</b>	<b>14.27%</b>	<b>13.28%</b>	<b>13.30%</b>	<b>5.34%</b>	<b>3/31/2006</b>
<b>NCREIF Property Index</b>				<b>2.91%</b>	<b>13.33%</b>	<b>12.04%</b>	<b>12.18%</b>	<b>7.76%</b>	<b>3/31/2006</b>
<b>Total Defined Benefit</b>			<b>\$749,369,593</b>	<b>3.93%</b>	<b>14.27%</b>	<b>13.28%</b>	<b>13.18%</b>	<b>7.38%</b>	<b>12/31/2004</b>
<b>Custom Benchmark</b>				<b>2.91%</b>	<b>13.33%</b>	<b>12.04%</b>	<b>11.52%</b>	<b>8.63%</b>	<b>12/31/2004</b>

<sup>1</sup>See Notes page for benchmark descriptions

<sup>2</sup>Returns shown are time-weighted, which ignores both the timing and magnitude of cash flows into and out of the portfolio. While time-weighted returns are commonly used as a standard measure of performance in traditional asset classes, the Internal Rate of Return ("IRR") is a better and more common measure of real estate performance

# Real Estate -- DB/CBB Evolution of Portfolio Performance

Partnership Name	Vintage Year	RE Strategy	IRR as of						TVPI as of					
			12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015
Prudential Property Investment Separate Account	2006	Core	-3.18%	0.16%	1.47%	3.02%	4.06%	5.06%	0.87x	1.01x	1.08x	1.21x	1.33x	1.49x
UBS Trumbull Property Fund	2006	Core	0.17%	2.11%	3.06%	3.80%	4.50%	5.16%	1.01x	1.12x	1.20x	1.30x	1.42x	1.55x
Cornerstone Patriot Fund	2010	Core	4.13%	17.16%	13.98%	12.75%	11.85%	12.30%	1.04x	1.19x	1.31x	1.43x	1.54x	1.38x
UBS Trumbull Property Income Fund	2015	Core	N/A	N/A	N/A	N/A	N/A	8.84%	N/A	N/A	N/A	N/A	N/A	1.07x
<b>Core</b>			<b>-1.29%</b>	<b>1.77%</b>	<b>2.97%</b>	<b>4.10%</b>	<b>4.90%</b>	<b>5.88%</b>	<b>0.95x</b>	<b>1.08x</b>	<b>1.17x</b>	<b>1.28x</b>	<b>1.40x</b>	<b>1.42x</b>
Prudential Property Investment Separate Account II	2007	Core Plus	-12.95%	-4.35%	-0.61%	1.97%	3.70%	6.10%	0.72x	0.86x	0.97x	1.11x	1.16x	1.29x
<b>Core-Plus</b>			<b>-12.95%</b>	<b>-4.35%</b>	<b>-0.61%</b>	<b>1.97%</b>	<b>3.70%</b>	<b>6.10%</b>	<b>0.72x</b>	<b>0.86x</b>	<b>0.97x</b>	<b>1.11x</b>	<b>1.16x</b>	<b>1.29x</b>
Beacon Capital Strategic Partners Fund V	2007	Value Added	-30.47%	-18.57%	-14.09%	-11.26%	-8.36%	-7.57%	0.41x	0.51x	0.52x	0.56x	0.64x	0.64x
Heitman Value Partners Fund II	2007	Value Added	-24.58%	-10.70%	-0.69%	5.18%	7.32%	8.35%	0.49x	0.83x	0.98x	1.18x	1.32x	1.43x
Almanac Realty Securities Fund V	2008	Value Added	-0.70%	7.68%	8.94%	12.56%	12.75%	11.94%	0.99x	1.09x	1.15x	1.32x	1.42x	1.44x
Rockwood Capital Real Estate Partners Fund IX, L.P.	2012	Value Added	N/A	N/A	-86.70%	1.03%	16.87%	17.67%	N/A	N/A	0.22x	1.01x	1.14x	1.25x
Almanac Realty Securities Fund VII, L.P.	2015	Value Added	N/A	N/A	N/A	N/A	N/A	8.74%	N/A	N/A	N/A	N/A	N/A	1.05x
Rockwood Capital Real Estate Partners Fund X, L.P.	2015	Value Added	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Value Added</b>			<b>-23.71%</b>	<b>-10.34%</b>	<b>-3.77%</b>	<b>1.44%</b>	<b>3.79%</b>	<b>4.73%</b>	<b>0.59x</b>	<b>0.80x</b>	<b>0.90x</b>	<b>1.05x</b>	<b>1.14x</b>	<b>1.19x</b>
Rockpoint Real Estate Fund III	2007	Opportunistic	-16.12%	14.39%	15.02%	15.44%	15.01%	14.67%	0.85x	1.19x	1.29x	1.36x	1.37x	1.38x
CB Richard Ellis Strategic Partners U.S. Opportunity Fund V	2008	Opportunistic	-43.27%	-7.72%	-2.24%	0.19%	2.67%	5.89%	0.75x	0.87x	0.94x	1.01x	1.12x	1.34x
Landmark Real Estate Partners VI	2010	Opportunistic	568.78%	60.07%	37.10%	28.48%	27.26%	23.88%	1.56x	1.42x	1.58x	1.50x	1.62x	1.63x
AG Realty Fund VIII	2011	Opportunistic	N/A	N/A	12.49%	13.41%	14.35%	17.09%	N/A	N/A	1.09x	1.16x	1.25x	1.42x
Torchlight Debt Opportunity Fund IV	2013	Opportunistic	N/A	N/A	N/A	-1.94%	6.27%	8.86%	N/A	N/A	N/A	0.97x	1.06x	1.15x
Landmark Real Estate Partners VII, L.P.	2014	Opportunistic	N/A	N/A	N/A	N/A	38.93%	106.52%	N/A	N/A	N/A	N/A	1.21x	1.31x
Torchlight Debt Opportunity Fund V	2015	Opportunistic	N/A	N/A	N/A	N/A	N/A	-3.73%	N/A	N/A	N/A	N/A	N/A	0.98x
<b>Opportunistic</b>			<b>-11.24%</b>	<b>8.78%</b>	<b>11.13%</b>	<b>11.42%</b>	<b>12.81%</b>	<b>14.11%</b>	<b>0.93x</b>	<b>1.12x</b>	<b>1.22x</b>	<b>1.25x</b>	<b>1.32x</b>	<b>1.38x</b>
<b>Active Portfolio</b>			<b>-3.39%</b>	<b>0.99%</b>	<b>2.79%</b>	<b>4.30%</b>	<b>5.40%</b>	<b>6.52%</b>	<b>0.90x</b>	<b>1.04x</b>	<b>1.13x</b>	<b>1.23x</b>	<b>1.33x</b>	<b>1.37x</b>
Goldman Sachs Asset Management U.S. Real Estate Securities Strategy	2004	REIT	12.09%	11.61%	11.61%	11.61%	11.61%	11.61%	1.23x	1.23x	1.23x	1.23x	1.23x	1.23x
Heitman Real Estate Securities Diversified Strategy	2004	REIT	11.63%	11.62%	11.80%	11.80%	11.80%	11.80%	1.19x	1.21x	1.23x	1.23x	1.23x	1.23x
<b>REIT</b>			<b>11.91%</b>	<b>11.61%</b>	<b>11.69%</b>	<b>11.69%</b>	<b>11.69%</b>	<b>11.69%</b>	<b>1.21x</b>	<b>1.22x</b>	<b>1.23x</b>	<b>1.23x</b>	<b>1.23x</b>	<b>1.23x</b>
<b>Liquidated Portfolio</b>			<b>11.91%</b>	<b>11.61%</b>	<b>11.69%</b>	<b>11.69%</b>	<b>11.69%</b>	<b>11.69%</b>	<b>1.21x</b>	<b>1.22x</b>	<b>1.23x</b>	<b>1.23x</b>	<b>1.23x</b>	<b>1.23x</b>
<b>Total Defined Benefit Portfolio</b>			<b>0.02%</b>	<b>2.96%</b>	<b>4.19%</b>	<b>5.30%</b>	<b>6.16%</b>	<b>7.06%</b>	<b>1.00x</b>	<b>1.09x</b>	<b>1.16x</b>	<b>1.23x</b>	<b>1.30x</b>	<b>1.34x</b>

- Total portfolio performance continues to move in a positive direction
- Beacon V continues to be the most challenged fund investment, currently being held at 0.64x, this is the only non-Core investment that is projected over its life to deliver less than a 1.0x; Beacon is projecting a 0.85x

# Real Estate -- Endowment Portfolio Time-Weighted Performance and Evolution of Portfolio Performance

Partnership Name	Style	Investment Vehicle	Net Asset Value	Time-Weighted Returns					
				Current Quarter	1 Year	3 Year	5 Year	Since Inception	Inception Date
Prudential Property Investment Separate Account	Core	Open end	\$8,475,118	2.89%	13.25%	13.20%	13.15%	13.78%	12/31/2009
UBS Trumbull Property Fund	Core	Open end	11,579,472	2.76%	11.81%	10.54%	10.63%	11.55%	1/4/2010
Cornerstone Patriot Fund LP	Core	Open end	14,914,926	3.14%	13.34%	10.71%	11.49%	11.76%	11/10/2010
UBS Trumbull Property Income Fund	Core	Open end	0	N/A	N/A	N/A	N/A	N/A	N/A
<b>Core</b>			<b>34,969,516</b>	<b>2.95%</b>	<b>12.79%</b>	<b>11.32%</b>	<b>11.65%</b>	<b>12.81%</b>	<b>12/31/2009</b>
Metropolitan Real Estate Partners VI, L.P.	Opportunistic	Closed end	8,085,762	6.22%	17.98%	18.04%	16.50%	7.04%	12/1/2008
Metropolitan Real Estate Partners International III, L.P.	Opportunistic	Closed end	5,714,354	2.36%	4.77%	8.92%	7.95%	-22.77%	6/19/2009
Landmark Real Estate Partners VII, L.P.	Opportunistic	Closed end	3,318,766	39.81%	85.21%	N/A	N/A	66.89%	12/22/2014
Metropolitan Real Estate Secondaries and Co-Investments Fund, L.P.	Opportunistic	Closed end	1,291,732	29.17%	N/A	N/A	N/A	29.17%	12/30/2015
<b>Value Added and Opportunistic</b>			<b>18,410,615</b>	<b>9.52%</b>	<b>18.94%</b>	<b>17.09%</b>	<b>15.46%</b>	<b>5.12%</b>	<b>12/1/2008</b>
<b>Total Endowment Portfolio</b>			<b>\$53,380,131</b>	<b>4.94%</b>	<b>14.66%</b>	<b>13.50%</b>	<b>13.15%</b>	<b>3.97%</b>	<b>12/1/2008</b>
<b>NCREIF Property Index</b>				<b>2.91%</b>	<b>13.33%</b>	<b>12.04%</b>	<b>12.18%</b>	<b>6.06%</b>	<b>12/1/2008</b>

Partnership Name	Vintage		IRR as of						TVPI as of					
	Year	RE Strategy	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015
Cornerstone Patriot Fund	2010	Core	4.11%	17.14%	13.97%	12.74%	11.85%	12.23%	1.04x	1.19x	1.31x	1.43x	1.54x	1.45x
Prudential Property Investment Separate Account	2010	Core	16.99%	16.26%	11.97%	13.10%	12.84%	12.95%	1.17x	1.13x	1.11x	1.21x	1.35x	1.52x
UBS Trumbull Property Fund	2010	Core	16.85%	13.55%	10.34%	9.89%	10.08%	10.46%	1.12x	1.17x	1.13x	1.23x	1.36x	1.50x
UBS Trumbull Property Income Fund	2016	Core	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Core</b>			<b>22.90%</b>	<b>16.21%</b>	<b>12.36%</b>	<b>11.71%</b>	<b>11.36%</b>	<b>11.71%</b>	<b>1.06x</b>	<b>1.18x</b>	<b>1.19x</b>	<b>1.29x</b>	<b>1.41x</b>	<b>1.48x</b>
Metropolitan Real Estate Partners VI	2008	Opportunistic	1.14%	8.27%	9.10%	10.75%	11.58%	12.05%	1.01x	1.15x	1.24x	1.37x	1.47x	1.55x
Metropolitan Real Estate Partners International III	2009	Opportunistic	-19.59%	-1.02%	4.40%	8.01%	7.91%	7.26%	0.90x	0.99x	1.07x	1.18x	1.22x	1.23x
Landmark Real Estate Partners VII, L.P.	2014	Opportunistic	N/A	N/A	N/A	N/A	23.04%	132.97%	N/A	N/A	N/A	N/A	1.21x	1.31x
Metropolitan Real Estate Secondaries and Co-Investments Fund, L.P.	2015	Opportunistic	N/A	N/A	N/A	N/A	N/A	66.86%	N/A	N/A	N/A	N/A	N/A	1.29x
<b>Value Added and Opportunistic</b>			<b>-0.19%</b>	<b>7.25%</b>	<b>8.40%</b>	<b>10.26%</b>	<b>10.97%</b>	<b>11.72%</b>	<b>1.00x</b>	<b>1.12x</b>	<b>1.20x</b>	<b>1.32x</b>	<b>1.39x</b>	<b>1.43x</b>
<b>Total Endowment Portfolio</b>			<b>2.52%</b>	<b>9.53%</b>	<b>9.76%</b>	<b>10.83%</b>	<b>11.14%</b>	<b>11.71%</b>	<b>1.02x</b>	<b>1.14x</b>	<b>1.20x</b>	<b>1.30x</b>	<b>1.40x</b>	<b>1.46x</b>

- Total portfolio performance continues to move in a positive direction
- The majority of the Endowment's portfolio was invested after the Global Financial Crisis and does not suffer from any real legacy investment problems

# Private Equity – DB/CBB & Endowment Performance Summary by Vintage Year

Vintage Year	Number of Investments	Total Commitments	Portfolio Returns			TVPI Quartile	IRR Quartile
			DPI <sup>3</sup>	TVPI <sup>4</sup>	IRR		
2005	1	\$50,000,000	0.87x	1.42x	7.29%	2	2
2006	2	125,000,000	0.86x	1.38x	7.38%	2	2
2007	5	103,002,649	0.92x	1.54x	11.39%	2	2
2008	5	104,500,000	0.78x	1.45x	13.76%	2	2
2009	4	70,000,000	0.49x	1.38x	11.25%	3	3
2010	2	35,000,000	0.30x	1.23x	10.44%	3	3
<b>2011</b>	<b>2</b>	<b>35,000,000</b>	<b>0.65x</b>	<b>1.35x</b>	<b>16.00%</b>	<b>2</b>	<b>2</b>
<b>2012</b>	<b>5</b>	<b>105,000,000</b>	<b>0.20x</b>	<b>1.29x</b>	<b>16.89%</b>	<b>2</b>	<b>2</b>
2013	4	87,500,000	0.07x	0.93x	-7.28%	4	4
2014	5	144,599,150	0.14x	0.96x	-5.49%	3	3
2015	2	45,000,000	0.00x	1.00x	-0.15%	2	1
2016	3	125,070,600	N/A	N/A	N/A	N/A	N/A
<b>Total Defined Benefit Portfolio</b>	<b>40</b>	<b>\$1,029,672,399</b>	<b>0.59x</b>	<b>1.33x</b>	<b>9.78%</b>	<b>N/A</b>	<b>N/A</b>

  

Endowment Portfolio							
Vintage Year	Number of Investments	Total Commitments	Portfolio Returns			TVPI Quartile	IRR Quartile
			DPI <sup>3</sup>	TVPI <sup>4</sup>	IRR		
2008	1	\$45,000,000	0.36x	1.26x	9.59%	3	3
2010	1	20,000,000	0.24x	1.35x	14.73%	2	2
2012	2	25,000,000	0.36x	1.31x	22.71%	2	1
2014	1	20,000,000	0.06x	0.98x	-4.31%	3	3
<b>Total Endowment Portfolio</b>	<b>5</b>	<b>\$110,000,000</b>	<b>0.31x</b>	<b>1.27x</b>	<b>11.93%</b>	<b>N/A</b>	<b>N/A</b>

- The Defined Benefit portfolio's performance continues to improve and is above the benchmark performance metrics of IRR, TVPI and DPI. Performance is currently being driven by vintage years 2007, 2008, and 2012.
  - 2005 and 2006 vintage years, comprised of fund of funds investments, are showing improved performance metrics and an increase in the pace of distributions as those funds continue to mature.
  - Performance results in vintage year 2007 are primarily driven by Wayzata Fund II, New Mountain Partners III, and Presidio Partners 2007, L.P.
  - All 2008 vintage year funds are performing well, with Ares Corporate Opportunities Fund III, Accel-KKR Capital Partners III, and CVC European Equity Partners V amongst the best performing on the vintage year with IRRs and TVPIs above 12.0% and 1.4x, respectively.
  - Although early, vintage year 2012 is performing well with all funds generating positive net TVPIs and IRRs.
  - Vintage years 2014 to 2016 are too young to assess. We expect performance to increase as the underlying funds mature.
- The Endowment Portfolio, composed primarily of fund of funds, continues to mature with increased IRR and TVPI performance of 179 bps and 0.07x, respectively, year-over-year. Abbott Capital Private Equity Fund VI and RCP Fund VII continue to mature with net IRRs and TVPIs above 9.0% and 1.25x, respectively, representing an increase over the prior year.

# Private Equity -- DB/CBB & Endowment Performance by Investment

Partnership Name	Vintage	Investment Type	Total	Unfunded	Cumulative	Cumulative	Net Asset	Total Value <sup>1</sup>	DPI <sup>2</sup>	TVPI <sup>3</sup>	IRR
	Year		Commitments	Commitment	Paid-In	Distributions	Value				
<b>Defined Benefit Portfolio</b>											
TRG Growth Partnership II, L.P. <sup>6</sup>	2006	Buyout - Large	\$25,000,000	\$713,725	\$24,718,753	\$20,099,534	\$10,589,431	\$30,688,964	0.81x	1.24x	5.35%
New Mountain Partners III, L.P.	2007	Buyout - Mega	25,000,000	2,588,357	24,743,434	15,882,685	22,774,084	38,656,769	0.64x	1.56x	11.41%
Presidio Partners 2007, L.P. <sup>10</sup>	2007	Venture - Late	20,000,000	2,515,524	19,470,686	22,457,511	8,223,080	30,680,591	1.15x	1.58x	10.45%
Sun Capital Partners V, L.P.	2007	Distressed Debt	18,002,649	2,637,492	17,886,806	9,093,245	15,454,304	24,547,549	0.51x	1.37x	8.12%
The Resolute Fund II, L.P.	2007	Buyout - Large	25,000,000	3,008,765	26,137,590	22,007,175	15,697,024	37,704,199	0.84x	1.44x	10.36%
Wayzata Opportunities Fund II, L.P.	2007	Distressed Debt	15,000,000	3,000,000	17,475,000	27,949,400	3,648,028	31,597,428	1.60x	1.81x	16.32%
Accel-KKR Capital Partners III, L.P.	2008	Buyout - Medium	12,500,000	5,023,696	12,353,444	9,985,590	8,081,050	18,066,640	0.81x	1.46x	14.07%
Ares Corporate Opportunities Fund III, L.P.	2008	Distressed Debt	20,000,000	2,283,197	24,113,766	21,475,040	19,675,365	41,150,405	0.89x	1.71x	22.21%
Bridgepoint Europe IV, L.P. <sup>7</sup>	2008	Buyout - Mega	26,000,000	2,522,074	23,829,794	18,207,398	16,377,561	34,584,958	0.76x	1.45x	10.87%
CVC European Equity Partners V, L.P. <sup>7</sup>	2008	Buyout - Mega	26,000,000	3,790,864	28,738,673	27,432,348	12,878,409	40,310,757	0.95x	1.40x	12.17%
Quantum Energy Partners V, L.P.	2008	Energy	20,000,000	3,799,261	18,561,429	6,892,205	15,226,024	22,118,229	0.37x	1.19x	7.90%
Fulcrum Growth Partners IV, L.P.	2009	Buyout - Small	10,000,000	2,017,362	8,905,639	3,712,612	9,017,107	12,729,719	0.42x	1.43x	9.88%
Lincolnshire Equity Fund IV, L.P.	2009	Buyout - Medium	20,000,000	2,103,227	19,895,869	7,380,436	16,890,480	24,270,916	0.37x	1.22x	8.08%
Longroad Capital Partners III, L.P.	2009	Distressed Debt	20,000,000	11,953,855	8,046,145	3,161,589	1,872,135	5,033,724	0.39x	0.63x	-22.38%
New Enterprise Associates 13, L.P.	2009	Venture - Balanced	20,000,000	700,000	19,302,071	13,448,257	21,994,170	35,442,427	0.70x	1.84x	19.37%
EIF United States Power Fund IV, L.P.	2010	Energy	20,000,000	3,134,303	18,408,717	3,181,403	19,445,346	22,626,749	0.17x	1.23x	13.33%
Merit Mezzanine Fund V, L.P.	2010	Mezzanine	15,000,000	2,240,816	12,759,184	6,023,873	9,610,430	15,634,303	0.47x	1.23x	8.04%
Ares Mezzanine Partners, L.P.	2011	Mezzanine	15,000,000	722,466	8,520,566	7,969,875	1,879,490	9,849,365	0.94x	1.16x	9.07%
Lightyear Fund III, L.P.	2011	Buyout - Medium	20,000,000	4,534,389	18,754,788	9,762,859	17,121,634	26,884,493	0.52x	1.43x	18.59%
Ares Corporate Opportunities Fund IV, L.P.	2012	Distressed Debt	20,000,000	6,043,453	15,948,151	2,393,673	15,376,866	17,770,539	0.15x	1.11x	8.66%
Dover Street VIII, L.P.	2012	Secondaries	25,000,000	9,250,000	15,750,000	7,127,417	15,344,390	22,471,807	0.45x	1.43x	32.28%
Green Equity Investors VI, L.P.	2012	Buyout - Large	20,000,000	6,890,369	13,691,664	1,153,328	15,170,249	16,323,577	0.08x	1.19x	12.32%
McCarthy Capital V, L.P.	2012	Buyout - Small	20,000,000	3,650,467	18,006,297	4,430,174	18,379,095	22,809,269	0.25x	1.27x	12.60%
New Enterprise Associates 14, L.P.	2012	Venture - Balanced	20,000,000	2,500,000	17,507,229	1,086,832	23,544,746	24,631,578	0.06x	1.41x	20.24%
Accel-KKR Capital Partners IV, L.P.	2013	Buyout - Medium	12,500,000	7,835,673	6,069,903	1,405,576	5,465,622	6,871,198	0.23x	1.13x	12.66%
Beecken Petty O'Keefe Fund IV, L.P.	2013	Buyout - Small	20,000,000	8,524,490	11,475,510	0	10,971,829	10,971,829	0.00x	0.96x	-4.62%
Pine Brook Capital Partners II, L.P.	2013	Buyout - Large	30,000,000	13,910,585	16,912,887	731,510	14,305,758	15,037,268	0.04x	0.89x	-10.20%
Wayzata Opportunities Fund III, L.P.	2013	Distressed Debt	25,000,000	15,965,000	9,991,495	862,500	7,374,384	8,236,884	0.09x	0.82x	-17.42%
CVC Capital Partners VI, L.P. <sup>7</sup>	2014	Buyout - Mega	19,599,150	10,386,193	6,454,590	307,415	5,593,663	5,901,078	0.05x	0.91x	-21.88%
New Mountain Partners IV, L.P.	2014	Buyout - Large	30,000,000	18,381,032	11,618,968	618,414	12,666,228	13,284,642	0.05x	1.14x	25.76%
Quantum Energy Partners VI, LP	2014	Energy	30,000,000	25,714,466	4,906,253	1,519,623	4,245,818	5,765,441	0.31x	1.18x	58.40%
The Energy & Minerals Group Fund III, LP	2014	Energy	35,000,000	8,174,327	27,211,695	732,811	21,146,289	21,879,100	0.03x	0.80x	-18.34%
The Resolute Fund III, L.P.	2014	Buyout - Large	30,000,000	22,218,660	13,151,279	5,399,587	8,436,531	13,836,118	0.41x	1.05x	8.02%
Francisco Partners IV, LP	2015	Buyout - Large	20,000,000	14,150,000	5,850,000	0	5,847,493	5,847,493	0.00x	1.00x	-0.06%
Wynnchurch Capital Partners IV, L.P.	2015	Buyout - Medium	25,000,000	23,277,775	1,722,225	0	1,716,661	1,716,661	0.00x	1.00x	-0.33%
Ares Corporate Opportunities Fund V, L.P.	2016	Distressed Debt	50,000,000	50,000,000	0	0	0	0	N/A	N/A	N/A
Bridgepoint Europe V, L.P. <sup>7</sup>	2016	Buyout - Large	25,070,600	21,726,000	0	0	20,664	20,664	N/A	N/A	N/A
Dover Street IX, L.P.	2016	Secondaries	50,000,000	50,000,000	0	0	0	0	N/A	N/A	N/A
<b>Total Direct Portfolio</b>			<b>\$879,672,399</b>	<b>\$377,887,865</b>	<b>\$548,890,500</b>	<b>\$283,891,894</b>	<b>\$432,061,436</b>	<b>\$715,953,330</b>	<b>0.52x</b>	<b>1.30x</b>	<b>11.06%</b>



# Private Equity -- DB/CBB & Endowment Performance by Investment (cont'd)

Partnership Name	Vintage		Total Commitments	Unfunded Commitment	Cumulative Paid-In	Cumulative Distributions	Net Asset		DPI <sup>2</sup>	TVPI <sup>3</sup>	IRR
	Year	Investment Type					Value	Total Value <sup>1</sup>			
Abbott Capital Private Equity Fund V, L.P.	2005	Fund of Funds	\$50,000,000	\$2,750,000	\$47,250,000	\$41,000,000	\$25,934,502	\$66,934,502	0.87x	1.42x	7.29%
Pathway Private Equity Fund XVIII, LLC <sup>9</sup>	2006	Fund of Funds	100,000,000	735,922	99,264,078	86,669,750	54,066,985	140,736,735	0.87x	1.42x	7.81%
<b>Total Fund of Funds Portfolio</b>			<b>\$150,000,000</b>	<b>\$3,485,922</b>	<b>\$146,514,078</b>	<b>\$127,669,750</b>	<b>\$80,001,487</b>	<b>\$207,671,237</b>	<b>0.87x</b>	<b>1.42x</b>	<b>7.63%</b>
<b>Total Defined Benefit Portfolio</b>			<b>\$1,029,672,399</b>	<b>\$381,373,787</b>	<b>\$695,404,578</b>	<b>\$411,561,644</b>	<b>\$512,062,923</b>	<b>\$923,624,567</b>	<b>0.59x</b>	<b>1.33x</b>	<b>9.78%</b>
<b>Endowment Portfolio</b>											
Dover Street VIII, L.P.	2012	Secondaries	\$15,000,000	\$5,550,000	\$9,450,000	\$4,276,451	\$9,206,633	\$13,483,084	0.45x	1.43x	32.28%
<b>Total Direct Portfolio</b>			<b>\$15,000,000</b>	<b>\$5,550,000</b>	<b>\$9,450,000</b>	<b>\$4,276,451</b>	<b>\$9,206,633</b>	<b>\$13,483,084</b>	<b>0.45x</b>	<b>1.43x</b>	<b>32.28%</b>
Abbott Capital Private Equity Fund VI, L.P.	2008	Fund of Funds	\$45,000,000	\$6,300,000	\$38,700,000	\$13,950,668	\$34,651,386	\$48,602,054	0.36x	1.26x	9.59%
RCP Fund VII, L.P.	2010	Fund of Funds	20,000,000	4,908,125	15,664,176	3,810,503	17,373,298	21,183,801	0.24x	1.35x	14.73%
RCP Fund VIII, L.P.	2012	Fund of Funds	10,000,000	5,502,866	4,828,557	828,557	4,369,403	5,197,959	0.17x	1.08x	5.48%
Abbott Capital Private Equity Fund VII, L.P.	2014	Fund of Funds	20,000,000	14,700,000	5,300,630	300,000	4,869,259	5,169,259	0.06x	0.98x	-4.31%
<b>Total Fund of Funds Portfolio</b>			<b>\$95,000,000</b>	<b>\$31,410,991</b>	<b>\$64,493,363</b>	<b>\$18,889,728</b>	<b>\$61,263,345</b>	<b>\$80,153,073</b>	<b>0.29x</b>	<b>1.24x</b>	<b>10.41%</b>
<b>Total Endowment Portfolio</b>			<b>\$110,000,000</b>	<b>\$36,960,991</b>	<b>\$73,943,363</b>	<b>\$23,166,179</b>	<b>\$70,469,978</b>	<b>\$93,636,157</b>	<b>0.31x</b>	<b>1.27x</b>	<b>11.93%</b>

# Private Equity -- DB/CBB & Endowment Evolution of Portfolio Performance

Partnership Name	Vintage Year	Investment Type	IRR as of							
			12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015
<b>Defined Benefit Portfolio</b>										
Abbott Capital Private Equity Fund V, L.P.	2005	Fund of Funds	-14.36%	-4.63%	0.08%	3.48%	4.99%	6.93%	7.60%	7.29%
Pathway Private Equity Fund XVIII, LLC <sup>9</sup>	2006	Fund of Funds	-12.83%	-11.45%	-2.96%	0.66%	3.01%	6.22%	7.65%	7.81%
TRG Growth Partnership II, L.P. <sup>6</sup>	2006	Buyout - Large	-26.40%	-2.64%	5.35%	2.30%	4.77%	4.85%	5.91%	5.35%
New Mountain Partners III, L.P.	2007	Buyout - Mega	-17.57%	-7.55%	-1.61%	6.95%	8.94%	11.17%	8.24%	11.41%
Presidio Partners 2007, L.P. <sup>10</sup>	2007	Venture - Late	-19.11%	-3.67%	-10.34%	-1.79%	-6.82%	-4.24%	5.97%	10.45%
Sun Capital Partners V, L.P.	2007	Distressed Debt	-64.23%	-9.54%	5.91%	9.71%	10.32%	11.20%	10.20%	8.12%
The Resolute Fund II, L.P.	2007	Buyout - Large	-18.22%	-7.04%	-0.60%	3.33%	6.71%	10.55%	10.33%	10.36%
Wayzata Opportunities Fund II, L.P.	2007	Distressed Debt	-19.14%	16.14%	16.81%	16.01%	15.43%	16.88%	17.04%	16.32%
Accel-KKR Capital Partners III, L.P.	2008	Buyout - Medium	-9.18%	-4.51%	2.82%	18.21%	13.06%	17.30%	15.06%	14.07%
Ares Corporate Opportunities Fund III, L.P.	2008	Distressed Debt	N/A	15.34%	41.10%	29.67%	27.14%	24.90%	23.64%	22.21%
Bridgepoint Europe IV, L.P. <sup>7</sup>	2008	Buyout - Mega	-98.56%	-46.99%	-11.75%	1.78%	9.70%	12.62%	11.12%	10.87%
CVC European Equity Partners V, L.P. <sup>7</sup>	2008	Buyout - Mega	N/A	11.55%	14.05%	10.55%	11.76%	12.64%	11.30%	12.17%
Quantum Energy Partners V, L.P.	2008	Energy	-16.93%	-34.76%	-32.63%	-25.04%	7.75%	19.73%	16.59%	7.90%
Fulcrum Growth Partners IV, L.P.	2009	Buyout - Small	N/A	6.68%	100.09%	17.23%	11.60%	7.23%	9.56%	9.88%
Lincolnshire Equity Fund IV, L.P.	2009	Buyout - Medium	N/A	-64.65%	-65.41%	-27.71%	-14.24%	0.46%	7.26%	8.08%
Longroad Capital Partners III, L.P.	2009	Distressed Debt	N/A	N/A	-32.27%	-21.75%	-9.10%	-21.56%	-28.60%	-22.38%
New Enterprise Associates 13, L.P.	2009	Venture - Balanced	N/A	-12.60%	3.76%	12.98%	17.39%	20.77%	21.05%	19.37%
EIF United States Power Fund IV, L.P.	2010	Energy	N/A	N/A	N/A	-7.93%	-16.68%	-6.39%	17.53%	13.33%
Merit Mezzanine Fund V, L.P.	2010	Mezzanine	N/A	N/A	-6.47%	-16.19%	-5.13%	0.76%	8.08%	8.04%
Ares Mezzanine Partners, L.P.	2011	Mezzanine	N/A	N/A	N/A	-3.32%	8.03%	9.72%	8.12%	9.07%
Lightyear Fund III, L.P.	2011	Buyout - Medium	N/A	N/A	N/A	17.70%	16.32%	14.93%	20.11%	18.59%
Ares Corporate Opportunities Fund IV, L.P.	2012	Distressed Debt	N/A	N/A	N/A	N/A	-8.82%	-12.60%	8.28%	8.66%
Dover Street VIII, L.P.	2012	Secondaries	N/A	N/A	N/A	N/A	95.48%	92.76%	49.90%	32.28%
Green Equity Investors VI, L.P.	2012	Buyout - Large	N/A	N/A	N/A	N/A	1.81%	2.75%	8.52%	12.32%
McCarthy Capital V, L.P.	2012	Buyout - Small	N/A	N/A	N/A	N/A	-13.25%	23.32%	11.98%	12.60%
New Enterprise Associates 14, L.P.	2012	Venture - Balanced	N/A	N/A	N/A	N/A	-6.40%	8.14%	15.93%	20.24%
Accel-KKR Capital Partners IV, L.P.	2013	Buyout - Medium	N/A	N/A	N/A	N/A	N/A	-56.68%	-21.06%	12.66%
Beecken Petty O'Keefe Fund IV, L.P.	2013	Buyout - Small	N/A	N/A	N/A	N/A	N/A	-13.60%	-4.86%	-4.62%
Pine Brook Capital Partners II, L.P.	2013	Buyout - Large	N/A	N/A	N/A	N/A	N/A	N/A	-16.55%	-10.20%
Wayzata Opportunities Fund III, L.P.	2013	Distressed Debt	N/A	N/A	N/A	N/A	N/A	-24.10%	-14.58%	-17.42%
CVC Capital Partners VI, L.P. <sup>7</sup>	2014	Buyout - Mega	N/A	N/A	N/A	N/A	N/A	N/A	-26.58%	-21.88%
New Mountain Partners IV, L.P.	2014	Buyout - Large	N/A	N/A	N/A	N/A	N/A	N/A	3.24%	25.76%
Quantum Energy Partners VI, L.P.	2014	Energy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	58.40%
The Energy & Minerals Group Fund III, LP	2014	Energy	N/A	N/A	N/A	N/A	N/A	N/A	-1.25%	-18.34%
The Resolute Fund III, L.P.	2014	Buyout - Large	N/A	N/A	N/A	N/A	N/A	N/A	-5.28%	8.02%
Francisco Partners IV, LP	2015	Buyout - Large	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-0.06%
Wynnchurch Capital Partners IV, L.P.	2015	Buyout - Medium	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-0.33%
Ares Corporate Opportunities Fund V, L.P.	2016	Distressed Debt	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bridgepoint Europe V, L.P. <sup>7</sup>	2016	Buyout - Large	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dover Street IX, L.P.	2016	Secondaries	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Defined Benefit Portfolio</b>			<b>-18.50%</b>	<b>-5.38%</b>	<b>2.14%</b>	<b>4.74%</b>	<b>6.59%</b>	<b>9.02%</b>	<b>9.90%</b>	<b>9.78%</b>

Aon Hewitt  
Retirement and Investment

# Private Equity – DB/CBB & Endowment Evolution of Portfolio Performance (cont'd)

Partnership Name	Vintage Year	Investment Type	IRR as of							
			12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015
<b>Endowment Portfolio</b>										
Abbott Capital Private Equity Fund VI, L.P.	2008	Fund of Funds	-36.79%	-26.23%	-16.87%	-7.23%	-0.65%	5.07%	8.03%	9.59%
RCP Fund VII, L.P.	2010	Fund of Funds	N/A	N/A	N/A	-42.38%	-24.35%	-1.65%	11.14%	14.73%
Dover Street VIII, L.P.	2012	Secondaries	N/A	N/A	N/A	N/A	95.48%	92.76%	49.90%	32.28%
RCP Fund VIII, L.P.	2012	Fund of Funds	N/A	N/A	N/A	N/A	-47.52%	-33.15%	-7.63%	5.48%
Abbott Capital Private Equity Fund VII, L.P.	2014	Fund of Funds	N/A	N/A	N/A	N/A	N/A	N/A	-24.03%	-4.31%
<b>Total Endowment Portfolio</b>			<b>-36.79%</b>	<b>-26.23%</b>	<b>-16.87%</b>	<b>-13.03%</b>	<b>-1.59%</b>	<b>4.89%</b>	<b>10.13%</b>	<b>11.93%</b>
<b>Total Portfolio</b>			<b>-18.82%</b>	<b>-5.61%</b>	<b>1.90%</b>	<b>4.43%</b>	<b>6.37%</b>	<b>8.87%</b>	<b>9.92%</b>	<b>9.90%</b>

# Notes

---

1. Total Value = Cumulative Distributions + Net Asset Value
2. DPI = Cumulative Distributions/Cumulative Paid-In
3. TVPI = Total Value/Cumulative Paid-In
4. Potential Market Exposure = Net Asset Value + Unfunded Commitments
5. Does not include exposure from fund of funds managers.
6. Formerly known as Citigroup Venture Capital International Growth Partnership II, L.P. The Rohatyn Group acquisition finalized in Q4 2013.
7. Commitments to Bridgepoint Europe IV and CVC European Equity Partners V were both EUR 20.0mm. The USD commitments were converted at an exchange rate of 1.30 USD/EUR. The commitment to CVC Capital Partners VI was EUR 15.0mm with a converted exchange rate of 1.30661 USD/EUR. The commitment to Bridgepoint Europe V was EUR 20.0mm with a converted exchange rate of 1.25353 USD/EUR.
8. The Real Estate portfolio's current benchmark is the National Council of Real Estate Investment Fiduciaries Property Index ("NPI"). From October 1, 2005 to September 30, 2011 the benchmark was a composite index consisting of 80% NPI and 20% Dow Jones U.S. Select Real Estate Securities Index ("DJ RESI"). Prior to the change on October 1, 2005, the portfolio's benchmark was a composite consisting of 80% DJ RESI and 20% NPI