



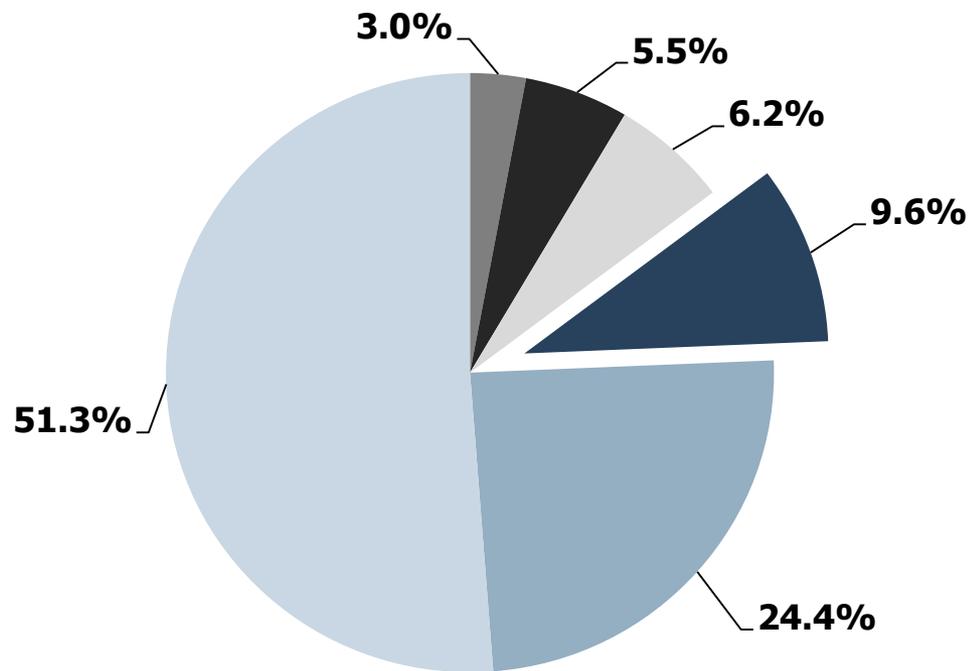
Public Pension Fund Analysis

November 2012



On a dollar-weighted basis, this group of pension funds invest 9.6% of their portfolio in private equity

Asset allocation by total dollars invested:



- Cash/Short-Term Investments
- Other
- Real Estate
- Private Equity
- Fixed Income
- Public Equity



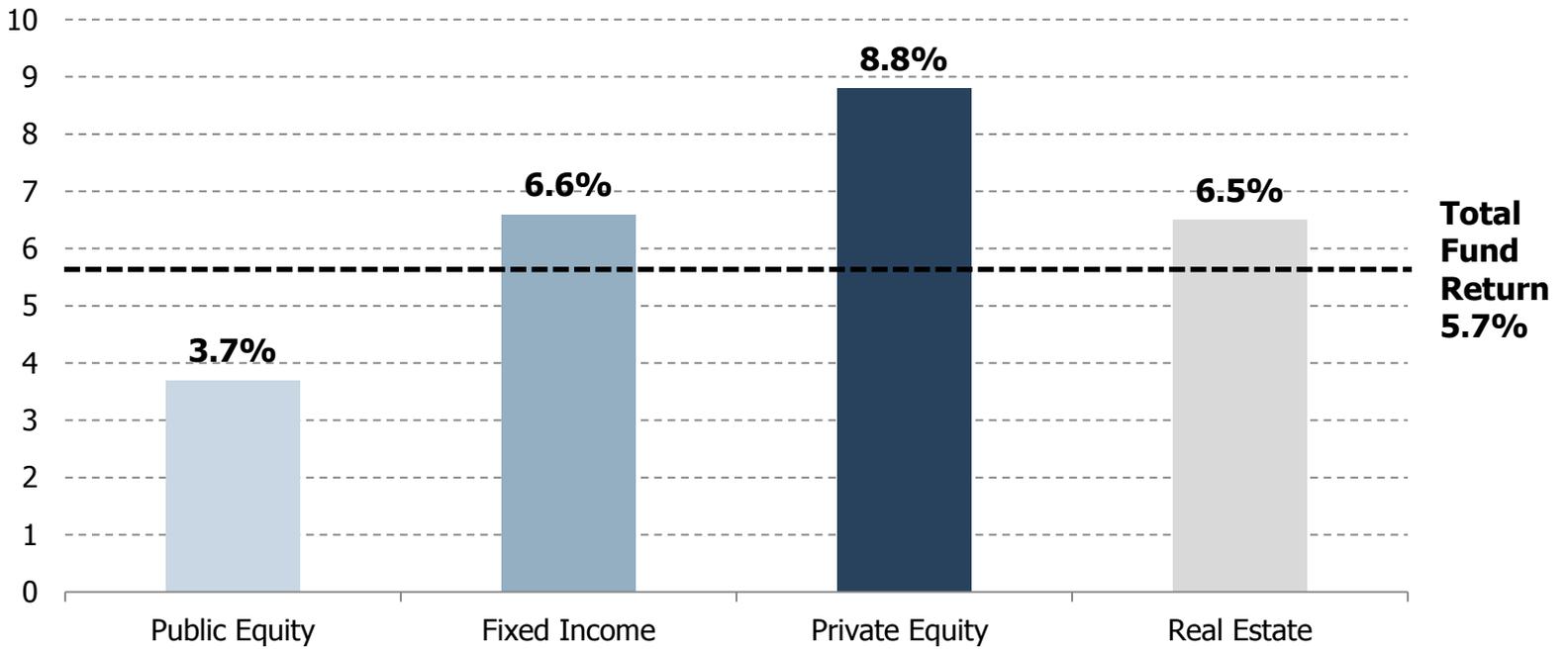
Analysis is based on data as reported by 151 large public pension funds. All of the pension funds in this sample manage investment portfolios with AUM of \$1 billion or more. Reporting dates vary between 6/30/2010 and 6/30/2012.



Pension funds' investments in private equity outperform other asset classes based on median 10-year annualized returns

Pension Fund Investment Return by Asset Class

Median 10-Year Annualized Return (%)

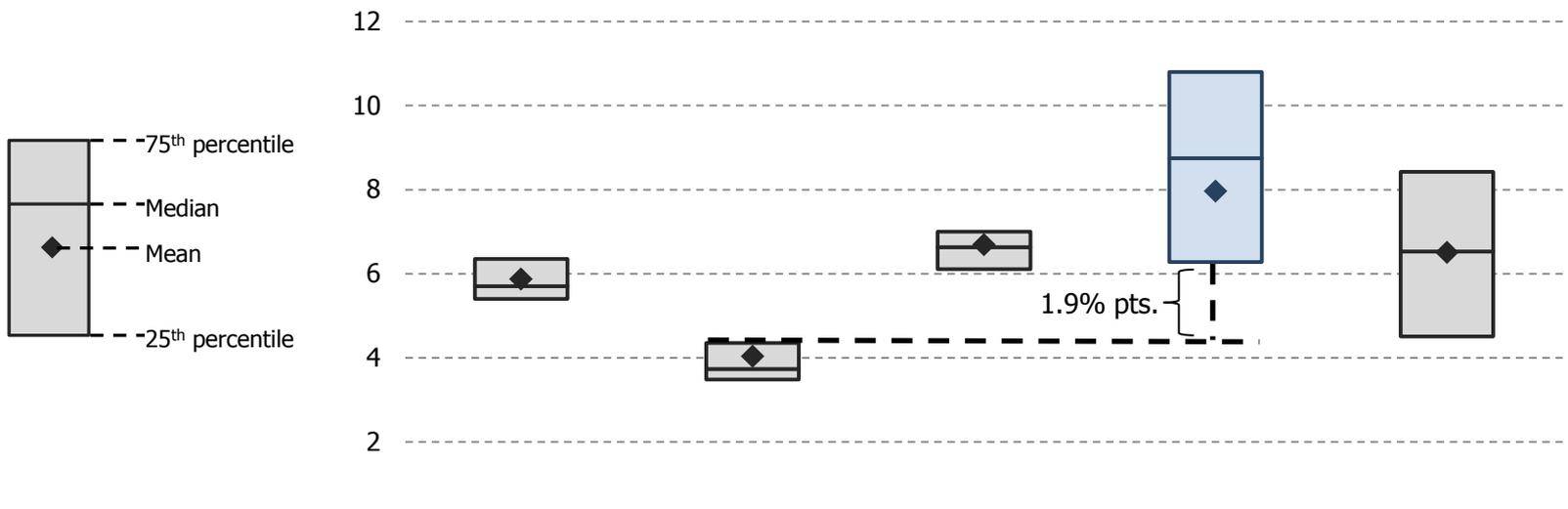


Analysis is based on data as reported by 151 large public pension funds, where 10-year returns as of June 30, 2011 are available. Samples include figures that are both net and gross of fees to increase sample size. An analysis limiting the sample to only net-of-fee performance figures show similar results.



The 25th percentile private equity return outperforms the 75th percentile public equity return

10-Year Annualized Return (%)



Sample Size	Total Fund	Public Equity	Fixed Income	Private Equity	Real Estate
No. of Pensions	67	55	53	26	30
Investment (Bil.)	\$1,860	\$608	\$328	\$144	\$92

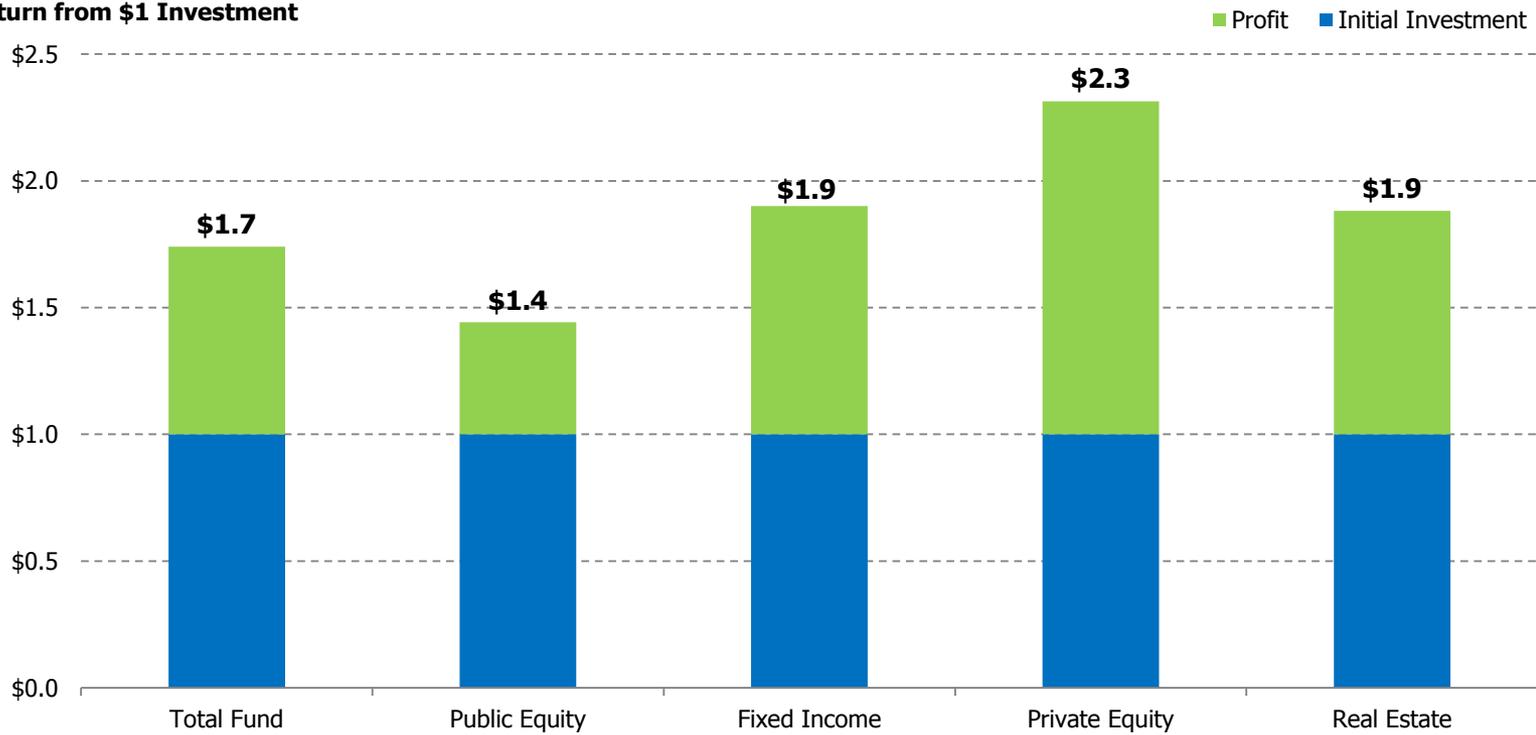


Analysis is based on data as reported by 151 large public pension funds, where 10-year returns as of June 30, 2011 are available. Samples include figures that are both net and gross of fees to increase sample size. An analysis limiting the sample to only net-of-fee performance figures show similar results.



Over a ten-year period, a \$1 investment by pension funds into private equity results in a return of \$2.3

Return from \$1 Investment



Analysis is based on median 10-year annualized returns as of June 30, 2011 for large public pension funds. Median 10-year annualized return for each asset class is determined from a sample of 151 large public pension funds, where data are available. Please refer to previous public pension fund analysis (slide 4) for more details.

Returns from a \$1 investment are calculated using the following formula: $\$1 \times (1+x\%)^{10}$, where x% represents the median 10-year annualized return for the specific asset class.



Notes on the Study

- This study is based on data collected from publicly available financial reports of 151 large U.S. public pension funds. All of these pension funds manage assets totaling \$1 billion or more. The reporting date for this information ranges from 6/30/2010 to 6/30/2012. Data from the most recent financial report was used.
- Asset allocation is determined by summing the total dollars invested within each asset class for all 151 public pension funds and calculating the percentage allocation of each asset class.
- The analysis of pension fund investment returns is based on available 10-year return data as of June 30, 2011 for each asset class. Using June 30th returns provides the largest sample size for all asset classes. Analysis mixing return dates does not alter conclusions. Most pension funds report returns net of fees, and analysis limited to net of fees does not alter conclusions.
- Not all pension funds report 10-year returns or returns for each asset class. Asset classes may be defined slightly differently, depending on the pension fund.
- Returns from a \$1 investment are calculated using the following formula, where x% represents the median 10-year annualized return for the specific asset class:

$$\$1 \times (1 + x\%)^{10}$$