

***PENSION RESERVES INVESTMENT MANAGEMENT BOARD  
Real Estate and Timberland Committee Meeting  
Wednesday, September 30, 2015  
9:30 a.m.***

*Agenda*

- I. Approval of the Minutes.
- II. Executive Director/Chief Investment Officer Comments.
- III. Performance Review and Market Update.
- IV. Update - AEW Transition.
- V. Update – Real Property Transaction (Executive Session)

*Appendices*

- A. Minutes of the PRIM Real Estate Committee Meeting of July 22, 2015.
- B. BNY Mellon Gross of Fees Performance Report.
- C. Real Estate and Timberland Portfolio Report.

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**PENSION RESERVES INVESTMENT MANAGEMENT BOARD**  
**Real Estate and Timberland Committee Meeting**  
**Wednesday, September 30, 2015**  
**9:30 a.m.**

**EXPANDED AGENDA**

**I. Approval of the Minutes.**

The minutes of the PRIM Real Estate and Timberland Committee meeting of July 22, 2015 are contained at **Appendix A**.

**II. Executive Director/Chief Investment Officer Comments**

Michael G. Trotsky, CFA, Executive Director and Chief Investment Officer.

**III. Performance Review and Market Update**

**Real Estate**

*Total Real Estate Performance*

Through August 31, 2015, returns for real estate over periods of one, three, five and ten years are as follows:

	PRIM Real Estate	Combined Benchmark*	Out/Under Performance
1 Year	10.7%	9.4%	1.3%
3 Year	12.2%	10.7%	1.5%
5 Year	13.1%	12.4%	0.7%
10 Year	8.3%	7.7%	0.6%

*\*Includes NCREIF Property Index as of March 31, 2015 (One Quarter Lag). June returns not available in time for month-end performance calculation.*

*Private Real Estate Performance*

Through August 31, 2015, returns for private real estate over periods of one, three, five and ten years are as follows:

	PRIM Private Real Estate	Benchmark*	Out/Under Performance
1 Year	14.7%	12.7%	2.0%
3 Year	13.9%	11.5%	2.5%
5 Year	14.4%	12.7%	1.6%
10 Year	9.3%	8.4%	0.9%

*\*NCREIF Property Index as of March 31, 2015 (One Quarter Lag). June Index returns not available in time for month-end performance calculation.*

### *Real Estate Securities Performance*

Through August 31, 2015, returns for REITs year-to-date and over periods of one, three, five and ten years are as follows:

	PRIM REITs	Benchmark*	Out/Under Performance
YTD	-4.6%	-5.4%	0.8%
1 Year	-3.1%	-4.1%	1.1%
3 Year	7.2%	7.1%	0.1%
5 Year	9.8%	10.0%	-0.2%
10 Year	4.7%	4.4%	0.4%

*\*FTSE EPRA NAREIT Developed Net Total Return as of August 31, 2015.*

### *Commentary - Real Estate*

As of August 31, 2015, the real estate portfolio was valued at \$6.1 billion, 10.3% of the PRIT Fund, which is above the target allocation of 10%. Core real estate assets represent 75.4% of the total real estate portfolio, 7.2% is invested in non-core assets, and 18.6% of the portfolio is invested in REITs. The remainder is in short term cash pending reinvestment.

The private real estate portfolio returned 14.7% for the one-year period ended August 31, 2015, 200 basis points above benchmark. PRIM outperformed on both a levered and unlevered basis. One year NCREIF returns are now being led by the industrial sector at 14.8%, replacing retail which returned 13.6%. Apartments remain the laggard at 11.6%. Year to date, PRIM's advisors have acquired eight new properties for \$694.7 million in equity. Two dispositions have been completed for \$112.5 million.

### **NCREIF Property Returns June 30, 2015**

<u>Property Type</u>	<u>% of Index</u>	<u>Total One Year Return</u>
Apartments	24.1%	11.6%
Hotels	1.3%	14.0%
Industrial	13.2%	14.8%
Office	38.1%	12.9%
Retail	<u>23.3%</u>	<u>13.6%</u>
<b>Total</b>	<b>100%</b>	<b>13.0%</b>

PRIM's Global REIT portfolio returned -3.1% for the one-year period ended August 31, 2015, outperforming the benchmark by 107 basis points. Global REIT markets fell 5.7% in the second quarter with the Americas leading on the downside, returning -10.0%. Markets rebounded slightly in July returning 2.4% only to drop off again in August, down 6.3%. This correction left REIT valuations attractively positioned compared to historical levels. Green Street Advisors estimates that the observed global discount to asset NAV is 18%. However, analysis of historical spreads between REIT yields and various fixed income and equity instruments indicates that REITs are expensive compared to both stocks and bonds.

Growth has continued through 2015 with US GDP at 0.6% in the first quarter and 3.7% in the second quarter. The U.S. added 173,000 jobs in August, below the monthly average of 247,000 for the year, dropping the unemployment rate to 5.1%. Office vacancy is currently at 13.5%, its lowest level since 2008 and 100 basis points lower year over year. The apartment sector, where caution has increased the most due to supply concerns, continued to see rent growth at 5% year over year (CBRE-EA). The industrial sector, a focus for PRIM given our development program, remains strong. Availability in the major markets such as the Inland Empire, Florida, New Jersey, Seattle and Chicago are all at pre-2008 lows. The recovery has broadened with 28 of the 58 major industrial markets reporting availability at or below 10%. Of those markets 52 have availability at or below their 10 year average (CBRE-EA, AEW).

## Timberland

### *Timberland Performance*

Through August 31, 2015, returns for timberland over periods of one, three, five and ten years are as follows:

	PRIM Timberland	Benchmark*	Out/Under Performance
1 Year	8.9%	10.6%	-1.8%
3 Year	9.1%	9.8%	-0.7%
5 Year	6.3%	6.2%	0.1%
10 Year	8.6%	8.6%	0.0%

*\* NCREIF Timberland Index as of March 31, 2015. June Index returns not available in time for month-end performance calculation.*

### *Total Timberland and Natural Resources Performance*

Through August 31, 2015, returns for natural resources over periods of one, three, five and ten years are as follows:

	PRIM Total Natural Resources	Benchmark*	Out/Under Performance
1 Year	-3.4%	-1.9%	-1.5%
3 Year	4.8%	5.9%	-1.1%
5 Year	4.8%	5.5%	-0.6%
10 Year	6.1%	5.8%	0.3%

*\* Includes NCREIF Timberland Index as of March 31, 2015. June Index returns not available in time for month-end performance calculation. Benchmark also includes the Lipper NR Global Fund Index (peer group data). Weightings are adjusted quarterly.*

### *Commentary – Timberland*

As of August 31, 2015, the timberland and natural resources portfolio was valued at \$2.3 billion, 3.8% of the PRIT Fund, which is 0.3% below the target allocation. Timberland investments comprise \$1.6 billion, or 73.2%, of the portfolio while public and private natural resource investments comprise the remaining \$604 million, or 26.8% of the portfolio.

The timberland portfolio returned 8.9% over the one-year period ended August 31, 2015, 150 basis points below the timberland benchmark. Recent underperformance has been driven in part by international currency weakness impacting foreign demand and asset valuation. Regional NCREIF returns were 10.2% in the Pacific Northwest and 10.0% in the South year over year.

**NCREIF Timberland Returns**  
**June 30, 2015**

<u>Property Type</u>	<u>% of Index</u>	<u>Total One Year Return</u>
South	69.1%	10.0%
Northwest	22.6%	10.2%
Northeast	4.8%	8.7%
Lake	<u>2.4%</u>	<u>12.6%</u>
<b>Total</b>	<b>100%</b>	<b>10.0%</b>

The public natural resources portfolio returned -35.3% over the one-year period ended August 31, 2015, 124 basis points below benchmark. Negative performance has been driven primarily by the steep decline in energy prices beginning in June 2014 as well as volatility in one of PRIM's two portfolios, driven by a more active, small cap strategy.

Performance data for real estate and timberland are contained at **Appendices B and C**.

**IV. AEW Transition**

Timothy V. Schlitzer, Senior Investment Officer – Director of Real Estate and Timberland.

**V. Update – Real Property Transaction (Executive Session)**



PENSION RESERVES  
**INVESTMENT**  
MANAGEMENT BOARD

**Appendix A**

Minutes of the PRIM Real Estate Committee Meeting of July 22, 2015

*PRIM Real Estate and Timberland Committee  
Wednesday, September 30, 2015*

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**PENSION RESERVES  
INVESTMENT  
MANAGEMENT BOARD**

**Minutes of the PRIM Real Estate and Timberland Committee Meeting  
Wednesday, July 22, 2015**

**Meeting Attendees:**

- Treasurer Deborah B. Goldberg, Chair (Arrived Late)
- Jill S. Hatton, CRE
- Anthony E. Hubbard, Esquire
- Dennis R. Kanin
- Jack Lutz, Ph.D.
- Garlan Morse, Jr., CRE

The meeting of the PRIM Real Estate and Timberland Committee was called to order at 9:35 a.m.

**I. Approval of the Minutes.**

The PRIM Real Estate and Timberland Committee unanimously approved the Minutes of the May 20, 2015 meeting.

**II. Executive Director/Chief Investment Officer Comments.**

Michael G. Trotsky, CFA, Executive Director and Chief Investment Officer was not in attendance due to a scheduling conflict. Sarah N. Samuels, CFA, Deputy Chief Investment Officer, presented an update on the PRIT Fund.

*Organizational Update*

Amaran Soja joined PRIM in July as the new Executive Assistant. Amaran joins us from Governo Law Firm where she was a Senior Legal Secretary supporting senior partners. Prior to that, Amaran worked at Liberty Mutual and also interned for Senator Ted Kennedy in Constituent Services. Amaran graduated from Westfield State with a B.A. in Political Science.

Erin McCafferty, on the Private Equity team, was promoted to Senior Investment Officer. Erin joined PRIM in April 2014 as an Investment Officer.

A new program to pilot a cross-training and career development was announced. Many of PRIM's pensions and endowment peers have similar initiatives in place to bring down silos in their organizations and encourage cross-fertilization of ideas across investment disciplines. As part of her new role as Deputy Chief Investment Officer, Sarah Samuels will be the first participant, and will rotate across private equity, real estate, hedge funds, and risk over the next 12-18 months. The program, if successful, will be offered to additional, high-performing employees in the future.

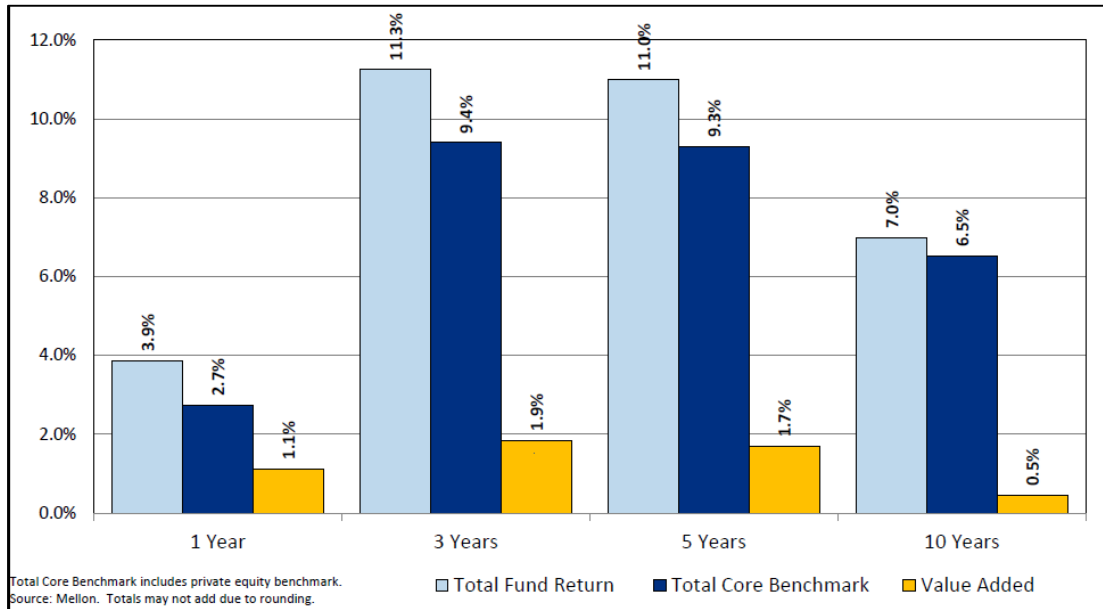
## PRIT Fund Performance

Following very strong fiscal years in 2013 and 2014 in which the PRIT Fund was up 12.7% and 17.6%, respectively, markets weakened in fiscal year 2015. The PRIT Fund was up 3.9% in fiscal year 2015, outperforming the benchmark by 113 basis points.

As of June 30, 2015, the PRIT Fund net asset value stood at \$61.2 billion. The PRIT Fund's trailing 1, 3, 5, and 10 year returns remain strong both on an absolute and on a relative basis:

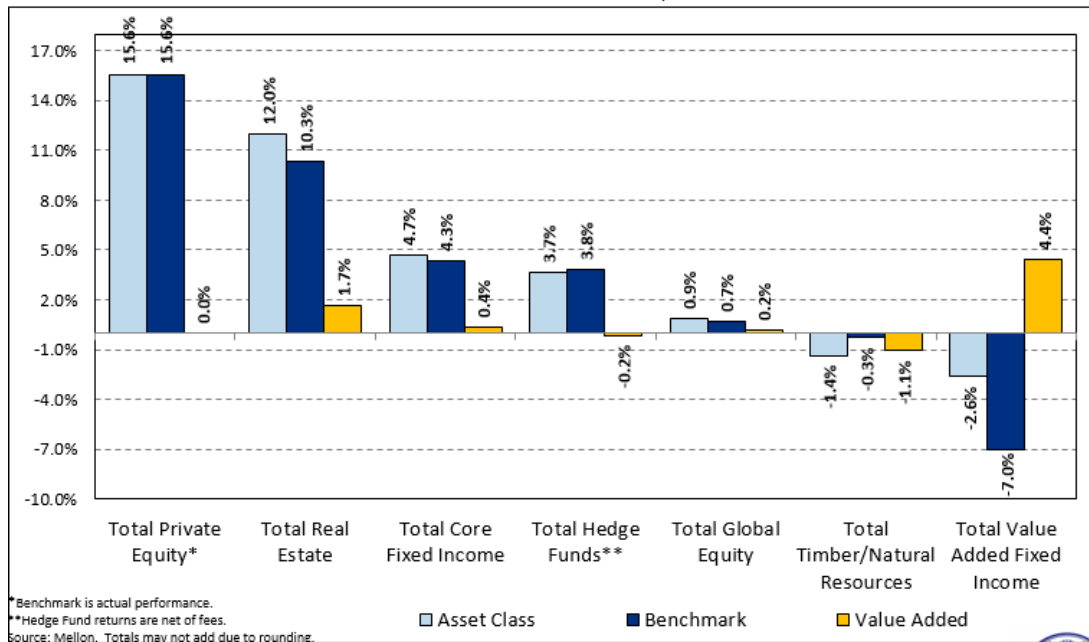
### Total PRIT Fund Returns (Gross of Fees)

Annualized Returns as of June 30, 2015



### PRIT Asset Class Performance (Gross of Fees)

One Year Ended June 30, 2015



**PRIT Asset Class Performance (Gross of Fees)**

*Annualized Returns as of June 30, 2015*

1 Year	3 Year	5 Year	10 Year
Private Equity 15.6%	Private Equity 18.7%	Private Equity 18.4%	Private Equity 16.9%
Real Estate 12.0%	Global Equity 13.7%	Real Estate 13.8%	Real Estate 8.6%
Core Fixed Income 4.7%	Real Estate 12.8%	Global Equity 12.7%	Value-Added Fixed Income 7.7%
Hedge Funds 3.7%	Hedge Funds 8.8%	Value-Added Fixed Income 7.0%	Global Equity 6.7%
Global Equity 0.9%	Timber / Natural Resources 6.2%	Hedge Funds 6.4%	Timber / Natural Resources 6.4%
Timber / Natural Resources (1.3%)	Value-Added Fixed Income 4.9%	Timber / Natural Resources 5.8%	Hedge Funds 4.9%
Value-Added Fixed Income (2.6%)	Core Fixed Income 3.3%	Core Fixed Income 4.7%	Core Fixed Income 4.7%

**PRIT Core Fund Performance Summary**

**Gross of Fees Performance**

**Trailing 1-Year Performance as of June 30, 2015**

Trailing 1-Year Performance: June 30, 2015	Return	Benchmark Return	Over/(Under) Benchmark (bps)	\$Value (millions)	% of PRIT Fund
<b>Total PRIT Fund</b>	<b>3.9%</b>	<b>2.7%</b>	<b>113</b>	<b>61,174</b>	<b>100%</b>
<b>Total Global Equity</b>	<b>0.9%</b>	<b>0.7%</b>	<b>19</b>	<b>26,098</b>	<b>42.7%</b>
<i>Domestic Equity</i>	6.8%	7.1%	(37)	11,745	19.2%
<i>International Developed</i>	-2.8%	-4.5%	178	10,341	16.9%
<i>Emerging Markets</i>	-5.9%	-3.9%	(193)	4,011	6.6%
<b>Private Equity</b>	<b>15.6%</b>	<b>15.6%</b>	<b>0</b>	<b>6,936</b>	<b>11.3%</b>
<b>Real Estate</b>	<b>12.0%</b>	<b>10.3%</b>	<b>167</b>	<b>6,093</b>	<b>10.0%</b>
<b>Timberland/Natural Resources</b>	<b>-1.4%</b>	<b>-0.3%</b>	<b>(107)</b>	<b>2,347</b>	<b>3.8%</b>
<b>Hedge Funds</b>	<b>3.7%</b>	<b>3.8%</b>	<b>(16)</b>	<b>5,575</b>	<b>9.1%</b>
<b>Value Added Fixed Income</b>	<b>-2.6%</b>	<b>-7.0%</b>	<b>441</b>	<b>5,053</b>	<b>8.3%</b>
<b>Core Fixed Income</b>	<b>4.7%</b>	<b>4.3%</b>	<b>38</b>	<b>8,378</b>	<b>13.7%</b>

## **PRIT Performance (Gross) Summary June 2015**

### **One-Year (June 30, 2015)**

- For the one-year ended June 30, 2015, the PRIT Fund was up 3.9%, outperforming the total core benchmark of 2.7% by 113 basis points.
- The performance equates to an investment gain of \$2.35 billion
- The outperformance equates to \$684 million of value above the benchmark return.
- Net total outflows to pay benefits for the one-year ended June 30, 2015 were approximately \$1.5 billion
- Five of the seven major asset classes outperformed their respective benchmarks.

### **Calendar Year to Date (June 30, 2015)**

- For the CYTD ended June 30, 2015, the PRIT Fund was up 2.6%, outperforming the total core benchmark of 2.6% by 4 basis points.
- The performance equates to an investment gain of \$1.58 billion
- The outperformance equates to \$24 million of value above the benchmark return.
- Net total outflows to pay benefits for the CYTD ended June 30, 2015 were approximately \$939 million
- Three of the seven major asset classes outperformed their respective benchmarks.

### **Fiscal Year to Date (June 30, 2015)**

- For the fiscal-year ended June 30, 2015, the PRIT Fund was up 3.9%, outperforming the total core benchmark of 2.7% by 113 basis points.
- The performance equates to an investment gain of \$2.35 billion
- The outperformance equates to \$684 million of value above the benchmark return.
- Net total outflows to pay benefits for the one-year ended June 30, 2015 were approximately \$1.5 billion
- Five of the seven major asset classes outperformed their respective benchmarks.

### ***Market Analysis***

Ms. Samuels provided the committee with highlights of Constance M. Everson, CFA's market commentary to the Investment Committee at its meeting on July 21, 2015. Ms. Everson focused on 3 situations in particular: (1) Slow economic conditions, contrary to widespread expectations, which raised the risk that investors might finally stop believing forecasts of a future-period rebound. So far, even the strongest data releases were very moderate in an historical context, and few of them showed follow-through the following month. (2) Further narrowing of an already-narrow stock market, typical of peak-zone behavior, and (3) symptoms of tight market liquidity conditions that can exacerbate market moves. Those symptoms include repo rates, the LIBOR/treasury spread, and a version of the Chicago Financial Conditions Index that measures just trading conditions.

### **III. Performance Review and Market Update.**

Timothy V. Schlitzer, CRE, Senior Investment Officer – Director of Real Estate and Timberland, provided the Committee with a summary of PRIM's Real Estate and Timberland performance and market commentary as detailed in Section III of the Expanded Agenda of the Committee package.

**IV. Timberland Appraiser Request for Qualifications – Evaluation Committee Recommendation.**

John F. La Cara, Senior Investment Officer, presented to the Committee a recommendation by the evaluation committee for the RFQ for Timberland Appraisal Services. The Committee unanimously accepted the recommendation to place eight firms on PRIM's list of approved timberland appraisers.

The meeting of the PRIM Real Estate and Timberland Committee adjourned at 10:10 a.m.

*List of documents and other exhibits used at the meeting:*

- *PRIM Real Estate and Timberland Committee Meeting Expanded Agenda. (July 22, 2015)*
- *Minutes of the PRIM Real Estate Committee Meeting of May 20, 2015.*
- *BNY Mellon Gross of Fees Performance Report.*
- *Real Estate and Timberland Portfolio Charts.*
- *Handout – PRIT Fund Performance (June 30, 2015).*
- *Handout – BNY Mellon Gross of Fees Performance Report (June 30, 2015).*
- *Handout – Real Estate and Timberland Portfolio Report (June 30, 2015).*
- *Handout – Timberland Appraiser Request for Qualifications – Search Committee Recommendation.*
- *Handout – Timberland Appraiser Request for Qualifications – Townsend Group Recommendation.*



PENSION RESERVES  
**INVESTMENT**  
MANAGEMENT BOARD

**Appendix B**

BNY Mellon Gross of Fees Performance Report

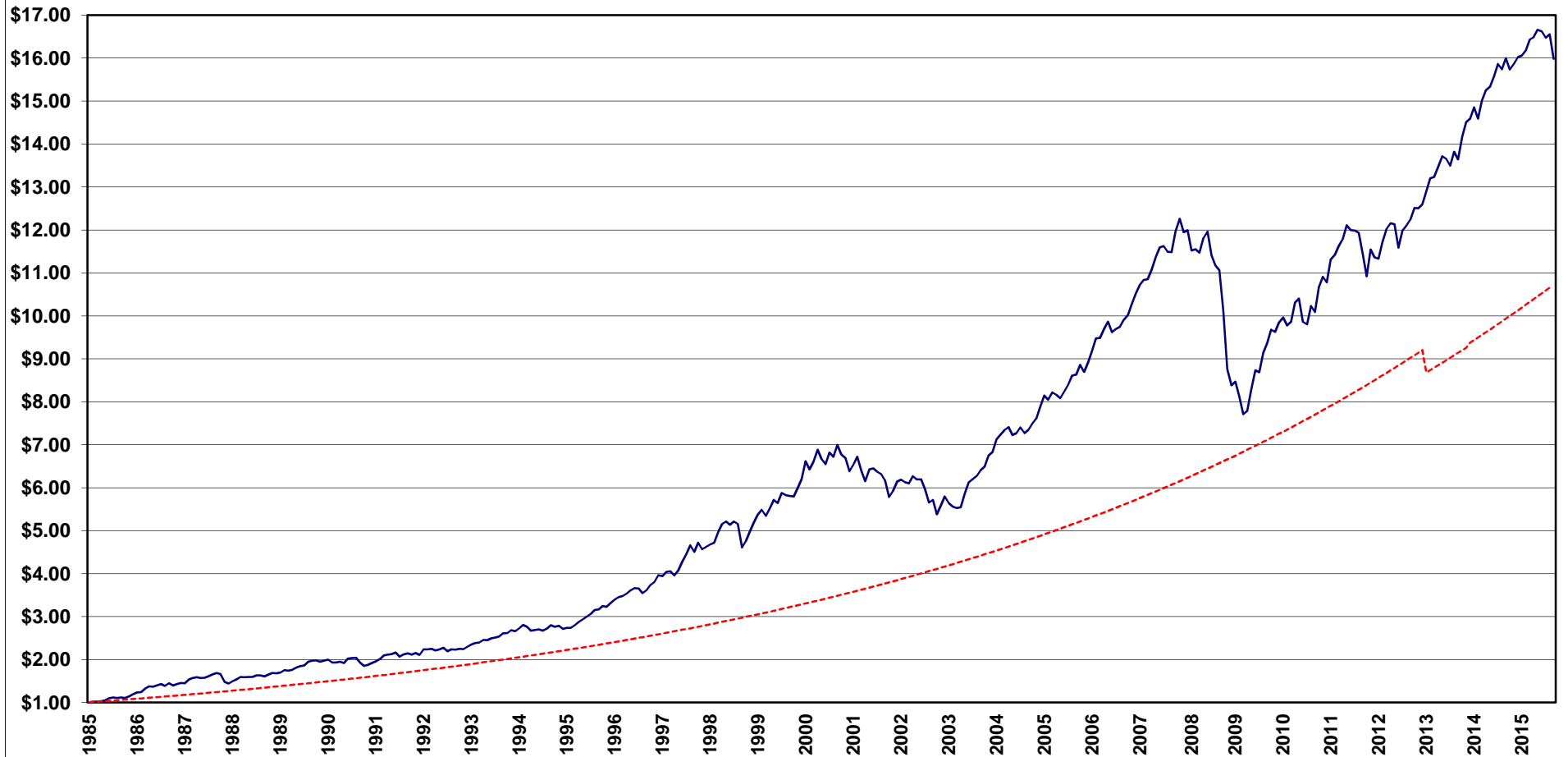
*PRIM Real Estate and Timberland Committee  
Wednesday, September 30, 2015*

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**Pension Reserves Investment Management Board**  
**Performance Measurement**  
**August 31, 2015**

**Growth of a Dollar invested in the PRIT Fund**  
**Monthly, December 31, 1984 to August 31, 2015**  
**\$1.00 invested in the PRIT Fund on January 1, 1985 would have grown to \$15.98 by August 31, 2015**



PRIT ..... 8.00% Current Actuarial Rate of Return

**PENSION RESERVES INVESTMENT TRUST**  
**SUMMARY OF PLAN PERFORMANCE**  
**RATES OF RETURN (GROSS OF FEES)**  
**Periods Ending August 31, 2015**

	NAV \$ (M)	Target Allocation %	Actual Allocation %	Month	FY '16	Calendar YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
<b>GLOBAL EQUITY</b>	24,926,618	42.8%	41.9%	-6.72	-6.46	-3.09	-6.30	9.89	10.28	5.56	5.13
<b>CORE FIXED INCOME</b>	8,314,710	13.0%	14.0%	-0.29	2.53	-1.87	3.53	3.61	4.64	4.97	7.68
<b>VALUE-ADDED FIXED INCOME</b>	5,043,157	10.0%	8.5%	-1.76	-2.31	-1.57	-4.62	3.38	5.95	7.25	8.53
<b>PRIVATE EQUITY</b>	6,699,371	10.0%	11.3%	0.18	-0.30	8.95	16.34	18.75	18.28	16.79	14.48
<b>REAL ESTATE</b>	6,105,539	10.0%	10.3%	-0.88	0.08	5.28	10.69	12.25	13.13	8.34	6.38
<b>TIMBER/NATURAL RESOURCES</b>	2,251,895	4.0%	3.8%	-0.74	-2.57	-3.63	-3.42	4.78	4.82	6.09	7.80
<b>HEDGE FUNDS (NET OF FEES)</b>	5,104,041	10.0%	8.6%	-2.53	-2.08	0.45	1.47	7.35	5.72	4.39	4.76
<b>PORTFOLIO COMPLETION STRATEGIES</b>	293,636	0.2%	0.5%	-1.57	1.81	-3.37					-3.37
<b>PORTABLE ALPHA WIND DOWN (NET OF FEES)</b>	27,634	0.0%	0.0%	-0.99	-1.95	-7.22	-6.15	-3.24	-2.47		-5.75
<b>OVERLAY</b>	665,345	0.0%	1.1%	-2.85	-2.38	-1.71	-1.59				4.67
<b>TOTAL CORE</b>	<b>59,431,947</b>	<b>100%</b>	<b>100%</b>	<b>-3.48</b>	<b>-3.01</b>	<b>-0.47</b>	<b>-0.07</b>	<b>9.30</b>	<b>9.68</b>	<b>6.38</b>	<b>9.40</b>
<i>INTERIM BENCHMARK (target allocation without private equity benchmark)<sup>1</sup></i>				-3.66	-3.37	-0.53	-0.90	8.31	8.94	6.23	9.92
<i>TOTAL CORE BENCHMARK (target allocation with private equity benchmark)<sup>2</sup></i>				-3.58	-3.15	-0.66	-1.39	7.40	7.99	5.91	9.81
<b>PARTICIPANTS CASH</b>	50,555			0.02	0.03	0.10	0.15	0.14	0.15	1.50	4.00
<b>TEACHERS' AND EMPLOYEES' CASH</b>	26,892			0.02	0.03	0.10	0.14	0.14	0.15	1.24	2.77
<b>TOTAL FUND</b>	<b>59,509,393</b>			<b>-3.47</b>	<b>-3.00</b>	<b>-0.47</b>	<b>-0.07</b>	<b>9.27</b>	<b>9.64</b>	<b>6.36</b>	<b>9.46</b>

<b>PENSION RESERVES INVESTMENT TRUST</b> <b>SUMMARY OF MANAGER PERFORMANCE</b> <b>RATES OF RETURN (GROSS OF FEES)</b> <b>Periods Ending August 31, 2015</b>												
	NAV \$ (M)	%	Month	FY '16	Calendar YTD	1 Year	3 Year	5 Year	10 Year	Manager ITD	Manager Benchmark - ITD	Inception Month
<b>DOMESTIC EQUITY</b>												
INTECH	860,270	1.4%	-5.55	-2.95	-1.04	3.84	15.56	16.81		7.66	7.09	1/31/2006
PIMCO DOMESTIC	883,910	1.5%	-6.57	-4.65	-3.11	0.09	14.56	16.78		7.51	6.86	2/28/2006
SSGA S&P 500	7,030,009	11.8%	-6.06	-4.18	-3.02	0.27	14.40			15.52	15.43	12/31/2011
CLOSED PORTFOLIOS	0	0.0%										
TOTAL LARGE CAP MANAGERS	8,774,189	14.8%	-6.06	-4.10	-2.84	0.62	14.54	17.78	7.99	7.12	6.46	7/31/1997
<i>S&amp;P 500</i>			-6.03	-4.06	-2.88	0.48	14.31	15.87	7.15			
SUMMIT CREEK	199,754	0.3%	-7.74	-5.88	0.63	3.32				13.14	14.01	5/31/2013
<i>RUSSELL 2000 GROWTH</i>			-7.58	-7.20	0.91	5.11						
FRONTIER	173,575	0.3%	-2.93	-5.15	-2.74	-2.48				10.37	7.01	5/31/2013
HUBER	233,572	0.4%	-5.96	-9.73	-9.98	-18.08				-0.76	7.01	5/31/2013
TOTAL SMALL CAP VALUE	407,147	0.7%	-4.69	-7.83	-7.03	-12.09				3.40	7.01	5/31/2013
<i>RUSSELL 2000 VALUE</i>			-4.91	-7.53	-6.83	-4.95						
RIVERBRIDGE	161,449	0.3%	-5.34	-3.38	1.28	7.32				11.65	14.09	5/31/2013
<i>RUSSELL 2500 GROWTH</i>			-7.01	-5.90	1.71	4.53						
SOUTHERNSUN	141,471	0.2%	-5.78	-8.79	-4.67	-12.77				9.75	10.92	5/31/2013
SSGA R2500	1,492,865	2.5%	-5.89	-6.11	-1.70	-0.41	14.86			15.09	15.26	12/31/2011
TOTAL SMID CAP CORE	1,634,336	2.7%	-5.88	-6.35	-1.97	-1.62	14.76			15.00	15.26	12/31/2011
<i>RUSSELL 2500</i>			-5.92	-6.10	-1.58	-0.32	15.10					
TOTAL SMALL/SMID CAP EQUITY	2,402,685	4.0%	-5.80	-6.37	-2.45	-2.65	13.87			14.29	15.10	12/31/2011
<i>70.5% RUSSELL 2500/5.5% RUSSELL 2500 GROWTH/6.5% RUSSELL 2000 GROWTH/17.5% RUSSELL 2000 VALUE<sup>3</sup></i>			-5.91	-6.40	-2.17	-0.51	14.90					
CLOSED PORTFOLIOS	(0)	0.0%										
DOMESTIC EQUITY CASH	(551)	0.0%										
<b>TOTAL DOMESTIC EQUITY</b>	<b>11,176,323</b>	<b>18.8%</b>	<b>-6.00</b>	<b>-4.59</b>	<b>-2.72</b>	<b>-0.03</b>	<b>14.43</b>	<b>15.87</b>	<b>6.04</b>	<b>10.19</b>	<b>10.44</b>	<b>2/28/1985</b>
<i>ASSET CLASS BENCHMARK: 78.9% S&amp;P 500/14.88% RUSSELL 2500/1.16% RUSSELL 2500 GROWTH/1.37% RUSSELL 2000 GROWTH/3.69% RUSSELL 2000 VALUE<sup>4</sup></i>			-6.01	-4.56	-2.71	0.32	14.45	15.92	6.90			

<b>PENSION RESERVES INVESTMENT TRUST</b> <b>SUMMARY OF MANAGER PERFORMANCE</b> <b>RATES OF RETURN (GROSS OF FEES)</b> <b>Periods Ending August 31, 2015</b>												
	NAV \$ (M)	%	Month	FY '16	Calendar YTD	1 Year	3 Year	5 Year	10 Year	Manager ITD	Manager Benchmark - ITD	Inception Month
<b>INTERNATIONAL EQUITY</b>												
SSGA WORLD EX-US	4,956,633	8.3%	-6.86	-5.65	-0.79	-8.26	8.57	7.26	4.56	5.99	5.51	3/31/1992
<i>CUSTOM MSCI WORLD EX-US IMI NET DIVS<sup>5</sup></i>			-6.89	-5.71	-1.20	-8.95	7.90	6.65	3.93			
MARATHON ASSET MANAGEMENT	2,379,477	4.0%	-5.49	-3.54	5.53	-0.89	12.32	10.41	7.78	8.68	4.47	10/31/1996
BAILLIE GIFFORD	1,676,091	2.8%	-7.93	-7.68	-1.04	-8.78	8.28	8.43	6.02	7.51	5.59	8/31/2004
MONDRIAN INVESTMENT	759,628	1.3%	-7.26	-4.35	0.90	-5.52	9.75	8.05		0.74	-0.11	6/30/2008
FIS	103,481	0.2%	-6.12	-4.20	2.23	-4.43				2.21	0.10	10/31/2013
SSGA TRANSITION INTERNATIONAL EQUITY	-	0.0%										
CLOSED PORTFOLIOS	14	0.0%										
INTERNATIONAL EQUITY CASH	665	0.0%										
<i>CUSTOM MSCI EAFE STANDARD INDEX NET DIVS<sup>6</sup></i>			-7.33	-5.49	-0.34	-7.57	8.60	6.97	3.95			
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>9,875,988</b>	<b>16.6%</b>	<b>-6.74</b>	<b>-5.38</b>	<b>0.84</b>	<b>-6.35</b>	<b>9.53</b>	<b>8.35</b>	<b>5.09</b>	<b>7.93</b>	<b>6.40</b>	<b>7/31/1986</b>
<i>ASSET CLASS BENCHMARK: 50% CUSTOM MSCI WORLD EX-US IMI NET DIVS, 50% CUSTOM MSCI EAFE STANDARD INDEX NET DIVS<sup>7</sup></i>												
			-7.11	-5.60	-0.77	-8.26	8.17	6.81	4.01			
<b>EMERGING MARKETS EQUITY</b>												
SSGA EMERGING MKTS	986,624	1.7%	-8.89	-15.42	-12.18	-21.84	-1.56	-0.35		-1.01	-1.35	5/31/2010
<i>CUSTOM MSCI EM IMI NET DIVS<sup>8</sup></i>			-9.10	-15.56	-12.50	-22.15	-1.74	-0.70				
AQR EMERGING	504,478	0.8%	-8.71	-15.56						-16.94	-16.00	3/31/2015
BAILLIE GIFFORD EMM	549,785	0.9%	-10.09	-16.82						-18.95	-16.00	3/31/2015
DRIEHAUS CAPITAL	537,460	0.9%	-8.00	-11.34						-10.86	-16.00	3/31/2015
HARDING LOEVNER	370,005	0.6%	-8.95	-12.76						-13.61	-16.00	3/31/2015
PZENA INV	517,732	0.9%	-8.05	-13.50						-13.63	-16.00	3/31/2015
EMERGING MARKETS TRANSITION	34,558	0.1%										
TOTAL EMERGING MARKETS CORE	2,514,018	4.2%	-8.75	-14.04	-14.12	-23.04	-2.66	-1.38	4.38	8.82	4.74	2/28/1990
<i>CUSTOM MSCI EM STANDARD INDEX NET DIVS<sup>9</sup></i>			-9.02	-15.38	-12.93	-22.65	-2.12	-0.79	5.65			
CLOSED PORTFOLIOS	55	0.0%										
EMERGING MARKETS CASH	255	0.0%										
ACADIAN	122,922	0.2%	-10.27	-15.83	-10.08	-18.29	10.70			9.28	-0.40	5/31/2012
WASATCH	93,499	0.2%	-8.71	-11.68	-7.83	-12.50	1.86			-0.21	-0.40	5/31/2012
TOTAL EMERGING MARKETS SMALL CAP	216,421	0.4%	-9.60	-14.08	-9.12	-15.88	4.35			2.49	-0.40	5/31/2012
<i>CUSTOM MSCI EM SMALL CAP NET DIVS<sup>10</sup></i>			-9.57	-16.50	-9.47	-18.62	1.03					
ACADIAN FRONTIER	61,994	0.1%	-5.68	-4.30						-0.29	-8.12	4/30/2015
CITY OF LONDON	94,938	0.2%	-5.43	-6.61						-3.82	-6.37	2/28/2015
TOTAL FRONTIER	156,932	0.3%	-5.53	-5.86						-3.12	-6.37	2/28/2015
<i>CUSTOM MSCI FRONTIER MKTS COUNTRY CAPPED INDEX NET DIVS</i>			-5.64	-8.42								
<b>TOTAL EMERGING MARKETS</b>	<b>3,874,306</b>	<b>6.5%</b>	<b>-8.71</b>	<b>-14.09</b>	<b>-12.69</b>	<b>-21.89</b>	<b>-1.63</b>	<b>-0.33</b>	<b>4.82</b>	<b>9.00</b>	<b>4.78</b>	<b>2/28/1990</b>
<i>ASSET CLASS BENCHMARK<sup>11</sup></i>												
			-8.95	-15.26	-12.27	-21.94	-1.65	-0.65	5.75			
<b>TOTAL GLOBAL EQUITY<sup>12</sup></b>	<b>24,926,618</b>	<b>41.9%</b>	<b>-6.72</b>	<b>-6.46</b>	<b>-3.09</b>	<b>-6.30</b>	<b>9.89</b>	<b>10.28</b>	<b>5.56</b>	<b>5.13</b>	<b>4.14</b>	<b>1/31/2001</b>
<i>ASSET CLASS BENCHMARK: 44% DOMESTIC EQUITY BM/40% INTERNATIONAL EQUITY BM/16% EMERGING MARKETS BM<sup>13</sup></i>												
			-6.92	-6.71	-3.43	-6.84	9.36	9.59	5.25			

PENSION RESERVES INVESTMENT TRUST SUMMARY OF MANAGER PERFORMANCE RATES OF RETURN (GROSS OF FEES) Periods Ending August 31, 2015												
	NAV \$ (M)	%	Month	FY '16	Calendar YTD	1 Year	3 Year	5 Year	10 Year	Manager ITD	Manager Benchmark - ITD	Inception Month
<b>DOMESTIC INVESTMENT GRADE FIXED INCOME</b>												
BLACKROCK PASSIVE	888,129	1.5%	-0.15	0.51	0.31	1.40	1.49	3.02	4.53	5.60	5.62	6/30/1995
PIMCO CORE	788,970	1.3%	-0.51	0.11	0.46	1.68	2.02	3.30	5.27	7.30	6.39	9/30/1990
LOOMIS SAYLES CORE	1,125,543	1.9%	-0.16	0.45	1.17	2.48	3.03	4.44	5.30	7.48	6.50	5/31/1990
COMMUNITY CAPITAL MANAGEMENT	27,800	0.0%	0.06	0.71	1.13	1.93	2.14	3.13		4.85	5.01	7/31/2006
AFL - CIO HOUSING INVESTMENT	125,214	0.2%	-0.05	0.62	1.10	2.52	1.81	3.26		5.05	4.81	8/31/2007
ACCESS CAPITAL - ETI	103,090	0.2%	0.08	0.51	1.46	3.16	2.29	3.25	4.49	4.35	4.30	4/30/2004
TOTAL AGGREGATE <sup>14</sup>	3,058,745	5.1%	-0.23	0.39	0.84	2.10	2.09	3.45	4.80	5.71	5.34	7/31/1999
BARCLAYS CAPITAL AGGREGATE			-0.14	0.55	0.45	1.56	1.53	2.98	4.46			
BLACKROCK - STRIPS	3,412,582	5.7%	0.13	6.00	-4.09	6.31				16.81	16.73	4/30/2014
BC US TREASURY STRIPS 20+ YR INDEX			0.12	5.98	-4.16	6.33						
CLOSED PORTFOLIOS	1	0.0%										
FIXED INCOME CASH	2,259	0.0%										
<b>TOTAL DOMESTIC INVESTMENT GRADE FIXED INCOME</b>	<b>6,473,587</b>	<b>10.9%</b>	<b>-0.04</b>	<b>3.33</b>	<b>-2.32</b>	<b>4.59</b>	<b>4.42</b>	<b>4.86</b>	<b>5.57</b>	<b>6.24</b>	<b>5.80</b>	<b>7/31/1999</b>
DOMESTIC INVESTMENT GRADE FIXED INCOME BM <sup>15</sup>			0.00	3.40	-2.50	4.37	3.91	4.42	5.19			
<b>INFLATION-LINKED FIXED INCOME</b>												
BLACKROCK - TIPS	591,359	1.0%	-0.70	-0.57	-0.17	-2.78	-1.49	2.80	4.03	5.44	5.50	4/30/2001
BARCLAYS CAPITAL US TIPS			-0.76	-0.56	-0.22	-2.73	-1.47	2.79	4.06			
BLACKROCK ILBs	1,249,764	2.1%	-1.35	-0.04	0.03	0.64	1.78	4.03		0.98	0.50	10/31/2005
CLOSED PORTFOLIOS	-	0.0%										
TOTAL ILBs	1,249,764	2.1%	-1.35	-0.04	0.03	0.64	1.78	4.03		0.83	0.50	10/31/2005
BC LB US\$ HEDGED <sup>16</sup>			-1.13	0.21	0.06	0.91	1.40	3.74				
<b>TOTAL INFLATION-LINKED FIXED INCOME</b>	<b>1,841,123</b>	<b>3.1%</b>	<b>-1.14</b>	<b>-0.21</b>	<b>-0.03</b>	<b>-0.48</b>	<b>0.69</b>	<b>3.70</b>	<b>1.46</b>	<b>3.61</b>	<b>1.27</b>	<b>4/30/2001</b>
33% BC US TIPS/67% BC ILB US\$ HEDGED <sup>17</sup>			-1.01	-0.04	-0.03	-0.30	0.45	3.43	1.25			
<b>TOTAL CORE FIXED INCOME</b>	<b>8,314,710</b>	<b>14.0%</b>	<b>-0.29</b>	<b>2.53</b>	<b>-1.87</b>	<b>3.53</b>	<b>3.61</b>	<b>4.64</b>	<b>4.97</b>	<b>7.68</b>	<b>7.12</b>	<b>9/30/1985</b>
ASSET CLASS BENCHMARK <sup>18</sup>			-0.23	2.63	-2.00	3.41	3.16	4.24	4.55			



PENSION RESERVES INVESTMENT TRUST SUMMARY OF MANAGER PERFORMANCE RATES OF RETURN (GROSS OF FEES) Periods Ending August 31, 2015												
	NAV \$ (M)	%	Month	FY '16	Calendar YTD	1 Year	3 Year	5 Year	10 Year	Manager ITD	Manager Benchmark - ITD	Inception Month
<b>PRIVATE EQUITY</b>												
SPECIAL EQUITY	19,155	0.0%	0.07	0.04	8.47	26.96	18.37	18.54	14.92	14.89		9/30/1986
SPECIAL EQUITY - 2000	12,290	0.0%	0.00	0.00	13.45	40.23	27.71	19.10	18.97	16.22		2/29/2000
SPECIAL EQUITY - 2001	58,506	0.1%	-0.17	-0.32	11.36	9.37	20.12	15.86	20.94	20.31		4/30/2001
SPECIAL EQUITY - 2002	4,496	0.0%	1.04	0.48	5.77	4.89	11.18	24.69	24.24	17.87		7/31/2002
SPECIAL EQUITY - 2003	92,612	0.2%	0.10	-0.02	1.91	12.07	10.78	11.64	17.33	15.87		7/31/2003
SPECIAL EQUITY - 2004	77,373	0.1%	-0.34	-0.57	14.02	15.95	20.86	21.47	14.51	12.59		7/31/2004
SPECIAL EQUITY - 2005	385,869	0.6%	0.32	0.04	6.73	14.01	16.74	17.76	11.92	11.61		6/30/2005
SPECIAL EQUITY - 2006	620,323	1.0%	0.06	-0.19	5.67	12.41	17.42	18.30		5.61		4/30/2006
SPECIAL EQUITY - 2007	841,985	1.4%	0.44	-0.02	5.66	9.65	16.22	16.08		7.41		7/31/2007
SPECIAL EQUITY - 2008	875,237	1.5%	0.33	0.07	9.69	19.24	24.00	21.73		9.31		4/30/2008
SPECIAL EQUITY - 2009	232,228	0.4%	0.14	-0.01	12.67	28.64	25.78	20.07		10.31		8/31/2009
SPECIAL EQUITY - 2010	483,109	0.8%	0.20	-0.23	5.81	14.35	17.00			4.52		1/31/2011
SPECIAL EQUITY - 2011	572,441	1.0%	0.03	-0.71	18.20	27.88	17.55			-26.84		7/31/2011
SPECIAL EQUITY - 2012	230,454	0.4%	1.18	0.47	6.53	9.68	9.08			-13.41		8/31/2012
SPECIAL EQUITY - 2013	168,464	0.3%	0.09	-1.62	1.69	4.05				2.79		6/30/2013
SPECIAL EQUITY - 2014	212,421	0.4%	-0.54	-2.20	-2.55	3.60				-13.39		5/31/2014
SPECIAL EQUITY - 2015	80,337	0.1%	0.20	-2.38						-5.74		3/31/2015
TOTAL SPECIAL EQUITY	4,967,299	8.4%	0.23	-0.26	7.86	15.21	18.40	18.01	17.45	16.08		9/30/1986
VENTURE CAPITAL	12,953	0.0%	0.00	0.00	6.54	12.53	11.65	9.75	16.24	11.43		4/30/1986
VENTURE CAPITAL - 2000	66,841	0.1%	-0.62	-0.70	1.95	-5.09	8.44	10.64	10.52	6.16		2/29/2000
VENTURE CAPITAL - 2001	36,657	0.1%	1.22	1.18	7.16	8.34	10.27	10.89	12.93	12.29		2/28/2001
VENTURE CAPITAL - 2002	14,160	0.0%	0.00	0.00	0.66	6.09	5.57	3.16	0.20	0.01		4/30/2003
VENTURE CAPITAL - 2003	30,763	0.1%	0.00	0.44	23.11	24.27	34.12	23.11	14.24	13.45		2/29/2004
VENTURE CAPITAL - 2004	36,050	0.1%	0.00	0.00	30.03	-12.10	21.38	42.02	27.85	25.68		2/28/2005
VENTURE CAPITAL - 2005	117,359	0.2%	-0.07	-0.15	17.52	32.76	21.57	19.49	11.93	10.97		3/31/2005
VENTURE CAPITAL - 2006	135,519	0.2%	0.00	0.00	7.35	17.40	16.62	17.97		11.00		4/30/2006
VENTURE CAPITAL - 2007	180,641	0.3%	0.00	-0.11	7.86	25.07	22.50	26.77		16.30		4/30/2007
VENTURE CAPITAL - 2008	31,510	0.1%	0.00	0.00	6.25	26.62	29.36	39.69		24.37		7/31/2008
VENTURE CAPITAL - 2009	226,186	0.4%	-0.04	-2.10	10.94	22.25	23.78	19.19		11.80		8/31/2009
VENTURE CAPITAL - 2010	257,394	0.4%	0.00	-0.19	29.52	38.12	36.74	20.75		16.80		4/30/2010
VENTURE CAPITAL - 2011	90,917	0.2%	0.13	-0.04	17.74	29.43	23.74			12.46		2/28/2011
VENTURE CAPITAL - 2012	215,418	0.4%	0.10	-0.58	15.79	28.98	24.00			10.51		5/31/2012
VENTURE CAPITAL - 2013	43,821	0.1%	0.00	0.00	8.36	8.83				3.29		6/30/2013
VENTURE CAPITAL - 2014	49,229	0.1%	-0.19	-1.00	2.00	-1.31				-3.73		6/30/2014
VENTURE CAPITAL - 2015	3,497	0.0%	0.00	0.00						-9.01		3/31/2015
TOTAL VENTURE CAPITAL	1,548,914	2.6%	0.01	-0.48	14.00	22.09	22.18	21.48	17.07	12.94		4/30/1986
PRIVATE EQUITY CASH	183,158	0.3%										
TOTAL PRIVATE EQUITY	6,699,371	11.3%	0.18	-0.30	8.95	16.34	18.75	18.28	16.79	14.48	17.00	4/30/1986
ASSET CLASS BENCHMARK <sup>24</sup>			0.18	-0.30	8.95	16.34	18.75	18.28	16.79			
7 YEAR ANNUALIZED RETURN PE <sup>25</sup>			0.94	1.87	7.20	10.93	12.38	14.34		14.79	7.73	7/31/2007
7 YEAR ANNUALIZED RUSSELL 3000 +3% <sup>26</sup>			0.94	1.97	7.90	11.35	9.61	8.72				



<b>PENSION RESERVES INVESTMENT TRUST</b> <b>SUMMARY OF MANAGER PERFORMANCE</b> <b>RATES OF RETURN (GROSS OF FEES)</b> <b>Periods Ending August 31, 2015</b>												
	NAV \$ (M)	%	Month	FY '16	Calendar YTD	1 Year	3 Year	5 Year	10 Year	Manager ITD	Manager Benchmark - ITD	Inception Month
<b>PRIVATE REAL ESTATE</b>												
<b>CORE</b>												
INVESCO CORE	1,117,221	1.9%	0.32	0.72	3.45	11.86	13.19	14.55	8.86	9.87	9.64	5/31/1995
LASALLE	1,481,034	2.5%	0.31	0.53	7.39	12.29	13.34	14.76	9.09	10.43	9.58	1/31/1995
AEW	1,126,756	1.9%	0.34	0.65	8.90	18.63	14.40			14.25	12.02	1/31/2011
JP MORGAN	755,892	1.3%	0.25	0.75	6.17	10.16	9.03	12.92	7.64	10.42	8.97	9/30/2000
TA ASSOCIATES	1,120,069	1.9%	0.37	0.77	7.32	10.20	10.31	11.56	7.60	8.85	8.97	9/30/2000
CLOSED PORTFOLIOS	-	0.0%										
<b>TOTAL CORE ACCOUNTS</b>	<b>5,600,972</b>	<b>9.4%</b>	<b>0.32</b>	<b>0.67</b>	<b>6.66</b>	<b>12.42</b>	<b>12.00</b>	<b>13.28</b>	<b>8.36</b>	<b>9.91</b>	<b>9.62</b>	<b>12/31/1994</b>
PORTFOLIO DEBT	(994,522)	-1.7%										
CLOSED PORTFOLIOS	-	0.0%										
<b>TOTAL SEPARATE ACCOUNTS - LEVERAGED</b>	<b>4,606,451</b>	<b>7.8%</b>	<b>0.34</b>	<b>0.69</b>	<b>7.58</b>	<b>14.66</b>				<b>14.54</b>	<b>11.28</b>	<b>2/28/2013</b>
<b>NON-CORE</b>												
NON-CORE	424,797	0.7%	0.13	0.35	6.68	14.44	15.48			11.42	10.93	1/31/2012
NON-CORE (ETI EXCLUDED)	424,797	0.7%	0.13	0.35	6.68	14.44	15.48			11.42	10.93	1/31/2012
<b>ETI (PARTNERSHIPS)</b>												
CANYON JOHNSON II	5,519	0.0%	0.00	0.00	1.09	5.06	-2.45	-2.50	-4.75	-4.60	8.47	5/31/2005
INTERCONT IV	1,036	0.0%	0.00	0.00	22.15	51.21	19.37	14.72	-1.36	-1.34	8.25	7/31/2005
NEW BOSTON URBAN I	7,428	0.0%	0.00	0.00	-2.33	0.12	3.63	4.38		-4.41	6.88	12/31/2006
<b>TOTAL ETI ACCOUNTS</b>	<b>13,983</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.14</b>	<b>6.57</b>	<b>2.24</b>	<b>2.09</b>	<b>-4.85</b>	<b>-4.70</b>	<b>8.47</b>	<b>5/31/2005</b>
<b>TOTAL NON-CORE</b>	<b>438,779</b>	<b>0.7%</b>	<b>0.12</b>	<b>0.33</b>	<b>6.43</b>	<b>14.15</b>	<b>12.03</b>	<b>7.17</b>	<b>-2.51</b>	<b>-2.43</b>	<b>8.47</b>	<b>5/31/2005</b>
<b>TOTAL PRIVATE REAL ESTATE<sup>27</sup></b>	<b>5,045,230</b>	<b>8.5%</b>	<b>0.32</b>	<b>0.66</b>	<b>7.48</b>	<b>14.72</b>	<b>13.94</b>	<b>14.39</b>	<b>9.33</b>	<b>10.93</b>	<b>9.58</b>	<b>11/30/1994</b>
<i>NCREIF PROPERTY ONE QTR LAG</i>												
			0.00	0.00	6.72	12.72	11.47	12.75	8.39			

PENSION RESERVES INVESTMENT TRUST SUMMARY OF MANAGER PERFORMANCE RATES OF RETURN (GROSS OF FEES) Periods Ending August 31, 2015												
	NAV \$ (M)	%	Month	FY '16	Calendar YTD	1 Year	3 Year	5 Year	10 Year	Manager ITD	Manager Benchmark - ITD	Inception Month
PUBLIC REAL ESTATE (REITS)												
INVESCO GLOBAL REIT	257,778	0.4%	-5.79	-2.29	-4.87	-3.60	7.74			8.09	7.44	5/31/2012
CENTERSQUARE GLOBAL REIT	734,519	1.2%	-5.81	-2.46	-4.44	-2.65	7.60			8.01	7.44	5/31/2012
INVESCO TRANSITION	140,912	0.2%	-5.77	-2.29	-4.94	-3.66				-2.81	-2.49	8/31/2014
TOTAL GLOBAL REITS	1,133,208	1.9%	-5.80	-2.40	-4.65	-3.12	7.18			7.49	7.44	5/31/2012
FTSE EPRA NAREIT DEVELOPED NET TOTAL RETURN			-5.91	-2.65	-5.45	-4.15	7.05					
CLOSED PORTFOLIOS												
REIT CASH	26											
	44	0.0%										
TOTAL REITS	1,133,278	1.9%	-5.80	-2.39	-4.61	-3.08	7.19	9.81	4.74	9.37	7.93	6/30/1998
100% FTSE EPRA NAREIT DEVELOPED NET TOTAL RETURN <sup>28</sup>			-5.91	-2.65	-5.45	-4.15	7.05	10.01	4.35			
REAL ESTATE LEVERAGE CASH												
CORE REAL ESTATE CASH	(55)	0.0%										
REAL ESTATE TRANSITION	(72,914)	-0.1%										
	0	0.0%										
TOTAL CORE ACCOUNT	6,105,539	10.3%	-0.88	0.08	5.28	10.69	12.25	13.13	8.34	10.58	9.73	12/31/1994
TOTAL REAL ESTATE	6,105,539	10.3%	-0.88	0.08	5.28	10.69	12.25	13.13	8.34	6.38	7.88	1/31/1986
ASSET CLASS BENCHMARK: 80% NCREIF PROPERTY ONE QTR LAG/20% FTSE EPRA NAREIT DEVELOPED NET TOTAL RETURN <sup>29</sup>			-1.18	-0.50	4.29	9.36	10.73	12.44	7.74			

PENSION RESERVES INVESTMENT TRUST SUMMARY OF MANAGER PERFORMANCE RATES OF RETURN (GROSS OF FEES) Periods Ending August 31, 2015												
	NAV \$ (M)	%	Month	FY '16	Calendar YTD	1 Year	3 Year	5 Year	10 Year	Manager ITD	Manager Benchmark - ITD	Inception Month
<b>TIMBER</b>												
FOREST INVESTMENTS	1,109,273	1.9%	0.00	0.00	1.45	8.92	9.38	6.46	7.38	7.57	7.33	1/31/2002
THE CAMPBELL GROUP	538,301	0.9%	-1.04	-2.41	0.87	8.85	8.30			6.52	7.74	11/30/2011
TIMBER CASH	56	0.0%										
<b>TOTAL TIMBER</b>	<b>1,647,630</b>	<b>2.8%</b>	<b>-0.34</b>	<b>-0.80</b>	<b>1.26</b>	<b>8.88</b>	<b>9.13</b>	<b>6.34</b>	<b>8.61</b>	<b>9.66</b>	<b>7.33</b>	<b>1/31/2002</b>
<i>NCREIF TIMBER INDEX ONE QTR LAG <sup>30</sup></i>			<i>0.00</i>	<i>0.00</i>	<i>7.88</i>	<i>10.64</i>	<i>9.80</i>	<i>6.20</i>	<i>8.60</i>			
<b>NATURAL RESOURCES - PUBLIC</b>												
JENNISON	162,393	0.3%	-2.66	-13.75	-16.54	-41.00	-7.98	-3.78		-7.03	-8.84	7/31/2008
T. ROWE PRICE NR	172,963	0.3%	-3.69	-10.41	-13.33	-28.96	-0.69	2.22		-5.30	-8.84	7/31/2008
PUBLIC NATURAL RESOURCES CASH	8	0.0%										
<b>TOTAL NATURAL RESOURCES PUBLIC</b>	<b>335,364</b>	<b>0.6%</b>	<b>-3.19</b>	<b>-12.06</b>	<b>-14.91</b>	<b>-35.35</b>	<b>-4.50</b>	<b>-0.81</b>		<b>-6.11</b>	<b>-8.84</b>	<b>7/31/2008</b>
<i>LIPPER NATURAL RESOURCES GLOBAL FUND INDEX</i>			<i>-5.04</i>	<i>-13.28</i>	<i>-15.21</i>	<i>-34.11</i>	<i>-5.35</i>	<i>-1.72</i>				
<b>NATURAL RESOURCES- PRIVATE</b>												
NATURAL RESOURCES- PRIVATE	268,917	0.5%	0.00	-0.04	-14.62	-8.98	-4.22	4.81		1.50	1.06	8/31/2008
PRIVATE NATURAL RESOURCES CASH	(16)	0.0%										
<b>TOTAL NATURAL RESOURCES PRIVATE</b>	<b>268,901</b>	<b>0.5%</b>	<b>0.00</b>	<b>-0.04</b>	<b>-14.55</b>	<b>-8.85</b>	<b>-4.10</b>	<b>4.95</b>		<b>1.06</b>	<b>1.06</b>	<b>8/31/2008</b>
<i>BENCHMARK - NAT. RES. PRIVATE <sup>31</sup></i>			<i>0.00</i>	<i>-0.04</i>	<i>-14.55</i>	<i>-8.85</i>	<i>-4.10</i>	<i>4.95</i>				
<b>TOTAL TIMBER/NATURAL RESOURCES</b>	<b>2,251,895</b>	<b>3.8%</b>	<b>-0.74</b>	<b>-2.57</b>	<b>-3.63</b>	<b>-3.42</b>	<b>4.78</b>	<b>4.82</b>	<b>6.09</b>	<b>7.80</b>	<b>5.31</b>	<b>1/31/2002</b>
<i>ASSET CLASS BENCHMARK <sup>32</sup></i>			<i>-0.82</i>	<i>-2.23</i>	<i>0.91</i>	<i>-1.92</i>	<i>5.92</i>	<i>5.46</i>	<i>5.82</i>			

PENSION RESERVES INVESTMENT TRUST SUMMARY OF MANAGER PERFORMANCE RATES OF RETURN (GROSS OF FEES) Periods Ending August 31, 2015												
	NAV \$ (M)	%	Month	FY '16	Calendar YTD	1 Year	3 Year	5 Year	10 Year	Manager ITD	Manager Benchmark - ITD	Inception Month
<b>HEDGE FUNDS (NET OF FEES)</b>												
ARDEN HFOF LIQUIDATION	46,207	0.1%	-0.42	-1.60	0.82	-0.02				6.17		10/31/2012
IVY LIQUIDATION	4,680	0.0%	-0.10	-0.26	2.65	6.61	6.70	2.85		2.80		3/31/2009
PAAMCO	914,846	1.5%	-2.26	-3.16	0.01	-0.89	7.81	5.61	5.02	5.00	4.93	8/31/2004
100% HFRI FUND OF FUNDS COMPOSITE INDEX <sup>33</sup>			-1.99	-1.78	0.87	1.63	5.10	3.64	4.78			
DIRECT HEDGE FUNDS	4,077,273	6.9%	-2.64	-1.83	0.43	2.15	7.33			6.60	4.37	11/30/2011
HFRI FUND OF FUNDS COMPOSITE INDEX <sup>34</sup>			-1.99	-1.78	0.87	1.63	5.10					
HEDGE FUND CASH	61,034	0.1%										
<b>TOTAL HEDGE FUNDS (NET OF FEES)</b>	<b>5,104,041</b>	<b>8.6%</b>	<b>-2.53</b>	<b>-2.08</b>	<b>0.45</b>	<b>1.47</b>	<b>7.35</b>	<b>5.72</b>	<b>4.39</b>	<b>4.76</b>	<b>4.94</b>	<b>7/31/2004</b>
ASSET CLASS BENCHMARK:												
HFRI FUND OF FUNDS COMPOSITE INDEX <sup>35</sup>			-1.99	-1.78	0.87	1.63	5.10	3.64	4.78			
<b>PORTFOLIO COMPLETION STRATEGIES</b>	<b>293,636</b>	<b>0.5%</b>	<b>-1.57</b>	<b>1.81</b>	<b>-3.37</b>					<b>-3.37</b>	<b>2.11</b>	<b>1/31/2015</b>
PORTFOLIO COMPLETION STRATEGIES COMPOSITE INDEX <sup>36</sup>			0.26	0.52	2.11							

PENSION RESERVES INVESTMENT TRUST SUMMARY OF MANAGER PERFORMANCE RATES OF RETURN (GROSS OF FEES) Periods Ending August 31, 2015												
	NAV \$ (M)	%	Month	FY '16	Calendar YTD	1 Year	3 Year	5 Year	10 Year	Manager ITD	Manager Benchmark - ITD	Inception Month
PORTABLE ALPHA WIND DOWN (NET OF FEES)												
AUSTIN CAPITAL	1,576	0.0%	-0.02	0.13	0.57	0.51	-12.15	-11.17		-9.60	-0.80	9/30/2008
CRESTLINE	11,067	0.0%	-0.70	-1.40	-10.85	-8.08	-3.14	-0.80		0.56	-0.25	9/30/2006
STRATEGIC	14,988	0.0%	-1.30	-2.58	-4.96	-5.44	-1.07	-2.18		-0.92	-0.53	10/31/2006
TOTAL FUND OF FUNDS (NET OF FEES)	27,631	0.0%	-0.99	-1.95	-7.30	-6.25	-3.27	-2.41		-0.77	-0.25	9/30/2006
CLOSED PORTFOLIOS	-	0.0%										
PORTABLE ALPHA CASH	3	0.0%										
TOTAL PORTABLE ALPHA WIND DOWN (NET OF FEES)	27,634	0.0%	-0.99	-1.95	-7.22	-6.15	-3.24	-2.47		-5.75	-0.25	9/30/2006
ASSET CLASS BENCHMARK: HFRI FUND OF FUNDS COMPOSITE INDEX <sup>37</sup>												
			-1.99	-1.78	0.87	1.63	5.10	3.64				
OVERLAY												
CLIFTON	141,790	0.2%	-4.80	-3.97	-3.15	-3.93				5.05	5.05	10/31/2013
OVERLAY CASH	523,555	0.9%										
TOTAL OVERLAY	665,345	1.1%	-2.85	-2.38	-1.71	-1.59				4.67	4.67	10/31/2013
ASSET CLASS BENCHMARK <sup>38</sup>												
			-2.85	-2.38	-1.71	-1.59						

PENSION RESERVES INVESTMENT TRUST SUMMARY OF MANAGER PERFORMANCE RATES OF RETURN (GROSS OF FEES) Periods Ending August 31, 2015												
	NAV \$ (M)	%	Month	FY '16	Calendar YTD	1 Year	3 Year	5 Year	10 Year	Manager ITD	Manager Benchmark - ITD	Inception Month
<b>TOTAL CORE</b>	<b>59,431,947</b>	<b>99.9%</b>	<b>-3.48</b>	<b>-3.01</b>	<b>-0.47</b>	<b>-0.07</b>	<b>9.30</b>	<b>9.68</b>	<b>6.38</b>	<b>9.40</b>		<b>2/28/1985</b>
<b>CASH FUND</b>												
PARTICIPANTS' CASH (NET OF FEES)	50,555	0.1%	0.02	0.03	0.10	0.15	0.14	0.15	1.50	4.00	3.83	7/31/1985
MERRILL LYNCH 90 DAY T BILL			0.01	0.01	0.02	0.03	0.06	0.08	1.36			
MASS STATE TEACHERS CASH (NET OF FEES)	8,390	0.0%	0.01	0.03	0.10	0.14	0.14	0.15	1.24	2.60	2.61	7/31/1996
MASS STATE EMPLOYEES CASH (NET OF FEES)	18,501	0.0%	0.02	0.03	0.10	0.14	0.14	0.15	1.25	2.60	2.61	7/31/1996
MERRILL LYNCH 90 DAY T BILL <sup>39</sup>			0.01	0.01	0.02	0.03	0.06	0.08	1.50			
TEACHERS' AND EMPLOYEES' CASH	26,892	0.0%	0.02	0.03	0.10	0.14	0.14	0.15	1.24	2.77		7/31/1996
<b>TOTAL FUND</b>	<b>59,509,393</b>	<b>100.0%</b>	<b>-3.47</b>	<b>-3.00</b>	<b>-0.47</b>	<b>-0.07</b>	<b>9.27</b>	<b>9.64</b>	<b>6.36</b>	<b>9.46</b>		<b>1/31/1985</b>
POLICY RETURN <sup>40</sup>			-3.38	-2.76	-0.64	-0.59	8.61	9.26	6.59	9.54		
TOTAL CORE BENCHMARK			-3.58	-3.15	-0.66	-1.39	7.40	7.99	5.91	9.81		

**PENSION RESERVES INVESTMENT TRUST**  
**FOOTNOTES**  
**RATES OF RETURN**  
**Periods Ending August 31, 2015**

**Direct Real Estate**

(1) Direct core and value real estate performance is time series weighted and based on property distributed income and capital appreciation/depreciation resulting from external appraisals and dispositions. PRIM's real estate appraisal policy requires that approximately one quarter of the directly owned properties be appraised by a real estate appraiser with an MAI designation every quarter. The goal is to obtain updated market values for each property annually.

(2) The NCREIF Property Index (NPI) is an unleveraged, time series composite measurement of the investment performance of a large group of commercial real estate properties. The NPI is released 25 days after the end of each quarter. Because Mellon's performance report is released earlier, the NPI used as benchmark is lagged one quarter.

(3) Direct Real Estate Manager NAV's are net of property level debt.

**Timber/Natural Resources**

(4) PRIM's Timber/Natural resources appraisal policy states that all timber/natural resources properties be externally appraised every three years using a full narrative report format. These reports (and property values) are then updated annually by a Timber/Natural Resources Appraiser to reflect changes in timber markets, inventories and land values. The goal is to obtain market values for each timberland annually.

(5) PRIM's timber portfolio currently does not utilize leverage.

(6) The NCREIF Timber/Natural Resources Index (NTI) is an unleveraged, time series composite measurement of the investment performance of individual timber properties. The NTI is released 25 days after the end of each quarter. Because Mellon's performance report is released earlier, the NTI used as benchmark is lagged one quarter.

**REITs**

(7) The FTSE NAREIT ALL EQUITY REITS Index is an unmanaged index of publicly traded U.S., tax-qualified REITs that have 75% or more of their gross assets invested in the equity ownership of real estate. This index does not include Real Estate Operating Companies (REOCs) although these are acceptable investments as part of the manager's guidelines and included in PRIM's REIT holdings.

(8) The FTSE NAREIT ALL EQUITY REITS index can be considered a "leveraged" index given that the majority of the REITs included in the index use leverage as part of their investment strategy.

**ETI**

(9) Real estate ETI Funds are primarily invested in development projects with a three to five year lifecycle. These investments require substantial capital investment with very little income during the initial stage of the cycle, resulting in a J curve return profile. The returns are expected later in the cycle, upon project completion and lease up. For lack of a better benchmark, the NPI which is a core property benchmark used to track stabilized, institutional grade properties is used by PRIM. However, Staff is focused more on deal flow quality and on returns generated relative to the risk adjusted returns projected by Managers in their offering memoranda.

**Private Equity**

(10) Private Equity performance represents time weighted returns reflecting the most recent partnership financial statement valuations (typically lagging one calendar quarter) adjusted for actual cash flows through the reporting date. The Private Equity portfolio consists primarily of assets that are illiquid in nature, and valuations are determined by the General Partner based on current industry fair market value practices. Limited Partnership valuations are reviewed through a formal audit process annually, and valuations are also commonly reviewed by partnership advisory boards on a quarterly basis.

**Hedge Fund of Funds**

(11) The Hedge Fund of Fund valuations are net of underlying manager fees and net of all Hedge Fund manager administrative, base and performance fees.

**PENSION RESERVES INVESTMENT TRUST  
BENCHMARK/COMPOSITE FOOTNOTES  
RATES OF RETURN  
Periods Ending August 31, 2015**

**Interim Benchmark**

(1) Interim benchmark is calculated by applying the investment performance of the asset class benchmarks to the Fund's asset allocation targets. The PE component of this uses the S&P 500 + 5% through 6/30/2000; currently Actual PE Performance (formally labeled Interim Policy Benchmark)

**Total Core Benchmark**

(2) The Total Core benchmark is calculated by applying the investment performance of the asset class benchmarks to the Fund's asset allocation targets. The Private Equity benchmark used for the Total Core benchmark calculation is the 7-year annualized return of the Russell 3000 +3% (formally labeled Policy Benchmark)

**Domestic Equity**

(3) Russell 2500 through 6/30/14; currently 70.5% Russell 2500/5.5% Russell 2500 Growth/6.5% Russell 2000 Growth/17.5% Russell 2000 Value

(4) Dow Jones Wilshire 5000 through 04/30/08; Russell 3000 through 06/30/2009; 78% Russell 3000/22% 3 Month Libor + 3% through 12/31/2009; Russell 3000 through 10/31/2011; 80% S&P 500/20% Russell 2500 through 6/30/2014; currently 78.9% S&P 500/14.88% Russell 2500/1.16% Russell 2500 Growth/1.37% Russell 2000 Growth/3.69% Russell 2000 Value

**International**

(5) MSCI EAFE Net Dividends through 9/30/2007; MSCI EAFE Net Dividends Provisional Standard Index through 5/31/2008; MSCI EAFE Net Dividends Standard Index through 12/31/2009; MSCI World ex-US IMI Net Dividends through 12/31/2010; currently Custom World ex-US IMI Net Dividends, customized to exclude legislatively prohibited tobacco, Sudan and Iran securities.

(6) MSCI EAFE Net Dividends through 9/30/2007; MSCI EAFE Net Dividends Provisional Standard Index through 5/31/2008; MSCI EAFE Net Dividends Standard Index through 12/31/2010; currently Custom MSCI EAFE Net Dividends Standard Index, customized to exclude legislatively prohibited tobacco, Sudan and Iran securities.

(7) MSCI EAFE Net Dividends through 9/30/2007; MSCI EAFE Net Dividends Provisional Standard Index through 5/31/2008; MSCI EAFE Net Dividends Standard Index through 12/31/2009; MSCI World ex-US IMI Net Dividends through 12/31/2010; Custom World ex-US IMI Net Dividends through 8/31/2014; currently 50% custom MSCI World Ex-US IMI Net Dividends, 50% Custom MSCI EAFE Standard Index Net Dividends, customized to exclude legislatively prohibited tobacco, Sudan and Iran securities. (Current blend is maintained by MSCI)

**Emerging Markets**

(8) MSCI Emerging Markets IMI Net Dividends through 12/31/2010; currently Custom MSCI Emerging Markets IMI Net Dividends, customized to exclude legislatively prohibited tobacco, Sudan and Iran securities.

(9) MSCI EMF through 6/30/2004; MSCI Emerging Markets Net Dividends through 9/30/2007; MSCI Emerging Markets Net Dividends Provisional Standard Index through 5/31/2008; MSCI Emerging Markets Net Dividends Standard Index through 12/31/2010; currently Custom MSCI Emerging Markets Net Dividends Standard Index, customized to exclude legislatively prohibited tobacco, Sudan and Iran securities.

(10) MSCI Emerging Markets Small Cap Net Dividends Index through 8/31/2014; currently Custom MSCI Emerging Market Small Cap Net Dividends, customized to exclude legislatively prohibited tobacco, Sudan and Iran securities.

(11) MSCI EMF through 6/30/2004; MSCI Emerging Markets Net Dividends through 9/30/2007; MSCI Emerging Markets Net Dividends Provisional Standard Index through 5/31/2008; MSCI Emerging Markets Net Dividends Standard Index through 4/30/2010; MSCI Emerging Markets IMI Net Dividends through 12/31/2010; Custom MSCI Emerging Markets IMI Net Dividends through 8/31/2014; 50% Custom MSCI EM IMI Net Dividends, 43% Custom MSCI EM Standard Net Dividends, 7% Custom MSCI EM Small Cap Net Dividends through 1/31/2015; 25% Custom MSCI EM IMI Net Dividends, 67.37% Custom MSCI EM Standard Net Dividends, 7% Custom MSCI EM Small Cap Net Dividends, .63% Custom MSCI Frontier Markets Country Capped Net Dividends through 2/28/2015. currently weights are based on the beginning adjusted monthly market value of each index group, customized to exclude legislatively prohibited tobacco, Sudan and Iran securities. (Current blend is maintained by MSCI)

**Global Equity**

(12) The Total Global Equity composite inception date coincides with the establishment of the MSCI All Country World Index on January 1, 2001.

(13) MSCI All Country World Net Index through 4/30/2010; MSCI All Country World IMI Net Dividends through 12/31/2010; Custom MSCI All Country World IMI Net Dividends, customized to exclude legislatively prohibited tobacco, Sudan and Iran securities through 10/31/2011; 35% S&P 500/8% Russell 2500/42% Custom MSCI World Ex-US IMI Net Dividends/15% Custom MSCI EM IMI Net Dividends through 4/30/2012; 35% S&P 500/9% Russell 2500/40% Custom MSCI World Ex-US IMI Net Dividends/16% Custom MSCI EM IMI Net Dividends through 6/30/2014; currently 44% Domestic Equity BM/40% International Equity BM/16% Emerging Markets BM

**Core Fixed Income**

(14) Effective 2/28/2015, the Total Aggregate performance was changed to include the complete performance histories of Economically Targeted Investment managers: Access Capital, Community Capital Management, and AFL-CIO Housing Investment. As a result, prior period Total Aggregate performance was revised from 4/30/2004-1/31/2015.

(15) 100% BC Aggregate through 2/28/2014; 34% BC Agg/66% BC STRIPS 20+ through 2/28/2015; currently Domestic Investment Grade Fixed Income benchmark is calculated by applying the investment performance of the sub asset class benchmarks to the sub asset class weights within the core fixed income portfolio.

(16) BC Aggregate through 6/01; 67% BC Aggregate / 20% BC US TIPS/13% Custom Commodities BM ; Custom Commodities BM through 06/30/2009; currently BC ILB USS Hedged

(17) 33% BC US TIPS/67% BC ILB USS Hedged

(18) 77% BC Aggregate / 8% BC US TIPS/15% BC ILB USS Hedged through 2/28/2014; currently weights are based on the beginning adjusted monthly market value of each index group.

**Value-Added Fixed Income**

(19) CSFB Thru 07/2002; ML Master II HY Thru 02/2007; currently ML Master II HY Constrained Index

(20) Public Value Added benchmark is calculated by applying the investment performance of the sub asset class benchmarks to the sub asset class weights within the public value added fixed income portfolio. These weightings will be automatically adjusted at the end of every quarter for usage in the upcoming quarter.

(21) Actual Performance through 2/07; ML Master II FI Constrained Index through 12/31/2009; currently Altman NYU Salomon Center Combined Defaulted Public Bond & Bank Loan Index

(22) The Total Value-Added Fixed Income composite inception date coincides with PRIM's initiative to separate High Yield from Core Fixed Income. Underlying manager market values and cash flows are unavailable prior to July 1, 2001.

(23) CSFB through 7/02 / 43% ML Master II HY Index/43% JPM EMBI Global/14% Actual Distressed Debt through 02/07/ through 06/08 60% ML Master II HY Constrained Index and 40% JPM EMBI Global/ 50% ML Master II HY Constrained Index/ 33% JPM EMBI Global/17% S&P LSTA Leveraged Index through 06/30/2009; 58% ML Master II HY Constrained Index/ 25% JPM EMBI Global/17% S&P LSTA Leveraged Index through 12/31/2009; 24% ML Master II HY Constrained Index/17% S&P LSTA Leveraged Index/20% JPM EMBI Global/39% Altman Index through 03/31/2010; 24.20% ML Master II HY Constrained Index/16.56% S&P LSTA Leveraged Index/19.43% JPM EMBI Global/39.81% Altman Index through 06/30/2010; 22.10% ML Master II HY Constrained Index/14.60% S&P LSTA Leveraged Loan Index/20.65% JPM EMBI Global/42.65% Altman Index through 09/30/2010; 22.46% ML Master II HY Constrained Index/12.92% S&P LSTA Leveraged Loan Index/21.56% JPM EMBI Global/43.06% Altman Index through 12/31/2010; 22.14% ML Master II HY Constrained Index/11.13% S&P LSTA Leveraged Loan Index/21.60% JPM EMBI Global/45.13% Altman Index through 3/31/2011; 23.15% ML Master II HY Constrained Index/9.45% S&P LSTA Leveraged Loan Index/22.74% JPM EMBI Global/44.66% Altman Index through 6/30/2011; 23.95% ML Master II HY Constrained Index/9.21% S&P LSTA Leveraged Loan Index/22.96% JPM EMBI Global/43.88% Altman Index

through 9/30/2011; 21.58% ML Master II HY Constrained Index/11.08% S&P LSTA Leveraged Loan Index/22.24% JPM EMBI Global/45.10% Altman Index through 12/31/2011; 27.90% ML Master II HY Constrained Index/13.58% S&P LSTA Leveraged Loan Index/20.65% JPM EMBI Global/37.87% Altman Index through 3/31/2012; 28.24% ML Master II HY Constrained Index/13.30% S&P LSTA Leveraged Loan Index/20.71% JPM EMBI Global/37.75% Altman Index through 4/30/2012; 23.55% ML Master II HY Constrained Index/10.63% S&P LSTA Leveraged Loan Index/16.61% JPM EMBI Global/20.36% JPM GBI-EM Global Diversified/28.85% Altman Index through 6/30/2012; 18.21% ML Master II HY Constrained Index/11.24% S&P LSTA Leveraged Loan Index/17.63% JPM EMBI Global/20.80% JPM GBI-EM Global Diversified/32.12% Altman Index through 9/30/2012; 18.29% ML Master II HY Constrained Index/11.98% S&P LSTA Leveraged Loan Index/18% JPM EMBI Global/21.03% JPM GBI-EM Global Diversified/30.70% Altman Index through 12/31/2012; 19.40% ML Master II HY Constrained Index/11.90% S&P LSTA Leveraged Loan Index/18.28% JPM EMBI Global/21.32% JPM GBI-EM Global Diversified/29.10% Altman Index through 2/28/2013; Value Added benchmark is calculated by applying the investment performance of the sub asset class benchmarks to the sub asset class weights within the value added fixed income portfolio. These weightings will be automatically adjusted at the end of every quarter for usage in the upcoming quarter.

**Private Equity**

(24) Through 6/30/2000, S&P 500 + 5%; currently Actual Performance. This benchmark is used in the Interim Policy Benchmark.

(25) The 7 Year Annualized performance is used in the Policy Return and Policy Benchmark.

(26) Wilshire 5000 + 3% through 4/30/2008; Currently 7 Year Annualized Russell 3000 + 3%



**PENSION RESERVES INVESTMENT TRUST**  
**BENCHMARK/COMPOSITE FOOTNOTES**  
**RATES OF RETURN**  
**Periods Ending August 31, 2015**

**Real Estate - Private/Public**

(27) On 06/30/02 PRIM instituted portfolio leverage of up to 40%; increased to 50% leverage on 02/03/04. Portfolio leverage was paid down in September 2005 (\$450 million), October 2005 (\$200 million), and July 2007 (\$450 million). Composite includes Value Added Separate Account opened 4/30/2007 and closed 12/31/2010.

(28) FTSE NAREIT ALL EQUITY REITS through 3/31/2008; 63% FTSE EPRA NAREIT Developed Net Total Return

(29) NCREIF through 6/30/03; 67% NCREIF/33% FTSE NAREIT ALL EQUITY REITS through 12/31/06; NCREIF + Ratio of 2% FTSE NAREIT ALL EQUITY REITS to PRIT Fund through 03/31/08; 73% NCREIF Property One Qtr Lag/17% FTSE NAREIT ALL EQUITY REITS/7.25% NAREIT Global REIT/2.75% NAREIT Intl REIT through 06/30/09; 82% NCREIF Property One Qtr Lag/9% FTSE NAREIT ALL EQUITY REITS/9% FTSE EPRA NAREIT Developed Ex US REIT through 7/31/09; 80% NCREIF Property One Qtr Lag/10% FTSE NAREIT ALL EQUITY REITS/10% FTSE EPRA NAREIT Developed Ex US REIT through 4/30/2012; currently 80% NCREIF PROPERTY ONE QTR LAG/20% FTSE EPRA NAREIT Developed Net Total

**Timber/Natural Resources**

(30) NCREIF Timber Index through 6/30/03; NCREIF Timber Index Ex-PRIM through 2/28/2010; currently NCREIF Timber Index

(31) Currently Private Natural Resources Actual Performance.

(32) NCREIF Timber Index through 6/30/03; NCREIF Timber Index Ex-PRIM through 06/30/08; 50% NCREIF Timber Index Ex-PRIM/ 42% Lipper Natural Resources Global Fund Index/ 8% Actual Natural Resources Private through 2/28/2010; 50% NCREIF Timber Index/ 42% Lipper Natural Resources Global Fund Index/ 8% Actual Natural Resources Private through 10/31/2011; 53% NCREIF Timber Index/ 39% Lipper Natural Resources Global Fund Index/ 8% Actual Natural Resources Private through 2/28/2014; currently the Timber/Natural Resources benchmark is calculated by applying the investment performance of the sub asset class benchmarks to the sub asset class weights within the Timber/Natural Resources portfolio. These weightings will be automatically adjusted at the end of every quarter for usage in the upcoming quarter.

**Hedge Funds**

(33) ML 90 Day T-Bill + 4% through 12/31/2009; currently HFRI Fund of Funds Composite Index. (HFRI indices - Flash returns are used through 12/31/11. Current returns reflect most up to date performance and are subject to change)

(34) HFRI Fund of Funds Composite Index. (HFRI indices - Flash returns are used through 12/31/11. Current returns reflect most up to date performance and are subject to change)

(35) ML 90 Day T-Bill + 4% through 12/31/2009; currently HFRI Fund of Funds Composite Index. (HFRI indices - Flash returns are used through 12/31/11. Current returns reflect most up to date performance and are subject to change)

**Portfolio Completion Strategies**

(36) Portfolio Completion Strategies Composite Index is calculated by applying the underlying benchmark return for each manager to the manager's weight within the Portfolio Completion Strategies Composite. These weights are based on the beginning adjusted monthly market value of each portfolio.

**Portable Alpha Wind Down**

(37) S&P 500 Index through April 2008; Russell 3000 Index through July 2009; US 3 Month Libor + 3% through 12/31/2009; currently HFRI FOF Composite Index. (HFRI indices - Flash returns are used through 12/31/11. Current returns reflect most up to date performance and are subject to change)

**Overlay**

(38) Actual performance

**Total Fund**

(39) ML 90 Day T-Bill through 6/30/03; ML 3-Month Libor through 03/31/08; currently ML 90 Day T-Bill

**Policy Return**

(40) The Policy Return is calculated by applying the investment performance of each asset class times its actual allocation. The Private Equity portion of the Policy Return is the 7-year annualized return of the Private Equity asset class monthized.



PENSION RESERVES  
**INVESTMENT**  
MANAGEMENT BOARD

**Appendix C**

Real Estate and Timberland Portfolio Report

*PRIM Real Estate and Timberland Committee  
Wednesday, September 30, 2015*

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# ***Real Estate and Timberland Portfolio Report As of August 31, 2015***

***By Timothy V. Schlitzer, CRE  
Senior Investment Officer  
Director of Real Estate and Timberland Investments***

***Presentation to the PRIM Real Estate & Timberland Committee  
September 30, 2015***

***Deborah B. Goldberg, Treasurer and Receiver General, Chair  
Michael G. Trotsky, CFA, Executive Director and Chief Investment Officer***



# ***Table of Content***

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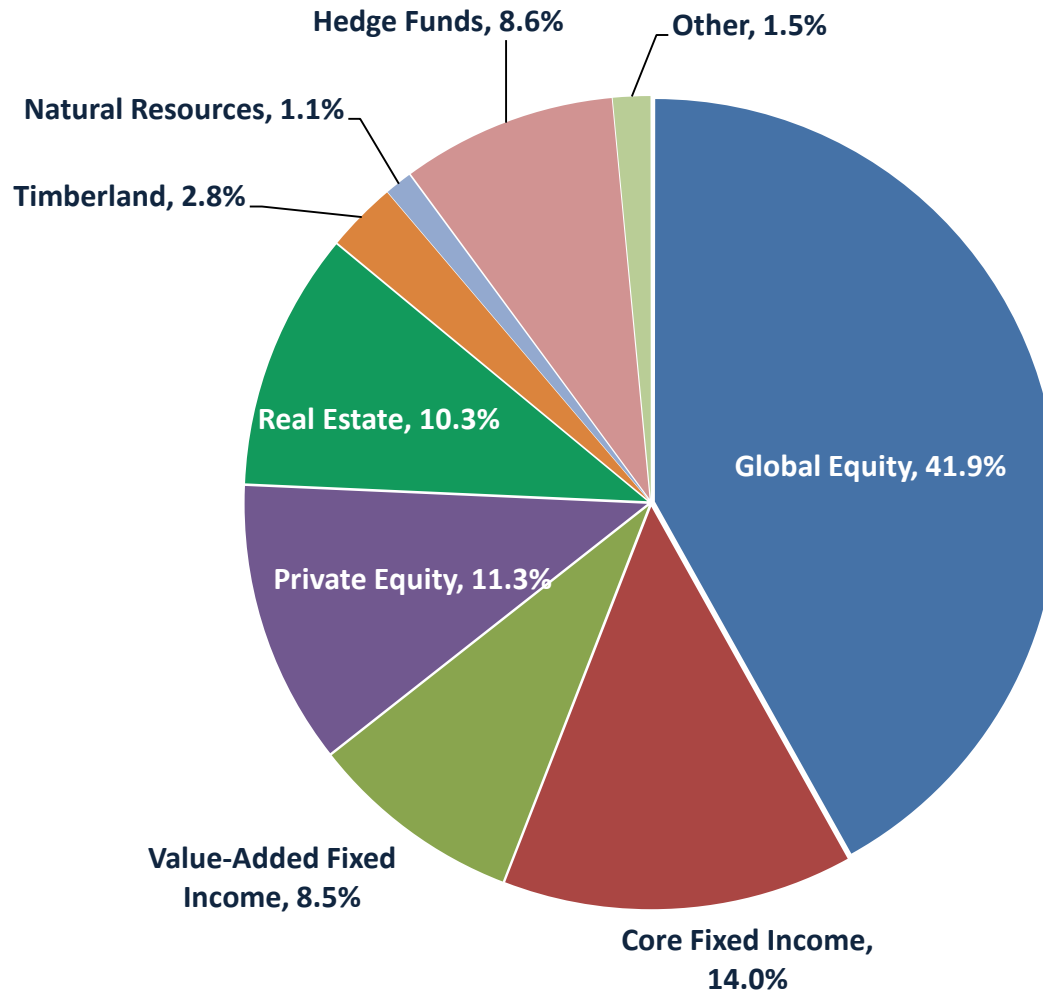
<u>Sections</u>	<u>Pages</u>
1. Portfolio Overview	2-5
2. Private Real Estate Portfolio	6-14
3. Non-Core Real Estate	15-16
4. Real Estate Securities (REITs) Portfolio	17-19
5. Natural Resources Portfolio	20-28

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# ***Portfolio Overview***

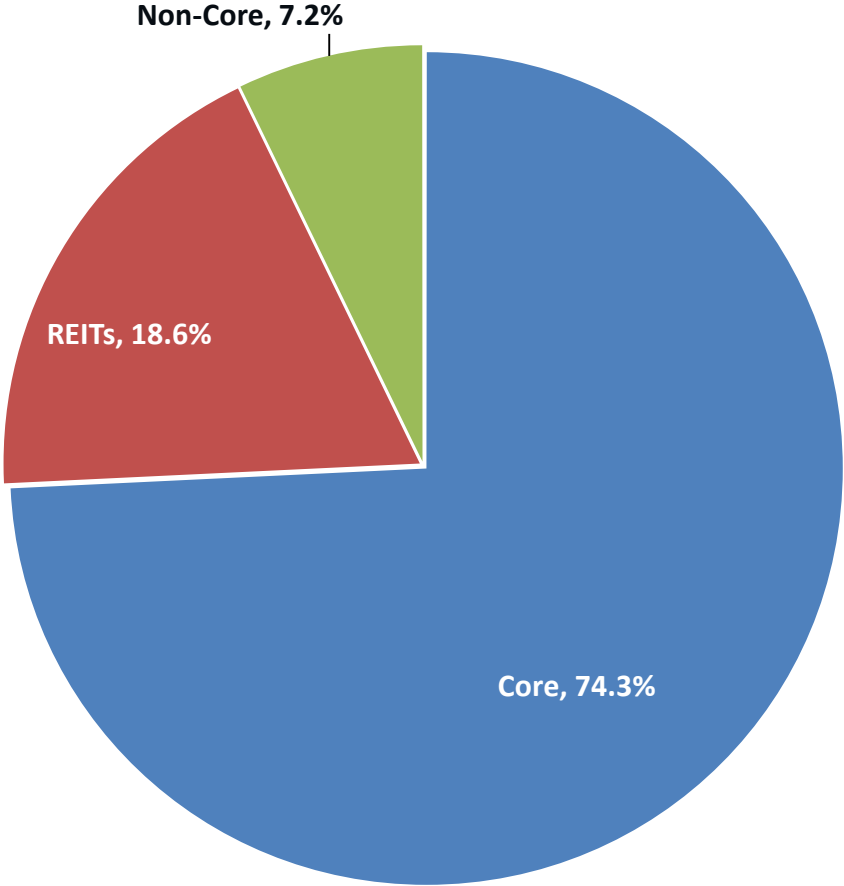


# PRIT Asset Allocation



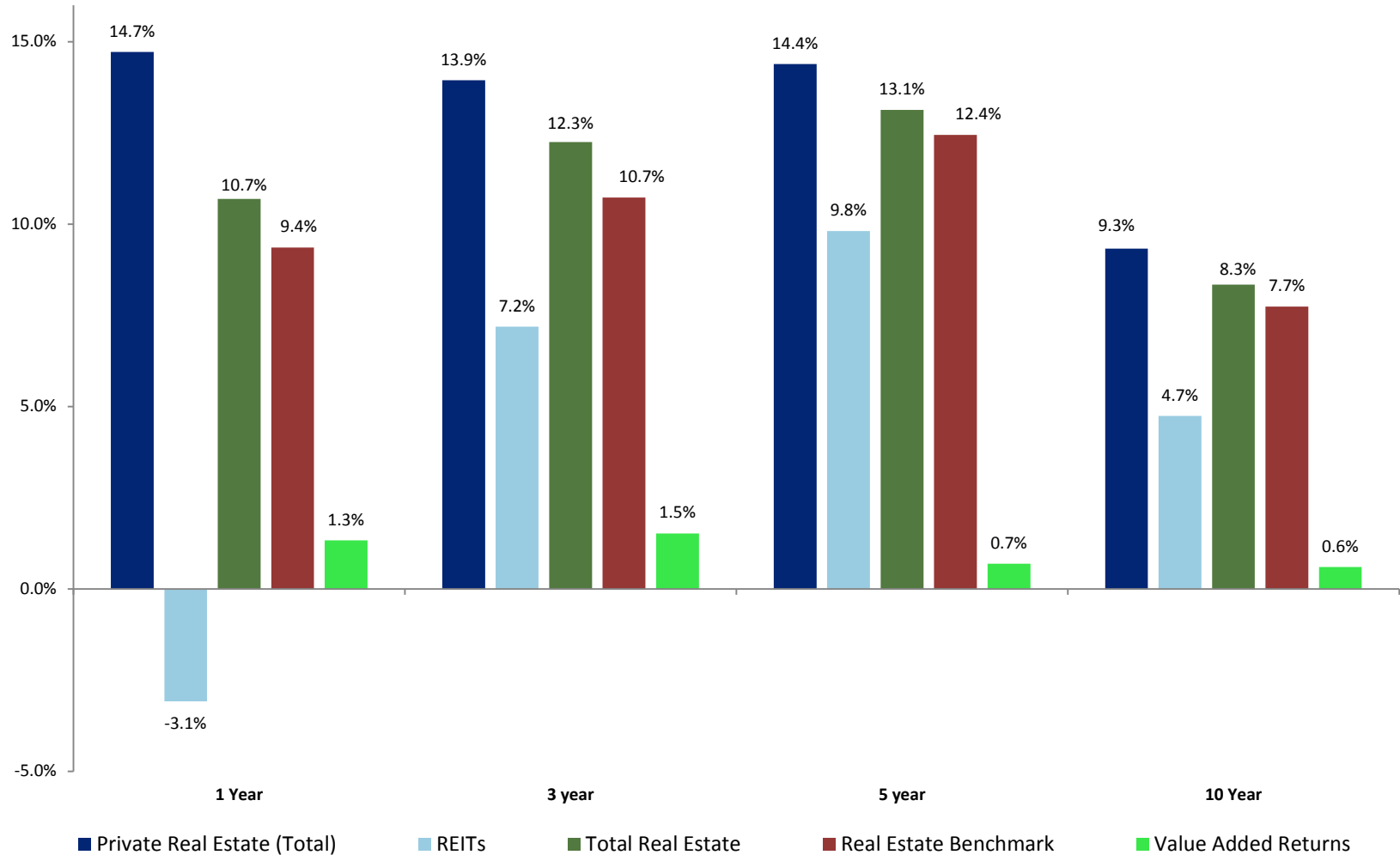
# Real Estate Asset Allocation

Targets	
Core	70%
Non-Core	10%
REITs	20%





# Total Real Estate Performance



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# ***Private Real Estate Portfolio***



# Manager Performance

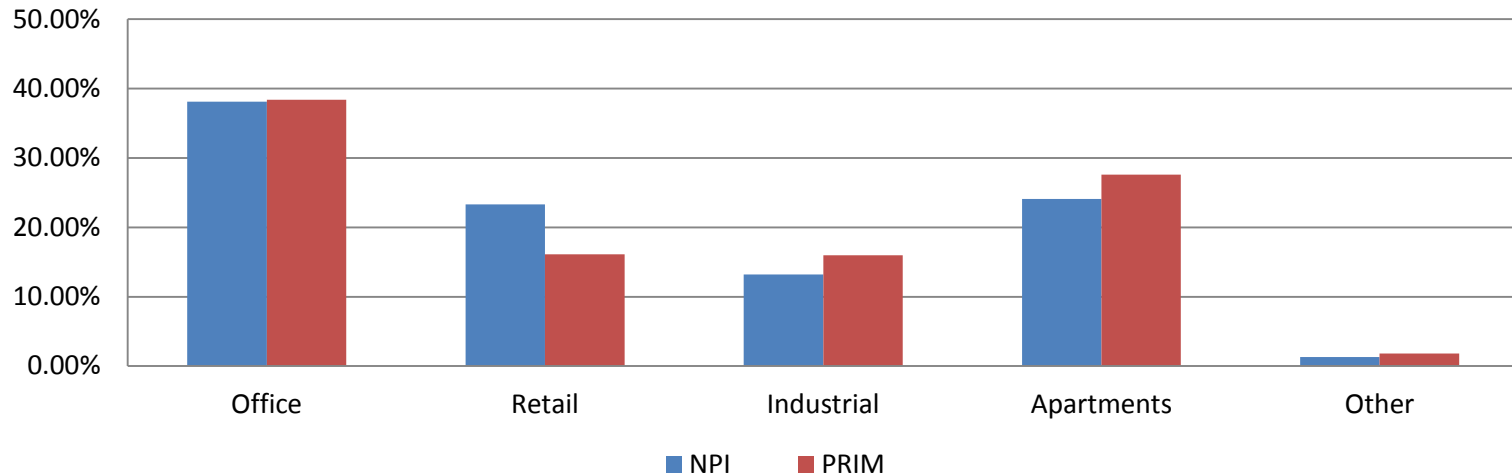
Separate Accounts	1 year	3 years	5 years	10 years	ITD
<b>AEW</b>	<b>18.6%</b>	<b>14.4%</b>			<b>14.3%</b>
<i>Excess Return</i>	5.9%	2.9%			2.2%
<b>LaSalle</b>	<b>12.3%</b>	<b>13.3%</b>	<b>14.8%</b>	<b>9.1%</b>	<b>10.4%</b>
<i>Excess Return</i>	-0.4%	1.9%	2.0%	0.7%	0.9%
<b>TA</b>	<b>10.2%</b>	<b>10.3%</b>	<b>11.6%</b>	<b>7.6%</b>	<b>8.9%</b>
<i>Excess Return</i>	-2.5%	-1.2%	-1.2%	-0.8%	-0.1%
<b>Invesco</b>	<b>11.9%</b>	<b>13.2%</b>	<b>14.6%</b>	<b>8.9%</b>	<b>9.9%</b>
<i>Excess Return</i>	-0.9%	1.7%	1.8%	0.5%	0.2%
<b>J.P. Morgan</b>	<b>10.2%</b>	<b>9.0%</b>	<b>12.9%</b>	<b>7.6%</b>	<b>10.4%</b>
<i>Excess Return</i>	-2.6%	-2.4%	0.2%	-0.8%	1.5%
<b>Total Core Composite</b>	<b>12.4%</b>	<b>12.0%</b>	<b>13.3%</b>	<b>8.4%</b>	<b>9.9%</b>
<i>Excess Return</i>	-0.3%	0.5%	0.5%	0.0%	0.3%
<b>Total Core Composite Leveraged</b>	<b>14.7%</b>				<b>14.5%</b>
<i>Excess Return</i>	1.9%				3.3%
<b>NCREIF Property Index (Quarter Lag)</b>	<b>12.7%</b>	<b>11.5%</b>	<b>12.8%</b>	<b>8.4%</b>	

*\* Green Box: Positive Relative Return. Red Box: Negative Relative Return*

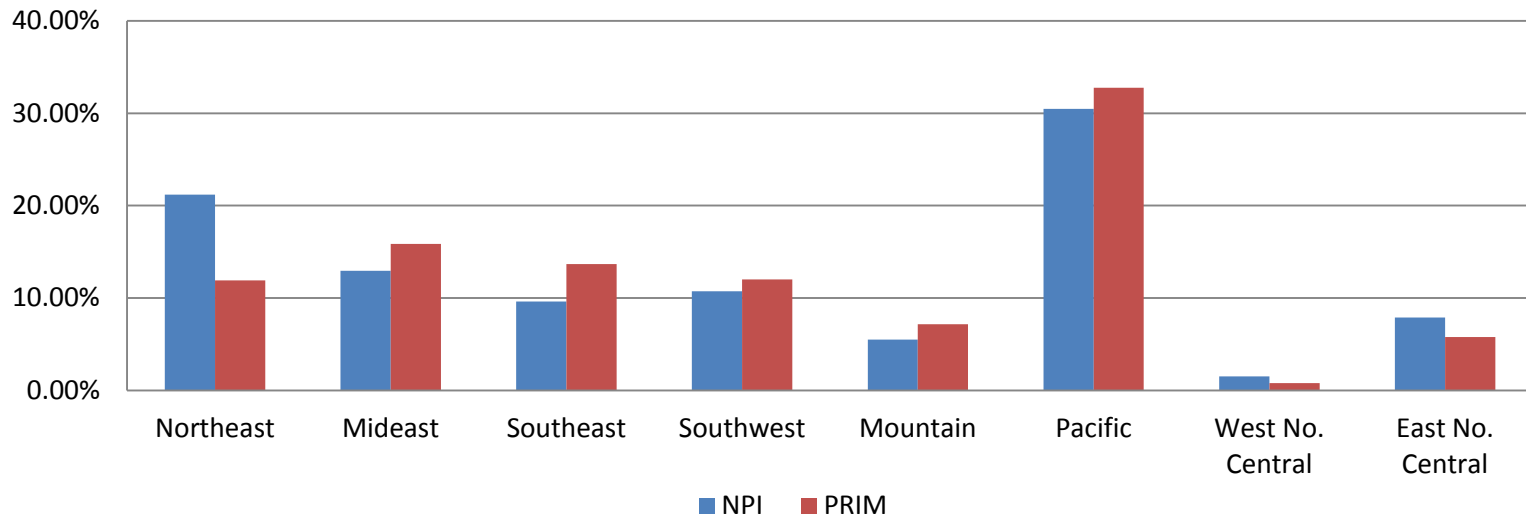


# Exposure

## Property Type Exposure

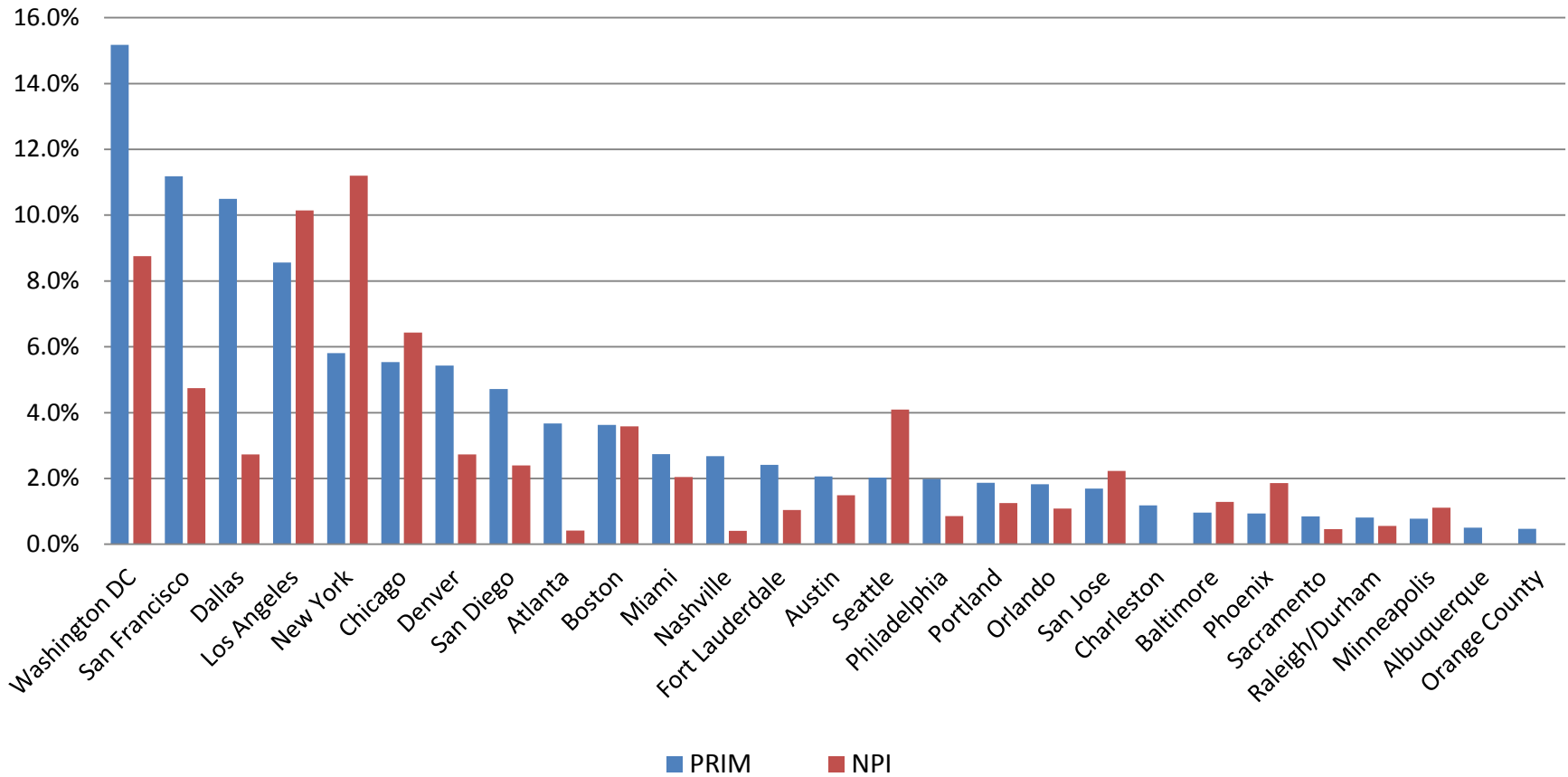


## Regional Exposure



# Exposure by MSA

## Ranked by PRIM Exposure



# Leverage Summary – Portfolio Level

Portfolio Leverage Data			
Key Metrics - (\$ thousands)	At Close	8/31/2015	Change
<b>Term Loan Market Value</b>	<b>\$500,000</b>	<b>\$500,367</b>	<b>\$367</b>
<b>Private Notes Market Value:</b>	<b>\$500,000</b>	<b>\$496,870</b>	<b>-\$3,130</b>
<i>A Notes (2020) 3.25% Fixed</i>	<i>\$175,000</i>	<i>\$174,839</i>	<i>-\$162</i>
<i>B Notes (2023) 3.85% Fixed</i>	<i>\$175,000</i>	<i>\$174,454</i>	<i>-\$546</i>
<i>C Notes (2025) 4.00% Fixed</i>	<i>\$150,000</i>	<i>\$147,578</i>	<i>-\$2,422</i>
<b>Swap Intrinsic Value (\$500,000 Notional)</b>	<b>\$1,336</b>	<b>-\$610</b>	<b>-\$1,946</b>
<b>Benchmark Rates:</b>			
One Month LIBOR	0.20%	0.20%	0.00%
10 Year Treasury Rate	2.00%	2.17%	0.17%

Key Covenants	At Close	Q2 2015	Covenant
Total Leverage Ratio	28.36%	22.04%	< 50%
Secured Leverage Ratio	8.61%	7.37%	< 30%
Fixed Charge Ratio	3.76	6.48	> 1.75
Unencumbered Leverage Ratio	37.06%	21.88%	< 50%
Unencumbered Interest Coverage Ratio	4.68	7.98	> 2



# Leverage Summary – Property Level

Total Private Real Estate								
Type	# of Assets	Debt	Gross Value	Equity Value	Cost Basis (Net)	LTV	Rate (Blend)	
Office	20	\$ 196,971	\$ 2,344,052	\$ 2,147,081	\$ 1,959,082	8.4%	4.9%	
Apartments	30	\$ 384,439	\$ 2,135,243	\$ 1,750,804	\$ 1,542,801	18.0%	2.4%	
Retail	14	\$ 19,500	\$ 921,942	\$ 902,442	\$ 677,887	2.1%	4.3%	
Industrial	27	\$ -	\$ 934,429	\$ 934,429	\$ 745,726	0.0%		
Other	4	\$ -	\$ 103,403	\$ 103,403	\$ 73,629	0.0%		
Total	95	\$ 600,910	\$ 6,439,068	\$ 5,838,158	\$ 4,999,125	9.3%	4.3%	

Maturities											
Type	2015	2016	2017	2018	2019	2020	2021	2022	Total		
Office	\$ -	\$ 111,971	\$ -	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 196,971
Apartments	\$ 73,085	\$ 81,494	\$ 66,250	\$ 28,750	\$ 16,856	\$ 30,792	\$ 62,798	\$ 24,415	\$ -	\$ -	\$ 384,439
Retail	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,500	\$ -	\$ -	\$ -	\$ 19,500
Industrial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 73,085	\$ 193,465	\$ 66,250	\$ 113,750	\$ 16,856	\$ 30,792	\$ 82,298	\$ 24,415	\$ -	\$ -	\$ 600,910



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## ***Non-Core Real Estate***





# Performance & Summary of Fund Investments

	1 year	3 years	5 years	ITD
Intercon IV	51.2%	19.4%	14.7%	-1.4%
Excess Return	38.5%	7.9%	2.0%	-9.6%
Canyon Johnson	5.1%	-2.5%	-2.5%	-4.6%
Excess Return	-7.7%	-13.9%	-15.3%	-13.1%
New Boston	0.1%	3.6%	4.4%	-4.4%
Excess Return	-12.6%	-7.8%	-8.4%	-11.3%
Non Core (Ex. ETI)*	14.4%	15.5%		11.4%
Excess Return	1.7%	4.0%		0.5%

**NCREIF Property Index (Quarter lag) 12.7% 11.5% 12.8%**

*Green Box: Positive Relative Return; Red Box: Negative Relative Return*

*\*Reflects J-curve impact of development projects.*

Summary of Fund Investments					
Firm	Inception	Commitment	Capital Called	Remaining Capital	ITD Return
Canyon Johnson	4/30/2005	\$20,000,000	\$17,997,408	\$0	-4.6%
New Boston	11/30/2006	\$10,000,000	\$10,000,000	\$0	-4.4%
Intercontinental	6/30/2005	\$10,000,000	\$10,000,000	\$0	-1.4%
Carlyle	11/15/2011	\$47,500,000	\$23,479,849	\$21,635,378	21.8%
DivcoWest III	12/15/2011	\$50,000,000	\$49,048,540	\$0	28.0%
DivcoWest IV	12/11/2013	\$100,000,000	\$50,672,138	\$18,077,552	11.0%
<b>Total</b>		<b>\$237,500,000</b>	<b>\$161,197,935</b>	<b>\$39,712,930</b>	



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# ***Public Real Estate (REITs) Portfolio***



# Manager Performance & Top Holdings

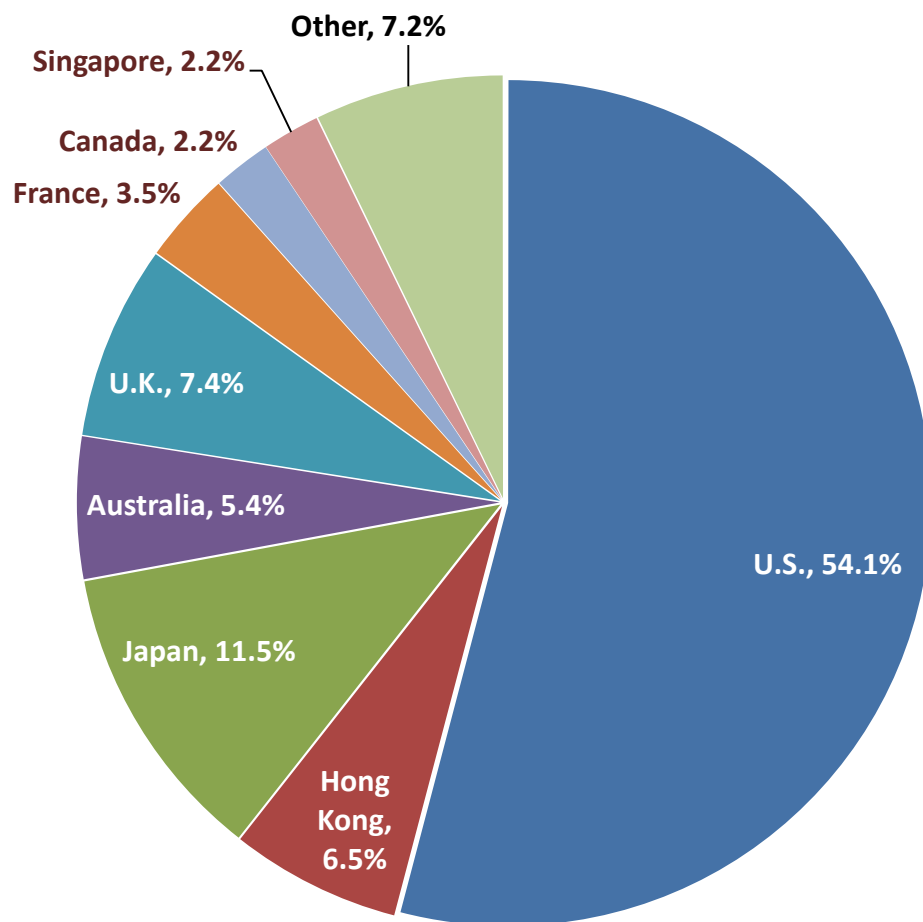
REITs Performance					
Global REITs	Month	1 year	3 years	5 years	ITD
Invesco	-5.8%	-3.6%	7.7%		8.1%
Excess Return	0.1%	0.6%	0.7%		0.7%
CenterSquare	-5.8%	-2.7%	7.6%		8.0%
Excess Return	0.1%	1.5%	0.6%		0.6%
Invesco Takeover	-5.8%	-3.7%			-2.8%
Excess Return	0.1%	0.5%			-0.3%
<b>EPRA NAREIT Developed</b>	<b>-5.9%</b>	<b>-4.2%</b>	<b>7.1%</b>		

*\* Green Box: Positive Relative Return; Red Box: Negative Relative Return.*

Total REITs	Month	1 year	3 years	5 years	ITD
Total REITs Composite	-5.8%	-3.1%	7.2%	9.8%	9.4%
Excess Return	0.1%	1.1%	0.1%	-0.2%	1.4%
<b>Total REITs Benchmark</b>	<b>-5.9%</b>	<b>-4.2%</b>	<b>7.1%</b>	<b>10.0%</b>	<b>7.9%</b>

Top 10 Holdings	
Security	%
SIMON PROPERTY GROUP INC	5.6%
AVALONBAY	3.3%
MITSUI FUDOSAN	3.0%
PUBLIC STORAGE	2.7%
LAND SECURITIES	2.6%
BOSTON PROPERTIES	2.4%
ESSEX PROPERTY	2.2%
VENTAS	2.1%
SUN HUNG KAI	2.0%
PROLOGIS	2.0%
<b>Top 10 Holdings</b>	<b>27.9%</b>

# REITs Exposure by Country

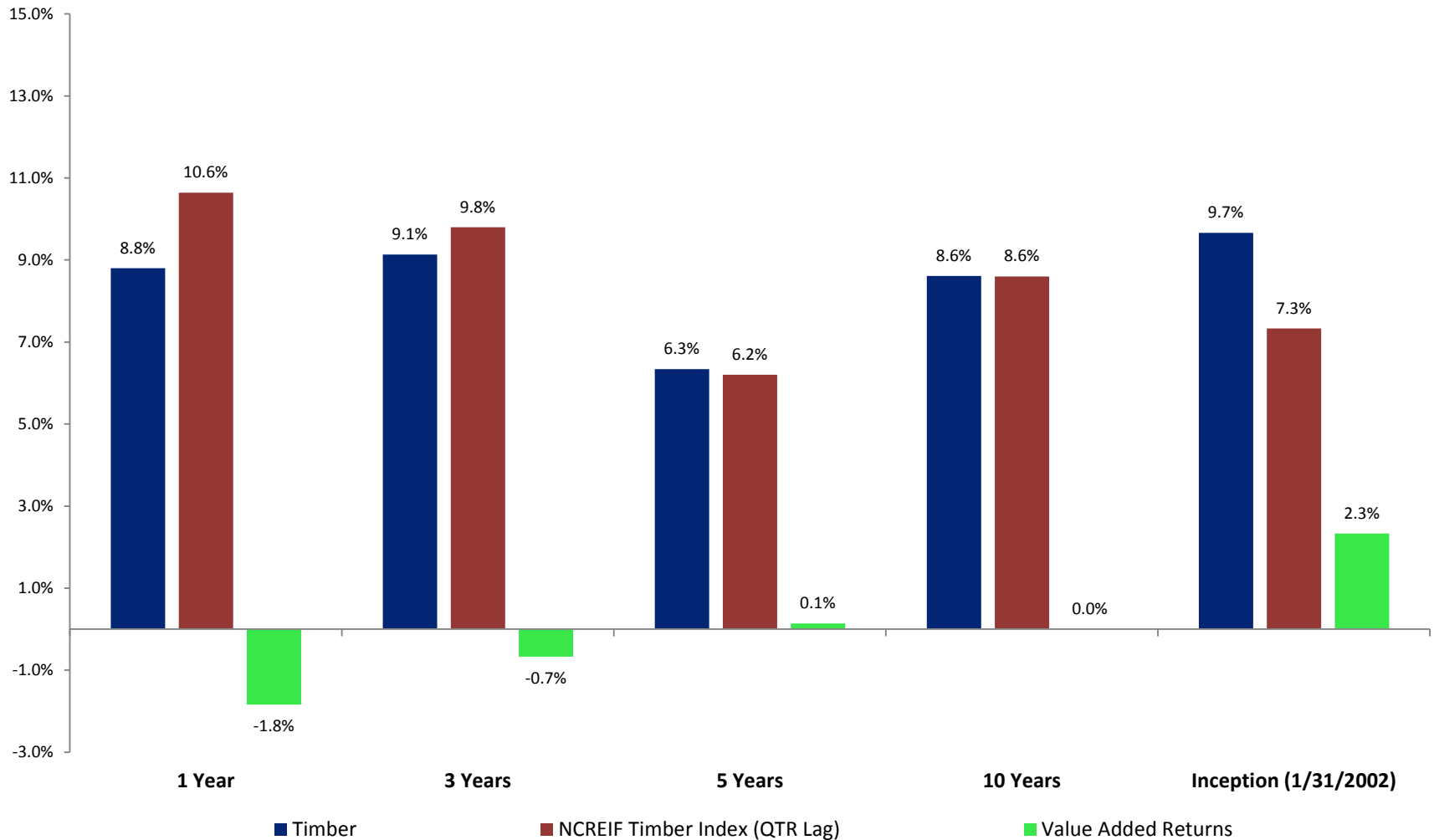


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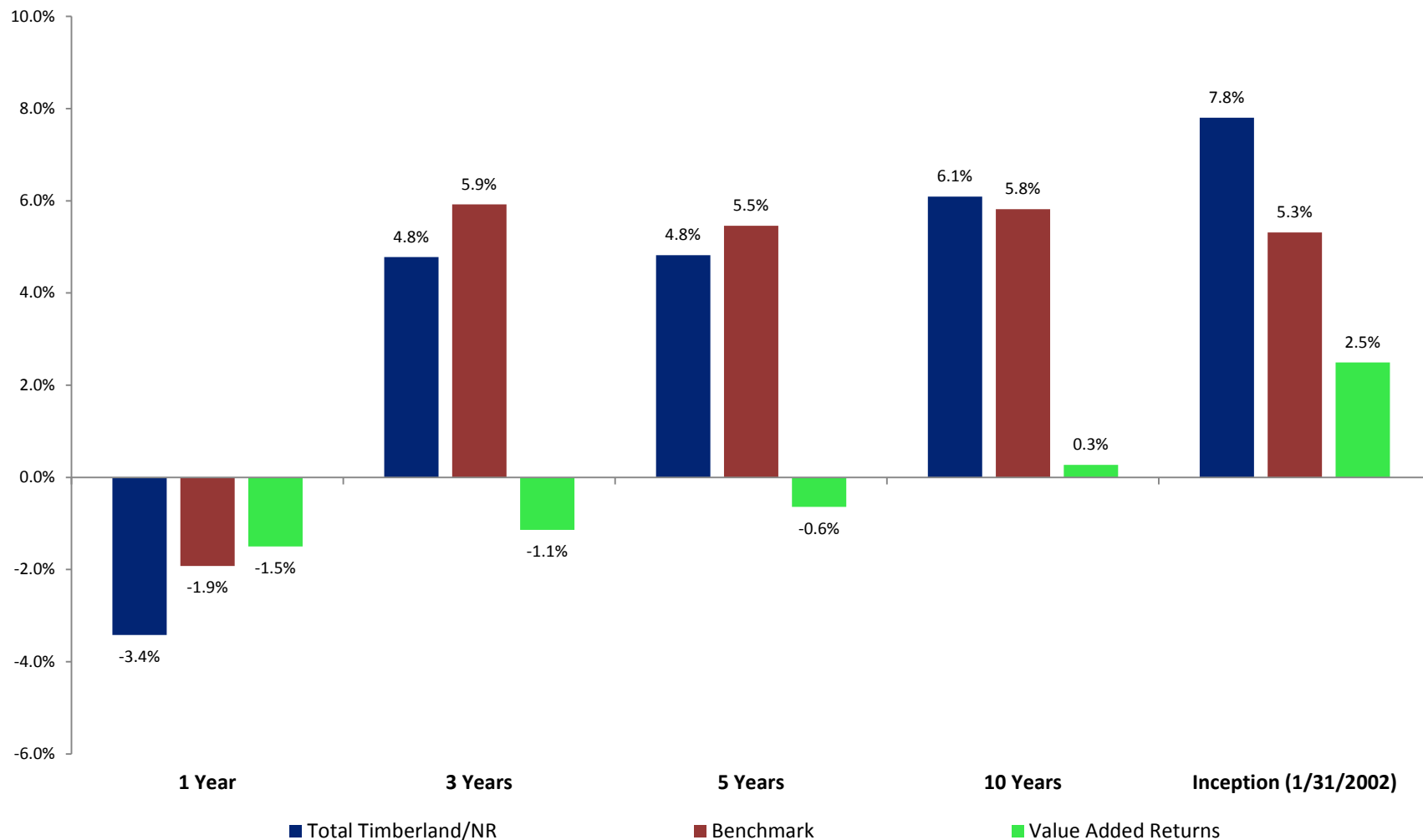
# ***Timberland Portfolio***



# Timberland Performance



# Total Timberland/Natural Resources Performance



# Manager Performance

Timberland	1 year	3 years	5 years	ITD
FIA	8.9%	9.4%	6.5%	7.6%
Excess Return vs. NTI	-1.7%	-0.4%	0.3%	0.2%
CG	8.9%	8.3%		6.5%
Excess Return vs. NTI	-1.8%	-1.5%		-1.2%
Total Timber Composite	8.8%	9.1%	6.3%	9.7%
Excess Return vs. NTI	-1.8%	-0.7%	0.1%	2.3%
<b>NCREIF Timber Index (Quarter Lag)</b>	<b>10.6%</b>	<b>9.8%</b>	<b>6.2%</b>	

\* Green Box: Positive Relative Return; Red Box: Negative Relative Return.

Natural Resources	1 year	3 years	5 years	ITD
Jennison	-41.0%	-8.0%	-3.8%	-7.0%
Excess Return	-6.9%	-2.6%	-2.1%	1.8%
T. Rowe Price	-29.0%	-0.7%	2.2%	-5.3%
Excess Return	5.1%	4.7%	3.9%	3.5%
Total Composite	-35.4%	-4.5%	-0.8%	-6.1%
Excess Return	-1.3%	0.9%	0.9%	2.7%
<b>Lipper Natural Resources Global Fund Index</b>	<b>-34.1%</b>	<b>-5.4%</b>	<b>-1.7%</b>	

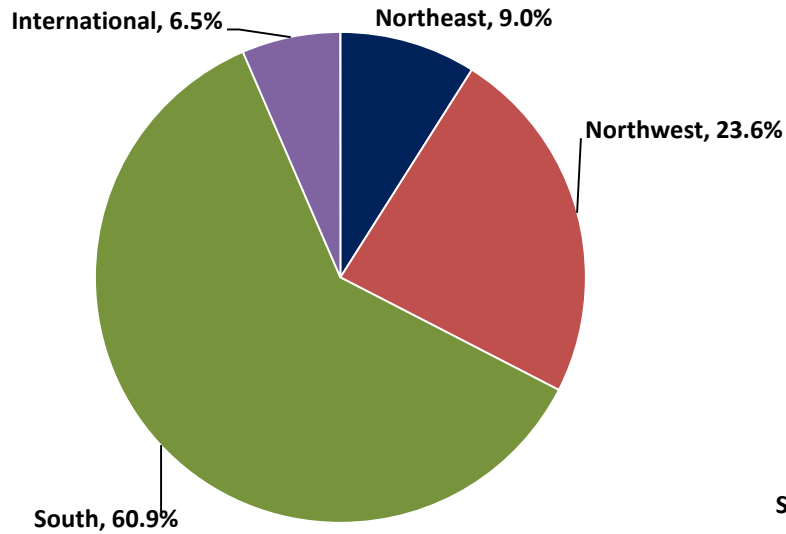
\* Green Box: Positive Relative Return; Red Box: Negative Relative Return.



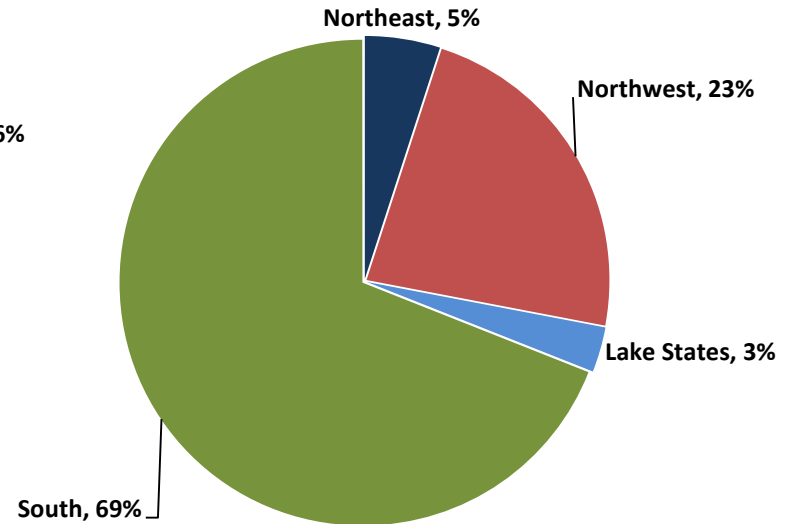


# Exposure to Timberland by Region

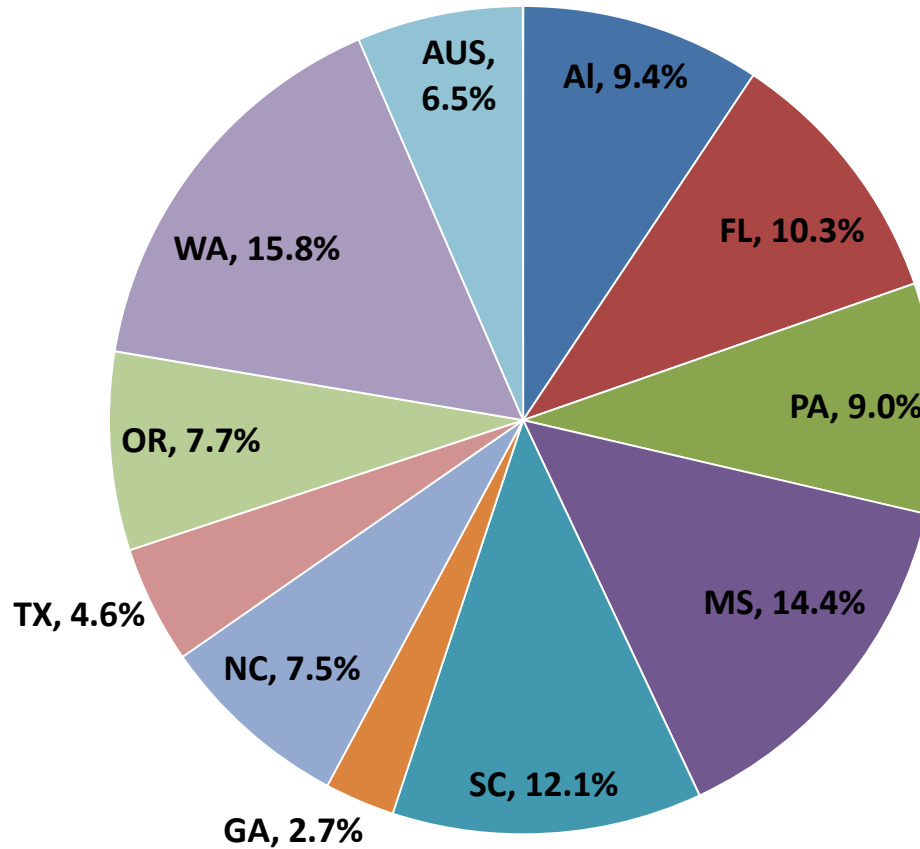
## Region Exposure



## Benchmark

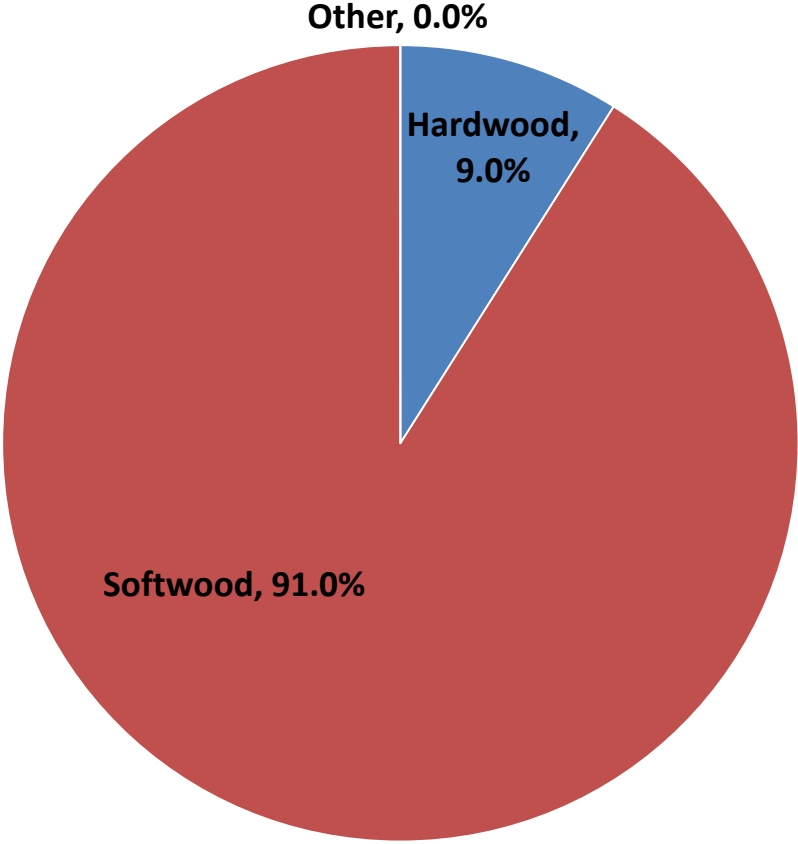


# Exposure to Timberland by State

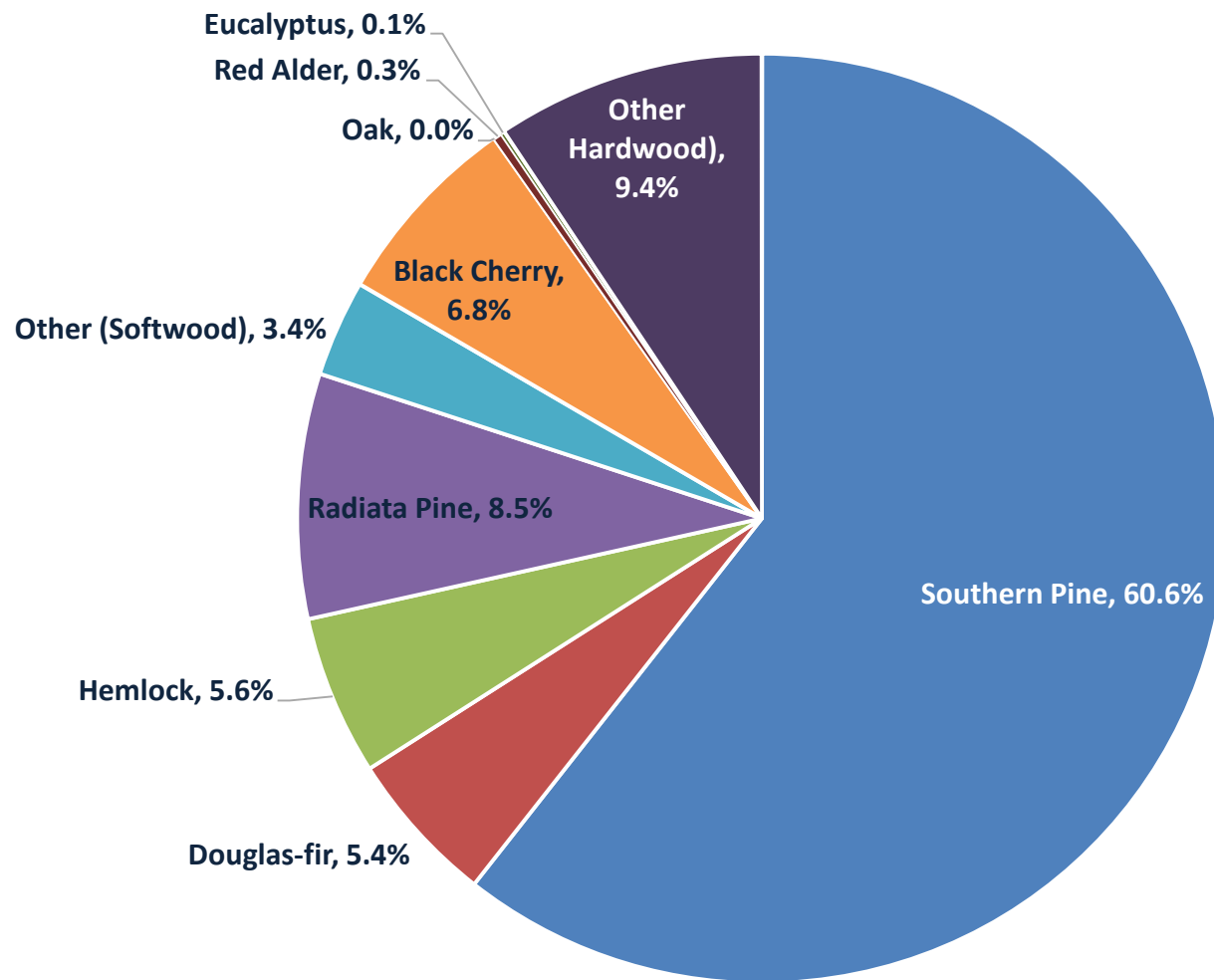


# Exposure to Timberland by Type

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# Exposure to Timberland by Species



# Exposure to Timberland Age Class

