



TEXAS TECH UNIVERSITY SYSTEM™

Board of Regents Report for February 2016

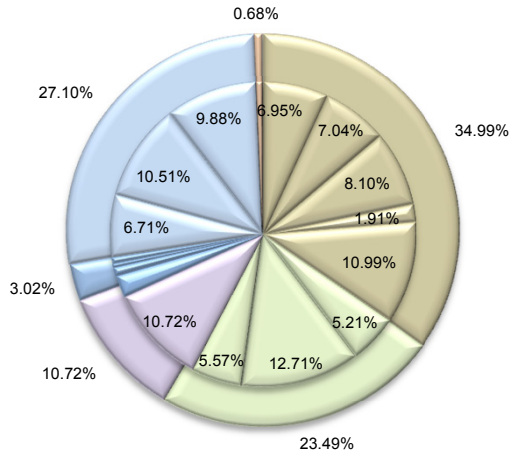
Texas Tech University System Endowment

<u>Contents</u>	<u>Page</u>
Asset Class Allocation: Actual vs. Target	3
Asset Class Performance: Actual vs. Policy	4
Long Term Risk/Return of Endowment vs. 60/40 Portfolio and Policy Returns	5
Risk Profile	6
Overview	
- Equity	7
- Debt	8
- Liquid Real Assets	9
- Cash & Alpha Pool	10
- Private Equity	11
- Private Credit	12
- Private Real Assets	13
Appendix I – Sub-Asset Detail	14
Appendix II – Private Market Reports	15
Appendix III – Glossary	17

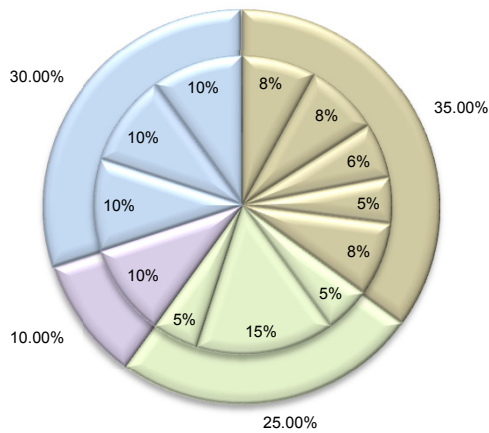


Asset Class Allocation: Actual vs. Target

Actual Allocation



Target Allocation



Asset Class	Sub-Asset Class	Actual \$ Allocation				Total % Allocation	Target % Allocation	Target Range
		Physical	Synthetic	Aegis	Total			
Equity	US Equity	0	70,197,839	-2,667,550	67,530,289	6.95%	8%	
	Global Equity	68,422,928			68,422,928	7.04%	8%	
	Non US Developed Equity	14,997,254	65,945,184	-2,183,129	78,759,310	8.10%	6%	
	Non US Emerging Markets Equity	18,695,155		-110,340	18,584,815	1.91%	5%	
	Alternative Equity	106,850,103			106,850,103	10.99%	8%	
	Sub-Total		208,965,440	136,143,023	-4,961,019	340,147,444	34.99%	35%
Debt	Sovereign/Investment Grade Bonds	0	43,703,125	6,952,925	50,656,050	5.21%	5%	
	Credit	123,564,516			123,564,516	12.71%	15%	
	Emerging Markets Debt	54,124,503			54,124,503	5.57%	5%	
	Sub-Total		177,689,019	43,703,125	6,952,925	228,345,069	23.49%	25%
Liquid Real Assets						10.72%	10%	5% - 15%
Cash & Alpha Pool	Cash	41,974,677	-19,073,880		22,900,797	2.36%		
	Cash Collateral	19,049,784	-19,049,784		0	0.00%		
	Collateral Held Elsewhere	8,890,000			8,890,000	0.91%		
	Currency	0		4,131,697	4,131,697	0.43%		
	Alpha Pool	145,949,821	-152,494,656		-6,544,835	-0.67%		
	Sub-Total		215,864,282	-190,618,320	4,131,697	29,377,658	3.02%	0%
Private Investments	Private Equity	65,243,039			65,243,039	6.71%	10%	
	Private Credit	102,158,371			102,158,371	10.51%	10%	
	Private Real Assets	96,064,856			96,064,856	9.88%	10%	
	Sub-Total		263,466,266	0	0	263,466,266	27.10%	30%
Liquidating						0.68%	0%	
Total						100%	100%	

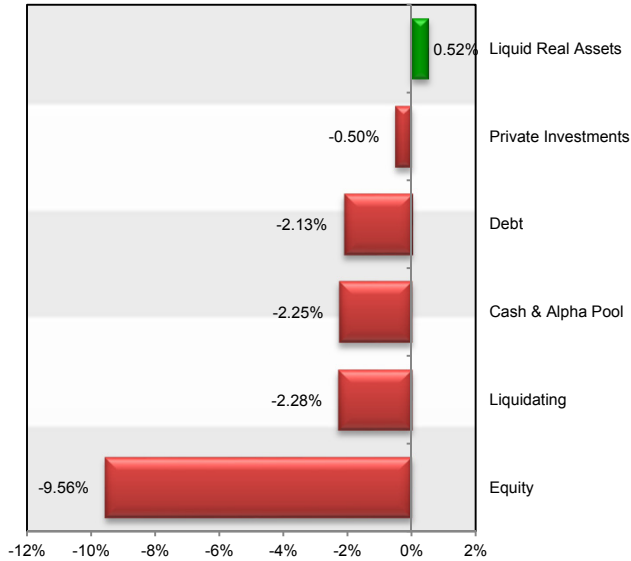
29th February 2016 (Preliminary)



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Asset Class Performance: Actual vs. Policy

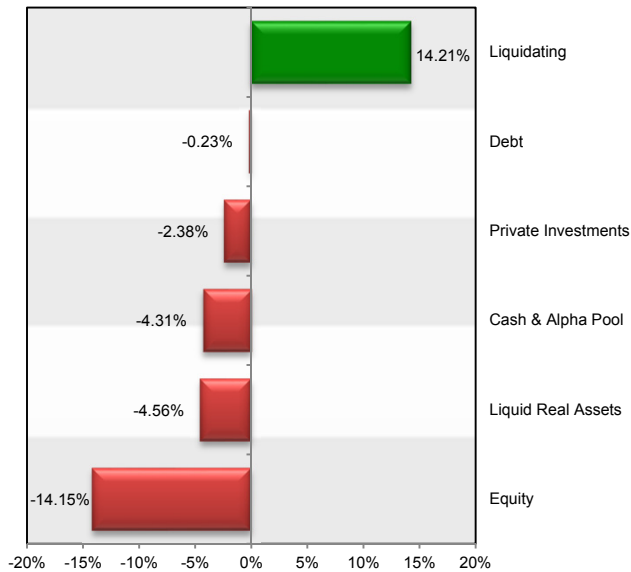
QTD Performance



Asset Class	Month					Policy
	Physical Return	Synthetic Overlay	Alpha Pool + Cash	Aegis Contr.	Total Return	
Equity	-2.30%	-1.56%	-1.05%	-0.11%	-2.50%	-0.52%
Debt	-0.94%	-0.05%	-1.05%	0.00%	-0.99%	2.23%
Liquid Real Assets	1.03%	3.06%	-1.05%	-0.07%	1.06%	0.16%
Cash & Alpha Pool	-0.89%			-0.57%	-1.43%	
Private Investments	0.11%				0.11%	0.00%
Liquidating	-1.24%				-1.24%	
Total	-0.76%	-0.96%	-1.05%	-0.15%	-1.11%	0.39%

Asset Class	QTD					
	Physical Return	Synthetic Overlay	Alpha Pool + Cash	Aegis Contr.	Total Return	Policy
Equity	-8.86%	-7.92%	-3.52%	-0.48%	-9.56%	-6.76%
Debt	-2.57%	0.59%	-3.52%	0.00%	-2.13%	3.12%
Liquid Real Assets	0.66%	7.51%	-3.52%	-0.30%	0.52%	0.52%
Cash & Alpha Pool	-1.65%			-0.58%	-2.25%	
Private Investments	-0.50%				-0.50%	0.00%
Liquidating	-2.28%				-2.28%	
Total	-2.85%	-5.33%	-3.52%	-0.28%	-3.86%	-1.56%

One Year Performance



Asset Class	Calendar YTD					Policy
	Physical Return	Synthetic Overlay	Alpha Pool + Cash	Aegis Contr.	Total Return	
Equity	-8.86%	-7.92%	-3.52%	-0.48%	-9.56%	-6.76%
Debt	-2.57%	0.59%	-3.52%	0.00%	-2.13%	3.12%
Liquid Real Assets	0.66%	7.51%	-3.52%	-0.30%	0.52%	0.52%
Cash & Alpha Pool	-1.65%			-0.58%	-2.25%	
Private Investments	-0.50%				-0.50%	0.00%
Liquidating	-2.28%				-2.28%	
Total	-2.85%	-5.33%	-3.52%	-0.28%	-3.86%	-1.56%

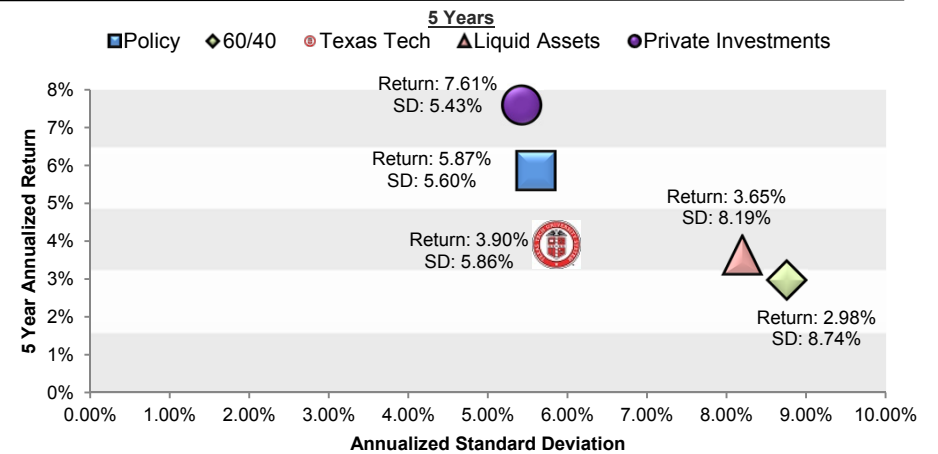
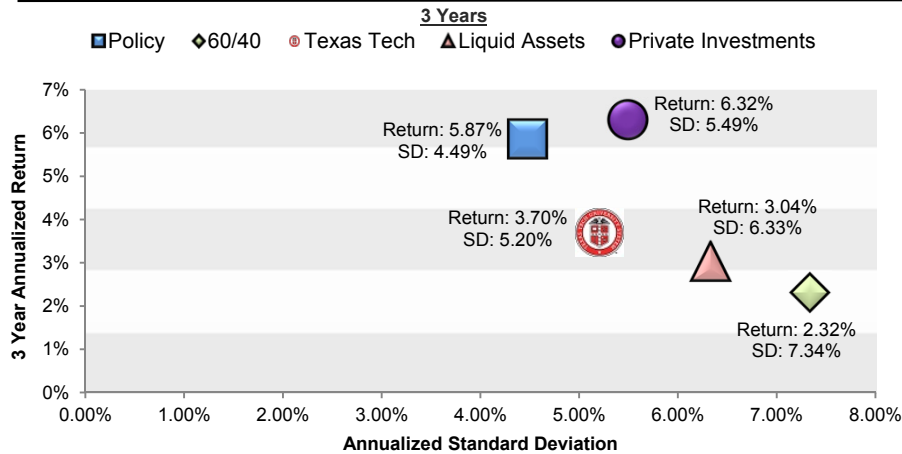
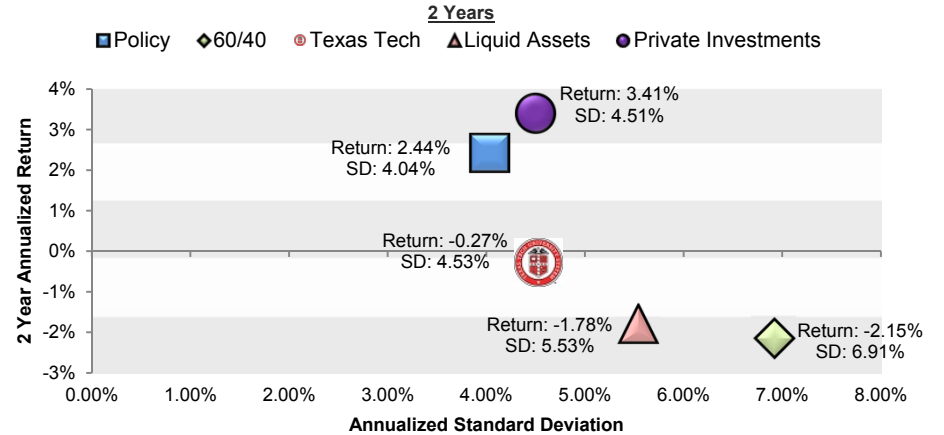
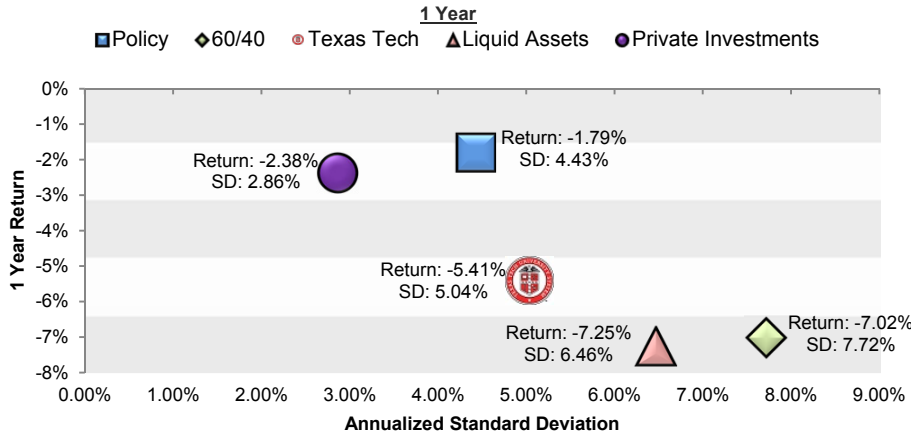
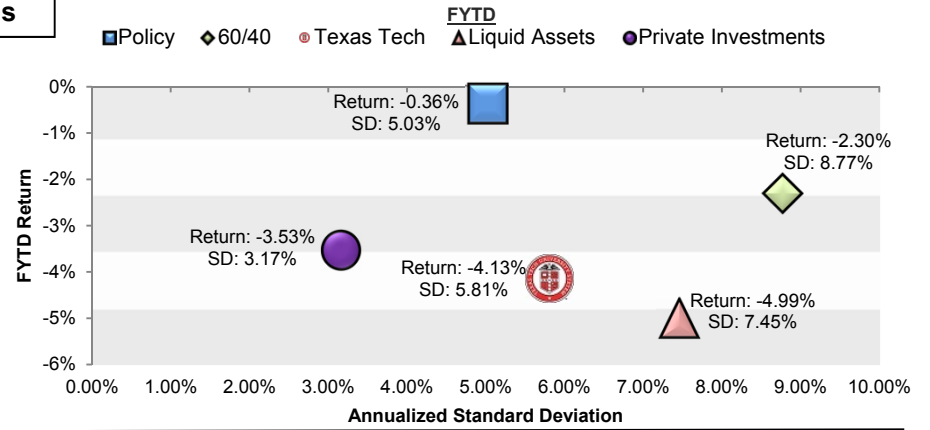
Asset Class	1 Year					
	Physical Return	Synthetic Overlay	Alpha Pool + Cash	Aegis Contr.	Total Return	Policy
Equity	-12.20%	-14.03%	-4.27%	-0.53%	-14.15%	-12.26%
Debt	0.47%	0.36%	-4.27%	0.01%	-0.23%	0.84%
Liquid Real Assets	-6.67%	22.00%	-4.27%	-0.07%	-4.56%	5.01%
Cash & Alpha Pool	-2.45%			-1.99%	-4.31%	
Private Investments	-2.38%				-2.38%	6.23%
Liquidating	14.21%				14.21%	
Total	-4.25%	-8.62%	-4.27%	-0.56%	-5.41%	-1.79%



Long Term Risk/Return of Endowment vs. 60/40 Portfolio & Policy Returns

Commentary

- The Texas Tech portfolio is less volatile than the 60/40 portfolio over all time horizons.
- The Texas Tech portfolio outperforms the 60/40 portfolio over a 1 year, 2 year, 3 year and 5 year time horizon.
- Volatility (measured by standard deviation) on the Texas Tech portfolio has decreased over the past 12 months compared with the annualized 3 year and 5 year volatility.



Risk Profile (VaR)

- The Texas Tech portfolio has a 5% chance of losing \$41 million (or more) in a month with a 1% chance of losing \$60 million (or more) in a month based on observed portfolio volatility.

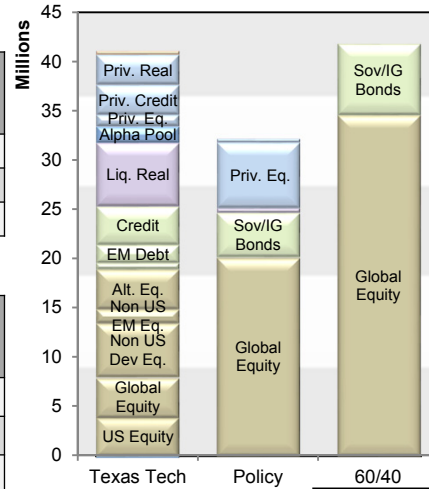
Value at Risk – One Month – 95% Confidence

Sub Asset Classes with large Value at Risk:

Sub-Asset Class	5% chance of losing \$
Long Commodities	6,451,135
Non US Developed Equity	5,438,200
Global Equity	4,093,434

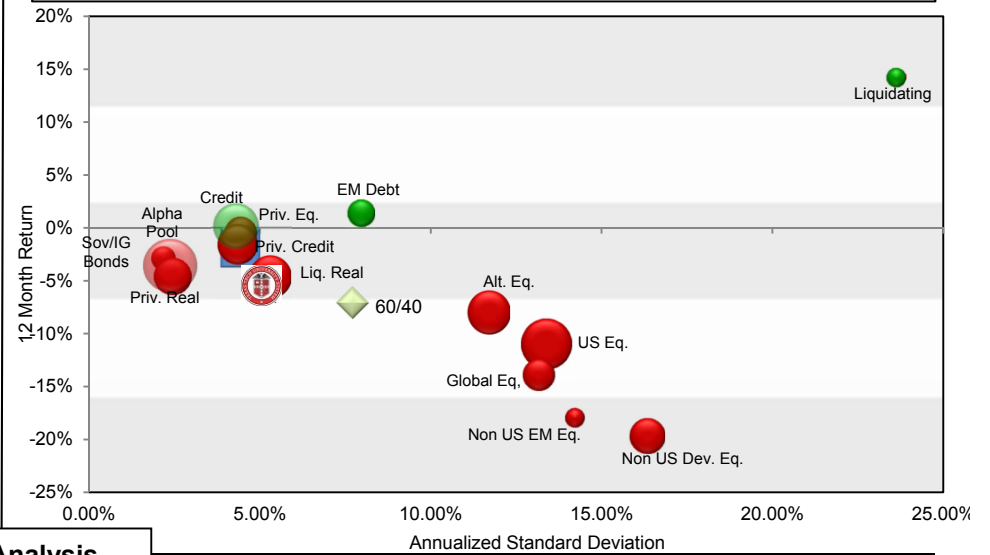
Sub Asset Classes with small Value at Risk:

Sub-Asset Class	5% chance of losing \$
Liquidating	363,865
Sovereign/Investment Grade Bonds	635,616
Private Equity	1,200,241



Risk Profile

- Liquidating, Credit and EM Debt have provided the highest risk adjusted returns over the last 12 months
- Private Real Assets, Alpha Pool, and Sov/IG Bonds have generated the lowest risk adjusted returns over the last 12 months.



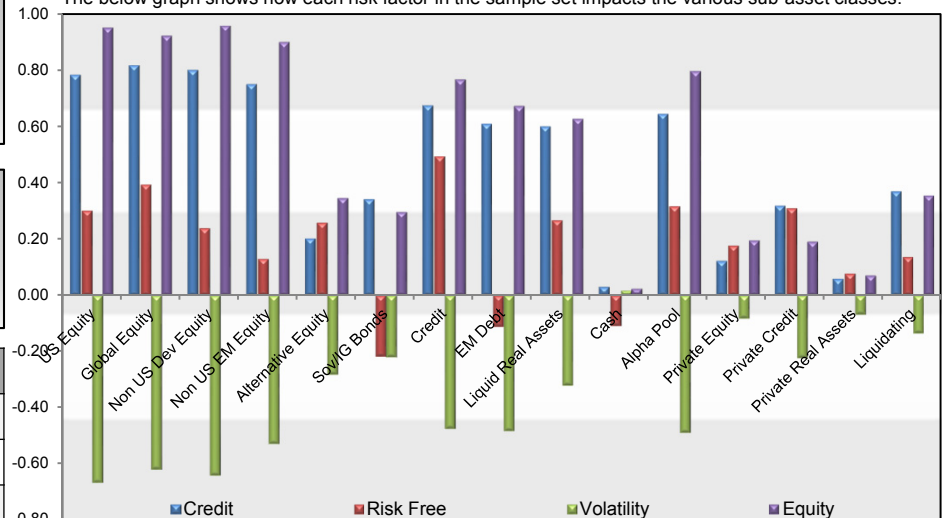
Factor Analysis

- The model analyses historical returns of the portfolio against the returns and volatility of key indicators:
 - Credit is benchmarked against the High Yield North American CDX Index.
 - Risk-Free is benchmarked against the US 10 Year Treasury Bond.
 - Volatility is benchmarked against the VIX Index.
 - Equity Markets is benchmarked against the MSCI AC World IMI (Net).

- The model shows that performance and volatility of both the Texas Tech portfolio and a 60/40 portfolio are well explained by the 4 factor model.
- The Texas Tech portfolio exhibits a lower correlation to the Equity markets than the 60/40 and Policy portfolios, but a higher correlation to the risk free index.

Portfolio	Credit	Risk Free	Volatility	Equity	R ²
Texas Tech	0.80	0.31	-0.62	0.94	0.78
60/40	0.80	0.17	-0.62	0.99	0.79
Policy	0.52	0.27	-0.59	0.70	0.66

The below graph shows how each risk factor in the sample set impacts the various sub-asset classes.



Factor Analysis is calculated using the monthly return over the period January 2009 – current month.

29th February 2016 (Preliminary)

Equity

(Total NAV: \$345,108,462)



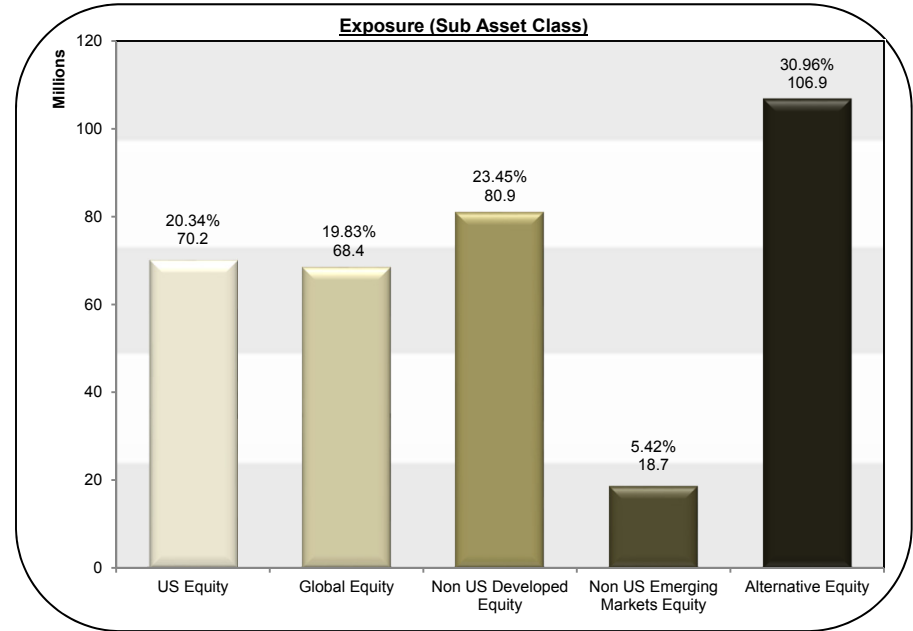
TEXAS TECH UNIVERSITY SYSTEM

Overview and Risk Profile by Asset Class

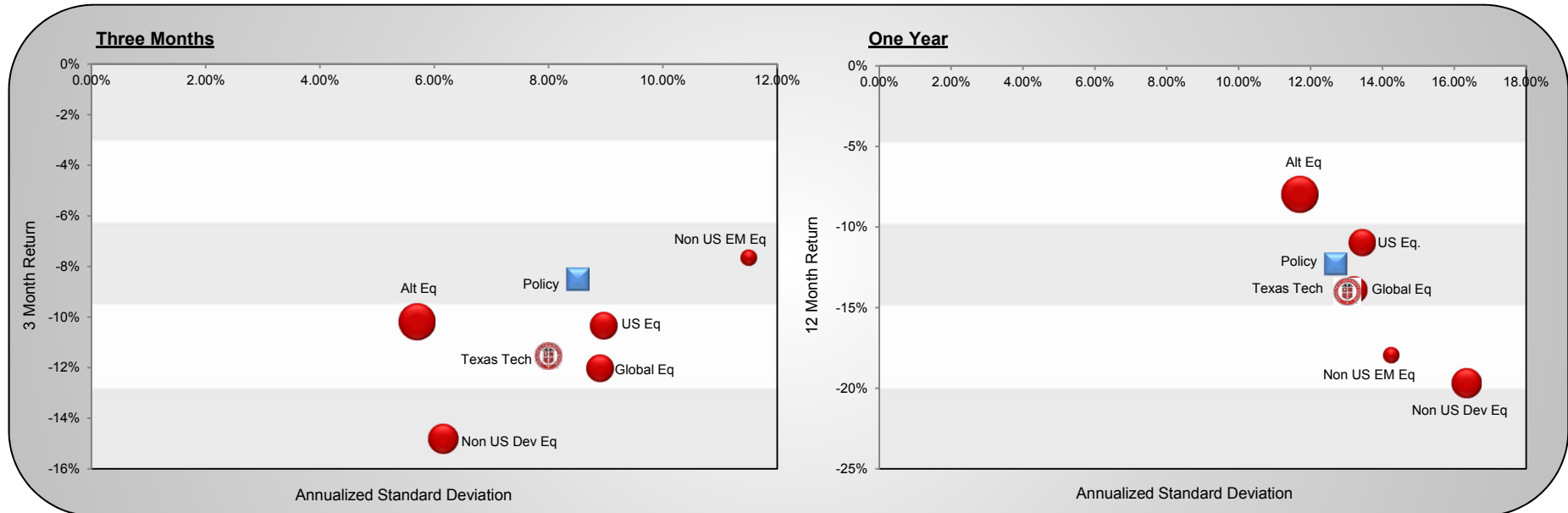
Commentary

- The first two weeks in February continued the dismal trend of January which represented the worst start to a year since 2009. However, driven by better-than-expected macro data (ISM manufacturing, retail sales) and an uptick in crude oil prices, the S&P rallied off of its February 11 lows to finish the month down just 0.1% (YTD -5.1%).
- International markets saw similar V-shaped price action in February although many still finished deep in the red: Nikkei -8.4%, Euro Stoxx -3.2%, Shanghai -2.3%, and the MSCI Emerging Markets Index -0.2%. The first half of the month was weighted down by a familiar story: slowing global growth and a continued decline in oil prices.
- China's central bank eased monetary policy on the last day of February, cutting the reserve requirement ratio by 50 basis points to 16.5% and injecting an estimated \$100 billion worth of long-term cash into the economy to cushion the pain from job layoffs and bankruptcies in industries plagued by overcapacity. However, this failed to stimulate equity markets as Chinese bourses were down between 2 and 5% for the month.
- S&P downgraded Brazil's sovereign debt for the second time in less than six months due to the country's growing political and economic problems. Surprisingly, the Bovespa gained 5.9% on the month.
- February's S&P intraday price action was particularly pronounced as about half of the days moved up or down at least 1%. Equity market volatility remained elevated throughout the month and the VIX closed February at 20.6, up slightly from 20.2 at the end of February.

Source – Cliffwater



Risk vs. Return (Sub Assets)



*Performance is calculated using time weighted Cash on Cash returns. This is an industry standard and allows direct comparison between manager returns and policy returns.



Debt

(Total NAV: \$221,392,144)

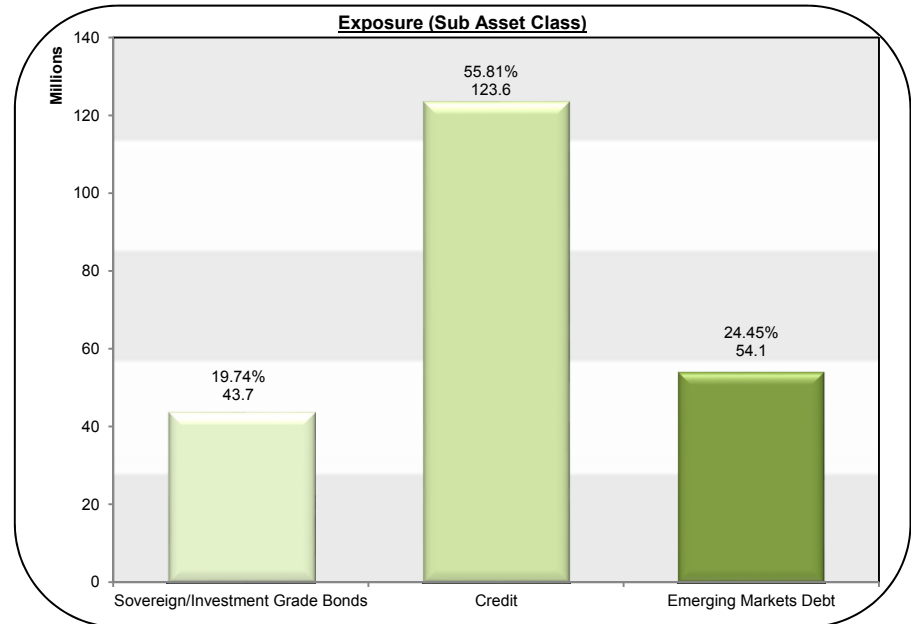
29th February 2016 (Preliminary)

Overview and Risk Profile by Asset Class

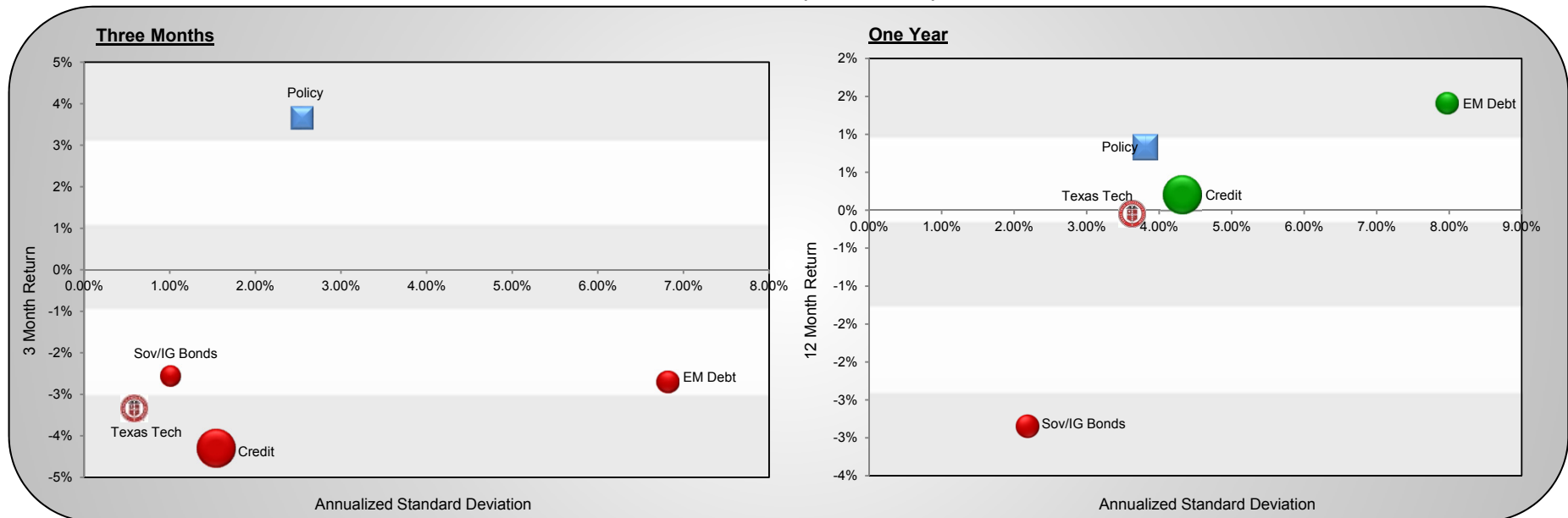
Commentary

- February's overall decline in investor sentiment led to a continuation of January's flight-to-safety in global fixed income and gold. The Japanese 10-year government bond yield moved into negative territory for the first time in history, the 10-Year US Treasuries rallied 19bps to 1.73%, German bunds rallied 23bps to 0.06%, and gold gained 10.1% to \$1,238.74.
- Turbulence in the stock markets is generally good for fixed income, and February saw the Barclays Capital Aggregate Bond Index and the Barclays Capital US Corporate High Yield Index gain 0.7% and 0.6%, respectively. February's positive return in High Yield ended a painful three month stretch of negative returns. Leveraged Loans declined 0.4%, though, and 2016 represents the second worst start in High Yield and Levered Loans indices since inception of the indices (only 2008 was worse). The indices continue to be plagued by default risk in the energy sector rose and weak inflation.
- The US Dollar's multi-month rally reversed course in February, depreciating against other major currencies (-7.0% vs. Japanese Yen, -3.1% vs. Canadian Dollar, -0.4% vs. Euro). Only the British pound was an exception, as the US Dollar strengthened 2.3% against the Sterling amidst Brexit fears: the UK set a vote for June 23, 2016 to decide if the country would leave the European Union.
- The major investor concerns of 2015 – slowing global growth, an oversupply of oil, escalating emerging market debt, and stagnant inflation – continue to weigh heavily on the market as participants try to time the path of the Fed's interest rate hiking cycle. By the middle of February, markets had nearly priced out even a single Fed hike in 2016, which had seemed like a market certainty just a few weeks prior.

Source – Cliffwater



Risk vs. Return (Sub Assets)



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Liquid Real Assets

(Total NAV: \$105,976,041)

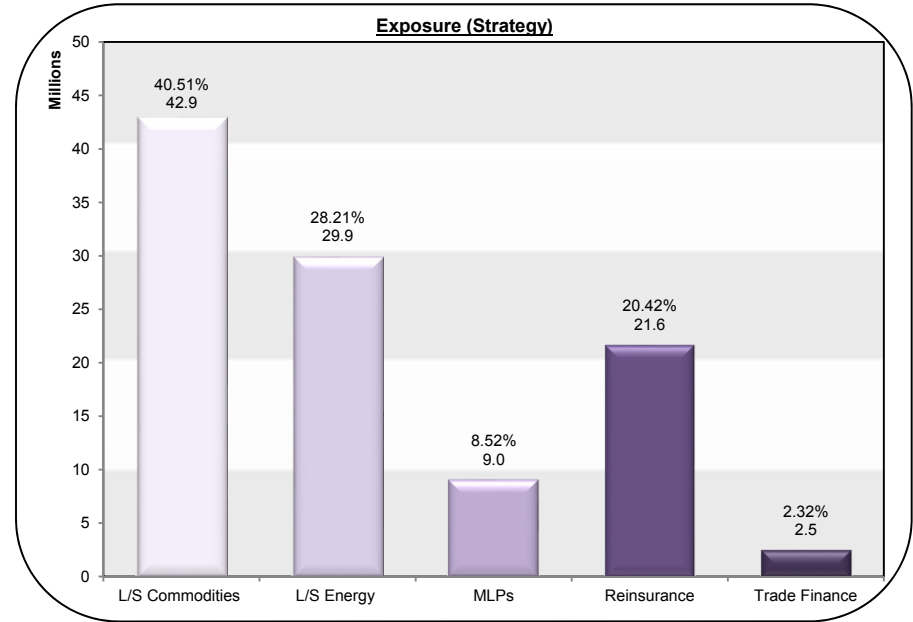
29th February 2016 (Preliminary)

Overview and Risk Profile by Asset Class

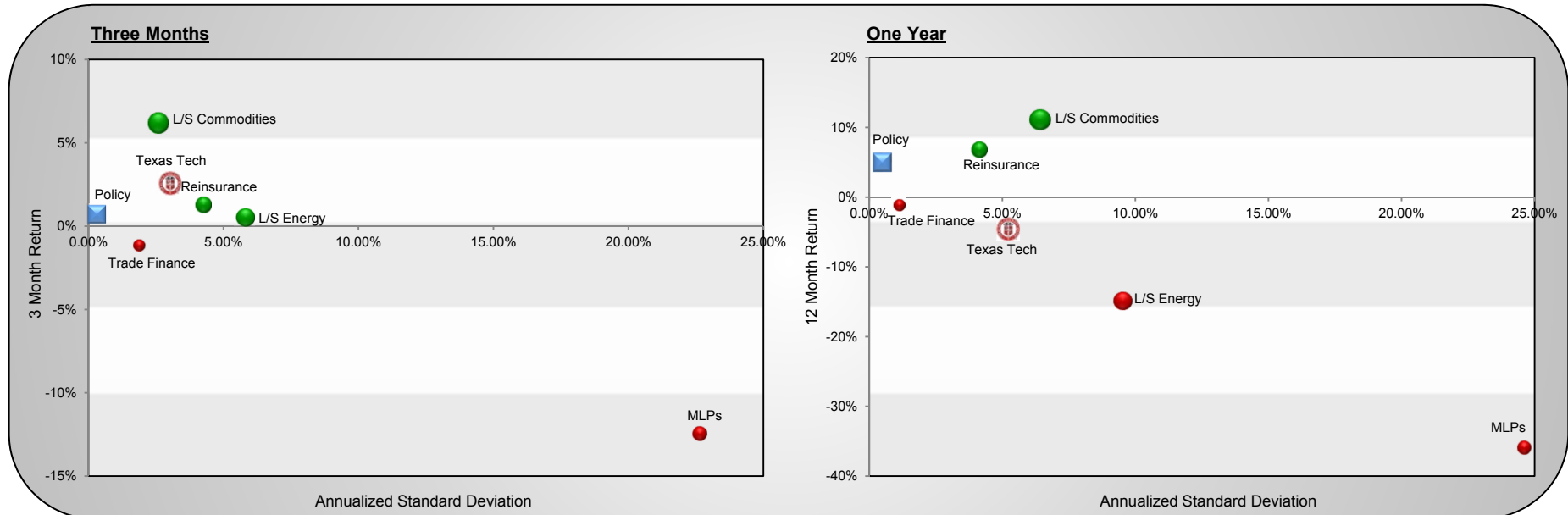
Commentary

- The energy sector experienced wide price swings during the month. Natural gas prices (-25.8% total return in the index) fell to a 17-year low as inventories climbed to 29% above their five-year average due to warmer weather, resulting in much lower-than-expected withdrawals. Crude oil prices likewise initially declined sharply on economic concerns along with near-record inventories resulting from resilient U.S. oil production. However, crude oil prices rebounded in the second half of the month on better-than-expected U.S. economic reports and expectations that key oil exporters will soon agree to production ceilings. North Sea Brent crude (-0.7%) outperformed West Texas Intermediate (-6.8%), pushing the spread between the two contracts to its widest level in three months. Surplus conditions also impacted gasoline (-5.8%), which declined despite strong demand stemming from an all-time high for U.S. vehicle miles driven.
- Precious metals experienced additional buying interest as investors looked to safe havens during the volatile month. Gold (10.6%) climbed to its highest level in more than a year, while silver (4.6%), which is used in industrial applications as well as a store of value, trailed.
- Base metals largely improved during the month with the help of stimulus measures from China, accompanied by positive economic data from the country, including strong commodity import numbers and better-than-expected loan/credit data. Zinc (8.4%) led the advance, trailed by aluminum (3.3%) and copper (3.0%). Nickel (-1.3%) fell amid rumors that the Indonesian government is considering reversing course on its export ban on unprocessed ore, which would result in increased supply in an already oversupplied market.

Source – Cohen & Steers



Risk vs. Return (Strategy)



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Cash & Alpha Pool

(Total NAV: \$29,572,265)

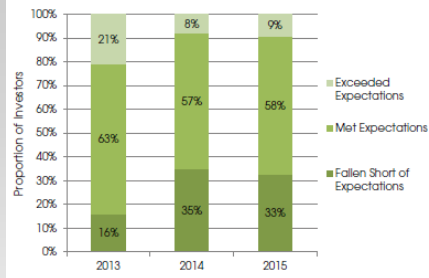
29th February 2016 (Preliminary)

Overview and Risk Profile by Asset Class

Commentary

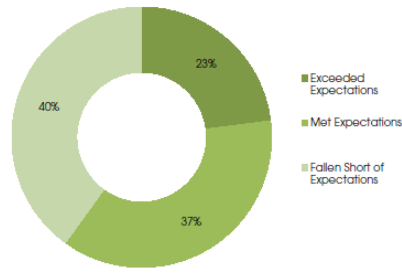
- Investor satisfaction with the performance of their hedge fund portfolios declined from the end of 2013 to the end of 2014, and at the start of 2015 Prequin noted that it would be a year for hedge funds to show what they are worth. For many investors, this was not achieved: 33% of investors reported that their hedge funds had not met expectations in 2015, compared to 35% that reported the same in 2014. In addition, 40% of fund managers believed their return objectives had not been met in 2015.

Fig. 1: Hedge Fund Portfolio Performance Relative to Expectations of Institutional Investors, 2013 - 2015



Source: Prequin Investor Interviews, November 2015

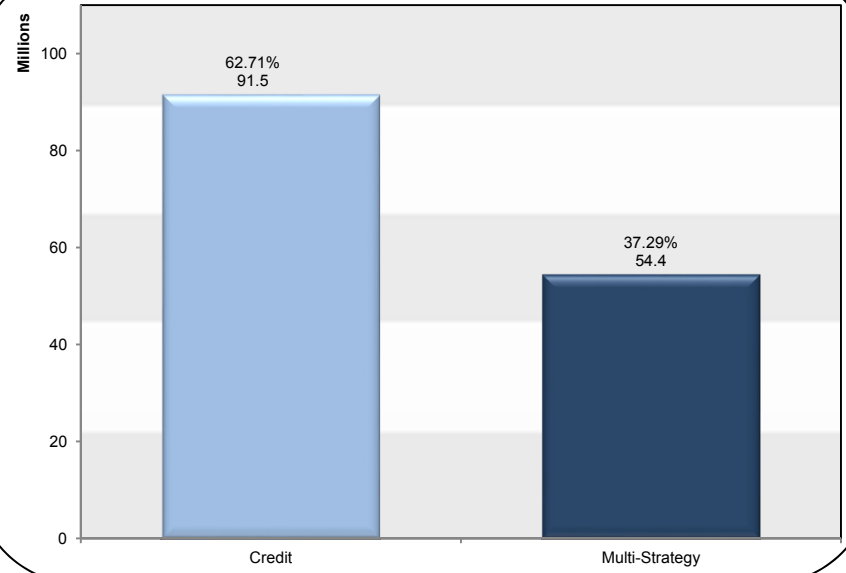
Fig. 2: Fund Manager Return Goals in 2015 Relative to Expectations



Source: Prequin Fund Manager Survey, November 2015

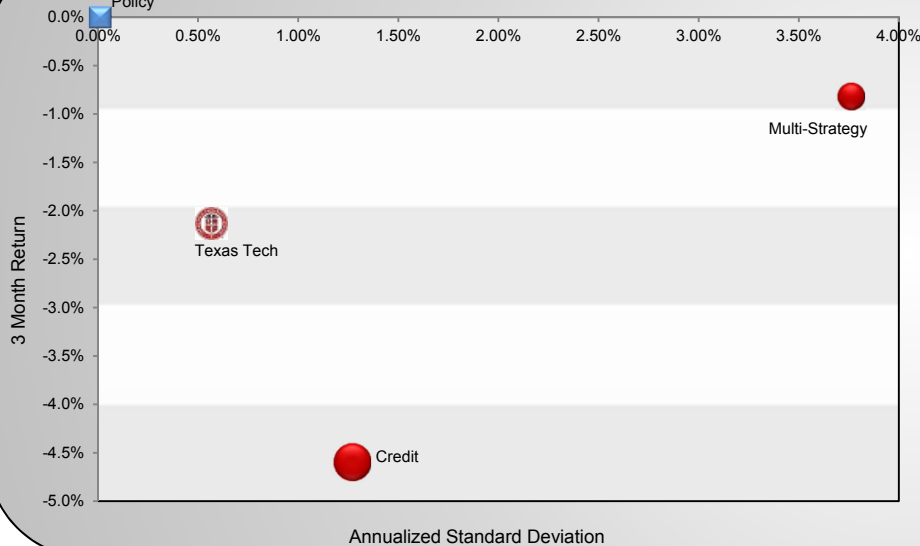
Source – Prequin

Exposure (Strategy)

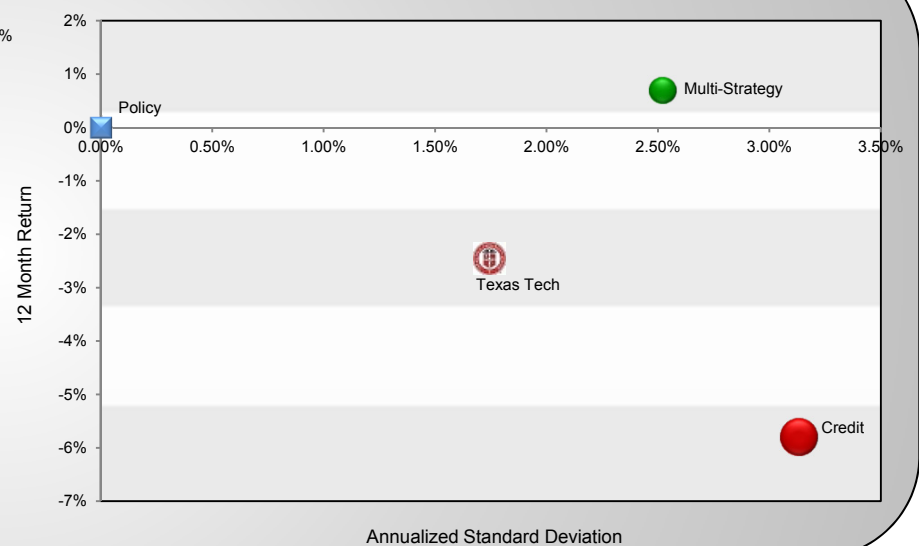


Risk vs. Return (Strategy)

Three Months



One Year



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29th February 2016 (Preliminary)

Private Equity

(Total NAV: \$65,243,039)



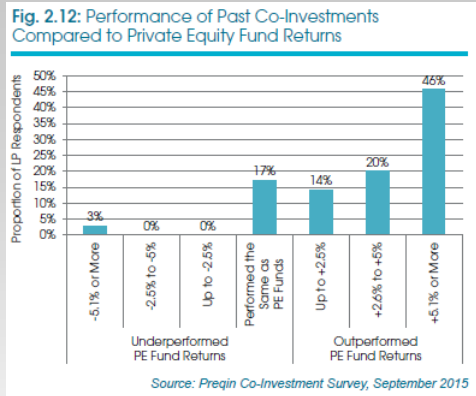
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Overview and Risk Profile by Asset Class

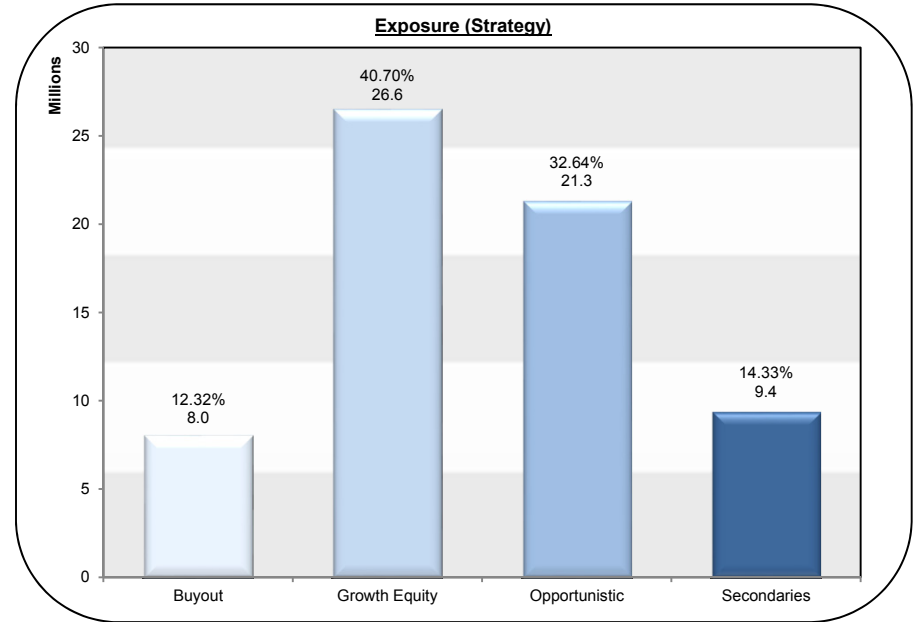
Commentary

Source – Wall Street Journal

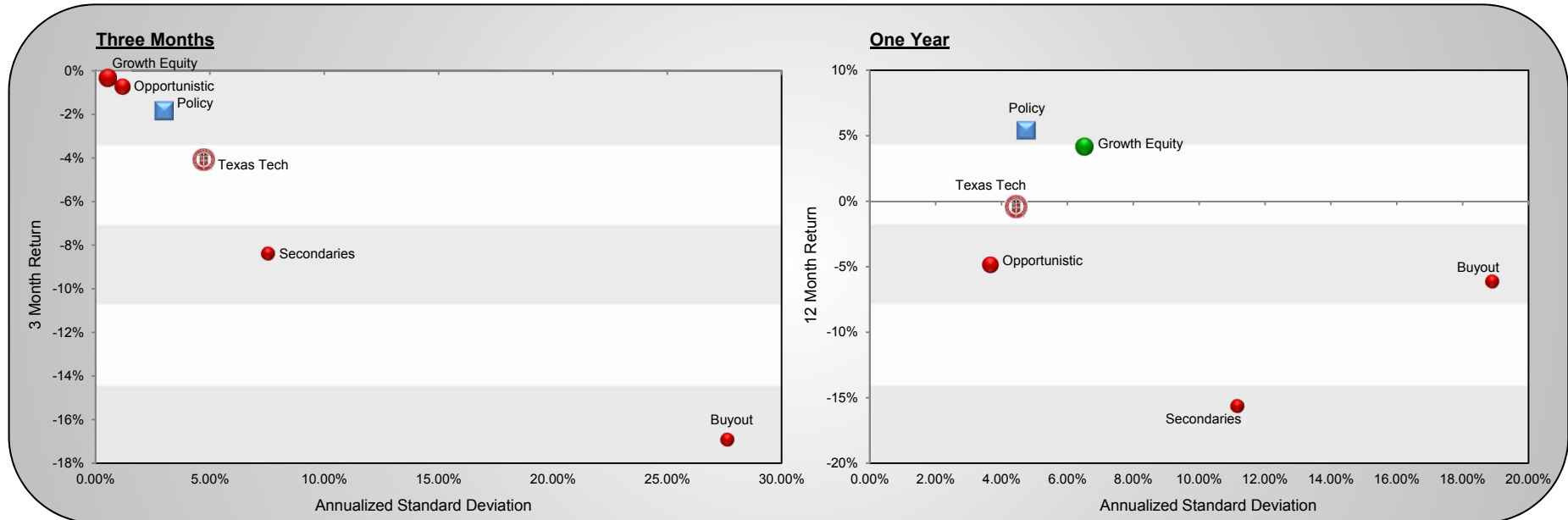
- For the majority of LPs that have seen co-investment positions produce positive returns, there has been a notable level of outperformance when compared to private equity fund returns. Eighty percent of LPs have acknowledged an outperformance, with 46% witnessing returns that are in excess of 5% greater than those in the standard private equity fund arrangements. It is worth mentioning that many LPs stated that it was too early to tell in regards to co-investment returns.



Source – Preqin



Risk vs. Return (Strategy)



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29th February 2016 (Preliminary)

Private Credit

(Total NAV: \$102,158,371)



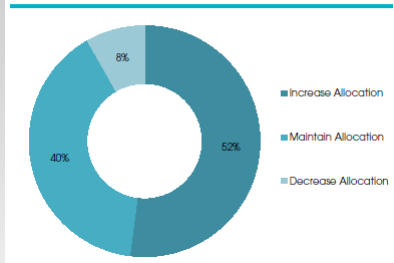
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Overview and Risk Profile by Asset Class

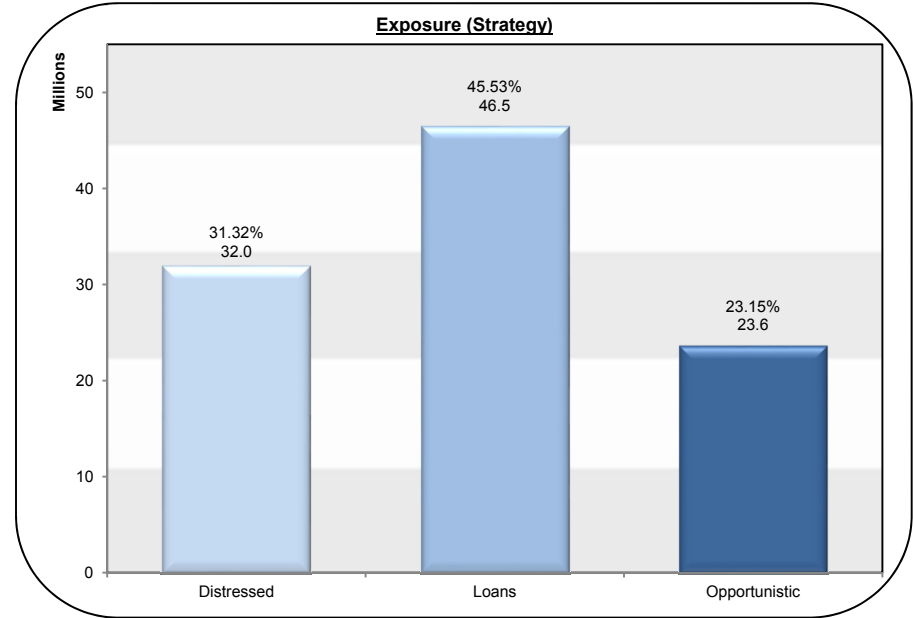
Commentary

- Forty-six percent of investors are planning to commit more capital to private debt opportunities in the coming year than they did in the last 12 months, while a further 41% plan to commit the same amount of capital. This is encouraging news for fund managers that are likely to be seeking investor capital over the course of 2016.
- The longer term outlook is also positive: a significant 92% of investors plan to increase or maintain their allocation to private debt over the longer term, suggesting that private debt is set to play an ever more prominent role within the portfolios of institutional investors. Only 8% of investors plan to reduce their exposure to private debt over the longer term.

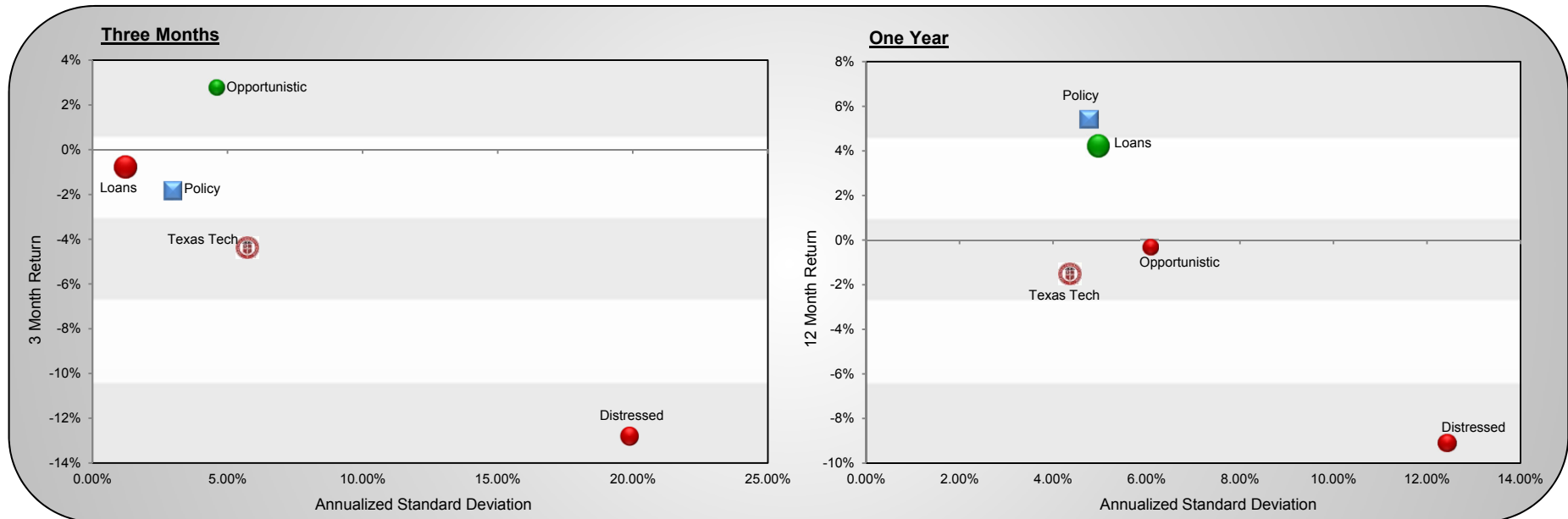
Fig. 6.9: Investors' Intentions for Their Private Debt Allocations in the Longer Term



Source – Preqin



Risk vs. Return (Strategy)



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29th February 2016 (Preliminary)

Private Real Assets

(Total NAV: \$105,315,427)



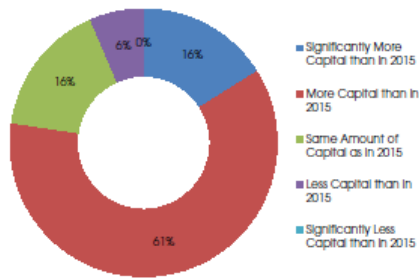
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Overview and Risk Profile by Asset Class

Commentary

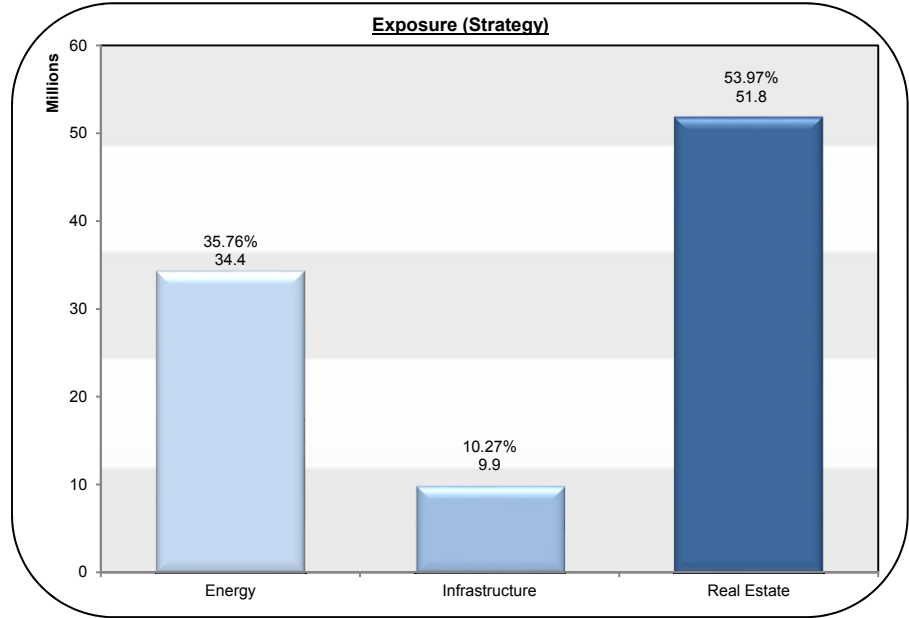
- According to a recent PreQin survey, most infrastructure fund managers are confident they can put sizeable amounts of capital to work in the coming year. Over three-quarters (77%) of surveyed fund managers plan to deploy more capital in infrastructure assets in 2016 than they did in 2015, including 16% intending to significantly increase the amount of capital. This may be partly due to the greater availability of debt financing, with more attractive terms for borrowers. Forty-four percent of managers surveyed believe the pricing and terms of debt financing for infrastructure assets has improved from 12 months ago, while just 7% believe it is now worse.

Fig. 4: Amount of Capital Fund Managers Plan to Deploy in Infrastructure Assets in 2016



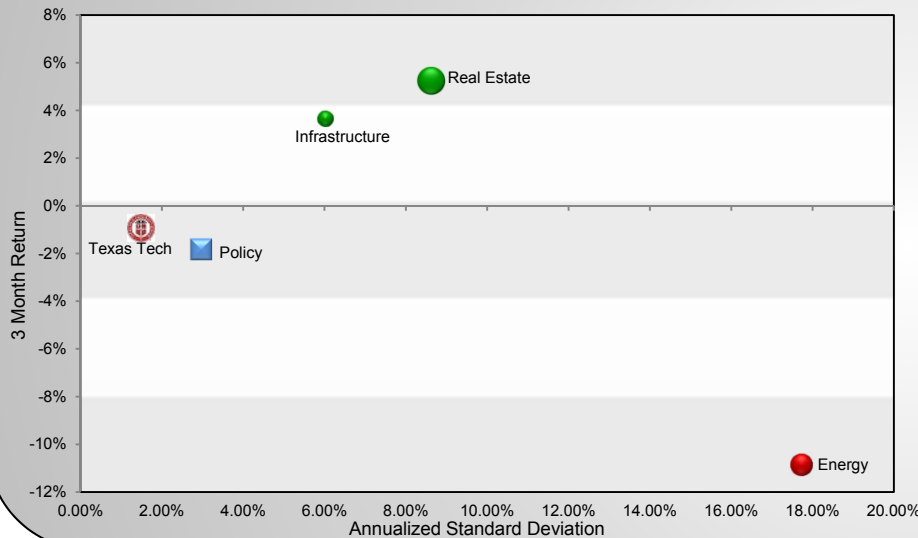
Source – Preqin

Exposure (Strategy)

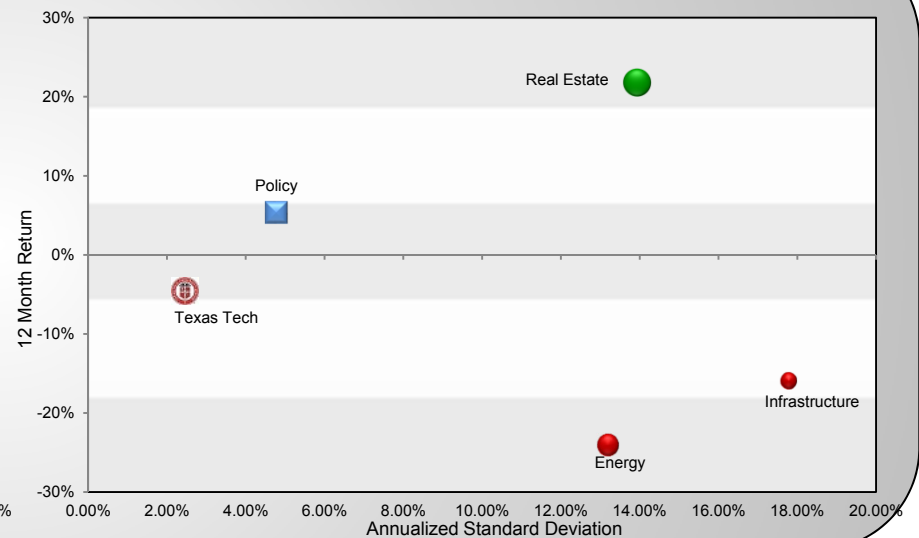


Risk vs. Return (Strategy)

Three Months



One Year



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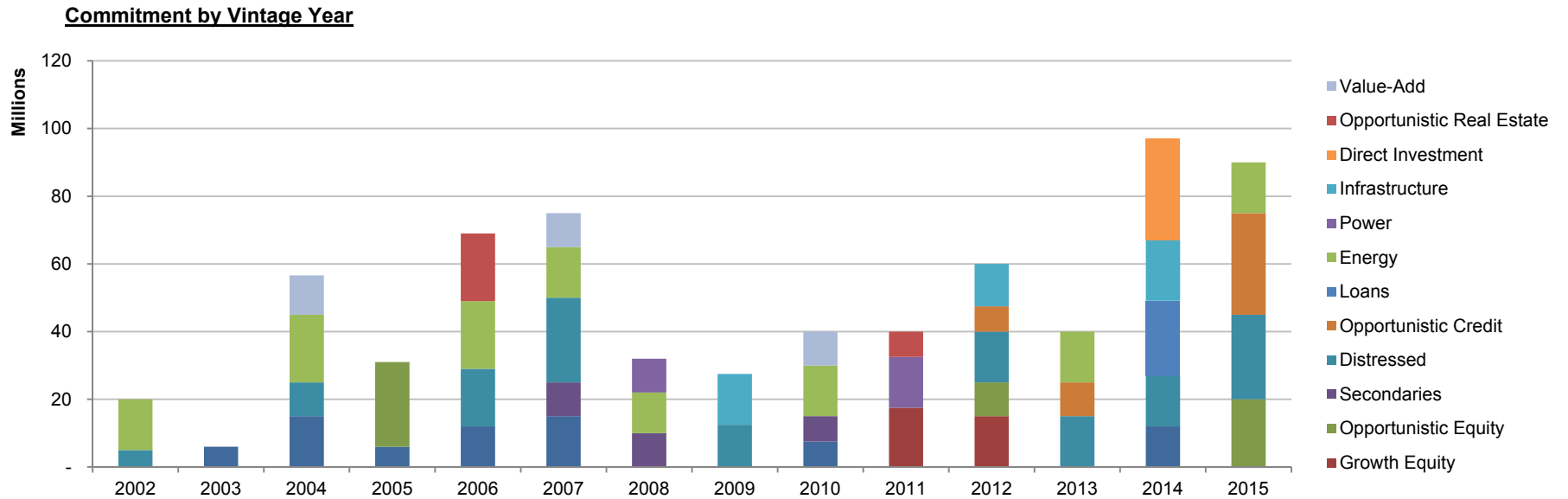
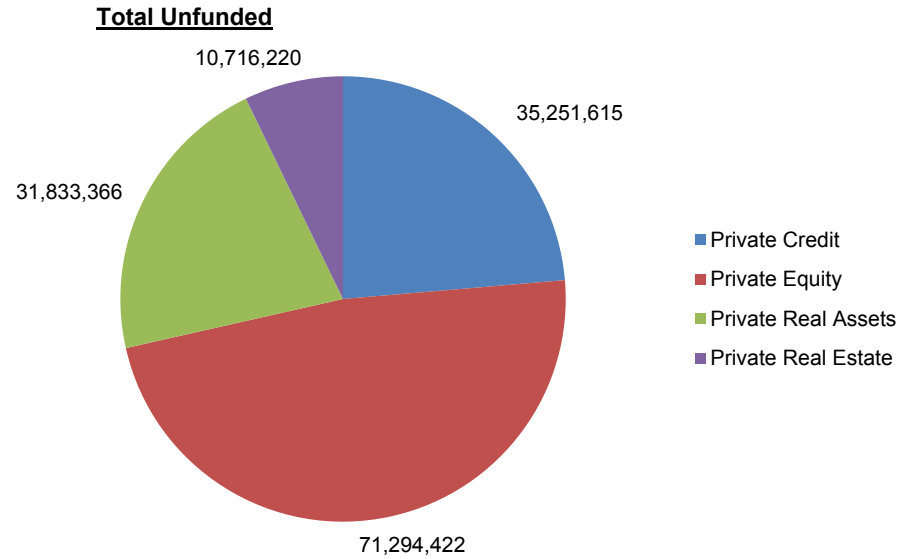
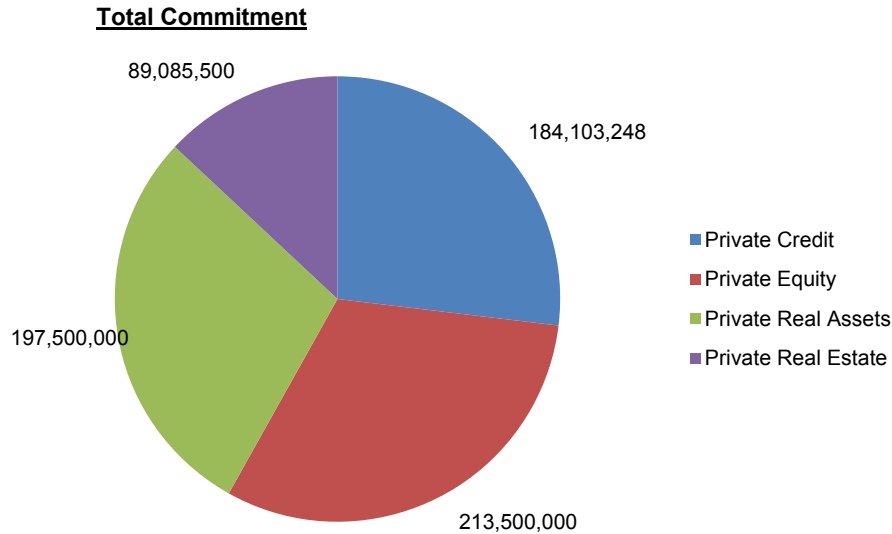
TEXAS TECH UNIVERSITY SYSTEM

Appendix I – Sub-Asset Detail

Fund	Current Exposure	MTD Perf.	3 Mo. Perf.	Calendar YTD	Fiscal YTD	Nacubo YTD	1 Year Perf.	3 Year Perf.	5 Year Perf.
TOTAL	972,136,543	-1.11%	-5.03%	-3.86%	-4.13%	-6.05%	-5.41%	3.70%	3.90%
Policy		0.39%	-2.44%	-1.56%	-0.36%	-2.34%	-1.79%	5.87%	5.87%
Portfolio Hedge		-0.15%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Aegis Tactical		-0.15%	-0.46%	-0.28%	-0.28%	-0.36%	n/a	n/a	n/a
Equity	345,108,462	-2.42%	-11.54%	-9.48%	-9.37%	-14.31%	-13.99%	2.87%	4.00%
US Equity	70,197,839	-0.56%	-10.02%	-7.45%	-5.58%	-11.19%	-10.67%	6.11%	6.01%
<i>Benchmark: S&P 500 Total Return</i>		-0.13%	-6.59%	-5.09%	-0.92%	-4.95%	-6.19%	10.75%	10.13%
Global Equity	68,422,928	-3.54%	-12.02%	-10.82%	-11.04%	-13.68%	-13.86%	7.81%	n/a
<i>Benchmark: MSCI ACWI (Net)</i>		-0.52%	-8.49%	-6.76%	-5.75%	-11.56%	-12.26%	3.74%	3.74%
Non US Developed Equity	80,942,438	-3.93%	-14.48%	-11.20%	-11.52%	-17.67%	-19.35%	0.18%	1.01%
<i>Benchmark: MSCI EAFE (Net)</i>		-1.83%	-10.16%	-8.93%	-9.48%	-14.40%	-15.18%	0.38%	0.56%
Non US Emerging Markets Equity	18,695,155	0.01%	-9.15%	-8.71%	-6.65%	-19.00%	-18.98%	-6.17%	-2.46%
<i>Benchmark: MSCI EMF (Net)</i>		-0.16%	-8.72%	-6.64%	-8.85%	-22.84%	-23.41%	-8.90%	-5.41%
Alternative Equity	106,850,103	-2.16%	-10.17%	-7.84%	-9.40%	-11.11%	-7.94%	2.28%	6.88%
<i>Benchmark: MSCI ACWI (Net)</i>		-0.52%	-8.49%	-6.76%	-5.75%	-11.56%	-12.26%	3.74%	3.74%
Debt	221,392,144	-0.97%	-3.34%	-2.01%	-2.56%	-2.34%	-0.05%	2.14%	5.04%
Sovereign/Investment Grade Bonds	43,703,125	-1.10%	-2.08%	-1.48%	-3.26%	-3.75%	-2.48%	0.57%	2.65%
<i>Benchmark: Barclays Global Aggregate</i>		2.23%	3.67%	3.12%	2.68%	3.03%	0.84%	-0.11%	1.36%
Credit	123,564,516	-2.01%	-4.30%	-3.41%	-4.27%	-3.74%	0.21%	3.85%	6.09%
<i>Benchmark: Barclays Global Aggregate</i>		2.23%	3.67%	3.12%	2.68%	3.03%	0.84%	-0.11%	1.36%
Emerging Markets Debt	54,124,503	1.89%	-2.69%	-0.40%	2.27%	1.16%	1.42%	1.45%	5.91%
<i>Benchmark: JP Morgan EM Bond Index</i>		2.02%	0.29%	1.82%	1.97%	1.29%	1.45%	1.06%	5.54%
Liquid Real Assets	105,976,041	1.13%	2.59%	0.82%	2.70%	-0.38%	-4.56%	-3.22%	-5.92%
<i>Benchmark: CPI + 4%</i>		0.16%	0.73%	0.52%	1.98%	2.77%	5.01%	4.77%	5.47%
Cash & Alpha Pool	29,572,265	-0.89%	-2.13%	-1.65%	-3.04%	-3.55%	-2.45%	2.16%	2.80%
Cash	41,974,677	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.21%
Cash Collateral	19,049,784	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	n/a	n/a
Collateral Held Elsewhere	8,890,000	0.00%	0.00%	0.00%	n/a	n/a	n/a	n/a	n/a
Adjustments for Synthetic and Aegis Exposure	(186,292,017)								
Alpha Pool	145,949,821	-1.31%	-3.26%	-2.50%	-4.37%	-4.95%	-3.52%	3.00%	4.25%
<i>Benchmark: HFRI FOF Index</i>		-1.27%	-4.23%	-3.88%	-4.89%	-6.60%	-5.80%	1.80%	1.11%
Liquidating	6,621,364	-1.24%	-8.25%	-2.28%	-9.21%	12.40%	14.21%	4.39%	0.44%
Private Investments	263,466,266	0.11%	-3.04%	-0.50%	-3.53%	-3.97%	-2.38%	6.32%	7.61%
<i>Benchmark: Private Market Index (90% VE, 10% NCREIF)</i>		0.00%	-1.34%	0.00%	2.31%	2.31%	6.23%	12.92%	12.99%
Private Equity	65,243,039	0.00%	-4.07%	-0.87%	-3.10%	-3.74%	-0.41%	8.29%	8.34%
Private Credit	102,158,371	0.29%	-4.37%	-0.72%	-3.65%	-4.43%	-1.52%	7.73%	6.85%
Private Real Assets	96,064,856	0.00%	-0.91%	0.00%	-3.71%	-3.71%	-4.54%	4.11%	7.65%

*Performance is calculated using time weighted Cash on Cash returns. This is an industry standard and allows direct comparison between manager returns and policy returns.

Appendix II - Private Markets Report (as of January 2016) - Total Commitment



Data provided by Texas Tech University System
 Reported valuations use latest available statements ranging from June 30th, 2015 to December 31st, 2015.
 Adjusted Valuations include all cashflows through January 2016


Appendix II - Private Markets Report (as of January 2016) - Performance Analysis by Strategy Type & Asset Class
Performance by Strategy Type

Asset Class	Strategy	# of Funds	Commitment	Funded	Paid-In Capital	Distributions	% Drawn	Reported Valuation	Adjusted Valuation	IRR	MOC
Private Equity	Buyout	7	\$73,500,000	\$60,675,801	\$66,325,089	\$105,208,553	90%	\$24,632,157	\$7,681,873	15.12%	1.70
	Distressed	1	\$25,000,000	\$625,000	\$625,000	\$0	3%	\$182,281	\$182,281	-67.70%	0.29
	Growth Equity	2	\$32,500,000	\$17,438,444	\$19,432,254	\$3,231,843	60%	\$15,832,651	\$17,567,824	2.66%	1.07
	Opportunistic Equity	3	\$55,000,000	\$41,511,918	\$41,519,768	\$19,817,280	75%	\$20,834,826	\$27,979,282	3.19%	1.15
	Secondaries	3	\$27,500,000	\$21,954,415	\$22,994,232	\$20,940,574	84%	\$16,176,476	\$11,980,463	8.22%	1.43
	Total	16	\$213,500,000	\$142,205,578	\$150,896,343	\$149,198,250	71%	\$77,658,391	\$65,391,723	9.77%	1.41
Private Credit	Distressed	11	\$114,500,000	\$106,555,581	\$106,770,957	\$109,189,075	93%	\$47,939,237	\$36,914,449	10.73%	1.37
	Loans	2	\$22,103,248	\$22,024,589	\$22,582,673	\$2,906,000	102%	\$23,193,175	\$22,680,175	5.26%	1.13
	Opportunistic Credit	4	\$47,500,000	\$20,271,463	\$23,340,910	\$3,028,127	49%	\$18,282,647	\$22,495,745	4.05%	1.09
	Total	17	\$184,103,248	\$148,851,633	\$152,694,540	\$115,123,202	83%	\$89,415,059	\$82,090,369	9.67%	1.29
Private Real Assets	Energy	8	\$127,000,000	\$108,952,851	\$113,773,373	\$132,199,963	90%	\$27,431,698	\$28,051,027	23.85%	1.41
	Infrastructure	3	\$45,500,000	\$37,233,542	\$42,425,399	\$37,506,653	93%	\$24,299,127	\$10,139,933	28.92%	1.39
	Power	2	\$25,000,000	\$20,057,855	\$20,811,065	\$8,750,636	83%	\$10,683,752	\$8,583,797	-6.11%	0.83
	Total	13	\$197,500,000	\$166,244,248	\$177,009,837	\$178,457,252	90%	\$62,414,577	\$46,774,757	20.84%	1.34
Private Real Estate	Direct Investment	1	\$30,000,000	\$25,019,500	\$26,410,813	\$363,032	88%	\$28,953,000	\$29,503,000	6.57%	1.13
	Opportunistic Real Estate	3	\$27,500,000	\$24,615,423	\$24,976,740	\$17,987,888	91%	\$11,198,381	\$4,139,306	-2.14%	0.89
	Value-Add	3	\$31,585,500	\$28,734,357	\$28,868,690	\$33,001,395	91%	\$13,228,799	\$8,513,136	7.04%	1.44
	Total	7	\$89,085,500	\$78,369,280	\$80,256,243	\$51,352,315	90%	\$53,380,180	\$42,155,442	3.63%	1.17

Performance by Asset Class

Asset Class	# of Funds	Commitment	Funded	Paid-In Capital	Distributions	% Drawn	Reported Valuation	Adjusted Valuation	IRR	MOC
Private Equity	16	\$213,500,000	\$142,205,578	\$150,896,343	\$149,198,250	71%	\$77,658,391	\$65,391,723	9.77%	1.41
Private Credit	17	\$184,103,248	\$148,851,633	\$152,694,540	\$115,123,202	83%	\$89,415,059	\$82,090,369	9.67%	1.29
Private Real Assets	13	\$197,500,000	\$166,244,248	\$177,009,837	\$178,457,252	90%	\$62,414,577	\$46,774,757	20.84%	1.34
Private Real Estate	7	\$89,085,500	\$78,369,280	\$80,256,243	\$51,352,315	90%	\$53,380,180	\$42,155,442	3.63%	1.17
Total	53	\$684,188,748	\$535,670,739	\$560,856,963	\$494,131,019	82%	\$282,868,207	\$236,412,291	10.32%	1.32



29th February 2016 (Preliminary)

Appendix III – Glossary

Major Asset Classes

Alpha Pool: Investments that tend to be uncorrelated with “traditional” stock and bond investments. Not technically an asset class, but rather an investment construct within a *portable alpha framework

Cash & Equivalents: Cash and short term investments held in lieu of cash and readily converted into cash within a short time span (i.e., CDs, commercial paper, Treasury bills, etc.)

Global Debt: Investments in debt instruments located in developed markets, may include various credit, mortgage-backed and emerging markets debt securities

Global Equity: Investments in companies domiciled in developed market countries and may include opportunistic investments in emerging market countries

Liquidating: The residual investment in terminated managers

Liquid Real Assets: Liquid investments in strategies whose values are sensitive to inflation

Private Equity: Investments in equity securities and debt in operating companies that are not publicly traded on a stock exchange

Private Real Assets: Investments in equity securities and debt in operating companies that are not publicly traded on a stock exchange and whose strategies are sensitive to inflation

Sub-Asset Classes

Alternative Equity: Investments in companies globally through both long and short positions and may include non-equity instruments such as fixed income, commodities, CDS, options, etc.

Credit: Investments in companies, often stressed or distressed, principally through the debt portion of capital structure

Emerging Market Debt: Investments in debt securities in emerging market countries, primarily in three categories - external sovereign, local sovereign, and corporate debt

Emerging Market Equity: Investments in companies located in emerging market countries

Investment Grade Bonds: Investments in investment grade rated debt securities

Non-US Developed Equity: Investments in companies domiciled in developed market countries

US Equity: Investments in companies domiciled in the US



29th February 2016 (Preliminary)

Appendix III – Glossary (cont.)

Investment Terms/Performance Statistics

Active Premium: A measure of the investment's annualized return minus the benchmark's annualized return

Alpha: Return generated by the manager that is not explained by the returns of the benchmark. A measure of a fund's performance beyond what its benchmark would predict

Annual Return: The annual rate at which an investment would have grown, if it had grown at a steady rate. Also called "Compound Annual Growth Rate" (CAGR), or the "Compound Rate of Return Annualized" (Compound RoR)

Annual Volatility: A statistical measure of the dispersion of returns around the average (mean) return. Often used as a measure of investment risk with a higher value indicating higher risk

Arbitrage: The simultaneous purchase and sale of an asset in order to profit from a difference in the price

Beta: A measure of the risk of the fund relative to the benchmark. Beta describes the sensitivity of the investment to benchmark movements where the benchmark is always assigned a beta of 1.0

Calmar Ratio: A return/risk ratio calculated over the last three year period as [annual compounded return / (Maximum Drawdown)]

Capital Commitment: Every investor in a private equity fund commits to investing a specified sum of money in the fund partnership over a specified period of time.

Capital Distribution: The returns that an investor in a private equity fund receives; the income and capital realized from investments less expenses and liabilities

Carried Interest: The share of profits that the fund manager is due once it has returned the cost of investment to investors

Catch up: A clause that allows the general partner to take, for a limited period of time, a greater share of the carried interest than would normally be allowed. This continues until the time when the carried interest allocation, as agreed in the limited partnership, has been reached.

Clawback: Ensures that a general partner does not receive more than its agreed percentage of carried interest over the life of the fund

Correlation: A measure between +1 and -1 that explains the degree to which the returns of the fund and a benchmark are related

Down Capture: Measures how much of the benchmark's return the fund captures when the benchmark is negative

Down Number: The percentage of the time the fund was down when the benchmark was down

Drawdown: When a private equity firm has decided where it would like to invest, it will approach its own investors in order to draw down the money. The money will already have been pledged to the fund but this is the actual act of transferring the money so that it reaches the investment target

Excess Kurtosis: Measures the distribution of observed data around the mean with an emphasis on "outlier" data, both positive and negative

Exit: The means by which a fund is able to realize its investment in a company – by an initial public offering, a trade sale, selling to another private equity firm or a company buy-back

Fundraising: The process by which a private equity firm solicits financial commitments from limited partners for a fund

General Partner: This can refer to the top-ranking partner(s) at a private equity firm as well as the firm managing the private equity fund



29th February 2016 (Preliminary)

Appendix III – Glossary (cont.)

Investment Terms/Performance Statistics (cont.)

Gross Exposure: Aggregate of long and short investment positions in relation to the Net Asset Value (NAV)

Holding Period: The length of time that an investment is held

Information Ratio: The Active Premium divided by the Tracking Error. This measure explicitly relates the degree by which an investment has beaten the benchmark to the consistency by which the investment has beaten the benchmark

Internal Rate of Return: A time-weighted return expressed as a percentage that uses the present sum of cash drawdowns (money invested), the present value of distributions (money returned from investments) and the current value of unrealized investments and applies a discount

Leverage: Increasing exposure to markets (both long and short) by borrowing or the use of derivatives

Limited Partnership: The standard vehicle for investment in private equity funds

Long Position: Owning a security

Management Fee: The annual fee paid to the general partner

Max Drawdown: The largest percentage loss of Net Asset Value (NAV) as measured from peak-to-trough

Net Exposure: Difference between the long and short positions, representing the exposure to market fluctuations

Preferred Return: This is the minimum amount of return that is distributed to the limited partners until the time when the general partner is eligible to deduct carried interest

Omega Ratio: The weighted gain/loss ratio relative to the average monthly historical return; captures the effects of extreme returns and conveys the preference for positive volatility versus negative volatility

Sharpe Ratio: A return/risk ratio calculated as: $[(\text{annual compounded return} - \text{risk-free rate}) / (\text{annual volatility of returns})]$

Skewness: A measure of the symmetry of return distribution, as compared with a normal (bell-shaped) distribution

Sortino Ratio: A return/risk ratio calculated as such: $[(\text{annual compounded return} - \text{minimum acceptable return (MAR)}) / (\text{downside deviation of returns below MAR})]$. This ratio was developed to differentiate between good (upside) and bad (downside) volatility

Standard Deviation: Measures the dispersal or uncertainty in a random variable (in this case, investment returns). It measures the degree of variation of returns around the mean (average) return

Short Position: Selling a security

Tracking Error: A measure of the unexplained portion of an investments performance relative to a benchmark

Up Capture: Measures the percentage of the benchmark's return the fund captures when the benchmark is positive

Up Number: The percentage of the time the fund was up when the benchmark was up

Value at Risk (VAR): The maximum loss that can be expected within a specified holding period with a specified confidence level