

AGENDA
INVESTMENT ADVISORY COUNCIL MEETING
Tuesday, November 20, 2012
12:00 Noon
State Board of Investment
Board Room – First Floor
60 Empire Drive, St. Paul, MN

- | | |
|--|------------|
| | TAB |
| 1. Approval of Minutes of August 21, 2012 | |
| 2. Report from the Executive Director (H. Bicker) | A |
| A. Quarterly Investment Review
(July 1, 2012 – September 30, 2012) | |
| B. Administrative Report | B |
| 1. Reports on budget and travel | |
| 2. FY12 Audit Report | |
| 3. Draft of FY12 Annual Report | |
| 4. Tentative Meeting Dates for Calendar 2013 | |
| 5. Update on Sudan | |
| 6. Update on Iran | |
| 7. Litigation Update | |
| 3. Report from the Master Custodian Review Committee (H. Bicker) | C |
| 4. Review of manager performance for the period ending
September 30, 2012 (H. Bicker) | D |
| 5. Alternative Investment Report (J. Griebenow) | E |
| A. Review of current strategy. | |
| B. Consideration of investment commitments to new funds with
two existing private equity managers, one existing resource
manager and one new private equity manager. | |
| 6. Other items | |

INVESTMENT ADVISORY COUNCIL

MINUTES

November 20, 2012

INVESTMENT ADVISORY COUNCIL

Minutes Investment Advisory Council August 21, 2012

The Investment Advisory Council (IAC) met at 12:00 Noon Tuesday, August 21, 2012 in the Board Room – First Floor, 60 Empire Drive, St. Paul, Minnesota.

MEMBERS PRESENT: Denise Anderson, Jeff Bailey, Dave Bergstrom, John Bohan, Kerry Brick, Dennis Duerst, Kim Faust, Laurie Hacking, Jay Kiedrowski, Judy Mares Lazar, Gary Martin, Malcolm McDonald, Mary Vanek and Elaine Voss.

MEMBERS ABSENT: Doug Gorence and Kristin Hanson (for Jim Schowalter).

SBI STAFF: Howard Bicker, Jim Heidelberg, LeaAnn Stagg, Paul Anderson, Tammy Brusehaver, Patricia Ammann, Stephanie Gleeson, Mike Menssen, Ryan Hill, John Griebenow, J.J. Kirby, Aaron Griga, Debbie Griebenow, Charlene Olson and Melissa Mader.

OTHERS ATTENDING: Ann Posey, Callan Associates Inc.; Micah Hines, Celeste Grant; Christie Eller; Edgar Hernandez, SEIU; Margaret Martin, House Majority Research; Curt Hutchens, Don Leathers, and John Fisher, REAM.

The minutes of the May 22, 2012 meeting were approved.

Executive Director's Report

Mr. Bicker, Executive Director, referred members to Tab A of the meeting materials and he reported that the Combined Funds had outperformed its Composite Index over the ten year period ending June 30, 2012 (Combined Funds 7.0% vs. Composite 6.9%) and had provided a real rate of return over the latest 20 year period (Combined Funds 8.2% vs. CPI 2.5%).

Mr. Bicker reported that the Combined Funds' assets decreased 2.5% for the quarter ending June 30, 2012 due to negative market performance and negative net contributions. He said that the asset mix is essentially on target, and he stated that the Combined Funds underperformed its Composite Index for the quarter (Combined Funds -1.5% vs. Composite -1.3%) and for the year (Combined Funds 2.4% vs. Composite 3.0%).

Mr. Bicker reported that the domestic stock manager group underperformed its target for the quarter (Domestic Stocks -3.5% vs. Domestic Equity Asset Class Target -3.1%) and for the year (Domestic Stock 3.1% vs. Domestic Equity Asset Class Target 3.8%). He said the international stock manager group outperformed for the quarter (International Stock -7.4% vs. International Equity Asset Class Target -7.6%) and slightly underperformed its target for the year (International Stock -14.7% vs. International Equity Asset Class Target -14.6%). Mr. Bicker

stated that the bond segment matched its target for the quarter (Bonds 2.1% vs. Fixed Income Asset Class Target 2.1%) and outperformed its target for the year (Bonds 7.8% vs. Fixed Income Asset Class Target 7.5%). He stated that the alternative investments returned 5.0% for the quarter. He concluded his report with the comment that, as of June 30, 2012, the SBI was responsible for over \$62 billion in assets.

Mr. Bicker referred members to Tab B of the meeting materials for an update on the budget and travel for the quarter. He stated that updated information on Sudan and Iran is also included in Tab B.

Mr. Bicker asked Ms. Eller, Deputy Attorney General for an update on litigation. Ms. Eller reported that the judge dismissed the lawsuit brought by the Break the Bonds group, which challenged the SBI's investment in Israeli bonds. She stated that the plaintiffs have filed an appeal and that no date has been set by the Court of Appeals. She stated that the SBI has received some distributions from the Lehman bankruptcy.

Mr. Bicker updated members on the status of the initial phase of the transition and search process for a new Executive Director. He noted that LeaAnn Stagg is now on staff of the SBI, filling Jim Heidelberg's previous position of Manager, Public Programs. He stated that the Board's designees had met and has recommendations as to membership of the Search Committee, use of an executive search firm and timeline for the process. He stated that the Committee's proposed recommendations would be presented to the Board at the September 2012 Board meeting.

Mr. Bicker referred members to Tab C of the meeting materials and discussed the process staff uses when evaluating individual manager performance. In response to a question and comments from Ms. Mares regarding McKinley's performance, Mr. Bicker confirmed that staff will include comments, where appropriate, on the individual manager write up sheets included in Tab C. In response to a question from Mr. Duerst, Mr. Bicker stated that tracking error expectations vary from manager to manager. Ms. Posey added that staff had worked with Callan to find managers who added value through a variety of investment strategies. Ms. Hacking requested that staff comment on Martingale's performance next quarter also.

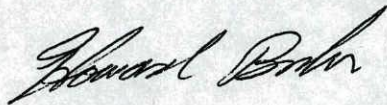
Mr. Griebenow referred members to Tab D of the meeting materials and briefly reviewed the new investments being recommended with three existing private equity managers, Silver Lake, CarVal and Advent. Mr. McDonald moved approval of all three of staff's recommendations. In response to a request from Mr. Bohan, Mr. McDonald amended his motion to approve the recommendations for Silver Lake and Advent, as stated in Tab D of the meeting materials. Mr. Duerst seconded the motion. In response to a question from Ms. Mares, Mr. Griebenow discussed the advantages associated with the larger fund sizes of Silver Lake and Advent. The motion passed.

Mr. McDonald moved approval of staff's recommendation with CarVal as stated in Tab D of the meeting materials, and Ms. Voss seconded the motion. In response to questions from Mr. Bohan and other members, Mr. Griebenow and Mr. Bicker reviewed the process staff uses to analyze new investments and the SBI's due diligence process. Mr. Griebenow clarified some of the terms and disclaimers of the CarVal investment. The motion passed.

A presentation was made by Chris Pariseault, a Pryamis Institutional Portfolio Manager regarding the economic outlook on Europe, the emerging markets and the U.S.

The meeting adjourned at 1:38 P.M.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Howard Bicker".

Howard Bicker
Executive Director

TAB

A

LONG TERM OBJECTIVES
Period Ending 9/30/2012

COMBINED FUNDS: \$49.1 Billion	Result	Compared to Objective
<p>Match or Exceed Composite Index (10 Yr.)</p> <p>Outperform a composite market index weighted in a manner that reflects the long-term asset allocation of the Combined Funds over the latest 10 year period.</p>	8.7% (1)	0.1 percentage point above the target
<p>Provide Real Return (20 yr.)</p> <p>Provide returns that are 3-5 percentage points greater than inflation over the latest 20 year period.</p>	8.3%	5.8 percentage points above CPI

(1) Performance is calculated net of fees.

SUMMARY OF ACTUARIAL VALUATIONS**Eight Plans of MSRS, PERA and TRA
July 1, 2011****Liabilities**

Actuarial Accrued Liabilities \$60.4 billion

Assets

Current Actuarial Value \$47.5 billion

Funding RatioCurrent Actuarial Value divided by
Accrued Liabilities 78.7%**Actuarial Assumptions:**

1. Liabilities calculated using entry age normal cost method.
2. Difference between actual returns and actuarially expected returns spread over five years.
3. Interest/Discount Rate: 8.5%
4. Full Funding Target Date:
 - 2040 – MSRS General
 - 2031 – PERA General
 - 2037 – TRA

EXECUTIVE SUMMARY Combined Funds (Net of Fees)

Asset Growth

The market value of the Combined Funds increased 3.4% during the third quarter of 2012. Positive investment returns caused the increase in market value.

Asset Growth During Third Quarter 2012 (Millions)

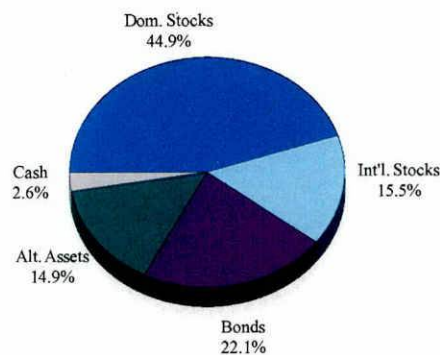
Beginning Value	\$ 47,534
Net Contributions	-525
Investment Return	2,132
Ending Value	\$ 49,141



Asset Mix

Strong equity returns increased the allocations to domestic and international equities relative to the other asset classes. The cash allocation increased with a rebalance from domestic equities.

	Policy Targets	Actual Mix 9/30/2012	Actual Market Value (Millions)
Domestic Stocks	45.0%	44.9%	\$22,070
Int'l. Stocks	15.0	15.5	7,619
Bonds	18.0	22.1	10,852
Alternative Assets*	20.0	14.9	7,305
Cash	2.0	2.6	1,295
	100.0%	100.0%	\$49,141

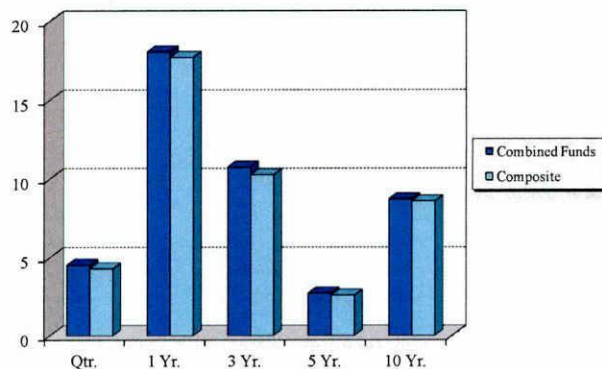


* Any uninvested allocation is held in bonds.

Fund Performance (Net of Fees)

The Combined Funds outperformed its target for the quarter and for the year.

	Period Ending 9/30/2012				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Combined Funds	4.5%	18.1%	10.7%	2.7%	8.7%
Composite	4.3	17.7	10.3	2.6	8.6



EXECUTIVE SUMMARY

Stock and Bond Manager Performance (Net of Fees)

Domestic Stocks

The domestic stock manager group (active, semi-passive and passive combined) matched its target for the quarter and outperformed for the year.

Russell 3000: The Russell 3000 measures the performance of the 3,000 largest U.S. companies based on total market capitalization.

	Period Ending 9/30/2012				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Dom. Stocks	6.2%	30.3%	13.2%	1.1%	8.3%
Asset Class Target*	6.2	30.2	13.3	1.3	8.5

* The Domestic Equity Asset Class Target is the Russell 3000 effective 10/1/03. From 7/1/99 to 9/30/03, it was the Wilshire 5000 Investable Index.

International Stocks

The international stock manager group (active, semi-passive and passive combined) outperformed its target for the quarter and for the year.

MSCI ACWI Free ex U.S. (net): The Morgan Stanley Capital International All Country World Index is a free float-adjusted market capitalization Index that is designed to measure equity market performance in the global developed and emerging markets. There are 45 countries included in this index. It does not include the United States.

	Period Ending 9/30/2012				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Int'l. Stocks	7.7%	14.9%	3.6%	-3.8%	9.7%
Asset Class Target*	7.4	14.5	3.2	-4.1	9.8

* Since 6/1/08 the International Equity Asset Class Target is the Standard MSCI ACWI ex U.S. (net). From 10/1/07 to 5/31/08 the benchmark was the Provisional Standard MSCI ACWI ex U.S. (net). From 10/1/03 to 9/30/07 the target was MSCI ACWI ex U.S. (net). From 1/1/01 to 9/30/03, the target was MSCI EAFE Free (net) + Emerging Markets Free (EMF) (net), and from 7/1/99 to 12/31/00 was MSCI EAFE Free (net) + EMF (gross). From 7/1/99 to 9/30/03, the weight of each index fluctuated with market cap.

Bonds

The bond manager group (active and semi-passive combined) outperformed its target for the quarter and for the year.

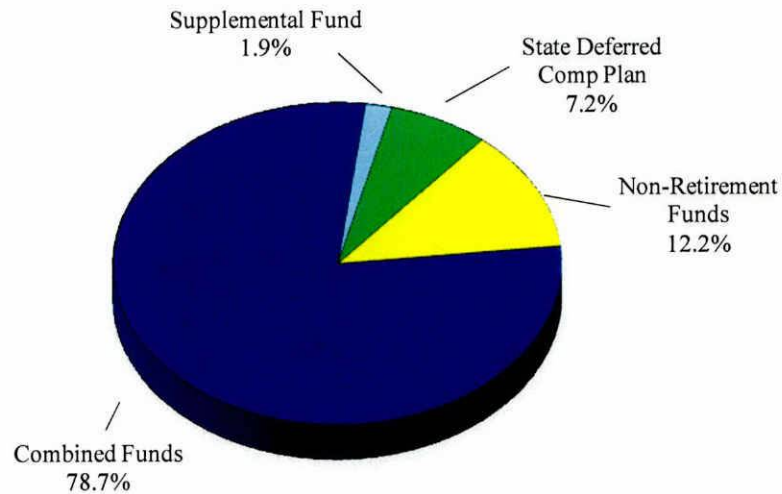
Barclays Capital Aggregate: The Barclays Capital Aggregate Bond Index reflects the performance of the broad bond market for investment grade (Baa or higher) bonds, U.S. treasury and agency securities, and mortgage obligations with maturities greater than one year.

	Period Ending 9/30/2012				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Bonds	2.4%	7.5%	7.9%	6.8%	5.8%
Asset Class Target	1.6	5.2	6.2	6.5	5.3

Alternative Investments

	Period Ending 9/30/2012				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Alternatives	0.3%	6.1%	14.1%	5.6%	14.5%

EXECUTIVE SUMMARY
Funds Under Management



	9/30/2012 Market Value (Billions)
Retirement Funds	
Combined Funds	\$49.1
Supplemental Investment Fund	1.2
- Excluding Deferred Compensation Plan Assets	
State Deferred Compensation Plan	4.5
Non-Retirement Funds	
Assigned Risk Plan	0.3
Permanent School Fund	0.9
Environmental Trust Fund	0.7
Miscellaneous Trust Accounts	0.1
Other Post Employment Benefits Accounts	0.3
State Cash Accounts	5.3
Total	\$62.4

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MINNESOTA STATE BOARD OF INVESTMENT

QUARTERLY INVESTMENT REPORT

Third Quarter 2012
(July 1, 2012 - September 30, 2012)

Table of Contents

	Page
Capital Market Indices	2
Financial Markets Review	3
Combined Funds.....	5
Stock and Bond Manager Pools.....	9
Alternative Investments	10
Supplemental Investment Fund.....	11
Fund Description	
Income Share Account	
Growth Share Account	
Common Stock Index Account	
International Share Account	
Bond Market Account	
Money Market Account	
Fixed Interest Account	
Volunteer Firefighter Account	
Deferred Compensation Plan.....	14
Assigned Risk Plan	17
Permanent School Fund	18
Environmental Trust Fund.....	19
State Cash Accounts	20
Composition of State Investment Portfolios.....	21

VARIOUS CAPITAL MARKET INDICES

	Period Ending 9/30/2012				
	Qtr.	Yr.	3 Yr.	5 Yr.	10 Yr.
Domestic Equity					
Russell 3000 (broad market)	6.2%	30.2%	13.3%	1.3%	8.5%
Russell 1000 (large cap)	6.3	30.1	13.3	1.2	8.4
Russell 2000 (small cap)	5.3	31.9	13.0	2.2	10.2
Dow Jones Wilshire Composite	6.2	30.2	13.4	1.5	8.7
Dow Jones Industrials	5.0	26.5	14.4	2.1	8.6
S&P 500	6.4	30.2	13.2	1.1	8.0
Domestic Fixed Income					
Barclays Capital Aggregate (1)	1.6	5.2	6.2	6.5	5.3
Barclays Capital Gov't./Corp.	1.7	5.7	6.5	6.6	5.4
3 month U.S. Treasury Bills	0.0	0.1	0.1	0.6	1.7
International					
Emerging Markets Free (2)	7.7	16.9	5.6	-1.3	17.0
ACWI Free ex-U.S. (3)	7.4	14.5	3.2	-4.1	9.8
EAFE (4)	6.9	13.8	2.1	-5.2	8.2
World ex-U.S. (5)	7.3	13.8	2.5	-4.8	8.7
Salomon Non U.S. Gov't. Bond	4.0	3.5	4.0	6.6	7.3
Inflation Measure					
Consumer Price Index CPI-U (6)	0.8	2.0	2.3	2.1	2.4
Consumer Price Index CPI-W (7)	1.0	2.0	2.6	2.3	2.6

(1) Barclays Capital Aggregate Bond index. Includes governments, corporates and mortgages.

(2) Morgan Stanley Capital International Emerging Markets Free index. (Net index)

(3) Morgan Stanley Capital International All Country World Index Ex-U.S. (Net index)

(4) Morgan Stanley Capital International index of Europe, Australasia and the Far East (EAFE). (Net index)

(5) Morgan Stanley Capital International World Ex-U.S. Index (Developed Markets) (Net index)

(6) Consumer Price Index (CPI) for all urban consumers, also known as CPI-U.

(7) Consumer Price Index (CPI) for all wage earners, also known as CPI-W.

FINANCIAL MARKETS REVIEW

DOMESTIC STOCKS

The U.S. stock market, as measured by the Russell 3000 index, posted a 6.2% return during the third quarter of 2012. While economic growth remains sluggish both in the U.S. and abroad, U.S. equity markets were helped by strong second quarter earnings announcements and positive news on the housing front. Within the Russell 3000, all sectors reported positive returns for the quarter with the Energy sector advancing the most with a 10% return. Consumer Staples was the worst performing sector with a 3.4% return for the quarter. For the quarter, value companies outperformed their growth counterparts across large and small capitalization segments and large cap outperformed small cap companies.

Performance of the Russell Style Indices for the quarter is shown below:

Large Growth	Russell 1000 Growth	6.1%
Large Value	Russell 1000 Value	6.5%
Small Growth	Russell 2000 Growth	4.8%
Small Value	Russell 2000 Value	5.7%

The Russell 3000 index returned 30.2% for the year ending September 30, 2012.

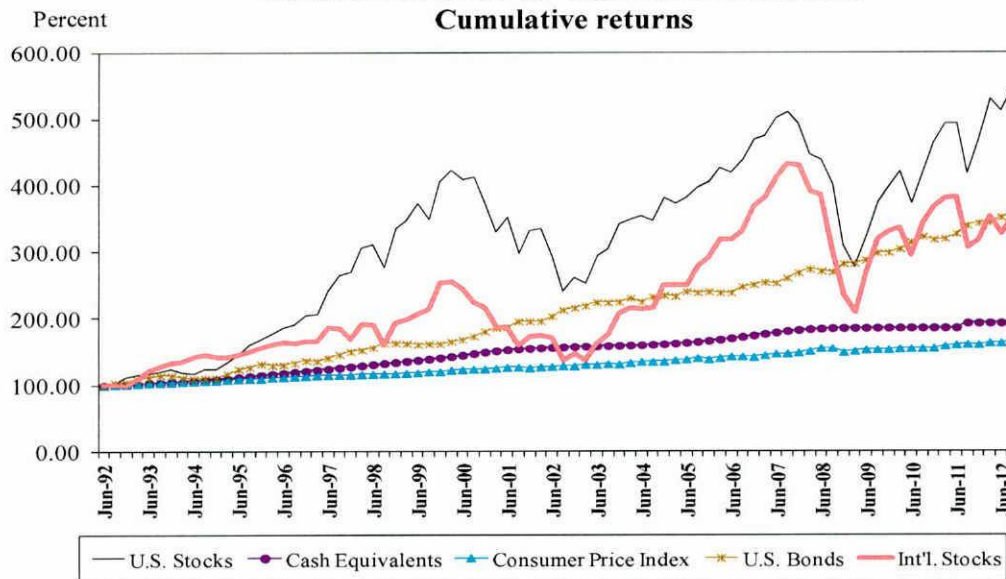
DOMESTIC BONDS

The U.S. bond market, as measured by the Barclays Capital U.S. Aggregate Bond Index, produced a total return of 1.6% for the quarter. Yields on short- and intermediate-term U.S. Treasuries declined while rates on long-term Treasuries rose. Interest rate volatility was high during the quarter, with the range of yields on the 10-year U.S. Treasury being nearly 50 basis points. The 2-year U.S. Treasury ended the third quarter seven basis points lower at 0.23%, the 10-year yield declined by 2 basis points to 1.63%, and the 30-year increased by seven basis points to 2.82%. Investment grade corporate bonds and CMBS outperformed the benchmark during the third quarter, while all other sectors of the Barclays Agg underperformed the broader benchmark.

The major sector returns for the Barclays Capital U.S. Aggregate Bond Index for the quarter were:

U.S. Treasury	0.6%
Agency	1.1
Corporates	3.8
Agency MBS	1.1
Commercial Mortgages	3.8
Asset-backed	1.2

PERFORMANCE OF CAPITAL MARKETS
Cumulative returns



FINANCIAL MARKETS REVIEW

INTERNATIONAL STOCKS

In aggregate, developed international stock markets (as measured by the MSCI World ex U.S. index net) provided a return of 7.3% for the quarter. The quarterly performance of the six largest stock markets is shown below:

United Kingdom	7.1%
Japan	-0.8
Canada	10.4
France	7.2
Australia	10.5
Germany	13.9

The World ex U.S. index returned 13.8% during the last year.

The World ex U.S. index is compiled by Morgan Stanley Capital International (MSCI) and is a measure of 23 markets located in Europe, Australasia, Far East, and Canada. The major markets listed above comprise about 74% of the value of the international markets in the index.

EMERGING MARKETS

Emerging markets (as measured by MSCI Emerging Markets Free index net) provided a return of 7.7% for the quarter. The quarterly performance of the six largest stock markets in the index is shown below:

China	4.7%
Brazil	4.8
Korea	9.9
Taiwan	10.9
India	15.4
South Africa	6.5

The Emerging Markets Free index returned 16.9% during the last year.

The Emerging Markets Free (EMF) index is compiled by MSCI and measures performance of 21 stock markets in Latin America, Asia, Africa and Eastern Europe. EMF includes only those securities foreign investors are allowed to hold. The markets listed above comprise about 72% of the value of the international markets in the index.

REAL ESTATE

During the third quarter of 2012, real estate posted its eleventh consecutive quarter of positive returns with the NCREIF Property Index posting a return of 2.3%. Real Estate markets have seen a healthy recovery since the 2008-2009 crash. However, the real estate outlook for 2013 continues to be one of caution due to continued weakness in employment and weak demand.

PRIVATE EQUITY

Increased transaction volume over the last two years has led to a record number of managers hitting the fundraising trail at the same time, as private equity funds invest the remaining capital from the 2006-2007 vintage funds. A driver of performance across the asset class has been private equity firms attempting to stand out from the crowd by returning capital to investors. Aided by robust debt markets, transaction volumes have been steady throughout 2012, but could be impacted by developments in the Euro-zone and the outcome of the U.S. elections.

RESOURCE FUNDS

During the third quarter of 2012, crude oil traded between a range of \$83/bbl and \$99/bbl. The average price for the third quarter of 2012 was \$92/bbl which is approximately \$2/bbl less than the average price for the second quarter of 2012. Strong global energy demand and unrest in the Middle East should continue to provide strength to oil prices.

COMBINED FUNDS

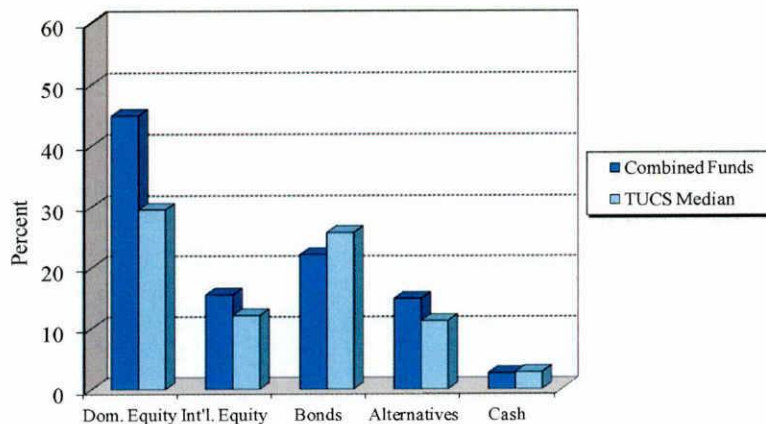
The comparison universe used by the SBI is the Trust Universe Comparison Service (TUCS). Only funds with assets over \$1 billion are included in the comparisons shown in this section.

Asset Mix Compared to Other Pension Funds

On September 30, 2012, the asset mix of the Combined Funds was:

Comparisons of the Combined Funds' asset mix to the median allocation to stocks, bonds and other assets of the public and corporate funds in TUCS' over \$1 billion are shown below:

	\$ Millions	%
Domestic Stocks	\$22,070	44.9%
International Stocks	7,619	15.5
Bonds	10,852	22.1
Alternative Assets	7,305	14.9
Unallocated Cash	1,295	2.6
Total	\$49,141	100.0%



	Dom. Equity	Int'l Equity	Bonds	Alternatives	Cash
Combined Funds	44.9%	15.5%	22.1%	14.9%	2.6%
Median Allocation in TUCS*	29.5	12.1	25.7	11.2**	2.8

* Public and corporate plans over \$1 billion.

** May include assets other than alternatives.

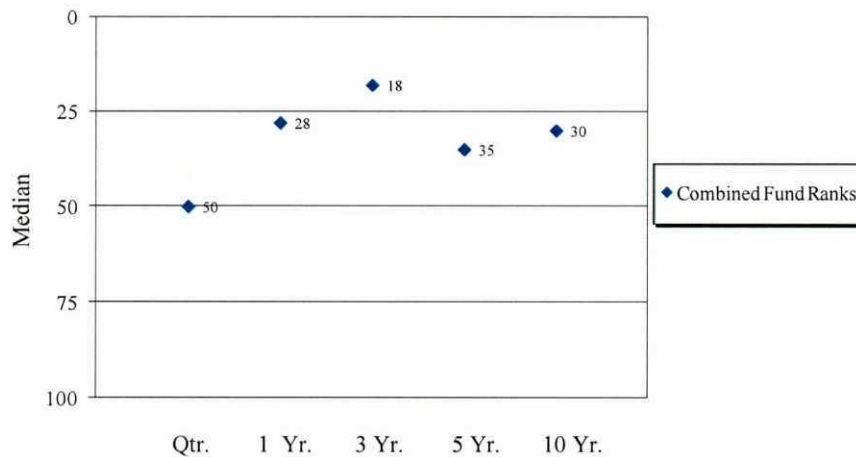
COMBINED FUNDS
Performance Compared to Other Pension Funds

While the SBI is concerned with how its returns compare to other pension investors, universe comparisons should be used with great care. There are several reasons why such comparisons will provide an “apples to oranges” look at performance:

- **Differing Allocations.** Asset allocation will have a dominant effect on return. The allocation to stocks among the funds in TUCS typically ranges from 20-90%, a very wide range for meaningful comparison. In addition, it appears that many funds do not include alternative asset holdings in their reports to TUCS. This further distorts comparisons among funds.
- **Differing Goals/Liabilities.** Each pension fund structures its portfolio to meet its own liabilities and risk tolerance. This will result in different choices on asset mix. Since asset mix will largely determine investment results, a universe ranking is not relevant to a discussion of how well a plan sponsor is meeting its long-term liabilities.

With these considerations in mind, the performance of the Combined Funds compared to other public and corporate pension funds in Trust Universe Comparison Service (TUCS) are shown below.

The SBI’s returns are ranked against public and corporate plans with over \$1 billion in assets. All funds in TUCS report their returns gross of fees.



	Period Ending 9/30/2012				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Combined Funds Percentile Rank in TUCS*	50th	28th	18th	35th	30th

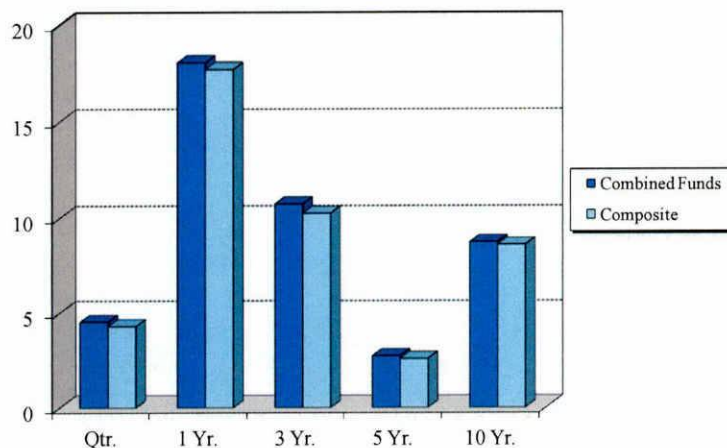
* Compared to public and corporate plans greater than \$1 billion, gross of fees.

COMBINED FUNDS
Performance Compared to Composite Index

The Combined Funds' performance is evaluated relative to a composite of market indices. The composite is weighted in a manner that reflects the asset allocation of the Combined Funds:

	Market Index	Combined Funds Composite* 3Q12
Domestic Stocks	Russell 3000	45.0%
Int'l. Stocks	MSCI ACWI Free ex-U.S.	15.0
Bonds	Barclays Capital Aggregate	22.3*
Alternative Investments	Alternative Investments	15.7*
Unallocated Cash	3 Month T-Bills	2.0
		100.0%

* Alternative asset and fixed income weights are reset in the composite at the start of each month to reflect the amount of unfunded commitments in alternative asset classes. The above Combined Funds Composite weighting was as of the beginning of the quarter.



	Period Ending 9/30/2012				
	Qtr.	1 Yr.	3 Yr.	Annualized 5 Yr.	10 Yr.
Combined Funds**	4.5%	18.1%	10.7%	2.7%	8.7%
Composite Index	4.3	17.7	10.3	2.6	8.6

** Actual returns are reported net of fees.

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STOCK AND BOND MANAGERS
Performance of Asset Pools (Net of Fees)

Domestic Stocks

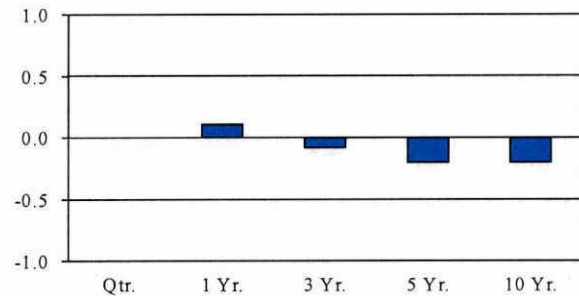
Target: Russell 3000

Expectation: If one-third of the pool is actively managed, one-third is semi-passively managed, and one-third is passively managed, the entire pool is expected to exceed the target by .18% - .40% annualized, over time.

	Period Ending 9/30/2012				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Domestic Stocks	6.2%	30.3%	13.2%	1.1%	8.3%
Asset Class Target*	6.2	30.2	13.3	1.3	8.5

* The Domestic Equity Asset Class Target is the Russell 3000 effective 10/1/03. From 7/1/99 to 9/30/03, it was the Wilshire 5000 Investable Index.

Value Added to Domestic Equity Target



International Stocks

Target: Standard MSCI ACWI Free ex U.S. (net)

Expectation: If at least one-third of the pool is managed actively, no more than one-third is semi-passively managed, and at least one-quarter is passively managed, the entire pool is expected to exceed the target by .25% - .75% annualized, over time.

	Period Ending 9/30/2012				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Int'l. Stocks	7.7%	14.9%	3.6%	-3.8%	9.7%
Asset Class Target*	7.4	14.5	3.2	-4.1	9.8

* The Int'l Equity Asset Class Target is MSCI ACWI Free ex U.S. (net) effective 10/1/03. From 1/1/01 to 9/30/03, the target was MSCI EAFE Free (net) + Emerging Markets Free (EMF) (net), and from 7/1/99 to 12/31/00 was MSCI EAFE Free (net) + EMF (gross). From 7/1/99 to 9/30/03, the weight of each index fluctuated with market cap.

Value Added to International Equity Target



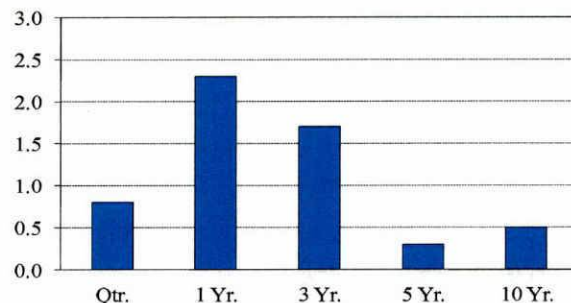
Bonds

Target: Barclays Capital Aggregate Bond Index

Expectation: If half of the pool is actively managed and half is managed semi-passively, the entire pool is expected to exceed the target by .20% - .35% annualized, over time.

	Period Ending 9/30/2012				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Bonds	2.4%	7.5%	7.9%	6.8%	5.8%
Asset Class Target	1.6	5.2	6.2	6.5	5.3

Value Added to Fixed Income Target



ALTERNATIVE INVESTMENTS

Performance of Asset Categories (Net of Fees)

Alternative Investments

Expectation: The alternative investments are measured against themselves using actual portfolio returns.

	Period Ending 9/30/2012				
	Qtr.	Yr.	3 Yr.	5 Yr.	10 Yr.
Alternatives	0.3%	6.1%	14.1%	5.6%	14.5%
Inflation	0.8%	2.0%	2.3%	2.1%	2.4%

Real Estate Investments (Equity emphasis)

Expectation: Real estate investments are expected to exceed the rate of inflation by 5% annualized, over the life of the investment.

The SBI began its real estate program in the mid-1980's and periodically makes new investments. Some of the existing investments are relatively immature and returns may not be indicative of future results.

	Period Ending 9/30/2012				
	Qtr.	Yr.	3 Yr.	5 Yr.	10 Yr.
Real Estate	1.7%	7.8%	5.8%	-2.8%	6.9%

Private Equity Investments (Equity emphasis)

Expectation: Private equity investments are expected to exceed the rate of inflation by 10% annualized, over the life of the investment.

The SBI began its private equity program in the mid-1980's and periodically makes new investments. Some of the existing investments are relatively immature and returns may not be indicative of future results.

	Period Ending 9/30/2012				
	Qtr.	Yr.	3 Yr.	5 Yr.	10 Yr.
Private Equity	0.6%	5.1%	15.7%	6.1%	14.8%

Resource Investments (Equity emphasis)

Expectation: Resource investments are expected to exceed the rate of inflation by 5% annualized, over the life of the investment.

The SBI began its resource program in the mid-1980's and periodically makes new investments. Some of the existing investments are relatively immature and returns may not be indicative of future results.

	Period Ending 9/30/2012				
	Qtr.	Yr.	3 Yr.	5 Yr.	10 Yr.
Resource	-3.4%	6.2%	15.7%	8.8%	26.2%

Yield Oriented Investments (Debt emphasis)

Expectation: Yield oriented investments are expected to exceed the rate of inflation by 5.5% annualized, over the life of the investment.

The SBI began its yield oriented program in 1994. Some of the existing investments are relatively immature and returns may not be indicative of future returns.

	Period Ending 9/30/2012				
	Qtr.	Yr.	3 Yr.	5 Yr.	10 Yr.
Yield Oriented	1.1%	9.2%	15.0%	9.8%	16.4%

SUPPLEMENTAL INVESTMENT FUND

The Minnesota Supplemental Investment Fund is a multi-purpose investment program that offers a range of investment options to state and local public employees. The different participating groups use the Fund for a variety of purposes:

1. It functions as the investment manager for all assets of the Unclassified Employees Retirement Plan, Public Employees Defined Contribution Plan, Hennepin County Supplemental Retirement Plan, and Health Care Savings Plan.
2. It is one investment vehicle offered to employees as part of Minnesota State Colleges and University's Individual Retirement Account Plan and College Supplemental Retirement Plan.
3. It serves as an external money manager for a portion of some local police and firefighter retirement plans.
4. It serves as the investment vehicle for the Voluntary Statewide Volunteer Firefighter Plan.

A wide diversity of investment goals exists among the Fund's participants. In order to meet those needs, the Fund has been structured much like a "family of mutual funds." Participants may allocate their investments among one or more accounts that are appropriate for their needs, within the statutory requirements and rules established by the participating organizations. Participation in the Fund is accomplished through the purchase or sale of shares in each account.

The investment returns shown in this report are calculated using a time-weighted rate of return formula. All returns are net of investment management fees.

On September 30, 2012 the market value of the entire Fund was \$1.2 billion.

Investment Options

	9/30/2012 Market Value (In Millions)
Income Share Account – a balanced portfolio utilizing both common stocks and bonds.	\$275
Growth Share Account – an actively managed, all common stock portfolio.	\$138
Common Stock Index Account – a passively managed, all common stock portfolio designed to track the performance of the entire U.S. stock market.	\$176
International Share Account – a portfolio of non U.S. stocks that incorporates both active and passive management.	\$80
Bond Market Account – an actively managed, all bond portfolio.	\$135
Money Market Account – a portfolio utilizing short-term, liquid debt securities.	\$210
Fixed Interest Account – a portfolio of stable value instruments, including security backed contracts and insurance company and bank investment contracts.	\$183
Volunteer Firefighter Account – a balanced portfolio only used by the Voluntary Statewide Volunteer Firefighter Plan.	\$7

SUPPLEMENTAL INVESTMENT FUND ACCOUNTS

INCOME SHARE ACCOUNT

Investment Objective

The primary investment objective of the Income Share Account is similar to that of the Combined Funds. The Account seeks to maximize long-term real rates of return, while limiting short-run portfolio return volatility.

Asset Mix

The Income Share Account is invested in a balanced portfolio of common stocks and bonds. Common stocks provide the potential for significant capital appreciation, while bonds act as a deflation hedge and provide portfolio diversification.

	Target	Actual
Stocks	60.0%	60.4%
Bonds	35.0	34.1
Cash	5.0	5.5
	100.0%	100.0%

Period Ending 9/30/2012

	Annualized				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Account	4.4%	20.3%	10.7%	3.9%	7.7%
Benchmark*	4.3	19.6	10.4	3.2	7.2

* 60% Russell 3000/35% Barclays Capital Aggregate Bond Index/5% T-Bills Composite since 10/1/03. 60% Wilshire 5000/35% Barclays Capital Aggregate Bond Index/5% T-Bills composite through 9/30/03.

GROWTH SHARE ACCOUNT

Investment Objective

The Growth Share Account's investment objective is to generate above-average returns from capital appreciation on common stocks.

Asset Mix

The Growth Share Account is invested primarily in the common stocks of US companies. The managers in the account also hold varying levels of cash.

Period Ending 9/30/2012

	Annualized				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Account	6.2%	30.5%	13.1%	1.0%	8.1%
Benchmark*	6.2	30.2	13.3	1.3	8.5

* Russell 3000 since 10/1/03. 100% Wilshire 5000 Investable from July 1999 to September 2003.

COMMON STOCK INDEX ACCOUNT

Investment Objective and Asset Mix

The investment objective of the Common Stock Index Account is to generate returns that track those of the U.S. stock market as a whole. The Account is designed to track the performance of the Russell 3000, a broad-based equity market indicator.

The Account is invested 100% in common stock.

Period Ending 9/30/2012

	Annualized				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Account	6.2%	30.1%	13.3%	1.4%	8.6%
Benchmark*	6.2	30.2	13.3	1.3	8.5

* Russell 3000 since 10/1/03. Wilshire 5000 Investable from 7/1/00 to 9/30/03. Wilshire 5000 through 6/30/00.

INTERNATIONAL SHARE ACCOUNT

Investment Objective and Asset Mix

The investment objective of the International Share Account is to earn a high rate of return by investing in the stock of companies outside the U.S. At least twenty-five percent of the Account is "passively managed" and no more than 33% of the Account is "semi-passively managed." These portions of the Account are designed to track and modestly outperform, respectively, the return of 23 developed markets included in the Morgan Stanley Capital International World ex U.S. Index. The remainder of the Account is "actively managed" by several international managers and emerging markets specialists who buy and sell stocks in an attempt to maximize market value.

Period Ending 9/30/2012

	Annualized				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Account	7.7%	14.9%	3.6%	-3.8%	9.9%
Benchmark*	7.4	14.5	3.2	-4.1	9.8

* The Int'l Equity Asset Class Target is MSCI ACWI Free ex U.S. (net) since 10/1/03. From 1/1/01 to 9/30/03, the target was MSCI EAFE Free (net) + Emerging Markets Free (EMF) (net), and from 7/1/99 to 12/31/00 was MSCI EAFE Free (net) + EMF (gross). From 7/1/99 to 9/30/03, the weight of each index fluctuated with market cap.

SUPPLEMENTAL INVESTMENT FUND ACCOUNTS

BOND MARKET ACCOUNT

Investment Objective

The investment objective of the Bond Market Account is to exceed the return of the broad domestic bond market by investing in fixed income securities.

Asset Mix

The Bond Market Account invests primarily in high-quality, government and corporate bonds that have intermediate to long-term maturities, usually 3 to 20 years.

	Period Ending 9/30/2012				
	Annualized				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Account	2.4%	7.5%	7.9%	6.8%	5.8%
Barclays Capital Aggregate	1.6	5.2	6.2	6.5	5.3

MONEY MARKET ACCOUNT

Investment Objective

The investment objective of the Money Market Account is to protect principal by investing in short-term, liquid U.S. Government securities.

Asset Mix

The Account is invested entirely in high quality, short-term U.S. Treasury and Agency securities. The average maturity of the portfolios is less than 90 days.

	Period Ending 9/30/2012				
	Annualized				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Account	0.1%	0.3%	0.2%	1.0%	2.0%
3 month T-Bills	0.0	0.1	0.1	0.6	1.7

FIXED INTEREST ACCOUNT

Investment Objectives

The investment objectives of the Fixed Interest Account are to protect investors from loss of their original investment and to provide competitive interest rates using somewhat longer-term investments than typically found in a money market account.

Asset Mix

The Account is invested in a well-diversified portfolio of high-quality fixed income securities with strong credit ratings. The Account also invests in contracts issued by highly rated insurance companies and banks which are structured to provide principal protection for the Account's diversified bond portfolios, regardless of daily market changes.

	Period Ending 9/30/2012				
	Annualized				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Account	0.7%	3.0%	3.6%	4.1%	4.3%
Benchmark*	0.2	0.8	1.2	1.7	2.8

* The Fixed Interest Benchmark is the 3 year Constant Maturity Treasury Bill +45 basis points.

VOLUNTEER FIREFIGHTER ACCOUNT

The investment objective of the Volunteer Firefighter Account is to maximize long-term returns while limiting short-term portfolio return volatility.

The Account is invested in a balanced portfolio:

	Target	Actual
Domestic Stocks	35.0	35.8%
International Stocks	15.0	16.5
Bonds	45.0	45.2
Cash	5.0	2.5
	100.0%	100.0%

	Period Ending 9/30/2012				
	Annualized				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Account	4.6%	15.7%	N/A	N/A	N/A
Benchmark*	4.0	14.9	N/A	N/A	N/A

* The benchmark for this account is 35% Russell 3000, 15% MSCI ACWI Free ex U.S. (net), 45% Barclays Capital Aggregate, 5% 3 month T-Bills.

DEFERRED COMPENSATION PLAN ACCOUNTS

The Deferred Compensation Plan provides public employees with a tax-sheltered retirement savings plan that is a supplement to their primary retirement plan. (In most cases, the primary plan is a defined benefit plan administered by TRA, PERA, or MSRS.)

Participants choose from 4 actively managed mutual funds
5 passively managed mutual funds and 11 target retirement

fund options. The SBI also offers a money market option and a stable value option. All provide for daily pricing needs of the plan administrator. Participants may also choose from hundreds of funds in a mutual fund window. The current plan structure became effective July 1, 2011. The investment options and objectives are outlined below.

Investment Options

	9/30/2012 Market Value (in Millions)
Vanguard Index Institutional Plus Shares (passive)	\$669
Janus Twenty (active)	\$418
Vanguard Mid Cap Index Institutional Shares (passive)	\$240
T. Rowe Price Small-Cap Stock (active)	\$451
Fidelity Diversified International (active)	\$225
Vanguard Total International Stock Index Institutional Plus (passive)	\$102
Vanguard Balanced Index Institutional Shares (passive)	\$521
Dodge & Cox Income Fund (active)	\$199
Vanguard Total Bond Market Index Institutional Shares (passive)	\$190
SIF Money Market Account	\$70
SIF Fixed Interest Account (stable value)	\$1,359
State Street Global Advisors MN Target Retirement Funds	
Income Fund	\$14
2015 Fund	\$20
2020 Fund	\$22
2025 Fund	\$14
2030 Fund	\$8
2035 Fund	\$5
2040 Fund	\$3
2045 Fund	\$2
2050 Fund	<\$1
2055 Fund	<\$1
2060 Fund	<\$1

DEFERRED COMPENSATION PLAN ACCOUNTS

LARGE CAP EQUITY

Vanguard Index Institutional Plus (passive)

- A passive domestic stock portfolio that tracks the S&P 500.

Fund	Period Ending 9/30/2012			
	Qtr.	1 Yr.	3 Yr.	5 Yr.
	Annualized			
	6.4%	30.2%	13.2%	1.1%
S&P 500	6.4	30.2	13.2	1.1

Janus Twenty (active)

- A concentrated fund of large cap stocks which is expected to outperform the S&P 500, over time.

Fund	Period Ending 9/30/2012			
	Qtr.	1 Yr.	3 Yr.	5 Yr.
	Annualized			
	7.6%	32.4%	8.1%	1.6%
S&P 500	6.4	30.2	13.2	1.1

MID CAP EQUITY

Vanguard Mid Cap Index (passive)

- A fund that passively invests in companies with medium market capitalizations that tracks the Morgan Stanley Capital International (MSCI) U.S. Midcap 450 index.

Fund	Period Ending 9/30/2012			
	Qtr.	1 Yr.	3 Yr.	5 Yr.
	Annualized			
	5.2%	26.5%	14.0%	1.9%
MSCI US Mid-Cap 450	5.2	26.5	14.1	1.9

SMALL CAP EQUITY

T. Rowe Price Small Cap (active)

- A fund that invests primarily in companies with small market capitalizations and is expected to outperform the Russell 2000.

Fund	Period Ending 9/30/2012			
	Qtr.	1 Yr.	3 Yr.	5 Yr.
	Annualized			
	5.0%	35.5%	17.2%	5.9%
Russell 2000	5.3	31.9	13.0	2.2

INTERNATIONAL EQUITY

Fidelity Diversified International (active)

- A fund that invests primarily in stocks of companies located outside the United States and is expected to outperform the MSCI index of Europe, Australasia and the Far East (EAFE), over time.

Fund	Period Ending 9/30/2012			
	Qtr.	1 Yr.	3 Yr.	5 Yr.
	Annualized			
	11.4%	23.7%	4.8%	-4.3%
MSCI EAFE	6.9	13.8	2.1	-5.2

Vanguard Total International Stock Index (passive)

- A fund that seeks to track the investment performance of the MSCI All Country World ex USA Investable Market Index, an index designed to measure equity market performance in developed and emerging markets, excluding the United States.

Fund	Period Ending 9/30/2012			
	Qtr.	1 Yr.	3 Yr.	5 Yr.
	Annualized			
	6.9%	15.5%	N/A	N/A
ACWI ex US IMI	7.5	14.4	N/A	N/A

DEFERRED COMPENSATION PLAN ACCOUNTS

BALANCED

Vanguard Balanced Index (passive)

- A fund that passively invests in a mix of domestic stocks and bonds. The fund is expected to track a weighted benchmark of 60% MSCI US Broad Market Index/40% Barclays Capital Aggregate.

Fund	Period Ending 9/30/2012			
	Qtr.	1 Yr.	Annualized	
	3 Yr.	5 Yr.		
	4.4%	19.9%	10.9%	4.1%
Benchmark	4.4	19.9	10.9	3.9

FIXED INCOME

Dodge & Cox Income Fund (active)

- A fund that invests primarily in investment grade securities in the U.S. bond market which is expected to outperform the Barclays Capital Aggregate, over time.

Fund	Period Ending 9/30/2012			
	Qtr.	1 Yr.	Annualized	
	3 Yr.	5 Yr.		
	2.5%	8.4%	6.9%	7.1%
Barclays Capital Agg.	1.6	5.2	6.2	6.5

Vanguard Total Bond Market Index (passive)

- A fund that passively invests in a broad, market-weighted bond index that is expected to track the Barclays Capital Aggregate.

Fund	Period Ending 9/30/2012			
	Qtr.	1 Yr.	Annualized	
	3 Yr.	5 Yr.		
	1.6%	5.1%	6.1%	6.6%
Barclays Capital Agg.	1.6	5.2	6.2	6.5

Money Market Account

- A fund that invests in short-term debt instruments which is expected to outperform the return on 3-month U.S. Treasury Bills.

Fund	Period Ending 9/30/2012			
	Qtr.	1 Yr.	Annualized	
	3 Yr.	5 Yr.		
	0.1%	0.3%	0.2%	1.0%
3-Mo. Treas.	0.0	0.1	0.1	0.6

FIXED INTEREST ACCOUNT

- A portfolio composed of stable value instruments which are primarily investment contracts and security backed contracts. The account is expected to outperform the return of the 3 year Constant Maturity Treasury + 45 basis points, over time.

Fund	Period Ending 9/30/2012			
	Qtr.	1 Yr.	Annualized	
	3 Yr.	5 Yr.		
	0.7%	3.0%	3.6%	4.1%
Benchmark	0.2	0.8	1.2	1.7

MN TARGET RETIREMENT ACCOUNTS

- Target retirement funds offer a mix of investments that are adjusted over time to reduce risk and become more conservative as the target retirement date approaches.

See Page A-107 for returns.

ASSIGNED RISK PLAN

Investment Objectives

The Assigned Risk Plan has two investment objectives: to minimize the mismatch between assets and liabilities and to provide sufficient liquidity for the payment of on-going claims and operating expenses.

Asset Mix

The Assigned Risk Plan is invested in a portfolio of common stocks and bonds. The actual asset mix will fluctuate in response to changes in the Plan's liability stream.

	9/30/2012 Target	9/30/2012 Actual
Stocks	20.0%	20.5%
Bonds	80.0	79.5
Total	100.0%	100.0%

Investment Management

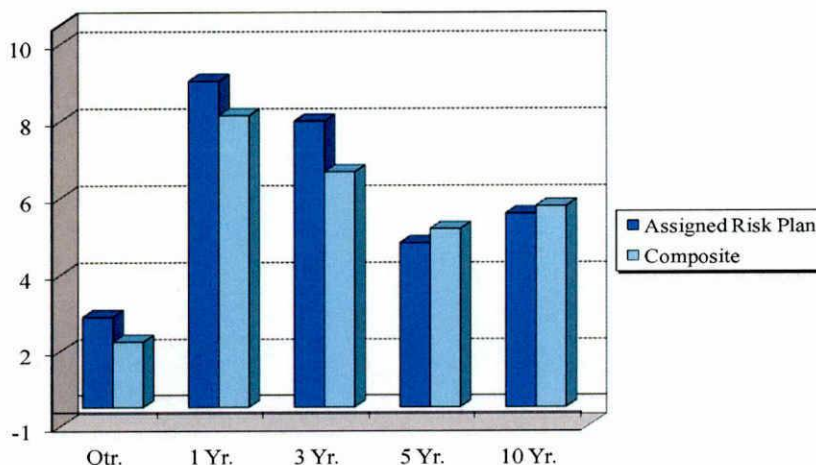
RBC Global Asset Management (US) manages the bond segment of the Fund. GE Investment Management manages the equity segment.

Performance Benchmarks

Since July 1, 2011, the fixed income benchmark has been the Barclays Capital Intermediate Government Index. Since July 1, 1994, the equity benchmark has been the S&P 500 index. The total fund benchmark is a combination of the fixed income and equity benchmarks, weighted according to the total fund asset allocation targets.

Market Value

On September 30, 2012 the market value of the Assigned Risk Plan was \$267 million.



Period Ending 9/30/2012

	Annualized				
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Fund*	2.4%	8.5%	7.5%	4.3%	5.1%
Composite	1.8	7.6	6.2	4.7	5.3
Equity Segment*	7.3	30.6	9.9	1.1	7.3
Benchmark	6.4	30.2	13.2	1.1	8.0
Bond Segment*	0.6	2.2	6.4	4.9	4.3
Benchmark	0.6	2.4	4.2	5.3	4.4

* Actual returns are calculated net of fees.

PERMANENT SCHOOL FUND

Investment Objectives

The investment objective of the Permanent School Fund is to produce a growing level of spendable income, within the constraints of maintaining adequate portfolio quality and liquidity. The income from the portfolio is used to offset expenditures on school aid payments to local school districts.

Asset Mix

Effective with FY98, the Permanent School Fund is invested in a balanced portfolio of common stocks and bonds. Common stocks provide the potential for significant capital appreciation, while bonds provide portfolio diversification and a more stable stream of current income.

	9/30/2012 Target	9/30/2012 Actual
Stocks	50.0%	50.9%
Bond	48.0	47.2
Cash	2.0	1.9
Total	100.0%	100.0%

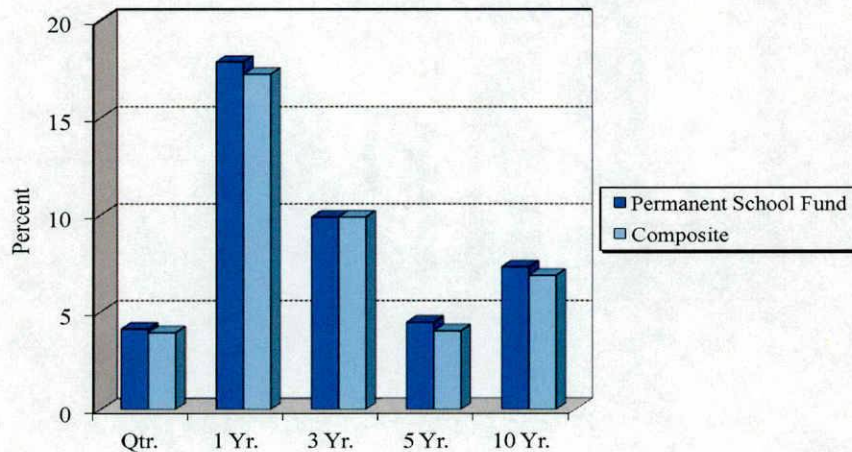
Prior to FY98, the Fund was invested entirely in fixed income securities in order to maximize current income. It is understood that the change in asset mix will reduce portfolio income in the short term, but will enhance the value of the fund, over time.

Investment Management

SBI staff manages all assets of the Permanent School Fund. The stock segment is passively managed to track the performance of the S&P 500. The bond segment is actively managed to add incremental value through sector, security and yield curve decisions.

Market Value

On September 30, 2012 the market value of the Permanent School Fund was \$875 million.



Period Ending 9/30/2012
Annualized

	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
--	------	-------	-------	-------	--------

Total Fund*	4.1%	17.9%	9.9%	4.5%	7.3%
Composite	3.9	17.2	9.9	4.0	6.9
Equity Segment*	6.4	30.1	13.3	1.1	8.1
S&P 500	6.4	30.2	13.2	1.1	8.0
Bond Segment*	1.9	6.4	6.0	7.0	6.0
Barclays Capital Agg.	1.6	5.2	6.2	6.5	5.3

* Actual returns are calculated net of fees.

ENVIRONMENTAL TRUST FUND

Investment Objective

The objective of the Environmental Trust Fund is to increase the market value of the Fund over time in order to increase the annual amount made available for spending.

Asset Mix

The Environmental Trust Fund is invested in a balanced portfolio of common stocks and bonds. Common stocks provide the potential for significant capital appreciation, while bonds act as a deflation hedge and provide portfolio diversification. As of July 1, 1999, the asset

allocation changed from 50% stocks/50% fixed income to 70% stocks /30% fixed income.

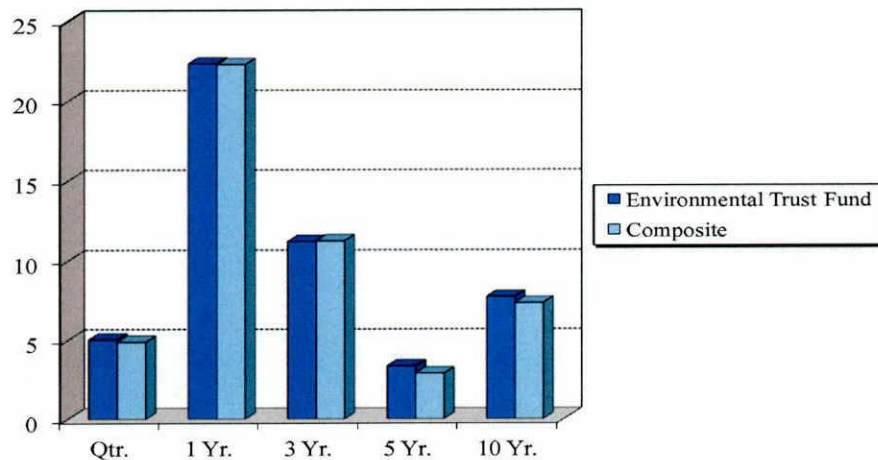
Investment Management

SBI staff manage all assets of the Environmental Trust Fund. The bond segment is actively managed to add incremental value through sector, security and yield curve decisions. The stock segment is passively managed to track the performance of the S&P 500.

Market Value

On September 30, 2012 the market value of the Environmental Trust Fund was \$646 million.

	9/30/2012 Target	9/30/2012 Actual
Stocks	70.0%	71.4%
Bonds	28.0	26.7
Cash	2.0	1.9
Total	100.0%	100.0%



	Period Ending 9/30/2012				
		Annualized			
	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.

Total Fund*	5.0%	22.3%	11.2%	3.4%	7.8%
Composite	4.9	22.3	11.2	2.9	7.4
Equity Segment*	6.4	30.1	13.3	1.2	8.1
S&P 500	6.4	30.2	13.2	1.1	8.0
Bond Segment*	1.9	6.4	6.0	6.9	6.0
Barclays Capital Agg.	1.6	5.2	6.2	6.5	5.3

* Actual returns are calculated net of fees.

STATE CASH ACCOUNTS

Description

State Cash Accounts represent the cash balances in more than 400 separate accounts that flow through the Minnesota State Treasury. These accounts vary greatly in size.

Most accounts are invested by SBI staff through a short-term pooled fund referred to as the Treasurer's Cash Pool. The Pool has an average daily balance of about \$5.0 billion. It contains the cash balances of special or dedicated accounts necessary for the operation of certain State agencies and non-dedicated cash in the State Treasury.

In addition, each State of Minnesota bond sale requires two additional pools, one for bond proceeds and one for debt reserve transfer.

Because of special legal restrictions, a small number of cash accounts cannot be commingled. These accounts are invested separately.

Investment Objectives

Safety of Principal. To preserve capital.

Liquidity. To meet cash needs without the forced sale of securities at a loss.

Competitive Rate of Return. To provide a high level of current income.

Asset Mix

The SBI maximizes current income while preserving capital by investing all cash accounts in high quality, liquid, short-term investments. These include U.S. Treasury and Agency issues, repurchase agreements, bankers acceptances, commercial paper, and certificates of deposit.

Investment Management

All state cash accounts are managed by SBI investment staff. As noted above, most of the assets of the cash accounts are invested through the large commingled investment pool.

	Market Value (Millions)	Period Ending 9/30/2012				
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Treasurer's Cash Pool*	\$5,033	0.2%	0.7%	0.7%	1.7%	2.4%
Custom Benchmark**		0.0	0.0	0.0	0.7	1.6
3 month T-Bills		0.0	0.1	0.1	0.6	1.7

* Actual returns are calculated net of fees.

** Beginning in January 2003, the Treasurer's Cash Pool is measured against the iMoneyNet, All Taxable Money Fund Report Average. From January 1997 to December 2002 the fund was measured against a blended benchmark consisting of the Barclays Capital 1-3 year Government Index and the iMoneyNet, All Taxable Money Fund Report Average. The proportion of each component of the blended benchmark is adjusted periodically as the asset allocation of the Cash Pool is modified.

Note: Effective March 6, 2012 the Trust Fund Cash Pool was dissolved. The Trust Fund Cash Pool which invested temporary cash balances of retirement related accounts was no longer needed with the adoption of daily transfers to the SBI's custodian bank.

MINNESOTA STATE BOARD OF INVESTMENT
Composition of State Investment Portfolios By Type of Investment
Market Value September 30, 2012(in Thousands)

	Cash & ST	Bonds Int	Bonds Ext	Stock Int	Stock Ext	Ext Intl	Alternative	Total
COMBINED RETIREMENT FUNDS								
Teachers Retirement Fund	442,191 2.58%	0	3,788,508 22.10%	0	7,704,584 44.94%	2,659,899 15.51%	2,549,995 14.87%	17,145,177 100%
Public Employees Retirement Fund	372,669 2.66%	0	3,103,332 22.08%	0	6,311,160 44.90%	2,178,839 15.50%	2,088,812 14.86%	14,054,812 100%
State Employees Retirement Fund	238,274 2.53%	0	2,079,324 22.11%	0	4,228,662 44.96%	1,459,886 15.52%	1,399,565 14.88%	9,405,711 100%
Public Employees Police & Fire	155,004 2.60%	0	1,319,815 22.09%	0	2,684,072 44.93%	926,638 15.51%	888,351 14.87%	5,973,880 100%
Highway Patrol Retirement Fund	14,344 2.54%	0	124,979 22.11%	0	254,166 44.96%	87,747 15.52%	84,121 14.88%	565,357 100%
Judges Retirement Fund	3,953 2.67%	0	32,668 22.08%	0	66,436 44.89%	22,936 15.50%	21,988 14.86%	147,981 100%
Correctional Employees Retirement	17,972 2.63%	0	151,437 22.09%	0	307,972 44.92%	106,323 15.51%	101,930 14.87%	685,634 100%
Public Employees Correctional	8,857 2.75%	0	71,226 22.06%	0	144,850 44.86%	50,007 15.49%	47,941 14.85%	322,881 100%
Legislative Retirement Fund	332 2.41%	0	3,052 22.14%	0	6,206 45.01%	2,143 15.54%	2,054 14.90%	13,787 100%
PERA Minneapolis Retirement	42,219 5.11%	0	177,798 21.52%	0	361,587 43.77%	124,833 15.11%	119,675 14.49%	826,112 100%
TOTAL COMBINED FUNDS	1,295,815 2.64%	0	10,852,139 22.08%	0	22,069,695 44.91%	7,619,251 15.50%	7,304,432 14.86%	49,141,332 100%

	Cash & ST	Bonds Int	Bonds Ext	Stock Int	Stock Ext	Ext Intl	Alternative	Total
MINNESOTA SUPPLEMENTAL FUNDS:								
Income Share Account	15,186 5.53%	93,569 34.09%	0	0	165,790 60.39%	0	0	274,545 100%
Growth Share Account	0	0	0	0	137,785 100.00%	0	0	137,785 100%
Money Market Account	210,578 100.00%	0	0	0	0	0	0	210,578 100%
Common Stock Index	0	0	0	0	176,150 100.00%	0	0	176,150 100%
Bond Market Account	0	0	134,785 100.00%	0	0	0	0	134,785 100%
International Share Account	0	0	0	0	0	79,932 100.00%	0	79,932 100%
Fixed Interest Account	0	0	183,269 100.00%	0	0	0	0	183,269 100%
Volunteer Firefighters Account	171 2.50%	0	3,091 45.22%	0	2,448 35.81%	1,126 16.47%	0	6,836 100%
TOTAL SUPPLEMENTAL FUNDS	225,935 18.77%	93,569 7.78%	321,145 26.68%	0	482,173 40.06%	81,058 6.73%	0	1,203,880 100%
MN DEFERRED COMP PLAN	78,706 1.74%	0	1,987,059 43.83%	0	2,127,656 46.94%	339,772 7.50%	0	4,533,193 100%
TOTAL RETIREMENT FUNDS	1,600,456 2.92%	93,569 0.17%	13,160,343 23.98%	0	24,679,524 44.97%	8,040,081 14.65%	7,304,432 13.31%	54,878,405 100%

	Cash & ST	Bonds Int	Bonds Ext	Stock Int	Stock Ext	Ext Intl	Alternative	Total
ASSIGNED RISK PLAN	1,205 0.46%	0	211,941 79.42%	0	53,728 20.13%	0	0	266,874 100%
ENVIRONMENTAL FUND	11,894 1.84%	172,726 26.73%	0	461,588 71.43%	0	0	0	646,208 100%
PERMANENT SCHOOL FUND	16,455 1.88%	413,372 47.24%	0	445,300 50.88%	0	0	0	875,127 100%
Miscellaneous Trust Funds	304 0.26%	56,509 49.10%	0	58,275 50.64%	0	0	0	115,088 100%
Other Post Employment Funds (OPEB's)	27,519 8.54%	66,365 20.59%	0	228,491 70.88%	0	0	0	322,375 100%
TREASURERS CASH	5,033,417 100.00%	0	0	0	0	0	0	5,033,417 100%
MISCELLANEOUS ACCOUNTS	0	241,717 100.00%	0		0	0	0	241,717 100%
TOTAL CASH AND NON-RETIREMENT	5,090,794 67.87%	950,689 12.67%	211,941 2.83%	1,193,654 15.91%	53,728 0.72%	0	0	7,500,806 100%
GRAND TOTAL	6,691,250 10.73%	1,044,258 1.67%	13,372,284 21.44%	1,193,654 1.91%	24,733,252 39.65%	8,040,081 12.89%	7,304,432 11.71%	62,379,211 100%

TAB

B

EXECUTIVE DIRECTOR'S ADMINISTRATIVE REPORT

DATE: November 13, 2012

TO: Members, State Board of Investment

FROM: **Howard Bicker**

1. Reports on Budget and Travel

A report on the SBI's administrative budget for the fiscal year to date through October 31, 2012 is included as **Attachment A**.

A report on travel for the period from August 5, 2012 – November 3, 2012 is included as **Attachment B**.

2. FY12 Audit Report

The Legislative Auditor is working on the financial audit of SBI operations for FY12. A final copy will be distributed as soon as it is available.

3. Draft of FY12 Annual Report

A draft of the SBI's annual report for FY12 will be distributed to the Board members/designees and IAC members by early December. The final report should be distributed by the end of the year.

4. Tentative Meeting Dates for Calendar 2013

The quarterly meetings of the SBI are normally held in March, June, September and December. The dates for the IAC and SBI meetings for calendar 2013 are:

IAC	SBI
Tuesday, February 19, 2013	Wednesday, March 6, 2013
Tuesday, May 21, 2013	Wednesday, June 5, 2013
Tuesday, August 20, 2013	Wednesday, September 11, 2013
Tuesday, November 19, 2013	Wednesday, December 4, 2013

SBI staff will confirm the availability of Board members for the above dates over the next few weeks.

5. Update on Sudan

Each quarter, staff provides a report to the Board on steps taken to implement *Minnesota Statutes*, section 11A.243 that requires SBI actions concerning companies with operations in Sudan. Staff receives periodic reports from the Conflict Risk Network (CRN) about the status of companies with operations in Sudan.

The SBI is restricted from purchasing stock in the companies designated as highest offenders by the CRN. Accordingly, staff updates the list of restricted stocks and notifies investment managers that they may not purchase shares in companies on the restricted list. Staff receives monthly reports from the SBI's custodian bank concerning SBI holdings of companies on the CRN list and writes letters as required by law.

According to the law, after 90 days following the SBI's communication, a company continues to have active business operations in Sudan, the SBI must divest holdings of the company according to the following schedule:

- at least 50% shall be sold within nine months after the company appeared on the Task Force list; and
- 100% shall be sold within fifteen months after the company appeared on the list.

In the third quarter, SBI managers held no shares in companies on the divestment list.

Attachment C is a copy of the September 28, 2012 letter sent to each international equity manager and domestic equity manager containing the most recent restricted list and the list of stocks to be divested.

Attachment D is an updated list of companies with operations in Sudan.

6. Update on Iran

Each quarter, staff provides a report to the Board on steps taken to implement *Minnesota Statutes*, section 11A.244 that requires SBI actions concerning companies with operations in Iran.

SBI receives information on companies with Iran operations from IW Financial, through Glass Lewis. Staff receives monthly reports from the SBI's custodian bank concerning SBI holdings of companies on the restricted list and writes letters as required by the law.

According to the law, if after 90 days following the SBI's communication a company continues to have scrutinized business operations, the SBI must divest all publicly traded securities of the company according to the following schedule:

- at least 50 percent shall be sold within nine months after the company appeared on the scrutinized list.
- 100 percent, within fifteen months after the company appeared on the scrutinized list.

In the third quarter, SBI managers divested 257,802 shares in companies on the divestment list.

Attachment E is a copy of the September 28, 2012 letter sent to each international equity manager and domestic equity manager and fixed income manager containing the end of quarter restricted list and the list of companies to be divested.

7. Litigation Update

SBI legal counsel will give the Board a verbal update on the status of litigation at the Board meeting on December 6, 2012.

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ATTACHMENT A

**STATE BOARD OF INVESTMENT
FISCAL YEAR 2013 ADMINISTRATIVE BUDGET REPORT
FISCAL YEAR TO DATE THROUGH OCTOBER 31, 2012**

ITEM	FISCAL YEAR 2013 BUDGET	FISCAL YEAR 2013 10/31/2012
PERSONAL SERVICES		
FULL TIME EMPLOYEES	\$ 2,964,500	\$ 773,163
PART TIME EMPLOYEES	67,000	19,045
SEVERENCE PAYOFF	0	0
WORKERS COMPENSATION INSURANCE	0	0
MISCELLANEOUS PAYROLL	5,000	858
SUBTOTAL	\$ 3,036,500	\$ 793,066
STATE OPERATIONS		
RENTS & LEASES	203,000	64,883
REPAIRS/ALTERATIONS/MAINTENANCE	10,000	1,004
PRINTING & BINDING	4,000	2,599
PROFESSIONAL/TECHNICAL SERVICES	0	0
COMPUTER SYSTEMS SERVICES	23,000	6,118
COMMUNICATIONS	26,000	6,125
TRAVEL, IN-STATE	900	375
TRAVEL, OUT-STATE	42,000	18,687
SUPPLIES	28,000	7,170
EQUIPMENT	12,000	0
EMPLOYEE DEVELOPMENT	5,000	7,065
OTHER OPERATING COSTS	12,000	4,327
SUBTOTAL	\$ 365,900	\$ 118,353
TOTAL ADMINISTRATIVE BUDGET	\$ 3,402,400	\$ 911,419

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ATTACHMENT B

STATE BOARD OF INVESTMENT

Travel Summary by Date
SBI Travel August 5, 2012 – November 3, 2012

Purpose	Name(s)	Destination and Date	Total Cost
Conference: Callan College	M. Hines	Chicago, IL 7/9-7/11	\$868.48
Manager Search Accounting Services: QED Financial Systems, Inc.	P. Anderson L. Stagg S. Kuettel	Philadelphia, PA 8/15-8/16	\$2,854.92
Manager Monitoring Fixed Income Manager: Neuberger Berman Manager Monitoring Consultant: Callan Associates Inc.	R. Hill	Chicago, IL 8/29-8/30	\$508.44
Manager Monitoring Alternative Investments Managers: Advent Int'l; CarVal; CVC Capital Manager Monitoring International Managers: J.P. Morgan; Marathon; Pyramis; SSgA; Threadneedle	J. Heidelberg	London, England 9/13-9/23	\$2,827.78
Conference: REAM 2012 Annual Conference	H. Bicker	Granite Falls, MN 9/18	\$335.46
MN GFOA Annual Conference		Alexandria, MN 9/19	
Conference: National Association of State Investment Officers (NASIO)	H. Bicker	Denver, CO 9/30-10/3	\$2,720.96

STATE BOARD OF INVESTMENT

**Travel Summary by Date
SBI Travel August 5, 2012 – November 3, 2012**

Purpose	Name(s)	Destination and Date	Total Cost
Conference: Public Pension Financial Forum Annual Conference	P. Anderson	New Orleans, LA 10/7-10/10	\$1,793.32
Manager Monitoring Deferred Compensation Plan Manager: Vanguard Conference: Vision 2012 sponsored by: Vanguard	J. Heidelberg L. Stagg	Washington, DC 10/14-10/16	\$2,400.84
Manager Monitoring Alternative Investment Managers: Blackstone Capital Partners; EnCap; Goldman Sachs Capital Partners; Goldman Sachs Mezzanine Partners; Warburg Pincus Manager Search Alternative Investment Manager: Public Pension Capital	J. Kirby	Jacksonville, FL New York, NY 10/15-10/19	\$2,318.85
Manager Monitoring Alternative Investment Manager: Chicago Growth Partners Annual Meeting Manager Search Alternative Investment Manager: Banc Fund	J. Griebenow	Chicago, IL 10/17-10/19	\$791.96

ATTACHMENT C

Letter to SBI International Equity Managers and Domestic Equity Managers

September 28, 2012

Regarding: Sudan Companies

Dear Manager:

The Minnesota State Board of Investment (SBI) sent you prior communication concerning holdings in companies doing business in Sudan. **This new communication applies to all SBI equity portfolios managed by your organization and replaces all prior communications. This communication also applies to all depository receipts or ADR's of any of the listed companies.**

Minnesota Statutes, section 11A.243 requires the SBI to implement a Sudan restriction.

Attachment 1 is the List of Restricted Sudan Stocks. **These securities may not be purchased for the SBI portfolio that your organization manages.** Please note that the attached List makes changes to the List of Restricted Sudan Stocks that was attached to the June 19, 2012 letter you received. **This new list is effective October 1, 2012.**

- The following company has a new name:
 - Alstom India Limited was formerly known Alstom Projects India Limited

Attachment 2 is the List of Sudan Stocks Requiring Divestment.

- There were no changes to the Divestment List.

If you own securities of companies on the List of Iran Companies Requiring Divestment in the SBI portfolio that your organization manages, then you must divest those holdings according to the schedule provided in the Attachment:

- At least 50 percent of a company's holdings must be sold by the date indicated, and
- At least 100 percent of a company's holdings must be sold by the date indicated.

Attachment 3 is a list of security identifiers for the companies on the List of Restricted Sudan Stocks (**Attachment 1**) that your organization may use. The SBI does not represent that this is a complete list of identifiers. The manager is responsible for identifying all listings. Please note that the list of security identifiers may have information on companies not on the restricted list.

If you have any questions about this matter, please contact Tammy Brusehaver or Patricia Ammann, Domestic Equities; Stephanie Gleeson, International Equities or me.

Sincerely,

James E. Heidelberg
Assistant Executive Director

Enclosures

cc: LeaAnn M. Stagg, Manager, Public Programs
Tammy Brusehaver, Manager, Domestic Equities
Patricia Ammann, Portfolio Manager, Domestic Equities
Stephanie Gleeson, Manager, International Equities

ATTACHMENT 1

Restricted Sudan Stocks	
Company Name	Country of Origin
AviChina Industry & Technology Company Limited	China
China Gezhouba Group Company Limited	China
Daqing Huake Group Company Limited	China
Dongfeng Motor Group Company Limited	China
Hafei Aviation Industry Company	China
Harbin Dongan Auto Engine Company	China
Jiangxi Hongdu Aviation AKA Hongdu Aviation	China
Jinan Diesel Company Limited	China
PetroChina	China
Sinopec Corporation AKA China Petroleum and Chemical Corporation	China
Sinopec Shanghai Petrochemical Company Limited	China
Sinopec Yizheng Chemical Fibre Company Limited	China
Wuhan Boiler Company.	China
China North Industries Group Corporation AKA CNGC/Norinco	China
Norinco International Cooperation Limited	China
North Navigation Control Technology Co. Ltd (formerly China North Optical-Electrical Technology Company Limited)	China
Sichuan Nitrocell Company Limited	China
AKM Industrial Company Limited	China
Sinopec Kanton Holdings Limited	Hong Kong
Kunlun Energy Company Limited	Hong Kong
Chennai Petroleum Corporation Ltd. AKA CPCL	India
Indian Oil Corporation Ltd. AKA IOCL	India
Lanka IOC Limited	India
Mangalore Refinery and Petrochemical Limited	India
Mercator Lines	India
Oil and Natural Gas Company AKA ONGC	India
Alstom India Limited	India
Oil India Limited	India
Egypt Kuwaiti Holding Company	Egypt
Kingdream PLC	Egypt/China
AREF Energy Holding Company	Kuwait
ONA S.A.	Morocco
Managem	Morocco
Malaysia International Shipping Company AKA MISC Berhad	Malaysia
Petronas Gas Berhad	Malaysia
Petronas Dagangan Berhad	Malaysia

ATTACHMENT 1

Restricted Sudan Stocks

Company Name	Country of Origin
Petronas Chemicals Group Berhad	Malaysia
Scomi Group Berhad	Malaysia
Scomi Engineering Berhad	Malaysia
Electricity Generating PCL AKA EGCO	Thailand
Mercator Lines Singapore	Singapore
Alstom	France
KEPCO Plant Service & Engineering Company Limited	South Korea
LS Industrial Systems	South Korea

Note: List contains parent companies and subsidiaries publicly traded.
AKA means "Also Known As"

Source: Conflict Risk Network

SBI Effective Date:

October 1, 2012

ATTACHMENT 2

Sudan Stocks Requiring Divestment

Company Name	Country of Origin	Divest 50 Percent By this Date	Divest 100 Percent By this date
China Petroleum and Chemical Corporation AKA Sinopec Corp	China	April 30, 2008	October 31, 2008
PetroChina Company	China	April 30, 2008	October 31, 2008
Oil and Natural Gas Corp AKA ONGC	India	April 30, 2008	October 31, 2008
Malaysia International Shipping Company AKA MISC Berhad	Malaysia	April 30, 2008	October 31, 2008
Alstom	France	April 30, 2008	October 31, 2008
Dongfeng Motor Group Company Limited	China	March 31, 2011	September 30, 2011

Note: AKA means "Also Known As"

Source: Conflict Risk Network

SBI Effective Date:

October 1, 2012

Security Identifiers for "Scrutinized" Stocks

Attachment 3

The following security identifiers correlate with the August 31, 2012 issue of the Sudan Company Report

ALL DATA IS FROM BLOOMBERG LP UNLESS OTHERWISE NOTED.

STOCKS ADDED SINCE LAST REPORT ARE HIGHLIGHTED

Company	Primary Company (Affiliate Parent)	Exchange	Security Type	Security Name	Ticker	WPK Number	SEDOL	CUSIP	Sicovam	ISIN	COMMON	CINS	Fondscode
ALSTOM (FRANCE)	ALSTOM	EN Paris (XPAR)	Common Stock	ALSTOM	ALO FP	A0F7BK	B0DJ8Q5 FR			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	OTC US (XOTC)	Common Stock	ALSTOM	AOMFF US	A0F7BK	B0GLY93 US			FR0010220475	022581074	F0259M475	
ALSTOM (FRANCE)	ALSTOM	Frankfurt (XFRA)	Common Stock	ALSTOM	AOMD GR	A0F7BK	B0G0412 DE			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	Euro Comp (XLON)	Common Stock	ALSTOM	ALO EU	A0F7BK	B0YLTQ7 GB			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	Chi-X AR TS (CHX)	Common Stock	ALSTOM	ALSP IX	A0F7BK	B0DJ8Q5 FR			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	Euro Comp (XLON)	Common Stock	ALSTOM	ALOGBX EU	A0F7BK	B0YLTQ7 GB			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	Euro OTC (XLON)	Common Stock	ALSTOM	ALOGBX EO	A0F7BK	B0YLTQ7 GB			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	Euro OTC (XLON)	Common Stock	ALSTOM	ALOGBP EO	A0F7BK	B0YLTQ7 GB			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	Euro Comp (XLON)	Common Stock	ALSTOM	ALOUSD EU	A0F7BK	B0YLTQ7 GB			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	Euro OTC (XLON)	Common Stock	ALSTOM	ALOUSD EO	A0F7BK	B0YLTQ7 GB			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	Turquoise (TRGX)	Common Stock	ALSTOM	ALO TQ	A0F7BK	B0DJ8Q5 FR			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	Equiduct (XEQT)	Common Stock	ALSTOM	ALO BQ	A0F7BK	B0DJ8Q5 FR			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	BATS Europe (BATE)	Common Stock	ALSTOM	ALO EB	A0F7BK	B0DJ8Q5 FR			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	Euro OTC (XLON)	Common Stock	ALSTOM	ALO EO	A0F7BK	B0YLTQ7 GB			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	Euro OTC (XLON)	Common Stock	ALSTOM	ALOCHE EO	A0F7BK	B0YLTQ7 GB			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	Euro Comp (XLON)	Common Stock	ALSTOM	ALOCHE EU	A0F7BK	B0YLTQ7 GB			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	Euro OTC (XLON)	Common Stock	ALSTOM	ALONOK EO	A0F7BK	B0YLTQ7 GB			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	Euro Comp (XLON)	Common Stock	ALSTOM	ALONOK EU	A0F7BK	B0YLTQ7 GB			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	Euro OTC (XLON)	Common Stock	ALSTOM	ALOAUD EO	A0F7BK	B0YLTQ7 GB			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	Euro Comp (XLON)	Common Stock	ALSTOM	ALOAUD EU	A0F7BK	B0YLTQ7 GB			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	Quote MTF (QMTF)	Common Stock	ALSTOM	ALO QM	A0F7BK	B0DJ8Q5 FR			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	LSE EuropeQS (XLON)	Common Stock	ALSTOM	ALO LI	A0F7BK	B0YLTQ7 GB			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	Tradegate (XGAT)	Common Stock	ALSTOM	AOMD TH	A0F7BK	B0G0412 DE			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	EN Paris (XPAR)	Common Stock	ALSTOM	ALO S1	A0F7BK	B0DJ8Q5 FR			FR0010220475	022581074		
ALSTOM (FRANCE)	ALSTOM	EN Paris (XPAR)	Common Stock	ALSTOM	ALONV FP		B7VY300 FR			FR0011163948	076959013		
ALSTOM PROJECTS INDIA LTD (INDIA)	ALSTOM	Natl India (XNSE)	Common Stock	ALSTOM PROJECTS INDIA LTD	ABBAP IN	A0EAYM	6230834 IN			INE878A01011			
AREVA T&D INDIA LTD	ALSTOM	Natl India (XNSE)	Common Stock	AREVA T&D INDIA LTD	ATD IN	A0RB87	6139890 IN			INE200A01026			
WUHAN BOILER CO (CHINA)	ALSTOM	Shenzhen (XSHE)	Common Stock	WUHAN BOILER CO-B	200770 CH	913669	6111928 CN			CNE000000VM7			
AREF ENERGY HOLDING COMPANY (KUWAIT)	AREF ENERGY HOLDING COMPANY	Kuwait (XKUW)	Common Stock	AREF ENERGY HOLDING CO KSCC	AREFENRGKK	A0KD4C	B13B969 KW			KW06Q0601801			
AVICHINA INDUSTRY & TECHNOLOGY LTD (CHINA)	AVICHINA INDUSTRY & TECHNOLOGY LTD	Hong Kong (XHKG)	Common Stock	AVICHINA INDUSTRY & TECH-H	2357 HK	A0M4VY	6707899 HK			CNE1000001Y8			
AVICHINA INDUSTRY & TECHNOLOGY LTD (CHINA)	AVICHINA INDUSTRY & TECHNOLOGY LTD	Frankfurt (XFRA)	Common Stock	AVICHINA INDUSTRY & TECH-H	AVT GR	A0M4VY	B18JK68 DE			CNE1000001Y8			
AVICHINA INDUSTRY & TECHNOLOGY LTD (CHINA)	AVICHINA INDUSTRY & TECHNOLOGY LTD	OTC US (XOTC)	Common Stock	AVICHINA INDUSTRY & TECH-H	AVJF US	A0M4VY	B01W4B3 US			CNE1000001Y8		Y0485Q109	
HAFEI AVIATION INDUSTRY CO (CHINA)	AVICHINA INDUSTRY & TECHNOLOGY LTD	Shanghai (XSHG)	Common Stock	HAFEI AVIATION INDUSTRY CO	600036 CH	A0M4ER	6306586 CN			CNE0000015V6			
HARBIN DONGAN AUTO ENGINE CO (CHINA)	AVICHINA INDUSTRY & TECHNOLOGY LTD	Shanghai (XSHG)	Common Stock	HARBIN DONGAN AUTO ENGINE-A	600178 CH	A0M369	6128519 CN			CNE000000XJ9			
CHINA GEZHOUBA GROUP COMPANY LTD (CHINA)	CHINA GEZHOUBA GROUP COMPANY LTD	Shanghai (XSHG)	Common Stock	CHINA GEZHOUBA GROUP CO LTD-A	600088 CH	A0M31Z	6377214 CN			CNE000000QF1			
SINOHYDRO GROUP (CHINA)	CHINA HYDRAULIC AND HYDROELECTRIC CONSTRUCTION GROUP (SINOHYDRO)	Shanghai (XSHG)	Common Stock	SINOHYDRO GROUP LTD-A	601669 CH		B4TH690 CN						
DAQING HUAKE GROUP CO LTD (CHINA)	CHINA NATIONAL PETROLEUM CORP aka CNPC	Shenzhen (XSHE)	Common Stock	DAQING HUAKE GROUP CO-A	000985 CH	A0M4C2	6277949 CN			CNE000001402			
JINAN DIESEL ENGINE CO LTD (CHINA)	CHINA NATIONAL PETROLEUM CORP aka CNPC	Shenzhen (XSHE)	Common Stock	JINAN DIESEL ENGINE CO-A	000617 CH	A0M3ZT	6486109 CN			CNE000000MS3			
KUNLUN ENERGY CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Hong Kong (XHKG)	Common Stock	KUNLUN ENERGY CO LTD	135 HK	A1CV3E	6340078 HK			952131	BMG5320C1082	050092003	
KUNLUN ENERGY CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	Common Stock	KUNLUN ENERGY CO LTD	CTJ1 GR	A1CV3E	5837753 DE			952131	BMG5320C1082	050092003	
KUNLUN ENERGY CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	OTC Exchange (XOTC)	Common Stock	KUNLUN ENERGY CO LTD	KUNUF US	A1CV3E	B01DDZ3 US			952131	BMG5320C1082	050092003	
KUNLUN ENERGY CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	OTC Exchange (OOTC)	ADR	CNPC HONG KONG LTD-UNSP ADR	KLYCY US		B3L2812 US				US50126A1016		
KUNLUN ENERGY CO LTD	CHINA NATIONAL PETROLEUM CORP aka CNPC	Tradegate (XGAT)	Common Stock	KUNLUN ENERGY CO LTD	CTJ1 TH	A1CV3E	5387753 DE			952131	BMG5320C1082	050092003	
PETROCHINA CO LTD (CHINA)	CHINA NATIONAL PETROLEUM CORP aka CNPC	Hong Kong (XHKG)	Common Stock	PETROCHINA CO LTD-H	857 HK	A0M4YQ	6226576 HK				CNE1000003W8	011014674	
PETROCHINA CO LTD (CHINA)	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	Common Stock	PETROCHINA CO LTD	PC6 GR	A0M4YQ	5939507 DE				CNE1000003W8	011014674	
PETROCHINA CO LTD (CHINA)	CHINA NATIONAL PETROLEUM CORP aka CNPC	OTC US (XOTC)	Common Stock	PETROCHINA CO LTD	PCCYF US	A0M4YQ	B01DNL8 US				CNE1000003W8	011014674	Y6883Q104
PETROCHINA CO LTD (CHINA)	CHINA NATIONAL PETROLEUM CORP aka CNPC	Shanghai (XSHG)	Common Stock	PETROCHINA CO LTD	601857 CH		B28SLD9 CN				CNE1000007G1		
PETROCHINA CO LTD (CHINA)	CHINA NATIONAL PETROLEUM CORP aka CNPC	New York (XNYS)	ADR	PETROCHINA CO LTD -ADR	PTR US	936983	2568841 US				US71646E1001	011511449	
PETROCHINA CO LTD (CHINA)	CHINA NATIONAL PETROLEUM CORP aka CNPC	Frankfurt (XFRA)	ADR	PETROCHINA CO LTD -ADR	PC6A GR	936983	4633327 DE				US71646E1001	011511449	
PETROCHINA CO LTD (CHINA)	CHINA NATIONAL PETROLEUM CORP aka CNPC	Buenos Floor (XBUE)	Receipt	PETROCHINA CO LTD-CEDEAR	PTR AR		B1CS5R2 AR				ARDEUT113958		
PETROCHINA CO LTD (CHINA)	CHINA NATIONAL PETROLEUM CORP aka CNPC	Buenos Floor (XBUE)	Receipt	PETROCHINA CO LTD-CEDEAR BLK	PTRB AR						ARDEUT113958		
PETROCHINA CO LTD (CHINA)	CHINA NATIONAL PETROLEUM CORP aka CNPC	Buenos Floor (XBUE)	Receipt	PETROCHINA CO LTD-CEDEAR C/E	PTRC AR						ARDEUT113958		
PETROCHINA CO LTD (CHINA)	CHINA NATIONAL PETROLEUM CORP aka CNPC	Buenos Floor (XBUE)	Receipt	PETROCHINA CO LTD-CEDEAR \$	PTRD AR						ARDEUT113958		
PETROCHINA CO LTD (CHINA)	CHINA NATIONAL PETROLEUM CORP aka CNPC	Tradegate (XGAT)	Common Stock	PETROCHINA CO LTD-H	PC6 TH	A0M4YQ	5939507 DE				CNE1000003W8	011014674	
PETROCHINA CO LTD (CHINA)	CHINA NATIONAL PETROLEUM CORP aka CNPC	Tradegate (XGAT)	ADR	PETROCHINA CO LTD -ADR	PC6A TH	936983					US71646E1001	011511449	
PETROCHINA CO LTD (CHINA)	CHINA NATIONAL PETROLEUM CORP aka CNPC	Singapore (XSES)	ADR	PETROCHINA CO LTD -ADR	PTR SP	936983	B3KT663				US71646E1001	011511449	
PETROCHINA CO LTD (CHINA)	CHINA NATIONAL PETROLEUM CORP aka CNPC	Mexico (XMEX)	ADR	PETROCHINA CO LTD -ADR	PTRN MM	936983	8569834 MX				US71646E1001	011511449	

NORINCO INTERNATIONAL COOPERATION LTD.	CHINA NORTH INDUSTRIES GROUP CORPORATION (CNGC/NORINCO)	Shenzhen (XSHE)	Common Stock	NORINCO INTL COOPERATION -A	000065 CH	A0M35W	6112125 CN	CNE000000V29		
LIAONING HUAJIN TONGDA CHEMICALS CO. LTD	CHINA NORTH INDUSTRIES GROUP CORPORATION (CNGC/NORINCO)	Shenzhen (XSHE)	Common Stock	LIAONING HUAJIN TONGDA CHE - A	000059 CH	A0M30T	6796143 CN	CNE000000N99		
LIAONING HUAJIN TONGDA CHEMICALS CO. LTD	CHINA NORTH INDUSTRIES GROUP CORPORATION (CNGC/NORINCO)	Shenzhen (XSHE)	Common Stock	LIAONING HUAJIN TONGDA CHE - A	000059 CH	A0M30T	6796143 CN	CNE000000N99		
SICHUAN NITROCELL CO. LTD.	CHINA NORTH INDUSTRIES GROUP CORPORATION (CNGC/NORINCO)	Shenzhen (XSHE)	Common Stock	SICHUAN NITROCELL CO LTD-A	002246 CH	A0RPGJ	B39G5K4 CN	CNE100000B0W7		
NORTH NAVIGATION CONTROL TECHNOLOGY CO. LTD.	CHINA NORTH INDUSTRIES GROUP CORPORATION (CNGC/NORINCO)	Shenzhen (XSHE)	Common Stock	CHINA NORTH OPTICAL-ELECTR-A	600435 CH	A0M4L5	6649946 CN	CNE000001F88		
NORTH NAVIGATION CONTROL TECHNOLOGY CO. LTD.	CHINA NORTH INDUSTRIES GROUP CORPORATION (CNGC/NORINCO)	Shenzhen (XSHE)	Common Stock	CHINA NORTH OPTICAL-ELECTR-A	600435 CG	A0M4L5	6649946 CN	CNE000001F88		
AKM INDUSTRIAL CO. LTD.	CHINA NORTH INDUSTRIES GROUP CORPORATION (CNGC/NORINCO)	Hong Kong (XHKG)	Common Stock	AKM INDUSTRIAL CO LTD	8298 HK	A0D86T	B02J0J3 HK	HK8298013897		
AKM INDUSTRIAL CO. LTD.	CHINA NORTH INDUSTRIES GROUP CORPORATION (CNGC/NORINCO)	Berlin (XBER)	Common Stock	AKM INDUSTRIAL CO LTD	A1Q GR	A0D86T	B06L0H3 DE	HK8298013897		
CHINA PETROLEUM & CHEMICAL CORP aka SINOPEC CORP (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Hong Kong (XHKG)	Common Stock	CHINA PETROLEUM & CHEMICAL-H	386 HK	A0M4XN	6291819 HK	CNE1000002Q2	012150504	
CHINA PETROLEUM & CHEMICAL CORP aka SINOPEC CORP (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Frankfurt (XFRA)	Common Stock	CHINA PETROLEUM & CHEMICAL -H	CHU GR	A0M4XN	7027756 DE	CNE1000002Q2	012150504	
CHINA PETROLEUM & CHEMICAL CORP aka SINOPEC CORP (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	OTC US (XOTC)	Common Stock	CHINA PETROLEUM & CHEMICAL-H	SNP MF US	A0M4XN	B01XKR4 US	CNE1000002Q2	012150504	
CHINA PETROLEUM & CHEMICAL CORP aka SINOPEC CORP (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Shanghai (XSHG)	Common Stock	CHINA PETROLEUM & CHEMICAL-A	600028 CH	A0M4G4	6373728 CN	CNE1000002Q2	Y15010104	
CHINA PETROLEUM & CHEMICAL CORP aka SINOPEC CORP (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	New York (XNYS)	ADR	CHINA PETROLEUM & CHEMICAL-ADR	SNP US	578971	2639169 US	US16941R1086	011899374	
CHINA PETROLEUM & CHEMICAL CORP aka SINOPEC CORP (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	London (XMUN)	ADR	CHINA PETROLEUM & CHEMICAL-ADR	CHUA GR	578971	B0RSW00 DE	US16941R1086	011899374	
CHINA PETROLEUM & CHEMICAL CORP aka SINOPEC CORP (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Munich Int'l (XLON)	ADR	CHINA PETROLEUM & CHEMICAL-ADR	SNP LI	2654375 GB	US16941R1086	011899374		
CHINA PETROLEUM & CHEMICAL CORP aka SINOPEC CORP (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Buenos Floor (XBUE)	Receipt	CHINA PETROLEUM & CHEMICAL-CEDEA	SNP AR	B1C5SX8	ARDEUT114071			
CHINA PETROLEUM & CHEMICAL CORP aka SINOPEC CORP (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Buenos Floor (XBUE)	Receipt	CHINA PETROLEUM & CHEMICAL-CEDBL	SNP BR		ARDEUT114071			
CHINA PETROLEUM & CHEMICAL CORP aka SINOPEC CORP (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Buenos Floor (XBUE)	Receipt	CHINA PETROLEUM & CHEM-C C/E	SNPC AR		ARDEUT114071			
CHINA PETROLEUM & CHEMICAL CORP aka SINOPEC CORP (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Buenos Floor (XBUE)	Receipt	CHINA PETROLEUM & CHEM-CEB	SNPD AR		ARDEUT114071			
CHINA PETROLEUM & CHEMICAL CORP aka SINOPEC CORP (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Tradegate (XGAT)	Common Stock	CHINA PETROLEUM & CHEMICAL -H	CHU TH	A0M4XN	7027756 DE	CNE1000002Q2	012150504	
CHINA PETROLEUM & CHEMICAL CORP aka SINOPEC CORP (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Mexico (XMXE)	ADR	CHINA PETROLEUM & CHEM - ADR	SNPN MM	578971	B4QSP22 MX	US16941R1086	011899374	
KINGDREAM PLC	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Shenzhen (XSHE)	Common Stock	KINGDREAM PUBLIC LIMITED -A	000852 CH	A0M37A	6136385 CN	CNE000000XK7		
SINOPEC KANTON HOLDINGS LTD (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Hong Kong (XHKG)	Common Stock	SINOPEC KANTONS HOLDINGS	934 HK	923923	6162692 HK	BMG8165U1009	011563384	
SINOPEC KANTON HOLDINGS LTD (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Frankfurt (XFRA)	Common Stock	SINOPEC KANTONS HOLDINGS	SAK GR	923923	4601197 DE	BMG8165U1009	011563384	
SINOPEC KANTON HOLDINGS LTD (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	OTC US (DOTC)	ADR	SINOPEC KANTONS-UNSPON ADR	SPKOY US		B3KR60 US	US28234W2070		
SINOPEC SHANGHAI PETROCHEMICALS LTD (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Singapore (XSES)	ADR	SINOPEC SHANGHAI -SPONS ADR	SHI SP	887169	B3MNGN2	908289	US28235M1099	012248750
SINOPEC SHANGHAI PETROCHEMICALS LTD (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Shanghai (XSHG)	Common Stock	SINOPEC SHANGHAI PETROCHEM	600688 CH	A0M3RA	6802794 CN	CNE000000B82		
SINOPEC SHANGHAI PETROCHEMICALS LTD (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Frankfurt (XFRA)	Common Stock	SINOPEC SHANGHAI PETROCHEM	SGJH GR	A0M4Y5	5888632 DE	908303	CNE1000004C8	005096162
SINOPEC SHANGHAI PETROCHEMICALS LTD (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Hong Kong (XHKG)	Common Stock	SINOPEC SHANGHAI PETROCHEM-H	338 HK	A0M4Y5	6797458 HK	908303	CNE1000004C8	005096162
SINOPEC SHANGHAI PETROCHEMICALS LTD (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	OTC US (XOTC)	Common Stock	SINOPEC SHANGHAI PETROCHEM-H	SPTJF US	A0M4Y5	B01XTG6 US	CNE1000004C8	005096162	Y80373106
SINOPEC SHANGHAI PETROCHEMICALS LTD (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	New York (XNYS)	ADR	SINOPEC SHANGHAI-SPONS ADR	SHI US	887169	2800059 US	908289	US28235M1099	012248750
SINOPEC SHANGHAI PETROCHEMICALS LTD (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Frankfurt (XFRA)	ADR	SINOPEC SHANGHAI-SPONS ADR	SHI GR	887169	5734638 DE	908289	US28235M1099	012248750
SINOPEC YIZHENG CHEMICAL FIBRE CO LTD (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Hong Kong (XHKG)	Common Stock	SINOPEC YIZHENG CHEMICAL-H	1033 HK	A0M4Y6	6984669 HK	917709	CNE100004D6	008069662
SINOPEC YIZHENG CHEMICAL FIBRE CO LTD (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	OTC US (DOTC)	Common Stock	SINOPEC YIZHENG CHEMICAL-H	YZCF US	A0M4Y6	B01XVLS US	CNE100004D6	008069662	Y9841W106
SINOPEC YIZHENG CHEMICAL FIBRE CO LTD (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Frankfurt (XFRA)	Common Stock	SINOPEC YIZHENG CHEMICAL-H	YIZH GR	A0M4Y6	4303675 DE	917709	CNE100004D6	008069662
CHINA PETROLEUM & CHEMICAL CORP aka SINOPEC CORP (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Tradegate	ADR	CHINA PETROLEUM & CHEM-ADR	CHUA TH	578971	16941R108	US16941R1086	011899374	
SINOPEC YIZHENG CHEMICAL FIBRE CO LTD (CHINA)	CHINA PETROCHEMICAL CORP aka SINOPEC GROUP	Shanghai (XSHG)	Common Stock	SINOPEC YIZHENG CHEMICAL-H	600871 CH	A0M3V6	6986740 CN	CNE000000H53		
DONGFENG MOTOR GROUP COMPANY LIMITED	DONGFENG MOTOR GROUP COMPANY LIMITED	Hong Kong (XHKG)	Common Stock	DONGFENG MOTOR GRP CO LTD-H	489 HK	A0M4XY	B0PH5N3 HK	CNE100000312	023857456	
DONGFENG MOTOR GROUP COMPANY LIMITED	DONGFENG MOTOR GROUP COMPANY LIMITED	OTC US (DOTC)	Common Stock	DONGFENG MOTOR GRP CO LTD-H	DNFG US	A0M4XY	BOXZ765 US	CNE100000312	023857456	Y21042109
DONGFENG MOTOR GROUP COMPANY LIMITED	DONGFENG MOTOR GROUP COMPANY LIMITED	Frankfurt (XFRA)	Common Stock	DONGFENG MOTOR GRP CO LTD-H	D4D GR	A0M4XY	B0TB866 DE	CNE100000312	023857456	
DONGFENG MOTOR GROUP COMPANY LIMITED	DONGFENG MOTOR GROUP COMPANY LIMITED	Tradegate (XGAT)	Common Stock	DONGFENG MOTOR GRP CO LTD-H	D4D TH	A0M4XY	B0TB866 DE	CNE100000312	023857456	
DONGFENG MOTOR GROUP COMPANY LIMITED	DONGFENG MOTOR GROUP COMPANY LIMITED	OTC US	ADR	DONGFENG MOTOR GRP-H-UNS ADR	DNFGY US		B3S0PT4 US	US2577382037		
EGYPTIAN KUWAIT HOLDING CO (EGYPT)	EGYPTIAN KUWAIT HOLDING CO (EGYPT)	Cairo (XCAI)	Common Stock	EGYPTIAN KUWAITI HOLDING CO	EKHO EY	A0H1G7	B0QMD00			
EGYPTIAN KUWAIT HOLDING CO (EGYPT)	EGYPTIAN KUWAITI HOLDING CO (EGYPT)	Kuwait (XKUW)	Common Stock	EGYPTIAN KUWAITI HOLDING CO	EKHOLDINKK	A0H1G7	B0S8H15 KW	EG69082C013		
ELECTRICITY GENERATING PCL, aka EGCO (THAILAND)	ELECTRICITY GENERATING CO (EGCO)	Bangkok (XBKK)	Common Stock	ELECTRICITY GENERATING PCL	EGCO TB	893182	6304632 TH	929726	TH0465010005	006148590
ELECTRICITY GENERATING PCL, aka EGCO (THAILAND)	ELECTRICITY GENERATING CO (EGCO)	Bangkok (XBKK)	Common Stock	ELECTRICITY GEN PUB CO-FOR R	EGCOF TB	893183	6304643 TH	930467	TH0465010013	006149839
ELECTRICITY GENERATING PCL, aka EGCO (THAILAND)	ELECTRICITY GENERATING CO (EGCO)	Frankfurt (XFRA)	Common Stock	ELECTRICITY GEN PUB CO-FOR R	EGCF GR	893183	5336799 DE	930467	TH0465010013	006149839
ELECTRICITY GENERATING PCL, aka EGCO (THAILAND)	ELECTRICITY GENERATING CO (EGCO)	Bangkok (XBKK)	Receipt	ELECTRICITY GENERA PCL-NVDR	EGCOF TB	676043	6368553 TH	TH0465010R13	015662883	
ELECTRICITY GENERATING PCL, aka EGCO (THAILAND)	ELECTRICITY GENERATING CO (EGCO)	OTC US (XOTC)	Receipt	ELECTRICITY GENERA PCL-NVDR	EYUOR US	676043	B05PBX9 US	TH0465010R13	015662883	Y2284124
ELECTRICITY GENERATING PCL, aka EGCO (THAILAND)	ELECTRICITY GENERATING CO (EGCO)	Munich (XMUN)	Receipt	ELECTRICITY GENERA PCL-NVDR	NVAE GR	676043	B01LYC1 DE	TH0465010R13	015662883	
GLENCORE INTERNATIONAL PLC	GLENCORE INTERNATIONAL PLC	Hong Kong (XHKG)	Common Stock	Glencore International PLC	805 HK	A1JAGV	B3NFY58	JE00B4T3BW64	063082236	
GLENCORE INTERNATIONAL PLC	GLENCORE INTERNATIONAL PLC	London Int'l (XLON)	Common Stock	Glencore International PLC	GLEN LN	A1JAGV	B4T3BW6 GB	JE00B4T3BW64	063082236	
GLENCORE INTERNATIONAL PLC	GLENCORE INTERNATIONAL PLC	Stuttgart (XSTU)	Common Stock	Glencore International PLC	BGC GR	A1JAGV	B5SNT3 DE	JE00B4T3BW64	063082236	
GLENCORE INTERNATIONAL PLC	GLENCORE INTERNATIONAL PLC	BATS Europe (BATE)	Common Stock	Glencore International PLC	GLEN EB	A1JAGV	B4T3BW6 GB	JE00B4T3BW64	063082236	
GLENCORE INTERNATIONAL PLC	GLENCORE INTERNATIONAL PLC	Tradegate (XGAT)	Common Stock	Glencore International PLC	8GC TH	A1JAGV	B4T3BW6 GB	JE00B4T3BW64	063082236	
GLENCORE INTERNATIONAL PLC	GLENCORE INTERNATIONAL PLC	Quote MTF (QMTF)	Common Stock	Glencore International PLC	GLEN QM	A1JAGV		JE00B4T3BW64	063082236	
GLENCORE INTERNATIONAL PLC	GLENCORE INTERNATIONAL PLC	Euro OTC (XLON)	Common Stock	Glencore International PLC	GLEN EO	A1JAGV		JE00B4T3BW64	063082236	
GLENCORE INTERNATIONAL PLC	GLENCORE INTERNATIONAL PLC	Euro Comp (XLON)	Common Stock	Glencore International PLC	GLEN EU	A1JAGV		JE00B4T3BW64	063082236	
GLENCORE INTERNATIONAL PLC	GLENCORE INTERNATIONAL PLC	Euro Comp (XLON)	Common Stock	Glencore International PLC	GLENEUR EU	A1JAGV		JE00B4T3BW64	063082236	
GLENCORE INTERNATIONAL PLC	GLENCORE INTERNATIONAL PLC	Turquoise (TRQX)	Common Stock	Glencore International PLC	GLEN TQ	A1JAGV	B4T3BW6 GB	JE00B4T3BW64	063082236	
GLENCORE INTERNATIONAL PLC	GLENCORE INTERNATIONAL PLC	Chi-X All TS (CHIX)	Common Stock	Glencore International PLC	GLEN IX	A1JAGV	B4T3BW6 GB	JE00B4T3BW64	063082236	
GLENCORE INTERNATIONAL PLC	GLENCORE INTERNATIONAL PLC	Equiduct (XEQT)	Common Stock	Glencore International PLC	GLEN BQ	A1JAGV		JE00B4T3BW64	063082236	
GLENCORE INTERNATIONAL PLC	GLENCORE INTERNATIONAL PLC	NYSE ARCA Eu (XHFT)	Common Stock	Glencore International PLC	GLEN NR	A1JAGV	B4T3BW6 GB	JE00B4T3BW64	063082236	
GLENCORE INTERNATIONAL PLC	GLENCORE INTERNATIONAL PLC	OTC US (DOTC)	Common Stock	Glencore International PLC	GLCNF US	A1JAGV	B4MSC69 US	JE00B4T3BW64	063082236	
GLENCORE INTERNATIONAL PLC	GLENCORE INTERNATIONAL PLC	OTC US (DOTC)	ADR	Glencore International PLC-UNSP ADR	GLNCY US		B6QZ367 US	US3782731067		
BIOPETROL INDUSTRIES AG	GLENCORE INTERNATIONAL PLC	Xetra (XETR)	Common Stock	Biopetrol Industries AG	B2I GR	A0HNQ5	B0Q9VP2 DE	CH0023225938	023647729	
BIOPETROL INDUSTRIES AG	GLENCORE INTERNATIONAL PLC	OTC US (DOTC)	Common Stock	Biopetrol Industries AG	BIOFF US	A0HNQ5	B1FOC93 US	CH0023225938	023647729	H0978P112
BIOPETROL INDUSTRIES AG	GLENCORE INTERNATIONAL PLC	Euro OTC (XLON)	Common Stock	Biopetrol Industries AG	B2I EO	A0HNQ5		CH0023225938	023647729	
BIOPETROL INDUSTRIES AG	GLENCORE INTERNATIONAL PLC	Tradegate (XGAT)	Common Stock	Biopetrol Industries AG	B2I TH	A0HNQ5	B0Q9VP2 DE	CH0023225938	023647729	

CHEMOIL ENERGY LIMITED	GLENCORE INTERNATIONAL PLC	Singapore (XSES)	Common Stock	CHEMOIL ENERGY LTD	CHEME SP	A0LBTC	B1DLV2 SG		HK0000035819	027111866	
CHEMOIL ENERGY LIMITED	GLENCORE INTERNATIONAL PLC	Berlin (XBER)	Common Stock	CHEMOIL ENERGY LTD	LHT GR	A0LBTC	B1L6R79 DE		HK0000035819	027111866	
CHEMOIL ENERGY LIMITED	GLENCORE INTERNATIONAL PLC	OTC US (OOTC)	Common Stock	CHEMOIL ENERGY LTD	CLRGF US	A0LBTC	B1L97F6 US		HK0000035813	027111866	Y1306Z104
CHEMOIL ENERGY LIMITED	GLENCORE INTERNATIONAL PLC	OTC US (OOTC)	ADR	CHEMOIL ENERGY LTD-UNSPN ADR	CLRGY US		B3L34K6 US	16383N102	US16383N1026		
CHENNAI PETROLEUM CORPORATION LIMITED (INDIA)	INDIAN OIL CORP LTD aka IOCL	Mumbai (XBOM)	Common Stock	CHENNAI PETROLEUM CORP LTD	MRL IN	A0B968	6121563 IN		INE178A01016		
INDIAN OIL CORP LTD (INDIA)	INDIAN OIL CORP LTD aka IOCL	Natl India (XNSE)	Common Stock	INDIAN OIL CORPORATION LTD	IOCL IN	A0B9FM	6253767 IN		INE242A01010		
LANKA IOC LTD (INDIA)	INDIAN OIL CORP LTD aka IOCL	Colombo (XCOL)	Common Stock	LANKA IOC LTD	LIOC SL	A0D83L	B0591G4 LK		LK0345N00005		
JIANGXI HONGDU AVIATION INDUSTRY CO LTD (CHINA)	JIANGXI HONGDU AVIATION INDUSTRY CO LTD	Shanghai (XSHG)	Common Stock	JIANGXI HONGDU AVIATION-A	600316 CH	A0M4EK	6304375 CN		CNE0000015N3		
JX HOLDINGS INC (JAPAN)	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	JX HOLDINGS INC	5020 JP	A1C59H	B627LV9 JP		JP3386450005	049326777	
JX HOLDINGS INC (JAPAN)	JX HOLDINGS INC	Stuttgart (XSTU)	Common Stock	JX HOLDINGS INC	JHJ GR	A1C59H	B59WTC0 DE		JP3386450005	049326777	
JX HOLDINGS INC (JAPAN)	JX HOLDINGS INC	OTC US (OOTC)	ADR	JX HOLDINGS INC - UNSPN ADR	JXHLY US	A1CVU3	B588T28 US	968503	US4662951023		
JX HOLDINGS INC (JAPAN)	JX HOLDINGS INC	OTC US (OOTC)	Common Stock	JX HOLDINGS INC	JXHGF US	A1C59H	B6R59M4 US		JP3386450005	049326777	J29699105
NIPPO CORP (JAPAN)	JX HOLDINGS INC	Tokyo (XTKS)	Common Stock	NIPPO CORP	1881 JP	857846	6640789 JP	968503	JP3750200002	001227858	
KEPCO PLANT SERVICE & ENGINEERING CO LTD (SOUTH KOREA)	KEPCO PLANT SERVICE & ENGINEERING CO., LTD	Korea (XKRX)	Common Stock	KEPCO PLANT SERVICE & ENGINE	051600 KS	A0Q15P	B292GV2 KR		KR7051600005		
KEPCO PLANT SERVICE & ENGINEERING CO LTD (SOUTH KOREA)	KEPCO PLANT SERVICE & ENGINEERING CO., LTD	Korea (XKRX)	Common Stock	KEPCO PLANT SERVICE & ENGINE	051600 KP	A0Q15P	B292GV2 KR		KR7051600005		
LS INDUSTRIAL SYSTEMS CO., LTD (SOUTH KOREA)	LS INDUSTRIAL SYSTEMS CO., LTD	Korea (XKRX)	Common Stock	LS INDUSTRIAL SYSTEMS	010120 KS	895497	6378217 KR		KR7010120004		
MANAGEM (MOROCCO)	MANAGEM	Casablanca (XCAS)	Common Stock	MANAGEM	MNG MC	165414	6287454 MA		MA0000011058		
MANAGEM (MOROCCO)	MANAGEM	Casablanca (XCAS)	Common Stock	MANAGEM	MNG21 MC		B6Q8F85 MA		MA0000012098		
SOCIETE METALLURGIQUE D'IMITER (MOROCCO)	MANAGEM	Casablanca (XCAS)	Common Stock	SOCIETE METALLURGI D'IMITER	SMI MC	256307	6007759 MA		MA0000010068		
MERCATOR LTD (INDIA)	MERCATOR	Natl India (XNSE)	Common Stock	MERCATOR LINES LIMITED	MRLN IN	A0L60H	B05H3T5 IN		INE934B01028		
MERCATOR LINES SINGAPORE (SINGAPORE)	MERCATOR	Berlin (XBER)	Common Stock	MERCATOR LINES SINGAPORE LTD	3KD GR	A0M91H	B2NBMJ6 DE		SG1W99393069	033670079	
MERCATOR LINES SINGAPORE (SINGAPORE)	MERCATOR	Singapore (XSES)	Common Stock	MERCATOR LINES SINGAPORE LTD	MRLN SP	A0M91H	B29Y4W6 SG		SG1W99393069	033670079	
MANGALORE REFINERY & PETROCHEMICALS LIMITED (INDIA)	OIL & NATURAL GAS CORP	Mumbai (XBOM)	Common Stock	MANGALORE REFINERY & PETRO	MRPL IN	A0ANWV	6121530 IN		INE103A01014		
OIL & NATURAL GAS CORP LTD (INDIA)	OIL & NATURAL GAS CORP	Mumbai (XBOM)	Common Stock	OIL & NATURAL GAS CORP LTD	ONGC IN	A1H6P4	6139362 IN		INE213A01029		
OIL INDIA LTD (INDIA)	OIL INDIA LTD	Natl India (XNSE)	Common Stock	OIL INDIA LTD	OINL IN	A0X9PF	B409HG9 IN		INE274J01014		
KLCC PROPERTY HOLDINGS BHD (MALAYSIA)	PETROLIAM NASIONAL BERHAD aka PETRONAS	OTC US (OOTC)	Common Stock	KLCC PROPERTY HOLDINGS BHD	KPYHF US	A0DJ6E	B06HSK8 US		MYL50890C007		Y4804V104
KLCC PROPERTY HOLDINGS BHD (MALAYSIA)	PETROLIAM NASIONAL BERHAD aka PETRONAS	Kuala Lumpur (XKLS)	Common Stock	KLCC PROPERTY HOLDINGS BHD	KLCC MK	A0DJ6E	B02FW17		MYL50890C007		5089
MALAYSIA INTERNATIONAL SHIPPING COMPANY aka MISC BHD	PETROLIAM NASIONAL BERHAD aka PETRONAS	Kuala Lumpur (XKLS)	Common Stock	MISC BHD	MISC MK	880504	6557997 MY	905279	MYL38160C005	003527883	3816
PETRONAS DAGANGAN BHD (MALAYSIA)	PETROLIAM NASIONAL BERHAD aka PETRONAS	Kuala Lumpur (XKLS)	Common Stock	PETRONAS DAGANGAN BHD	PETD MK	895131	6695938 MY		MYL56810C001	005378044	5681
PETRONAS CHEMICALS GROUP BHD (MALAYSIA)	PETROLIAM NASIONAL BERHAD aka PETRONAS	Kuala Lumpur (XKLS)	Common Stock	PETRONAS CHEMICALS GROUP BHD	PCHEM MK	A1C891	B5KQGT3		MYL51830C008	0558600235	5183
PETRONAS GAS BHD (MALAYSIA)	PETROLIAM NASIONAL BERHAD aka PETRONAS	Kuala Lumpur (XKLS)	Common Stock	PETRONAS GAS BHD	PTG MK	896633	6703972 MY		MYL60330C004	007076959	6033
PETRONAS GAS BHD (MALAYSIA)	PETROLIAM NASIONAL BERHAD aka PETRONAS	Munich (XMUN)	Common Stock	PETRONAS GAS BERHAD	PTR GR	896633	5330694 DE		MYL60330C004	007076959	
PTT PCL (THAILAND)	PTT PUBLIC COMPANY LTD	Bangkok (XBKK)	Common Stock	PTT PCL	PTT TB	983094	6420389 TH		TH0646010007	015040319	
PTT PCL (THAILAND)	PTT PUBLIC COMPANY LTD	OTC US (OOTC)	Common Stock	PTT PCL	PETTF	983094	B05PCH0 US		TH0646010007	015040319	Y6883U105
PTT PCL (THAILAND)	PTT PUBLIC COMPANY LTD	OTC US (OOTC)	Common Stock	PTT PCL-FOREIGN	PETFF US	811962	B1G40G8 US		TH0646010015	013973369	Y6883U113
PTT PCL (THAILAND)	PTT PUBLIC COMPANY LTD	Bangkok (XBKK)	Common Stock	PTT PCL/FOREIGN	PTTF/ TB	811962	6420390 TH		TH0646010015	013973369	
PTT PCL (THAILAND)	PTT PUBLIC COMPANY LTD	Frankfurt (XFRA)	Common Stock	PTT PCL/FOREIGN	PTOF GR	811962	B1BDGH3 DE		TH0646010015	013973369	
PTT PCL (THAILAND)	PTT PUBLIC COMPANY LTD	Bangkok (XBKK)	Receipt	PTT PCL-NVDR	PTT-R TB	754704	6420408 TH		TH0646010R18	016320307	
PTT PCL (THAILAND)	PTT PUBLIC COMPANY LTD	OTC US (OOTC)	Receipt	PTT PCL-NVDR	PUTRF US	754704	B0305R8 US		TH0646010R18	016320307	Y6883U121
PTT PCL (THAILAND)	PTT PUBLIC COMPANY LTD	Frankfurt (XFRA)	Receipt	PTT PCL-NVDR	NVA3 GR	754704	B01LYK9 DE		TH0646010R18	016320307	
PTT PCL (THAILAND)	PTT PUBLIC COMPANY LTD	OTC US (OOTC)	ADR	PTT PCL-UNSP ADR	PUTRY US		B6Z7G76 US	69367C105	US69367C1053		
PTT EXPLORATION & PRODUCTION PCL (THAILAND)	PTT PUBLIC COMPANY LTD	Bangkok (XBKK)	Common Stock	PTT EXPLOR & PROD PUBLIC CO	PTTEP TB	A0JK26	B1359K1 TH	907061	TH0355A10204	025513029	
PTT EXPLORATION & PRODUCTION PCL (THAILAND)	PTT PUBLIC COMPANY LTD	Bangkok (XBKK)	Common Stock	PTT EXPLORATION & PROD-FOR	PTTEP/F TB	A0JK2V	B1359J0 TH	904717	TH0355A10212	025257804	
PTT EXPLORATION & PRODUCTION PCL (THAILAND)	PTT PUBLIC COMPANY LTD	Frankfurt (XFRA)	Common Stock	PTT EXPLORATION & PROD-FOR	PTTG GR	A0JK2V	B138738 DE	904717	TH0355A10212	025257804	
PTT EXPLORATION & PRODUCTION PCL (THAILAND)	PTT PUBLIC COMPANY LTD	OTC US (OOTC)	Common Stock	PTT EXPLORATION & PROD-FOR	PTXLF US	A0JK2V	B13JK44 US	904717	TH0355A10212	025257804	Y7145P165
PTT EXPLORATION & PRODUCTION PCL (THAILAND)	PTT PUBLIC COMPANY LTD	OTC US (OOTC)	ADR	PTT EXPLORATION & PR-SP ADR	PEXNY US	A0RGRM	2408806 US		US69364V1061		
PTT EXPLORATION & PRODUCTION PCL (THAILAND)	PTT PUBLIC COMPANY LTD	Bangkok (XBKK)	Receipt	PTT EXPLOR & PROD PCL-NVDR	PTTEP-R TB	676051	B1359L2 TH		TH0355010R16	016049000	
PTT EXPLORATION & PRODUCTION PCL (THAILAND)	PTT PUBLIC COMPANY LTD	OTC US (OOTC)	Receipt	PTT EXPLOR & PROD PCL-NVDR	PEXUF US		B13JKM2 US		TH0355010R16	016049000	Y7145P140
PTT EXPLORATION & PRODUCTION PCL (THAILAND)	PTT PUBLIC COMPANY LTD	Frankfurt (XFRA)	Receipt	PTT EXPLOR & PROD PCL-NVDR	NVAL GR	676051	B13BP46 DE		TH0355010R16	016049000	
RELIANCE INDUSTRIES LTD (INDIA)	RELIANCE INDUSTRIES LTD	Natl India (XNSE)	Common Stock	RELIANCE INDUSTRIES LTD	RIL IN	946078	6099626 IN	964067	INE002A01018		
RELIANCE INDUSTRIES LTD (INDIA)	RELIANCE INDUSTRIES LTD	SIGMA	GDR	RELIANCE INDUSTRIES LTD	RIGD S1	884241	B16CYP9 GB	759470107	964066	US7594701077	010146160
SCOMI ENGINEERING BERHAD (MALAYSIA)	SCOMI GROUP BERHAD	Kuala Lumpur (XKLS)	Common Stock	SCOMI ENGINEERING BHD	SEB MK	903056	6098452 MY		MYL73660C007		7366
SCOMI GROUP BERHAD (MALAYSIA)	SCOMI GROUP BERHAD	Kuala Lumpur (XKLS)	Common Stock	SCOMI GROUP BHD	SEB MK	120745	B00PKJ3 MY		MYL71580C008		7158

ATTACHMENT D

Conflict Risk Network List of "Scrutinized" Companies in Sudan, formerly "Highest Offenders" Companies List Effective Through November 30, 2012

Company Name	Country of Origin
China National Petroleum Corporation AKA CNPC	China
Jinan Diesel Co. Ltd.	China
Daqing Huake Group Co. Ltd.	China
PetroChina	China
Petronas Gas Berhad	Malaysia
Petronas Dagangan	Malaysia
Malaysia International Shipping Company AKA MISC Berhad	Malaysia
Petronas Chemicals Group Berhad	Malaysia
Oil and Natural Gas Company, AKA ONGC	India
Mangalore Refinery and Petrochemicals Ltd.	India
Sinopec Group AKA China Petrochemical Corporation	China
Kingdream PLC	China
Sinopec Corporation AKA China Petroleum and Chemical Corporation	China
Sinopec Shanghai Petrochemical Co. Ltd.	China
Sinopec Kanton Holdings	China
Sinopec Yizheng Chemical Fibre Company, Ltd.	China
AREF Energy Holding Company	Kuwait
Egypt Kuwaiti Holding Company	Egypt
China North Industries Corporation AKA Norinco	China
Norinco International Cooperation Ltd.	China
North Navigation Control Technology Co. Ltd (formerly China North Optical-Electrical Tech'logy Company Ltd)	China
Sichuan Nitrocell Company Limited	China
AKM Industrial Company Limited	China
AviChina Industry & Technology Company, Ltd.	China
Hafei Aviation Industry	China
Jiangxi Hongdu Aviation AKA Hongdu Aviation	China
Harbin Dongan Auto Engine Co.	China
China Hydraulic and Hydroelectric Construction Group AKA Sinohydro	China
Mercator Limited (formerly Mercator Lines)	India
Mercator Lines Singapore	Singapore
Dongfeng Motor Group Company Limited	China
Indian Oil Corporation Ltd. AKA IOCL	India
Lanka IOC Limited	India
Chennai Petroleum Corporation Limited AKA CPCL	India
Oil India Limited	India
Scomi Group Berhad	Malaysia
Scomi Engineering Berhad	Malaysia
Alstom	France
Alstom Projects India Ltd	India
Wuhan Boiler Company	France
Electricity Generating Company Limited AKA EGCO	Thailand
ONA S.A.	Morocco
Managem	Morocco
Kunlun Energy Company, Limited	Hong Kong
China Gezhouba Group Company Limited	China
KEPCO Plant Service & Engineering Company Limited	South Korea
LS Industrial Systems	South Korea
Caterpillar Inc.	US

Note: List contains parent companies and subsidiaries publicly traded
AKA means "also known as"

**Genocide Intervention Network List of Companies in Sudan for "Substantial Action or
Business Operations" formerly "Ongoing Engagement"
List Effective Through November 30, 2012**

<u>Company Name</u>	<u>Country of Origin</u>
Shanghai Electric Group Company, Ltd..	China
Harbin Electric Company Limited (formerly Harbin Power Equipment Company Limited)	China
China Poly Group Corporation	China
Bharat Electronics Limited	India
Bharat Heavy Electricals	India
Citadel Capital	Egypt
Lundin International SA	France
Saras S.p.A.	Italy
Lundin Petroleum AB	Sweden
Andritz VA Tech Hydro	Austria
Man SE	Germany
GAZ Group	Russia
Yaroclavsky Diesel Equipment Plant Oao	Russia
Kamaz	Russia

Conflict Risk Network List of Companies in Sudan with No Publicly Traded Equity or Relevant only to CRN
Formerly No Publicly Traded Equity
List Effective Through November 30, 2012

<u>Company Name</u>	<u>Country of Origin</u>
Africa Energy	Nigeria
Al-Qahtani & Sons Group of Companies	Saudi Arabia
Ansan Wikfs/Shaher Trading Company	Yemen
APS Engineering Company	Italy
Arcadia Petroleum	UK
Ascom Group SA	Moldova
China International Water & Electric Corp AKA CWE	China
China Machinery Engineering Company (CMEC)	China
China National United Oil Company	China
China Petroleum Engineering Company AKA CPEC	China
Coyne et Bellier	France
Daedong Industrial machinery Company Limited	South Korea
Dindir Petroleum International/Edgo Group	Jordan
Express Petroleum and Gas Company	Nigeria
GIAD Industrial City	Sudan
Harbin Power Engineering AKA HPE	China
Hi Tech Petroleum Group Co. Ltd.	Sudan
HTC Yemen International Limited	Yemen
JX Nippon Oil & Energy Corporation	Japan
Kuwait Foreign Petroleum Exploration Company AKA Kufpec	Kuwait
Lahmeyer International	Germany
Mott MacDonald	UK
Petrolin	Gabon
Petroneeds Service International Company	Sudan
PT Pertamina Persero AKA Pertamina	Indonesia
Ranhill Berhad	Malaysia
Shandong Electric Power Construction Corporation AKA Shandong Electric Power Group	China
Snowy Mountain Engineering Corporation	Australia
Star Petroleum	Spain
Sudan Petroleum Company AKA Sudapet	Sudan
Tamoil	Libya
Trafigura Beheer	Netherlands
UAE for Gold Minerals and Investment Company Limited	Canada
Vitol Group	Switzerland
Zaver Petroleum Corporation Ltd.	Pakistan

Source: Conflict Risk Network: CRN is a project of the merger November 10, 2010 of
 Save Darfur Coalition and Genocide Intervention Network

October 1, 2012

ATTACHMENT E

Letter to SBI International Equity Managers and Domestic Equity Managers

September 28, 2012

Regarding: Iran Companies

Dear Manager:

The Minnesota State Board of Investment (SBI) sent you prior communication concerning holdings in companies doing business in Iran. **This new communication applies to all SBI equity portfolios managed by your organization and replaces all prior communications. This communication also applies to all depository receipts or ADR's of any of the listed companies.**

Minnesota Statutes, section 11A.244, requires the Minnesota State Board of Investment (SBI) to implement an Iran restriction.

Attachment 1 is the List of Restricted Iran Companies. **These securities may not be purchased for the SBI portfolio that your organization manages.** Please note that there have been no changes to the List of Restricted Iran Companies that was attached to the June 19, 2012 letter you received. **This list is effective October 1, 2012.**

Attachment 2 is the List of Iran Companies Requiring Divestment.

- There have been no changes to the Divestment List.

If you own securities of companies on the List of Iran Companies Requiring Divestment in the SBI portfolio that your organization manages, then you must divest those holdings according to the schedule provided in the Attachment:

- At least 50 percent of a company's holdings must be sold by the date indicated, and
- At least 100 percent of a company's holdings must be sold by the date indicated.

Attachment 3 is a list of security identifiers for the companies on the List of Restricted Iran Companies (**Attachment 1**) that your organization may use. The SBI does not represent that this is a complete list of identifiers. The manager is responsible for identifying all listings.

If you have any questions about this matter, please contact Tammy Brusehaver or Patricia Ammann, Domestic Equity; Stephanie Gleeson, Manager, International Equity or me.

Sincerely,

James E. Heidelberg
Assistant Executive Director

Enclosures

cc: LeaAnn M. Stagg, Manager, Public Programs
Tammy Brusehaver, Manager, Domestic Equity
Patricia Ammann, Portfolio Manager, Domestic Equity
Stephanie Gleeson, Manager, International Equity

ATTACHMENT 1
RESTRICTED IRAN COMPANIES
SECURITIES OF COMPANIES MAY NOT BE PURCHASED FOR PORTFOLIO

COMPANY NAME	COUNTRY
Bharat Petroleum Corporation Ltd.	India
China Petroleum & Chemical Corp	China
Daelim Industrial	Korea South
Gail (India) Ltd.	India
Gazprom	Russia
GS Engineering & Construction Corp	Korea South
GS Holdings	Korea South
Gubre Fabrikalari T.A.S.	Turkey
Ina-Industrija Nafte DD	Croatia
Indian Oil Corporation Ltd.	India
L G International	Korea South
Linde AG	Germany
Liquefied Natural Gas Ltd	Australia
Maire Tecnimont S.p.A.	Italy
Mitsui & Co. Ltd	Japan
MOL Magyar Olaj-es Gazipari Nyrt	Hungary
Nagarjuna Fertilizers & Chemicals Ltd.	India
Oil & Natural Gas Corporation Ltd.	India
PetroChina Co. Ltd.	China
Petrofac	United Kingdom
Petronet LNG Ltd.	India
Punj Lloyd Ltd.	India
Saipem Spa	Italy
Sasol Ltd	South Africa
Technip	France
Toyo Engineering Corporation	Japan
Toyota Tsusho Corporation	Japan

Effective Date: October 1, 2012

ATTACHMENT 2

LIST OF IRAN COMPANIES REQUIRING DIVESTMENT

Company Name	Country of Origin	Divest 50 Percent By this Date	Divest 100 Percent By this Date
Gazprom Oao	Russia	July 31, 2010	January 31, 2011
Sasol Ltd	South Africa	July 31, 2010	January 31, 2011
Mitsui & Company, Ltd.	Japan	September 30, 2012	March 31, 2013
Petrofac	United Kingdom	September 30, 2012	March 31, 2013
Saipem SA	Italy	September 30, 2012	March 31, 2013
Technip	France	September 30, 2012	March 31, 2013
Toyota Tsusho	Japan	September 30, 2012	March 31, 2013

Effective Date: October 1, 2012

**ATTACHMENT 3
IRAN RESTRICTED COMPANIES
Security Identifiers**

COMPANY_NAME	SEDOL	ISIN	SYMBOL	CUSIP	CUSIP_2	COUNTRY
Bharat Petroleum Corporation Ltd.	6099723	INE029A01011	500547			India
China Petroleum & Chemical Corp	2654375	US16941R1086		16941R108		China
China Petroleum & Chemical Corp	B0RSW00	US16941R1086		16941R108		China
China Petroleum & Chemical Corp	2639189	US16941R1086		16941R108		China
China Petroleum & Chemical Corp	B01XKR4	CNE1000002Q2	386	16941R108		China
China Petroleum & Chemical Corp	7027756	CNE1000002Q2	386	16941R108		China
China Petroleum & Chemical Corp	6291819	CNE1000002Q2	386	16941R108		China
China Petroleum & Chemical Corp	6373728	CNE0000018G1		16941R108		China
China Petroleum & Chemical Corp	B1C5SX8	ARDEUT114071		16941R108		China
Daelim Industrial	6246604	KR7000211003				Korea South
Daelim Industrial	B1T52M8	KR7000211003				Korea South
Daelim Industrial	6249584	KR7000210005	A000210			Korea South
Gail (India) Ltd.	B1HJOL7	US36268T2069		36268T206		India
Gail (India) Ltd.	3235520	US36268T2069		36268T206		India
Gail (India) Ltd.	B2NTDN1	US36268T2069		36268T206		India
Gail (India) Ltd.	B033102	US36268T2069		36268T206		India
Gail (India) Ltd.	2498517	US36268T1079		36268T206		India
Gail (India) Ltd.	3235490	US36268T1079		36268T206		India
Gail (India) Ltd.	6133405	INE129A01019	532155	36268T206		India
Gazprom	B0338T0	US3682873068		368287207		Russia
Gazprom	5385003	US3682873068		368287207		Russia
Gazprom	2016629	US3682872078		368287207		Russia
Gazprom	5259528	US3682872078		368287207		Russia
Gazprom	5140989	US3682872078		368287207		Russia
Gazprom	2398899	US3682871088		368287207		Russia
Gazprom	3313181	US3682871088		368287207		Russia
Gazprom	4364928	RU0007661625	GAZP	368287207		Russia
Gazprom	B2NH841	ARDEUT114261		368287207		Russia
GS Engineering & Construction Corp	B06ZHC9	KR7006360002	A006360			Korea South

ATTACHMENT 3
IRAN RESTRICTED COMPANIES
Security Identifiers

COMPANY_NAME	SEDOL	ISIN	SYMBOL	CUSIP	CUSIP_2	COUNTRY
GS Engineering & Construction Corp	6537096	KR7006360002	A006360			Korea South
GS Holdings	B02FVX2	KR7078931003		Y2901P103		Korea South
GS Holdings	B01RJV3	KR7078930005	A078930	Y2901P103		Korea South
Gubre Fabrikalari T.A.S.	B03MTC7	TRAGUBRF91E2	GUBRF			Turkey
Gubre Fabrikalari T.A.S.	B188YV1	TRAGUBRF91E2	GUBRF			Turkey
Ina-Industrija Nafta DD	B1L56D5	US45325E2019		45325E102	45325E201	Croatia
Ina-Industrija Nafta DD	B1L1YV7	US45325E2019		45325E102	45325E201	Croatia
Ina-Industrija Nafta DD	B1HJKC8	US45325E2019		45325E102	45325E201	Croatia
Ina-Industrija Nafta DD	B1HJKF1	US45325E1029		45325E102	45325E201	Croatia
Ina-Industrija Nafta DD	B1L5RN2	US45325E1029		45325E102	45325E201	Croatia
Ina-Industrija Nafta DD	B1JMYF6	HRINA0RA0007	INA-R-A	45325E102	45325E201	Croatia
Indian Oil Corporation Ltd.	6253767	INE242A01010	530965			India
L G International	B02PV43	KR7001120005	A001120			Korea South
L G International	6537115	KR7001120005	A001120			Korea South
Linde AG	B5MZDP3	US5352232004		535223200		Germany
Linde AG	B2NRT04	DE000A0PNN54		535223200		Germany
Linde AG	B2NBZR5	DE000A0PNN54		535223200		Germany
Linde AG	B1LHVK3	DE000A0LD522		535223200		Germany
Linde AG	B0WCPX1	DE000A0JCXB5		535223200		Germany
Linde AG	B05H6F2	DE000A0DMKZ3		535223200		Germany
Linde AG	B0YVBM7	DE0006483001	LIN	535223200		Germany
Linde AG	5740817	DE0006483001	LIN	535223200		Germany
Linde AG	5740732	DE0006483001	LIN	535223200		Germany
Linde AG	7159187	DE0006483001	LIN	535223200		Germany
Liquefied Natural Gas Ltd	B05KKL5	AU000000LNG0	LNG			Australia
Liquefied Natural Gas Ltd	B2RHN19	AU000000LNG0	LNG			Australia
Liquefied Natural Gas Ltd	B02L5H2	AU000000LNG0	LNG			Australia
Maire Tecnimont S.p.A.	B2N7CX8	IT0004251689	MT	56064T101		Italy
Maire Tecnimont S.p.A.	B298VS3	IT0004251689	MT	56064T101		Italy

ATTACHMENT 3
IRAN RESTRICTED COMPANIES
Security Identifiers

COMPANY_NAME	SEDOL	ISIN	SYMBOL	CUSIP	CUSIP_2	COUNTRY
Maire Tecnimont S.p.A.	B29M561	IT0004251689	MT	56064T101		Italy
Mitsui & Co. Ltd	4597058	XS0029348686		606827202		Japan
Mitsui & Co. Ltd	2597061	US6068272029		606827202		Japan
Mitsui & Co. Ltd	B1HHX89	US6068272029		606827202		Japan
Mitsui & Co. Ltd	B0ZGPX0	JP3893600001	8031	606827202		Japan
Mitsui & Co. Ltd	B03KWZ5	JP3893600001	8031	606827202		Japan
Mitsui & Co. Ltd	5736463	JP3893600001	8031	606827202		Japan
Mitsui & Co. Ltd	4594071	JP3893600001	8031	606827202		Japan
Mitsui & Co. Ltd	6597302	JP3893600001	8031	606827202		Japan
MOL Magyar Olaj-es Gazipari Nyrt	5981616	US6084642023		608464202	608464103	Hungary
MOL Magyar Olaj-es Gazipari Nyrt	B11JTL6	US6084642023		608464202	608464103	Hungary
MOL Magyar Olaj-es Gazipari Nyrt	531522	US6084642023		608464202	608464103	Hungary
MOL Magyar Olaj-es Gazipari Nyrt	B0337L5	US6084642023		608464202	608464103	Hungary
MOL Magyar Olaj-es Gazipari Nyrt	4743549	US6084642023		608464202	608464103	Hungary
MOL Magyar Olaj-es Gazipari Nyrt	2587017	US6084641033		608464202	608464103	Hungary
MOL Magyar Olaj-es Gazipari Nyrt	5357950	HU0000068952	MOL	608464202	608464103	Hungary
MOL Magyar Olaj-es Gazipari Nyrt	B28K243	HU0000068952	MOL	608464202	608464103	Hungary
MOL Magyar Olaj-es Gazipari Nyrt	4742494	HU0000068952	MOL	608464202	608464103	Hungary
MOL Magyar Olaj-es Gazipari Nyrt	B01YTX6	HU0000068952	MOL	608464202	608464103	Hungary
MOL Magyar Olaj-es Gazipari Nyrt	B0590W3	HU0000068952	MOL	608464202	608464103	Hungary
MOL Magyar Olaj-es Gazipari Nyrt	5076880	HU0000068952	MOL	608464202	608464103	Hungary
Nagarjuna Fertilizers & Chemicals Ltd.	6628644	INE580A01013	500075			India
Oil & Natural Gas Corporation Ltd.	6139362	INE213A01011	500312	Y64606117		India
PetroChina Co. Ltd.	2568841	US71646E1001		71646E100		China
PetroChina Co. Ltd.	4633327	US71646E1001		71646E100		China
PetroChina Co. Ltd.	B28SLD9	CNE1000007Q1		71646E100		China
PetroChina Co. Ltd.	B17HOR7	CNE1000003W8	857	71646E100		China
PetroChina Co. Ltd.	5939507	CNE1000003W8	857	71646E100		China
PetroChina Co. Ltd.	B01DNL9	CNE1000003W8	857	71646E100		China

ATTACHMENT 3
IRAN RESTRICTED COMPANIES
Security Identifiers

COMPANY_NAME	SEDOL	ISIN	SYMBOL	CUSIP	CUSIP_2	COUNTRY
PetroChina Co. Ltd.	6226576	CNE1000003W8	857	71646E100		China
PetroChina Co. Ltd.	B1C5SR2	ARDEUT113958		71646E100		China
Petrofac	BOH2K53	GB00BOH2K534	PFC	G7052T101		United Kingdom
Petrofac	B11B6G6	GB00BOH2K534	PFC	G7052T101		United Kingdom
Petrofac	BOLWHB4	GB00BOH2K534	PFC	G7052T101		United Kingdom
Petronet LNG Ltd.	B00KT68	INE347G01014	532522			India
Punj Lloyd Ltd.	B1VJSG4	INE701B01021	532693			India
Saipem Spa	2209076	US79376W1099		79376W208	79376W109	Italy
Saipem Spa	B28LP70	IT0000068533		79376W208	79376W109	Italy
Saipem Spa	B02ZP63	IT0000068533		79376W208	79376W109	Italy
Saipem Spa	4768779	IT0000068533		79376W208	79376W109	Italy
Saipem Spa	4769103	IT0000068525	SPM	79376W208	79376W109	Italy
Saipem Spa	B020R51	IT0000068525	SPM	79376W208	79376W109	Italy
Saipem Spa	4765996	IT0000068525	SPM	79376W208	79376W109	Italy
Saipem Spa	4768768	IT0000068525	SPM	79376W208	79376W109	Italy
Saipem Spa	B28LP69	IT0000068525	SPM	79376W208	79376W109	Italy
Sasol Ltd	B03NQB8	ZAE000006896	SAOA	803866300	803866102	South Africa
Sasol Ltd	5734304	ZAE000006896	SAOA	803866300	803866102	South Africa
Sasol Ltd	6777450	ZAE000006896	SAOA	803866300	803866102	South Africa
Sasol Ltd	4776910	US8038663006		803866300	803866102	South Africa
Sasol Ltd	2777294	US8038663006		803866300	803866102	South Africa
Technip	2811620	US8785462099		878546209	F90676101	France
Technip	2878658	US8785461000		878546209	F90676101	France
Technip	B2NG4D9	FR0010565044		878546209	F90676101	France
Technip	B1MD4Y5	FR0010412353		878546209	F90676101	France
Technip	B0WC5Z3	FR0010273250		878546209	F90676101	France
Technip	B05K6W8	FR0010150342		878546209	F90676101	France
Technip	7328482	FR0000206039		878546209	F90676101	France
Technip	B06PC80	FR0000131708	TEC	878546209	F90676101	France

ATTACHMENT 3
IRAN RESTRICTED COMPANIES
Security Identifiers

COMPANY_NAME	SEDOL	ISIN	SYMBOL	CUSIP	CUSIP_2	COUNTRY
Technip	4122018	FR0000131708	TEC	878546209	F90676101	France
Technip	4874160	FR0000131708	TEC	878546209	F90676101	France
Technip	B28MSJ6	FR0000131708	TEC	878546209	F90676101	France
Toyo Engineering Corporation	6899718	JP3607800004	6330			Japan
Toyo Engineering Corporation	B02MHK2	JP3607800004	6330			Japan
Toyota Tsusho Corporation	6900580	JP3635000007	8015	J92719111		Japan

Effective Date: October 1, 2012

Letter to SBI Fixed Income Managers

September 28, 2012

Regarding: Iran Companies

Dear Manager:

The Minnesota State Board of Investment (SBI) sent you prior communication concerning holdings in companies doing business in Iran. **This communication applies to the SBI fixed income portfolio managed by your organization.**

Minnesota Statutes, section 11A.244, requires the Minnesota State Board of Investment (SBI) to implement an Iran restriction.

Attachment 1 is the List of Restricted Iran Companies. **These securities may not be purchased for the SBI portfolio that your organization manages.** Please note that there have been no changes to the List of Restricted Iran Companies that was attached to the June 19, 2012 letter you received. **This list is effective October 1, 2012.**

Attachment 2 is the List of Iran Companies Requiring Divestment.

- There have been no changes to the Divestment List.

If you own securities of companies on the List of Iran Companies Requiring Divestment in the SBI portfolio that your organization manages, then you must divest those holdings according to the schedule provided in the Attachment:

- At least 50 percent of a company's holdings must be sold by the date indicated, and
- At least 100 percent of a company's holdings must be sold by the date indicated.

If you have any questions about this matter, please contact Ryan Hill, Portfolio Manager, Long-Term Debt or me.

Sincerely,

James E. Heidelberg
Assistant Executive Director

Enclosures

cc.: LeaAnn M. Stagg, Manager, Public Programs
Ryan Hill, Portfolio Manager, Long-Term Debt
Steve Kuettel, Manager, Short-Term Debt
Michael J. Menssen, Manager, Long-Term Debt

ATTACHMENT 1
RESTRICTED IRAN COMPANIES
SECURITIES OF COMPANIES MAY NOT BE PURCHASED FOR PORTFOLIO

COMPANY NAME	COUNTRY
Bharat Petroleum Corporation Ltd.	India
China Petroleum & Chemical Corp	China
Daelim Industrial	Korea South
Gail (India) Ltd.	India
Gazprom	Russia
GS Engineering & Construction Corp	Korea South
GS Holdings	Korea South
Gubre Fabrikalari T.A.S.	Turkey
Ina-Industrija Nafte DD	Croatia
Indian Oil Corporation Ltd.	India
L G International	Korea South
Linde AG	Germany
Liquefied Natural Gas Ltd	Australia
Maire Tecnimont S.p.A.	Italy
Mitsui & Co. Ltd	Japan
MOL Magyar Olaj-es Gazipari Nyrt	Hungary
Nagarjuna Fertilizers & Chemicals Ltd.	India
Oil & Natural Gas Corporation Ltd.	India
PetroChina Co. Ltd.	China
Petrofac	United Kingdom
Petronet LNG Ltd.	India
Punj Lloyd Ltd.	India
Saipem Spa	Italy
Sasol Ltd	South Africa
Technip	France
Toyo Engineering Corporation	Japan
Toyota Tsusho Corporation	Japan

Effective Date: October 1, 2012

ATTACHMENT 2

LIST OF IRAN COMPANIES REQUIRING DIVESTMENT

Company Name	Country of Origin	Divest 50 Percent By this Date	Divest 100 Percent By this Date
Gazprom Oao	Russia	July 31, 2010	January 31, 2011
Sasol Ltd	South Africa	July 31, 2010	January 31, 2011
Mitsui & Company, Ltd.	Japan	September 30, 2012	March 31, 2013
Petrofac	United Kingdom	September 30, 2012	March 31, 2013
Saipem SA	Italy	September 30, 2012	March 31, 2013
Technip	France	September 30, 2012	March 31, 2013
Toyota Tsusho	Japan	September 30, 2012	March 31, 2013

Effective Date: October 1, 2012

TAB

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DATE: November 13, 2012

TO: Members, State Board of Investment
Members, Investment Advisory Council

FROM: Master Custodian Review Committee

The SBI's contract with State Street Bank for master custody services expires on April 30, 2013. It is the SBI's practice to review the contract through a request for proposal (RFP) on at least a five-year basis.

Staff sent an RFP to ten firms:

Bank of New York Mellon
Capital One Trust and Asset Management
Citigroup
Deutsche Bank
J.P. Morgan Chase
Northern Trust Corporation
Standard & Poors
State Street Bank and Trust Company
U.S. Bank
Wells Fargo

The SBI hosted a question and answer session for potential responders on August 22, 2012 so that all questions about the RFP would be answered in a thorough and consistent manner. The following firms participated in the meeting:

Bank of New York Mellon
J.P. Morgan Chase
Northern Trust Corporation
State Street Bank and Trust Company
U.S. Bank

BNY Mellon and State Street submitted bids.

The Committee evaluated the responses for the vendor's adherence to the RFP requirements, the perceived ability of the vendor to meet the needs of the SBI for these services, the cost of services proposed, and the quality of securities lending to be performed.

CONCLUSION:

Based on its review of the RFP responses and information provided by staff, the Committee concluded that State Street Bank and Trust should remain the SBI's custodian.

- **Services.** The Committee believes that State Street will continue to provide state-of-the-art custodial services. Both respondents are highly capable organizations with the capacity and commitment to perform the required duties.
- **Fees.** On a net fee basis, including securities lending income, State Street will provide a higher level of revenue for the SBI.

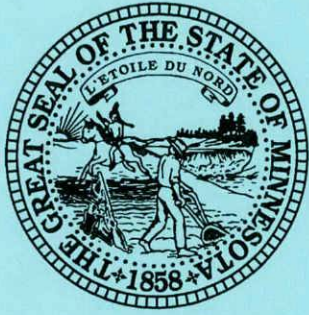
RECOMMENDATION:

Based on the results of the RFP, the Committee recommends that the Board authorize the Executive Director, with the Assistance of SBI counsel, to negotiate and execute a contract with State Street Bank and Trust Company, Boston, MA, for Master Custodial services for a five year period ending April 30, 2018.

Approval by the SBI of this potential commitment is not intended to be, and does not constitute in any way, a binding or legal agreement or impose any legal obligation on the State Board of Investment and neither the State of Minnesota, the State Board of Investment or its Executive Director have any liability for reliance by State Street Bank and Trust Company upon this approval. Until a formal agreement is executed by the Executive Director on behalf of the SBI, further due diligence and negotiations may result in the imposition of additional terms and conditions on State Street Bank and Trust or reduction or termination of the commitment.

TAB

D



STATE BOARD OF INVESTMENT

Domestic Equity Manager Evaluation Reports

Third Quarter, 2012

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A-2

Domestic Equity

Table of Contents

	Page
Domestic Equity Performance Summary	A-5
Active Manager Performance Summary (quarter, 1, 3, 5 year periods)	A-6
Semi-Passive and Passive Manager Performance Summary (quarter, 1, 3, 5 year periods)	A-7
Active Manager Performance Summary (by calendar year)	A-8
Semi-Passive and Passive Manager Performance Summary (by calendar years)	A-9
Large Cap Core (R1000)	A-13
Large Cap Growth (R1000 Growth)	A-19
Large Cap Value (R1000 Value)	A-29
Small Cap Growth (R2000 Growth)	A-37
Small Cap Value (R2000 Value)	A-43
Semi-Passive and Passive	A-51

COMBINED RETIREMENT FUNDS
ACTIVE DOMESTIC EQUITY MANAGERS
Periods Ending September, 2012

	Quarter		1 Year		3 Years		5 Years	
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %
Russell 1000 Core Aggregate	6.2	6.3	24.1	30.1	9.3	13.3	-1.8	1.2
Russell 1000 Growth Aggregate	5.7	6.1	27.3	29.2	14.5	14.7	3.0	3.2
Russell 1000 Value Aggregate	6.4	6.5	30.2	30.9	10.9	11.8	-1.0	-0.9
Russell 2000 Growth Aggregate	4.3	4.8	29.7	31.2	13.5	14.2	-0.3	3.0
Russell 2000 Value Aggregate	5.4	5.7	34.8	32.6	14.4	11.7	2.4	1.3
Active Manager Aggregate	5.7	6.0	28.9	30.5	12.4	13.2	0.5	1.3
Semi-Passive Aggregate	6.4	6.3	31.5	30.1	13.6	13.3	1.3	1.2
Passive Manager (BlackRock)	6.2	6.2	30.2	30.2	13.3	13.3	1.4	1.3
Total Aggregate	6.2	6.2	30.3	30.2	13.2	13.3	1.1	1.3
Russell 3000 Index		6.2		30.2		13.3		1.3

	2011		2010		2009		2008		2007	
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %
Russell 1000 Core Aggregate	-3.5	1.5	13.3	16.1	27.6	28.4	-39.6	-37.6	2.4	5.8
Russell 1000 Growth Aggregate	-0.4	2.6	19.3	16.7	44.5	37.2	-42.7	-38.4	14.9	11.8
Russell 1000 Value Aggregate	-2.1	0.4	15.0	15.5	23.8	19.7	-38.0	-36.8	3.6	-0.2
Russell 2000 Growth Aggregate	-5.6	-2.9	29.1	29.1	33.6	34.5	-46.8	-38.5	21.6	7.0
Russell 2000 Value Aggregate	-4.5	-5.5	30.5	24.5	36.3	20.6	-36.1	-28.9	-13.4	-9.8
Active Manager Aggregate	-2.7	0.0	19.7	18.7	32.3	27.9	-40.5	-36.9	6.3	4.2
Semi-Passive Aggregate	2.2	1.5	15.2	16.1	28.5	28.4	-37.2	-37.6	3.2	5.8
Passive Manager (BlackRock)	0.8	1.0	17.2	16.9	28.2	28.3	-37.1	-37.3	5.1	5.1
Total Aggregate	0.4	1.0	17.1	16.9	29.6	28.3	-38.1	-37.3	4.9	5.1
Russell 3000 Index		1.0		16.9		28.3		-37.3		5.1

COMBINED RETIREMENT FUNDS
ACTIVE DOMESTIC EQUITY MANAGERS
Periods Ending September, 2012
Performance versus Russell Style Benchmarks for All Periods

	Quarter		1 Year		3 Years		5 Years		Since Inception (1)		Market Value (in millions)	Pool %
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %		
LARGE CAP												
Russell 1000 Core												
New Amsterdam Partners	4.4	6.3	19.7	30.1	9.4	13.3	-0.9	1.2	9.5	9.2	\$398.3	1.8%
UBS Global	8.0	6.3	28.9	30.1	9.8	13.3	-0.6	1.2	8.2	8.4	\$402.1	1.8%
Aggregate	6.2	6.3	24.1	30.1	9.3	13.3	-1.8	1.2			\$800.4	3.5%
Russell 1000 Growth												
INTECH	5.7	6.1	30.1	29.2	15.6	14.7	2.2	3.2	4.6	5.5	\$394.9	1.8%
Jacobs Levy	5.0	6.1	27.1	29.2	16.0	14.7	2.3	3.2	3.9	5.5	\$356.8	1.6%
Knelman Asset Mgmt.	5.9	6.1	27.7	29.2	12.7	14.7	1.1	3.2	4.7	5.5	\$71.6	0.3%
Sands Capital	8.1	6.1	36.1	29.2	21.8	14.7	7.9	3.2	7.9	5.5	\$358.3	1.6%
Winslow-Large Cap	6.1	6.1	26.1	29.2	13.4	14.7	3.5	3.2	6.9	5.5	\$158.1	0.7%
Zevenbergen Capital	3.6	6.1	16.7	29.2	9.4	14.7	1.7	3.2	8.6	7.9	\$324.1	1.4%
Aggregate	5.7	6.1	27.3	29.2	14.5	14.7	3.0	3.2			\$1,663.8	7.4%
Russell 1000 Value												
Barrow, Hanley	5.4	6.5	28.5	30.9	11.8	11.8	-0.7	-0.9	5.1	4.9	\$493.0	2.2%
Earnest Partners	2.9	6.5	24.3	30.9	9.6	11.8	-0.6	-0.9	4.3	4.9	\$199.0	0.9%
LSV Asset Mgmt.	8.0	6.5	33.1	30.9	11.1	11.8	-1.4	-0.9	5.5	4.9	\$462.6	2.1%
Systematic Financial Mgmt.	8.1	6.5	32.4	30.9	10.7	11.8	-1.8	-0.9	4.8	4.9	\$333.8	1.5%
Aggregate	6.4	6.5	30.2	30.9	10.9	11.8	-1.0	-0.9			\$1,488.3	6.6%
SMALL CAP												
Russell 2000 Growth												
McKinley Capital	7.9	4.8	34.2	31.2	14.2	14.2	-2.1	3.0	3.5	6.3	\$241.2	1.1%
Next Century Growth	0.3	4.8	25.9	31.2	13.5	14.2	-0.8	3.0	1.1	1.7	\$281.5	1.2%
Turner Investment Partners	5.4	4.8	29.9	31.2	13.0	14.2	1.9	3.0	6.2	6.3	\$294.3	1.3%
Aggregate	4.3	4.8	29.7	31.2	13.5	14.2	-0.3	3.0			\$817.0	3.6%
Russell 2000 Value												
Goldman Sachs	6.5	5.7	35.3	32.6	15.8	11.7	4.9	1.3	7.7	5.8	\$179.0	0.8%
Hotchkis & Wiley	4.8	5.7	35.9	32.6	16.0	11.7	4.4	1.3	5.6	5.8	\$150.4	0.7%
Martingale Asset Mgmt.	6.5	5.7	35.6	32.6	12.3	11.7	-0.5	1.3	4.4	5.8	\$135.9	0.6%
Peregrine Capital	4.5	5.7	33.2	32.6	13.7	11.7	1.6	1.3	9.5	8.8	\$238.2	1.1%
Aggregate	5.4	5.7	34.8	32.6	14.4	11.7	2.4	1.3			\$703.5	3.1%
Active Mgr. Aggregate (2)	5.7	6.0	28.9	30.5	12.4	13.2	0.5	1.3			\$5,473.1	24.3%

(1) Since retention by the SBI. Time period varies for each manager.

(2) The Active Manager Aggregate Benchmark is the aggregate of the weighted average of the active manager benchmarks and is not the Russell 3000.

Note: All aggregates include the performance of terminated managers.

**COMBINED RETIREMENT FUNDS
DOMESTIC EQUITY MANAGERS
Periods Ending September, 2012
Versus Manager Benchmarks**

	Quarter		1 Year		3 Years		5 Years		Since Inception (1)		Market Value (in millions)	Pool %
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %		
SEMI-PASSIVE MANAGERS (2)												
BlackRock Institutional	6.4	6.3	32.5	30.1	13.2	13.3	1.1	1.2	8.4	8.1	\$2,535.9	11.2%
INTECH	6.5	6.3	30.6	30.1					11.4	10.9	\$1,826.7	8.1%
JP Morgan	6.7	6.3	30.5	30.1	13.8	13.3	2.1	1.2	8.4	8.1	\$3,016.3	13.4%
Mellon Capital	6.0	6.3	32.4	30.1	14.0	13.3	0.8	1.2	7.7	8.1	\$1,902.9	8.4%
Semi-Passive Aggregate (R1000)	6.4	6.3	31.5	30.1	13.6	13.3	1.3	1.2			\$9,281.8	41.2%
PASSIVE MANAGER (R3000)												
BlackRock Institutional	6.2	6.2	30.2	30.2	13.3	13.3	1.4	1.3	7.8	7.7	\$7,797.0	34.6%
Total Aggregate (3)	6.2	6.2	30.3	30.2	13.2	13.3	1.1	1.3	9.8	10.0	\$22,551.9	100.0%
Russell 3000		6.2		30.2		13.3		1.3		10.3		
Russell 1000		6.3		30.1		13.3		1.2		10.5		
Russell 2000		5.3		31.9		13.0		2.2		8.9		

(1) Since retention by the SBI. Time period varies for each manager.

(2) Semi-Passive managers' benchmark is the Russell 1000 index beginning 1/1/04 and was the Completeness Fund benchmark prior to 1/1/04.

(3) The Total Aggregate benchmark is the Russell 3000 effective 10/1/03. From 7/1/99 to 9/30/03, it was the Wilshire 5000 Investable Index. From 11/1/93 to 6/30/99, the target was the Wilshire 5000 as reported with no adjustments. Prior to 11/1/93, the Wilshire 5000 was adjusted to reflect SBI mandated restrictions, which included liquor and tobacco, American Home Products and South Africa.

Note: All aggregates include the performance of terminated managers.

COMBINED RETIREMENT FUNDS
ACTIVE DOMESTIC EQUITY MANAGERS
Calendar Year Returns Versus
Russell Style Benchmarks for All Periods

	2011		2010		2009		2008		2007	
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %
LARGE CAP										
Russell 1000 Core										
New Amsterdam Partners	-3.0	1.5	16.2	16.1	24.8	28.4	-36.7	-37.6	5.0	5.8
UBS Global	-4.1	1.5	10.3	16.1	41.3	28.4	-41.3	-37.6	0.8	5.8
Aggregate	-3.5	1.5	13.3	16.1	27.6	28.4	-39.6	-37.6	2.4	5.8
Russell 1000 Growth										
INTECH	0.1	2.6	19.5	16.7	34.0	37.2	-42.8	-38.4	11.4	11.8
Jacobs Levy	6.6	2.6	19.5	16.7	37.1	37.2	-44.9	-38.4	8.4	11.8
Knelman Asset Mgmt.	-3.3	2.6	18.1	16.7	31.1	37.2	-39.9	-38.4	18.0	11.8
Sands Capital	2.7	2.6	26.8	16.7	71.6	37.2	-48.6	-38.4	19.5	11.8
Winslow-Large Cap	0.1	2.6	16.8	16.7	40.9	37.2	-39.1	-38.4	22.0	11.8
Zevenbergen Capital	-9.8	2.6	22.9	16.7	57.4	37.2	-43.2	-38.4	24.0	11.8
Aggregate	-0.4	2.6	19.3	16.7	44.5	37.2	-42.7	-38.4	14.9	11.8
Russell 1000 Value										
Barrow, Hanley	1.7	0.4	10.4	15.5	23.2	19.7	-35.2	-36.8	2.6	-0.2
Earnest Partners	-4.7	0.4	18.5	15.5	31.6	19.7	-39.8	-36.8	6.5	-0.2
LSV Asset Mgmt.	-0.8	0.4	14.0	15.5	24.0	19.7	-39.3	-36.8	1.3	-0.2
Systematic Financial Mgmt.	-7.4	0.4	18.1	15.5	23.2	19.7	-40.6	-36.8	8.3	-0.2
Aggregate	-2.1	0.4	15.0	15.5	23.8	19.7	-38.0	-36.8	3.6	-0.2
SMALL CAP										
Russell 2000 Growth										
McKinley Capital	-7.9	-2.9	28.5	29.1	28.0	34.5	-49.1	-38.5	16.2	7.0
Next Century Growth	-4.5	-2.9	29.6	29.1	35.0	34.5	-49.3	-38.5	34.2	7.0
Turner Investment Partners	-4.8	-2.9	29.0	29.1	36.9	34.5	-41.9	-38.5	14.8	7.0
Aggregate	-5.6	-2.9	29.1	29.1	33.6	34.5	-46.8	-38.5	21.6	7.0
Russell 2000 Value										
Goldman Sachs	1.3	-5.5	27.0	24.5	27.8	20.6	-26.8	-28.9	-5.0	-9.8
Hotchkis & Wiley	-10.8	-5.5	43.4	24.5	62.5	20.6	-44.1	-28.9	-18.8	-9.8
Martingale Asset Mgmt.	-5.2	-5.5	27.4	24.5	19.4	20.6	-33.8	-28.9	-16.8	-9.8
Peregrine Capital	-4.1	-5.5	27.3	24.5	45.8	20.6	-39.4	-28.9	-13.4	-9.8
Aggregate	-4.5	-5.5	30.5	24.5	36.3	20.6	-36.1	-28.9	-13.4	-9.8
Active Mgr. Aggregate (1)	-2.7	0.0	19.7	18.7	32.3	27.9	-40.5	-36.9	6.3	4.2

(1) The Active Manager Aggregate Benchmark is the aggregate of the weighted average of the active manager benchmarks and is not the Russell 3000.

Note: All aggregates include the performance of terminated managers. Returns shown are full-year returns only. Performance of managers hired during a calendar year are reported beginning with the following calendar year.

**COMBINED RETIREMENT FUNDS
DOMESTIC EQUITY MANAGERS
Calendar Year Returns Versus
Manager Benchmarks**

	2011		2010		2009		2008		2007	
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %
SEMI-PASSIVE MANAGERS										
BlackRock Institutional	1.6	1.5	14.0	16.1	27.6	28.4	-37.1	-37.6	2.2	5.8
INTECH	2.9	1.5								
JP Morgan	1.1	1.5	16.8	16.1	32.1	28.4	-37.1	-37.6	5.1	5.8
Mellon Capital	4.6	1.5	13.7	16.1	25.6	28.4	-37.6	-37.6	2.5	5.8
Semi-Passive Aggregate (R1000)	2.2	1.5	15.2	16.1	28.5	28.4	-37.2	-37.6	3.2	5.8
PASSIVE MANAGER (R3000)										
BlackRock Institutional	0.8	1.0	17.2	16.9	28.2	28.3	-37.1	-37.3	5.1	5.1
Total Aggregate	0.4	1.0	17.1	16.9	29.6	28.3	-38.1	-37.3	4.9	5.1
Russell 3000		1.0		16.9		28.3		-37.3		5.1
Russell 1000		1.5		16.1		28.4		-37.6		5.8
Russell 2000		-4.2		26.9		27.2		-33.8		-1.6

Note: All aggregates include the performance of terminated managers. Returns shown are full-year returns only.
Performance of managers hired during a calendar year are reported beginning with the following calendar year.

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A-10

Large Cap Core (R1000)

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A-12

Large Cap Core (R1000)

Table of Contents

	Page
New Amsterdam Partners LLC	A-14
UBS Global Asset Management (Americas) Inc.	A-15

NEW AMSTERDAM PARTNERS LLC
Periods Ending September, 2012

Portfolio Manager: Michelle Clayman

Assets Under Management: \$398,259,815

Investment Philosophy

New Amsterdam Partners believes that investment results are evaluated by actual return, and therefore, investment opportunities should be evaluated by expected return. They believe that all valid techniques depend on forecasts of the amounts and timing of future cash flows. Thus, the firm focuses on forecasted earnings growth, yield, price-to-book ratio, and forecasted return on equity. They believe that the disciplined application of their valuation techniques, in conjunction with sound financial analysis of companies, is the key to understanding and maximizing investment returns.

Staff Comments

New Amsterdam's growth at a reasonable price (GARP) investment process has struggled as performance lagged the Russell 1000 over various time periods ending September 2012.

The strategy remains the same and Michelle Clayman, founder and majority owner, continues to lead the investment team. Staff continues to monitor this account closely.

Quantitative Evaluation

	Actual	Russell Index
Last Quarter	4.4%	6.3%
Last 1 year	19.7	30.1
Last 2 years	9.2	14.6
Last 3 years	9.4	13.3
Last 4 years	5.4	8.1
Last 5 years	-0.9	1.2
Since Inception (1) (4/94)	9.5	9.2

Recommendation

No action required.

- (1) New Amsterdam Partners' published benchmark is the Russell 1000 Core beginning 10/1/03. Prior to that date it was the Russell Midcap index.

NEW AMSTERDAM PARTNERS
Rolling Five Year VAM vs. Russell Index (1)



Five Year Period Ending
 Note: Area to the left of vertical line includes performance prior to retention by the SBI.

UBS GLOBAL ASSET MANAGEMENT (AMERICAS) INC.
Periods Ending September, 2012

Portfolio Manager: John Leonard

Assets Under Management: \$402,100,381

Investment Philosophy

UBS uses a relative value approach to equity investing. They believe that the market price will ultimately reflect the present value of the cash flows the security will generate for the investor. They focus on a bottom-up stock selection process to provide insight into finding opportunistic investments. UBS uses a proprietary discounted free cash flow model as the primary analytical tool for estimating the intrinsic value of a company.

Staff Comments

Short term performance relative to the Russell 1000 improved during the quarter as the portfolio was positioned for a risk-on environment and benefitted from its large overweight in consumer discretionary holdings.

The investment strategy remains the same and John Leonard, Global Head of Equities, continues to manage the SBI's portfolio. Staff continues to monitor this account closely.

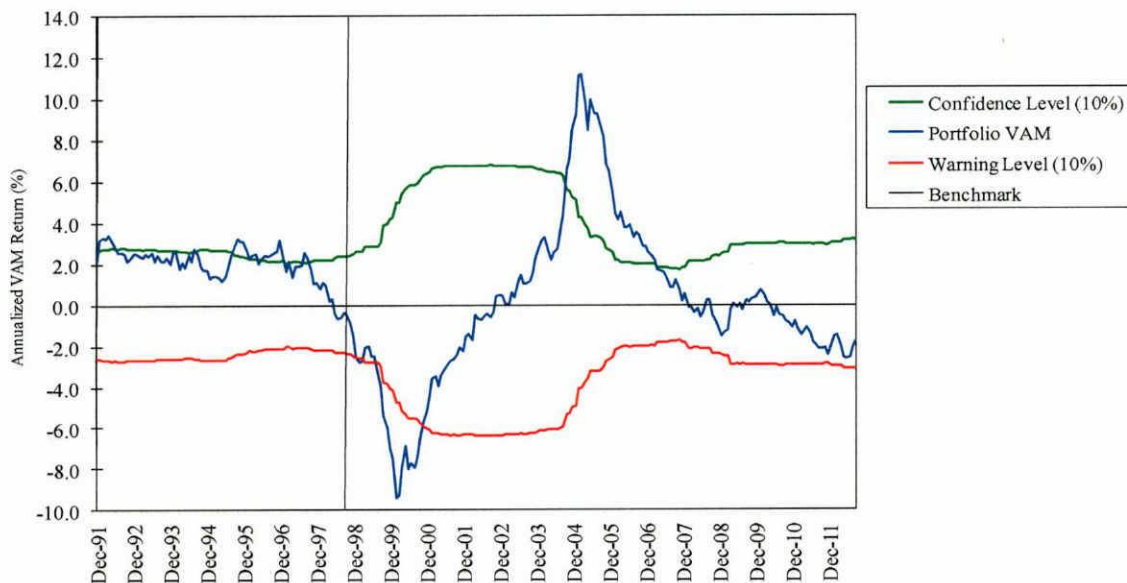
Quantitative Evaluation

	Actual	(R1000 Core)
Last Quarter	8.0%	6.3%
Last 1 year	28.9	30.1
Last 2 years	11.5	14.6
Last 3 years	9.8	13.3
Last 4 years	6.2	8.1
Last 5 years	-0.6	1.2
Since Inception (7/93)	8.2	8.4

Recommendation

No action required.

UBS GLOBAL ASSET MANAGEMENT, INC.
Rolling Five Year VAM vs. Russell 1000 Core



Five Year Period Ending
 Note: Area to the left of vertical line includes performance prior to retention by the SBI.

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Large Cap Growth (R1000 Growth)

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A-18

Large Cap Growth (R1000 Growth)

Table of Contents

	Page
INTECH Investment Management LLC	A-20
Jacobs Levy Equity Management, Inc.	A-21
Knelman Asset Management Group, LLC	A-22
Sands Capital Management, LLC	A-23
Winslow Capital Management, Inc.	A-24
Zevenbergen Capital Investments LLC	A-25

INTECH INVESTMENT MANAGEMENT LLC
Periods Ending September, 2012

Portfolio Manager: Adrian Banner

Assets Under Management: \$394,910,211

Investment Philosophy

Through the application of a proprietary mathematical process, the investment strategy is designed to determine more efficient weightings of the securities within the Russell 1000 Growth benchmark. No specific sector or security selection decisions based on fundamentals are required. Risk parameters include: 1) minimize absolute standard deviation or maximize information ratio, 2) security positions limited to lesser of 2.5% or 10 times maximum index security weight, and 3) beta equal to or less than benchmark beta. Target security positions are established using an optimization routine designed to build a portfolio that will outperform a passive benchmark over the long term. Rebalancing to target proportions occurs every six (6) business days, and partial re-optimization occurs weekly.

Staff Comments

Staff has no concerns with INTECH at this time. The organization and people are stable, the process remains the same, relative performance has improved and INTECH continues to grow their strategies.

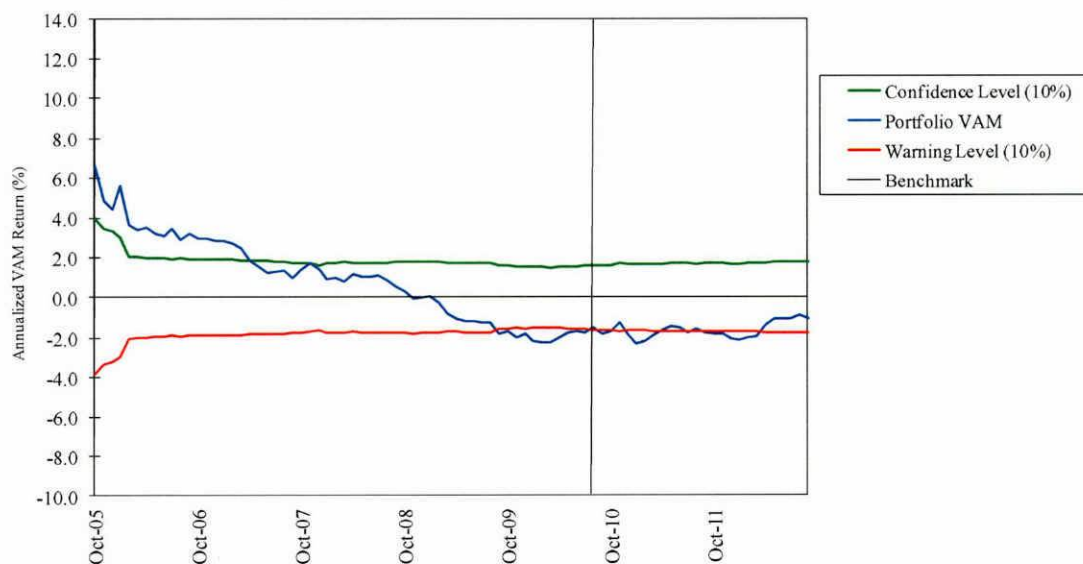
Quantitative Evaluation

	Actual	R1000 Growth
Last Quarter	5.7%	6.1%
Last 1 year	30.1	29.2
Last 2 years	16.2	15.8
Last 3 years	15.6	14.7
Last 4 years	9.5	10.3
Last 5 years	2.2	3.2
Since Inception (1/05)	4.6	5.5

Recommendation

No action required.

INTECH INVESTMENT MANAGEMENT LLC
Rolling Five Year VAM vs. Russell 1000 Growth



Five Year Period Ending
 Note: Area left of the vertical line includes performance prior to retention by the SBI.

JACOBS LEVY EQUITY MANAGEMENT, INC.
Periods Ending September, 2012

Portfolio Manager: Bruce Jacobs and Ken Levy

Assets Under Management: \$356,835,554

Investment Philosophy

The strategy combines human insight and intuition, finance and behavioral theory, and state-of-the-art quantitative and statistical methods. Security expected returns generated from numerous models become inputs for the firm's proprietary portfolio optimizer. The optimizer is run daily with the objective of maximizing the information ratio, while ensuring proper diversification across market inefficiencies, securities, industries, and sectors. Extensive data scrubbing is conducted on a daily basis using both human and technology resources. Liquidity, trading costs, and investor guidelines are incorporated within the optimizing process.

Staff Comments

Staff has no concerns with Jacobs Levy at this time. The organization and people are stable, the process remains the same, and the portfolio has earned positive relative returns for various time periods ending September 2012.

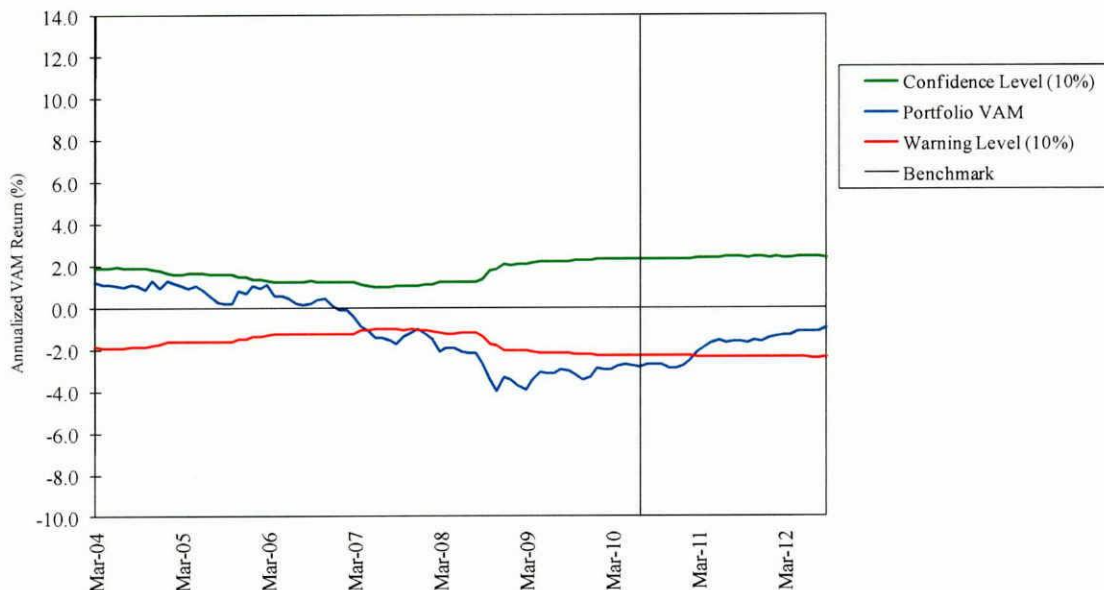
Quantitative Evaluation

	Actual	R1000 Growth
Last Quarter	5.0%	6.1%
Last 1 year	27.1	29.2
Last 2 years	17.2	15.8
Last 3 years	16.0	14.7
Last 4 years	10.6	10.3
Last 5 years	2.3	3.2
Since Inception (1/05)	3.9	5.5

Recommendation

No action required.

JACOBS LEVY EQUITY MANAGEMENT
Rolling Five Year VAM vs. Russell 1000 Growth



Five Year Period Ending
 Note: Area to the left of vertical line includes performance prior to retention by the SBI.

KNELMAN ASSET MANAGEMENT GROUP, LLC
Periods Ending September, 2012

Portfolio Manager: Kip Knelman

Assets Under Management: \$71,585,547

Investment Philosophy

The strategy invests in companies exhibiting substantial growth opportunities, strong business models, solid management teams, and the probability for positive earnings surprises. The approach emphasizes earnings growth as the fundamental driver of stock prices over time. The process combines quantitative, qualitative and valuation criteria. The quantitative component addresses fundamentals and is focused on operating trends. Qualitative analysis involves confirmation of company fundamentals through discussions with company contacts and related parties. Valuation models focus on relative rankings of the fundamentals within the industry, the market overall and the company itself.

Staff Comments

The portfolio performance relative to the Russell 1000 Growth has struggled for all time periods ending September 2012. There have been no owner or personnel changes and the investment process remains the same. Staff will continue to monitor performance.

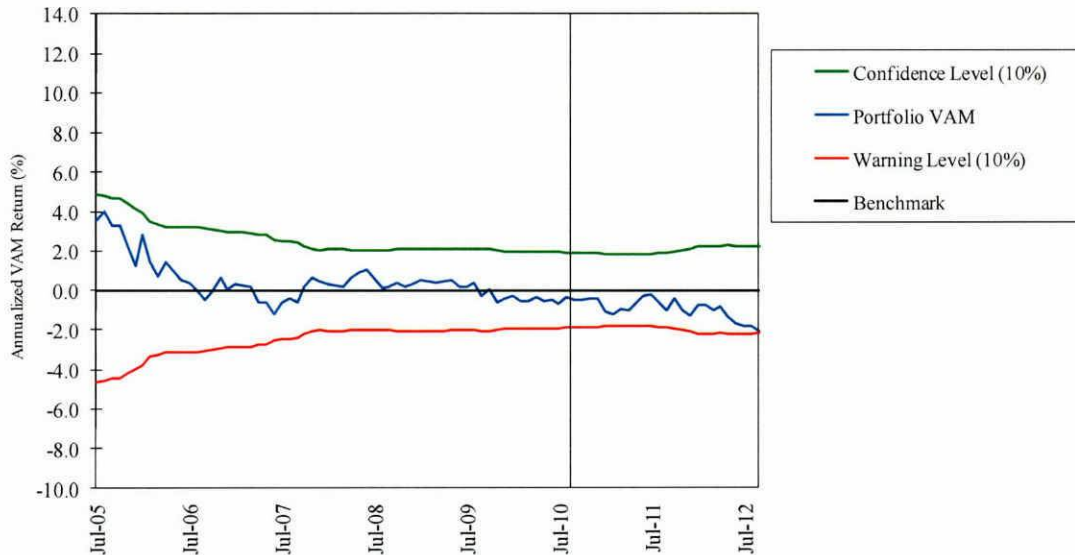
Quantitative Evaluation

	Actual	R1000 Growth
Last Quarter	5.9%	6.1%
Last 1 year	27.7	29.2
Last 2 years	13.9	15.8
Last 3 years	12.7	14.7
Last 4 years	8.7	10.3
Last 5 years	1.1	3.2
Since Inception (1/05)	4.7	5.5

Recommendation

No action required.

KNELMAN ASSET MANAGEMENT, LLC
 Rolling Five Year VAM vs. Russell 1000 Growth



Five Year Period Ending
 Note: Area to the left of vertical line includes performance prior to retention by the SBI.

SANDS CAPITAL MANAGEMENT, LLC
Periods Ending September, 2012

Portfolio Manager: Frank Sands, Jr.

Assets Under Management: \$358,287,850

Investment Philosophy

The manager invests in high-quality, seasoned and growing businesses. Bottom-up, company-focused, long-term oriented research is the cornerstone of the investment process. The strategy focuses on six (6) key investment criteria: 1) sustainable above average earnings growth; 2) leadership position in a promising business space; 3) significant competitive advantages or unique business franchise; 4) management with a clear mission and value added focus; 5) financial strength; and 6) rational valuation relative to the overall market and the company's business prospects.

Staff Comments

Sands earned positive relative return to the Russell 1000 Growth for all time periods listed as of September 2012. Staff anticipates high tracking error for this portfolio given Sands active share approach, concentrated portfolio, and long-term view of the companies in the portfolio.

Staff has no concerns with Sands at this time. Tracking error for this portfolio is within the policy range of 6-10%, the organization and people are stable and the process remains the same.

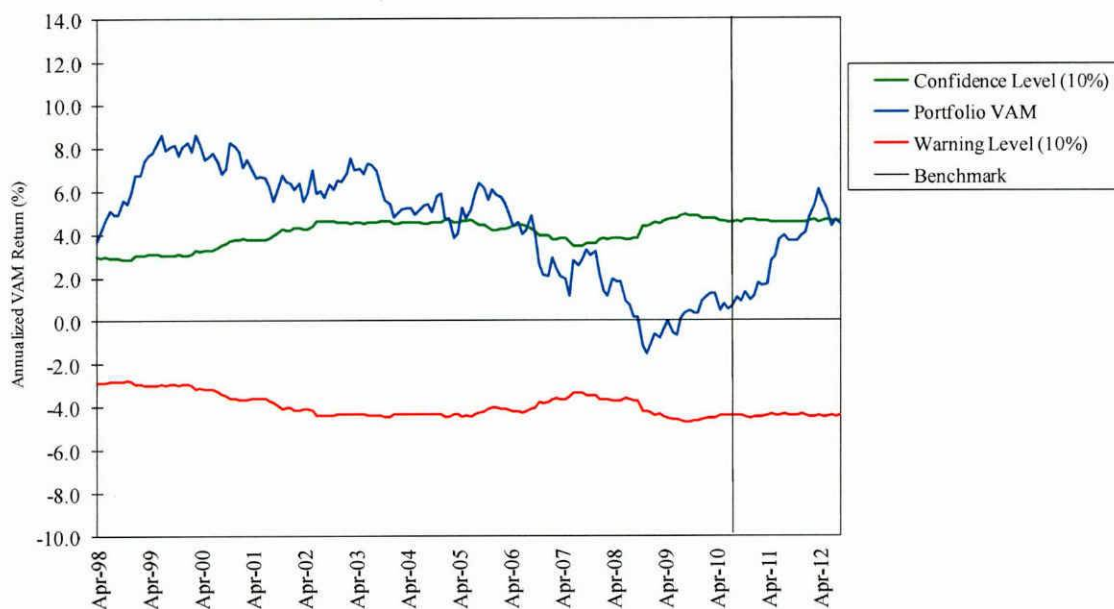
Quantitative Evaluation

	Actual	R1000 Growth
Last Quarter	8.1%	6.1%
Last 1 year	36.1	29.2
Last 2 years	21.9	15.8
Last 3 years	21.8	14.7
Last 4 years	18.0	10.3
Last 5 years	7.9	3.2
Since Inception (1/05)	7.9	5.5

Recommendation

No action required.

SANDS CAPITAL MANAGEMENT, LLC
 Rolling Five Year VAM vs. Russell 1000 Growth



Five Year Period Ending
 Note: Area to the left of vertical line includes performance prior to retention by the SBI.

WINSLOW CAPITAL MANAGEMENT, INC.
Periods Ending September, 2012

Portfolio Manager: Bart Wear and Justin Kelly

Assets Under Management: \$158,083,872

Investment Philosophy

The strategy identifies companies that can grow earnings above consensus expectations to build portfolios with forward weighted earnings growth in the range of 15-20% annually. A quantitative screen is employed for factors such as revenue and earnings growth, return on invested capital, earnings consistency, earnings revisions, low financial leverage and high free cash flow rates relative to net income. Resulting companies are subjected to a qualitative assessment within the context of industry sectors. Detailed examination of income statements, cash flow and balance sheet projections is conducted, along with a judgment on the quality of management. Attractively valued stocks are chosen based on P/E relative to the benchmark, sector peers, the company's sustainable future growth rate and return on invested capital. Final portfolio construction includes diversification by economic sectors, earnings growth rates, price/earnings ratios and market capitalizations.

Staff Comments

Staff has no concerns with Winslow at this time. The organization and people are stable, the process remains the same, and the portfolio has earned positive relative return over various time periods ending September 2012.

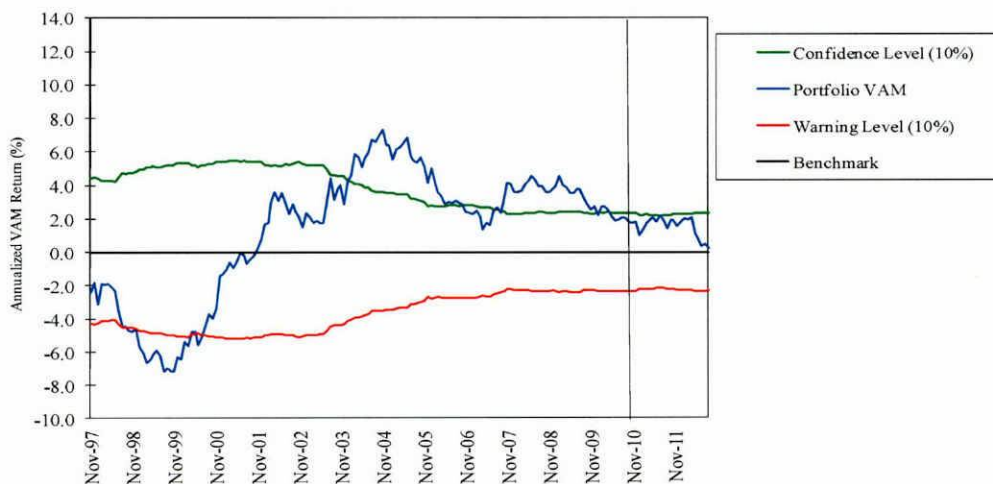
Quantitative Evaluation

	Actual	R1000 Growth
Last Quarter	6.1%	6.1%
Last 1 year	26.1	29.2
Last 2 years	13.5	15.8
Last 3 years	13.4	14.7
Last 4 years	9.9	10.3
Last 5 years	3.5	3.2
Since Inception (1/05)	6.9	5.5

Recommendation

No action required.

WINSLOW CAPITAL MANAGEMENT, INC.
Rolling Five Year VAM vs. Russell 1000 Growth



Five Year Period Ending
 Note: Area to the left of vertical line includes performance prior to retention by the SBI.

ZEVENBERGEN CAPITAL INVESTMENTS LLC
Periods Ending September, 2012

Portfolio Manager: Nancy Zevenbergen

Assets Under Management: \$324,080,244

Investment Philosophy

Zevenbergen is an equity growth manager. The investment philosophy is based on the belief that earnings drive stock prices while quality provides capital protection. Hence, portfolios are constructed with companies showing above-average earnings growth prospects and strong financial characteristics. They consider diversification for company size, expected growth rates and industry weightings to be important risk control factors. Zevenbergen uses a bottom-up fundamental approach to security analysis. Research efforts focus on finding companies with superior products or services showing consistent profitability. Attractive buy candidates are reviewed for sufficient liquidity and potential diversification. The firm emphasizes that they are not market timers.

Staff Comments

Zevenbergen's relative underperformance to the Russell 1000 Growth began in June of 2011 and has negatively impacted the quarter and one through five year returns ending September 2012. The large performance deficit is primarily attributable to relatively few stock selections within technology and consumer discretionary sectors.

There have been no owner or personnel changes and the investment process remains the same. Tracking error for this portfolio is within the policy range of 7-13%. Staff has confidence in this mandate and notes the long-term relative outperformance to the benchmark. Staff will continue to monitor their performance.

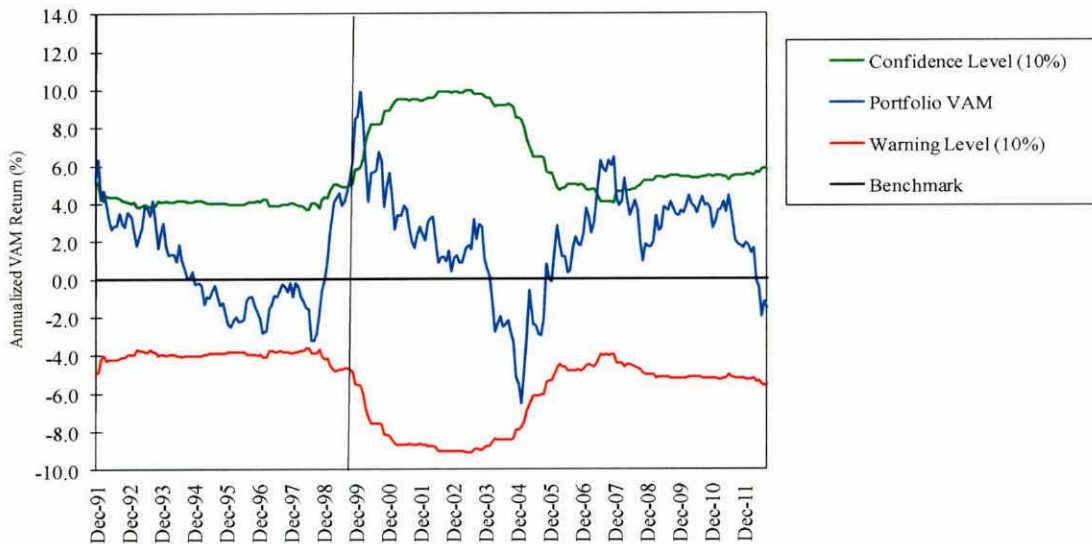
Quantitative Evaluation

	Actual	R1000 Growth
Last Quarter	3.6%	6.1%
Last 1 year	16.7	29.2
Last 2 years	4.9	15.8
Last 3 years	9.4	14.7
Last 4 years	8.1	10.3
Last 5 years	1.7	3.2
Since Inception (4/94)	8.6	7.9

Recommendation

No action required.

ZEVENBERGEN CAPITAL INVESTMENTS LLC
Rolling Five Year VAM vs. Russell 1000 Growth



Five Year Period Ending

Note: Area to the left of vertical line includes performance prior to retention by the SBI.

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Large Cap Value (R1000 Value)

Large Cap Value (R1000 Value)

Table of Contents

	Page
Barrow, Hanley, Mewhinney & Strauss, Inc.	A-30
Earnest Partners, LLC	A-31
LSV Asset Management	A-32
Systematic Financial Management, L.P.	A-33

BARROW, HANLEY, MEWHINNEY & STRAUSS, INC.
Periods Ending September, 2012

Portfolio Manager: Tim Culler

Assets Under Management: \$493,001,653

Investment Philosophy

The manager's approach is based on the underlying philosophy that markets are inefficient. Inefficiencies can best be exploited through adherence to a value-oriented investment process dedicated to the selection of securities on a bottom-up basis. The team does not attempt to time the market or rotate in and out of broad market sectors.

The manager remains fully invested with a defensive, conservative orientation based on the belief that superior returns can be achieved while taking below average risks. This strategy is implemented by constructing portfolios of individual stocks that exhibit price/earnings and price/book ratios significantly *below* the market and dividend yields significantly *above* the market. Risk control is achieved by limiting sector weights to 35% and industry weights to 15%. In periods of economic recovery and rising equity markets, profitability and earnings growth are rewarded by the expansion of price/earnings ratios and the generation of excess returns.

Staff Comments

Staff has no concerns with Barrow Hanley at this time. The organization and people are stable, the process remains the same, and the portfolio has provided positive relative return for various time periods ending September 2012.

Quantitative Evaluation

	Actual	R1000 Value
Last Quarter	5.4%	6.5%
Last 1 year	28.5	30.9
Last 2 years	12.4	13.3
Last 3 years	11.8	11.8
Last 4 years	6.7	5.7
Last 5 years	-0.7	-0.9
Since Inception (4/04)	5.1	4.9

Recommendation

No action required.

BARROW, HANLEY, MEWHINNEY & STRAUSS, LLC
 Rolling Five Year VAM vs. Russell 1000 Value



Five Year Period Ending
 Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

EARNEST PARTNERS, LLC
Periods Ending September, 2012

Portfolio Manager: Paul Viera

Assets Under Management: \$198,971,060

Investment Philosophy

Earnest Partners utilizes its proprietary Return Pattern Recognition model and rigorous fundamental review to identify stocks with the most attractive relative returns. They have identified six performance drivers – valuation measures, operating trends, market trends, growth measures, profitability measures and macroeconomic measures. Extensive research is conducted to determine which combination of performance drivers, or return patterns, precede out-performance for stocks in each sector. They select stocks whose return patterns suggest favorable performance and control risk using a statistical program designed to measure and control the prospects of substantially under-performing the benchmark. The portfolio is diversified across industry groups.

Staff Comments

Staff has no concerns with Earnest at this time. The organization and people are stable, the process remains the same, and the portfolio has provided positive relative return for various time periods ending September 2012.

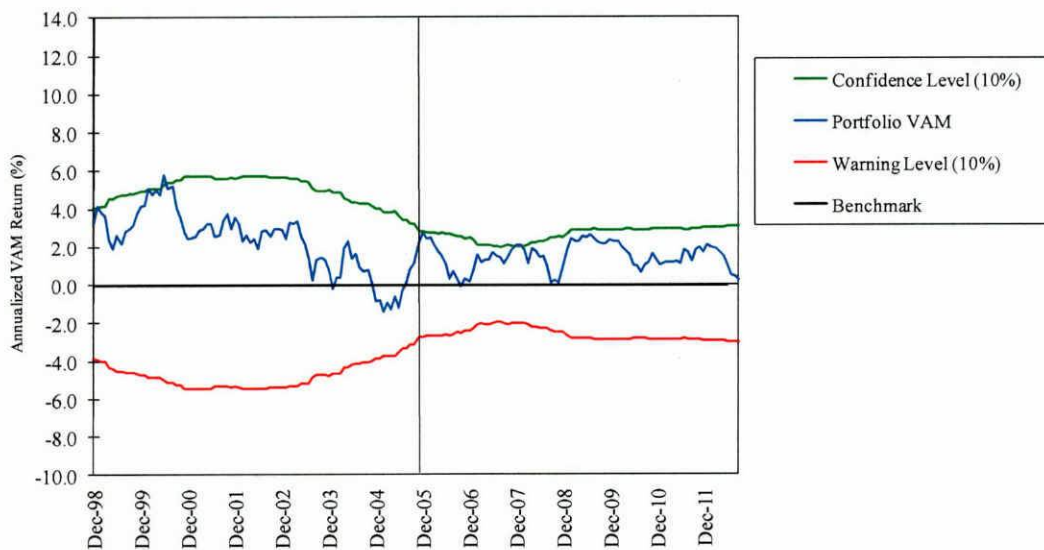
Quantitative Evaluation

	Actual	R1000 Value
Last Quarter	2.9%	6.5%
Last 1 year	24.3	30.9
Last 2 years	9.5	13.3
Last 3 years	9.6	11.8
Last 4 years	7.1	5.7
Last 5 years	-0.6	-0.9
Since Inception (7/00)	4.3	4.9

Recommendation

No action required.

EARNEST PARTNERS
Rolling Five Year VAM vs. Russell 1000 Value



Five Year Period Ending
 Note: Area to left of vertical line includes performance prior to retention by the SBI.

LSV ASSET MANAGEMENT
Periods Ending September, 2012

Portfolio Manager: Josef Lakonishok

Assets Under Management: \$462,615,033

Investment Philosophy

The fundamental premise on which LSV's investment philosophy is based is that superior long-term results can be achieved by systematically exploiting the judgmental biases and behavioral weaknesses that influence the decisions of many investors. These include: the tendency to extrapolate the past too far into the future, wrongly equating a good company with a good investment irrespective of price, ignoring statistical evidence and developing a "mindset" about a company.

The strategy's primary emphasis is the use of quantitative techniques to select individual securities in what would be considered a bottom-up approach. Value factors and security selection dominate sector/industry factors as explanatory variables of performance. The competitive strength of this strategy is that it avoids introducing to the process any judgmental biases and behavioral weaknesses that often influence investment decisions.

Staff Comments

Staff has no concerns with LSV at this time. The organization and people are stable, the process remains the same, and the portfolio has earned positive relative return for various time periods ending September 2012.

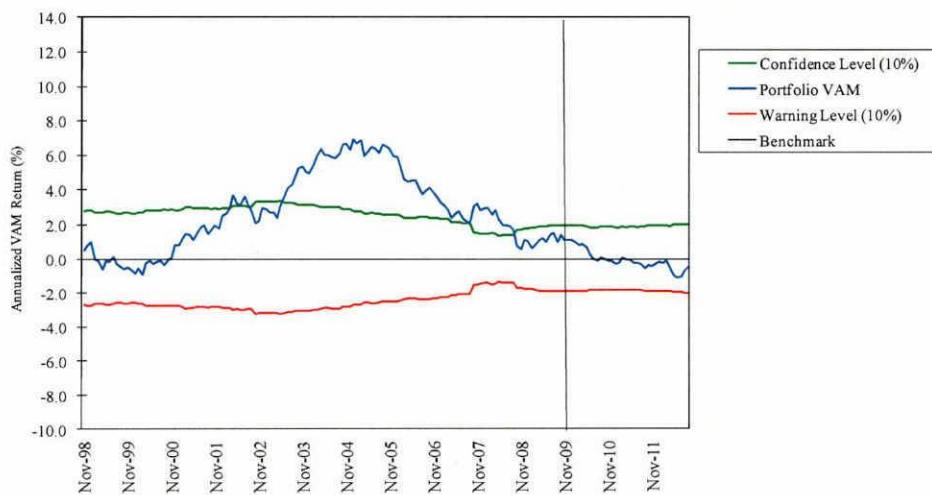
Quantitative Evaluation

	Actual	R1000 Value
Last Quarter	8.0%	6.5%
Last 1 year	33.1	30.9
Last 2 years	12.2	13.3
Last 3 years	11.1	11.8
Last 4 years	5.6	5.7
Last 5 years	-1.4	-0.9
Since Inception (4/04)	5.5	4.9

Recommendation

No action required.

LSV ASSET MANAGEMENT
 Rolling Five Year VAM vs. Russell 1000 Value



Five Year Period Ending

Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

SYSTEMATIC FINANCIAL MANAGEMENT, L.P.
Periods Ending September, 2012

Portfolio Manager: Kevin McCreesh

Assets Under Management: \$333,756,503

Investment Philosophy

Systematic's investment strategy favors companies with low forward P/E multiples and a positive earnings catalyst. Cash flow is analyzed to confirm earnings and to avoid companies that may have employed accounting gimmicks to report earnings in excess of Wall Street expectations. The investment strategy attempts to avoid stocks in the "value trap" by focusing only on companies with confirmed fundamental improvement as evidenced by a genuine positive earnings surprise.

The investment process begins with quantitative screening that ranks the universe based on: 1) low forward P/E, and 2) a positive earnings catalyst, which is determined by a proprietary 16-factor model that is designed to be predictive of future positive earnings surprises. The screening process generates a research focus list of 150 companies, sorted by sector, upon which rigorous fundamental analysis is conducted to confirm each stock's value and catalysts for appreciation.

Staff Comments

Staff has no concerns with Systematic at this time. The organization and people are stable, the process remains the same, and the portfolio has earned positive relative return for various time periods ending September 2012.

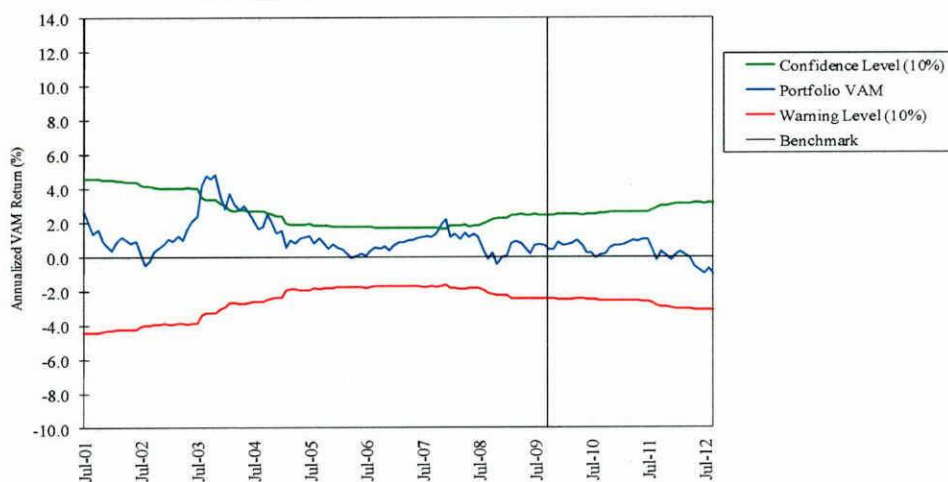
Quantitative Evaluation

	Actual	R1000 Value
Last Quarter	8.1%	6.5%
Last 1 year	32.4	30.9
Last 2 years	11.2	13.3
Last 3 years	10.7	11.8
Last 4 years	5.6	5.7
Last 5 years	-1.8	-0.9
Since Inception (4/04)	4.8	4.9

Recommendation

No action required.

SYSTEMATIC FINANCIAL MANAGEMENT, LP
 Rolling Five Year VAM vs. Russell 1000 Value



Five Year Period Ending
 Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

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Small Cap Growth (R2000 Growth)

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A-36

Small Cap Growth (R2000 Growth)

Table of Contents

	Page
McKinley Capital Management, Inc.	A-38
Next Century Growth Investors, LLC	A-39
Turner Investment Partners, Inc.	A-40

MCKINLEY CAPITAL MANAGEMENT, INC.
Periods Ending September, 2012

Portfolio Manager: Robert A. Gillam

Assets Under Management: \$241,208,666

Investment Philosophy

The team believes that excess market returns can be achieved through the construction and management of a diversified, fundamentally sound portfolio of inefficiently priced securities whose earnings growth rates are accelerating above market expectations. Using proprietary quantitative models, the team systematically searches for and identifies early signs of accelerating growth. The initial universe consists of growth and value stocks from all capitalization categories.

The primary model includes a linear regression model to identify common stocks that are inefficiently priced relative to the market while adjusting each security for standard deviation. The ratio of alpha to standard deviation is the primary screening value and is used to filter out all but the top 10% of stocks in its initial universe. The remaining candidates are tested for liquidity and strength of earnings. In the final portfolio construction process, qualitative aspects are examined, including economic factors, Wall Street research, and specific industry themes.

Staff Comments

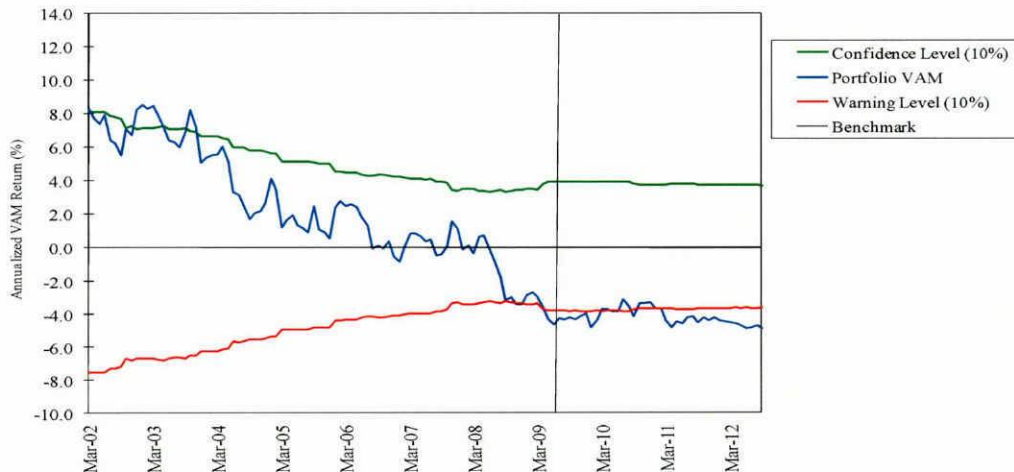
McKinley's recent performance rebound continues their recovery from significant underperformance. McKinley has been consistent with their investment process and the organization has remained stable. Staff is monitoring the portfolio closely.

Quantitative Evaluation

	Actual	R2000 Growth	
Last Quarter	7.9%	4.8%	No action required.
Last 1 year	34.2	31.2	
Last 2 years	13.7	13.9	
Last 3 years	14.2	14.2	
Last 4 years	6.0	8.7	
Last 5 years	-2.1	3.0	
Since Inception (1/04)	3.5	6.3	

Recommendation

MCKINLEY CAPITAL MANAGEMENT
 Rolling Five Year VAM vs. Russell 2000 Growth



Five Year Period Ending
 Note: Area to left of vertical line includes performance prior to retention by the SBI.

NEXT CENTURY GROWTH INVESTORS, LLC
Periods Ending September, 2012

Portfolio Manager: Thomas Press and Don Longlet

Assets Under Management: \$281,510,266

Investment Philosophy

Next Century Growth's (NCG) goal is to invest in the highest quality and fastest growing companies in America. They believe that growth opportunities exist regardless of the economic cycle. NCG uses fundamental analysis to identify companies that will surpass consensus earnings estimates, which they believe to be the number one predictor of future out-performance. Their investment process focuses on growth companies that have superior top line revenue growth (15% or greater), high profitability, and strong balance sheets, and are well poised to outperform the market. NCG believes in broad industry diversification; sector exposures are limited to twice the benchmark weighting and individual positions to five percent.

Staff Comments

Next Century has underperformed in two of the last five calendar years and has struggled the last three quarters. Next Century has been consistent with their investment process and the organization has remained stable. Staff will continue to track their performance.

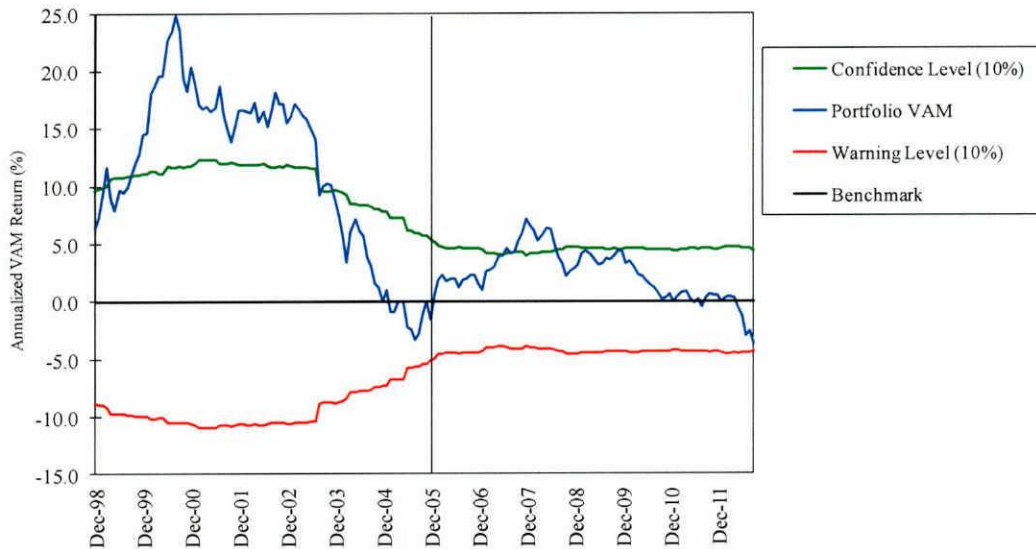
Quantitative Evaluation

	Actual	R2000 Growth
Last Quarter	0.3%	4.8%
Last 1 year	25.9	31.2
Last 2 years	12.8	13.9
Last 3 years	13.5	14.2
Last 4 years	5.8	8.7
Last 5 years	-0.8	3.0
Since Inception (7/00)	1.1	1.7

Recommendation

No action required.

NEXT CENTURY GROWTH INVESTORS, LLC
Rolling Five Year VAM vs. Russell 2000 Growth



Five Year Period Ending
 Note: Area to left of vertical line includes performance prior to the retention by the SBI.

TURNER INVESTMENT PARTNERS, INC.
Periods Ending September, 2012

Portfolio Manager: William McVail

Assets Under Management: \$294,325,480

Investment Philosophy

The team's investment philosophy is based on the belief that earnings expectations drive stock prices. The team adds value primarily through stock selection and pursues a bottom-up strategy. Ideal candidates for investment are growth companies that have above average earnings prospects, reasonable valuations, favorable trading volume, and price patterns. Each security is subjected to three separate evaluation criteria: fundamental analysis (80%), quantitative screening (10%), and technical analysis (10%).

Proprietary computer models enable the team to assess the universe based on multiple earnings growth and valuation factors. The factors are specific to each economic sector. Fundamental analysis is the heart of the stock selection process and helps the team determine if a company will exceed, meet or fall short of consensus earnings expectations. Technical analysis is used to evaluate trends in trading volume and price patterns for individual stocks as the team searches for attractive entry and exit points.

Staff Comments

Staff has no concerns with Turner.

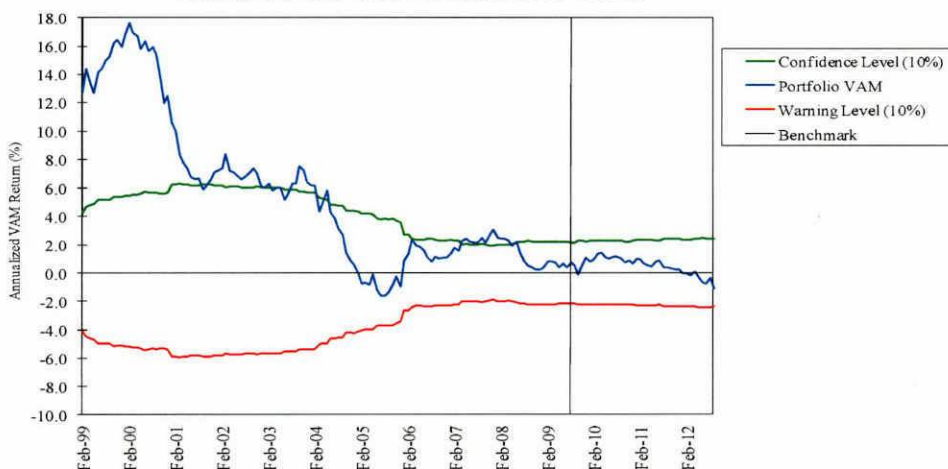
Quantitative Evaluation

	Actual	R2000 Growth
Last Quarter	5.4%	4.8%
Last 1 year	29.9	31.2
Last 2 years	11.8	13.9
Last 3 years	13.0	14.2
Last 4 years	8.1	8.7
Last 5 years	1.9	3.0
Since Inception (1/04)	6.2	6.3

Recommendation

No action required.

TURNER INVESTMENT PARTNERS, INC.
 Rolling Five Year VAM vs. Russell 2000 Growth



Five Year Period Ending
 Note: Area to left of vertical line includes performance prior to retention by the SBI.

Small Cap Value (R2000 Value)

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A-42

Small Cap Value (R2000 Value)

Table of Contents

	Page
Goldman Sachs Asset Management, L.P.	A-44
Hotchkis & Wiley Capital Management, LLC	A-45
Martingale Asset Management, L.P.	A-46
Peregrine Capital Management	A-47

GOLDMAN SACHS ASSET MANAGEMENT, L.P.
Periods Ending September, 2012

Portfolio Manager: Sally Pope-Davis and Rob Crystal Assets Under Management: \$178,999,742

Investment Philosophy

The firm's value equity philosophy is based on the belief that all successful investing begins with fundamental stock selection that should thoughtfully weigh a stock's price and prospects. A company's prospective ability to generate high cash flow returns on capital will strongly influence investment success. The team follows a strong valuation discipline to purchase well-positioned, cash generating businesses run by shareholder-oriented management teams.

Through extensive proprietary research, the team confirms that a candidate company's long-term competitive advantage and earnings power are intact. The team seeks to purchase a stock at a price that encompasses a healthy margin of safety. The investment process involves three steps: 1) prioritizing research, 2) analyzing fundamentals, and 3) portfolio construction. The independent Risk and Performance Analytics Group (RPAG) monitors daily portfolio management risk, adherence to client guidelines and general portfolio strategy.

Staff Comments

Staff has no concerns with Goldman.

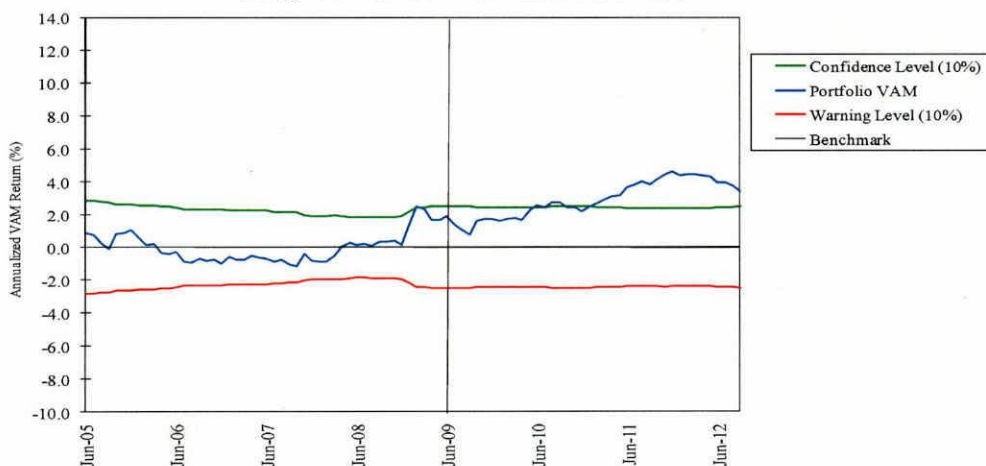
Quantitative Evaluation

	Actual	R2000 Value
Last Quarter	6.5%	5.7%
Last 1 year	35.3	32.6
Last 2 years	15.2	11.7
Last 3 years	15.8	11.7
Last 4 years	8.8	5.1
Last 5 years	4.9	1.3
Since Inception (1/04)	7.7	5.8

Recommendation

No action required.

GOLDMAN SACHS ASSET MANAGEMENT, L.P.
 Rolling Five Year VAM vs. Russell 2000 Value



Five Year Period Ending
 Note: Area to left of vertical line includes performance prior to retention by the SBI.

HOTCHKIS & WILEY CAPITAL MANAGEMENT, LLC
Periods Ending September, 2012

Portfolio Manager: Jim Miles and David Green

Assets Under Management: \$150,365,739

Investment Philosophy

The firm seeks to exploit mispriced securities in the small cap market by investing in “undiscovered” or “out of favor” companies. The team invests in stocks where the present value of the company's future cash flows exceeds the current market price. This approach exploits equity market inefficiencies created by irrational investor behavior and lack of Wall Street research coverage of smaller capitalization stocks. The team employs a disciplined, bottom-up investment process that emphasizes internally generated fundamental research.

The investment process begins with a quantitative screen based on market capitalization, trading liquidity and enterprise value/normalized EBIT, supplemented with ideas generated from the investment team. Internal research is then utilized to identify the most attractive valuation opportunities within this value universe. The primary focus of the research analyst is to determine a company’s “normal” earnings power, which is the basis for security valuation.

Staff Comments

Staff has no concerns with Hotchkis.

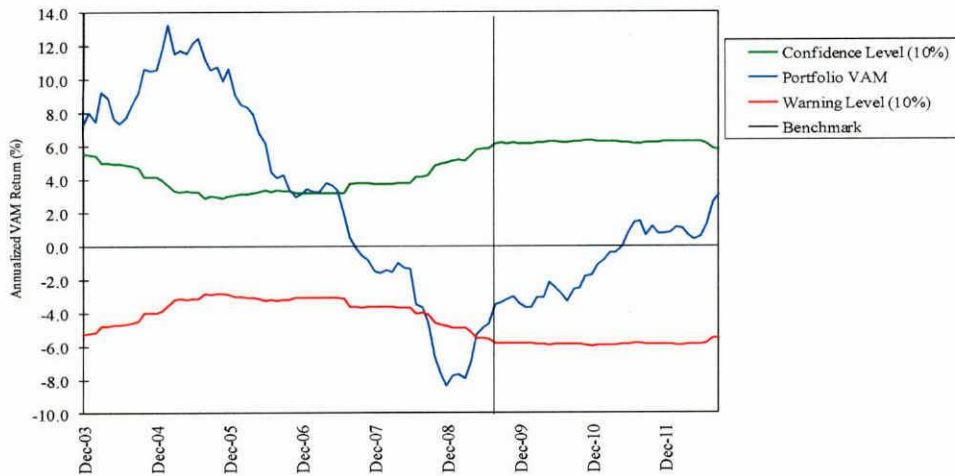
Quantitative Evaluation

	Actual	R2000 Value
Last Quarter	4.8%	5.7%
Last 1 year	35.9	32.6
Last 2 years	13.7	11.7
Last 3 years	16.0	11.7
Last 4 years	11.7	5.1
Last 5 years	4.4	1.3
Since Inception (1/04)	5.6	5.8

Recommendation

No action required.

HOTCHKIS & WILEY CAPITAL MANAGEMENT
Rolling Five Year VAM vs. Russell 2000 Value



Five Year Period Ending
 Note: Area to left of vertical line includes performance prior to retention by the SBI.

MARTINGALE ASSET MANAGEMENT, L.P.
Periods Ending September, 2012

Portfolio Manager: William Jacques

Assets Under Management: \$135,947,394

Investment Philosophy

Martingale's investment process seeks to exploit the long-term link between undervalued company fundamentals and current market prices to achieve superior investment returns. Martingale has a long history of employing sound quantitative methods.

The valuation process is comprised of well-researched valuation indicators that have stood the test of time, with improvements made only after careful evaluation, testing and analysis. Multiple characteristics of quality, value and momentum are examined. The quality of company management is assessed by reviewing commitment to R&D, accounting practices with regard to earnings and cash flow from operations, and the ability to manage inventory.

The average holding period of a stock is typically one year. Every holding is approached as an investment in the business, with the intention of holding it until either objectives are reached, or it becomes apparent that there are better opportunities in other stocks.

Staff Comments

Staff has no concerns with Martingale at this time. The organization and people are stable, the process remains the same, and the portfolio has earned positive relative return for recent time periods.

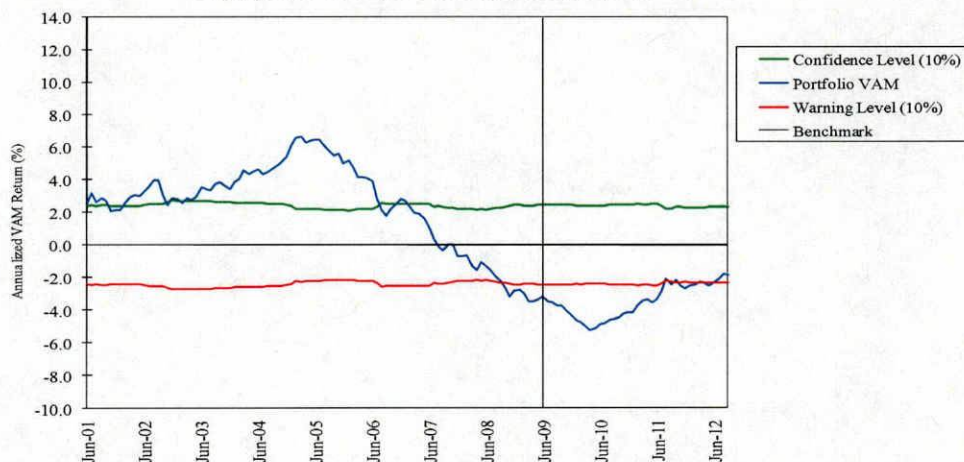
Quantitative Evaluation

	Actual	R2000 Value
Last Quarter	6.5%	5.7%
Last 1 year	35.6	32.6
Last 2 years	12.5	11.7
Last 3 years	12.3	11.7
Last 4 years	4.7	5.1
Last 5 years	-0.5	1.3
Since Inception (1/04)	4.4	5.8

Recommendation

No action required.

MARTINGALE ASSET MANAGEMENT, L.P.
 Rolling Five Year VAM vs. Russell 2000 Value



Five Year Period Ending
 Note: Area to left of vertical line includes performance prior to retention by the SBI.

PEREGRINE CAPITAL MANAGEMENT
Periods Ending September, 2012

Portfolio Manager: Doug Pugh and Tasso Coin

Assets Under Management: \$238,211,146

Investment Philosophy

Peregrine's Small Cap Value investment process begins with the style's proprietary valuation analysis, which is designed to identify the small cap value stocks most likely to outperform. The valuation analysis identifies the most under-priced securities on a sector-by-sector basis. Drawing on thirty years of data, the analysis looks at different combinations of sixty fundamental factors most relevant in each independent sector to identify stocks that offer significant value relative to the companies' underlying fundamentals. The focus of the team's fundamental research is to determine if one or more of the style's "Value Buy Criteria" are present. These include short-term problems, unrecognized assets, take-over potential, and catalysts for change. The portfolio is diversified and sector weights are aligned closely with the benchmark. This allows stock selection to drive performance.

Staff Comments

Staff has no concerns with Peregrine.

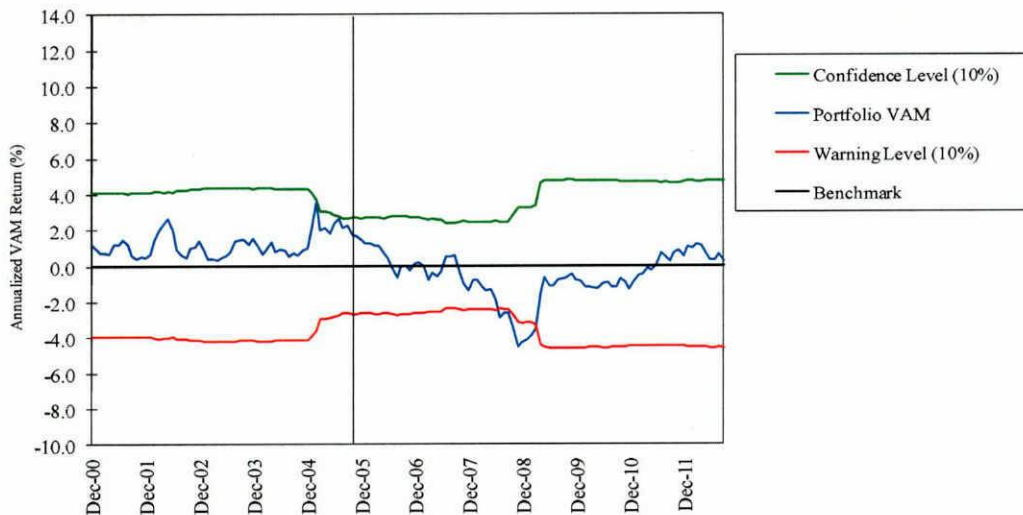
Quantitative Evaluation

	Actual	R2000 Value
Last Quarter	4.5%	5.7%
Last 1 year	33.2	32.6
Last 2 years	12.6	11.7
Last 3 years	13.7	11.7
Last 4 years	8.5	5.1
Last 5 years	1.6	1.3
Since Inception (7/00)	9.5	8.8

Recommendation

No action required.

PEREGRINE CAPITAL MANAGEMENT
Rolling Five Year VAM vs. Russell 2000 Value



Five Year Period Ending
 Note: Area to left of vertical line includes performance prior to retention by SBI.

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Semi-Passive and Passive

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A-50

Semi-Passive and Passive

Table of Contents

	Page
Semi-Passive	
BlackRock Institutional Trust Co., N.A. (Russell 1000)	A-52
INTECH Investment Management LLC (Russell 1000)	A-53
J.P. Morgan Investment Management, Inc. (Russell 1000)	A-54
Mellon Capital Management Corporation (Russell 1000)	A-55
Passive	
BlackRock Institutional Trust Co., N.A. (Russell 3000)	A-56

BLACKROCK INSTITUTIONAL TRUST CO., N.A.
Periods Ending September, 2012

Portfolio Manager: Raffaele Savi

Assets Under Management: \$2,535,892,880

Investment Philosophy – Semi-Passive Style

The Core Alpha Model disaggregates individual equity returns for each of the 3500 stocks in their universe into fundamental, expectational, and technical components. The fundamental factors look at measures of underlying company value including earnings, book value, cash flow, and sales. These factors help identify securities that trade at prices below their true economic value. The expectational factors incorporate future earnings and growth rate forecasts made by over 2500 security analysts. The technical factors provide a measure of recent changes in company fundamentals, consensus expectations, and performance. Estimated alphas are then calculated and are used in a portfolio optimization algorithm to identify the optimal portfolio.

Staff Comments

Blackrock has had significant organizational changes at the top level due to the merger with Barclays Global Investors, including numerous structural and personnel changes within the Client Services Division. However, the portfolio management team assigned to the SBI domestic equity portfolio has been stable since that time. Staff will continue to monitor and provide updates as necessary.

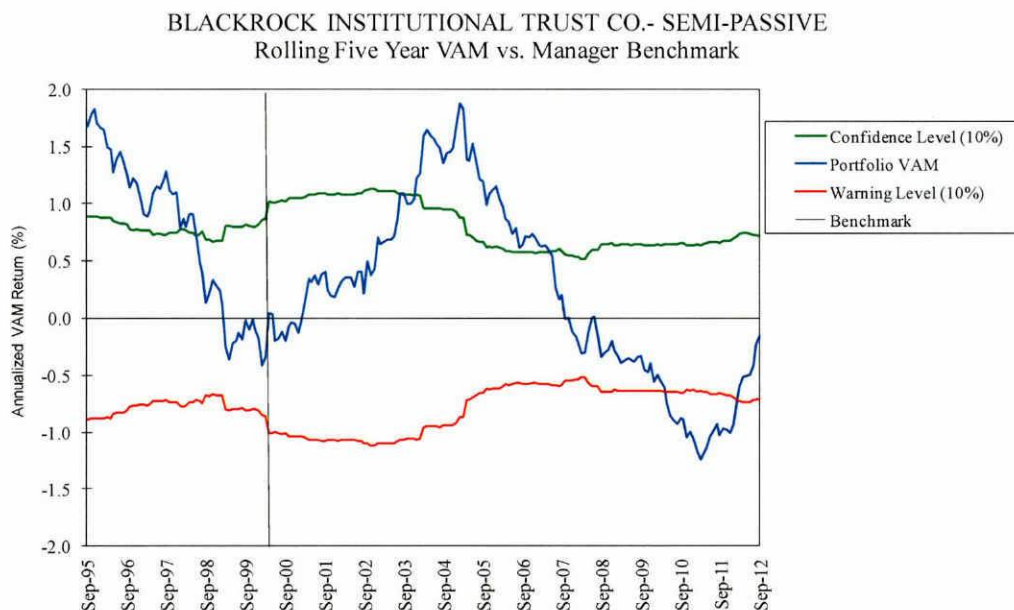
Quantitative Evaluation

	Actual	Manager Benchmark*
Last Quarter	6.4%	6.3%
Last 1 year	32.5	30.1
Last 2 years	15.6	14.6
Last 3 years	13.2	13.3
Last 4 years	8.0	8.1
Last 5 years	1.1	1.2
Since Inception (1/95)	8.4	8.1

Recommendation

No action required.

* Russell 1000 since 1/1/04. Completeness Fund through 12/31/03.



Five Year Period Ending
 Note: Area to the left of vertical line includes performance prior to retention by the SBI.

INTECH INVESTMENT MANAGEMENT LLC
Periods Ending September, 2012

Portfolio Manager: Adrian Banner

Assets Under Management: \$1,826,696,658

Investment Philosophy – Semi-Passive Style

Staff Comments

Through the application of a proprietary mathematical process, the investment strategy is designed to determine more efficient weightings of the securities within the Russell 1000 benchmark. No specific sector or security selection decisions based on fundamentals are required. Risk parameters include: 1) minimize absolute standard deviation or maximize information ratio, 2) security positions limited to lesser of 1.0% or 8 times maximum index security weight, 3) beta equal to or less than benchmark beta, and 4) constraining the weighted average capital distribution to be roughly equal to the capital distribution of the benchmark. Target security positions are established using a weekly optimization routine designed to build a portfolio that will outperform a passive benchmark over the long term. Rebalancing to target proportions occurs every six (6) business days.

Staff has no concerns with INTECH.

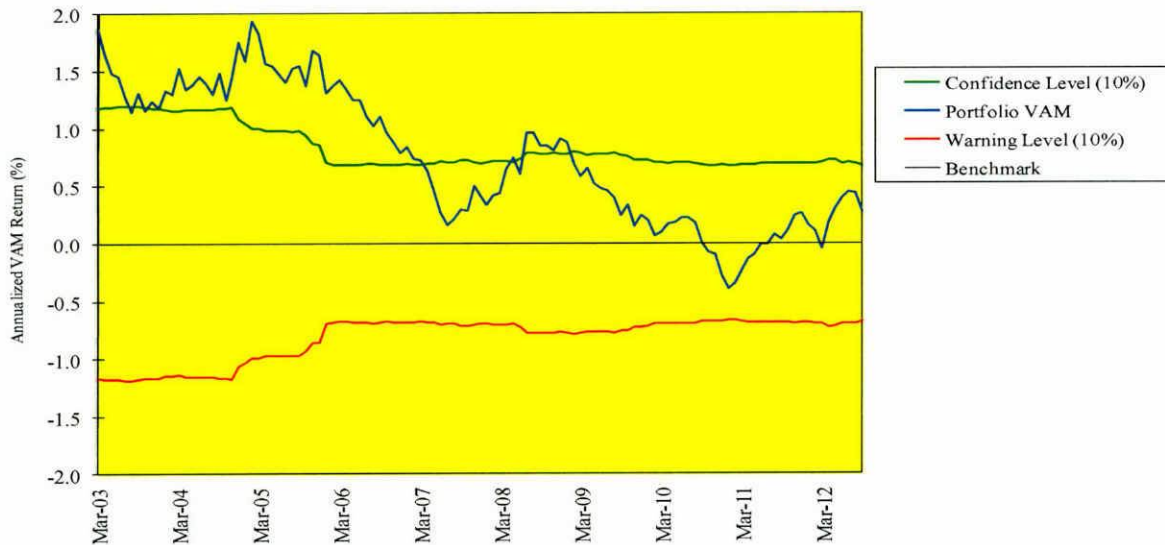
Quantitative Evaluation

Recommendation

	Actual	Russell 1000
Last Quarter	6.5%	6.3%
Last 1 year	30.6	30.1
Last 2 years	15.0	14.6
Last 3 years	N/A	N/A
Last 4 years	N/A	N/A
Last 5 years	N/A	N/A
Since Inception (4/10)	11.4	10.9

No action required.

INTECH Investment Management LLC - Semi-Passive
 Rolling Five Year VAM vs. Russell 1000



Five Year Period Ending
 Note: Shaded area includes performance prior to retention by the SBI.

J.P. MORGAN INVESTMENT MANAGEMENT INC.
Periods Ending September, 2012

Portfolio Manager: Ralph Zingone and Scott Blasdel **Assets Under Management: \$3,016,318,491**

Investment Philosophy – Semi-Passive Style

Staff Comments

J.P. Morgan believes that superior stock selection is necessary to achieve excellent investment results. To accomplish this objective, they use fundamental research and a systematic valuation model. Analysts forecast the earnings and dividends for the 650 stock universe and enter them into a stock valuation model that calculates an expected return for each security. The stocks are ranked according to their expected return within their economic sectors. The most undervalued stocks are placed in the first quintile. The portfolio includes stocks from the first four quintiles, always favoring the highest ranked stocks whenever possible. Stocks in the fifth quintile are sold. In addition, the portfolio closely approximates the sector, style, and security weightings of the index chosen by the plan sponsor. The firm remains fully invested at all times.

Staff has no concerns with JP Morgan.

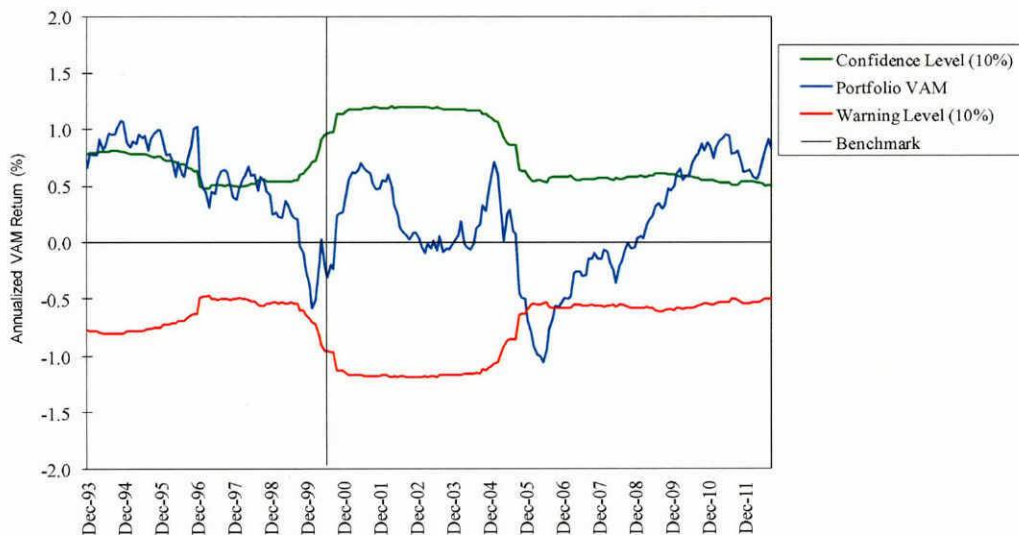
Quantitative Evaluation

Recommendation

	Actual	Manager Benchmark*	
Last Quarter	6.7%	6.3%	No action required.
Last 1 year	30.5	30.1	
Last 2 years	15.0	14.6	
Last 3 years	13.8	13.3	
Last 4 years	9.3	8.1	
Last 5 years	2.1	1.2	
Since Inception (1/95)	8.4	8.1	

* Russell 1000 since 1/1/04. Completeness Fund through 12/31/03.

JP MORGAN - SEMI-PASSIVE
Rolling Five Year VAM vs. Manager Benchmark



Five Year Period Ending
Note: Area to left of vertical line includes performance prior to retention by SBI.

MELLON CAPITAL MANAGEMENT CORPORATION
Periods Ending September, 2012

Portfolio Manager: Warren Chiang

Assets Under Management: \$1,902,911,301

Investment Philosophy – Semi-Passive Style

Staff Comments

Mellon believes that rigorous and consistent application of fundamentally based valuation criteria will produce value added investment returns. Mellon builds a portfolio by using a series of more than 30 integrated computer models that value a universe of 3500 stocks. Their models rank each security based on fundamental momentum, relative value, future cash flow, and supplementary models. A composite ranking then provides one ranked list of securities reflecting their relative attractiveness. Stocks that fall below the median ranking are sold, and proceeds are reinvested in stocks from the top deciles in the ranking system. They use the BARRA risk model to monitor the portfolio's systematic risk and industry weightings relative to the selected benchmark. For this semi-passive mandate, they seek to achieve a residual risk of 1.5% or less. The firm remains fully invested at all times.

Mellon has settled in and continues to benefit from their merger (legacy Franklin with Mellon) and staff has no concerns.

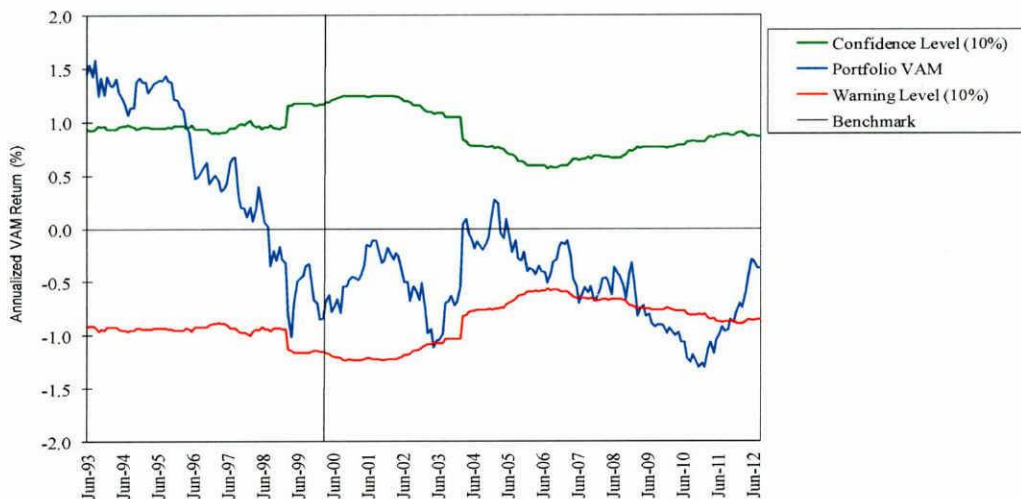
Quantitative Evaluation

Recommendation

	Actual	Manager Benchmark*	
Last Quarter	6.0%	6.3%	No action required.
Last 1 year	32.4	30.1	
Last 2 years	17.0	14.6	
Last 3 years	14.0	13.3	
Last 4 years	7.9	8.1	
Last 5 years	0.8	1.2	
Since Inception (1/95)	7.7	8.1	

* Russell 1000 since 1/1/04. Completeness Fund through 12/31/03.

MELLON CAPITAL MANAGEMENT- SEMI-PASSIVE
 Rolling Five Year VAM vs. Manager Benchmark



Five Year Period Ending
 Note: Area to the left of vertical line includes performance prior to retention by the SBI.

BLACKROCK INSTITUTIONAL TRUST CO., N.A.
Periods Ending September, 2012

Portfolio Manager: Amy Schioldager

Assets Under Management: \$7,796,994,133

Investment Philosophy – Passive Style

Barclays Global Investors seeks to minimize 1) tracking error, 2) transaction costs, and 3) investment and operational risks. The portfolio is passively managed against the asset class target using a proprietary optimization process that integrates a transaction cost model. The resulting portfolio closely matches the characteristics of the benchmark with less exposure to illiquid stocks.

Staff Comments

Blackrock has had significant organizational changes at the top level due to the merger with Barclays Global Investors, including numerous structural and personnel changes within the Client Services Division. However, the portfolio management team assigned to the SBI domestic equity portfolio has been stable since that time. Staff will continue to monitor and provide updates as necessary.

Quantitative Evaluation

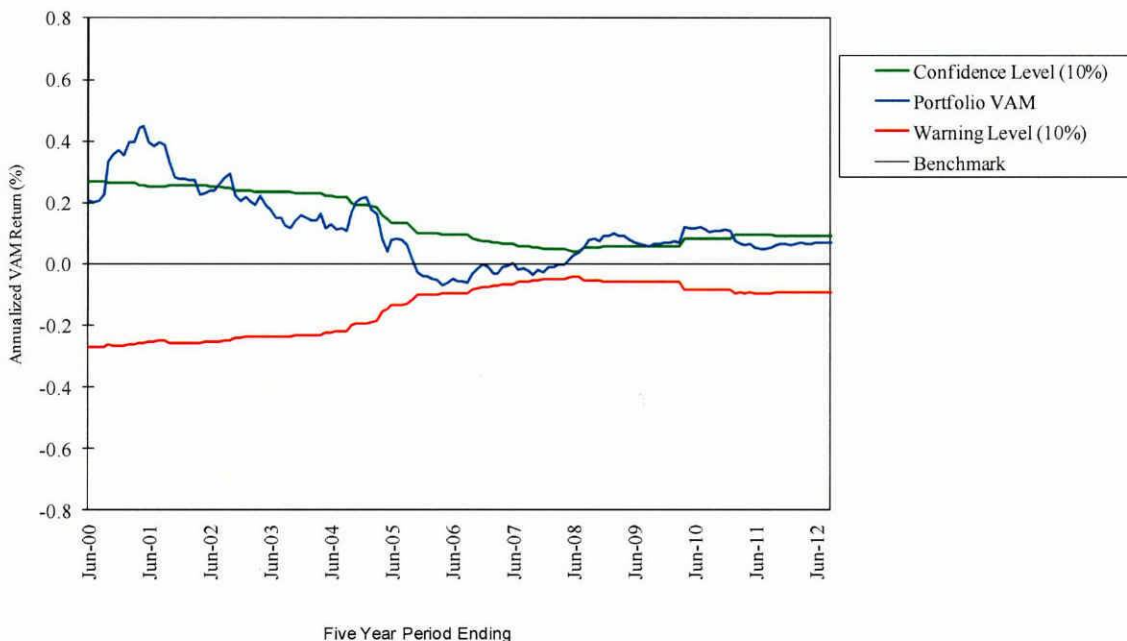
	Actual	Manager Benchmark*
Last Quarter	6.2%	6.2%
Last 1 year	30.2	30.2
Last 2 years	14.3	14.4
Last 3 years	13.3	13.3
Last 4 years	8.0	8.0
Last 5 years	1.4	1.3
Since Inception (7/95)	7.8	7.7

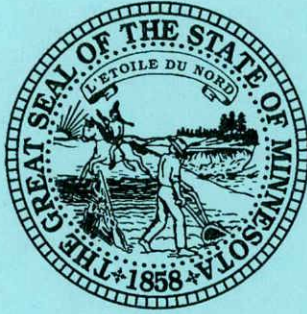
Recommendation

No action required.

* Russell 3000 since 10/1/03, Wilshire 5000 through 7/1/95.

BLACKROCK INSTITUTIONAL TRUST CO.- PASSIVE
Rolling Five Year VAM vs. Manager Benchmark





STATE BOARD OF INVESTMENT

Bond Manager Evaluation Reports

Third Quarter, 2012

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A-58

Bond Managers

Table of Contents

	Page
Bond Manager Performance Summary (quarter, 1, 3, 5, year periods)	A-60
Bond Manager Performance Summary (by calendar years)	A-61
Aberdeen Asset Management Inc.	A-62
Columbia Management Investment Advisers, LLC	A-63
Dodge & Cox	A-64
Pacific Investment Management Company LLC (PIMCO)	A-65
Western Asset Management Company	A-66
BlackRock Financial Management, Inc.	A-67
Goldman Sachs Asset Management	A-68
Neuberger Berman Fixed Income LLC	A-69

COMBINED RETIREMENT FUNDS
BOND MANAGERS
Periods Ending September, 2012

	Quarter		1 Year		3 Years		5 Years		Since (1) Inception		Market Value (in millions)	Pool %
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %		
Active Managers												
Aberdeen	2.6	1.6	8.5	5.2	9.0	6.2	5.6	6.5	6.3	6.4	\$855.4	7.8%
Columbia (RiverSource)	2.5	1.6	8.3	5.2	7.9	6.2	6.7	6.5	6.2	6.2	\$971.7	8.8%
Dodge & Cox	2.5	1.6	8.6	5.2	7.4	6.2	7.6	6.5	7.4	6.4	\$1,137.2	10.3%
PIMCO	3.4	1.6	9.3	5.2	8.6	6.2			10.1	7.3	\$1,257.5	11.4%
Western	2.8	1.6	8.4	5.2	8.9	6.2	7.3	6.5	9.5	8.4	\$1,298.8	11.8%
Active Mgr. Aggregate	2.8	1.6	8.6	5.2	8.4	6.2	6.7	6.5			\$5,520.7	50.2%
Semi-Passive Managers												
BlackRock	1.9	1.6	6.1	5.2	6.6	6.2	6.1	6.5	6.4	6.3	\$1,739.1	15.8%
Goldman	2.0	1.6	6.3	5.2	7.4	6.2	6.9	6.5	6.6	6.2	\$1,872.0	17.0%
Neuberger	2.0	1.6	6.7	5.2	7.8	6.2	7.2	6.5	7.5	7.3	\$1,858.1	16.9%
Semi-Passive Mgr. Aggregate	2.0	1.6	6.4	5.2	7.3	6.2	6.8	6.5			\$5,469.2	49.8%
Historical Aggregate (2)	2.4	1.6	7.5	5.2	7.9	6.2	6.8	6.5	8.5	8.4	\$10,989.9	100.0%
Barclays Capital Aggregate (3)		1.6		5.2		6.2		6.5		8.4		

(1) Since retention by the SBI. Time period varies for each manager.

(2) Includes performance of terminated managers.

(3) Prior to July 1994, this index reflects the Solomon BIG.

**COMBINED RETIREMENT FUNDS
BOND MANAGERS
Calendar Year Returns**

	2011		2010		2009		2008		2007	
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %
Active Managers										
Aberdeen	8.0	7.8	10.7	6.5	18.4	5.9	-14.7	5.2	5.6	7.0
Columbia (RiverSource)	8.1	7.8	8.1	6.5	14.0	5.9	-4.9	5.2	6.6	7.0
Dodge & Cox	5.0	7.8	7.8	6.5	16.5	5.9	0.1	5.2	5.3	7.0
PIMCO	4.5	7.8	12.1	6.5	15.5	5.9				
Western	7.1	7.8	10.9	6.5	17.5	5.9	-6.8	5.2	5.4	7.0
Active Mgr. Aggregate	6.4	7.8	10.0	6.5	16.5	5.9	-7.3	5.2	5.8	7.0
Semi-Passive Managers										
BlackRock	8.0	7.8	6.5	6.5	9.6	5.9	-1.1	5.2	6.8	7.0
Goldman	8.3	7.8	8.0	6.5	12.0	5.9	-1.2	5.2	7.0	7.0
Neuberger	7.6	7.8	9.1	6.5	14.3	5.9	-1.9	5.2	6.3	7.0
Semi-Passive Mgr. Aggregate	8.0	7.8	7.9	6.5	12.0	5.9	-1.4	5.2	6.7	7.0
Historical Aggregate										
Barclays Capital Aggregate	7.2	7.8	9.0	6.5	14.3	5.9	-4.2	5.2	6.3	7.0
		7.8		6.5		5.9		5.2		7.0

The benchmark for the Fixed Income Asset Class is the Barclays Capital U.S. Aggregate Bond Index.

ABERDEEN ASSET MANAGEMENT INC.
Periods Ending September, 2012

Portfolio Manager: Neil Moriarty

Assets Under Management: \$855,385,394

Investment Philosophy

Aberdeen (formerly Deutsche) believes there are pricing inefficiencies inherent in bond markets and that diligent credit analysis, security structure evaluation, and relative value assessment can be used to exploit these inefficiencies. The firm avoids interest rate forecasting and sector rotation because they believe these strategies will not deliver consistent outperformance versus the benchmark over time. The firm's valued added is derived primarily from individual security selection. Portfolio managers and analysts research bonds within their sector of expertise and construct portfolios from the bottom-up, bond by bond. Sector weightings are a byproduct of the bottom-up security selection. Aberdeen was retained by the SBI in February 2000.

Staff Comments

Aberdeen continues to rebound from the adverse market conditions of 2008 while still trailing all other managers in the Active strategy over the five-year period ending September 2012. Previously, staff was concerned about Aberdeen's loss of fixed income assets under management and institutional client accounts during the 2008-10 time periods; however assets under management have stabilized since that time. Conversely, Aberdeen was the best performing portfolio in both the Active strategy and total fixed income portfolio over the recent three-year period. Staff has no additional organizational or performance issues to note.

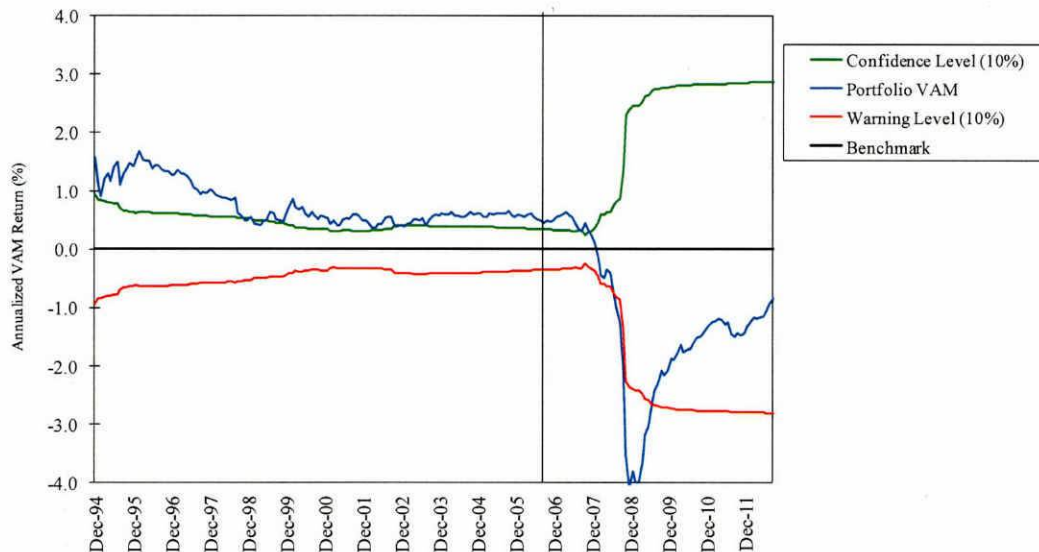
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	2.6%	1.6%
Last 1 year	8.5	5.2
Last 2 years	7.0	5.2
Last 3 years	9.0	6.2
Last 4 years	8.2	7.3
Last 5 years	5.6	6.5
Since Inception (2/00)	6.3	6.4

Recommendations

No action required.

ABERDEEN ASSET MANAGEMENT
Rolling Five Year VAM



Five Year Period Ending

Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

COLUMBIA MANAGEMENT INVESTMENT ADVISERS, LLC
Periods Ending September, 2012

Portfolio Manager: Colin Lundgren

Assets Under Management: \$971,748,454

Investment Philosophy

Columbia (formerly American Express and RiverSource) manages portfolios using a top-down approach culminating with in-depth fundamental research and credit analysis. Five portfolio components are actively managed: duration, maturity structure, sector selection, industry emphasis, and security selection. Duration and maturity structure are determined by the firm's economic analysis and interest rate outlook. This analysis also identifies sectors and industries expected to produce the best risk-adjusted return. In-depth fundamental research and credit analysis combined with proprietary valuation disciplines is used to identify attractive individual securities. Columbia was retained by the SBI in July 1993.

Staff Comments

Staff has no significant organizational or performance issues to note.

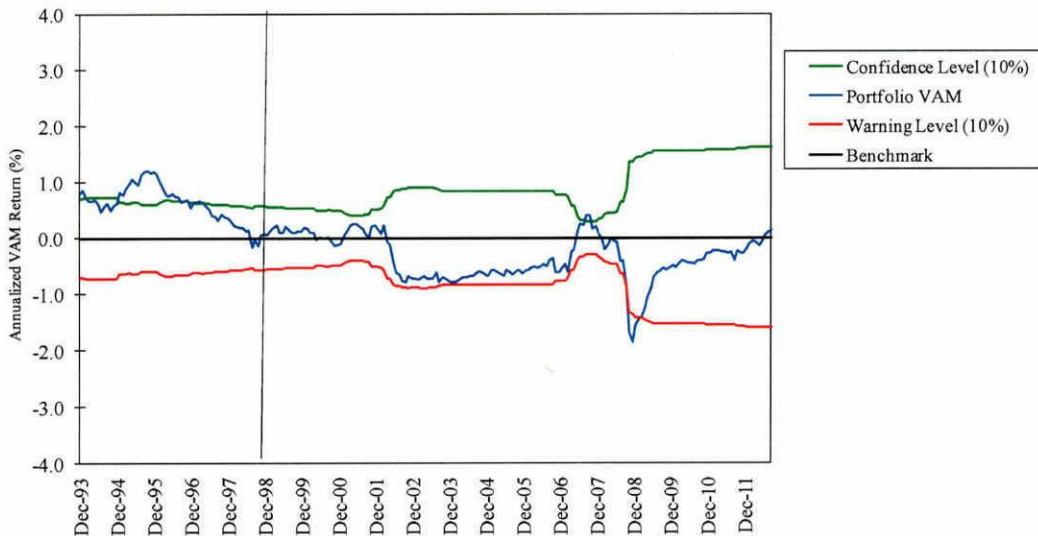
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	2.5%	1.6%
Last 1 year	8.3	5.2
Last 2 years	6.9	5.2
Last 3 years	7.9	6.2
Last 4 years	8.4	7.3
Last 5 years	6.7	6.5
Since Inception (7/93)	6.2	6.2

Recommendations

No action required.

COLUMBIA MANAGEMENT - FIXED INCOME
Rolling Five Year VAM



Five Year Period Ending
 Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

DODGE & COX
Periods Ending September, 2012

Portfolio Manager: Dana Emery

Assets Under Management: \$1,137,244,626

Investment Philosophy

Dodge & Cox manages a high quality, diversified portfolio of securities that are selected through fundamental analysis. The firm believes that by combining fundamental research with a long-term investment horizon it is possible to uncover inefficiencies in market sectors and individual securities. The firm combines this fundamental research with a disciplined program of risk analysis. To seek superior returns over the long-term, Dodge & Cox emphasizes sector and security selection, strives to build portfolios that have a higher yield than the broad bond market, and analyzes portfolio and individual security risk. Dodge & Cox was retained by the SBI in February 2000.

Staff Comments

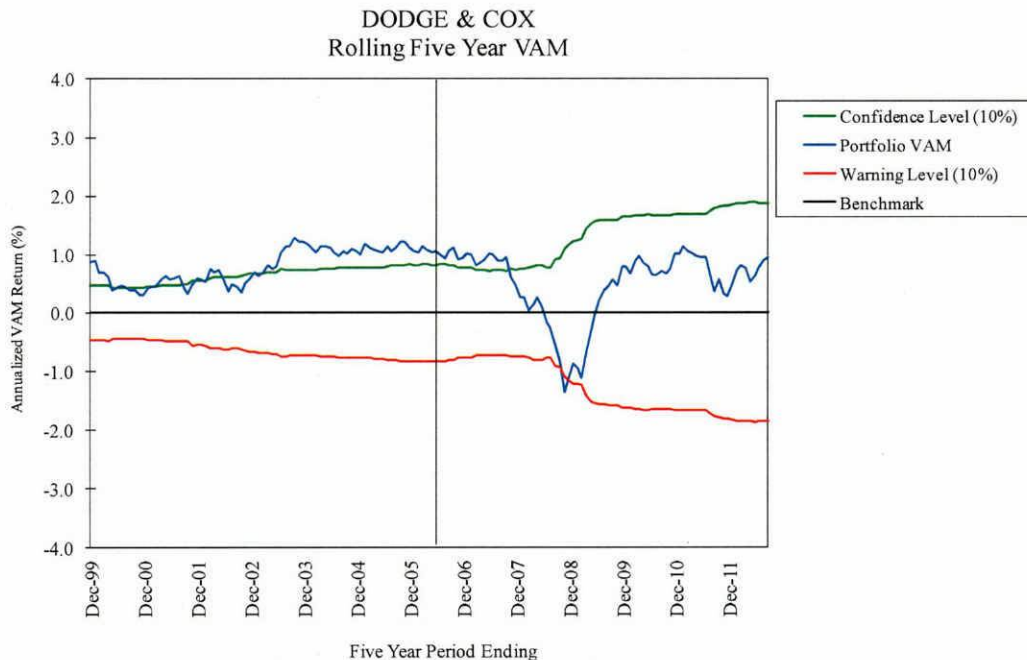
Staff has no significant organizational or performance issues to note.

Quantitative Evaluation

	Actual	Benchmark
Last Quarter	2.5%	1.6%
Last 1 year	8.6	5.2
Last 2 years	6.2	5.2
Last 3 years	7.4	6.2
Last 4 years	9.7	7.3
Last 5 years	7.6	6.5
Since Inception (2/00)	7.4	6.4

Recommendations

No action required.



PACIFIC INVESTMENT MANAGEMENT COMPANY LLC (PIMCO)
Periods Ending September, 2012

Portfolio Manager: Bill Gross

Assets Under Management: \$1,257,502,848

Investment Philosophy

PIMCO's investment approach seeks to outperform a client's benchmark on a consistent basis, while maintaining overall risk similar to the index. PIMCO's approach to investing has three key principles: the utilization of multiple strategies, a long-term orientation and bond selection from a broad universe. PIMCO's investment process starts with an annual Secular Forum. The goal of this Forum is to look beyond the current business cycle and determine how secular forces will play out over the next 3 to 5 years. Quarterly, PIMCO holds Economic Forums to evaluate growth and inflation over the next 6 to 9 months. Following PIMCO's Secular and Economic Forums, the PIMCO Investment Committee (IC) develops key portfolio strategies. They consider both the "top-down" conclusions emanating from PIMCO's Forum, as well as the "bottom-up" market intelligence provided by PIMCO's teams of sector specialist portfolio managers. Through an interactive series of meetings, the IC defines a set of consistent strategies that are then implemented. PIMCO was retained by the SBI in September 2008.

Staff Comments

SBI staff expressed concern to PIMCO in early 2012 regarding the dispersion of returns across accounts within the Core Plus Constrained composite and has since implemented additional reporting requirements for all fixed income managers. Staff has no additional organizational or performance issues to note.

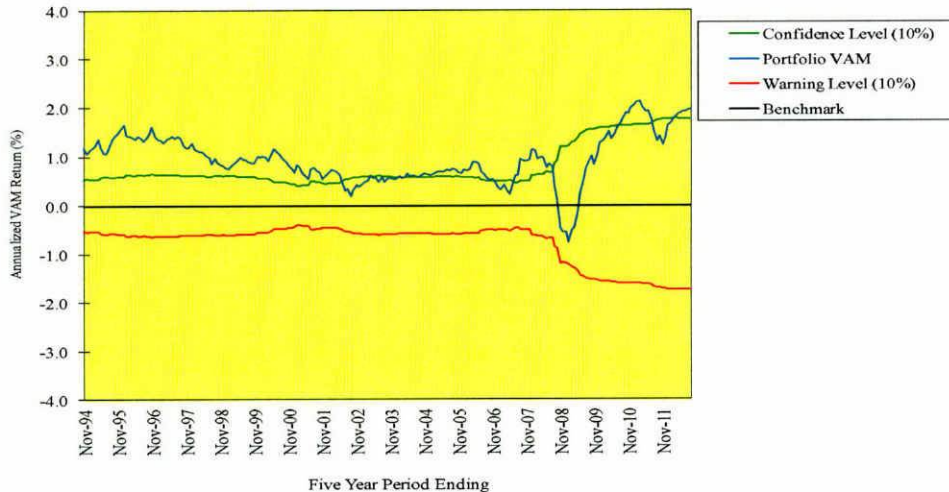
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	3.4%	1.6%
Last 1 year	9.3	5.2
Last 2 years	6.1	5.2
Last 3 years	8.6	6.2
Last 4 years	10.1	7.3
Last 5 years	N/A	N/A
Since Inception (9/08)	10.1	7.3

Recommendations

No action required.

PACIFIC INVESTMENT MANAGEMENT CO.
 Rolling Five Year VAM



Note: Graph includes performance of the manager prior to retention by SBI.

WESTERN ASSET MANAGEMENT COMPANY
Periods Ending September, 2012

Portfolio Manager: Steve Walsh

Assets Under Management: \$1,298,849,754

Investment Philosophy

Western emphasizes the use of multiple strategies and active sector and issue selection, while constraining interest rate risk. Multiple strategies are proportioned so that results do not depend on one or two opportunities. This approach adds consistent value over time and can reduce volatility. Long-term value investing is Western's fundamental approach. In making their sector decision, the firm seeks out the greatest long-term value by analyzing all fixed income market sectors and their economic expectations. Individual issues are identified based on relative credit strength, liquidity, issue structure, event risk, and market valuation. Western believes that successful interest rate forecasting is extremely difficult and consequently keeps portfolio duration within a narrow band around the benchmark. Western was retained by the SBI in July 1984.

Staff Comments

Staff has no significant organizational or performance issues to note.

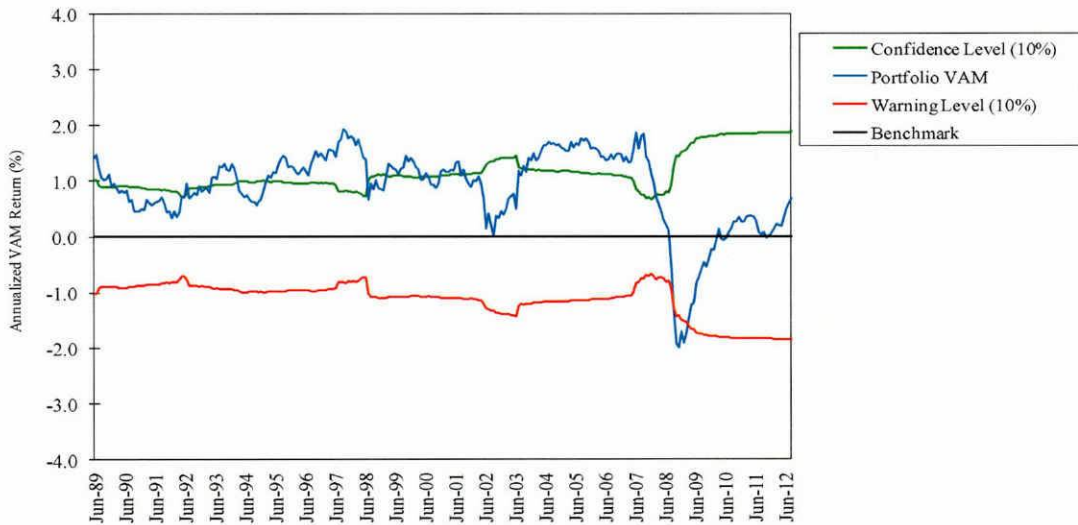
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	2.8%	1.6%
Last 1 year	8.4	5.2
Last 2 years	6.7	5.2
Last 3 years	8.9	6.2
Last 4 years	10.1	7.3
Last 5 years	7.3	6.5
Since Inception (7/84)	9.5	8.4

Recommendations

No action required.

WESTERN ASSET MANAGEMENT
Rolling Five Year VAM



Five Year Period Ending

BLACKROCK FINANCIAL MANAGEMENT, INC.
Periods Ending September, 2012

Portfolio Manager: Brian Weinstein

Assets Under Management: \$1,739,071,539

Investment Philosophy

BlackRock manages an enhanced index portfolio closely tracking the Barclays Capital U.S. Aggregate Bond Index. The firm's enhanced index strategy is a controlled-duration, sector rotation style, which can be described as active management with tighter duration, sector, and quality constraints. BlackRock seeks to add value through: (i) controlling portfolio duration within a narrow band relative to the benchmark, (ii) relative value sector/sub-sector rotation and security selection, (iii) rigorous quantitative analysis to the valuation of each security and of the portfolio as a whole, (iv) intense credit analysis and review, and (v) the judgment of experienced portfolio managers. Advanced risk analytics measure the potential impact of various sector and security strategies to ensure consistent value added and controlled volatility. BlackRock was retained by the SBI in April 1996.

Staff Comments

Blackrock has had significant organizational changes at the top level due to the merger with Barclays Global Investors, including numerous structural and personnel changes within the Client Services Division. However, the portfolio management team assigned to the SBI fixed income portfolio has been stable since that time. Staff will continue to monitor and provide updates as necessary. Staff has no additional organizational or performance issues to note.

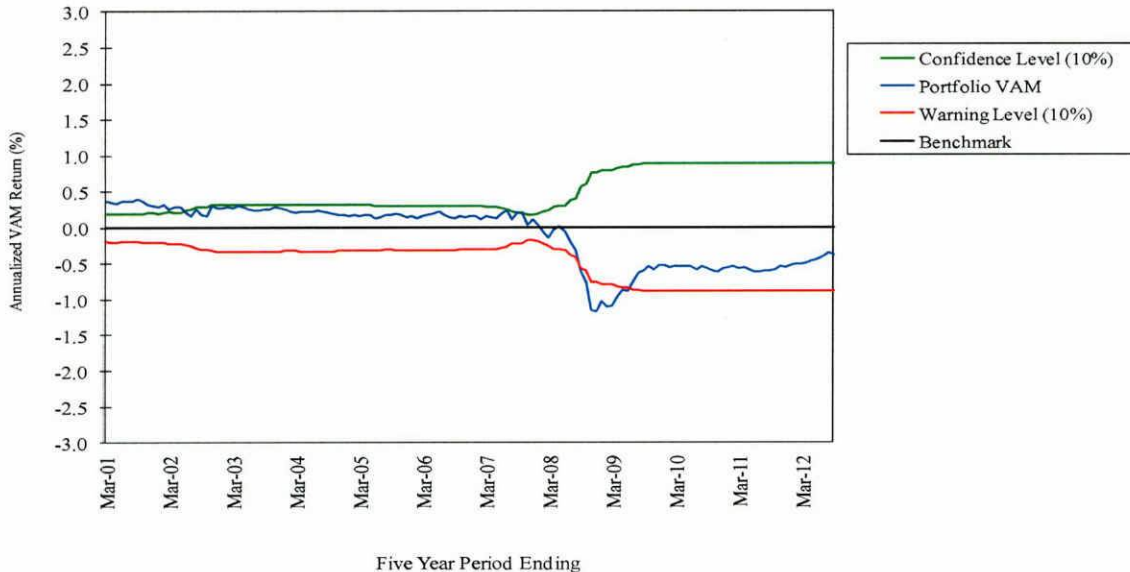
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	1.9%	1.6%
Last 1 year	6.1	5.2
Last 2 years	5.6	5.2
Last 3 years	6.6	6.2
Last 4 years	7.7	7.3
Last 5 years	6.1	6.5
Since Inception (4/96)	6.4	6.3

Recommendation

No action required.

BLACKROCK, INC.
Rolling Five Year VAM



GOLDMAN SACHS ASSET MANAGEMENT
Periods Ending September, 2012

Portfolio Manager: Jonathon Beinrer

Assets Under Management: \$1,871,970,055

Investment Philosophy

Goldman manages an enhanced index portfolio closely tracking the Barclays Capital U.S. Aggregate Bond Index. Goldman's process can be viewed as active management within a very risk-controlled framework. The firm relies primarily on sector allocation and security selection strategies to generate incremental return. To a lesser degree, term structure strategies are also implemented. Goldman combines long-term strategic investment tilts with short-term tactical trading opportunities. Strategic tilts are based on fundamental and quantitative sector research and seek to optimize the long-term risk/return profile of portfolios. Tactical trades between sectors and securities within sectors are implemented to take advantage of short-term market anomalies. Goldman was retained by the SBI in July 1993.

Staff Comments

Goldman Sachs acquired a stable value-focused fixed income manager during the second quarter of 2012; however the acquisition should not impact the SBI portfolio. Staff has no additional organizational or performance issues to note.

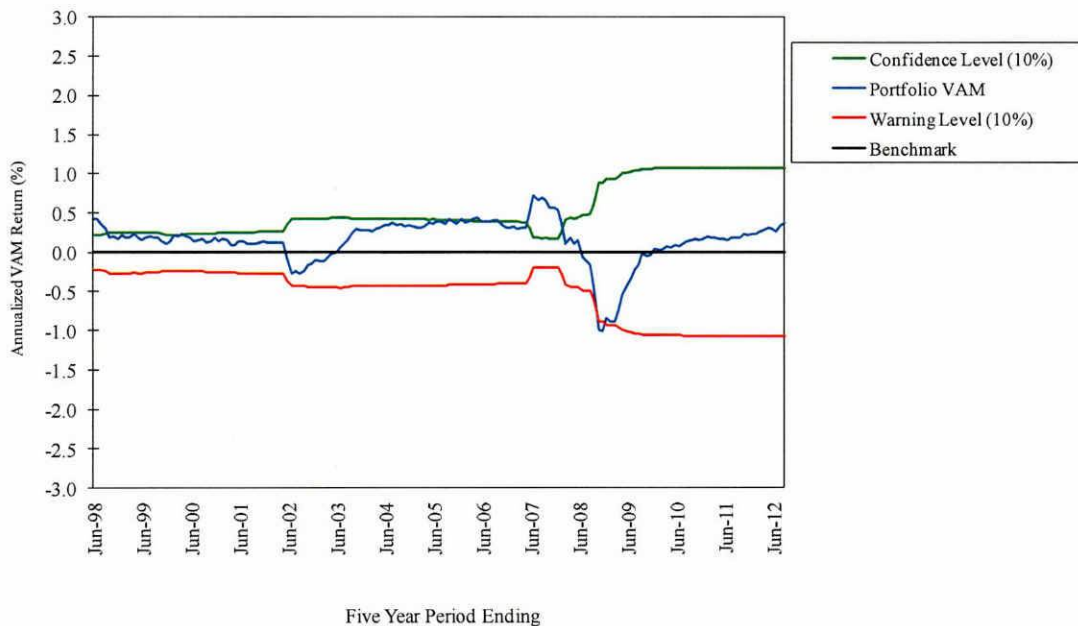
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	2.0%	1.6%
Last 1 year	6.3	5.2
Last 2 years	6.0	5.2
Last 3 years	7.4	6.2
Last 4 years	8.4	7.3
Last 5 years	6.9	6.5
Since Inception (7/93)	6.6	6.2

Recommendations

No action required.

GOLDMAN SACHS ASSET MANAGEMENT
Rolling Five Year VAM



NEUBERGER BERMAN FIXED INCOME LLC
Periods Ending September, 2012

Portfolio Manager: Andrew Johnson

Assets Under Management: \$1,858,129,507

Investment Philosophy

Neuberger (formerly Lincoln) manages an enhanced index portfolio closely tracking the Barclays Capital U.S. Aggregate Bond Index. Neuberger's process relies on a combination of quantitative tools and active management judgment. Explicit quantification and control of risks are at the heart of their process. Neuberger uses proprietary risk exposure measures to analyze 24 interest rate factors, and over 30 spread-related factors. For each interest rate factor, the portfolio is very closely matched to the index to ensure that the portfolio earns the same return as the index for any change in interest rates. For each spread factor, the portfolio can deviate slightly from the index as a means of seeking value-added. Setting target active risk exposures that must fall within pre-established maximums controls risk. To control credit risk, corporate holdings are diversified across a large number of issues. Neuberger was retained by the SBI in July 1988.

Staff Comments

Staff has no significant organizational or performance issues to note.

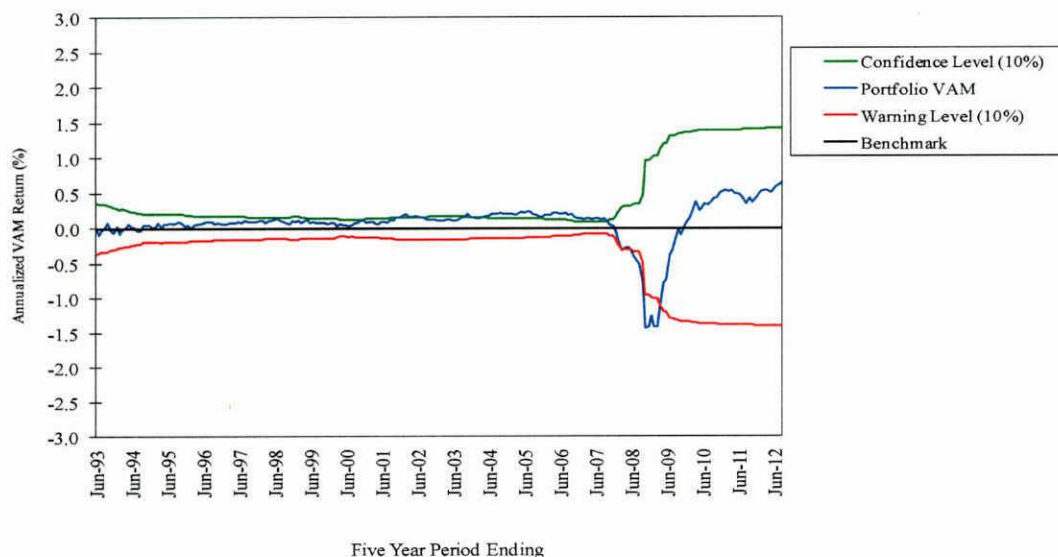
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	2.0%	1.6%
Last 1 year	6.7	5.2
Last 2 years	6.0	5.2
Last 3 years	7.8	6.2
Last 4 years	8.9	7.3
Last 5 years	7.2	6.5
Since Inception (7/88)	7.5	7.3

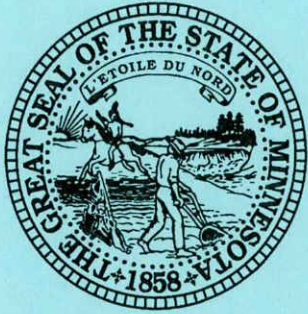
Recommendations

No action required.

NEUBERGER BERMAN
Rolling Five Year VAM



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STATE BOARD OF INVESTMENT

International Manager Evaluation Reports

Third Quarter, 2012

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A-72

International Managers

Table of Contents

	Page
International Manager Performance Summary (quarter, 1, 3, 5, year periods)	A-74
International Manager Performance Summary (by calendar years)	A-75
Acadian Asset Management, LLC	A-76
Columbia Management Investment Advisers, LLC	A-77
INVESCO Global Asset Management (N.A.), Inc.	A-78
J.P. Morgan Investment Management Inc.	A-79
Marathon Asset Management LLP	A-80
McKinley Capital Management LLC	A-81
Pyramis Global Advisors Trust Company – Active	A-82
Capital International, Inc.	A-83
Morgan Stanley Investment Management Inc.	A-84
AQR Capital Management, LLC	A-85
Pyramis Global Advisors Trust Company – Semi-Passive	A-86
State Street Global Advisors –Semi-Passive	A-87
State Street Global Advisors – Passive Emerging Markets	A-88
State Street Global Advisors – Passive Developed Markets	A-89

**COMBINED RETIREMENT FUNDS
INTERNATIONAL STOCK MANAGERS
Periods Ending September, 2012**

	Quarter		1 Year		3 Years		5 Years		Since (1) Inception		Market Value (in millions)	Pool %
	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk		
	%	%	%	%	%	%	%	%	%	%		
Active Developed Markets (2)												
Acadian	7.8	7.3	14.7	13.8	3.5	2.5	-8.0	-4.8	3.0	3.6	\$276.2	3.6%
Columbia (RiverSource)	8.4	7.3	20.4	13.8	5.8	2.5	-2.3	-4.8	0.7	1.9	\$278.2	3.6%
Invesco	7.9	7.3	9.6	13.8	0.4	2.5	-5.0	-4.8	2.9	1.9	\$218.7	2.8%
J.P. Morgan	7.1	7.3	17.2	13.8	3.5	2.5	-3.2	-4.8	3.8	3.6	\$239.5	3.1%
Marathon	7.2	7.3	15.9	13.8	5.8	2.5	-1.3	-4.8	8.0	4.6	\$558.7	7.3%
McKinley	6.5	7.3	17.7	13.8	4.2	2.5	-7.4	-4.8	2.5	3.6	\$228.9	3.0%
Pyramis (Fidelity)	8.3	7.3	18.0	13.8	4.8	2.5	-2.8	-4.8	5.3	3.6	\$269.8	3.5%
Aggregate	7.6	7.3	16.2	13.8	4.3	2.5	-3.8	-4.8			\$2,070.0	26.9%
Active Emerging Markets (3)												
Capital International	8.1	7.7	10.6	16.9	1.7	5.6	-1.4	-1.2	10.2	11.6	\$703.1	9.1%
Morgan Stanley	8.7	7.7	17.8	16.9	6.8	5.6	-1.4	-1.2	11.9	11.6	\$758.0	9.8%
Aggregate	8.3	7.7	14.3	16.9	4.2	5.6	-2.0	-1.2			\$1,461.1	19.0%
Semi-Passive Developed Markets (2)												
AQR	8.7	7.3	16.4	13.8	3.0	2.5	-4.6	-4.8	3.7	3.6	\$259.6	3.4%
Pyramis (Fidelity)	7.7	7.3	17.0	13.8	3.9	2.5	-4.2	-4.8	4.6	3.6	\$399.2	5.2%
State Street	7.8	7.3	11.5	13.8	0.8	2.5	-6.7	-4.8	2.4	3.6	\$235.8	3.1%
Aggregate	8.0	7.3	15.3	13.8	2.8	2.5	-5.1	-4.8			\$894.5	11.6%
Passive Emerging & Developed Markets (2) (3)												
State Street (Emerging Mkts.)	7.7	7.7							11.8	12.0	\$161.6	2.1%
State Street (Developed Mkts.)	7.4	7.3	14.0	13.8	3.0	2.5	-4.4	-4.8	6.0	5.7	\$3,113.1	40.4%
									Since 10/1/92			
Equity Only (4) (6)	7.7	7.4	14.9	14.5	3.6	3.2	-3.8	-4.1	6.6	6.1	\$7,700.3	100.0%
Total Program (5) (6)	7.7	7.4	14.9	14.5	3.6	3.2	-3.8	-4.1	6.8	6.1	\$7,700.3	100.0%
SBI Int'l Equity Target (6)		7.4		14.5		3.2		-4.1		6.1		
MSCI ACWI Free ex. U.S. (7)		7.4		14.5		3.2		-4.1		6.4		
MSCI World ex U.S. (net)		7.3		13.8		2.5		-4.8		5.9		
MSCI EAFE Free (net)		6.9		13.8		2.1		-5.2		5.5		
MSCI Emerging Markets Free (8)		7.7		16.9		5.6		-1.3		8.7		

(1) Since retention by the SBI. Time period varies for each manager.

(2) Since 6/1/08 the developed markets manager's benchmark is the Standard (large + mid) MSCI World ex U.S. (net). From 10/1/07 through 5/31/08 the benchmark was the Provisional Standard MSCI World ex U.S. (net). From 10/1/03 to 9/30/07 the benchmark was MSCI World ex U.S. (net). Prior to that date, it was MSCI EAFE Free (net). From 10/1/01 to 5/31/02 the benchmark was the Provisional MSCI EAFE Free (net).

(3) Since 6/1/08 the emerging markets manager's benchmark is the Standard (large + mid) MSCI Emerging Markets Free (net). From 10/1/07 through 5/31/08 the benchmark was the Provisional Standard MSCI Emerging Markets Free (net). From 1/1/01 to 9/30/07 the benchmark was MSCI Emerging Markets Free (net). Prior to that date, it was MSCI Emerging Markets Free (gross). From 10/1/01 to 5/31/02 the benchmark was the Provisional MSCI Emerging Markets Free (net).

(4) Equity managers only. Includes impact of terminated managers.

(5) Includes impact of currency overlay on the passive EAFE portfolio from 12/1/95-10/31/00.

(6) Since 6/1/08 the International Equity asset class target is the Standard (large + mid) MSCI ACWI ex U.S. (net). From 10/1/07 through 5/31/08 the benchmark was the Provisional Standard MSCI ACWI ex U.S. (net). From 10/1/03 to 9/30/07 the target was MSCI ACWI ex U.S. (net). From 1/1/01 to 9/30/03, the target was MSCI EAFE Free (net) plus Emerging Markets Free (net), and from 7/1/99 to 12/31/00 the target was MSCI EAFE Free (net) plus Emerging Markets Free (gross). From 7/1/99 to 9/30/03, the weighting of each index fluctuated with market capitalization. From 10/1/01 to 5/31/02 all international benchmarks being reported were the MSCI Provisional indices. From 12/31/96 to 6/30/99 the benchmark was fixed at 87% EAFE Free (net)/13% Emerging Markets Free (gross). On 5/1/96, the portfolio began transitioning from 100% EAFE Free (net) to the 12/31/96 fixed weights. 100% EAFE Free (net) prior to 5/1/96.

(7) MSCI ACWI Free ex U.S. (gross) through 12/31/00. MSCI ACWI Free ex U.S. (net) thereafter.

(8) MSCI Emerging Markets Free (gross) through 12/31/00. MSCI Emerging Markets Free (net) thereafter.

**COMBINED RETIREMENT FUNDS
INTERNATIONAL STOCK MANAGERS
Calendar Year Returns**

	2011		2010		2009		2008		2007	
	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk
	%	%	%	%	%	%	%	%	%	%
Active Developed Markets (1)										
Acadian	-12.9	-12.2	13.9	8.9	28.8	33.7	-50.5	-43.5	10.0	12.6
Columbia (RiverSource)	-12.1	-12.2	15.2	8.9	29.3	33.7	-40.8	-43.5	12.4	12.6
Invesco	-13.0	-12.2	5.8	8.9	32.0	33.7	-38.8	-43.5	8.4	12.6
J.P. Morgan	-10.2	-12.2	7.6	8.9	37.5	33.7	-41.5	-43.5	8.8	12.6
Marathon	-9.2	-12.2	14.4	8.9	29.8	33.7	-38.0	-43.5	15.4	12.6
McKinley	-15.5	-12.2	11.8	8.9	24.1	33.7	-48.5	-43.5	20.4	12.6
Pyramis (Fidelity)	-11.9	-12.2	11.7	8.9	35.1	33.7	-42.9	-43.5	17.7	12.6
Aggregate	-11.7	-12.2	11.9	8.9	31.9	33.7	-42.8	-43.5	13.0	12.6
Active Emerging Markets (2)										
Capital International	-22.8	-18.4	16.1	18.9	83.1	78.5	-48.9	-53.2	38.4	39.9
Morgan Stanley	-17.8	-18.4	18.4	18.9	71.7	78.5	-54.5	-53.2	43.0	39.9
Aggregate	-20.6	-18.4	17.1	18.9	77.3	78.5	-53.0	-53.2	40.0	39.9
Semi-Passive Developed Markets (1)										
AQR	-13.9	-12.2	11.4	8.9	36.0	33.7	-44.0	-43.5	9.0	12.6
Pyramis (Fidelity)	-12.6	-12.2	11.5	8.9	30.2	33.7	-44.0	-43.5	18.2	12.6
State Street	-15.6	-12.2	8.7	8.9	34.9	33.7	-45.3	-43.5	9.1	12.6
Aggregate	-13.8	-12.2	10.6	8.9	33.6	33.7	-44.4	-43.5	12.1	12.6
Passive Developed Markets (1)										
State Street	-11.9	-12.2	9.9	8.9	34.0	33.7	-43.4	-43.5	12.9	12.6
Equity Only (3) (4)	-14.2	-13.7	12.3	11.2	41.2	41.5	-45.3	-45.5	17.1	16.9
Total Program (4)	-14.2	-13.7	12.3	11.2	41.2	41.5	-45.3	-45.5	17.1	16.9
SBI Int'l Equity Target (5)		-13.7		11.2		41.5		-45.5		16.9
MSCI ACWI Free ex. U.S. (net)		-13.7		11.2		41.5		-45.5		16.7
MSCI World ex U.S. (net)		-12.2		8.9		33.7		-43.6		12.4
MSCI EAFE Free (net)		-12.1		7.7		31.8		-43.4		11.2
MSCI Emerging Markets Free (net)		-18.4		18.9		78.5		-53.3		39.4

(1) Since 6/1/08 the developed markets manager's benchmark is the Standard (large + mid) MSCI World ex U.S. (net). From 10/1/07 through 5/31/08 the benchmark was the Provisional Standard MSCI World ex U.S. (net). From 10/1/03 to 9/30/07 the benchmark was MSCI World ex U.S. (net).

(2) Since 6/1/08 the emerging markets manager's benchmark is the Standard (large + mid) MSCI Emerging Markets Free (net). From 10/1/07 through 5/31/08 the benchmark was the Provisional Standard MSCI Emerging Markets Free (net). From 1/1/01 to 9/30/07 the benchmark was MSCI Emerging Markets Free (net).

(3) Equity managers only. Includes impact of terminated managers.

(4) Since 6/1/08 the International Equity asset class target is the Standard (large + mid) MSCI ACWI ex U.S. (net). From 10/1/07 through 5/31/08 the benchmark was the Provisional Standard MSCI ACWI ex U.S. (net). From 10/1/03 to 9/30/07 the target was MSCI ACWI ex U.S. (net).

ACADIAN ASSET MANAGEMENT, LLC
Periods Ending September, 2012

Portfolio Manager: John Chisholm

Assets Under Management: \$276,165,536

Investment Philosophy

Acadian believes there are inefficiencies in the global equity markets that can be exploited by a disciplined quantitative investment process. In evaluating markets and stocks, Acadian believes it is most effective to use a range of measures, including valuation, price trends, financial quality and earnings information. Risk control is a critical part of the Acadian approach. Acadian's process seeks to capture value-added at both the stock and the sector/country level. The process is active and bottom-up, but each stock forecast also contains a sector/country forecast. Selection is made from a very broad investment universe using disciplined, factor-driven quantitative models. Portfolios are constructed with an optimizer and are focused on targeting a desired level of active risk relative to a client's chosen benchmark index.

Staff Comments

Acadian has a stable organization and team with mixed performance. The SBI has confidence that the strategy will add value over time.

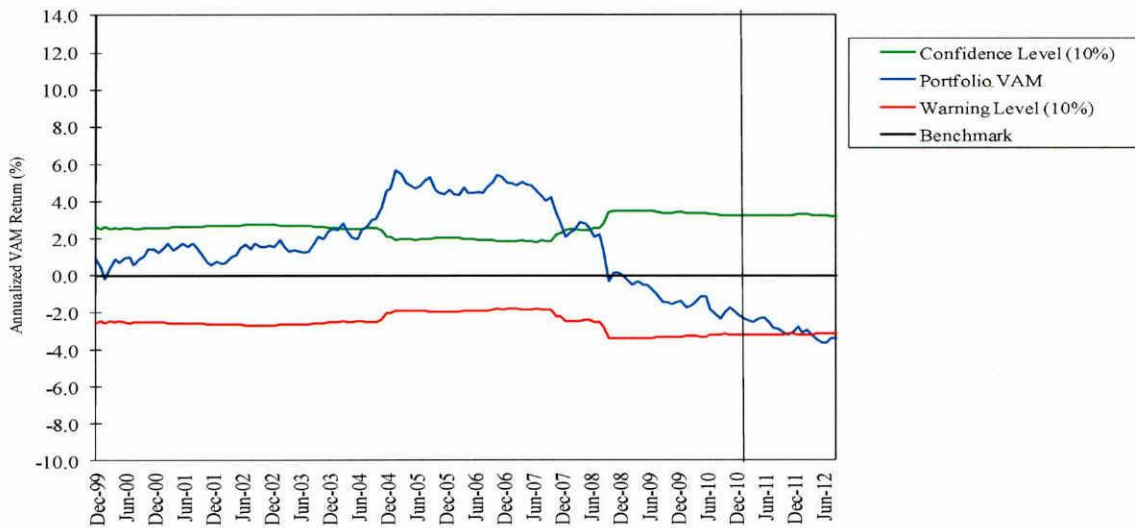
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	7.8%	7.3%
Last 1 year	14.7	13.8
Last 2 years	2.5	1.7
Last 3 years	3.5	2.5
Last 4 years	1.4	2.6
Last 5 years	-8.0	-4.8
Since Inception (7/05)	3.0	3.6

Recommendations

No action required.

ACADIAN ASSET MANAGEMENT
Rolling Five Rolling VAM



5 Year Period Ending

Note: Area to the left of vertical line includes performance prior to retention by the SBI.

COLUMBIA MANAGEMENT INVESTMENT ADVISERS, LLC
Periods Ending September, 2012

Portfolio Manager: Esther Perkins

Assets Under Management: \$278,214,666

Investment Philosophy

Staff Comments

Columbia's (formerly RiverSource) philosophy focuses on key forces of change in markets and the companies that will benefit. The firm believes that in a global marketplace, where sustainable competitive advantage is rare, their research should focus on the dynamics of change. A good understanding of the likely impact of these changes at a company level, complemented with an appreciation of the ability of management to exploit these changes, creates significant opportunities to pick winners and avoid losers.

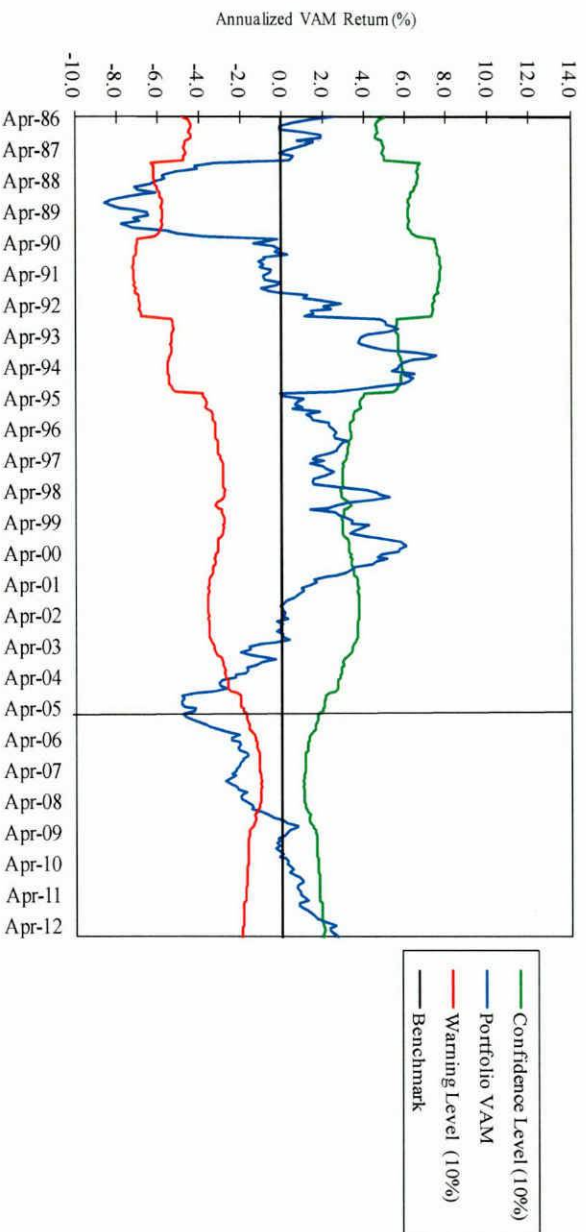
Columbia has a stable organization and team and the strategy is adding value.

Quantitative Evaluation

Recommendations

	Actual	Benchmark	
Last Quarter	8.4%	7.3%	No action required.
Last 1 year	20.4	13.8	
Last 2 years	4.8	1.7	
Last 3 years	5.8	2.5	
Last 4 years	5.0	2.6	
Last 5 years	-2.3	-4.8	
Since Inception (3/00)	0.7	1.9	

COLUMBIA MANAGEMENT INVESTMENT ADVISERS
Rolling Five Year VAM



5 Year Period Ending

Note: Area to the left of vertical line includes performance prior to retention by the SBI.

INVESCO GLOBAL ASSET MANAGEMENT (N.A.), INC.
Periods Ending September, 2012

Portfolio Manager: W. Lindsay Davidson

Assets Under Management: \$218,673,985

Investment Philosophy

INVESCO believes they can add value by identifying and investing in companies whose share price does not reflect the proven and sustainable growth of the company's earnings and assets. They also believe that a systematic process that identifies mis-valued companies, combined with a consistently applied portfolio design process, can control the predictability and consistency of returns. Portfolios are constructed on a bottom-up basis; they select individual companies rather than countries, themes, or industry groups. This is the first of four cornerstones of their investment approach. Secondly, they conduct financial analysis on a broad universe of non-U.S. companies whose key financial data is adjusted to be comparable across borders and currencies. Third, Invesco believes that using local investment professionals enhances fundamental company research. Finally, they manage risk and assure broad diversification relative to clients' benchmarks through a statistics-based portfolio construction approach rather than resorting to country or industry constraints.

Staff Comments

There has been significant turnover on the investment team and limited value added in recent years. We are monitoring performance and personnel changes closely.

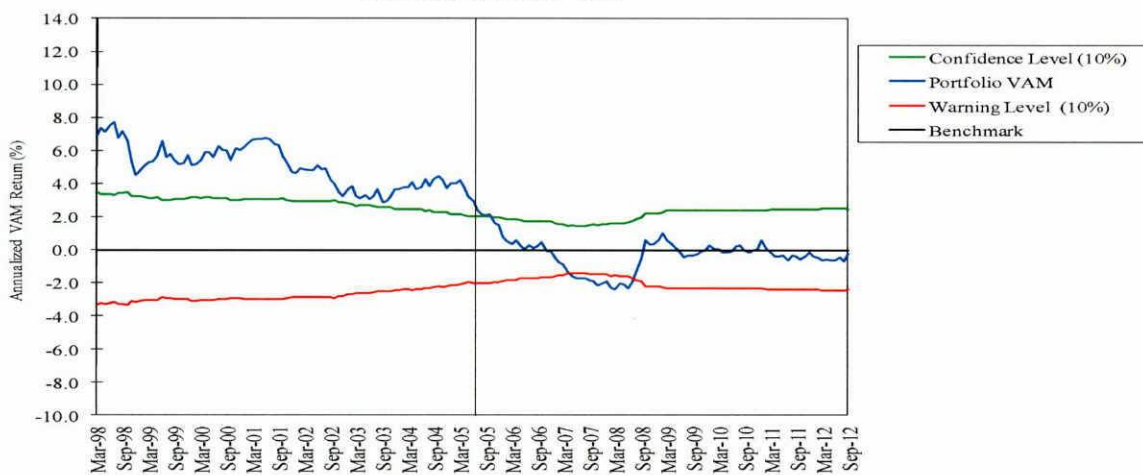
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	7.9%	7.3%
Last 1 year	9.6	13.8
Last 2 years	-0.3	1.7
Last 3 years	0.4	2.5
Last 4 years	1.6	2.6
Last 5 years	-5.0	-4.8
Since Inception (3/00)	2.9	1.9

Recommendations

No action required.

INVESCO GLOBAL ASSET MANAGEMENT
Rolling Five Year VAM



5 Year Period Ending
 Note: Area to the left of vertical line includes performance prior to retention by the SBI.

J.P. MORGAN INVESTMENT MANAGEMENT INC.
Periods Ending September, 2012

Portfolio Manager: James Fisher

Assets Under Management: \$239,548,071

Investment Philosophy

JP Morgan's international equity strategy seeks to add value through active stock selection, while remaining diversified by both sector and region. The portfolio displays a large capitalization size bias and a slight growth orientation. Stock selection decisions reflect the insights of approximately 150 locally based investors, ranking companies within their respective local markets. The most attractive names in each region are then further validated by a team of Global Sector Specialists who seek to take the regional team rankings and put these into a global context. The team of six senior portfolio managers draws together the insights of both the regional and global specialists, constructing a portfolio of the most attractive names.

Staff Comments

J.P. Morgan has a stable organization and team with improving recent performance.

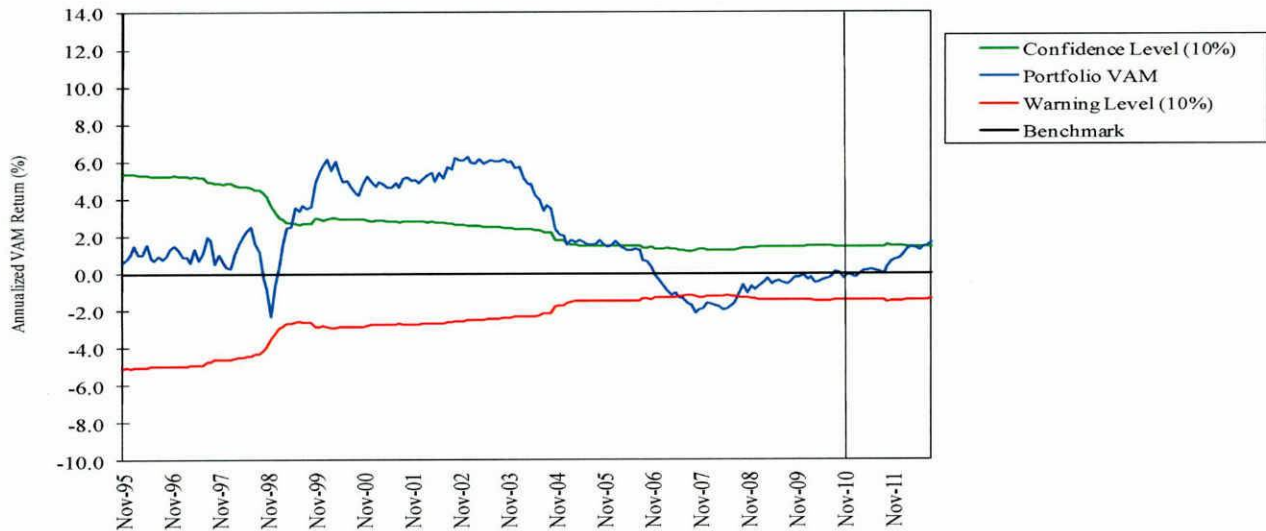
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	7.1%	7.3%
Last 1 year	17.2	13.8
Last 2 years	3.0	1.7
Last 3 years	3.5	2.5
Last 4 years	4.2	2.6
Last 5 years	-3.2	-4.8
Since Inception (7/05)	3.8	3.6

Recommendations

No action required.

J.P. MORGAN INVESTMENT MANAGEMENT, INC.
Rolling Five Rolling VAM



5 Year Period Ending

Note: Area to the left of vertical line includes performance prior to retention by the SBI

MARATHON ASSET MANAGEMENT LLP
Periods Ending September, 2012

Portfolio Manager: William Arah

Assets Under Management: \$558,698,900

Investment Philosophy

Marathon uses a blend of flexible, qualitative disciplines to construct portfolios which exhibit a value bias. Style and emphasis will vary over time and by market, depending on Marathon's perception of lowest risk opportunity. Since they believe that competition determines profitability, Marathon is attracted to industries where the level of competition is declining and they will hold a sector position as long as the level of competition does not increase. At the stock level, Marathon tracks a company's competitive position versus the attractiveness of their products or services and attempts to determine whether the company is following an appropriate reinvestment strategy for their current competitive position.

Staff Comments

Marathon has experienced significant recent changes to investment personnel in what has otherwise been a very stable organization over time. The recent changes do not materially impact the management of the SBI's portfolio and are not expected to affect the significant long-term added value in the strategy. However, the SBI is closely monitoring any further changes to the investment team.

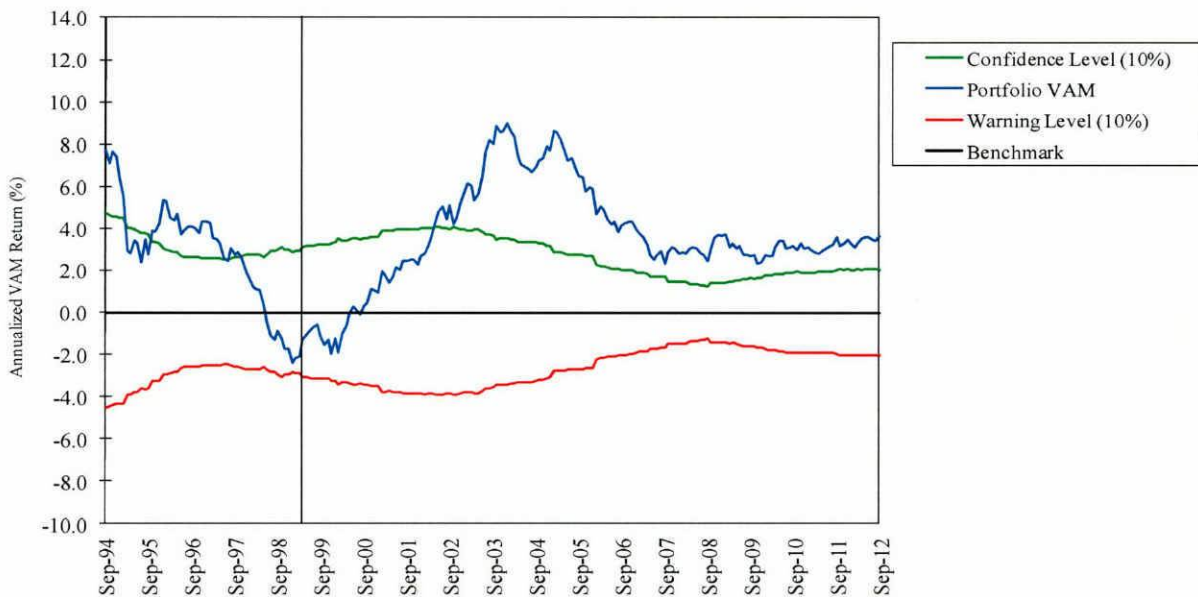
Quantitative Evaluation

	Actual	Custom Benchmark
Last Quarter	7.2%	7.3%
Last 1 year	15.9	13.8
Last 2 years	4.3	1.7
Last 3 years	5.8	2.5
Last 4 years	5.7	2.6
Last 5 years	-1.3	-4.8
Since Inception (11/93)	8.0	4.6

Recommendations

No action required.

MARATHON ASSET MANAGEMENT
Rolling Five Rolling VAM



5 Year Period Ending

Note: Area to the left of vertical line includes performance prior to retention by the SBI.

MCKINLEY CAPITAL MANAGEMENT LLC
Periods Ending September, 2012

Portfolio Manager: Robert A. Gillam

Assets Under Management: \$228,912,321

Investment Philosophy

At McKinley Capital, investment decisions are based on the philosophy that excess market returns can be achieved through the construction and active management of a diversified, fundamentally sound portfolio of inefficiently priced common stocks whose earnings growth rates are accelerating above market expectations. A disciplined quantitative investment process drives all product strategies. The firm can be described as a bottom-up growth manager. They employ both a systematic screening process and a qualitative overview to construct and manage portfolios. Investment ideas are initially generated by the quantitative investment process. The balance of the qualitative overlay seeks to identify securities with earnings estimates that are reasonable and sustainable. All portfolios managed by McKinley Capital use the same investment process and construction methodology to manage portfolios.

Staff Comments

Stable organization and process with mixed returns. The SBI has confidence in the strategy to add value when growth is being rewarded in the market.

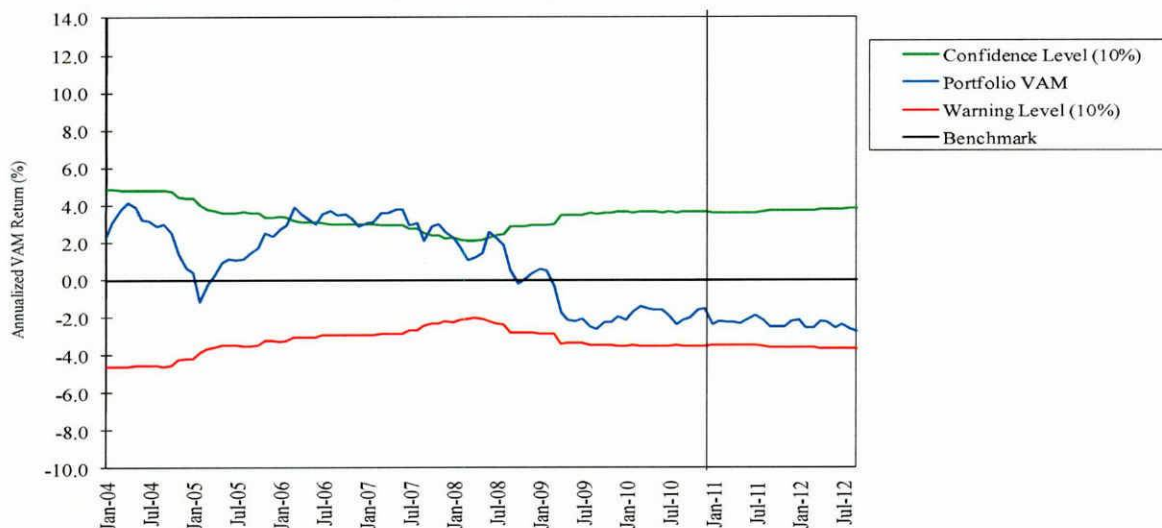
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	6.5%	7.3%
Last 1 year	17.7	13.8
Last 2 years	2.0	1.7
Last 3 years	4.2	2.5
Last 4 years	1.0	2.6
Last 5 years	-7.4	-4.8
Since Inception (7/05)	2.5	3.6

Recommendations

No action required.

McKINLEY CAPITAL MANAGEMENT
Rolling Five Rolling VAM



5 Year Period Ending
 Note: Area to the left of vertical line includes performance prior to retention by the SBI

PYRAMIS GLOBAL ADVISORS TRUST COMPANY (Active)
Periods Ending September, 2012

Portfolio Manager: Michael Strong

Assets Under Management: \$269,773,069

Investment Philosophy

Pyramis' International Growth is a core, growth-oriented strategy that provides diversified exposure to the developed international markets. The investment process combines active stock selection and regional asset allocation. Four portfolio managers in London, Tokyo, Hong Kong, Smithfield Rhode Island, and Toronto construct regional sub-portfolios, selecting stocks based on Fidelity analysts' bottom-up research and their own judgment and expertise. Portfolio guidelines seek to ensure risk is commensurate with the performance target and to focus active risk on stock selection. Resulting portfolios typically contain between 200-250 holdings.

Staff Comments

Stable organization and team with consistent value added over time.

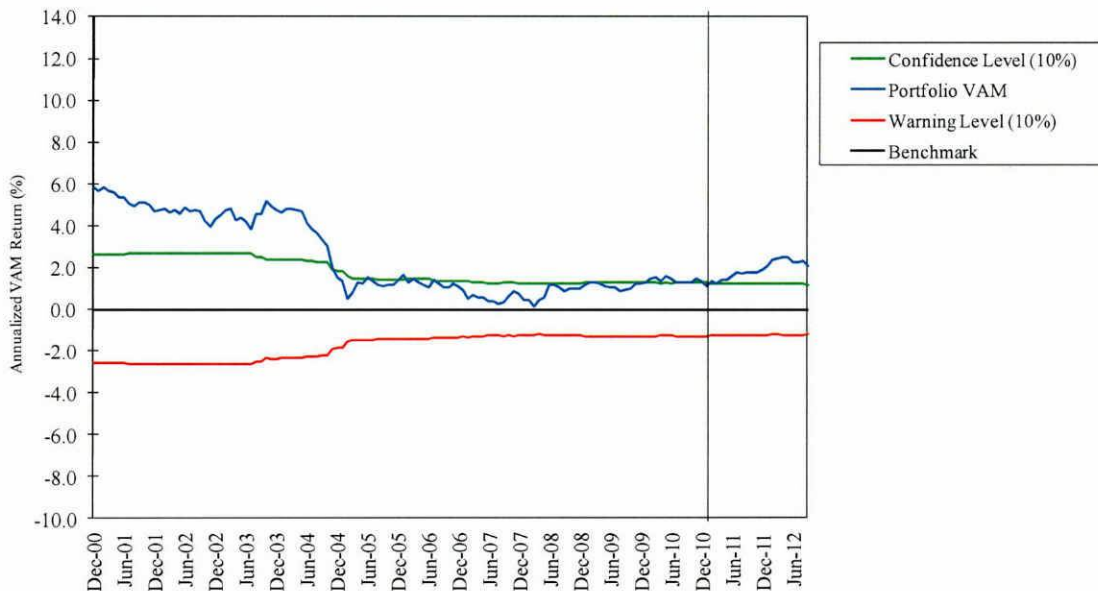
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	8.3%	7.3%
Last 1 year	18.0	13.8
Last 2 years	4.1	1.7
Last 3 years	4.8	2.5
Last 4 years	4.4	2.6
Last 5 years	-2.8	-4.8
Since Inception (7/05)	5.3	3.6

Recommendations

No action required.

PYRAMIS GLOBAL ADVISORS TRUST CO. - INTL GROWTH
Rolling Five Rolling VAM



5 Year Period Ending

Note: Area to the left of vertical line includes performance prior to retention by the SBI

CAPITAL INTERNATIONAL, INC.
Periods Ending September, 2012

Portfolio Manager: Victor Kohn

Assets Under Management: \$703,115,908

Investment Philosophy

Staff Comments

Capital International's philosophy is value-oriented, as they focus on identifying the difference between the underlying value of a company and the price of its securities in its home market. Capital International's basic, fundamental, bottom-up approach is blended with macroeconomic and political judgments on the outlook for economies, industries, currencies and markets. The team of portfolio managers and analysts each select stocks for the portfolio based on extensive field research and direct company contact.

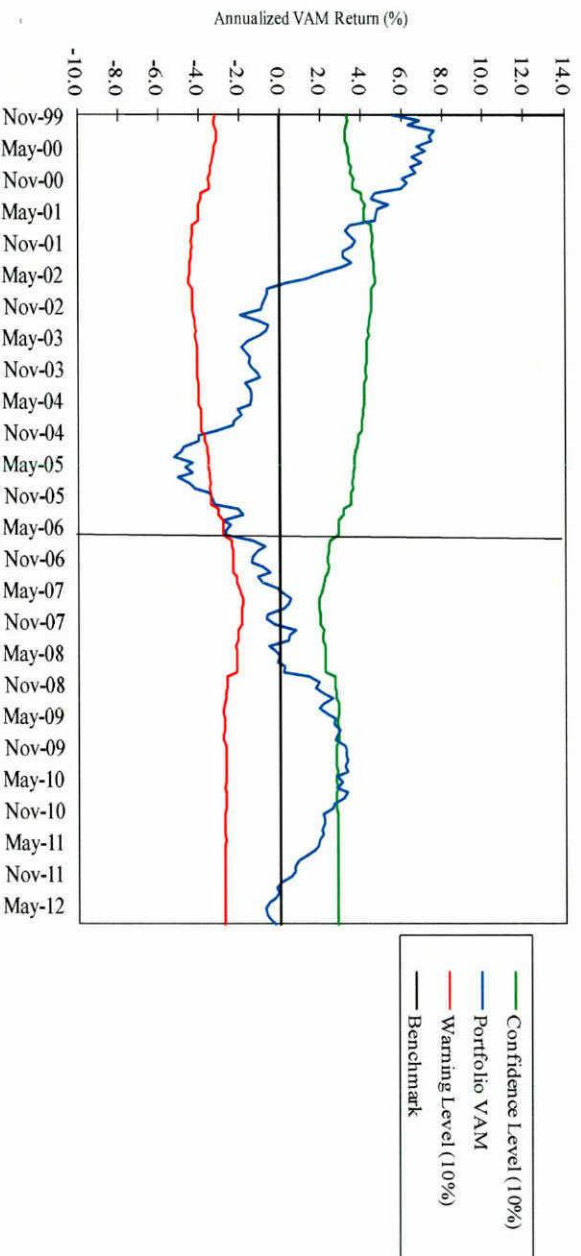
Stable organization and team with mixed results. The SBI has confidence in the research-driven process to add value over time.

Quantitative Evaluation

Recommendations

	Actual	Benchmark	
Last Quarter	8.1%	7.7%	No action required.
Last 1 year	10.6	16.9	
Last 2 years	-6.5	-1.0	
Last 3 years	1.7	5.6	
Last 4 years	8.1	8.8	
Last 5 years	-1.4	-1.2	
Since Inception (3/01)	10.2	11.6	

CAPITAL INTERNATIONAL, INC.
Rolling Five Year VAM



5 Year Period Ending
 Note: Area to the left of vertical line includes performance prior to retention by the SBI.

MORGAN STANLEY INVESTMENT MANAGEMENT INC.
Periods Ending September, 2012

Portfolio Manager: Ruchir Sharma

Assets Under Management: \$758,030,535

Investment Philosophy

Morgan Stanley's style is core with a growth bias. They follow a top-down approach to country allocation and a bottom-up approach to stock selection. Morgan Stanley's macro-economic and stock selection analyses are qualitative as well as quantitative, concentrating on fundamentals. Their top-down analysis highlights countries with improving fundamentals and attractive valuations. Their bottom-up approach to stock selection focuses on purchasing companies with strong operating earnings potential at attractive valuations.

Staff Comments

Stable organization and team with mixed results. The SBI has confidence in the research-driven process to add value over time.

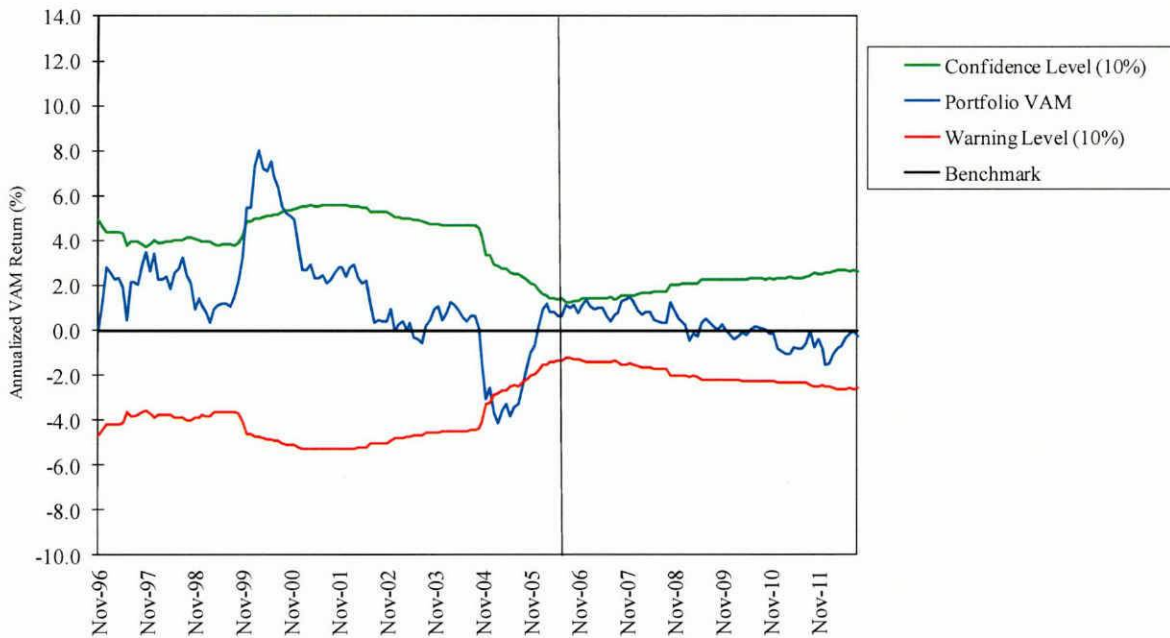
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	8.7%	7.7%
Last 1 year	17.8	16.9
Last 2 years	0.5	-1.0
Last 3 years	6.8	5.6
Last 4 years	9.3	8.8
Last 5 years	-1.4	-1.2
Since Inception (3/01)	11.9	11.6

Recommendations

No action required.

MORGAN STANLEY INVESTMENT MANAGEMENT
Rolling Five Year VAM



5 Year Period Ending

Note: Area to the left of vertical line includes performance prior to retention by the SBI.

AQR CAPITAL MANAGEMENT, LLC
Periods Ending September, 2012

Portfolio Manager: Cliff Asness

Assets Under Management: \$259,582,794

Investment Philosophy

AQR employs a disciplined quantitative approach emphasizing both top-down country/currency allocation and bottom-up security selection decisions to generate excess returns. AQR's investment philosophy is based on the fundamental concepts of value and momentum. AQR's international equity product incorporates stock selection, country selection, and currency selection models as the primary alpha sources. Dynamic strategy allocation (between the three primary alpha sources) and style weighting are employed as secondary alpha sources.

Staff Comments

AQR has a stable organization and investment process. While the stock selection strategy has added value since inception of the account, the currency (forwards) and country (futures) strategies have detracted value by an equal amount over the same time period. The SBI is confident that the strategy will add value over time, but is monitoring performance attribution closely.

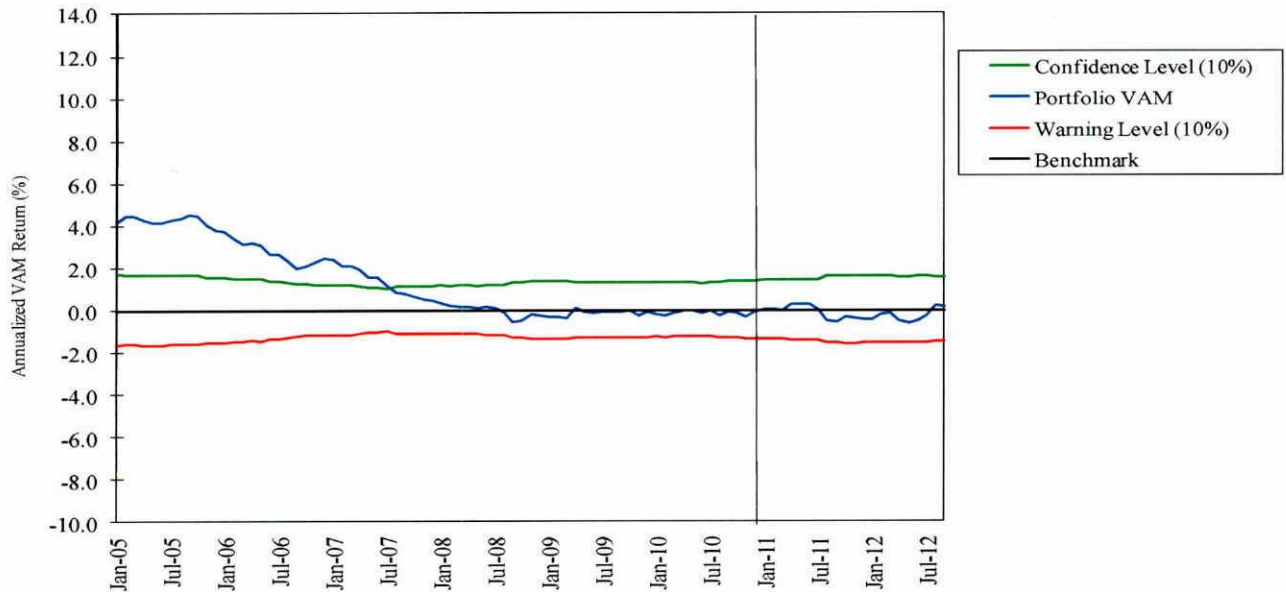
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	8.7%	7.3%
Last 1 year	16.4	13.8
Last 2 years	1.5	1.7
Last 3 years	3.0	2.5
Last 4 years	3.8	2.6
Last 5 years	-4.6	-4.8
Since Inception (7/05)	3.7	3.6

Recommendations

No action required.

AQR CAPITAL MANAGEMENT, LLC
Rolling Five Rolling VAM



5 Year Period Ending

Note: Area to the left of vertical line includes performance prior to retention by the SBI

PYRAMIS GLOBAL ADVISORS TRUST COMPANY (Semi-Passive)
Periods Ending September, 2012

Portfolio Manager: Cesar Hernandez

Assets Under Management: \$399,192,173

Investment Philosophy

Pyramis' Select International strategy combines active stock selection with quantitative risk control to provide consistent excess returns above the benchmark while minimizing relative volatility and risk. By combining five regional sub-portfolios in the U.K., Canada, Continental Europe, Japan, and the Pacific Basin ex Japan, the portfolio manager produces a portfolio made up of the best ideas of the firm's research analysts. Each regional portfolio is created so that stock selection is the largest contributor to active return while systematic, sector, and factor risks are minimized. The portfolio manager uses a combination of proprietary and third-party optimization models to monitor and control risk within each regional module. Resulting portfolios typically contain between 275 and 325 holdings.

Staff Comments

Stable organization and team with consistent value added over time.

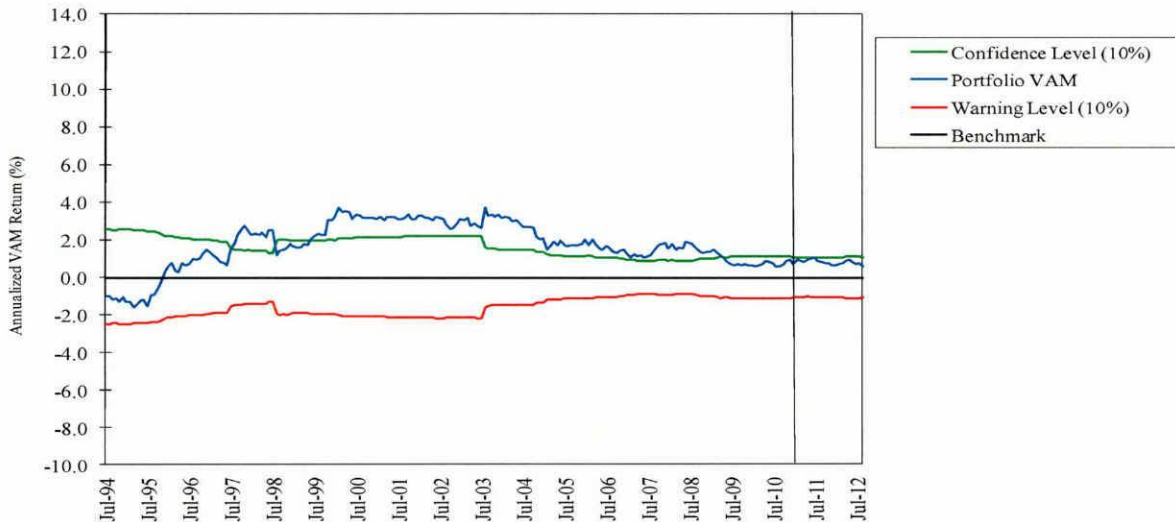
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	7.7%	7.3%
Last 1 year	17.0	13.8
Last 2 years	3.2	1.7
Last 3 years	3.9	2.5
Last 4 years	2.8	2.6
Last 5 years	-4.2	-4.8
Since Inception (7/05)	4.6	3.6

Recommendations

No action required.

PYRAMIS GLOBAL ADVISORS TRUST CO. - SELECT INTL
Rolling Five Rolling VAM



5 Year Period Ending
 Note: Area to the left of vertical line includes performance prior to retention by the SBI

STATE STREET GLOBAL ADVISORS (Semi-Passive)
Periods Ending September, 2012

Portfolio Manager: Didier Rosenfeld

Assets Under Management: \$235,760,583

Investment Philosophy

SSgA's Alpha strategy is managed using a quantitative process. Stock selection provides the best opportunity to add consistent value. Industry factors have come to dominate country factors and an approach that uses industry weights to add incremental value complements stock selection. Unwanted biases are controlled through disciplined risk-control techniques. Country and regional allocations are a result of the security selection process but are managed to remain with +/- 5% of the benchmarks allocation. Sector and industry allocations are managed to be within +/- 3% of the benchmarks allocation. The portfolio managers on this team have extensive experience and insight, which is used in conjunction with the models to create core portfolios.

Staff Comments

Significant team changes to the team shortly after inception of the account. There have been significant changes to the investment process recently. Consistent lack of value added since inception of the account in 2005. The SBI is monitoring this strategy closely.

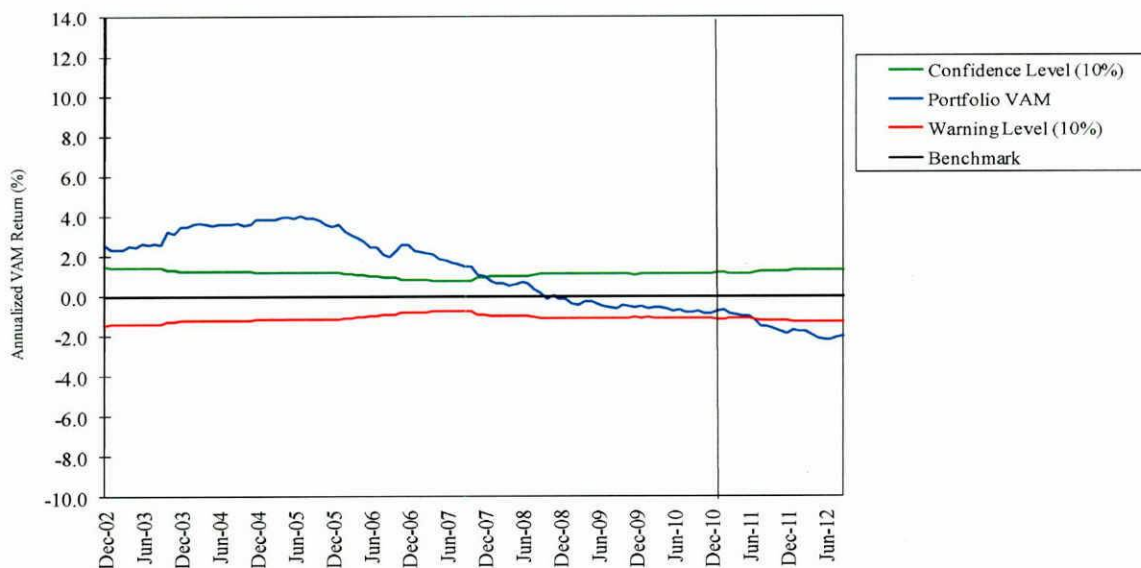
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	7.8%	7.3%
Last 1 year	11.5	13.8
Last 2 years	-0.9	1.7
Last 3 years	0.8	2.5
Last 4 years	1.3	2.6
Last 5 years	-6.7	-4.8
Since Inception (7/05)	2.4	3.6

Recommendations

No action required.

STATE STREET GLOBAL ADVISORS - ALPHA
Rolling Five Rolling VAM



5 Year Period Ending

Note: Area to the left of vertical line includes performance prior to retention by the SBI

STATE STREET GLOBAL ADVISORS (Passive Emerging Markets)
Periods Ending September, 2012

Portfolio Manager: Tom Coleman

Assets Under Management: \$161,557,701

Investment Philosophy

State Street Global Advisors passively manages the portfolio against the Morgan Stanley Capital International (MSCI) Emerging Markets index of 21 markets located in the emerging markets outside of the United States. SSgA fully replicates the index whenever possible because it results in lower turnover, higher tracking accuracy and lower market impact costs.

Staff Comments

Retained at the beginning of 2012. Stable team and performance thus far with tracking error within expectation. Recent changes to personnel at the management level of the firm.

Quantitative Evaluation

	Actual	Benchmark
Last Quarter	7.7%	7.7%
Last 1 year	N/A	N/A
Last 2 years	N/A	N/A
Last 3 years	N/A	N/A
Last 4 years	N/A	N/A
Last 5 years	N/A	N/A
Since Inception (12/11)	11.8	12.0

Recommendation

No action required.

VAM Graph will be drawn for period ending 3/31/14.

STATE STREET GLOBAL ADVISORS (Passive Developed Markets)
Periods Ending September, 2012

Portfolio Manager: Lynn Blake

Assets Under Management: \$3,113,081,515

Investment Philosophy

State Street Global Advisors (SSgA) passively manages the portfolio against the Morgan Stanley Capital International (MSCI) World ex U.S. index of 23 markets located in the developed markets outside of the United States (including Canada). SSgA fully replicates the index whenever possible because it results in lower turnover, higher tracking accuracy and lower market impact costs. The MSCI World ex U.S. (net) index reinvests dividends assuming a withholding tax on dividends, according to the Luxembourg tax rate. Whereas the portfolio reinvests dividends using all available reclaims and tax credits available to a U.S. pension fund, which should result in modest positive tracking error, over time.

Staff Comments

Very stable investment team with consistent tracking error within expectation over time. Recent changes to personnel at the management level of the firm.

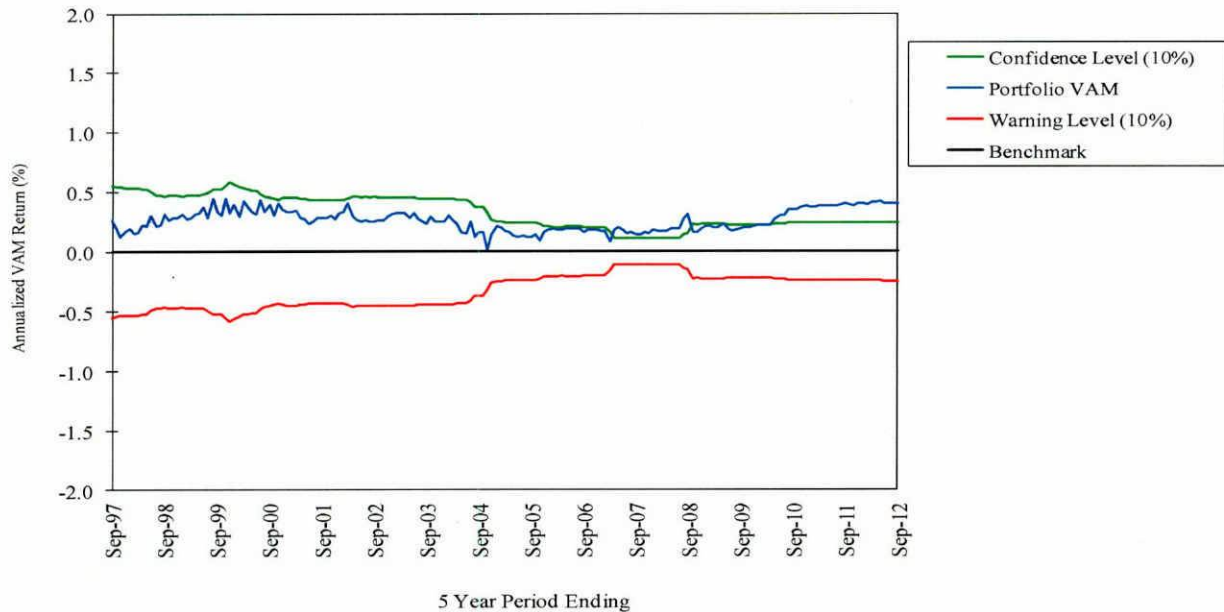
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	7.4%	7.3%
Last 1 year	14.0	13.8
Last 2 years	2.0	1.7
Last 3 years	3.0	2.5
Last 4 years	2.9	2.6
Last 5 years	-4.4	-4.8
Since Inception (10/92)	6.0	5.7

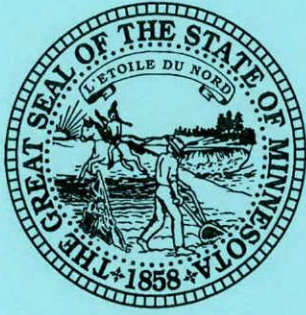
Recommendation

No action required.

SSGA - PASSIVE DEVELOPED MARKETS
Rolling Five Year VAM



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STATE BOARD OF INVESTMENT

Non-Retirement Manager Evaluation Reports

Third Quarter, 2012

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A-92

Non-Retirement Managers

Table of Contents

	Page
Non-Retirement Manager Performance Summary (quarter, 1, 3, 5 year periods)	A-94
Non-Retirement Manager Performance Summary (by calendar year)	A-95
GE Asset Management Inc. – Assigned Risk Plan	A-96
RBC Global Asset Management (U.S.) Inc. – Assigned Risk Plan	A-97
Galliard Capital Management, Inc.	A-98
Internal Stock Pool – Trust/Non-Retirement Assets	A-99
Internal Bond Pool – Income Share Account	A-100
Internal Bond Pool – Trust/Non-Retirement Assets	A-101

NON - RETIREMENT MANAGERS
Periods Ending September, 2012

	Quarter		1 Year		3 Years		5 Years		Since (1) Inception		Market Value (in millions)
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	
GE Asset Management (S&P 500 Index)	7.3	6.4	30.6	30.2	9.9	13.2	1.1	1.1	9.1	8.7	\$54.7
RBC Global Asset Management (2) (Barclays Capital Intermediate Government)	0.6	0.6	2.2	2.4	6.4	4.2	4.9	5.3	6.0	6.1	\$212.1
Galliard Capital Management (3 yr. Constant Maturity Treasury + 45 bp)	0.7	0.2	3.0	0.8	3.6	1.2	4.1	1.7	5.2	4.1	\$1,542.3
Internal Stock Pool (S&P 500 Index)	6.4	6.4	30.1	30.2	13.3	13.2	1.2	1.1	8.4	8.3	\$1,192.0
Internal Bond Pool - Income Share (Barclays Capital Aggregate) (3)	2.0	1.6	6.7	5.2	6.3	6.2	6.9	6.5	7.6	7.3	\$93.6
Internal Bond Pool - Trust (Barclays Capital Aggregate)	1.9	1.6	6.4	5.2	6.0	6.2	6.9	6.5	7.1	6.6	\$706.6

(1) Since retention by the SBI. Time period varies by manager.

(2) Prior to July 2011, a blended benchmark consisting of 25% Merrill Lynch (ML) Mortgage Master, 25% ML 1-3 Yr. Gov't, 25% ML 5-10 Yr. Tsy/Ag, 15% ML 3-5 Yr. Tsy/Ag, and 10% ML 91 day T-Bill was utilized.

(3) Prior to July 1994, the benchmark was the Solomon BIG.

NON - RETIREMENT MANAGERS
Calendar Year Returns

	2011		2010		2009		2008		2007	
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %
GE Asset Management (S&P 500 Index)	-2.2	2.1	10.7	15.1	32.3	26.5	-35.6	-37.0	8.5	5.5
RBC Global Asset Management (1) (Barclays Capital intermediate Government)	7.1	6.2	8.4	5.0	8.3	0.9	-2.4	9.5	5.8	7.9
Galliard Capital Management (3 yr. Constant Maturity Treasury + 45 bp)	3.4	1.2	4.1	1.5	4.7	1.9	4.7	2.6	4.8	4.7
Internal Stock Pool (S&P 500 Index)	2.2	2.1	15.1	15.1	26.3	26.5	-36.7	-37.0	5.5	5.5
Internal Bond Pool - Income Share (Barclays Capital Aggregate)	5.3	7.8	7.0	6.5	12.9	5.9	1.3	5.2	6.4	7.0
Internal Bond Pool - Trust (Barclays Capital Aggregate)	5.6	7.8	6.3	6.5	12.2	5.9	2.6	5.2	7.1	7.0

(1) Prior to July 2011, a blended benchmark consisting of 25% Merrill Lynch (ML) Mortgage Master, 25% ML 1-3 Yr. Gov't, 25% ML 5-10 Yr. Tsy/Ag, 15% ML 3-5 Yr. Tsy/Ag, and 10% ML 91 day T-Bill was utilized.

GE ASSET MANAGEMENT INC. - Assigned Risk Plan
Periods Ending September, 2012

Portfolio Manager: Dave Carlson

Assets Under Management: \$54,749,463

Investment Philosophy
Assigned Risk Plan

GE's Multi-Style Equity program attempts to outperform the S&P 500 consistently while controlling overall portfolio risk through a multiple manager approach. A value portfolio, a growth portfolio and a research portfolio are combined to create a well diversified equity portfolio while maintaining low relative volatility and a style-neutral position between growth and value. All GE managers focus on stock selection from a bottom-up perspective.

Staff Comments

No long-term performance concerns. No organizational concerns.

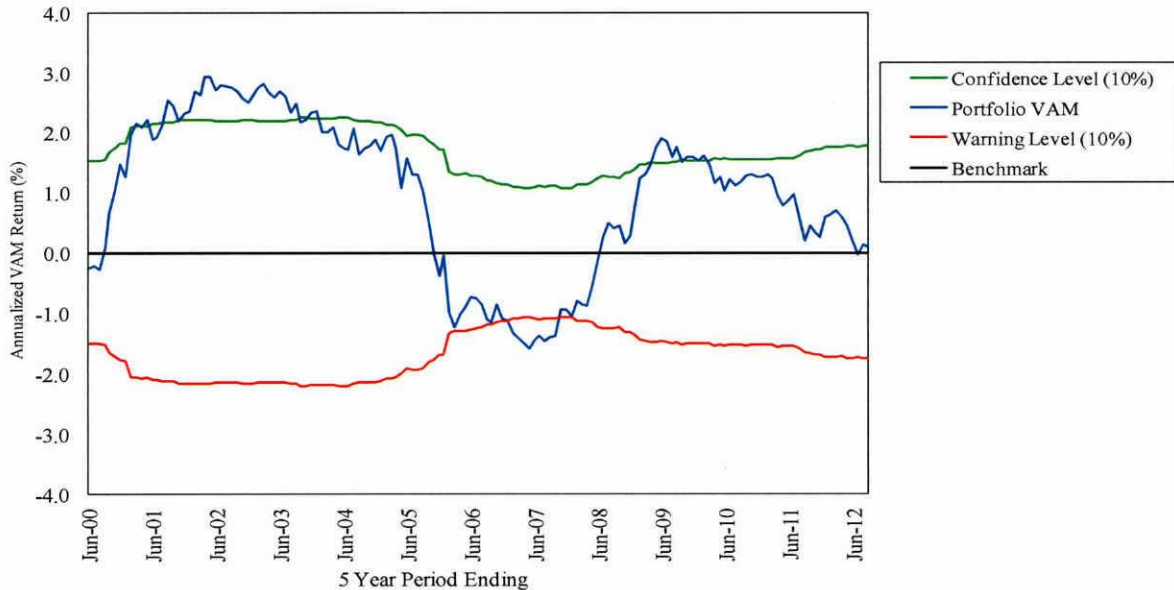
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	7.3%	6.4%
Last 1 year	30.6	30.2
Last 2 years	12.6	14.8
Last 3 years	9.9	13.2
Last 4 years	6.4	7.8
Last 5 years	1.1	1.1
Since Inception (1/95)	9.1	8.7

Recommendation

No action required.

GE ASSET MANAGEMENT
Rolling Five Year VAM



RBC GLOBAL ASSET MANAGEMENT (U.S.) INC. - Assigned Risk Plan
Periods Ending September, 2012

Portfolio Manager: Brian Svendahl

Assets Under Management: \$212,124,423

Investment Philosophy
Assigned Risk Plan

RBC uses a top-down approach to fixed income investing. Their objective is to obtain superior long-term investment returns over a pre-determined benchmark that reflects the quality constraints and risk tolerance of the Assigned Risk Plan. Due to the specific liability requirement of the plan, return enhancement will focus on sector analysis and security selection. Yield curve and duration analysis are secondary considerations.

Staff Comments

No long-term performance concerns. No organizational concerns.

Quantitative Evaluation

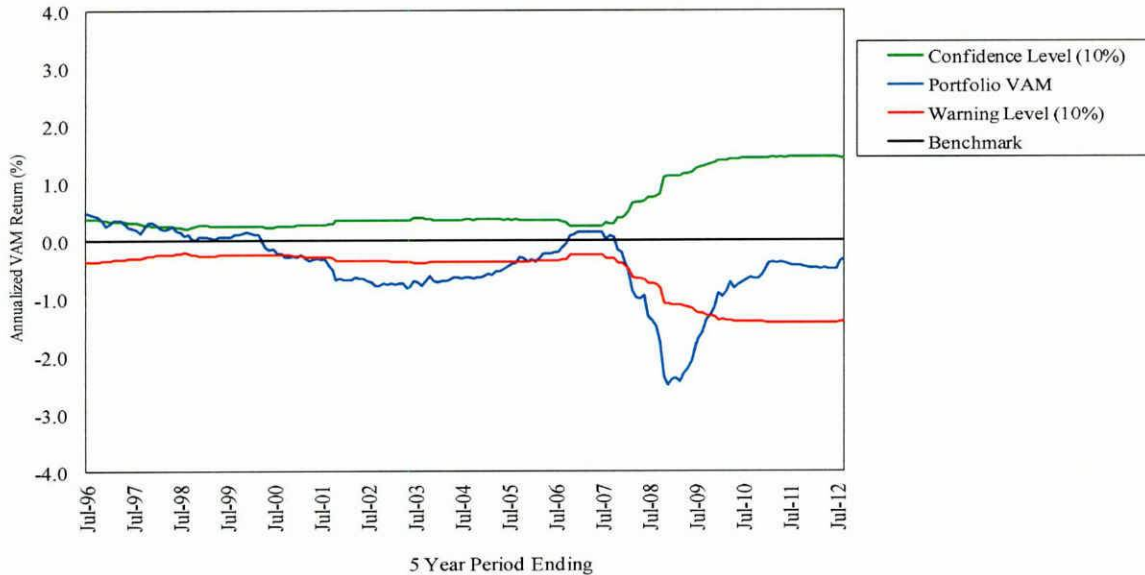
	Actual	Benchmark*
Last Quarter	0.6%	0.6%
Last 1 year	2.2	2.4
Last 2 years	3.9	3.4
Last 3 years	6.4	4.2
Last 4 years	6.4	4.8
Last 5 years	4.9	5.3
Since Inception (7/91)	6.0	6.1

Recommendation

No action required.

* From 4/1/02-6/30/11, blended benchmark consisted of 25% Merrill Lynch (ML) Mortgage Master, 25% ML 1-3 Yr. Gov't, 25% ML 5-10 Yr. Tsy/Ag, 15% ML 3-5 Yr. Tsy/Ag, 10% ML 91 day T-Bill. Effective 7/1/11, Barclays Capital Intermediate Government Index.

RBC GLOBAL ASSET MANAGEMENT
Rolling Five Year VAM



GALLIARD CAPITAL MANAGEMENT, INC.
Periods Ending September, 2012

Portfolio Manager: Karl Tourville

Assets Under Management: \$1,542,251,236

Investment Philosophy

Galliard Capital Management manages the Fixed Interest Account in the Supplemental Investment Fund. The stable value fund is managed to protect principal and provide competitive interest rates using instruments somewhat longer than typically found in money market-type accounts. The manager invests cash flows to optimize yields. The manager invests in high quality fixed income securities and investment contracts with U.S. and non-U.S. financial institutions. To maintain necessary liquidity, the manager invests a portion of the portfolio in its Stable Return Fund and in cash equivalents. The Stable Return Fund is a large, daily priced fund consisting of a wide range of stable value instruments that is available to retirement plans of all sizes.

Staff Comments

No long-term performance concerns. No organizational concerns.

Quantitative Evaluation

	Actual	Benchmark
Last Quarter	0.7%	0.2%
Last 1 year	3.0	0.8
Last 2 years	3.3	1.0
Last 3 years	3.6	1.2
Last 4 years	3.9	1.4
Last 5 years	4.1	1.7
Since Inception (11/94)	5.2	4.1

Recommendation

No action required.

Galliard Capital Management
 Rolling Five Year VAM



INTERNAL STOCK POOL - Trust/Non-Retirement Assets
Periods Ending September, 2012

Portfolio Manager: Mike Messen

Assets Under Management: \$1,192,038,929

Investment Philosophy
Environmental Trust Fund
Permanent School Fund

Staff Comments

The Internal Equity Pool is managed to closely track the S&P 500 Index. The strategy replicates the S&P 500 by owning all of the names in the index at weightings similar to those of the index. The optimization model's estimate of tracking error with this strategy is approximately 10 basis points per year.

No tracking issues.

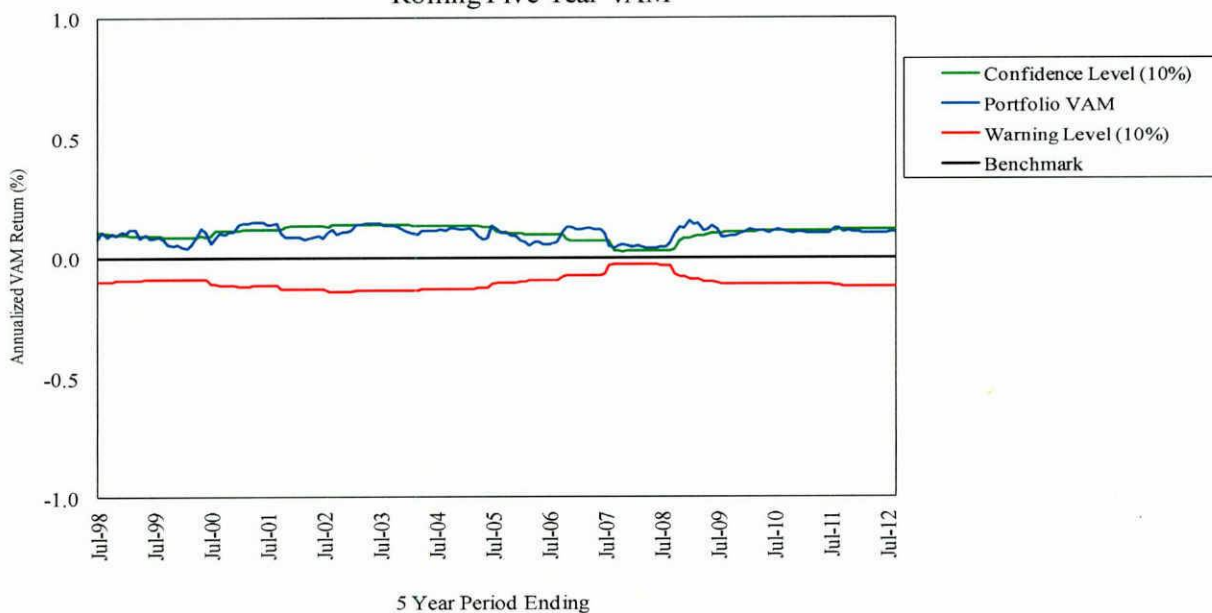
Quantitative Evaluation

Recommendation

	Actual	Benchmark
Last Quarter	6.4%	6.4%
Last 1 year	30.1	30.2
Last 2 years	14.8	14.8
Last 3 years	13.3	13.2
Last 4 years	7.9	7.8
Last 5 years	1.2	1.1
Since Inception (7/93)	8.4	8.3

No action required.

INTERNAL STOCK POOL
Trust/Non-Retirement Assets
Rolling Five Year VAM



INTERNAL BOND POOL - Income Share Account
Periods Ending September, 2012

Portfolio Manager: Mike Messen

Assets Under Management: \$93,569,096

Investment Philosophy
Income Share Account

The investment approach emphasizes sector and security selection. The approach utilizes sector trading and relative spread analysis of both sectors and individual issues. The portfolio weightings in mortgage and corporate securities are consistently equal to or greater than the market weightings. The portfolio duration remains close to the benchmark duration but may be shortened or lengthened depending on changes in the economic outlook.

Staff Comments

No long-term performance concerns.

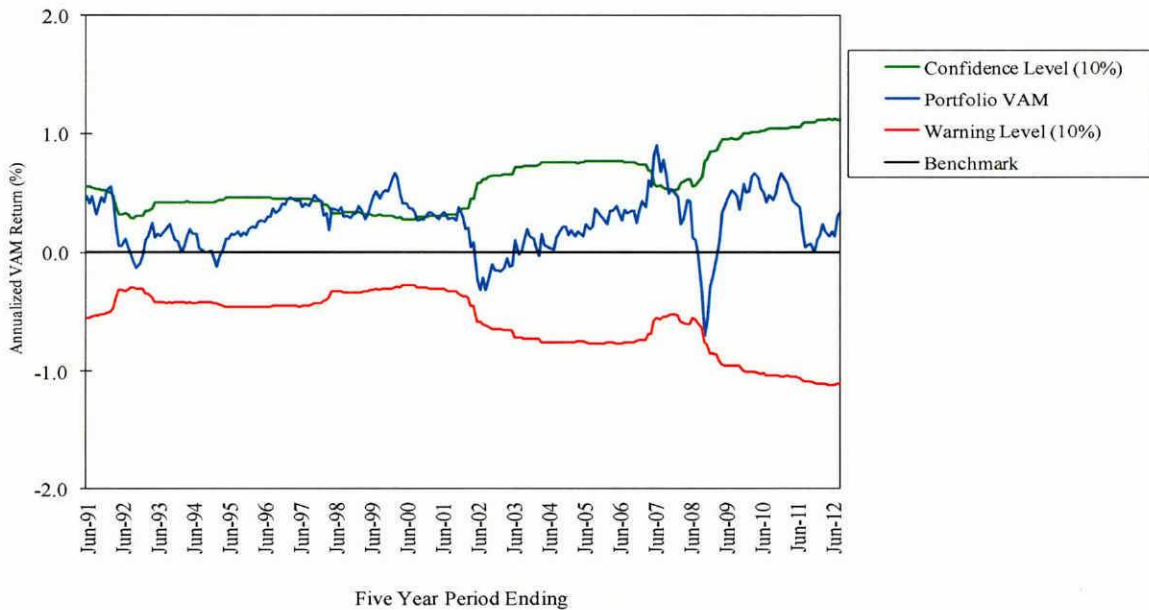
Quantitative Evaluation

	Actual	Benchmark
Last Quarter	2.0%	1.6%
Last 1 year	6.7	5.2
Last 2 years	5.2	5.2
Last 3 years	6.3	6.2
Last 4 years	8.3	7.3
Last 5 years	6.9	6.5
Since Inception (7/86)	7.6	7.3

Recommendation

No action required.

INTERNAL BOND POOL - INCOME SHARE ACCOUNT
Rolling Five Year VAM



INTERNAL BOND POOL - Trust/Non-Retirement Assets
Periods Ending September, 2012

Portfolio Manager: Mike Messen

Assets Under Management: \$706,618,495

Investment Philosophy
Environmental Trust Fund
Permanent School Trust Fund

Staff Comments

The internal bond portfolio's investment approach emphasizes sector and security selection. The approach utilizes sector trading and relative spread analysis of both sectors and individual issues. The portfolio weightings in mortgage and corporate securities are consistently equal to or greater than the market weightings. The portfolio duration remains close to the benchmark duration but may be shortened or lengthened depending on changes in the economic outlook.

No long-term performance concerns.

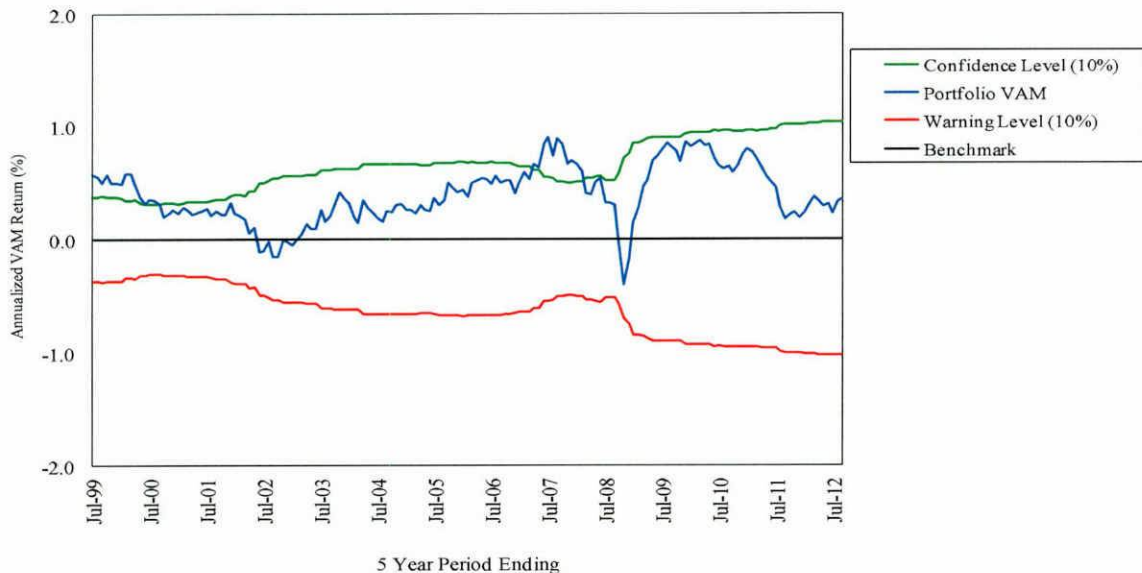
Quantitative Evaluation

Recommendation

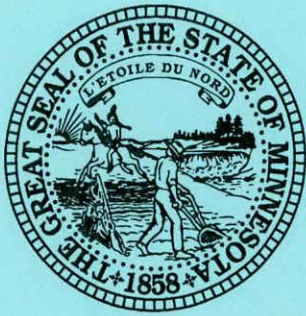
	Actual	Benchmark	
Last Quarter	1.9%	1.6%	No action required.
Last 1 year	6.4	5.2	
Last 2 years	5.1	5.2	
Last 3 years	6.0	6.2	
Last 4 years	8.0	7.3	
Last 5 years	6.9	6.5	
Since Inception (7/94)*	7.1	6.6	

* Date started managing the pool against the Barclays Capital Aggregate.

INTERNAL BOND POOL - TRUST/NON-RETIREMENT ASSETS
Rolling Five Year VAM



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STATE BOARD OF INVESTMENT

Deferred Compensation Plan Evaluation Reports

Third Quarter, 2012

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A-104

Deferred Compensation Plan

Table of Contents

	Page
Fund Manager Performance Summary (quarter, 1, 3, 5 year periods)	A-106
Fund Manager Performance Summary (by calendar year)	A-108
Janus Twenty	A-110
Vanguard Index Institutional Plus	A-111
Vanguard Mid-Cap Index Institutional	A-112
T. Rowe Price Small Cap Stock Fund	A-113
Vanguard Balanced Index Institutional Fund	A-114
Dodge & Cox Income Fund	A-115
Vanguard Total Bond Market Index Institutional	A-116
Fidelity Diversified International	A-117
Vanguard Total International Stock Index Institutional Plus	A-118
State Street Global Advisors MN Target Retirement Funds	A-119

MN STATE 457 DEFERRED COMPENSATION PLAN
FUND OPTIONS (1)
Periods Ending September, 2012

457 Mutual Funds	Quarter		1 Year		3 Years		5 Years		Since (2) Retention by SBI		State's Participation In Fund (\$ millions)
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	%	%	
Large Cap Equity:											
Janus Twenty (S&P 500)	7.6	6.4	32.4	30.2	8.1	13.2	1.6	1.1	2.1	2.2	\$417.6
Vanguard Institutional Index Plus (S&P 500)	6.4	6.4	30.2	30.2	13.2	13.2	1.1	1.1	2.3	2.2	\$668.7
Mid Cap Equity:											
Vanguard Mid-Cap Index (MSCI US Mid-Cap 450)	5.2	5.2	26.5	26.5	14.0	14.1	1.9	1.9	7.5	7.5	\$240.0
Small Cap Equity:											
T. Rowe Price Small-Cap Stock (Russell 2000)	5.0	5.3	35.5	31.9	17.2	13.0	5.9	2.2	9.1	6.1	\$451.1
Balanced:											
Vanguard Balanced Index Inst. Fund (60% MSCI US Broad Market, 40% Barclays Capital Agg)	4.4	4.4	19.9	19.9	10.9	10.9	4.1	3.9	6.3	6.2	\$521.5
Bond:											
Dodge & Cox Income Fund (Barclays Capital Aggregate)	2.5	1.6	8.4	5.2	6.9	6.2	7.1	6.5	6.6	6.2	\$199.2
Vanguard Total Bond Market Index Inst. (Barclays Capital Aggregate)	1.6	1.6	5.1	5.2	6.1	6.2	6.6	6.5	5.5	5.5	\$189.9
International:											
Fidelity Diversified International (MSCI EAFE-Free)	11.4	6.9	23.7	13.8	4.8	2.1	-4.3	-5.2	6.3	2.7	\$225.4
Vanguard Total International Stock Index (ACWI ex US IMI) (3)	6.9	7.5	15.5	14.4	2.8	2.9	-4.5	-4.4	-7.0	-6.8	\$102.0

Numbers in blue include returns prior to retention by SBI.

Benchmarks for the Funds are noted in parentheses below the Fund names.

- (1) Money Market Account and Fixed Interest Accounts are also offered in the Supplemental Investment Fund, which is described within Tab A. Performance for these accounts is reported under the Deferred Compensation Plan accounts within Tab A.
- (2) Vanguard Total International retained July 2011; Vanguard Mid-Cap Index Fund retained January 2004; Vanguard Balanced, Vanguard Total Bond Mkt. retained December 2003; all others, July 1999.
- (3) Benchmark is the MSCI ACWI ex US IMI beginning December 2010; MSCI EAFE and Emerging Markets Index beginning August 2006. Prior to that date it was the total International Composite Index, which is the MSCI EAFE Index and the Select Emerging Markets Free Index.

**MN STATE 457 DEFERRED COMPENSATION PLAN
FUND OPTIONS
Periods Ending September, 2012**

SSgA Target Retirement Funds	Quarter		1 Year		3 Years		5 Years		Since Retention by the SBI*		State Participation in Fund (\$ millions)
	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk	
	%	%	%	%	%	%	%	%	%	%	
Income Fund	3.4	3.5	13.9	14.1	8.4	8.8	4.7	4.8	7.2	7.4	\$14.0
2015 Fund	3.7	3.8	16.1	16.3	10.3	10.5	4.9	4.7	9.8	10.0	\$20.2
2020 Fund	4.2	4.3	18.8	18.9	11.6	11.8	4.5	4.2	11.1	11.3	\$21.7
2025 Fund	4.8	4.9	20.9	21.0	11.9	12.0	4.0	3.7	10.5	10.7	\$13.7
2030 Fund	5.1	5.2	22.0	22.0	12.0	12.1	3.4	3.1	9.9	10.1	\$8.1
2035 Fund	5.3	5.5	23.0	23.0	12.0	12.1	2.8	2.5	9.0	9.2	\$5.1
2040 Fund	5.6	5.8	23.8	23.7	11.6	11.7	2.0	1.8	7.4	7.6	\$3.2
2045 Fund	5.9	6.1	24.4	24.2	11.2	11.3	1.8	1.7	6.3	6.4	\$1.7
2050 Fund	5.9	6.1	24.4	24.2	11.2	11.3	1.8	1.7	6.3	6.4	\$0.7
2055 Fund	5.9	6.1	24.4	24.2	11.2	11.3			6.3	6.4	\$0.4
2060 Fund	5.9	6.1	24.4	24.2					6.3	6.4	\$0.4

Note: Each Fund benchmark is the aggregate of the returns of the Fund's underlying index funds weighted by the Fund's asset allocation.
The underlying index funds are listed below.

SSgA Index Funds	Quarter		1 Year		3 Years		5 Years			
	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk		
	%	%	%	%	%	%	%	%		
S&P 500 Index Fund (S&P 500)	6.4	6.4	30.2	30.2	13.2	13.2	1.1	1.1	9.6	9.6
DJ-UBS Roll Select Commodity Index Fund (DJ-UBS Roll Select Commodity Index)	10.0	10.0							10.0	10.0
Russell Small/Mid Cap Index Fund (Russell Small Cap Completeness Index)	5.5	5.5							5.5	5.5
Global All Cap Equity ex US Index Fund (MSCI ACWI ex U.S. IMI)	7.0	7.5	15.7	14.4					-6.5	-6.8
Global Real Estate Securities Index Fund (FTSE EPRA/NAREIT Dev Liquid)	5.2	5.4	30.2	29.3					6.7	5.9
Long Government Bond Index Fund (Barclays Capital Long Government)	0.5	0.3	6.5	6.4	12.0	11.9	10.9	10.9	24.8	24.8
Bond Index Fund (Barclays Capital Aggregate)	1.6	1.6	5.1	5.2	6.2	6.2	6.7	6.5	7.2	7.3
Inflation Protection Bond Index Fund (Barclays Capital U.S. TIPS)	2.1	2.1	9.1	9.1	9.2	9.3	7.9	7.9	11.0	11.1
High Yield Bond Index Fund (Barclays Capital U.S. High Yield Very Liquid)	4.3	4.4	20.1	20.8					9.6	10.1
U.S. Short-Term Govt/Credit Index Fund (Barclays Capital 1-3 Yr Govt/Credit)	0.5	0.5	4.0	1.4					3.4	1.3

Numbers in blue include returns prior to retention by SBI.
Benchmarks for the Funds are noted in parenthesis below the Fund names.
*Target Retirement Funds inception date is July 2011.

MN STATE 457 DEFERRED COMPENSATION PLAN
FUND OPTIONS (1)
Calendar Year Returns

457 Mutual Funds	2011		2010		2009		2008		2007	
	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %	Actual %	Bmk %
Large Cap Equity:										
Janus Twenty (S&P 500)	-8.2	2.1	7.0	15.1	43.3	26.5	-42.0	-37.0	35.9	5.5
Vanguard Institutional Index Plus (S&P 500)	2.1	2.1	15.1	15.1	26.7	26.5	-36.9	-37.0	5.5	5.5
Mid Cap Equity:										
Vanguard Mid-Cap Index (MSCI US Mid-Cap 450)	-2.0	-1.9	25.7	25.7	40.5	40.5	-41.8	-41.8	6.2	6.2
Small Cap Equity:										
T. Rowe Price Small-Cap Stock (Russell 2000)	-0.1	-4.2	32.5	26.9	38.5	27.2	-33.4	-33.8	-1.7	-1.6
Balanced:										
Vanguard Balanced Index Inst. Fund (60% MSCI US Broad Market, 40% Barclays Capital Agg)	4.3	4.1	13.3	13.5	20.2	19.7	-22.1	-22.4	6.3	6.3
Bond:										
Dodge & Cox Income Fund (Barclays Capital Aggregate)	4.8	7.8	7.2	6.5	16.1	5.9	-0.3	5.2	4.7	7.0
Vanguard Total Bond Market Index Inst. (Barclays Capital Aggregate)	7.7	7.8	6.6	6.5	6.1	5.9	5.2	5.2	7.0	7.0
International:										
Fidelity Diversified International (MSCI EAFE-Free)	-13.8	-12.1	9.7	7.7	31.8	31.8	-45.2	-43.4	16.0	11.2
Vanguard Total International Stock Index (ACWI ex US IMI) (2)	-14.6	-14.3	11.1	10.7	36.7	40.4	-44.1	-45.5	15.5	15.9

Numbers in blue include returns prior to retention by SBI.

Benchmarks for the Funds are noted in parentheses below the Fund names.

- (1) Money Market Account and Fixed Interest Accounts are also offered in the Supplemental Investment Fund, which is described within Tab A. Performance for these accounts are reported under the Deferred Compensation Plan accounts within Tab A.
- (2) Benchmark is the MSCI ACWI ex US IMI beginning December 2010; MSCI EAFE and Emerging Markets Index beginning August 2006. Prior to that date it was the total International Composite Index, which is the MSCI EAFE Index and the Select Emerging Markets Free Index.

MN STATE 457 DEFERRED COMPENSATION PLAN
FUND OPTIONS
Calendar Year Returns

SSgA Target Retirement Funds	2011		2010		2009		2008		2007	
	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk
	%	%	%	%	%	%	%	%	%	%
Income Fund	4.6	4.8	9.6	10.1	14.8	15.0	-12.9	-13.2	6.4	6.7
2015 Fund	6.9	7.1	12.1	12.5	15.3	14.4	-16.7	-17.6	6.9	7.2
2020 Fund	7.3	7.4	13.6	13.9	18.3	17.5	-22.2	-23.1	7.2	7.4
2025 Fund	5.9	6.0	14.6	14.7	20.3	19.6	-25.2	-26.1	7.6	7.7
2030 Fund	4.9	5.0	15.1	15.3	21.9	21.4	-28.1	-29.0	7.7	7.8
2035 Fund	3.5	3.6	15.7	15.8	24.3	23.9	-30.9	-31.6	7.8	7.9
2040 Fund	1.5	1.6	15.9	16.1	26.7	26.5	-33.6	-34.1	7.8	7.9
2045 Fund	0.0	0.1	16.2	16.2	27.2	27.0	-33.7	-34.1	8.1	8.2
2050 Fund	0.1	0.1	16.1	16.2	27.2	27.0	-33.5	-34.1	8.5	8.5
2055 Fund	0.1	0.1	16.1	16.2	27.2	27.0	-33.5	-34.1		
2060 Fund										

Note: Each Fund benchmark is the aggregate of the returns of the Fund's underlying index funds weighted by the Fund's asset allocation. The underlying index funds are listed below.

SSgA Index Funds	2011		2010		2009		2008		2007	
	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk	Actual	Bmk
	%	%	%	%	%	%	%	%	%	%
S&P 500 Index Fund (S&P 500)	2.1	2.1	15.1	15.1	26.7	26.5	-36.9	-37.0	5.5	5.5
DJ-UBS Roll Sheet Commodity Index Fund (DJ-UBS Roll Select Commodity Index)										
Russell Small/Mid Cap Index Fund (Russell Small Cap Completeness Index)										
Global All Cap Equity ex U.S. Index Fund (MSCI ACWI ex U.S. IMI)										
Global Real Estate Securities Index Fund (FTSE EPRA/NAREIT Dev Liquid)	-5.4	-5.8	19.1	18.4						
Long Government Bond Index Fund (Barclays Capital Long Government)	29.2	29.1	9.5	9.4	-12.2	-12.2	22.6	22.7	9.6	9.6
Bond Index Fund (Barclays Capital Aggregate)	7.8	7.8	6.6	6.5	6.4	5.9	5.6	5.2	7.0	7.0
Inflation Protection Bond Index Fund (Barclays Capital U.S. TIPS)	13.5	13.6	6.2	6.3	11.3	11.4	-2.4	-2.4	11.6	11.6
High Yield Bond Index Fund (Barclays Capital U.S. High Yield Very Liquid)	5.7	6.1	12.5	15.1						
U.S. Short-Term Govt/Credit Bond Index Fund (Barclays Capital 1-3 Yr Govt/Credit)	1.5	1.6	2.4	2.8						

Numbers in blue include returns prior to retention by SBI.

Benchmarks for the Funds are noted in parenthesis below the Fund names.

**MN STATE 457 DEFERRED COMPENSATION PLAN
LARGE CAP EQUITY – JANUS TWENTY
Periods Ending September, 2012**

Portfolio Manager: Ron Sachs

**State's Participation in Fund: \$417,582,570
Total Assets in Fund: \$8,500,000,000**

**Investment Philosophy
Janus Twenty**

The investment objective of this fund is long-term growth of capital from increases in the market value of the stocks it owns. The fund will concentrate its investments in a core position of between twenty to thirty common stocks. This non-diversified fund seeks to invest in companies that the portfolio manager believes have strong current financial positions and offer growth potential.

Staff Comments

No long-term performance concerns. No organizational concerns.

Quantitative Evaluation

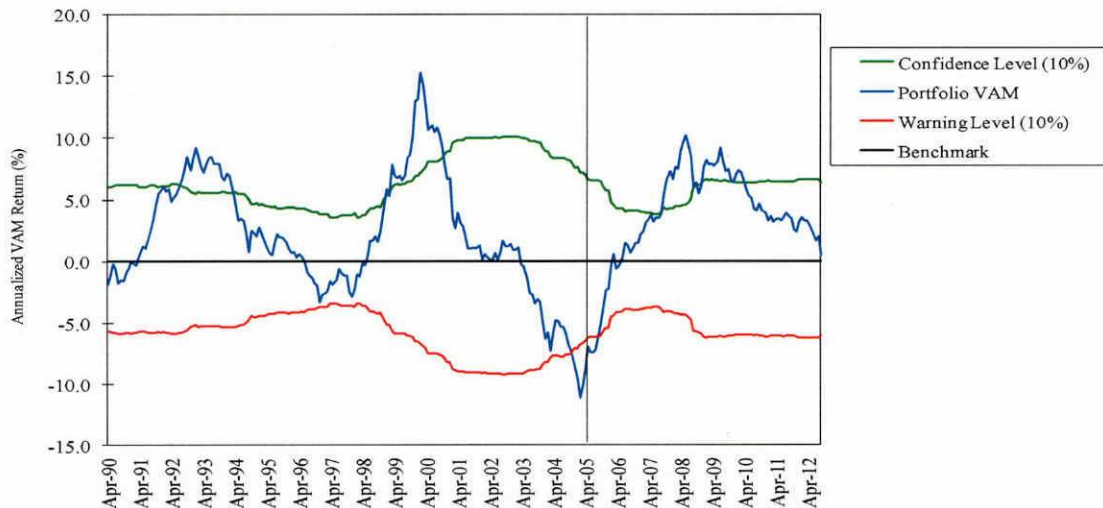
	Actual	Benchmark*
Last Quarter	7.6%	6.4%
Last 1 year	32.4	30.2
Last 2 years	10.8	14.8
Last 3 years	8.1	13.2
Last 4 years	7.4	7.8
Last 5 years	1.6	1.1
Since Retention by SBI (7/99)	2.1	2.2

Recommendation

No action required.

*Benchmark is the S&P 500.

**LARGE CAP EQUITY - JANUS TWENTY
Rolling Five Year VAM**



Five Year Period Ending

Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

**MN STATE 457 DEFERRED COMPENSATION PLAN
EQUITY INDEX – VANGUARD INSTITUTIONAL INDEX PLUS
Periods Ending September, 2012**

Portfolio Manager: Mike Buek

**State's Participation in Fund: \$668,675,813
Total Assets in Fund: \$48,114,000,000**

**Investment Philosophy
Vanguard Institutional Index**

This fund attempts to provide investment results, before fund expenses, that parallel the performance of the Standard & Poor's 500 Index. The fund invests in all 500 stocks listed in the S&P 500 index in approximately the same proportions as they are represented in the index. The managers have tracked the S&P 500's performance with a high degree of accuracy. The fund may use futures and options for temporary purposes, but generally remains fully invested in common stock.

Staff Comments

Long-term CIO, Gus Sauter is retiring, Tom Buckley, Managing Director, Vanguard veteran succeeds Sauter January 2013. No tracking issues.

Quantitative Evaluation

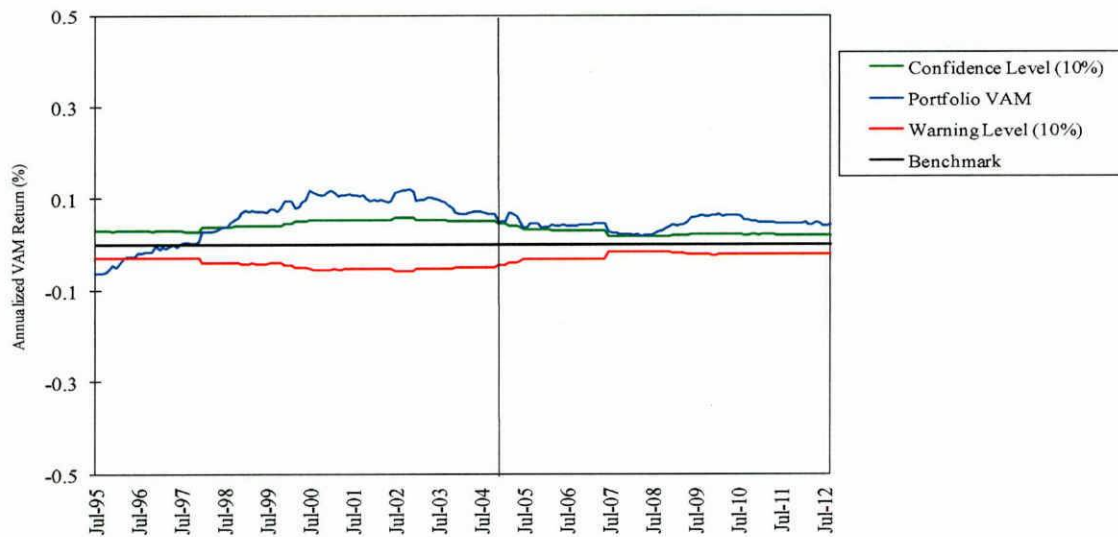
	Actual	Benchmark*
Last Quarter	6.4%	6.4%
Last 1 year	30.2	30.2
Last 2 years	14.7	14.8
Last 3 years	13.2	13.2
Last 4 years	7.8	7.8
Last 5 years	1.1	1.1
Since Retention by SBI (7/99)	2.3	2.2

Recommendation

No action required.

*Benchmark is the S&P 500.

**EQUITY INDEX - VANGUARD INSTITUTIONAL INDEX PLUS
Rolling Five Year VAM**



Five Year Period Ending
Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

**MN STATE 457 DEFERRED COMPENSATION PLAN
MID CAP EQUITY – VANGUARD MID-CAP INDEX
Periods Ending September, 2012**

Portfolio Manager: Donald Butler

**State's Participation in Fund: \$240,043,792
Total Assets in Fund: \$6,829,000,000**

**Investment Philosophy
Vanguard Mid-Cap Index**

The fund employs a “passive management”- or indexing-investment approach designed to track the performance of the MSCI US Mid Cap 450 Index, a broadly diversified index of stocks of medium-size U.S. companies. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting within the index.

Staff Comments

Long-term CIO, Gus Sauter is retiring, Tom Buckley, Managing Director, Vanguard veteran succeeds Sauter January 2013. No tracking issues.

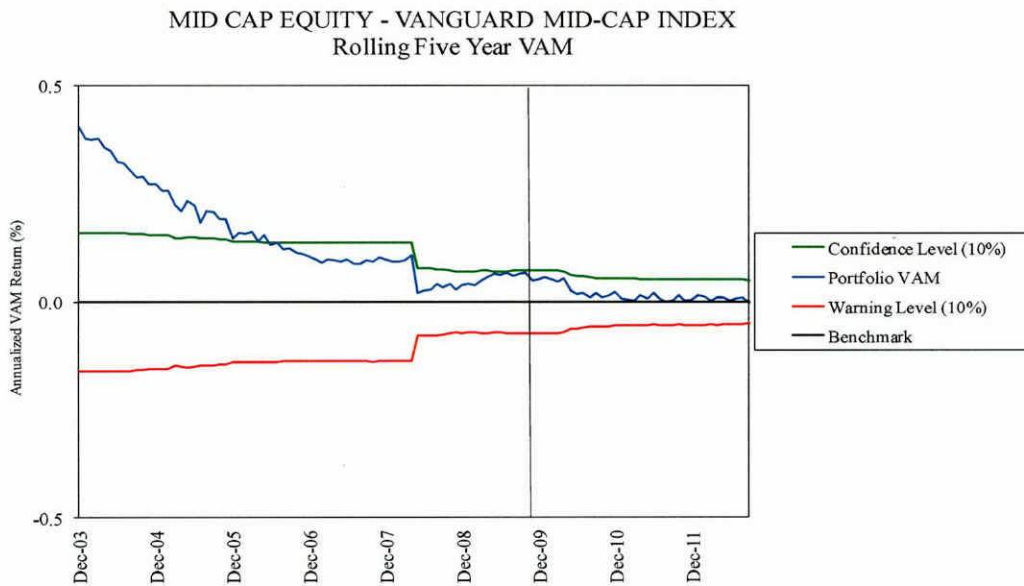
Quantitative Evaluation

	Actual	Benchmark*
Last Quarter	5.2%	5.2%
Last 1 year	26.5	26.5
Last 2 years	12.1	12.1
Last 3 years	14.0	14.1
Last 4 years	9.8	9.8
Last 5 years	1.9	1.9
Since Retention by SBI (1/04)	7.5	7.5

Recommendation

No action required.

*Benchmark is the MSCI US Mid Cap 450.



Five Year Period Ending
Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

**MN STATE 457 DEFERRED COMPENSATION PLAN
 SMALL CAP EQUITY – T. ROWE PRICE SMALL CAP STOCK FUND
 Periods Ending September, 2012**

Portfolio Manager: Gregory A. McCrickard	State's Participation in Fund: \$451,094,900
	Total Assets in Fund: \$7,375,745,668

**Investment Philosophy
 T. Rowe Price Small Cap Equity Fund**

The strategy of this fund is to invest primarily in stocks of small to medium-sized companies that are believed to offer either superior earnings growth or appear undervalued. The fund normally invests at least 80% of assets in equities of small companies in the Russell 2000 or S&P Small-Cap 600. The manager does not favor making big bets on any particular sector or any particular stock. The fund's combination of growth and value stocks offers investors relatively more stable performance compared to other small cap stock funds.

Staff Comments

No long-term performance concerns. No organizational concerns.

Quantitative Evaluation

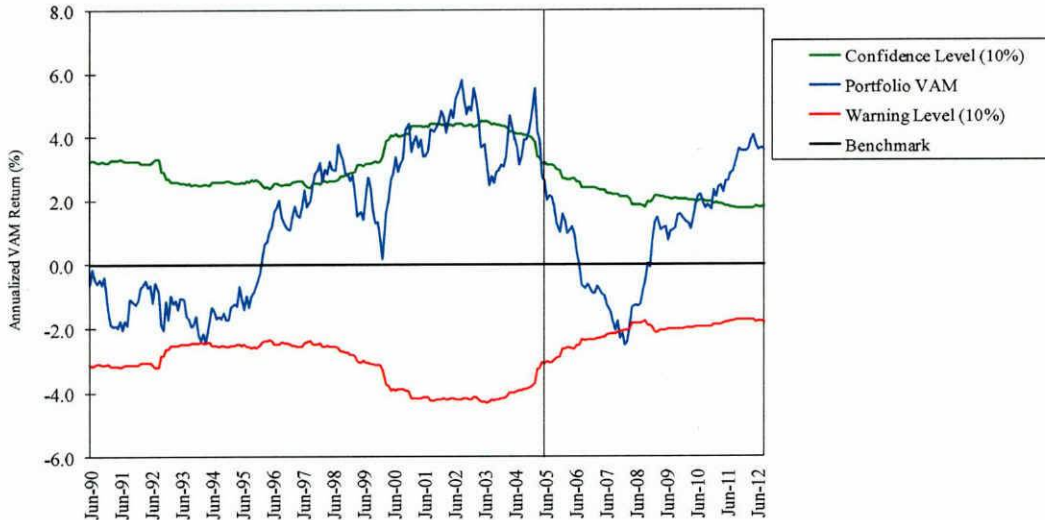
	Actual	Benchmark*
Last Quarter	5.0%	5.3%
Last 1 year	35.5	31.9
Last 2 years	16.7	12.8
Last 3 years	17.2	13.0
Last 4 years	12.8	6.9
Last 5 years	5.9	2.2
Since Retention by SBI (7/99)	9.1	6.1

Recommendation

No action required.

*Benchmark is the Russell 2000.

**SMALL CAP EQUITY - T. ROWE PRICE SMALL CAP STOCK FUND
 Rolling Five Year VAM**



Five Year Period Ending
 Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

**MN STATE 457 DEFERRED COMPENSATION PLAN
BALANCED – VANGUARD BALANCED INDEX INSTITUTIONAL FUND
Periods Ending September, 2012**

Portfolio Manager: Michael Perre

**State's Participation in Fund: \$521,474,291
Total Assets in Fund: \$5,552,000,000**

**Investment Philosophy
Vanguard Balanced Index Fund**

The fund's assets are divided between stocks and bonds, with an average of 60% of its assets in stocks and 40% in bonds. The fund's stock segment attempts to track the performance of the MSCI US Broad Market Index, an unmanaged index representing the overall U.S. equity market. The fund's bond segment attempts to track the performance of the Barclays Capital Aggregate Bond Index, an unmanaged index that covers virtually all taxable fixed-income securities.

Staff Comments

Long-term CIO, Gus Sauter is retiring, Tom Buckley, Managing Director, Vanguard veteran succeeds Sauter January 2013. No tracking issues.

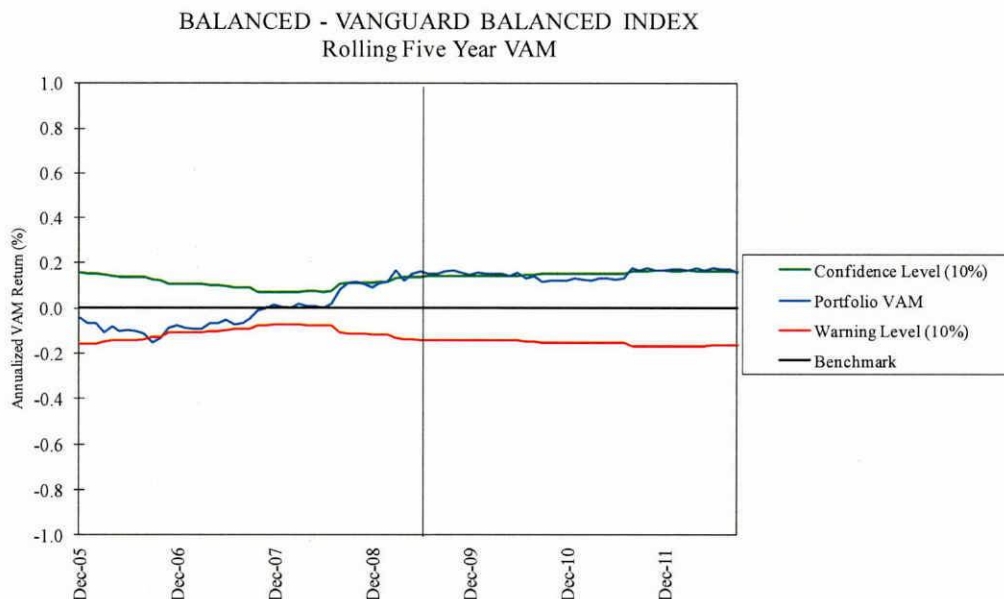
Quantitative Evaluation

	Actual	Benchmark*
Last Quarter	4.4%	4.4%
Last 1 year	19.9	19.9
Last 2 years	11.2	11.0
Last 3 years	10.9	10.9
Last 4 years	8.5	8.4
Last 5 years	4.1	3.9
Since Retention by SBI (12/03)	6.3	6.2

Recommendation

No action required.

*Benchmark is 60% MSCI US Broad Market, 40% Barclays Capital Aggregate. Equity benchmark was Wilshire 5000 prior to April 1, 2005.



Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

**MN STATE 457 DEFERRED COMPENSATION PLAN
BOND – DODGE & COX INCOME FUND
Periods Ending September, 2012**

Portfolio Manager: Dana Emery

**State's Participation in Fund: \$199,157,610
Total Assets in Fund: \$26,022,508,010**

**Investment Philosophy
Dodge & Cox Income Fund**

The objective of this fund is a high and stable rate of current income with capital appreciation being a secondary consideration. This portfolio is invested primarily in intermediate term, investment-grade quality corporate and mortgage bonds and, to a lesser extent, government issues. While the fund invests primarily in the U.S. bond market, it may invest a small portion of assets in dollar-denominated foreign securities. The duration of the portfolio is kept near that of the bond market as a whole.

Staff Comments

No long-term performance concerns. No organizational concerns.

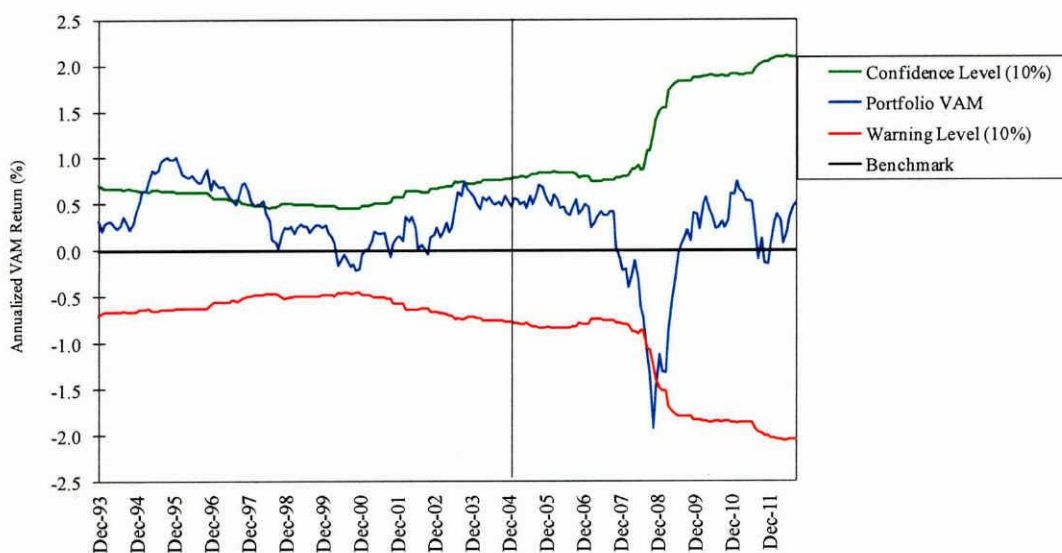
Quantitative Evaluation

	Actual	Benchmark*	
Last Quarter	2.5%	1.6%	No action required.
Last 1 year	8.4	5.2	
Last 2 years	5.9	5.2	
Last 3 years	6.9	6.2	
Last 4 years	9.5	7.3	
Last 5 years	7.1	6.5	
Since Retention By SBI (7/99)	6.6	6.2	

Recommendation

*Benchmark is the Barclays Capital Aggregate.

**BOND - DODGE & COX INCOME FUND
Rolling Five Year VAM**



Five Year Period Ending

Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

MN STATE 457 DEFERRED COMPENSATION PLAN
BOND – VANGUARD TOTAL BOND MARKET INDEX INSTITUTIONAL
 Periods Ending September, 2012

Portfolio Manager: Kenneth Volpert

State's Participation in Fund: \$189,854,289
Total Assets in Fund: \$23,105,000,000

Investment Philosophy
Vanguard Total Bond Market Index
Institutional

Staff Comments

The fund attempts to track the performance of the Barclays Capital Aggregate Bond Index, which is a widely recognized measure of the entire taxable U.S. bond market. The index consists of more than 7,800 U.S. Treasury, federal agency, mortgage-backed, and investment-grade corporate securities. Because it is not practical or cost-effective to own every security in the index, the fund invests in a large sampling that matches key characteristics of the index (such as market-sector weightings, coupon interest rates, credit quality, and maturity). To boost returns, the fund holds a higher percentage than the index in short-term, investment-grade corporate bonds and a lower percentage in short-term Treasury securities.

Long-term CIO, Gus Sauter is retiring, Tom Buckley, Managing Director, Vanguard veteran succeeds Sauter January 2013. No tracking issues.

Quantitative Evaluation

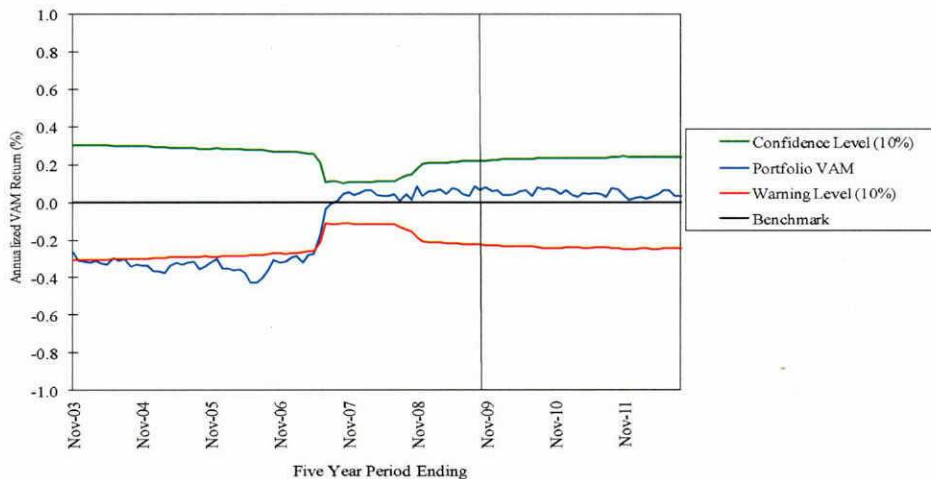
Recommendation

	Actual	Benchmark*
Last Quarter	1.6%	1.6%
Last 1 year	5.1	5.2
Last 2 years	5.2	5.2
Last 3 years	6.1	6.2
Last 4 years	7.3	7.3
Last 5 years	6.6	6.5
Since Retention by SBI (12/03)	5.5	5.5

No action required.

*Benchmark is the Barclays Capital Aggregate.

BOND INDEX - VANGUARD TOTAL BOND MARKET INDEX
 Rolling Five Year VAM



Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

**MN STATE 457 DEFERRED COMPENSATION PLAN
INTERNATIONAL – FIDELITY DIVERSIFIED INTERNATIONAL
Periods Ending September, 2012**

Portfolio Manager: William Bower

**State's Participation in Fund: \$225,373,038
Total Assets in Fund: \$13,415,620,000**

**Investment Philosophy
Fidelity Diversified International**

The goal of this fund is capital appreciation by investing in securities of companies located outside of the United States. While the fund invests primarily in stocks, it may also invest in bonds. Most investments are made in companies that have a market capitalization of \$100 million or more and which are located in developed countries. To select the securities, the manager uses fundamental analysis of companies supplemented by relevant economic and regulatory factors and computer-aided quantitative analysis. The manager rarely invests in currency to protect the account from exchange fluctuations.

Staff Comments

No long-term performance concerns. No organizational concerns.

Quantitative Evaluation

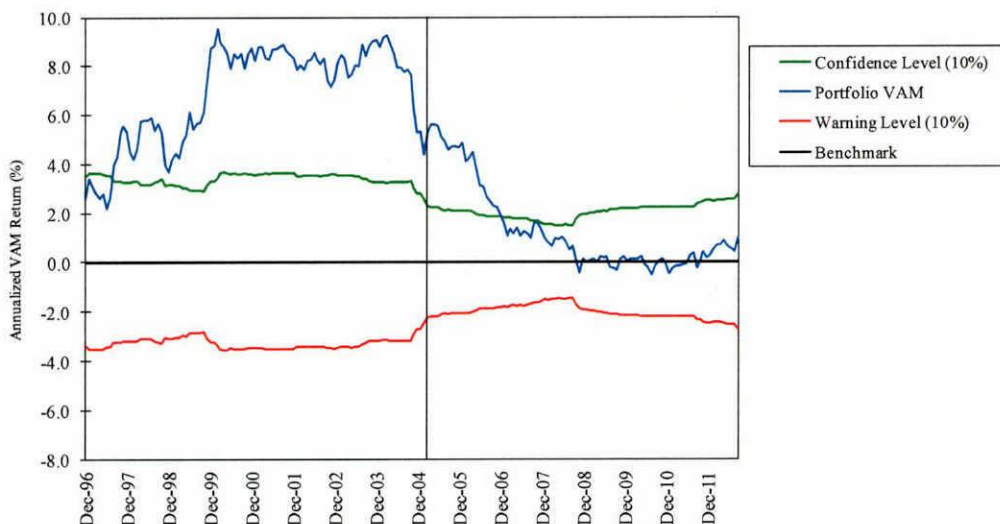
	Actual	Benchmark*
Last Quarter	11.4%	6.9%
Last 1 year	23.7	13.8
Last 2 years	4.9	1.6
Last 3 years	4.8	2.1
Last 4 years	3.0	2.4
Last 5 years	-4.3	-5.2
Since Retention By SBI (7/99)	6.3	2.7

Recommendation

No action required.

*Benchmark is the MSCI EAFE-Free.

INTERNATIONAL - FIDELITY DIVERSIFIED INTERNATIONAL
Rolling Five Year VAM



Five Year Period Ending

Note: Area to the left of the vertical line includes performance prior to retention by the SBI.

**MN STATE 457 DEFERRED COMPENSATION PLAN
INTERNATIONAL – VANGUARD TOTAL INTERNATIONAL STOCK INDEX
Periods Ending September, 2012**

Portfolio Manager: Michael Perre

**State's Participation in Fund: \$102,040,847
Total Assets in Fund: \$12,812,000,000**

**Investment Philosophy
Vanguard Total International Stock Index**

The fund seeks to track the performance of the MSCI All Country World ex USA Investable Market Index, an index designed to measure equity market performance in developed and emerging markets, excluding the United States. The fund assets are invested in the small, mid, and large cap common stocks included in the target index. The fund assets are allocated based on each region's weighting in the index.

Staff Comments

Long-term CIO, Gus Sauter is retiring, Tom Buckley, Managing Director, Vanguard veteran succeeds Sauter January 2013. Tracking error due to fair value pricing.

Quantitative Evaluation

	Actual	Benchmark*
Last Quarter	6.9%	7.5%
Last 1 year	15.5	14.4
Last 2 years	0.7	0.8
Last 3 years	2.8	2.9
Last 4 years	3.2	3.7
Last 5 years	-4.5	-4.4
Since Retention by SBI (7/11)	-7.0	-6.8

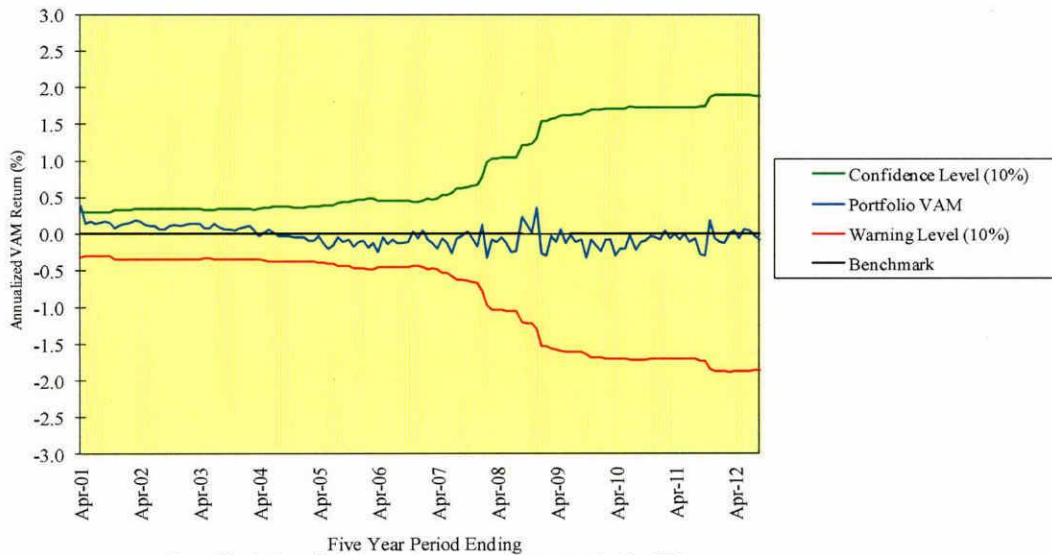
Recommendation

No action required.

Numbers in blue include returns prior to retention by SBI.

* Benchmark is the MSCI ACWI ex US IMI Index beginning December 2010; MSCI EAFE + Emerging Markets Index beginning August 2006. Prior to that date it was the Total International Composite Index, which is the MSCI EAFE Index and the Select Emerging Markets Free Index.

**INTERNATIONAL - VANGUARD TOTAL INTERNATIONAL INDEX
Rolling Five Year VAM**



Note: Shaded area includes performance prior to retention by SBI.

**MN STATE 457 DEFERRED COMPENSATION PLAN
TARGET RETIREMENT FUNDS – STATE STREET GLOBAL ADVISORS (SSgA)
Periods Ending September, 2012**

Portfolio Manager: Various Index Fund Managers	State's Participation in Fund: \$89,169,346
	Total Assets in Fund: \$1,088,294,660

**Investment Philosophy
Target Retirement Funds**

The most important factor in determining the asset allocation mix is the time horizon of each fund. Funds with longer time horizons are assigned initial risk and return objectives which reflect the need to outpace inflation, the ability to take on more short-term volatility, and a reduced need for regular income. This results in larger starting equity allocations. Funds with shorter time horizons are assigned risk and return objectives that reflect a lower tolerance for volatility and an increased need for regular income, and therefore lower equity allocations.

The broad equity/fixed allocations are driven by the risk and return objectives for each fund. In determining the mix, the following factors are considered:

- The time horizon of each fund, which translates into a specific risk/return objective.
- SSgA current capital market assumptions and their impact on the forward looking risk/return of the portfolio.
- The need to differentiate the risk/return profiles for each portfolio so as to offer distinctly different options for plan participants.

Staff Comments

No tracking issues. No organizational concerns.

Recommendation

No action required.

Targeted Asset Allocations: Rebalanced Quarterly

Fund	Total Equity	Total Fixed Income	US										
			1-3 Yr Gov't Credit	US TIPS	US Agg - Bonds	US High Yield Bonds	US Long-Term Gov't Bonds	Large US Stocks	Small/Mid Cap Stocks	Commodities	Non-US Stocks	Global REITs	
2060	90.0	10.0	0.0	0.0	0.0	0.0	0.0	10.0	40.3	18.0	3.5	28.2	0.0
2055	90.0	10.0	0.0	0.0	0.0	0.0	0.0	10.0	40.3	18.0	3.5	28.2	0.0
2050	90.0	10.0	0.0	0.0	0.0	0.0	0.0	10.0	40.3	18.0	3.5	28.2	0.0
2045	90.0	10.0	0.0	0.0	0.0	0.0	0.0	10.0	40.3	18.0	3.5	28.2	0.0
2040	85.3	14.7	0.0	0.0	0.0	0.0	0.0	14.7	40.1	15.7	3.5	26.0	0.0
2035	80.3	19.7	0.0	0.0	0.0	0.0	0.0	19.7	39.7	13.4	3.5	23.7	0.0
2030	72.9	27.1	0.0	2.0	2.4	2.7	20.0	37.3	11.1	11.1	3.5	21.0	0.0
2025	65.3	34.7	0.0	4.1	4.9	5.7	20.0	33.8	8.5	8.5	3.5	18.1	1.4
2020	53.1	46.9	0.0	6.4	14.5	6.0	20.0	27.0	5.8	5.8	3.5	12.9	3.9
2015	40.7	59.3	9.4	17.4	17.5	6.9	8.1	20.9	3.5	3.5	3.5	7.8	5.0
Income	35.0	65.0	20.0	18.0	20.0	7.0	0.0	17.0	3.3	3.3	3.5	6.2	5.0

Note: Totals may not add due to rounding.

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TAB

E

DATE: November 15, 2012

TO: Members, Investment Advisory Council

**FROM: John Griebenow
J.J. Kirby**

Staff has reviewed the following information and action agenda items:

1. Review of current strategy.
2. New investments with two existing private equity managers, Warburg Pincus and Chicago Growth Partners, one existing resource manager, EnCap Investments, and one new private equity manager, Public Pension Capital.

IAC action is required on the last item.

INFORMATION ITEMS:

1) Review of Current Strategy.

To increase overall portfolio diversification, 20% of the Combined Funds is allocated to alternative investments. Alternative investments include real estate, private equity, resource, and yield-oriented investments in which Minnesota State Board of Investment (SBI) participation is limited to commingled funds or other pooled vehicles. Charts summarizing the Board's current commitments are attached (see **Attachments A and B**).

- a. The real estate investment strategy is to establish and maintain a broadly diversified real estate portfolio comprised of investments that provide overall diversification by property type and location. The main component of this portfolio consists of investments in diversified Real Estate Investment Trusts (REITs), open-end commingled funds and closed-end commingled funds. The remaining portion of the portfolio can include investments in less diversified, more focused (specialty) commingled funds and REITs.
- b. The private equity investment strategy, which includes leveraged buyouts and venture capital, is to establish and maintain a broadly diversified private equity portfolio comprised of investments that provide diversification by industry type, stage of corporate development and location.

- c. The strategy for resource investments is to establish and maintain a portfolio of resource investment vehicles that provide an inflation hedge and additional diversification. Resource investments will include oil and gas investments, energy service industry investments and other investments that are diversified geographically and by type.
- d. The strategy for yield-oriented investments is to target funds that typically provide a current return and may have an equity component such as subordinated debt or mezzanine investments. Yield-oriented investments will provide diversification by including investments in the private equity, resource and real estate categories.

ACTION ITEMS:

1) Investment with an existing private equity manager, Warburg Pincus LLC (Warburg Pincus) in Warburg Pincus XI, L.P. (Warburg Pincus XI)

Warburg Pincus is seeking investors for a new \$12 billion private equity fund, Warburg Pincus XI, L.P. This fund is a successor to ten other private equity funds managed by Warburg Pincus. The SBI has invested in five other private equity funds with Warburg Pincus. Like the prior private equity funds, this fund will focus on a growth-oriented investment strategy.

In addition to reviewing the attractiveness of the Warburg Pincus XI investment offering, staff has conducted on-site due diligence, reference checks, a literature database search and reviewed the potential investor base for the fund.

More information on the Warburg Pincus XI fund is included as **Attachment C**.

RECOMMENDATION:

Staff recommends a commitment of \$200 million, or 20% of Warburg Pincus XI, whichever is less. Approval by the Investment Advisory Council of this potential commitment is not intended to be, and does not constitute in any way, a binding or legal agreement or impose any legal obligations on the State Board of Investment and neither the State of Minnesota, the Investment Advisory Council, the State Board of Investment nor its Executive Director have any liability for reliance by Warburg Pincus upon this approval. Until the Executive Director on behalf of the SBI executes a formal agreement, further due diligence and negotiations may result in the imposition of additional terms and conditions on Warburg Pincus or reduction or termination of the commitment.

2) Investment with an existing private equity manager, Chicago Growth Management III, LP (Chicago Growth) in Chicago Growth Partners III, L.P. (Chicago Growth III)

Chicago Growth is seeking investors for a new \$500 million private equity fund, Chicago Growth Partners III. This fund is a successor to three other private equity funds managed by Chicago Growth. The SBI has invested in all three predecessor private equity funds with Chicago Growth. Like the prior private equity funds, this fund will continue the primary focus on investing in small growth companies.

In addition to reviewing the attractiveness of the Chicago Growth III investment offering, staff has conducted on-site due diligence, reference checks, a literature database search and reviewed the potential investor base for the fund.

More information on the Chicago Growth III fund is included as **Attachment D**.

RECOMMENDATION:

Staff recommends a commitment of \$75 million, or 20% of Chicago Growth III, whichever is less. Approval by the Investment Advisory Council of this potential commitment is not intended to be, and does not constitute in any way, a binding or legal agreement or impose any legal obligations on the State Board of Investment and neither the State of Minnesota, the Investment Advisory Council, the State Board of Investment nor its Executive Director have any liability for reliance by Chicago Growth upon this approval. Until the Executive Director on behalf of the SBI executes a formal agreement, further due diligence and negotiations may result in the imposition of additional terms and conditions on Chicago Growth or reduction or termination of the commitment.

3) Investment with an existing resource manager, EnCap Investments, L.P. (EnCap) in EnCap Energy Capital Fund IX, L.P. (EnCap IX)

EnCap is seeking investors for a new \$4.25 billion resource fund, EnCap IX. This fund is a successor to several other similar resource funds managed by EnCap. The SBI has invested in the last two of the prior resource funds with EnCap. Like the prior resource funds, this fund will continue the primary focus on providing growth capital through the development of low-risk oil and gas drilling opportunities.

In addition to reviewing the attractiveness of the EnCap IX investment offering, staff has conducted on-site due diligence reference checks, a literature database search and reviewed the potential investor base for the fund.

More information on the EnCap IX fund is included as **Attachment E**.

RECOMMENDATION:

Staff recommends a commitment of \$100 million, or 20% of EnCap IX, whichever is less. Approval by the Investment Advisory Council of this potential commitment is not intended to be, and does not constitute in any way, a binding or legal agreement or impose any legal obligations on the State Board of Investment and neither the State of Minnesota, the Investment Advisory Council, the State Board of Investment nor its Executive Director have any liability for reliance by EnCap upon this approval. Until the Executive Director on behalf of the SBI executes a formal agreement, further due diligence and negotiations may result in the imposition of additional terms and conditions on EnCap or reduction or termination of the commitment.

4) Investment with a new private equity manager, Public Pension Capital Enterprises LLC (PPC) in Public Pension Capital, L. P. (The PPC Fund)

PPC is seeking investors for a new \$500 million private equity fund, The PPC Fund. The proposed PPC Fund is a new fund bringing together experienced investors in a new management organization utilizing a modified fund model designed to enhance the alignment of interest between investors and Fund management. The Fund will build upon the extensive private equity investment experience of Perry Golkin and Michael T. Tokarz who were employed by Kohlberg Kravis Roberts & Co. ("KKR") for 25 and 17 years, respectively and they worked there together for 16 years. The SBI has invested with KKR in multiple fund investments since 1984. This fund will focus on investing in conservatively priced businesses with sustainable competitive advantages and favorable industry dynamics in the middle-market.

In addition to reviewing the attractiveness of the PPC Fund investment offering, staff has conducted on-site due diligence reference checks, a literature database search and reviewed the potential investor base for the fund.

More information on the the PPC Fund is included as **Attachment F**.

RECOMMENDATION:

Staff recommends a commitment of \$100 million, or 20% of the PPC Fund, whichever is less. Additionally, the commitment is contingent on PPC obtaining at least \$500 million in signed and finalized Limited Partner commitments to the Fund from at least four (4) other Limited Partner investors in the Fund by June 30, 2013. Approval by the Investment Advisory Council of this potential commitment is not intended to be, and does not constitute in any way, a binding or legal agreement or impose any legal obligations on the State Board of Investment and neither the State of Minnesota, the Investment Advisory Council, the State Board of Investment nor its Executive Director have any liability for reliance by PPC upon this approval. Until the Executive Director on behalf of the SBI executes a formal agreement, further due diligence and negotiations may result in the imposition of additional terms and conditions on PPC or reduction or termination of the commitment.

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ATTACHMENT A

Minnesota State Board of Investment
Pooled Alternative Investments
Combined Funds
September 30, 2012

Combined Funds Market Value	\$49,141,332,011
Amount Available for Investment	\$2,559,754,098

	Current Level	Target Level	Difference
Market Value (MV)	\$7,268,512,304	\$9,828,266,402	\$2,559,754,098
MV +Unfunded	\$10,805,397,550	\$14,742,399,603	\$3,937,002,053

Asset Class	Market Value	Unfunded Commitment	Total
Private Equity	\$4,117,293,050	\$1,953,453,582	\$6,070,746,632
Real Estate	\$1,203,423,603	\$278,783,523	\$1,482,207,127
Resource	\$964,296,838	\$578,133,017	\$1,542,429,854
Yield-Oriented	\$983,498,813	\$726,515,124	\$1,710,013,937
Total	\$7,268,512,304	\$3,536,885,246	\$10,805,397,550

ATTACHMENT B

**Minnesota State Board of Investment
- Alternative Investments -**

As of September 30, 2012

Investment	Total Commitment	Funded Commitment	Market Value	Distributions	Unfunded Commitment	IRR %	MOIC*	Period Years
I. REAL ESTATE								
Blackstone								
<i>Blackstone Real Estate Partners V</i>	100,000,000	96,786,582	114,619,422	29,077,885	4,417,812	8.59	1.48	6.43
<i>Blackstone Real Estate Partners VI</i>	100,000,000	96,214,939	117,328,008	12,041,502	6,043,159	7.86	1.34	5.50
<i>Blackstone Real Estate Partners VII</i>	100,000,000	32,781,244	32,798,736	1,986,045	67,218,756	4.28	1.06	0.93
Colony Capital								
<i>Colony Investors II</i>	80,000,000	78,482,328	2,600	90,022,404	1,517,672	4.68	1.15	17.50
<i>Colony Investors III</i>	100,000,000	100,000,000	4,436,300	167,834,385	0	14.59	1.72	14.75
CSFB/ DLJ								
<i>CSFB Strategic Partners III RE</i>	25,000,000	25,166,647	12,063,144	592,398	398,070	-14.65	0.50	7.25
<i>CS Strategic Partners IV RE</i>	50,000,000	48,532,148	31,629,430	6,275,222	2,056,065	-7.22	0.78	4.29
Silverpeak Real Estate Partners								
<i>Silverpeak Legacy Pension Partners II</i>	75,000,000	70,753,841	36,609,949	31,758,951	9,857,501	-0.89	0.97	7.25
<i>Silverpeak Legacy Pension Partners III</i>	150,000,000	66,143,137	27,934,562	0	83,274,488	-20.06	0.42	4.36
Prime Property Fund	40,000,000	40,000,000	265,808,935	0	0	6.35	6.65	30.97
PRISA	9,111,000	9,111,000	9,476,624	293,205	0	7.31	1.07	0.76
T.A. Associates Realty								
<i>Realty Associates Fund V</i>	50,000,000	50,000,000	312,422	90,653,530	0	10.20	1.82	13.35
<i>Realty Associates Fund VI</i>	50,000,000	50,000,000	25,593,606	57,222,481	0	11.13	1.66	10.26
<i>Realty Associates Fund VII</i>	75,000,000	75,000,000	50,925,414	26,156,672	0	0.48	1.03	7.87
<i>Realty Associates Fund VIII</i>	100,000,000	100,000,000	67,494,100	4,943,874	0	-6.96	0.72	6.25
<i>Realty Associates Fund IX</i>	100,000,000	96,000,000	102,944,152	11,734,204	4,000,000	10.08	1.19	4.10
<i>Realty Associates Fund X</i>	100,000,000	0	0	0	100,000,000	N/A	N/A	0.58
UBS-Trumbull Property Fund	42,376,529	42,376,529	303,446,199	0	0	7.12	7.16	30.42
Real Estate Total	1,346,487,529	1,077,348,395	1,203,423,603	530,592,758	278,783,523		1.61	
II. RESOURCE								
Apache Corp III	30,000,000	30,000,000	5,467,410	56,456,992	0	12.27	2.06	25.75
EnCap Energy								
<i>EnCap Energy Capital Fund VII</i>	100,000,000	83,654,205	52,521,208	72,551,403	16,898,538	20.85	1.50	5.25
<i>EnCap Energy Capital Fund VIII</i>	100,000,000	26,697,357	31,473,593	4,155,159	73,302,643	35.91	1.33	2.00
Energy & Minerals Group								
<i>NGP Midstream & Resources</i>	100,000,000	93,466,930	96,202,294	65,500,592	6,844,093	21.15	1.73	5.50
<i>The Energy & Minerals Group Fund II</i>	100,000,000	32,755,762	30,694,671	86,910	67,244,238	-26.37	0.94	1.02
Energy Capital Partners II-A	100,000,000	46,696,241	52,966,201	5,080,856	57,244,292	15.42	1.24	2.20
First Reserve								
<i>First Reserve Fund X</i>	100,000,000	100,000,000	39,211,639	137,828,027	0	30.84	1.77	7.91
<i>First Reserve Fund XI</i>	150,000,000	149,328,518	122,150,898	42,727,108	671,482	3.00	1.10	5.77
<i>First Reserve Fund XII</i>	150,000,000	112,889,267	104,825,300	8,895,980	37,110,733	0.31	1.01	3.92
NGP								
<i>Natural Gas Partners IX</i>	150,000,000	122,588,630	142,915,022	17,067,336	24,751,179	12.37	1.31	4.94
<i>NGP Natural Resources X</i>	150,000,000	21,951,029	20,936,343	53,200	128,048,971	-8.05	0.96	0.97
Sheridan								
<i>Sheridan Production Partners I</i>	100,000,000	100,002,260	83,822,990	54,250,000	0	11.46	1.38	5.50
<i>Sheridan Production Partners II</i>	100,000,000	22,000,000	18,385,004	0	78,000,000	-20.71	0.84	2.00
EIG Global Energy Partners								
<i>TCW Energy Partners XIV</i>	100,000,000	99,402,333	77,570,686	54,106,000	15,211,103	12.14	1.32	5.45
<i>Energy Partners XV</i>	150,000,000	77,194,256	85,153,577	5,197,529	72,805,744	19.04	1.17	2.32
Resource Total	1,680,000,000	1,118,626,787	964,296,838	523,957,093	578,133,017		1.33	
III. YIELD-ORIENTED								
Audax Mezzanine Fund III	100,000,000	32,950,914	32,581,868	1,403,956	67,049,086	4.78	1.03	2.49
Citicorp Mezzanine III	100,000,000	88,029,296	511,384	132,324,719	0	15.61	1.51	12.91
DLJ Investment Partners								
<i>DLJ Investment Partners II</i>	27,375,168	23,164,217	466,684	34,714,861	4,955,172	10.50	1.52	12.75
<i>DLJ Investment Partners III</i>	100,000,000	47,526,585	21,538,800	30,245,110	54,472,704	0.02	1.09	6.28
Gold Hill Venture Lending								
<i>Gold Hill Venture Lending</i>	40,000,000	40,000,000	8,909,128	46,474,711	0	8.00	1.38	8.01
<i>Gold Hill 2008</i>	25,852,584	23,525,851	24,279,996	7,292,213	2,326,732	15.77	1.34	4.25
GS Mezzanine Partners								
<i>GS Mezzanine Partners II</i>	100,000,000	100,000,000	40,019	131,871,972	0	7.05	1.32	12.58
<i>GS Mezzanine Partners III</i>	75,000,000	74,934,629	7,574,862	90,965,966	65,371	7.95	1.32	9.22
<i>GS Mezzanine Partners 2006 Institutional</i>	100,000,000	74,999,888	42,506,667	56,875,563	25,000,112	0.93	1.33	6.48
<i>GS Mezzanine Partners V</i>	150,000,000	58,465,770	51,857,309	33,959,850	82,518,217	10.19	1.47	4.94
Merit Capital Partners								
<i>William Blair Mezzan. Cap. Fd. III</i>	60,000,000	57,633,241	5,270,849	103,358,263	2,366,759	15.20	1.88	12.75
<i>Merit Mezzanine Fund IV</i>	75,000,000	69,807,692	36,909,460	57,866,081	5,192,308	8.09	1.36	7.79
<i>Merit Mezzanine Fund V</i>	75,000,000	32,142,857	28,727,421	0	42,857,143	-9.71	0.89	2.78
Merit Energy Partners								
<i>Merit Energy Partners B</i>	24,000,000	24,000,000	54,678,389	127,970,137	0	24.71	7.61	16.25
<i>Merit Energy Partners C</i>	50,000,000	50,000,000	158,429,392	289,156,064	0	31.29	8.95	13.92
<i>Merit Energy Partners D</i>	88,000,000	70,938,303	109,467,076	204,199,391	0	23.44	4.42	11.35
<i>Merit Energy Partners E</i>	100,000,000	39,983,197	50,049,862	44,456,348	0	15.43	2.36	7.96
<i>Merit Energy Partners F</i>	100,000,000	57,841,607	46,998,182	15,393,670	42,158,394	2.29	1.08	6.52
<i>Merit Energy Partners H</i>	100,000,000	18,848,793	14,901,721	182,279	81,151,207	-21.51	0.80	1.66

Minnesota State Board of Investment
- Alternative Investments -

As of September 30, 2012

Investment	Total Commitment	Funded Commitment	Market Value	Distributions	Unfunded Commitment	IRR %	MOIC*	Period Years
Prudential Capital Partners								
<i>Prudential Capital Partners I</i>	100,000,000	97,386,612	30,785,684	117,045,498	7,356,824	10.98	1.52	11.45
<i>Prudential Capital Partners II</i>	100,000,000	93,553,902	40,847,549	89,441,698	6,848,066	8.99	1.39	7.25
<i>Prudential Capital Partners III</i>	100,000,000	85,922,831	86,440,056	17,729,271	16,983,636	11.45	1.21	3.46
<i>Prudential Capital Partners IV</i>	100,000,000	0	0	0	100,000,000	N/A	N/A	0.70
Summit Partners								
<i>Summit Subordinated Debt Fund I</i>	20,000,000	18,000,000	79,082	31,406,578	2,000,000	30.54	1.75	18.50
<i>Summit Subordinated Debt Fund II</i>	45,000,000	40,500,000	3,280,556	87,083,277	4,500,000	56.28	2.23	15.16
<i>Summit Subordinated Debt Fund III</i>	45,000,000	42,690,965	20,734,079	33,870,368	2,850,000	8.89	1.28	8.62
<i>Summit Subordinated Debt Fund IV</i>	50,000,000	30,249,999	33,549,057	730,555	19,750,001	9.13	1.13	4.51
<i>TCW/Crescent Mezzanine Partners III</i>	75,000,000	68,868,042	5,244,226	156,103,491	29,701,079	36.11	2.34	11.50
Windjammer Capital Investors								
<i>Windjammer Mezzanine & Equity Fund II</i>	66,708,861	52,082,565	9,663,929	67,026,850	14,372,929	8.26	1.47	12.50
<i>Windjammer Senior Equity Fund III</i>	75,000,000	64,300,776	56,624,498	42,272,032	13,290,634	16.06	1.54	6.74
<i>Windjammer Senior Equity Fund IV</i>	100,000,000	1,251,250	551,028	0	98,748,750	-64.49	0.44	0.60
Yield-Oriented Total	2,366,936,613	1,579,599,783	983,498,813	2,051,420,774	726,515,124		1.92	
IV. PRIVATE EQUITY								
Adams Street Partners								
<i>Adams Street VPAF Fund II</i>	20,000,000	20,000,000	6,736	38,018,534	0	24.09	1.90	21.84
<i>Adams Street Global Secondary Fund 5</i>	100,000,000	0	0	0	100,000,000	N/A	N/A	0.28
Advent International								
<i>Advent International GPE VI-A</i>	50,000,000	44,850,000	47,935,087	6,834,035	5,150,000	10.97	1.22	4.50
<i>Advent International GPE VII</i>	90,000,000	0	0	0	90,000,000	N/A	N/A	0.04
Affinity Ventures								
<i>Affinity Ventures IV</i>	4,000,000	4,000,000	2,389,067	1,541,970	0	-0.55	0.98	8.25
<i>Affinity Ventures V</i>	5,000,000	3,800,000	3,393,479	814,728	1,200,000	4.50	1.11	4.24
Banc Fund								
<i>Banc Fund VII</i>	45,000,000	45,000,000	26,648,595	812,725	0	-8.55	0.61	7.50
<i>Banc Fund VIII</i>	98,250,000	56,002,500	61,178,419	0	42,247,500	5.57	1.09	4.43
Blackstone								
<i>Blackstone Capital Partners IV</i>	70,000,000	71,741,530	44,292,103	128,445,370	2,529,778	37.98	2.41	10.22
<i>Blackstone Capital Partners V</i>	140,000,000	128,991,084	120,754,616	16,222,192	12,931,621	0.73	1.06	6.66
<i>Blackstone Capital Partners VI</i>	100,000,000	13,164,566	12,401,811	0	86,835,434	-21.48	0.94	4.18
BLUM Capital Partners								
<i>Blum Strategic Partners I</i>	50,000,000	49,158,307	205,320	99,450,576	2,009,928	12.70	2.03	13.77
<i>Blum Strategic Partners II</i>	50,000,000	40,185,889	2,728,995	86,280,040	2,127,584	22.40	2.21	11.20
<i>Blum Strategic Partners III</i>	75,000,000	74,806,485	20,029,423	54,876,520	193,515	-1.04	1.00	7.33
<i>Blum Strategic Partners IV</i>	150,000,000	149,416,093	102,727,538	16,567,807	13,011,226	-6.11	0.80	4.87
Carval Investors								
<i>CVI Global Value Fund</i>	200,000,000	190,000,000	165,800,059	95,711,294	10,000,000	7.61	1.38	5.72
<i>CarVal Credit Value Fund I</i>	100,000,000	95,000,000	113,899,965	63,000	5,000,000	14.68	1.20	2.00
Chicago Growth Partners (William Blair)								
<i>William Blair Capital Partners VII</i>	50,000,000	48,150,000	6,630,983	63,741,199	1,650,000	9.14	1.46	11.56
<i>Chicago Growth Partners I</i>	50,000,000	51,891,998	33,526,574	31,301,422	850,000	6.61	1.25	7.18
<i>Chicago Growth Partners II</i>	60,000,000	46,050,070	44,612,430	15,425,230	13,697,930	14.91	1.30	4.56
Court Square Capital								
<i>Court Square Capital Partners</i>	100,000,000	80,247,564	23,573,867	153,854,096	10,552,581	28.76	2.21	10.80
<i>Court Square Capital Partners II</i>	175,000,000	155,320,158	178,275,639	20,235,759	21,320,048	8.98	1.28	6.07
<i>Court Square Capital Partners III</i>	175,000,000	0	0	0	175,000,000	N/A	N/A	0.33
Crescendo								
<i>Crescendo III</i>	25,000,000	25,000,000	754,896	10,804,457	0	-13.07	0.46	13.90
<i>Crescendo IV</i>	101,500,000	101,500,000	24,732,476	20,124,650	0	-8.51	0.44	12.56
CSFB/ DLJ								
<i>DLJ Merchant Banking Partners III</i>	125,000,000	121,585,303	26,819,716	246,558,388	3,414,697	19.20	2.25	12.00
<i>DLJ Strategic Partners</i>	100,000,000	94,982,875	8,323,786	164,766,542	3,467,125	22.56	1.82	11.70
<i>CSFB Strategic Partners II-B</i>	100,000,000	83,911,102	8,346,530	151,339,368	10,288,898	35.40	1.90	9.20
<i>CSFB Strategic Partners III VC</i>	25,000,000	23,578,412	14,921,740	15,556,824	1,421,588	6.74	1.29	7.33
<i>CSFB Strategic Partners III-B</i>	100,000,000	76,362,250	72,966,761	33,174,105	16,795,654	6.94	1.39	7.33
<i>CS Strategic Partners IV VC</i>	40,500,000	36,696,203	36,278,826	12,883,945	3,638,903	11.18	1.34	4.29
<i>CS Strategic Partners IV-B</i>	100,000,000	84,393,835	78,303,257	44,274,321	15,606,165	14.87	1.45	4.51
<i>CS Strategic Partners V</i>	100,000,000	35,083,901	38,223,791	3,323,273	64,916,099	54.15	1.18	1.12
<i>CVC European Equity Partners V</i>	128,649,960	90,535,244	91,947,856	22,066,241	19,346,771	10.90	1.26	4.51
Diamond Castle Partners IV	100,000,000	88,059,040	83,017,207	23,449,033	11,981,445	4.66	1.21	6.06
DSV Partners IV	10,000,000	10,000,000	32,190	39,196,082	0	10.61	3.92	27.47
EBF and Associates								
<i>Merced Partners II</i>	75,000,000	63,768,881	20,825,338	100,001,458	0	25.08	1.89	5.50
<i>Merced Partners III</i>	100,000,000	75,000,000	81,578,025	0	25,000,000	5.82	1.09	2.40
Elevation Partners	75,000,000	68,485,396	48,735,496	45,311,808	12,600,194	9.24	1.37	7.37
Fox Paine Capital Fund II	50,000,000	45,719,869	14,718,521	73,394,027	12,532,969	19.91	1.93	12.25
GHJM Marathon Fund								
<i>GHJM Marathon Fund IV</i>	40,000,000	39,051,000	481,267	57,012,488	949,000	8.35	1.47	13.46
<i>GHJM Marathon Fund V</i>	50,000,000	49,103,156	56,544,202	30,587,635	973,555	12.97	1.77	8.00
<i>TrailHead Fund</i>	20,000,000	4,417,464	4,250,682	0	15,582,536	-7.00	0.96	0.60
Golder, Thoma, Cressey, Rauner								
<i>Golder, Thoma, Cressey & Rauner Fund IV</i>	20,000,000	20,000,000	77,624	42,300,018	0	25.06	2.12	18.66
<i>Golder, Thoma, Cressey & Rauner Fund V</i>	30,000,000	30,000,000	719,011	53,955,241	0	10.99	1.82	16.25

**Minnesota State Board of Investment
- Alternative Investments -**

As of September 30, 2012

Investment	Total Commitment	Funded Commitment	Market Value	Distributions	Unfunded Commitment	IRR %	MOIC*	Period Years
GS Capital Partners								
<i>GS Capital Partners 2000</i>	50,000,000	50,000,000	8,593,263	99,515,214	0	22.44	2.16	12.08
<i>GS Capital Partners V</i>	100,000,000	66,390,364	52,203,405	98,998,131	26,041,099	15.61	2.28	7.50
<i>GS Capital Partners VI</i>	100,000,000	67,466,382	53,172,367	16,445,230	24,700,612	-0.44	1.03	5.66
GTCR Golder Rauner								
<i>GTCR VI</i>	90,000,000	90,000,000	743,213	77,813,800	0	-4.92	0.87	14.25
<i>GTCR VII</i>								
<i>GTCR Fund VII</i>	131,250,000	129,390,615	544,034	306,551,141	1,859,375	21.93	2.37	12.65
<i>GTCR Fund VII-A</i>	43,750,000	29,859,374	176,749	80,771,585	13,890,626	82.03	2.71	11.70
<i>GTCR IX</i>	75,000,000	69,539,933	73,571,247	14,180,720	5,460,067	8.60	1.26	6.25
<i>GTCR X</i>	100,000,000	46,698,604	44,067,278	0	53,301,396	-8.46	0.94	1.81
Hellman & Friedman								
<i>Hellman & Friedman Capital Partners IV</i>	150,000,000	133,967,494	230,521	383,769,706	15,365,585	34.67	2.87	12.75
<i>Hellman & Friedman Capital Partners V</i>	160,000,000	145,345,395	87,881,098	277,729,435	16,687,627	27.56	2.52	7.83
<i>Hellman & Friedman Capital Partners VI</i>	175,000,000	167,607,319	140,333,541	62,098,816	8,515,300	5.42	1.21	5.50
<i>Hellman & Friedman Capital Partners VII</i>	50,000,000	14,874,031	13,690,683	0	35,125,969	-10.70	0.92	3.45
Kohlberg Kravis Roberts								
<i>KKR 1996 Fund</i>	200,000,000	199,902,841	2,308,227	372,364,247	0	13.16	1.87	16.08
<i>KKR Millennium Fund</i>	200,000,000	200,000,000	141,992,954	225,724,457	0	16.12	1.84	9.81
<i>KKR 2006 Fund</i>	200,000,000	200,371,411	167,677,414	91,239,186	12,932,787	6.14	1.29	6.01
Green Equity Investors VI	200,000,000	0	0	0	200,000,000	N/A	N/A	0.54
Lexington Capital Partners								
<i>Lexington Capital Partners VI-B</i>	100,000,000	95,463,725	66,633,374	52,597,288	4,536,275	6.81	1.25	6.77
<i>Lexington Capital Partners VII</i>	200,000,000	91,422,352	92,526,745	23,089,126	108,577,648	21.41	1.26	3.30
RWI Ventures								
<i>RWI Group III</i>	616,430	616,430	34,868	526,806	0	-3.27	0.91	6.25
<i>RWI Ventures I</i>	7,603,265	7,603,265	546,108	5,974,262	0	-5.29	0.86	6.25
Sightline Healthcare								
<i>Sightline Healthcare Fund II</i>	10,000,000	10,000,000	397,992	5,635,402	0	-6.79	0.60	15.58
<i>Sightline Healthcare Fund III</i>	20,000,000	20,000,000	2,206,918	5,465,766	0	-11.07	0.38	13.69
<i>Sightline Healthcare Fund IV</i>	7,700,000	7,753,673	1,818,714	4,621,834	0	-5.36	0.83	9.02
Silver Lake Partners								
<i>Silver Lake Partners II</i>	100,000,000	89,407,664	63,001,588	75,962,515	11,588,204	9.76	1.55	8.25
<i>Silver Lake Partners III</i>	100,000,000	73,822,994	63,049,888	42,177,424	26,912,433	16.38	1.43	5.50
Split Rock Partners								
<i>Split Rock Partners</i>	50,000,000	44,236,363	34,402,115	555,384	5,763,637	-5.80	0.79	7.42
<i>Split Rock Partners II</i>	60,000,000	23,300,000	18,944,917	475,376	36,000,000	-9.87	0.83	4.42
Summit Partners								
<i>Summit Ventures V</i>	25,000,000	24,125,000	304,104	32,936,046	875,000	8.06	1.38	14.50
<i>Summit Partners Growth Equity Fund VIII</i>	100,000,000	4,500,000	4,407,291	0	95,500,000	-2.06	0.98	1.41
T. Rowe Price	37,570,199	37,570,199	18,012,138	15,518,170	0	-6.62	0.89	7.62
Thoma Cressey								
<i>Thoma Cressey Fund VI</i>	35,000,000	33,915,000	4,992,772	29,371,225	1,085,000	0.16	1.01	14.11
<i>Thoma Cressey Fund VII</i>	50,000,000	50,000,000	16,609,122	81,393,218	0	23.30	1.96	12.10
<i>Thoma Cressey Fund VIII</i>	70,000,000	68,932,574	78,148,738	62,506,646	770,000	15.13	2.04	6.42
Thomas, Mc Nerney & Partners								
<i>Thomas, Mc Nerney & Partners I</i>	30,000,000	28,650,000	14,199,742	10,504,694	1,350,000	-3.54	0.86	9.90
<i>Thomas, Mc Nerney & Partners II</i>	50,000,000	42,875,000	36,338,617	5,132,263	7,125,000	-1.24	0.97	6.25
Varde Fund								
<i>Varde Fund IX</i>	100,000,000	100,000,000	134,045,360	23,788,846	0	12.21	1.58	4.27
<i>Varde Fund X</i>	150,000,000	127,500,000	142,407,173	0	22,500,000	6.87	1.12	2.44
Vestar Capital Partners								
<i>Vestar Capital Partners IV</i>	55,000,000	52,761,494	13,498,915	80,226,251	746,945	13.55	1.78	12.79
<i>Vestar Capital Partners V</i>	75,000,000	73,865,049	54,417,641	22,488,956	1,460,180	1.08	1.04	6.78
<i>Vestar Capital Partners VI</i>	100,000,000	1,472,711	1,472,711	0	98,527,289	0.00	1.00	1.02
Warburg Pincus								
<i>Warburg Pincus Equity Partners</i>	100,000,000	100,000,000	3,002,224	157,951,853	0	9.93	1.61	14.26
<i>Warburg Pincus Private Equity VIII</i>	100,000,000	100,000,000	83,655,879	138,224,844	0	15.85	2.22	10.46
<i>Warburg Pincus Private Equity IX</i>	100,000,000	100,000,000	102,911,615	57,278,136	0	9.90	1.60	7.18
<i>Warburg Pincus Private Equity X</i>	150,000,000	145,410,914	145,405,412	10,360,197	4,650,000	2.67	1.07	4.94
Wayzata								
<i>Wayzata Opportunities Fund</i>	100,000,000	93,180,000	78,720,216	82,639,109	6,820,000	9.87	1.73	6.78
<i>Wayzata Opportunities Fund II</i>	150,000,000	57,450,000	140,742,105	5,379,900	92,550,000	15.13	2.54	4.94
<i>Wayzata Opportunities Fund III</i>	150,000,000	0	0	0	150,000,000	N/A	N/A	0.29
Welsh, Carson, Anderson & Stowe								
<i>Welsh, Carson, Anderson & Stowe VIII</i>	100,000,000	100,000,000	842,745	128,163,520	0	3.12	1.29	14.19
<i>Welsh, Carson, Anderson & Stowe IX</i>	125,000,000	122,500,000	36,865,676	163,781,661	2,500,000	11.46	1.64	12.26
<i>Welsh, Carson, Anderson & Stowe X</i>	100,000,000	97,578,466	86,130,437	28,546,446	3,000,000	3.49	1.18	6.79
<i>Welsh, Carson, Anderson & Stowe XI</i>	100,000,000	58,087,217	65,803,291	0	41,912,783	7.38	1.13	4.19
Private Equity Total	8,306,389,854	6,330,424,027	4,117,293,050	5,480,751,234	1,953,453,582		1.52	
Alternatives Total	13,699,813,996	10,105,998,992	7,268,512,304	8,586,721,859	3,536,885,246		1.57	

None of the data presented herein has been reviewed or approved by either the general partner or investment manager. The performance and valuation data presented herein is not a guarantee or prediction of future results. Ultimately, the actual performance and value of any investment is not known until final liquidation. Because there is no industry-standardized method for valuation or reporting, comparisons of performance and valuation data among different investments is difficult.

* MOIC: Multiple of Invested Capital

PRIVATE EQUITY MANAGER SUMMARY PROFILE

I. Background Data

Name of Fund:	Warburg Pincus Private Equity XI, L.P.
Type of Fund:	Private Equity
Target Fund Size:	\$12 billion
Fund Manager:	Warburg Pincus LLC
Manager Contact:	Steve Schneider 450 Lexington Ave. New York NY 10017 212-878-6238

II. Organization and Staff

Warburg Pincus is one of the oldest and most established private equity firms in the world. During 2011, the firm marked the 45th anniversary of its founding. Since its founding, Warburg Pincus has expanded from a small “deal firm” into one of the largest and most successful private equity firms in the world. The 1971 fund was the first of 12 Warburg Pincus private equity funds representing \$42 billion in committed capital—ten prior global private equity funds and two companion private equity funds that co-invested with the firm’s global funds outside the U.S. The firm also raised a \$1.2 billion global real estate fund in 2006 that is now fully invested.

Warburg Pincus has grown to become an institution with 67 managing directors and a total of more than 180 investment professionals who invest capital on a worldwide basis. The firm is headquartered in New York with eight additional offices around the world focused on investing—Beijing, Frankfurt, Hong Kong, London, Mumbai, San Francisco, Sao Paulo and Shanghai. The firm also has administrative offices in New York, Luxembourg, Amsterdam and Port Louis, Mauritius. While Warburg Pincus was founded in New York and remains headquartered there, it has become one of the most global firms in the private equity industry. The firm made its first investment outside the U.S. into Europe in 1983, and, today, approximately half of the firm’s investment professionals are based outside of the U.S. The vast majority of these professionals are local to their markets, which highlights the firm’s long-held strategy of building a strong local presence, with local teams, in offices outside the U.S. In addition, most of the professionals working outside the U.S. are based in emerging markets, including 35 professionals in China and 15 professionals in India.

The firm’s investment activities are coordinated by a 17-person Executive Management Group (EMG) led by the two co-presidents, Charles R. Kaye and Joseph P. Landy. The

members of the EMG have an average tenure of 15 years with the firm and an average age of 52.

III. Investment Strategy

Since its founding, Warburg Pincus has followed a growth-oriented investment strategy that the firm continues to pursue today. The firm's focus is on finding talented entrepreneurs and management teams with novel investment ideas and then working with them to build durable businesses of scale with sustainable growth trajectories.

The firm emphasizes flexible investing in growth companies around the world across certain industry sectors. This is accomplished through a one-firm culture and a focus on a global fund, an approach that allows Warburg Pincus to adapt its investing pace and focus to market conditions, sector trends, industry cycles, valuation/pricing cycles and what it sees as the best risk and return opportunities at the time. The firm has no pre-determined, fixed allocations to any industry sector or geographic area, and the mix of investments in any one fund will, again, reflect what the firm sees as the best risk-adjusted return opportunities at the time for the firm and its Limited Partners. The firm has typically constructed a diversified portfolio of 60 to 90 companies in each fund.

There are three particularly important, long-term themes that are expected to continue to guide the firm's investment focus: emerging markets, natural resources and innovation. The firm pursues these long-term themes by focusing on thesis-based growth investing across five core industry sectors in which the firm has decades of investment experience.

The firm's core industry sectors today are Healthcare, Technology / Media / Telecommunications (TMT), Energy, Financial Services and Consumer, Industrial & Services (CIS), each with numerous sub-sectors of specialization.

IV. Investment Performance

Previous fund performance as of September 30, 2012 for Warburg Pincus and the SBI's investments with previous funds, where applicable, is shown below:

Fund	Inception Date	Total Commitments (\$ in millions)	SBI Investment (\$ in millions)	Net IRR from Inception*	Net MOIC from Inception*
Warburg Pincus X	2007	\$15,100	\$150	5.50%	1.2
Warburg Pincus IX	2005	\$8,000	\$100	10.40%	1.6
Warburg Pincus VIII	2001	\$5,300	\$100	15.90%	2.2
Warburg Pincus Equity Partners	1998	\$5,000	\$100	10.20%	1.6
Warburg Pincus Ventures	1994	\$2,000	\$50	49.50%	5.2

* Previous Fund investments may be relatively immature and, therefore, returns may not be indicative of future results. Net IRR and Multiple of Invested Capital (MOIC) were provided by Warburg Pincus.

V. General Partner's Investment

Warburg Pincus partners and professionals have committed nearly \$400 million to WP XI.

VI. Takedown Schedule

Limited Partners will generally receive 10 business days' advance notice prior to each capital call.

VII. Management Fee

1.3% of committed capital during the investment period, stepping down after the investment period.

VIII. Distributions

80% of realized profits to the Limited Partners and 20% to the General Partner, subject to a requirement that each partners' net capital account exceed 125% of the base capital accounts before any distributions are made.

IX. Investment Period and Term

The Fund will terminate twelve years from initial closing date of the Fund, but may be subject to extension provisions.

The Investment Period will last for a period of six years from the initial closing date of the Fund.

** This document is a summary of more detailed information provided in the Confidential Private Placement Memorandum (the "PPM"). It is qualified in its entirety by the more detailed information provided in the PPM and any supplemental thereto.*

PRIVATE EQUITY MANAGER SUMMARY PROFILE

I. Background Data

Name of Fund:	Chicago Growth Partners III, LP
Type of Fund:	Private Equity
Target Fund Size:	\$500 million
Fund Manager:	Chicago Growth Management III, LP
Manager Contact:	Rob Healy 303 W. Madison St. Suite 2500 Chicago, IL 60606 (312) 698-6333

II. Organization and Staff

Chicago Growth Partners (CGP) is a leading private equity firm founded in 2004 by the partners and investment professionals of William Blair Capital Partners. Headquartered in Chicago, the firm aims to capitalize on the team's long-term relationships, deep industry experience and national sourcing network. CGP seeks growth-oriented, high quality investment opportunities within its targeted sectors to partner with entrepreneurs seeking to maintain or accelerate revenue and EBITDA growth in their businesses. Using modest leverage, CGP facilitates ownership transfer and founder liquidity while its operational "tool-kit" helps drive best practices in technology, sales, marketing and strategic planning in each of its portfolio companies.

The team is comprised of 24 individuals, including 18 experienced investment professionals led by Dave Chandler, Rob Healy, Devin Mathews and Arda Minocherhomjee who previously worked together at William Blair Capital Partners. The CGP Partners have been working at CGP or its predecessor for as long as 25 years and have honed a direct, respectful and performance-oriented culture. CGP also employs full-time operating partners and finance professionals.

III. Investment Strategy

CGP focuses on companies with a differentiated product or service; stable, highly visible or recurring revenue; low/no customer concentration; participating in a dynamic market where above average growth can be sustained during and after the ownership period; a valuation where CGP believes it can deliver attractive returns based on its conservative assumptions; and which are led by management teams that are excited about CGP's operational approach to building great growth companies.

CGP generally invests in small growth companies with EBITDA typically between \$3 million and \$20 million and enterprise values below \$250 million. Prior to CGP's ownership, these target companies are generally growing at least 10-15% per annum but often at significantly higher rates. CGP's focus leads to consistent and quality deal flow because it can leverage its relationships from over two decades of industry-focused investing in Education, Tech-Enabled Services, Healthcare and Industrial Growth sectors and with hundreds of executives who have worked for portfolio companies over the years. CGP targets intermediaries who share the Firm's industry preferences and is thereby able to source more effectively by finding great companies before they are available or known to others. CGP is also able to attract high quality industry-focused management talent post-investment because of its deep sector specific networks and its systematic approach to finding and building an executive bench within its target sectors.

CGP works with portfolio company management to invest in sales and marketing and technology and systems to facilitate continuous improvements through process enhancement and access to real time key operating metrics. CGP is committed to assisting management teams with building sustainable, disciplined and repeatable growth into their businesses through data, technology, planning, training, execution and tracking within the sales and marketing function. Additionally, CGP's tool-kit helps companies create differentiation, build enterprise value and drive margin improvement by building data-capture and reporting capabilities, allowing its portfolio company managers to make accurate, data-driven decisions for their growing companies.

IV. Investment Performance

Previous fund performance as of June 30, 2012 for CGP and the SBI's investments with previous funds, where applicable, is shown below:

Fund	Inception Date	Total Commitments (in millions)	SBI Investment (\$ in millions)	Net IRR from Inception*	Net MOIC from Inception*
Chicago Growth Partners II, L.P.	2008	\$500	\$60	16.3%	1.4x
Chicago Growth Partners, L.P.	2005	\$270	\$50	6.9%	1.3x
William Blair Capital Partners VII, L.P.	2001	\$403	\$50	9.2%	1.5x

* Previous Fund investments may be relatively immature and, therefore, returns may not be indicative of future results. Net IRR and Multiple of Invested Capital (MOIC) were provided by CGP.

V. General Partner's Investment

At least 5.0% of the Fund's aggregate commitments, up to a total commitment of \$25 million.

VI. Takedown Schedule

Limited Partners will generally receive 10 business days' advance notice prior to each capital call.

VII. Management Fee

2% of capital committed to the Fund, declining after the investment period as the portfolio is liquidated.

VIII. Distributions

80% of realized profits to the Limited Partners and 20% to the General Partner, subject to an 8% preferred return to the Limited Partners.

IX. Investment Period and Term

The Fund will terminate after 10 years, subject to extension provisions.

The Investment Period will last for a period of six years from the initial closing date of the Fund.

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RESOURCE MANAGER SUMMARY PROFILE

I. Background Data

Name of Fund:	EnCap Energy Capital Fund IX, L.P.
Type of Fund:	Resource Limited Partnership
Target Fund Size:	\$4.25 billion
Fund Manager:	EnCap Investments L.P.
Manager Contact:	Chuck Bauer 1100 Louisiana Street, Suite 4900 Houston, TX 77002 (713) 659-6100

II. Organization and Staff

EnCap Investments L.P. is controlled and managed by David B. Miller, Gary R. Petersen, D. Martin Phillips and Robert L. Zorich. The EnCap Principals have had a professional association that spans more than 30 years. In addition to the Principals, three of the Firm's Partners – Jason M. DeLorenzo, E. Murphy Markham IV and Douglas E. Swanson, Jr. – who have an average of over 20 years' industry related experience, including an average 10-year-plus tenure at EnCap, serve on the Firm's management and upstream investment committees alongside the Principals.

EnCap maintains offices in the heart of the energy industry in both Houston, Texas and Dallas, Texas, with a highly qualified team of 26 oil and gas investment professionals, three investor relations professionals, and a seven-person fund administration staff, which includes five certified public accountants.

III. Investment Strategy

Fund IX will primarily focus on providing growth capital, typically making commitments of \$200 million to \$300 million per transaction, to proven management teams whose principal objective is value creation through the development of low-risk drilling opportunities in known producing regions and/or the acquisition and exploitation of oil and natural gas reserves in the United States and Canada. A number of these opportunities may be created through the application of advanced horizontal drilling and multi-stage fracture technologies to conventional and unconventional reservoirs. While horizontal drilling and fracture stimulation have been successfully utilized by the industry for many years, the recent evolution to longer laterals and multiple fracture stages has materially improved recoveries and economics in many reservoir types. EnCap believes the resource plays, which involve the application of these technologies, create compelling investment opportunities for Fund IX due to the following factors:

(i) their extensive geographic areas; (ii) low break-even prices needed to generate targeted rates of return; (iii) less geological risk and lower finding and development costs than vertical drilling; (iv) the potential for significant organic growth; (v) technological upside and transferability; and (vi) premium valuations from public markets. Equally important is the fact that the most likely candidates to acquire EnCap portfolio companies, the mid- to large-cap public E&P, major and national oil companies, continue to have significant appetite for such assets, affording Fund IX ongoing opportunities to generate attractive returns.

Regardless of the nature of the opportunity, EnCap remains focused on its economics-driven, value oriented investment approach, with a particular emphasis on assisting the Firm's portfolio companies in managing risk.

IV. Investment Performance

The historical investment performance of EnCap as of September 30, 2012 is presented below:

Fund	Inception Date	Total Commitments (in millions)	MSBI Investment (in millions)	Net IRR from Inception*	Net MOIC from Inception*
EnCap VIII	2010	\$3,953	\$100	27%	1.2x
EnCap VII	2007	\$2,752	\$100	21%	1.5x
EnCap VI	2006	\$1,656	\$0	26%	1.8x
EnCap V	2004	\$931	\$0	29%	1.8x
EnCap IV	2001	\$570	\$0	67%	2.1x
EnCap III	1997	\$469	\$0	24%	2.4x
EnCap II	1996	\$115	\$0	4%	1.1x
EnCap I	1994	\$104	\$0	25%	1.9x

* Previous Fund investments may be relatively immature and, therefore, returns may not be indicative of future results. Net IRR and Multiple of Invested Capital (MOIC) were provided by EnCap.

V. General Partner's Investment

The General Partner will make a cash commitment equal to 3.0% of the aggregate commitments.

VI. Takedown Schedule

Commitments are expected to be drawn as needed, with not less than 10 days' prior written notice.

VII. Management Fee

1.5% of aggregate commitments during the investment period, stepping down after the investment period.

VIII. Distributions

80% of realized profits to the Limited Partners and 20% to the General Partner, subject to an 8% preferred return to the Limited Partners.

IX. Investment Period and Term

The investment period will be five years.

The Fund will terminate after 10 years, subject to extension provisions.

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PRIVATE EQUITY MANAGER SUMMARY PROFILE

I. Background Data

Name of Fund:	Public Pension Capital, L. P.
Type of Fund:	Private Equity
Initial Target Fund Size:	\$500 million
Fund Manager:	PPC Enterprises LLC
Manager Contact:	Perry Golkin 500 Park Avenue, 4 th Floor New York, New York 10022 Telephone: 646-205-1220

II. Organization and Staff

PPC Enterprises LLC (together with its affiliates, “PPC” or the “Manager”) is establishing Public Pension Capital, L.P. (the “Partnership” or the “Fund”) to pursue investment opportunities through a unique organizational structure which maximizes alignment of interest between limited partner investors and the Fund’s general partner. The intention is to maximize the time investment executives spend on sourcing and creating value in portfolio company investments and minimizing the time utilized for fundraising, regulatory compliance and other administrative functions. This will be accomplished with an open-ended fund model.

A unique feature of this Fund is that it will have a separate Board of Investors (the “Board”) which will approve the budget and the resulting Fund management fee and other expenses on an annual basis. The Board will also approve the overall size of the Fund and the composition of Fund limited partners. The goal is to create a level of interaction and cooperation that has not been typical of previous relationships between limited partners and fund managers.

The annual fees and expenses of the Fund and General Partner’s profit participation in successful investments (not more than 10%) will be less than those charged by most other private equity fund managers. The General Partner believes this structure will create enhanced alignment between the investors and the General Partner with improved economics to the Fund limited partners.

An additional feature of the Fund which the Manager believes is attractive to limited partners is the ability for any investor to unilaterally reduce its unfunded and unreserved capital commitments each year, commencing in 2016 for first closing investors. This mechanism will accommodate any investor facing unexpected liquidity concerns or a change of investment strategy.

The Fund will build upon the extensive private equity investment experience of Perry Golkin and Michael T. Tokarz, the co-founders of the Manager (the "Co-Founders"), as well as the investment professionals of The Tokarz Group Advisers ("TTGA"), the investment manager of MVC Capital, Inc. ("MVC"), a publicly traded business development company listed on the New York Stock Exchange (NYSE:MVC). Additional experienced investment professionals and industry experts are expected to join PPC after the first closing of the Fund. Co-Founders, Messrs. Golkin and Tokarz were employed by Kohlberg Kravis Roberts & Co. ("KKR") for 25 and 17 years, respectively. They worked there together both when they were associates and later as partners, overlapping for 16 years. Individually or together, they participated in over 20 separate KKR portfolio company investments (although they actively participated in these investments, other investment professionals were involved in these investments as well and, in general, these investments were KKR team efforts, with oversight provided by Henry Kravis and George Roberts). The Co-Founders believe that the lessons they learned and experience they gained during their years with KKR can be successfully applied to private equity investing focused on the middle market.

Mr. Tokarz left KKR in 2002 and became the Chairman and Portfolio Head of MVC, a small business development company, in November 2003. Effective November 1, 2006, TTGA, which was founded by Mr. Tokarz in 2002, became the manager of MVC.

The Fund's investment team (the "Investment Team") will be comprised of Mr. Golkin, Mr. Tokarz and an experienced Senior Investment Team which will include:

- Jim Fisher – Served at various times as chief executive officer, chief operating officer and chief financial officer of KKR portfolio companies. In 1997, he became a full-time advisor to KKR with respect to financial services investments.
- Jeffery Krauss – 22 years of private equity experience concentrating on investments in healthcare services, healthcare information technology, and medical technology. General partner or member of Nazem & Company and Psilos Group Managers.
- Eight Senior Investment Professionals currently working with Tokarz at MVC. Most members of the team have been together since 2005 and have over 200 years of combined experience.

Additional senior and junior investment professionals and industry experts are expected to join the group as the Fund grows its operations.

III. Investment Strategy

The Fund will invest in what PPC believes are conservatively priced businesses with sustainable competitive advantages and favorable industry dynamics in the middle-market. The Fund will focus primarily on stable, profitable, well-managed companies with positive cash flow and defensible strategic niches. The Fund will seek opportunities where the Investment Team can provide strategic, operational and financial support

directly to portfolio companies to enhance value and guide them towards successful exit opportunities. Three industries will be the primary focus of the Fund: (1) financial services; (2) specialty chemicals; and (3) healthcare. The Fund will also consider a variety of other sectors, including, but not limited to, energy, certain consumer businesses and general industrial businesses.

IV. Investment Performance

The proposed Fund is a new fund bringing together experienced investors in a new management organization. Therefore, there is no predecessor prior fund investment data. However, the following performance information provides an indication of the relevant investment experience of the co-founders and senior management of the new fund.

Investments	Holding period range	Total Cost	Net IRR from Inception*	Net MOIC from Inception*
Financial Service investments of Golkin, Tokarz and Fisher	1988 - 2007	\$1.8 billion	28.8%	4.4
MVC Capital - equity investment performance	2003 - 2012	\$383.5 million	16.0%	1.6

* Previous investments may be relatively immature and, therefore, returns may not be indicative of future results. Net IRR and Multiple of Invested Capital (MOIC) were provided by PPC and assume a 20% carried interest to the General Partner as opposed to a 10% carried interest to the General Partner which will be the economics of the proposed fund.

V. General Partner's Investment

The aggregate capital commitments of the General Partner, its affiliates and any other persons or entities receiving a share of the Fund's profit participation will equal 5% of aggregate Limited Partner commitments up to the first \$1 billion of aggregate Limited Partner commitments.

VI. Takedown Schedule

Limited Partners will generally receive 10 business days' advance notice prior to each capital call.

VII. Management Fee

Management fees and other ordinary expenses of the Fund will be paid by the Limited Partners in accordance with a Limited Partner approved annual budget prepared by the Manager.

VIII. Distributions

The General Partner Profit Participation will be no more than 10%.

IX. Investment Period and Term

The Fund will not have a set termination date.

The Fund will not have a set Commitment Period and instead, any investor can reduce its unfunded and unreserved capital commitments each year, if desired.

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