

Town of Franklin

355 East Central Street
Franklin, Massachusetts 02038-1352



Phone: (508) 520-4949
www.franklinma.gov

OFFICE OF THE TOWN ADMINISTRATOR

Other Post-Employment Benefits (OPEB) Trust Meeting

November 21, 2023

10:00 AM

Municipal Building
355 East Central Street
Conference Room 205

Agenda

1. Approval of Minutes
 - a. September 13, 2022

2. Review of Investments w/ PRIM

OPEB Trust Committee Minutes
September 13, 2022
Franklin Town Hall
10:00am – Conference Room 205

In attendance: Kerri Bertone, Miriam Goodman, Peter Lounsbury, Greg McNeillie, Alecia Alleyne, Chris Sandini, Jamie Hellen

PRIM Representatives in attendance: Francesco Daniele

Absent: none

Jamie Hellen called the meeting to order at 10:06AM

Motion by Jamie Hellen, second by Peter Lounsbury to approve previous minutes as listed:

- March 16, 2016
- March 14, 2018
- May 30, 2019
- October 15, 2019
- June 15, 2020
- June 7, 2021
- December 13, 2021

Motion was unanimously approved.

Francesco Daniele discussed PRIM's core values and recent recognitions, specifically noting that FY21 was a record performance year with 30% returns and that even in this negative market, the PRIT fund outperformed benchmarks. He indicated that 3, 5, and 10-year returns were all strong. Discussion focused on asset allocation ranges and expected returns and assumptions.

As of June 30, 2022 Franklin had \$10,506,000 invested. Returns as of June 30, 2022 (since inception of 8/28/15) showed an 8.3% increase (net of fees), the one-year return ending June 30, 2022 showed a decrease of 3.79% (net of fees). For the month of June, 2022, the fund performance was down 3.94%.

Motion to adjourn by Greg McNeillie, seconded by Miriam Goodman.

Meeting adjourned at approximately 10:55AM.

Respectfully submitted by:

Miriam Goodman



PRESENTATION TO THE
TOWN OF FRANKLIN OPEB

PRESENTED BY
Francesco Daniele, Director of Client Services

November 21, 2023

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

A photograph of a city skyline at dusk, with buildings illuminated against a dark blue sky. In the foreground, there is a waterfront promenade with a cobblestone path and a low stone wall. The water reflects the city lights.

PRIM BOARD & PRIT FUND OVERVIEW



AS OF SEPTEMBER 30, 2023

PRIT Fund Snapshot

As of September 30, 2023

PRIT FUND FACTS

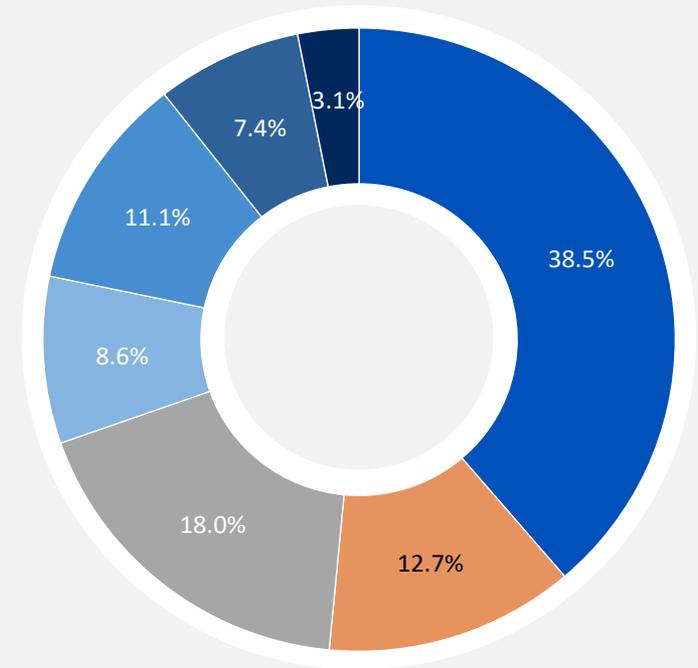
- \$95.2 billion AUM
- 63 public markets portfolios
- 16 real estate, timber and REIT portfolios
- 100+ private equity managers;
350+ partnerships
- 35 portfolio completion strategies managers

OVERSIGHT AND STAFFING

- 9 appointed and elected trustees
- 5 advisory committees, consisting of 42 industry professionals and Board members
- Staff of over 50 professionals
 - 31 Masters
 - 13 CFAs
 - 6 CPAs
 - 3 CAIAs
 - 3 JDs
 - 1 FRM
 - 1 CRE
 - 8 CFA Investment Foundations Program Certificate Holders

ASSET ALLOCATION

(as of 9/30/23)



TARGET RANGES

(approved 2/16/23)

- Global Equities 32% - 42%
- Core Fixed Income 12% - 18%
- Private Equity 13% - 19%
- Portfolio Completion Strategies 7% - 13%
- Real Estate 7% - 13%
- Value-Added Fixed Income 5% - 11%
- Timberland 1% - 7%

About PRIM



\$95.2 billion investment fund that invests public employee pension benefits

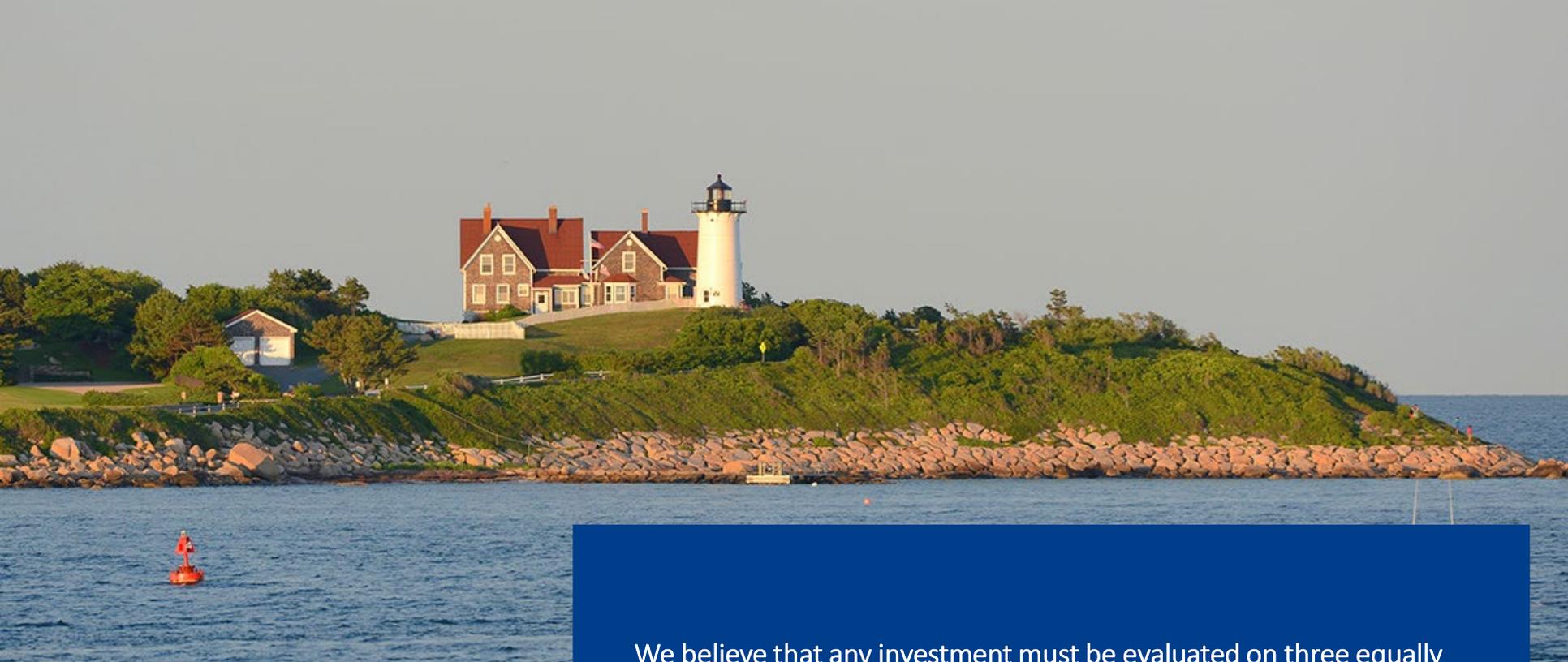
- PRIM has a professional, experienced and focused investment staff.
- PRIM does not administer benefits.

PRIM's mission is to relieve the pension funding burden on the taxpayer

- Self-funded agency which generates asset returns for the Massachusetts pension system.
- PRIM's Project SAVE initiative is achieving over \$275 million annualized value enhancing activities for the fund annually.

PRIM is independent and governed by a nine-member Board of Trustees

- Massachusetts State Treasurer is the Chair of the PRIM Board.
- A robust committee structure lends investment and operational expertise to the decision-making process.



PRIM Core Beliefs

We believe that any investment must be evaluated on three equally important parameters: return, risk and cost.

We don't make tactical asset allocation decisions or investment decisions based on market or economic predictions. Instead, we engineer a strategic, long-term asset allocation strategy that we hope will stand the test of a long-time horizon.

We value a basis point of cost reduction more than a basis point of return. Because we can count on cost savings every year, but nobody ever really knows what the markets will deliver.

PRIM Board



Chair
DEBORAH B. GOLDBERG
State Treasurer and
Receiver General,
Commonwealth of Massachusetts



**Ruth Ellen
Fitch**

Appointee of
the State
Treasurer



**Catherine
D'Amato**

Designee
of the
Governor,
Ex Officio
Member



**Peter
Monaco**

Appointee
of the
Governor,
Non-State
Employee or
Official



Carly Rose

Appointee
of the
Governor,
Public Safety



**Theresa F.
McGoldrick,
Esquire**

State
Retirement
Board
Member
(SRB)



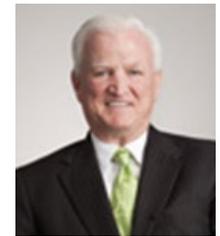
**Dennis J.
Naughton**

Teachers'
Retirement
Board
Member
(TRB)



**Robert L.
Brousseau**

Elected
Representative
State Teachers'
Retirement
System



**Paul E.
Shanley,
Esquire**

Elected
Representative
State
Employees
Retirement
System



PRIM Advisory Committees

Investment Committee

The Committee advises the Board with respect to the asset allocation policy of PRIM and related investment policies and assist the Board in overseeing the investment program. The mandate of the Investment Committee does not include real estate and timber. Members include:

1. **Deborah B. Goldberg**, Chair, Treasurer and Receiver General of Massachusetts, PRIM Board Chair (Ex Officio)
2. **Joseph C. Bonfiglio**, Massachusetts & Northern New England Laborers' District Council
3. **C. LaRoy Brantley**, Investment Consultant
4. **Catherine D'Amato**, President and CEO, The Greater Boston Food Bank
5. **Michael Even**, Former President and CEO, Numeric Investors
6. **Constance M. Everson**, CFA, Managing Director, Capital Markets Outlook Group
7. **Ruth Ellen Fitch**, Esq., Board Member, Former President and CEO, the Dimock Center
8. **James B. G. Hearty**, Board Member, Former Partner, Clough Capital (Ex Officio)
9. **Peter Monaco**, Board Member, Managing Director, Raptor Group
10. **Phillip H. Perelmuter**, Former Managing Partner, Wellington Management
11. **Philip Rotner**, Chief Investment Officer, Boston Children's Hospital
12. **Paul E. Shanley**, Esq., Board Member, Director of Professional Liability, Amity Insurance
13. **Glenn P. Strehle**, CFA, Treasurer Emeritus, MIT
14. **Timothy L. Vaill**, Former Chairman and CEO, Boston Private Holdings



PRIM Advisory Committees

Real Estate Committee

The Committee advises the Board in setting investment policy within the real estate and timber portfolios and assist the Board in overseeing these portfolios. Members include:

1. **Jill S. Hatton**, CRE, Chair, Real Estate Investment Professional
2. **Deborah B. Goldberg**, Treasurer and Receiver General of Massachusetts, PRIM Board Chair (Ex Officio)
3. **Lydia Chesnick**, Esq., Partner, Bernkopf Goodman LLP
4. **Robert Gifford**, RGA Corp.
5. **Jack Lutz**, PhD., Forest Research Group
6. **William F. (Bill) McCall, Jr.**, CRE, McCall & Almy, Inc.
7. **Garlan Morse, Jr.**, CRE, Morris and Morse Company, Inc.
8. **Peter F. O'Connell**, Marina Bay Company
9. **Carly Rose**, Board Member, Public Safety Union Member

Administration and Audit Committee

The Committee assists the Board in overseeing all issues related to the governance, administration, and audit functions of PRIM, and to provide recommendations for the Board's consideration. Members include:

1. **Robert L. Brousseau**, Chair, Board Member, Retired Teacher, Town of Wareham School System
2. **Deborah B. Goldberg**, Treasurer and Receiver General of Massachusetts, PRIM Board Chair (Ex Officio)
3. **Patrick E. Brock**, Chairman, Hampshire County Retirement Board
4. **Catherine D'Amato**, President and CEO, The Greater Boston Food Bank
5. **James B. G. Hearty**, Board Member, Former Partner, Clough Capital (Ex Officio)
6. **Theresa F. McGoldrick**, Esq., Board Member, National Executive Vice President, National Association of Government Employees (NAGE)
7. **Dennis J. Naughton**, Board Member, Retired Educator, Millis Public Schools



PRIM Advisory Committees

ESG Committee

The Committee assists the Board in overseeing all issues related to the development and ongoing implementation of an ESG framework and related engagement activities, and to provide recommendations for the Board's approval. Members include:

1. **Deborah B. Goldberg**, Treasurer and Receiver General of Massachusetts, PRIM Board Chair (Ex Officio)
2. **Ruth Ellen Fitch**, Esq., Board Member, Former President and CEO, the Dimock Center
3. **Theresa F. McGoldrick**, Esq., Board Member, National Executive Vice President, National Association of Government Employees (NAGE)
4. **Dennis J. Naughton**, Board Member, Retired Educator, Millis Public Schools
5. **Michael Even**, Former President and CEO, Numeric Investors
6. **Poonam Patidar**, Member, Mintz
7. **Mary Cerulli**, Founder, Climate Finance Action
8. **Marcela Pinilla**, Director of Sustainable Investing, Zevin Asset Management

Compensation Committee

The Committee assists the Board in overseeing staff compensation and benefit policies. The Administration and Audit Committee is responsible for assisting the Board on other human resource matters. Members include:

1. **Deborah B. Goldberg**, Chair, Treasurer and Receiver General of Massachusetts, PRIM Board Chair (Ex Officio)
2. **Robert L. Brousseau**, Board Member, Retired Teacher, Town of Wareham School System
3. **Patrick E. Brock**, Chairman, Hampshire County Retirement Board
4. **Catherine D'Amato**, President and CEO, The Greater Boston Food Bank

Recent Recognition

2023 Chief Investment Officer Power 100 List

Michael G. Trotsky, CFA, PRIM's Executive Director and Chief Investment Officer, was named to the 2023 CIO Power 10 List by the publication, Chief Investment Officer. The designation honors leaders "who continue to guide their funds through volatile times and are disciplined enough to navigate whatever is ahead." (November 2023)

Commonwealth Citations for Outstanding Performance

PRIM was awarded two Commonwealth Citations for Outstanding Performance by Treasurer Deborah B. Goldberg. Eliza Haynes, Investment Analyst, was recognized as a key individual on PRIM's Private Equity Team for her sourcing and underwriting work. The PRIM Real Estate Leverage Team was recognized for an innovative program that works across asset classes to save the Commonwealth in borrowing costs while bolstering the returns of the Real Estate Portfolio. Recipients included Melissa Ng, Matt Liposky, and George Tsipakis from the Finance Team, Jay Leu from the Risk Team, and David Gurtz, John LaCara, and Chuck LaPosta from the Investment Team. (October 2023)

GIPS® Compliance

For the 6th consecutive year, PRIM has completed the CFA Institute's Global Investment Performance Standards (GIPS®) of integrity and transparency.* PRIM is one of only a handful of large public pension plans to comply with the GIPS® standards. Additionally, Matt Liposky, PRIM's Chief Investment Operations Officer, was appointed by the CFA Institute to chair the GIPS® Standards Asset Owner Subcommittee. (August 2023)

Certificate of Achievement for Excellence in Financial Reporting – Government Finance Officer Association

PRIM was awarded the Government Finance Officer Association's Certificate of Achievement for Excellence in Financial Reporting for the 18th consecutive year. (June 2023)

PRIM Ranked #8 For Assets Managed by Diverse Managers by Pensions & Investments

PRIM was ranked eighth among the largest 200 funds in the U.S. for assets managed by diverse managers. This is an indication that PRIM's ongoing efforts over the years, combined with the new FUTURE initiative are putting PRIM at the top of the rankings in terms of progress. (February 2023)

PRIM FUTURE Initiative Awarded Commonwealth Equity in Governance Award

PRIM received the Commonwealth's 'Equity in Governance Award' for the FUTURE Initiative. The award recognizes "an employee or group of employees who have demonstrated commitment to and attainment of the principles of equity" for activity that "promotes the participation of minority business enterprises and women business enterprises," among other things. (December 2022)

Institutional Investor's Alpha Edge Award

PRIM's Private Equity team won Alpha Edge recognition for Alpha Generation from Institutional Investor, which cited PRIM's strong leadership culture, collaboration, and thesis-driven approach to manager selection as well as PRIM's annual commitment modeling process and strong long-term performance in the asset class. (July 2023)

Private Equity Women Investor Network Limited Partner of the Year

Private Equity Women Investment Network (PE-WIN), which is the preeminent organization for senior-level women investment professionals in private equity, recognized PRIM as "Limited Partner of the Year" for "empowering women in private equity." The award reflected both PRIM's work on investing with women and diverse managers via the FUTURE Initiative and the strong leadership presence of women on PRIM's Private Equity team. (July 2023)

PRIM's Private Equity Portfolio Ranked #3 by the American Investment Council

PRIM's Private Equity Portfolio was ranked 3rd among 176 U.S. public pension funds based on 10-year performance by the American Investment Council's Public Pension Study. PRIM is the only fund that has been in the top five every year the study has been conducted, including #1 rankings in 2019, 2018, 2015, and 2013. (June 2022)

*PRIM claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. You may obtain GIPS® compliant performance information by emailing clientservice@mapension.com



PRIM'S FUTURE INITIATIVE



PRIM's FUTURE Initiative

PRIM believes that diversity of thought and investment equity is critical to the FUTURE success of PRIM and the asset management industry. To successfully implement and accomplish these goals, PRIM must plan for the FUTURE:

F U T U R E

**Firmwide
Commitment**

Continuation of PRIM's firmwide commitment to diversity and inclusion and diversity of thought.

Unbiased

PRIM will remain unbiased when evaluating and selecting investment managers or other vendors.

Transparent

PRIM will be fully transparent as to the progress toward our goals, as well as our successes and challenges.

**Utilize
Technology**

PRIM will utilize technology to successfully track and manage the amount of data this initiative requires.

Resources

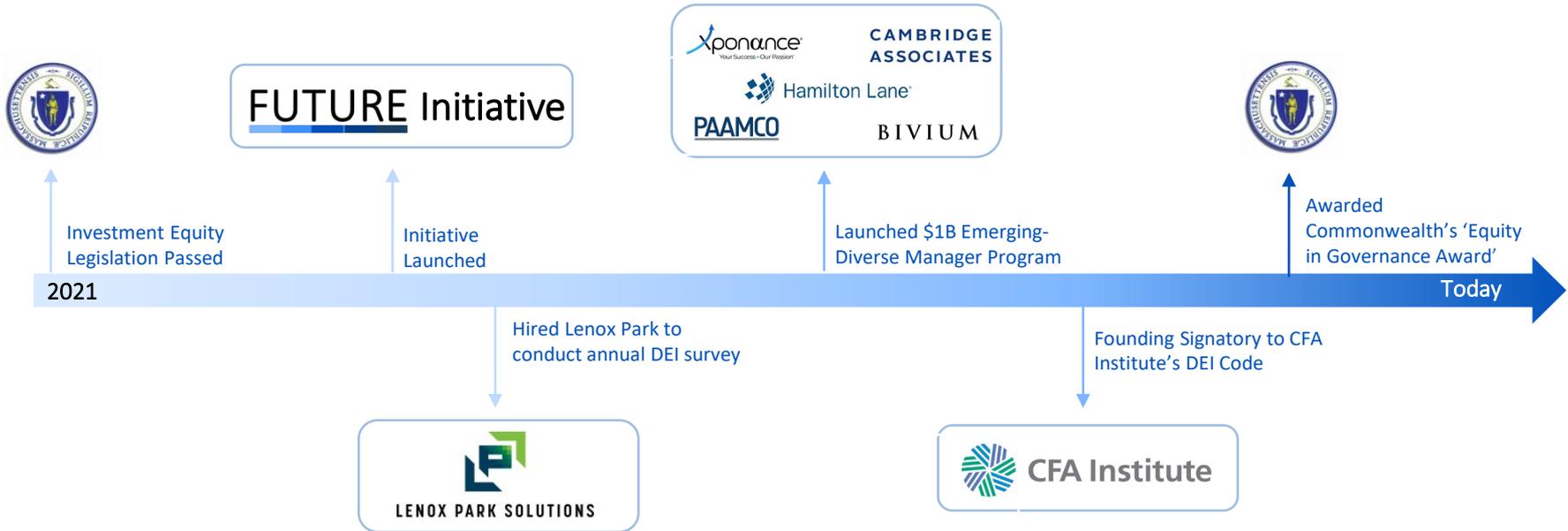
PRIM will employ additional internal and external resources as required to accomplish our goals.

Expand

PRIM will expand the conversation about diversity and inclusion in the asset management industry by being at the forefront of meaningful change.

FUTURE Initiative

PRIM's FUTURE Initiative is our strategic plan to achieve the goals set forth by the Investment Equity Legislation as well as position PRIM to be a leader on improving diversity in the asset management industry.



PRIM continues to make progress on the keys to FUTURE Initiative:

1. Continue to Allocate Capital to Diverse Managers
2. Enhance Diversity, Equity & Inclusion (DEI) Reporting
3. Reduce Barriers
4. Improve Sourcing

A photograph of a city skyline at dusk, with buildings illuminated and reflected in the water. The scene is overlaid with a blue gradient.

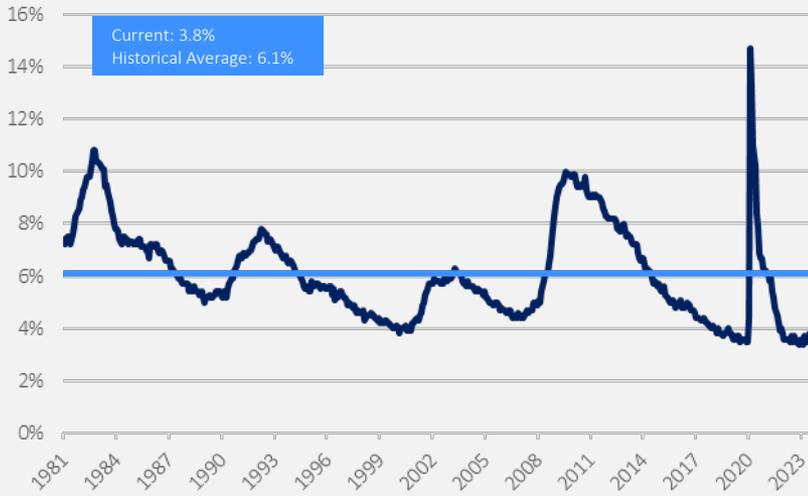
ECONOMIC BACKDROP

Mass
PRIM

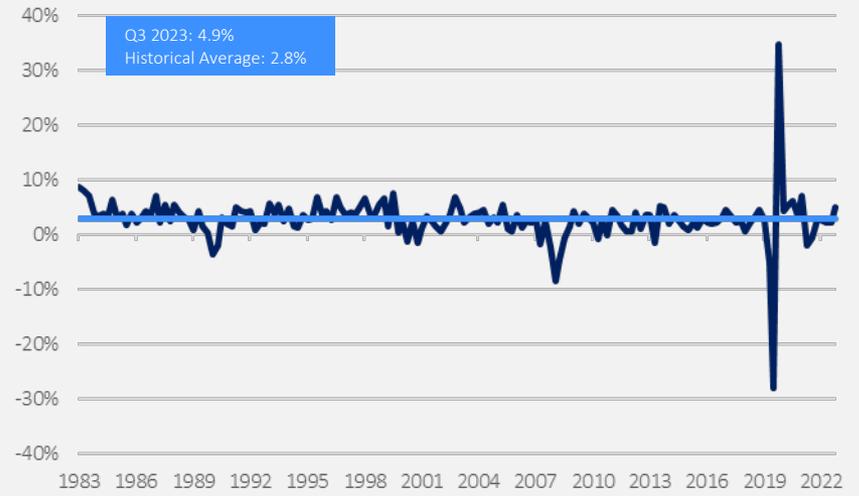
AS OF SEPTEMBER 30, 2023

U.S. Economic Data

UNEMPLOYMENT RATE



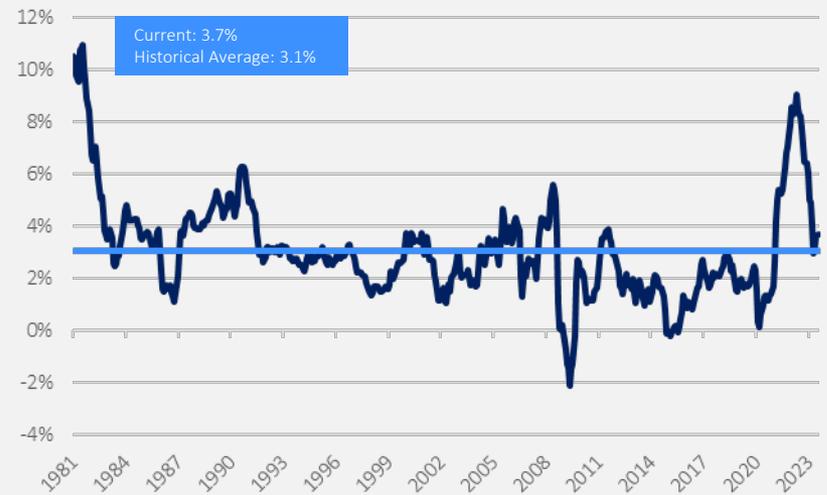
GDP GROWTH RATE



MANUFACTURING PMI

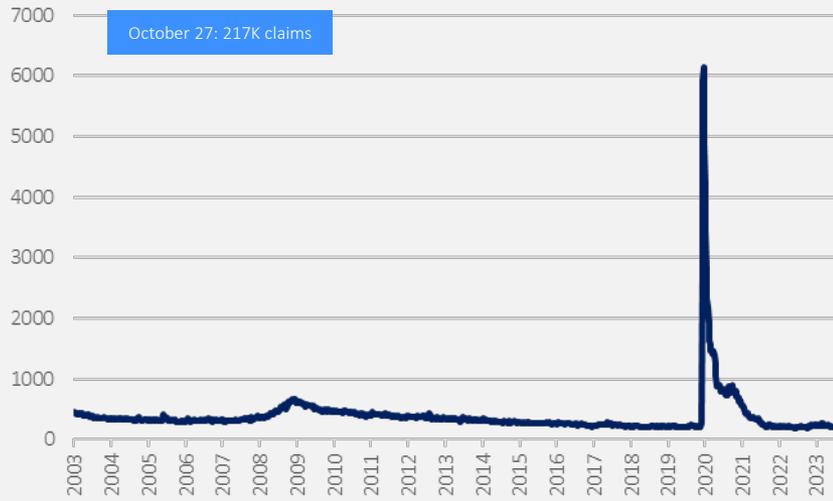


CONSUMER PRICE INDEX



U.S. Economic Data

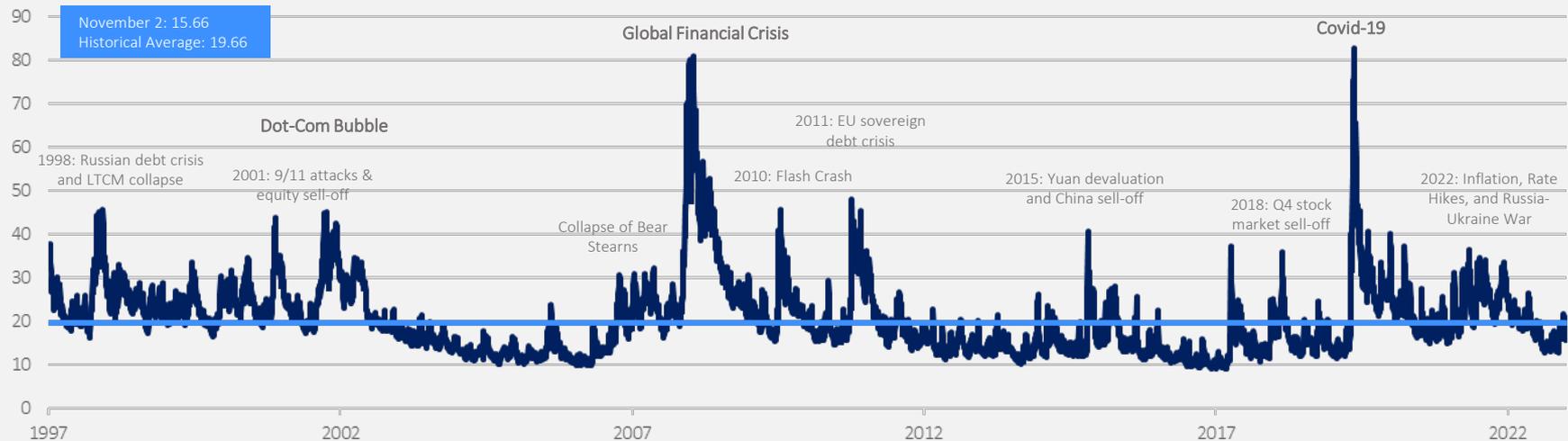
WEEKLY INITIAL JOBLESS CLAIMS (IN MILLIONS)



WTI CRUDE OIL (\$/BBL)



CBOE MARKET VOLATILITY INDEX (VIX)





PRIT FUND ASSET ALLOCATION TARGETS

Mass
PRIM

Changes to Target Ranges – PRIT Fund Asset Allocation

Approved February 16, 2023

Increase in Allocation Range

Private Equity:
Target Band moves up 1%

Same Allocation Range

Core Fixed Income:
Target Band stays the same

Value-Added Fixed Income:
Target Band stays the same

Real Estate:
Target Band stays the same

Timberland:
Target Band stays the same

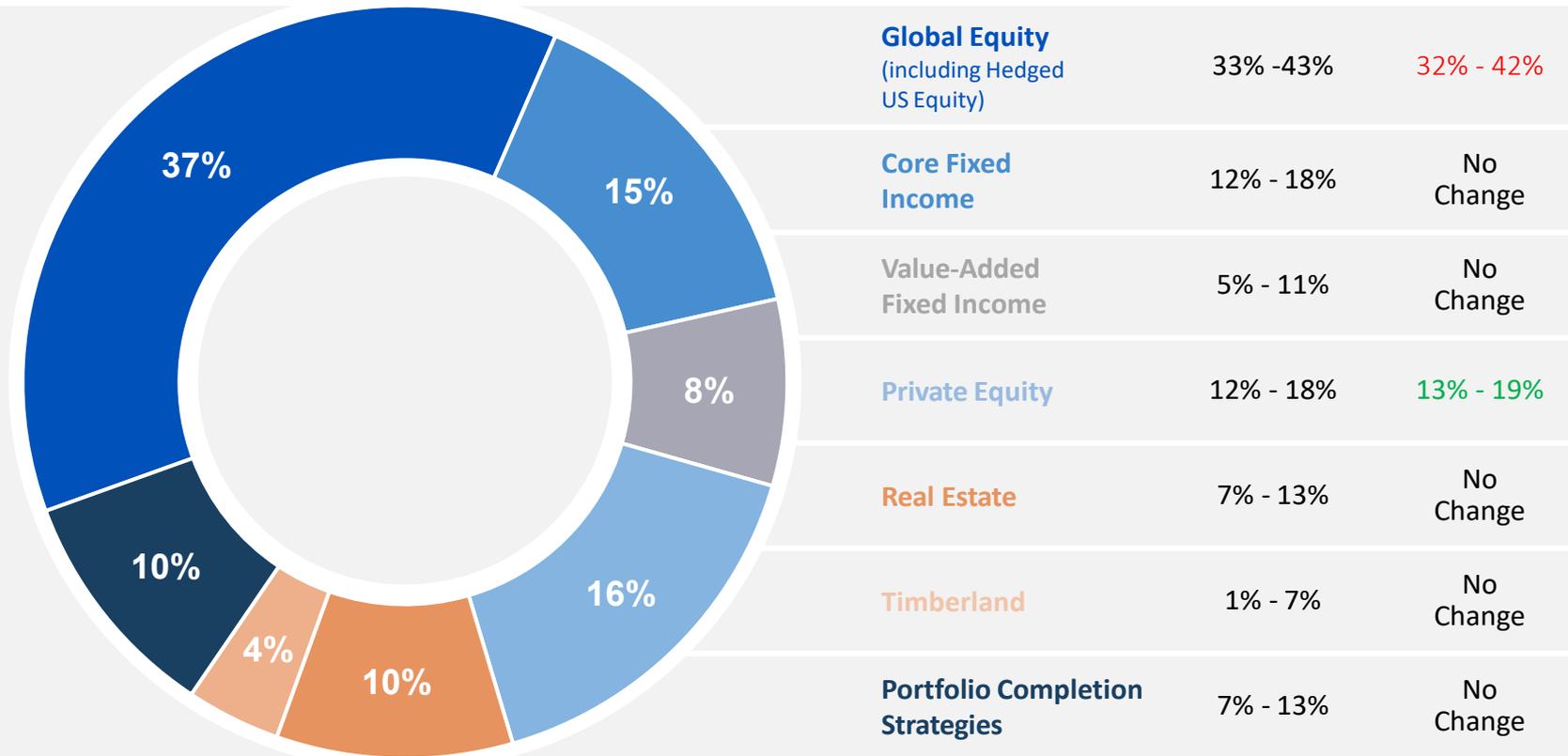
Portfolio Completion Strategies:
Target Band stays the same

Decrease in Allocation Range

Global Equity:
Target Band moves down 1%

PRIT Asset Allocation

Approved February 16, 2023



The ranges in the PRIM asset allocation reflect the long-standing use of bands around a midpoint. Managing the asset allocation to a particular midpoint in the range is not always possible, practical or advisable.

PRIM 2023 Asset Allocation Recommendations

NEPC Capital Market Assumptions with PE and Global Equity Changes

		12/31/22 Asset Class Assumptions	
Asset Classes	Target Range	10 Yr. Expected Return	30 Yr. Expected Return
US Equity ¹		5.6%	7.1%
International Equities ²		5.9%	6.9%
Emerging International Equities ³		9.6%	9.6%
Global Equity	32% - 42%		
Core Bonds		4.8%	4.7%
Short-Term Fixed Income ⁴		4.2%	3.8%
20+ Yr. Treasury STRIPS		3.9%	4.3%
TIPS/ILBs		4.0%	4.1%
Core Fixed Income	12% - 18%		
Value-Added Fixed Income ⁵	5% - 11%	8.0%	7.8%
Private Equity	13% - 19%	9.4%	10.2%
Real Estate ⁶	7% - 13%	4.6%	5.7%
Timberland ⁷	1% - 7%	6.6%	7.0%
Portfolio Completion (PCS) ⁸	7% - 13%	6.5%	6.5%
Total Fund Expected Return⁹		7.0%	7.7%

1. Blended allocation to large-cap equity, small-cap equity, micro-cap equity
2. Blended allocation to large-cap equity and small-cap equity
3. Blended allocation to large-cap equity and small-cap equity
4. Modeled as Short-Term Treasury
5. Blended allocation to high yield, bank loans, EMD, private debt

6. Blended allocation to Private Real Estate and REITs
7. Timberland is modeled as Private Real Assets Infrastructure/Land
8. Modeled as equal weighted blend of Hedge Fund Equity, Credit, and Macro
9. Asset classes modeled at the midpoint of the asset allocation range



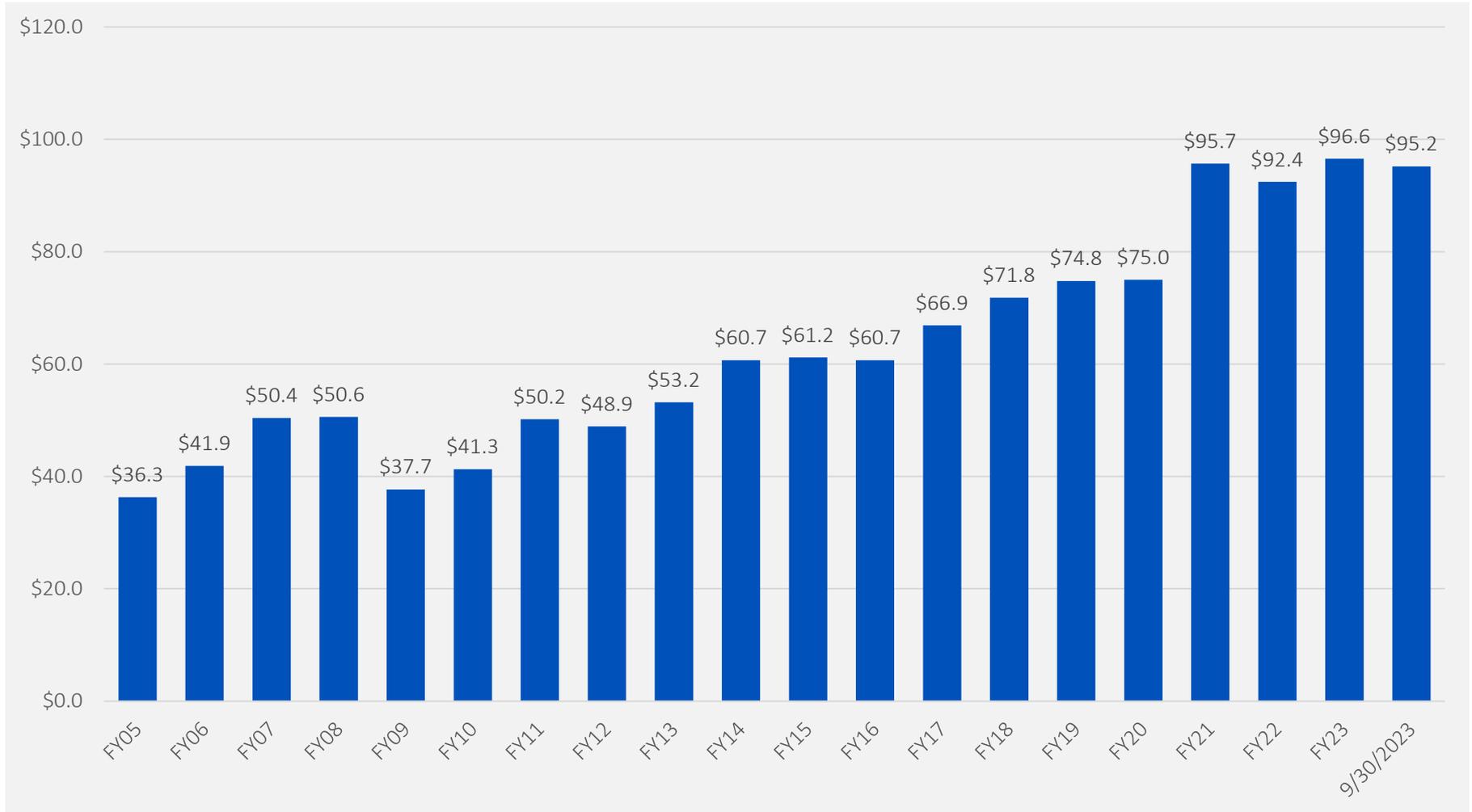
PRIT FUND PERFORMANCE

Mass
PRIM

AS OF SEPTEMBER 30, 2023

Total PRIT Fund Fiscal Year Market Value

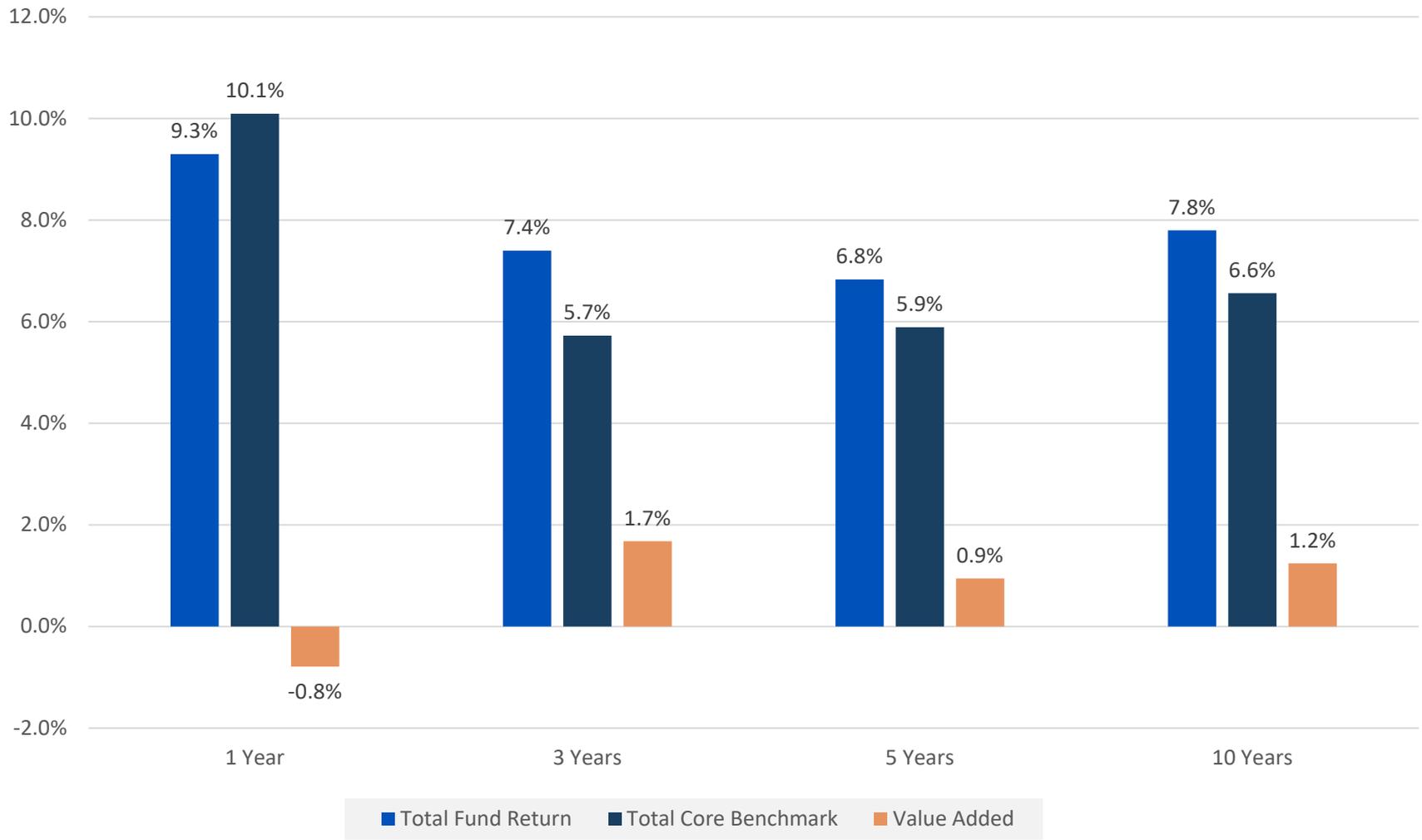
Value (\$Billions)



Source: BNY Mellon. As of September 30, 2023.

PRIT Fund Total Returns

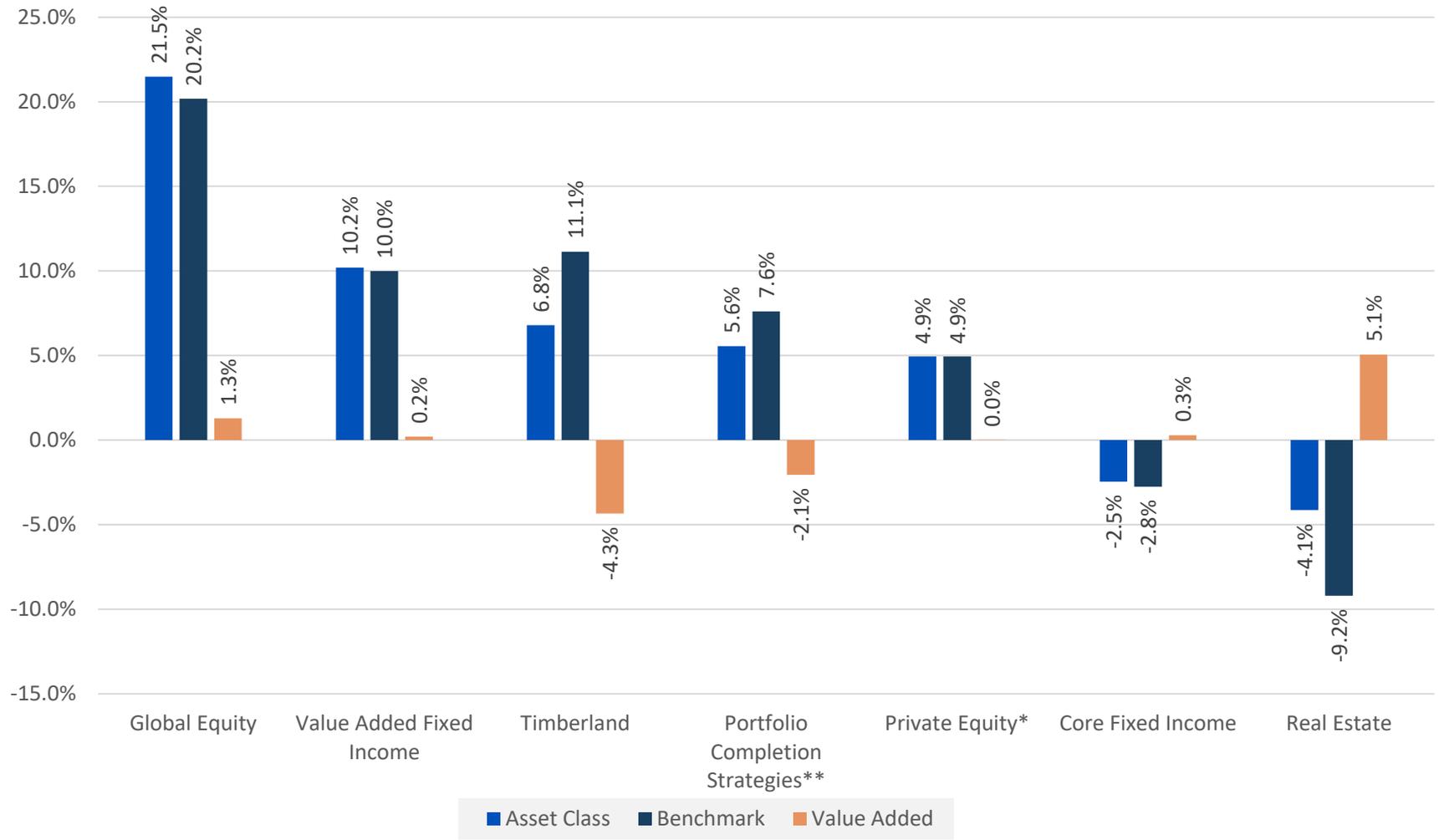
Annualized Returns as of September 30, 2023 (Gross of Fees)



Source: BNY Mellon. Totals may not add due to rounding. Total Core Benchmark includes private equity benchmark.

PRIT Asset Class Performance Summary

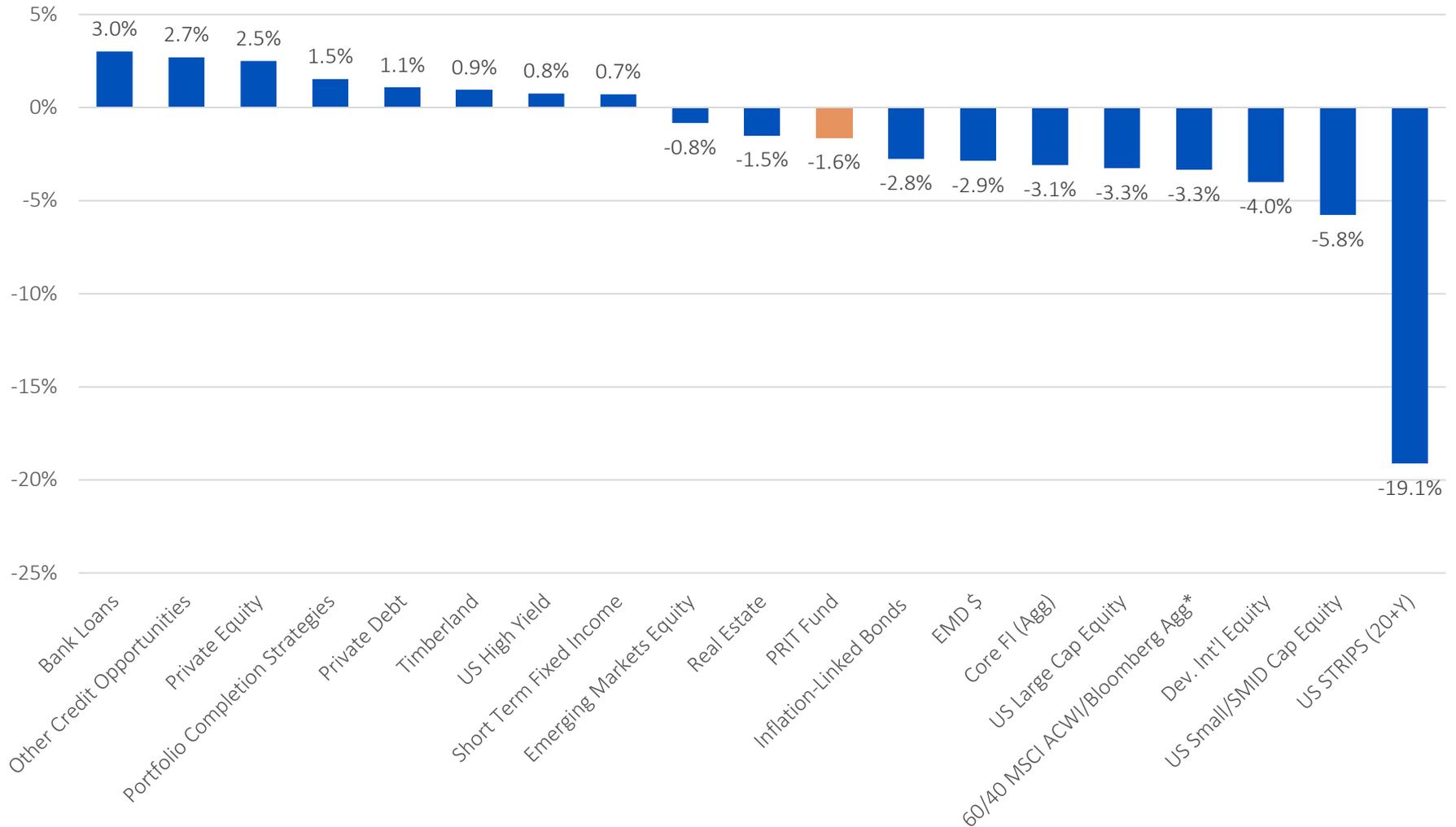
One-Year Ended September 30, 2023 (Gross of Fees)



Source: BNY Mellon. Totals may not add due to rounding. *Benchmark is actual performance. **Hedge Fund returns are net of fees.

PRIT Performance By Strategy – Third Quarter 2023

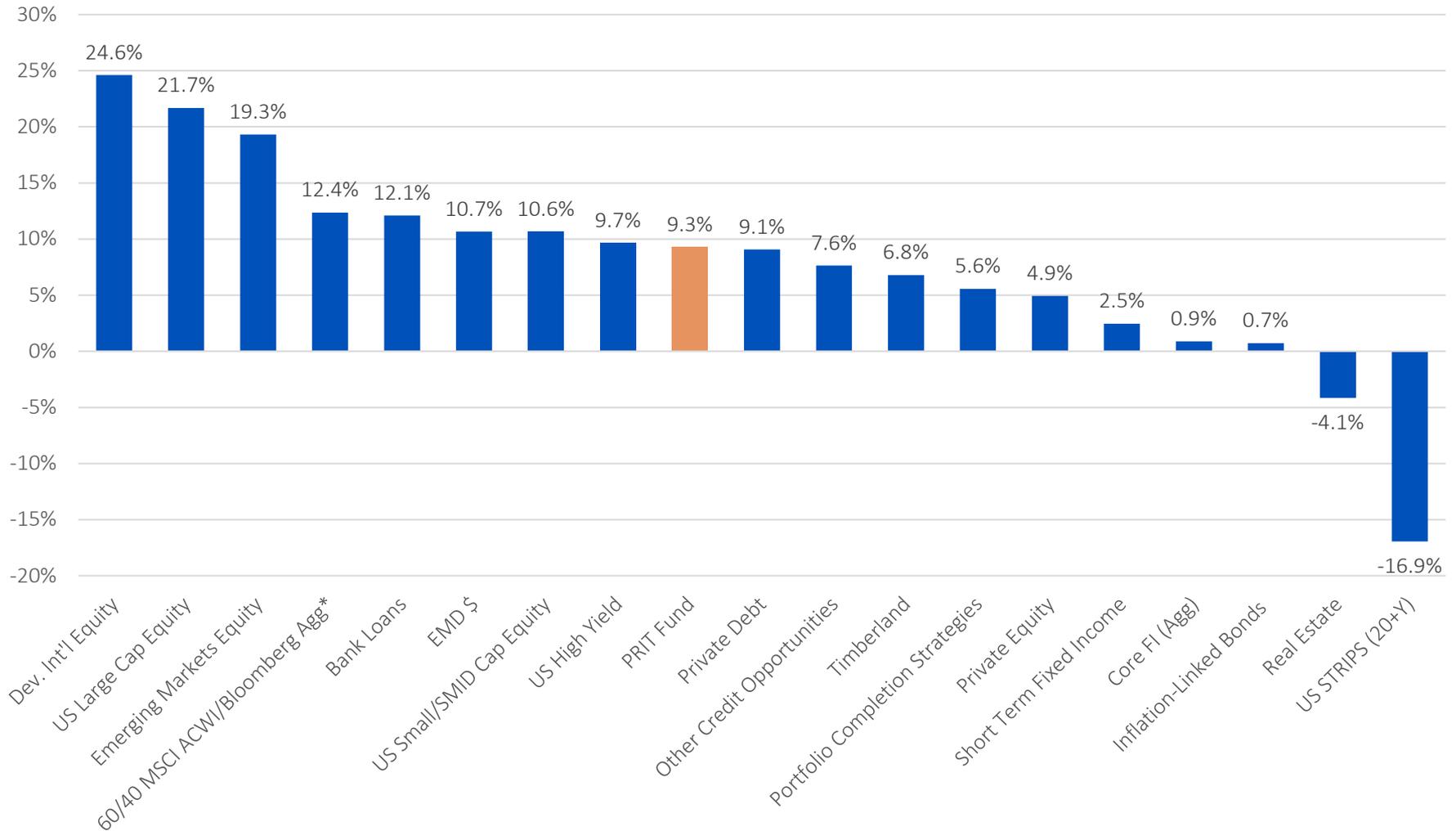
Quarter Ended September 30, 2023 (Gross of Fees)



Source: BNY Mellon, FactSet. All performance figures reflected are PRIT Fund Asset Class returns. *MSCI ACWI/Bloomberg Aggregate is derived from a 60/40 combination of index returns.

PRIT Performance By Strategy – One-Year

One-Year Ended September 30, 2023 (Gross of Fees)



Source: BNY Mellon, FactSet. All performance figures reflected are PRIT Fund Asset Class returns. *MSCI ACWI/Bloomberg Aggregate is derived from a 60/40 combination of index returns.

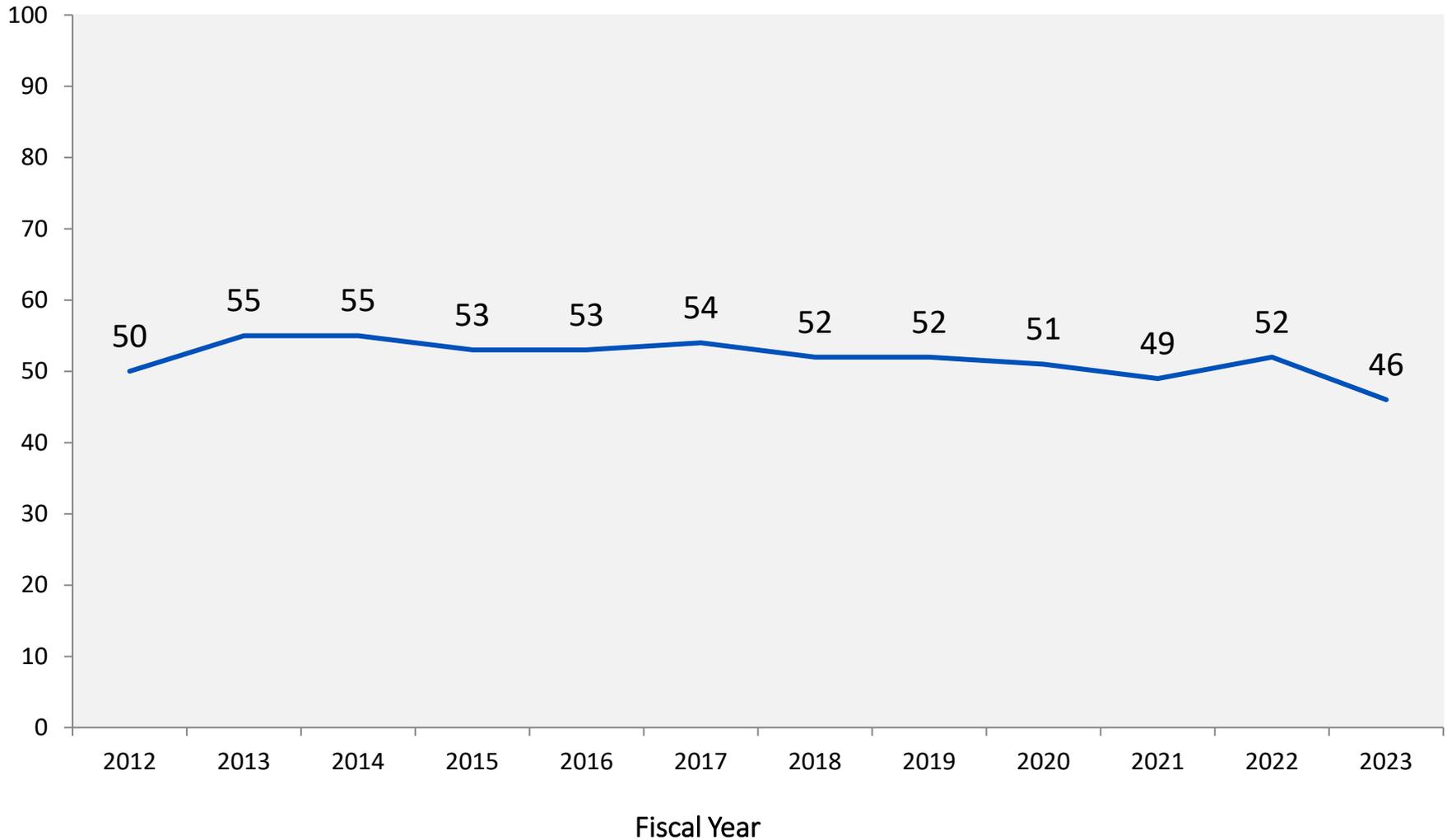
PRIT Fund Annualized Returns By Asset Class

As of September 30, 2023 (Gross of Fees)

1 Year	3 Year	5 Year	10 Year
GLOBAL EQUITY 21.5%	PRIVATE EQUITY 23.0%	PRIVATE EQUITY 20.0%	PRIVATE EQUITY 20.0%
VALUE-ADDED FIXED INCOME 10.2%	REAL ESTATE 11.5%	REAL ESTATE 8.2%	REAL ESTATE 9.3%
TIMBER 6.8%	TIMBER 8.5%	GLOBAL EQUITY 6.6%	GLOBAL EQUITY 7.8%
PORTFOLIO COMPLETION STRATEGIES 5.6%	GLOBAL EQUITY 7.9%	TIMBER 5.1%	TIMBER 6.1%
PRIVATE EQUITY 4.9%	VALUE-ADDED FIXED INCOME 6.0%	VALUE-ADDED FIXED INCOME 4.9%	VALUE-ADDED FIXED INCOME 4.7%
CORE FIXED INCOME (2.5%)	PORTFOLIO COMPLETION STRATEGIES 5.6%	PORTFOLIO COMPLETION STRATEGIES 2.6%	PORTFOLIO COMPLETION STRATEGIES 3.7%
REAL ESTATE (4.1%)	CORE FIXED INCOME (7.4%)	CORE FIXED INCOME 0.0%	CORE FIXED INCOME 1.9%

Source: BNY Mellon.

Total PRIT Fund - Ratio of Expenses in Basis Points



Town of Franklin OPEB

Net of Fees Returns as of September 30, 2023

	MKT \$	%	Month	QTR	FY '24	Calendar					Inception
						YTD	1 Year	3 Year	5 Year	10 Year	
TOWN OF FRANKLIN	12,126	100%	-2.60	-1.81	-1.81	4.55	8.87	6.73	6.24		7.47
SRBTF OPEB MASTER TRUST	12,126	100%	-2.60	-1.81	-1.81	4.63	8.96	6.81	6.29		
<i>POLICY BENCHMARK</i>			<i>-2.31</i>	<i>-1.66</i>	<i>-1.66</i>	<i>4.88</i>	<i>10.09</i>	<i>5.72</i>	<i>5.89</i>		

Inception date is August 28, 2015



APPENDIX PRIT FUND ASSET CLASS DETAIL



AS OF SEPTEMBER 30, 2023

A blue-tinted photograph of a city skyline, likely New York City, with several tall skyscrapers. In the foreground, a body of water is filled with numerous sailboats. The sky is filled with white clouds. The overall scene is bright and clear.

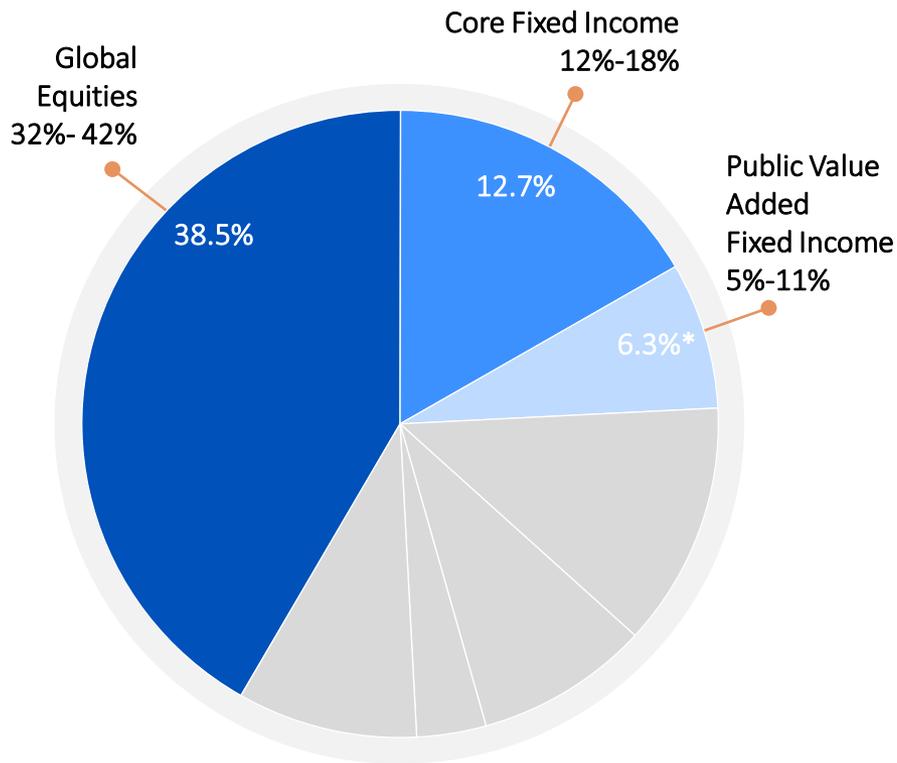
PUBLIC MARKETS PORTFOLIOS

Mass
PRIM

Public Market Portfolios

PRIT FUND TARGET ASSET ALLOCATION

Actual Allocation as of September 30, 2023



Source: BNY Mellon and PRIM Staff.
*Excludes Private Debt allocation.

\$54.6 billion 57.4% of PRIT Fund

- Global Equities: \$36.6 billion, 38.5% of PRIT Fund
- Public Fixed Income: \$18.0 billion, 18.9% of PRIT Fund*

46% Active / 54% Passive

- Global Equities: 38% Active / 62% Passive
- Public Fixed Income: 63% Active / 37% Passive

63 Portfolios

- 32 equity portfolios
- 31 fixed income portfolios

Emerging-Diverse Managers

15 Asset Classes

- U.S. Large Cap Equity
- U.S. Small/SMID Cap Equity
- Developed International Equity
- Developed International Small Cap Equity
- Emerging Markets Equity
- Emerging Markets Small Cap Equity
- Core Bonds
- 20+ Year STRIPS
- Short Term Fixed Income
- U.S. TIPS
- Global Inflation-Linked Bonds
- High Yield Bonds
- Bank Loans
- EMD \$
- Other Credit Opportunities

3 Team Members

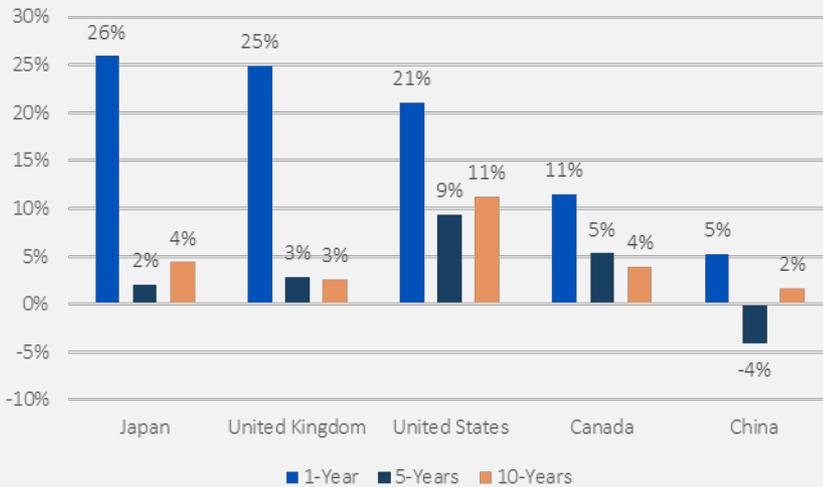


Public Markets – Key Initiatives

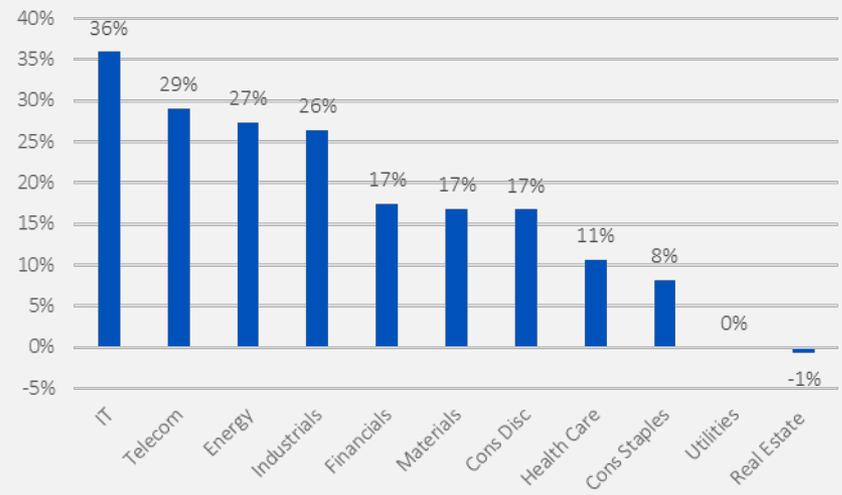
- Continue to source and allocate to diverse investment managers.
- Continue to implement PRIM’s Emerging-Diverse Manager Program for Global Equities and Fixed Income.
- Research and identify complimentary active U.S. equity managers to increase active/passive allocation.
- Research and identify complimentary growth managers in Developed International allocation.
- Continue to identify Other Credit Opportunities investments, including co-investment opportunities.
- Evaluate role of specialized (sector or county specific) equity managers within PRIT Fund structure.
- Collaborate with PRIM Risk Team on continued enhancements to equity and fixed income risk analytic tools.
- Support the newly established ESG Committee to develop an ESG framework and related activities.

Public Equity Review

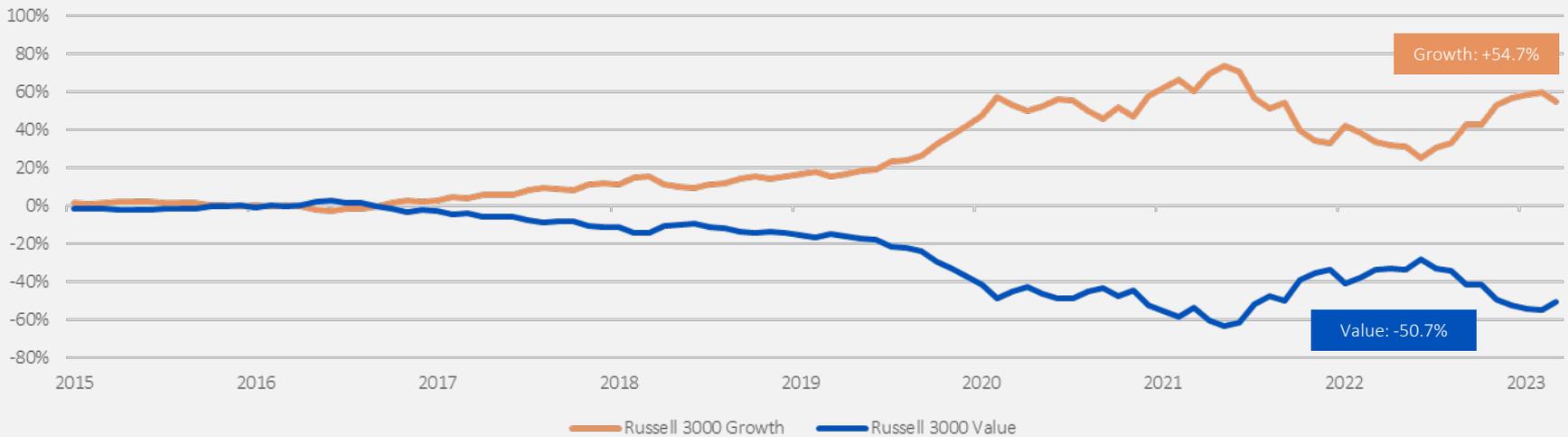
MAJOR COUNTRY RETURNS (MSCI ACWI)



GLOBAL ONE-YEAR RETURN BY SECTOR (MSCI ACWI)

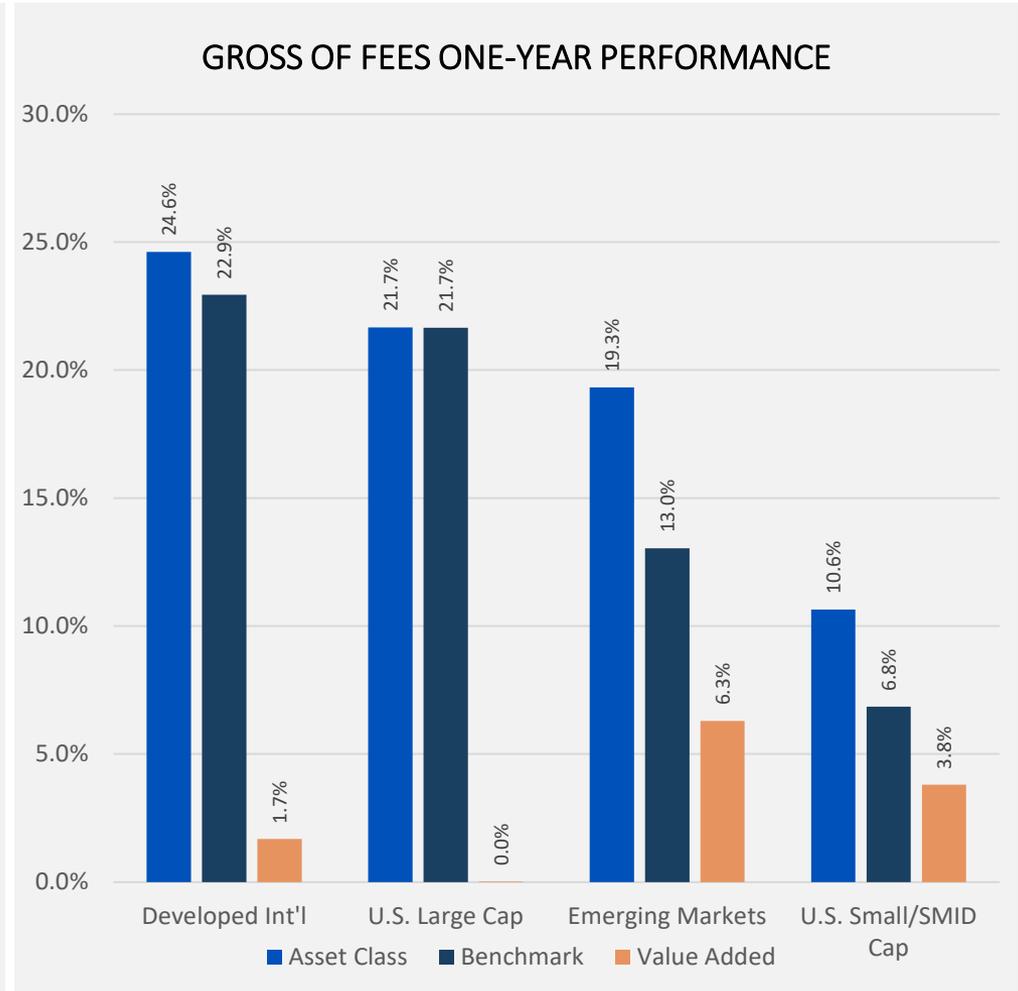
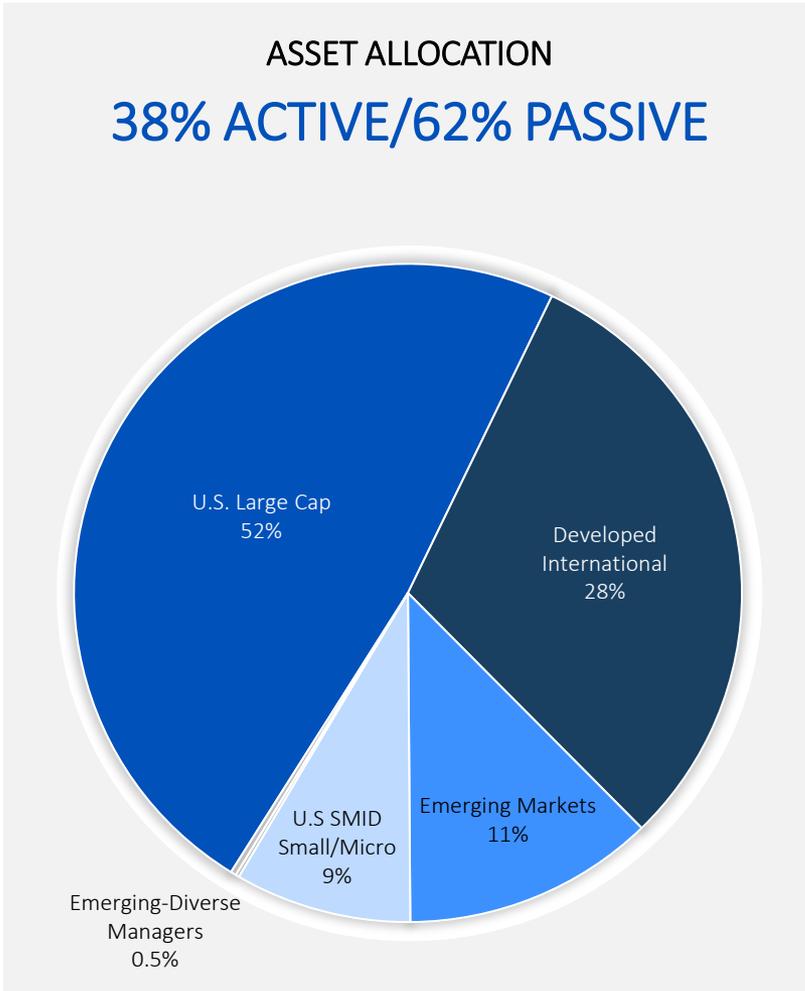


VALUE VS. GROWTH: RELATIVE RETURNS VS. RUSSELL 3000 (CUMULATIVE)



Global Equity

As of September 30, 2023, \$36.6 Billion – 38.5% of PRIT FUND (Target 32%-42%)

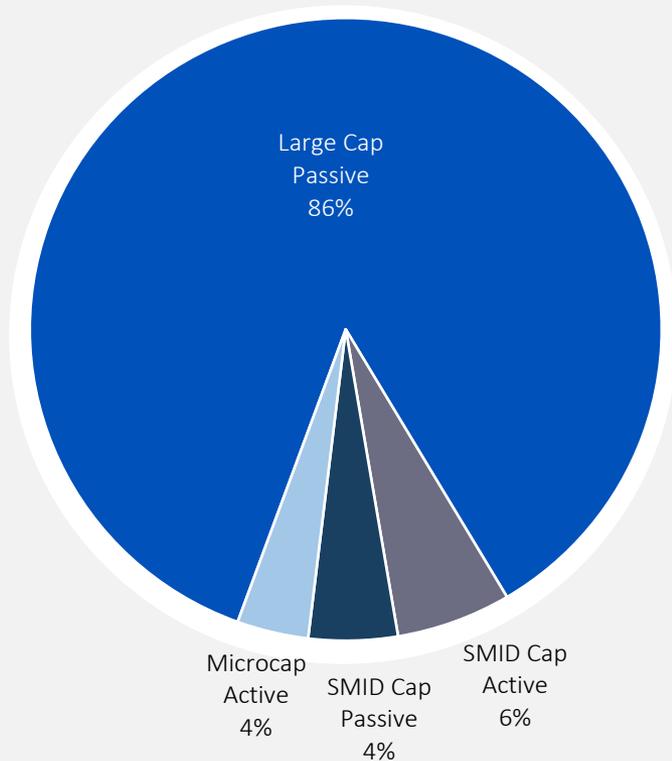


Source: BNY Mellon, PRIM Staff. As of September 30, 2023.

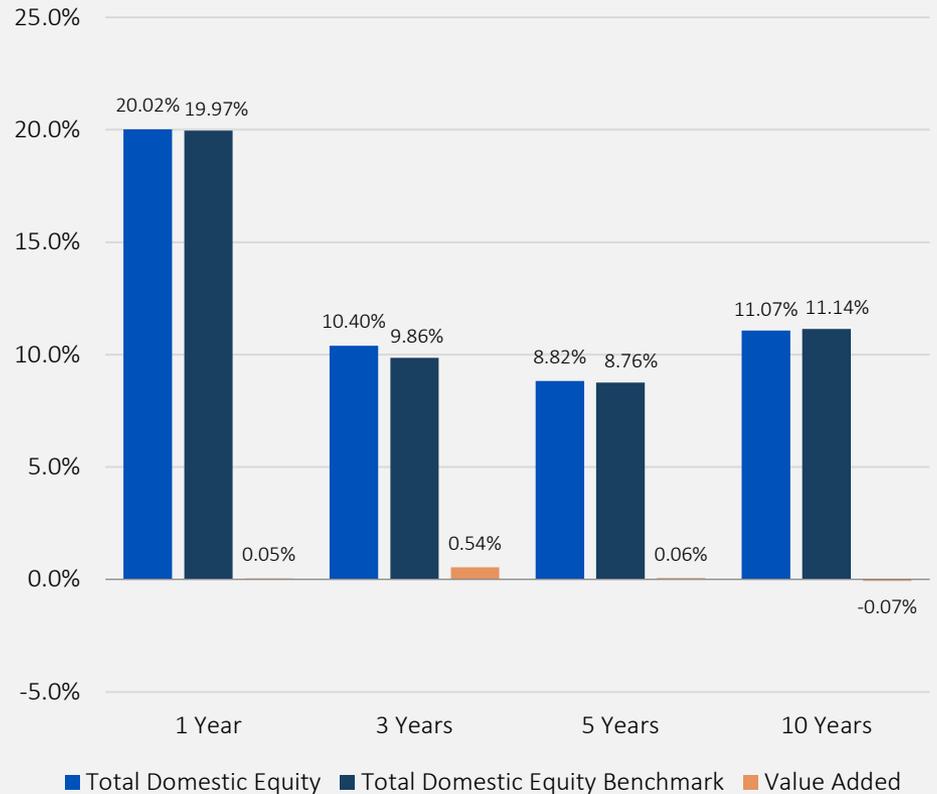
Domestic Equity

As of September 30, 2023, \$22.2 Billion – 23.3% of PRIT Fund

ASSET ALLOCATION 10% ACTIVE/90% PASSIVE



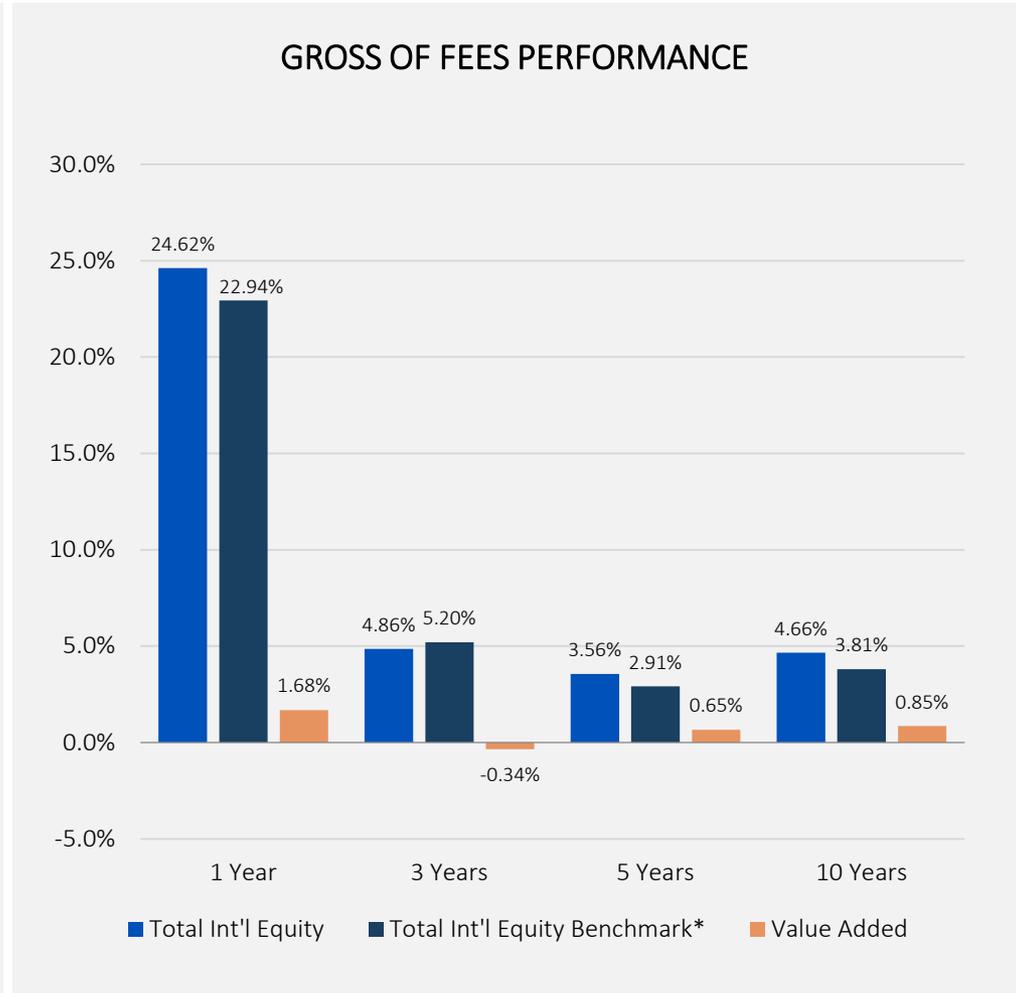
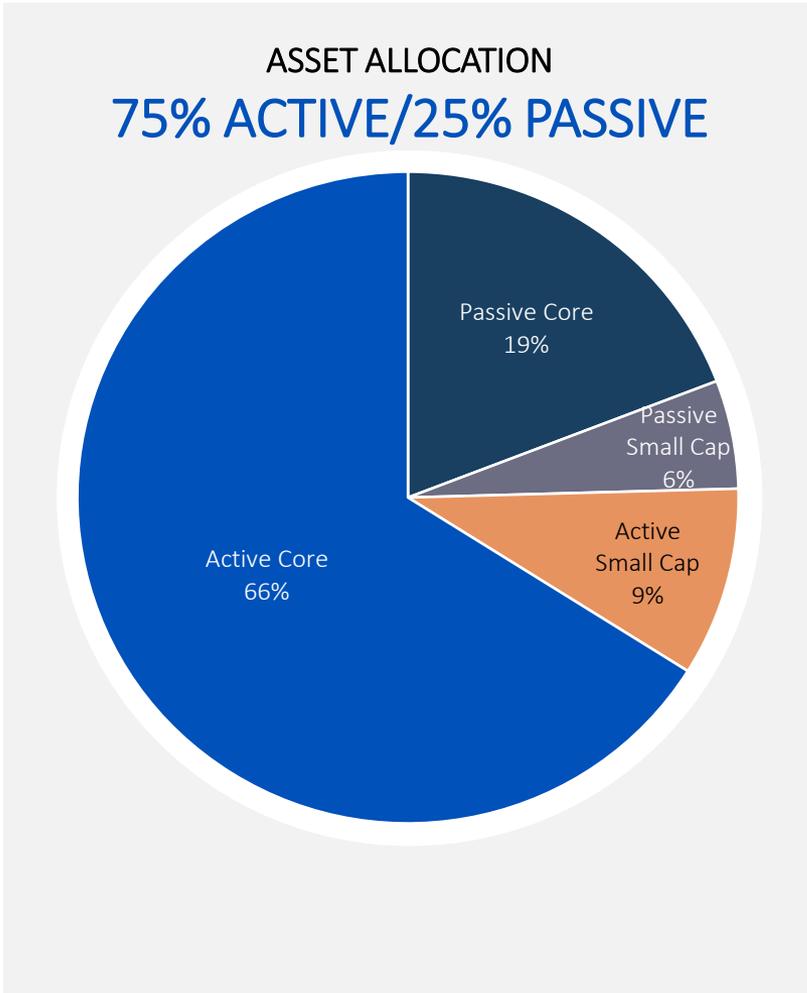
GROSS OF FEES PERFORMANCE



*Total Domestic Equity Benchmark: Currently 100% MSCI USA IMI Custom Exclusion Index (Gross), customized to exclude legislatively prohibited tobacco, Sudan, Iran and Russian securities.

Developed International Equity

As of September 30, 2023, \$10.2 Billion – 10.7% of PRIT Fund

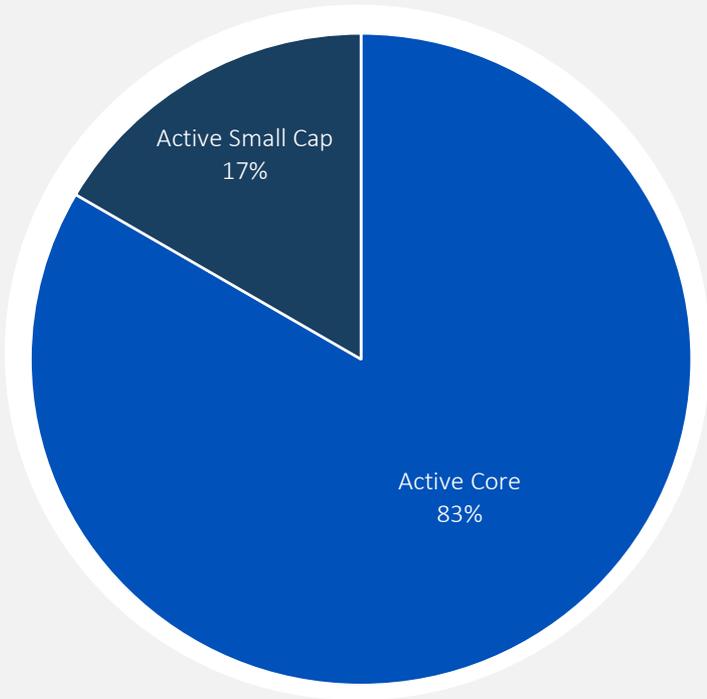


*Total International Equity Benchmark: Custom MSCI World Ex-US IMI Net Divs, customized to exclude legislatively prohibited tobacco, Sudan Iran and Russian securities (blend is maintained by MSCI).

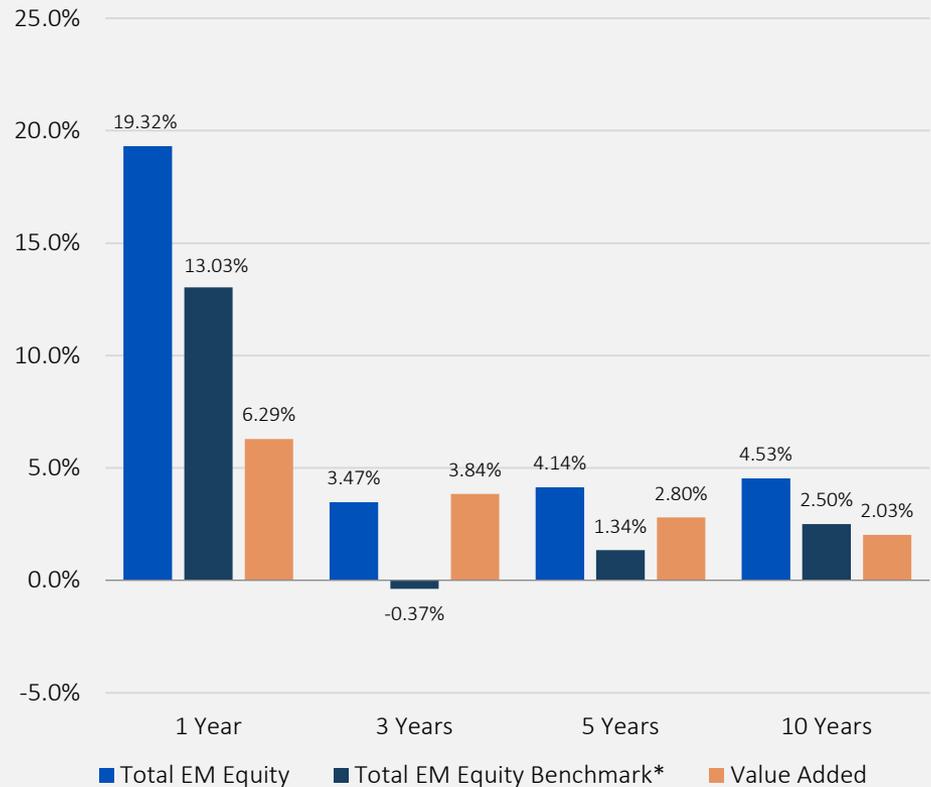
Emerging Markets Equity

As of September 30, 2023, \$4.1 Billion – 4.3% of PRIT Fund

ASSET ALLOCATION 100% ACTIVE



GROSS OF FEES PERFORMANCE



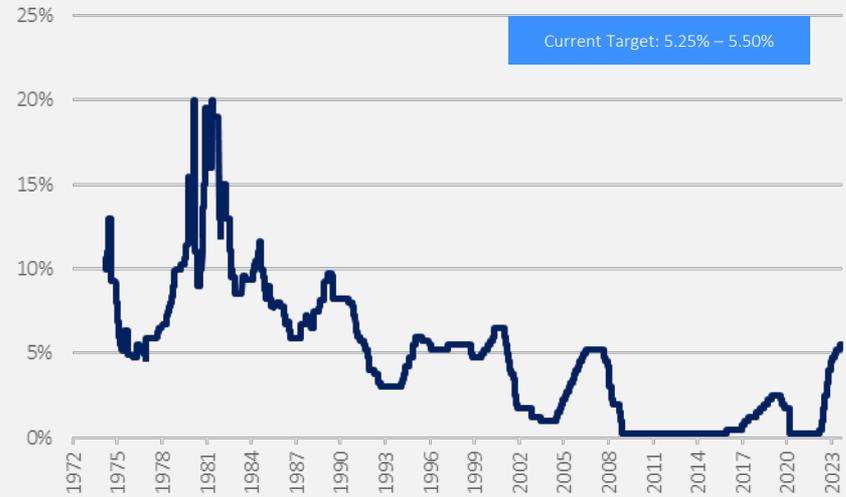
*Total Emerging Markets Equity Benchmark: currently Custom MSCI Emerging Markets IMI Net Divs, customized to exclude legislatively prohibited tobacco, Sudan, Iran and Russian securities (blend is maintained by MSCI).

Public Fixed Income Review

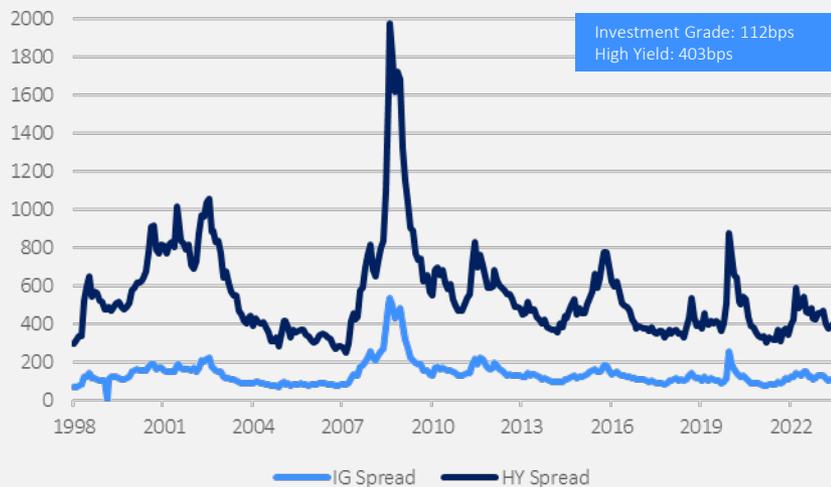
U.S. TREASURY YIELD CURVE



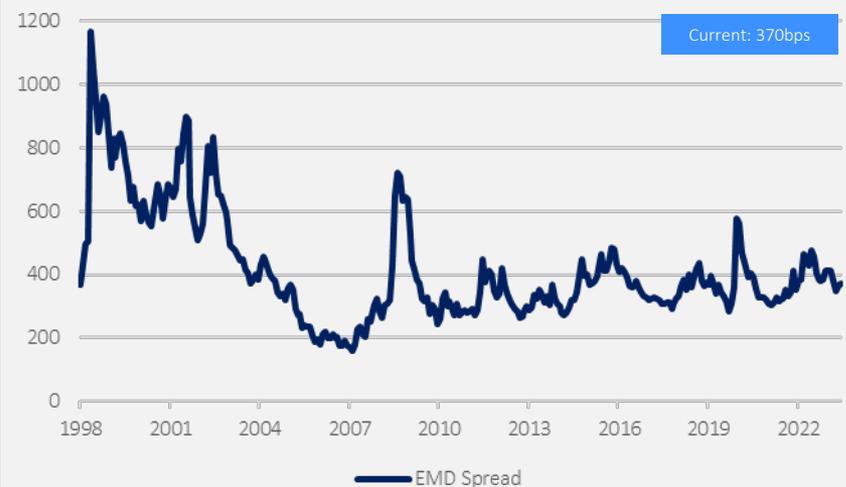
TARGET FED FUNDS RATE



U.S. CREDIT SPREADS

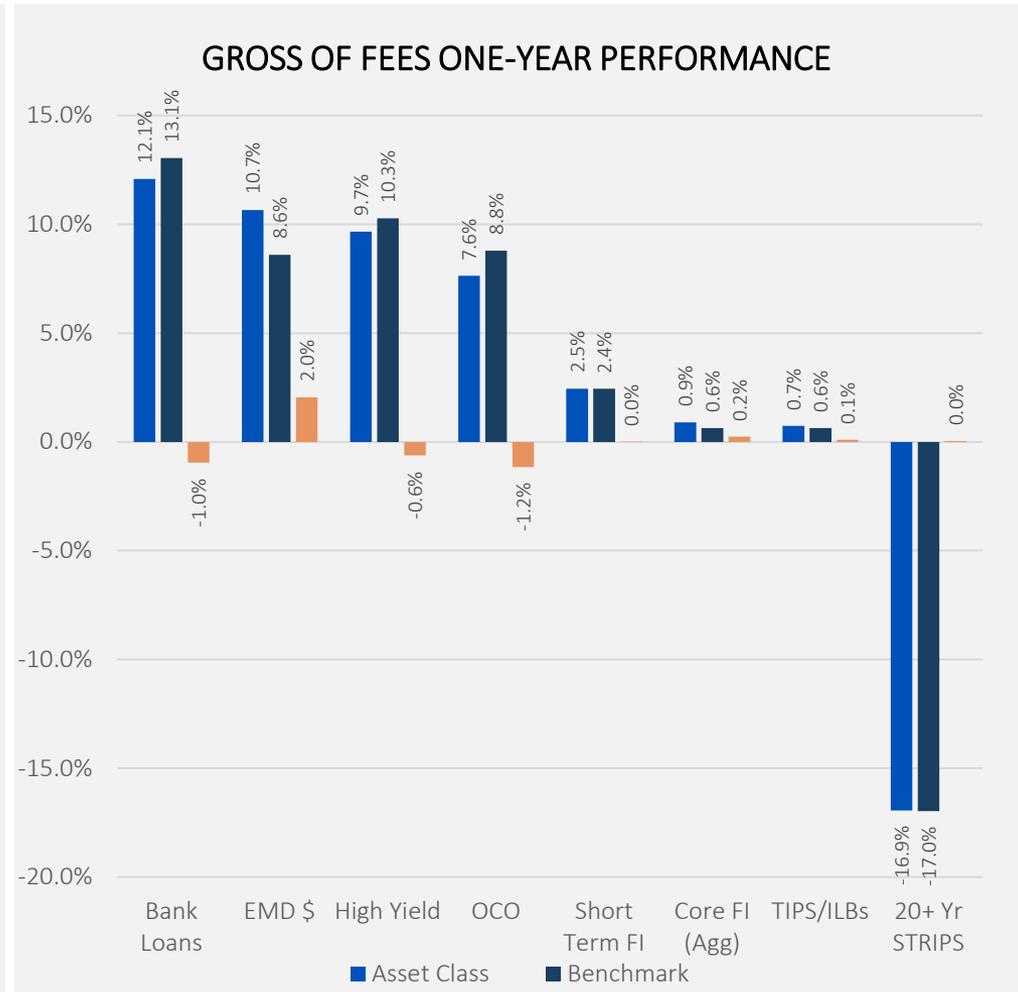
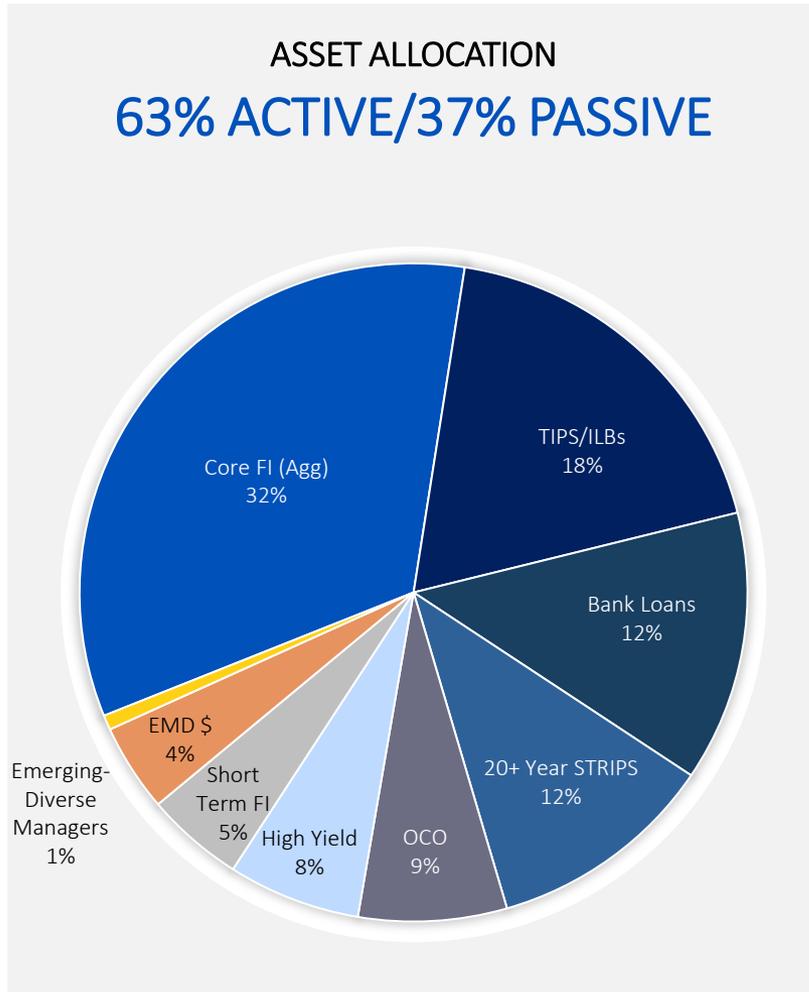


EMERGING MARKETS DEBT SPREAD



Core & Value-Added Fixed Income

As of September 30, 2023, \$18.0 Billion – 18.9% of PRIT Fund* (Target 17%-29%)



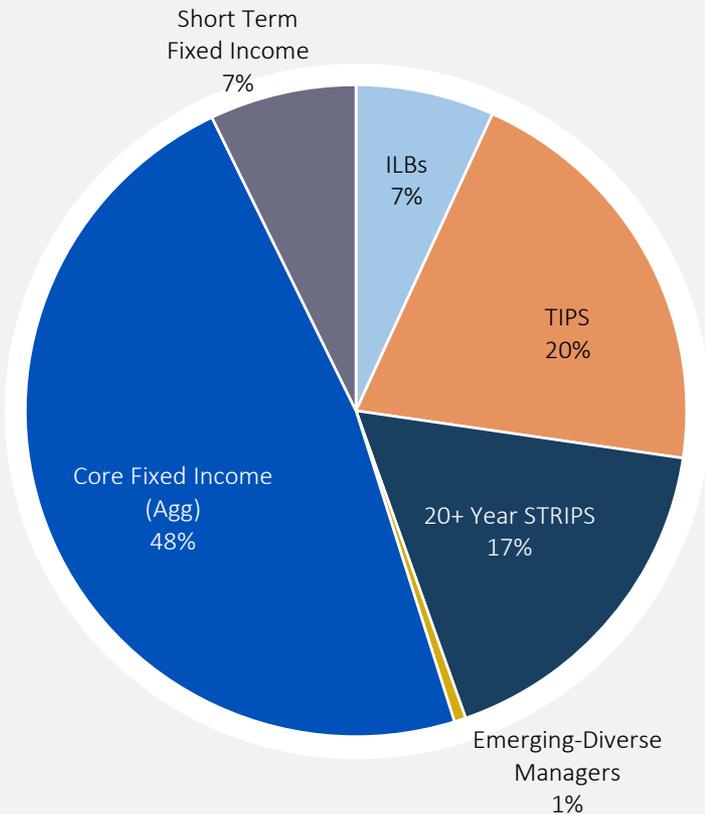
Source: BNY Mellon, PRIM Staff. As of September 30, 2023. *Excludes Private Debt allocation.

Domestic Investment Grade & Inflation-Linked Fixed Income

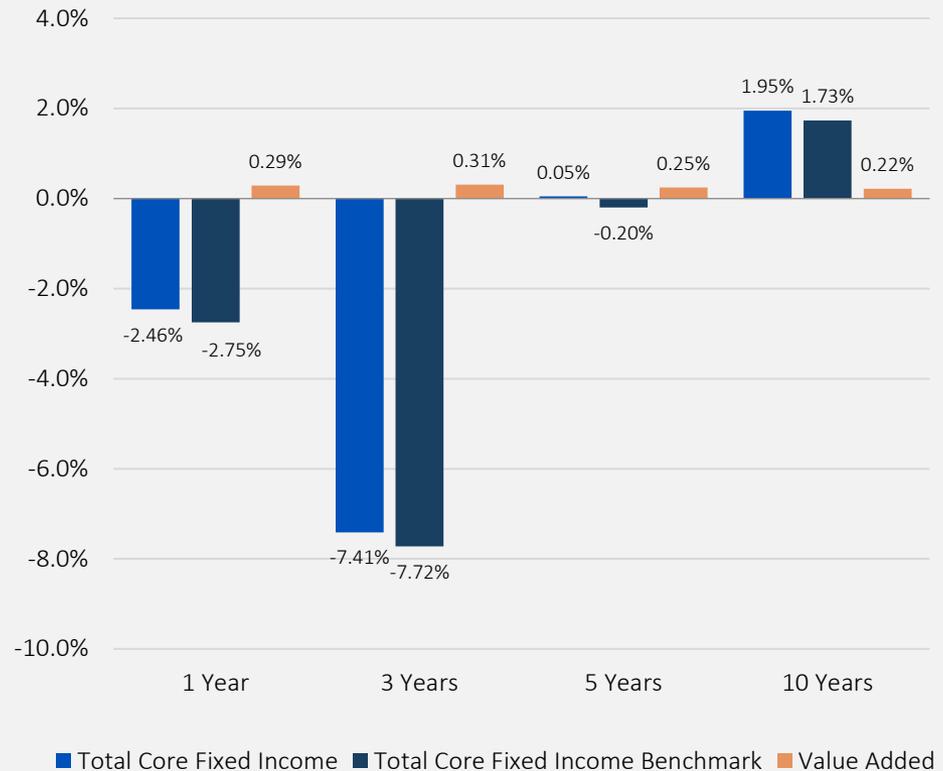
As of September 30, 2023, \$12.1 Billion – 12.7% of PRIT Fund (Target 12%-18%)

ASSET ALLOCATION

45% ACTIVE/55% PASSIVE



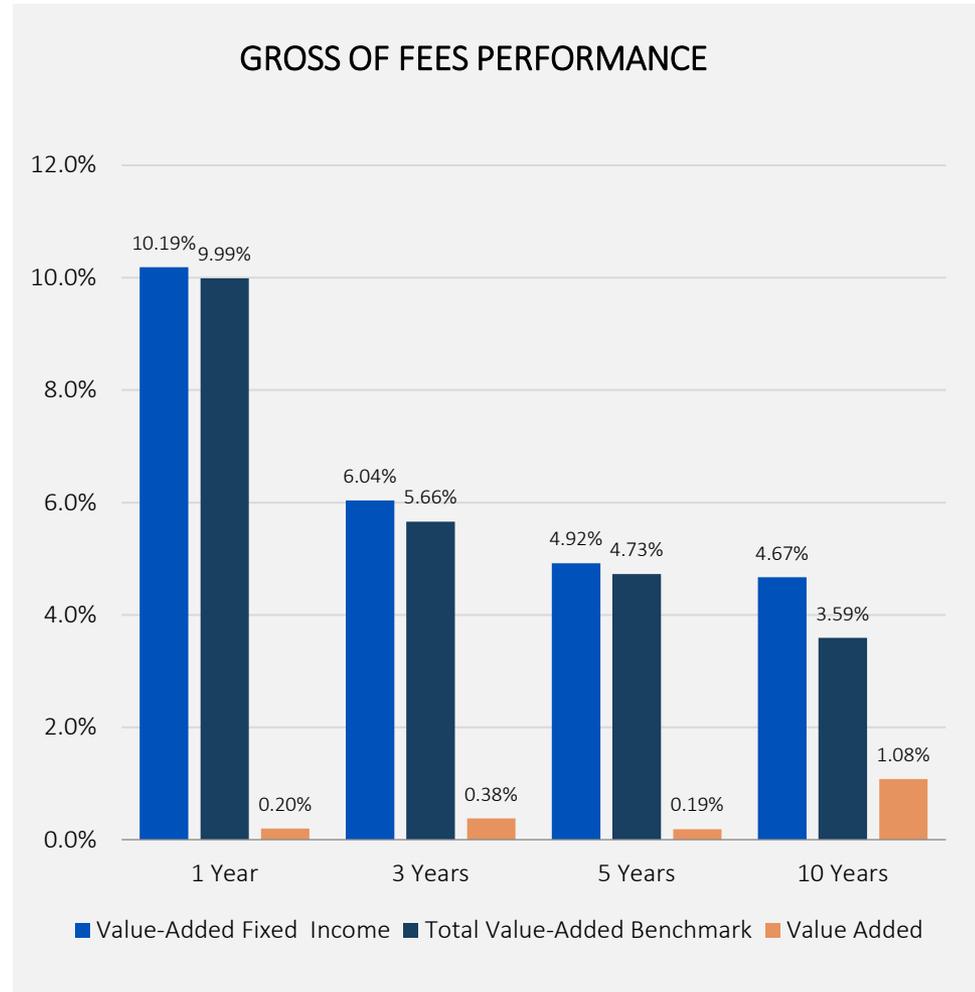
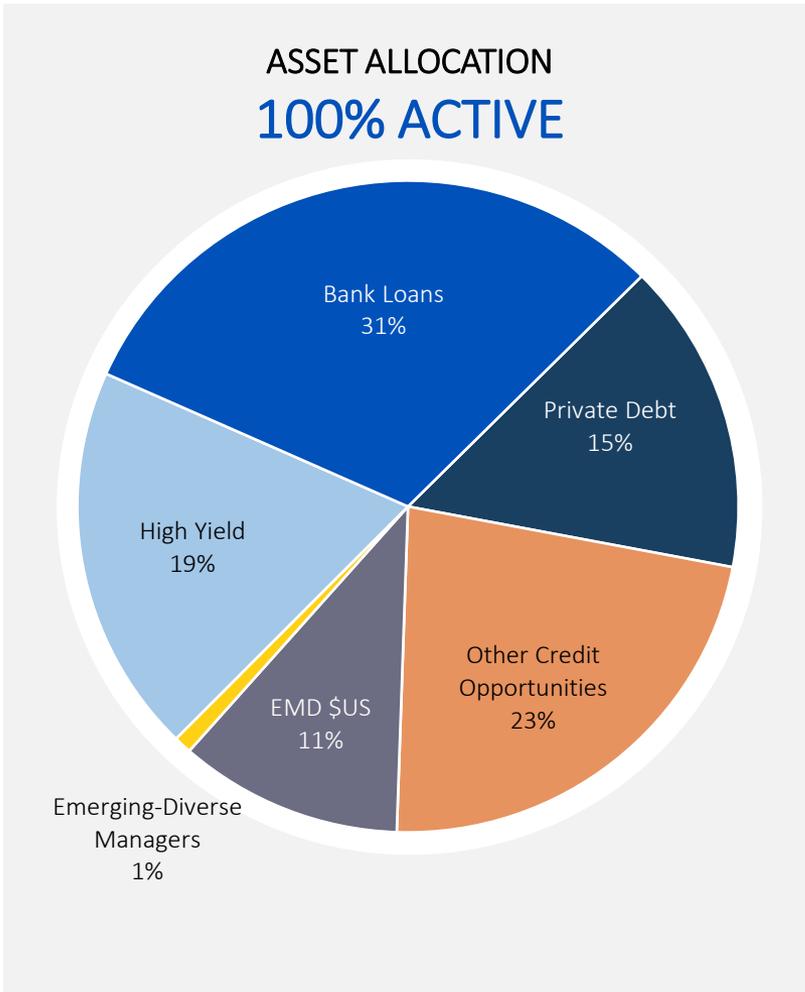
GROSS OF FEES PERFORMANCE



*Core Fixed Income Benchmark: Currently 46.6666% Bloomberg U.S. Aggregate Bond/20% Bloomberg Global IL U.S. Tips/6.6667% Bloomberg World Gov Inflation-Linked USD Hdg/20% Bloomberg US STRIPS 20+ Years/6.6667% Bloomberg U.S. Treasury: 1-3 Year. Formerly labeled 46.6666% BC Aggregate/20% BC US TIPS/6.6667% BC ILB US\$ Hedged/20% BC STRIPS 20+/6.6667% Bloomberg Barclays US Treasury 1-3 Year Index.

Value-Added Fixed Income

As of September 30, 2023, \$7.0 Billion – 7.4% of PRIT Fund (Target 5%-11%)



*Currently the Value-Added benchmark is calculated by applying the investment performance of the sub asset class benchmarks to the sub asset class weights within the value-added fixed income portfolio, Private Debt component is using actual Private Debt Returns through 12/31/2021; currently Burgiss Distressed Debt Universe Lagged, if the Burgiss return is not available, the actual portfolio net return will be used as a placeholder until the Burgiss Private Debt BM is published. These weightings will be automatically adjusted on a monthly basis.

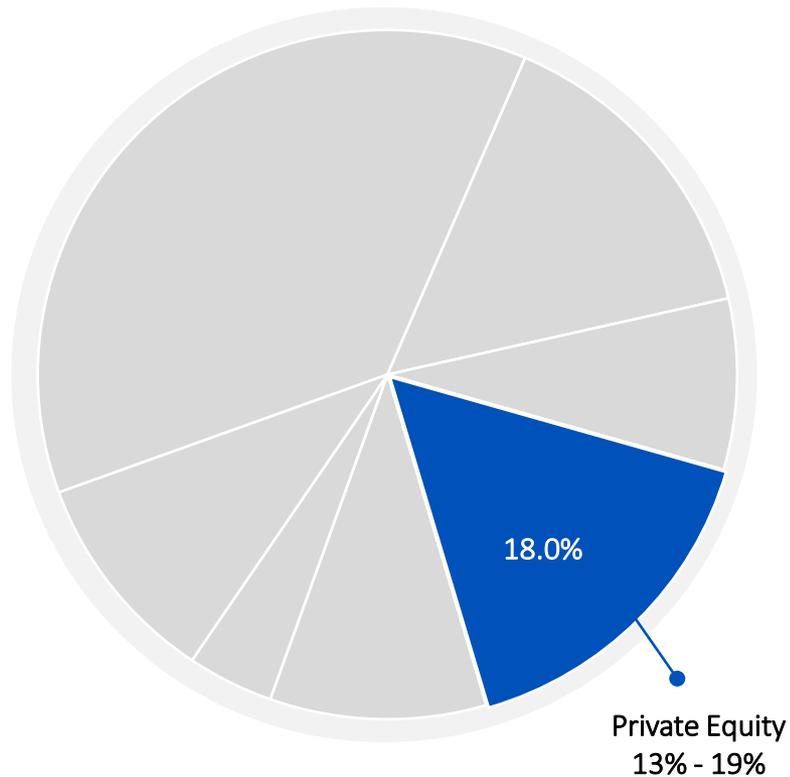
PRIVATE EQUITY PORTFOLIO



Private Equity Portfolio

PRIT FUND TARGET ASSET ALLOCATION

Actual Allocation as of September 30, 2023



\$17.2 billion, 18.0% of PRIT Fund

104 GP Relationships

386 Active Partnerships

- 72 Co-Investment Partnerships

Emerging-Diverse Managers

~ 30 investment decisions/year

5 core investment strategies:

- Large buyouts
- Small and mid cap buyouts
- Growth equity
- Venture capital
- Co-investments

7 team members

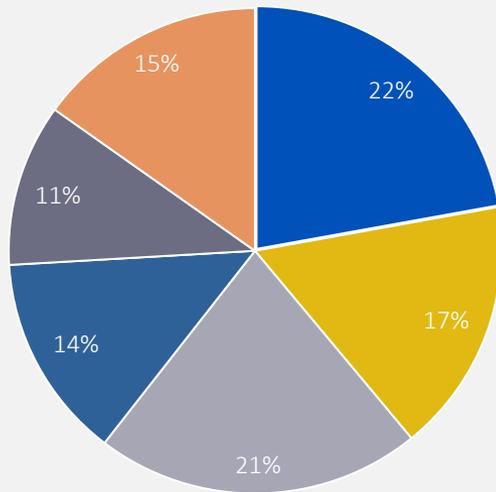


Private Equity Key Initiatives

- **Execute successful Private Equity Investment strategy.**
 - Increase Private Equity target allocation range to PRIT Fund to from 12% to 18% to 13%-19%.
 - Commitment goal of \$2.2 billion to \$3.0 billion to funds and co-investments.
 - Continue to source and evaluate attractive new investment opportunities.
 - Continue to scale and improve co-investment program.
- **Continue to source and allocate to diverse investment managers.**
- **Continue to implement PRIM's Emerging-Diverse Manager Program.**
- **Private Equity Research:**
 - Further refine and accelerate venture capital strategy.
 - Develop new analytical tools to enhance decision making.
 - Evaluate secondary market opportunity
- **Build the team's expertise and capacity.**
 - Develop more robust private equity talent pipelines.
 - Recruit talented team members with complementary skills to existing members.
 - Increase collaboration with other PRIM teams.
- **Support the newly established ESG Committee to develop an ESG framework and related activities.**

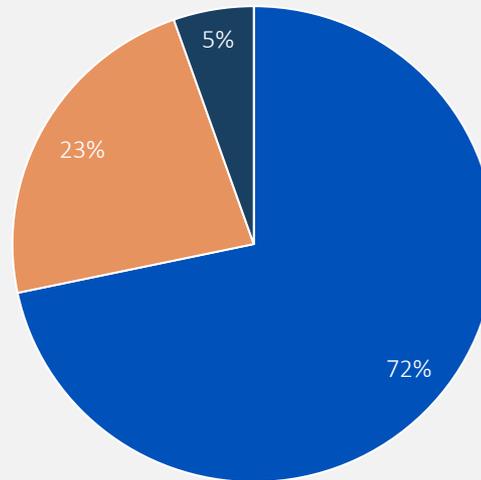
Private Equity Diversification

By Strategy



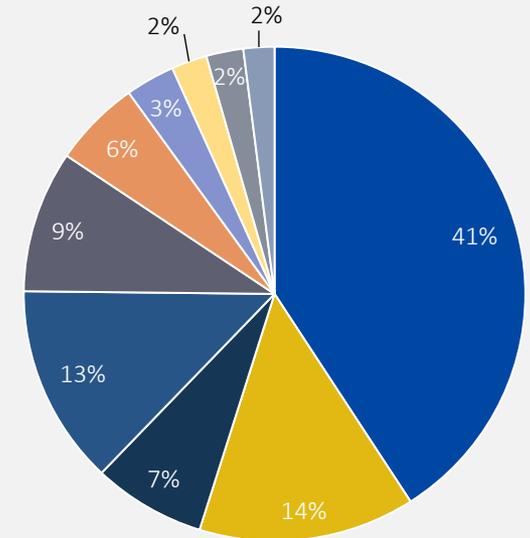
- Buyout - Mid
- Buyout - Large
- Buyout - Mega
- Buyout - Small
- Venture Capital
- Growth Equity

By Geography



- North America
- Western Europe
- Other

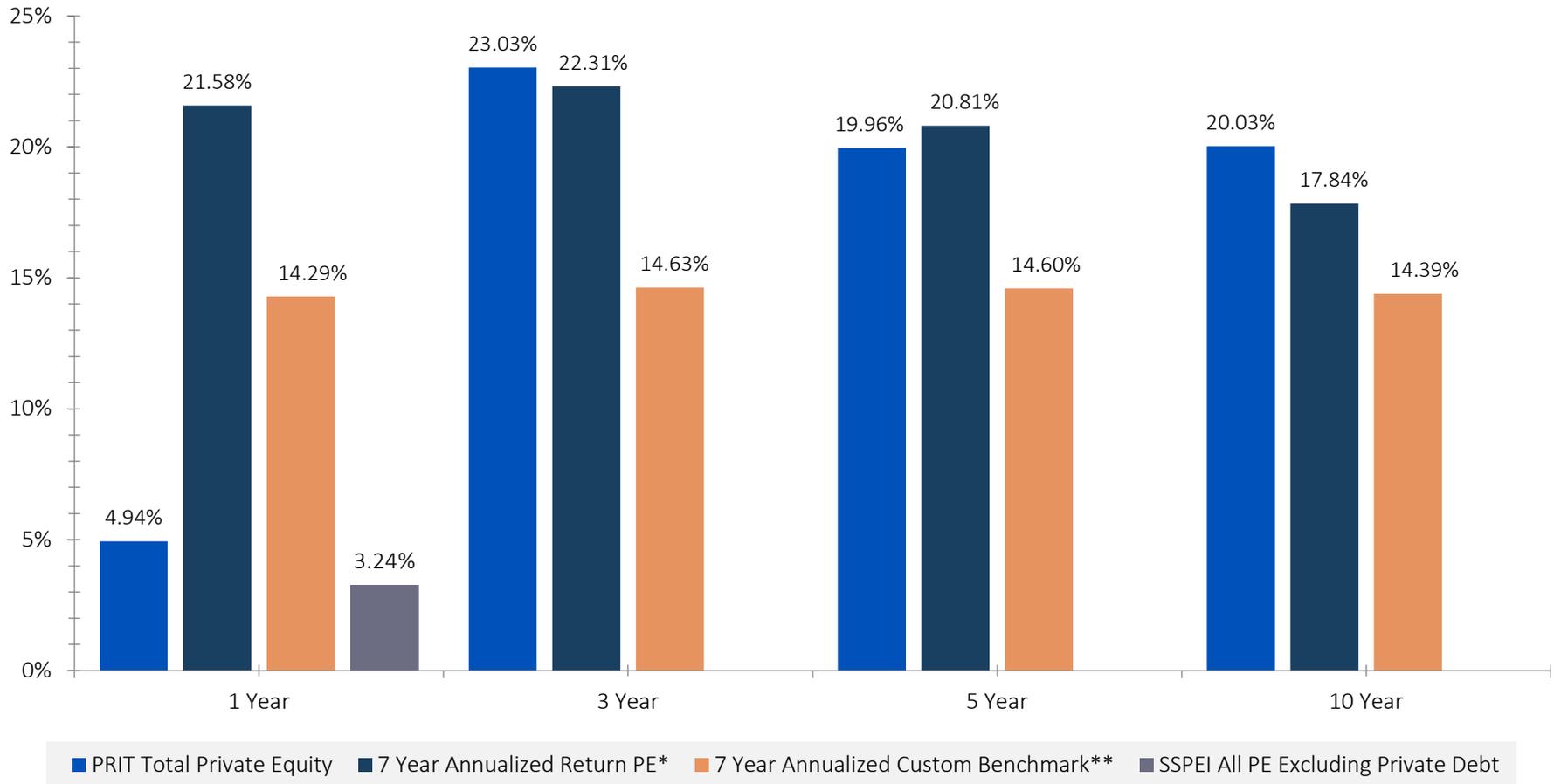
By Sector



- Information Technology
- Health Care
- Consumer Discretionary
- Industrials
- Financials
- Communication Services
- Energy & Utilities
- Materials
- Consumer Staples
- Other

Private Equity

Annualized Returns as of September 30, 2023 (Gross of Fees)



* The 7 Year Annualized performance is used in the Policy Return and Policy Benchmark.

**The 7 Year Annualized Benchmark: Currently year annualized return of a blend of the 88% Russell 3000 + 3% / 12% MSCI Europe IMI + 3%.

Private Equity Performance by Vintage Year

Performance Summary By Vintage Year as of June 30, 2023

Private Equity Vintage Year	Capital Committed	Paid-In Capital	Percentage Contributed	Capital Distributed	Percentage Distributed	Reported Market Value	TVPI	Net IRR 6/30/2023	Cambridge Median IRR
1986	\$77,680,426	\$79,264,625	102.04%	\$238,804,549	301.28%	-	3.01x	15.58%	9.47%
1987	216,385,228	215,372,662	99.53%	420,456,645	195.22%	-	1.95x	11.34%	15.15%
1988	93,451,860	89,954,995	96.26%	184,708,592	205.33%	-	2.05x	14.99%	11.83%
1989	61,340,193	59,296,115	96.67%	126,898,769	214.01%	-	2.14x	20.38%	14.23%
1990	218,931,380	225,129,257	102.83%	516,114,811	229.25%	-	2.29x	13.51%	20.16%
1991	1,000,000	1,000,000	100.00%	796,310	79.63%	-	0.80x	(4.22%)	20.26%
1992	28,010,702	27,694,264	98.87%	51,950,840	187.59%	-	1.88x	23.29%	18.47%
1993	151,028,336	150,975,841	99.97%	282,602,309	187.18%	-	1.87x	18.20%	19.17%
1994	15,000,000	15,024,279	100.16%	28,813,938	191.78%	-	1.92x	19.98%	18.46%
1995	251,102,734	215,034,991	85.64%	414,254,435	192.65%	\$1	1.93x	17.23%	16.66%
1996	68,224,661	67,485,450	98.92%	110,478,819	163.71%	-	1.64x	12.65%	10.33%
1997	386,823,350	399,674,317	103.32%	744,523,311	186.28%	-	1.86x	17.37%	11.08%
1998	570,070,005	550,291,977	96.53%	812,641,641	147.67%	1,930,840	1.48x	7.75%	8.15%
1999	413,881,039	411,151,611	99.34%	373,455,602	90.83%	461,803	0.91x	(1.59%)	(0.27%)
2000	1,084,468,703	1,064,444,562	98.15%	1,802,519,192	169.34%	9,296,672	1.70x	12.65%	3.10%
2001	574,892,428	582,099,003	101.25%	1,217,833,799	209.21%	8,572,216	2.11x	26.09%	8.57%
2002	106,478,000	129,693,101	121.80%	231,245,933	178.30%	8,496,703	1.85x	12.16%	8.31%
2003	502,677,937	534,014,449	106.23%	985,342,300	184.52%	2,374,908	1.85x	17.54%	9.76%
2004	400,000,000	394,951,529	98.74%	930,055,382	235.49%	10,745,072	2.38x	23.30%	7.82%
2005	729,080,888	738,242,278	101.26%	1,176,986,828	159.43%	9,411,524	1.61x	9.52%	7.59%
2006	1,900,903,865	1,968,200,436	103.54%	3,122,105,452	158.63%	51,061,976	1.61x	8.55%	7.33%
2007	943,994,618	1,021,216,851	108.18%	1,682,431,126	164.75%	42,082,631	1.69x	11.59%	8.93%
2008	1,458,650,553	1,533,665,659	105.14%	2,793,216,449	182.13%	73,359,464	1.87x	14.36%	9.39%
2009	570,712,022	597,682,655	104.73%	1,130,396,859	189.13%	38,456,942	1.96x	18.89%	12.95%
2010	381,250,000	407,178,709	106.80%	1,083,670,916	266.14%	178,243,108	3.10x	21.20%	12.68%
2011	1,502,763,523	1,670,988,650	111.19%	3,010,898,848	180.19%	658,467,641	2.20x	17.71%	14.22%
2012	700,324,942	817,437,610	116.72%	1,518,970,079	185.82%	331,849,649	2.26x	21.52%	13.45%
2013	522,225,598	560,931,561	107.41%	802,665,626	143.10%	394,265,956	2.13x	16.85%	14.82%
2014	1,226,735,095	1,270,447,130	103.56%	1,939,606,692	152.67%	1,301,254,006	2.55x	22.22%	17.13%
2015	952,755,249	1,077,197,030	113.06%	1,228,090,963	114.01%	1,230,643,881	2.28x	21.93%	16.68%
2016	1,658,489,596	1,653,938,026	99.73%	1,602,760,353	96.91%	1,733,283,639	2.02x	20.24%	18.08%
2017	698,295,397	696,662,077	99.77%	445,718,218	63.98%	870,213,704	1.89x	20.80%	21.90%
2018	1,871,959,405	1,857,086,001	99.21%	864,336,092	46.54%	2,360,691,729	1.74x	21.87%	19.17%
2019	2,052,233,327	1,827,416,192	89.05%	523,123,452	28.63%	2,459,360,931	1.63x	25.67%	17.08%
2020	2,909,286,182	2,134,254,490	73.36%	99,306,660	4.65%	2,522,358,625	1.23x	12.54%	12.35%
2021	3,031,788,574	1,813,950,566	59.83%	13,581,667	0.75%	1,893,120,977	1.05x	3.98%	(0.33%)
2022	2,935,763,316	761,671,617	25.94%	458,433	0.06%	775,911,776	1.02x	2.69%	(13.03%)
2023	1,540,588,527	63,864,941	4.15%	-	0.00%	63,349,722	0.99x	(1.24%)	(15.00%)
Total Private Equity:	\$32,809,247,660	\$27,684,585,506	84.38%	\$32,511,821,892	117.44%	\$17,029,266,095	1.79x	14.06%	



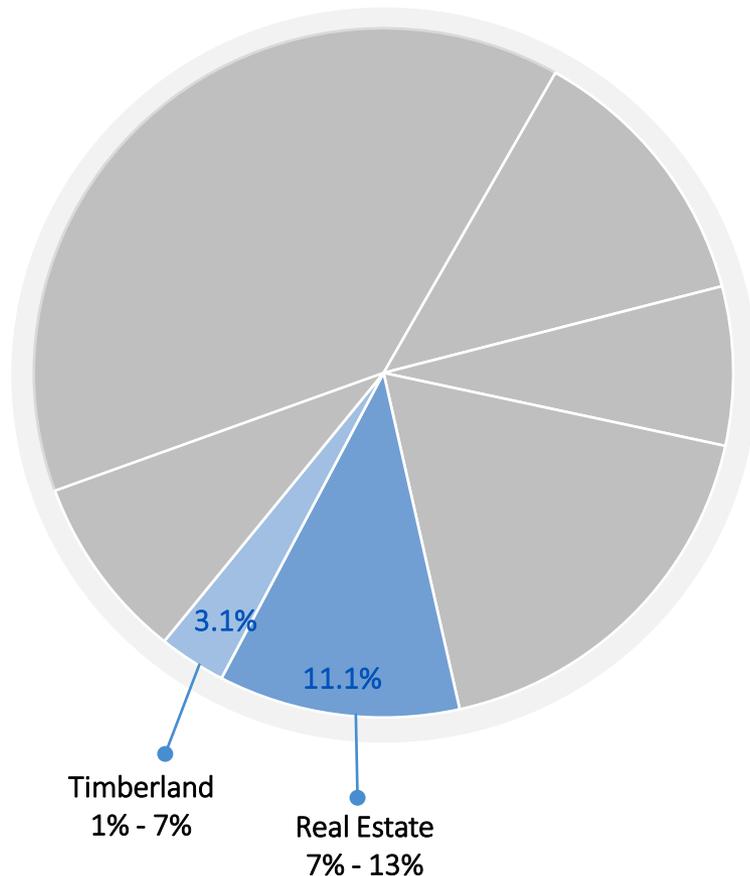
REAL ESTATE AND TIMBERLAND PORTFOLIO

Mass
PRIM

Real Estate and Timberland Portfolios

PRIT FUND TARGET ASSET ALLOCATION

Actual Allocation as of September 30, 2023



\$13.5 billion, 14.2% of PRIT Fund

- Real Estate: \$10.5 billion, 11.1% of PRIT Fund
- Timberland: \$3.0 billion, 3.1% of PRIT Fund

16 portfolios

- 6 core portfolios
- 5 non-core portfolios
- 2 global REIT portfolios
- 2 timberland portfolios
- 1 direct investment portfolio

Property Investments

- Real Estate – 122 properties
- Timberland – 23 properties

116 Global real estate securities

Emerging-Diverse Managers

4 primary strategies

- Core U.S. private real estate
- Non-core U.S. private real estate
- Global real estate securities
- Global timberland

5 team members

Real Estate and Timberland Key Initiatives

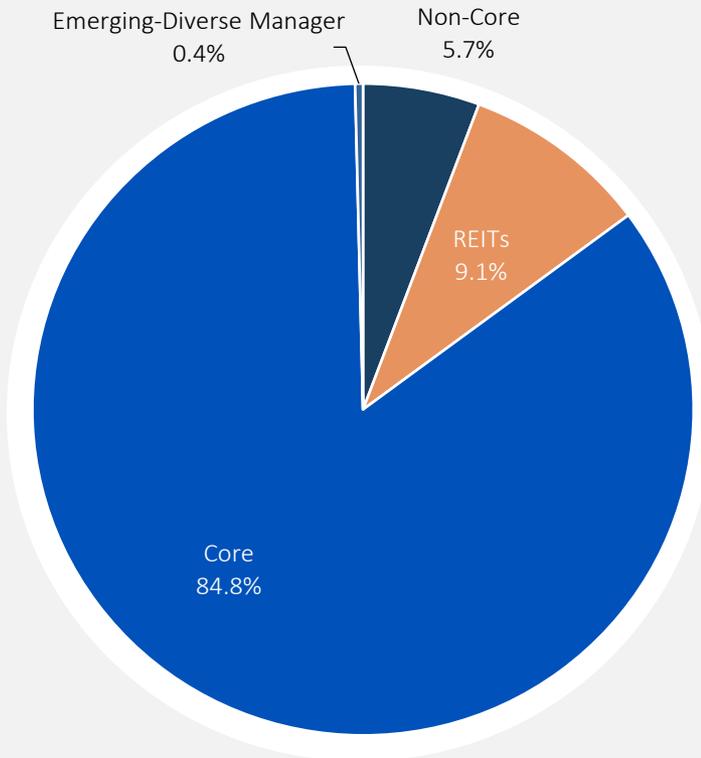


- Continue to source and allocate to diverse investment managers.
- Continue to implement PRIM's Emerging-Diverse Manager Program for Real Estate.
- Utilize REITs, PRIM's internal real estate financing facility, and other available capital sources to fund new acquisitions, address pending financing maturities and maintain PRIM's current leverage structure.
- Continue to execute PRIM's Internal Real Estate Management strategy, consistent with the 2019 Board-approved plan to allocate up to 15% of total Real Estate net asset value.
- Source high quality operating partnerships and investment opportunities.
- Effectively monitor and exercise decision authority on existing investments.
- Collaborate with the Public Markets team to source and conduct due diligence on Other Credit Opportunities investments.
- Oversee the implementation of asset business plans and hold-sell recommendations in the real estate and timberland separate accounts.
- Support the newly established ESG Committee to develop an ESG framework and related activities.

Real Estate

As of September 30, 2023, \$10.5 Billion – 11.1% of PRIT Fund (Target 7%-13%)

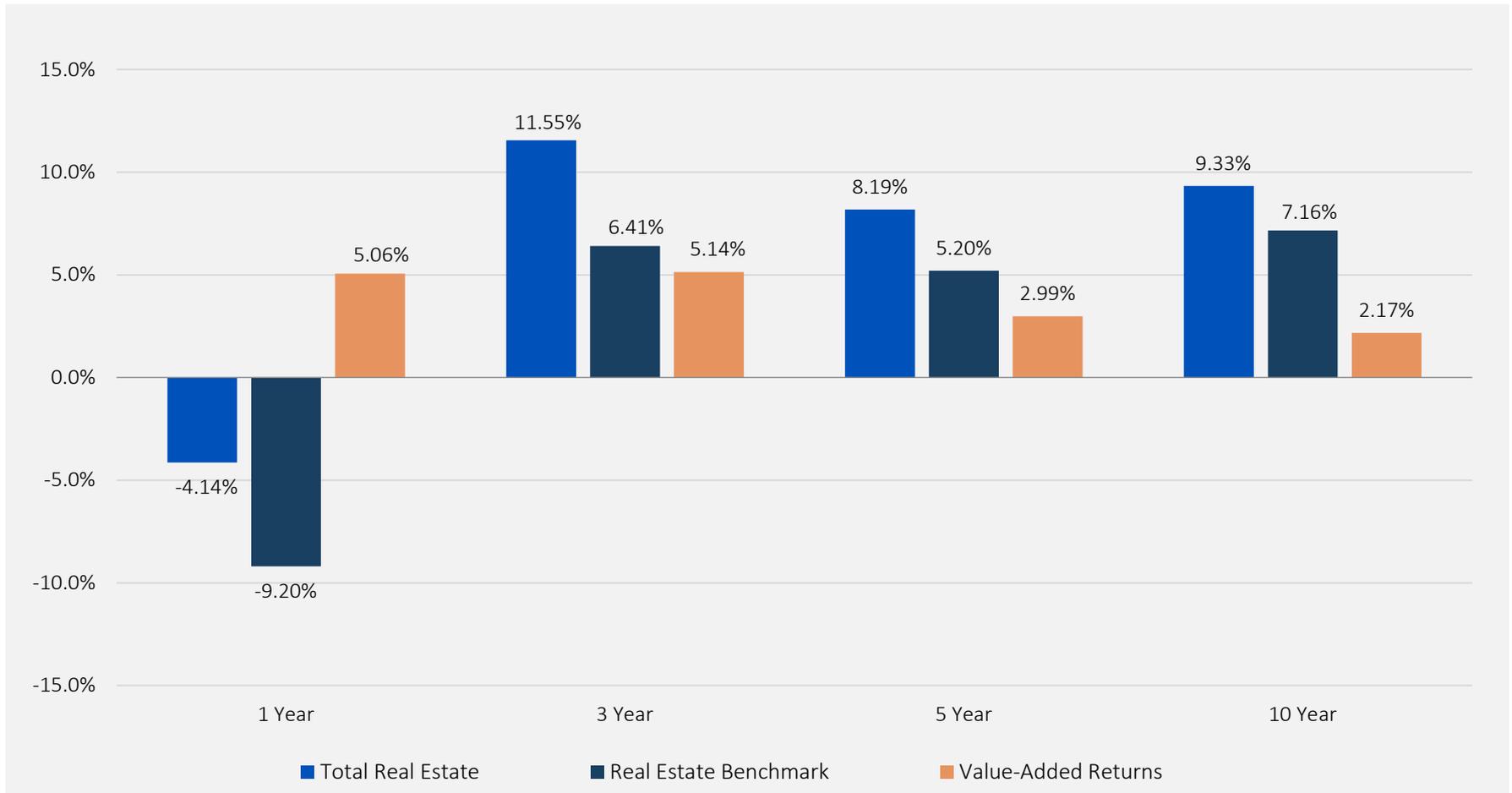
ASSET ALLOCATION



- Equity investments in both directly-owned properties and **REIT** securities
- Directly-owned **Core** properties make up the majority of the real estate portfolio
 - **Core** properties are typically well-leased, operating properties that provide regular cash flow from rents
- **Non-Core** investments make up approximately 6% of the real estate portfolio
 - **Non-Core** includes properties that are under development

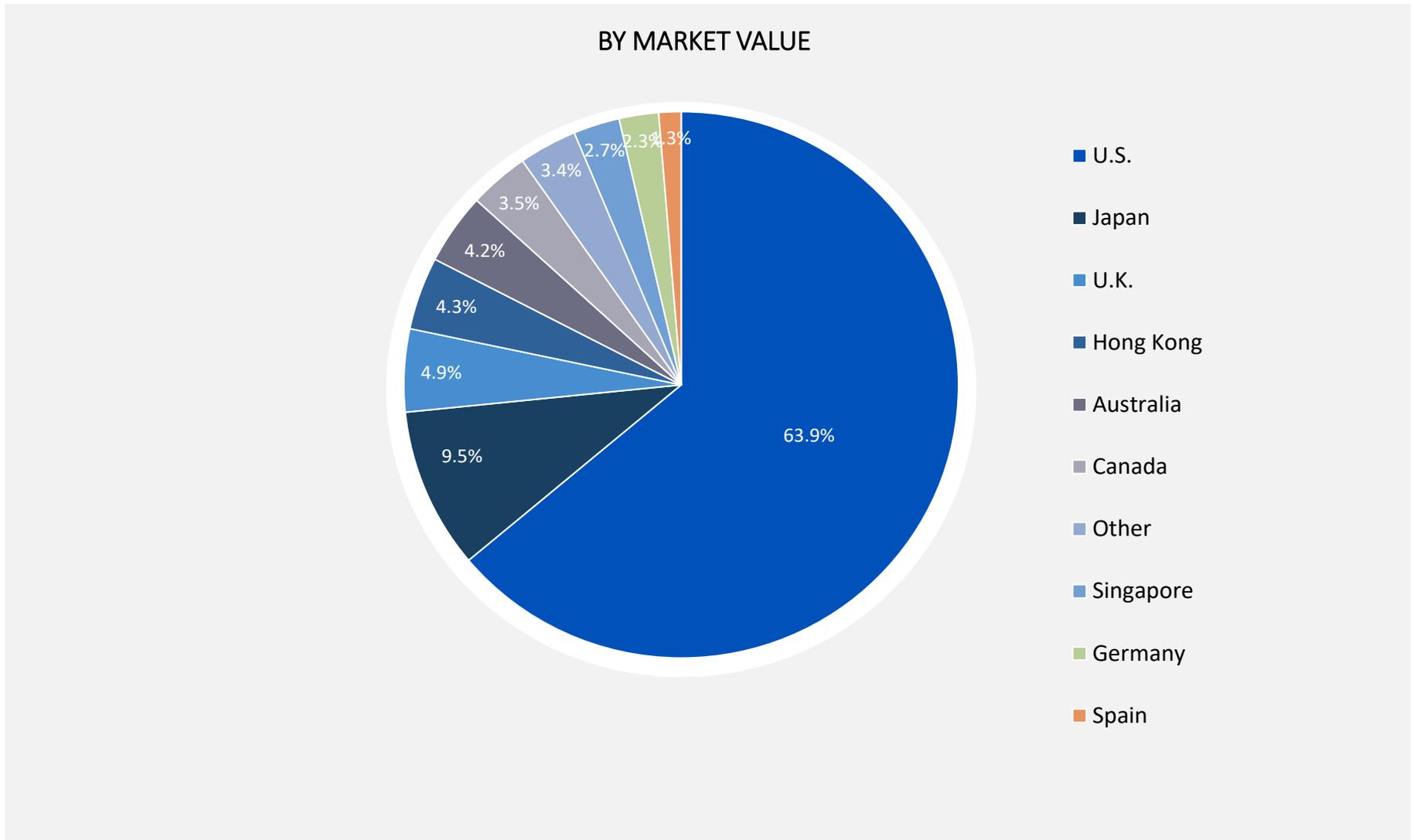
Total Real Estate Performance

Annualized Returns as of September 30, 2023 (Gross of Fees)

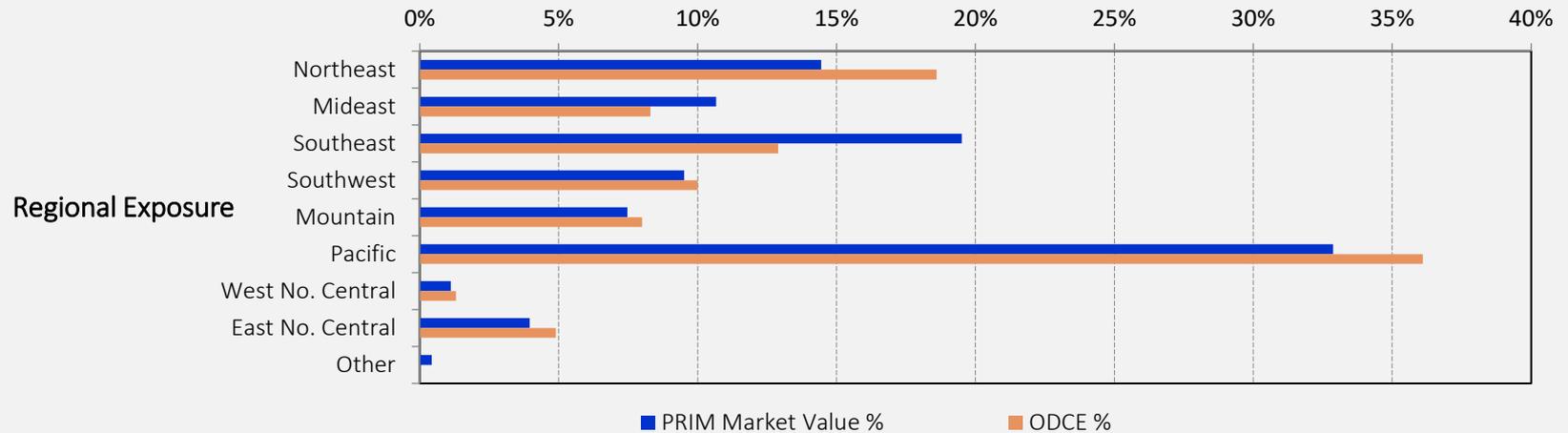
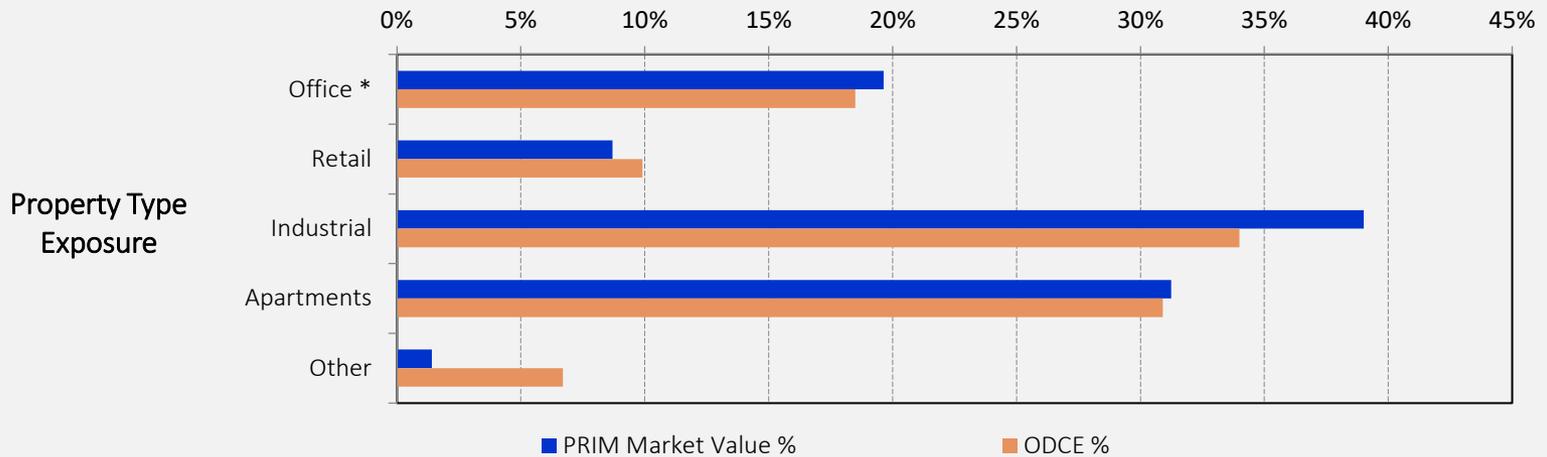


Benchmark: Currently benchmark is calculated by applying the investment performance of the sub asset class benchmarks to the sub asset class weights within the Total RE portfolio. These weights are based on the beginning adjusted monthly market value of each sub asset.

Public Real Estate (REITs) Exposure by Country

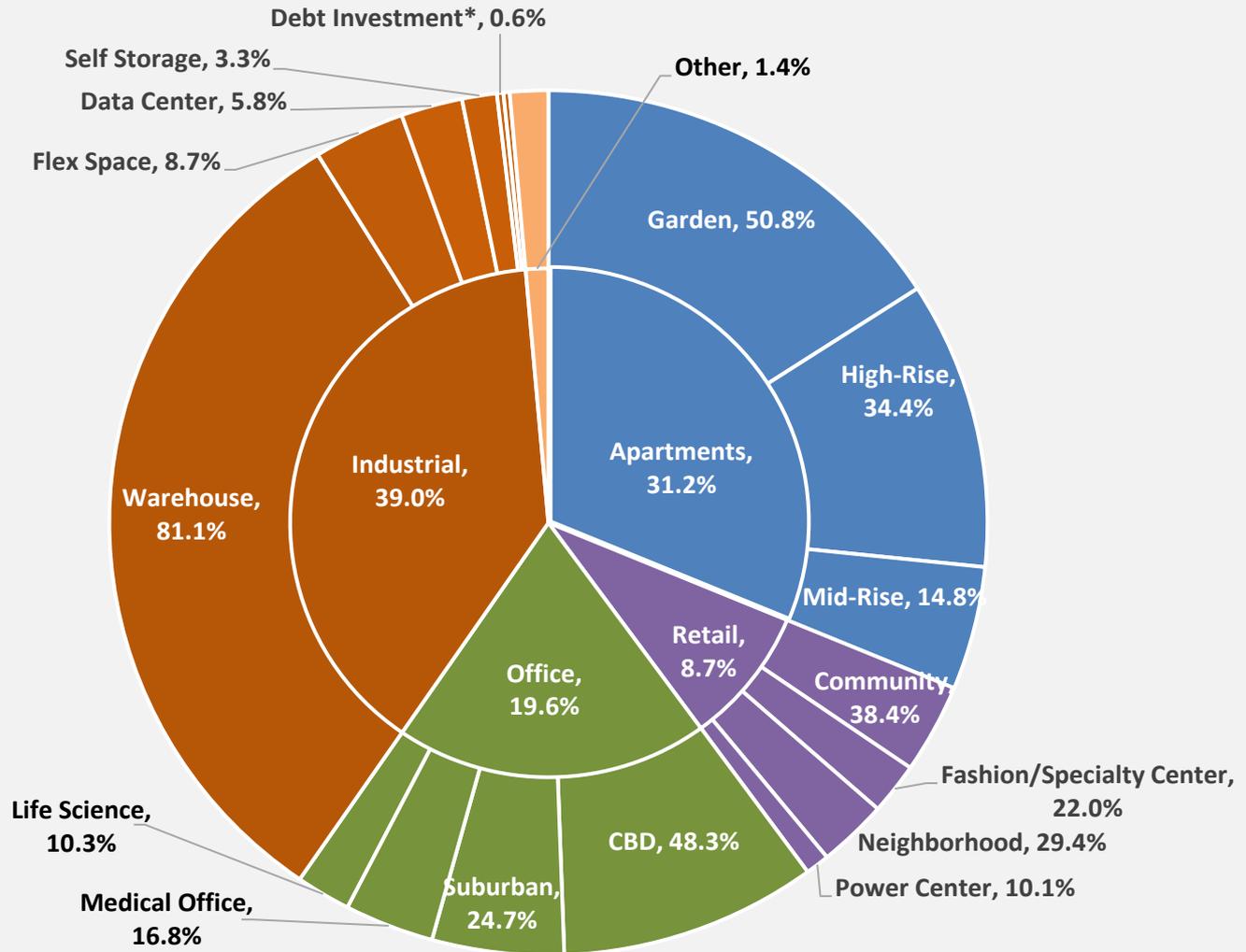


Private Real Estate Portfolio Exposure



*Office includes life science assets

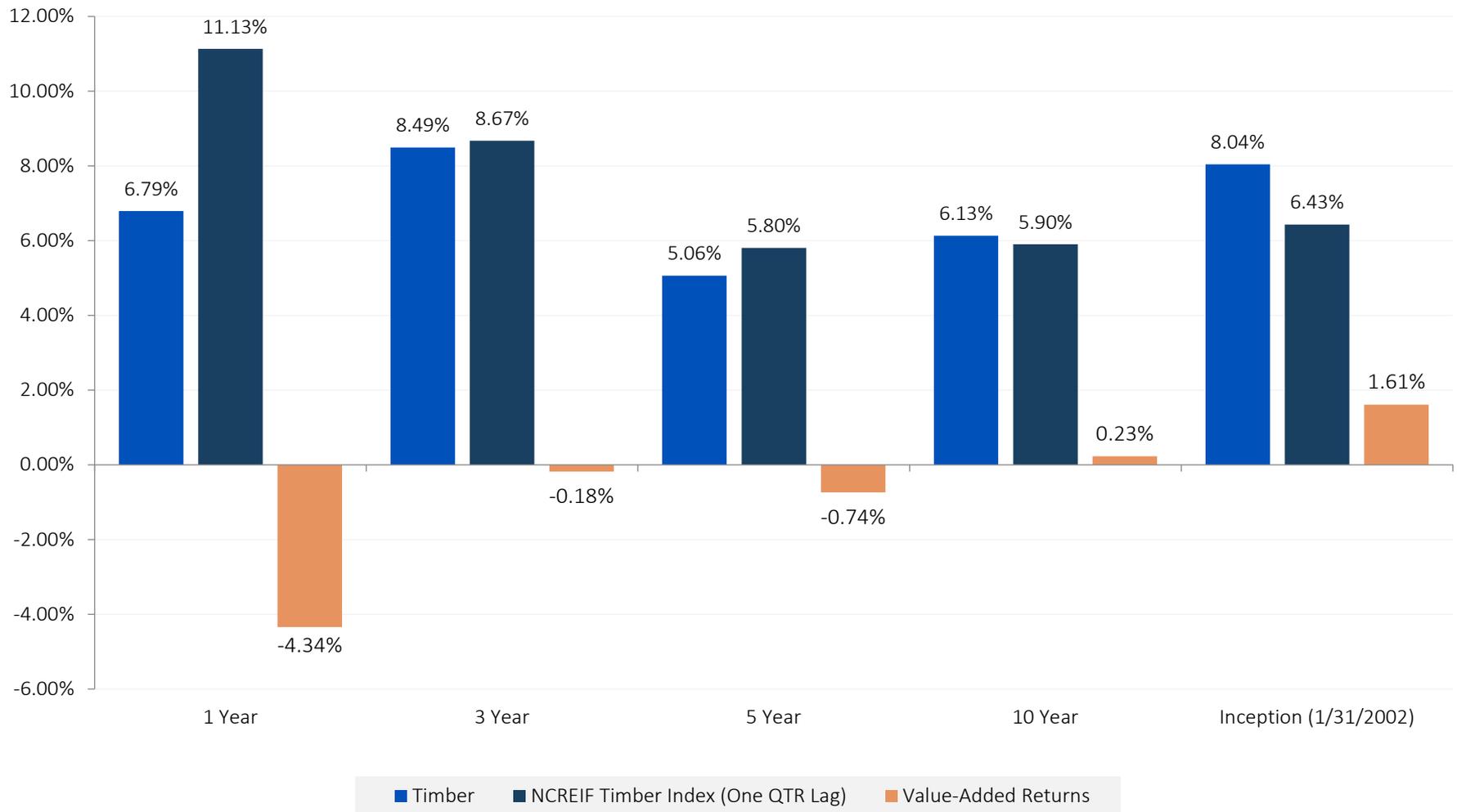
Property Subtype Breakdown



*Debt investments in industrial construction loans

Timberland

Annualized Returns as of September 30, 2023 (Gross of Fees)

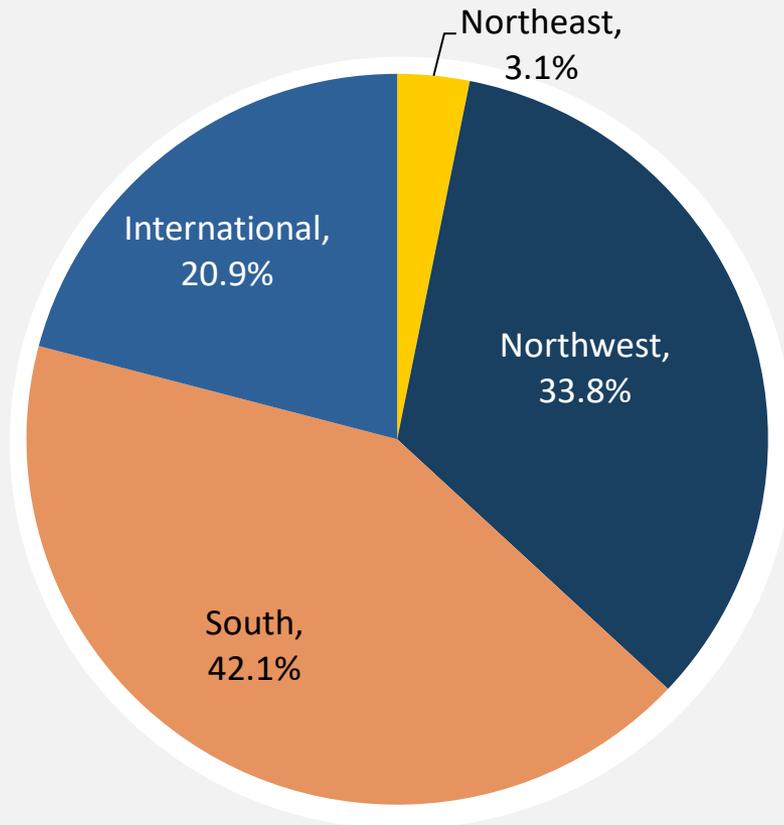


Benchmark: Currently NCREIF Timberland Index one quarter lag.

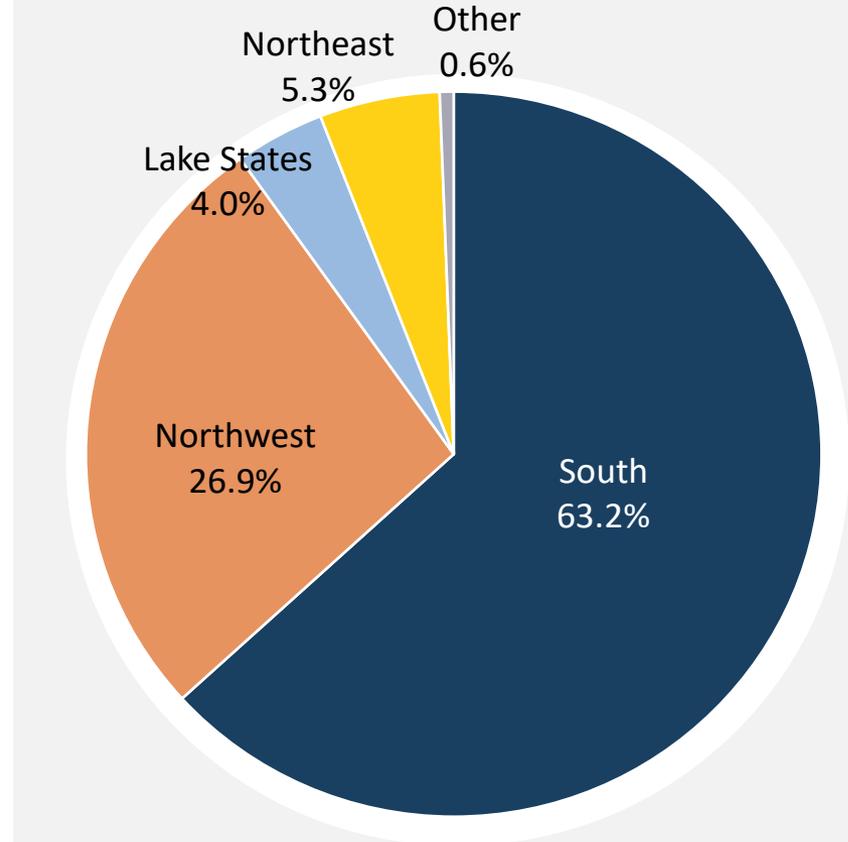
Timberland Exposure by Region vs. Benchmark

As of September 30, 2023, \$3.0 Billion – 3.1% of PRIT Fund (Target 1%-7%)

PRIM REGION EXPOSURE

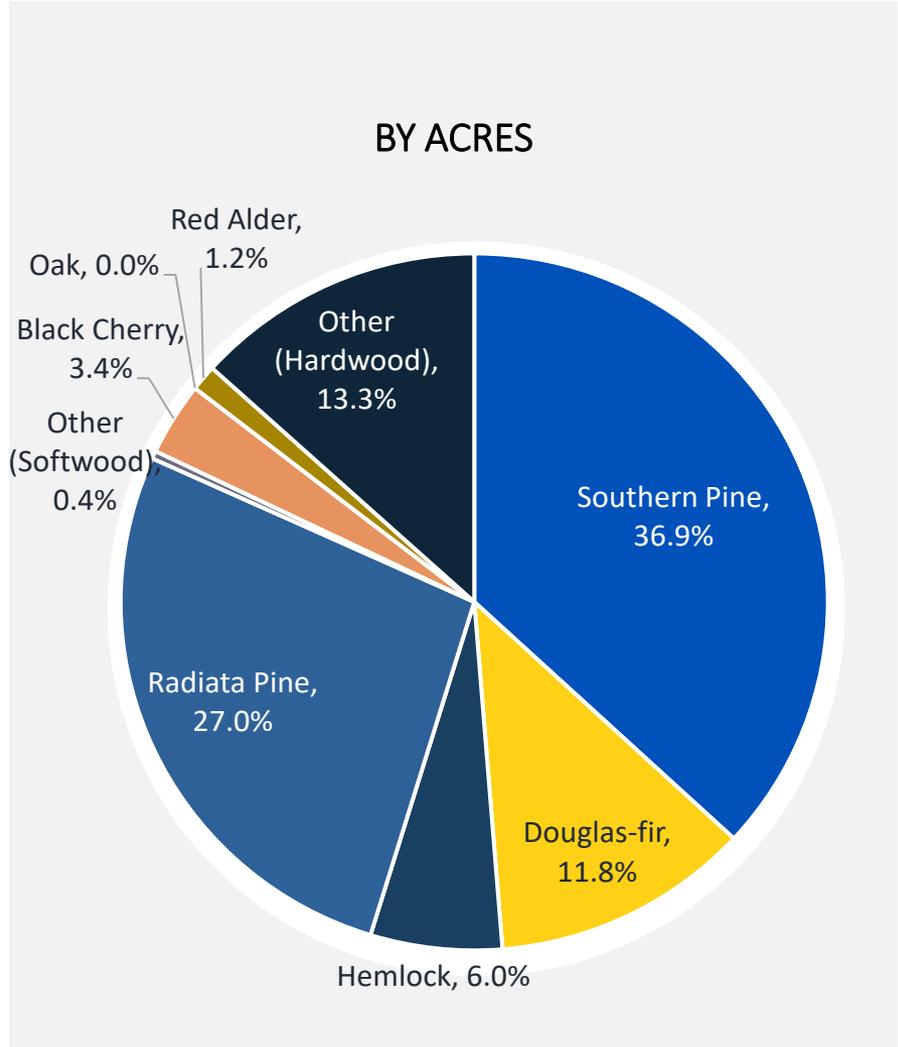
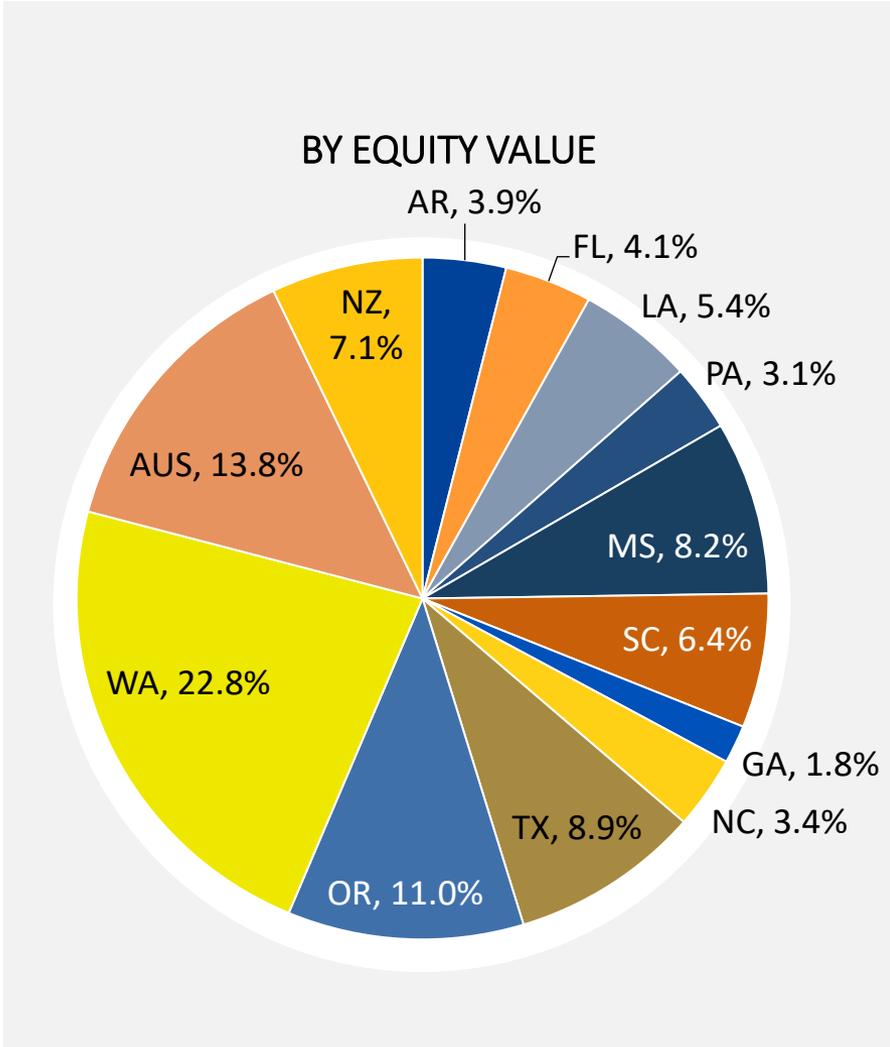


BENCHMARK



Timberland Exposure by State/Region

Timberland Exposure by Species



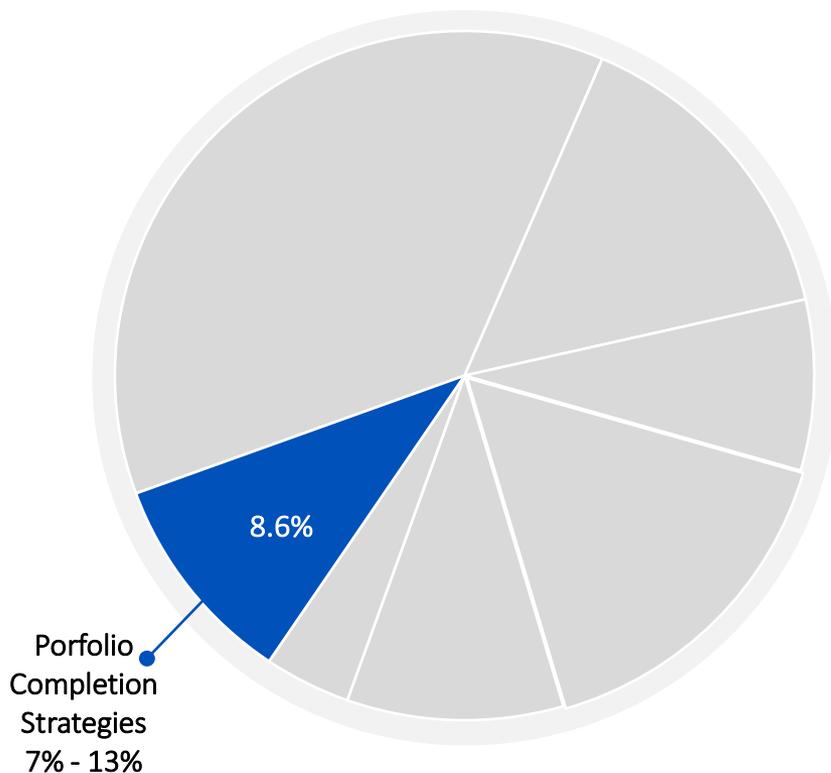
PORTFOLIO COMPLETION STRATEGIES



Portfolio Completion Strategies (PCS)

PRIT FUND TARGET ASSET ALLOCATION

Actual Allocation as of September 30, 2023



PCS \$8.2 billion, 8.6% of PRIT Fund

- Directional Hedge Funds: \$2.0 billion, 25% of PCS
- Stable Value Hedge Funds: \$4.6 billion, 57% of PCS
- Hedge Fund of Funds: \$0.7 billion, 9% of PCS
- Real Assets: \$0.8 billion, 9% of PCS

29 Hedge Fund managers:

- 1 FoHF Manager
- 28 Direct Hedge Fund Managers

6 Real Assets Managers

Emerging-Diverse Managers

5 team members

Collaboration across all PRIM teams

Portfolio Completion Strategies

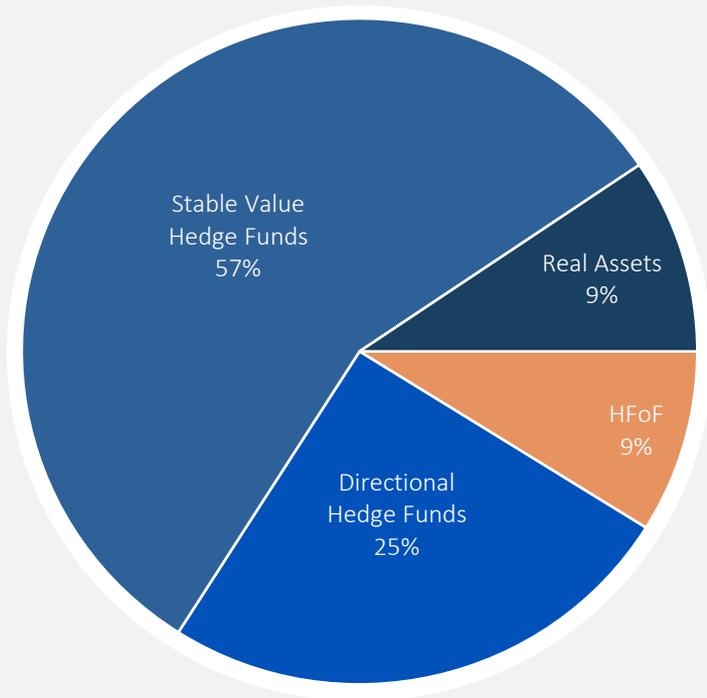
Key Initiatives

- Investments:
 - Maintain allocation to Stable Value Funds.
 - Continue to identify co-investment opportunities.
 - Finish researching the expanding presence of multi-PM platforms and the impact on hedge fund industry.
 - Continue exploring Directional Funds; collaborate with Public Markets on sector/country specialist funds.
 - Evaluate the evolving thesis of Special Situation/Distressed Investing.
 - Continue to implement PRIM's Emerging Manager Program for Hedge Funds.
 - Clarify investment metrics and develop a holistic portfolio strategy for Real Assets.
 - Investigate the growing theme of Sustainability in the Real Assets context.
- Continue to source and allocate to diverse investment managers.
- Continue frequent collaboration with other PRIM teams.
- Support the newly established ESG committee to develop and ESG framework and related activities.

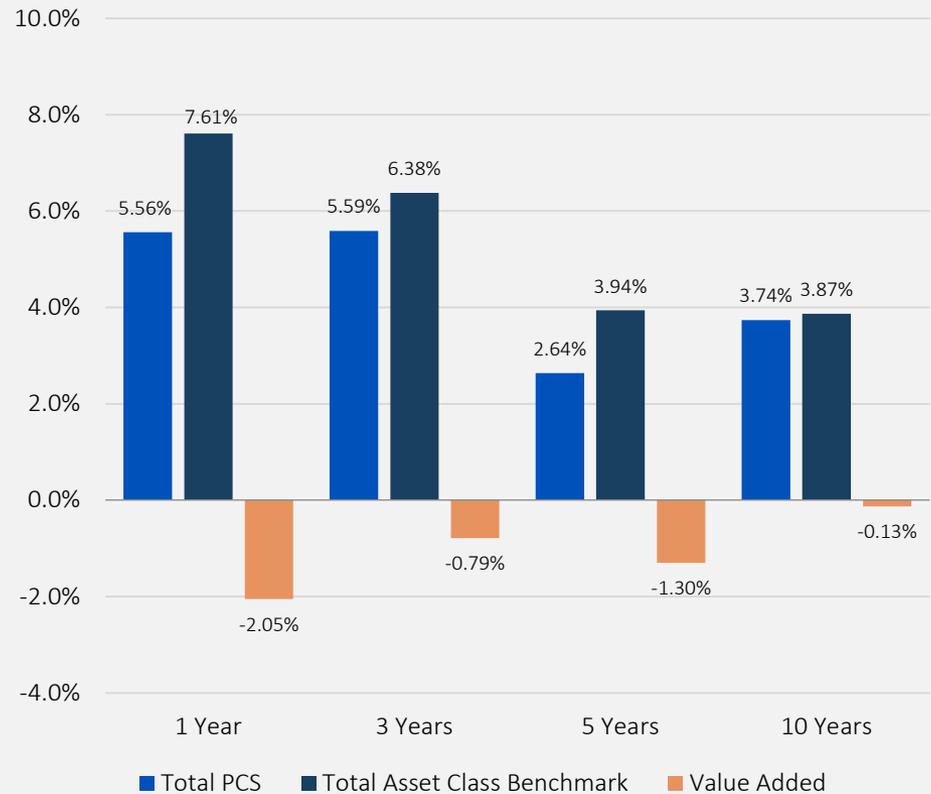
Portfolio Completion Strategies

As of September 30, 2023, \$8.2 Billion – 8.6% of PRIT Fund (Target 7%-13%)

ASSET ALLOCATION



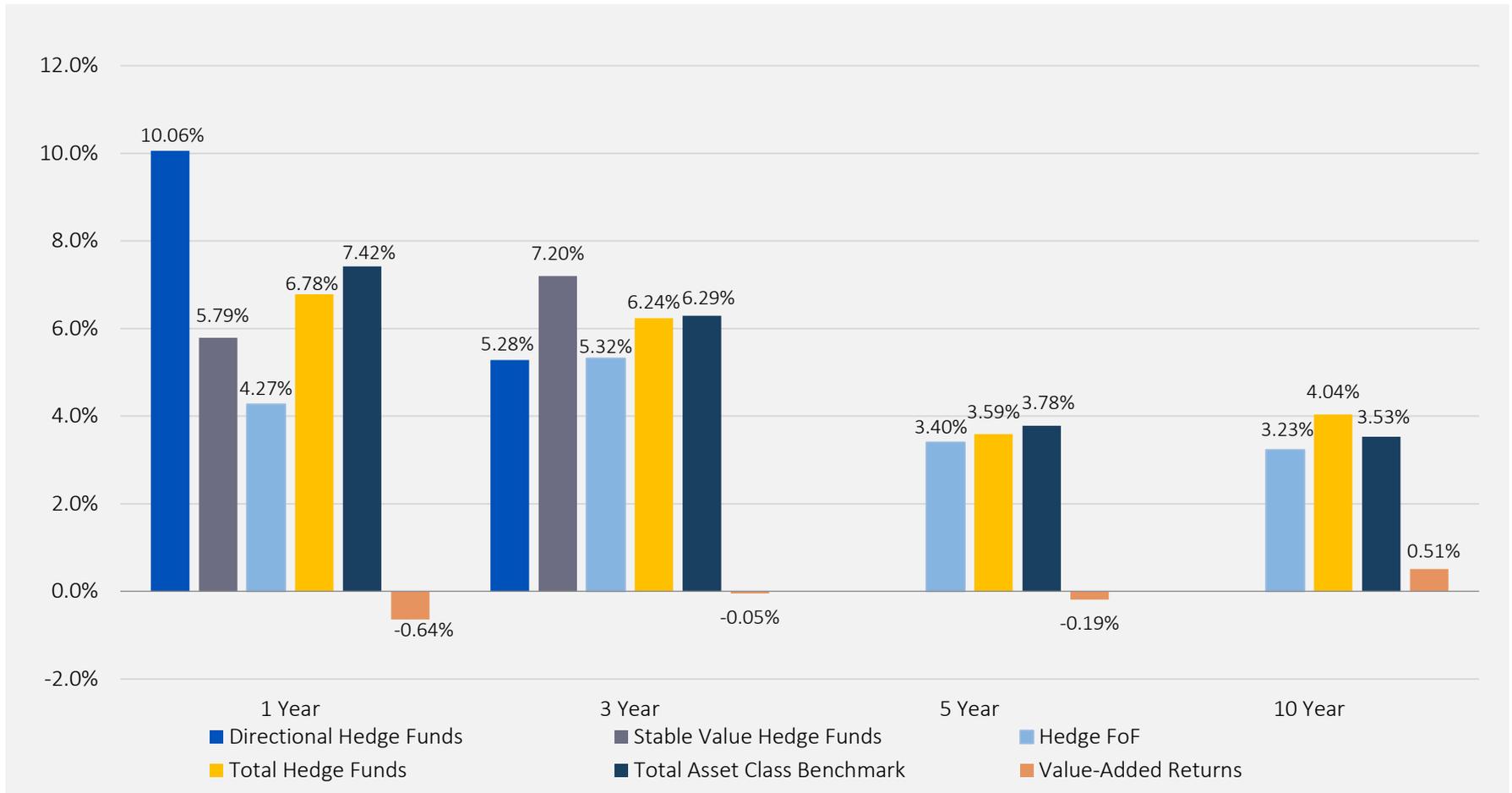
PERFORMANCE*



Benchmark: Total Portfolio Completions Composite Index was formed on April 1, 2017 by combining the prior Portfolio Completion Strategies with Total Hedge Funds. Total Portfolio Completion Strategies Composite Index is calculated by applying the underlying benchmark return for each sub asset class to the asset class's weight within the Total Portfolio Completion Strategies Composite. These weights are based on the beginning adjusted monthly market value of each sub asset. *Hedge Funds returns, 91% of the PCS Portfolio, are net of fees.

Hedge Funds Performance

Annualized Returns as of September 30, 2023 (Net of Fees)



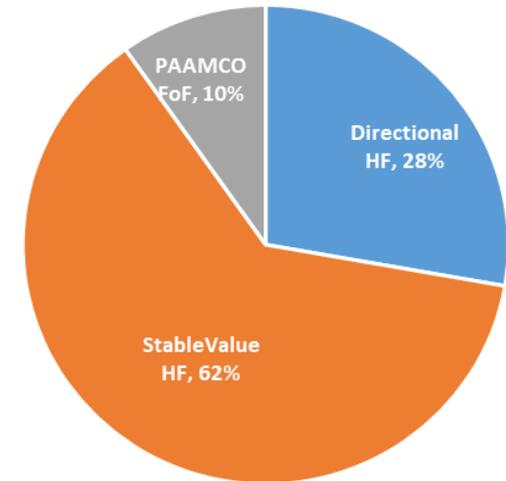
Benchmark: Currently, Total Hedge Funds benchmark is calculated by applying the investment performance of the sub asset class benchmarks to the sub asset class weights within the Total HF portfolio. These weights are based on the beginning adjusted monthly market value of each sub asset.

Hedge Funds Portfolio Snapshot

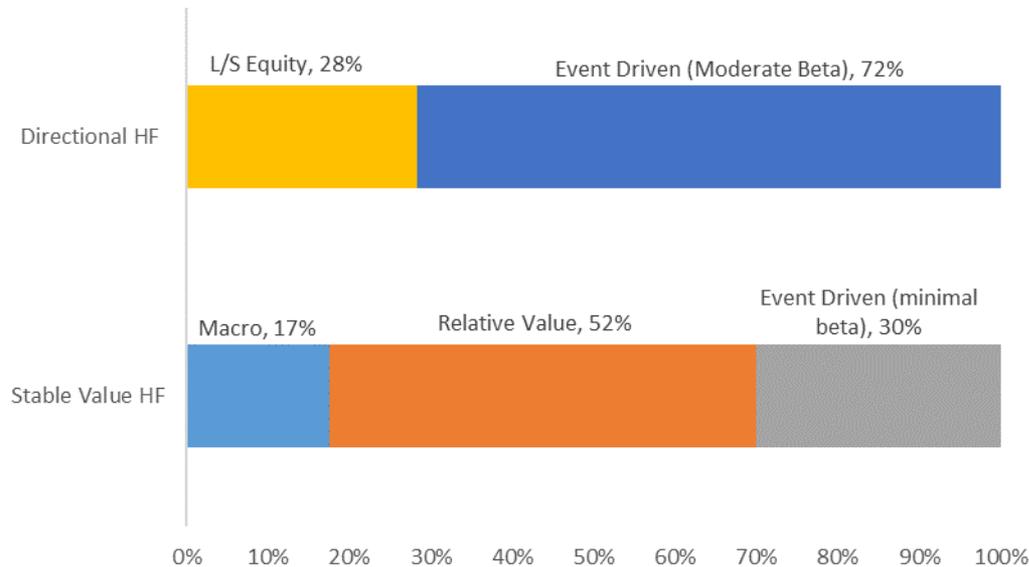
As of September 30, 2023, \$7.4 Billion – 7.8% of PRIT Fund

- Directional Hedge Funds: \$2.0 Billion
- Stable Value Hedge Funds: \$4.6 Billion
- Hedge Fund of Funds: \$0.7 Billion

Hedge Fund Portfolio Breakdown



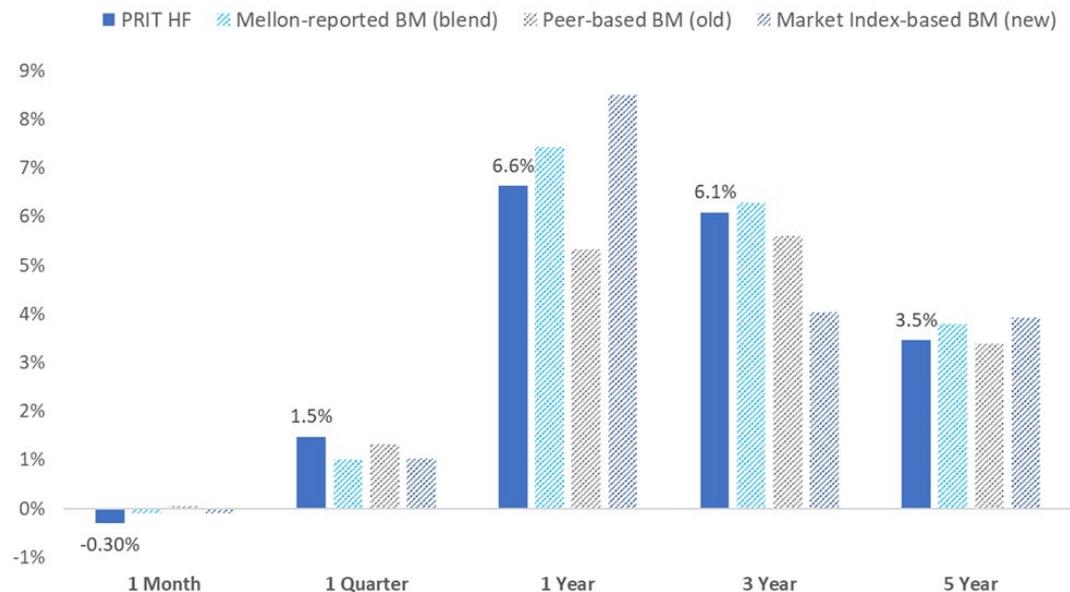
Sub Strategy Breakdown



Hedge Funds Performance Summary

As of September 30, 2023

Performance - PRIT HF (as of 9/2023)



	NAV	1 Month	1 Quarter	1 Year	3 Year	5 Year
PRIT HF	\$7.42 bn	-0.30%	1.5%	6.6%	6.1%	3.5%
Mellon-reported BM (blend)		-0.10%	1.0%	7.4%	6.3%	3.8%
Peer-based BM (old)		0.05%	1.3%	5.3%	5.6%	3.4%
Market Index-based BM (new)		-0.10%	1.0%	8.5%	4.0%	3.9%

- Returns over 1 year are annualized.
- “Peer-based BM” is an aggregate of HFRI strategy indices. It was the benchmark used through 2/2023.
- “Market Index-based BM” is the new benchmark recently approved and implemented starting 3/2023.
- “Mellon-reported BM” blends Peer-based BM through 2/2023 and Market Index-based BM starting 3/2023.

Risk-Adjusted Return and Market Beta Performance

As of September 30, 2023 (Net of Fees)

Performance by Asset Classes (as of Sep-2023)

	Directional HF	StableValue HF	Total HF	Total PCS	PRIT Fund	MSCI ACWI	Barclays Agg	
1 Year	Return	10.1%	5.8%	6.6%	5.4%	8.8%	21.4%	0.6%
	Volatility	9.1%	2.4%	3.7%	3.5%	7.5%	15.6%	7.1%
	Return/Volatility	1.1	2.4	1.8	1.6	1.2	1.4	0.1
	EQ Beta	0.5	(0.0)	0.1	0.1	0.5	1.0	0.3
	Bond Beta	0.9	0.0	0.3	0.2	0.8	1.5	1.0
	Beta vs. PRIT Fund	1.1	0.0	0.3	0.3	1.0	2.0	0.7
3 Year	Return	5.3%	7.2%	6.1%	5.4%	6.9%	7.4%	-5.2%
	Volatility	10.1%	3.0%	4.3%	3.9%	9.0%	17.1%	6.2%
	Return/Volatility	0.5	2.4	1.4	1.4	0.8	0.4	(0.8)
	EQ Beta	0.5	0.1	0.2	0.2	0.5	1.0	0.3
	Bond Beta	1.0	(0.0)	0.3	0.2	1.0	1.9	1.0
	Beta vs. PRIT Fund	0.9	0.1	0.3	0.3	1.0	1.8	0.5
5 Year	Return			3.5%	2.5%	6.4%	7.0%	0.1%
	Volatility			5.5%	5.2%	9.1%	18.1%	5.6%
	Return/Volatility			0.6	0.5	0.7	0.4	0.0
	EQ Beta			0.2	0.2	0.5	1.0	0.1
	Bond Beta			0.2	0.1	0.8	1.4	1.0
	Beta vs. PRIT Fund			0.4	0.4	1.0	1.9	0.3

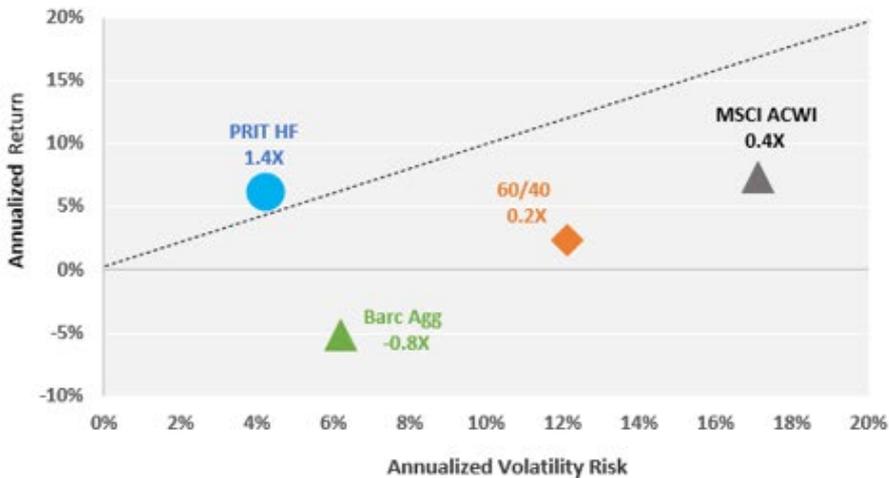
Note: returns are annualized, net of fees.

- Returns are annualized.
- Since 2Q 2020, Mellon started separately reporting Stable Value vs. Directional, after Asset Allocation decided to bifurcate their different value propositions.

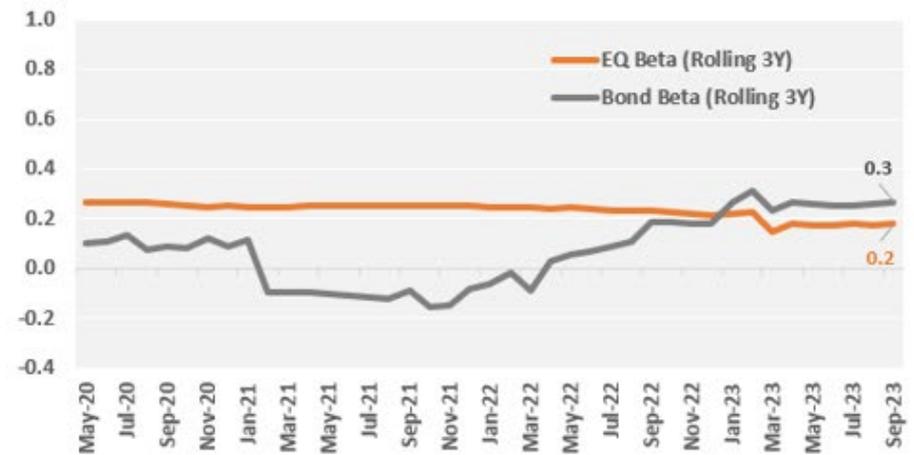
Risk-Adjusted Return and Market Beta

As of September 30, 2023

Risk-Adjusted Return : 3 Years



Diversifying Benefit - PRIT HF's Beta



PRIM Hedge Funds and PCS Performance Breakdown

As of September 30, 2023 (Net of Fees)

	NAV	as of Total HF	as of Total PCS	1 Quarter	1 Year	3 Year
StableValue HF	\$4.6 bn	62%	56%	2.5%	5.8%	7.2%
Mellon-reported BM (blend)				1.8%	5.6%	6.9%
Peer-based BM (old)				2.2%	3.7%	6.2%
Market Index-based BM (new)				1.8%	6.8%	3.9%
Directional HF	\$2.04 bn	28%	25%	-0.6%	10.1%	5.3%
Mellon-reported BM (blend)				-1.0%	11.5%	5.6%
Peer-based BM (old)				-0.7%	8.4%	4.6%
Market Index-based BM (new)				-1.0%	12.8%	4.7%
PAAMCO FoF	\$0.72 bn	10%	9%	1.4%	4.3%	5.3%
Mellon-reported BM (blend)				1.8%	7.6%	5.2%
Peer-based BM (old)				1.1%	5.7%	4.6%
Market Index-based BM (new)				1.8%	6.8%	3.9%
Real Assets	\$0.77 bn	N/A	9%	1.6%	-5.7%	-0.5%
Mellon-reported BM				1.3%	9.3%	7.2%

- Returns over 1 year are annualized.
- Since 2Q2020, Mellon started separately reporting Stable Value vs. Directional, after Asset Allocation decided to bifurcate their different value propositions.
- “Peer-based BM” is an aggregate of HFRI strategy indices. It was the benchmark used through 2/2023.
- “Market Index-based BM” is the new benchmark recently approved and implemented starting 3/2023.
- “Mellon-reported BM” blends Peer-based BM through 2/2023 and Market Index-based BM starting 3/2023.

Glossary of PRIT Fund Investment Terms

Active Management – Refers to a portfolio management strategy where the manager makes specific investments with the goal of outperforming an investment benchmark index.

Barclays Capital Aggregate Bond Index – An index that replicates the U.S. investment-grade bond market. The index is comprised of government and corporate bonds.

Core Fixed Income Portfolio – Investments in investment-grade bonds (see definition of Barclays Capital Aggregate Bond Index).

Domestic Equity Portfolio – Investments in shares of publicly-traded U.S. companies utilizing a large capitalization (large cap), small and middle capitalization (small/smld cap), and micro capitalization (micro cap) strategies.

Emerging-Diverse Manager – Investment managers with less than \$2B of AUM, less than 3 yrs track record, that are minority-owned or women-owned.

Emerging Markets Equity Portfolio – The primary strategy for this portfolio is investing in companies in developing countries, including, but not limited to, China, Brazil, Russia, South Korea, Taiwan, India and Turkey. These countries typically have less efficient securities markets, and thus there is opportunity for substantial returns.

Hedge Fund Research, Inc. (HFRI) – An organization that specializes in the areas of indexation and analysis of hedge funds.

International Equity Portfolio – The primary strategy for this portfolio is investing in companies in developed markets, industrialized nations outside of the United States, including, but not limited to, Japan, Germany, the United Kingdom, France, Italy, Switzerland, Hong Kong, Canada, and Australia.

MSCI ACWI Index – Captures large and mid cap representation across 23 Developed Markets and 25 Emerging Markets.

MSCI Emerging Markets Index – Captures large and mid cap representation across 25 Emerging Markets.

MSCI Europe Investable Market Index – Captures large, mid and small cap representation across 15 Developed Markets

Passive Management - An investing strategy that tracks a market-weighted index or portfolio. The most popular method is to mimic the performance of an externally specified index by buying an index fund.

Portfolio Completion Strategies (PCS) – The objective of the PCS portfolio is to provide the PRIT Fund access to broader investment opportunities. Investments selected for the PCS portfolio should enhance the risk/return profile of the PRIT Fund. Investments may include long-term strategic investments or short-term opportunistic investments. Some of these strategies include hedge funds and real assets.

Private Equity Portfolio – Two components comprise the PRIT Fund’s Private Equity portfolio: venture capital (early-stage and multi-stage) and special equity partnerships (buyout and growth equity). Unlike public markets, where the investor has the ability to “cash out” of positions at any time, these private market investments are illiquid.

Real Estate Portfolio – Equity investments in both directly-owned properties and REIT securities. Directly-owned core properties make up most of the portfolio. Core properties are typically well-leased, operating properties that provide regular cash flow from rents. Non-core investments include properties that are under development.

REIT – A company that owns, and in most cases operates, income-producing real estate. REITs often trade on major exchanges like other securities and provide investors with a liquid stake in real estate.

Russell 3000 Index – A stock market index that measures the performance of the largest 3,000 U.S. companies representing approximately 97% of the investable U.S. equity market.

Standard & Poor’s (S&P) 500 Index – A U.S. stock market index based on the market capitalizations of 500 large companies having common stock listed on the NYSE or NASDAQ.

Timberland Portfolio – Direct investments in timberland: in the United States timberland markets are divided into three regions, each with distinct economic characteristics: the Pacific Northwest, the Northeast and the Southeast. The Pacific Northwest is a high value softwood market, in which the growing cycle to produce a mature tree is forty to fifty years; in Australia, there is approximately 2 million hectares (4.9 million acres) of plantation timberlands that are almost evenly split between hardwood and softwood species.

Treasury Inflation-Protected Securities (TIPS) – Investment grade fixed income investments designed to provide a hedge against rising inflation. The principal of a TIPS increases with inflation and decreases with deflation, as measured by the Consumer Price Index. When a TIPS matures, the investor is paid the adjusted principal or original principal, whichever is greater.

Treasury Separate Trading of Registered Interest and Principal of Securities (STRIPS) – Bonds that are sold at a discount to their face value. The investor does not receive interest payments but is repaid the full-face value when the bonds mature. Also called “zero coupon” bonds.

Value Added Fixed Income – A fixed income portfolio consisting of the following strategies: high yield bonds (non-investment grade corporate debt); bank loans (senior secured corporate debt); emerging markets debt (debt issued within the emerging, or developing countries, marketplace, and private debt (investments in private partnerships that invest directly in companies under financial distress).



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THANK YOU

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