

**THE CLOSING BELL**  
**Report of Jim Marketti, Public Employee Committee, AFL-CIO**  
**Representative on the State Investment Council**  
**April 25, 2010**

Returns on total pension fund assets were 3.04% for the month of March, 2010. Pension fund assets only increased about 1% however (from \$67.3 billion to \$68 billion), since the fund paid out \$585.5 million in pension payments in March. Since June 30, 2009, the fund has paid out \$3.8 billion in net benefit payments.

Domestic Equity investments (Common Pension Fund A) gained 6.31% for March. This is of course reflecting the rebound in stock market returns. Domestic Fixed Income investments (Common Pension Fund B) were down -0.04% for the month. Since June 30, 2009, Common Pension Fund B has returned +9.45%. International Equity/Fixed Income investments (Common Pension Fund D) were up 5.79% for the month. Alternative Investments (Common Pension Fund E) returns were spotty for the month with commodities up 0.91% and hedge funds up 2.04% for March. No reports on private equity and real estate investment returns have been made since September 30, 2009.

No actual Investment Council meeting was held in April, 2010. Following up on a commitment made by Investment Division Acting Director Ray Joseph to permit me to review raw data on management fees for individual Private Equity and Real Estate funds (see my March, 2010 Report), I had a conversation with Mr. Joseph in mid April concerning access to the information. Rather than require that I search the raw data for the information, he requested that I attend a May 10, 2010 meeting of the SIC Audit Committee and re-state my request for information. He suggested that the Division's auditors and accountants would be at the meeting and that they may be able to come up with a method which would make it easier for me to get the information. I will attend, if for no other reason, than to test the willingness of the Audit Committee to permit the transparency of this information.

I am determined to have this information. When I find alternative investment funds (whether hedge, private equity or real estate) which are consistent losers despite charging enormous management fees, I want the Division and Chair of the Council to explain why we are holding these funds rather than cutting our losses by redeeming our investment in the individual funds. I believe that it is my fiduciary obligation to insure that decisions are based on the well-being of the pension fund and not on any other possible factors.