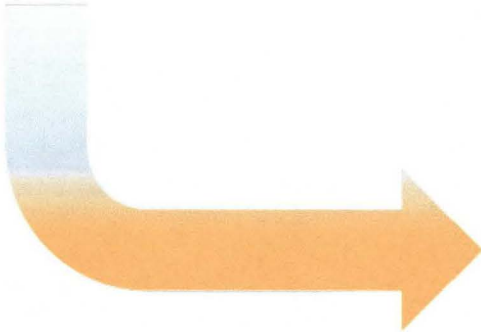
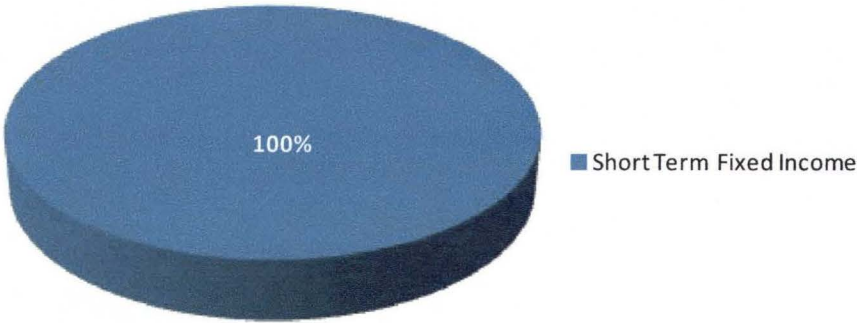
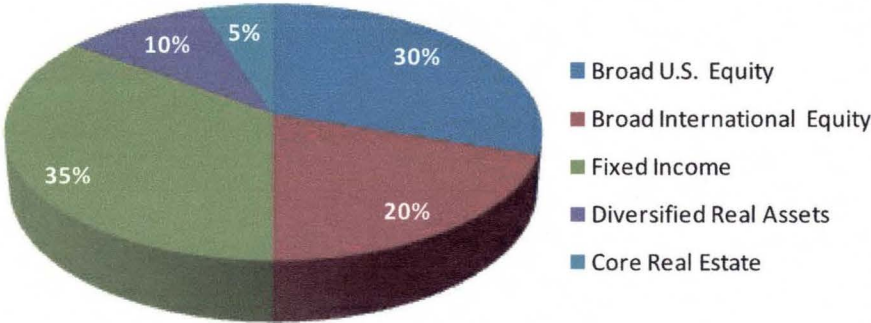


Legacy Fund Strategic Asset Allocation

Former Policy Allocation



New Policy Allocation



Legacy Fund Policy Timeline

April 2013

- ▶ New strategic asset allocation for the Legacy Fund approved

June 2013

- ▶ SIB approved a transition plan to fully implement the new policy allocation over a period of 18 months

July 2013

- ▶ SIB approved the implementation of the new policy allocation through the use of existing managers within the Insurance Trust

August 2013

- ▶ RIO initiated the 18 month transition plan

Legacy Fund Transition Plan

Legacy Fund Asset Allocation Transition

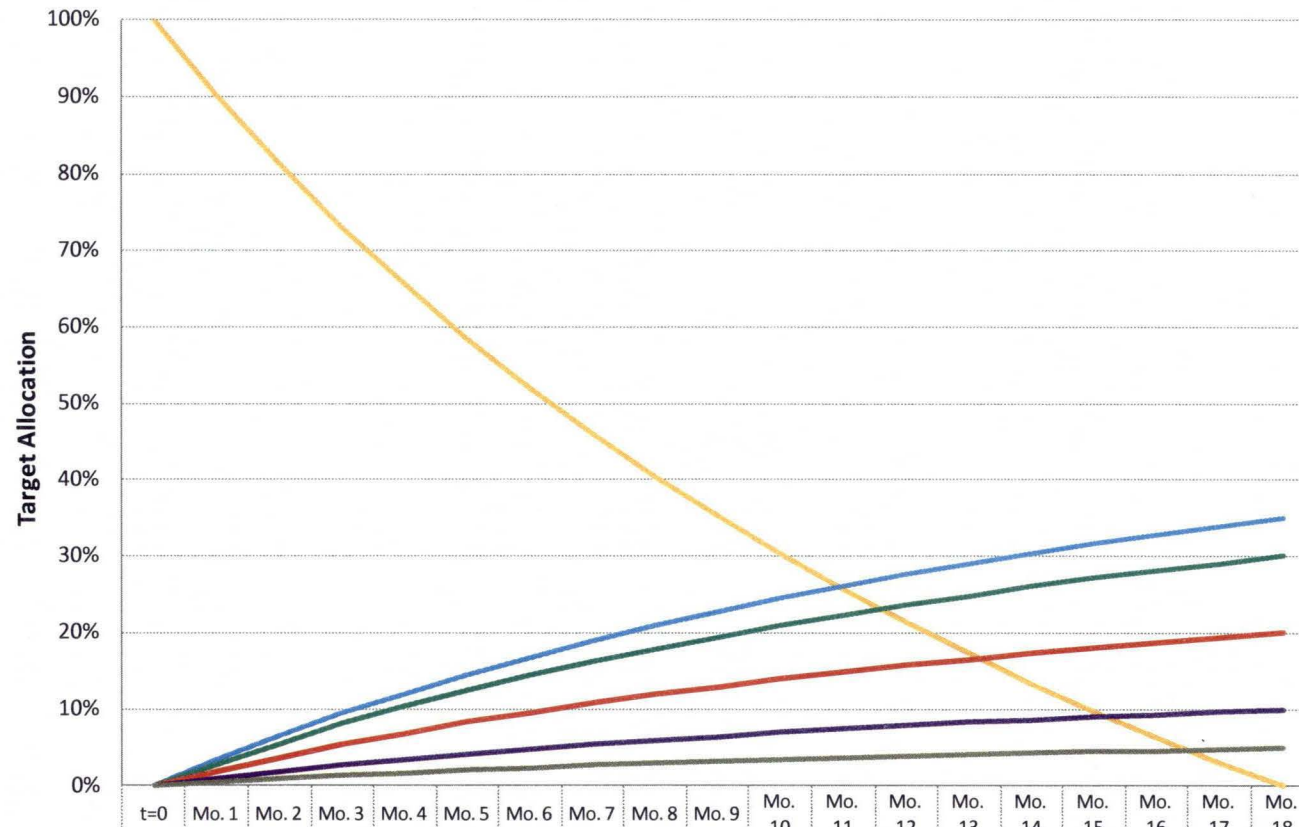
All New \$ pro-rata to All New Asset Classes and Gradual (\$71 M per month) Transition out of ST Fixed

Initial Balance (Est. July 2013) \$1,275,000,000

Monthly Tx out of ST Fixed: \$ 70,833,333

	Asset Allocation							Total
	Target	30%	20%	35%	10%	5%	0%	
	New Contributions	US Equity	Non-US Equity	Broad Fixed Income	Diversified Real Assets	Core Real Estate	Short-Term Fixed	
Current	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,275,000,000	\$ 1,275,000,000
Month 1	\$ 128,455,083	\$ 38,536,525	\$ 25,691,017	\$ 44,959,279	\$ 12,845,508	\$ 6,422,754	\$ 1,204,166,667	\$ 1,332,621,750
Month 2	\$ 130,453,308	\$ 77,672,518	\$ 51,781,678	\$ 90,617,937	\$ 25,890,839	\$ 12,945,420	\$ 1,133,333,333	\$ 1,392,241,725
Month 3	\$ 131,199,633	\$ 117,032,408	\$ 78,021,605	\$ 136,537,809	\$ 39,010,803	\$ 19,505,401	\$ 1,062,500,000	\$ 1,452,608,025
Month 4	\$ 129,177,333	\$ 155,785,608	\$ 103,857,072	\$ 181,749,875	\$ 51,928,536	\$ 25,964,268	\$ 991,666,667	\$ 1,510,952,025
Month 5	\$ 131,199,633	\$ 195,145,498	\$ 130,096,998	\$ 227,669,747	\$ 65,048,499	\$ 32,524,250	\$ 920,833,333	\$ 1,571,318,325
Month 6	\$ 129,899,583	\$ 234,115,373	\$ 156,076,915	\$ 273,134,601	\$ 78,038,458	\$ 39,019,229	\$ 850,000,000	\$ 1,630,384,575
Month 7	\$ 131,945,958	\$ 273,699,160	\$ 182,466,107	\$ 319,315,687	\$ 91,233,053	\$ 45,616,527	\$ 779,166,667	\$ 1,691,497,200
Month 8	\$ 131,945,958	\$ 313,282,948	\$ 208,855,298	\$ 365,496,772	\$ 104,427,649	\$ 52,213,825	\$ 708,333,333	\$ 1,752,609,825
Month 9	\$ 125,806,833	\$ 351,024,998	\$ 234,016,665	\$ 409,529,164	\$ 117,008,333	\$ 58,504,166	\$ 637,500,000	\$ 1,807,583,325
Month 10	\$ 131,945,958	\$ 390,608,785	\$ 260,405,857	\$ 455,710,249	\$ 130,202,928	\$ 65,101,464	\$ 566,666,667	\$ 1,868,695,950
Month 11	\$ 129,899,583	\$ 429,578,660	\$ 286,385,773	\$ 501,175,103	\$ 143,192,887	\$ 71,596,443	\$ 495,833,333	\$ 1,927,762,200
Month 12	\$ 131,945,958	\$ 469,162,448	\$ 312,774,965	\$ 547,356,189	\$ 156,387,483	\$ 78,193,741	\$ 425,000,000	\$ 1,988,874,825
Month 13	\$ 133,857,333	\$ 509,319,648	\$ 339,546,432	\$ 594,206,255	\$ 169,773,216	\$ 84,886,608	\$ 354,166,667	\$ 2,051,898,825
Month 14	\$ 136,040,133	\$ 550,131,688	\$ 366,754,458	\$ 641,820,302	\$ 183,377,229	\$ 91,688,615	\$ 283,333,333	\$ 2,117,105,625
Month 15	\$ 136,040,133	\$ 590,943,728	\$ 393,962,485	\$ 689,434,349	\$ 196,981,243	\$ 98,490,621	\$ 212,500,000	\$ 2,182,312,425
Month 16	\$ 133,857,333	\$ 631,100,928	\$ 420,733,952	\$ 736,284,415	\$ 210,366,976	\$ 105,183,488	\$ 141,666,667	\$ 2,245,336,425
Month 17	\$ 136,040,133	\$ 671,912,968	\$ 447,941,978	\$ 783,898,462	\$ 223,970,989	\$ 111,985,495	\$ 70,833,333	\$ 2,310,543,225
Month 18	\$ 133,857,333	\$ 712,070,168	\$ 474,713,445	\$ 830,748,529	\$ 237,356,723	\$ 118,678,361	\$ -	\$ 2,373,567,225

Legacy Fund Transition Plan



	t=0	Mo. 1	Mo. 2	Mo. 3	Mo. 4	Mo. 5	Mo. 6	Mo. 7	Mo. 8	Mo. 9	Mo. 10	Mo. 11	Mo. 12	Mo. 13	Mo. 14	Mo. 15	Mo. 16	Mo. 17	Mo. 18
Short-Term Fixed	100%	90%	81%	73%	66%	59%	52%	46%	40%	35%	30%	26%	21%	17%	13%	10%	6%	3%	0%
Broad Fixed Income	0%	3%	7%	9%	12%	14%	17%	19%	21%	23%	24%	26%	28%	29%	30%	32%	33%	34%	35%
US Equity	0%	3%	6%	8%	10%	12%	14%	16%	18%	19%	21%	22%	24%	25%	26%	27%	28%	29%	30%
Non-US Equity	0%	2%	4%	5%	7%	8%	10%	11%	12%	13%	14%	15%	16%	17%	17%	18%	19%	19%	20%
Diversified Real Assets	0%	1%	2%	3%	3%	4%	5%	5%	6%	6%	7%	7%	8%	8%	9%	9%	9%	10%	10%
Core Real Estate	0%	0%	1%	1%	2%	2%	2%	3%	3%	3%	3%	4%	4%	4%	4%	5%	5%	5%	5%

Legacy Fund Implementation Benefits

The use of existing manager mandates provides numerous benefits:

- ▶ *Ease of implementation* – Manager accounts are already open and gaining asset class exposures can be accomplished promptly.
- ▶ *Investment costs* – Pooling with other insurance clients allows the Legacy Fund to benefit from lower management fees and trading costs.
- ▶ *Administrative efficiencies* – Efficiencies would be realized in such areas as manager due diligence, compliance, rebalancing, accounting, custody, fee invoicing, audit and legal.