2024 ANNUAL REPORT

NEW JERSEY STATE INVESTMENT COUNCIL

FOR FISCAL YEAR 2024

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LETTER FROM THE CHAIR

New Jersey State Investment Council
50 West State Street, 9th Floor
P.O. Box 290
Trenton, NJ 08625

January 29, 2025

To the Honorable Governor, Legislature, State Treasurer and residents of New Jersey:

As Chair of the State Investment Council, I am pleased to present the Fiscal Year 2024 Annual Report on behalf of the Council and the New Jersey Division of Investment. As fiduciaries for over 837,000 members of the Pension Fund, we are delighted to announce that the Pension Fund had a strong fiscal year. As of June 30, 2024, the net asset value of the Pension Fund was $78.7 billion, returning +10.7% (net of fees) for Fiscal Year 2024 and outperforming the assumed rate of return while slightly underperforming its benchmark. Full funding of the State's annual pension obligations and strong investment performance enabled the continued growth of pension assets.

It should be noted that in April 2024, the Division of Investment transferred $20.8 billion of assets to be managed by the Police and Firemen's Retirement System of New Jersey as part of its implementation of P.L. 2018, c. 55. As a result, total Pension Fund assets reported in this report exclude these transferred pension fund assets and will therefore appear smaller than in prior fiscal years.

During the year, global financial markets remained focused on a number of concerns including geopolitics and rising inflation. Despite these concerns, consumer sentiment (especially in the U.S.) continued to remain positive, resulting in robust economic data and relatively strong corporate earnings. In order to reap the benefits of a strong U.S. economy while at the same time maintaining flexibility to adapt to a volatile market environment, the Pension Fund took a cautiously optimistic posture in its asset allocation. For example, the Pension Fund continued to allocate significant assets to U.S. public equities, thereby allowing the portfolio to benefit from strong market gains. At the same time, the Pension Fund held a high level of cash and cash equivalents such as U.S. Treasuries in order to maintain greater liquidity. Additional tactical investment decisions taken during the year included an increased allocation to high-yield fixed income and a decreased allocation to international markets.

In the private market asset classes, the Pension Fund took advantage of a market slowdown in these asset classes by sourcing, diligencing and increasing commitments to select high quality private market investment opportunities, including low-cost opportunities for future co-investments. By doing so, the portfolio is well-positioned to generate higher risk-adjusted returns in the future. The Division also made significant progress in broadening opportunities for the Pension Fund in private market classes by implementing and expanding its emerging managers program, which seeks to create a path for efficient and effective access to the next generation of investment managers. As part of this effort, the Division conducted its second Emerging Managers Virtual Symposium which attracted over 800 registrants.

Looking ahead, many of the challenges and uncertainties which were part of the landscape during Fiscal Year 2024 continue to exist today, thereby requiring continued diligence and caution. While equity markets, especially in the U.S., have been buoyant thus far, there are some concerns surrounding valuations and market concentration which have the potential to change the direction these markets have been heading in more recently. Furthermore, economic weakness and other concerns exist in international markets which lead us to believe that an attentive and vigilant approach is appropriate. We are confident the Pension Fund portfolio is well positioned but will of course remain diligent as we continue to move forward in Fiscal Year 2025.

In an effort to continue to preserve, support and improve governance, more than a dozen State Investment Council and committee meetings were held during Fiscal Year 2024, including Audit Committee meetings;

Investment Policy Committee meetings; Environmental, Social, Governance (ESG) Policy Committee meetings; and Governance and Operations Committee meetings. Council members' thoughtful input and dedication allows the Council to preserve, support and improve a strong governance structure to protect the interests of the Pension Fund's beneficiaries. As we close out Fiscal Year 2024 and continue the work on Fiscal Year 2025, I would like to express my gratitude to my fellow Council members for their hard work and time commitment in overseeing the work of the Division of Investment.

I would also like to recognize the support and assistance of the Treasurer's Office and the Governor's Office throughout the year. The Governor's continued commitment to fully funding the State's annual pension obligations has resulted in meaningful value to the Pension Fund. Finally, I would like to thank Division staff, whose persistent and steadfast dedication enables the Pension Fund portfolio to deliver strong risk-adjusted performance, not only during the last fiscal year but over the long-term.

Respectfully,

Deepak D. Raj

Deepak D. Raj, Chair

INTRODUCTION TO THE COUNCIL AND N.J. DIVISION OF INVESTMENT

DIVISION STAFF

Director:
Shoaib Khan

Deputy Executive Director:
William Connors

Deputy Director:
Lisa Walker

THE STATE INVESTMENT COUNCIL

The State Investment Council (the "Council") was created by the New Jersey Legislature in 1950 to formulate policies governing the investment of funds by the Director of the Division of Investment (the "Division"), as well as to consult with the Director with respect to the work of the Division.

The Council conducts meetings to discuss major investment policy issues, review Pension Fund performance and accept comments from members of the public. Other investment programs and returns are reviewed annually or when needed.

Council meetings are open to the public. Agendas, meeting times and locations are available on the Division's website, www.nj.gov/treasury/doinvest under the State Investment Council tab.

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Email Address:
doi@treas.nj.gov

COUNCIL MEMBERSHIP:

Council Chair:
Deepak D. Raj
Founder, Raj Associates

Council Vice-Chair:
Adam Liebtag
New Jersey State AFL-CIO Nominee

Council Members:
Theodore R. Aronson
Partner – AJO Vista

Wasseem Boraie
Principal, Boraie Development LLC

Thomas Bruno, Jr.
Public Employees' Retirement System Designee

Leonard J. Carr
Managing Director, PDT Partners, LLC

Michael Cleary
New Jersey State AFL-CIO Nominee

Vaughn E. Crowe
Managing Partner, Newark Venture Partners

Andrew Michael Greaney
State Troopers Fraternal Association Nominee

James E. Hanson II
CEO, Hampshire Real Estate Company

Timothy McGuckin
New Jersey Education Association Nominee

Samir Pandiri
Executive Committee Member, TMF Group

Eric E. Richard
Senate President and Assembly Speaker Joint Nominee

Jerome M. St. John, J.A.D. (retired)
Retired Judges Association of New Jersey, designated by Chief Justice of the New Jersey Supreme Court

Edward Yarusinsky
Teachers' Pension and Annuity Fund Designee

COUNCIL MEMBERSHIP

The Council is comprised of sixteen (16) members pursuant to N.J.S.A. 52:18A-83[1]. Nine members are appointed by the Governor for five-year terms and are drawn traditionally from the professional investment community. Of those nine appointments, eight are made with the advice and consent of the State Senate. One appointment is made from nominees submitted jointly by the President of the Senate and Speaker of the Assembly. The statute requires that at least seven of the nine gubernatorial appointments shall be qualified by training and experience in the direct management, analysis, supervision or investment of assets, which training and experience shall have been acquired through academic training or through actual employment in those fields.

Four members are appointed by the Governor from nominees submitted by various employee organizations. Two of the four members are appointed for five-year terms from nominees submitted by the New Jersey State AFL-CIO. One of the four members is appointed for a three-year term from nominees submitted by the New Jersey Education Association. The fourth member is appointed by the Governor for a three-year term from nominees submitted by the State Troopers Fraternal Association. The statute requires that these four appointments shall be qualified by training, experience or long-term interest in the direct management, analysis, supervision or investment of assets and this training, experience or long-term interest shall have been supplemented by academic training in the fields of economics, business, law, finance or actuarial science or by actual employment in those fields.

Two members, representing the Public Employees' Retirement System (PERS), and the Teachers' Pension and Annuity Fund (TPAF), are designated from members of the respective pension system's board of trustees and serve three-year terms. One member is designated by the Chief Justice of the New Jersey Supreme Court from members of the Retired Judges Association of New Jersey and serves a three-year term.

All members serve until reappointed or a successor is named and has been qualified.

During Fiscal Year 2024, the Council re-elected Deepak Raj as Chair and Adam Liebtag as Vice-Chair for one-year terms.

[1] As of December 31, 2024, there were 15 Council members, with 1 vacant position.

THE DIVISION OF INVESTMENT

The Division, under the Council's supervision, is one of the largest U.S. pension fund managers in the U.S.[1]. The Pension Fund supports the retirement plans of approximately 837,110 members in seven public pension systems: the Consolidated Police & Firemen's Pension Fund, the Judicial Retirement System, the Police & Firemen's Retirement System, the Prison Officers' Pension Fund, the Public Employees' Retirement System, the State Police Retirement System and the Teachers' Pension & Annuity Fund (collectively referred to in this report as the "Pension Fund"). Approximately 46.5% of the members are still working and contributing to the pension plans while 44% are retired. The remaining 9% represent inactive members who are not currently contributing to the pension plans. Pension Fund assets are primarily managed through three common trust funds ("Common Pension Funds"): Common Pension Fund A, Common Pension Fund D and Common Pension Fund E. Common Pension Fund A and Common Pension Fund E invest in alternative investment funds, while Common Pension Fund D invests in public securities. Common Pension Fund A and Common Pension Fund D invest assets of the Judicial Retirement System, the Public Employees' Retirement System, the State Police Retirement System, and the Teachers' Pension and Annuity Fund, while Common Pension Fund E invests assets of those four funds plus Police & Firemen's Retirement System assets.

The net asset value of the Pension Fund assets managed by the Division was $78.7 billion as of June 30, 2024 compared to $93.2 billion as of June 30, 2023. In April 2024, the Division of Investment transferred $20.8 billion of assets to be managed by the Police and Firemen's Retirement System of New Jersey as part of its implementation of P.L. 2018, c. 55. As a result, total Pension Fund assets reported in this report exclude these transferred pension fund assets and will therefore appear smaller than in prior fiscal years. The Pension Fund investment return[2] for Fiscal Year 2024 was 10.74% (net of all fees)[3]. Approximately $12.4 billion was paid to plan beneficiaries. The Pension Fund received contributions of $7.1 billion from the State (including net lottery proceeds and receivables of $1.16 million), $1.5 billion from local employers, and $2.3 billion from employees.

The Division also manages the State of New Jersey Cash Management Fund, Supplemental Annuity Collective Trust (a 403b plan), a portion of the NJBEST Fund (a 529 college savings plan) as well as several funds under the New Jersey State Employees Deferred Compensation Plan (a 457 plan).

[1] Measured by assets as of September 30, 2023. Reported by P&I in February 2024.
[2] Pension Fund returns cited throughout this Annual Report exclude Police & Firemen's Retirement System assets managed by the Division in Common Pension Fund E and Common Pension Fund L but exclude Police and Firemen's Retirement System assets transferred to the PFRS Board as of April 1, 2024.
[3] Pension Fund returns cited throughout this Annual Report exclude all Police and Firemen's Retirement System assets as of April 1, 2024. All investment returns are reported net of all fees.

STATUTORY AUTHORITY AND HISTORY OF THE DIVISION

The Division was created in 1950 by the New Jersey Legislature (P.L. 1950, c.270) to centralize all functions relating to the purchase, sale or exchange of securities for the State's diverse funds under experienced and professional management. The statute also established a State Investment Council to formulate policies that govern the methods, practices or procedures for investment, reinvestment, sale or exchange transactions to be followed by the Director of the Division. The statute vests investment authority in the Director of the Division, who is appointed by the State Treasurer from a list of qualified candidates submitted by the Council.

On July 3, 2018, the Governor signed P.L. 2018, c. 55 (the "PFRS Act") which, among other changes, transferred certain investment authority and duties relating to the assets of the Police and Firemen's Retirement System ("PFRS") to a newly constituted PFRS Board of Trustees (the "PFRS Board"). The Division continues to work with the PFRS Board and PFRS staff to implement the provisions of the PFRS Act.

As of April 1, 2024, the Division transferred to the Police & Firemen's Retirement System (PFRS) its proportional share of publicly traded securities that were in Common Pension Fund D. The value of the assets transferred in cash and in-kind totaled approximately $20.8 billion.

INVESTMENT PARAMETERS

All investments must conform to the heightened "prudent person" standard set by the New Jersey Legislature (P.L. 1997, c.26). This standard requires the Director "to manage and invest the portfolio solely in the interests of the beneficiaries of the portfolio and for the exclusive purpose of providing financial benefits to the beneficiaries of the portfolio."

The mission of the Division is to achieve the best possible return at an acceptable level of risk utilizing the highest fiduciary standards.

COUNCIL REGULATIONS

In addition to investment guidelines established by law, the Council is authorized by statute to establish investment policies that govern the methods, practices or procedures for investment, reinvestment, sale or exchange transactions (N.J.S.A. 52:18A-91).

Proposed regulations and amendments are filed upon approval of the Council with the Office of Administrative Law for publication in *The New Jersey Register*, followed by a 60-day public comment period. After the public comment period, each proposal is returned to the Council for adoption, along with any comments received. The Council's current regulations may be found in the New Jersey Administrative Code (N.J.A.C. 17:16), and are available for viewing online at New Jersey Administrative Code online link.

LEGISLATIVE UPDATE

PROHIBITED INVESTMENTS

The Division maintains a list of companies ineligible for investment under three State laws: a Sudan divestiture law (P.L. 2005, c. 162), an Iran divestiture law (P.L. 2007, c. 250), and a law requiring divestment of companies boycotting Israel (P.L. 2016, c. 24). The Division uses an independent research firm to assist it in complying with the provisions of the statutes. Reports are filed with the

Legislature in accordance with each of the statutes.

Divestitures pose three primary economic challenges to the Pension Fund: 1) the requirement of the identification and sale of holdings on a timetable that may not consider market conditions; 2) the impact on risk and return for the Pension Fund; and 3) the reduction of the investment universe available to the Pension Fund. Collectively, the divestiture laws reduced the market capitalization of the investable universe as of June 30, 2024 by approximately 1.87% for the international developed markets and 3.90% for the international emerging markets relative to their respective benchmarks.

In March 2022, Governor Phil Murphy signed legislation (P.L. 2022, c.3) that prohibits the State of New Jersey from investing pension or annuity funds in companies identified by the Department of the Treasury as engaging in prohibited activities in Russia or Belarus and requires the divestment of existing holdings in such companies. The Division of Investment has been acting to minimize its exposure to these companies to the extent possible given operational issues in the Russian market, while keeping in mind its overarching fiduciary responsibility to pension fund beneficiaries.

NORTHERN IRELAND REPORT

The Division has been required since 1987 (P.L. 1987, c. 177) to report annually to the Legislature regarding the adherence of U.S. companies and their subsidiaries doing business in Northern Ireland, in which the assets of any state pension or annuity fund are invested, to the “MacBride Principles.” “MacBride Principles” refers to a body of employment laws aimed at reducing employment discrimination in Northern Ireland. The report is filed each year by January 15th in accordance with the statute.

NET ASSETS UNDER MANAGEMENT

NET ASSETS IN MILLIONS ($)	June 30, 2024	June 30, 2023
PENSION FUND[1]	78,771	93,213
The Pension Fund includes pension assets contributed by participants, Lottery contributions, and State and local employers for participants in seven statewide retirement plans		
Public Employees' Retirement System	36,374	33,076
Teachers' Pension & Annuity Fund	30,517	26,898
Police & Firemen's Retirement System[2]	9,290	30,918
State Police Retirement System	2,333	2,102
Judicial Retirement System	252	213
Prison Officers' Pension Fund	4	5
Consolidated Police & Firemen's Pension Fund	1	2

*Total may not equal sum of components due to rounding

CASH MANAGEMENT FUND[3]	41,043	38,985
This fund includes the cash balances of State government funds and other non-state government entities (counties, municipalities, school districts and the agencies or authorities created by any of these).		

SUPPLEMENTAL ANNUITY COLLECTIVE TRUST	334	287
This fund includes voluntary investments by employees for retirement income separate from, and in addition to, their basic pension plan		

[1] The net assets of the Pension Fund include the net assets managed by the Division through the Common Pension Funds and exclude certain direct assets and liabilities of the seven underlying pension plans.

[2] Net assets of the Police and Firemen's Retirement System include assets managed by the Division in Common Pension Fund E and Common Pension Fund L but exclude Police and Firemen's Retirement System assets transferred to the PFRS Board as of April1, 2024.

[3] The total for the Cash Management Fund includes $9.4 billion on June 30, 2024 ($7.9 billion on June 30, 2023) held for and included in the totals for the Pension Fund, the Supplemental Annuity Collective Trust, Trustees for the Support of Public Schools Fund, the NJBEST Fund and Deferred Compensation Program.

NJBEST FUND

The Division manages a portion of the State's tax-advantaged 529 college savings program. On June 30, 2024, the Division-managed portion of this fund had a market value of $106 million compared with $113 million on June 30, 2023. The year-over-year decrease in market value is attributable to net redemptions.

DEFERRED COMPENSATION PLAN

The Division manages several funds that are included in the New Jersey State Employees Deferred Compensation Plan. Empower Retirement, a business of Great-West Life & Annuity Insurance Company, is the third-party administrator for this plan. The Division manages the Equity Fund and Small Capitalization Equity Fund. As of June 30, 2024, these funds had a combined market value of $833 million compared with $725 million as of June 30, 2023. The year-over-year increase in market value is primarily attributable to market performance.

TRUSTEES FOR THE SUPPORT OF PUBLIC SCHOOLS FUND

The Division manages the fund reserve required to support the rating of school bonds issued for the maintenance and support of the State's public schools. As of June 30, 2024, the portfolio had a market value of $177 million compared with $169 million as of June 30, 2023.

20-YEAR PENSION FUND FINANCIAL SUMMARY

FISCAL YEAR	NET ASSETS ($ billions)	RATE OF RETURN % (net of fees)	GROSS PENSION PAYMENTS ($ billions)
2024	69.5[1]	10.74[2]	12.2[3]
2023	93.2	9.06	12.6
2022	87.5	-7.90	12.4
2021	95.7	28.63	12.0
2020	76.7	1.21	11.7
5-YEAR ANNUALIZED RETURN		**7.69**	
2019	80.0	6.27	11.2
2018	78.2	9.06	10.8
2017	76.0	13.07	10.4
2016	72.9	-0.93	10.0
2015	79.0	4.09	9.6
10-YEAR ANNUALIZED RETURN		**6.94**	
2014	81.2	16.79	9.1
2013	74.4	11.72	8.7
2012	70.1	2.47	8.3
2011	73.7	17.97	7.7
2010	66.8	13.34	7.0
15-YEAR ANNUALIZED RETURN		**8.70**	
2009	62.9	-15.49	6.6
2008	78.6	-2.61	6.1
2007	82.5	17.14	5.6
2006	73.1	9.79	5.2
2005	69.8	8.77	4.8
20-YEAR ANNUALIZED RETURN		**7.21**	

[1] Excluding PFRS assets
[2] The rate of return for Fiscal Year 2024 excludes all Police & Firemen's Retirement System assets as of April 1, 2024.
[3] Gross Pension Payments exclude payments to the Police & Firemen's Retirement System assets on or after April 1, 2024.

During Fiscal Year 2024, net transfers of $2.52 billion were paid from the Common Pension Funds to the pension plans. Net transfers are the difference between total payments to the pension plans and liabilities (primarily benefit payments) paid by the pension plans. Net transfers to the pension plans during 2024 were comprised of: $914.87 million to the Police & Firemen's Retirement System, $860.49 million to the Public Employees' Retirement System, $15.31 million to the State Police Retirement System and $730.50 million to the Teachers' Pension & Annuity Fund. A net transfer of $1.17 million was paid to the Common Pension Funds from the Judicial Retirement System as that pension fund had surplus money available to be invested. Included within the transfers are contributions totaling $1.17 billion to the investment account of Common Pension Fund L in accordance with the Lottery Enterprise Contribution Act (P.L. 2017, c. 98) on behalf of the following pension plans: $14.04 million for the Police & Firemen's Retirement System, $245.93 million for the Public Employees' Retirement System, and $910.03 million for the Teachers' Pension & Annuity Fund.

An additional $1.1 billion in cash was transferred from Common Pension Fund D to the Police & Firemen's Retirement System as part of the April 1, 2024 transition described above.

PENSION FUND ASSET ALLOCATION

The Council reviews, approves, and adopts an investment plan that includes a targeted asset allocation, as well as allowable ranges for asset classes. The Council's key objective in setting the targeted asset allocation is to provide for a well-diversified portfolio designed to achieve the best possible return at an acceptable level of risk utilizing the highest fiduciary standards.

ACTUAL ALLOCATION AS OF JUNE 30, 2024 VS. TARGETED ASSET ALLOCATION

Asset Class	Actual Allocation %	Target Allocation %	Difference %	Actual Allocation[1] ($ millions)
U.S. Equity	28.96	28.00	0.96	20,120.30
Non-U.S. Developed Markets Equity	11.57	12.75	-1.18	8,041.41
International Small Cap Equity	1.18	1.25	-0.07	816.93
Emerging Markets Equity	3.05	5.50	-2.45	2,116.86
Private Equity	11.04	13.00	-1.96	7,671.03
Equity Oriented Hedge Funds	0.00	-	0.00	1.10
GLOBAL GROWTH	**55.79**	**60.50**	**-4.71**	**38,767.62**
Real Estate	5.05	8.00	-2.95	3,511.32
Real Assets	2.36	3.00	-0.64	1,642.49
REAL RETURN	**7.42**	**11.00**	**-3.58**	**5,153.80**
High Yield	4.14	4.50	-0.36	2,874.71
Private Credit	7.31	8.00	-0.69	5,077.53
Investment Grade Credit	6.95	7.00	-0.05	4,825.81
INCOME	**18.39**	**19.50**	**-1.11**	**12,778.05**
Cash Equivalents	11.44	2.00	9.44	7,948.84
U.S. Treasuries	3.99	4.00	-0.01	2,769.63
Risk Mitigation Strategies	2.72	3.00	-0.28	1,888.03
DEFENSIVE	**18.14**	**9.00**	**9.14**	**12,606.49**
Other	0.25	-	0.25	176.69
TOTAL PENSION FUND	**100.00**	**100.00**	**0.00**	

Total may not equal sum of components due to rounding

[1] Police and Firemen's Retirement System assets, including assets managed by the Division in Common Pension Fund E and Common Pension Fund L and assets transferred to the PFRS Board as of April 1, 2024, have been excluded from the Actual Allocation as of June 30, 2024.

Actual allocation as of June 30, 2024 as compared to actual allocation as of June 30, 2023 reflect an increase of 1.46% to U.S. Equity, 0.69% to High Yield, 0.17% to Private Credit, and 0.15% for Investment Grade Credit. Furthermore, Cash Equivalents saw an increase of 3.01% and 0.20% for U. S. Treasury. However, actual allocation for the same period declined 1.90% for Emerging Markets Equity, 1.45% for Non-U.S. Developed Markets Equity, 0.91% for Private Equity, 0.63% for Real Estate, 0.09% for Risk Mitigation Strategies, and 0.04% for Real Assets.

A comparison of actual allocations as of June 30, 2024 as compared to the target allocation on the same date shows most asset classes were underweight. Real Estate was underweight 2.95%, Emerging Markets Equity by 2.75%, Private Equity by 1.96%, Non-U.S. Developed Markets Equity was underweight 1.18%, Private Credit was below its target by 0.69%, Real Assets by 0.64%, High Yield and Risk Mitigation Strategies by 0.36% and 0.28%, respectively. Similarly, International Small Cap

Equity was underweight 0.07%, while Investment Grade Credit and U.S. Treasuries were 0.05% and 0.01% below their target, respectively The two asset classes that were overweight as compared to their long term target were Cash Equivalents which was overweight by 9.44% and U.S. Equity by 0.96%.

TARGETED ASSET ALLOCATION AND ALLOWABLE RANGES – EFFECTIVE OCTOBER 1, 2023

Asset Class	Target	Allowable Ranges[1]
U.S. Equity	28.00%	22-32%
Non-U.S. Developed Markets Equity	12.75%	10-14 %
International Small Cap Equity	1.25%	0-3%
Emerging Markets Equity	5.50%	3-8%
Private Equity	13.00%	10-16%
GLOBAL GROWTH	60.50%	
Real Estate	8.00%	5-11%
Real Assets	3.00%	1-5%
REAL RETURN	11.00%	
High Yield	4.50%	1–6%
Private Credit	8.00%	5-11%
Investment Grade Credit	7.00%	5-11%
INCOME	19.50%	
Cash Equivalents	2.00%	1-7%
US Treasuries	4.00%	3-8%
Risk Mitigation Strategies	3.00%	1-6%
DEFENSIVE	9.00%	

[1] Investments are subject to additional limitations as set forth in the Council Regulations

As part of a periodic asset allocation review process, the Council adopted a new investment plan including new targeted and allowable asset allocation ranges during its July 2023 meeting. Changes included a decrease of 2% to Cash Equivalents taking that target allocation from 4% to 2%, while increasing 1% to U.S. Equity taking the target from 27% to 28%. Additionally, minor changes were made to the allocation target for High Yield and Non-U.S. Developed Market Equity. For better clarity and benchmarking, a new asset allocation line item for International Small Cap Equity was added where previously this allocation was grouped within Non-U.S. Developed Markets Equity. The new investment plan became effective on October 1, 2023.

MARKET OVERVIEW FOR FISCAL YEAR 2024

TOTAL PENSION FUND

Fiscal year 2024 continued to present some of the same challenges and uncertainties that existed in the previous year. Inflation along with geopolitical concerns remained at the top of the list for many investors, albeit the rate of inflation began to decline, and we have seen interest rate reductions from central banks including the Federal Reserve System. Irrespective of the level of risks in the market, a number of equity markets have continued to charge ahead delivering strong performance, including a stellar run by the U.S. equity market. While a number of global equity markets delivered positive performance in fiscal year 2024, results were dispersed across the board with some markets being stronger than others.

To put fiscal year 2024 equity market performance into perspective, the S&P 500 delivered a total return of +24.56% during the fiscal year, while the MSCI All Country World Index delivered +19.37%, and the MSCI EAFE Index, which is focused on developed countries across the world excluding the U.S. and Canada, provided a total return of +11.54%. Similarly, emerging market equity as measured by the MSCI EM Index, produced a total return performance of +12.55% during the fiscal year. Regional differences in current economic conditions and forward-looking outlook are reflected in the dispersion amongst global market performance. On the fixed income side, performance was more muted, with the Bloomberg U.S. Treasury Index producing a return of +1.55%, while the Bloomberg U.S. Aggregate Index, which focuses on the investment grade U.S. denominated bond market, generated +2.63% during the fiscal year. A clear standout in the fixed income space was the Bloomberg U.S. Corporate High-Yield Bond Index, which ended fiscal year 2024 with a return of +10.44%.

Given the economic and market environment during the fiscal year, the Pension Fund portfolio was positioned in a posture best described as “cautiously optimistic” with sufficient diversification and ample liquidity to address potential adverse market volatility. At the same time, given the strength in the U.S. economy supported by a strong labor market and robust consumer sentiment, allocation to the U.S. equity market remained close to the long-term allocation target, allowing the portfolio to benefit from its strong performance. Portfolio allocations were relatively stable across the fiscal year with the exception of select tactical steps taken in order to reduce risk or take advantage of a better investment outlook in select areas. Similar to the Pension Fund portfolio, the State of New Jersey Cash Management Fund (CMF) was managed with an eye towards maintaining an attractive risk profile while capturing upside offered by a higher interest rate environment. As a result, the Cash Management Fund held approximately 85-95% of assets in U.S. Government securities but nonetheless delivered a return of 5.34% for State participants during the fiscal year.

Maintaining a relatively stable portfolio, most asset classes were either close to target allocation or underweight, with cash equivalents being the only meaningful exception with an overweight position throughout the fiscal year. Provided with a backdrop of a strong U.S. economy, lackluster growth in Europe and slower growth in some parts of the Asian economy, the portfolio was well served by having greater exposure to the U.S. equity market while being underweight International developed and emerging equity markets. Additionally, with an underweight position to all private market asset classes, the portfolio was able to preserve capital to be committed for future investments at potentially lower valuation points.

Public equity performance attribution in the fiscal year shows, U.S. Equity contributing the most by delivering a return of +23.29%, with Non-U.S. Developed Equity contributing +11.67%, Emerging Market Equity providing +10.56% and International Small-Cap Equity contributing +8.31%. Public fixed income also contributed to the overall performance of the Pension Fund portfolio with High Yield adding +9.83% in the year, followed by Investment Grade Credit and U.S. Treasuries contributing +3.24% and +1.86%, respectively. All private market asset classes in the portfolio provided positive contributions except Real Estate. Risk Mitigation Strategies contributed +10.82%, Private Credit +10.20%, Real Assets +2.71% and Private Equity added +2.36%. In a challenging environment for

Real Estate, the Pension Fund portfolio performed well in relative terms when compared to the overall real estate market and its benchmark, however detracted -0.12% from the portfolio. Finally, cash equivalents contributed a healthy +5.59% return. With all asset classes in the portfolio except one providing positive contributions, the Pension Fund portfolio was able to deliver an overall return of +10.74% in Fiscal Year 2024.

GLOBAL EQUITY MARKETS

Fiscal year 2024 reflected a significant shift in expectations of the global economic outlook – from fears of a recession to a probable soft landing.

Slowing inflation gave rise to the view that many central banks would soon change the course of raising interest rates for a new trajectory of easing monetary policy. This perception fueled a rally across global equity markets that began in late 2023 and continued through the end of the fiscal year in June 2024.

Optimism for AI-related stocks - particularly within the Magnificent 7 – and a resilient macroeconomic background propelled U.S. equity returns for this fiscal year period. The U.S. Equity Market rose +24.56%, significantly outperforming the broad indices representing International Developed Equity Markets and Emerging Markets, which returned +11.22% and +12.55% respectively.

Of the major regions comprising the International Developed Equity Markets, Japan had the best performance, rising +13.15%, supported by unexpectedly strong earnings growth and the Bank of Japan ending its negative interest rate policy.

Following a brief recession in late 2023, the United Kingdom rebounded strongly in early 2024, before slowing economic growth and concerns of rising inflation stymied market momentum. For the fiscal year, the MSCI UK Index gained a respectable +12.49%.

Returns of the Eurozone region were negatively affected by political turmoil (especially in France) and uncertainty regarding the conviction of the European Central Bank to sharply reduce interest rates. China’s economic weakness was also a factor, as the Eurozone’s significant exposure (notably in the luxury and automotive sectors) unfavorably weighed on the region’s +10.85% performance for the fiscal year.

The strong +40.71% performance of Taiwan, a reflection of the +71% rise of technology stock Taiwan Semiconductor (52% of the index), and the +34.36% return of India, drove the +12.55% fiscal year gain for the Emerging Markets index. China offset the performance, falling -1.62%.

Overall, the global equity markets closed out fiscal year 2024 on a strong note, rising +19.37% for the period.

Note: All market returns reflect performances of the respective S&P Total Return and MSCI Net Total Return USD Indices.

FIXED INCOME MARKETS

Fixed income investment returns displayed notable variation during fiscal year 2024, driven by extreme volatility in interest rates. Yields increased in Q1 as inflation ticked higher and economic growth exceeded expectations. However, the landscape shifted dramatically in Q2 (October), with the emergence of the “Fed Pivot” as markets began pricing in seven rate cuts by year-end.

In the second half of the fiscal year, the economy demonstrated unexpected resilience, particularly in the services sector, while inflation remained persistently high. This led to an elevated term premium, as investors began to embrace the notion of a "higher for longer" rate environment, paired with the prospect of a "soft landing" or even no recession. Lower quality credit outperformed higher quality in this environment, with the high-yield index returning +10.43%, the investment-grade index +3.59%, and Treasuries +1.55%.

PRIVATE EQUITY

Private equity experienced a mixed year in 2024, marked by both recovery and persistent challenges. The S&P 500 delivered performance marking one of its strongest years in decades thanks to the outsized impact of the Magnificent 7. In contrast, private equity returns were modest facing challenges such as subdued deal activity and limited exit opportunities, which constrained performance compared to the robust growth seen in public equities. In recent quarters post June 30, 2024 private equity deal activity has shown improvement, with deal values increasing 16% year-over-year, particularly with a strong second quarter. Fundraising in 2024 also rebounded modestly though still below 2021's peak as exit opportunities remained constrained with longer hold periods which has impacted new fundraising efforts. The industry saw growth in take-private deals and larger transactions, with deals over $500 million comprising 49% of activity. Moderating inflation and declining overnight rates in the back half of the year were welcoming signs. Despite the glimmer of a more hospitable investment environment Private Equity firms focused on value creation, ESG priorities, and technology adoption while targeting retail investors to diversify capital sources.

PRIVATE CREDIT

The sentiment towards the US economy was more upbeat in 2024 than we saw in 2023. Private credit professionals reported positive corporate fundamental trends, elevated but modestly declining spreads on new deals, and a slowly improving M&A environment. While the M&A transaction volume has improved, deal levels remained well below previous years.

Prior year turmoil in the banking sector eased and banks returned as serious competitors to private credit, with the public markets taking back market share lost in 2023. The improved public markets and investor appetite for risk assets drove a rally in high yield and broadly syndicated loan markets. Private credit deals needed to price competitively to public markets, so new deals were typically priced 100bps to 150bps lower, retracing much of what was gained in 2023.

Overall the demand for private credit financing remains strong and investors continue to actively deploy new capital into the strategy. In 2023, institutional investors such as pension funds and insurance companies were the most active in the direct lending strategy, in 2024 these investors transitioned to other areas of private credit such as asset based finance and specialty finance strategies. Retail investor participation in private credit continues to grow and many of the leading firms are catering to this new and growing investor segment.

REAL ESTATE

The National Council of Real Estate Investment Fiduciaries (NCREIF) Open End Diversified Core Equity (ODCE) Index, a broad measure of the US private real estate fund market, generated a -12.0% return. The real estate benchmark reflects the lagging impact of Federal Reserve action on valuation adjustments. Rising borrowing rates and pullback from traditional real estate lenders has simultaneously resulted in reduced transaction activity to validate appraisals and opened opportunities for non-traditional lenders to earn attractive risk-adjusted returns on select loans. Write downs in the office sector continued to be the most significant negative return driver. NCREIF reported that the hotel sector had the strongest positive performance of the major property types. The retail sector also had strong performance benefiting from strong income generated by grocery-anchored shopping centers. The industrial property sector is adjusting to changing distribution channels and supply imbalance in some markets. The multifamily sector is experiencing increased vacancy in some markets due to over-building; however, fundamentals are projected to return to a balance in favor of landlords as the lack of construction financing will curtail the pipeline. The outlook for multifamily and other residential property types remains positive due to the shortage of housing units.

REAL ASSETS

As inflationary pressures eased, infrastructure continued to generate attractive risk-adjusted returns. The Cambridge Associates Natural Resources/Infrastructure Index returned +8.05% LTM as of June 30, 2024. The infrastructure component, which represents approximately 59% of the index, returned +7.81% for the same period, while the natural resources components, Private Equity Energy, Upstream Energy & Royalties, and Timber, returned +8.98%, +7.92%, and +3.00%, respectively. The United States, which represents approximately 66.51% of the Index, returned +9.04% LTM as of June 30, 2024. Inception to date Infrastructure DPI decreased slightly, from .60x as of June 30, 2023, to 0.59x as of June 30, 2024. Over the same period, Natural Resources DPI increased across all sectors with Private Equity Energy, Upstream Energy & Royalties, and Timber increasing by .07x, .08x, and .04x, respectively.

PENSION FUND RETURN VS. BENCHMARK

	Annualized Returns (%)					
	FY24	3 Years	5 Years	10 Years	20 Years	25 Years
Pension Fund	10.74	3.61	7.69	6.94	7.21	6.09
Pension Fund Benchmark[1]	10.81	4.67	8.62	7.45	6.95	5.97

[1]Benchmark is a weighted composite of index returns in each asset class

- During Fiscal Year 2024, the Pension Fund returned +10.74% versus a benchmark of +10.81%. The underperformance of 0.07% was generated by both, public and private market asset classes. In spite of volatile market conditions, the Pension Fund's public equities portfolio was able to deliver stellar returns with the U.S. Equity allocation producing +23.29%, while Non-U.S. Developed Market Equity, International Small Cap Equity and Emerging Market Equity generated +11.67%, +8.31% and +10.56%, respectively. In fixed income, the Pension Fund's High Yield and Investment Grade Credit portfolios closed the fiscal year with +9.83% and +3.24% return, respectively. While the U.S. Treasuries portfolio returned +1.86%, the portfolio outperformed its benchmark by +0.31%.

- The Pension Fund also benefited from positive performance in private market asset classes with most allocations to this space delivering positive returns. Risk Mitigation Strategies was the best performing private market asset class returning +10.82%, followed by Private Credit, Real Assets and Private Equity, returning +10.2%, +2.71%, and +2.36%, respectively. Real Estate was the only asset class within the Pension Fund's private market asset class portfolio to produce negative performance with a return of -0.12%.

U.S. EQUITY HIGHLIGHTS OF FISCAL YEAR 2024

		Annualized Returns (%)		
	FY24	3 Years	5 Years	10 Years
U.S. Equity Only (Ex Cash and hedges)	23.29	8.23	14.17	11.58
Policy Benchmark	23.31	8.23	14.41	12.41

- For fiscal year 2024, the Total U.S. Equity Portfolio (1) returned +23.29% versus +23.31% for the MSCI USA IMI benchmark, an underperformance of -2 basis points. The largest component – the Passive Portfolio – returned +23.30% versus +23.31% for the MSCI USA IMI benchmark, an underperformance of –1 basis point.
- In late 2023, the Federal Reserve signaled the potential end of a two-year interest rate hiking cycle, setting the stage for the markets to embark upon a rally that continued through the fiscal year ending June 2024.
- The rally was fueled by those securities perceived to be the primary beneficiaries of the potential of Artificial Intelligence (AI) - primarily at first the Magnificent 7, and, in particular, Nvidia. However, concerns regarding the outlook for Apple and Tesla eventually diverted the AI hype to the remaining Magnificent 5, which strongly outperformed the broader U.S. Equity Market for the fiscal year.
- The Magnificent 7 comprised the largest market cap weighted constituents of the U.S. Equity Market and dominated risk and performance, from the lows of October 2023 through the upswing ending the fiscal year in June 2024. This was evidenced, for example, by the +52.10% return of the Magnificent 7(2) (offset by the –24.41% decline of Tesla) versus the +17.57% performance of the remaining constituents of the large cap S&P 500 for the fiscal year period.
- The largest component of the Total U.S. Equity Portfolio is passively managed to be in alignment to the benchmark, using a quantitative, optimization methodology. A risk model is used to construct a portfolio comprised of a subset of the benchmark that closely tracks the volatility and return profile of the benchmark. For the fiscal year, the Passive Portfolio component performed as expected, coming to within –1 basis point of the benchmark return. The remaining –1 basis point of relative performance for the Total U.S. Equity Portfolio stemmed from a broad market ETF position, which is used as an agile, tactical allocation vehicle.
- Consistent with the passive strategy, the Total U.S. Equity Portfolio remained broadly diversified by economic sector, with over 1,400 publicly traded securities as of June 30, 2024.

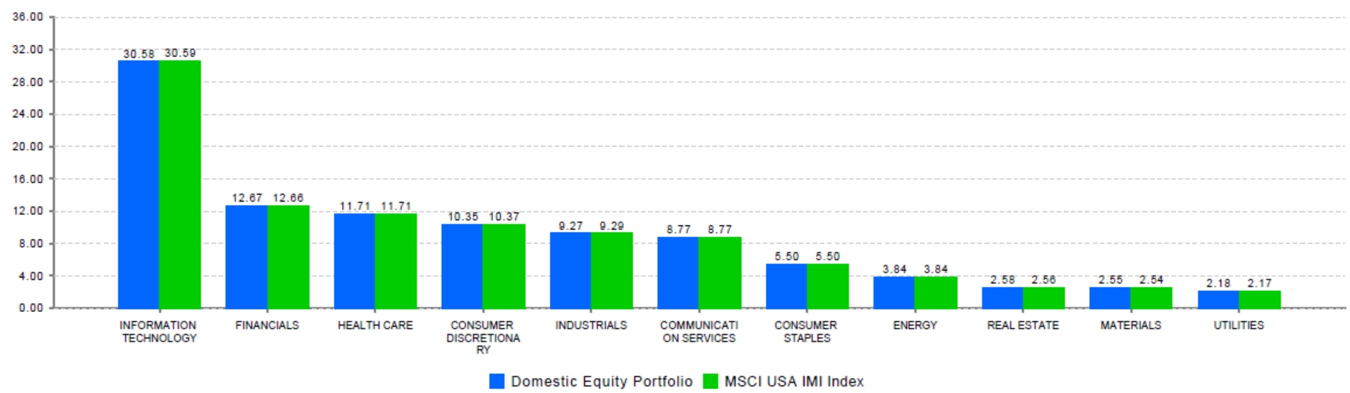
(1) The Total U.S. Equity Portfolio is comprised largely of a passively managed component and an ETF position.
(2) Bloomberg Mag 7and S&P 500 ex Mag 7 Indices.

The top 10 holdings (including related receivables) in the Total U.S. Equity Portfolio represent 33.12% of the Portfolio.

TOP HOLDINGS IN U.S. EQUITY PORTFOLIO AS OF JUNE 30, 2024*

Security Name	% of Portfolio
MICROSOFT CORP	5.76
APPLE INC	5.64
NVIDIA CORP	5.64
VANGUARD TOTAL MARKET ETF	4.45
AMAZON.COM INC	3.31
META PLATFORMS INC CLASS A	2.02
ALPHABET INC CL A	1.96
ALPHABET INC CL C	1.71
ELI LILLY + CO	1.34
BROADCOM INC	1.29

SECTOR WEIGHTINGS OF U.S. EQUITY PORTFOLIO vs. BENCHMARK INDEX AS OF JUNE 30, 2024 (%) **



*Holdings include accruals

**Index sector weightings reflect the calculations of State Street and may differ from those of MSCI; ETF positions are excluded from sector weight calculations.

INTERNATIONAL EQUITY HIGHLIGHTS OF FISCAL YEAR 2024

	Annualized Returns (%)			
	FY24	3 Years	5 Years	10 Years
International Equity with Cash, Hedges, Miscellaneous	11.32	0.57	6.00	4.10
Custom International Equity Markets Benchmark[1]	11.56	0.57	5.74	4.08
MSCI All Country World Index (ex U.S.)	11.22	2.82	6.55	4.27
Non-U.S. Developed Market Equity Portfolio	11.67	3.24	6.96	4.60
Custom International Developed Markets Benchmark[1]	11.27	2.81	6.49	4.30
International Small Cap Equity Portfolio	8.31	-4.11	5.20	*
Custom International Small Cap Markets Benchmark[1]	11.25	-1.46	6.14	*
Emerging Market Equity Portfolio	10.56	-4.12	3.82	2.79
Custom International Emerging Markets Benchmark[1]	12.38	-5.21	3.10	2.90

1. Source: MSCI. Each benchmark is a custom index calculated by MSCI for, and as requested by, the Division, based on screening criteria defined by the Division. These benchmarks exclude those securities deemed ineligible for investment under the State statutes governing investments in Iran, Sudan and companies that boycott Israel. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

* Returns not available for the 10-year period.

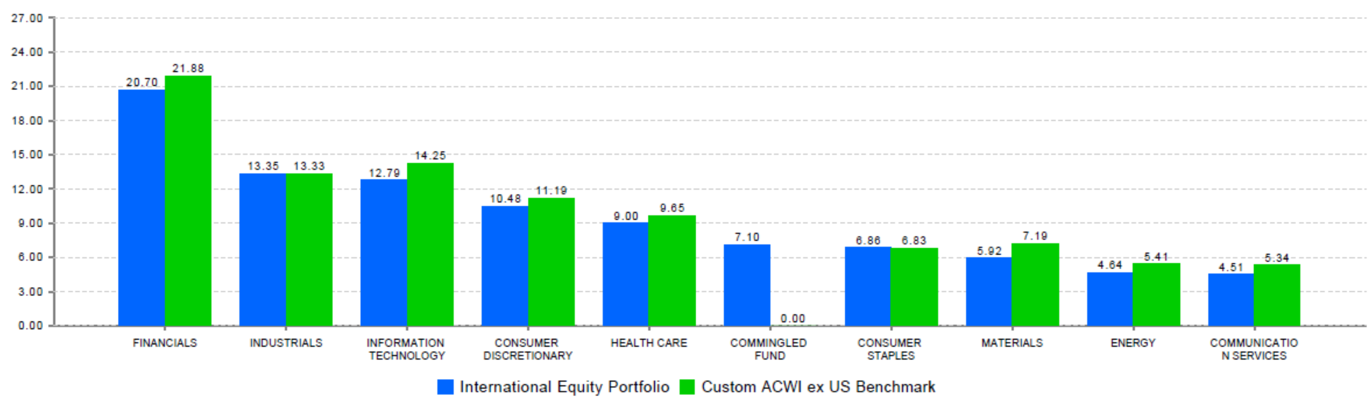
- The Total International Equity Portfolio is broadly diversified, with investments in approximately 2,255 publicly traded stocks across 46 countries in both the Non-U.S. Developed Markets and Emerging Markets. The Non-U.S. Developed Market Equity (DM) portfolio is primarily managed passively, but includes allocations to actively managed small cap equities, as well as opportunistic Exchange Traded Fund (ETF) positions. The Emerging Market Equity (EM) portfolio includes both passively and actively managed strategies, in addition to opportunistic ETF positions.
- During fiscal year 2024, the Total International Equity Portfolio returned +11.32% versus +11.56% for the benchmark, underperforming by -24 basis points. The strategies within the allocation to Emerging Markets and International Small Cap faced a challenging investment environment, causing these portfolios to have an adverse effect on the excess return.
- The Non-U.S. Developed Market Equity (DM) portfolio returned +11.67% versus +11.27% for the benchmark, an outperformance of +39 basis points. The largest component of the portfolio is quantitatively constructed, with a return profile that benefits from a favorable dividend withholding policy granted to the Pension Plan. A small position in two broad market ETFs had a slight, negative impact on portfolio returns.
- The International Small Cap Equity (SC) portfolio returned +8.31% versus +11.25% for the benchmark underperforming its benchmark by -294 basis points. SC growth strategies struggled in an environment where SC value significantly outperformed SC growth.
- The Emerging Market Equity (EM) portfolio underperformed its benchmark by -182 basis points, returning +10.56% versus +12.38% respectively. The exposures to China and Brazil, which returned –1.48% and –7.22% respectively, offset the positive security selection and diversified allocation across style strategies within the portfolio that allowed for the strong absolute performance.

The top 10 holdings (including related receivables) in the International Equity Portfolio represent 15.24% of the Portfolio.

TOP HOLDINGS IN INTERNATIONAL EQUITY PORTFOLIO AS OF JUNE 30, 2024*

Security Name	% of Portfolio
ISHARES CORE MSCI EAFE ETF	4.25
ISHARES MSCI EAFE SMALL CAP ET	2.00
NOVO NORDISK A/S B	1.76
ASML HOLDING NV	1.54
NESTLE SA REG	1.05
TAIWAN SEMICONDUCTOR MANUFAC	1.00
TAIWAN SEMICONDUCTOR SP ADR	0.94
TENCENT HOLDINGS LTD	0.94
ASTRAZENECA PLC	0.90
SHELL PLC	0.86

SELECT SECTOR WEIGHTINGS OF INTERNATIONAL EQUITY PORTFOLIO vs. BENCHMARK INDEX AS OF JUNE 30, 2024 (%) **



*Holdings include accruals
**Index sector weightings reflect the calculations of State Street and may also appear skewed due to the inclusion of ETFs.

FIXED INCOME HIGHLIGHTS OF FISCAL YEAR 2024

	Annualized Returns (%)			
	FY24	3 Years	5 Years	10 Years
Fixed Income	4.46	-2.07	0.74	2.08
Fixed Income Blended Benchmark	4.92	-1.92	0.80	2.12
U.S. Treasuries	1.86	-3.01	-0.50	0.38
Custom Government Benchmark	1.55	-3.26	-0.65	0.68
Investment Grade Credit	3.24	-3.26	0.13	1.90
Custom Investment Grade Credit Benchmark	3.59	-3.11	0.19	1.86
High Yield	9.83	1.55	3.75	*
Custom High Yield Benchmark	10.43	1.64	3.90	*

*Return not available for 10-year period.

- The Fixed Income portfolio is comprised of the U.S. Treasuries portfolio, the Investment Grade Credit portfolio, and the Public High Yield portfolio. The Investment Grade and High Yield portfolios are broadly diversified across economic sectors.
- During the fiscal year, the Fixed Income Portfolio returned +4.46% versus +4.92% for the benchmark. This underperformance was mainly due to the underweight allocation to the high yield asset class compared to the target allocation.
- Interest rates were extremely volatile over the fiscal year as markets weighed the Federal Reserve's decisions based on economic data such as inflation and jobs. The year began with a "higher for longer" tone due to economic growth surprising to the upside but this changed quickly in October when the market priced in seven rate cuts by year end based on the "Fed pivot". The yield curve was inverted much of the year but steepened over time as the 2 year-10 year curve began the fiscal year at –106 basis points and finished at –35 basis points.
- Within the Fixed Income portfolio:
    - The U.S. Treasuries portfolio outperformed due to an overweight U.S. Tips position over the period as Tips outperformed meaningfully.
    - The Investment Grade portfolio underperformed due to the longer duration positioning relative to the index. More specifically, the portfolio was overweight higher quality bonds with duration.
    - The High Yield portfolio delivered strong absolute returns but relative returns lagged as an underweight to lower quality bonds hurt as CCC rated securities returned +11.90% vs. +10.43% for the index. Highly distressed bonds rated 'below CCC' returned +28.24% over the fiscal year.

PRIVATE EQUITY HIGHLIGHTS OF FISCAL YEAR 2024

	Annualized Returns (%)			
	FY24	3 Years	5 Years	10 Years
Private Equity	2.36	4.49	11.23	12.20
Custom Cambridge Associates Blended Benchmark[1]	6.89	8.90	14.47	13.34

[1]Benchmark returns are reported on a one-quarter lag. Effective October 1, 2019, the benchmark is Cambridge Associates Buyouts, Growth, Distressed for Control, Subordinated Debt and Credit Custom Benchmark.

- As of June 30, 2024, the Private Equity portfolio had a current market value of $7.67 billion and consisted of 141 commingled funds or separate account vehicles. The Division closed on approximately $1.4 billion to nine Private Equity partnerships during Fiscal Year 2024. The Private Equity portfolio generated $181 million net cash flow during Fiscal Year 2024.
- The Private Equity portfolio, similar to other large institutional US pensions, is broadly diversified across strategy, sector, vintage year, manager, and geography. Private equity investment time horizons are typically 10 to 12 years.
- During Fiscal Year 2024, the Private Equity portfolio returned +2.36%, versus +6.89% for the Custom Cambridge Associates Blended Benchmark. A key driver of the underperformance for fiscal year 2024 was due to three of the largest GP relationships underperforming versus the benchmark. This short-term performance issue is offset by these fund managers and partnerships being top performers on an inception to date basis.
- The top 10 largest manager relationships represent more than 50% of the total program. They have outperformed relative to the entire portfolio and other GP relationships for the 5-year, 10 year and since inception returns.
- Overall ~50% of the funded portfolio is generating first and second quartile returns by IRR and TVPI, driven by strong performance in venture, growth, large buyout and co-investments.
- We look to co-investments to capture alpha and return capital earlier, and our mature program is delivering on both counts. Co-investment NAV is 16% of the private equity portfolio and is outperforming the broader PE portfolio.
- The diversified private equity portfolio remains cash flow net positive despite the slower exit environment that GPs and other LPs have broadly experienced over the past few years.
- Private equity capital formation continues to be challenged reflecting allocation pressure in LP's portfolios. While deal activity has slowed in certain sectors we are taking note of increased M&A activity up 29% year to date and are feeling generally positive that in 2025 we will see more exit activity with higher quality assets in certain sectors like technology.

PRIVATE CREDIT HIGHLIGHTS OF FISCAL YEAR 2024

	Annualized Returns (%)			
	FY24	3 Years	5 Years	10 Years
Private Credit[1]	10.20	6.74	7.68	7.77
Custom Benchmark[2]	12.34	2.79	5.23	5.34

[1] Effective October 1, 2019, certain legacy hedge funds are included in the performance of Private Credit.
[2] Reported on a one-month lag. Effective October 1, 2019, the Custom Benchmark is the Bloomberg Barclays U.S. Corporate High Yield Index plus 100 bps compounded monthly.

- As of June 30, 2024, the Private Credit portfolio had a market value of $5.1 billion, or 7.31% allocation of the portfolio. The allocation consists of investments in more than 28 private credit commingled funds or separate account vehicles, a portfolio of legacy hedge fund strategies, as well as a publicly traded Business Development Company (BDC). The BDC is generally comprised of direct lending investments. The Private Credit portfolio generated $558 million in positive net cashflow which includes $10.4 million of redemptions from legacy credit hedge funds.
- The Private Credit portfolio is diversified across strategy, sector, vintage year, manager, and geography. Private Credit investment agreements specify the investment horizon, with a wide range of possible time horizons and liquidation periods. The typical investment horizon identified in private credit investment agreements is 5 to 10 years.
- During Fiscal Year 2024, the Private Credit portfolio returned +10.20% versus the +12.34% for the Custom Benchmark. The Private Credit portfolio underperformed the Custom Benchmark due to timing issues as well as the fact that the portfolio is made up of mostly floating rate-based products while the benchmark is a fixed rate product.
- The Division closed on approximately $550 million to one Private Credit fund specializing in corporate direct lending and opportunistic credit during Fiscal Year 2024. Additionally, portfolio positioning changes included the strategic reduction to broad based structured credit, increasing European exposure, and reducing exposure to legacy hedge fund positions.
- Looking forward to 2025, the Division continues to view Private Credit as an important component of the overall portfolio. Given the increase in base rates and wider spreads during 2023 and 2022, the risk adjusted return profile of the portfolio is compelling.

REAL ESTATE HIGHLIGHTS OF FISCAL YEAR 2024

	Annualized Returns (%)			
	FY24	3 Years	5 Years	10 Years
Real Estate	-0.12%	2.38%	4.67%	7.96%
Real Estate Index[1]	-12.00%	2.47%	2.56%	5.82%

[1]Benchmark returns are reported on a one-quarter lag. The index is the NCREIF Open End Diversified Core Equity (ODCE).

- As of June 30, 2024, the Real Estate portfolio had a market value of $3.5 billion and consisted of equity and debt-related investments across 55 commingled funds or separate account vehicles, as well as investments in publicly traded Real Estate Investment Trusts (REITs). During Fiscal Year 2024, the Division closed on $600 million to two Real Estate fund investments.
- The Real Estate portfolio is diversified across strategy, sector, vintage year, manager, and geography. Real estate investment agreements specify the investment horizon, with a wide range of possible time periods. The typical investment horizon identified in real estate investment agreements is 10 to 12 years.
- The Real Estate portfolio is predominately comprised of private real estate funds, including both open-end core and closed-end non-core funds, with a concentration in non-core strategies. The private Real Estate portfolio is also geographically diversified with global real estate exposure comprising approximately 22% of the private real estate portfolio. The benchmark index (NCREIF ODCE) is exclusively comprised of U.S. open-end core funds.
- The overall Real Estate portfolio was impacted by the market disruption and valuation adjustments in the wake of Federal Reserve action. Public REITs comprise 22% of the real estate portfolio and public market volatility further impacted performance. During Fiscal Year 2024, the Real Estate portfolio returned –0.12% versus -12.00% for the NCFEIF ODCE benchmark.
- The Real Estate portfolio outperformed the benchmark in Fiscal Year 2024 as well as over the 5- and 10-year time horizons. The portfolio's long-term outperformance is driven by a heavier weight to non-core strategies and non-traditional property sectors. Additionally, the Division utilized REITs to tactically capitalize on market disruption.
- Since the start of Fiscal Year 2013 the Real Estate portfolio has been cash flow positive. During Fiscal Year 2024, the Real Estate portfolio generated net distributions of $62 million despite a volatile macro environment.

REAL ASSETS HIGHLIGHTS OF FISCAL YEAR 2024

	Annualized Returns (%)			
	FY24	3 Years	5 Years	10 Years
Real Assets	2.71	7.01	5.12	2.81
Custom Cambridge Associates Real Asset Benchmark[1]	7.17	14.54	7.45	2.86

[1]Benchmark returns are reported on a one-quarter lag. Effective October 1, 2019, the benchmark is a custom blend of the Cambridge Associates Natural Resources and Cambridge Associates Infrastructure Indexes.

- As of June 30, 2024, the Real Assets portfolio had a market value of $1.64 billion and consisted of 23 debt and equity investments consummated via commingled funds, co-investments and separate accounts. During Fiscal Year 2024, the Division did not close on any Real Assets fund or SMA investments.

- The Real Assets portfolio is generally diversified across strategy, sector, vintage year, manager, and geography. However, a significant portion of the legacy portfolio continues to be invested in select vintages and into the conventional energy and conventional metals & mining strategies/sectors. Investment agreements specify the investment horizon, with a wide range of possible time periods. The typical investment horizon identified in real assets investment agreements is 10 to 12 years.

- During Fiscal Year 2024, the Real Assets portfolio returned +2.71% versus the +7.18% custom Cambridge Associates benchmark. The key drivers of the difference in FY performance between the asset class and the benchmark are the reporting lag between the asset class and the benchmark, the continued mismatch between the portfolio and the benchmark, and misclassified investments within the portfolio. The portfolio was only 5 bps short of the benchmark over the 10-year time horizon, which is a continuation of the improvement in absolute 10Y returns of the portfolio since FY 2020 and a continuation of the stability of returns on an absolute basis as well as vs. the benchmark. Further, this 10Y performance is a marked improvement since FY 2020 in light of deployment and secondary sales within the asset class given performance of the portfolio across time horizons and especially over time horizons more than 5 years is still largely anchored by legacy upstream energy and mining investments that underperformed for many years. Staff continue efforts to turn around Real Assets which has been a legacy, underperforming asset class for the DOI over the long term, in an era of secularly compelling market opportunities in Real Assets ex-real estate. Towards that, Staff continue building out meaningful infrastructure/energy transition/renewables/sustainability/digital investments via primary funds, SMAs, co-investments and secondaries. In light of persistent inflation, the need for energy security, geopolitical tensions such as the Russia-Ukraine conflict, and political tensions impacting the movement of goods and labor, existing natural resources investments continue to be a source of volatility as well as distributions for the portfolio.

- Real Assets delivered net cash flow (distributions less contributions) of $95 million in Fiscal Year 2024 despite the portfolio being in the J curve as well as the private markets (not to be construed as the DOI's private markets portfolio) broadly lacking consistent distributions.

RISK MITIGATION STRATEGIES HIGHLIGHTS OF FISCAL YEAR 2024

	Annualized Returns (%)			
	FY24	3 Years	5 Years	10 Years
Risk Mitigation Strategies	10.82	6.48	6.81	4.88
T-Bill + 300 BPS	8.59	6.15	5.26	4.60

- As of June 30, 2024, the Risk Mitigation Strategies portfolio had a market value of $1.9 billion and consisted of investments in 11 limited partnerships. During the Fiscal Year 2024, the Risk Mitigation Strategies portfolio received $7.8 million of distributions as part of the ongoing restructuring plan for the strategy.
- The Risk Mitigation Strategies portfolio is comprised of limited partnership vehicles with a range of subscription terms. The Risk Mitigation Strategies portfolio is intended to provide downside protection against equity market drawdowns, liquidity in the event of a drawdown, and returns with low or negative correlation to equities. The Risk Mitigation Strategies portfolio includes various investment strategies, including discretionary macro, systematic macro, relative value, and market neutral strategies.
- During Fiscal Year 2024, the Risk Mitigation Strategies portfolio returned +10.82% versus +8.59% for the U.S. Treasury-Bill 300 basis points benchmark, an outperformance of 223 basis points. The Risk Mitigation Strategies portfolio's relative outperformance was attributable to macro strategies and gains in event driven situations. Over longer periods, including 5 and 10 year periods, the RMS portfolio has outperformed the benchmark by +1.55% and +0.28% respectively.
- The Risk Mitigation Strategies portfolio protected capital and delivered uncorrelated returns during the market sell-off in equities throughout the year. For example, from August to October 2023, the RMS portfolio returned +2.92% versus -9.62% for the MSCI ACWI. Similarly in April 2024, the RMS Portfolio returned +0.38% versus -3.30% for the MSCI ACWI. Over the fiscal year, the RMS portfolio had a beta of -0.01 to both the MSCI ACWI and the S&P 500 Index, reflecting no equity market exposure. Due to the lack of equity market exposure, the RMS portfolio did not fully participate in the beta rally which took place from November 2023. However, the RMS portfolio delivered approximately 50% of the equity market gains with -0.01 beta and only 12% of the risk of the market.
- Key factors impacting relative outperformance included "Risk-on" themes in macro portfolios including exposure to equities, credit, currencies and commodities. The portfolio delivered strong returns in event oriented situations including special situations equities and corporate credit. Some detractors included exposure to relative value positions in emerging markets and market neutral positions in fixed income and volatility arbitrage.
- Looking ahead, we expect that there will be continued periods of higher volatility and dispersion within asset classes given the changing interest rate environment as well rising geopolitical tensions. This backdrop will lead to greater alpha opportunities for RMS. The forward-looking environment favors trading strategies which can capture dislocations in fair value and wider spreads between related securities.
- The Division is implementing the RMS portfolio restructure plan which will improve downside protection by increasing convexity while also enhancing liquidity and reducing fees for the program as new investments legally close and are funded.

CASH MANAGEMENT FUND

		Annualized Returns (%)[1]	
	FY24	3 Years	5 Years
Cash Mgt. Fund – State Participants	5.34	3.08	2.18
Cash Mgt. Fund – Non-State Participants	5.28	3.03	2.13
91 Day U.S. Treasury Bills (Daily)	5.40	3.03	2.16

[1]Returns represent the annual rate for the period based on the average daily rate of return.

- The Cash Management Fund (CMF) is the Local Government Investment Pool (LGIP) utilized by the Pension Fund, the State of New Jersey and local towns, municipalities, school districts, agencies, and authorities for its cash management needs. Participation is voluntary. As of June 30, 2024, the net asset value of the Cash Management Fund was $41.0 billion.
- The CMF was primarily invested in U.S. Treasury and Agency obligations, highly-rated commercial paper, and other highly-rated government debt as of June 30, 2024.
- The CMF's yield rose in Fiscal Year 2024, primarily as a result of the Federal Reserve having increased short-term interest rates to control inflation.
- The Non-State Participants' return is reduced by an Administrative Expense Fund Fee (0.05% per year) and a Reserve Fund Fee (0.01% per year). The Administrative Expense Fund Fee is used to reimburse the State of New Jersey for administrative and custodial fees of the CMF. The Reserve Fund fees are reinvested and participate in the CMF.

CASH MANAGEMENT FUND PORTFOLIO HOLDINGS[1] AS OF JUNE 30, 2024

	Portfolio Holdings (%)	Portfolio Holdings ($ millions)
US TREASURY BILLS	90.76	37,252.6
COMMERCIAL PAPER	6.73	2,760.9
GOVERNMENT AGENCY	2.51	1.028.3
STATE STREET STIF	0.00	1.9
TOTAL	100.00	41,043.7

[1]Excludes receivables and payables

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) AND SUSTAINABLE INVESTING

In 2018, the Council formally adopted its Environmental, Social, and Governance (ESG) Policy which, among other things, laid the foundation to address the growing risks to the Pension Fund from climate change and the ongoing transition to renewable energy. Since then, the Division has taken numerous steps to measure and manage ESG risks across its portfolios.

In Fiscal Year 2022, the Division of Investment developed Principles and Practices Regarding Climate Change as a framework to implement the Council's ESG Policy and to convey how the Division plans to address and manage climate-related risks and opportunities. In FY2024 the Sustainable Investing Team conducted ongoing research into the changing dynamics of the supply and demand outlook for energy, including fossil fuels, renewables, and other energy sources. The team conducted deep dives into the development status of the renewable energy and green technologies that will facilitate the transition to a lower carbon economy. This work includes analyzing opportunities for investing in the energy transition and the investment risks associated with these investments.

Throughout Fiscal Year 2024, the Division continued to advance its investment stewardship priorities, both through proxy voting and corporate engagement. The Division believes that active engagement produces the best financial outcomes for the Pension Fund. With respect to proxy voting, the Division focused on financial materiality and generally supported resolutions that would improve corporate disclosure and accountability regarding financial, physical, or regulatory risks.

Within Alternative Investments, Division staff performed ESG due diligence of General Partner ESG integration efforts across the Pension Fund's prospective investments. Engagements were held with every prospective fund manager to assess how they consider sustainability factors across their private market investments and plan for future enhancements to their processes.

COSTS OF MANAGEMENT

All investment returns for the Pension Fund and the various asset classes are reported net of external fees and expenses associated with investing the assets. The Division strives to minimize costs, with the key objective to realize attractive risk-adjusted net returns. The Division continues to utilize internal resources to minimize costs, with the Pension Fund representing one of the highest percentages of internally managed plans amongst public pension funds.

The Division utilizes external advisers and fund managers for strategies that require greater resources than are currently available internally. Most of the fees and expenses within the Pension Fund are incurred by the $26.4 billion Alternative Investment Program (AIP) that includes private equity funds, real estate funds, real asset funds, opportunistic funds, hedge funds, and private credit funds. The Division paid $377.5 million in management fees and expenses in Fiscal Year 2024 to fund managers within the AIP.

While more costly, the AIP provides important investment benefits for the Pension Fund, including an expected long-term performance advantage (net of fees) on both an absolute and risk-adjusted basis, enhanced portfolio diversification, and better downside protection. Moreover, certain strategies within the AIP provide exposure to rapidly growing segments of the global market which are not investable in the public market.

The Division paid an additional $28.6 million to advisers with respect to its emerging market equity, international small cap equity and high-yield fixed income portfolios in Fiscal Year 2024. Investments in these portfolios totaled $4.1 billion as of June 30, 2024.

Operating expenses for staff compensation, overhead and equipment were $18.6 million for the fiscal year and represent approximately 4.28% of fees and expenses or .02% of $111.9 billion in total assets under management.

Fees for consulting services, custodial banking, and legal services were $9.9 million for the fiscal year and represent approximately 2.28% of fees and expenses or .01% of $111.9 billion in total assets under management.

In total, costs to manage the portfolios were $434.7 million, or .39% of $111.9 billion in total assets under management. Note that the ratio of fees and expenses to total assets under management may not be comparable to prior years given the transfer of certain assets under management to the Police and Firemen's Retirement System as of April 1, 2024.

The following chart summarizes total fees and expenses for Fiscal Year 2024.

Fees & Expenses[1]	Fiscal Year Ended June 30, 2024 ($ millions)
Private Equity Funds	147.5
Private Credit Funds	102.0
Real Estate Funds	54.4
Hedge Funds	41.9
Real Asset Funds	31.7
SUBTOTAL	377.5
High-Yield, Small Cap and Emerging Market Advisers	28.6
Division Operations	18.6
Consulting Fees	4.8
Custodial Banking Fees	3.2
Legal Fees	2.0
TOTAL	434.7

[1] Alternative Investment Program fees and expenses are based on information provided by the manager.

PERFORMANCE ALLOCATIONS

The Council also provides detailed information regarding the performance allocation earned by the fund managers within the AIP. By way of background, fund managers may earn a performance allocation or share of the investment profits, also known as carried interest, if certain conditions and objectives are met. Typically, a private equity limited partner (e.g., the Common Pension Fund) must receive a net minimum return, also known as a hurdle rate or preferred rate, before the fund manager can collect a performance allocation. Other requirements may include prior repayment of contributed capital, management fees, and other expenses to limited partners. The Division is committed to negotiating preferential terms that incentivize strong performance, provide the Division with meaningful governance rights, and ensure alignment of interests.

Total performance allocation may exceed the average hurdle rate of the funds within an asset class (e.g., private equity) since a fund within a given asset class may realize strong returns and, therefore, earn carried interest at the same time another fund within the same asset class may realize negative returns that reduce total asset class profits. There may also be timing mismatches between the crystallization and payment of performance allocation. For example, certain portions of performance allocation paid during Fiscal Year 2024 may have crystallized during Fiscal Year 2023. Similarly, certain portions of performance allocation that were realized during Fiscal Year 2024 may have crystallized at the close of calendar year 2023, following a longer-term period of generally strong investment returns.

The table below summarizes the performance allocation for the AIP for Fiscal Year 2024.

	Performance Allocation		
	Amount ($ Millions)	As % of Assets	As % of Gross Profit
Private Equity	120.4	1.08	23.46
Real Estate	15.7	0.39	-833
Private Credit	55.9	0.86	6.93
Hedge Funds	56.0	1.86	14.8
Real Assets	22.9	1.02	22.4

For Fiscal Year 2024, the AIP earned a net return of 4.39% and generated $1,150.8 billion of net profits. The AIP has been a significant driver of favorable returns for the total Pension Fund over longer-term periods. For the ten years ended June 30, 2024, the AIP has returned 7.55%, in line with the Total Pension Fund.

The table below summarizes the net returns and profits for the AIP for Fiscal Year 2024.

	Estimated Average Gross Assets ($ Millions)	Estimated Gross Profit (Loss) ($ Millions)	Estimated Net Profit (Loss) ($ Millions)	FY24 Net Return (%)
Private Equity	11,106.4	513.5	245.5	2.36
Private Credit	6,518.5	807.4	649.5	10.2
Real Estate	4,040.6	(1.9)	(72.0)	-0.12
Hedge Funds	3,009.1	378.2	280.3	9.74
Real Assets	2,257.7	102.1	47.5	10.2
TOTAL[1]	26,932.3	1,799.3	1,150.8	4.39

[1]Total may not equal sum of components due to rounding.

Performance allocations were $62.4million lower in Fiscal Year 2024 versus Fiscal Year 2023 primarily due to reductions in performance allocations across Private Equity, and Real Estate. Fees and expenses within the AIP were $12.8 million higher in Fiscal Year 2024 versus Fiscal Year 2023, driven by increased allocations in the Private Equity and Private Credit portfolios.

The table below summarizes year-over-year changes in, AIP fees and expenses, performance allocation, and estimated net profits.

	FY24 ($ Millions)	FY23 ($ Millions)	Year over Year Change ($ Millions)
Fees and Expenses	377.5	364.7	12.8
Performance Allocation	270.9	333.3	(62.4)
Estimated Net Profit (Loss)	1,150.8	1,086.4	64.5

REPORTING STANDARDS AND COMPARISONS TO OTHER FUNDS

Public pension funds do not have a uniform standard for the reporting of investment fees and expenses, including performance allocations. As a result, comparisons to other public funds may not be meaningful because other funds may not provide comparable disclosure. For example, the Council includes performance allocation in this report, whereas other public funds may not include performance allocation in similar reports. Accordingly, it is possible that the Council reports more types of costs and, therefore, higher costs than other funds, while the Pension Fund may actually incur lower costs than those same funds.

ADDITIONAL INFORMATION REGARDING ALTERNATIVE INVESTMENT PROGRAM FEES AND EXPENSES

The Division and the Council are both committed to demonstrating industry leadership in transparency. As part of this commitment, the Council also includes a report of fees and expenses, along with performance allocation and returns over the past five fiscal years, in Appendix 1 of this Annual Report.

In accordance with N.J.S.A. 52:18A-91(b), the Council is also including a schedule of the percentage and amount of fees, expenses and performance allocations that were paid to AIP fund managers in connection with commitments made from January 1, 2018 through June 30, 2024 in Appendix 2 of this Annual Report.

COMMISSIONS

The Division incurred broker/dealer commission costs totaling $0.6 million for Fiscal Year 2024.

The Division purchases and sells certain investments with no involvement by a broker/dealer, including commercial paper, certificates of deposit, foreign currency transactions and investments in alternative investment funds by transacting directly with the issuer, partnership or fund; as a result, no direct commissions are paid.

APPENDIX 1: FIVE YEAR COST COMPARISON

	Fiscal Year Ended June 30, 2024 ($)	Fiscal Year Ended June 30, 2023 ($)	Fiscal Year Ended June 30, 2022 ($)	Fiscal Year Ended June 30, 2021 ($)	Fiscal Year Ended June 30, 2020 ($)
Hedge Funds	41,886,345	39,789,358	38,959,925	29,276,827	33,669,770
Private Equity Funds	147,519,867	135,742,429	119,754,526	112,312,874	122,523,036
Real Estate Funds	54,402,226	62,060,250	49,853,370	48,172,669	66,423,957
Real Asset Funds	31,724,589	35,869,819	26,138,900	25,828,658	31,335,637
Opportunistic Funds[1]	0	0	839,556	5,970,979	5,775,580
Private Credit Funds	101,970963	91,232,705	70,650,155	86,806,864	72,894,329
Division Operations and Internal Management[2,3]	57,151,046	50,642,624	51,028,173	47,352,620	37,108,258
Total Fees and Expenses:	434,654,736	415,337,185	357,224,605	355,721,490	369,730,567
Performance Allocation:					
Hedge Funds	55,997,240	32,967,950	39,805,064	50,463,416	32,538,336
Private Equity Funds	120,440,992	186,628,775	240,280,706	308,324,811	113,469,221
Real Estate Funds	15,669,767	55,683,838	70,545,786	52,013,106	40,496,797
Real Asset Funds	22,919,561	5,924,137	7,951,047	23,615,777	11,446,670
Opportunistic Funds[1]	0	0	209,799	2,946,274	0
Private Credit Funds	55,914,714	52,112,023	63,263,429	169,035,022	41,806,274
Total Performance Allocation:	270,922,257	333,316,723	422,055,831	606,398,405	239,757,298
Total Fees, Expenses and Performance Allocation:	705,576,993	748,653,908	779,280,436	962,119,896	609,487,864

[1]Opportunistic investments were transferred to Private Equity based on regulation changes.
[2]Includes costs related to external investment advisers for international small cap, emerging markets equity and high yield, as well as Division operations, consulting fees, legal fees, and custodial banking fees.
[3]International small cap, emerging markets and high yield assets managed with the support of external investment advisers are considered internally managed.

APPENDIX 2: ALTERNATIVE INVESTMENT DISCLOSURES PURSUANT TO N.J.S.A. 52:18A-91(b).

The table below includes the terms of the commitments made by the Pension Fund from January 1, 2018 to June 30, 2024 and the amounts of fees and expenses paid for Fiscal Year 2024.

Investment	Commitment ($ Millions)	Annual Management Fee %	Performance Fee/ Carried Interest %	Fees and Expenses Paid	Performance Fees Paid
Aether Real Assets SONJ Fund, L.P. Executed March 2018	$135	Years 1-5: 0.60%; Years 6-12: 85% of prior year's fee Years 13-15: 0.1%	4.475% carried interest subject to 7% return.	$1,349253	$1,628,872
Aermont IV Executed October 2018 (1)	$111	1.50% of aggregate commitments stepping down to 1.7% of net invested capital during the post investment period.	20% carried interest subject to 9% return.	$1,093,108	$0
Ardian IV Executed March 2020 (2)	$136	1.5% of total commitments during the investment period; 1.5% of total cost post investment period.	20% carried interest subject to a 8% return	$4,157,606	$0
ABF VII New Jersey S.L.P. Executed July 2020 (3)	$56	No management fee	No Performance Fee/No Carried Interest	$88,989	$0
Altaris Health Partners V Executed July 2020	$100	2% during the commitment period; thereafter 2.0% of an amount equal to the Limited Partner's share of the aggregate capital invested in portfolio investments upon expiration of the Investment Period.	20% carried interest subject to a 8% return.	$2,218,210	$0
Altaris Health Partners VI Executed December 2023	$150	2% during the commitment period; thereafter 2.0% of an amount equal to the Limited Partner's share of the aggregate capital invested in portfolio investments upon expiration of the Investment Period.	20% carried interest subject to a 8% return.	$0	$0
American Industrial Partners VIII Executed May 2023	$150	2% on committed capital during the investment period; 1.5% on contributed capital during the harvest period.	20% carried interest subject to a 8% hurdle	$3	$0
Barings New Jersey Emerging Manager Program Executed July 2023	$250	Year 1-3: 0.40% on invested capital. Year 4-10: 0.40% on the lower of NAV or invested capital. Thereafter 0%	1% subject to a 1.75x Net MOIC*. 3% subject to a 2.20x Net MOIC	$3,348,088	$0

Blue Owl Diversified Lending 2020 Fund (6) f/k/a Owl Rock Diversified Lending 2020 Fund Executed August 2022	$350	1% of gross assets. No management fee on undrawn capital.	0% through 6/30/2025; thereafter 10% carried interest with a 6% preferred return.	$3,838,919	$0
Blue Owl Diversified Holdings LLC f/k/a Owl Rock Diversified Holdings LLC Executed August 2022	$0	0%	10% carried interest through 6/20/2025, none thereafter.	$242,069	$0
Blue Owl Technology Corporation f/k/a Owl Rock Technology Corporation Executed November 2018	$100	Prior to Exchange Listing: 0.90% of gross assets above 200% asset coverage, plus 1.50% of unfunded capital commitments. After Exchange Listing: 1.50% of gross assets above 200% asset coverage, plus 1.0% of gross assets below 200% asset coverage.	17.5% prior to Exchange Listing subject to a 6% hurdle; 17.5% after Exchange Listing subject to a 6% hurdle.	$15,092,762	$957,880
Blueprint Cap I Executed May 2018	$300	0.30% on the first $225 million; 0.25% on the next $100 million, 0.20% thereafter.	No Performance Fee/No Carried Interest	$4,500,992	$707,303
Brookfield Capital Partners V Executed April 2019	$100	1.675 % during the commitment period; 1.425% in the post commitment period.	20% carried interest subject to a 8% return	$1,533,112	$0
Brookfield Global Transitions Fund -B Executed June 2022	$300	1.15% on committed capital	20% carried interest subject to a 8% return	$6,337,429	$0
Brookfield Global Transitions Fund Co-Invest (N) Executed June 2022	$300	0%	No Performance Fee/No Carried Interest	$71,437	$0
CVC Capital Partners VIII Executed June 2020 (4)	$107	During investment period: 1.425% of Total Commitment. After investment period: 1.25% of unreturned cost.	20% carried interest subject to a 8% return	$2,063,906	$0
CVC Capital Partners IX Executed June 2023 (5)	$268	1.375% on committed capital	20% carried interest subject to a 6% hurdle	$0	$0
CVC Credit Partners EU DL II Co-Invest Executed May 2021 (7)	$115	0.35% on Net Invested Capital.	No Performance Fee/No Carried Interest	$644,812	$0
CVC Credit Partners EU Direct Lending III Executed December 2021 (8)	$169	0.85% on invested capital.	12.5% carried interest subject to a 7% return.	$3,482,194	$0

CVC Credit Partners EU DL III Co-Invest Executed July 2022 (8)	$169	0%	No Performance Fee/No Carried Interest	$995,479	$0
Cerberus Institutional Real Estate Partners VI Executed January 2024	$350	1.12% on Commitment during the Investment Period; 1.2% on invested capital post the Investment Period	20% Incentive Fee with a 9% Preferred Return.	$11,312,021	$0
Divco West Fund V I-A Executed August 2020	$100	1.25% on Un-contributed Capital during the commitment period. 1.5% on invested capital after the commitment period.	20% carried interest subject to a 7% preferred return.	$1,396,646	$0
Eagle Point Defensive Income Fund NJ Executed December 2021	$120	0.43% on assets	10% carried interest subject to a 5% preferred return.	$1,046,727	$0
Eagle Point Defensive Income Fund US Executed September 2021	$55.3	0.94% on invested capital.	7.5 % carried interest subject to a 8% preferred return.	$727,284	$0
EQT Infrastructure V Executed October 2021	$160	1.5% on committed capital during the investment period, thereafter 1.5% on invested capital.	20% carried interest subject to a 6% return.	$3,163,160	$0
Excellere Capital Fund IV Executed October 2021	$100	2.0% on committed capital during the investment period, thereafter 2.0% on invested capital.	20% carried interest subject to a 8% return; 25% carried interest subject to a 2.0x net multiple on invested capital and a 8% return.	$1,872,157	$0
Exeter Core Industrial Club Fund III Executed June 2019	$100	0.90% on invested capital	15% carried interest subject to 8% return.	$996,380	$0
GCM Grosvenor NJ RE Emerging Manager Program m Executed December 2023	$250	0.80% Management Fee	2.5% to 9.5% (varies by investment type) with a 8% preferred return.	$270,730	$0
Glendon Opportunities Fund III Executed June 2023	$150	2% on invested capital during the investment period; 1.5% on invested capital during the harvest period.	20% carried interest with a 8% hurdle rate	$1,508,866	$0
Hammes Partners IV Executed March 2022	$65	1.5% on committed capital during the investment period, thereafter 1.5% on invested capital.	20% carried interest subject to 8% return.	$1,043,738	$0
Hellman & Friedman Capital Partners X Executed May 2021	$125	1.5% of committed capital in aggregate (0.375% management fee and 1.125% Management Profits Interest) stepping down upon the earlier of the end of the commitment period of activation of a subsequent fund to 1.25% of Remaining Cost of investments for the first two years; 1.00% for the following two years; and 0.75% thereafter.	20% carried interest	$2,203,101	$0

Homestead III Executed April 2019	$100	1.5% on committed during the investment period (or until successor fund is raised, if earlier), thereafter, 1.5% on invested capital.	15% carried interest subject to 6% compound IRR.	$1,395,180	$0
HPS Garden Private Credit Fund Executed March 2024	$350 for Separately Managed Investments $200 for Co-Investments	0.80% Management Fee on Separately Managed Investments 0% on Co-investments	15% Incentive Fee with a 8% Preferred Return on the Separately Managed Investments 0% on Co-Investments	$411,862	$0
ICG Europe Fund VIII SCSp Executed July 2022 (9)	$215	1.30% on committed capital during the investment period. 1.25% on invested capital post investment period.	20% carried interest subject to 8% return.	$3,460,191	$0
ICG Global Co-Investment E SCSp Executed October 2022 (10)	$107	0%	No Performance Fee/No Carried Interest	$64,522	$0
Institutional Venture Partners XVIII Executed January 2024	$100	1.5% to 2.25% (annualized to 2.08% over the full term).	25% stepped up to 30% at 2.5x distributed capital.	$0	$0
IPI Partners II-A Executed March 2021	$150	1.425% on committed and invested capital	20% carried interest subject to a 7% return.	$2,084,231	$0
JLL Partners Fund VIII Executed February 2019	$200	2.0% of commitments during the Investment Period; thereafter, 1.5% of actively invested capital.	20% carried interest subject to 8% return.	$4,043,750	$0
Khosla Ventures Seed F Executed May 2023	$20	2.5% on committed capital.	30% incentive fee.	$1,042,319	$0
Khosla Venture VIII Executed May 2023	$80	2% on committed capital	30% incentive fee.	$2,509,100	$0
Khosla Opportunity II Executed May 2023	$100	1% on committed capital	20% incentive fee	$1,807,808	$0
KSL Capital Partners V Executed February 2019	$100	1.75% on committed capital during the investment period; 1.25% on invested capital post investment period	20% carried interest subject to 8% return.	$1,051,396	$117,162
MBK Partners Fund V Executed December 2019	$100	1.75% on commitments during the commitment period, thereafter, 1.5% on unreturned capital (including any Partnership borrowings).	20% carried interest subject to 8% return.	$675,546	$0
Magenta Fund Ltd Executed April 2021	$100	0.85% on invested capital.	No Performance Fee/No Carried Interest	$913,610	$0

NB/NJ Custom Fund III Executed April 2018	$200	0.10% on commitment during the investment period; 0.30% on actively invested capital.	10% carried interest subject to 8% return. 15% carried interest subject to 15% return.	$1,923,620	$0
NB/NJ Custom Fund III Tranche B Executed July 2021	$350	0.30% on invested capital/fair market value	7.5% carried interest subject to 1.5x net multiple on invested capital; 10% carried interest subject to a 1.8x net multiple on invested capital.	Included above	$0
New Jersey Asia Investors Evergreen Executed October 2023	$100 (Up to $600 million with recycled capital	Pro-rata pool 0.80%, stepping down to 0.50%. Overage Pool 0%	5.85% on the pro-rate pool, 0% on the overage pool, subject to a 8% hurdle.	$401,150	$0
NJ High Point VC Fund Executed May 2023	$200	Year 1-5: 0.39% on invested capital; Year 6-9: 0.39% on the lower of NAV or invested capital; Thereafter 0.25% on lower of NAV or invested capital.	1% subject to a 1.75X Net MOIC; 3% subject to a 2.5x Net MOIC	$532,235	$0
Silver Lake Partners V Executed September 2020	$100	1.5% on committed capital during the investment period. 1.0% on invested capital after the investment period.	20% carried interest subject to a 8% hurdle.	$980,854	$0
Silver Lake Partners VII Executed April 2024	$100	1.5% on committed capital during the investment period. 1.0% on invested capital after the investment period. 0,5% during the first extension. 0.25% during the second extension. 0% after the third extension.	20% carried interest subject to a 8% hurdle.	$2,768,087	$0
Sixth Street Growth II Partners Executed October 2022	$130	1.25% on unused commitments and 1.5% on invested capital during the investment period; 1.5% on the lower of invested capital or NAV after the investment period.	20% carried interest subject to a 8% hurdle.	$1,862,746	$0
Sixth Street Mid-Stage Growth Executed October 2022	$50	1.25% on invested capital during the investment period; 1.25% on the lower of invested capital or NAV after the investment period.	20% carried interest subject to a 8% hurdle.	$190,761	$0
SONJ Private Opportunities Fund III Executed May 2024	$250	0.30% on invested capital for co-investments. 0,20% on invested capital in primary funds.	7.5% subject to a 1.5x net MOIC on co-investments. 10% subject to a 1.8x net MOIC on primary funds.	$0	$0
Stellex Capital Partners II Executed September 2020	$125	1.75% on committed capital during the investment period; 1.75% on invested capital thereafter.	20% carried interest subject to a 8% hurdle.	$2,531,745	$0

Stonepeak CPF Investment Partners Executed April 2023	$75	0%	No Performance Fee/No Carried Interest	$0	$0
Stonepeak Global Renewables Fund Executed January 2021	$100	1% of capital commitments during investment period; thereafter, 1% of net asset value.	10% carried interest subject to a 6% hurdle.	$1,036,200	$0
Stonepeak Infrastructure Fund IV Executed November 2021	$125	1.225% on committed capital until the third anniversary of the Fund's effective date on October 31, 2023. Thereafter the management fee resets to 1.35% on committed capital during the investment period and on net investment capital after the investment period ends.	20% carried interest subject to a 8% hurdle.	$1,576,173	$0
Strategic Value Special Situations Fund V Executed April 2021	$125	0.725% on commitment during the investment period until 50% of the capital has been called. Thereafter, 1.45% of commitments.	20% carried interest subject to a 8% hurdle.	$2,404,776	$0
Sycamore Partners III Executed January 2018	$150	2% per annum of commitments during the investment period, thereafter, 2% per annum of invested capital.	20% carried interest subject to 8% return.	$2,105,668	$303,680
TGM Apartment Partners II Executed January 2023	$300	0.75% on invested capital.	15% carried interest subject to 9% return.	$0	$0
The Rise Fund II Executed March 2019	$125	1.75% of capital commitments during the commitment period; following the commitment period 1.25% on actively invested capital. During any extension, 0.50% on actively invested capital.	20% carried interest subject to 8% return.	$1,491,903	$0
Tiger Iron Garden Fund. Executed February 2024	$250	0.45% on the commitment to each underlying fund. Following the first five years of the closing date of the commitment, the fee will be reduced 0.05% per year through year 10.	1% Incentive Fee with a 8% hurdle.	$0	$0
TPG Growth V Executed September 2020	$100	1.75% during the commitment period, 1.25% thereafter. 0.5% during any extensions	20% carried interest subject to 8% return.	$1,791,775	$0
TPG Real Estate Thematic Advantage Core-Plus JV. Executed January 2022	$150	0.7% on Net Asset Value	10% carried interest subject to a preferred return of 7%	$839,951	
TPG Real Estate Partners III Executed May 2018	$100	1.5% on the first $50 million invested capital; 1.25% on the next $150 million. The management fee on committed but un-invested equity during the Commitment Period is 0.80% of the blended rate on invested equity.	20% carried interest subject to 8% net return.	$1,117,589	$858,081

TPG Rise Climate Executed March 2022	$150	1.4% on committed capital during the commitment period, thereafter 1.25% on actively invested capital upon the expiration of the commitment period. 0.5% of actively invested capital during any extension period.	20% carried interest subject to 8% return.	$2,976,015	$1,683,385
TSG 8 Executed December 2018	$100	2.0% of commitments during the Investment Period; thereafter, 2.0% of the cost basis of the remaining investments	20% carried interest subject to 8% return; 25% carried interest subject to a 15% return and 2.0x TVM	$2,387,811	$0
Vista Equity Partners VII Executed August 2018	$300	1.5% of commitments during the Investment Period; thereafter, 1.5% of net invested capital.	20% carried interest subject to 8% net return.	$5,105,332	$0
Vista Equity Partners VIII Executed October 2023	$100	1.5% of commitments during the Investment Period; thereafter, 1.5% of net invested capital.	20% carried interest subject to 8% net return.	$4,273,536	$0
Vista Co-Invest Fund 2023-4 Executed October 2023	$100	No Management Fee	No Performance Fee/No Carried Interest	$1,322.486	$0
Vista Foundation Fund IV Executed February 2020	$100	2% of capital commitments during the Investment Period. 2% of the cost basis of investments, reduced by dispositions and permanent write downs.	20% until cumulative distributions represent a 2.5X multiple. 25% if cumulative distributions equal 2.5X; if the cumulative distributions represent a multiple greater than 2.5X but less than 3.0X, the percentage equal to the product of such multiple (rounded to the nearest tenth) multiplied by 10. 30% if such cumulative distributions represent a multiple of 3.0X or greater. 8% Hurdle Rate.	$2,321,392	$0
Warburg Pincus China Southeast Asia II Executed June 2019	$90	1.4% on commitments during the investment term; 1.4% on cost of investments from years 6-8; 1.25% on cost of investments from years 8-10; 1% on cost of investments thereafter.	20% carried interest.	$1,826,040	$0
West Street NJ Private Credit Partners Executed December 2022	$500	0.475% on gross assets	12% profit allocation with a 7% preferred return.	$3,379,423	$0

West Street NJ BSL Credit Partnership Executed May 2023	$1,000 (11)	0.22% on first $500 invested; 0.20% on balance above $500 million.	0%	$1,569,905	$0
Total	$9,653			$147,282,838	$6,256,363

*MOIC is the Multiple on Invested Capital

(1) Euro 100 Million Commitment made in October 2018 converted at 6/30/2024
(2) Euro 125 Million Commitment made in March 2020 converted at 6/30/2024
(3) Euro 50 Million Commitment made in July 2020 converted at 6/30/2024
(4) Euro 100 Million Commitment made in June 2020 converted at 6/30/2024
(5) Euro 250 Million Commitment made in June 2023 converted at 6/30/2024
(6) Per the April 2022 SIC Notification, the prior $200 million commitment to Owl Rock Co-Investment was collapsed into this fund.
(7) Euro 150 Million Commitment made in May 2021 converted at 6/30/2024
(8) Euro 150 Million Commitment converted into US dollars at fund execution,
(9) Euro 200 Million Commitment made in July 2022 converted at 6/30/2024
(10) Euro 100 Million Commitment made in October 2022 converted at 6/30/2024
(11) There is no set commitment amount, funding can be up to $1 billion