

NJ DIVISION OF INVESTMENT

Director's Report

State Investment Council
April 29, 2026

“The mission of the New Jersey Division of Investment is to achieve the best possible return at an acceptable level of risk using the highest fiduciary standards.”

Capital Markets Update (through February 28, 2026)

	Monthly	Calendar YTD	Fiscal YTD	One Year	Three Years (Annualized)	Five Years (Annualized)
<u>Global Equity Indices</u>						
MSCI ALL Country World Index	1.3	4.3	15.9	24.2	20.7	11.7
<u>US Equity Indices</u>						
MSCI USA	-0.9	0.4	11.2	16.6	21.8	13.6
Russell 1000	-0.5	0.8	11.5	16.7	21.4	13.3
Russell 2000	0.8	6.2	22.0	23.4	13.1	5.0
Russell 3000	-0.5	1.1	11.9	17.0	20.9	12.8
Russell Growth	-3.3	-4.6	6.6	14.8	25.3	13.5
Russell Value	2.6	7.3	17.6	18.6	15.8	11.5
<u>Non-US Equity Indices</u>						
MSCI EAFE	4.6	10.1	20.9	34.6	18.8	10.8
MSCI EAFE Canada	4.8	9.8	21.6	35.5	19.1	11.2
MSCI Emerging Markets	5.5	14.8	33.1	50.0	21.5	6.3
<u>Fixed Income Indices</u>						
Bloomberg Barclays U.S. Aggregate	1.6	1.7	5.0	6.3	5.1	0.4
Bloomberg Barclays U.S. Treasury	1.8	1.7	4.2	5.3	4.2	-0.1
Bloomberg Barclays U.S. Credit	1.4	1.5	5.0	6.7	6.3	0.8
Bloomberg Barclays U.S. High Yield	0.2	0.7	4.6	7.2	9.4	4.5
<u>Real Estate</u>						
MSCI US REIT Index	7.9	11.2	14.6	9.3	10.4	8.0

Capital Markets Update (through March 31, 2026)

	Monthly	Calendar YTD	Fiscal YTD	One Year	Three Years (Annualized)	Five Years (Annualized)
<u>Global Equity Indices</u>						
MSCI ALL Country World Index	-7.2	-3.2	7.6	20.0	16.6	9.5
<u>US Equity Indices</u>						
MSCI USA	-4.9	-4.5	5.7	17.7	18.4	11.6
Russell 1000	-5.0	-4.2	5.9	17.7	18.1	11.3
Russell 2000	-5.0	0.9	15.9	25.8	13.0	3.7
Russell 3000	-5.0	-4.0	6.4	18.1	17.8	10.8
Russell Growth	-5.2	-9.5	1.0	18.7	20.6	12.0
Russell Value	-4.8	2.2	12.0	16.3	14.2	9.2
<u>Non-US Equity Indices</u>						
MSCI EAFE	-10.3	-1.2	8.5	21.3	13.6	7.9
MSCI EAFE Canada	-9.7	-0.9	9.8	23.0	14.3	8.4
MSCI Emerging Markets	-13.1	-0.2	15.7	29.6	14.8	3.7
<u>Fixed Income Indices</u>						
Bloomberg Barclays U.S. Aggregate	-1.8	0.0	3.1	4.3	3.6	0.3
Bloomberg Barclays U.S. Treasury	-1.7	0.0	2.4	3.3	2.6	-0.1
Bloomberg Barclays U.S. Credit	-2.0	-0.5	3.0	4.8	4.6	0.8
Bloomberg Barclays U.S. High Yield	-1.2	-0.5	3.4	7.0	8.6	4.2
<u>Real Estate</u>						
MSCI US REIT Index	-5.7	4.9	8.0	6.8	9.1	5.8

Asset Allocation and Net Returns by Asset Class February 28, 2026

	Mkt Value	Actual %	Target %	Difference	FYTD		YTD		Annualized				
					Fund	Benchmark	Fund	Benchmark	3 Year		5 Year		
							Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	
GLOBAL GROWTH													
U.S. Equity	22,637	27.90	28.00	(0.10)	12.04	12.09	1.13	1.10	20.98	21.04	12.97	12.96	
Non-US Dev Market Eq	11,628	14.33	12.75	1.58	21.66	21.67	9.69	9.74	19.51	19.14	11.58	11.19	
Int'l Small Cap Equity	1,167	1.44	1.25	0.19	17.51	22.88	10.70	11.99	17.05	18.29	6.61	8.60	
Emerging Market Eq	4,698	5.79	5.50	0.29	34.07	33.20	14.86	14.90	21.92	21.53	7.22	6.26	
Private Equity	7,848	9.67	13.00	(3.33)	3.32	6.19	0.20	0.00	5.47	8.70	9.92	12.71	
TOTAL GLOBAL GROWTH	47,980	59.13	60.50	(1.37)	14.81	14.93	4.48	4.09	17.80	18.37	11.55	12.41	
REAL RETURN													
Real Assets	2,148	2.65	3.00	(0.35)	5.14	5.55	(0.33)	0.00	7.15	7.79	11.29	13.78	
Real Estate	4,948	6.10	8.00	(1.90)	5.66	1.34	4.21	0.00	2.91	(6.15)	5.92	2.59	
TOTAL REAL RETURN	7,095	8.74	11.00	(2.26)	5.55	2.48	2.80	0.00	4.19	(2.31)	7.48	5.75	
INCOME													
Investment Grade Credit	5,698	7.02	7.00	0.02	4.72	4.83	1.44	1.51	5.65	5.73	0.42	0.55	
High Yield	3,609	4.45	4.50	(0.05)	4.82	4.60	0.70	0.69	9.13	9.42	4.39	4.50	
Private Credit	5,598	6.90	8.00	(1.10)	1.50	7.03	(0.16)	1.25	8.49	9.96	7.86	5.58	
TOTAL INCOME	14,905	18.37	19.50	(1.13)	3.52	5.69	0.65	1.21	7.55	8.16	4.10	3.21	
DEFENSIVE													
Cash Equivalents	5,384	6.64	2.00	4.64	2.79	2.63	0.62	0.56	4.99	4.78	3.50	3.28	
U.S. Treasuries	3,277	4.04	4.00	0.04	4.20	4.20	1.73	1.72	4.37	4.18	0.10	(0.10)	
Risk Mitigation Strategies	2,468	3.04	3.00	0.04	7.40	4.71	2.92	1.04	9.51	7.96	8.45	6.41	
TOTAL DEFENSIVE	11,130	13.72	9.00	4.72	3.73	4.03	1.25	1.24	5.44	5.63	3.12	2.90	
OTHER													
OPPORTUNISTIC PE	0	0.00	0.00	0.00	0.00	6.19	0.00	0.00	0.00	8.70		12.71	
OTHER	28	0.03	0.00	0.03									
TOTAL FUND	81,138	100.00	100.00	0.00	10.21	10.70	3.16	2.82	12.67	12.85	8.42	9.03	

Sum of component allocation may not equal total due to rounding

(1) Returns are preliminary, unaudited, and net of all fees

(2) Total Pension Fund excluding assets of the Police & Firemen's Retirement System of New Jersey

Notes: Sum of components may not equal totals due to rounding. Certain asset class returns, including private equity, real assets, real estate, and private credit do not include up-to-date valuations and benchmark returns for these asset classes are presented on a lagged basis. This results in performance comparisons that may be less meaningful.

Asset Allocation and Net Returns by Asset Class March 31, 2026

	Mkt Value	Actual %	Target %	Difference	FYTD		YTD		Annualized			
					Fund	Benchmark	Fund	Benchmark	3 Year		5 Year	
									Fund	Benchmark	Fund	Benchmark
GLOBAL GROWTH												
U.S. Equity	21,467	26.74	28.00	(1.26)	6.51	6.56	(3.86)	(3.89)	17.90	17.95	11.06	11.04
Non-US Dev Market Eq	10,507	13.09	12.75	0.34	10.11	9.94	(0.72)	(0.84)	14.71	14.35	8.84	8.44
Int'l Small Cap Equity	1,053	1.31	1.25	0.06	5.96	9.18	(0.18)	(0.50)	12.76	13.63	4.38	5.63
Emerging Market Eq	4,198	5.23	5.50	(0.27)	19.02	15.72	1.97	(0.18)	15.84	14.82	4.89	3.63
Private Equity	7,901	9.84	13.00	(3.16)	4.31	6.19	1.16	0.00	5.50	7.78	9.35	9.75
TOTAL GLOBAL GROWTH	45,128	56.21	60.50	(4.29)	8.14	8.33	(1.59)	(1.89)	14.61	15.05	9.62	9.99
REAL RETURN												
Real Assets	2,173	2.71	3.00	(0.29)	7.20	5.55	1.62	0.00	7.51	6.36	10.23	12.34
Real Estate	4,782	5.96	8.00	(2.04)	2.64	2.05	1.23	0.70	1.83	(4.25)	4.75	2.51
TOTAL REAL RETURN	6,954	8.66	11.00	(2.34)	4.07	3.00	1.35	0.51	3.54	(1.35)	6.37	5.29
INCOME												
Investment Grade Credit	5,479	6.82	7.00	(0.18)	2.75	2.86	(0.47)	(0.40)	4.04	4.11	0.41	0.51
High Yield	3,541	4.41	4.50	(0.09)	3.50	3.36	(0.56)	(0.50)	8.24	8.60	4.04	4.22
Private Credit	5,678	7.07	8.00	(0.93)	1.99	7.32	0.32	1.52	8.11	10.51	7.41	5.55
TOTAL INCOME	14,698	18.31	19.50	(1.19)	2.64	4.81	(0.20)	0.36	6.57	7.49	3.88	3.17
DEFENSIVE												
Cash Equivalents	7,700	9.59	2.00	7.59	3.12	2.93	0.94	0.85	4.96	4.74	3.56	3.34
U.S. Treasuries	3,281	4.09	4.00	0.09	2.40	2.39	(0.03)	(0.04)	2.78	2.59	0.07	(0.14)
Risk Mitigation Strategies	2,496	3.11	3.00	0.11	8.44	5.28	3.91	1.60	9.46	7.91	8.23	6.47
TOTAL DEFENSIVE	13,477	16.79	9.00	7.79	3.62	3.48	1.14	0.70	4.96	4.94	3.17	2.90
OTHER												
OPPORTUNISTIC PE	0	0.00	0.00	0.00	0.00	6.19	0.00	0.00	0.00	7.78		9.75
OTHER	29	0.04	0.00	0.04								
TOTAL FUND	80,286	100.00	100.00	0.00	6.09	6.66	(0.70)	(0.93)	10.56	10.82	7.19	7.57

Sum of component allocation may not equal total due to rounding

(1) Returns are preliminary, unaudited, and net of all fees

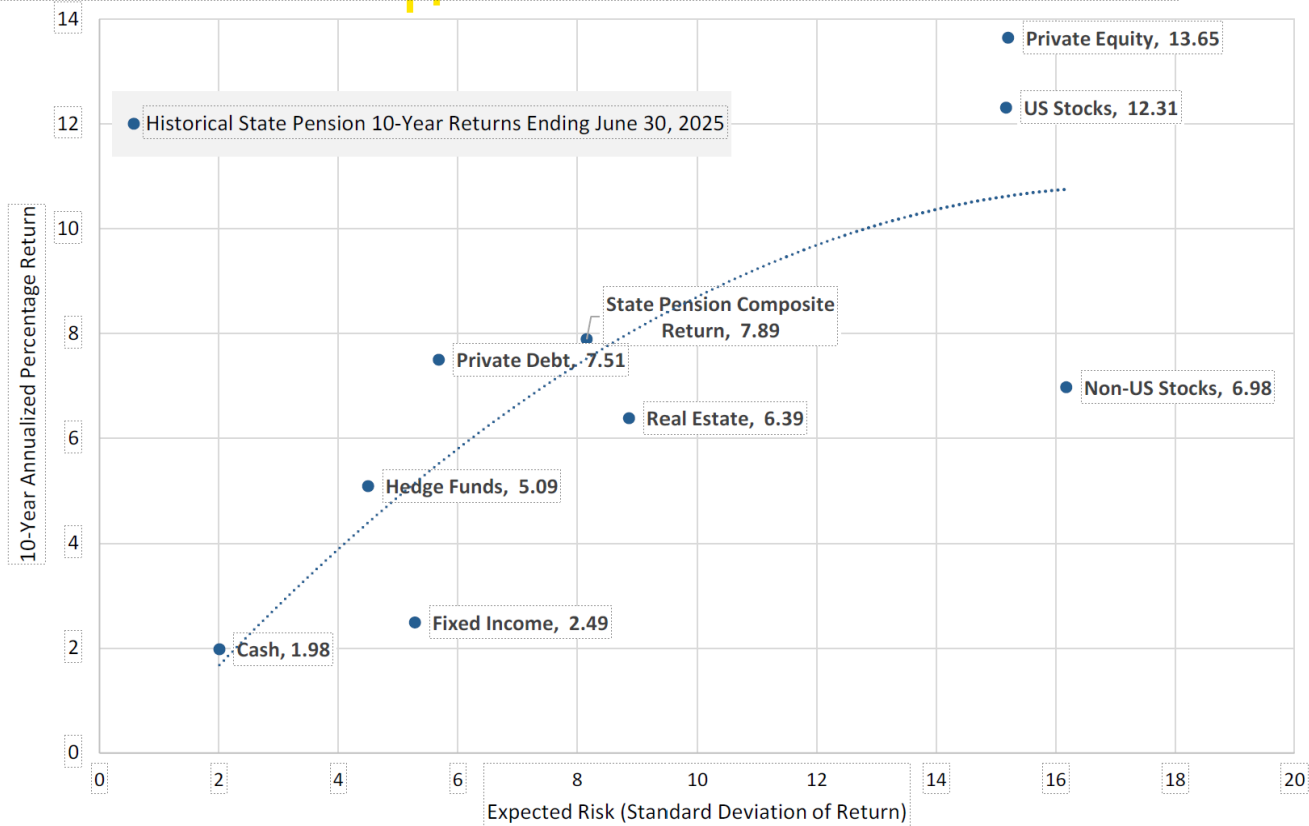
(2) Total Pension Fund excluding assets of the Police & Firemen's Retirement System of New Jersey

Notes: Sum of components may not equal totals due to rounding. Certain asset class returns, including private equity, real assets, real estate, and private credit do not include up-to-date valuations and benchmark returns for these asset classes are presented on a lagged basis. This results in performance comparisons that may be less meaningful.

Looking Back - Past 10 Years



Exhibit 2: State Pension Performance by Asset Class, 10 Years ending June 30, 2025

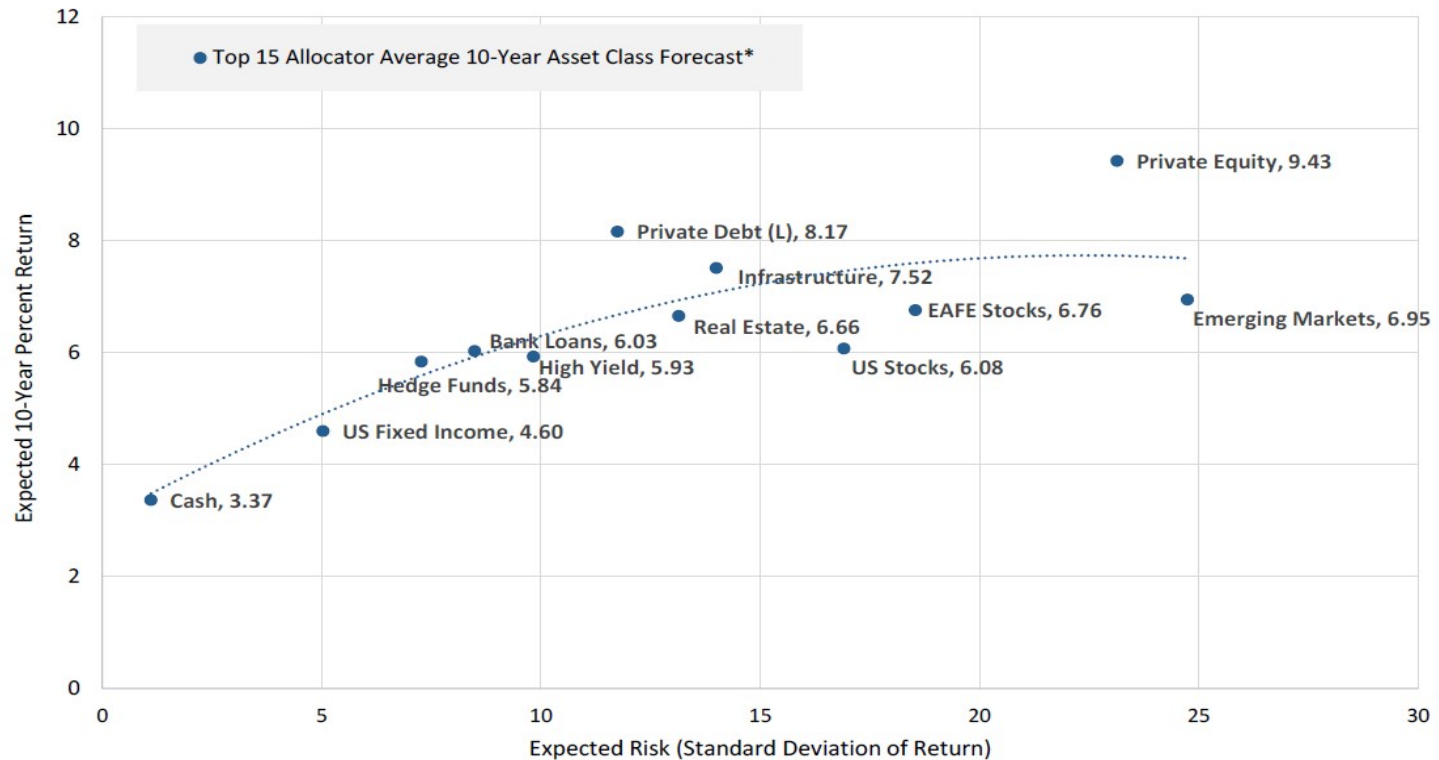


(1) Source: Cliffwater; Page 2, State Pension Allocations to Private Debt Grow Unabated (Driven by Past Performance and Consultant Asset Class Expectations) March 30, 2026

Looking Ahead – Next 10 Years



Exhibit 3: 10-Year Top Consultant/Advisor Expected Returns by Asset Class, 2025 to 2035



* Expected returns sourced from public disclosures for 15 large allocators: AON, Blackrock, Callan, Cliffwater, Goldman, JPM, Marquette, Meketa, NEPC, Northern Trust, RVK, Segal, Vanguard, Verus, and Wilshire.



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF INVESTMENT
PO BOX 290
TRENTON, NEW JERSEY 08625-0290
TELEPHONE (609) 292-5106
FACSIMILE (609) 984-4425

MIKIE SHERRILL
Governor

DR. DALE G. CALDWELL
Lt. Governor

AARON BINDER
State Treasurer

SHOAIB KHAN
Director

April 24, 2026

MEMORANDUM TO: State Investment Council

FROM: Shoaib Khan, Director

SUBJECT: Recent Alternative Investment Fund Commitments

N.J.A.C. 17:16-69.9 requires the Division to provide an informational memorandum to the Council on each binding commitment made by the Division as part of its Alternative Investment Program.

This memorandum provides information regarding the following binding commitments which were made between January 15, 2026, and April 24, 2026.

Name	Closing Date	Asset Class	Commitment Amount
Blue Torch Credit Opportunities NJDOI Fund, L.P.	February 27, 2026	Private Credit	\$400 Million
Blue Torch Credit Opportunities NJDOI (Co-Invest) Fund, L.P.	February 27, 2026	Private Credit	\$200 Million
US Industrial Club VII, L.P.	March 31, 2026	Real Estate	\$125 Million
Townsend NJ Real Estate, L.P.	March 31, 2026	Real Estate	\$400 Million
Lexington Global Feeder NJ, L.P.	April 17, 2026	Private Equity	\$600 Million