CEM Benchmarking Inc.
What gets measured gets managed

CEM ANNUAL GLOBAL PENSION FUND SURVEY

for the year ended December 31, 2009

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Please complete and return by April 16th, 2010
Online or Excel survey available at www.cembenchmarking.com
The confidentiality of your data will be strictly maintained.

A. FUND SPONSORSHIP

Full name of fund sponsor: ____________________

Main contact: ____________________
Title: ____________________
Telephone: ____________________
Email: ____________________

Survey prepared by: ____________________
Title: ____________________
Telephone: ____________________
Email: ____________________

Total market value of fund at Dec. 31, 2009: ____________________ $ millions

Total fund return for year ended Dec. 31, 2009: ____________________ %

Total fund return is: ☐ Gross* ☐ Net**

* Gross is before deducting investment management and other fees and expenses.

** To ensure consistent comparisons between funds, we will gross up net returns.

If net, describe the netted costs or
indicate the total amount deducted in $000s. ____________________

Do you invest in any pooled or commingled funds? ☐ Yes ☐ No

B. HOLDINGS, RETURNS, and COSTS for the year-ended December 31, 2009

Use only the asset class categories that best match your mandates. Do not split individual mandates between the sub-categories.

	Internally Managed[1]						Externally Managed[1]							
	Passive[2]			Active			Passive[2]			Active				
Asset Class	Holdings $mils	Gross Return[3]	Costs $000s[30]	Holdings $mils	Gross Return[3]	Costs $000s[30]	Holdings $mils	Gross Return[3]	Costs $000s[31]	Holdings $mils	Gross Return[3]	Base Fees $000s[31]	Perf Fees $000s[31]
Stocks:													
U.S. Broad/All [4]		%			%			%			%		
Europe[6]		%			%			%			%		
Asia-Pacific[7]		%			%			%			%		
Emerging[10]		%			%			%			%		
Global[12]		%			%			%			%		
Global Small Cap		%			%			%			%		
Other		%			%			%			%		
Fixed Income:													
U.S.		%			%			%			%		
Europe[6]		%			%			%			%		
Asia-Pacific[7]		%			%			%			%		
Emerging[10]		%			%			%			%		
Global[12]		%			%			%			%		
Global - Government[13]		%			%			%			%		
Global - Credits[14]		%			%			%			%		
Inflation Indexed Bonds		%			%			%			%		
High Yield[16]		%			%			%			%		
Mortgages[17]		%			%			%			%		
Other		%			%			%			%		
Cash & Equivalents[18]					%						%		
Hedge Funds & Funded TAA[25]													
Not Fund of Funds[27]											%		
Fund of Funds[28,33]											%		
Funded Global TAA[19]					%						%		
Listed Real Assets													
Commodities[20]		%			%			%			%		
REITs		%			%			%			%		

Asset values provided are : ☐ Year End ☐ Average Assets*

* Using average assets for the holdings will result in more accurate basis point cost calculations.

B. HOLDINGS, RETURNS, and COSTS for the year-ended December 31, 2009
(continued)

Asset Class	Internal & Co-Investment			External - Direct				Fund of Funds			
	Holdings $mils	Gross Return[3]	Costs $000s[30]	Amount on which fees are based[29]	Holdings NAV $mils	Gross Return[3]	Cost & base fees before rebates $000s[32]	Amount on which fees are based[29]	Holdings (NAV) $mils	Gross Return[3]	Top layer mgr. fees $000s[33]
Non-Listed Real Assets											
Real Estate ex-REITs[22,32]		%				%					
Real Estate Ltd. Partner.[23]						%				%	
Infrastructure[21]		%				%				%	
Natural Resources		%				%				%	
Other Real Assets[24]		%		n/a		%					
Private Equity[26]											
Diversified or All		%				%				%	
Venture Capital		%				%				%	
LBO		%				%				%	
Other Non-Listed Assets		%				%					

C. DERIVATIVES, OVERLAY, UNFUNDED LONG/SHORT PROGRAMS

Costs shown in the table should not be included elsewhere on the survey. If you prefer to show the profit/loss as a % that is ok as well.

Type of Overlay Program	Internal			External			
	Notional Amount[42] $mils	Profit/ Loss[43] $000s	Costs $000s	Notional Amount[42] $mils	Profit/ Loss[43] $000s	Base Fees $000s	Performance Fees $000s
Currency Hedge[34]							
Currency Discretionary[35]							
Rebalancing, Passive Beta[36]							
Duration Management[37]							
Global TAA[38]							
Policy Tilt TAA[39]							
Commodity Futures[40]							
Long/Short[41]							
Other							

D. POLICY RETURNS, BENCHMARKS & EXTERNAL MANAGERS

Asset Class	Policy Weight %[44]	Benchmark[45] Description	Benchmark[45] Return %	# of external active mandates[46]
Stocks:				
U.S. Broad/All [4]	%		%	
Europe[6]	%		%	
Asia-Pacific[7]	%		%	
Emerging[10]	%		%	
Global[12]	%		%	
Global Small Cap	%		%	
Other	%		%	
Fixed Income:				
U.S.	%		%	
Europe[6]	%		%	
Asia-Pacific[7]	%		%	
Emerging[10]	%		%	
Global[12]	%		%	
Global - Government[13]	%		%	
Global - Credits[14]	%		%	
Inflation Indexed Bonds	%		%	
High Yield[16]	%		%	
Mortgages[17]	%		%	
Other	%		%	
Cash & Equivalents[18]	%		%	
Hedge Funds & Funded TAA				
Hedge Funds[25]	%		%	
Funded Global TAA[19]	%		%	
Real Assets				
Commodities[20]	%		%	
REITs	%		%	
Real Estate[22, 23]	%		%	
Infrastructure[21]	%		%	
Natural Resources	%		%	
Other Real Assets[24]	%		%	
Private Equity[26]				
Diversified or All	%		%	
Venture Capital	%		%	
LBO	%		%	
Other Non-Listed Assets	%		%	
Total Policy Weights	100.0%			

Total Policy or Benchmark Return (if available)[47] %

E. OVERSIGHT, CUSTODIAL & OTHER COSTS

(Investment and oversight related)[48]

	2009 Costs ($000s)
Oversight of the fund[49] - Staff time, expenses and overhead pertaining to overseeing the fund assets. If unavailable we will use a default**.**	$ ______
Trustee and custodial[50]	
• Total	$ ______
Consulting & performance measurement[51]	$ ______
Audit	$ ______
Other[52] (please describe below**)**	$ ______
Total oversight, custodial & other costs	$ ______

F. HEDGING POLICY

What is your currency hedging policy for:

a) U.S. holdings? ______ % hedged
b) Other foreign holdings? ______ % hedged

G. OTHER

Do you lend securities? ☐ Yes ☐ No

If yes:

Net security lending income in 2009 from:

- All lending? ______ $000s
- U.S. lending (if available)? ______ $000s
- Other lending (if available)? ______ $000s

What % of lending income does your custodian keep from:

- U.S. lending? ______ %
- Other lending? ______ %

Do you use any enhanced passive or tilt strategies? ☐ Yes ☐ No

Do you participate in directed brokerage programs (i.e., commission recapture and/ or soft dollar)? ☐ Yes ☐ No

If yes, for 2009 provide the:

- Gross amount of directed commissions in the program? ______ $000s
- Amount of cash was recaptured by the fund? ______ $000s
- 'Hard' cash value of invoices/ services paid using soft dollars? ______ $000s

H. For Defined Benefit Plans Only: PLAN DATA

What were your 2009 actuarial fees (include both the normal valuation of plan liabilities plus special project work)? ______ $000s

Number of plan members/beneficiaries at Dec 31, 2009 that were:

- Active - accruing benefits? ______ #
- Retired - receiving benefits? ______ #
- Inactive/ deferred - entitled to future benefits? ______ #

What type of plans do you have? ☐ Final/ Best/ Highest Average

☐ Career Average ☐ Flat Benefit ☐ Other (describe): ______

To what extent are your retired members' benefits contractually indexed to inflation? (enter 0% for pensions that are not indexed, increasing up to 100% if fully indexed, or fully indexed up to a cap) ______ %

If the indexation is subject to a cap, (i.e. 100% inflation up to 5%), please describe the cap. ______

What percentage of the plan's liabilities pertain to retired members? ______ %

What were your actuarial assumptions for 2009 for funding purposes:

- Liability discount rate? ______ %
- Salary progression rate? ______ %
- Expected rate of return? ______ %

Private Equity and Real Estate LPs

Responding to this page is optional. This new detailed page on limited partnership costs is essential for meaningful comparisons because costs vary by type and program maturity. If you do not complete this page, we will use default costs for your private equity. Please provide the details below for each of your external direct, non-fund-of-fund, limited partnerships. In return, you will get back detailed style and fee comparisons.

Provide data for the last 11 years only - from 1999 to 2009.

					Amounts at Dec 31, 2009			Fee Structure				
Partnership name or ID	**Type** • Diversified • LBO • Venture Capital • Expansion Capital • Mezzanine • Distressed Debt • Energy • Infrastructure • Real Estate • Other	**Primary Region** **• U.S.** **• Europe** **• Canada** **• Australia**	Vintage Year[53]	Is this deal still in its commitment period? (yes/ no)	Original Commit-ment ($ mils)	Unreturned Invested Capital (i.e., book cost)[55] ($ mils)	Net Asset Value (NAV) ($ mils)	% fee on committed amount (during commitment period)	% fee on unreturned invested capital (post invest-ment period)[58]	Carried Interest %[56]	Hurdle rate before carried interest[57] (%)	If available: Rebate % (LPs share of transaction fee income)[54] (%)
Example LP Priv. Equity	*Venture Capital*	*U.S.*	*2004*	*no*	*200.0*	*30.0*	*360.5*	*2.00%*	*1.50%*	*20%*	*8%*	*50%*
Insert more rows if you need more												
TOTAL					0.0	0.0	0.0					

INSTRUCTIONS AND FOOTNOTES
2009 Global Pension Fund Survey

Cost Instructions and Footnotes

Costs to include

All costs relating to the investment and oversight of assets should be included in this survey regardless of:

- *Whether or not they were charged to the fund.* IT system costs absorbed by the sponsor should be included.
- *How paid.* For example, costs paid through soft dollars. The value of the services received through soft dollars should be included at their hard dollar equivalent.
- *Whether netted from returns.* For example, commingled fund management fees should still be estimated.
- *Whether there are offsetting revenues or reimbursements.* For example, custodial costs should be provided before security lending revenues are deducted.

Include any applicable taxes paid (e.g., VAT, GST, etc.).

Allocating Costs

Costs that can be directly related to an asset class or activity should be included with the cost of that asset class or activity. For example, an internal fixed income manager's travel costs should be included with internal fixed income investment costs.

Costs that are not directly related to specific activities need to be allocated to applicable or all asset classes and/or Oversight. These costs are usually called 'overhead'. Examples may include: rent, utilities, IT, investment accounting, financial control, human resources, trading systems, risk management, legal, compliance, etc. 100% of these costs should be allocated and accounted for in this survey. Ideally, they should be allocated based on usage. For example, the cost of a trading system used by both internal domestic stock and fixed income managers should be allocated to both internal domestic stock and fixed income investment cost based on an estimate of usage. A simpler and acceptable alternative allocation method is to allocate overhead costs based on relative direct head count. Anything that cannot be allocated to a specific asset class should go in Oversight.

Holdings & Returns Instructions & Footnotes

1. **Internally managed** means that the buy-sell decisions for the underlying assets (e.g., individual stocks, bonds, property) are made within the organization (including wholly-owned subsidiaries).

   Externally managed means that the buy-sell decision for the underlying assets are made by third-party organizations (such as money managers).

2. **Passive assets** (also called indexed) are intended to replicate broad capital market benchmarks (e.g., the S&P500 for U.S. Stocks) or are dedicated to matching a specific set of liabilities.

   Enhanced Passive mandates that seek to add value over an index while maintaining a low tracking error (for example, 25 basis points or more) should be included under active, not passive.

3. **Gross Return**: If actual, full-year returns are unavailable, enter "n/a."
   If you engage in any currency management, ensure that the returns reported match the benchmark. i.e. if hedging is done at the total portfolio level, provide unhedged returns and benchmarks. If hedging is done at the asset class level, provide hedged returns and benchmarks.

4. **U.S.:** Include Canadian holdings as well as U.S. holdings.

5. **EAFE**: are mandates that invest primarily in EAFE. If you do not separate EAFE from emerging holdings, include all non-U.S. holdings here. Otherwise, include Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden Switzerland and the United Kingdom in EAFE.

6-9. Intentionally omitted

10. **Emerging:** Include Emerging markets and any other countries not explicitly listed in the above categories.
    'Emerging' refers to geographical region, not to new managers.

11. **ACWI x U.S.** is the MS All Country World Index excluding the United States.

12. **Global:** are mandates where you invest on a global basis. If you prefer to show global mandates on a separated basis using the above categories it is fine to do so.

13. **Global Bonds: Government** should include mandates invested in sovereign or government backed debt across countries.

14. **Global Bonds: Credit** represents fixed income mandates in corporate or other spread fixed income instruments across countries. Note that mandates that are specifically invested in high yield debt should be included in the 'high yield bonds' category.

15. **Long Bonds** is meant to capture dedicated strategies only, where a manager has a mandate to invest in long bonds. If you have a U.S. bond manager who happens to invest in long bonds as part of their overall broad mandate it should not be split between the general U.S. fixed income line and this line. Those types of mandates should be listed under U.S. fixed income. Typically these bonds are due to mature between 10 and 30 years in the future.

16. **High Yield Bonds** are issued by organizations that do not qualify for investment grade ratings by one of the leading credit rating agencies. If you have High Yield mandates they should be shown here. You do not have to break out high yield holdings that are part of other mandates. **Distressed Debt** refers to debt trading at or near default levels. It is a component of the high yield universe and can be included here or under private equity if it is invested through a partnership structure.

17. **Mortgages** should include only direct mortgages, not mortgage-backed securities. Mortgage-backed securities are treated as normal fixed income instruments and should be in the appropriate geographic category (i.e. U.S., EAFE).

18. **Cash & Equivalents** should only include cash managed as a separate asset class. Uninvested residual cash should be included in its related asset class mandate. DO NOT include the notional value of long or short derivatives positions, but DO include cash underlying derivative positions.

19. **Funded Global TAA** should only reflect a fully funded long-only segregated asset pool dedicated to tactical asset allocation. Long/Short TAA programs should be reported under Hedge Funds. If the TAA program is derivative-based and is unfunded other than margin requirements, it should be reported with Derivative/Overlay Programs on the 'Holdings continued' tab and the margin should be included in cash.

20. **Commodities** refers to actual physical exposures in commodities (i.e., crude oil, sugar, copper etc), commodity funds or products that may invest in an index like the Goldman Sachs Commodities Index. Derivative exposures should be reported on the "Holdings continued" tab under the 'Derivatives and Overlay Programs' section.

21. **Infrastructure** can include local distribution networks for electricity, water and gas, and certain transportation assets, such as toll roads, airports, bridges and tunnels.

22. **Real Estate** includes direct real estate holdings, segregated real estate holdings, etc. Internal Real Estate means that internal staff makes the buy/sell decision on individual properties. Otherwise, it should be classified as an External Real Estate holding.

23. **Real Estate Limited Partnerships** are investments in real estate funds which focus on active management of properties, ranging from moderate reposition or releasing of properties to development or extensive redevelopment. These funds typically have a fixed life span during which properties are acquired, actively managed and then sold. This category includes Value Added and Opportunistic partnerships.

24. **Other Real Assets** refers to investments in real assets other than the classes noted above.

25. **Hedge Funds** include funded Absolute Return Strategies. These investments may allow leverage or short positions. Long-only global TAA should be included under 'Funded Global TAA'.

26. **Private Equity** includes Venture Capital, LBO and Energy partnerships, as well as equity or fixed income investments in turnarounds, start-ups, mezzanine, and distressed financing. You can choose to categorize all of your private equity investments as 'Diversified or All'. Alternatively, you can break them down between Venture Capital, LBO and Other Non-Listed Assets (such as Energy Partnerships, and Distressed Debt). Mature companies that are long-term private holdings or that are not under an investment mandate belong in 'Other Non-Listed Assets'. Co-Investments should be included under internal.

27. **Not Fund of Funds** are investments made in funds that hold underlying assets directly.

28. **Fund of Funds**: Investments in funds whose holdings consist primarily of other funds.

29. **Amount on which fees are based** is usually the committed amount during the commitment period and unreturned invested capital (i.e., book cost) afterward. Unreturned invested capital equals contributed capital less contributed capital attributable to realized investments plus the aggregate amount of write-downs, if any, with respect to unrealized investments.

30. **Internal Investment Costs** are the costs related to internally managed investments. They should include: direct investment costs (compensation and benefits of employees managing internal portfolios and support staff, related travel, research, conference costs, subscriptions, memberships, etc.) and allocated overhead costs (see Cost Instructions at the beginning of the footnotes). Do not include overall fund oversight and custodial costs here. They are collected separately in Section E: Oversight, Custodial & Other Costs.

31. **External Investment Costs** include:

• All fees paid to third-party managers including investment management fees, manager-of-managers fees performance-based fees, commitment fees and 'hidden' fees netted from the returns. Fees should be gross before any reductions.

• Other internal and external costs that can be directly attributed to specific externally managed holdings. For example, legal fees that pertain to external venture capital holdings belong in external venture capital costs. Similarly, internal staff whose sole responsibility is overseeing a single external asset class should be included in the cost of that asset class. For the purpose of simplicity and comparability, the cost of internal staff who oversee multiple asset classes or the total fund should be included under 'Oversight of the Fund' in section E: Oversight, Custodial & Other Costs.

• For external active costs, there are now separate areas to enter both the base fee and the performance fee for each asset class. If a split is not available, include all costs under base fees.

Partial year costs should be included and identified as such. **Costs of balanced mandates** can be allocated on a pro-rata basis based on actual holdings.

Performance fees represent any additional fees (on top of your base fees) which participate in manager performance. If you have several managers, but only some have performance fees, simply add together all the performance fees paid and enter that number.

32. **Real Estate and Private Equity Costs** - Include all 3rd-party fees before reduction for rebates. Rebates are the limited partners' share of certain fee income realized by the General Partner in connection with the fund, such as fees for break-up, monitoring and funding. Rebated fee income is often treated as a reduction in the reported management fees paid by the limited partners to the General Partner. Thus fees appearing in the accounting statements are often net of rebated fee income.

Do not include performance fees or carried interest (a fee that is a portion of returns exceeding a hurdle rate) for these asset classes.

For external holdings, also include internal costs (as described in footnote 30) pertaining to the holdings. Real Estate costs should include management and acquisition/dispersal fees but exclude property management fees. When costs that have been netted from returns are pulled out and reported, returns should be grossed up accordingly.

33. **Fund of Funds Costs**: Include the top layer management fees charged by the fund-of-funds manager. Do not include the costs paid in the underlying funds. CEM will use a standard default for all participants.

Derivatives, Overlays, Unfunded Long/Short

34. **Currency Hedge:** A program designed to maintain a stated level of currency hedging on a pool of assets. There is little/no discretion for the currency weight to deviate from the policy hedging weight.

35. **Currency Discretionary:** A currency program where managers take active currency bets to add value. This includes hedging programs where managers have some discretion to deviate from policy hedging weights.

36. **Rebalancing / Passive Beta:** A program that uses derivatives to adjust actual asset mix toward the policy target and/or to rebalance the portfolio synthetically.

37. **Duration Management:** A derivatives program to adjust the duration of the portfolio.

38. **Global TAA Overlay** - A derivative program designed to generate a profit via long and short market exposures. These are generally independent alpha seeking programs rather than an adjustment to the fund's actual asset mix.

39. **Policy Tilt TAA** - An overlay program used to tilt the overall portfolio's asset mix based on expected market conditions. For example, a fund that normally has a 60/40 equity/bond mix might use derivatives to shift to a 65/35 mix if they expected above average equity returns.

40. **Commodity Futures:** A derivatives-based investment that involves trading commodity futures.

41. **Long/Short:** Involves removing market risk to some degree by having offsetting short and long positions in securities or derivatives so as to isolate the portfolio's alpha potential.

42. **Notional amount** refers to the amount used as a base for computing cash flows in a derivatives contract. Provide gross (long + short) notional amounts, with the following exceptions:
    - For Policy Tilt TAA programs and discretionary currency programs, notional amount should reflect the total assets over which the overlay manager has discretion.
    - For externally managed long-short, Global TAA and Commodity Future programs, notional amount is the nominal asset base on which returns and fees are calculated.

43. Provide the profit or loss on this derivative program. In cases where there is a 'policy' component to return (for example, discretionary currency hedging where it is policy to be 50% hedged), profit/loss should be relative to the passive alternative.

Policy Return & Benchmarks Instructions and Footnotes

44. **Policy Weights** reflect your long-term policy, normal or target asset mix such as 60% stock and 40% bonds and must add to 100%. If your asset mix policy is expressed in ranges, use midpoints. Policy weights should be provided at year-end levels.

45. **Benchmarks** are broad investable capital market indexes (for example, the S&P500 for U.S. stocks) against which asset class performance is measured.
    - If your fund has more than one asset class benchmark, indicate each benchmark and its appropriate weight (such as 60% S&P500, 40% Russell 3000)

    If you engage in any currency management, ensure that the returns reported match the benchmark. i.e. if hedging is done at the total portfolio level, provide unhedged returns and benchmarks. If hedging is done at the asset class level, provide hedged returns and benchmarks.

46. Provide the **number of external active manager mandates** for each asset category.
    - If you retain a manager for more than one mandate (e.g., a domestic equity and a foreign equity mandate), include the manager in both the domestic equity and foreign equity counts. For real assets and private market investments, indicate number of funds or partnerships you are invested in.

47. **Total Policy Return** should reflect the impact of any policy mix and/or benchmark changes through the year.

    If part of your policy is to hedge currency, then the impact should be reflected in your policy return.

Oversight, Custodial and Other Instructions & Footnotes

48. This section should not include liability related costs such as benefit administration costs, PBGC premiums or actuarial valuation costs (however, total actuarial costs are under Section H: Plan Data).

49. **Oversight of the fund** includes staff salaries, direct expenses (travel, fees paid to directors, director's insurance, etc) and related unallocated overhead pertaining to overseeing the fund assets. Include executives and their staff responsible for the total fund or responsible for overseeing multiple asset classes (for example, CEO, CIO office, Board of Director/Investment Committee etc.) Staff responsible for overseeing a single asset class should have their costs included with that asset class. If you have both a defined benefit and a defined contribution plan, then oversight costs should be allocated according to the time and resources spent only on the defined benefit plan.

50. **Trustee and custodial** costs should be gross before any reductions, if any, relating to securities lending or other revenues credited against fees. Also they should not include the custodian's portion of securities lending revenue. Exclude the costs of preparing benefit checks. Fees for performance measurement services should be split from total custodial costs and included in the appropriate category below.

51. **Consulting** includes both third party costs for manager searches, scenario testing, system consulting, etc and internal or external costs for performance measurement.

52. **Other oversight** includes legal fees related to the entire fund, fiduciary insurance, printing, etc. Do not include actuarial fees here, instead include them in Section H: Plan Data. Do not include expenses that are liability or benefit administration related such as pension guarantee premiums.

Private Equity Footnotes

53. **Vintage year** is the calendar year of a partnership's first takedown of capital (i.e., usually the year of a partnership's formation).

54. **Rebate %** is the limited partners' share of certain fee income realized by the General Partner in connection with the fund, such as fees for break-up, monitoring and funding.

55. **Unreturned Invested Capital** equals contributed capital less contributed capital attributable to realized investments less the aggregate amount of write-downs, if any, with respect to unrealized investments. It is often the amount on which fees are based after the investment period ends.

56. **Carried Interest %** is the share of fund return that the General Partner is entitled to if the fund is successful (after catch-up provisions), not what has been actually paid.

57. **Hurdle Rate %** is the minimum rate of return which must be achieved before the private equity fund manager can receive any carried interest payments. For example, a hurdle rate of 10% means that the private equity fund needs to achieve a return of at least 10% per annum before the profits are shared according to the carried interest arrangement.

58. **% fee on unreturned invested capital (post investment period)** - private equity management fees are typically paid as a percentage of the committed amount during the investment period and as a percentage of unreturned invested capital after the investment period ends. Please provide even if it is the same % as the commitment fee.