

FY03 Average Asset Class Allocation of Total Assets

| Investment Pool Assets | Equity % | Fixed Income % | Real Estate % | Cash % | Hedge Funds % | Private equity % | Venture Capital % | Natural Resources % | Other % |
|-------------------------------|-------------|-------------------|------------------|-----------|------------------|---------------------|----------------------|------------------------|------------|
| Greater Than \$1.0 Billion | 44.8 | 18.6 | 4.2 | 1.8 | 19.9 | 5.2 | 3.0 | 1.9 | 0.7 |
| \$501 Million - \$1.0 Billion | 54.4 | 18.2 | 4.2 | 1.4 | 13.4 | 4.2 | 2.7 | 1.1 | 0.4 |
| \$101 Million - \$500 Million | 56.5 | 23.5 | 2.9 | 2.7 | 8.3 | 2.2 | 1.3 | 0.8 | 1.8 |
| \$51 Million - \$100 Million | 58.7 | 27.2 | 2.8 | 4.9 | 4.3 | 0.6 | 0.3 | 0.1 | 1.1 |
| \$26 Million - \$50 Million | 60.2 | 27.7 | 2.6 | 3.5 | 4.2 | 0.2 | 0.2 | 0.1 | 1.4 |
| Less Than \$25 Million | 57.0 | 29.8 | 2.2 | 6.6 | 1.6 | 0.2 | 0.1 | 0.0 | 2.5 |
| Public | 58.1 | 27.9 | 2.1 | 4.0 | 4.3 | 0.9 | 0.5 | 0.4 | 1.6 |
| Independent | 56.7 | 24.9 | 3.1 | 4.0 | 6.9 | 1.5 | 0.9 | 0.4 | 1.6 |
| Equal-weighted Average | 57.1 | 25.9 | 2.8 | 4.0 | 6.1 | 1.3 | 0.8 | 0.4 | 1.6 |
| Dollar-weighted Average | 49.4 | 21.4 | 4.5 | 1.5 | 13.5 | 3.8 | 2.7 | 2.4 | 0.8 |

705 institutions provided investment pool asset class data. Table data are equal-weighted unless noted otherwise.

Participating institutions with between \$26 million and \$50 million in total assets hold, on average, the largest portion of equity in their portfolios (60.2 percent), while institutions with more than \$1.0 billion in total assets hold the smallest: 44.8 percent, on average. The institutions with the largest investment pools hold the greatest proportion of alternative investments. The total dollar-weighted averages reflect the influence of these largest institutions, which ratchet down the average equity allocation and ratchet up the average alternative asset allocations accordingly.

In general, as total assets increase, the average percentage of assets allocated to equity, fixed income, and cash decreases. At the same time, as total assets increase, the average percentage of assets allocated to real estate and alternative assets generally increases. Independent institutions hold a larger proportion of alternative assets, on average, than do public institutions, but the latter hold a larger proportion of equity and fixed income assets.