

Board of Trustees

Monthly Performance Report - June 30, 2013

Returns are unaudited, preliminary, and include some estimates

Consolidated Assets - APF assets equal 99% of total assets. Slight differences are due to rounding.

Market values shown are unaudited, and returns for periods greater than one year are annualized.

Direct real estate, Fund benchmark and total Fund returns are preliminary and are calculated internally based on most recent Callan quarterly data.

All other returns are provided by Callan Associates, Inc. and are shown gross of fees (before fees) except as noted.



6/30/2013 Market Value (\$ in millions)		Returns as of 6/30/2013						
		Current Month	Last 3 Months	Calendar Y-T-D	Fiscal Y-T-D	Last 12 Months	Last 3 Years	Last 5 Years
RETURNS BY ASSET CLASS								
Domestic Fixed Income	\$ 8,170.3	-2.01%	-2.93%	-2.83%	0.37%	0.37%	4.42%	5.58%
Non-Domestic Fixed Income	1,354.6	-1.39%	-2.01%	-1.15%	1.74%	1.74%	2.89%	4.01%
Domestic Equities	5,953.4	-1.01%	2.84%	14.40%	22.40%	22.40%	18.65%	7.80%
Non-Domestic Equities	9,229.2	-4.69%	-4.26%	-1.20%	12.32%	12.32%	7.29%	-1.05%
Global Equities	5,820.1	-2.81%	0.67%	7.90%	19.72%	19.72%	14.47%	2.81%
Real Estate	4,889.1	2.33%	2.84%	5.25%	10.83%	10.83%	12.68%	2.96%
Private Equity ⁺	2,111.3	N/M	N/M	N/M	15.27%	15.27%	15.30%	7.47%
Absolute Return	3,734.7	-0.74%	1.46%	4.55%	8.70%	8.70%	5.67%	2.80%
Infrastructure ⁺	860.6	N/M	N/M	N/M	10.72%	10.72%	6.05%	
External CIO/Real Return Mandate	3,089.7	-4.21%	-4.25%	-2.34%	4.72%	4.72%	8.97%	
American Homes 4 Rent	704.3	N/M	N/M	N/M				
\$ 45,917.4								
RETURNS BY RISK CLASS								
Company Exposure	27,384.1	-2.75%	-0.70%	4.60%	14.54%	14.54%	12.32%	
Interest Rates	2,686.6	-1.19%	-2.03%	-1.98%	-0.93%	-0.93%	2.19%	
Real Assets	6,912.8	0.01%	1.20%	2.66%	8.05%	8.05%	10.12%	
Opportunity Pool	7,979.1	-2.35%	-1.14%	0.78%	6.74%	6.74%	6.69%	
Cash	954.9	0.00%	0.00%	0.03%	0.22%	0.22%	0.28%	
Total Fund	\$ 45,917.4	-2.13%	-0.56%	3.18%	10.93%	10.93%	10.17%	4.13%
Total Fund Return Objective		0.64%	1.53%	4.13%	6.76%	6.76%	7.33%	6.32%
Total Fund Risk Benchmark		-2.46%	-0.73%	3.45%	11.27%	11.27%	10.50%	4.37%
In-House Fixed Income - Aggregate		\$ 978.3	-1.62%	-2.48%				
BC U.S. Aggregate Index			-1.55%	-2.32%				
COMPANY EXPOSURE								
Passive Large-Cap Domestic Equity Managers								
Mellon S&P 500	\$ 396.3	-1.35%	2.94%	13.80%	20.57%	20.57%	18.44%	7.23%
Mellon FTSE RAFI US Large Cap	\$ 1,566.1	-1.14%	3.46%	16.69%	26.91%	26.91%	19.39%	
S&P 500 Index			-1.34%	2.91%	13.82%	20.60%	18.45%	7.01%
FTSE RAFI US 1000 Index			-1.14%	3.47%	16.73%	26.99%	19.41%	
Large-Cap Growth Domestic Equity Managers								
AGI - Large Cap	\$ 1,790.2	-1.19%	2.58%	12.68%	17.15%	17.15%	15.95%	6.57%
GE Asset Mgmt	\$ 238.5	-1.55%	2.10%	12.02%	20.87%	20.87%	19.44%	8.50%
DSM - Large Cap	\$ 101.5	-1.84%	0.28%					
CastleArk - Large Cap	\$ 102.1	-1.92%	0.64%					
Russell 1000 Index			-1.36%	2.65%	13.91%	21.24%	18.63%	7.12%
Russell 1000 Growth			-1.88%	2.06%	11.80%	17.07%	18.68%	7.47%
Large-Cap Value Domestic Equity Managers								
Lyrical - Large Cap	\$ 111.0	0.18%	9.61%					
SKBA - Large Cap	\$ 105.1	-0.34%	3.61%					
Herndon - Large Cap	\$ 101.7	-2.21%	0.28%					
Russell 1000 Value			-0.88%	3.20%				

¹ Time-Weighted Returns (TWR) are shown for commitment based assets as they are used to calculate the Total Fund return. Internal Rate of Return (IRR) calculations are more meaningful for such investments. Shorter time periods (< 6 months) and periods of new investment (first 3 - 5 years) are not meaningful.

		6/30/2013	Returns as of 6/30/2013						
		Market Value	Current Month	Last 3 Months	Calendar Y-T-D	Fiscal Y-T-D	Last 12 Months	Last 3 Years	Last 5 Years
COMPANY EXPOSURE (continued)		(\$ in millions)							
Passive Small-Cap Domestic Equity Manager									
Mellon S&P 400	\$	251.3	-1.79%	1.09%	14.68%	25.27%	25.27%	19.51%	8.95%
S&P 400			-1.85%	1.00%	14.59%	25.18%	25.18%	19.45%	8.91%
Small-Cap Core Manager									
Jennison Associates LLC	\$	225.5	-0.36%	2.64%	15.72%	25.30%	25.30%	19.98%	10.10%
Russell 2000 Index			-0.51%	3.08%	15.86%	24.21%	24.21%	18.67%	8.77%
Small-Cap Growth Managers									
RBC Asset Mgmt	\$	259.2	0.91%	3.83%	17.14%	27.01%	27.01%	23.94%	12.83%
Eagle Asset Mgmt	\$	231.8	-0.64%	3.13%	16.62%	28.56%	28.56%	21.27%	11.22%
Russell 2000 Growth Index			-0.62%	3.74%	17.44%	23.67%	23.67%	19.97%	8.89%
Small-Cap Value Managers									
T Rowe Price	\$	237.9	-0.92%	1.19%	12.13%	24.00%	24.00%	19.93%	9.64%
Pzena Investment Mgmt	\$	235.2	0.57%	3.74%	18.79%	28.64%	28.64%	18.71%	14.63%
Russell 2000 Value Index			-0.41%	2.47%	14.39%	24.76%	24.76%	17.33%	8.59%
International Passive/Quasi-Passive Managers									
Mellon MSCI World ex-USA	\$	2,158.6	-3.71%	-1.46%	3.19%	17.37%	17.37%	9.72%	-0.93%
DFA International Large Cap	\$	1,257.0	-3.93%	-1.46%	3.02%	18.46%	18.46%	9.17%	
MSCI World ex-USA/MSCI EAFE ¹			-3.75%	-1.61%	3.01%	17.07%	17.07%	9.43%	-0.97%
International Active Managers									
GE Asset Mgmt	\$	841.6	-2.92%	-0.19%	3.38%	17.71%	17.71%	8.90%	-2.86%
Acadian Asset Mgmt	\$	564.7	-3.52%	-5.03%	5.08%	13.23%	13.23%	10.90%	-0.34%
MSCI World ex-USA/MSCI EAFE ²			-3.75%	-1.61%	3.01%	17.07%	17.07%	9.27%	-1.05%
International Small-Cap Managers									
DFA International Small Company	\$	255.7	-2.65%	-2.25%	3.84%	18.86%	18.86%	11.23%	
DFA International Small Cap Value	\$	251.1	-3.04%	-2.26%	5.47%	24.08%	24.08%	11.70%	
SSgA World ex-USA Small Cap	\$	254.7	-3.82%	-3.12%	3.87%	18.15%	18.15%		
MSCI World ex-USA Small Cap			-3.95%	-3.49%	3.50%	17.82%	17.82%	10.80%	
Emerging Markets Managers									
Capital Guardian EMGF	\$	1,082.4	-7.34%	-7.91%	-8.59%	3.95%	3.95%	0.39%	-0.90%
Mondrian Investment Partners	\$	757.0	-6.42%	-9.11%	-6.76%	8.48%	8.48%	8.16%	3.57%
SSgA MSCI Emerging Markets	\$	1,391.2	-6.12%	-8.03%	-9.82%	2.57%	2.57%		
MSCI Emg Mkts Index			-6.32%	-7.95%	-9.40%	3.23%	3.23%	3.72%	-0.11%

¹ MSCI EAFE through 5/26/10, then MSCI World ex-USA

² MSCI EAFE through 2/28/11, then MSCI World ex-USA

		6/30/2013	Returns as of 6/30/2013						
		Market Value	Current Month	Last 3 Months	Calendar Y-T-D	Fiscal Y-T-D	Last 12 Months	Last 3 Years	Last 5 Years
		(\$ in millions)							
COMPANY EXPOSURE (continued)									
Global Equity Managers									
AQR Global Equity	\$	1,150.5	-2.16%	1.82%	10.79%	25.67%	25.67%	16.15%	4.69%
SSgA Russell Fundamental Developed Lrg Co	\$	1,013.6	-2.61%	2.23%	10.03%	22.33%	22.33%		
MSCI World Index			-2.46%	0.65%	8.43%	18.58%	18.58%	13.72%	2.70%
Russell Fundamental Dvlpd Lrg Co Index			-2.61%	2.31%	10.18%	22.65%	22.65%		
Lazard Asset Management ¹	\$	1,498.5	-2.84%	0.28%	6.11%	18.21%	18.21%	13.75%	4.18%
McKinley Capital Mgmt	\$	773.0	-3.75%	-0.84%	8.11%	19.33%	19.33%	13.36%	1.15%
GMO Global Equity ¹	\$	1,384.5	-2.96%	-0.10%	5.92%	15.18%	15.18%	13.54%	3.00%
MSCI All-Country World Index ²			-2.92%	-0.42%	6.05%	16.57%	16.57%	12.18%	1.86%
Private Equity Managers ³	\$	2,111.3	N/M	N/M	N/M	15.27%	15.27%	15.30%	7.47%
Private equity custom index ⁴						20.44%	20.44%	15.23%	4.16%
Fixed Income Managers									
In House Corporate Bonds	\$	2,540.3	-2.84%	-3.54%	-3.66%	1.52%	1.52%	6.02%	
Barclay's Capital U.S. Corporate Index			-2.76%	-3.31%	-3.41%	1.36%	1.36%	5.73%	
In House CMBS	\$	298.0	-1.45%	-1.75%	-1.82%	1.52%	1.52%	4.68%	
BC U.S. CMBS ERISA Eligible Aaa Index			-1.31%	-1.52%	-1.71%	1.47%	1.47%	5.06%	
Capital Guardian High Yield	\$	137.1	-2.75%	-1.20%	2.08%	9.43%	9.43%	9.58%	9.88%
Oaktree High Yield	\$	328.7	-2.82%	-1.78%	0.80%	8.34%	8.34%		
BC Global High Yield Corporate (Hedged)			-2.67%	-1.28%	1.30%	10.93%	10.93%	10.79%	11.48%
Public/Private Credit									
Crestline Credit Opportunities Fund	\$	831.9	-1.30%	0.74%	3.15%	9.90%	9.90%	9.42%	9.64%
Oaktree III Mezzanine Debt ³	\$	132.1	N/M	N/M	N/M	13.54%	13.54%		
Audax III Mezzanine Debt ³	\$	99.4	N/M	N/M	N/M	8.37%	8.37%		
INTEREST RATES									
In House MBS	\$	572.5	-1.13%	-2.25%	-2.15%	-1.15%	-1.15%	2.57%	
BC U.S. MBS Index			-0.96%	-1.96%	-2.01%	-1.10%	-1.10%	2.51%	
In House Government Bonds	\$	1,012.4	-1.15%	-1.95%	-2.17%	-1.48%	-1.48%	1.93%	
BC U.S. Treasury Index			-1.10%	-1.92%	-2.11%	-1.64%	-1.64%	3.12%	
In House Global Government Bonds	\$	197.5	-1.40%	-1.97%					
Rogge Global Partners	\$	289.9	-1.38%	-2.04%	-1.26%	1.64%	1.64%	3.28%	4.52%
BC Global Treasury ex-US Index (Hedged)			-1.03%	-1.37%	-0.19%	2.66%	2.66%	3.08%	4.53%
CASH									
Internal Cash	\$	908.4	0.00%	0.00%	0.01%	0.02%	0.02%	0.03%	
Three-month T-Bill Rate			0.01%	0.02%	0.04%	0.11%	0.11%	0.11%	

¹ Lazard and GMO global equity accounts' annual fees do not include fees paid on imbedded mutual fund positions. As of 4/30/12, 22.89% of Lazard's investments and 15.44% of GMO's investments are in mutual funds.

² MSCI World through 9/30/10, then MSCI All Country World (net), thereafter.

³ Time-Weighted Returns (TWR) are shown for commitment based assets as they are used to calculate the Total Fund return. Internal Rate of Return (IRR) calculations are more meaningful for such investments. Shorter time periods (< 6 months) and periods of new investment (first 3 - 5 years) are not meaningful.

⁴ As of July 1, 2009, the private equity custom index is 60% Russell 3000 and 40% MSCI EAFE.

6/30/2013 Market Value (\$ in millions)		Returns as of 6/30/2013						
		Current Month	Last 3 Months	Calendar Y-T-D	Fiscal Y-T-D	Last 12 Months	Last 3 Years	Last 5 Years
REAL ASSETS								
Real Estate Investment Trusts (REITs)								
AEW Global RE Securities	\$ 357.0	-2.91%	-3.59%	2.60%	12.36%	12.36%	17.49%	5.74%
MSCI US REIT Index		-1.96%	-1.58%	6.36%	9.03%	9.03%	18.28%	7.64%
UBS Global Real Estate Investors Index		-2.93%	-3.87%	2.83%	11.94%	11.94%	17.47%	5.19%
		Direct Real Estate - Net of Fees as of 6/30/2013						
Direct Real Estate ¹								
CB Richard Ellis	\$ 793.2		1.32%			5.50%	8.81%	1.72%
L&B Realty Advisors	1,597.9		4.19%			14.30%	11.66%	4.64%
LaSalle Investment Mgmt	981.9		4.82%			12.30%	15.01%	5.10%
Sentinel Real Estate	314.8		1.80%			4.11%	11.92%	3.83%
Simpson Housing (SHLP) REOC	844.3		2.90%			10.23%	11.98%	1.42%
Total Direct Real Estate	\$ 4,532.1		3.51%			10.83%	12.41%	4.02%
NCREIF Property Index			2.87%			10.72%	13.14%	2.79%
Total Real Estate ²			2.84%			10.83%	12.68%	2.96%
		Returns as of 6/30/2013						
In House TIPS	\$ 582.4	-3.50%	-6.96%	-7.28%	-4.54%	-4.54%	4.67%	
Alaska Permanent Capital Mgmt	\$ 580.6	-2.70%	-5.53%	-5.84%	-3.10%	-3.10%	5.12%	
Barclay's Capital U.S. TIPS Index		-3.58%	-7.05%	-7.39%	-4.78%	-4.78%	4.63%	
Infrastructure ³	\$ 860.6	N/M	N/M	N/M	10.72%	10.72%	6.05%	
OPPORTUNITY POOL								
Capital Guardian HY Emerging Markets Gov't	\$ 452.0	-5.19%	-7.97%	-7.99%	2.73%	2.73%		
PIMCO EMAF	\$ 417.3	-5.29%	-7.06%	-7.38%	2.26%	2.26%		
Capital Guardian ETOP	\$ 413.0	-6.24%	-7.68%	-7.36%	4.59%	4.59%		
American Homes 4 Rent	\$ 704.3	N/M	N/M	N/M				
External CIO/Real Return Mandate								
Bridgewater ECIO/Real Return	\$ 627.3	-4.47%	-4.31%	-4.11%	2.16%	2.16%	12.87%	
AQR ECIO/Real Return	\$ 598.8	-4.21%	-5.82%	-2.43%	5.62%	5.62%	10.32%	
GMO ECIO/Real Return	\$ 635.4	-2.47%	0.22%	3.75%	8.76%	8.76%	5.13%	
Goldman Sachs ECIO/Real Return	\$ 645.7	-3.20%	-3.59%	-1.46%	7.50%	7.50%	10.15%	
PIMCO ECIO/Real Return	\$ 582.5	-6.81%	-7.80%	-7.29%	-0.38%	-0.38%	5.56%	
CPI + 5% ⁴		0.64%	1.53%	4.13%	6.76%	6.76%	7.33%	
Absolute Return and Distressed Debt ⁵								
Crestline Investors	\$ 1,061.3	-0.02%	0.82%	3.60%	6.26%	6.26%	4.36%	1.58%
Lazard Alternatives	\$ 437.6	-1.38%	1.31%	4.84%	10.14%	10.14%	5.01%	2.76%
Mariner Frontier Fund	\$ 1,165.3	-0.89%	1.23%	4.44%	7.24%	7.24%	4.24%	1.73%
Oaktree Opportunities Fund VIII ³	\$ 238.5	N/M	N/M	N/M	19.63%	19.63%	11.22%	
One-month USD LIBOR + 4%		0.34%	1.03%	2.08%	4.22%	4.22%	4.24%	4.51%
One-month USD LIBOR + 6%		0.50%	1.51%	3.05%	6.22%	6.22%	6.24%	6.51%

¹ Direct real estate returns are net of fees (after fees) and are subject to change in the future.

² Total real estate returns include REIT returns for the corresponding period.

³ Time-Weighted Returns (TWR) are shown for commitment based assets as they are used to calculate the Total Fund return. Internal Rate of Return (IRR) calculations are more meaningful for such investments. Shorter time periods (< 3 months) and periods of new investment (first 3 - 5 years) are not meaningful.

⁴ CPI means the Consumer Price Index (All Urban Consumers, U.S. City Average, All Items, Unadjusted Index)

⁵ Return values are preliminary and subject to adjustments. The benchmark for the absolute return strategy managers is LIBOR + 4%, and the benchmark for the distressed debt managers is LIBOR + 6%.



Board of Trustees

Monthly Performance Report - June 30, 2013

Consolidated Assets - APF assets equal 99% of total assets. Slight differences are due to rounding.
Values shown are unaudited. \$ in millions.

Unrealized Gain(Loss) Analysis

	Cost	Market	Unrealized Gain(Loss)
COMPANY EXPOSURE			
Corporate Debt			
In House Corporate Bonds	\$ 2,518.9	\$ 2,540.3	\$ 21.5
In House Corporate Bonds - Aggregate	279.0	265.1	(13.8)
Capital Guardian High Yield	137.7	137.1	(0.6)
Oaktree High Yield	337.0	328.7	(8.2)
Structured Credit			
In House CMBS	290.6	298.0	7.4
In House CMBS - Aggregate	52.0	50.5	(1.5)
In House ABS - Aggregate	2.0	2.0	(0.0)
Domestic Equities			
Mellon S&P 500	255.7	396.3	140.6
Lyrical - Large Cap	102.1	111.0	8.9
SKBA - Large Cap	101.7	105.1	3.4
Herndon - Large Cap	101.7	101.7	(0.0)
DSM - Large Cap	99.1	101.5	2.4
CastleArk - Large Cap	100.8	102.1	1.3
Mellon FTSE RAFI US Large Cap	1,120.6	1,566.1	445.5
RCM - Large Cap	1,421.5	1,790.2	368.7
GE Asset Mgmt	166.9	238.5	71.6
Mellon S&P 400 (prev 1000)	192.3	251.3	59.0
T Rowe Price	144.8	237.9	93.1
Jennison Associates LLC	177.0	225.5	48.4
RBC Asset Mgmt	193.2	259.2	66.0
Eagle Asset Mgmt	168.7	231.8	63.1
Pzena Investment Mgmt	199.3	235.2	35.9
Non-domestic Equities			
Mellon MSCI World-ex-USA	1,826.3	2,158.6	332.3
GE Asset Mgmt	738.0	841.6	103.6
Artio EAFE	0.1	0.1	(0.0)
Acadian Asset Mgmt	511.4	564.7	53.2
Capital Guardian EMGF	1,382.6	1,082.4	(300.2)
Mondrian Investment Partners	719.1	757.0	37.9
SSgA MSCI Emerging Markets	1,483.9	1,391.2	(92.7)
SSgA World ex-USA Small Cap	234.7	254.7	20.1
DFA International Large Cap	1,142.7	1,257.0	114.3
DFA International Small Company	226.6	255.7	29.1
DFA International Small Cap Value	228.1	251.1	23.0
Global Equities			
Lazard Asset Mgmt	1,296.2	1,498.5	202.3
McKinley Capital Mgmt	655.1	773.0	117.9
GMO Global	1,306.4	1,384.5	78.1
AQR Capital Mgmt	1,020.9	1,150.5	129.6
State Street MSCI World	802.7	1,013.6	210.9
Private Equity			
Pathway	1,489.5	1,681.1	191.6
HarbourVest	392.5	430.2	37.7
Public/Private Credit			
Crestline Credit Opportunities	723.1	831.9	108.8
Oaktree III Mezzanine Debt	137.5	132.1	(5.4)
Audax III Mezzanine Debt	98.1	99.4	1.3
Total Company Exposure	\$ 24,578.3	\$ 27,384.1	\$ 2,805.8

	Cost	Market	Unrealized Gain(Loss)
REAL ASSETS			
Real Estate			
RE Direct Equity	\$ 3,393.9	\$ 4,532.1	\$ 1,138.2
AEW Global RE Securities	271.8	357.0	85.2
TIPS			
In House TIPS	584.1	582.4	(1.8)
Alaska Permanent Capital Mgmt	579.3	580.6	1.3
Infrastructure			
	<u>822.2</u>	<u>860.6</u>	<u>38.5</u>
Total Real Assets	\$ 5,651.4	\$ 6,912.8	\$ 1,261.4
OPPORTUNITY POOL			
CMBS and High Yield Debt			
Cap Guardian High Yield Emerging Markets Gov't	\$ 469.2	\$ 452.0	\$ (17.2)
Emerging Markets Total Opportunities			
PIMCO EMAF	491.6	417.3	(74.3)
Capital Guardian ETOP	446.6	413.0	(33.6)
Absolute Return			
Lazard Alternatives	363.3	437.6	74.4
Mariner Investment Group	1,041.0	1,165.3	124.3
Crestline Investors	915.5	1,061.3	145.8
Credit Opportunities			
Oaktree Opportunities Fund VIII	188.7	238.5	49.8
External CIO/Real Return Mandate			
Bridgewater ECIO	471.9	627.3	155.4
AQR ECIO	565.7	598.8	33.1
GMO ECIO	594.6	635.4	40.8
Goldman Sachs ECIO	545.0	645.7	100.7
PIMCO ECIO	564.5	582.5	18.0
American Homes 4 Rent			
	<u>600.0</u>	<u>704.3</u>	<u>104.3</u>
Total Opportunity Pool	\$ 7,257.6	\$ 7,979.1	\$ 721.5
INTEREST RATES			
Domestic Government			
In House MBS	573.9	572.5	(1.4)
In House MBS - Aggregate	62.8	59.8	(3.0)
In House TBA Cash - Aggregate	253.0	253.0	0.0
In House Government Securities	1,036.4	1,012.4	(24.0)
In House Government Bonds - Aggregate	309.2	301.4	(7.8)
International Government			
In House Global Government Bonds	196.7	197.5	0.8
GAM International Mgmt	0.1	0.1	(0.0)
Rogge Global Partners	<u>292.6</u>	<u>289.9</u>	<u>(2.7)</u>
Total Interest Rates	\$ 2,724.7	\$ 2,686.6	\$ (38.1)
CASH			
Internal Cash	908.4	908.4	0.0
Internal Cash - Aggregate	<u>46.5</u>	<u>46.5</u>	<u>0.0</u>
Total Cash	\$ 954.9	\$ 954.9	\$ -
TOTAL FUND	\$ 41,166.8	\$ 45,917.4	\$ 4,750.6