ASRS Strategic Asset Allocation Policy Schematic

Asset Class	Policy	Range	Benchmark	Passive %
Tactical Cash (Unassetized)	0%	(0 – 3%)		
Operating Cash (Unassetized)	0%			
Operating Cash (Assetized)	0%			
Total Cash	0%			
Treasuries (Long Duration)	0%	(0 – 10%)	Barclays LT Treasuries	
Core Bonds	11%		Barclays Aggregate	
Interest Rate Sensitive	11%			
High Yield	4%		Barclays High Yield	
Private Debt	10%	(8 – 12%)	S&P/LSTA Leveraged Loan Index+ 2.5%	
Opportunistic Debt	0%	(0 – 3%)	Investment Specific	
Total Fixed Income	**25%**	**(18 – 35%)**		
Large Cap	20%		S&P 500	
Mid Cap	3%		S&P 400	
Small Cap	3%		S&P 600	
US Public Equity	**26%**	(16 - 36%)		Min 50%
Developed Large Cap	17%		MSCI EAFE	
Developed Small Cap	2%		MSCI EAFE Small Cap	
Emerging Markets	5%		MSCI EM	
Non-US Public Equity	**24%**	(14 - 34%)		Min 30%
Private Equity	8%	(6-10%)	Russell 2000	
Opportunistic Equity*	0%	(0 - 3%)	Investment Specific	
	8%			
Total Equity	**58%**	**(48 - 65%)**		
Commodities	2%	(0 - 4%)	Bloomberg Total Return	
Real Estate	10%	(8 - 12%)	NCREIF ODCE	
Infrastructure	0%	(0 - 3%)	Investment Specific	
Farmland and Timber	0%	(0 - 3%)	Investment Specific	
Opportunistic Inflation Linked*	0%	(0 - 3%)	Investment Specific	
Total Inflation Linked Assets	**12%**	**(10 - 16%)**		
Multi-Asset Class Strategies	**5%**	**(0 - 12%)**	Investment Specific	
TOTAL	**100%**			

Approved by the ASRS Board: February 27, 2015

Asset Allocation Policy
(Broad Asset Classes)
Interest Rate Sensitive: 11%
High Yield: 4%
Private Debt: 10%
Total Fixed Income: 25%
US Equity: 26%
Non-US Equity: 24%
Private Equity: 8%
Total Equity: 58%
Commodities: 2%
Real Estate: 10%
Total Inflation Linked Assets: 12%
Multi-Asset Class Strategies: 5%

Investment Goals:

- Maximize the Fund Rate of Return for Acceptable Levels of Fund Risk
- Achieves 75^{th} Percentile Rate of Return Compared to Peers
- Achieves Long-term Fund Rates of Return Equal to or Greater than the Actuarial Assumed Interest Rate
- Achieves Long-term Economic and Actuarial Funded Statuses of 100 percent
- Mitigates Contribution Rate Volatility

Investment Objectives:

Total Fund Performance

- Achieve a 20-year rolling annual total fund net rate of return equal to or greater than the actuarial assumed interest rate.

- Achieve 1-year and 3-year rolling annual total fund net rates of return equal to or greater than the return of the ASRS asset allocation policy (SAAP) Benchmark.

Asset Class Performance

- Achieve 1-year and 3-year rolling annual net rates of return for ASRS strategic asset classes that are equal to or greater than their respective strategic asset class benchmarks.

Cash Flow Performance

- Ensure sufficient monies are available to meet pension benefits, health insurance, member refunds, administrative payments, and other cash-flow requirements.