

CBR Subs (AY10)

AY10: FY 2009 Proposed CBRF Investment Guidelines
Subaccount

Investment Topic	Current Policy	Proposed Policy
Risk Tolerance	High (Required by statute)	No change
Investment Objective	High exposure of principal to loss in return for higher expected longer-term returns. Limited current income requirement. Limited inflation protection needed. Moderate liquidity requirement.	No change
Time Horizon	Moderately Long	No change
Asset Allocation	36% $\pm$ 7% Broad Market Fixed Income Pool 45% $\pm$ 7% Domestic Equity Pool 19% $\pm$ 5% International Equity Pool	36% $\pm$ 7% Conservative Aggregate Pool 45% $\pm$ 7% Domestic Equity Pool 19% $\pm$ 5% International Equity Pool 0% $\pm$ 2% Short Term Fixed Income Pool
Benchmark	36% Lehman Brothers Aggregate 45% Russell 3000 Stock Index 19% Morgan Stanley Capital International (EAFE)	36% Lehman Aggregate / Lehman Treasury (90%/10%) 45% Russell 3000 Stock Index 19% Morgan Stanley Capital International (EAFE)

The approved policy for the Constitutional Budget Reserve Fund subaccount is effective July 1, 2008.

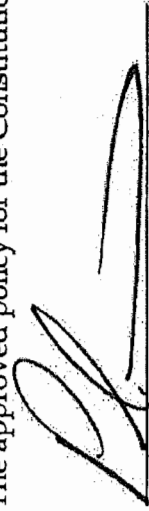

Approved

CBR Main (AY19)

AY19: FY 2009 Proposed CBRF Investment Guidelines
Main Account

Investment Topic	Current Policy	Proposed Policy
Risk Tolerance	Moderate – Fixed Income	No change
Investment Objective	Moderate exposure of principal loss in return for higher expected longer-term returns. Limited current income requirement. Moderate inflation protection needed. Increasing liquidity requirement.	No change
Time Horizon	Intermediate	No change
Asset Allocation	20% ± 8% Broad Market Fixed Income Pool 76% ± 8% Intermediate-term Fixed Income Pool 4% ± 4% Short-term Fixed Income Pool	20% ± 8% Broad Market Fixed Income Pool 75% ± 8% Intermediate-term Fixed Income Pool 5% ± 5% Short-term Fixed Income Pool
Benchmark	20% Lehman Brothers Aggregate 76% Merrill Lynch 1-5 year Govt. Bond Index 4% Three-month U.S. Treasury Bill	20% Lehman Brothers Aggregate 75% Merrill Lynch 1-5 year Govt. Bond Index 5% Three-month U.S. Treasury Bill

The approved policy for the Constitutional Budget Reserve Fund main account is effective July 1, 2008.


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