



Board Members

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nager of Investments

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Monthly Report to the Board of Land Commissioners
Since the January 18, 2011 Land Board Meeting thru February 8, 2011

Investment performance thru January 31, 2011

Month: 0.9% Fiscal year: 19.4%

Status of endowment fund reserves

For all endowments, estimated reserves as of December 2011 were at least 5 times the size of the approved FY2011 distributions, except for Public School, which is at 3 times the regular distribution (after current reserves are reduced by the special distribution in FY2011).

Significant actions of the Endowment Fund Investment Board

Meetings: None.

Compliance/legal issues, areas of concern

Material deviations from Investment Policy or compliance guidelines for investment managers: None.

Material legal issues: None.

Changes in board membership or agency staffing: None.

Upcoming issues/events

At its next meeting, on Thursday February 17, the Investment Board will be consider whether to recommend to the Land Board that the distribution rate for State Hospital South be increased from its current level of 5% based on the results of the long-term land revenue forecast reviewed by the Land Board at your January meeting.

APPROVED 2/15/2011





INVESTMENT REPORT

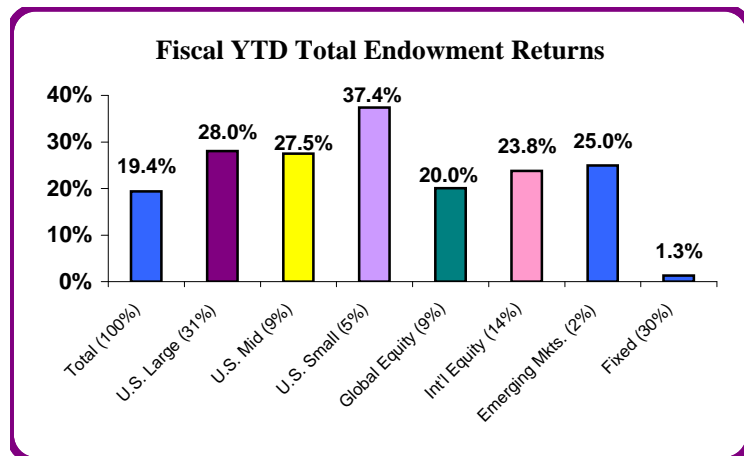
Preliminary Report (gross of fees & certain income accruals)

January 31, 2011

Current Value of the Fund	\$ 1,229,725,826
Investment Change in Market Value FYTD	\$ 181,796,359
Net Contributions FYTD	\$ 8,899,191
Fiscal Year-to-Date Returns	19.4%
Month-to-Date Returns	0.9%

	<u>Jan-11</u>		<u>Fiscal Year to Date</u>		<u>Last Five Years</u>
Total Fund	0.9%	Total Fund	19.4%	Total Fund	5.3%
Benchmark	1.3%	Benchmark	18.9%	Benchmark	3.9%
Total Fixed	0.1%	Total Fixed	1.3%	Total Fixed	5.9%
Benchmark	0.1%	Benchmark	1.3%	Benchmark	5.8%
Total Equity	1.2%	Total Equity	26.9%	Total Equity	4.0%
Benchmark	1.9%	Benchmark	27.0%	Benchmark	2.6%
Domestic Equity	2.1%	Domestic Equity	28.9%	Domestic Equity	3.9%
Russell 3000	2.2%	Russell 3000	27.2%	Russell 3000	2.5%
Global Equity	0.0%	Global Equity	20.0%	Global Equity	5.0%
MSCI ACWI	1.6%	MSCI ACWI	26.3%	MSCI ACWI	2.6%
Int'l. Equity	-0.6%	Int'l. Equity	23.8%	Int'l. Equity	5.0%
MSCI ACWI ex-US	1.0%	MSCI ACWI ex-US	26.2%	MSCI ACWI ex-US	2.6%

	<u>Mkt Value</u>	<u>% Alloc</u>
Domestic Equity	\$ 588.0	47.8%
Large Cap	\$ 411.6	33.5%
Mid Cap	\$ 116.7	9.5%
Small Cap	\$ 59.7	4.9%
Global Equity	\$ 116.5	9.5%
Int'l Equity	\$ 203.7	16.6%
Fixed Income	\$ 306.8	24.9%
Cash	\$ 14.8	1.2%
Total Fund	\$ 1,229.7	100.0%



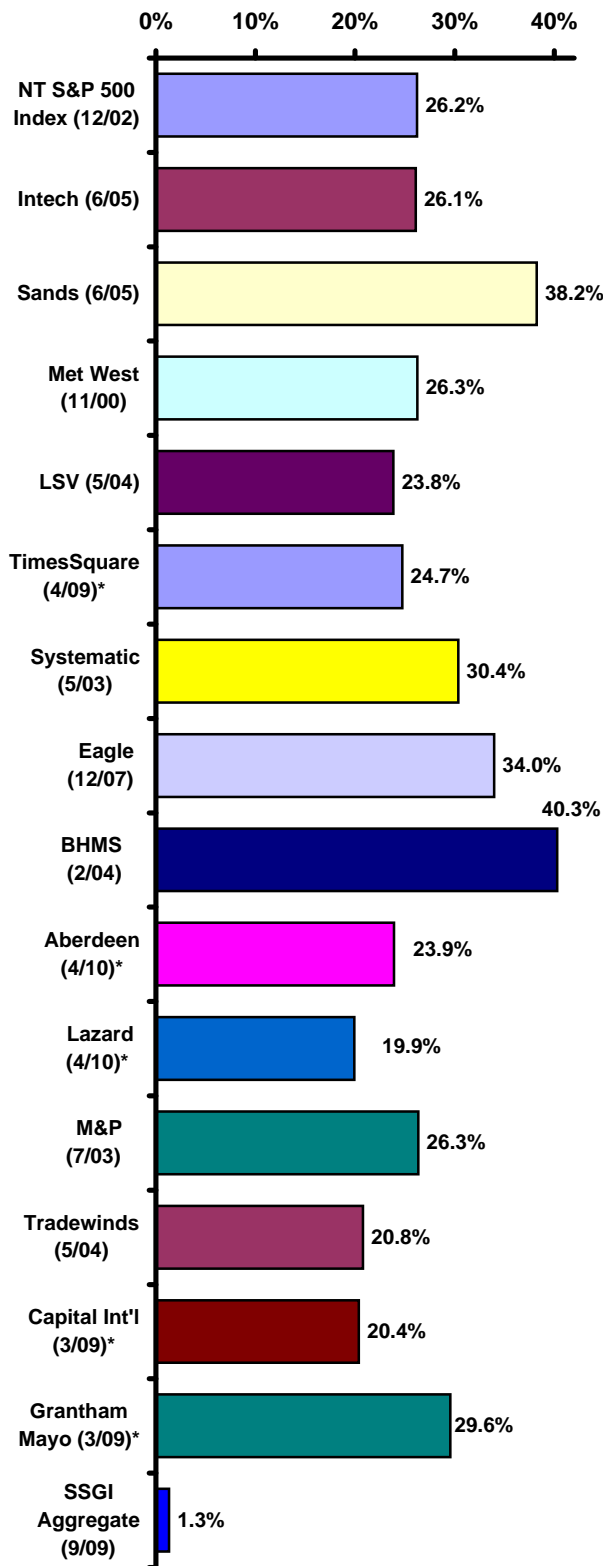
Endowment Fund Staff Comment:

The fund was up 0.9% for the month, 0.4% behind benchmark. The Russell 3000 index was up 2.2%, Russell Midcap up 2.1%, and Russell 2000 (small cap) off 0.3%. International equities (MSCI ACWI ex-US) were up 1.6% for the month, and Emerging Markets off 2.7%. Value outperformed growth and domestic outperformed international equity. Bonds, as measured by the BC Aggregate index, were up 0.1% and TIPS were up 0.2%. Seven of 14 active managers beat their benchmark. On a Fiscal Y-T-D basis, the fund is up 19.4%, 0.5% over benchmark. Seven of 14 active managers are ahead of their benchmark.

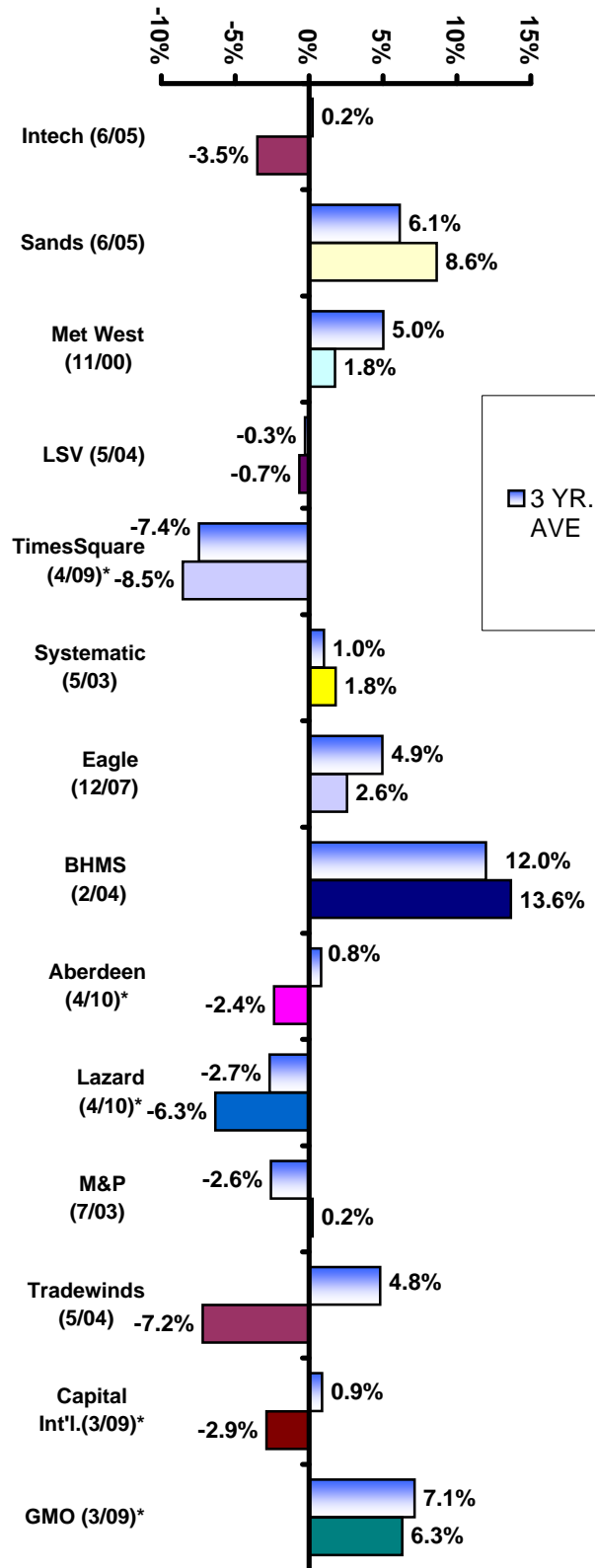


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FYTD Manager Returns



FYTD Active Manager Relative Returns and 3-Yr. Annualized Relative Returns*



* ITD return used when manager has less than 3 years with EFIB.