

GLOSSARY

Credit Quality – a measure of creditworthiness of the issuing organization that reflects the likelihood that it will be able to pay its debt. Standard and Poor’s Corporation and Moody’s Investors Service, Inc. are two widely utilized independent rating agencies of debt securities.

Equity – represents the ownership interest in a company through publicly held common and preferred shares. Also refers to any mutual fund, pooled fund, and separately managed account that hold such shares.

Hedge Fund - a private investment fund open only to eligible investors; the fund may take a long and/or short position in (but not limited to) fixed income, equities, currencies, and derivatives; the fund may use leverage.

Investment Return - return calculation that incorporates unrealized and realized gains and losses, as well as earnings.

Management Fee – the management fee rate times the market value of Program Assets averaged on a consistent basis for the 5 most recent fiscal trust fund years.

Management Fee Rate– the rate applied to the market value of Program Assets averaged on a consistent basis for the 5 most recent fiscal trust fund years.

Multi-Strategy Hedge Fund of Funds - a fund that invests in more than one hedge fund and in more than one hedge fund investment strategy.

Private Debt – privately negotiated debt financing instruments for which pricing is not readily available or which cannot quickly and easily be converted into cash without substantially impacting the price.

Private Equity – privately negotiated equity ownership instruments for which pricing is not readily available or which cannot quickly and easily be converted into cash without substantially impacting the price.

Publicly Traded Real Estate Investment Trust (REIT) - an investment vehicle that invests funds on behalf of its investors in real estate-related investments such as real property and mortgages.

Real Total Return - Total Return less inflation as defined herein.

Total Return - Investment Return less management fees as defined herein.