

# NJ DIVISION OF INVESTMENT

## Director's Report

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State Investment Council  
January 27, 2021

***“The mission of the New Jersey Division of Investment is to achieve the best possible return at an acceptable level of risk using the highest fiduciary standards.”***

## Capital Markets Update (through December 31, 2020)

	Fiscal YTD	One Year	Three Years (Annualized)	Five Years (Annualized)	2/19/2020 to 3/23/2020	3/23/2020 to 12/31/2020
<b>Global Equity Index</b>						
MSCI All Country World Index	24.01	16.26	10.05	12.24	-33.64	70.51
<b>US Equity Indices</b>						
Russell 3000	25.24	20.88	14.47	15.40	-34.96	76.82
Russell 1000	24.46	20.95	14.80	15.57	-34.58	75.48
Russell 2000	37.83	19.93	10.21	13.22	-40.67	99.02
Russell Growth	26.86	38.26	22.48	20.64	-31.89	86.26
Russell Value	23.56	2.86	5.88	9.71	-38.48	65.54
<b>Non-US Equity Indices</b>						
MSCI EAFE	21.61	7.82	4.28	7.44	-32.68	61.43
MSCI Emerging Markets	31.14	18.31	6.17	12.79	-31.17	73.47
<b>Fixed Income &amp; Credit Indices</b>						
Bloomberg Barclays U.S. Aggregate	1.29	7.51	5.34	4.43	-0.94	6.40
Bloomberg Barclays U.S. Treasury	-0.66	8.00	5.19	3.77	5.40	0.18
Bloomberg Barclays U.S. Credit	4.33	9.35	6.79	6.43	-11.12	19.86
Bloomberg Barclays U.S. Credit (A or better)	2.77	9.42	6.34	5.62	-7.08	14.91
Bloomberg Barclays U.S. Credit (BBB)	6.21	9.43	7.34	7.47	-15.79	26.35
Bloomberg Barclays U.S. High Yield	11.34	7.11	6.23	8.58	-20.76	33.53
S&P/LSTA Leveraged Loan Index	8.11	3.12	4.01	5.23	-20.62	29.02
Wells Fargo BDC Index	22.92	-11.18	1.85	5.64	-56.97	101.47
<b>Real Estate Index</b>						
Bloomberg U.S. REIT Index	9.48	-5.52	4.81	6.47	-41.21	52.08
<b>Real Assets &amp; Commodities Indices</b>						
Bloomberg Commodities Index	20.13	-3.50	-3.98	-0.13	-19.02	25.88
Bloomberg Energy Subindex	6.65	-42.72	-17.61	-9.05	-42.92	13.13
Alerian MLP Index	10.92	-28.69	-12.68	-5.94	-59.37	87.31

## FY21 Public Market Update: Asset Allocation and Net Returns (December 31, 2020)

Asset Class	ASSET ALLOCATION As of December 31, 2020			FYTD through December 31, 2020	
	Mkt Value (in \$ millions)	Actual (%)	Target (%)	NJ	Benchmark
<b><u>GLOBAL GROWTH</u></b>					
US Equities	23,845	28.62%	27.00%	25.31%	25.28%
Non-US Developed Market Equities	12,099	14.52%	13.50%	21.89%	21.40%
Emerging Market Equities	5,658	6.79%	5.50%	33.32%	31.34%
<b><u>INCOME</u></b>					
Investment Grade Credit	6,952	8.34%	8.00%	2.75%	2.77%
High Yield	1,635	1.96%	2.00%	12.07%	11.32%
<b><u>DEFENSIVE</u></b>					
U.S. Treasuries	4,015	4.82%	5.00%	-0.76%	-0.66%