

PROXY VOTING POLICY

The Nebraska Investment Council (the Council) recognizes proxy votes as assets of the plans entrusted to it and commits to managing its proxy voting rights with the same care, skill, diligence, and prudence as is exercised in the management of its other plan assets. The Council acknowledges that proxies are a significant and valuable tool in corporate governance and have economic value. In accordance with legal authority and industry norm, the Council charges its external managers with the responsibility of voting proxies on behalf of the plans overseen by the Council. The Council believes its managers are responsible fiduciaries and will exercise their proxy voting rights in the sole economic interest of the beneficiaries to the various pools of assets under the Council's oversight.

In the case of separate account managers, each manager must record any and all proxy votes made on behalf of the plans overseen by the Council. Each manager will report such proxy votes to the Nebraska State Investment Officer (SIO) on behalf of the Council within 60 days after quarter end, for all votes cast during the preceding quarter. Each manager will send its proxy voting policies to the SIO on behalf of the Council and subsequently send any updates of its policy to the SIO. The SIO will provide these documents to the Council for periodic review. Annually, the SIO will provide a summary of the major proxy issues and the votes cast by the respective investment managers on those issues. Major issues are defined as one of the three following categories: corporate governance, takeover defense, and executive compensation.

Investments in commingled funds are handled similarly. Each commingled fund manager will maintain a record of all proxy votes made in funds that the Council has invested into on behalf of the plans. Each manager will report such proxy votes to the SIO on behalf of the Council within 60 days after quarter end, for all votes cast during the preceding quarter. Each commingled fund manager will send its proxy voting policies to the SIO on behalf of the Council and subsequently send any updates of its policies to the SIO. The SIO will provide these documents to the Council for periodic review. Annually, the SIO will provide a summary of the major proxy issues and the votes cast by the respective commingled fund managers on those issues. Major issues are defined as one of the three following categories: corporate governance, takeover defense, and executive compensation.

In summary, the SIO on behalf of the Council will retain each manager's current proxy voting policy and record of proxy votes, and periodically review them with the Council; thus effectively managing the proxy votes of the assets of the plans entrusted to the Council.

Furthermore, the Council retains the right to vote proxies if any manager declines to vote proxies. It will be the Council's policy to evaluate each proxy proposal and to vote in the manner most beneficial to the long-term earnings of the plans.

Approved January 28, 2003.