



# San Jose Police & Fire Department Retirement Plan

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## Fiscal Year 2009 Executive Summary

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*"Advancing Your Investments"*



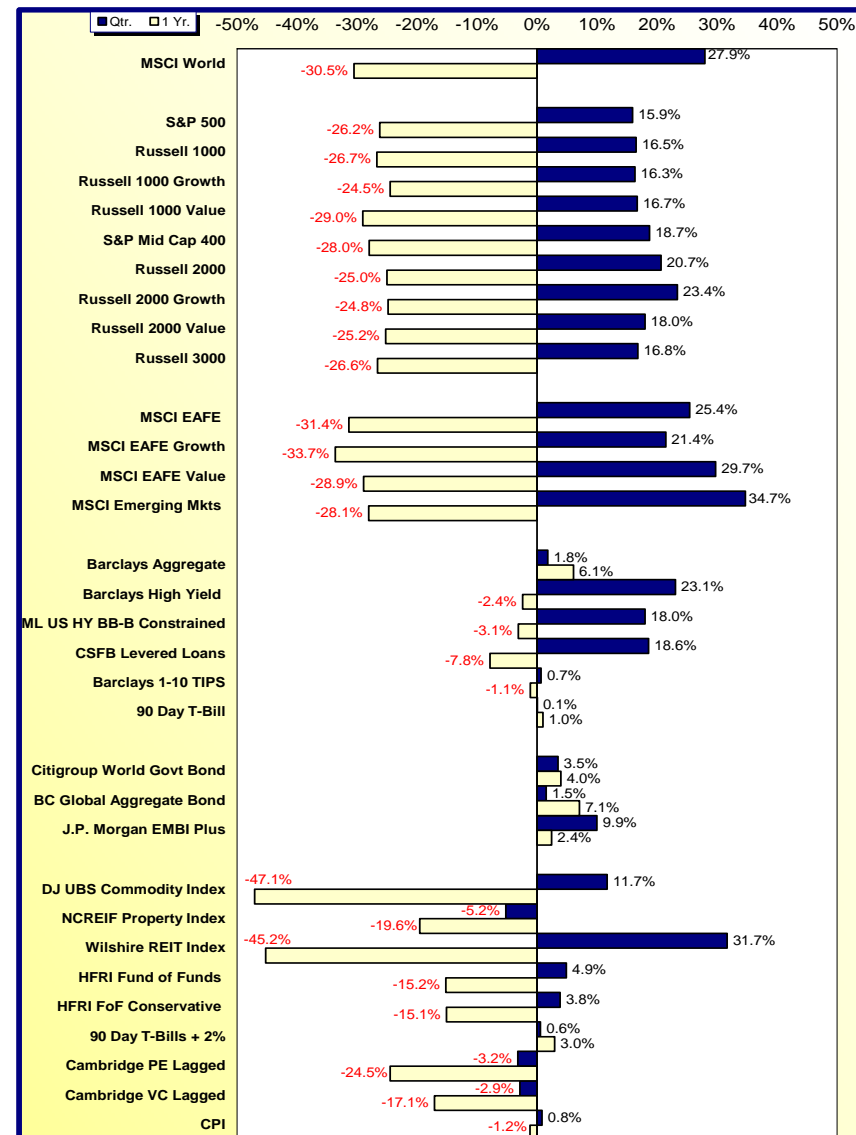
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# Market Environment – Overview (as of 6/30/2009)

		Qtr.	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>World Equity Benchmarks</b>							
MSCI World	World	27.9%	14.4%	-30.5%	-5.4%	4.9%	2.9%
<b>Domestic Equity Benchmarks</b>							
S&P 500	Large Core	15.9%	3.2%	-26.2%	-8.2%	-2.2%	-2.2%
Russell 1000	Large Core	16.5%	4.3%	-26.7%	-8.2%	-1.9%	-1.8%
Russell 1000 Growth	Large Growth	16.3%	11.5%	-24.5%	-5.4%	-1.8%	-4.2%
Russell 1000 Value	Large Value	16.7%	-2.9%	-29.0%	-11.1%	-2.1%	-0.2%
S&P Mid Cap 400	Mid Core	18.7%	8.5%	-28.0%	-7.5%	0.4%	4.6%
Russell 2000	Small Core	20.7%	2.6%	-25.0%	-9.9%	-1.7%	2.4%
Russell 2000 Growth	Small Growth	23.4%	11.4%	-24.8%	-7.8%	-1.3%	-0.9%
Russell 2000 Value	Small Value	18.0%	-5.2%	-25.2%	-12.1%	-2.3%	5.0%
Russell 3000	US Equity	16.8%	4.2%	-26.6%	-8.3%	-1.8%	-1.5%
		Qtr.	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>International Equity Benchmarks</b>							
MSCI ACWI ex-U.S.	International	27.6%	13.9%	-30.9%	-5.8%	4.5%	2.5%
MSCI EAFE	Int'l Developed	25.4%	8.0%	-31.4%	-8.0%	2.3%	1.2%
MSCI EAFE Growth	Int'l Developed	21.4%	6.3%	-33.7%	-7.4%	2.2%	-0.6%
MSCI EAFE Value	Int'l Developed	29.7%	9.6%	-28.9%	-8.6%	2.4%	2.8%
MSCI Emerging Mkts	Int'l Emerging	34.7%	36.0%	-28.1%	3.0%	14.7%	8.8%
		Qtr.	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>Domestic Fixed Income Benchmarks</b>							
Barclays Aggregate	Core Bonds	1.8%	1.9%	6.1%	6.4%	5.0%	6.0%
Barclays High Yield	High Yield	23.1%	30.4%	-2.4%	2.1%	4.3%	4.7%
ML US HY BB-B Constrained	High Yield	18.0%	25.5%	-3.1%	2.2%	4.0%	4.6%
CSFB Levered Loans	Bank Loans	18.6%	27.1%	-7.8%	-1.4%	1.4%	--
Barclays 1-10 TIPS	Inflation	0.7%	6.2%	-1.1%	5.8%	4.9%	7.2%
90 Day T-Bill	Cash	0.1%	0.1%	1.0%	3.2%	3.2%	3.2%
		Qtr.	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>Global Fixed Income Benchmarks</b>							
Citigroup World Govt Bond	Global Bonds	3.5%	-1.5%	4.0%	7.8%	6.1%	6.5%
BC Global Aggregate Bond	Global Bonds	1.5%	1.5%	7.1%	5.6%	5.0%	5.5%
J.P. Morgan EMBI Plus	Em. Mkt. Bonds	9.9%	12.7%	2.4%	6.4%	9.0%	11.2%
		Qtr.	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>Alternative Benchmarks</b>							
DJ UBS Commodity Index	Commodities	11.7%	4.6%	-47.1%	-8.4%	-0.3%	7.2%
NCREIF Property Index	Real Estate	-5.2%	-12.1%	-19.6%	1.0%	7.6%	8.5%
Wilshire REIT Index	REITs	31.7%	-13.0%	-45.2%	-19.7%	-3.2%	5.5%
HFRI Fund of Funds	Hedge Funds	4.9%	5.2%	-15.2%	-1.1%	2.6%	4.8%
HFRI FoF Conservative	Hedge Funds	3.8%	4.6%	-15.1%	-1.9%	1.5%	4.1%
90 Day T-Bills + 2%	Cash + 2%	0.6%	1.1%	3.0%	5.3%	5.2%	5.3%
Cambridge PE Lagged	Private Equity	-3.2%	-18.7%	-24.5%	2.9%	12.1%	9.5%
Cambridge VC Lagged	Venture Capital	-2.9%	-15.0%	-17.1%	2.1%	6.5%	8.2%
CPI	Inflation	0.8%	1.4%	-1.2%	2.1%	2.6%	2.6%



Note: Cambridge Private Equity and Venture Capital Indexes are lagged by one quarter.

# SJP&F Structural Changes & Investment Results

- Over the last 12 months, the Fund experienced a gross investment loss of \$472.5 million, which includes an unrealized loss of \$10.7 million in the Fund's securities lending cash collateral reinvestment pool during the second quarter. Total assets increased from \$1.9 billion at the beginning of the quarter to \$2.0 billion on 6/30/2009, with \$29.9 million in net distributions.
- Over the past five years, the Fund returned 2.8% per annum, performing in line with the total fund benchmark, and ranking in the 31<sup>st</sup> percentile of the Independent Consultant Cooperative's Public Funds Universe<sup>1</sup>.
  - For the five-year period, active management detracted 10 basis points of value while lowering volatility for the period by 20 basis points.
- For the fiscal year ending June 30 2009, the Fund returned -18.0%, outperforming the total fund benchmark by 0.6%, and ranking in the 65<sup>th</sup> percentile of public funds.
  - For the one-year period, active management detracted 30 basis points of value while lowering volatility for the period by 80 basis points.
- For the quarter, the Fund posted an 11.3% return, underperforming the total fund benchmark by 1.5% and ranking in the 43<sup>rd</sup> percentile of public funds.
  - For the quarter, active management detracted 140 basis points of value.
- All asset classes were within policy ranges on June 30, 2009

<sup>1</sup>As of June 30, 2009, the ICC Public Funds Universe consists of 162 total funds with approximately \$426 Billion in assets.

Note: Performance, ranks, asset allocation and asset growth detailed above and throughout this report take into account unrealized losses in the Fund's securities lending cash collateral reinvestment pool. The unrealized loss was accounted for in June 2009 performance calculations, which negatively impacted performance by 51 basis points at the Total Fund level for the month. This impact will be negated over time as market conditions improve and pricing of fixed income assets becomes more normalized, assuming there are no impairments or defaults in the pool. To date, State Street (who manages the Fund's securities lending program), has not experienced any impairments or defaults in the Fund's securities lending cash collateral reinvestment pool.

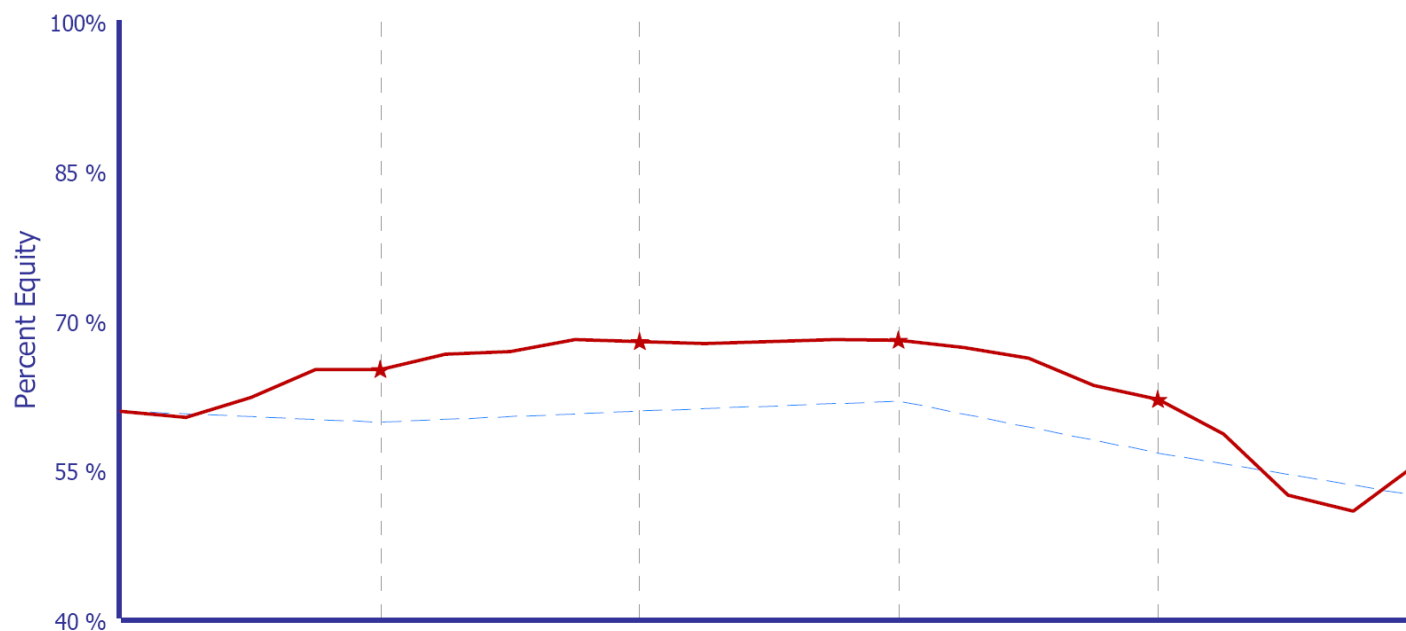
# Fund Allocation (as of 6/30/2009)

	Market Value	Percent of Total Assets	Current Policy Target	Difference	Range	New Policy Target <sup>1</sup>	Difference
<b>TOTAL FUND</b>	<b>\$2,046,869,889</b>	<b>100.0%</b>					
<b>TOTAL EQUITY</b>	<b>\$1,152,340,542</b>	56.3%	59.0%	(2.7%)	39-72%	49.0%	7.3%
<b>U.S. EQUITY COMPOSITE</b>	<b>\$638,155,485</b>	<b>31.2%</b>	<b>34.0%</b>	<b>(2.8%)</b>	<b>29-39%</b>	<b>27.0%</b>	<b>4.2%</b>
<i>U.S. Large Cap Equity</i>	\$502,755,965	24.6%	27.0%	(2.4%)		22.0%	2.6%
<i>U.S. Small Cap Equity</i>	\$135,399,520	6.6%	7.0%	(0.4%)		5.0%	1.6%
<b>NON-U.S. EQUITY COMPOSITE</b>	<b>\$514,185,057</b>	<b>25.1%</b>	<b>25.0%</b>	<b>0.1%</b>		<b>22.0%</b>	<b>3.1%</b>
<i>Non-U.S. Developed Markets</i>	\$394,558,153	19.3%	20.0%	(0.7%)	10-25%	17.0%	2.3%
<i>Non-U.S. Emerging Markets</i>	\$119,626,904	5.8%	5.0%	0.8%	0-8%	5.0%	0.8%
<b>FIXED INCOME COMPOSITE</b>	<b>\$628,740,048</b>	<b>30.7%</b>	<b>24.0%</b>	<b>6.7%</b>		<b>18.0%</b>	<b>12.7%</b>
<i>Core Bonds</i>	\$363,579,046	17.8%	20.0%	(2.2%)	15-25%	18.0%	(0.2%)
<i>Long Bonds</i>	\$108,599,597	5.3%	4.0%	1.3%	0-7%	0.0%	5.3%
<i>Credit</i>	\$102,932,921	5.0%	0.0%	5.0%		0.0%	5.0%
<i>Opportunistic Investments</i>	\$53,628,484	2.6%	0.0%	2.6%		5.0%	(2.4%)
<b>PRIVATE EQUITY</b>	<b>\$75,952,425</b>	<b>3.7%</b>	<b>5.0%</b>	<b>(1.3%)</b>	<b>0-8%</b>	<b>8.0%</b>	<b>(4.3%)</b>
<b>REAL ESTATE</b>	<b>\$188,250,311</b>	<b>9.2%</b>	<b>12.0%</b>	<b>(2.8%)</b>	<b>0-17%</b>	<b>10.0%</b>	<b>(0.8%)</b>
<b>REAL ASSETS</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>		<b>5.0%</b>	<b>(5.0%)</b>
<b>ABSOLUTE RETURN</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>		<b>5.0%</b>	<b>(5.0%)</b>
<b>CASH</b>	<b>\$12,296,548</b>	<b>0.6%</b>	<b>0.0%</b>	<b>0.6%</b>		<b>0.0%</b>	<b>0.6%</b>
<b>SECURITIES LENDING<sup>2</sup></b>	<b>(\$10,709,985)</b>	<b>-0.5%</b>	--	--	--	--	--

<sup>1</sup>New asset allocation targets adopted at the May 21, 2008 Investment Committee meeting. The effective date for the new asset targets will be July 1, 2009.

<sup>2</sup>Unrealized loss in the Fund's securities lending cash collateral reinvestment pool.

# Public Funds – Total Equity Commitment\*



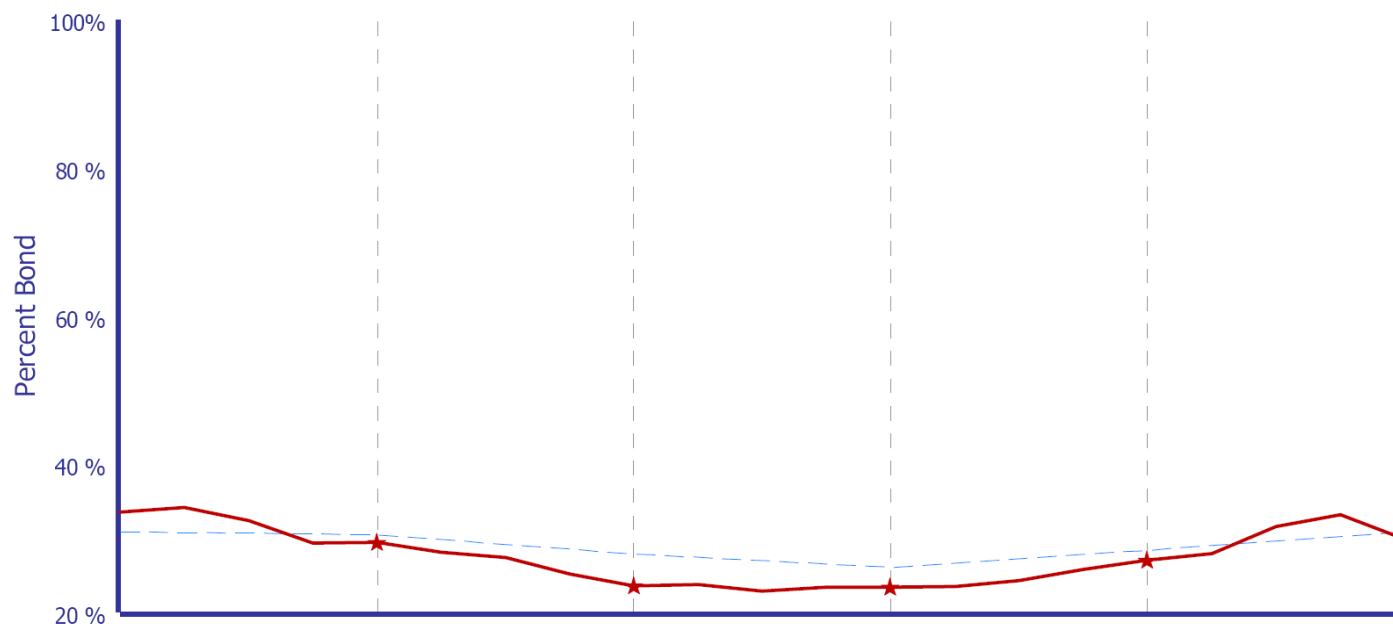
	6/04	6/05	6/06	6/07	6/08	6/09
5th	72.6	71.2	71.9	71.8	67.1	70.0
25th	64.8	65.2	65.2	65.7	61.6	58.5
— Median	60.8	59.7	60.8	61.8	56.6	52.3
75th	54.6	53.3	55.6	52.6	49.0	45.3
95th	26.1	35.2	38.1	31.2	24.6	21.1

★ TOTAL FUND	60.8	50	65.0	26	67.8	15	67.9	17	62.0	22	55.6	39
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\*Includes International Segment

\*Total Equity Commitment excludes manager held cash for separately managed accounts.

# Public Funds – Total Fixed Income Commitment\*



	6/04	6/05	6/06	6/07	6/08	6/09
5th	55.9	55.2	51.9	51.0	57.6	60.9
25th	36.8	36.3	34.9	32.5	36.2	38.9
— Median	30.9	30.5	27.9	26.1	28.4	30.9
75th	25.7	25.6	23.5	21.5	24.4	25.0
95th	10.8	14.6	14.1	12.1	14.1	15.2
★ TOTAL FUND	33.6 38	29.5 56	23.6 73	23.4 67	27.1 57	29.9 60

\*Total Fixed Income Commitment excludes manager held cash for separately managed accounts.

# Total Fund Performance & Asset Growth (as of 6/30/2009)

	Ending Market Value	Last 3 Months	Rank	Year to-Date	Rank	Fiscal Year to-Date	Rank	Annualized Returns					
								Three Years	Rank	Five Years	Rank	Ten Years	Rank
<b>Total Fund Composite</b>	<b>\$2,046,869,889</b>	<b>11.3%</b>	<b>43</b>	<b>4.6%</b>	<b>45</b>	<b>-18.0%</b>	<b>65</b>	<b>-2.5%</b>	<b>55</b>	<b>2.8%</b>	<b>31</b>	<b>4.2%</b>	<b>19</b>
<b>Total Fund Composite (Net) <sup>1</sup></b>		<b>11.2%</b>		<b>4.4%</b>		<b>-18.4%</b>		<b>-2.8%</b>		<b>2.5%</b>		<b>3.9%</b>	
<i>Allocation Index</i>		<i>12.7%</i>	<i>25</i>	<i>4.4%</i>	<i>49</i>	<i>-17.7%</i>	<i>61</i>	<i>-2.4%</i>	<i>50</i>	<i>3.0%</i>	<i>25</i>	<i>3.9%</i>	<i>25</i>
Total Fund Benchmark		12.8%	22	3.6%	59	-18.6%	68	-2.6%	56	2.8%	29	3.5%	35
CPI		0.8%		1.4%		-1.2%		2.1%		2.6%		2.6%	
<b>ICC Public Funds Median</b>		<b>10.9%</b>		<b>4.4%</b>		<b>-16.6%</b>		<b>-2.3%</b>		<b>2.4%</b>		<b>3.1%</b>	
<u>Estimated PBO<sup>2</sup></u>													
Citigroup Pension Liability Index	\$2,805,792,066	20.5%		-2.0%		17.4%		7.5%		6.6%		8.6%	
Over/Underfunded \$	(\$758,922,177)												
Funded Ratio	73.0%												

	Last Quarter	Year to Date	Fiscal Year to Date
<b>Beginning Market Value</b>	1,862,783	2,005,489	2,561,519
<b>Net External Growth</b>	(29,940)	(51,177)	(42,120)
<i>Contributions</i>	198,792	252,887	602,252
<i>Distributions</i>	(228,732)	(304,064)	(644,372)
<b>Return on Investment</b>	214,027	92,558	(472,529)
<b>Ending Market Value</b>	2,046,870	2,046,870	2,046,870

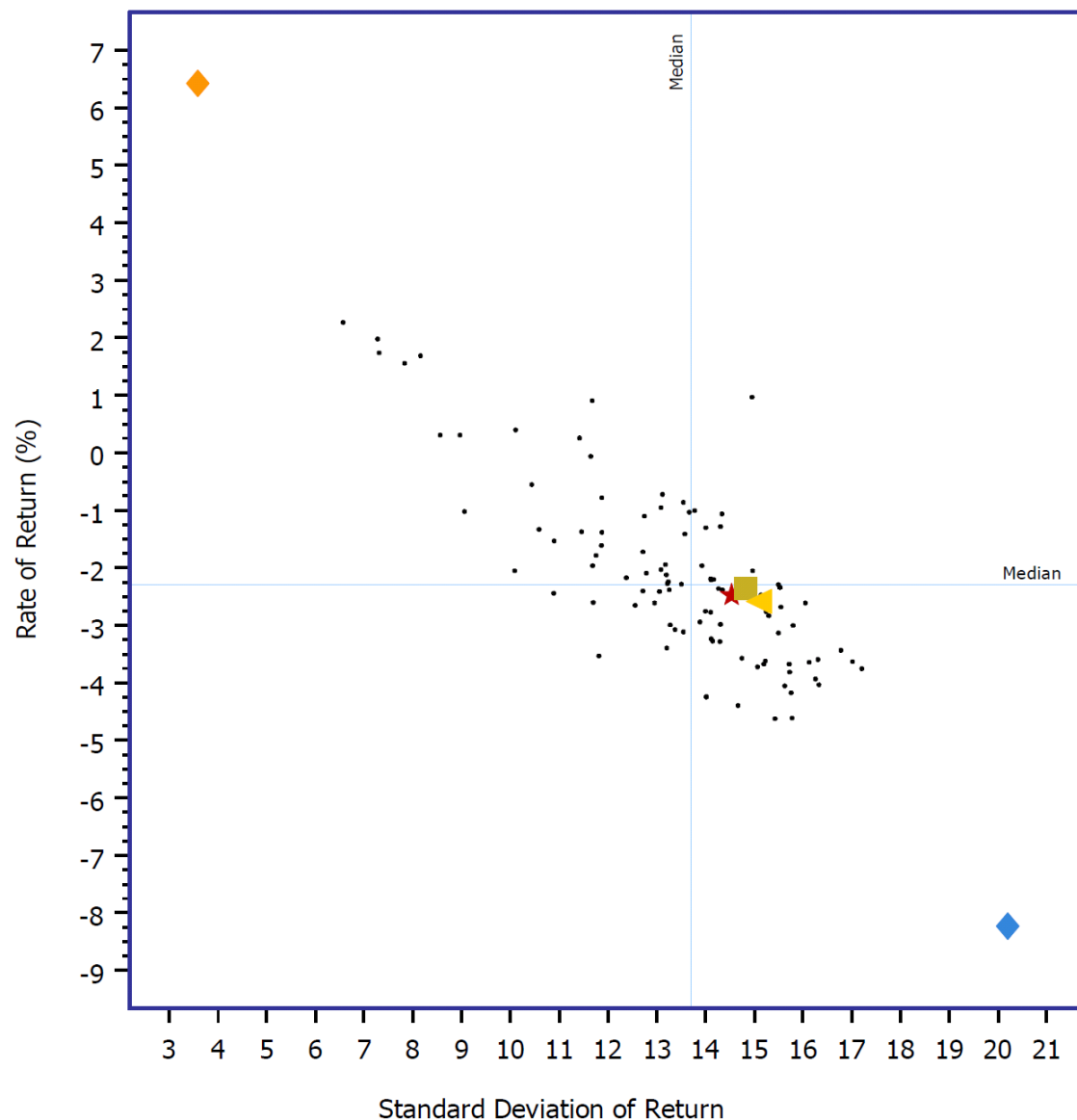
\*Assets in thousands

<sup>1</sup>Net of fee returns longer than one year are estimates based on an estimated annual fund expense ratio of 30 basis points.

<sup>2</sup>Estimated Pension Benefit Obligation (PBO) calculated assuming a duration of liabilities of 12 years.



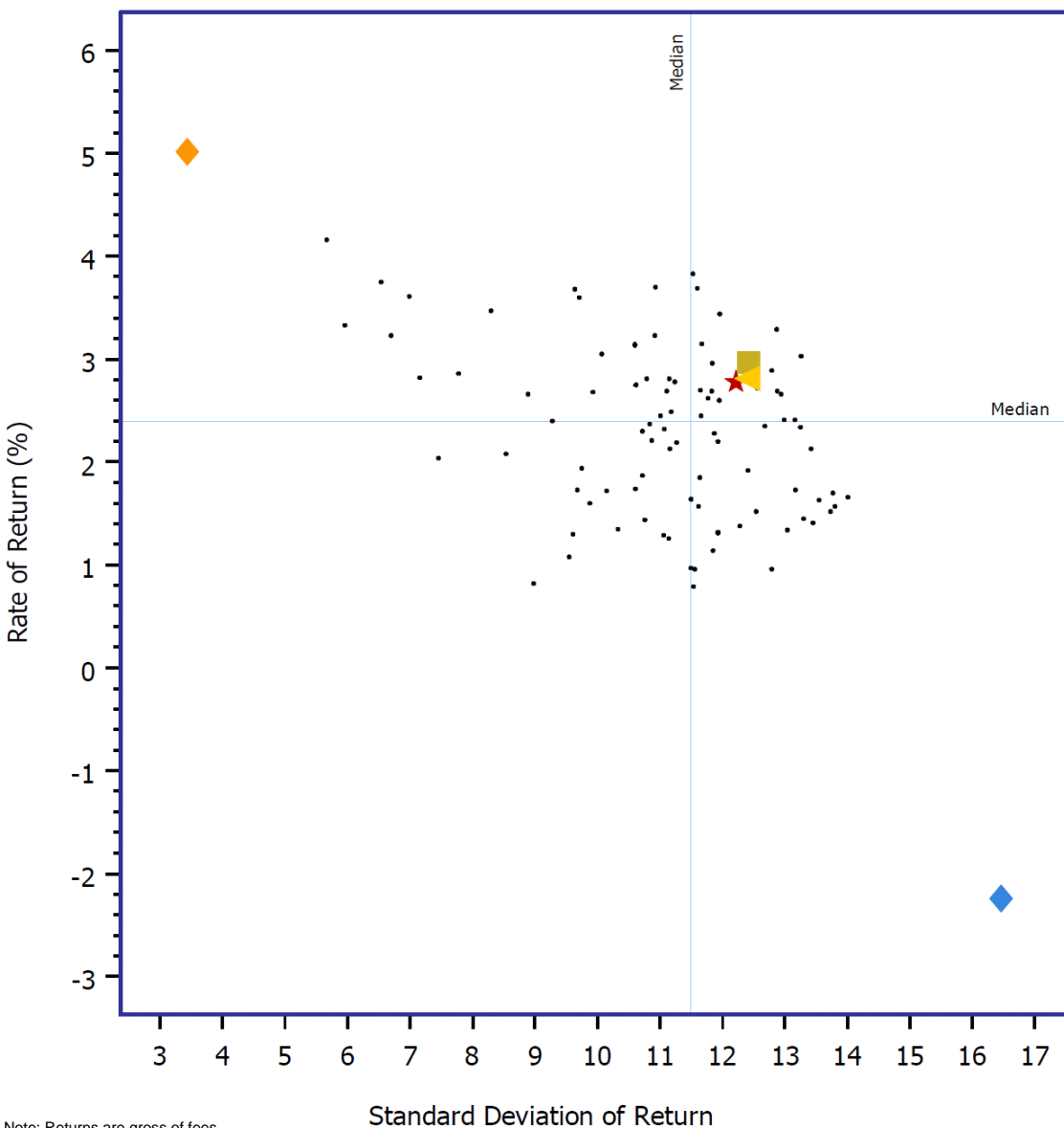
# Public Funds – 3 Year Return/Volatility (as of 6/30/2009)



	Return		Standard Deviation		Sharpe Ratio
★ <b>TOT FUND</b>	-2.5	55	14.5	68	-0.3
■ <b>ALLOC INDEX</b>	-2.4	50	14.8	70	-0.3
▼ <b>Policy Index</b>	-2.6	56	15.1	74	-0.3
◆ <b>S&amp;P 500</b>	-8.2		20.2		-0.5
◆ <b>BC AGGREGATE</b>	6.4		3.6		0.9
<b>Median</b>	-2.3		13.7		-0.4

Note: Returns are gross of fees

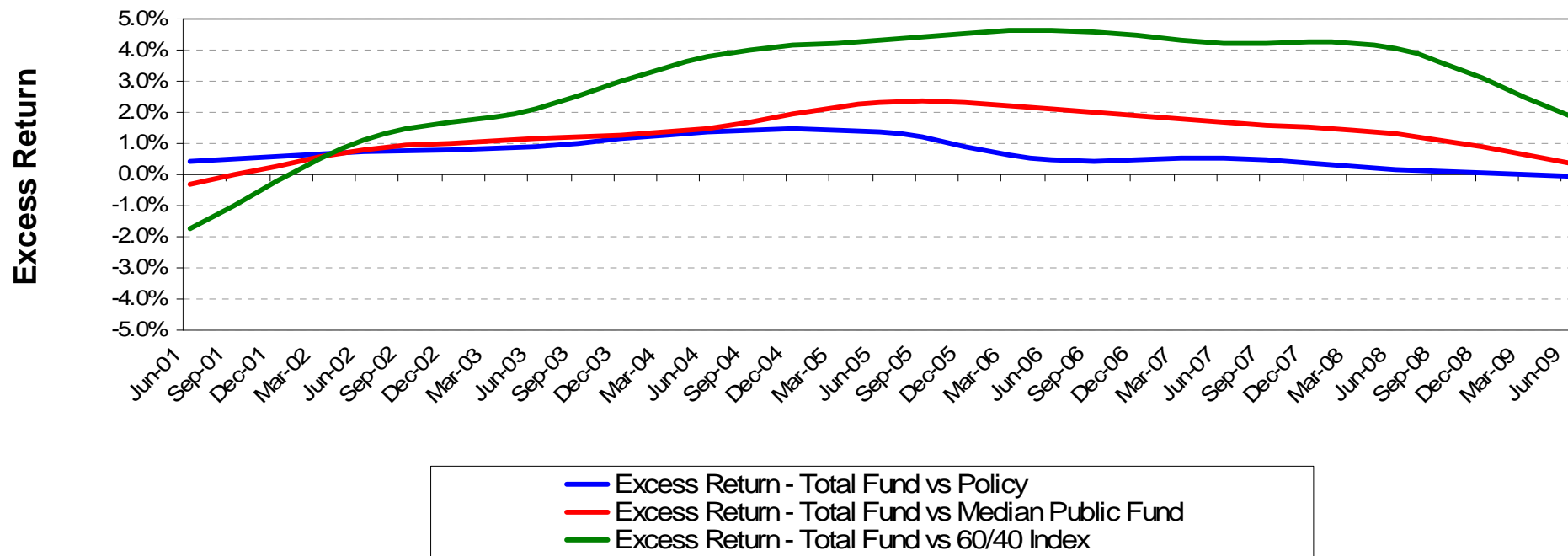
# Public Funds – 5 Year Return/Volatility (as of 6/30/2009)



	Return		Standard Deviation		Sharpe Ratio	
★ <b>TOT FUND</b>	2.8	31	12.2	67	0.0	28
■ <b>ALLOC INDEX</b>	3.0	25	12.4	71	0.0	22
▼ <b>Policy Index</b>	2.8	29	12.4	70	0.0	27
◆ <b>S&amp;P 500</b>	-2.2		16.5		-0.2	
◆ <b>BC AGGREGATE</b>	5.0		3.4		0.5	
<b>Median</b>	2.4		11.5		0.0	

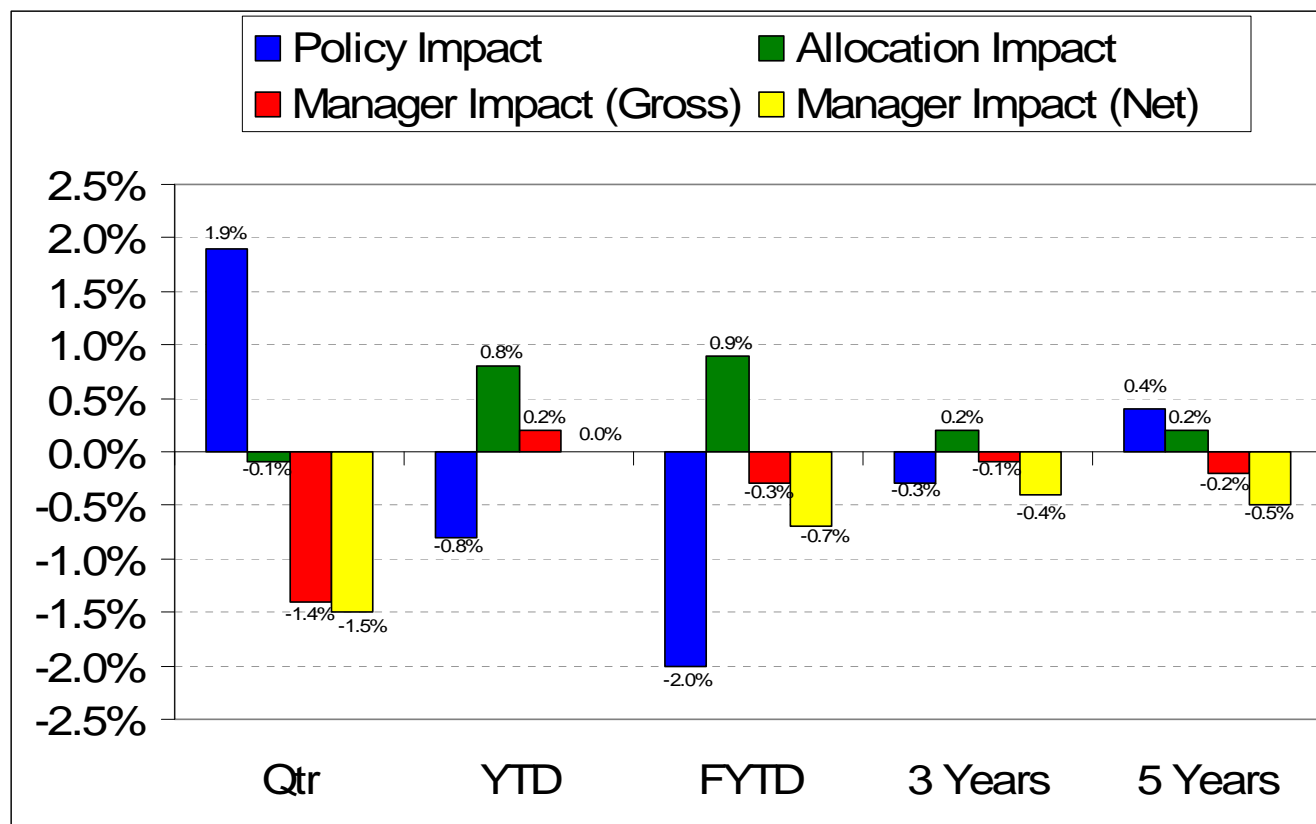
Note: Returns are gross of fees

# Rolling 5-Year Excess Returns (as of 6/30/2009)



Note: Returns are gross of fees

# Performance Attribution (as of 6/30/2009)



**Policy Impact:** The policy index is calculated by multiplying the target asset class weights times the return of the respective passive benchmark (re-balanced monthly). The policy impact, which is the difference between the policy index and the median fund's performance, measures the effectiveness of Plan Structure.

**Allocation Impact:** The allocation index is calculated by multiplying the actual asset class weights times the return of the respective passive benchmark. When the policy index is subtracted from the allocation index, the result measures the impact of deviating from the target weights.

**Manager Impact:** The Composite is calculated by multiplying the actual asset class weights times the actual manager return. The allocation index is then subtracted from the Composite. The result, manager impact, measures the contribution of active management.

# Performance Summary

									Annualized Returns					
		Ending Market Value	Last 3 Months	Rank	Year to-Date	Rank	Fiscal Year to-Date	Rank	Three Years	Rank	Five Years	Rank	Ten Years	Rank
31.2%	Total Domestic Equity	\$638,155,485	17.0%	50	5.1%	52	-26.0%	48	-8.8%	66	-1.9%	68	-0.3%	64
	S&P 500		15.9%	67	3.2%	73	-26.2%	55	-8.2%	57	-2.2%	82	-2.2%	88
	Russell 3000		16.8%	52	4.2%	59	-26.6%	60	-8.3%	60	-1.8%	67	-1.5%	74
	ICC Equity Funds Median		17.0%		5.5%		-26.0%		-8.1%		-0.9%		1.4%	
24.6%	Total Large Cap Domestic Equity	\$502,755,965	15.9%	51	5.7%	46	-24.6%	32	n/a		n/a		n/a	
	S&P 500		15.9%	50	3.2%	67	-26.2%	50	-8.2%	56	-2.2%	78	-2.2%	87
	ICC Large Cap Equity Funds Median		16.0%		5.1%		-26.2%		-7.9%		-1.1%		0.4%	
6.6%	Total Small Cap Domestic Equity	\$135,399,520	21.0%	51	2.8%	79	-31.0%	85	n/a		n/a		n/a	
	Russell 2000		20.7%	54	2.6%	79	-25.0%	57	-9.9%	74	-1.7%	79	2.4%	84
	ICC Small Cap Equity Funds Median		21.1%		7.9%		-23.2%		-7.8%		0.4%		6.1%	
25.1%	Total International Equity	\$514,185,057	27.8%	18	15.8%	16	-29.8%	49	-4.7%	29	5.5%	25	6.8%	10
19.3%	Total Developed Int'l Equity	\$394,558,153	26.0%	31	11.1%	34	-30.9%	59	-6.8%	58	3.1%	71	4.3%	69
	MSCI EAFE Net		25.4%	44	8.0%	54	-31.4%	65	-8.0%	81	2.3%	86	1.2%	97
	ICC Int'l Developed Equity Funds Median		24.5%		8.5%		-29.8%		-6.3%		4.0%		5.4%	
5.8%	Total Emerging Mkts Equity	\$119,626,904	34.1%	65	34.6%	54	-25.7%	46	2.8%	50	14.1%	61	n/a	
	MSCI Emg Mkts Free Net		34.7%	55	36.0%	43	-28.1%	61	3.0%	49	14.7%	48	8.8%	85
	ICC Int'l Emerging Mkts Equity Funds Median		35.6%		35.0%		-26.3%		2.9%		14.7%		11.5%	
17.8%	Total Core Fixed Income	\$363,579,046	3.9%	55	4.9%	60	4.6%	61	5.0%	76	4.7%	64	5.8%	74
	BC Aggregate		1.8%	83	1.9%	87	6.1%	45	6.4%	42	5.0%	52	6.0%	65
	ICC Core Fixed Income Median		4.3%		5.4%		5.7%		6.2%		5.1%		6.2%	
5.3%	Total Long Duration Fixed Income	\$108,599,597	9.2%	26	1.9%	81	7.2%	28	7.2%	25	n/a		n/a	
	BC US Gov't/Credit Long		2.8%	73	-3.5%	94	5.4%	40	6.4%	37	5.6%	35	6.9%	26
	ICC Long Duration Fixed Income Median		6.5%		5.7%		3.7%		5.9%		5.0%		6.2%	
5.0%	Total Credit <sup>1</sup>	\$102,932,921	n/a		n/a		n/a		n/a		n/a		n/a	
	ML US HY BB/B		18.0%		25.6%		-3.4%		2.1%		4.1%		4.4%	
2.6%	Total Opportunistic	\$53,628,484	16.7%		16.9%		5.8%		n/a		n/a		n/a	
	ML US HY BB/B Constrained		18.0%		25.5%		-3.1%		2.2%		4.0%		4.6%	
9.2%	Total Real Estate	\$188,250,311	-5.7%	62	-9.0%	29	-12.3%	18	3.3%	18	7.0%	31	7.0%	63
	NCREIF Property Index		-5.2%	62	-12.1%	34	-19.6%	26	1.0%	26	7.6%	29	8.5%	36
	ICC Real Estate Funds Median		0.0%		-16.4%		-29.3%		-2.8%		5.5%		8.0%	
3.7%	Total Private Equity	\$75,952,425	-4.7%		-13.4%		-14.6%		3.5%		n/a		n/a	
	Russell 2000		20.7%		2.6%		-25.0%		-9.9%		-1.7%		2.4%	
0.6%	Total Cash <sup>2</sup>	\$12,296,548	0.1%		0.1%		1.0%		n/a		n/a		n/a	
	90 day t-bills		0.1%		0.1%		1.0%		3.2%		3.2%		3.2%	
-0.5%	Securities Lending <sup>3</sup>	(\$10,709,985)	--		--		--		--		--		--	

<sup>1</sup>The Seix Credit Dislocation portfolio and the Mackay Shields US High Yield portfolio were funded April 30, 2009.

<sup>2</sup>NEPC began calculating cash returns April 1, 2008 due to inconsistent historical data provided by the prior consultant.

<sup>3</sup>Unrealized loss in the Fund's securities lending cash collateral reinvestment pool.

# Performance Summary – Lrg. Cap Domestic Equity

Weight in Fund		Ending Market Value	Last 3 Months	Rank	Year to-Date	Rank	Fiscal Year to-Date	Rank	Annualized Returns						Inception Date	
									Three Years	Rank	Five Years	Rank	Ten Years	Rank		Since Inception
24.6%	Total Large Cap Domestic Equity Composite	\$502,755,965	15.9%	51	5.7%	46	-24.6%	32	n/a							
	S&P 500		15.9%	50	3.2%	67	-26.2%	50	-8.2%	56	-2.2%	78	-2.2%	87		
	ICC Large Cap Equity Funds Median		16.0%		5.1%		-26.2%		-7.9%		-1.1%		0.4%			
	Large Cap Value Equity															
4.2%	UBS	\$85,962,625	19.7%	30	6.9%	12	-27.3%	53	-9.4%	32	-1.6%	51	0.1%	79	7.5%	May-93
	UBS (Net)		19.6%		6.7%		-27.6%		-9.7%		-1.9%		-0.3%		7.1%	
	Russell 3000		16.8%	62	4.2%	36	-26.6%	44	-8.3%	19	-1.8%	57	-1.5%	97	6.7%	
	Russell 3000 + 1.0%		17.1%		4.7%		-25.6%		-7.3%		-0.8%		-0.5%		7.7%	
	Performance Variance		2.5%		2.0%		-2.0%		-2.3%		-1.0%		0.2%		-0.7%	
4.8%	ROBECO	\$99,206,112	18.5%	41	4.1%	36	-19.0%	3	-5.5%	6	1.8%	6	3.7%	13	6.9%	Jul-96
	ROBECO (Net)		18.4%		3.9%		-19.1%		-5.8%		1.5%		3.4%		6.6%	
	Russell 1000 Value		16.7%	66	-2.9%	93	-29.0%	73	-11.1%	60	-2.1%	61	-0.2%	85	5.3%	
	Russell 1000 Value + 1.0%		16.9%		-2.4%		-28.0%		-10.1%		-1.1%		0.8%		6.3%	
	Performance Variance		1.5%		6.3%		8.9%		4.3%		2.6%		2.5%		0.3%	
	ICC Large Cap Value Median		17.8%		2.1%		-27.1%		-10.3%		-1.4%		1.4%			
	Large Cap Growth Equity															
5.0%	New Amsterdam	\$102,454,360	11.0%	82	7.2%	61	-24.0%	37	-8.4%	82	-1.4%	69	1.1%	30	8.8%	Jan-95
	New Amsterdam (Net)		10.9%		7.0%		-24.3%		-8.7%		-1.7%		0.8%		8.4%	
	S&P 500		15.9%	32	3.2%	87	-26.2%	57	-8.2%	86	-2.2%	88	-2.2%	77	6.8%	
	S&P 500 + 1.0%		16.2%		3.7%		-25.2%		-7.2%		-1.2%		-1.2%		7.8%	
	Performance Variance		-5.3%		3.4%		1.0%		-1.5%		-0.5%		2.0%		0.6%	
1.3%	INTECH	\$26,714,830	15.1%	47	9.9%	45	-28.5%	69	-8.3%	81	-2.4%	88	n/a		-0.3%	Nov-03
	INTECH (Net)		14.9%		9.6%		-29.0%		-8.8%		-3.0%		n/a		-0.9%	
	Russell 1000 Growth		16.3%	27	11.5%	34	-24.5%	41	-5.4%	37	-1.8%	75	-4.2%	97	-0.4%	
	Russell 1000 Growth + 1.0%		16.6%		12.0%		-23.5%		-4.4%		-0.8%		-3.2%		0.6%	
	Performance Variance		-1.7%		-2.4%		-5.5%		-4.4%		-2.1%		n/a		-1.5%	
1.6%	State Street - formerly Globalt	\$32,924,759	16.6%	26	11.3%	36	-24.3%	39	-5.9%	50	-2.0%	80	-3.9%	95	-2.8%	Jul-98
	State Street - formerly Globalt (Net)		16.6%		11.3%		-24.3%		-6.1%		-2.3%		-4.3%		-3.2%	
	Russell 1000 Growth		16.3%	27	11.5%	34	-24.5%	41	-5.4%	37	-1.8%	75	-4.2%	97	-1.7%	
	Russell 1000 Growth + 1.0%		16.6%		12.0%		-23.5%		-4.4%		-0.8%		-3.2%		-0.7%	
	Performance Variance		0.0%		-0.7%		-0.9%		-1.7%		-1.4%		-1.1%		-2.5%	
	ICC Large Cap Growth Median		14.9%		9.2%		-25.5%		-5.9%		-0.9%		-0.6%			
	Large Cap Core Equity															
7.6%	Rhumbline S&P 500	\$155,493,279	15.9%	54	3.3%	59	-25.8%	38	-8.1%	58	-2.2%	79	-2.0%	86	7.3%	Apr-92
	Rhumbline S&P 500 (Net)		15.8%		3.2%		-25.9%		-8.1%		-2.2%		-2.0%		7.2%	
	S&P 500		15.9%	51	3.2%	63	-26.2%	48	-8.2%	68	-2.2%	84	-2.2%	92	7.0%	
	Performance Variance		-0.1%		0.1%		0.3%		0.1%		0.0%		0.2%		0.2%	
	ICC Large Cap Core Median		16.0%		4.0%		-26.3%		-7.8%		-1.2%		0.2%			

# Performance Summary – Sm. Cap Domestic Equity

Weight in Fund		Ending Market Value	Last 3 Months	Rank	Year to-Date	Rank	Fiscal Year to-Date	Rank	Annualized Returns						Inception Date	
									Three Years	Rank	Five Years	Rank	Ten Years	Rank		Since Inception
6.6%	Total Small Cap Domestic Equity Composite	\$135,399,520	21.0%	51	2.8%	79	-31.0%	85	n/a		n/a		n/a			
	Russell 2000		20.7%	54	2.6%	79	-25.0%	57	-9.9%	74	-1.7%	79	2.4%	84		
	ICC Small Cap Equity Funds Median		21.1%		7.9%		-23.2%		-7.8%		0.4%		6.1%			
	Small Cap Core Equity															
1.7%	State Street - formerly Provident	\$35,124,070	22.5%	33	4.0%	54	-37.7%	97	-14.4%	99	-5.1%	99	0.1%	100	1.8%	Jan-98
	State Street - formerly Provident (Net)		22.5%		4.0%		-38.1%		-15.1%		-6.0%		-0.8%		0.8%	
	Russell 2000		20.7%	49	2.6%	66	-25.0%	64	-9.9%	70	-1.7%	87	2.4%	97	2.6%	
	Russell 2000 + 2.0%		21.2%		3.6%		-23.0%		-7.9%		0.3%		4.4%		4.6%	
	Performance Variance		1.3%		0.3%		-15.1%		-7.3%		-6.3%		-5.2%		-3.8%	
2.0%	State Street - formerly TCW	\$40,520,951	20.4%	51	1.9%	71	-32.2%	94	-13.5%	97	-6.7%	100	n/a		0.5%	Nov-01
	State Street - formerly TCW (Net)		20.4%		1.9%		-32.2%		-13.8%		-7.2%		n/a		-0.1%	
	Russell 2000		20.7%	49	2.6%	66	-25.0%	64	-9.9%	70	-1.7%	87	2.4%	97	3.6%	
	Russell 2000 + 2.0%		21.2%		3.6%		-23.0%		-7.9%		0.3%		4.4%		5.6%	
	Performance Variance		-0.8%		-1.8%		-9.2%		-5.9%		-7.5%		n/a		-5.7%	
2.9%	Rhumblin R2000	\$59,754,499	20.6%	49	2.8%	65	-24.6%	63	-9.7%	66	n/a		n/a		-3.2%	Dec-04
	Rhumblin R2000 (Net)		20.6%		2.7%		-24.7%		-9.8%		n/a		n/a		-3.2%	
	Russell 2000		20.7%	49	2.6%	66	-25.0%	64	-9.9%	70	-1.7%	87	2.4%	97	-3.4%	
	Russell 2000 + 2.0%		21.2%		3.6%		-23.0%		-7.9%		0.3%		4.4%		-1.4%	
	Performance Variance		-0.1%		0.1%		0.4%		0.1%		n/a		n/a		0.2%	
	ICC Small Cap Core Median		20.5%		4.4%		-22.2%		-7.8%		0.7%		8.3%			

# Performance Summary – International Equity

Weight in Fund		Ending Market Value	Last 3 Months	Rank	Year to-Date	Rank	Fiscal Year to-Date	Rank	Annualized Returns						Since Inception	Inception Date
									Three Years	Rank	Five Years	Rank	Ten Years	Rank		
25.1%	<b>Total International Equity</b>	<b>\$514,185,057</b>	<b>27.8%</b>	<b>18</b>	<b>15.8%</b>	<b>16</b>	<b>-29.8%</b>	<b>49</b>	<b>-4.7%</b>	<b>29</b>	<b>5.5%</b>	<b>25</b>	<b>6.8%</b>	<b>10</b>		
	MSCI EAFE Net		25.4%	44	8.0%	54	-31.4%	65	-8.0%	81	2.3%	86	1.2%	97		
	ICC Int'l Developed Equity Funds Median		24.5%		8.5%		-29.8%		-6.3%		4.0%		5.4%			
19.3%	<b>Total Developed International Equity</b>	<b>\$394,558,153</b>	<b>26.0%</b>	<b>31</b>	<b>11.1%</b>	<b>34</b>	<b>-30.9%</b>	<b>59</b>	<b>-6.8%</b>	<b>58</b>	<b>3.1%</b>	<b>71</b>	<b>4.3%</b>	<b>69</b>		
	MSCI EAFE Net		25.4%	44	8.0%	54	-31.4%	65	-8.0%	81	2.3%	86	1.2%	97		
3.8%	<b>AQR</b>	<b>\$76,963,514</b>	<b>26.5%</b>	<b>29</b>	<b>9.6%</b>	<b>42</b>	<b>-33.9%</b>	<b>75</b>	<b>-8.7%</b>	<b>89</b>	n/a		n/a		<b>-8.7%</b>	<b>Jul-06</b>
	AQR (Net)		26.2%		9.1%		-34.4%		-9.3%		n/a		n/a		-9.3%	
	MSCI EAFE Net		25.4%	44	8.0%	54	-31.4%	65	-8.0%	81	2.3%	86	1.2%	97	-8.0%	
	MSCI EAFE Net + 1.5%		25.8%		8.7%		-29.9%		-6.5%		3.8%		1.7%		-6.5%	
	Performance Variance		0.4%		0.4%		-4.5%		-2.8%		n/a		n/a		-2.8%	
8.0%	<b>Brandes</b>	<b>\$163,334,378</b>	<b>23.3%</b>	<b>58</b>	<b>4.7%</b>	<b>74</b>	<b>-24.7%</b>	<b>21</b>	<b>-5.9%</b>	<b>43</b>	<b>3.7%</b>	<b>57</b>	<b>6.4%</b>	<b>16</b>	<b>9.7%</b>	<b>Jan-97</b>
	Brandes (Net)		23.2%		4.4%		-25.1%		-6.3%		3.2%		5.9%		9.1%	
	MSCI EAFE Net		25.4%	44	8.0%	54	-31.4%	65	-8.0%	81	2.3%	86	1.2%	97	2.9%	
	MSCI EAFE Net + 1.5%		25.8%		8.7%		-29.9%		-6.5%		3.8%		1.7%		4.4%	
	Performance Variance		-2.6%		-4.3%		4.8%		0.2%		-0.6%		4.2%		4.7%	
7.5%	<b>William Blair</b>	<b>\$154,260,261</b>	<b>28.7%</b>	<b>13</b>	<b>19.6%</b>	<b>4</b>	<b>-35.1%</b>	<b>82</b>	<b>-6.6%</b>	<b>55</b>	<b>4.3%</b>	<b>41</b>	n/a		<b>6.6%</b>	<b>Feb-02</b>
	William Blair (Net)		28.5%		19.2%		-35.5%		-7.2%		3.6%		n/a		5.9%	
	MSCI ACWXUS Net		27.6%	19	13.9%	21	-30.9%	59	-5.8%	44	4.5%	38	2.5%	86	6.7%	
	MSCI ACWXUS Net + 1.5%		28.0%		14.7%		-29.4%		-4.3%		6.0%		3.0%		8.2%	
	Performance Variance		0.5%		4.5%		-6.1%		-2.9%		-2.4%		n/a		-2.2%	
	ICC Int'l Developed Mkts Equity Median		24.5%		8.5%		-29.8%		-6.3%		4.0%		5.4%			
5.8%	<b>Total Emerging Mkts Equity</b>	<b>\$119,626,904</b>	<b>34.1%</b>	<b>65</b>	<b>34.6%</b>	<b>54</b>	<b>-25.7%</b>	<b>46</b>	<b>2.8%</b>	<b>50</b>	<b>14.1%</b>	<b>61</b>	n/a			
	MSCI Emg Mkts Free Net		34.7%	55	36.0%	43	-28.1%	61	3.0%	49	14.7%	48	8.8%	85		
2.7%	<b>AllianceBernstein</b>	<b>\$54,726,402</b>	<b>31.2%</b>	<b>92</b>	<b>32.4%</b>	<b>69</b>	<b>-34.5%</b>	<b>89</b>	<b>0.2%</b>	<b>76</b>	<b>13.0%</b>	<b>82</b>	n/a		<b>15.9%</b>	<b>Sep-01</b>
	AllianceBernstein (Net)		30.9%		31.7%		-35.2%		-0.8%		11.9%		n/a		14.8%	
	MSCI Emg Mkts Free Net		34.7%	55	36.0%	43	-28.1%	61	3.0%	49	14.7%	48	8.8%	85	15.5%	
	MSCI Emg Mkts Free Net + 2.0%		35.2%		37.0%		-26.1%		5.0%		16.7%		10.8%		17.5%	
	Performance Variance		-4.3%		-5.3%		-9.2%		-5.8%		-4.9%		n/a		-2.7%	
3.2%	<b>The Boston Co.</b>	<b>\$64,900,502</b>	<b>36.7%</b>	<b>39</b>	<b>36.5%</b>	<b>38</b>	<b>-16.2%</b>	<b>13</b>	<b>5.3%</b>	<b>34</b>	<b>15.1%</b>	<b>36</b>	n/a		<b>17.4%</b>	<b>Sep-01</b>
	The Boston Co. (Net)		36.4%		35.9%		-17.1%		4.2%		13.8%		n/a		16.2%	
	MSCI Emg Mkts Free Net		34.7%	55	36.0%	43	-28.1%	61	3.0%	49	14.7%	48	8.8%	85	15.5%	
	MSCI Emg Mkts Free Net + 2.0%		35.2%		37.0%		-26.1%		5.0%		16.7%		10.8%		17.5%	
	Performance Variance		1.2%		-1.1%		8.9%		-0.8%		-2.9%		n/a		-1.3%	
	ICC Int'l Emerging Mkts Equity Median		35.6%		35.0%		-26.3%		2.9%		14.7%		11.5%			



# Performance Summary – Fixed Income

Weight in Fund		Ending Market Value	Last 3 Months	Rank	Year to-Date	Rank	Fiscal Year to-Date	Rank	Annualized Returns						Since Inception	Inception Date
									Three Years	Rank	Five Years	Rank	Ten Years	Rank		
30.7%	<b>Total Domestic Fixed Income</b>	<b>\$628,740,048</b>	<b>5.7%</b>	<b>37</b>	<b>5.3%</b>	<b>52</b>	<b>5.1%</b>	<b>45</b>	<b>n/a</b>		<b>n/a</b>		<b>n/a</b>			
	BC Aggregate		1.8%	71	1.9%	79	6.1%	36	6.4%	37	5.0%	46	6.0%	56		
	ICC Fixed Income Funds Median		4.5%		5.4%		4.6%		5.9%		5.0%		6.1%			
17.8%	<b>Total Core Fixed Income</b>	<b>\$363,579,046</b>	<b>3.9%</b>	<b>55</b>	<b>4.9%</b>	<b>60</b>	<b>4.6%</b>	<b>61</b>	<b>5.0%</b>	<b>76</b>	<b>4.7%</b>	<b>64</b>	<b>5.8%</b>	<b>74</b>		
	BC Aggregate		1.8%	83	1.9%	87	6.1%	45	6.4%	42	5.0%	52	6.0%	65		
13.9%	<b>Seix</b>	<b>\$284,474,756</b>	<b>3.3%</b>	<b>62</b>	<b>5.0%</b>	<b>59</b>	<b>9.7%</b>	<b>8</b>	<b>7.5%</b>	<b>17</b>	<b>5.8%</b>	<b>18</b>	<b>n/a</b>		<b>6.5%</b>	<b>Sep-99</b>
	Seix (Net)		3.2%		4.9%		9.5%		7.3%		5.6%		n/a		6.3%	
	BC Aggregate		1.8%	83	1.9%	87	6.1%	45	6.4%	42	5.0%	52	6.0%	65	6.1%	
	BC Aggregate + 0.5%		1.9%		2.2%		6.6%		6.9%		5.5%		6.5%		6.6%	
	Performance Variance		1.3%		2.7%		2.9%		0.4%		0.1%		n/a		-0.3%	
3.9%	<b>WAMCO</b>	<b>\$79,104,290</b>	<b>6.4%</b>	<b>23</b>	<b>6.3%</b>	<b>37</b>	<b>1.0%</b>	<b>88</b>	<b>2.9%</b>	<b>93</b>	<b>3.6%</b>	<b>87</b>	<b>n/a</b>		<b>5.0%</b>	<b>Jul-02</b>
	WAMCO (Net)		6.2%		6.1%		0.7%		2.7%		3.4%		n/a		4.8%	
	BC Aggregate		1.8%	83	1.9%	87	6.1%	45	6.4%	42	5.0%	52	6.0%	65	5.1%	
	BC Aggregate + 0.5%		1.9%		2.2%		6.6%		6.9%		5.5%		6.5%		5.6%	
	Performance Variance		4.3%		4.0%		-5.8%		-4.2%		-2.1%		n/a		-0.8%	
	ICC Core Fixed Income Median		4.3%		5.4%		5.7%		6.2%		5.1%		6.2%			
5.3%	<b>Total Long Duration Fixed Income</b>	<b>\$108,599,597</b>	<b>9.2%</b>	<b>26</b>	<b>1.9%</b>	<b>81</b>	<b>7.2%</b>	<b>28</b>	<b>7.2%</b>	<b>25</b>	<b>n/a</b>		<b>n/a</b>			
	BC US Gov't/Credit Long		2.8%	73	-3.5%	94	5.4%	40	6.4%	37	5.6%	35	6.9%	26		
5.3%	<b>Income Research</b>	<b>\$108,599,597</b>	<b>9.2%</b>	<b>26</b>	<b>1.9%</b>	<b>81</b>	<b>7.2%</b>	<b>28</b>	<b>7.2%</b>	<b>25</b>	<b>n/a</b>		<b>n/a</b>		<b>4.3%</b>	<b>Jan-05</b>
	Income Research (Net)		9.2%		1.8%		6.9%		6.9%		n/a		n/a		4.0%	
	BC US Gov't/Credit Long		2.8%	73	-3.5%	94	5.4%	40	6.4%	37	5.6%	35	6.9%	26	3.7%	
	BC US Gov't/Credit Long + 0.5%		2.9%		-3.3%		5.9%		6.9%		6.1%		7.4%		4.2%	
	Performance Variance		6.3%		5.1%		1.0%		0.1%		n/a		n/a		-0.2%	
	ICC Long Duration Fixed Income Median		6.5%		5.7%		3.7%		5.9%		5.0%		6.2%			
5.0%	<b>Total Credit<sup>1</sup></b>	<b>\$102,932,921</b>	<b>n/a</b>		<b>n/a</b>		<b>n/a</b>		<b>n/a</b>		<b>n/a</b>		<b>n/a</b>			
	ML US HY BB/B		18.0%		25.6%		-3.4%		2.1%		4.1%		4.4%			
2.5%	<b>Seix<sup>1</sup></b>	<b>\$51,370,424</b>	<b>n/a</b>		<b>n/a</b>		<b>n/a</b>		<b>n/a</b>		<b>n/a</b>		<b>n/a</b>		<b>2.7%</b>	<b>Apr-09</b>
	Seix (Net)		n/a		n/a		n/a		n/a		n/a		n/a		2.7%	
	CSFB Leveraged Loan		18.6%		27.1%		-7.8%		-1.4%		1.4%		n/a		9.8%	
	CSFB Leveraged Loan + 1.5%		19.0%		27.8%		-6.3%		0.1%		2.9%		n/a		11.3%	
	Performance Variance		n/a		n/a		n/a		n/a		n/a		n/a		-8.6%	
2.5%	<b>Mackay Shields<sup>1</sup></b>	<b>\$51,562,497</b>	<b>n/a</b>		<b>n/a</b>		<b>n/a</b>		<b>n/a</b>		<b>n/a</b>		<b>n/a</b>		<b>3.1%</b>	<b>Apr-09</b>
	Mackay Shields (Net)		n/a		n/a		n/a		n/a		n/a		n/a		3.1%	
	ML US HY BB/B		18.0%		25.6%		-3.4%		2.1%		4.1%		4.4%		8.2%	
	ML US HY BB/B + 1.5%		18.4%		26.3%		-1.9%		3.6%		5.6%		5.9%		9.7%	
	Performance Variance		n/a		n/a		n/a		n/a		n/a		n/a		-6.6%	
2.6%	<b>Total Opportunistic</b>	<b>\$53,628,484</b>	<b>16.7%</b>		<b>16.9%</b>		<b>5.8%</b>		<b>n/a</b>		<b>n/a</b>		<b>n/a</b>			
	ML US HY BB/B Constrained		18.0%		25.5%		-3.1%		2.2%		4.0%		4.6%			
2.6%	<b>PIMCO DISCO</b>	<b>\$53,628,484</b>	<b>16.7%</b>		<b>16.9%</b>		<b>5.8%</b>		<b>n/a</b>		<b>n/a</b>		<b>n/a</b>		<b>5.8%</b>	<b>Jul-08</b>
	PIMCO DISCO (Net)		16.6%		16.4%		4.9%		n/a		n/a		n/a		4.9%	
	ML US HY BB/B Constrained		18.0%		25.5%		-3.1%		2.2%		4.0%		4.6%		-8.4%	
	Performance Variance		-1.3%		-8.6%		9.0%		n/a		n/a		n/a		14.3%	

<sup>1</sup>The Seix Credit Dislocation portfolio and the MacKay Shields U.S. High Yield portfolio were funded April 30th, 2009.

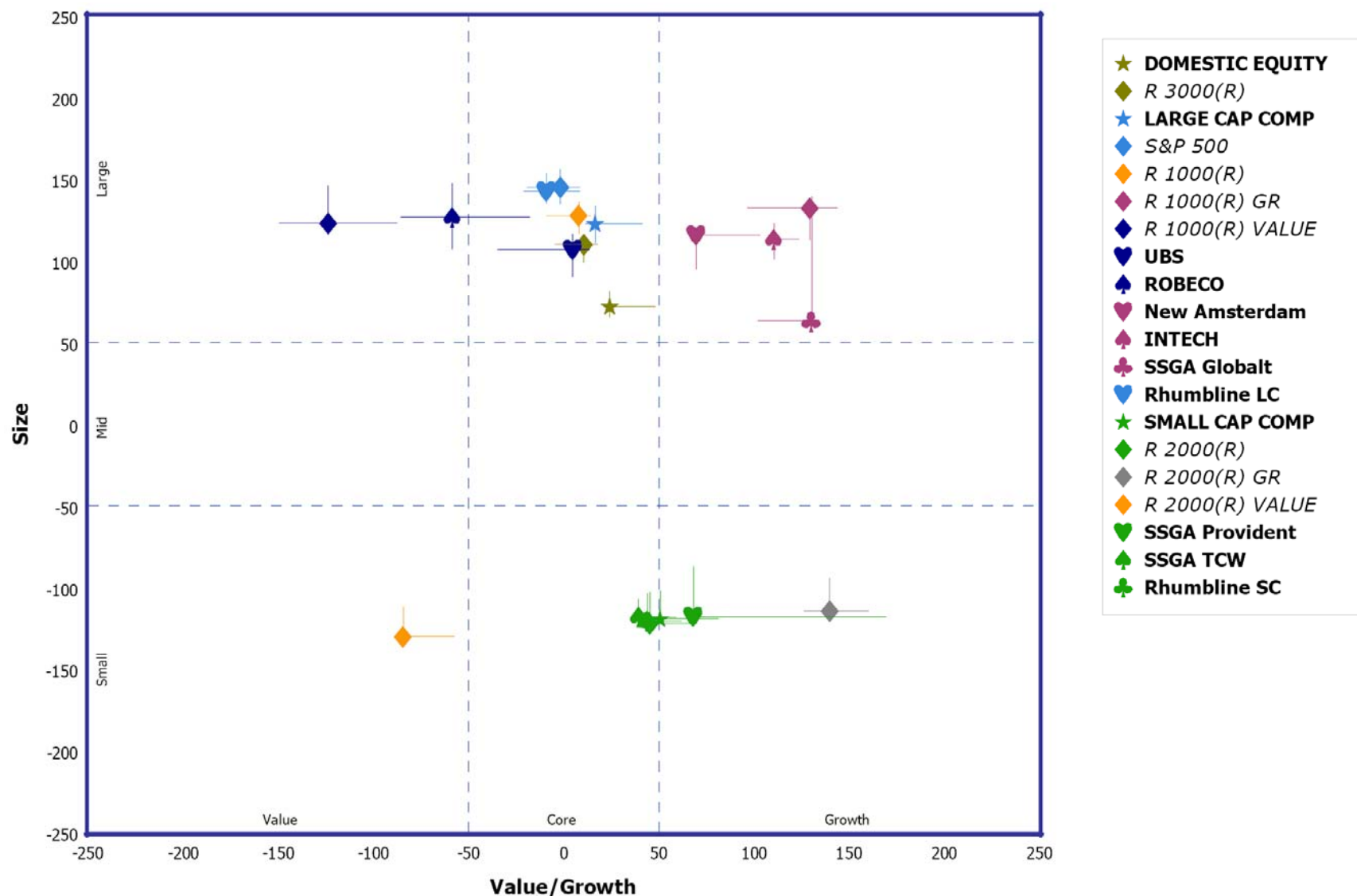
# Performance Summary – Alternatives

Weight in Fund		Ending Market Value	Last 3 Months	Rank	Year to-Date	Rank	Fiscal Year to-Date	Rank	Annualized Returns						Since Inception	Inception Date
									Three Years	Rank	Five Years	Rank	Ten Years	Rank		
9.2%	<b>Total Real Estate</b>	<b>\$188,250,311</b>	<b>-5.7%</b>	<b>62</b>	<b>-9.0%</b>	<b>29</b>	<b>-12.3%</b>	<b>18</b>	<b>3.3%</b>	<b>18</b>	<b>7.0%</b>	<b>31</b>	<b>7.0%</b>	<b>63</b>		
	<i>NCREIF Property Index</i>		-5.2%	62	-12.1%	34	-19.6%	26	1.0%	26	7.6%	29	8.5%	36		
4.9%	<b>Kennedy Associates</b>	<b>\$99,438,702</b>	<b>-8.5%</b>	<b>74</b>	<b>-7.9%</b>	<b>28</b>	<b>-6.1%</b>	<b>14</b>	<b>7.0%</b>	<b>10</b>	<b>9.3%</b>	<b>23</b>	n/a		<b>9.4%</b>	<b>Sep-03</b>
	Kennedy Associates (Net)		-8.5%		-8.0%		-6.2%		6.5%		8.7%		n/a		8.8%	
	<i>NCREIF Property Index</i>		-5.2%	62	-12.1%	34	-19.6%	26	1.0%	26	7.6%	29	8.5%	36	8.1%	
	<i>NCREIF Property Index + 1.5%</i>		-4.8%		-11.4%		-18.1%		2.5%		9.1%		10.0%		9.6%	
	<b>Performance Variance</b>		<b>-3.7%</b>		<b>3.4%</b>		<b>11.9%</b>		<b>4.0%</b>		<b>-0.4%</b>		<b>n/a</b>		<b>-0.8%</b>	
2.2%	<b>MIG REALTY</b>	<b>\$45,494,647</b>	<b>1.8%</b>	<b>16</b>	<b>2.9%</b>	<b>9</b>	<b>-3.0%</b>	<b>12</b>	<b>3.8%</b>	<b>17</b>	<b>7.3%</b>	<b>30</b>	<b>8.6%</b>	<b>33</b>	<b>7.6%</b>	<b>Dec-85</b>
	MIG REALTY (Net)		1.7%		2.7%		-3.7%		3.3%		6.7%		8.1%		6.7%	
	<i>NCREIF Property Index</i>		-5.2%	62	-12.1%	34	-19.6%	26	1.0%	26	7.6%	29	8.5%	36	7.2%	
	<i>NCREIF Property Index + 1.5%</i>		-4.8%		-11.4%		-18.1%		2.5%		9.1%		10.0%		8.7%	
	<b>Performance Variance</b>		<b>6.5%</b>		<b>14.1%</b>		<b>14.4%</b>		<b>0.8%</b>		<b>-2.4%</b>		<b>-1.9%</b>		<b>-2.0%</b>	
2.1%	<b>MEPT</b>	<b>\$43,316,962</b>	<b>-6.3%</b>	<b>70</b>	<b>-21.1%</b>	<b>63</b>	<b>-30.5%</b>	<b>54</b>	<b>-4.0%</b>	<b>57</b>	<b>n/a</b>		<b>n/a</b>		<b>-4.0%</b>	<b>Jul-06</b>
	MEPT (Net)		-6.3%		-21.2%		-30.9%		-4.8%		n/a		n/a		-4.8%	
	<i>NCREIF Property Index</i>		-5.2%	62	-12.1%	34	-19.6%	26	1.0%	26	7.6%	29	8.5%	36	1.0%	
	<i>NCREIF Property Index + 1.5%</i>		-4.8%		-11.4%		-18.1%		2.5%		9.1%		10.0%		2.5%	
	<b>Performance Variance</b>		<b>-1.5%</b>		<b>-9.8%</b>		<b>-12.8%</b>		<b>-7.2%</b>		<b>n/a</b>		<b>n/a</b>		<b>-7.2%</b>	
	<b>ICC Real Estate Funds Median</b>		<b>0.0%</b>		<b>-16.4%</b>		<b>-29.3%</b>		<b>-2.8%</b>		<b>5.5%</b>		<b>8.0%</b>			
3.7%	<b>Total Private Equity</b>	<b>\$75,952,425</b>	<b>-4.7%</b>		<b>-13.4%</b>		<b>-14.6%</b>		<b>3.5%</b>		<b>n/a</b>		<b>n/a</b>			
	<i>Russell 2000</i>		20.7%		2.6%		-25.0%		-9.9%		-1.7%		2.4%			
	<i>S&amp;P 500</i>		15.9%		3.2%		-26.2%		-8.2%		-2.2%		-2.2%			
	<i>S&amp;P 500 + 3.0%</i>		16.7%		4.7%		-23.2%		-5.2%		0.8%		0.8%			
	<b>Performance Variance</b>		<b>-21.4%</b>		<b>-18.0%</b>		<b>8.6%</b>		<b>8.7%</b>		<b>n/a</b>		<b>n/a</b>			
0.6%	<b>Total Cash<sup>1</sup></b>	<b>\$12,296,548</b>	<b>0.1%</b>		<b>0.1%</b>		<b>1.0%</b>		<b>n/a</b>		<b>n/a</b>		<b>n/a</b>			
	<i>90 day t-bills</i>		0.1%		0.1%		1.0%		3.2%		3.2%		3.2%			
-0.5%	<b>Securities Lending<sup>2</sup></b>	<b>(\$10,709,985)</b>	--		--		--		--		--		--			

<sup>1</sup>NEPC began calculating cash returns as of April 1st, 2008 due to inconsistent historical data received from prior consultant

<sup>2</sup>Unrealized loss in the Fund's securities lending cash collateral reinvestment pool.

# Equity Style Analysis (as of 6/30/2009)



Style assignment based on Morningstar © Size and VCG Scores and Morningstar Style Box™ methodology

# Manager Allocation (as of 6/30/2009)

	Market Value	Weight in Fund	Target Weight	Over/ Under%	Fund Vehicle
<b>Total Composite</b>	<b>\$2,046,869,889</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	
<b>Total Domestic Equity</b>	<b>\$638,155,485</b>	<b>31.2%</b>	<b>34.0%</b>	<b>-2.8%</b>	
<b>Total Large Cap Equity</b>	<b>\$502,755,965</b>	<b>24.6%</b>	<b>27.0%</b>	<b>-2.4%</b>	
UBS	\$85,962,625	4.2%	5.0%	-0.8%	Separately Managed
Robeco	\$99,206,112	4.8%	5.0%	-0.2%	Separately Managed
New Amsterdam	\$102,454,360	5.0%	5.0%	0.0%	Separately Managed
INTECH	\$26,714,830	1.3%	2.5%	-1.2%	Separately Managed
State Street (formerly Globalt)	\$32,924,759	1.6%	2.5%	-0.9%	Separately Managed
Rhumblin	\$155,493,279	7.6%	7.0%	0.6%	Separately Managed
<b>Total Small Cap Equity</b>	<b>\$135,399,520</b>	<b>6.6%</b>	<b>7.0%</b>	<b>-0.4%</b>	
State Street (formerly TCW)	\$40,520,951	2.0%	2.5%	-0.5%	Separately Managed
State Street (formerly Provident)	\$35,124,070	1.7%	2.5%	-0.8%	Separately Managed
Rhumblin	\$59,754,499	2.9%	2.0%	0.9%	Separately Managed
<b>Total Developed Int'l Equity</b>	<b>\$394,558,153</b>	<b>19.3%</b>	<b>20.0%</b>	<b>-0.7%</b>	
AQR	\$76,963,514	3.8%	4.0%*	-0.2%	Commingled
Brandes	\$163,334,378	8.0%	8.0%*	0.0%	Separately Managed
William Blair	\$154,260,261	7.5%	8.0%*	-0.5%	Separately Managed
<b>Total Emerging Mkts Equity</b>	<b>\$119,626,904</b>	<b>5.8%</b>	<b>5.0%</b>	<b>0.8%</b>	
The Boston Company	\$64,900,502	3.2%	2.5%*	0.7%	Commingled
AllianceBernstein	\$54,726,402	2.7%	2.5%*	0.2%	Commingled
<b>Total Fixed Income</b>	<b>\$628,740,048</b>	<b>30.7%</b>	<b>24.0%</b>	<b>6.7%</b>	
<b>Total Core Fixed Income</b>	<b>\$363,579,046</b>	<b>17.8%</b>	<b>20.0%</b>	<b>-2.2%</b>	
WAMCO	\$79,104,290	3.9%	10.0%*	-3.1%	Separately Managed
Seix	\$284,474,756	13.9%	10.0%*	6.9%	Separately Managed
<b>Total Long Duration Fixed Income</b>	<b>\$108,599,597</b>	<b>5.3%</b>	<b>4.0%</b>	<b>1.3%</b>	
IR&M	\$108,599,597	5.3%	4.0%	1.3%	Separately Managed
<b>Total Credit</b>	<b>\$102,932,921</b>	<b>5.0%</b>	<b>0.0%</b>	<b>5.0%</b>	
Seix Credit Dislocation	\$51,370,424	2.5%	--	--	Separately Managed
Mackay Shields US HY Active	\$51,562,497	2.5%	--	--	Separately Managed
<b>Total Opportunistic</b>	<b>\$53,628,484</b>	<b>2.6%</b>	<b>0.0%</b>	<b>2.6%</b>	
PIMCO DISCO	\$53,628,484	2.6%	--	--	Commingled
<b>Total Real Estate</b>	<b>\$188,250,311</b>	<b>9.2%</b>	<b>12.0%</b>	<b>-2.8%</b>	
Kennedy Associates	\$99,438,702	4.9%	--	--	Separately Managed
MEPT	\$43,316,962	2.1%	--	--	Commingled
MIG Realty	\$45,494,647	2.2%	--	--	Separately Managed
<b>Total Private Equity</b>	<b>\$75,952,425</b>	<b>3.7%</b>	<b>5.0%</b>	<b>-1.3%</b>	<b>Commingled</b>
Cash	\$12,296,548	0.6%	0.0%	0.6%	
Unrealized Loss - Securities Lending	(\$10,709,985)	(0.5%)	--	--	

Note: Individual manager target weights for Developed Int'l Equity, Emerging Int'l Equity, and Core Domestic Fixed Income managers are not explicitly stated in the Investment Policy Statement. These are NEPC's assumptions based on current asset allocation weights.

# Manager Summary

Manager	Organization	Investment Process & Product	Performance
UBS Asset Management (May-93)	There are no organizational updates to report.	Team and process has been stable.	<p>Net of fee performance trails the Russell 3000 index for the one-, three-, and five-year time periods. However, the portfolio has outperformed the index by 1.2% over the ten-year period and by 0.4% since inception, with slightly less volatility than the index. The portfolio has fared well so far in 2009, outperforming the index by 2.5% and ranking in the 12<sup>th</sup> percentile of ICC Large Cap Value managers for the period. The portfolio benefited from the market rebound during the second quarter, as stock selection and industry allocation were both positive contributors to performance. At the industry level, an overweight position to autos and underweight allocation to food and staples contributed to performance. The portfolio did not own Bank of America, which proved to be a detractor from performance for the period. UBS stayed true to their investment process throughout this most recent economic downturn, and continue to see attractive opportunities (despite their belief that there are still significant economic challenges ahead) as the gap between prices in general and their estimates of fair value are still relatively wide.</p> <p>SJP&amp;F staff placed UBS on the watch list in 2Q 2009.</p>
Robeco/Boston Partners (July-96)	There are no organizational updates to report.	Team and process has been stable.	There are no performance issues to report.
New Amsterdam Partners (January-95)	There are no organizational updates to report.	Team and process has been stable.	There are no performance issues to report.

# Manager Summary

Manager	Organization	Investment Process & Product	Performance
INTECH (November-03)	<p>In early May 2009, INTECH announced that it had settled with the SEC on its 2005 findings that INTECH did not adequately disclose a potential conflict of interest in its proxy voting procedures that were in place from 2003-2006. They've agreed to pay a civil fine of \$300,000, as well as continue to comply with the proxy voting procedures initiated in 2006.</p> <p>Because INTECH does not employ fundamental analysis, they have always outsourced the proxy voting in their portfolios. At the time of the SEC findings, INTECH was using Institutional Shareholder Services Proxy Voting Services (ISS-PVS), which is now known as ISS Taft-Hartley Guidelines. The SEC felt that INTECH should have disclosed a potential conflict of interest, that using ISS Taft-Hartley Guidelines might help them with their union affiliated business. In 2006, INTECH expanded its proxy voting options to five, giving clients the ability to choose which proxy voting procedures they want to use.</p>	<p>Team and process has been stable.</p> <p>In mid-January 2009, INTECH requested a change to their current investment management guidelines. Current guidelines state that individual security weights will be the lesser of 10x or 2.5% more the benchmark weight. The request was to eliminate the language regarding 10x the benchmark weight and state that individual security weights will not be more than 2.5% more than the benchmark weight. NEPC feels the new wording is appropriate, as it allows the manager to place the same overweight position (index weight + 2.5%) on smaller weighted index names as it does to larger weighted index names. Previously, INTECH was limited to 10x the benchmark weight for smaller weighted index names. Please see separate memo with NEPC's recommendation to grant INTECH's request.</p>	<p>Net of fee performance trails the Russell 1000 Growth index for all time periods reported. Relative performance has not fared well either, as the portfolio ranks in the bottom third of ICC Large Cap Growth managers for periods longer than one year. While the portfolio trails the index for the most recent quarter and calendar year-to-date, INTECH's portfolio has done fairly well on a relative basis, ranking above median. Active large cap growth managers have had a difficult time outperforming the index through the first half of 2009. The Russell 1000 Growth index ranks in the 27<sup>th</sup> percentile for the quarter and the 34<sup>th</sup> percentile calendar year-to-date. INTECH's volatility capture strategy depends on their ability to forecast stocks' relative volatilities and correlations. Many quantitative investment managers have struggled to produce alpha over the past year as 1) correlations and volatility of stocks spiked through the end of 2008, making models less relevant and 2) this most recent rally in the market has been thought of as a "junk" rally, based on technical factors that investors are seeing, and not a result of positive sentiment toward the underlying fundamentals of the companies.</p> <p>SJP&amp;F staff placed INTECH on probation in 2Q 2009.</p>

# Manager Summary

Manager	Organization	Investment Process & Product	Performance
Rhumblin Advisers Lg Cap (April-92)	There are no organizational updates to report.	Team and process has been stable.	There are no performance issues to report.
State Street Global Markets (formerly Globalt) (November-07)	There are no organizational updates to report.	State Street Global Markets is managing assets on an interim basis until a search is conducted to replace Globalt in the Large Cap Growth space.	There are no performance issues to report.
Rhumblin Advisers Sm Cap (December-04)	There are no organizational updates to report.	Team and process has been stable.	There are no performance issues to report.
State Street Global Markets (formerly TCW) (February-08)	There are no organizational updates to report.	State Street Global Markets is managing assets on an interim basis until a search is conducted to replace TCW in the Small Cap Value space.	There are no performance issues to report.
State Street Global Markets (formerly Provident) (September-08)	There are no organizational updates to report.	State Street Global Markets is managing assets on an interim basis until a search is conducted to replace Provident in the Small Cap Growth space.	There are no performance issues to report.

# Manager Summary

Manager	Organization	Investment Process & Product	Performance
AQR Capital Management (July-06)	There are no organizational updates to report.	Team and process has been stable.	AQR outperformed the MSCI EAFE index by 0.4%, net of fees, during the second quarter, but is still working to recover the losses sustained in 3Q08, and is trailing the index over the one- and three-year time periods. On a relative basis, the fund ranks in the bottom third of ICC Int'l Developed Equity managers for the one- and three-year time periods, but does rank in the 29 <sup>th</sup> percentile for the quarter, and above median calendar year-to-date. Stock selection and currency have been positive contributors to performance during the first half of 2009, while country selection has detracted during the period. Positive stock selection in Japan and Continental Europe contributed to performance during the quarter, while the UK was a slight detractor. Valuation factors were able to compensate the drag from momentum factors during the period. Underweight positions in Australia and Germany, along with an overweight position to Spain, contributed to a modest contribution from country selection. An overweight position to the Australian dollar along with the model's negative view on the Euro contributed to a small contribution from currency.
Brandes Investment Partners (January-97)	There are no organizational updates to report.	Team and process has been stable.	There are no performance issues to report.



# Manager Summary

Manager	Organization	Investment Process & Product	Performance
William Blair (February-02)	There are no organizational updates to report.	Team and process has been stable.	William Blair's Non-U.S. Equity portfolio is lagging the MSCI ACW ex-U.S. Index for the one-, three-, five-year and inception-to-date time periods. The portfolio has performed strongly through the first half of 2009, outperforming the index by 5.3% and ranking in the 4 <sup>th</sup> percentile of ICC International Developed Equity Funds. The portfolio outperformed the index by 0.9% during the second quarter, ranking in the 13 <sup>th</sup> percentile of its peers. The portfolio's investment guidelines allow an allocation to emerging markets equities of 35% or 2x the index weight, whichever is larger. The portfolio increased its emerging markets position from 28% as of March 31, 2009, to 31% as of June 30, 2009 (the index weight in emerging markets equities as of June 30, 2009 was 20.5%, up from 19.5% as of March 31, 2009). The portfolio's allocation to emerging markets equities contributed to the portfolio's strong absolute and relative results during the second quarter, when the MSCI Emerging Markets Index was up 34.7% compared to the MSCI EAFE Index, which was up 25.4%. However, the overweight to emerging markets equities has hurt the portfolio's results over the past year, as emerging market equities underperformed developed international equities in the second half of 2008. During periods when emerging markets outperform international developed equity markets, we would expect the portfolio to perform well on an absolute and relative basis, and in periods when the opposite is true, the portfolio will more than likely do worse than its index and peers.

# Manager Summary

Manager	Organization	Investment Process & Product	Performance
The Boston Company (September-01)	There are no organizational updates to report. .	Team and process has been stable.	There are no performance issues to report.  SJP&F staff moved The Boston Company off of the probation list and onto the watch list in 2Q 2009.
AllianceBernstein (September-01)	There are no organizational updates to report.	Team and process has been stable.	<p>Net of fee performance trails the MSCI Emerging Markets Free index over all reported time periods. On a relative basis, the fund ranks in the bottom third of its peers for all time periods. During the first quarter, the portfolio began moving away from defensive names towards more cyclical stocks, which proved to be the right move as more cyclical sectors such as financials, consumer discretionary, energy and materials led the way during the second quarter. However, poor stock selection in India, China and Korea contributed the most to overall poor stock selection, which is the main reason for the portfolio's underperformance during the second quarter. Country selection was slightly negative for the quarter. AllianceBernstein has a history of going through periods of underperformance such as this, but historically have been able to dig themselves out of any holes they've created over complete market cycles.</p> <p>SJP&amp;F staff placed AllianceBernstein on probation in 3Q 2007.</p>

# Manager Summary

Manager	Organization	Investment Process & Product	Performance
Seix Investment Advisers (September-99)	There are no organizational updates to report.	Team and process has been stable.	There are no performance issues to report.
WAMCO (July-02)	<p>In late March 2009, WAMCO announced it was reducing the size of its staff by 11%. This has been a common occurrence among investment managers in the current environment. However, no senior management positions were terminated, and few investment professionals were affected. In fact, WAMCO has actually been adding to its credit research capabilities in the financials area. Fewer than 10 investment professionals were affected by this most recent announcement, including one credit analyst, a portfolio manager in the custom strategies group, and the remaining were junior staff. One of fifteen client service professionals was let go, and the remaining turnover took place in IT, Operations and other support areas. Also of note is the fact that WAMCO is not initiating a hiring freeze. In fact, they had recently hired two credit analysts at the time of this announcement, along with an additional portfolio manager in New York, who began May 1, 2009.</p>	Team and process has been stable.	<p>Net of fee performance trails the Barclays Capital Aggregate Bond index for the one-, three-, five-year and inception-to-date time periods. On a relative basis, the portfolio has not performed well, ranking in the bottom third of ICC Core Bond managers for all time periods longer than one year. Over the past year and a half, WAMCO was hurt by illiquidity in the credit markets, as there was no market for its positions in spread sectors and valuations of these securities continued to decline. However, they had a strong second quarter, outperforming the index by 4.4%, ranking in the top quartile of its peers. They've seen an improvement in performance year-to-date, principally due to the rebound in investment grade credit, high yield bond positions and commercial mortgage-backed securities. An overweight position to financials contributed to performance, as spreads came in considerably in those sectors during April and May. Non-agency mortgage-backed securities, which represent the illiquid securitized bond portion of the portfolio, have seen some improvement, but were not a large contributor to relative performance during the quarter. The Federal Government's announcement of PPIP and TALF II are encouraging signs for the outlook in this particular market, as the legacy real estate related securities that are targeted by these programs include the markets where Western's portfolio is invested. However, the real estate market, which provides the asset base backing these securities, is still declining, which clouds the timing and certainty of recovery.</p> <p>SJP&amp;F staff placed WAMCO on the watch list in 4Q 2008.</p>

# Manager Summary

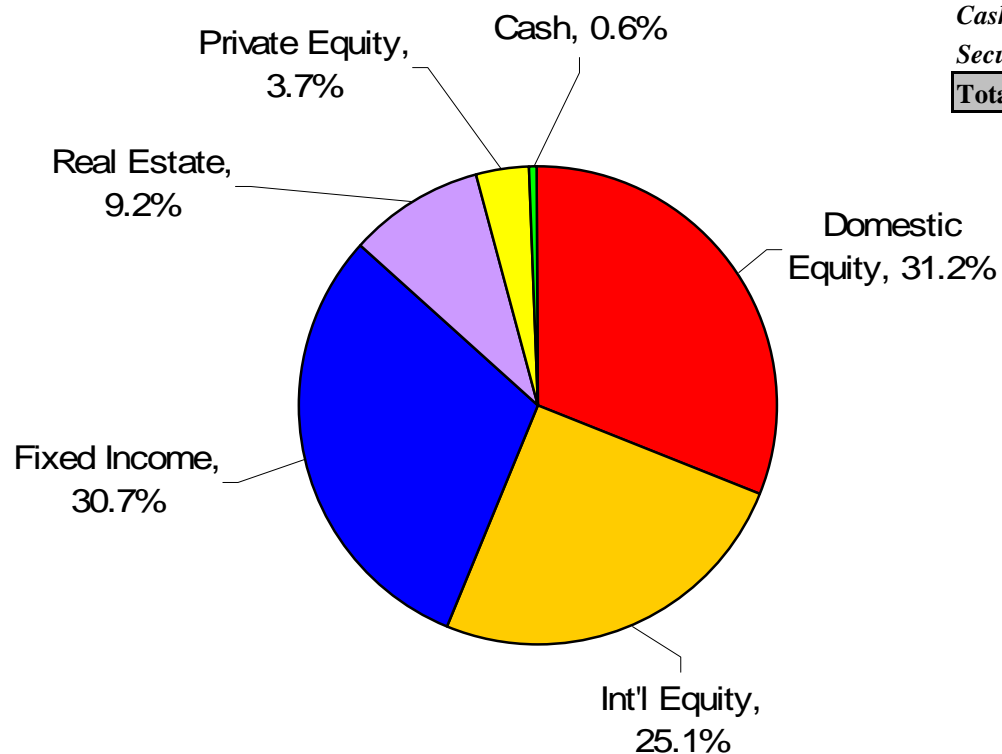
Manager	Organization	Investment Process & Product	Performance
Income Research & Management (January-05)	There are no organizational updates to report.	Team and process has been stable.	There are no performance issues to report.
PIMCO (July-08)	There are no organizational updates to report.	Team and process has been stable.	<p>The Distressed Senior Credit Opportunities Fund (DiSCO) was launched June 30<sup>th</sup>, 2008, seeking to take advantage of liquidity distress in assets high in the capital structure across collateral types. The fund returned 16.6%, net of fees, during the second quarter, and is now up 5.8% since its inception. PIMCO's willingness to buy and hold defensive, low leverage securities that are exposed to liquidity risk (not credit risk) finally paid off during the quarter, as government backed programs, such as TALF and the Agency MBS Purchase Program provided improvements in systemic liquidity. The fund has been able to continue to take attractive positions with relatively low leverage. As of 6/30/2009, leverage in the portfolio was 1.66x (the target range for the fund is 3-5x), as they now believe they can hit their return targets with little to no leverage. The fund retained its defensive positioning during 2Q09, shifting the portfolio towards more cash bonds. While the liquidity provided by the government backed programs has increased liquidity, the fund has been focused on reducing liquidity and counterparty risk. Also, yields on many senior cash bonds have been attractive, on an unlevered basis, allowing the fund to reach its return targets without the use of additional leverage. The fund called 10% of the committed capital during April, leaving 15% of the capital to be called. San Jose P&amp;F committed \$60 Million to the PIMCO DiSCO fund in July 2008.</p>

# Manager Summary

Manager	Organization	Investment Process & Product	Performance
Seix Credit Dislocation (April-09)	There are no organizational updates to report.	Team and process has been stable.	The Seix Credit Dislocation portfolio was funded in April 2009. It is still too early to appropriately assess the performance of the portfolio.
Mackay Shields (April-09)	There are no organizational updates to report.	Team and process has been stable.	The Mackay Shields US High Yield portfolio was funded in April 2009. It is still too early to appropriately assess the performance of the portfolio.

# Appendix

# Total Composite

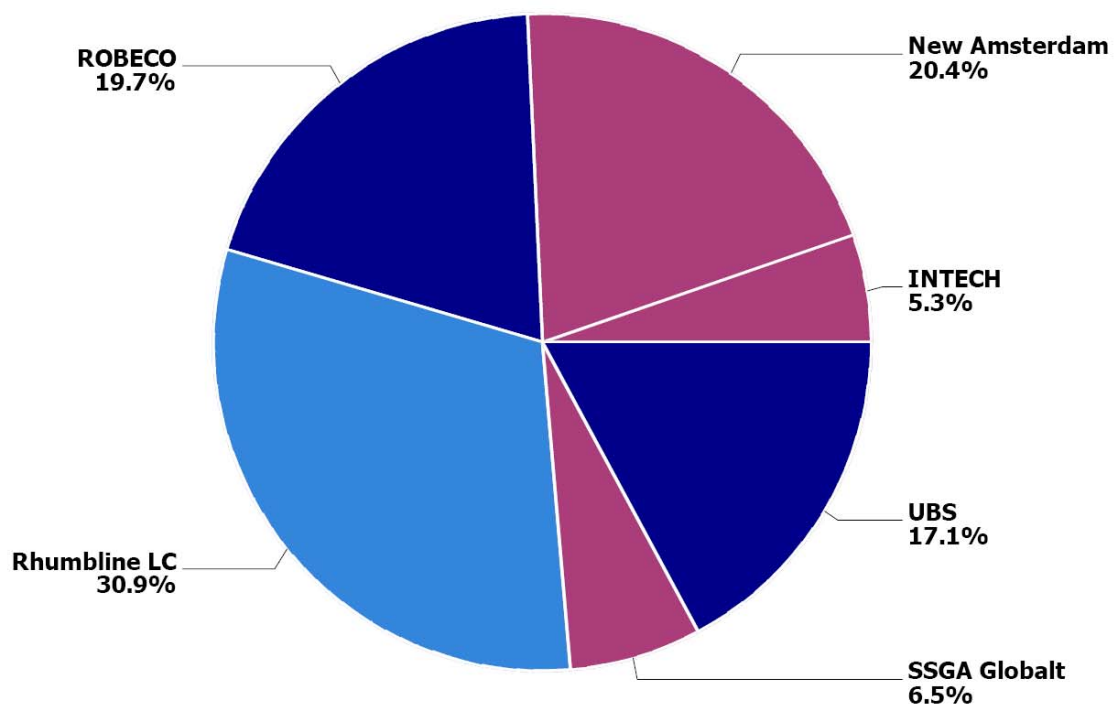


Manager Type	Market Value	Current %
<i>Domestic Equity</i>	\$ 638,155,485	31.2%
<i>Int'l Equity</i>	\$ 514,185,057	25.1%
<i>Fixed Income</i>	\$ 628,740,048	30.7%
<i>Real Estate</i>	\$ 188,250,311	9.2%
<i>Private Equity</i>	\$ 75,952,425	3.7%
<i>Cash</i>	\$ 12,296,548	0.6%
<i>Securities Lending<sup>1</sup></i>	\$ (10,709,985)	-0.5%
<b>Total</b>	<b>\$ 2,046,869,889</b>	<b>100%</b>

<sup>1</sup>Unrealized losses in the Fund's securities lending cash collateral reinvestment pool.

Note: Total allocation in pie charts adds to 100.5% due to the inability to reflect the negative allocation resulting from the recognition of the unrealized loss in the securities lending program.

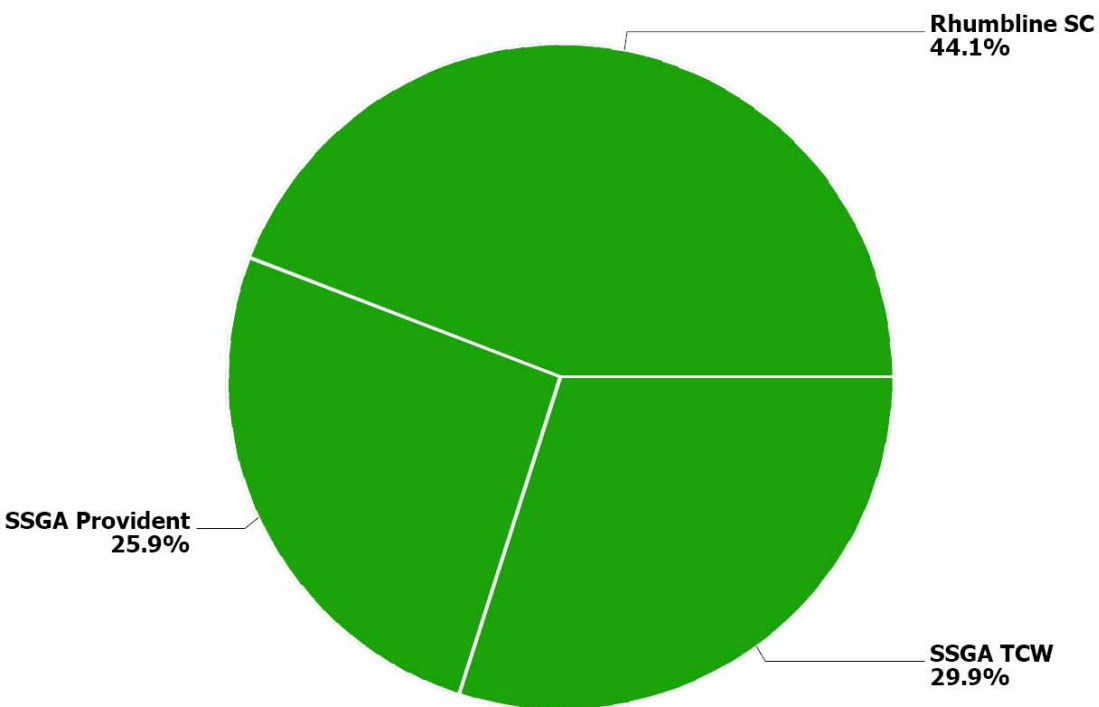
# Large Cap Domestic Equity Composite



Manager	Market Value	Current%
INTECH	26,714,830	5.3
New Amsterdam	102,454,360	20.4
ROBECO	99,206,112	19.7
Rhumblin LC	155,493,279	30.9
SSGA Globalt	32,924,759	6.5
UBS	85,962,624	17.1
<b>Total</b>	<b>502,755,965</b>	<b>100.0</b>

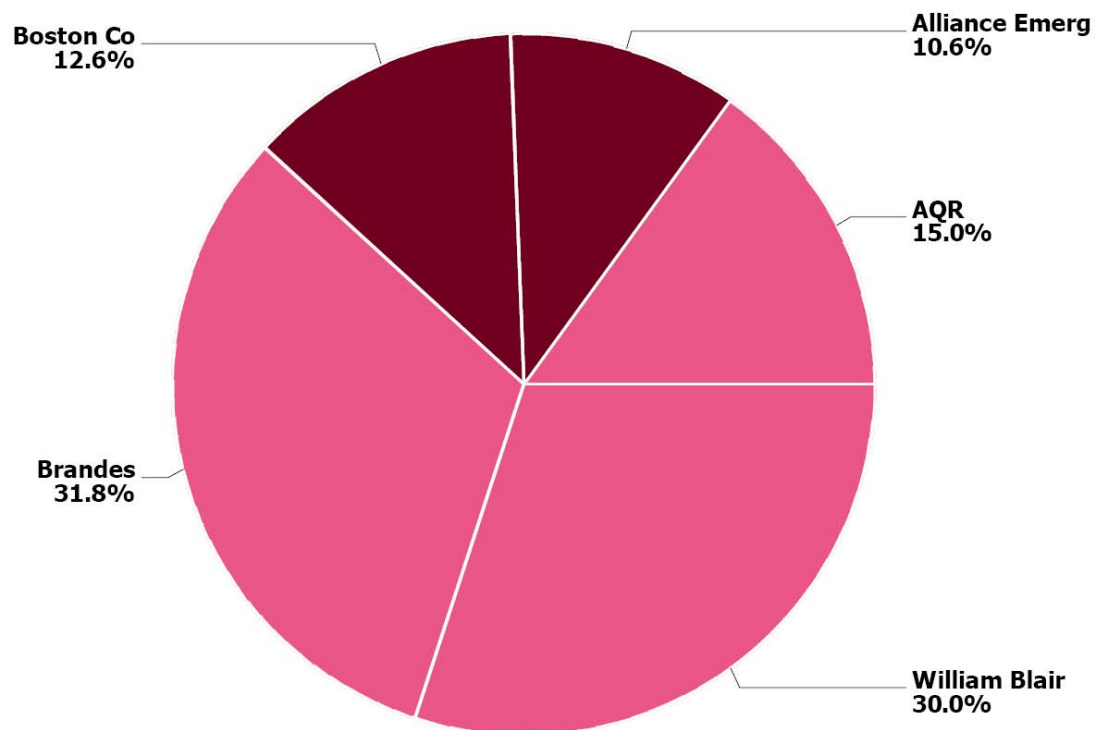


# Small Cap Domestic Equity Composite



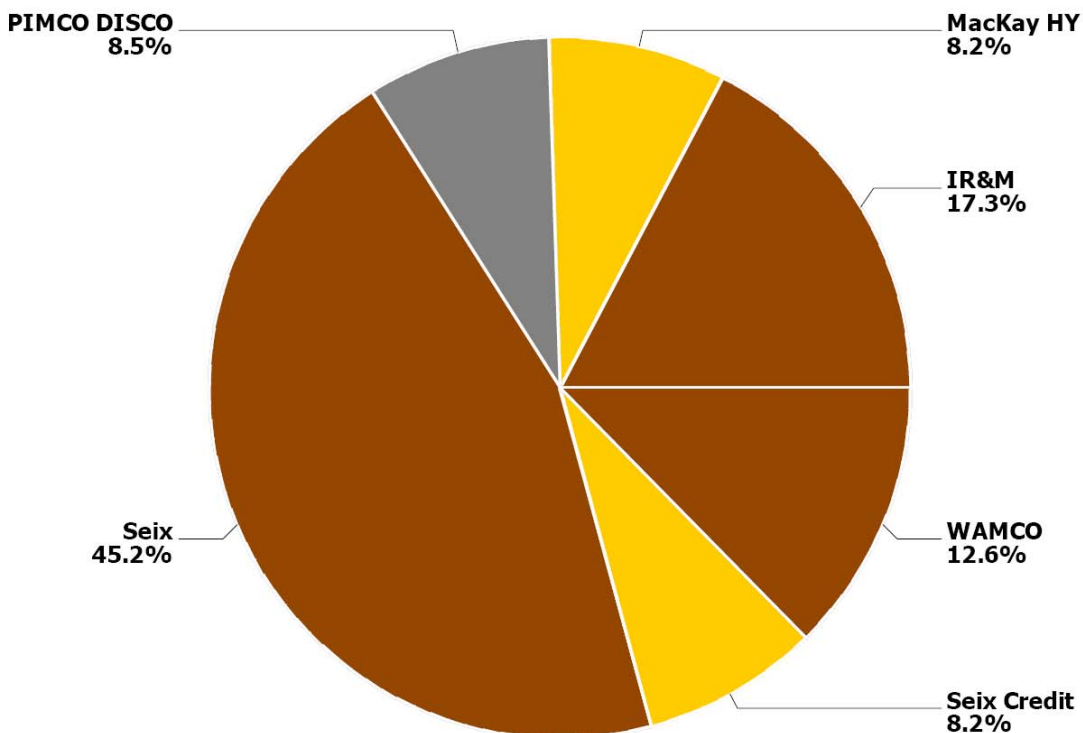
Manager	Market Value	Current%
<b>Rhumblin SC</b>	59,754,499	44.1
<b>SSGA Provident</b>	35,124,069	25.9
<b>SSGA TCW</b>	40,520,951	29.9
<b>Total</b>	<b>135,399,519</b>	<b>100.0</b>

# Non-U.S. Equity Composite



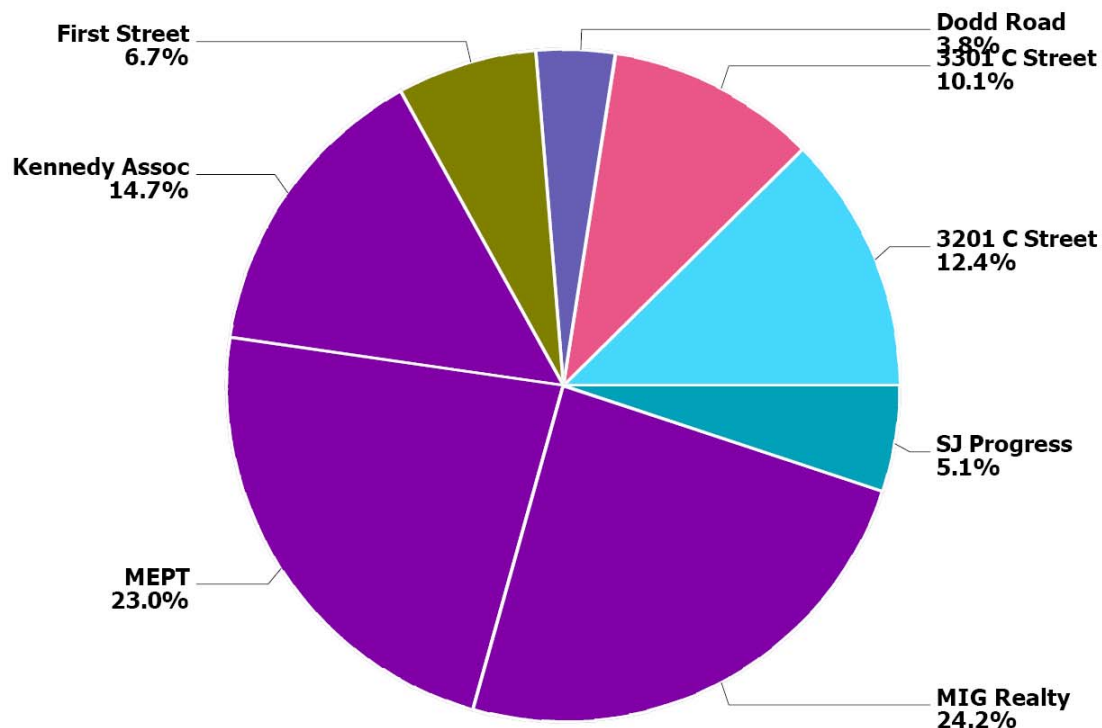
Manager	Market Value	Current%
AQR	76,963,514	15.0
Alliance Emerg	54,726,402	10.6
Boston Co	64,900,502	12.6
Brandes	163,334,377	31.8
William Blair	154,260,261	30.0
<b>Total</b>	<b>514,185,057</b>	<b>100.0</b>

# Total Domestic Fixed Income Composite



Manager	Market Value	Current%
IR&M	108,599,597	17.3
MacKay HY	51,562,497	8.2
PIMCO DISCO	53,628,484	8.5
Seix	284,474,756	45.2
Seix Credit	51,370,424	8.2
WAMCO	79,104,290	12.6
<b>Total</b>	<b>628,740,048</b>	<b>100.0</b>

# Total Real Estate Composite



Manager	Market Value	Current%
3201 C Street	23,400,009	12.4
3301 C Street	19,000,023	10.1
Dodd Road	7,100,034	3.8
First Street	12,700,000	6.7
Kennedy Assoc	27,716,799	14.7
MEPT	43,316,962	23.0
MIG Realty	45,494,647	24.2
SJ Progress	9,521,837	5.1
<b>Total</b>	<b>188,250,311</b>	<b>100.0</b>

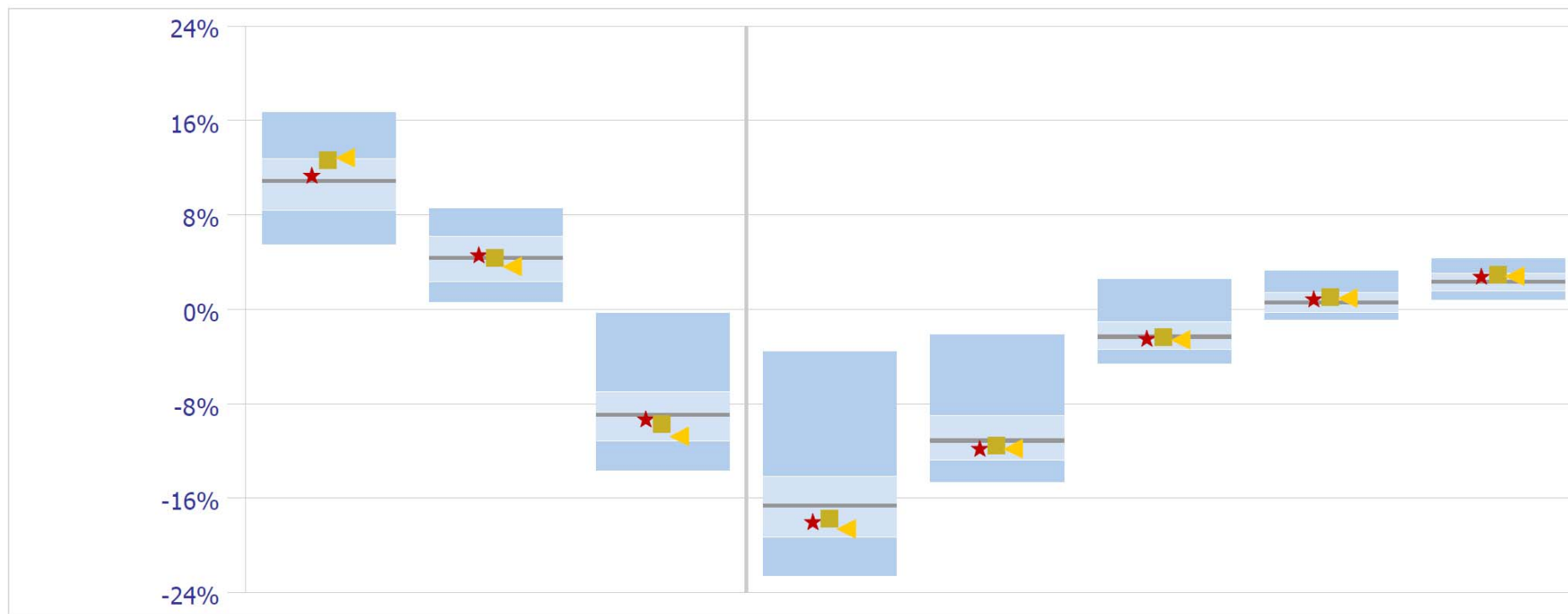
Note: When reporting performance, Kennedy Associates, First Street, Dodd Road, 3201 C Street, 3301 C Street and SJ Progress are all referred to as Kennedy Associates.

# Calendar Year Performance

	1 Yr ending 12/31/08	1 Yr ending 12/31/07	1 Yr ending 12/31/06	1 Yr ending 12/31/05	1 Yr ending 12/31/04	1 Yr ending 12/31/03	1 Yr ending 12/31/02	1 Yr ending 12/31/01	1 Yr ending 12/31/00	1 Yr ending 12/31/99
<b>Total Fund Composite</b>	<b>-27.3%</b>	<b>9.7%</b>	<b>15.4%</b>	<b>8.7%</b>	<b>12.6%</b>	<b>24.0%</b>	<b>-5.5%</b>	<b>-0.9%</b>	<b>3.7%</b>	<b>11.7%</b>
<i>Allocation Index</i>	-26.6%	9.5%	15.6%	7.8%	12.1%	21.1%	-6.4%	-4.1%	12.2%	11.1%
<b>Total Fund Benchmark</b>	<b>-26.8%</b>	<b>9.5%</b>	<b>16.1%</b>	<b>9.4%</b>	<b>11.6%</b>	<b>21.0%</b>	<b>-6.3%</b>	<b>-1.1%</b>	<b>0.6%</b>	<b>10.1%</b>
<i>60%S&amp;P500/40% BC Aggregate</i>	-22.1%	6.2%	11.1%	4.0%	8.3%	18.5%	-9.8%	-3.7%	-1.0%	12.0%
<b>Total Domestic Equity</b>	<b>-37.7%</b>	<b>4.5%</b>	<b>14.7%</b>	<b>6.9%</b>	<b>12.4%</b>	<b>35.2%</b>	<b>-21.3%</b>	<b>-7.2%</b>	<b>-2.4%</b>	<b>18.7%</b>
<i>S&amp;P 500</i>	-37.0%	5.5%	15.8%	4.9%	10.9%	28.7%	-22.1%	-11.9%	-9.1%	21.0%
<i>Russell 3000</i>	-37.3%	5.1%	15.7%	6.1%	11.9%	31.1%	-21.6%	-11.5%	-7.5%	20.9%
<b>Total International Equity</b>	<b>-46.2%</b>	<b>17.8%</b>	<b>27.4%</b>	<b>17.9%</b>	<b>24.3%</b>	<b>46.3%</b>	<b>-10.5%</b>	<b>-13.1%</b>	<b>-1.3%</b>	<b>43.6%</b>
<i>MSCI EAFE Net</i>	-43.4%	11.2%	26.3%	13.5%	20.2%	38.6%	-15.9%	-21.4%	-14.2%	27.0%
<b>Int'l Developed Markets Equity</b>	<b>-45.0%</b>	<b>13.6%</b>	<b>26.8%</b>	<b>14.7%</b>	<b>22.3%</b>	<b>42.1%</b>	<b>-15.7%</b>	<b>-16.8%</b>	<b>-1.3%</b>	<b>43.6%</b>
<i>MSCI EAFE Net</i>	-43.4%	11.2%	26.3%	13.5%	20.2%	38.6%	-15.9%	-21.4%	-14.2%	27.0%
<b>Int'l Emerging Markets Equity</b>	<b>-50.5%</b>	<b>33.6%</b>	<b>29.9%</b>	<b>30.8%</b>	<b>30.1%</b>	<b>56.2%</b>	<b>1.7%</b>			
<i>MSCI Emg Mkts Free Net</i>	-53.3%	39.4%	32.2%	34.1%	25.6%	55.8%	-6.0%	-2.4%	-30.6%	66.4%
<b>Total Domestic Core Fixed Income</b>	<b>-0.8%</b>	<b>5.4%</b>	<b>4.9%</b>	<b>3.9%</b>	<b>5.8%</b>	<b>6.6%</b>	<b>8.2%</b>	<b>7.4%</b>	<b>11.4%</b>	<b>-0.9%</b>
<i>BC Aggregate</i>	5.2%	7.0%	4.3%	2.4%	4.3%	4.1%	10.3%	8.4%	11.6%	-0.8%
<b>Total Domestic Long Duration Fixed Income</b>	<b>5.0%</b>	<b>7.0%</b>	<b>3.0%</b>	<b>4.1%</b>						
<i>BC US Gov't/Credit Long</i>	8.4%	6.6%	2.7%	5.3%	8.6%	5.9%	14.8%	7.3%	16.2%	-7.7%
<b>Total Real Estate</b>	<b>-2.1%</b>	<b>15.7%</b>	<b>11.1%</b>	<b>14.6%</b>	<b>11.6%</b>	<b>0.8%</b>	<b>4.3%</b>	<b>5.9%</b>	<b>11.7%</b>	<b>12.0%</b>
<i>NCREIF Property Index</i>	-6.5%	15.8%	16.6%	20.1%	14.5%	9.0%	6.7%	7.3%	12.2%	11.1%
<b>Total Private Equity</b>	<b>7.1%</b>	<b>12.7%</b>	<b>13.7%</b>							
<i>Russell 2000</i>	-33.8%	-1.5%	18.3%	4.6%	18.3%	47.3%	-20.5%	2.5%	-3.0%	21.3%

Note: Returns are gross of fees

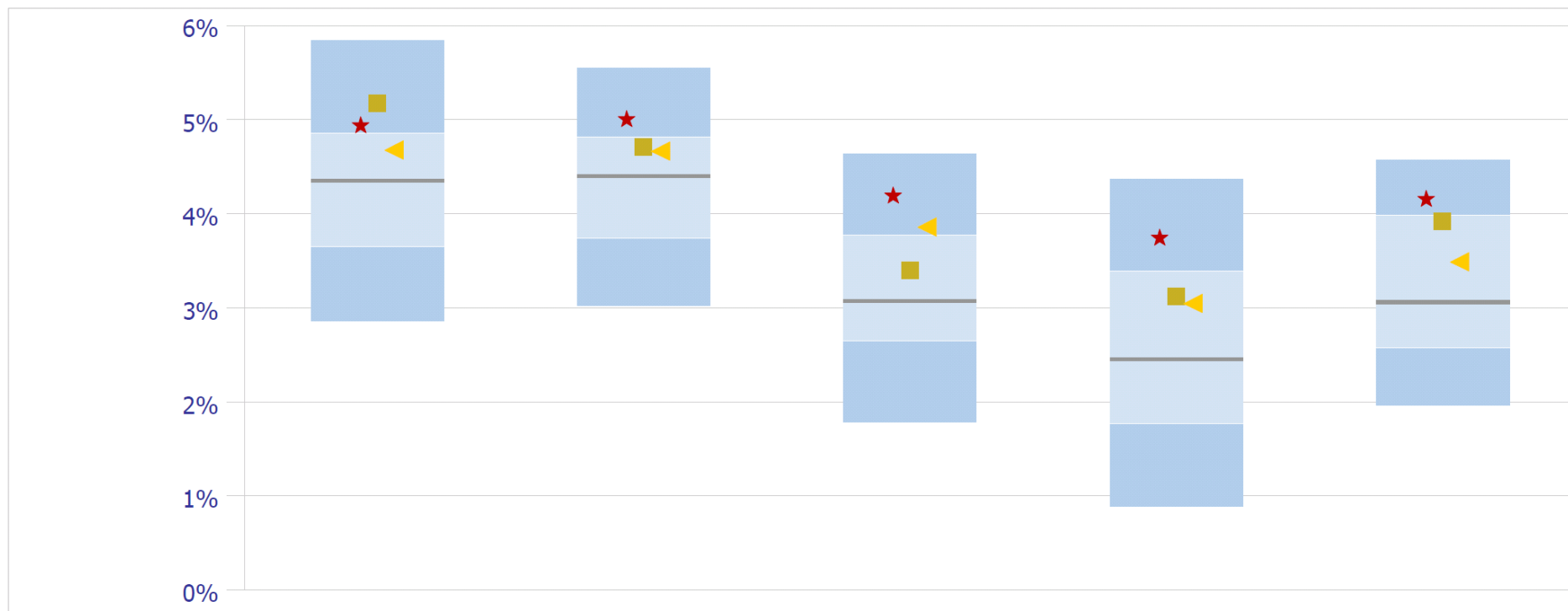
# Total Fund vs. Public Funds (as of 6/30/2009)



	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
★ <b>TOT FUND</b>	11.3	43	4.6	45	-9.3	56	-18.0	65	-11.8	61	-2.5	55	0.9	40	2.8	31
■ <b>ALLOC INDEX</b>	12.7	25	4.4	49	-9.7	64	-17.7	61	-11.5	57	-2.4	50	1.0	34	3.0	25
▲ <b>Policy Index</b>	12.8	22	3.6	59	-10.7	72	-18.6	68	-11.8	60	-2.6	56	0.9	37	2.8	29
<b>Median</b>	10.9		4.4		-8.9		-16.6		-11.1		-2.3		0.6		2.4	

Note: Returns are gross of fees

# Total Fund vs. Public Funds (as of 6/30/2009)



	Six Years	Seven Years	Eight Years	Nine Years	Ten Years
★ TOT FUND	4.9 20	5.0 17	4.2 10	3.7 16	4.2 19
■ ALLOC INDEX	5.2 12	4.7 27	3.4 36	3.1 28	3.9 25
▲ Policy Index	4.7 34	4.7 31	3.9 21	3.0 30	3.5 35
Median	4.4	4.4	3.1	2.5	3.1

Note: Returns are gross of fees

# Total Fund vs. Public Funds (Years Ending 6/30/2009)

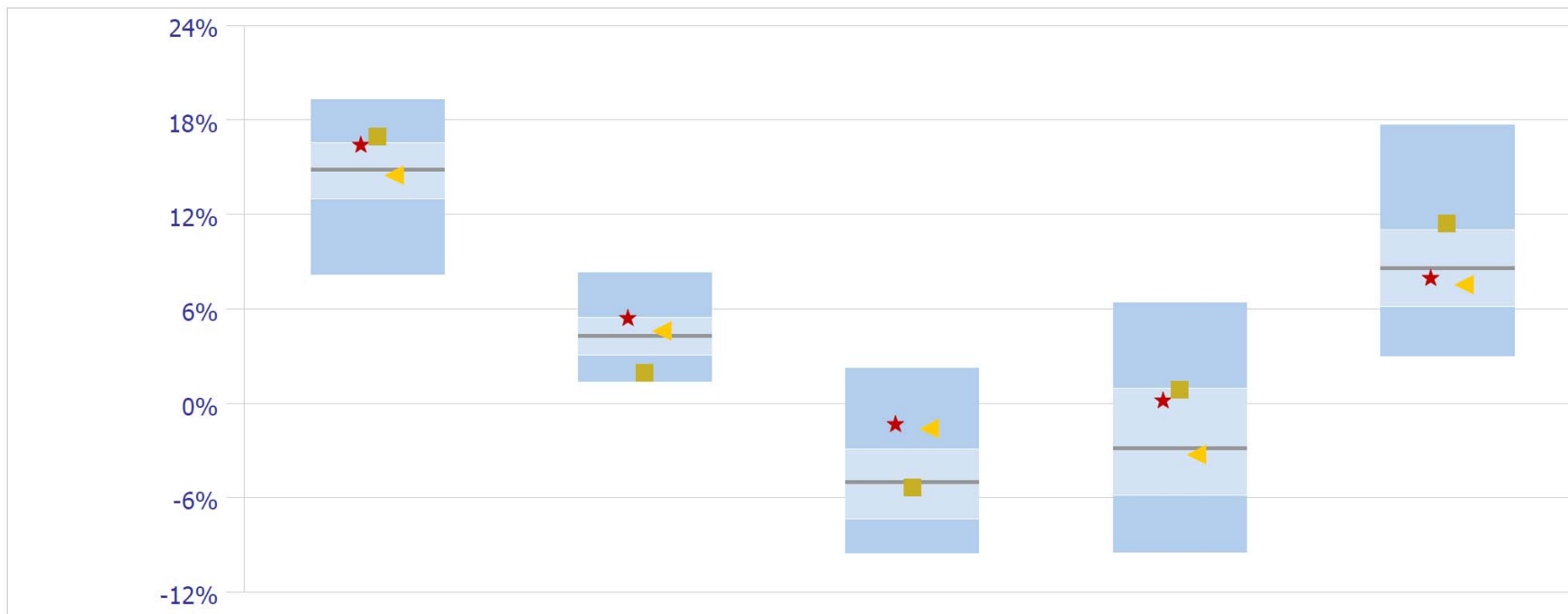


	June 2009	June 2008	June 2007	June 2006	June 2005
★ <b>TOT FUND</b>	-18.0 65	-5.1 67	19.3 8	11.5 19	10.9 15
■ <b>ALLOC INDEX</b>	-17.7 61	-4.9 60	18.9 11	12.0 12	11.1 12
▲ <b>Policy Index</b>	-18.6 68	-4.4 48	18.8 12	12.3 11	10.6 17
<b>Median</b>	-16.6	-4.5	16.7	9.8	9.1

Note: Returns are gross of fees



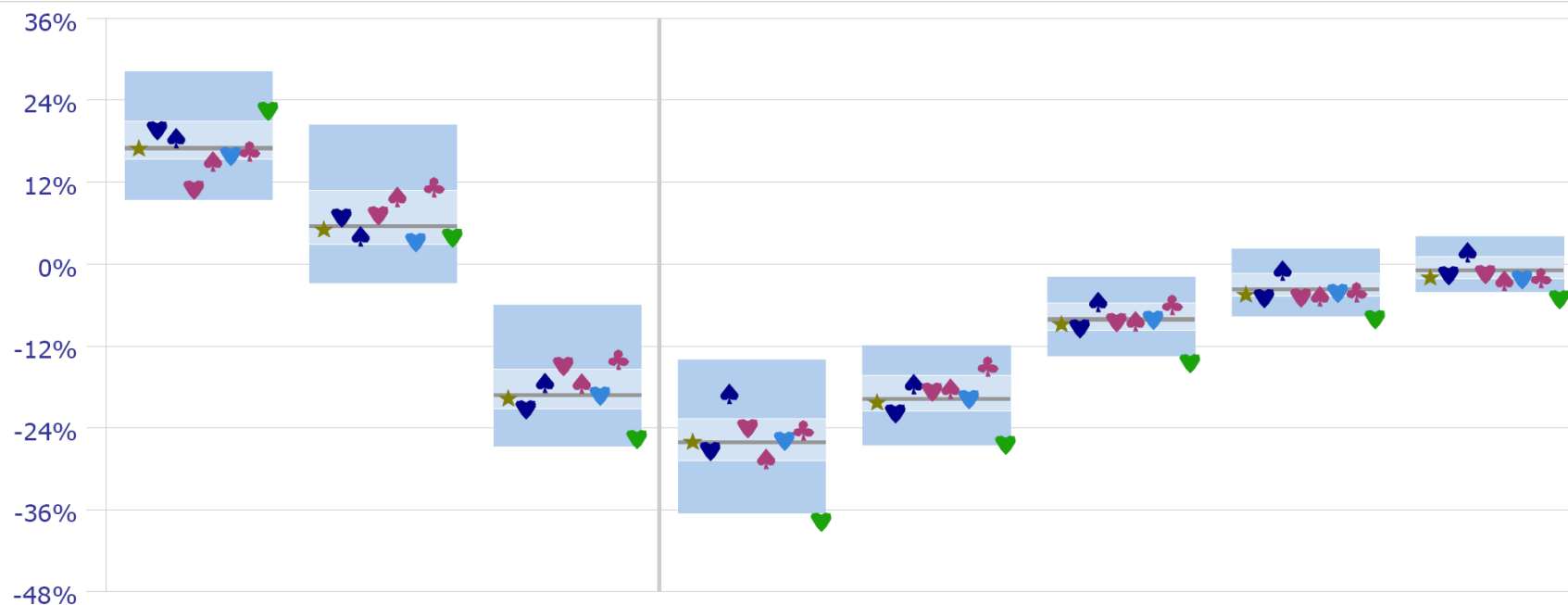
# Total Fund vs. Public Funds (Years Ending 6/30/2009)



	June 2004		June 2003		June 2002		June 2001		June 2000	
★ TOT FUND	16.4	27	5.4	26	-1.3	11	0.2	28	8.0	56
■ ALLOC INDEX	17.0	20	2.0	89	-5.3	53	0.9	25	11.4	22
▲ Policy Index	14.5	54	4.6	42	-1.6	12	-3.3	52	7.5	61
Median	14.8		4.3		-5.0		-2.9		8.6	

Note: Returns are gross of fees

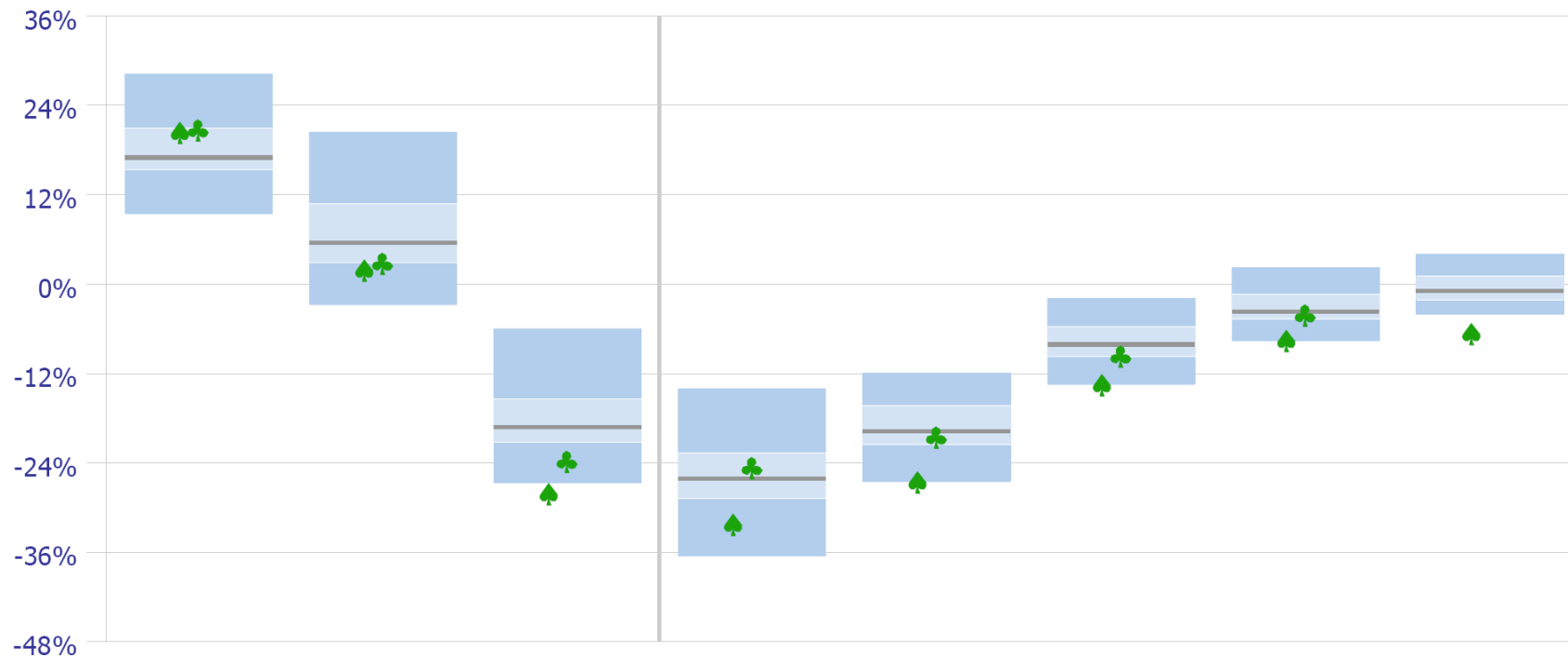
# Domestic Equity vs. Equity Funds Universe



	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
★ DOMESTIC EQUITY	17.0	50	5.1	52	-19.6	62	-26.0	48	-20.2	64	-8.8	66	-4.4	71	-1.9	68
♥ UBS	19.7	33	6.9	43	-21.2	75	-27.3	65	-21.9	76	-9.4	72	-4.9	78	-1.6	62
♠ ROBECO	18.5	40	4.1	60	-17.3	35	-19.0	14	-17.5	32	-5.5	23	-0.9	21	1.8	18
♥ New Amsterdam	11.0	93	7.2	41	-14.9	22	-24.0	32	-18.6	39	-8.4	60	-4.9	78	-1.4	60
♠ INTECH	15.1	77	9.9	29	-17.5	36	-28.5	74	-18.2	36	-8.3	59	-4.7	75	-2.4	86
♥ Rhumblin LC	15.9	69	3.3	69	-19.2	49	-25.8	46	-19.7	50	-8.1	49	-4.2	61	-2.2	76
♠ SSGA Globalt	16.6	55	11.3	22	-14.0	19	-24.3	34	-14.9	17	-5.9	27	-4.1	59	-2.0	70
♥ SSGA Provident	22.5	18	4.0	61	-25.6	93	-37.7	95	-26.4	94	-14.4	96	-8.0	96	-5.1	97
<b>Median</b>	<b>17.0</b>		<b>5.5</b>		<b>-19.2</b>		<b>-26.0</b>		<b>-19.7</b>		<b>-8.1</b>		<b>-3.6</b>		<b>-0.9</b>	

Note: Returns are gross of fees

# Domestic Equity vs. Equity Funds Universe



	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
♠ SSGA TCW	20.4	28	1.9	81	-28.2	96	-32.2	88	-26.6	95	-13.5	95	-7.6	95	-6.7	99
♣ Rhumblin SC	20.6	27	2.8	75	-23.8	86	-24.6	36	-20.5	67	-9.7	75	-4.2	62		
Median	17.0		5.5		-19.2		-26.0		-19.7		-8.1		-3.6		-0.9	

Note: Returns are gross of fees

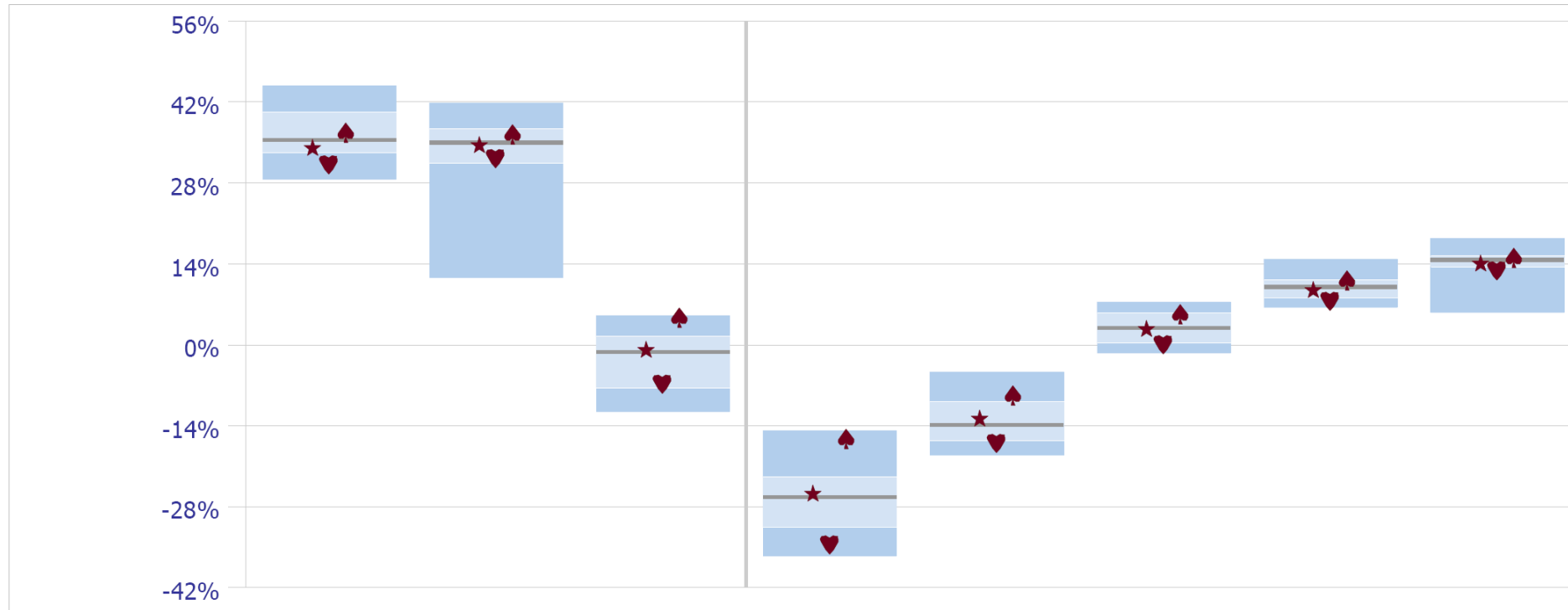
# Developed Int'l Equity vs. Developed Int'l Equity Funds Universe



	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
INT'L EQUITY	27.8	18	15.8	16	-9.4	22	-29.8	49	-19.4	41	-4.7	29	2.6	22	5.5	25
INT'L DEVELOPED	26.0	31	11.1	34	-11.8	35	-30.9	59	-21.2	62	-6.8	58	0.8	59	3.1	71
Brandes	23.3	58	4.7	74	-12.6	44	-24.7	21	-19.2	40	-5.9	43	1.7	37	3.7	57
AQR	26.5	29	9.6	42	-11.9	36	-33.9	75	-24.1	91	-8.7	89				
William Blair	28.7	13	19.6	4	-10.8	27	-35.1	82	-21.6	69	-6.6	55	1.1	49	4.3	41
Median	24.5		8.5		-13.0		-29.8		-20.1		-6.3		1.1		4.0	

Note: Returns are gross of fees

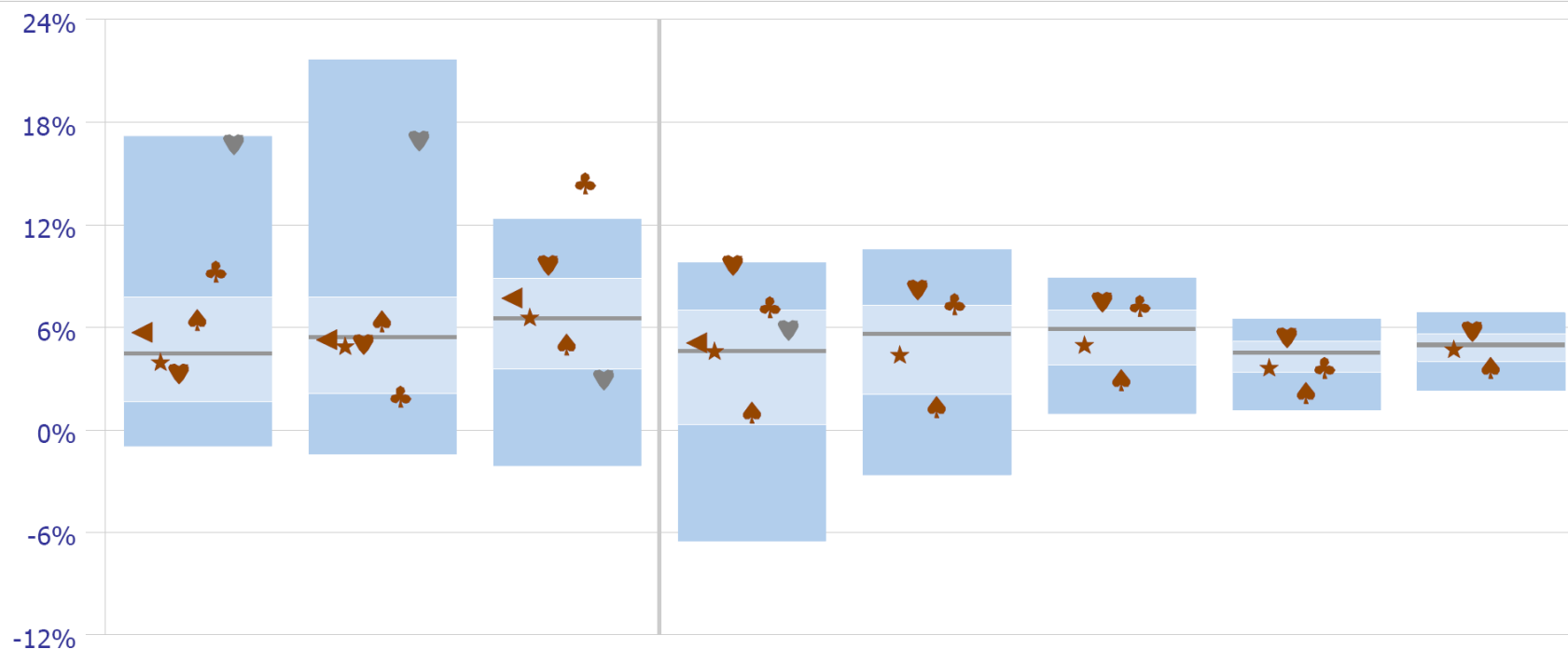
# Emerging Mkt Equity vs. Emerging Mkt Equity Funds Universe



	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
★ <b>INT'L EMERGING</b>	34.1	65	34.6	54	-0.8	47	-25.7	46	-12.8	40	2.8	50	9.5	51	14.1	61
♥ <b>Alliance Emerg</b>	31.2	92	32.4	69	-6.6	71	-34.5	89	-16.9	83	0.2	76	7.7	81	13.0	82
♠ <b>Boston Co</b>	36.7	39	36.5	38	4.8	7	-16.2	13	-8.8	15	5.3	34	11.2	29	15.1	36
<b>Median</b>	35.6		35.0		-1.2		-26.3		-13.9		2.9		10.0		14.7	

Note: Returns are gross of fees

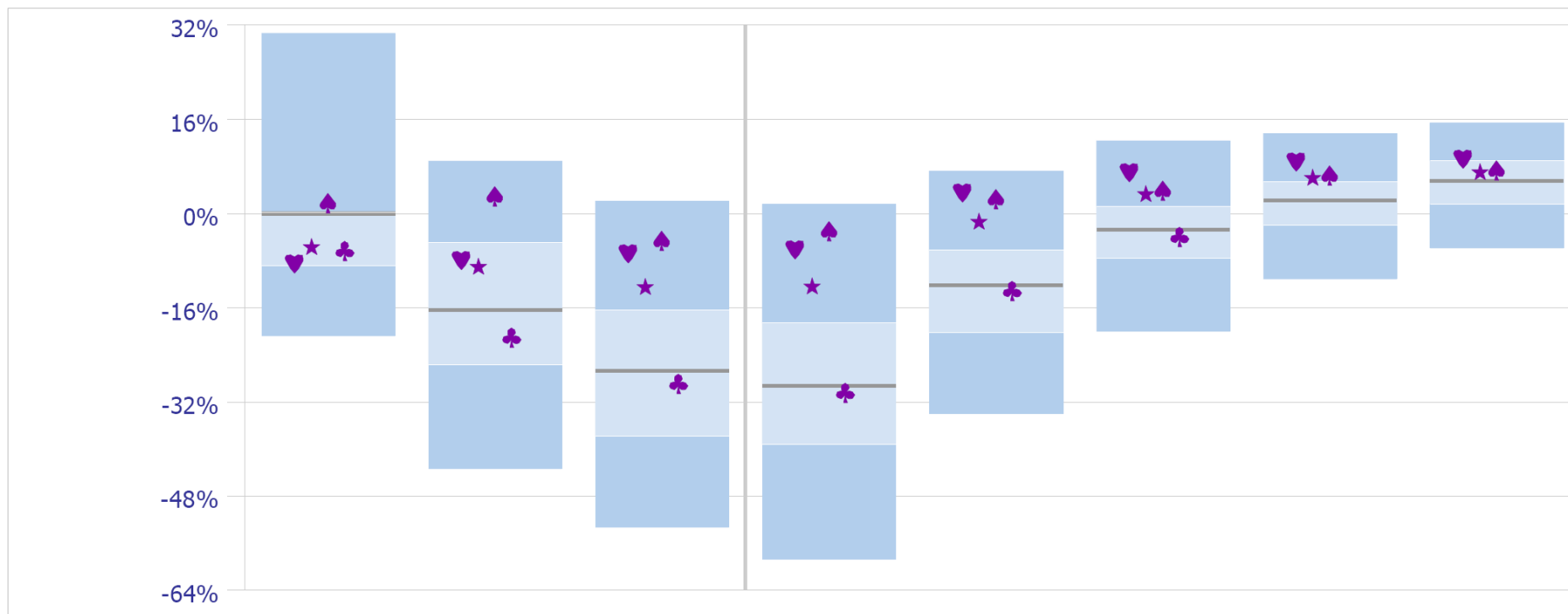
# Fixed Income vs. Fixed Income Funds Universe



	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
DOMESTIC FIXED	5.7	37	5.3	52	7.7	32	5.1	45								
CORE FIXED INC	3.9	53	4.9	55	6.6	47	4.6	50	4.4	60	5.0	63	3.6	69	4.7	58
Seix	3.3	57	5.0	54	9.7	20	9.7	8	8.2	16	7.5	16	5.4	18	5.8	20
WAMCO	6.4	32	6.3	41	5.0	65	1.0	71	1.3	79	2.9	85	2.2	88	3.6	81
IR&M	9.2	20	1.9	77	14.4	2	7.2	22	7.3	24	7.2	20	3.6	69		
PIMCO DISCO	16.7	5	16.9	9	2.9	78	5.8	38								
Median	4.5		5.4		6.5		4.6		5.6		5.9		4.5		5.0	

Note: Returns are gross of fees

# Real Estate vs. Real Estate Funds Universe



	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
♥ KENNEDY COMP	-8.5	74	-7.9	28	-6.8	17	-6.1	14	3.6	9	7.0	10	8.8	14	9.3	23
★ REAL ESTATE	-5.7	62	-9.0	29	-12.5	21	-12.3	18	-1.4	17	3.3	18	6.1	21	7.0	31
♠ MIG Realty	1.8	16	2.9	9	-4.6	15	-3.0	12	2.5	10	3.8	17	6.5	20	7.3	30
♣ MEPT	-6.3	70	-21.1	63	-28.9	54	-30.5	54	-13.2	54	-4.0	57				
<b>Median</b>	0.0		-16.4		-26.7		-29.3		-12.2		-2.8		2.1		5.5	

Note: Returns are gross of fees

# Total Fund Benchmark History

**POLICY ACCOUNT:** RSP0000      **Policy Index**

**EFFECTIVE DATE: 06/95**

35.00% S&P 500  
10.00% CITI WLD GOV BD

35.00% LB AGGREGATE  
10.00% NCREIF PROPERTY

10.00% MS EAFE NET

**EFFECTIVE DATE: 10/01**

35.00% S&P 500  
12.00% NCREIF PROPERTY

28.00% LB AGGREGATE  
5.00% MS EMER FREE NT

15.00% MS EAFE NET  
5.00% CITI WLD GOV BD

**EFFECTIVE DATE: 01/05**

34.00% S&P 500  
12.00% NCREIF PROPERTY  
4.00% LB GOVT/CRED LG

20.00% LB AGGREGATE  
5.00% MS EMER FREE NT

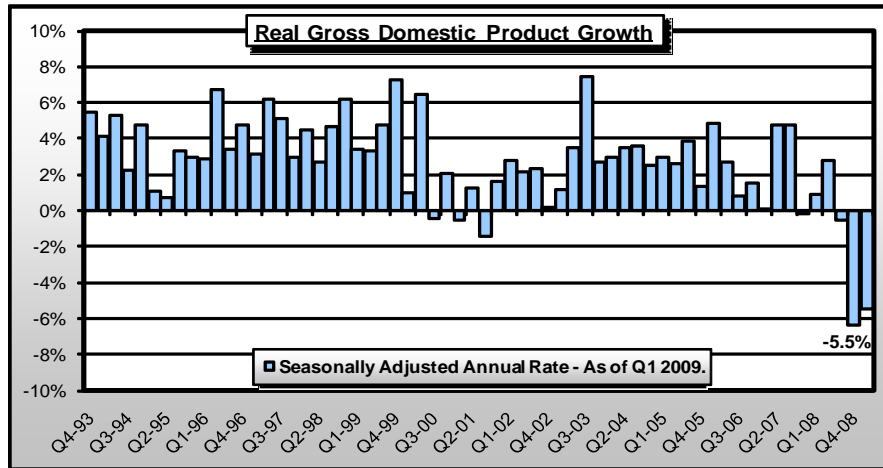
20.00% MS EAFE NET  
5.00% R 2000(R)





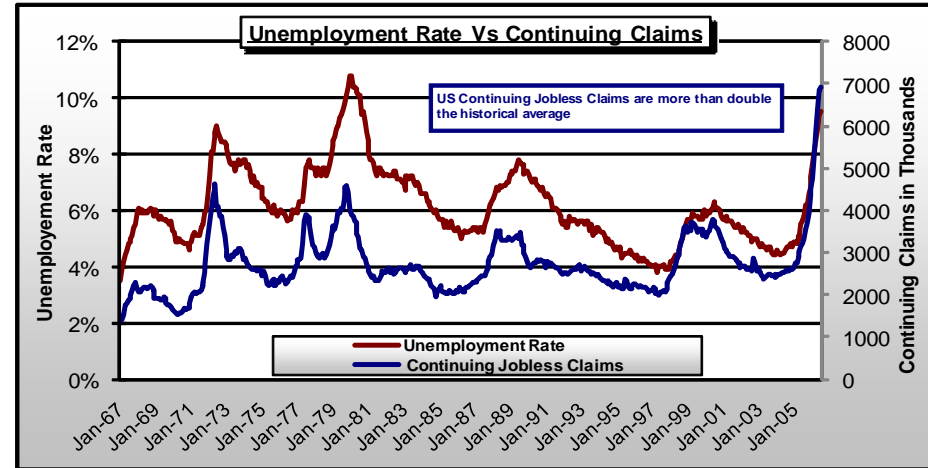
## Appendix: Market Environment

# Market Environment – US Economy (As of 6/30/2009)



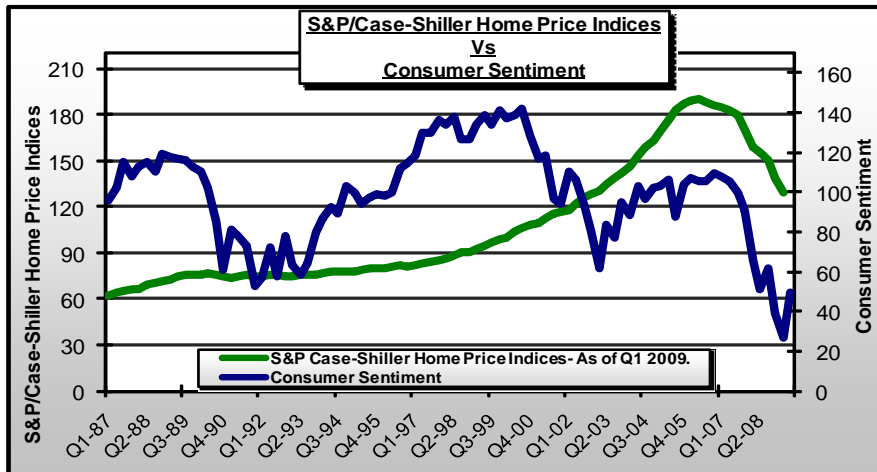
**GDP contracted 5.5% in Q1...**

Source: U.S. Department of Commerce: Bureau of Economic Analysis



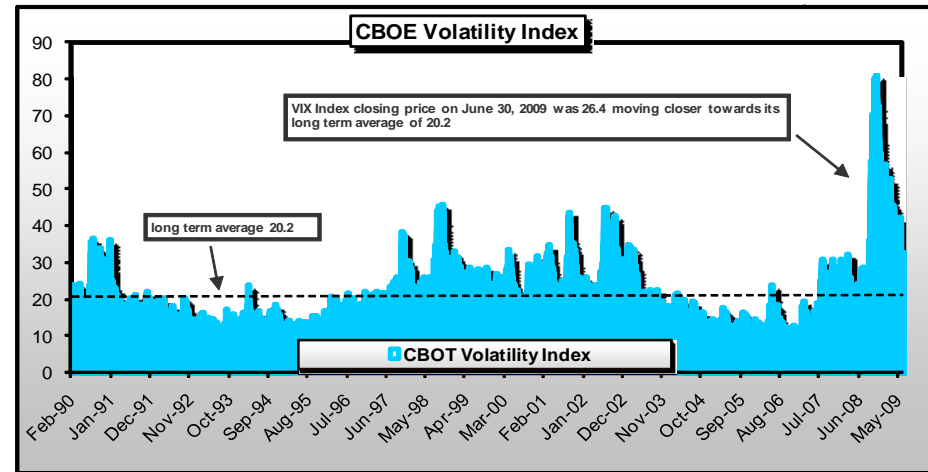
**Unemployment rate hit 9.5% in Q2 as US Continuing Jobless Claims continue to rise...**

Source: Department of Labor and St Louis Federal Reserve



**Housing prices have fallen 32% from their peak in Q2 of 2006; Consumer sentiment improved in Q2 of 2009 ...**

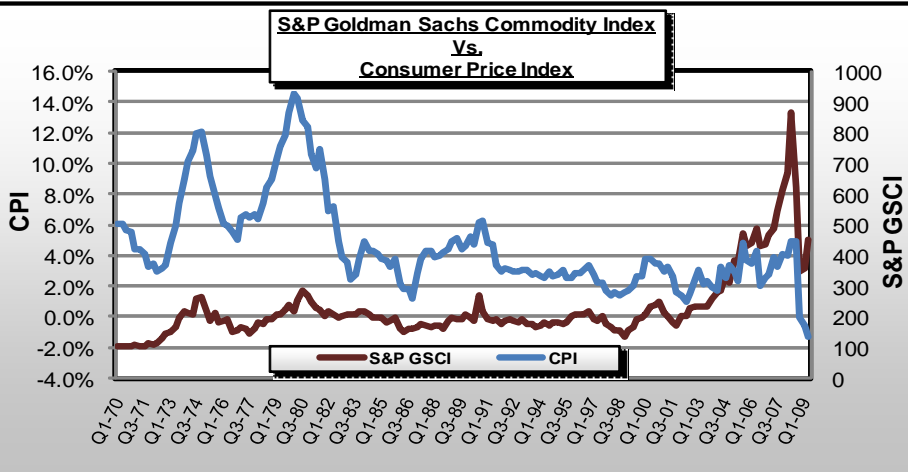
Source: Standard & Poors and Bloomberg



**The Volatility Index declined significantly in Q2 of 2009 ...**

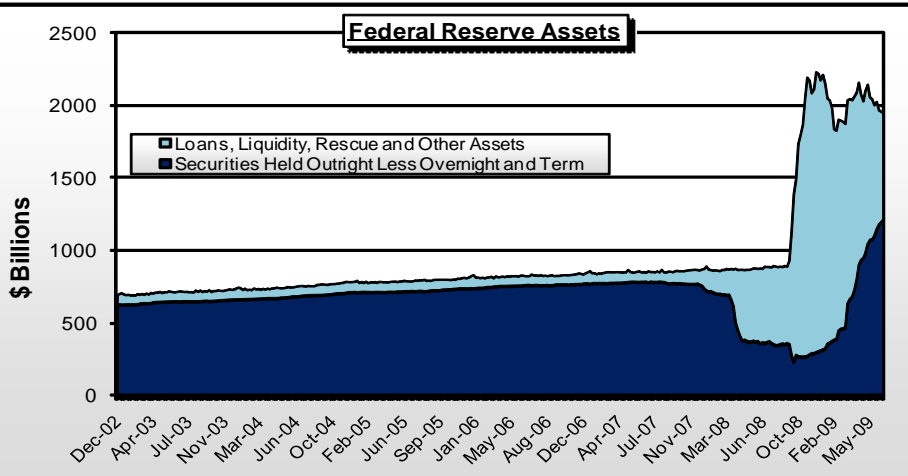
Source: Bloomberg

# Market Environment – US Economy (As of 6/30/2009)



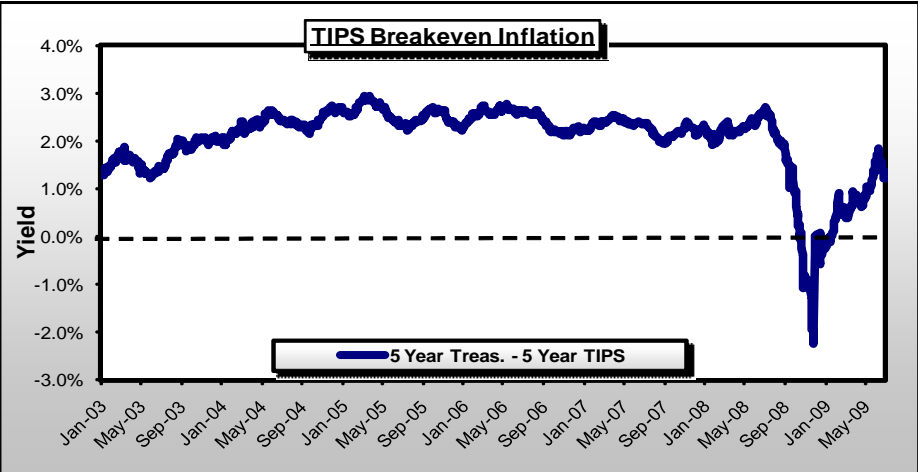
Year over year adjusted CPI declined in 2009 as S&P GSCI rebounded mainly driven by energy and industrial metals prices...

Source: Dow Jones & Company via St. Louis Federal Reserve



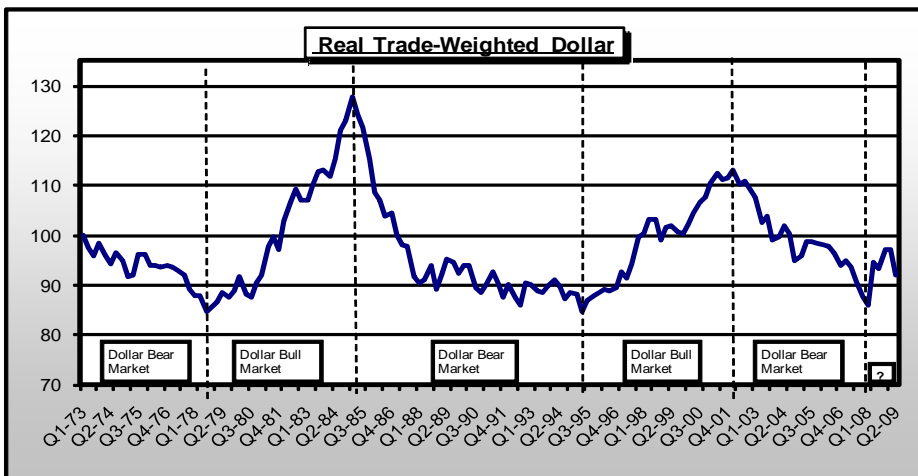
Yet, Federal Reserve liabilities are still at unprecedented levels...

Source: United States Federal Reserve



TIPS Breakeven Inflation is 1.34% after dipping below -2% in November...

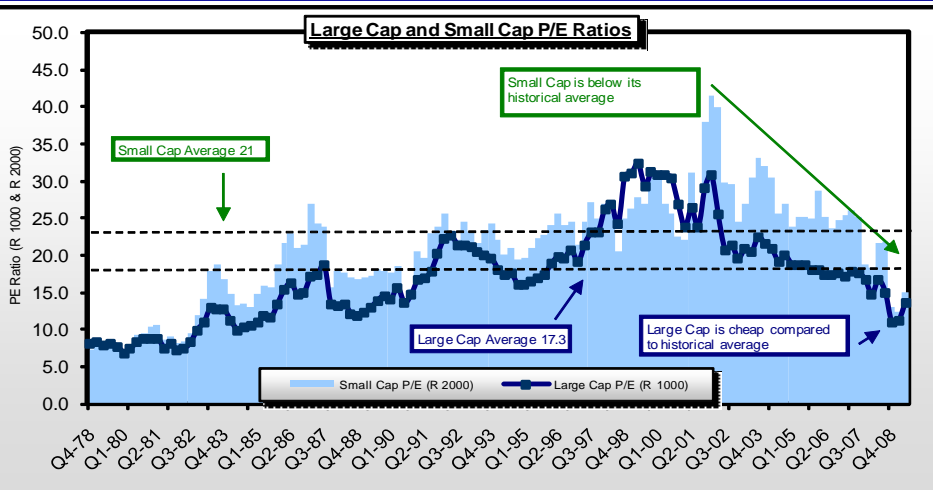
Source: United States Federal Reserve



The Dollar depreciated in Q2...

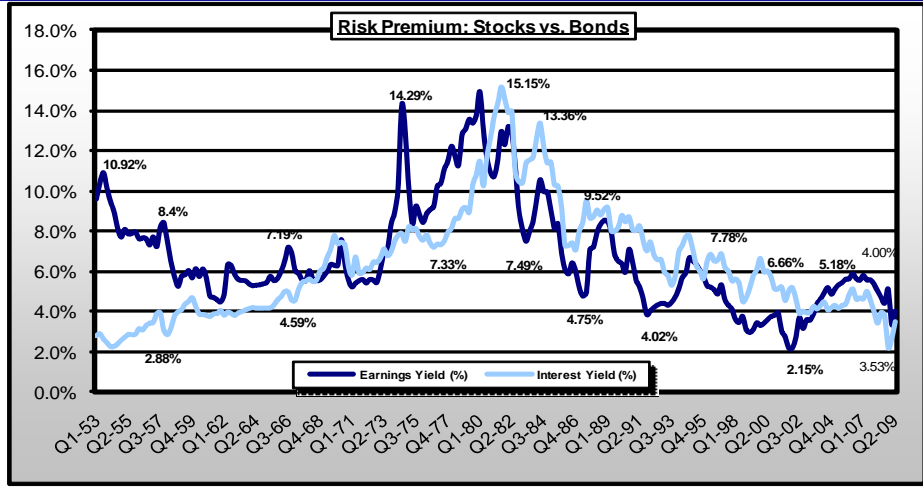
Source: Bloomberg and St Louis Federal Reserve

# Market Environment – Domestic Equity (As of 6/30/2009)



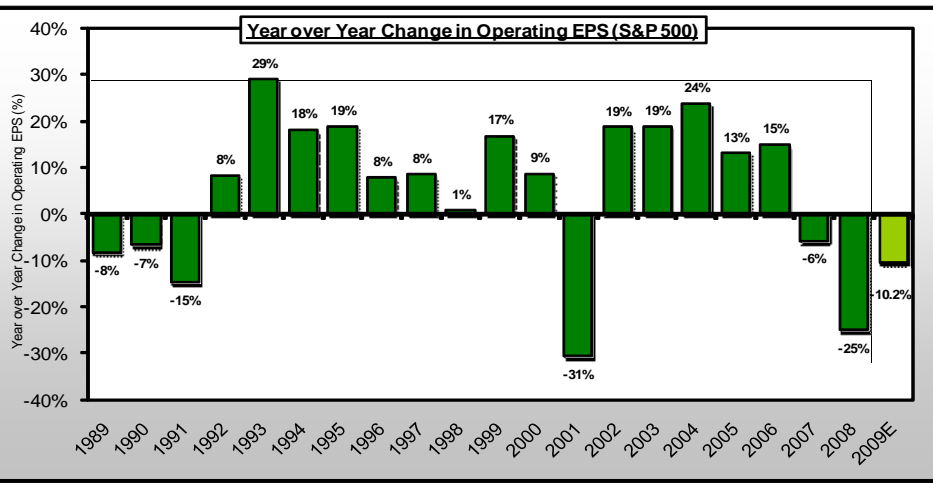
**Large Cap and Small Cap PEs are below historical average...**

Source: Russell Investment Group



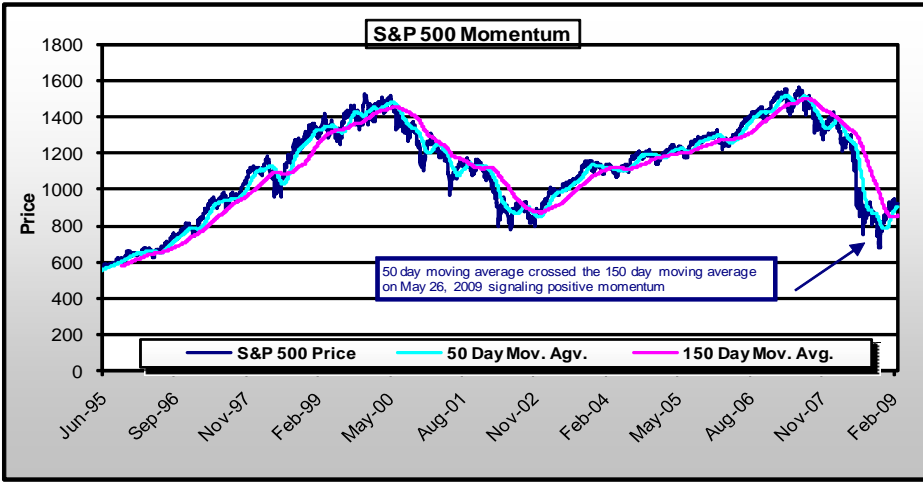
**Earning yield net of extraordinary items at 4% continues to exceed bond yields of 3.53%...**

Source: Standard & Poors and St Louis Federal Reserve



**EPS growth is expected to decline by 10.2% in 2009...**

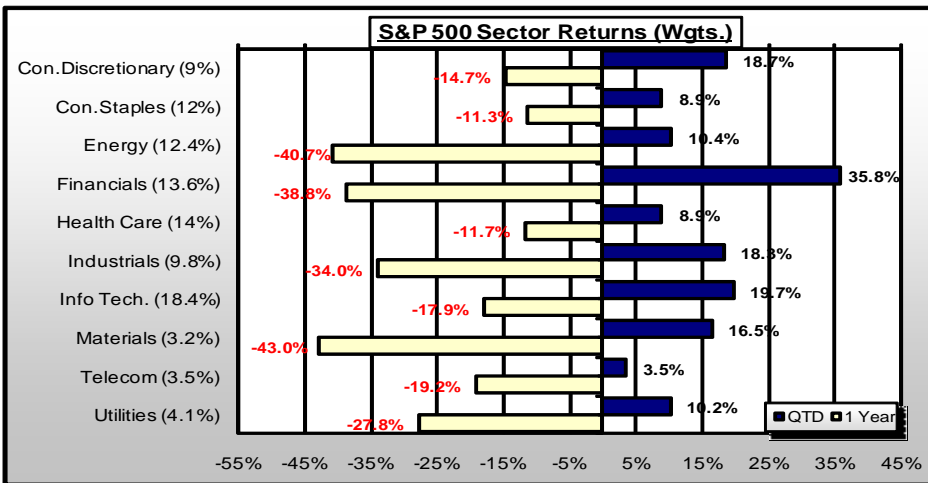
Source: Standard & Poors



**S&P 500 momentum shows a bullish signal...**

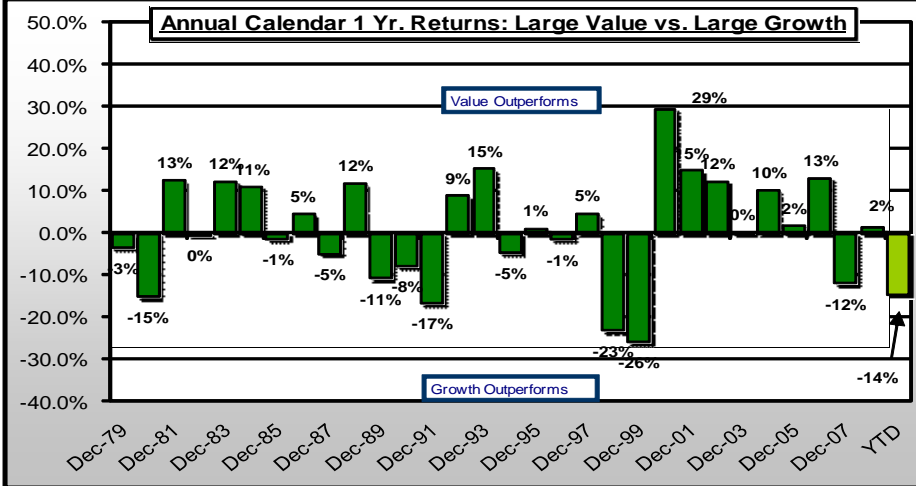
Source: Bloomberg

# Market Environment – Sector / Style Rotation (As of 6/30/2009)



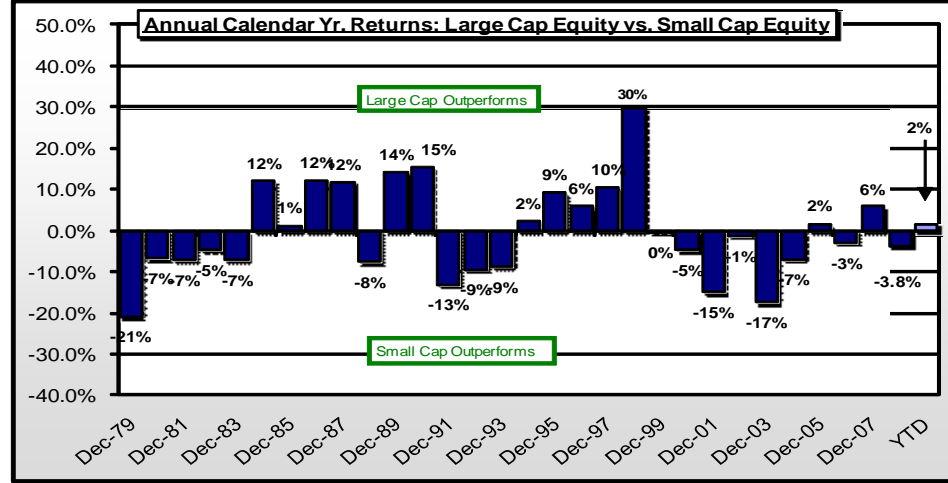
All S&P sectors rebounded in Q2 led by Financials ...

Source: Standard & Poors



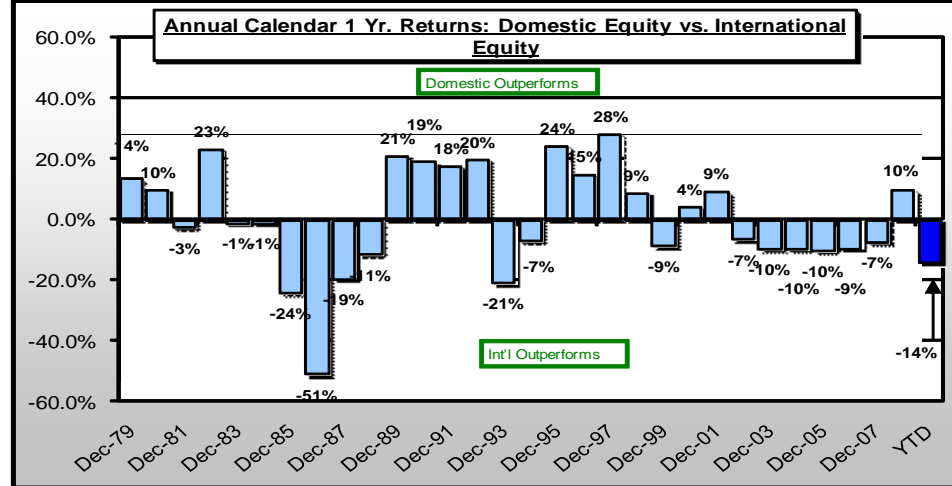
Growth stocks outperformed value stocks by 14% so far in 2009...

Source: Russell Investment Group



Large Cap outperformed Small Cap by 2% year to date...

Source: Russell Investment Group



International Equity outperformed domestic equity by 14% in 2009...

Source: MSCI EAFE (1979-1989); Citi PM I EPAC (1990-present)

# Market Environment – International Equity (As of 6/30/2009)

## Developed Market Equity Returns (U.S. Dollars)

Source: MSCI Inc.

	Qtr. (%)	1 Yr. (%)	3 Yr. (%)
Europe ex UK	22.1%	-36.7%	-10.0%
United Kingdom	24.9%	-37.2%	-13.6%
Japan	22.9%	-24.6%	-11.5%
Pacific Ex Japan	30.6%	-30.7%	-2.9%
Canada	29.7%	-35.8%	-3.1%
USA	15.2%	-28.5%	-14.7%

## US Dollar Return vs. Major Foreign Currencies

(Negative = Dollar Depreciates, Positive = Dollar Appreciates)

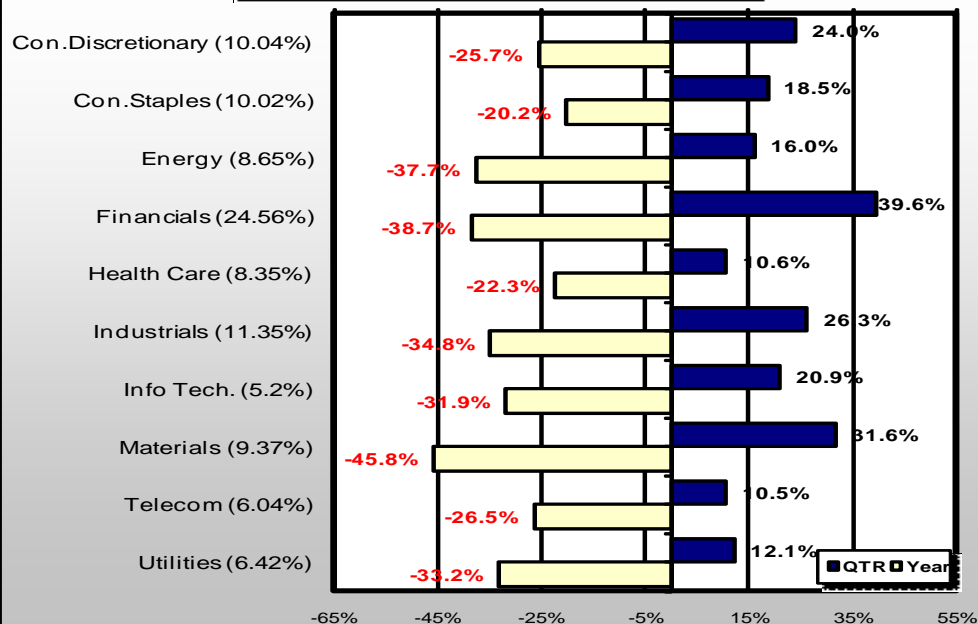
	Qtr.	1 Yr.	5 Yr.
Euro	-5.3%	12.3%	-2.8%
Japanese Yen	-2.3%	-9.0%	-2.4%
British Pound	-13.0%	20.9%	2.0%
Canada	-7.7%	14.5%	-2.8%
Australia	-14.1%	18.7%	-2.9%

## Currency Impact on Developed Mkt. Returns

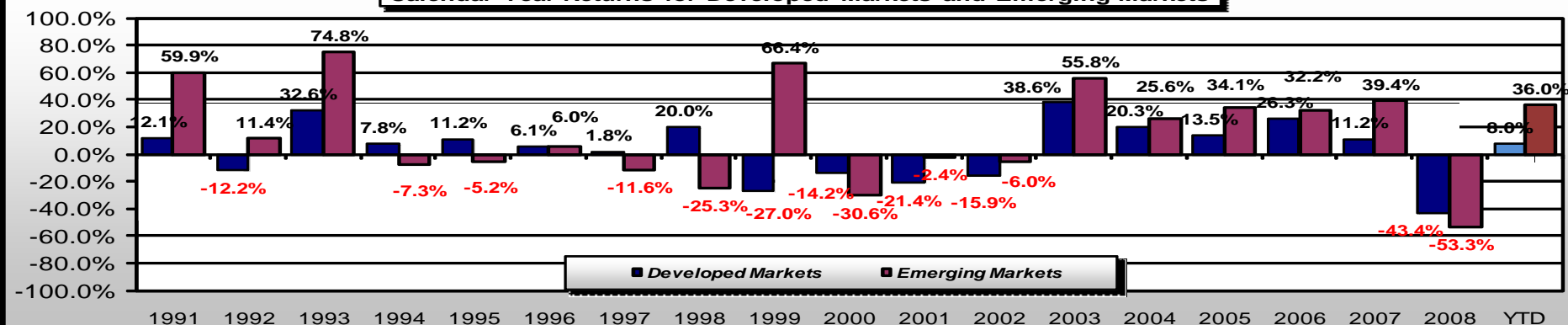
(Negative = Currency Hurt, Positive = Currency Helped)

	Qtr.	1 Yr.	5 Yr.
MSCI EAFE (Local)	16.9%	-25.5%	0.7%
MSCI EAFE (USD)	25.4%	-28.1%	-14.7%
Currency Impact	8.5%	-2.6%	-15.4%

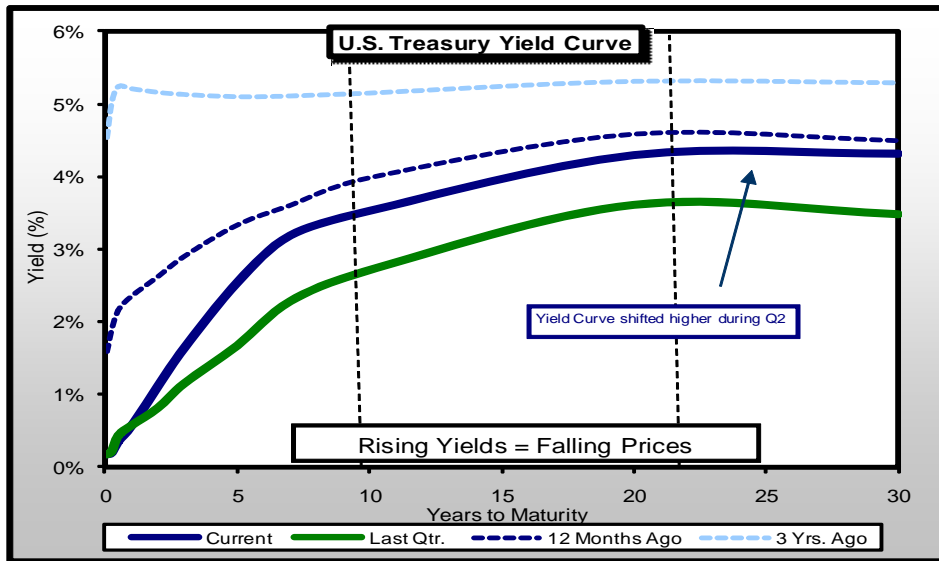
## MSCI EAFE Sector Returns (Wgts. %)



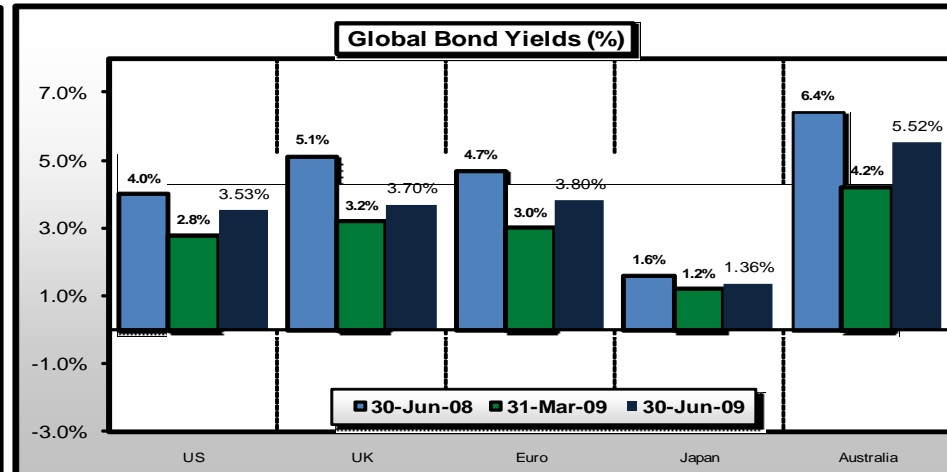
## Calendar Year Returns for Developed Markets and Emerging Markets



# Market Environment – Interest Rates (As of 6/30/2009)

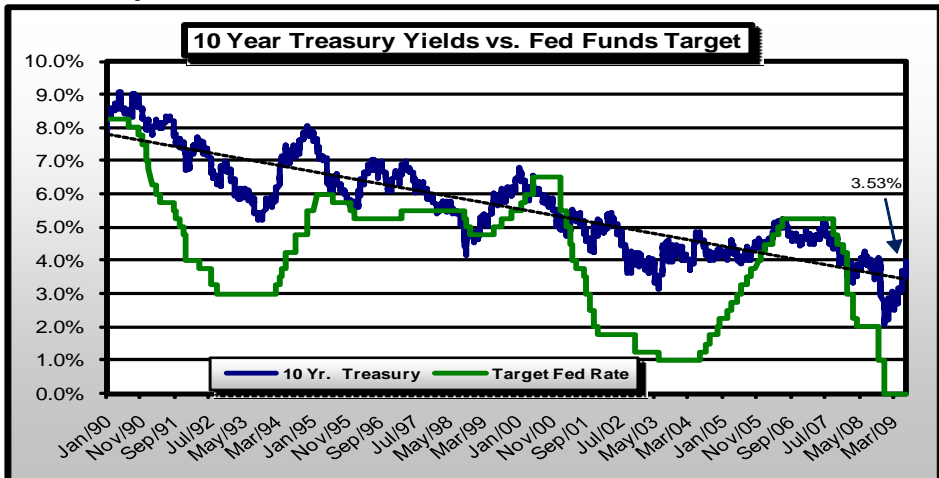


Source: Bloomberg



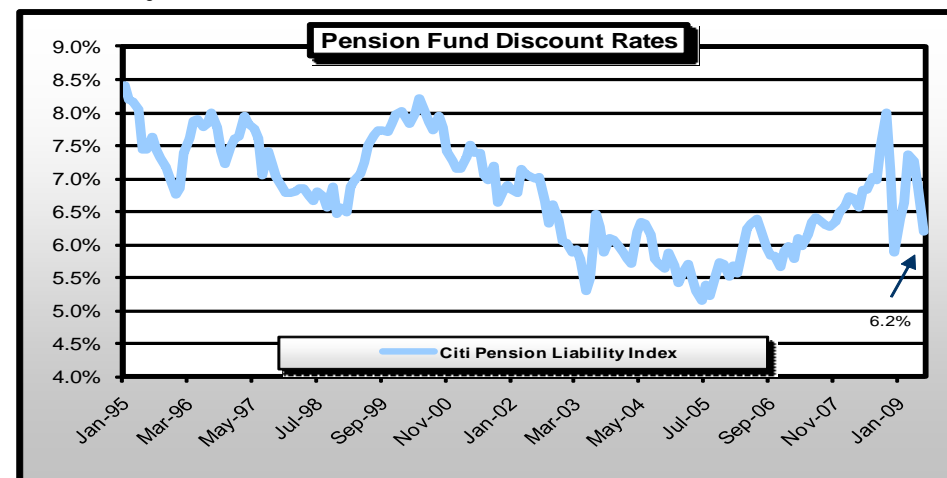
Global Yields are higher today than three months ago but still lower compared to last year...

Source: Bloomberg



Fed Funds rate target is still between 0% and 0.25% while 10 Yr. Treas. Yield rose sharply to 3.53% as issuance of Treasuries increased in Q2...

Source: United States Federal Reserve

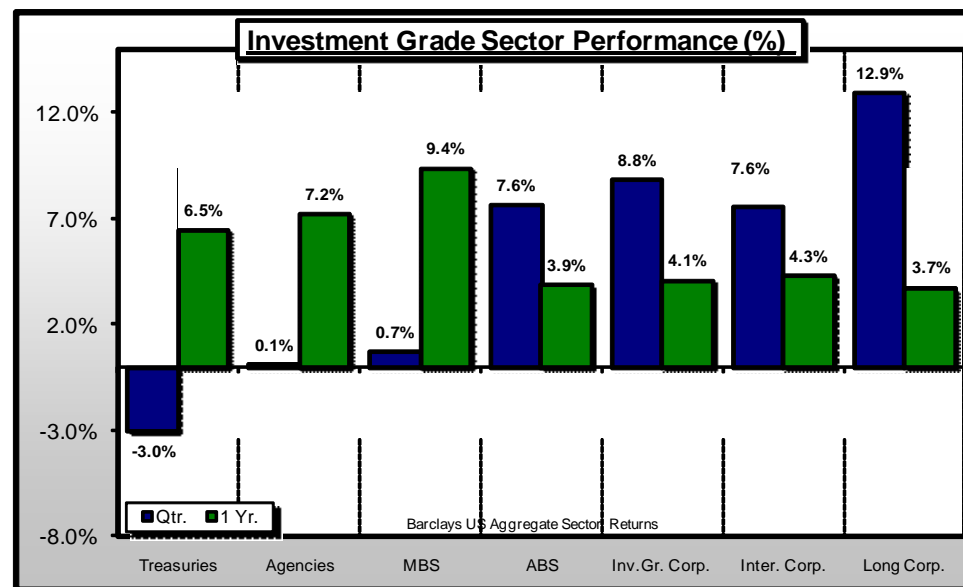
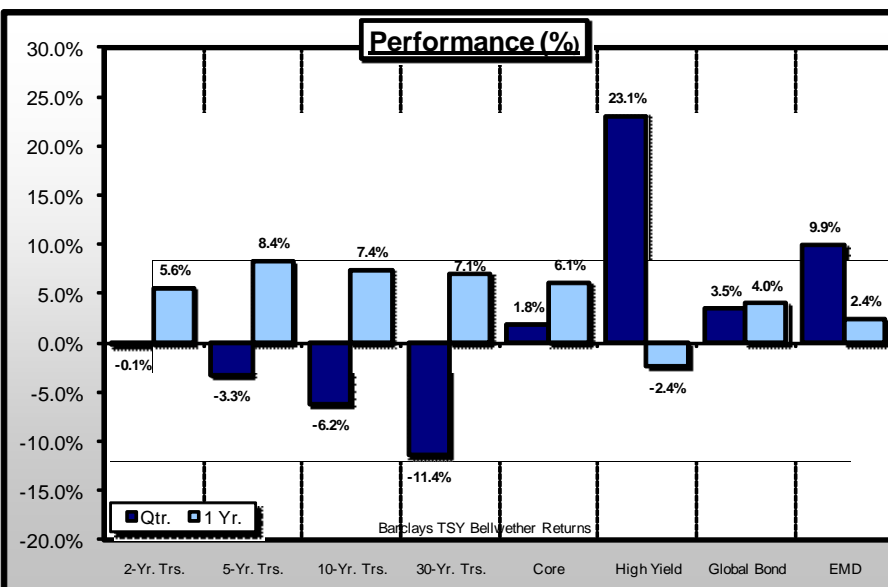


Citi Pension rate declined to 6.2% in Q2 of 2009...

Source: Citigroup

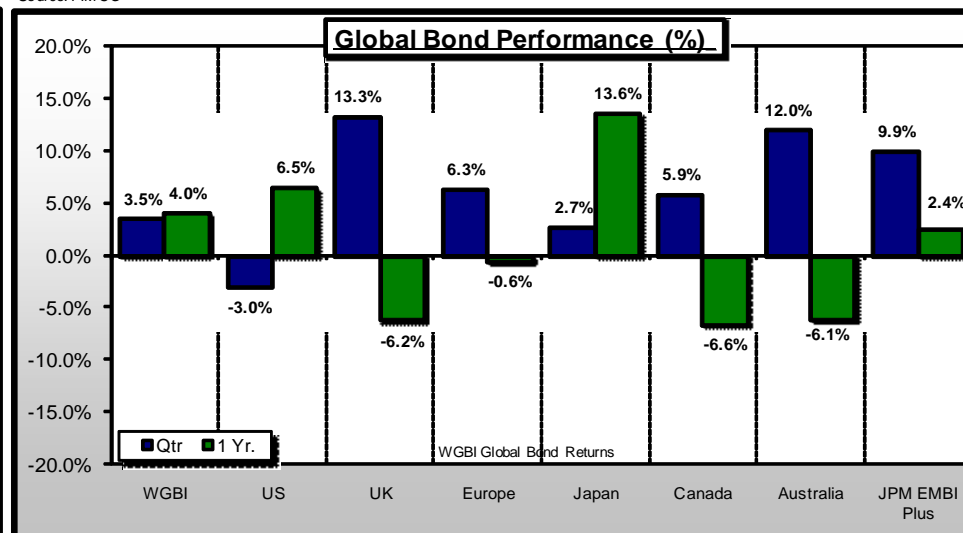
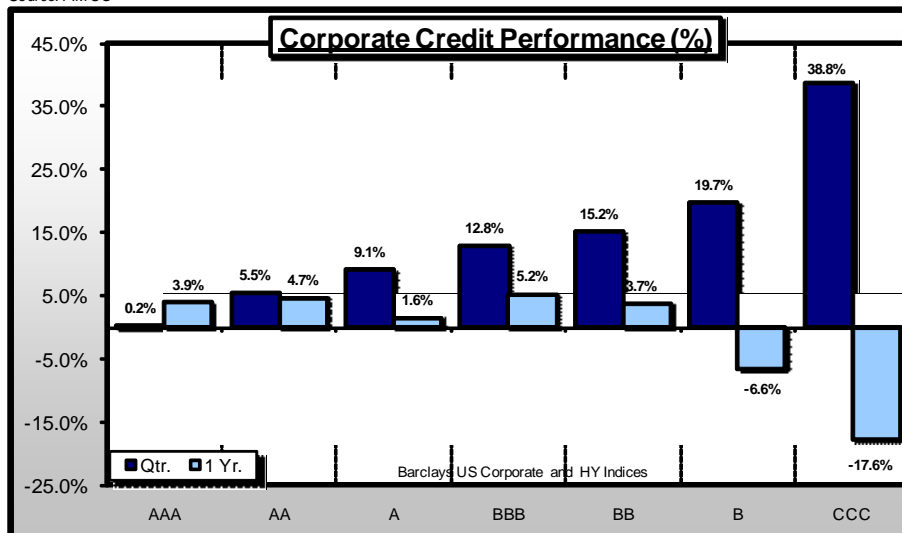


# Market Environment – Fixed Income (As of 6/30/2009)



Source: PIMCO

Source: PIMCO



Source: PIMCO

Source: PIMCO

# Information Disclosure

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