

Oklahoma State Pension Commission

Fourth Quarter 2008 Investment Performance Analysis

February 11, 2009

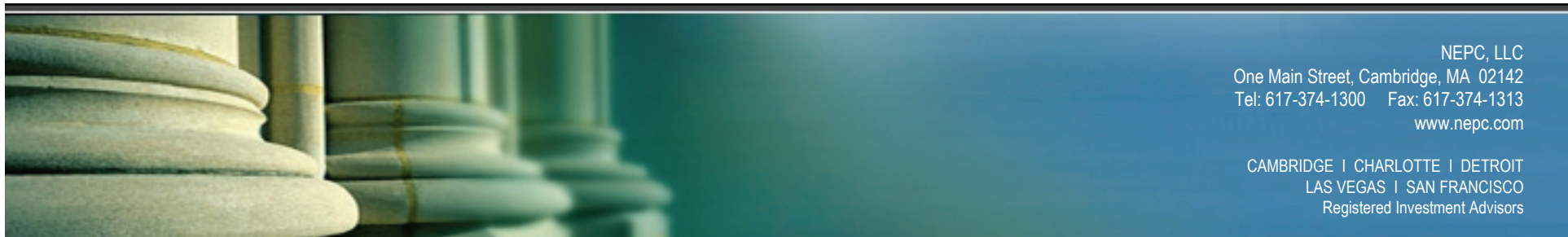
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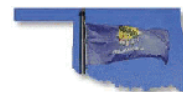
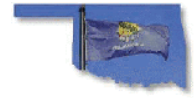


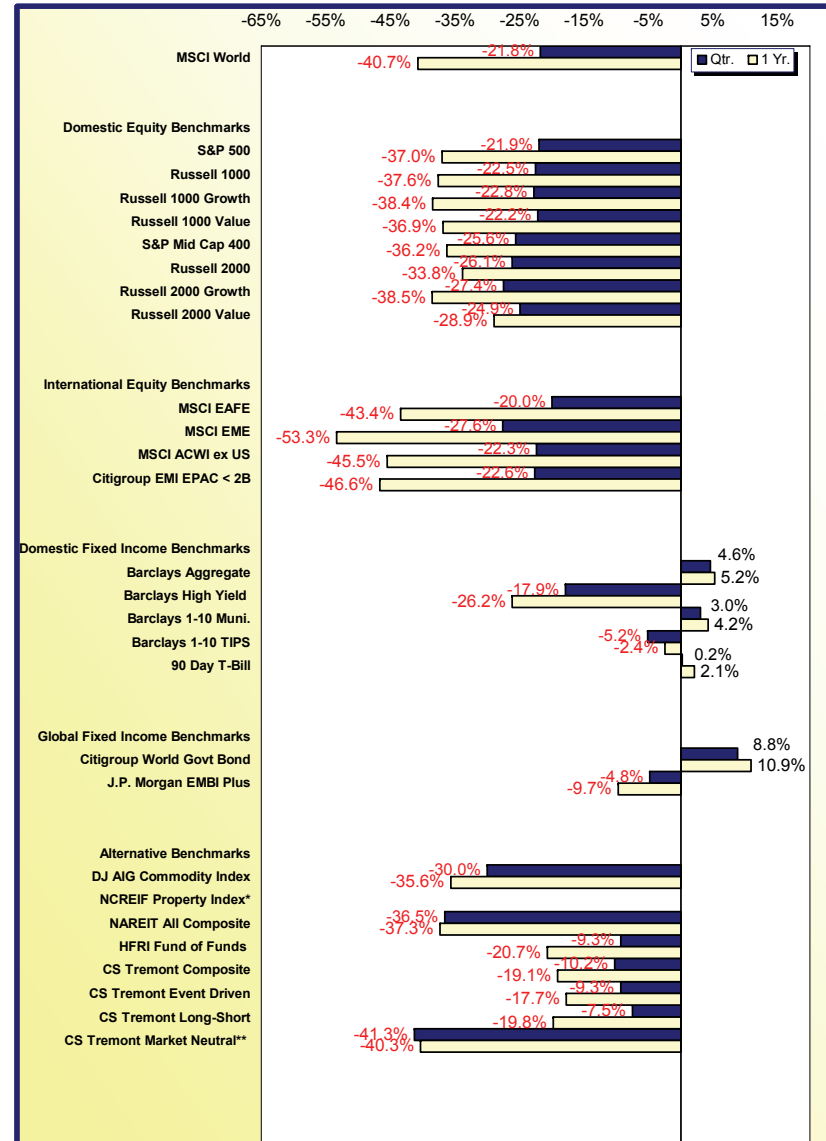
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Market Environment – Overview (As of 12/31/2008)

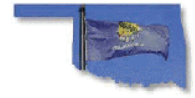
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
World Equity Benchmarks						
MSCI World	World	-21.8%	-40.7%	-8.1%	-0.5%	-0.6%
Domestic Equity Benchmarks						
S&P 500	Large Core	-21.9%	-37.0%	-8.4%	-2.2%	-1.4%
Russell 1000	Large Core	-22.5%	-37.6%	-8.7%	-2.0%	-1.1%
Russell 1000 Growth	Large Growth	-22.8%	-38.4%	-9.1%	-3.4%	-4.3%
Russell 1000 Value	Large Value	-22.2%	-36.9%	-8.3%	-0.8%	1.4%
S&P Mid Cap 400	Mid Core	-25.6%	-36.2%	-8.8%	-0.1%	4.5%
Russell 2000	Small Core	-26.1%	-33.8%	-8.3%	-0.9%	3.0%
Russell 2000 Growth	Small Growth	-27.4%	-38.5%	-9.3%	-2.4%	-0.8%
Russell 2000 Value	Small Value	-24.9%	-28.9%	-7.5%	0.3%	6.1%
International Equity Benchmarks						
MSCI EAFE	International	-20.0%	-43.4%	-7.4%	1.7%	0.8%
MSCI EME	Em. Mkt. Eqty.	-27.6%	-53.3%	-4.9%	7.7%	9.1%
MSCI ACWI ex US	Int'l Developed	-22.3%	-45.5%	-7.0%	2.6%	1.9%
Citigroup EMI EPAC < 2B	Small Cap Int'l	-22.6%	-46.6%	-9.6%	3.0%	4.1%
Domestic Fixed Income Benchmarks						
Barclays Aggregate	Core Bonds	4.6%	5.2%	5.5%	4.7%	5.6%
Barclays High Yield	High Yield	-17.9%	-26.2%	-5.6%	-0.8%	2.2%
Barclays 1-10 Muni.	Municipal Bond	3.0%	4.2%	4.2%	3.5%	0.0%
Barclays 1-10 TIPS	Inflation	-5.2%	-2.4%	3.4%	3.8%	6.3%
90 Day T-Bill	Cash	0.2%	2.1%	4.0%	3.3%	3.5%
Global Fixed Income Benchmarks						
Citigroup World Govt Bond	Global Bonds	8.8%	10.9%	9.3%	6.0%	5.9%
J.P. Morgan EMBI Plus	Em. Mkt. Bonds	-4.8%	-9.7%	2.0%	5.8%	10.9%
Alternative Benchmarks						
DJ AIG Commodity Index	Commodities	-30.0%	-35.6%	-8.7%	0.2%	7.6%
NCREIF Property Index*	Real Estate	n/a	n/a	n/a	n/a	n/a
NAREIT All Composite	REIT	-36.5%	-37.3%	-11.6%	-0.5%	6.8%
HFRI Fund of Funds	Fund of Funds	-9.3%	-20.7%	-1.1%	2.1%	3.3%
CS Tremont Composite	All Hedge Funds	-10.2%	-19.1%	1.2%	4.1%	7.0%
CS Tremont Event Driven	Event Driven	-9.3%	-17.7%	2.5%	6.1%	9.0%
CS Tremont Long-Short	Long-Short	-7.5%	-19.8%	1.4%	5.0%	7.9%
CS Tremont Market Neutral**	Market Neutral	-41.3%	-40.3%	-10.2%	-3.9%	3.2%



* NCREIF Returns not available yet

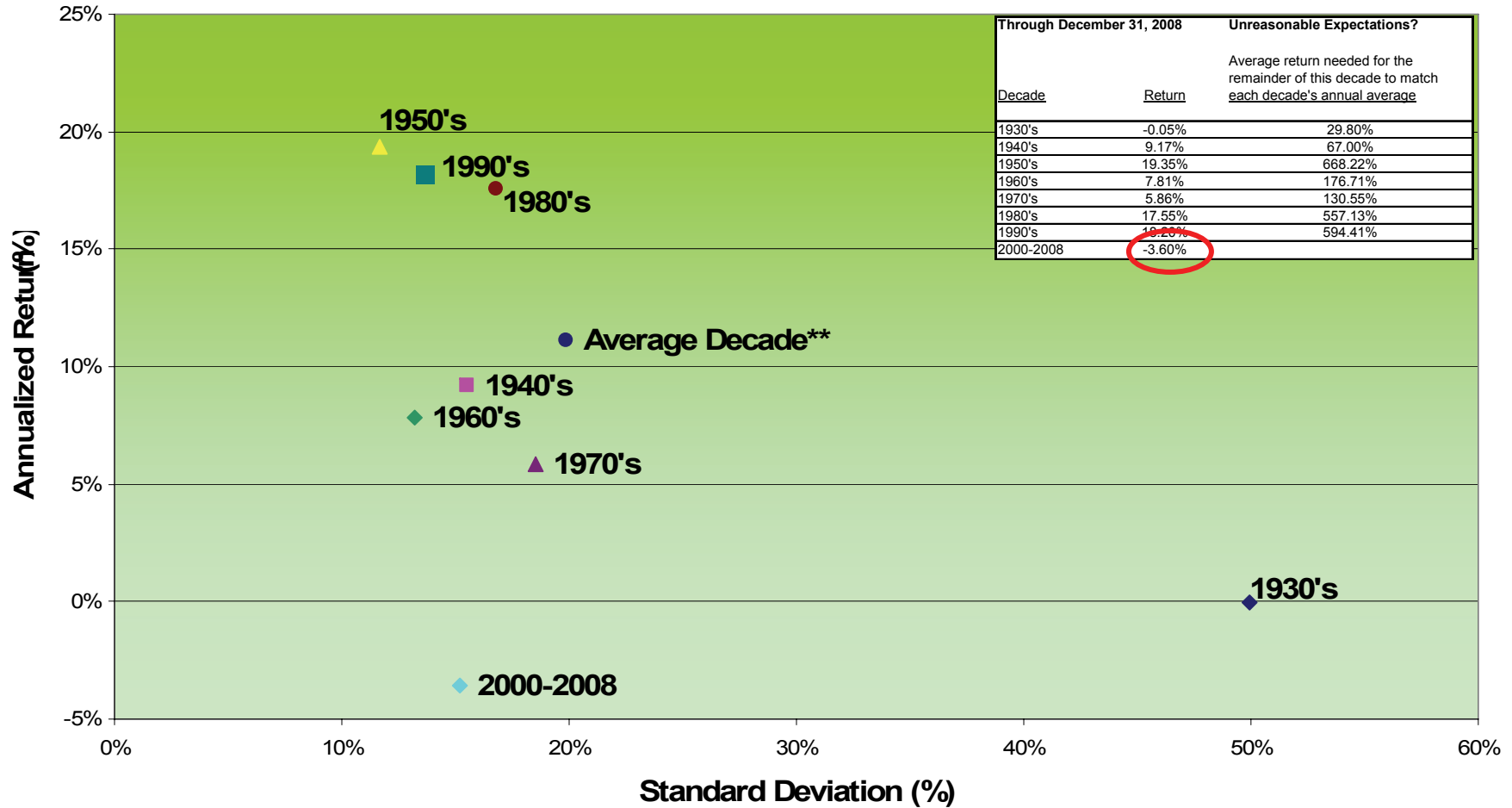
** Large drawdown in MKT Neutral is due to Madoff exposure





US Equity Market Returns in Perspective

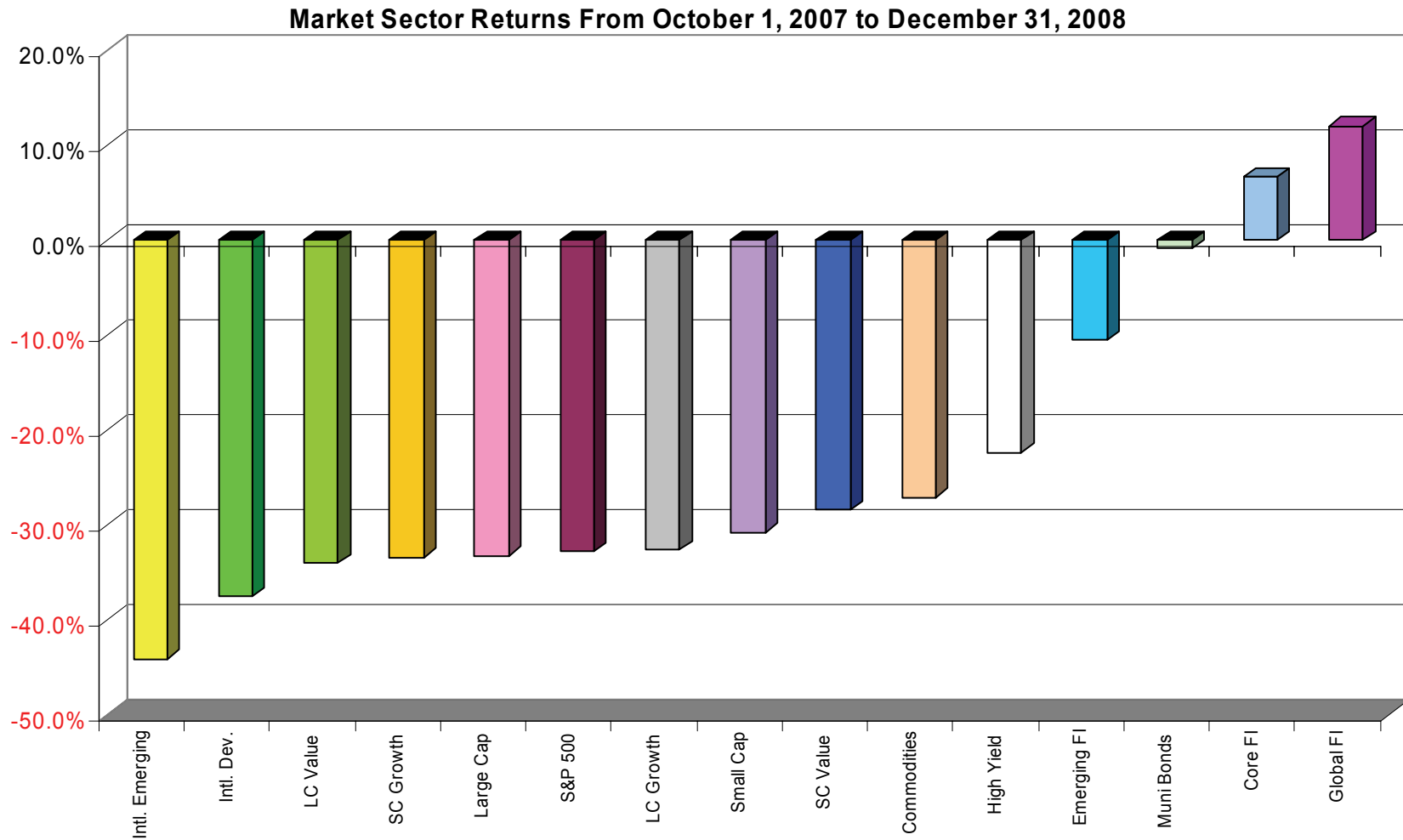
S&P 500 Return vs Risk by Decade

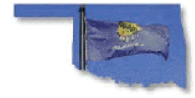


Through December 31, 2008		Unreasonable Expectations?
Decade	Return	Average return needed for the remainder of this decade to match each decade's annual average
1930's	-0.05%	29.80%
1940's	9.17%	67.00%
1950's	19.35%	668.22%
1960's	7.81%	176.71%
1970's	5.86%	130.55%
1980's	17.55%	557.13%
1990's	19.26%	594.41%
2000-2008	-3.60%	

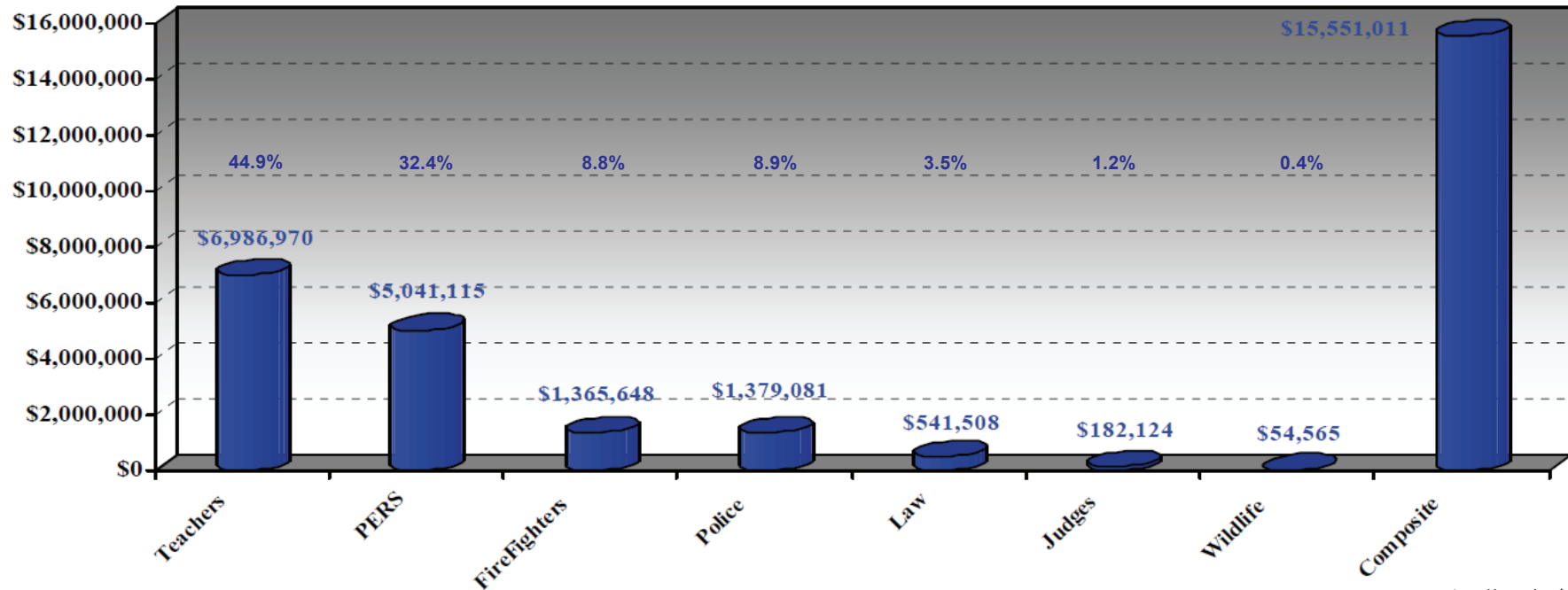
** Average Decade is from the 1930's through the 1990's

Market Update December 31, 2008





Relative Size – All Funds (as of 12/31/08)



(Dollars in \$000)

Qtr Ending 12/31/2008		Qtr Ending 12/31/2008		Qtr Ending 12/31/2008		Qtr Ending 12/31/2008		Qtr Ending 12/31/2008		Qtr Ending 12/31/2008		Qtr Ending 12/31/2008		Qtr Ending 12/31/2008	
9/30/2008	\$8,188,433	9/30/2008	\$5,646,850	9/30/2008	\$1,568,914	9/30/2008	\$1,565,082	9/30/2008	\$616,489	9/30/2008	\$204,573	9/30/2008	\$62,617	9/30/2008	\$17,851,590
Net Ext Growth	(\$62,576)	Net Ext Growth	(\$29,636)	Net Ext Growth	(\$13,250)	Net Ext Growth	(\$6,975)	Net Ext Growth	(\$4,439)	Net Ext Growth	(\$1,425)	Net Ext Growth	(\$265)	Net Ext Growth	(\$118,566)
Investment Return	(\$1,138,887)	Investment Return	(\$576,099)	Investment Return	(\$190,016)	Investment Return	(\$179,026)	Investment Return	(\$70,542)	Investment Return	(\$21,024)	Investment Return	(\$7,787)	Investment Return	(\$2,182,013)
12/31/2008	\$6,986,970	12/31/2008	\$5,041,115	12/31/2008	\$1,365,648	12/31/2008	\$1,379,081	12/31/2008	\$541,508	12/31/2008	\$182,124	12/31/2008	\$54,565	12/31/2008	\$15,551,011
1-Year Ending 12/31/2008		1-Year Ending 12/31/2008		1-Year Ending 12/31/2008		1-Year Ending 12/31/2008		1-Year Ending 12/31/2008		1-Year Ending 12/31/2008		1-Year Ending 12/31/2008		1-Year Ending 12/31/2008	
12/31/2007	\$9,498,944	12/31/2007	\$6,722,850	12/31/2007	\$1,856,852	12/31/2007	\$1,821,989	12/31/2007	\$727,846	12/31/2007	\$243,606	12/31/2007	\$70,128	12/31/2007	\$20,942,215
Net Ext Growth	(\$45,324)	Net Ext Growth	(\$111,916)	Net Ext Growth	(\$41,701)	Net Ext Growth	(\$22,531)	Net Ext Growth	(\$14,366)	Net Ext Growth	(\$5,320)	Net Ext Growth	(\$208)	Net Ext Growth	(\$316,987)
Investment Return	(\$2,466,650)	Investment Return	(\$1,569,819)	Investment Return	(\$449,503)	Investment Return	(\$420,377)	Investment Return	(\$171,972)	Investment Return	(\$56,162)	Investment Return	(\$15,355)	Investment Return	(\$5,074,218)
12/31/2008	\$6,986,970	12/31/2008	\$5,041,115	12/31/2008	\$1,365,648	12/31/2008	\$1,379,081	12/31/2008	\$541,508	12/31/2008	\$182,124	12/31/2008	\$54,565	12/31/2008	\$15,551,010
Teachers		PERS		Fire Fighters		Police		Law		Judges		Wildlife		Composite	





Investment Policy Asset Allocation Targets

Key Policy Items	Teachers	PERS*	Firefighters	Police	Law	Judges*	Wildlife
TOTAL EQUITY Target	70.0%	62.0%	65.0%	55.0%	60.0%	64.0%	50.0%
Actual	60.6%	55.0%	58.9%	48.4%	52.1%	55.1%	43.2%
Range	63-77	54-70	60-70	50-60	55-65	54-74	45-55
Large Cap Target	28.0%	33.0%	30.0%	20.0%	25.0%	30.0%	35.0%
Actual	23.9%	21.9%	27.2%	16.3%	20.8%	24.1%	30.2%
Range	23-33	25-35	25-35	15-25	20-30	25-32	30-40
MidCap Target	15.0%	7.0%	-	-	-	7.0%	-
Actual	12.3%	7.0%	-	-	-	7.0%	-
Range	10-20	-	-	-	-	-	-
Small Cap Target	10.0%	3.0%	12.5%	10.0%	15.0%	3.0%	10.0%
Actual	9.2%	5.3%	9.2%	7.1%	13.6%	3.0%	6.4%
Range	5-15	-	7.5-17.5	5-15	10-20	-	0-10
Int'l Equity Target	17.0%	19.0%	12.5%	10.0%	10.0%	24.0%	10.0%
Actual	15.2%	20.8%	11.2%	9.8%	7.5%	21.0%	6.6%
Range	12-22	14-24	7.5-17.5	5-15	5-15	19-29	0-10
Long/Short Eq Target	-	-	10.0%	15.0%	10.0%	-	-
Actual	-	-	11.3%	15.2%	10.2%	-	-
Range	-	-	7.5-12.5	10-20	0-10	-	-
PRIVATE EQUITY Target	-	-	-	10.0%	3.0%	-	-
Actual	-	-	-	13.4%	3.1%	-	-
Range	-	-	-	5-15	0-5	-	-
TOTAL FIXED INC. Target	30.0%	38.0%	25.0%	17.5%	30.0%	36.0%	50.0%
Actual	36.9%	44.7%	26.9%	19.5%	37.2%	44.9%	53.8%
Range	25-35	33-43	20-30	7.5-27.5	20-40	31-41	45-55
Dom. Fixed Inc. Target	30.0%	38.0%	25.0%	17.5%	30.0%	36.0%	50.0%
Actual	36.9%	44.7%	26.9%	14.7%	37.2%	44.9%	53.8%
Range	25-35	33-43	20-30	7.5-27.5	20-40	31-41	45-55
Int'l Fixed Inc. Target	-	-	-	-	-	-	-
Actual	-	-	-	4.8%	-	-	-
Range	-	-	-	-	-	-	-
ALTERNATIVE INV. Target	-	-	5.0%	12.5%	-	-	-
Actual	1.1%	-	7.4%	12.8%	-	-	-
Range	-	-	2-8	7.5-17.5	-	-	-
REAL ESTATE Target	-	-	5.0%	5.0%	7.0%	-	-
Actual	-	-	6.7%	5.9%	7.7%	-	-
Range	-	-	2-8	0-10	5-10	-	-
CASH Actual	1.3%	0.3%	0.1%	0.0%	0.0%	0.1%	3.1%

*The Russell 3000 index was broken down into Large, Mid, & Small Cap allocations for the PERS & Judges retirement plans

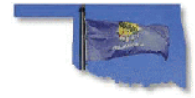
**For the Law, Target Alternative Inv. (low-volatility hedge funds) is classified as fixed income

Out of Range

^Allocation includes commodity managers

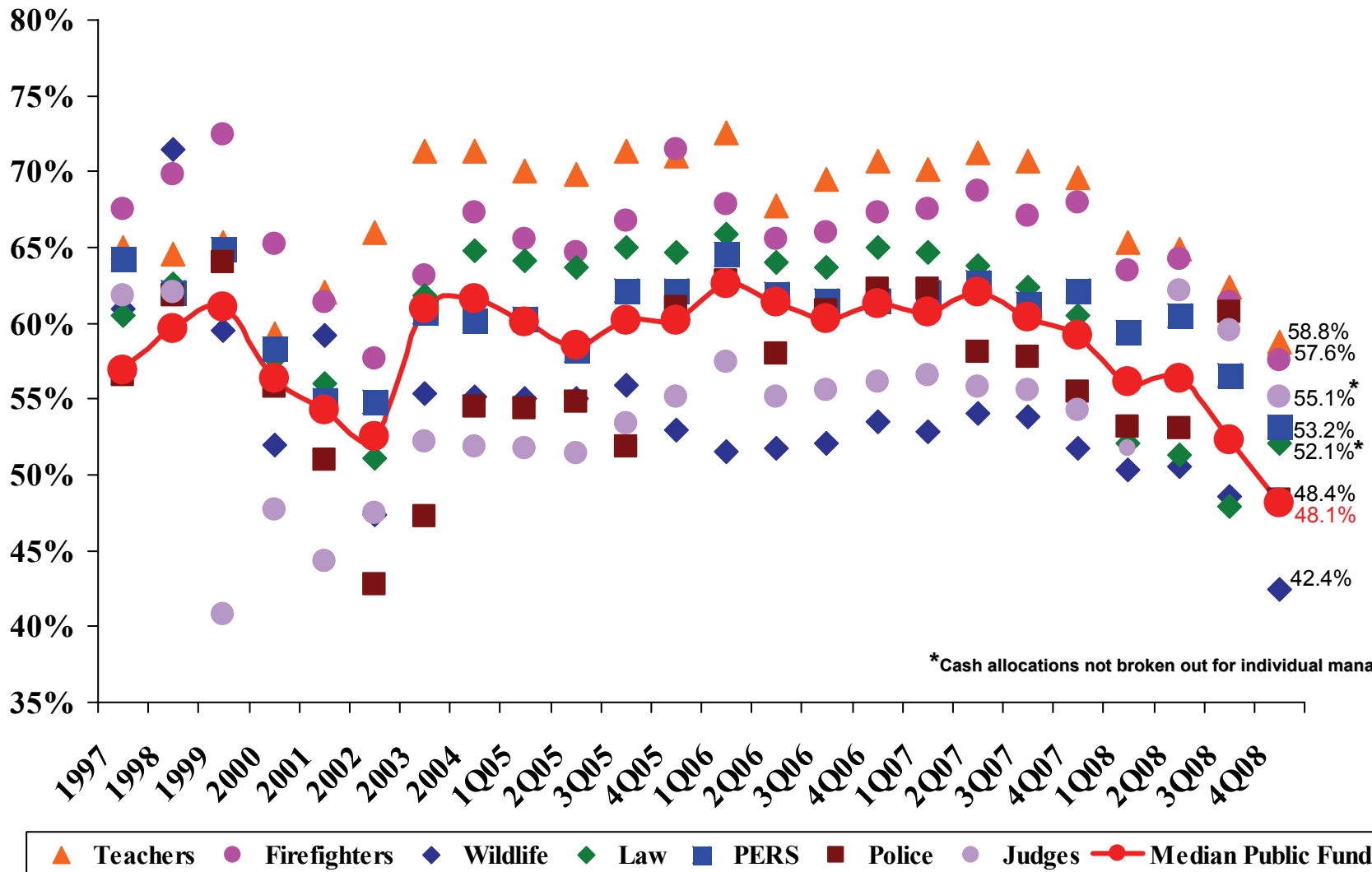
Please note that allocation targets may not add to 100% due to rounding, and cash accounts within the plans. Total Equity does not include Private Equity

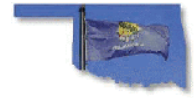




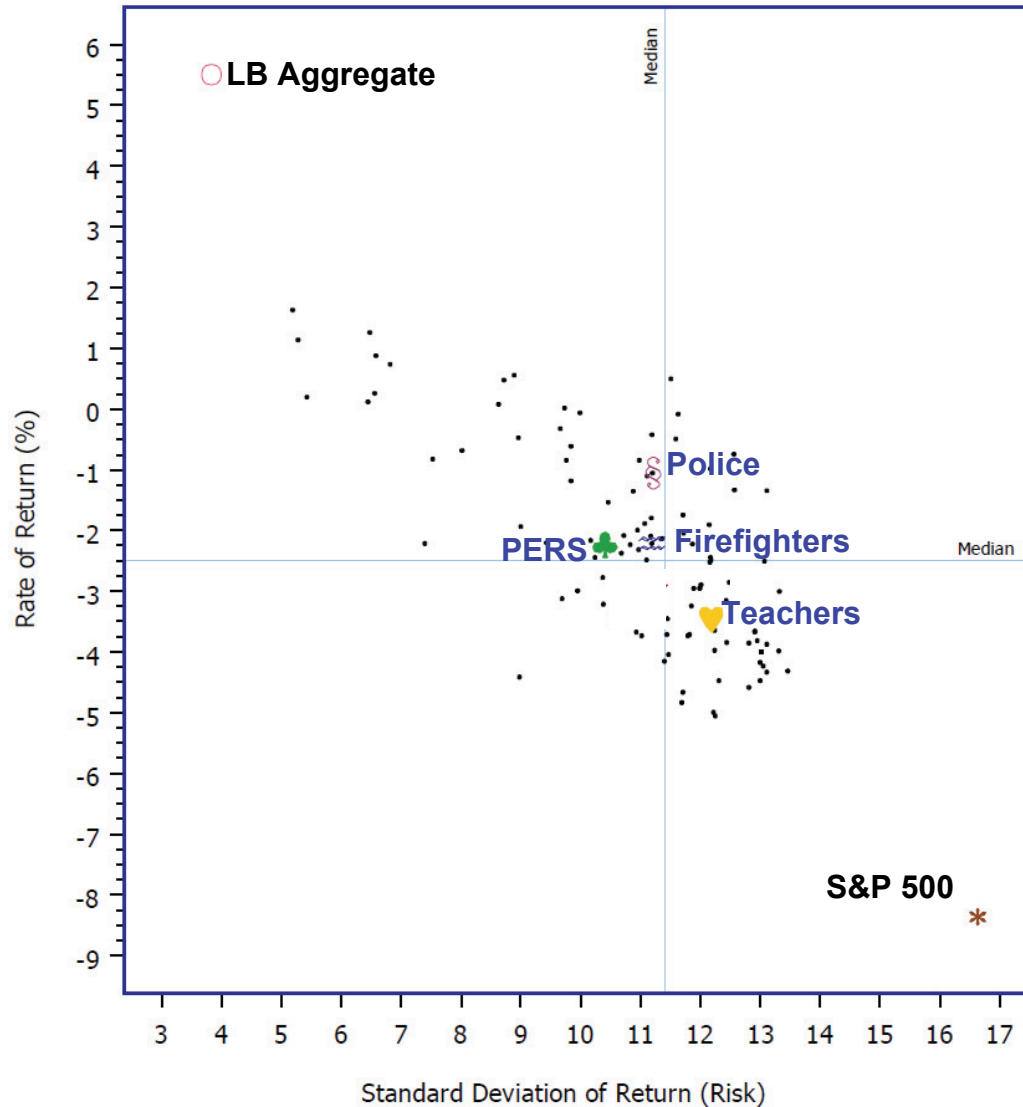
Equity Commitment

(as of 12/31/08)



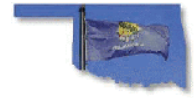


3 Year Risk / Return Analysis

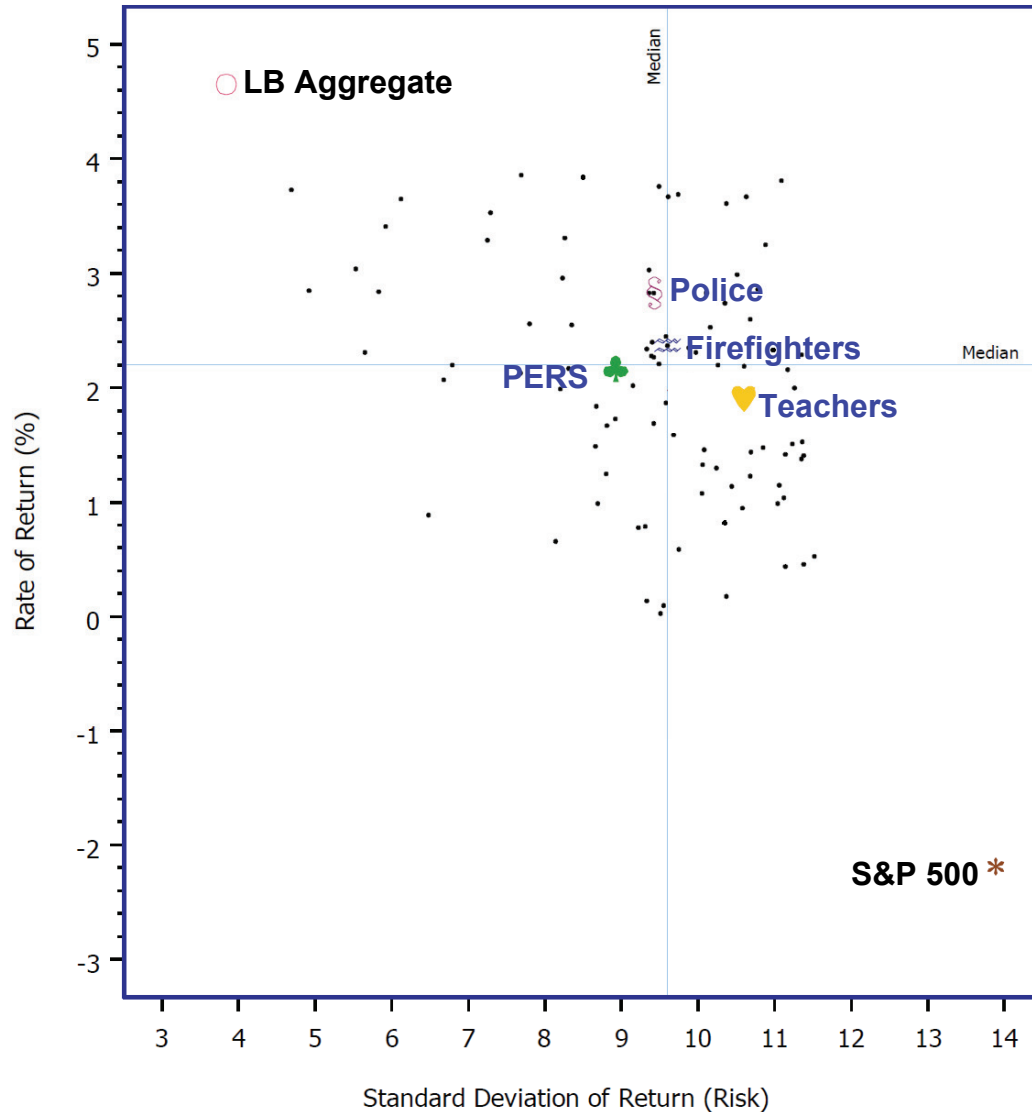


	Return	Standard Deviation	Sharpe Ratio			
♥ OK TEACHERS	-3.5	66	12.2	70	-0.5	
♣ OK PERS	-2.2	46	10.4	30	-0.5	
≈ OK FIREFIGHTERS	-2.2	43	11.2	47	-0.5	
§ OK POLICE	-1.0	26	11.2	47	-0.4	
* S&P 500	-8.4	99	16.6	99	-0.7	
○ BC AGGREGATE	5.5	1	3.8	1	0.4	1
Median	-2.5		11.4		-0.5	

Sharpe Ratio is a measure of risk-adjusted return. It is used to characterize how well the return of an asset compensates the investor for the risk taken. The higher the ratio, the better its risk-adjusted performance.

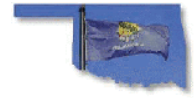


5 Year Risk / Return Analysis

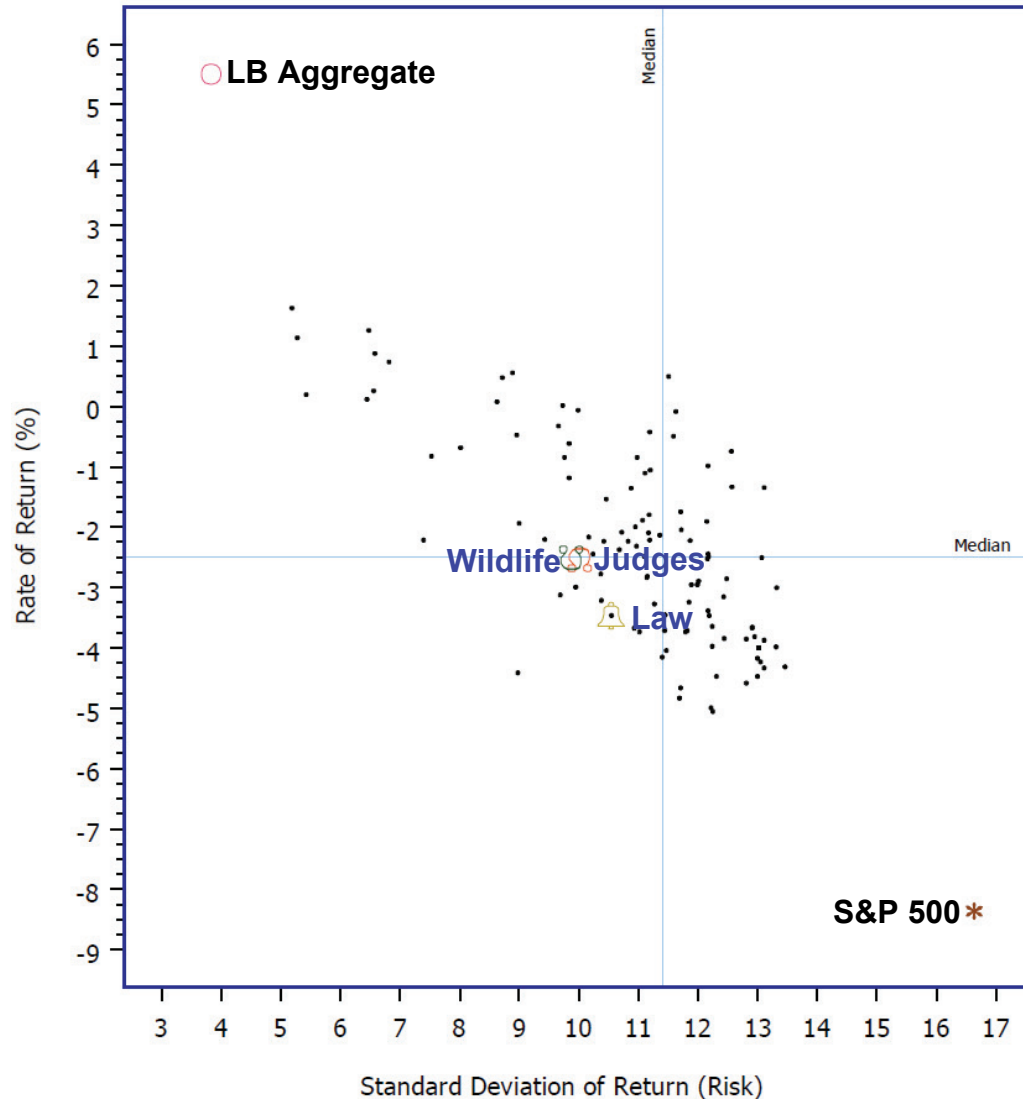


	Return	Standard Deviation	Sharpe Ratio
♥ OK TEACHERS	1.9	10.6	-0.1
♣ OK PERS	2.2	8.9	-0.1
≈ OK FIREFIGHTERS	2.4	9.6	0.0
§ OK POLICE	2.8	9.4	0.0
* S&P 500	-2.2	13.9	-0.3
○ BC AGGREGATE	4.7	3.8	0.4
Median	2.2	9.6	-0.1

Sharpe Ratio is a measure of risk-adjusted return. It is used to characterize how well the return of an asset compensates the investor for the risk taken. The higher the ratio, the better its risk-adjusted performance.

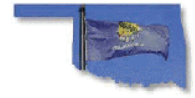


3 Year Risk / Return Analysis (cont.)

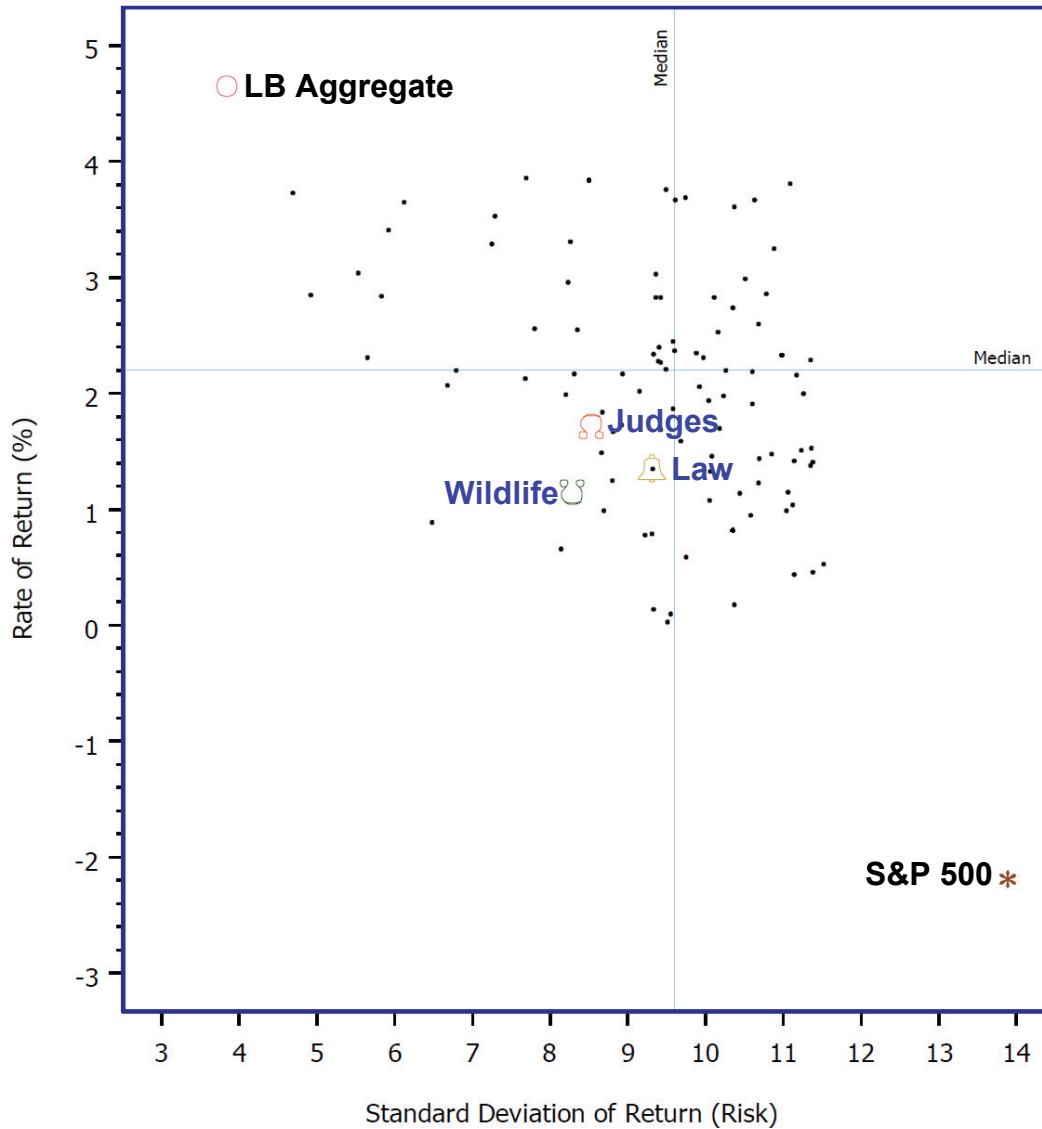


	Return	Standard Deviation	Sharpe Ratio
OK LAW	-3.5	10.5	-0.7
OK JUDGES	-2.5	10.0	-0.6
OK WILDLIFE	-2.5	9.9	-0.6
* S&P 500	-8.4	16.6	-0.7
BC AGGREGATE	5.5	3.8	0.4
Median	-2.5	11.4	-0.5

Sharpe Ratio is a measure of risk-adjusted return. It is used to characterize how well the return of an asset compensates the investor for the risk taken. The higher the ratio, the better its risk-adjusted performance.

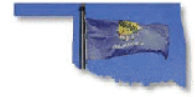


5 Year Risk / Return Analysis (cont.)



	Return	Standard Deviation	Sharpe Ratio
🔔 OK LAW	1.4 71	9.3 34	-0.2
⚖️ OK JUDGES	1.7 60	8.5 24	-0.1
🐦 OK WILDLIFE	1.2 77	8.3 22	-0.2
* S&P 500	-2.2 99	13.9 99	-0.3
🔴 BC AGGREGATE	4.7 2	3.8 1	0.4 1
Median	2.2	9.6	-0.1

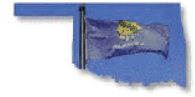
Sharpe Ratio is a measure of risk-adjusted return. It is used to characterize how well the return of an asset compensates the investor for the risk taken. The higher the ratio, the better its risk-adjusted performance.



Composite Performance

Periods Ending December 31

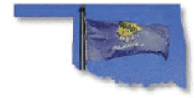
	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Teachers	(14.0)%	70	(26.0)%	65	(3.5)%	66	1.9%	57	3.6%	27
PERS	(10.1)%	20	(23.5)%	39	(2.2)%	46	2.2%	47	3.4%	42
Firefighters	(12.0)%	37	(24.3)%	46	(2.2)%	43	2.4%	35	3.2%	50
Police	(11.3)%	28	(23.1)%	31	(1.0)%	26	2.8%	27	3.5%	33
Law	(11.4)%	30	(23.8)%	41	(3.5)%	66	1.4%	71	2.9%	59
Judges	(10.3)%	21	(23.3)%	35	(2.5)%	53	1.7%	60	3.1%	51
Wildlife	(12.5)%	43	(22.0)%	24	(2.5)%	52	1.2%	77	1.6%	93
Med Tot Public Fund	(12.9)%		(24.8)%		(2.5)%		2.2%		3.2%	
Green = 1st Quartile Yellow = 2nd Quartile Blue = 3rd Quartile Red = 4th Quartile										



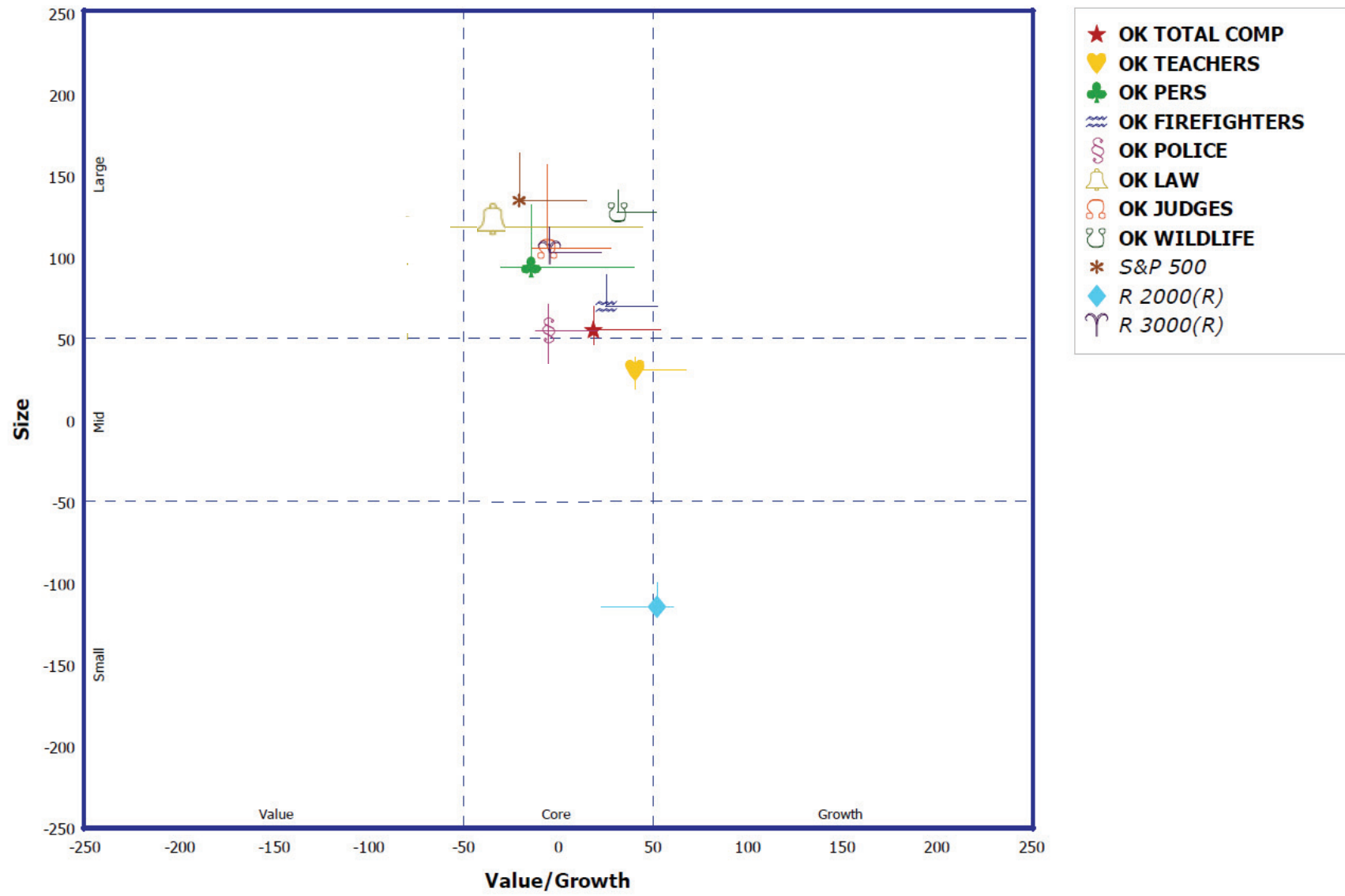
Composite Performance

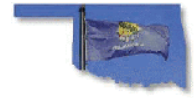
Years Ending December 31

	Dec-08		Dec-07		Dec-06		Dec-05		Dec-04		Dec-03		Dec-02	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Teachers	(26.0)%	65	6.9%	72	13.7%	47	7.4%	40	13.7%	8	29.0%	2	(9.6)%	65
PERS	(23.5)%	39	8.2%	49	13.0%	64	7.2%	47	11.2%	45	22.2%	48	(7.2)%	31
Firefighters	(24.3)%	46	9.8%	18	12.6%	71	7.9%	29	11.5%	40	19.8%	72	(7.5)%	36
Police	(23.1)%	31	9.9%	15	14.5%	29	7.4%	41	10.5%	61	21.9%	49	(9.2)%	56
Law	(23.8)%	41	5.8%	90	11.7%	76	7.1%	47	11.0%	50	22.9%	35	(6.8)%	25
Judges	(23.3)%	35	7.6%	58	12.2%	74	6.6%	58	10.3%	67	19.1%	78	(4.6)%	10
Wildlife	(22.0)%	24	6.9%	71	11.1%	81	5.9%	73	7.9%	94	17.4%	87	(10.4)%	75
Med Tot Pub Fund	(24.8)%		8.2%		13.7%		6.9%		11.0%		21.9%		(8.7)%	
<p>Green = 1st Quartile</p> <p>Yellow = 2nd Quartile</p> <p>Blue = 3rd Quartile</p> <p>Red = 4th Quartile</p>														



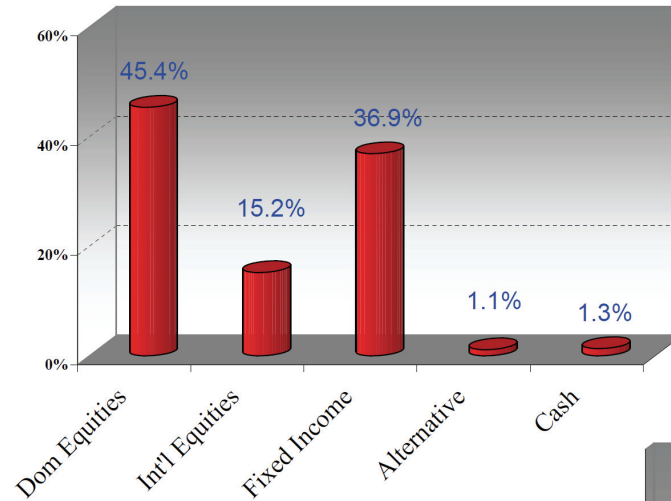
Style Analysis





Teachers

Allocation by Asset Class as of 12/31/2008

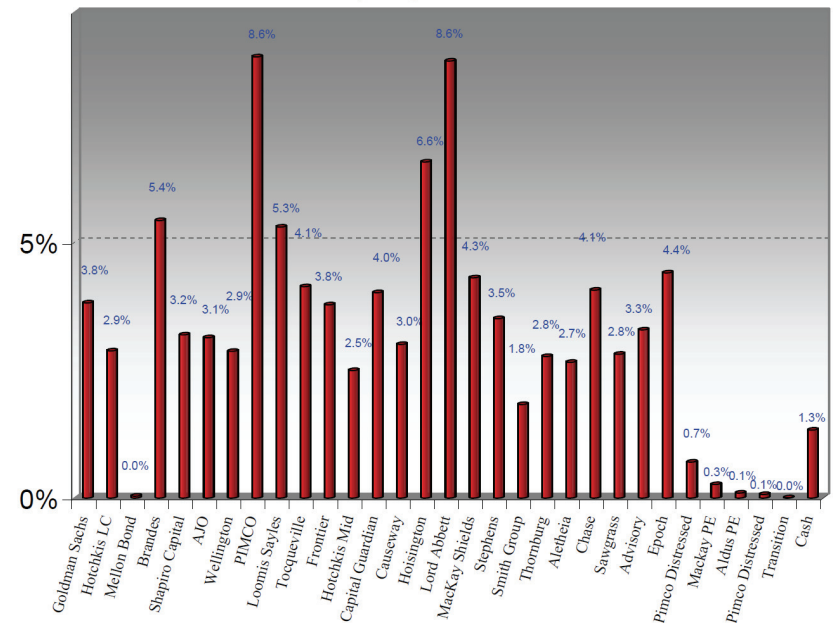


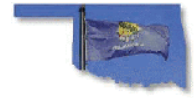
Qtr Ending 12/31/2008

9/30/2008	\$8,188,433
Net Ext Growth	(\$62,576)
Investment Return	(\$1,138,887)
12/31/2008	\$6,986,970

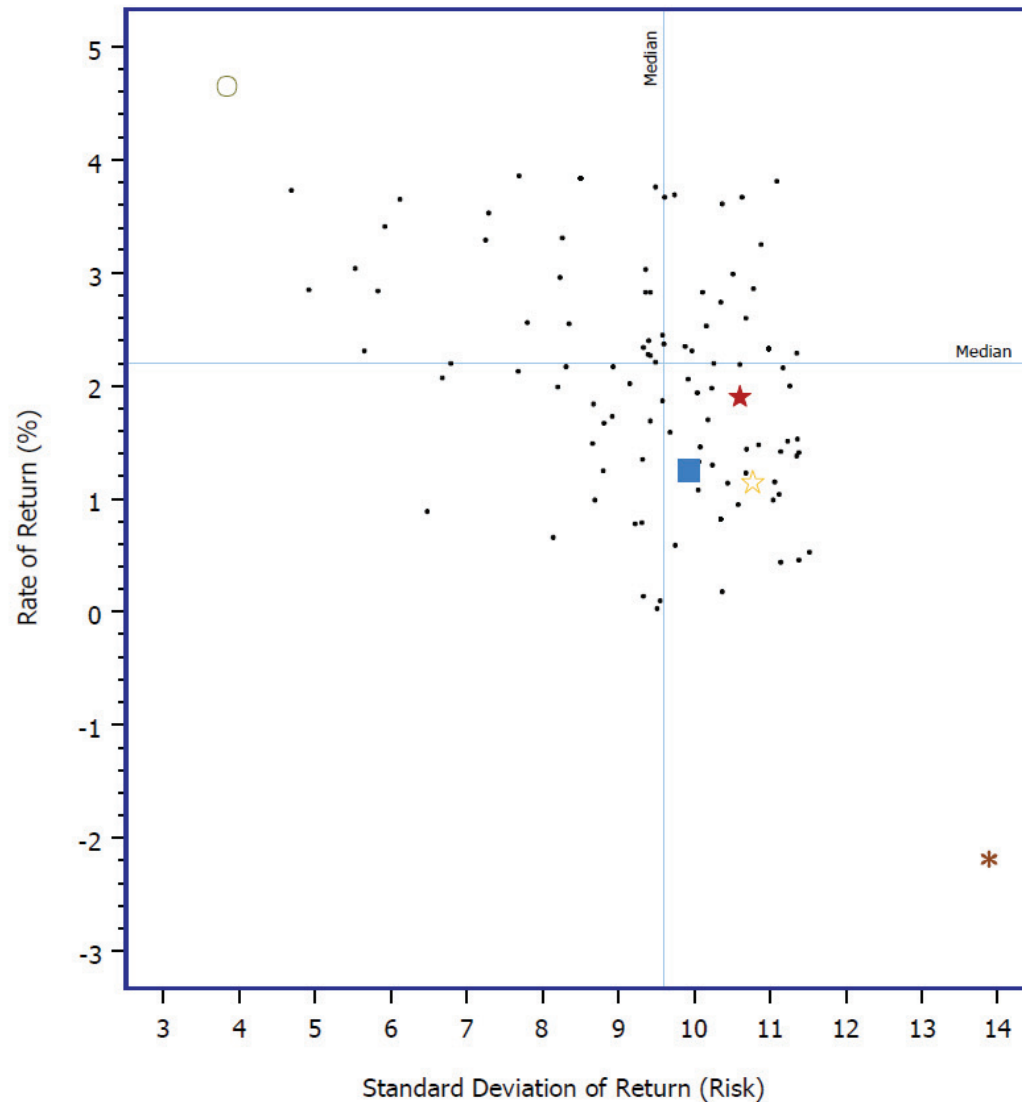
Assets in (\$000)

Allocation by Manager as of 12/31/2008

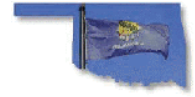




Teachers 5 Year Total Return vs. Risk



	Return	Standard Deviation	Sharpe Ratio
★ OK TEACHERS	1.9 57	10.6 75	-0.1
■ ALLOC INDEX	1.3 74	9.9 54	-0.1
☆ POLICY INDEX	1.2 77	10.8 79	-0.1
* S&P 500	-2.2 99	13.9 99	-0.3
○ BC AGGREGATE	4.7 2	3.8 1	0.4 1
Median	2.2	9.6	-0.1



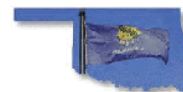
Teachers Total Return

Periods Ending December 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Teachers	(14.0)%	70	(26.0)%	65	(3.5)%	66	1.9%	57	3.6%	27
Allocation Index	(13.6)%	65	(25.2)%	55	(3.4)%	65	1.3%	74	2.8%	70
Policy Index	(15.3)%	90	(27.5)%	79	(4.2)%	83	1.2%	77	2.5%	75
Med Tot Public Fund	(12.9)%		(24.8)%		(2.5)%		2.2%		3.2%	
Green = 1st Quartile										
Yellow = 2nd Quartile										
Blue = 3rd Quartile										
Red = 4th Quartile										

Years Ending December 31

	Dec-08		Dec-07		Dec-06		Dec-05		Dec-04		Dec-03		Dec-02	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Teachers	(26.0)%	65	6.9%	72	13.7%	47	7.4%	40	13.7%	8	29.0%	2	(9.6)%	65
Alloc. Index	(25.2)%	55	5.9%	88	13.7%	49	6.2%	69	11.4%	42	24.7%	16	(8.7)%	49
Policy Index	(27.5)%	79	6.3%	82	14.2%	34	6.9%	51	12.6%	15	25.9%	12	(10.6)%	77
Med Tot Pub Fund	(24.8)%		8.2%		13.7%		6.9%		11.0%		21.9%		(8.7)%	
Green = 1st Quartile														
Yellow = 2nd Quartile														
Blue = 3rd Quartile														
Red = 4th Quartile														

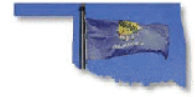


Teachers Performance

Periods Ending December 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Domestic Equity Composite	(25.0)%	66	(38.5)%	63	(9.9)%	69	(1.7)%	57	0.2%	49
S&P 500	(21.9)%		(37.0)%		(8.4)%		(2.2)%		(1.5)%	
Equity Public Funds Median	(23.0)%		(37.0)%		(8.4)%		(1.3)%		0.1%	
International Equity Composite	(18.8)%	40	(40.8)%	35	(5.4)%	46	3.2%	56	5.1%	65
CITI PMI EPAC	(20.0)%		(43.3)%		(7.1)%		2.1%		3.8%	
International Equity Median	(19.7)%		(42.2)%		(5.7)%		3.7%		6.2%	
Fixed Inc Comp	6.5%	8	6.5%	12	6.3%	14	5.4%	11	5.9%	15
Lehman Aggregate	4.6%		5.2%		5.5%		4.7%		5.4%	
Fixed Inc Public Funds Med	1.4%		0.3%		4.2%		3.9%		5.1%	

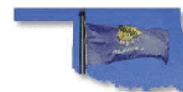
Green = 1st Quartile
 Yellow = 2nd Quartile
 Blue = 3rd Quartile
 Red = 4th Quartile



Teachers Performance

Periods Ending December 31

Domestic Equity	% Portfolio	Quarter		1 Year		3 Year		5 Year	
		% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Large Value									
Hotchkis & Wiley Large Cap	2.9%	(23.7)%	79	(45.4)%	93	(17.3)%	97	(5.5)%	95
Russell 1000 Value		(22.2)%		(36.9)%		(8.3)%		(0.8)%	
Large Core									
Sawgrass	2.8%	(21.9)%	49	(36.7)%	47	n/a		n/a	
Chase	4.1%	(20.1)%	13	(33.7)%	19	n/a		n/a	
Aletheia	2.7%	(29.5)%	91	(44.3)%	91	n/a		n/a	
S&P 500		(21.9)%		(37.0)%		(8.4)%		(2.2)%	
Large Growth									
Goldman Sachs	3.8%	(27.4)%	86	(39.1)%	47	(9.0)%	46	(3.6)%	78
Russell 1000 Growth		(22.8)%		(38.4)%		(9.1)%		(3.4)%	
Medium Value									
AJO Mid Cap	3.1%	(22.7)%	51	(37.6)%	61	(9.5)%	37	0.1%	32
Hotchkis & Wiley Mid Cap	2.5%	(23.4)%	54	(41.1)%	88	(16.5)%	93	(3.7)%	87
S&P 400/Citigroup Value		(25.1)%		(34.9)%		(8.8)%		(0.2)%	
Medium Core									
Frontier	3.8%	(22.1)%	33	(35.5)%	45	(2.6)%	5	2.9%	31
S&P 400		(25.6)%		(36.2)%		(8.8)%		(0.1)%	
Medium Growth									
Wellington	2.9%	(32.2)%	93	(46.3)%	80	(11.7)%	88	(1.7)%	13
S&P 400/Citigroup Growth		(26.0)%		(37.6)%		(9.2)%		(0.4)%	
Small Value									
Shapiro Capital	3.2%	(31.9)%	97	(39.7)%	96	(9.2)%	54	0.4%	28
Tocqueville	4.1%	(25.1)%	51	(33.4)%	62	(5.7)%	20	1.7%	13
Russell 2000 Value		(24.9)%		(28.9)%		(7.5)%		0.3%	
Small Growth									
Smith Group	1.8%	(29.2)%	82	(38.6)%	38	(14.3)%	90	n/a	
Russell 2000 Growth		(27.4)%		(38.5)%		(9.3)%		(2.4)%	
All Cap									
Advisory	3.3%	(20.0)%	11	(33.0)%	18	n/a		n/a	
Epoch	4.4%	(23.7)%	54	(36.1)%	33	n/a		n/a	
Russell 3000		(22.8)%		(37.3)%		(8.6)%		(1.9)%	
Green = 1st Quartile									
Yellow = 2nd Quartile									
Blue = 3rd Quartile									
Red = 4th Quartile									

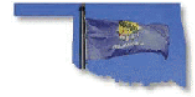


Teachers Performance

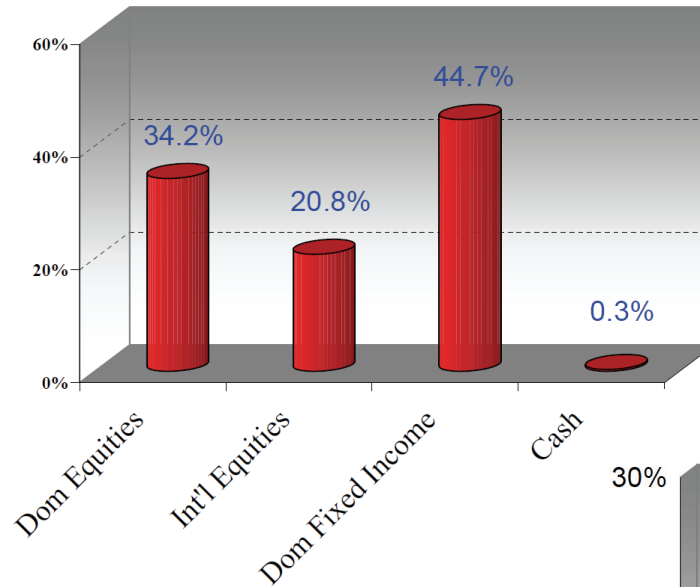
Periods Ending December 31

	% Portfolio	Quarter		1 Year		3 Year		5 Year	
		% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
International Equity									
Brandes - Value	5.4%	(17.1)%	39	(37.3)%	29	(4.2)%	47	4.6%	35
Capital Guardian	4.0%	(18.7)%	39	(42.6)%	52	(7.4)%	73	1.4%	87
Thornburg	2.8%	(19.6)%	47	(41.6)%	41	(1.4)%	5	n/a	
Causeway - Value	3.0%	(20.7)%	72	(43.2)%	72	(7.4)%	76	2.2%	84
MSCI EAFE		(20.0)%		(43.4)%		(7.4)%		1.7%	
Bond Managers									
Core Bonds									
Mellon Bond	0.0%	(0.7)%	75	0.4%	52	3.9%	55	3.7%	60
Loomis Sayles	5.3%	4.9%	20	2.4%	39	5.5%	24	4.8%	20
PIMCO	8.6%	2.0%	56	0.1%	55	4.2%	50	4.2%	44
Mackay Shields	4.3%	2.2%	53	3.5%	33	5.0%	36	n/a	
Stephens Capital	3.5%	7.9%	1	11.1%	1	8.2%	1	n/a	
Lord Abbett	8.6%	0.0%	70	(0.7)%	60	3.6%	65	n/a	
LB Aggregate		4.6%		5.2%		5.5%		4.7%	
Long Bonds									
Hoisington	6.6%	30.0%	3	35.8%	4	14.4%	6	n/a	
Lehman Long		18.7%		24.0%		11.5%		9.7%	
Pimco Distressed	0.7%	(35.4)%		(35.4)%		n/a		n/a	
Mackay PE	0.3%	n/a		n/a		n/a		n/a	
Aldus PE	0.1%	n/a		n/a		n/a		n/a	
Pimco Distressed	0.1%	n/a		n/a		n/a		n/a	
Green = 1st Quartile Yellow = 2nd Quartile Blue = 3rd Quartile Red = 4th Quartile									

PERS



Allocation by Asset Class as of 12/31/2008

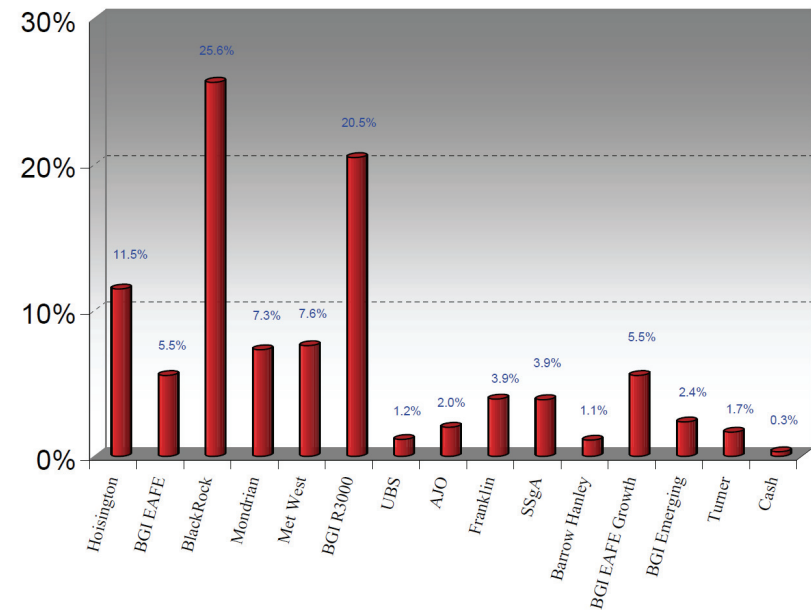


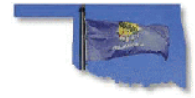
Qtr Ending 12/31/2008

9/30/2008	\$5,646,850
Net Ext Growth	(\$29,636)
Investment Return	(\$576,099)
12/31/2008	\$5,041,115

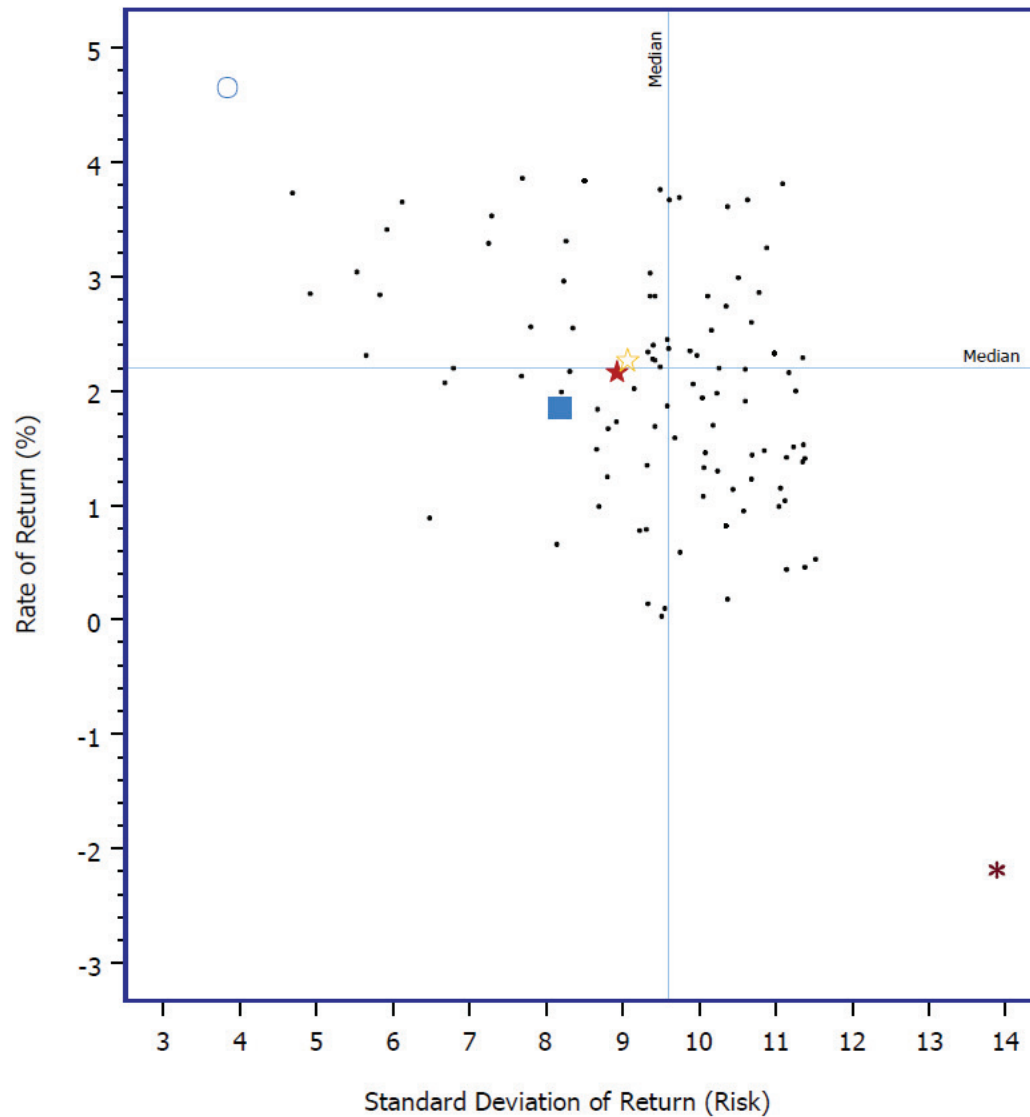
Assets in (\$000)

Allocation by Manager as of 12/31/2008

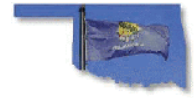




PERS 5 Year Total Return vs. Risk



	Return	Standard Deviation	Sharpe Ratio
★ OK PERS	2.2	8.9	-0.1
■ ALLOC INDEX	1.9	8.2	-0.1
☆ POLICY INDEX	2.3	9.1	-0.1
* S&P 500	-2.2	13.9	-0.3
○ BC AGGREGATE	4.7	3.8	0.4
Median	2.2	9.6	-0.1



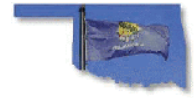
PERS Total Return

Periods Ending December 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
PERS	(10.1)%	20	(23.5)%	39	(2.2)%	46	2.2%	47	3.4%	42
Allocation Index	(9.4)%	18	(21.9)%	24	(1.9)%	35	1.9%	58	2.8%	71
Policy Index	(11.3)%	26	(23.4)%	35	(2.1)%	38	2.3%	42	3.3%	44
Med Tot Public Fund	(12.9)%		(24.8)%		(2.5)%		2.2%		3.2%	
Green = 1st Quartile										
Yellow = 2nd Quartile										
Blue = 3rd Quartile										
Red = 4th Quartile										

Years Ending December 31

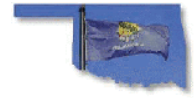
	Dec-08		Dec-07		Dec-06		Dec-05		Dec-04		Dec-03		Dec-02	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
PERS	(23.5)%	39	8.2%	49	13.0%	64	7.2%	47	11.2%	45	22.2%	48	(7.2)%	31
Allocation Index	(21.9)%	24	7.4%	61	12.5%	71	5.5%	80	10.0%	70	18.1%	84	(6.5)%	21
Policy Index	(23.4)%	35	8.4%	43	13.0%	64	7.3%	44	11.1%	48	21.9%	50	(8.2)%	44
Med Tot Pub Fund	(24.8)%		8.2%		13.7%		6.9%		11.0%		21.9%		(8.7)%	
Green = 1st Quartile														
Yellow = 2nd Quartile														
Blue = 3rd Quartile														
Red = 4th Quartile														



PERS Performance

Periods Ending December 31

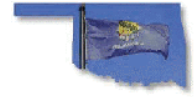
	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Domestic Equity Composite	(23.3)%	51	(38.2)%	60	(9.5)%	66	(2.2)%	69	(0.1)%	51
S&P 500	(21.9)%		(37.0)%		(8.4)%		(2.2)%		(1.5)%	
Equity Public Funds Median	(23.0)%		(37.0)%		(8.4)%		(1.3)%		0.1%	
International Equity Composite	(19.4)%	45	(42.5)%	52	(5.5)%	47	3.0%	59	5.2%	64
CITI PMI EPAC	(20.0)%		(43.3)%		(7.1)%		2.1%		3.8%	
International Equity Median	(19.7)%		(42.2)%		(5.7)%		3.7%		6.2%	
Fixed Inc Comp	7.2%	5	6.9%	11	6.3%	13	5.9%	6	6.5%	7
Lehman Aggregate	4.6%		5.2%		5.5%		4.7%		5.4%	
Fixed Inc Public Funds Median	1.4%		0.3%		4.2%		3.9%		5.1%	
Green = 1st Quartile Yellow = 2nd Quartile Blue = 3rd Quartile Red = 4th Quartile										



PERS Performance

Periods Ending December 31

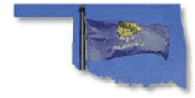
Domestic Equity	% Portfolio	Quarter		1 Year		3 Year		5 Year	
		% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Large Value									
AJO	2.0%	(17.8)%	6	(33.0)%	13	(7.3)%	29	1.2%	17
Russell 1000 Value		(22.2)%		(36.9)%		(8.3)%		(0.8)%	
Large Core									
Franklin	3.9%	(22.6)%	66	(37.3)%	59	(9.4)%	73	n/a	
BGI Russell 3000	20.5%	(22.7)%	68	(37.2)%	58	(8.5)%	61	(1.9)%	63
SSgA Equity Index	3.9%	(23.0)%	71	(39.1)%	77	(9.8)%	80	n/a	
S&P 500		(21.9)%		(37.0)%		(8.4)%		(2.2)%	
Large Growth									
Turner Investments	1.7%	(25.9)%	76	(48.4)%	92	n/a		n/a	
Russell 1000 Growth		(22.8)%		(38.4)%		(9.1)%		(3.4)%	
Small Growth									
UBS	1.2%	(31.8)%	93	(43.4)%	74	(13.0)%	80	(4.5)%	85
Russell 2000 Growth		(27.4)%		(38.5)%		(9.3)%		(2.4)%	
Small Value									
Barrow Hanley	1.1%	(30.8)%	92	(39.9)%	97	(10.5)%	72	n/a	
Russell 2000 Value		(24.9)%		(28.9)%		(7.5)%		0.3%	
Green = 1st Quartile Yellow = 2nd Quartile Blue = 3rd Quartile Red = 4th Quartile									



PERS Performance

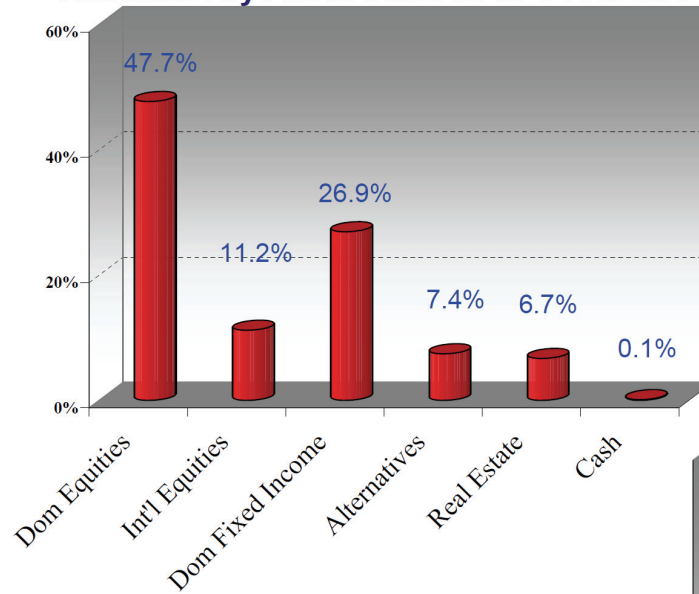
Periods Ending December 31

	% Portfolio	Quarter		1 Year		3 Year		5 Year	
		% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
International Equity									
BGI EAFE Index	5.5%	(19.9)%	52	(43.1)%	55	(7.0)%	66	2.0%	79
BGI EAFE Growth	5.5%	(20.1)%	32	(42.5)%	30	(6.3)%	30	n/a	
Mondrian	7.3%	(15.5)%	19	(37.9)%	23	(2.3)%	10	5.9%	10
CITI PMI EPAC		(20.0)%		(43.3)%		(7.1)%		2.1%	
Emerging Equity									
BGI Emerging	2.4%	(27.5)%	42	(53.3)%	50	(5.0)%	56	n/a	
CITI PMI Emerging		(27.9)%		(52.0)%		(2.2)%		8.8%	
Bond Managers									
Core Bonds									
Met West	7.6%	(1.0)%	77	(1.2)%	67	4.7%	39	4.6%	29
BlackRock	25.6%	1.3%	60	(0.8)%	61	3.5%	65	3.6%	63
LB Aggregate		4.6%		5.2%		5.5%		4.7%	
Long Bonds									
Hoisington	11.5%	30.6%	2	37.2%	3	15.0%	4	13.5%	2
Lehman Long		18.7%		24.0%		11.5%		9.7%	
Green = 1st Quartile Yellow = 2nd Quartile Blue = 3rd Quartile Red = 4th Quartile									



Firefighters

Allocation by Asset Class as of 12/31/2008

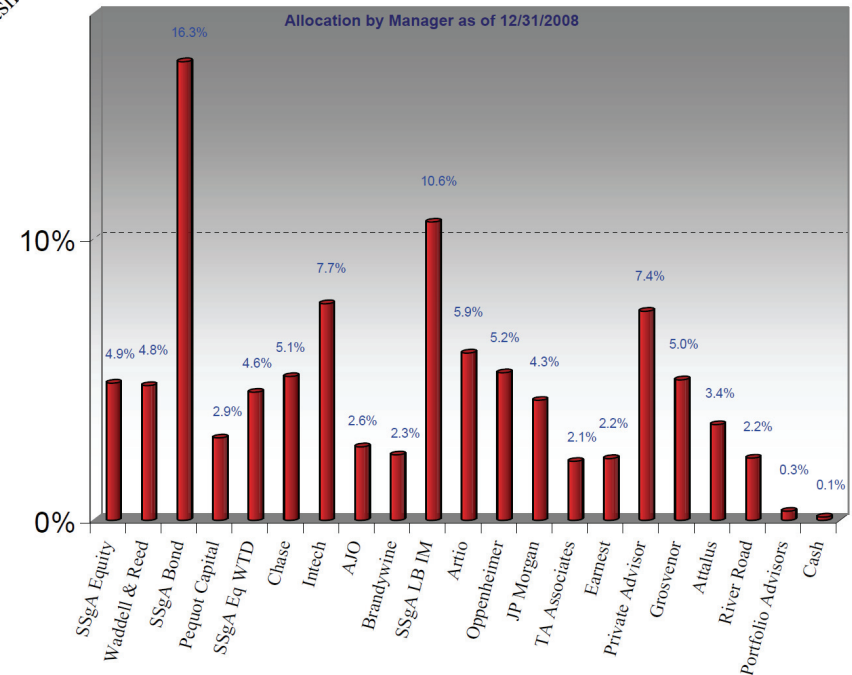


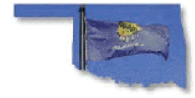
Qtr Ending 12/31/2008

9/30/2008	\$1,568,914
Net Ext Growth	(\$13,250)
Investment Return	(\$190,016)
12/31/2008	\$1,365,648

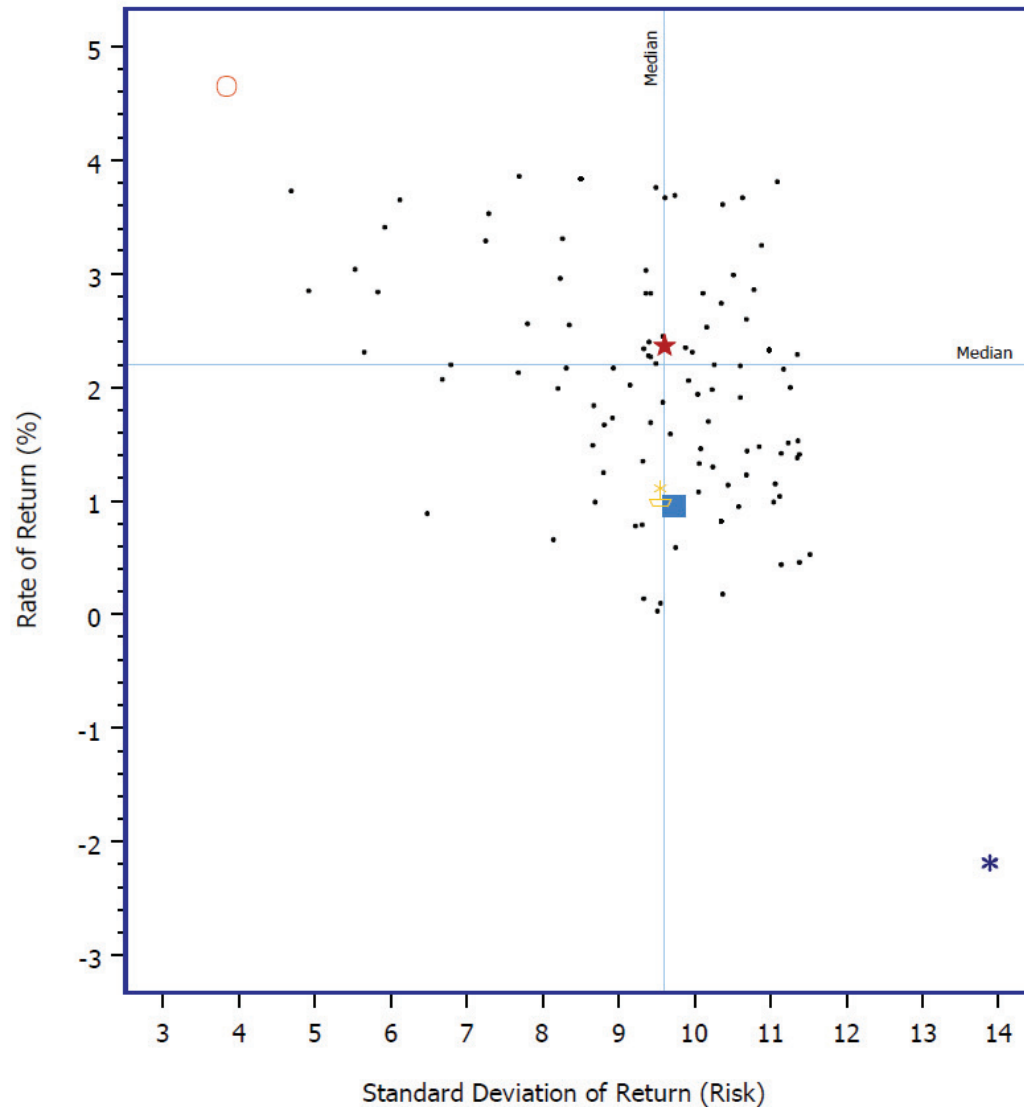
Assets in (\$000)

Allocation by Manager as of 12/31/2008

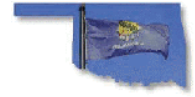




Firefighters 5 Year Total Return vs. Risk



	Return	Standard Deviation	Sharpe Ratio			
★ OK FIREFIGHTERS	2.4	35	9.6	49	0.0	
■ ALLOC INDEX	1.0	83	9.7	50	-0.2	
★ POLICY INDEX	1.1	80	9.5	45	-0.2	
* S&P 500	-2.2	99	13.9	99	-0.3	
○ BC AGGREGATE	4.7	2	3.8	1	0.4	1
Median	2.2		9.6		-0.1	



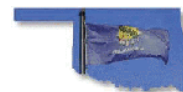
Firefighters Total Return

Periods Ending December 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Firefighters	(12.0)%	37	(24.3)%	46	(2.2)%	43	2.4%	35	3.2%	50
Allocation Index	(13.2)%	59	(25.6)%	56	(3.2)%	62	1.0%	83	1.9%	86
Policy Index	(13.9)%	69	(24.3)%	46	(3.4)%	65	1.1%	80	2.3%	78
Med Tot Public Fund	(12.9)%		(24.8)%		(2.5)%		2.2%		3.2%	
Green = 1st Quartile										
Yellow = 2nd Quartile										
Blue = 3rd Quartile										
Red = 4th Quartile										

Years Ending December 31

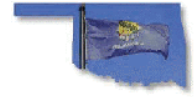
	Dec-08		Dec-07		Dec-06		Dec-05		Dec-04		Dec-03		Dec-02	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Firefighters	(24.3)%	46	9.8%	18	12.6%	71	7.9%	29	11.5%	40	19.8%	72	(7.5)%	36
Allocation Index	(25.6)%	56	7.2%	65	13.7%	47	5.4%	81	9.7%	73	19.1%	78	(8.4)%	47
Policy Index	(24.3)%	46	5.4%	93	13.1%	62	5.2%	83	11.1%	48	24.0%	22	(10.3)%	75
Med Tot Pub Fund	(24.8)%		8.2%		13.7%		6.9%		11.0%		21.9%		(8.7)%	
Green = 1st Quartile														
Yellow = 2nd Quartile														
Blue = 3rd Quartile														
Red = 4th Quartile														



Firefighters Performance

Periods Ending December 31

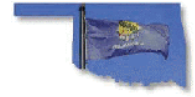
	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Domestic Equity Composite	(18.8)%	5	(33.0)%	18	(6.5)%	18	0.2%	28	1.6%	33
S&P 500	(21.9)%		(37.0)%		(8.4)%		(2.2)%		(1.5)%	
Equity Public Funds Median	(23.0)%		(37.0)%		(8.4)%		(1.3)%		0.1%	
International Equity Composite	(20.7)%	62	(46.4)%	81	(7.0)%	67	2.2%	75	2.5%	96
CITI PMI EPAC	(20.0)%		(43.3)%		(7.1)%		2.1%		3.8%	
International Developed Equity Median	(19.7)%		(42.2)%		(5.7)%		3.7%		6.2%	
Fixed Inc Composite	4.1%	30	5.2%	23	5.5%	28	4.6%	29	5.2%	46
Lehman Aggregate	4.6%		5.2%		5.5%		4.7%		5.4%	
Fixed Inc Public Funds Med	1.4%		0.3%		4.2%		3.9%		5.1%	
Green = 1st Quartile Yellow = 2nd Quartile Blue = 3rd Quartile Red = 4th Quartile										



Firefighters Performance

Periods Ending December 31

	% Portfolio	Quarter		1 Year		3 Year		5 Year	
		% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Domestic Equity									
Large Value									
AJO	2.6%	(18.4)%	12	(33.0)%	13	(7.1)%	25	1.3%	16
Brandywine	2.3%	(22.1)%	52	(39.5)%	62	(9.3)%	58	(1.0)%	53
Russell 1000 Value		(22.2)%		(36.9)%		(8.3)%		(0.8)%	
Large Core									
SSgA Equity Index	4.9%	(21.9)%	44	(37.0)%	53	(8.3)%	55	(2.2)%	71
SSgA EQ Wtd S&P	4.6%	(26.1)%	87	(40.2)%	84	(11.2)%	91	(2.5)%	84
Intech	7.7%	(21.7)%	37	(36.8)%	48	(8.0)%	46	(0.3)%	33
S&P 500		(21.9)%		(37.0)%		(8.4)%		(2.2)%	
Large Growth									
Chase	5.1%	(20.2)%	18	(33.9)%	15	(7.0)%	18	1.2%	4
Russell 1000 Growth		(22.8)%		(38.4)%		(9.1)%		(3.4)%	
Small Value									
Earnest Partners	2.2%	(28.2)%	75	(37.5)%	91	(9.2)%	54	n/a	
River Road	2.2%	(23.0)%	22	(29.7)%	35	n/a		n/a	
Russell 2000 Value		(24.9)%		(28.9)%		(7.5)%		0.3%	
Small Growth									
Waddell & Reed	4.8%	(19.7)%	2	(34.6)%	20	(7.8)%	30	0.7%	30
Russell 2000 Growth		(27.4)%		(38.5)%		(9.3)%		(2.4)%	
Green = 1st Quartile Yellow = 2nd Quartile Blue = 3rd Quartile Red = 4th Quartile									

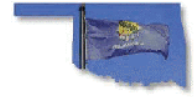


Firefighters Performance

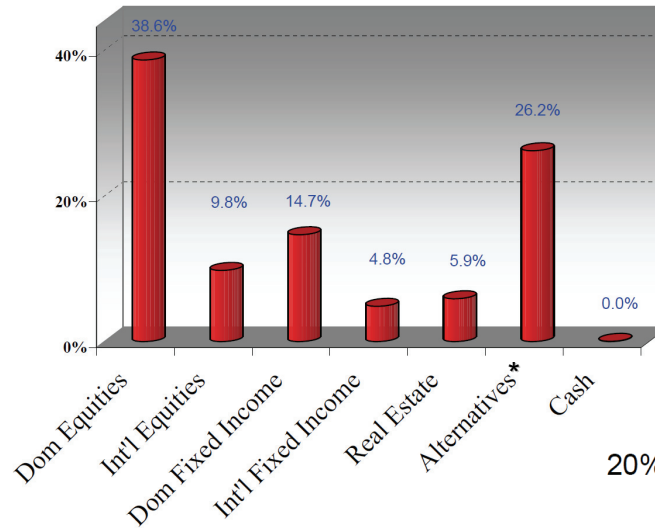
Periods Ending December 31

	% Portfolio	Quarter		1 Year		3 Year		5 Year	
		% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
International Equity									
Oppenheimer	5.2%	(23.9)%	82	(49.0)%	89	(9.0)%	84	0.1%	95
Artio	5.9%	(17.7)%	31	(43.8)%	65	(4.8)%	41	4.3%	34
Citi PMI EPAC		(20.0)%		(43.3)%		(7.1)%		2.1%	
Long/Short Equity									
Pequot Capital	2.9%	(8.9)%	65	(17.7)%	41	6.6%	20	8.0%	14
Grosvenor	5.0%	(6.3)%	50	(22.8)%	56	n/a		n/a	
Attalus	3.4%	(2.1)%	34	(17.7)%	41	n/a		n/a	
Hedge Fund									
Private Advisor	7.4%	(7.4)%	38	(12.7)%	21	1.2%	30	n/a	
Real Estate									
JP Morgan	4.3%	(8.7)%	70	(8.1)%	56	7.7%	50	n/a	
TA Associates	2.1%	0.1%	20	15.9%	3	14.0%	13	n/a	
Portfolio Advisors	0.3%	(8.3)%	65	n/a		n/a		n/a	
NCREIF		(0.2)%		1.8%		11.2%		13.6%	
Bond Managers									
Core Bonds									
SSgA Bond Index	16.3%	4.5%	24	5.4%	14	5.6%	23	4.7%	25
LB Aggregate		4.6%		5.2%		5.5%		4.7%	
Intermediate									
SSgA Lehman IM	10.6%	3.5%	38	5.0%	33	5.5%	36	4.4%	42
Lehman Intermediate		4.8%		5.1%		5.5%		4.2%	
Green = 1st Quartile Yellow = 2nd Quartile Blue = 3rd Quartile Red = 4th Quartile									

Police



Allocation by Asset Class as of 12/31/2008



Alternatives Include:
 Pvt Equity 13.4%
 Low-Vol HF 12.8%

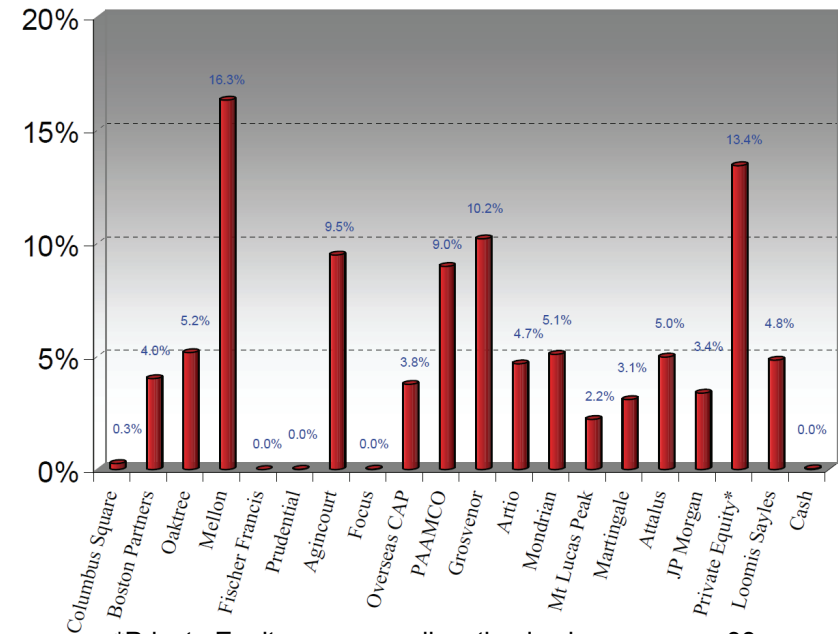
*Asset Class Includes Commodities

Qtr Ending 12/31/2008

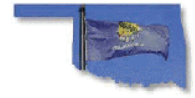
9/30/2008	\$1,565,082
Net Ext Growth	(\$6,975)
Investment Return	(\$179,026)
12/31/2008	\$1,379,081

Assets in (\$000)

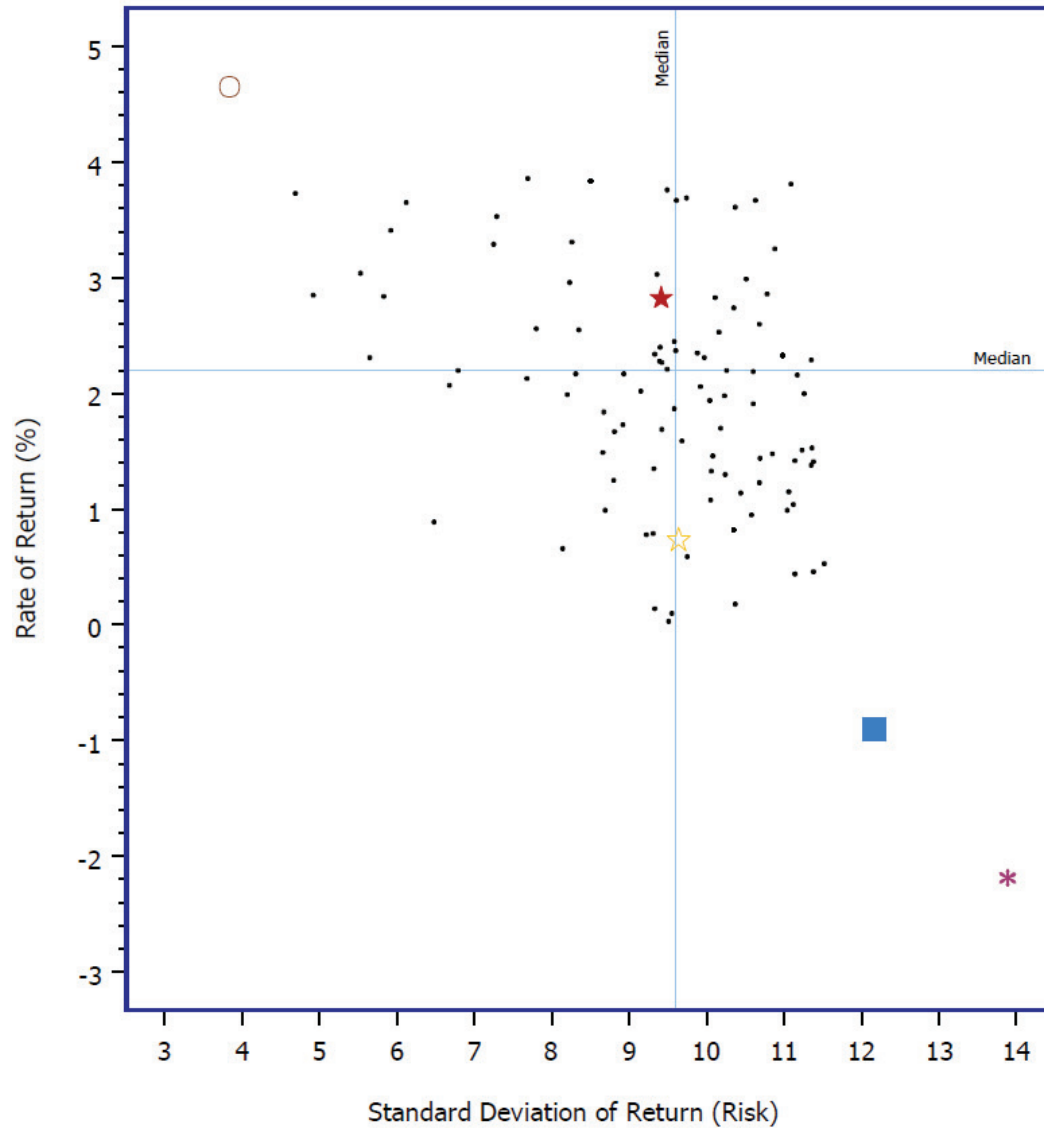
Allocation by Manager as of 12/31/2008



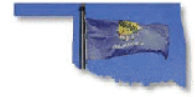
*Private Equity manager allocation is given on page 38.



Police Total 5 Year Return vs. Risk



	Return	Standard Deviation	Sharpe Ratio
★ OK POLICE	2.8 27	9.4 42	0.0 23
■ ALLOC INDEX	-0.9 99	12.2 98	-0.3
☆ POLICY INDEX	0.7 87	9.6 50	-0.2
* S&P 500	-2.2 99	13.9 99	-0.3
○ BC AGGREGATE	4.7 2	3.8 1	0.4 1
Median	2.2	9.6	-0.1



Police Total Return

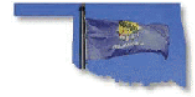
Periods Ending December 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Police	(11.3)%	28	(23.1)%	31	(1.0)%	26	2.8%	27	3.5%	33
Allocation Index	(17.9)%	98	(30.3)%	98	(4.9)%	93	(0.9)%	99	1.1%	98
Policy Index	(14.0)%	70	(25.7)%	58	(3.7)%	74	0.7%	87	1.8%	89
Med Tot Public Fund	(12.9)%		(24.8)%		(2.5)%		2.2%		3.2%	
Green = 1st Quartile										
Yellow = 2nd Quartile										
Blue = 3rd Quartile										
Red = 4th Quartile										

Years Ending December 31

	Dec-08		Dec-07		Dec-06		Dec-05		Dec-04		Dec-03		Dec-02	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Police	(23.1)%	31	9.9%	15	14.5%	29	7.4%	41	10.5%	61	21.9%	49	(9.2)%	56
Alloc. Index	(30.3)%	98	7.9%	55	14.4%	33	0.3%	100	10.8%	56	25.2%	13	(9.5)%	63
Policy Index	(25.7)%	58	6.5%	79	12.7%	69	5.7%	76	10.1%	68	21.9%	50	(10.4)%	75
Med Tot Pub Fund	(24.8)%		8.2%		13.7%		6.9%		11.0%		21.9%		(8.7)%	
Green = 1st Quartile														
Yellow = 2nd Quartile														
Blue = 3rd Quartile														
Red = 4th Quartile														

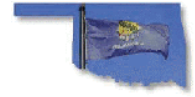
Police Performance



Periods Ending December 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Domestic Equity Composite	(23.6)%	53	(37.2)%	53	(10.1)%	71	(2.5)%	78	(0.5)%	57
S&P 500	(21.9)%		(37.0)%		(8.4)%		(2.2)%		(1.5)%	
Equity Public Funds Median	(23.0)%		(37.0)%		(8.4)%		(1.3)%		0.1%	
International Equity Composite	(16.9)%	26	(40.8)%	35	(3.4)%	25	n/a		n/a	
CITI PMI EPAC	(20.0)%		(43.3)%		(7.1)%		2.1%		3.8%	
International Developed Equity Median	(19.7)%		(42.2)%		(5.7)%		3.7%		6.2%	
Fixed Inc Composite	(4.7)%	76	(9.1)%	76	0.4%	79	2.0%	82	3.8%	79
Lehman Aggregate	4.6%		5.2%		5.5%		4.7%		5.4%	
Fixed Inc Public Funds Median	1.4%		0.3%		4.2%		3.9%		5.1%	
Green = 1st Quartile Yellow = 2nd Quartile Blue = 3rd Quartile Red = 4th Quartile										

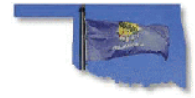
Oaktree & Fischer Francis each have Domestic and International bond allocations in their portfolios and their individual returns can't be verified. As a result, the Fixed Income Only Composite contains both Domestic & International bond allocations.



Police Performance

Periods Ending December 31

Equity	% Portfolio	Quarter		1 Year		3 Year		5 Year	
		% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Large Core									
Mellon Index Fund	16.3%	(22.5)%	65	(37.6)%	64	(8.7)%	62	(1.9)%	63
S&P 500		(21.9)%		(37.0)%		(8.4)%		(2.2)%	
Small Value									
Boston Partners	4.0%	(23.8)%	39	(30.6)%	41	(9.2)%	54	0.7%	22
Russell 2000 Value		(24.9)%		(28.9)%		(7.5)%		0.3%	
Small Growth									
Martingale	3.1%	(28.7)%	77	(42.8)%	70	(16.5)%	94	n/a	
Russell 2000 Growth		(27.4)%		(38.5)%		(9.3)%		(2.4)%	
Long/Short Equity									
Grosvenor	10.2%	(7.0)%	56	(23.4)%	60	(1.6)%	70	2.2%	35
Attalus	5.0%	(2.4)%	34	(18.1)%	42	n/a		n/a	
S&P 500		(21.9)%		(37.0)%		(8.4)%		(2.2)%	
International Equity									
Artio - Growth	4.7%	(18.6)%	21	(43.9)%	37	(4.2)%	13	n/a	
Mondrian	5.1%	(15.3)%	17	(37.6)%	21	(2.8)%	17	n/a	
CITI PMI EPAC		(20.0)%		(43.3)%		(7.1)%		2.1%	
Green = 1st Quartile Yellow = 2nd Quartile Blue = 3rd Quartile Red = 4th Quartile									



Police Performance

Periods Ending December 31

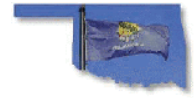
Fixed Income	% Portfolio	Quarter		1 Year		3 Year		5 Year	
		% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Agincourt	9.5%	1.2%	62	(1.4)%	70	3.4%	67	3.5%	66
Oaktree	5.2%	(14.7)%	99	(21.7)%	99	(3.0)%	99	0.9%	95
Lehman Aggregate		4.6%		5.2%		5.5%		4.7%	
Int'l Fixed Income									
Loomis Sayles	4.8%	1.8%	40	n/a		n/a		n/a	
CITI WGBI		8.8%		10.9%		9.3%		6.0%	
PAAMCO	9.0%	(13.5)%		(22.4)%		0.4%		2.5%	
Overseas CAP Partners	3.8%	(4.3)%		(21.3)%		1.5%		4.0%	
Real Assets									
Mount Lucas Peak	2.2%	20.9%		28.3%		20.1%		n/a	
Prudential Timber	0.0%	(0.2)%		(3.0)%		11.3%		3.6%	
Real Estate									
Columbus Square	0.3%	3.9%	4	16.6%	3	14.0%	13	15.1%	20
JP Morgan	3.4%	(8.7)%	70	(8.1)%	60	n/a		n/a	
Green = 1st Quartile Yellow = 2nd Quartile Blue = 3rd Quartile Red = 4th Quartile									



Police Performance

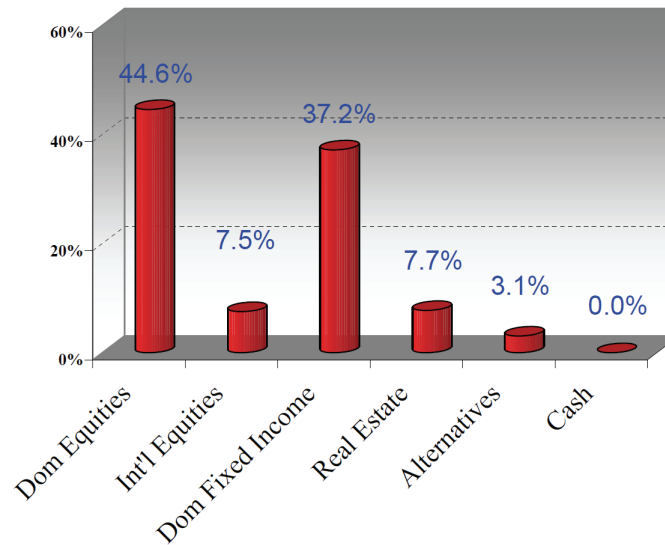
Periods Ending December 31

Private Equity Manager	Market Value	% Allocation	Inception Date
Accel Europe	\$7,703,068	0.56%	Jun-01
Arsenal Partners I	\$6,046,815	0.44%	Jan-03
Arsenal Partners II	\$4,511,735	0.33%	Sep-06
Calera Partners III (Fremont)	\$7,571,582	0.55%	Jan-02
Hicks Muse Tate & Furst	\$4,836,058	0.35%	Oct-01
HM Capital	\$7,423,079	0.54%	May-07
Knightsbridge VI	\$6,219,952	0.45%	Dec-04
Levine Leichtman III	\$7,183,935	0.52%	Jan-03
Lexington VI	\$12,943,354	0.94%	Dec-05
Marathon V	\$6,614,647	0.48%	Dec-04
Marathon IV	\$1,609,113	0.12%	Apr-99
Newstone	\$3,899,382	0.28%	Oct-06
Oaktree Opp II	\$17,940	0.00%	Feb-98
Oaktree Opp III	\$121,470	0.01%	Sep-99
Oaktree Opp IV	\$43,979	0.00%	Dec-01
Oaktree Opp V	\$1,313,090	0.10%	Jun-04
Oaktree Opp VI	\$5,016,002	0.36%	Aug-05
Oaktree Opp VII A	\$6,789,190	0.49%	Mar-07
Pequot II	\$268,595	0.02%	Feb-00
Pequot III	\$9,457,940	0.69%	Oct-00
Pequot IV	\$2,458,606	0.18%	Nov-05
Siguler Guff I	\$19,028,573	1.38%	Jan-03
Siguler Guff II	\$21,227,165	1.54%	Sep-05
Sun Capital V	\$3,116,142	0.23%	Apr-07
TCW Cresent II	\$10,304	0.00%	Mar-99
TCW Cresent III	\$1,924,829	0.14%	Jul-01
TCW Cresent IV	\$8,178,421	0.59%	Jun-06
Thompson Street CP II	\$3,460,010	0.25%	Dec-06
Venture Lending III	\$977,355	0.07%	May-01
Weathergace VC	\$1,365,574	0.10%	Mar-07
Weiss Peck Greer V	\$1,732,106	0.13%	Jul-99
Weiss Peck Greer VI (Lightspeed)	\$5,420,706	0.39%	Oct-00
Warburg	\$3,928,738	0.28%	Nov-07
TCW Mezzanine Fund	\$2,600,222	0.19%	Jan-08
Calera Capital Fund IV	\$33,899	0.00%	Jan-08
Oaktree Opportunities VII B	\$4,228,563	0.31%	May-08
Levine Leichtman IV	\$1,384,471	0.10%	Sep-08
Siguler Guff III	\$4,646,892	0.34%	Sep-08



Law Enforcement

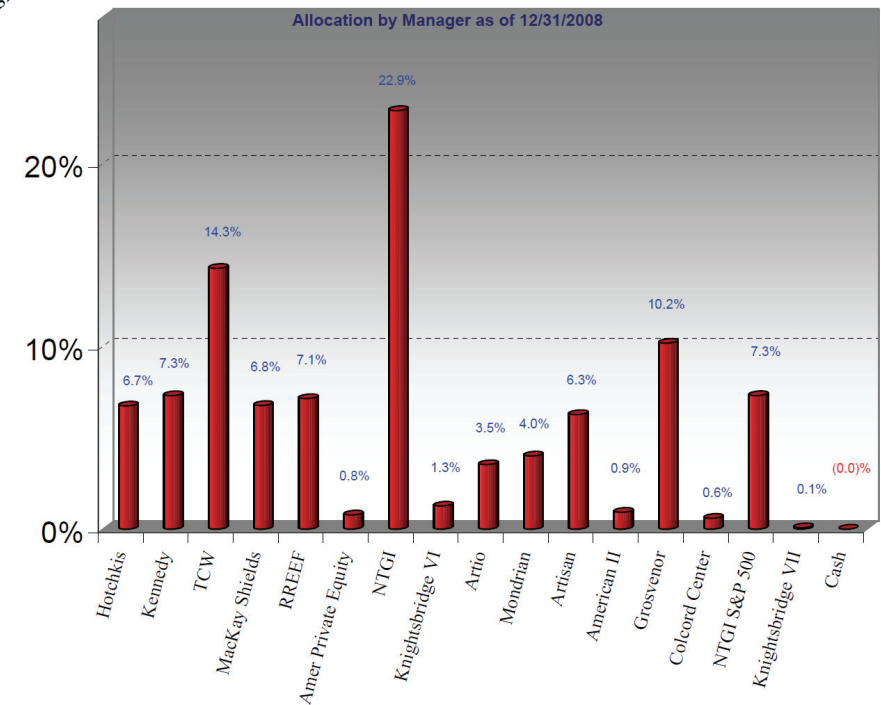
Allocation by Asset Class as of 12/31/2008

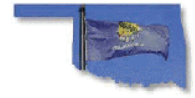


Qtr Ending 12/31/2008

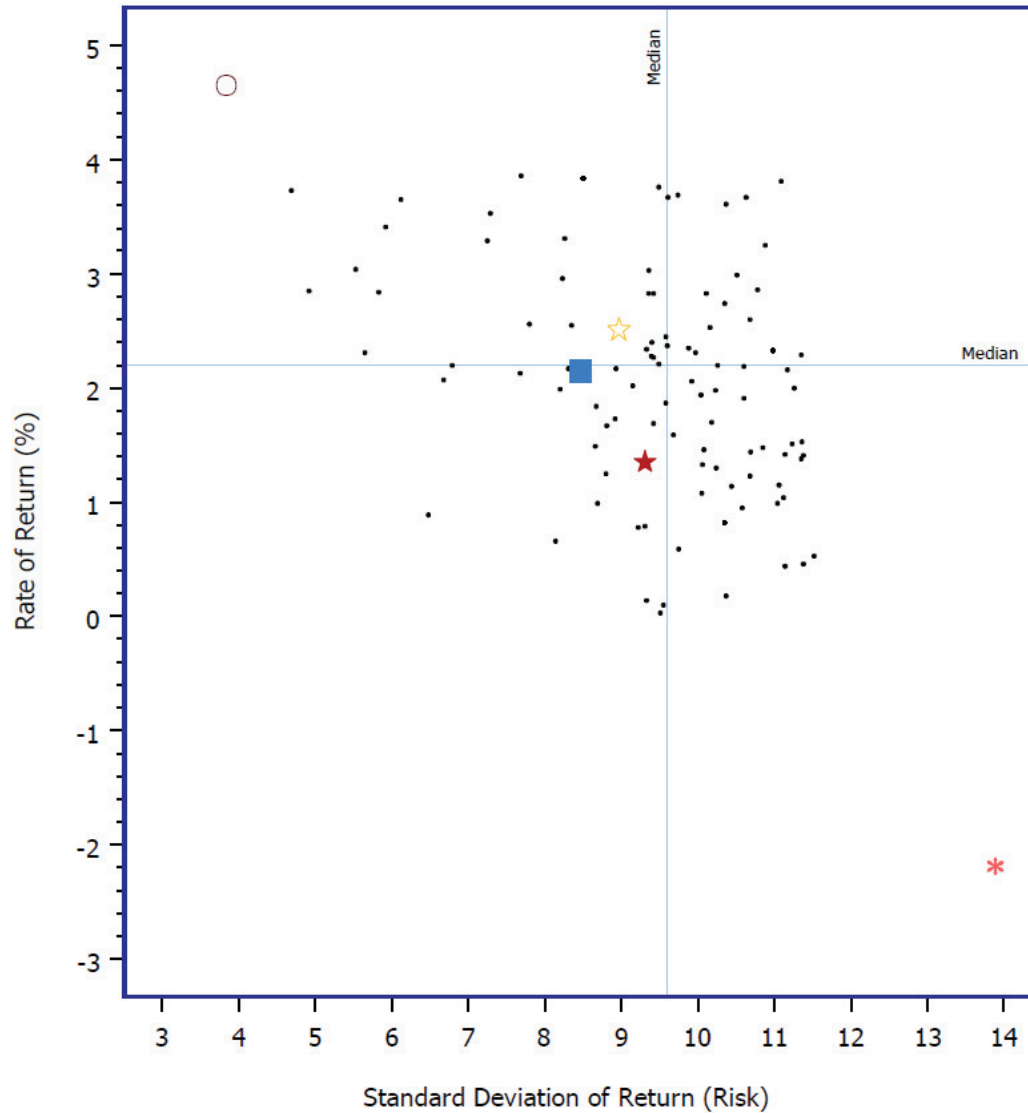
9/30/2008	\$616,489
Net Ext Growth	(\$4,439)
Investment Return	(\$70,542)
12/31/2008	\$541,508

Assets in (\$000)

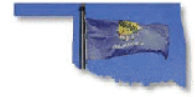




Law 5 Year Total Return vs. Risk



	Return	Standard Deviation	Sharpe Ratio
★ OK LAW	1.4	9.3	-0.2
■ ALLOC INDEX	2.1	8.5	-0.1
☆ POLICY INDEX	2.5	9.0	0.0
* S&P 500	-2.2	13.9	-0.3
○ BC AGGREGATE	4.7	3.8	0.4
Median	2.2	9.6	-0.1



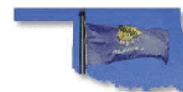
Law Total Return

Periods Ending December 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Law Enforcement	(11.4)%	30	(23.8)%	41	(3.5)%	66	1.4%	71	2.9%	59
Allocation Index	(10.8)%	24	(21.3)%	22	(1.5)%	32	2.1%	50	2.9%	66
Policy Index	(12.3)%	42	(21.5)%	22	(1.7)%	32	2.5%	34	3.5%	35
Med Tot Public Fund	(12.9)%		(24.8)%		(2.5)%		2.2%		3.2%	
Green = 1st Quartile										
Yellow = 2nd Quartile										
Blue = 3rd Quartile										
Red = 4th Quartile										

Years Ending December 31

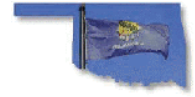
	Dec-08		Dec-07		Dec-06		Dec-05		Dec-04		Dec-03		Dec-02	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Law Enforcement	(23.8)%	41	5.8%	90	11.7%	76	7.1%	47	11.0%	50	22.9%	35	(6.8)%	25
Allocation Index	(21.3)%	22	6.8%	73	13.6%	53	5.7%	73	10.2%	67	19.6%	73	(8.5)%	48
Policy Index	(21.5)%	22	6.2%	84	14.0%	39	6.6%	60	11.8%	34	23.4%	27	(9.0)%	52
Med Tot Pub Fund	(24.8)%		8.2%		13.7%		6.9%		11.0%		21.9%		(8.7)%	
Green = 1st Quartile														
Yellow = 2nd Quartile														
Blue = 3rd Quartile														
Red = 4th Quartile														



Law Performance

Periods Ending December 31

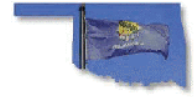
	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Domestic Equity Composite	(24.2)%	58	(40.2)%	74	(12.4)%	88	(3.9)%	90	n/a	
S&P 500	(21.9)%		(37.0)%		(8.4)%		(2.2)%		(1.5)%	
Equity Public Funds Median	(23.0)%		(37.0)%		(8.4)%		(1.3)%		0.1%	
International Equity Composite	(16.8)%	25	(40.7)%	35	(3.8)%	27	3.4%	55	n/a	
CITI PMI EPAC	(20.0)%		(43.3)%		(7.1)%		2.1%		3.8%	
International Developed Equity Median	(19.7)%		(42.2)%		(5.7)%		3.7%		6.2%	
Fixed Inc Composite	3.8%	31	3.5%	35	5.1%	36	4.4%	40	n/a	
Lehman Aggregate	4.6%		5.2%		5.5%		4.7%		5.4%	
Fixed Inc Public Funds Median	1.4%		0.3%		4.2%		3.9%		5.1%	
Green = 1st Quartile Yellow = 2nd Quartile Blue = 3rd Quartile Red = 4th Quartile										



Law Performance

Periods Ending December 31

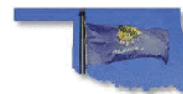
Domestic Equity	% Portfolio	Quarter		1 Year		3 Year		5 Year	
		% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Large Value									
Hotchkis & Wiley	6.7%	(24.0)%	81	(46.2)%	95	(17.6)%	98	(5.8)%	97
Russell 1000 Value		(22.2)%		(36.9)%		(8.3)%		(0.8)%	
Large Core									
NTGI S&P 500	7.3%	(21.8)%	42	n/a		n/a		n/a	
S&P 500		(21.9)%		(37.0)%		(8.4)%		(2.2)%	
Large Growth									
Mackay Shields	6.8%	(21.1)%	29	(39.7)%	51	(11.0)%	71	(4.3)%	85
Russell 1000 Growth		(22.8)%		(38.4)%		(9.1)%		(3.4)%	
Small Value									
Kennedy Capital	7.3%	(26.8)%	67	(30.5)%	41	(6.3)%	23	2.0%	12
Russell 2000 Value		(24.9)%		(28.9)%		(7.5)%		0.3%	
Small Growth									
Artisan	6.3%	(26.8)%	61	(42.6)%	70	(13.4)%	86	n/a	
Russell 2000 Growth		(27.4)%		(38.5)%		(9.3)%		(2.4)%	
Green = 1st Quartile Yellow = 2nd Quartile Blue = 3rd Quartile Red = 4th Quartile									



Law Performance

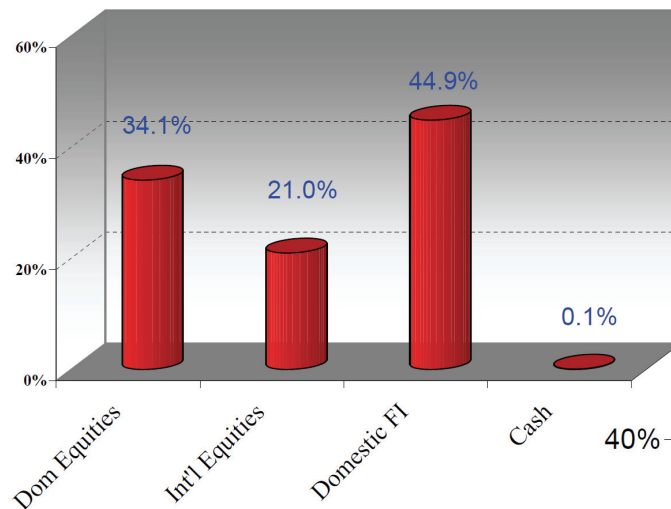
Periods Ending December 31

International Equity	% Portfolio	Quarter		1 Year		3 Year		5 Year	
		% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Mondrian	4.0%	(15.3)%	17	(37.6)%	21	(2.8)%	16	n/a	
Artio	3.5%	(18.6)%	38	(43.9)%	67	(4.8)%	40	n/a	
CITI PMI EPAC		(20.0)%		(43.3)%		(7.1)%		2.1%	
Bond Managers									
Core Bonds									
TCW (Core Plus)	14.3%	2.7%	34	2.9%	33	5.0%	35	4.5%	43
NTGI Bond	22.9%	4.5%	23	3.9%	30	5.1%	34	n/a	
LB Aggregate		4.6%		5.2%		5.5%		4.7%	
Real Estate									
Colcord Center*	0.6%	9.9%	1	n/a		n/a		n/a	
RREEF	7.1%	(13.9)%	84	(15.2)%	79	3.8%	78	6.9%	73
NCREIF		(0.2)%		1.8%		11.2%		13.6%	
Private Investment									
AMR Private Equity	0.8%	(1.4)%	58	0.3%	40	13.3%	34	12.7%	44
Knightsbridge VI	1.3%	(7.0)%	81	(12.0)%	76	(0.3)%	77	n/a	
American II	0.9%	0.0%	13	(3.2)%	56	n/a		n/a	
Knightsbridge VII	0.1%	(28.0)%	99	n/a		n/a		n/a	
Hedge Funds									
Grosvenor	10.2%	(6.4)%	35	(18.5)%	43	n/a		n/a	
*Preliminary									
Green = 1st Quartile									
Yellow = 2nd Quartile									
Blue = 3rd Quartile									
Red = 4th Quartile									



Judges & Justices

Allocation by Asset Class as of 12/31/2008

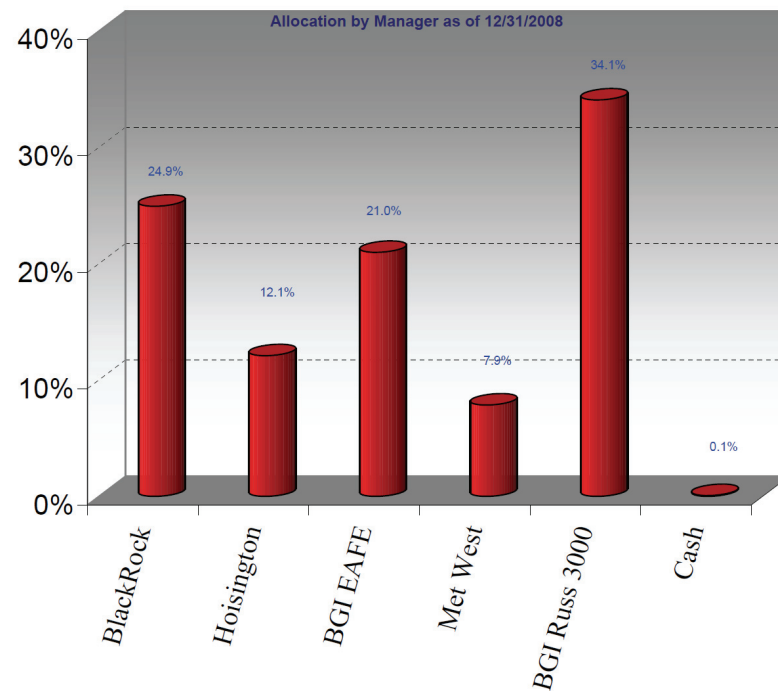


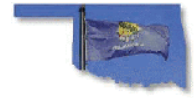
Qtr Ending 12/31/2008

9/30/2008	\$204,573
Net Ext Growth	(\$1,425)
Investment Return	(\$21,024)
12/31/2008	\$182,124

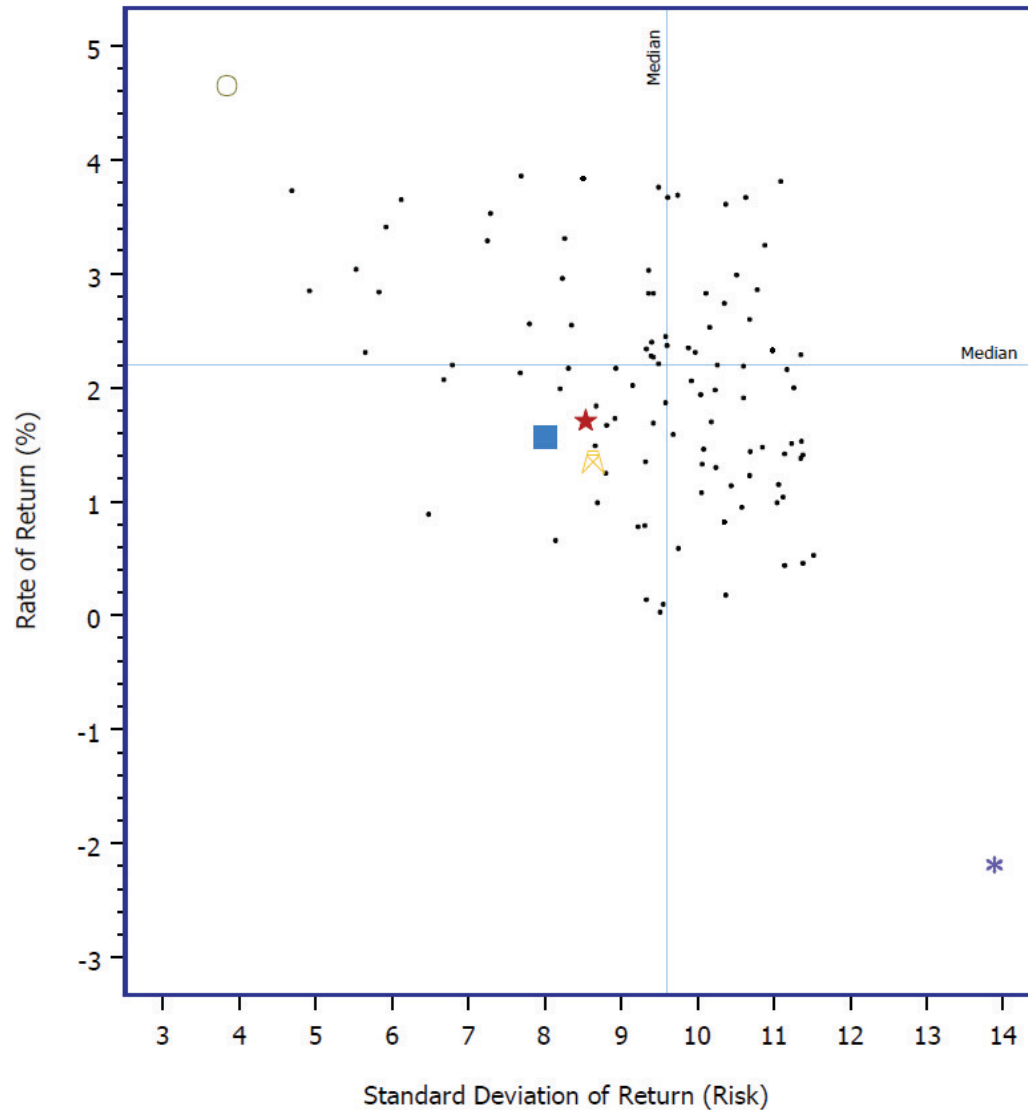
Assets in (\$000)

Allocation by Manager as of 12/31/2008

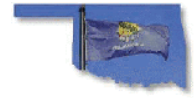




Judges & Justices 5 Year Total Return vs. Risk



	Return	Standard Deviation	Sharpe Ratio			
★ OK JUDGES	1.7	60	8.5	24	-0.1	
■ ALLOC INDEX	1.6	64	8.0	18	-0.2	
▲ POLICY INDEX	1.4	71	8.6	24	-0.2	
* S&P 500	-2.2	99	13.9	99	-0.3	
○ BC AGGREGATE	4.7	2	3.8	1	0.4	1
Median	2.2	9.6	-0.1			



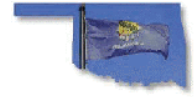
Judges & Justices Total Return

Periods Ending December 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Judges	(10.3)%	21	(23.3)%	35	(2.5)%	53	1.7%	60	3.1%	51
Allocation Index	(9.9)%	19	(21.7)%	23	(2.0)%	38	1.6%	64	2.9%	66
Policy Index	(11.3)%	26	(23.7)%	40	(2.9)%	56	1.4%	71	2.5%	77
Med Tot Public Fund	(12.9)%		(24.8)%		(2.5)%		2.2%		3.2%	
Green = 1st Quartile										
Yellow = 2nd Quartile										
Blue = 3rd Quartile										
Red = 4th Quartile										

Years Ending December 31

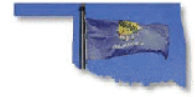
	Dec-08		Dec-07		Dec-06		Dec-05		Dec-04		Dec-03		Dec-02	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Judges	(23.3)%	35	7.6%	58	12.2%	74	6.6%	58	10.3%	67	19.1%	78	(4.6)%	10
Allocation Index	(21.7)%	23	7.5%	61	11.7%	75	5.4%	81	9.1%	81	16.9%	88	(3.6)%	9
Policy Index	(23.7)%	40	7.4%	62	11.7%	76	6.5%	61	9.6%	74	17.4%	87	(5.5)%	16
Med Tot Pub Fund	(24.8)%		8.2%		13.7%		6.9%		11.0%		21.9%		(8.7)%	
Green = 1st Quartile														
Yellow = 2nd Quartile														
Blue = 3rd Quartile														
Red = 4th Quartile														



Judges & Justices Performance

Periods Ending December 31

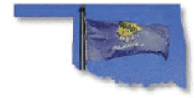
	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Domestic Equity Composite	(22.8)%	46	(37.2)%	53	(8.5)%	51	(1.9)%	59	(0.7)%	59
S&P 500	(21.9)%		(37.0)%		(8.4)%		(2.2)%		(1.5)%	
Equity Public Funds Median	(23.0)%		(37.0)%		(8.4)%		(1.3)%		0.1%	
International Equity Composite	(19.9)%	51	(43.1)%	55	(7.0)%	66	2.0%	77	3.8%	82
CITI PMI EPAC	(20.0)%		(43.3)%		(7.1)%		2.1%		3.8%	
International Developed Equity Median	(19.7)%		(42.2)%		(5.7)%		3.7%		6.2%	
Fixed Inc Composite	7.1%	5	6.5%	13	6.2%	15	5.9%	6	6.5%	7
Lehman Aggregate	4.6%		5.2%		5.5%		4.7%		5.4%	
Fixed Inc Public Funds Median	1.4%		0.3%		4.2%		3.9%		5.1%	
Green = 1st Quartile Yellow = 2nd Quartile Blue = 3rd Quartile Red = 4th Quartile										



Judges & Justices Performance

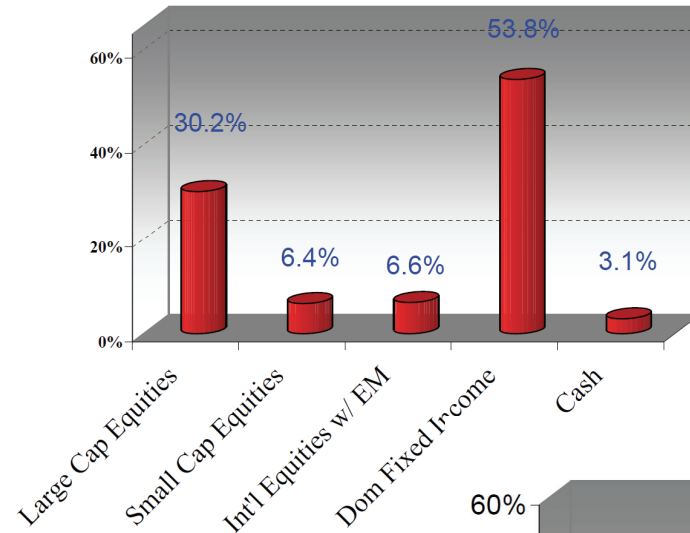
Periods Ending December 31

	% Portfolio	Quarter		1 Year		3 Year		5 Year	
		% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Domestic Equity									
Large Core									
BGI Russell 3000	34.1%	(22.8)%	68	(37.2)%	58	(8.5)%	60	(1.9)%	63
Russell 3000		(22.8)%		(37.3)%		(8.6)%		(1.9)%	
International Equity									
BGI EAFE Fund	21.0%	(19.9)%	51	(43.1)%	55	(7.0)%	66	2.0%	77
CITI PMI EPAC		(20.0)%		(43.3)%		(7.1)%		2.1%	
Bond Managers									
Core Bonds									
BlackRock	24.9%	0.8%	66	(1.7)%	70	3.3%	69	3.5%	68
Met West	7.9%	0.5%	66	(1.6)%	70	4.6%	41	4.6%	28
LB Aggregate		4.6%		5.2%		5.5%		4.7%	
Long Bonds									
Hoisington	12.1%	30.0%	3	36.5%	3	14.8%	4	13.5%	2
Lehman Long		18.7%		24.0%		11.5%		9.7%	
Green = 1st Quartile Yellow = 2nd Quartile Blue = 3rd Quartile Red = 4th Quartile									

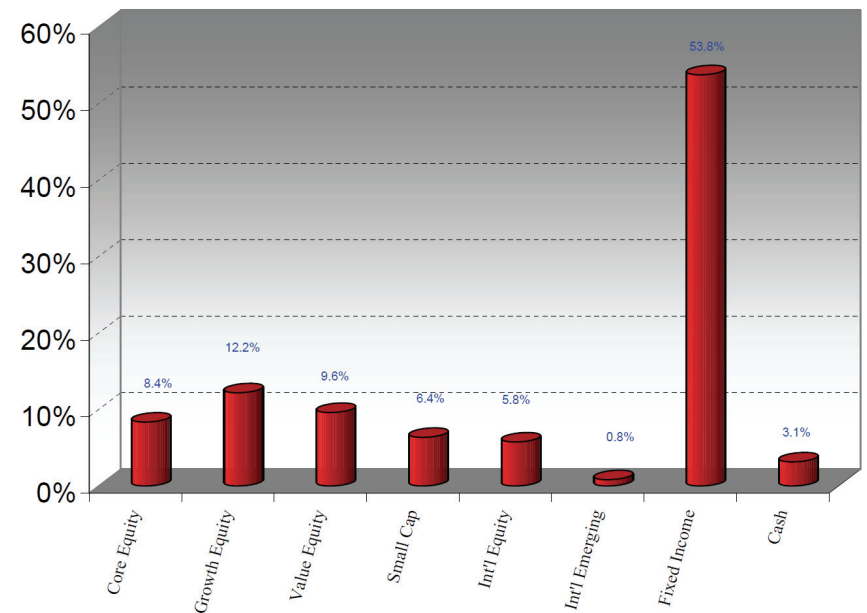


Department of Wildlife

Allocation by Asset Class as of 12/31/2008



Allocation by Bank of Oklahoma as of 12/31/2008

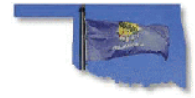


Qtr Ending 12/31/2008

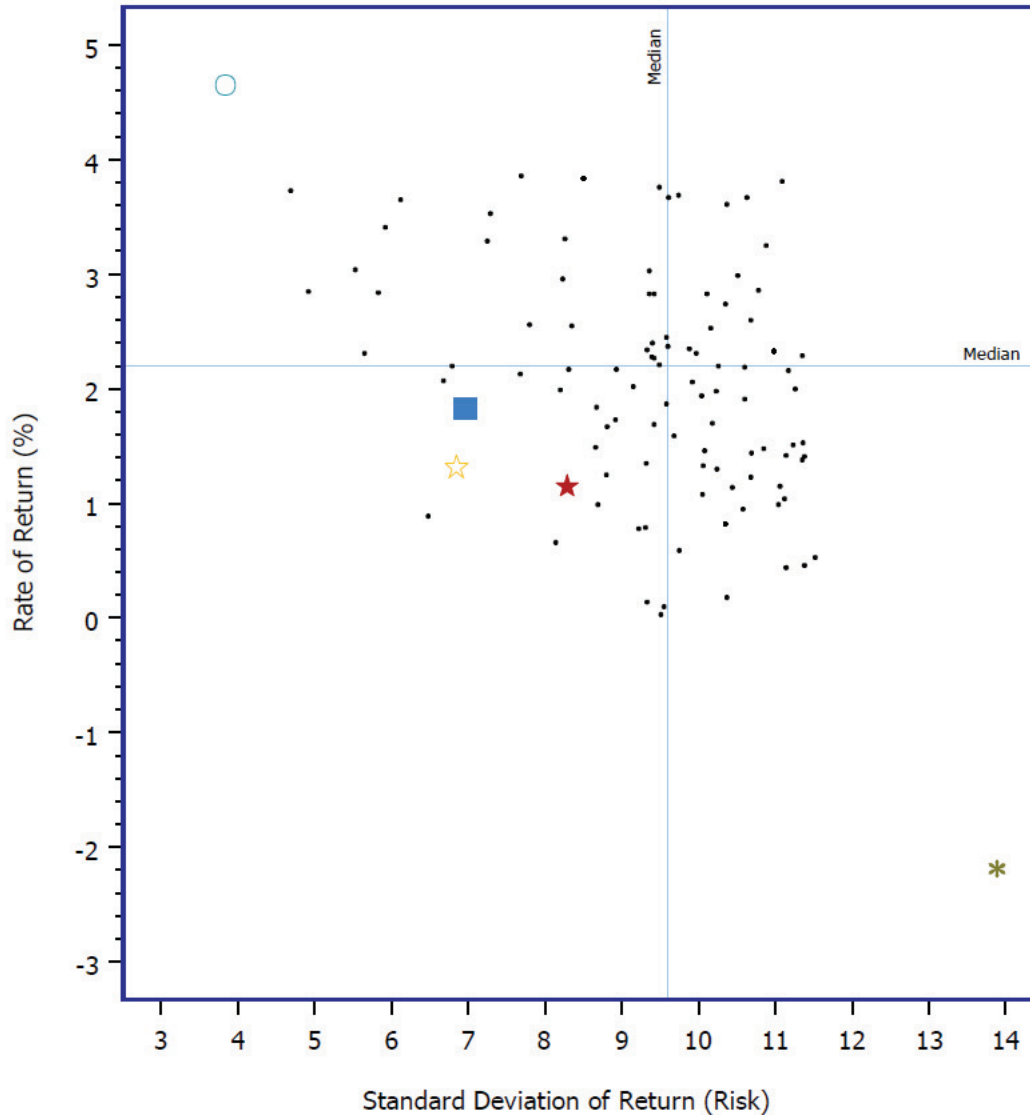
9/30/2008	\$62,617
Net Ext Growth	(\$265)
Investment Return	(\$7,787)
12/31/2008	\$54,565

Assets in (\$000)

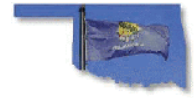




Wildlife 5 Year Total Return vs. Risk



	Return	Standard Deviation	Sharpe Ratio
★ OK WILDLIFE	1.2	77	8.3 22 -0.2
■ ALLOC INDEX	1.8	59	7.0 14 -0.2
☆ POLICY INDEX	1.3	73	6.8 14 -0.2
* S&P 500	-2.2	99	13.9 99 -0.3
○ BC AGGREGATE	4.7	2	3.8 1 0.4 1
Median	2.2	9.6	-0.1



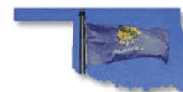
Wildlife Total Return

Periods Ending December 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Wildlife	(12.5)%	43	(22.0)%	24	(2.5)%	52	1.2%	77	1.6%	93
Allocation Index	(8.8)%	15	(18.1)%	14	(1.0)%	26	1.8%	59	1.9%	88
Policy Index	(9.5)%	18	(18.2)%	14	(1.5)%	31	1.3%	73	2.0%	85
Med Tot Public Fund	(12.9)%		(24.8)%		(2.5)%		2.2%		3.2%	
Green = 1st Quartile										
Yellow = 2nd Quartile										
Blue = 3rd Quartile										
Red = 4th Quartile										

Years Ending December 31

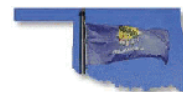
	Dec-08		Dec-07		Dec-06		Dec-05		Dec-04		Dec-03		Dec-02	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Wildlife	(22.0)%	24	6.9%	71	11.1%	81	5.9%	73	7.9%	94	17.4%	87	(10.4)%	75
Allocation Index	(18.1)%	14	6.4%	80	11.2%	80	4.2%	94	8.4%	90	16.8%	89	(10.8)%	79
Policy Index	(18.2)%	14	6.3%	83	10.0%	90	3.8%	96	7.6%	95	16.0%	89	(7.0)%	28
Med Tot Pub Fund	(24.8)%		8.2%		13.7%		6.9%		11.0%		21.9%		(8.7)%	
Green = 1st Quartile														
Yellow = 2nd Quartile														
Blue = 3rd Quartile														
Red = 4th Quartile														



Wildlife Performance

Periods Ending December 31

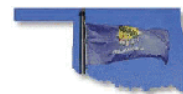
	Quarter		1 Year		2 Years		3 Years	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Domestic Equity Comp	(23.4)%	52	(35.6)%	32	(17.5)%	33	(7.7)%	31
S&P 500	(21.9)%		(37.0)%		(18.5)%		(8.4)%	
Equity Public Funds Median	(23.0)%		(37.0)%		(18.5)%		(8.4)%	
Int'l Equity Composite	(20.2)%	58	(42.2)%	49	(19.3)%	57	(6.9)%	63
Citigroup PMI EPAC	(20.0)%		(43.3)%		(20.0)%		(7.1)%	
Int'l Developed Funds Median	(19.7)%		(42.2)%		(18.8)%		(5.7)%	
Fixed Inc Comp	(2.6)%	69	(5.7)%	67	0.2%	70	n/a	
Lehman Aggregate	4.6%		5.2%		6.1%		5.5%	
Fixed Inc Public Funds Median	1.4%		0.3%		3.9%		4.2%	
Green = 1st Quartile Yellow = 2nd Quartile Blue = 3rd Quartile Red = 4th Quartile								



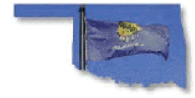
Wildlife Performance

Periods Ending December 31

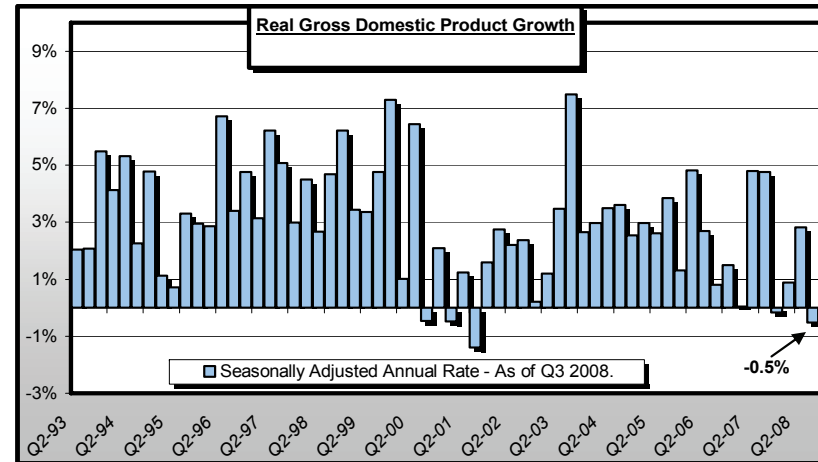
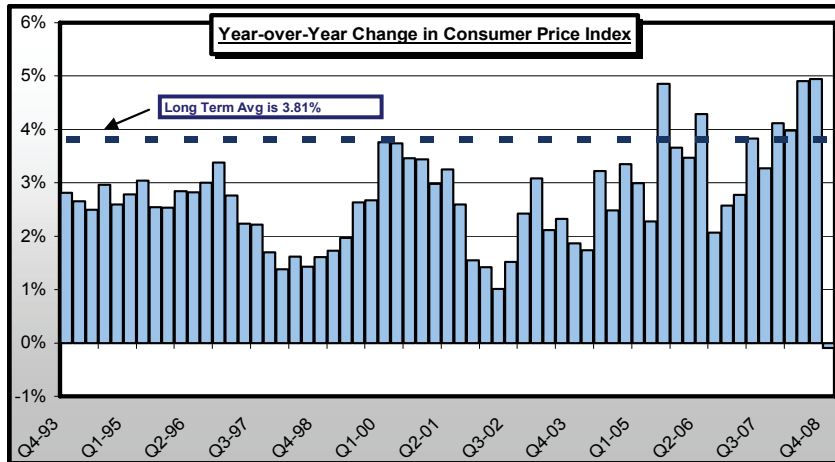
Domestic Equity	% Portfolio	Quarter		1 Year		2 Years		3 Years	
		% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Large Core									
Core Equity	8.4%	(25.5)%	84	(39.4)%	78	(18.9)%	66	(9.0)%	68
S&P 500		(21.9)%		(37.0)%		(18.5)%		(8.4)%	
Large Growth									
Growth Equity	12.2%	(20.2)%	19	(33.3)%	7	(13.8)%	14	(6.1)%	10
Russell 1000 Growth		(22.8)%		(38.4)%		(17.0)%		(9.1)%	
Large Value									
Value Equity	9.6%	(23.4)%	77	(36.8)%	41	(19.2)%	42	(7.0)%	22
Russell 1000 Value		(22.2)%		(36.9)%		(20.6)%		(8.3)%	
Small Cap									
Core Equity	6.4%	(26.4)%	64	(33.0)%	58	(18.7)%	59	(8.3)%	60
Russell 2000		(26.1)%		(33.8)%		(19.3)%		(8.3)%	
International									
International Equity	5.8%	(19.3)%	45	(41.0)%	35	(19.5)%	59	(7.2)%	70
International Emerging	0.8%	(25.9)%	33	(48.9)%	28	(17.3)%	31	n/a	
Citigroup PMI EPAC		(20.0)%		(43.3)%		(20.0)%		(7.1)%	
Fixed Income									
Fixed Income	53.8%	(2.6)%	83	(5.7)%	79	0.4%	79	1.7%	78
LB Aggregate		4.6%		5.2%		6.1%		5.5%	
Green = 1st Quartile Yellow = 2nd Quartile Blue = 3rd Quartile Red = 4th Quartile									



Appendix



Market Environment – US Economy (As of 12/31/2008)

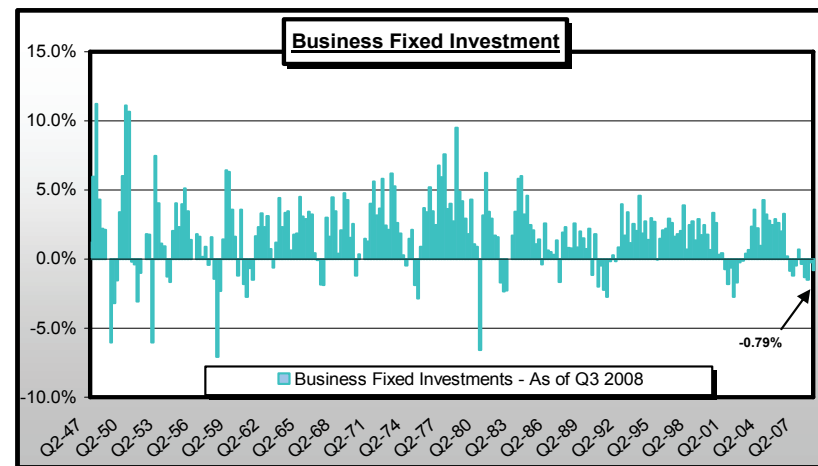
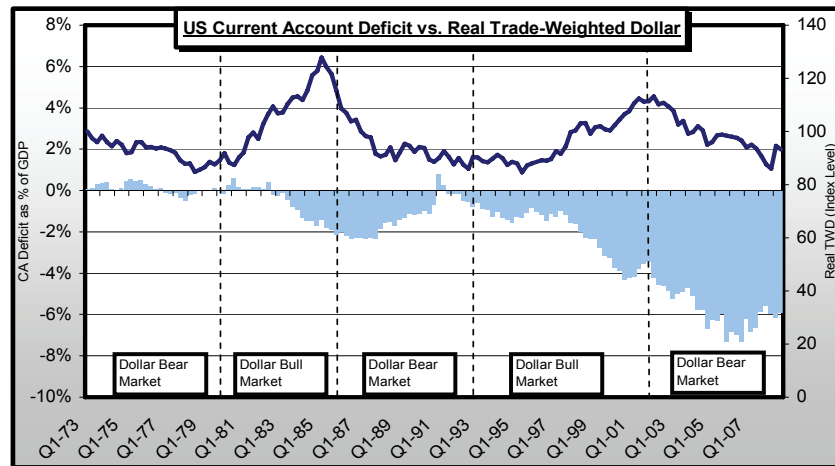


Inflation is negative (-0.1%) for the first time since 1955...

GDP contracted 0.5% in Q3...

Source: U.S. Department of Labor: Bureau of Labor Statistics

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



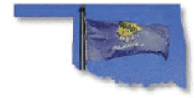
The Dollar depreciated slightly in Q4

Business fixed investments declined by 0.79% in Q3...

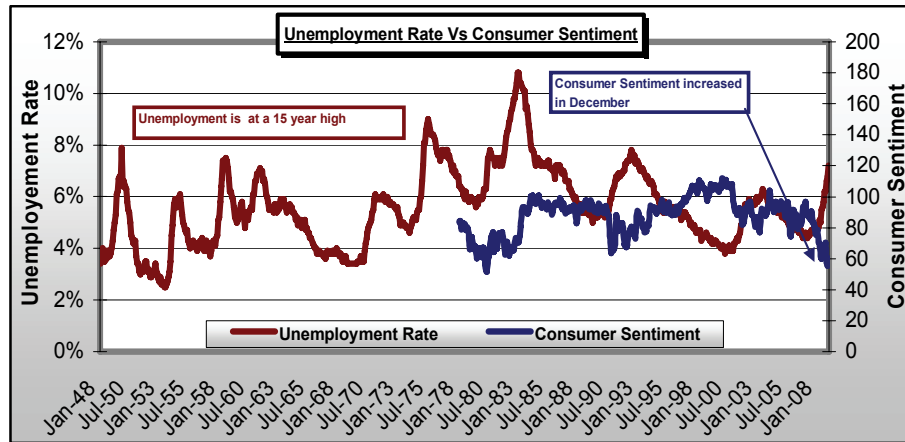
Source: Dow Jones & Company via St. Louis Fed.

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



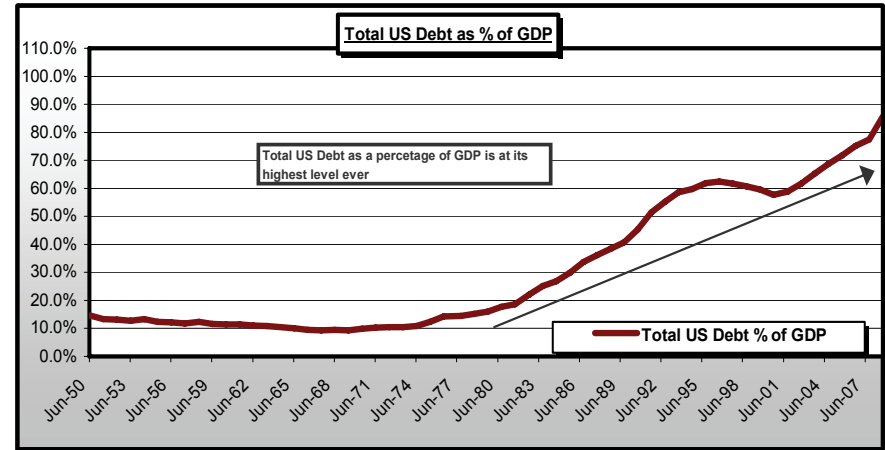


Slide of the Quarter: Deepening Economic Troubles



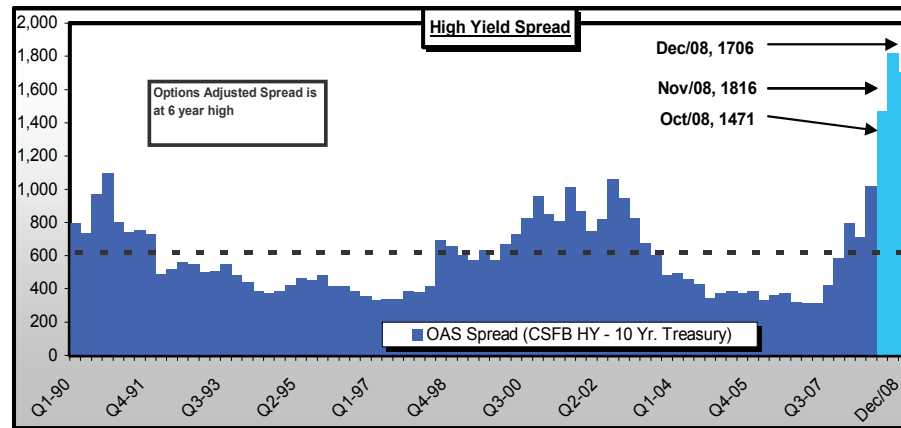
Source: Standard & Poors and St Louis Federal Reserve

Consumer Sentiment continues to fall as Unemployment spikes to a 15 year high...



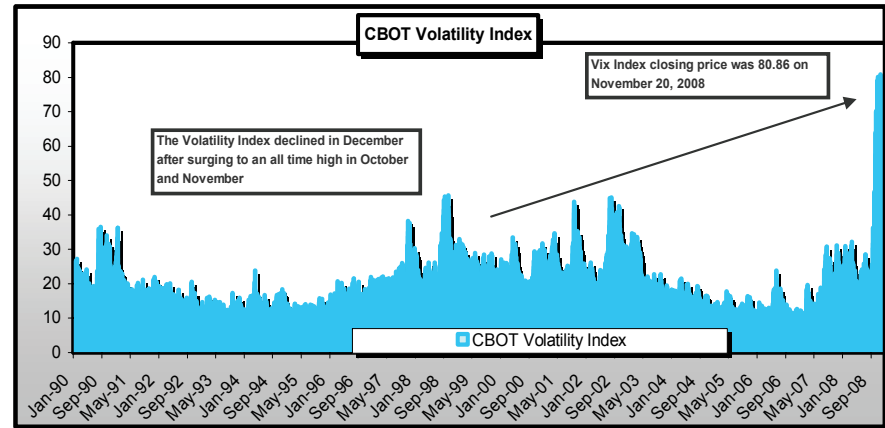
source: TreasuryDirect.gov

Total Debt is at record levels compared to GDP...



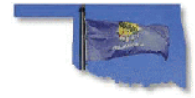
source: Lehman Live

High Yield spreads spiked to a record high in November ...

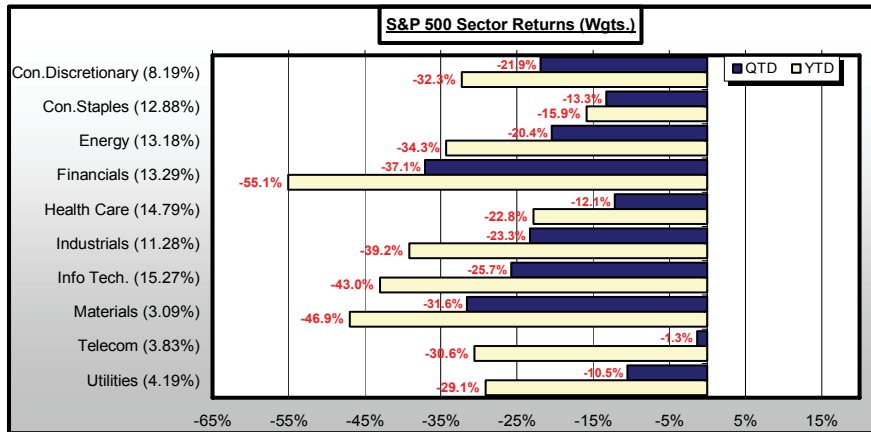


source: Bloomberg

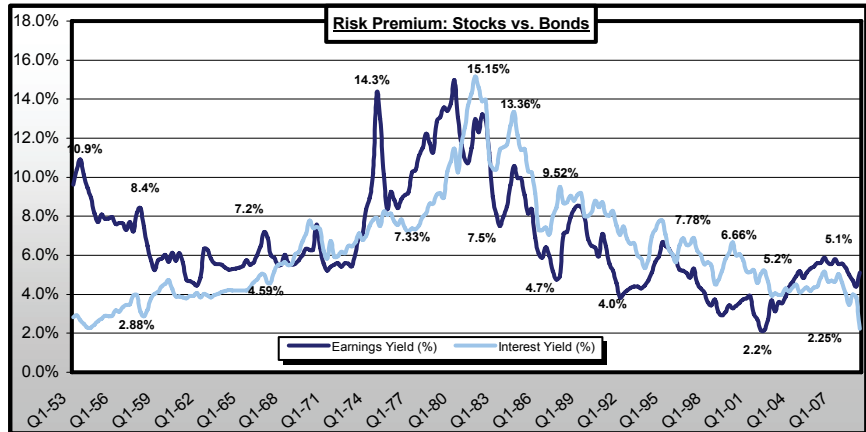
Volatility ended Q4 slightly higher than Q3 after surging sharply in Oct. & Nov...



Market Environment – Domestic Equity (As of 12/31/2008)

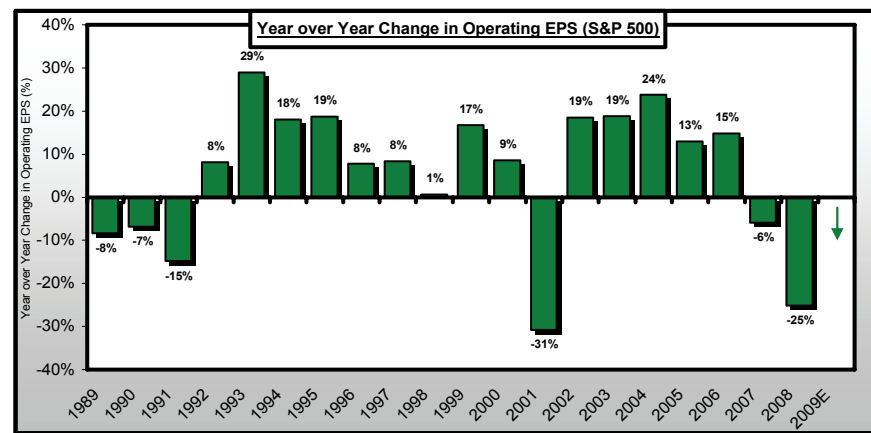


S&P continued its drop in Q4 lead by Financials and Materials..



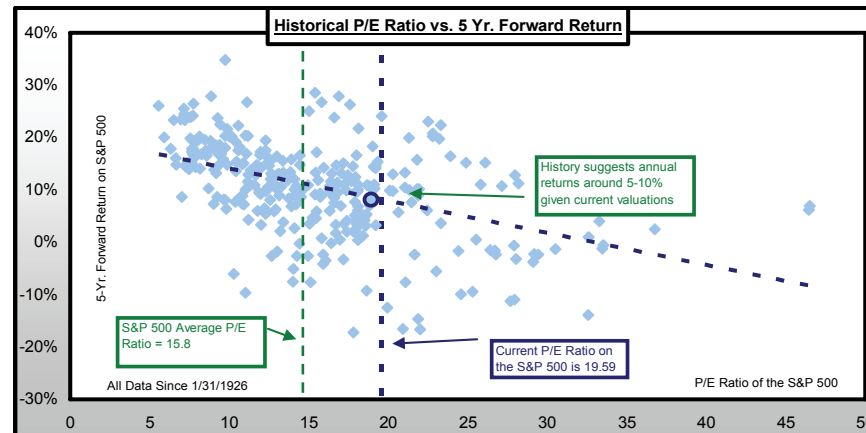
Stock earning yield (5.10%) continues to exceed bond yields (2.25%)...

Source: Russell Investment Group



EPS growth contracted in 08 and is expected to decline again in 2009. Data not yet available ...

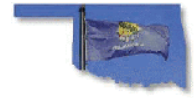
Source: Standard & Poors



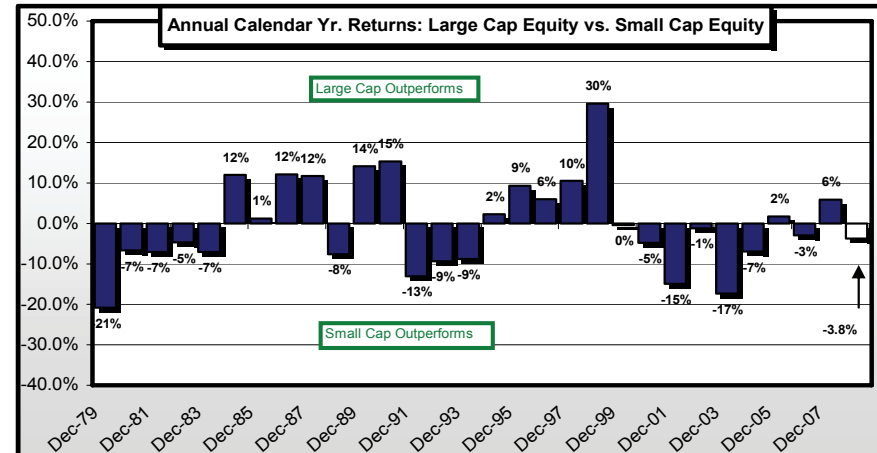
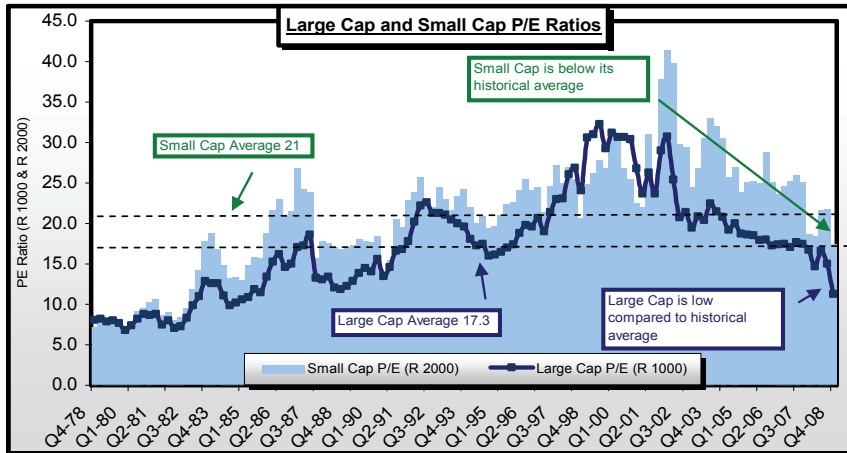
Current P/E ratio on trailing reported earnings of 19.59 remains elevated; however, trailing operating P/E ratio on earnings of 14.62 reflects reduced valuation

Source: Standard & Poors





Market Environment – Sector / Style Rotation (As of 12/31/2008)

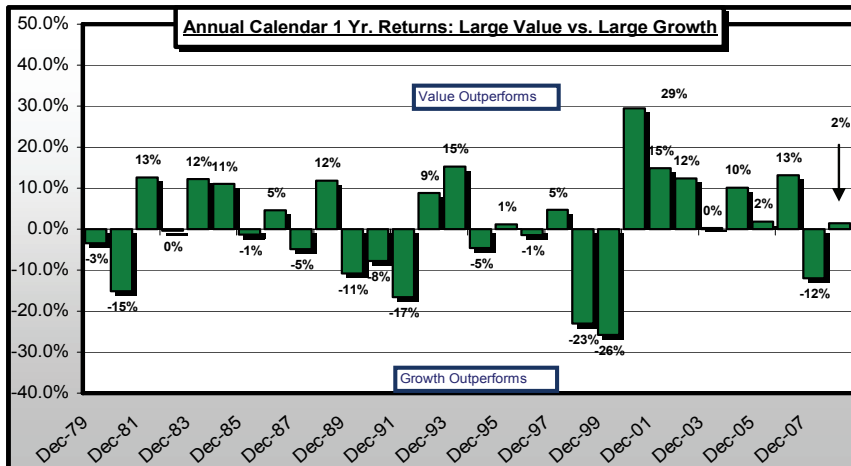


Large Cap P/E and Small Cap P/E dipped below historical average ...

² Source: Russell Investment Group

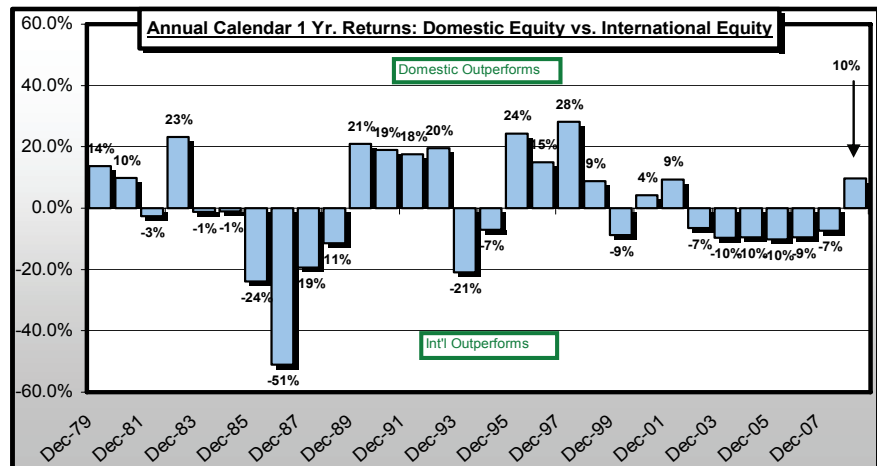
Small Cap outperformed Large Cap in 2008 by 3.8%...

² Source: Russell Investment Group



² Source: Russell Investment Group

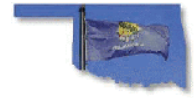
Value stocks outperformed Growth stocks by 2% in 2008



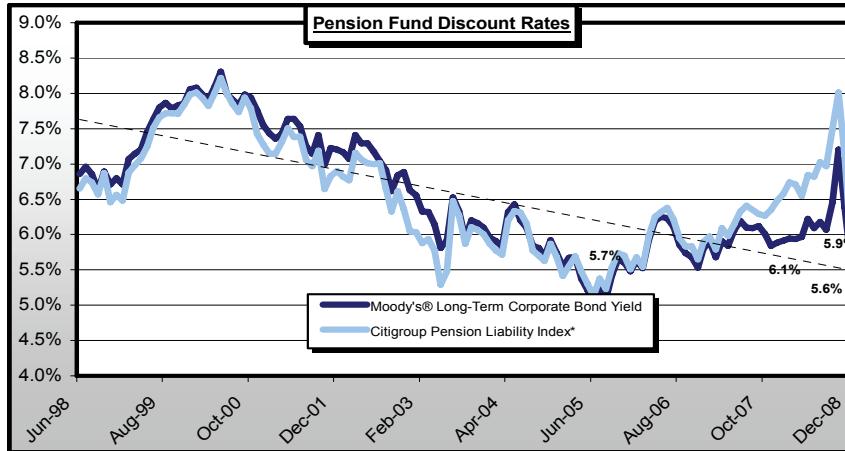
¹ MSCI EAFE (1979-1989); Citi PMI EPAC (1990-present)

Domestic outperformed international equity by 10% in 2008

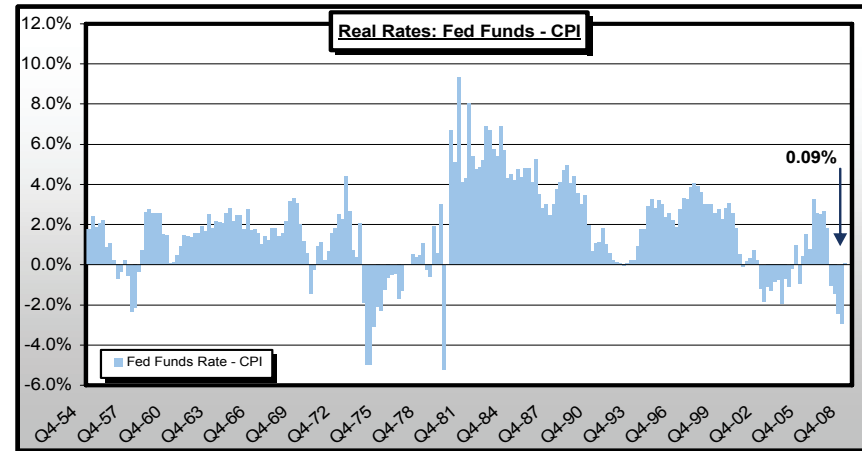




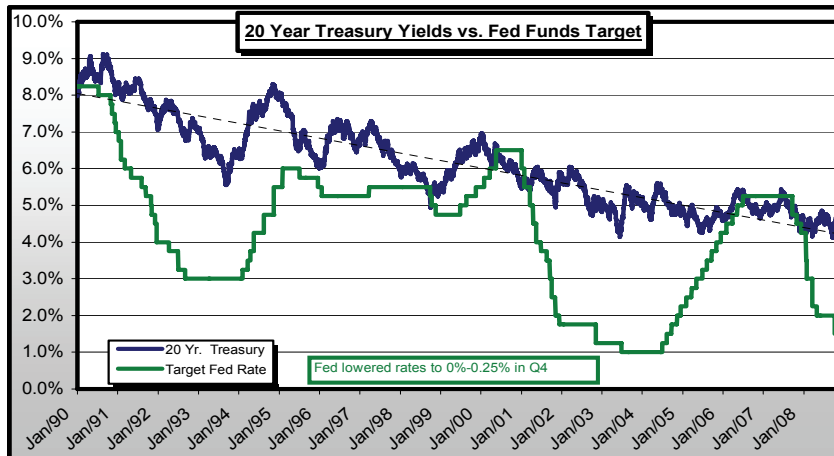
Market Environment – Interest Rates (As of 12/31/2008)



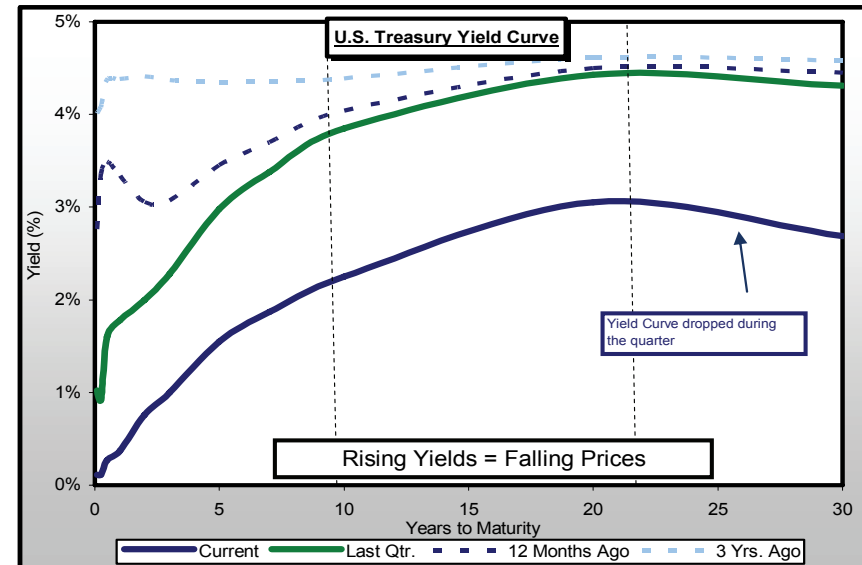
Pension discount rates declined sharply in Q4...

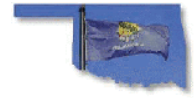


Real interest rates increased to 0.09% due to falling inflation...

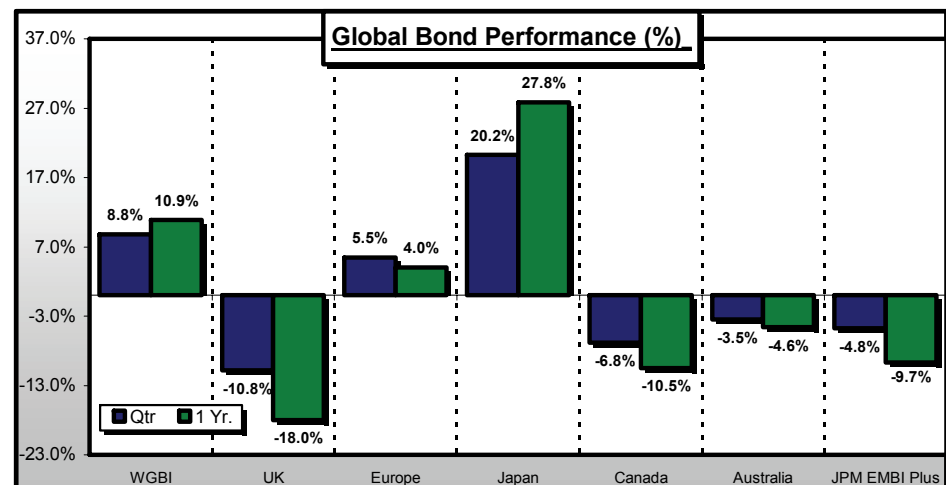
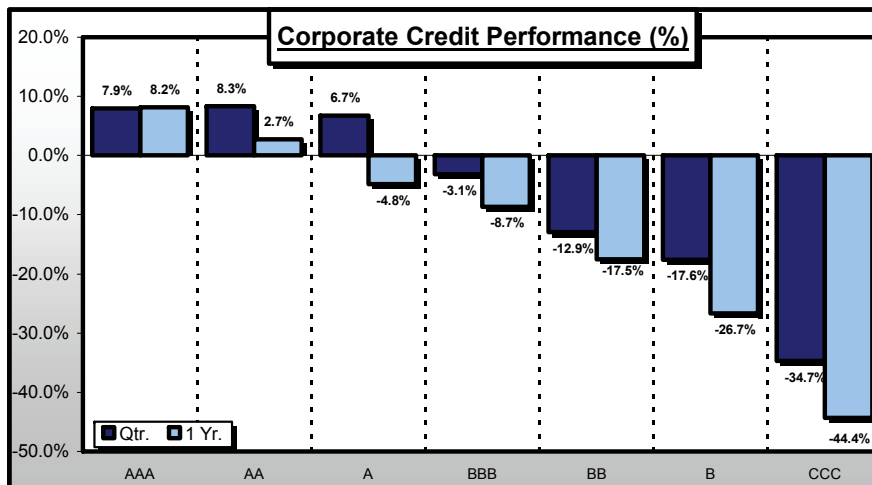
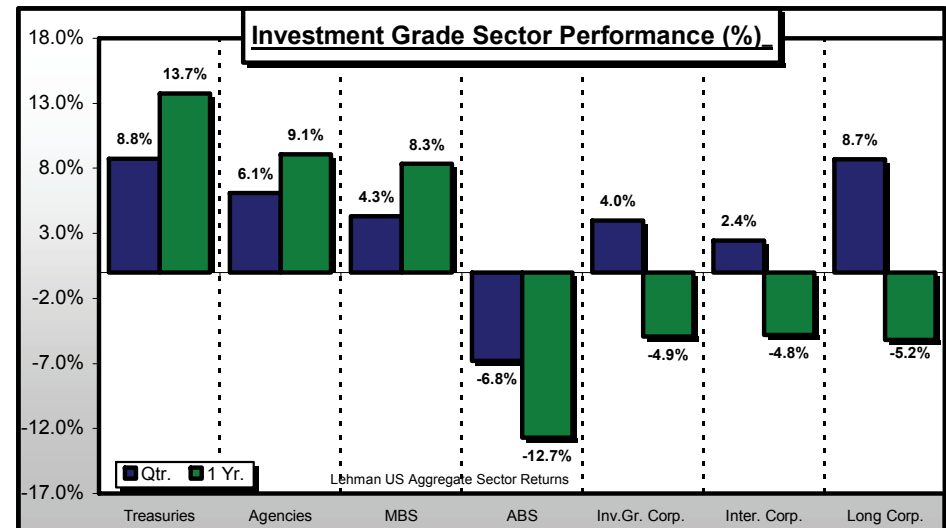
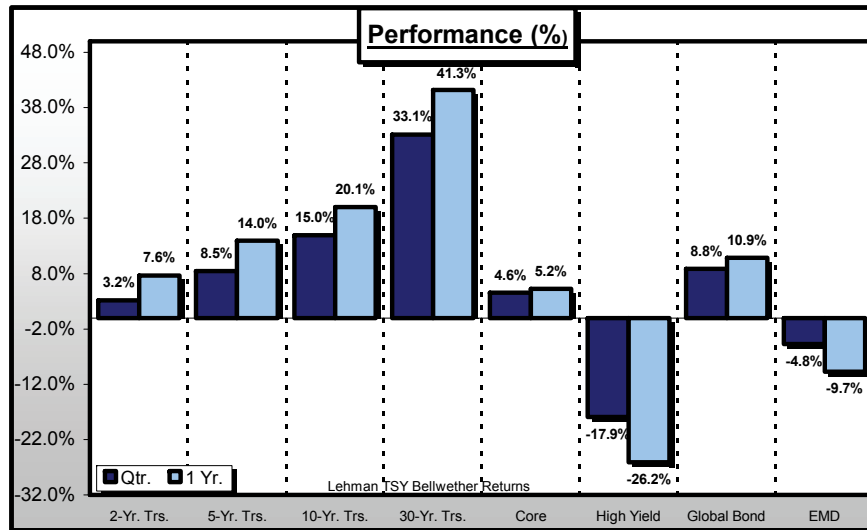


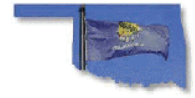
Fed funds rate target is now between 0% and 0.25% while 20 Yr. Treas. yield dropped to 3.05% in Q4





Market Environment – Fixed Income (As of 12/31/2008)





Market Environment – International Equity (As of 12/31/2008)

Developed Market Equity Returns (U.S. Dollars)

Source: MSCI Inc.

	Qtr. (%)	1 Yr. (%)	3 Yr. (%)
Europe ex UK	-22.8%	-46.4%	-6.6%
United Kingdom	-26.4%	-48.3%	-9.9%
Japan	-9.0%	-29.2%	-10.4%
Pacific Ex Japan	-24.9%	-50.0%	-4.3%
Canada	-33.0%	-45.2%	-5.4%
USA	-22.4%	-37.6%	-9.0%

US Dollar Return vs. Major Foreign Currencies

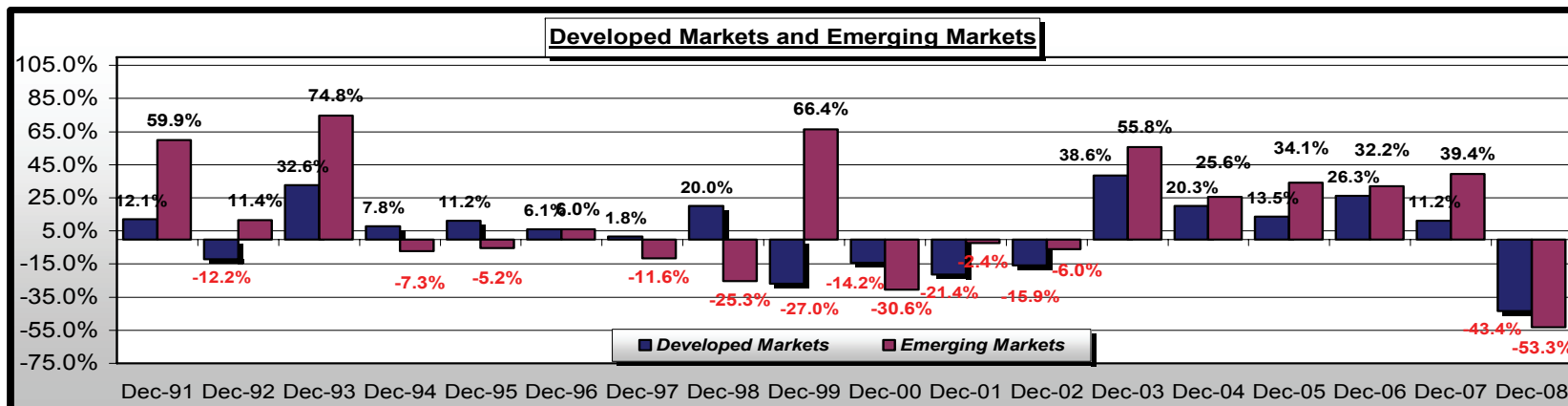
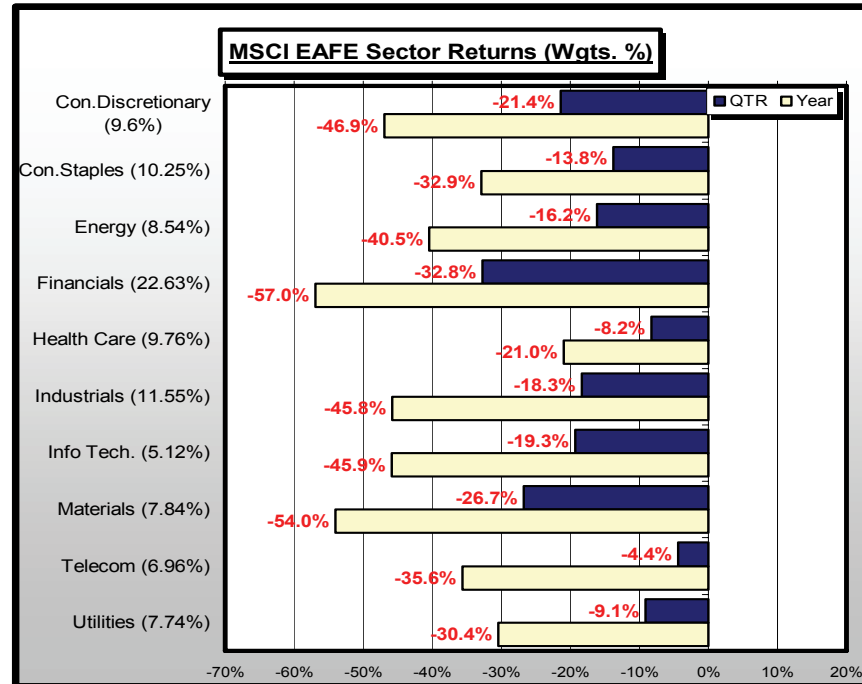
(Negative = Dollar Depreciates, Positive = Dollar Appreciates)

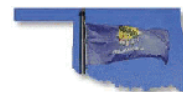
	Qtr.	1 Yr.	5 Yr.
Euro	1.1%	5.2%	-1.9%
Japanese Yen	-14.6%	-18.9%	-3.3%
British Pound	24.0%	38.5%	4.5%
Canada	16.1%	25.1%	-0.9%
Australia	13.1%	25.9%	1.6%

Currency Impact on Developed Mkt. Returns

(Negative = Currency Hurt, Positive = Currency Helped)

	Qtr.	1 Yr.	5 Yr.
MSCI EAFE (Local)	-18.5%	-40.3%	0.9%
MSCI EAFE (USD)	-20.0%	-43.4%	1.7%
Currency Impact	-1.4%	-3.1%	0.7%





Size & Style

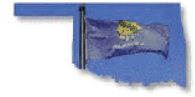
- *Each domestic equity manager's portfolio is loaded into NEPC's system (stock by stock) and the portfolio is compared to all other portfolios in the universe. The portfolio receives a "score" based on the overall size and style of its holdings.*

- *Why?...*
 - Size and style are two of the most important decisions a manager makes.*
 - Acts as a check on manager consistency over time.*
 - Offers an opportunity to compare relative performance with peers.*
 - Assists in diversifying the overall fund equity exposure.*

- *Calculations...*
 - Size is measured by how far above or below the universe median a manager's portfolio falls.*
 - Style gives consideration to: book to price, earnings growth, earnings to price and yield. Each of these factors is captured from the latest reported data.*

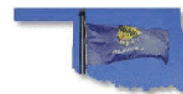
- *Results...*
 - The size and style scores allow each manager (or fund Composite, when summarizing) to be placed into one of nine peer groups (three by size times three by style).*

- *Comment...*
 - No methodology captures all of the complex decisions a manager makes but this exercise offers one more analytical tool.*



Customized Indices: Policy and Allocation

- *For each Total Fund actual return we report to you, if we have available information, we also construct two hypothetical returns: A Policy Index return and an Allocation Index return.*
- *These two hypothetical returns are useful in diagnosing to what factors the total return can be attributed.*
- *The Policy Index is merely the return the Fund would have had if the policy target allocation had been strictly adhered to and each asset class investment would have been in an index fund for that class, rather than with an active manager.*
- *The Allocation Index is the return the Fund would have had using the actual allocation of the Fund and index returns, as above with the Policy Index.*
- *NOTE: These tools are most useful over longer time periods and are not particularly useful over the short run.*
- *Looking at the Policy Index for longer term returns gives us a base-line. What part of the Fund's return can be attributed to being in the right asset classes? For example, the Teachers Fund Policy Index "return" of 14.2% for the last five years accounted for the majority of the actual return of 15.3% for that time period. This is not surprising and is as it should be. Policy decisions (what asset classes to be in and to what extent) are the most important decisions a Fund's Board makes.*
- *Turning to the Allocation Index. What information does this add? Remember, that the only difference between it and the Policy Index is that we let the allocation "drift" away from the target to the same extent as actually occurred. Then, the difference in return (in this example 13.3%-14.2%) can be attributed to this allowed drift. In this time period, letting asset classes drift beyond their targets had a negative effect on the performance of the Fund.*
- *Lastly, we compare actual return to the hypothetical Allocation Index return to see what contribution was made by active management. Here we see that substantial value was added during this time period (15.3%-13.3%).*



Information Disclosure

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