

Oklahoma State Pension Commission

First Quarter 2009
Investment Performance Analysis

June 17, 2009

Allan Martin
Managing Partner

Shane Burke
Senior Analyst

Pat McMenamin
Portfolio Analyst

"Advancing Your Investments"



NEPC, LLC
One Main Street, Cambridge, MA 02142
Tel: 617-374-1300 Fax: 617-374-1313
www.nepc.com

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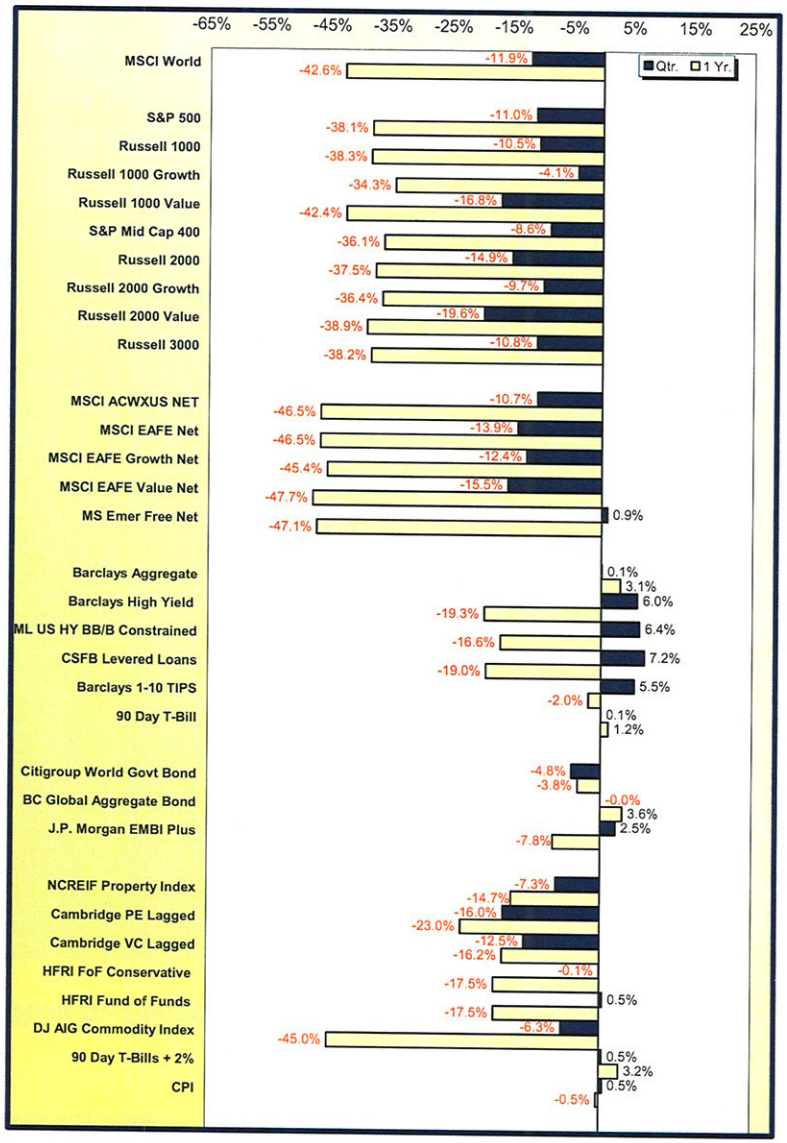
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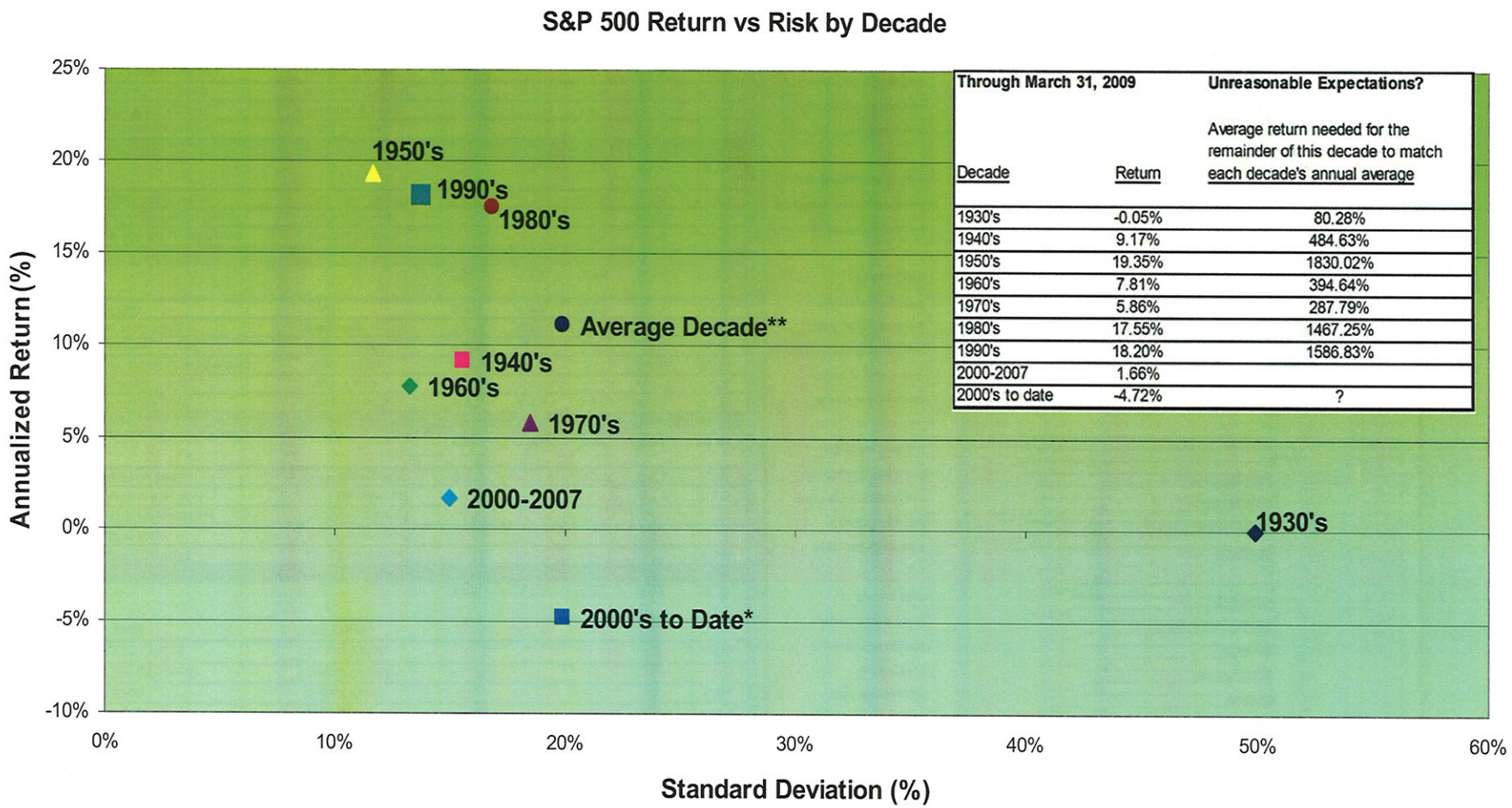
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Market Environment – Overview (As of 3/31/2009)

		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
World Equity Benchmarks						
MSCI World	World	-11.9%	-42.6%	-13.8%	-3.5%	-2.2%
Domestic Equity Benchmarks						
S&P 500	Large Core	-11.0%	-38.1%	-13.1%	-4.8%	-3.0%
Russell 1000	Large Core	-10.5%	-38.3%	-13.2%	-4.5%	-2.6%
Russell 1000 Growth	Large Growth	-4.1%	-34.3%	-11.3%	-4.4%	-5.3%
Russell 1000 Value	Large Value	-16.8%	-42.4%	-15.4%	-4.9%	-0.6%
S&P Mid Cap 400	Mid Core	-8.6%	-36.1%	-13.6%	-2.8%	4.2%
Russell 2000	Small Core	-14.9%	-37.5%	-16.8%	-5.2%	1.9%
Russell 2000 Growth	Small Growth	-9.7%	-36.4%	-16.2%	-5.4%	-1.6%
Russell 2000 Value	Small Value	-19.6%	-38.9%	-17.5%	-5.3%	4.9%
Russell 3000	US Equity	-10.8%	-38.2%	-13.6%	-4.6%	-2.3%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
International Equity Benchmarks						
MSCI ACWXUS NET	Int'l Developed	-10.7%	-46.5%	-13.1%	-0.7%	0.5%
MSCI EAFE Net	Int'l Developed	-13.9%	-46.5%	-14.5%	-2.2%	-0.8%
MSCI EAFE Growth Net	Int'l Developed	-12.4%	-45.4%	-13.1%	-2.0%	-2.5%
MSCI EAFE Value Net	Int'l Developed	-15.5%	-47.7%	-15.9%	-2.5%	0.6%
MS Emer Free Net	Int'l Emerging	0.9%	-47.1%	-8.2%	5.9%	7.9%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Domestic Fixed Income Benchmarks						
Barclays Aggregate	Core Bonds	0.1%	3.1%	5.8%	4.1%	5.7%
Barclays High Yield	High Yield	6.0%	-19.3%	-4.6%	-0.1%	2.6%
ML US HY BB/B Constrained	High Yield	6.4%	-16.6%	-3.4%	0.4%	2.9%
CSFB Levered Loans	Bank Loans	7.2%	-19.0%	-6.5%	-1.7%	n/a
Barclays 1-10 TIPS	Inflation	5.5%	-2.0%	5.7%	4.1%	7.3%
90 Day T-Bill	Cash	0.1%	1.2%	3.6%	3.2%	3.4%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Global Fixed Income Benchmarks						
Citigroup World Govt Bond	Global Bonds	-4.8%	-3.8%	7.6%	4.6%	5.8%
BC Global Aggregate Bond	Global Bonds	-0.0%	3.6%	5.1%	4.3%	5.3%
J.P. Morgan EMBI Plus	Em. Mkt. Bonds	2.5%	-7.8%	2.3%	5.7%	10.7%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Alternative Benchmarks						
NCREIF Property Index	Real Estate	-7.3%	-14.7%	4.1%	9.4%	9.3%
Cambridge PE Lagged	Private Equity	-16.0%	-23.0%	5.6%	13.5%	10.3%
Cambridge VC Lagged	Venture Capital	-12.5%	-16.2%	4.7%	7.5%	10.4%
HFRI FoF Conservative	Hedge Funds	-0.1%	-17.5%	-3.2%	0.5%	4.1%
HFRI Fund of Funds	Hedge Funds	0.5%	-17.5%	-2.9%	1.4%	5.0%
DJ AIG Commodity Index	Commodities	-6.3%	-45.0%	-9.9%	-3.3%	6.3%
90 Day T-Bills + 2%	Cash + 2%	0.5%	3.2%	5.7%	5.3%	5.4%
CPI	Inflation	0.5%	-0.5%	2.1%	2.6%	2.6%



US Equity Market Returns in Perspective

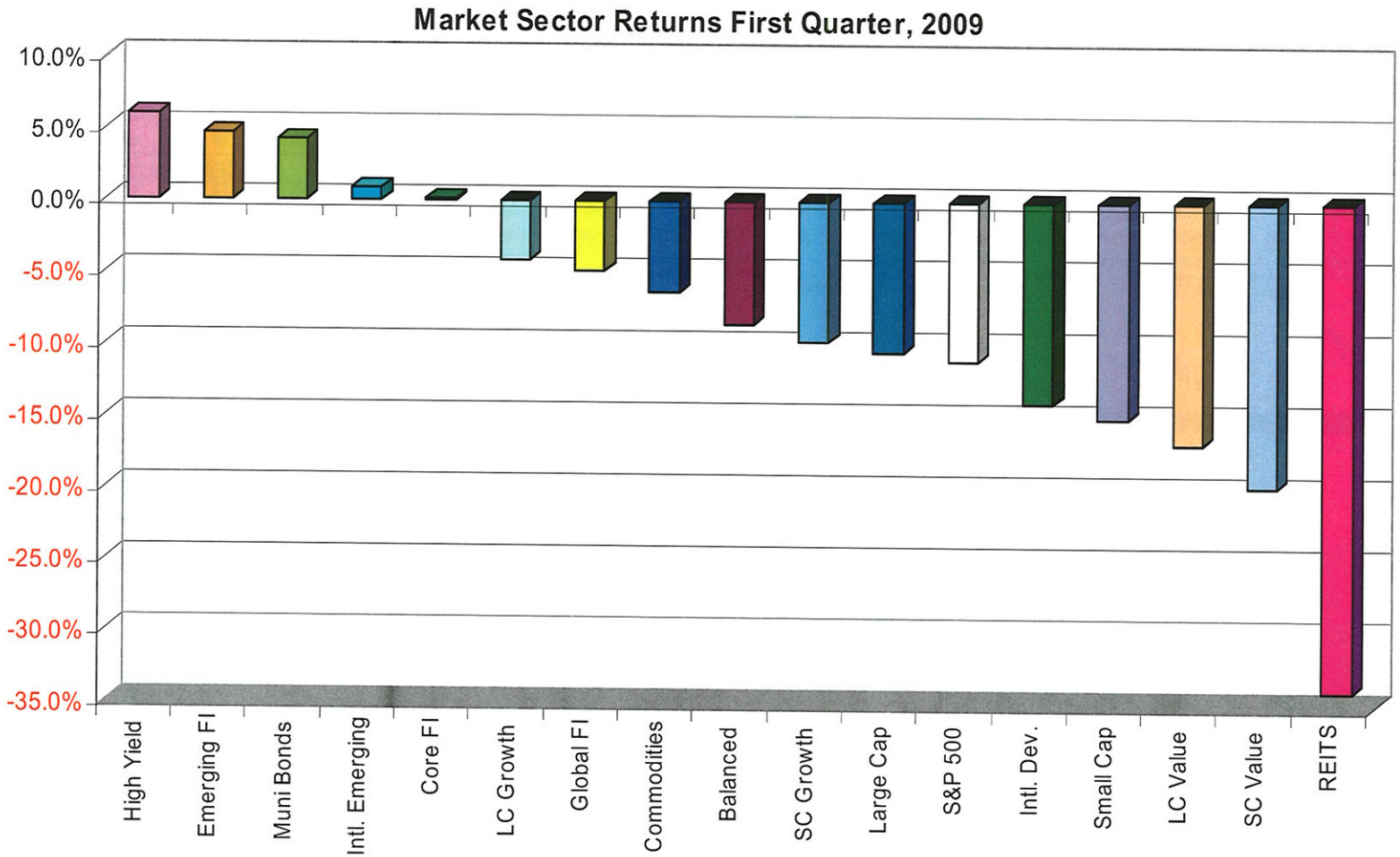


Through March 31, 2009		Unreasonable Expectations?
Decade	Return	Average return needed for the remainder of this decade to match each decade's annual average
1930's	-0.05%	80.28%
1940's	9.17%	484.63%
1950's	19.35%	1830.02%
1960's	7.81%	394.64%
1970's	5.86%	287.79%
1980's	17.55%	1467.25%
1990's	18.20%	1586.83%
2000-2007	1.66%	
2000's to date	-4.72%	?

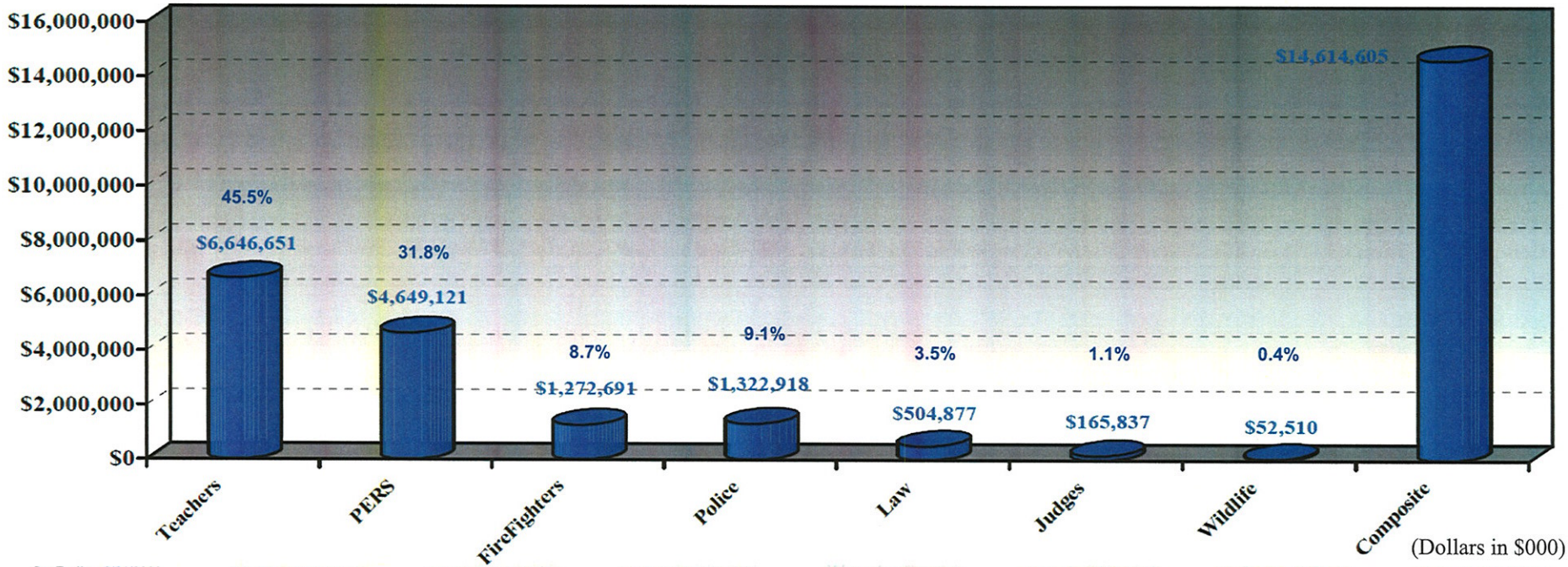
* 2000's to Date is through March 31, 2009

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

March 31, 2009 Market Update



Relative Size – All Funds (as of 3/31/09)



(Dollars in $000)

Qtr Ending 3/31/2009		Qtr Ending 3/31/2009		Qtr Ending 3/31/2009		Qtr Ending 3/31/2009	
12/31/2008	$6,986,970	12/31/2008	$5,041,115	12/31/2008	$1,365,648	12/31/2008	$1,379,081
Net Ext Growth	$46,991	Net Ext Growth	($22,522)	Net Ext Growth	($7,829)	Net Ext Growth	($3,076)
Investment Return	($387,310)	Investment Return	($369,472)	Investment Return	($85,128)	Investment Return	($53,087)
3/31/2009	$6,646,651	3/31/2009	$4,649,121	3/31/2009	$1,272,691	3/31/2009	$1,322,918
1-Year Ending 3/31/2009		**1-Year Ending 3/31/2009**		**1-Year Ending 3/31/2009**		**1-Year Ending 3/31/2009**	
3/31/2008	$8,877,000	3/31/2008	$6,348,518	3/31/2008	$1,750,687	3/31/2008	$1,732,920
Net Ext Growth	$10,345	Net Ext Growth	($112,815)	Net Ext Growth	($45,776)	Net Ext Growth	($22,800)
Investment Return	($2,240,694)	Investment Return	($1,586,582)	Investment Return	($432,220)	Investment Return	($387,202)
3/31/2009	$6,646,651	3/31/2009	$4,649,121	3/31/2009	$1,272,691	3/31/2009	$1,322,918
Teachers		PERS		Fire Fighters		Police	

Qtr Ending 3/31/2009		Qtr Ending 3/31/2009		Qtr Ending 3/31/2009		Qtr Ending 3/31/2009	
12/31/2008	$542,013	12/31/2008	$182,124	12/31/2008	$54,565	12/31/2008	$15,551,011
Net Ext Growth	($4,692)	Net Ext Growth	($1,591)	Net Ext Growth	$120	Net Ext Growth	$7,254
Investment Return	($32,444)	Investment Return	($14,696)	Investment Return	($2,175)	Investment Return	($943,660)
3/31/2009	$504,877	3/31/2009	$165,837	3/31/2009	$52,510	3/31/2009	$14,614,605
1-Year Ending 3/31/2009		**1-Year Ending 3/31/2009**		**1-Year Ending 3/31/2009**		**1-Year Ending 3/31/2009**	
3/31/2008	$682,235	3/31/2008	$232,440	3/31/2008	$67,307	3/31/2008	$19,691,107
Net Ext Growth	($15,323)	Net Ext Growth	($5,871)	Net Ext Growth	$135	Net Ext Growth	($267,108)
Investment Return	($162,035)	Investment Return	($60,732)	Investment Return	($14,932)	Investment Return	($4,809,394)
3/31/2009	$504,877	3/31/2009	$165,837	3/31/2009	$52,510	3/31/2009	$14,614,605
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	49.3%	56.2%	57.5%	46.5%	53.9%	56.6%	39.6%
	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	18.7%	24.2%	25.9%	15.3%	23.5%	26.8%	28.1%
	Range	23-33	28-38	25-35	15-25	20-30	25-35	30-40
MidCap	Target	15.0%	7.0%	-	-	-	7.0%	-
	Actual	10.6%	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	7.3%	5.2%	9.0%	6.6%	12.5%	3.0%	5.6%
	Range	5-15	-	7.5-17.5	5-15	10-20	-	5-15
Int'l Equity	Target	17.0%	19.0%	12.5%	10.0%	10.0%	24.0%	10.0%
	Actual	12.7%	19.8%	10.3%	8.6%	6.8%	19.8%	5.9%
	Range	12-22	14-24	7.5-17.5	5-15	5-15	19-29	5-15
Long/Short Eq	Target	-	-	10.0%	15.0%	10.0%	-	-
	Actual			12.3%	16.0%	11.1%		
	Range	-	-	5-15	10-20	5-15	-	-
PRIVATE EQUITY	Target	-	-	-	10.0%	3.0%	-	-
	Actual				13.1%	3.4%		
	Range	-	-	-	5-15	0-5	-	-
TOTAL FIXED INC.	Target	30.0%	38.0%	25.0%	17.5%	30.0%	36.0%	50.0%
	Actual	47.7%	43.4%	28.4%	20.4%	35.9%	43.2%	56.9%
	Range	25-35	33-43	20-30	12.5-22.5	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	47.7%	43.4%	28.4%	15.6%	35.9%	43.2%	56.9%
	Range	25-35	33-43	20-30	12.5-22.5	20-40	31-41	45-55
Int'l Fixed Inc.	Target	-	-	-	-	-	-	-
	Actual				4.8%			
	Range	-	-	-	-	-	-	-
ALTERNATIVE INV.	Target	-	-	5.0%	12.5%	-	-	-
	Actual	1.2%		7.8%	14.2%			
	Range	-	-	2-8	7.5-17.5	-	-	-
REAL ESTATE	Target	-	-	5.0%	5.0%	7.0%	-	-
	Actual			6.2%	5.5%	7.0%		
	Range	-	-	2-8	0-10	5-10	-	-
CASH	Actual	1.9%	0.4%	0.1%	0.2%	-0.2%	0.1%	3.5%

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

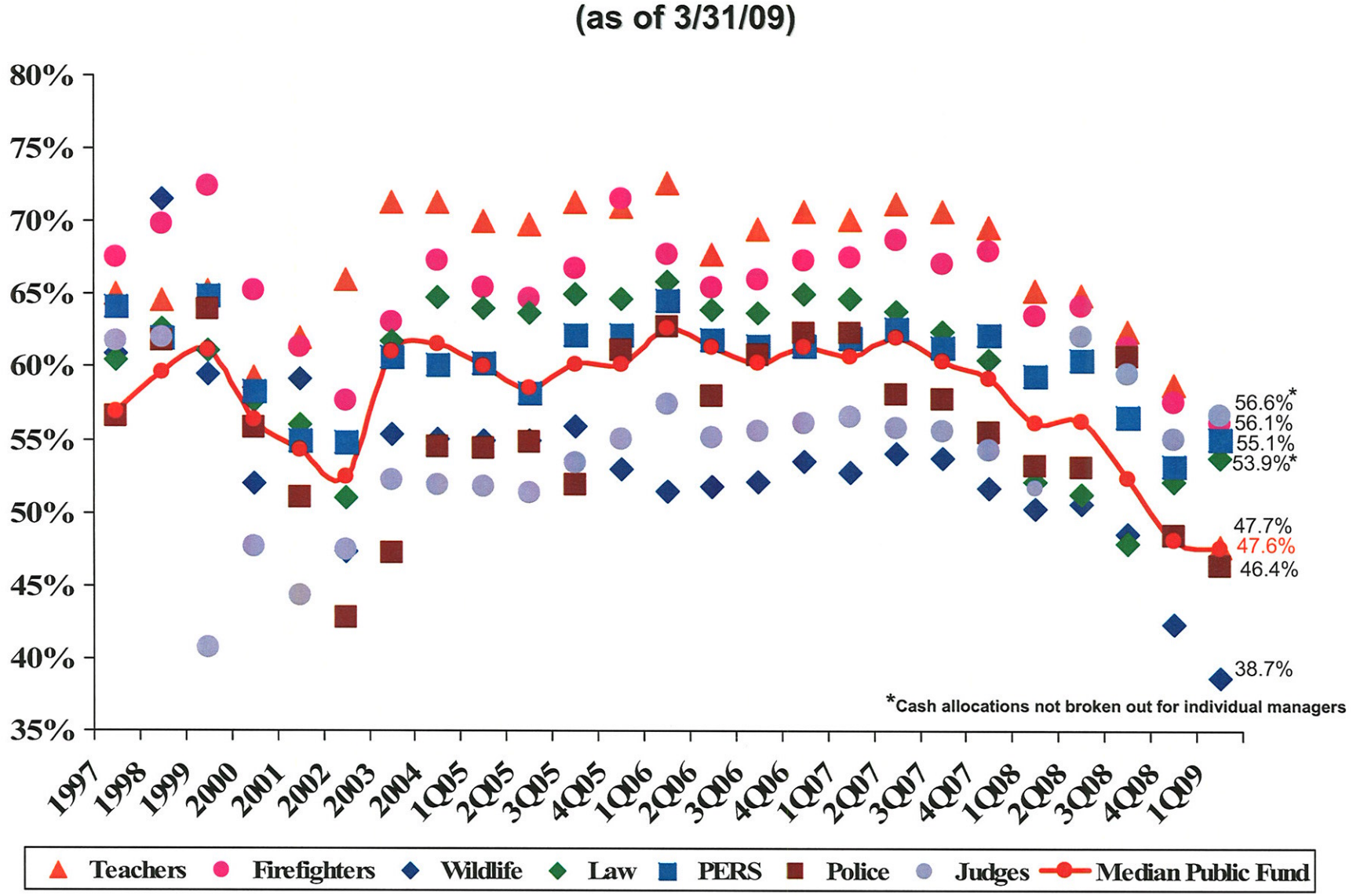
**For the Law, Target Alternative Inv. (low-volatility hedge funds) is classified as fixed income

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



Composite Performance

Periods Ending March 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Teachers	(5.3)%	39	(25.0)%	39	(6.8)%	63	0.1%	48	2.7%	25
PERS	(7.3)%	86	(25.2)%	40	(5.7)%	42	0.1%	49	2.1%	43
Firefighters	(6.1)%	61	(24.8)%	35	(5.8)%	43	0.5%	36	2.2%	40
Police	(3.8)%	13	(22.4)%	21	(4.0)%	16	1.5%	17	3.0%	21
Law	(6.0)%	57	(23.9)%	29	(6.9)%	66	(0.5)%	67	1.8%	56
Judges	(8.1)%	92	(26.5)%	54	(6.1)%	46	(0.6)%	68	1.8%	59
Wildlife	(4.1)%	18	(22.2)%	20	(5.0)%	26	(0.2)%	55	0.8%	86
Med Tot Public Fund	(5.7)%		(25.9)%		(6.4)%		0.0%		2.0%	

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

Composite Performance

Years Ending March 31

	Mar-09		Mar-08		Mar-07		Mar-06		Mar-05		Mar-04		Mar-03	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Teachers	(25.0)%	39	(2.7)%	92	10.9%	47	14.8%	25	8.0%	19	37.8%	2	(13.0)%	76
PERS	(25.2)%	40	0.5%	50	11.4%	40	11.8%	66	7.1%	41	27.6%	46	(9.6)%	34
Firefighters	(24.8)%	35	1.1%	38	9.8%	75	14.4%	29	7.1%	41	25.6%	62	(9.8)%	37
Police	(22.4)%	21	2.1%	24	11.8%	28	13.2%	49	7.2%	38	26.9%	51	(10.1)%	44
Law	(23.9)%	29	(2.6)%	90	8.8%	86	13.9%	39	6.0%	69	30.5%	24	(10.6)%	52
Judges	(26.5)%	54	1.3%	34	11.0%	45	10.5%	80	6.2%	64	24.1%	75	(6.2)%	11
Wildlife	(22.2)%	20	0.9%	42	9.4%	82	10.1%	83	4.8%	84	21.1%	88	(11.6)%	62
Med Tot Pub Fund	(25.9)%		0.6%		10.9%		13.1%		6.7%		26.9%		(10.5)%	

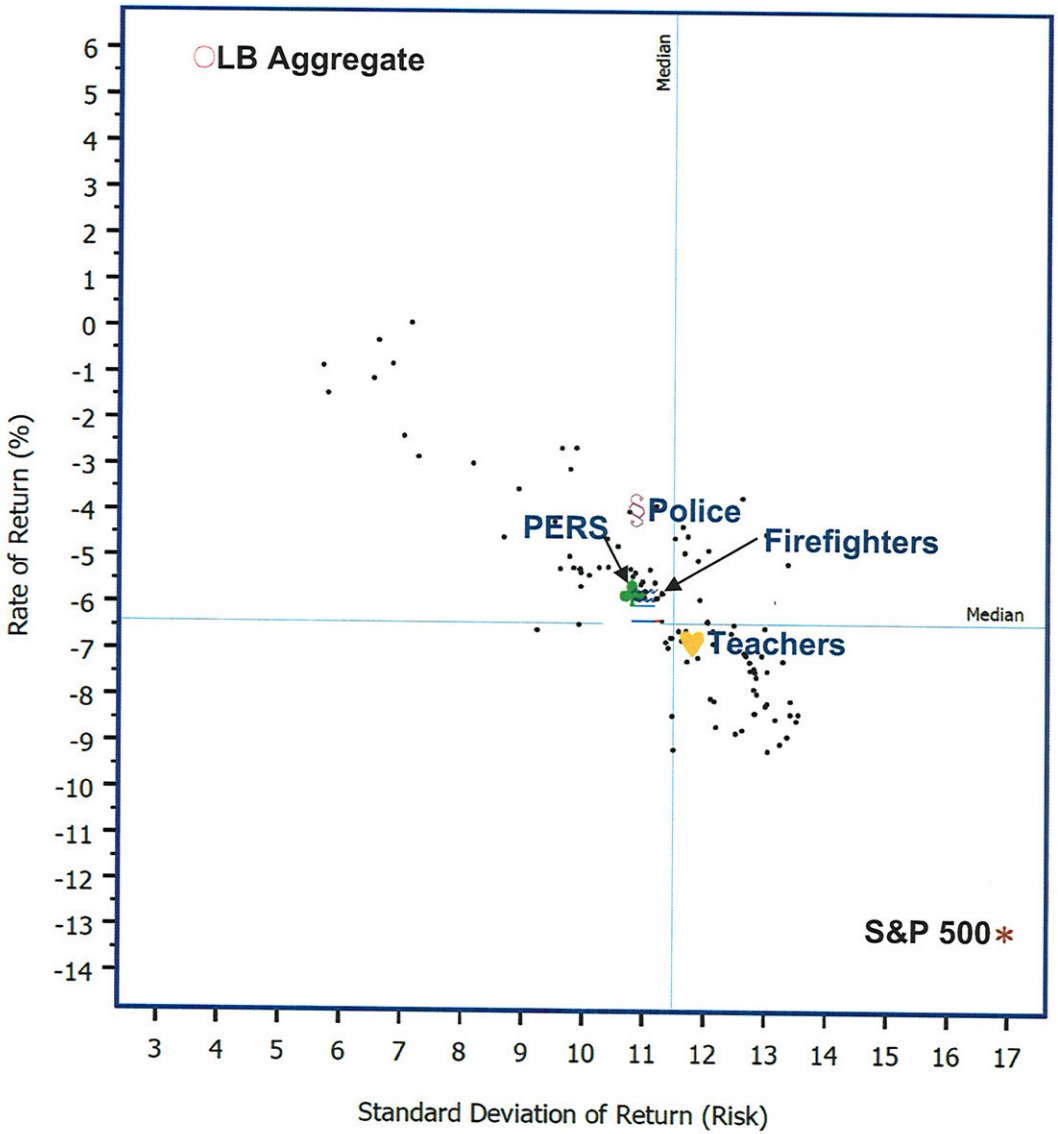
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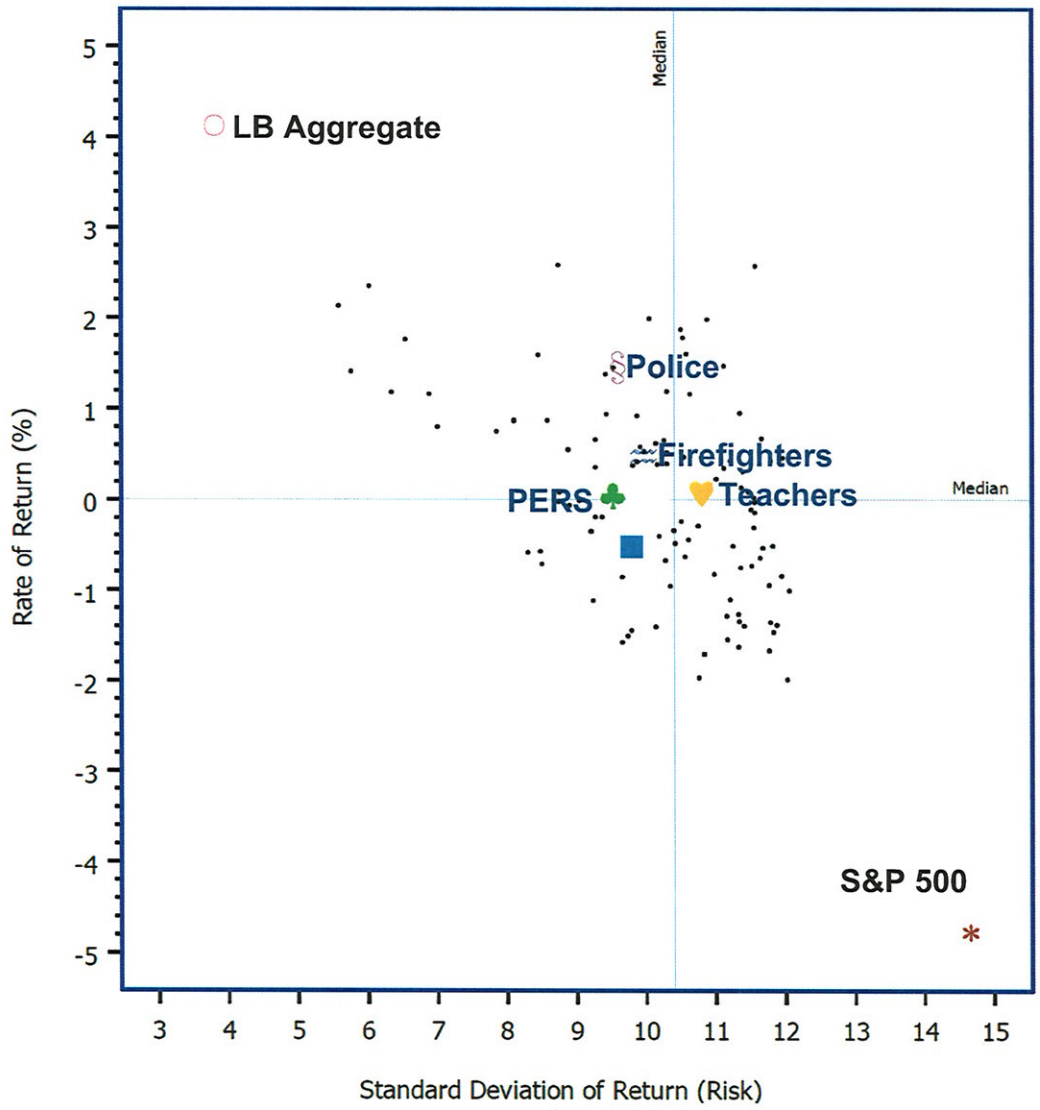
3 Year Risk / Return Analysis



	Return		Standard Deviation		Sharpe Ratio	
♥ OK TEACHERS	-6.8	63	11.8	58	-0.8	
♣ OK PERS	-5.7	42	10.8	31	-0.8	
≈ OK FIREFIGHTERS	-5.8	43	11.0	34	-0.8	
§ OK POLICE	-4.0	16	10.8	32	-0.7	
* *S&P 500*	-13.1	100	16.9	100	-0.9	
○ *BC AGGREGATE*	5.8	1	3.7	1	0.6	1
Median	-6.4		11.5		-0.8	

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.

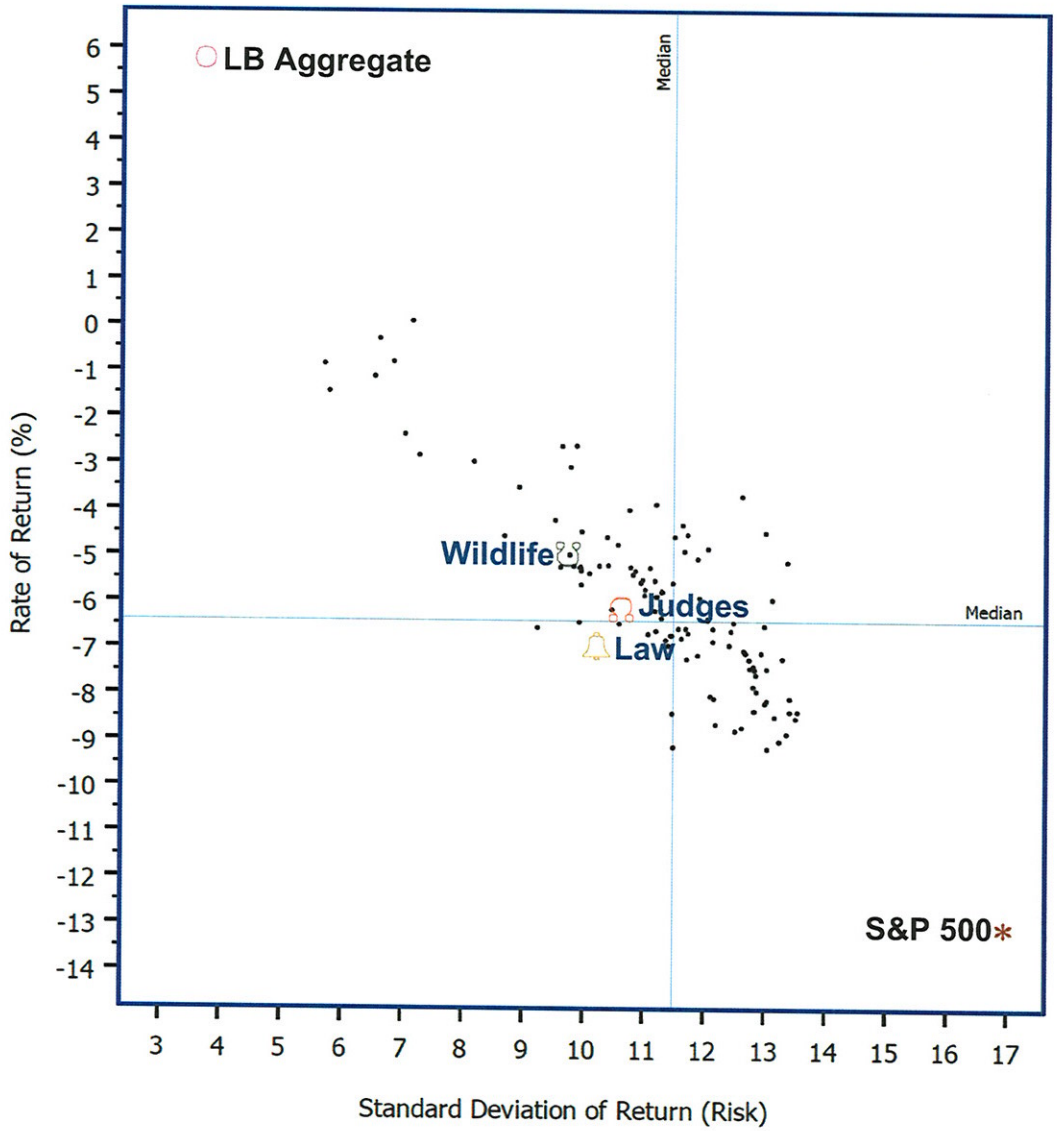
5 Year Risk / Return Analysis



	Return		Standard Deviation		Sharpe Ratio	
OK TEACHERS	0.1	48	10.8	59	-0.2	
OK PERS	0.0	49	9.5	30	-0.3	
OK FIREFIGHTERS	0.5	36	10.0	38	-0.2	
OK POLICE	1.5	17	9.6	30	-0.1	
S&P 500	-4.8	100	14.6	99	-0.5	
BC AGGREGATE	4.1	1	3.8	1	0.3	1
Median	0.0		10.4		-0.3	

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.

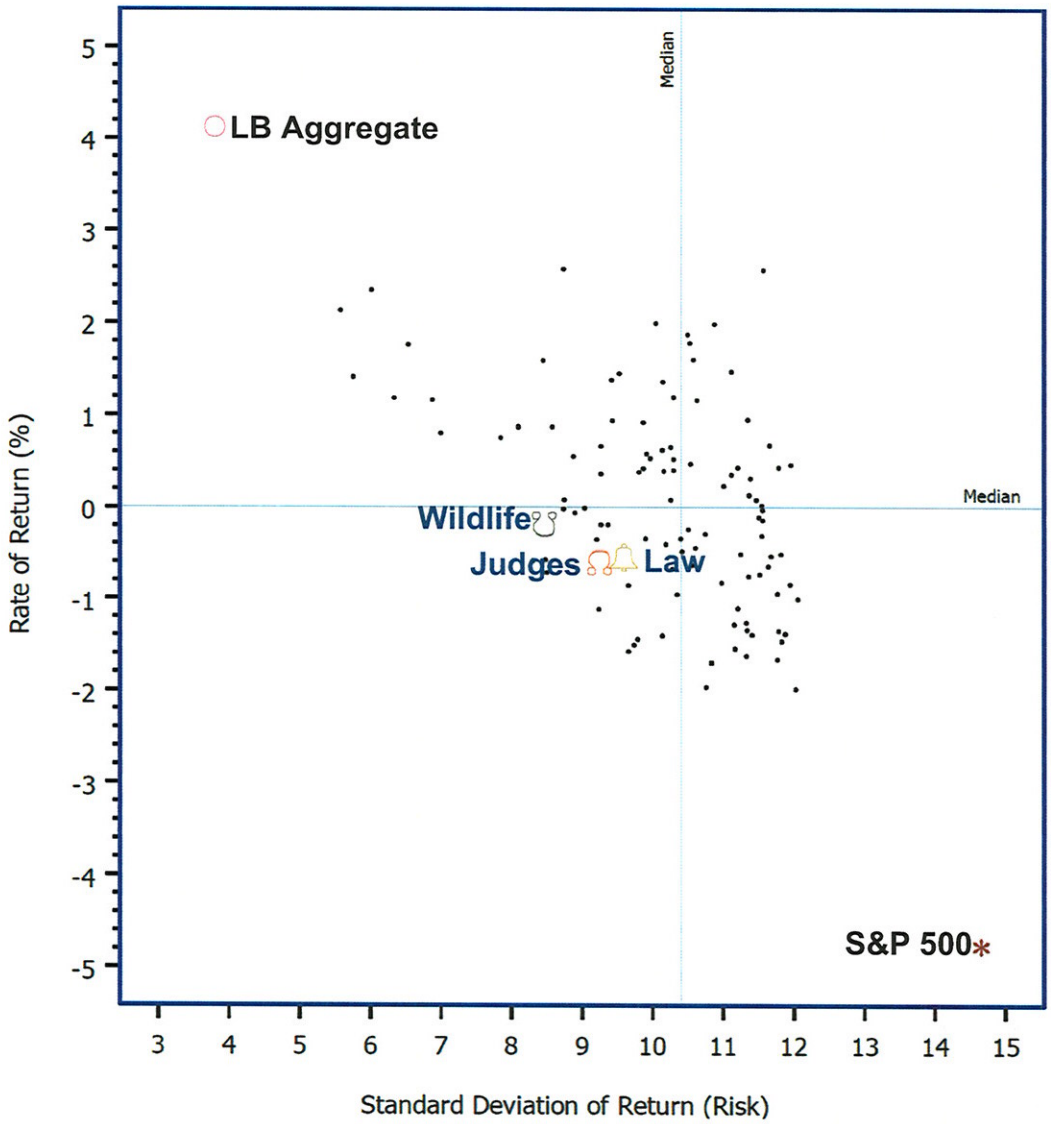
3 Year Risk / Return Analysis (cont.)



	Return		Standard Deviation		Sharpe Ratio	
OK LAW	-6.9	66	10.2	25	-1.0	
OK JUDGES	-6.1	46	10.6	30	-0.9	
OK WILDLIFE	-5.0	26	9.8	17	-0.8	
S&P 500	-13.1	100	16.9	100	-0.9	
BC AGGREGATE	5.8	1	3.7	1	0.6	1
Median	-6.4		11.5		-0.8	

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.

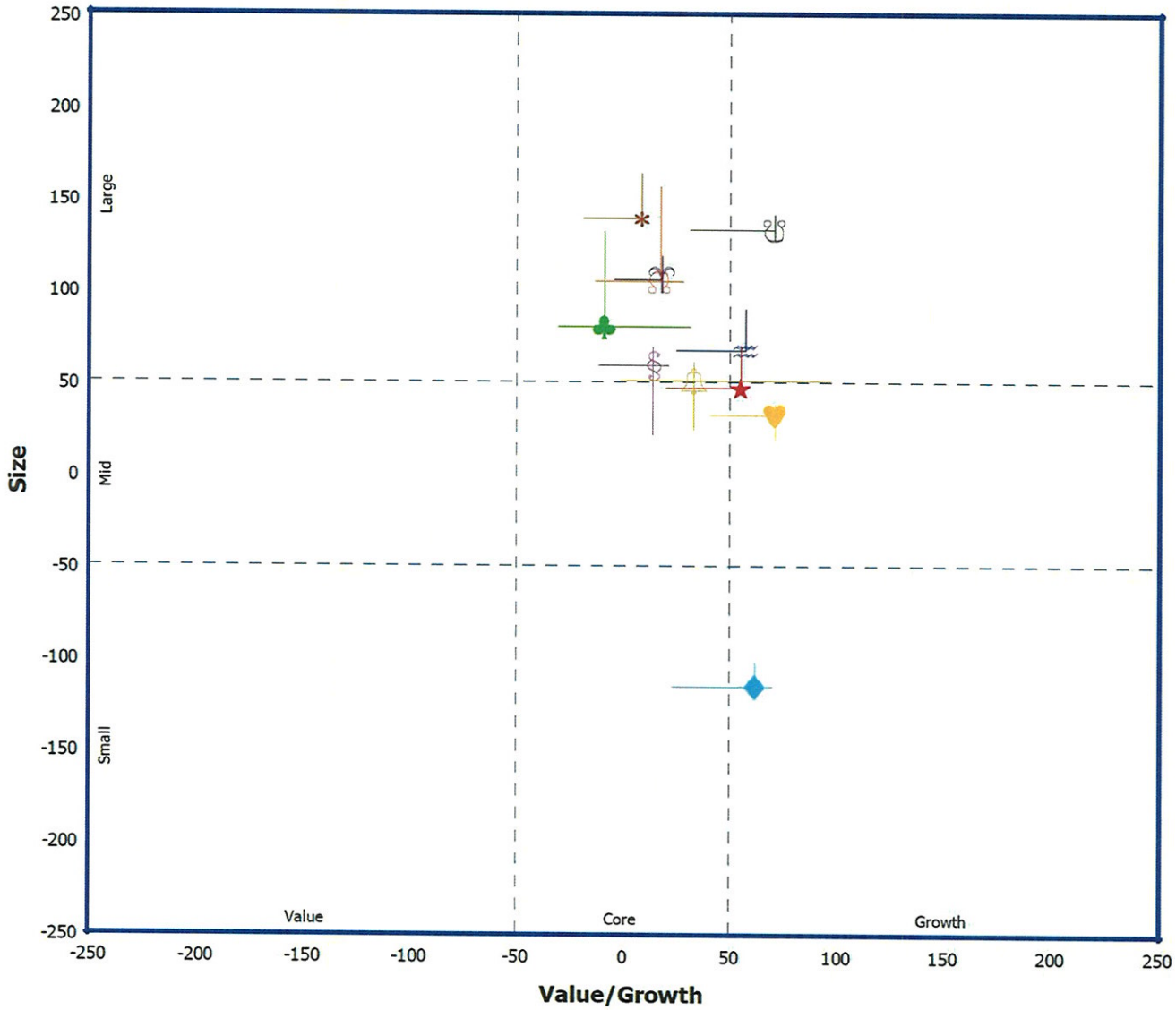
5 Year Risk / Return Analysis (cont.)



	Return		Standard Deviation		Sharpe Ratio	
OK LAW	-0.5	67	9.6	31	-0.3	
OK JUDGES	-0.6	68	9.3	26	-0.4	
OK WILDLIFE	-0.2	55	8.5	15	-0.4	
S&P 500	-4.8	100	14.6	99	-0.5	
BC AGGREGATE	4.1	1	3.8	1	0.3	1
Median	0.0		10.4		-0.3	

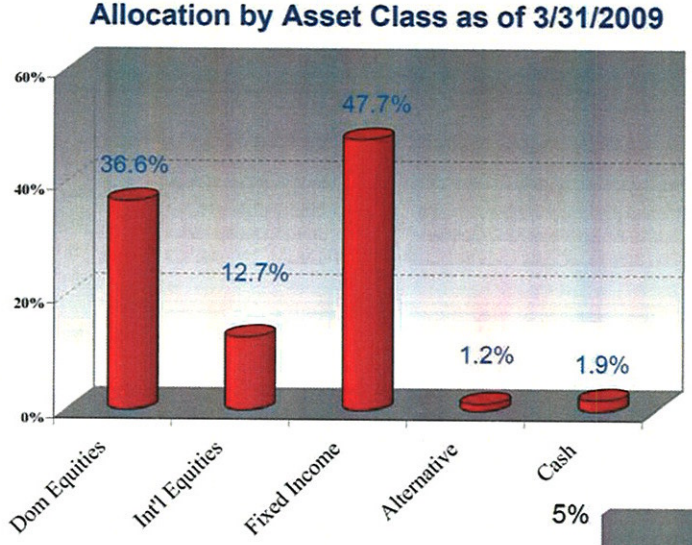
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Style Analysis



- OK TOTAL COMP
- OK TEACHERS
- OK PERS
- OK FIREFIGHTERS
- OK POLICE
- OK LAW
- OK JUDGES
- OK WILDLIFE
- *S&P 500*
- *R 2000(R)*
- *R 3000(R)*

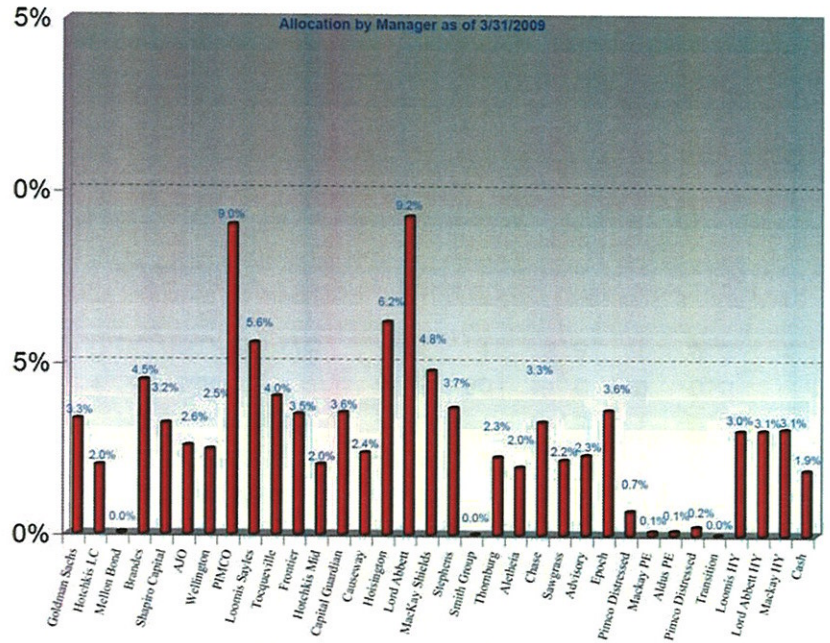
Teachers



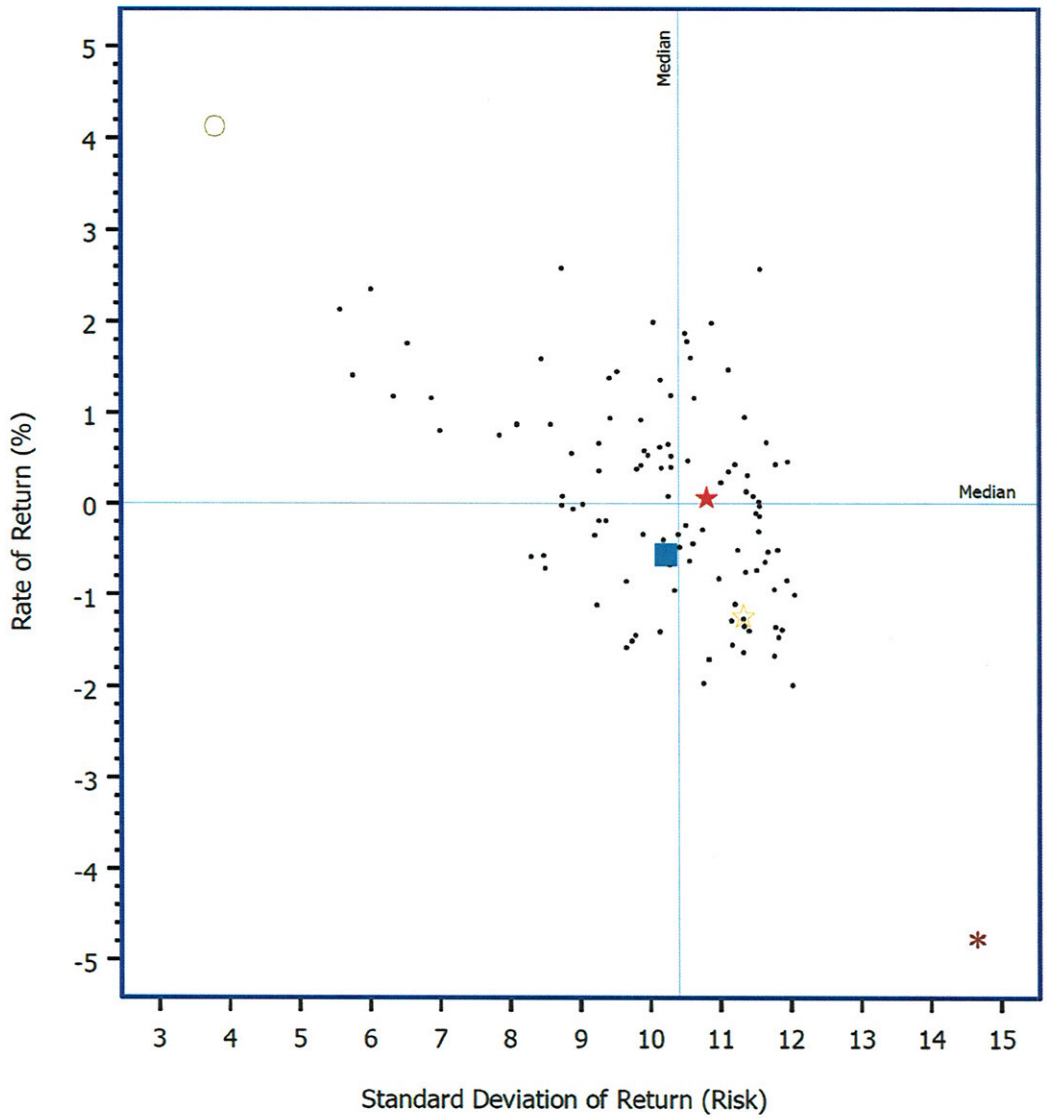
Qtr Ending 3/31/2009

12/31/2008	$6,986,970
Net Ext Growth	$46,991
Investment Return	($387,310)
3/31/2009	$6,646,651

Assets in ($000)



Teachers 5 Year Total Return vs. Risk



	Return		Standard Deviation		Sharpe Ratio	
★ **OK TEACHERS**	0.1	48	10.8	59	-0.2	
■ **ALLOC INDEX**	-0.6	67	10.2	44	-0.3	
☆ **POLICY INDEX**	-1.2	81	11.3	71	-0.3	
* *S&P 500*	-4.8	100	14.6	99	-0.5	
○ *BC AGGREGATE*	4.1	1	3.8	1	0.3	1
Median	0.0		10.4		-0.3	

Teachers Total Return

Periods Ending March 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Teachers	(5.3)%	39	(25.0)%	39	(6.8)%	63	0.1%	48	2.7%	25
Allocation Index	(5.8)%	55	(25.3)%	42	(6.8)%	62	(0.6)%	67	1.7%	60
Policy Index	(8.2)%	92	(29.2)%	82	(8.4)%	86	(1.2)%	81	1.1%	82
Med Tot Public Fund	(5.7)%		(25.9)%		(6.4)%		0.0%		2.0%	

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

Years Ending March 31

	Mar-09		Mar-08		Mar-07		Mar-06		Mar-05		Mar-04		Mar-03	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Teachers	(25.0)%	39	(2.7)%	92	10.9%	47	14.8%	25	8.0%	19	37.8%	2	(13.0)%	76
Alloc. Index	(25.3)%	42	(2.4)%	88	11.1%	43	12.7%	55	6.6%	50	31.8%	13	(12.1)%	68
Policy Index	(29.2)%	82	(2.2)%	87	11.1%	43	13.8%	42	7.5%	31	33.8%	9	(14.2)%	91
Med Tot Pub Fund	(25.9)%		0.6%		10.9%		13.1%		6.7%		26.9%		(10.5)%	

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

Teachers Performance

Periods Ending March 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Domestic Equity Composite	(7.4)%	30	(36.4)%	39	(14.2)%	59	(3.9)%	48	(1.1)%	36
S&P 500	(11.0)%		(38.1)%		(13.1)%		(4.8)%		(3.2)%	
Equity Public Funds Median	(10.5)%		(37.5)%		(13.5)%		(4.0)%		(1.8)%	
International Equity Composite	(12.8)%	40	(43.0)%	34	(12.2)%	40	(0.9)%	63	2.6%	66
CITI PMI EPAC	(13.3)%		(45.9)%		(13.9)%		(1.6)%		1.7%	
International Equity Median	(13.1)%		(45.4)%		(12.8)%		(0.3)%		3.7%	
Fixed Inc Comp	(1.1)%	86	3.3%	24	6.2%	20	4.6%	18	5.7%	23
Lehman Aggregate	0.1%		3.1%		5.8%		4.1%		5.4%	
Fixed Inc Public Funds Med	0.6%		(0.8)%		4.7%		3.6%		5.2%	

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

Teachers Performance

Periods Ending March 31

Domestic Equity	% Portfolio	Quarter % Return	Quarter % Rank	1 Year % Return	1 Year % Rank	3 Year % Return	3 Year % Rank	5 Year % Return	5 Year % Rank
Large Value									
Hotchkis & Wiley Large Cap	2.0%	(12.4)%	31	(46.5)%	89	(21.9)%	94	(8.9)%	95
Russell 1000 Value		(16.8)%		(42.4)%		(15.4)%		(4.9)%	
Large Core									
Sawgrass	2.2%	(4.5)%	3	(31.9)%	1	n/a		n/a	
Chase	3.3%	(8.4)%	20	(33.3)%	9	n/a		n/a	
Aletheia	2.0%	(7.2)%	10	(44.7)%	97	n/a		n/a	
S&P 500		(11.0)%		(38.1)%		(13.1)%		(4.8)%	
Large Growth									
Goldman Sachs	3.3%	0.5%	10	(31.7)%	24	(10.2)%	23	(3.7)%	76
Russell 1000 Growth		(4.1)%		(34.3)%		(11.3)%		(4.4)%	
Medium Value									
AJO Mid Cap	2.6%	(10.7)%	41	(38.6)%	56	(14.6)%	47	(3.2)%	38
Hotchkis & Wiley Mid Cap	2.0%	(6.8)%	8	(38.9)%	58	(20.4)%	90	(6.4)%	80
S&P 400/Citigroup Value		(12.1)%		(37.3)%		(14.7)%		(3.6)%	
Medium Core									
Frontier	3.5%	(1.6)%	6	(28.4)%	13	(6.8)%	2	1.9%	6
S&P 400		(8.6)%		(36.1)%		(13.6)%		(2.8)%	
Medium Growth									
Wellington	2.5%	(5.0)%	52	(42.0)%	84	(15.8)%	80	(3.7)%	76
S&P 400/Citigroup Growth		(5.1)%		(34.9)%		(12.5)%		(2.5)%	
Small Value									
Shapiro Capital	3.3%	(4.5)%	1	(35.0)%	29	(13.3)%	23	(1.9)%	10
Tocqueville	4.0%	(9.0)%	4	(29.9)%	2	(13.2)%	22	(0.9)%	5
Russell 2000 Value		(19.6)%		(38.9)%		(17.5)%		(5.3)%	
Small Growth									
Smith Group	0.0%	(11.7)%	82	(39.0)%	70	(20.6)%	89	n/a	
Russell 2000 Growth		(9.7)%		(36.4)%		(16.2)%		(5.4)%	
All Cap									
Advisory	2.3%	(15.2)%	87	(36.4)%	39	n/a		n/a	
Epoch	3.6%	(8.2)%	36	(36.2)%	37	n/a		n/a	
Russell 3000		(10.8)%		(38.2)%		(13.6)%		(4.6)%	

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

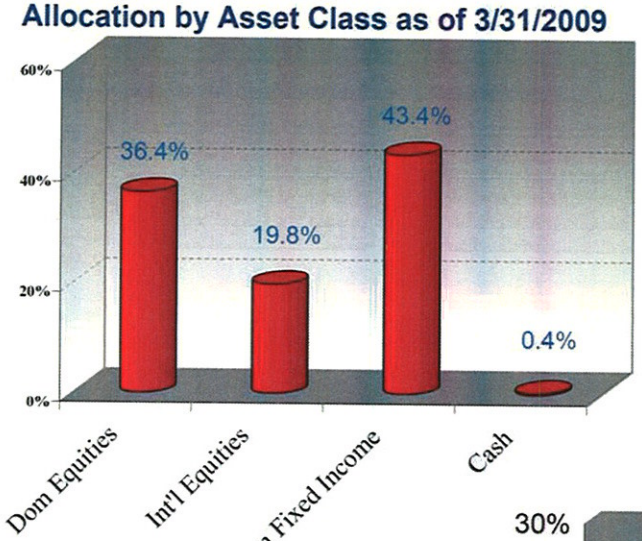
Teachers Performance

Periods Ending March 31

International Equity	% Portfolio	Quarter % Return	Quarter % Rank	1 Year % Return	1 Year % Rank	3 Year % Return	3 Year % Rank	5 Year % Return	5 Year % Rank
Brandes - Value	4.5%	(15.1)%	75	(40.2)%	29	(12.1)%	59	(0.3)%	60
Capital Guardian	3.6%	(11.8)%	32	(44.4)%	43	(13.3)%	56	(1.8)%	79
Thornburg	2.2%	(9.5)%	18	(41.2)%	24	(7.6)%	6	n/a	
Causeway - Value	2.4%	(12.6)%	24	(46.4)%	76	(14.0)%	73	(2.1)%	90
MSCI EAFE		(13.9)%		(46.5)%		(14.5)%		(2.2)%	
Bond Managers									
Core Bonds									
Mellon Bond	0.0%	0.1%	73	(1.9)%	69	4.1%	59	3.1%	66
Loomis Sayles	5.6%	0.1%	72	0.6%	47	5.6%	38	4.3%	30
PIMCO	9.0%	0.8%	47	(1.2)%	61	4.6%	53	3.8%	46
Mackay Shields	4.8%	1.5%	26	3.1%	31	5.6%	41	n/a	
Stephens Capital	3.7%	0.3%	67	7.2%	3	8.6%	1	n/a	
Lord Abbett	9.2%	2.6%	7	0.9%	45	4.6%	53	n/a	
LB Aggregate		0.1%		3.1%		5.8%		4.1%	
Long Bonds									
Hoisington	6.2%	(10.9)%	99	17.3%	1	12.5%	3	n/a	
Lehman Long		(5.2)%		13.1%		10.9%		7.4%	
High Yield									
Loomis Sayles HY	3.0%	n/a		n/a		n/a		n/a	
Lord Abbett HY	3.1%	n/a		n/a		n/a		n/a	
Mackay Shields HY	3.1%	n/a		n/a		n/a		n/a	
ML High Yield II		5.0%		(20.3)%		(5.0)%		(0.3)%	
Pimco Distressed	0.7%	(5.5)%		(38.9)%		n/a		n/a	
Mackay PE	0.1%	1.4%		n/a		n/a		n/a	
Aldus PE	0.1%	(15.4)%		n/a		n/a		n/a	
Pimco Distressed	0.3%	8.3%		n/a		n/a		n/a	

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

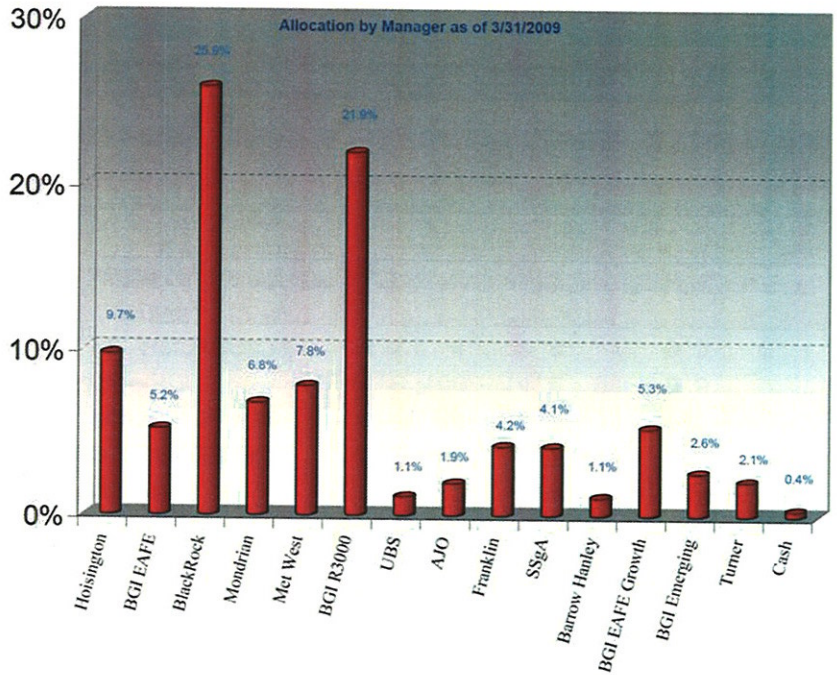
PERS



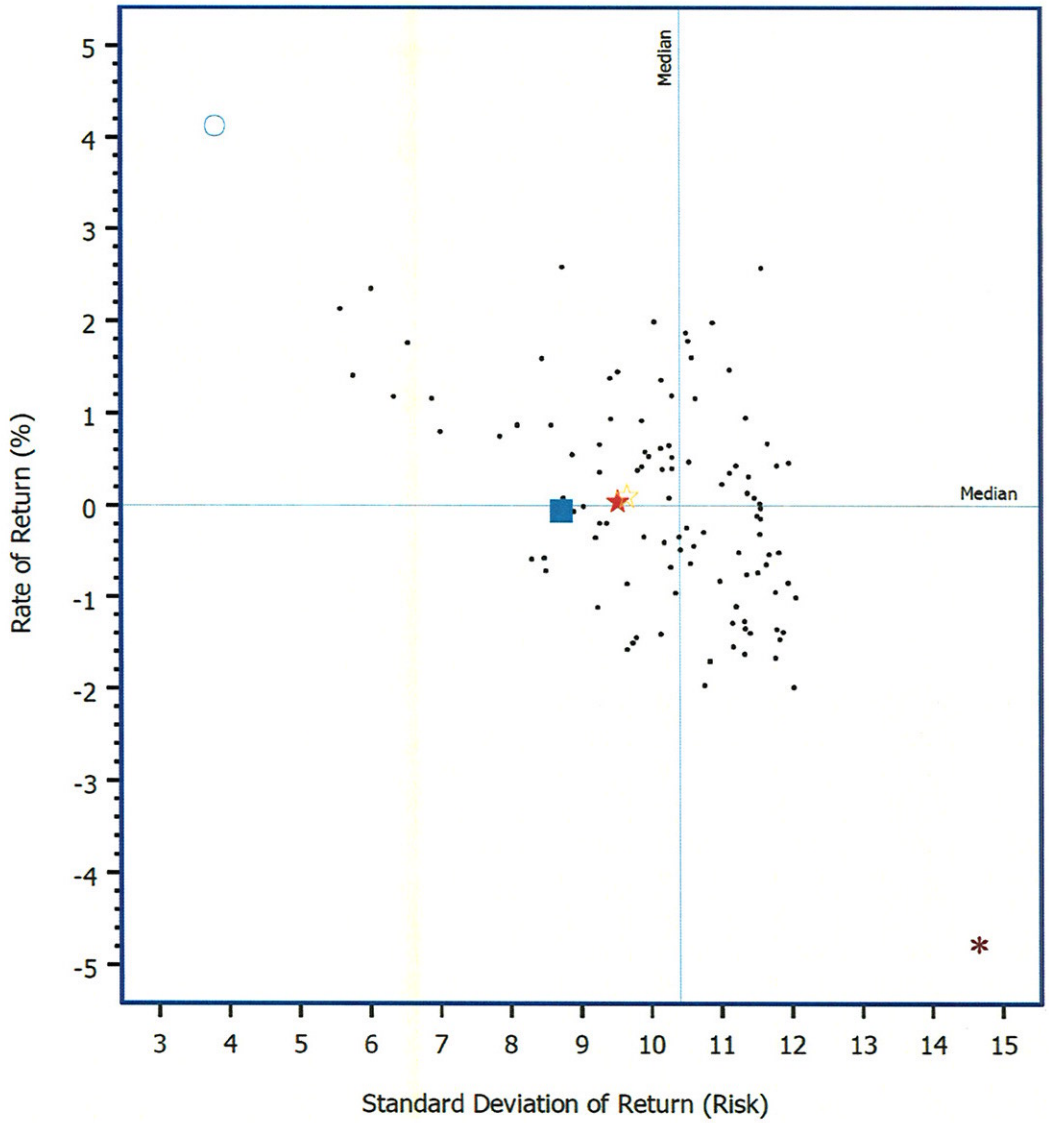
Qtr Ending 3/31/2009

12/31/2008	$5,041,115
Net Ext Growth	($22,522)
Investment Return	($369,472)
3/31/2009	$4,649,121

Assets in ($000)



PERS 5 Year Total Return vs. Risk



	Return		Standard Deviation		Sharpe Ratio	
★ **OK PERS**	0.1	49	9.5	30	-0.3	
■ **ALLOC INDEX**	-0.1	53	8.7	18	-0.3	
☆ **POLICY INDEX**	0.1	47	9.7	31	-0.3	
* *S&P 500*	-4.8	100	14.6	99	-0.5	
○ *BC AGGREGATE*	4.1	1	3.8	1	0.3	1
Median	0.0		10.4		-0.3	

PERS Total Return

Periods Ending March 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
PERS	(7.3)%	86	(25.2)%	40	(5.7)%	42	0.1%	49	2.1%	43
Allocation Index	(6.7)%	73	(23.5)%	27	(5.0)%	27	(0.1)%	53	1.6%	65
Policy Index	(7.4)%	86	(25.3)%	42	(5.6)%	41	0.1%	47	2.0%	48
Med Tot Public Fund	(5.7)%		(25.9)%		(6.4)%		0.0%		2.0%	

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

Years Ending March 31

	Mar-09		Mar-08		Mar-07		Mar-06		Mar-05		Mar-04		Mar-03	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
PERS	(25.2)%	40	0.5%	50	11.4%	40	11.8%	66	7.1%	41	27.6%	46	(9.6)%	34
Allocation Index	(23.5)%	27	0.6%	49	11.4%	39	9.6%	87	6.2%	65	23.7%	77	(9.6)%	33
Policy Index	(25.3)%	42	1.2%	35	11.1%	43	12.1%	61	6.8%	47	28.6%	39	(10.8)%	53
Med Tot Pub Fund	(25.9)%		0.6%		10.9%		13.1%		6.7%		26.9%		(10.5)%	

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

PERS Performance

Periods Ending March 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Domestic Equity Composite	(10.5)%	49	(38.6)%	66	(14.2)%	59	(4.8)%	70	(2.0)%	54
S&P 500	(11.0)%		(38.1)%		(13.1)%		(4.8)%		(3.2)%	
Equity Public Funds Median	(10.5)%		(37.5)%		(13.5)%		(4.0)%		(1.8)%	
International Equity Composite	(12.0)%	34	(44.7)%	45	(12.1)%	39	(0.4)%	52	3.0%	63
CITI PMI EPAC	(13.3)%		(45.9)%		(13.9)%		(1.6)%		1.7%	
International Equity Median	(13.1)%		(45.4)%		(12.8)%		(0.3)%		3.7%	
Fixed Inc Comp	(2.6)%	95	2.3%	34	5.9%	27	4.7%	17	6.1%	12
Lehman Aggregate	0.1%		3.1%		5.8%		4.1%		5.4%	
Fixed Inc Public Funds Median	0.6%		(0.8)%		4.7%		3.6%		5.2%	

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

PERS Performance

Periods Ending March 31

Domestic Equity	% Portfolio	Quarter % Return	Quarter % Rank	1 Year % Return	1 Year % Rank	3 Year % Return	3 Year % Rank	5 Year % Return	5 Year % Rank
Large Value									
AJO	1.9%	(14.7)%	66	(36.0)%	12	(13.8)%	36	(3.1)%	23
Russell 1000 Value		(16.8)%		(42.4)%		(15.4)%		(4.9)%	
Large Core									
Franklin	4.2%	(10.9)%	48	(38.4)%	74	(14.1)%	81	n/a	
BGI Russell 3000	21.9%	(10.8)%	45	(38.1)%	67	(13.5)%	69	(4.5)%	65
SSgA Equity Index	4.1%	(11.6)%	75	(39.9)%	84	(14.6)%	87	n/a	
S&P 500		(11.0)%		(38.1)%		(13.1)%		(4.8)%	
Large Growth									
Turner Investments	2.1%	(2.6)%	31	(40.2)%	89	n/a		n/a	
Russell 1000 Growth		(4.1)%		(34.3)%		(11.3)%		(4.4)%	
Small Growth									
UBS	1.1%	(9.2)%	60	(42.5)%	88	(19.0)%	83	(6.4)%	80
Russell 2000 Growth		(9.7)%		(36.4)%		(16.2)%		(5.4)%	
Small Value									
Barrow Hanley	1.1%	(8.4)%	3	(43.2)%	85	(17.3)%	56	n/a	
Russell 2000 Value		(19.6)%		(38.9)%		(17.5)%		(5.3)%	

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

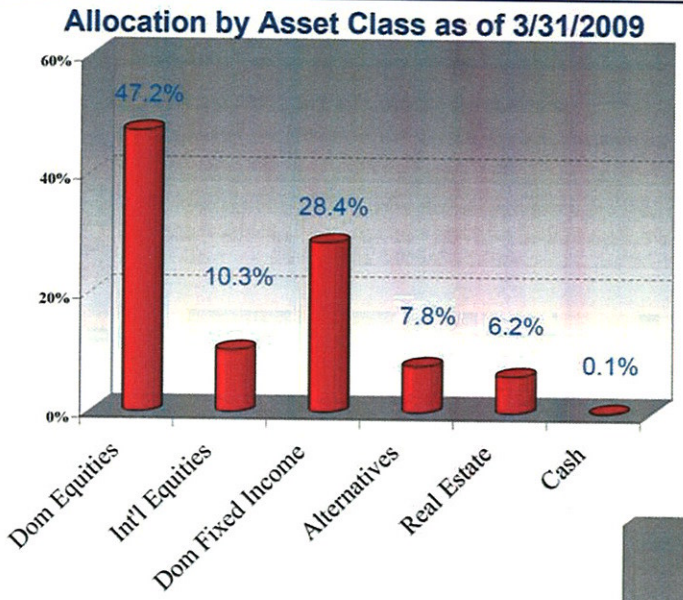
PERS Performance

Periods Ending March 31

International Equity	% Portfolio	Quarter % Return	Quarter % Rank	1 Year % Return	1 Year % Rank	3 Year % Return	3 Year % Rank	5 Year % Return	5 Year % Rank
BGI EAFE Index	5.2%	(13.9)%	57	(46.2)%	56	(14.1)%	69	(1.9)%	80
BGI EAFE Growth	5.2%	(12.3)%	36	(45.1)%	48	(12.9)%	50	n/a	
Mondrian	6.8%	(14.4)%	65	(42.1)%	28	(9.8)%	16	2.0%	13
CITI PMI EPAC		(13.3)%		(45.9)%		(13.9)%		(1.6)%	
Emerging Equity									
BGI Emerging	2.6%	1.0%	10	(47.0)%	46	(8.2)%	49	n/a	
CITI PMI Emerging		1.7%		(45.8)%		(5.6)%		7.2%	
Bond Managers									
Core Bonds									
Met West	7.8%	0.3%	66	(3.3)%	77	4.8%	49	4.1%	37
BlackRock	25.9%	0.2%	69	(1.7)%	67	3.8%	66	3.1%	68
LB Aggregate		0.1%		3.1%		5.8%		4.1%	
Long Bonds									
Hoisington	9.7%	(11.1)%	99	18.0%	2	12.9%	3	9.4%	3
Lehman Long		(5.2)%		13.1%		10.9%		7.4%	

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

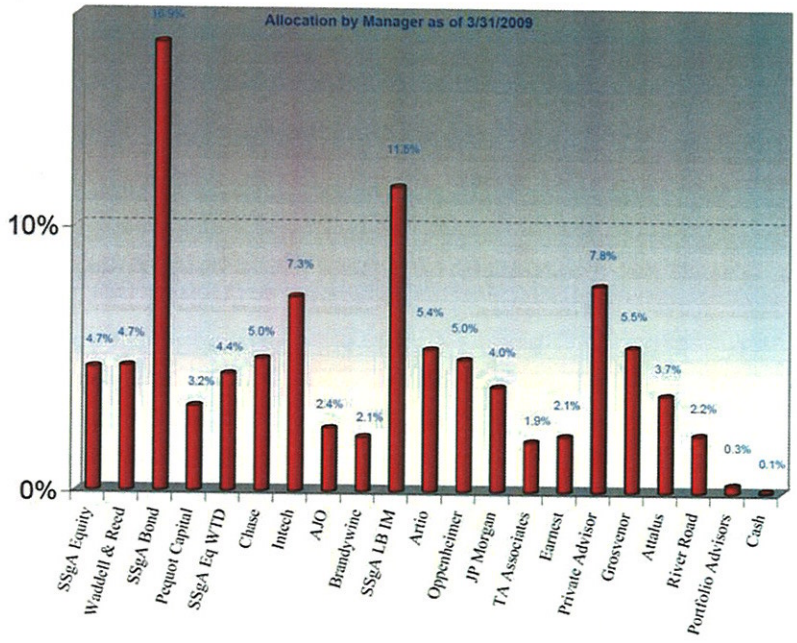
Firefighters



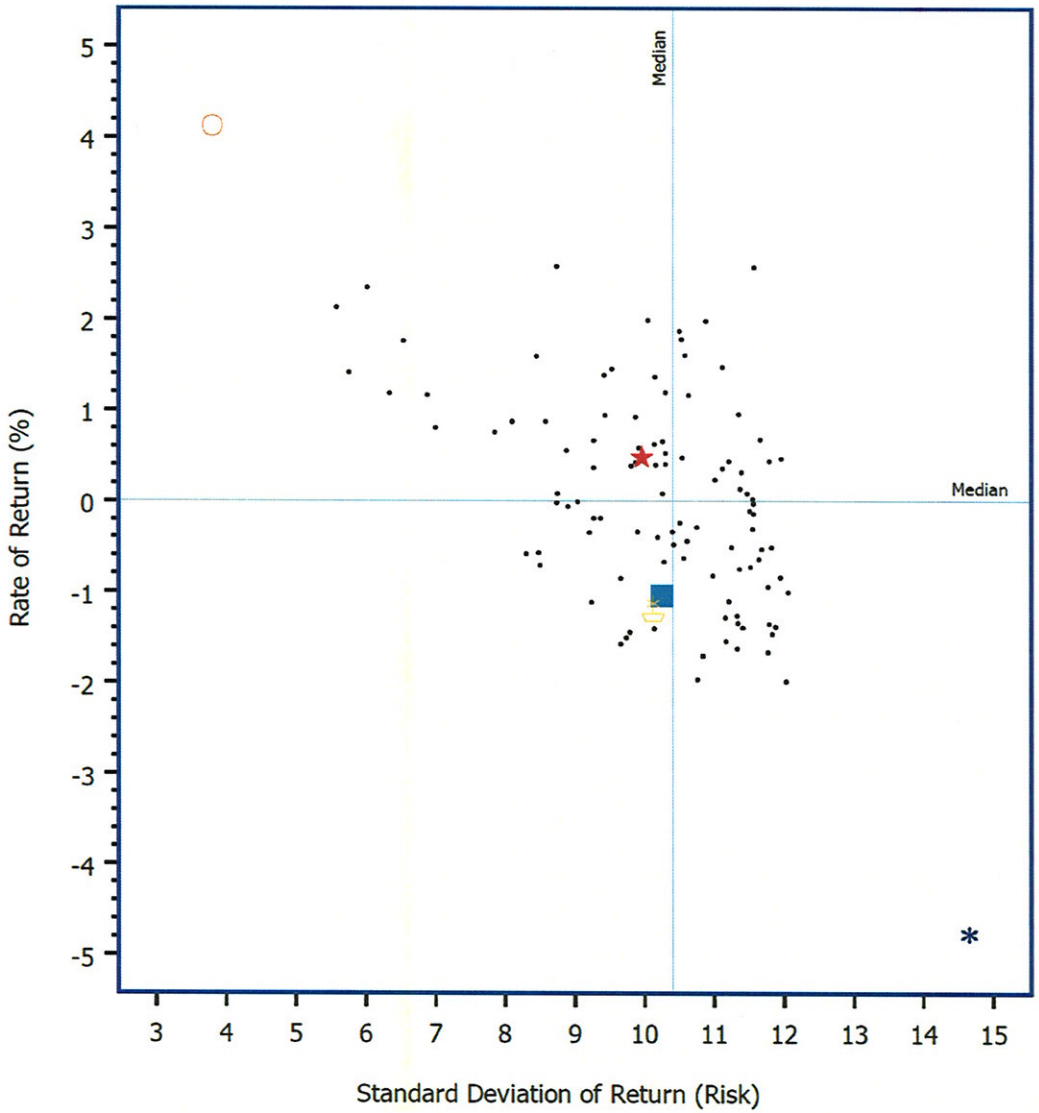
Qtr Ending 3/31/2009

12/31/2008	$1,365,648
Net Ext Growth	($7,829)
Investment Return	($85,128)
3/31/2009	$1,272,691

Assets in ($000)



Firefighters 5 Year Total Return vs. Risk



	Return		Standard Deviation		Sharpe Ratio	
★ **OK FIREFIGHTERS**	0.5	36	10.0	38	-0.2	
■ **ALLOC INDEX**	-1.0	79	10.3	44	-0.4	
POLICY INDEX	-1.2	81	10.1	40	-0.4	
* *S&P 500*	-4.8	100	14.6	99	-0.5	
○ *BC AGGREGATE*	4.1	1	3.8	1	0.3	1
Median	0.0		10.4		-0.3	

Firefighters Total Return

Periods Ending March 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Firefighters	(6.1)%	61	(24.8)%	35	(5.8)%	43	0.5%	36	2.2%	40
Allocation Index	(7.0)%	75	(26.5)%	54	(6.9)%	64	(1.0)%	79	0.7%	89
Policy Index	(7.8)%	91	(26.3)%	52	(7.4)%	72	(1.2)%	81	1.0%	85
Med Tot Public Fund	(5.7)%		(25.9)%		(6.4)%		0.0%		2.0%	

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

Years Ending March 31

	Mar-09		Mar-08		Mar-07		Mar-06		Mar-05		Mar-04		Mar-03	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Firefighters	(24.8)%	35	1.1%	38	9.8%	75	14.4%	29	7.1%	41	25.6%	62	(9.8)%	37
Allocation Index	(26.5)%	54	(1.0)%	73	10.9%	47	12.2%	60	4.9%	82	24.3%	75	(10.9)%	53
Policy Index	(26.3)%	52	(1.9)%	85	10.0%	73	12.1%	61	5.8%	72	31.1%	20	(13.2)%	79
Med Tot Pub Fund	(25.9)%		0.6%		10.9%		13.1%		6.7%		26.9%		(10.5)%	

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

Firefighters Performance

Periods Ending March 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Domestic Equity Composite	(7.7)%	32	(32.1)%	12	(10.8)%	12	(2.0)%	19	0.1%	21
S&P 500	(11.0)%		(38.1)%		(13.1)%		(4.8)%		(3.2)%	
Equity Public Funds Median	(10.5)%		(37.0)%		(13.5)%		(4.0)%		(1.8)%	
International Equity Composite	(13.8)%	57	(48.6)%	82	(14.8)%	76	(1.5)%	75	0.4%	96
CITI PMI EPAC	(13.3)%		(45.9)%		(13.9)%		(1.6)%		1.7%	
International Developed Equity Median	(13.1)%		(45.4)%		(12.8)%		(0.3)%		3.7%	
Fixed Inc Composite	0.4%	54	3.3%	23	5.8%	31	4.2%	28	5.2%	46
Lehman Aggregate	0.1%		3.1%		5.8%		4.1%		5.4%	
Fixed Inc Public Funds Med	0.6%		(0.8)%		4.7%		3.6%		5.2%	

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

Firefighters Performance

Periods Ending March 31

		Quarter		1 Year		3 Year		5 Year	
Domestic Equity	% Portfolio	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Large Value									
AJO	2.4%	(14.5)%	62	(36.1)%	14	(13.6)%	32	(2.9)%	18
Brandywine	2.1%	(17.1)%	94	(45.5)%	85	(16.7)%	70	(5.0)%	61
Russell 1000 Value		(16.8)%		(42.4)%		(15.4)%		(4.9)%	
Large Core									
SSgA Equity Index	4.7%	(11.0)%	53	(38.0)%	65	(13.0)%	59	(4.7)%	75
SSgA EQ Wtd S&P	4.4%	(9.2)%	29	(40.6)%	94	(15.8)%	94	(5.0)%	83
Intech	7.3%	(11.1)%	61	(37.3)%	45	(12.8)%	51	(3.3)%	44
S&P 500		(11.0)%		(38.1)%		(13.1)%		(4.8)%	
Large Growth									
Chase	5.0%	(8.8)%	91	(33.7)%	42	(10.9)%	39	(2.2)%	31
Russell 1000 Growth		(4.1)%		(34.3)%		(11.3)%		(4.4)%	
Small Value									
Earnest Partners	2.1%	(10.3)%	13	(38.2)%	51	(14.7)%	29	n/a	
River Road	2.2%	(8.2)%	3	(31.9)%	5	n/a		n/a	
Russell 2000 Value		(19.6)%		(38.9)%		(17.5)%		(5.3)%	
Small Growth									
Waddell & Reed	4.7%	(8.3)%	51	(30.7)%	17	(12.5)%	20	(0.8)%	19
Russell 2000 Growth		(9.7)%		(36.4)%		(16.2)%		(5.4)%	

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

Firefighters Performance

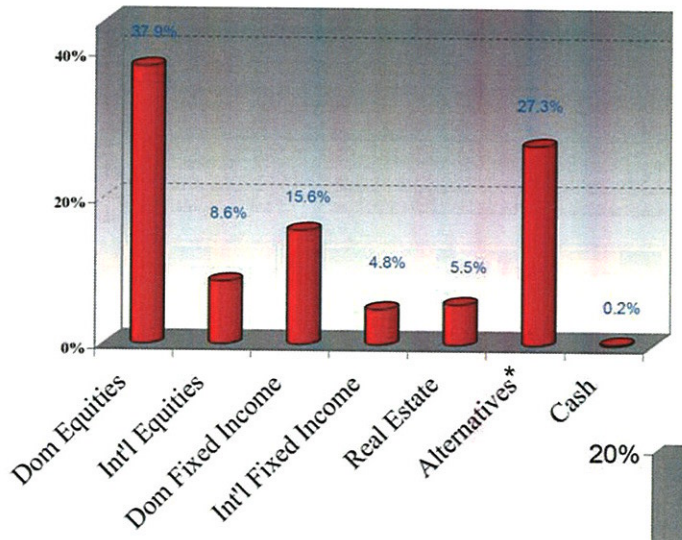
Periods Ending March 31

		Quarter		1 Year		3 Year		5 Year	
International Equity	% Portfolio	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Oppenheimer	4.9%	(11.6)%	30	(49.4)%	85	(16.0)%	89	(2.8)%	94
Artio	5.4%	(15.9)%	86	(47.9)%	76	(13.5)%	60	(0.3)%	47
Citi PMI EPAC		(13.3)%		(45.9)%		(13.9)%		(1.6)%	
Long/Short Equity									
Pequot Capital	3.2%	2.0%	54	(12.7)%	42	4.7%	20	7.7%	21
Grosvenor	5.4%	2.0%	54	(15.7)%	55	n/a		n/a	
Attalus	3.7%	0.5%	73	(12.5)%	41	n/a		n/a	
Hedge Fund									
Private Advisor	7.8%	(2.4)%	84	(14.8)%	42	(0.1)%	33	n/a	
Real Estate									
JP Morgan	4.0%	(13.5)%	62	(21.2)%	54	1.4%	53	n/a	
TA Associates	1.9%	(15.4)%	67	(12.7)%	34	7.6%	16	n/a	
Portfolio Advisors	0.3%	(12.2)%	58	n/a		n/a		n/a	
NCREIF		(7.3)%		(14.7)%		4.1%		9.4%	
Bond Managers Core Bonds									
SSgA Bond Index	16.9%	0.1%	74	3.2%	25	5.8%	32	4.1%	37
LB Aggregate		0.1%		3.1%		5.8%		4.1%	
Intermediate									
SSgA Lehman IM	11.5%	0.9%	55	3.5%	34	5.9%	42	4.2%	47
Lehman Intermediate		(0.0)%		2.0%		5.6%		3.7%	

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

Police

Allocation by Asset Class as of 3/31/2009



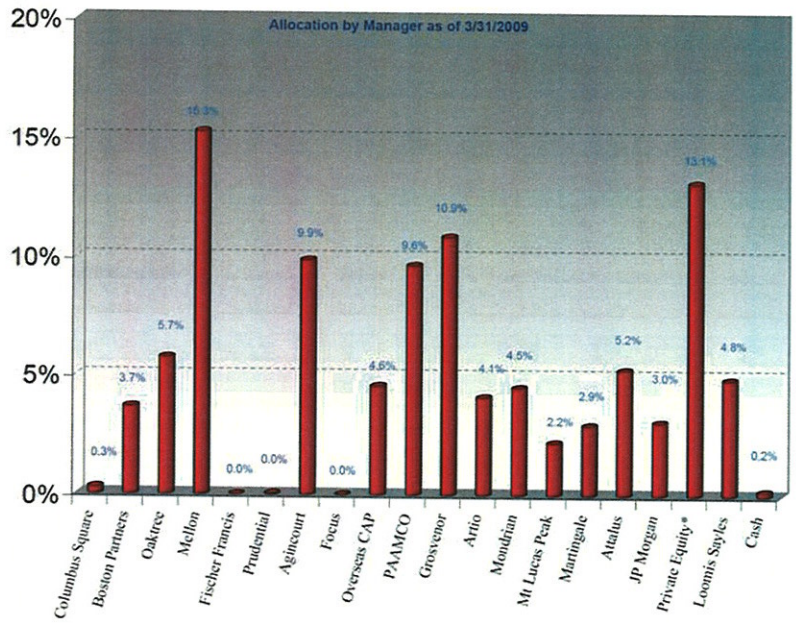
Alternatives Include:	
Pvt Equity	13.1%
Low-Vol HF	14.2%

*Asset Class Includes Commodities

Qtr Ending 3/31/2009

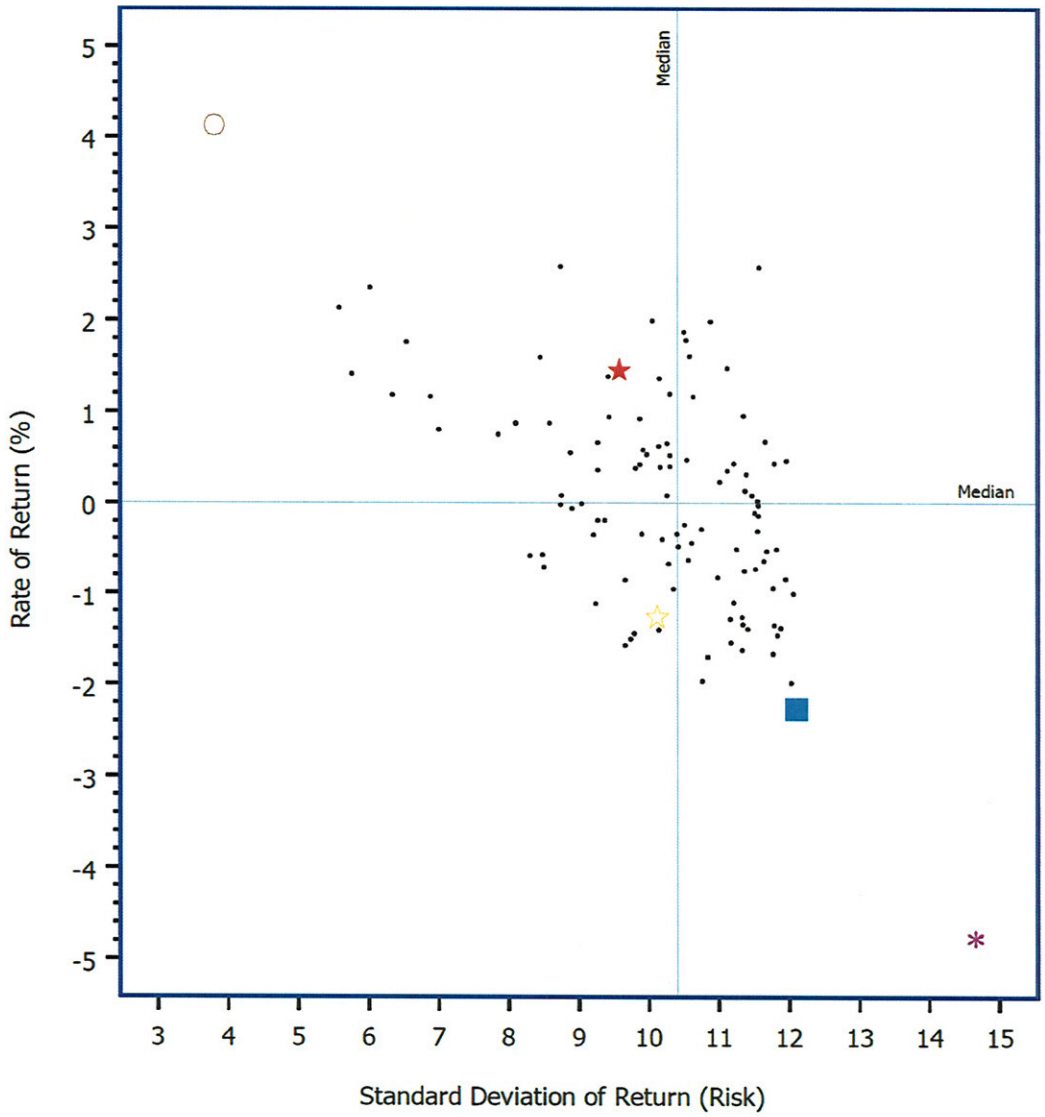
12/31/2008	$1,379,081
Net Ext Growth	($3,076)
Investment Return	($53,087)
3/31/2009	$1,322,918

Assets in ($000)



*Private Equity manager allocation is given on page 38.

Police Total 5 Year Return vs. Risk



	Return		Standard Deviation		Sharpe Ratio	
★ **OK POLICE**	1.5	17	9.6	30	-0.1	
■ **ALLOC INDEX**	-2.3	96	12.1	96	-0.4	
☆ **POLICY INDEX**	-1.2	81	10.1	40	-0.4	
* *S&P 500*	-4.8	100	14.6	99	-0.5	
○ *BC AGGREGATE*	4.1	1	3.8	1	0.3	1
Median	0.0		10.4		-0.3	

Police Total Return

Periods Ending March 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Police	(3.8)%	13	(22.4)%	21	(4.0)%	16	1.5%	17	3.0%	21
Allocation Index	(5.8)%	54	(29.0)%	79	(7.9)%	78	(2.3)%	96	0.4%	95
Policy Index	(7.1)%	81	(27.0)%	66	(7.2)%	69	(1.2)%	81	0.6%	91
Med Tot Public Fund	(5.7)%		(25.9)%		(6.4)%		0.0%		2.0%	

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

Years Ending March 31

	Mar-09		Mar-08		Mar-07		Mar-06		Mar-05		Mar-04		Mar-03	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Police	(22.4)%	21	2.1%	24	11.8%	28	13.2%	49	7.2%	38	26.9%	51	(10.1)%	44
Alloc. Index	(29.0)%	79	(1.1)%	75	11.2%	41	0.3%	58	1.6%	100	28.6%	39	(10.2)%	46
Policy Index	(27.0)%	60	(0.9)%	72	10.5%	59	11.0%	78	5.9%	71	27.6%	46	(12.8)%	74
Med Tot Pub Fund	(25.9)%		0.6%		10.9%		13.1%		6.7%		26.9%		(10.5)%	

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

Police Performance

Periods Ending March 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Domestic Equity Composite	(10.7)%	51	(37.9)%	55	(15.2)%	67	(5.3)%	81	(2.2)%	56
S&P 500	(11.0)%		(38.1)%		(13.1)%		(4.8)%		(3.2)%	
Equity Public Funds Median	(10.5)%		(37.5)%		(13.5)%		(4.0)%		(1.8)%	
International Equity Composite	(15.8)%	84	(45.4)%	50	(11.9)%	37	n/a		n/a	
CITI PMI EPAC	(13.3)%		(45.9)%		(13.9)%		(1.6)%		1.7%	
International Developed Equity Median	(13.1)%		(45.4)%		(12.8)%		(0.3)%		3.7%	
Fixed Inc Composite	0.7%	48	(8.3)%	73	0.3%	79	1.6%	81	3.9%	78
Lehman Aggregate	0.1%		3.1%		5.8%		4.1%		5.4%	
Fixed Inc Public Funds Median	0.6%		(0.8)%		4.7%		3.6%		5.2%	

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 March 31

Equity	% Portfolio	Quarter % Return	Quarter % Rank	1 Year % Return	1 Year % Rank	3 Year % Return	3 Year % Rank	5 Year % Return	5 Year % Rank
Large Core									
Mellon Index Fund	15.3%	(10.4)%	39	(38.2)%	71	(13.2)%	64	(4.4)%	61
S&P 500		(11.0)%		(38.1)%		(13.1)%		(4.8)%	
Small Value									
Boston Partners	3.7%	(12.4)%	17	(34.3)%	22	(15.5)%	33	(3.4)%	19
Russell 2000 Value		(19.6)%		(38.9)%		(17.5)%		(5.3)%	
Small Growth									
Martingale	2.9%	(9.7)%	67	(40.4)%	79	(22.2)%	95	n/a	
Russell 2000 Growth		(9.7)%		(36.4)%		(16.2)%		(5.4)%	
Long/Short Equity									
Grosvenor	10.8%	2.2%	48	(15.9)%	56	(2.4)%	72	2.0%	65
Attalus	5.2%	0.9%	67	(12.5)%	42	n/a		n/a	
S&P 500		(11.0)%		(38.1)%		(13.1)%		(4.8)%	
International Equity									
Artio - Growth	4.1%	(16.1)%	90	(48.3)%	81	(13.2)%	55	0.5%	32
Mondrian	4.5%	(15.4)%	78	(42.5)%	31	(10.6)%	26	0.9%	28
CITI PMI EPAC		(13.3)%		(45.9)%		(13.9)%		(1.6)%	

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

Police Performance

Periods Ending March 31

Fixed Income	% Portfolio	Quarter % Return	Quarter % Rank	1 Year % Return	1 Year % Rank	3 Year % Return	3 Year % Rank	5 Year % Return	5 Year % Rank
Agincourt	9.9%	(0.2)%	79	(3.1)%	75	3.5%	72	2.9%	73
Oaktree	5.7%	6.5%	4	(13.4)%	88	(2.3)%	93	1.6%	81
Lehman Aggregate		0.1%		3.1%		5.8%		4.1%	
Int'l Fixed Income									
Loomis Sayles	4.8%	(3.9)%	68	n/a		n/a		n/a	
CITI WGBI		(4.8)%		(3.8)%		7.6%		4.6%	
PAAMCO	9.6%	3.0%		(17.1)%		(0.1)%		2.6%	
Overseas CAP Partners	4.6%	16.5%		(4.8)%		5.4%		7.0%	
Real Assets									
Mount Lucas Peak	2.2%	(5.8)%		8.9%		13.9%		n/a	
Prudential Timber	0.0%	6.6%		3.2%		13.9%		4.8%	
Real Estate									
Columbus Square	0.3%	1.4%	3	15.5%	2	13.8%	7	15.2%	11
JP Morgan	3.0%	(13.1)%	63	(20.9)%	53	n/a		n/a	

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

Police Performance

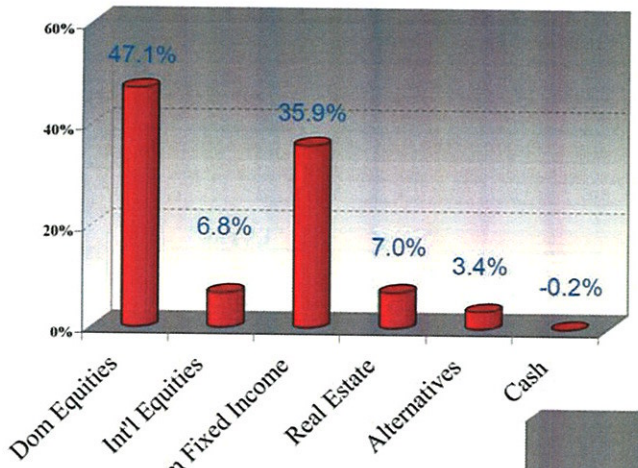
Periods Ending March 31

Private Equity Manager	Market Value	% Allocation	Inception Date
Accel Europe	$6,741,536	0.51%	Jun-01
Arsenal Partners I	$6,123,415	0.46%	Jan-03
Arsenal Partners II	$4,301,535	0.33%	Sep-06
Calera Partners III (Fremont)	$7,571,582	0.57%	Jan-02
Hicks Muse Tate & Furst	$3,896,330	0.29%	Oct-01
HM Capital	$7,690,351	0.58%	May-07
Knightsbridge VI	$6,133,286	0.46%	Dec-04
Levine Leichtman III	$7,383,935	0.56%	Jan-03
Lexington VI	$13,212,830	1.00%	Dec-05
Marathon V	$8,060,008	0.61%	Dec-04
Marathon IV	$2,716,113	0.21%	Apr-99
Newstone	$3,313,786	0.25%	Oct-06
Oaktree Opp II	$11,183	0.00%	Feb-98
Oaktree Opp III	$92,215	0.01%	Sep-99
Oaktree Opp IV	$20,947	0.00%	Dec-01
Oaktree Opp V	$1,107,229	0.08%	Jun-04
Oaktree Opp VI	$4,614,517	0.35%	Aug-05
Oaktree Opp VII A	$6,789,190	0.51%	Mar-07
Pequot II	$249,563	0.02%	Feb-00
Pequot III	$9,414,371	0.71%	Oct-00
Pequot IV	$2,458,606	0.19%	Nov-05
Siguler Guff I	$14,789,694	1.12%	Jan-03
Siguler Guff II	$14,495,699	1.10%	Sep-05
Sun Capital V	$3,331,535	0.25%	Apr-07
TCW Cresent II	$10,304	0.00%	Mar-99
TCW Cresent III	$1,825,488	0.14%	Jul-01
TCW Cresent IV	$7,792,512	0.59%	Jun-06
Thompson Street CP II	$3,678,722	0.28%	Dec-06
Venture Lending III	$977,355	0.07%	May-01
Weathergage VC	$1,308,630	0.10%	Mar-07
Weiss Peck Greer V	$1,735,310	0.13%	Jul-99
Weiss Peck Greer VI (Lightspeed)	$5,207,768	0.39%	Oct-00
Warburg	$3,519,824	0.27%	Nov-07
TCW Mezzanine Fund	$2,863,116	0.22%	Jan-08
Calera Capital Fund IV	$130,636	0.01%	Jan-08
Oaktree Opportunities VII B	$4,228,563	0.32%	May-08
Levine Leichtman IV	$1,232,619	0.09%	Sep-08
Siguler Guff III	$4,476,838	0.34%	Sep-08

Law Enforcement



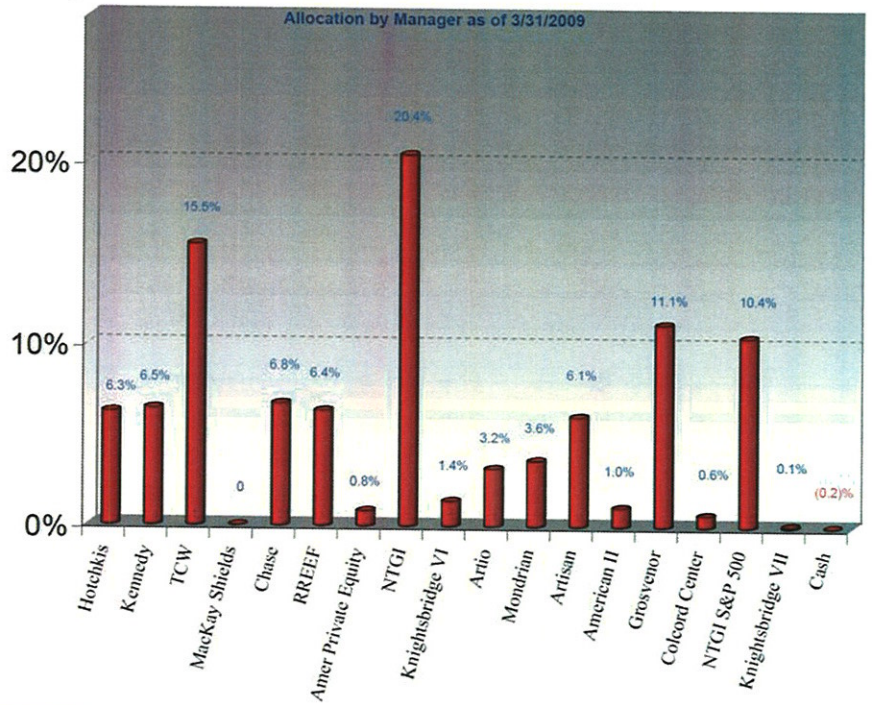
Allocation by Asset Class as of 3/31/2009



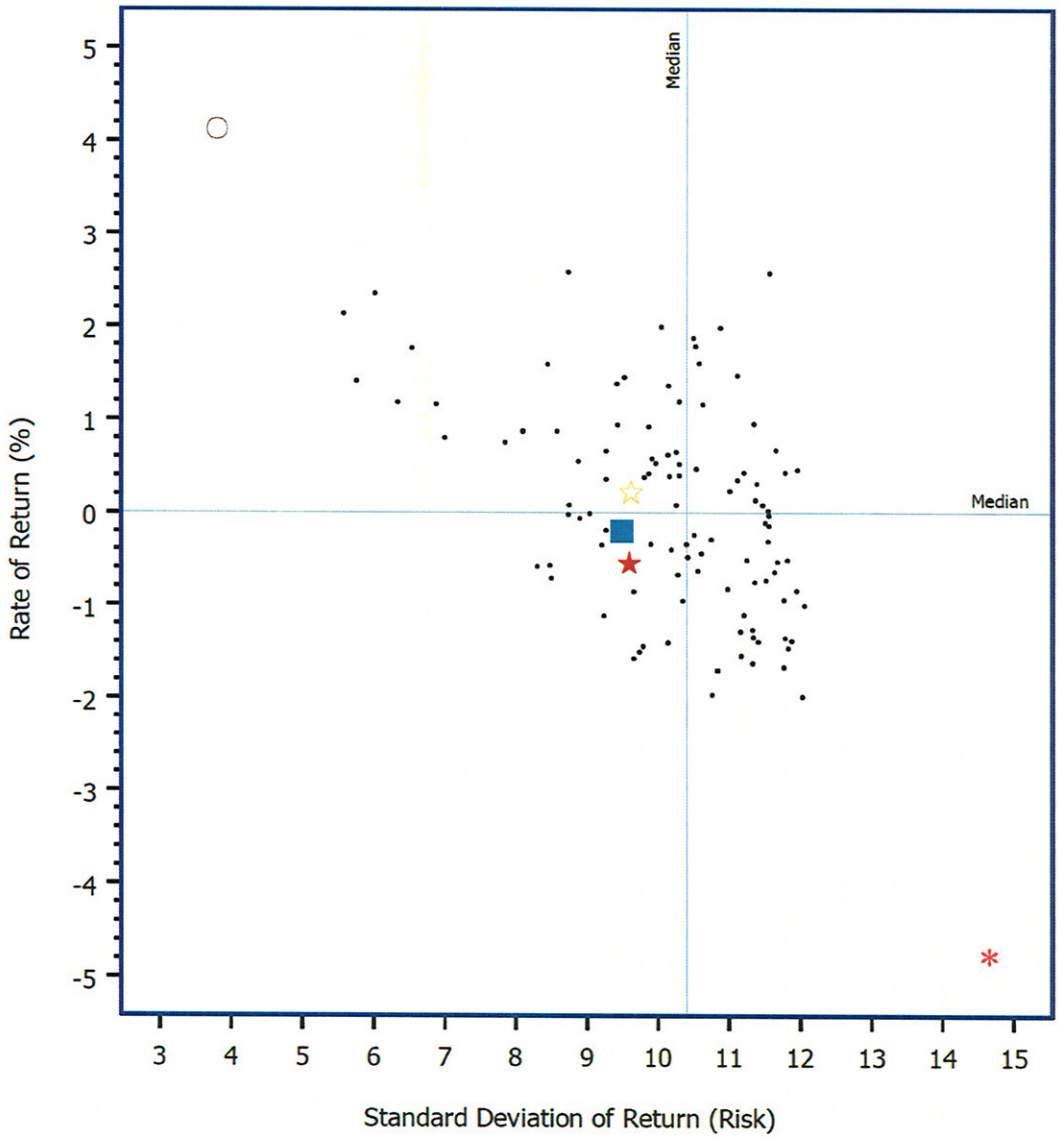
Qtr Ending 3/31/2009

12/31/2008	$542,013
Net Ext Growth	($4,692)
Investment Return	($32,444)
3/31/2009	$504,877

Assets in ($000)



Law 5 Year Total Return vs. Risk



	Return		Standard Deviation		Sharpe Ratio	
★ **OK LAW**	-0.5	67	9.6	31	-0.3	
■ **ALLOC INDEX**	-0.2	56	9.5	29	-0.3	
☆ **POLICY INDEX**	0.2	45	9.6	31	-0.3	
* *S&P 500*	-4.8	100	14.6	99	-0.5	
○ *BC AGGREGATE*	4.1	1	3.8	1	0.3	1
Median	0.0		10.4		-0.3	

Law Total Return

Periods Ending March 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Law Enforcement	(6.0)%	57	(23.9)%	29	(6.9)%	66	(0.5)%	67	1.8%	56
Allocation Index	(6.4)%	67	(24.4)%	32	(5.7)%	42	(0.2)%	56	1.4%	72
Policy Index	(7.1)%	83	(23.8)%	28	(5.8)%	44	0.2%	45	2.1%	41
Med Tot Public Fund	(5.7)%		(25.9)%		(6.4)%		0.0%		2.0%	

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

Years Ending March 31

	Mar-09		Mar-08		Mar-07		Mar-06		Mar-05		Mar-04		Mar-03	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Law Enforcement	(23.9)%	29	(2.6)%	90	8.8%	86	13.9%	39	6.0%	69	30.5%	24	(10.6)%	52
Allocation Index	(24.4)%	32	(0.3)%	64	11.1%	43	11.7%	68	5.9%	71	24.7%	75	(10.4)%	48
Policy Index	(23.8)%	28	(0.8)%	72	10.4%	62	13.7%	43	6.6%	52	30.1%	26	(11.9)%	65
Med Tot Pub Fund	(25.9)%		0.6%		10.9%		13.1%		6.7%		26.9%		(10.5)%	

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

Law Performance

Periods Ending March 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Domestic Equity Composite	(11.8)%	68	(40.3)%	76	(17.8)%	86	(7.0)%	95	n/a	
S&P 500	(11.0)%		(38.1)%		(13.1)%		(4.8)%		(3.2)%	
Equity Public Funds Median	(10.5)%		(37.5)%		(13.5)%		(4.0)%		(1.8)%	
International Equity Composite	(15.7)%	84	(45.4)%	49	(12.1)%	39	(0.7)%	60	n/a	
CITI PMI EPAC	(13.3)%		(45.9)%		(13.9)%		(1.6)%		1.7%	
International Developed Equity Median	(13.1)%		(45.4)%		(12.8)%		(0.3)%		3.7%	
Fixed Inc Composite	0.6%	51	1.9%	36	5.5%	39	4.0%	38	n/a	
Lehman Aggregate	0.1%		3.1%		5.8%		4.1%		5.4%	
Fixed Inc Public Funds Median	0.6%		(0.8)%		4.7%		3.6%		5.2%	

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

Law Performance



Periods Ending March 31

Domestic Equity	% Portfolio	Quarter % Return	Quarter % Rank	1 Year % Return	1 Year % Rank	3 Year % Return	3 Year % Rank	5 Year % Return	5 Year % Rank
Large Value									
Hotchkis & Wiley	6.3%	(11.7)%	23	(46.7)%	91	(22.1)%	95	(8.9)%	95
Russell 1000 Value		(16.8)%		(42.4)%		(15.4)%		(4.9)%	
Large Core									
NTGI S&P 500	10.4%	(11.0)%	56	n/a		n/a		n/a	
S&P 500		(11.0)%		(38.1)%		(13.1)%		(4.8)%	
Large Growth									
Chase Investment Counsel	6.8%	n/a		n/a		n/a		n/a	
Russell 1000 Growth		(4.1)%		(34.3)%		(11.3)%		(4.4)%	
Small Value									
Kennedy Capital	6.5%	(17.3)%	60	(37.8)%	48	(15.8)%	39	(3.5)%	20
Russell 2000 Value		(19.6)%		(38.9)%		(17.5)%		(5.3)%	
Small Growth									
Artisan	6.0%	(9.8)%	69	(39.7)%	76	(19.7)%	86	n/a	
Russell 2000 Growth		(9.7)%		(36.4)%		(16.2)%		(5.4)%	

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

Law Performance

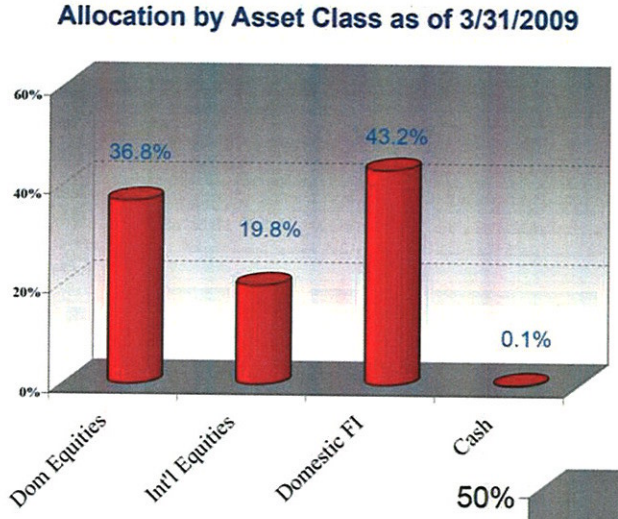
Periods Ending March 31

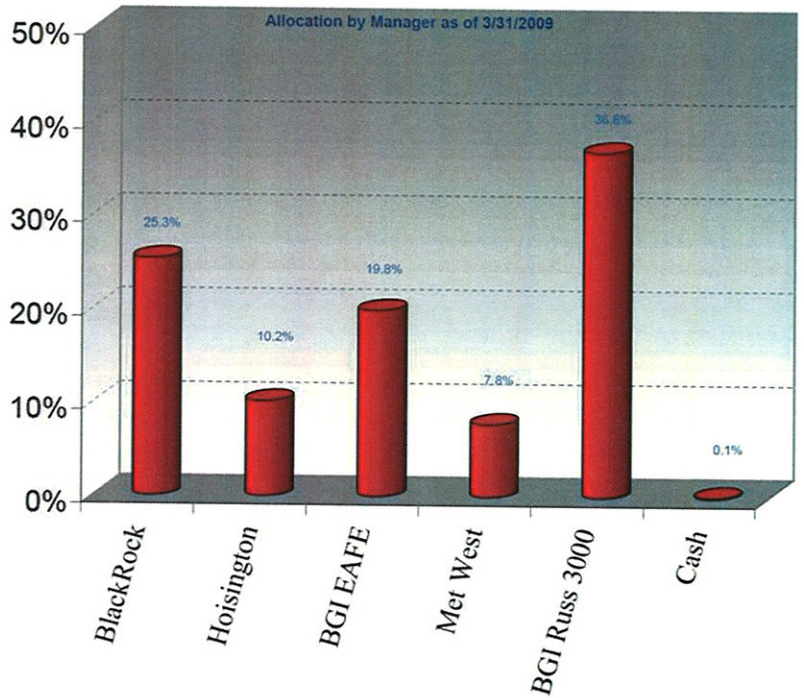
International Equity	% Portfolio	Quarter % Return	Quarter % Rank	1 Year % Return	1 Year % Rank	3 Year % Return	3 Year % Rank	5 Year % Return	5 Year % Rank
Mondrian	3.6%	(15.4)%	78	(42.5)%	31	(10.6)%	25	n/a	
Artio	3.2%	(16.1)%	90	(48.3)%	81	(13.6)%	62	n/a	
CITI PMI EPAC		(13.3)%		(45.9)%		(13.9)%		(1.6)%	
Bond Managers									
Core Bonds									
TCW (Core Plus)	15.5%	1.3%	43	2.1%	34	5.7%	36	4.2%	40
NTGI Bond	20.4%	0.2%	69	1.8%	40	5.4%	40	4.1%	37
LB Aggregate		0.1%		3.1%		5.8%		4.1%	
Real Estate									
Colcord Center*	0.6%	0.0%	11	n/a		n/a		n/a	
RREEF	6.4%	(16.7)%	75	(29.0)%	69	(3.7)%	77	2.9%	79
NCREIF		(7.3)%		(14.7)%		4.1%		9.4%	
Private Investment									
AMR Private Equity	0.8%	(0.4)%	63	0.8%	18	9.2%	39	12.6%	40
Knightsbridge VI	1.4%	0.0%	14	(14.9)%	68	(1.6)%	75	n/a	
American II	1.1%	(0.7)%	64	(3.0)%	34	8.9%	39	n/a	
Knightsbridge VII	0.1%	0.0%	14	n/a		n/a		n/a	
Hedge Funds									
Grosvenor	11.1%	1.9%	56	(15.8)%	56	n/a		n/a	

*Preliminary

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

Judges & Justices



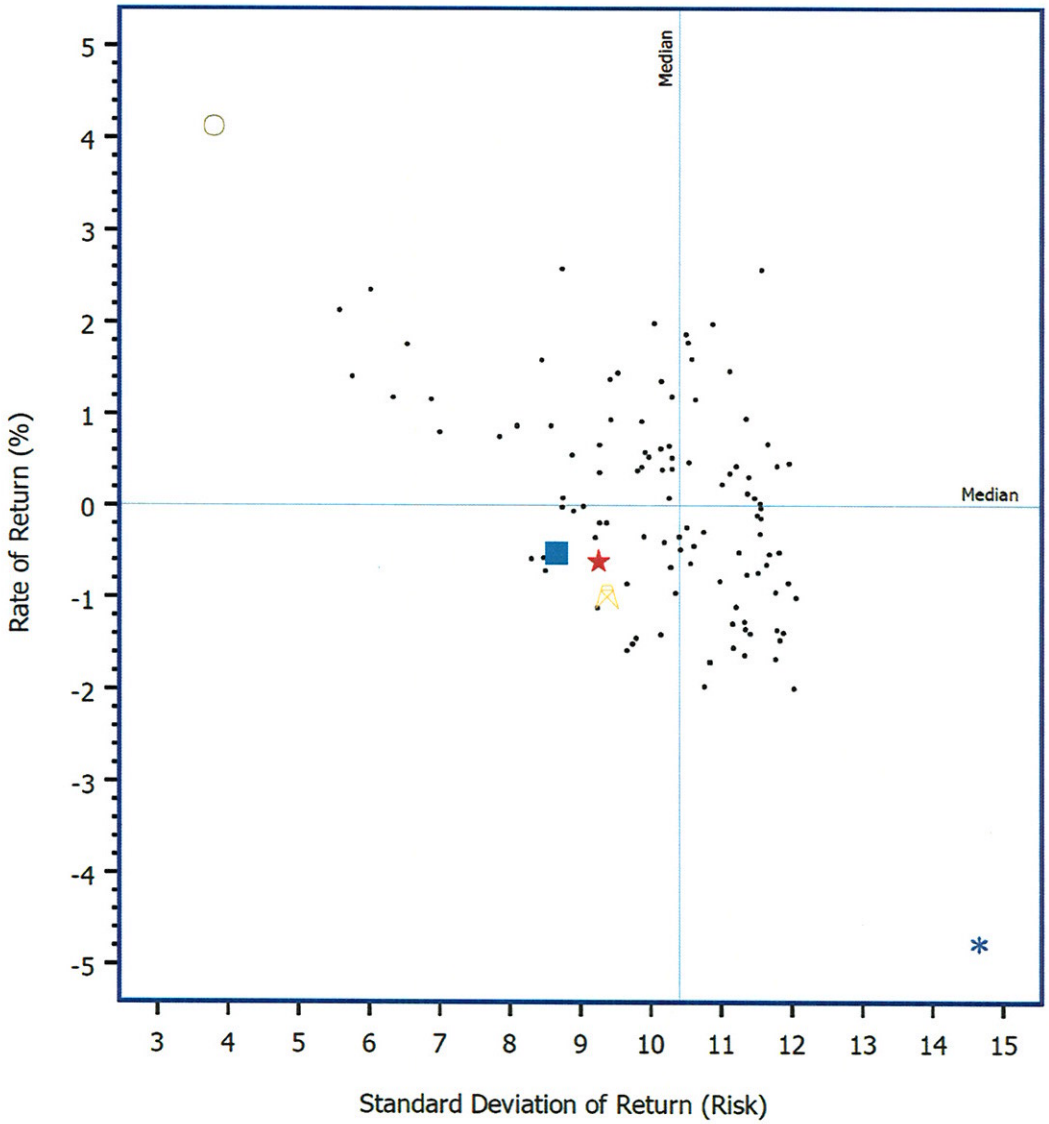


Qtr Ending 3/31/2009

12/31/2008	$182,124
Net Ext Growth	($1,591)
Investment Return	($14,696)
3/31/2009	$165,837

Assets in ($000)

Judges & Justices 5 Year Total Return vs. Risk



	Return		Standard Deviation		Sharpe Ratio	
★ **OK JUDGES**	-0.6	68	9.3	26	-0.4	
■ **ALLOC INDEX**	-0.5	65	8.7	18	-0.4	
POLICY INDEX	-1.0	78	9.4	28	-0.4	
* *S&P 500*	-4.8	100	14.6	99	-0.5	
○ *BC AGGREGATE*	4.1	1	3.8	1	0.3	1
Median	0.0		10.4		-0.3	

Judges & Justices Total Return

Periods Ending March 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Judges	(8.1)%	92	(26.5)%	54	(6.1)%	46	(0.6)%	68	1.8%	59
Allocation Index	(7.4)%	86	(24.5)%	33	(5.3)%	35	(0.5)%	65	1.6%	63
Policy Index	(8.3)%	92	(27.1)%	62	(6.5)%	53	(1.0)%	78	1.1%	81
Med Tot Public Fund	(5.7)%		(25.9)%		(6.4)%		0.0%		2.0%	

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

Years Ending March 31

	Mar-09		Mar-08		Mar-07		Mar-06		Mar-05		Mar-04		Mar-03	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Judges	(26.5)%	54	1.3%	34	11.0%	45	10.5%	80	6.2%	64	24.1%	75	(6.2)%	11
Allocation Index	(24.5)%	33	1.3%	34	10.9%	47	9.1%	89	5.2%	79	21.6%	86	(5.6)%	10
Policy Index	(27.1)%	62	1.4%	34	10.5%	59	10.5%	81	5.5%	75	22.8%	83	(7.4)%	16
Med Tot Pub Fund	(25.9)%		0.6%		10.9%		13.1%		6.7%		26.9%		(10.5)%	

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

Judges & Justices Performance

Periods Ending March 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Domestic Equity Composite	(10.8)%	54	(38.1)%	61	(13.5)%	50	(4.5)%	59	(2.5)%	62
S&P 500	(11.0)%		(38.1)%		(13.1)%		(4.8)%		(3.2)%	
Equity Public Funds Median	(10.5)%		(37.5)%		(13.5)%		(4.0)%		(1.8)%	
International Equity Composite	(13.9)%	58	(46.2)%	56	(14.1)%	69	(1.8)%	80	1.5%	84
CITI PMI EPAC	(13.3)%		(45.9)%		(13.9)%		(1.6)%		1.7%	
International Developed Equity Median	(13.1)%		(45.4)%		(12.8)%		(0.3)%		3.7%	
Fixed Inc Composite	(3.1)%	96	1.2%	41	5.6%	37	4.5%	19	6.0%	12
Lehman Aggregate	0.1%		3.1%		5.8%		4.1%		5.4%	
Fixed Inc Public Funds Median	0.6%		(0.8)%		4.7%		3.6%		5.2%	

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

Judges & Justices Performance

Periods Ending March 31

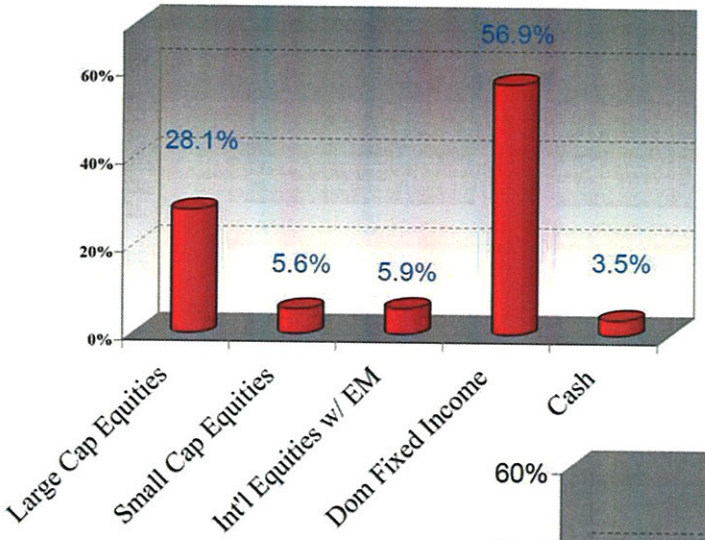
		Quarter		1 Year		3 Year		5 Year	
Domestic Equity	% Portfolio	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Large Core									
BGI Russell 3000	36.8%	(10.8)%	45	(38.1)%	67	(13.5)%	69	(4.5)%	66
Russell 3000		(10.8)%		(38.2)%		(13.6)%		(4.6)%	
International Equity									
BGI EAFE Fund	19.8%	(13.9)%	58	(46.2)%	56	(14.1)%	69	(1.8)%	80
CITI PMI EPAC		(13.3)%		(45.9)%		(13.9)%		(1.6)%	
Bond Managers									
Core Bonds									
BlackRock	25.3%	0.1%	74	(2.9)%	74	3.5%	73	3.0%	73
Met West	7.8%	(2.8)%	98	(6.7)%	86	3.6%	71	3.4%	56
LB Aggregate		0.1%		3.1%		5.8%		4.1%	
Long Bonds									
Hoisington	10.1%	(10.7)%	98	18.0%	2	12.9%	3	9.4%	3
Lehman Long		(5.2)%		13.1%		10.9%		7.4%	

Green = 1st Quartile
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Red = 4th Quartile

Department of Wildlife



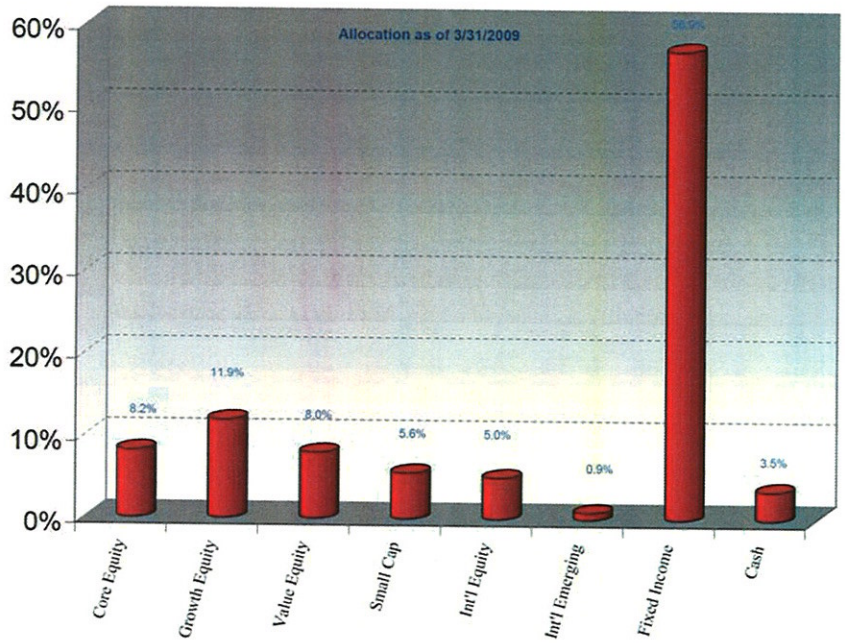
Allocation by Asset Class as of 3/31/2009



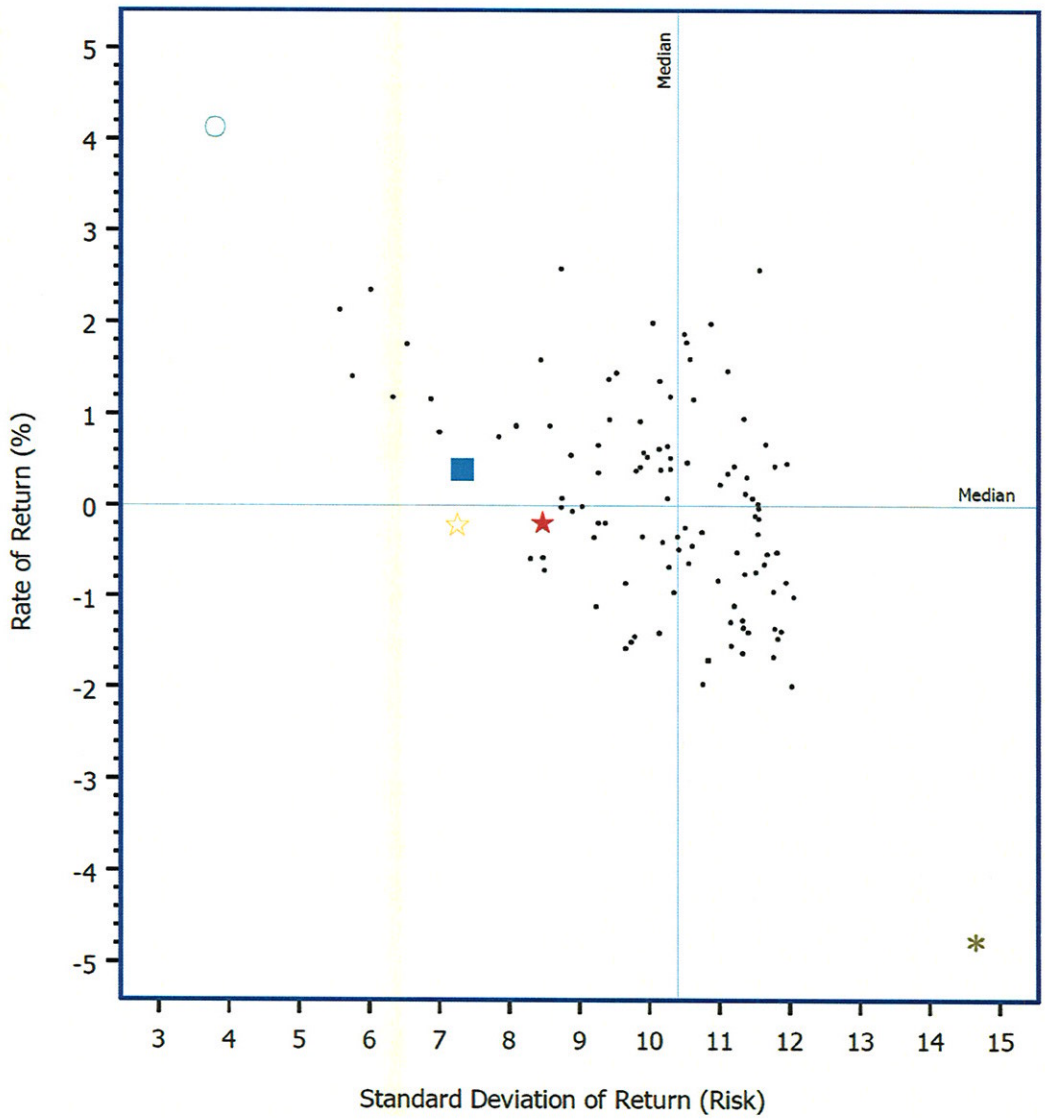
Qtr Ending 3/31/2009

12/31/2008	$54,565
Net Ext Growth	$120
Investment Return	($2,175)
3/31/2009	$52,510

Assets in ($000)



Wildlife 5 Year Total Return vs. Risk



	Return		Standard Deviation		Sharpe Ratio	
★ **OK WILDLIFE**	-0.2	55	8.5	15	-0.4	
■ **ALLOC INDEX**	0.4	40	7.3	10	-0.3	
☆ **POLICY INDEX**	-0.2	56	7.3	10	-0.4	
* *S&P 500*	-4.8	100	14.6	99	-0.5	
○ *BC AGGREGATE*	4.1	1	3.8	1	0.3	1
Median	0.0		10.4		-0.3	

Wildlife Total Return

Periods Ending March 31

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Wildlife	(4.1)%	18	(22.2)%	20	(5.0)%	26	(0.2)%	55	0.8%	86
Allocation Index	(4.9)%	31	(18.9)%	12	(3.4)%	14	0.4%	40	1.1%	84
Policy Index	(5.4)%	42	(19.6)%	12	(3.9)%	16	(0.2)%	56	1.2%	76
Med Tot Public Fund	(5.7)%		(25.9)%		(6.4)%		0.0%		2.0%	

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

Years Ending March 31

	Mar-09		Mar-08		Mar-07		Mar-06		Mar-05		Mar-04		Mar-03	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Wildlife	(22.2)%	20	0.9%	42	9.4%	82	10.1%	83	4.8%	84	21.1%	88	(11.6)%	62
Allocation Index	(18.9)%	12	0.8%	43	10.3%	64	7.9%	95	4.9%	83	20.3%	89	(12.3)%	70
Policy Index	(19.6)%	22	1.1%	38	9.2%	82	7.1%	97	4.0%	93	19.6%	91	(8.1)%	20
Med Tot Pub Fund	(25.9)%		0.6%		10.9%		13.1%		6.7%		26.9%		(10.5)%	

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

Wildlife Performance

Periods Ending March 31

	Quarter		1 Year		2 Years		3 Years	
	% Return	% Rank	% Return	% Rank	% Return	% Rank	% Return	% Rank
Domestic Equity Comp	(11.2)%	63	(37.8)%	53	(22.9)%	36	(13.0)%	39
S&P 500	(11.0)%		(38.1)%		(23.3)%		(13.1)%	
Equity Public Funds Median	(10.5)%		(37.5)%		(23.4)%		(13.5)%	
Int'l Equity Composite	(14.3)%	64	(45.7)%	52	(26.7)%	57	(14.2)%	71
Citigroup PMI EPAC	(13.3)%		(45.9)%		(26.9)%		(13.9)%	
Int'l Developed Funds Median	(13.1)%		(45.4)%		(25.7)%		(12.8)%	
Fixed Inc Comp	2.0%	27	(4.8)%	66	0.4%	67	2.5%	69
Lehman Aggregate	0.1%		3.1%		5.4%		5.8%	
Fixed Inc Public Funds Median	0.6%		(0.8)%		3.5%		4.7%	

Green = 1st Quartile
Yellow = 2nd Quartile
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Red = 4th Quartile

Wildlife Performance

Periods Ending March 31

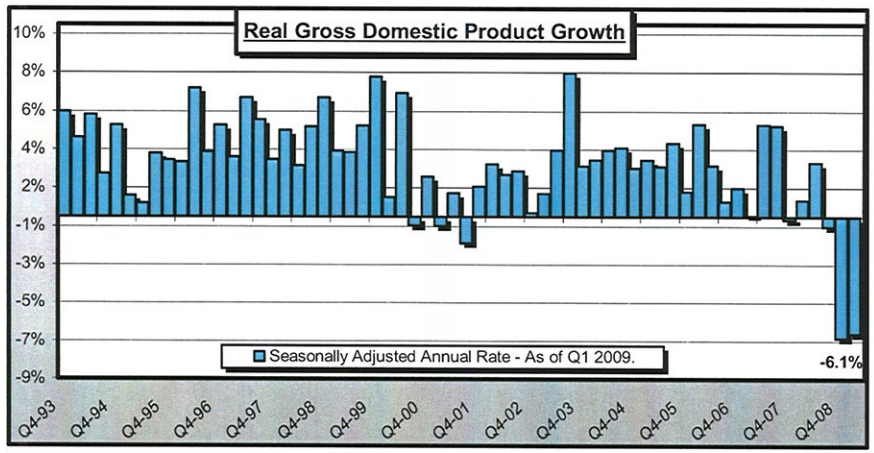
Domestic Equity	% Portfolio	Quarter % Return	Quarter % Rank	1 Year % Return	1 Year % Rank	2 Years % Return	2 Years % Rank	3 Years % Return	3 Years % Rank
Large Core									
Core Equity	8.2%	(5.5)%	4	(37.8)%	56	(22.1)%	32	(12.4)%	43
S&P 500		(11.0)%		(38.1)%		(23.3)%		(13.1)%	
Large Growth									
Growth Equity	11.9%	(6.1)%	69	(31.2)%	22	(17.5)%	28	(9.1)%	14
Russell 1000 Growth		(4.1)%		(34.3)%		(19.2)%		(11.3)%	
Large Value									
Value Equity	8.0%	(19.8)%	99	(45.5)%	85	(28.0)%	62	(15.6)%	62
Russell 1000 Value		(16.8)%		(42.4)%		(28.0)%		(15.4)%	
Small Cap									
Core Equity	5.6%	(15.6)%	72	(37.9)%	64	(26.2)%	64	(16.9)%	71
Russell 2000		(14.9)%		(37.5)%		(26.3)%		(16.8)%	
International									
International Equity	5.0%	(16.2)%	91	(46.1)%	54	(27.8)%	73	(14.5)%	74
International Emerging	0.9%	(0.6)%	40	(43.2)%	27	(18.5)%	32	(7.3)%	39
Citigroup PMI EPAC		(13.3)%		(45.9)%		(26.9)%		(13.9)%	
Fixed Income									
Fixed Income	56.9%	1.9%	13	(5.0)%	81	0.4%	80	2.4%	80
LB Aggregate		0.1%		3.1%		5.4%		5.8%	

Green = 1st Quartile
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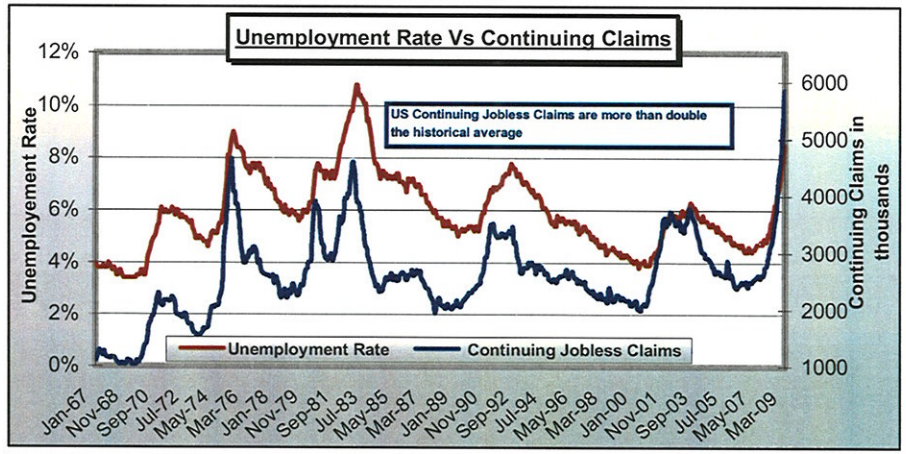
Appendix

Market Environment – US Economy (As of 3/31/2009)



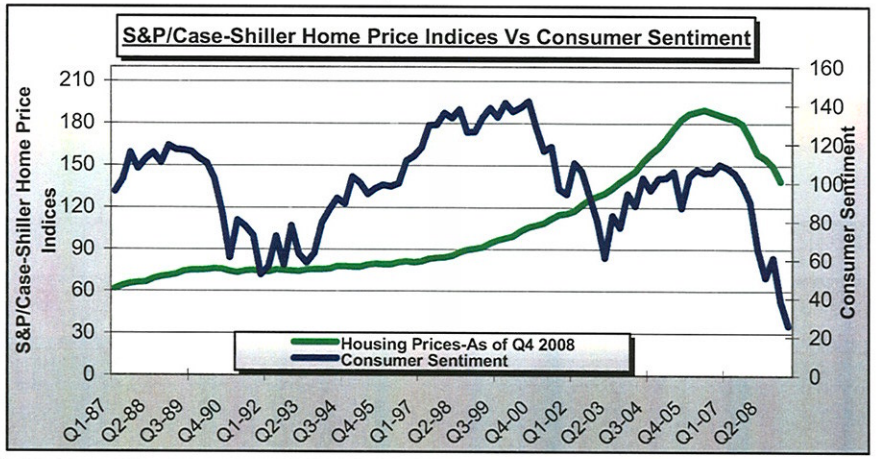
GDP contracted 6.1% in Q1, much worse than expected...

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



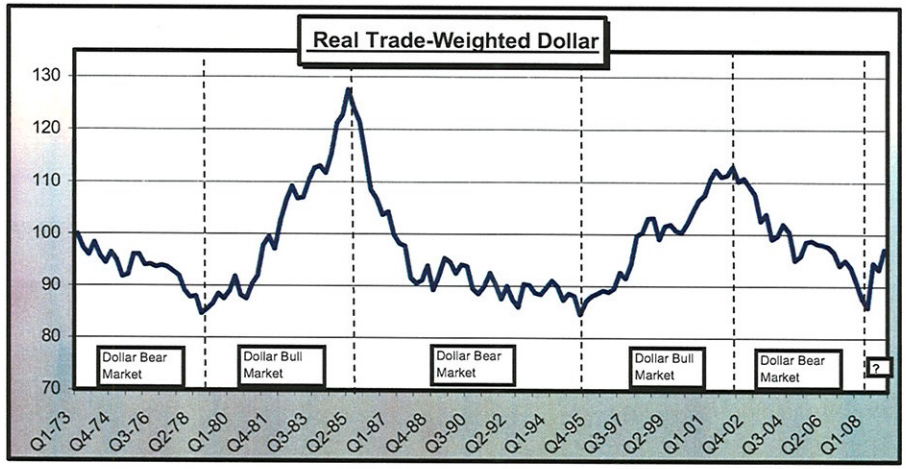
US Continuing Jobless Claims tell a bleaker story than initial claims...

Source: Department of Labor and St Louis Federal Reserve



Housing prices have fallen 27% from their peak in Q2 of 2006; Consumer sentiment hit all time low ...

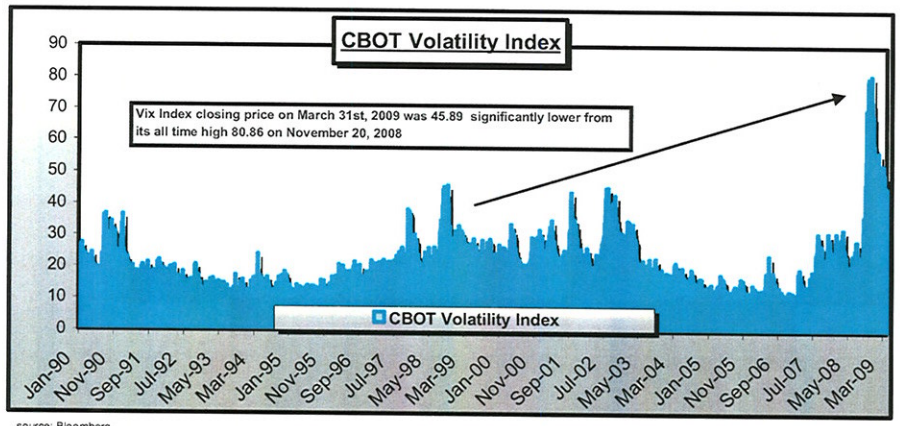
Source: Standard & Poors and St Louis Federal Reserve



The Dollar appreciated in Q1...

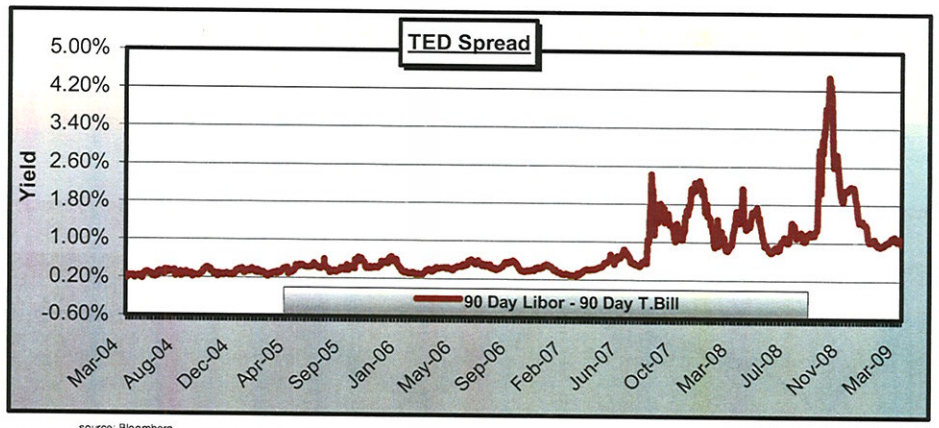
Source: Dow Jones & Company via St. Louis Fed.

Market Environment – US Economy (Continued) (As of 3/31/2009)



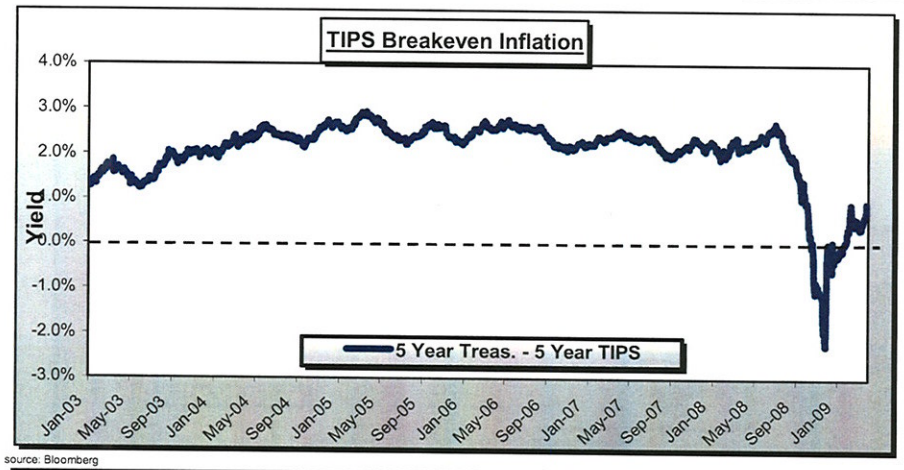
source: Bloomberg

The Volatility Index retreated significantly in Q1 of 2009 since its peak in November...



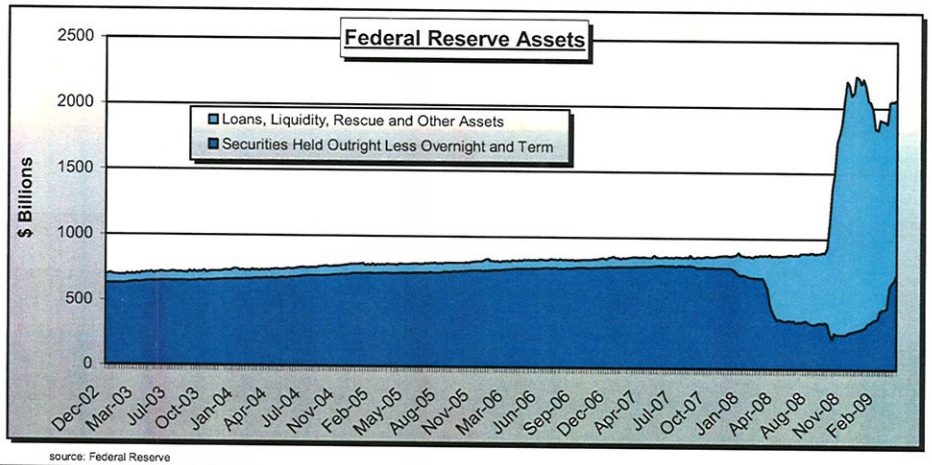
source: Bloomberg

The TED spread has tightened and stabilized in Q1 of 2009 after reaching unprecedented levels in Q4 ...



source: Bloomberg

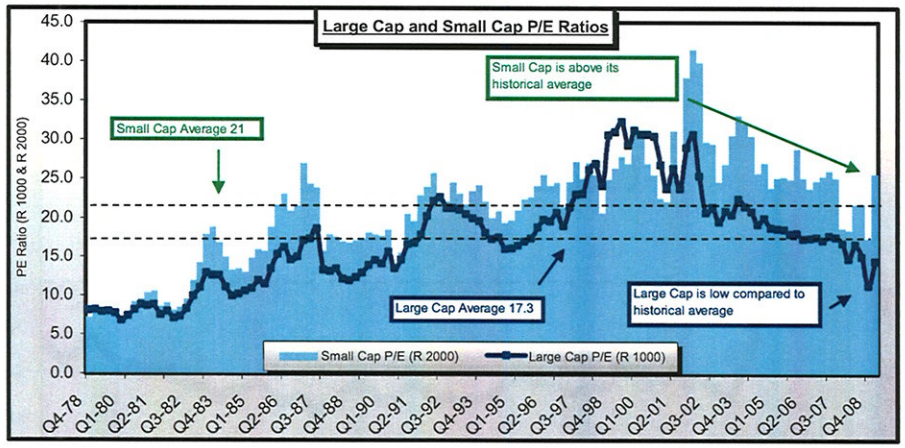
TIPS Breakeven inflation is 1% after dipping below -2% in November...



source: Federal Reserve

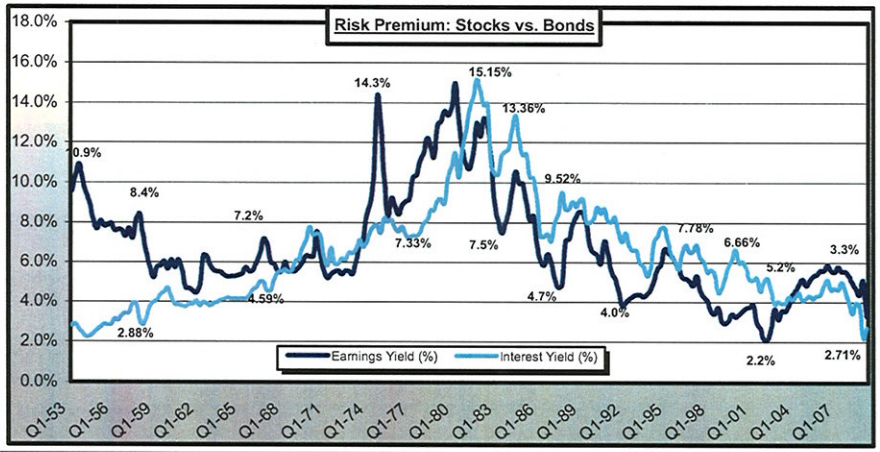
Yet, Federal Reserve liabilities are at unprecedented levels...

Market Environment – Domestic Equity (As of 3/31/2009)



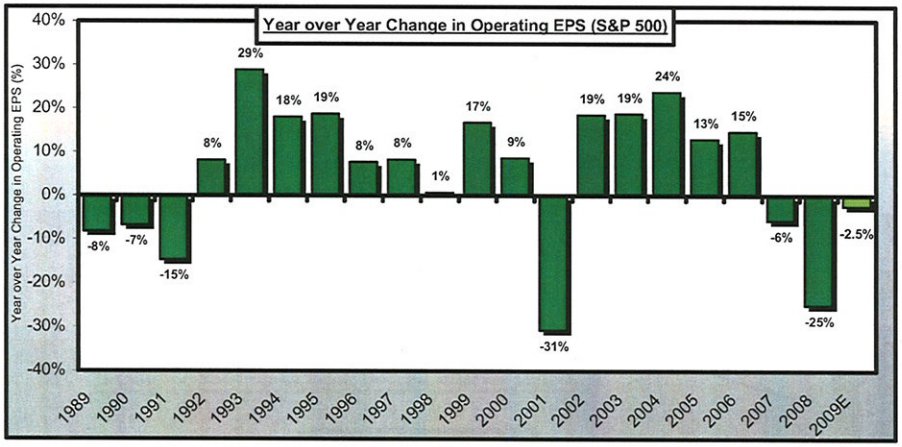
Large Cap PE is below its historical average while Small Cap PE is above...

Source: Russell Investment Group



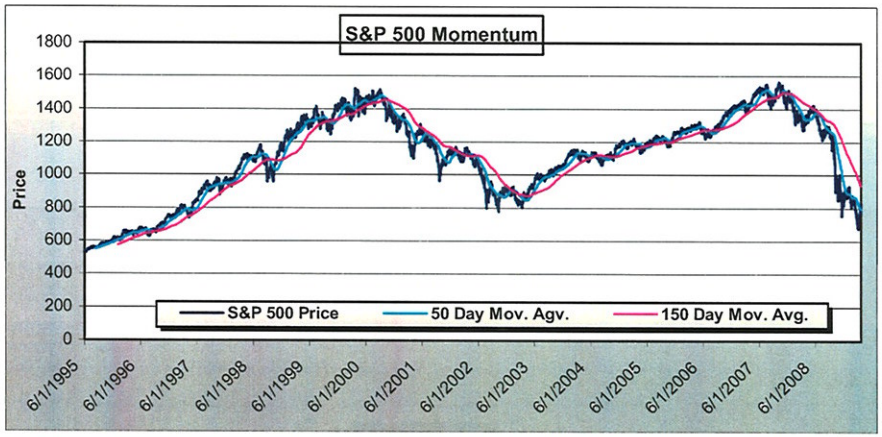
Earning yield (3.33%) - net of extraordinary items - continues to exceed bond yield (2.71%)...

Source: Standards and Poors and St Louis Federal Reserve



EPS growth contracted in 2008 and is expected to decline again in 2009...

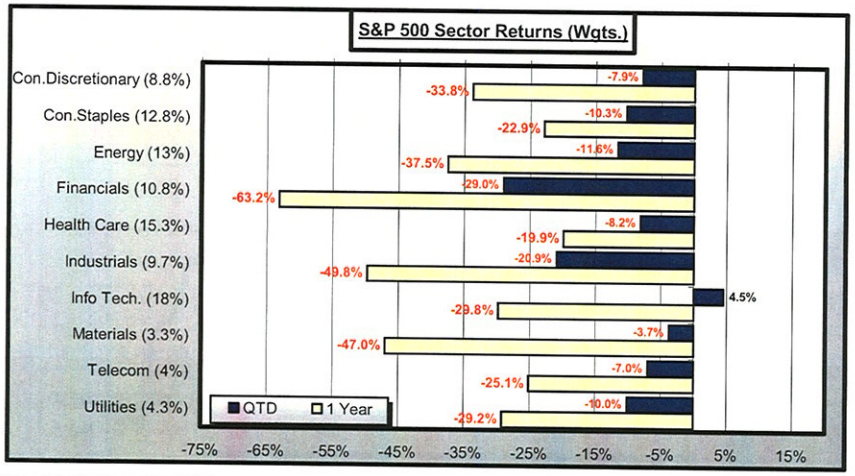
Source: Standard & Poors



S&P 500 momentum shows a negative signal ...

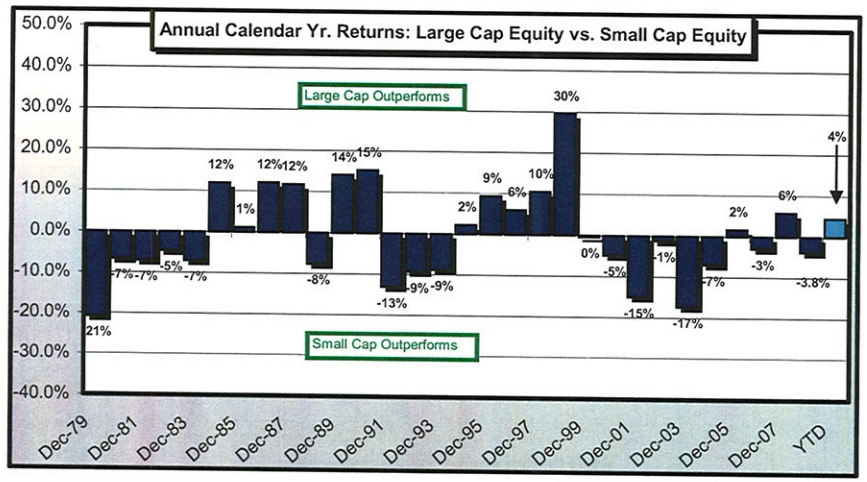
Source: Bloomberg

Market Environment – Sector / Style Rotation (As of 3/31/2009)



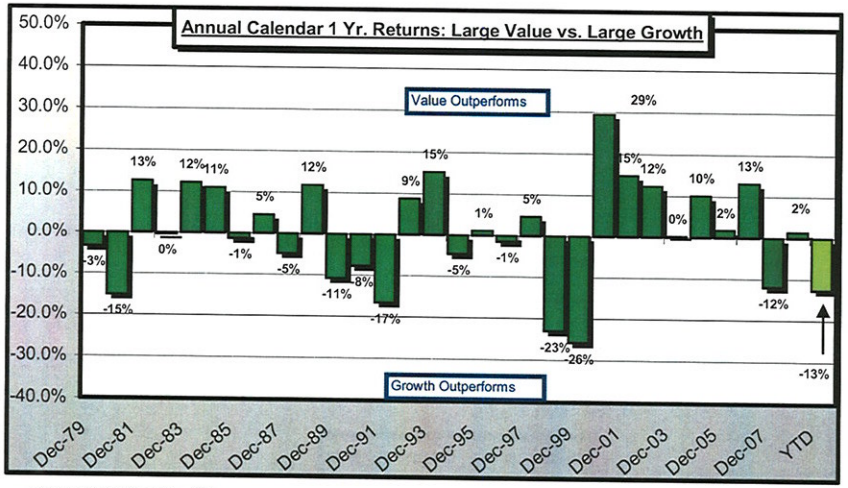
S&P continued its drop in Q1 led by Financials and Industrials ...

Source: Standard and Poors



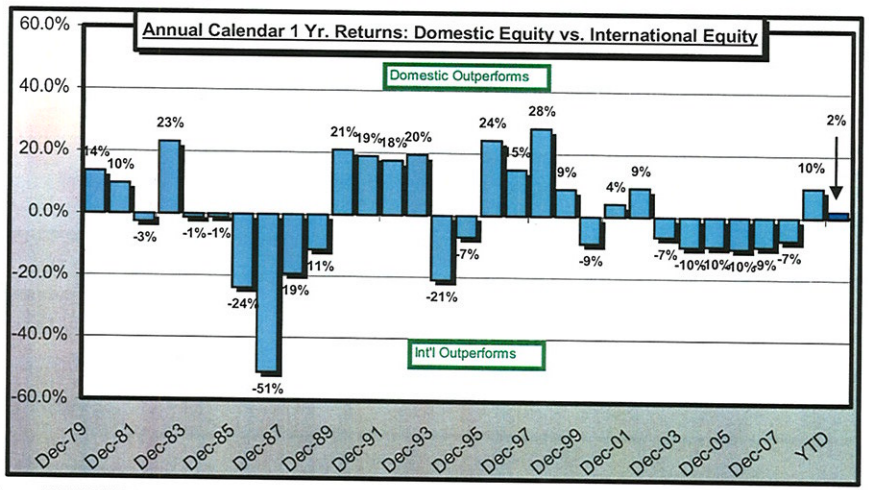
Large Cap outperformed Small Cap by 4% in first quarter...

Source: Russell Investment Group



Source: Russell Investment Group

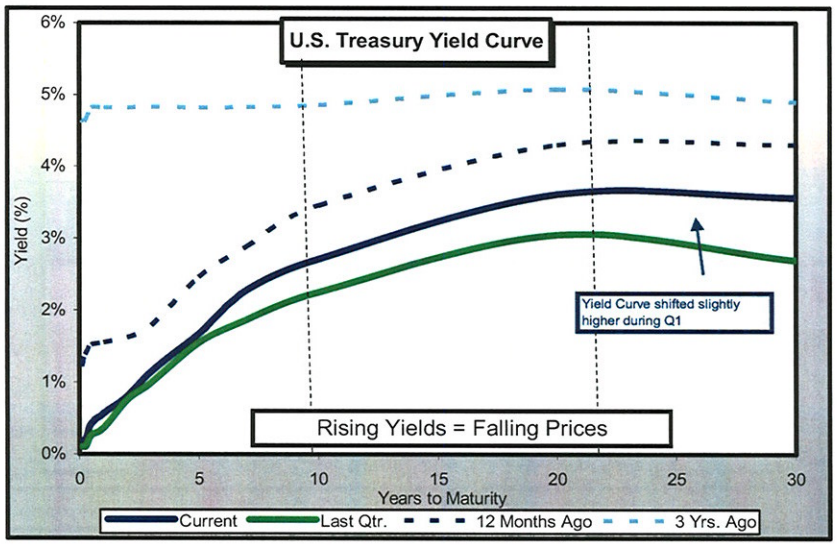
Growth stocks outperformed value stocks by 13% so far in 2009...

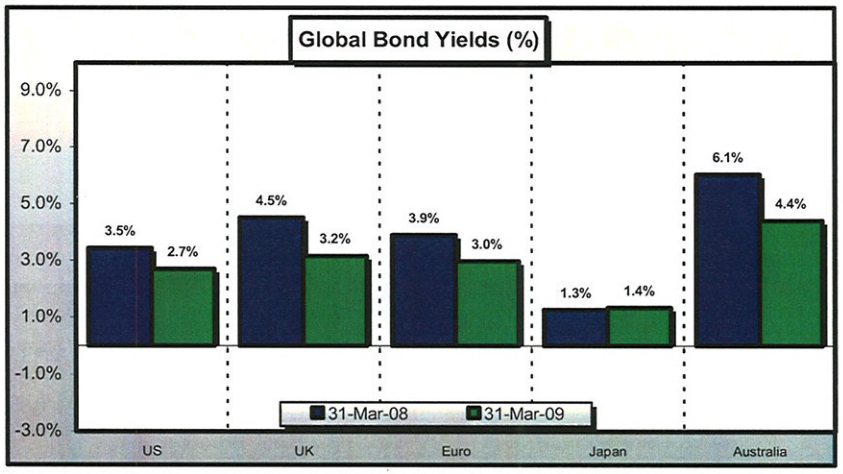


Source: MSCI EAFE (1979-1989); Citi PMI EPAC (1990-present)

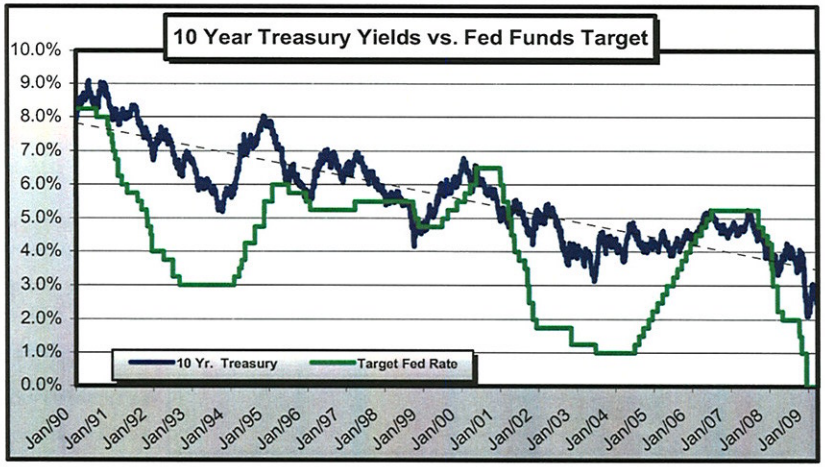
Domestic outperformed international equity by 2% in Q1 of 2009 ...

Market Environment – Interest Rates (As of 3/31/2009)

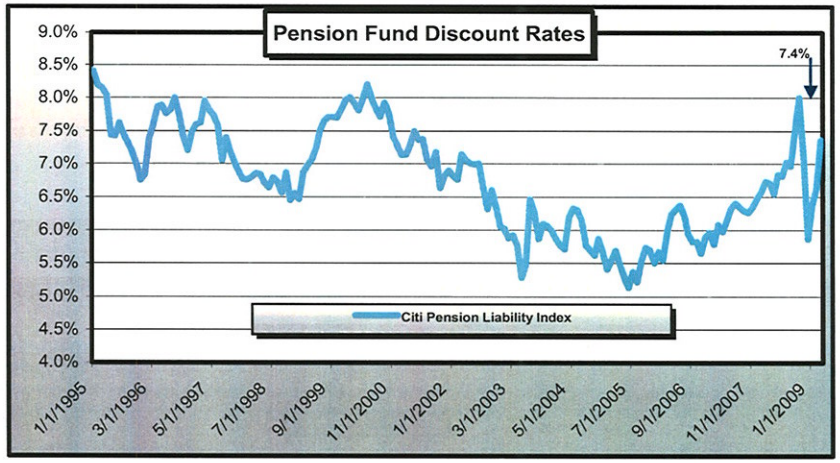




Global Yields are mostly lower today from one year ago...

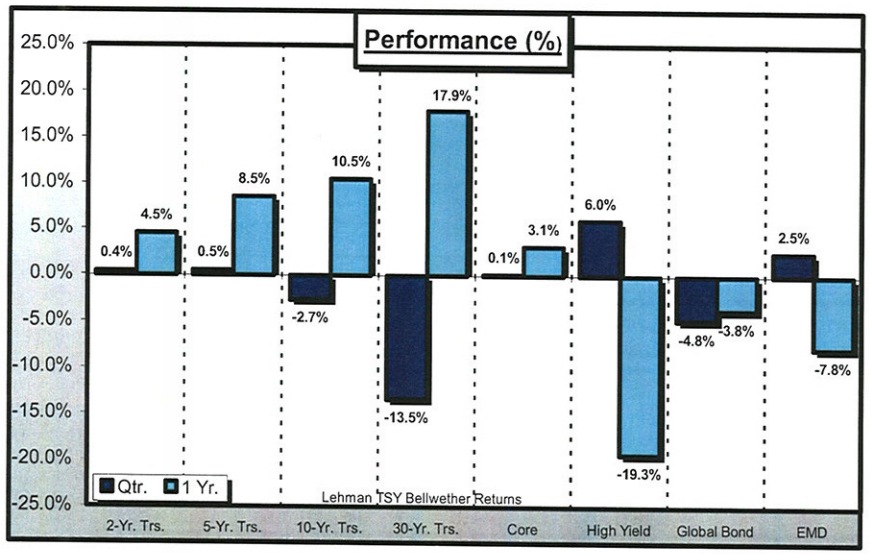


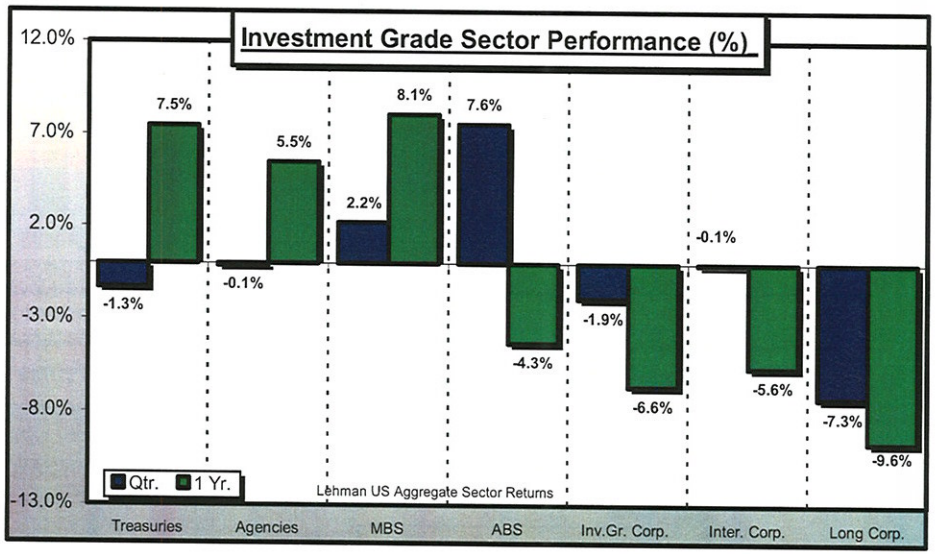
Fed funds rate target is still between 0% and 0.25% while 10 Yr. Treas. Yield rose slightly to 2.71% in Q1

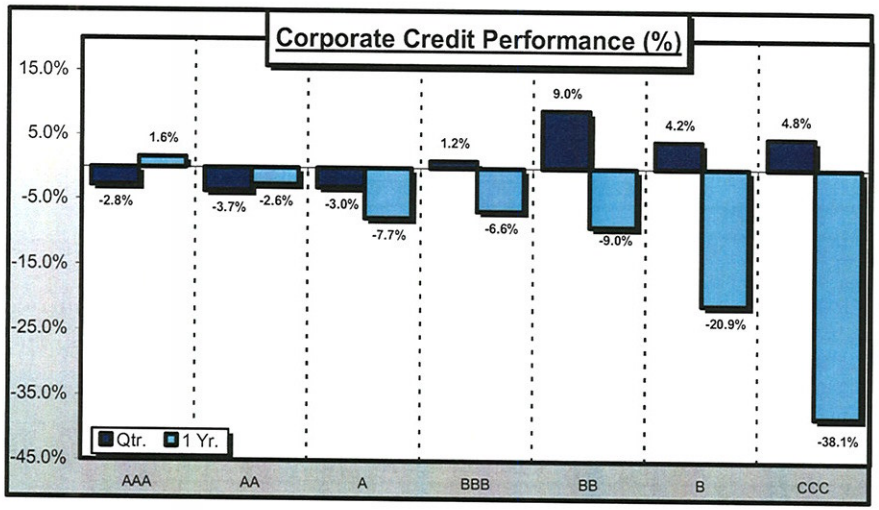


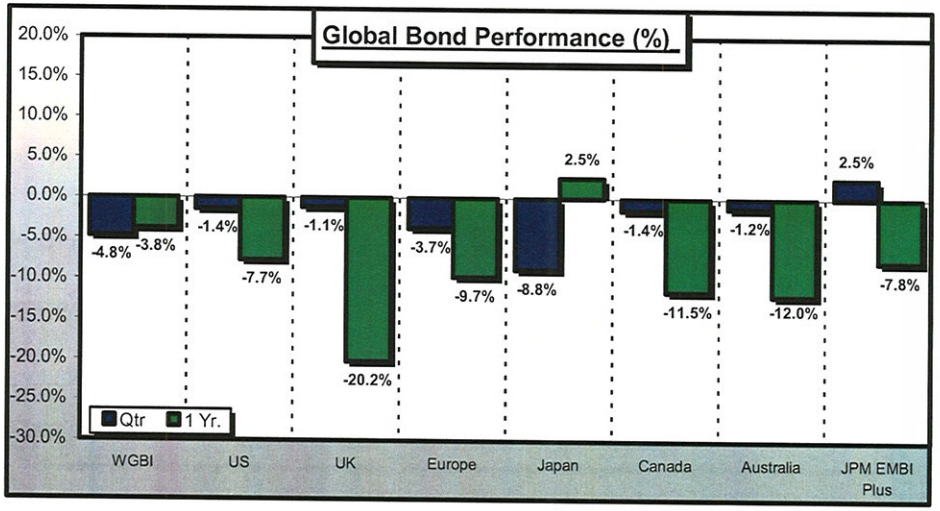
Citi Pension rate increased in Q1 due to using Treasury Yields and widening spreads...

Market Environment – Fixed Income (As of 3/31/2009)









Market Environment – International Equity (As of 3/31/2009)

Developed Market Equity Returns (U.S. Dollars)

Source: MSCI Inc.	Qtr. (%)	1 Yr. (%)	3 Yr. (%)
Europe ex UK	-16.6%	-52.1%	-15.8%
United Kingdom	-11.9%	-50.6%	-18.7%
Japan	-17.4%	-37.2%	-18.7%
Pacific Ex Japan	-3.5%	-46.6%	-10.8%
Canada	-4.3%	-45.3%	-11.2%
USA	-11.1%	-39.5%	-14.7%

US Dollar Return vs. Major Foreign Currencies

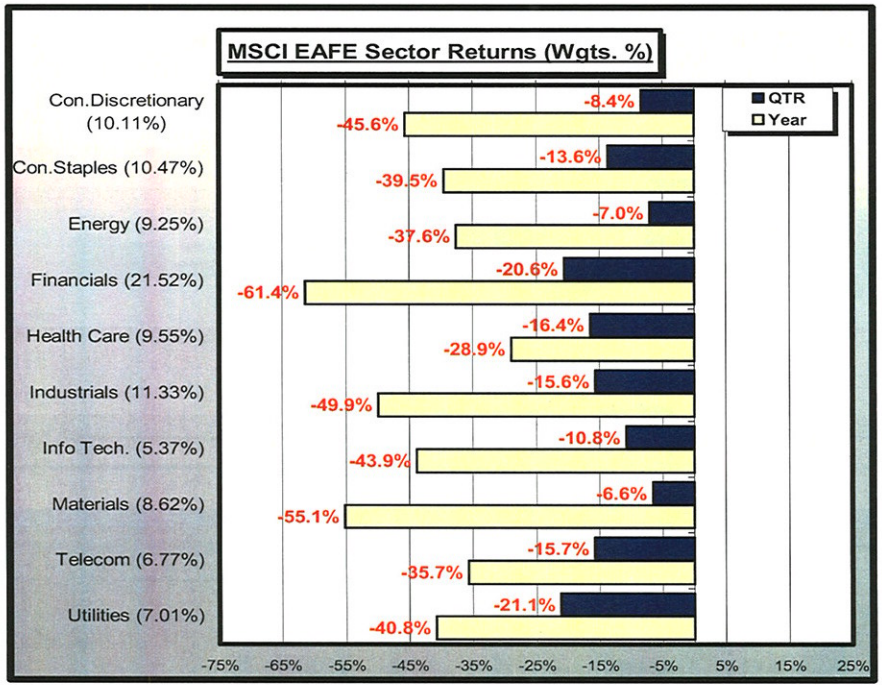
(Negative = Dollar Depreciates, Positive = Dollar Appreciates)

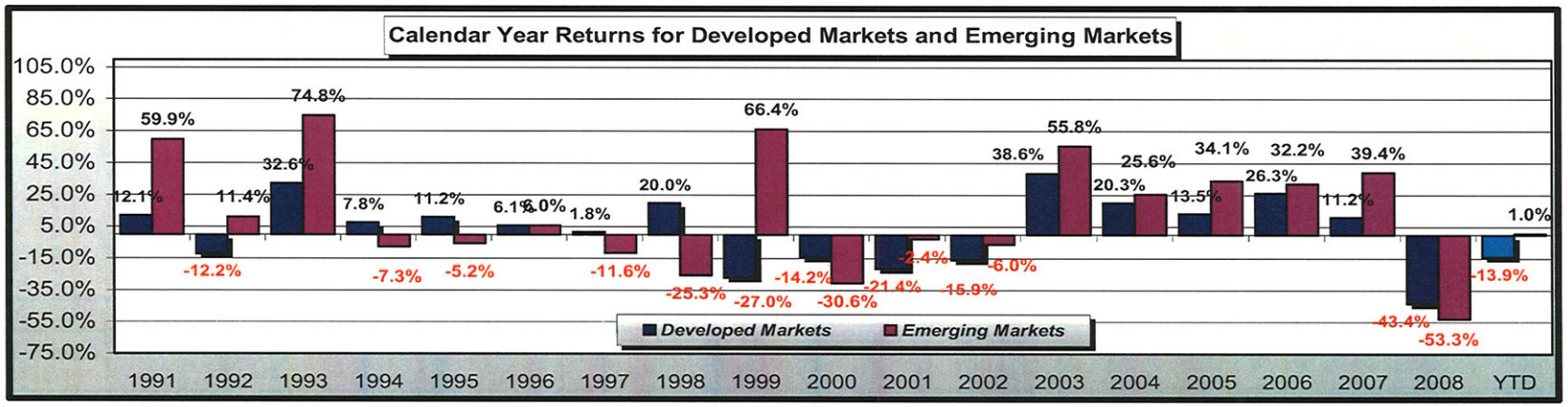
	Qtr.	1 Yr.	5 Yr.
Euro	4.7%	19.4%	-1.5%
Japanese Yen	9.0%	-0.8%	-1.0%
British Pound	0.3%	38.7%	5.1%
Canada	1.9%	22.6%	-0.9%
Australia	0.4%	31.4%	1.9%

Currency Impact on Developed Mkt. Returns

(Negative = Currency Hurt, Positive = Currency Helped)

	Qtr.	1 Yr.	5 Yr.
MSCI EAFE (Local)	-10.8%	-38.9%	-4.4%
MSCI EAFE (USD)	-13.9%	-46.5%	-14.7%
Currency Impact	-3.1%	-7.7%	-10.3%





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



- New England Pension Consultants, Inc. (NEPC) uses, as its data source, the plan's custodian bank or fund service company, and NEPC relies on those sources for security pricing, calculation of accruals, and all transactions, including income payments, splits, and distributions. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
- The Investment Performance Analysis (IPA) is provided as a management aid for the client's internal use only. Portfolio performance reported in the IPA does not constitute a recommendation by NEPC.
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