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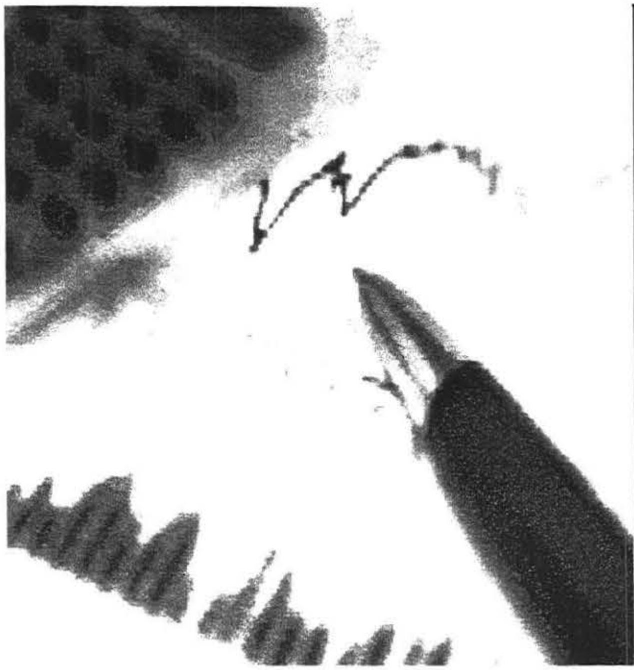


Sample Performance Evaluation

Investment Performance

Periods Ending June 30, 2009

Services provided by Mercer Investment Consulting, Inc.

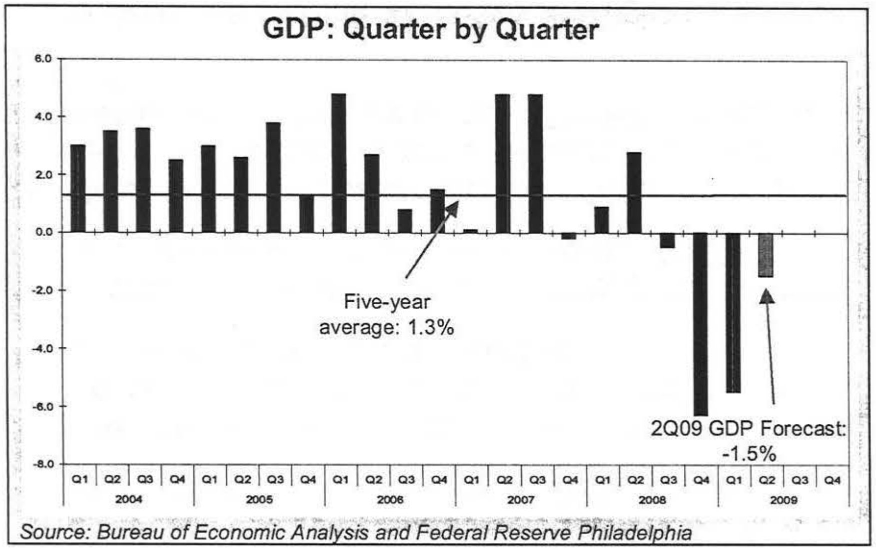
TABLE OF CONTENTS

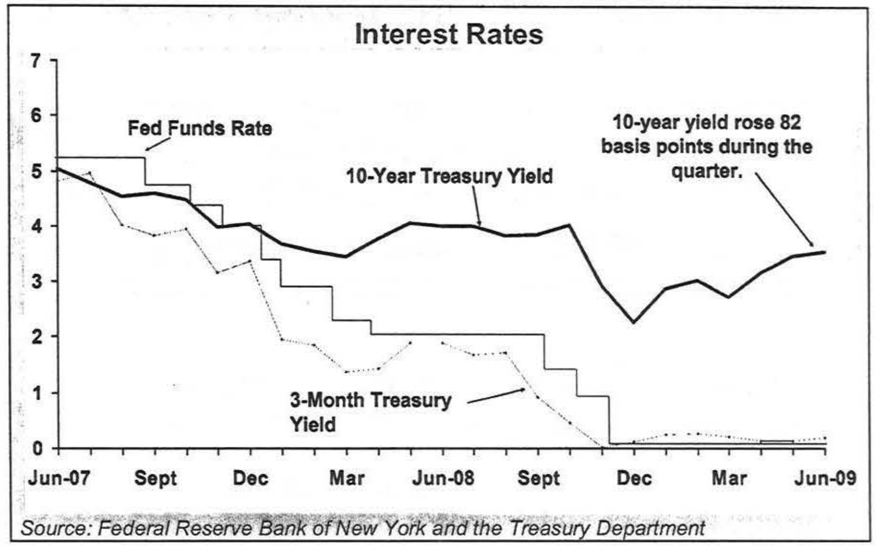
Capital Markets Commentary

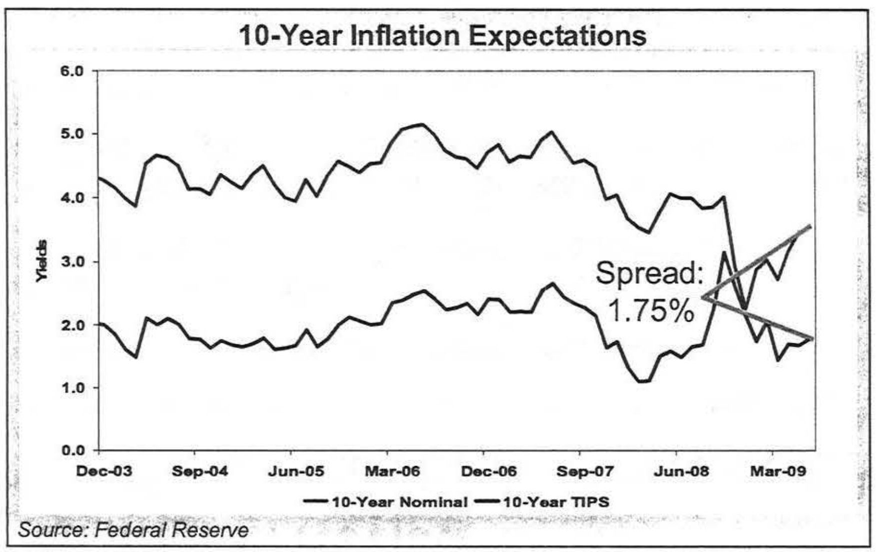
Quarter in Review
Equities bounce back, Economic Data is mixed

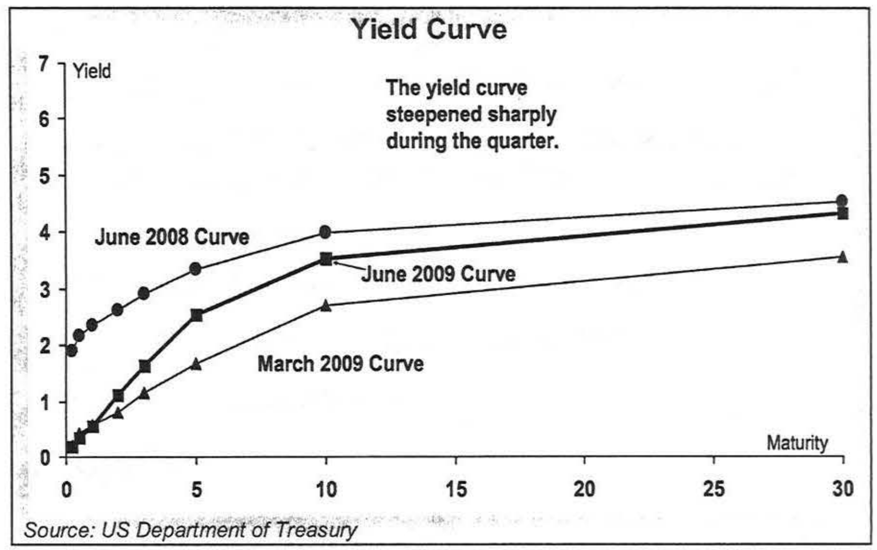
- The U.S. economy remains in a recession, however there are signs the slump is reaching a trough.
- During the quarter the S&P 500 Index rose 15.9%, the largest quarterly rise since the fourth quarter of 1998.
- Expecting that the economic decline has slowed, the Federal Reserve Bank of Philadelphia's survey of professional forecasters predicted that real GDP declined at an annual rate of 1.5% during the second quarter.
- The Fed kept the federal funds rate to a target range between 0.0% and 0.25% throughout the quarter. The 10-year Treasury yield rose 82 basis points for the quarter, while the 3-month T-bill yield decreased slightly by 2 basis points.
- With the economic stimulus plans and a low interest rate environment, 10-year inflation expectations increased to 1.75%, up from 1.28% in March. However, expectations were still below the 5-year average of 2.21%.
- During the 2nd quarter, the Treasury yield curve steepened sharply. Short-term yields remained virtually the same, with 1 month and 3 month Treasuries at 0.17% and 0.19% respectively by the end of June. Long-term yields widened during the quarter with 30 year yields at 4.32% at the end of June from 3.56% at the end of March 2009.
- The unemployment rate continued to worsen, reaching 9.5% by the end of June which was the worst since 1983. Nonfarm payroll employment fell by 1.3 million for the quarter. As companies accelerated cuts, job losses extended across all the major industry sectors.
- After two consecutive months of strong gains, the consumer confidence index retreated to 49.3 in June. Adjusted retail sales, excluding food services, decreased 10.0% YOY in June; however, this marked the second monthly gain in a row.
- On a non-adjusted basis, headline inflation dropped to -1.4% year-over-year in June, the largest 12-month decline since 1950. For the quarter, consumer prices increased at a seasonally adjusted annual rate of 3.3%. Core inflation remained steady at 1.7% from a year ago. The PPI for finished goods dropped further to -4.3% in June, while core PPI settled to 3.4%.
- In June, the Institute for Supply Management's Purchasing Managers Index recorded 44.8%, still indicating a weak manufacturing sector for 17 consecutive months. However, the PMI recorded above the 41.2% overall economy breakeven point for the second consecutive month, hinting at a recovery of the broad economy.

U.S. Capital Markets and Macroeconomic Conditions:
Economy









U.S. Capital Markets and Macroeconomic Conditions:
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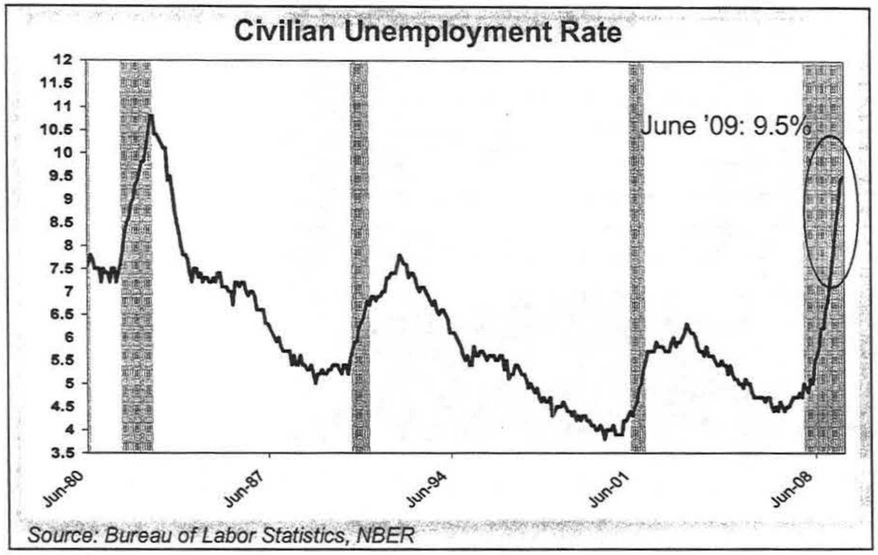
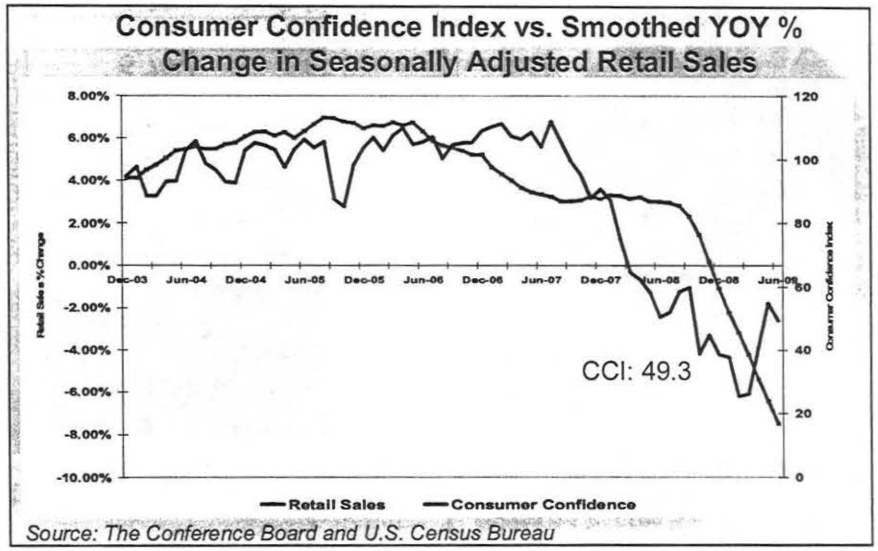
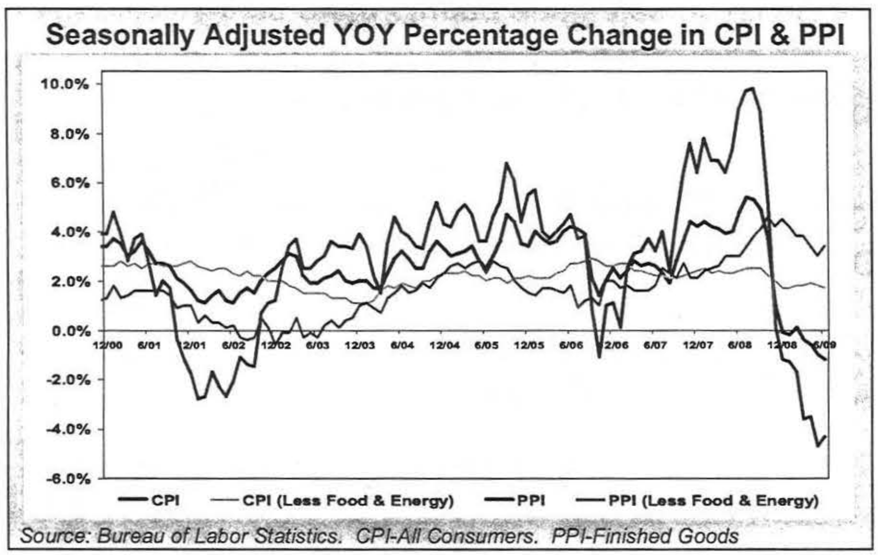
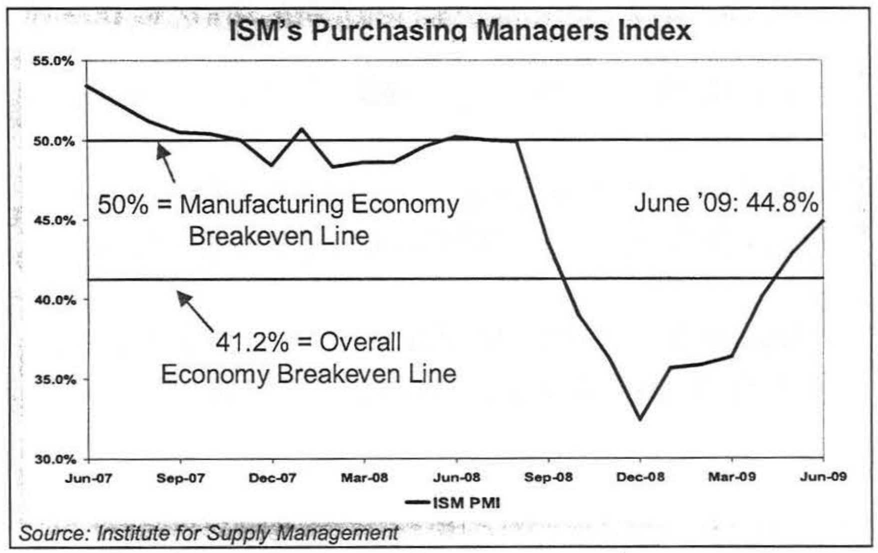






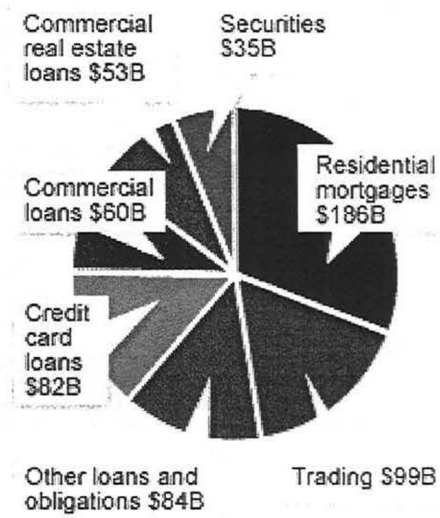


Quarter in Review
"Stress Test" for Banks

- The Treasury sponsored Supervisory Capital Assessment Program (SCAP) tested the capital sufficiency of the largest 19 bank holding companies (BHCs) in the event that the economy weakened more than expected.
- Using the "more adverse scenario", where the GDP contracts 3.3% in 2009 and grows 0.5% in 2010, housing drops 22% in 2009 and drops 7% in 2010, and unemployment peaks at 10.3%, total losses could be $599 billion
- Potential losses weighted against potential resources resulted in an aggregate shortfall of $185 billion through 2010 for 10 of the 19 BHCs
  - Given restructuring and sales of assets since the end of 2008, the total SCAP buffer was reduced to $75 billion
  - BHCs have until November 2009 to implement their plan to raise capital

	Risk Weighted Assets ($B)	Tier 1 Common Capital ($B)	Tier 1 Common Capital as % of RWA	SCAP Buffer ($B)
Bank of America	1,633.80	74.5	4.6%	33.9
Wells Fargo & Co.	1,082.30	33.9	3.1%	13.7
GMAC	172.7	11.1	6.4%	11.5
Citigroup	996.2	22.9	2.3%	5.5
Regions Financial	116.3	7.6	6.5%	2.5
SunTrust	162.0	9.4	5.8%	2.2
KeyCorp	106.7	6.0	5.6%	1.8
Morgan Stanley	310.6	17.8	5.7%	1.8
Fifth Third Bancorp	112.6	4.9	4.4%	1.1
PNC Financial Services	250.9	11.7	4.7%	0.6
Total				74.6

Adverse Scenario: Breakdown of Losses



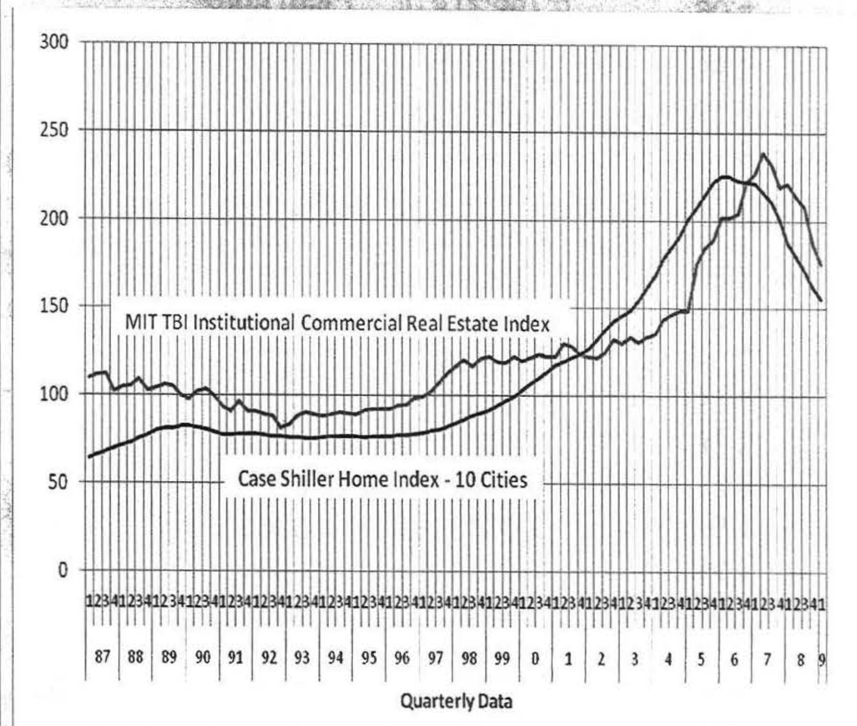
Sources: Federal Reserve, Wall Street Journal, and CNN Money

Quarter in Review
Commercial Real Estate Market

- With an estimated $400 billion in commercial real estate debt set to mature this year and another $300 billion due in 2010;
- Small and regional banks face the greatest risk of severe losses from commercial real estate loans. More than $108 billion in commercial real-estate properties in the US are now in default, foreclosure or bankruptcy almost double the amount at the beginning of the year.
- Delinquency rates on commercial loans have doubled in the past year to 7%.
- The vacancy rate at U.S. strip malls reached a 17-year high in the second quarter and empty space at regional malls struck a 9-year record.
- The U.S. office market vacancy rate reached 15.9% in the second quarter, the highest level in four years, and rent fell by the largest amount in more than 7 years as demand remained weak.
- The Federal Reserve has expanded its Term Asset-Backed Securities Loan Facility, or TALF, to new and existing commercial mortgage backed securities to jump start the market.

Source: Bloomberg, The Federal Reserve and MSNBC

Commercial and Residential Real Estate Price Trends



Source: Businomics and Typepad

Quarter in Review
U.S. Government Debt

From June 2009 CBO Long Term Budget Outlook

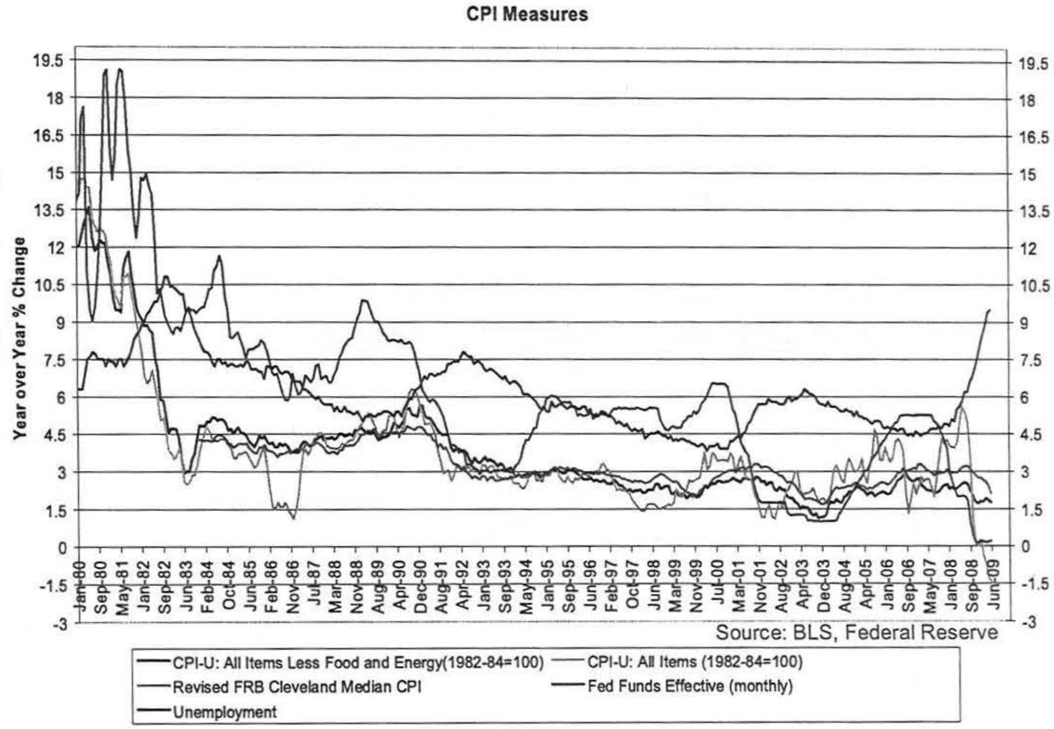
- The federal budget is on an unsustainable path—meaning that federal debt will continue to grow much faster than the economy over the long run.
- Although great uncertainty surrounds long term fiscal projections, rising costs for health care and the aging of the U.S. population will cause federal spending to increase rapidly under any plausible scenario for current law.
- Keeping deficits and debt from reaching levels that would cause substantial harm to the economy would require increasing revenues significantly as a percentage of gross domestic product, decreasing projected spending sharply, or some combination of the two.
  - The debt is projected to nearly double to $20 trillion by 2015, but is expected to increase to nearly 100% of GDP by 2010 and remain at that level thereafter.

Year	Gross Debt in $ Billions	as % of GDP
1910	$2.6	n/a
1920	$25.9	n/a
1930	$16.2	n/a
1940	$43.0	52.4
1950	$257.4	94.1
1960	$290.5	56.1
1970	$380.9	37.6
1980	$909.0	33.3
1990	$3,206.3	55.9
2000	$5,628.7	58.0
2001	$5,769.9	57.4
2002	$6,198.4	59.7
2003	$6,760.0	62.5
2004	$7,354.7	64.0
2005	$7,905.3	64.6
2006	$8,451.4	64.9
2007	$8,950.7	65.5
2008	$9,985.8	70.2
2009 (est.)	$12,867.5	90.4
2010 (est.)	$14,456.3	98.1
2011 (est.)	$15,673.9	101.1
2012 (est.)	$16,565.7	100.6
2013 (est.)	$17,440.2	99.7
2014 (est.)	$18,350.0	99.9

Source: Congressional Budget Office; Whitehouse.gov

Quarter in Review
Inflation or Deflation?

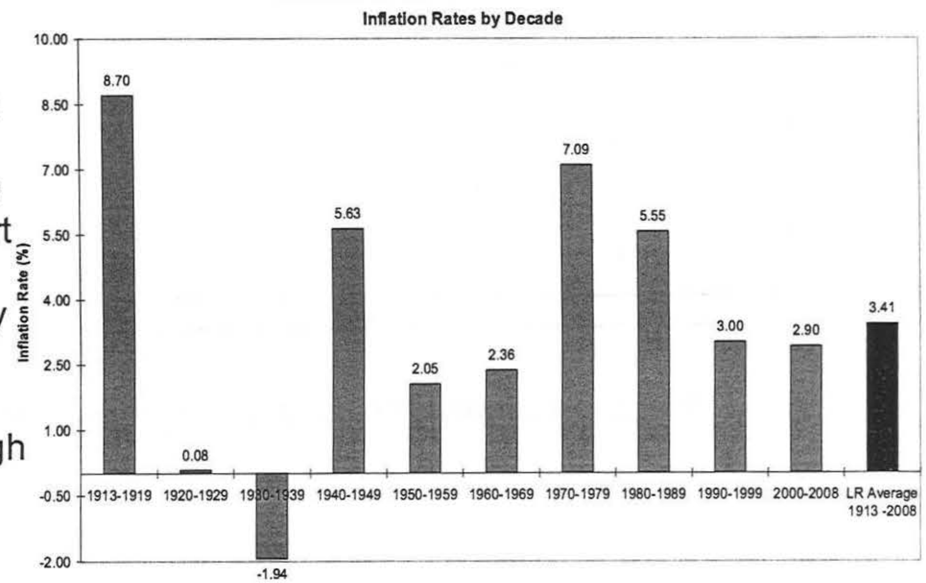
- Whether inflation or deflation will persist is a concern in the marketplace.
- Inflation pressures were elevated during the first half of 2008 and into the summer but with the decline in prices of energy and other commodities, deflationary fears kicked in as the degree of slack increased.
- CPI numbers for the month ending June increased 0.7% more than analyst estimates and biggest one month gain since July 2008.
  - Year over year CPI was down 1.4%, the biggest drop since 1950.
- In the Monetary Policy Report to Congress inflation projections were revised downward.



Economic Projections of Federal Reserve Governors and Reserve Bank Presidents		
	Headline (Jan 2009)	Headline (Oct 2008)
2009	0.3 - 1.0	1.3 - 2.0
2010	1.0 - 1.5	1.4 - 1.8
2011	0.9 - 1.7	1.4 - 1.7
Long Run	1.7 - 2.0	1.7 - 2.0
	Core (Jan 2009)	Core (Oct 2008)
2009	0.9 - 1.1	1.5 - 2.0
2010	0.8 - 1.5	1.3 - 1.8
2011	0.7 - 1.5	1.3 - 1.7
Long Run	N/A	N/A

Source:BLS

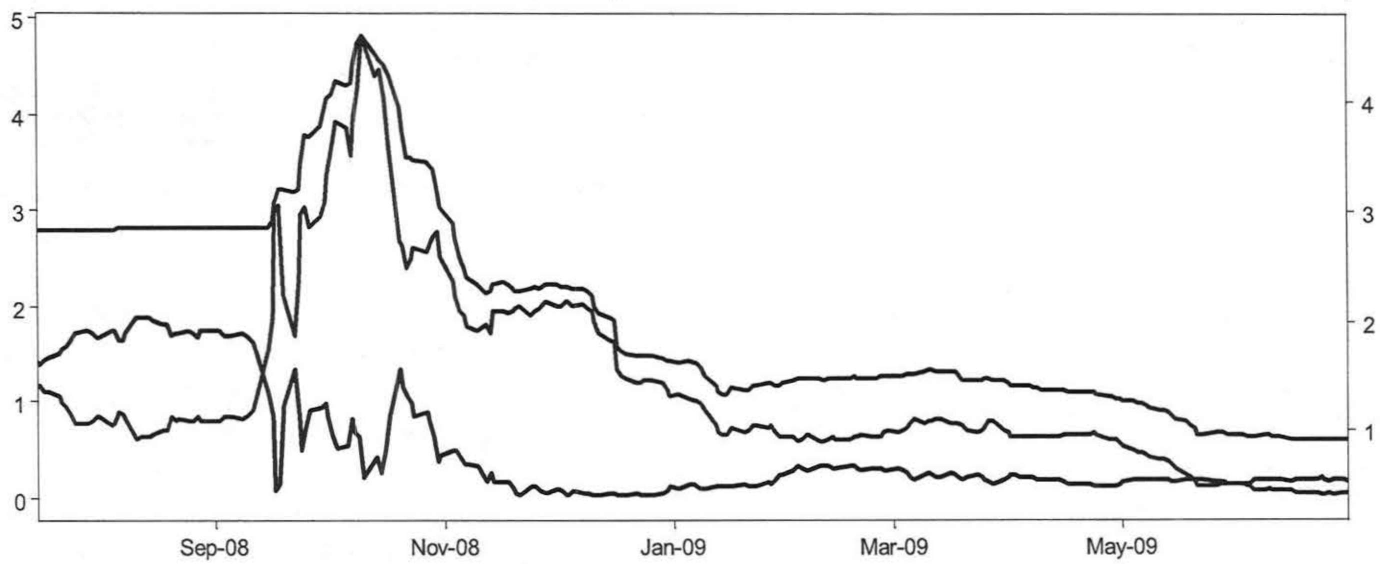
- The reported outlook was, “modestly positive longer-run inflation would allow the Committee (Fed) to stimulate economic activity and support employment by setting the federal funds rate temporarily below the inflation rate”
  - Expect below long-run average inflation through 2011



Quarter in Review
TED Spread

- During the 2nd quarter of 2009, the TED Spread continued to decline to an approximate range of 1.0% to 0.4%, mostly from the decrease in LIBOR rates.

Ted Spread 6-30-2009



Key	Axis	Name	Last	Minimum		Maximum		Mean	SD	SD Change
—	Left	USD LIBOR 3M Rate	0.59	0.59	06/30/2009	4.82	10/10/2008	1.91	1.07	0.07
—	Left	U.S. Treasury 3M Bill	0.17	0.01	12/10/2008	1.87	08/11/2008	0.52	0.59	0.12
—	Right	TED Spread	0.43	0.40	06/23/2009	4.61	10/10/2008	1.39	0.85	0.15

*TED spread (3 Month LIBOR – 3 Month Treasury Bills)

Source: Lehman Live

Asset Class Performance

US Equity
International Equity
Fixed Income
Alternative Investments

Domestic Equity
Style and Market Capitalization Comparison

2Q2009 Returns

	Growth	Core	Value
Large	16.3%	16.5%	16.7%
Mid	20.7%	20.8%	20.9%
Small	23.4%	20.7%	18.0%

YTD Returns

	Growth	Core	Value
Large	11.5%	4.3%	-2.9%
Mid	16.6%	10.0%	3.2%
Small	11.4%	2.6%	-5.2%

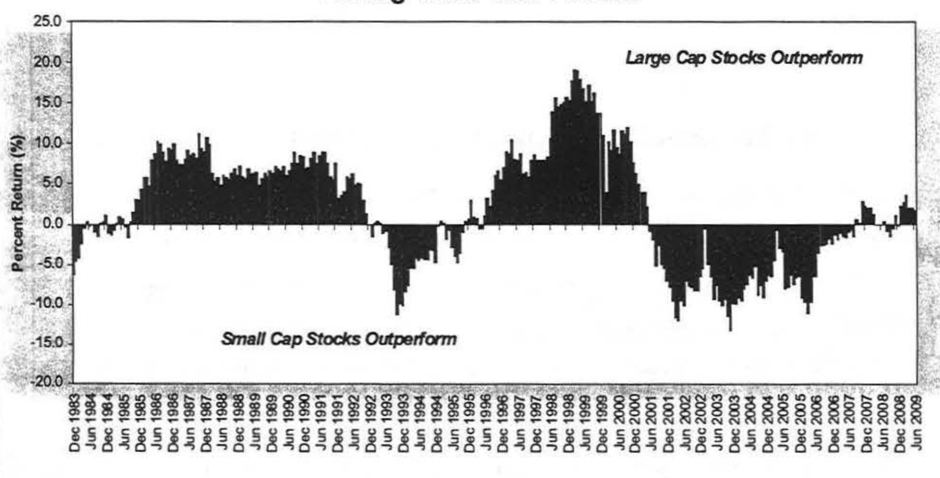
1 Year Returns

	Growth	Core	Value
Large	-24.5%	-26.7%	-29.0%
Mid	-30.3%	-30.4%	-30.5%
Small	-24.8%	-25.0%	-25.2%

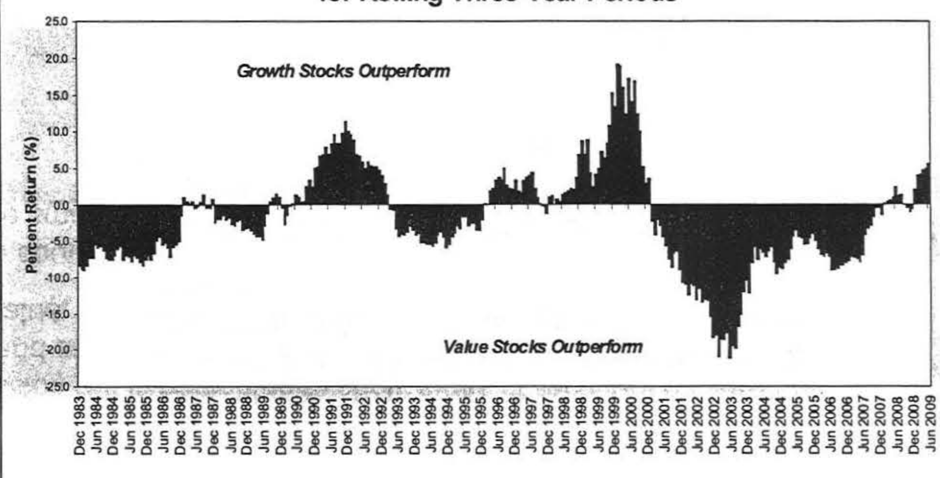
3 Year Returns

	Growth	Core	Value
Large	-5.5%	-8.2%	-11.1%
Mid	-7.9%	-9.3%	-11.1%
Small	-7.8%	-9.9%	-12.1%

Russell 1000 Index Minus Russell 2000 Index for Rolling Three-Year Periods



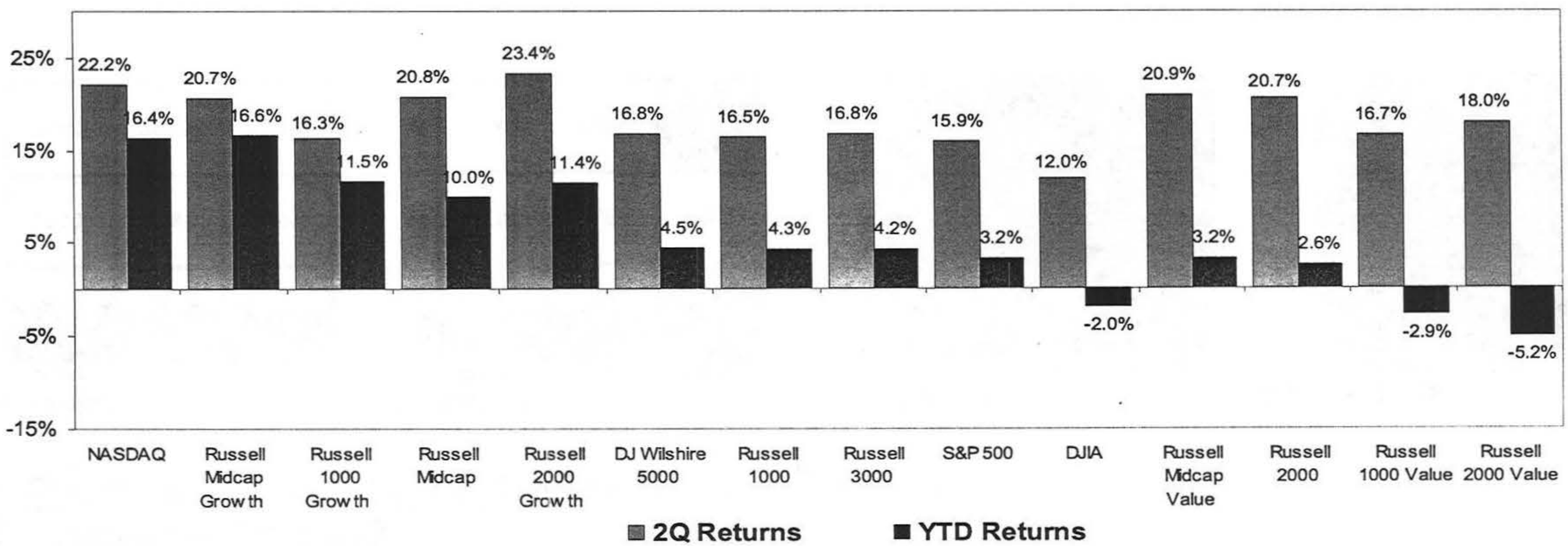
Russell 1000 Growth Index Minus Russell 1000 Value Index for Rolling Three-Year Periods



U.S. Equity Surges Across All Market Caps
Value Marginally Outperforms Growth

- After the second quarter the U.S. remained in a deep recession but is beginning to show signs of recovery powered by increased government spending and rebounds in housing and automotive sales. U.S. stocks rebounded strongly across all market caps (large, mid, small) and investment styles (value, core, growth).
- Value-oriented stocks marginally outperformed their growth counterparts within large and mid-cap equities however growth oriented stocks outperformed value stocks within the small-cap space.
- Small-cap equities outperformed large-cap equities

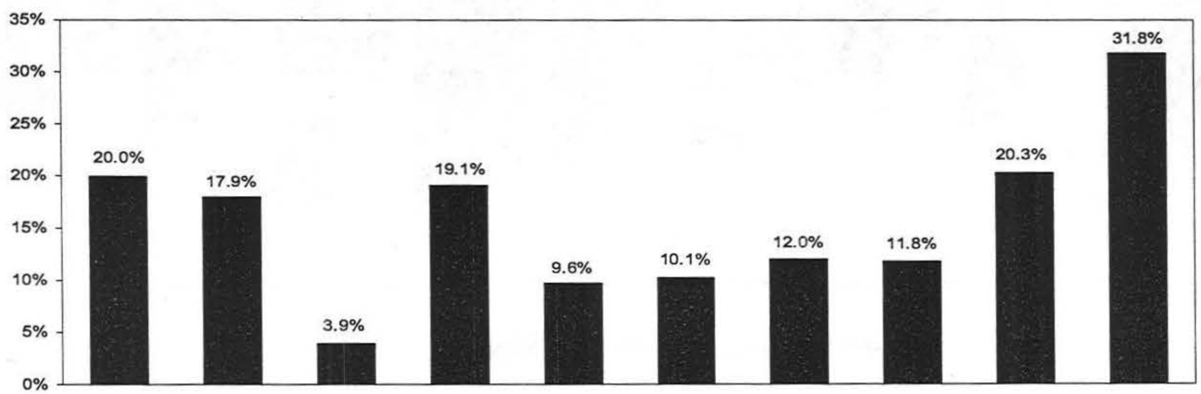
Performance of U.S. Equity Indices



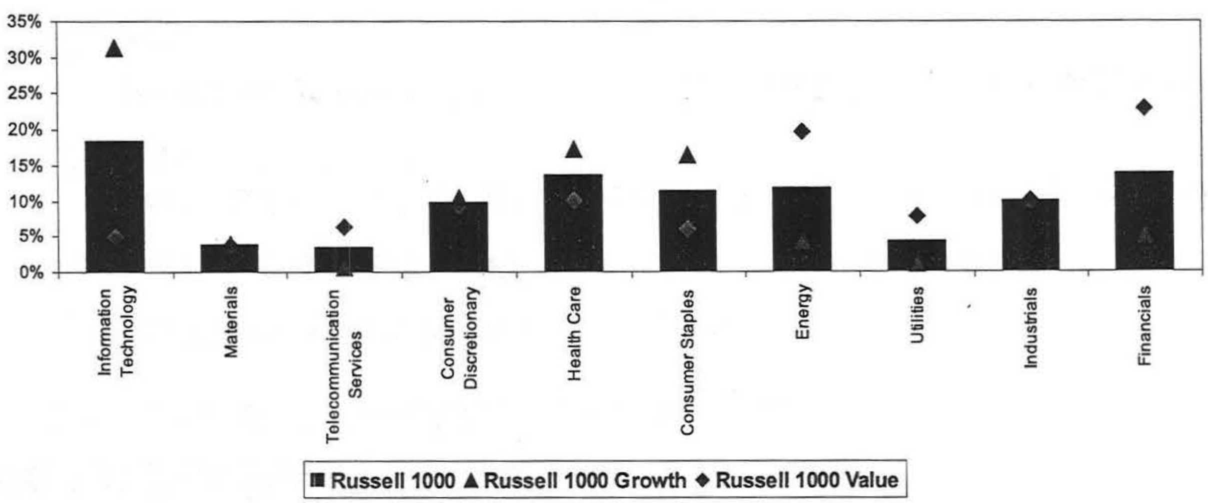
Small-Cap Stocks Outperformed Large-Cap
Weakest performance in Telecommunications

- All of the ten sectors of the Russell 1000, Russell 1000 Value, and Russell 1000 Growth indices reported positive returns for the quarter.
- Telecommunication Services was the worst performing sector in the large cap space.

Russell 1000 Sector Returns - Second Quarter 2009

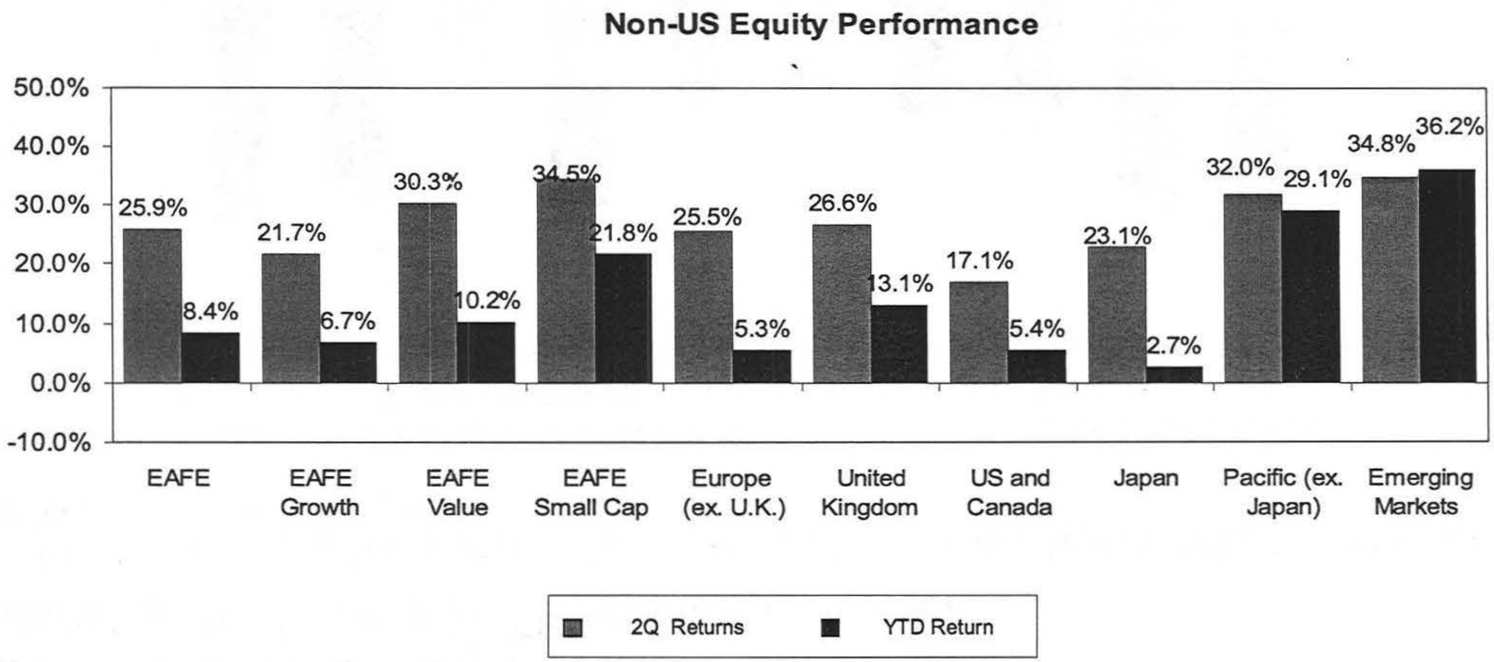


Russell 1000 Sector Weights - June 2009



International Equities
Developed Markets: Non-U.S. equities gain

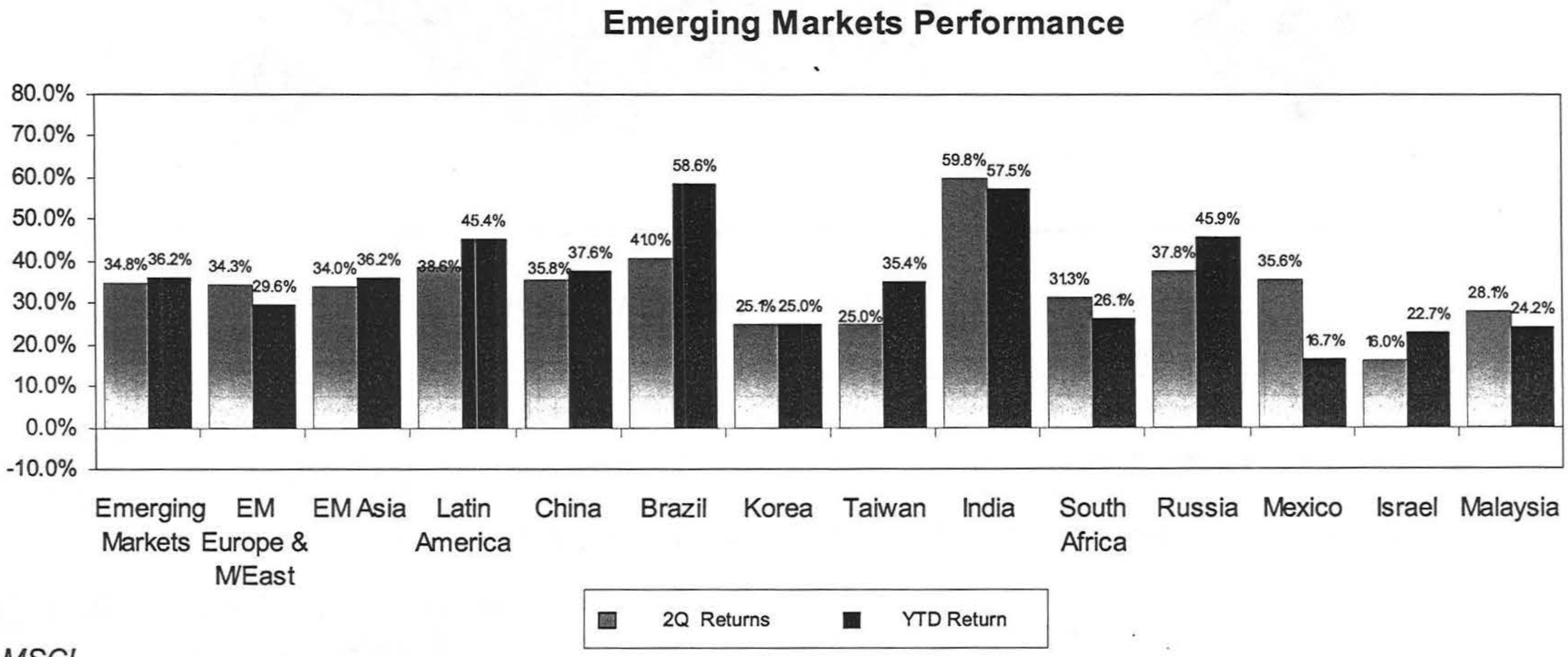
- MSCI EAFE gained 25.9% (gross) in the second quarter.
  - In local currency terms, MSCI EAFE gained 17.3% for the quarter.
- Japan, which represents 24.1% of the index, posted a 23.1% return. In local currency terms, Japan posted a 20.2% gain.
- The UK, which represents 21.0% of the index, posted a 26.6% return. In local currency terms, UK posted a 10.2% gain.



Source: MSCI

International Equities
Emerging Markets: Performance

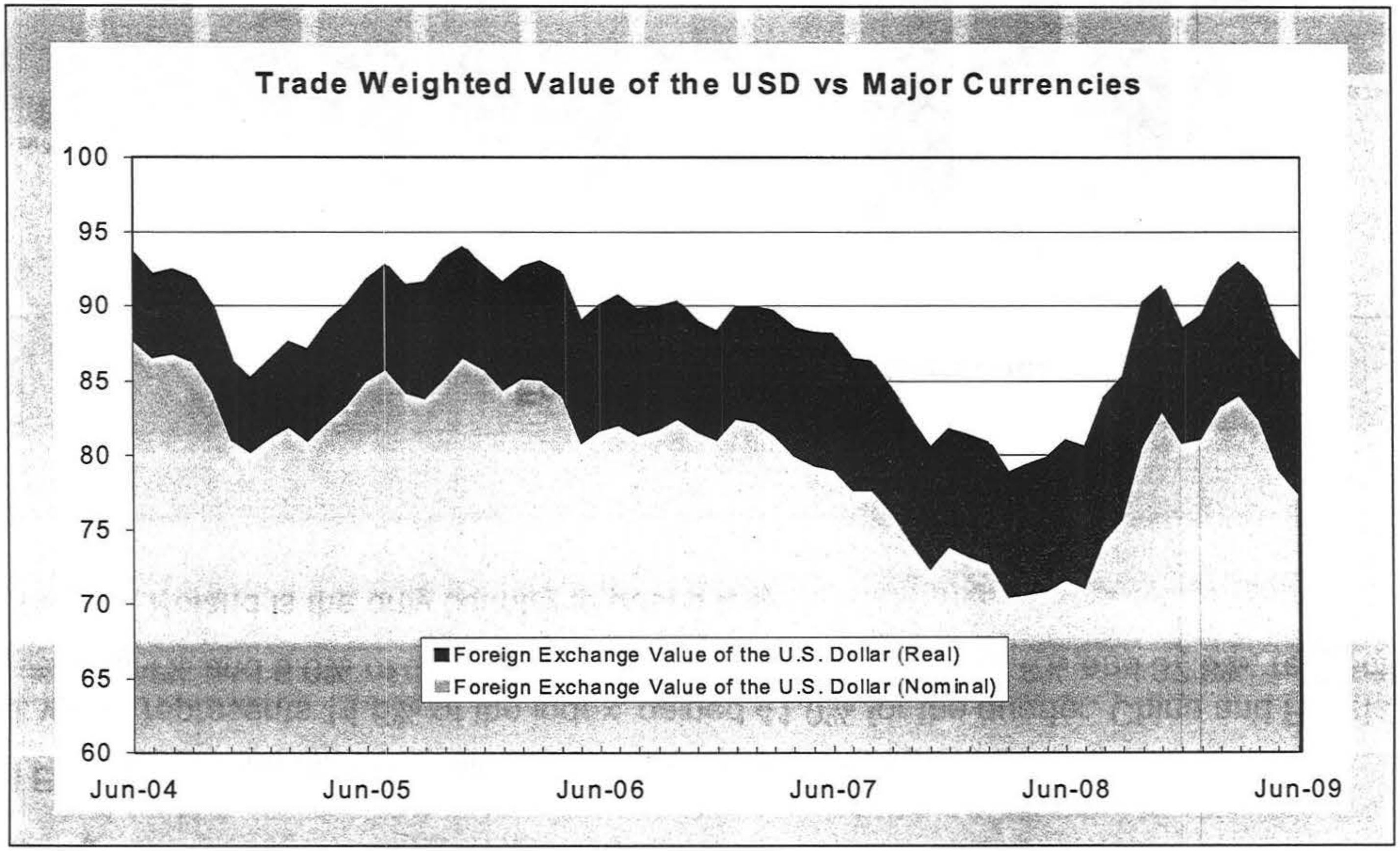
- MSCI Emerging Markets Index gained 34.8% in the second quarter.
- Brazil, which represents 14.6% of the index, gained 41.0% for the quarter. China and Russia, which represent 19.4% and 6.0% of the index, posted quarterly gains of 35.8% and 37.8%, respectively.
- Year-to-date, Poland is the only country to post a loss.



Source: MSCI

International Equity
Currency: Performance

- The second quarter of 2009 saw a 7.8% decrease in the value of the dollar from the previous quarter.
- This movement juxtaposes the more positive performance in commodities and equities between March and June.

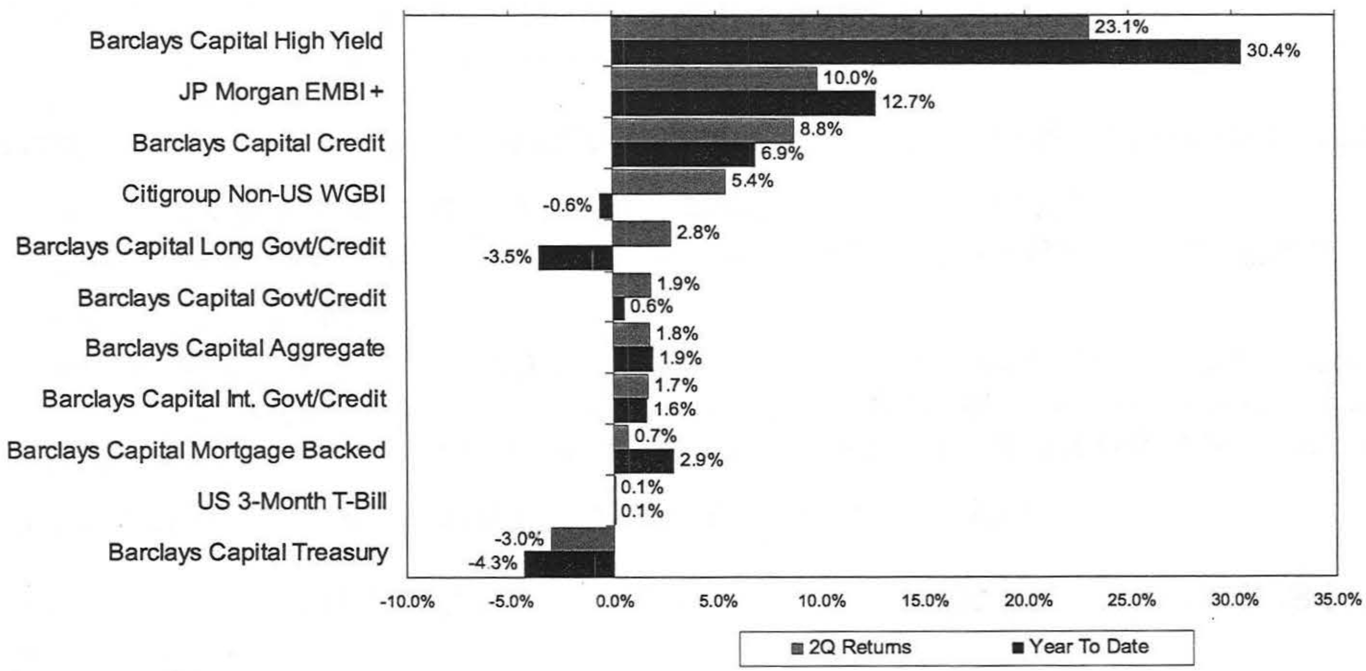


Data Source: U.S. Federal Reserve

U.S. Fixed Income
Performance

- Barclays Aggregate Index finished strong, up 1.8% for the quarter.
  - Corporates lead the rally returning 10.5% as investors' risk appetite increases.
    - Financial companies were the top performers as signs of stress eases with several firms repaying TARP money and issuing non-FDIC backed debt.
  - Treasuries were the weakest performing sector all three months of the quarter as issuances flood the market and non-US investors have concerns over the policies of the Fed and Obama administration, deficits, deterioration of creditworthiness, and inflationary impact of debt monetization.
- Barclays US High Yield Index experienced the strongest returns since the mid-1980's; returning 23.1% for the quarter and 30.4% year-to-date.

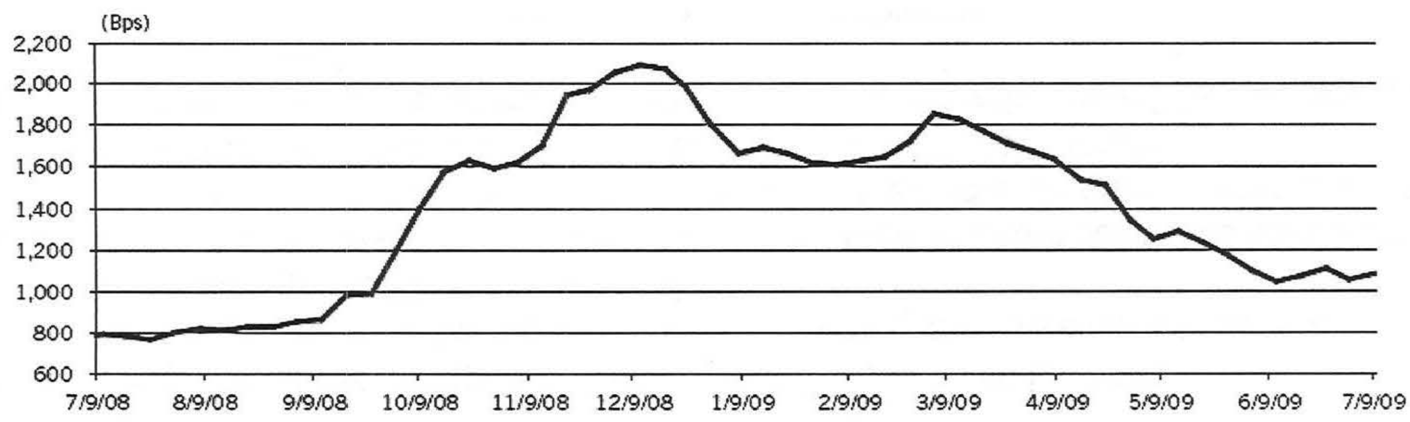
Second Quarter Fixed Income Performance



Fixed Income
U.S. High Yield: Selectively increasing appetite for riskier assets

- Net inflows into high-yield have been more than $11 billion this year.
  - High-yield funds saw monthly net outflows until December, according to research firm Lipper Inc., including $106 million of net outflows in November. But in the six months through May, net inflows peaked in April, at $4 billion -- the highest net inflows since April 2003. May saw $3.3 billion of net inflows.
  - Fitch believes that defaults and grim recovery rates will not ease in 2009. The U.S. high yield default rate is expected to end the year in the range of 15 to 18%.
- The total return on the Merrill Lynch High Yield Master II Index during the year-to-date period ending 7/9/2009 was 29.4%!

Merrill Lynch High Yield Master II Index — Historical Spread

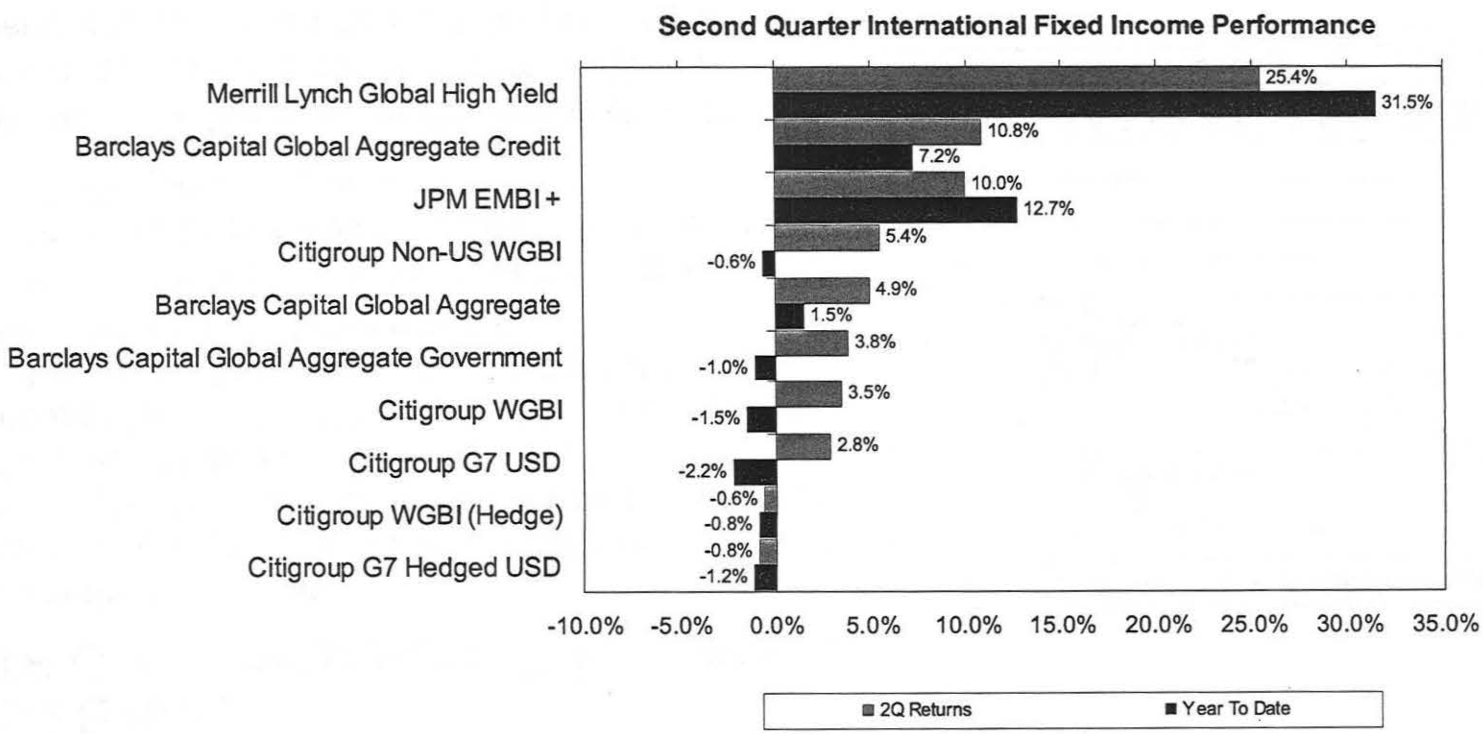


Bps – Basis points. Source: Merrill Lynch & Co., Inc.

Source: Fitch Ratings; AMG

International Fixed Income
Performance

- Citigroup Non-US World Government Bond Index increased 5.4% in dollar terms
  - The US was the weakest performer among the G7 economies
    - The UK weathered S&P's lowering of credit outlook to 'negative' and posted strong returns
    - Moody's cut Ireland's credit rating from Aaa to Aa1 due to the country's rising debt burden
- JP Morgan Emerging Bond Index Plus posted strong returns of 10.0% for the quarter
  - Investor optimism of an abating worldwide recession and attractive yields drove returns
  - Russia and India posted strong returns while Brazil and China underperformed



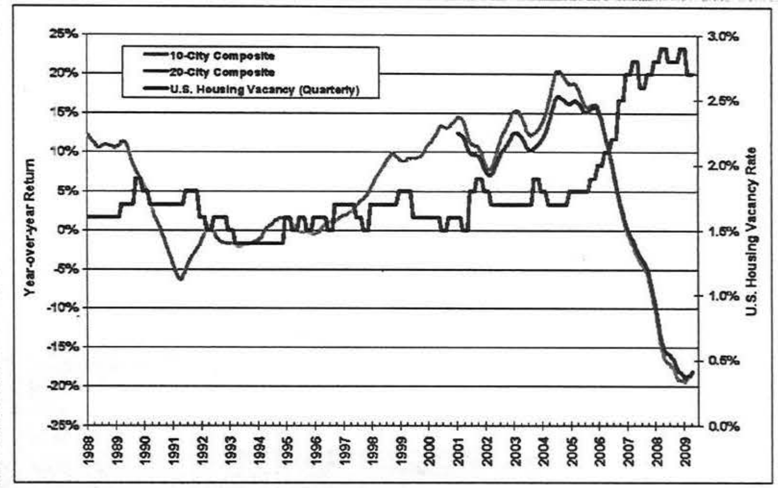
Real Estate
S&P Case-Shiller Home Price Index

- **Residential Real Estate**
  Although prices continued to fall in most major areas, the YOY decline in the S&P Case-Shiller Home Price Index for April moderated from prior months. The 20-City Composite fell 18.1% YOY and the 10-City Composite fell 18.0% YOY. Both indices have recorded YOY declines for 28 consecutive months.
  - National median existing-home price for all household types was $170,200 in April, down 15.4% from a year ago.

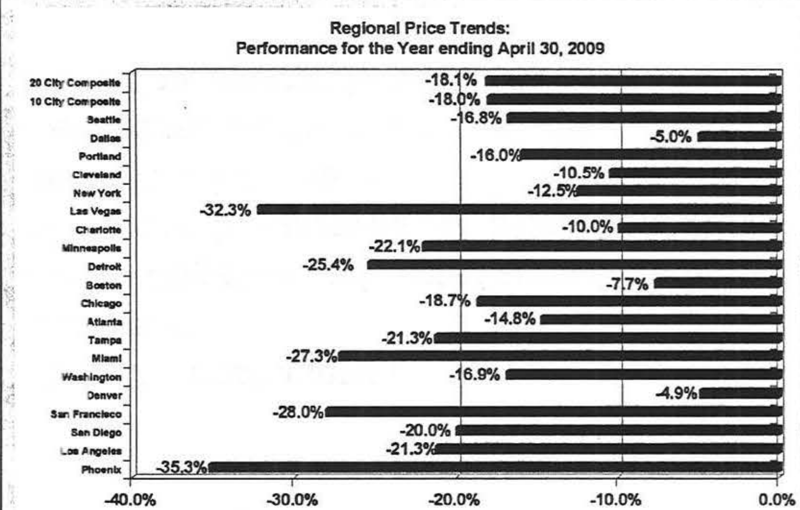
- **Regional Price Declines for the year ending 4/30/09**
  All metro areas posted declines for the past year; Phoenix and Las Vegas fell the most declining 35.3% and 32.3% respectively. From their mid-2006 highs, real estate values have fallen across all metro areas. 8 of 20 metro areas reported declines of more than 40% - Phoenix lost the most declining 54.1% while Charlotte held up best losing 7.2%.

- **Real Estate Key Indicators**
  Existing home sales increased 2.9% in April to a seasonally adjusted annual rate of 4.8 mil. units –> *NAR predicts sales to top 5 mil. units in the 2nd half of 2009*
  Mortgage rates have been on an upward trend since April –> *NAR believes rates are still at historic lows*

Home Prices & Housing Supply



Source: S&P Case Shiller, U.S. Census Bureau



Source: U.S. Department of Labor Statistics

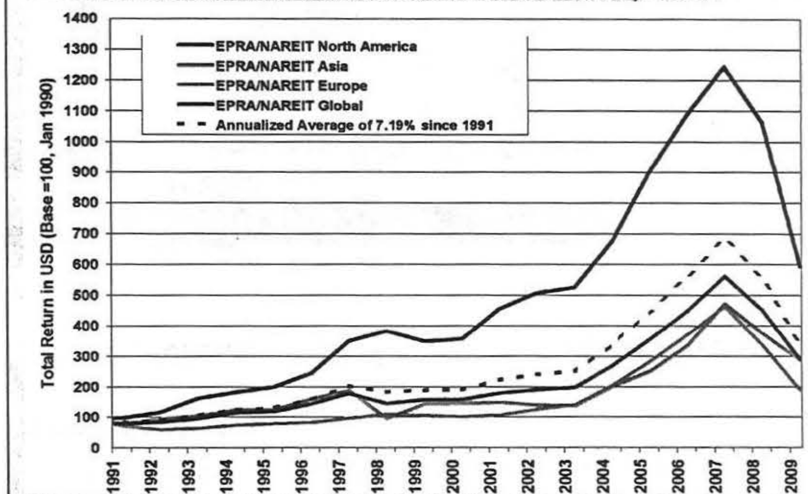
Real Estate
NAREIT & NCREIF Indices

- **Global Real Estate**
  Globally, the public REIT markets gained during the 2nd quarter of 2009. However, on a YOY basis the real estate markets continued to post declines – North America fell the most declining 44.1%, followed closely by Europe declining 43.6% while Asia held up best declining 23.2%.

- **Public Real Estate**
  The NAREIT Index (All REITs) gained 27.5% for the second quarter of 2009. For the 1 year, 3 years, and 5 years, the index was down 40.6%, 18.1%, and 3.6% respectively.
  - REIT dividend yields declined from their highs earlier this year due partially to price appreciation and dividend cuts/suspensions. Yields remain around 6.8% through the end of June. Currently, spreads relative to 10-year Treasuries are over 300 bps.

- **Private Real Estate**
  The NCREIF Property Index was down -9.3% for the first quarter of 2009 (10.8% loss in terms of capital appreciation and 1.5% gain in income). For the 1 year, 3 years, and 5 years, the index returned -16.5%, 3.4%, and 9.0% respectively.

EPRA NAREIT Indices as of June 30, 2009



Source: EPRA

Public & Private Real Estate Market Performance

Source: NAREIT; NCREIF

Private Equity
Secondary's gaining interest while buyouts & VC continue to slow

- Total U.S. private equity fundraising dropped 64% from $152.7 billion raised in the first half of 2008 to $54.9 billion raised in the first half of 2009, the lowest level since 2005.
- Fundraising in buyouts and VC projected to slow in 2009 given limited partners' constraint in making new fund investments. This is due to the LPs' denominator effect and immediate liquidity needs.
- Secondary and special situation funds garnered most interest, raising a record $13.9 billion for the first half (or 338% increase from 1H 2008):
  - The need for liquidity and managing the J-curve enhanced appetites for secondaries.
  - Increasing the forecast in default rates drove opportunities in distressed and restructuring funds.
- Legacy investment values will continue to erode, caused by the global recession, past over-leverage and over-valuation, and the difficulty to refinance in the constrained debt market.
- Proposed legislative and regulatory changes will likely force increased disclosure, transparency, and taxation to the private equity industry.

Total U.S. Private Equity Fundraising, 1H 2009 v. 1H 2008

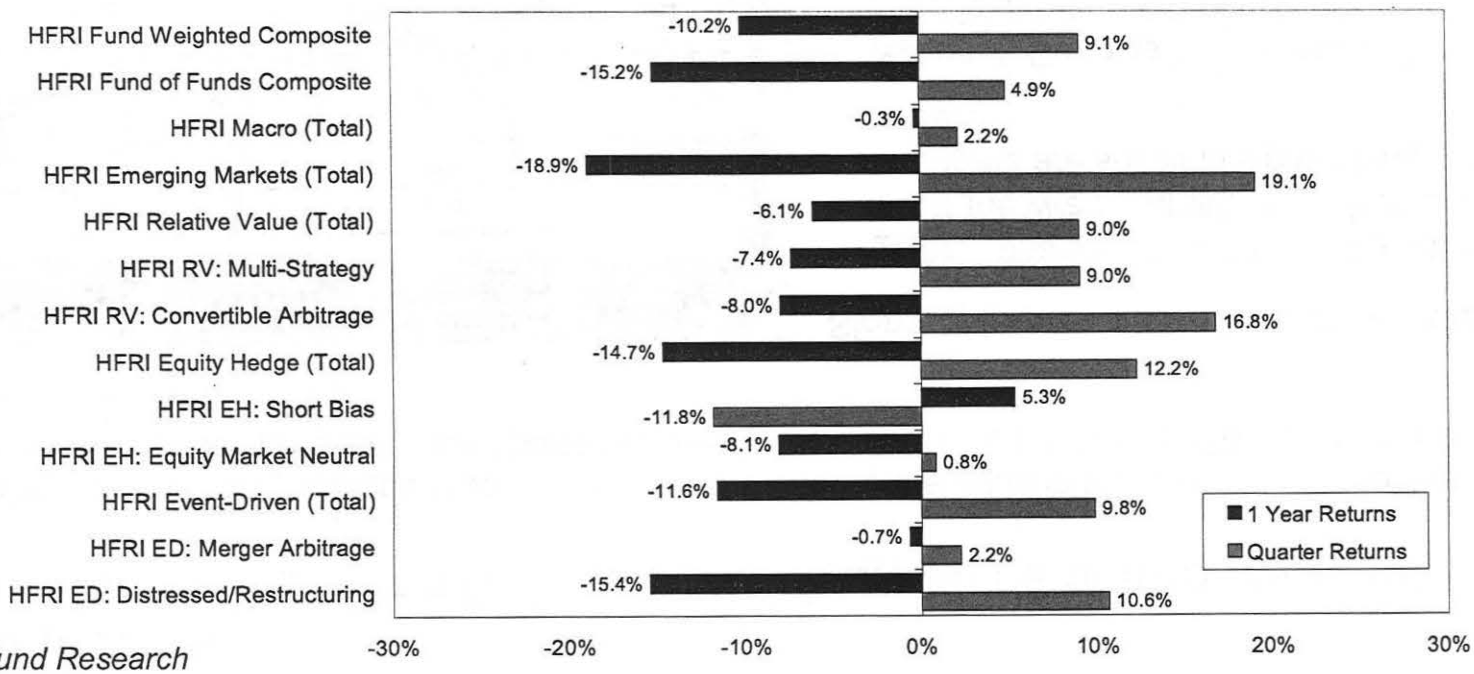
	1H 2009		1H 2008		
	No. of Funds	**Amounts (MM)**	**No. of Funds**	**Amounts (MM)**	**% $ Change**
Buyout/Corp. Finance	73	$28,720	98	$102,608	-72
Mezzanine	7	$1,290	10	$23,884	-95
Venture Capital	52	$5,100	115	$13,613	-63
Funds of Funds	23	$5,853	28	$9,380	-38
Secondary & Other	18	$13,921	10	$3,179	+338
TOTAL	**173**	**$54,884**	**261**	**$152,664**	**-64**

Source: Dow Jones Private Equity Analyst, Probitas

Alternative Investments
Hedge Funds Continued Recovery in 2Q09

- HFRI Fund Weighted Composite Index finished strong for the quarter, posting stellar gains in April (3.6%) and May (5.2%) and consolidating in June (0.1%).
- Emerging Markets was the best performing category for the quarter with Russia/Eastern Europe returning 27.0%. Within Relative Value strategies, Convertible Arbitrage posted the strongest return of 16.8%. The worst performing categories were Event Hedge Short Bias for the quarter and Emerging Market for the 1-year period.
- Industry net assets stand at $1.33 trillion as of 1Q09, down from $1.41 trillion at 4Q08 and down from the peak of $1.89 trillion at 2Q08. Redemption eased to $104 billion (7.4% of industry assets) during 1Q09, compared to the record withdrawal set in 4Q08 of $152 billion.

Hedge Fund Performance as of June 30, 2009

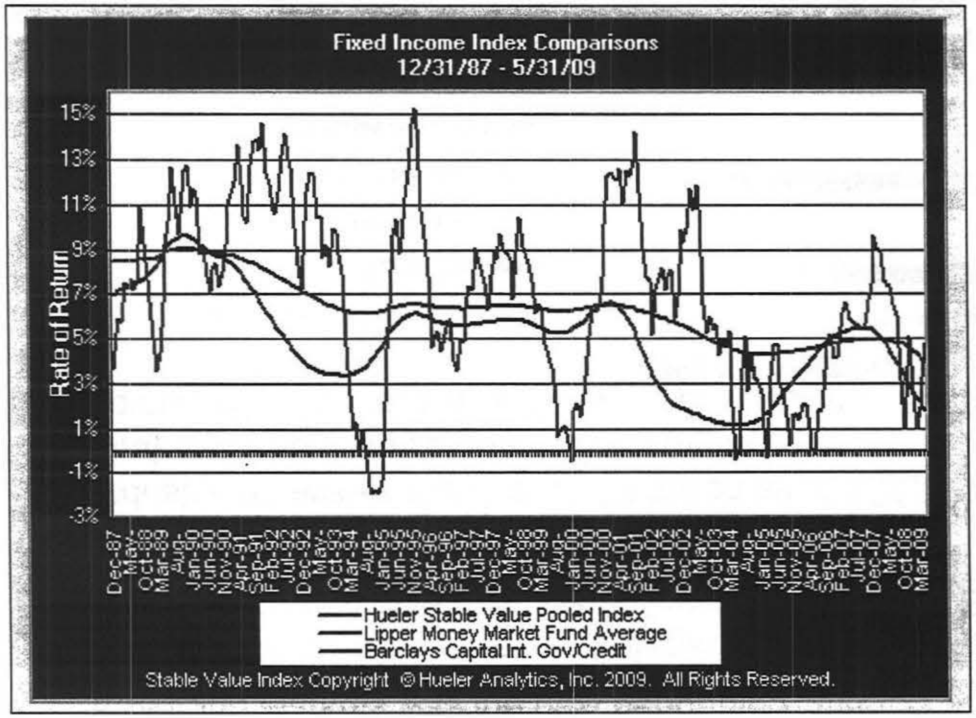


Source: Hedge Fund Research

Fixed Income

Stable Value: First Fund Outflows in a Year; Signs of Improvement

- The stable value industry experienced its first outflows since June 2008 in the first 2 months of the second quarter, in reaction to improved equity performance. GIC/stable value funds had $78 million in outflows in April and $455 million in May.



Signs of Improvement for Stable Value Funds

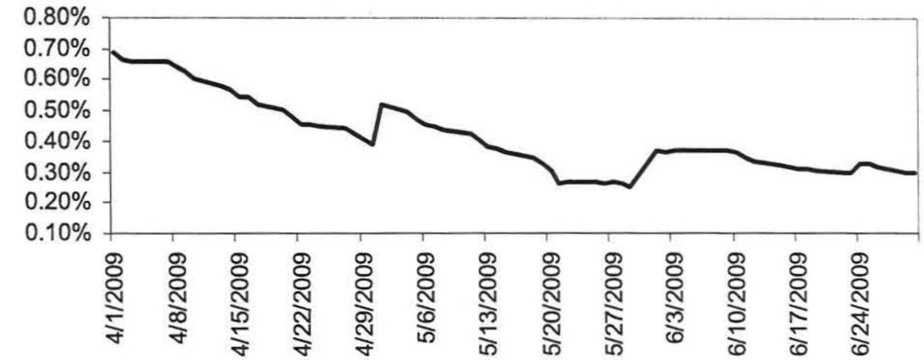
- Wrap Capacity[3]: Several firms are trying to enter the wrap market, and some existing wrappers are showing signs of improved capacity
- Ratings[4]: Douglas Meyer, head of the North American rating group at Fitch, summarized the challenges of the life insurance industry (the company downgraded the entire industry last September), citing:
    1. Less asset-based fee income
    2. Less investment income
    3. Absorbing higher costs on variable annuity products
- However, Meyer concluded that Fitch was " 'pretty comfortable' that insurers have sufficient liquidity" to fund the payoff of maturing GICs.

Source: Hewett Associates 401(k) Index Review, planadviser, Stable Times

Fixed Income
Money Market Mutual Funds: Declining Assets and Yields

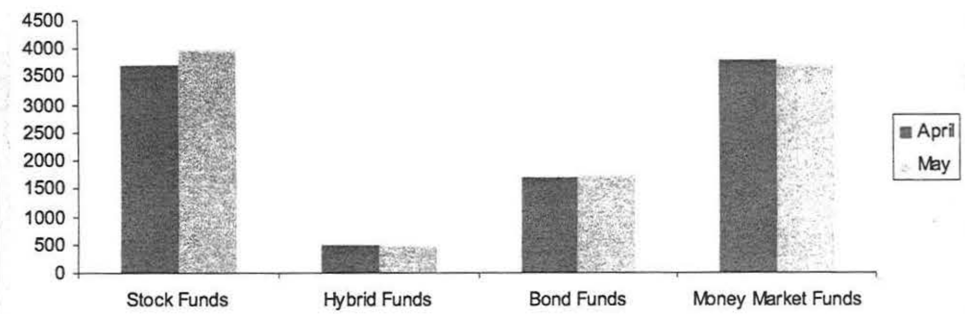
- During 2Q09, total US money market mutual fund assets declined by $171 billion from $3.83 trillion to $3.66 trillion.
- The S&P US Commercial Paper Index saw declines in yields as well:
  - 0.69% on April 1st, 2009
  - 0.37% on July 1st, 2009
- The outflow in money market funds has resulted in an inflow of funds to stock, bond and hybrid funds in 2Q09.
  - Stock, bond, and hybrid funds net inflow in April and May was $95.25 billion.
  - Money market funds net outflow in April and May was $49.03 billion.

2Q09 S&P U.S. Commercial Paper Index Weighted Average Yield to Maturity



Source: Standard and Poor's

Flow of Funds ($Billions) Across Various Types of Mutual Funds



Source: Investment Company Institute

Executive Summary

Summary

Total Portfolio

The story of the second quarter of 2009 was one of relief, relief that things had stopped getting worse or at least slowed the pace of worsening. The market's rally during the second quarter was a result of economic signs that a depression and collapse of our financial system had been avoided due to strong government intervention. Economic signs began to emerge, not pointing to improvement but signaling that things were not getting bad as fast as they previously had been. The unemployment rate still rose during the quarter but job losses decreased from the previous months. The housing market started to show signs of stabilization and consumption decreases began to stabilize. Despite signals of stabilization, the global economy remains a long way from recovering to its previous levels of production. Individuals and business are and will continue to be cautious after suffering losses, and with unemployment reaching almost 10%, all investors are hesitant to take on additional risk or spend money when they are unsure of their future income and revenue. The impact of all of this on capital markets was nonetheless dramatic. Most securities had been pricing in a doomsday scenario. As it became clear that things were not likely to get worse, most markets rallied strongly to remove that doomsday pricing. Those markets that would have taken the most significant hit from a global depression, such as financial stocks, emerging markets and high yield bonds, rallied the strongest.

In this environment, the System's assets increased by $1.9 billion from the March 31, 2009 value of $13.6 billion to total $15.4 billion at quarter's end. This increase in assets was due to $1.9 billion in investment gains experienced over the quarter. The Portfolio remained slightly overweight to fixed income versus both the strategic and implementation benchmarks.

The System returned 14.0% for the second quarter of 2009, which was 50 basis points behind the Target Benchmark[1] but placed in the top decile of the Total Funds Billion Dollar Public Funds Universe. Strong performance from the Portfolio's domestic small and mid cap managers added value above the benchmark while the Portfolio's large cap managers weighed on performance relative to the benchmark. The Portfolio's fixed income allocation which led the benchmark; however, the System's overweight allocation to fixed income hurt overall performance. Relative to other public funds, the System's relatively high equity allocation, at 65% vs. 45% for the median, which has hurt PERS in the past, was the primary cause of outperformance relative to its peers in the second quarter.

Domestic Equity

The US equity market posted strong returns for the quarter of almost 15%. This strong performance resulted in a positive 2009 year to date return of over 3%; however, the trailing one year results remained disappointing (-26.2%). For the quarter, small caps outperformed large caps by a healthy margin but there was little difference between growth and value styles. The financial sector had a strong rally and returned over 35% for the quarter and was the strongest sector of the market followed by industrials and consumer discretionary. Bank of America was the strongest performer in the S&P 500 Index with a 93% return for the quarter. The domestic equity composite led its benchmark by 1.3% and outperformed roughly 70% of its peers.

---

[1] Target Benchmark is 43% US Equity (Russell 3000 Index), 16% Non-US Equity (MSCI ACWI x US), 23.0% Fixed Income (BC Aggregate), 7.0% US Real Estate (3.8% NCREIF NFI ODCE Index, 1.4% DJWilshire REIT Index, 0.9% Russell 3000-temporary, 0.9% BC Aggregate-temporary), 1% Cash (3 Month T- Bill), 5.0% Private Equity (Russell 3000-temporary), 5.0% Absolute Return (MSCI AC World X US-temporary)

Summary

Overall, the PERS Domestic Equity portfolio led its benchmark and performed competitively with its peers. The large cap portfolio managers each lagged their respective benchmarks . The Mid Cap portfolio had a great quarter, with each manager outperforming their benchmark and or placing in the top quartile of their peer group. In Small Cap, the new small cap growth manager, Boston Company, trailed its benchmark, but both Wellington and DFA outperformed significantly.

The Large Cap Equity portfolio trailed its benchmark for the quarter, with a 15.3% return while the Russell 1000 Index gained 16.5%. The portfolio is dominated by the S&P 500 Index investment managed by Northern Trust. The Value and Growth portfolios remained equally balanced, with the value segment passively managed. The large cap growth portfolio, made up of Fayez Sarofim and INTECH, failed to keep up with the market during the quarter, with a 12.5% return versus 16.3% gain of the Russell 1000 Growth benchmark.

The Mid Cap Equity portfolio had a solid second quarter, as each of the managers outperformed their benchmark with the exception of Artisan Partners. Even though Artisan trailed its benchmark by two basis points, it managed to place in the top quartile of its universe. Both Boston Company and Wellington led their benchmark by over 290 basis points. Due to strong longer-term performance from all the System's mid cap mangers, the mid cap composite was solidly ahead of its benchmark for one-, three-, and five-year periods.

In Small Cap, two of the three managers, Wellington and DFA, beat their benchmarks by significant margins. Boston Company trailed its benchmark by a wide margin. Overall, the small cap portfolio outperformed for the quarter, with a 24.5% return versus 20.7% for the benchmark. With the addition of Boston Company, the small cap portfolio is equally balanced between growth, value and core. Longer-term results for the portfolio left something to be desired, as the composite trailed the benchmark and peer group for all longer time periods evaluated. Longer-term results were hurt by the poor performance of the Delaware portfolio as well as sub par performance from DFA. Nonetheless, the balance of approaches between the three managers should be beneficial going forward.

International Equity

International stock markets followed the same upward trend as the US market during the second quarter. The MSCI EAFE Index representing the developed markets was up over 25% for the quarter with Singapore being the top performing country in the index with a 46% return. In the international markets, value outperformed growth and small cap outperformed large cap for the quarter. Emerging markets represented by the MSCI Emerging Markets Index outperformed developed markets and were up almost 35% for the quarter. India was the top performing country for the quarter returning 60%. Year to date, the MSCI EAFE was up almost 8% and the MSCI Emerging Markets was up 36% but both indices trailed the US for the one-year period. Relative to other major currencies the US dollar declined an average of 7.8% during the quarter, benefiting US investors in overseas markets. The Australian dollar and UK pound posted double digit gains versus the US dollar during the second quarter.

The PERS Global Equity portfolio produced below benchmark results for the quarter, while the international developed and emerging markets portfolios modestly outperformed. Within the developed equity portfolio, only DFA and AllianceBerstein outpaced their benchmark; however, DFA's 33.3% return was enough to boost the composite. The System continued to benefit from the timing of the recent rebalancing to the Lazard Emerging Markets portfolio as it outperformed its benchmark with a return of 35.4%. Currently, the regional portfolio is 5% overweight Europe relative to Asia/Pacific. Longer-term, the international and global portfolios have struggled.

Domestic Fixed Income

The fixed income market continued its reversal from 2008 as investors sought out higher yielding securities. The Treasury market posted negative results and high yield market was the top performing sector of the market, returning 23% for the quarter. The commercial mortgage backed sector and the investment grade corporate sector of the market also saw double digit returns during the quarter after struggling for much of 2008.

The PERS Fixed Income portfolio gained 3.7% for the quarter compared to the benchmark's 1.8% gain. While Aberdeen had the largest outperformance for the quarter, leading the benchmark by over 400 basis points, UBS, and PIMCO each led their indices by over 100 basis points. Both the TIPS and Gov/Credit index strategies tracked their benchmark indices. Despite near term outperformance, longer-term results remained weak, primarily due to poor performance in 2008.

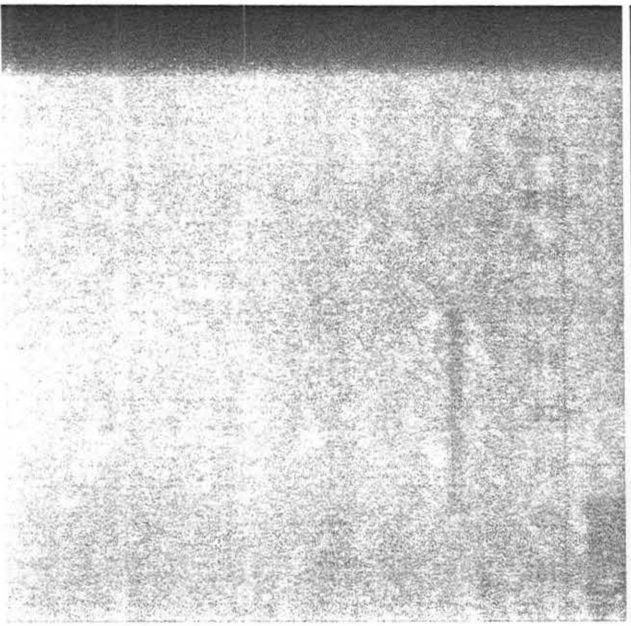
Real Estate

After a dismal first quarter, investors fears seemed to have abated during the second quarter as REITs were some of the strongest performance securities during the quarter. Wellington's REIT portfolio returned 34.4% beating the REIT index by 290 basis points. RREEF trailed the benchmark but still managed to post a 31.0% result. The private real estate portfolio struggled on a real return basis but managed to outpace the -9.3% return of the benchmark and place in the top quartile of its peer group. This outperformance was due to the Core Portfolio, primarily UBS as they posted a top decile, -6.4% return. The Value Added real estate portfolio struggled during the quarter as Angelo Gordon was the only manager to outpace the benchmark, albeit by a wide margin. However, all three of the Value Add managers are in the early stages of their investment cycle and it is too soon to draw conclusions on their results.

The Hancock timber portfolio had minimal activity this quarter, though timber prices continue to show signs of improvement.

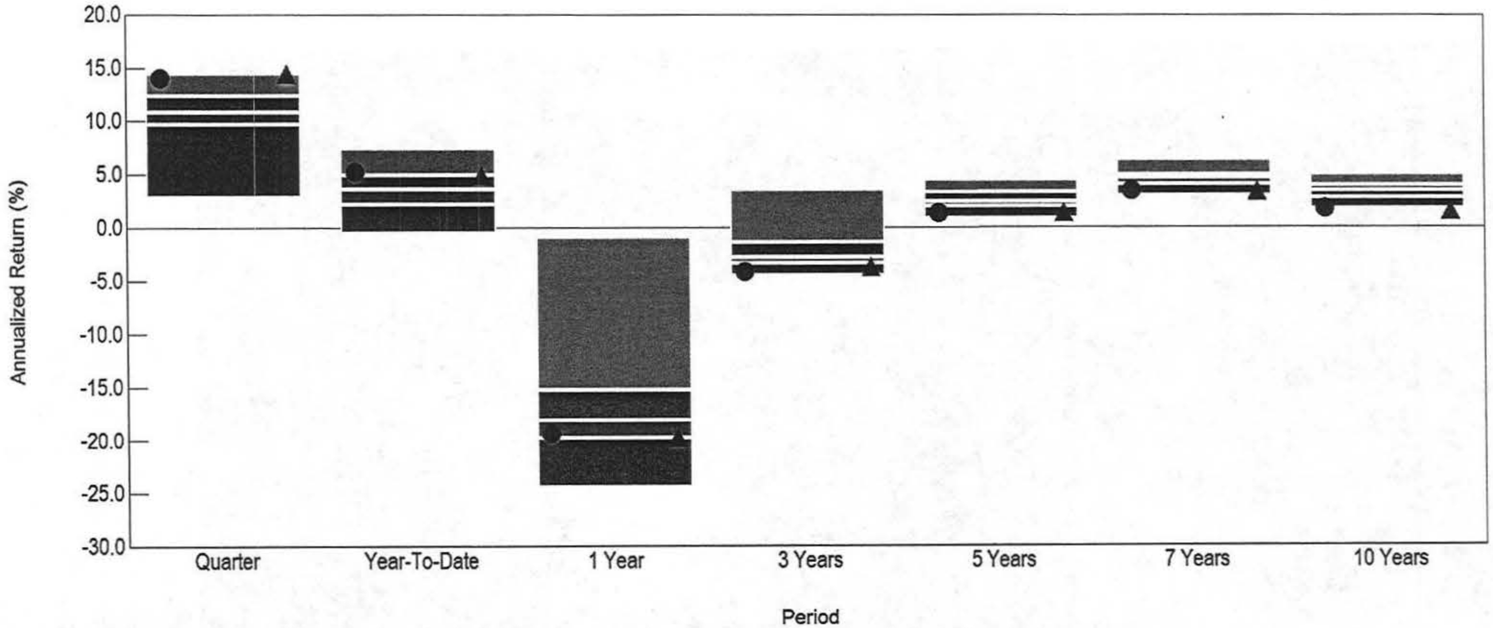
Alternatives

The Private Equity portfolio managed by Pathways has started to make commitments to several private equity funds, with capital calls totaling over $11.7 million. The Credit Suisse portfolio made its first capital call during the second quarter.



Total Plan

Total Plan Performance vs. Public Funds >$1B
Ending June 30, 2009



Return (Rank)	Quarter		Year-To-Date		1 Year		3 Years		5 Years		7 Years		10 Years	
5th Percentile	14.5		7.5		-0.8		3.7		4.5		6.5		5.1	
25th Percentile	12.4		4.9		-15.3		-1.4		3.3		5.0		4.0	
Median	10.9		3.7		-18.1		-2.8		2.5		4.7		3.5	
75th Percentile	9.7		2.2		-19.8		-3.3		2.0		4.1		2.8	
95th Percentile	2.9		-0.5		-24.4		-4.5		0.8		3.0		1.7	
# of Portfolios	60		52		49		47		42		39		30	
● Total Fund	14.0	(7)	5.2	(23)	-19.4	(67)	-4.2	(94)	1.4	(88)	3.5	(91)	1.8	(95)
▲ Total Fund Benchmark	14.5	(6)	4.9	(26)	-19.8	(75)	-3.7	(85)	1.4	(86)	3.4	(92)	1.6	(97)

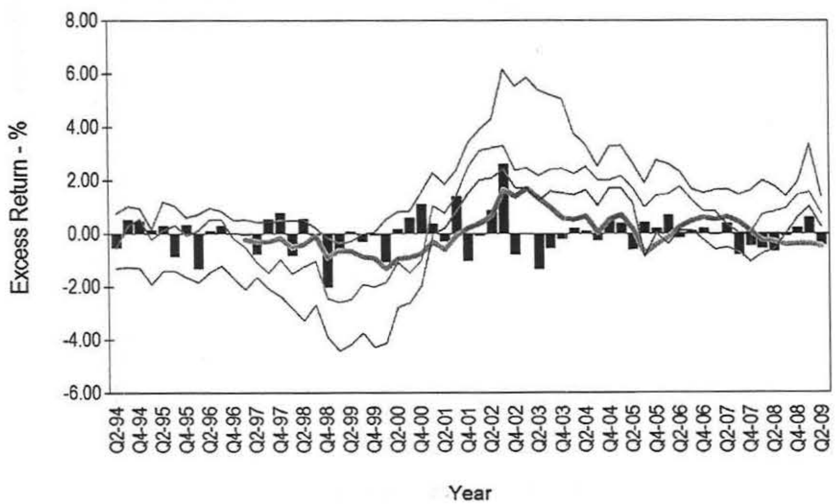
Total Plan

Performance and Risk

Calendar Year Performance

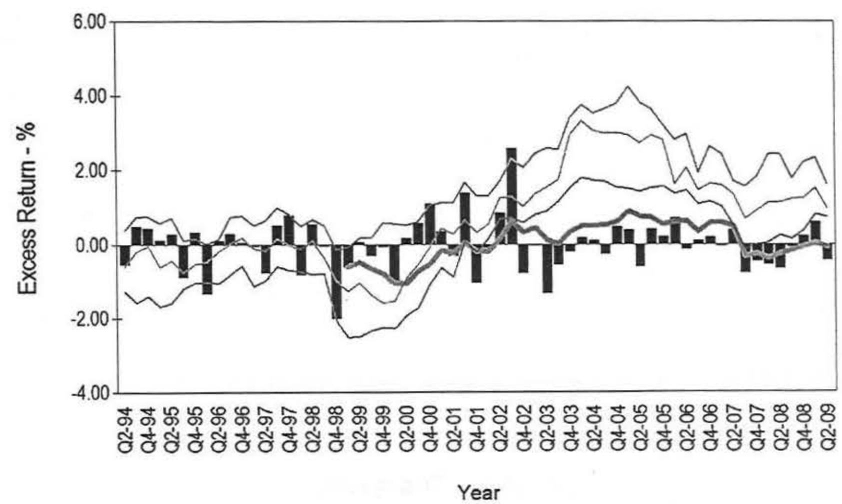
	2008		2007		2006		2005		2004		2003	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Total Fund	**-29.8%**	**88**	**7.1%**	**80**	**15.7%**	**25**	**7.5%**	**81**	**11.9%**	**72**	**20.4%**	**90**
Total Fund Benchmark	-29.0	80	8.0	63	14.8	49	7.1	84	11.4	85	22.8	73

Rolling Three Year Annualized Excess Performance Relative to Total Fund Benchmark



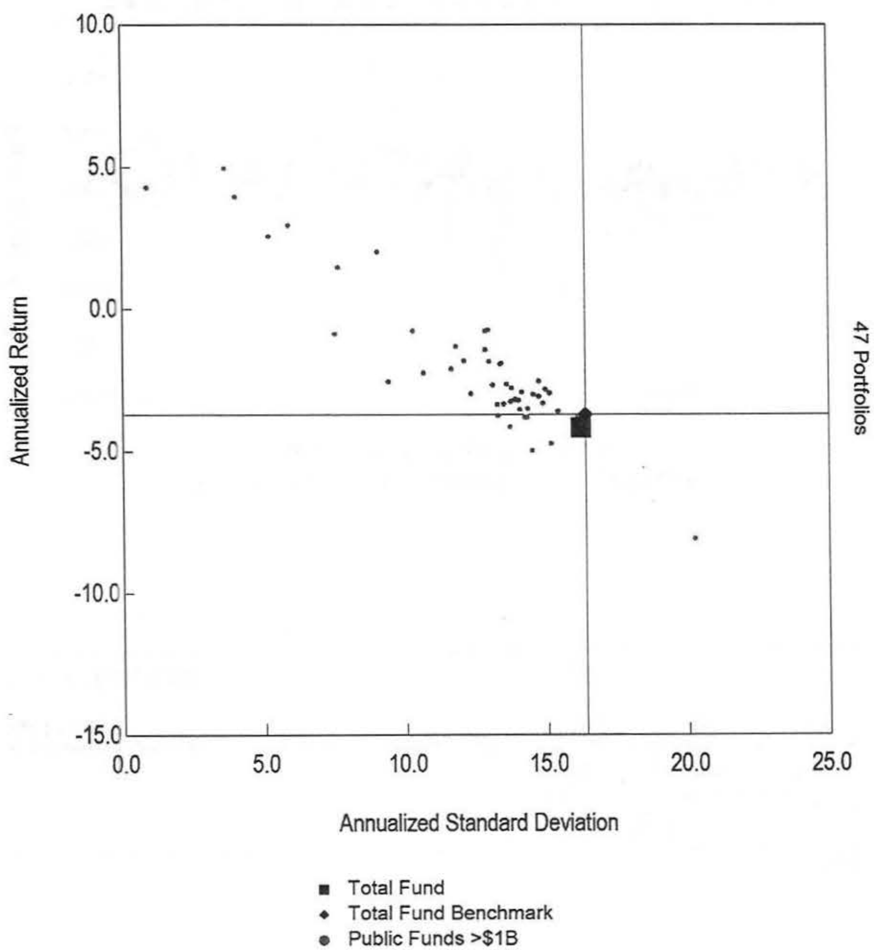
Quarterly Out/Under Performance, Rising Market
Quarterly Out/Under Performance, Falling Market
Rolling 3 Year Excess Performance vs. Index
Universe Upper Quartile
Universe Median
Universe Lower Quartile

Rolling Five Year Annualized Excess Performance Relative to Total Fund Benchmark

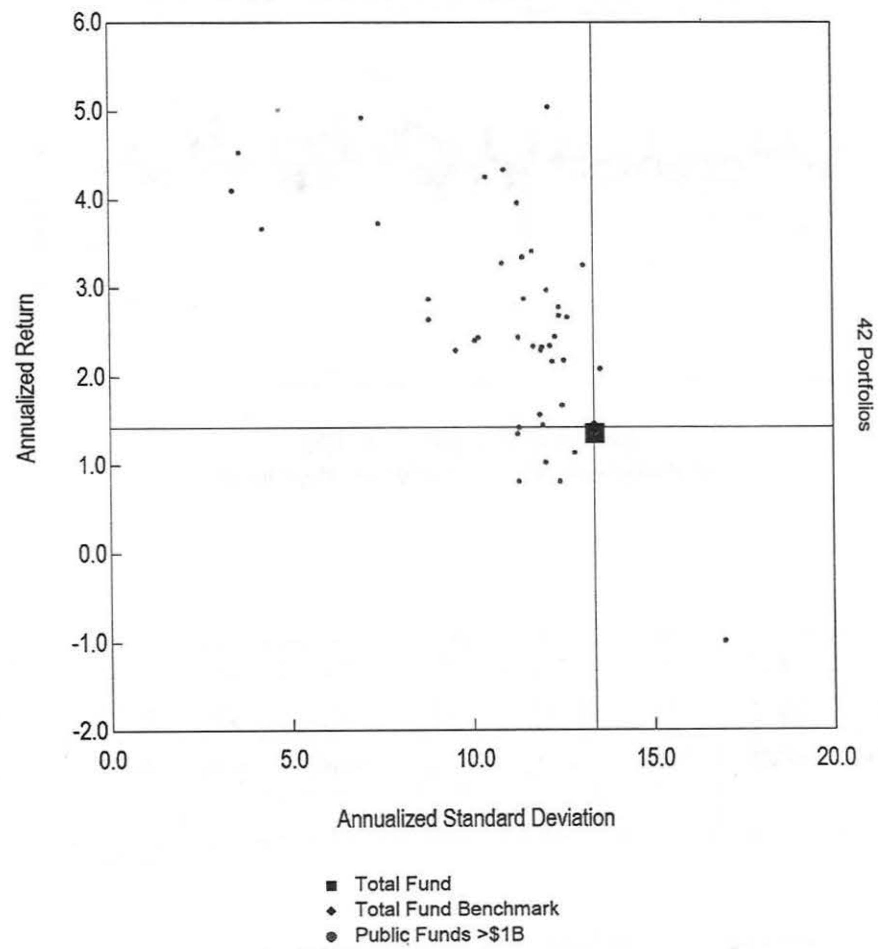


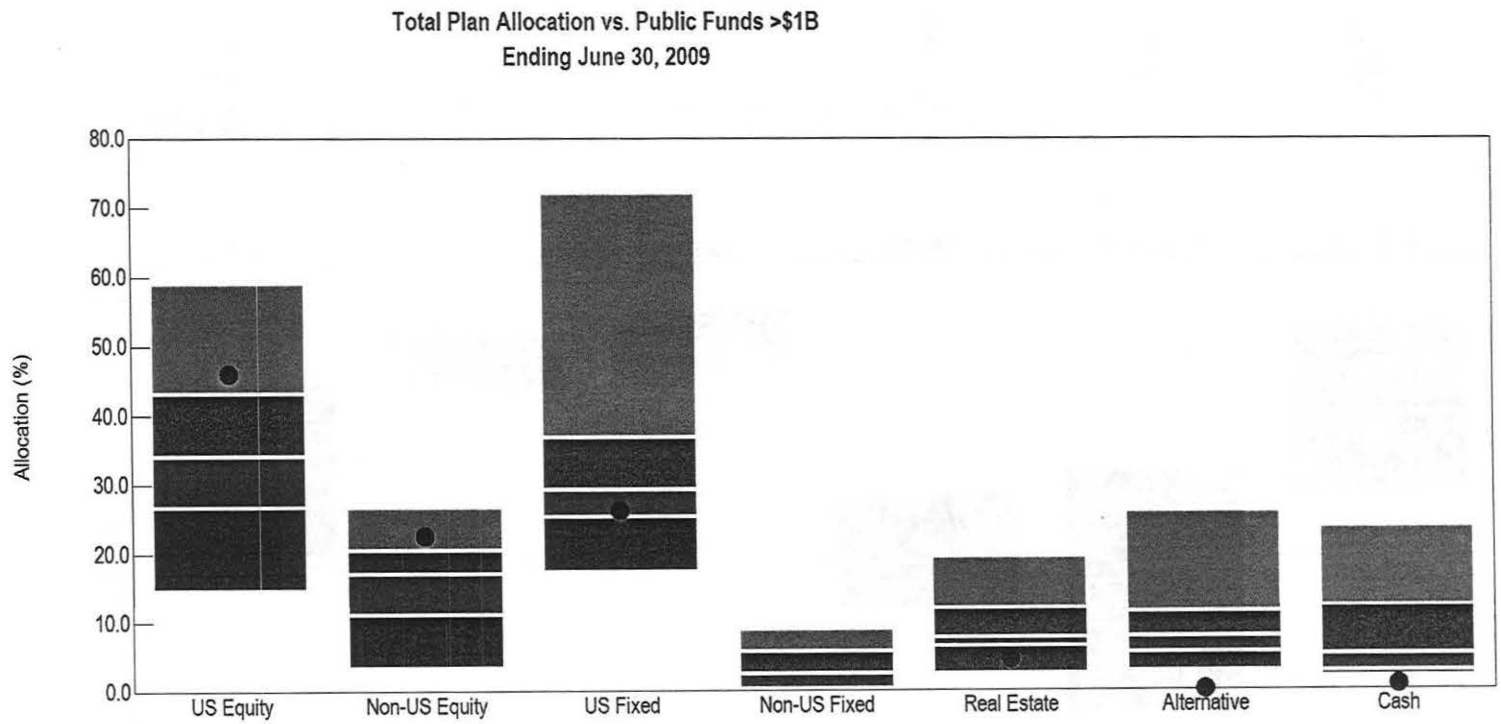
Quarterly Out/Under Performance, Rising Market
Quarterly Out/Under Performance, Falling Market
Rolling 5 Year Excess Performance vs. Index
Universe Upper Quartile
Universe Median
Universe Lower Quartile

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2009



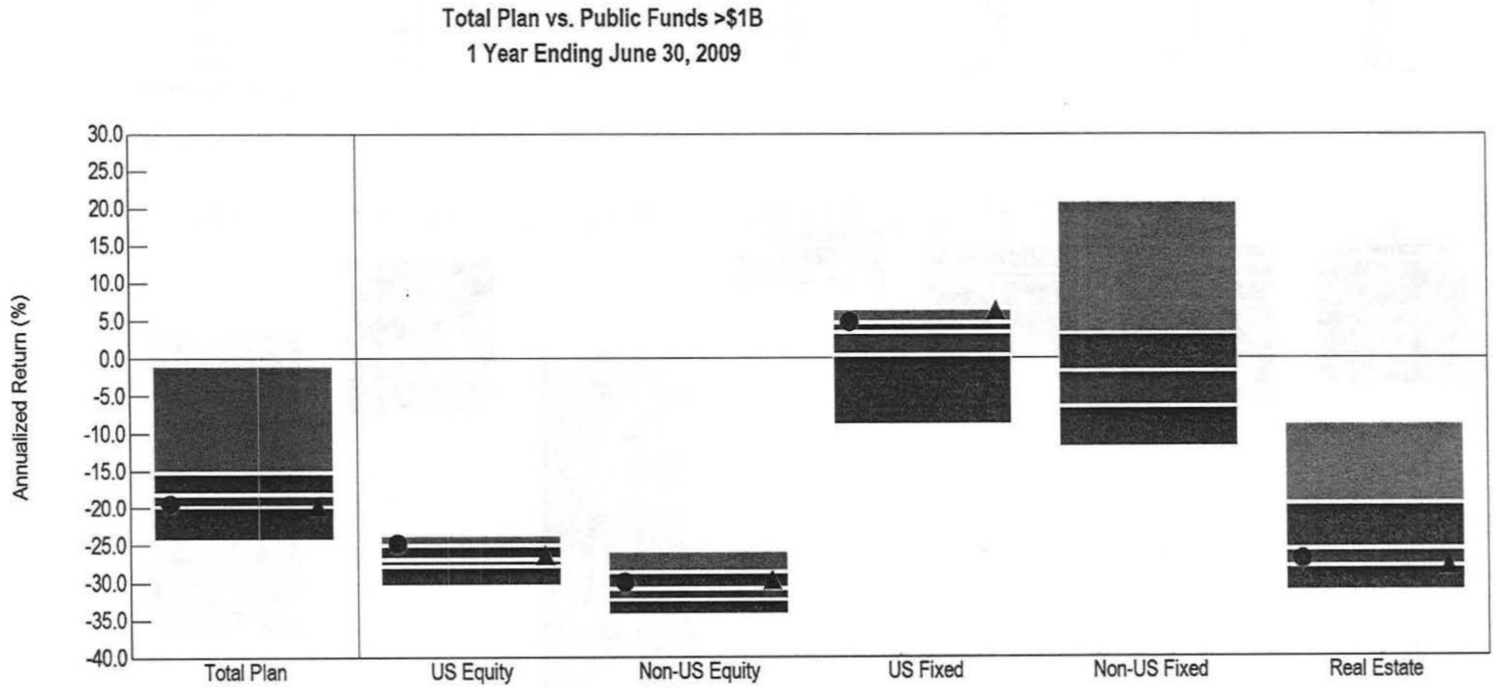
Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2009





Allocation (Rank)	US Equity		Non-US Equity		US Fixed		Non-US Fixed		Real Estate		Alternative		Cash	
5th Percentile	59.2		26.8		72.1		8.9		19.5		26.0		23.7	
25th Percentile	43.2		20.5		36.9		5.7		11.9		11.3		12.2	
Median	34.2		17.1		29.2		2.5		7.7		7.7		5.1	
75th Percentile	26.8		11.1		25.4		0.3		6.5		5.6		2.7	
95th Percentile	14.7		3.4		17.4		0.1		2.4		2.8		1.9	
# of Portfolios	46		45		53		26		10		27		25	
● Total Fund	46.0	(21)	22.5	(16)	26.2	(69)	--	(--)	4.4	(91)	0.1	(99)	0.7	(99)

Returns by Asset Class: Plan vs. Universe

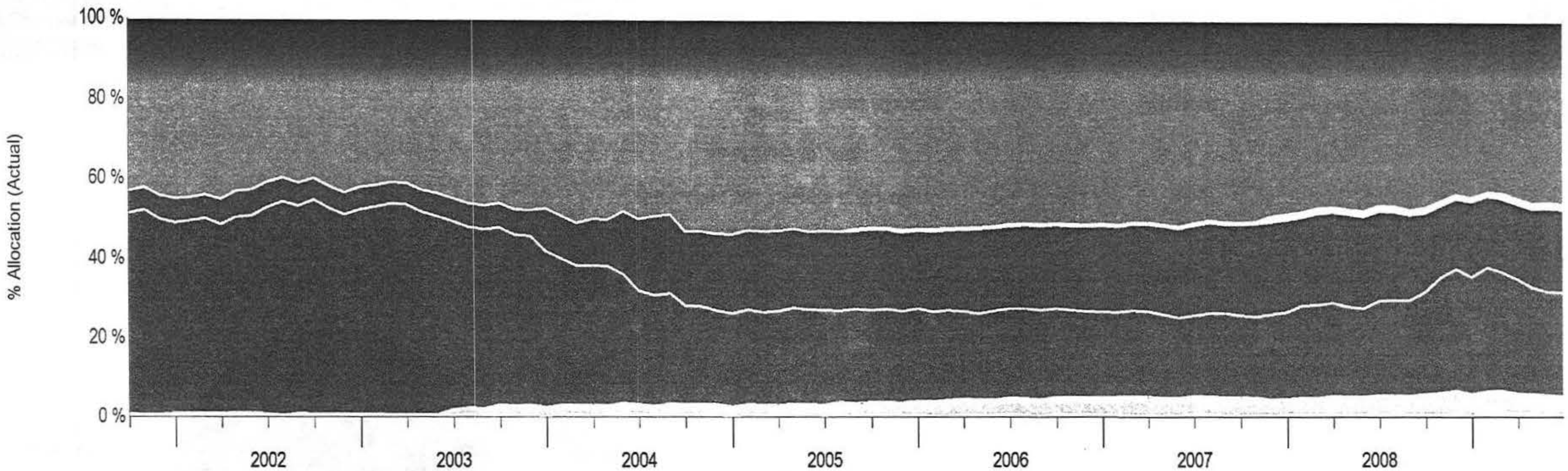


Return (Rank)	Total Plan		US Equity		Non-US Equity		US Fixed		Non-US Fixed		Real Estate	
5th Percentile	-0.8		-23.6		-25.7		6.6		21.1		-8.6	
25th Percentile	-15.3		-25.0		-28.7		4.7		3.3		-19.5	
Median	-18.1		-26.9		-30.9		3.4		-1.8		-25.6	
75th Percentile	-19.8		-27.8		-32.3		0.3		-6.5		-28.0	
95th Percentile	-24.4		-30.5		-34.4		-9.1		-12.0		-31.3	
# of Portfolios	49		38		39		44		17		9	
● Total Fund	-19.4	(67)	-24.8	(16)	-30.0	(41)	4.8	(25)	--	(--)	-26.9	(58)
▲ Benchmark*	-19.8	(75)	-26.3	(45)	-29.7	(36)	6.3	(7)	--	(--)	-27.9	(68)

**Asset class benchmarks are blends of the benchmarks assigned to accounts within that asset class.*

Total Plan

Asset Allocation

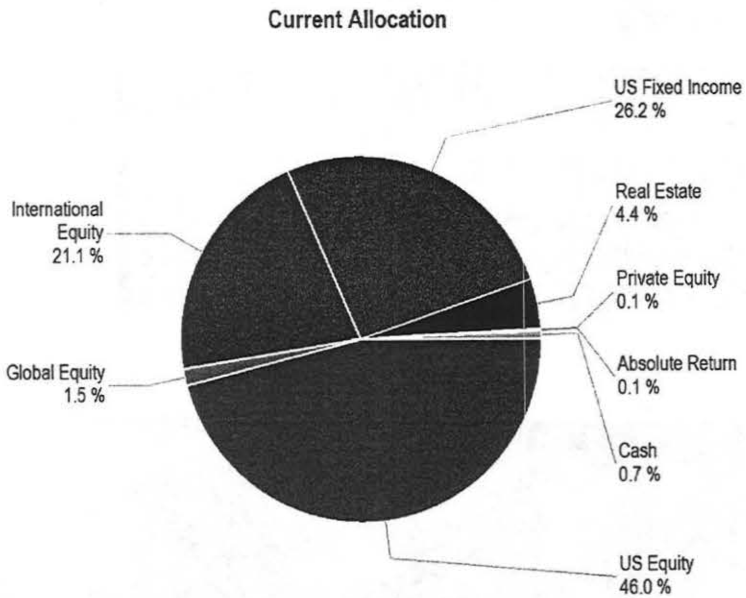


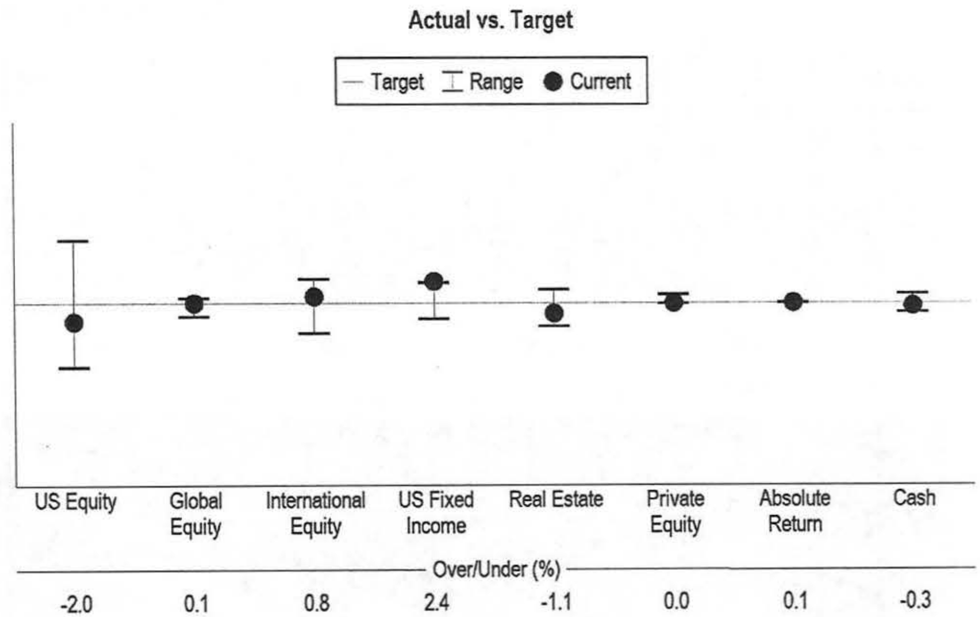
44.9	45.1	40.8	39.8	42.0	41.0	44.7	46.0	47.4	50.0	50.0	53.2	53.8	52.9	53.0	52.2	52.4	52.1	51.2	50.9	51.0	50.8	51.0	50.8	48.7	46.8	46.5	47.1	44.4	44.7	46.0
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1.4	1.3	1.4	1.2	1.1	1.4	1.5
6.0	6.3	6.4	5.4	5.6	5.3	5.8	6.1	10.6	11.7	18.1	18.7	20.0	20.3	20.0	20.5	19.8	20.7	21.0	21.1	21.8	22.2	22.8	23.1	23.5	23.0	22.8	20.2	19.0	18.9	21.1
48.0	47.6	51.9	53.9	51.5	52.9	47.5	44.7	39.5	35.3	28.6	24.9	23.4	23.6	23.9	23.2	23.1	21.9	22.2	22.2	21.4	21.3	20.3	20.5	21.7	23.4	23.7	25.7	29.6	28.9	26.2
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.0	--	--	--	--	--	--
--	--	--	--	--	--	1.5	2.5	2.4	2.5	2.5	2.6	2.7	2.6	2.8	2.7	3.2	3.8	3.9	4.0	4.1	4.2	4.0	4.0	4.0	4.7	4.7	5.2	5.3	4.9	4.4
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	0.0	0.0	0.1
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	0.1
1.0	1.0	0.9	0.9	0.9	0.8	0.4	0.6	0.1	0.6	0.8	0.7	0.0	0.6	0.3	0.6	0.6	0.6	0.8	0.8	0.7	0.6	0.9	0.6	0.7	0.7	1.0	0.7	0.6	1.1	0.7

US Equity
Global Equity
International Equity
US Fixed Income
Balanced
Real Estate
Private Equity
Absolute Return
Cash

Total Plan

Asset Allocation vs. Implementation Target





Allocation vs. Targets and Policy

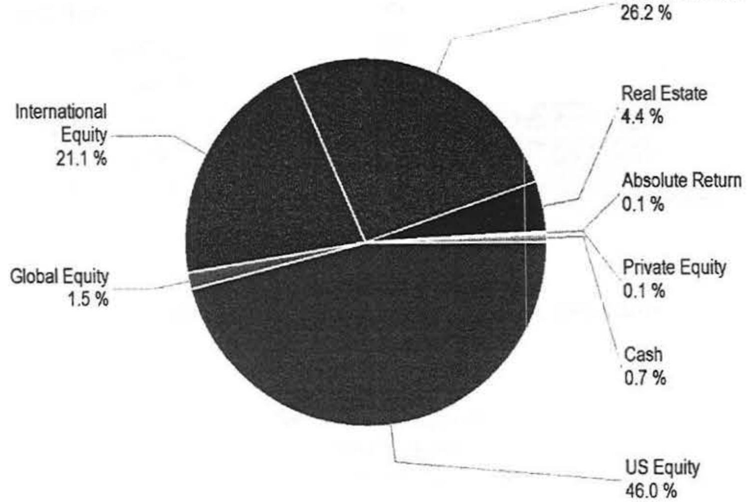
As of June 30, 2009

	Current Balance	Current Allocation	Target Allocation	Difference	Target Ranges	Within IPS Range?
US Equity	$7,104,329,608	46.0%	48.0%	-$309,367,476	41.0% - 55.0%	Yes
Global Equity	$224,511,418	1.5%	1.4%	$8,278,587	0.0% - 2.0%	Yes
International Equity	$3,254,810,470	21.1%	20.3%	$119,434,412	17.0% - 23.0%	Yes
US Fixed Income	$4,043,421,583	26.2%	23.7%	$376,730,567	22.0% - 26.0%	No
Real Estate	$683,180,709	4.4%	5.5%	-$169,394,456	3.0% - 7.0%	Yes
Private Equity	$12,816,835	0.1%	0.0%	$6,638,754	0.0% - 1.0%	Yes
Absolute Return	$10,000,000	0.1%	0.0%	$10,000,000	0.0% - 0.0%	No
Cash	$112,131,635	0.7%	1.0%	-$42,320,387	0.0% - 2.0%	Yes

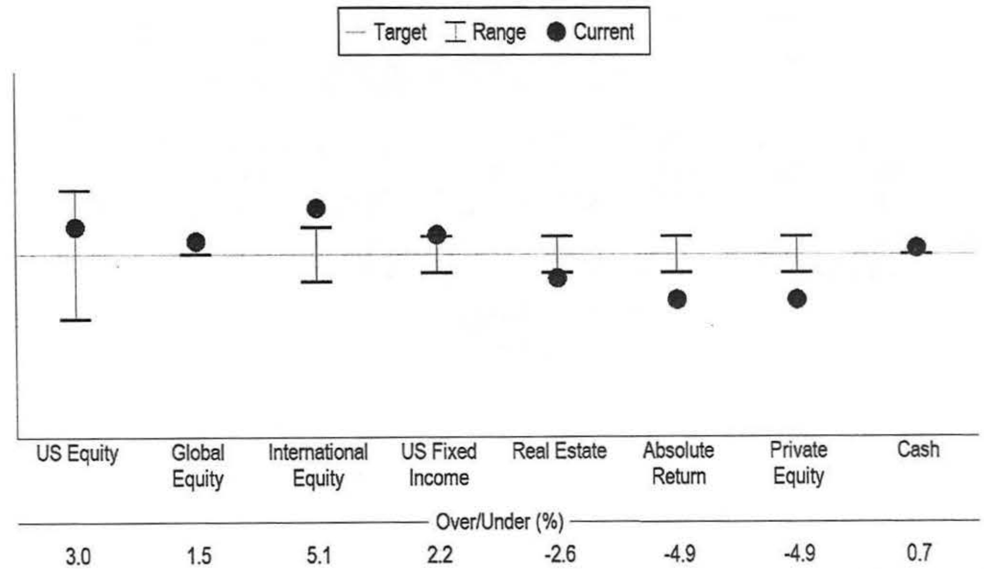
Total Plan

Asset Allocation vs. Strategic Target

Current Allocation



Actual vs. Target



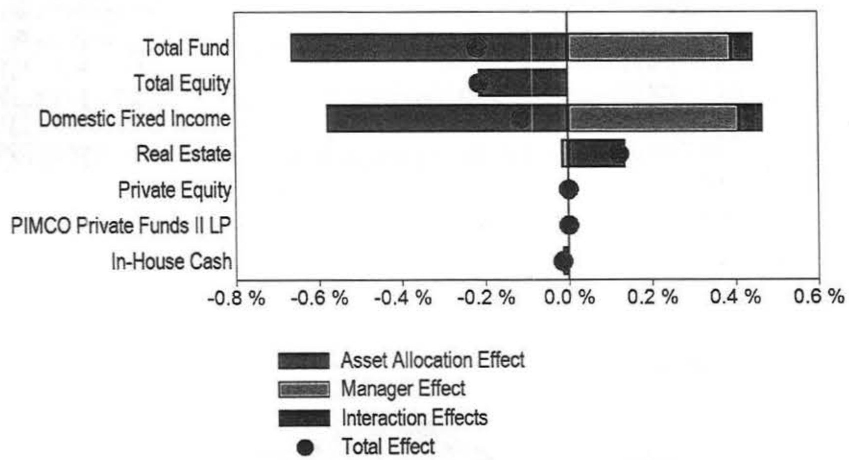
Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Target Allocation	Difference	Target Ranges	Within IPS Range?
US Equity	$7,104,329,608	46.0%	43.0%	$462,892,637	36.0% - 50.0%	Yes
Global Equity	$224,511,418	1.5%	0.0%	$224,511,418	0.0% - 0.0%	No
International Equity	$3,254,810,470	21.1%	16.0%	$783,578,109	13.0% - 19.0%	No
US Fixed Income	$4,043,421,583	26.2%	24.0%	$336,573,041	22.0% - 26.0%	No
Real Estate	$683,180,709	4.4%	7.0%	-$397,983,449	5.0% - 9.0%	No
Absolute Return	$10,000,000	0.1%	5.0%	-$762,260,113	3.0% - 7.0%	No
Private Equity	$12,816,835	0.1%	5.0%	-$759,443,278	3.0% - 7.0%	No
Cash	$112,131,635	0.7%	0.0%	$112,131,635	0.0% - 0.0%	No
Total	**$15,445,202,258**	**100.0%**	**100.0%**			

Total Plan

Attribution

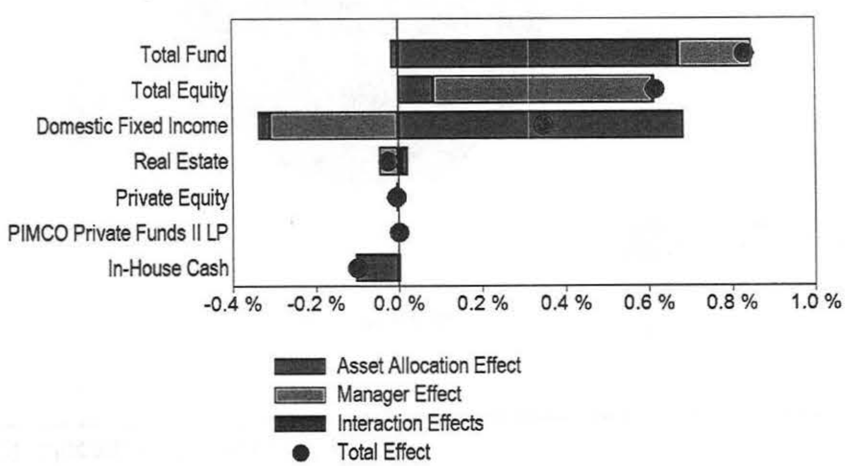
Attribution Effects Relative to Total Fund Benchmark
3 Months Ending June 30, 2009



Attribution Summary
3 Months Ending June 30, 2009

	Actual Return	Target Return	Relative Return	Manager Effect	Asset Allocation Effect	Interaction Effects	Total Effects
Total Equity	20.2%	20.2%	0.0%	0.0%	-0.2%	0.0%	-0.2%
Domestic Fixed Income	3.4%	1.8%	1.6%	0.4%	-0.6%	0.1%	-0.1%
Real Estate	-1.8%	-1.6%	-0.1%	0.0%	0.1%	0.0%	0.1%
Private Equity	-14.0%	15.5%	-29.5%	--	--	--	--
PIMCO Private Funds II LP	--	--	--	--	--	--	--
In-House Cash	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	**14.0%**	**14.2%**	**-0.2%**	**0.4%**	**-0.7%**	**0.1%**	**-0.2%**

Attribution Effects Relative to Total Fund Benchmark
1 Year Ending June 30, 2009



Attribution Summary
1 Year Ending June 30, 2009

	Actual Return	Target Return	Relative Return	Manager Effect	Asset Allocation Effect	Interaction Effects	Total Effects
Total Equity	-27.2%	-27.9%	0.7%	0.5%	0.1%	0.0%	0.6%
Domestic Fixed Income	4.4%	6.0%	-1.7%	-0.3%	0.7%	0.0%	0.3%
Real Estate	-31.7%	-31.1%	-0.6%	0.0%	0.0%	0.0%	0.0%
Private Equity	--	--	--	0.0%	0.0%	0.0%	0.0%
PIMCO Private Funds II LP	--	--	--	--	--	--	--
In-House Cash	1.0%	0.5%	0.5%	0.0%	-0.1%	0.0%	-0.1%
Total	**-19.3%**	**-20.1%**	**0.8%**	**0.2%**	**0.7%**	**0.0%**	**0.8%**

Performance Attribution

Quarter Ending June 30, 2009

	Quarter	YTD	1 Yr	3 Yrs	2008	2007	2006	2005
Total Fund Return	14.0%	5.3%	-19.3%	-4.1%	-29.7%	7.2%	15.4%	7.5%
Policy Benchmark	14.2%	4.7%	-20.1%	-3.7%	-29.1%	8.4%	15.1%	7.5%
Excess Return	**-0.2%**	**0.6%**	**0.8%**	**-0.4%**	**-0.7%**	**-1.2%**	**0.3%**	**0.0%**
Selection Effect	0.4%	0.3%	0.2%	-0.6%	-0.7%	-1.4%	0.4%	0.2%
Asset Allocation Effect	-0.7%	0.2%	0.7%	0.2%	0.1%	0.0%	0.0%	-0.2%
Interaction Effect	0.1%	0.1%	0.0%	0.0%	-0.1%	0.2%	-0.1%	0.0%

Total Plan

Reconciliation

Portfolio Reconciliation By Manager

Quarter Ending June 30, 2009

	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Eagle Capital	$204,593,174	-$773,819	$31,267,967	$235,087,322
Fayez Sarofim	$451,725,726	-$542,330	$57,448,411	$508,631,807
Intech	$469,260,840	-$928,851	$58,655,319	$526,987,308
SSGA Russell 1000 Value	$880,673,878	-$54,200	$146,279,559	$1,026,899,237
Northern Trust	$2,607,272,229	-$1,035,655	$413,665,311	$3,019,901,885
Boston Company	$276,365,301	-$929,218	$63,485,939	$338,922,022
Wellington Mid Cap	$260,961,515	-$686,534	$56,927,048	$317,202,029
Artisan Partners	$402,815,397	-$1,034,118	$83,050,521	$484,831,800
Dimensional Fund Advisors	$166,899,843	-$466,284	$42,694,549	$209,128,108
Wellington Small Cap	$178,034,513	-$656,891	$59,839,813	$237,217,434
Boston Company-SCG	$174,470,267	-$622,832	$25,673,221	$199,520,657
Acadian Intl	$190,621,689	-$472,634	$34,362,363	$224,511,418
BGI EAFE Index	$605,911,454	-$30,104,514	$152,317,782	$728,124,722
Dimensional Fund Advisors, Inc. EAFE	$365,018,264	-$697,893	$121,867,200	$486,187,571
Jarislowsky Fraser	$380,037,719	-$514,981	$86,828,810	$466,351,548
New Star Asset Mgmt	$370,864,634	-$700,807	$85,384,897	$455,548,724
AllianceBernstein	$267,312,094	-$428,243	$69,900,653	$336,784,504
Capital Guardian- Pac Basin	$93,945,329	-$294,702	$24,228,021	$117,878,648
Lazard Emerging Markets	$490,712,157	-$944,143	$174,166,739	$663,934,754
Aberdeen	$573,705,639	-$440,245	$36,916,099	$610,181,492
Barclays Global Investors	$754,294,104	-$141,764	$13,132,103	$767,284,443
PIMCO	$982,842,910	-$10,760,081	$54,251,368	$1,026,334,197
UBS	$537,605,425	-$204,582	$12,783,048	$550,183,891
Standish Mellon	$762,675,184	-$104,455	$15,667,887	$778,238,616
SSgA TIPS	$309,697,395	-$5,939	$1,507,488	$311,198,943
RREEF REIT	$55,901,049	-$218,100	$17,447,042	$73,129,991

Total Plan

Reconciliation

	Quarter Ending June 30, 2009			
	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Wellington REIT	$51,291,854	-$174,033	$17,761,955	$68,879,776
Principal Capital	$183,348,991	$0	-$19,058,746	$164,290,245
UBS Realty Investors	$256,468,351	$0	-$16,369,485	$240,098,866
AEW Partners	$23,568,591	$728,758	-$3,360,393	$20,936,955
Heitman Capital Mgmt Corp	$11,993,469	$274,484	-$2,976,513	$9,291,441
Angelo, Gordon & Co.	$17,180,444	$0	-$227,813	$16,952,631
Hancock Timber Fund	$66,425,304	$30,000,000	-$6,824,500	$89,600,804
Pathway PEF XXIII	$5,630,134	$3,479,322	-$1,248,213	$7,861,243
Credit Suisse PEF I	$0	$5,225,035	-$269,442	$4,955,592
PIMCO Private Funds II LP	$0	$10,000,000	$0	$10,000,000
In-House Cash	$154,434,333	-$42,391,139	$88,441	$112,131,635
Total	**$13,584,559,201**	**-$46,621,390**	**$1,907,264,448**	**$15,445,202,258**

Total Plan

Performance Summary

Total Plan Performance

Ending June 30, 2009

Name	Current Market Value	Current Allocation	3 Mo	Rank	YTD	Rank	Fiscal YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	10 Yrs	Rank
Total Fund	**$15,446,285,886**	**100.0%**	**14.0%**	**7**	**5.2%**	**23**	**-19.4%**	**67**	**-19.4%**	**67**	**-4.2%**	**94**	**1.4%**	**88**	**1.8%**	**95**
Total Fund Benchmark			*14.5%*	*6*	*4.9%*	*26*	*-19.8%*	*75*	*-19.8%*	*75*	*-3.7%*	*85*	*1.4%*	*86*	*1.6%*	*97*
Public Funds >$1B Median			*10.9%*		*3.7%*		*-18.1%*		*-18.1%*		*-2.8%*		*2.5%*		*3.5%*	
Total Equity	**$10,584,735,124**	**68.5%**	**20.2%**	**--**	**6.9%**	**--**	**-27.2%**	**--**	**-27.2%**	**--**	**-7.8%**	**--**	**-0.3%**	**--**	**-0.3%**	**--**
Total Equity Index			*20.2%*	*--*	*7.3%*	*--*	*-27.9%*	*--*	*-27.9%*	*--*	*-7.4%*	*--*	*-0.1%*	*--*	*-0.3%*	*--*
Domestic Equity	**$7,104,329,608**	**46.0%**	**17.0%**	**54**	**4.8%**	**46**	**-25.3%**	**31**	**-25.3%**	**31**	**-8.0%**	**37**	**-1.6%**	**54**	**-0.9%**	**56**
Russell 3000			*16.8%*	*60*	*4.2%*	*56*	*-26.6%*	*47*	*-26.6%*	*47*	*-8.3%*	*54*	*-1.8%*	*61*	*-1.5%*	*89*
Public Funds >$1B - US Eq Median			*17.1%*		*4.4%*		*-26.9%*		*-26.9%*		*-8.2%*		*-1.5%*		*-0.7%*	
Eagle Capital	$235,087,322	1.5%	15.1%	66	8.0%	43	-23.5%	35	-23.5%	35	-4.4%	32	--	--	--	--
Russell 3000			*16.8%*	*52*	*4.2%*	*65*	*-26.6%*	*52*	*-26.6%*	*52*	*-8.3%*	*69*	*-1.8%*	*82*	*-1.5%*	*94*
Mercer Instl US Equity Large Cap - All Cap Median			*17.0%*		*6.3%*		*-26.4%*		*-26.4%*		*-6.6%*		*0.9%*		*3.3%*	
Large Cap Equity	**$5,082,420,236**	**32.9%**	**15.3%**	**55**	**1.9%**	**70**	**-26.3%**	**55**	**-26.3%**	**55**	**-8.2%**	**67**	**-2.0%**	**79**	**-1.6%**	**81**
Russell 1000			*16.5%*	*40*	*4.3%*	*53*	*-26.7%*	*59*	*-26.7%*	*59*	*-8.2%*	*66*	*-1.8%*	*76*	*-1.7%*	*83*
Mercer Instl US Equity Large Cap Median			*15.6%*		*4.6%*		*-25.9%*		*-25.9%*		*-7.0%*		*-0.8%*		*0.5%*	
Large Cap Growth Equity	**$1,035,619,114**	**6.7%**	**12.5%**	**80**	**3.7%**	**88**	**-23.8%**	**34**	**-23.8%**	**34**	**-5.3%**	**47**	**-1.5%**	**71**	**-1.1%**	**55**
Russell 1000 Growth			*16.3%*	*37*	*11.5%*	*38*	*-24.5%*	*40*	*-24.5%*	*40*	*-5.5%*	*48*	*-1.8%*	*77*	*-4.2%*	*97*
Mercer Instl US Equity Large Cap Growth Median			*15.2%*		*10.0%*		*-25.7%*		*-25.7%*		*-5.6%*		*-0.6%*		*-0.7%*	
Fayez Sarofim	$508,631,807	3.3%	12.7%	80	1.1%	94	-24.1%	37	-24.1%	37	-4.7%	39	-1.1%	60	-0.9%	52
S&P 500 Index (Total Return)			*15.9%*	*41*	*3.2%*	*90*	*-26.2%*	*57*	*-26.2%*	*57*	*-8.2%*	*85*	*-2.2%*	*82*	*-2.2%*	*72*
Russell 1000 Growth			*16.3%*	*37*	*11.5%*	*38*	*-24.5%*	*40*	*-24.5%*	*40*	*-5.5%*	*48*	*-1.8%*	*77*	*-4.2%*	*97*
Mercer Instl US Equity Large Cap Growth Median			*15.2%*		*10.0%*		*-25.7%*		*-25.7%*		*-5.6%*		*-0.6%*		*-0.7%*	

Total Plan

Performance Summary

Name	Current Market Value	Current Allocation	3 Mo	Rank	YTD	Rank	Fiscal YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	10 Yrs	Rank
			Ending June 30, 2009													
Intech	$526,987,308	3.4%	12.4%	80	6.5%	77	-23.4%	30	-23.4%	30	-5.9%	55	--	--	--	--
S&P 500/Citigroup Growth			*14.6%*	*60*	*7.5%*	*71*	*-23.9%*	*36*	*-23.9%*	*36*	*-5.1%*	*43*	*-1.9%*	*77*	*-3.4%*	*91*
Mercer Instl US Equity Large Cap Growth Median			*15.2%*		*10.0%*		*-25.7%*		*-25.7%*		*-5.6%*		*-0.6%*		*-0.7%*	
SSGA Russell 1000 Value	$1,026,899,237	6.6%	16.6%	48	-2.8%	84	-28.9%	75	-28.9%	75	-11.0%	84	--	--	--	--
Russell 1000 Value			*16.7%*	*46*	*-2.9%*	*84*	*-29.0%*	*76*	*-29.0%*	*76*	*-11.1%*	*86*	*-2.1%*	*79*	*-0.1%*	*90*
Mercer Instl US Equity Large Cap Value Median			*16.4%*		*2.1%*		*-25.6%*		*-25.6%*		*-8.3%*		*-0.6%*		*2.1%*	
Northern Trust	$3,019,901,885	19.6%	15.9%	44	3.1%	52	-26.2%	51	-26.2%	51	-8.2%	65	-2.2%	83	-2.2%	93
S&P 500 Index (Total Return)			*15.9%*	*43*	*3.2%*	*51*	*-26.2%*	*51*	*-26.2%*	*51*	*-8.2%*	*65*	*-2.2%*	*85*	*-2.2%*	*93*
Mercer Instl US Equity Large Cap Core Median			*15.5%*		*3.3%*		*-26.1%*		*-26.1%*		*-7.5%*		*-1.0%*		*-0.1%*	
Mid Cap Equity	**$1,140,955,851**	**7.4%**	**21.5%**	**22**	**18.5%**	**11**	**-20.5%**	**12**	**-20.5%**	**12**	**-4.4%**	**21**	**1.7%**	**32**	**1.7%**	**90**
Russell Mid Cap			*20.8%*	*26*	*10.0%*	*47*	*-30.4%*	*59*	*-30.4%*	*59*	*-9.3%*	*72*	*-0.1%*	*66*	*3.1%*	*77*
Mercer Instl US Equity Mid Cap Median			*18.0%*		*9.5%*		*-29.2%*		*-29.2%*		*-7.4%*		*0.7%*		*4.9%*	
Mid Cap Value Equity	**$656,124,051**	**4.2%**	**22.2%**	**25**	**15.1%**	**10**	**-20.0%**	**13**	**-20.0%**	**13**	**-5.8%**	**30**	**1.1%**	**50**	**4.4%**	**80**
Russell 2500 Value			*18.8%*	*54*	*-0.6%*	*96*	*-26.2%*	*52*	*-26.2%*	*52*	*-11.2%*	*89*	*-1.6%*	*87*	*5.0%*	*70*
Mercer Instl US Equity Mid Cap Value Median			*18.9%*		*7.4%*		*-25.8%*		*-25.8%*		*-7.9%*		*1.1%*		*6.2%*	
Boston Company	$338,922,022	2.2%	22.8%	23	23.4%	2	-19.0%	10	-19.0%	10	-3.8%	13	1.7%	39	--	--
Russell 2500 Value			*18.8%*	*54*	*-0.6%*	*96*	*-26.2%*	*52*	*-26.2%*	*52*	*-11.2%*	*89*	*-1.6%*	*87*	*5.0%*	*70*
Mercer Instl US Equity Mid Cap Value Median			*18.9%*		*7.4%*		*-25.8%*		*-25.8%*		*-7.9%*		*1.1%*		*6.2%*	
Wellington Mid Cap	$317,202,029	2.1%	21.7%	29	8.1%	44	-20.7%	16	-20.7%	16	-7.6%	47	0.5%	61	--	--
Russell 2500 Value			*18.8%*	*54*	*-0.6%*	*96*	*-26.2%*	*52*	*-26.2%*	*52*	*-11.2%*	*89*	*-1.6%*	*87*	*5.0%*	*70*
Mercer Instl US Equity Mid Cap Value Median			*18.9%*		*7.4%*		*-25.8%*		*-25.8%*		*-7.9%*		*1.1%*		*6.2%*	

Total Plan

Performance Summary

Name	Current Market Value	Current Allocation	3 Mo	Rank	YTD	Rank	Fiscal YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	10 Yrs	Rank
			Ending June 30, 2009													
Artisan Partners	$484,831,800	3.1%	20.5%	21	23.0%	3	-21.2%	14	-21.2%	14	-2.6%	9	2.5%	13	--	--
Russell Mid Cap Growth			*20.7%*	*20*	*16.6%*	*26*	*-30.3%*	*43*	*-30.3%*	*43*	*-7.9%*	*67*	*-0.4%*	*70*	*0.0%*	*95*
Mercer Instl US Equity Mid Cap Growth Median			*17.0%*		*12.2%*		*-31.2%*		*-31.2%*		*-6.9%*		*0.7%*		*3.8%*	
Small Cap Equity	**$645,866,199**	**4.2%**	**24.5%**	**29**	**6.0%**	**55**	**-26.1%**	**56**	**-26.1%**	**56**	**-11.5%**	**75**	**-2.6%**	**81**	**2.2%**	**84**
Russell 2000			*20.7%*	*56*	*2.6%*	*74*	*-25.0%*	*52*	*-25.0%*	*52*	*-9.9%*	*60*	*-1.7%*	*68*	*2.4%*	*83*
Mercer Instl US Equity Small Cap Median			*21.5%*		*6.9%*		*-24.9%*		*-24.9%*		*-8.9%*		*-0.5%*		*5.9%*	
Dimensional Fund Advisors	$209,128,108	1.4%	25.4%	32	2.7%	65	-26.2%	69	-26.2%	69	-15.2%	94	-4.0%	94	--	--
Russell 2000 Value			*18.0%*	*72*	*-5.2%*	*92*	*-25.2%*	*67*	*-25.2%*	*67*	*-12.1%*	*82*	*-2.3%*	*83*	*5.0%*	*90*
Mercer Instl US Equity Small Cap Value Median			*22.5%*		*4.5%*		*-22.7%*		*-22.7%*		*-8.2%*		*0.3%*		*7.6%*	
Wellington Small Cap	$237,217,434	1.5%	33.4%	3	14.6%	14	-20.5%	21	-20.5%	21	-8.1%	31	0.1%	31	--	--
Russell 2000			*20.7%*	*50*	*2.6%*	*69*	*-25.0%*	*42*	*-25.0%*	*42*	*-9.9%*	*46*	*-1.7%*	*61*	*2.4%*	*94*
Mercer Instl US Equity Small Cap Core Median			*20.6%*		*5.0%*		*-26.1%*		*-26.1%*		*-10.6%*		*-1.2%*		*5.6%*	
Boston Company-SCG	$199,520,657	1.3%	14.5%	89	1.9%	89	--	--	--	--	--	--	--	--	--	--
Russell 2000 Growth			*23.4%*	*35*	*11.4%*	*49*	*-24.8%*	*44*	*-24.8%*	*44*	*-7.8%*	*44*	*-1.3%*	*59*	*-0.9%*	*92*
Mercer Instl US Equity Small Cap Growth Median			*21.4%*		*11.3%*		*-26.4%*		*-26.4%*		*-8.3%*		*-0.9%*		*3.0%*	
Global Equity	**$224,511,418**	**1.5%**	**17.9%**	**73**	**0.5%**	**97**	**-38.8%**	**95**	**-38.8%**	**95**	**-10.9%**	**97**	**--**	**--**	**--**	**--**
MSCI The World Index			*20.7%*	*48*	*6.3%*	*67*	*-29.5%*	*50*	*-29.5%*	*50*	*-8.0%*	*77*	*0.0%*	*87*	*-0.8%*	*95*
Mercer Instl Global Equity Median			*20.5%*		*8.3%*		*-29.5%*		*-29.5%*		*-6.4%*		*2.2%*		*2.1%*	
Acadian Intl	$224,511,418	1.5%	17.9%	73	1.2%	94	-38.3%	94	-38.3%	94	-10.7%	96	--	--	--	--
MSCI The World Index			*20.7%*	*48*	*6.3%*	*67*	*-29.5%*	*50*	*-29.5%*	*50*	*-8.0%*	*77*	*0.0%*	*87*	*-0.8%*	*95*
Mercer Instl Global Equity Median			*20.5%*		*8.3%*		*-29.5%*		*-29.5%*		*-6.4%*		*2.2%*		*2.1%*	