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## TABLE OF CONTENTS

		<u>Page</u>
TAB 1	Introduction	1
TAB 2	Executive Summary	10
TAB 3	Public Employees Retirement System (PERS)	21
TAB 4	State Teachers Retirement System (STRS)	35
TAB 5	Ohio Police & Fire (OP&F)	41
TAB 6	School Employees Retirement System (SERS)	47
TAB 7	Highway Patrol Retirement System (HPRS)	53
TAB 8	Index Definitions	58
TAB 9	Performance Comparisons	60
TAB 10	APPENDIX	83

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## **Introduction**

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## OHIO RETIREMENT STUDY COUNCIL

### COMPARATIVE PERFORMANCE STUDY PERIOD ENDING JUNE 30, 2009

#### INTRODUCTION

Evaluation Associates is pleased to present to the Council the most recent results of our ongoing, semi-annual comparative study of the performance of the five Ohio Statewide pension funds pursuant to Section 171.04 of the Revised Code. This is the twenty-first report we have prepared pursuant to this authority. The purpose of this comparative report is to provide the framework for dialogue with the retirement systems and to assist the Council in meeting its oversight responsibilities. As is our practice, this report reflects investment performance for all five retirement systems over the ten-year period beginning July 1, 1999 and ending June 30, 2009.

An important value of this type of report is its ability to provide an “apples to apples” comparison of the systems’ investment results. Such a comparison is possible, since all of the systems are subject to the same investment standards and restrictions and have been so from their inception. In light of the fact that rate of return calculations are extremely sensitive to time period differences, it is critical that any comparative study be done with a consistent time frame, as was done in this report.

As is common practice when examining pension fund results we make reference, throughout the report, to such things as quartile rankings and universe comparisons. The universes used for comparative purposes in the body of the report are those of the Mellon Trust Universe Service. The comparisons are formulated by pooling data from a wide range of investment consulting firms and they provide a statistically valid measure of results relative to a large sample.

While the entire measurement period for this report, as mentioned above, is ten years, certain exhibits contained within the report reference shorter periods. When a shorter period is used for comparison purposes it is because that particular exhibit refers to a standard comparative reference period such as the past three or five years.

In order to put performance in the proper context, it is important to understand the historical evolution of the investment restrictions imposed on the funds by statute. Prior to 1993 and the passage of S.B. 43, the investment authority of the funds was severely limited. Only 35% of each fund’s assets could be invested in common stock and individual stock purchases were limited to domestic securities specified by a legal list. S.B. 43 expanded the legal list to include American Depository Receipts (ADRs), commingled stock investment funds, derivative instruments and real estate investment trusts (REITs). More importantly, the act permitted the funds to invest up to 50% of their total assets in U.S. stock and 10% in foreign stocks, bonds, and other obligations.

In March 1997, S.B. 82 abolished the legal list and adopted the “prudent person rule.” The funds’ investment authority under this act is expanded to allow any individual investment, so long as the overall portfolio is diversified. This allows for responses to changes in the

## OHIO RETIREMENT STUDY COUNCIL

### COMPARATIVE PERFORMANCE STUDY PERIOD ENDING JUNE 30, 2009

economy and investment markets and reliance on professional investment managers and economic advisors to guide the decision making process. Along with this expansion of investment authority, however, comes the requirement of prudence and diligence in the development of guidelines, benchmarks, and objectives, and importantly, mandates ongoing monitoring by those with fiduciary responsibility.

The majority of pension assets, in both the public and private sector, are managed with “prudent person” guidelines, which is to say largely without minimums or maximums placed on individual asset classes or securities. This approach, currently in place in the Ohio systems, is the optimal way to manage fund assets. It gives each fund the ability to develop an asset allocation strategy that is likely to maximize expected return while minimizing risk, all relative to the need to fund future obligations. Such an approach is fully consistent with the primary mandate of any pension fund – management that is in the best interest of plan participants.

Each of the Ohio systems has established separate investment policies and investment programs for their plans. The Ohio State Teachers Retirement System (STRS) manages approximately 80% of total assets internally, Ohio Public Employees Retirement System (PERS) manages approximately 60% of total assets internally, while the OP&F, SERS, and HPRS investment programs employ external managers for 100% of their assets.

As of January 1, 2005, the Public Employees Retirement System (PERS) implemented a new structure for their assets. Approximately \$11 Billion was segregated into a new fund with a separate asset allocation policy, different from the policy for the rest of the fund – which now exists solely for the purpose of funding the defined benefit pension obligations (Despite the segregation of assets, retiree health care benefits remain discretionary under PERS law). The policy target (asset allocation) for the remaining pension assets was also modified, reflecting the different risk and reward characteristics of the newly segregated fund. Our report reflects these changes by separating the two PERS asset pools whenever appropriate.

Our findings may be summarized as follows:

- During the first and second quarters of 2009, the financial markets experienced mixed results. During the first two months of the new year, the market continued its freefall. Unexpectedly, March 9<sup>th</sup> saw markets show signs of life, with low-quality, high beta companies leading the market into recovery. Since March, the equity markets have experienced sustained growth in connection with improving consumer sentiment. Equities performed well, as the MSCI EAFE Index gained 7.95% and the Wilshire 5000 Index rose 4.45% over the last six months. Plan returns for the six-month period ranged from +6.61% (PERS HC) to +1.06% (SERS).

## OHIO RETIREMENT STUDY COUNCIL

### COMPARATIVE PERFORMANCE STUDY PERIOD ENDING JUNE 30, 2009

- Three of six systems lagged their respective policy index for the six-month period. The best relative performers were PERS DB and HPRS, outpacing their benchmarks by 83 and 43 basis points, respectively. PERS HC was the best absolute performer, gaining 6.61% over the last two quarters, and outpacing its benchmark by 31 basis points. OP&F gained 3.99%, STRS gained 2.76% and SERS gained 1.06%, but each lagged their custom benchmark by 83, 102 and 52 basis points, respectively.
- In comparison to a broad universe of other public retirement systems (the Mellon All Public Total Fund Universe), two of six plans ranked ahead of the median for the six-month period ending June 30, 2009. PERS HC ranked in the 16<sup>th</sup> percentile among its peers and HPRS ranked in the 19<sup>th</sup> percentile. Ranking below the median were OP&F (51<sup>st</sup> percentile), PERS DB (62<sup>nd</sup> percentile), STRS (67<sup>th</sup> percentile) and SERS (89<sup>th</sup> percentile).
- For the one-year period ending June 30, 2009, PERS DB outpaced its benchmark by 38 basis points. PERS HC had the best absolute performance, returning -16.96% but lagging its benchmark by 58 basis points. Against their peers in the Mellon All Public Total Fund Universe, five of six plans fell below the median, with PERS HC placing in the 40<sup>th</sup> percentile among its peers. The remaining five funds placed in the 56<sup>th</sup>, 67<sup>th</sup>, 80<sup>th</sup>, 85<sup>th</sup> and 86<sup>th</sup> percentiles (HPRS, PERS DB, OP&F, STRS and SERS, respectively).
- On a three-year basis, OP&F and PERS DB bested their policy benchmarks by 42 and 34 basis points, respectively. STRS, PERS HC, SERS and HPRS lagged their benchmarks by five, 78, 97 and 150 basis points, respectively. Comparing the three-year returns of the systems to the Mellon All Public Total Fund Universe, only one plan ranked above the median. PERS HC ranked in the 48<sup>th</sup> percentile, followed by OP&F, PERS DB, HPRS, STRS and SERS, which ranked in the 61<sup>st</sup>, 66<sup>th</sup>, 73<sup>rd</sup>, 79<sup>th</sup> and 85<sup>th</sup> percentiles, respectively.
- For the five-year period, three of the five systems outpaced their respective policy benchmarks with STRS and OP&F each outperforming their benchmark by 39 basis points. In comparison to the Mellon All Public Total Fund Universe, STRS (+2.69%) and OP&F (+2.66%) ranked in the second quartile. PERS DB (+2.32%), SERS (+2.02%), and HPRS (+1.76%) ranked in the third quartile.
- Over the longer-term, ten-year period, all five plans have trailed their actuarial interest rate. The ten-year numbers have suffered greatly due to recent market conditions. Nevertheless, when compared to each system's respective policy benchmark all five plans have outperformed their individual benchmarks, except HPRS. Over the ten-year period, HPRS underperformed their respective policy benchmark by 1.14%. OP&F returned +3.11%, while PERS DB returned +2.79%, STRS returned +2.71%, SERS returned +2.40% and HPRS returned +2.31% over a ten-year stretch.

## OHIO RETIREMENT STUDY COUNCIL

### COMPARATIVE PERFORMANCE STUDY PERIOD ENDING JUNE 30, 2009

- During the ten years that we have been reviewing the results of the systems on behalf of the Council, the asset allocation targets became more similar and were reasonably close to each other. The obvious exception is PERS HC. It is important to note that they have a lower actuarial interest rate target than the others, at 6.7%. The retirement plans all have actuarial return assumptions of 8.00% to 8.25%. As a result, PERS HC has a lower equity and higher fixed income allocation than the retirement plans. This similarity in policy makes comparing one system's results to the other a more meaningful exercise over the more recent time periods. Changes to asset allocation policy during the most recent six-month period by STRS and SERS, will likely cause some comparison differences in the near future. STRS has slightly decreased its equity exposure and increased exposure to alternative investments. Likewise SERS has decreased its equity exposure, and increased its allocation to alternatives.
- Please note that comparing investment performance relative to the plans' actuarial interest rate and policy benchmark are of primary importance, while peer group comparisons, although useful, should be of secondary importance in the performance evaluation process. In addition, since the plans have long-term funding schedules and investment time horizons, more emphasis should be placed on evaluating performance over longer holding periods.
- Appendix 1.1 and 1.2 at the end of this report compares the current and target asset allocation of each of the systems to two public fund universes, the total universe of public funds and the universe of public funds in excess of \$1 billion. The following observations are based on a review of the systems' asset allocation in comparison to those peer universes:
  1. The actual and target asset allocation of PERS DB, STRS, OP&F, and HPRS domestic equity rank above the median plan's allocation to domestic equity (38.02%) in the Mellon All Public Total Fund Universe. The actual (27.40%) and target (27.50%) allocation of SERS, as well as the actual (27.74%) and target (29.00%) allocation of PERS HC to domestic equity are below that of the median plan. The same holds true when the systems are compared to the median (36.34%) of the Mellon Billion Dollar Public Total Fund Universe.
  2. Five of the six systems' actual and target asset allocation to fixed income are below the median plan (29.23%) of the Mellon All Public Total Fund Universe. PERS HC is the exception with a target (42.00%) and actual allocation (39.59%) well above the median.
  3. The median plan allocation of the Mellon All Public Total Fund Universe to non-U.S. equity as of June 30, 2009 was 17.21%. The target allocation for HPRS is slightly below the median at 15.00%, and its actual allocation was slightly less

## OHIO RETIREMENT STUDY COUNCIL

### COMPARATIVE PERFORMANCE STUDY PERIOD ENDING JUNE 30, 2009

at 13.93%. The target allocations for the remaining plans were well above the median, with the actual allocations following suit.

4. The universe median allocation to real estate of the Mellon All Public Total Fund Universe was 7.99%. The target allocation of each of the systems besides HPRS (5.00%) and PERS HC (6.00%) is above the median allocation. Following their target allocations, all plans except HPRS and PERS HC are maintaining a current allocation near their respective targets.
  5. HPRS has actual and target allocations to alternatives above the peer median of 8.52%. While SERS has an above-median target (10.00%), the actual allocation (7.74%) falls below. The remaining plans have lower target allocations to alternative assets.
- For performance reporting purposes, the asset allocation benchmarks are consistent with investment policy asset allocations for all plans, except for HPRS. The HPRS asset allocation benchmarks in this report were changed by HPRS on January 1, 2009 and do not reflect the actual asset allocation of the plan assets. Alternative investments and real estate were included in the U.S. equity allocations, which we do not believe is appropriate. As a result, the relative performance of the HPRS fund is inaccurate. If the asset allocation benchmarks of the HPRS plan (page 56) were consistent with the investment policy allocations (page 8), the plan would have outperformed the policy benchmark by 90 basis points (versus 43 basis points) for the past two quarters, and underperformed by 196 basis points (versus underperforming by 204 basis points) for the one year period ending June 30, 2009. We recommend that HPRS follow best practices along with the other plans by keeping consistency between the asset allocation benchmarks and policy allocations.
  - One of the primary purposes of this report is to provide an accurate representation of plan performance of the Ohio Retirement Systems and to provide an “apples to apples” comparison of the Retirement Systems’ investment results. In order for this performance report to fulfill this purpose, it is necessary that each plan provide accurate information over a rolling ten-year period. During this review we discovered inaccuracies in the data provided and reviewed by HPRS. The accuracy of the data provided by each plan consultant or custodian, and the thorough review of data presented by plan sponsors are fundamental to the integrity of this performance report. In light of these issues, we recommend a fiduciary audit of the HPRS investment program to evaluate current policies and procedures relative to industry best practices be made pursuant to section R.C. 171.04 (F) which requires a fiduciary audit once every ten years.

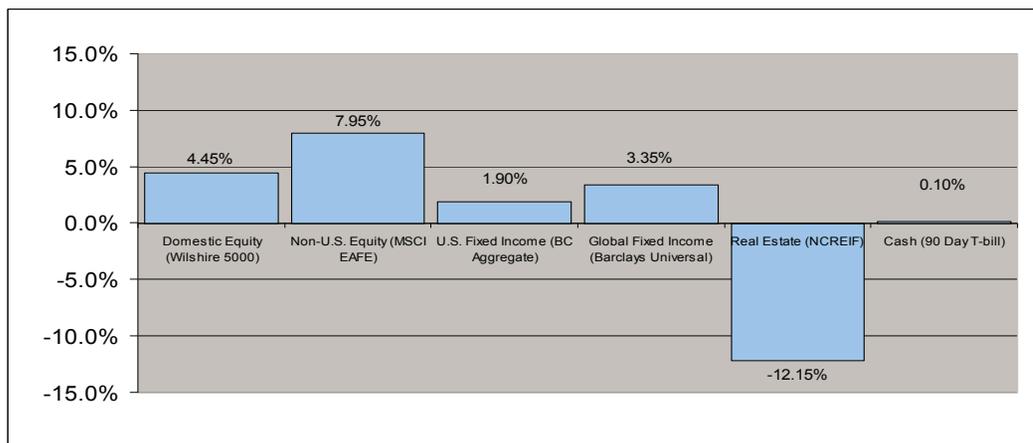
## **OHIO RETIREMENT STUDY COUNCIL**

### **COMPARATIVE PERFORMANCE STUDY PERIOD ENDING JUNE 30, 2009**

- Overall, we believe this report provides the ORSC with a consolidated source of valuable information to assist in its oversight of the five Ohio Statewide pension funds and ensure that investment policies are consistently and effectively implemented. While the report does not provide very specific underlying portfolio detail, it does provide the necessary information to allow the ORSC to ask the right questions and act as an early indicator of potential issues that should be delved into in more detail. Any modifications to the report will only serve to enhance that ability.

## Market Environment

The past two quarters produced mixed investment results for the six major asset classes. The best return was achieved by non-U.S. equity (+7.95%), followed by domestic equity (+4.45%), global fixed income (+3.35%), U.S. fixed income (+1.90%), cash (+0.10%) and real estate (-12.15%).



## Median Fund Returns

The median fund in the Mellon Public Fund database returned +4.06% for the two quarters ending June 30, 2009. A hypothetical fund with a 60% allocation to the Wilshire 5000 and a 40% allocation to the Barclays Aggregate Bond Index would have returned +3.83% for the two quarters ending June 30, 2009, underperforming the median fund return in the Mellon Public Fund database.

Universe Median Performance Summary  
Periods Ending June 30, 2009

	<u>Two</u> <u>Quarters</u>	<u>One</u> <u>Year</u>	<u>Three</u> <u>Years</u>	<u>Five</u> <u>Years</u>	<u>Ten</u> <u>Years</u>
Fund Sponsor Type					
Public Fund Universe	4.06%	-17.91%	-2.79%	2.38%	3.40%
Corporate DB Universe	4.53%	-17.49%	-2.65%	2.32%	3.22%
Endowment Universe	3.42%	-19.34%	-1.81%	3.08%	3.37%
Taft-Hartley Universe	3.86%	-16.44%	-3.06%	1.17%	2.84%
All Fund Universe	4.35%	-17.85%	-2.53%	2.34%	3.30%
60% Wilshire 5000 / 40% BC Aggregate	3.83%	-13.97%	-2.12%	1.31%	1.93%

## Asset Allocation

- **Comparison of Policy Asset Allocation:**  
A well-diversified asset allocation is the key investment decision that retirement fund Boards make based on risk tolerance, the pension liability structure and the funding costs of each fund. Asset allocation policy varies across funds for this reason.
- **Total Fund Return vs. Policy Benchmark:**  
Investment returns and the variation or volatility of returns are primarily determined by the policy asset allocation.
- **Long-Term Return:**  
The primary objective of investment performance for each fund is to meet or exceed the actuarial interest rate and the respective policy benchmarks over a long-term time period.
- **Peer Rankings:**  
In comparing rankings of fund performance in peer universes, asset allocation differences need to be considered.

**Comparison of Policy Asset Allocation**

	US Equity	Intl Equity	Fixed Income	Private / Public Real Estate	Alternative Investment	Cash
PERS (DB)	43.40%	20.00%	24.00%	8.00%	4.40%	0.00%
PERS (HC)	30.00%	15.00%	50.00%	5.00%	0.00%	0.00%
STRS	40.00%	24.00%	20.00%	10.00%	6.00%	0.00%
OP&F	46.00%	20.00%	23.00%	8.00%	3.00%	0.00%
SERS	27.50%	27.50%	24.00%	10.00%	10.00%	1.00%
HPRS	45.00%	15.00%	20.00%	5.00%	15.00%	0.00%
Mellon Total Funds*	36.34%	17.33%	32.41%	7.20%	8.52%	3.68%

Note: PERS instituted separate policy target allocations for their defined benefit and health care plans in January 2005. An allocation of 50.0% to total fixed income in the Health Care Plan consists of 15.0% (fixed income), 15.0% (short duration) and 20.0% (TIPS).

The PERS DB real estate allocation is comprised of 6.4% private real estate and 1.0% REITS.

- As seen in the table above, the asset allocation targets for the various systems are fairly similar. All plans are equity-oriented, with exposure to this asset class ranging from 66.0% (OP&F) to 45.0% (PERS HC). Another difference in the policy target allocations between the plans is evident with HPRS, which has a target allocation of 20.0% to fixed income and 15.0% to alternative investments.

## Evaluating Funds

- The most appropriate benchmark for evaluating the performance of each of the Ohio funds is the blended index contained in their respective investment policy statements. The investment policy statement contains information about the investment objectives and investment constraints that are specific to each fund based upon such factors as the funds' liquidity needs and the age of the workforce they employ.
- There are two investment objectives: (1) a return that meets the actuarial rate of return assumption, and (2) the amount of risk the fund is willing and able to tolerate. These objectives are constrained by time horizon, liquidity needs, and government regulations.
- The investment policy statement guides the funds' asset allocation decisions. Asset allocation is very important because some studies show that, on average, over 90% of the variance in returns is explained by this decision alone. Therefore, Ohio fund returns should be compared against returns from organizations with similar asset allocations.
- Performance of each of the Ohio funds should first be measured against each fund's own policy benchmark return (the return of the specified target policy mix), and secondarily, against the peer group.
- A comparison of the returns of the Ohio funds against one another is a valid exercise. It must be done, however, while keeping in mind any differences in the individual funds' policy allocations and the level of risk tolerance implied by those allocations.

## **Executive Summary**

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## Total Fund Returns

The table below displays total fund results for all of the systems, comparing each fund's return to its own benchmark return. The tables that follow repeat the same comparison on an individual asset class basis.

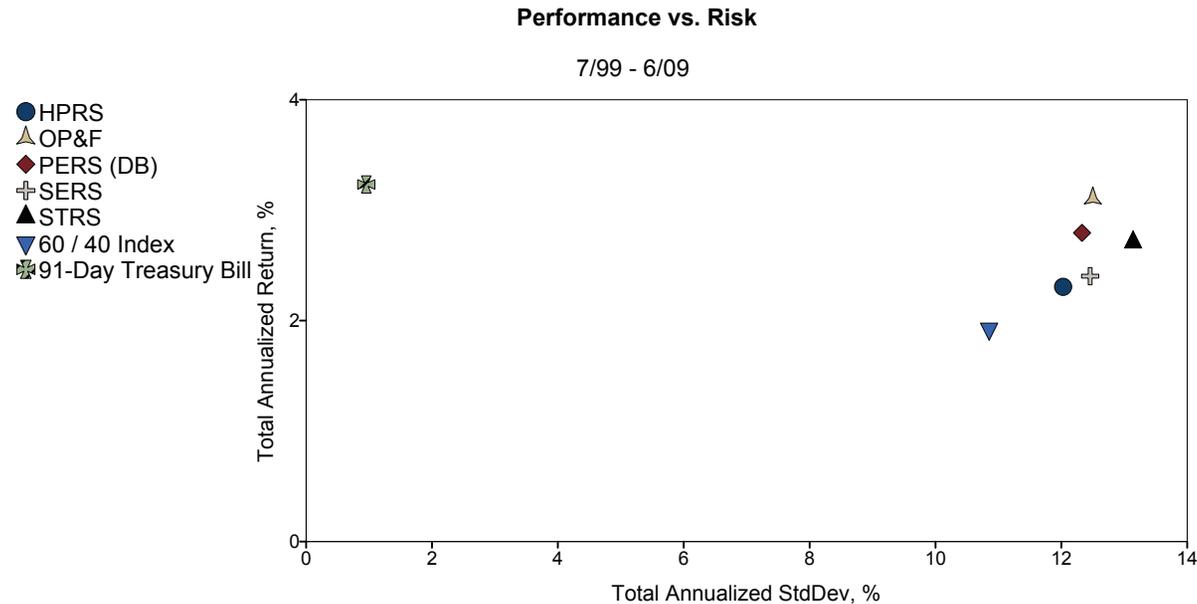
Total Fund Return vs. Policy Benchmark											
Fund	<u>Two</u> <u>Quarters</u>	<u>Rank</u>	<u>One Year</u>	<u>Rank</u>	<u>Three</u> <u>Years</u>	<u>Rank</u>	<u>Five</u> <u>Years</u>	<u>Rank</u>	<u>Ten</u> <u>Years</u>	<u>Rank</u>	<u>Actuarial</u> <u>Interest</u> <u>Rate</u>
PERS (DB)											
	3.05%	62	-19.34%	67	-3.21%	66	2.32%	54	2.79%	75	8.00%
Policy	2.22%		-19.72%		-3.55%		1.95%		2.56%		
Difference	0.83%		0.38%		0.34%		0.37%		0.23%		
PERS (HC)											
Actual	6.61%	16	-16.96%	40	-2.70%	48	N/A	N/A	N/A	N/A	6.70%
Policy	6.30%		-16.38%		-1.92%		N/A		N/A		
Difference	0.31%		-0.58%		-0.78%		N/A		N/A		
STRS											
Actual	2.76%	67	-21.66%	85	-3.65%	79	2.69%	37	2.71%	80	8.00%
Policy	3.78%		-20.42%		-3.60%		2.30%		2.36%		
Difference	-1.02%		-1.24%		-0.05%		0.39%		0.35%		
OP&F											
Actual	3.99%	51	-20.48%	80	-3.00%	61	2.66%	38	3.11%	64	8.25%
Policy	4.82%		-19.78%		-3.42%		2.27%		2.71%		
Difference	-0.83%		-0.70%		0.42%		0.39%		0.40%		
SERS											
Actual	1.06%	89	-21.81%	86	-4.05%	85	2.02%	65	2.40%	83	8.00%
Policy	1.58%		-19.13%		-3.08%		2.18%		2.26%		
Difference	-0.52%		-2.68%		-0.97%		-0.16%		0.14%		
HPRS											
Actual	5.97%	19	-18.33%	56	-3.34%	73	1.76%	67	2.31%	84	8.00%
Policy	5.54%		-16.29%		-1.84%		2.93%		3.45%		
Difference	0.43%		-2.04%		-1.50%		-1.17%		-1.14%		

\* Note: Actuarial interest rate assumption for PERS Health Care Plan has been projected for 50 years.

All returns are for periods ending 6/30/2009. Returns for periods longer than one year are annualized.

- PERS (DB): The return for the total fund for the two quarters ending June 30, 2009 outperformed its policy index by 0.83% and its policy index by 0.38% for the one-year period. Over the trailing three-year period, the total fund outpaced its policy index by 0.34%. Over the trailing five-year period, the total fund outperformed its policy index by 37 basis points.
- PERS (HC): The total fund outperformed its policy index by 0.31% for the two quarters ending June 30, 2009, but lagged its policy index by 58 basis points for the past year. Over the trailing three-year period, the total fund underperformed its policy index by 78 basis points.
- STRS: The return for the total fund for the two quarters ending June 30, 2009 underperformed its policy index by 1.02%, and 1.24% for the one-year period. Over the trailing three-year period, the fund underperformed its policy index by five basis points, but outperformed over a five-year period by 39 basis points.
- OP&F: OP&F trailed its policy index by 0.83% for the two quarters ending June 30, 2009 and lagged the policy by 0.70% for the trailing one-year period. The total fund outperformed its policy index over the trailing three- and five-year periods by 42 and 39 basis points, respectively.
- SERS: The total fund underperformed its policy index by 0.52% for the two quarters ending June 30, 2009 and 2.68% for the past 12 months. The fund underperformed its policy index over the trailing three- and five-year periods by 97 and 16 basis points, respectively.
- HPRS: The total fund outperformed its policy index for the two quarters ending June 30, 2009 by 0.43%. For the trailing one-, three- and five-year periods, the total fund underperformed its policy index by 204, 150 and 117 basis points, respectively.

## Total Plans Risk Analysis - Last 10 Years Performance Overview For Period Ending 06/30/09



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
			Alpha, %	Sharpe Ratio
	Total	Total		
HPRS	2.31	12.03	-0.20	-0.02
OP&F	3.11	12.50	0.64	0.05
PERS (DB)	2.79	12.33	0.31	0.03
SERS	2.40	12.46	-0.05	0.00
STRS	2.71	13.14	0.34	0.03
60 / 40 Index	1.93	10.85	-0.71	-0.07
91-Day Treasury Bill	3.23	0.96	0.00	NA

The graph above provides an analysis risk. The ten-year results are displayed in the risk-return space. The vertical axis shows the fund's return and the horizontal axis shows the fund's risk (defined as annualized quarterly standard deviation of returns) for the period. This analysis allows us to compare the funds to each other on a risk/return basis. For example, the three funds with the highest ten-year annualized return were OP&F, PERS DB and STRS. STRS and OP&F exhibited marginally higher risk (volatility) while HPRS had the lowest risk among all plans. The Sharpe Ratio provides another tool for analysis. The number alone is not particularly meaningful, but when comparing two or more funds as is the case in this study, the higher Sharpe Ratio is the better risk-adjusted return. OP&F, PERS DB and STRS have the best risk-adjusted returns.

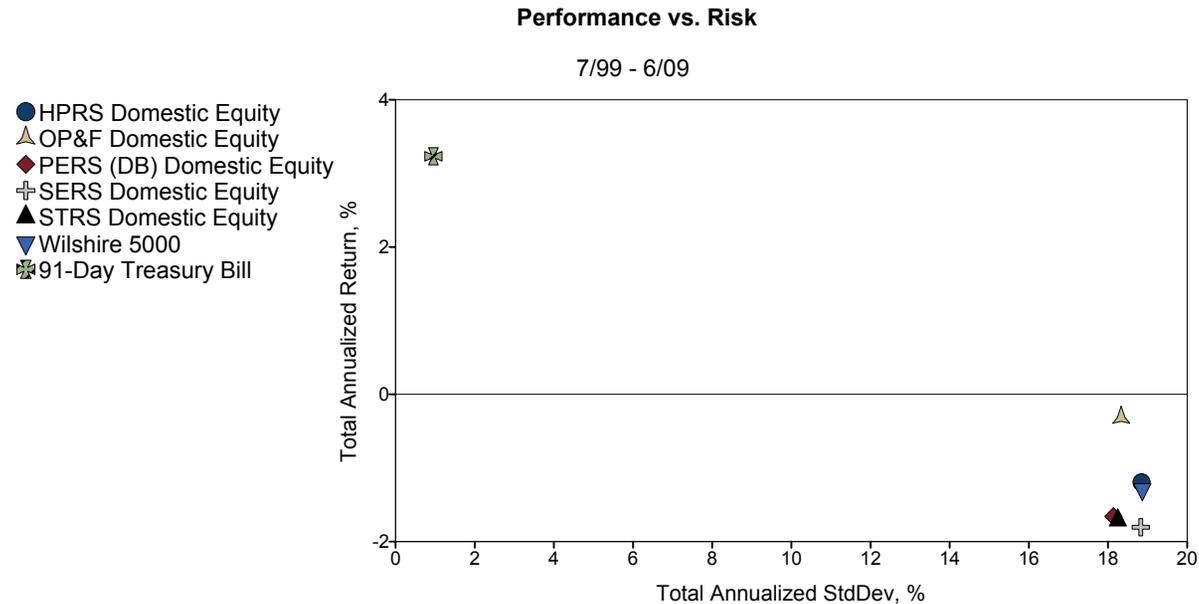
## Domestic Equity Returns

Domestic Equity Return vs. Policy Benchmark					
<u>Fund</u>	<u>Two Quarters</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>	<u>Ten Years</u>
PERS (DB)					
Actual	4.58%	-26.99%	-8.60%	-1.97%	-1.66%
Policy	4.20%	-26.56%	-8.32%	-1.81%	-1.38%
Difference	0.38%	-0.43%	-0.28%	-0.16%	-0.28%
PERS (HC)					
Actual	4.58%	-26.99%	-8.60%	N/A	N/A
Policy	4.20%	-26.56%	-8.32%	N/A	N/A
Difference	0.38%	-0.43%	-0.28%	N/A	N/A
STRS					
Actual	4.81%	-25.45%	-8.63%	-1.92%	-1.71%
Policy	4.19%	-26.57%	-8.35%	-1.84%	-1.44%
Difference	0.62%	1.12%	-0.28%	-0.08%	-0.27%
OP&F					
Actual	7.12%	-26.20%	-8.09%	-1.38%	-0.31%
Policy	4.46%	-26.40%	-8.13%	-1.60%	-1.32%
Difference	2.66%	0.20%	0.04%	0.22%	1.01%
SERS					
Actual	3.15%	-27.90%	-10.07%	-2.88%	-1.81%
Policy	4.19%	-26.57%	-8.35%	-1.84%	-1.46%
Difference	-1.04%	-1.33%	-1.72%	-1.04%	-0.35%
HPRS					
Actual	6.54%	-26.18%	-8.67%	-1.63%	-1.19%
Policy	4.26%	-26.40%	-8.57%	-1.77%	-0.24%
Difference	2.28%	0.22%	-0.10%	0.14%	-0.95%

All returns are for periods ending 6/30/2009. Returns for periods longer than one year are annualized.

Domestic equity returns were positive for the two quarters ending June 30, 2009. On an absolute and relative basis, OP&F (+7.12%) generated the best returns. Over the trailing year, STRS led performance (-25.45%) on an absolute and relative basis, followed by HPRS (-26.18%) and OP&F (-26.20%). Over the three-year period, OP&F generated the best absolute and relative return.

## Domestic Equity Risk Analysis - Last 10 Years Performance Overview For Period Ending 06/30/09



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
			Alpha, %	Sharpe Ratio
	Total	Total		
HPRS Domestic Equity	-1.19	18.85	-2.61	-0.14
OP&F Domestic Equity	-0.31	18.33	-1.83	-0.10
PERS (DB) Domestic Equity	-1.66	18.13	-3.21	-0.18
SERS Domestic Equity	-1.81	18.83	-3.24	-0.17
STRS Domestic Equity	-1.71	18.25	-3.25	-0.18
Wilshire 5000	-1.29	18.87	-2.72	-0.14
91-Day Treasury Bill	3.23	0.96	0.00	NA

The analysis above represents a risk/return of the domestic equity portfolios for all of the plans. OP&F experienced the best risk-adjusted equity results over the ten year period, followed by HPRS, SERS, PERS DB and STRS.

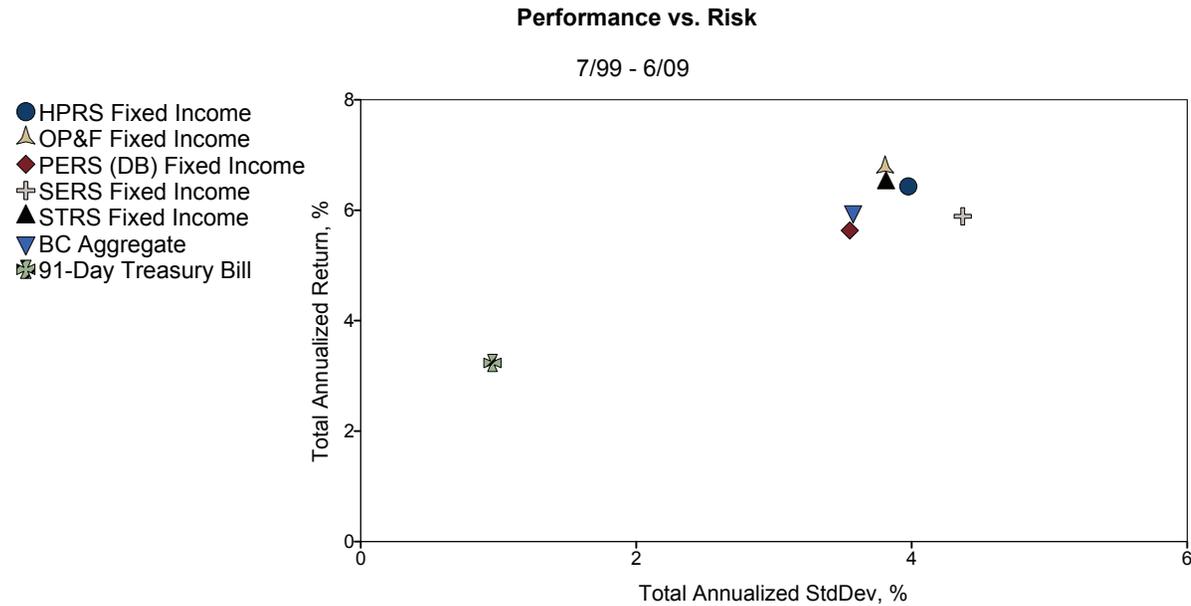
## Fixed Income Returns

Fixed Income Return vs. Policy Benchmark					
Fund	Two Quarters	One Year	Three Years	Five Years	Ten Years
PERS (DB)					
Actual	5.59%	1.99%	3.99%	4.08%	5.63%
Policy	3.34%	4.93%	5.92%	4.95%	6.10%
Difference	2.25%	-2.94%	-1.93%	-0.87%	-0.47%
PERS (HC)					
Actual	5.58%	1.99%	3.96%	N/A	N/A
Policy	3.34%	4.93%	5.92%	N/A	N/A
Difference	2.24%	-2.94%	-1.96%	N/A	N/A
STRS					
Actual	8.95%	4.98%	6.31%	5.26%	6.49%
Policy	3.34%	4.92%	5.92%	4.95%	5.99%
Difference	5.61%	0.06%	0.39%	0.31%	0.50%
OP&F					
Actual	8.67%	2.92%	5.46%	5.33%	6.78%
Policy	1.91%	6.06%	6.43%	5.02%	5.98%
Difference	6.76%	-3.14%	-0.97%	0.31%	0.80%
SERS					
Actual	8.84%	3.67%	4.48%	4.14%	5.89%
Policy	1.90%	6.05%	6.43%	5.01%	5.98%
Difference	6.94%	-2.38%	-1.95%	-0.87%	-0.09%
HPRS					
Actual	6.40%	4.21%	5.75%	5.37%	6.43%
Policy	1.90%	6.05%	6.41%	5.00%	5.97%
Difference	4.50%	-1.84%	-0.66%	0.37%	0.46%

All returns are for periods ending 6/30/2009. Returns for periods longer than one year are annualized.

Year-to-date as of June 30, 2009, STRS (+8.95%) was the strongest absolute performer, while SERS (+8.84%) and OP&F (+8.67%) were the strongest relative performers, outpacing their benchmarks by 694 and 676 basis points, respectively. Over the trailing year, STRS (+4.98%) and HPRS (+4.21%) experienced the strongest results, though STRS was the only plan to outperform its policy index. Over the trailing three-year period, STRS (+6.31%) and HPRS (+5.75%) led all plans on an absolute basis.

## Domestic Fixed Income Risk Analysis - Last 10 Years Performance Overview For Period Ending 06/30/09



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
			Alpha, %	Sharpe Ratio
	Total	Total		
HPRS Fixed Income	6.43	3.98	3.16	0.79
OP&F Fixed Income	6.78	3.81	3.48	0.91
PERS (DB) Fixed Income	5.63	3.55	2.38	0.68
SERS Fixed Income	5.89	4.37	2.65	0.60
STRS Fixed Income	6.49	3.81	3.21	0.84
BC Aggregate	5.98	3.57	2.71	0.77
91-Day Treasury Bill	3.23	0.96	0.00	NA

The analysis above represents a risk/return of the domestic fixed income portfolios for all of the plans. OP&F experienced the best risk-adjusted fixed income results over the ten year period, followed by STRS, HPRS, PERS DB and SERS.

## International Equity Returns

International Equity Return vs. Policy Benchmark					
Fund	Two Quarters	One Year	Three Years	Five Years	Ten Years
PERS (DB)					
Actual	13.98%	-31.39%	-5.90%	4.63%	3.28%
Policy	13.93%	-30.92%	-5.76%	4.51%	2.59%
Difference	0.05%	-0.47%	-0.14%	0.12%	0.69%
PERS (HC)					
Actual	13.98%	-31.41%	-5.87%	N/A	N/A
Policy	13.93%	-30.92%	-5.76%	N/A	N/A
Difference	0.05%	-0.49%	-0.11%	N/A	N/A
STRS					
Actual	13.58%	-27.89%	-5.01%	6.22%	4.15%
Policy	13.58%	-27.35%	-5.26%	5.51%	2.66%
Difference	0.00%	-0.54%	0.25%	0.71%	1.49%
OP&F					
Actual	12.14%	-31.81%	-5.45%	4.81%	2.47%
Policy	13.93%	-30.91%	-5.79%	4.49%	2.58%
Difference	-1.79%	-0.90%	0.34%	0.32%	-0.11%
SERS					
Actual	14.48%	-29.89%	-5.29%	5.74%	2.94%
Policy	13.67%	-27.07%	-5.34%	4.85%	2.29%
Difference	0.81%	-2.82%	0.05%	0.89%	0.65%
HPRS					
Actual	7.22%	-31.80%	-5.94%	3.46%	2.47%
Policy	14.35%	-30.54%	-5.57%	3.90%	1.96%
Difference	-7.13%	-1.26%	-0.37%	-0.44%	0.51%

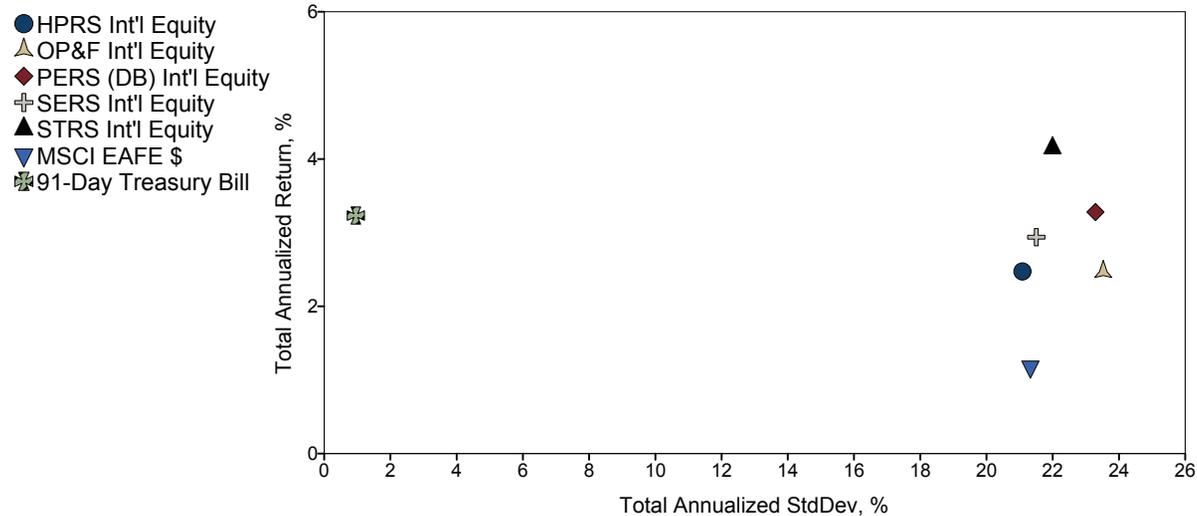
All returns are for periods ending 6/30/2009. Returns for periods longer than one year are annualized.

All of the funds experienced positive absolute results in international equity for the two quarters ending June 30, 2009. On an absolute and relative basis, SERS (+14.48%) had the best return for the period. Over the one-year period, STRS (-27.89%) was the strongest performer, albeit trailing its benchmark by 54 basis points. STRS also outperformed all other plans for the trailing three-year period, while OP&F outperformed its benchmark by the widest margin.

## International Equity Risk Analysis - Last 10 Years Performance Overview For Period Ending 06/30/09

### Performance vs. Risk

7/99 - 6/09



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
			Alpha, %	Sharpe Ratio
	Total	Total		
HPRS Int'l Equity	2.47	21.08	1.45	0.07
OP&F Int'l Equity	2.47	23.53	1.96	0.08
PERS (DB) Int'l Equity	3.28	23.29	2.68	0.11
SERS Int'l Equity	2.94	21.50	2.01	0.09
STRS Int'l Equity	4.15	21.99	3.24	0.15
MSCI EAFE \$	1.18	21.33	0.21	0.01
91-Day Treasury Bill	3.23	0.96	0.00	NA

The analysis above represents a risk/return comparison of the international equity portfolios for all of the plans. All plans have demonstrated risk-adjusted results (as measured by their Sharpe Ratios) greater than the non-U.S. equity market as defined by the MSCI EAFE index over the ten-year period. All of the five plans produced similar risk-return characteristics for the period led by STRS and PERS DB.

## Real Estate Returns

Real Estate Return vs. Policy Benchmark						
Fund	Two Quarters	One Year	Three Years	Five Years	Ten Years	
PERS (DB)						
Actual	-12.20%	-17.74%	2.95%	N/A	N/A	
Policy	-15.01%	-14.68%	2.79%	N/A	N/A	
Difference	2.81%	-3.06%	0.16%	N/A	N/A	
PERS (DB) "Public Markets Only"						
Actual	-12.32%	-45.35%	-19.71%	N/A	N/A	
Policy	-12.89%	-45.73%	-19.96%	N/A	N/A	
Difference	0.57%	0.38%	0.25%	N/A	N/A	
PERS (HC) "Public Markets Only"						
Actual	-12.32%	-45.35%	-19.71%	N/A	N/A	
Policy	-12.89%	-45.73%	-19.96%	N/A	N/A	
Difference	0.57%	0.38%	0.25%	N/A	N/A	
STRS						
Actual	-21.26%	-27.02%	3.22%	11.24%	10.82%	
Policy	-11.02%	-22.18%	-1.54%	6.31%	7.80%	
Difference	-10.24%	-4.84%	4.76%	4.93%	3.02%	
OP&F						
Actual	-23.83%	-26.41%	1.00%	9.54%	9.99%	
Policy	-12.15%	-19.57%	0.98%	7.60%	7.37%	
Difference	-11.68%	-6.84%	0.02%	1.94%	2.62%	
SERS						
Actual	-29.08%	-35.18%	-7.07%	3.45%	5.89%	
Policy	-9.87%	-16.76%	1.35%	8.29%	9.09%	
Difference	-19.21%	-18.42%	-8.42%	-4.84%	-3.20%	
HPRS						
Actual	-9.36%	-21.27%	-7.68%	-1.00%	3.84%	
Policy	-12.15%	-19.57%	0.98%	7.60%	8.50%	
Difference	2.79%	-1.70%	-8.66%	-8.60%	-4.66%	

All returns are for periods ending 6/30/2009. Returns for periods longer than one year are annualized.

For the real estate returns for the two quarters ending June 30, 2009, HPRS had the best absolute and second-best relative return (-9.36%). PERS DB (-17.74%) outperformed all other plans for the one-year period, followed by HPRS (-21.27%). STRS and PERS DB had the strongest absolute performance over a three-year period, gaining 3.22% and 2.95%, respectively.

The REIT portfolios for the PERS DB and PERS HC plans declined 12.32% for the two quarters ending June 30, 2009 and declined 45.35% for the year.

## Alternative Asset Returns

Alternative Asset Return vs. Policy Benchmark					
Fund	Two Quarters	One Year	Three Years	Five Years	Ten Years
<b>PERS (DB)</b>					
Actual	-18.22%	-24.53%	2.11%	10.23%	11.44%
Policy	-30.02%	-36.26%	-10.88%	-1.67%	-1.02%
Difference	11.80%	11.73%	12.99%	11.90%	12.46%
<b>PERS (HC)</b>					
Actual	-25.40%	-39.54%	N/A	N/A	N/A
Policy	-30.02%	-36.26%	N/A	N/A	N/A
Difference	4.62%	-3.28%	N/A	N/A	N/A
<b>STRS</b>					
Actual	-16.71%	-24.59%	1.54%	8.34%	5.17%
Policy	5.70%	-23.56%	-5.35%	1.16%	1.54%
Difference	-22.41%	-1.03%	6.89%	7.18%	3.63%
<b>OP&amp;F</b>					
Actual	-15.10%	-21.72%	5.29%	10.39%	5.21%
Policy	-29.89%	-35.96%	-10.42%	-0.74%	1.11%
Difference	14.79%	14.24%	15.71%	11.13%	4.10%
<b>SERS</b>					
Actual	-15.73%	-19.30%	3.56%	6.22%	0.77%
Policy	-29.49%	-35.09%	-9.96%	-1.69%	-0.66%
Difference	13.76%	15.79%	13.52%	7.91%	1.43%
<b>HPRS</b>					
Actual	5.40%	-7.59%	N/A	N/A	N/A
Policy	4.19%	-14.55%	N/A	N/A	N/A
Difference	1.21%	6.96%	N/A	N/A	N/A

All returns are net of fees.

All returns are for periods ending 6/30/2009. Returns for periods longer than one year are annualized.

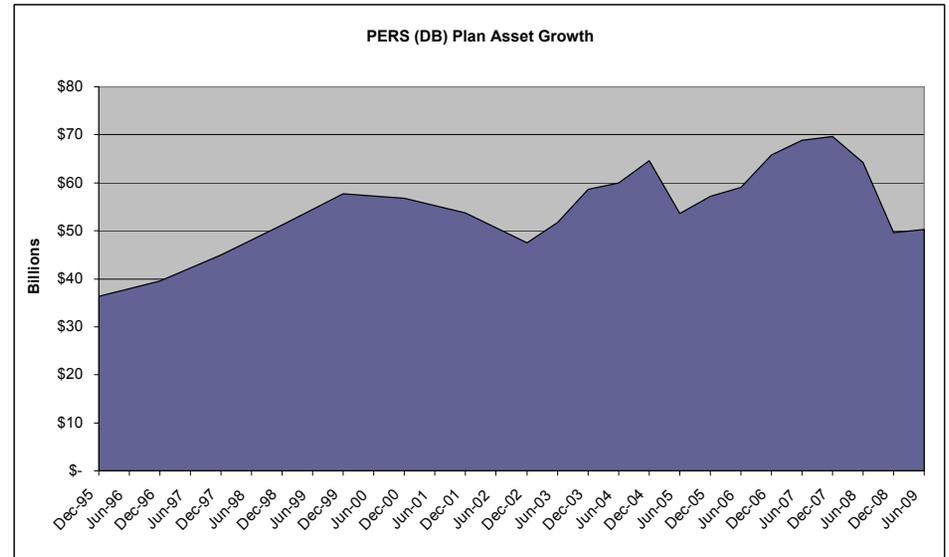
For the two quarters ending June 30, 2009, HPRS had the best absolute return (+5.40%) followed by OP&F (-15.10%). OP&F outperformed its benchmark by 14.79%, while SERS outperformed its benchmark by 13.76%. For the one-year period, HPRS had the highest absolute return (-7.59%). For the trailing three- and five-year periods, OP&F exceeded all other plans on an absolute basis, returning +5.29% and +10.39%, respectively.

**Public Employees Retirement System (PERS)  
Defined Benefit Plan & Health Care Plan (DB & HC)**

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# Public Employees Retirement System Defined Benefit Plan

PERS Returns					
Portfolio	Two Quarters	One Year	Three Years	Five Years	Ten Years
<b>US Equity</b>					
Actual	4.58%	-26.99%	-8.60%	-1.97%	-1.66%
Benchmark	4.20%	-26.56%	-8.32%	-1.81%	-1.38%
Difference	0.38%	-0.43%	-0.28%	-0.16%	-0.28%
<b>Fixed Income</b>					
Actual	5.59%	1.99%	3.99%	4.08%	5.63%
Benchmark	3.34%	4.93%	5.92%	4.95%	6.10%
Difference	2.25%	-2.94%	-1.93%	-0.87%	-0.47%
<b>Intl. Equity</b>					
Actual	13.98%	-31.39%	-5.90%	4.63%	3.28%
Benchmark	13.93%	-30.92%	-5.76%	4.51%	2.59%
Difference	0.05%	-0.47%	-0.14%	0.12%	0.69%
<b>Real Estate</b>					
Actual	-12.20%	-17.74%	2.95%	N/A	N/A
Benchmark	-15.01%	-14.68%	2.79%	N/A	N/A
Difference	2.81%	-3.06%	0.16%	N/A	N/A
<b>REITS</b>					
Actual	-12.32%	-45.35%	-19.71%	N/A	N/A
Benchmark	-12.89%	-45.73%	-19.96%	N/A	N/A
Difference	0.57%	0.38%	0.25%	N/A	N/A
<b>Private Equity</b>					
Actual	-18.22%	-24.53%	2.11%	10.23%	11.44%
Benchmark	-30.02%	-36.26%	-10.88%	-1.67%	-1.02%
Difference	11.80%	11.73%	12.99%	11.90%	12.46%



Note: Defined Benefit and Health Care plan assets were segregated on January 1, 2005.

### Asset Mix

	Actual June 30, 2009	Target	Difference
US Equity	41.8%	43.4%	-1.6%
Intl. Equity	20.8%	20.0%	0.8%
Opp. Equity	0.7%	0.2%	0.5%
REITS	0.3%	1.0%	-0.7%
Alternative Inv	4.3%	4.4%	-0.1%
Total Equity	68.0%	69.0%	-0.9%
Fixed Income	22.9%	24.0%	-1.1%
Real Estate	8.4%	7.0%	1.4%
Short Term Investments	0.8%	0.0%	0.8%
Total Debt	32.0%	31.0%	1.0%
	100.0%	100.0%	0.0%

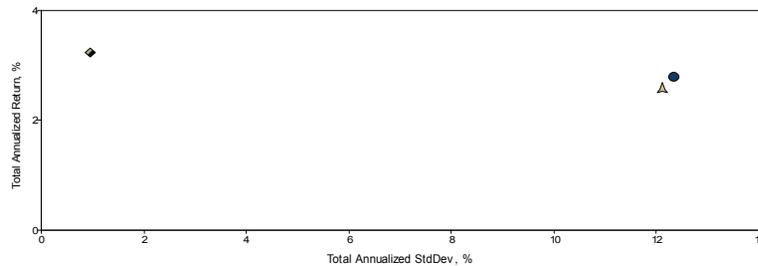
Note: An allocation of 22.9% to total fixed income consists of 13.3% (fixed income), 0.1% (stable value) and 9.5% (long duration).

### Characteristic Data

Assets at	6/30/2009	\$	50,251,446,769
Actuarial Interest Rate:			8.00%
Investment Staff Size:			56

### Performance vs. Risk

7/99 - 6/09



◆ PERS (DB) ▲ PERS (DB) Policy Index ◻ 91-Day Treasury Bill

	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
	Total	Total	Alpha, %	Sherpe Ratio
PERS (DB)	2.79	12.33	0.31	0.03
PERS (DB) Policy Index	2.96	12.12	0.06	0.00
91-Day Treasury Bill	3.23	0.96	0.00	NA

# Public Employees Retirement System

## Defined Benefit Plan - Performance Overview

Returns for Period Ending June 30, 2009

	<u>2 Qtrs</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>	<u>10 Yrs</u>
Total Fund	3.05	-19.34	-3.21	2.32	2.79
Policy Index	2.22	-19.72	-3.55	1.95	2.56
Domestic Equity	4.58	-26.99	-8.60	-1.97	-1.66
Domestic Equity Segment Median	4.65	-27.11	-8.38	-1.65	-0.56
Wilshire 5000	4.45	-26.40	-8.13	-1.60	-1.29
International Equity	13.98	-31.39	-5.90	4.63	3.28
International Equity Segment Median	12.00	-31.25	-6.06	3.89	3.59
MSCI EAFE	7.95	-31.35	-7.98	2.31	1.18
Fixed Income	5.59	1.99	3.99	4.08	5.63
Fixed Income Segment Median	5.21	3.51	4.79	4.41	5.67
BC Aggregate	1.90	6.05	6.43	5.01	5.98
Long Duration Fixed Income	-2.32	5.34	NA	NA	NA
BC Long-Term Gov't/Credit	-3.54	5.34	6.37	5.64	6.90
Cash	0.67	1.50	3.59	3.51	3.41
Real Estate	-12.20	-17.74	2.95	NA	NA
NCREIF	-12.15	-19.57	0.98	7.60	8.50
Public Real Estate	-12.32	-45.35	-19.71	NA	NA
Wilshire Resi Full Cap	-12.73	-45.64	-19.91	-3.41	5.18
Alternatives	-18.22	-24.53	2.11	10.23	11.44

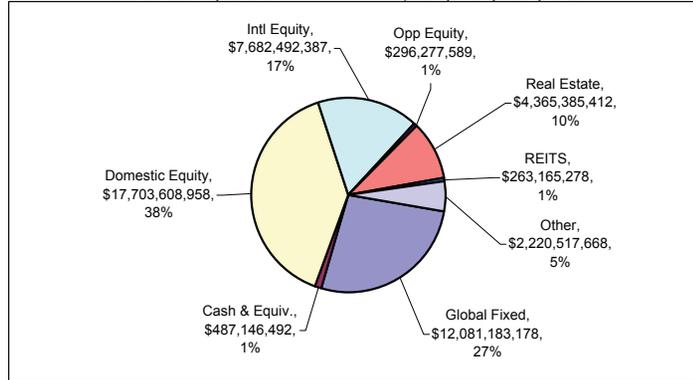
Over the past ten-year period, the PERS Defined Benefit Plan outpaced its policy index by 23 basis points. Strong performance in non-U.S. equity aided relative results. For the more recent one-year period, the plan outperformed the policy benchmark by 38 basis points.

\* Benchmarks for individual asset classes are not representative of the Plan's policy, but are implemented by Evaluation Associates.

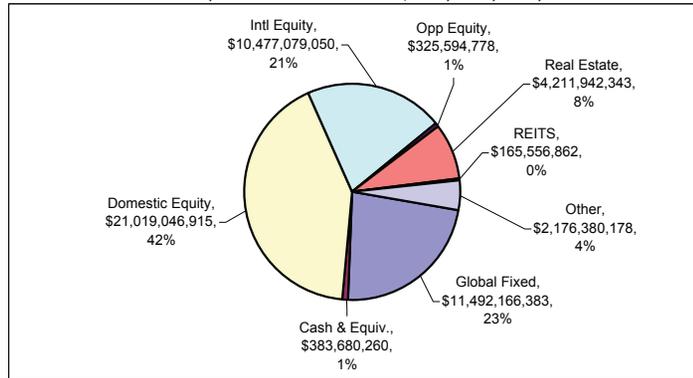
# Public Employees Retirement System

**Asset Allocation  
PERS Defined Benefit Plan**

March 31, 2009 \$ 45,099,776,962

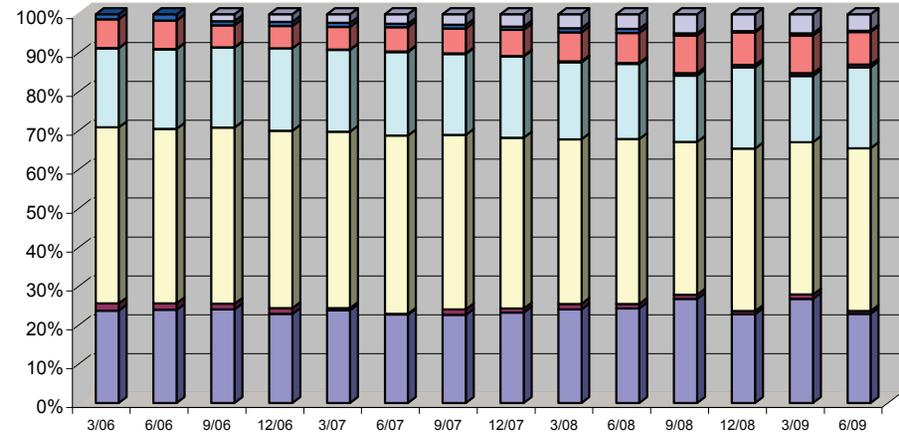


June 30, 2009 \$ 50,251,446,769



**Asset Allocation  
PERS Defined Benefit Plan**

- Other
- REITS
- Real Estate
- Opp Equity
- Intl Equity
- Domestic Equity
- Cash & Equiv
- Global Fixed



	3/06	6/06	9/06	12/06	3/07	6/07	9/07	12/07	3/08	6/08	9/08	12/08	3/09	6/09
Global Fixed %	23.8	24.0	24.1	22.9	23.9	22.7	22.7	23.3	24.1	24.3	25.5	28.0	26.8	22.9
Cash & Equiv. %	1.8	1.7	1.4	1.5	0.5	0.2	1.4	1.0	1.3	1.2	1.2	1.0	1.1	0.8
Domestic Equity %	45.3	44.9	45.3	45.6	45.3	45.8	44.8	43.9	42.4	42.4	42.1	38.4	39.2	41.8
Intl Equity %	20.4	20.5	20.6	21.1	21.1	21.5	20.8	20.9	19.8	19.3	17.0	17.1	17.0	20.8
Opp Equity %	0.0	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.7	0.7
Real Estate %	6.3	6.2	5.6	5.7	5.8	6.2	6.4	6.7	7.5	7.7	8.5	9.6	9.7	8.4
REITS %	1.1	1.0	1.1	1.1	1.0	0.9	0.9	0.8	1.1	1.0	1.2	0.8	0.6	0.3
Other %	1.0	1.3	1.3	1.6	2.3	2.5	2.8	3.2	3.6	3.8	4.4	5.0	4.9	4.3
Total Value (\$bil)	55.7	57.2	59.7	59.0	66.0	68.9	70.7	69.7	65.1	64.2	57.9	49.6	45.1	50.3

Note: Defined benefit and health care plan assets were segregated in January 2005. An allocation of 22.9% to total fixed income consists of 13.3% (fixed income), 0.1% (stable value) and 9.5% (long duration) as of December 31, 2008.

This is the first page devoted to the analysis of the Ohio Public Employees Retirement System Defined Benefit Plan's asset allocation. The chart on the left displays the fund's asset allocation over the first two quarters of 2009. The chart on the right tracks the quarterly asset allocation of the fund over the last fourteen quarters.

# Public Employees Retirement System

## Defined Benefit Plan

### Quarter Ending 6/30/2009

Label	Quarter Start	Quarter End	Percent	Description
Policy Index	Mar-94	Jun-95	68.0	SB Broad Inv Grade
			17.0	Standard & Poors 500
			8.0	91-Day Treasury Bill
			7.0	NCREIF
	Sep-95	Dec-95	59.0	SB Broad Inv Grade
			26.0	Standard & Poors 500
			8.0	NCREIF
			6.0	91-Day Treasury Bill
			1.0	MSCI EAFE (Net)
	Mar-96	Dec-96	62.5	SB Broad Inv Grade
			23.0	Standard & Poors 500
			8.0	NCREIF
			4.5	91-Day Treasury Bill
			2.0	MSCI EAFE (Net)
	Mar-97	Dec-97	56.5	SB Broad Inv Grade
			27.0	Standard & Poors 500
			8.0	NCREIF
			4.5	91-Day Treasury Bill
			4.0	MSCI EAFE (Net)
Mar-98	Dec-98	51.0	SB Broad Inv Grade	
		30.5	Standard & Poors 500	
		8.0	NCREIF	
		6.0	MSCI EAFE (Net)	
		4.5	91-Day Treasury Bill	

Label	Quarter Start	Quarter End	Percent	Description
Policy Index (cont.)	Dec-98	Dec-98	51.0	SB Broad Inv Grade
			30.5	Russell 3000
			6.0	MSCI World Ex-US (Net)
			4.8	NCREIF
			4.5	91-Day Treasury Bill
			1.6	NAREIT
			1.6	Giliberto-Levy Mortgage
	Mar-99	Mar-99	45.4	SB Broad Inv Grade
			35.0	Standard & Poors 500
			7.6	MSCI World Ex-US (Net)
			6.6	NCREIF
			2.2	NAREIT
			2.2	Giliberto-Levy Mortgage
			1.0	91-Day Treasury Bill
Jun-99	Jun-99	40.1	SB Broad Inv Grade	
		35.0	Standard & Poors 500	
		12.9	MSCI World Ex-US (Net)	
		6.6	NCREIF	
		2.2	NAREIT	
		2.2	Giliberto-Levy Mortgage	
		1.0	91-Day Treasury Bill	

# Public Employees Retirement System

## Defined Benefit Plan

### Quarter Ending 6/30/2009

Label	Quarter Start	Quarter End	Percent	Description
Policy Index (cont.)	Sep-99	Mar-02	36.1	SB Broad Inv Grade
			35.0	Standard & Poors 500
			16.9	MSCI World Ex-US (Net)
			6.6	NCREIF
			2.2	NAREIT
			2.2	Giliberto-Levy Mortgage
	1.0	BC Bellweather 3Mth T-Bill		
	Mar-02	Mar-02	34.3	S&P 1500
			31.8	SB Broad Inv Grade
			18.9	MSCI World Ex-US (Net)
			5.7	NCREIF
			3.0	Russell 3000
			2.3	BC Bellweather 3Mth T-Bill
	Jun-02	Sep-02	1.9	NAREIT
			1.9	Giliberto-Levy Mortgage
			0.2	Standard & Poors 500
			34.7	S&P 1500
			29.2	SB Broad Inv Grade
19.3			MSCI World Ex-US (Net)	
5.8	Russell 3000			
5.6	NCREIF			
1.9	NAREIT			
1.9	Giliberto-Levy Mortgage			
1.5	BC Bellweather 3Mth T-Bill			
0.2	Standard & Poors 500			

Label	Quarter Start	Quarter End	Percent	Description
Policy Index (cont.)	Sep-02	Sep-02	44.7	Russell 3000
			25.6	SB Broad Inv Grade
			19.7	MSCI World Ex-US (Net)
			5.5	NCREIF
			1.8	NAREIT
			1.8	Giliberto-Levy Mortgage
	0.7	BC Bellweather 3Mth T-Bill		
	0.2	Standard & Poors 500		
	Dec-02	Dec-02	47.0	Russell 3000
			23.0	SB Broad Inv Grade
			20.0	MSCI World Ex-US (Net)
			5.4	NCREIF
			1.8	NAREIT
			1.8	Giliberto-Levy Mortgage
	0.6	BC Bellweather 3Mth T-Bill		
	0.4	Standard & Poors 500		
	Mar-03	Dec-04	46.0	Russell 3000
			23.0	Barclays Universal
			20.0	MSCI AC World Ex-US (Net)
			8.1	NCREIF
			0.9	Wilshire Real Estate Securities
			1.0	BC Bellweather 3Mth T-Bill
	1.0	Russell 3000 + 3% (1 Qtr arrears)		

# Public Employees Retirement System

## Defined Benefit Plan

### Quarter Ending 6/30/2009

Label	Quarter Start	Quarter End	Percent	Description
Policy Index (cont.)	Dec-04	Mar-05	46.3	Russell 3000
			26.2	Barclays Universal
			20.0	MSCI AC World Ex-US (Net)
	5.8	Custom Real Estate		
	0.7	Russell 3000 + 3% (1 Qtr arrears)		
	1.0	BC Bellweather 3Mth T-Bill		
	Mar-05	Jun-05	46.1	Russell 3000
			26.0	Barclays Universal
			20.0	MSCI AC World Ex-US (Net)
6.0	Custom Real Estate			
0.9	Russell 3000 + 3% (1 Qtr arrears)			
1.0	BC Bellweather 3Mth T-Bill			
Jun-05	Sep-05	46.1	Russell 3000	
		25.8	Barclays Universal	
		20.0	MSCI AC World Ex-US (Net)	
6.2	Custom Real Estate			
0.9	Russell 3000 + 3% (1 Qtr arrears)			
1.0	BC Bellweather 3Mth T-Bill			

Label	Quarter Start	Quarter End	Percent	Description
Policy Index (cont.)	Sep-05	Dec-05	46.0	Russell 3000
			25.6	Barclays Universal
			20.0	MSCI AC World Ex-US (Net)
	6.4	Custom Real Estate		
	1.0	Russell 3000 + 3% (1 Qtr arrears)		
	1.0	BC Bellweather 3Mth T-Bill		
	Dec-05	Mar-06	45.7	Russell 3000
			24.4	Barclays Universal
			20.0	MSCI AC World Ex-US (Net)
7.6	Custom Real Estate			
1.3	Russell 3000 + 3% (1 Qtr arrears)			
1.0	BC Bellweather 3Mth T-Bill			
Mar-06	Jun-06	45.6	Russell 3000	
		24.7	Barclays Universal	
		20.0	MSCI AC World Ex-US (Net)	
7.3	Custom Real Estate			
1.4	Russell 3000 + 3% (1 Qtr arrears)			
1.0	BC Bellweather 3Mth T-Bill			

# Public Employees Retirement System

## Defined Benefit Plan

### Quarter Ending 6/30/2009

Label	Quarter Start	Quarter End	Percent	Description	
Policy Index (cont.)	Jun-06	Sep-06	45.4	Russell 3000	
			24.8	Barclays Universal	
			20.0	MSCI AC World Ex-US (Net)	
	6.3	Real Estate			
	1.0	Wilshire Resi Full Cap			
	1.6	Russell 3000 + 3% (1 Qtr arrears)			
	1.0	BC Bellweather 3Mth T-Bill			
	Sep-06	Dec-06	45.2	Russell 3000	
			25.4	Barclays Universal	
20.0			MSCI AC World Ex-US (Net)		
5.6			Real Estate		
1.0			Wilshire Resi Full Cap		
1.8			Russell 3000 + 3% (1 Qtr arrears)		
1.0	BC Bellweather 3Mth T-Bill				
Dec-06	Mar-07	46.0	Russell 3000		
		25.3	BC Universal/BC Long G/C		
		20.0	MSCI AC World Ex-US (Net)		
		5.7	Real Estate		
		1.0	Wilshire Resi Full Cap		
		0.1	Russell 3000 + 3% (1 Qtr arrears)		
		2.0	BC Bellweather 3Mth T-Bill		

Label	Quarter Start	Quarter End	Percent	Description		
Policy Index (cont.)	Mar-07	Jun-07	45.7	Russell 3000		
			25.2	BC Universal/BC Long G/C		
			20.0	MSCI AC World Ex-US (Net)		
			5.8	Real Estate		
	1.0	Wilshire Resi Full Cap				
	0.1	Russell 3000 + 3% (1 Qtr arrears)				
	2.3	BC Bellweather 3Mth T-Bill				
	Jun-07	Sep-07	45.6	Russell 3000		
			25.2	BC Universal/BC Long G/C		
			20.0	MSCI AC World Ex-US (Net)		
			6.8	Real Estate		
			2.3	Wilshire Resi Full Cap		
0.1	Russell 3000 + 3% (1 Qtr arrears)					
0.0	BC Bellweather 3Mth T-Bill					
Sep-07	Dec-07	45.1	Russell 3000			
		24.6	BC Universal/BC Long G/C			
		20.0	MSCI AC World Ex-US (Net)			
		7.4	Real Estate			
		2.8	Wilshire Resi Full Cap			
		0.2	Russell 3000 + 3% (1 Qtr arrears)			
0.0	BC Bellweather 3Mth T-Bill					

# Public Employees Retirement System

## Defined Benefit Plan

### Quarter Ending 6/30/2009

Label	Quarter Start	Quarter End	Percent	Description
Policy Index (cont.)	Dec-07	Mar-08	44.9	Russell 3000
			24.0	BC Universal/BC Long G/C
			20.0	MSCI AC World Ex-US (Net)
			6.7	Real Estate
			1.0	Wilshire Resi Full Cap
			3.2	Russell 3000 + 3% (1 Qtr arrears)
	0.2	BC Bellweather 3Mth T-Bill		
	Mar-08	Jun-08	44.9	Russell 3000
			24.0	BC Universal/BC Long G/C
			20.0	MSCI AC World Ex-US (Net)
			6.7	Real Estate
			1.0	Wilshire Resi Full Cap
3.2			Russell 3000 + 3% (1 Qtr arrears)	
Jun-08	Sep-08	43.9	Russell 3000	
		24.0	BC Universal/BC Long G/C	
		20.0	MSCI AC World Ex-US (Net)	
		7.0	Real Estate	
		1.0	Wilshire Resi Full Cap	
		3.8	Russell 3000 + 3% (1 Qtr arrears)	
0.3	BC Bellweather 3Mth T-Bill			

Label	Quarter Start	Quarter End	Percent	Description		
Policy Index (cont.)	Sep-08	Jun-09	43.4	Russell 3000		
			24.0	BC Universal/BC Long G/C		
			20.0	MSCI AC World Ex-US (Net)		
			7.0	Real Estate		
			1.0	Wilshire Resi Full Cap		
			4.4	Russell 3000 + 3% (1 Qtr arrears)		
			0.2	BC Bellweather 3Mth T-Bill		

The current PERS policy index is listed in the table on the right. PERS instituted separate floating policy indexes for their defined benefit and health care plans in January 2005.

Listed below are conditions that apply to the movement of the defined benefit policy index:

- (1) To the extent that actual real estate investments are below the long run target, the difference will be carried in global bonds.
- (2) To the extent that actual private equity investments are below the long run target, the difference will be carried in U.S. equities.
- (3) Real estate custom benchmark are calculated at 90% NCREIF minus 100 bps annually plus 10% Wilshire RESI minus 20 bps annually.

# Public Employees Retirement System

## Defined Benefit Plan - Asset Allocation Actual vs. Benchmark March 31, 2009

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	39.2%	Russell 3000	43.4%	-4.2%
Fixed Income	26.8%	PERS Custom Index	24.0%	2.8%
Intl. Equity	17.0%	MSCI AC World ex US	20.0%	-3.0%
Opportunistic Equity	0.7%	BC Bellweather 3 Month T-Bill	0.2%	0.5%
Real Estate	9.7%	PERS Custom Index	7.0%	2.7%
REITS	0.6%	Wilshire Resi full cap	1.0%	-0.4%
Alternative Investments	4.9%	Russell 3000 + 3% (1 Qtr arrears)	4.4%	0.5%
Short Term	1.1%	--	0.0%	1.1%

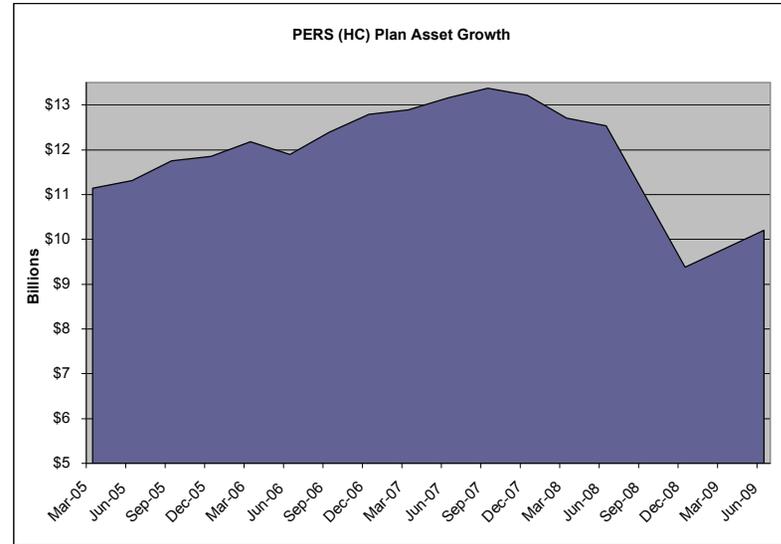
## June 30, 2009

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	41.8%	Russell 3000	43.4%	-1.6%
Fixed Income	22.9%	PERS Custom Index	24.0%	-1.1%
Intl. Equity	20.8%	MSCI AC World ex US	20.0%	0.8%
Opportunistic Equity	0.7%	BC Bellweather 3 Month T-Bill	0.2%	0.5%
Real Estate	8.4%	PERS Custom Index	7.0%	1.4%
REITS	0.3%	Wilshire Resi full cap	1.0%	-0.7%
Alternative Investments	4.3%	Russell 3000 + 3% (1 Qtr arrears)	4.4%	-0.1%
Short Term	0.8%	--	0.0%	0.8%

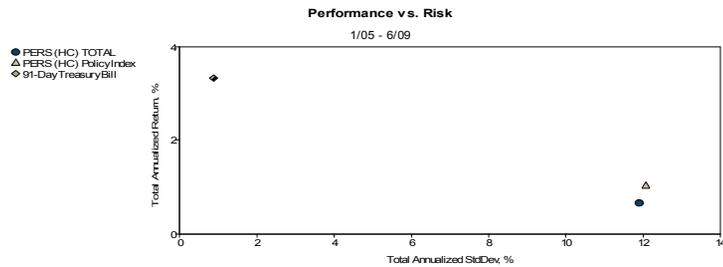
As of the end of the second quarter, the PERS Defined Benefit Plan is overweight in international equity, private real estate, opportunistic equity and cash, while being underweight in domestic equity, fixed income, alternative investments and REITS.

# Public Employees Retirement System Health Care Plan

PERS Returns					
Portfolio	Two Quarters	One Year	Three Years	Five Years	Ten Years
<b>US Equity</b>					
Actual	4.58%	-26.99%	-8.60%	N/A	N/A
Benchmark	4.20%	-26.56%	-8.32%	N/A	N/A
Difference	0.38%	-0.43%	-0.28%	N/A	N/A
<b>Fixed Income</b>					
Actual	5.58%	1.99%	3.96%	N/A	N/A
Benchmark	3.34%	4.93%	5.92%	N/A	N/A
Difference	2.24%	-2.94%	-1.96%	N/A	N/A
<b>Intl. Equity</b>					
Actual	13.98%	-31.41%	-5.87%	N/A	N/A
Benchmark	13.93%	-30.92%	-5.76%	N/A	N/A
Difference	0.05%	-0.49%	-0.11%	N/A	N/A
<b>REITS</b>					
Actual	-12.32%	-45.35%	-19.71%	N/A	N/A
Benchmark	-12.89%	-45.73%	-19.96%	N/A	N/A
Difference	0.57%	0.38%	0.25%	N/A	N/A
<b>TIPS</b>					
Actual	6.36%	-0.89%	5.99%	N/A	N/A
Benchmark	6.22%	-1.11%	5.77%	N/A	N/A
Difference	0.14%	0.22%	0.22%	N/A	N/A
<b>Alternative Investments</b>					
Actual	-25.40%	-39.54%	N/A	N/A	N/A
Benchmark	-30.02%	-36.26%	N/A	N/A	N/A
Difference	4.62%	-3.28%	N/A	N/A	N/A
<b>Short Duration</b>					
Actual	-0.87%	-4.55%	-0.55%	N/A	N/A
Benchmark	0.47%	4.94%	5.74%	N/A	N/A
Difference	-1.34%	-9.49%	-6.29%	N/A	N/A



Note: Defined Benefit and Health Care plan assets were segregated on January 1, 2005.



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
	Total	Total	Alpha, %	Sherpe Ratio
PERS (HC) TOTAL	0.66	11.90	-1.95	-0.17
PERS (HC) Policy Index	1.02	12.07	-1.58	-0.13
91-Day Treasury Bill	3.34	0.87	0.00	NA

### Asset Mix

	Actual June 30, 2009	Target	Difference
US Equity	27.7%	29.0%	-1.3%
Intl. Equity	25.4%	23.0%	2.4%
Private Equity	0.1%	0.0%	0.1%
Alternatives	1.2%	0.0%	1.2%
<b>Total Equity</b>	<b>54.3%</b>	<b>52.0%</b>	<b>2.3%</b>
Fixed Income	10.2%	10.3%	-0.1%
REITS	5.5%	6.0%	-0.5%
TIPS	20.1%	20.2%	-0.1%
Short Duration Bonds	9.4%	11.5%	-2.1%
HC Cash	0.5%	0.0%	0.5%
<b>Total Debt</b>	<b>45.7%</b>	<b>48.0%</b>	<b>-2.3%</b>
	100.0%	100.0%	0.0%

### Characteristic Data

Assets at 6/30/2009 \$ 10,196,094,258  
 Actuarial Interest Rate: 6.70%  
 Investment Staff Size: 56

# Public Employees Retirement System

## Health Care Plan - Performance Overview

Returns for Period Ending June 30, 2009

	<u>2 Qtrs</u>	<u>1 Yr</u>	<u>3 Yrs</u>
Total Fund	6.61	-16.96	-2.70
Policy Index	6.30	-16.38	-1.92
Domestic Equity	4.58	-26.99	-8.60
Domestic Equity Segment Median	4.65	-27.11	-8.38
Wilshire 5000	4.45	-26.40	-8.13
International Equity	13.98	-31.41	-5.87
International Equity Segment Median	12.00	-31.25	-6.06
MSCI EAFE	7.95	-31.35	-7.98
Fixed Income	5.58	1.99	3.96
Fixed Income Segment Median	5.21	3.51	4.79
BC Aggregate	1.90	6.05	6.43
Cash	0.68	1.46	3.62
Public Real Estate	-12.32	-45.35	-19.71
Wilshire Resi Full Cap	-12.73	-45.64	-19.91
Treasury Inflation Protected Securities	6.36	-0.89	5.99
Barclays U.S. TIPS	6.21	-1.11	5.77
Short Duration	-0.87	-4.55	-0.55
Barclays 1-3 Year Government	0.47	4.94	5.74
Alternatives	-25.40	-39.54	NA

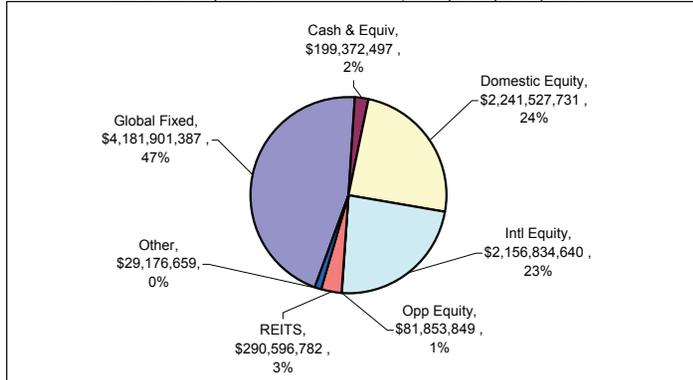
For the trailing three-year period, the PERS Health Care Plan underperformed its policy index by 78 basis points. Performance in domestic equity detracted from results the most. For the more recent one-year period, the plan underperformed the policy benchmark by 58 basis points.

\* Benchmarks for individual asset classes are not representative of the Plan's policy, but are implemented by Evaluation Associates.

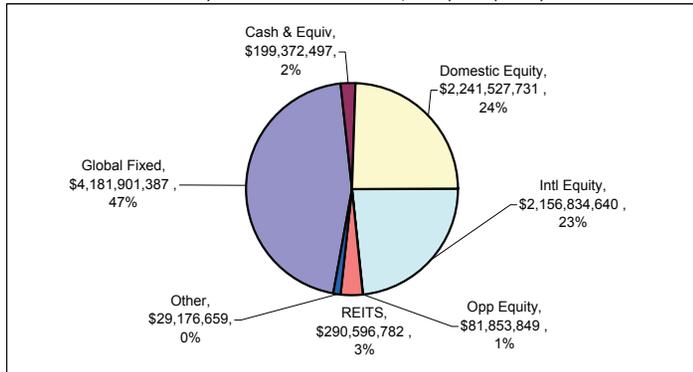
# Public Employees Retirement System

**Asset Allocation  
PERS Health Care Plan**

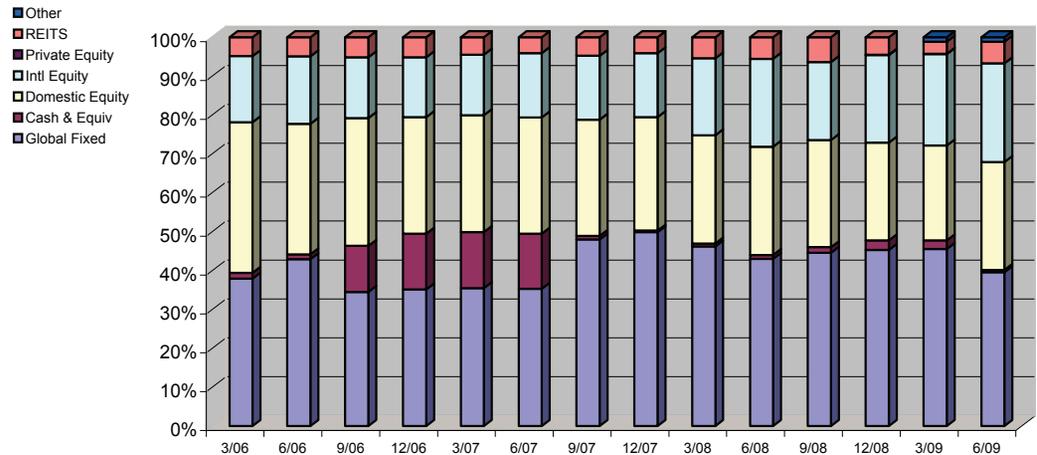
March 31, 2009 \$ 9,181,263,545



June 30, 2009 \$ 10,196,094,258



**Asset Allocation  
PERS Health Care Plan**



	3/06	6/06	9/06	12/06	3/07	6/07	9/07	12/07	3/08	6/08	9/08	12/08	3/09	6/09
Global Fixed %	37.9	42.9	34.5	35.1	35.5	35.3	48.0	49.8	46.2	43.0	44.5	45.3	45.5	39.6
Cash & Equiv. %	1.5	1.2	11.8	14.4	14.4	14.2	0.9	0.4	0.8	1.0	1.5	2.5	2.2	0.5
Domestic Equity %	38.7	33.6	32.8	29.9	30.0	29.9	29.9	29.2	27.8	27.8	27.6	25.1	24.4	27.7
Intl Equity %	17.0	17.4	15.6	15.4	15.5	16.5	16.4	16.4	19.8	22.6	20.0	22.5	23.5	25.4
Private Equity %	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1
REITS %	4.9	5.0	5.2	5.2	4.5	4.1	4.8	4.1	5.5	5.6	6.4	4.5	3.2	5.5
Other %	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	1.2

Total Value (\$bil)

Note: Defined benefit and health care plan assets were segregated in January 2005. An allocation of 39.6% to total fixed income consists of 10.2% (fixed income), 20.1% (TIPS) and 9.4% (short duration) as of June 30, 2009.

This is the first page devoted to the analysis of the Ohio Public Employees Retirement System Health Care Plan's asset allocation. The chart on the left displays the fund's asset allocation over the first two quarters of 2009. The chart on the right tracks the quarterly asset allocation of the fund over the last fourteen quarters.

# Public Employees Retirement System

## Health Care Plan

### Quarter Ending 6/30/2009

Label	Quarter Start	Quarter End	Percent	Description
Policy Index	Dec-04	Jun-05	47.5	Russell 3000
			22.0	Barclays Universal
			22.0	MSCI ACWI Ex-US (Net)
			4.0	Wilshire Resi Full Cap
			2.5	Barclays US Tips
	2.0	Barclays 1-3 Yr Gov't		
	Jun-05	Dec-05	42.5	Russell 3000
			20.0	Barclays Universal
			20.0	MSCI ACWI Ex-US (Net)
			4.2	Wilshire Resi Full Cap
			7.5	Barclays US Tips
	5.8	Barclays 1-3 Yr Gov't		
	Dec-05	Jun-06	37.5	Russell 3000
			18.0	Barclays Universal
			18.0	MSCI ACWI Ex-US (Net)
			4.5	Wilshire Resi Full Cap
			12.5	Barclays US Tips
	9.5	Barclays 1-3 Yr Gov't		
	Jun-06	Dec-06	32.5	Russell 3000
			16.0	Barclays Universal
16.0			MSCI ACWI Ex-US (Net)	
4.8			Wilshire Resi Full Cap	
17.5			Barclays US Tips	
13.2	Barclays 1-3 Yr Gov't			

Label	Quarter Start	Quarter End	Percent	Description
Policy Index	Dec-06	Dec-07	30.0	Russell 3000
			15.0	Barclays Universal
			15.0	MSCI ACWI Ex-US (Net)
			5.0	Wilshire Resi Full Cap
			20.0	Barclays US Tips
	15.0	Barclays 1-3 Yr Gov't		
	Dec-07	Jun-08	29.6	Russell 3000
			14.8	Barclays Universal
			16.4	MSCI ACWI Ex-US (Net)
			4.1	Wilshire Resi Full Cap
			20.8	Barclays US Tips
	14.3	Barclays 1-3 Yr Gov't		
	Jun-08	Sep-08	28.8	Russell 3000
			9.7	Barclays Universal
			22.6	MSCI ACWI Ex-US (Net)
			5.6	Wilshire Resi Full Cap
			21.0	Barclays US Tips
	12.3	Barclays 1-3 Yr Gov't		
	Sep-08	Jun-09	29.0	Russell 3000
			10.3	Barclays Universal
23.0			MSCI ACWI Ex-US (Net)	
6.0			Wilshire Resi Full Cap	
20.2			Barclays US Tips	
11.5	Barclays 1-3 Yr Gov't			

PERS Health Care Plans' policy index is shown above.

# Public Employees Retirement System

## Health Care Plan - Asset Allocation Actual vs. Benchmark March 31, 2009

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	24.4%	Russell 3000	29.0%	-4.6%
Fixed Income	12.0%	Barclays Universal	10.3%	1.7%
Intl. Equity	23.5%	MSCI AC World ex US	23.0%	0.5%
REITS	3.2%	Wilshire Resi full cap	6.0%	-2.8%
TIPS	19.8%	BC U.S. Tips	20.2%	-0.4%
Short Duration Bonds	13.7%	BC 1-3 Yr Gov't	11.5%	2.2%
Private Equity	0.3%	N/A	N/A	N/A
Opportunistic	0.9%	N/A	N/A	N/A
HC Cash	2.2%	91 Day T-Bill	0.0%	2.2%

June 30, 2009

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	27.7%	Russell 3000	29.0%	-1.3%
Fixed Income	10.2%	Barclays Universal	10.3%	-0.1%
Intl. Equity	25.4%	MSCI AC World ex US	23.0%	2.4%
REITS	5.5%	Wilshire Resi full cap	6.0%	-0.5%
TIPS	20.1%	BC U.S. Tips	20.2%	-0.1%
Short Duration Bonds	9.4%	BC 1-3 Yr Gov't	11.5%	-2.1%
Private Equity	0.9%	N/A	N/A	N/A
Opportunistic	0.3%	N/A	N/A	N/A
HC Cash	0.5%	91 Day T-Bill	0.0%	0.5%

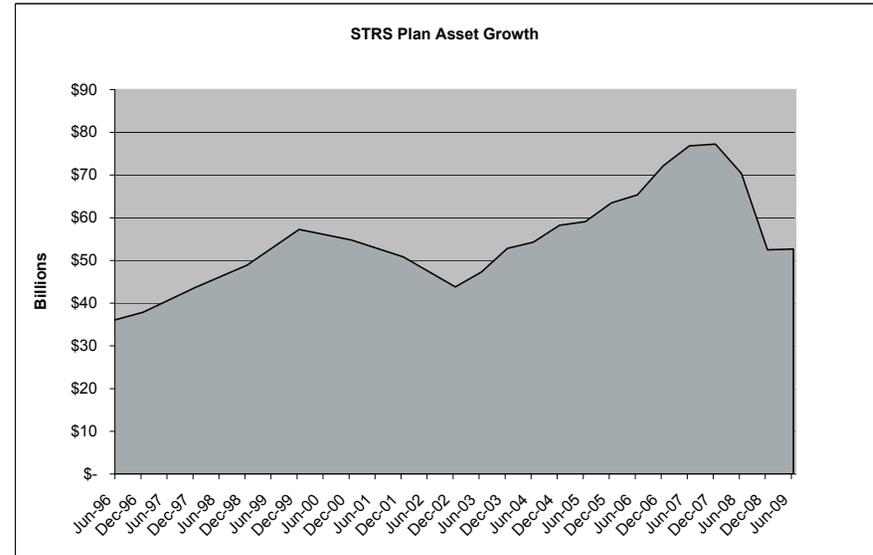
As of the end of the second quarter, the PERS Health Care Plan is overweight in international equity and cash, while being underweight in domestic equity, fixed income, short duration, TIPS and REITS

# **State Teachers Retirement System (STRS)**

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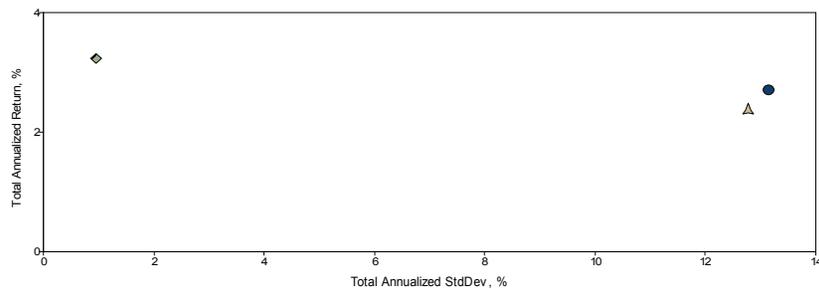
# State Teachers Retirement System

STRS Returns					
Portfolio	Two Quarters	One Year	Three Years	Five Years	Ten Years
<b>US Equity</b>					
Actual	4.81%	-25.45%	-8.63%	-1.92%	-1.71%
Benchmark	4.19%	-26.57%	-8.35%	-1.84%	-1.44%
Difference	0.62%	1.12%	-0.28%	-0.08%	-0.27%
<b>Fixed Income</b>					
Actual	8.95%	4.98%	6.31%	5.26%	6.49%
Benchmark	3.34%	4.92%	5.92%	4.95%	5.99%
Difference	5.61%	0.06%	0.39%	0.31%	0.50%
<b>Intl. Equity</b>					
Actual	13.58%	-27.89%	-5.01%	6.22%	4.15%
Benchmark	13.58%	-27.35%	-5.26%	5.51%	2.66%
Difference	0.00%	-0.54%	0.25%	0.71%	1.49%
<b>Real Estate</b>					
Actual	-21.26%	-27.02%	3.22%	11.24%	10.82%
Benchmark	-11.02%	-22.18%	-1.54%	6.31%	7.80%
Difference	-10.24%	-4.84%	4.76%	4.93%	3.02%
<b>Private Equity</b>					
Actual	-16.71%	-24.59%	1.54%	8.34%	5.17%
Benchmark	5.70%	-23.56%	-5.35%	1.16%	1.54%
Difference	-22.41%	-1.03%	6.89%	7.18%	3.63%



Performance vs. Risk

7/99 - 6/09



● STRS    ▲ STRS Policy Index    ◆ 91-Day Treasury Bill

	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
	Total	Total	Alpha, %	Sharpe Ratio
STRS	2.71	13.14	0.34	0.03
STRS Policy Index	2.36	12.76	-0.05	0.00
91-Day Treasury Bill	3.23	0.96	0.00	NA

Asset Mix

	Actual	Target	Difference
	June 30, 2009		
US Equity	41.2%	40.0%	1.2%
Intl. Equity	24.7%	24.0%	0.7%
Alternative Assets	5.9%	6.0%	-0.1%
<b>Total Equity</b>	<b>71.8%</b>	<b>70.0%</b>	<b>1.8%</b>
Fixed Income	17.0%	20.0%	-3.0%
Real Estate	9.4%	10.0%	-0.6%
Short Term Investments	1.8%	0.0%	1.8%
<b>Total Debt</b>	<b>28.2%</b>	<b>30.0%</b>	<b>-1.8%</b>
	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

Characteristic Data

Assets at 6/30/2009 \$ 52,679,078,295  
 Actuarial Interest Rate: 8.00%  
 Investment Staff Size: 111

# State Teachers Retirement System

## Performance Overview

Returns for Period Ending June 30, 2009

	<u>2 Qtrs</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>	<u>10 Yrs</u>
Total Fund	2.76	-21.66	-3.65	2.69	2.71
Policy Index	3.78	-20.42	-3.60	2.30	2.36
Domestic Equity	4.81	-25.45	-8.63	-1.92	-1.71
Domestic Equity Segment Median	4.65	-27.11	-8.38	-1.65	-0.56
Wilshire 5000	4.45	-26.40	-8.13	-1.60	-1.29
International Equity	13.58	-27.89	-5.01	6.22	4.15
International Equity Segment Median	12.00	-31.25	-6.06	3.89	3.59
MSCI EAFE	7.95	-31.35	-7.98	2.31	1.18
Fixed Income	8.95	4.98	6.31	5.26	6.49
Fixed Income Segment Median	5.21	3.51	4.79	4.41	5.67
BC Aggregate	1.90	6.05	6.43	5.01	5.98
Cash	1.20	1.69	3.66	3.47	3.42
Real Estate	-21.26	-27.02	3.22	11.24	10.82
NCREIF	-12.15	-19.57	0.98	7.60	8.50
Alternatives	-16.71	-24.59	1.54	8.34	5.17

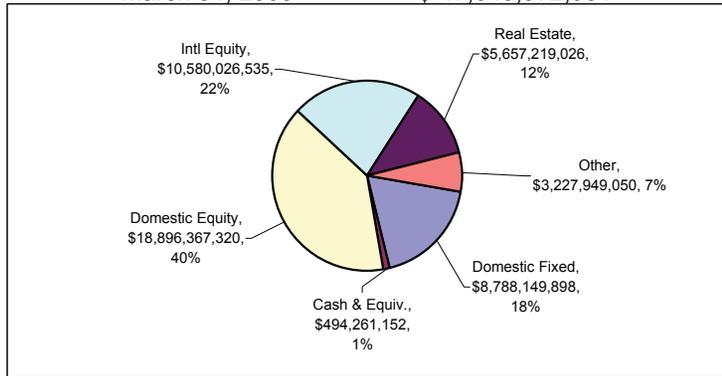
Over the trailing ten-year period, the fund outperformed its policy index by 35 basis points. Strong relative outperformance in international equity, real estate and fixed income contributed to overall returns. Over the more recent one-year period, the fund trailed its policy index by 124 basis points.

\* Benchmarks for individual asset classes are not representative of the Plan's policy, but are implemented by Evaluation Associates.

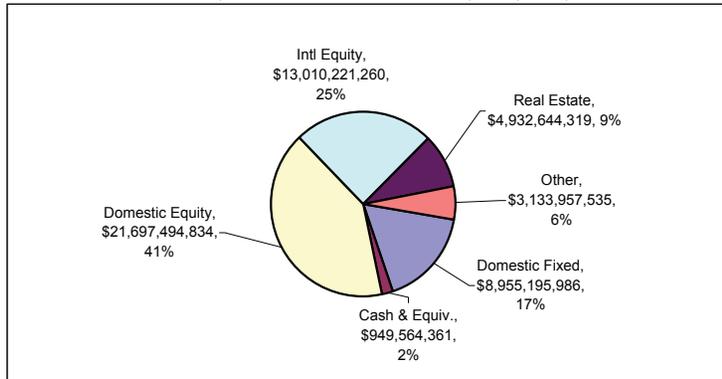
# State Teachers Retirement System

**Asset Allocation  
STRS**

March 31, 2009 \$ 47,643,972,981

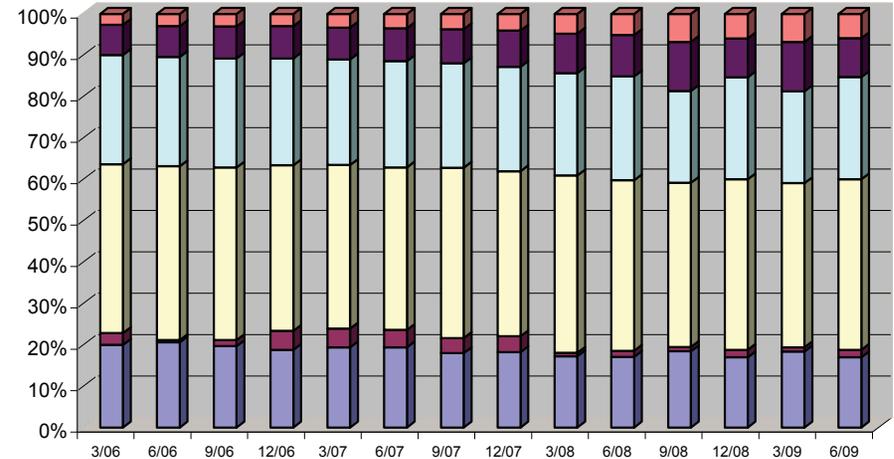


June 30, 2009 \$ 52,679,078,295



**Asset Allocation  
STRS**

- Other
- Real Estate
- Intl Equity
- Domestic Equity
- Cash & Equiv
- Domestic Fixed



	3/06	6/06	9/06	12/06	3/07	6/07	9/07	12/07	3/08	6/08	9/08	12/08	3/09	6/09
Domestic Fixed %	20.0	20.6	19.7	18.8	19.4	19.4	18.0	18.2	17.2	17.1	16.3	17.4	18.4	17.0
Cash & Equiv. %	2.8	0.5	1.4	4.5	4.6	4.2	3.6	3.8	0.8	1.5	0.1	0.6	1.0	1.8
Domestic Equity %	40.8	42.0	41.7	40.0	39.5	39.2	41.2	39.9	42.9	41.2	43.5	40.8	39.7	41.2
Intl Equity %	26.4	26.4	26.4	25.9	25.5	25.7	25.2	25.2	24.8	25.1	23.0	22.1	22.2	24.7
Real Estate %	7.3	7.5	7.7	7.8	7.7	8.0	8.3	8.7	9.5	10.0	11.2	12.2	11.9	9.4
Other %	2.7	3.0	3.1	3.0	3.3	3.5	3.7	4.1	4.8	5.1	6.1	6.9	6.8	5.9
Total Value (\$bil)	62.0	63.5	66.5	65.4	73.4	76.9	78.6	77.3	71.5	70.4	62.9	52.5	47.6	52.7

This is the first page devoted to the analysis of the Ohio State Teachers Retirement System's asset allocation. The chart on the left displays the fund's asset allocation over the first two quarters of 2009. The chart on the right tracks the quarterly asset allocation of the fund over the last fourteen quarters.

# State Teachers Retirement System

## Quarter Ending 6/30/2009

Label	Quarter Start	Quarter End	Percent	Description
Policy Index	Mar-94	Dec-94	40.0	Standard & Poors 500
			45.0	Barclays Govt./Corp.
			9.0	STRS NCREIF Hybrid
			3.0	MSCI EAFE (Net)
			3.0	91-Day Treasury Bill
	Mar-95	Dec-95	46.0	Standard & Poors 500
			35.0	BC Aggregate
			9.0	STRS NCREIF Hybrid
			6.0	MSCI EAFE (Net)
			2.0	MSCI Em Mkts Free (Gross)
	Mar-96	Dec-96	45.0	Standard & Poors 500
			35.0	BC Aggregate
			9.0	STRS NCREIF Hybrid
			6.8	MSCI EAFE (Net)
			2.3	MSCI Em Mkts Free (Gross)
	Mar-97	Jun-97	45.0	Standard & Poors 500
34.0			BC Aggregate	
9.0			STRS NCREIF Hybrid	
6.0			MSCI EAFE (Net)	
4.0			MSCI Em Mkts Free (Gross)	
2.0	91-Day Treasury Bill			

Label	Quarter Start	Quarter End	Percent	Description
Policy Index (Cont.)	Sep-97	Dec-97	45.0	Standard & Poors 500
			24.0	BC Aggregate
			12.0	MSCI EAFE (Net)
			9.0	STRS NCREIF Hybrid
			8.0	MSCI Em Mkts Free (Gross)
			2.0	91-Day Treasury Bill
			Mar-98	Sep-98
	24.0	BC Aggregate		
	12.0	MSCI EAFE 50% Hedged		
	9.0	STRS NCREIF Hybrid		
	8.0	MSCI Em Mkts Free (Gross)		
	Dec-98	Sep-00	45.0	S&P 1500
			24.0	BC Aggregate
			14.0	MSCI EAFE 50% Hedged
			9.0	STRS NCREIF Hybrid
			6.0	MSCI Em Mkts Free (Gross)
	Dec-00	Jun-02	45.0	S&P 1500
			25.0	Barclays Universal
			15.0	MSCI EAFE 50% Hedged
			9.0	STRS NCREIF Hybrid
5.0			MSCI Em Mkts Free (Gross)	
1.0	91-Day Treasury Bill			

# State Teachers Retirement System

## Quarter Ending 6/30/2009

Label	Quarter Start	Quarter End	Percent	Description
Policy Index (cont.)	Sep-02	Dec-02	45.0	S&P 1500
			23.0	Barclays Universal
			15.0	MSCI EAFE 50% Hedged
			9.0	STRS NCREIF Hybrid
			5.0	MSCI Em Mkts Free (Gross)
	2.0	Alt. Investment Actual Return		
	1.0	91-Day Treasury Bill		
	Mar-03	Jun-03	45.0	S&P/Russell Hybrid
			23.0	Barclays Universal
			15.0	MSCI EAFE 50% Hedged
			9.0	STRS NCREIF Hybrid
			5.0	MSCI Em Mkts Free (Gross)
	2.0	Alt. Investment Actual Return		
	1.0	91-Day Treasury Bill		
	Sep-03	Dec-05	45.0	Russell 3000
			23.0	Barclays Universal
			15.0	MSCI World ex US 50% Hedged
			9.0	STRS NCREIF Hybrid
			5.0	MSCI Em Mkts Free (Gross)
	2.0	Alt. Investment Actual Return		
1.0	91-Day Treasury Bill			
Mar-06	Jun-06	42.0	Russell 3000	
		21.0	Barclays Universal	
		20.0	MSCI World ex US 50% Hedged	
		9.0	STRS NCREIF Hybrid	
		5.0	MSCI Em Mkts Free (Gross)	
3.0	Alt. Investment Actual Return			
0.0	91-Day Treasury Bill			

Label	Quarter Start	Quarter End	Percent	Description
Policy Index (cont.)	Sep-06	Jun-07	42.0	Russell 3000
			20.5	Barclays Universal
			20.0	MSCI World ex US 50% Hedged
			9.5	STRS NCREIF Hybrid
			5.0	MSCI Em Mkts Free (Gross)
	3.0	Alt. Investment Actual Return		
	0.0	91-Day Treasury Bill		
	Sep-07	Sep-07	42.0	Russell 3000
			20.0	Barclays Universal
			20.0	MSCI World ex US 50% Hedged
			10.0	STRS NCREIF Hybrid
			5.0	MSCI Em Mkts Free (Gross)
	3.0	Alt. Investment Actual Return		
	0.0	91-Day Treasury Bill		
	Dec-07	Mar-09	42.0	Russell 3000
			20.0	Barclays Universal
			20.0	MSCI World ex US 50% Hedged
			9.5	STRS NCREIF Hybrid
			5.0	MSCI Em Mkts Free (Gross)
	3.5	Alt. Investment Actual Return		
0.0	91-Day Treasury Bill			
Mar-09	Jun-09	40.0	Russell 3000	
		20.0	Barclays Universal	
		19.2	MSCI World ex US 50% Hedged	
		10.0	STRS NCREIF Hybrid	
		4.8	MSCI Em Mkts Free (Gross)	
6.0	Alt. Investment Actual Return			
0.0	91-Day Treasury Bill			

The current STRS policy index is shown above on the right.

# State Teachers Retirement System

## Asset Allocation Actual vs. Benchmark March 31, 2009

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	39.7%	Russell 3000	42.0%	-2.3%
Fixed Income	18.4%	Barclays Universal	20.0%	-1.6%
Intl. Equity	22.2%	Intl. Hybrid Benchmark	25.0%	-2.8%
Real Estate	11.9%	NCREIF Hybrid	9.5%	2.4%
Alternative Investments	6.8%	Alt. Inv. Actual Return	3.5%	3.3%
Short Term	1.0%	3 Month T-Bill	0.0%	1.0%

## June 30, 2009

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	41.2%	Russell 3000	40.0%	1.2%
Fixed Income	17.0%	Barclays Universal	20.0%	-3.0%
Intl. Equity	24.7%	Intl. Hybrid Benchmark	24.0%	0.7%
Real Estate	9.4%	NCREIF Hybrid	10.0%	-0.6%
Alternative Investments	5.9%	Alt. Inv. Actual Return	6.0%	-0.1%
Short Term	1.8%	3 Month T-Bill	0.0%	1.8%

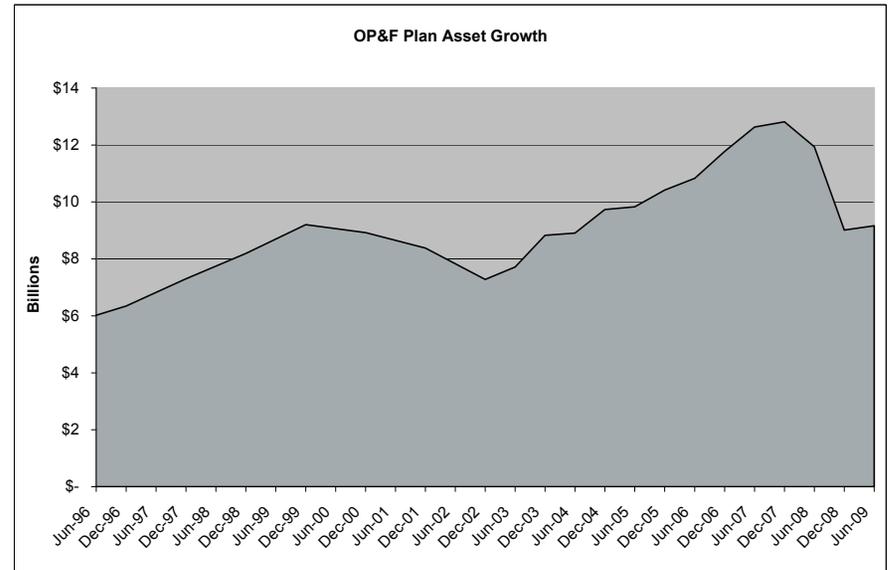
As of the end of the second quarter, STRS was overweight in domestic equity, international equity and cash, while being underweight in fixed income, alternative investments and real estate.

**Ohio Police & Fire  
(OP&F)**

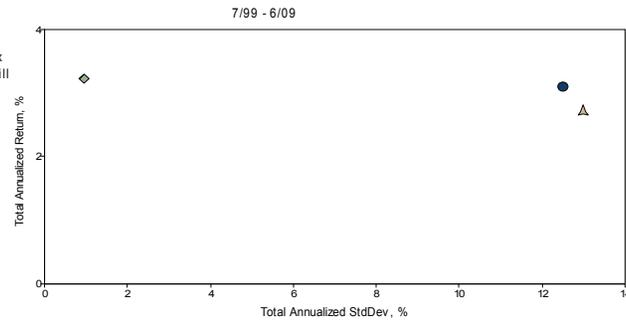
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# Police & Fire Pension Fund

OP&F Returns					
Portfolio	Two Quarters	One Year	Three Years	Five Years	Ten Years
<b>US Equity</b>					
Actual	7.12%	-26.20%	-8.09%	-1.38%	-0.31%
Benchmark	4.46%	-26.40%	-8.13%	-1.60%	-1.32%
Difference	2.66%	0.20%	0.04%	0.22%	1.01%
<b>Fixed Income</b>					
Actual	8.67%	2.92%	5.46%	5.33%	6.78%
Benchmark	1.91%	6.06%	6.43%	5.02%	5.98%
Difference	6.76%	-3.14%	-0.97%	0.31%	0.80%
<b>Intl. Equity</b>					
Actual	12.14%	-31.81%	-5.45%	4.81%	2.47%
Benchmark	13.93%	-30.91%	-5.79%	4.49%	2.58%
Difference	-1.79%	-0.90%	0.34%	0.32%	-0.11%
<b>Real Estate</b>					
Actual	-23.83%	-26.41%	1.00%	9.54%	9.99%
Benchmark	-12.15%	-19.57%	0.98%	7.60%	7.37%
Difference	-11.68%	-6.84%	0.02%	1.94%	2.62%
<b>Alternative Investments</b>					
Actual	-15.10%	-21.72%	5.29%	10.39%	5.21%
Benchmark	-29.89%	-35.96%	-10.42%	-0.74%	1.11%
Difference	14.79%	14.24%	15.71%	11.13%	4.10%



Performance vs. Risk



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
	Total	Total	Alpha, %	Sharpe Ratio
OP&F	3.11	12.50	0.64	0.05
OP&F Policy Index	2.71	13.00	0.31	0.02
91-Day Treasury Bill	3.23	0.96	0.00	NA

	Asset Mix		
	Actual June 30, 2009	Target	Difference
US Equity	40.8%	46.0%	-5.2%
Intl. Equity	21.5%	20.0%	1.5%
Alternative Assets	3.3%	3.0%	0.3%
Total Equity	65.6%	69.0%	-3.4%
Fixed Income	25.0%	23.0%	2.0%
Real Estate	8.6%	8.0%	0.6%
Short Term Investments	0.8%	0.0%	0.8%
Total Debt	34.4%	31.0%	3.4%
	100.0%	100.0%	0.0%

## Characteristic Data

Assets at 6/30/2009 \$ 9,161,747,608  
 Actuarial Interest Rate: 8.25%  
 Investment Staff Size: 14

# Police & Fire Pension Fund

## Performance Overview

Returns for Period Ending June 30, 2009

	<u>2 Qtrs</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>	<u>10 Yrs</u>
Total Fund	3.99	-20.48	-3.00	2.66	3.11
Policy Index	4.82	-19.78	-3.42	2.27	2.71
Domestic Equity	7.12	-26.20	-8.09	-1.38	-0.31
Domestic Equity Segment Median	4.65	-27.11	-8.38	-1.65	-0.56
Wilshire 5000	4.45	-26.40	-8.13	-1.60	-1.29
International Equity	12.14	-31.81	-5.45	4.81	2.47
International Equity Segment Median	12.00	-31.25	-6.06	3.89	3.59
MSCI EAFE	7.95	-31.35	-7.98	2.31	1.18
Fixed Income	8.67	2.92	5.46	5.33	6.78
Fixed Income Segment Median	5.21	3.51	4.79	4.41	5.67
BC Aggregate	1.90	6.05	6.43	5.01	5.98
Cash	0.49	1.36	3.38	3.25	3.24
Real Estate	-23.83	-26.41	1.00	9.54	9.99
NCREIF	-12.15	-19.57	0.98	7.60	8.50
Alternatives	-15.10	-21.72	5.29	10.39	5.21

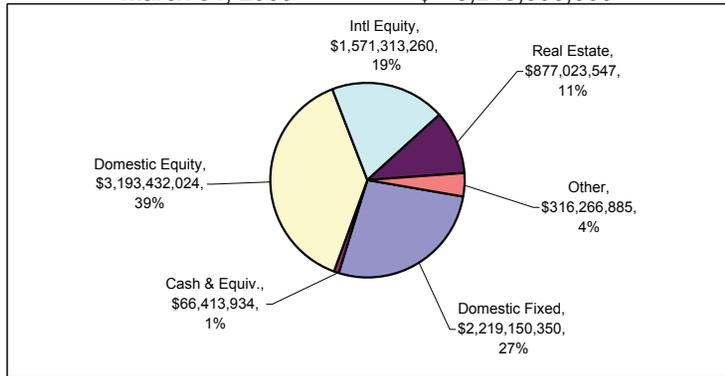
For the trailing ten-year period, the fund outperformed its policy index by 40 basis points. Stronger relative performance in real estate, non-U.S. equity and fixed income continued to contribute to overall performance. However, OP&F lagged its policy index by 70 basis points for the more recent one-year period.

\* Benchmarks for individual asset classes are not representative of the Plan's policy, but are implemented by Evaluation Associates.

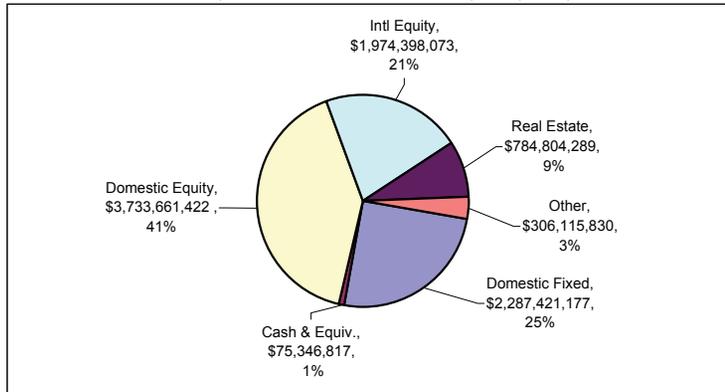
# Police & Fire Pension Fund

**Asset Allocation  
OP&F**

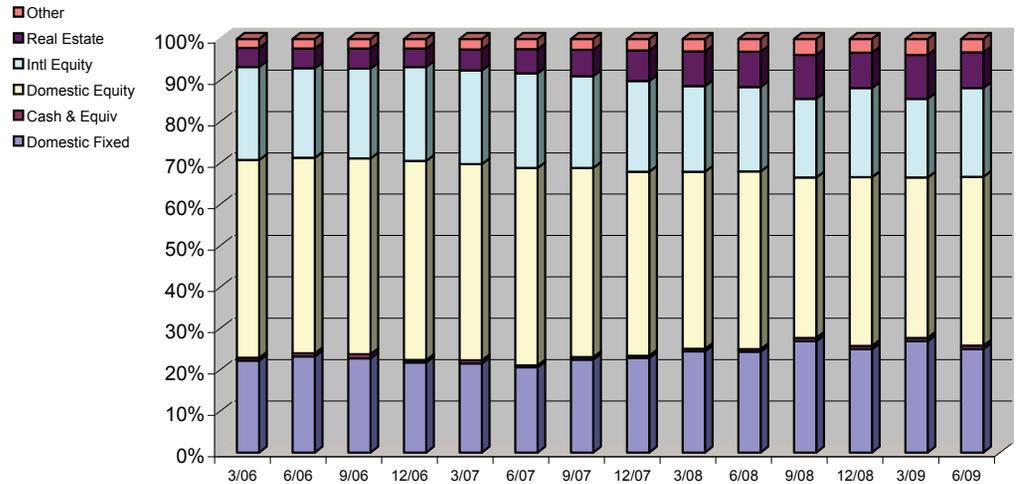
March 31, 2009      \$ 8,245,600,000



June 30, 2009      \$ 9,161,747,608



**Asset Allocation  
OP&F**



	3/06	6/06	9/06	12/06	3/07	6/07	9/07	12/07	3/08	6/08	9/08	12/08	3/09	6/09
Domestic Fixed %	22.2	23.2	22.8	21.8	21.6	20.6	22.4	22.9	24.4	24.3	25.7	25.0	26.9	25.0
Cash & Equiv. %	0.7	0.8	0.9	0.6	0.7	0.5	0.6	0.6	0.6	0.7	0.6	1.0	0.8	0.8
Domestic Equity %	47.8	47.3	47.3	48.1	47.9	47.7	45.7	44.4	42.8	42.9	43.1	39.6	38.7	40.8
Intl Equity %	22.5	21.6	21.7	22.7	22.6	22.9	22.2	21.9	20.7	20.4	17.6	19.3	19.1	21.5
Real Estate %	4.6	4.8	4.9	4.4	5.1	5.8	6.3	7.4	8.4	8.6	9.6	11.2	10.6	8.6
Other %	2.2	2.3	2.4	2.4	2.6	2.5	2.7	2.8	3.1	3.1	3.4	3.9	3.9	3.3
Total Value (\$bil)	10.2	10.4	10.9	10.8	12.1	12.6	12.9	12.8	12.0	11.9	10.7	9.0	8.2	9.2

This is the first page devoted to the analysis of the Ohio Police & Fire Pension Fund's asset allocation. The chart on the left displays the fund's asset allocation over the first two quarters of 2009. The chart on the right tracks the quarterly asset allocation of the fund over the last fourteen quarters.

# Police & Fire Pension Fund

Quarter Ending 6/30/2009

Label	Quarter Start	Quarter End	Percent	Description
Policy Index	Mar-94	Sep-97	41.0	Wilshire 5000
			39.0	BC Aggregate
			10.0	MSCI EAFE (Net)
			9.0	Wilshire RE Funds
			1.0	S&P 500 + 5%
	Dec-97	Mar-01	41.0	Wilshire 5000
			35.0	BC Aggregate
			10.0	MSCI EAFE (Net)
			8.0	Wilshire RE Funds
			5.0	MSCI Em Mkts Free (Gross)
	Jun-01	Jun-01	41.0	Wilshire 5000
			35.0	BC Aggregate
			10.0	MSCI EAFE (Net)
			8.0	Wilshire RE Funds
			5.0	MSCI Em Mkts Free (Gross)
	Sep-01	Mar-02	1.0	S&P 500 (lagged) + 5%
46.0			Wilshire 5000	
18.0			BC Aggregate	
17.0			MSCI EAFE (Net)	
8.0			Wilshire RE Funds	
5.0			First Boston High Yield	
3.0	MSCI Em Mkts Free (Gross)			
3.0	Wilshire 5000 (lagged) + 5%			

Label	Quarter Start	Quarter End	Percent	Description
Policy Index (cont.)	Jun-02	Sep-04	48.0	Wilshire 5000
			18.0	BC Aggregate
			17.0	MSCI EAFE (Net)
			8.0	NCREIF
			5.0	First Boston High Yield
			3.0	MSCI Em Mkts Free (Gross)
			1.0	Wilshire 5000 (lagged) + 5%
	Dec-04	Dec-04	46.0	Wilshire 5000
			18.0	BC Aggregate
			17.0	MSCI EAFE (Net)
			8.0	NCREIF
			5.0	First Boston High Yield
	Mar-05	Dec-06	3.0	MSCI Em Mkts Free (Gross)
			3.0	Wilshire 5000 (lagged) + 5%
			46.0	Wilshire 5000
			18.0	BC Aggregate
20.0	MSCI ACWI ex-U.S. (Net)			
8.0	NCREIF			
5.0	First Boston High Yield			
3.0	Wilshire 5000 (lagged) + 5%			

# Police & Fire Pension Fund

Quarter Ending 6/30/2009

Label	Quarter Start	Quarter End	Percent	Description
Policy Index	Mar-07	Dec-07	46.0	Wilshire 5000
			18.0	BC Aggregate
			20.0	MSCI ACWI ex-U.S. (Net)
			8.0	NCREIF
			5.0	First Boston High Yield
			3.0	Wilshire 5000 (lagged) + 3%
Policy Index	Dec-07	Jun-09	46.0	Wilshire 5000
			18.0	BC Aggregate
			20.0	MSCI ACWI ex-U.S. (Net)
			8.0	NCREIF
			5.0	First Boston High Yield
			3.0	Wilshire 5000 (lagged) + 3%

OP&F's custom policy index is shown above.

# Police & Fire Pension Fund

## Asset Allocation Actual vs. Benchmark March 31, 2009

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	38.7%	Wilshire 5000	46.0%	-7.3%
Fixed Income	26.9%	Barclays Aggregate	23.0%	3.9%
Intl. Equity Comp.	19.1%	MSCI ACWI ex- U.S. (Net)	20.0%	-0.9%
Real Estate	10.6%	NCREIF	8.0%	2.6%
Alternative Investments	3.9%	Wilshire 5000 Lagged + 3%	3.0%	0.9%
Short Term	0.8%	3 Month T-Bill	0.0%	0.8%

## June 30, 2009

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	40.8%	Wilshire 5000	46.0%	-5.2%
Fixed Income	25.0%	Barclays Aggregate	23.0%	2.0%
Intl. Equity Comp.	21.5%	MSCI ACWI ex- U.S. (Net)	20.0%	1.5%
Real Estate	8.6%	NCREIF	8.0%	0.6%
Alternative Investments	3.3%	Wilshire 5000 Lagged + 3%	3.0%	0.3%
Short Term	0.8%	3 Month T-Bill	0.0%	0.8%

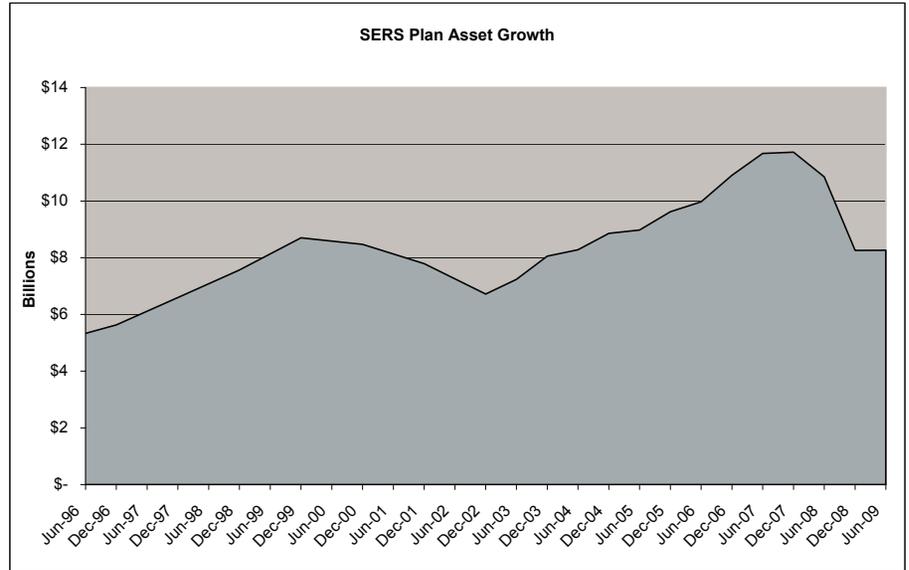
As of the end of the second quarter, OP&F is overweight in all portfolio segments, with the exception of domestic equity.

# **School Employees Retirement System (SERS)**

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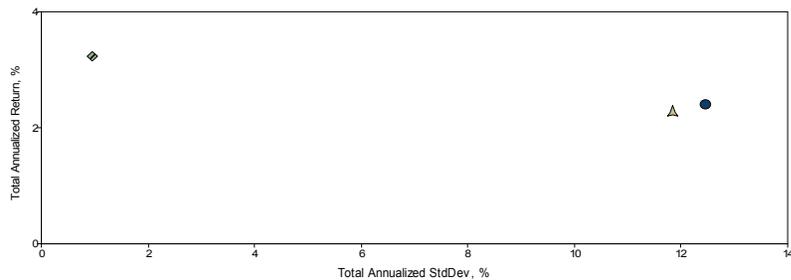
# School Employees Retirement System

SERS Returns					
Portfolio	Two Quarters	One Year	Three Years	Five Years	Ten Years
<b>US Equity</b>					
Actual	3.15%	-27.90%	-10.07%	-2.88%	-1.81%
Benchmark	4.19%	-26.57%	-8.35%	-1.84%	-1.46%
Difference	-1.04%	-1.33%	-1.72%	-1.04%	-0.35%
<b>Fixed Income</b>					
Actual	8.84%	3.67%	4.48%	4.14%	5.89%
Benchmark	1.90%	6.05%	6.43%	5.01%	5.98%
Difference	6.94%	-2.38%	-1.95%	-0.87%	-0.09%
<b>Intl. Equity</b>					
Actual	14.48%	-29.89%	-5.29%	5.74%	2.94%
Benchmark	13.67%	-27.07%	-5.34%	4.85%	2.29%
Difference	0.81%	-2.82%	0.05%	0.89%	0.65%
<b>Real Estate</b>					
Actual	-29.08%	-35.18%	-7.07%	3.45%	5.89%
Benchmark	-9.87%	-16.76%	1.35%	8.29%	9.09%
Difference	-19.21%	-18.42%	-8.42%	-4.84%	-3.20%
<b>Private Equity</b>					
Actual	-15.73%	-19.30%	3.56%	6.22%	0.77%
Benchmark	-29.49%	-35.09%	-9.96%	-1.69%	-0.66%
Difference	13.76%	15.79%	13.52%	7.91%	1.43%



Performance vs. Risk

7/99 - 6/09



◆ SERS ▲ SERS Policy Index ● 91-Day Treasury Bill

	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
	Total	Total	Alpha, %	Sharpe Ratio
SERS	2.40	12.46	-0.05	0.00
SERS Policy Index	2.26	11.85	-0.27	-0.02
91-Day Treasury Bill	3.23	0.96	0.00	NA

Asset Mix

	Actual	Target	Difference
	June 30, 2009		
US Equity	27.4%	27.5%	-0.1%
Intl. Equity	26.5%	27.5%	-1.0%
Alternative Assets	7.7%	10.0%	-2.3%
Total Equity	61.6%	65.0%	-3.4%
Fixed Income	24.5%	24.0%	0.5%
Real Estate	11.2%	10.0%	1.2%
Short Term Investments	2.7%	1.0%	1.7%
Total Debt	38.4%	35.0%	3.4%
	100.0%	100.0%	0.0%

Characteristic Data

Assets at 6/30/2009 \$ 8,261,576,077  
 Actuarial Interest Rate: 8.00%  
 Investment Staff Size: 14

# School Employees Retirement System

## Performance Overview

Returns for Period Ending June 30, 2009

	<u>2 Qtrs</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>	<u>10 Yrs</u>
Total Fund	1.06	-21.81	-4.05	2.02	2.40
Policy Index	1.58	-19.13	-3.08	2.18	2.26
Domestic Equity	3.15	-27.90	-10.07	-2.88	-1.81
Domestic Equity Segment Median	4.65	-27.11	-8.38	-1.65	-0.56
Wilshire 5000	4.45	-26.40	-8.13	-1.60	-1.29
International Equity	14.48	-29.89	-5.29	5.74	2.94
International Equity Segment Median	12.00	-31.25	-6.06	3.89	3.59
MSCI EAFE	7.95	-31.35	-7.98	2.31	1.18
Fixed Income	8.84	3.67	4.48	4.14	5.89
Fixed Income Segment Median	5.21	3.51	4.79	4.41	5.67
BC Aggregate	1.90	6.05	6.43	5.01	5.98
Cash	0.46	2.80	4.23	3.88	3.88
Real Estate	-29.08	-35.18	-7.07	3.45	5.89
NCREIF	-12.15	-19.57	0.98	7.60	8.50
Alternatives	-15.73	-19.30	3.56	6.22	0.77

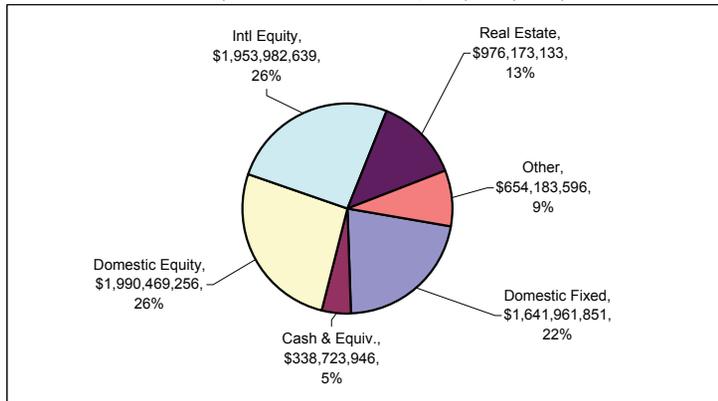
For the trailing ten-year period, the fund outperformed its policy index by 14 basis points. The more recent one-year period shows that the fund underperformed its policy index by 268 basis points. Weak performance in real estate and domestic equity detracted from relative results over the one-year period.

\* Benchmarks for individual asset classes are not representative of the Plan's policy, but are implemented by Evaluation Associates.

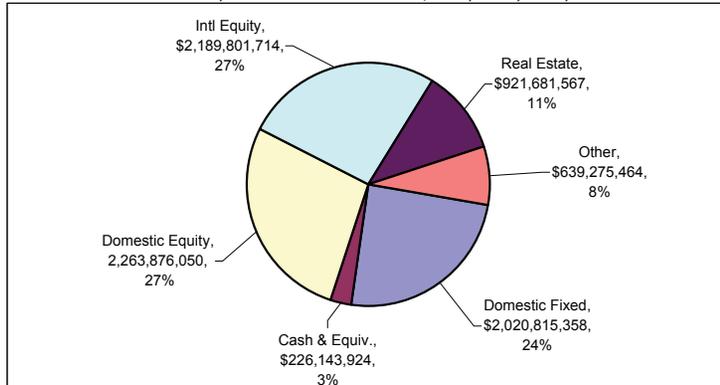
# School Employees Retirement System

**Asset Allocation  
SERS**

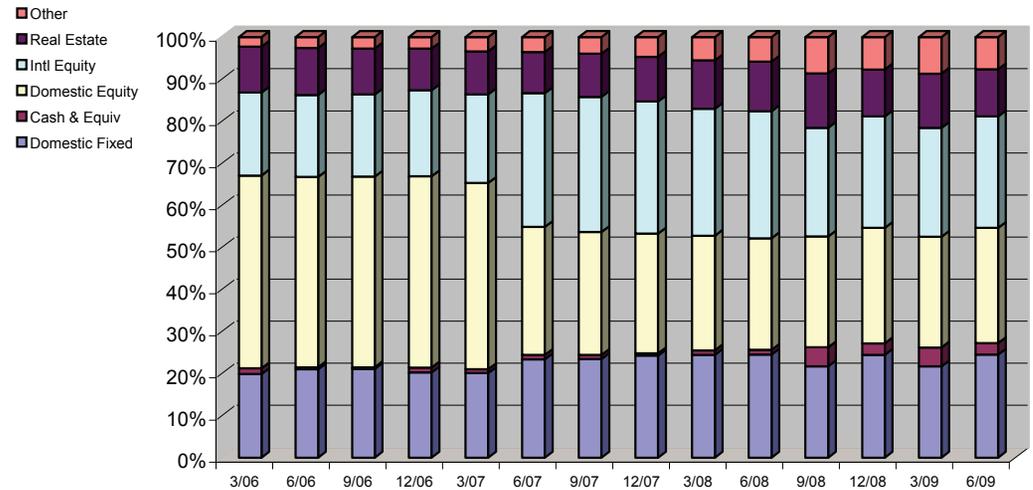
March 31, 2009 \$ 7,555,494,421



June 30, 2009 \$ 8,261,576,077



**Asset Allocation  
SERS**



	3/06	6/06	9/06	12/06	3/07	6/07	9/07	12/07	3/08	6/08	9/08	12/08	3/09	6/09
Domestic Fixed %	19.9	21.0	21.1	20.2	20.1	23.4	23.5	24.3	24.5	24.5	25.3	21.0	21.7	24.5
Cash & Equiv. %	1.4	0.5	0.4	1.2	0.9	1.0	1.0	0.5	1.0	1.1	1.6	3.6	4.5	2.7
Domestic Equity %	45.8	45.2	45.3	45.5	44.3	30.4	29.2	28.5	27.3	26.5	27.1	26.9	26.3	27.4
Intl Equity %	19.7	19.5	19.5	20.4	21.1	31.8	32.1	31.4	30.1	30.2	25.7	25.9	25.9	26.5
Real Estate %	10.9	11.2	10.9	9.9	10.2	9.8	10.2	10.6	11.5	11.8	13.1	14.2	12.9	11.2
Other %	2.3	2.6	2.8	2.8	3.4	3.6	4.0	4.7	5.6	5.9	7.2	8.4	8.7	7.7
Total Value (\$bil)	10.1	10.0	10.3	10.9	11.1	11.7	11.9	11.7	10.9	10.8	9.7	8.3	7.6	8.3

This is the first page devoted to the analysis of the Ohio School Employees Retirement System's asset allocation. The chart on the left displays the fund's asset allocation over the first two quarters of 2009. The chart on the right tracks the quarterly asset allocation of the fund over the last fourteen quarters.

# School Employees Retirement System

Quarter Ending 6/30/2009

Label	Quarter Start	Quarter End	Percent	Description
Policy Index	Mar-94	Sep-94	45.0	Standard & Poors 500
			28.0	ML Domestic Master Bond Idx
			10.0	MSCI EAFE (Net)
			10.0	NCREIF Classic Ppty Idx (1 Qtr arrear)
			5.0	Citigroup 30 Day T-Bill
			2.0	S&P 500 + 5%
	Dec-94	Dec-94	45.0	Standard & Poors 500
			28.0	ML Domestic Master Bond Idx
			10.0	MSCI EAFE 50% Hedged
			10.0	NCREIF Classic Ppty Idx (1 Qtr arrear)
			5.0	Citigroup 30 Day T-Bill
			2.0	S&P 500 + 5%
	Mar-95	Jun-95	45.0	Russell 3000
			28.0	ML Domestic Master Bond Idx
			10.0	MSCI EAFE 50% Hedged
			10.0	NCREIF Classic Ppty Idx (1 Qtr arrear)
			5.0	Citigroup 30 Day T-Bill
			2.0	S&P 500 + 5%
Sep-95	Mar-97	45.0	Russell 3000	
		28.0	BC Aggregate	
		10.0	MSCI EAFE 50% Hedged	
		10.0	NCREIF Classic Ppty Idx (1 Qtr arrear)	
		5.0	Citigroup 30 Day T-Bill	
		2.0	S&P 500 + 5%	
Jun-97	Jun-97	45.0	Russell 3000	
		28.0	BC Aggregate	
		15.0	MSCI EAFE 50% Hedged	
		10.0	NCREIF Classic Ppty Idx (1 Qtr arrear)	
		1.0	Citigroup 30 Day T-Bill	
		1.0	S&P 500 + 5%	

Label	Quarter Start	Quarter End	Percent	Description		
Policy Index (cont.)	Sep-97	Jun-99	45.0	Russell 3000		
			28.0	BC Aggregate		
			14.5	MSCI EAFE 50% Hedged		
			0.5	MSCI Em Mkts Free		
			10.0	NCREIF		
			1.0	Citigroup 30 Day T-Bill		
			1.0	S&P 500 +5%		
			Sep-99	Dec-99	45.0	Russell 3000
					28.0	BC Aggregate
					14.0	MSCI EAFE 50% Hedged
					1.0	MSCI Em Mkts Free
					10.0	NCREIF
	1.0	Citigroup 30 Day T-Bill				
	Mar-00	Jun-01	48.0	Russell 3000		
			23.0	BC Aggregate		
			16.0	MSCI ACWI ex US (Developed - 50% Hdg)		
			10.0	NCREIF		
			1.0	S&P 500 +5%		
			2.0	Citigroup 30 Day T-Bill		
	Sep-01	Jun-02	47.0	Russell 3000		
			23.0	BC Aggregate		
			16.0	MSCI ACWI ex US (Developed - 50% Hdg)		
			10.0	NCREIF		
			2.0	Private Equity (0% return arrears switch)		
2.0			Citigroup 30 Day T-Bill			
Sep-02	Mar-07	46.0	Russell 3000			
		23.0	BC Aggregate			
		16.0	MSCI ACWI ex US (Developed - 50% Hdg)			
		10.0	80% NCREIF (arrears), 20% NAREIT			
		3.0	S&P 500 (1Qtr arrears) + 3%			
		2.0	Citigroup 30 Day T-Bill			

# School Employees Retirement System

Quarter Ending 6/30/2009

Label	Quarter Start	Quarter End	Percent	Description
Policy Index (cont.)	Mar-07*	Dec-07	30.0	Russell 3000
			24.0	BC Aggregate
			30.0	MSCI ACWI ex US (Developed - 50% Hdg)
			10.0	80% NCREIF (arrears), 20% NAREIT
			5.0	S&P 500 (1Qtr arrears) + 3%
			1.0	Citigroup 30 Day T-Bill
	Dec-07	Jan-09	29.8	Russell 3000
			24.0	BC Aggregate
			29.8	MSCI ACWI ex US (Developed - 50% Hdg)
			10.0	80% NCREIF (arrears), 20% NAREIT
			5.4	S&P 500 (1Qtr arrears) + 3%
			1.0	Citigroup 30 Day T-Bill
Feb-09	Jun-09	27.5	Russell 3000	
		24.0	BC Aggregate	
		27.5	MSCI ACWI ex US (Developed - 50% Hdg)	
		10.0	80% NCREIF (arrears), 20% NAREIT	
		10.0	S&P 500 (1Qtr arrears) + 3%	
		1.0	Citigroup 30 Day T-Bill	

\*The SERS custom policy index calculation was implemented on May 31, 2007.

SERS' custom policy index is shown above.

# School Employees Retirement System

## Asset Allocation Actual vs. Benchmark March 31, 2009

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	26.3%	Russell 3000	27.5%	-1.2%
Fixed Income	21.7%	BC Aggregate	24.0%	-2.3%
Intl. Equity	25.9%	MSCI ACWI ex US (Developed - 50% Hdg)	27.5%	-1.6%
Real Estate	12.9%	Custom RE (1 Qtr arrears)	10.0%	2.9%
Alternative Investments	8.7%	S&P 500 (1 Qtr arrears) + 3%	10.0%	-1.3%
Short Term	4.5%	Citigroup 30 Day T-Bill	1.0%	3.5%

## June 30, 2009

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	27.4%	Russell 3000	27.5%	-0.1%
Fixed Income	24.5%	BC Aggregate	24.0%	0.5%
Intl. Equity	26.5%	MSCI ACWI ex US (Developed - 50% Hdg)	27.5%	-1.0%
Real Estate	11.2%	Custom RE (1 Qtr arrears)	10.0%	1.2%
Alternative Investments	7.7%	S&P 500 (1 Qtr arrears) + 3%	10.0%	-2.3%
Short Term	2.7%	Citigroup 30 Day T-Bill	1.0%	1.7%

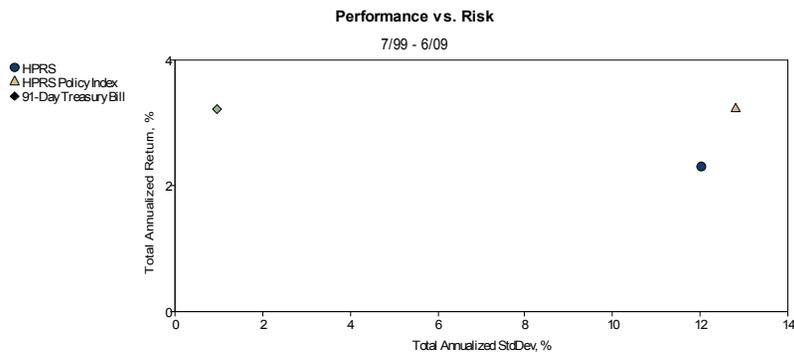
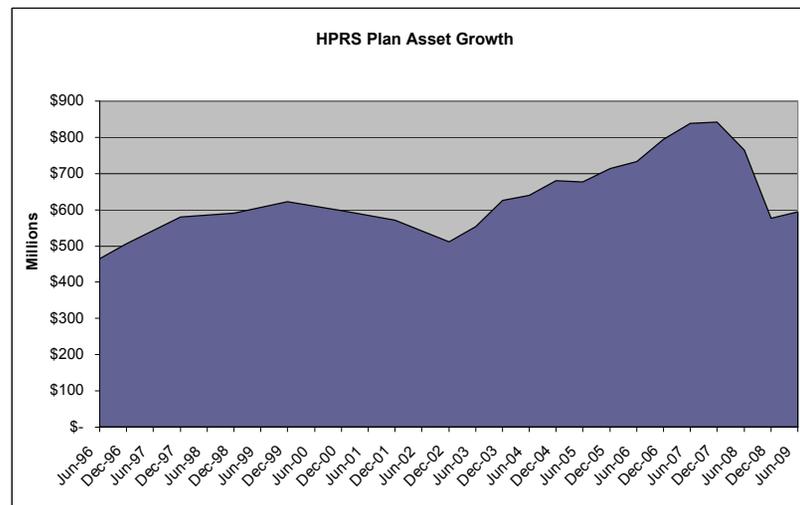
As of the end of the second quarter, SERS is overweight in fixed income, real estate and cash, while being underweight in domestic equity, international equity and alternative investments.

# Highway Patrol Retirement System (HPRS)

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# Highway Patrol Retirement System

HPRS Returns					
Portfolio	Two Quarters	One Year	Three Years	Five Years	Ten Years
<b>US Equity</b>					
Actual	6.54%	-26.18%	-8.67%	-1.63%	-1.19%
Benchmark	4.26%	-26.40%	-8.57%	-1.77%	-0.24%
Difference	2.28%	0.22%	-0.10%	0.14%	-0.95%
<b>Fixed Income</b>					
Actual	6.40%	4.21%	5.75%	5.37%	6.43%
Benchmark	1.90%	6.05%	6.41%	5.00%	5.97%
Difference	4.50%	-1.84%	-0.66%	0.37%	0.46%
<b>Intl. Equity</b>					
Actual	7.22%	-31.80%	-5.94%	3.46%	2.47%
Benchmark	14.35%	-30.54%	-5.57%	3.90%	1.96%
Difference	-7.13%	-1.26%	-0.37%	-0.44%	0.51%
<b>Real Estate</b>					
Actual	-9.36%	-21.27%	-7.68%	-1.00%	3.84%
Benchmark	-12.15%	-19.57%	0.98%	7.60%	8.50%
Difference	2.79%	-1.70%	-8.66%	-8.60%	-4.66%
<b>Alternative Investments</b>					
Actual	5.40%	-7.59%	N/A	N/A	N/A
Benchmark	4.19%	-14.55%	N/A	N/A	N/A
Difference	1.21%	6.96%	N/A	N/A	N/A



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
	Total	Total	Alpha, %	Sharpe Ratio
HPRS	2.31	12.03	-0.20	-0.02
HPRS Policy Index	3.23	12.80	0.79	0.06
91-Day/Treasury Bill	3.23	0.96	0.00	NA

Asset Mix			
	Actual June 30, 2009	Target	Difference
US Equity	42.5%	45.0%	-22.6%
Intl. Equity	13.9%	15.0%	-1.1%
Alternative Assets	18.6%	15.0%	3.6%
<b>Total Equity</b>	<b>75.0%</b>	<b>75.0%</b>	<b>-20.1%</b>
Fixed Income	22.6%	20.0%	2.6%
Real Estate	1.9%	5.0%	-3.1%
Short Term Investments	0.5%	0.0%	0.5%
<b>Total Debt</b>	<b>25.0%</b>	<b>25.0%</b>	<b>0.0%</b>
	100.1%	100.0%	-20.0%

## Characteristic Data

Assets at 6/30/2009 \$ 594,502,398  
 Actuarial Interest Rate: 8.00%  
 Investment Staff Size: 1

# Highway Patrol Retirement System

## Performance Overview

Returns for Period Ending June 30, 2009

	<u>2 Qtrs</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>	<u>10 Yrs</u>
Total Fund	5.97	-18.33	-3.34	1.76	2.31
Policy Index	5.54	-16.29	-1.84	2.93	3.45
Domestic Equity	6.54	-26.18	-8.67	-1.63	-1.19
Domestic Equity Segment Median	4.65	-27.11	-8.38	-1.65	-0.56
Wilshire 5000	4.45	-26.40	-8.13	-1.60	-1.29
International Equity	7.22	-31.80	-5.94	3.46	2.47
International Equity Segment Median	12.00	-31.25	-6.06	3.89	3.59
MSCI EAFE	7.95	-31.35	-7.98	2.31	1.18
Fixed Income	6.40	4.21	5.75	5.37	6.43
Fixed Income Segment Median	5.21	3.51	4.79	4.41	5.67
BC Aggregate	1.90	6.05	6.43	5.01	5.98
Cash	0.10	1.02	4.03	3.96	3.66
Real Estate	-9.36	-21.27	-7.68	-1.00	3.84
NCREIF	-12.15	-19.57	0.98	7.60	8.50
Alternatives	5.40	-7.59	NA	NA	NA

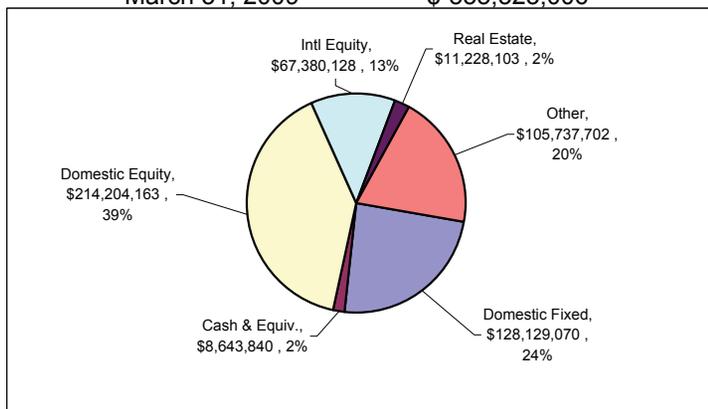
Over the ten-year period as of June 30, 2009, the fund's total return underperformed its policy index by 114 basis points. Real estate detracted 466 basis points. The more recent one-year period shows that HPRS trailed the policy index by 204 basis points.

\* Benchmarks for individual asset classes are not representative of the Plan's policy, but are implemented by Evaluation Associates.

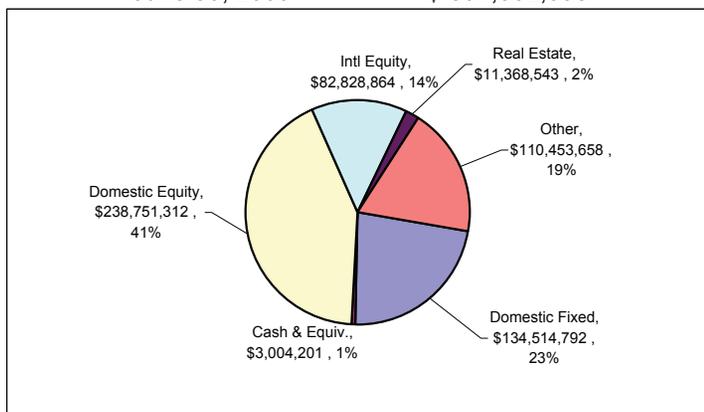
# Highway Patrol Retirement System

**Asset Allocation  
HPRS**

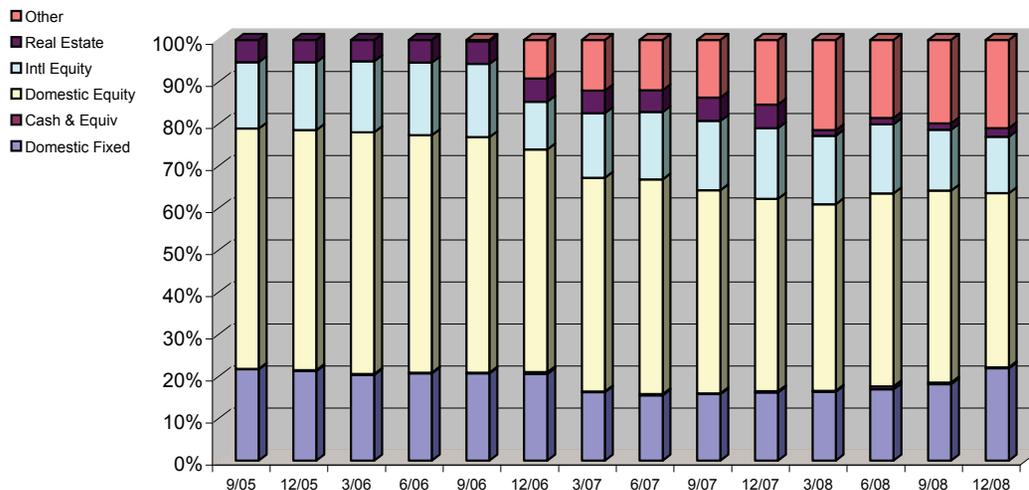
March 31, 2009 \$ 535,323,006



June 30, 2009 \$ 594,502,398



**Asset Allocation  
HPRS**



	3/06	6/06	9/06	12/06	3/07	6/07	9/07	12/07	3/08	6/08	9/08	12/08	3/09	6/09
Domestic Fixed %	20.3	20.7	20.7	20.6	16.2	15.5	15.8	16.2	16.3	16.9	18.1	21.9	23.9	22.6
Cash & Equiv. %	0.2	0.2	0.2	0.4	0.2	0.3	0.2	0.3	0.2	0.7	0.4	0.3	1.6	0.5
Domestic Equity %	57.5	56.5	56.0	53.0	50.8	51.1	48.3	45.8	44.4	45.9	45.7	41.4	40.0	42.5
Intl Equity %	16.9	17.3	17.4	11.4	15.4	16.0	16.5	16.8	16.3	16.4	14.5	13.4	12.6	13.9
Real Estate %	5.1	5.4	5.4	5.5	5.4	5.2	5.6	5.6	1.3	1.5	1.5	2.1	2.1	1.9
Other %			0.3	9.1	12.0	11.9	13.7	15.3	21.5	18.5	19.8	20.9	19.8	18.6
Total Value (\$mil)	749.9	733.6	753.8	794.6	805.4	839.0	845.9	841.4	775.7	764.8	692.3	576.5	535.3	594.5

This is the first page devoted to the analysis of the Ohio Highway Patrol Retirement System's asset allocation. The chart on the left displays the fund's asset allocation over the first two quarters of 2009. The chart on the right tracks the quarterly asset allocation of the fund over the last fourteen quarters.

# Highway Patrol Retirement System

## Quarter Ending 6/30/2009

Label	Quarter Start	Quarter End	Percent	Description
Policy Index	Mar-94	Dec-95	50.0	BC Aggregate
			50.0	Standard & Poors 500
	Mar-96	Dec-97	50.0	Standard & Poors 500
			40.0	BC Aggregate
			5.0	MSCI EAFE (Net)
			5.0	NCREIF
	Mar-98	Sep-99	40.0	Standard & Poors 500
			25.0	BC Aggregate
			15.0	Russell 2000
			10.0	MSCI EAFE (Net)
			10.0	NCREIF
	Dec-99	Dec-01	40.0	Standard & Poors 500
			20.0	Russell 2000
			20.0	BC Aggregate
10.0			MSCI EAFE (Net)	
10.0			NCREIF	
Mar-02	Dec-02	40.0	Standard & Poors 500	
		20.0	Russell 2500	
		20.0	BC Aggregate	
		10.0	MSCI EAFE (Net)	
		10.0	NCREIF	
Mar-03	Dec-06	32.0	Standard & Poors 500	
		16.0	Russell 2500	
		25.0	BC Aggregate	
		15.0	MSCI EAFE (Net)	
		12.0	NCREIF	

Label	Quarter Start	Quarter End	Percent	Description
Policy Index	Mar-07	Jun-07	32.0	Standard & Poors 500
			18.0	Russell 2500
			15.0	MSCI ACWI ex US
			5.0	NCREIF
			10.0	CPI + 5%
			5.0	HFRI Fund of Funds
			15.0	BC Aggregate
	Sep-07	Dec-08	30.0	Standard & Poors 500
			15.0	Russell 2500
			20.0	BC Aggregate
			15.0	MSCI ACWI ex US
			5.0	NCREIF
	Jan-09	Jun-09	10.0	CPI + 5%
			5.0	HFRI Fund of Funds
			65.0	Russell 3000
			15.0	MSCI ACWI ex US
			20.0	BC Aggregate

HPRS' custom policy index is shown above.

# Highway Patrol Retirement System

## Asset Allocation Actual vs. Benchmark March 31, 2009

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	40.0%	Russell 3000	65.0%	-25.0%
Fixed Income	23.9%	BC Aggregate	20.0%	3.9%
Intl. Equity	12.6%	MSCI AC World Index ex US	15.0%	-2.4%
Real Estate	2.1%	N/A	0.0%	2.1%
Alternative Investments	19.8%	N/A	0.0%	19.8%
Short Term	1.6%	N/A	0.0%	1.6%

June 30, 2009

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	42.5%	Russell 3000	65.0%	-22.5%
Fixed Income	22.6%	BC Aggregate	20.0%	2.6%
Intl. Equity	13.9%	MSCI AC World Index ex US	15.0%	-1.1%
Real Estate	1.9%	N/A	0.0%	1.9%
Alternative Investments	18.6%	N/A	0.0%	18.6%
Short Term	0.5%	N/A	0.0%	0.5%

As of the end of second quarter, HPRS is overweight fixed income, alternative investments, real estate and cash, while being underweight in domestic and international equity.

## **Index Definitions**

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# Ohio Retirement Study Council

## INDEX DEFINITIONS

**Russell 1000** – Made up of the 1000 largest companies within the Russell 3000 index. It is also known as the Market-Oriented Index because it represents the group of stocks from which most active money managers choose.

**Russell 2000** – A small-cap index consisting of the smallest 2000 companies in the Russell 3000 index, representing approximately 8% of the Russell 3000 total market capitalization.

**Russell 2500** – A small-cap index consisting of the smallest 2500 companies in the Russell 3000 index, representing approximately 20% of the Russell 3000 total market capitalization.

**Russell 3000** – An index composed of 3000 large U.S. companies, as determined by market capitalization. This portfolio of securities represents approximately 98% of the investable U.S. equity market.

**S&P 500** – The Standard & Poors 500 is a commonly used benchmark of the U.S. equities market. This market capitalization-weighted index includes 500 leading companies in leading industries of the U.S. economy.

**S&P 500 Equal Weighted** – An index of the same stocks as those in the S&P 500, but with equal dollar investments in each issue.

**S&P 600 Small Cap** – An index designed to measure the performance of the small capitalization sector of the U.S. equities market. This index consists of 600 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation.

**S&P MidCap 400** – An index designed to measure the performance of the middle capitalization sector of the U.S. equities market. This market capitalization weighted index was created in June of 1991 and consists of 400 domestic stocks from the NYSE, NASDAQ and AMEX chosen for market size, liquidity and industry group representation. Each stock added to the index must represent a viable enterprise and must be representative of the industry group to which it is assigned. The market price of each security in the index must be responsive to changes in industry affairs. Aggregate market value of the stock and its trading activity are important considerations in the selection process.

**DJ Wilshire 5000** – Measures the performance of all U.S. common equity securities, and so serves as an index of all stock trades in the United States.

# Ohio Retirement Study Council

**MSCI EAFE** – The index is listed for foreign stock funds (EAFE refers to Europe, Australasia, and Far East). Widely accepted as a benchmark for international stock performance, the EAFE index is an aggregate of 21 individual country indexes that collectively represent many of the major markets of the world.

**MSCI Emerging Markets** – A capitalization-weighted index of stocks from 25 emerging markets that only includes issues that may be traded by foreign investors. Consists of equities from emerging markets in Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Turkey and Thailand.

**MSCI World Ex-US** – An index that measures the performance of the developed stock markets of the following developed countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

**Citigroup Broad Investment Grade** – An index that spans the “available” market for U.S. Treasury/agency securities, investment grade corporate bonds (BBB or better) and mortgage pass-through securities.

**BC Aggregate** – An index that includes fixed rate debt issues rated investment grade or higher by Moody’s Investor’s Service, Standard and Poor’s Corporation, or Fitch Investor’s Service, in that order. (It also includes Commercial Mortgage Backed Securities.) Bonds or securities included must be fixed rate, although they can carry a coupon that steps up or changes according to a predetermined schedule; must be dollar-denominated and nonconvertible; and must be publicly issued. All issues have at least one year to maturity with intermediate indices including bonds

**BC Mortgage-Backed** – An index that includes 15 and 30 year fixed rate securities backed by mortgage pools of the Government National Mortgage Association (GNMA), Federal Home Loan Mortgage Corporation (FHLMC), and Federal National Mortgage Association (FNMA).

**BC 1-3 Yr US Government** – An index that includes securities issued by the U.S. Government (i.e., Treasury and Agency Securities) with a maturity from one year up to but not including three years.

**BC US Tips** – An index that consists of Inflation-Protection securities issued by the U.S. Treasury.

**NCREIF Property** – An index that is also known as the NPI or Combined Index. It consists of both equity and leveraged properties, but the leveraged properties are reported on an unleveraged basis. So, the index is completely unleveraged. The universe of properties includes: Existing properties only – no development projects; only investment-grade, non-agricultural, income-producing properties: apartment, industrial, office and retail; the database increases quarterly as participants execute transactions and as new members join NCREIF and submit data; sold properties are removed from the index in the quarter the sale takes place but the historical information remains in the database; each property’s market value is determined by real estate appraisal methodology, consistently applied.

## **Performance Comparison**

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# Ohio Retirement Study Council

Performance Summary Table  
Periods Ending 6/30/09

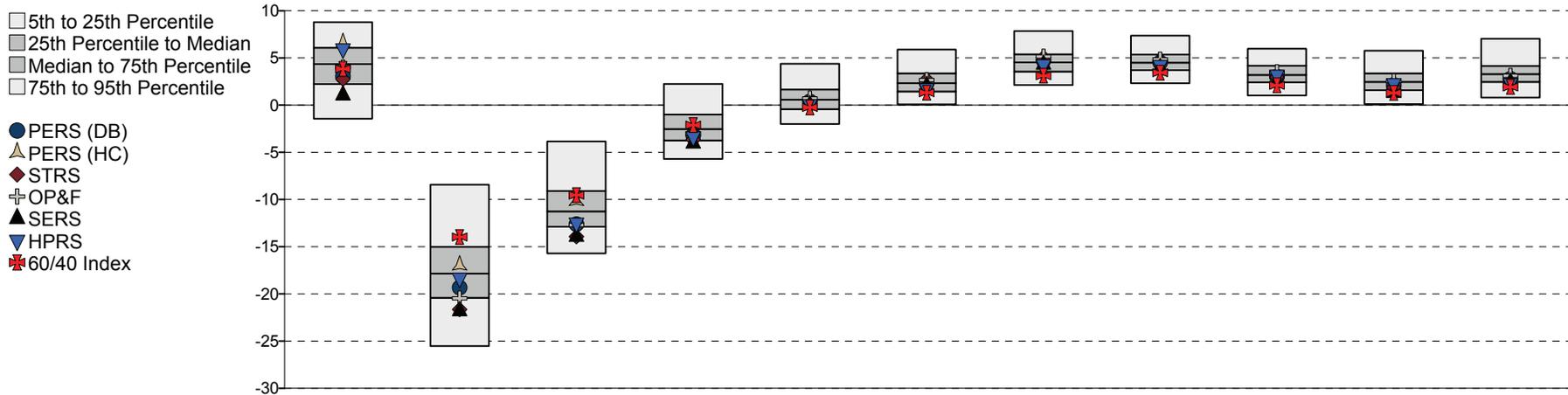
	2 Qtrs	1 Yr	3 Yrs	5 Yrs	10 Yrs	Incept Date
<b>HPRS</b>						
Total Return	5.97	-18.33	-3.34	1.76	2.31	12/31/93
Domestic Equity	6.54	-26.18	-8.67	-1.63	-1.19	12/31/93
Fixed Income	6.40	4.21	5.75	5.37	6.43	12/31/93
Cash & Equiv	0.10	1.02	4.03	3.96	3.66	3/31/94
Real Estate	-9.36	-21.27	-7.68	-1.00	3.84	12/31/93
International Equity	7.22	-31.80	-5.94	3.46	2.47	3/31/95
Alternatives	5.40	-7.59	NA	NA	NA	12/31/06
<b>PERS (Defined Benefit Plan)</b>						
Total Return	3.05	-19.34	-3.21	2.32	2.79	12/31/93
Domestic Equity	4.58	-26.99	-8.60	-1.97	-1.66	12/31/93
Fixed Income	5.59	1.99	3.99	4.08	5.63	12/31/93
Long Duration Fixed Income	-2.32	5.34	NA	NA	NA	12/31/06
Cash & Equiv	0.67	1.50	3.59	3.51	3.41	12/31/93
Real Estate	-12.20	-17.74	2.95	NA	NA	3/31/05
Public Real Estate	-12.32	-45.35	-19.71	NA	NA	3/31/06
International Equity	13.98	-31.39	-5.90	4.63	3.28	9/30/96
Alternatives	-18.22	-24.53	2.11	10.23	11.44	12/31/95
<b>PERS (Health Care Plan)</b>						
Total Return	6.61	-16.96	-2.70	NA	NA	12/31/04
Domestic Equity	4.58	-26.99	-8.60	NA	NA	12/31/04
Fixed Income	5.58	1.99	3.96	NA	NA	12/31/04
Cash & Equiv	0.68	1.46	3.62	NA	NA	12/31/04
Public Real Estate	-12.32	-45.35	-19.71	NA	NA	12/31/04
International Equity	13.98	-31.41	-5.87	NA	NA	12/31/04
TIPS	6.36	-0.89	5.99	NA	NA	2/28/05
Short Duration	-0.87	-4.55	-0.55	NA	NA	2/28/05
Alternatives	-25.40	-39.54	NA	NA	NA	3/31/08
<b>OP&amp;F</b>						
Total Return	3.99	-20.48	-3.00	2.66	3.11	3/31/88
Domestic Equity	7.12	-26.20	-8.09	-1.38	-0.31	12/31/91
Fixed Income	8.67	2.92	5.46	5.33	6.78	3/31/88
Cash & Equiv	0.49	1.36	3.38	3.25	3.24	12/31/91
Real Estate	-23.83	-26.41	1.00	9.54	9.99	3/31/88
International Equity	12.14	-31.81	-5.45	4.81	2.47	9/30/94
Alternatives	-15.10	-21.72	5.29	10.39	5.21	12/31/88

	2 Qtrs	1 Yr	3 Yrs	5 Yrs	10 Yrs	Incept Date
<b>SERS</b>						
Total Return	1.06	-21.81	-4.05	2.02	2.40	12/31/93
Domestic Equity	3.16	-27.89	-10.07	-2.88	-1.81	12/31/93
Fixed Income	8.84	3.67	4.48	4.14	5.89	12/31/93
Cash & Equiv	0.46	2.80	4.23	3.88	3.88	12/31/93
Real Estate	-29.08	-35.18	-7.07	3.45	5.89	12/31/93
International Equity	14.48	-29.89	-5.29	5.74	2.94	12/31/94
Alternatives	-15.73	-19.30	3.56	6.22	0.77	12/31/93
<b>STRS</b>						
Total Return	2.76	-21.66	-3.65	2.69	2.71	12/31/93
Domestic Equity	4.81	-25.45	-8.63	-1.92	-1.71	12/31/93
Fixed Income	8.95	4.98	6.31	5.26	6.49	12/31/93
Cash & Equiv	1.20	1.69	3.66	3.47	3.42	12/31/93
Real Estate	-21.26	-27.02	3.22	11.24	10.82	12/31/93
International Equity	13.58	-27.89	-5.01	6.22	4.15	12/31/93
Alternatives	-16.71	-24.59	1.54	8.34	5.17	12/31/93
<b>Indices</b>						
Russell 1000	4.31	-26.69	-8.20	-1.85	-1.75	
Russell 2000	2.65	-25.01	-9.88	-1.71	2.38	
Russell 2500	6.52	-26.72	-9.31	-0.93	3.68	
Russell 3000	4.19	-26.57	-8.35	-1.84	-1.46	
Standard & Poors 500	3.16	-26.21	-8.22	-2.24	-2.22	
S&P 500 Equal Wtd	13.04	-23.56	-8.34	-0.97	2.20	
S&P 600 Small Cap	0.67	-25.31	-9.57	-0.90	4.74	
S&P 400 Mid Cap	8.47	-28.02	-7.54	0.36	4.62	
DJ Wilshire 5000	4.45	-26.40	-8.13	-1.60	-1.29	
MSCI EAFE (Net)	7.95	-31.35	-7.98	2.31	1.18	
MSCI Em Mkts Free (Gross)	36.22	-27.82	3.27	15.08	9.02	
MSCI World ex-U.S. (Net)	9.32	-31.62	-7.46	2.87	1.63	
Citigroup Broad Inv Grade	1.44	7.05	6.96	5.37	6.16	
BC Aggregate	1.90	6.05	6.43	5.01	5.98	
BC Mortgage	2.91	9.38	7.86	5.98	6.29	
BC 1-3 Yr US Gov't	0.47	4.94	5.74	4.21	4.73	
BC Long-Term Gov't/Credit	-3.54	5.34	6.37	5.64	6.90	
BC US TIPS	6.21	-1.11	5.77	4.94	7.24	
NCREIF Property	-12.15	-19.57	0.98	7.60	8.50	
Wilshire Resi Full Cap	-12.73	-45.64	-19.91	-3.41	5.18	

The Summary Tables display each of the System's total fund and individual asset class returns as well as the returns for selected broad market indices over the measurement period.

Total Plans vs. Mellon All Total Fund Universe  
Performance and Rank Data as of 06/30/09

Cumulative Performance Comparison



Return, %

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB)	3.05	-19.34	-12.62	-3.21	0.38	2.32	4.73	4.52	3.02	2.15	2.79
PERS (HC)	6.61	-16.96	-10.13	-2.70	0.47	NA	NA	NA	NA	NA	NA
STRS	2.76	-21.66	-13.93	-3.65	0.43	2.69	5.05	4.65	2.96	1.89	2.71
OP&F	3.99	-20.48	-12.71	-3.00	0.71	2.66	5.16	4.84	3.50	2.54	3.11
SERS	1.06	-21.81	-13.93	-4.05	0.00	2.01	4.30	3.94	2.40	1.34	2.40
HPRS	5.97	-18.33	-12.48	-3.34	0.06	1.76	4.30	4.22	3.18	2.29	2.31
60/40 Index	3.83	-13.97	-9.53	-2.12	-0.24	1.31	3.11	3.44	2.10	1.28	1.93
Universe(5%)	8.79	-8.44	-3.85	2.25	4.39	5.89	7.85	7.36	5.97	5.77	7.04
Universe(25%)	6.07	-15.02	-9.10	-0.99	1.65	3.36	5.39	5.35	4.18	3.36	4.15
Universe(Median)	4.35	-17.85	-11.25	-2.53	0.58	2.34	4.53	4.50	3.20	2.46	3.30
Universe(75%)	2.23	-20.41	-12.88	-3.74	-0.42	1.44	3.56	3.71	2.43	1.59	2.46
Universe(95%)	-1.44	-25.54	-15.71	-5.70	-2.01	0.08	2.13	2.31	1.03	0.10	0.80

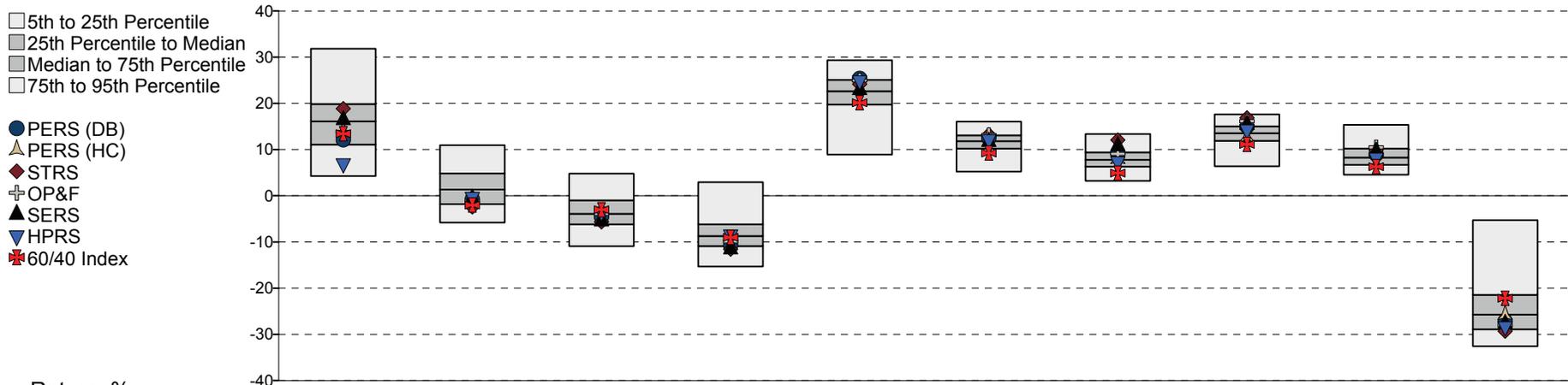
Percentile Rank

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB)	66	65	70	63	54	51	43	50	56	59	65
PERS (HC)	20	40	36	53	51	NA	NA	NA	NA	NA	NA
STRS	69	83	86	73	53	41	33	45	58	66	67
OP&F	54	76	72	59	46	41	30	38	42	46	56
SERS	86	83	86	81	63	61	56	69	76	81	76
HPRS	27	56	68	66	61	67	57	61	51	54	78
60/40 Index	56	20	30	42	70	78	83	81	81	81	85

This page compares the Total Fund results to a broad universe of total funds – 388 other funds, including those of public, corporate, and multi-employer pension plans and totaling \$1.2 Trillion in assets – over a ten-year measurement period. Here and elsewhere in the report, the “floating bars” define the universe against which the performance is being compared. The table just below the graph displays each fund’s return for that period and the table below that defines each fund’s relevant ranking in the universe. The numbers in the “rank” rows are percentile rankings. The 60/40 Index is the composition of a hypothetical portfolio of 60% stocks (DJ Wilshire 5000 Index) and 40% bonds (Barclays Aggregate Bond Index). The graph above is a cumulative performance comparison with measurement periods that are annualized over the last ten years. The graph shows that OP&F has demonstrated the highest return for the ten-year period with an 3.11% annualized return, which ranks the fund in the 56th percentile followed by PERS DB (65th percentile), STRS (67th percentile), SERS (76th percentile), and HPRS (78th percentile).

Total Plans vs. Mellon All Total Fund Universe as of 06/30/09  
Performance and Rank Data

Calendar Year Performance



Return, %

	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB)	12.10	-0.72	-4.57	-10.73	25.40	12.50	9.25	15.02	8.94	-27.15
PERS (HC)	NA	NA	NA	NA	NA	NA	8.00	12.75	6.91	-25.77
STRS	18.87	-2.45	-5.66	-11.59	24.16	13.23	12.08	16.88	9.87	-29.32
OP&F	13.81	-1.10	-3.88	-9.89	24.97	13.13	9.06	16.15	10.47	-28.05
SERS	16.40	-0.59	-5.52	-11.57	22.93	11.69	10.76	15.37	9.61	-27.74
HPRS	6.96	-0.29	-3.46	-8.42	24.96	12.18	7.42	14.32	8.22	-28.31
60/40 Index	13.43	-2.02	-3.03	-9.01	20.14	9.25	4.90	11.12	6.30	-22.19
Universe(5%)	31.83	10.95	4.78	2.94	29.33	16.07	13.36	17.62	15.34	-5.30
Universe(25%)	19.86	4.81	-0.98	-6.17	25.08	13.08	9.40	15.03	10.22	-21.45
Universe(Median)	16.12	1.35	-3.89	-8.71	22.63	11.82	7.76	13.56	8.28	-25.72
Universe(75%)	11.06	-1.82	-6.17	-10.90	19.73	10.21	6.28	11.91	6.71	-28.90
Universe(95%)	4.27	-5.79	-10.91	-15.31	8.93	5.24	3.23	6.37	4.55	-32.58

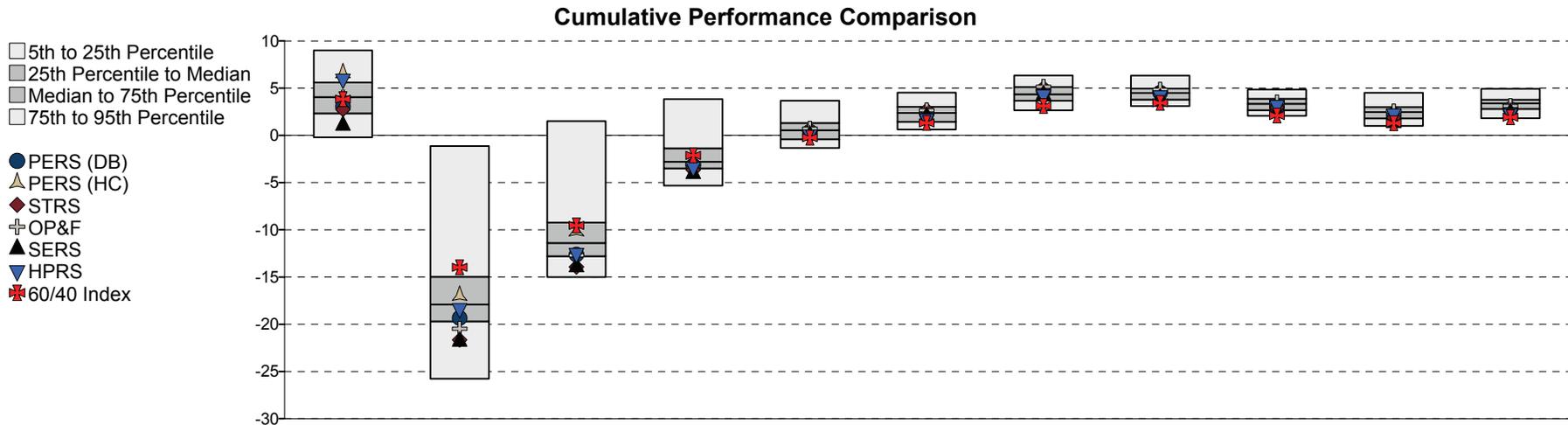
Percentile Rank

	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB)	70	68	58	72	22	35	27	25	41	64
PERS (HC)	NA	NA	NA	NA	NA	NA	47	63	72	51
STRS	31	81	69	82	35	23	9	8	27	78
OP&F	61	70	50	64	26	25	29	13	22	69
SERS	48	67	68	81	48	54	15	20	31	67
HPRS	88	63	46	47	26	43	57	36	51	72
60/40 Index	62	77	43	54	73	83	87	83	80	29

The graph above is a calendar year performance comparison with twelve-month measurement periods ending December 31, 2008. The graph shows that all plans fell below the median during 2008. PERS HC ranked in the 51st percentile, PERS DB ranked in the 64th percentile, SERS placed in the 67th percentile, OP&F ranked in the 69th percentile, HPRS ranked in the 72nd percentile and STRS ranked in the 78th percentile.

Note: This page reflects calendar year performance only. The most recent data presented ends 12/31/2008. Universe information is updated through 06/30/09.

Total Plans vs. Mellon All Public Total Fund Universe  
Performance and Rank Data as of 06/30/09



Return, %

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB)	3.05	-19.34	-12.62	-3.21	0.38	2.32	4.73	4.52	3.02	2.15	2.79
PERS (HC)	6.61	-16.96	-10.13	-2.70	0.47	NA	NA	NA	NA	NA	NA
STRS	2.76	-21.66	-13.93	-3.65	0.43	2.69	5.05	4.65	2.96	1.89	2.71
OP&F	3.99	-20.48	-12.71	-3.00	0.71	2.66	5.16	4.84	3.50	2.54	3.11
SERS	1.06	-21.81	-13.93	-4.05	0.00	2.01	4.30	3.94	2.40	1.34	2.40
HPRS	5.97	-18.33	-12.48	-3.34	0.06	1.76	4.30	4.22	3.18	2.29	2.31
60/40 Index	3.83	-13.97	-9.53	-2.12	-0.24	1.31	3.11	3.44	2.10	1.28	1.93
Universe(5%)	9.00	-1.14	1.50	3.84	3.67	4.53	6.35	6.32	4.85	4.52	4.92
Universe(25%)	5.60	-14.98	-9.22	-1.37	1.32	3.03	5.12	4.96	3.89	3.00	3.78
Universe(Median)	4.06	-17.91	-11.39	-2.79	0.55	2.38	4.35	4.48	3.35	2.47	3.40
Universe(75%)	2.33	-19.69	-12.79	-3.49	-0.41	1.44	3.68	3.80	2.67	1.81	2.81
Universe(95%)	-0.21	-25.77	-15.01	-5.32	-1.34	0.63	2.66	3.09	2.07	1.01	1.81

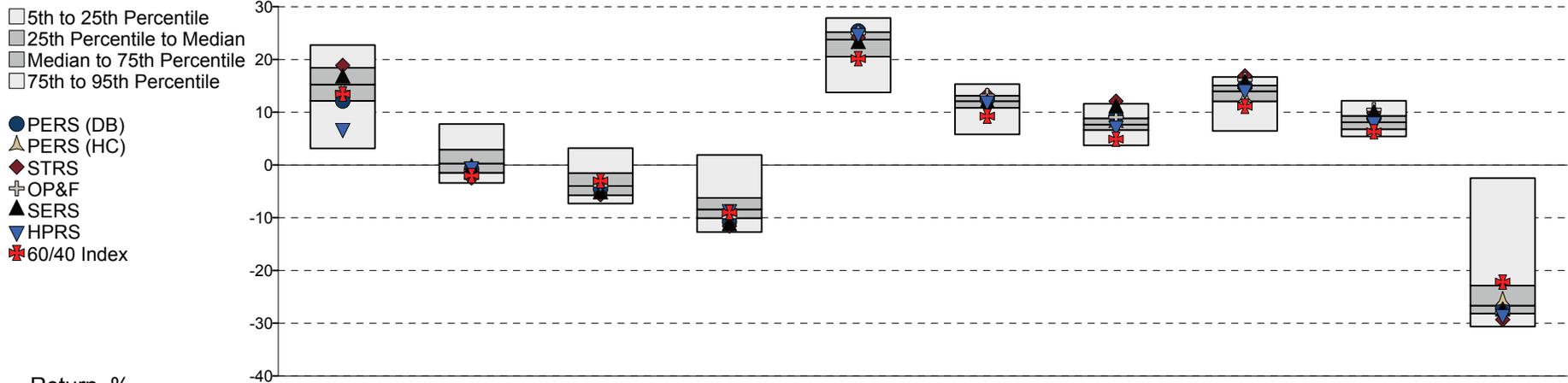
Percentile Rank

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB)	62	67	72	66	55	54	41	47	61	67	75
PERS (HC)	16	40	33	48	53	NA	NA	NA	NA	NA	NA
STRS	67	85	89	79	54	37	29	44	62	74	80
OP&F	51	80	73	61	45	38	22	33	46	48	64
SERS	89	86	89	85	65	65	53	70	85	91	83
HPRS	19	56	72	73	65	67	53	65	57	58	84
60/40 Index	53	22	31	36	69	81	90	91	95	92	92

The graph above is a cumulative performance comparison with measurement periods that are annualized over the last ten years. The graph above compares the Total Fund results to a universe of all Public Retirement Systems in the Mellon All Public Total Fund Universe. OP&F ranked in the 64th percentile, PERS DB ranked in the 75th percentile, STRS ranked in the 80th percentile, SERS ranked in the 83rd percentile and HPRS ranked in the 84th percentile of the universe for the ten-year period.

Total Plans vs. Mellon All Public Total Fund Universe as of 06/30/09  
Performance and Rank Data

Calendar Year Performance



Return, %

	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB)	12.10	-0.72	-4.57	-10.73	25.40	12.50	9.25	15.02	8.94	-27.15
PERS (HC)	NA	NA	NA	NA	NA	NA	8.00	12.75	6.91	-25.77
STRS	18.87	-2.45	-5.66	-11.59	24.16	13.23	12.08	16.88	9.87	-29.32
OP&F	13.81	-1.10	-3.88	-9.89	24.97	13.13	9.06	16.15	10.47	-28.05
SERS	16.40	-0.59	-5.52	-11.57	22.93	11.69	10.76	15.37	9.61	-27.74
HPRS	6.96	-0.29	-3.46	-8.42	24.96	12.18	7.42	14.32	8.22	-28.31
60/40 Index	13.43	-2.02	-3.03	-9.01	20.14	9.25	4.90	11.12	6.30	-22.19
Universe(5%)	22.72	7.75	3.19	1.91	27.87	15.32	11.60	16.69	12.18	-2.49
Universe(25%)	18.42	2.91	-1.52	-6.25	25.17	13.14	8.83	15.06	9.32	-22.88
Universe(Median)	15.25	0.26	-3.99	-8.42	23.79	12.09	7.65	13.98	8.10	-26.66
Universe(75%)	12.16	-1.48	-5.74	-10.06	20.52	10.84	6.61	12.08	6.77	-28.16
Universe(95%)	3.14	-3.40	-7.31	-12.74	13.75	5.79	3.71	6.44	5.41	-30.62

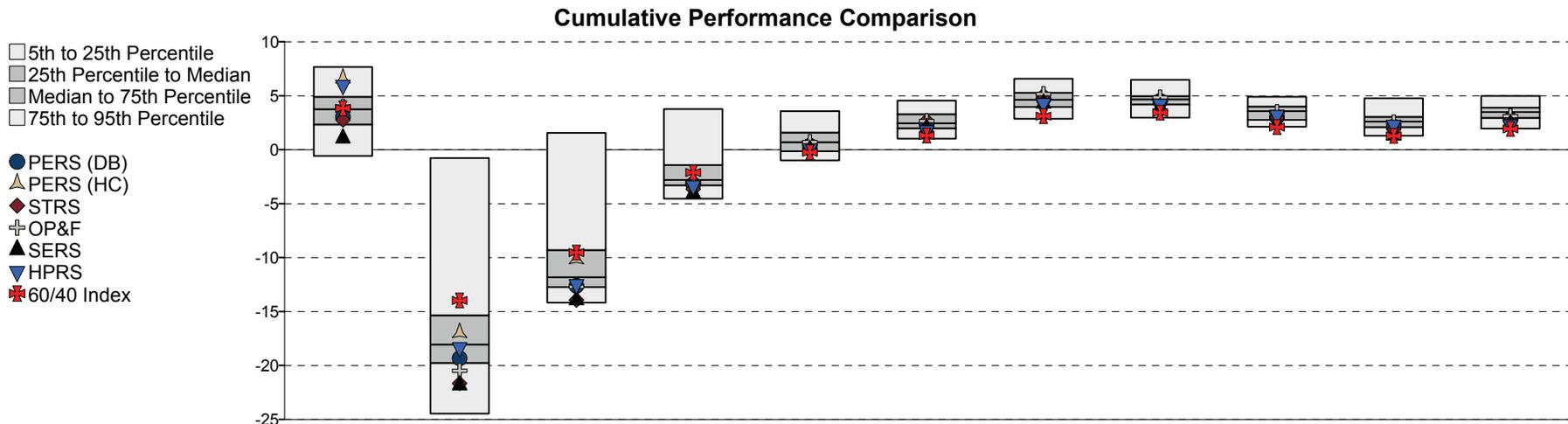
Percentile Rank

	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB)	76	65	57	79	21	37	21	26	33	60
PERS (HC)	NA	NA	NA	NA	NA	NA	41	64	72	43
STRS	18	88	72	86	48	23	3	3	16	86
OP&F	62	68	49	73	29	25	23	9	12	72
SERS	44	61	70	84	62	64	9	19	19	70
HPRS	92	54	46	50	29	46	59	41	46	77
60/40 Index	63	82	44	59	79	84	90	82	83	22

The graph above is a calendar year performance comparison with twelve-month measurement periods ending December 31, 2008. PERS HC ranked in the second quartile of the universe while PERS DB, SERS, OP&F ranked in the third quartile. HPRS and STRS placed in the bottom quartile.

Note: This page reflects calendar year performance only. The most recent data presented ends 12/31/2008. Universe information is updated through 06/30/09.

Total Plans vs. Mellon Large Public Total Fund Universe  
Performance and Rank Data as of 06/30/09



Return, %

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB)	3.05	-19.34	-12.62	-3.21	0.38	2.32	4.73	4.52	3.02	2.15	2.79
PERS (HC)	6.61	-16.96	-10.13	-2.70	0.47	NA	NA	NA	NA	NA	NA
STRS	2.76	-21.66	-13.93	-3.65	0.43	2.69	5.05	4.65	2.96	1.89	2.71
OP&F	3.99	-20.48	-12.71	-3.00	0.71	2.66	5.16	4.84	3.50	2.54	3.11
SERS	1.06	-21.81	-13.93	-4.05	0.00	2.01	4.30	3.94	2.40	1.34	2.40
HPRS	5.97	-18.33	-12.48	-3.34	0.06	1.76	4.30	4.22	3.18	2.29	2.31
60/40 Index	3.83	-13.97	-9.53	-2.12	-0.24	1.31	3.11	3.44	2.10	1.28	1.93
Universe(5%)	7.66	-0.77	1.56	3.77	3.57	4.56	6.58	6.48	4.91	4.77	4.98
Universe(25%)	4.90	-15.35	-9.29	-1.41	1.58	3.29	5.28	4.97	4.00	3.05	3.90
Universe(Median)	3.75	-18.06	-11.82	-2.79	0.70	2.45	4.63	4.67	3.57	2.61	3.48
Universe(75%)	2.33	-19.76	-12.73	-3.30	-0.14	1.99	3.96	4.20	2.76	2.09	2.96
Universe(95%)	-0.58	-24.46	-14.18	-4.54	-0.99	1.02	2.87	2.96	2.12	1.29	1.97

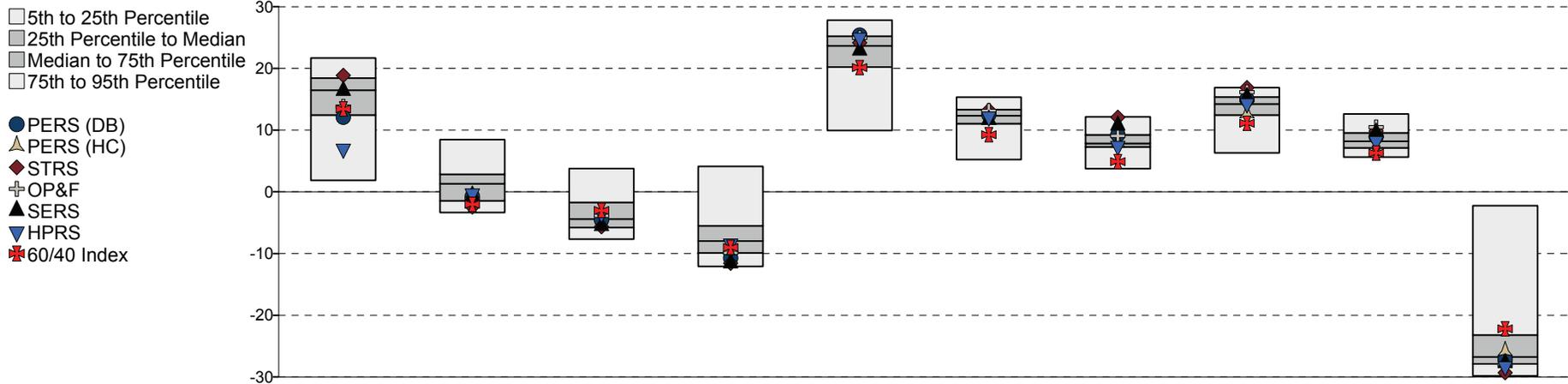
Percentile Rank

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB)	61	66	74	67	62	64	47	55	70	70	80
PERS (HC)	7	34	31	49	59	NA	NA	NA	NA	NA	NA
STRS	67	85	92	85	60	43	33	50	72	77	85
OP&F	45	80	75	61	50	45	28	35	55	55	72
SERS	83	86	92	93	73	75	60	78	89	95	88
HPRS	10	53	73	77	72	76	61	74	67	61	89
60/40 Index	48	20	28	37	76	88	93	92	96	95	96

The graph above is a cumulative performance comparison with measurement periods that are annualized over the last ten years and compares Total Fund results to a universe of Large Public Retirement Systems with total assets over one billion dollars. OP&F placed in the third quartile within the Mellon Large Public Total Fund Universe for the ten-year period, while PERS DB, STRS, SERS and HPRS ranked in the bottom quartile for the same period.

Total Plans vs. Mellon Large Public Total Fund Universe as of 06/30/09  
Performance and Rank Data

Calendar Year Performance



Return, %

	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB)	12.10	-0.72	-4.57	-10.73	25.40	12.50	9.25	15.02	8.94	-27.15
PERS (HC)	NA	NA	NA	NA	NA	NA	8.00	12.75	6.91	-25.77
STRS	18.87	-2.45	-5.66	-11.59	24.16	13.23	12.08	16.88	9.87	-29.32
OP&F	13.81	-1.10	-3.88	-9.89	24.97	13.13	9.06	16.15	10.47	-28.05
SERS	16.40	-0.59	-5.52	-11.57	22.93	11.69	10.76	15.37	9.61	-27.74
HPRS	6.96	-0.29	-3.46	-8.42	24.96	12.18	7.42	14.32	8.22	-28.31
60/40 Index	13.43	-2.02	-3.03	-9.01	20.14	9.25	4.90	11.12	6.30	-22.19
Universe(5%)	21.69	8.45	3.76	4.12	27.82	15.34	12.15	16.89	12.62	-2.25
Universe(25%)	18.42	2.84	-1.71	-5.51	25.22	13.32	9.23	15.36	9.55	-23.20
Universe(Median)	16.47	1.31	-4.41	-7.97	23.65	12.33	7.83	14.22	8.20	-26.75
Universe(75%)	12.43	-1.45	-5.77	-9.89	20.23	11.04	7.28	12.44	7.13	-27.88
Universe(95%)	1.88	-3.36	-7.67	-12.09	9.95	5.22	3.76	6.32	5.62	-29.82

Percentile Rank

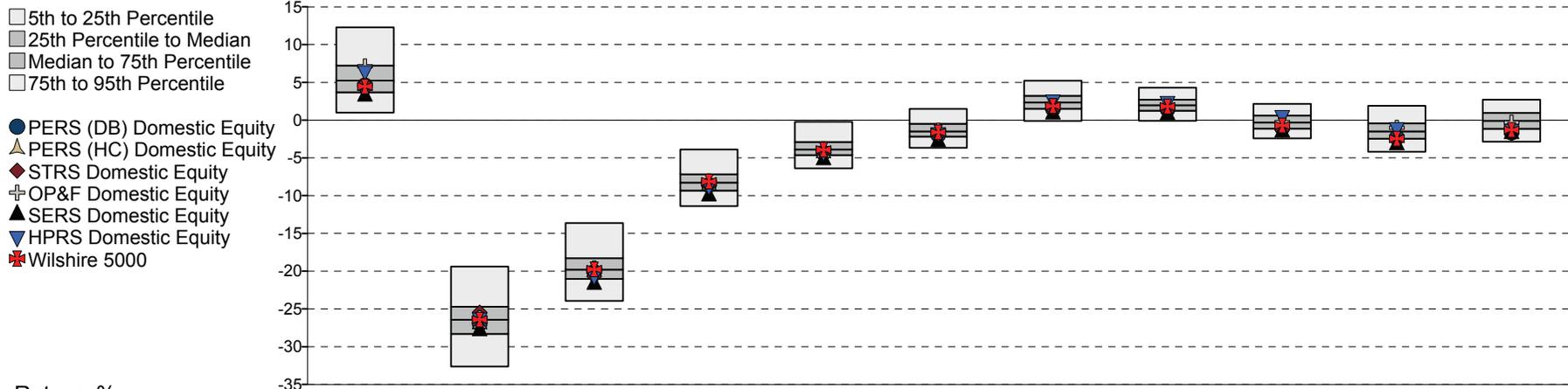
	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB)	78	67	50	82	23	44	25	32	39	62
PERS (HC)	NA	NA	NA	NA	NA	NA	45	71	79	42
STRS	18	92	69	90	45	26	5	5	18	88
OP&F	68	69	40	75	27	29	27	11	13	76
SERS	52	64	67	88	59	68	12	25	23	73
HPRS	90	57	38	53	27	52	70	45	49	79
60/40 Index	69	84	36	63	77	89	91	87	88	20

The graph above is a calendar year performance comparison with twelve-month measurement periods ending December 31, 2008. In 2008, all plans with the exception of PERS HC, lagged the median return for this universe. PERS DB placed in the 62nd percentile, SERS ranked in the 73rd percentile, OP&F ranked in the 76th percentile, HPRS ranked in the 79th percentile and STRS placed in the 88th percentile.

Note: This page reflects calendar year performance only. The most recent data presented ends 12/31/2008. Universe information is updated through 06/30/09.

**Total Domestic Equities vs. Mellon All Domestic Equities Universe  
Performance and Rank Data as of 06/30/09**

**Cumulative Performance Comparison**



Return, %

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB) Domestic Equity	4.58	-26.99	-20.10	-8.60	-4.35	-1.97	1.48	1.42	-1.01	-2.33	-1.66
PERS (HC) Domestic Equity	4.58	-26.99	-20.10	-8.60	-4.35	NA	NA	NA	NA	NA	NA
STRS Domestic Equity	4.81	-25.45	-20.67	-8.63	-4.26	-1.92	1.44	1.26	-1.30	-2.64	-1.71
OP&F Domestic Equity	7.12	-26.20	-19.61	-8.09	-3.83	-1.38	2.17	1.57	-0.25	-0.99	-0.31
SERS Domestic Equity	3.15	-27.90	-21.76	-10.07	-5.26	-2.88	0.79	0.70	-1.61	-3.28	-1.81
HPRS Domestic Equity	6.54	-26.18	-20.57	-8.67	-4.14	-1.63	2.69	2.48	0.62	-0.99	-1.19
Wilshire 5000	4.45	-26.40	-19.77	-8.13	-3.91	-1.60	1.88	1.80	-0.71	-2.44	-1.29
Universe(5%)	12.29	-19.39	-13.62	-3.88	-0.22	1.49	5.22	4.29	2.15	1.90	2.70
Universe(25%)	7.21	-24.73	-18.29	-7.18	-2.90	-0.48	3.23	2.72	0.60	-0.42	0.96
Universe(Median)	5.23	-26.42	-19.79	-8.28	-3.89	-1.50	2.34	1.97	-0.31	-1.49	-0.10
Universe(75%)	3.68	-28.32	-21.02	-9.32	-4.62	-2.18	1.52	1.25	-1.13	-2.45	-1.15
Universe(95%)	1.00	-32.62	-23.94	-11.39	-6.38	-3.68	-0.11	-0.10	-2.42	-4.18	-2.86

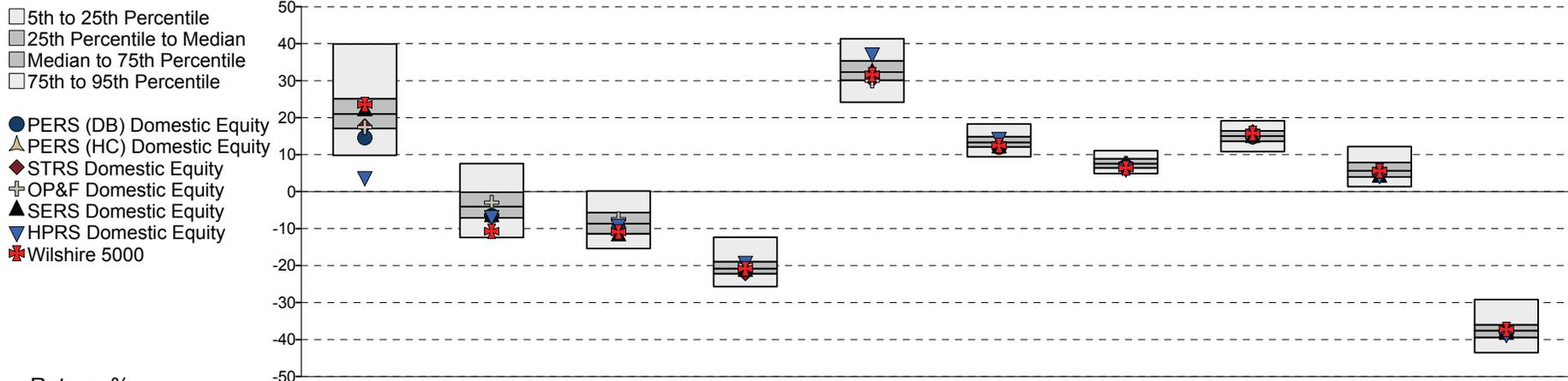
Percentile Rank

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB) Domestic Equity	58	59	59	57	67	69	76	69	72	72	84
PERS (HC) Domestic Equity	58	59	59	57	67	NA	NA	NA	NA	NA	NA
STRS Domestic Equity	53	35	71	57	62	67	77	75	81	80	84
OP&F Domestic Equity	26	46	44	44	49	47	53	63	48	39	54
SERS Domestic Equity	83	73	85	87	87	90	89	89	86	90	85
HPRS Domestic Equity	31	45	69	59	58	56	35	30	25	39	77
Wilshire 5000	60	49	49	45	51	55	62	58	63	75	79

The exhibits above, and on the next three pages, focus on domestic equity results. The analysis is similar to the Total Fund analysis, except that now the comparisons are to a broad equity universe (above) and to the equity returns of Public Funds. When compared to equity portfolios in the broad equity universe, for the past ten years, OP&F placed in the third quartile, while HPRS, PERS DB, STRS and SERS ranked in the fourth quartile. The DJ Wilshire 5000 Index also ranked in the fourth quartile over the ten-year period.

Total Domestic Equities vs. Mellon All Domestic Equities Universe as of 06/30/09  
Performance and Rank Data

Calendar Year Performance



Return, %

	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB) Domestic Equity	14.58	-6.51	-10.14	-21.37	31.09	11.99	6.79	14.86	5.12	-37.83
PERS (HC) Domestic Equity	NA	NA	NA	NA	NA	NA	6.79	14.86	5.12	-37.83
STRS Domestic Equity	17.75	-6.28	-10.90	-22.16	30.20	11.95	6.59	16.21	4.48	-38.12
OP&F Domestic Equity	17.41	-2.97	-7.47	-19.81	30.00	13.05	7.59	14.81	5.37	-38.03
SERS Domestic Equity	21.81	-6.87	-12.04	-21.66	32.12	11.73	6.87	14.54	3.83	-38.67
HPRS Domestic Equity	4.11	-6.40	-8.74	-18.76	37.58	14.74	6.45	15.59	4.67	-38.33
Wilshire 5000	23.56	-10.73	-10.90	-20.86	31.65	12.49	6.39	15.77	5.62	-37.23
Universe(5%)	39.89	7.56	0.16	-12.31	41.33	18.31	11.07	19.15	12.17	-29.16
Universe(25%)	25.11	-0.17	-5.66	-18.92	35.37	14.87	8.91	16.42	7.87	-35.99
Universe(Median)	21.00	-4.02	-8.64	-20.81	32.29	13.31	7.56	15.03	5.65	-37.57
Universe(75%)	17.08	-7.10	-11.39	-22.17	30.12	12.09	6.43	13.62	3.98	-39.42
Universe(95%)	9.84	-12.41	-15.39	-25.67	24.18	9.42	4.90	10.83	1.35	-43.55

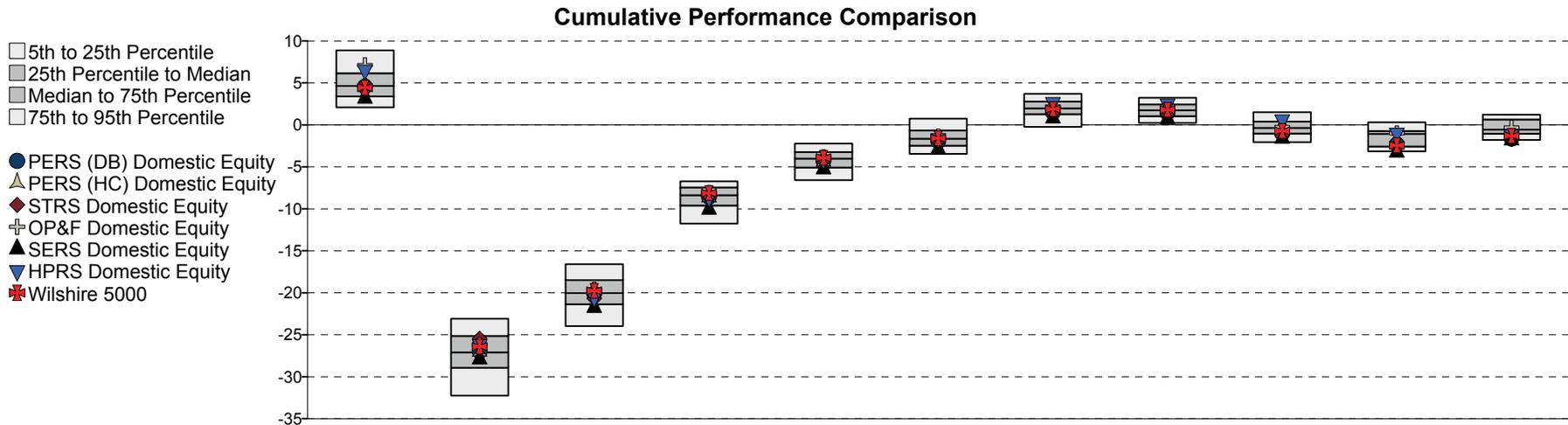
Percentile Rank

	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB) Domestic Equity	84	71	63	63	66	77	67	54	60	54
PERS (HC) Domestic Equity	NA	NA	NA	NA	NA	NA	67	54	60	54
STRS Domestic Equity	68	66	72	74	74	77	72	29	69	58
OP&F Domestic Equity	72	41	37	36	76	56	49	55	58	57
SERS Domestic Equity	46	73	80	69	52	80	66	60	77	64
HPRS Domestic Equity	98	69	50	24	14	27	75	40	68	61
Wilshire 5000	37	93	72	51	58	67	76	36	51	43

The graph above is a calendar year performance comparison with twelve-month measurement periods ending December 31, 2008 within the Mellon All Domestic Equities Universe. All plans ranked in the third quartile versus the universe in 2008. PERS DB and HC ranked in the 54th percentile, OP&F ranked in the 57th percentile, STRS placed in the 58th percentile, HPRS placed in the 61st percentile and SERS ranked in the 64th percentile.

Note: This page reflects calendar year performance only. The most recent data presented ends 12/31/2008. Universe information is updated through 06/30/09.

Total Domestic Equities vs. Mellon All Public Domestic Equity Universe  
Performance and Rank Data as of 06/30/09



Return, %

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB) Domestic Equity	4.58	-26.99	-20.10	-8.60	-4.35	-1.97	1.48	1.42	-1.01	-2.33	-1.66
PERS (HC) Domestic Equity	4.58	-26.99	-20.10	-8.60	-4.35	NA	NA	NA	NA	NA	NA
STRS Domestic Equity	4.81	-25.45	-20.67	-8.63	-4.26	-1.92	1.44	1.26	-1.30	-2.64	-1.71
OP&F Domestic Equity	7.12	-26.20	-19.61	-8.09	-3.83	-1.38	2.17	1.57	-0.25	-0.99	-0.31
SERS Domestic Equity	3.15	-27.90	-21.76	-10.07	-5.26	-2.88	0.79	0.70	-1.61	-3.28	-1.81
HPRS Domestic Equity	6.54	-26.18	-20.57	-8.67	-4.14	-1.63	2.69	2.48	0.62	-0.99	-1.19
Wilshire 5000	4.45	-26.40	-19.77	-8.13	-3.91	-1.60	1.88	1.80	-0.71	-2.44	-1.29
Universe(5%)	8.87	-23.09	-16.59	-6.72	-2.22	0.74	3.70	3.23	1.51	0.32	1.20
Universe(25%)	6.16	-25.15	-18.50	-7.45	-3.23	-0.66	2.78	2.43	0.39	-0.74	0.64
Universe(Median)	4.65	-27.11	-20.04	-8.38	-4.01	-1.65	1.98	1.73	-0.37	-1.09	-0.56
Universe(75%)	3.41	-28.92	-21.37	-9.60	-5.08	-2.48	1.27	1.04	-1.03	-2.57	-1.05
Universe(95%)	2.09	-32.24	-23.98	-11.76	-6.59	-3.45	-0.23	0.23	-2.06	-3.15	-1.79

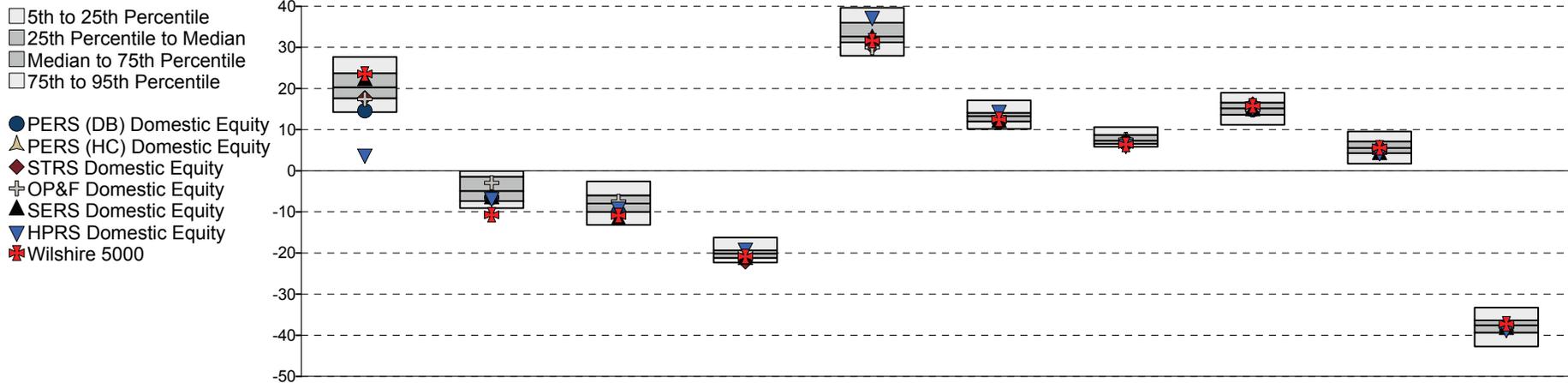
Percentile Rank

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB) Domestic Equity	51	45	51	56	61	63	65	59	74	63	94
PERS (HC) Domestic Equity	51	45	51	56	61	NA	NA	NA	NA	NA	NA
STRS Domestic Equity	49	27	61	56	56	62	66	68	86	79	94
OP&F Domestic Equity	16	36	43	38	46	43	41	57	47	44	47
SERS Domestic Equity	81	67	81	81	79	82	83	86	93	96	95
HPRS Domestic Equity	18	36	58	57	53	50	27	24	15	43	85
Wilshire 5000	52	39	46	40	47	49	58	47	65	66	89

The comparisons above compares the domestic equity returns of the six Ohio public funds to the domestic equity returns of all of the public funds in the Mellon Universe. Over the ten-year period all plans trailed the median return in the universe ranking in the bottom quartile, except for OP&F, which placed in the second quartile.

Total Domestic Equities vs. Mellon All Public Domestic Equity Universe as of 06/30/09  
Performance and Rank Data

Calendar Year Performance



Return, %

	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB) Domestic Equity	14.58	-6.51	-10.14	-21.37	31.09	11.99	6.79	14.86	5.12	-37.83
PERS (HC) Domestic Equity	NA	NA	NA	NA	NA	NA	6.79	14.86	5.12	-37.83
STRS Domestic Equity	17.75	-6.28	-10.90	-22.16	30.20	11.95	6.59	16.21	4.48	-38.12
OP&F Domestic Equity	17.41	-2.97	-7.47	-19.81	30.00	13.05	7.59	14.81	5.37	-38.03
SERS Domestic Equity	21.81	-6.87	-12.04	-21.66	32.12	11.73	6.87	14.54	3.83	-38.67
HPRS Domestic Equity	4.11	-6.40	-8.74	-18.76	37.58	14.74	6.45	15.59	4.67	-38.33
Wilshire 5000	23.56	-10.73	-10.90	-20.86	31.65	12.49	6.39	15.77	5.62	-37.23
Universe(5%)	27.65	-0.08	-2.58	-16.22	39.64	17.10	10.59	18.97	9.56	-33.29
Universe(25%)	23.71	-1.45	-5.96	-19.34	36.00	14.08	8.72	16.57	7.12	-36.36
Universe(Median)	20.28	-4.90	-7.96	-20.13	32.63	13.31	7.31	15.18	5.55	-37.57
Universe(75%)	17.66	-7.37	-10.01	-21.16	31.19	11.99	6.57	13.63	4.31	-39.34
Universe(95%)	14.26	-9.09	-13.18	-22.33	27.96	10.18	5.83	11.17	1.72	-42.74

Percentile Rank

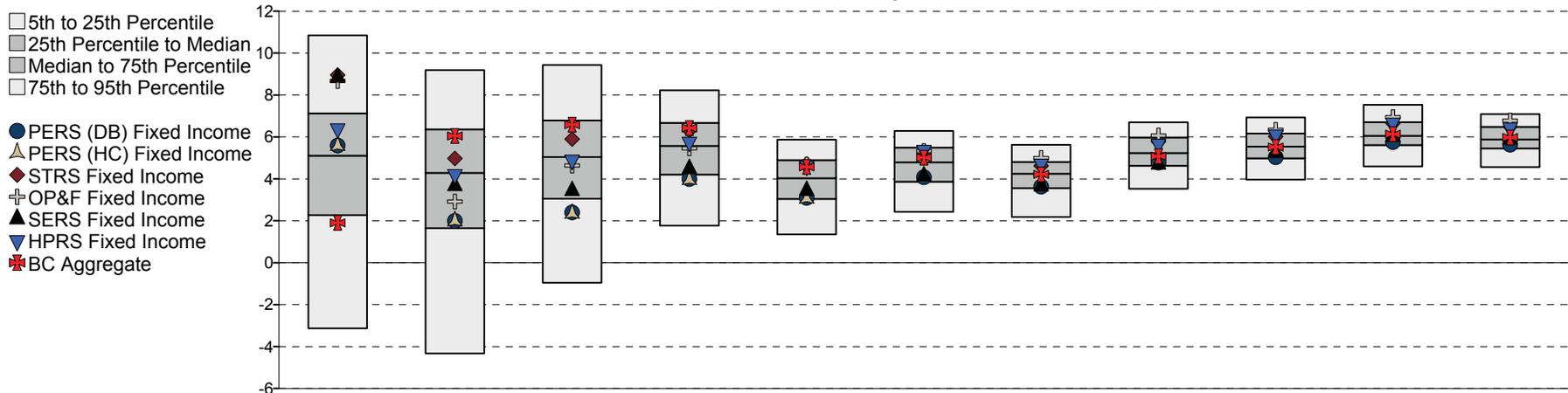
	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB) Domestic Equity	95	66	76	80	77	75	69	56	53	58
PERS (HC) Domestic Equity	NA	NA	NA	NA	NA	NA	69	56	53	58
STRS Domestic Equity	74	59	83	94	83	76	74	33	68	63
OP&F Domestic Equity	78	34	45	38	83	53	46	56	52	60
SERS Domestic Equity	33	69	89	87	61	82	68	64	79	67
HPRS Domestic Equity	100	63	62	23	12	13	79	40	66	64
Wilshire 5000	25	96	83	64	68	60	83	39	48	38

The graph above is a calendar year performance comparison with twelve-month measurement periods ending December 31, 2008 within the Mellon All Public Domestic Equities Universe. In 2008, PERS DB & HC ranked in the 58th percentile, OP&F ranked in the 60th percentile, STRS ranked in the 63rd, HPRS placed in the 64th percentile and SERS ranked in the 67th percentile.

Note: This page reflects calendar year performance only. The most recent data presented ends 12/31/2008. Universe information is updated through 06/30/09.

Total Fixed Income vs. Mellon All Domestic Fixed Income Universe  
Performance and Rank Data as of 06/30/09

Cumulative Performance Comparison



Return, %

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB) Fixed Income	5.59	1.99	2.40	3.99	3.09	4.08	3.63	4.77	5.03	5.76	5.63
PERS (HC) Fixed Income	5.58	1.99	2.35	3.96	3.07	NA	NA	NA	NA	NA	NA
STRS Fixed Income	8.95	4.98	5.89	6.31	4.71	5.26	4.62	5.78	6.02	6.65	6.49
OP&F Fixed Income	8.67	2.92	4.63	5.46	4.68	5.33	4.99	6.07	6.34	6.95	6.78
SERS Fixed Income	8.84	3.67	3.44	4.48	3.44	4.14	3.66	4.69	5.24	6.02	5.89
HPRS Fixed Income	6.40	4.21	4.90	5.75	4.61	5.37	4.71	5.65	6.10	6.66	6.43
BC Aggregate	1.90	6.05	6.58	6.43	4.57	5.01	4.22	5.08	5.52	6.14	5.98
Universe(5%)	10.84	9.19	9.43	8.23	5.87	6.29	5.63	6.70	6.93	7.53	7.09
Universe(25%)	7.12	6.36	6.79	6.67	4.89	5.49	4.81	5.98	6.16	6.71	6.48
Universe(Median)	5.11	4.28	5.04	5.57	4.03	4.78	4.25	5.23	5.54	6.06	5.88
Universe(75%)	2.27	1.65	3.05	4.21	3.04	3.86	3.56	4.62	4.98	5.61	5.45
Universe(95%)	-3.13	-4.33	-0.96	1.77	1.35	2.42	2.18	3.53	3.96	4.60	4.56

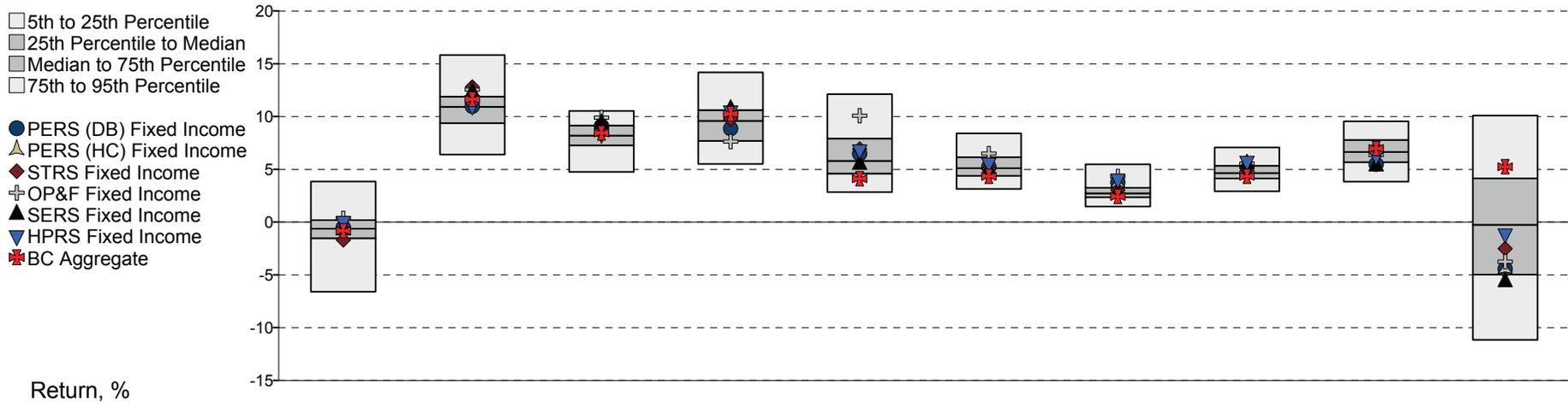
Percentile Rank

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB) Fixed Income	43	74	81	80	74	71	73	70	73	66	68
PERS (HC) Fixed Income	43	74	81	80	75	NA	NA	NA	NA	NA	NA
STRS Fixed Income	11	44	40	35	32	32	32	31	28	27	24
OP&F Fixed Income	13	65	55	52	32	29	22	21	20	19	13
SERS Fixed Income	11	57	72	71	66	70	71	73	63	53	49
HPRS Fixed Income	32	50	52	45	35	28	31	34	26	27	26
BC Aggregate	79	30	28	31	37	42	51	56	52	47	45

The exhibit above, and on the next page, compare the fixed income results of the six funds to that of a broad fixed income universe consisting of all of the domestic fixed income accounts in the Mellon Universe. For the trailing ten-year period, two funds placed in the first quartile (OP&F and STRS) of the universe, two placed in the second quartile (HPRS and SERS), and PERS DB placed in the third quartile among its peers.

Total Fixed Income vs. Mellon All Domestic Fixed Income Universe as of 06/30/09  
Performance and Rank Data

Calendar Year Performance



Return, %

	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB) Fixed Income	-0.50	10.97	9.11	8.86	6.48	5.25	3.76	5.28	5.47	-4.43
PERS (HC) Fixed Income	NA	NA	NA	NA	NA	NA	3.75	5.28	5.34	-4.40
STRS Fixed Income	-1.70	12.80	9.17	9.76	6.94	5.03	3.04	5.23	7.00	-2.51
OP&F Fixed Income	0.35	12.55	9.90	7.63	10.08	6.50	4.33	5.54	6.35	-3.75
SERS Fixed Income	-0.76	12.29	9.35	10.71	5.45	4.89	2.74	5.52	5.30	-5.67
HPRS Fixed Income	0.10	11.05	8.37	10.56	6.87	5.61	4.11	5.78	6.31	-1.09
BC Aggregate	-0.82	11.63	8.44	10.26	4.10	4.34	2.43	4.33	6.97	5.24
Universe(5%)	3.85	15.82	10.53	14.18	12.12	8.40	5.47	7.07	9.55	10.09
Universe(25%)	0.19	11.89	9.15	10.61	7.92	6.15	3.25	5.33	7.78	4.15
Universe(Median)	-0.63	10.91	8.20	9.59	5.80	5.11	2.73	4.65	6.65	-0.26
Universe(75%)	-1.53	9.37	7.27	7.69	4.59	4.40	2.35	4.13	5.68	-4.98
Universe(95%)	-6.60	6.40	4.76	5.51	2.84	3.14	1.48	2.92	3.83	-11.16

Percentile Rank

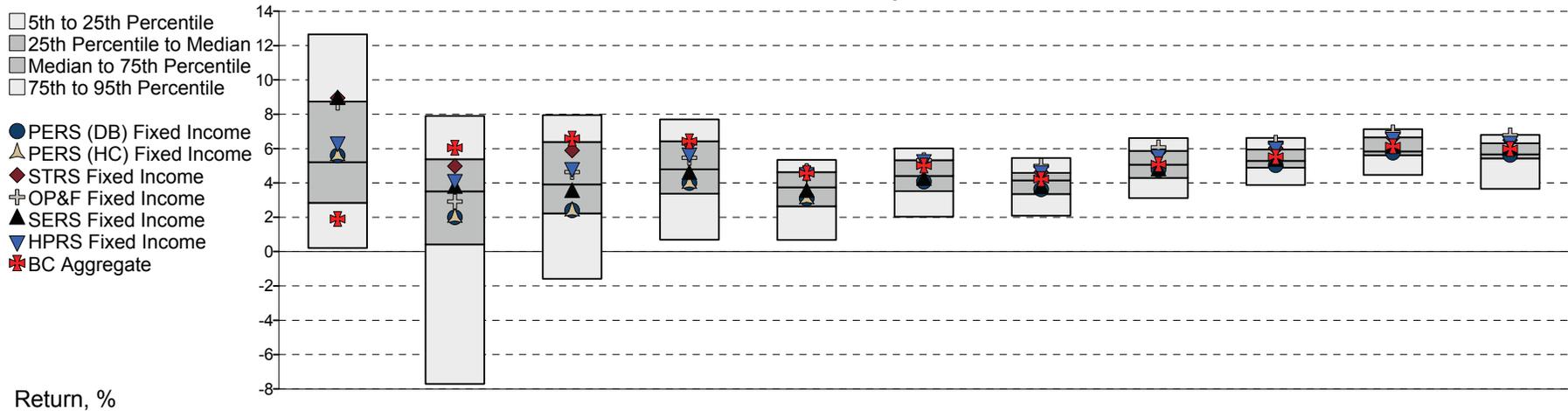
	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB) Fixed Income	46	49	26	61	39	46	14	27	79	72
PERS (HC) Fixed Income	NA	NA	NA	NA	NA	NA	14	27	83	71
STRS Fixed Income	77	12	24	46	34	52	32	29	40	62
OP&F Fixed Income	23	12	11	77	11	20	10	22	58	68
SERS Fixed Income	55	16	20	22	56	57	49	22	83	78
HPRS Fixed Income	25	49	44	27	34	35	11	16	59	54
BC Aggregate	56	33	42	31	84	77	70	68	42	18

The graph above provides an analysis of the calendar year performance with twelve-month measurement periods ending December 31, 2008 within the Mellon All Domestic Fixed Income Universe. In 2008, none of the funds placed above the median. HPRS was the best performer relative to its peers, placing in the 54th percentile. The remaining funds ranked as follows: STRS (62nd); OP&F (68th); PERS HC (71st); PERS DB (72nd); SERS (78th).

Note: This page reflects calendar year performance only. The most recent data presented ends 12/31/2008. Universe information is updated through 06/30/09.

Total Fixed Income vs. Mellon All Public Domestic Fixed Income Universe  
Performance and Rank Data as of 06/30/09

Cumulative Performance Comparison



Return, %

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB) Fixed Income	5.59	1.99	2.40	3.99	3.09	4.08	3.63	4.77	5.03	5.76	5.63
PERS (HC) Fixed Income	5.58	1.99	2.35	3.96	3.07	NA	NA	NA	NA	NA	NA
STRS Fixed Income	8.95	4.98	5.89	6.31	4.71	5.26	4.62	5.78	6.02	6.65	6.49
OP&F Fixed Income	8.67	2.92	4.63	5.46	4.68	5.33	4.99	6.07	6.34	6.95	6.78
SERS Fixed Income	8.84	3.67	3.44	4.48	3.44	4.14	3.66	4.69	5.24	6.02	5.89
HPRS Fixed Income	6.40	4.21	4.90	5.75	4.61	5.37	4.71	5.65	6.10	6.66	6.43
BC Aggregate	1.90	6.05	6.58	6.43	4.57	5.01	4.22	5.08	5.52	6.14	5.98
Universe(5%)	12.66	7.90	7.95	7.70	5.34	6.01	5.45	6.62	6.62	7.13	6.80
Universe(25%)	8.73	5.38	6.39	6.43	4.63	5.32	4.59	5.87	5.95	6.66	6.31
Universe(Median)	5.21	3.51	3.91	4.79	3.74	4.41	4.15	5.06	5.29	5.83	5.67
Universe(75%)	2.84	0.42	2.23	3.38	2.64	3.52	3.35	4.29	4.89	5.62	5.43
Universe(95%)	0.20	-7.71	-1.58	0.69	0.68	2.03	2.09	3.11	3.88	4.46	3.65

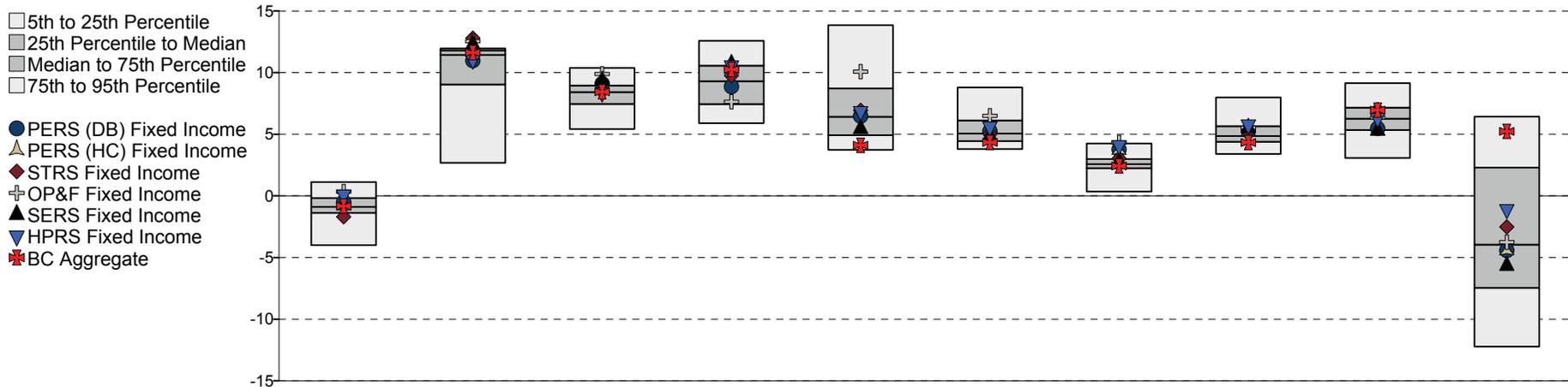
Percentile Rank

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB) Fixed Income	46	62	73	66	59	57	62	64	67	55	53
PERS (HC) Fixed Income	46	62	74	67	59	NA	NA	NA	NA	NA	NA
STRS Fixed Income	21	30	34	30	23	26	23	29	23	25	14
OP&F Fixed Income	25	60	41	40	23	25	18	16	10	12	6
SERS Fixed Income	21	47	61	57	52	54	62	66	51	47	44
HPRS Fixed Income	40	40	40	37	27	23	21	32	19	24	21
BC Aggregate	82	12	21	25	30	33	43	45	43	44	40

The exhibit above compares the fixed income results of the six funds to that of the domestic fixed income returns of the public funds in the Mellon Universe. Over the ten-year period, five of the six plans outpaced the median return. OP&F, STRS and HPRS ranked in the top quartile, while SERS placed in the second quartile. PERS DB placed in the third quartile of the universe.

## Total Fixed Income vs. Mellon All Public Domestic Fixed Income Universe as of 06/30/09 Performance and Rank Data

### Calendar Year Performance



Return, %

	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB) Fixed Income	-0.50	10.97	9.11	8.86	6.48	5.25	3.76	5.28	5.47	-4.43
PERS (HC) Fixed Income	NA	NA	NA	NA	NA	NA	3.75	5.28	5.34	-4.40
STRS Fixed Income	-1.70	12.80	9.17	9.76	6.94	5.03	3.04	5.23	7.00	-2.51
OP&F Fixed Income	0.35	12.55	9.90	7.63	10.08	6.50	4.33	5.54	6.35	-3.75
SERS Fixed Income	-0.76	12.29	9.35	10.71	5.45	4.89	2.74	5.52	5.30	-5.67
HPRS Fixed Income	0.10	11.05	8.37	10.56	6.87	5.61	4.11	5.78	6.31	-1.09
BC Aggregate	-0.82	11.63	8.44	10.26	4.10	4.34	2.43	4.33	6.97	5.24
Universe(5%)	1.12	11.96	10.38	12.58	13.85	8.79	4.25	7.99	9.15	6.43
Universe(25%)	-0.17	11.80	8.95	10.56	8.71	6.12	2.99	5.66	7.16	2.29
Universe(Median)	-0.89	11.44	8.42	9.31	6.42	5.06	2.59	4.86	6.27	-3.95
Universe(75%)	-1.38	9.04	7.46	7.44	4.92	4.45	2.25	4.39	5.35	-7.46
Universe(95%)	-4.00	2.68	5.43	5.90	3.73	3.80	0.35	3.40	3.08	-12.22

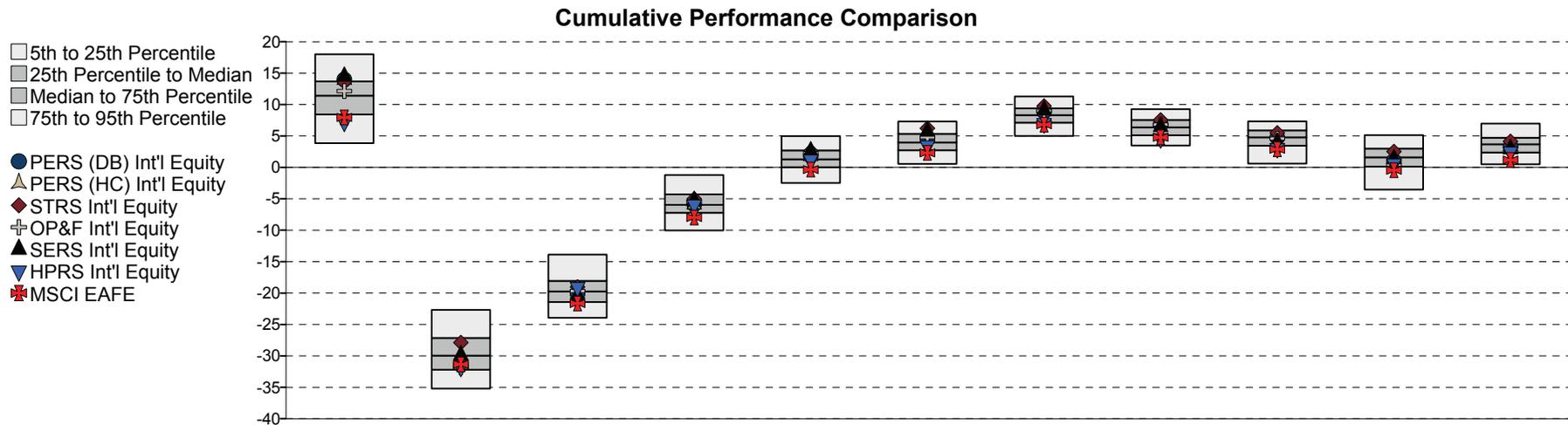
Percentile Rank

	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB) Fixed Income	36	56	24	55	49	43	8	35	74	57
PERS (HC) Fixed Income	NA	NA	NA	NA	NA	NA	8	35	75	56
STRS Fixed Income	85	0	23	42	43	51	24	39	31	46
OP&F Fixed Income	15	0	8	68	19	23	4	29	48	48
SERS Fixed Income	41	0	22	10	67	58	36	31	75	66
HPRS Fixed Income	17	56	52	25	44	35	6	21	49	40
BC Aggregate	44	29	49	33	87	81	66	79	32	9

The graph above provides an analysis of the calendar year performance with twelve-month measurement periods ending December 31, 2008 within the Mellon All Public Domestic Fixed Income Universe. In 2008, HPRS, STRS and OP&F ranked in the second quartile of the universe and PERS HC, PERS DB and SERS placed in the third quartile.

Note: This page reflects calendar year performance only. The most recent data presented ends 12/31/2008. Universe information is updated through 06/30/09.

## Total International Equities vs. Mellon All International Equity Universe Performance and Rank Data as of 06/30/09



Return, %

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB) Int'l Equity	13.98	-31.39	-20.12	-5.90	1.84	4.63	8.89	6.82	4.76	1.05	3.28
PERS (HC) Int'l Equity	13.98	-31.41	-20.08	-5.87	1.84	NA	NA	NA	NA	NA	NA
STRS Int'l Equity	13.58	-27.89	-19.04	-5.01	2.59	6.22	9.75	7.55	5.49	2.53	4.15
OP&F Int'l Equity	12.14	-31.81	-19.67	-5.45	2.28	4.81	9.00	6.81	4.58	0.43	2.47
SERS Int'l Equity	14.48	-29.89	-20.47	-5.29	2.59	5.74	9.10	6.46	3.97	1.35	2.94
HPRS Int'l Equity	7.22	-31.80	-19.09	-5.94	1.21	3.46	6.99	4.58	3.03	0.57	2.47
MSCI EAFE	7.95	-31.35	-21.67	-7.98	-0.35	2.31	6.80	4.79	2.89	-0.46	1.18
Universe(5%)	18.02	-22.69	-13.87	-1.22	4.99	7.30	11.30	9.28	7.34	5.15	6.97
Universe(25%)	13.69	-27.15	-18.06	-4.29	2.71	5.34	9.41	7.56	5.90	3.00	4.72
Universe(Median)	11.41	-29.96	-19.75	-5.95	1.28	3.96	8.31	6.37	4.79	1.60	3.68
Universe(75%)	8.44	-32.18	-21.42	-7.22	0.03	2.72	7.12	5.11	3.47	0.12	2.37
Universe(95%)	3.84	-35.20	-23.95	-10.03	-2.48	0.55	5.01	3.48	0.61	-3.53	0.50

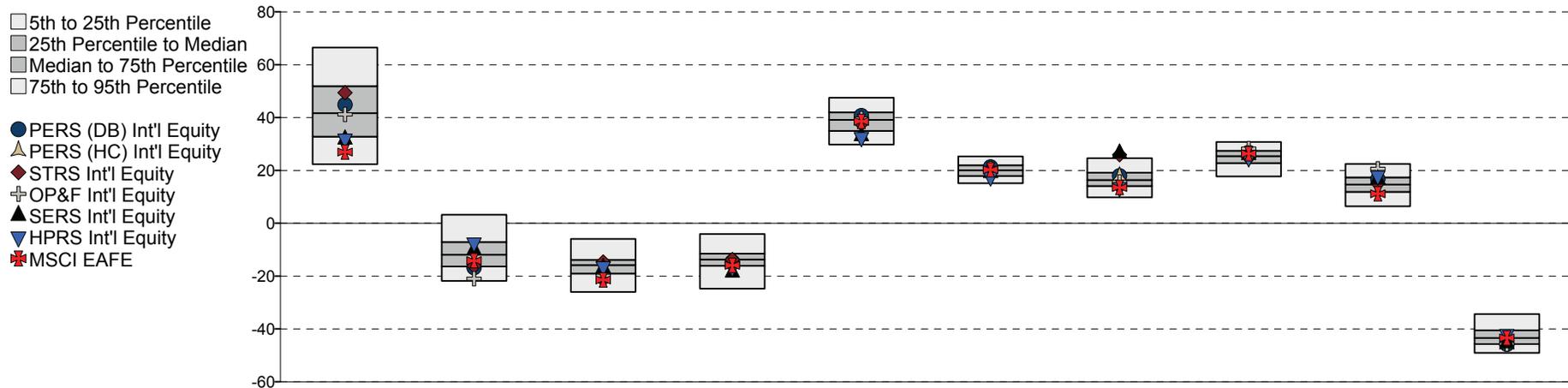
Percentile Rank

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB) Int'l Equity	22	68	59	49	38	39	36	39	51	64	61
PERS (HC) Int'l Equity	22	68	58	48	38	NA	NA	NA	NA	NA	NA
STRS Int'l Equity	27	30	37	32	26	14	21	25	33	34	37
OP&F Int'l Equity	41	72	48	40	30	36	31	39	55	71	72
SERS Int'l Equity	17	49	64	36	26	19	30	48	64	58	65
HPRS Int'l Equity	84	72	37	50	51	58	76	85	82	68	72
MSCI EAFE	79	68	78	84	80	82	79	81	83	85	90

The exhibit above, and on the next page, compare the international equity results of the six funds to that of a broad international equity universe consisting of all of the international equity accounts in the Mellon Universe. For the ten-year period ending June 30, 2009, STRS was the only fund to rank above median (37th percentile). PERS DB, SERS, HPRS and OP&F ranked in the 61st percentile, 65th percentile, 72nd percentile and 72nd percentile, respectively.

## Total International Equities vs. Mellon All International Equity Universe as of 06/30/09 Performance and Rank Data

### Calendar Year Performance



Return, %

	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB) Int'l Equity	44.83	-16.80	-20.41	-14.55	40.71	21.30	17.97	26.78	16.67	-45.80
PERS (HC) Int'l Equity	NA	NA	NA	NA	NA	NA	17.84	26.91	16.66	-45.80
STRS Int'l Equity	49.38	-16.17	-14.63	-13.69	37.71	20.28	25.94	25.01	15.06	-43.51
OP&F Int'l Equity	41.21	-20.98	-19.93	-16.17	39.60	20.73	15.62	28.23	20.60	-45.71
SERS Int'l Equity	31.73	-10.08	-16.91	-18.64	33.02	19.04	26.49	25.88	16.65	-45.30
HPRS Int'l Equity	31.94	-7.35	-16.34	-16.66	32.50	17.59	13.58	24.90	17.96	-42.00
MSCI EAFE	26.96	-14.17	-21.44	-15.94	38.59	20.25	13.54	26.34	11.17	-43.38
Universe(5%)	66.48	3.20	-5.90	-4.08	47.47	25.29	24.63	30.78	22.47	-34.34
Universe(25%)	51.88	-7.12	-13.88	-11.49	41.95	21.95	19.15	27.41	17.33	-40.51
Universe(Median)	41.67	-11.92	-15.82	-13.71	39.12	20.05	16.39	25.41	14.69	-43.38
Universe(75%)	32.79	-16.36	-19.01	-16.09	34.96	17.93	14.08	22.77	11.90	-45.73
Universe(95%)	22.34	-21.80	-26.00	-24.78	29.81	15.12	9.82	17.70	6.44	-49.05

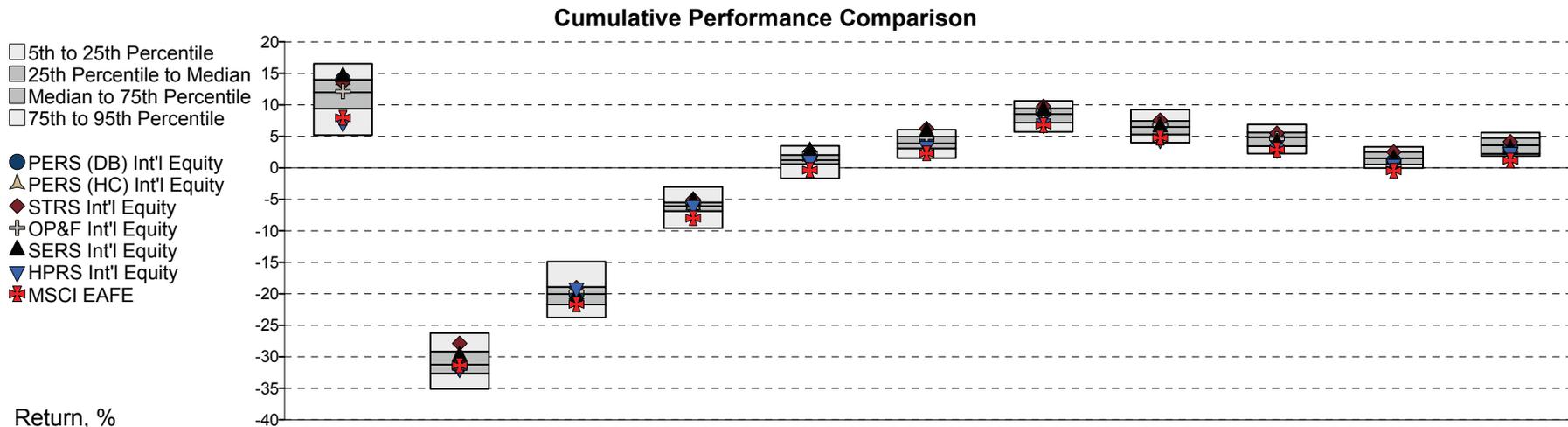
### Percentile Rank

	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB) Int'l Equity	41	77	86	59	36	31	34	32	32	76
PERS (HC) Int'l Equity	NA	NA	NA	NA	NA	NA	35	31	32	76
STRS Int'l Equity	31	73	31	50	58	46	2	55	47	51
OP&F Int'l Equity	52	94	84	76	46	38	59	19	9	75
SERS Int'l Equity	78	41	56	87	86	65	2	44	32	70
HPRS Int'l Equity	78	26	52	79	89	77	79	56	20	39
MSCI EAFE	88	64	90	74	53	47	80	39	80	50

The graph above provides an analysis of the calendar year performance with twelve-month measurement periods ending June 30, 2009 within the Mellon All International Equity Universe. In 2008, HPRS ranked in the 39th percentile, STRS in the 51st percentile, SERS in the 70th percentile, OP&F in the 75th percentile and PERS DB and HC in the 76th percentile among their peers.

Note: This page reflects calendar year performance only. The most recent data presented ends 12/31/2008. Universe information is updated through 06/30/09.

## Total International Equities vs. Mellon All Public International Equity Universe Performance and Rank Data as of 06/30/09



	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB) Int'l Equity	13.98	-31.39	-20.12	-5.90	1.84	4.63	8.89	6.82	4.76	1.05	3.28
PERS (HC) Int'l Equity	13.98	-31.41	-20.08	-5.87	1.84	NA	NA	NA	NA	NA	NA
STRS Int'l Equity	13.58	-27.89	-19.04	-5.01	2.59	6.22	9.75	7.55	5.49	2.53	4.15
OP&F Int'l Equity	12.14	-31.81	-19.67	-5.45	2.28	4.81	9.00	6.81	4.58	0.43	2.47
SERS Int'l Equity	14.48	-29.89	-20.47	-5.29	2.59	5.74	9.10	6.46	3.97	1.35	2.94
HPRS Int'l Equity	7.22	-31.80	-19.09	-5.94	1.21	3.46	6.99	4.58	3.03	0.57	2.47
MSCI EAFE	7.95	-31.35	-21.67	-7.98	-0.35	2.31	6.80	4.79	2.89	-0.46	1.18
Universe(5%)	16.52	-26.25	-14.87	-3.03	3.50	6.06	10.63	9.25	6.89	3.34	5.60
Universe(25%)	14.00	-29.17	-18.91	-5.48	2.04	4.97	9.46	7.46	5.62	2.56	4.76
Universe(Median)	12.00	-31.25	-20.04	-6.06	1.23	3.89	8.55	6.50	4.87	1.54	3.59
Universe(75%)	9.40	-32.66	-21.72	-6.86	0.61	3.10	7.17	5.32	3.46	0.54	2.24
Universe(95%)	5.21	-35.11	-23.77	-9.56	-1.66	1.55	5.72	4.01	2.26	-0.04	1.88

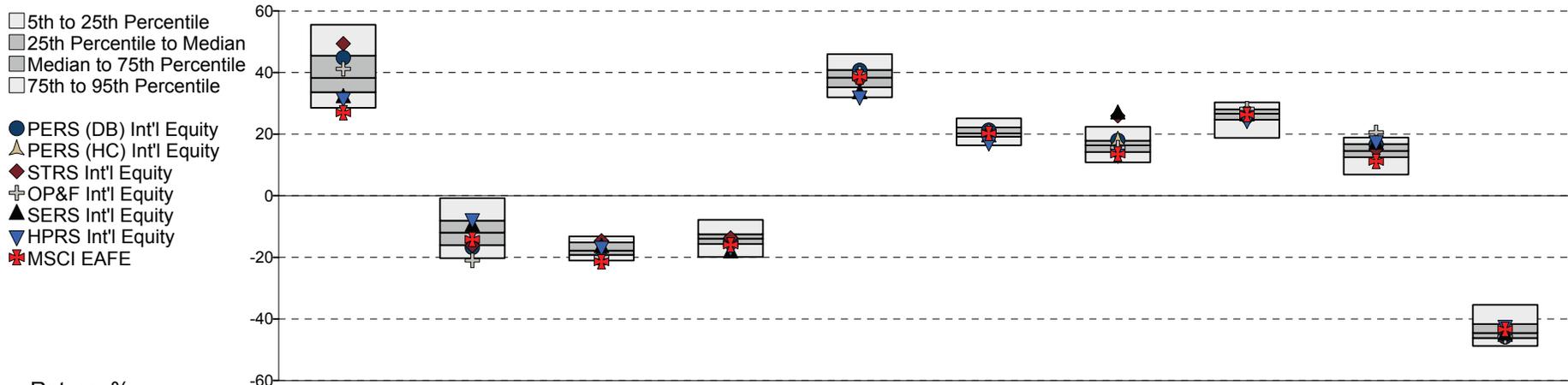
### Percentile Rank

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB) Int'l Equity	25	53	51	39	31	34	40	42	54	62	55
PERS (HC) Int'l Equity	25	53	51	38	31	NA	NA	NA	NA	NA	NA
STRS Int'l Equity	31	13	27	19	19	5	13	15	31	25	35
OP&F Int'l Equity	49	62	35	24	21	31	39	43	56	84	60
SERS Int'l Equity	18	35	57	21	19	10	38	51	61	56	57
HPRS Int'l Equity	92	62	27	42	50	57	78	90	87	74	60
MSCI EAFE	87	53	75	86	88	92	81	89	88	100	100

The exhibit above, and on the next page, compare the international equity results of the five funds to that of the Mellon All Public International Equity Universe. For the ten-year period ending June 30, 2009, STRS ranked in the 35th percentile, PERS DB ranked in the 55th percentile, SERS ranked in the 57th percentile, OP&F ranked in the 60th percentile and HPRS ranked in the 60th percentile.

Total International Equities vs. Mellon All Public International Equity Universe as of 06/30/09  
Performance and Rank Data

Calendar Year Performance



Return, %

	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB) Int'l Equity	44.83	-16.80	-20.41	-14.55	40.71	21.30	17.97	26.78	16.67	-45.80
PERS (HC) Int'l Equity	NA	NA	NA	NA	NA	NA	17.84	26.91	16.66	-45.80
STRS Int'l Equity	49.38	-16.17	-14.63	-13.69	37.71	20.28	25.94	25.01	15.06	-43.51
OP&F Int'l Equity	41.21	-20.98	-19.93	-16.17	39.60	20.73	15.62	28.23	20.60	-45.71
SERS Int'l Equity	31.73	-10.08	-16.91	-18.64	33.02	19.04	26.49	25.88	16.65	-45.30
HPRS Int'l Equity	31.94	-7.35	-16.34	-16.66	32.50	17.59	13.58	24.90	17.96	-42.00
MSCI EAFE	26.96	-14.17	-21.44	-15.94	38.59	20.25	13.54	26.34	11.17	-43.38
Universe(5%)	55.53	-0.76	-13.19	-7.81	45.97	25.14	22.42	30.33	18.92	-35.40
Universe(25%)	45.51	-8.06	-15.17	-12.48	40.85	22.17	17.88	28.04	16.78	-41.63
Universe(Median)	38.30	-11.96	-17.81	-13.91	38.35	20.29	16.38	26.64	14.57	-44.58
Universe(75%)	33.63	-16.01	-19.17	-15.65	35.23	19.18	14.20	24.72	12.52	-46.19
Universe(95%)	28.53	-20.29	-21.02	-19.87	31.96	16.39	10.84	18.77	6.90	-48.76

Percentile Rank

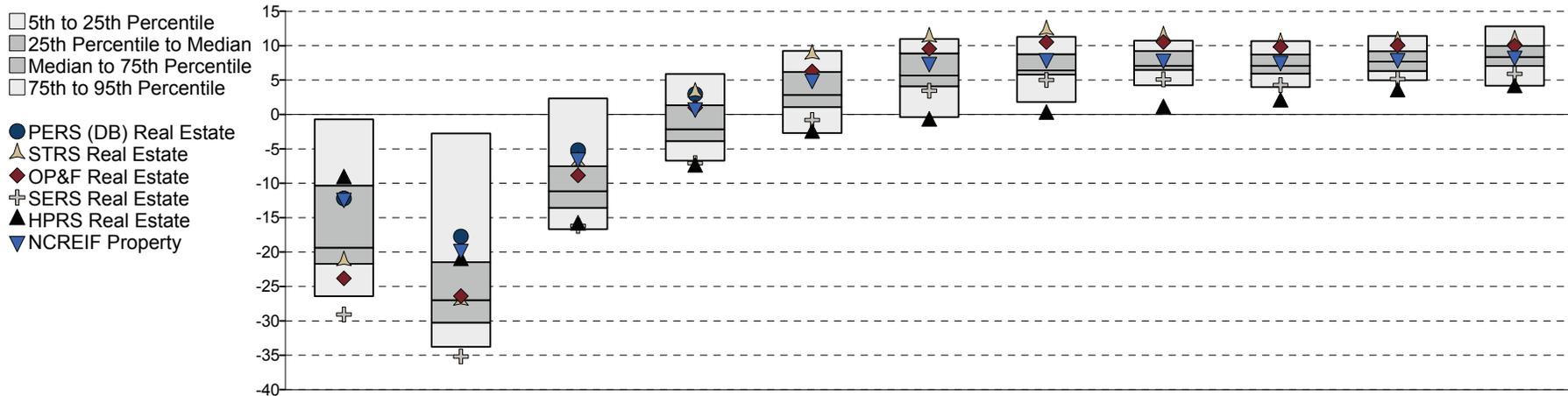
	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB) Int'l Equity	31	79	92	57	27	36	24	46	26	70
PERS (HC) Int'l Equity	NA	NA	NA	NA	NA	NA	26	43	26	70
STRS Int'l Equity	15	77	12	37	60	50	2	69	44	35
OP&F Int'l Equity	46	100	87	80	40	39	57	24	2	70
SERS Int'l Equity	86	43	39	94	89	80	0	60	26	63
HPRS Int'l Equity	85	19	34	82	92	88	81	72	12	27
MSCI EAFE	97	69	100	79	49	51	81	55	83	33

The graph above provides an analysis of the calendar year performance with twelve-month measurement periods ending December 31, 2008 within the Mellon All Public International Equity Universe. In 2008, HPRS and STRS ranked in the second quartile, SERS, PERS DB, PERS HC, and OP&F ranked in the third quartile.

Note: This page reflects calendar year performance only. The most recent data presented ends 12/31/2008. Universe information is updated through 06/30/09.

## Total Real Estate vs. Mellon All Real Estate Universe Performance and Rank Data as of 06/30/09

### Cumulative Performance Comparison



Return, %

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB) Real Estate	-12.20	-17.74	-5.19	2.95	NA						
STRS Real Estate	-21.26	-27.02	-6.84	3.22	8.76	11.24	12.28	11.40	10.43	10.66	10.82
OP&F Real Estate	-23.83	-26.41	-8.87	1.00	6.26	9.54	10.51	10.53	9.83	10.06	9.99
SERS Real Estate	-29.08	-35.18	-16.20	-7.07	-0.80	3.45	5.01	5.09	4.28	5.15	5.89
HPRS Real Estate	-9.36	-21.27	-16.11	-7.68	-2.76	-1.00	0.00	0.84	1.79	3.24	3.84
NCREIF Property	-12.15	-19.57	-6.28	0.98	5.14	7.60	8.13	8.06	7.74	8.16	8.50
Universe(5%)	-0.72	-2.76	2.33	5.89	9.25	10.97	11.29	10.73	10.67	11.41	12.81
Universe(25%)	-10.34	-21.46	-7.53	1.34	6.18	8.89	8.76	9.23	8.72	9.18	9.95
Universe(Median)	-19.36	-26.98	-11.15	-2.15	2.83	5.66	6.40	7.08	7.07	7.69	8.35
Universe(75%)	-21.71	-30.26	-13.55	-3.87	1.06	4.10	5.80	6.48	5.94	6.33	7.04
Universe(95%)	-26.42	-33.78	-16.69	-6.71	-2.69	-0.38	1.81	4.23	3.97	4.96	4.17

Percentile Rank

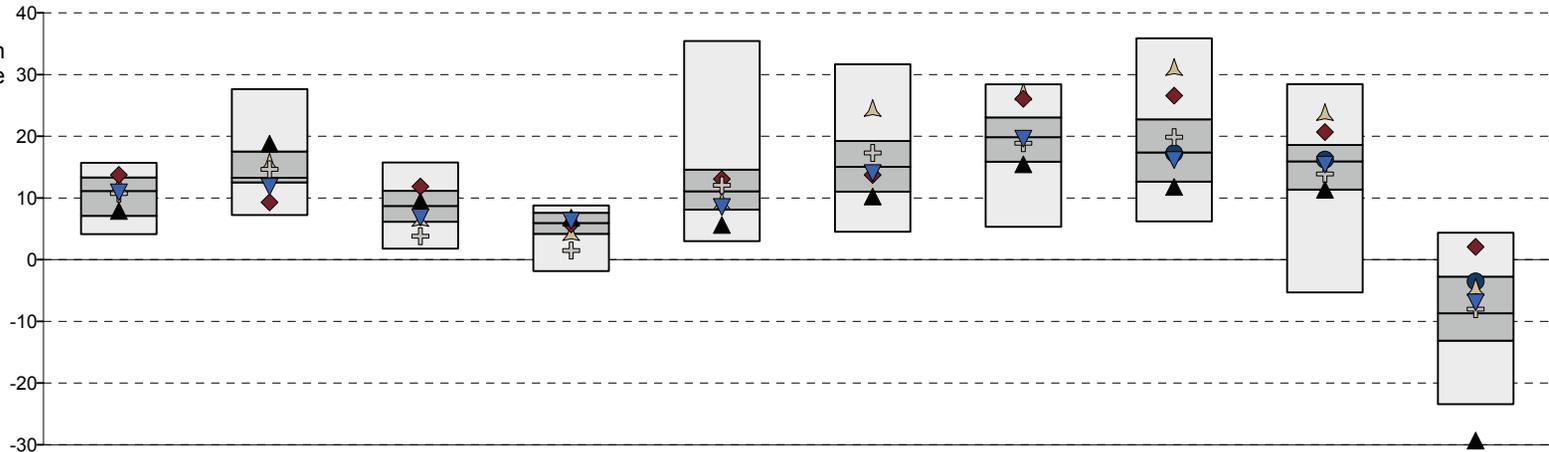
	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB) Real Estate	26	15	16	19	NA						
STRS Real Estate	73	50	22	18	8	4	3	3	8	14	15
OP&F Real Estate	83	46	28	27	25	20	11	8	11	17	25
SERS Real Estate	98	96	94	96	93	84	80	92	94	92	91
HPRS Real Estate	21	24	93	97	95	100	99	100	100	100	100
NCREIF Property	26	18	21	27	34	32	30	43	44	39	45

The exhibit above, and on the next page, compare real estate results of the five funds to that of a broad real estate universe consisting of all of the real estate accounts in the Mellon Universe. Beginning January 1, 2006, PERS viewed REITs and private real estate as separate asset classes, therefore the prior return series is no longer being reported. For the ten-year period ending June 30, 2009, STRS and OP&F exceeded the median return to place in the 15th percentile and 25th percentile, respectively. SERS and HPRS ranked in the bottom quartile. We have not included a risk/return analysis for real estate. While institutional investors in real property compute and report quarterly returns, these returns are based on appraisals and are not appropriately compared with other investments which actually trade on a daily basis. An annualized quarterly standard deviation of returns for real estate is, in our judgment, a insignificant number.

Total Real Estate vs. Mellon All Real Estate Universe as of 06/30/09  
Performance and Rank Data

Calendar Year Performance

- 5th to 25th Percentile
- 25th Percentile to Median
- ▒ Median to 75th Percentile
- 75th to 95th Percentile
- PERS (DB) Real Estate
- ▲ STRS Real Estate
- ◆ OP&F Real Estate
- ⊕ SERS Real Estate
- ▲ HPRS Real Estate
- ▼ NCREIF Property



Return, %

	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB) Real Estate	NA	17.23	16.20	-3.53						
STRS Real Estate	11.73	15.43	6.30	4.01	9.06	24.13	26.78	30.75	23.46	-4.87
OP&F Real Estate	13.72	9.30	11.84	5.70	13.06	13.74	26.07	26.58	20.67	2.08
SERS Real Estate	10.70	14.65	3.79	1.49	12.05	17.28	18.87	19.84	13.89	-8.03
HPRS Real Estate	7.43	18.35	9.00	6.35	5.17	9.78	14.99	11.34	10.87	-29.77
NCREIF Property	11.35	12.25	7.29	6.74	8.99	14.48	20.06	16.59	15.84	-6.46
Universe(5%)	15.68	27.65	15.76	8.79	35.43	31.66	28.41	35.87	28.44	4.38
Universe(25%)	13.32	17.52	11.16	7.58	14.59	19.24	23.06	22.75	18.59	-2.75
Universe(Median)	11.11	13.27	8.69	5.94	11.06	15.04	19.85	17.37	15.93	-8.68
Universe(75%)	7.09	12.53	6.14	4.20	8.10	11.02	15.87	12.65	11.35	-13.12
Universe(95%)	4.14	7.23	1.78	-1.86	3.01	4.53	5.33	6.19	-5.30	-23.42

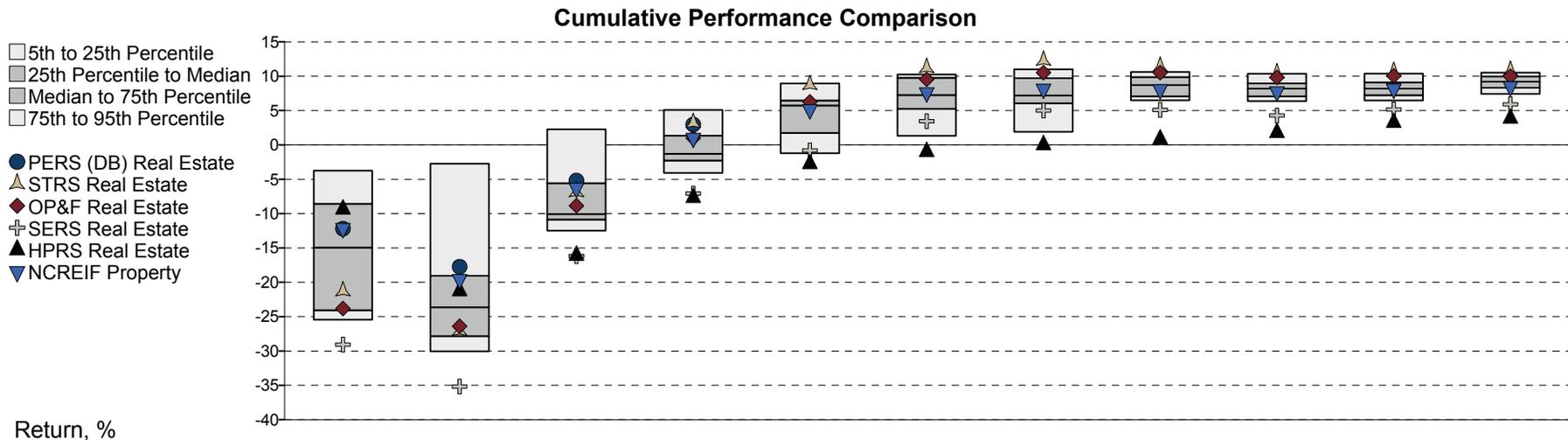
Percentile Rank

	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB) Real Estate	NA	51	48	27						
STRS Real Estate	39	34	71	76	72	14	8	8	10	32
OP&F Real Estate	17	92	16	51	36	64	9	17	18	10
SERS Real Estate	52	39	86	89	45	33	56	37	61	45
HPRS Real Estate	74	22	48	39	91	81	79	84	78	100
NCREIF Property	49	78	66	36	72	56	48	55	51	41

The graph above provides an analysis of the calendar year performance with twelve-month measurement periods ending December 31, 2008 within the Mellon All Real Estate Universe. In 2008, four of the five funds outpaced the median fund with OP&F, PERS DB, STRS and SERS placing in the 10th, 27th, 32nd and 45th percentiles, respectively. HPRS placed in the fourth quartile among its peers of the Mellon Universe.

Note: This page reflects calendar year performance only. The most recent data presented ends 12/31/2008. Universe information is updated through 06/30/09.

## Total Real Estate vs. Mellon All Public Real Estate Universe Performance and Rank Data as of 06/30/09



Return, %

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB) Real Estate	-12.20	-17.74	-5.19	2.95	NA						
STRS Real Estate	-21.26	-27.02	-6.84	3.22	8.76	11.24	12.28	11.40	10.43	10.66	10.82
OP&F Real Estate	-23.83	-26.41	-8.87	1.00	6.26	9.54	10.51	10.53	9.83	10.06	9.99
SERS Real Estate	-29.08	-35.18	-16.20	-7.07	-0.80	3.45	5.01	5.09	4.28	5.15	5.89
HPRS Real Estate	-9.36	-21.27	-16.11	-7.68	-2.76	-1.00	0.00	0.84	1.79	3.24	3.84
NCREIF Property	-12.15	-19.57	-6.28	0.98	5.14	7.60	8.13	8.06	7.74	8.16	8.50
Universe(5%)	-3.76	-2.73	2.26	5.09	8.93	10.25	11.01	10.63	10.36	10.37	10.51
Universe(25%)	-8.58	-19.05	-5.57	1.34	6.46	9.76	9.71	9.88	8.97	9.09	9.95
Universe(Median)	-14.94	-23.64	-10.09	-1.31	5.73	7.26	7.20	8.71	8.19	8.19	9.19
Universe(75%)	-24.07	-27.84	-10.87	-2.27	1.74	5.24	6.07	7.07	7.07	7.24	8.30
Universe(95%)	-25.44	-30.04	-12.50	-4.07	-1.23	1.32	1.91	6.50	6.37	6.46	7.42

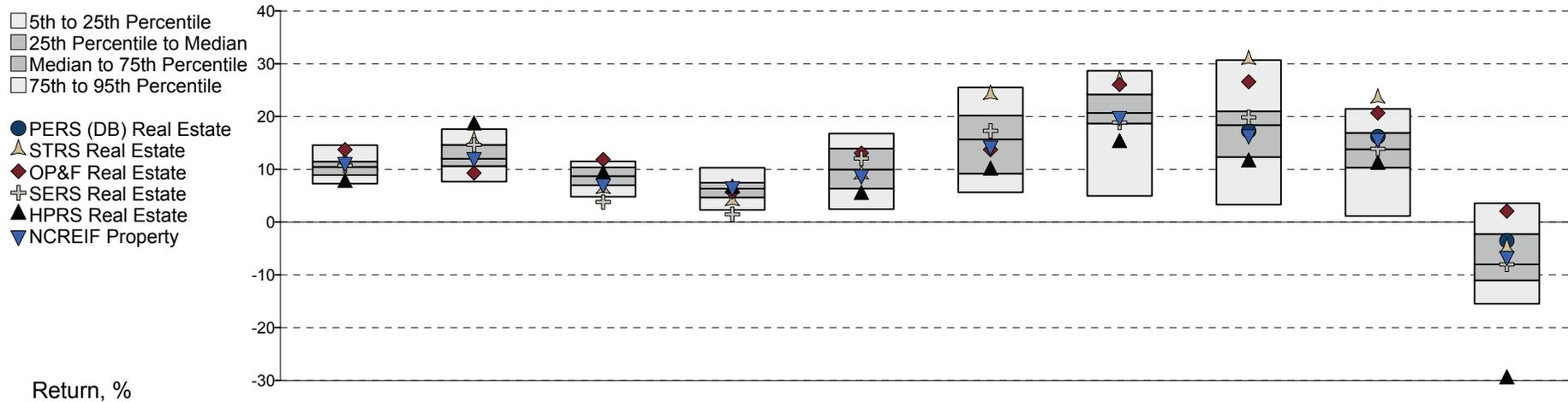
## Percentile Rank

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
PERS (DB) Real Estate	46	19	18	12	NA						
STRS Real Estate	70	63	31	10	6	0	0	0	4	1	0
OP&F Real Estate	75	62	38	32	29	32	15	8	13	10	24
SERS Real Estate	100	100	100	100	94	90	89	100	100	100	100
HPRS Real Estate	40	33	100	100	99	100	99	100	100	100	100
NCREIF Property	46	27	29	32	54	49	44	63	60	51	71

The exhibit above, and on the next page, compare real estate results of the five funds to that of a broad real estate universe consisting of all of the real estate accounts in the Mellon Universe. Beginning January 1, 2006, PERS viewed REITS and private real estate as separate asset classes, therefore the prior return series is no longer being reported. For the ten-year period ending June 30, 2009, STRS andnot included a risk/return analysis for real estate. While institutional investors in real property compute and report quarterly returns, these returns OP&F exceeded the median return to place in the top quartile. SERS and HRPS ranked in the bottom quartile. We have are based on appraisals and are not appropriately compared with other investments which actually trade on a daily basis. An annualized quarterly standard deviation of returns for real estate is, in our judgment, a insignificant number.

## Total Real Estate vs. Mellon All Public Real Estate Universe as of 06/30/09 Performance and Rank Data

### Calendar Year Performance



Return, %

	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB) Real Estate	NA	17.23	16.20	-3.53						
STRS Real Estate	11.73	15.43	6.30	4.01	9.06	24.13	26.78	30.75	23.46	-4.87
OP&F Real Estate	13.72	9.30	11.84	5.70	13.06	13.74	26.07	26.58	20.67	2.08
SERS Real Estate	10.70	14.65	3.79	1.49	12.05	17.28	18.87	19.84	13.89	-8.03
HPRS Real Estate	7.43	18.35	9.00	6.35	5.17	9.78	14.99	11.34	10.87	-29.77
NCREIF Property	11.35	12.25	7.29	6.74	8.99	14.48	20.06	16.59	15.84	-6.46
Universe(5%)	14.58	17.62	11.51	10.30	16.79	25.49	28.68	30.69	21.45	3.58
Universe(25%)	11.46	14.65	10.38	7.46	13.93	20.19	24.18	20.98	16.91	-2.27
Universe(Median)	10.46	12.01	8.69	6.33	9.96	15.66	20.67	18.37	13.81	-8.03
Universe(75%)	8.92	10.62	7.01	4.67	6.35	9.18	18.69	12.34	10.32	-11.03
Universe(95%)	7.28	7.67	4.80	2.31	2.45	5.63	4.96	3.31	1.15	-15.47

### Percentile Rank

	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07	1/08 - 12/08
PERS (DB) Real Estate	NA	52	37	34						
STRS Real Estate	20	13	88	80	60	7	12	5	0	36
OP&F Real Estate	9	91	0	66	28	57	14	12	11	10
SERS Real Estate	40	25	100	100	31	36	71	41	48	50
HPRS Real Estate	93	3	46	50	91	73	79	86	74	100
NCREIF Property	27	44	73	42	60	54	63	53	39	42

The graph above provides an analysis of the calendar year performance with twelve-month measurement periods ending December 31, 2008 within the Mellon All Real Estate Universe. In 2008, OP&F, PERS DB and STRS outpaced the median real estate return. For the same time period, SERS was in line with the median, while HPRS ranked in the bottom quartile of the universe.

Note: This page reflects calendar year performance only. The most recent data presented ends 12/31/2008. Universe information is updated through 06/30/09.

## Appendix

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## Appendix 1.1 - Ohio Retirement Systems Asset Allocation Comparison Analysis

### Comparison of Asset Allocation versus Mellon All Public Total Fund Universe

	U.S. Equity	Fixed Income	Non-U.S. Equity	Private / Public Real Estate	Alternatives	Cash
PERS (DB) - ACTUAL	41.83%	22.87%	20.85%	8.71%	4.33%	0.76%
PERS (DB) - TARGET	43.40%	24.00%	20.00%	8.00%	4.40%	0.00%
PERS (HC) - ACTUAL	27.74%	39.59%	25.37%	5.55%	1.23%	0.52%
PERS (HC) - TARGET	29.00%	42.00%	23.00%	6.00%	0.00%	0.00%
STRS - ACTUAL	41.19%	17.00%	24.70%	9.36%	5.95%	1.80%
STRS - TARGET	40.00%	20.00%	24.00%	10.00%	6.00%	0.00%
OP&F - ACTUAL	40.75%	24.97%	21.55%	8.57%	3.34%	0.82%
OP&F - TARGET	46.00%	23.00%	20.00%	8.00%	3.00%	0.00%
SERS - ACTUAL	27.40%	24.46%	26.51%	11.16%	7.74%	2.73%
SERS - TARGET	27.50%	24.00%	27.50%	10.00%	10.00%	1.00%
HPRS - ACTUAL	42.44%	22.63%	13.93%	1.91%	18.58%	0.51%
HPRS - TARGET	45.00%	20.00%	15.00%	5.00%	15.00%	0.00%
Maximum	90.07%	88.04%	31.68%	15.73%	26.71%	62.67%
5th	59.59%	76.75%	24.91%	13.07%	24.34%	23.59%
25th	42.97%	37.98%	20.89%	9.05%	10.62%	9.61%
Median	38.02%	29.23%	17.21%	7.99%	8.52%	4.37%
75th	29.98%	25.65%	11.29%	6.30%	4.89%	2.61%
95th	14.79%	17.44%	6.63%	5.28%	2.40%	1.63%
Minimum	7.68%	2.14%	1.70%	5.28%	1.30%	1.44%

Note:

Report is based upon plans that have submitted asset class data greater than 70% of the total market value.

Sixty-three institutions represented the universe run.

PERS (DB) fixed income allocation is comprised of 13.3% in fixed income, 0.1% in stable value and 9.5% in long duration fixed income. The real estate allocation is comprised of 8.4% private real estate and 0.3% REITS.

Additionally, an allocation of 0.7% to opportunistic equity was not included. The target allocation does not include an allocation of 0.2% to opportunistic equity.

Source: Mellon Trust Universe Quarter Ended June 30, 2009.

## Appendix 1.2 - Ohio Retirement Systems Asset Allocation Comparison Analysis

### Comparison of Asset Allocation versus Mellon Billion Dollar Public Fund Universe

	U.S. Equity	Fixed Income	Non-U.S. Equity	Private / Public Real Estate	Alternatives	Cash
PERS (DB) - ACTUAL	41.83%	22.87%	20.85%	8.71%	4.33%	0.76%
PERS (DB) - TARGET	43.40%	24.00%	20.00%	8.00%	4.40%	0.00%
PERS (HC) - ACTUAL	27.74%	39.59%	25.37%	5.55%	1.23%	0.52%
PERS (HC) - TARGET	29.00%	42.00%	23.00%	6.00%	0.00%	0.00%
STRS - ACTUAL	41.19%	17.00%	24.70%	9.36%	5.95%	1.80%
STRS - TARGET	40.00%	20.00%	24.00%	10.00%	6.00%	0.00%
OP&F - ACTUAL	40.75%	24.97%	21.55%	8.57%	3.34%	0.82%
OP&F - TARGET	46.00%	23.00%	20.00%	8.00%	3.00%	0.00%
SERS - ACTUAL	27.40%	24.46%	26.51%	11.16%	7.74%	2.73%
SERS - TARGET	27.50%	24.00%	27.50%	10.00%	10.00%	1.00%
HPRS - ACTUAL	42.44%	22.63%	13.93%	1.91%	18.58%	0.51%
HPRS - TARGET	45.00%	20.00%	15.00%	5.00%	15.00%	0.00%
Maximum	72.91%	88.04%	28.63%	23.85%	26.71%	24.30%
5th	54.23%	77.06%	24.50%	20.71%	24.81%	22.18%
25th	43.13%	38.41%	20.96%	8.15%	10.62%	9.30%
Median	36.34%	30.95%	17.33%	7.20%	8.52%	3.68%
75th	27.35%	25.98%	11.99%	6.30%	5.37%	2.47%
95th	15.00%	17.28%	8.27%	5.48%	2.18%	1.79%
Minimum	7.68%	2.14%	5.82%	5.28%	1.30%	1.44%

Note:

Report is based upon plans that have submitted asset class data greater than 70% of the total market value.

Forty-one institutions represented the universe run.

PERS (DB) fixed income allocation is comprised of 13.3% in fixed income, 0.1% in stable value and 9.5% in long duration fixed income. The real estate allocation is comprised of 8.4% private real estate and 0.3% REITS.

Additionally, an allocation of 0.7% to opportunistic equity was not included. The target allocation does not include an allocation of 0.2% to opportunistic equity.

Source: Mellon Trust Universe Quarter Ended June 30, 2009.

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