

EXECUTIVE SUMMARY



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OHIO RETIREMENT STUDY COUNCIL

Comparative Performance Study

Period ending 12/31/2007

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 eighteenth 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 January 1, 1998 and ending December 31, 2007.

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 Russell 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 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.

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:

- A variety of issues plagued the U.S. economy over the second half of 2007 making it a very difficult market for investors. The presence of liquidity constraints, the fall out of the subprime lending crisis, high oil prices, the housing slump and increased default rates contributed to market volatility. Domestic equity markets were the hardest hit through year end as few opportunities were present given the volatile market conditions while international developed equity markets experienced mixed results. Fixed income opportunities were prevalent as investors sought higher quality investments. As a result, the systems benefited from positive absolute performance results in fixed income, international equity and alternatives ending the year in positive territory. The range of returns for the six-month period was from a high of +2.06% (PERS HC) to a low of +0.48% (HPRS).
- Relative performance results proved to be a mixed bag over the six month period as two of the five systems were able to outpace their respective policy indexes while all other plans could not keep pace. STRS led its policy index by the largest amount, 46 basis points, while OP&F led by a modest 6 basis points. The PERS HC policy index return was the top performer for the six-month period (+2.92%) largely due to a higher fixed income allocation and lower equity exposure. The HPRS policy index had the lowest return for the six-month period, due to its higher allocation to equity which lagged other asset classes over the period.
- In comparison to a broad universe of other public retirement systems (the Mellon All Public Total Fund Universe), three of the five plans ranked above median for the period ending December 31, 2007. STRS, OP&F, and PERS DB ranked in the second quartile, more specifically the 31st, 34th and 43rd percentile, respectively while the other systems ranged from the 54th percentile (SERS) to the 84th percentile (HPRS).

- For the one-year period ending December 31, 2007, all of the systems with the exception of HPRS led their respective policy index returns and outpaced the median of the Mellon All Public Total Fund Universe, producing rankings in the 16th, 22nd, 26th, 39th and 61st percentiles (OP&F, STRS, SERS, PERS DB, and HPRS, respectively).
- On a three-year basis, the only plan to lag its policy index was HPRS, trailing by 47 basis points. Over the same time period, STRS has led its policy benchmark by the largest amount (110 basis points) followed by SERS (76 basis points), OP&F (62 basis points) and PERS DB (37 basis points).
- Comparing the three-year returns of the systems to the Mellon All Public Total Fund Universe, STRS ranked in the 7th percentile followed by OP&F, SERS and PERS DB which ranked in the 16th, 16th, and 33rd percentiles, respectively. HPRS ranked just below median, in the 55th percentile.
- For the five-year period, all systems have outpaced their respective policy benchmarks with the exception of HPRS which just missed the index return by 9 basis points. STRS produced the most impressive results outpacing the index by 118 basis points over that time period. In comparison to the Mellon All Public Total Fund Universe, STRS (+15.14%) and OP&F (+14.62%) ranked in the first quartile, PERS DB (+14.07%) and SERS (+13.97%) ranked in the second quartile, and HPRS (+13.17%) ranked just below median in the third quartile.
- Ten-year performance results versus the policy benchmarks and the Mellon All Public Total Fund Universes are similar with STRS producing the best relative results and placing above median and HPRS lagging both indicators, ranking in the fourth quartile. It is concerning that HPRS has lagged the target benchmark over the period by 195 basis points. Attribution results over the longer term time periods indicate that manager selection/performance in the HPRS plan has been problematic while asset allocation has been favorable. ORSC should consider a review of the manager search and selection procedures currently in place at HPRS to determine if the process could be improved or better implemented. Another alternative is for the Plan to consider using index funds to implement the asset allocation strategy, particularly when there are asset classes that can be easily and efficiently accessed through index funds.
- Over the longer-term, ten-year period, STRS and SERS led their respective actuarial interest rates while the remaining plans could not keep pace. When compared to each system's respective policy benchmark over the last ten years, STRS, SERS, and OP&F exceeded the return of their policy benchmarks while PERS DB and HPRS trailed for the same period.
- During the nine 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 by HPRS, and SERS, will likely cause some comparison differences in the near future as SERS has significantly lowered its domestic equity allocation, adding to international equity and alternatives while HPRS has lowered fixed income and added to alternatives. Additionally, longer-term comparisons are more problematic as there were still some important differences in target allocations in the 1990's which impact the longer term return series. In the end, while peer comparisons can be a useful exercise, comparisons to the plans' policy index should be the primary comparison tool.

- With a full ten years of data now available since the formal adoption of the “prudent person rule”, it is a useful exercise to examine the relative performance of the systems versus the peer group of public fund plans over that period. Tracking relative performance for the ten-year period, where all of the plans ranked below the median of the peer universe, to more recent 1, 2, 3, 4, and 5 year periods, where the majority of the systems are consistently ranking in the first or second quartile of the peer universe, should give validity to the concept that a larger investment opportunity set and increased portfolio diversification are favorable for performance.

- 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 to domestic equity rank above the median plan’s allocation to domestic equity (37.58%) in the Mellon All Public Total Fund Universe. The actual (28.46%) and target (29.00%) allocation of SERS to domestic equity is below that of the median plan. The same holds true when the systems are compared to the median (37.46%) of the Mellon Billion Dollar Public Total Fund Universe.
 2. The systems’ actual and target asset allocation to fixed income are below the median plan (27.78%) of the Mellon All Public Total Fund Universe.
 3. There are some differences in the target allocations of the systems to international equity. The median plan allocation of the Mellon All Public Total Fund Universe as of December 31, 2007 was 18.84%. The target allocations of STRS and SERS are higher at 25% and 29%, respectively. The target allocations of PERS DB and OP&F approximate the median at 20% and the HPRS target allocation is below at 15%. It is worth noting that each of the plans is maintaining an allocation to international equity that is marginally higher than stated targets. This allocation has been beneficial as these markets have produced strong absolute results over the shorter and longer term periods.
 4. The All Public universe median allocation to real estate was 4.79% as of December 31st. While the target allocation of each of the systems is above the median allocation, all plans except STRS and OP&F are maintaining a current allocation below their respective targets.
 5. While all system plans have actual and target allocations dedicated to alternatives, HPRS has the largest actual (15.33%) and target (15%) allocation to the asset class, well above that of the peer median at 6.16%. The remaining plans have lower target and actual allocations to alternative assets.

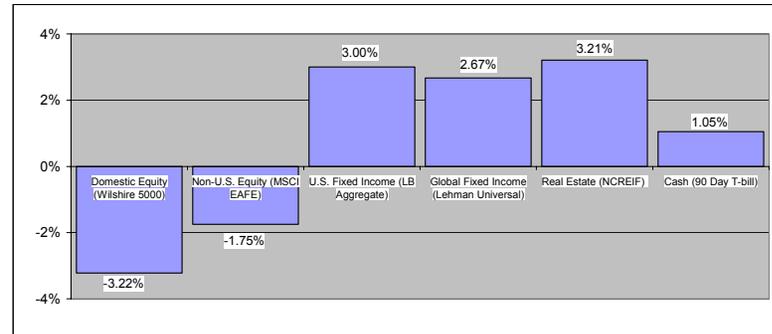
- As you will note in the previous report, the *Appendix: ORSC Performance Attribution* section had been removed to allow us the opportunity to revisit the report with regard to the methodology of the underlying calculations, which we felt was warranted, in addition to reformatting the data in a more efficient manner. We worked with all of the Plans since the previous report to reconcile the underlying data used in the attribution analysis of the individual reports to ensure that the end results

were consistent with those of the individual plans. We have reinserted this section of the report as Appendix One for your review.

- 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 fourth quarter produced mixed investment results for four out of the six major asset classes. The best return was achieved by real estate (+3.21%) followed by U.S. fixed income (+3.00%), global fixed income (+2.67%) and cash (+1.05%). Non-U.S. equity (-1.75%) and U.S. domestic equity (-3.22%) could not keep pace, producing negative results.



Median Fund Returns

The median fund in the Mellon public fund database gained 1.56% for the two quarters ending December 31, 2007 and returned +8.29% for the one year period. A hypothetical fund with a 60% allocation to the Wilshire 5000 and a 40% allocation to the Lehman Brothers Aggregate Bond Index would have returned +1.30% for the two quarters and +6.30% for the one year period, falling shy of the median fund return in the Mellon public fund database.

Universe Medians Performance Summary Periods Ending December 31, 2007

	<u>Two Quarters</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>	<u>Ten Years</u>
Fund Sponsor					
Public Fund Universe	1.56%	8.29%	9.96%	13.43%	8.02%
Corporate DB Universe	1.68%	8.06%	9.77%	12.79%	7.73%
Endowment Universe	2.76%	11.79%	12.29%	14.75%	8.61%
Taft-Hartley Universe	1.70%	6.79%	7.51%	10.20%	7.06%
All Fund Universe	1.79%	8.31%	9.91%	12.98%	7.86%
60% Wilshire 5000 / 40% LB Aggregate	1.30%	6.30%	7.40%	10.21%	6.54%

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 respective policy benchmarks over a reasonable time period. Funds also seek to exceed the actuarial interest rate over a longer time horizon.
- **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)	45.60%	20.00%	25.20%	6.80%	2.30%	0.00%
PERS (HC)	30.00%	15.00%	50.00%	5.00%	0.00%	0.00%
STRS	42.00%	25.00%	20.00%	9.50%	3.50%	0.00%
OP&F	46.00%	20.00%	23.00%	8.00%	3.00%	0.00%
SERS	29.00%	29.00%	24.00%	10.00%	7.00%	1.00%
HPRS	50.00%	15.00%	24.00%	5.00%	15.00%	0.00%

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 Defined Benefit Plan 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 similar. All plans are equity-oriented, with exposure to the asset class ranging from 67.0% (STRS) to 45.0% (PERS HC). On the contrary, the greatest divergence in policy target allocations is evident in alternative investments. HPRS has a target allocation of 15.0% to alternatives while the PERS Health Care plan has a target allocation of 0.0%.

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 matches the cash flows of assets and liabilities 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 95% 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

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 Quarters</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
PERS (DB)					
	Actual	1.71%	8.94%	11.03%	14.07%
	Policy	2.03%	8.65%	10.66%	13.68%
	Difference	-0.32%	0.29%	0.37%	0.39%
PERS (HC)					
	Actual	2.06%	6.91%	9.19%	N/A
	Policy	2.92%	7.50%	9.10%	N/A
	Difference	-0.86%	-0.59%	0.09%	N/A
STRS					
	Actual	1.99%	9.87%	12.91%	15.14%
	Policy	1.53%	9.10%	11.81%	13.96%
	Difference	0.46%	0.77%	1.10%	1.18%
OP&F					
	Actual	1.83%	10.47%	11.85%	14.62%
	Policy	1.77%	9.15%	11.23%	14.45%
	Difference	0.06%	1.32%	0.62%	0.17%
SERS					
	Actual	1.44%	9.61%	11.89%	13.97%
	Policy	2.39%	9.39%	11.13%	13.34%
	Difference	-0.95%	0.22%	0.76%	0.63%
HPRS					
	Actual	0.48%	7.85%	9.82%	13.17%
	Policy	1.17%	8.46%	10.29%	13.26%
	Difference	-0.69%	-0.61%	-0.47%	-0.09%

All returns are for periods ending 12/31/2007. Returns for periods longer than one year are annualized.

- PERS (DB): The total fund return for the two quarters ending December 31, 2007 underperformed its policy index by 0.32% and outperformed its policy index by 0.29% for the one year period. Over the trailing three- and five-year periods, the total fund outperformed its policy index by 37 and 39 basis points, respectively.
- PERS (HC): The total fund underperformed its policy index by 0.86% for the two quarters ending December 31, 2007 and by 0.59% for the one year period. Over the trailing three-year period, the total fund outperformed the policy index by 9 basis points.
- STRS: The STRS portfolio outperformed its policy index by 0.46% for the two quarters ending December 31, 2007 and by 0.77% for the one year period. Over the trailing three- and five-year periods, the total fund outperformed its policy index by 110 and 118 basis points, respectively.
- OP&F: OP&F slightly outperformed its policy index by 0.06% for the two quarters ending December 31, 2007 and led for the one year period by 1.32%. The total fund has outperformed its policy index over the trailing three- and five-year periods by 62 and 17 basis points, respectively.
- SERS: The total fund underperformed its policy index by 0.95% for the two quarters ending December 31, 2007 and outperformed by for the one year period. The fund has outperformed its policy index over the trailing three- and five-year periods by 76 and 63 basis points, respectively.
- HPRS: The total fund underperformed its policy index for the two quarters ending December 31, 2007 by 0.69%. One year results were similar trailing the index by 0.61%. For the longer term trailing three- and five-year periods, the total fund underperformed its policy index by 47 and 9 basis points, respectively.

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>
PERS (DB)				
Actual	-1.82%	5.12%	8.84%	13.61%
Policy	-1.84%	5.20%	8.94%	13.66%
Difference	0.02%	-0.08%	-0.10%	-0.05%
PERS (HC)				
Actual	-1.82%	5.12%	8.84%	0.00%
Policy	-1.84%	5.20%	8.94%	N/A
Difference	0.02%	-0.08%	-0.10%	N/A
STRS				
Actual	-2.97%	4.48%	8.98%	13.54%
Policy	-1.84%	5.14%	8.89%	13.47%
Difference	-1.13%	-0.66%	0.09%	0.07%
OP&F				
Actual	-2.64%	5.37%	9.19%	13.85%
Policy	-1.81%	5.61%	9.16%	14.00%
Difference	-0.83%	-0.24%	0.03%	-0.15%
SERS				
Actual	-3.23%	3.83%	8.32%	13.41%
Policy	-1.84%	5.15%	8.89%	13.63%
Difference	-1.39%	-1.32%	-0.57%	-0.22%
HPRS				
Actual	-3.98%	4.67%	8.80%	15.25%
Policy	-3.14%	4.17%	8.59%	14.26%
Difference	-0.84%	0.50%	0.21%	0.99%

All returns are for periods ending 12/31/2007. Returns for periods longer than one year are annualized.

Domestic equity returns were negative for the two quarters ending December 31, 2007. On an absolute and relative basis, PERS DB and HC plans (-1.82%) generated the best returns for the two quarter period. For the one year period, OP&F had the best absolute results producing a positive 5.37% return, while HPRS had strong relative results exceeding its respective benchmark by 50 basis points. Over the three-year period OP&F generated the best absolute return and for the five-year period HPRS outpaced all other plans.

Fixed Income Returns

Fixed Income Return vs. Policy Benchmark					
<u>Fund</u>		<u>Two Quarters</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
PERS (DB)					
	Actual	3.91%	5.47%	4.83%	5.24%
	Policy	5.34%	6.50%	4.72%	4.99%
	Difference	-1.43%	-1.03%	0.11%	0.25%
PERS (HC)					
	Actual	3.78%	5.34%	4.78%	N/A
	Policy	5.35%	6.50%	4.72%	N/A
	Difference	-1.57%	-1.16%	0.06%	N/A
STRS					
	Actual	5.58%	7.00%	5.08%	5.44%
	Policy	5.35%	6.51%	4.72%	4.99%
	Difference	0.23%	0.49%	0.36%	0.45%
OP&F					
	Actual	4.67%	6.35%	5.40%	6.54%
	Policy	5.94%	6.97%	4.56%	4.43%
	Difference	-1.27%	-0.62%	0.84%	2.11%
SERS					
	Actual	4.20%	5.30%	4.51%	4.77%
	Policy	5.93%	6.96%	4.56%	4.42%
	Difference	-1.73%	-1.66%	-0.05%	0.35%
HPRS					
	Actual	4.42%	6.16%	5.35%	5.70%
	Policy	5.93%	6.94%	4.55%	4.42%
	Difference	-1.51%	-0.78%	0.80%	1.28%

All returns are for periods ending 12/31/2007. Returns for periods longer than one year are annualized.

Fixed income returns were positive for all of the funds for the two quarters ending December 31, 2007. STRS produced the strongest relative and absolute returns over the two quarter and one year period gaining 5.58% and 7.00%, respectively. OP&F led all plans on an absolute and relative basis over the longer term periods.

International Equity Returns

International Equity Return vs. Policy Benchmark					
<u>Fund</u>		<u>Two Quarters</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
PERS (DB)					
	Actual	3.30%	16.67%	20.39%	24.39%
	Policy	3.92%	16.72%	19.93%	24.05%
	Difference	-0.62%	-0.05%	0.46%	0.34%
PERS (HC)					
	Actual	3.39%	16.66%	20.38%	N/A
	Policy	3.92%	16.72%	19.93%	N/A
	Difference	-0.53%	-0.06%	0.45%	N/A
STRS					
	Actual	2.15%	15.06%	21.90%	24.58%
	Policy	2.31%	14.83%	21.36%	23.45%
	Difference	-0.16%	0.23%	0.54%	1.13%
OP&F					
	Actual	7.89%	22.77%	22.10%	25.13%
	Policy	3.93%	16.65%	19.89%	24.02%
	Difference	3.96%	6.12%	2.21%	1.11%
SERS					
	Actual	1.02%	16.65%	22.92%	24.08%
	Policy	1.79%	14.20%	20.65%	22.20%
	Difference	-0.77%	2.45%	2.27%	1.88%
HPRS					
	Actual	5.28%	17.96%	18.72%	21.13%
	Policy	4.03%	17.11%	18.92%	22.89%
	Difference	1.25%	0.85%	-0.20%	-1.76%

All returns are for periods ending 12/31/2007. Returns for periods longer than one year are annualized.

International equity results were positive across all plans over the two quarter and one year periods with OP&F leading all plans on a relative and absolute basis producing (+7.98%) and (+22.77%), respectively. SERS led for the three-year period with the positive return of 22.92%, while OP&F outpaced all other plans for the trailing five-year period (+25.13%).

Real Estate Returns

Real Estate Return vs. Policy Benchmark					
<u>Fund</u>		<u>Two Quarters</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
PERS (DB)					
	Actual	6.11%	16.20%	N/A	N/A
	Policy	6.88%	15.83%	N/A	N/A
	Difference	-0.77%	0.37%	N/A	N/A
PERS (DB) "Public Markets Only"					
	Actual	-12.40%	-18.23%	N/A	N/A
	Policy	-12.43%	-17.90%	N/A	N/A
	Difference	0.03%	-0.33%	N/A	N/A
PERS (HC) "Public Markets Only"					
	Actual	-12.39%	-18.22%	8.83%	N/A
	Policy	-12.43%	-17.90%	8.37%	N/A
	Difference	0.04%	-0.32%	0.46%	N/A
STRS					
	Actual	15.86%	23.46%	26.96%	22.61%
	Policy	4.10%	10.88%	16.14%	15.16%
	Difference	11.76%	12.58%	10.82%	7.45%
OP&F					
	Actual	6.82%	20.67%	24.41%	19.89%
	Policy	6.88%	15.84%	17.48%	15.13%
	Difference	-0.06%	4.83%	6.93%	4.76%
SERS					
	Actual	7.65%	13.89%	17.50%	16.35%
	Policy	4.52%	10.21%	16.33%	15.72%
	Difference	3.13%	3.68%	1.17%	0.63%
HPRS					
	Actual	9.55%	9.85%	12.04%	10.18%
	Policy	7.25%	16.23%	17.61%	15.21%
	Difference	2.30%	-6.38%	-5.57%	-5.03%

All returns are for periods ending 12/31/2007. Returns for periods longer than one year are annualized.

Private real estate returns for the two quarter period ending December 31, 2007 produced mixed results across all plans. STRS proved to be the top performer on an absolute and relative basis gaining 15.86%. One-, three- and five- year results were similar as STRS led all invested plans over the longer term periods. The policy returns for each of the funds will vary greatly from quarter to quarter due to the index selected and the method of reporting. The REIT portfolios for the PERS DB and PERS HC plans declined 12.39% over the two quarter period ending December 31, 2007 and 18.22% for the one year period.

Alternative Asset Returns

Alternative Asset Return vs. Policy Benchmark					
<u>Fund</u>		<u>Two Quarters</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
PERS (DB)					
	Actual	13.83%	30.93%	26.64%	24.68%
	Policy	9.10%	20.08%	17.19%	19.69%
	Difference	4.73%	10.85%	9.45%	4.99%
PERS (HC)					
	Actual	N/A	N/A	N/A	N/A
	Policy	N/A	N/A	N/A	N/A
	Difference	N/A	N/A	N/A	N/A
STRS					
	Actual	6.07%	27.02%	24.05%	18.57%
	Policy	6.07%	27.02%	24.05%	18.57%
	Difference	0.00%	0.00%	0.00%	N/A
OP&F					
	Actual	14.50%	31.88%	25.21%	12.80%
	Policy	9.23%	20.51%	18.50%	21.20%
	Difference	5.27%	11.37%	6.71%	-8.40%
SERS					
	Actual	10.31%	26.89%	21.08%	12.12%
	Policy	11.26%	19.45%	16.14%	18.46%
	Difference	-0.95%	7.44%	4.94%	-6.34%
HPRS					
	Actual	3.65%	8.83%	N/A	N/A
	Policy	2.24%	10.24%	N/A	N/A
	Difference	1.41%	-1.41%	N/A	N/A

All returns are for periods ending 12/31/2007. Returns for periods longer than one year are annualized.

OP&F had the best absolute return (+14.50%) followed by PERS DB (+13.83%) over the two quarter period ending December 31, 2007. One year results are similar as the OP&F plan generated the highest return (+31.88%). For the trailing three- and five-year periods, PERS exceeded all other invested plans. There is also a large amount of variation in the policies for alternative investments. As an example, STRS uses their actual alternative investment return as their policy return, while OP&F, on the other hand, adds 3% annually to the Wilshire 5000 index to benchmark its alternative investment returns.

Long-Term Results vs. Targets

Long Term Return - 10 Years

	Actual Return	Benchmark Actual Return	Actuarial Interest Rate	Valuation Date
PERS (DB)	7.68%	8.03%	8.00%	12/31/2006
PERS (HC)	N/A	N/A	6.70%	12/31/2006
STRS	8.26%	7.95%	8.00%	7/1/2007
OP&F	8.18%	8.05%	8.25%	1/1/2007
SERS	8.02%	7.71%	8.00%	7/1/2007
HPRS	6.10%	8.05%	8.00%	12/31/2006

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

The table above provides a long-term look at how the systems are performing compared to their policy returns and also compared to their actuarial interest rate. On a relative basis, STRS, OP&F and SERS exceeded their respective policy index over the ten-year period ended December 31, 2007, while HPRS and PERS DB underperformed their policy benchmarks. STRS and SERS are the only plans that exceeded their actuarial interest rate.

Universe Comparisons

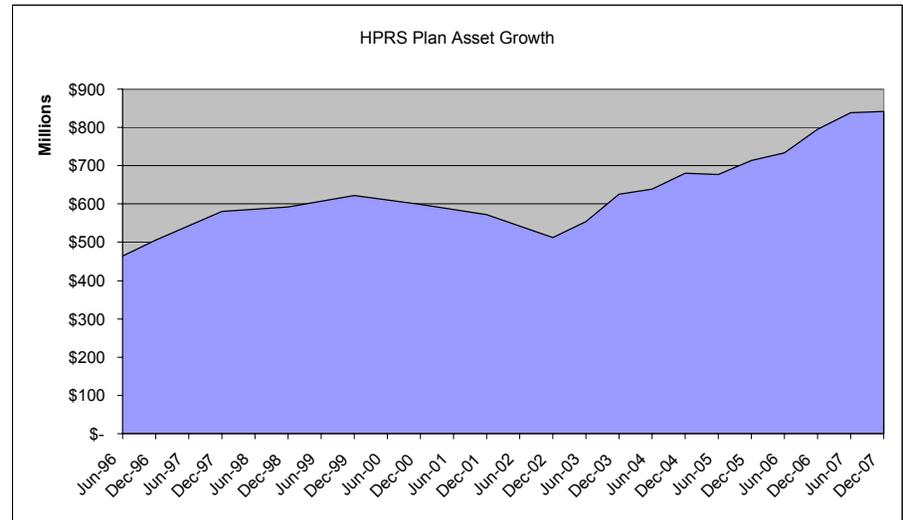
Public Fund Universe Peer Rankings

	Two Quarters	One Year	Three Years	Five Years
PERS (DB)	43	39	33	30
STRS	31	22	7	14
OP&F	34	16	16	18
SERS	54	26	16	32
HPRS	84	61	55	56

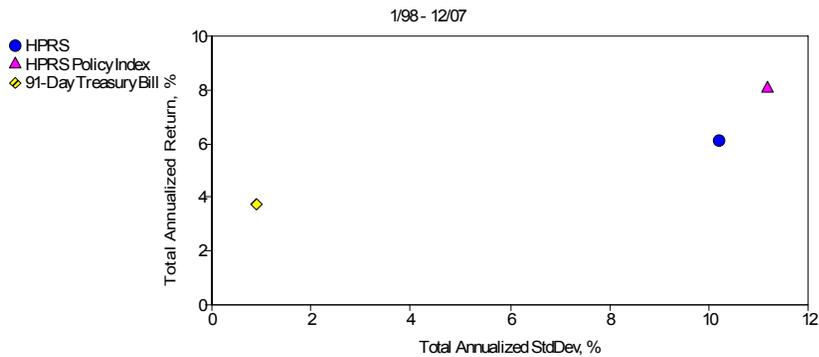
For the two quarters ending December 31, 2007, STRS, OP&F and PERS DB ranked in the second quartile within the Mellon All Public Plan Universe, while SERS and HPRS ranked at or below median. For all other time periods, all plans except HPRS ranked in the second quartile or better.

Highway Patrol Retirement System

HPRS Returns				
Portfolio	Two Quarters	One Year	Three Years	Five Years
US Equity				
Actual	-3.98%	4.67%	8.80%	15.25%
Benchmark	-3.14%	4.17%	8.59%	14.26%
Difference	-0.84%	0.50%	0.21%	0.99%
Fixed Income				
Actual	4.42%	6.16%	5.35%	5.70%
Benchmark	5.93%	6.94%	4.55%	4.42%
Difference	-1.51%	-0.78%	0.80%	1.28%
Intl. Equity				
Actual	5.28%	17.96%	18.72%	21.13%
Benchmark	4.03%	17.11%	18.92%	22.89%
Difference	1.25%	0.85%	-0.20%	-1.76%
Real Estate				
Actual	9.55%	9.85%	12.04%	10.18%
Benchmark	7.25%	16.23%	17.61%	15.21%
Difference	2.30%	-6.38%	-5.57%	-5.03%
Alternative Investments				
Actual	3.65%	8.83%	N/A	N/A
Benchmark	2.24%	10.24%	N/A	N/A
Difference	1.41%	-1.41%	N/A	N/A



Performance vs. Risk



Created with MPI Stylus™

	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
	Total	Total	Alpha, %	Sharpe Ratio
HPRS	6.10	10.18	2.75	0.26
HPRS Policy Index	8.05	11.17	4.70	0.42
91-Day Treasury Bill	3.77	0.89	0.00	NA

Asset Mix

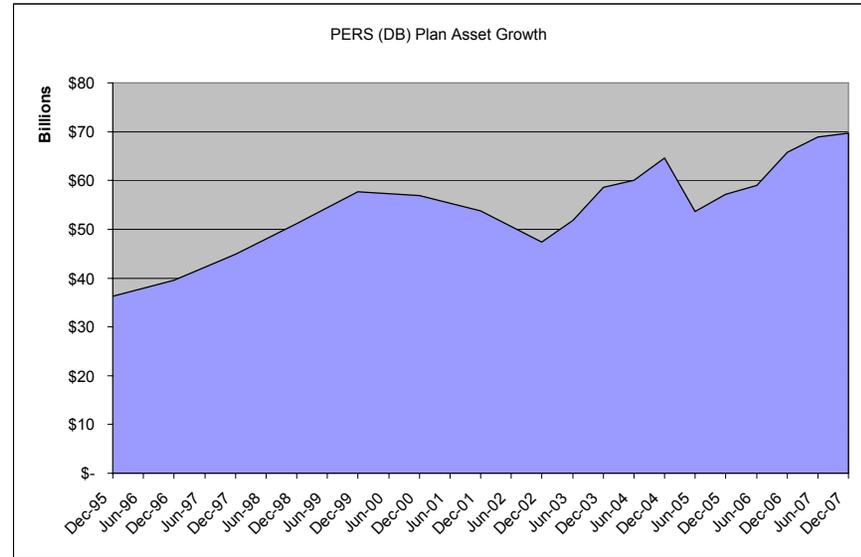
	Actual	Target	Difference
	December 31, 2007		
US Equity	45.8%	50.0%	-4.2%
Intl. Equity	16.8%	15.0%	1.8%
Alternative Assets	15.3%	15.0%	0.3%
Total Equity	77.9%	80.0%	-2.1%
Fixed Income	16.2%	15.0%	1.2%
Real Estate	5.6%	5.0%	0.6%
Short Term Investments	0.3%	0.0%	0.3%
Total Debt	22.1%	20.0%	2.1%
	100.0%	100.0%	0.0%

Characteristic Data

Assets @ 12-31-2007:	\$	841,357,011
Actuarial Interest Rate:		8.00%
Investment Staff Size:		1

Public Employees Retirement System Defined Benefit Plan

PERS Returns					
Portfolio		Two Quarters	One Year	Three Years	Five Years
US Equity					
Actual		-1.82%	5.12%	8.84%	13.61%
Benchmark		-1.84%	5.20%	8.94%	13.66%
Difference		0.02%	-0.08%	-0.10%	-0.05%
Fixed Income					
Actual		3.91%	5.47%	4.83%	5.24%
Benchmark		5.34%	6.50%	4.72%	4.99%
Difference		-1.43%	-1.03%	0.11%	0.25%
Intl. Equity					
Actual		3.30%	16.67%	20.39%	24.39%
Benchmark		3.92%	16.72%	19.93%	24.05%
Difference		-0.62%	-0.05%	0.46%	0.00%
Real Estate					
Actual		6.11%	16.20%	N/A	N/A
Benchmark		6.88%	15.83%	N/A	N/A
Difference		-0.77%	0.37%	N/A	N/A
REITS					
Actual		-12.40%	-18.23%	8.81%	N/A
Benchmark		-12.43%	-17.90%	N/A	N/A
Difference		0.03%	-0.33%	N/A	N/A
Private Equity					
Actual		13.83%	30.93%	26.64%	24.68%
Benchmark		9.10%	20.08%	17.19%	19.69%
Difference		4.73%	10.85%	9.45%	4.99%



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

Asset Mix

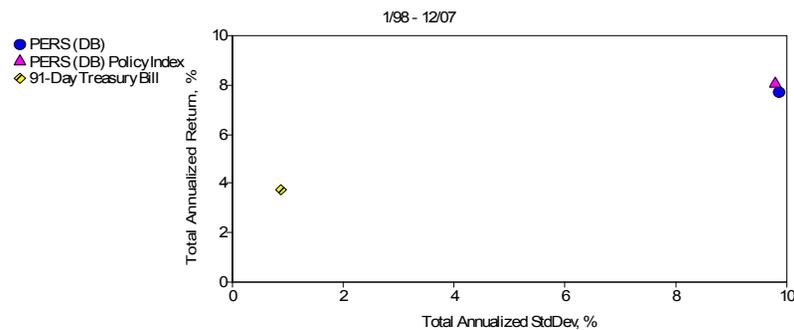
	Actual December 31, 2007	Target	Difference
US Equity	43.9%	45.6%	-1.7%
Intl. Equity	20.9%	20.0%	0.9%
Opp. Equity	0.2%	0.1%	0.1%
REITS	0.8%	1.0%	-0.2%
Alternative Inv	3.2%	2.3%	0.9%
Total Equity	69.0%	69.0%	0.0%
Fixed Income	23.3%	25.2%	-1.9%
Real Estate	6.7%	5.8%	0.9%
Short Term Investments	1.0%	0.0%	1.0%
Total Debt	31.0%	31.0%	0.0%
	100.0%	100.0%	0.0%

Note: An allocation of 23.29% to total fixed income consists of 13.88% (fixed income), 0.06% (stable) and 9.35% (long duration).

Characteristic Data

Assets @ 12-31-2007:	\$	69,698,946,262
Actuarial Interest Rate:		8.00%
Investment Staff Size:		56

Performance vs. Risk

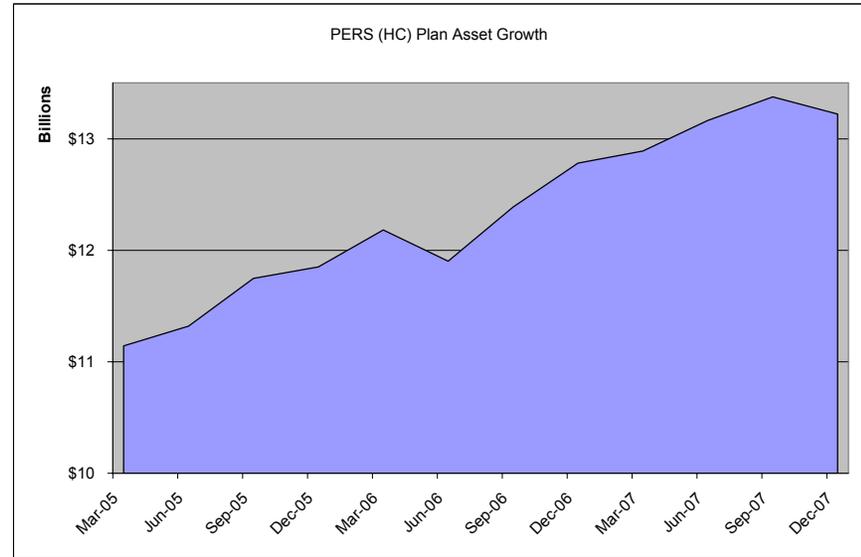


Created with MPI Stylus™

	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
			Alpha, %	Sharpe Ratio
	Total	Total		
PERS (DB)	7.68	9.88	4.22	0.42
PERS (DB) Policy Index	8.03	9.80	4.54	0.46
91-Day Treasury Bill	3.77	0.89	0.00	NA

Public Employees Retirement System Health Care Plan

PERS Returns				
Portfolio	Two Quarters	One Year	Three Years	Five Years
US Equity				
Actual	-1.82%	5.12%	8.84%	N/A
Benchmark	-1.84%	5.20%	8.94%	N/A
Difference	0.02%	-0.08%	-0.10%	N/A
Fixed Income				
Actual	3.78%	5.34%	4.78%	N/A
Benchmark	5.35%	6.50%	4.72%	N/A
Difference	-1.57%	-1.16%	0.06%	N/A
Intl. Equity				
Actual	3.39%	16.66%	20.38%	N/A
Benchmark	3.92%	16.72%	19.93%	N/A
Difference	-0.53%	-0.06%	0.45%	N/A
REITS				
Actual	-12.39%	-18.22%	8.83%	N/A
Benchmark	-12.43%	-17.90%	8.37%	N/A
Difference	0.04%	-0.32%	0.46%	N/A
TIPS				
Actual	9.91%	11.76%	N/A	N/A
Benchmark	9.73%	11.58%	N/A	N/A
Difference	0.18%	0.18%	N/A	N/A
Short Duration				
Actual	1.31%	3.04%	N/A	N/A
Benchmark	4.86%	7.07%	N/A	N/A
Difference	-3.55%	-4.03%	N/A	N/A

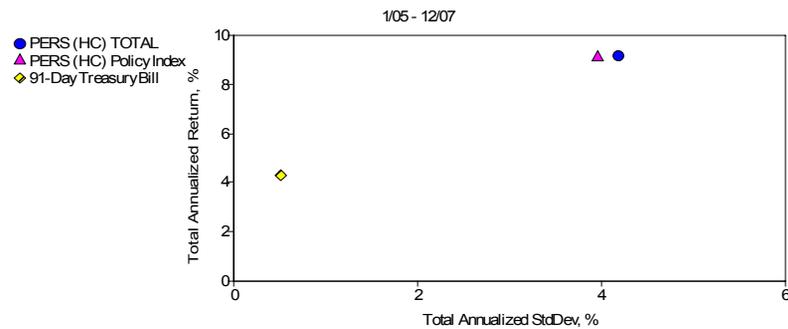


Note: Defined Benefit and Health Care plan assets were segregated on January 1, 2005.

Asset Mix

	Actual December 31, 2007	Target	Difference
US Equity	29.2%	30.0%	-0.8%
Intl. Equity	16.4%	15.0%	1.4%
Total Equity	45.6%	45.0%	0.6%
Fixed Income	14.8%	15.0%	-0.2%
REITS	4.2%	5.0%	-0.9%
TIPS	20.8%	20.0%	0.8%
Short Duration Bonds	14.3%	15.0%	-0.7%
HC Cash	0.4%	0.0%	0.4%
Total Debt	54.4%	55.0%	-1.0%
Total	100.0%	100.0%	-0.4%

Performance vs. Risk



Created with MPI Stylus™

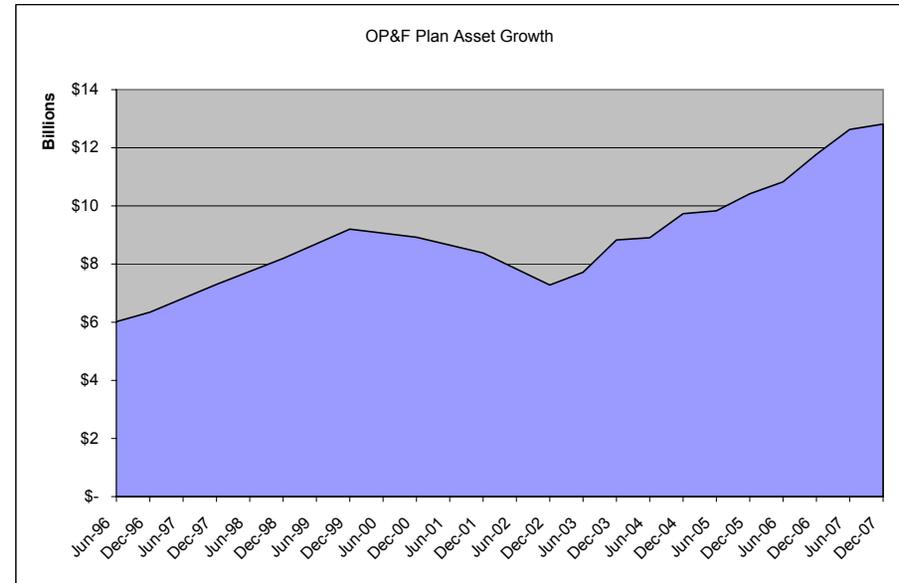
	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
	Total	Total	Alpha, %	Sharpe Ratio
PERS (HC) TOTAL	9.19	4.19	4.73	1.17
PERS (HC) Policy Index	9.10	3.96	4.64	1.22
91-Day Treasury Bill	4.30	0.51	0.00	NA

Characteristic Data

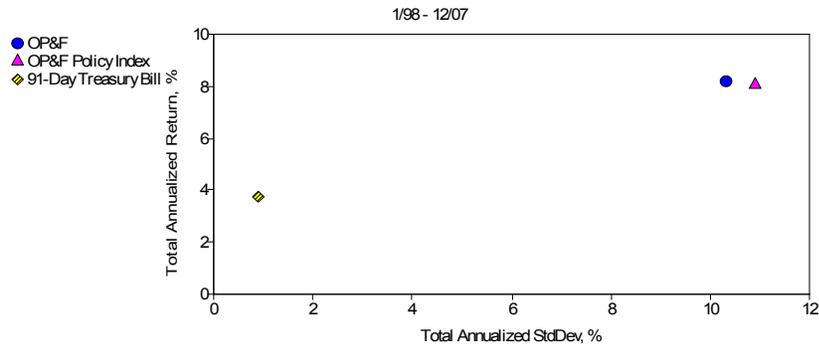
Assets @ 12-31-2007:	\$	13,220,295,496
Actuarial Interest Rate:		6.70%
Investment Staff Size:		56

Police & Fire Pension Fund

OP&F Returns				
Portfolio	Two Quarters	One Year	Three Years	Five Years
US Equity				
Actual	-2.64%	5.37%	9.19%	13.85%
Benchmark	-1.81%	5.61%	9.16%	14.00%
Difference	-0.83%	-0.24%	0.03%	-0.15%
Fixed Income				
Actual	4.67%	6.35%	5.40%	6.54%
Benchmark	5.94%	6.97%	4.56%	4.43%
Difference	-1.27%	-0.62%	0.84%	2.11%
Intl. Equity				
Actual	7.89%	22.77%	22.10%	25.13%
Benchmark	3.93%	16.65%	19.89%	24.02%
Difference	3.96%	6.12%	2.21%	1.11%
Real Estate				
Actual	6.82%	20.67%	24.41%	19.89%
Benchmark	6.88%	15.84%	17.48%	15.13%
Difference	-0.06%	4.83%	6.93%	4.76%
Alternative Investments				
Actual	14.50%	31.88%	25.21%	12.80%
Benchmark	9.23%	20.51%	18.50%	21.20%
Difference	5.27%	11.37%	6.71%	-8.40%



Performance vs. Risk



Created with MPI Stylus™

	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
			Alpha, %	Sharpe Ratio
	Total	Total		
OP&F	8.18	10.32	4.73	0.45
OP&F Policy Index	8.05	10.91	4.67	0.42
91-Day Treasury Bill	3.77	0.89	0.00	NA

Asset Mix

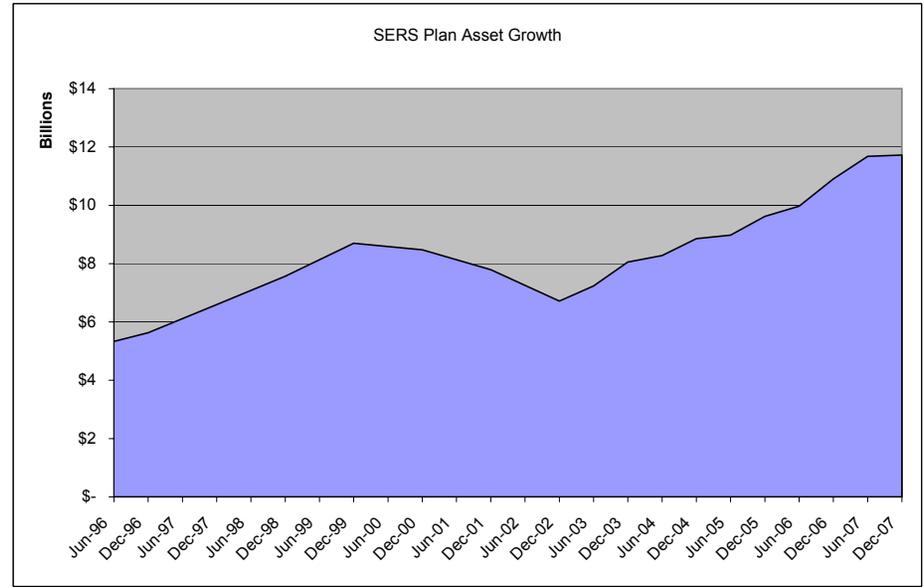
	Actual December 31, 2007	Target	Difference
US Equity	44.4%	46.0%	-1.6%
Intl. Equity	21.9%	20.0%	1.9%
Alternative Assets	2.8%	3.0%	-0.2%
Total Equity	69.2%	69.0%	0.1%
Fixed Income	22.9%	23.0%	-0.1%
Real Estate	7.4%	8.0%	-0.6%
Short Term Investments	0.6%	0.0%	0.6%
Total Debt	30.9%	31.0%	-0.1%
	100.0%	100.0%	0.0%

Characteristic Data

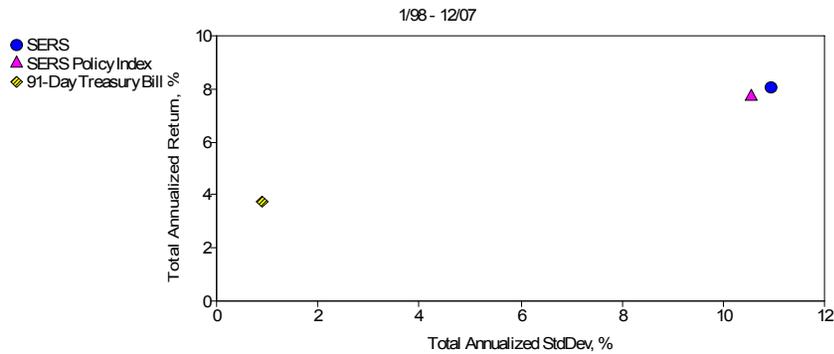
Assets @ 12-31-2007:	\$	12,816,513,754
Actuarial Interest Rate:		8.25%
Investment Staff Size:		14

School Employees Retirement System

SERS Returns				
Portfolio	Two Quarters	One Year	Three Years	Five Years
US Equity				
Actual	-3.23%	3.83%	8.32%	13.41%
Benchmark	-1.84%	5.15%	8.89%	13.63%
Difference	-1.39%	-1.32%	-0.57%	-0.22%
Fixed Income				
Actual	4.20%	5.30%	4.51%	4.77%
Benchmark	5.93%	6.96%	4.56%	4.42%
Difference	-1.73%	-1.66%	-0.05%	0.35%
Intl. Equity				
Actual	1.02%	16.65%	22.92%	24.08%
Benchmark	1.79%	14.20%	20.65%	22.20%
Difference	-0.77%	2.45%	2.27%	1.88%
Real Estate				
Actual	7.65%	13.89%	17.50%	16.35%
Benchmark	4.52%	10.21%	16.33%	15.72%
Difference	3.13%	3.68%	1.17%	0.63%
Private Equity				
Actual	10.31%	26.89%	21.08%	12.12%
Benchmark	11.26%	19.45%	16.14%	18.46%
Difference	-0.95%	7.44%	4.94%	-6.34%



Performance vs. Risk



Created with MPI Stylus™

	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
	Total	Total	Alpha, %	Sharpe Ratio
SERS	8.02	10.94	4.65	0.42
SERS Policy Index	7.71	10.57	4.32	0.40
91-Day Treasury Bill	3.77	0.89	0.00	NA

Asset Mix

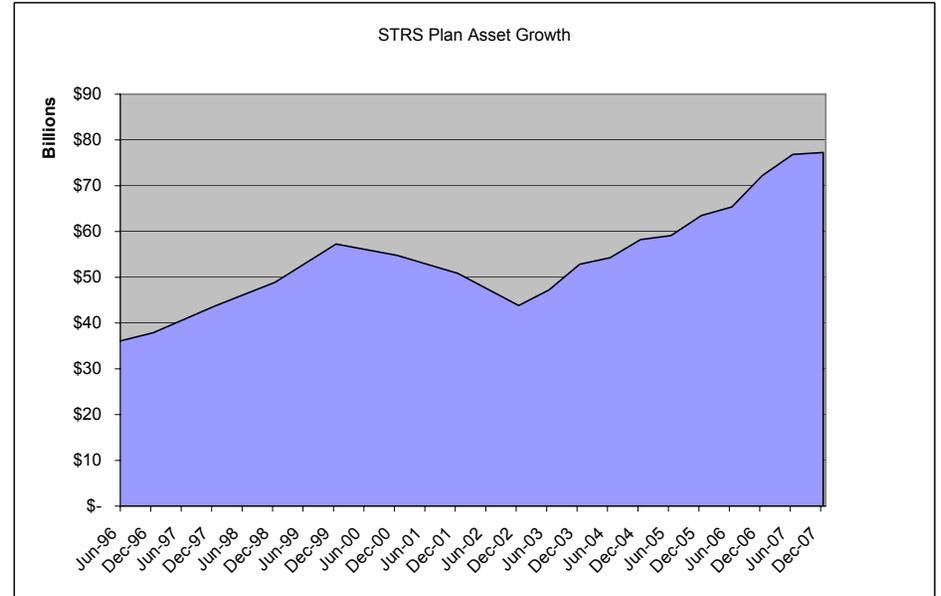
	Actual December 31, 2007	Target	Difference
US Equity	28.5%	29.0%	-0.5%
Intl. Equity	31.4%	29.0%	2.4%
Alternative Assets	4.7%	7.0%	-2.3%
Total Equity	64.6%	65.0%	-0.4%
Fixed Income	24.3%	24.0%	0.3%
Real Estate	10.6%	10.0%	0.6%
Short Term Investments	0.5%	1.0%	-0.5%
Total Debt	35.4%	35.0%	0.4%
	100.0%	100.0%	0.0%

Characteristic Data

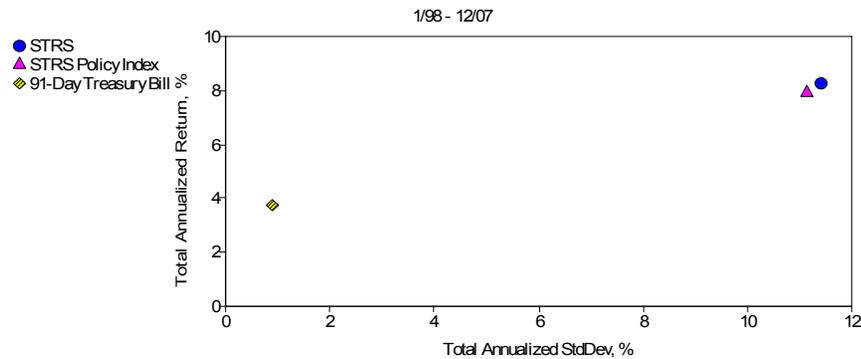
Assets @ 12-31-2007:	\$	11,723,167,651
Actuarial Interest Rate:		8.00%
Investment Staff Size:		14

State Teachers Retirement System

STRS Returns				
Portfolio	Two Quarters	One Year	Three Years	Five Years
US Equity				
Actual	-2.97%	4.48%	8.98%	13.54%
Benchmark	-1.84%	5.14%	8.89%	13.47%
Difference	-1.13%	-0.66%	0.09%	0.07%
Fixed Income				
Actual	5.58%	7.00%	5.08%	5.44%
Benchmark	5.35%	6.51%	4.72%	4.99%
Difference	0.23%	0.49%	0.36%	0.45%
Intl. Equity				
Actual	2.15%	15.06%	21.90%	24.58%
Benchmark	2.31%	14.83%	21.36%	23.45%
Difference	-0.16%	0.23%	0.54%	1.13%
Real Estate				
Actual	15.86%	23.46%	26.96%	22.61%
Benchmark	4.10%	10.88%	16.14%	15.16%
Difference	11.76%	12.58%	10.82%	7.45%
Private Equity				
Actual	6.07%	27.02%	24.05%	18.57%
Benchmark	6.07%	27.02%	24.05%	18.57%
Difference	0.00%	0.00%	0.00%	0.00%



Performance vs. Risk



Created with MPI Stylus™

	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
	Total	Total	Alpha, %	Sharpe Ratio
STRS	8.26	11.40	4.93	0.43
STRS Policy Index	7.95	11.16	4.60	0.41
91-Day Treasury Bill	3.77	0.89	0.00	NA

Asset Mix

	Actual December 31, 2007	Target	Difference
US Equity	39.9%	42.0%	-2.1%
Intl. Equity	25.2%	25.0%	0.2%
Alternative Assets	4.1%	3.5%	0.6%
Total Equity	69.2%	70.5%	-1.3%
Fixed Income	18.2%	20.0%	-1.8%
Real Estate	8.7%	9.5%	-0.8%
Short Term Investments	3.8%	0.0%	3.8%
Total Debt	30.8%	29.5%	1.3%
	100.0%	100.0%	0.0%

Characteristic Data

Assets @ 12-31-2007:	\$	77,265,120,299
Actuarial Interest Rate:		8.00%
Investment Staff Size:		112

Ohio Retirement Study Council

Performance Summary Table
Periods Ending 12/31/07

	2 Qtrs	1 Yr	3 Yrs	5 Yrs	10 Yrs	Incept Date
HPRS						
Total Return	0.48	7.85	9.82	13.17	6.10	12/31/93
Domestic Equity	-3.98	4.67	8.80	15.25	3.75	12/31/93
Fixed Income	4.42	6.16	5.35	5.70	6.70	12/31/93
Cash & Equiv	3.73	6.72	5.31	3.71	4.14	3/31/94
Real Estate	9.55	9.85	12.04	10.18	9.29	12/31/93
International Equity	5.28	17.96	18.72	21.13	9.76	3/31/95
Alternatives	3.65	8.83	NA	NA	NA	12/31/06
PERS (Defined Benefit Plan)						
Total Return	1.71	8.94	11.03	14.07	7.68	12/31/93
Domestic Equity	-1.82	5.12	8.84	13.61	6.11	12/31/93
Fixed Income	3.91	5.47	4.83	5.24	6.27	12/31/93
Long Duration Fixed Income	7.53	5.80	NA	NA	NA	12/31/06
Cash & Equiv	2.70	5.39	4.65	3.32	3.95	12/31/93
Real Estate	6.11	16.20	NA	NA	NA	3/31/05
Public Real Estate	-12.40	-18.23	8.81	NA	NA	3/31/06
International Equity	3.30	16.67	20.39	24.39	10.71	9/30/96
Alternatives	13.83	30.93	26.64	24.68	14.97	12/31/95
PERS (Health Care Plan)						
Total Return	2.06	6.91	9.19	NA	NA	12/31/04
Domestic Equity	-1.82	5.12	8.84	NA	NA	12/31/04
Fixed Income	3.78	5.34	4.78	NA	NA	12/31/04
Cash & Equiv	2.75	5.44	4.78	NA	NA	12/31/04
Public Real Estate	-12.39	-18.22	8.83	NA	NA	12/31/04
International Equity	3.39	16.66	20.38	NA	NA	12/31/04
TIPS	9.91	11.76	NA	NA	NA	2/28/05
Short Duration	1.31	3.04	NA	NA	NA	2/28/05
OP&F						
Total Return	1.83	10.47	11.85	14.62	8.18	12/31/93
Domestic Equity	-2.64	5.37	9.19	13.85	6.64	12/31/93
Fixed Income	4.67	6.35	5.40	6.54	7.04	12/31/93
Cash & Equiv	2.40	5.03	4.30	3.06	3.83	9/30/96
Real Estate	6.82	20.67	24.41	19.89	15.69	12/31/93
International Equity	7.89	22.77	22.10	25.13	10.72	9/30/94
Alternatives	14.50	31.88	25.21	12.80	9.06	3/31/94

	2 Qtrs	1 Yr	3 Yrs	5 Yrs	10 Yrs	Incept Date
SERS						
Total Return	1.44	9.61	11.89	13.97	8.02	12/31/93
Domestic Equity	-3.23	3.83	8.32	13.41	6.07	12/31/93
Fixed Income	4.20	5.30	4.51	4.77	6.32	12/31/93
Cash & Equiv	2.60	5.40	4.65	3.26	4.19	12/31/93
Real Estate	7.65	13.89	17.50	16.35	12.07	12/31/93
International Equity	1.02	16.65	22.92	24.08	10.44	12/31/94
Alternatives	10.31	26.89	21.08	12.12	10.57	12/31/93
STRS						
Total Return	1.99	9.87	12.91	15.14	8.26	12/31/93
Domestic Equity	-2.97	4.48	8.98	13.54	5.79	12/31/93
Fixed Income	5.58	7.00	5.08	5.44	6.67	12/31/93
Cash & Equiv	2.51	5.21	4.47	3.18	3.92	12/31/93
Real Estate	15.86	23.46	26.96	22.61	16.05	12/31/93
International Equity	2.15	15.06	21.90	24.58	10.72	12/31/93
Alternatives	6.07	27.02	24.05	18.57	7.18	12/31/93
Indices						
Russell 1000	-1.31	5.77	9.08	13.43	6.19	
Russell 2000	-7.52	-1.55	6.80	16.24	7.08	
Russell 2500	-6.72	1.38	8.38	16.99	9.02	
Russell 3000	-1.84	5.13	8.90	13.63	6.21	
Standard & Poors 500	-1.37	5.49	8.62	12.83	5.91	
S&P 500 Equal Wtd	-6.75	1.53	8.30	15.94	8.93	
S&P 600 Small Cap	-8.16	-0.30	7.32	16.04	9.03	
S&P 400 Mid Cap	-3.57	7.98	10.27	16.20	11.20	
DJ Wilshire 5000	-1.81	5.62	9.16	14.01	6.34	
MSCI EAFE (Net)	0.39	11.17	16.83	21.59	8.66	
MSCI Em Mkts Free (Gross)	18.71	39.78	35.60	37.46	14.53	
MSCI World ex-U.S. (Net)	1.05	12.44	17.40	22.12	8.99	
Citigroup Broad Inv Grade	6.27	7.22	4.69	4.55	6.03	
LB Aggregate	5.93	6.97	4.56	4.42	5.97	
LB Mortgage	5.79	6.90	4.90	4.49	5.91	
LB 1-3 Yr US Gov't	4.86	7.10	4.29	3.18	4.83	
LB Long-Term Gov't/Credit	7.55	6.60	4.87	5.80	6.95	
LB US TIPS	9.73	11.63	4.85	6.27	7.46	
NCREIF Property	6.88	15.84	17.48	15.13	12.90	
Wilshire Resi Full Cap	-12.44	-17.67	8.33	18.62	10.78	

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.

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.

Standard & Poor's 500 – An index that is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Market-value-weighted means that the weight of each stock in the index, for a given month, is proportionate to its market capitalization (price times the number of shares outstanding) at the beginning of that month. Currently, the S&P Composite includes 500 of the largest stocks (in terms of stock market value) in the United States; prior to March 1957 it consisted of 90 of the largest stocks.

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 Free – A capitalization-weighted index of stocks from 26 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, Thailand, and Venezuela.

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.

LB 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 it 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

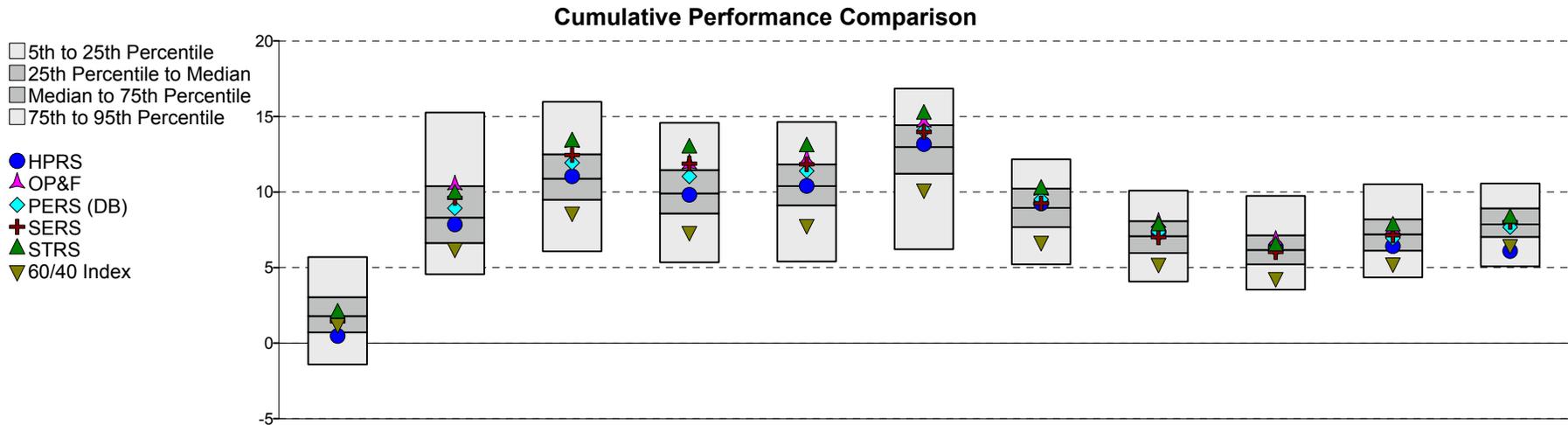
LB Mortgage-Backed – An index that includes 15 and 30 year fixed rate securities backed by mortgage pools of the Government National Mortgage Association (GNMA), Federal Home Loan Mortgage Corporation (FHLMC), and Federal National Mortgage Association (FNMA).

y the U.S. Government (i.e., Treasury and Agency Securities) with a maturity from one year up to but not including three years.

LB 1-3 Yr US Government – 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.

Total Plans vs. Mellon All Total Fund Universe
Performance and Rank Data as of 12/31/07



Return, %

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS	0.48	7.85	11.04	9.82	10.40	13.17	9.25	7.34	6.35	6.42	6.10
OP&F	1.83	10.47	13.27	11.85	12.17	14.62	10.11	8.00	6.82	7.57	8.18
PERS (DB)	1.71	8.94	11.93	11.03	11.40	14.07	9.50	7.37	6.32	6.95	7.68
SERS	1.44	9.61	12.45	11.89	11.84	13.97	9.25	7.01	6.03	7.13	8.02
STRS	1.99	9.87	13.32	12.91	12.99	15.14	10.18	7.77	6.43	7.75	8.26
60/40 Index	1.30	6.30	8.68	7.40	7.86	10.21	6.75	5.29	4.35	5.32	6.54
Universe(5%)	5.70	15.26	15.97	14.58	14.64	16.85	12.16	10.09	9.74	10.52	10.56
Universe(25%)	3.04	10.39	12.50	11.46	11.83	14.42	10.23	8.08	7.13	8.19	8.92
Universe(Median)	1.79	8.31	10.89	9.91	10.39	12.98	8.95	7.08	6.17	7.20	7.86
Universe(75%)	0.71	6.63	9.50	8.58	9.12	11.22	7.68	5.97	5.22	6.12	7.04
Universe(95%)	-1.40	4.56	6.07	5.35	5.40	6.21	5.22	4.08	3.54	4.35	5.08

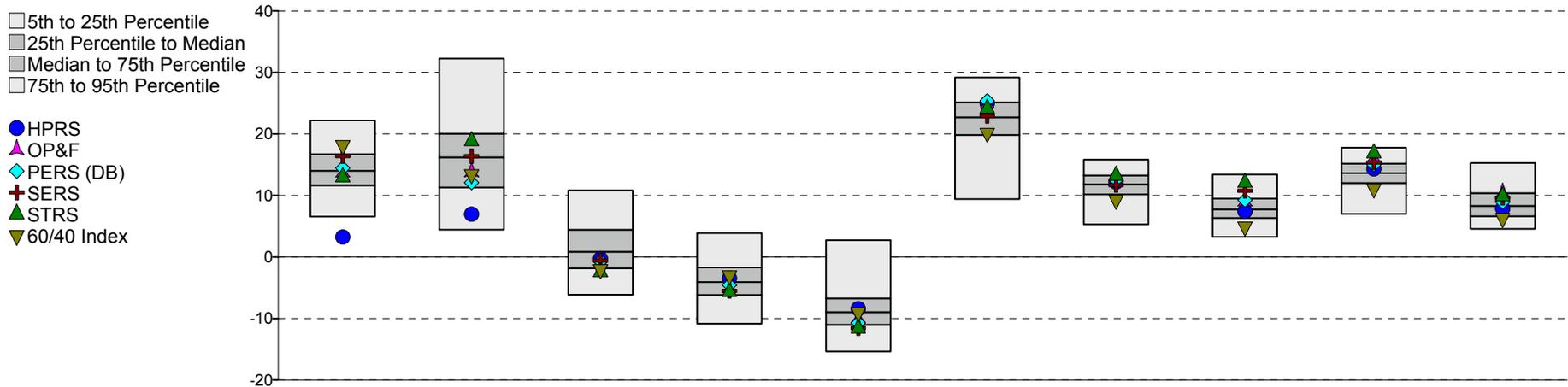
Percentile Rank

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS	80	57	48	51	50	47	42	42	45	68	88
OP&F	49	24	18	20	22	23	27	26	32	41	41
PERS (DB)	52	42	33	31	32	30	37	41	45	56	57
SERS	59	32	26	20	25	31	42	52	55	51	43
STRS	45	29	17	12	14	17	25	30	42	36	40
60/40 Index	63	79	84	86	88	86	85	85	88	87	82

This page compares the Total Fund results to a broad universe of total funds – 452 other funds, including those of public, corporate, and multi-employer pension plans and totaling \$1.9 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 (Lehman 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 STRS has demonstrated the highest return for the ten-year period with an 8.26% annualized return, which ranks the fund in the 40th percentile followed by OP&F (41st percentile), SERS (43rd percentile), PERS DB (57th percentile) and HPRS (88th percentile).

**Total Plans vs. Mellon All Total Fund Universe
Performance and Rank Data as of 12/31/07**

Calendar Year Performance



Return, %

	1/98 - 12/98	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
HPRS	3.23	6.96	-0.29	-3.46	-8.42	24.96	12.18	7.42	14.32	7.85
OP&F	13.77	13.81	-1.10	-3.88	-9.89	24.97	13.13	9.06	16.15	10.47
PERS (DB)	14.45	12.10	-0.72	-4.57	-10.73	25.40	12.50	9.25	15.02	8.94
SERS	16.40	16.40	-0.59	-5.52	-11.57	22.93	11.69	10.76	15.37	9.61
STRS	13.01	18.87	-2.45	-5.66	-11.59	24.16	13.23	12.08	16.88	9.87
60/40 Index	18.14	13.43	-2.02	-3.03	-9.01	20.14	9.25	4.90	11.12	6.30
Universe(5%)	22.20	32.26	10.82	3.88	2.74	29.19	15.83	13.43	17.78	15.26
Universe(25%)	16.71	20.06	4.44	-1.71	-6.72	25.14	13.27	9.50	15.18	10.39
Universe(Median)	14.03	16.19	0.86	-4.08	-8.95	22.70	11.79	7.76	13.63	8.31
Universe(75%)	11.64	11.31	-1.85	-6.18	-11.02	19.82	10.19	6.34	12.02	6.63
Universe(95%)	6.55	4.43	-6.13	-10.85	-15.35	9.42	5.31	3.27	7.01	4.56

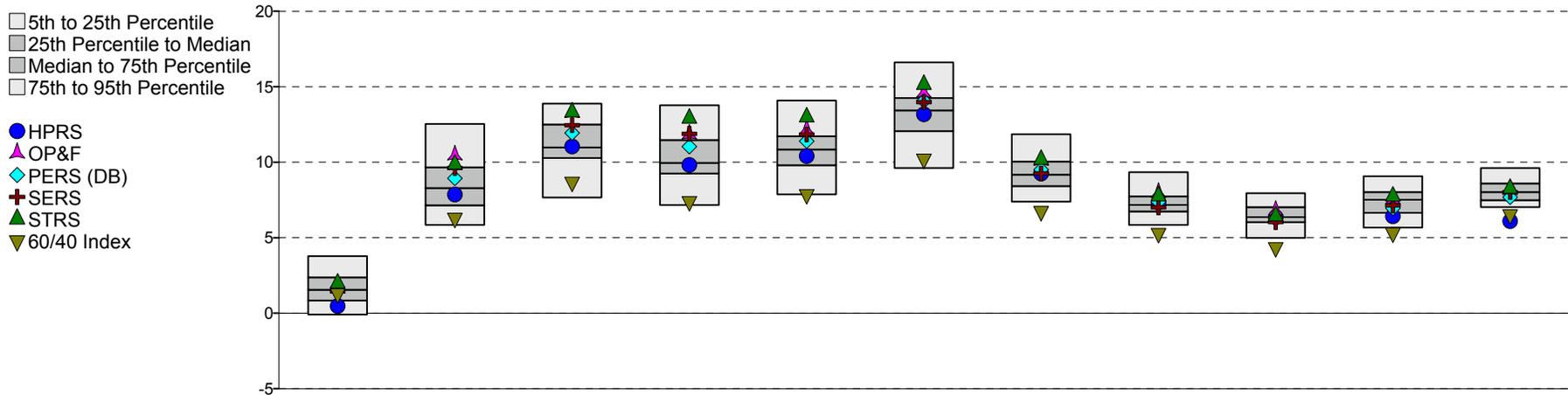
Percentile Rank

	1/98 - 12/98	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
HPRS	99	89	61	42	44	27	43	58	39	57
OP&F	52	62	69	47	61	27	26	30	15	24
PERS (DB)	47	72	67	55	70	23	36	28	28	42
SERS	28	48	65	67	80	48	53	15	23	32
STRS	64	32	79	68	81	35	25	8	10	29
60/40 Index	18	63	77	40	51	73	85	89	84	79

The graph above is a calendar year performance comparison with twelve-month measurement periods ending December 31, 2007. The graph shows that all plans except HPRS exceeded the median during 2007. OP&F ranked in the 24th percentile, STRS ranked in the 29th percentile, SERS placed in the 32nd percentile, PERS placed in the 42nd percentile and HPRS ranked in the 57th percentile.

**Total Plans vs. Mellon All Public Total Fund Universe
Performance and Rank Data as of 12/31/07**

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
HPRS	0.48	7.85	11.04	9.82	10.40	13.17	9.25	7.34	6.35	6.42	6.10
OP&F	1.83	10.47	13.27	11.85	12.17	14.62	10.11	8.00	6.82	7.57	8.18
PERS (DB)	1.71	8.94	11.93	11.03	11.40	14.07	9.50	7.37	6.32	6.95	7.68
SERS	1.44	9.61	12.45	11.89	11.84	13.97	9.25	7.01	6.03	7.13	8.02
STRS	1.99	9.87	13.32	12.91	12.99	15.14	10.18	7.77	6.43	7.75	8.26
60/40 Index	1.30	6.30	8.68	7.40	7.86	10.21	6.75	5.29	4.35	5.32	6.54
Universe(5%)	3.78	12.54	13.88	13.77	14.09	16.61	11.85	9.34	7.94	9.07	9.61
Universe(25%)	2.37	9.66	12.50	11.47	11.72	14.25	10.04	7.73	7.02	8.02	8.59
Universe(Median)	1.56	8.29	10.98	9.96	10.84	13.43	9.17	7.17	6.36	7.52	8.02
Universe(75%)	0.84	7.15	10.27	9.25	9.80	12.05	8.42	6.74	6.03	6.64	7.49
Universe(95%)	-0.09	5.84	7.66	7.17	7.88	9.61	7.39	5.85	4.99	5.67	7.03

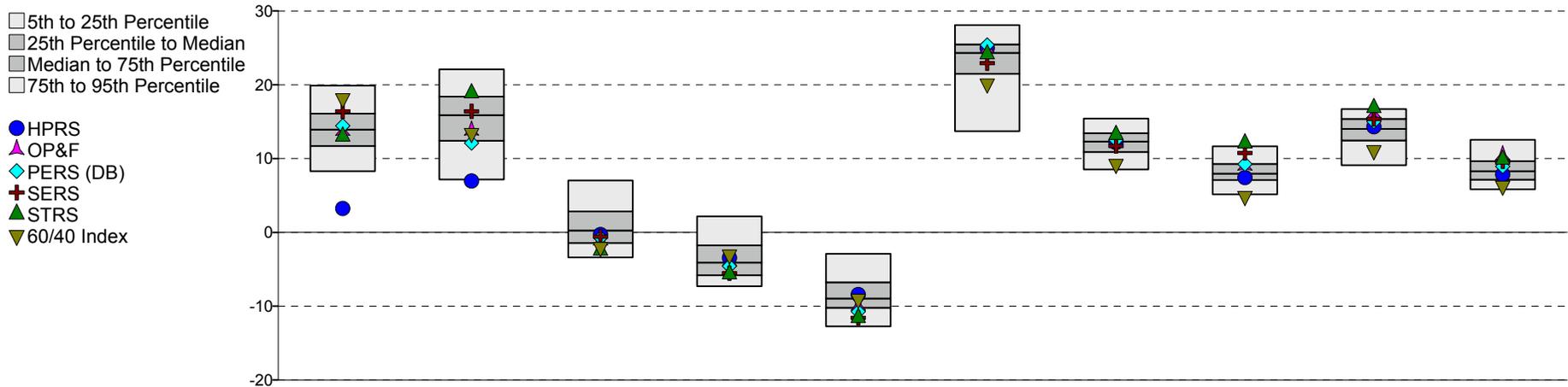
Percentile Rank

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS	84	61	48	55	57	56	44	42	51	82	100
OP&F	34	16	11	16	17	18	23	24	31	43	43
PERS (DB)	43	39	35	33	34	30	41	41	52	63	67
SERS	54	26	28	16	22	32	44	62	75	60	50
STRS	31	22	10	7	9	14	20	25	48	32	41
60/40 Index	59	91	89	95	95	95	97	99	99	99	97

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. STRS ranked in the 41st percentile, OP&F ranked in the 43rd percentile, SERS approximated the median return, PERS ranked in the 67th percentile and HPRS ranked at the bottom of the universe for the ten-year period.

Total Plans vs. Mellon All Public Total Fund Universe
Performance and Rank Data as of 12/31/07

Calendar Year Performance



Return, %

	1/98 - 12/98	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
HPRS	3.23	6.96	-0.29	-3.46	-8.42	24.96	12.18	7.42	14.32	7.85
OP&F	13.77	13.81	-1.10	-3.88	-9.89	24.97	13.13	9.06	16.15	10.47
PERS (DB)	14.45	12.10	-0.72	-4.57	-10.73	25.40	12.50	9.25	15.02	8.94
SERS	16.40	16.40	-0.59	-5.52	-11.57	22.93	11.69	10.76	15.37	9.61
STRS	13.01	18.87	-2.45	-5.66	-11.59	24.16	13.23	12.08	16.88	9.87
60/40 Index	18.14	13.43	-2.02	-3.03	-9.01	20.14	9.25	4.90	11.12	6.30
Universe(5%)	19.88	22.10	7.04	2.17	-2.89	28.08	15.43	11.67	16.71	12.54
Universe(25%)	16.08	18.38	2.83	-1.75	-6.76	25.46	13.44	9.27	15.37	9.66
Universe(Median)	13.93	15.89	0.26	-4.09	-8.95	24.32	12.30	7.96	14.02	8.29
Universe(75%)	11.70	12.42	-1.44	-5.81	-10.21	21.48	10.88	7.10	12.45	7.15
Universe(95%)	8.29	7.17	-3.39	-7.31	-12.74	13.71	8.53	5.16	9.10	5.84

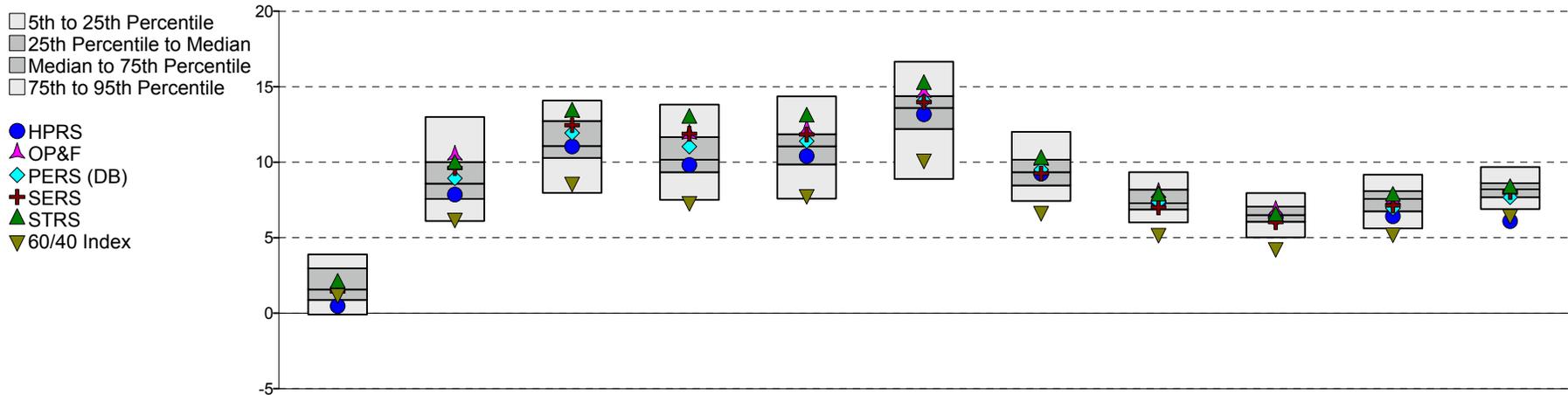
Percentile Rank

	1/98 - 12/98	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
HPRS	100	95	53	43	45	35	52	68	43	61
OP&F	51	66	69	44	71	35	28	28	11	16
PERS (DB)	46	78	64	56	78	26	43	26	32	39
SERS	20	45	60	69	88	66	64	12	25	26
STRS	60	16	87	70	88	53	28	4	4	22
60/40 Index	10	67	84	41	52	81	92	97	91	91

The graph above is a calendar year performance comparison with twelve-month measurement periods ending December 31, 2007. All plans except HPRS ranked above median for this universe in 2007. OP&F and STRS ranked in the first quartile, SERS ranked at the cusp of the first and second quartiles, PERS placed in the second quartile and HPRS ranked in the third quartile.

**Total Plans vs. Mellon Large Public Total Fund Universe
Performance and Rank Data as of 12/31/07**

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
HPRS	0.48	7.85	11.04	9.82	10.40	13.17	9.25	7.34	6.35	6.42	6.10
OP&F	1.83	10.47	13.27	11.85	12.17	14.62	10.11	8.00	6.82	7.57	8.18
PERS (DB)	1.71	8.94	11.93	11.03	11.40	14.07	9.50	7.37	6.32	6.95	7.68
SERS	1.44	9.61	12.45	11.89	11.84	13.97	9.25	7.01	6.03	7.13	8.02
STRS	1.99	9.87	13.32	12.91	12.99	15.14	10.18	7.77	6.43	7.75	8.26
60/40 Index	1.30	6.30	8.68	7.40	7.86	10.21	6.75	5.29	4.35	5.32	6.54
Universe(5%)	3.89	13.00	14.09	13.82	14.36	16.65	12.01	9.34	7.95	9.17	9.68
Universe(25%)	2.97	10.01	12.73	11.66	11.85	14.38	10.16	8.18	7.06	8.08	8.61
Universe(Median)	1.57	8.58	11.07	10.17	11.05	13.59	9.34	7.29	6.50	7.57	8.20
Universe(75%)	0.88	7.57	10.28	9.34	9.85	12.20	8.46	6.87	6.06	6.75	7.68
Universe(95%)	-0.08	6.10	7.96	7.50	7.59	8.89	7.43	6.01	5.01	5.61	6.89

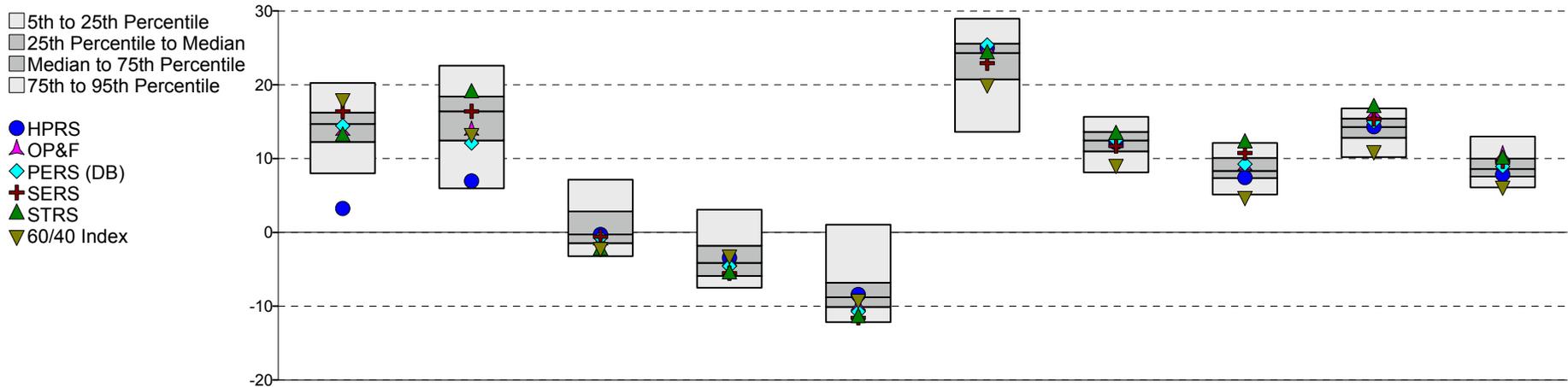
Percentile Rank

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS	84	68	52	58	62	60	52	49	58	85	99
OP&F	36	19	13	18	20	21	27	28	36	50	51
PERS (DB)	45	46	42	39	39	35	48	48	60	70	78
SERS	55	32	34	18	26	37	52	67	79	69	58
STRS	32	27	12	8	11	16	24	29	55	37	48
60/40 Index	61	93	92	95	95	93	97	99	99	99	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. STRS and OP&F approximated the median return within the Mellon Large Public Total Fund Universe for the ten-year period and SERS placed slightly below median, while HPRS and PERS ranked in the bottom quartile for the same period.

**Total Plans vs. Mellon Large Public Total Fund Universe
Performance and Rank Data as of 12/31/07**

Calendar Year Performance



Return, %

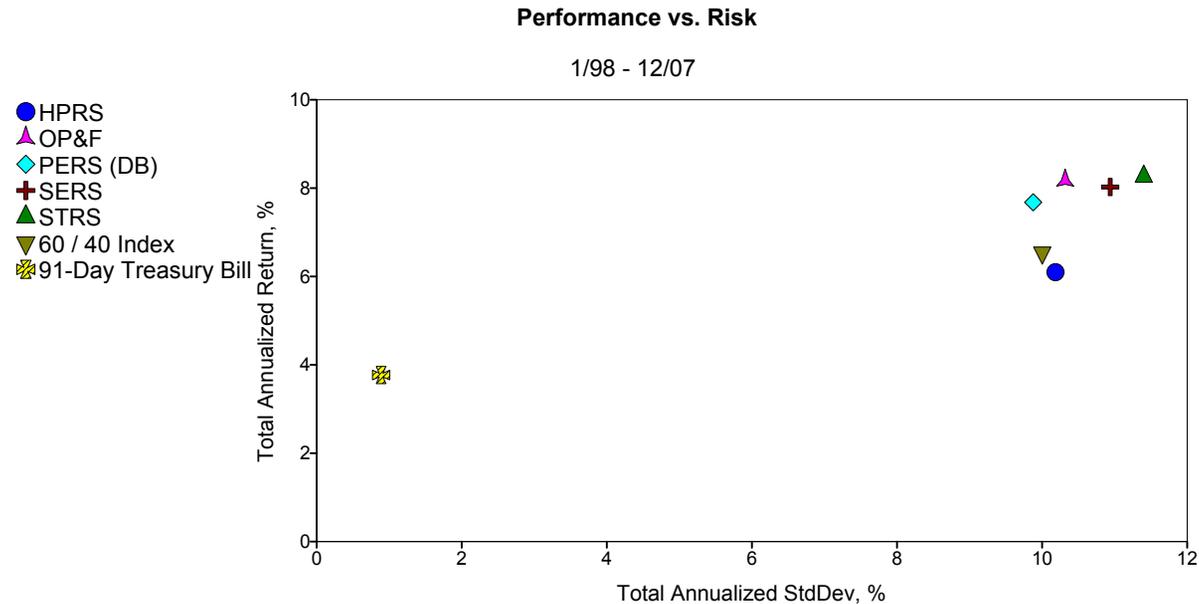
	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07
HPRS	3.23	6.96	-0.29	-3.46	-8.42	24.96	12.18	7.42	14.32	7.85
OP&F	13.77	13.81	-1.10	-3.88	-9.89	24.97	13.13	9.06	16.15	10.47
PERS (DB)	14.45	12.10	-0.72	-4.57	-10.73	25.40	12.50	9.25	15.02	8.94
SERS	16.40	16.40	-0.59	-5.52	-11.57	22.93	11.69	10.76	15.37	9.61
STRS	13.01	18.87	-2.45	-5.66	-11.59	24.16	13.23	12.08	16.88	9.87
60/40 Index	18.14	13.43	-2.02	-3.03	-9.01	20.14	9.25	4.90	11.12	6.30
Universe(5%)	20.25	22.58	7.15	3.07	1.05	28.95	15.65	12.13	16.81	13.00
Universe(25%)	16.24	18.41	2.83	-1.80	-6.83	25.58	13.62	10.07	15.42	10.01
Universe(Median)	14.68	16.40	-0.28	-4.14	-8.80	24.31	12.46	8.34	14.29	8.58
Universe(75%)	12.26	12.45	-1.46	-5.91	-10.10	20.72	10.97	7.36	12.83	7.57
Universe(95%)	8.00	5.97	-3.23	-7.51	-12.17	13.61	8.11	5.12	10.20	6.10

Percentile Rank

	1/98 - 12/98	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
HPRS	100	94	50	39	47	35	57	75	48	68
OP&F	57	69	66	40	72	34	32	33	11	19
PERS (DB)	52	82	63	51	79	27	49	30	37	46
SERS	22	50	58	65	89	63	67	14	29	32
STRS	63	19	87	66	89	53	31	5	5	27
60/40 Index	12	70	84	37	55	80	91	96	94	93

The graph above is a calendar year performance comparison with twelve-month measurement periods ending December 31, 2007. In 2007, all plans except HPRS ranked above the median return for this universe. OP&F ranked in the 19th percentile, STRS placed in the 27th percentile, SERS ranked in the 32nd percentile, PERS placed in the 46th percentile, and HPRS ranked in the 68th percentile.

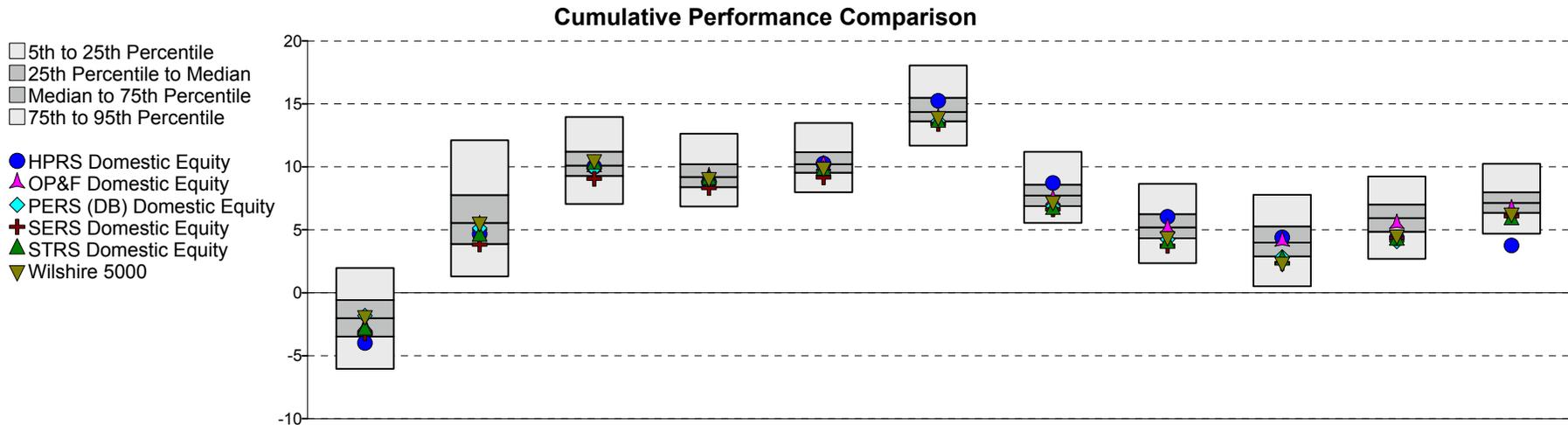
Total Plans Risk Analysis - Last 10 Years Performance Overview For Period Ending 12/31/07



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
			Alpha, %	Sharpe Ratio
	Total	Total		
HPRS	6.10	10.18	2.75	0.26
OP&F	8.17	10.32	4.73	0.45
PERS (DB)	7.68	9.88	4.22	0.42
SERS	8.02	10.94	4.65	0.42
STRS	8.26	11.40	4.93	0.43
60 / 40 Index	6.54	10.00	3.15	0.31
91-Day Treasury Bill	3.77	0.89	0.00	NA

The graph above provides a risk analysis. 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, STRS and SERS. STRS' higher return was achieved with marginally higher risk (volatility), while OP&F and SERS were achieved with marginally lower risk. 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 represents the better risk-adjusted return.

**Total Domestic Equities vs. Mellon All Domestic Equities Universe
Performance and Rank Data as of 12/31/07**



Return, %

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Domestic Equity	-3.98	4.67	10.00	8.80	10.26	15.25	8.72	6.04	4.40	4.36	3.75
OP&F Domestic Equity	-2.64	5.37	9.99	9.19	10.14	13.85	7.39	5.13	4.08	5.49	6.64
PERS (DB) Domestic Equity	-1.82	5.12	9.88	8.84	9.62	13.61	6.85	4.24	2.83	4.08	6.11
SERS Domestic Equity	-3.23	3.83	9.05	8.32	9.16	13.41	6.63	3.74	2.35	4.35	6.07
STRS Domestic Equity	-2.97	4.48	10.19	8.98	9.71	13.54	6.61	3.92	2.58	4.17	5.79
Wilshire 5000	-1.81	5.62	10.58	9.16	9.98	14.01	7.28	4.47	2.44	4.60	6.34
Universe(5%)	1.96	12.11	13.96	12.63	13.49	18.06	11.20	8.65	7.78	9.24	10.25
Universe(25%)	-0.58	7.76	11.21	10.21	11.17	15.49	8.59	6.24	5.27	7.00	7.98
Universe(Median)	-2.02	5.55	10.11	9.20	10.21	14.36	7.73	5.19	3.99	5.93	7.14
Universe(75%)	-3.47	3.87	9.28	8.39	9.54	13.62	6.88	4.33	2.89	4.85	6.36
Universe(95%)	-6.04	1.30	7.05	6.85	7.97	11.68	5.55	2.35	0.51	2.69	4.69

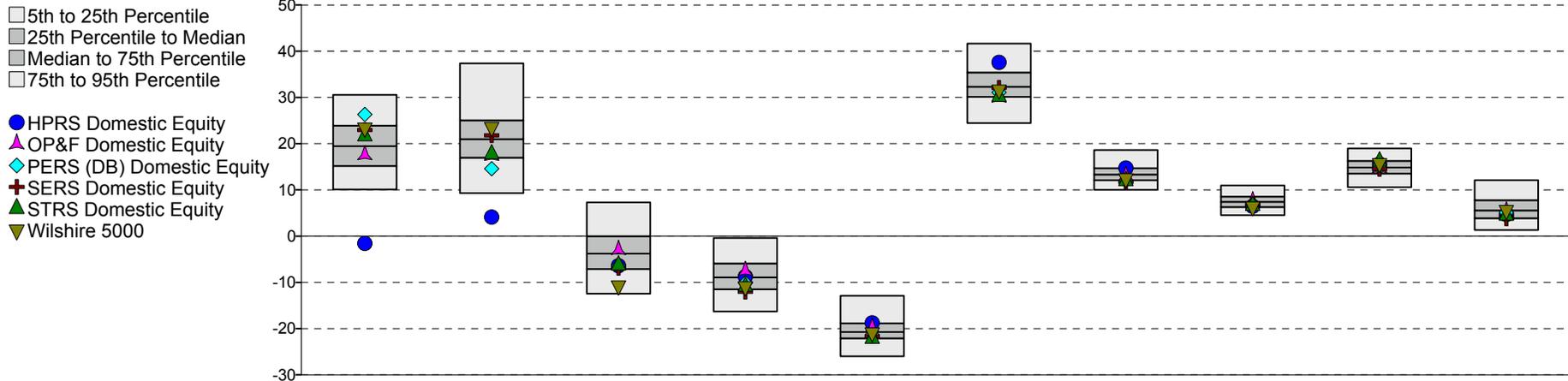
Percentile Rank

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Domestic Equity	82	66	53	64	49	30	23	28	42	82	98
OP&F Domestic Equity	62	54	53	51	54	66	59	53	49	61	68
PERS (DB) Domestic Equity	45	57	57	64	72	75	76	77	76	87	81
SERS Domestic Equity	72	75	79	78	84	79	81	86	87	82	82
STRS Domestic Equity	68	69	48	58	69	77	81	83	81	86	84
Wilshire 5000	45	48	38	52	59	61	64	72	84	79	76

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 on pages 13 and 14. When compared to equity portfolios in the broad equity universe, for the past ten years, OP&F placed in the third quartile, while SERS, PERS, STRS and HPRS have 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
Performance and Rank Data as of 12/31/07**

Calendar Year Performance



Return, %

	1/98 - 12/98	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
HPRS Domestic Equity	-1.59	4.11	-6.40	-8.74	-18.76	37.58	14.74	6.45	15.59	4.67
OP&F Domestic Equity	17.57	17.41	-2.97	-7.47	-19.81	30.00	13.05	7.59	14.81	5.37
PERS (DB) Domestic Equity	26.31	14.58	-6.51	-10.14	-21.37	31.09	11.99	6.79	14.86	5.12
SERS Domestic Equity	22.96	21.81	-6.87	-12.04	-21.66	32.12	11.73	6.87	14.54	3.83
STRS Domestic Equity	21.64	17.75	-6.28	-10.90	-22.16	30.20	11.95	6.59	16.21	4.48
Wilshire 5000	23.43	23.56	-10.73	-10.90	-20.86	31.65	12.49	6.39	15.77	5.62
Universe(5%)	30.57	37.37	7.29	-0.38	-12.91	41.66	18.61	10.97	18.98	12.11
Universe(25%)	23.92	25.05	0.00	-5.89	-18.84	35.41	14.72	8.54	16.25	7.76
Universe(Median)	19.48	20.99	-3.79	-8.93	-20.75	32.29	13.31	7.42	14.84	5.55
Universe(75%)	15.16	16.97	-7.11	-11.48	-22.08	30.12	12.10	6.29	13.53	3.87
Universe(95%)	10.09	9.32	-12.46	-16.29	-26.00	24.47	10.01	4.52	10.56	1.30

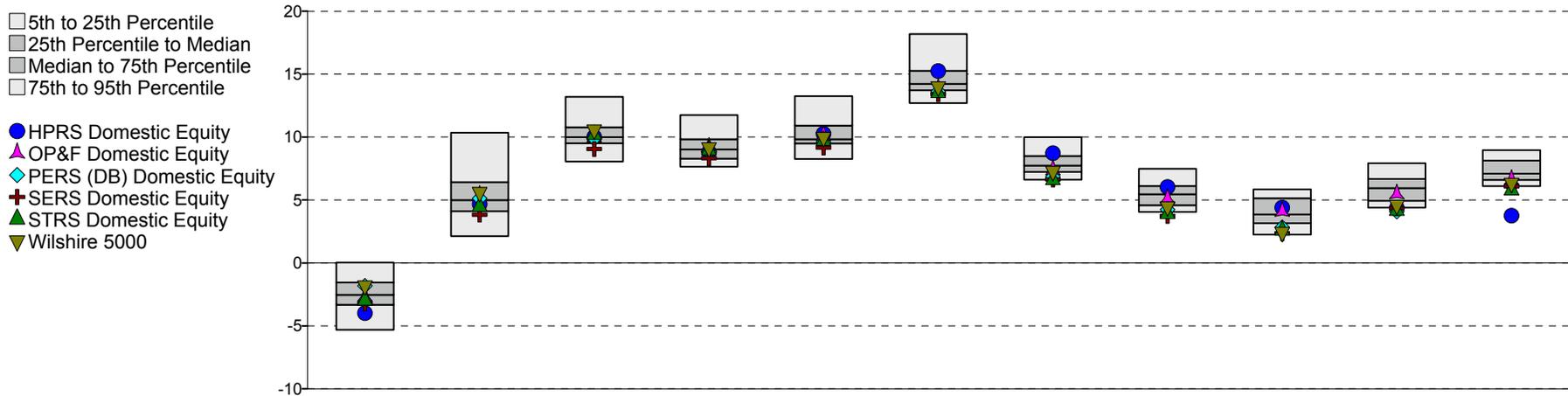
Percentile Rank

	1/98 - 12/98	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
HPRS Domestic Equity	100	99	68	50	24	14	25	71	35	66
OP&F Domestic Equity	62	72	44	38	37	76	56	45	51	54
PERS (DB) Domestic Equity	16	84	70	61	64	64	77	64	50	57
SERS Domestic Equity	30	45	72	79	70	51	81	63	56	75
STRS Domestic Equity	38	69	66	71	76	74	77	69	26	69
Wilshire 5000	27	37	93	71	52	57	69	73	32	48

The graph above is a calendar year performance comparison with twelve-month measurement periods ending December 31, 2007 within the Mellon All Domestic Equities Universe. All plans ranked in the third quartile versus the universe in 2007. OP&F ranked in the 54th percentile, PERS DB ranked in the 57th percentile, HPRS placed in the 66th percentile, STRS placed in the 69th percentile and SERS ranked in the 75th percentile.

**Total Domestic Equities vs. Mellon All Public Domestic Equity Universe
Performance and Rank Data as of 12/31/07**

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
HPRS Domestic Equity	-3.98	4.67	10.00	8.80	10.26	15.25	8.72	6.04	4.40	4.36	3.75
OP&F Domestic Equity	-2.64	5.37	9.99	9.19	10.14	13.85	7.39	5.13	4.08	5.49	6.64
PERS (DB) Domestic Equity	-1.82	5.12	9.88	8.84	9.62	13.61	6.85	4.24	2.83	4.08	6.11
SERS Domestic Equity	-3.23	3.83	9.05	8.32	9.16	13.41	6.63	3.74	2.35	4.35	6.07
STRS Domestic Equity	-2.97	4.48	10.19	8.98	9.71	13.54	6.61	3.92	2.58	4.17	5.79
Wilshire 5000	-1.81	5.62	10.58	9.16	9.98	14.01	7.28	4.47	2.44	4.60	6.34
Universe(5%)	0.03	10.35	13.20	11.76	13.26	18.19	9.99	7.48	5.84	7.93	8.97
Universe(25%)	-1.55	6.42	10.78	9.83	10.91	15.27	8.50	6.11	5.13	6.68	8.14
Universe(Median)	-2.54	4.99	9.99	9.02	9.83	14.23	7.74	5.46	3.86	5.94	7.10
Universe(75%)	-3.33	4.10	9.51	8.29	9.50	13.72	7.24	4.58	3.16	4.94	6.60
Universe(95%)	-5.31	2.13	8.06	7.65	8.26	12.70	6.62	4.05	2.25	4.40	6.10

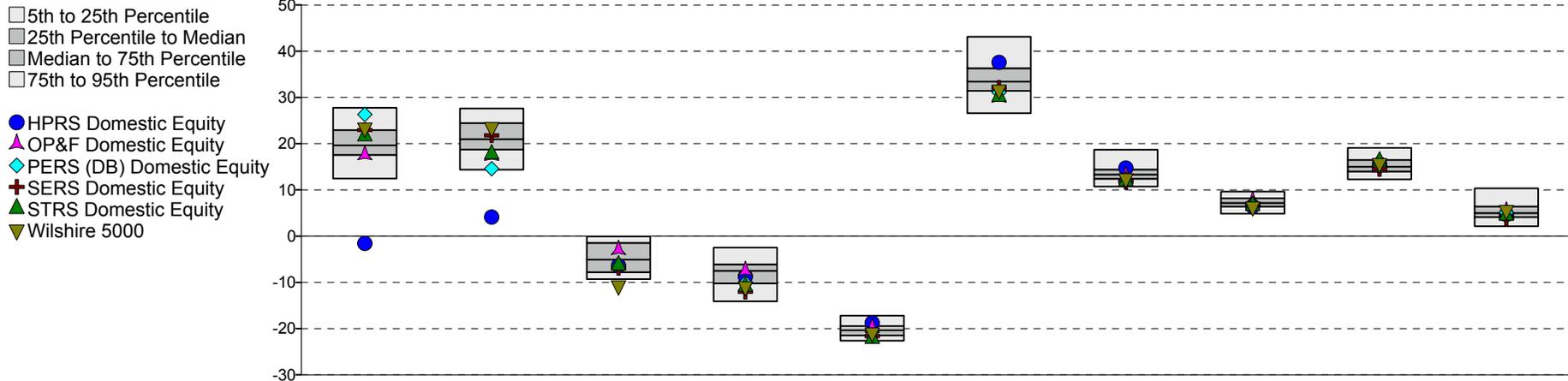
Percentile Rank

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Domestic Equity	87	62	50	56	38	25	21	30	43	96	100
OP&F Domestic Equity	56	44	50	41	42	66	62	63	48	60	74
PERS (DB) Domestic Equity	30	45	60	55	66	87	91	90	80	98	94
SERS Domestic Equity	74	77	82	74	86	91	95	99	94	96	96
STRS Domestic Equity	63	67	39	52	60	90	95	97	87	98	100
Wilshire 5000	30	40	28	42	44	59	71	87	89	93	86

The analysis above compares the domestic equity returns of the five 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, with the exception of OP&F which placed in the third quartile.

**Total Domestic Equities vs. Mellon All Public Domestic Equity Universe
Performance and Rank Data as of 12/31/07**

Calendar Year Performance



Return, %

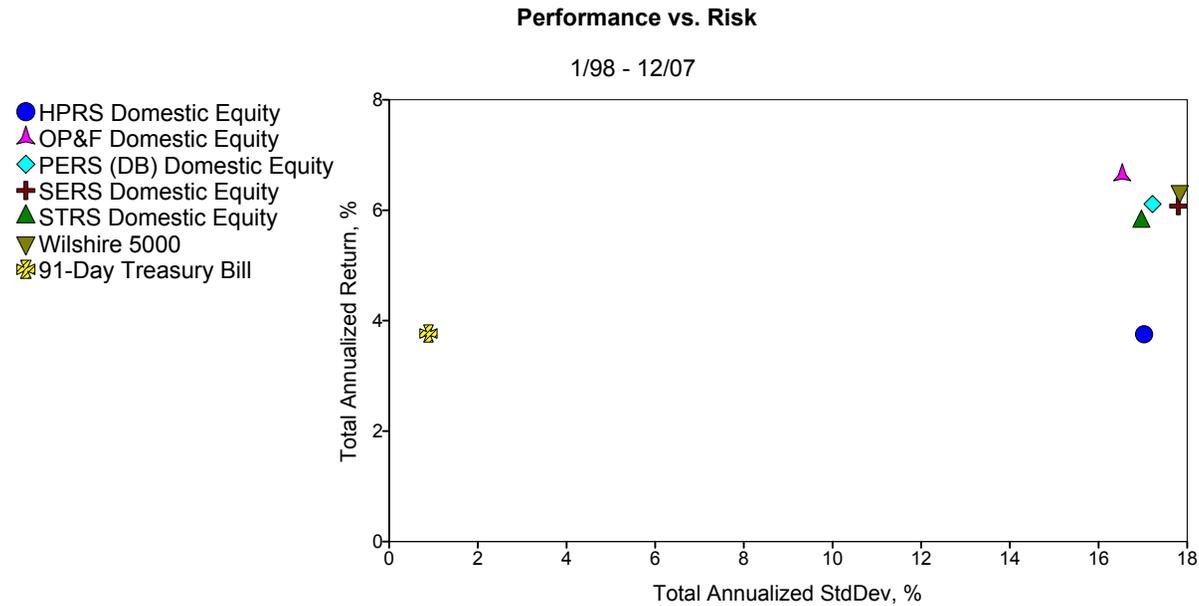
	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07
HPRS Domestic Equity	-1.59	4.11	-6.40	-8.74	-18.76	37.58	14.74	6.45	15.59	4.67
OP&F Domestic Equity	17.57	17.41	-2.97	-7.47	-19.81	30.00	13.05	7.59	14.81	5.37
PERS (DB) Domestic Equity	26.31	14.58	-6.51	-10.14	-21.37	31.09	11.99	6.79	14.86	5.12
SERS Domestic Equity	22.96	21.81	-6.87	-12.04	-21.66	32.12	11.73	6.87	14.54	3.83
STRS Domestic Equity	21.64	17.75	-6.28	-10.90	-22.16	30.20	11.95	6.59	16.21	4.48
Wilshire 5000	23.43	23.56	-10.73	-10.90	-20.86	31.65	12.49	6.39	15.77	5.62
Universe(5%)	27.76	27.62	-0.08	-2.49	-17.20	43.12	18.67	9.64	19.09	10.35
Universe(25%)	22.93	24.45	-1.45	-6.12	-19.43	36.30	14.42	8.19	16.47	6.42
Universe(Median)	19.65	20.97	-5.09	-7.50	-20.35	33.43	13.31	7.19	15.00	4.99
Universe(75%)	17.55	18.75	-7.80	-10.22	-21.47	31.41	12.42	6.41	14.01	4.10
Universe(95%)	12.45	14.39	-9.29	-14.11	-22.61	26.59	10.72	4.85	12.29	2.13

Percentile Rank

	1/98 - 12/98	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
HPRS Domestic Equity	100	100	56	63	19	20	16	73	32	62
OP&F Domestic Equity	74	83	34	50	32	87	55	38	55	44
PERS (DB) Domestic Equity	10	95	58	74	71	81	84	63	53	45
SERS Domestic Equity	24	41	62	89	80	67	88	63	61	77
STRS Domestic Equity	44	81	56	84	90	87	85	70	27	67
Wilshire 5000	18	33	96	84	58	72	70	77	30	40

The graph above is a calendar year performance comparison with twelve-month measurement periods ending December 31, 2007 within the Mellon All Public Domestic Equities Universe. In 2007, OP&F ranked in the 44th percentile, PERS ranked in the 45th percentile, HPRS ranked in the 62nd, STRS placed in the 67th percentile and SERS ranked in the 77th percentile.

Domestic Equity Risk Analysis - Last 10 Years Performance Overview For Period Ending 12/31/07

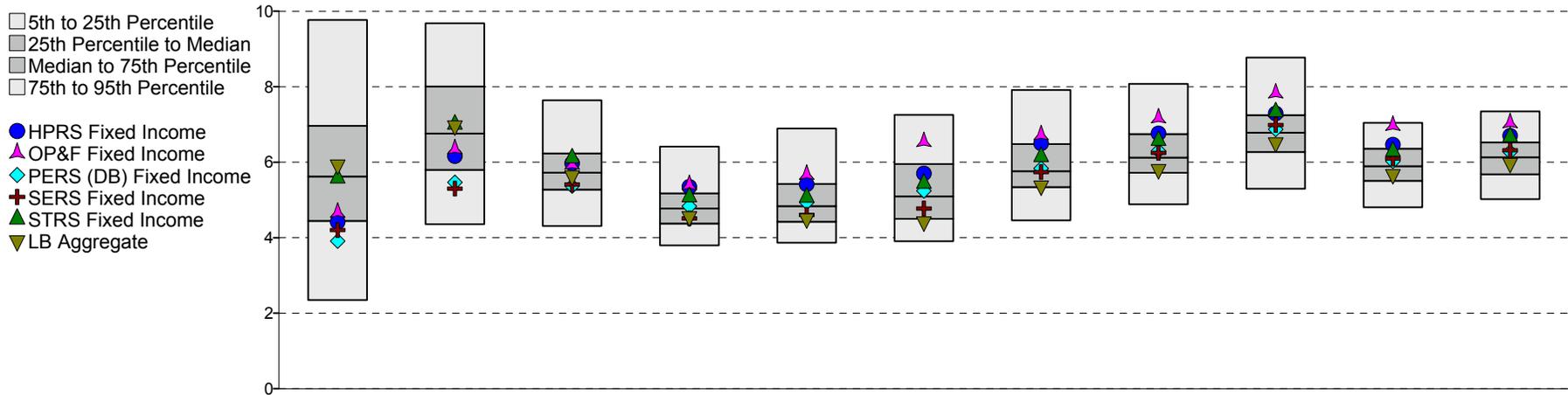


	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
			Alpha, %	Sharpe Ratio
	Total	Total		
HPRS Domestic Equity	3.75	17.03	1.43	0.08
OP&F Domestic Equity	6.64	16.54	4.09	0.25
PERS (DB) Domestic Equity	6.11	17.22	3.70	0.21
SERS Domestic Equity	6.07	17.80	3.77	0.21
STRS Domestic Equity	5.79	16.97	3.36	0.20
Wilshire 5000	6.34	17.83	4.02	0.22
91-Day Treasury Bill	3.77	0.89	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 PERS DB, SERS, STRS and HPRS.

**Total Fixed Income vs. Mellon All Domestic Fixed Income Universe
Performance and Rank Data as of 12/31/07**

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
HPRS Fixed Income	4.42	6.16	5.97	5.35	5.41	5.70	6.50	6.76	7.29	6.47	6.70
OP&F Fixed Income	4.67	6.35	5.94	5.40	5.68	6.54	6.72	7.17	7.83	6.97	7.04
PERS (DB) Fixed Income	3.91	5.47	5.37	4.83	4.94	5.24	5.84	6.30	6.87	6.03	6.27
SERS Fixed Income	4.20	5.30	5.41	4.51	4.61	4.77	5.74	6.25	6.99	6.10	6.32
STRS Fixed Income	5.58	7.00	6.11	5.08	5.07	5.44	6.15	6.57	7.33	6.29	6.67
LB Aggregate	5.93	6.97	5.64	4.56	4.50	4.42	5.37	5.81	6.52	5.68	5.97
Universe(5%)	9.77	9.68	7.64	6.41	6.89	7.25	7.91	8.08	8.77	7.04	7.35
Universe(25%)	6.96	8.01	6.23	5.17	5.42	5.95	6.48	6.75	7.25	6.36	6.52
Universe(Median)	5.62	6.76	5.72	4.77	4.84	5.09	5.76	6.12	6.78	5.89	6.13
Universe(75%)	4.45	5.80	5.27	4.38	4.42	4.50	5.34	5.72	6.27	5.51	5.68
Universe(95%)	2.35	4.36	4.31	3.80	3.87	3.91	4.46	4.88	5.30	4.81	5.02

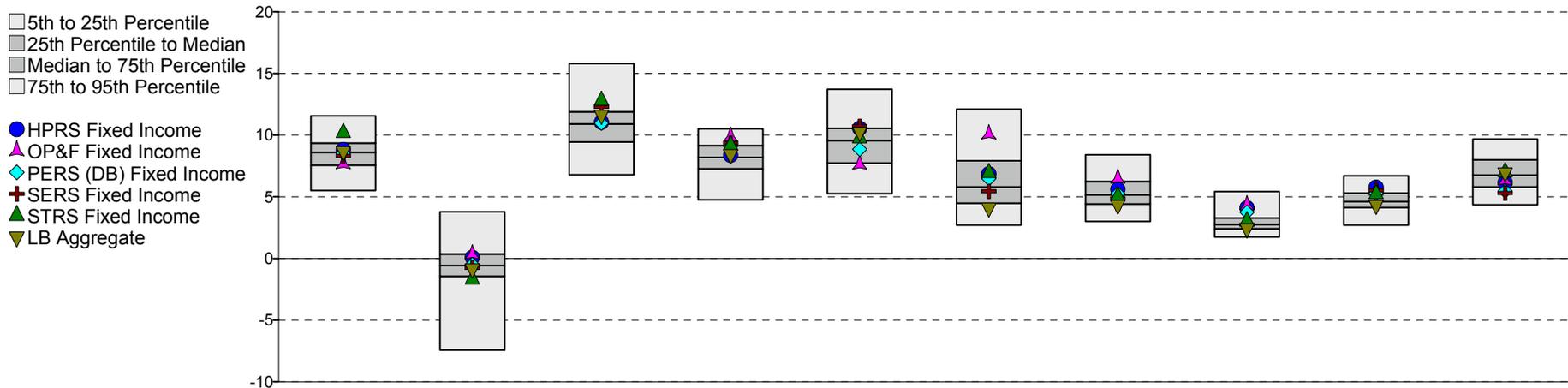
Percentile Rank

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Fixed Income	76	65	37	18	26	31	24	25	24	20	21
OP&F Fixed Income	71	61	38	17	17	13	18	14	13	7	10
PERS (DB) Fixed Income	85	81	71	47	45	45	47	40	44	39	40
SERS Fixed Income	80	84	68	68	64	60	53	42	38	36	36
STRS Fixed Income	51	44	30	30	39	39	35	33	23	27	22
LB Aggregate	42	45	56	65	71	79	73	69	64	64	64

The exhibits above, and on the next page, compare the fixed income results of the five 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, all funds placed in either the top quartile (OP&F, HPRS and STRS) of the universe or the second quartile (SERS and PERS) of the universe.

Total Fixed Income vs. Mellon All Domestic Fixed Income Universe
Performance and Rank Data as of 12/31/07

Calendar Year Performance



Return, %

	1/98 - 12/98	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
HPRS Fixed Income	8.83	0.10	11.05	8.37	10.56	6.87	5.61	4.11	5.78	6.16
OP&F Fixed Income	7.67	0.35	12.55	9.90	7.63	10.08	6.50	4.33	5.54	6.35
PERS (DB) Fixed Income	8.53	-0.50	10.97	9.11	8.86	6.48	5.25	3.76	5.28	5.47
SERS Fixed Income	8.32	-0.76	12.29	9.35	10.71	5.45	4.89	2.74	5.52	5.30
STRS Fixed Income	10.19	-1.70	12.80	9.17	9.76	6.94	5.03	3.04	5.23	7.00
LB Aggregate	8.69	-0.82	11.63	8.44	10.26	4.10	4.34	2.43	4.33	6.97
Universe(5%)	11.56	3.79	15.79	10.51	13.72	12.10	8.41	5.43	6.70	9.68
Universe(25%)	9.36	0.37	11.89	9.15	10.56	7.93	6.25	3.28	5.30	8.01
Universe(Median)	8.60	-0.57	10.91	8.20	9.56	5.80	5.15	2.76	4.62	6.76
Universe(75%)	7.56	-1.44	9.45	7.27	7.74	4.48	4.42	2.42	4.13	5.80
Universe(95%)	5.51	-7.43	6.79	4.76	5.26	2.71	3.00	1.74	2.71	4.36

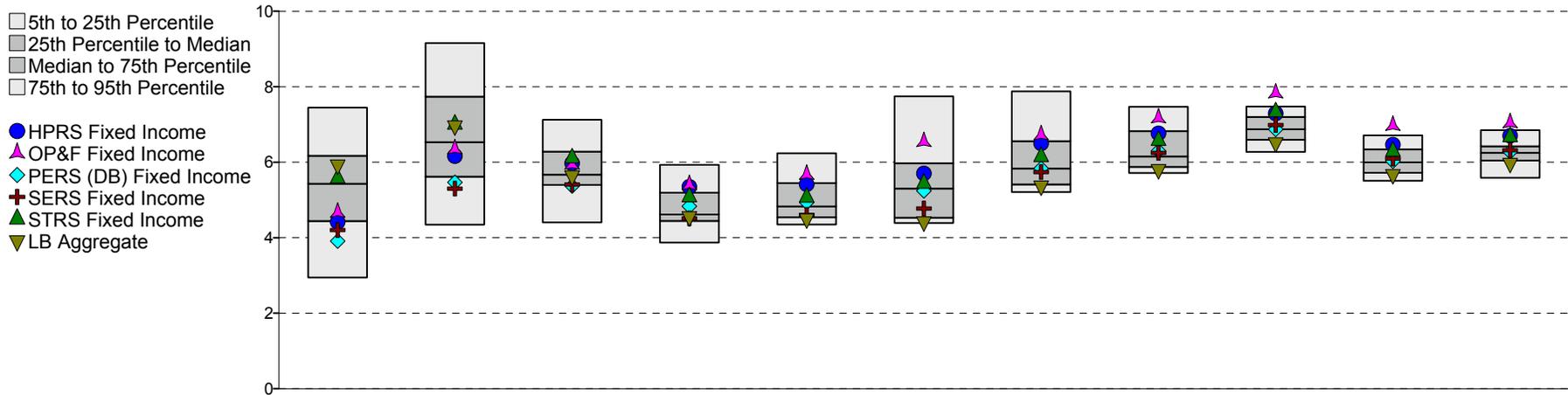
Percentile Rank

	1/98 - 12/98	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
HPRS Fixed Income	41	28	48	45	25	34	37	11	15	65
OP&F Fixed Income	73	25	12	11	77	13	22	10	21	61
PERS (DB) Fixed Income	53	48	49	26	61	39	47	15	26	81
SERS Fixed Income	58	57	16	20	21	54	58	52	21	84
STRS Fixed Income	11	78	12	24	45	34	54	34	28	44
LB Aggregate	47	59	32	42	30	83	79	74	68	45

The graph above provides an analysis of the calendar year performance with twelve-month measurement periods ending December 31, 2007 within the Mellon All Domestic Fixed Income Universe. In 2007, STRS was the only plan that placed above median (44th percentile). OP&F and HPRS ranked in the third quartile of the universe while PERS and SERS placed in the fourth quartile.

**Total Fixed Income vs. Mellon All Public Domestic Fixed Income Universe
Performance and Rank Data as of 12/31/07**

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
HPRS Fixed Income	4.42	6.16	5.97	5.35	5.41	5.70	6.50	6.76	7.29	6.47	6.70
OP&F Fixed Income	4.67	6.35	5.94	5.40	5.68	6.54	6.72	7.17	7.83	6.97	7.04
PERS (DB) Fixed Income	3.91	5.47	5.37	4.83	4.94	5.24	5.84	6.30	6.87	6.03	6.27
SERS Fixed Income	4.20	5.30	5.41	4.51	4.61	4.77	5.74	6.25	6.99	6.10	6.32
STRS Fixed Income	5.58	7.00	6.11	5.08	5.07	5.44	6.15	6.57	7.33	6.29	6.67
LB Aggregate	5.93	6.97	5.64	4.56	4.50	4.42	5.37	5.81	6.52	5.68	5.97
Universe(5%)	7.44	9.15	7.12	5.93	6.24	7.75	7.88	7.47	7.48	6.71	6.85
Universe(25%)	6.17	7.74	6.28	5.19	5.45	5.97	6.56	6.82	7.20	6.34	6.42
Universe(Median)	5.43	6.53	5.67	4.61	4.83	5.30	5.83	6.15	6.88	6.00	6.25
Universe(75%)	4.44	5.62	5.40	4.45	4.54	4.53	5.41	5.87	6.60	5.72	6.04
Universe(95%)	2.94	4.35	4.40	3.87	4.35	4.39	5.21	5.71	6.27	5.51	5.59

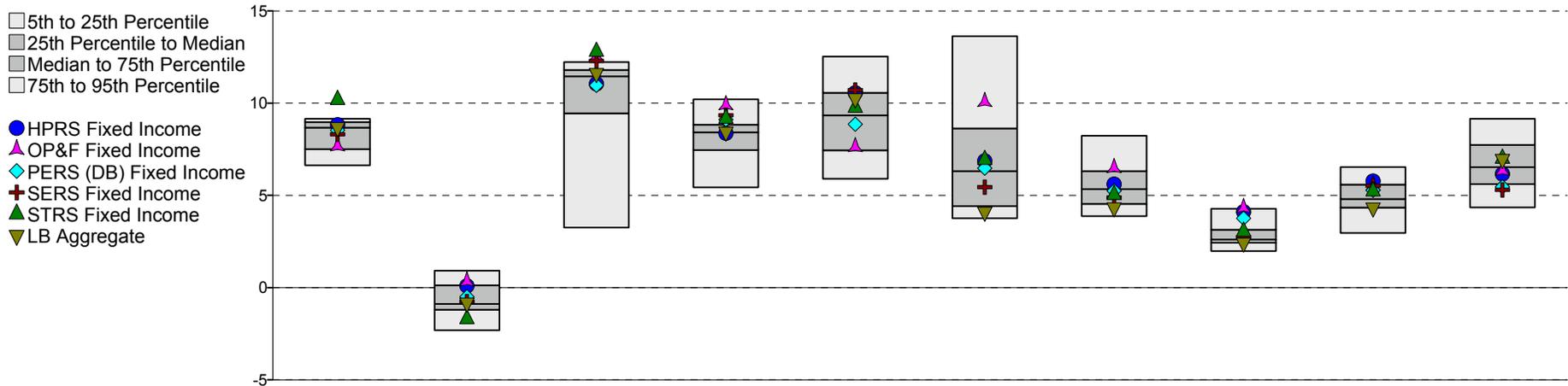
Percentile Rank

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Fixed Income	77	66	29	18	26	35	31	27	21	17	16
OP&F Fixed Income	69	58	31	18	16	18	18	11	0	0	0
PERS (DB) Fixed Income	84	78	77	39	45	51	50	41	51	41	47
SERS Fixed Income	82	80	72	62	67	65	57	44	37	35	38
STRS Fixed Income	45	43	27	29	36	48	41	36	19	26	16
LB Aggregate	34	44	52	54	78	91	78	82	84	83	86

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

**Total Fixed Income vs. Mellon All Public Domestic Fixed Income Universe
Performance and Rank Data as of 12/31/07**

Calendar Year Performance



Return, %

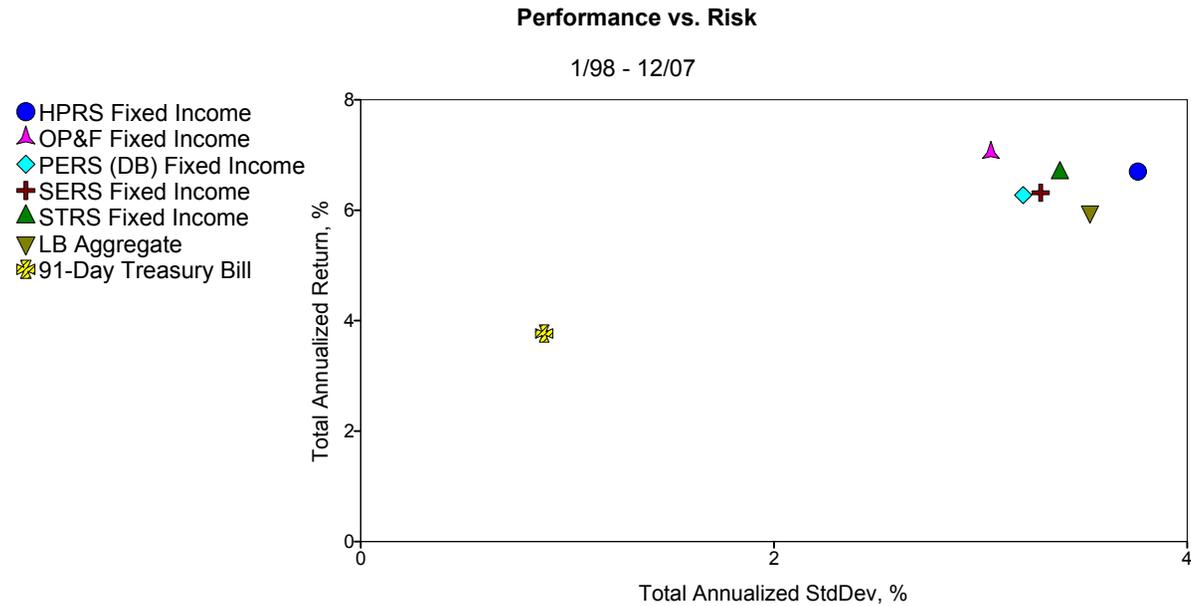
	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07
HPRS Fixed Income	8.83	0.10	11.05	8.37	10.56	6.87	5.61	4.11	5.78	6.16
OP&F Fixed Income	7.67	0.35	12.55	9.90	7.63	10.08	6.50	4.33	5.54	6.35
PERS (DB) Fixed Income	8.53	-0.50	10.97	9.11	8.86	6.48	5.25	3.76	5.28	5.47
SERS Fixed Income	8.32	-0.76	12.29	9.35	10.71	5.45	4.89	2.74	5.52	5.30
STRS Fixed Income	10.19	-1.70	12.80	9.17	9.76	6.94	5.03	3.04	5.23	7.00
LB Aggregate	8.69	-0.82	11.63	8.44	10.26	4.10	4.34	2.43	4.33	6.97
Universe(5%)	9.16	0.92	12.23	10.21	12.53	13.63	8.23	4.27	6.54	9.15
Universe(25%)	8.97	0.13	11.80	8.83	10.56	8.63	6.31	3.14	5.59	7.74
Universe(Median)	8.67	-0.89	11.45	8.42	9.34	6.31	5.35	2.61	4.80	6.53
Universe(75%)	7.51	-1.20	9.45	7.46	7.44	4.42	4.54	2.43	4.34	5.62
Universe(95%)	6.64	-2.31	3.26	5.44	5.91	3.76	3.88	1.98	2.96	4.35

Percentile Rank

	1/98 - 12/98	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
HPRS Fixed Income	35	26	64	52	25	43	43	6	20	66
OP&F Fixed Income	74	19	1	6	66	20	23	4	25	58
PERS (DB) Fixed Income	57	41	64	17	58	48	51	9	32	78
SERS Fixed Income	62	45	4	15	12	61	65	42	27	80
STRS Fixed Income	0	89	0	17	46	43	62	29	37	43
LB Aggregate	50	47	29	49	35	86	88	75	76	44

The graph above provides an analysis of the calendar year performance with twelve-month measurement periods ending December 31, 2007 within the Mellon All Public Domestic Fixed Income Universe. In 2007, STRS ranked in the second quartile, while OP&F and HPRS ranked in the third quartile of the universe and PERS and SERS placed in the fourth quartile.

Domestic Fixed Income Risk Analysis - Last 10 Years Performance Overview For Period Ending 12/31/07

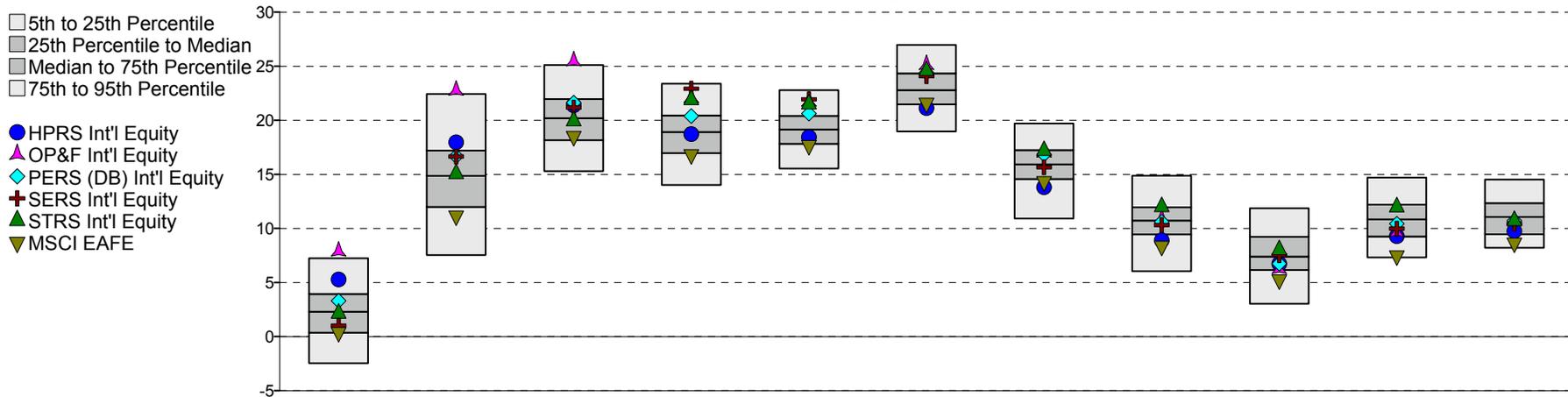


	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
			Alpha, %	Sharpe Ratio
	Total	Total		
HPRS Fixed Income	6.70	3.76	2.88	0.77
OP&F Fixed Income	7.04	3.05	3.19	1.03
PERS (DB) Fixed Income	6.27	3.21	2.46	0.77
SERS Fixed Income	6.32	3.29	2.50	0.77
STRS Fixed Income	6.67	3.38	2.85	0.85
LB Aggregate	5.97	3.53	2.18	0.63
91-Day Treasury Bill	3.77	0.89	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, SERS and PERS DB.

Total International Equities vs. Mellon All International Equity Universe Performance and Rank Data as of 12/31/07

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
HPRS Int'l Equity	5.28	17.96	21.38	18.72	18.44	21.13	13.81	8.91	6.73	9.28	9.76
OP&F Int'l Equity	7.89	22.77	25.47	22.10	21.75	25.13	17.05	10.87	6.27	9.68	10.72
PERS (DB) Int'l Equity	3.30	16.67	21.62	20.39	20.62	24.39	16.85	10.61	6.74	10.42	10.71
SERS Int'l Equity	1.02	16.65	21.17	22.92	21.94	24.08	15.65	10.31	7.53	9.98	10.44
STRS Int'l Equity	2.15	15.06	19.93	21.90	21.50	24.58	17.19	12.00	8.02	11.98	10.72
MSCI EAFE	0.39	11.17	18.51	16.83	17.67	21.59	14.33	8.37	5.25	7.47	8.66
Universe(5%)	7.24	22.42	25.11	23.38	22.79	26.97	19.71	14.88	11.87	14.69	14.51
Universe(25%)	3.93	17.21	21.96	20.44	20.40	24.33	17.24	11.95	9.23	12.19	12.34
Universe(Median)	2.30	14.86	20.20	18.91	19.15	22.78	15.93	10.73	7.39	10.84	11.06
Universe(75%)	0.37	11.99	18.16	16.97	17.82	21.47	14.57	9.45	6.16	9.25	9.46
Universe(95%)	-2.46	7.55	15.29	14.02	15.54	18.96	10.93	6.05	3.04	7.32	8.21

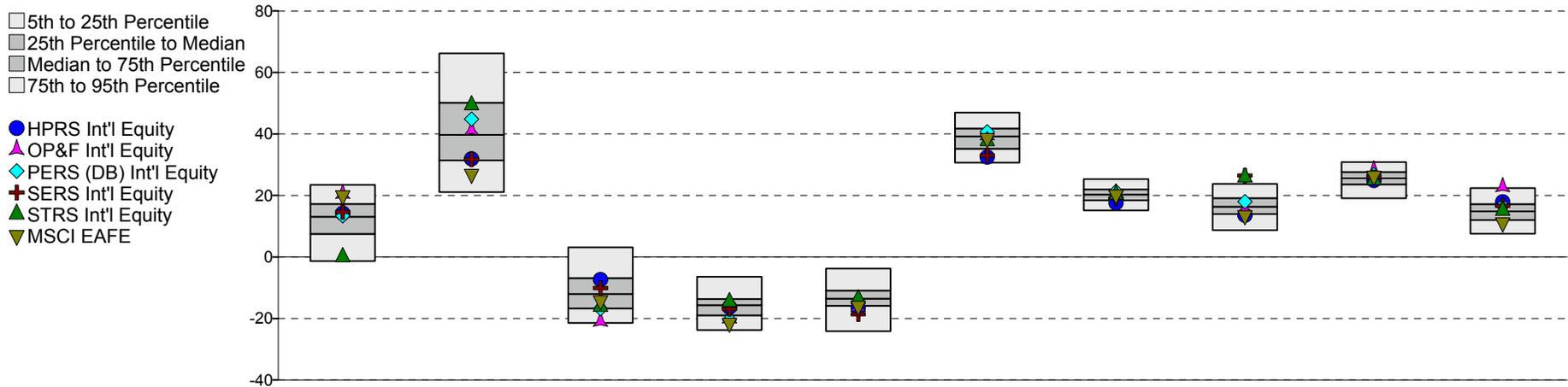
Percentile Rank

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Int'l Equity	14	20	31	53	64	80	84	82	60	75	70
OP&F Int'l Equity	4	4	4	9	11	15	29	48	73	67	55
PERS (DB) Int'l Equity	35	30	29	25	22	23	32	54	60	55	55
SERS Int'l Equity	66	31	34	7	10	30	54	59	48	64	58
STRS Int'l Equity	53	48	53	10	14	20	26	24	38	29	55
MSCI EAFE	75	80	69	77	76	74	77	88	86	94	93

The exhibits above, and on the next page, compare the international equity results of the five 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 December 31, 2007, all five funds ranked in the third quartile. OP&F, PERS and STRS ranked in the 55th percentile, SERS ranked in the 58th percentile and HPRS ranked in the 70th percentile.

**Total International Equities vs. Mellon All International Equity Universe
Performance and Rank Data as of 12/31/07**

Calendar Year Performance



Return, %

	1/98 - 12/98	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
HPRS Int'l Equity	14.24	31.94	-7.35	-16.34	-16.66	32.50	17.59	13.58	24.90	17.96
OP&F Int'l Equity	20.55	41.21	-20.98	-19.93	-16.17	39.60	20.73	15.62	28.23	22.77
PERS (DB) Int'l Equity	13.37	44.83	-16.80	-20.41	-14.55	40.71	21.30	17.97	26.78	16.67
SERS Int'l Equity	14.63	31.73	-10.08	-16.91	-18.64	33.02	19.04	26.49	25.88	16.65
STRS Int'l Equity	-0.03	49.38	-16.17	-14.63	-13.69	37.71	20.28	25.94	25.01	15.06
MSCI EAFE	20.00	26.96	-14.17	-21.44	-15.94	38.59	20.25	13.54	26.34	11.17
Universe(5%)	23.48	66.21	3.15	-6.41	-3.77	46.96	25.31	23.80	30.85	22.42
Universe(25%)	17.23	50.15	-6.87	-13.70	-10.94	41.79	21.97	19.12	27.65	17.21
Universe(Median)	13.09	39.72	-12.03	-15.65	-13.55	39.22	20.30	16.35	25.60	14.86
Universe(75%)	7.52	31.43	-16.74	-18.99	-15.89	35.17	18.41	13.98	23.61	11.99
Universe(95%)	-1.34	21.10	-21.45	-23.78	-24.12	30.67	15.14	8.68	19.09	7.55

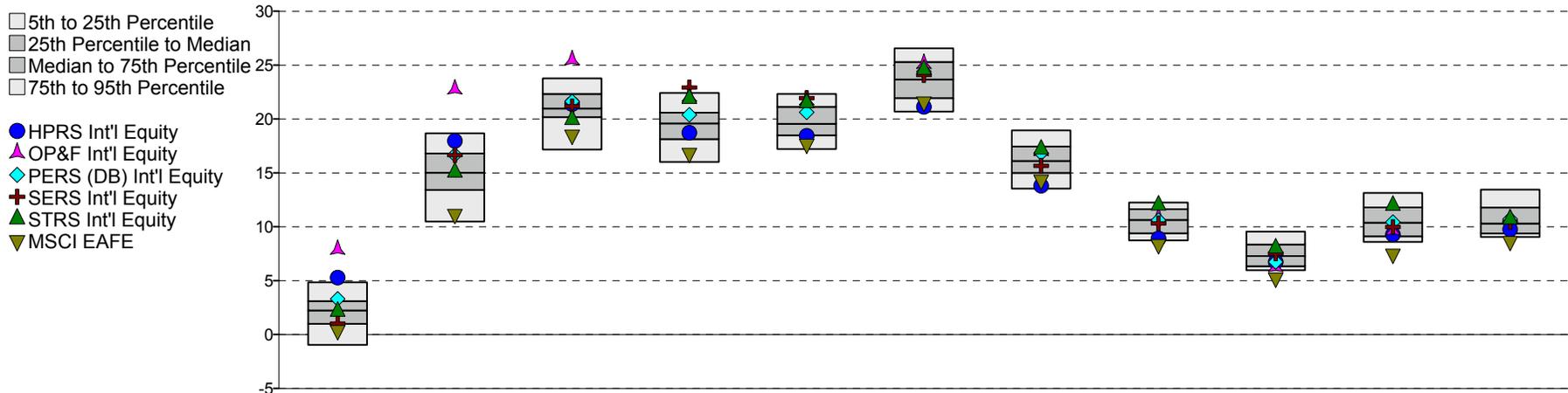
Percentile Rank

	1/98 - 12/98	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
HPRS Int'l Equity	42	73	27	54	80	90	80	79	61	20
OP&F Int'l Equity	10	47	94	84	77	46	42	59	21	4
PERS (DB) Int'l Equity	48	37	75	87	62	37	34	32	36	30
SERS Int'l Equity	40	73	40	57	88	87	69	1	47	31
STRS Int'l Equity	92	26	72	33	52	58	50	2	60	48
MSCI EAFE	12	85	64	90	75	54	50	80	42	80

The graph above provides an analysis of the calendar year performance with twelve-month measurement periods ending December 31, 2007 within the Mellon All International Equity Universe. In 2007, OP&F ranked in the 4th percentile, HPRS ranked in the 20th percentile, PERS ranked in the 30th percentile, SERS placed in the 31st percentile and STRS ranked in the 48th percentile.

**Total International Equities vs. Mellon All Public International Equity Universe
Performance and Rank Data as of 12/31/07**

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
HPRS Int'l Equity	5.28	17.96	21.38	18.72	18.44	21.13	13.81	8.91	6.73	9.28	9.76
OP&F Int'l Equity	7.89	22.77	25.47	22.10	21.75	25.13	17.05	10.87	6.27	9.68	10.72
PERS (DB) Int'l Equity	3.30	16.67	21.62	20.39	20.62	24.39	16.85	10.61	6.74	10.42	10.71
SERS Int'l Equity	1.02	16.65	21.17	22.92	21.94	24.08	15.65	10.31	7.53	9.98	10.44
STRS Int'l Equity	2.15	15.06	19.93	21.90	21.50	24.58	17.19	12.00	8.02	11.98	10.72
MSCI EAFE	0.39	11.17	18.51	16.83	17.67	21.59	14.33	8.37	5.25	7.47	8.66
Universe(5%)	4.84	18.67	23.77	22.42	22.33	26.56	18.95	12.25	9.56	13.14	13.45
Universe(25%)	3.10	16.81	22.33	20.59	21.12	25.29	17.45	11.63	8.35	11.80	11.79
Universe(Median)	2.24	15.02	20.97	19.58	19.54	23.67	16.11	10.64	7.28	10.38	10.29
Universe(75%)	1.00	13.43	20.17	18.13	18.48	21.94	14.99	9.39	6.34	9.11	9.39
Universe(95%)	-0.97	10.48	17.17	16.02	17.22	20.68	13.54	8.73	5.97	8.59	9.05

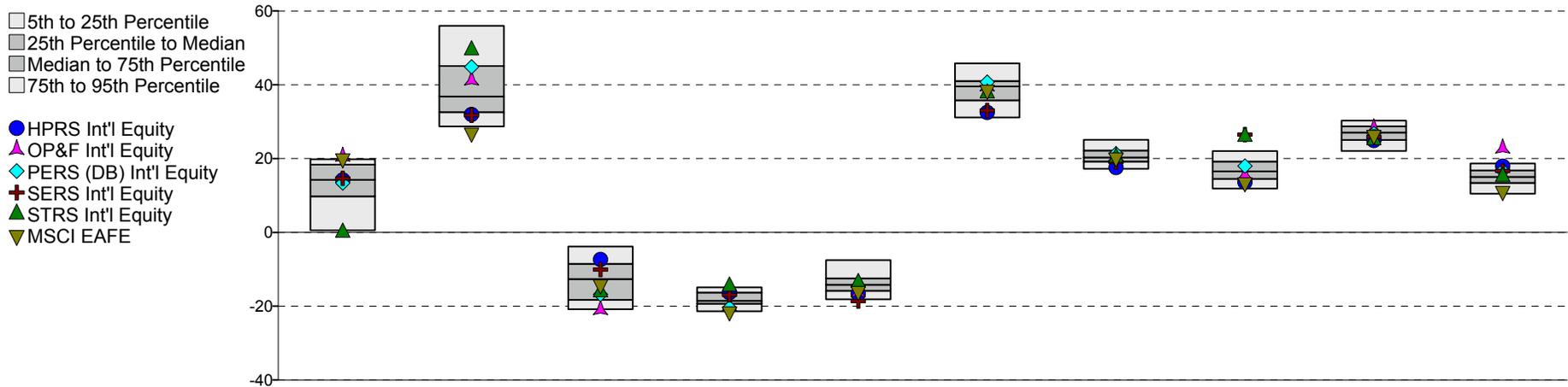
Percentile Rank

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Int'l Equity	2	11	41	65	76	90	93	88	57	65	67
OP&F Int'l Equity	0	0	0	8	13	25	33	46	83	62	47
PERS (DB) Int'l Equity	20	26	39	32	30	28	35	55	57	50	47
SERS Int'l Equity	74	26	46	1	9	38	62	58	42	58	49
STRS Int'l Equity	55	49	76	10	17	27	28	12	34	22	47
MSCI EAFE	82	89	79	84	84	85	82	98	99	100	100

The exhibits 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 December 31, 2007, OP&F, PERS, SERS and STRS ranked in the second quartile, whereas HPRS ranked in the third quartile. OP&F, PERS and STRS ranked in the 47th percentile, SERS ranked in the 49th percentile and HPRS ranked in the 67th percentile.

**Total International Equities vs. Mellon All Public International Equity Universe
Performance and Rank Data as of 12/31/07**

Calendar Year Performance



Return, %

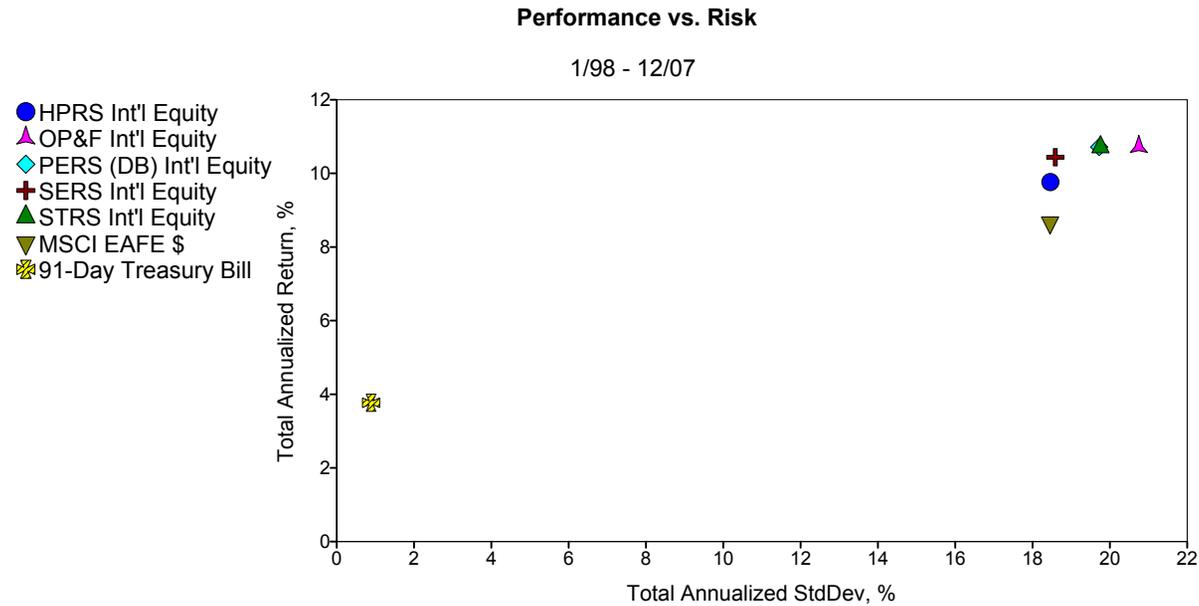
	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07
HPRS Int'l Equity	14.24	31.94	-7.35	-16.34	-16.66	32.50	17.59	13.58	24.90	17.96
OP&F Int'l Equity	20.55	41.21	-20.98	-19.93	-16.17	39.60	20.73	15.62	28.23	22.77
PERS (DB) Int'l Equity	13.37	44.83	-16.80	-20.41	-14.55	40.71	21.30	17.97	26.78	16.67
SERS Int'l Equity	14.63	31.73	-10.08	-16.91	-18.64	33.02	19.04	26.49	25.88	16.65
STRS Int'l Equity	-0.03	49.38	-16.17	-14.63	-13.69	37.71	20.28	25.94	25.01	15.06
MSCI EAFE	20.00	26.96	-14.17	-21.44	-15.94	38.59	20.25	13.54	26.34	11.17
Universe(5%)	19.82	55.99	-3.85	-14.92	-7.54	45.79	25.08	22.04	30.30	18.67
Universe(25%)	18.36	45.09	-8.53	-16.30	-12.48	41.02	22.17	19.19	28.73	16.81
Universe(Median)	14.27	36.81	-12.64	-18.55	-14.21	39.56	20.32	16.55	27.05	15.02
Universe(75%)	9.78	32.58	-18.29	-19.31	-15.83	35.78	19.20	14.50	25.06	13.43
Universe(95%)	0.55	28.69	-20.85	-21.38	-18.15	31.14	17.24	11.88	22.06	10.48

Percentile Rank

	1/98 - 12/98	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
HPRS Int'l Equity	50	79	12	25	84	91	94	87	80	11
OP&F Int'l Equity	1	40	96	83	81	46	40	63	31	0
PERS (DB) Int'l Equity	55	26	70	90	53	32	37	30	58	26
SERS Int'l Equity	46	80	34	32	97	87	83	0	70	26
STRS Int'l Equity	96	16	69	2	35	62	51	0	78	49
MSCI EAFE	4	98	60	97	77	55	52	89	64	89

The graph above provides an analysis of the calendar year performance with twelve-month measurement periods ending December 31, 2007 within the Mellon All Public International Equity Universe. In 2007, OP&F and HPRS ranked in the first quartile, while PERS, SERS and STRS ranked in the second quartile of the peer universe.

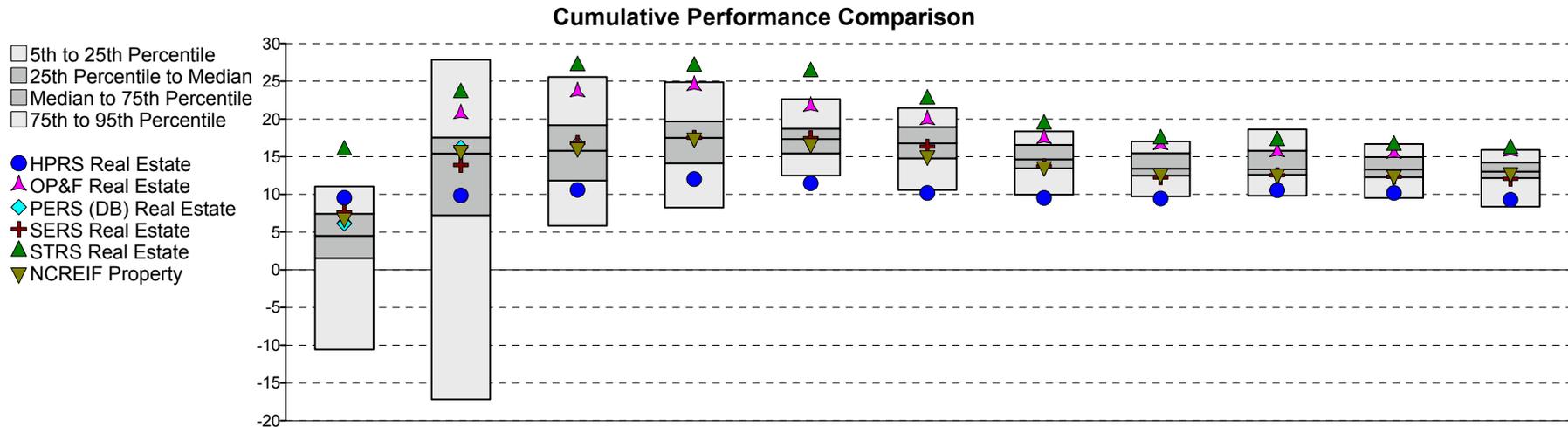
International Equity Risk Analysis - Last 10 Years Performance Overview For Period Ending 12/31/07



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
			Alpha, %	Sharpe Ratio
	Total	Total		
HPRS Int'l Equity	9.76	18.46	7.37	0.40
OP&F Int'l Equity	10.72	20.75	8.67	0.41
PERS (DB) Int'l Equity	10.71	19.72	8.45	0.42
SERS Int'l Equity	10.44	18.59	8.04	0.43
STRS Int'l Equity	10.72	19.76	8.48	0.43
MSCI EAFE \$	8.66	18.45	6.33	0.34
91-Day Treasury Bill	3.77	0.89	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 SERS.

Total Real Estate vs. Mellon All Real Estate Universe Performance and Rank Data as of 12/31/07



Return, %

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Real Estate	9.55	9.85	10.59	12.04	11.47	10.18	9.53	9.46	10.53	10.18	9.29
OP&F Real Estate	6.82	20.67	23.59	24.41	21.66	19.89	17.40	16.59	15.65	15.43	15.69
PERS (DB) Real Estate	6.11	16.20	16.72	NA							
SERS Real Estate	7.65	13.89	16.83	17.50	17.45	16.35	13.73	12.25	12.55	12.34	12.07
STRS Real Estate	15.86	23.46	27.06	26.96	26.25	22.61	19.29	17.34	17.10	16.49	16.05
NCREIF Property	6.88	15.84	16.21	17.48	16.73	15.13	13.69	12.75	12.69	12.54	12.90
Universe(5%)	11.05	27.83	25.58	24.87	22.63	21.45	18.36	17.03	18.62	16.67	15.91
Universe(25%)	7.43	17.54	19.17	19.67	18.71	18.92	16.57	15.46	15.80	14.95	14.23
Universe(Median)	4.52	15.43	15.78	17.50	17.34	16.77	14.65	13.42	13.32	13.30	13.03
Universe(75%)	1.55	7.23	11.84	14.11	15.44	14.78	13.48	12.49	12.61	12.26	12.15
Universe(95%)	-10.58	-17.19	5.84	8.25	12.48	10.57	9.97	9.72	9.81	9.52	8.37

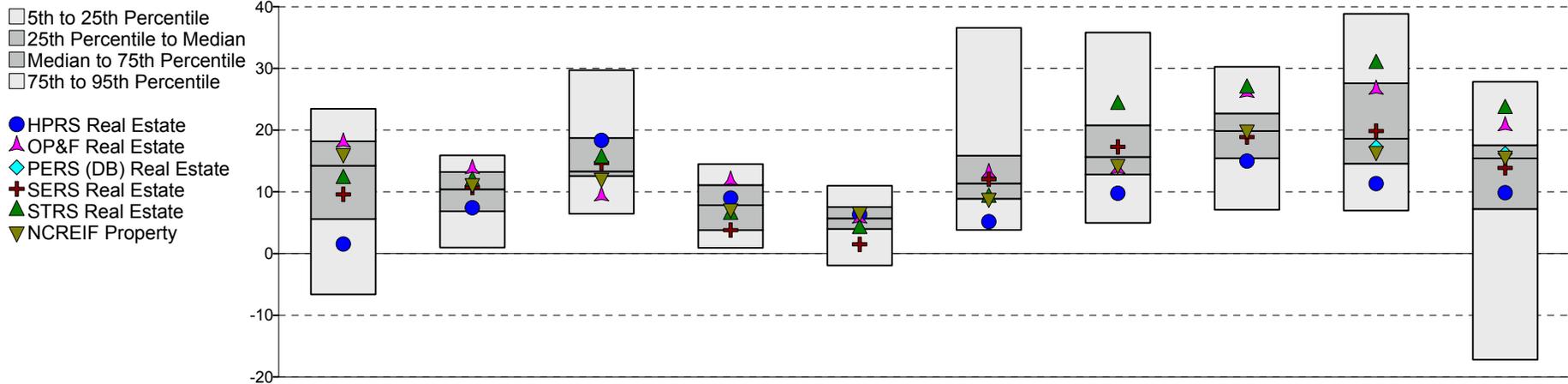
Percentile Rank

	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Real Estate	11	73	80	83	96	95	96	96	89	93	93
OP&F Real Estate	28	14	8	8	10	14	15	7	27	17	8
PERS (DB) Real Estate	36	45	39	NA							
SERS Real Estate	23	56	38	50	48	55	67	76	76	71	78
STRS Real Estate	2	8	3	1	0	3	2	2	9	7	5
NCREIF Property	27	48	45	51	60	68	68	73	73	69	54

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 December 31, 2007, STRS and OP&F exceeded the median return to place in the 5th and 8th percentile, respectively. SERS and HPRS ranked below median. 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, an insignificant number.

**Total Real Estate vs. Mellon All Real Estate Universe
Performance and Rank Data as of 12/31/07**

Calendar Year Performance



Return, %

	1/98 - 12/98	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
HPRS Real Estate	1.55	7.43	18.35	9.00	6.35	5.17	9.78	14.99	11.34	9.85
OP&F Real Estate	18.02	13.72	9.30	11.84	5.70	13.06	13.74	26.07	26.58	20.67
PERS (DB) Real Estate	NA	17.23	16.20							
SERS Real Estate	9.60	10.70	14.65	3.79	1.49	12.05	17.28	18.87	19.84	13.89
STRS Real Estate	12.11	11.73	15.43	6.30	4.01	9.06	24.13	26.78	30.75	23.46
NCREIF Property	16.22	11.35	12.25	7.29	6.74	8.99	14.48	20.06	16.59	15.84
Universe(5%)	23.46	15.91	29.71	14.50	10.98	36.56	35.83	30.28	38.86	27.83
Universe(25%)	18.19	13.23	18.73	11.08	7.53	15.87	20.78	22.72	27.60	17.54
Universe(Median)	14.23	10.42	13.31	7.85	5.70	11.36	15.66	19.85	18.62	15.43
Universe(75%)	5.58	6.85	12.58	3.79	3.99	8.89	12.81	15.45	14.56	7.23
Universe(95%)	-6.62	0.97	6.46	0.92	-1.93	3.82	4.98	7.09	6.95	-17.19

Percentile Rank

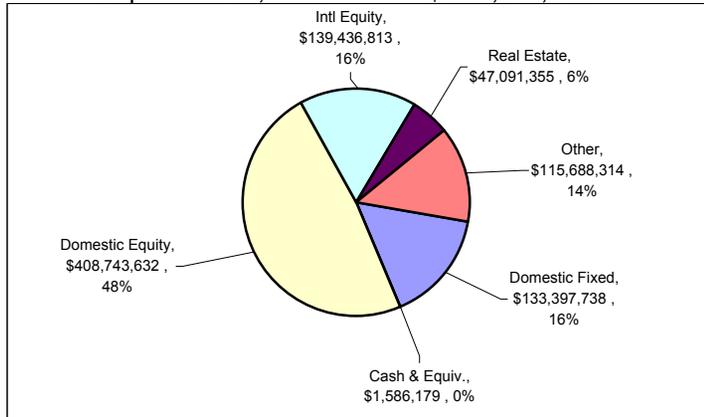
	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06	1/07 - 12/07
HPRS Real Estate	84	70	29	42	39	93	90	78	85	73
OP&F Real Estate	28	18	91	13	50	39	70	10	27	14
PERS (DB) Real Estate	NA	58	45							
SERS Real Estate	61	47	40	75	91	47	39	56	45	56
STRS Real Estate	54	39	38	62	75	74	18	9	17	8
NCREIF Property	42	45	80	58	37	74	63	47	61	48

The graph above provides an analysis of the calendar year performance with twelve-month measurement periods ending December 31, 2007 within the Mellon All Real Estate Universe. In 2007, STRS and OP&F outpaced the median real estate return, which placed both plans in the top quartile of the universe. For the same time period, PERS also beat the median real estate return to place in the second quartile of the universe, while SERS and HPRS lagged the median return to rank in the third quartile of the Mellon Universe.

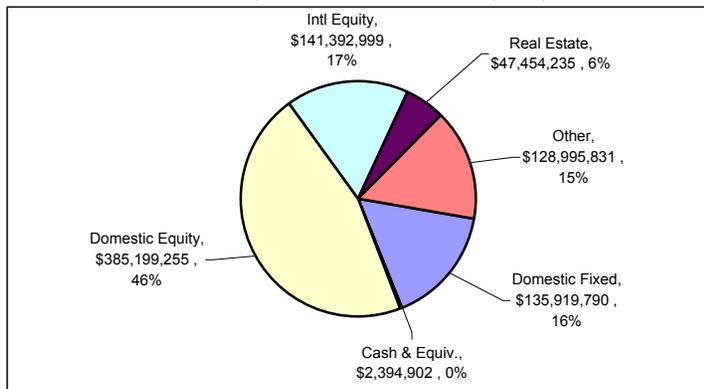
Highway Patrol Retirement System

**Asset Allocation
HPRS**

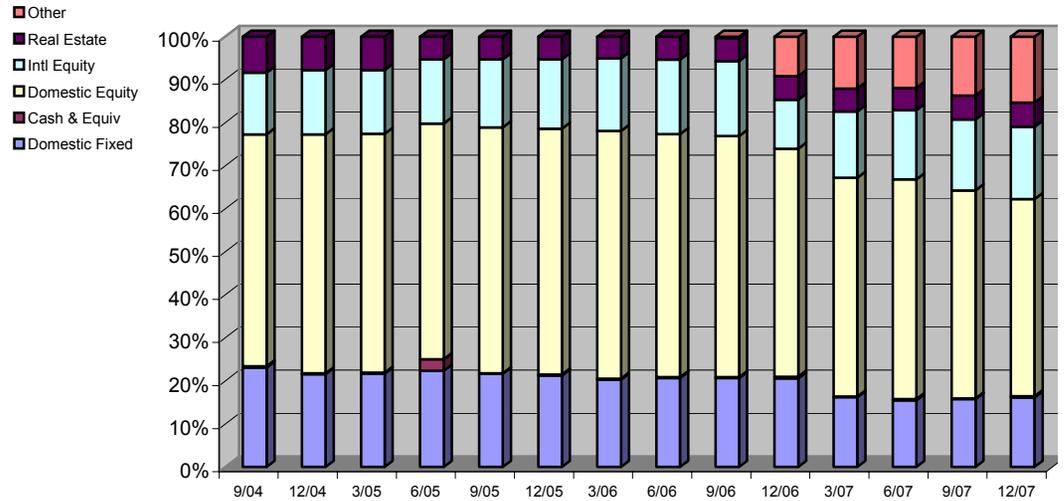
September 30, 2007 \$ 845,944,031



December 31, 2007 \$ 841,357,012



**Asset Allocation
HPRS**



	9/04	12/04	3/05	6/05	9/05	12/05	3/06	6/06	9/06	12/06	3/07	6/07	9/07	12/07
Domestic Fixed %	23.1	21.6	21.7	22.3	21.7	21.3	20.3	20.7	20.7	20.6	16.2	15.5	15.8	16.2
Cash & Equiv. %	0.3	0.2	0.3	2.7	0.1	0.2	0.2	0.2	0.2	0.4	0.2	0.3	0.2	0.3
Domestic Equity %	53.9	55.5	55.5	54.8	57.1	57.1	57.5	56.5	56.0	53.0	50.8	51.1	48.3	45.8
Intl Equity %	14.3	14.9	14.8	14.9	15.8	16.1	16.9	17.3	17.4	11.4	15.4	16.0	16.5	16.8
Real Estate %	8.4	7.8	7.8	5.3	5.3	5.3	5.1	5.4	5.4	5.5	5.4	5.2	5.6	5.6
Other %									0.3	9.1	12.0	11.9	13.7	15.3
Total Value (\$mil)	639.2	681.0	670.3	676.6	702.5	713.7	749.9	733.6	753.8	794.6	805.4	839.0	845.9	841.4

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 last two quarters of 2007. The chart on the right tracks the quarterly asset allocation of the fund over the last fourteen quarters.

Highway Patrol Retirement System

Quarter Ending 12/31/2007

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

Label	Quarter Start	Quarter End	Percent	Description			
Policy Index	Mar-07	Dec-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	LB Aggregate		

HPRS' custom policy index is listed above. The chart tracks the fund's change in asset allocation strategy over the past thirteen years.

Highway Patrol Retirement System

Performance Overview

Returns for Period Ending December 31, 2007

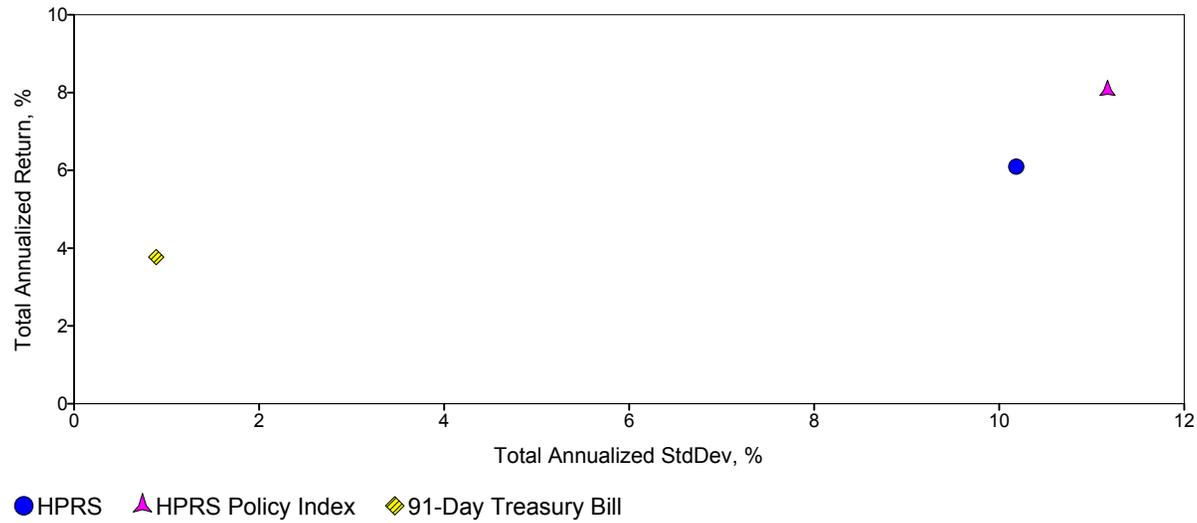
	<u>2 Qtrs</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>	<u>10 Yrs</u>
Total Fund	0.48	7.85	9.82	13.17	6.10
Policy Index	1.17	8.46	10.29	13.26	8.05
Domestic Equity	-3.98	4.67	8.80	15.25	3.75
Domestic Equity Segment Median	-2.02	5.55	9.20	14.36	7.14
Wilshire 5000	-1.81	5.62	9.16	14.01	6.34
International Equity	5.28	17.96	18.72	21.13	9.76
International Equity Segment Median	2.30	14.86	18.91	22.78	11.06
MSCI EAFE	0.39	11.17	16.83	21.59	8.66
Fixed Income	4.42	6.16	5.35	5.70	6.70
Fixed Income Segment Median	5.62	6.76	4.77	5.09	6.13
LB Aggregate	5.93	6.97	4.56	4.42	5.97
Cash	3.73	6.72	5.31	3.71	4.14
Real Estate	9.55	9.85	12.04	10.18	9.29
NCREIF	6.88	15.84	17.48	15.13	12.90
Alternatives	3.65	8.83	NA	NA	NA

Over the ten-year period as of December 31, 2007, the fund's total return is trailing the policy index by 1.95% on an annualized basis. This is due to its domestic equity and real estate returns, which both lagged their respective benchmarks (DJ Wilshire 5000 Index and NCREIF Index) by 259 and 361 basis points. The more recent one-year period shows that HPRS is underperforming the policy index by 61 basis points.

**HPRS Total Fund Risk Analysis - Last 10 Years
Performance Overview
For Period Ending 12/31/07**

Performance vs. Risk

1/98 - 12/07



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
			Alpha, %	Sharpe Ratio
	Total	Total		
HPRS	6.10	10.18	2.75	0.26
HPRS Policy Index	8.05	11.17	4.70	0.42
91-Day Treasury Bill	3.77	0.89	0.00	NA

The graph above shows that on a risk-adjusted basis, HPRS has underperformed the return of its policy index for the ten-year period by 195 basis points.

Highway Patrol Retirement System

Asset Allocation Actual vs. Benchmark June 30, 2007

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	51.1%	32% S & P 500 / 18% Russell 2500	50.0%	1.1%
Fixed Income	15.5%	LB Aggregate	15.0%	0.5%
Intl. Equity	16.0%	MSCI AC World Index ex US	15.0%	1.0%
Real Estate	5.2%	NCREIF	5.0%	0.2%
Alternative Investments	11.9%	5% HFRI FOF / 10% CPI + 5%	15.0%	-3.1%
Short Term	0.3%	3 Month T-Bill	0.0%	0.3%

December 31, 2007

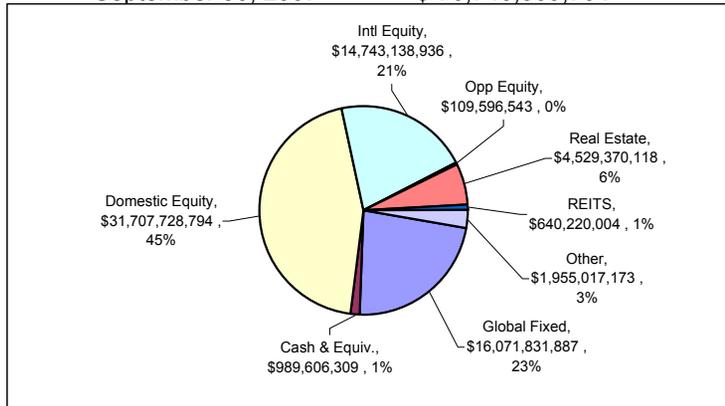
Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	45.8%	32% S & P 500 / 18% Russell 2500	50.0%	-4.2%
Fixed Income	16.2%	LB Aggregate	15.0%	1.2%
Intl. Equity	16.8%	MSCI AC World Index ex US	15.0%	1.8%
Real Estate	5.6%	NCREIF	5.0%	0.6%
Alternative Investments	15.3%	5% HFRI FOF / 10% CPI + 5%	15.0%	0.3%
Short Term	0.3%	3 Month T-Bill	0.0%	0.3%

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

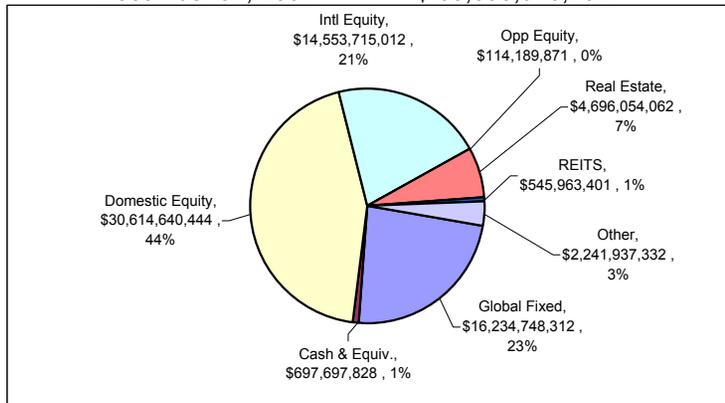
Public Employees Retirement System

**Asset Allocation
PERS Defined Benefit Plan**

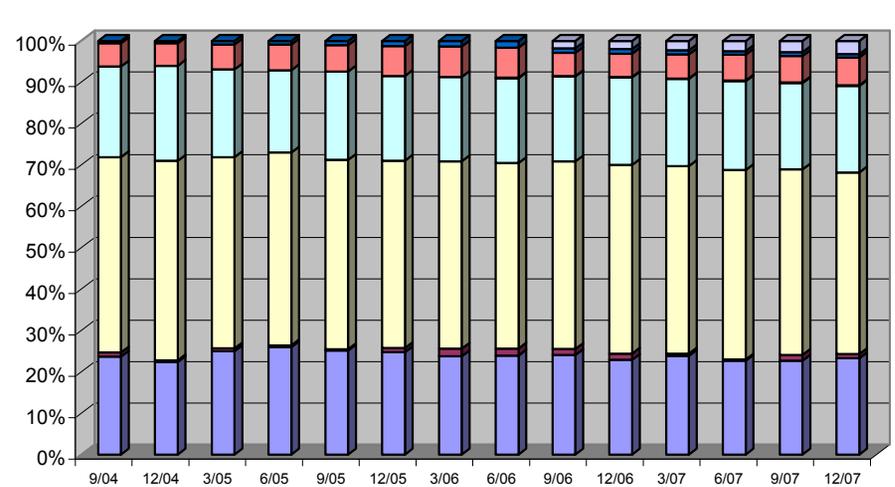
September 30, 2007 \$ 70,746,509,764



December 31, 2007 \$ 69,698,946,262



**Asset Allocation
PERS Defined Benefit Plan**



	9/04	12/04	3/05	6/05	9/05	12/05	3/06	6/06	9/06	12/06	3/07	6/07	9/07	12/07
Global Fixed %	23.7	22.4	25.0	26.0	25.2	24.8	23.8	24.0	24.1	22.9	23.9	22.7	22.7	23.3
Cash & Equiv. %	1.0	0.4	0.7	0.4	0.3	1.0	1.8	1.7	1.4	1.5	0.5	0.2	1.4	1.0
Domestic Equity %	47.2	48.2	46.2	46.6	45.7	45.2	45.3	44.9	45.3	45.6	45.3	45.8	44.8	43.9
Intl Equity %	21.9	23.0	21.2	19.9	21.4	20.5	20.4	20.5	20.6	21.1	21.1	21.5	20.8	20.9
Opp Equity %	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.2	0.2	0.2
Real Estate %	4.5	4.3	5.4	5.5	5.7	6.6	6.3	6.2	5.6	5.7	5.8	6.2	6.4	6.7
REITS %	1.1	1.1	0.6	0.7	0.7	0.7	1.1	1.0	1.1	1.1	1.0	0.9	0.9	0.8
Other %	0.6	0.5	0.6	0.6	0.9	0.9	1.0	1.3	1.3	1.6	2.3	2.5	2.8	3.2
Total Value (\$bil)	60.4	60.0	59.8	64.6	52.8	53.7	55.7	57.2	59.7	59.0	66.0	68.9	70.7	69.7

Note: Defined benefit and health care plan assets were segregated in January 2005. An allocation of 23.29% to total fixed income consists of 13.88% (fixed income), 0.06% (stable value) and 9.35% (long duration) as of December 31, 2007.

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 last two quarters of 2007. 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 12/31/2007

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
	Mar-99	Mar-99	45.4	Giliberto-Levy Mortgage
			45.4	SB Broad Inv Grade
			35.0	Standard & Poors 500
			7.6	MSCI World Ex-US (Net)
			6.6	NCREIF
			2.2	NAREIT
	Jun-99	Jun-99	2.2	Giliberto-Levy Mortgage
			1.0	91-Day Treasury Bill
			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			

Charts above and on the following pages track PERS asset allocation policy index over the past thirteen years.

Public Employees Retirement System
Defined Benefit Plan
Quarter Ending 12/31/2007

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	LB 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	LB 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	LB 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	LB 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	LB Bellweather 3Mth T-Bill		
	0.4	Standard & Poors 500		
	Mar-03	Dec-04	46.0	Russell 3000
			23.0	Lehman Universal
20.0			MSCI AC World Ex-US (Net)	
8.1			NCREIF	
0.9			Wilshire Real Estate Securities	
1.0			LB Bellweather 3Mth T-Bill	
1.0	Russell 3000 + 3% (1 Qtr arrears)			

Public Employees Retirement System
Defined Benefit Plan
Quarter Ending 12/31/2007

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

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

The current policy is located on the following page.

Public Employees Retirement System

Defined Benefit Plan

Quarter Ending 12/31/2007

Label	Quarter Start	Quarter End	Percent	Description
Policy Index (cont.)	Jun-06	Sep-06	45.4	Russell 3000
			24.8	Lehman 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	LB Bellweather 3Mth T-Bill		
	Sep-06	Dec-06	45.2	Russell 3000
			25.4	Lehman 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)	
Dec-06	Mar-07	45.95	Russell 3000	
		25.33	LB Universal/LB Long G/C	
		20.00	MSCI AC World Ex-US (Net)	
		5.67	Real Estate	
		1.00	Wilshire Resi Full Cap	
		0.08	Russell 3000 + 3% (1 Qtr arrears)	
1.97	LB Bellweather 3Mth T-Bill			

Label	Quarter Start	Quarter End	Percent	Description
Policy Index (cont.)	Mar-07	Jun-07	45.65	Russell 3000
			25.20	LB Universal/LB Long G/C
			20.00	MSCI AC World Ex-US (Net)
			5.80	Real Estate
	Jun-07	Sep-07	45.60	Russell 3000
			25.20	LB Universal/LB Long G/C
			20.00	MSCI AC World Ex-US (Net)
			6.80	Real Estate
	Sep-07	Dec-07	45.10	Russell 3000
			24.60	LB Universal/LB Long G/C
			20.00	MSCI AC World Ex-US (Net)
			7.40	Real Estate
			2.80	Wilshire Resi Full Cap
			0.20	Russell 3000 + 3% (1 Qtr arrears)
			0.00	LB 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% NCRIF minus 100 bps annually plus 10% Wilshire RESI minus 20 bps annually.

Public Employees Retirement System

Health Care Plan

Quarter Ending 12/31/2007

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

Label	Quarter Start	Quarter End	Percent	Description
Policy Index	Dec-06	Dec-07	30.0	Russell 3000
			15.0	Lehman Universal
			15.0	MSCI ACWI Ex-US (Net)
			5.0	Wilshire Resi Full Cap
			20.0	Lehman US Tips
			15.0	Lehman 1-3 Yr Gov't

PERS Health Care Plans' policy index is listed above. The chart above tracks the fund's change in asset allocation strategy since establishing a policy benchmark for its health care assets over a two year period since inception.

Public Employees Retirement System

Defined Benefit Plan - Performance Overview

Returns for Period Ending December 31, 2007

	<u>2 Qtrs</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>	<u>10 Yrs</u>
Total Fund	1.71	8.94	11.03	14.07	7.68
Policy Index	2.03	8.65	10.66	13.68	8.03
Domestic Equity	-1.82	5.12	8.84	13.61	6.11
Domestic Equity Segment Median	-2.02	5.55	5.55	14.36	7.14
Wilshire 5000	-1.81	5.62	9.16	14.01	6.34
International Equity	3.30	16.67	20.39	24.39	10.71
International Equity Segment Median	2.30	14.86	18.91	22.78	11.06
MSCI EAFE	0.39	11.17	16.83	21.59	8.66
Fixed Income	3.91	5.47	4.83	5.24	6.27
Fixed Income Segment Median	5.62	6.76	4.77	5.09	6.13
LB Aggregate	5.93	6.97	4.56	4.42	5.97
Long Duration Fixed Income	7.53	5.80	NA	NA	NA
LB Long-Term Gov't/Credit	7.55	6.6	4.87	5.8	6.95
Cash	2.70	5.39	4.65	3.32	3.95
Real Estate	6.11	16.20	NA	NA	NA
NCREIF	6.88	15.84	17.48	15.13	12.90
Public Real Estate	-12.40	-18.23	8.81	NA	NA
Wilshire Resi Full Cap	-12.44	-17.67	8.33	18.62	10.78
Alternatives	13.83	30.93	26.64	24.68	14.97

Over the past ten-year period, the PERS Defined Benefit Plan trailed its policy index by 35 basis points. Weaker relative performance in domestic equity attributed to the performance shortfall. For the more recent one-year period, the plan exceeded the policy benchmark by 29 basis points.

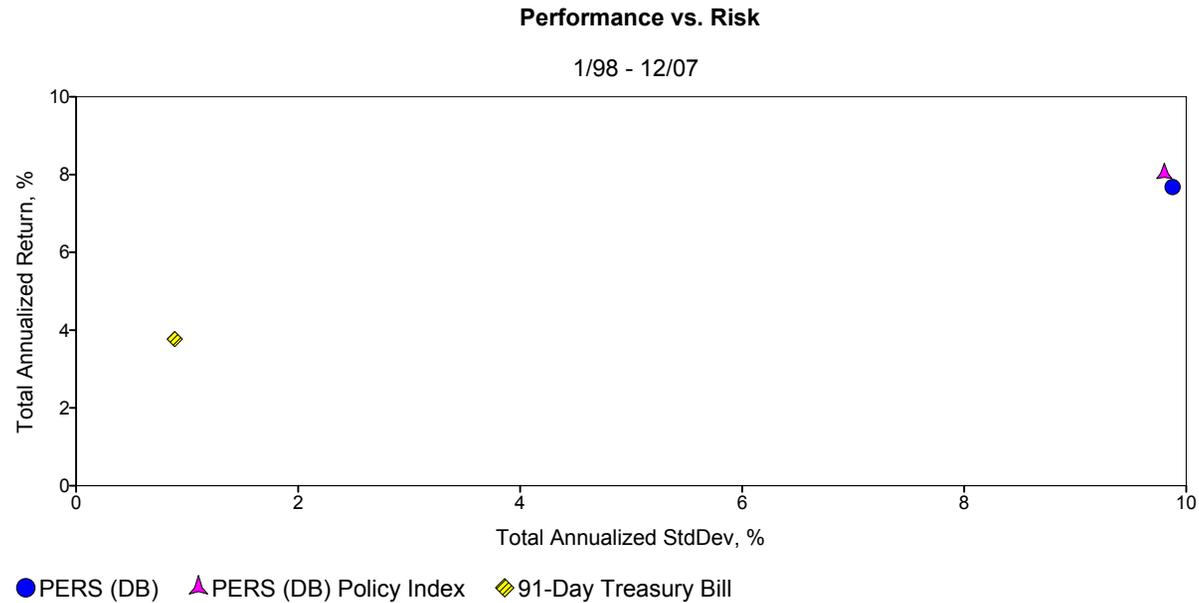
Public Employees Retirement System

Health Care Plan - Performance Overview Returns for Period Ending December 31, 2007

	<u>2 Qtrs</u>	<u>1 Yr</u>	<u>3 Yrs</u>
Total Fund	2.06	6.91	9.19
Policy Index	2.92	7.50	9.10
Domestic Equity	-1.82	5.12	8.84
Domestic Equity Segment Median	-2.02	5.55	5.55
Wilshire 5000	-1.81	5.62	9.16
International Equity	3.39	16.66	20.38
International Equity Segment Median	2.30	14.86	18.91
MSCI EAFE	0.39	11.17	16.83
Fixed Income	3.78	5.34	4.78
Fixed Income Segment Median	5.62	6.76	4.77
LB Aggregate	5.93	6.97	4.56
Cash	2.75	5.44	4.78
Public Real Estate	-12.39	-18.22	8.83
Wilshire Resi Full Cap	-12.44	-17.67	8.33
Treasury Inflation Protected Securities	9.91	11.76	NA
Lehman U.S. TIPS	9.73	11.63	4.85
Short Duration	1.31	3.04	NA
Lehman 1-3 Year Government	4.86	7.10	4.29

For the trailing three-year period, the PERS Health Care Plan outperformed its policy index by 9 basis points. Stronger relative performance in international equity, fixed income and public real estate were attributable to the relative outperformance versus the policy index. For the more recent one-year period, the plan trailed the policy benchmark by 59 basis points.

PERS (DB) Total Fund Risk Analysis - Last 10 Years Performance Overview For Period Ending 12/31/07



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
	Total	Total	Alpha, %	Sharpe Ratio
PERS (DB)	7.68	9.88	4.22	0.42
PERS (DB) Policy Index	8.03	9.80	4.54	0.46
91-Day Treasury Bill	3.77	0.89	0.00	NA

The graph above shows that on a risk-adjusted basis, PERS (DB) has underperformed the return of its policy index for the ten-year period by 35 basis points.

Public Employees Retirement System

Defined Benefit Plan - Asset Allocation Actual vs. Benchmark June 30, 2007

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	45.8%	Russell 3000	45.2%	0.6%
Fixed Income	22.7%	Lehman Universal	25.4%	-2.7%
Intl. Equity	21.5%	MSCI AC World ex US	20.0%	1.5%
Opportunistic Equity	0.2%	--	0.0%	0.2%
Real Estate	6.2%	PERS Custom Index	5.6%	0.6%
REITS	0.9%	Wilshire Resi full cap	1.0%	-0.1%
Alternative Investments	2.5%	Russell 3000 + 3% (1 Qtr arrears)	1.8%	0.7%
Short Term	0.2%	LB Bellweather 3 Month T-Bill	1.0%	-0.8%

December 31, 2007

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	43.9%	Russell 3000	45.6%	-1.7%
Fixed Income	23.3%	PERS Custom Index	25.2%	-1.9%
Intl. Equity	20.9%	MSCI AC World ex US	20.0%	0.9%
Opportunistic Equity	0.2%	--	0.1%	0.1%
Real Estate	6.7%	PERS Custom Index	5.8%	0.9%
REITS	0.8%	Wilshire Resi full cap	1.0%	-0.2%
Alternative Investments	3.2%	Russell 3000 + 3% (1 Qtr arrears)	2.3%	0.9%
Short Term	1.0%	LB Bellweather 3 Month T-Bill	0.0%	1.0%

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

Public Employees Retirement System

Health Care Plan - Asset Allocation Actual vs. Benchmark June 30, 2007

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	29.9%	Russell 3000	30.0%	-0.1%
Fixed Income	14.3%	Lehman Universal	15.0%	-0.7%
Intl. Equity	16.5%	MSCI AC World ex US	15.0%	1.5%
REITS	4.1%	Wilshire Resi full cap	5.0%	-0.9%
TIPS	19.0%	LB U.S. Tips	20.0%	-1.0%
Short Duration Bonds	14.2%	LB 1-3 Yr Gov't	15.0%	-0.8%
HC Cash	2.0%	91 Day T- Bill	0.0%	2.0%

December 31, 2007

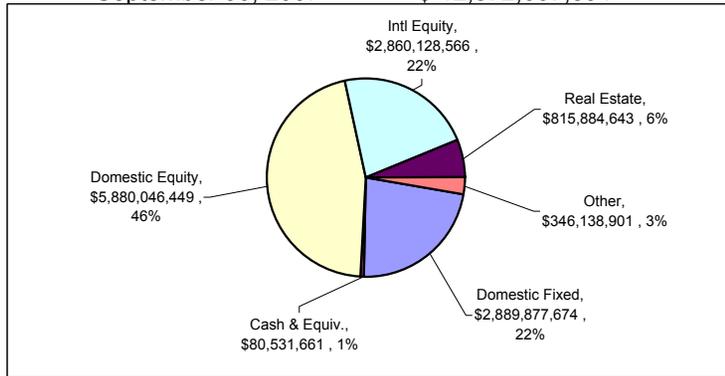
Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	29.2%	Russell 3000	30.0%	-0.8%
Fixed Income	14.8%	Lehman Universal	15.0%	-0.2%
Intl. Equity	16.4%	MSCI AC World ex US	15.0%	1.4%
REITS	4.2%	Wilshire Resi full cap	5.0%	-0.8%
TIPS	20.8%	LB U.S. Tips	20.0%	0.8%
Short Duration Bonds	14.3%	LB 1-3 Yr Gov't	15.0%	-0.7%
HC Cash	0.4%	91 Day T-Bill	0.0%	0.4%

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

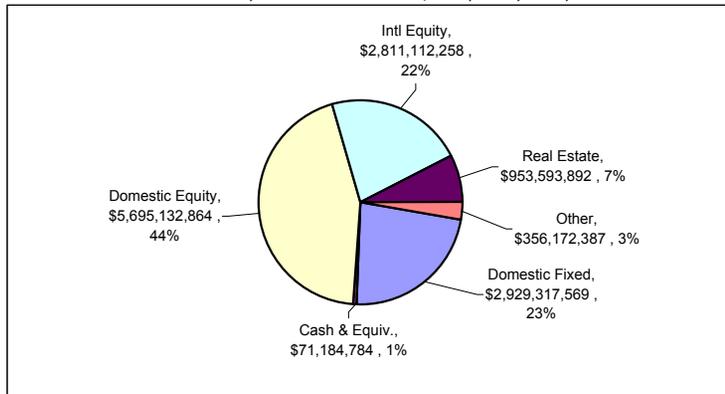
Police & Fire Pension Fund

**Asset Allocation
OP&F**

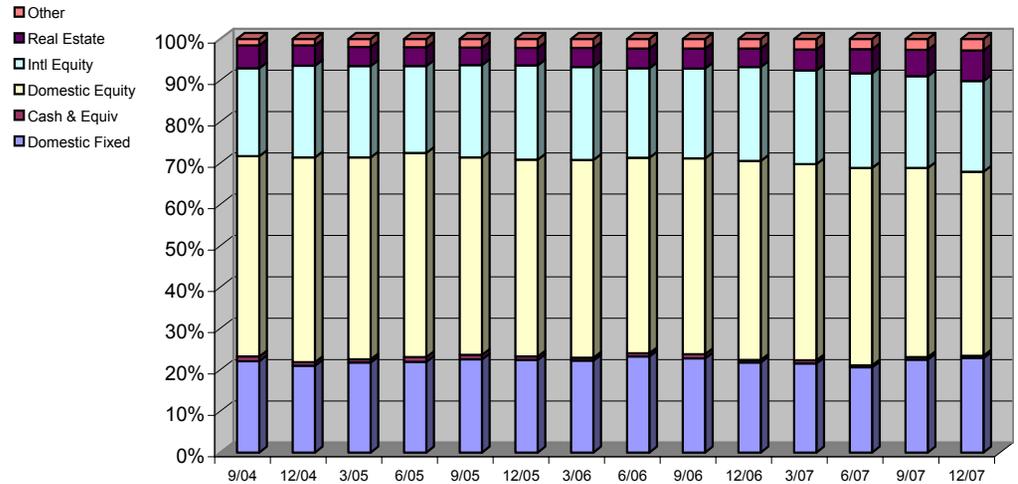
September 30, 2007 \$ 12,872,607,894



December 31, 2007 \$ 12,816,513,754



**Asset Allocation
OP&F**



	9/04	12/04	3/05	6/05	9/05	12/05	3/06	6/06	9/06	12/06	3/07	6/07	9/07	12/07
Domestic Fixed %	22.1	21.0	21.8	21.9	22.5	22.4	22.2	23.2	22.8	21.8	21.6	20.6	22.4	22.9
Cash & Equiv. %	1.1	0.8	0.8	1.1	1.1	0.9	0.7	0.8	0.9	0.6	0.7	0.5	0.6	0.6
Domestic Equity %	48.4	49.5	48.8	49.4	47.7	47.6	47.8	47.3	47.3	48.1	47.9	47.7	45.7	44.4
Intl Equity %	21.3	22.2	22.1	21.0	22.3	22.8	22.5	21.6	21.7	22.7	22.6	22.9	22.2	21.9
Real Estate %	5.5	4.9	4.6	4.5	4.3	4.3	4.6	4.8	4.9	4.4	5.1	5.8	6.3	7.4
Other %	1.6	1.6	2.0	2.1	2.1	2.2	2.2	2.3	2.4	2.4	2.6	2.5	2.7	2.8
Total Value (\$bil)	9.0	8.9	9.0	9.7	9.7	9.8	10.2	10.4	10.9	10.8	12.1	12.6	12.9	12.8

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 last two quarters of 2007. The chart on the right tracks the quarterly asset allocation of the fund over the last fourteen quarters.

Police & Fire Pension Fund

Quarter Ending 12/31/2007

Label	Quarter Start	Quarter End	Percent	Description
Policy Index	Mar-94	Sep-97	41.0	Wilshire 5000
			39.0	LB 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	LB 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	LB 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			LB 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	LB 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	LB 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	LB Aggregate
		20.0	MSCI ACWI ex-U.S. (Net)	
		8.0	NCREIF	
		5.0	First Boston High Yield	
		3.0	Wilshire 5000 (lagged) + 5%	

OP&F's custom policy index is listed above. The chart tracks the fund's change in asset allocation strategy over the past thirteen years.

Police & Fire Pension Fund

Quarter Ending 12/31/2007

Label	Quarter Start	Quarter End	Percent	Description
Policy Index	Mar-07	Dec-07	46.0	Wilshire 5000
			18.0	LB 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 listed above. The chart tracks the fund's change in asset allocation strategy over the past thirteen years. The current policy index is listed in the table on the left.

Police & Fire Pension Fund

Performance Overview

Returns for Period Ending December 31, 2007

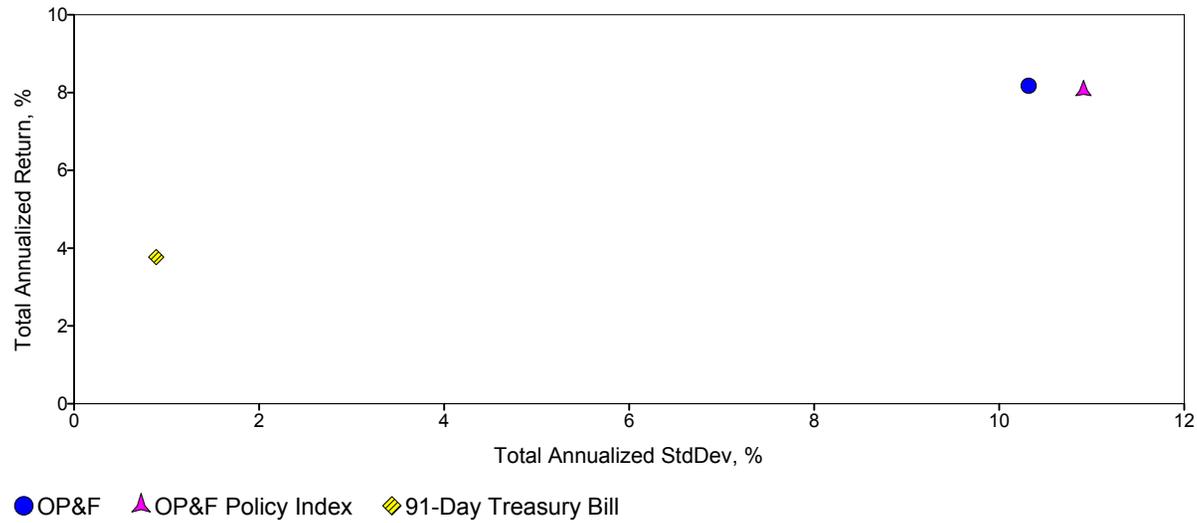
	<u>2 Qtrs</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>	<u>10 Yrs</u>
Total Fund	1.83	10.47	11.85	14.62	8.18
Policy Index	1.77	9.15	11.23	14.45	8.05
Domestic Equity	-2.64	5.37	9.19	13.85	6.64
Domestic Equity Segment Median	-2.02	5.55	5.55	14.36	7.14
Wilshire 5000	-1.81	5.62	9.16	14.01	6.34
International Equity	7.89	22.77	22.10	25.13	10.72
International Equity Segment Median	2.30	14.86	18.91	22.78	11.06
MSCI EAFE	0.39	11.17	16.83	21.59	8.66
Fixed Income	4.67	6.35	5.40	6.54	7.04
Fixed Income Segment Median	5.62	6.76	4.77	5.09	6.13
LB Aggregate	5.93	6.97	4.56	4.42	5.97
Cash	2.40	5.03	4.30	3.06	3.83
Real Estate	6.82	20.67	24.41	19.89	15.69
NCREIF	6.88	15.84	17.48	15.13	12.90
Alternatives	14.50	31.88	25.21	12.80	9.06

For the trailing ten-year period, the fund outperformed its policy index by 13 basis points. Stronger relative performance in domestic equity, international equity, fixed income and real estate continued to contribute to overall performance. In addition, OP&F outperformed its policy index by 132 basis points for the more recent one-year period.

OP&F Total Fund Risk Analysis - Last 10 Years
 Performance Overview
 For Period Ending 12/31/07

Performance vs. Risk

1/98 - 12/07



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
	Total	Total	Alpha, %	Sharpe Ratio
OP&F	8.18	10.32	4.73	0.45
OP&F Policy Index	8.05	10.91	4.67	0.42
91-Day Treasury Bill	3.77	0.89	0.00	NA

The graph above shows that on a risk-adjusted basis, OP&F has outperformed the return of its policy index for the ten-year period by 13 basis points.

Police & Fire Pension Fund

Asset Allocation Actual vs. Benchmark June 30, 2007

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	47.7%	Wilshire 5000	46.0%	1.7%
Fixed Income	20.6%	Lehman Aggregate	23.0%	-2.4%
Intl. Equity Comp.	22.9%	MSCI ACWI ex- U.S. (Net)	20.0%	2.9%
Real Estate	5.8%	NCREIF	8.0%	-2.2%
Alternative Investments	2.5%	Wilshire 5000 Lagged + 3%	3.0%	-0.5%
Short Term	0.5%	3 Month T-Bill	0.0%	0.5%

December 31, 2007

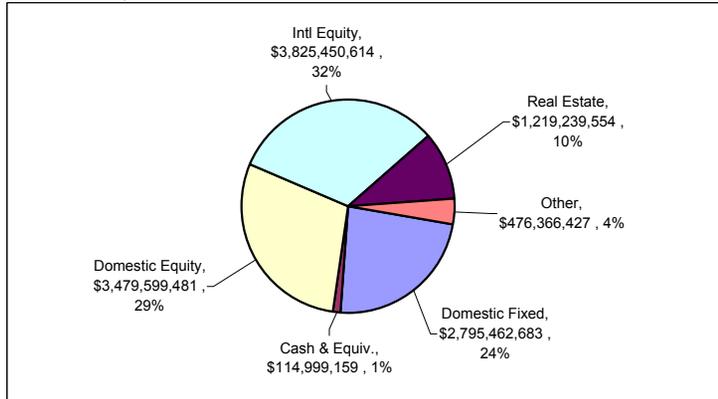
Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	44.4%	Wilshire 5000	46.0%	-1.6%
Fixed Income	22.9%	Lehman Aggregate	23.0%	-0.1%
Intl. Equity Comp.	21.9%	MSCI ACWI ex- U.S. (Net)	20.0%	1.9%
Real Estate	7.4%	NCREIF	8.0%	-0.6%
Alternative Investments	2.8%	Wilshire 5000 Lagged + 3%	3.0%	-0.2%
Short Term	0.6%	3 Month T-Bill	0.0%	0.6%

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

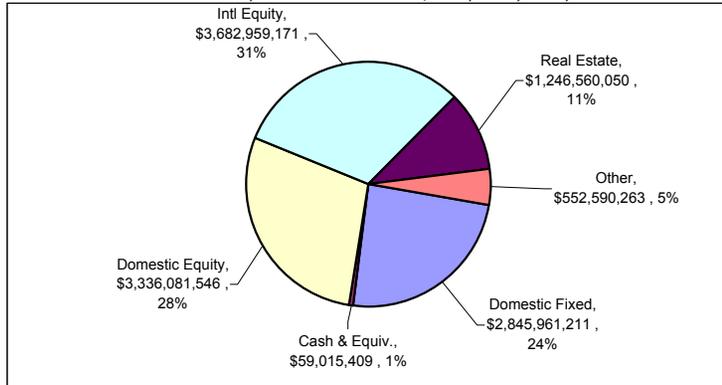
School Employees Retirement System

**Asset Allocation
SERS**

September 30, 2007 \$ 11,911,117,918

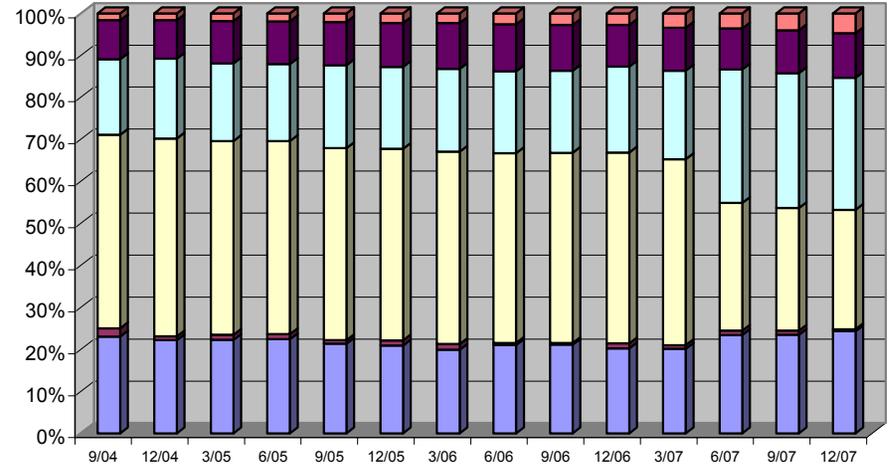


December 31, 2007 \$ 11,723,167,650



**Asset Allocation
SERS**

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



	9/04	12/04	3/05	6/05	9/05	12/05	3/06	6/06	9/06	12/06	3/07	6/07	9/07	12/07
Domestic Fixed %	23.0	22.2	22.2	22.4	21.3	20.9	19.9	21.0	21.1	20.2	20.1	23.4	23.5	24.3
Cash & Equiv. %	2.0	0.9	1.2	1.2	0.8	1.7	1.4	0.5	0.4	1.2	0.9	1.0	1.0	0.5
Domestic Equity %	46.1	47.1	46.1	46.0	45.7	45.1	45.8	45.2	45.3	45.5	44.3	30.4	29.2	28.5
Intl Equity %	18.0	19.0	18.5	18.3	19.8	19.5	19.7	19.5	19.5	20.4	21.1	31.8	32.1	31.4
Real Estate %	9.3	9.2	10.1	10.2	10.3	10.5	10.9	11.2	10.9	9.9	10.2	9.8	10.2	10.6
Other %	1.6	1.6	1.9	1.9	2.0	2.3	2.3	2.6	2.8	2.8	3.4	3.6	4.0	4.7
Total Value (\$bil)	8.3	8.9	8.8	9.0	9.4	9.6	10.1	10.0	10.3	10.9	11.1	11.7	11.9	11.7

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 last two quarters of 2007. The chart on the right tracks the quarterly asset allocation of the fund over the last fourteen quarters.

School Employees Retirement System

Quarter Ending 12/31/2007

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
	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
	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
	Sep-95	Mar-97	45.0	Russell 3000
			28.0	LB Aggregate
			10.0	MSCI EAFE 50% Hedged
			10.0	NCREIF Classic Ppty Idx (1 Qtr arrear)
			5.0	Citigroup 30 Day T-Bill
Jun-97	Jun-97	45.0	Russell 3000	
		28.0	LB 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	LB Aggregate
			14.5	MSCI EAFE 50% Hedged
			0.5	MSCI Em Mkts Free
			10.0	NCREIF
	Sep-99	Dec-99	1.0	Citigroup 30 Day T-Bill
			1.0	S&P 500 +5%
			45.0	Russell 3000
			28.0	LB Aggregate
			14.0	MSCI EAFE 50% Hedged
	Mar-00	Jun-01	1.0	MSCI Em Mkts Free
			10.0	NCREIF
			1.0	Citigroup 30 Day T-Bill
			1.0	S&P 500 +5%
			48.0	Russell 3000
	Sep-01	Jun-02	23.0	LB 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-02	Mar-07	47.0	Russell 3000	
		23.0	LB 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	LB 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	

SERS' custom policy index is listed above. The charts track the fund's change in asset allocation strategy over the past thirteen years.

School Employees Retirement System

Quarter Ending 12/31/2007

Label	Quarter Start	Quarter End	Percent	Description
Policy Index (cont.)	Mar-07*	Dec-07	29.0	Russell 3000
			24.0	LB Aggregate
			29.0	MSCI ACWI ex US (Developed - 50% Hdg)
			10.0	80% NCREIF (arrears), 20% NAREIT
			7.0	S&P 500 (1Qtr arrears) + 3%
			1.0	Citigroup 30 Day T-Bill

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

SERS' custom policy index is listed above. The charts track the fund's change in asset allocation strategy over the past thirteen years. The current policy index is listed in the table on the left.

School Employees Retirement System

Performance Overview

Returns for Period Ending December 31, 2007

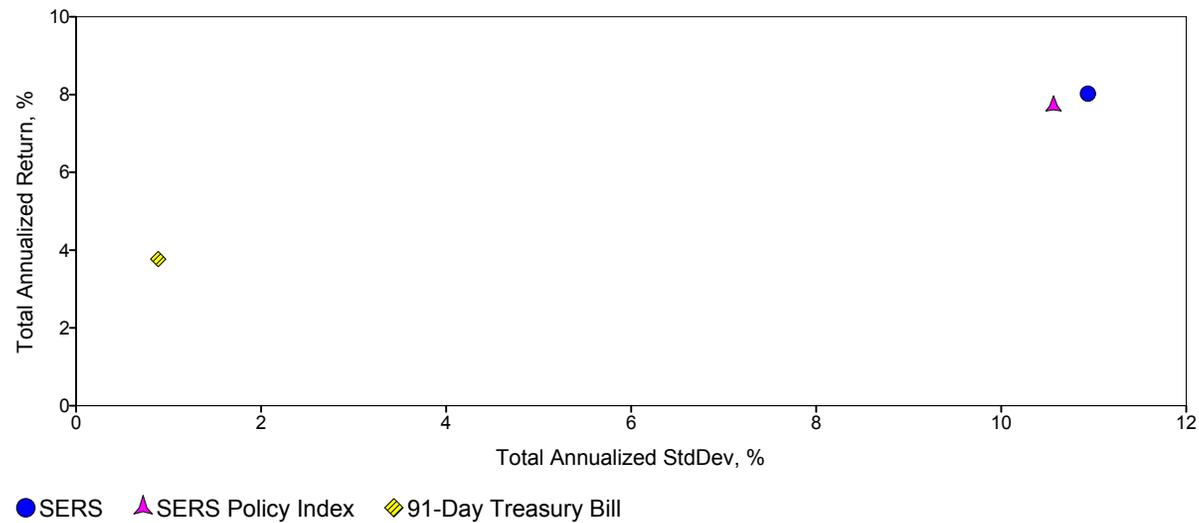
	<u>2 Qtrs</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>	<u>10 Yrs</u>
Total Fund	1.44	9.61	11.89	13.97	8.02
Policy Index	2.39	9.39	11.13	13.34	7.71
Domestic Equity	-3.23	3.83	8.32	13.41	6.07
Domestic Equity Segment Median	-2.02	5.55	5.55	14.36	7.14
Wilshire 5000	-1.81	5.62	9.16	14.01	6.34
International Equity	1.02	16.65	22.92	24.08	10.44
International Equity Segment Median	2.30	14.86	18.91	22.78	11.06
MSCI EAFE	0.39	11.17	16.83	21.59	8.66
Fixed Income	4.20	5.30	4.51	4.77	6.32
Fixed Income Segment Median	5.62	6.76	4.77	5.09	6.13
LB Aggregate	5.93	6.97	4.56	4.42	5.97
Cash	2.60	5.40	4.65	3.26	4.19
Real Estate	7.65	13.89	17.50	16.35	12.07
NCREIF	6.88	15.84	17.48	15.13	12.90
Alternatives	10.31	26.89	21.08	12.12	10.57

For the trailing ten-year period, the fund exceeded its policy index by 31 basis points, which is due to stronger relative performance in international equity and fixed income. The more recent one-year period shows that the fund outperformed its policy index by 22 basis points.

SERS Total Fund Risk Analysis - Last 10 Years Performance Overview For Period Ending 12/31/07

Performance vs. Risk

1/98 - 12/07



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
			Alpha, %	Sharpe Ratio
	Total	Total		
SERS	8.02	10.94	4.65	0.42
SERS Policy Index	7.71	10.57	4.32	0.40
91-Day Treasury Bill	3.77	0.89	0.00	NA

The graph above shows that on a risk-adjusted basis, SERS has outperformed the return of its policy index for the ten-year period by 31 basis points.

School Employees Retirement System

Asset Allocation Actual vs. Benchmark June 30, 2007

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	30.4%	Russell 3000	29.0%	1.4%
Fixed Income	23.4%	LB Aggregate	24.0%	-0.6%
Intl. Equity	31.8%	MSCI ACWI ex US (Developed - 50% Hdg)	29.0%	2.8%
Real Estate	9.8%	Custom RE (1 Qtr arrears)	10.0%	-0.2%
Alternative Investments	3.6%	S&P 500 (1 Qtr arrears) + 3%	7.0%	-3.4%
Short Term	1.0%	Citigroup 30 Day T-Bill	1.0%	0.0%

December 31, 2007

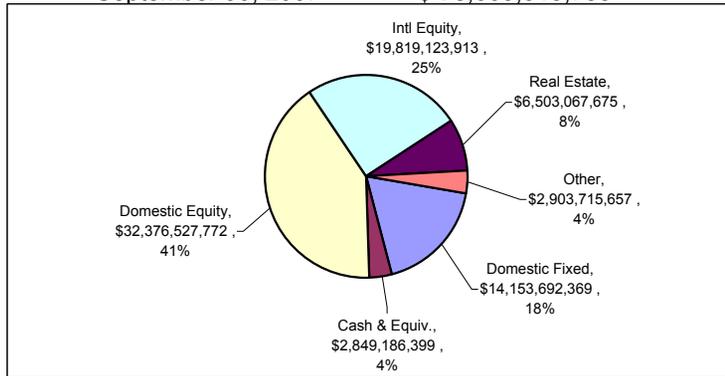
Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	28.5%	Russell 3000	29.0%	-0.5%
Fixed Income	24.3%	LB Aggregate	24.0%	0.3%
Intl. Equity	31.4%	MSCI ACWI ex US (Developed - 50% Hdg)	29.0%	2.4%
Real Estate	10.6%	Custom RE (1 Qtr arrears)	10.0%	0.6%
Alternative Investments	4.7%	S&P 500 (1 Qtr arrears) + 3%	7.0%	-2.3%
Short Term	0.5%	Citigroup 30 Day T-Bill	1.0%	-0.5%

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

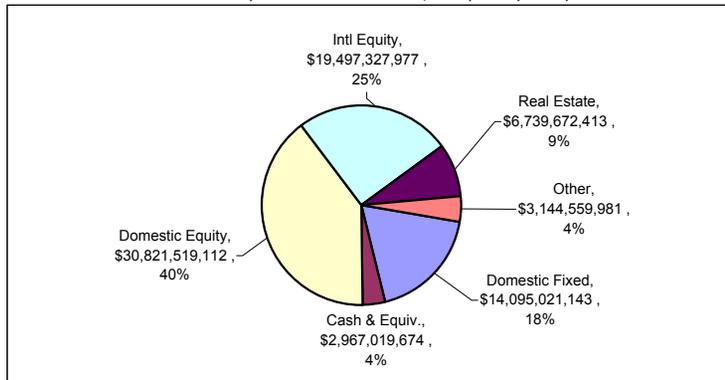
State Teachers Retirement System

**Asset Allocation
STRS**

September 30, 2007 \$ 78,605,313,785

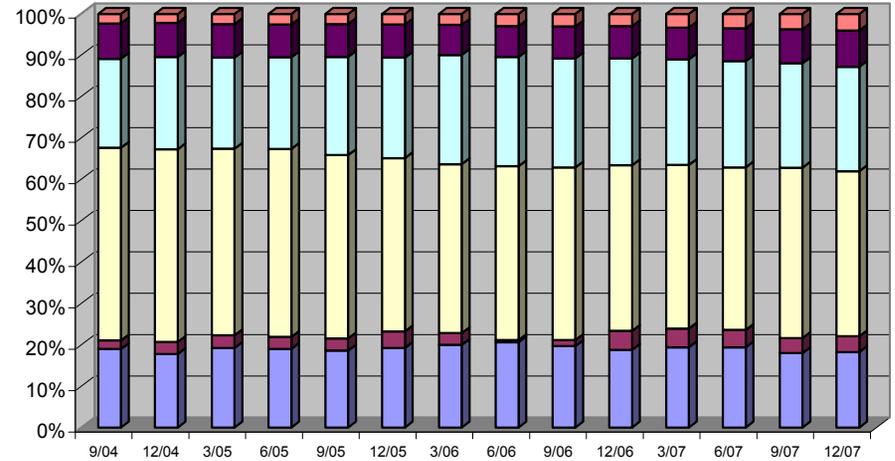


December 31, 2007 \$ 77,265,120,300



**Asset Allocation
STRS**

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



	9/04	12/04	3/05	6/05	9/05	12/05	3/06	6/06	9/06	12/06	3/07	6/07	9/07	12/07
Domestic Fixed %	19.0	17.8	19.2	19.0	18.6	19.2	20.0	20.6	19.7	18.8	19.4	19.4	18.0	18.2
Cash & Equiv. %	2.1	2.9	3.0	3.0	3.0	4.0	2.8	0.5	1.4	4.5	4.6	4.2	3.6	3.8
Domestic Equity %	46.6	46.7	45.1	45.4	44.3	41.9	40.8	42.0	41.7	40.0	39.5	39.2	41.2	39.9
Intl Equity %	21.5	22.3	22.0	22.1	23.7	24.3	26.4	26.4	26.4	25.9	25.5	25.7	25.2	25.2
Real Estate %	8.5	8.3	8.1	7.9	8.0	8.0	7.3	7.5	7.7	7.8	7.7	8.0	8.3	8.7
Other %	2.3	2.2	2.5	2.6	2.5	2.6	2.7	3.0	3.1	3.0	3.3	3.5	3.7	4.1
Total Value (\$bil)	54.4	54.3	54.2	58.2	57.9	59.1	62.0	63.5	66.5	65.4	73.4	76.9	78.6	77.3

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 last two quarters of 2007. The chart on the right tracks the quarterly asset allocation of the fund over the last fourteen quarters.

State Teachers Retirement System

Quarter Ending 12/31/2007

Label	Quarter Start	Quarter End	Percent	Description
Policy Index	Mar-94	Dec-94	40.0	Standard & Poors 500
			45.0	Lehman 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	LB 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	LB 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			LB 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	LB 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	45.0	S&P 1500
			24.0	LB 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	LB 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	Lehman 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			

STRS' custom policy index is listed above and on the following page. Charts track the fund's change in asset allocation strategy over the past thirteen years.

State Teachers Retirement System

Quarter Ending 12/31/2007

Label	Quarter Start	Quarter End	Percent	Description
Policy Index (cont.)	Sep-02	Dec-02	45.0	S&P 1500
			23.0	Lehman 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
	23.0	Lehman 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		
			23.0	Lehman 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
	21.0	Lehman 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	Lehman 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
	20.0	Lehman 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	Dec-07		
			20.0	Lehman 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	

* Represents policy index for period 7/1/2007 - 9/30/2007.

** Represents policy index for period 10/1/2007 - 12/31/2007.

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

State Teachers Retirement System

Performance Overview

Returns for Period Ending December 31, 2007

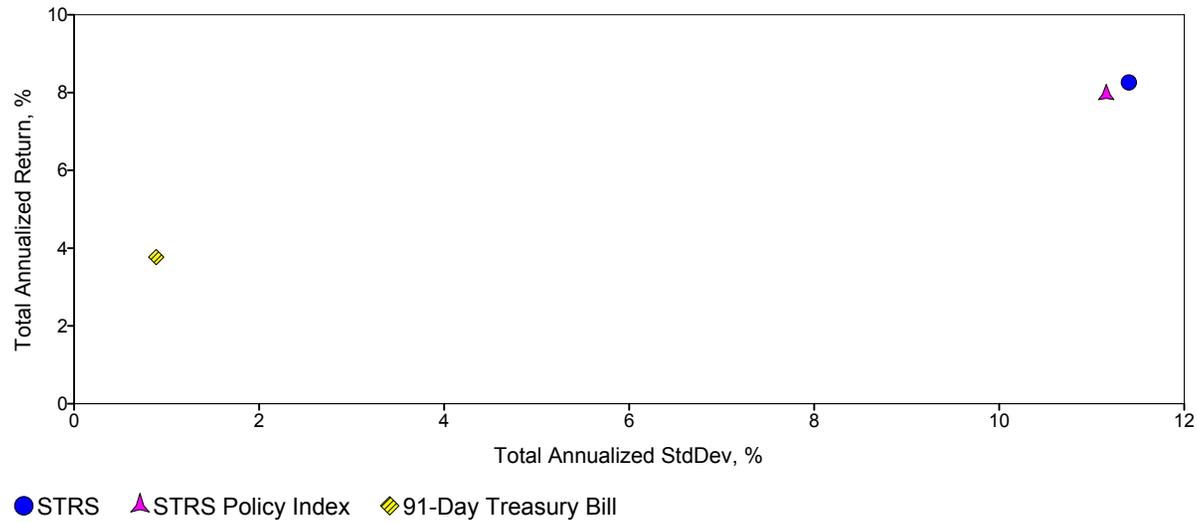
	<u>2 Qtrs</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>	<u>10 Yrs</u>
Total Fund	1.99	9.87	12.91	15.14	8.26
Policy Index	1.53	9.10	11.81	13.96	7.95
Domestic Equity	-2.97	4.48	8.98	13.54	5.79
Domestic Equity Segment Median	-2.02	5.55	5.55	14.36	7.14
Wilshire 5000	-1.81	5.62	9.16	14.01	6.34
International Equity	2.15	15.06	21.90	24.58	10.72
International Equity Segment Median	2.30	14.86	14.86	22.78	11.06
MSCI EAFE	0.39	11.17	16.83	21.59	8.66
Fixed Income	5.58	7.00	5.08	5.44	6.67
Fixed Income Segment Median	5.62	6.76	6.76	5.09	6.13
LB Aggregate	5.93	6.97	4.56	4.42	5.97
Cash	2.51	5.21	4.47	3.18	3.92
Real Estate	15.86	23.46	26.96	22.61	16.05
NCREIF	6.88	15.84	17.48	15.13	12.90
Alternatives	6.07	27.02	24.05	18.57	7.18

Over the trailing ten-year period, the fund outperformed its policy index by 31 basis points. Strong relative outperformance in international equity, fixed income and real estate contributed to overall returns. Over the more recent one-year period, the fund exceeded its policy index by a larger margin, outpacing the policy benchmark by 77 basis points.

STRS Total Fund Risk Analysis - Last 10 Years
Performance Overview
For Period Ending 12/31/07

Performance vs. Risk

1/98 - 12/07



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
			Alpha, %	Sharpe Ratio
	Total	Total		
STRS	8.26	11.40	4.93	0.43
STRS Policy Index	7.95	11.16	4.60	0.41
91-Day Treasury Bill	3.77	0.89	0.00	NA

The graph above shows that on a risk-adjusted basis, STRS has outperformed the return of its policy index for the ten-year period by 31 basis points.

State Teachers Retirement System

Asset Allocation Actual vs. Benchmark June 30, 2007

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	39.2%	Russell 3000	42.0%	-2.8%
Fixed Income	19.4%	Lehman Universal	20.5%	-1.1%
Intl. Equity	25.7%	Intl. Hybrid Benchmark	25.0%	0.7%
Real Estate	8.0%	NCREIF Hybrid	9.5%	-1.5%
Alternative Investments	3.5%	Alt. Inv. Actual Return	3.0%	0.5%
Short Term	4.2%	3 Month T-Bill	0.0%	4.2%

December 31, 2007

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	39.9%	Russell 3000	42.0%	-2.1%
Fixed Income	18.2%	Lehman Universal	20.0%	-2.3%
Intl. Equity	25.2%	Intl. Hybrid Benchmark	25.0%	0.2%
Real Estate	8.7%	NCREIF Hybrid	9.5%	-0.8%
Alternative Investments	4.1%	Alt. Inv. Actual Return	3.5%	1.1%
Short Term	3.8%	3 Month T-Bill	0.0%	3.8%

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

Appendix 1.1: Performance Attribution

The following exhibits provide an analysis of the impact of asset allocation and active management for the past nine years. The three data points plotted for each quarter are the allocation effect, selection effect, and total attribution. Allocation attribution indicates whether decisions to be under or overweight an asset class versus policy targets added or detracted from performance relative to the policy benchmark. It is calculated by the following formula:

$$\text{Allocation Attribution} = [(\text{portfolio weight} - \text{index weight}) * (\text{index rate of return of the sector} - \text{total weighted index rate of return})]$$

The next step is to determine the value added or subtracted by active management (value added by a manager over the appropriate index). Selection Attribution is calculated using the following formula:

$$\text{Selection Attribution} = [\text{portfolio weight} * (\text{portfolio rate of return} - \text{index rate of return})]$$

Finally, the Total Attribution is calculated by summing the Allocation and Selection attribution. The result is the total value added or subtracted by the combination of asset allocation and active management. The lines on the graphs represent the quarterly attribution data. The table below each graph provides a one-, three-, five- and nine-year annualized representation of the attribution of each fund.

* It is important to note that attribution on the allocation, selection, and total basis may vary from the individual plan data due to a difference in methodology used in the calculation of the data. The underlying plan data is calculated using daily/monthly flows and valuations, while EAI data is calculated using quarterly performance provided by the individual plans which may cause variations in the overall attribution results.

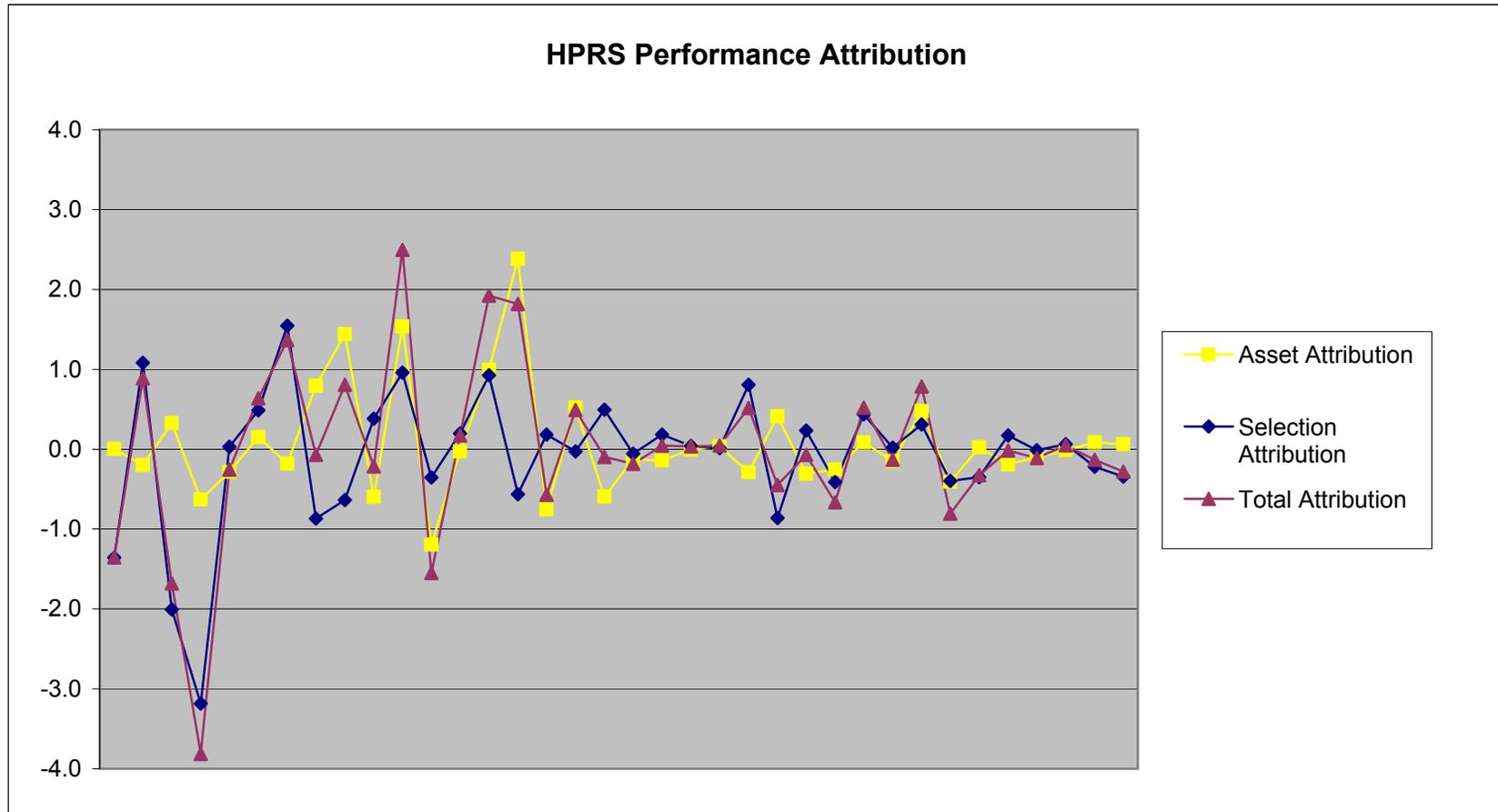
Appendix 1.2: Performance Attribution

The total attribution analysis below indicates that four of the five plans produced positive results over the nine-year period due to a combination of favorable asset allocation and manager selection decisions. OP&F proved to be the top performer of the five plans from an attribution standpoint followed by PERS, SERS and STRS, while HPRS posted the weakest total attribution results over the period.

Breakdown of Attribution Results - Last 9 Years

	Asset Attribution	Selection Attribution	Total Attribution
HPRS	0.31	-0.36	-0.04
OP&F	0.02	1.01	1.03
PERS	0.61	0.35	0.98
SERS	0.52	0.33	0.85
STRS	0.01	0.68	0.70

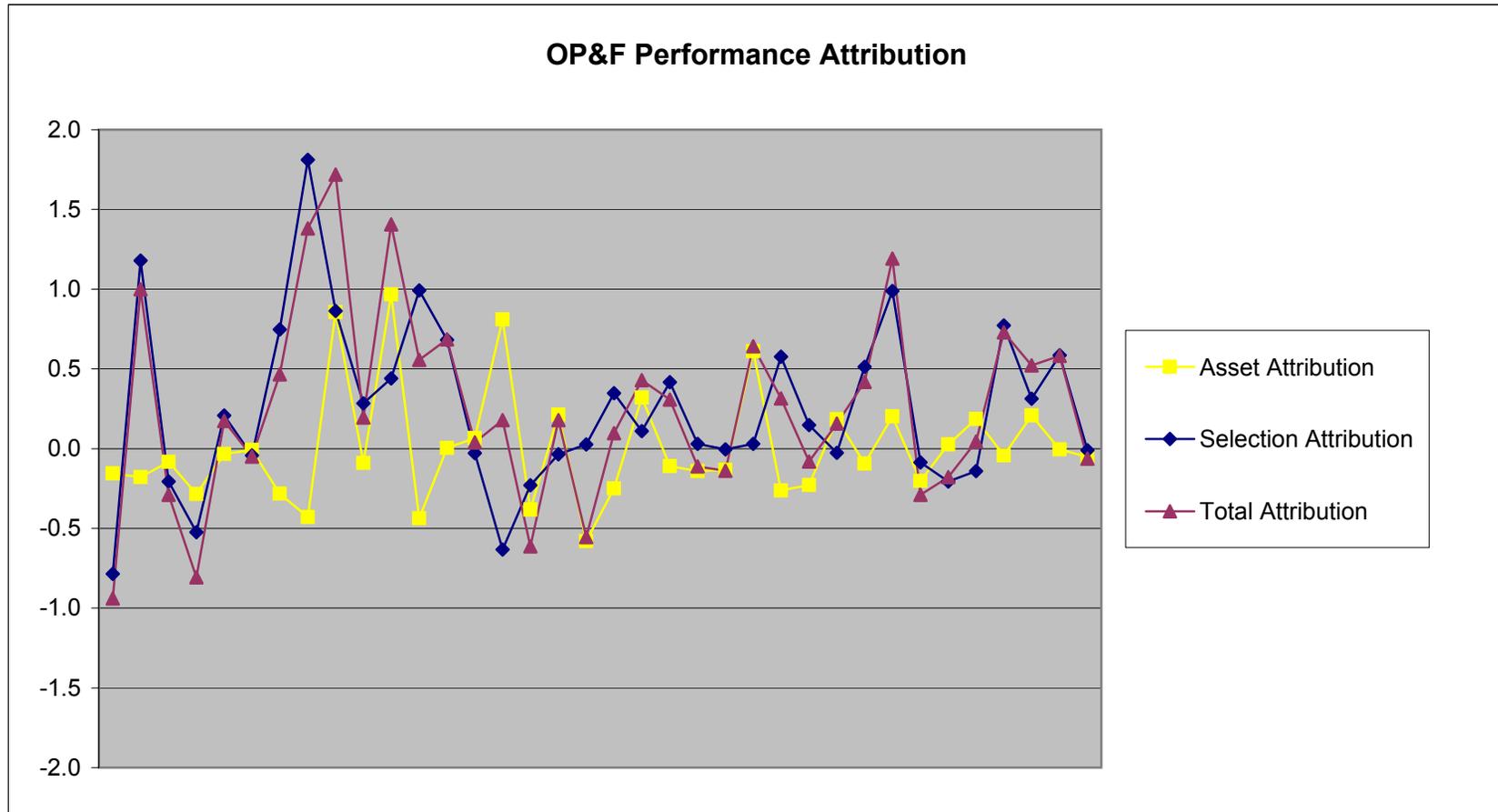
Appendix 1.3: ORSC Performance Attribution



Annualized Attribution	One Year	Three Years	Five Years	Nine Years
Allocation Attribution	0.03	-0.23	-0.18	0.31
Selection Attribution	-0.51	-0.17	0.02	-0.36
Total Attribution	-0.47	-0.40	-0.16	-0.04

The chart above shows that HPRS has added the most value through asset allocation over the past nine years - decisions to be under or overweight an asset class versus policy targets. HPRS posted negative total attribution results for all time periods, which was primarily due to manager selection/performance.

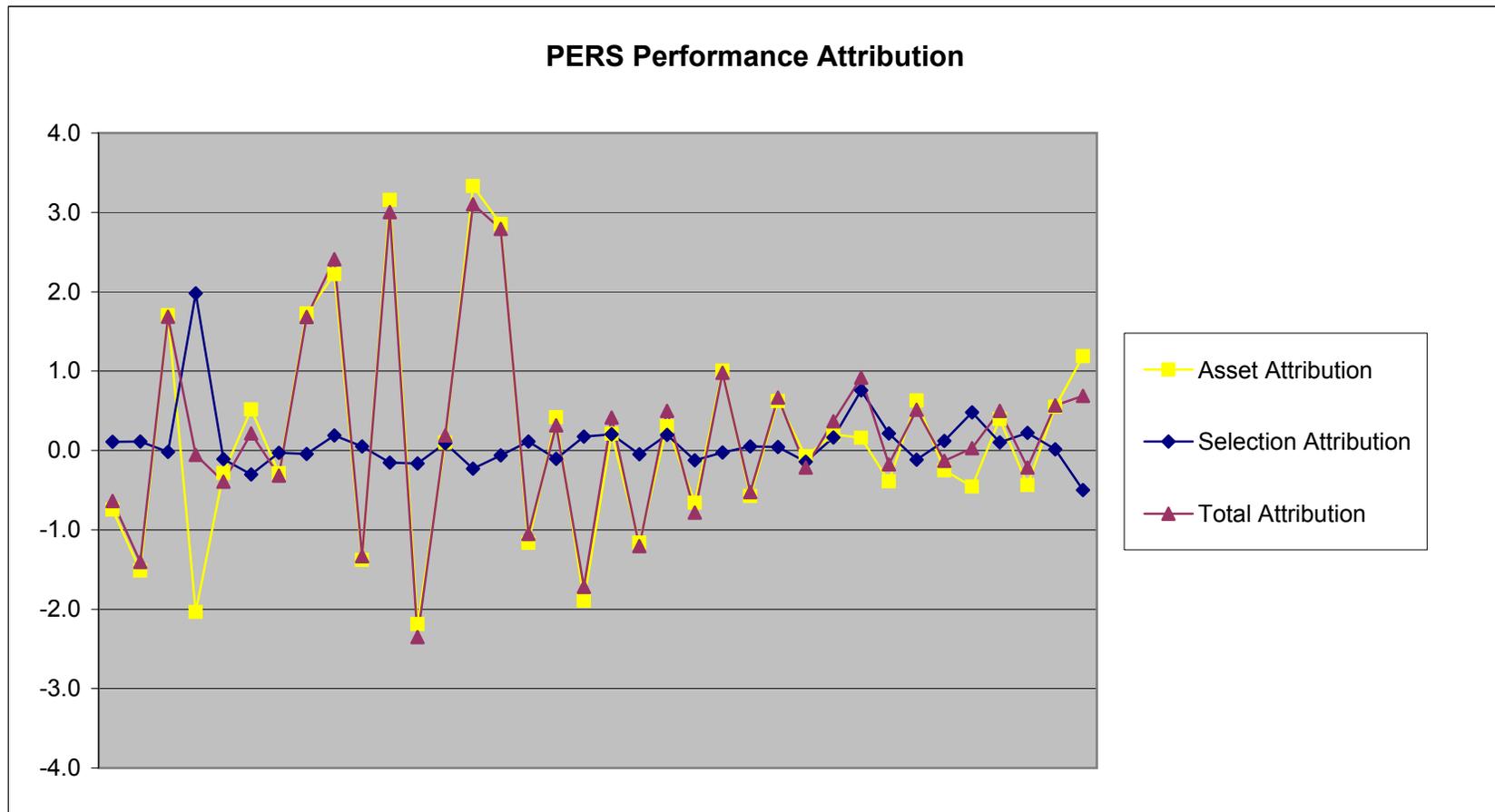
Appendix 1.4: ORSC Performance Attribution



Annualized Attribution	One Year	Three Years	Five Years	Nine Years
Allocation Attribution	0.11	-0.03	-0.03	0.02
Selection Attribution	1.67	1.14	0.87	1.01
Total Attribution	1.78	1.12	0.84	1.03

The chart above shows that OP&F has added the most value through active management of their investment managers over the past nine years. OP&F posted positive total attribution results for all time periods, which was primarily due to manager selection/performance.

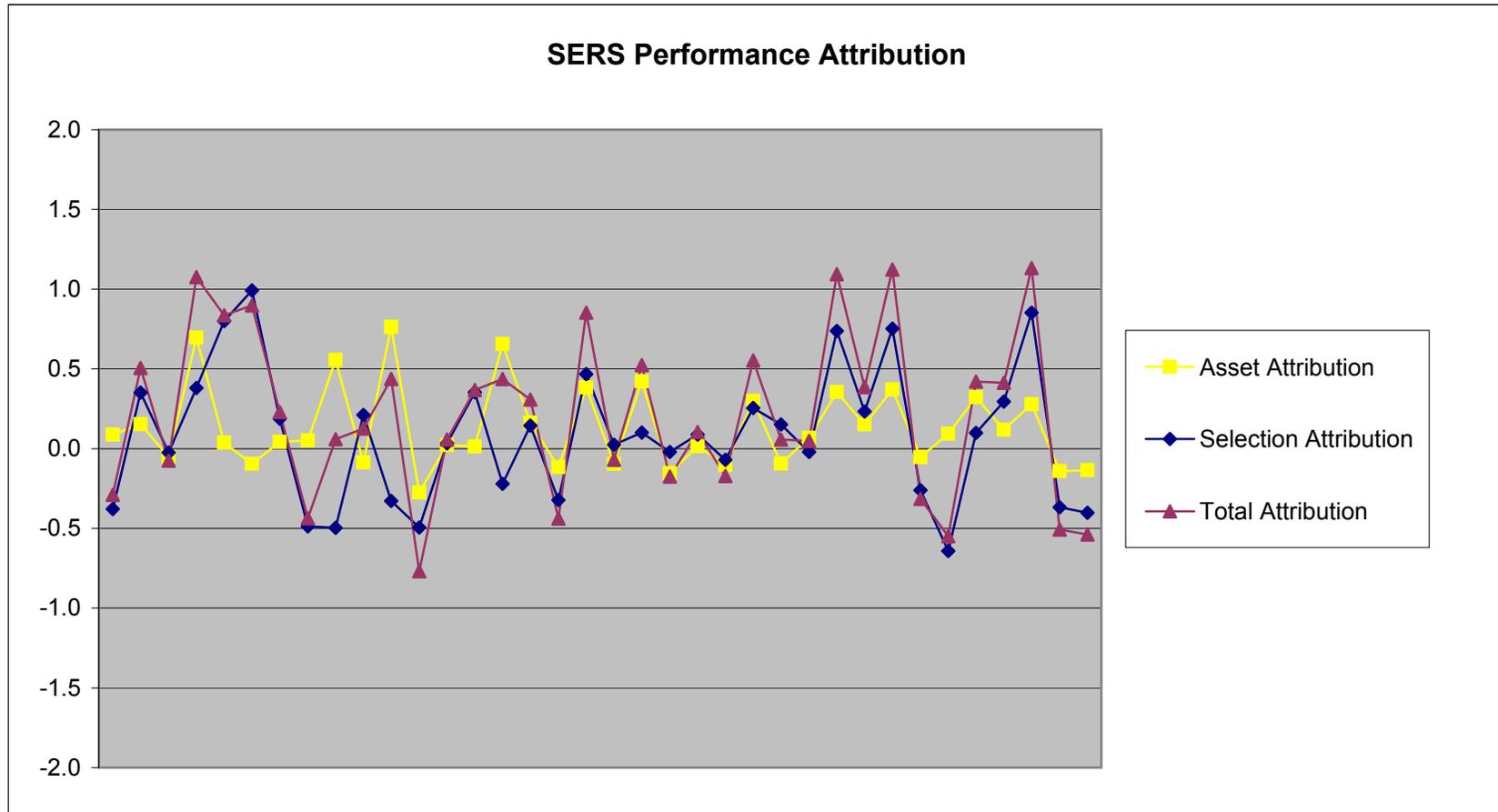
Appendix 1.5: ORSC Performance Attribution



Annualized Attribution	One Year	Three Years	Five Years	Nine Years
Allocation Attribution	1.70	0.71	-0.05	0.61
Selection Attribution	-0.16	0.45	0.34	0.35
Total Attribution	1.55	1.17	0.29	0.98

The chart above shows that PERS has added the most value through active management of their investment managers over the past nine years. PERS posted positive total attribution results for all time periods, which was primarily due to manager selection/performance.

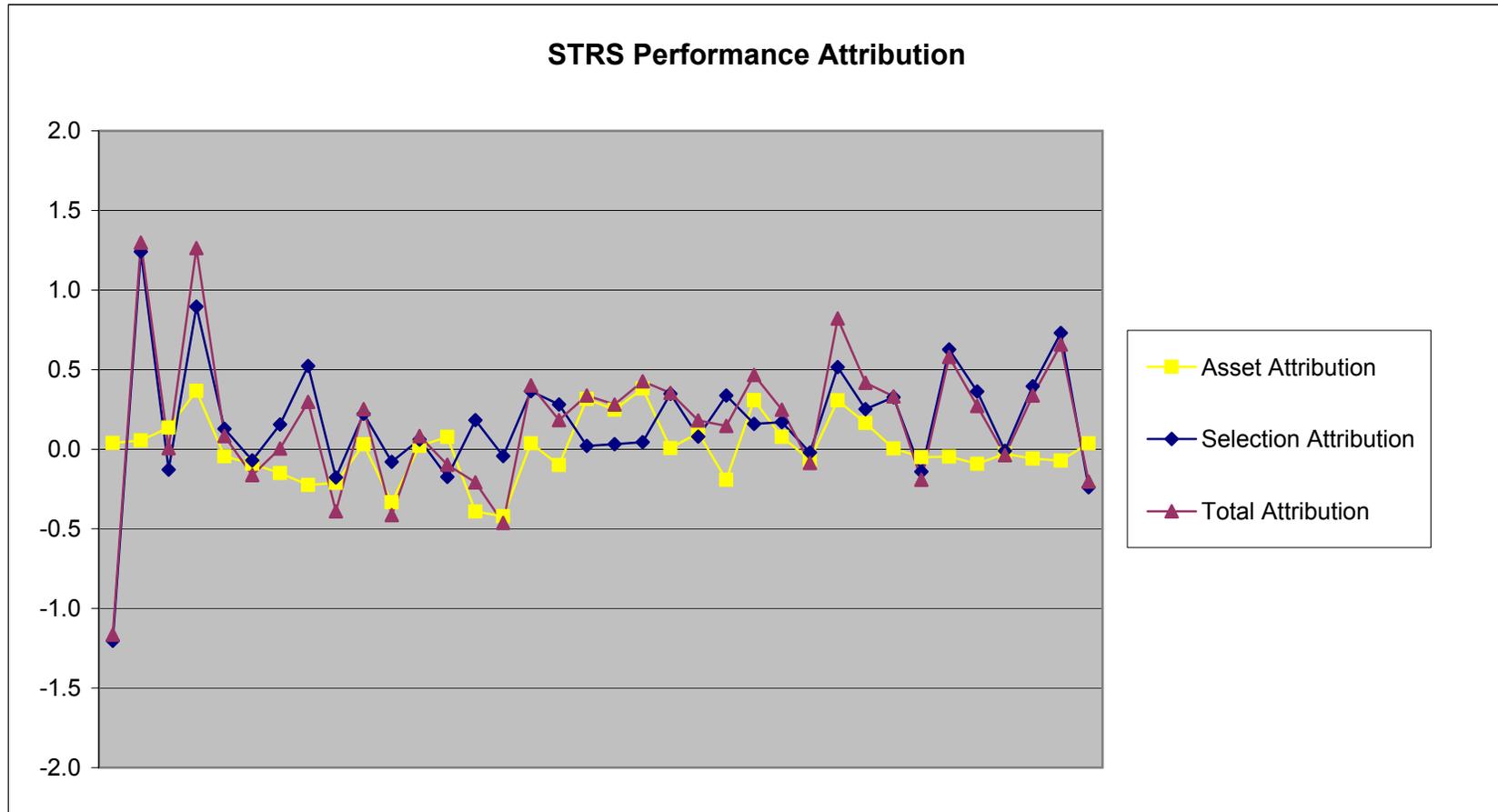
Appendix 1.6: ORSC Performance Attribution



Annualized Attribution	One Year	Three Years	Five Years	Nine Years
Allocation Attribution	0.12	0.44	0.40	0.52
Selection Attribution	0.37	0.47	0.39	0.33
Total Attribution	0.49	0.92	0.78	0.85

The chart above shows that SERS has added the most value through asset allocation over the past nine years - decisions to be under or overweight an asset class versus policy targets. SERS also posted positive total attribution results for all time periods, which was primarily due to allocation decisions and to a lesser extent manager selection/performance.

Appendix 1.7: ORSC Performance Attribution



Annualized Attribution	One Year	Three Years	Five Years	Nine Years
Allocation Attribution	-0.12	0.06	0.25	0.01
Selection Attribution	0.88	0.99	0.86	0.68
Total Attribution	0.76	1.05	1.11	0.70

The chart above shows that STRS has added the most value through active management of their investment managers over the past nine years. STRS posted positive total attribution results for all time periods, which was primarily due to manager selection/performance, while asset allocation decisions also helped.

Appendix 2.1 - 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	43.92%	23.29%	20.88%	7.52%	3.22%	1.00%
PERS (DB) - TARGET	45.60%	25.20%	20.00%	6.80%	2.30%	0.00%
STRS - ACTUAL	39.90%	18.24%	25.23%	8.72%	4.07%	3.84%
STRS - TARGET	42.00%	20.00%	25.00%	9.50%	3.50%	0.00%
OP&F - ACTUAL	44.44%	22.86%	21.93%	7.44%	2.78%	0.56%
OP&F - TARGET	46.00%	23.00%	20.00%	8.00%	3.00%	0.00%
SERS - ACTUAL	28.46%	24.28%	31.42%	10.63%	4.71%	0.50%
SERS - TARGET	29.00%	24.00%	29.00%	10.00%	7.00%	1.00%
HPRS - ACTUAL	45.78%	16.15%	16.81%	5.64%	15.33%	0.28%
HPRS - TARGET	50.00%	15.00%	15.00%	5.00%	15.00%	0.00%
Maximum	76.88%	83.99%	30.27%	11.66%	16.02%	10.88%
5th	56.61%	48.54%	28.12%	11.07%	14.87%	10.24%
25th	47.49%	34.10%	22.65%	7.19%	9.97%	3.99%
Median	37.58%	27.78%	18.84%	4.79%	6.16%	2.81%
75th	32.71%	22.43%	16.74%	3.84%	3.45%	1.60%
95th	22.20%	13.70%	8.86%	0.00%	1.30%	0.51%
Minimum	16.69%	2.10%	3.00%	0.00%	1.02%	0.00%

Note:

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

Forty-nine institutions represented the universe run.

PERS (DB) fixed income allocation is comprised of 13.88% in fixed income, 0.06% in stable value and 9.35% in long duration fixed income. The real estate allocation is comprised of 6.74% private real estate and 0.78% REITS.

Additionally, an allocation of 0.16% to opportunistic equity was not included. The target allocation does not include an allocation of 0.1% to opportunistic equity.

Source: Mellon Trust Universe Quarter Ended December 31, 2007

Appendix 2.2 - 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	43.92%	23.29%	20.88%	7.52%	3.22%	1.00%
PERS (DB) - TARGET	45.60%	25.20%	20.00%	6.80%	2.30%	0.00%
STRS - ACTUAL	39.90%	18.24%	25.23%	8.72%	4.07%	3.84%
STRS - TARGET	42.00%	20.00%	25.00%	9.50%	3.50%	0.00%
OP&F - ACTUAL	44.44%	22.86%	21.93%	7.44%	2.78%	0.56%
OP&F - TARGET	46.00%	23.00%	20.00%	8.00%	3.00%	0.00%
SERS - ACTUAL	28.46%	24.28%	31.42%	10.63%	4.71%	0.50%
SERS - TARGET	29.00%	24.00%	29.00%	10.00%	7.00%	1.00%
HPRS - ACTUAL	45.78%	16.15%	16.81%	5.64%	15.33%	0.28%
HPRS - TARGET	50.00%	15.00%	15.00%	5.00%	15.00%	0.00%
Maximum	76.88%	83.99%	30.27%	11.66%	15.19%	10.88%
5th	59.05%	49.71%	28.38%	8.54%	13.29%	10.38%
25th	44.29%	33.22%	22.66%	7.00%	7.90%	3.99%
Median	37.46%	27.16%	19.27%	4.79%	6.02%	2.91%
75th	31.35%	22.56%	17.20%	3.84%	3.42%	1.75%
95th	20.66%	13.99%	13.11%	0.00%	1.27%	0.80%
Minimum	16.69%	2.10%	7.17%	0.00%	1.02%	0.00%

Note:

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

Forty-two institutions represented the universe run.

HPRS total assets for period ended December 31, 2007 was \$841,357,011.

PERS (DB) fixed income allocation is comprised of 13.88% in fixed income, 0.06% in stable value and 9.35% in long duration fixed income. The real estate allocation is comprised of 6.74% private real estate and 0.78% REITS.

Additionally, an allocation of 0.16% to opportunistic equity was not included. The target allocation does not include an allocation of 0.10% to opportunistic equity.

Source: Mellon Trust Universe Quarter Ended December 31, 2007

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