

PERFORMANCE REVIEW



AS OF DECEMBER 31, 2011

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Glossary



EXECUTIVE SUMMARY

for the quarter ended December 31, 2011

TOTAL FUND PERFORMANCE

In the fourth quarter of 2011, LACERA's Total Fund rose 3.8% compared to a 4.7% increase in its Policy Benchmark. The shortfall of 90 basis points (bps) was attributable to the underperformance of the Real Estate and Private Equity asset classes versus their respective benchmarks.

PERFORMANCE HIGHLIGHTS	
Total Fund:	3.8%
Benchmark:	4.7%
Underperformed:	90 bps

LACERA's U.S. Equity composite matched its index gain of 12.1%, and delivered the strongest absolute return across all asset classes. Outperformance from the large capitalization (cap) managers offset weaker results from small/mid cap and fund of funds managers.

LACERA's Non-U.S. Equity composite returned 3.6% and also matched its benchmark. A moderate rebound in non-U.S. markets from the previous quarter masked underlying month-to-month volatility. Given this environment, the fundamental managers managed to outperform, but the quantitative managers struggled.

LACERA's Fixed Income Composite outpaced its benchmark by 60 bps for the quarter. This was the result of outperformance by Core and Core Plus managers.

LACERA's Real Estate portfolio returned 1.3% and trailed its benchmark return of 3.2% by 190 bps. LACERA's Private Equity portfolio fell 4.1%. The result is one quarter in arrears and reflects the sharp sell-off in the market during the third quarter. As a reminder, short-term results are not as meaningful for both of these asset classes. Performance for LACERA's Hedge Fund portfolio was 0.1% versus its index return of 0.8%.

LACERA's commodities composite returned 1.4%, outperforming its index return of 0.3% by 110 bps. The composite benefited from active management of both the commodities exposure and the fixed income collateral portfolio.

	4 th Qtr	1 Yr	Annualized			
			3 Yrs	5 Yrs	7 Yrs	10 Yrs
U.S. Equity	12.1%	0.7%	15.2%	-0.1%	2.9%	3.5%
Russell 3000 Index	12.1	1.0	14.9	0.0	3.0	3.5
Non-US Eq 50% Dev Mkt Hdg'd ¹	3.6	-14.1	11.1	-2.7	3.7	6.4
Non-US Eq Cust. Hedged Index	3.6	-14.1	11.0	-2.9	3.5	6.3
Fixed Income	2.0	6.7	11.0	7.1	6.3	6.6
F. I. Custom Index	1.4	7.4	7.8	6.6	5.8	6.1
Barclays U.S. Universal Index	1.4	7.4	7.7	6.4	5.7	6.0
Real Estate ²	1.3	10.9	-6.4	-1.7	4.4	6.0
NPI minus 25 bps	3.2	15.8	-1.7	3.1	7.2	7.6
Private Equity ²	-4.1	14.2	8.5	11.9	15.9	10.7
P. E. Target Return	2.1	8.5	8.5	8.5	8.5	8.5
Commodities	1.4	-10.4	11.8	--	--	--
DJ-UBS Commodity Index	0.3	-13.3	6.4	--	--	--
Hedge Funds ³	0.1	--	--	--	--	--
Hedge Fund Custom Index	0.8	--	--	--	--	--
Cash	0.1	0.4	2.4	1.9	2.5	2.4
Citigroup 6-Month T-Bill Index	0.0	0.1	0.3	1.6	2.3	2.0
Total Fund (Gross of Fees)	3.8	-0.4	9.3	2.1	5.1	6.0
Total Fund (Net of Fees)	3.8	-0.6	9.1	1.9	4.9	5.8
Total Fund Policy Benchmark	4.7	-0.1	9.4	2.5	5.1	6.2

See Glossary for all benchmark definitions.

¹ Passive 50% developed markets currency hedge implemented 7/30/10.

² Portfolio and benchmark are one quarter in arrears.

³ Portfolio and benchmark are one month in arrears. Performance included in Total Fund beginning 10/31/11.



EXECUTIVE SUMMARY

for the quarter ended December 31, 2011

EQUITY MARKET REVIEW

Global equities rebounded in the fourth quarter as positive economic data in the U.S. and signs of progress towards a European sovereign debt solution soothed investors' fears. Nevertheless, volatility remained high as investors absorbed and reacted to global, economic, and fundamental information.

PERFORMANCE HIGHLIGHTS	
U.S. Equity:	12.1%
Benchmark:	12.1%
Flat:	0 bps
Non-U.S. Equity:	3.6%
Benchmark:	3.6%
Flat:	0 bps

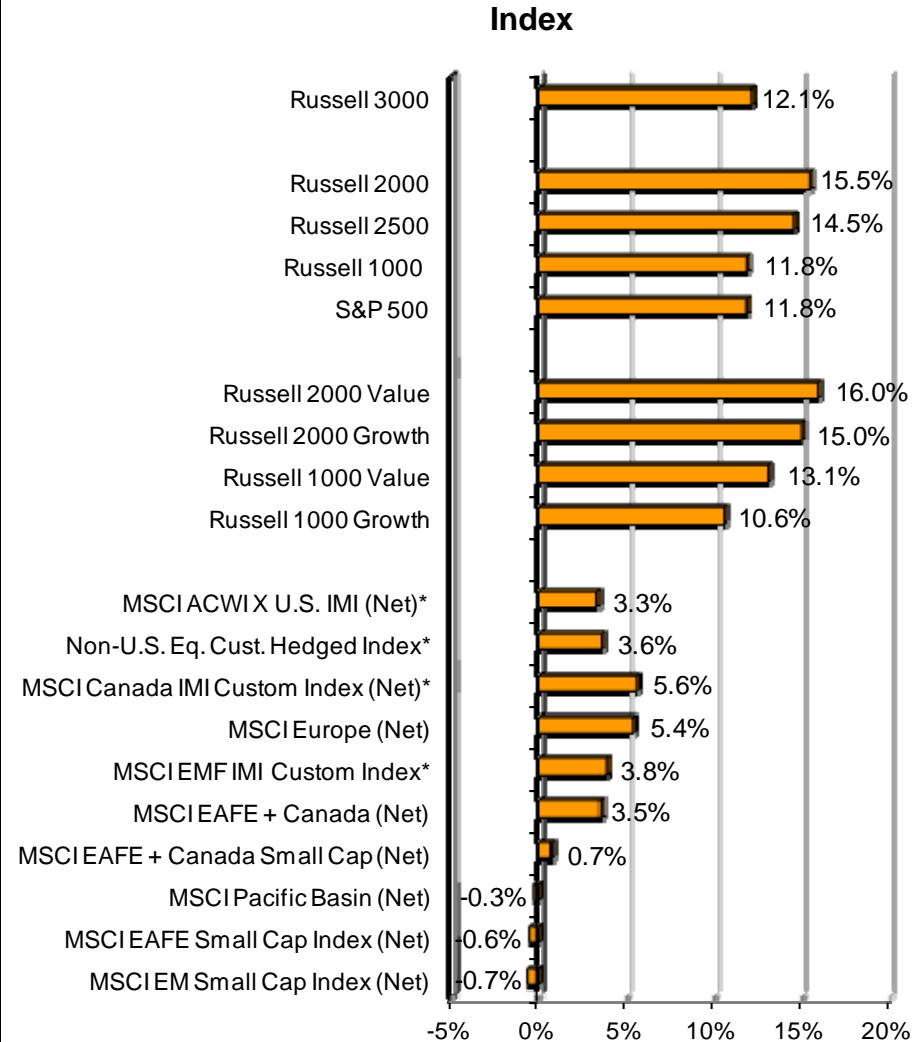
U.S. third quarter GDP came in below forecasts at 1.8% but anecdotal evidence showed a strengthening economy into the fourth quarter. European markets rebounded strongly in October. However, sovereign debt issues and austerity measures continued to weigh on growth expectations for Eurozone economies. The Pacific Rim lagged other regions on fears of a

hard-landing for China and a slowdown in other developed economies. Emerging markets rebounded on rising commodity prices and investors' increased appetite for risk.

LACERA's U.S. equity benchmark, the Russell 3000 Index, returned 12.1%. Small cap stocks rebounded strongly from the previous quarter and outperformed large cap stocks. The small cap Russell 2000 Index rose 15.5% versus an 11.8% increase in the large cap Russell 1000 Index. Value stocks outperformed growth for all capitalization segments.

Non-U.S. equity markets, as represented by the MSCI ACWI ex-U.S. IMI Index (unhedged), rose 3.3%. Canada gained 5.6% on strengthening commodity prices. Europe rebounded 5.4% on hopes of a resolution to the sovereign debt crisis. Emerging markets increased 3.8%, also helped by higher commodity prices. The Pacific Index returned -0.3% on the back of a 4% decline in Japan.

The U.S. dollar (USD) was mixed against most major currencies. The USD gained 3.3% versus the Euro and 0.3% versus the British Pound. However, the USD weakened 2.8% versus the Canadian Dollar and 0.2% versus the Japanese Yen. For the quarter, LACERA's passive 50% developed markets currency hedge into USD returned 0.1%.



* See Glossary.



EXECUTIVE SUMMARY

for the quarter ended December 31, 2011

FIXED INCOME MARKET REVIEW

The European sovereign debt crisis continued to fuel volatility in the global fixed income markets during the fourth quarter. U.S. dollar assets became the benefactor of widening European credit spreads, as investors looked for safe haven markets. The Barclays U.S.

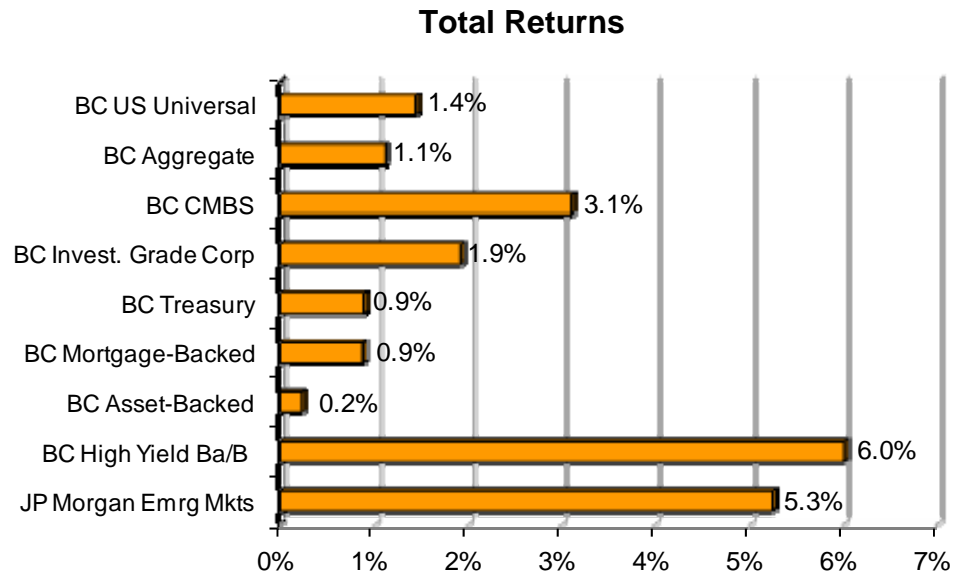
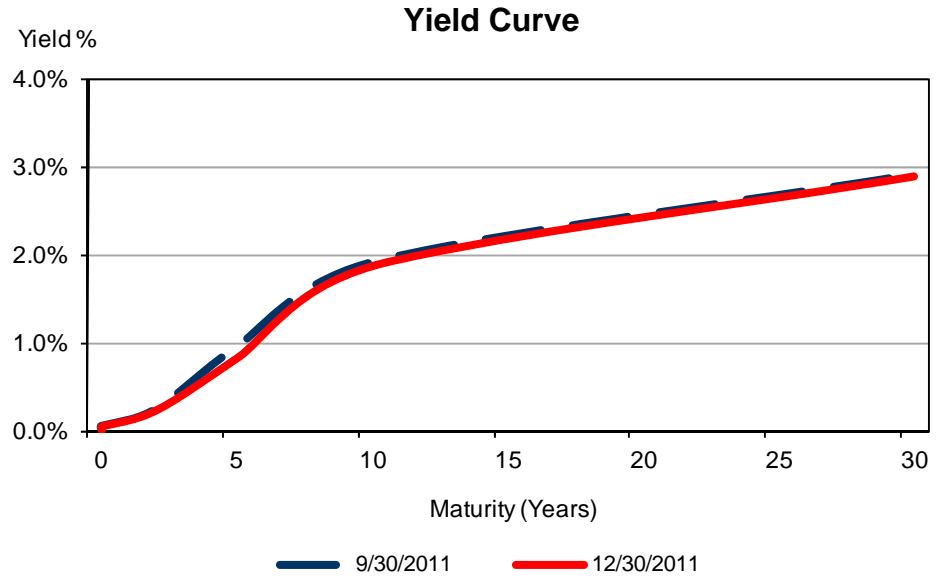
PERFORMANCE HIGHLIGHTS	
Fixed Income:	2.0%
Benchmark:	1.4%
Outperformed:	60 bps

Universal Index, the broadest measure of the U.S. bond market, returned 1.5% continuing its rally from the prior quarter.

U.S. Treasury yields declined modestly during the quarter as the Fed continued its \$400 billion Operation Twist program and announced that it would keep the

target range for the Fed Funds rate between 0% and 0.25% through at least mid-2013. The 5-year part of the yield curve experienced the largest decline in yield, down 12 bps to 0.83%. The 10-year T-Note yield declined 4 bps to 1.88% and the 30-year T-Bond declined 2 bps to 2.89%. Given its longer duration, the 30-year T-Bond was the top performing Treasury security, with a return of 2.0%. In general, longer-term bonds performed better than shorter-term bonds.

Investors took on more risk during the quarter as riskier sectors outpaced U.S. Treasury securities. High yield bonds and emerging market debt produced the strongest results, generating 6.0% and 5.3%, respectively. This marked a complete reversal of results from the previous quarter when both sectors were the worst performers. Among sectors within the Barclays U.S. Aggregate Index, CMBS and corporates were the best performers, returning 3.1% and 1.9%, respectively. Both U.S. Treasury and MBS returned 0.9%, while ABS ended the quarter with a return of 0.2%.





EXECUTIVE SUMMARY

for the quarter ended December 31, 2011

COMMODITIES MARKET REVIEW

After a strong gain in October, the Dow-Jones UBS Commodity Index (DJ-UBS) retreated in November and December, ending the quarter with a slight gain of 0.3%. The sluggish performance reflected concerns over continuing turmoil in Europe, causing the fragile global economic recovery to falter.

For all of 2011, the DJ-UBS lost 13.3%. The decline was widespread, as all sectors had negative returns for the year, except precious metals. The other leading commodity index, the S&P Goldman Sachs Commodity Index (SPGSCI), declined just 1.2% for the year. The difference in performance reflected the SPGSCI's higher energy allocation (71% vs. 38%), as well as its lower allocation to natural gas.

PERFORMANCE HIGHLIGHTS	
Commodities:	1.4%
Benchmark:	0.3%
Outperformed:	110 bps

Energy, the largest sector in the DJ-UBS, was the top performing sector for the quarter, with a 2.2% gain. For the year, however, energy fell 16.0%, primarily due to a 47.1% plunge in natural gas. The decline in natural gas reflected low demand due to mild winter weather and excess supply from new extraction techniques. Natural gas has been the weakest performer in the DJ-UBS for three consecutive years. In contrast, crude oil was up 24.1% for the quarter.

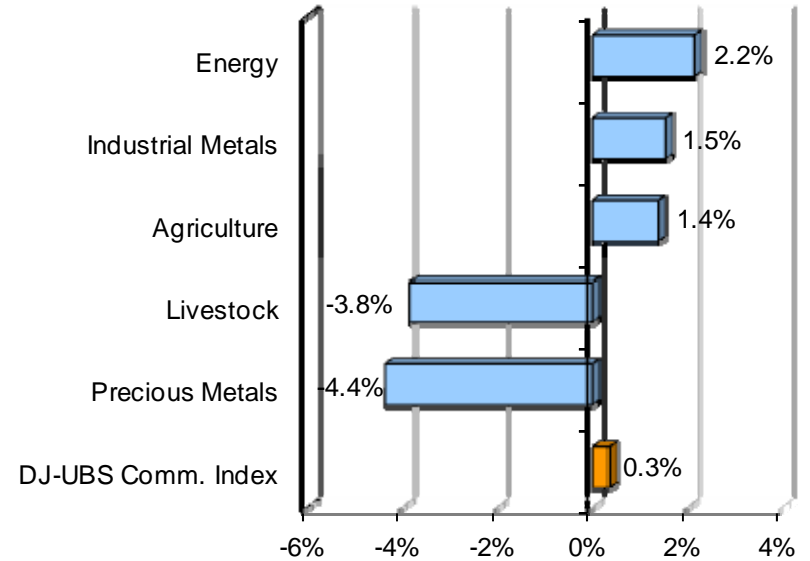
Industrial Metals were the second best performing sector in the fourth quarter, gaining 1.5%. However, industrial metals were the worst performing sector in 2011 (down 24.2%), due to a 22.7% decline in the third quarter. This sector is highly sensitive to economic conditions.

Agriculture, the second largest sector of the index, gained 1.4% during the quarter but declined 14.4% in 2011. Six of the seven commodities in this sector fell between 10%-35% in 2011 due to excess inventories. Corn was the lone exception, gaining 1.1%, as demand from U.S. ethanol production as well as from China depleted limited supplies.

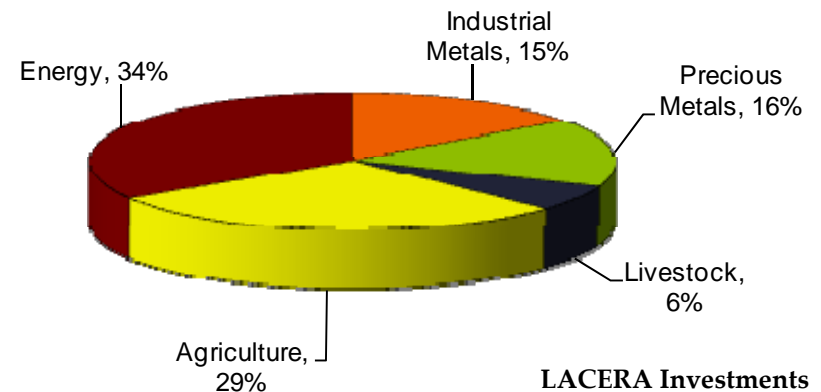
Precious Metals were particularly volatile, as they were the weakest sector for the quarter (-4.4% return), but the strongest sector for the year (+4.6% return).

Both Gold and Silver declined after reaching all-time highs during the year. However, Gold ended the year up 9.6%, whereas Silver was down 10.2%.

DJ-UBS Commodity Index Returns



DJ-UBS Commodity Index Sector Weights





EXECUTIVE SUMMARY

for the quarter ended December 31, 2011

EQUITY MANAGER REVIEW

Large Cap

Four of LACERA's six large cap managers outperformed their respective benchmarks. Relational, the large cap activist manager, delivered the largest relative gain, outpacing its benchmark by 290 bps. The portfolio's holdings within the energy and consumer staples sectors drove the results.

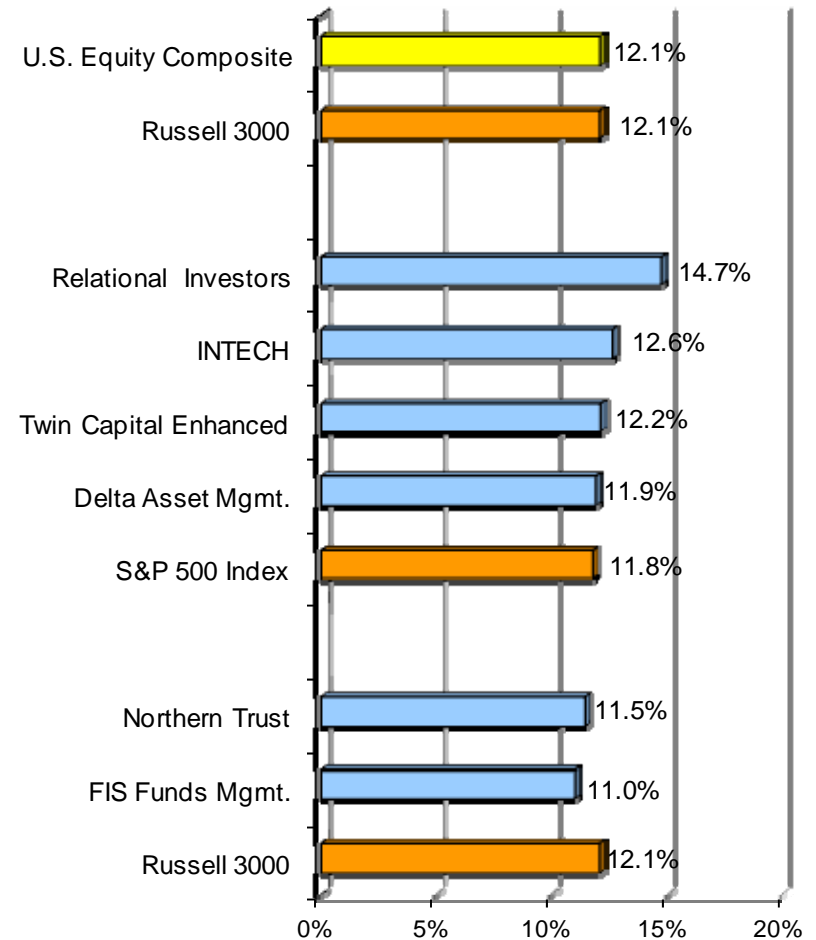
Both of the quantitative managers surpassed their benchmarks. Intech outperformed by 80 bps as the "relative volatility" model performed well in response to a rise in the market's cross-sectional volatility. The portfolio's lower cap holdings also helped as mid and small cap stocks outperformed large cap. Twin beat its index by 40 bps, primarily due to industrial and consumer staples holdings.

Delta outperformed by 10 bps, mainly through stock selection in the industrials sector. The portfolio's underweight to the utilities sector was also beneficial given that it was the lowest returning sector for the quarter.

LACERA's emerging manager fund-of-funds advisors posted negative relative results as Northern Trust trailed its index by 60 bps and FIS lagged by 110 bps. A majority of the large cap sub-managers in each program underperformed.

Three large cap managers performed outside their calculated performance bands for the quarter: Delta (two observations below) Intech (one observation above); and Northern Trust (one observation below).

Large Cap





EXECUTIVE SUMMARY

for the quarter ended December 31, 2011

EQUITY MANAGER REVIEW (...cont.)

Small/Mid Cap

LACERA's small/mid cap managers had a difficult time beating the strong absolute return of the benchmark. Only two of the five managers were able to outperform.

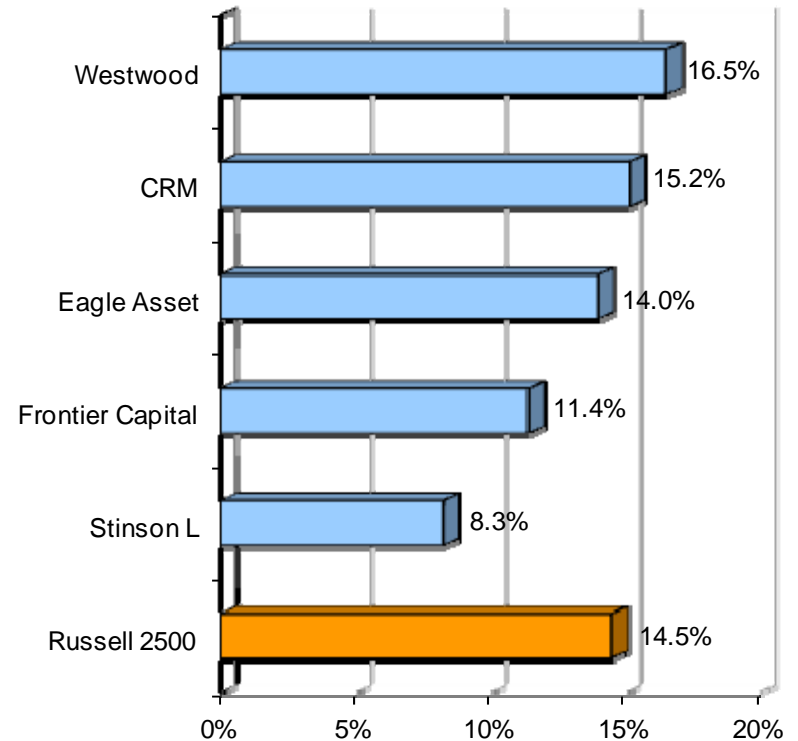
Westwood was the best relative performer, beating its benchmark by 200 bps. The portfolio's energy and financial names drove the result. CRM outperformed by 70 bps through stock selection in the industrials, materials, and financial sectors.

Eagle trailed its index by 50 bps, primarily due to holdings in the consumer discretionary and industrials sectors. Frontier underperformed by 310 bps as the portfolio's overweight to, and stock selection in, the health care and information technology sectors detracted.

Stinson L, LACERA's mid-cap activist manager, lagged its benchmark by 620 bps as the for-profit education holdings continued to weigh on results. As a reminder, the Board terminated this mandate and LACERA will be withdrawing from the fund effective March 31, 2012.

No small/mid cap managers were outside their calculated performance bands for the quarter.

Small/Mid Cap





EXECUTIVE SUMMARY

for the quarter ended December 31, 2011

EQUITY MANAGER REVIEW (...cont.)

Non-U.S.

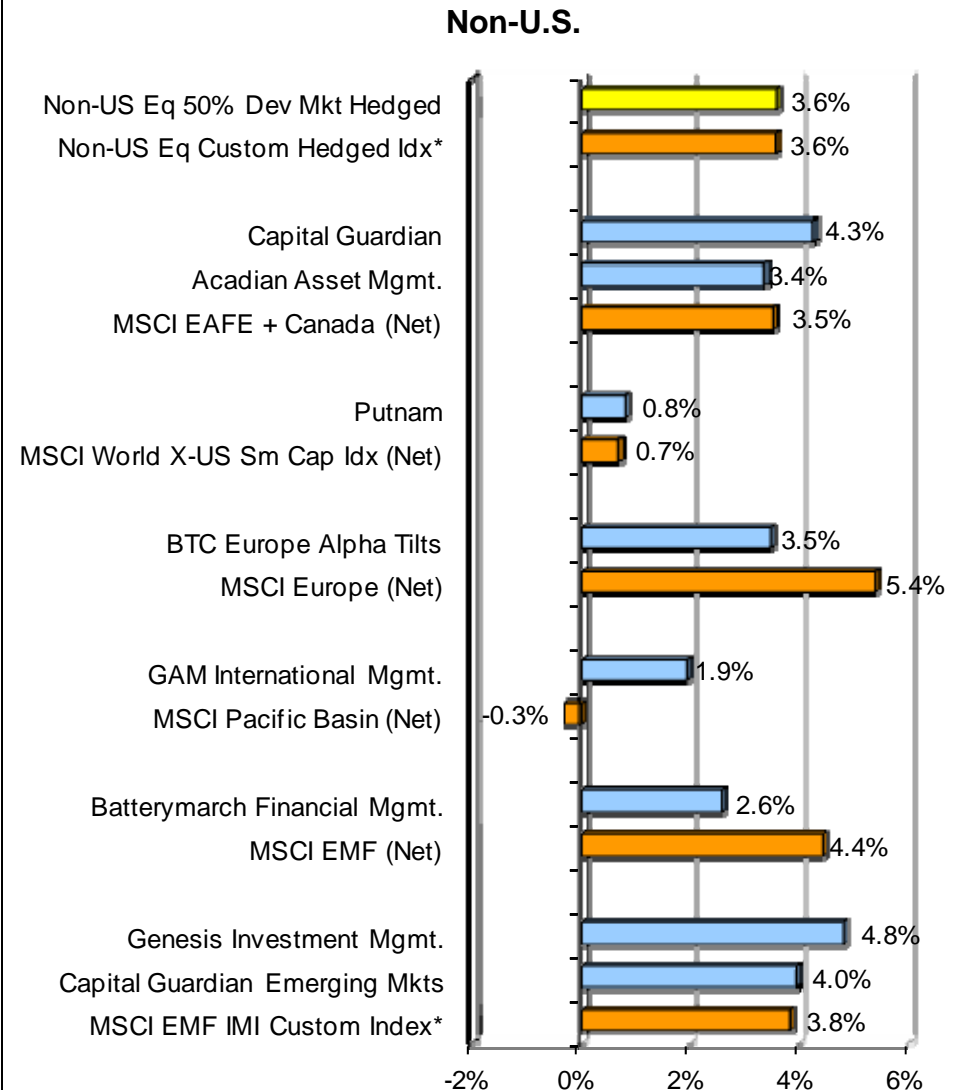
Active management performance was split along the lines of fundamental and quantitative managers. All of LACERA's fundamental non-U.S. managers beat their benchmarks as macro issues abated and investors focused on stock fundamentals. The quantitative managers lagged as their stock selection processes did not immediately capture the reversal in investor sentiment from the third quarter.

Capital Guardian, the fundamental EAFE+Canada manager, outperformed by 80 bps through an underweight to Japan and stock selection in the materials and financials sectors. Acadian, the quantitative manager, trailed its benchmark by 10 bps due to an underweight to the United Kingdom and stock selection in the consumer discretionary sector. Putnam, LACERA's recently hired active non-U.S. small cap manager, outperformed by 10 bps. Stock selection in the United Kingdom, Switzerland, and the materials sector drove the result.

The BlackRock Europe Tilts quantitative portfolio underperformed by 190 bps due to stock selection in Germany, Spain, the United Kingdom, and the consumer discretionary and health care sectors. GAM's Pacific Basin portfolio beat its index by 220 bps, helped by stock selection in Japan and an overweight to, and stock selection in, the industrials sector.

Batterymarch, the quantitative emerging markets manager, lagged by 180 bps as a result of stock selection in South Korea and in the information technology and financials sectors. Genesis' outperformance of 100 bps was attributable to stock selection in South Korea, Taiwan, and in the materials and information technology sectors. Capital Guardian's 20 bps of outperformance was driven by stock selection in South Korea and in the materials sector.

There were no non-U.S. equity managers outside their calculated performance bands.



* See Glossary.



EXECUTIVE SUMMARY

for the quarter ended December 31, 2011

FIXED INCOME MANAGER REVIEW

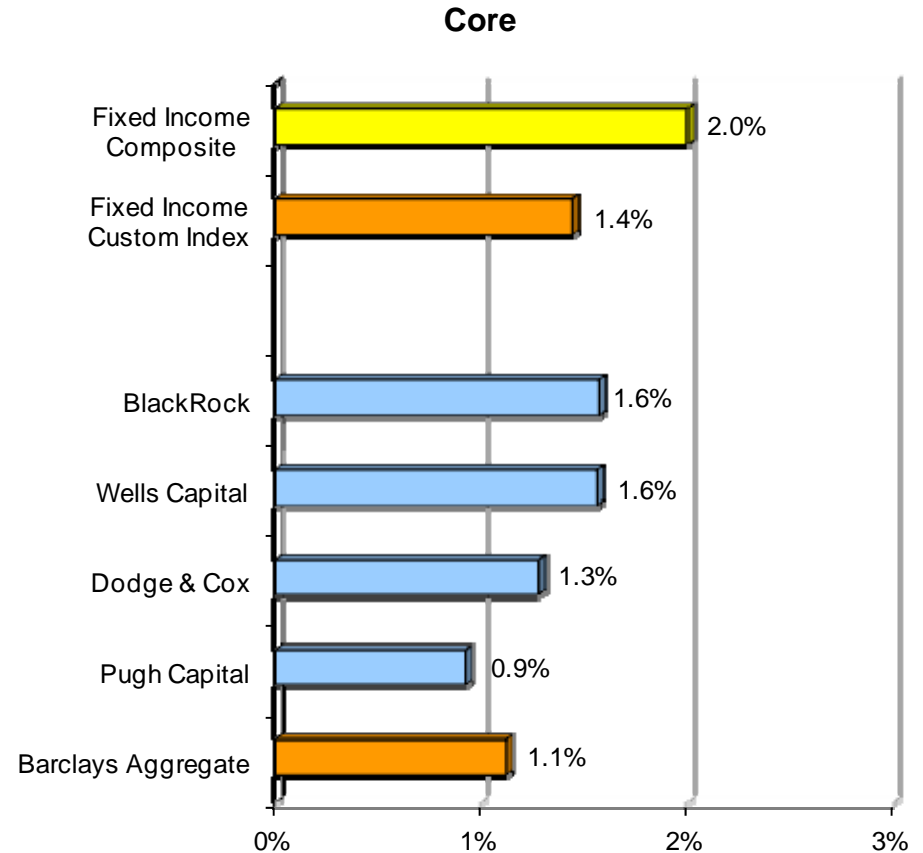
Core

All but one of LACERA's active core fixed income managers outperformed their benchmark for the quarter. Both BlackRock and Wells Capital outpaced the Barclays Aggregate Index by 50 bps. BlackRock's corporate security selection within energy, metals, and financials contributed to their strategy's success. Wells' outperformance was attributed to corporate security selection within telecom, bank/finance, and healthcare, along with an overweight allocation to and security selection in CMBS and ABS*.

Dodge & Cox's 20 bps of excess return resulted from an overweight allocation within corporates, combined with their portfolio's lower-rated holdings in finance. Security selection within agency MBS and the portfolio's yield advantage was also beneficial to performance.

Sector allocation and security selection posed a problem for Pugh Capital, which underperformed by 20 bps during the quarter. The portfolio's underweight to corporate securities earlier in the quarter, and poor security selection within government and CMBS detracted from portfolio results.

For the quarter, Dodge & Cox was the only core manager outside its calculated performance band (two observations below).



* ABS = asset-backed securities
CMBS = commercial mortgage-backed security
MBS = mortgage-backed security



EXECUTIVE SUMMARY

for the quarter ended December 31, 2011

FIXED INCOME MANAGER REVIEW (...cont.)

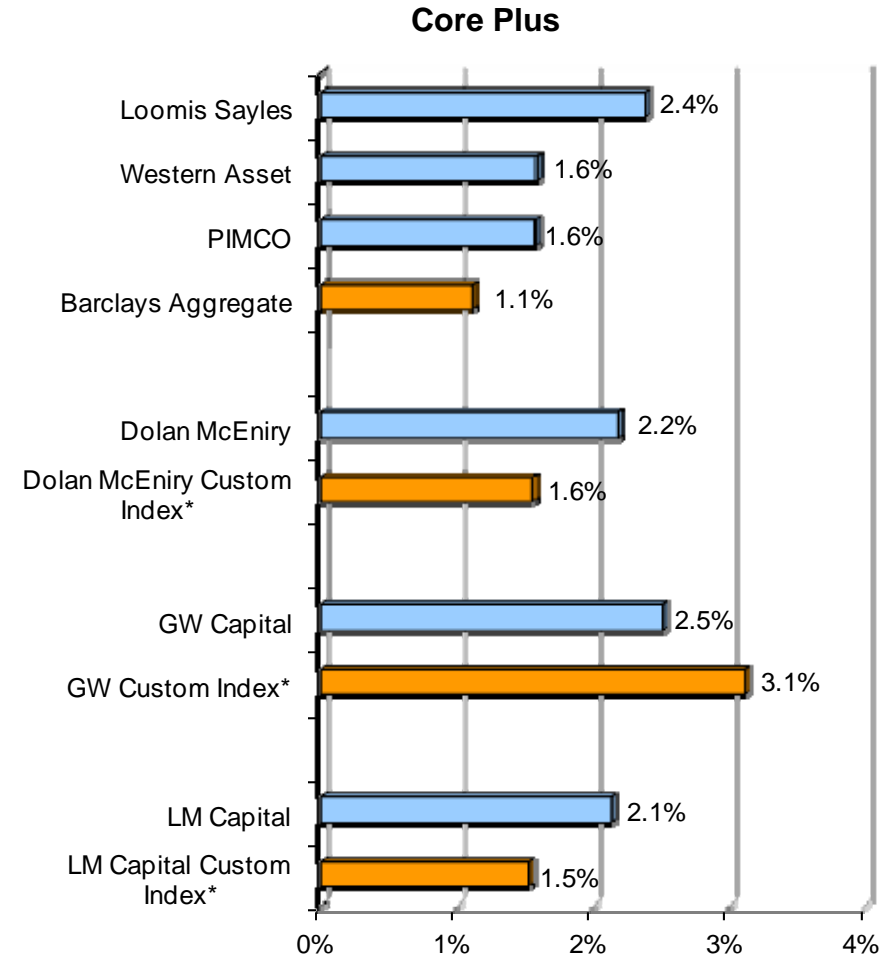
Core Plus

With the exception of GW Capital, all core plus managers outperformed their respective benchmarks. Loomis Sayles' 130 bps of outperformance was primarily due to security selection within corporate industrial names. The firm's slightly longer duration positioning during the quarter was also positive for performance. Both Western Asset and PIMCO outpaced the Barclays Aggregate Index by 50 bps. Western's modest overweights to corporates, high yield, and emerging market debt were positive for performance. PIMCO's corporate security selection (primarily financials) and longer duration posture were key sources of outperformance.

Dolan McEniry outperformed their custom index by 60 bps for the quarter. Dolan's significant overweight to and security selection in corporates was the firm's primary contributor to excess return. LM Capital also outpaced their custom index by 60 bps for the quarter. LM's outperformance was driven largely by their "plus" sector allocations to high yield, emerging markets, and non-dollar securities. The strategy's Treasury allocation also contributed positively to performance.

GW Capital underperformed its benchmark by 60 bps for the quarter. Security selection within high yield and an underweight to single-B rated securities negatively impacted their performance.

The following managers were outside their calculated performance bands for the quarter: Loomis Sayles (two observations below), PIMCO (two observations below), and Western Asset (one observation below).



* See Glossary.



EXECUTIVE SUMMARY

for the quarter ended December 31, 2011

FIXED INCOME MANAGER REVIEW (...cont.)

Opportunistic

The opportunistic composite is comprised of two strategies: high yield and non-traditional fixed income. One of the three high yield managers and one of the four non-traditional fixed income managers outperformed their respective benchmarks for the quarter.

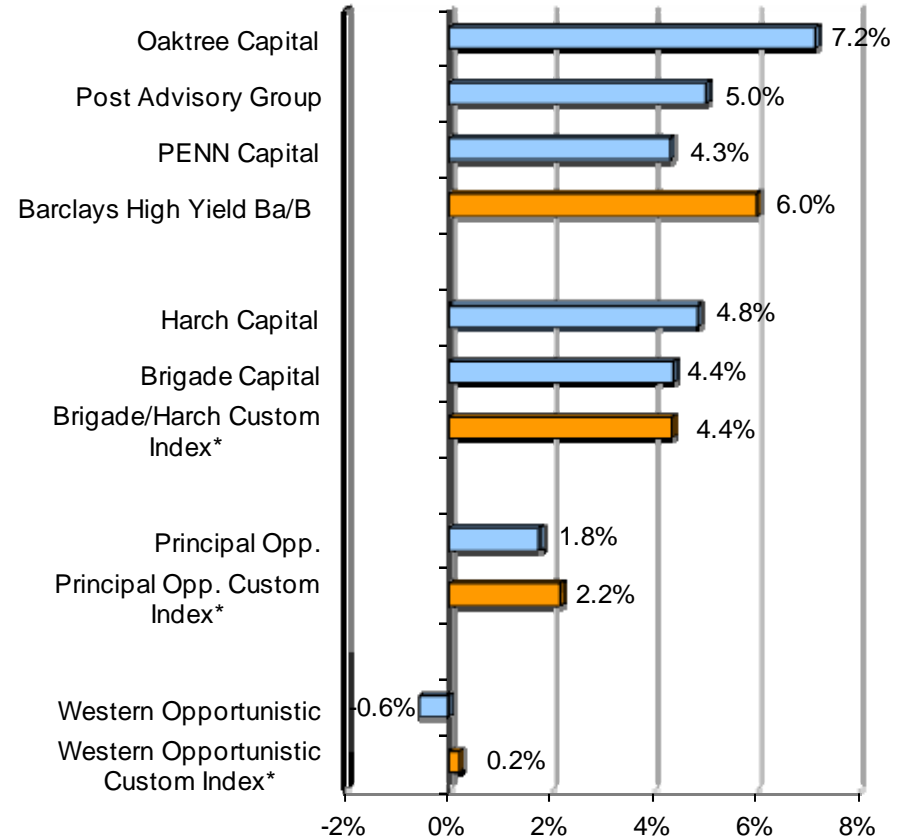
Oaktree Capital was the only high yield firm to outperform the Barclays High Yield Ba/B Index for the quarter. Oaktree's 120 bps of outperformance reflects good credit selection in food and beverage, wirelines, and other industrial sectors. Post Advisory underperformed by 100 bps as a result of poor security selection and an overweight allocation to defensive sectors. PENN Capital trailed the Index by 170 bps. PENN's strategy, like Post's, was overly defensive and had a significant underweight allocation to cyclical sectors such as chemicals, metals and mining, building materials, and homebuilding.

LACERA's non-traditional fixed income investments include portfolios comprised of securities such as non-Agency MBS, bank loans, high yield corporate bonds, mezzanine debt and distressed securities. Harch was the best performing non-traditional bond manager, beating the index by 40 bps. Their focus on asset heavy credits and tactical moves between bonds and loans were positive for the quarter. Brigade performed in-line with its benchmark.

Principal underperformed its custom index by 40 bps because of a shorter duration posture, an out-of-index allocation to U.S. Treasury securities, and an overweight allocation to ABS. Western lagged its index by 80 bps due to sector and security selection. The portfolio's underweight to corporates and allocation to non-agency MBS were negative contributors to performance.

For the quarter, Brigade was the only opportunistic manager outside their calculated performance band (three observations above).

Opportunistic



* See Glossary.



EXECUTIVE SUMMARY

for the quarter ended December 31, 2011

COMMODITIES MANAGER REVIEW

LACERA's commodities composite outperformed the benchmark, the Dow Jones-UBS Commodity Index (DJ-UBS), by 110 bps for the quarter (1.4% versus 0.3%), as all three managers generated excess returns. For the year, the composite outperformed the index by 2.9% (-10.4% vs. -13.3%).

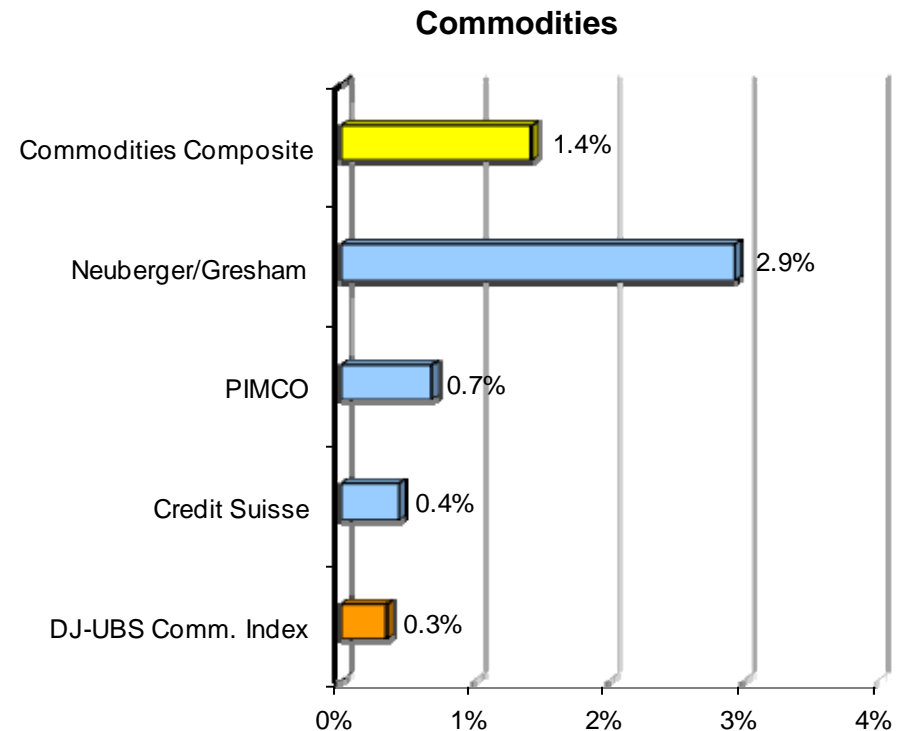
The **Neuberger/Gresham** portfolio continued to deliver excellent performance, surpassing the index by 260 bps for the quarter and 650 bps for the year. Neuberger manages the fixed income collateral conservatively, investing in high quality, liquid, short-term instruments. Therefore, the majority of excess returns are attributable to Gresham's active management of commodities exposure. Gresham adds value by over/under-weighting commodities, as well as by actively trading and rebalancing futures positions. The underweight position in natural gas contributed most of the outperformance for the quarter.

The **PIMCO** portfolio outpaced the benchmark by 40 bps in the fourth quarter, only partially recouping the underperformance from the preceding quarter. Most of the quarter's excess return was attributable to the corporate bonds in PIMCO's collateral portfolio. Historically, PIMCO's active commodity strategies have been a consistent source of incremental return. However, returns from the fixed income collateral underlying the commodities have been more volatile. As a result, fluctuations in PIMCO's performance relative to the index have been attributable more to the fixed income collateral than to PIMCO's active commodity strategies.

Credit Suisse outperformed the benchmark by 10 bps for the quarter. This manager's investment style is the most conservative among LACERA's three commodities managers. Credit Suisse does not attempt to add value by actively weighting one commodity versus another, so their portfolio weights match the index. Instead, Credit

Suisse adds value by selecting the optimum futures contract (e.g. March versus June expiration) for each commodity, and by choosing the optimum time to roll from one futures contract to the next. Credit Suisse also invests the fixed income collateral in a conservative fashion, investing primarily in short duration U.S. Treasury and Agency debt.

The Neuberger/Gresham portfolio's returns were above the upper performance band for the ninth consecutive quarter.





TOTAL FUND

ANNUALIZED AND ANNUAL RETURNS

Gross of Fees

Annualized

Annual

for the quarter ended December 31, 2011

	4th Qtr	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	2011	2010	2009	2008	2007
U.S. Equity	12.1 %	0.7 %	15.2 %	-0.1 %	2.9 %	3.5 %	0.7%	18.2%	28.4%	-37.5%	4.2%
Russell 3000 Index	12.1	1.0	14.9	0.0	3.0	3.5	1.0	16.9	28.3	-37.3	5.1
Non-U.S. Eq. 50% Dev Mkt Hdg	3.6	-14.1	11.1	-2.7	3.7	6.4	-14.1	11.4	43.6	-45.5	16.5
Non-U.S. Eq. Custom Hedged Index	3.6	-14.1	11.0	-2.9	3.5	6.3	-14.1	10.9	43.6	-45.9	16.7
Fixed Income	2.0	6.7	11.0	7.1	6.3	6.6	6.7	9.7	16.8	-3.0	6.3
F. I. Custom Index	1.4	7.4	7.8	6.6	5.8	6.1	7.4	7.2	8.8	3.1	6.7
Barclays U.S. Universal Index	1.4	7.4	7.7	6.4	5.7	6.0	7.4	7.2	8.6	2.4	6.5
Real Estate ¹	1.3	10.9	-6.4	-1.7	4.4	6.0	10.9	2.0	-27.5	-0.5	12.5
NPI minus 25 bps	3.2	15.8	-1.7	3.1	7.2	7.6	15.8	5.6	-22.3	5.0	17.0
Private Equity ¹	-4.1	14.2	8.5	11.9	15.9	10.7	14.2	19.8	-6.5	-0.5	37.8
P. E. Target Return	2.1	8.5	8.5	8.5	8.5	8.5	8.5	5.1	5.7	8.8	12.6
Commodities	1.4	-10.4	11.8	--	--	--	-10.4	20.5	29.5	-40.0	--
DJ-UBS Commodity Index	0.3	-13.3	6.4	--	--	--	-13.3	16.8	18.9	-35.6	--
Hedge Funds ²	0.1	--	--	--	--	--	--	--	--	--	--
Hedge Fund Custom Index	0.8	--	--	--	--	--	--	--	--	--	--
Cash	0.1	0.4	2.4	1.9	2.5	2.4	0.4	2.6	4.2	-2.7	5.1
Citigroup 6-Month T-Bill Index	0.0	0.1	0.3	1.6	2.3	2.0	0.1	0.2	0.5	2.4	5.0
Total Fund (Gross of Fees)	3.8	-0.4	9.3	2.1	5.1	6.0	-0.4	12.8	16.4	-23.5	10.7
Total Fund Policy Benchmark	4.7	-0.1	9.4	2.5	5.1	6.2	-0.1	11.0	18.1	-21.5	9.8

See Glossary for all benchmark definitions.

¹ Portfolio and benchmark are one quarter in arrears.

² Portfolio and benchmark are ne month in arrears. Performance included in Total Fund beginning 10/31/11.



TOTAL FUND

ANNUALIZED AND ANNUAL RETURNS

Net of Fees

	<i>Annualized</i>						<i>Annual</i>				
	for the quarter ended December 31, 2011										
	4th Qtr	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	2011	2010	2009	2008	2007
U.S. Equity	12.1%	0.5%	15.0%	-0.2%	2.8%	3.4%	0.5%	18.0%	28.3%	-37.6%	4.1%
Russell 3000 Index	12.1	1.0	14.9	0.0	3.0	3.5	1.0	16.9	28.3	-37.3	5.1
Non-U.S. Eq. 50% Dev Mkt Hdg	3.5	-14.2	11.0	-2.8	3.6	6.2	-14.2	11.2	43.4	-45.6	16.3
Non-U.S. Eq. Custom Hedged Index	3.6	-14.1	11.0	-2.9	3.5	6.3	-14.1	10.9	43.6	-45.9	16.7
Fixed Income	2.0	6.6	10.8	6.9	6.1	6.4	6.6	9.5	16.6	-3.2	6.1
F. I. Custom Index	1.4	7.4	7.8	6.6	5.8	6.1	7.4	7.2	8.8	3.1	6.7
Barclays U.S. Universal Index	1.4	7.4	7.7	6.4	5.7	6.0	7.4	7.2	8.6	2.4	6.5
Real Estate ¹	1.1	10.1	-7.1	-2.2	3.4	5.0	10.1	1.0	-27.8	-0.5	11.7
NPI minus 25 bps	3.2	15.8	-1.7	3.1	7.2	7.6	15.8	5.6	-22.3	5.0	17.0
Private Equity ¹	-4.1	14.2	8.5	11.9	15.9	10.7	14.2	19.8	-6.5	-0.5	37.8
P. E. Target Return	2.1	8.5	8.5	8.5	8.5	8.5	8.5	5.1	5.7	8.8	12.6
Commodities	1.4	-10.7	11.2	--	--	--	-10.7	19.3	29.0	-40.2	--
DJ-UBS Commodity Index	0.3	-13.3	6.4	--	--	--	-13.3	16.8	18.9	-35.6	--
Hedge Funds ²	0.1	--	--	--	--	--	--	--	--	--	--
Hedge Fund Custom Index	0.8	--	--	--	--	--	--	--	--	--	--
Cash	0.1	0.3	2.3	1.8	2.5	2.3	0.3	2.5	4.2	-2.8	5.1
Citigroup 6-Month T-Bill Index	0.0	0.1	0.3	1.6	2.3	2.0	0.1	0.2	0.5	2.4	5.0
Total Fund (Net of Fees)	3.8	-0.6	9.1	1.9	4.9	5.8	-0.6	12.5	16.2	-23.6	10.5
Total Fund Policy Benchmark	4.7	-0.1	9.4	2.5	5.1	6.2	-0.1	11.0	18.1	-21.5	9.8

See Glossary for all benchmark definitions.

¹ Portfolio and benchmark are one quarter in arrears.

² Portfolio and benchmark are ne month in arrears. Performance included in Total Fund beginning 10/31/11.



TOTAL FUND FISCAL YEAR RETURNS

	FYTD	10/11	09/10	08/09	07/08	06/07
U.S. Equity	-5.6 %	33.6 %	15.9 %	-26.3 %	-14.1 %	20.5 %
Russell 3000 Index	-5.0	32.4	15.7	-26.6	-12.7	20.1
Non-U.S. Eq. 50% Dev Mkt Hdg	-16.1	26.6	12.2	-30.8	-6.4	30.4
Non-U.S. Eq. Custom Hedged Index	-15.6	25.9	11.5	-30.5	-6.6	29.6
Fixed Income	3.2	7.3	15.0	4.1	5.3	6.7
F. I. Custom Index	4.4	4.8	10.6	5.8	6.6	6.4
Barclays U.S. Universal Index	4.4	4.8	10.6	4.9	6.2	6.6
Real Estate ¹	6.2	9.1	-14.4	-19.0	11.3	18.0
NPI minus 25 bps	7.2	15.7	-9.8	-14.9	13.3	16.3
Private Equity ¹	0.6	22.0	26.7	-23.5	23.6	31.1
P. E. Target Return	4.3	9.1	4.9	2.7	11.2	13.6
Commodities	-10.4	30.9	7.1	-47.7	42.9	--
DJ-UBS Commodity Index	-11.0	25.9	2.7	-47.1	41.6	--
Hedge Funds ²	0.1	--	--	--	--	--
Hedge Fund Custom Index	0.8	--	--	--	--	--
Cash	0.1	1.4	4.0	-2.1	3.4	5.7
Citigroup 6-Month T-Bill Index	0.1	0.2	0.2	1.2	3.9	5.1
Total Fund (Gross of Fees)	-4.9	20.4	11.8	-18.2	-1.4	19.1
Total Fund (Net of Fees)	-5.0	20.2	11.6	-18.3	-1.6	18.8
Total Fund Policy Benchmark	-3.6	18.6	9.5	-14.4	-0.9	16.9

See Glossary for all benchmark definitions.

¹ Portfolio and benchmark are one quarter in arrears.

² Portfolio and benchmark are one month in arrears. Performance included in Total Fund beginning 10/31/11.



TOTAL FUND

TOTAL FUND vs. BENCHMARK

for the one-year ended December 31, 2011

	<i>Total Fund*</i>		<i>Benchmark</i>		<i>Return Attribution**</i>		
	<u>1 Year Average Weight</u>	<u>1 Year Return</u>	<u>1 Year Policy Weight</u>	<u>1 Year Return</u>	<u>Allocation Decision¹</u>	<u>Selection Decision²</u>	<u>Total</u>
U.S. Equity Russell 3000 Index	23.4%	0.7%	23.0%	1.0%	0.1%	-0.1%	0.0%
Non-U.S. Eq. 50% Dev Mkt Hdg Non-U.S. Eq. Custom Hedged Index	28.1%	-14.1%	29.0%	-14.1%	0.0%	0.0%	0.0%
Fixed Income F. I. Custom Index	25.4%	6.7%	26.0%	7.4%	0.0%	-0.2%	-0.2%
Real Estate NPI minus 25 bps	8.7%	10.9%	10.0%	15.8%	-0.2%	-0.3%	-0.5%
Private Equity P. E. Target Return	10.1%	14.2%	7.0%	8.5%	0.1%	0.3%	0.4%
Commodities DJ-UBS Commodity Index	2.7%	-10.4%	3.0%	-13.3%	0.0%	0.0%	0.0%
Cash Citigroup 6-Month T-Bill Index	1.6%	0.4%	2.0%	0.1%	0.0%	0.0%	0.0%
Total Fund Total Fund Policy Benchmark	100.0%	-0.4%	100.0%	-0.1%	0.0%	-0.3%	-0.3%

* See Glossary for all benchmark definitions.

* Hedge funds are omitted because performance began 10/31/11 and had a negligible contribution to return for this period.

** The one-year return attribution shown was calculated using quarterly attribution data.

¹ Allocation decision reflects the asset class over or underweight (versus the policy weight) multiplied by the difference between the asset class benchmark and Fund Policy benchmark return.

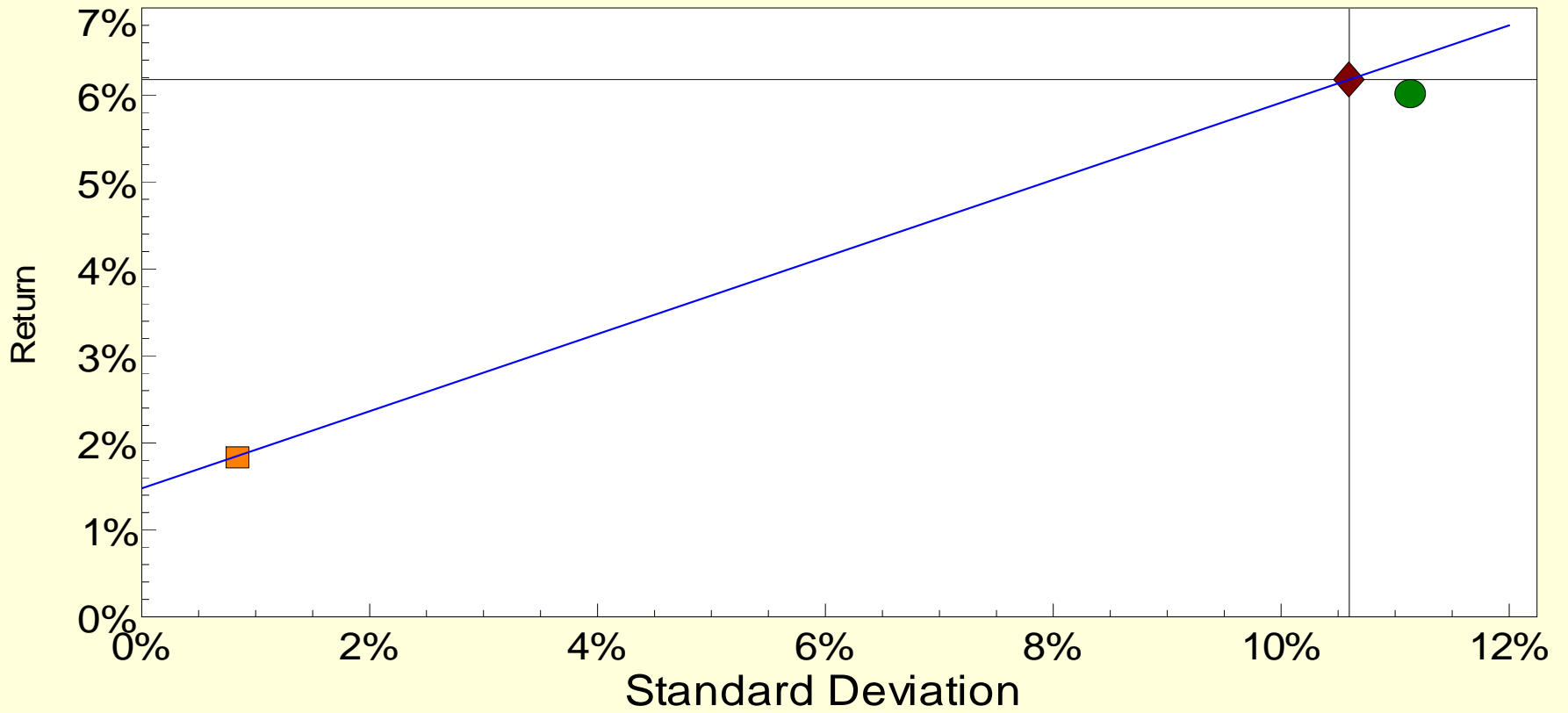
² Selection decision reflects the Fund's asset class return minus the asset class benchmark return, multiplied by the asset class weight.



TOTAL FUND RISK-ADJUSTED RETURN

for the quarter ended December 31, 2011

January 2002 - December 2011
(10 Years)



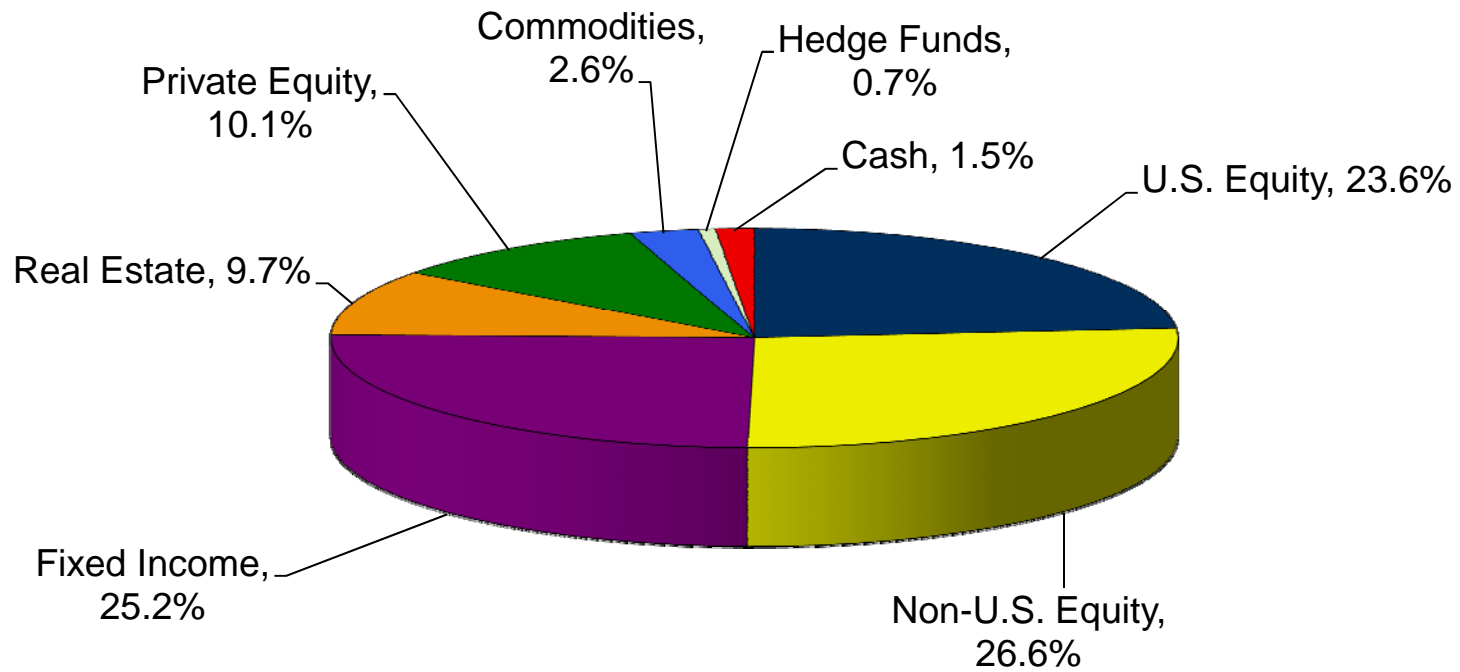
● Total Fund ◆ Market Benchmark Total Fund Benchmark ■ Cash Equivalent: 3-month T-bill — Capital Market Line



ASSET ALLOCATION

TOTAL FUND

for the quarter ended December 31, 2011





ASSET ALLOCATION

ACTUAL vs. TARGET

	<i>December 31, 2011</i>		<i>Target</i>		
	<u>Market Value</u> <u>(\$ millions)</u>	<u>% of</u> <u>Total Fund</u>	<u>Market Value</u> <u>(\$ millions)</u>	<u>% of</u> <u>Total Fund</u>	<u>Rebalancing</u> <u>Range</u>
EQUITIES					
U.S.	8,639.8	23.6%	8,409.2	23.0%	
Non-U.S.	9,735.5	26.6%	10,237.3	28.0%	
<i>Total Public Equities</i>	18,375.2	50.2%	18,646.5	51.0%	41-61%
PRIVATE EQUITY¹	3,697.2	10.1%	2,559.3	7.0%	4-10%
FIXED INCOME	9,199.7	25.2%	9,506.1	26.0%	23-29%
REAL ESTATE¹	3,557.1	9.7%	3,656.2	10.0%	7-15%
COMMODITIES	958.2	2.6%	1,096.9	3.0%	0-5%
HEDGE FUNDS	238.5	0.7%	365.6	1.0%	0-2%
CASH	535.9	1.5%	731.2	2.0%	0-4%
TOTAL FUND	\$ 36,561.8	100.0%	\$ 36,561.8	100.0%	

¹ One Quarter in arrears.



ASSET ALLOCATION

U.S. EQUITY MANAGERS

December 31, 2011

September 30, 2011

	<u>Assets</u> (\$ millions)	<u>% of</u> <u>Composite</u>	<u>Policy</u> <u>Range</u>	<u>Assets</u> (\$ millions)	<u>% of</u> <u>Composite</u>
PASSIVE					
BTC Russell 1000 Index	6,093.7	70.5%		5,448.0	70.6%
BTC Russell 2000 Index	67.7	0.8%		58.6	0.8%
Total Passive	6,161.4	71.3%	35%-75%	5,506.6	71.4%
LOW RISK					
INTECH	310.8	3.6%		276.2	3.6%
Twin Capital	220.3	2.6%		196.5	2.5%
Total Low Risk	531.1	6.1%	0%-25%	472.7	6.1%
MODERATE/HIGH RISK					
Cramer Rosenthal McGlynn	164.0	1.9%		142.6	1.8%
Delta Asset Mgmt.	405.6	4.7%		362.4	4.7%
Eagle Asset Mgmt.	287.8	3.3%		252.8	3.3%
FIS Group	148.3	1.7%		133.6	1.7%
Frontier Capital Mgmt.	352.8	4.1%		317.2	4.1%
Northern Trust	194.7	2.3%		174.6	2.3%
Relational Investors	97.4	1.1%		92.0	1.2%
Stinson Capital Partners	68.0	0.8%		62.8	0.8%
Westwood Mgmt. Corp.	228.7	2.6%		196.5	2.5%
Total Moderate/High Risk	1,947.2	22.5%	10%-30%	1,734.6	22.5%
TOTAL U.S. EQUITY	\$ 8,639.8	100.0%		\$ 7,713.9	100.0%



ASSET ALLOCATION

NON-U.S. EQUITY MANAGERS

	December 31, 2011			September 30, 2011	
	Assets (\$ millions)	% of Composite	Policy Range	Assets (\$ millions)	% of Composite
PASSIVE					
BTC Canada Index IMI	714.0	7.4%		675.0	7.2%
BTC EAFE Index IMI	4,538.3	46.9%		4,412.3	47.2%
BTC Emerging Markets Index	615.1	6.4%		589.3	6.3%
BTC Europe Index	476.0	4.9%		451.4	4.8%
BTC EAFE Small Cap Index	22.6	0.2%		22.7	0.2%
BTC Emrg. Mkt. Small Cap Index	61.9	0.6%		62.0	0.7%
Total Passive	6,427.9	66.5%	40%-70%	6,212.7	66.4%
NON-US DEVELOPED					
Acadian Asset Mgmt.	428.9	4.4%		415.3	4.4%
Capital Guardian	209.8	2.2%		201.5	2.2%
Putnam Investments	95.1	1.0%		94.3	1.0%
Total Non U.S. Developed	733.8	7.6%	0%-40%	711.1	7.6%
REGIONAL DEVELOPED					
BTC Europe Alpha Tilts	521.6	5.4%		504.8	5.4%
GAM International Mgmt.	508.5	5.3%		499.4	5.3%
Total Regional Developed	1,030.1	10.7%	0%-20%	1,004.2	10.7%
EMERGING MARKETS					
Batterymarch Financial Mgmt.	378.3	3.9%		368.8	3.9%
Capital Guardian Emerging	635.0	6.6%		610.8	6.5%
Genesis Investment Mgmt.	466.9	4.8%		446.3	4.8%
Total Emerging Markets	1,480.2	15.3%	10%-30%	1,425.9	15.2%
TOTAL NON-U.S. EQUITY	\$ 9,671.9	100%		\$ 9,353.8	100%
PASSIVE HEDGE					
Currency Hedge Gain/Loss	63.6	--		182.9	--
TOTAL NON-U.S. EQUITY (Hedged)	\$ 9,735.5			\$ 9,536.8	



ASSET ALLOCATION

FIXED INCOME MANAGERS & PROGRAMS

December 31, 2011

September 30, 2011

	<u>Assets</u> (\$ millions)	<u>% of</u> <u>Total Fixed</u>	<u>Policy</u> <u>Range</u>	<u>Assets</u> (\$ millions)	<u>% of</u> <u>Total Fixed</u>
CORE					
BTC Aggregate Index	1,172.4	12.7%		1,233.7	13.4%
BTC Intermediate Credit Index	196.3	2.1%		194.1	2.1%
BlackRock	701.4	7.6%		790.8	8.6%
Dodge & Cox	1,104.8	12.0%		1,091.1	11.8%
Pugh Capital Mgmt.	73.8	0.8%		73.1	0.8%
Wells Capital Mgmt.	1,121.5	12.2%		1,104.7	12.0%
Total Core	4,370.3	47.5%	40%-60%	4,487.5	48.7%
CORE PLUS					
Dolan McEniry Capital Mgmt.	132.0	1.4%		129.3	1.4%
GW Capital	126.4	1.4%		123.4	1.3%
LM Capital Group	625.8	6.8%		612.9	6.7%
Loomis, Sayles & Co.	749.1	8.1%		731.9	7.9%
PIMCO	886.9	9.6%		873.6	9.5%
Western Asset Mgmt.	763.0	8.3%		751.4	8.2%
Total Core Plus	3,283.2	35.7%	25%-45%	3,222.6	35.0%
OPPORTUNISTIC					
<u>High Yield</u>					
Oaktree Capital Mgmt.	416.9	4.5%		389.5	4.2%
PENN Capital Mgmt.	77.5	0.8%		74.4	0.8%
Post Advisory Group	412.5	4.5%		393.1	4.3%
<u>Other</u>					
Brigade Capital Mgmt.	116.2	1.3%		111.5	1.2%
Harch Capital Mgmt.	111.7	1.2%		106.9	1.2%
Principal Global Investors (Opp.)	124.1	1.3%		122.0	1.3%
Western Asset Mgmt. (Opp.)	124.1	1.3%		124.9	1.4%
Total Opportunistic	1,383.0	15.0%	5%-20%	1,322.2	14.4%
PROGRAMS					
Member Home Loan Program (MHLP)	163.2	1.8%		175.7	1.9%
Whole Loan Program (WLP)	0.0	0.0%		0.0	0.0%
Total Programs	163.3	1.8%		175.7	1.9%
TOTAL FIXED INCOME¹	\$ 9,199.7	100.0%		\$ 9,207.9	100.0%

¹ Does not include cash.



ASSET ALLOCATION COMMODITIES MANAGERS

December 31, 2011

September 30, 2011

	<u>Assets</u> <u>(\$ millions)</u>	<u>% of</u> <u>Commodities</u>
Credit Suisse	191.6	20.0%
Neuberger Berman	340.9	35.6%
PIMCO	425.7	44.4%
TOTAL COMMODITIES	\$ 958.2	100.0%

	<u>Assets</u> <u>(\$ millions)</u>	<u>% of</u> <u>Commodities</u>
	190.9	20.2%
	331.5	35.1%
	422.8	44.7%
TOTAL COMMODITIES	\$ 945.3	100.0%



ANNUALIZED TOTAL RETURNS

U.S. EQUITY MANAGERS

for the quarter ended December 31, 2011

Gross of Fees

Net of Fees

	Style	Gross of Fees				Expected Excess Return (bps)	Net of Fees			
		4th Qtr	1 Yr	3 Yrs	5 Yrs		4th Qtr	1 Yr	3 Yrs	5 Yrs
LARGE CAP										
Delta Asset Mgmt.	Core	11.9%	-1.1%	13.5%	-0.2%	25-50	11.9%	-1.3%	13.3%	-0.4%
INTECH	Core	12.6	4.3	14.8	0.7	25-50	12.5	4.0	14.5	0.4
Twin Capital	Core	12.2	3.8	14.4	0.5	25-50	12.1	3.7	14.2	0.3
Relational Investors	Value	14.7	0.5	17.5	0.9	50-75	14.7	0.5	17.5	0.9
S&P 500 Index		11.8	2.1	14.1	-0.3		11.8	2.1	14.1	-0.3
BTC Russell 1000 Index	Index	11.9	1.6	14.9	--	--	11.9	1.5	14.9	--
Russell 1000 Index		11.8	1.5	14.8	--		11.8	1.5	14.8	--
SMALL/MID CAP										
Cramer Rosenthal McGlynn	Core	15.2	-4.4	--	--	50-75	15.0	-5.0	--	--
Eagle Asset Mgmt.	Core	14.0	-1.5	15.6	3.2	50-75	13.9	-2.0	15.0	2.7
Frontier Capital Mgmt.	Growth	11.4	-6.1	21.7	3.6	50-75	11.2	-6.9	20.8	2.8
Stinson Capital	Value	8.3	-18.8	8.0	-8.0	50-75	8.3	-18.8	8.0	-8.0
Westwood Mgmt. Corp.	Core	16.5	-1.3	--	--	50-75	16.4	-1.9	--	--
Russell 2500 Index		14.5	-2.5	18.4	1.2		14.5	-2.5	18.4	1.2
BTC Russell 2000 Index	Index	15.5	-4.1	15.8	--	--	15.5	-4.1	15.8	--
Russell 2000 Index		15.5	-4.2	15.6	--		15.5	-4.2	15.6	--
EMERGING MANAGER PROGRAM										
FIS Group	--	11.0	-0.1	13.7	-0.1	40-60	10.8	-0.7	13.0	-0.7
Northern Trust	--	11.5	-2.7	14.3	0.3	40-60	11.2	-3.1	13.8	-0.2
Russell 3000 Index		12.1	1.0	14.9	0.0		12.1	1.0	14.9	0.0



ANNUALIZED TOTAL RETURNS

NON-U.S. EQUITY MANAGERS

for the quarter ended December 31, 2011

	Gross of Fees				Expected Excess Return (bps)	Net of Fees			
	4th Qtr	1 Yr	3 Yrs	5 Yrs		4th Qtr	1 Yr	3 Yrs	5 Yrs
NON U.S.									
Acadian Asset Mgmt.	3.4%	-10.8%	9.0%	-6.1%	50-75	3.3%	-11.2%	8.6%	-6.5%
MSCI EAFE + Canada (Net)	3.5	-12.2	8.5	-4.1		3.5	-12.2	8.5	-4.1
Capital Guardian	4.3	-12.8	8.4	-3.6	50-75	4.2	-13.1	8.1	-3.9
EAFE Custom Index	3.5	-12.2	8.5	-4.1		3.5	-12.2	8.5	-4.1
Putnam	0.8	--	--	--	50-75	0.8	--	--	--
MSCI World ex-U.S. Small Cap Index (Net)	0.7	--	--	--		0.7	--	--	--
BTC EAFE Index IMI ¹	2.9	-12.3	8.8	-4.1	--	2.9	-12.3	8.7	-4.1
MSCI EAFE IMI Custom Index (Net)	2.9	-12.6	8.4	-4.5		2.9	-12.6	8.4	-4.5
BTC EAFE Small Cap Index	-0.5	--	--	--	--	-0.5	--	--	--
MSCI EAFE Small Cap Net Index (Net)	-0.6	--	--	--		-0.6	--	--	--
BTC Canada Index IMI ¹	5.8	-12.5	20.7	4.3	--	5.8	-12.5	20.6	4.3
MSCI Canada IMI Custom Index (Net)	5.6	-13.1	19.8	3.7		5.6	-13.1	19.8	3.7
PACIFIC BASIN									
GAM International Mgmt.	1.9	-15.4	14.5	0.3	75-100	1.8	-15.7	14.0	-0.1
MSCI Pacific Basin (Net)	-0.3	-13.7	7.5	-3.6		-0.3	-13.7	7.5	-3.6
EUROPE									
BTC Europe Alpha Tilts	3.5	-12.3	8.2	-5.3	25-50	3.3	-12.6	7.7	-5.7
BTC Europe Index	5.4	-10.6	8.5	-4.7	--	5.4	-10.6	8.4	-4.7
MSCI Europe (Net)	5.4	-11.1	7.9	-5.2		5.4	-11.1	7.9	-5.2
EMERGING MARKETS									
Batterymarch Financial Mgmt. ²	2.6	-23.2	18.8	--	50-100	2.6	-23.2	18.8	--
BTC Emerging Markets Index	4.4	-18.5	19.7	2.2	--	4.4	-18.6	19.6	2.0
MSCI EMF (Net)	4.4	-18.4	20.1	2.4		4.4	-18.4	20.1	2.4
BTC Emerging Mkt. Small Cap Index	-0.3	--	--	--	--	-0.3	--	--	--
MSCI EM Small Cap Net Index (Net)	-0.7	--	--	--		-0.7	--	--	--
Capital Guardian Emerging ²	4.0	-21.5	17.7	2.7	50-100	4.0	-21.5	17.7	2.7
Genesis Investment Mgmt.	4.8	-15.0	26.9	--	50-100	4.6	-15.6	25.9	--
MSCI EMF IMI Custom Index	3.8	-19.5	20.7	2.7		3.8	-19.5	20.7	2.7
PASSIVE HEDGE									
50% Developed Market Currency Hedge	0.1	-0.4	--	--	--	0.1	-0.4	--	--
50% Dev. Mkt. Currency Hedge Index	0.1	-0.4	--	--		0.1	-0.4	--	--

See Glossary for all benchmark definitions.

¹ BTC EAFE & Canada Funds; 8/31/08 - Present: BTC EAFE & Canada IMI Funds.

² Returns reflect fees (they are taken directly from the commingled fund).



ANNUALIZED TOTAL RETURNS

FIXED INCOME MANAGERS

for the quarter ended December 31, 2011

	Gross of Fees				Expected Excess Return (bps)	Net of Fees			
	4th Qtr	1 Yr	3 Yrs	5 Yrs		4th Qtr	1 Yr	3 Yrs	5 Yrs
CORE									
BTC Aggregate Index	1.1%	7.9%	6.9%	6.7%	--	1.1%	7.9%	6.9%	6.6%
BlackRock	1.6	7.8	8.4	6.6	15-30	1.6	7.7	8.2	6.5
Dodge & Cox	1.3	5.5	10.0	7.1	15-30	1.3	5.4	9.9	7.0
Pugh Capital Mgmt.	0.9	8.3	8.2	7.4	15-30	0.9	8.1	8.0	7.1
Wells Capital Mgmt.	1.6	9.1	9.8	8.2	15-30	1.5	8.9	9.6	8.0
Barclays Aggregate Bond Index	1.1	7.8	6.8	6.5		1.1	7.8	6.8	6.5
BTC Intermediate Credit Index	1.1	5.4	--	--	15-30	1.1	5.4	--	--
Barclays Credit Intermediate Index	1.1	5.4	--	--		1.1	5.4	--	--
CORE PLUS									
Loomis, Sayles & Co.	2.4	7.3	13.2	6.8	30-60	2.3	7.2	13.0	6.7
PIMCO	1.6	4.0	9.4	7.8	30-60	1.5	3.8	9.2	7.6
Western Asset Mgmt.	1.6	7.2	14.2	7.1	30-60	1.5	7.0	14.0	6.9
Barclays Aggregate Bond Index	1.1	7.8	6.8	6.5		1.1	7.8	6.8	6.5
Dolan McEniry Capital Mgmt.	2.2	7.4	13.7	8.6	30-60	2.1	7.1	13.4	8.3
Dolan McEniry Custom Index ¹	1.6	5.7	9.7	6.4		1.6	5.7	9.7	6.4
GW Capital	2.5	7.6	16.6	7.8	30-60	2.5	7.4	16.3	7.6
GW Custom Index ¹	3.1	7.8	12.2	6.9		3.1	7.8	12.2	6.9
LM Capital Group	2.1	8.0	9.3	7.1	30-60	2.1	7.8	9.1	6.9
LM Custom Index ¹	1.5	8.0	7.6	6.7		1.5	8.0	7.6	6.7
OPPORTUNISTIC									
<u>High Yield</u>									
Oaktree Capital Mgmt.	7.2	7.0	20.5	7.5	30-50	7.0	6.5	19.9	7.0
PENN Capital Mgmt.	4.3	5.4	19.3	6.8	30-50	4.2	5.0	18.8	6.3
Post Advisory Group	5.0	5.3	18.4	7.2	30-50	4.9	5.0	18.1	6.9
Barclays High Yield BB/B Index	6.0	6.1	20.8	7.0		6.0	6.1	20.8	7.0
<u>Other</u>									
Brigade Capital Mgmt.	4.4	8.0	--	--	30-60	4.2	7.1	--	--
Harch Capital Mgmt.	4.8	4.5	--	--		4.5	3.8	--	--
Brigade/Harch Custom ¹	4.4	4.0	--	--		4.4	4.0	--	--
Principal Global Investors (Opp.)	1.8	--	--	--		1.7	--	--	--
Principal Custom Index ¹	2.2	--	--	--		2.2	--	--	--
Western Asset Mgmt. (Opp.)	-0.6	-2.1	--	--	30-60	-0.6	-2.1	--	--
Western Opportunistic Custom ¹	0.2	-2.5	--	--		0.2	-2.5	--	--

Continues...

¹ See Glossary.



ANNUALIZED TOTAL RETURNS

for the quarter ended December 31, 2011

...Continued

FIXED INCOME PROGRAMS

	Gross of Fees					Net of Fees				
	<u>4th Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>		Excess Return Expectation (in bps)	<u>4th Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
MORTGAGE PROGRAMS										
Member Home Loan Program (MHLP)	0.1%	6.6%	6.7%	6.5%	--	0.0%	6.4%	6.4%	6.3%	
Whole Loan Program (WLP)	3.0	9.9	13.5	12.5	--	2.8	9.2	12.8	11.5	

COMMODITIES MANAGERS

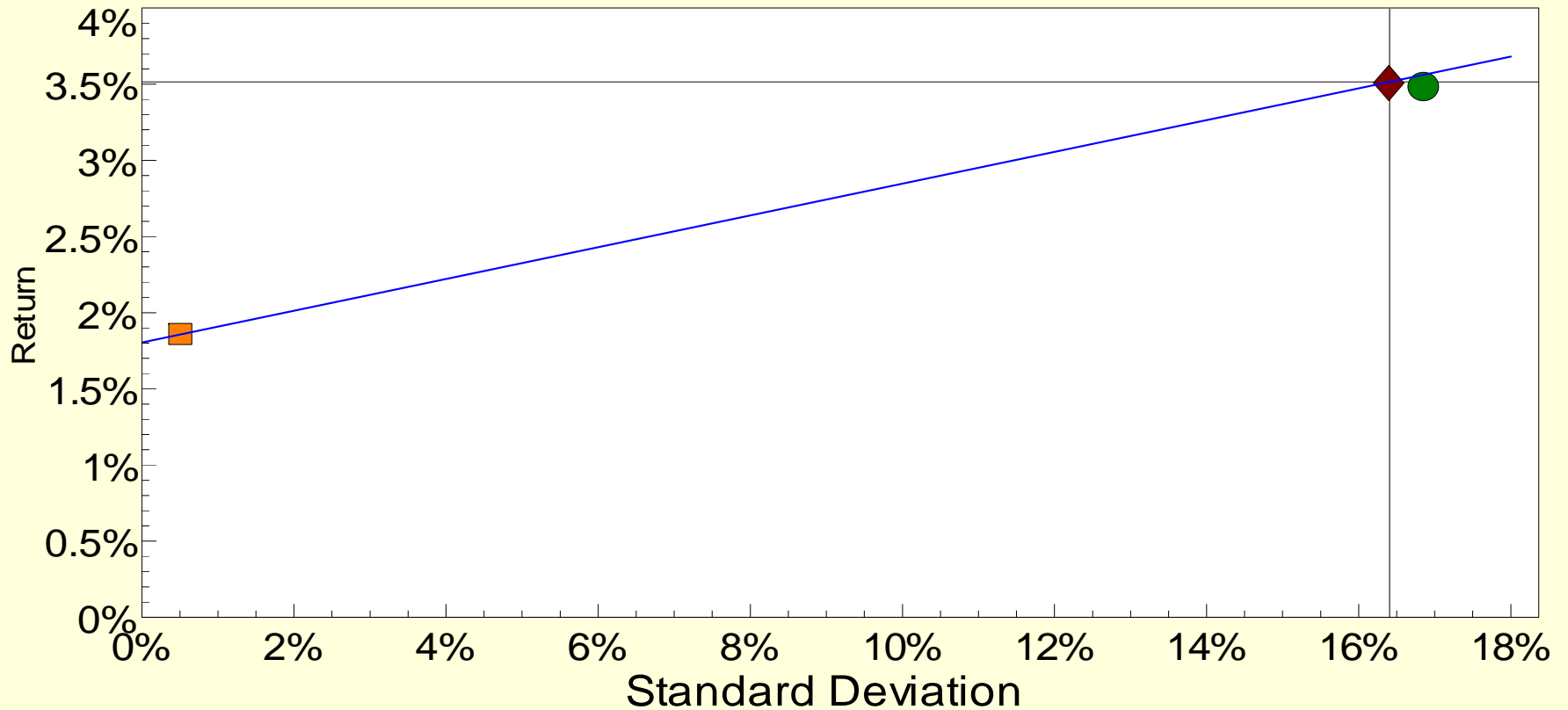
	Gross of Fees					Net of Fees				
	<u>4th Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>		Excess Return Expectation (in bps)	<u>4th Qtr</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>
COMMODITIES MANAGERS										
Credit Suisse	0.4%	--%	--%	--	100-200	0.4%	--%	--%	--	
Neuberger Berman	2.9	-6.9	12.4	--	100-200	2.8	-7.2	12.0	--	
PIMCO	0.7	-13.4	11.1	--	100-200	0.7	-13.8	10.2	--	
DJ-UBS Commodity Index	0.3	-13.3	6.4	--		0.3	-13.3	6.4	--	



U.S. EQUITY RISK-ADJUSTED RETURN

for the quarter ended December 31, 2011

January 2002 - December 2011
(10 Years)



● U.S. Equity (Gross) ◆ Market Benchmark: Russell 3000 Index ■ Cash Equivalent: 3-month T-bill — Capital Market Line



U.S. EQUITY - LARGE CAP

DELTA ASSET MANAGEMENT

for the quarter ended December 31, 2011

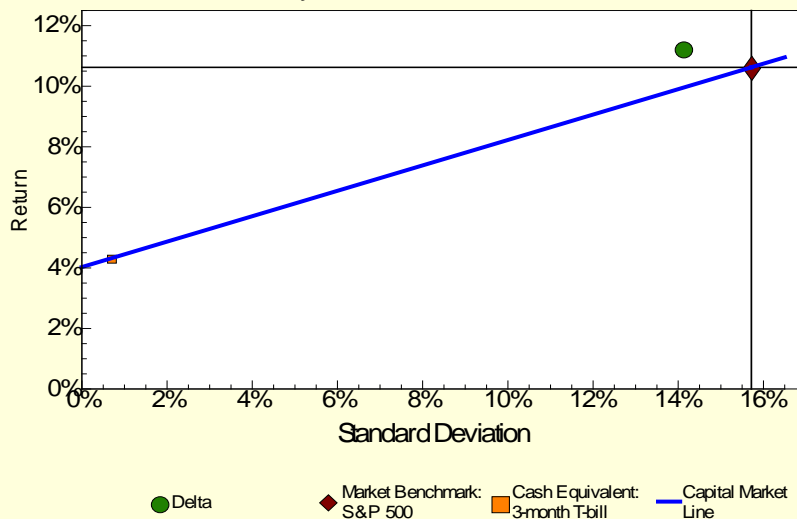
Manager Profile

Firm: Delta Asset Management
 Location: Los Angeles, CA
 Year Founded: 1991
 Contact: Marla K. Ryan, Vice President
 Assets Managed: \$405.6 million
 Inception Date: July 1984
 Assigned Role: Large Cap Equity
 Benchmark: S&P 500
 Investment Style: Core

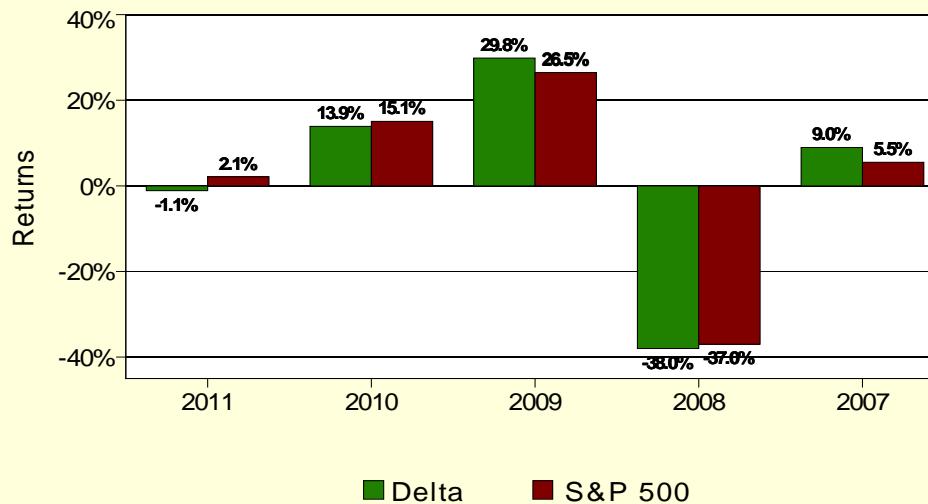
Manager vs Benchmark Return through December 2011 (not annualized if less than 1 year)

	1 quarter	1 year	3 years	5 years	7 years	10 years	Since Inception
Delta	11.95%	-1.12%	13.51%	-0.25%	2.53%	2.86%	11.30%
TUCS Large Cap Core	11.69%	1.20%	14.41%	0.06%	3.08%	3.69%	NA
S&P 500	11.82%	2.11%	14.11%	-0.25%	2.64%	2.92%	10.62%

Manager Risk/Return July 1984 - December 2011



Calendar Year Returns As of December 2011





U.S. EQUITY - LARGE CAP

INTECH INVESTMENT MANAGEMENT, LLC

for the quarter ended December 31, 2011

Manager Profile

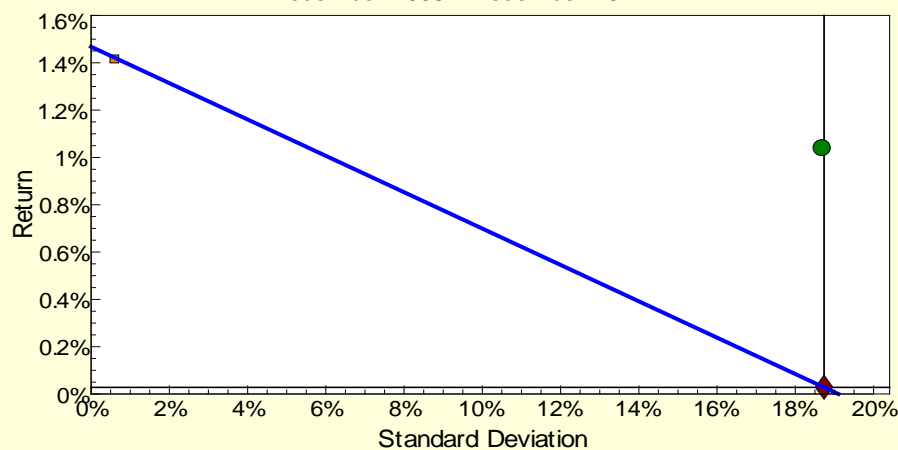
Firm: INTECH Investment Mgmt., LLC
 Location: West Palm Beach, FL
 Year Founded: 1987
 Contact: Jason Trow, CFA, Vice President
 Assets Managed: \$310.8 million
 Inception Date: December 2006
 Assigned Role: Enhanced Index
 Benchmark: S&P 500
 Investment Style: Core

Manager vs Benchmark: Return through December 2011 (not annualized if less than 1 year)

	1 quarter	1 year	3 years	5 years	Since Inception
INTECH	12.61%	4.35%	14.82%	0.74%	1.05%
TUCS Large Cap Core	11.69%	1.20%	14.41%	0.06%	NA
S&P500	11.82%	2.11%	14.11%	-0.25%	0.03%

Manager Risk/Return

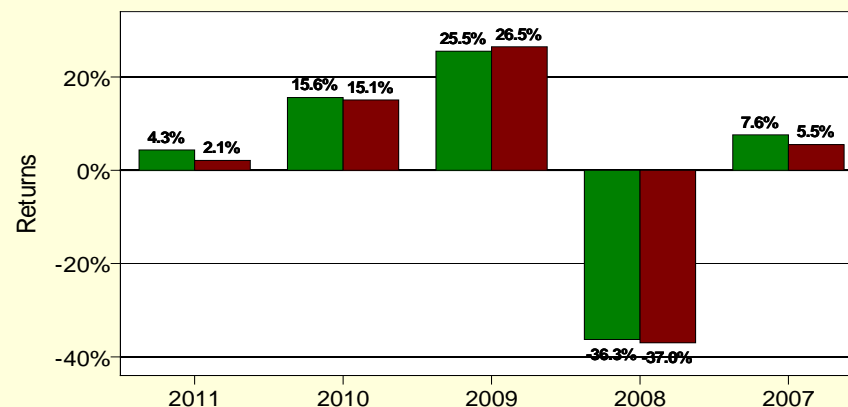
December 2006 - December 2011



● INTECH ◆ Market Benchmark: S&P 500 □ Cash Equivalent: 3-month T-bill — Capital Market Line

Calendar Year Returns

As of December 2011



■ INTECH ■ S&P 500



U.S. EQUITY - LARGE CAP

RELATIONAL INVESTORS, LLC

for the quarter ended December 31, 2011

Manager Profile

Firm: Relational Investors, LLC
 Location: San Diego, CA
 Year Founded: 1996
 Contact: Sandi Christian, Director
 Assets Managed: \$97.4 million
 Inception Date: September 2006
 Assigned Role: U.S. Equity
 Benchmark: S&P 500
 Investment Style: Activist

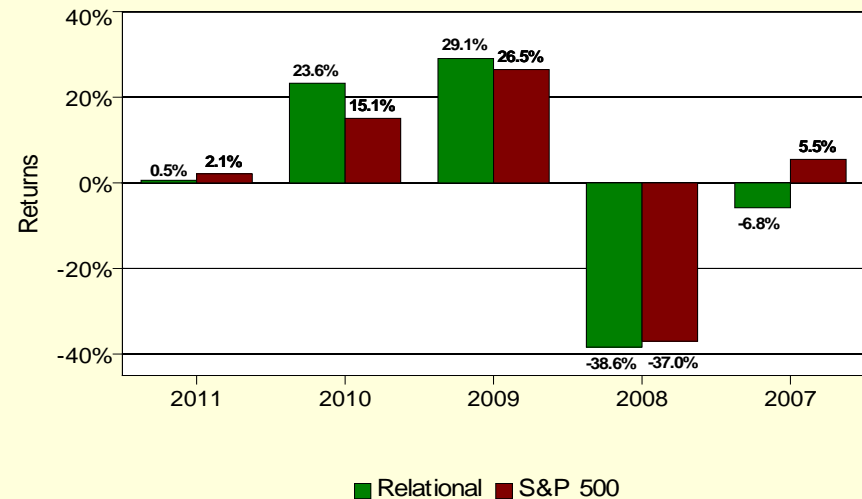
Manager vs Benchmark: Return through December 2011 (not annualized if less than 1 year)

	1 quarter	1 year	3 years	5 years	Since Inception
Relational	14.73%	0.49%	17.53%	0.91%	2.07%
TUCS Large Cap Value	12.82%	-0.09%	12.64%	-1.47%	NA
S&P500	11.82%	2.11%	14.11%	-0.25%	1.47%

Insufficient Data

Calendar Year Returns

As of December 2011





U.S. EQUITY - LARGE CAP

TWIN CAPITAL MANAGEMENT, INC.

for the quarter ended December 31, 2011

Manager Profile

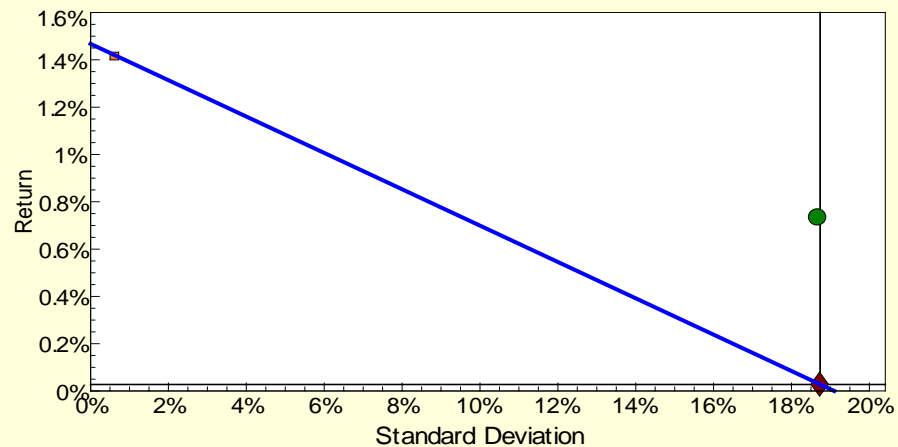
Firm: Twin Capital Management, Inc.
 Location: McMurray, PA
 Year Founded: 1990
 Contact: Geoffrey Gerber, Ph.D., President
 Assets Managed: \$220.3 million
 Inception Date: December 2006
 Assigned Role: Enhanced Index
 Benchmark: S&P 500
 Investment Style: Core

Manager vs Benchmark: Return through December 2011 (not annualized if less than 1 year)

	1 quarter	1 year	3 years	5 years	Since Inception
Twin	12.16%	3.83%	14.36%	0.46%	0.74%
TUCS Large Cap Core	11.69%	1.20%	14.41%	0.06%	NA
S&P500	11.82%	2.11%	14.11%	-0.25%	0.03%

Manager Risk/Return

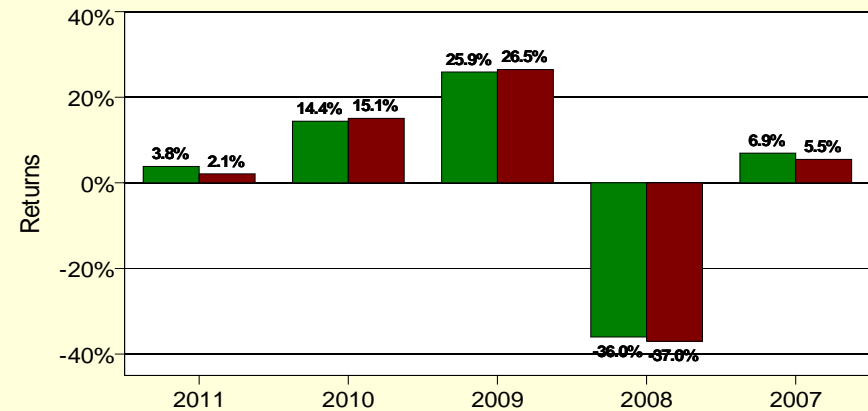
December 2006 - December 2011



● Twin ◆ Market Benchmark: S&P 500 □ Cash Equivalent: 3-month T-bill — Capital Market Line

Calendar Year Returns

As of December 2011



■ Twin ■ S&P 500



U.S. EQUITY - SMALL/MID CAP

CRAMER ROSENTHAL McGLYNN, LLC

for the quarter ended December 31, 2011

Manager Profile

Firm: Cramer Rosenthal McGlynn, LLC
Location: New York, NY
Year Founded: 1973
Contact: Serra Sonmez, Vice President
Assets Managed: \$164.0 million
Inception Date: April 2010
Assigned Role: Small/Mid Cap Equity
Benchmark: Russell 2500
Investment Style: Core

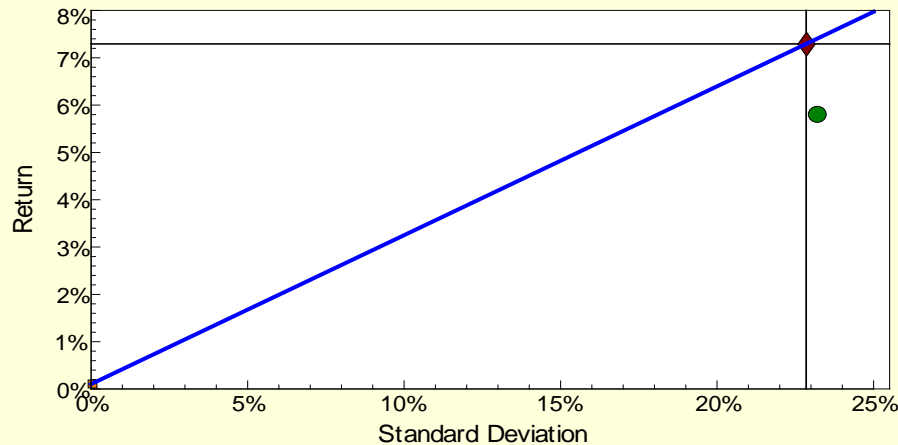
Manager vs Benchmark: Return through December 2011

(not annualized if less than 1 year)

	1 quarter	1 year	Since Inception
Cramer Rosenthal McGlynn	15.16%	-4.40%	5.88%
TUCSSmall Cap Core	15.06%	-2.97%	NA
Russell 2500	14.52%	-2.51%	7.29%

Manager Risk/Return

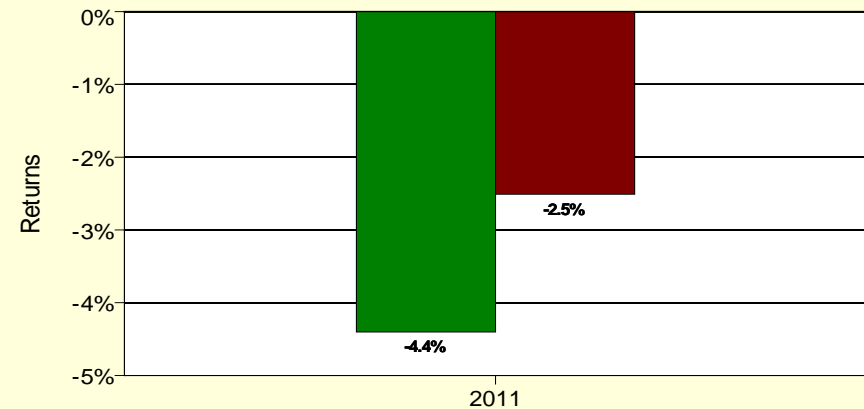
April 2010 - December 2011



● Cramer Rosenthal McGlynn
 ◆ Market Benchmark: Russell 2500
 ■ Cash Equivalent: 3-month T-bill
 — Capital Market Line

Calendar Year Returns

As of December 2011



■ Cramer Rosenthal McGlynn
 ■ Russell 2500



U.S. EQUITY - SMALL/MID CAP

EAGLE ASSET MANAGEMENT, INC.

for the quarter ended December 31, 2011

Manager Profile

Firm: Eagle Asset Management, Inc.
 Location: St. Petersburg, FL
 Year Founded: 1976
 Contact: Alan Ashworth, Senior Vice President
 Assets Managed: \$287.8 million
 Inception Date: February 2005
 Assigned Role: Small/Mid Cap Equity
 Benchmark: Russell 2500
 Investment Style: Core

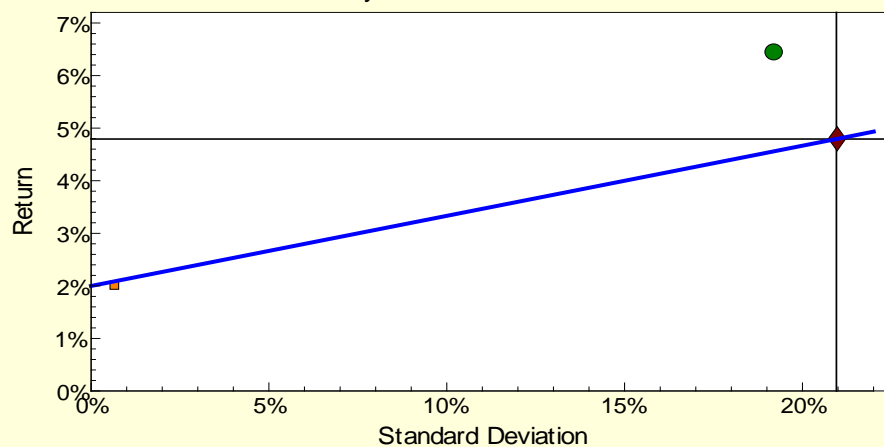
Manager vs Benchmark: Return through December 2011

(not annualized if less than 1 year)

	1 quarter	1 year	3 years	5 years	Since Inception
Eagle	14.02%	-1.45%	15.59%	3.21%	6.50%
TUCSSmall Cap Core	15.06%	-2.97%	17.87%	1.88%	NA
Russell 2500	14.52%	-2.51%	18.41%	1.25%	4.79%

Manager Risk/Return

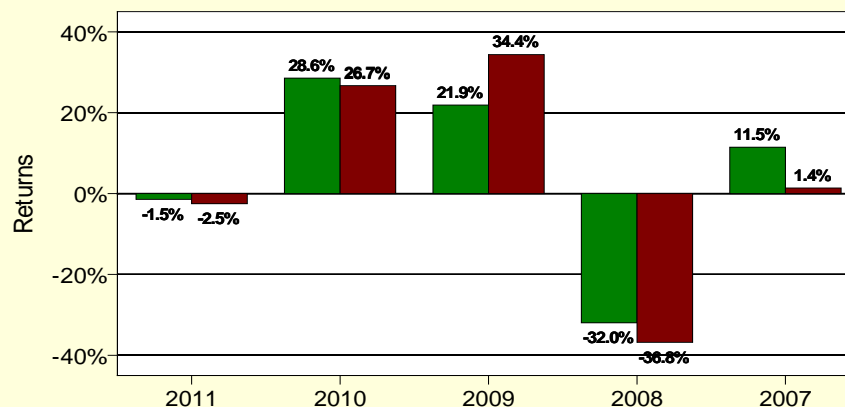
February 2005 - December 2011



● Eagle ◆ Market Benchmark: Russell 2500 □ Cash Equivalent: 3-month T-bill — Capital Market Line

Calendar Year Returns

As of December 2011



■ Eagle ■ Russell 2500



U.S. EQUITY - SMALL/MID CAP

FRONTIER CAPITAL MANAGEMENT COMPANY, LLC

for the quarter ended December 31, 2011

Manager Profile

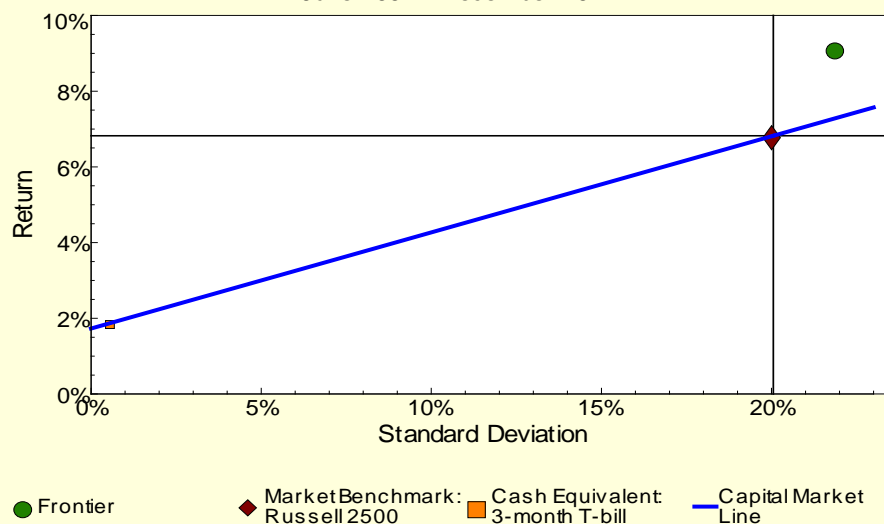
Firm: Frontier Capital Mgmt. Co., LLC
Location: Boston, MA
Year Founded: 1980
Contact: Michael Cavarretta, Chairman-Portf. Mngr.
Assets Managed: \$352.8 million
Inception Date: June 2002
Assigned Role: Small/Mid Cap Equity
Benchmark: Russell 2500
Investment Style: Growth

Manager vs Benchmark: Return through December 2011 (not annualized if less than 1 year)

	1 quarter	1 year	3 years	5 years	7 years	Since Inception
Frontier	11.42%	-6.15%	21.74%	3.63%	7.27%	9.10%
TUCSSmall Cap Growth	13.19%	-1.90%	19.67%	3.14%	5.40%	NA
Russell 2500	14.52%	-2.51%	18.41%	1.25%	4.22%	6.82%

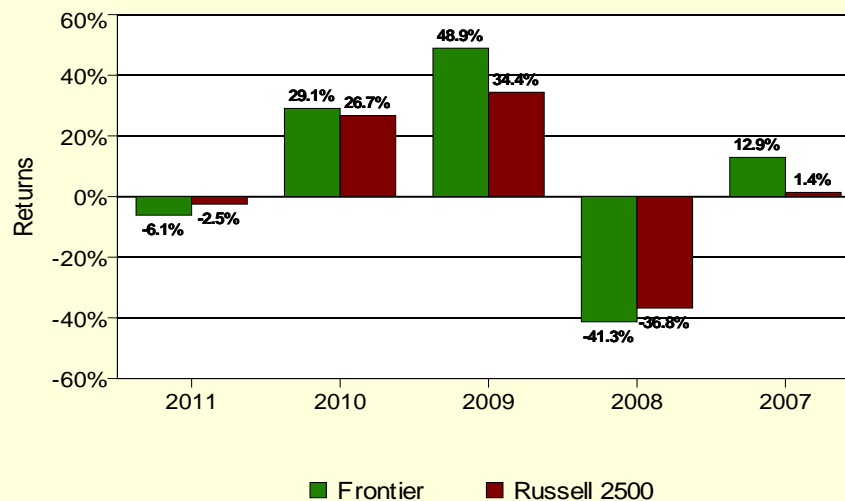
Manager Risk/Return

June 2002 - December 2011



Calendar Year Returns

As of December 2011





U.S. EQUITY - SMALL/MID CAP

STINSON CAPITAL PARTNERS L, L.P.

for the quarter ended December 31, 2011

Manager Profile

Firm: Stinson Capital Partners L, LP
Location: San Francisco, CA
Year Founded: 1975
Contact: Paige Reeve Uher, Vice President
Assets Managed: \$68.0 million
Inception Date: September 2006
Assigned Role: U.S. Equity
Benchmark: Russell 2500
Investment Style: Activist

Manager vs Benchmark: Return through December 2011

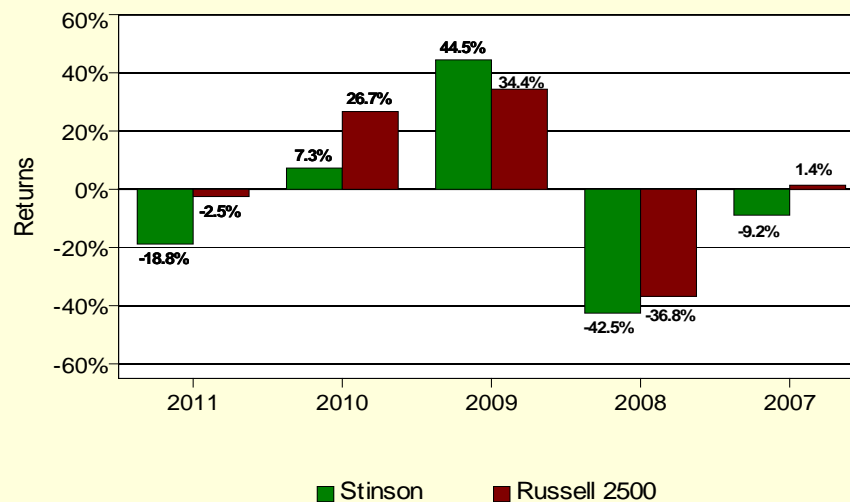
(not annualized if less than 1 year)

	1 quarter	1 year	3 years	5 years	Since Inception
Stinson	8.25%	-18.84%	7.95%	-8.01%	-7.58%
TUCSMid Cap Value	13.74%	-4.94%	14.46%	N/A	NA
Russell 2500	14.52%	-2.51%	18.41%	1.25%	2.99%

Insufficient Data

Calendar Year Returns

As of December 2011





U.S. EQUITY - SMALL/MID CAP

WESTWOOD MANAGEMENT CORP.

for the quarter ended December 31, 2011

Manager Profile

Firm: Westwood Management Corp.
Location: Dallas, TX
Year Founded: 1983
Contact: Jackie Finley, Vice President
Assets Managed: \$228.7 million
Inception Date: April 2009
Assigned Role: Small/Mid Cap Equity
Benchmark: Russell 2500
Investment Style: Core

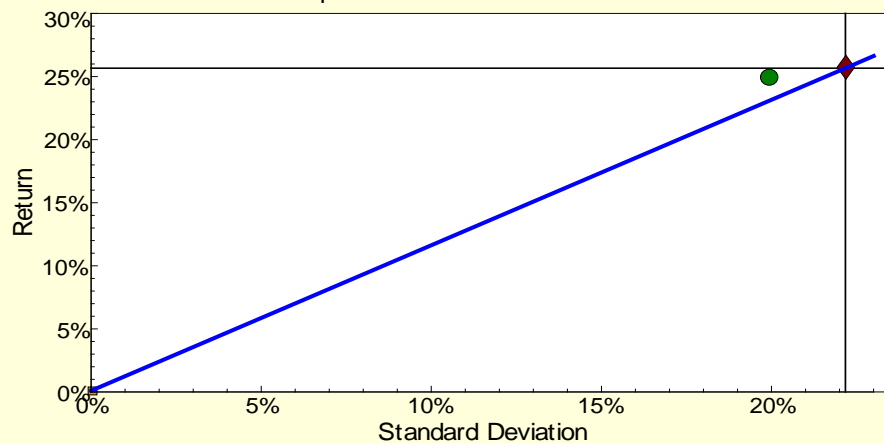
Manager vs Benchmark: Return through December 2011

(not annualized if less than 1 year)

	1 quarter	1 year	Since Inception
Westwood	16.54%	-1.26%	25.03%
TUCSSmall Cap Core	15.06%	-2.97%	NA
Russell 2500	14.52%	-2.51%	25.67%

Manager Risk/Return

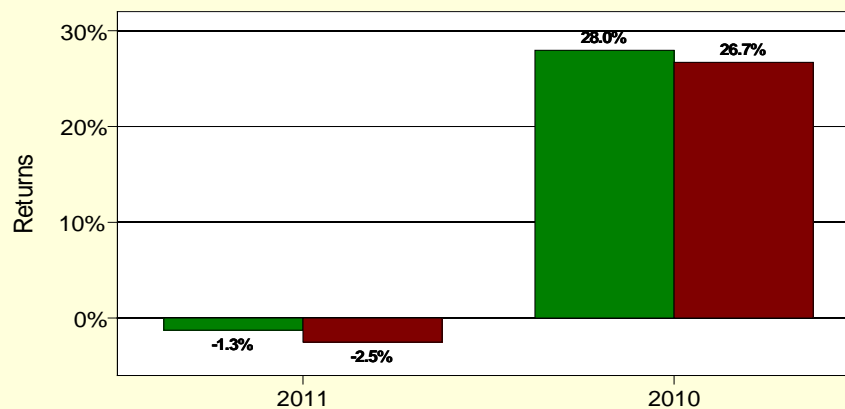
April 2009 - December 2011



● Westwood
 ◆ Market Benchmark: Russell 2500
 ■ Cash Equivalent: 3-month T-bill
 — Capital Market Line

Calendar Year Returns

As of December 2011



■ Westwood
 ■ Russell 2500



U.S. EQUITY - EMERGING MANAGER PROGRAM

FIS GROUP, INC.

for the quarter ended December 31, 2011

Manager Profile

Firm: FIS Group, Inc.
 Location: Philadelphia, PA
 Year Founded: 1996
 Contact: Kila D. Weaver, Vice President
 Assets Managed: \$148.3 million
 Inception Date: September 2004
 Assigned Role: Emerging Manager Program
 Benchmark: Russell 3000

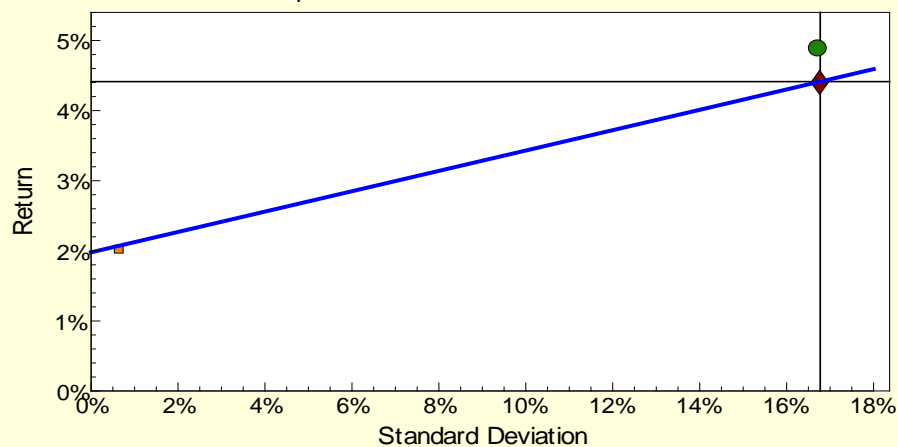
Manager vs Benchmark: Return through December 2011

(not annualized if less than 1 year)

	1 quarter	1 year	3 years	5 years	7 years	Since Inception
FIS	11.01%	-0.06%	13.70%	-0.05%	3.14%	4.94%
Russell 3000	12.12%	1.03%	14.88%	-0.01%	2.97%	4.41%

Manager Risk/Return

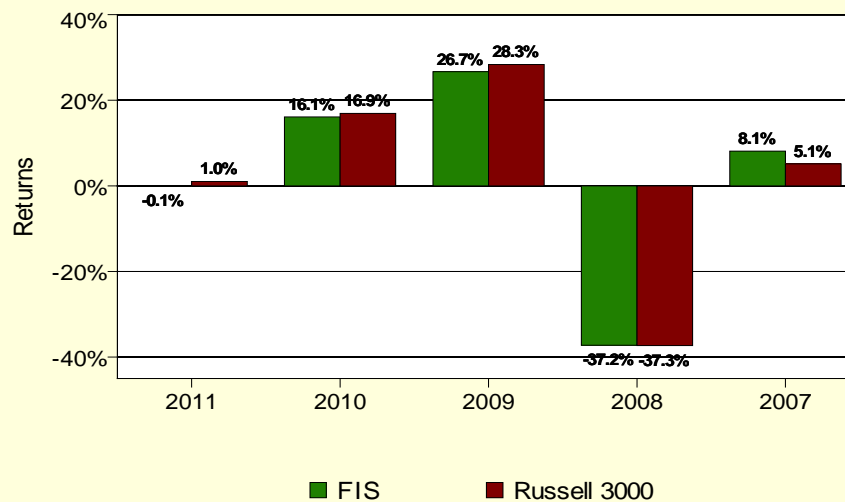
September 2004 - December 2011



● FIS ◆ Market Benchmark: Russell 3000 □ Cash Equivalent: 3-month T-bill — Capital Market Line

Calendar Year Returns

As of December 2011





U.S. EQUITY - EMERGING MANAGER PROGRAM

THE NORTHERN TRUST COMPANY OF CONNECTICUT

for the quarter ended December 31, 2011

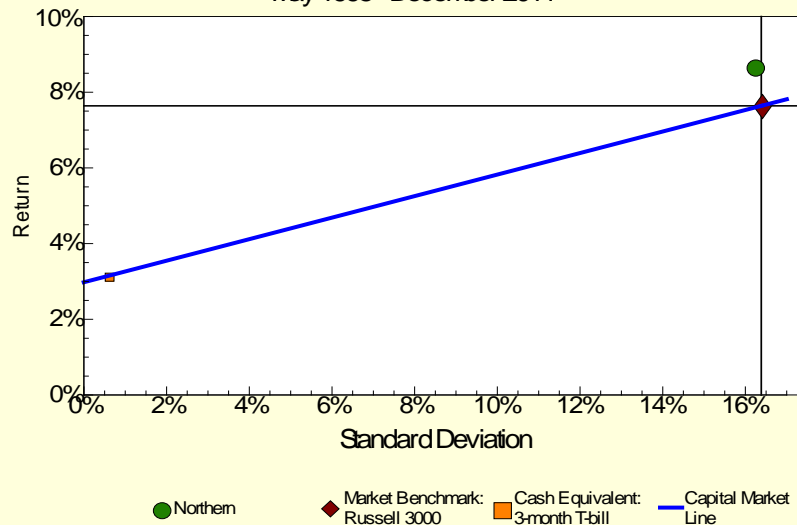
Manager Profile

Firm: Northern Trust Company of Connecticut
 Location: Stamford, CT
 Year Founded: 1987
 Contact: Robert Furnari, Executive V.P.
 Assets Managed: \$194.7 million
 Inception Date: May 1995
 Assigned Role: Emerging Manager Program
 Benchmark: Russell 3000

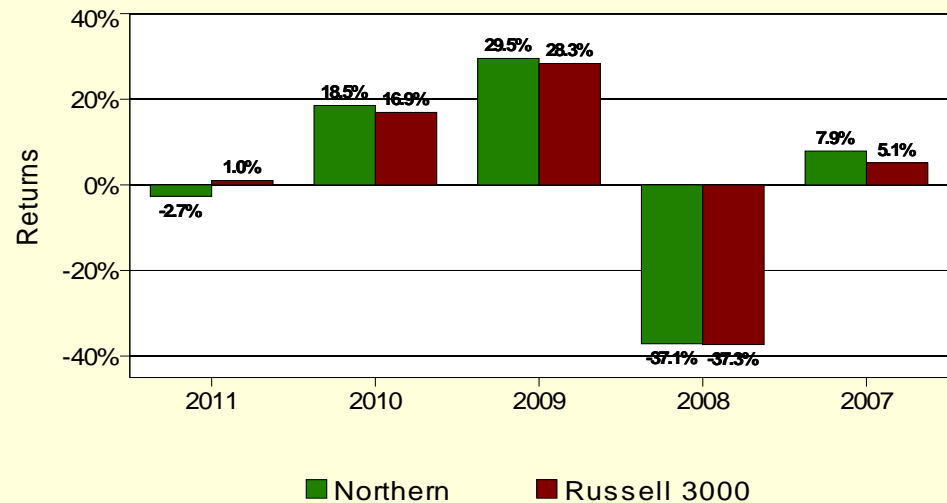
Manager vs Benchmark Return through December 2011 (not annualized if less than 1 year)

	1 quarter	1 year	3 years	5 years	7 years	10 years	Since Inception
Northern	11.47%	-2.68%	14.32%	0.27%	3.40%	4.45%	8.66%
Russell 3000	12.12%	1.03%	14.88%	-0.01%	2.97%	3.51%	7.64%

Manager Risk/Return May 1995 - December 2011



Calendar Year Returns As of December 2011

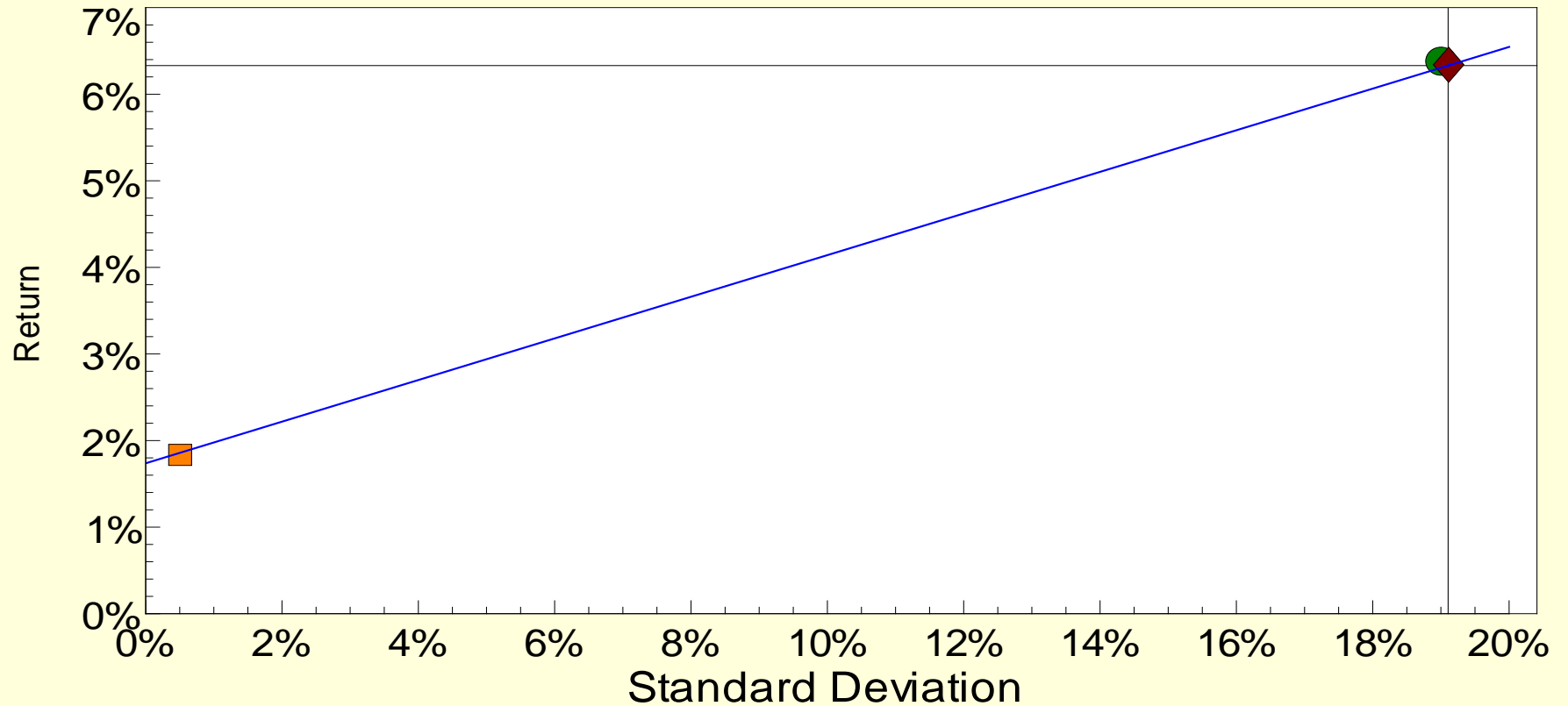




NON-U.S. EQUITY RISK-ADJUSTED RETURN

for the quarter ended December 31, 2011

January 2002 - December 2011
(10 Years)



● Non-U.S. Equity Hedged (Gross) ◆ Market Benchmark
◆ Non-U.S. Equity Custom Hedged Index ■ Cash Equivalent: 3-month T-bill — Capital Market Line



NON-U.S. EQUITY

ACADIAN ASSET MANAGEMENT, LLC

for the quarter ended December 31, 2011

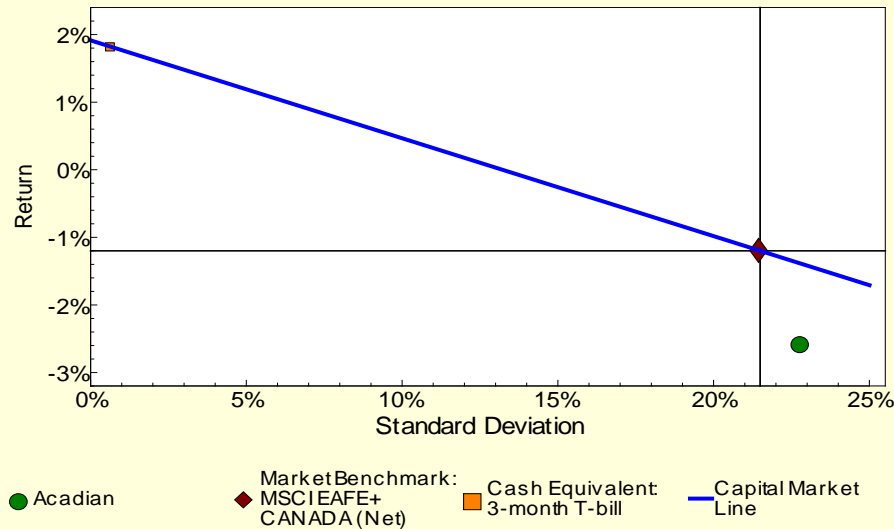
Manager Profile

Firm: Acadian Asset Management, LLC
 Location: Boston, MA
 Year Founded: 1986
 Contact: Douglas Coughlin, CFA, Sr. Vice President
 Assets Managed: \$428.9 million
 Inception Date: April 2006
 Assigned Role: Non-U.S. Equity
 Benchmark: MSCI EAFE + Canada (Net)
 Investment Style: Value

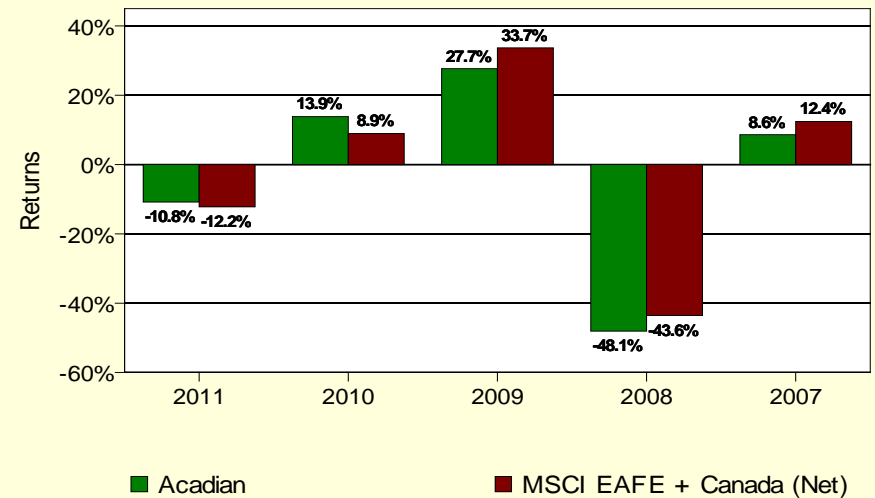
Manager vs Benchmark: Return through December 2011 (not annualized if less than 1 year)

	1 quarter	1 year	3 years	5 years	Since Inception
Acadian	3.37%	-10.83%	9.03%	-6.08%	-2.58%
Russell Non US	4.36%	-11.60%	10.52%	-2.88%	NA
MSCI EAFE + CANADA (Net)	3.51%	-12.21%	8.53%	-4.09%	-1.20%

Manager Risk/Return April 2006 - December 2011



Calendar Year Returns As of December 2011





NON-U.S. EQUITY

CAPITAL GUARDIAN TRUST COMPANY

for the quarter ended December 31, 2011

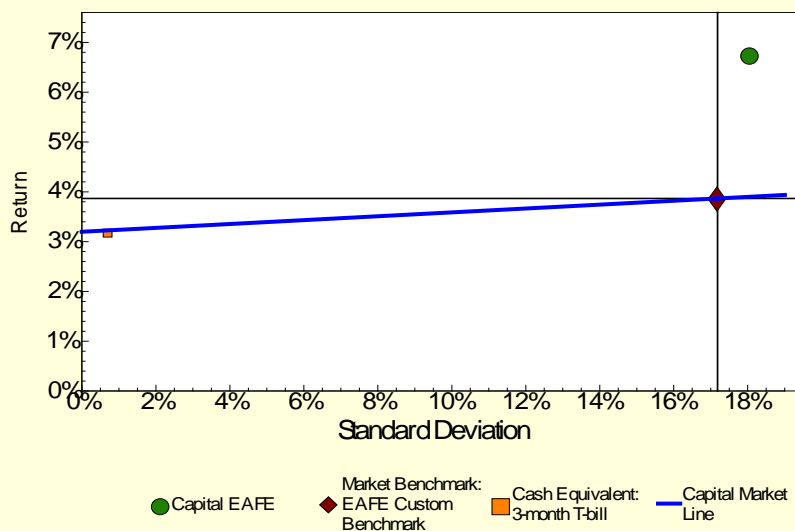
Manager Profile

Firm: Capital Guardian Trust Company
 Location: Los Angeles, CA
 Year Founded: 1968
 Contact: Michael Bowman, Relationship Manager
 Assets Managed: \$209.8 million
 Fund Date: October 1987
 Inception Date: November 1994*
 Assigned Role: Non-U.S. Equity
 Benchmark: EAFE Custom Index
 Investment Style: Core

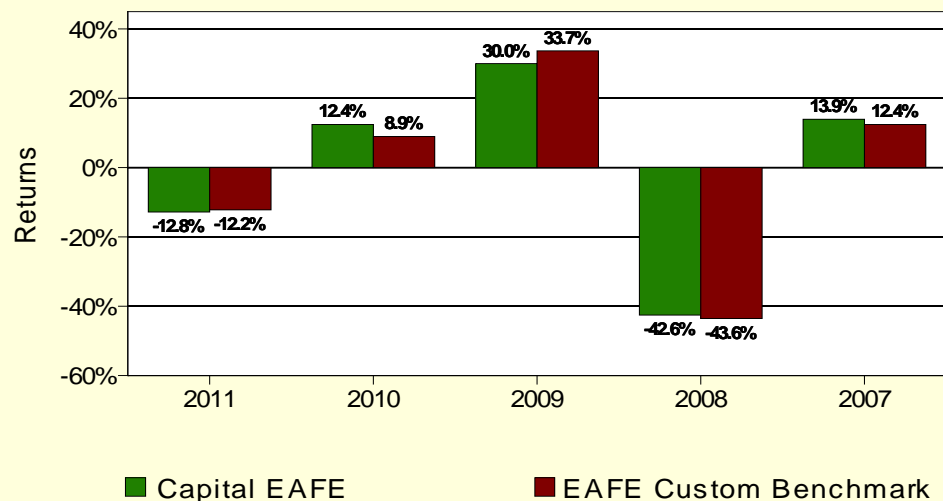
Manager vs Benchmark Return through December 2011 (not annualized if less than 1 year)

	1 quarter	1 year	3 years	5 years	7 years	10 years	*Since Inception
Capital EAFE	4.26%	-12.81%	8.42%	-3.56%	2.63%	4.93%	6.79%
Russell Non US	4.36%	-11.60%	10.52%	-2.88%	3.48%	6.09%	NA
EAFE Custom Index	3.51%	-12.21%	8.53%	-4.09%	2.13%	4.97%	3.87%

Manager Risk/Return November 1994 - December 2011



Calendar Year Returns As of December 2011



* BNY Mellon performance data begins November 1994.



NON-U.S. EQUITY PUTNAM INVESTMENTS

for the quarter ended December 31, 2011

<p style="text-align: center;">Manager Profile</p> <p>Firm: Putnam Investments Location: Boston, MA Year Founded: 1937 Contact: Lisa M. Horkan, Sr. Client Service Manager Assets Managed: \$95.1 million Inception Date: October 2011 Assigned Role: Non-U.S. Equity Benchmark: MSCI World ex-U.S. Small Cap Index (Net) Investment Style: Small Cap</p>	<p style="text-align: center;">Manager vs Benchmark: Return through December 2011 (not annualized if less than 1 year)</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 20%;"></th> <th style="width: 30%;">1 quarter</th> <th style="width: 50%;">Since Inception</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Putnam</td> <td>0.80%</td> <td>0.80%</td> </tr> <tr> <td style="text-align: left;">MSCI World ex-U.S. Small Cap Index (Net)</td> <td>0.69%</td> <td>0.69%</td> </tr> </tbody> </table>		1 quarter	Since Inception	Putnam	0.80%	0.80%	MSCI World ex-U.S. Small Cap Index (Net)	0.69%	0.69%
	1 quarter	Since Inception								
Putnam	0.80%	0.80%								
MSCI World ex-U.S. Small Cap Index (Net)	0.69%	0.69%								
<p>Insufficient Data</p>	<p>Insufficient Data</p>									



NON-U.S. EQUITY - PACIFIC BASIN

GAM INTERNATIONAL MANAGEMENT, LTD.

for the quarter ended December 31, 2011

Manager Profile

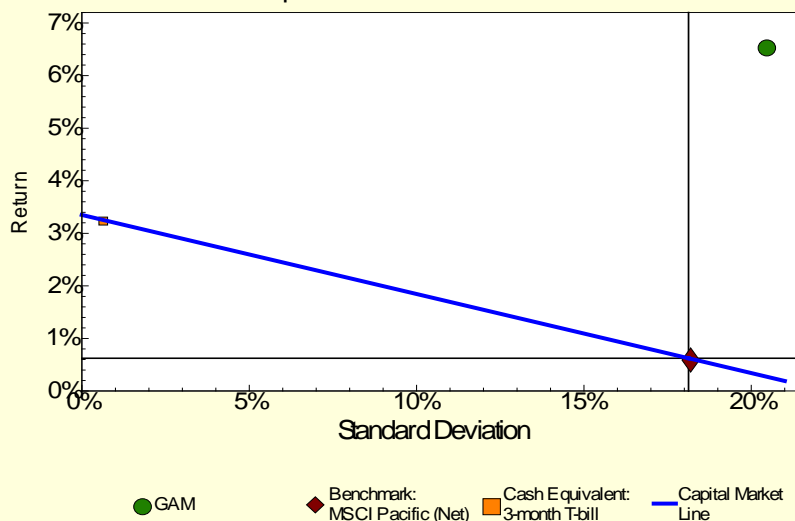
Firm: GAM International Mgmt., Ltd.
 Location: London, England
 Year Founded: 1993
 Contact: Michael Bunker, Portfolio Manager
 Assets Managed: \$508.5 million
 Inception Date: April 1994
 Assigned Role: Pacific Basin
 Benchmark: MSCI Pacific Basin Net
 Investment Style: Stock Selection

Manager vs Benchmark Return through December 2011 (not annualized if less than 1 year)

	1 quarter	1 year	3 years	5 years	7 years	10 years	Since Inception
GAM	1.94%	-15.37%	14.50%	0.35%	5.72%	8.77%	6.53%
Russell Pacific Basin	NA	NA	NA	NA	NA	NA	NA
MSCI Pacific Basin (Net)	-0.30%	-13.74%	7.49%	-3.63%	1.94%	5.51%	0.62%

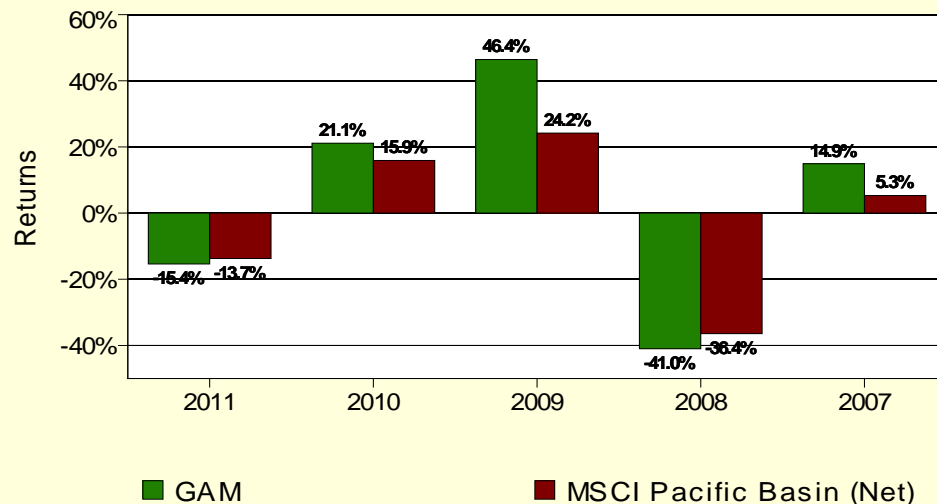
Manager Risk/Return

April 1994 - December 2011



Calendar Year Returns

As of December 2011





NON-U.S. EQUITY - EUROPE

BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A. - EUROPE ALPHA TILTS

for the quarter ended December 31, 2011

Manager Profile

Firm: BlackRock Institutional Trust Co., N.A.
 Location: San Francisco, CA
 Year Founded: 1985
 Contact: Lilian Wan, Managing Director
 Assets Managed: \$521.6 million
 Inception Date: January 2007
 Assigned Role: Non-U.S. Equity
 Benchmark: MSCI Europe Net
 Investment Style: Enhanced Index - Europe Alpha Tilts

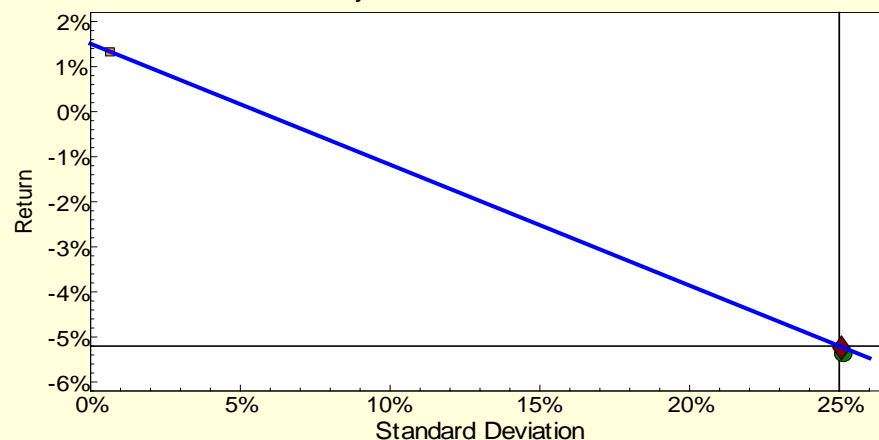
Manager vs Benchmark: Return through December 2011

(not annualized if less than 1 year)

	1 quarter	1 year	3 years	5 years	Since Inception
BTC Europe Alpha Tilts	3.47%	-12.29%	8.18%	-5.31%	-5.31%
Russell Europe	5.20%	-11.86%	9.33%	-3.94%	NA
MSCI Europe (Net)	5.39%	-11.06%	7.86%	-5.20%	-5.20%

Manager Risk/Return

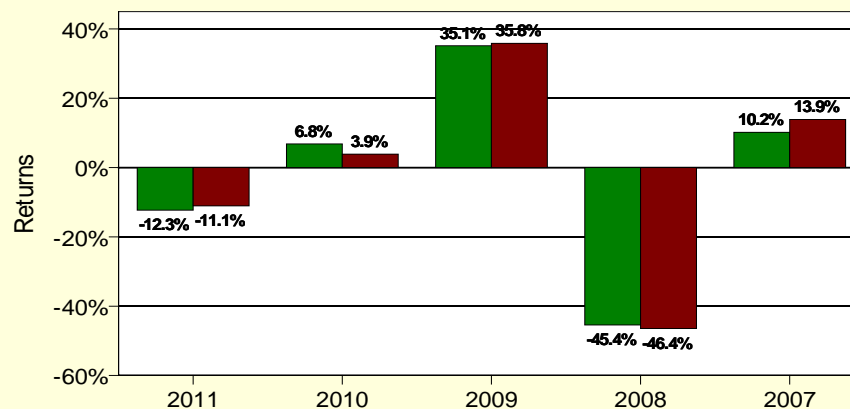
January 2007 - December 2011



● BTC Europe Alpha Tilts ◆ Market Benchmark: MSCI Europe (Net) ■ Cash Equivalent: 3-month T-bill — Capital Market Line

Calendar Year Returns

As of December 2011



■ BTC Europe Alpha Tilts ■ MSCI Europe (Net)



NON-U.S. EQUITY - EMERGING MARKETS

BATTERYMARCH FINANCIAL MANAGEMENT, INC.

for the quarter ended December 31, 2011

Manager Profile

Firm: BatteryMarch Financial Mgmt., Inc.
 Location: Boston, MA
 Year Founded: 1969
 Contact: Pat Crane, Director
 Assets Managed: \$378.3 million
 Inception Date: September 2007
 Assigned Role: Emerging Markets
 Benchmark: MSCI EMF (Net)
 Investment Style: Core

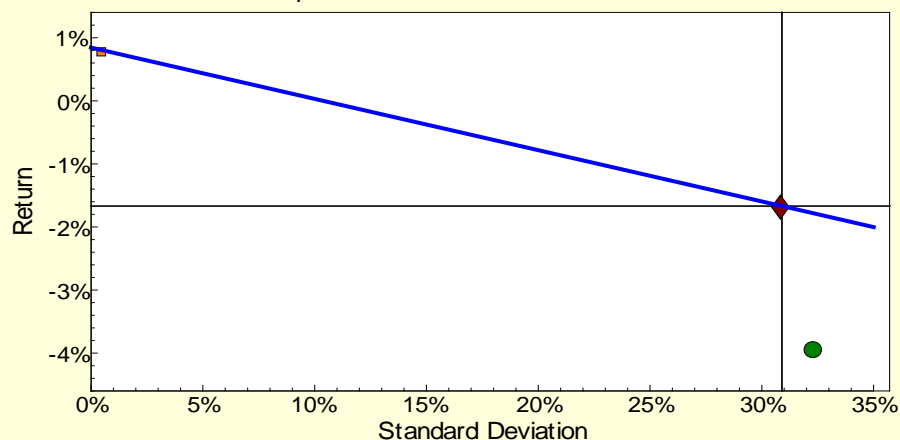
Manager vs Benchmark: Return through December 2011

(not annualized if less than 1 year)

	1 quarter	1 year	3 years	Since Inception
BatteryMarch	2.57%	-23.18%	18.76%	-3.93%
Russell Emerging Markets	4.49%	-18.13%	21.10%	NA
MSCIEMF (Net)	4.42%	-18.42%	20.07%	-1.67%

Manager Risk/Return

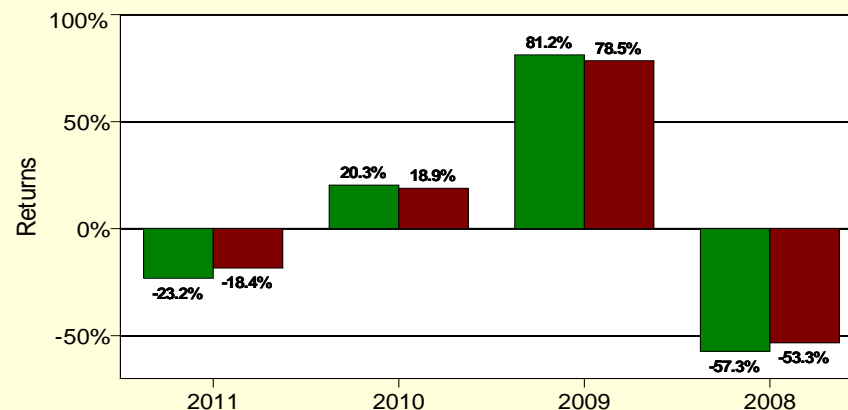
September 2007 - December 2011



● BatteryMarch ◆ Market Benchmark: MSCIEMF (Net) ■ Cash Equivalent: 3-month T-bill — Capital Market Line

Calendar Year Returns

As of December 2011



■ BatteryMarch ■ MSCI EMF (Net)



NON-U.S. EQUITY - EMERGING MARKETS

CAPITAL GUARDIAN TRUST COMPANY

for the quarter ended December 31, 2011

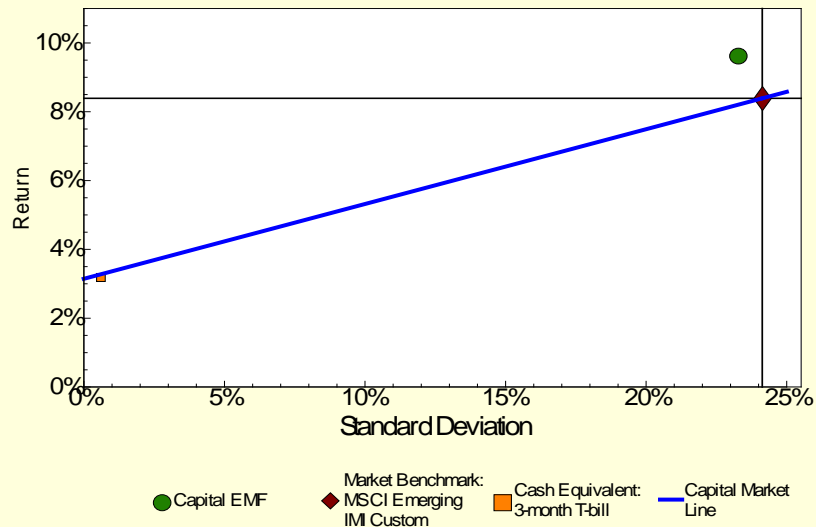
Manager Profile

Firm: Capital Guardian Trust Company
 Location: Los Angeles, CA
 Year Founded: 1968
 Contact: Michael Bowman, Relationship Manager
 Assets Managed: \$635.0 million
 Inception Date: January 1992
 Assigned Role: Emerging Markets
 Benchmark: MSCI EMF IMI Custom*
 Investment Style: Growth

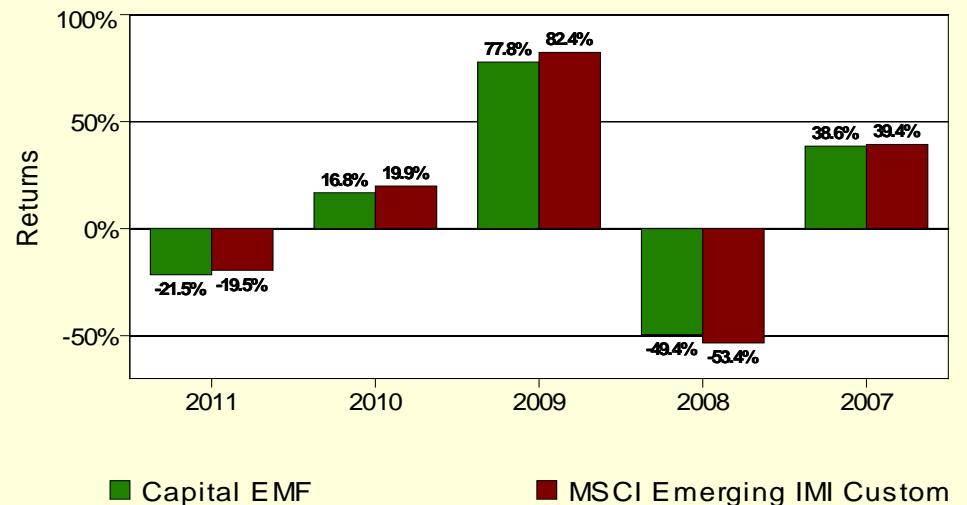
Manager vs Benchmark Return through December 2011 (not annualized if less than 1 year)

	1 quarter	1 year	3 years	5 years	7 years	10 years	Since Inception
Capital EMF	3.96%	-21.53%	17.68%	2.69%	11.60%	13.54%	9.72%
Russell Emerging Markets	4.49%	-18.13%	21.10%	2.83%	11.07%	14.79%	NA
MSCI EMF IMI Custom	3.84%	-19.49%	20.74%	2.72%	10.61%	14.03%	8.39%

Manager Risk/Return January 1992 - December 2011



Calendar Year Returns As of December 2011



* See Glossary.



NON-U.S. EQUITY - EMERGING MARKETS

GENESIS INVESTMENT MANAGEMENT, LLP

for the quarter ended December 31, 2011

Manager Profile

Firm: Genesis Investment Mgmt., LLP
 Location: London, England
 Year Founded: 1989
 Contact: Jonathan Snow, Director
 Assets Managed: \$466.9 million
 Inception Date: September 2007
 Assigned Role: Emerging Markets
 Benchmark: MSCI EMF IMI Custom*
 Investment Style: Core

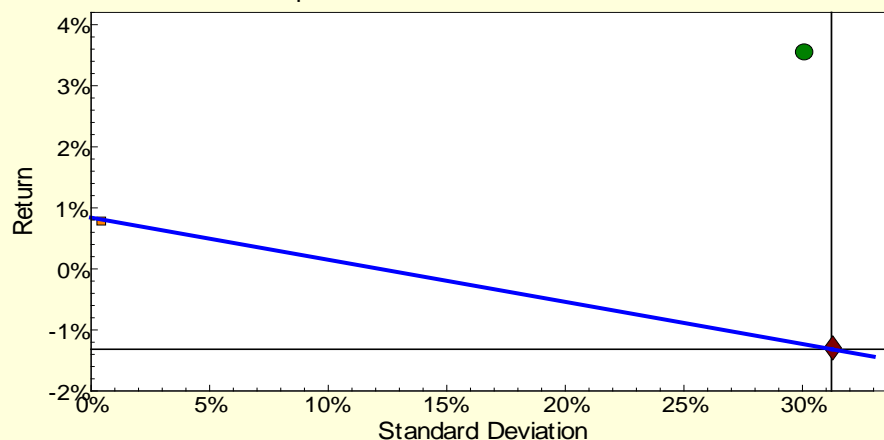
Manager vs Benchmark: Return through December 2011

(not annualized if less than 1 year)

	1 quarter	1 year	3 years	Since Inception
Genesis	4.82%	-14.99%	26.88%	3.61%
Russell Emerging Markets	4.49%	-18.13%	21.10%	NA
MSCI EMF IMI Custom	3.84%	-19.49%	20.74%	-1.32%

Manager Risk/Return

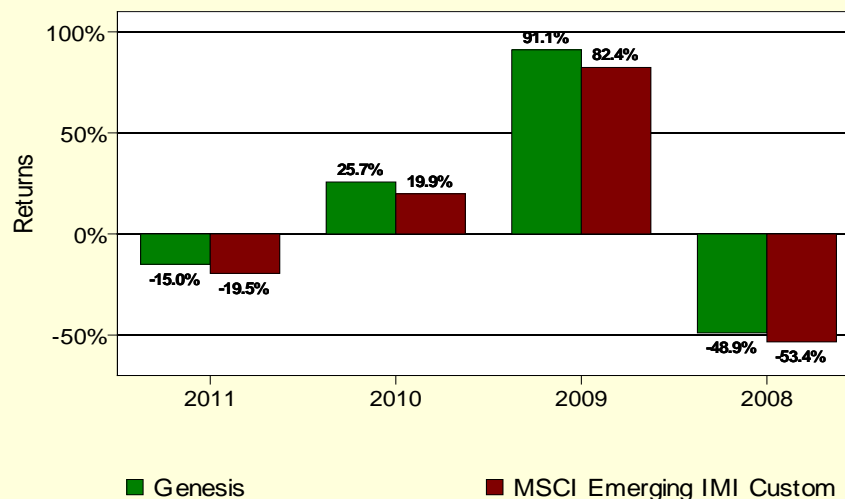
September 2007 - December 2011



● Genesis ◆ Market Benchmark: MSCI Emerging IMI Custom ■ Cash Equivalent: 3-month T-bill — Capital Market Line

Calendar Year Returns

As of December 2011



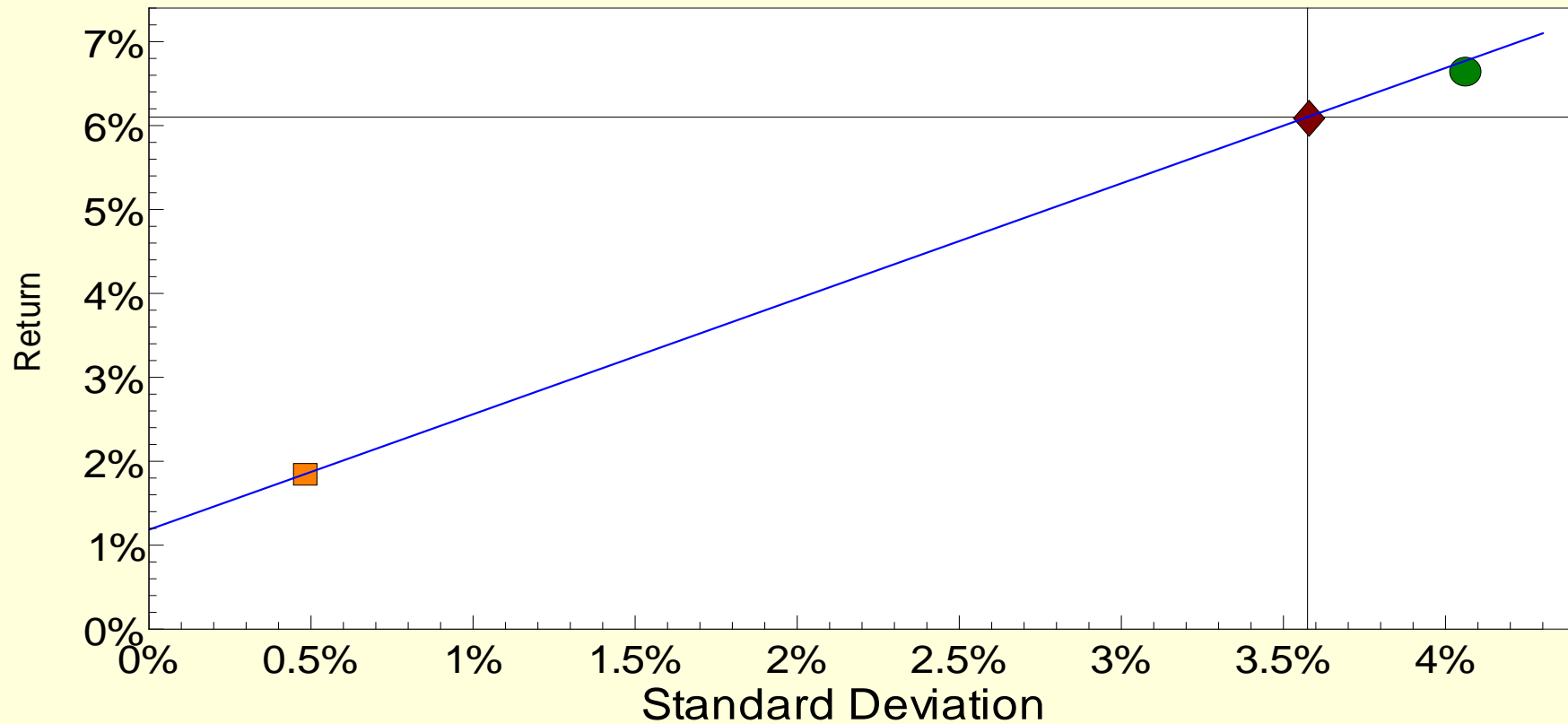
* See Glossary.



FIXED INCOME RISK-ADJUSTED RETURN

for the quarter ended December 31, 2011

January 2002 - December 2011
(10 Years)



● Fixed Income (Gross) ◆ Market Benchmark: FI Custom Benchmark ■ Cash Equivalent: 3-month T-bill — Capital Market Line



FIXED INCOME - CORE

BLACKROCK FINANCIAL MANAGEMENT, INC.

for the quarter ended December 31, 2011

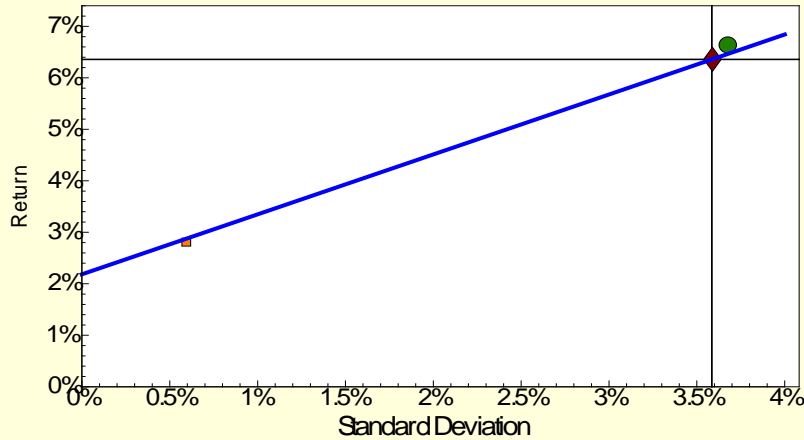
Manager Profile

Firm: BlackRock Financial Mgmt., Inc.
 Location: New York, NY
 Year Founded: 1988
 Contact: Lilian Wan, Managing Director
 Assets Managed: \$701.4 million
 Inception Date: March 1997
 Assigned Role: Full Mandate
 Benchmark: Barclays Aggregate Bond Index
 Investment Style: Core Fixed Income

Manager vs Benchmark Return through December 2011 (not annualized if less than 1 year)

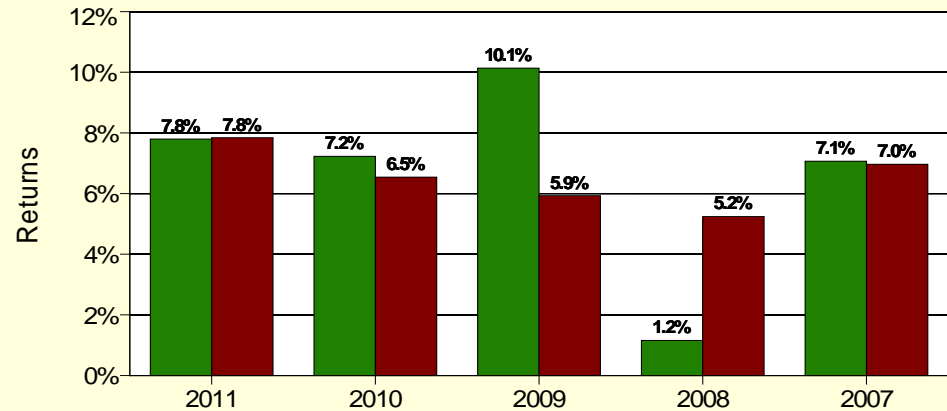
	1 quarter	1 year	3 years	5 years	7 years	10 years	Since Inception
BlackRock	1.57%	7.80%	8.38%	6.64%	5.73%	6.04%	6.70%
Russell Core/Sector	1.38%	7.70%	9.49%	7.07%	6.10%	6.27%	NA
Barclays Aggregate	1.12%	7.84%	6.77%	6.50%	5.60%	5.78%	6.36%

Manager Risk/Return March 1997 - December 2011



● BlackRock
 ◆ Market Benchmark: Barclays Aggregate
 ■ Cash Equivalent: 3-month T-bill
 — Capital Market Line

Calendar Year Returns As of December 2011



■ BlackRock
 ■ Barclays Aggregate Bond Index



FIXED INCOME - CORE

DODGE & COX

for the quarter ended December 31, 2011

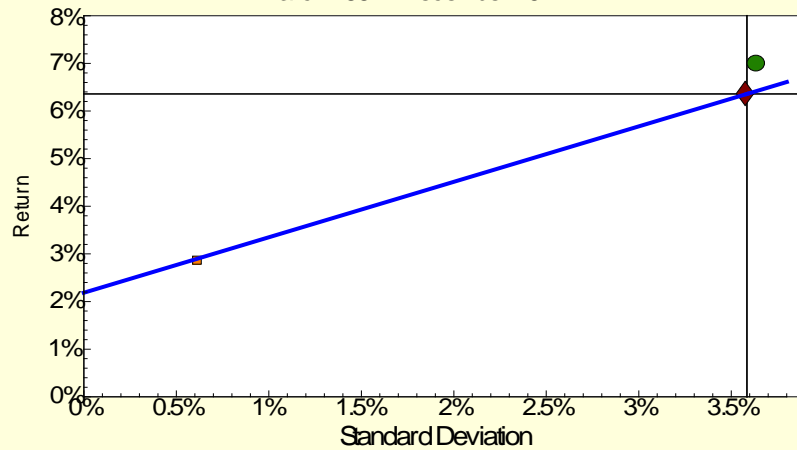
Manager Profile

Firm: Dodge & Cox
 Location: San Francisco, CA
 Year Founded: 1930
 Contact: Dana Emery, Senior V. P.
 Assets Managed: \$1,104.8 million
 Inception Date: March 1997
 Assigned Role: Full Mandate
 Benchmark: Barclays Aggregate Bond Index
 Investment Style: Core Fixed Income

Manager vs Benchmark Return through December 2011 (not annualized if less than 1 year)

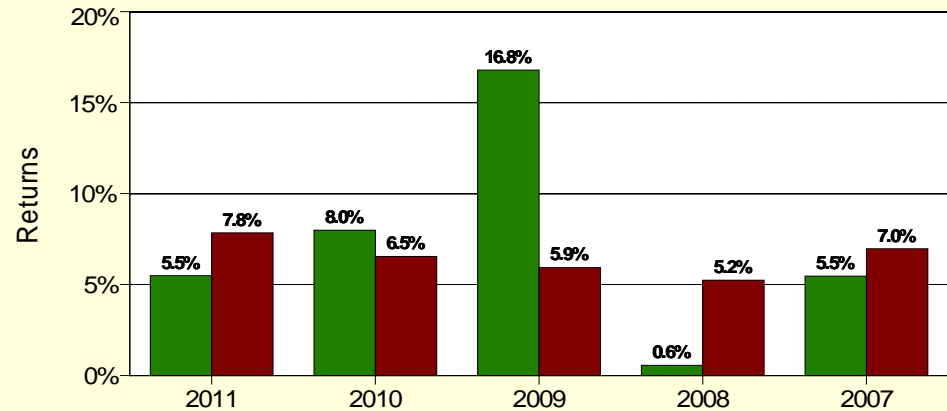
	1 quarter	1 year	3 years	5 years	7 years	10 years	Since Inception
Dodge & Cox	1.28%	5.49%	9.98%	7.13%	6.28%	6.57%	7.05%
Russell Core/Sector	1.38%	7.70%	9.49%	7.07%	6.10%	6.27%	NA
Barclays Aggregate	1.12%	7.84%	6.77%	6.50%	5.60%	5.78%	6.36%

Manager Risk/Return March 1997 - December 2011



● Dodge & Cox ◆ Market Benchmark: Barclays Aggregate ■ Cash Equivalent: 3-month T-bill — Capital Market Line

Calendar Year Returns As of December 2011



■ Dodge & Cox ■ Barclays Aggregate Bond Index



FIXED INCOME - CORE

PUGH CAPITAL MANAGEMENT, INC.

for the quarter ended December 31, 2011

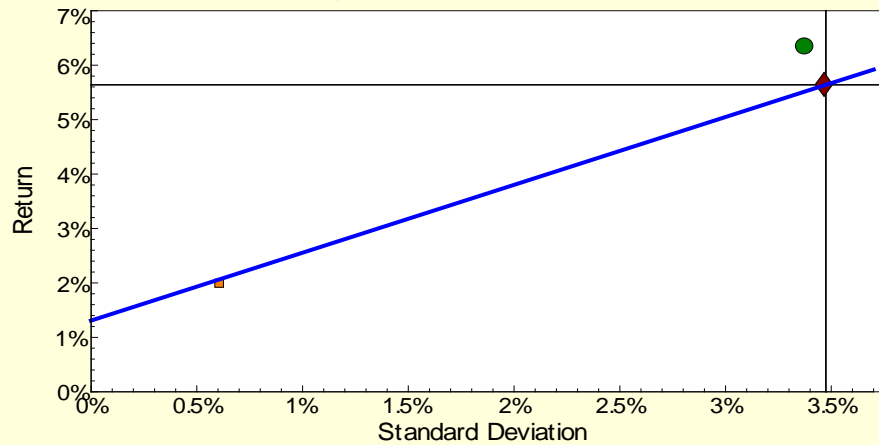
Manager Profile

Firm: Pugh Capital Management, Inc.
 Location: Seattle, WA
 Year Founded: 1991
 Contact: Mary E. Pugh, President
 Assets Managed: \$73.8 million
 Inception Date: July 2005
 Assigned Role: Emerging Manager
 Benchmark: Barclays Aggregate Bond Index
 Investment Style: Core Fixed Income

Manager vs Benchmark: Return through December 2011 (not annualized if less than 1 year)

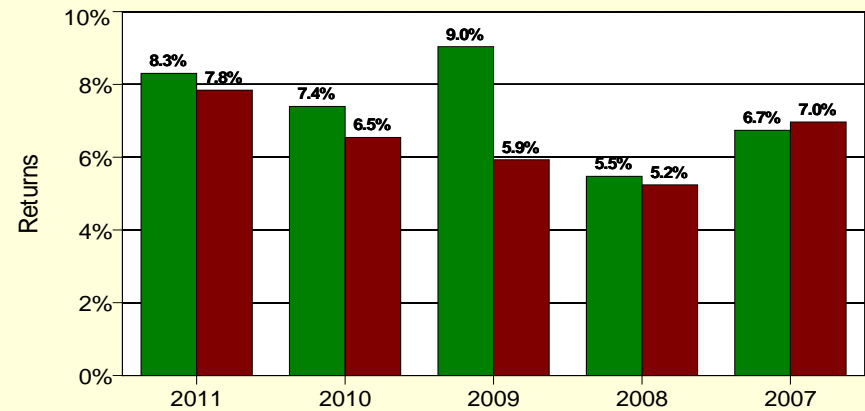
	1 quarter	1 year	3 years	5 years	Since Inception
Pugh Capital	0.92%	8.30%	8.24%	7.38%	6.36%
Russell Core/Sector	1.38%	7.70%	9.49%	7.07%	NA
Barclays Aggregate	1.12%	7.84%	6.77%	6.50%	5.64%

Manager Risk/Return July 2005 - December 2011



● Pugh Capital
 ◆ Market Benchmark: Barclays Aggregate
 ■ Cash Equivalent: 3-month T-bill
 — Capital Market Line

Calendar Year Returns As of December 2011



■ Pugh Capital
 ■ Barclays Aggregate Bond Index



FIXED INCOME - CORE

WELLS CAPITAL MANAGEMENT

for the quarter ended December 31, 2011

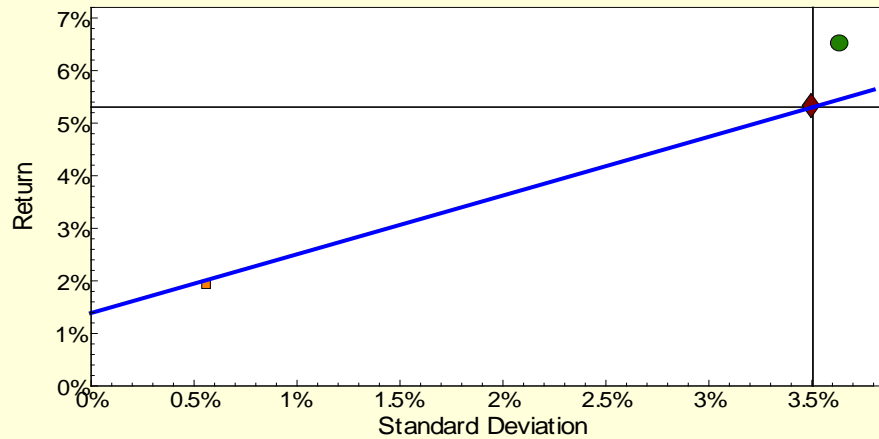
Manager Profile

Firm: Wells Capital Management
 Location: Walnut Creek, CA
 Year Founded: 1981
 Contact: Sandra Willen, Managing Director
 Assets Managed: \$1,121.5 million
 Inception Date: March 2004
 Assigned Role: Full Mandate
 Benchmark: Barclays Aggregate Bond Index
 Investment Style: Core Fixed Income

Manager vs Benchmark: Return through December 2011 (not annualized if less than 1 year)

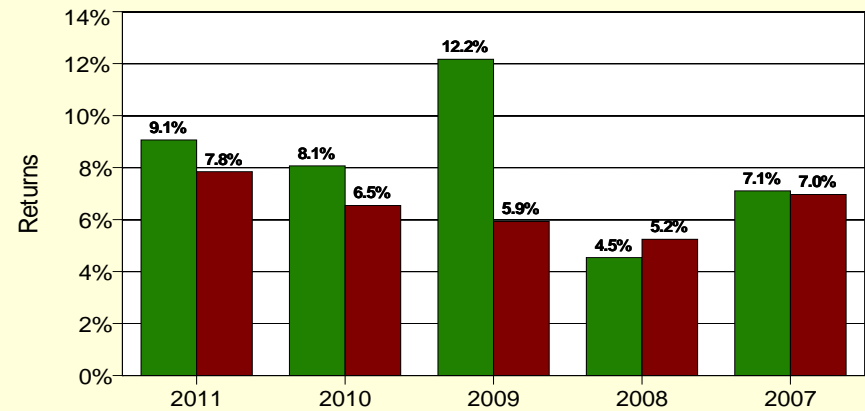
	1 quarter	1 year	3 years	5 years	7 years	Since Inception
Wells Capital	1.56%	9.06%	9.75%	8.16%	6.86%	6.55%
Russell Core/Sector	1.38%	7.70%	9.49%	7.07%	6.10%	NA
Barclays Aggregate	1.12%	7.84%	6.77%	6.50%	5.60%	5.31%

Manager Risk/Return March 2004 - December 2011



● Wells Capital ◆ Market Benchmark: Barclays Aggregate □ Cash Equivalent: 3-month T-bill — Capital Market Line

Calendar Year Returns As of December 2011



■ Wells Capital ■ Barclays Aggregate Bond Index



FIXED INCOME - CORE PLUS

DOLAN McENIRY CAPITAL MANAGEMENT, LLC

for the quarter ended December 31, 2011

Manager Profile

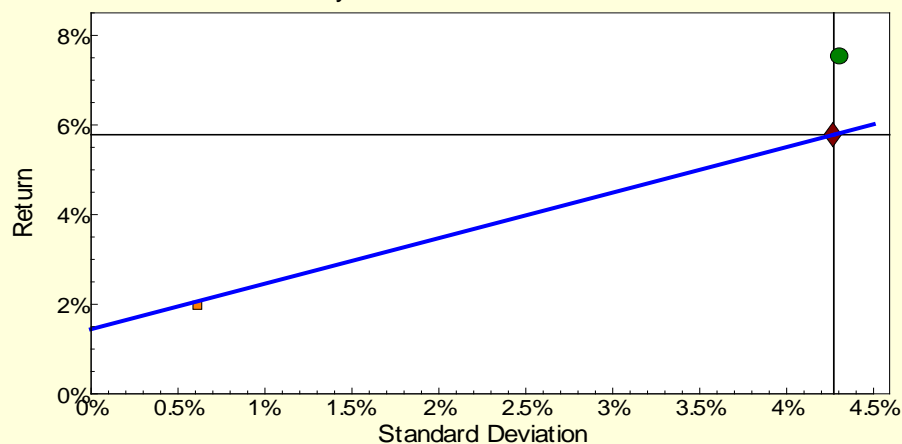
Firm: Dolan McEniry Capital Management
 Location: Chicago, IL
 Year Founded: 1997
 Contact: Daniel Dolan Jr., Principal
 Assets Managed: \$132.0 million
 Inception Date: July 2005
 Assigned Role: Emerging Manager
 Benchmark: Dolan McEniry Custom Index
 Investment Style: Core Plus Fixed Income

Manager vs Benchmark: Return through December 2011 (not annualized if less than 1 year)

	1 quarter	1 year	3 years	5 years	Since Inception
Dolan McEniry	2.19%	7.36%	13.74%	8.58%	7.60%
Russell Core/Sector	1.38%	7.70%	9.49%	7.07%	NA
Dolan McEniry Custom	1.56%	5.68%	9.75%	6.44%	5.78%

Manager Risk/Return

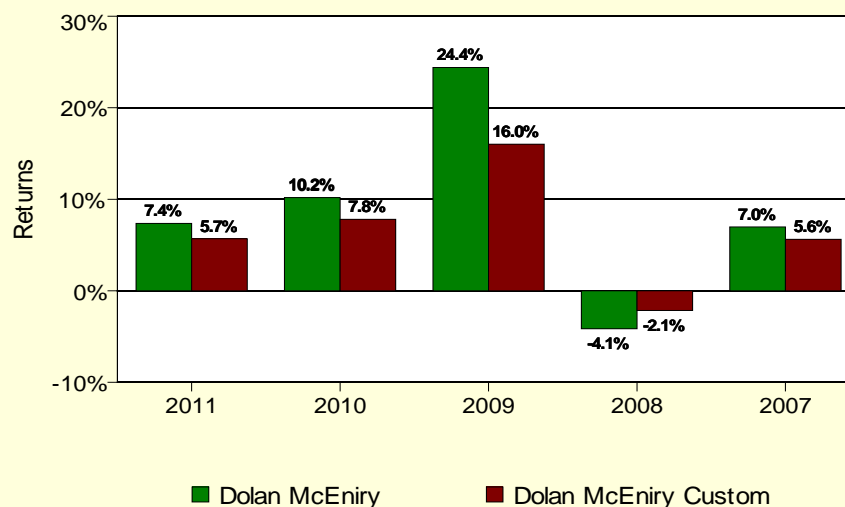
July 2005 - December 2011



● Dolan McEniry ◆ Market Benchmark: Dolan McEniry Custom Benchmark ■ Cash Equivalent: 3-month T-bill — Capital Market Line

Calendar Year Returns

As of December 2011





FIXED INCOME - CORE PLUS

GW CAPITAL, INC.

for the quarter ended December 31, 2011

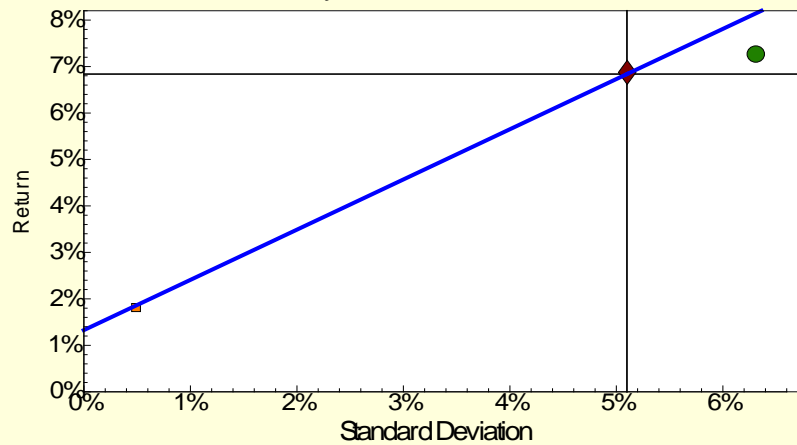
Manager Profile

Firm: GW Capital, Inc.
 Location: Bellevue, WA
 Year Founded: 1989
 Contact: Guy Watanabe, President
 Assets Managed: \$126.4 million
 Inception Date: January 2002
 Assigned Role: Emerging Manager
 Benchmark: GW Custom Index
 Investment Style: Core Plus Fixed Income

Manager vs Benchmark Return through December 2011 (not annualized if less than 1 year)

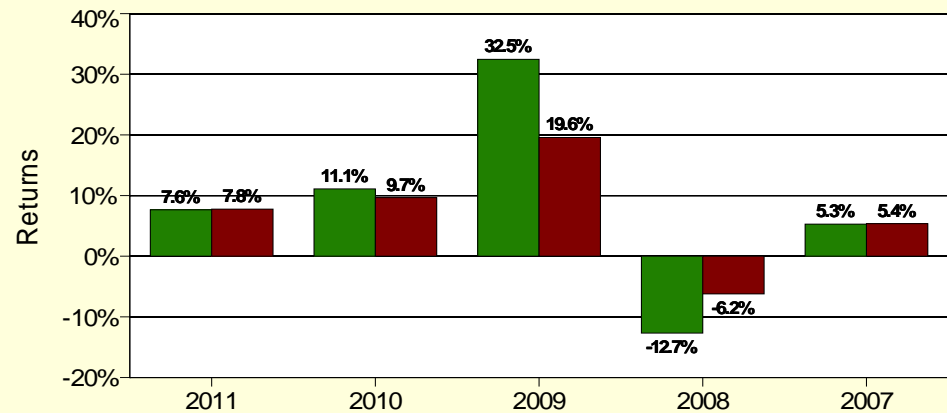
	1 quarter	1 year	3 years	5 years	7 years	10 years	Since Inception
GW Capital	2.52%	7.64%	16.57%	7.81%	6.92%	7.29%	7.29%
Russell Core/Sector	1.38%	7.70%	9.49%	7.07%	6.10%	6.27%	NA
GW Custom	3.12%	7.76%	12.22%	6.91%	6.24%	6.84%	6.84%

Manager Risk/Return January 2002 - December 2011



● GW Capital
 ◆ Market Benchmark: GW Custom
 ■ Cash Equivalent: 3-month T-bill
 — Capital Market Line

Calendar Year Returns As of December 2011



■ GW Capital
 ■ GW Custom



FIXED INCOME - CORE PLUS

LM CAPITAL GROUP, LLC

for the quarter ended December 31, 2011

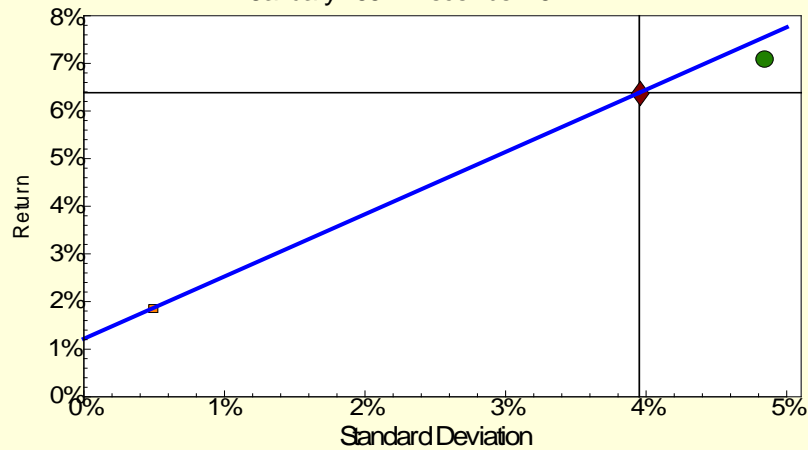
Manager Profile

Firm: LM Capital Group, LLC
 Location: San Diego, CA
 Year Founded: 1989
 Contact: John Chalker, Managing Director
 Assets Managed: \$625.8 million
 Inception Date: January 2002
 Assigned Role: Full Mandate
 Benchmark: LM Custom Index
 Investment Style: Core Plus Fixed Income

Manager vs Benchmark Return through December 2011 (not annualized if less than 1 year)

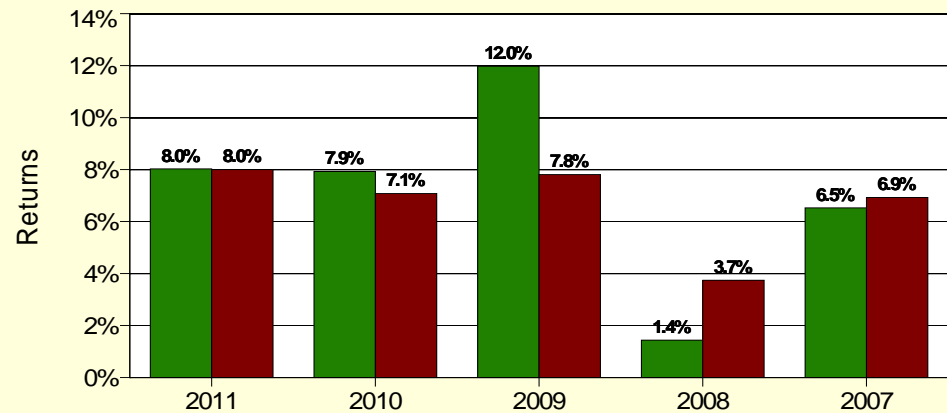
	1 quarter	1 year	3 years	5 years	7 years	10 years	Since Inception
LM Capital	2.14%	8.02%	9.29%	7.12%	6.28%	7.10%	7.10%
Russell Core/Sector	1.38%	7.70%	9.49%	7.07%	6.10%	6.27%	NA
LM Custom	1.53%	8.00%	7.63%	6.70%	5.96%	6.39%	6.39%

Manager Risk/Return January 2002 - December 2011



● LM Capital ◆ Market Benchmark: LM Custom □ Cash Equivalent: 3-month T-bill — Capital Market Line

Calendar Year Returns As of December 2011



■ LM Capital ■ LM Custom



FIXED INCOME - CORE PLUS

LOOMIS, SAYLES & COMPANY, L.P.

for the quarter ended December 31, 2011

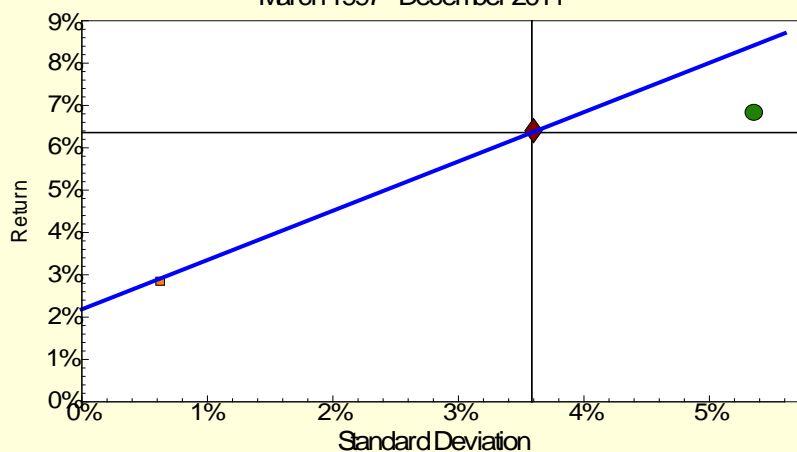
Manager Profile

Firm: Loomis, Sayles & Company, LP
 Location: Boston, MA
 Year Founded: 1926
 Contact: Stephanie S. Lord, Vice President
 Assets Managed: \$749.1 million
 Inception Date: March 1997
 Assigned Role: Full Mandate
 Benchmark: Barclays Aggregate Bond Index
 Investment Style: Core Plus Fixed Income

Manager vs Benchmark Return through December 2011 (not annualized if less than 1 year)

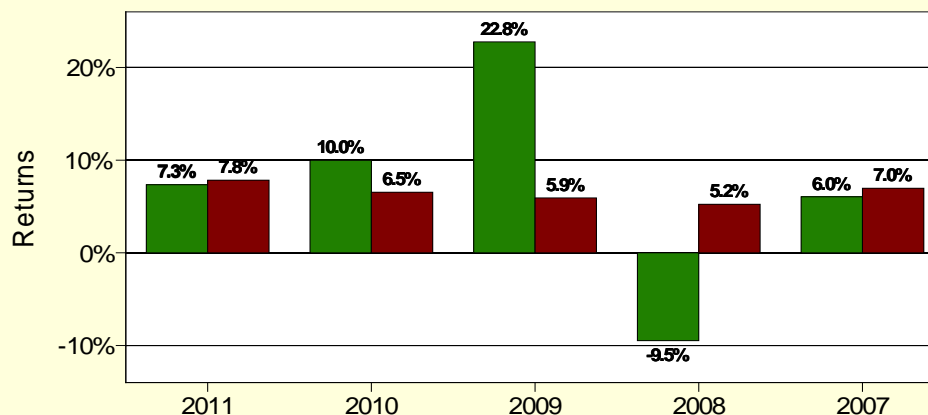
	1 quarter	1 year	3 years	5 years	7 years	10 years	Since Inception
Loomis, Sayles	2.38%	7.35%	13.17%	6.83%	6.00%	6.45%	6.87%
Russell Core/Sector	1.38%	7.70%	9.49%	7.07%	6.10%	6.27%	NA
Barclays Aggregate	1.12%	7.84%	6.77%	6.50%	5.60%	5.78%	6.36%

Manager Risk/Return March 1997 - December 2011



● Loomis, Sayles ◆ Market Benchmark: Barclays Aggregate ■ Cash Equivalent: 3-month T-bill — Capital Market Line

Calendar Year Returns As of December 2011



■ Loomis, Sayles ■ Barclays Aggregate Bond Index



FIXED INCOME - CORE PLUS

PACIFIC INVESTMENT MANAGEMENT COMPANY

for the quarter ended December 31, 2011

Manager Profile

Firm: Pacific Investment Management Co.
 Location: Newport Beach, CA
 Year Founded: 1971
 Contact: Julie Meggers, Vice President
 Assets Managed: \$886.9 million
 Inception Date: March 2004
 Assigned Role: Full Mandate
 Benchmark: Barclays Aggregate Bond Index
 Investment Style: Core Plus Fixed Income

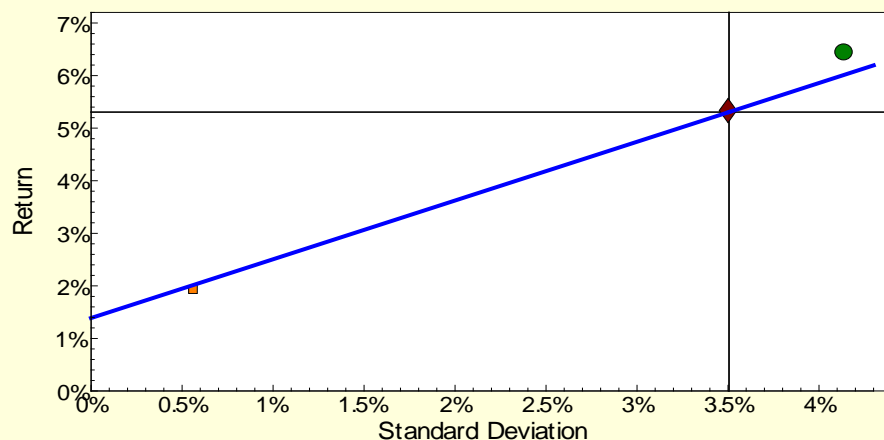
Manager vs Benchmark: Return through December 2011

(not annualized if less than 1 year)

	1 quarter	1 year	3 years	5 years	7 years	Since Inception
PIMCO Fixed	1.58%	4.04%	9.41%	7.79%	6.73%	6.48%
Russell Core/Sector	1.38%	7.70%	9.49%	7.07%	6.10%	NA
Barclays Aggregate	1.12%	7.84%	6.77%	6.50%	5.60%	5.31%

Manager Risk/Return

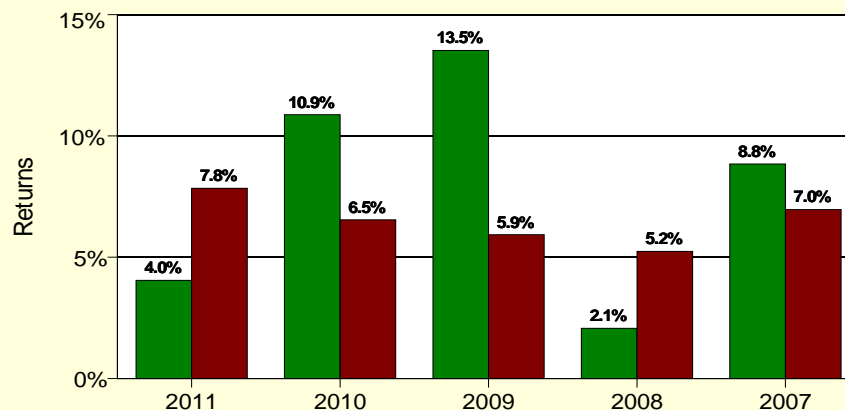
March 2004 - December 2011



● PIMCO Fixed ◆ Market Benchmark: Barclays Aggregate □ Cash Equivalent: 3-month T-bill — Capital Market Line

Calendar Year Returns

As of December 2011



■ PIMCO Fixed ■ Barclays Aggregate Bond Index



FIXED INCOME - CORE PLUS

WESTERN ASSET MANAGEMENT COMPANY

for the quarter ended December 31, 2011

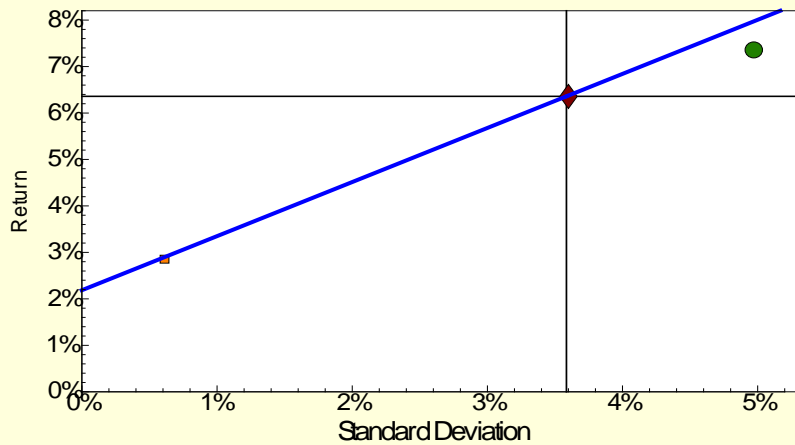
Manager Profile

Firm: Western Asset Management Co.
 Location: Pasadena, CA
 Year Founded: 1971
 Contact: Joseph Carieri, Client Serv. Exec.
 Assets Managed: \$763.0 million
 Inception Date: March 1997
 Assigned Role: Full Mandate
 Benchmark: Barclays Aggregate Bond Index
 Investment Style: Core Plus Fixed Income

Manager vs Benchmark Return through December 2011 (not annualized if less than 1 year)

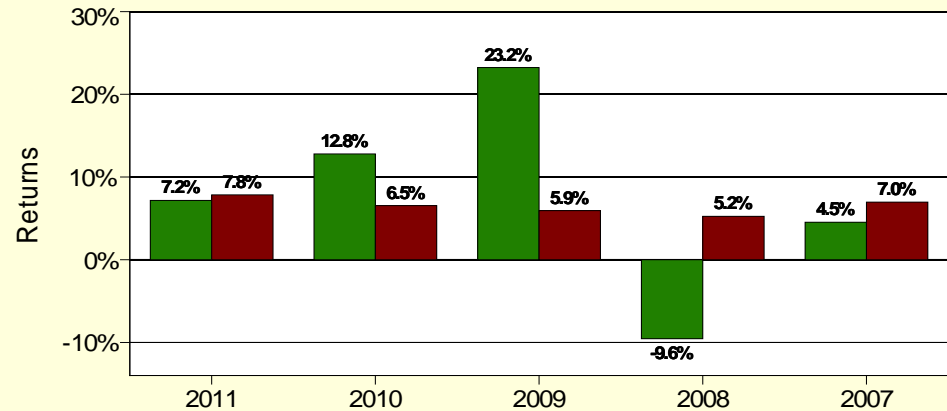
	1 quarter	1 year	3 years	5 years	7 years	10 years	Since Inception
Western Core Plus	1.59%	7.17%	14.21%	7.09%	6.33%	7.19%	7.42%
Russell Core/Sector	1.38%	7.70%	9.49%	7.07%	6.10%	6.27%	NA
Barclays Aggregate	1.12%	7.84%	6.77%	6.50%	5.60%	5.78%	6.36%

Manager Risk/Return March 1997 - December 2011



● Western Core Plus ◆ Market Benchmark: Barclays Aggregate ■ Cash Equivalent: 3-month T-bill — Capital Market Line

Calendar Year Returns As of December 2011



■ Western Core Plus ■ Barclays Aggregate Bond Index



FIXED INCOME - OPPORTUNISTIC

OAKTREE CAPITAL MANAGEMENT, L.P.

for the quarter ended December 31, 2011

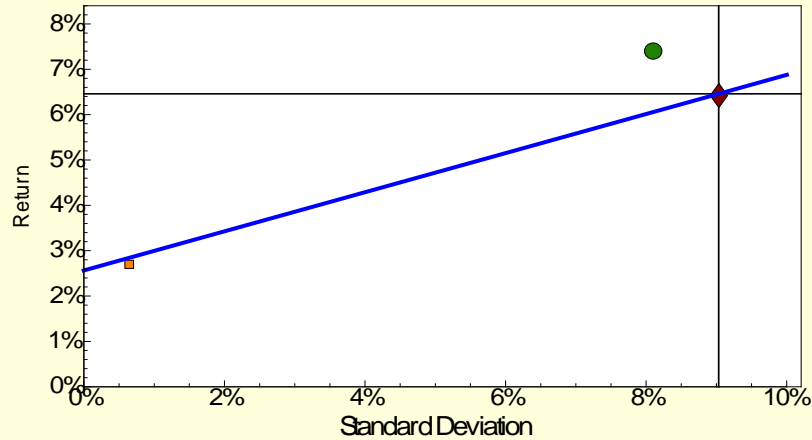
Manager Profile

Firm: Oaktree Capital Management, L.P.
 Location: Los Angeles, CA
 Year Founded: 1995
 Contact: Sheldon M. Stone, Principal
 Assets Managed: \$416.9 million
 Inception Date: July 1997
 Assigned Role: Full Mandate
 Benchmark: Barclays High Yield Ba/B Index
 Investment Style: Opportunistic - High Yield

Manager vs Benchmark Return through December 2011 (not annualized if less than 1 year)

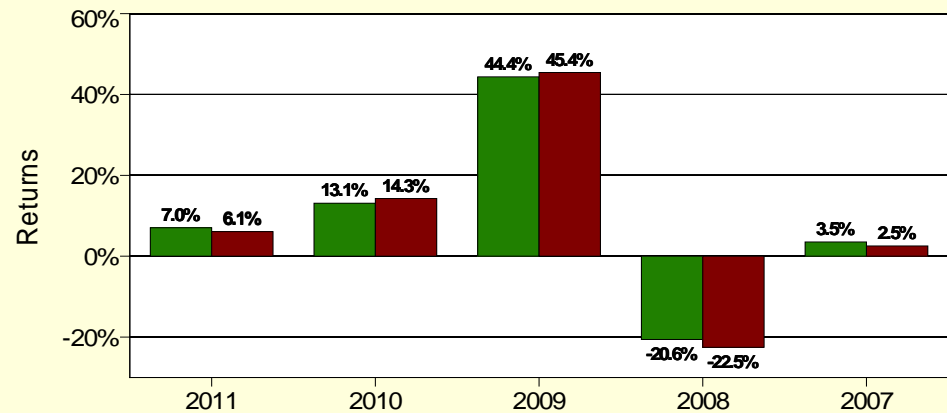
	1 quarter	1 year	3 years	5 years	7 years	10 years	Since Inception
Oaktree	7.16%	7.03%	20.45%	7.51%	7.48%	8.70%	7.50%
Russell High Yield	6.08%	5.31%	20.57%	7.29%	7.25%	8.88%	NA
Barclays High Yield Ba/B	6.01%	6.09%	20.80%	6.96%	6.94%	7.99%	6.46%

Manager Risk/Return July 1997 - December 2011



● Oaktree
 ◆ Market Benchmark: BC High Yield Ba/B
 ■ Cash Equivalent: 3-month T-bill
 — Capital Market Line

Calendar Year Returns As of December 2011



■ Oaktree
 ■ BC High Yield Ba/B



FIXED INCOME - OPPORTUNISTIC

PENN CAPITAL MANAGEMENT COMPANY, INC.

for the quarter ended December 31, 2011

Manager Profile

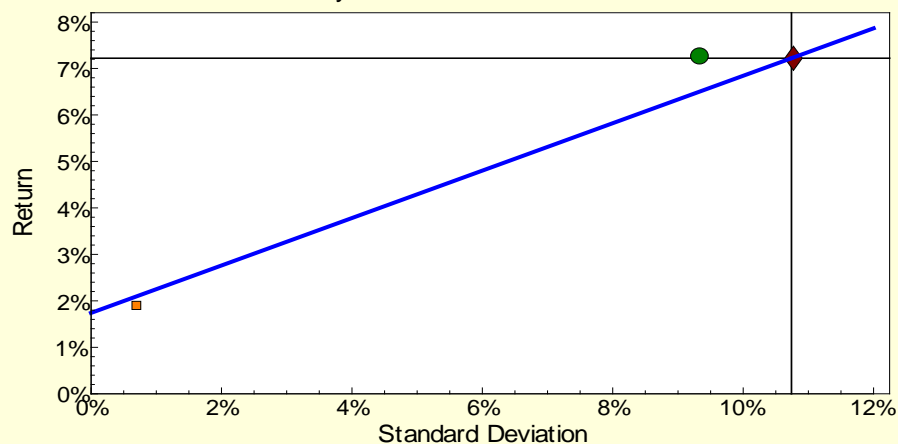
Firm: PENN Capital Management Co., Inc.
 Location: Philadelphia, PA
 Year Founded: 1987
 Contact: Christian Noyes, Sr. V.P. & Principal
 Assets Managed: \$77.5 million
 Inception Date: July 2005
 Assigned Role: Emerging Manager Program
 Benchmark: Barclays High Yield Ba/B Index
 Investment Style: Opportunistic - High Yield

Manager vs Benchmark: Return through December 2011 (not annualized if less than 1 year)

	1 quarter	1 year	3 years	5 years	Since Inception
PENN Capital	4.34%	5.44%	19.28%	6.77%	7.38%
Russell High Yield	6.08%	5.31%	20.57%	7.29%	NA
Barclays High Yield Ba/B	6.01%	6.09%	20.80%	6.96%	7.22%

Manager Risk/Return

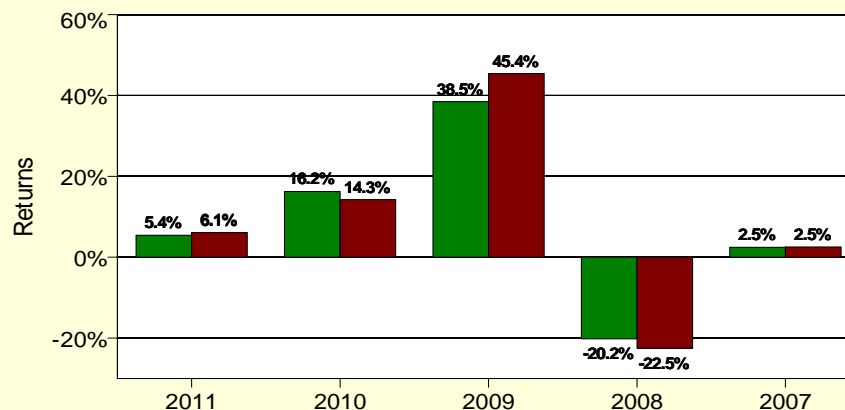
July 2005 - December 2011



● PENN Capital
 ◆ Market Benchmark: BC High Yield Ba/B
 ■ Cash Equivalent: 3-month T-bill
 — Capital Market Line

Calendar Year Returns

As of December 2011



■ PENN Capital
 ■ BC High Yield Ba/B



FIXED INCOME - OPPORTUNISTIC

POST ADVISORY GROUP, LLC

for the quarter ended December 31, 2011

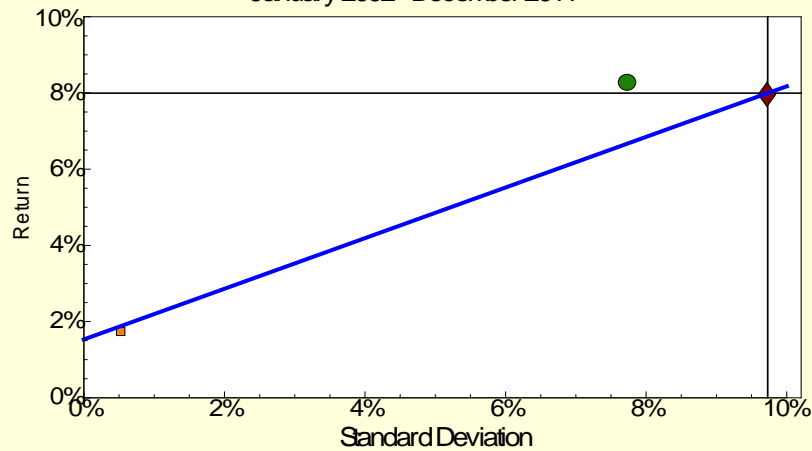
Manager Profile

Firm: Post Advisory Group, LLC
 Location: Los Angeles, CA
 Year Founded: 1992
 Contact: Melinda Newman, Managing Director
 Assets Managed: \$412.5 million
 Inception Date: January 2002
 Assigned Role: Full Mandate
 Benchmark: Barclays High Yield Ba/B Index
 Investment Style: Opportunistic - High Yield

Manager vs Benchmark Return through December 2011 (not annualized if less than 1 year)

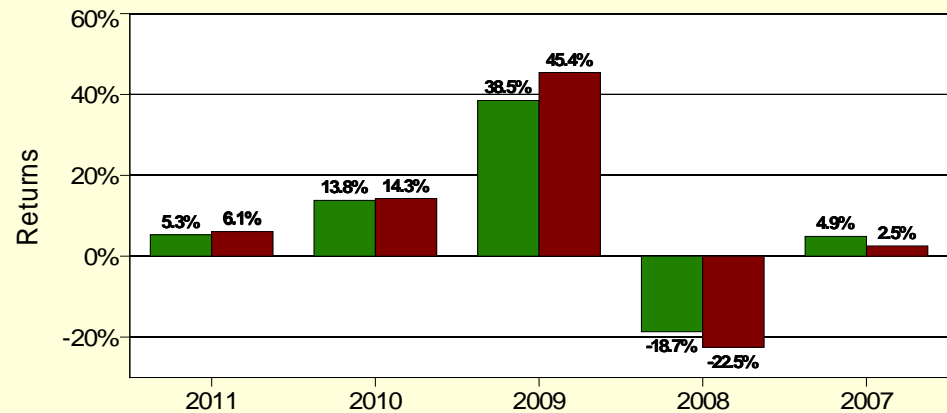
	1 quarter	1 year	3 years	5 years	7 years	10 years	Since Inception
Post Advisory	5.02%	5.29%	18.40%	7.20%	7.03%	8.43%	8.43%
Russell High Yield	6.08%	5.31%	20.57%	7.29%	7.25%	8.88%	NA
Barclays High Yield Ba/B	6.01%	6.09%	20.80%	6.96%	6.94%	7.99%	7.99%

Manager Risk/Return January 2002 - December 2011



● Post Advisory ◆ Market Benchmark: BC High Yield Ba/B □ Cash Equivalent: 3-month T-bill — Capital Market Line

Calendar Year Returns As of December 2011



■ Post Advisory ■ BC High Yield Ba/B



FIXED INCOME - OPPORTUNISTIC

BRIGADE CAPITAL MANAGEMENT

for the quarter ended December 31, 2011

Manager Profile

Firm: Brigade Capital Management
 Location: New York, NY
 Year Founded: 2006
 Contact: Rob Brady, Director
 Assets Managed: \$116.2 million
 Inception Date: July 2010
 Assigned Role: Full Mandate
 Benchmark: Brigade/Harch Custom Index
 Investment Style: Opportunistic - Credit

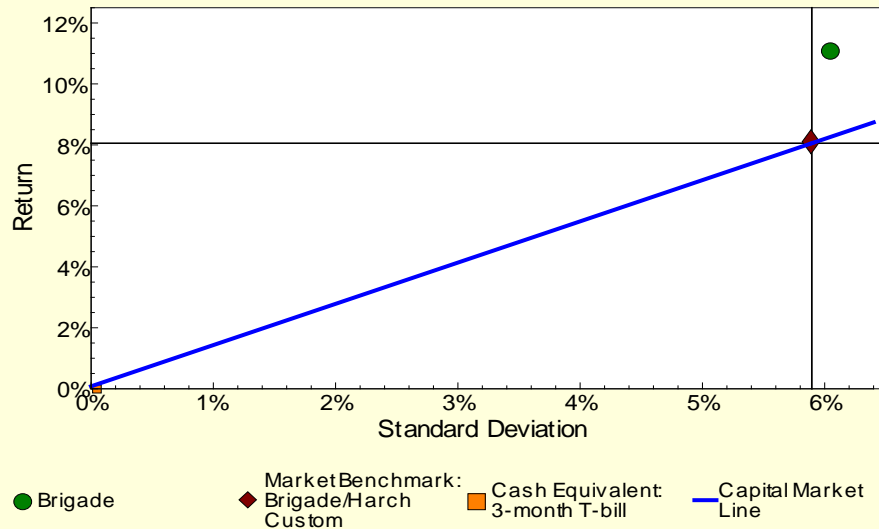
Manager vs Benchmark: Return through December 2011

(not annualized if less than 1 year)

	1 quarter	1 year	Since Inception
Brigade Capital	4.40%	8.03%	11.16%
Brigade/Harch Custom Index	4.37%	3.96%	8.05%

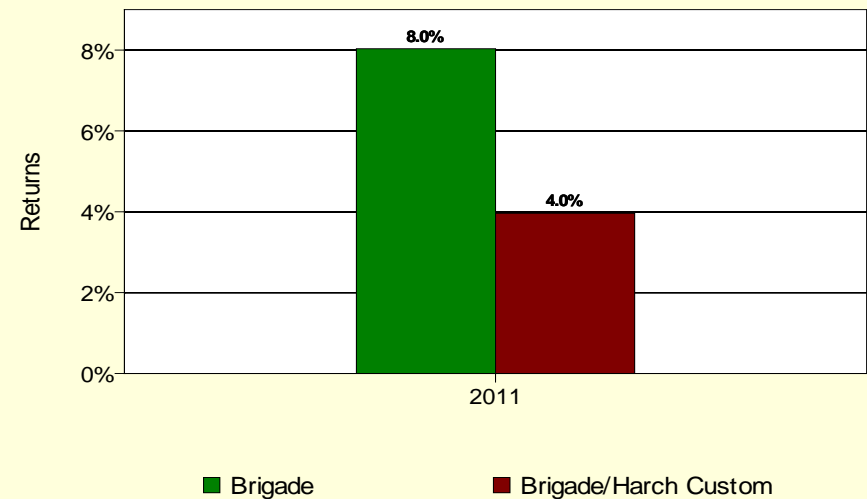
Manager Risk/Return

July 2010 - December 2011



Calendar Year Returns

As of December 2011





FIXED INCOME - OPPORTUNISTIC

HARCH CAPITAL MANAGEMENT, LLC

for the quarter ended December 31, 2011

Manager Profile

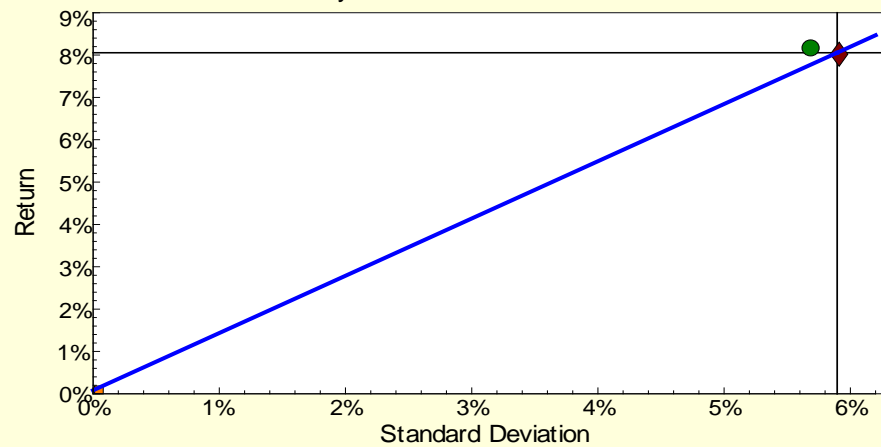
Firm: Harch Capital Management, LLC
 Location: Boca Raton, FL
 Year Founded: 1990
 Contact: Gabriel "Buddy" Gengler, Executive Vice President
 Assets Managed: \$111.7 million
 Inception Date: July 2010
 Assigned Role: Full Mandate
 Benchmark: Brigade/Harch Custom Index
 Investment Style: Opportunistic - Credit

Manager vs Benchmark: Return through December 2011 (not annualized if less than 1 year)

	1 quarter	1 year	Since Inception
Harch	4.85%	4.48%	8.18%
Brigade/Harch Custom Index	4.37%	3.96%	8.05%

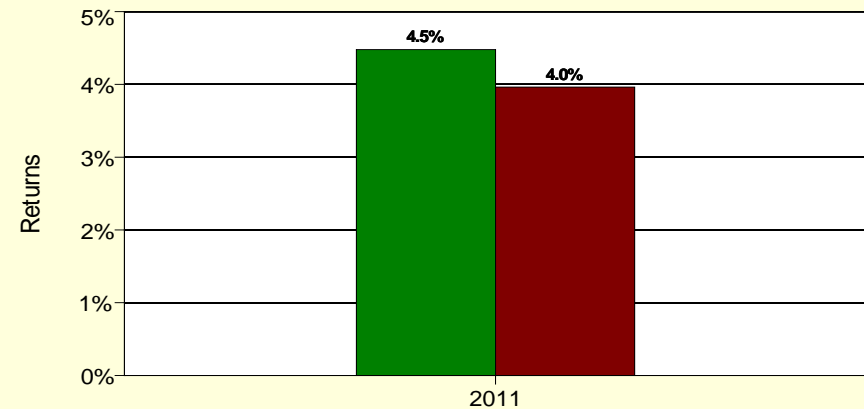
Manager Risk/Return

July 2010 - December 2011



Calendar Year Returns

As of December 2011





FIXED INCOME - OPPORTUNISTIC

PRINCIPAL GLOBAL INVESTORS, LLC

for the quarter ended December 31, 2011

Manager Profile

Firm: Principal Global Investors, LLC
 Location: Des Moines, IA
 Year Founded: 1879
 Contact: Paul Stover, Relationship Manager
 Assets Managed: \$124.1 million
 Inception Date: February 2011
 Assigned Role: Full Mandate
 Benchmark: Principal Custom Index
 Investment Style: Opportunistic - Credit

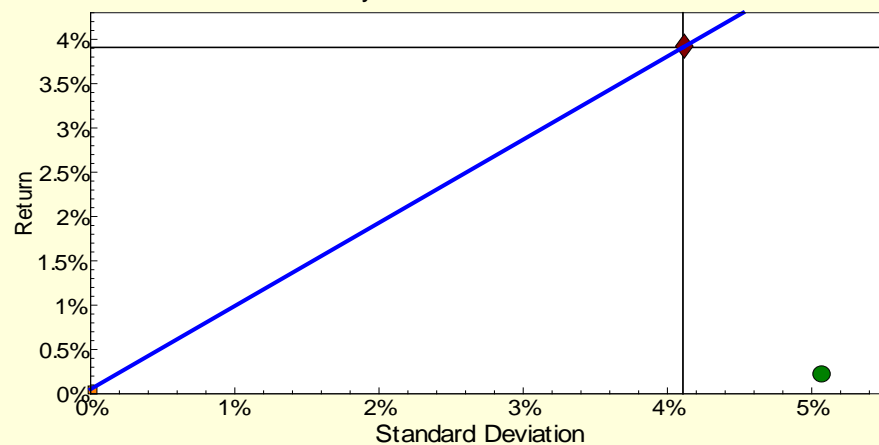
Manager vs Benchmark: Return through December 2011

(not annualized if less than 1 year)

	1 quarter	Since Inception
Principal Opp.	1.78%	0.26%
Principal Opp. Custom Index	2.18%	3.91%

Manager Risk/Return

February 2011 - December 2011



● Principal Opp. ◆ MarketBenchmark: PrinOpp Custom Idx. ■ Cash Equivalent: 3-month T-bill — Capital Market Line

Insufficient Data



FIXED INCOME - OPPORTUNISTIC

WESTERN ASSET MANAGEMENT COMPANY

for the quarter ended December 31, 2011

Manager Profile

Firm: Western Asset Management Co.
 Location: Pasadena, CA
 Year Founded: 1971
 Contact: Joseph Carieri, Client Service Executive
 Assets Managed: \$124.1 million
 Inception Date: February 2009
 Assigned Role: Full Mandate
 Benchmark: Western Opportunistic Custom Index
 Investment Style: Opportunistic - Structured Credit

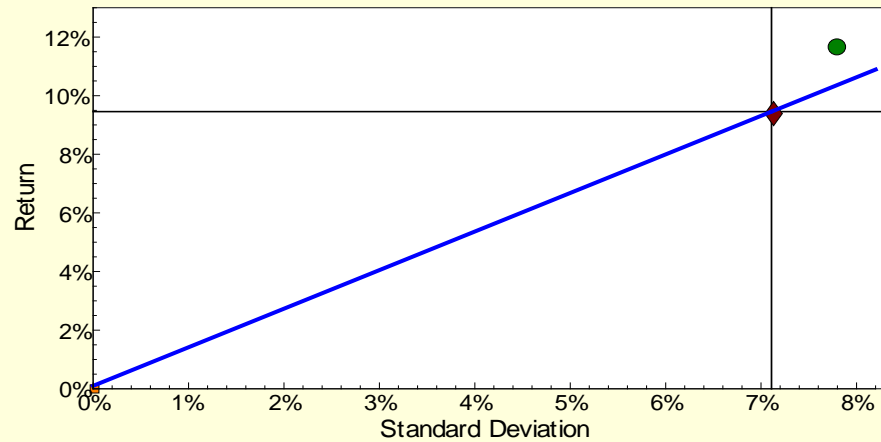
Manager vs Benchmark: Return through December 2011

(not annualized if less than 1 year)

	1 quarter	1 year	Since Inception
Western Opp.	-0.56%	-2.06%	11.77%
Western Opp. Custom Index	0.21%	-2.47%	9.45%

Manager Risk/Return

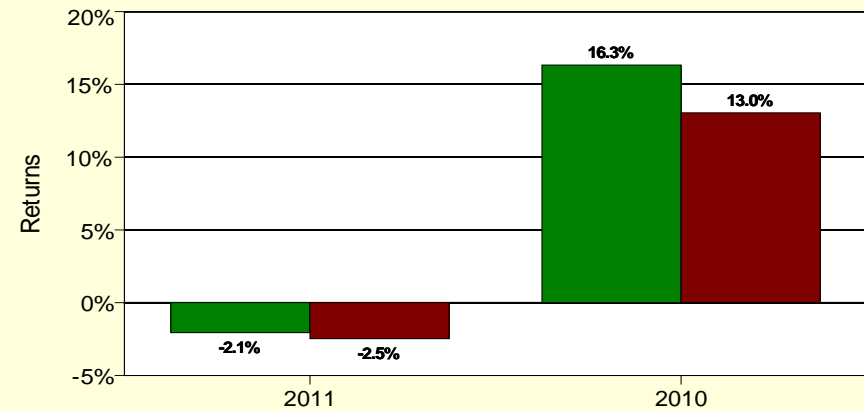
February 2009 - December 2011



● Western Opp.
 ◆ Market Benchmark: Western Opp. Custom Benchmark
 ■ Cash Equivalent: 3-month T-bill
 — Capital Market Line

Calendar Year Returns

As of December 2011



■ Western Opp.
 ■ Western Opp. Custom Benchmark



FIXED INCOME - STIF

WESTERN ASSET MANAGEMENT COMPANY

for the quarter ended December 31, 2011

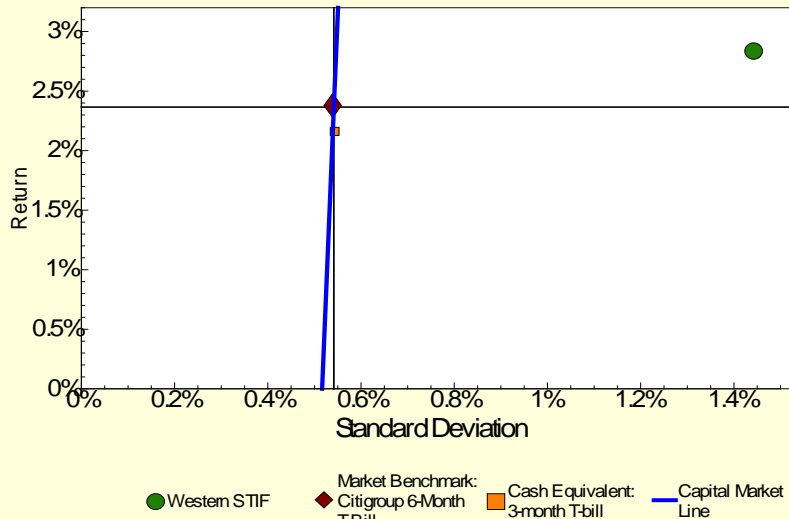
Manager Profile

Firm: Western Asset Management Co.
 Location: Pasadena, CA
 Year Founded: 1971
 Contact: Joseph Carieri, Client Service Executive
 Assets Managed: \$1,028.5 million
 Inception Date: September 2000
 Assigned Role: Full Mandate
 Benchmark: Citigroup 6-month T-Bill
 Investment Style: Cash/STIF

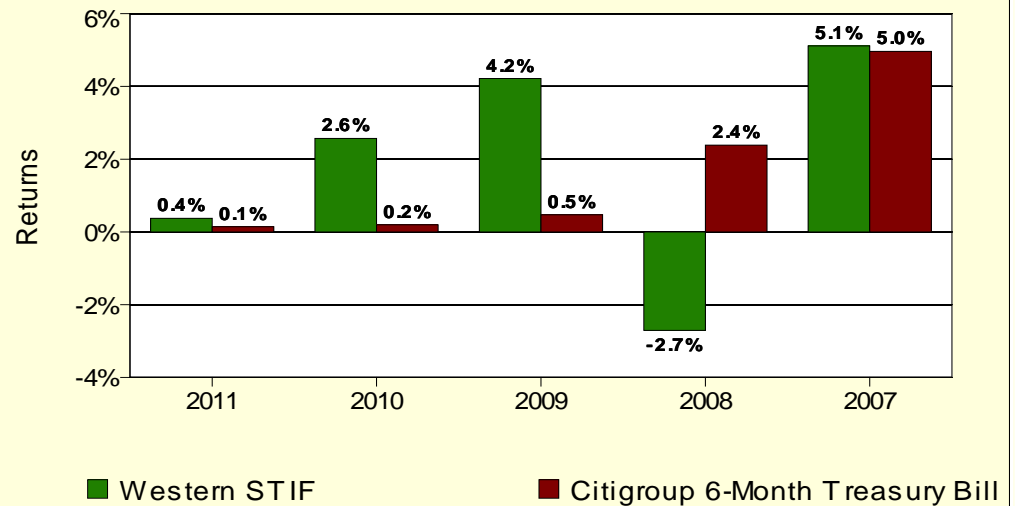
Manager vs Benchmark Return through December 2011 (not annualized if less than 1 year)

	1 quarter	1 year	3 years	5 years	7 years	10 years	Since Inception
Western (STIF)	0.09%	0.37%	2.38%	1.87%	2.51%	2.36%	2.87%
Citigroup 6-month T-Bill	0.02%	0.14%	0.27%	1.62%	2.26%	2.02%	2.37%

Manager Risk/Return September 2000 - December 2011



Calendar Year Returns As of December 2011



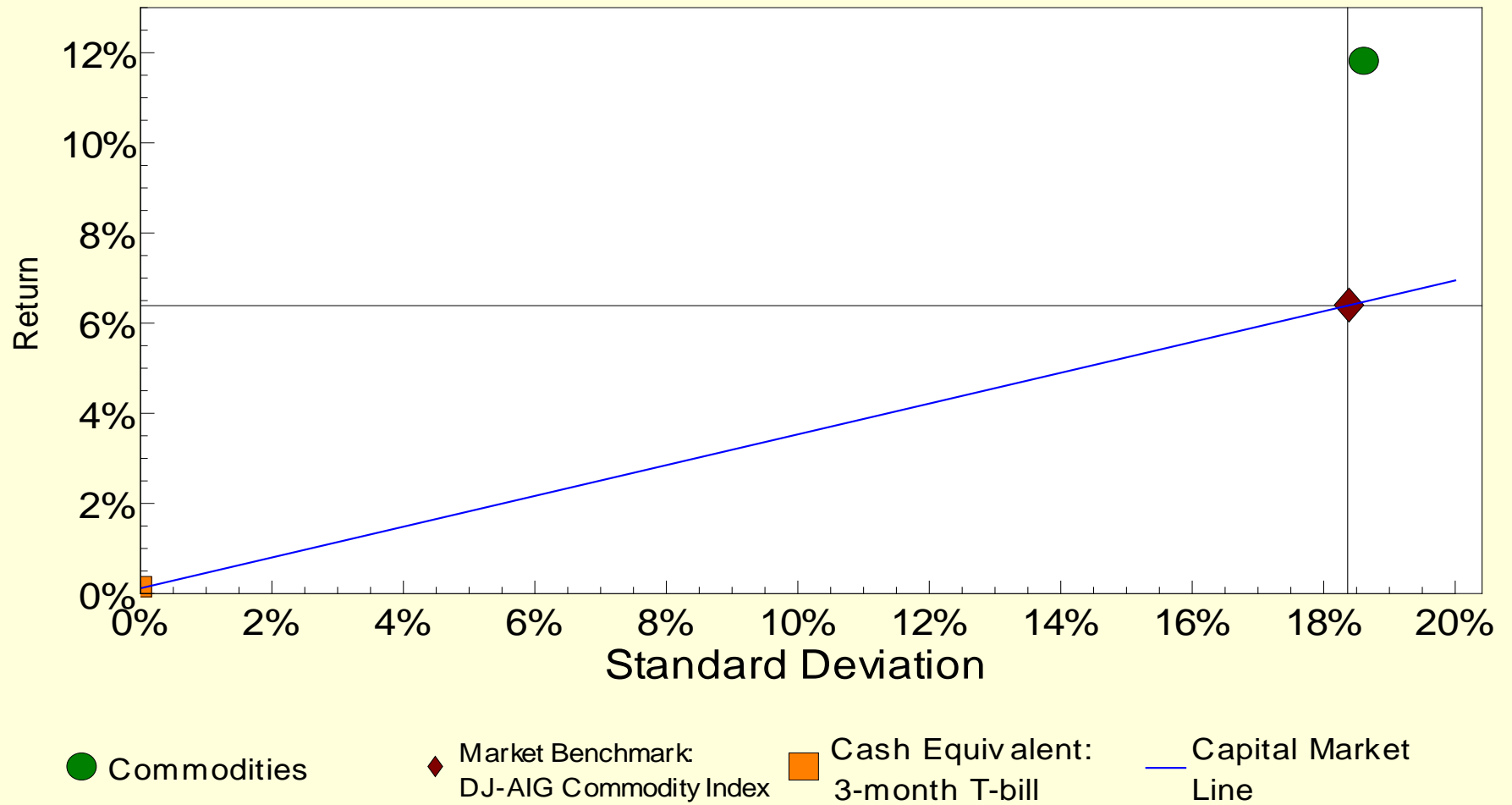


COMMODITIES

RISK-ADJUSTED RETURN

for the quarter ended December 31, 2011

January 2009 - December 2011
(3 Years)





COMMODITIES

CREDIT SUISSE ASSET MANAGEMENT, LLC

for the quarter ended December 31, 2011

Manager Profile

Firm: Credit Suisse Asset Management, LLC
 Location: New York, NY
 Year Founded: 1935
 Contact: Nelson Louie, Managing Director
 Assets Managed: \$191.6 million
 Inception Date: March 2011
 Assigned Role: Commodities
 Benchmark: DJ-UBS Commodity Index
 Investment Style: Active Commodities

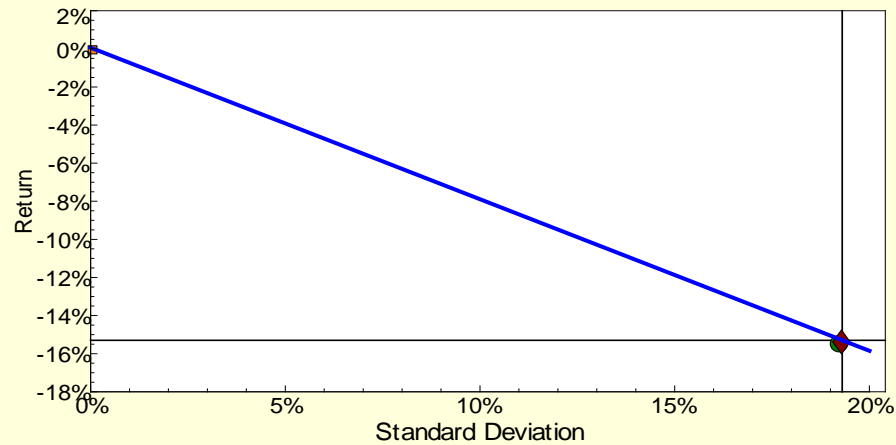
Manager vs Benchmark: Return through December 2011

(not annualized if less than 1 year)

	1 quarter	Since Inception
CreditSuisse Commodity	0.44%	-15.45%
DJ-UBS Commodity Index	0.35%	-15.30%

Manager Risk/Return

March 2011 - December 2011



Insufficient Data

● Credit Suisse ♦ Market Benchmark: DJ-UBS Commodity Index ■ Cash Equivalent: 3-month T-bill — Capital Market Line



COMMODITIES

NEUBERGER BERMAN ALTERNATIVE FUND MGMT. LLC/GRESHAM

for the quarter ended December 31, 2011

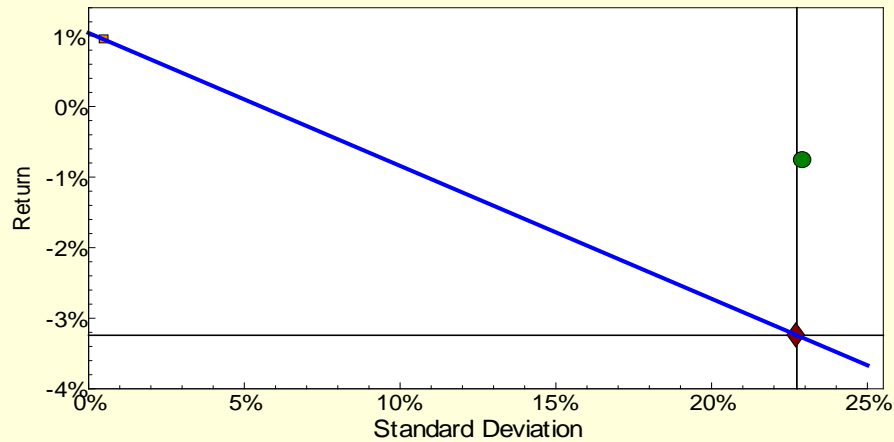
Manager Profile

Firm: Neuberger Berman/Gresham
 Location: New York, NY
 Year Founded: 1850/1987
 Contact: Carter Reynolds, Managing Director
 Assets Managed: \$340.9 million
 Inception Date: July 2007
 Assigned Role: Commodities
 Benchmark: DJ-UBS Commodity Index
 Investment Style: Active Commodities

Manager vs Benchmark: Return through December 2011 (not annualized if less than 1 year)

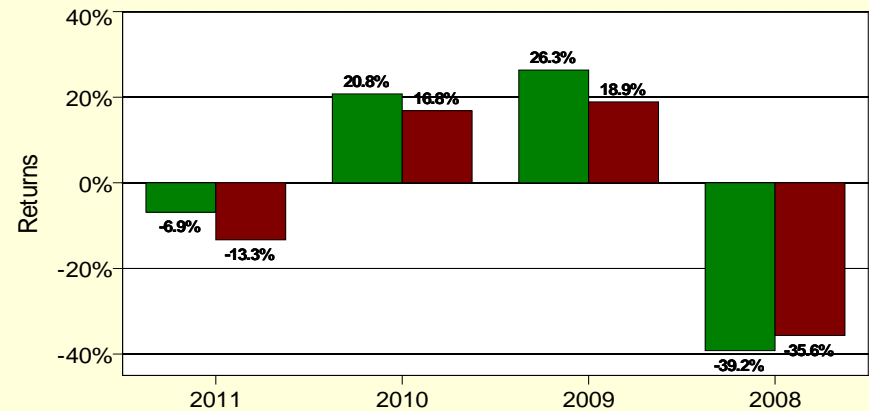
	1 quarter	1 year	3 years	Since Inception
NB/Gresham Commodity	2.93%	-6.87%	12.43%	-0.73%
DJ-UBS Commodity Index	0.35%	-13.32%	6.39%	-3.24%

Manager Risk/Return July 2007 - December 2011



● NB/Gresham Commodity
 ◆ Market Benchmark: DJ-UBS Commodity Index
 ■ Cash Equivalent: 3-month T-bill
 — Capital Market Line

Calendar Year Returns As of December 2011



■ NB/Gresham Commodity ■ DJ-UBS Commodity Index



COMMODITIES

PACIFIC INVESTMENT MANAGEMENT COMPANY

for the quarter ended December 31, 2011

Manager Profile

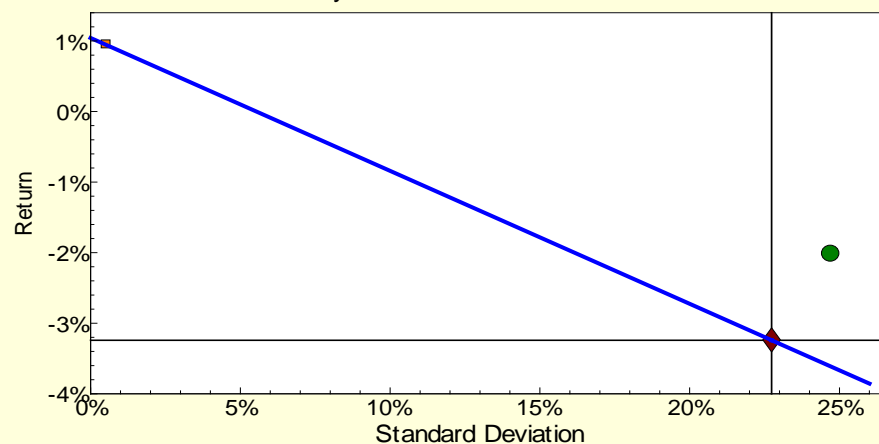
Firm: Pacific Investment Management Co.
 Location: Newport Beach, CA
 Year Founded: 1971
 Contact: Julie Meggers, Vice President
 Assets Managed: \$425.7 million
 Inception Date: July 2007
 Assigned Role: Commodities
 Benchmark: DJ-UBS Commodity Index
 Investment Style: Active Commodities

Manager vs Benchmark: Return through December 2011 (not annualized if less than 1 year)

	1 quarter	1 year	3 years	Since Inception
PIMCO Commodity	0.68%	-13.44%	11.07%	-2.00%
DJ-UBS Commodity Index	0.35%	-13.32%	6.39%	-3.24%

Manager Risk/Return

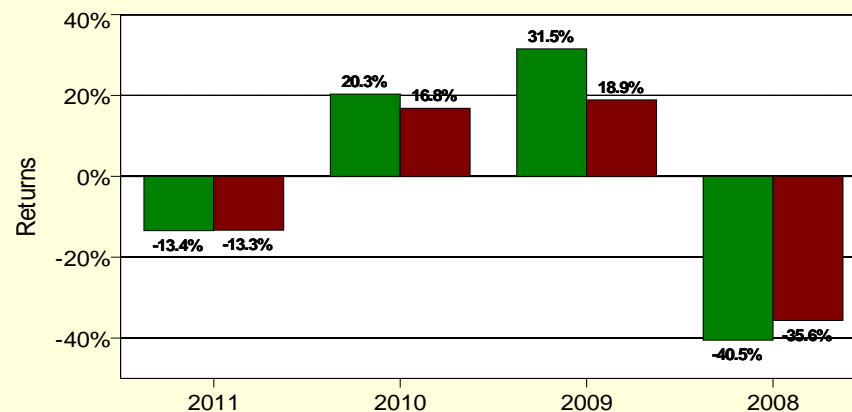
July 2007 - December 2011



● PIMCO Commodity
 ◆ Market Benchmark: DJ-UBS Commodity Index
 ■ Cash Equivalent: 3-month T-bill
 — Capital Market Line

Calendar Year Returns

As of December 2011



■ PIMCO Commodity
 ■ DJ-UBS Commodity Index

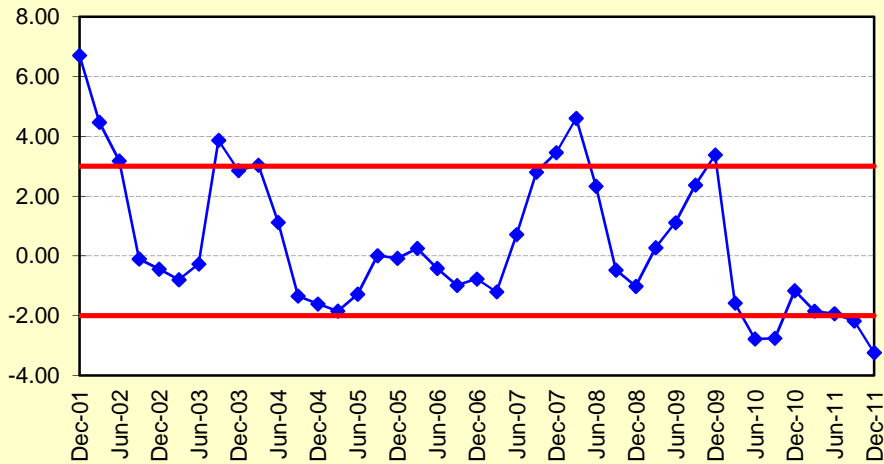


U.S. EQUITY - LARGE CAP

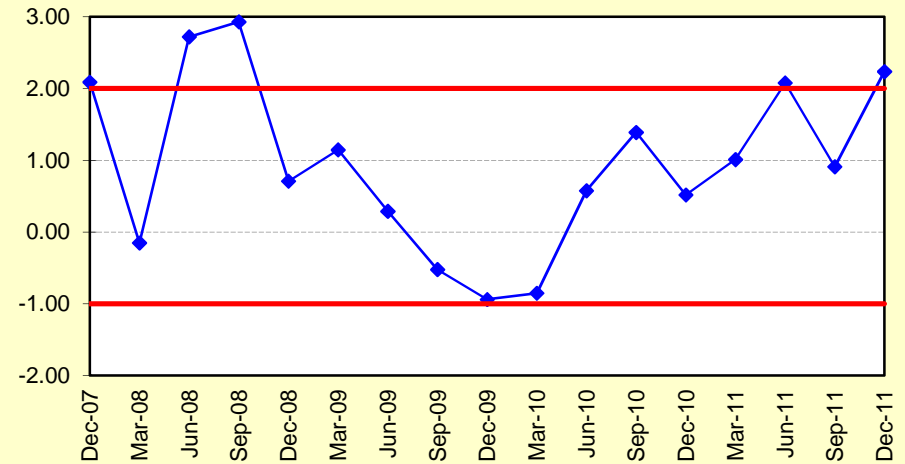
ONE-YEAR ROLLING EXCESS RETURNS

for the quarter ended December 31, 2011

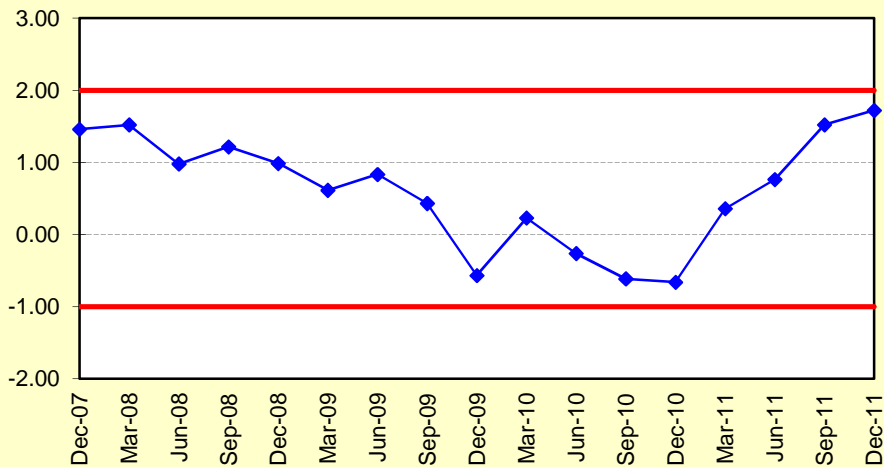
Delta



Intech



Twin Capital



NOTE: A manager is required to provide the Board of Investments a thorough portfolio review if performance falls outside the bands for three consecutive quarters.

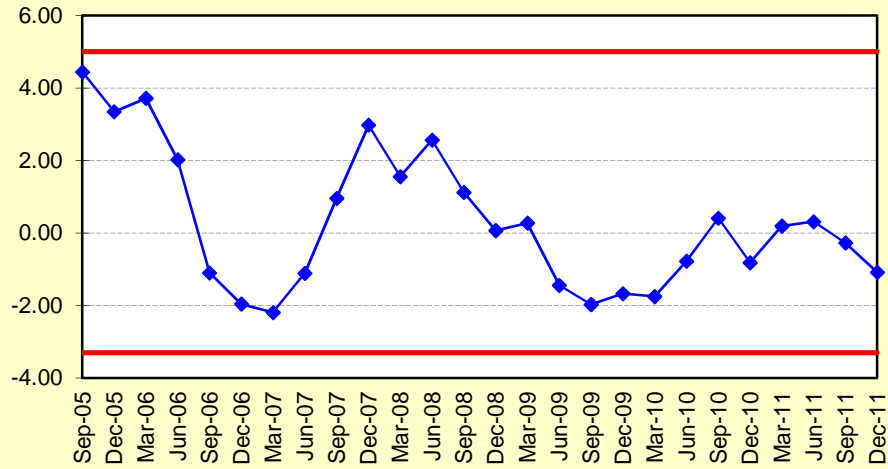


U.S. EQUITY - LARGE CAP

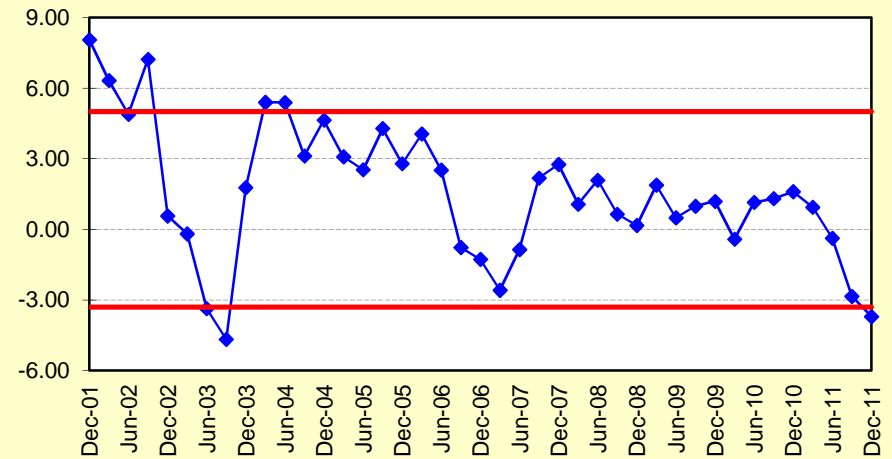
ONE-YEAR ROLLING EXCESS RETURNS

for the quarter ended December 31, 2011

FIS (Emerging)



Northern Trust (Emerging)



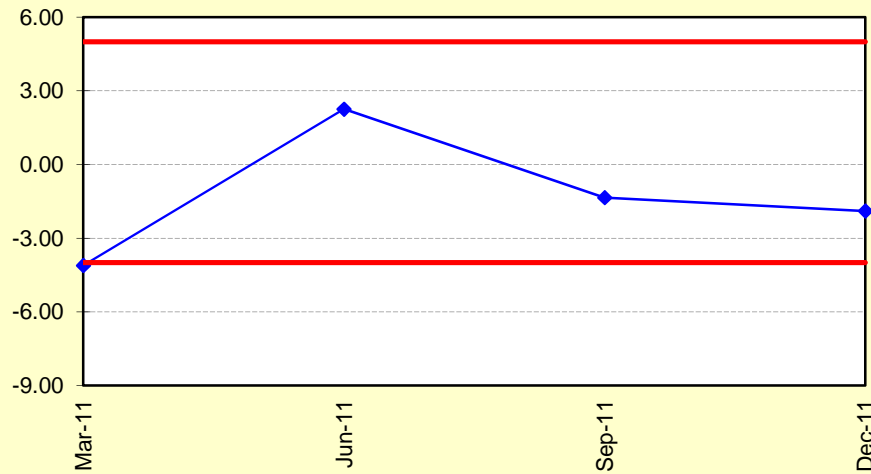


U.S. EQUITY - SMALL/MID CAP

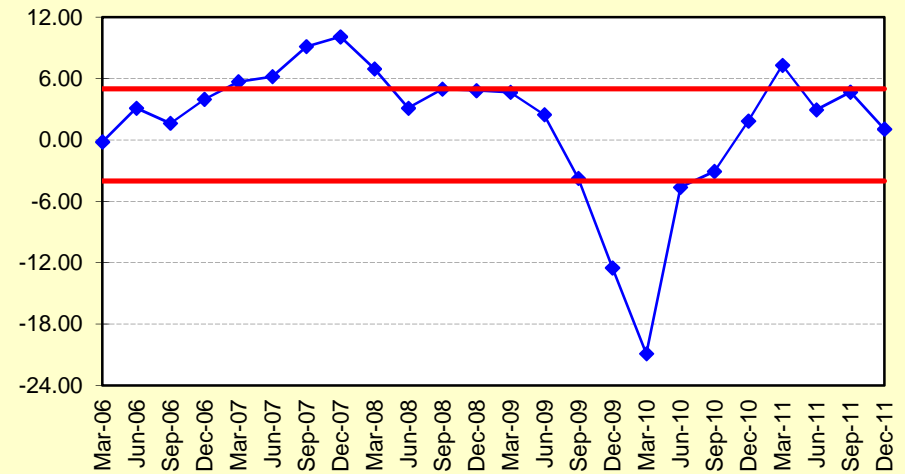
ONE-YEAR ROLLING EXCESS RETURNS

for the quarter ended December 31, 2011

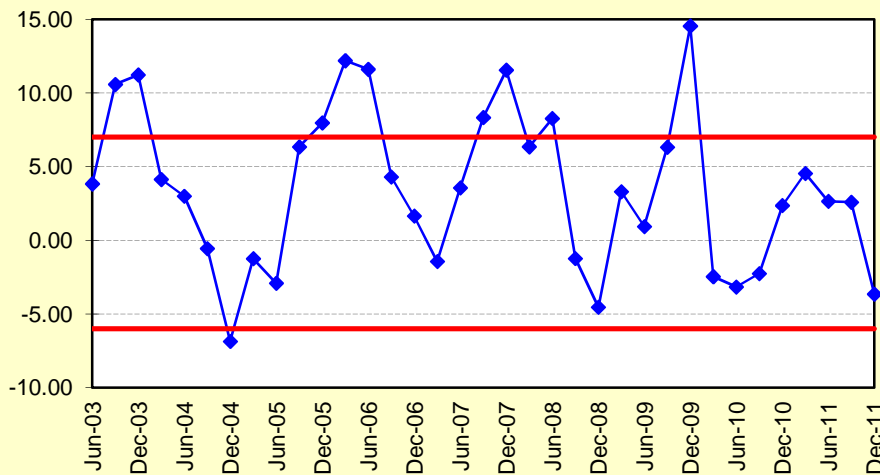
Cramer Rosenthal McGlynn



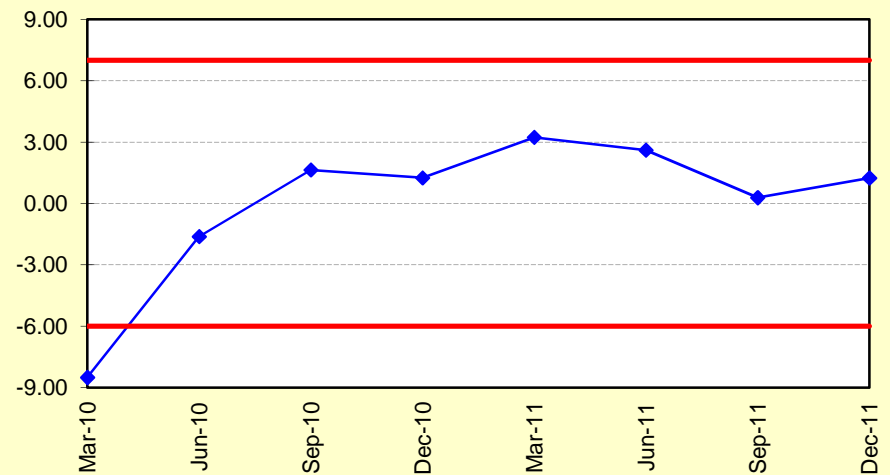
Eagle



Frontier



Westwood



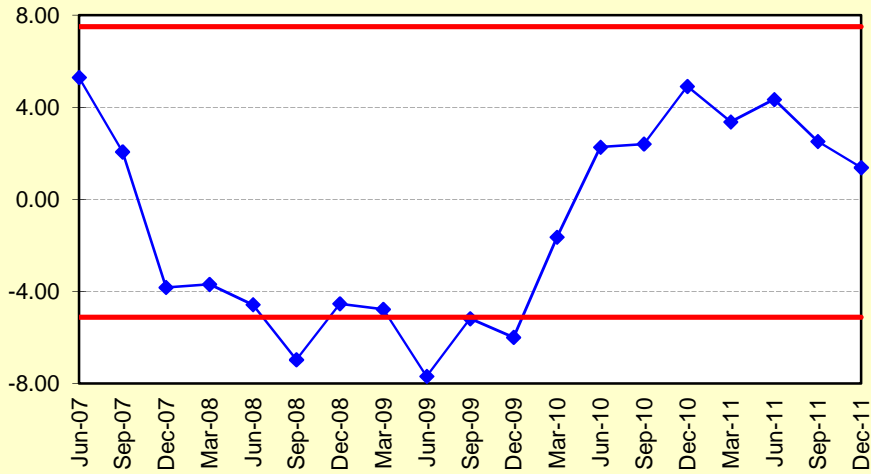


NON-U.S. EQUITY

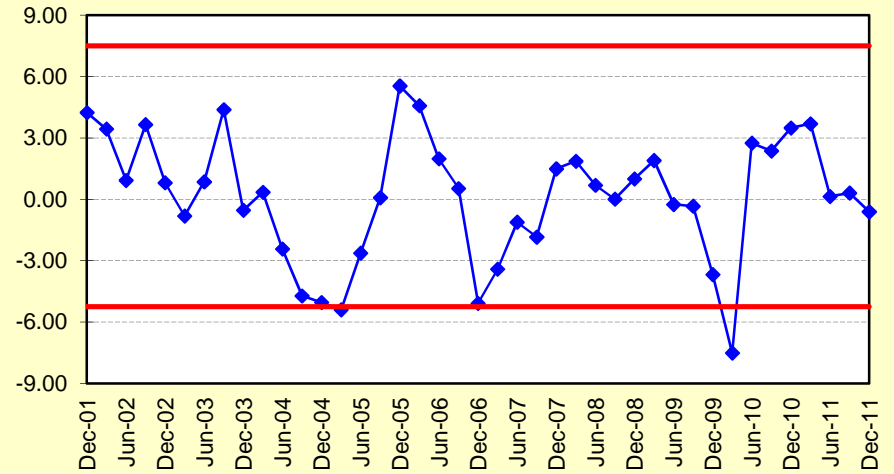
ONE-YEAR ROLLING EXCESS RETURNS

for the quarter ended December 31, 2011

Acadian



Capital Guardian Non-US



Putnam

Insufficient Data

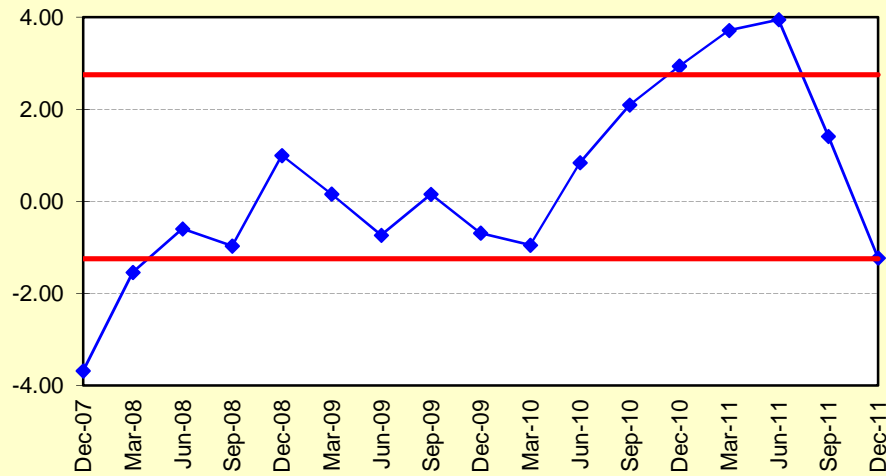


NON-U.S. EQUITY - PACIFIC BASIN & EUROPE

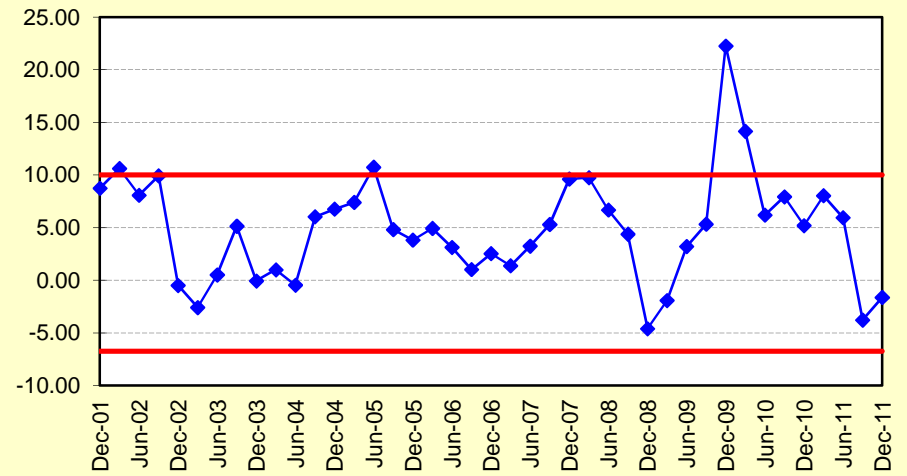
ONE-YEAR ROLLING EXCESS RETURNS

for the quarter ended December 31, 2011

BTC Europe Alpha Tilts



GAM



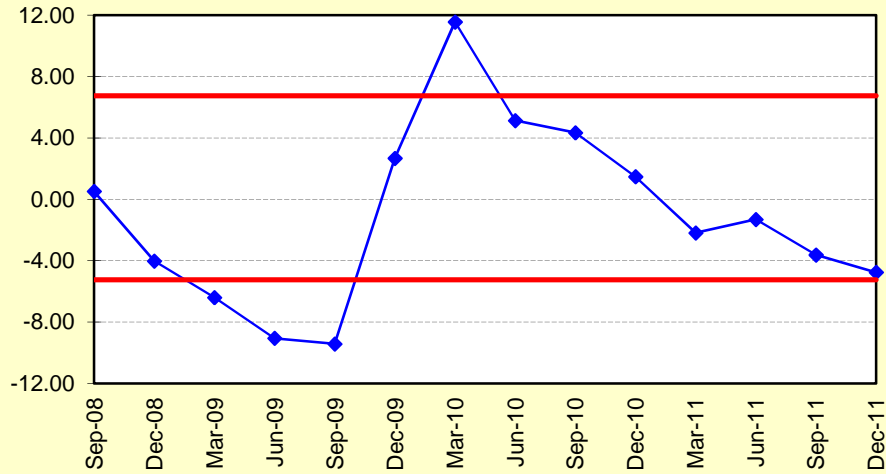


NON-U.S. EQUITY - EMERGING MARKETS

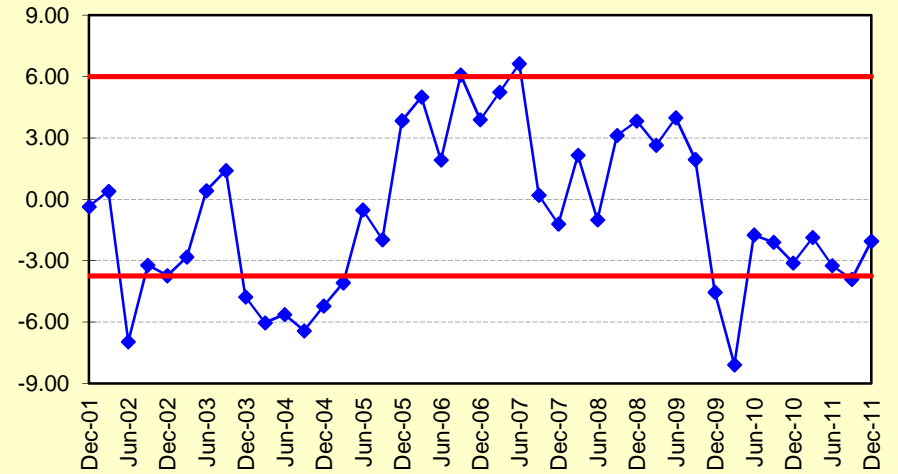
ONE-YEAR ROLLING EXCESS RETURNS

for the quarter ended December 31, 2011

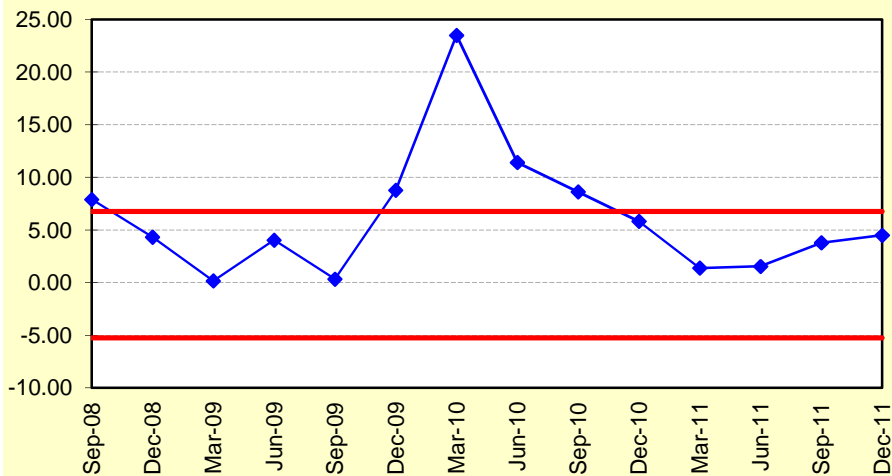
Batterymarch



Capital Guardian Emerging Markets



Genesis



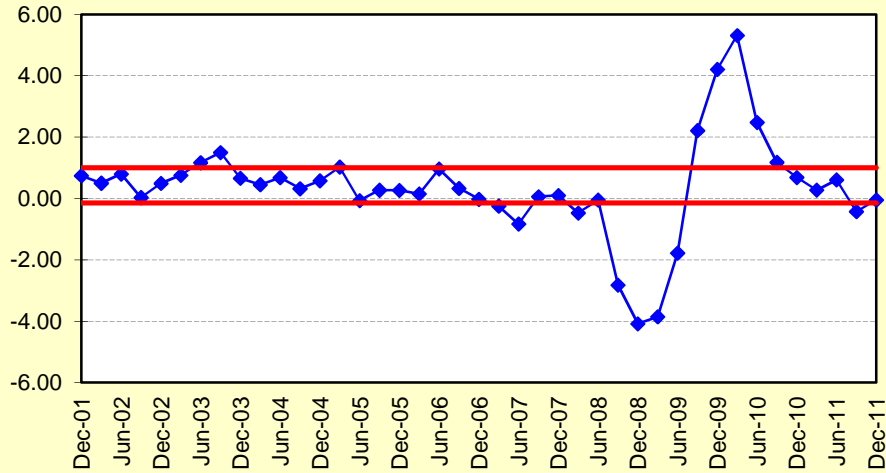


FIXED INCOME - CORE

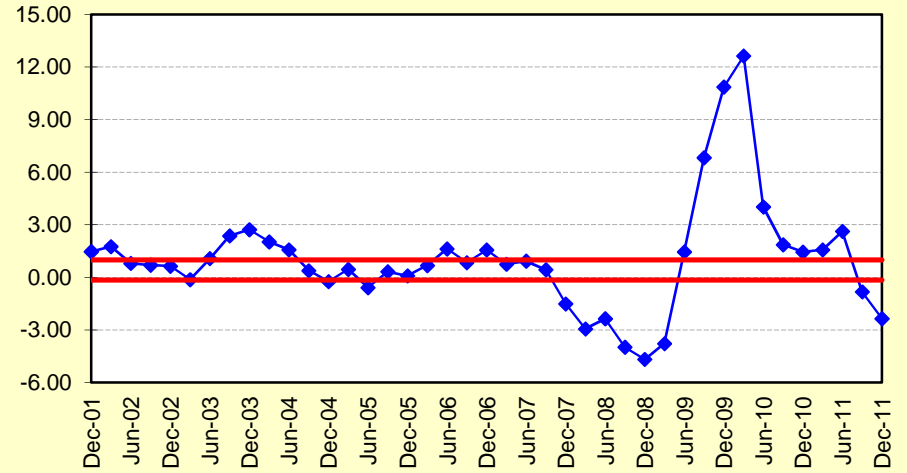
ONE-YEAR ROLLING EXCESS RETURNS

for the quarter ended December 31, 2011

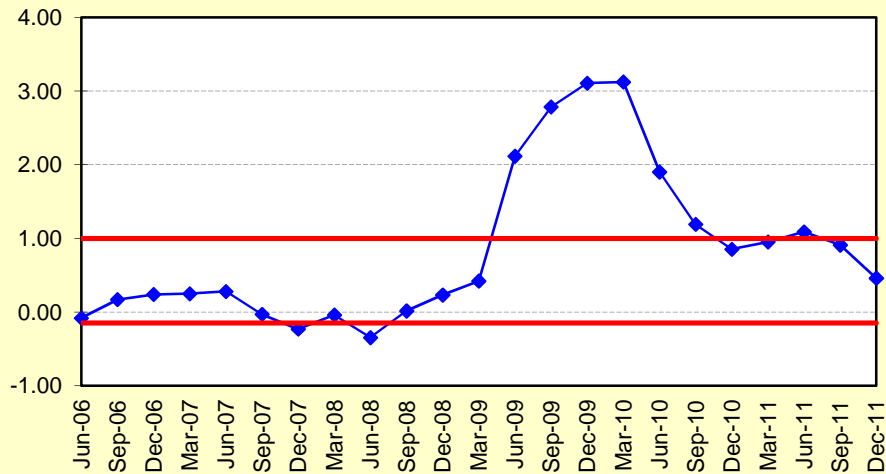
BlackRock



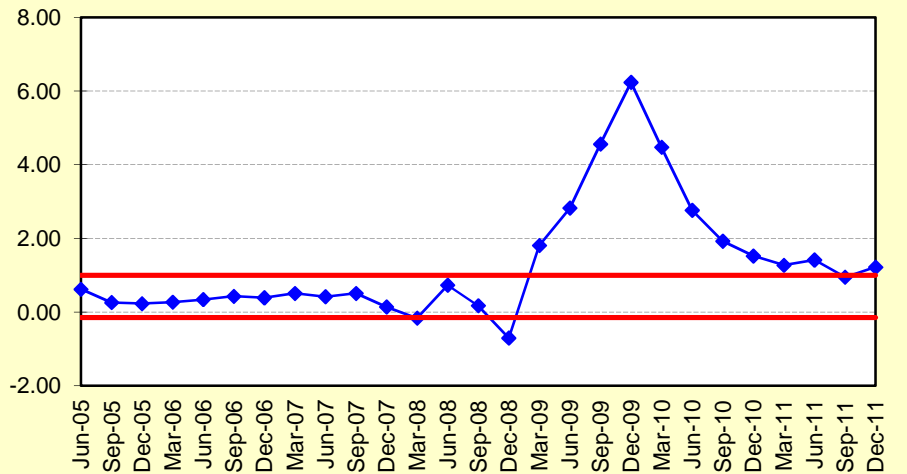
Dodge & Cox



Pugh Capital (Emerging)



Wells Capital



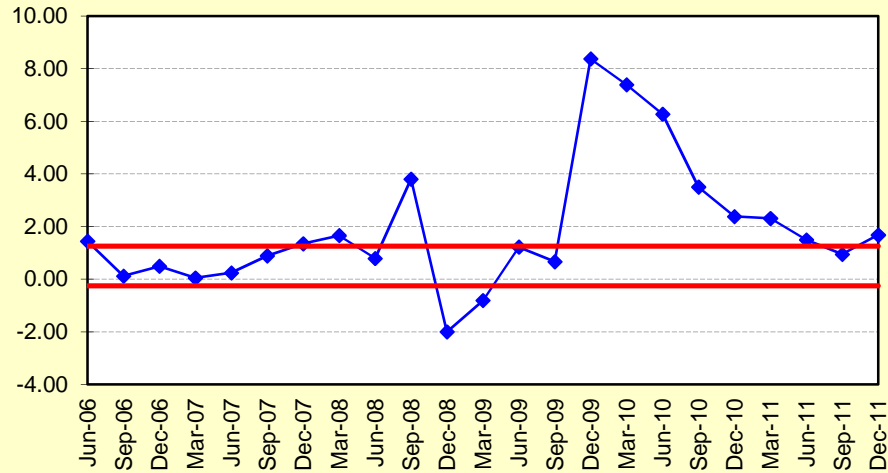


FIXED INCOME - CORE PLUS

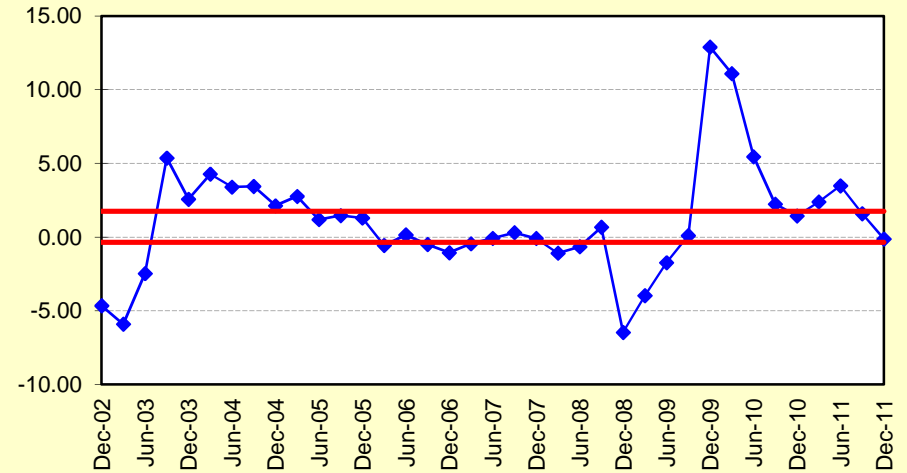
ONE-YEAR ROLLING EXCESS RETURNS

for the quarter ended December 31, 2011

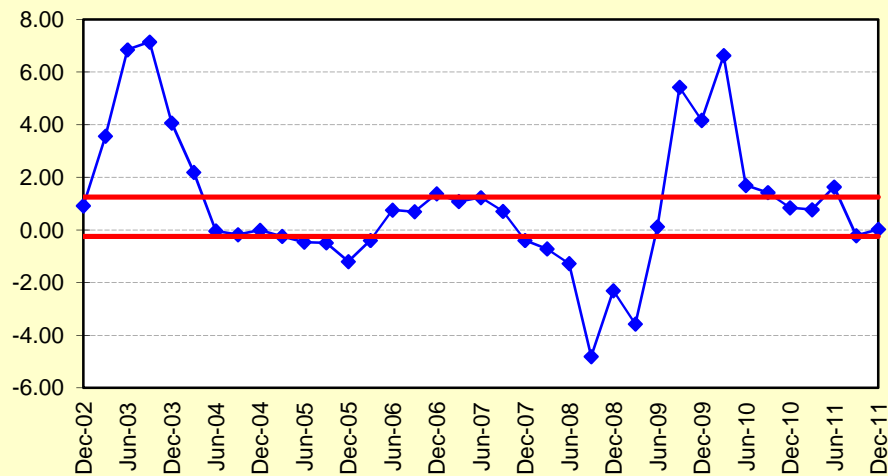
Dolan McEniry (Emerging)



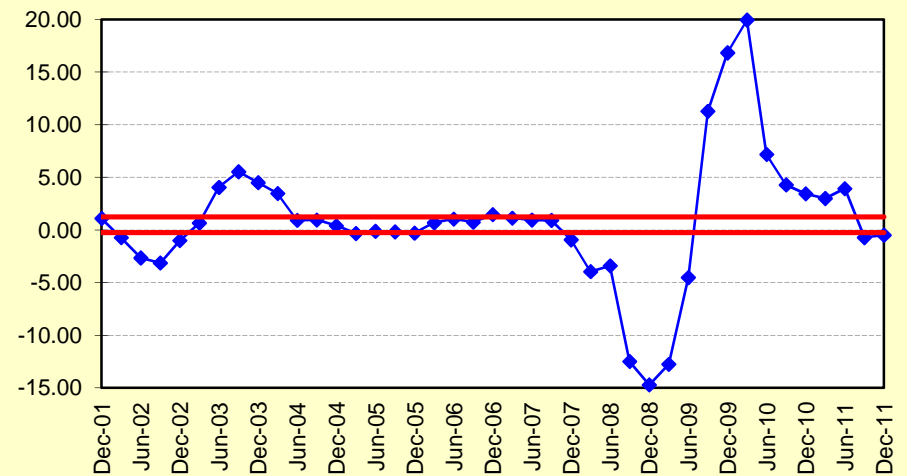
GW Capital (Emerging)



LM Capital



Loomis, Sayles



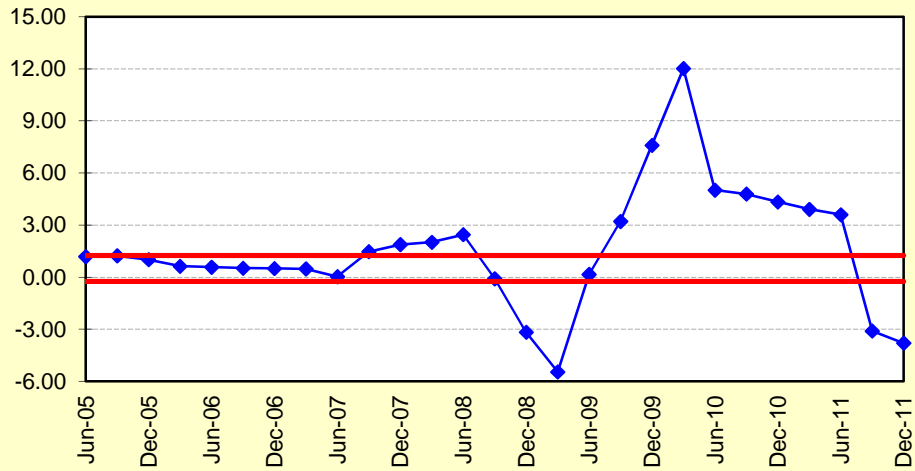


FIXED INCOME - CORE PLUS

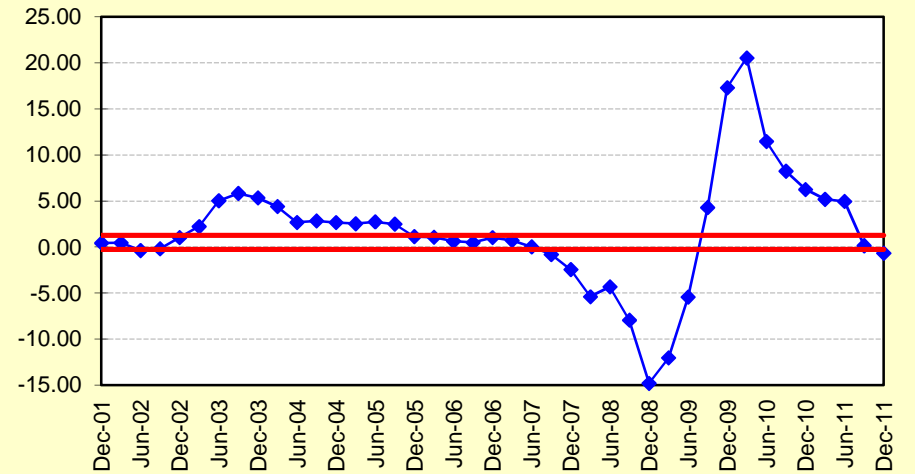
ONE-YEAR ROLLING EXCESS RETURNS

for the quarter ended December 31, 2011

PIMCO



Western Asset - Core Plus



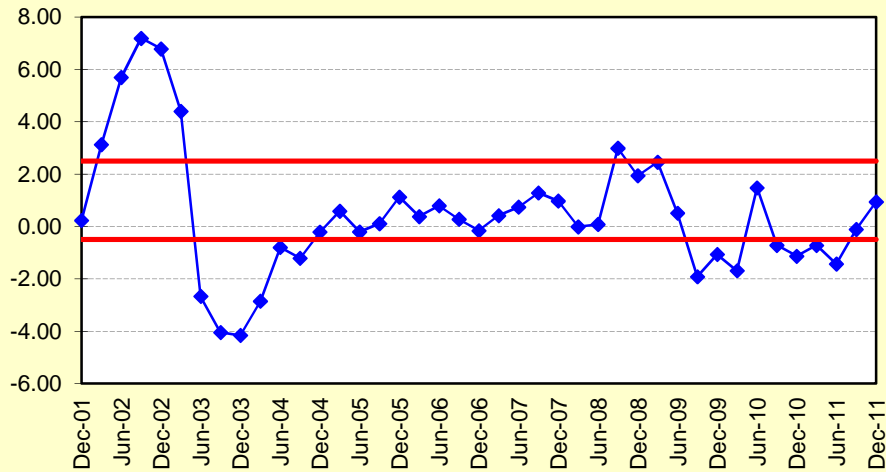


FIXED INCOME - OPPORTUNISTIC (High Yield)

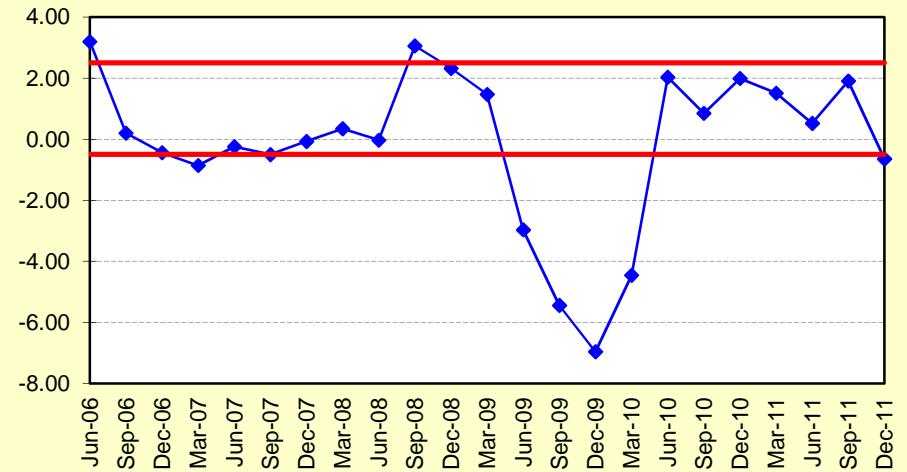
ONE-YEAR ROLLING EXCESS RETURNS

for the quarter ended December 31, 2011

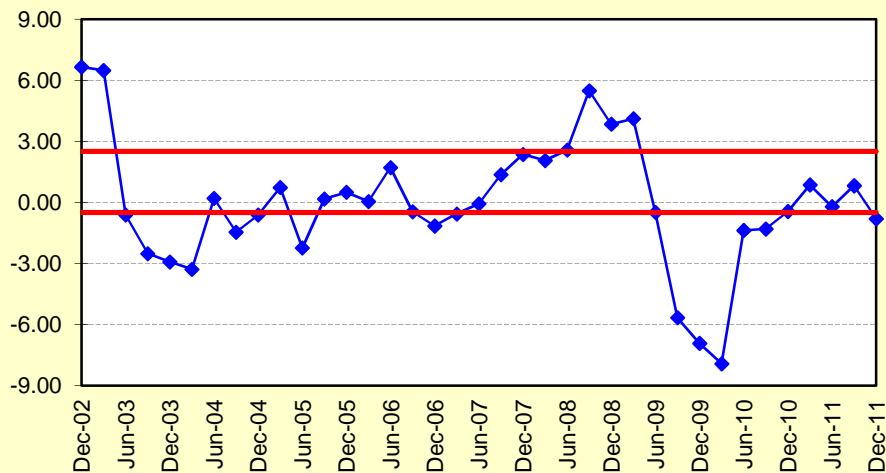
Oaktree Capital



PENN Capital (Emerging)



Post Advisory



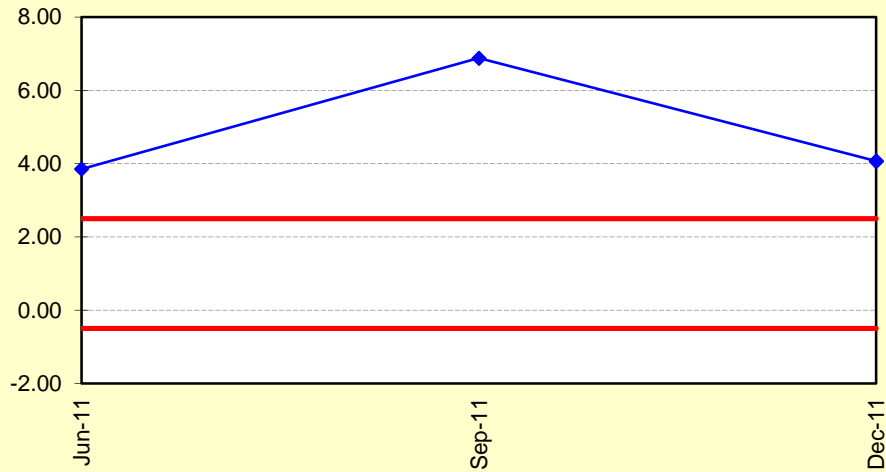


FIXED INCOME - OPPORTUNISTIC (Other)

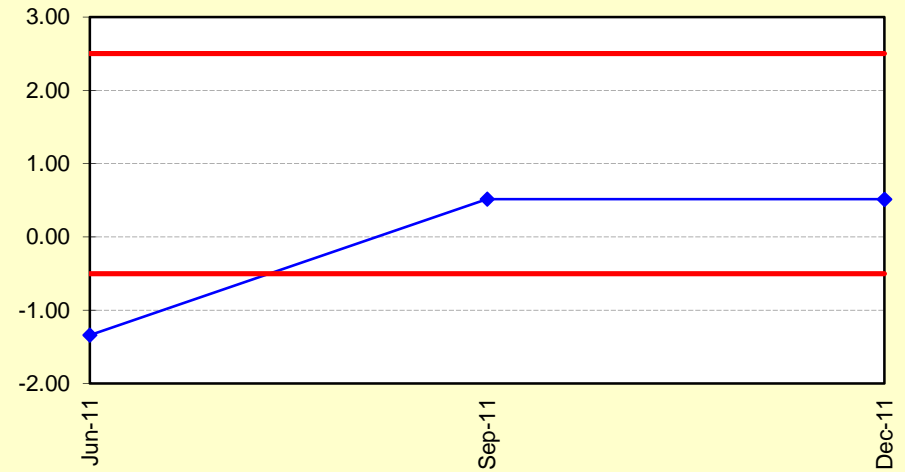
ONE-YEAR ROLLING EXCESS RETURNS

for the quarter ended December 31, 2011

Brigade Capital



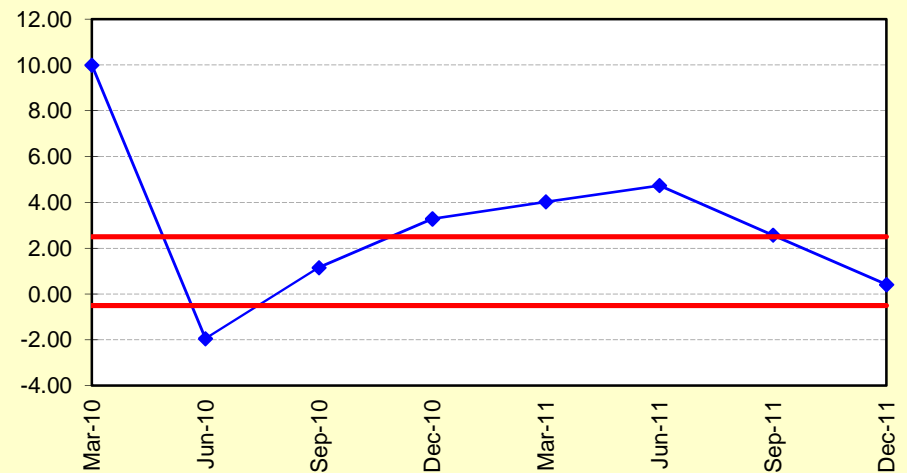
Harch Capital



Principal Global Investors - Opportunistic

Insufficient Data

Western - Opportunistic



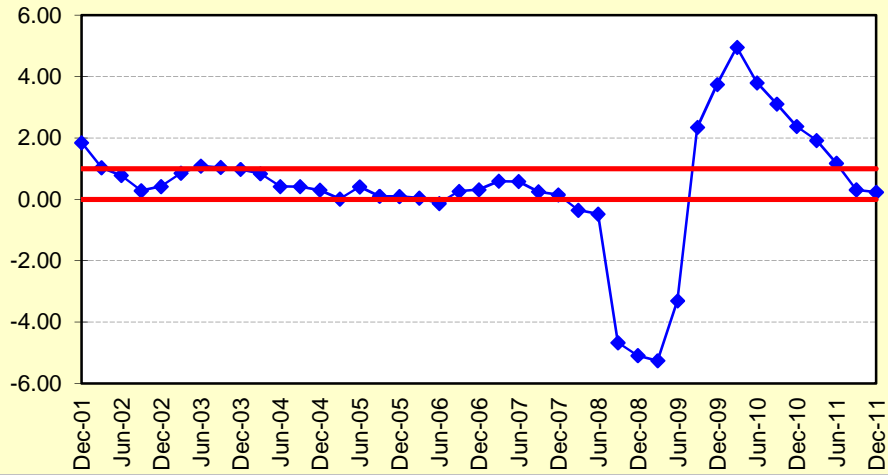


FIXED INCOME - STIF

ONE-YEAR ROLLING EXCESS RETURNS

for the quarter ended December 31, 2011

Western Asset





COMMODITIES

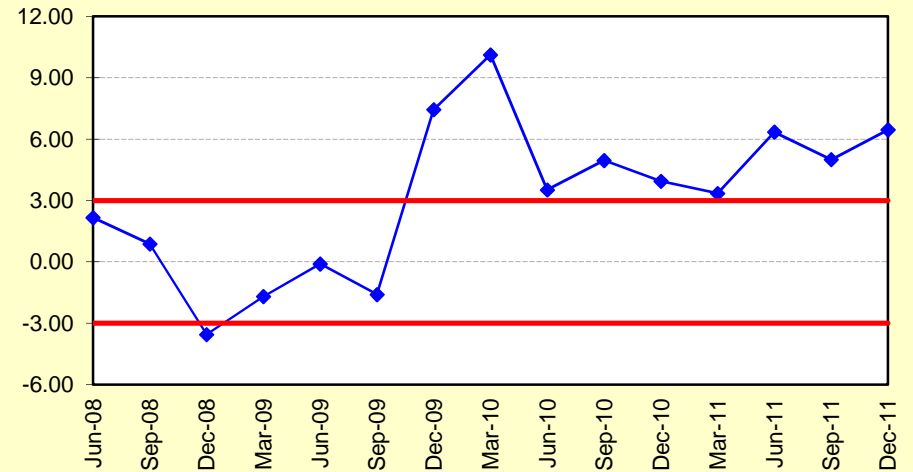
ONE-YEAR ROLLING EXCESS RETURNS

for the quarter ended December 31, 2011

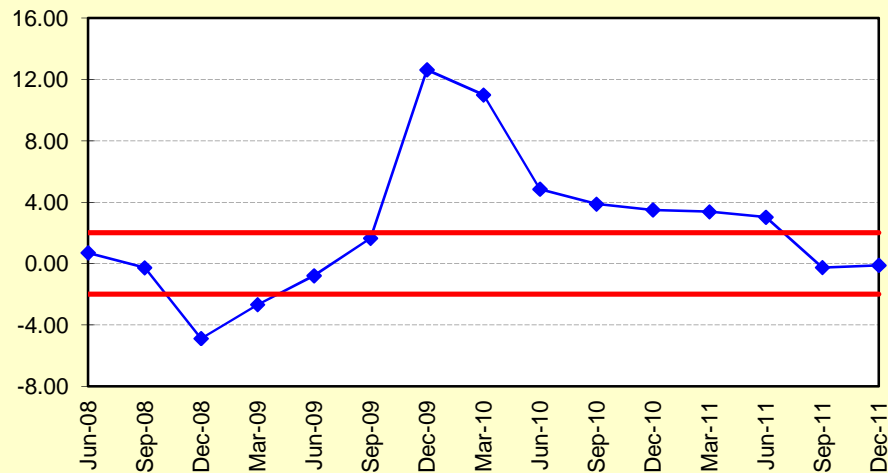
Credit Suisse

Insufficient Data

Neuberger Berman/Gresham



PIMCO





ESTIMATED TOTAL FEES TO BE PAID¹

EQUITIES

for the quarter ended December 31, 2011

<u>U.S. EQUITY</u>	<u>Avg. Market Value (Millions)</u>	<u>Fees</u>	<u>Annualized Effective Rate</u>
Active			
Cramer Rosenthal McGlynn	\$162.0	\$243,226.0	60.1 bps
Delta Asset Mgmt.	\$389.9	\$147,467.9	15.1 bps
Eagle Asset Mgmt.	\$286.5	\$383,087.7	53.5 bps
FIS Funds Mgmt.	\$148.5	\$226,703.4	61.1 bps
Frontier Capital Mgmt.	\$355.0	\$665,642.7	75.0 bps
INTECH	\$308.4	\$234,277.8	30.4 bps
Northern Trust	\$195.3	\$267,480.9	54.8 bps
Relational Investors ²	\$98.0	\$208,219.5	85.0 bps
Stinson Capital ²	\$100.0	\$250,000.0	100.0 bps
Twin Capital Mgmt.	\$218.8	\$82,032.7	15.0 bps
Westwood Mgmt. Corp.	\$227.2	\$352,708.6	62.1 bps
Passive			
BTC R1000 Index	\$6,065.0	\$150,109.2	1.0 bps
BTC R2000 Index	\$67.5	\$1,670.4	1.0 bps
<u>NON-U.S. EQUITY</u>			
Active			
Acadian Asset Mgmt.	\$438.7	\$433,826.0	39.6 bps
Batterymarch Financial Mgmt.	\$391.8	\$715,092.0	73.0 bps
BTC Europe Alpha Tilts	\$539.1	\$551,553.2	40.9 bps
Capital Guardian	\$212.6	\$184,366.6	34.7 bps
Capital Guardian Emerging	\$658.2	\$1,020,258.5	62.0 bps
GAM International Mgmt.	\$523.9	\$567,643.7	43.3 bps
Genesis Investment Mgmt.	\$481.3	\$889,992.6	74.0 bps
Putnam	\$98.9	\$148,299.1	60.0 bps
Passive			
BTC Canada Index IMI	\$731.0	\$27,411.1	1.5 bps
BTC EAFE Index IMI	\$4,650.0	\$174,374.9	1.5 bps
BTC EAFE Small Cap Index	\$23.3	\$2,330.7	4.0 bps
BTC Emerging Markets Index	\$635.0	\$256,886.8	16.2 bps
BTC Emrg. Mkt. Small Cap Index	\$64.2	\$32,109.0	20.0 bps
BTC Europe Index	\$488.5	\$12,090.1	1.0 bps
50% Developed Mkt. Currency Hedge	\$7,529.7	\$282,364.7	1.5 bps

¹ Estimations may not match net-of-fee returns on "Annualized Total Returns" pages.

² Includes manager incentive fee, if any.



ESTIMATED TOTAL FEES TO BE PAID¹

FIXED INCOME

for the quarter ended December 31, 2011

<u>FIXED INCOME</u>	<u>Avg. Market Value (Millions)</u>	<u>Fees</u>	<u>Annualized Effective Rate</u>
Core			
BTC Aggregate Index	\$1,214.2	\$30,050.6	1.0 bps
BTC Intermediate Credit Index	\$195.6	\$4,841.8	1.0 bps
BlackRock	\$725.7	\$287,671.9	15.9 bps
Dodge & Cox	\$1,104.3	\$280,240.3	10.2 bps
Pugh Capital Mgmt.	\$73.3	\$39,973.3	21.8 bps
Wells Capital Mgmt.	\$1,113.0	\$351,623.7	12.6 bps
Core Plus			
Dolan McEniry Capital Mgmt.	\$131.1	\$88,211.6	26.9 bps
GW Capital	\$125.5	\$68,302.0	21.8 bps
LM Capital Group	\$620.9	\$254,707.9	16.4 bps
Loomis, Sayles & Co.	\$736.9	\$261,107.1	14.2 bps
PIMCO	\$882.6	\$468,152.1	21.2 bps
Western Asset Mgmt.	\$758.4	\$289,596.5	15.3 bps
Opportunistic			
Oaktree Capital Mgmt.	\$403.4	\$459,437.8	45.6 bps
PENN Capital Mgmt.	\$77.0	\$86,674.5	45.0 bps
Post Advisory Group	\$409.2	\$306,913.7	30.0 bps
Brigade Capital Mgmt.	\$115.1	\$258,890.5	90.0 bps
Harch Capital Mgmt.	\$110.7	\$179,890.9	65.0 bps
Principal Global Investors (Opp.)	\$123.1	\$43,078.2	14.0 bps
Western Asset Mgmt. (Opp.)	\$124.3	\$15,532.1	5.0 bps
Cash/STIF			
Western Asset Mgmt.	\$1,087.6	\$166,154.3	6.1 bps

¹ Estimations may not match net-of-fee returns on "Annualized Total Returns" pages.



ESTIMATED TOTAL FEES TO BE PAID¹

COMMODITIES

for the quarter ended December 31, 2011

<u>COMMODITIES</u>	<u>Avg. Market Value (Millions)</u>	<u>Fees</u>	<u>Annualized Effective Rate</u>
Credit Suisse	\$198.0	\$141,310.5	28.5 bps
Neuberger Berman	\$349.2	\$327,347.3	37.5 bps
PIMCO ²	\$439.6	\$164,836.9	15.0 bps

¹ Estimations may not match net-of-fee returns on "Annualized Total Returns" pages.

² Includes manager incentive fee, if any.



ALLOCATION RANGES

STRATEGIC vs. ACTUAL

for the quarter ended December 31, 2011

U.S. EQUITY:

Mandate	Strategic Allocation Range	Actual Allocation
Passive	35-75%	71.3%
Low Risk	0-25%	6.1%
Moderate/High Risk	10-30%	22.5%

U.S. Equity Managers:

Passive – BTC Russell 1000, BTC Russell 2000.

Low Risk – INTECH, Twin Capital.

Moderate/High Risk – Cramer Rosenthal McGlynn, Delta, Eagle, FIS, Frontier, Northern Trust, Relational, Stinson, Westwood.

NON-U.S. EQUITY:

Mandate	Strategic Allocation Range	Actual Allocation
Passive Non-U.S.	40-70%	66.5%
Active Non-U.S.	0-40%	7.6%
Active Regional	0-20%	10.7%
Active Emerging Markets	10-30%	15.3%

Non-U.S. Equity Managers:

Passive – BTC Canada IMI, BTC EAFE IMI, BTC Emerging Markets, BTC Europe Index, BTC EAFE Small Cap, BTC Emrg Mkt Small Cap

Non-U.S. Developed – Acadian, Capital Guardian, Putnam Small Cap

Regional Developed – BTC Europe Alpha Tilts, Global Asset Management

Emerging Markets – Batterymarch, Capital Guardian, Genesis

	Non-U.S. Composite	ACWI X U.S. IMI Net	Difference		Market Value (In Millions)	% of Total Market Value
Emerging Markets	22.9%	23.2%	-0.3%	50% Passive Currency Hedge Overlay	\$ 3,715	49.4%
Europe	44.3%	43.6%	0.8%	Total Non-US Developed Markets	\$ 7,515	
Pacific	24.6%	24.6%	0.0%			
Canada	8.2%	8.7%	-0.5%			
	100.0%	100.0%	0.0%			



ALLOCATION RANGES

STRATEGIC vs. ACTUAL

for the quarter ended December 31, 2011

FIXED INCOME STRUCTURE:

Risk Tier	Strategy	Strategic Allocation Range	Actual Allocation	Strategic Target
Low	Core	40-60%	49.3%	50%
Medium	Core Plus	25-45%	35.7%	35%
High	Opportunistic	5-20%	15.0%	15%

Glossary

A

Alpha: Alpha is an estimate of the contribution to investment performance attributable to the manager's selection of securities. It is calculated by subtracting the manager's return from the benchmark return.

Annual Return: The total return of a security over a specified period, expressed as an annual rate of interest.

Annualized: A figure (as in a percentage) calculated by a formula to find the "average" performance per year for a period greater than one year.

B

Barbell Strategy: Fixed income portfolio structuring technique using a mix of short and long-term securities to achieve a targeted average maturity or duration.

Barclays U.S. Universal Index: The Barclays U.S. Universal Index represents the union of the U.S. Aggregate Index, U.S. Corporate High-Yield, Investment Grade 144A Index, Eurodollar Index, U.S. Emerging Markets Index, and the non-ERISA eligible portion of the CMBS Index.

Basis Points (Bps): One one-hundredth of one percent. One hundred basis points equal one percent.

Bear Market: A market characterized by a trend of falling prices.

Bearish: Pessimistic about the market; anticipating a decline in prices

Beta: A measure of the volatility of a stock relative to the overall market. A beta of less than one indicates lower risk than the market; a beta of more than one indicates higher risk than the market.

Brigade/Harch Custom: 50% Barclays U.S. Corporate High Yield Ba/B & 50% Credit Suisse Leveraged Loan Index.

Bull Market: A market characterized by a trend of rising prices.

Bullet: Fixed Income portfolio structuring technique focusing on a particular maturity or duration.

Bullish: Optimistic about the market; anticipating a rise in prices.

C

Capital Structure: The division of a company's capitalization among bonds, debentures, preferred and common stock, earned surplus and retained income.

Carried Interest: Share of profits or common stock ownership (beyond pro-rata investment) granted to a venture fund or promoter for its/his role in originating and

structuring an investment. The general partner's carried interest is his share of the partnership profits.

Carrying Value: A venture capital limited partnership must list on its balance sheet a value for every investment it holds. These valuations are called the carrying values.

Cash-On-Cash Return: The return to limited partners. Cash inflows are the capital calls of the partnership. Cash outflows are all distributions to limited partners. Note that stock distributions are considered cash for this calculation.

Citigroup 6-month T-Bill: The Citigroup 6-Month T-Bill Index is a market value-weighted index of public obligations of the U.S. Treasury with maturities of six month.

Committed Capital: When a venture capital limited partnership is formed, each limited partner agrees to contribute a certain amount of capital to the partnership. Once the agreement is signed, the dollar amount is said to be capital committed to the partnership.

Common Stock: Ordinary capital stock (representing ownership) in a company. Common stock does not enjoy the special privileges of preferred stock, but has voting rights.

Convertible Bond: A bond which, at the option of the holder, is convertible into other types of securities.

Convexity: A measure of how the duration of a bond portfolio changes with interest rate movements. Higher convexity means that if interest rates rise, bond prices fall by relatively small amounts and when interest rates fall, bond prices rise by higher relative amounts. Therefore, for either direction of interest rate movements, the greater the convexity the more beneficial the impact on bond prices.

Coupon Income (Average Coupon): The annual coupon payments of a bond divided by the par value.

Current Yield: The annual coupon payments of a bond divided by the market price.

Current Ratio: The ratio of current assets over current liabilities. A measure of a company's ability to pay its bills.

D

50% Developed Market Currency Hedge Index: A custom index based on a MSCI FX Hedged Index return.

Deflation: A progressive reduction in the price level, which would make real interest rates greater than nominal rates.

Discount Rate: The interest rate used in present value calculations to "discount" or convert future cash flows into terms of present dollars.

Dividend: A cash or other distribution to preferred or common stockholders.

DJ-UBS Commodity Index: The Dow Jones-UBS Commodity Index is composed of futures contracts on physical commodities.

Dolan McEniry Custom Index: Barclays Credit Intermediate (65%) and Barclays Mortgage Backed (25%) and Barclays High Yield Ba/B (10%).

Dumbbell: Refers to a fixed income portfolio strategy in which assets are concentrated only in the very short or very long maturity issues.

Duration: A measure of the price sensitivity of a bond portfolio to changes in interest rates. It is calculated as the weighted average time to receive a bond's coupon and principal payments. The closer the coupon and principal payments, the shorter the duration. The more distant the coupon and principal payments, the longer the duration. Portfolios with longer maturity bonds will normally have longer duration and will, therefore, have greater price sensitivities to changes in interest rates.

E

EAFE Custom Index:
Inception - 6/30/06 MSCI EAFE (Net);
6/30/06 - Present MSCI EAFE + Canada (Net).

Earnings per Share: Latest reported earnings for the last 12-month period divided by the current number of shares of common stock outstanding.

Earnings Yield: The percentage found by dividing the earnings per share by the market price of a stock.

Equity: Ownership or proprietary rights and interests in a company. Synonymous with common stock.

EBITDA: Earnings before Interest, Taxes, Depreciation and Amortization.

Enterprise Value: Enterprise value represents the Equity + Debt value of the company.

F

Federal Funds Rate: The interest rate at which federal funds are traded. It is monitored by the Fed in the process of regulating the growth of bank reserves and money supply in the execution of its monetary policy. As such, it is closely watched by market participants.

Fiscal Policy: Federal Government policies affecting government spending, taxation, and deficits (or surpluses), viewed from a macroeconomics standpoint.

Fixed Income Custom Index:
Inception-3/31/09: A combination of the Barclays US Aggregate Bond Index and the Barclays US High Yield Ba/B Index. The weights have varied over time, but as of 9/30/06, the mix was 93% Aggregate and 7% high yield. 3/31/09-Present : 100% Barclays U.S. Universal.

Fully-Diluted Ownership: Proportionate ownership assuming the exercise of all common stock options, warrants, and the conversion of any convertible securities.

Futures Contract: Agreement to buy or sell a specific amount of a commodity or financial instrument at a particular price and a stipulated future date.

G

GW Custom Index: Barclays Government/Corporate (60%) and Barclays High Yield Ba/B (40%).

H

Hedging: The temporary purchase or sale of a contract calling for future delivery of a specific security at an agreed upon price to offset a present or anticipated position in the cash market.

Hedge Fund Custom Index: The Citigroup 3-Month U.S. T-Bill Index plus 500 bps.

High Yield Bond: A bond with a low investment quality and credit worthiness, usually with a rating of BB or less.

I

Immunization: A process for designing fixed income portfolios to obtain a target rate of return over a specified time period, within a narrow range, despite market conditions.

Index: A statistical yardstick composed of a basket of securities with a set of

characteristics. An example of this would include the "S&P 500" which is an index of 500 stocks.

Inflation: A general rise in prices, usually measured by changes in prices of major indices, such as the Consumer Price Index. An increase in a particular price may or may not be inflationary, depending on how it affects other prices and on how promptly it brings to market additional supplies of a product.

Inflation Index Bond: Fixed income securities whose principal value is periodically adjusted according to the rate of inflation. The interest rate on these bonds is fixed at issuance, but over the life of the bond this interest is paid on an increasing principal value, which has been adjusted for inflation.

Information Ratio: The information ratio is the excess return (alpha) per unit of active risk (tracking error). It is measured by dividing alpha by the tracking error.

Interest-Rate Risk: When interest rates rise, the market value of fixed-income securities (such as bonds) declines. Similarly, when interest rates decline, the market value of fixed-income securities increases.

Internal Rate of Return: The Internal rate of return is a total rate of return that gives full weight to the size and time of cash flows over the period measured and fully reflects unrealized gains and losses in addition to realized gains and losses, interest and dividend income.

J

J-Curve: Most venture partnerships go through their first few years with write-offs/write-downs exceeding write-ups, after which value increases rapidly as successful companies emerge. The plot of partnership values versus time, therefore, resembles a "J".

L

Laddering: A fixed income portfolio strategy in which assets are distributed evenly over a range of maturities.

LBO (Leveraged Buyout): The purchase of a business using the debt capacity of the business to borrow funds (sometimes by issuing notes to the seller) to finance the purchase.

Limited Partner: The main investment subscribers to a Limited Partnership Fund. They have limited liability and no executive or management control of the Partnership. As defined by the IRS code, any investor in a venture capital limited partnership.

LM Custom Index: Barclays Aggregate (90%) and JP Morgan EMBI + (10%).

M

Market Capitalization: The market value of all outstanding shares of common stock of a company. Derived by multiplying the number of shares outstanding at month-end by the month-end closing price of the security.

Maturity: The date on which a loan, bond, mortgage or other debt security becomes due and is to be paid off.

Mezzanine Stage: The last private round of financing before an anticipated public offering. Implies substantial revenues and usually the expectation of imminent profitability.

Modern Portfolio Theory: The theoretical framework for designing investment portfolios based upon the risk and reward characteristics of the entire portfolio. The major tenet of the theory holds that reward is directly related to risk, which can be divided into two basic parts: 1) systematic risk (portfolios' behavior as a function of the market's behavior), and 2) unsystematic risk (portfolios' behavior attributable to selection of individual securities). Because un-systematic risk can be largely eliminated through diversification, the portfolio will be subject principally to systematic risk.

Mortgage-Backed Securities: Bonds which are a general obligation of the issuing institution but are collateralized by a pool of mortgages.

MSCI Canada IMI Custom Index (Net):
Inception – 8/31/08 MSCI Canada (Net);
8/31/08 - Present MSCI Canada IMI (Net).

MSCI EMF IMI Custom Index:
Inception – 12/31/00 MSCI EMF (Gross);
12/31/00 – 8/31/08 MSCI EMF (Net);
8/31/08 – Present MSCI EMF IMI (Net).

MSCI EAFE IMI Custom Index (Net):
Inception – 8/31/08 MSCI EAFE (Net);
8/31/08 - Present MSCI EAFE IMI (Net).

N

NPI: NCREIF Property Index. The Real Estate Target Return was changed to the NPI minus 25 bps beginning with 6/30/09 performance book.

Non-U.S. Equity Custom Hedged Index:
Inception – 8/31/08 MSCI ACWI X U.S. (Net), except the ten-year return (Gross);
8/31/08 – 7/31/10 MSCI ACWI X U.S. IMI (Net); 7/31/10 – Present MSCI ACWI X U.S. IMI (Net) with 50% hedged Developed Markets.

P

P. E. Target Return: Rolling ten-year return of the Russell 3000 Index plus 500 bps.

Payout Ratio: A measurement of the percent of a firm's earnings that is paid out to Shareholders in dividends. Calculated by dividing most recently reported fiscal year-end dividends per share by most recently reported annual primary earnings per share.

Preferred Stock: Securities or shares representing an ownership interest in a business, but which have "preference" over common shares, in regards to dividends and distribution of assets in the event of liquidation.

Present Value: The discounted value of a series of future cash flows so as to account for the time value of money. Alternatively, the value of a future series of cash flows stated in terms of current dollars.

Price/Book Ratio: Calculated by dividing the current month-end stock price by the book value per share.

Price/Earnings Ratio: A popular measure of relative stock value and investor expectations of future earnings growth. Calculated by dividing the current month-end stock price by the latest 12-months reported earnings per share.

Principal Custom Index: Intermediate U.S. Universal ex. Government ex MBS (BC Name: U.S. Universal Spread 1-10 Yr).

R

Real Estate Benchmark: NCREIF Property Index (NPI) minus 25 bps.

Recession: A decline in total physical output that lasts six consecutive months or more. A growth recession is marked by a six-month or longer slowdown (but no decline) in the growth rate.

Reflation: A fiscal or monetary policy that is designed to expand a country's output and curb the effects of deflation. Reflation is usually accomplished by increasing the money supply or by reducing taxes.

Return Correlation: The relationship between the returns on investments. A negative return correlation between two investments means that most of the time when investment A has a positive return, investment B will have a negative return.

Return on Equity: A measurement of return on stockholders' investment. Calculated by dividing the most recently reported fiscal year-end Net Income by the most recently reported fiscal year-end Common Equity (Common Stock outstanding + Capital Surplus + Retained Earnings).

Risk-vs.-Return: Risk measures the probability of financial loss. Investors often compare risk, as measured by standard deviation of returns, to historical or expected return when making investment decisions. Typically, investors demand higher returns for investments they consider more risky.

ROI: Return on investment. For limited partnership investments the IRR serves as the measure of return on investment.

Rule 144: An SEC rule permitting the sale of restricted investment letter stock by affiliated persons in small amounts without first registering the stock with the SEC. It is designed to prohibit the creation of public markets in securities of issuers for which adequate current information is not available to the public. (The rule permits the public sale in ordinary trading transactions of limited amounts of securities owned by persons controlling,

controlled by, or under common control with the issuer and by persons who have acquired restricted securities of the issuer).

Russell 3000 Index: The Russell 3000 Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market.

S

Secular Trend: A long-term movement in the price of a security or of interest rates, either upward or downward, which is not related to seasonal or technical factors.

Stages of Venture Capital Investing: Seed Capital: Financing provided to enable an entrepreneur to establish a business plan and undertake market research etc., to the point where they can seek first round financing to establish a business.

First Round and Early Stage: Financing a company that will have a net cash outflow, maybe with only a prototype product. It will still need to establish prices, employ staff and develop the product with often little or no sales.

Middle Stage or Market Entry: Financing a growing company whose income may still be below expenses but sales will be generating revenue. Equity finance will normally be required to enlarge the working capital base and to extend marketing activity.

Late Stage or Development Capital: Equity capital required for major growth, acquisition, product development, etc.

Mezzanine and Bridge: Financing the equity capital required by rapidly expanding companies who hold off from a public offering until the public marketplace is prime.

Standard Deviation: Statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution. In portfolio theory, the past performance of securities is used to determine the range of possible future performances and a probability is attached to each performance. The standard deviation of performance can then be calculated for each security and for the portfolio as a whole. The greater the degree of dispersion, the greater the risk.

T

Time-Weighted Rate of Return: The "time-weighted" rate of return is the investment performance (return), measured from beginning market value, of a unit of assets held continuously for the entire time period measured. This rate provides a standard for comparing the performance of different funds in which the size and timing of contributions and payouts could vary considerably. Consequently, the time-weighted rate of return is a mathematical measure that eliminates the effects of fund cash flows.

TIPS: Inflation-indexed securities issued by the U.S. Treasury Department (commonly known as Treasury Inflation-Protection Securities). TIPS have been issued in the

U.S. since January 1997. These securities adjust both their principal and coupon payments upward with any rise in inflation. Like all Treasuries, they enjoy the full guarantee of the U.S. government.

Total Fund Policy Benchmark: Uses the fund's Board approved target asset allocations.

Total Return: The aggregate increase or decrease in the value of the portfolio resulting from the net appreciation or depreciation of the principal of the fund, plus or minus the net income or loss experienced by the fund during the period.

Tracking Error: Tracking error is the volatility of a manager's excess return. It is measured by subtracting the benchmark return from the manager's return and calculating the standard deviation.

Treasury Bill: A non-interest bearing obligation, fully guaranteed by the U.S. Government, payable to the bearer. Bills are sold on a discount basis so that the income is the difference between the purchase price and the face value.

Treasury Bond: A coupon security of the U.S. Treasury which may be issued with any maturity but generally carries a maturity of more than 10 years.

Treasury Note: A coupon security issued by the U.S. Treasury with a maturity of not less than one year not more than 10 years.

V

Vintage Year: The Vintage Year benchmark approach assumes that there is a definite and unique life cycle to a group of venture capital funds formed in the same year. Venture Economics has maintained that a fund can be compared fairly on an interim basis only to other funds in its vintage year. A fund's vintage year is defined as the year of first investment or capital call. In some cases funds that were formed in the last three months of the year but did not have a capital call until the next year or those funds that made their first investment more than six months after the closing are categorized by the date of their first investment.

W

Warrant: An option to purchase stock in a corporation, typically over a specified period of time and under preset conditions.

Western Opportunistic Custom:
60% Barclays US ABS Floating Rate Home Equity Loan (HEL) Index & 40% Barclays US Credit 1-3 Credit Index.

Y

Years to Maturity: Market value weighted average time to stated maturity for all securities held in the portfolio.

Yield: The rate of annual income return on an investment expressed as a percentage.

Income yield is obtained by dividing the current dollar income by the current market price of the security.

Yield Curve: A graphic depiction of interest rates across all maturities, 0-30 years. The shape of the curve is largely influenced by the Federal Reserve Policy.

Yield to Maturity: The return a bond earns on the price at which it was purchased if it were held to maturity. It assumes that coupon payments can be reinvested at the yield to maturity.

Yield to Worst: The yield resulting from the most adverse set of circumstances from the investor's point of view; the lowest of all possible yields.

SOURCE: www.nasdaq.com & www.pimco.com

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