City of Cincinnati Retirement System
Investment Committee

December 4, 2008   12:00PM
Centennial II
HR Dept. Meeting Room C

AGENDA

Call to Order

Approval of Minutes

- November 6, 2008

New Business

Brett Christenson, Marquette Associates

- Montag & Caldwell: Janet Bunch, CFA - Conference Call
- Industry Funds Management - Global Infrastructure Fund
  - Monte Tarbox
- Securities Lending
- Asset Allocation
- October Performance Report

Adjournment

Next Meeting: February 5, 2009 - Centennial II, HR – Room A

Montag & Caldwell
INVESTMENT COUNSEL

Retirement System of the City of Cincinnati

Portfolio Review

December 4, 2008

Janet B. Bunch, CFA
Executive Vice President

Montag & Caldwell

✓**Founded in 1945**

✓**Significant Assets Under Management**

✓**Focused Growth Manager**

✓**Stable and Experienced Team of Professionals**

✓**Disciplined and Validated Investment Process**

Firm Profile

Firm Statistics

Founded 1945

Location Atlanta, GA

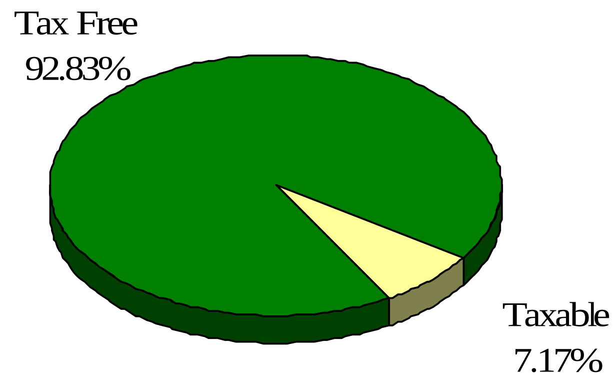
Investment Focus
- Fundamentally Driven
- High Quality
- Growth

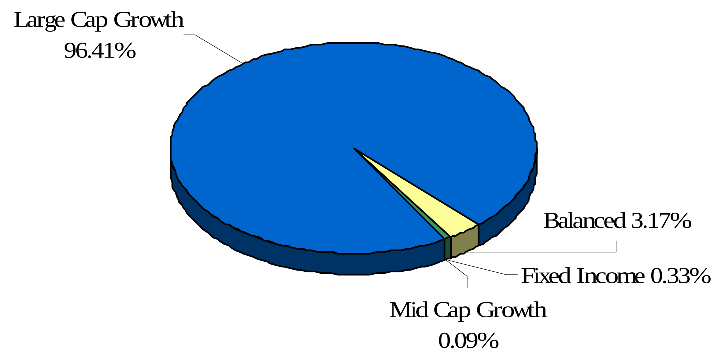
Total Employees 51

Investment Professionals 20

Assets Under Management $14 Billion

Distribution of Client Assets Under Management





September 30, 2008

Montag & Caldwell
INVESTMENT COUNSEL

Large Cap Investment Policy Group Experience

START DATE WITH M&C	NAME / TITLE	RESEARCH / PORTFOLIO MGMT	DATE OF BIRTH	YRS M&C	FINANCIAL EXPERIENCE
01/97	**Sandra M. Barker, CFA** *Vice President*	R	1958	11	28
07/73	**Janet B. Bunch, CFA** *Executive Vice President*	R/PM	1951	35	38
03/00	**Piper L. Burnette, CFA** *Research Analyst*	R	1977	08	08
03/72	**Ronald E. Canakaris, CFA** *Chairman, President & CIO*	R/PM	1944	36	40
08/92	**James L. Deming, CFA** *Vice President*	PM	1955	16	26
05/97	**Helen M. Donahue, CFA** *Vice President*	PM	1969	11	18
10/95	**C. Jefferson Hagood, CFA** *Vice President*	PM	1961	13	24
06/92	**Mark C. Hayes, CFA** *Vice President*	R	1967	16	13
06/01	**Andrew W. Jung, CFA** *Vice President*	R	1973	07	13
02/98	**Charles E. Markwalter, CFA** *Vice President*	PM	1963	10	21
11/88	**Grover C. Maxwell III, CFA** *Executive Vice President*	PM	1955	20	23
04/03	**Kurt T. Momand, CFA** *Vice President*	PM	1957	05	29
03/97	**Michael A. Nadal** *Vice President*	PM	1953	11	31
06/92	**M. Scott Thompson, CFA** *Vice President*	R	1970	16	17
02/88	**William A. Vogel, CFA** *Chief Executive Officer*	PM	1951	20	32
02/99	**David L. Watson, CFA** *Vice President*	PM	1957	09	29
06/05	**Jeffrey S. Wilson** *Research Analyst*	R	1982	03	03

AVERAGE YEARS WITH M&C: 15 AVERAGE YEARS IN FINANCIAL FIELD: 23

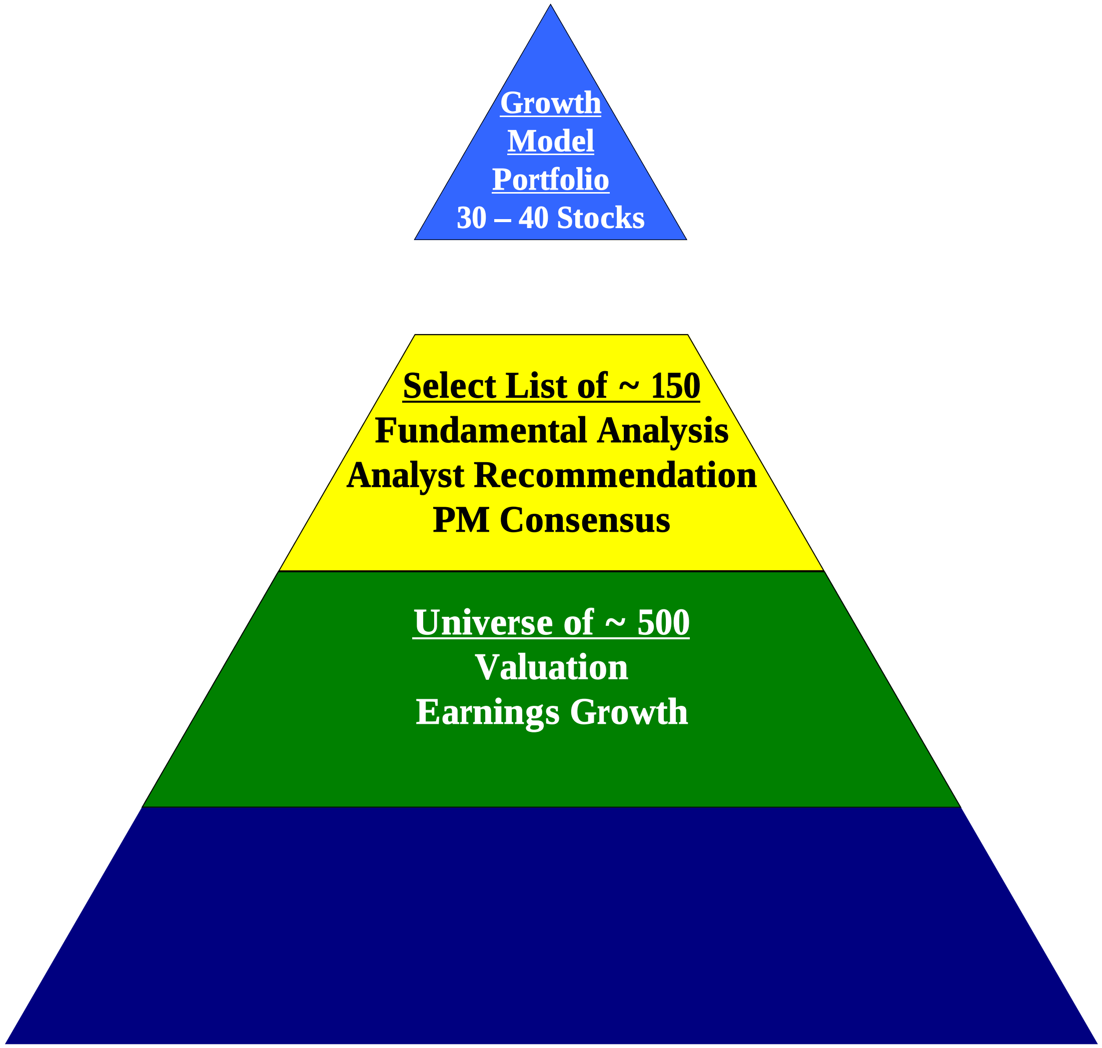
January 9, 2008

“Disciplined, High Quality Growth”

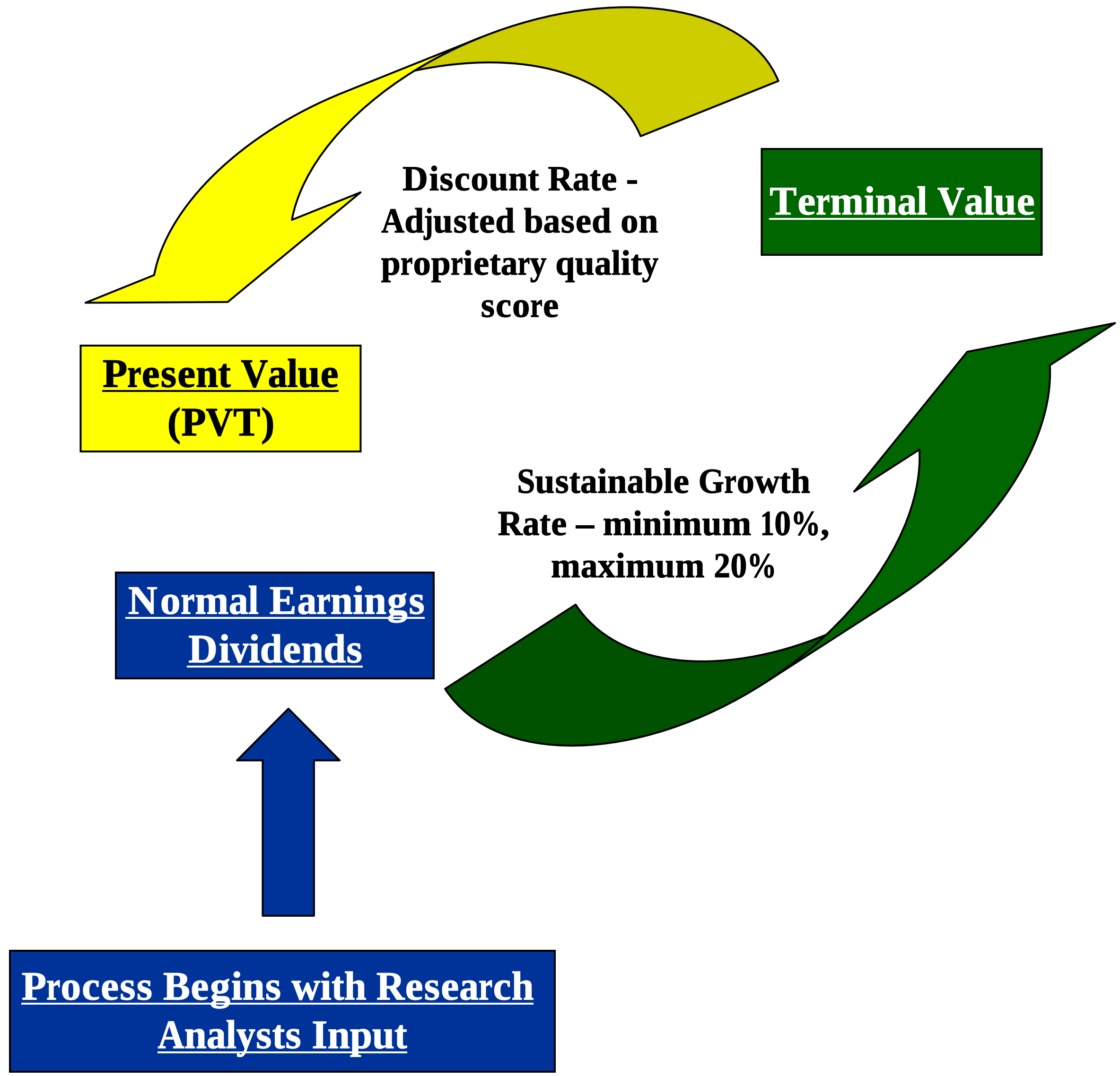
Our Large Cap Growth Stock Selection Process focuses on:

High Quality Companies that can provide Sustainable Double Digit Earnings Growth, that are selling at a Discount to our Calculated Fair Value.

- ✓30 to 40 Names
- ✓Bottom Up Stock Selection
- ✓Sector and Security Weight Agnostic
- ✓Disciplined Process


Growth
Model
Portfolio
30 – 40 Stocks
Select List of ~ 150
Fundamental Analysis
Analyst Recommendation
PM Consensus
Universe of ~ 500
Valuation
Earnings Growth

Valuation Process



Montag & Caldwell
INVESTMENT COUNSEL

Large Cap Growth Model Portfolio

* Prices as of 11/14/2008

COMPANY	PRICE*	PVT	P/PVT	EPS %CHG '09	GR
ABBOTT LABORATORIES	$55.06	$94.7	58.0%	10.8%	10%
ALLERGAN	$35.66	$70.4	51.0%	8.2%	12%
APPLE	$90.24	$165.5	55.0%	2.0%	15%
CAMERON INT'L	$20.62	$59.9	34.0%	7.8%	13%
COCA-COLA	$45.02	$88.5	51.0%	4.8%	10%
COLGATE-PALMOLIVE	$62.06	$106.6	58.0%	10.1%	10%
COSTCO WHOLESALE	$48.06	$82.1	59.0%	8.5%	12%
CVS/CAREMARK	$29.31	$59.1	50.0%	13.2%	14%
DEVON ENERGY	$70.14	$116.5	60.0%	-40.9%	10%
EMERSON ELECTRIC	$33.40	$69.1	48.0%	5.6%	10%
FLUOR	$35.73	$92.4	39.0%	20.4%	13%
GILEAD SCIENCES	$46.92	$63.3	74.0%	16.2%	15%
GOOGLE	$310.02	$610.8	51.0%	22.0%	18%
HALLIBURTON	$18.11	$71.9	25.0%	4.5%	12%
HEWLETT-PACKARD	$30.46	$65.8	46.0%	9.9%	10%
JOHNSON CONTROLS	$15.36	$41.0	37.0%	-0.9%	10%
JUNIPER NETWORKS	$15.03	$26.7	56.0%	13.1%	15%
MCDONALD'S	$56.13	$92.5	61.0%	10.0%	10%
NIKE INC 'B'	$46.53	$99.1	47.0%	14.8%	10%
OCCIDENTAL PETROLEUM	$48.19	$97.9	49.0%	-27.5%	10%
PEPSICO	$53.52	$89.9	60.0%	3.5%	10%
PROCTER & GAMBLE	$63.11	$103.0	61.0%	10.7%	10%
QUALCOMM	$32.94	$70.0	47.0%	19.2%	14%
RESEARCH IN MOTION	$40.00	$101.8	39.0%	29.2%	15%
SCHERING-PLOUGH	$15.76	$34.0	46.0%	9.6%	10%
SCHLUMBERGER	$48.76	$153.7	32.0%	7.6%	12%
SCHWAB (CHARLES)	$16.61	$25.9	64.0%	10.1%	12%
STRYKER	$44.59	$113.7	39.0%	16.7%	14%
WAL-MART STORES	$52.71	$92.6	57.0%	10.3%	11%
WELLS FARGO	$28.73	$45.2	64.0%	-2.4%	10%
MEAN			50.6%	7.6%	12%
MEDIAN			51.0%	10.0%	12%
S&P 500 COMPOSITE	$873.29	$1,452.4	60.0%	-5.4%	5%

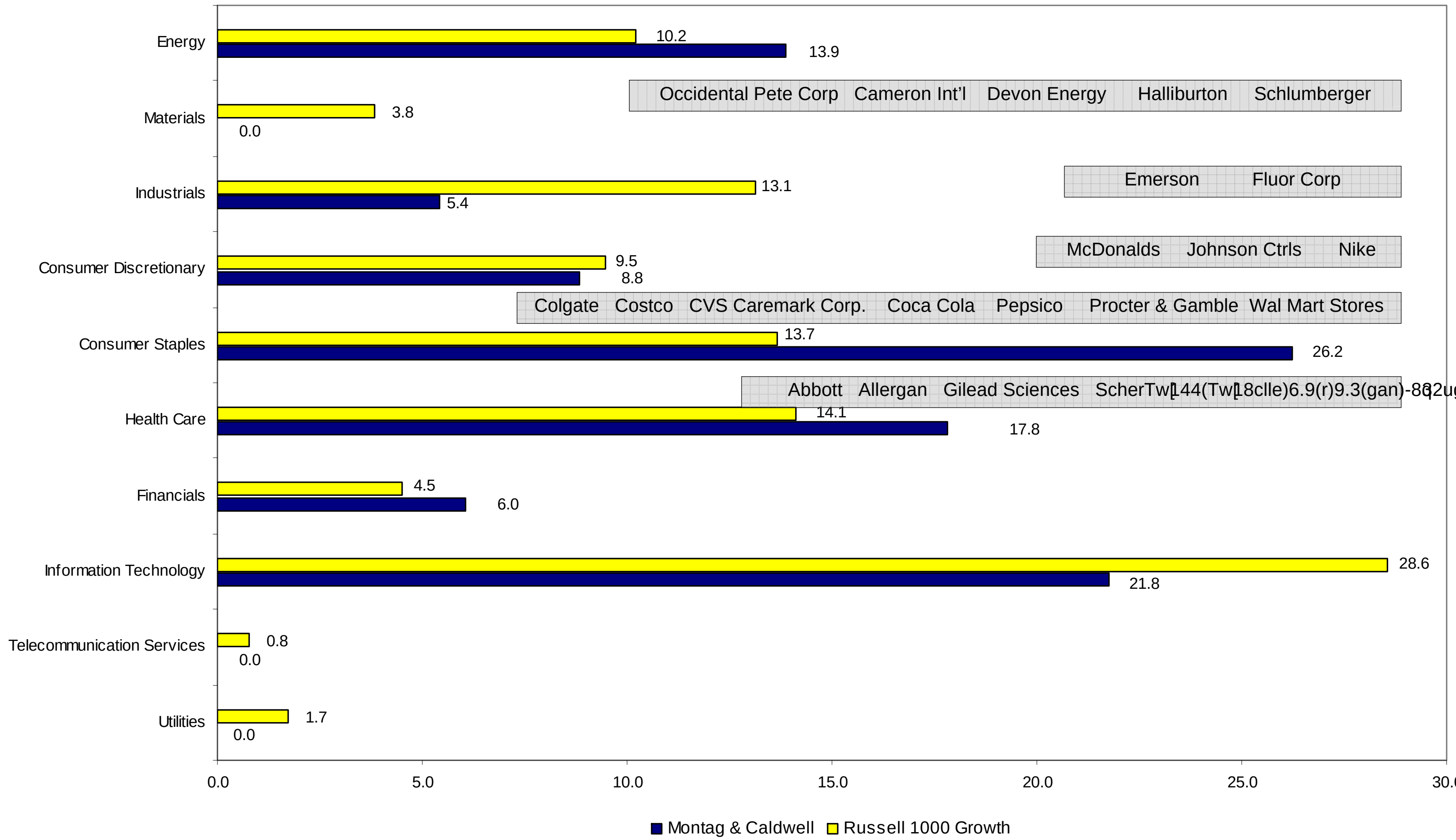
PLEASE SEE DISCLOSURES TAB FOR IMPORTANT INFORMATION THAT IS PERTINENT TO THIS PRESENTATION.

11/17/08

Montag & Caldwell
INVESTMENT COUNSEL

Large Cap Growth Sector Weights

September 30, 2008



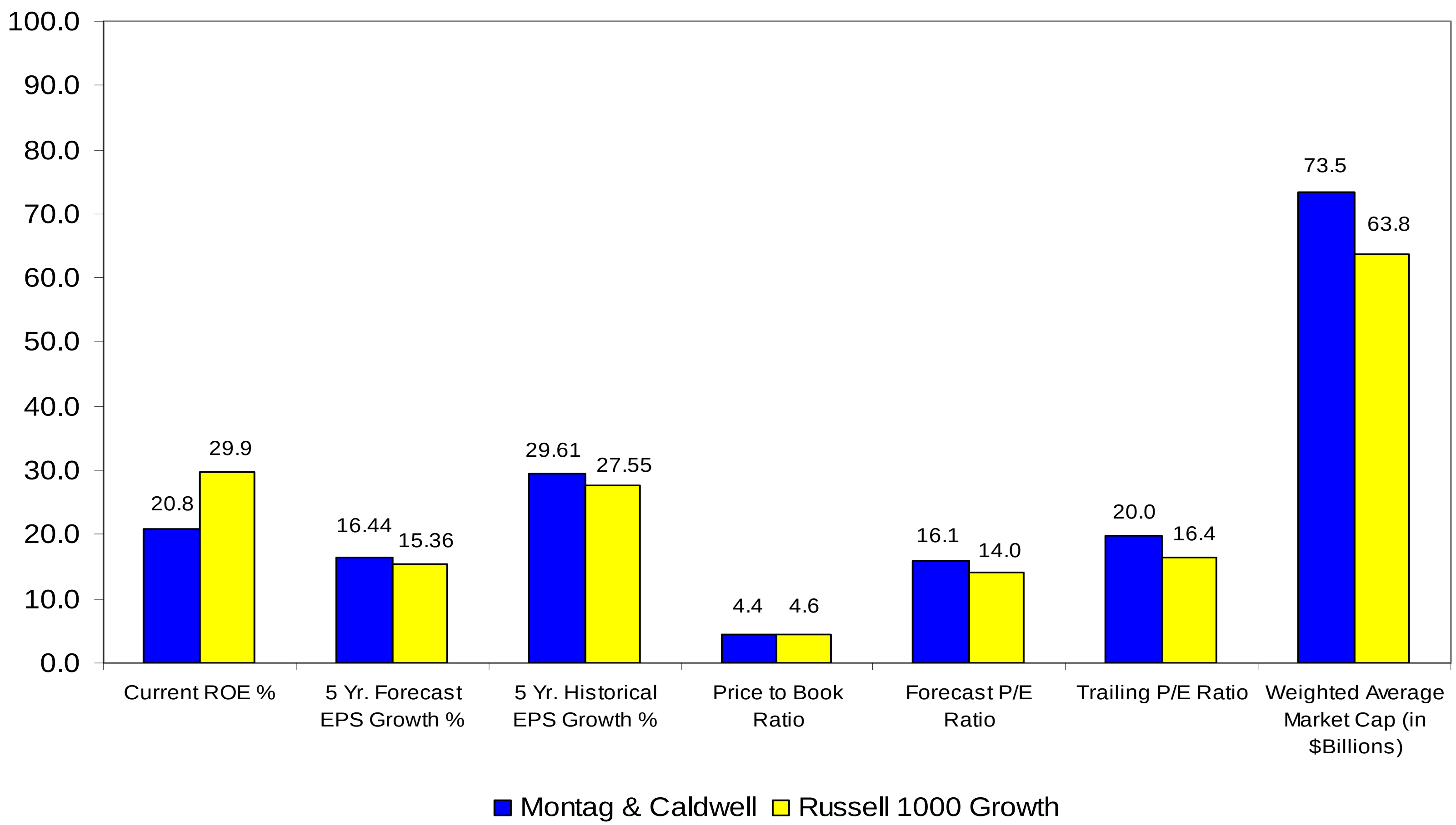
Please see Disclosures Tab for important information that is pertinent to this presentation

Source: Vestek

Montag & Caldwell
INVESTMENT COUNSEL

Representative Portfolio Characteristics

September 30, 2008



Please see Disclosures Tab for important information that is pertinent to this presentation

Source: Vestek

Sell Discipline

- ✓Achieve the Target Price
- ✓Earnings Disappointment (add or sell rule)
- ✓Declining Relative Price
- ✓More Attractive Alternative

Controlling Risk

✓**Emphasis on Price**

✓**Conservative Growth Assumptions**

✓**Sector / Individual Security Exposure**

✓**Sell Discipline**

Montag & Caldwell
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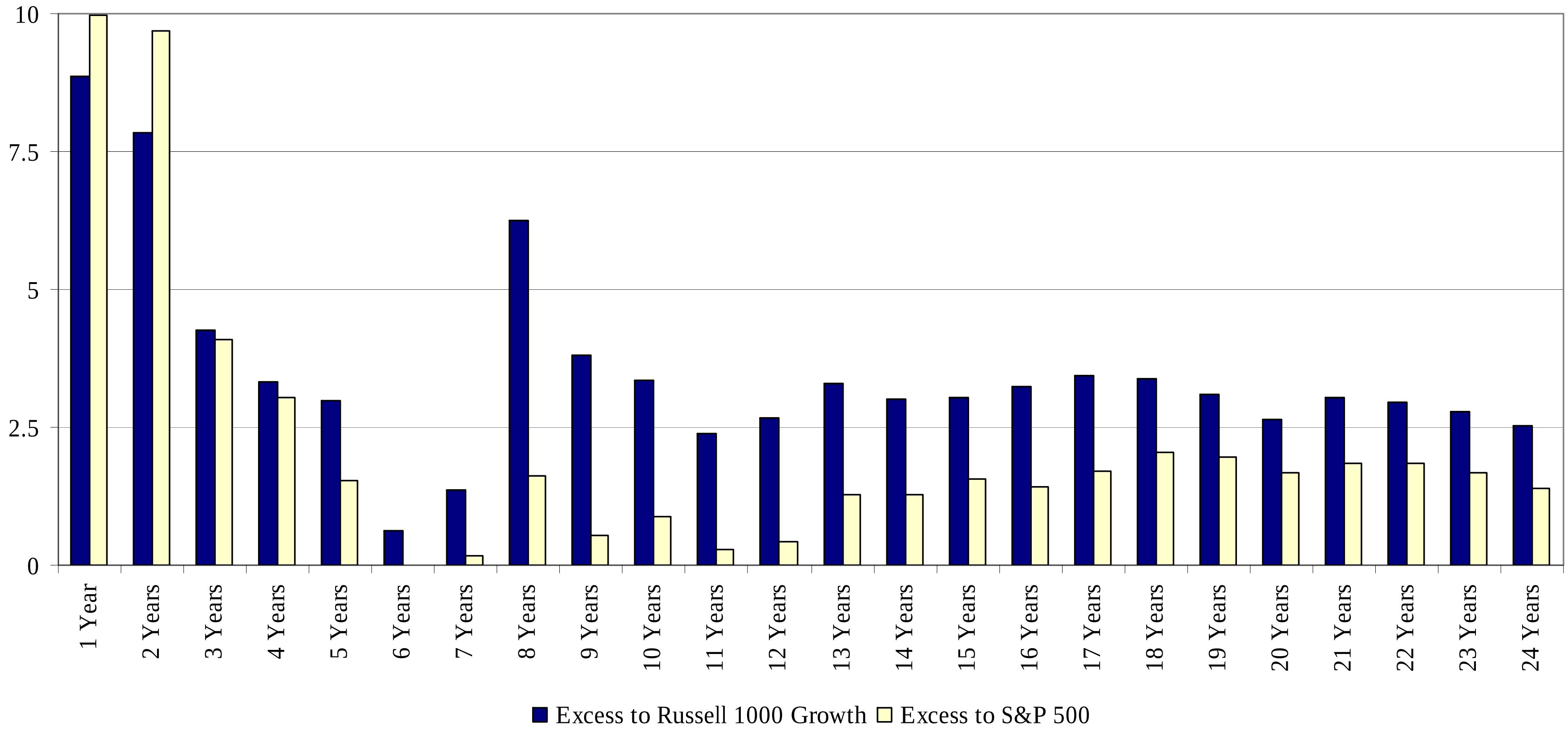
Excess Return to the Russell 1000 Growth and the S&P 500

September 30, 2008

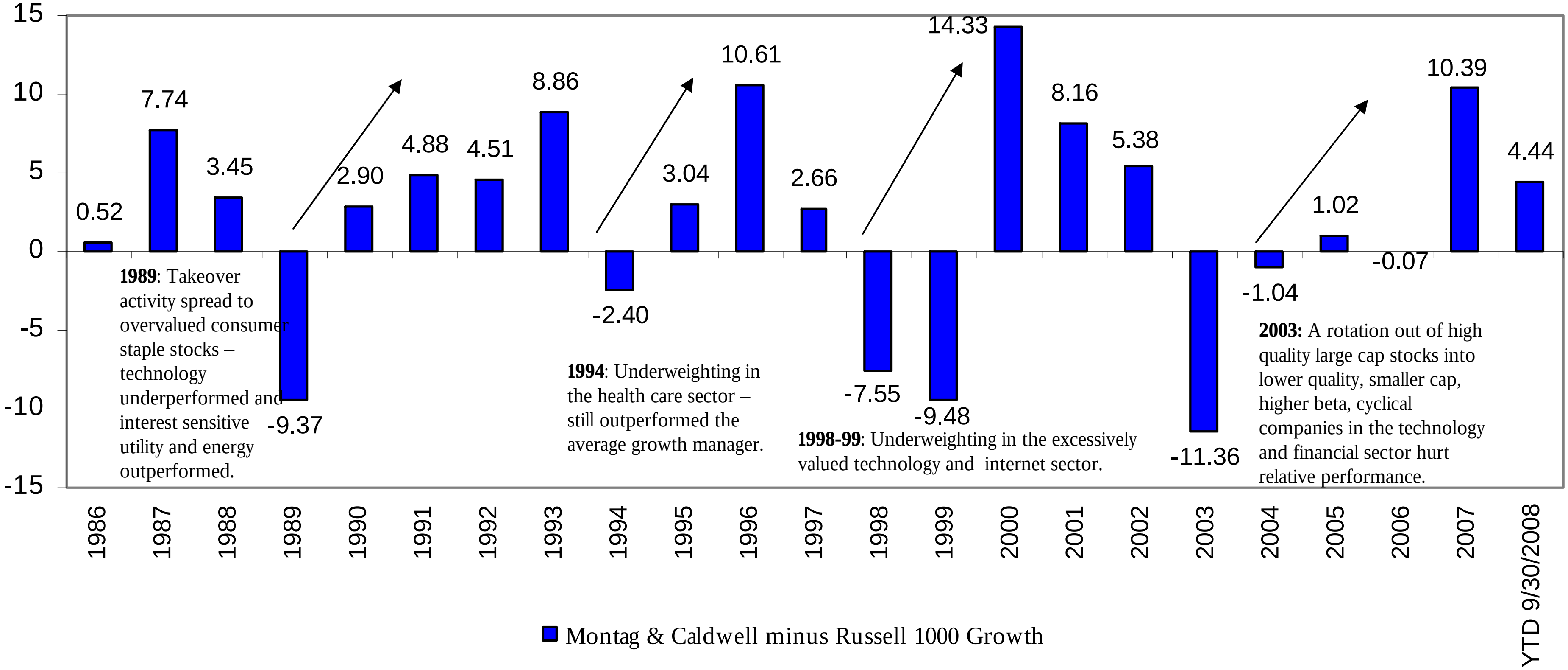


Please see Disclosures Tab for important information that is pertinent to this presentation

Montag & Caldwell Large Cap Growth Composite presented Gross of Fees.

Patient Investors Are Rewarded

During the Last 22 Years Montag & Caldwell Has Tended to Outperform after Markets Have Normalized



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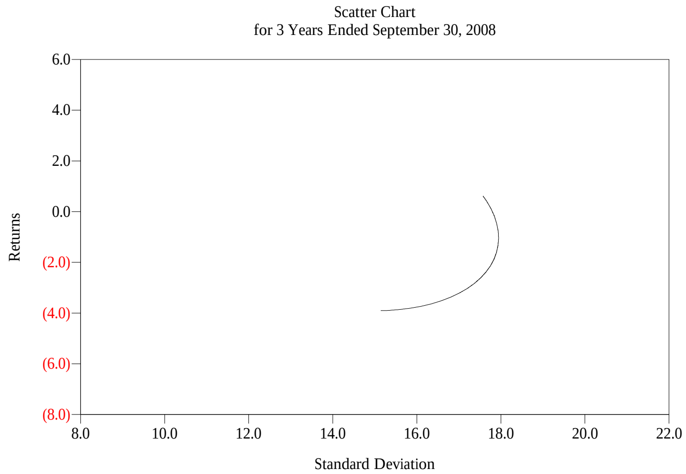
Montag & Caldwell Large Cap Growth Composite presented Gross of Fees.

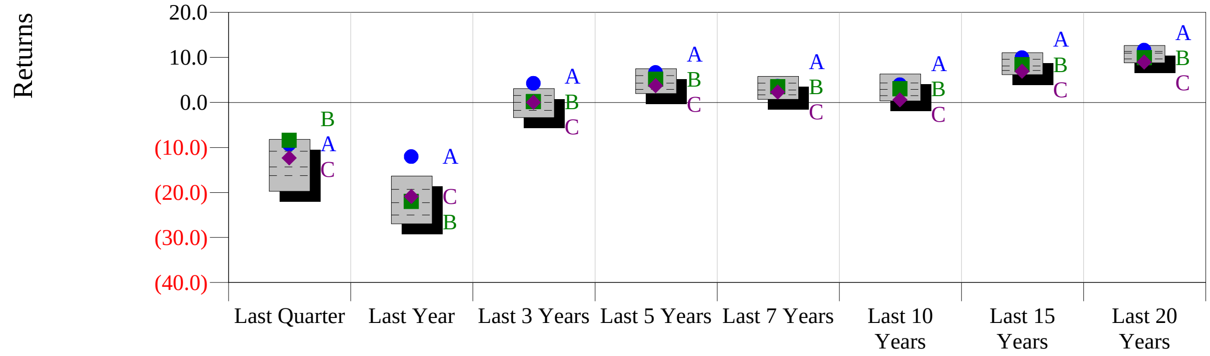
Montag & Caldwell
INVESTMENT COUNSEL



Large Cap Growth Funds Annualized Returns

Gross of Fees / Size Weighted

For Periods Ended September 30, 2008



		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 15 Years	Last 20 Years
10th Percentile		(8.22)	(16.36)	3.09	7.49	5.80	6.34	11.05	12.66
25th Percentile		(10.81)	(19.32)	1.56	5.95	4.30	4.35	9.63	11.35
Median		(14.28)	(22.28)	0.04	4.29	2.79	2.90	8.09	10.93
75th Percentile		(16.23)	(25.01)	(1.78)	2.89	1.72	1.51	7.13	9.64
90th Percentile		(19.70)	(26.94)	(3.36)	1.97	0.71	0.36	6.18	8.84
Member Count		60	60	60	60	57	54	39	29
Montag & Caldwell Large Cap Growth	● A	(9.20)	(12.00)	4.30	6.71	3.66	3.95	9.96	11.63
Montag & Caldwell %Rank		15	2	3	18	33	35	18	20
S&P:500	■ B	(8.37)	(21.98)	0.22	5.17	3.50	3.06	8.40	9.94
S&P 500 %Rank		11	48	41	34	34	47	39	73
Russell 1000 Growth	◆ C	(12.33)	(20.88)	0.04	3.74	2.30	0.59	6.91	8.98
Russell 1000 Growth %Rank		32	42	50	64	58	83	76	87

Please see Disclosures Tab for important information that is pertinent to this presentation

Source: Provided by a National Consulting Firm

Montag & Caldwell
INVESTMENT COUNSEL

RETIREMENT SYSTEM OF THE CITY OF CINCINNATI

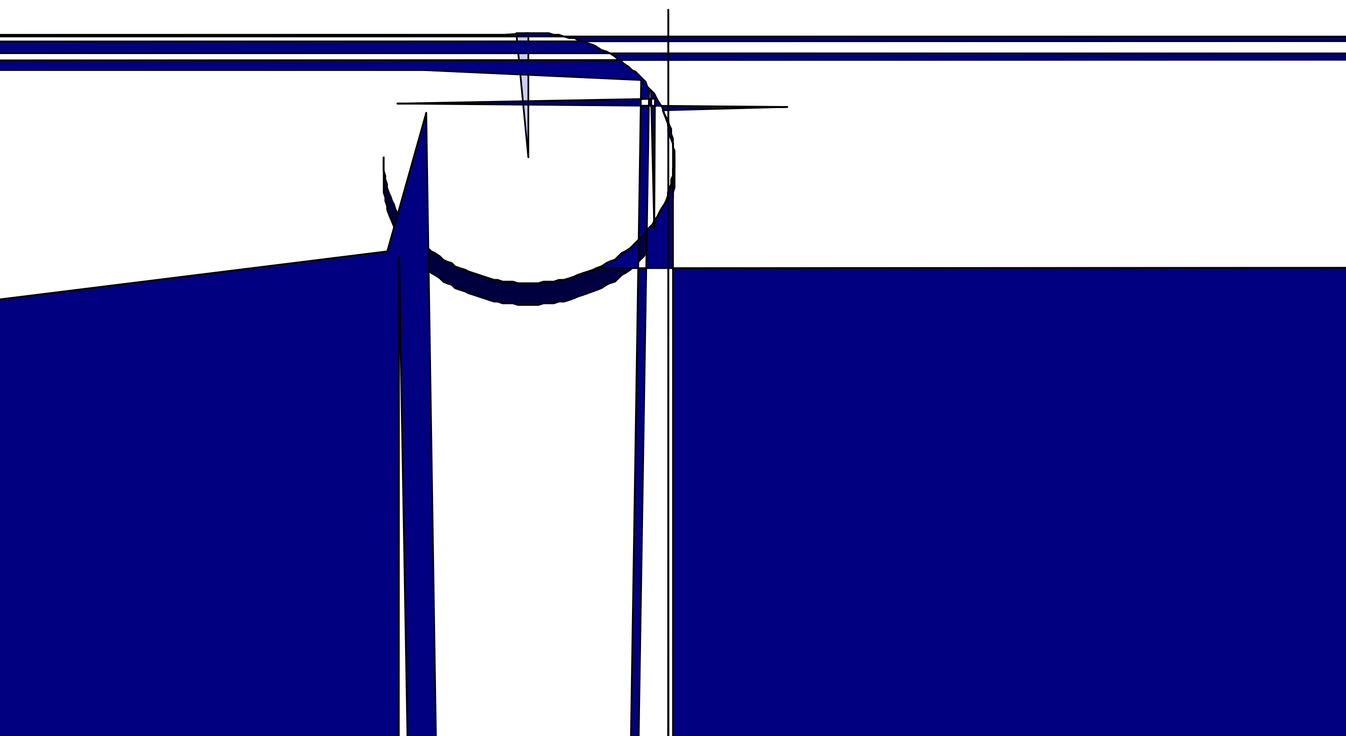
Performance (Gross of Fees)

	Three Months	Nine Months	One Year	Five Years*	Ten Years*
Total Fund	**-9.25%**	**-15.13%**	**-12.28%**	**+6.77%**	**+3.77%**
Equity	**-9.31%**	**-15.32%**	**-12.46%**	**+6.86%**	**+3.67%**
Russell 1000 Growth Index	-12.32%	-20.26%	-20.87%	+3.75%	+0.59%
S&P 500 Index	-8.37%	-19.28%	-21.97%	+5.17%	+3.06%

* Annualized

Asset Allocation

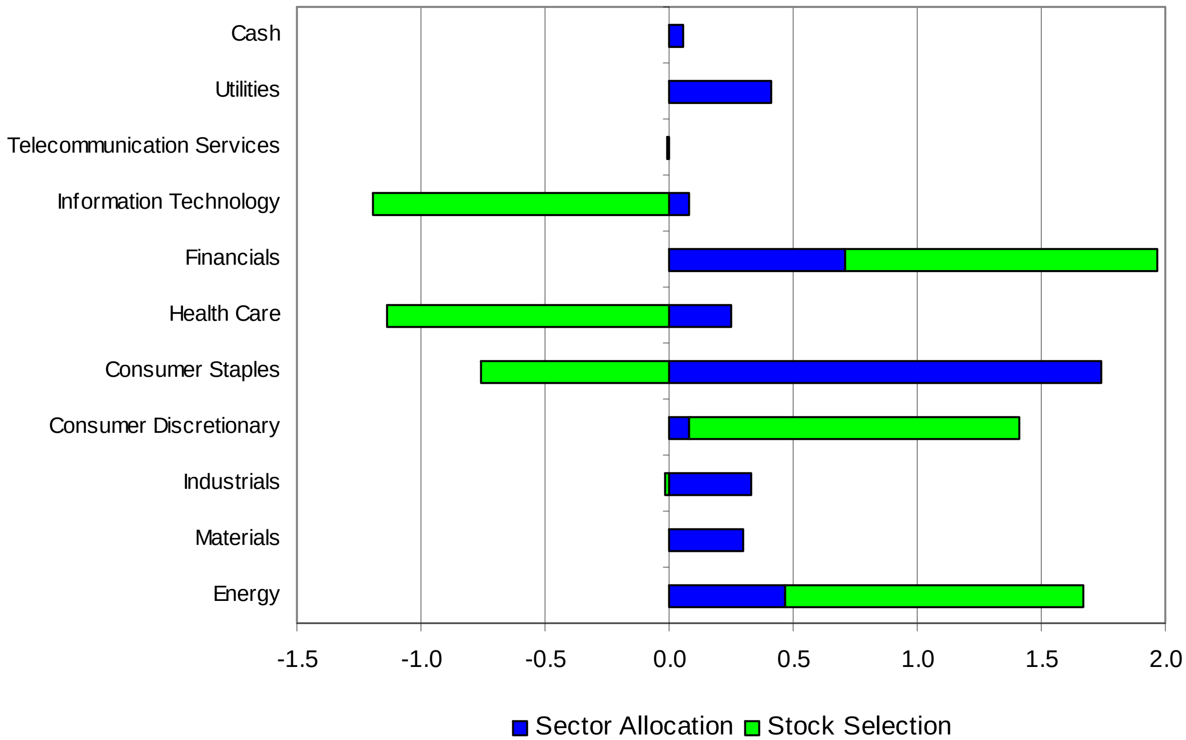
Equity Portfolio Composition



Top Ten Equity Holdings

Procter & Gamble Co	4.71%
Coca-Cola Co	4.64%
Abbott Laboratories	4.55%
Qualcomm Inc	4.52%
Wal-Mart Stores Inc	4.49%
Pepsico Inc	4.25%
McDonald's Corp	4.13%
Google Inc Cl A	4.08%
Schlumberger	4.07%

Representative Portfolio Performance
Attribution versus the Russell 1000 Growth Index
Year-to-Date thru September 30, 2008



Please see Disclosures Tab for important information that is pertinent to this presentation

Source: Vestek

Large Cap Representative Portfolio performance is Gross of Fees

Stock Based Performance

Year-to-Date Ended 09/30/08

Ten Best Stock Performers

		Performance
1	Qualcomm Inc	9.2%
2	McDonald Co	4.7%
3	Nike Inc	4.1%
4	Devon Energy	2.6%
5	Abbott Labs	2.5%
6	Gilead Science	-0.9%
7	Colgate-Palmolive Co	-3.3%
8	Procter & Gamble Co	-5.1%
9	Pepsico	-6.1%
10	Costco Wholesale Corp	-6.9%

Ten Worst Stock Performers

		Performance
1	Apple Inc	-42.6%
2	Google Inc	-42.1%
3	Research In Motion	-39.8%
4	Electronic Arts Inc	-36.7%
5	Juniper Networks	-36.5%
6	Schering Plough	-30.7%
7	Emerson Elec Co	-28.0%
8	Fluor Corp	-23.6%
9	Schlumberger	-20.6%
10	Cameron Intl	-19.9%

Please see Disclosures Tab for important information that is pertinent to this presentation

Source: Vestek
Representative Portfolio performance is Gross of Fees

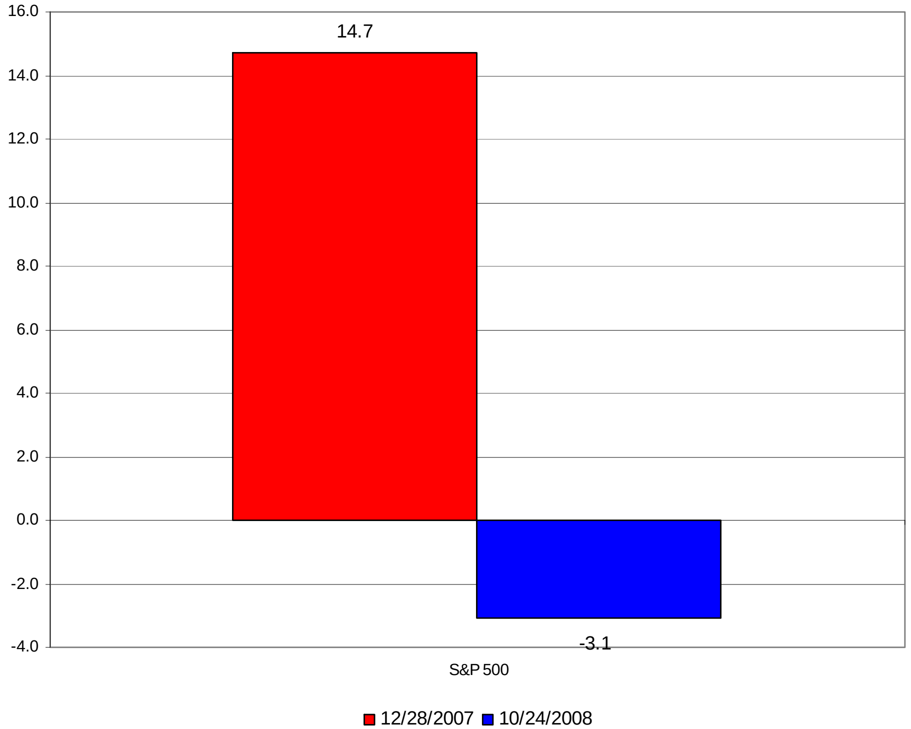
Economic and Investment Outlook
Fall 2008

- **Economy**
  - Due to the recent turmoil in the credit and financial markets, we now think the U.S. economy is in a recession.
  - The recession should be moderate given the substantial and ongoing fiscal and monetary stimulus and the lack of operating excesses in the non-financial corporate sector.
  - While we don't expect a steep decline in economic activity, we also believe that the economy's recovery from recession will be tepid.
- **Stock Market**
  - Stock market volatility is expected to persist due to ongoing financial sector turmoil and a more challenging corporate profit environment.
  - With the S&P 500 Index down over 35%, peak to trough, a good amount of economic and profit weakness is already discounted and valuations appear to be quite reasonable.
  - We believe that we are in the later phases of a bear market and still in the early stages of a major rotation into Large Cap Growth stocks.

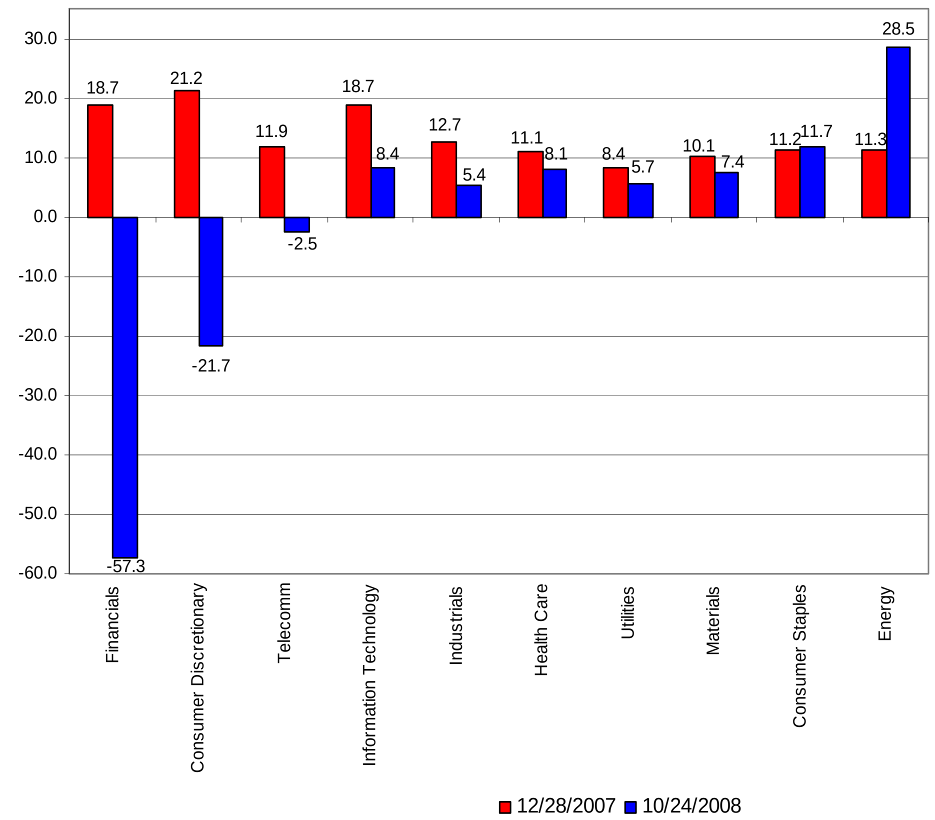
Earnings Estimates have continued to decline in 2008

CY08 Historical Operating EPS Growth Estimates

S&P 500 Index



S&P 500 Sectors



Please see Disclosures Tab for important information that is pertinent to this presentation

Source: Thomson Financial, Factset, Morgan Stanley Research

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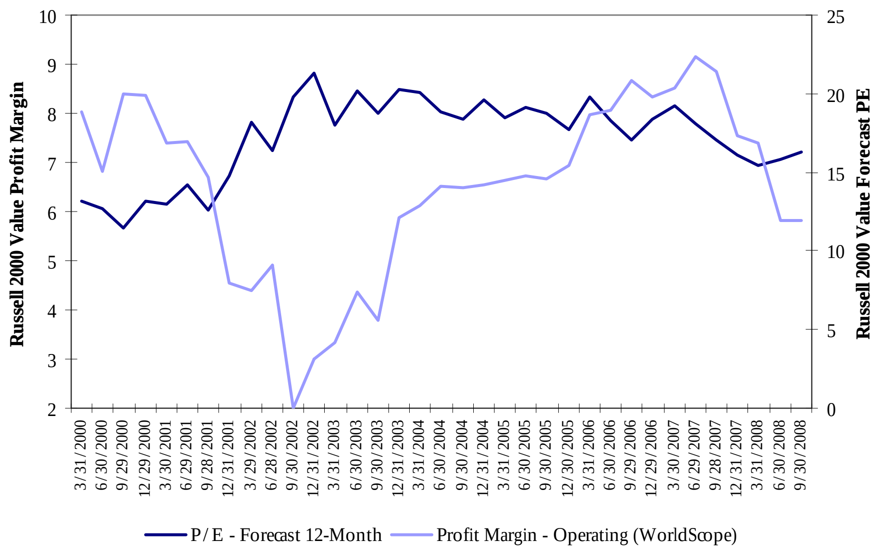
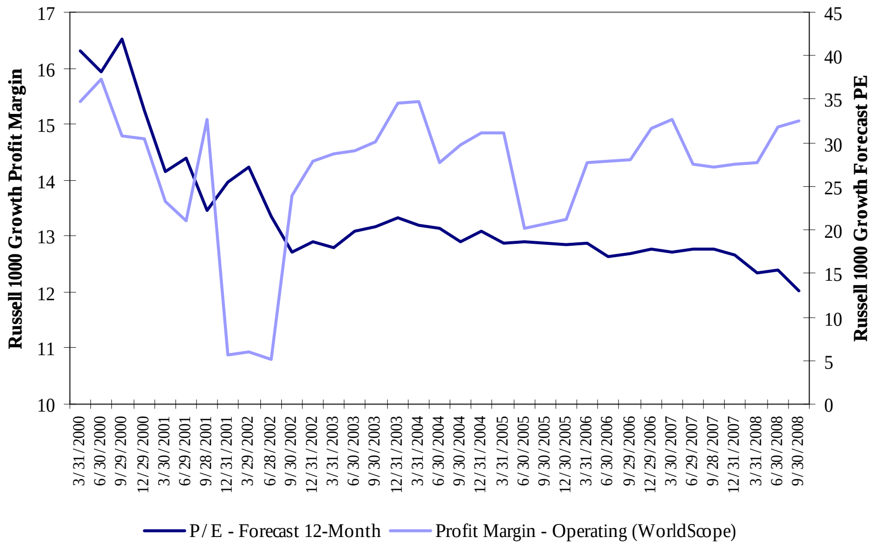
Peak Margin for Small Cap Stocks

Russell 2000 Value (Small Cap Value)



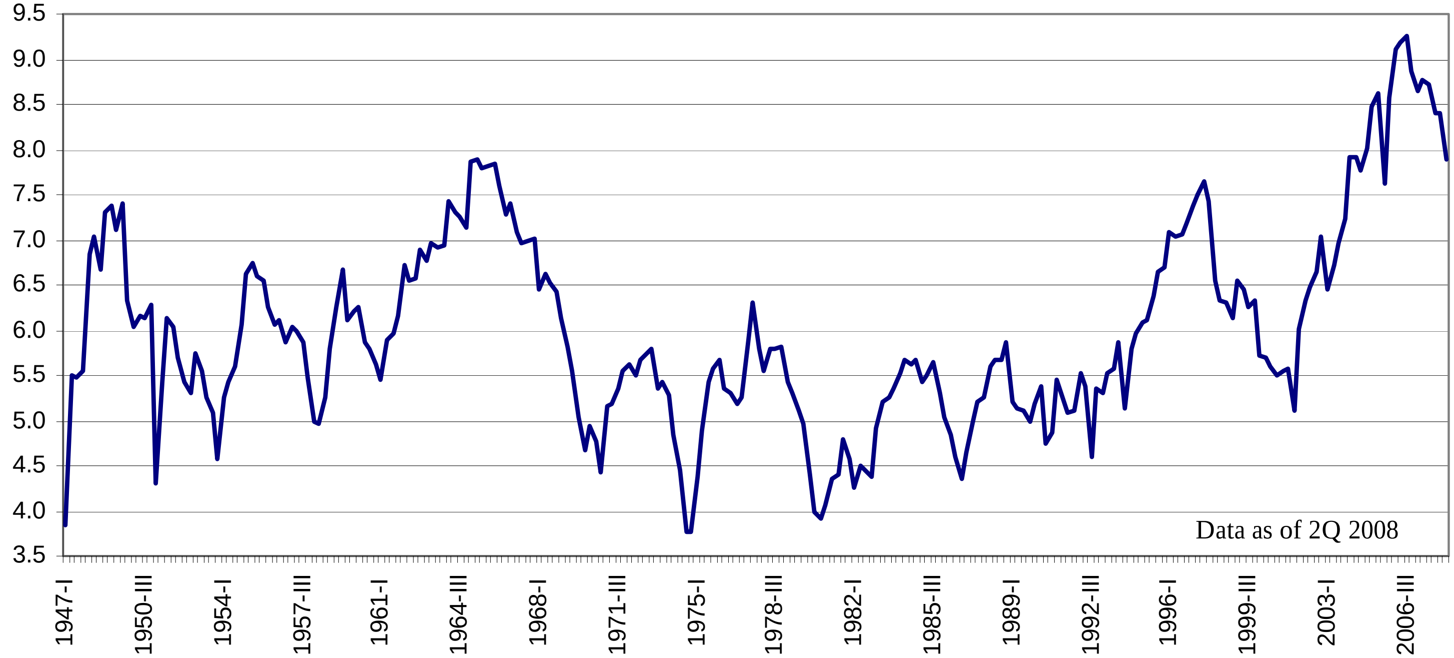
Russell 1000 Growth (Large Cap Growth)



Please see Disclosures Tab for important information that is pertinent to this presentation

Data as of September 30, 2008
Source: Thomson Portfolio Analytics

After-Tax Profits as a Percentage of GDP



Historically High Levels of Profitability Have Been Followed By Low Growth Periods

Data as of 2Q 2008

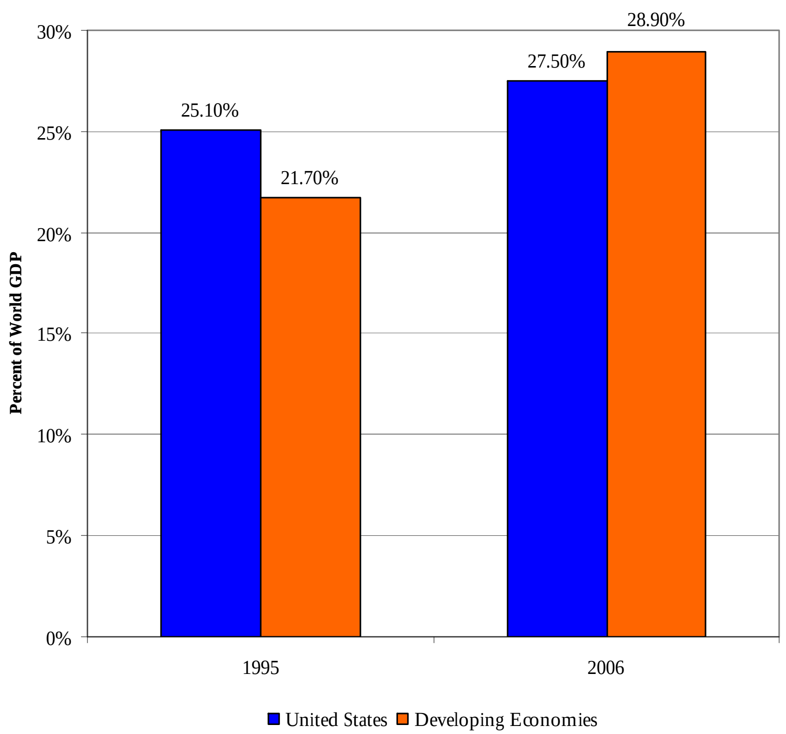
Earnings / GDP Percentage	Annualized Operating Profts 5 Year Real Growth Rate	Annualized Operating Profts 5 Year Nominal Growth Rate	Count
-4.5	7.9	13.5	17
4.5 - 5.5	4.7	9.3	70
5.5 - 6.5	3.2	7.0	85
6.5 - 7.5	0.6	3.4	48
7.5 +	-4.8	-1.2	17
Average	3.3	7.3	

Source: Bureau of Economic Analysis and Prudential Equity Group

After tax profits adjusted for capital consumption and inventory valuation

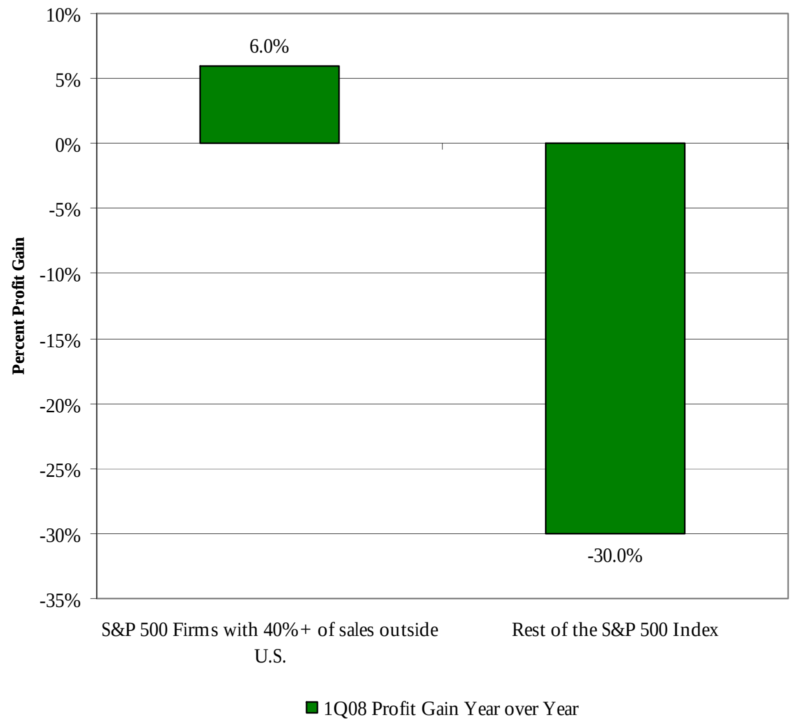
Shifting Global Growth

With Fast Growing Developing Economies* contributing more to Global Growth . . .



Source: ISI, November 5, 2007

. . . Companies with a global footprint have benefited.



Source: UBS Investment Research, May 15, 2008.

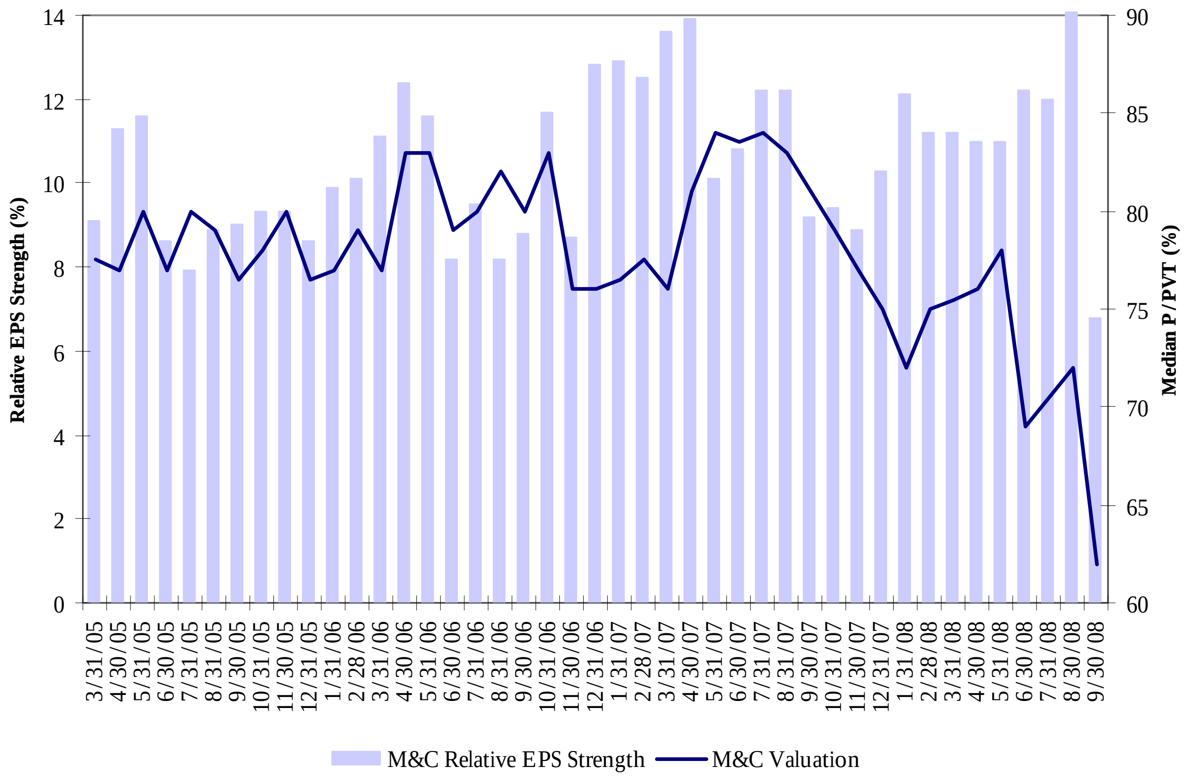
Please see Disclosures Tab for important information that is pertinent to this presentation

*Developing economies have standards of living lower than developed economies and economies in transition. Many have deep and extensive poverty. Developing countries are usually importers, rather than developers, of innovations in science and technology. They also tend to be more vulnerable to economic shocks. The countries in this list include those that are not considered either High Income or Economies in Transition.

Montag & Caldwell
INVESTMENT COUNSEL

Our Large Cap Portfolio Continues To Look Very Attractive

Based on the Combination of Relative EPS Growth and Attractive Valuation



Source: Montag & Caldwell. M&C Relative EPS Strength is calculated as the median calendar year EPS % change minus the S&P 500 calendar year EPS % change. Median P/PVT represents Montag & Caldwell's proprietary valuation premium or discount to our estimate of fair value. 100% represents full value.

Please see Disclosures Tab for important information that is pertinent to this presentation

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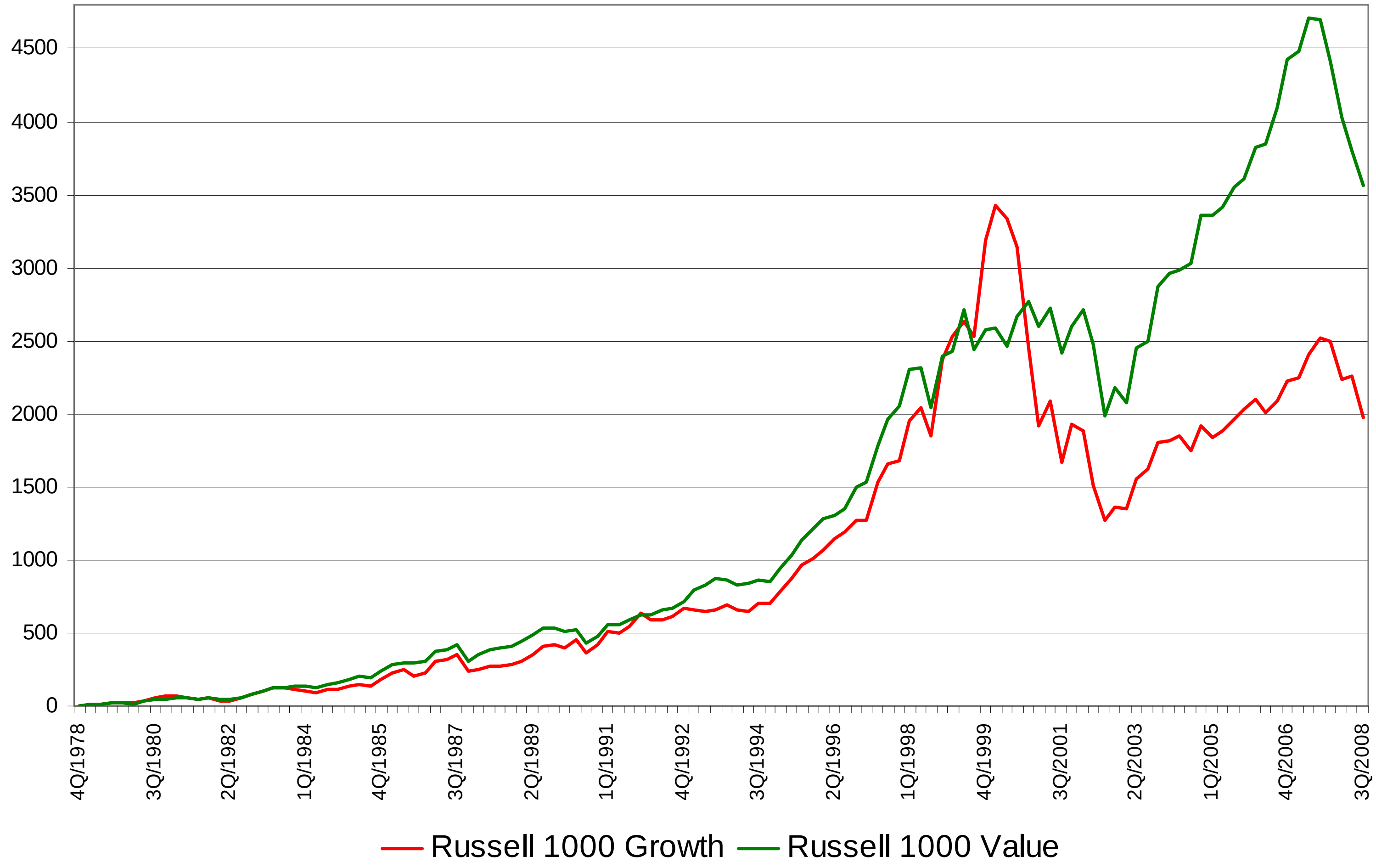
Growth and Value Cumulative Returns

1979 - 2008



Please see Disclosures Tab for important information that is pertinent to this presentation

YTD as of September 30, 2008

Source: Russell

Economic and Investment Outlook

3rd Quarter 2008

Following 2.8% real Gross Domestic Product Growth in the second quarter, it is unlikely that the U.S. economy showed any growth during the third quarter. Consumer spending probably declined in the third quarter and business investment was weaker than expected. These trends are likely to persist, and given the recent turmoil in the credit and financial markets, we now think the U.S. economy has entered into a recession.

We believe the recession should be moderate due to substantial and ongoing fiscal and monetary stimulus. In addition, the continued expansion in the global economy should benefit foreign trade, and the lack of operating excesses in the non-financial corporate sector, where most businesses don't have as much excess inventory or staff to trim, should reduce the economy's downside risk. While we don't expect a steep decline in economic activity, we also believe the economy's recovery from recession will be tepid and that economic growth may not exceed 2% on a sustained basis until 2010. In our opinion, the deleveraging of the financial and household sectors and the high cost of energy will be formidable economic headwinds for some time to come.

The decline in commodity prices has brightened the outlook for inflation. After increasing an estimated 4.5% in 2008, we expect the Consumer Price Index to increase 2-2.5% in 2009.

STOCK MARKET OUTLOOK

We believe that we are in the later phases of a bear market and still in the early stages of a major rotation into large capitalization growth stocks. The Standard & Poor's 500 Index has declined over 35% peak to trough over the past year, suggesting a good amount of economic and corporate profit weakness has already been discounted by investors. Investor sentiment is very negative, another encouraging sign indicating that future market risk is reduced and investor optimism may be forthcoming. Assuming a moderate recession, stock market valuations are quite reasonable. At its current level of 1000, and assuming a forecast of no operating earnings growth in 2009 from a recently lowered earnings forecast for 2008, the S&P 500's price to earnings ratio is 14, offering an earnings yield of 7.1%. By comparison, the U.S. Treasury 10-year bond yield is just 3.5%. Most importantly, the outlook remains very good for high quality large capitalization growth stocks, which should mitigate the overall stock market's risk and contribute to its upside potential.

After the recent stock market setback, we believe the outlook for large cap growth stocks is particularly compelling and that we are still in the early stages of a major rotation into large cap growth issues. Large cap growth shares are attractively valued, have strong balance sheets, and their above average earnings growth will become increasingly attractive in a more challenging corporate profit environment. Because of their product mix, the domestic based earnings of large cap growth stocks should do relatively well in a slower growing U.S. economy, and they are well positioned to benefit over the long term from better growth prospects abroad.

BOND MARKET OUTLOOK

Investors fled the corporate bond market during the third quarter, sending Treasury yields lower and yields on corporate bonds higher. Uncertainty grips the credit markets, with the yield differential, or spread, between corporate bonds and Treasury bonds at record levels. While a return to pre-credit crisis levels is unlikely, a reduction in the yield spread should occur as the financial rescue plan is implemented. Treasury issuance will increase due to the rescue plan, which is likely to cause an increase in interest rates for longer-term Treasury maturities. Yields on shorter-maturity Treasury bonds should remain low as the outlook for economic growth on an intermediate basis is very weak. We are maintaining a duration in our clients' bond portfolios that is slightly shorter than the benchmark indices. Where permitted by investment guidelines, we are overweight high quality intermediate maturity corporate bonds given the attractive yields available.

Municipal bonds did not benefit from a flight to quality during the quarter, causing yields to increase during the third quarter. Liquidity concerns are also impacting this segment of the bond market, resulting in attractive yields relative to Treasury bonds. The ratio of a Aaa-rated 10-year General Obligation municipal bond yield to a 10-year Treasury yield increased during the quarter from 99% to 109%. As a result of some prodding by Congress, Moody's Investor Service announced that it will begin to re-rate U.S. municipal bonds in order to make the rating methodology consistent with the criteria utilized to rate corporate bonds. This will result in many state and local government general obligation bonds being upgraded above current ratings. Fitch and S&P are considering similar changes in their rating systems for municipal bonds. The combination of the potential for ratings upgrades and higher yields available versus Treasury bonds present a compelling investment opportunity for taxable investors.

City of Cincinnati
Retirement System

31-Oct-08

Preliminary information, subject to change.

Market Values

October 31, 2008

Asset Class	Investment Manager	Market Values	Committed	Called	Allocation	Target
Core Fixed Income	Blackrock	$136,743,814			7.3%	6.0%
Core Fixed Income	PIMCO	$146,704,683			7.8%	6.0%
Core Fixed Income	Smith & Graham	$13,990			0.0%	0.0%
High Yield Fixed Income	Shenkman	$108,907,285			5.8%	5.0%
Total Fixed Income		**$392,369,772**			**21.0%**	**17.0%**
All-Cap Core Equity	Allegiant	$151,323,032			8.1%	8.3%
All-Cap Core Equity	PanAgora	$151,664,183			8.1%	8.3%
All-Cap Value Equity	Bartlett	$42,908,582			2.3%	2.0%
Large-Cap Value Equity	Gradison	$114,012,449			6.1%	6.0%
Large-Cap Value Equity	Rhumbline	$63,142,092			3.4%	4.0%
Large-Cap Growth Equity	Montag & Caldwell	$121,471,377			6.5%	5.0%
Mid-Cap Growth Equity	Rhumbline	$51,599,988			2.8%	2.5%
Mid-Cap Growth Equity	Turner	$34,216,306			1.8%	2.5%
Small-Cap Value Equity	Rhumbline	$12,491			0.0%	0.0%
Small-Cap Value Equity	Opus	$37,678,674			2.0%	2.5%
Small-Cap Value Equity	WCM	$40,680,670			2.2%	2.5%
Cash Equitization	Clifton Group	$4,737,983			0.3%	0.0%
Total U.S. Equity		**$813,447,827**			**43.5%**	**43.5%**
International Value	Mondrian	$129,761,088			6.9%	7.0%
International Core	Harding Loevner	$121,505,357			6.5%	7.0%
International Small Value	DFA	$29,767,123			1.6%	2.0%
Emerging Markets	Mondrian - EM	$15,006,471			0.8%	1.0%
International Growth	Jarislowsky Fraser	$99,665			0.0%	0.0%
Total International Equity		**$296,139,704**			**15.8%**	**17.0%**
			Committed	Called		
Real Estate Core	J.P. Morgan SPF	$65,155,217	$65MM	$65MM	3.5%	2.5%
Real Estate Core	Morgan Stanley P.P.	$68,476,532	$65MM	$65MM	3.7%	2.5%
Real Estate Value-Added	PRISA III	$6,238,557	$22.5MM	$6.1MM	0.3%	0.9%
Real Estate Value-Added	Principal Enhanced	$21,167,137	$22.5MM	$22.5MM	1.1%	0.8%
Real Estate - Non U.S.	Mesirow/Courtland I	$5,860,574	$30MM	$7MM	0.3%	0.8%
Total Real Estate		**$166,898,017**			**8.9%**	**7.5%**
Long/Short Equity	ABS Global	$57,523,130			3.1%	2.5%
Long/Short Equity	Common Sense	$55,599,428			3.0%	2.5%
Total Long/Short Equity		**$113,122,558**			**6.0%**	**5.0%**
			Committed	Called		
Private Equity Venture	Blue Chip II	$1,209,818	$10MM	$10MM	0.1%	---
Private Equity Venture	Blue Chip III	$1,969,246	$15MM	$15MM	0.1%	---
Private Equity Venture	Blue Chip IV	$16,816,115	$25MM	$24.25MM	0.9%	---
Private Equity FoFs Specialized	Fort Washington Fund V	$11,583,198	$40MM	$14.6MM	0.6%	---
Private Equity FoFs Specialized	Fort Washington Fund VI	$1,800,000	$30MM	$1.8MM	0.1%	---
Private Equity Buy-Out	Piper Jaffray III - LBO	$10,910,645	$20MM	$11MM	0.6%	---
Private Equity Venture	Piper Jaffray III - VC	$5,574,964	$20MM	$5.3MM	0.3%	---
Private Equity Buy-Out	Piper Jaffray IV - LBO	$330,000	$15MM	$0.3MM	0.0%	---
Private Equity Venture	Piper Jaffray IV - VC	$3,000,000	$15MM	$3.0MM	0.2%	---
Private Equity FoFs Specialized	Portfolio Advisors IV - Special Sit	$11,424,695	$20MM	$11.75MM	0.6%	---
Private Equity FoFs Specialized	Portfolio Advisors V - Special Sit	$3,137,784	$10MM	$2.5MM	0.2%	---
Total Private Equity		**$67,756,465**			**3.6%**	**5.0%**
			Committed	Called		
Infrastructure	Alinda II	$853,667	$60MM	$1.4MM	0.0%	2.5%
Infrastructure	Macquarie II	$19,665,717	$60MM	$19.6MM	0.0%	2.5%
Total Infrastructure		**$20,519,384**			**1.1%**	**5.0%**
Cash Short-Term	Transition	$0			0.0%	---
Cash Short-Term	Cash	$27			0.0%	---
Cash Short-Term	Cash - Securities Lending	$166,497			0.0%	---
Total Cash Equivalents		**$166,524**			**0.0%**	
TOTAL PORTFOLIO		**$1,870,420,251**			**100.0%**	**100.0%**

Annualized Performance (Gross of Fees)
October 31, 2008

	1 Month	YTD	1 Year	2 Year	3 Year	4 Year	5 Year	FYTD
Blackrock	**-3.2%**	**-6.5%**	**-4.8%**	**0.2%**	**1.9%**	**1.8%**	**2.6%**	
PIMCO	**-2.1%**	**-6.7%**	**-5.0%**	**0.0%**	**2.0%**	**1.9%**	**2.7%**	
LB Aggregate	*-2.4%*	*-1.7%*	*0.3%*	*2.8%*	*3.6%*	*3.0%*	*3.5%*	
Shenkman	**-11.9%**	**-14.3%**	**-15.2%**	**-4.6%**	**-0.5%**	**0.4%**	**2.3%**	
LB High Yield	*-15.9%*	*-24.4%*	*-25.8%*	*-11.0%*	*-4.4%*	*-2.3%*	*0.4%*	
Total Fixed Income	**-5.5%**	**-8.9%**	**-7.8%**	**-0.9%**	**0.8%**	**1.5%**	**2.1%**	**-8.9%**
Allegiant	**-17.5%**	**-32.7%**	**-36.1%**	---	---	---	---	
PanAgora	**-17.7%**	**-32.7%**	**-36.1%**	**-14.4%**	**-5.1%**	**-1.3%**	**0.8%**	
Russell 3000	*-17.7%*	*-33.2%*	*-36.6%*	*-14.8%*	*-5.5%*	*-1.7%*	*0.5%*	
Bartlett	**-20.5%**	**-30.1%**	**-35.0%**	**-12.7%**	**-3.3%**	**0.9%**	**3.6%**	
Russell 3000 Value	*-17.5%*	*-32.3%*	*-36.3%*	*-16.3%*	*-5.2%*	*-1.2%*	*2.0%*	
Gradison	**-16.6%**	**-29.9%**	**-32.4%**	**-11.8%**	**-2.3%**	**0.9%**	**3.6%**	
Rhumbline	**-17.2%**	**-32.7%**	**-36.6%**	---	---	---	---	
Russell 1000 Value	*-17.3%*	*-32.9%*	*-36.8%*	*-16.3%*	*-5.3%*	*-1.2%*	*1.9%*	
Montag & Caldwell	**-16.7%**	**-29.4%**	**-30.8%**	**-6.0%**	**-1.1%**	**1.6%**	**2.2%**	
Russell 1000 Growth	*-17.6%*	*-34.3%*	*-37.0%*	*-13.3%*	*-5.9%*	*-2.4%*	*-1.3%*	
Rhumbline	**-21.7%**	**-39.9%**	**-42.4%**	---	---	---	---	
Turner	**-20.6%**	---	---	---	---	---	---	
Russell MidCap Growth	*-22.0%*	*-40.2%*	*-42.7%*	*-17.2%*	*-7.7%*	*-2.3%*	*-0.2%*	
Opus	**-22.9%**	---	---	---	---	---	---	
WCM	**-15.7%**	---	---	---	---	---	---	
Russell 2000 Value	*-20.0%*	*-24.3%*	*-30.5%*	*-15.8%*	*-4.5%*	*-0.4%*	*3.1%*	
Total U.S. Equity	**-18.3%**	**-32.9%**	**-36.0%**	**-12.1%**	**-5.8%**	**-1.1%**	**2.0%**	**-32.9%**
Mondrian	**-15.4%**	**-37.7%**	**-39.9%**	**-13.8%**	**-0.9%**	**3.7%**	---	
Harding Loevner	**-23.3%**	**-40.4%**	**-43.0%**	**-15.0%**	**-2.7%**	---	---	
DFA	**-21.8%**	**-43.4%**	**-47.6%**	---	---	---	---	
Mondrian - EM	**-25.2%**	**-45.3%**	---	---	---	---	---	
MSCI EAFE	*-20.2%*	*-43.3%*	*-46.3%*	*-18.0%*	*-4.8%*	*0.6%*	*4.0%*	
Citigroup < $2 Bill ex U.S.	*-25.3%*	*-50.6%*	*-55.3%*	*-21.6%*	*-7.9%*	*-0.2%*	*4.0%*	
MSCI Emerging Markets	*-27.5%*	*-54.2%*	*-57.4%*	*-16.3%*	*-2.6%*	*4.7%*	*6.9%*	
Total International	**-20.0%**	**-40.0%**	**-41.8%**	**-14.2%**	**-4.4%**	**2.6%**	**5.6%**	**-40.0%**

Annualized Performance (Gross of Fees)
October 31, 2008

	1 Month	YTD	1 Year	2 Year	3 Year	4 Year	5 Year	FYTD
J.P. Morgan SPF	**-0.1%**	**0.5%**	---	---	---	---	---	
Morgan Stanley P.P.	---	**2.8%**	**5.0%**	---	---	---	---	
PRISA III	---	**4.2%**	**4.2%**	---	---	---	---	
Principal Enhanced	---	---	---	---	---	---	---	
Mesirow/Courtland I	---	**-16.4%**	**-27.2%**	---	---	---	---	
NCREIF	---	*2.0%*	*4.2%*	*10.3%*	*12.6%*	*14.3%*	*14.0%*	
Total Real Estate	**-0.04%**	**0.6%**	**2.6%**	---	---	---	---	**0.6%**
ABS Global	**-3.6%**	---	---	---	---	---	---	
Common Sense	**-6.5%**	---	---	---	---	---	---	
Custom Benchmark (80% R3000)	*-14.2%*	*-26.6%*	*-29.3%*	*-11.8%*	*-4.4%*	*-1.3%*	*0.4%*	
Total Long/Short Equity	**-5.1%**	---	---	---	---	---	---	---
Total Fund Composite	**-13.2%**	**-26.1%**	**-28.0%**	**-8.0%**	**-2.9%**	**0.7%**	**3.0%**	**-26.1%**
Policy Benchmark[1]	---	---	---	---	---	---	---	
Target Benchmark[2]	---	---	---	---	---	---	---	

[1]As of 8/31/08 the Policy Benchmark consists of 14% the LB Aggregate, 6% LB High Yield, 17% the Russell 3000, 3% Russell 3000 Value, 10% the Russell 1000 Value, 7% Russell 1000 Growth, 3% Russell MidCap Growth, 7% Russell 2000 Value, 3% VE all Private Equity, 7% NCREIF, 15% MSCI EAFE Index, 1% MSCI Emerging Markets, 2% Citigroup Intl. < $2 Billion, and 5% HFR Hedged Equity Index.

[2]As of 1/31/07, the Target Benchmark consists of 12% the LB Aggregate, 5% LB High Yield, 16% the Russell 3000, 2% Russell 3000 Value, 6% the Russell 1000 Value, 5% Russell 1000 Growth, 5% Russell MidCap Growth, 5% Russell 2000 Value, 14% MSCI EAFE Index, 2% Citigroup Intl. < $2 Billion, 1% MSCI Emerging Markets, 5% HFRI Hedged Equity Index, 8% NCREIF Property Index, 5% the VE Private Equity Index, and 5% the ML LIBOR + 4%. Prior to 1/31/07, the Target Benchmark consisted of 21% LB Aggregate, 5% LB High Yield, 10% Russell 3000, 2% Russell 3000 Value, 19% Russell 1000 Value, 15% Russell 1000 Growth, 4% Russell 2500 Value, 2% Russell 2000 Growth, 17% MSCI EAFE, and 1% VE Private Equity.