
Oregon Investment Council

PUBLIC EQUITY REVIEW
February 24, 2010

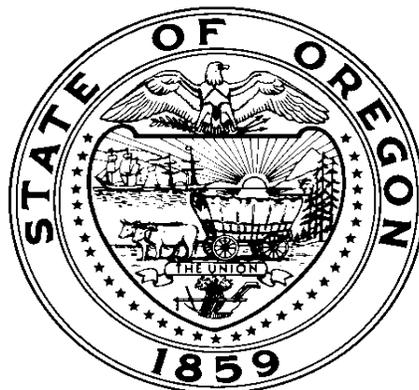
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**Oregon
Investment
Council**

Harry Demorest
Chair

**Office of The
State Treasurer
Ben Westlund**
State Treasurer

Ronald Schmitz
Chief Investment Officer





OREGON INVESTMENT COUNCIL



Public Equity Review OPERF Agenda



February 24, 2010

<u>A. Discussion Items</u>	<u>Tab</u>
1. Performance Review	1
2. Active/Passive Management Discussion	2
3. Portfolio Structure	3
4. Mandate Specific Recommendations	4
5. SIS Manager Tear Sheets	5

TAB 1 – PERFORMANCE REVIEW

Oregon Investment Council

Public Equity Review

Performance Review

Performance Overview

Performance for the Public Equity portfolio for the one-year period ended December 31, 2009, was 36.91 percent, outperforming the MSCI ACWI IMI (net) index benchmark by 50 basis points. Comparisons for periods beginning prior to May 31, 2008, are not applicable as the total Public Equity was structured differently, specifically, with a significant home country bias. State Street Bank continues to provide performance for the domestic and international equity composites on the monthly flash reports. The December 31, 2009 flash reports have been included which also detail individual manager performance. The Wilshire TUCS Universe comparison indicates favorable results for OPERF public equity composites relative to peers.

Risk

The ex-ante tracking error (predicted risk) based on the actual holdings as of as December 31, 2009, was 1.10 percent and the predicted tracking error given the current target portfolio modeled by SIS is 1.17 percent. Target tracking error is at the low end of the OIC policy target. Ex-post tracking error (realized risk) is somewhat higher given the extreme volatility of the capital markets the last couple of years. Tracking error is a measure of how closely a portfolio follows an index.

Ex-post tracking error is generally measured on a three- or five-year performance period. The Public Equity portfolio does not have a three-year performance comparison as of yet. We continue to calculate ex-post tracking error on the U.S. and non-U.S. portfolios. The rolling five-year tracking error charts show a continued reduction in risk, particularly for the non-U.S. portfolio. Risk in the U.S. portfolio increased in recent years, first due to the hedge fund delevering event in August 2007 that spiked volatility of quantitative equity managers, and the credit crisis which spiked volatility of the PIMCO StocksPlus portfolio. The excess return correlation of the U.S. and non-U.S. portfolios has dropped significantly in recent years, reducing the overall risk to OPERF.

Internally Managed Funds

At the December 5, 2008, OIC meeting, staff and SIS presented the rationale for the implementation of internally managed equity index funds along with the recommended mandates, benchmark selection and strategies that would be utilized in managing the index funds. At the July 29, 2009 OIC meeting, staff returned and demonstrated that all systems, processes, policies and procedures were in place to manage equity assets internally. Subsequently, the OIC approved the funding of an S&P 500 index portfolio (\$400 million initial allocation), and an S&P 400 Index portfolio (\$100 million initial allocation).

Both mandates have performed according to expectations, and have added value relative to their respective benchmarks, as a result of:

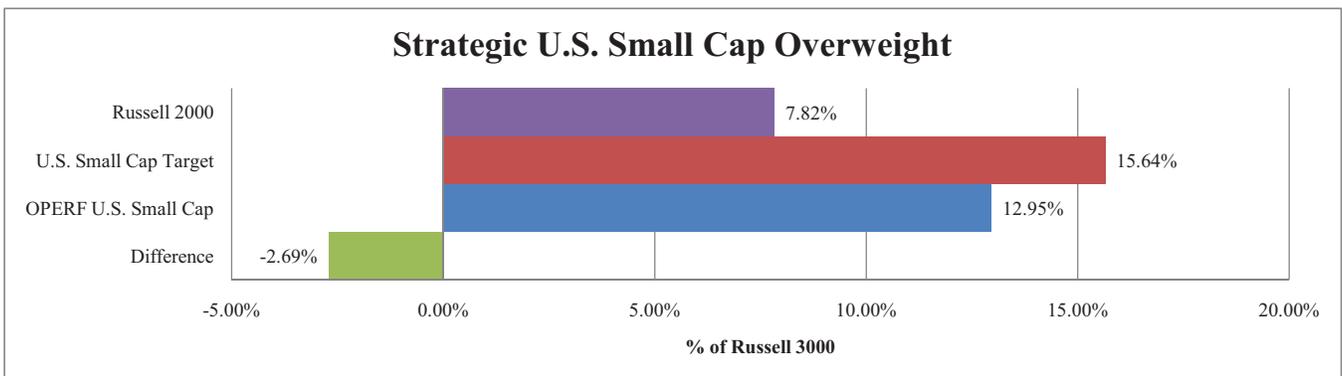
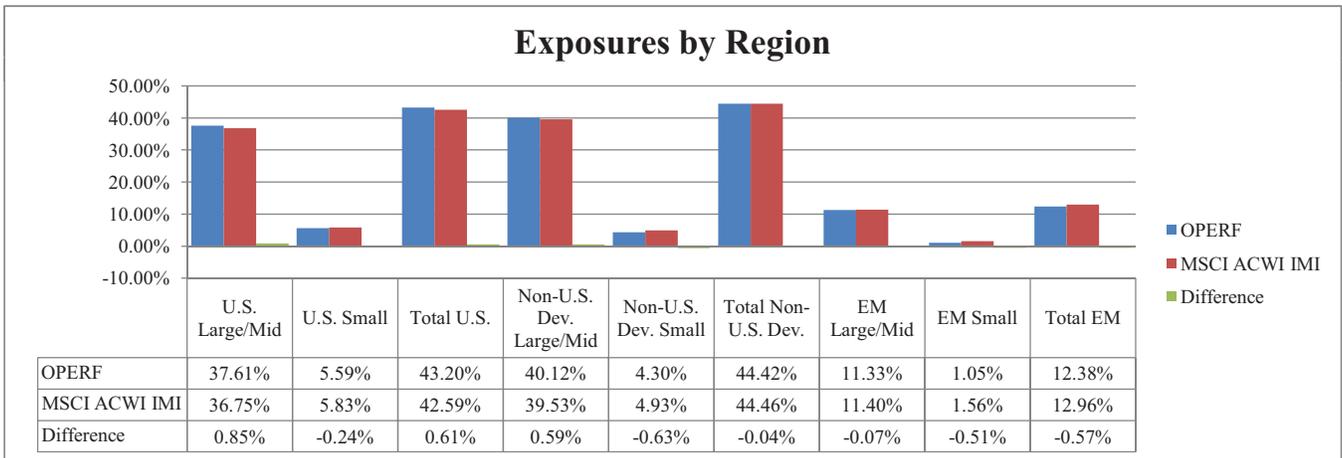
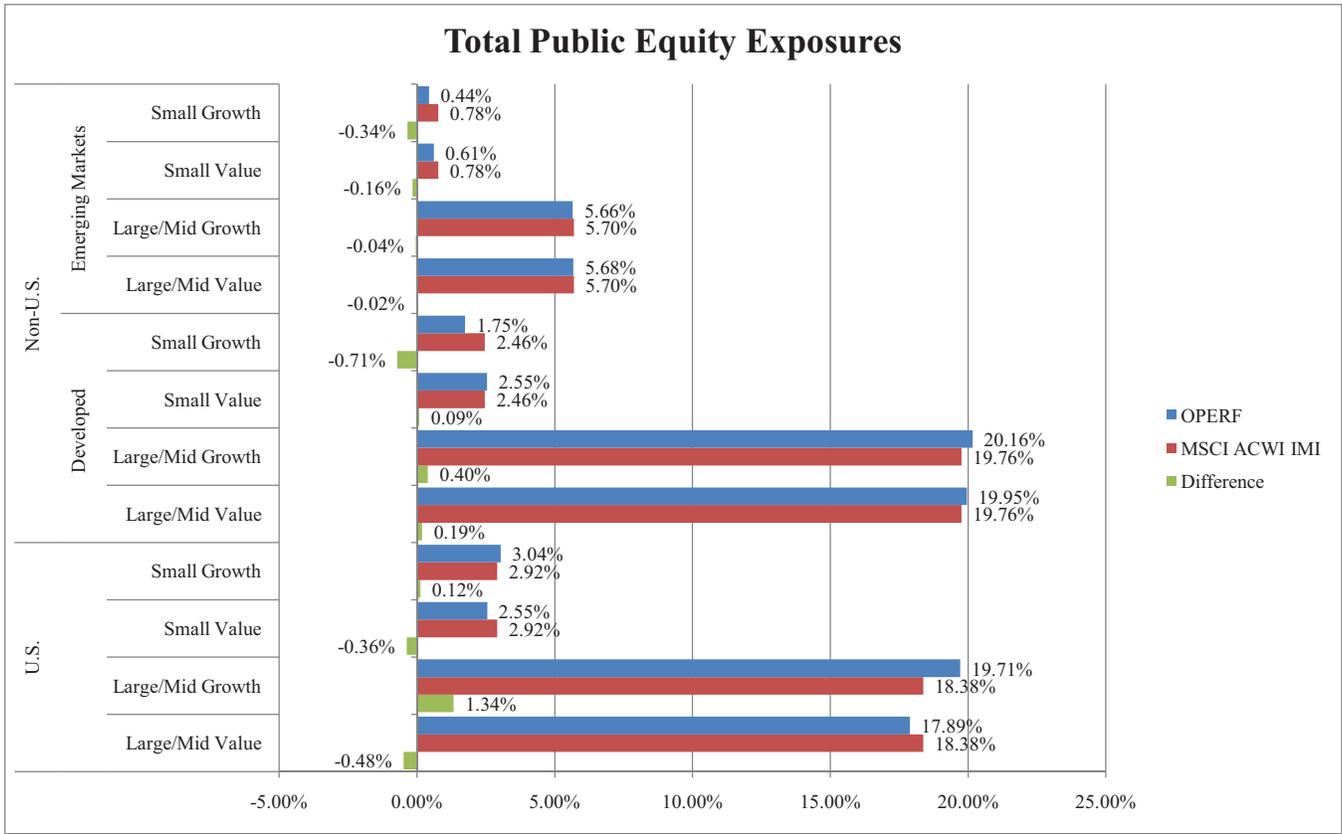
- 1) Portfolio strategies (positioning and trading around index changes and corporate actions);
- 2) Improved revenue sharing in securities lending programs, relative to Blackrock index funds (note: securities litigation receipts will not be credited to the accounts); and,

- 3) Use of equity futures to mitigate cash drag on the portfolio from corporate actions, dividend & interest accruals, and cash held in the account.

Period Ending 12/31/09		
	Market Value	Quarter
OST 500 Portfolio	\$ 492,303,873.00	6.09%
S&P 500 Index		6.04%
Excess		0.05%
<hr/>		
OST 400 Portfolio	\$ 126,735,231.00	5.93%
S&P 400 Index		5.55%
Excess		0.38%

The S&P 400 and S&P 500 internally managed portfolios have been running with ex-ante (predicted) tracking error of 20 basis points and slightly below 10 basis points, respectively.

December 2009
Actual and Target Manager Weightings



December 2009
Actual and Target Manager Weightings

Manager	Market Value	Current % of Equities	Target %	+/- Range	Current Variance
U.S. Large Cap:	6,809,991,992	32.8%	35.00%	6.00%	-2.2%
Aletheia Research	380,128,243	1.8%	1.50%	1.00%	0.3%
Aronson+Johnson+Ortiz	663,241,271	3.2%	4.00%	2.00%	-0.8%
BGI Russell 1000 Growth	828,960,420	4.0%	4.00%	3.00%	0.0%
BGI Russell 1000 Value	891,641,226	4.3%	4.00%	3.00%	0.3%
Delaware	348,691,607	1.7%	1.50%	1.00%	0.2%
MFS	681,082,230	3.3%	4.00%	2.00%	-0.7%
Northern Trust	645,790,626	3.1%	3.00%	1.50%	0.1%
PIMCO	766,363,392	3.7%	3.50%	1.50%	0.2%
Pyramis US Core	310,356,039	1.5%	1.50%	1.00%	0.0%
S&P 400 Index	126,735,231	0.6%	0.75%	0.75%	-0.1%
S&P 500 Index	492,303,873	2.4%	4.25%	3.00%	-1.9%
Wells Capital Select	674,697,834	3.3%	3.00%	1.50%	0.3%
U.S. Small and SMID Cap:	1,463,339,297	7.1%	8.20%	5.00%	-1.1%
AQR	138,534,709	0.7%	1.00%	0.75%	-0.3%
Boston Company	147,801,453	0.7%	1.00%	0.75%	-0.3%
Eudaimonia	56,899,909	0.3%	0.70%	0.70%	-0.4%
Next Century Micro	96,621,682	0.5%	0.50%	0.50%	0.0%
Next Century Small	101,794,510	0.5%	0.50%	0.50%	0.0%
Wanger	655,891,205	3.2%	3.00%	1.50%	0.2%
Wellington	265,795,829	1.3%	1.50%	1.00%	-0.2%
Non-U.S. Large Cap:	8,633,325,289	41.6%	40.50%	6.00%	1.1%
Acadian	793,976,997	3.8%	4.00%	2.00%	-0.2%
AQR	794,946,154	3.8%	4.00%	2.00%	-0.2%
Arrowstreet	1,035,964,842	5.0%	4.00%	2.00%	1.0%
Brandes	905,998,035	4.4%	4.00%	2.00%	0.4%
Lazard	888,535,766	4.3%	3.50%	1.75%	0.8%
Northern Trust	208,567,136	1.0%	1.00%	1.00%	0.0%
Pyramis Select	768,126,905	3.7%	4.00%	2.00%	-0.3%
SSgA	1,220,001,857	5.9%	7.00%	3.50%	-1.1%
TT International	710,134,099	3.4%	3.00%	1.50%	0.4%
UBS	513,421,680	2.5%	2.50%	1.25%	0.0%
Walter Scott	793,651,818	3.8%	3.50%	1.75%	0.3%
Non-U.S. Small Cap:	741,871,524	3.6%	3.30%	1.50%	0.3%
DFA	173,922,776	0.8%	0.70%	0.70%	0.1%
Harris	180,693,313	0.9%	0.70%	0.70%	0.2%
Pyramis Select	234,027,431	1.1%	1.20%	1.00%	-0.1%
Victory	153,228,004	0.7%	0.70%	0.70%	0.0%
Emerging Markets:	1,453,834,010	7.0%	6.00%	2.00%	1.0%
Arrowstreet	343,503,807	1.7%	1.00%	1.00%	0.7%
BGI TEMs	192,798,365	0.9%	1.00%	1.00%	-0.1%
Genesis	579,899,857	2.8%	2.50%	1.25%	0.3%
Pictet	337,631,981	1.6%	1.50%	1.00%	0.1%
Global:	1,649,783,299	7.9%	7.00%	3.50%	0.9%
AllianceBernstein	1,649,783,299	7.9%	7.00%	3.50%	0.9%
Total Open Equities	20,752,145,411	100%	100.00%		
Passive	3,559,642,607	17.2%	20.00%	10.00%	-2.8%
Active	17,192,502,804	82.8%	80.00%	10.00%	2.8%
Total Equities	20,752,145,411	100.0%	100.00%		

Other 6,977,189

TOTAL PUBLIC EQUITIES **20,759,122,600**

STATE OF OREGON - PERS

Periods Ending December 31, 2009



STATE STREET

TOTAL PLAN PERFORMANCE

	MKT VAL \$(M)	%	MONTH	3 MOS.	YTD	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	7 YEARS	10 YEARS
TOTAL REGULAR ACCOUNT	51,471,596	100.0	3.34	4.91	19.41	19.41	-6.61	-1.48	2.47	4.53	8.35	4.42
<i>OPERF POLICY BENCHMARK</i>			<i>2.96</i>	<i>4.64</i>	<i>15.51</i>	<i>15.51</i>	<i>-5.72</i>	<i>-0.59</i>	<i>3.07</i>	<i>4.39</i>	<i>8.19</i>	<i>3.85</i>
EXCESS			0.39	0.27	3.90	3.90	-0.89	-0.89	-0.60	0.14	0.16	0.56
TOTAL REGULAR ACCOUNT EX OVERLAY	51,078,743	99.2	3.32	4.84	18.19	18.19	-6.37	-1.29	2.67	4.70	8.47	4.50
¹ OVERLAY	392,852	0.8	0.02	0.07	1.22	1.22	-0.24	-0.19	-0.20			
TOTAL REGULAR EX RE & PE	35,845,230	68.4	1.85	3.85	31.51	31.51	-4.66	-0.74	2.89	4.12	8.30	3.86
<i>OREGON BALANCED INDEX</i>			<i>1.38</i>	<i>3.61</i>	<i>24.75</i>	<i>24.75</i>	<i>-5.14</i>	<i>-0.80</i>	<i>2.87</i>	<i>3.84</i>	<i>7.69</i>	<i>3.00</i>
TOTAL VARIABLE FUND	968,754	100.0	2.41	4.53	35.56	35.56	-11.16	-7.12	-2.05	-0.21		
² <i>VARIABLE FUND BLENDED INDEX</i>			<i>2.40</i>	<i>4.54</i>	<i>36.41</i>	<i>36.41</i>	<i>-11.44</i>	<i>-6.22</i>	<i>-1.16</i>	<i>0.25</i>		
BGI ACWI	963,170	99.4	2.42	4.55	36.52	36.52						
<i>MSCI ACWI IMI NET</i>			<i>2.40</i>	<i>4.54</i>	<i>36.41</i>	<i>36.41</i>						
CASH FUND	5,584	0.6	-0.03	0.21	2.37	2.37	1.81	3.00	3.51	3.43		
TOTAL PERS	52,440,350	100.0										

STATE OF OREGON - PERS

Periods Ending December 31, 2009



STATE STREET

TOTAL PLAN PERFORMANCE

Endnotes

- 1 Overlay - inception date is November 1, 2005.

- 2 Prior to March 31, 2008, index is Russell 3000. From April 1, 2008 to current, index is MSCI ACWI IMI Net.

STATE OF OREGON - PERS

Periods Ending December 31, 2009



DOMESTIC EQUITY MANAGER PERFORMANCE VERSUS BENCHMARKS

	MKT VAL \$(M)	%	MONTH	3 MOS.	YTD	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	7 YEARS	10 YEARS	INCEPT DATE
1 TOTAL PUBLIC EQUITY	20,759,123	100.0	2.81	4.54	36.91	36.91	-11.33	-5.05	0.44	2.64	8.68	1.48	07/01/1997
<i>MSCI ACWI IMI NET</i>			<i>2.40</i>	<i>4.54</i>	<i>36.41</i>	<i>36.41</i>							
EXCESS			0.41	-0.00	0.50	0.50							
TOTAL DOMESTIC EQUITY	8,277,167	100.0	3.23	6.13	32.86	32.86	-10.63	-5.60	-1.05	0.67	6.45	0.43	04/01/1971
<i>RUSSELL 3000</i>			<i>2.85</i>	<i>5.90</i>	<i>28.34</i>	<i>28.34</i>	<i>-10.30</i>	<i>-5.42</i>	<i>-0.53</i>	<i>0.76</i>	<i>6.20</i>	<i>-0.20</i>	
EXCESS			0.38	0.23	4.52	4.52	-0.33	-0.17	-0.52	-0.10	0.25	0.63	
LARGE GROWTH	2,232,478	27.0	2.40	7.35									08/01/2009
DELAWARE INVESTMENT ADVISORS	348,692	4.2	4.04	10.69	43.04	43.04							04/01/2008
ALETHEIA RESEARCH & MGMT	380,128	4.6	-1.39	2.15	34.56	34.56	-13.09						12/01/2007
WELLS CAPITAL MANAGEMENT	674,698	8.2	2.81	7.88	32.87	32.87	-13.09	-3.69	-1.62				06/01/2005
BGI RUSSELL 1000 GROWTH	828,960	10.0	3.19	8.08	37.56	37.56	-7.80	-1.65	0.95	1.81	6.08	-3.87	08/01/1998
<i>RUSSELL 1000 GROWTH</i>			<i>3.09</i>	<i>7.94</i>	<i>37.21</i>	<i>37.21</i>	<i>-8.09</i>	<i>-1.89</i>	<i>0.75</i>	<i>1.63</i>	<i>5.92</i>	<i>-3.99</i>	
LARGE VALUE	2,235,965	27.0	1.79	4.65									08/01/2009
ARONSON,JOHNSON, ORTIZ	663,241	8.0	1.68	4.88	16.88	16.88	-10.75	-7.67	-1.51	0.70			02/01/2003
MFS INSTITUTIONAL	681,082	8.2	1.88	4.91	21.49	21.49	-9.25	-3.68	2.13	3.09			02/01/2003
BGI RUSSELL 1000 VALUE	891,641	10.8	1.81	4.27	20.15	20.15	-12.82	-8.75	-1.82	-0.09	6.04	2.58	08/01/1998
<i>RUSSELL 1000 VALUE</i>			<i>1.77</i>	<i>4.22</i>	<i>19.69</i>	<i>19.69</i>	<i>-13.06</i>	<i>-8.96</i>	<i>-2.00</i>	<i>-0.25</i>	<i>5.92</i>	<i>2.47</i>	
SMALL GROWTH	255,316	3.1	9.87	6.42									08/01/2009
NEXT CENTURY GROWTH INVESTORS	101,795	1.2	9.35	7.93									07/01/2009
<i>RUSSELL 2000 GROWTH</i>			<i>8.56</i>	<i>4.14</i>									

STATE OF OREGON - PERS

Periods Ending December 31, 2009



DOMESTIC EQUITY MANAGER PERFORMANCE VERSUS BENCHMARKS

	MKT VAL \$(M)	%	MONTH	3 MOS.	YTD	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	7 YEARS	10 YEARS	INCEPT DATE
NEXT CENTURY GROWTH INV	96,622	1.2	11.46	9.58	44.50	44.50	-18.96						12/01/2007
EUDAIMONIA ASSET MGMT LLC	56,900	0.7	8.17	-0.90									07/01/2009
<i>RUSSELL MICROCAP GROWTH</i>			<i>7.52</i>	<i>-0.79</i>	<i>39.15</i>	<i>39.15</i>	<i>-12.23</i>						
SMALL VALUE	286,336	3.5	7.85	4.47									08/01/2009
AQR CAPITAL MANAGEMENT, LLC	138,535	1.7	7.55	4.04	31.17	31.17	-6.03	-7.81					07/01/2006
BOSTON COMPANY ASSET MGMT	147,801	1.8	8.12	4.87	32.24	32.24	-4.67	-4.73					07/01/2006
<i>RUSSELL 2000 VALUE</i>			<i>7.57</i>	<i>3.63</i>	<i>20.57</i>	<i>20.57</i>	<i>-7.43</i>	<i>-8.22</i>					
MARKET ORIENTED	3,263,236	39.4	3.86	6.40									08/01/2009
PACIFIC INVESTMENT MANAGEMENT CO.	766,363	9.3	2.28	7.01	57.76	57.76	-8.01	-3.22	1.16	2.11			05/01/2003
PYRAMIS LARGE CAP CORE	310,356	3.7	3.92	6.29	29.32	29.32							08/01/2008
<i>RUSSELL 1000</i>			<i>2.43</i>	<i>6.07</i>	<i>28.43</i>	<i>28.43</i>	<i>-10.48</i>	<i>-5.36</i>	<i>-0.53</i>	<i>0.79</i>			
NORTHERN TRUST DOMESTIC EQUITY	645,791	7.8	3.31	5.99	28.36	28.36	-10.93	-5.16	-0.63	0.96	7.14	1.97	01/01/1996
<i>RUSSELL 3000</i>			<i>2.85</i>	<i>5.90</i>	<i>28.34</i>	<i>28.34</i>	<i>-10.30</i>	<i>-5.42</i>	<i>-0.53</i>	<i>0.76</i>	<i>6.20</i>	<i>-0.20</i>	
WANGER ASSET MANAGEMENT	655,891	7.9	6.04	6.84	43.08	43.08	-6.41	-1.59	2.94	4.72	12.30	8.61	01/01/1979
<i>RUSSELL 2500</i>			<i>7.21</i>	<i>5.08</i>	<i>34.38</i>	<i>34.38</i>	<i>-7.83</i>	<i>-4.86</i>	<i>0.01</i>	<i>1.58</i>	<i>9.28</i>	<i>4.91</i>	
WELLINGTON MGMT - DOMESTIC EQUITY	265,796	3.2	7.05	5.12	46.91	46.91	-11.08	-7.66	-2.45	0.19	9.45	9.80	03/01/1997
<i>RUSSELL 2000</i>			<i>8.05</i>	<i>3.87</i>	<i>27.16</i>	<i>27.16</i>	<i>-8.24</i>	<i>-6.07</i>	<i>-0.48</i>	<i>0.51</i>	<i>8.65</i>	<i>3.51</i>	
S & P 500 INDEX OST MANAGED	492,304	5.9	1.96	6.09									10/01/2009
<i>S&P 500</i>			<i>1.93</i>	<i>6.04</i>									

STATE OF OREGON - PERS

Periods Ending December 31, 2009



DOMESTIC EQUITY MANAGER PERFORMANCE VERSUS BENCHMARKS

	MKT VAL \$(M)	%	MONTH	3 MOS.	YTD	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	7 YEARS	10 YEARS	INCEPT DATE
S & P 400 INDEX OST MANAGED	126,735	1.5	6.45	5.95									10/01/2009
<i>S&P 400 MIDCAP</i>			<i>6.28</i>	<i>5.56</i>									
OTHER DOMESTIC EQUITY													
² ZESIGER CAPITAL	1,362	0.0											01/01/1996
ALL OTHER DOMESTIC EQUITY FUNDS	2,473	0.0											10/01/1999

STATE OF OREGON - PERS

Periods Ending December 31, 2009



STATE STREET

DOMESTIC EQUITY MANAGER PERFORMANCE VERSUS BENCHMARKS

	MKT VAL \$(M)	%	MONTH	3 MOS.	YTD	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	7 YEARS	10 YEARS	INCEPT DATE
<i>RUSSELL 3000</i>			2.85	5.90	28.34	28.34	-10.30	-5.42	-0.53	0.76	6.20	-0.20	
<i>S&P 500</i>			1.93	6.04	26.46	26.46	-10.74	-5.63	-0.67	0.42	5.52	-0.95	
<i>RUSSELL 1000</i>			2.43	6.07	28.43	28.43	-10.48	-5.36	-0.53	0.79	6.02	-0.49	
<i>RUSSELL 1000 GROWTH</i>			3.09	7.94	37.21	37.21	-8.09	-1.89	0.75	1.63	5.92	-3.99	
<i>RUSSELL 1000 VALUE</i>			1.77	4.22	19.69	19.69	-13.06	-8.96	-2.00	-0.25	5.92	2.47	
<i>RUSSELL 2000</i>			8.05	3.87	27.16	27.16	-8.24	-6.07	-0.48	0.51	8.65	3.51	
<i>RUSSELL 2000 GROWTH</i>			8.56	4.14	34.47	34.47	-9.09	-4.00	0.07	0.87	8.53	-1.37	
<i>RUSSELL 2000 VALUE</i>			7.57	3.63	20.57	20.57	-7.43	-8.22	-1.15	-0.01	8.63	8.27	
<i>RUSSELL 2500</i>			7.21	5.08	34.38	34.38	-7.83	-4.86	0.01	1.58	9.28	4.91	
<i>BofA MERRILL LYNCH ALL CONVERTIBLES</i>			4.08	5.98	49.13	49.13	-2.10	0.06	3.11	2.69	6.86	2.27	

STATE OF OREGON - PERS

Periods Ending December 31, 2009



STATE STREET

DOMESTIC EQUITY MANAGER PERFORMANCE VERSUS BENCHMARKS

Endnotes

- 1 The start date for the Total Public Equity benchmark is January 1, 2008, when public equities were restructured to an ACWI asset allocation.

- 2 Terminated December 1999.

STATE OF OREGON - PERS

Periods Ending December 31, 2009



INTERNATIONAL EQUITY MANAGER PERFORMANCE VERSUS BENCHMARKS

	MKT VAL \$(M)	%	MONTH	3 MOS.	YTD	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	7 YEARS	10 YEARS	INCEPT DATE
TOTAL INTERNATIONAL EQUITY	10,829,152	100.0	2.51	3.29	41.10	41.10	-10.51	-2.42	4.20	6.96	13.34	3.59	04/01/1985
1 <i>OREGON MSCI ACWI EX US IMI NET</i>			<i>2.15</i>	<i>3.66</i>	<i>43.61</i>	<i>43.61</i>	<i>-11.72</i>	<i>-2.99</i>	<i>3.80</i>	<i>6.33</i>	<i>12.86</i>	<i>3.13</i>	
EXCESS			0.36	-0.37	-2.50	-2.50	1.20	0.57	0.40	0.63	0.48	0.46	
INTERNATIONAL MARKET ORIENTED(CORE)	4,916,143	45.4	2.09	3.07									08/01/2009
NORTHERN TRUST NON - US EQUITY	208,567	1.9	1.59	1.77	34.40	34.40							04/01/2008
<i>MSCI World Ex US IMI Net</i>			<i>1.56</i>	<i>2.22</i>	<i>35.34</i>	<i>35.34</i>							
ARROWSTREET CAPITAL, L.P.	1,035,965	9.6	3.73	5.65	50.43	50.43	-6.93	1.40	6.81	8.83	15.00		11/01/2002
1 <i>OREGON MSCI ACWI EX US IMI NET</i>			<i>2.15</i>	<i>3.66</i>	<i>43.61</i>	<i>43.61</i>	<i>-11.72</i>	<i>-2.99</i>	<i>3.80</i>	<i>6.33</i>	<i>12.86</i>		
LAZARD ASSET MANAGEMENT	888,536	8.2	1.78	2.65	32.84	32.84	-9.60	-2.23	4.08	6.66	12.68		08/01/2000
2 <i>OREGON MSCI ACWI EX US NET</i>			<i>2.11</i>	<i>3.74</i>	<i>41.45</i>	<i>41.45</i>	<i>-12.07</i>	<i>-3.26</i>	<i>3.59</i>	<i>6.16</i>	<i>12.73</i>		
AQR CAPITAL MANAGEMENT, LLC	794,946	7.3	2.08	2.39	38.95	38.95	-13.09						02/01/2007
PYRAMIS GLOBAL ADVISORS	768,127	7.1	1.24	2.20	30.88	30.88	-13.82	-4.04	2.93	5.38			12/01/2004
SSGA	1,220,002	11.3	1.59	2.47									07/01/2009
3 <i>OREGON MSCI WORLD EX US NET</i>			<i>1.59</i>	<i>2.44</i>	<i>33.67</i>	<i>33.67</i>	<i>-12.97</i>	<i>-5.08</i>	<i>1.93</i>	<i>4.41</i>			
INTERNATIONAL VALUE	1,699,975	15.7	1.98	0.43									08/01/2009
ACADIAN ASSET MANAGEMENT	793,977	7.3	3.73	1.12	36.06	36.06	-20.43	-9.50	-0.81	4.18	13.47	7.40	01/01/1992
4 <i>OREGON MSCI ACWI EX US VALUE IMI NET</i>			<i>1.79</i>	<i>2.13</i>	<i>46.35</i>	<i>46.35</i>	<i>-10.64</i>	<i>-3.41</i>	<i>4.12</i>	<i>6.61</i>	<i>14.38</i>	<i>5.76</i>	
BRANDES INVESTMENT PARTNERS	905,998	8.4	0.50	-0.18	23.02	23.02	-12.80	-6.09	1.96	3.73	12.12	5.29	01/01/1998
5 <i>OREGON MSCI ACWI EX US VALUE NET</i>			<i>1.73</i>	<i>2.25</i>	<i>44.29</i>	<i>44.29</i>	<i>-11.11</i>	<i>-3.74</i>	<i>3.85</i>	<i>6.38</i>	<i>14.20</i>	<i>5.65</i>	

STATE OF OREGON - PERS

Periods Ending December 31, 2009



STATE STREET

INTERNATIONAL EQUITY MANAGER PERFORMANCE VERSUS BENCHMARKS

	MKT VAL \$(M)	%	MONTH	3 MOS.	YTD	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	7 YEARS	10 YEARS	INCEPT DATE
INTERNATIONAL GROWTH	2,017,208	18.6	2.52	2.66									08/01/2009
TT INTERNATIONAL	710,134	6.6	2.50	0.91	36.53	36.53	-14.18	-4.96	1.84	5.63	10.61	0.92	05/01/1998
6 OREGON MSCI WORLD EX US GROWTH NET			2.05	4.30	30.65	30.65	-13.49	-3.95	2.07	4.49	9.92	-0.71	
WALTER SCOTT MGMT	793,652	7.3	1.91	3.38	31.30	31.30	-4.98	0.93	5.63	7.86			12/01/2004
3 OREGON MSCI WORLD EX US NET			1.59	2.44	33.67	33.67	-12.97	-5.08	1.93	4.41			
UBS GLOBAL ASSET MGMT AMERICAS	513,422	4.7	3.49	4.06	37.01	37.01							12/01/2008
MSCI ACWI exUS Growth IMI net			2.52	5.26	40.89	40.89							
INTERNATIONAL SMALL CAP	741,872	6.9	1.43	0.46									08/01/2009
DIMENSIONAL FUND ADVISORS	173,923	1.6	1.82	-2.31	62.05	62.05							01/01/2009
MSCI World Ex US Small Cap Value (NET)			1.04	-1.62	52.56	52.56							
HARRIS ASSOCIATES	180,693	1.7	1.57	5.16	74.08	74.08							01/01/2009
MSCI ACWI Ex US Small Cap Value (NET)			2.22	1.26	64.53	64.53							
PYRAMIS SELECT SMALL CAP	234,027	2.2	0.76	-0.87	45.31	45.31							01/01/2009
MSCI WORLD EX US SMALL CAP (NET)			1.26	0.48	50.82	50.82							
VICTORY CAPITAL MANAGEMENT	153,228	1.4	1.83	0.47	16.59	16.59							01/01/2009
MSCI World Ex US Small Cap Growth (NET)			1.49	2.73	49.03	49.03							

STATE OF OREGON - PERS

Periods Ending December 31, 2009



INTERNATIONAL EQUITY MANAGER PERFORMANCE VERSUS BENCHMARKS

	MKT VAL \$(M)	%	MONTH	3 MOS.	YTD	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	7 YEARS	10 YEARS	INCEPT DATE
INTERNATIONAL EMERGING MARKETS	1,453,834	13.4	5.15	10.28									08/01/2009
TOTAL GENESIS ASSET MANAGERS	579,900	5.4	4.60	11.25	92.85	92.85	-0.36	8.88	13.20	17.54	25.10	14.24	03/01/1992
ARROWSTREET EMERGING MARKET	343,504	3.2	7.41	10.98	89.56	89.56	-1.43	15.00					09/01/2006
7 <i>ORE MSCI EMERGING MARKETS IMI NET</i>			<i>4.26</i>	<i>8.99</i>	<i>82.38</i>	<i>82.38</i>	<i>-7.73</i>	<i>5.97</i>	<i>12.08</i>	<i>16.25</i>	<i>22.67</i>	<i>10.28</i>	
PICTET INVESTMENT MANAGEMENT	337,632	3.1	4.44	9.46	82.66	82.66	-11.57	2.36					05/01/2006
BGI TIERED EMERGING MARKETS	192,798	1.8	4.11	7.66									02/01/2009
8 <i>OREGON MSCI EMERGING MARKETS NET</i>			<i>3.95</i>	<i>8.55</i>	<i>78.51</i>	<i>78.51</i>	<i>-8.67</i>	<i>5.25</i>					
TOTAL CLOSED INT'L EQUITY	122	0.0											10/01/1999
OTHER PUBLIC EQUITY													
ALLIANCE BERNSTEIN	1,649,783		2.73	4.98	37.38	37.38	-19.80						03/01/2007
<i>MSCI AC WORLD (NET)</i>			<i>2.07</i>	<i>4.63</i>	<i>34.63</i>	<i>34.63</i>	<i>-11.78</i>						
TOTAL CLOSED GLOBAL EQUITY	3,020												06/01/2009
TRANSITIONAL MANAGERS	236												02/01/1997
TRANSITION ACCOUNT	153												08/01/1997
SHOTT CAPITAL MANAGEMENT	49,751												11/01/1999
MISCELLANEOUS BENCHMARKS													
<i>MSCI ACWI IMI NET</i>			<i>2.40</i>	<i>4.54</i>	<i>36.41</i>	<i>36.41</i>	<i>-11.32</i>	<i>-4.38</i>	<i>1.40</i>	<i>3.35</i>	<i>9.27</i>	<i>0.92</i>	
<i>MSCI EAFE (NET)</i>			<i>1.44</i>	<i>2.18</i>	<i>31.78</i>	<i>31.78</i>	<i>-13.62</i>	<i>-6.04</i>	<i>1.18</i>	<i>3.54</i>	<i>10.27</i>	<i>1.17</i>	
<i>MSCI EUROPE (NET)</i>			<i>1.51</i>	<i>3.24</i>	<i>35.83</i>	<i>35.83</i>	<i>-14.69</i>	<i>-6.07</i>	<i>2.60</i>	<i>3.93</i>	<i>10.65</i>	<i>1.98</i>	
<i>MSCI JAPAN (NET)</i>			<i>0.77</i>	<i>-2.76</i>	<i>6.25</i>	<i>6.25</i>	<i>-13.27</i>	<i>-10.36</i>	<i>-6.47</i>	<i>-0.80</i>	<i>6.09</i>	<i>-3.67</i>	
<i>MSCI PACIFIC (NET)</i>			<i>1.31</i>	<i>0.07</i>	<i>24.18</i>	<i>24.18</i>	<i>-11.15</i>	<i>-5.97</i>	<i>-1.73</i>	<i>2.73</i>	<i>9.48</i>	<i>-0.55</i>	

STATE OF OREGON - PERS

Periods Ending December 31, 2009



INTERNATIONAL EQUITY MANAGER PERFORMANCE VERSUS BENCHMARKS

Endnotes

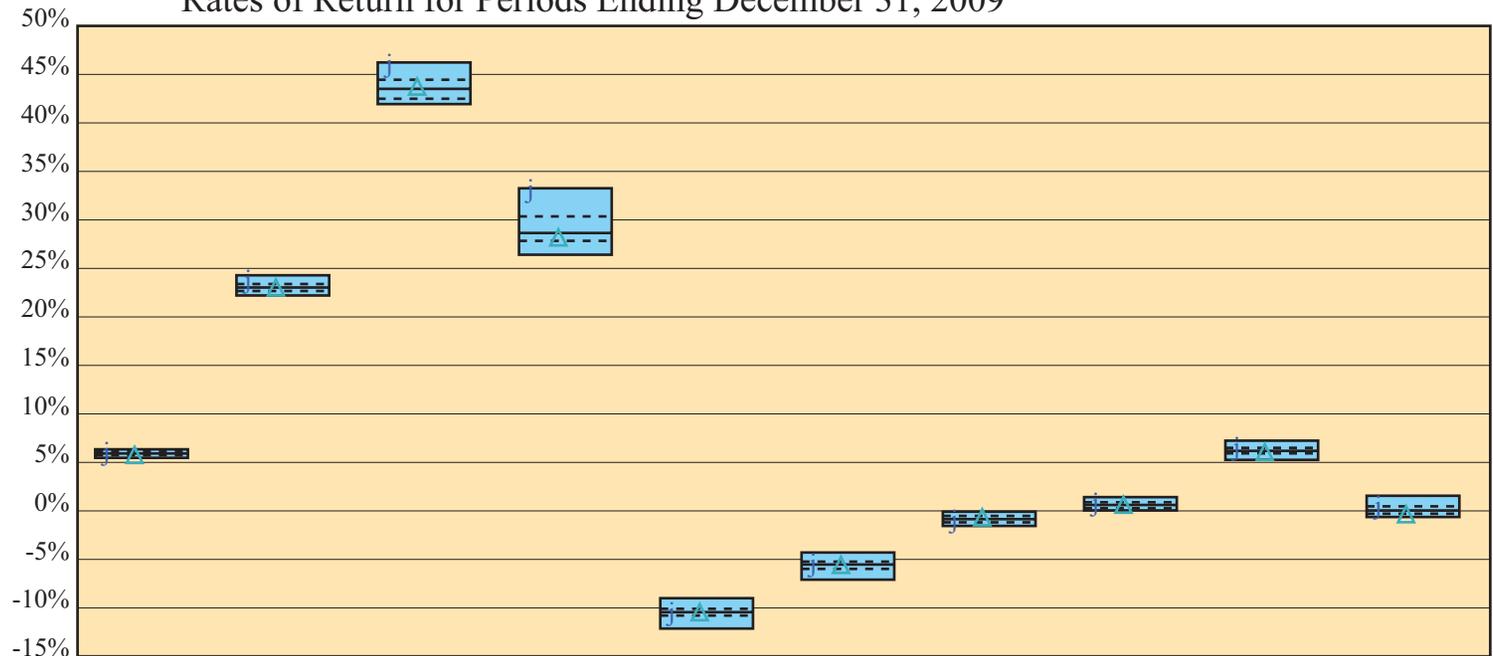
- 1 Effective June 1, 2008, MSCI completed the implementation of the Investable Market Index(IMI - Large Cap+Mid Cap+Small Cap). The MSCI ACWI ex US IMI Net Index was formally adopted as the benchmark for the International Equity fund.
Benchmark performance through May 31, 2008, is MSCI AWCI ex US Gross and is linked thereafter with the MSCI ACWI ex US IMI Net Index.
 - 2 Benchmark performance through May 31, 2008, is the applicable MSCI Standard Gross Index and is linked thereafter with the MSCI Standard Net Index.
 - 3 Benchmark performance through May 31, 2008, is the applicable MSCI Standard Gross Index and is linked thereafter with the MSCI Standard Net Index.
 - 4 Benchmark performance through May 31, 2008, is the applicable MSCI Standard Gross Index and is linked thereafter with the MSCI IMI Net Index.
 - 5 Benchmark performance through May 31, 2008, is the applicable MSCI Standard Gross Index and is linked thereafter with the MSCI Standard Net Index.
 - 6 Benchmark performance through May 31, 2008, is the applicable MSCI Standard Gross Index and is linked thereafter with the MSCI Standard Net Index.
 - 7 Benchmark performance through May 31, 2008, is the applicable MSCI Standard Gross Index and is linked thereafter with the MSCI IMI Net Index.
 - 8 Benchmark performance through May 31, 2008, is the applicable MSCI Standard Gross Index and is linked thereafter with the MSCI Standard Net Index.
-

State of Oregon

Total Returns of Public Domestic Equity Investment Pools

Total Market Value Greater Than \$1.0 Billion

Rates of Return for Periods Ending December 31, 2009



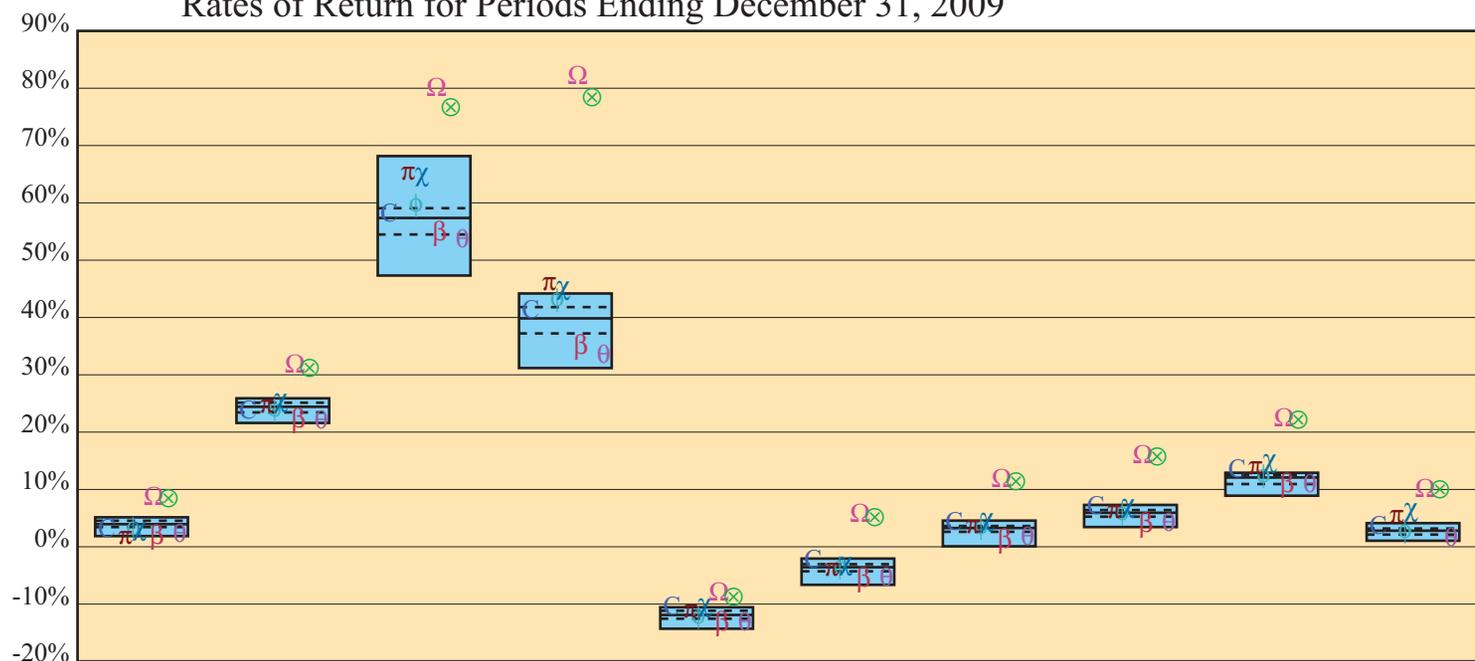
	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
5th Percentile	6.35	24.29	46.23	33.26	-9.00	-4.29	-0.08	1.42	7.24	1.56
25th Percentile	6.14	23.39	44.45	30.36	-10.09	-5.23	-0.52	0.89	6.50	0.47
Median	5.92	23.03	43.51	28.65	-10.44	-5.53	-0.85	0.61	6.19	0.04
75th Percentile	5.74	22.67	42.49	27.84	-10.79	-5.98	-1.18	0.27	5.93	-0.29
95th Percentile	5.47	22.21	41.94	26.41	-12.13	-7.09	-1.55	0.05	5.26	-0.63
j Total Domestic Equity	6.22 (16)	23.96 (8)	46.23 (5)	33.26 (5)	-10.37 (37)	-5.34 (32)	-0.80 (46)	0.91 (21)	6.69 (17)	0.64 (9)
Δ Russell 3000	5.90 (56)	23.17 (31)	43.88 (40)	28.33 (56)	-10.31 (31)	-5.43 (42)	-0.53 (25)	0.77 (32)	6.20 (46)	-0.21 (62)

State of Oregon

Total Returns of Public Intl Equity Investment Pools

Total Market Value Greater Than \$1.0 Billion

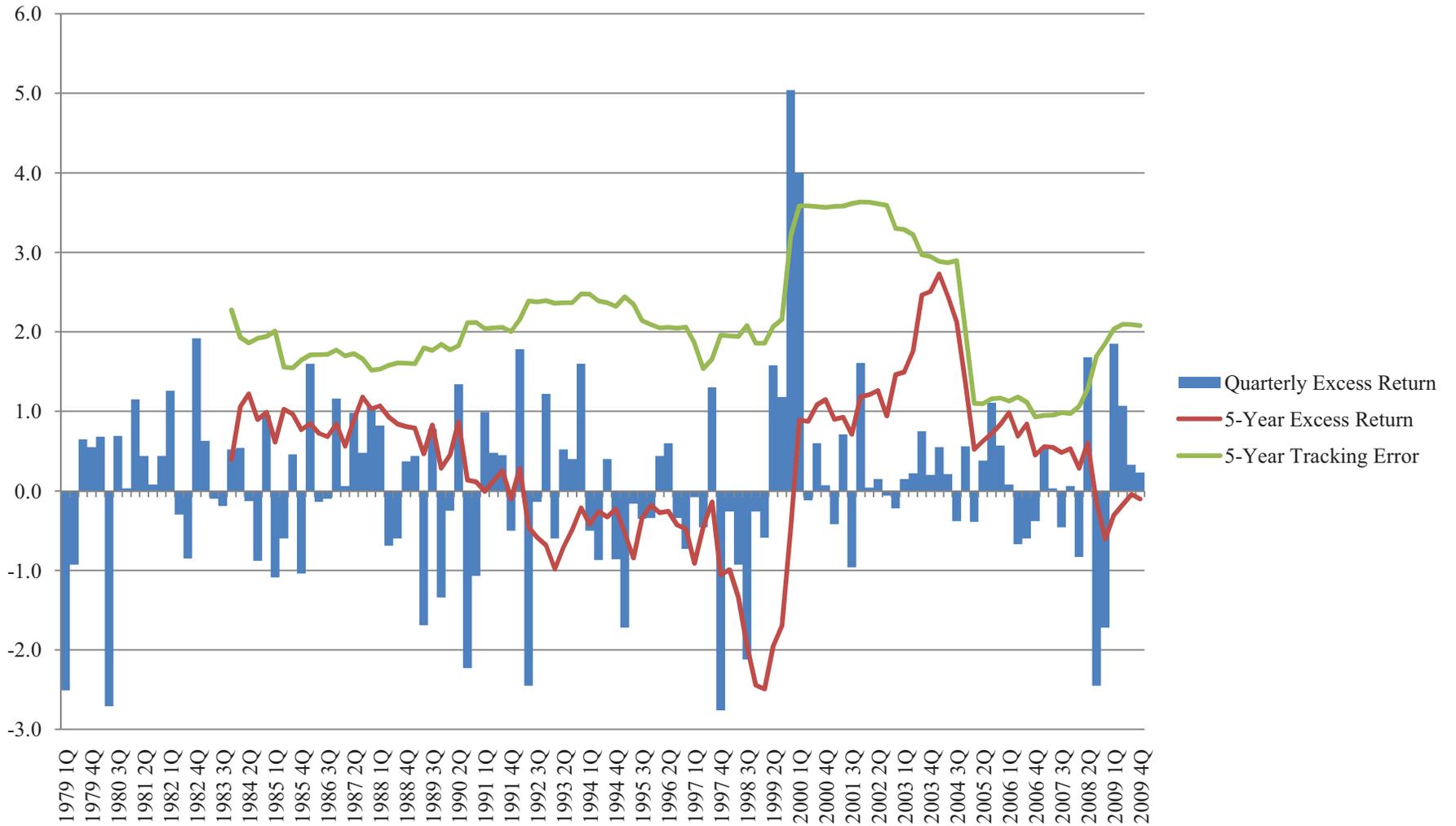
Rates of Return for Periods Ending December 31, 2009



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
5th Percentile	5.14	25.90	68.16	44.19	-10.55	-2.06	4.56	7.30	12.91	4.12
25th Percentile	4.54	25.13	59.07	41.81	-11.16	-3.04	3.62	6.40	12.49	3.18
Median	3.94	24.42	57.36	39.85	-11.90	-3.57	3.27	5.93	12.08	2.80
75th Percentile	3.43	23.44	54.48	37.22	-12.55	-4.28	2.61	5.25	10.94	2.12
95th Percentile	1.86	21.60	47.32	31.18	-14.30	-6.64	0.08	3.44	8.91	1.05
C Total International Equity	3.38 (80)	24.05 (60)	58.36 (30)	41.62 (33)	-10.16 (1)	-2.06 (5)	4.56 (5)	7.33 (1)	13.70 (1)	3.92 (10)
ϕ Oregon MSCI ACWI Ex US IMI Net	3.66 (62)	24.45 (47)	60.09 (10)	43.61 (5)	-11.72 (46)	-2.99 (21)	3.80 (18)	6.33 (25)	12.86 (5)	3.13 (25)
β MSCI World Ex US IMI Net	2.22 (91)	22.40 (88)	55.08 (69)	35.34 (77)	-12.94 (78)	-5.39 (81)	1.53 (83)	4.21 (91)	11.20 (65)	
θ Oregon MSCI World Ex US Net	2.44 (88)	22.27 (88)	53.88 (77)	33.67 (91)	-12.97 (81)	-5.08 (81)	1.93 (83)	4.41 (87)	11.18 (65)	1.88 (75)
π Oregon MSCI ACWI Ex US Value IM	2.13 (91)	25.07 (25)	65.67 (5)	46.35 (1)	-10.64 (5)	-3.41 (35)	4.12 (15)	6.61 (9)	14.38 (1)	5.76 (1)
χ Oregon MSCI ACWI Ex US Value Ne	2.25 (91)	24.79 (37)	64.16 (8)	44.29 (1)	-11.11 (21)	-3.74 (67)	3.85 (15)	6.38 (25)	14.20 (1)	5.65 (1)
Ω Oregon MSCI Emerging Markets IM	8.99 (1)	32.07 (1)	80.24 (1)	82.38 (1)	-7.73 (1)	5.97 (1)	12.08 (1)	16.25 (1)	22.67 (1)	10.28 (1)
\otimes Oregon MSCI Emerging Markets Ne	8.55 (1)	31.24 (1)	76.83 (1)	78.51 (1)	-8.67 (1)	5.25 (1)	11.50 (1)	15.77 (1)	22.31 (1)	10.06 (1)

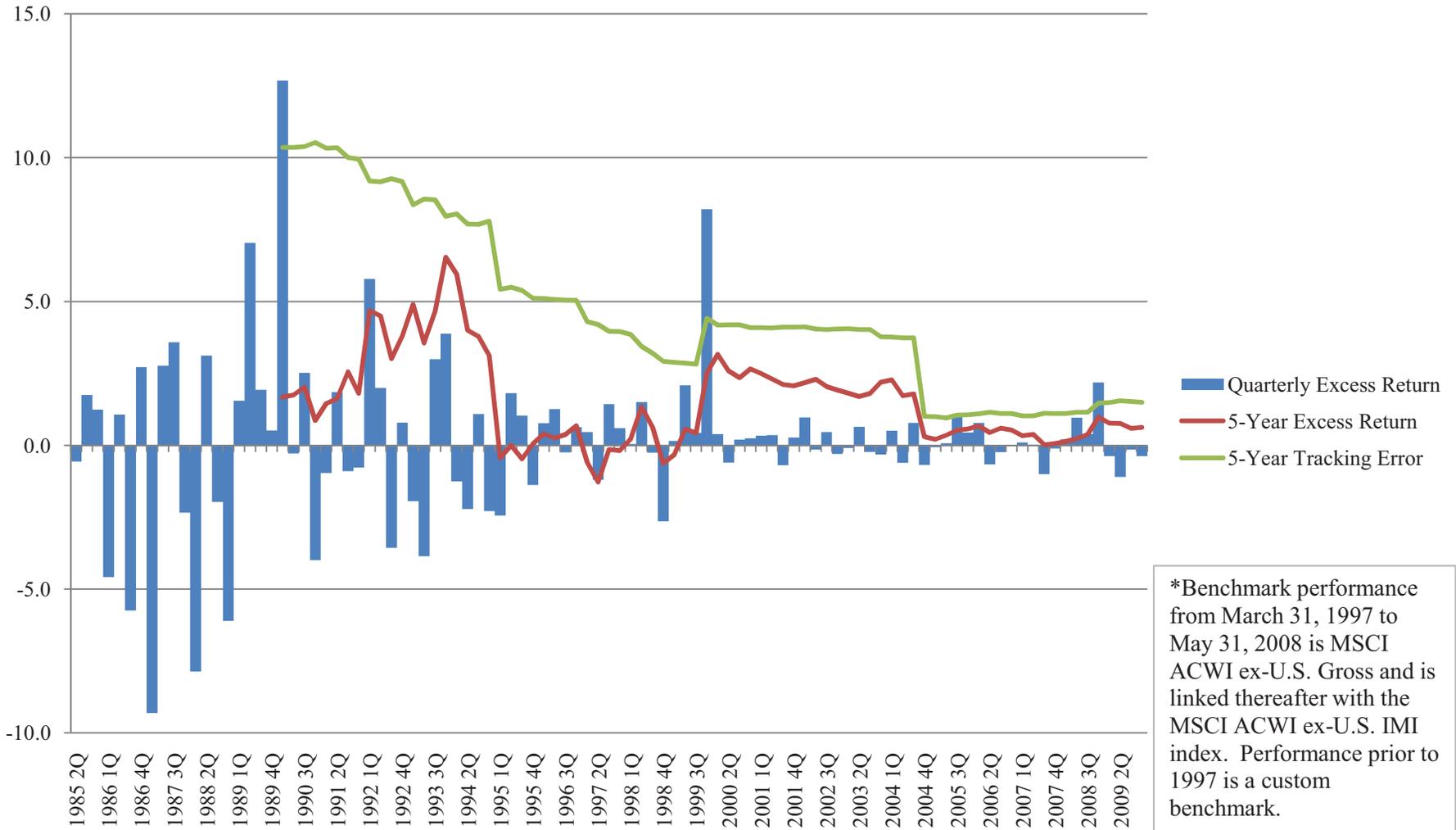
Domestic Equity Fund

Excess Returns (net of fees) vs. Russell 3000
Quarterly Observations, March 31, 1979 to December 31, 2009



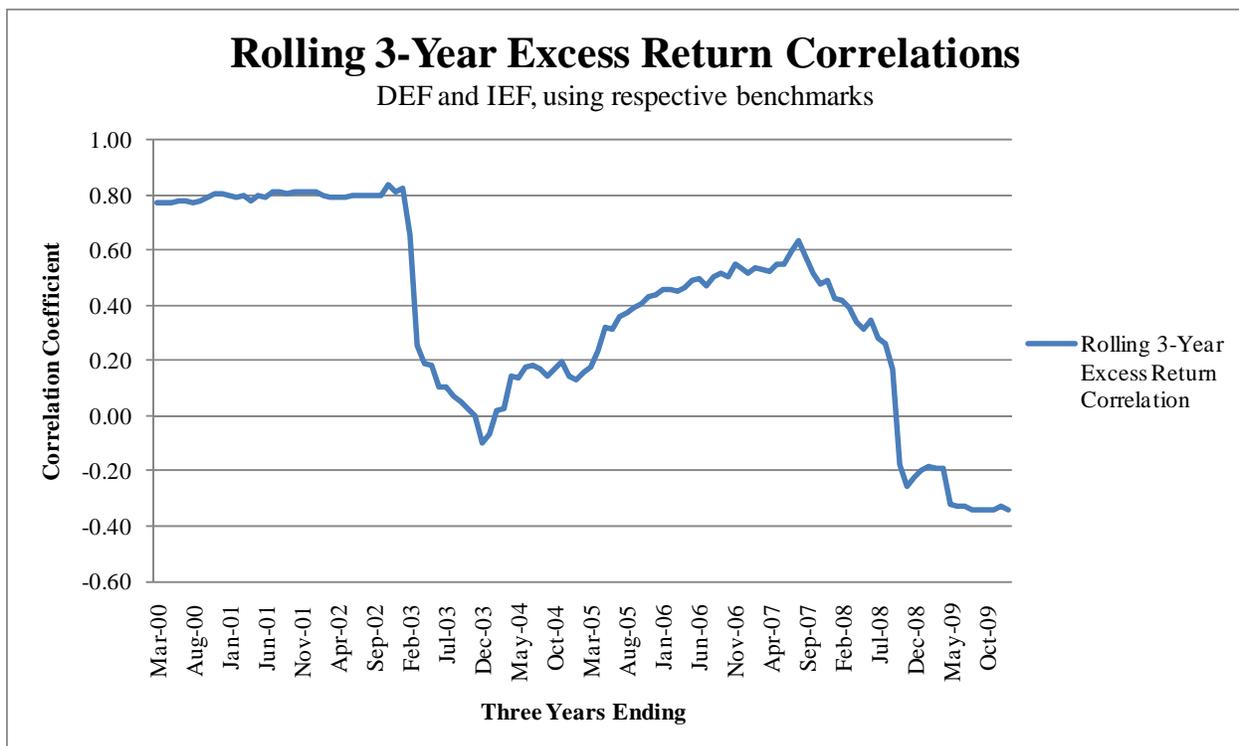
International Equity Fund

Excess Returns (net of fees) vs. MSCI ACWI ex-U.S. IMI*
Quarterly Observations, June 30, 1985 to December 31, 2009



Oregon Investment Council Public Equity Review Correlation of Excess Returns

Even though the public equity portfolio was restructured using a global construct, we continue to retain the Domestic Equity Fund (DEF) and International Equity Fund (IEF) composites for performance and attribution purposes. Through restructuring, the public equity portfolio has experienced a significant decline in the excess return correlations between the DEF and the IEF. The blue line in the chart below represents the rolling three-year excess return correlation from March 31, 2000 to December 31, 2009.



As shown, the correlation between the portfolios has decreased markedly. For the three-year period ended December 31, 2009, the excess return correlation equaled -0.34. Although the excess return correlation peaked again in August 2007, it has returned to a level consistent with our expectations.

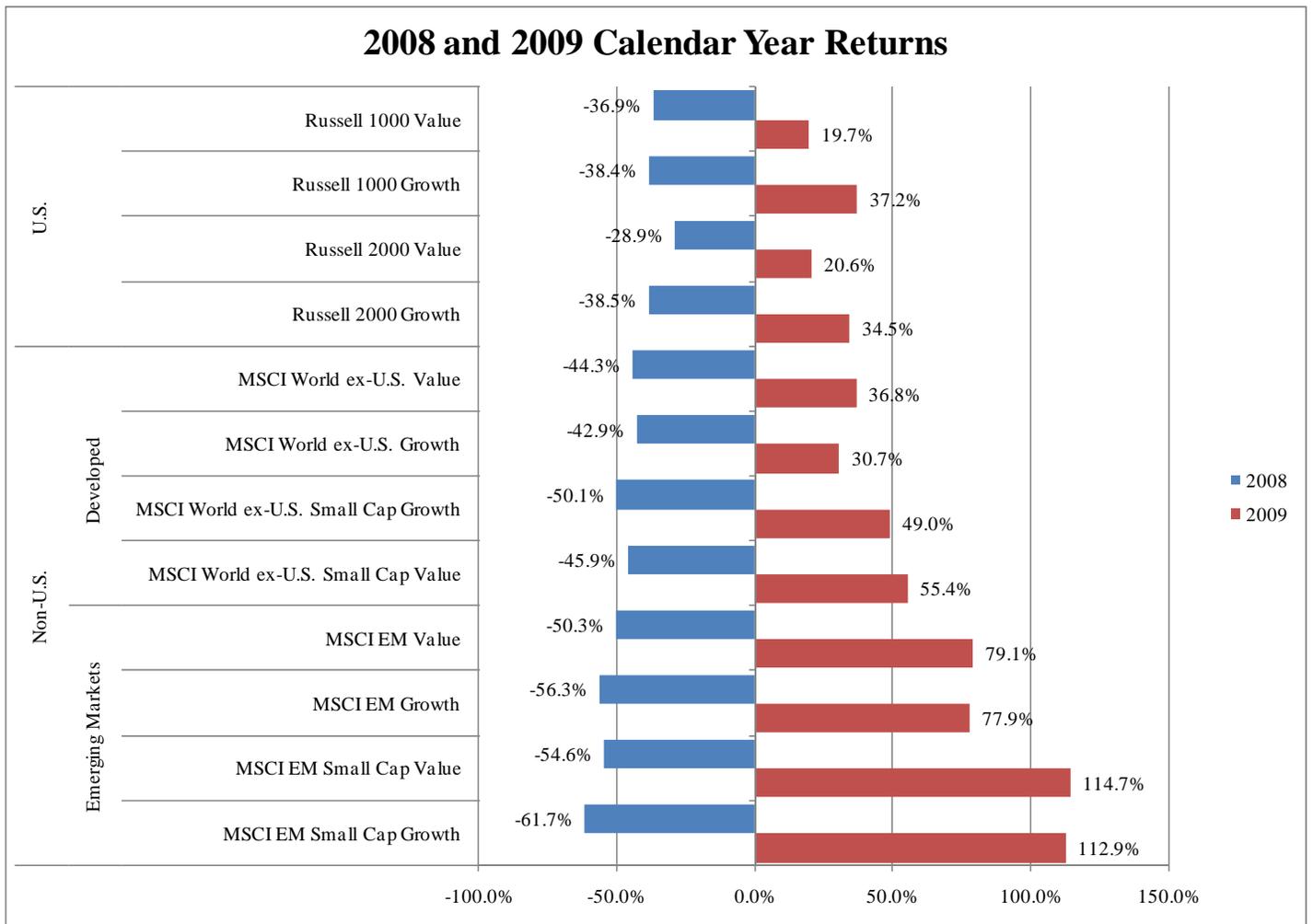
For reference: In investing, a common statistic utilized when comparing two portfolios is correlation. Correlation refers to the degree to which two securities move together over time. Correlation is measured by the correlation coefficient, which ranges between -1 and +1. A coefficient that is -1 means that the portfolios are perfectly negatively correlated (move the same amount in opposite directions), a coefficient of 0 signifies zero or no correlation (move together randomly), and a coefficient of +1 means perfect positive correlation (move in the same amount in the same direction).

Applying the same methodology as with a standard correlation coefficient calculation, the correlation of excess returns attempts to indicate linearity in the movement of portfolio returns above a given benchmark. The calculation is useful within an asset class because it removes the market variable both have in common.

Oregon Investment Council Public Equity Review Perspectives on Recent Market Performance

The 2008 and 2009 calendar years will undoubtedly remain at the center of capital markets history, as one of the worst markets was followed by one of the best. This section serves as a broad recap of the two years, reviewing performance and trends of the period.

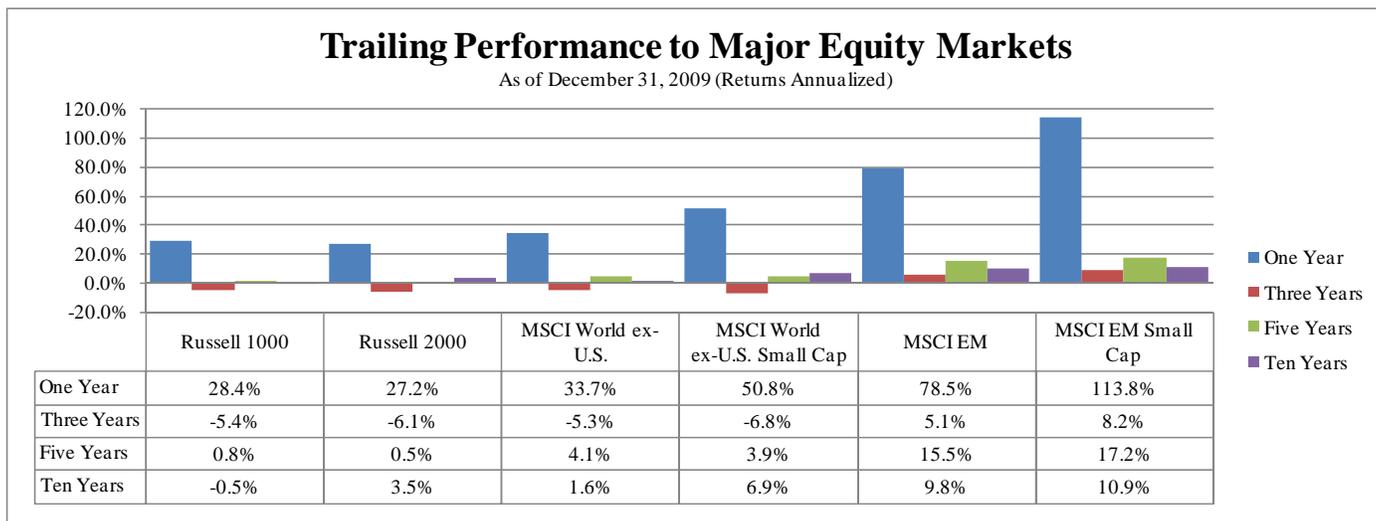
After 2008, the global downturn continued into the first months of 2009, but the year eventual brought the turning point for equity markets. On March 9, global markets hit their lowest point and then began to rise. Emerging markets led the recovery as the MSCI Emerging Markets Index gained 78.5% for the year, while the MSCI World ex-U.S. Index and Russell 3000 Index returned 33.7% and 28.3%, respectively. The chart below illustrates the sharp disparity between the 2008 and 2009 calendar years.



With the adoption of the MSCI ACWI IMI as OPERF’s Total Public Equity benchmark, the plan assumed a sub-asset class mismatch, as the portfolio was underexposed to small cap outside the U.S. Although the weighting in the index was very small, the sheer magnitude of returns served as a headwind for our portfolio.

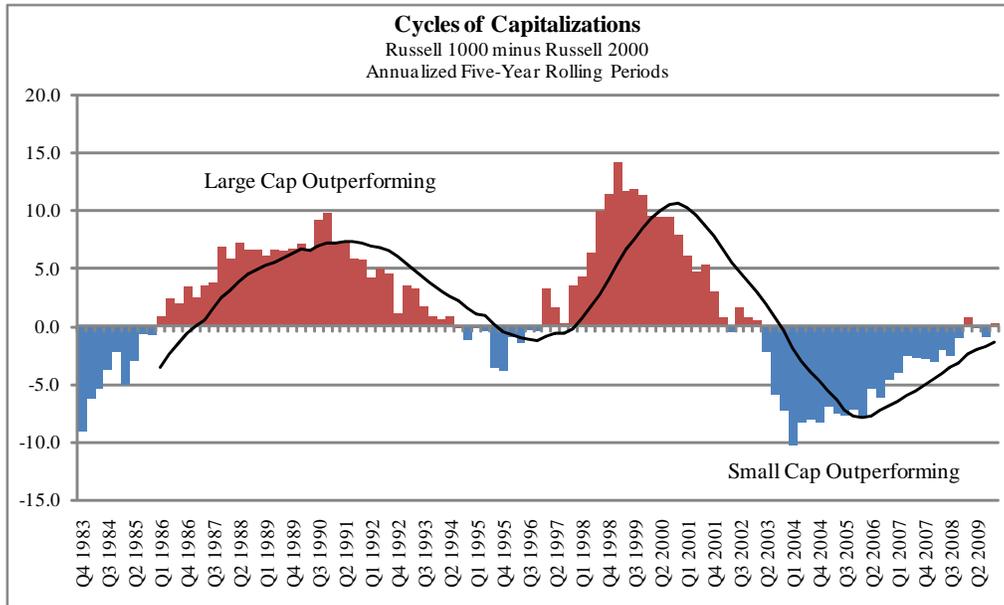
At a deeper level, the sharp reversion also had a meaningful impact on several of OPERF’s investment managers. In an environment where the market witnessed such a strong reversal, the subsequent underperformance of many quantitative factors linked to quality and momentum served as a headwind to many of our trend-following strategies. Momentum-based strategies have underperformed severely as some stocks have reversed in price by unprecedented margins. Similarly, the strong outperformance of high beta stocks has led to the underperformance of strategies that favor traditional quality metrics.

In spite of the strong returns realized in 2009, performance over longer trailing periods remains below traditional capital market expectations (especially in the developed markets). The table below shows the trailing one-, three-, five-, and ten-year returns for the major equity markets.

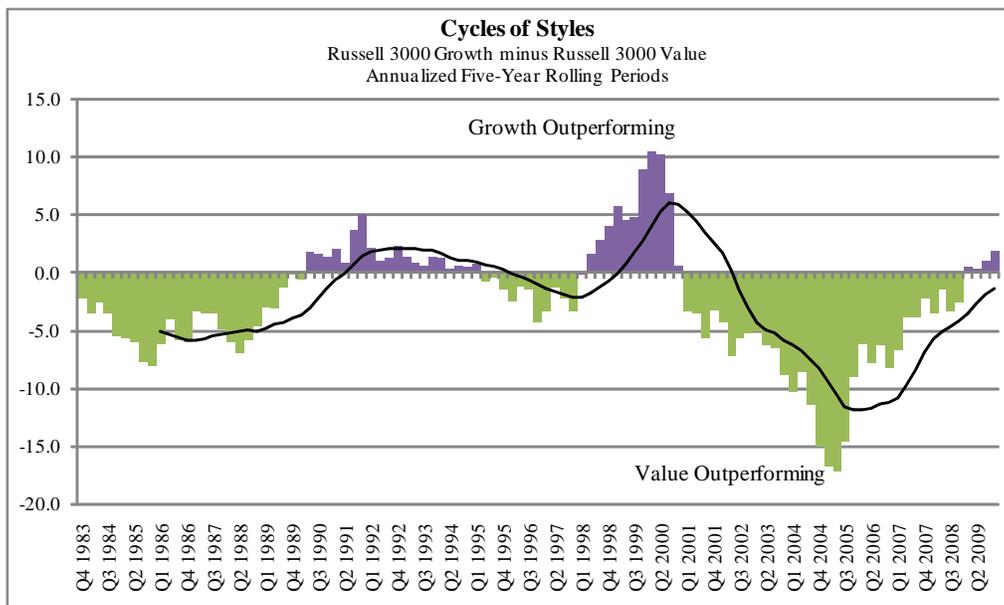


Specific to U.S. equities, evolving size and capitalization dynamics also mark a defined shift. After several years of small cap stocks outperforming large cap stocks, and value stocks outperforming growth stocks, 2009 defined itself as an inflection point in market leadership. To help illustrate how these cycles have evolved, the following charts show the difference between rolling five-year annualized performance of relevant cap and style indices.

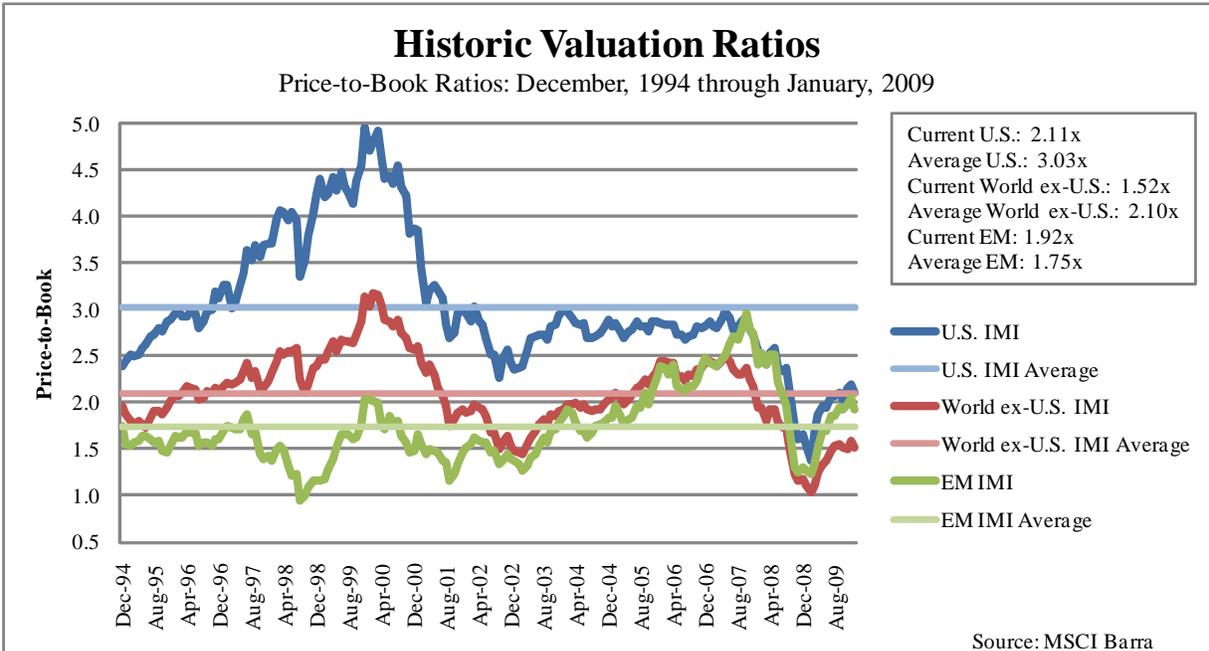
As demonstrated in the “Cycles of Capitalizations” chart below, large cap and small cap have experienced defined cycles, most recently dominated by small cap. In fact, fourth quarter 2009 is only the second period since the first quarter of 2003 large cap beat small cap on a five-year basis.



Similarly, as demonstrated in the “Cycles of Styles” chart below, the market has also witnessed a prolonged period of value outperforming growth, beginning in the first quarter of 2001 and extending through the third quarter of 2007. Leading into late 2008, however, the market has seen a significant shift in market leadership, as growth stocks have started to outperform the broader market.



We note that, even after an impressive run, global stocks are still below the valuations (on a price-to-book basis) reached in 2007. U.S. Equity (MSCI USA IMI) ended January with a price-to-book ratio of 2.11 times versus 2.98 times in May 2007. Developed non-U.S. equity (MSCI World ex-U.S. IMI) ended January at 1.52 times versus 2.45 times reached in June 2007. Emerging Markets equity (MSCI EM) peaked at 2.97 times in October 2007, and ended January at 1.92 times. Emerging markets is the only asset class with a current valuation greater than its long-run average.



TAB 2 – ACTIVE/PASSIVE MANAGEMENT DISCUSSION

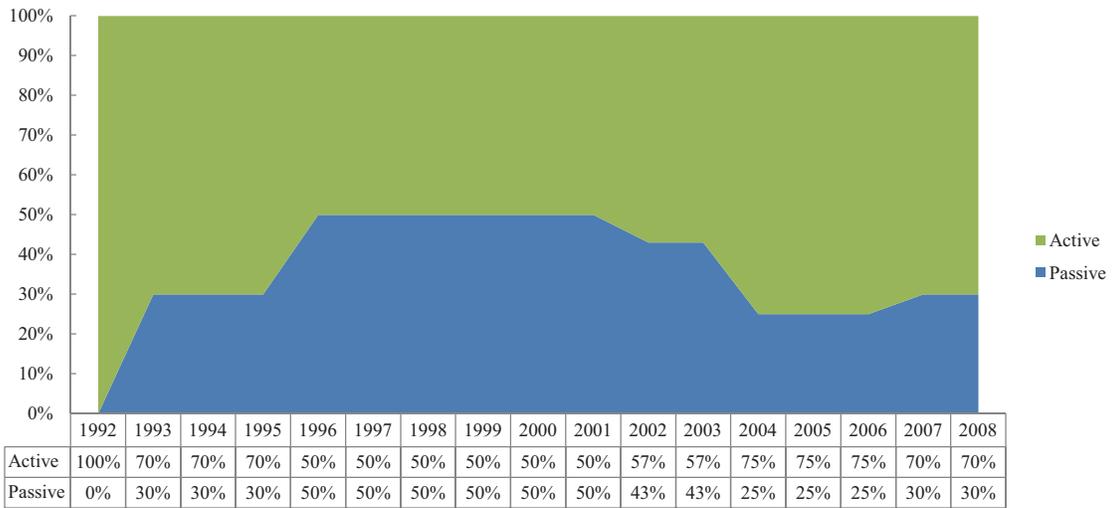
Oregon Investment Council
Public Equity Review
Active/Passive Management Discussion

The purpose of this discussion is twofold. First, we present OPERF’s historic allocations to active and passive management as well as a brief summary of the pros and cons of each approach. Second, the performance of active management is evaluated across several peer groups and over several rolling three-year periods. While we offer no conclusions for the “active vs. passive” debate, we believe the data demonstrates that the payoff to active management is cyclical, and thus requires time and patience. We believe this is important to remember as active management is often called into question at precisely the wrong time.

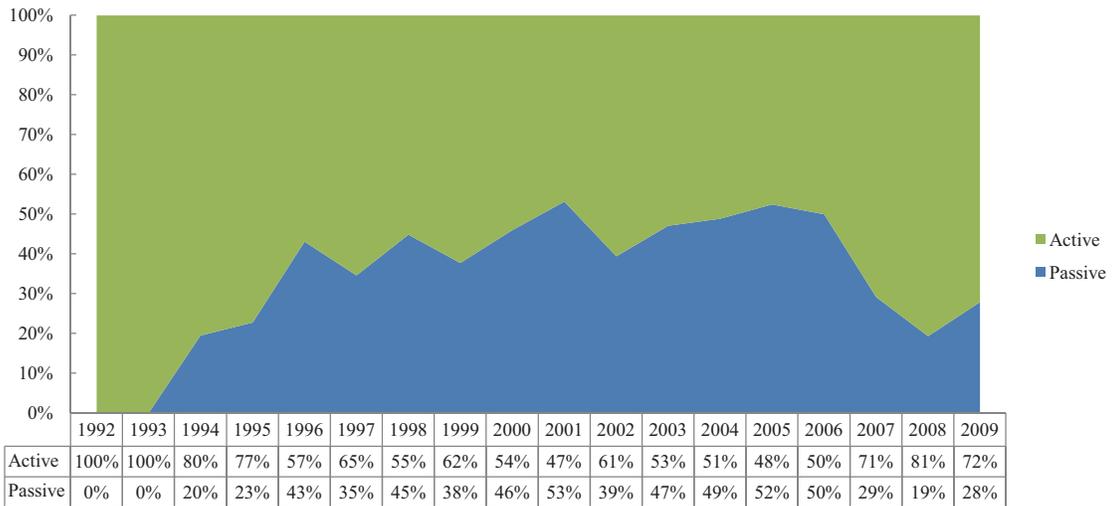
Historic Active/Passive Allocations

Throughout OPERF’s history, the target to passive equity, in both the Domestic and International Equity Funds, has varied widely. From 1991 to 2008, the target for domestic equity passive management ranged from a low of zero to a high of 50 percent, with the target for international equity passive management ranging from zero to 30 percent, over the same period. See the following attachment for a history of actual and target public equity active/passive ranges.

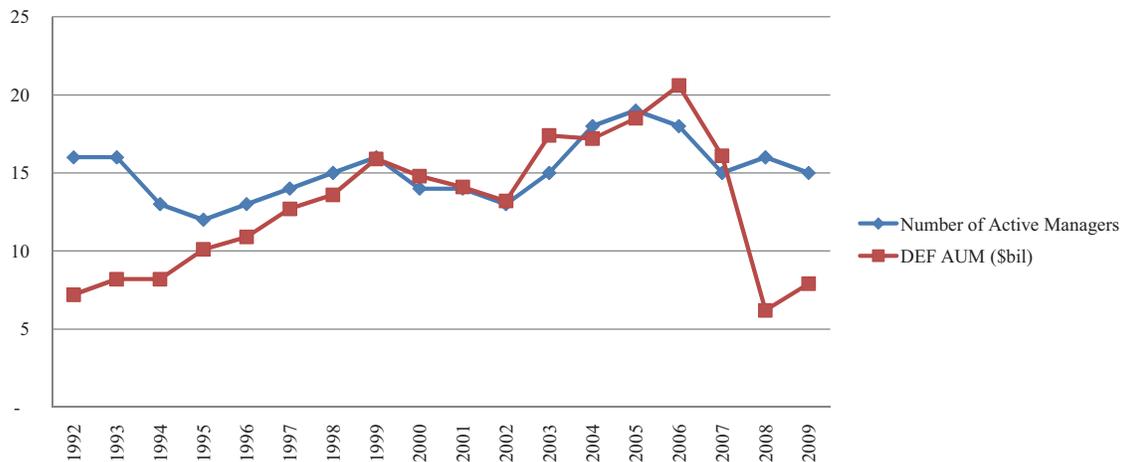
U.S. Equity Active/Passive Split - TARGET*



U.S. Equity Active/Passive Split - ACTUAL

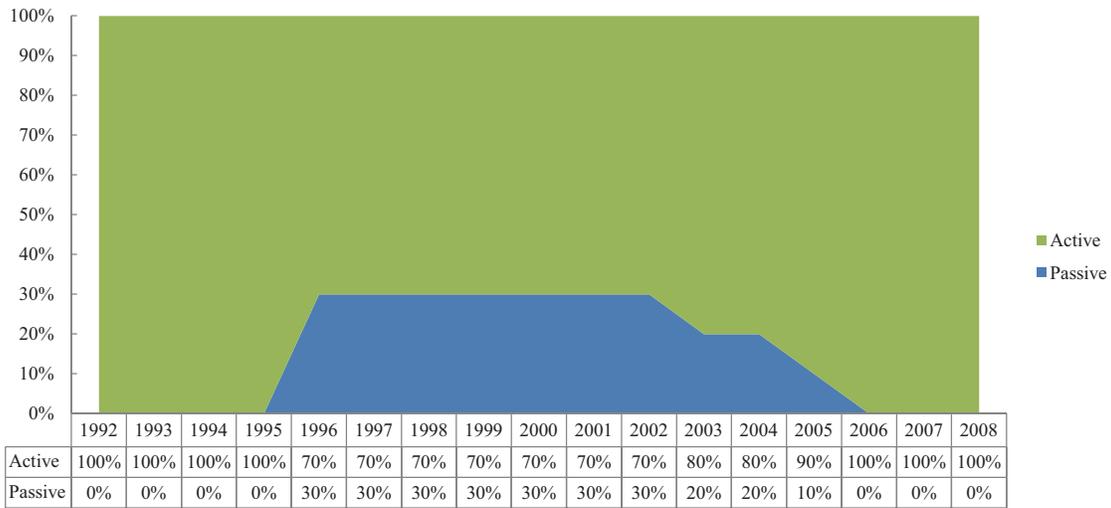


Active U.S. Managers

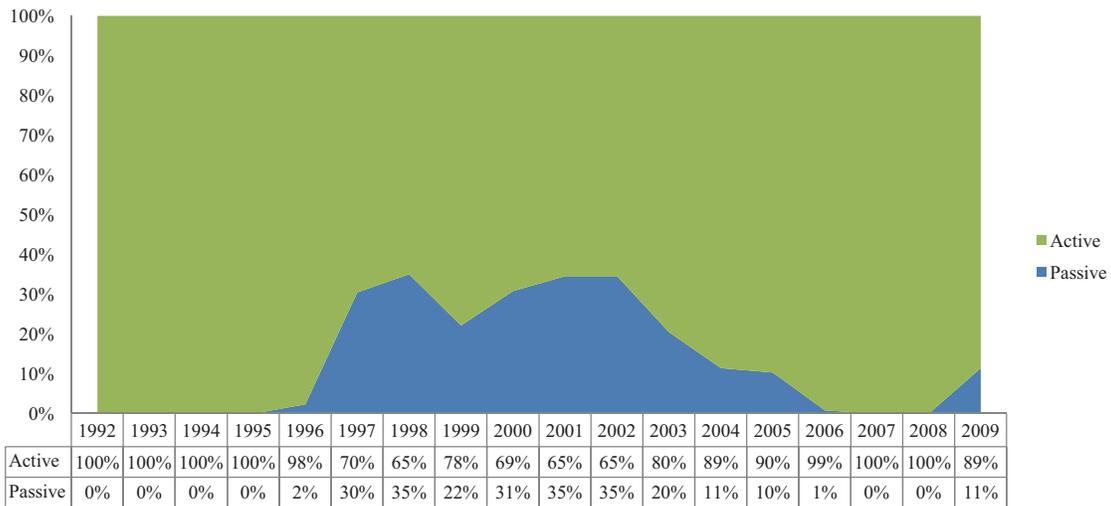


*Note that target weights for the DEF and IEF portfolios cease as of 2008. This reflects the portfolio's shift from U.S. and non-U.S. buckets to a single total public equity portfolio.

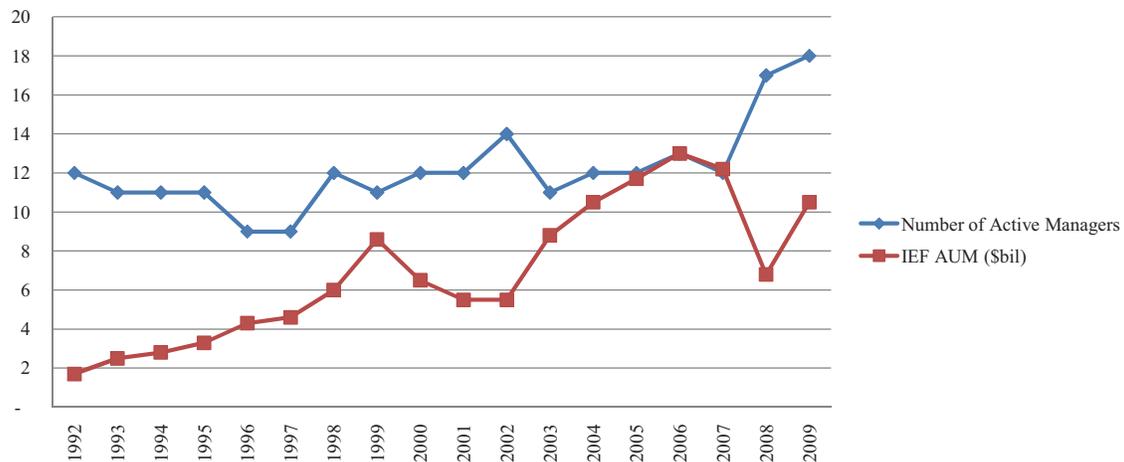
Non-U.S. Equity Active/Passive Split - TARGET*



Non-U.S. Equity Active/Passive Split - ACTUAL

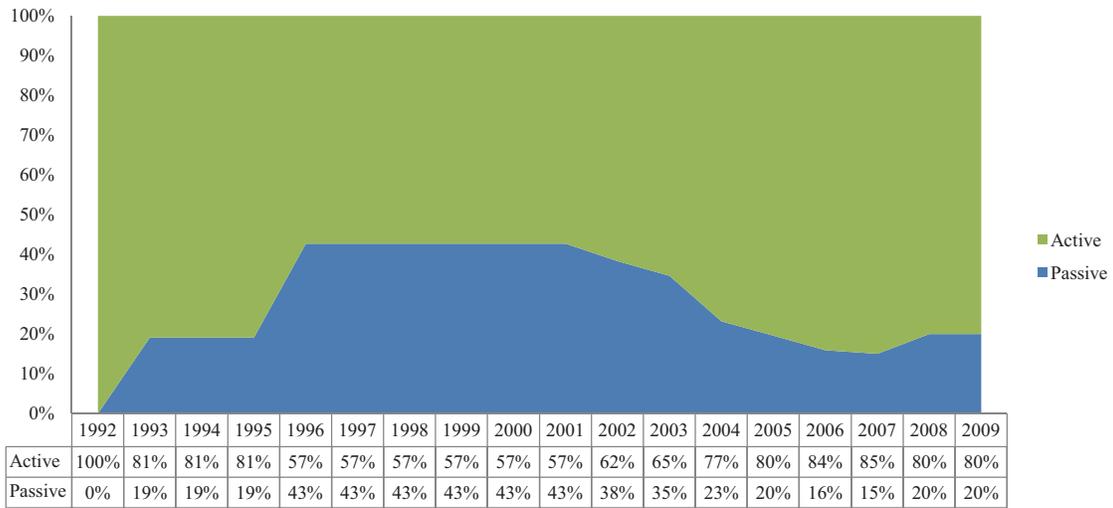


Active Non-U.S. Managers

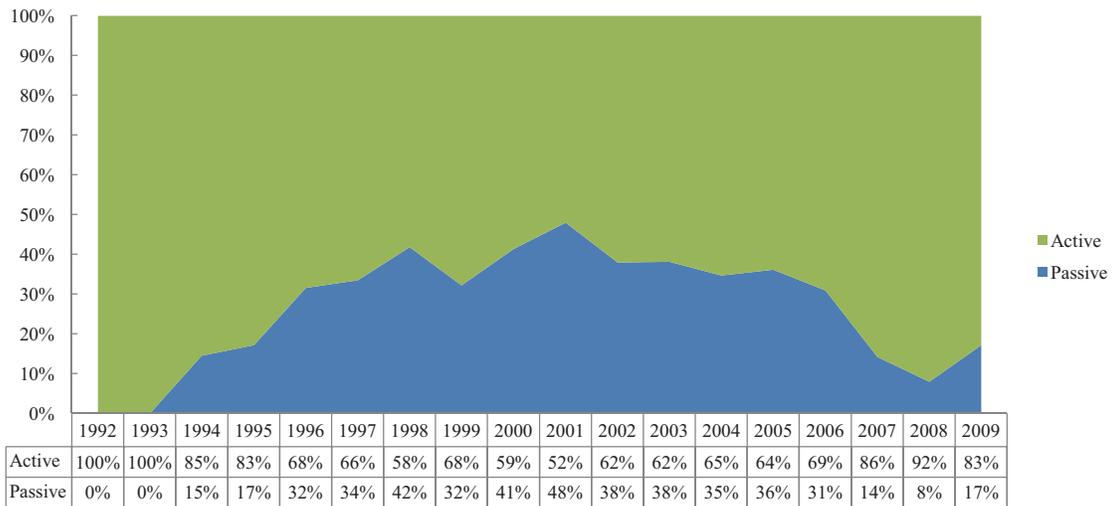


*Note that target weights for the DEF and IEF portfolios cease as of 2008. This reflects the portfolio's shift from U.S. and non-U.S. buckets to a single total public equity portfolio.

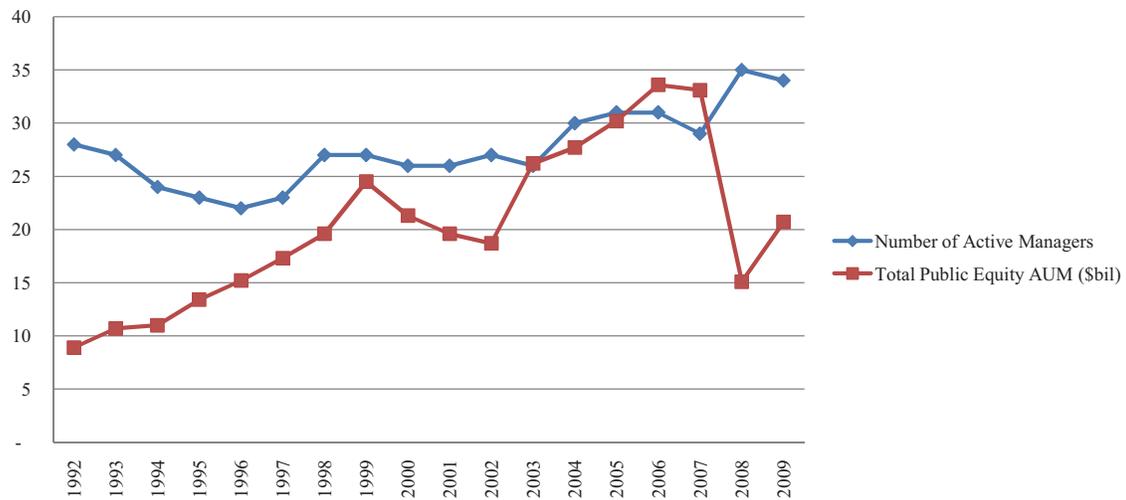
Total Public Equity Active/Passive Split - TARGET



Total Public Equity Active/Passive Split - ACTUAL



Total Active Public Equity Managers



The volatility in OPERF’s active/passive targets is emblematic of the wide-ranging views of the different management styles. Since the advent of the first passively-managed product, the merits of each approach have been subject to robust debate. No doubt, this issue will continue to be a topic of debate as long as each alternative exists and expands. Although no summary of the subject should ever be considered comprehensive, below is a table of pros and cons associated with each approach. The table is based upon the OPERF experience as well as information gathered from academic and practitioner research on the topic.

ACTIVE MANAGEMENT	
PROS	CONS
<ul style="list-style-type: none"> ● Offers the opportunity to outperform a given benchmark ● Even modest levels of excess returns can contribute meaningfully to the accumulation of wealth ● Attractive in less efficient markets ● More easily accommodates investment restrictions ● Active managers can anticipate changing market conditions, adjusting to environments before benchmarks reconstitute ● Possible protection in down markets 	<ul style="list-style-type: none"> ● Higher fees and operating expenses ● Potential for significant tracking error and the risk of underperformance ● Requires greater resources (both staff and oversight requirements) ● Style bias may impact returns ● Academic literature suggests the majority of actively managed mutual funds will underperform

PASSIVE MANAGEMENT	
PROS	CONS
<ul style="list-style-type: none"> ● Lower fees and operating expenses ● Lower turnover ● Requires less resources (both staff and oversight requirements) ● Reduces risk relative to the benchmark ● More asset class "pure" than active strategies ● Academic literature suggests passive performance is difficult for active mutual fund managers to consistently beat 	<ul style="list-style-type: none"> ● Less attractive in less efficient markets ● Offers no opportunity to outperform a given benchmark ● Lack of control (i.e., forced to hold overvalued sectors and securities at benchmark weight, stocks leaving an index, etc.) ● Even index funds are not riskless (i.e., basis risk, firm risk, securities lending collateral re-investment pools, etc.) ● Passive options not available in all markets and are less effective in others

Just as no “right” answer exists for the superior management style, the same is true for the appropriate mix of active/passive exposure. As each situation is unique, we believe the key inputs into the decision are: the plan’s set of objectives, time horizon, risk tolerance, plan resources, portfolio size, cash inflow/outflow situation, and beliefs about active management. Taking these factors into consideration, the initial active/passive target range can be established. This allocation would then be modified based on the confidence in excess return generation of existing managers and potential candidates.

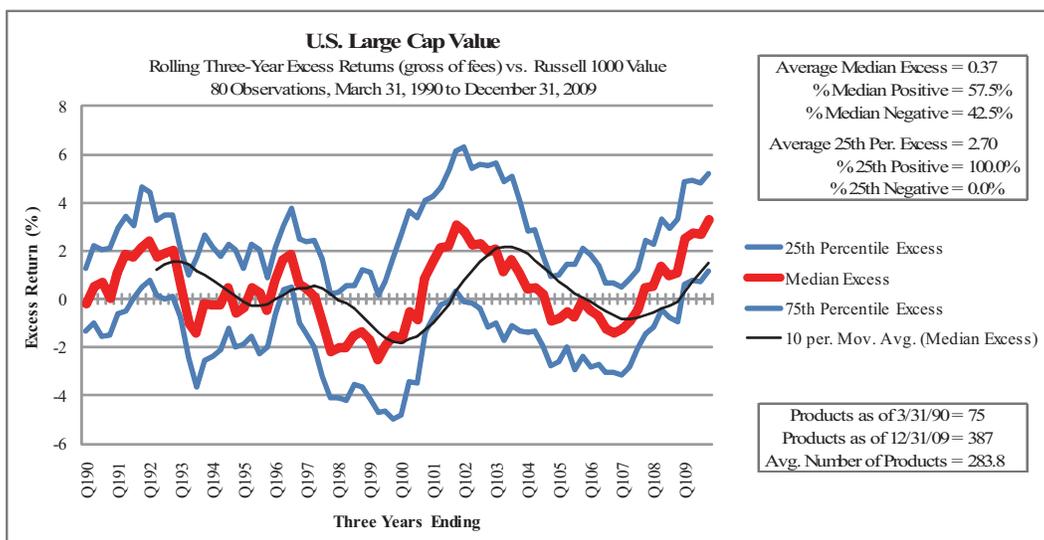
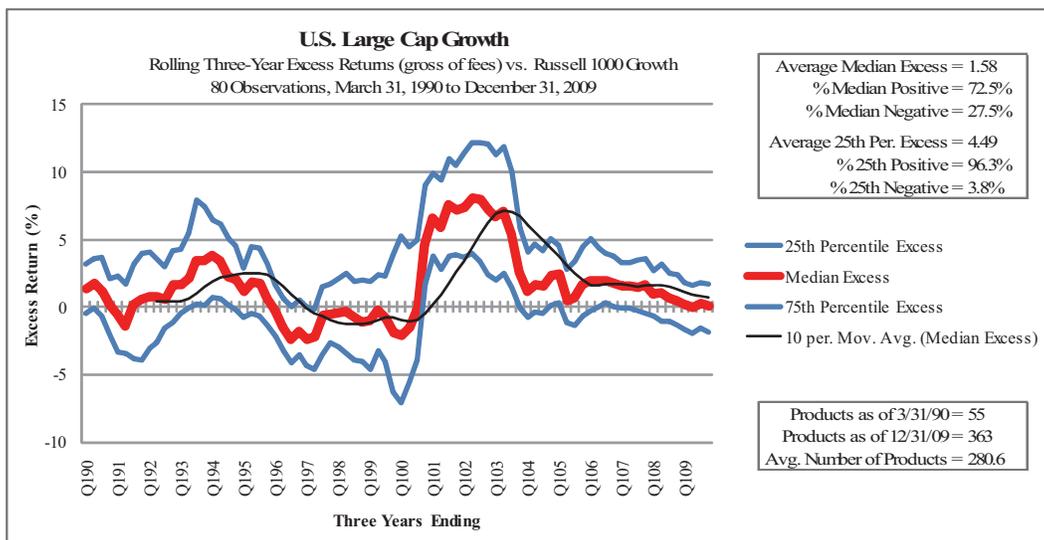
Active Management Performance Analysis

Rather than seek a definitive answer on which approach is best, the rest of this discussion will provide a historical perspective of the performance of active management. A key input into any analysis of active management is the performance of investment manager peer groups, relative to a benchmark. This provides investors with a gauge for the success/failure of active management as a whole as well as helping to identify themes and trends within a particular peer universe. As part of our monitoring processes, performance of the major peer groups is analyzed on an annual basis, with a focus on rolling three-year excess returns. Our belief is that the more we know about the performance of the active management universe in aggregate, the better we can understand the performance of our portfolio. By understanding what factors have driven recent performance, we can prospectively gain additional insight when evaluating potential managers as

well as better resisting the urge to terminate underperforming managers at what often turns out to be the most inopportune time.

Using data from the eVestment Alliance (eA) database, the rolling three-year returns of 16 different peer groups were compared to a collection of benchmarks. In reviewing the results of the analysis, it becomes evident that the payoff to active management is cyclical in nature. This is not surprising, as factors that drive equity returns are cyclical over time. Furthermore, the data underscores that the magnitude and duration of these cycles are unpredictable and may be extreme.

For example, the charts at left show rolling three-year excess returns for the top quartile, median, and bottom quartile manager in the U.S. Large Cap Growth and U.S. Large Cap Value peer groups. In addition, a table in the upper-right hand corner calculates the average excess return and the percentage of observations with positive and negative excess returns for the median and top quartile manager. As shown, the “success” of the median manager varies over time and is very end-point dependent. Given this cyclicality, rolling returns are good for this type of analysis and may provide insights unavailable in trailing or calendar-year based approaches.



The table below provides a summary of the broader dataset collected (note that all returns are gross of any manager fees). Under the “median manager” header, four columns aggregate the data for all peer groups. As shown in the U.S. Large Cap Growth and U.S. Large Cap Value charts previously, the median manager’s three-year excess return is calculated every quarter for every peer group. To create a reference point, this rolling three-year return is averaged over the entire period (think of this as the average of the red line in the previous charts). To help illustrate performance of active management on a composite level, a “market-weighted” portfolio is created by weighting the median manager in each peer group by an approximate market-weighted percentage. This creates a market-weighted return stream, which is then compared to a benchmark.

		Peer Universe Statistics			Median Manager (gross of fees)				Estimated Fee (bps) ⁴
		Timeframe	Number of Rolling Three-Year Periods	Avg. Number of Products	"Average" Three-Year Excess Return (%)	% Positive	% Negative	12/09 Three-Year Excess Return (%)	
U.S. Equity									
U.S. Large Cap Core	Russell 1000	3/90 to 12/09	80	235	0.7	72.5%	27.5%	1.6	42.9
U.S. Large Cap Growth	Russell 1000 Growth	3/90 to 12/09	80	281	1.6	72.5%	27.5%	0.0	46.1
U.S. Large Cap Value	Russell 1000 Value	3/90 to 12/09	80	284	0.4	57.5%	42.5%	3.3	42.9
U.S. Mid Cap Core	Russell Midcap	3/90 to 12/09	80	44	1.5	78.8%	21.3%	1.8	62.3
U.S. Mid Cap Growth	Russell Midcap Growth	3/90 to 12/09	80	94	2.5	76.3%	23.8%	1.9	67.5
U.S. Mid Cap Value	Russell Midcap Value	3/90 to 12/09	80	67	0.5	65.0%	35.0%	2.7	65.0
U.S. Small Cap Core	Russell 2000	3/90 to 12/09	80	83	3.2	96.3%	3.8%	0.6	85.0
U.S. Small Cap Growth	Russell 2000 Growth	3/90 to 12/09	80	140	5.9	93.8%	6.3%	0.7	90.0
U.S. Small Cap Value	Russell 2000 Value	3/90 to 12/09	80	132	1.7	81.3%	18.8%	4.0	88.0
Market-Weighted Average¹	Russell 3000				1.1	80.0%	20.0%	1.7	49.0
Non-U.S. Equity									
Non-U.S. Core	MSCI ACWI ex-U.S. IMI	6/97 to 12/09	51	118	2.0	54.9%	45.1%	-1.2	53.7
	MSCI World ex-U.S. IMI	6/97 to 12/09	51	118	2.0	80.4%	19.6%	0.8	53.7
Non-U.S. Growth	MSCI ACWI ex-U.S. IMI Growth	6/97 to 12/09	51	99	3.8	66.7%	33.3%	0.0	53.7
	MSCI World ex-U.S. IMI Growth	6/97 to 12/09	51	99	3.7	90.2%	9.8%	1.2	53.7
Non-U.S. Value	MSCI ACWI ex-U.S. IMI Value	6/97 to 12/09	51	85	1.9	52.9%	47.1%	-0.5	52.2
	MSCI World ex-U.S. IMI Value	6/97 to 12/09	51	85	2.0	68.6%	31.4%	2.3	52.2
Emerging Markets	MSCI EM IMI	6/97 to 12/09	51	99	4.9	92.2%	7.8%	-0.2	85.0
Market-Weighted Average²	MSCI ACWI ex-U.S. IMI				3.1	86.3%	13.7%	1.5	59.4
Global Equity									
Global Core	MSCI ACWI IMI	6/97 to 12/09	51	74	2.4	86.3%	13.7%	0.3	52.5
	MSCI World IMI	6/97 to 12/09	51	74	2.3	100.0%	0.0%	1.4	52.5
Global Growth	MSCI ACWI IMI Growth	6/97 to 12/09	51	42	3.8	98.0%	2.0%	0.7	52.1
	MSCI World IMI Growth	6/97 to 12/09	51	42	3.7	96.1%	3.9%	1.3	52.1
Global Value	MSCI ACWI IMI Value	6/97 to 12/09	51	46	2.4	92.2%	7.8%	1.2	54.5
	MSCI World IMI Value	6/97 to 12/09	51	46	2.4	100.0%	0.0%	2.8	54.5
Market-Weighted Average³	MSCI ACWI IMI				3.1	100.0%	0.0%	0.9	53.3

¹Market-weighted average for U.S. Equity is composed of 45% Large Cap Growth, 45% Large Cap Value, 5% Small Cap Growth, and 5% Small Cap Value.

²Market-weighted average for Non-U.S. Equity is composed of the actual average three-year weighting for Emerging Markets, with the remainder split between Growth and Value.

³Market-weighted average for Global Equity is composed of 50% Growth and 50% Value.

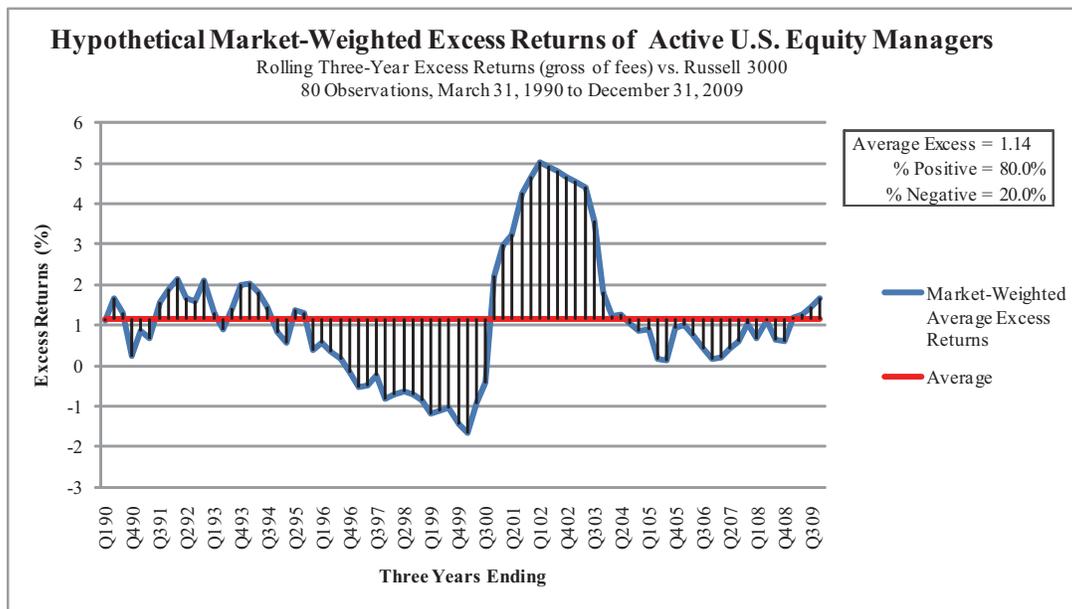
⁴Fees calculated using the following mandate sizes: U.S. Large Cap = \$350 million, U.S. Mid Cap = \$100 million, U.S. Small Cap = \$50 million, Non-U.S. = \$400 million, Emerging Markets = \$200 million, Global = \$500 million.

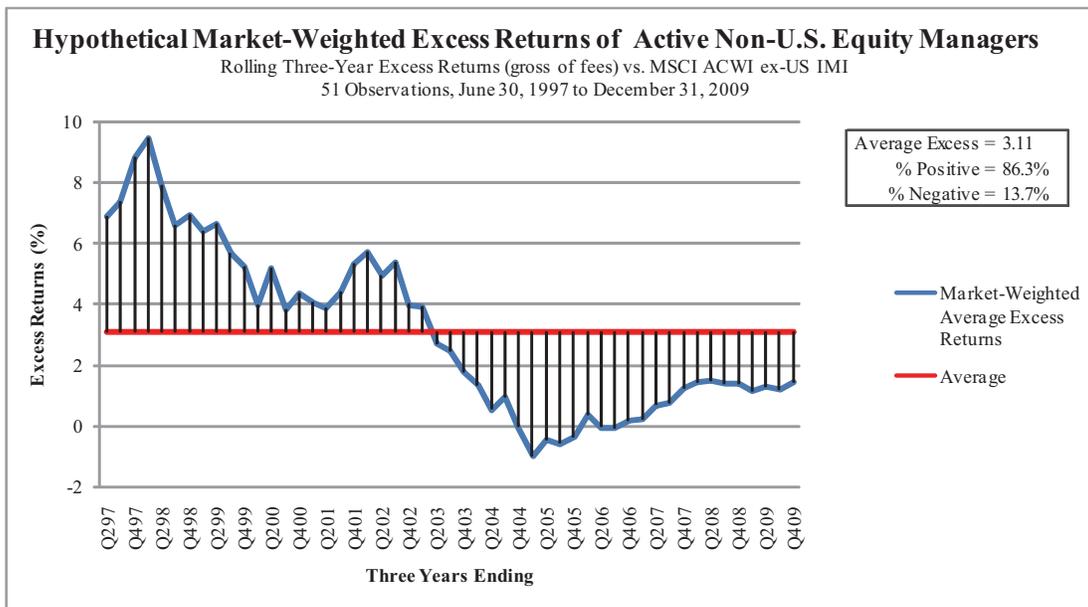
The final column under the median manager header (“12/09 Three-Year Excess Return”) represents the respective excess return at the three-year period ended December 31, 2009. Peer groups with an average three-year excess return greater than the three-year excess return ended December 31, 2009 are highlighted in red. The abundance of red cells serves to illustrate the

headwind most active managers have faced in the most recent environment. In the U.S., this is especially pronounced in the Growth universes. In the Non-U.S. and Global peer groups, only the Value universes relative to a developed-only benchmark are greater than their long-term average. The second point to note is that the median manager in every peer group, on average, offered excess returns before fees. Consistent with our expectations, markets generally considered “inefficient” appear to have offered greater excess return opportunity, with U.S. Small Cap Growth generating the highest average median excess return.

Although insightful, numerous caveats apply to this type of analysis. As the median manager is unknowable in advance, it is impossible for an investor to realize the return stream as presented. In addition, a median manager in any given universe may be inappropriate (in terms of risk profile, style exposure, etc.) for the average investor’s portfolio. Lastly, a median result does not take into account the relative size of each manager; on an asset-weighted basis, the majority of managers may experience a much different result than the median manager.

To demonstrate these effects in aggregate over time, the following charts plot the rolling three-year excess return for a hypothetical U.S. and non-U.S. actively managed portfolio. As in the table above, these portfolios are created by weighting the median manager in each peer group by an approximate market-weighted percentage. The charts serve to illustrate the dynamic nature of performance from active managers.





A large portion of the cyclicity of performance can be attributed to the differences in the median manager’s portfolios relative to the benchmark. Indexes are more style-pure than comparable actively managed products, and the degree to which a manager’s exposures differ from those of the benchmark will explain a portion of how the product performs relative to the benchmark. For example, on average, U.S. Large Cap managers hold smaller stocks than similar Large Cap indexes. Additionally, almost all active products have cash balances while index funds do not. Thus, as opposed to managers becoming more or less skilled in their stock picking abilities, it is more likely that the cyclicity is due to how these managers build their portfolios and the dynamics of the market over these time periods.

In summary, we believe that the analysis illustrates how the distribution of active manager’s performance varies over time. In our view, it serves to underscore the importance of an investor’s need to both fully understand the strategy and philosophy of their active managers as well as a reminder to evaluate the results within the context of the market environment. By understanding the fundamental factors that underlie manager performance, investors can avoid the costs associated with replacing managers who have underperformed because of factor shifts in the market, instead of a decline in investment skill and/or decision-making. Plainly, the need for a clear understanding of the role that active management plays in the overall investment program is vital.

TAB 3 – PORTFOLIO STRUCTURE

STRATEGIC INVESTMENT SOLUTIONS, INC.

333 BUSH STREET, STE. 2000
SAN FRANCISCO, CALIFORNIA 94104

TEL 415/362-3484 ■ FAX 415/362-2752

MEMORANDUM

To: Oregon Investment Council
From: Strategic Investment Solutions, Inc.
Date: February 11, 2010
Subject: OPERF Public Equity Summary

Oregon Treasury staff and SIS have been investigating potential changes to the OPERF Public Equity strategy, portfolio and managers. SIS assisted staff in a review of the public equity managers and analyzed several manager lineups and structure alternatives in light of the characteristics of the public equity allocation and the ongoing liquidity demands likely to be made on the public equity portfolio. SIS also performed due diligence on managers being considered for addition to the portfolio. Based on the information gathered and the analyses completed, SIS concurs with the recommendations staff is making for the public equity portfolio, namely:

1. Separate the AllianceBernstein Global Style Blend assignments into its component strategies, Global Strategic Value (GSV) and Global Research Growth (GRG) and decreasing the target allocation to the GRG product.
2. Improve the liquidity of the fund by increasing the target allocation to Large Capitalization passive assignments from 20% to 25%.
3. Hire two emerging markets managers, Westwood Global Advisors for a large capitalization assignment and DFA for a small capitalization assignment to fill regional and capitalization gaps in the current structure.
4. Broaden the Pyramis International Equity assignment to an ACWI x US approach which would now include an allocation to emerging markets.
5. Include a Russell 2000 assignment to be managed by Treasury Staff using futures and the Oregon Short Term Fund.
6. Rebalance allocations to managers to more closely track the characteristics of the Public Equity Asset Class Benchmark, MSCI ACWI IMI Index.

The staff and SIS recommendation includes a manager structure policy based on Target Sub-Asset Class Weightings. Underlying that policy is a target weight for each manager employed by the OIC. The target weights facilitate risk management and rebalancing. The following table provides the details on the underlying manager targets, resulting dollars allocations and risk and return characteristics of the structure which will be used to manage the portfolio similar to the current practice.

	Total Equity	Proposed \$	Current \$	MER		TARGET	PORTFOLIO
US Managers					PROPOSED IMPLEMENTATION		
BGI 1000G	4.0%	\$ 830	\$ 829	-			
BGI 1000V	4.0%	\$ 830	\$ 892	-	US LRG GRO	12.8%	10.7%
PIMCO St+	2.0%	\$ 415	\$ 766	42	US LRG VAL	12.8%	11.5%
Pyramis US Core	1.5%	\$ 311	\$ 310	39	US MID GRO	5.5%	7.5%
Delaware LG	1.7%	\$ 353	\$ 349	38	US MID VAL	5.5%	6.2%
Wells LG	2.3%	\$ 467	\$ 675	61	US SML GRO	3.0%	2.7%
Aletheia	1.5%	\$ 311	\$ 380	56	US SML VAL	3.0%	2.9%
AJO	3.0%	\$ 623	\$ 663	56	US MICRO GRO	0.0%	1.1%
MFS	3.0%	\$ 623	\$ 682	44	US MICRO VAL	0.0%	0.3%
NT US	3.3%	\$ 674	\$ 646	40	INTL LRG GRO	16.6%	15.2%
Wanger	3.3%	\$ 674	\$ 656	47	INTL LRG VAL	16.6%	16.0%
Eudamonia	0.3%	\$ 52	\$ 57	10	INTL MID GRO	3.1%	5.0%
Next Century Micro	0.5%	\$ 104	\$ 97	25	INTL MID VAL	3.1%	3.3%
Next Cent Sml	0.5%	\$ 104	\$ 102	25	INTL SML GRO	2.7%	2.2%
Boston Co. SV	0.7%	\$ 145	\$ 148	12	INTL SML VAL	2.7%	2.9%
AQR Sml Val	0.7%	\$ 145	\$ 139	15	EMMKT	12.6%	12.6%
Wellington	1.5%	\$ 311	\$ 266	53			
OST 500	5.0%	\$ 1,038	\$ 492	-	Style Risk		0.50%
OST 400	1.0%	\$ 208	\$ 127	-	Active Risk		0.89%
OST 2000	1.0%	\$ 208	\$ -	4	Risk to Bench		1.02%
International Managers					CURRENT IMPLEMENTATION		
SSGA Intl Indx	10.0%	\$ 2,075	\$ 1,220	-	Alpha		1.17%
Arrowstreet	5.0%	\$ 1,038	\$ 1,036	83	IR		1.15
AQR	4.0%	\$ 830	\$ 795	59	% Lrg/Mid	76.1%	75.4%
Pyramis Int LC	5.0%	\$ 1,038	\$ 768	62	% Value	50.0%	49.4%
Lazard	3.0%	\$ 623	\$ 889	62	% US	42.5%	42.5%
NT Intl	1.0%	\$ 208	\$ 209	12			
Acadian	3.3%	\$ 674	\$ 794	67	CURRENT IMPLEMENTATION		
Brandes	3.3%	\$ 674	\$ 906	88		TARGET	PORTFOLIO
TT	2.8%	\$ 571	\$ 710	51	US LRG GRO	12.8%	12.2%
Walter Scott	3.0%	\$ 623	\$ 794	87	US LRG VAL	12.8%	12.9%
UBS	2.8%	\$ 571	\$ 513	63	US MID GRO	5.5%	7.9%
DFA Intl SCV	1.0%	\$ 208	\$ 174	21	US MID VAL	5.5%	7.1%
Harris SC	1.0%	\$ 208	\$ 181	37	US SML GRO	3.0%	2.1%
Pyramis Intl SC	1.5%	\$ 311	\$ 234	25	US SML VAL	3.0%	2.4%
Victory SC	0.8%	\$ 166	\$ 153	32	US MICRO GRO	0.0%	1.3%
Arrowstreet EM	1.7%	\$ 353	\$ 344	46	US MICRO VAL	0.0%	0.3%
Genesis	2.7%	\$ 560	\$ 580	73	INTL LRG GRO	16.6%	14.7%
Pictet	0.7%	\$ 145	\$ 338	10	INTL LRG VAL	16.6%	15.3%
TieredEM	1.0%	\$ 208	\$ 193	15	INTL MID GRO	3.1%	5.0%
Westwood	0.5%	\$ 104	\$ -	12	INTL MID VAL	3.1%	3.1%
DFA SC EM	0.5%	\$ 104	\$ -	8	INTL SML GRO	2.7%	1.8%
Global Managers					CURRENT IMPLEMENTATION		
AB GSB	0.0%	\$ -	\$ 1,650	-	INTL SML VAL	2.7%	2.3%
AB GSV	3.5%	\$ 726	\$ -	109	EMMKT	12.6%	11.6%
AB GRG	1.5%	\$ 311	\$ -	27			
Total	100.0%	\$ 20,753	\$ 20,753	1,617	Style Risk		0.48%
					Active Risk		1.07%
					Risk to Bench		1.17%
					Alpha		1.20%
					IR		1.02
Policy Level Statistics							
	Proposed	Current					
Passive	25.0%	20.0%			% Lrg/Mid	76.1%	78.2%
Active	75.0%	80.0%			% Value	50.0%	49.1%
US Large Cap	32.2%	35.7%			% US	42.5%	45.9%
US Small Cap	8.4%	7.5%					
Non-US Large Cap	43.0%	40.5%					
Non-US Small Cap	4.3%	3.3%					
Emerging Markets	7.1%	6.0%					
Global	5.0%	7.0%					

Public Equity Manager Restructuring Objectives

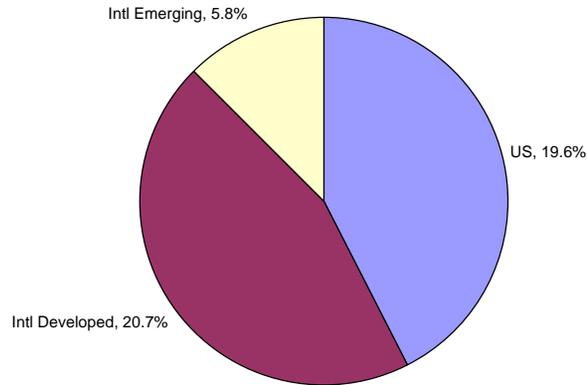
- ▶ Implementation of public markets asset allocation decision:

Global Equity.....	46%	Private Equity	16%
Fixed Income	27%	Real Estate.....	11%

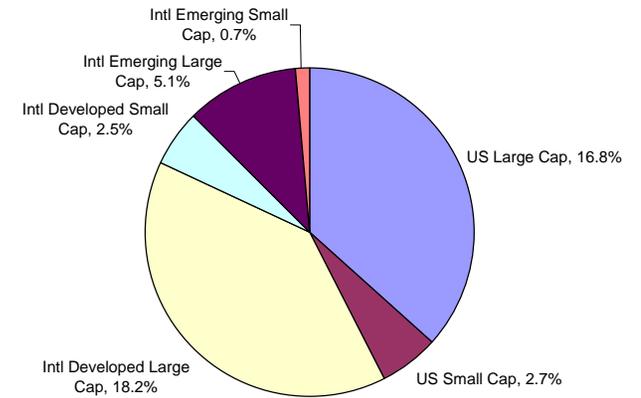
- ▶ Assemble a team of managers that collectively offers the greatest potential to add value relative to the benchmark without assuming more risk than is necessary.
- ▶ Provide a framework for ongoing monitoring, rebalancing and a ready source of assets to meet Private Equity/Real Estate capital calls.
- ▶ Expected results:
 - Improved probability of consistently adding value above passive.
 - US overweight to Small maintained.
 - Assured ease of asset class and total fund rebalancing.
 - Balanced by risk controls and diversification.

Public Equity Allocation Targets (%)

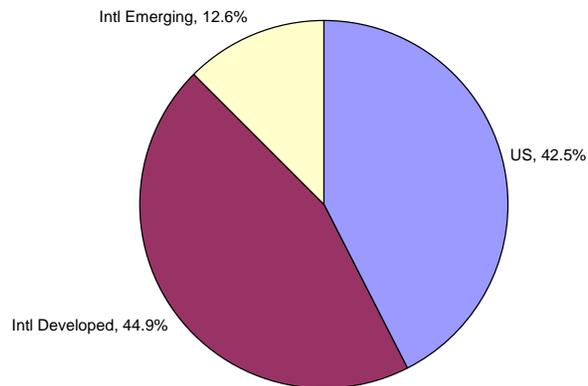
**Current Total Public Equity Allocation
(% of OPERF)**



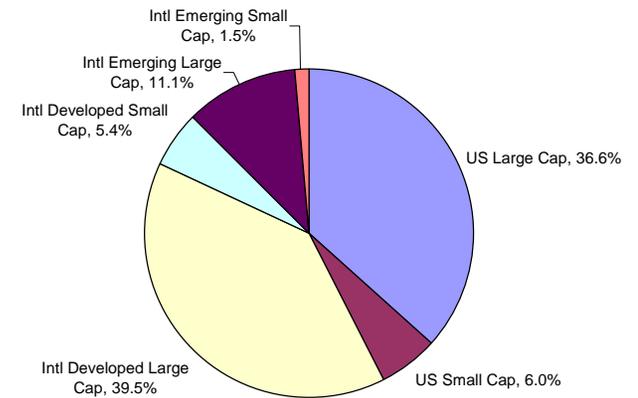
**Proposed Total Public Equity Allocation
(% of OPERF)**



**Current Total Public Equity Allocation
(% of Public Equity)**

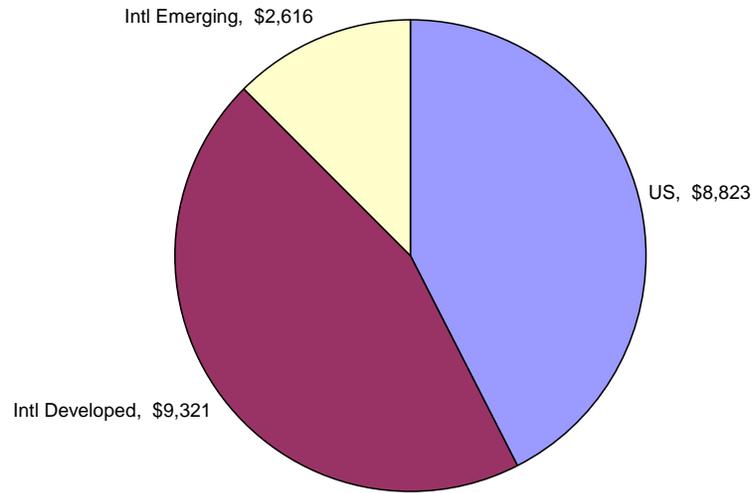


**Proposed Total Public Equity Allocation
(% of Public Equity)**

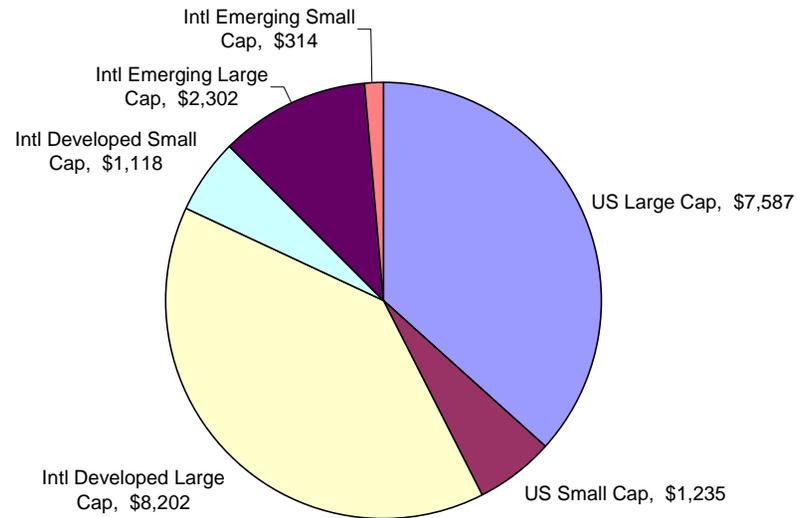


Public Equity Allocation Targets (\$)

Current Total Public Equity (\$)

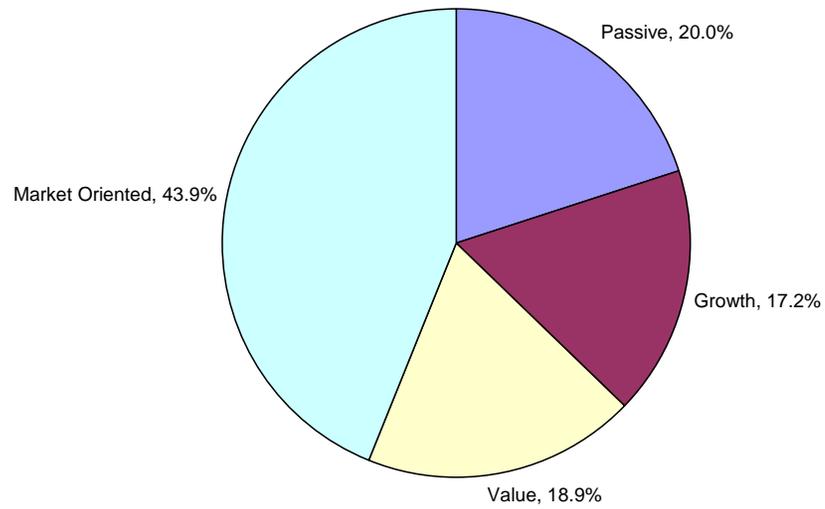


Proposed Total Public Equity (\$)

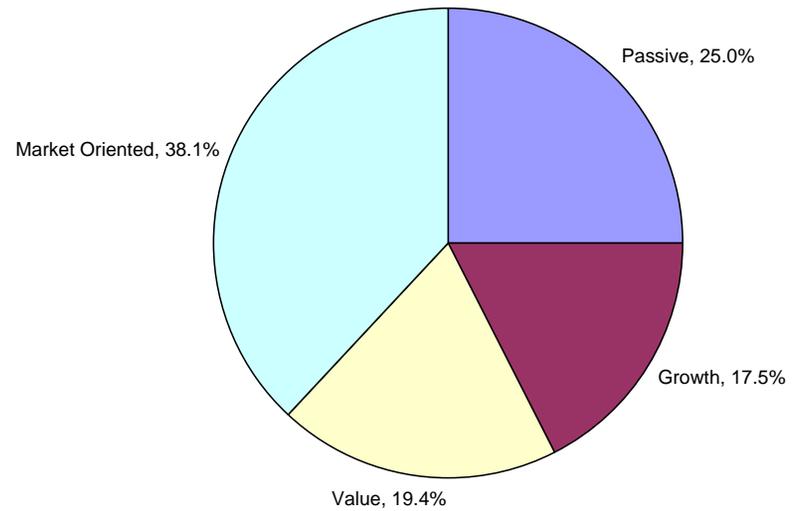


Public Equity Implementation — Total Public Equity

Current Total Public Equity



Proposed Total Public Equity



Conclusion

- ▶ Increase in Passive Exposure with only slight reduction in expected outperformance.
- ▶ Efficiency of Structure (Information Ratio) increases
- ▶ Proposed Structure Fills in Gaps of Previous Structure (Emerging Markets and Emerging Markets Small Cap)
- ▶ Increases Liquidity of Asset Class to ease cash flow management and rebalancing

TAB 4 – MANDATE SPECIFIC RECOMMENDATIONS

Oregon Investment Council
Public Equity Review
AllianceBernstein Global Style Blend

The OIC has a long history with AllianceBernstein having engaged Alliance Capital for a U.S. Large Cap Growth product in 1996, and a Sanford C. Bernstein U.S. Strategic Value and a non-U.S. Strategic Value product in 1994 and 1996, respectively. Alliance Capital and Sanford C. Bernstein merged in 2003 to become AllianceBernstein. In December 2006, the OIC authorized the elimination of the individual products in favor of the Global Style Blend product. As the name suggests, the Global Style Blend (GSB) strategy is a combination of the Growth and Value products at the firm. Rebalancing occurs when the growth/value sleeves drift beyond a five percent range. In theory, the Global Strategic Value sleeve should out-perform the combination of the U.S. Strategic Value and International Strategic Value products, and the Global Research Growth (GRG) sleeve should out-perform the combination of the U.S. Research Growth and International Research Growth products.

The last two years have been a difficult period for many of AllianceBernstein's equity products. Equity market declines and client losses resulted in staff reductions and turnover, as well as other organizational changes, most notably the replacement of Lew Sanders as CEO by Peter Kraus. Seth Masters resumed his role as CIO of Blend Strategies, as Marc Meyers resigned to join GMO as their first-ever CEO. Three of the six growth sector heads (as well as one co-head) supporting the GRG product have turned over since we migrated to the Global Style Blend product. Marilyn Fedak, long time CIO of U.S. Value and Co-Head of the overall Global Value business, assumed a new role as Vice Chair of Investment Services. Her replacement, John Mahedy, recently departed to join Lew Sanders at his new firm.

The Global Strategic Value product performed poorly, on a relative basis, in 2008. Not surprisingly from a low turnover, deep value product, relative performance rebounded nicely in 2009. On a relative basis, the GRG product performed poorly in both 2008 and 2009. The GRG also appears to have under-performed a combination of the U.S. Research and non-U.S. Research products by a wide margin, which was unexpected.

OPERF's Public Equity portfolio currently employs two U.S. and two non-U.S. large cap value managers. The Public Equity portfolio has a greater diversification of active management on the growth side, using three U.S. and three non-U.S. large cap growth managers. Staff recommends splitting the AllianceBernstein Global Style Blend mandate into two separate accounts: Global Strategic Value and GRG. In addition, staff recommends reducing asset levels in the GRG allocation in favor of passive assignments and as a future source of cash to meet OPERF liquidity requirements.

Staff still has a high conviction in the Bernstein team and process, while the conviction level in the GRG product has somewhat diminished. The OPERF Public Equity portfolio has adequate diversification in active growth managers so a reduction in assets allocated to the AllianceBernstein GRG product will have minimal effect on predicted portfolio risk.

The Global Style Blend product is currently used by the OIC in the Common School Fund and the Higher Education Endowment Fund. A commingled trust is used in lieu of a separate account, due to the smaller mandates, and is benchmarked against the MSCI World Standard (large + midcap) Index as opposed to OPERF's separate account which is benchmarked to the MSCI ACWI Standard Index. The commingled product holds emerging markets more opportunistically and given the extreme performance of emerging markets in 2009, the Common School Fund and Higher Education Endowment accounts have experienced better benchmark relative performance. Eliminating the GRG sleeve for the funds would be expensive as it would require liquidating units in the commingled trust and reinvesting cash in replacement strategies. Accordingly, staff is not recommending any action for the Common School Fund or Higher Education Endowment Fund at this time.

Recommendation

Split the AllianceBernstein Global Style Blend mandate into two separate accounts: 1) Global Strategic Value; and 2) Global Research Growth (GRG). Reduce asset levels in the GRG allocation in favor of passive assignments and as a source of cash to meet future OPERF liquidity requirements.

Oregon Investment Council

Public Equity Review

OPERF Internally Managed Synthetic Russell 2000 Index

Purpose

To seek OIC approval for an internally managed synthetic Russell 2000 Index portfolio.

Background

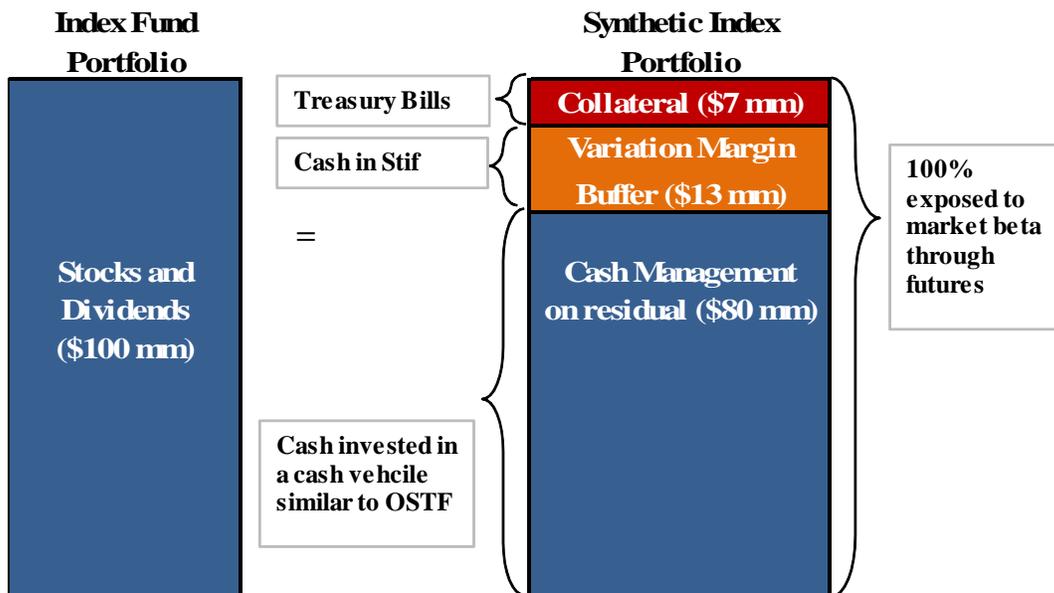
Staff currently employs two means to achieve equity index exposure within the internally managed portfolios. The first entails buying stocks which aggregate up to the index portfolio (direct equity ownership which accounts for over 95% of the total portfolio positions within the internally managed portfolios). The second entails purchasing equity index futures (synthetic indexing) to ‘equitize’ cash (working cash held within the portfolios, dividend and interest accruals, and cash accruals from corporate actions). In essence, synthetic indexing is used as a technique to replicate the returns of a benchmark index, without directly holding its underlying components.

Discussion

The relative performance of a synthetic index portfolio versus an index portfolio is a function of:

- 1) The implied cost of financing the equity futures (LIBOR); and
- 2) The return achieved on cash that underlies the futures position.

The synthetic index portfolio return will equal the index portfolio return if the yield on the cash instruments that underlies the futures positions equals the implied financing cost of the equity futures. In other words, cash management must yield a return equal to LIBOR, in order for the synthetic index portfolio to equal the benchmark return. OST staff has internal cash management capabilities within the Oregon Short Term Fund (OSTF), that when combined with equity futures positions, can provide a return commensurate with an equity index benchmark return. The following exhibit provides a graphical representation of the operational differences between a \$100 mm index fund portfolio and a \$100 mm synthetic index portfolio.



An equity index fund portfolio simply invests in all the stocks represented in a benchmark, weighted by market capitalization. A synthetic index portfolio is comprised of various forms of cash which is then overlaid with equity futures. The various forms of cash serve a purpose in the construction of the synthetic portfolio:

- 1) Futures exchanges require the posting of collateral in proportion to the number of futures held. The collateral is typically posted in the form of a short-term Treasury instrument and represents approximately 7% of a synthetic index portfolio's value;
- 2) The variation margin buffer is a pool of cash from which daily gains and losses are paid or received as a result of the daily mark to market of futures. The buffer represents approx. 13% of the synthetic portfolio's value and is typically invested in the custodial banks STIF;
- 3) Cash management on residual typically involves investing in higher yielding, longer duration cash or cash equivalent securities (in this case, OSTF). This investment represents the approximately 80% of the synthetic portfolio's value.

Performance in an index fund is manifest by an increase or decrease in total market value (stock appreciation/depreciation including dividends) within the portfolio. Performance within a synthetic index portfolio is manifest by the daily mark to market that occurs within the variation margin account. For example, a 5 percent return in a \$100 million index portfolio would be evidenced by a market value that had increased to \$105 million. A 5 percent return in a \$100 million synthetic index portfolio would be evidenced by a \$5 million increase in the variation margin account as a result of the daily mark to market of futures contracts. The total value of the underlying cash in the synthetic index portfolio would stand at \$105 million.

Opportunity

The proposed mandate (synthetic Russell 2000 portfolio) can take advantage of two structural inefficiencies found within the current environment:

1. Yield differential found between OSTF and LIBOR;
2. Cheapness of holding a Russell 2000 futures position (synthetic indexing) relative to a direct equity ownership position (index fund)

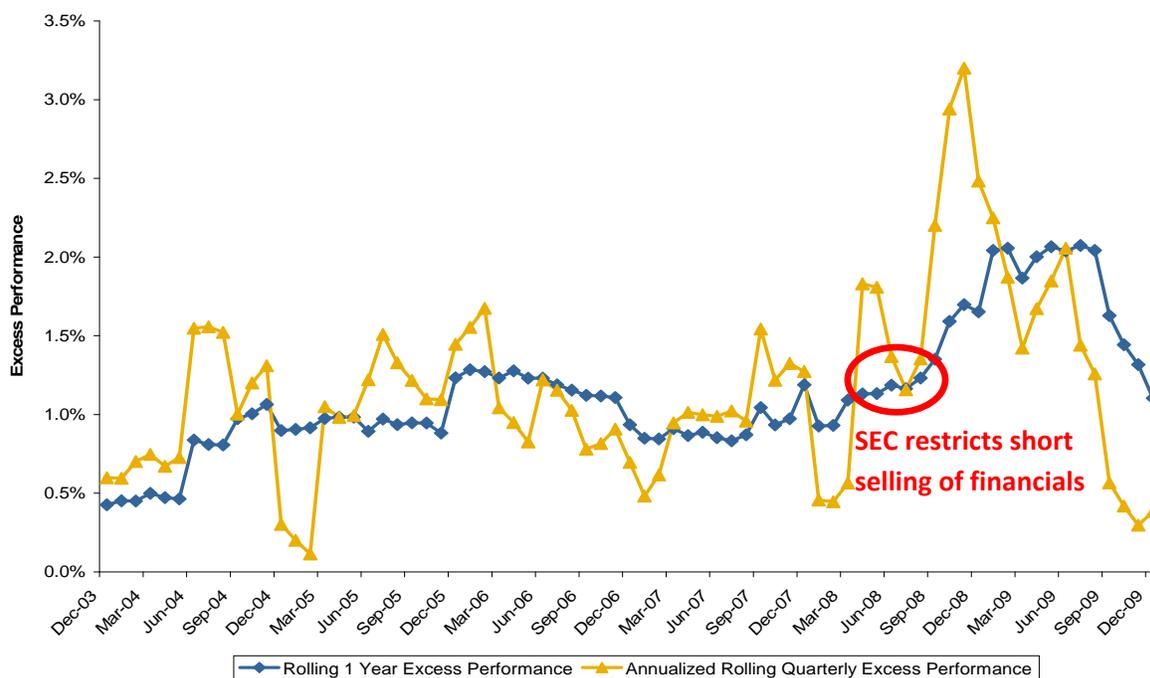
As indicated previously, the implied cost of a futures contract is LIBOR¹. If the management of cash that underlies a synthetic portfolio outperforms LIBOR, then by definition the synthetic portfolio will outperform the benchmark. The current OSTF crediting rate is approximately 55 bps, versus 3-month LIBOR, which is yielding about 25 bps. The yield differential would provide a 30 bps outperformance for synthetic portfolio strategy.

Although OSTF's internal cash management capabilities can be applied to any equity futures contract, the Russell 2000 futures contract is more attractive as a synthetic indexing mandate, as the implied financing cost of the Russell 2000 futures contracts has decreased. Primarily driven by the demand from Hedge Funds to short small cap stocks and Russell 2000 futures contracts, the Russell 2000 futures contracts have been trading in the range of 50 bps – 150 bps cheaper than the index over the last six years (i.e., a Russell 2000 synthetic portfolio would have outperformed the Russell 2000 Index by 50 to 150 bps).

¹ Although LIBOR rates extend from 1 week to 12 months, 3-month Libor is what is typically assumed to be the cost to carry of a futures contract. This is because equity futures contracts expire every three months (March, June, September, December).

The following graph was provided by Russell Investments and shows the rolling quarterly and one-year excess performance of the holding Russell 2000 futures through 12/31/09. The catalyst for the temporary spike in Russell 2000 futures excess return observed in September 2008, was the SEC restriction on shorting financial securities in the US beginning on September 19, 2008.

Russell 2000 Futures Excess Performance (12/31/09)

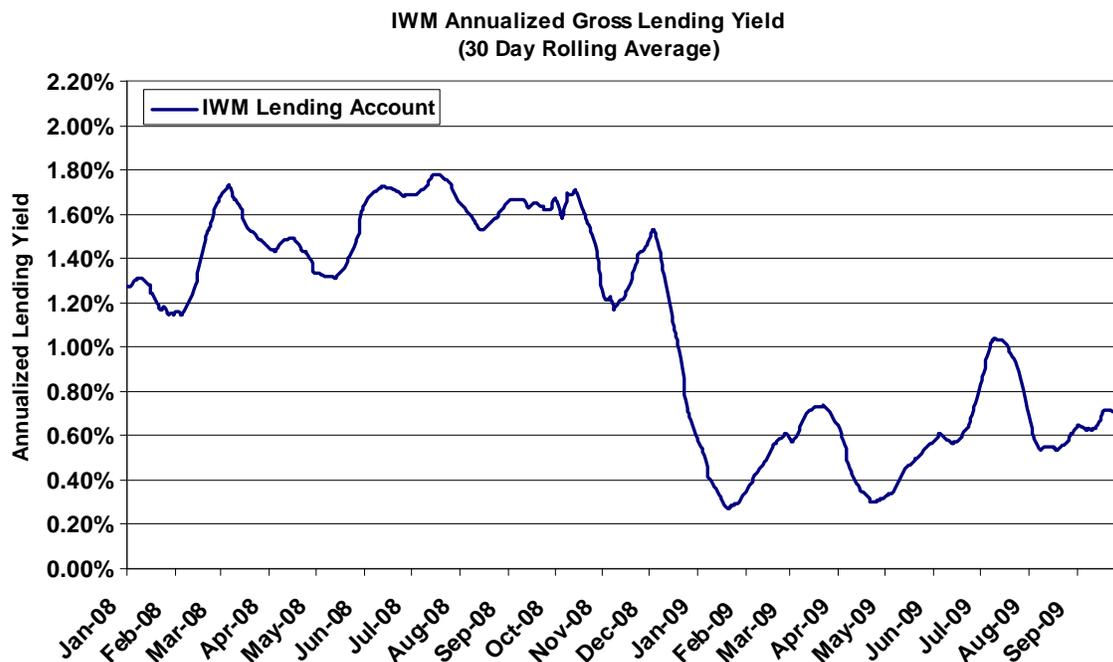


The primary drivers that allow a synthetic index portfolio to outperform an index are the demand for leverage and the supply/demand balance of hedgers (those that short using futures) to synthetic indexers (those going long futures). In a market environment where investors are demanding leverage (going long futures positions), futures tend to trade rich (implied financing cost exceeds LIBOR and it becomes difficult to outperform the index with a synthetic index strategy). Just as demand from investors seeking leverage can affect the implied financing rate of synthetic index exposure, the presence of structural hedges (shorting futures) can cause futures to trade cheap (implied financing cost is below LIBOR and it becomes easier to outperform the index with a synthetic index strategy). Much the same way that excessive sell pressure on a stock will cause the price to drop (becoming cheaper), excessive sell pressures on Russell 2000 futures will cause them to trade cheap. Russell 2000 futures contracts have been trading cheap as a result of various structural hedges (demand for shorting) which started several years ago and are expected to persist due to:

- Growth in hedge funds and institutional asset managers that engage in stock specific shorting strategies such as market neutral, equity long/short, 130/30, etc. Shorting causes a supply/demand imbalance driving up the cost of shorting in general. As an example, Blackrock's (formerly BGI) commingled index funds engage in securities lending. The average rebate to securities lending program for lending out securities contained in the Russell 2000 index, ranges from Libor -50 bps to Libor-75 bps. This implies that Blackrock charges the

borrower LIBOR +50 to LIBOR +75 bps. The borrower (a prime broker such as Goldman Sachs or Morgan Stanley) passes on additional financing charges to the end user (hedge funds shorting securities) which pushes the overall cost of shorting up to one percent or more.

- Growth in portable alpha structures, where investors (typically hedge funds) allocate assets to small cap managers (due to the inefficiency of the asset class) and hedge out (short) the small cap asset exposure with Russell 2000 index futures or with Russell 2000 ETFs. The supply/demand effect due to shorting Russell 2000 futures/ETFs, is that shorting has gotten expensive (i.e., the implied financing costs of shorting futures is well above LIBOR). The following graph shows the yields associated with lending the iShares Russell 2000 ETF (Ticker: IWM, NYSE). Annualized yields on the IWM ETF closely approximate the excess performance of holding the Russell 2000 futures contract (i.e. creating a synthetic index strategy)..

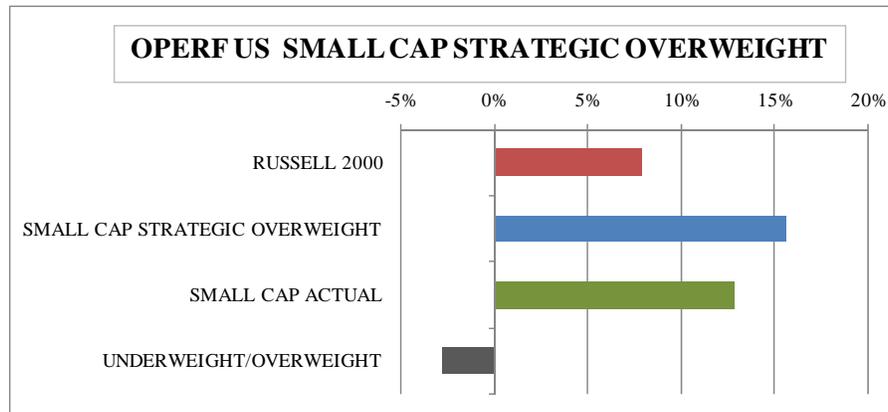


Although the structural hedges (shorting Russell 2000 securities and futures) that have been in place over the last few years have been expensive for those engaging in the shorts, it has provided outperformance for those that synthetically created a long Russell 2000 small cap exposure.

In addition to taking advantage of the structural inefficiencies currently found in the Russell 2000 futures, an internally managed synthetic small cap mandate would allow staff to more effectively manage the OPERF Public Equity portfolio structure. Staff currently manages internal U.S. Large cap and U.S. Mid cap equities. A small cap equity mandate would provide staff with an additional lever to help maintain capitalization exposure (large, mid, and small cap) balance, within OPERF’s Public Equity structure.

An internal small cap mandate would also allow staff to effectively manage the OIC’s strategic overweight to small cap equity. The strategic overweight to small cap within OPERF is two times the Russell 2000 weight (OIC Policies 4.05.01), with a range as high as 2.4 times the weight of the Russell 2000. The current OPERF weight to small cap is 13.1 percent and the strategic target to small cap is 15.6 percent.

The subsequent underweight to small cap of 2.7 percent (approximately \$240 million as of December 31, 2009) can easily be addressed with a Russell 2000 futures portfolio at a lower cost than a conventional mandate.



Positive Attributes

- Efficiently manage OPERF strategic small cap overweight;
- Efficiently manage capitalization rebalancing within the U.S. Equity asset class;
- Yield advantage (OSTF) over LIBOR, allowing for outperformance relative to benchmark;
- Takes advantage of structural inefficiencies of the Russell 2000 futures contract, allowing for outperformance relative to the benchmark;
- Existing OST staff has experience in managing similar sized futures based strategies with a former pension plan employer;
- Russell 2000 equity futures are highly liquid and trade on organized exchanges with standardized terms and daily mark to market (no counterparty risk);
- Minimal allocation of staff resources as managing a futures position only requires a few steps (daily variation margin flows, and quarterly rolling of the futures contracts);

Risks

- Margins and daily settlements are required with futures trading [Mitigant: Margins and daily settlements are already part of the daily work flow for the existing internal equity portfolios];
- Tracking error of futures relative to the benchmark (a.k.a. basis risk) [Mitigant: Russell 2000 futures contracts are highly liquid and closely track the underlying index];
- Collateral requirements to hold futures positions [Mitigant: Collateral requirement already in place for existing equity portfolios];
- Collateral posted at the broker can earn interest rates that are below LIBOR. This cash drag can negate some of the benefit of a synthetically managed portfolio [Mitigant: Collateral is generally acquired by purchasing U.S. Treasury bills and represents less than seven percent of the cash allocation, the bulk of the cash would be invested in the higher yielding OSTF];
- Structural hedges in small cap may disappear [Mitigant: Equity market neutral, Equity long/short, 130/30, and hedge funds in the small cap asset class are not expected to dry up as implementation venues. When the opportunity for excess return disappears, the futures exposures can be immediately unwound and the strategy will be terminated].

Conclusion

An internally managed synthetic Russell 2000 index portfolio will give staff the ability to efficiently manage OPERF capitalization structure rebalances and to implement the OPERF strategic small cap target weight. Staff expects that the combination of OSTF cash management and the structural cheapness of the Russell 2000 futures contract will provide a mandate capable of adding approximately 30 basis point or more per annum. Should a point in time arise when a cash management venue that outperforms LIBOR is not found, and/or the structural cheapness of the synthetic Russell 2000 futures disappears, staff will close the strategy. A funding level of approximately \$200 million would bring the OIC's strategic overweight for of U.S. small cap equity to its target (100 percent overweight of the Russell 2000 relative to the Russell 3000).

Recommendation

Authorize staff to manage a synthetic Russell 2000 Index portfolio within the guidelines specified in OIC Policy 4.05.03.

Oregon Investment Council

Public Equity Review

Emerging Markets

Purpose

To make recommendations designed to improve the emerging markets structure within the OPERF Public Equity portfolio.

Background

In 2008, the OIC adopted a Public Equity structure benchmarked to the MSCI All Country World Investable Market Index (ACWI IMI). Staff, in conjunction with SIS, continually monitors asset class exposures in an attempt to minimize unintended bets in the total equity portfolio. Last fall, staff identified a modest structural underweight to emerging markets small cap equities. Staff also evaluated the current emerging markets composition within the Public Equity portfolio, and, as a result of a current manager on 'Watchlist' status, decided to perform an emerging markets manager search in conjunction with the annual review. SIS modeled a structure that cures the underweight in emerging markets and improves risk within the Public Equity portfolio.

Search Process

Staff and SIS independently screened a pool of emerging markets products listed in the eVestment database to create a "shortlist," based on a variety of both quantitative and qualitative factors, including:

- Firm and product assets;
- Organizational strength and stability;
- Team consistency, experience, and depth;
- SIS and staff knowledge and opinions regarding the firm and product;
- Portfolio attributes, including: benchmark risk, portfolio holdings, style characteristics, and correlation of returns relative to other emerging market managers; and,
- The history of relative performance including attractive pair wise correlation between existing and proposed emerging market product candidates.

Staff and SIS narrowed the search universe to 13 products and conducted conference calls with prospective managers. Staff also contacted the manager research staffs at Russell and Northern Trust, to ascertain their views on these managers. A finalist list was comprised of the following five asset managers: Axiom, DFA, Pyramis, Wellington, and Westwood Global.

The selection team consisted of Kevin Nordhill, Mike Viteri, Ben Mahon, and SIS consultant John Meier. Wellington and Axiom were asked to make presentations to staff and SIS, as these products were less familiar. DFA and Pyramis both manage equity strategies for OPERF and staff has met on-site multiple times in the last 18 months to discuss the emerging markets strategies. Additionally, staff and John Meier independently met with Westwood on-site last fall. Through the process, three strategies rose to the top: DFA, Westwood Global, and Pyramis. Staff is recommending hiring DFA and Westwood Global for dedicated emerging markets mandates and expanding Pyramis' international developed mandate to include emerging markets.

While staff is not recommending Axiom or Wellington at this time, we maintain a high regard for both firms, and may be recommending each firm for another mandate in the future.

Dimensional Fund Advisers

Dimensional Fund Advisors (DFA) is a large, employee-owned investment firm that manages nearly \$165 billion in a variety of equity and fixed income products. DFA was founded in April, 1981 to provide investment services to institutional investors. DFA is headquartered in Austin, Texas and has offices in London, Sydney, and Los Angeles which enables DFA to perform portfolio management and trading operations 24 hours a day. The firm has 41 portfolio managers and 36 traders. They have nearly 500 total staff as much of their business is in the institutional mutual fund space.

DFA's investment philosophy is based on research that supports the belief that small companies (as measured by market capitalization) and lower priced stocks (measured by book value to market) provide higher expected returns relative to larger companies. The implication of this research is that investors should receive a premium for investing in risky assets. This research was initially performed on U.S. equities, but was later expanded to include international equity and has served as the foundation for DFA's equity strategies. DFA has maintained strong ties to the financial academic community. Eugene Fama, Kenneth French, and Donald Keim serve as consultants and support investment strategies. Roger Ibbotson and Nobel laureates Merton Miller and Myron Scholes serve on DFA Mutual Fund Boards.

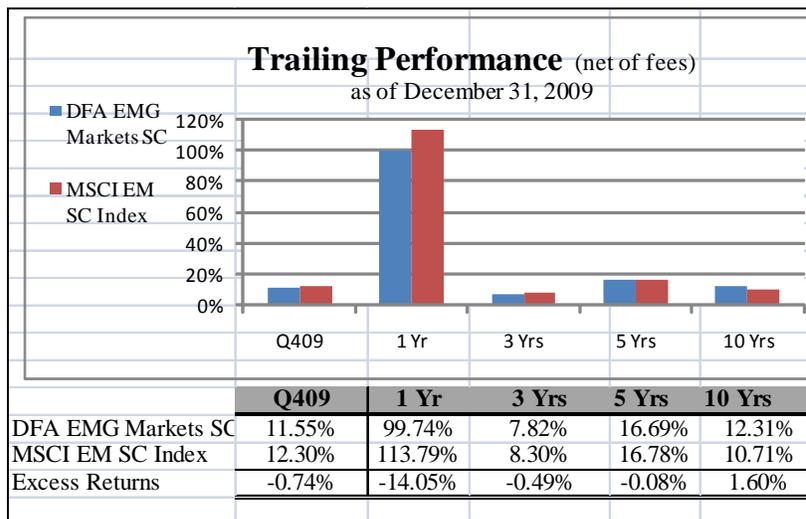
DFA's equity products can best be described as fundamental index-like strategies, as stocks are selected on the basis of specific characteristics as opposed to a view or expectation of their future performance. The proposed DFA Emerging Markets Small Cap Portfolio invests in 18 of 22 emerging market countries. Country exclusionary criteria are based upon on-going qualitative assessments of each country's rule of law (good legal system, accurate financial statements, reasonable treatment of foreign ownership, reliable settlement system), and quantitative determinations of country size and liquidity. Individual country weights are limited to 12.5 percent, which has the effect of overweighting smaller countries represented in the index. Security level exclusions occur with recent IPOs, REITS, and highly regulated utilities. The portfolio is constructed to invest in the smallest 10 to 25 percent of the emerging market stocks within each country, with a bias toward high book-to-market values.

DFA cites that bid/ask spreads on the smallest end of the market cap range are estimated at 1.7 percent, and that total market impact for trading non-U.S. small cap stocks can exceed 10 percent. DFA mitigates these costs and adds value through efficient trading by being the liquidity provider to the market place. The brokerage community has generally regarded DFA as the buyer or seller of last resort. When a small cap name has fallen out of favor, brokers have generally gone to DFA for liquidity which is provided at a discount to the stock price. The converse is true for highly sought after small cap stocks, DFA provides brokers access to these stocks at a premium to the stock price.

The proposed strategy would be implemented through DFA's Emerging Markets Small Cap institutional mutual fund that provides immediate exposure to 2,100 different small cap emerging

stocks. Given the size of the proposed mandate, a separate account is sub-optimal as we would be unable to access India directly or, receive the same level of broad exposure to emerging small cap stocks.

The following table and graph provide the DFA Emerging Market Small Cap Strategy mutual fund performance through December 31, 2009:



DFA’s shorter-term underperformance relative to the MSCI Emerging Markets Small Cap Index has been primarily due to the timing of the reconstitution of the MSCI indices. MSCI Emerging Market Equity indices reconstitute in May and November of every year. The November 2008 index reconstitution occurred during the equity market bottom, and as a consequence, stocks that fell victim to the credit crises were reconstituted into the small cap index. In early 2009, the emerging markets rebounded and the stocks that had been most beaten down greatly increased in value, giving the index a significant tail wind and outperforming the majority of managers. In many respects, this was similar to what happened to the Russell 2000 index during Russell’s June 2000 reconstitution. The internet bubble peaked in March 2009, but the valuation accorded to technology stocks remained high during the Russell June reconstitution. As a consequence the Russell 2000 index rebalanced to its’ highest weighting ever in technology stocks. The index performance suffered greatly over the coming months due to the high exposure to technology mainly as a function of the timing of the reconstitution.

DFA currently manages an international developed small cap value strategy for OPERF. Although this mandate outperformed its benchmark by nearly 10 percent for the one-year period ending December 31, 2009, DFA’s mutual fund for this strategy under-performed the benchmark by 13 percent for this period. The performance differential is due to the timing of OPERF’s funding and DFA’s investment process of opportunistically buying the smaller, most depressed stocks, coinciding with the bottom of the market. We point this out to illustrate the similar difficult performance period for DFA’s emerging markets small cap strategies.

DFA is one of the few asset managers with a dedicated emerging markets small cap strategy with a long-term track record. Until recently, even index fund providers were absent from this space.

More attention is being paid to emerging markets small cap as the significant performance deviations caused investors who adopted the MSCI Emerging Markets IMI (large + mid + small cap) index series significant tracking error. Staff and SIS have conducted numerous due diligence visits with DFA and are confident in DFA's abilities to meet OPERF's investment objectives in this sub-asset class.

Pyramis Global Advisers – Select International Plus

Pyramis is the institutional investment arm of Fidelity Investments. The Select Equity strategies blend active stock selection with optimized quantitative portfolio construction and are designed to control risk relative to the benchmark. The Fidelity analyst platform is used for these strategies, and the network is organized by industry and located in four regional offices (Smithfield, Rhode Island, Tokyo, London, and Hong Kong). Research analysts cover 3,500 companies worldwide (700 in emerging markets) and produce research reports on each company. All research is used for internal strategies only.

Fidelity analysts perform fundamental research and construct proprietary models of top-line revenue, margins, and forward-looking earnings, which serve as the underpinning for the valuation estimate. Analysts express their views, qualitatively and quantitatively, through Analyst Model Portfolios (AMP) which are available real-time and accessible to all investment professionals. The AMP allows analysts to show the level of conviction in their research and is used as a gauge to evaluate their skills. Each analyst covers 20 to 30 stocks and assigns a linear ranking within their AMP which allows Pyramis portfolio managers to quantitatively construct portfolios. The Select Equity products use a quantitative optimization process run independently for each region, to construct the portfolios.

The OIC funded the Pyramis Select International (large and mid cap developed markets) strategy in December, 2004. This is a low tracking error product that is country neutral and holds approximately 300 securities. Cesar Hernandez has been the portfolio manager on this product since 1994. Ravi Mantha joined Cesar in managing this product in 2001 and is currently the backup portfolio manager for this product. In 2008, Ravi began the Select Emerging Markets strategy (with Cesar as the product backup) and Pyramis added the Select International Plus (developed and emerging markets) strategy to the suite of Pyramis Select products. Although the Select International strategy struggled on a relative basis in 2009, it has delivered 90 basis points excess return since inception with a 2.0 percent tracking error.

Although Pyramis only began managing emerging markets within the Select Equity products in 2008, they back-tested the efficacy of their model and found it to be robust. The main inhibitor to initiating the strategy was a lack of sufficient Fidelity analyst coverage. Fidelity has focused additional resources to the emerging markets space and now covers 75 percent of the market cap of the emerging markets benchmark, a level which is sufficient to manage the product. The product has performed very well to date and asset growth is strong.

Staff and SIS have a high regard for the Pyramis International Select products and believe they will continue to be able to generate strong risk-adjusted returns. These products are unique in that very few investment firms have the resources to fundamentally analyze and rank the

majority of the investible universe. Converting the International Select strategy to the International Select Plus strategy adds emerging markets to the developed markets strategy and improves the risk-adjusted return profile of the assignment

Westwood Global Investments – Global Emerging Markets

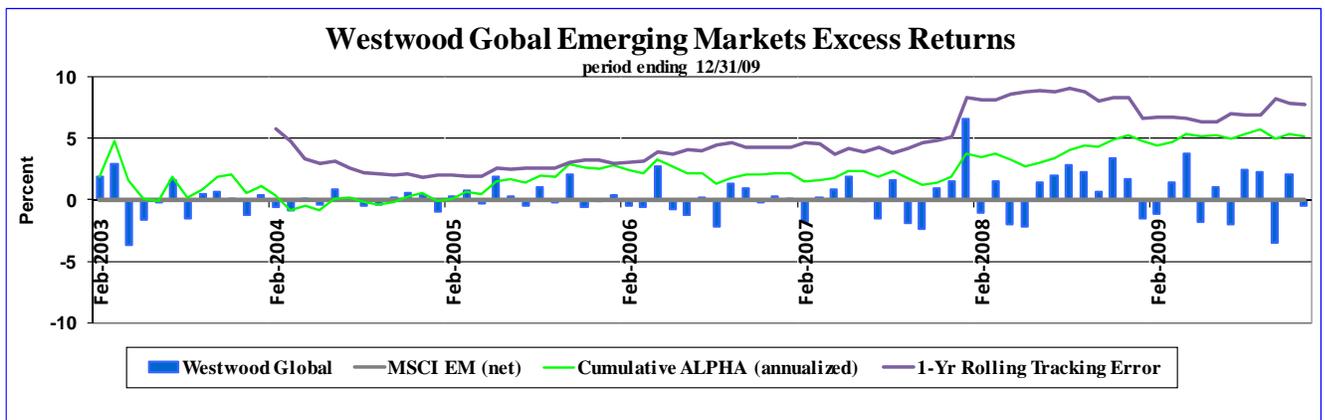
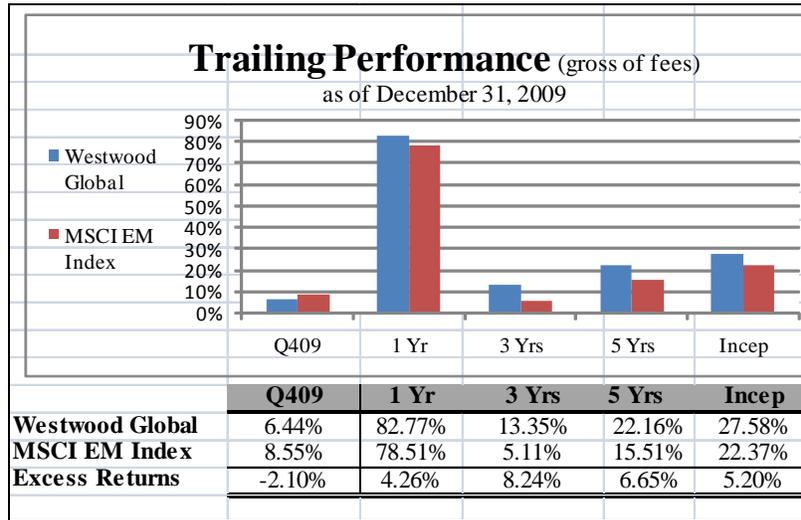
Westwood Global is based in Boston and was founded by Meg Reynolds and Bryan Ward in January 2003. Meg began her career in 1988 at Putnam Investments and has over 23 years experience. The two worked together early in their careers at Putnam Investments. Meg spent 1995-2003 at Fidelity, most recently serving as the portfolio manager of the Fidelity Latin America fund. Bryan has 20 years of experience as an asset manager in international equity working with various well-regarded investment management firms. Westwood Global is privately held, with both Meg and Bryan each owning half the firm. The portfolio managers are supported by three analysts who act as generalists.

The firm was seeded with an initial investment of \$250 million from a large foundation. For almost four years, this was their only significant investor. The firm diversified its asset base and the product is now closed at \$3.8 billion. As a result of an early interest in the product on behalf of Oregon State Treasury back in late 2008, Westwood Global has kept capacity available to OST. If approved by the OIC, OPERF would be the last client to enter the mandate.

The firm's investment style can be characterized as bottom-up, fundamental, with a long-term holding horizon. The philosophy is to invest in businesses that generate superior returns on equity, are well financed, and generate strong free cash flow as evidenced by an above average free cash flow yield. The firm manages a concentrated high-conviction portfolio that holds approximately 25-31 securities. Westwood Global's pattern of returns has demonstrated an ability to participate in strong markets, while preserving capital in declining markets relative to the benchmark.

The screening process narrows the universe of +1,200 stocks to 80-100 companies that have demonstrated a history of above average operating performance, strong return on equity, strong cash flow generating capability, a strong balance sheet, an ability to maintain its' competitive advantages and competent management teams. Due diligence visits to portfolio companies as well as "Watch List" companies are an inherent part of the process. The end result is a 25-31 stock portfolio that is driven by security selection with sectors and countries a residual to the stock selection process. Prior to inclusion in the portfolio, a company/stock must have been researched, included on the "watch list" of companies meeting the firms' quality criteria, and have met the approval of both portfolio managers. The discipline of investing in no more than 31 companies requires a continuous assessment of the portfolio relative to the firm's "watch list". Companies are sold in one of four ways: target valuation reached, a better opportunity is identified on the watch list, confidence is lost in management and/or there is a change in the fundamental earnings forecast for the company. Given this philosophy, turnover in the portfolio is low, averaging in the range of 20-25 percent per year.

The following table and graph provides Westwood Global's Emerging Market Strategy performance through December 31, 2009:



Product performance has been strong and consistent since inception. This is a concentrated, high conviction strategy, which should generate higher excess returns than other active managers in this space. As such, tracking error will be high, and will result in periods of under-performance. Staff and SIS have a high regard for Westwood and believe they will continue to be able to generate strong risk-adjusted returns over a long horizon.

Manager Structure

Staff and SIS believe hiring Westwood Global and DFA's Emerging Markets Small Cap strategies, in addition to converting the Pyramis International Select mandate to include emerging markets, improves the emerging markets composition of OPERF's Public Equity portfolio. DFA addresses the emerging markets small cap underweight, with a product that should provide additive risk-adjusted returns. Westwood Global is a boutique fundamental manager whose concentrated investment process should lead to higher excess return. Pyramis employs a diversified, lower risk process that remains sector and country neutral, seeking to add alpha only through stock selection.

Staff performed a variety of other procedures in determining the appropriateness of recommending these managers for funding, including:

- On-site due diligence visits were made to all three managers. No significant concerns were noted.
- Reviewed manager ADV filings with the SEC looking for potential conflicts of interest and other items of concern. No concerns were noted.
- Staff checked references from peers using the products. References were all favorable.
- Reviewed and discussed the fee schedules.
- Determined that performance composites are GIPs compliant.

Recommendations

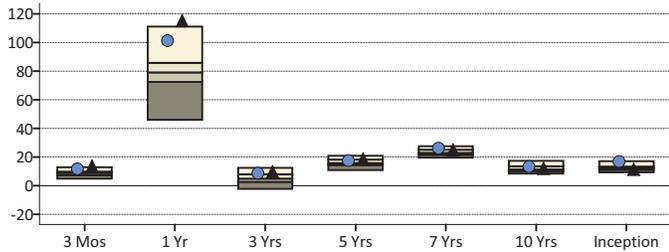
- Hire DFA for a dedicated Emerging Markets Small Cap strategy to be funded at approximately \$100 million with an expected excess return target of 1.5 percent relative to the MSCI Emerging Markets Small Cap index, subject to the successful negotiation of the investment management agreement.
- Hire Westwood Global Investors for a dedicated Emerging Markets strategy to be funded at approximately \$100 million with an expected excess return target of 2.5 percent relative to the MSCI Emerging Markets index subject to the successful negotiation of the investment management agreement.
- Convert the Pyramis Select International strategy to the Pyramis Select International Plus strategy. Change the assigned benchmark from the MSCI World ex-US index to the MSCI All-Country World ex-US benchmark, leaving the excess return target at 1.0 percent, subject to the successful negotiation of the investment management agreement.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● DFA: EMSC
 ▲ MSCI EM (Emerging Markets) Small Cap ND

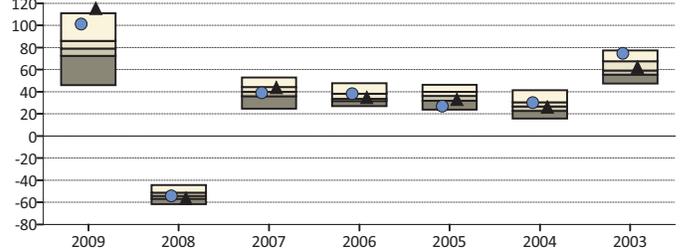
Analysis Period: Mar 98 - Dec 09
 Benchmark: MSCI EM (Emerging Markets) Small Cap ND
 Universe: eA Emerging Markets Equity

Total Return: Trailing Periods



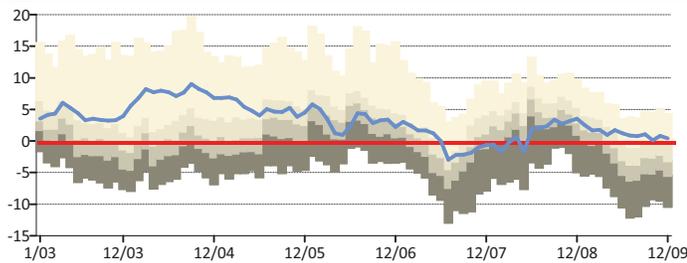
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	11.8 [8]	101.3 [10]	8.6 [19]	17.7 [30]	26.3 [11]	13.5 [28]	17.0 [6]
Index	12.3 [7]	113.8 [5]	8.2 [23]	17.2 [36]	23.7 [40]	10.9 [61]	10.2 [88]
Excess	-0.5	-12.5	0.4	0.4	2.6	2.7	6.8
Univ Size	148	148	138	115	100	85	71

Total Return: Calendar Years

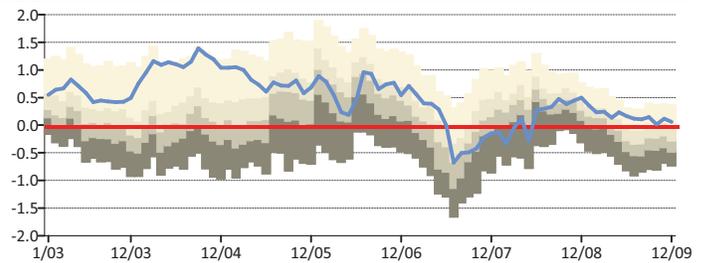


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	101.3 [10]	-54.2 [53]	39.1 [57]	38.4 [25]	27.0 [92]	30.2 [27]	74.7 [12]
Index	113.8 [5]	-58.2 [85]	42.0 [39]	33.0 [58]	31.4 [78]	24.6 [67]	60.5 [42]
Excess	-12.5	4.0	-2.9	5.5	-4.4	5.7	14.3
Univ Size	148	170	168	161	147	142	135

Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Performance Statistics (Mar 98 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return			Alpha		
3 Years	8.6	8.2	5.0	3 Years	0.4	-3.2	3 Years	0.9	-2.1
5 Years	17.7	17.2	15.8	5 Years	0.4	-1.5	5 Years	1.4	0.9
7 Years	26.3	23.7	23.0	7 Years	2.6	-0.6	7 Years	4.2	1.8
10 Years	13.5	10.9	11.4	10 Years	2.7	0.5	10 Years	3.2	1.3
Since Inception	17.0	10.2	12.2	Since Inception	6.8	2.1	Since Inception	7.2	2.1
Standard Deviation				Tracking Error			Up Market Capture		
3 Years	35.6	38.1	32.7	3 Years	7.1	11.2	3 Years	88.1	80.0
5 Years	29.8	31.4	28.0	5 Years	6.1	9.7	5 Years	93.5	88.6
7 Years	26.5	27.8	25.3	7 Years	6.4	8.8	7 Years	96.1	90.0
10 Years	25.2	26.3	25.1	10 Years	6.6	9.8	10 Years	95.7	91.2
Since Inception	26.3	26.5	26.6	Since Inception	7.6	10.5	Since Inception	101.6	94.3
Beta				Information Ratio			Down Market Capture		
3 Years	0.92		0.83	3 Years	0.06	-0.28	3 Years	90.5	90.0
5 Years	0.93		0.85	5 Years	0.07	-0.16	5 Years	92.7	90.6
7 Years	0.93		0.86	7 Years	0.41	-0.08	7 Years	88.3	89.8
10 Years	0.93		0.88	10 Years	0.40	0.06	10 Years	89.0	90.3
Since Inception	0.95		0.90	Since Inception	0.90	0.19	Since Inception	84.2	90.8

Commentary

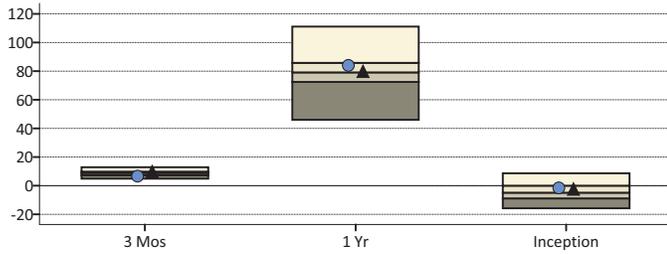
Dimensional Fund Advisors (DFA) was founded in 1981 and is primarily owned by employees and directors. The Emerging Markets Small Cap strategy invests in companies with market capitalization less than \$2.5 billion in the emerging markets countries that satisfy DFA's liquidity and governance requirements. In addition to the size and value criteria, DFA employs a range of screens for quality, liquidity and momentum. The firm also seeks to add value and reduce costs by trading patiently, selling when demand for a security is high and buying when demand is low. The portfolio is well diversified across over 2000 securities, and by country and sector. Long term performance has been quite strong, well ahead of the MSCI Emerging Markets Small Cap index. DFA offers an attractive and reasonably priced means of gaining exposure to this asset class.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● Pyramis: Sltc Emg Mkts. E
 ▲ MSCI EM (Emerging Markets) ND

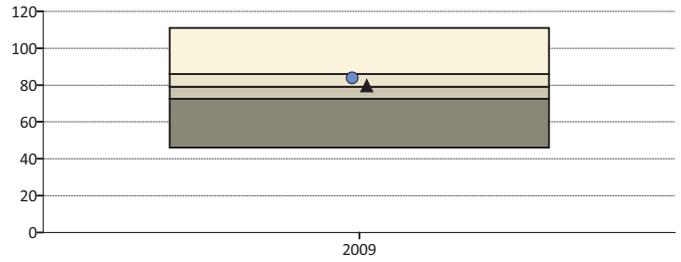
Analysis Period: Jul 08 - Dec 09
 Benchmark: MSCI EM (Emerging Markets) ND
 Universe: eA Emerging Markets Equity

Total Return: Trailing Periods



[Rank]	3 Mos	1 Yr	S.I.
Strategy	6.7 [86]	84.0 [31]	-1.4 [32]
Index	8.5 [57]	78.5 [52]	-3.8 [44]
Excess	-1.8	5.4	2.4
Univ Size	148	148	148

Total Return: Calendar Years



[Rank]	2009
Strategy	84.0 [31]
Index	78.5 [52]
Excess	5.4
Univ Size	148

Excess Return: Rolling 36-Month Periods (-)

Information Ratio: Rolling 36-Month Periods (-)

Performance Statistics (Jul 08 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return			Alpha		
Since Inception	-1.4	-3.8	-4.7	Since Inception	2.4	-1.0	Since Inception	2.4	-1.4
Standard Deviation				Tracking Error			Up Market Capture		
Since Inception	41.3	40.7	40.7	Since Inception	5.7	5.3	Since Inception	100.6	97.0
Beta				Information Ratio			Down Market Capture		
Since Inception	1.01		1.00	Since Inception	0.41	-0.19	Since Inception	97.1	100.7

Commentary

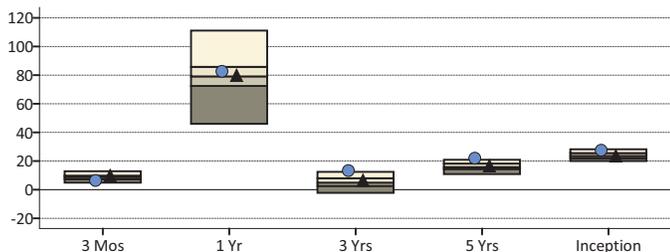
Pyramis was established in 2005 as the institutional asset management arm of Fidelity and remains wholly owned by the parent firm. Although the Select Emerging Market strategy was inceptioned only in late 2008, the firm has been managing an EAFE strategy using this approach since 1994. Pyramis Select Emerging Markets is an all cap core strategy, buying stocks with market capitalizations above \$1 billion. The portfolio manager draws on the highest conviction ideas of Pyramis's research analysts located throughout the world. Security, country, and sector weights are all held within 5 percentage points of the benchmark. Although a relatively new strategy, we regard the Select Emerging Markets strategy as a good compromise between active stock selection and risk control.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● Westwood Global: GEMS
 ▲ MSCI EM (Emerging Markets) ND

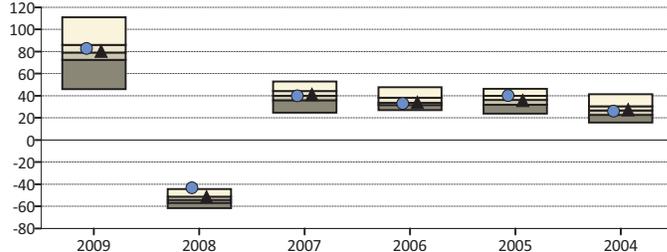
Analysis Period: Feb 03 - Dec 09
 Benchmark: MSCI EM (Emerging Markets) ND
 Universe: eA Emerging Markets Equity

Total Return: Trailing Periods



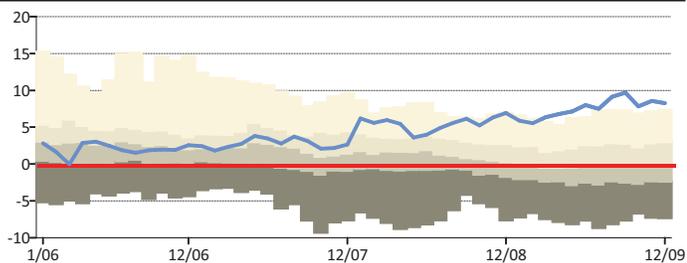
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	S.I.
Strategy	6.4 [87]	82.8 [33]	13.3 [4]	22.2 [2]	27.6 [9]
Index	8.5 [57]	78.5 [52]	5.1 [50]	15.5 [56]	22.4 [70]
Excess	-2.1	4.3	8.2	6.7	5.2
Univ Size	148	148	138	115	101

Total Return: Calendar Years

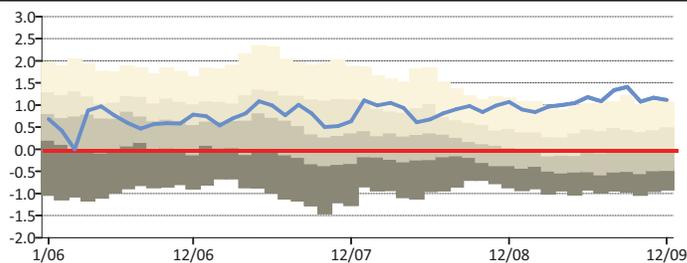


[Rank]	2009	2008	2007	2006	2005	2004
Strategy	82.8 [33]	-43.1 [4]	40.1 [51]	33.2 [57]	40.3 [23]	26.1 [57]
Index	78.5 [52]	-53.3 [45]	39.4 [55]	32.2 [69]	34.0 [64]	25.6 [62]
Excess	4.3	10.2	0.7	1.0	6.3	0.6
Univ Size	148	170	168	161	147	142

Excess Return: Rolling 36-Month Periods (Jan 06 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 06 - Dec 09)



Performance Statistics (Feb 03 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return			Alpha		
3 Years	13.3	5.1	5.0	3 Years	8.2	-0.1	3 Years	8.4	-0.2
5 Years	22.2	15.5	15.8	5 Years	6.7	0.3	5 Years	7.4	0.7
Since Inception	27.6	22.4	23.6	Since Inception	5.2	1.2	Since Inception	6.6	1.1
Standard Deviation				Tracking Error			Up Market Capture		
3 Years	31.2	32.8	32.7	3 Years	7.4	5.6	3 Years	97.8	98.8
5 Years	27.0	28.0	28.0	5 Years	6.2	4.6	5 Years	101.4	100.6
Since Inception	24.1	25.2	25.4	Since Inception	5.8	4.3	Since Inception	99.4	101.2
Beta				Information Ratio			Down Market Capture		
3 Years	0.93		0.99	3 Years	1.12	-0.01	3 Years	83.3	99.4
5 Years	0.94		0.99	5 Years	1.08	0.05	5 Years	85.4	99.5
Since Inception	0.93		0.99	Since Inception	0.90	0.25	Since Inception	84.1	99.2

Commentary

Westwood is an emerging markets equity specialist that was founded by Meg Reynolds and Bryan Ward in 2003. Prior to founding Westwood, Meg had been a manager of a Fidelity Latin America fund and Bryan had been a portfolio manager at Hansberger. Each own 50% of Westwood. The firm's approach is fundamental and bottom up with a long time horizon. They seek out businesses with high ROE and an above average free cash flow yield. The portfolio is concentrated with 25-31 holdings. Performance over the past five years has been impressive, faring well in both up- and down-markets. Assets in the strategy at year end were approximately \$2.4 billion and the firm has stated the intention to close at low asset level to be able to continue to invest across the market cap spectrum.

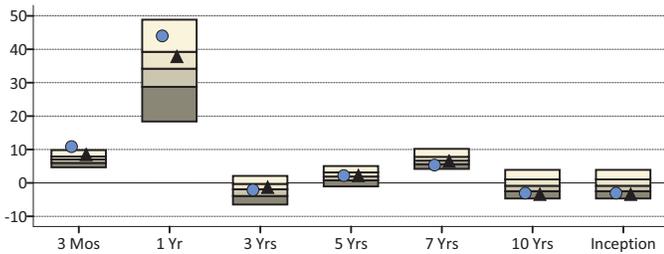
TAB 5 – SIS MANAGER TEAR SHEETS

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● Delaware Investments: Large-Cap Growth
 ▲ Russell 1000 Growth Index

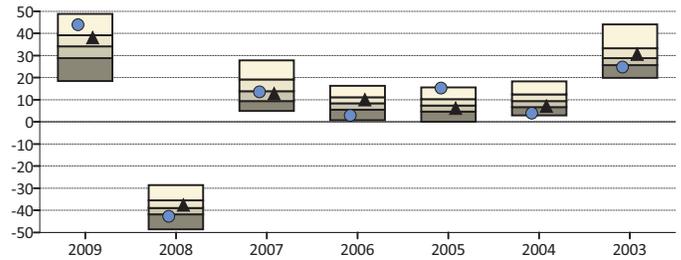
Analysis Period: Jan 00 - Dec 09
 Benchmark: Russell 1000 Growth Index
 Universe: eA Large Cap Growth Equity

Total Return: Trailing Periods



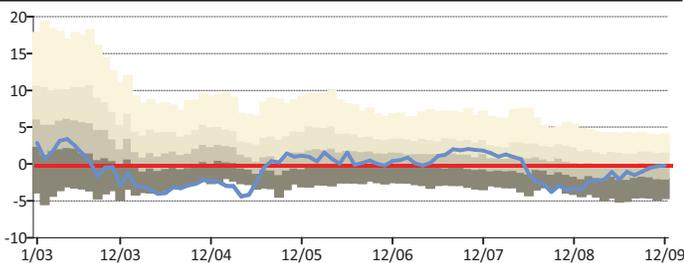
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	10.9 [2]	44.0 [15]	-2.1 [53]	2.2 [44]	5.4 [81]	-3.0 [82]	-3.0 [82]
Index	7.9 [27]	37.2 [33]	-1.9 [51]	1.6 [59]	5.9 [70]	-4.0 [91]	-4.0 [91]
Excess	2.9	6.8	-0.2	0.6	-0.5	1.0	1.0
Univ Size	318	318	309	295	263	205	205

Total Return: Calendar Years

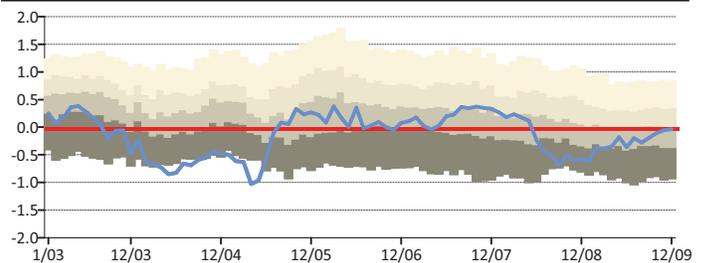


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	44.0 [15]	-42.6 [80]	13.6 [52]	3.0 [89]	15.3 [7]	3.9 [93]	24.8 [80]
Index	37.2 [33]	-38.4 [47]	11.8 [62]	9.1 [46]	5.3 [70]	6.3 [78]	29.7 [47]
Excess	6.8	-4.2	1.8	-6.1	10.0	-2.4	-4.9
Univ Size	318	374	411	430	444	442	439

Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Performance Statistics (Jan 00 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return			Alpha		
3 Years	-2.1	-1.9	-1.9	3 Years	-0.2	0.0	3 Years	-0.2	-0.2
5 Years	2.2	1.6	1.9	5 Years	0.6	0.3	5 Years	0.6	0.2
7 Years	5.4	5.9	6.7	7 Years	-0.5	0.8	7 Years	-0.6	0.6
10 Years	-3.0	-4.0	-0.9	10 Years	1.0	3.1	10 Years	0.7	1.5
Since Inception	-3.0	-4.0	-0.9	Since Inception	1.0	3.1	Since Inception	0.7	1.5
Standard Deviation				Tracking Error			Up Market Capture		
3 Years	20.6	20.0	20.2	3 Years	5.3	5.0	3 Years	96.6	97.6
5 Years	17.5	16.3	16.6	5 Years	5.4	4.7	5 Years	103.8	99.6
7 Years	15.8	14.8	15.2	7 Years	5.0	4.7	7 Years	100.5	101.2
10 Years	19.8	19.0	17.7	10 Years	7.5	7.6	10 Years	100.1	96.7
Since Inception	19.8	19.0	17.7	Since Inception	7.5	7.6	Since Inception	100.1	96.7
Beta				Information Ratio			Down Market Capture		
3 Years	1.00		0.98	3 Years	-0.04	0.00	3 Years	98.2	100.5
5 Years	1.02		0.99	5 Years	0.10	0.07	5 Years	100.9	100.0
7 Years	1.02		0.99	7 Years	-0.10	0.17	7 Years	103.3	99.5
10 Years	0.96		0.91	10 Years	0.13	0.43	10 Years	96.8	91.7
Since Inception	0.96		0.91	Since Inception	0.13	0.43	Since Inception	96.8	91.7

Commentary

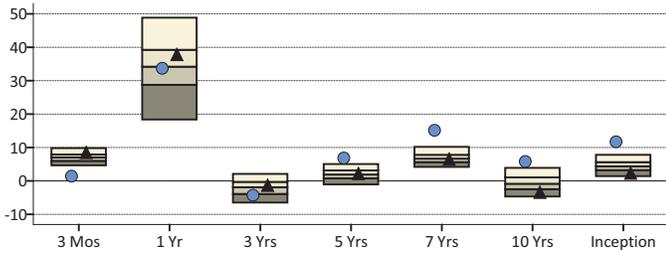
Delaware recently finalized its acquisition by the Macquarie Group from the previous parent company, Lincoln Financial. The investment team on large growth remains stable and, from conversations with members of the group, it appears they favor the new ownership firm and structure. Recent performance on the product has been mixed. Following a tough year in 2008, where overweights to cyclical businesses and companies with leverage hurt results, the product rebounded in 2009 with a sizable position in financials that benefited from the loosening of credit and investor perception that capital markets had stabilized. Delaware's recent ownership change appears to be a positive step but we will be monitoring the transition for any signs of shifts in people, process or performance.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● Aletheia Research: Growth
 ▲ Russell 1000 Growth Index

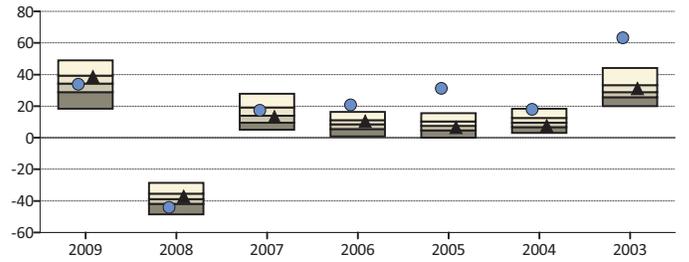
Analysis Period: Jan 98 - Dec 09
 Benchmark: Russell 1000 Growth Index
 Universe: eA Large Cap Growth Equity

Total Return: Trailing Periods



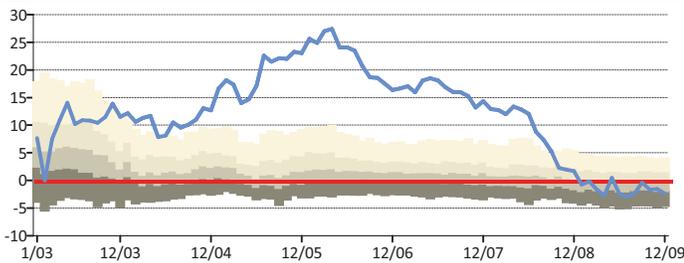
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	1.5 [100]	33.8 [54]	-4.2 [81]	6.9 [2]	15.2 [1]	5.8 [1]	11.7 [1]
Index	7.9 [27]	37.2 [33]	-1.9 [51]	1.6 [59]	5.9 [70]	-4.0 [91]	1.7 [94]
Excess	-6.5	-3.4	-2.3	5.2	9.2	9.8	10.0
Univ Size	318	318	309	295	263	205	156

Total Return: Calendar Years

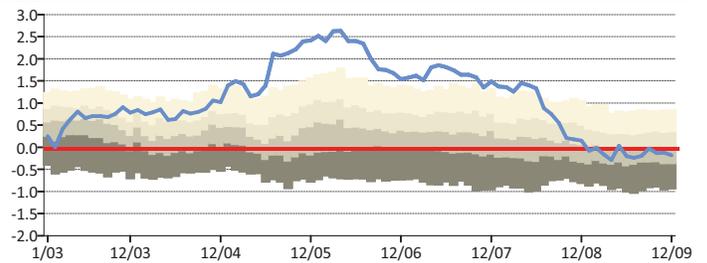


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	33.8 [54]	-44.1 [87]	17.4 [35]	20.7 [1]	31.4 [1]	18.0 [7]	63.3 [1]
Index	37.2 [33]	-38.4 [47]	11.8 [62]	9.1 [46]	5.3 [70]	6.3 [78]	29.7 [47]
Excess	-3.4	-5.6	5.6	11.6	26.1	11.7	33.5
Univ Size	318	374	411	430	444	442	439

Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Performance Statistics (Jan 98 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median	
Total Return				Excess Return				Alpha		
3 Years	-4.2	-1.9	-1.9	3 Years	-2.3	0.0		3 Years	-1.4	-0.2
5 Years	6.9	1.6	1.9	5 Years	5.2	0.3		5 Years	5.5	0.2
7 Years	15.2	5.9	6.7	7 Years	9.2	0.8		7 Years	8.7	0.6
10 Years	5.8	-4.0	-0.9	10 Years	9.8	3.1		10 Years	9.5	1.5
Since Inception	11.7	1.7	4.4	Since Inception	10.0	2.6		Since Inception	9.9	1.7
Standard Deviation				Tracking Error				Up Market Capture		
3 Years	27.1	20.0	20.2	3 Years	12.7	5.0		3 Years	111.5	97.6
5 Years	22.8	16.3	16.6	5 Years	12.3	4.7		5 Years	127.3	99.6
7 Years	20.6	14.8	15.2	7 Years	11.5	4.7		7 Years	136.6	101.2
10 Years	26.8	19.0	17.7	10 Years	19.7	7.6		10 Years	123.0	96.7
Since Inception	27.0	19.5	18.6	Since Inception	19.2	7.4		Since Inception	121.3	97.5
Beta				Information Ratio				Down Market Capture		
3 Years	1.21		0.98	3 Years	-0.18	0.00		3 Years	115.3	100.5
5 Years	1.19		0.99	5 Years	0.42	0.07		5 Years	100.6	100.0
7 Years	1.17		0.99	7 Years	0.81	0.17		7 Years	91.8	99.5
10 Years	0.96		0.91	10 Years	0.50	0.43		10 Years	83.3	91.7
Since Inception	0.98		0.93	Since Inception	0.52	0.35		Since Inception	84.4	91.7

Commentary

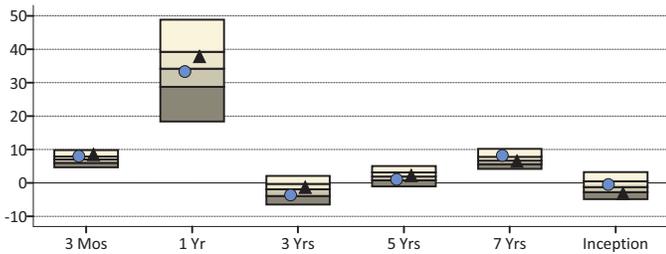
Aletheia is a majority employee-owned boutique firm with a stable investment team centered on the founder, Peter Eichler. The investment process begins, in large part, by focusing on insider buying by either company management or an outside investor that Aletheia holds in high regard (i.e. Warren Buffett). Stocks that meet the firm's insider buying criteria will be researched further for possible addition to the portfolio. The strategy is fairly atypical but one that makes some intuitive sense and has certainly worked well in the past. The portfolio's performance, with the exception of 2008 and 2009, has been exceptional. In the last two years performance has lagged the corresponding benchmark but confidence in the team's ability to add value going forward remains strong.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● WellsCap: Fund Lg Cap Select G
 ▲ Russell 1000 Growth Index

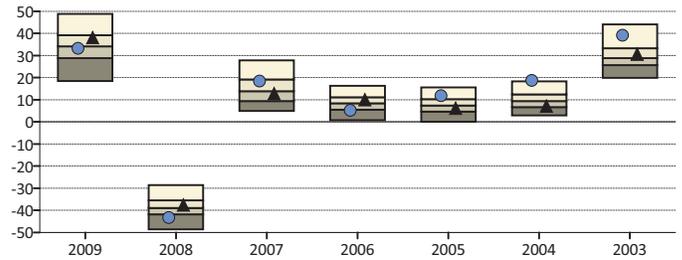
Analysis Period: Nov 00 - Dec 09
 Benchmark: Russell 1000 Growth Index
 Universe: eA Large Cap Growth Equity

Total Return: Trailing Periods



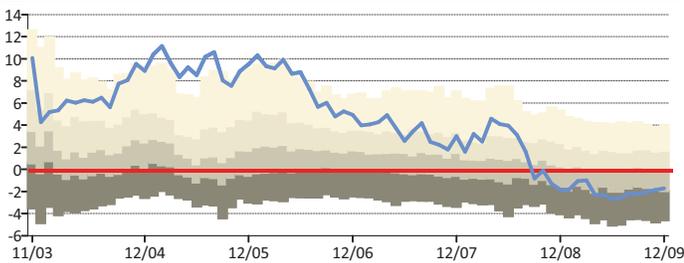
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	S.I.
Strategy	8.0 [24]	33.3 [56]	-3.6 [72]	1.1 [71]	8.3 [20]	-0.5 [39]
Index	7.9 [27]	37.2 [33]	-1.9 [51]	1.6 [59]	5.9 [70]	-3.7 [84]
Excess	0.1	-3.9	-1.7	-0.6	2.3	3.2
Univ Size	318	318	309	295	263	219

Total Return: Calendar Years

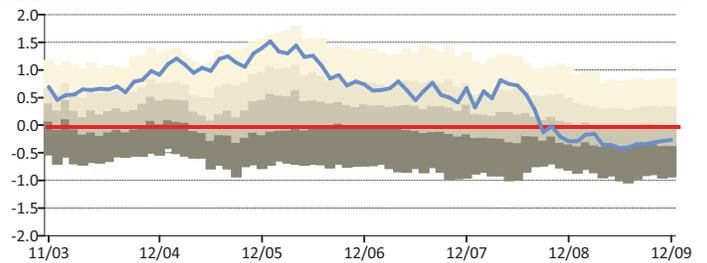


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	33.3 [56]	-43.3 [83]	18.4 [30]	5.2 [78]	11.9 [19]	18.7 [5]	39.2 [10]
Index	37.2 [33]	-38.4 [47]	11.8 [62]	9.1 [46]	5.3 [70]	6.3 [78]	29.7 [47]
Excess	-3.9	-4.8	6.6	-3.9	6.6	12.4	9.4
Univ Size	318	374	411	430	444	442	439

Excess Return: Rolling 36-Month Periods (Nov 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Nov 03 - Dec 09)



Performance Statistics (Nov 00 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return				Alpha	
3 Years	-3.6	-1.9	-1.9	3 Years	-1.7	0.0	3 Years	-1.4	-0.2
5 Years	1.1	1.6	1.9	5 Years	-0.6	0.3	5 Years	-0.5	0.2
7 Years	8.3	5.9	6.7	7 Years	2.3	0.8	7 Years	2.0	0.6
Since Inception	-0.5	-3.7	-1.2	Since Inception	3.2	2.5	Since Inception	3.2	1.1
Standard Deviation				Tracking Error				Up Market Capture	
3 Years	22.3	20.0	20.2	3 Years	6.4	5.0	3 Years	100.5	97.6
5 Years	18.3	16.3	16.6	5 Years	5.8	4.7	5 Years	102.8	99.6
7 Years	17.3	14.8	15.2	7 Years	6.4	4.7	7 Years	120.4	101.2
Since Inception	21.4	18.7	17.7	Since Inception	10.3	6.8	Since Inception	112.5	95.7
Beta				Information Ratio				Down Market Capture	
3 Years	1.07		0.98	3 Years	-0.27	0.00	3 Years	105.8	100.5
5 Years	1.07		0.99	5 Years	-0.10	0.07	5 Years	105.0	100.0
7 Years	1.09		0.99	7 Years	0.36	0.17	7 Years	109.9	99.5
Since Inception	1.00		0.92	Since Inception	0.31	0.37	Since Inception	97.2	92.5

Commentary

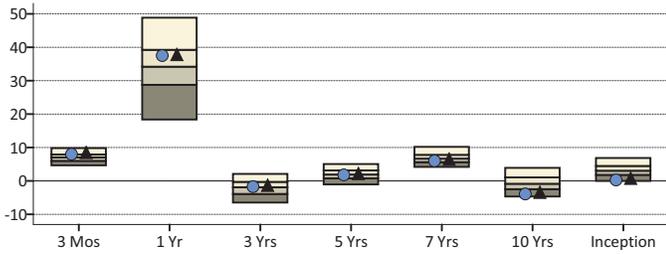
Wells Capital serves, primarily, as the institutional asset management arm of Wells Fargo Bank. The team on the Fundamental Large Cap Select Growth product consists of four portfolio managers that have served together since inception of the product. They operate somewhat autonomously inside the larger Wells Capital organization, helping to keep the team intact and focused on managing the fundamental growth strategies. The group's performance has been impressive since inception but ran into some performance setbacks in 2008 and 2009. Both years trailed the benchmark by over 300 basis points, the bulk of which was due to poor stock selection in energy in 2008 and financials in 2009. Despite recent performance issues, the team remains stable and our confidence in their ability to add incremental value is intact.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● BlackRock: Russell 1000 Growth
 ▲ Russell 1000 Growth Index

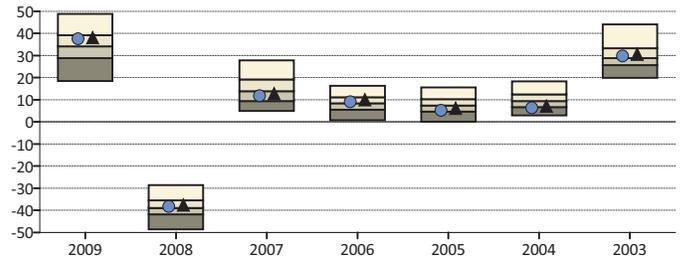
Analysis Period: Aug 98 - Dec 09
 Benchmark: Russell 1000 Growth Index
 Universe: eA Large Cap Growth Equity

Total Return: Trailing Periods



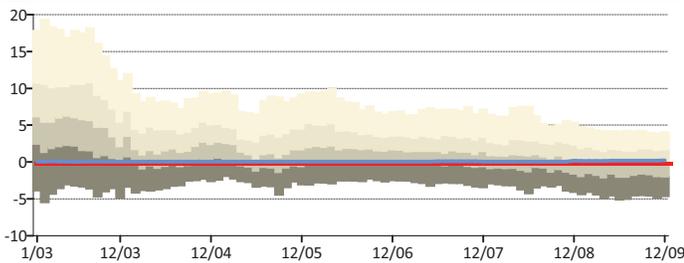
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	8.1 [23]	37.6 [32]	-1.6 [48]	1.8 [55]	6.1 [63]	-3.9 [90]	0.4 [93]
Index	7.9 [27]	37.2 [33]	-1.9 [51]	1.6 [59]	5.9 [70]	-4.0 [91]	0.2 [94]
Excess	0.1	0.4	0.2	0.2	0.1	0.1	0.1
Univ Size	318	318	309	295	263	205	169

Total Return: Calendar Years

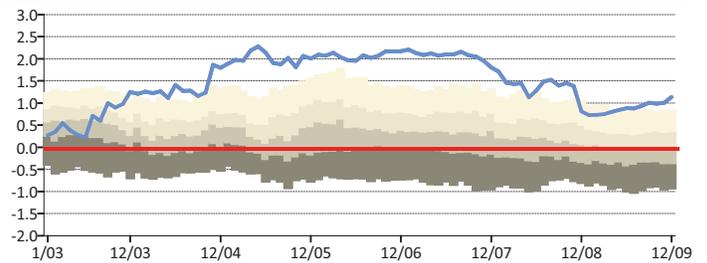


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	37.6 [32]	-38.2 [45]	11.9 [62]	9.2 [45]	5.3 [70]	6.4 [78]	29.8 [47]
Index	37.2 [33]	-38.4 [47]	11.8 [62]	9.1 [46]	5.3 [70]	6.3 [78]	29.7 [47]
Excess	0.4	0.2	0.1	0.1	0.0	0.1	0.0
Univ Size	318	374	411	430	444	442	439

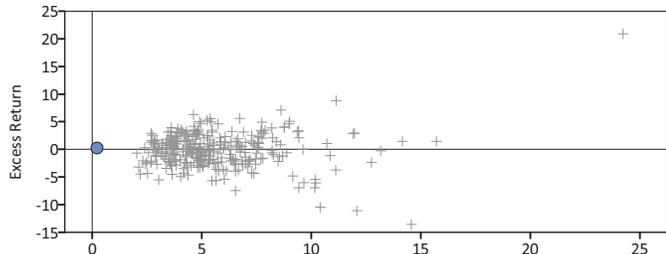
Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



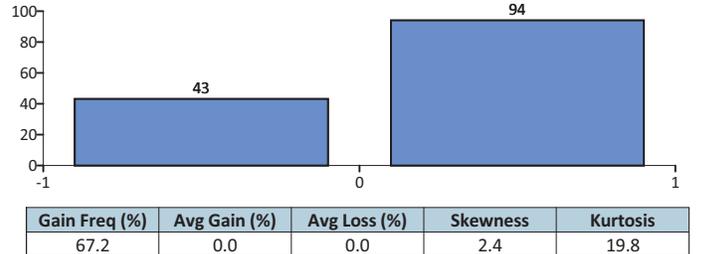
Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Excess Return vs. Tracking Error: Trailing 36 Months (Jan 07 - Dec 09)



Distribution of Monthly Excess Returns (Aug 98 - Dec 09)



Performance Statistics (Aug 98 - Dec 09)

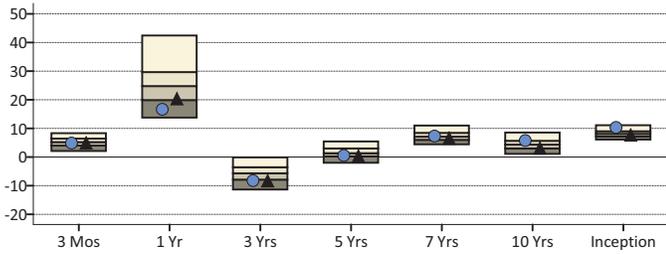
Strategy	Index	Median	Strategy	Median	Strategy	Median
Total Return			Excess Return		Alpha	
3 Years	-1.6	-1.9	3 Years	0.2	3 Years	0.2
5 Years	1.8	1.6	5 Years	0.2	5 Years	0.2
7 Years	6.1	5.9	7 Years	0.1	7 Years	0.1
10 Years	-3.9	-4.0	10 Years	0.1	10 Years	0.1
Since Inception	0.4	0.2	Since Inception	0.1	Since Inception	0.1
Standard Deviation			Tracking Error		Up Market Capture	
3 Years	20.0	20.0	3 Years	0.2	3 Years	100.9
5 Years	16.3	16.3	5 Years	0.2	5 Years	100.8
7 Years	14.8	14.8	7 Years	0.1	7 Years	100.6
10 Years	19.0	19.0	10 Years	0.2	10 Years	100.4
Since Inception	19.8	19.7	Since Inception	0.2	Since Inception	100.4
Beta			Information Ratio		Down Market Capture	
3 Years	1.00	0.98	3 Years	1.14	3 Years	99.9
5 Years	1.00	0.99	5 Years	1.06	5 Years	99.9
7 Years	1.00	0.99	7 Years	1.05	7 Years	99.9
10 Years	1.00	0.91	10 Years	0.69	10 Years	99.9
Since Inception	1.00	0.93	Since Inception	0.62	Since Inception	99.9

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● AJO: AJO Lrg Cap -Abs Val
 ▲ Russell 1000 Value Index

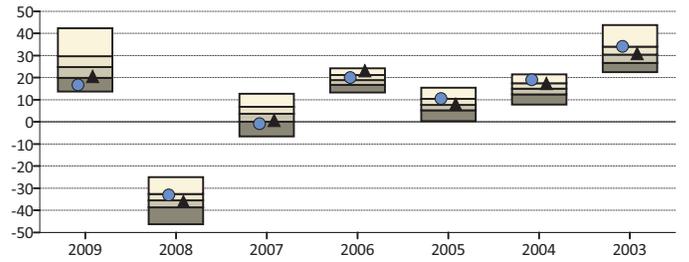
Analysis Period: Jan 96 - Dec 09
 Benchmark: Russell 1000 Value Index
 Universe: eA Large Cap Value Equity

Total Return: Trailing Periods



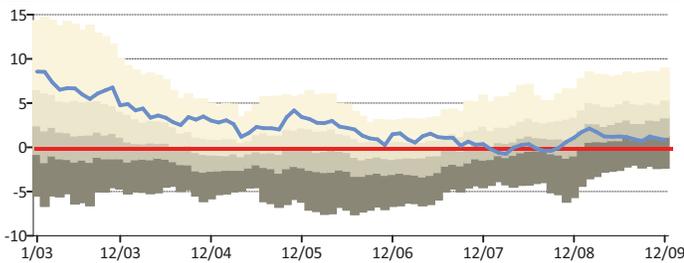
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	4.9 [58]	16.7 [89]	-8.1 [77]	0.6 [70]	7.4 [44]	5.8 [25]	10.3 [9]
Index	4.2 [73]	19.7 [76]	-9.0 [88]	-0.3 [81]	5.9 [79]	2.5 [84]	7.1 [80]
Excess	0.7	-3.0	0.8	0.9	1.5	3.3	3.2
Univ Size	393	392	381	347	289	210	138

Total Return: Calendar Years

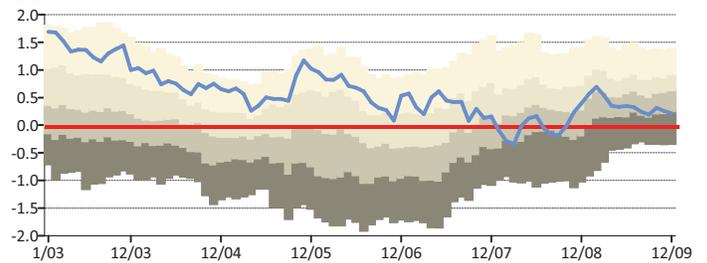


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	16.7 [89]	-33.0 [28]	-0.8 [81]	20.1 [34]	10.6 [24]	19.1 [16]	34.1 [24]
Index	19.7 [76]	-36.8 [65]	-0.2 [77]	22.2 [16]	7.1 [58]	16.5 [32]	30.0 [53]
Excess	-3.0	3.8	-0.6	-2.1	3.6	2.6	4.1
Univ Size	392	426	463	461	456	454	422

Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Performance Statistics (Jan 96 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median	
Total Return				Excess Return				Alpha		
3 Years	-8.1	-9.0	-5.6	3 Years	0.8	3.4	3 Years	-0.3	2.1	
5 Years	0.6	-0.3	1.3	5 Years	0.9	1.6	5 Years	0.6	1.1	
7 Years	7.4	5.9	7.2	7 Years	1.5	1.3	7 Years	1.8	1.0	
10 Years	5.8	2.5	4.4	10 Years	3.3	1.9	10 Years	3.3	1.2	
Since Inception	10.3	7.1	8.1	Since Inception	3.2	1.1	Since Inception	3.4	1.1	
Standard Deviation				Tracking Error				Up Market Capture		
3 Years	19.4	21.4	20.4	3 Years	3.9	5.5	3 Years	92.4	99.1	
5 Years	16.0	17.3	16.6	5 Years	3.4	4.7	5 Years	98.7	97.1	
7 Years	14.8	15.8	15.3	7 Years	3.4	4.5	7 Years	101.5	97.3	
10 Years	15.6	16.2	16.1	10 Years	4.2	5.6	10 Years	103.6	97.7	
Since Inception	15.9	15.9	15.9	Since Inception	4.1	5.6	Since Inception	105.7	97.6	
Beta				Information Ratio				Down Market Capture		
3 Years	0.90		0.93	3 Years	0.21	0.63	3 Years	93.4	91.2	
5 Years	0.91		0.94	5 Years	0.26	0.36	5 Years	95.5	92.3	
7 Years	0.92		0.94	7 Years	0.43	0.30	7 Years	94.2	93.2	
10 Years	0.93		0.94	10 Years	0.78	0.34	10 Years	88.7	93.2	
Since Inception	0.97		0.94	Since Inception	0.79	0.20	Since Inception	90.9	93.4	

Commentary

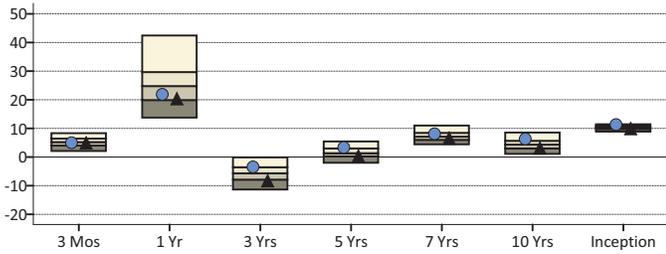
SIS views AJO as a high quality, stable organization with a solid ownership structure and proper incentives in place for their investment professionals. The investment process is robust and applied consistently. Relative performance was good in 2008 but AJO has struggled to keep up with the current rally, which is to be expected given their bias towards higher quality firms. While recent relative performance has been trending below the median, there are no indications that AJO will not be able to add value in more normal market environments.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● MFS: Large Cap Value
 ▲ Russell 1000 Value Index

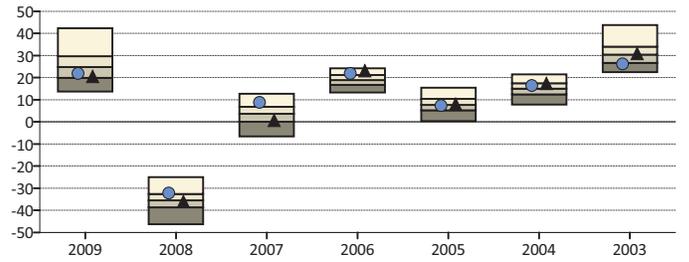
Analysis Period: Feb 89 - Dec 09
 Benchmark: Russell 1000 Value Index
 Universe: eA Large Cap Value Equity

Total Return: Trailing Periods



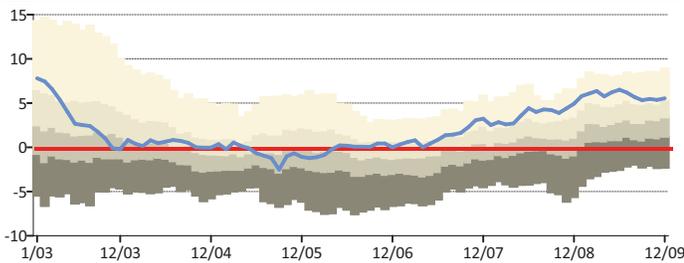
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	5.1 [57]	21.9 [66]	-3.4 [23]	3.4 [22]	8.2 [30]	6.4 [16]	11.4 [11]
Index	4.2 [73]	19.7 [76]	-9.0 [88]	-0.3 [81]	5.9 [79]	2.5 [84]	9.3 [92]
Excess	0.8	2.2	5.5	3.6	2.3	3.9	2.1
Univ Size	393	392	381	347	289	210	29

Total Return: Calendar Years

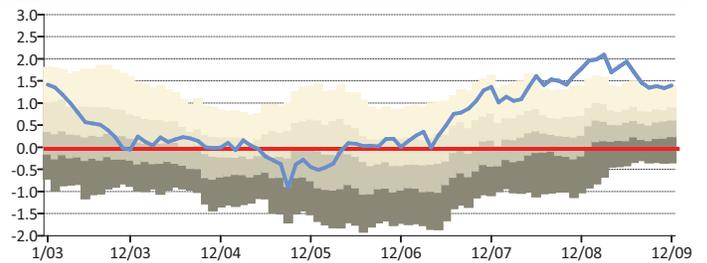


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	21.9 [66]	-32.1 [23]	8.9 [15]	22.0 [18]	7.4 [55]	16.4 [33]	26.2 [81]
Index	19.7 [76]	-36.8 [65]	-0.2 [77]	22.2 [16]	7.1 [58]	16.5 [32]	30.0 [53]
Excess	2.2	4.8	9.0	-0.3	0.3	-0.1	-3.8
Univ Size	392	426	463	461	456	454	422

Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Performance Statistics (Feb 89 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return			Alpha		
3 Years	-3.4	-9.0	-5.6	3 Years	5.5	3.4	3 Years	4.3	2.1
5 Years	3.4	-0.3	1.3	5 Years	3.6	1.6	5 Years	3.2	1.1
7 Years	8.2	5.9	7.2	7 Years	2.3	1.3	7 Years	2.7	1.0
10 Years	6.4	2.5	4.4	10 Years	3.9	1.9	10 Years	3.9	1.2
Since Inception	11.4	9.3	10.5	Since Inception	2.1	1.3	Since Inception	2.9	1.0
Standard Deviation				Tracking Error			Up Market Capture		
3 Years	19.3	21.4	20.4	3 Years	4.0	5.5	3 Years	101.1	99.1
5 Years	15.5	17.3	16.6	5 Years	3.4	4.7	5 Years	97.8	97.1
7 Years	14.2	15.8	15.3	7 Years	3.2	4.5	7 Years	95.2	97.3
10 Years	14.8	16.2	16.1	10 Years	4.1	5.6	10 Years	98.1	97.7
Since Inception	12.8	14.5	14.7	Since Inception	4.5	5.5	Since Inception	91.7	98.0
Beta				Information Ratio			Down Market Capture		
3 Years	0.89		0.93	3 Years	1.39	0.63	3 Years	85.0	91.2
5 Years	0.88		0.94	5 Years	1.07	0.36	5 Years	83.4	92.3
7 Years	0.88		0.94	7 Years	0.71	0.30	7 Years	83.2	93.2
10 Years	0.88		0.94	10 Years	0.96	0.34	10 Years	80.8	93.2
Since Inception	0.84		0.94	Since Inception	0.47	0.18	Since Inception	77.3	93.2

Commentary

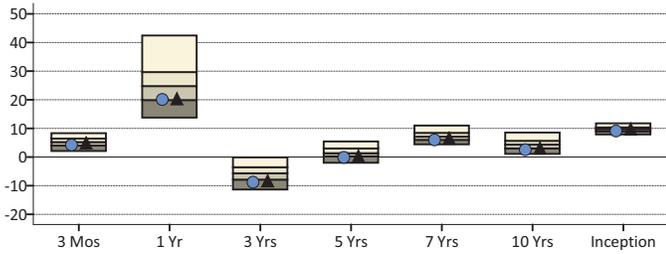
MFS has been managing money since 1924 when the Massachusetts Investors Trust was formed and has been a majority-owned subsidiary of Sun Life Financial since 1982 (current ownership split: 78% parent, 22% employees). The strategy follows a fundamental value discipline that looks for undervalued stocks based on typical metrics such as P/E, P/CF, dividend yield, etc. MFS combines this valuation analysis with a "quality assessment" that seeks to identify companies with strong balance sheets and cash flows, durable franchises and management teams with a track record of being good stewards of capital. The portfolio is diversified (80-100 stocks) but can take meaningful deviations from the benchmark in terms of specific stocks and industry weights (which are a function of bottom-up analysis). The four PMs, who are very seasoned and long tenured, are supported by the firm's 50+ global equity analysts. Performance, which languished in 2003-2006, has been particularly strong over the past three years.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● BlackRock: R1000 Value
 ▲ Russell 1000 Value Index

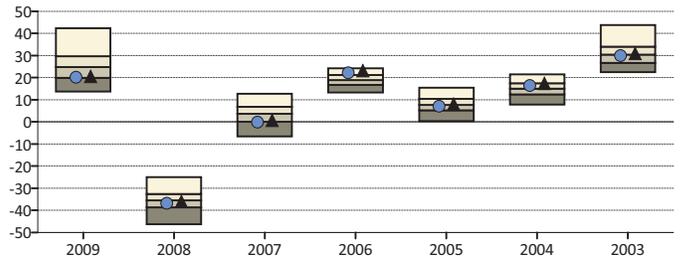
Analysis Period: Nov 91 - Dec 09
 Benchmark: Russell 1000 Value Index
 Universe: eA Large Cap Value Equity

Total Return: Trailing Periods



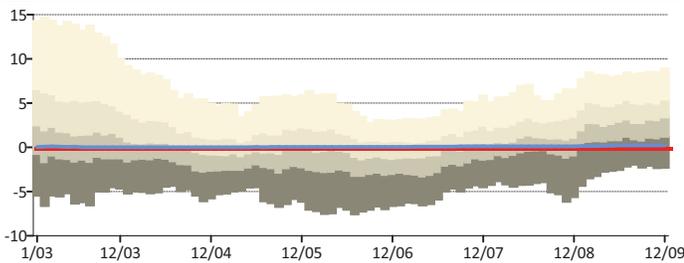
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	4.3 [72]	20.1 [75]	-8.7 [85]	-0.1 [80]	6.0 [77]	2.6 [81]	9.2 [69]
Index	4.2 [73]	19.7 [76]	-9.0 [88]	-0.3 [81]	5.9 [79]	2.5 [84]	9.1 [70]
Excess	0.1	0.5	0.2	0.2	0.1	0.1	0.0
Univ Size	393	392	381	347	289	210	58

Total Return: Calendar Years

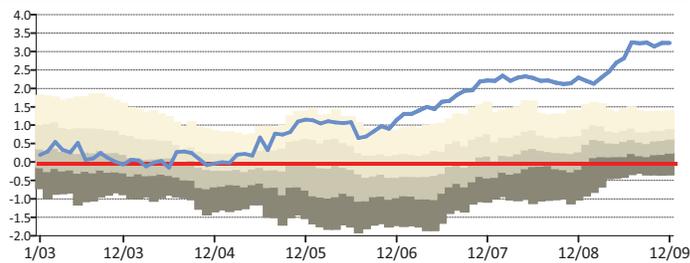


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	20.1 [75]	-36.7 [63]	0.0 [76]	22.3 [15]	7.1 [57]	16.5 [32]	30.0 [53]
Index	19.7 [76]	-36.8 [65]	-0.2 [77]	22.2 [16]	7.1 [58]	16.5 [32]	30.0 [53]
Excess	0.5	0.1	0.2	0.0	0.1	0.0	0.0
Univ Size	392	426	463	461	456	454	422

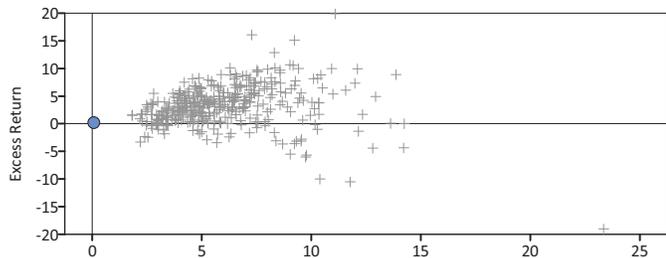
Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



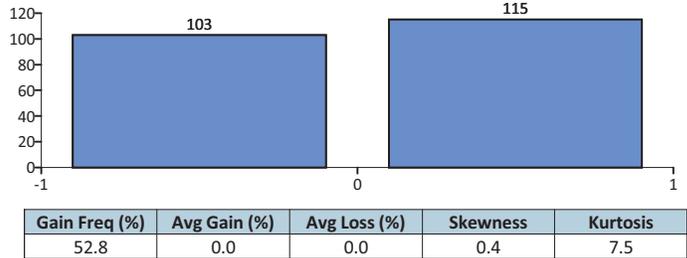
Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Excess Return vs. Tracking Error: Trailing 36 Months (Jan 07 - Dec 09)



Distribution of Monthly Excess Returns (Nov 91 - Dec 09)



Performance Statistics (Nov 91 - Dec 09)

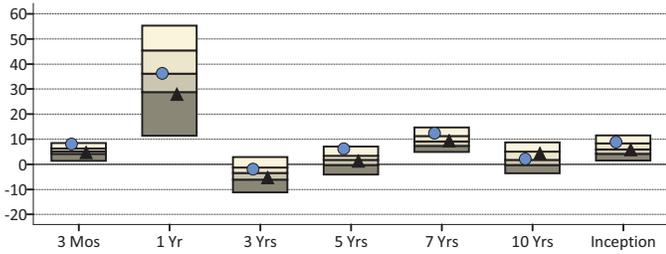
Strategy	Index	Median	Strategy	Median	Strategy	Median
Total Return			Excess Return		Alpha	
3 Years	-8.7	-9.0	3 Years	0.2	3 Years	0.2
5 Years	-0.1	-0.3	5 Years	0.2	5 Years	0.2
7 Years	6.0	5.9	7 Years	0.1	7 Years	0.1
10 Years	2.6	2.5	10 Years	0.1	10 Years	0.1
Since Inception	9.2	9.1	Since Inception	0.0	Since Inception	0.0
Standard Deviation			Tracking Error		Up Market Capture	
3 Years	21.4	21.4	3 Years	0.1	3 Years	100.5
5 Years	17.3	17.3	5 Years	0.1	5 Years	100.4
7 Years	15.8	15.8	7 Years	0.1	7 Years	100.2
10 Years	16.2	16.2	10 Years	0.1	10 Years	100.2
Since Inception	14.7	14.7	Since Inception	0.2	Since Inception	99.9
Beta			Information Ratio		Down Market Capture	
3 Years	1.00	0.93	3 Years	3.23	3 Years	99.6
5 Years	1.00	0.94	5 Years	2.59	5 Years	99.6
7 Years	1.00	0.94	7 Years	2.15	7 Years	99.6
10 Years	1.00	0.94	10 Years	0.77	10 Years	99.7
Since Inception	1.00	0.94	Since Inception	0.19	Since Inception	99.7

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● Next Century Growth: NCG Small Cap
 ▲ Russell 2000 Index

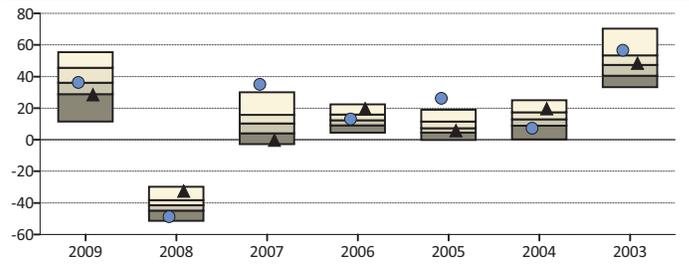
Analysis Period: Jan 99 - Dec 09
 Benchmark: Russell 2000 Index
 Universe: eA Small Cap Growth Equity

Total Return: Trailing Periods



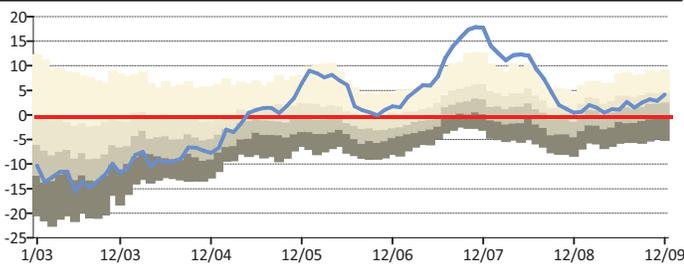
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	8.1 [9]	36.2 [50]	-1.9 [32]	6.2 [11]	12.4 [15]	2.2 [46]	8.8 [19]
Index	3.9 [78]	27.2 [82]	-6.1 [75]	0.5 [69]	8.6 [57]	3.5 [36]	5.0 [67]
Excess	4.2	9.1	4.1	5.6	3.8	-1.3	3.8
Univ Size	197	197	189	177	155	120	107

Total Return: Calendar Years

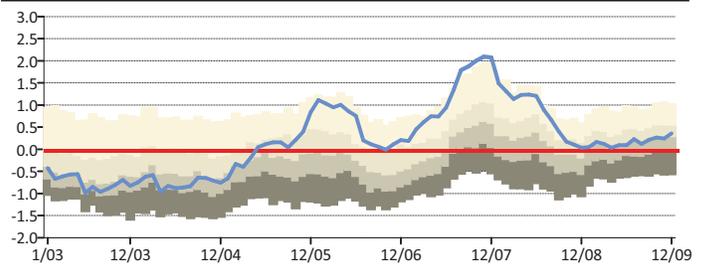


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	36.2 [50]	-48.8 [90]	35.2 [3]	13.1 [45]	26.3 [2]	7.3 [79]	56.7 [19]
Index	27.2 [82]	-33.8 [12]	-1.6 [93]	18.4 [17]	4.6 [75]	18.3 [21]	47.3 [52]
Excess	9.1	-15.0	36.7	-5.3	21.8	-11.0	9.4
Univ Size	197	218	238	245	246	246	238

Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Performance Statistics (Jan 99 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return			Alpha		
3 Years	-1.9	-6.1	-3.4	3 Years	4.1	2.7	3 Years	3.8	1.6
5 Years	6.2	0.5	1.7	5 Years	5.6	1.2	5 Years	5.7	0.8
7 Years	12.4	8.6	9.2	7 Years	3.8	0.5	7 Years	3.6	0.1
10 Years	2.2	3.5	1.8	10 Years	-1.3	-1.8	10 Years	-1.5	-2.0
Since Inception	8.8	5.0	5.9	Since Inception	3.8	0.9	Since Inception	3.3	0.3
Standard Deviation				Tracking Error			Up Market Capture		
3 Years	26.8	25.2	24.8	3 Years	11.6	8.7	3 Years	100.9	96.7
5 Years	23.9	21.4	21.5	5 Years	10.2	7.6	5 Years	112.6	97.5
7 Years	22.8	20.1	20.4	7 Years	9.7	7.3	7 Years	111.5	97.2
10 Years	31.0	21.5	25.3	10 Years	15.5	10.7	10 Years	127.6	102.0
Since Inception	31.4	21.3	25.7	Since Inception	17.1	11.8	Since Inception	139.9	105.5
Beta				Information Ratio			Down Market Capture		
3 Years	0.96		0.94	3 Years	0.36	0.30	3 Years	90.8	92.6
5 Years	1.01		0.95	5 Years	0.55	0.19	5 Years	92.5	95.4
7 Years	1.03		0.96	7 Years	0.39	0.07	7 Years	98.6	98.5
10 Years	1.27		1.03	10 Years	-0.08	-0.18	10 Years	125.0	106.6
Since Inception	1.26		1.05	Since Inception	0.22	0.08	Since Inception	121.1	106.1

Commentary

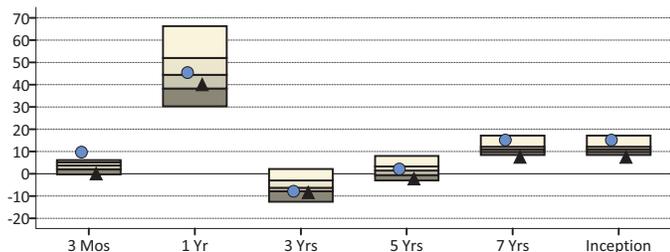
Next Century is a majority employee-owned growth style investment firm. The group formed in 1998 to manage small cap growth portfolios using a strategy that Tom Press and Donald Longlet created at a prior firm. The investment team has grown to include three additional portfolio managers who all act as generalists in their pursuit of the fastest growing companies in the small-cap space. It should be noted that all the strategies managed at Next Century are done so by the five member team and all are managed using the same process which can result in very similar performance characteristics. With that said, given the firm's focus on high growth companies, with volatile earnings to match, it was little surprise that 2008 would present a significant headwind to portfolio performance. The market shunned uncertainty, lofty valuations and earnings variability and often times Next Century will find themselves holding companies with one or all three of these characteristics. Last year and, more importantly, longer term this product has outperformed many of its peers and the benchmark. Our confidence in the team and their ability to replicate past performance remains strong.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● Next Century Growth: Small Cap Ultra
 ▲ Russell Micro-Cap Growth Index

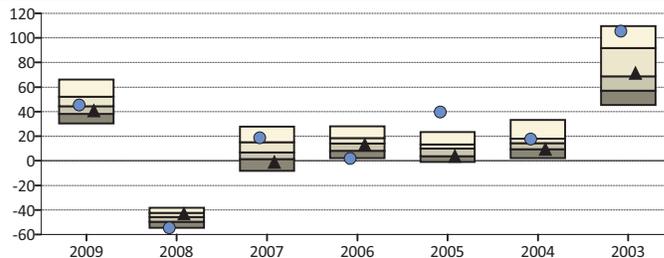
Analysis Period: Jan 03 - Dec 09
 Benchmark: Russell Micro-Cap Growth Index
 Universe: eA Micro Cap Growth Equity

Total Return: Trailing Periods



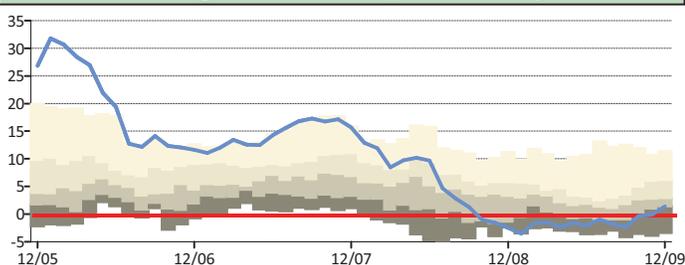
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	S.I.
Strategy	9.8 [1]	45.4 [45]	-7.8 [75]	2.2 [36]	15.2 [15]	15.2 [15]
Index	-0.8 [96]	39.2 [70]	-9.2 [82]	-3.1 [99]	6.6 [100]	6.6 [100]
Excess	10.6	6.2	1.4	5.3	8.6	8.6
Univ Size	21	21	21	18	15	15

Total Return: Calendar Years

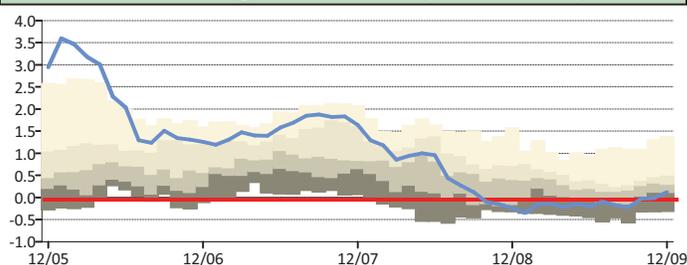


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	45.4 [45]	-54.6 [97]	18.8 [19]	1.8 [97]	39.6 [1]	17.6 [30]	105.5 [9]
Index	39.2 [70]	-44.6 [45]	-2.7 [85]	11.4 [59]	2.0 [89]	7.9 [85]	69.8 [45]
Excess	6.2	-9.9	21.4	-9.6	37.6	9.7	35.7
Univ Size	21	27	28	28	28	26	25

Excess Return: Rolling 36-Month Periods (Dec 05 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Dec 05 - Dec 09)



Performance Statistics (Jan 03 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return			Alpha		
3 Years	-7.8	-9.2	-6.3	3 Years	1.4	2.9	3 Years	0.5	2.4
5 Years	2.2	-3.1	1.5	5 Years	5.3	4.7	5 Years	5.2	3.9
7 Years	15.2	6.6	11.0	7 Years	8.6	4.4	7 Years	8.5	3.9
Since Inception	15.2	6.6	11.0	Since Inception	8.6	4.4	Since Inception	8.5	3.9
Standard Deviation				Tracking Error			Up Market Capture		
3 Years	26.9	26.5	27.6	3 Years	11.1	8.4	3 Years	85.9	105.4
5 Years	25.0	22.9	23.7	5 Years	10.9	7.5	5 Years	103.8	103.9
7 Years	25.0	22.1	22.7	7 Years	10.5	7.4	7 Years	115.6	106.5
Since Inception	25.0	22.1	22.7	Since Inception	10.5	7.4	Since Inception	115.6	106.5
Beta				Information Ratio			Down Market Capture		
3 Years	0.93		0.98	3 Years	0.12	0.31	3 Years	89.1	92.5
5 Years	0.98		0.97	5 Years	0.49	0.57	5 Years	88.0	90.6
7 Years	1.02		0.97	7 Years	0.83	0.53	7 Years	88.2	90.9
Since Inception	1.02		0.97	Since Inception	0.83	0.53	Since Inception	88.2	90.9

Commentary

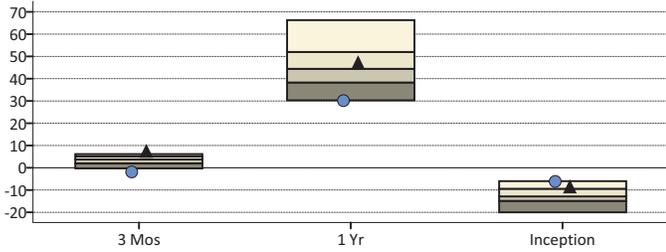
Next Century is a majority employee-owned growth style investment firm. The group formed in 1998 to manage small cap growth portfolios using a strategy that Tom Press and Donald Longlet created at a prior firm. The investment team has grown to include three additional portfolio managers whom all act as generalists in their pursuit of the fastest growing companies in the micro-cap space. Given the firm's focus on high growth companies, with volatile earnings to match, it was little surprise that 2008 would present a significant headwind to portfolio performance. The market shunned uncertainty, lofty valuations and earnings variability and often times Next Century will find themselves holding companies with one or all three of these characteristics. Last year and, more importantly, longer term this product has outperformed many of its peers and the benchmark. Our confidence in the team and their ability to replicate past performance remains strong.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● Eudaimonia Asset Management, LLC: Eud Micro Cap Growth
 ▲ Russell Mid-Cap Growth Index

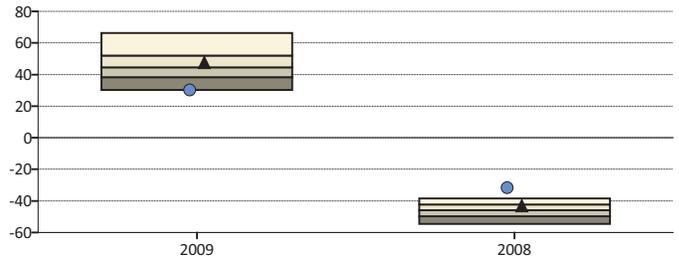
Analysis Period: Oct 07 - Dec 09
 Benchmark: Russell Mid-Cap Growth Index
 Universe: eA Micro Cap Growth Equity

Total Return: Trailing Periods



[Rank]	3 Mos	1 Yr	S.I.
Strategy	-1.8 [98]	30.2 [95]	-6.1 [6]
Index	6.7 [4]	46.3 [38]	-9.4 [25]
Excess	-8.5	-16.1	3.3
Univ Size	21	21	21

Total Return: Calendar Years



[Rank]	2009	2008
Strategy	30.2 [95]	-31.7 [1]
Index	46.3 [38]	-44.3 [42]
Excess	-16.1	12.7
Univ Size	21	27

Excess Return: Rolling 36-Month Periods (-)

Information Ratio: Rolling 36-Month Periods (-)

Performance Statistics (Oct 07 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return			Alpha		
Since Inception	-6.1	-9.4	-12.7	Since Inception	3.3	-3.3	Since Inception	2.7	-3.4
Standard Deviation				Tracking Error			Up Market Capture		
Since Inception	29.1	27.6	31.2	Since Inception	13.4	12.0	Since Inception	118.2	114.3
Beta				Information Ratio			Down Market Capture		
Since Inception	0.94		1.03	Since Inception	0.25	-0.35	Since Inception	102.5	111.9

Commentary

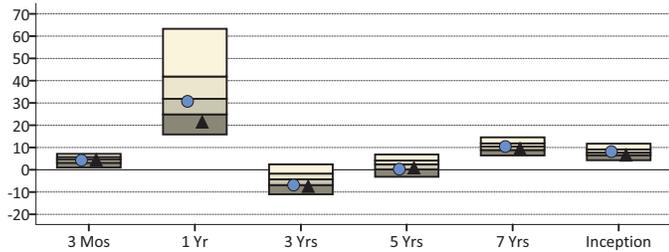
Eudaimonia Asset Management (EAM) is an institutionally-focused small and micro cap growth investment boutique located in Encinitas, CA. EAM was founded in 2007 by Travis Prentice, Montie Weisenberger and Joshua Moss who left Nicolas Applegate Capital Management to form the firm. In August 2007, Roth Capital, a Newport Beach based investment banking firm, contributed \$3 million in operating capital to fund the founder's business plan and in return received a 49% stake in the company. The remaining 51% of the firm is owned by EAM employees. Two EAM founding partners, Travis Prentice and Montie Weisenberger hold the majority of the voting shares of the company. All seven Eudaimonia employees are equity partners. The investment team consists of four members, two portfolio managers and two analysts. Given the short track record it's hard to make a critical evaluation of the portfolio's performance but since inception the product has performed well. SIS views the firm's structure, people and alignment of interests as being as favorable as one hope to see in an investment management structure.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● AQR: Small Cap Value
 ▲ Russell 2000 Value Index

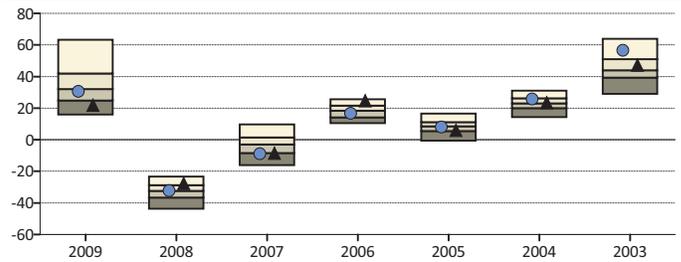
Analysis Period: Feb 02 - Dec 09
 Benchmark: Russell 2000 Value Index
 Universe: eA Small Cap Value Equity

Total Return: Trailing Periods



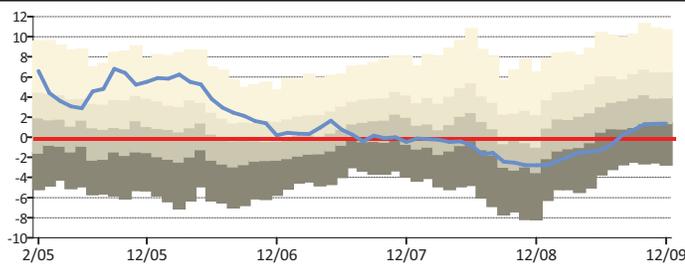
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	S.I.
Strategy	4.4 [53]	30.7 [54]	-6.8 [76]	0.4 [72]	10.5 [50]	8.1 [41]
Index	3.6 [66]	20.6 [85]	-8.2 [83]	0.0 [79]	8.6 [79]	5.8 [85]
Excess	0.8	10.1	1.4	0.4	1.9	2.3
Univ Size	218	218	205	190	170	151

Total Return: Calendar Years

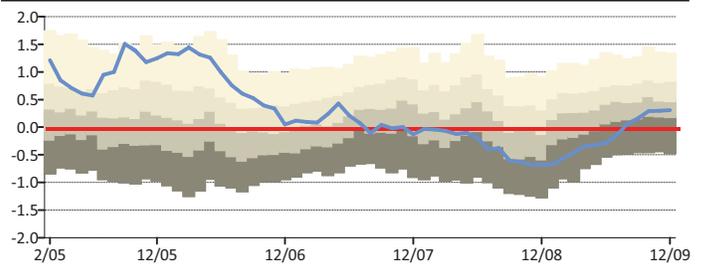


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	30.7 [54]	-32.2 [49]	-8.8 [78]	16.8 [61]	8.1 [55]	25.8 [26]	56.7 [12]
Index	20.6 [85]	-28.9 [27]	-9.8 [81]	23.5 [13]	4.7 [79]	22.2 [55]	46.0 [39]
Excess	10.1	-3.2	1.0	-6.7	3.4	3.6	10.7
Univ Size	218	255	267	259	256	251	235

Excess Return: Rolling 36-Month Periods (Feb 05 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Feb 05 - Dec 09)



Performance Statistics (Feb 02 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return				Alpha	
3 Years	-6.8	-8.2	-4.3	3 Years	1.4	4.0		3 Years	2.0
5 Years	0.4	0.0	2.6	5 Years	0.4	2.6		5 Years	0.5
7 Years	10.5	8.6	10.5	7 Years	1.9	1.9		7 Years	1.6
Since Inception	8.1	5.8	7.8	Since Inception	2.3	2.0		Since Inception	2.1
Standard Deviation				Tracking Error				Up Market Capture	
3 Years	27.8	26.0	25.0	3 Years	4.4	8.1		3 Years	104.7
5 Years	22.9	21.6	20.7	5 Years	4.1	6.8		5 Years	101.5
7 Years	21.5	20.1	19.4	7 Years	4.3	6.5		7 Years	105.6
Since Inception	22.3	20.4	19.7	Since Inception	4.7	6.7		Since Inception	109.4
Beta				Information Ratio				Down Market Capture	
3 Years	1.06		0.93	3 Years	0.31	0.47		3 Years	99.5
5 Years	1.04		0.94	5 Years	0.10	0.35		5 Years	99.9
7 Years	1.05		0.93	7 Years	0.44	0.27		7 Years	99.0
Since Inception	1.07		0.93	Since Inception	0.50	0.33		Since Inception	100.7

Commentary

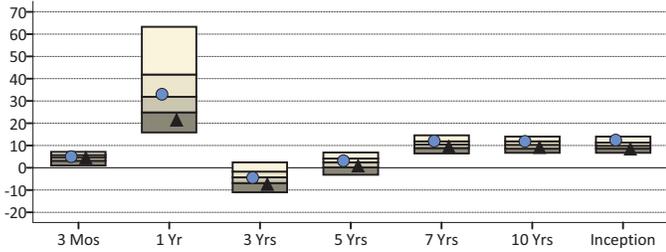
AQR was founded in 1998 by Cliff Asness and several other senior members of the Quantitative Research Group at Goldman Sachs. The firm is 75% employee owned and manages a variety of long-only and hedge fund strategies using quantitative methods. For Small Cap Value, AQR forecasts an alpha for each stock in the universe based on factors in six main themes: valuation; momentum; earnings quality; sentiment; sustainable growth; management signaling. The stock-specific signal (85% weight) is combined with an industry signal (largely momentum, 15% weight) to arrive at an aggregate alpha forecast. This forecast is then used in conjunction with a tracking error target, liquidity constraints and trading costs to construct the final portfolio. Although results have been more volatile than expected, evidenced by the mid 2007-2008 underperformance and subsequent recovery in 2009, SIS views AQR as a top-tier quantitative equity manager with very robust research, modeling, portfolio construction and trading capabilities.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● The Boston Co: US Small Cap Value Equity
 ▲ Russell 2000 Value Index

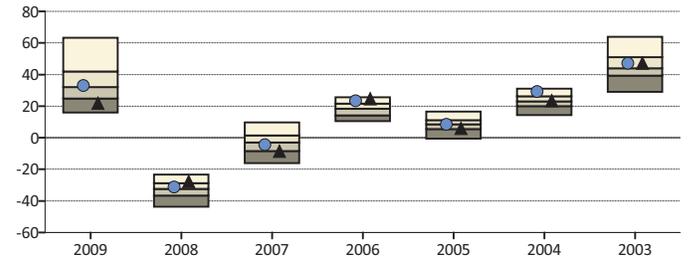
Analysis Period: Feb 99 - Dec 09
 Benchmark: Russell 2000 Value Index
 Universe: eA Small Cap Value Equity

Total Return: Trailing Periods



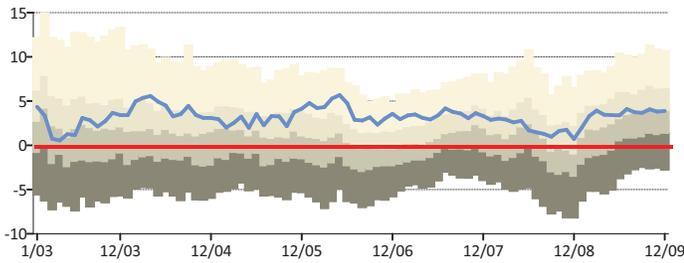
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	5.0 [42]	33.1 [48]	-4.3 [51]	3.2 [39]	12.1 [22]	12.0 [24]	12.5 [17]
Index	3.6 [66]	20.6 [85]	-8.2 [83]	0.0 [79]	8.6 [79]	8.3 [83]	7.6 [87]
Excess	1.4	12.5	3.9	3.2	3.5	3.7	4.9
Univ Size	218	218	205	190	170	140	131

Total Return: Calendar Years

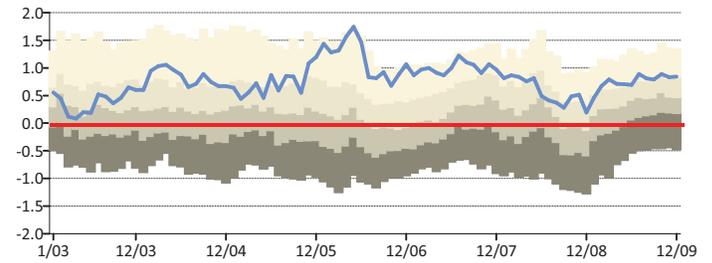


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	33.1 [48]	-31.2 [44]	-4.4 [58]	23.3 [14]	8.6 [50]	29.2 [10]	47.1 [38]
Index	20.6 [85]	-28.9 [27]	-9.8 [81]	23.5 [13]	4.7 [79]	22.2 [55]	46.0 [39]
Excess	12.5	-2.3	5.4	-0.2	3.9	7.0	1.0
Univ Size	218	255	267	259	256	251	235

Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Performance Statistics (Feb 99 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return			Alpha		
3 Years	-4.3	-8.2	-4.3	3 Years	3.9	4.0	3 Years	3.0	2.8
5 Years	3.2	0.0	2.6	5 Years	3.2	2.6	5 Years	3.0	1.9
7 Years	12.1	8.6	10.5	7 Years	3.5	1.9	7 Years	3.9	2.0
10 Years	12.0	8.3	10.3	10 Years	3.7	2.0	10 Years	4.0	2.1
Since Inception	12.5	7.6	9.9	Since Inception	4.9	2.3	Since Inception	5.1	2.5
Standard Deviation				Tracking Error			Up Market Capture		
3 Years	24.1	26.0	25.0	3 Years	4.6	8.1	3 Years	98.5	97.7
5 Years	20.2	21.6	20.7	5 Years	4.2	6.8	5 Years	100.5	96.4
7 Years	19.0	20.1	19.4	7 Years	4.0	6.5	7 Years	103.5	96.4
10 Years	18.9	19.3	19.2	10 Years	5.4	7.6	10 Years	109.6	97.7
Since Inception	18.8	18.9	19.1	Since Inception	5.5	7.8	Since Inception	112.7	98.8
Beta				Information Ratio			Down Market Capture		
3 Years	0.92		0.93	3 Years	0.84	0.47	3 Years	90.3	91.0
5 Years	0.92		0.94	5 Years	0.77	0.35	5 Years	90.4	91.5
7 Years	0.93		0.93	7 Years	0.87	0.27	7 Years	91.0	92.2
10 Years	0.94		0.94	10 Years	0.68	0.25	10 Years	96.0	91.9
Since Inception	0.95		0.94	Since Inception	0.88	0.30	Since Inception	94.3	91.9

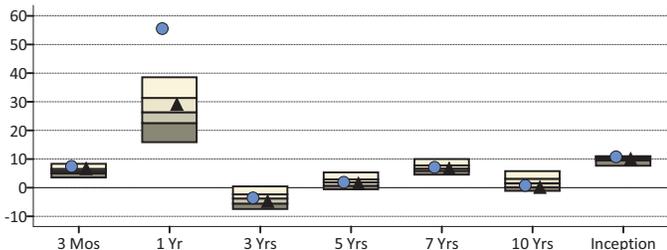
Commentary

The Boston Company, founded in 1970, is a wholly owned subsidiary of BNY Mellon. The US Small Cap Value strategy is managed by three PMs and two dedicated analysts, who also manage the US SMID Cap Value product. While the analysts are relatively recent additions, each of the three PMs has been with the firm for 20+ years. The team employs a relative value approach that begins with a valuation screen to identify cheap stocks on both an absolute and relative basis. Fundamental analysis is then conducted to determine intrinsic value, with a focus on cash flow, return on equity, return on assets, and management of retained earnings. Evaluation of the company's business plan and management's ability to execute that plan are also an important factor. Finally, a catalyst that will materially impact the firm and drive value recognition in the market must be identified. Performance has been very solid and consistent, with infrequent periods of moderate underperformance that are well within expectations.

■ 5th to 25th Percentile
 ■ 25th Percentile to Median
 ■ Median to 75th Percentile
 ■ 75th to 95th Percentile
● PIMCO: StocksPLUS (Russell 1000)
 ▲ Russell 1000 Index

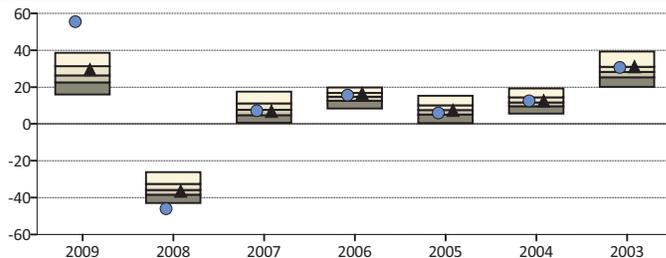
Analysis Period: Aug 86 - Dec 09
 Benchmark: Russell 1000 Index
 Universe: eA Large Cap Core Equity

Total Return: Trailing Periods



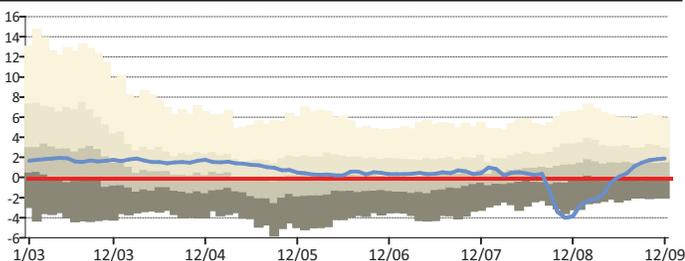
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	7.5 [10]	55.5 [1]	-3.5 [45]	2.0 [48]	7.1 [43]	0.8 [64]	10.8 [29]
Index	6.1 [41]	28.4 [40]	-5.4 [72]	0.8 [75]	6.0 [73]	-0.5 [87]	9.4 [84]
Excess	1.4	27.1	1.9	1.2	1.1	1.3	1.4
Univ Size	302	299	278	255	216	161	17

Total Return: Calendar Years

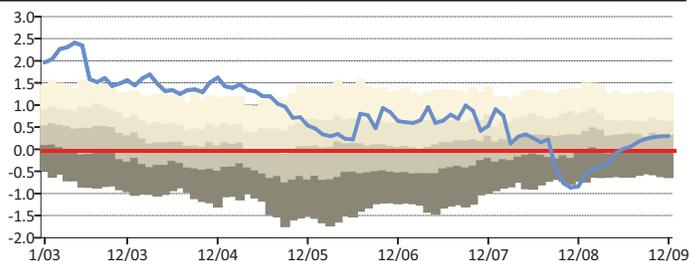


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	55.5 [1]	-46.0 [99]	7.1 [55]	15.7 [38]	6.0 [68]	12.5 [43]	30.6 [27]
Index	28.4 [40]	-37.6 [67]	5.8 [68]	15.5 [42]	6.3 [66]	11.4 [55]	29.9 [35]
Excess	27.1	-8.4	1.3	0.2	-0.3	1.1	0.7
Univ Size	299	355	364	371	367	360	350

Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Performance Statistics (Aug 86 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return			Alpha		
3 Years	-3.5	-5.4	-3.8	3 Years	1.9	1.6	3 Years	3.2	0.9
5 Years	2.0	0.8	1.9	5 Years	1.2	1.1	5 Years	1.5	0.8
7 Years	7.1	6.0	6.7	7 Years	1.1	0.7	7 Years	0.7	0.7
10 Years	0.8	-0.5	1.6	10 Years	1.3	2.1	10 Years	1.5	0.9
Since Inception	10.8	9.4	10.2	Since Inception	1.4	0.9	Since Inception	1.3	1.1
Standard Deviation				Tracking Error			Up Market Capture		
3 Years	24.3	20.3	19.4	3 Years	6.2	4.5	3 Years	124.4	95.8
5 Years	19.3	16.4	15.9	5 Years	4.8	3.9	5 Years	117.1	97.7
7 Years	17.2	14.9	14.5	7 Years	4.1	3.7	7 Years	111.9	96.9
10 Years	17.8	16.4	15.8	10 Years	3.5	5.0	10 Years	109.1	97.0
Since Inception	16.6	15.8	15.9	Since Inception	2.3	4.6	Since Inception	106.2	98.0
Beta				Information Ratio			Down Market Capture		
3 Years	1.17		0.94	3 Years	0.30	0.35	3 Years	109.0	93.9
5 Years	1.16		0.95	5 Years	0.25	0.29	5 Years	108.9	94.9
7 Years	1.13		0.95	7 Years	0.27	0.21	7 Years	107.2	95.1
10 Years	1.07		0.94	10 Years	0.38	0.42	10 Years	101.8	94.0
Since Inception	1.04		0.95	Since Inception	0.61	0.20	Since Inception	100.6	94.2

Commentary

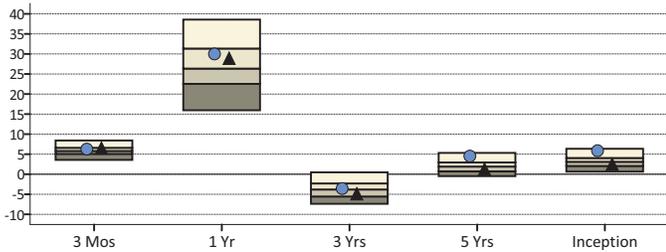
PIMCO, headquartered in Newport Beach, CA, was founded in 1971 and is a wholly owned subsidiary of global financial services giant Allianz. The StocksPLUS strategy is essentially a portable alpha construct where synthetic exposure to the Russell 1000 is obtained through derivatives and the actual capital (less any margin requirements for the "beta") is invested in the actively managed "alpha" component. In a simplistic sense, the "alpha" component can be thought of as a slightly constrained version of PIMCO's Total Return strategy with much of the interest rate risk, or duration, hedged out. PIMCO's approach to managing bonds combines top-down macro calls (e.g., duration, yield curve, sector, currency) with a secondary focus on bottom-up credit and relative value analysis. While SIS views PIMCO as a top-tier fixed income manager, recently StocksPLUS has exhibited much higher tracking error than expected, which calls into question its positioning as an enhanced index substitute with moderate active risk.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● Pyramis: Large Cap Core
 ▲ Russell 1000 Index

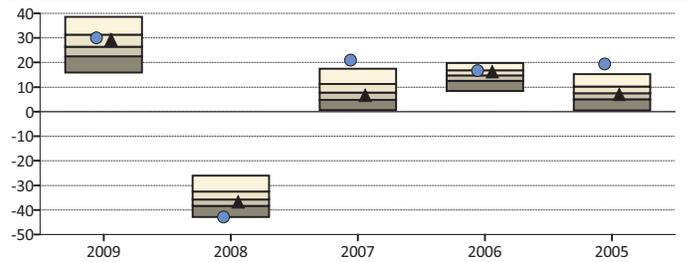
Analysis Period: Mar 04 - Dec 09
 Benchmark: Russell 1000 Index
 Universe: eA Large Cap Core Equity

Total Return: Trailing Periods



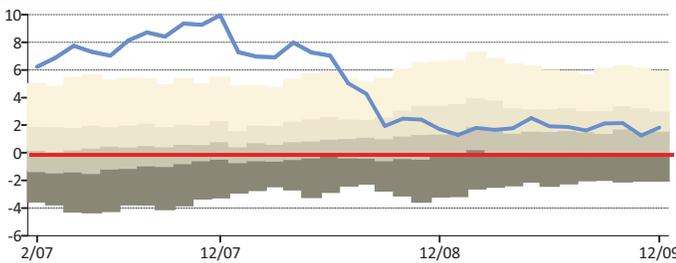
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	S.I.
Strategy	6.3 [33]	30.0 [32]	-3.5 [46]	4.6 [9]	5.9 [8]
Index	6.1 [41]	28.4 [40]	-5.4 [72]	0.8 [75]	2.0 [78]
Excess	0.3	1.6	1.8	3.8	3.9
Univ Size	302	299	278	255	236

Total Return: Calendar Years

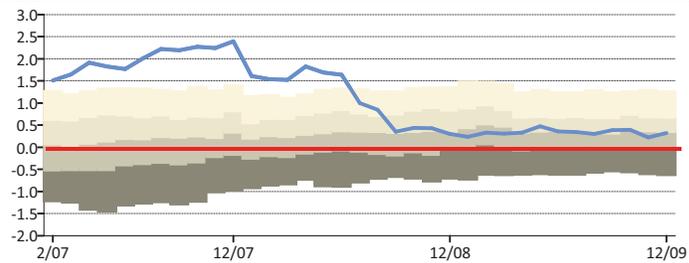


[Rank]	2009	2008	2007	2006	2005
Strategy	30.0 [32]	-42.9 [96]	21.0 [2]	16.7 [26]	19.4 [2]
Index	28.4 [40]	-37.6 [67]	5.8 [68]	15.5 [42]	6.3 [66]
Excess	1.6	-5.3	15.2	1.3	13.1
Univ Size	299	355	364	371	367

Excess Return: Rolling 36-Month Periods (Feb 07 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Feb 07 - Dec 09)



Performance Statistics (Mar 04 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median	
Total Return				Excess Return				Alpha		
3 Years	-3.5	-5.4	-3.8	3 Years	1.8	1.6	3 Years	1.8	0.9	
5 Years	4.6	0.8	1.9	5 Years	3.8	1.1	5 Years	3.8	0.8	
Since Inception	5.9	2.0	3.1	Since Inception	3.9	1.2	Since Inception	4.0	0.7	
Standard Deviation				Tracking Error				Up Market Capture		
3 Years	21.1	20.3	19.4	3 Years	5.6	4.5	3 Years	106.9	95.8	
5 Years	17.5	16.4	15.9	5 Years	5.2	3.9	5 Years	118.3	97.7	
Since Inception	16.6	15.5	15.0	Since Inception	5.0	3.8	Since Inception	121.1	98.2	
Beta				Information Ratio				Down Market Capture		
3 Years	1.00		0.94	3 Years	0.32	0.35	3 Years	98.8	93.9	
5 Years	1.02		0.95	5 Years	0.73	0.29	5 Years	98.9	94.9	
Since Inception	1.03		0.95	Since Inception	0.79	0.26	Since Inception	100.3	94.6	

Commentary

Pyramis was established in 2005 as the institutional asset management arm of Fidelity and remains wholly owned by the parent firm. The Large Cap Core strategy is diversified (100-125 stocks), sector-neutral (+/- 1% vs. the S&P 500) and relies exclusively on bottom-up fundamental analysis and stock picking by each of the eight sector PMs. Although this group is relatively new (half have joined Pyramis since 2005), at its core this strategy is driven by the firm's deep team of equity analysts and the ability of the sector PMs to distill their research into "best ideas" sector portfolios. SIS views the Large Cap Core strategy as an attractive way to access the firm's fundamental research capabilities in a pure fashion, i.e., without any sector rotation element. Nonetheless, SIS would monitor closely for any further deterioration of relative performance in the event that years such as 2005 and 2007 are more the exception than the rule.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

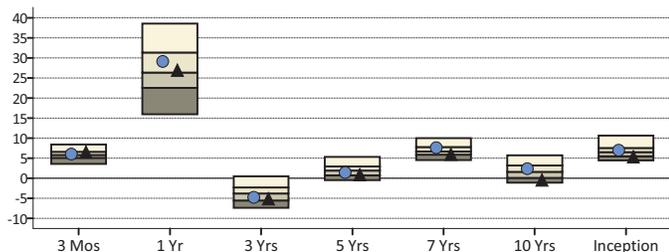
● Northern Trust US Equity
 ▲ S&P 500 Index

Analysis Period: Apr 97 - Dec 09

Benchmark: S&P 500 Index

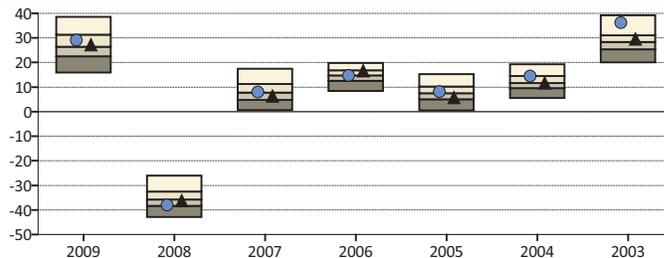
Universe: eA Large Cap Core Equity

Total Return: Trailing Periods



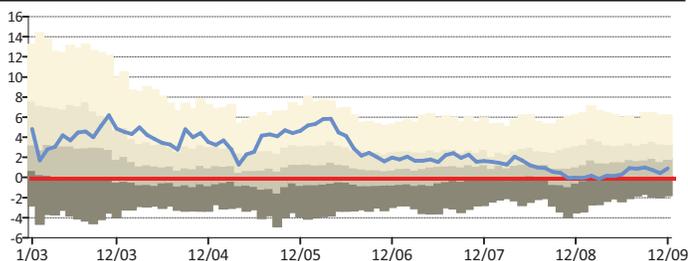
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	6.1 [41]	29.1 [38]	-4.7 [65]	1.4 [67]	7.6 [31]	2.4 [38]	7.0 [41]
Index	6.0 [41]	26.5 [49]	-5.6 [77]	0.4 [82]	5.5 [84]	-0.9 [92]	4.9 [87]
Excess	0.0	2.6	0.9	1.0	2.1	3.4	2.2
Univ Size	302	299	278	255	216	161	118

Total Return: Calendar Years

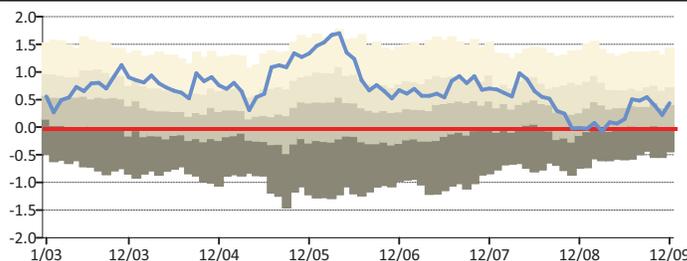


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	29.1 [38]	-37.9 [72]	8.0 [47]	14.8 [50]	8.1 [44]	14.5 [24]	36.3 [8]
Index	26.5 [49]	-37.0 [61]	5.5 [70]	15.8 [37]	4.9 [78]	10.9 [60]	28.7 [46]
Excess	2.6	-0.9	2.5	-1.0	3.2	3.6	7.6
Univ Size	299	355	364	371	367	360	350

Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Performance Statistics (Apr 97 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return			Alpha		
3 Years	-4.7	-5.6	-3.8	3 Years	0.9	1.9	3 Years	1.0	1.3
5 Years	1.4	0.4	1.9	5 Years	1.0	1.5	5 Years	1.1	1.1
7 Years	7.6	5.5	6.7	7 Years	2.1	1.2	7 Years	2.0	1.1
10 Years	2.4	-0.9	1.6	10 Years	3.4	2.5	10 Years	3.4	1.3
Since Inception	7.0	4.9	6.6	Since Inception	2.2	1.7	Since Inception	2.1	1.3
Standard Deviation				Tracking Error			Up Market Capture		
3 Years	20.3	19.9	19.4	3 Years	2.1	4.5	3 Years	104.8	99.8
5 Years	16.7	16.0	15.9	5 Years	2.3	3.9	5 Years	108.6	101.8
7 Years	15.5	14.6	14.5	7 Years	2.8	3.7	7 Years	114.6	100.6
10 Years	17.3	16.1	15.8	10 Years	5.3	5.0	10 Years	117.2	100.3
Since Inception	17.7	16.6	16.5	Since Inception	5.7	5.1	Since Inception	109.9	100.3
Beta				Information Ratio			Down Market Capture		
3 Years	1.02		0.96	3 Years	0.43	0.42	3 Years	100.1	95.6
5 Years	1.03		0.97	5 Years	0.44	0.38	5 Years	102.6	96.3
7 Years	1.05		0.97	7 Years	0.75	0.34	7 Years	104.4	96.4
10 Years	1.02		0.96	10 Years	0.63	0.51	10 Years	99.3	94.8
Since Inception	1.01		0.96	Since Inception	0.38	0.35	Since Inception	100.6	95.1

Commentary

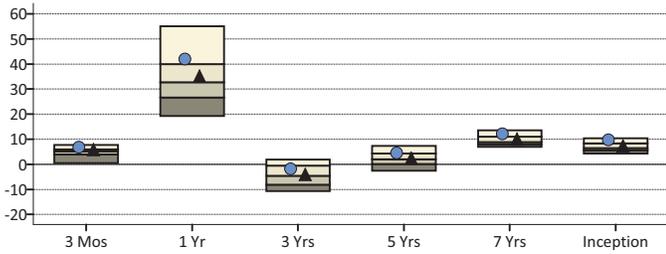
Northern Trust is a manager of emerging managers providing access to newer, less established managers. Through Northern Trust, the OIC can invest in these managers at smaller allocations through the manager of manager approach. Northern Trust has a deep and experienced team which has provided consistent value added to the Oregon assignment since its inception in 1996.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● Wanger Asset Management: Small-Mid Cap Equity
 ▲ Russell 2500 Index

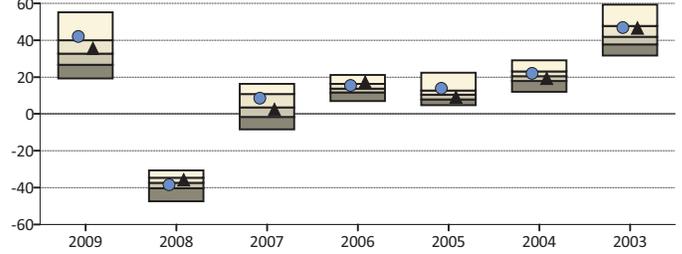
Analysis Period: Jul 02 - Dec 09
 Benchmark: Russell 2500 Index
 Universe: eA SMID Cap Core Equity

Total Return: Trailing Periods



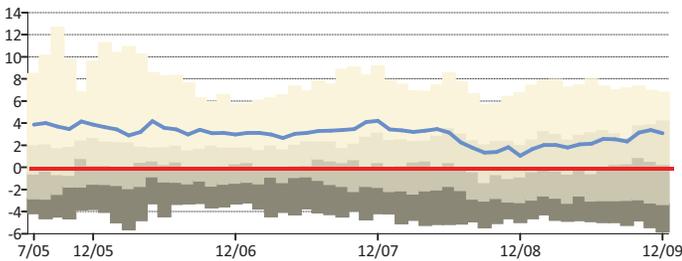
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	S.I.
Strategy	6.8 [12]	42.0 [22]	-1.8 [34]	4.5 [24]	12.2 [18]	9.8 [19]
Index	5.1 [55]	34.4 [44]	-4.9 [57]	1.6 [56]	9.3 [44]	6.6 [49]
Excess	1.8	7.7	3.1	2.9	2.9	3.2
Univ Size	62	62	59	53	39	33

Total Return: Calendar Years

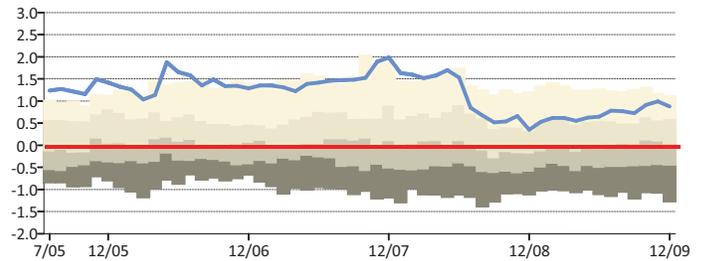


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	42.0 [22]	-38.5 [63]	8.5 [33]	15.5 [32]	13.9 [18]	22.1 [35]	46.9 [29]
Index	34.4 [44]	-36.8 [44]	1.4 [64]	16.2 [27]	8.1 [73]	18.3 [70]	45.5 [35]
Excess	7.7	-1.7	7.1	-0.7	5.8	3.8	1.3
Univ Size	62	75	72	73	70	59	53

Excess Return: Rolling 36-Month Periods (Jul 05 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jul 05 - Dec 09)



Performance Statistics (Jul 02 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return			Alpha		
3 Years	-1.8	-4.9	-4.6	3 Years	3.1	0.3	3 Years	2.6	-0.6
5 Years	4.5	1.6	2.0	5 Years	2.9	0.5	5 Years	2.8	-0.4
7 Years	12.2	9.3	8.9	7 Years	2.9	-0.4	7 Years	3.4	-0.1
Since Inception	9.8	6.6	6.5	Since Inception	3.2	-0.1	Since Inception	3.5	-0.1
Standard Deviation				Tracking Error			Up Market Capture		
3 Years	23.2	24.6	24.1	3 Years	3.5	6.3	3 Years	97.2	90.8
5 Years	19.2	20.4	20.1	5 Years	3.1	5.5	5 Years	98.8	93.8
7 Years	17.7	19.0	18.8	7 Years	3.0	5.5	7 Years	99.3	94.4
Since Inception	18.2	19.5	19.2	Since Inception	3.1	5.6	Since Inception	99.4	94.3
Beta				Information Ratio			Down Market Capture		
3 Years	0.94		0.96	3 Years	0.88	0.04	3 Years	90.5	96.7
5 Years	0.93		0.97	5 Years	0.95	0.10	5 Years	89.2	98.8
7 Years	0.92		0.96	7 Years	0.96	-0.07	7 Years	87.8	98.5
Since Inception	0.92		0.96	Since Inception	1.02	-0.02	Since Inception	87.8	97.4

Commentary

Wanger Asset Management was founded in 1992 when Ralph Wanger and Chuck McQuaid departed Harris Associates, taking the Acorn Fund with them. The firm was acquired by Liberty Financial in 2000 and is now wholly owned by Ameriprise. Although Wanger himself stepped down in 2003, the Small-Mid Cap Equity strategy is managed by McQuaid along with Robert Mohn, who joined Wanger in 1992. The two PMs are supported by 20+ equity analysts. The investment approach is purely fundamental and seeks to identify firms with strong business franchises, products/services that provide a defensible competitive advantage, and reasonable valuations relative to future growth prospects and earnings power. Less-followed firms that stand to benefit from important economic, social or technological trends are also favored. The track record is long and impressive, and perhaps the only potential risk factors are the plans of McQuaid, who is now in his sixties, and the AUM, which is approaching the \$15 B mark.

Strategic Investment Solutions

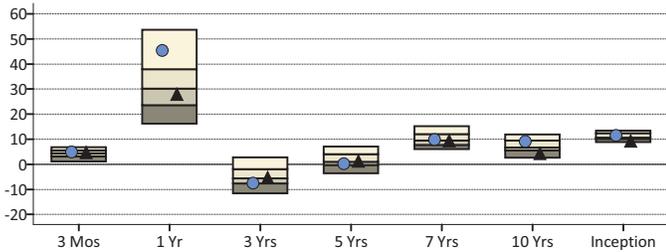
Note: Columbia Wanger Extended Small-Mid Cap Equity composite returns were used as a proxy for the Oregon PERS separate account.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● Wellington Mgmt: Emerging Companies
 ▲ Russell 2000 Index

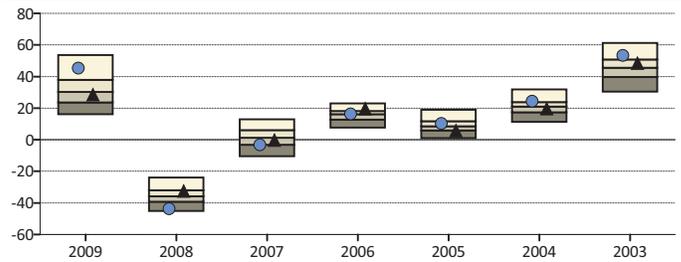
Analysis Period: Jan 87 - Dec 09
 Benchmark: Russell 2000 Index
 Universe: eA Small Cap Core Equity

Total Return: Trailing Periods



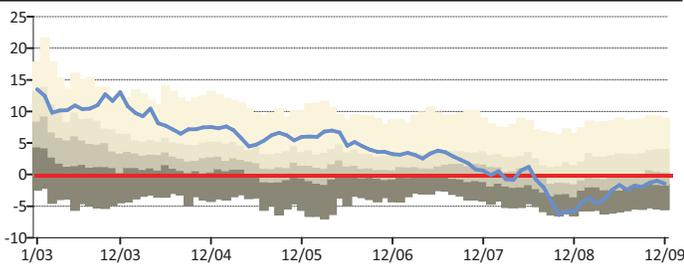
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	4.9 [40]	45.4 [13]	-7.5 [73]	0.3 [67]	9.9 [42]	9.2 [28]	11.6 [34]
Index	3.9 [66]	27.2 [64]	-6.1 [58]	0.5 [61]	8.6 [61]	3.5 [90]	8.5 [99]
Excess	1.1	18.2	-1.4	-0.2	1.2	5.6	3.0
Univ Size	147	147	139	121	108	78	6

Total Return: Calendar Years

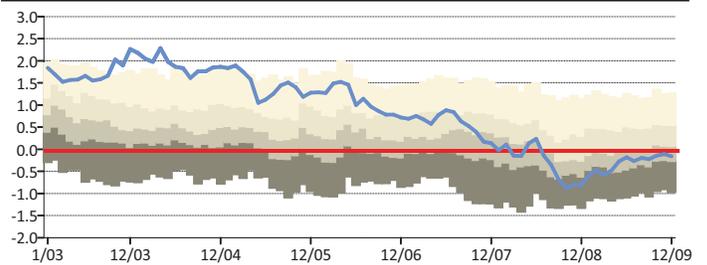


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	45.4 [13]	-43.8 [94]	-3.3 [75]	16.3 [47]	10.3 [36]	24.4 [23]	53.4 [16]
Index	27.2 [64]	-33.8 [37]	-1.6 [66]	18.4 [24]	4.6 [84]	18.3 [73]	47.3 [39]
Excess	18.2	-10.0	-1.7	-2.1	5.7	6.0	6.1
Univ Size	147	162	169	168	155	149	142

Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Performance Statistics (Jan 87 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median	
Total Return				Excess Return				Alpha		
3 Years	-7.5	-6.1	-5.6	3 Years	-1.4	0.5	3 Years	-0.9	-0.1	
5 Years	0.3	0.5	1.0	5 Years	-0.2	0.5	5 Years	-0.1	0.3	
7 Years	9.9	8.6	9.5	7 Years	1.2	0.9	7 Years	1.1	0.9	
10 Years	9.2	3.5	6.7	10 Years	5.6	3.2	10 Years	5.7	2.6	
Since Inception	11.6	8.5	10.6	Since Inception	3.0	2.1	Since Inception	3.3	2.6	
Standard Deviation				Tracking Error				Up Market Capture		
3 Years	28.2	25.2	24.8	3 Years	8.9	6.5	3 Years	94.7	93.3	
5 Years	23.4	21.4	21.0	5 Years	7.5	5.6	5 Years	94.7	93.5	
7 Years	21.5	20.1	19.5	7 Years	6.7	5.5	7 Years	98.2	94.8	
10 Years	22.1	21.5	20.4	10 Years	7.2	8.3	10 Years	102.4	93.9	
Since Inception	19.9	20.0	19.6	Since Inception	6.3	7.4	Since Inception	97.2	94.6	
Beta				Information Ratio				Down Market Capture		
3 Years	1.06		0.96	3 Years	-0.16	0.07	3 Years	100.3	95.0	
5 Years	1.04		0.96	5 Years	-0.03	0.11	5 Years	96.6	94.1	
7 Years	1.02		0.95	7 Years	0.18	0.17	7 Years	93.7	93.8	
10 Years	0.97		0.90	10 Years	0.78	0.44	10 Years	85.2	87.6	
Since Inception	0.95		0.91	Since Inception	0.48	0.40	Since Inception	86.2	88.3	

Commentary

Wellington is somewhat unique in that it remains a private partnership broadly held by 100+ partners. SIS views this as an optimal ownership structure as it provides proper incentives to employees and more closely aligns their interests with clients. Emerging Companies is considered small cap, however it focuses on stocks with market caps under \$1 billion. Targeted stocks generally fall into one of four categories: growing sales/earnings at reasonable valuations, assets at a discount to intrinsic or liquidation value, undervalued franchises, or misunderstood industry sub-sectors. The process is bottom-up with few macro influences, although broad economic themes are incorporated at times. The investment team is led by long-time PMs Dave Dubard and Jamie Rome, who are supported by four analysts. While 2008-2009 was a wild ride, long-term relative performance has been attractive and this strategy provides good exposure to the under-followed and less efficiently priced micro cap segment of the market.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

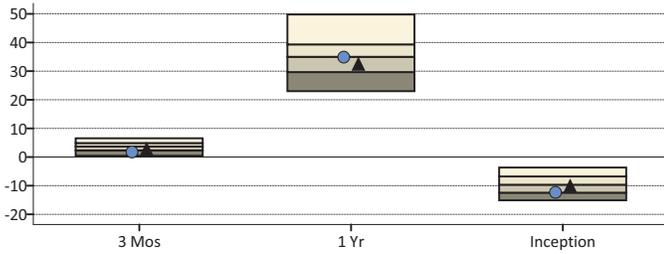
● Northern Trust Non-US Equity
 ▲ MSCI EAFE ND

Analysis Period: Apr 08 - Dec 09

Benchmark: MSCI EAFE ND

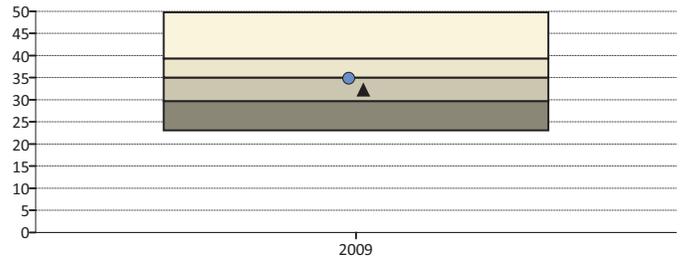
Universe: eA International Large Cap Core Equity

Total Return: Trailing Periods



[Rank]	3 Mos	1 Yr	S.I.
Strategy	1.9 [84]	34.9 [52]	-12.3 [74]
Index	2.2 [78]	31.8 [63]	-10.8 [64]
Excess	-0.3	3.1	-1.5
Univ Size	112	112	112

Total Return: Calendar Years



[Rank]	2009
Strategy	34.9 [52]
Index	31.8 [63]
Excess	3.1
Univ Size	112

Excess Return: Rolling 36-Month Periods (-)

Information Ratio: Rolling 36-Month Periods (-)

Performance Statistics (Apr 08 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return			Alpha		
Since Inception	-12.3	-10.8	-9.6	Since Inception	-1.5	1.2	Since Inception	-1.2	1.0
Standard Deviation				Tracking Error			Up Market Capture		
Since Inception	30.7	29.8	30.1	Since Inception	3.6	5.1	Since Inception	101.1	104.7
Beta				Information Ratio			Down Market Capture		
Since Inception	1.02		1.00	Since Inception	-0.41	0.22	Since Inception	103.3	101.6

Commentary

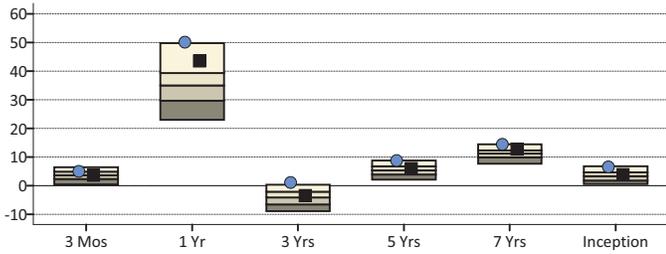
Northern Trust is a manager of emerging managers providing access to newer, less established managers. Through Northern Trust, the OIC can invest in these managers at smaller allocations through the manager of manager approach. Oregon funded the international equity program in early 2008 based on their successful experience with Northern Trust in US Equities. To date, Northern Trust's international program has not had the performance success of the US equity assignment and we are keeping a watch on its progress.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● Arrowstreet: ACWI ex-US
 ■ MSCI AC World Index ex USA IMI ND

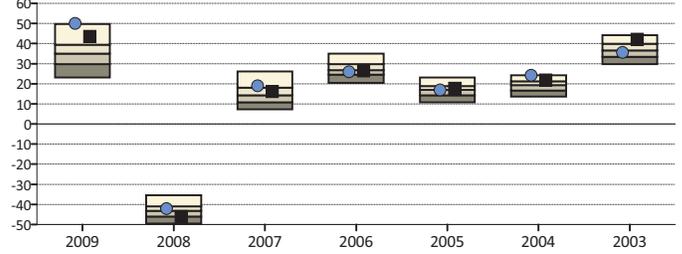
Analysis Period: Jun 00 - Dec 09
 Benchmark: MSCI AC World Index ex USA IMI ND
 Universe: eA International Large Cap Core Equity

Total Return: Trailing Periods



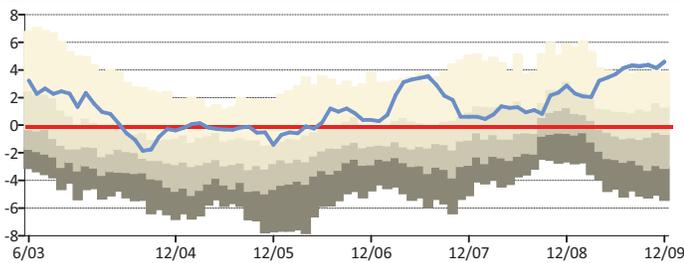
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	S.I.
Strategy	5.0 [24]	50.1 [5]	1.2 [1]	8.8 [7]	14.4 [8]	6.6 [7]
Index	3.7 [51]	43.6 [15]	-3.4 [43]	6.0 [41]	12.8 [21]	3.9 [40]
Excess	1.3	6.5	4.6	2.8	1.7	2.6
Univ Size	112	112	104	84	70	59

Total Return: Calendar Years

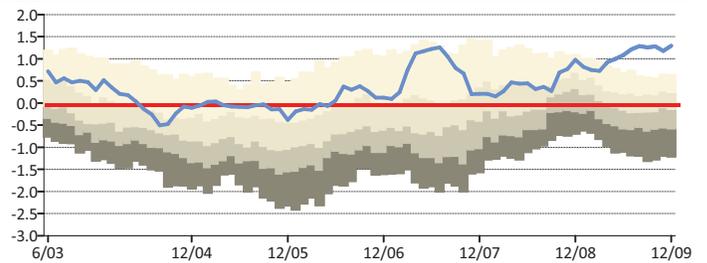


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	50.1 [5]	-42.1 [39]	19.1 [19]	26.0 [62]	17.0 [48]	24.2 [6]	35.6 [61]
Index	43.6 [15]	-46.0 [75]	16.1 [36]	26.4 [56]	17.7 [40]	21.9 [20]	42.1 [13]
Excess	6.5	3.9	2.9	-0.5	-0.7	2.4	-6.5
Univ Size	112	128	122	113	106	104	104

Excess Return: Rolling 36-Month Periods (Jun 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jun 03 - Dec 09)



Performance Statistics (Jun 00 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return				Alpha	
3 Years	1.2	-3.4	-4.1	3 Years	4.6	-0.6	3 Years	4.6	-1.6
5 Years	8.8	6.0	5.4	5 Years	2.8	-0.7	5 Years	2.8	-0.7
7 Years	14.4	12.8	11.3	7 Years	1.7	-1.5	7 Years	1.6	-0.8
Since Inception	6.6	3.9	3.3	Since Inception	2.6	-0.6	Since Inception	2.7	-0.5
Standard Deviation				Tracking Error				Up Market Capture	
3 Years	26.3	25.9	24.4	3 Years	3.6	4.8	3 Years	112.1	89.3
5 Years	21.7	21.3	20.2	5 Years	3.3	4.0	5 Years	108.7	92.7
7 Years	19.6	19.2	18.4	7 Years	3.5	3.7	7 Years	104.8	92.2
Since Inception	18.9	18.9	18.4	Since Inception	3.8	4.0	Since Inception	102.4	93.3
Beta				Information Ratio				Down Market Capture	
3 Years	1.01		0.93	3 Years	1.29	-0.14	3 Years	96.8	96.9
5 Years	1.01		0.93	5 Years	0.84	-0.13	5 Years	98.8	97.2
7 Years	1.00		0.94	7 Years	0.47	-0.42	7 Years	99.2	97.8
Since Inception	0.98		0.95	Since Inception	0.69	-0.13	Since Inception	92.6	97.8

Commentary

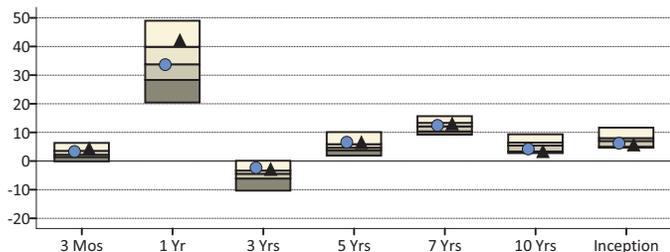
Arrowstreet uses a quantitative process that combines investment intuition with quantitative research to identify mispriced stocks and then constructs portfolios that have characteristics similar to their benchmark. The firm believes that the investment signals it evaluates can be categorized as having either behavioral underpinnings, informational underpinnings or both. The signals can be grouped into four broad categories; Value (multiple valuation signals like P/E, P/Cash Flow, P/Sales, etc), Momentum (multiple measures of price momentum), Earnings (measures to identify future profits and changes in market sentiment) and High Frequency (measures, mostly technical, that exploit short term trading patterns and liquidity considerations). Forecasts are made for country, sector and stock but the risk aware portfolio construction process results in a strategy that takes modest country, sector and individual stock bets. Performance of the product has been positive and the staff of the organization very stable.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● Lazard: AC World Eq ex-US
 ▲ MSCI AC World Index ex USA ND

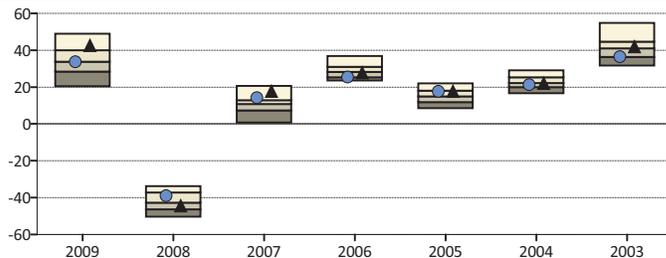
Analysis Period: Feb 99 - Dec 09
 Benchmark: MSCI AC World Index ex USA ND
 Universe: eA International Large Cap Value Equity

Total Return: Trailing Periods



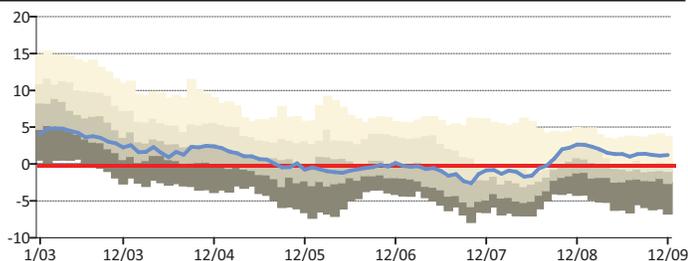
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	3.3 [29]	33.7 [53]	-2.3 [14]	6.6 [15]	12.5 [39]	4.2 [67]	6.3 [62]
Index	3.7 [22]	41.4 [23]	-3.5 [29]	5.8 [26]	12.4 [44]	2.7 [97]	5.0 [78]
Excess	-0.4	-7.8	1.2	0.8	0.2	1.5	1.2
Univ Size	71	71	70	61	55	43	40

Total Return: Calendar Years

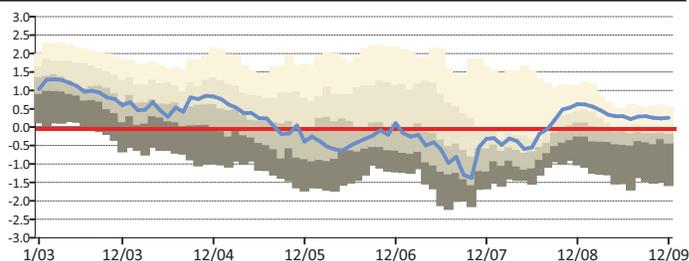


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	33.7 [53]	-38.9 [31]	14.3 [16]	25.5 [74]	17.7 [28]	21.4 [62]	36.5 [74]
Index	41.4 [23]	-45.5 [71]	16.7 [7]	26.7 [63]	16.6 [41]	20.9 [65]	40.8 [53]
Excess	-7.8	6.6	-2.4	-1.2	1.1	0.5	-4.4
Univ Size	71	77	79	74	69	68	65

Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Performance Statistics (Feb 99 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return			Alpha		
3 Years	-2.3	-3.5	-4.4	3 Years	1.2	-0.9	3 Years	0.4	-1.7
5 Years	6.6	5.8	4.7	5 Years	0.8	-1.1	5 Years	1.1	-1.0
7 Years	12.5	12.4	12.1	7 Years	0.2	-0.2	7 Years	1.2	-0.1
10 Years	4.2	2.7	5.4	10 Years	1.5	2.7	10 Years	1.5	1.0
Since Inception	6.3	5.0	7.0	Since Inception	1.2	2.0	Since Inception	1.5	1.3
Standard Deviation				Tracking Error			Up Market Capture		
3 Years	22.5	25.6	24.6	3 Years	4.8	6.0	3 Years	85.0	88.6
5 Years	18.8	21.0	20.1	5 Years	3.7	5.1	5 Years	90.6	89.5
7 Years	17.1	19.0	18.5	7 Years	3.4	4.7	7 Years	91.0	92.8
10 Years	17.0	18.7	17.9	10 Years	3.6	5.2	10 Years	91.6	94.1
Since Inception	16.7	18.4	17.4	Since Inception	3.6	5.4	Since Inception	91.3	93.5
Beta				Information Ratio			Down Market Capture		
3 Years	0.87		0.94	3 Years	0.25	-0.15	3 Years	86.9	96.9
5 Years	0.88		0.94	5 Years	0.21	-0.23	5 Years	88.2	95.7
7 Years	0.89		0.95	7 Years	0.05	-0.06	7 Years	87.9	96.2
10 Years	0.90		0.94	10 Years	0.42	0.49	10 Years	87.0	91.4
Since Inception	0.89		0.95	Since Inception	0.35	0.36	Since Inception	86.7	90.9

Commentary

Lazard uses a relative value philosophy implemented through a bottom up stock selection strategy that evaluates the tradeoff between a security's valuation and its financial productivity. A key analysis used by Lazard is its evaluation of a company's ability to generate a return on capital relative to its valuation. Lazard utilizes a number of ratios and measures in its evaluation such as ROA, ROE, cash ROE, operation margin, P/Book, P/E, P/Cash Flow and P/Sales. The resulting portfolio has been one that is generally defensive in nature that protects on the downside but has difficulty keeping up with the markets when they are doing particularly well and over the long term has provided modest outperformance.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

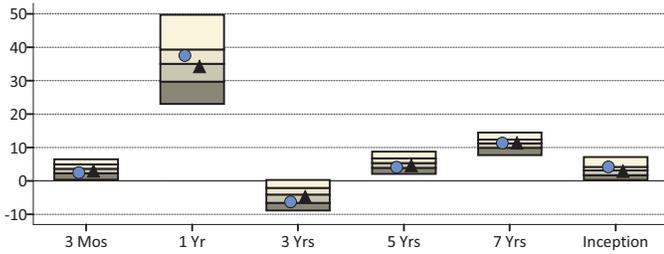
● AQR Capital: Intl Equity
 ▲ MSCI World ex USA ND

Analysis Period: Feb 00 - Dec 09

Benchmark: MSCI World ex USA ND

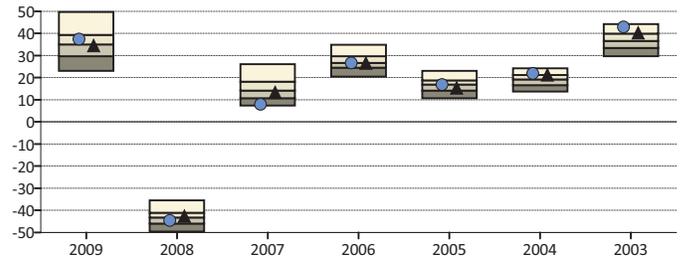
Universe: eA International Large Cap Core Equity

Total Return: Trailing Periods



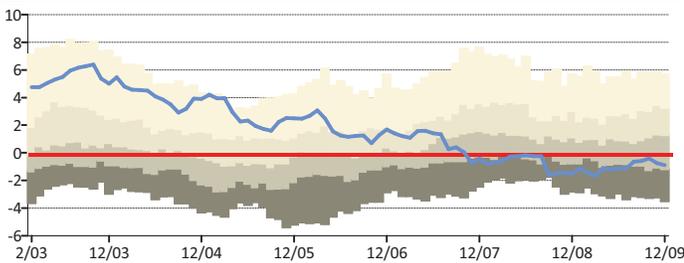
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	S.I.
Strategy	2.5 [73]	37.5 [36]	-6.2 [74]	4.1 [70]	11.4 [47]	4.3 [24]
Index	2.4 [74]	33.7 [55]	-5.3 [66]	4.1 [72]	10.8 [63]	2.3 [73]
Excess	0.1	3.8	-0.9	0.0	0.6	2.0
Univ Size	112	112	104	84	70	57

Total Return: Calendar Years

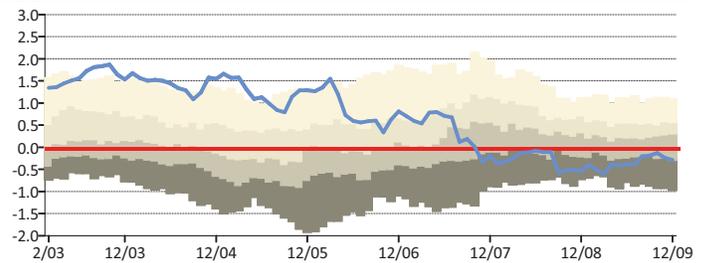


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	37.5 [36]	-44.5 [62]	8.0 [94]	26.7 [52]	17.0 [50]	21.9 [20]	43.0 [9]
Index	33.7 [55]	-43.6 [52]	12.4 [66]	25.7 [66]	14.5 [72]	20.4 [36]	39.4 [32]
Excess	3.8	-0.9	-4.4	0.9	2.5	1.5	3.6
Univ Size	112	128	122	113	106	104	104

Excess Return: Rolling 36-Month Periods (Feb 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Feb 03 - Dec 09)



Performance Statistics (Feb 00 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median	
Total Return				Excess Return				Alpha		
3 Years	-6.2	-5.3	-4.1	3 Years	-0.9	1.3		3 Years	-0.7	0.7
5 Years	4.1	4.1	5.4	5 Years	0.0	1.3		5 Years	0.0	1.2
7 Years	11.4	10.8	11.3	7 Years	0.6	0.5		7 Years	0.4	0.6
Since Inception	4.3	2.3	3.2	Since Inception	2.0	0.9		Since Inception	2.0	0.9
Standard Deviation				Tracking Error				Up Market Capture		
3 Years	25.0	24.2	24.4	3 Years	3.1	4.4		3 Years	102.7	101.5
5 Years	20.5	19.9	20.2	5 Years	2.7	3.7		5 Years	103.4	104.2
7 Years	18.8	18.1	18.4	7 Years	2.5	3.4		7 Years	105.1	102.1
Since Inception	17.9	17.9	18.3	Since Inception	3.0	4.0		Since Inception	103.4	103.1
Beta				Information Ratio				Down Market Capture		
3 Years	1.02		1.00	3 Years	-0.29	0.31		3 Years	103.9	99.8
5 Years	1.02		1.00	5 Years	0.01	0.36		5 Years	103.0	101.0
7 Years	1.03		1.00	7 Years	0.24	0.17		7 Years	103.5	101.6
Since Inception	0.98		1.00	Since Inception	0.66	0.28		Since Inception	95.4	100.9

Commentary

AQR uses a quantitative process to generate excess returns in a disciplined, risk controlled process. AQR combines bottom up security selection with top down country and currency allocation. The firm's quantitative investment process for both Global Asset Allocation and Global Stock Selection utilizes proprietary models which evaluate a set of valuation, momentum and other factors to develop views on securities. The firm believes that finding new sources of alpha and enhancing the efficiency of their portfolios is key to its future success and thus maintains its commitment to research and development to enhance its investment process. AQR's stock selection models utilize Valuation Measures, Momentum Measures (both price and fundamental), Earnings Quality, Sentiment, Sustainable Growth and Management Signaling. AQR's country selection model utilizes Valuation Momentum, B/P, Price and Earnings Momentum, E/P, Interest Rate Momentum, Equity Yield vs Interest Rates, FX Momentum, CF/P, Dividend Yield Earning Estimate Revisions and E/P vs Short Interest Rates. AQR's performance has been benchmark like, underperforming in 2008 and outperforming in 2009.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

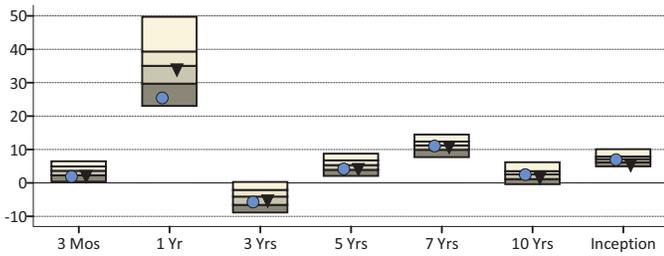
● Pyramis: Select International
 ▼ MSCI World ex USA

Analysis Period: Jan 94 - Dec 09

Benchmark: MSCI World ex USA

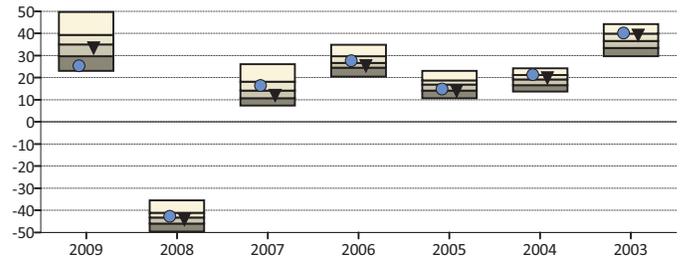
Universe: eA International Large Cap Core Equity

Total Return: Trailing Periods



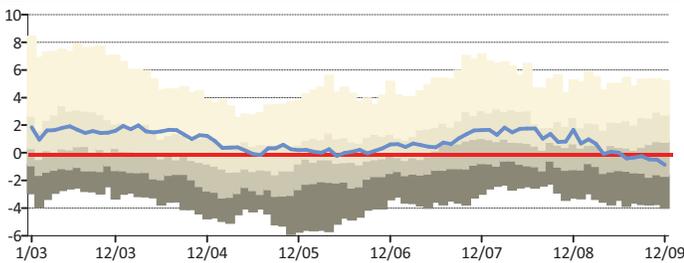
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	2.0 [81]	25.5 [89]	-5.7 [70]	4.2 [68]	11.1 [54]	2.5 [53]	7.0 [55]
Index	2.5 [73]	34.4 [54]	-4.9 [60]	4.6 [63]	11.3 [50]	2.0 [67]	5.8 [89]
Excess	-0.5	-8.9	-0.9	-0.3	-0.2	0.5	1.2
Univ Size	112	112	104	84	70	56	25

Total Return: Calendar Years

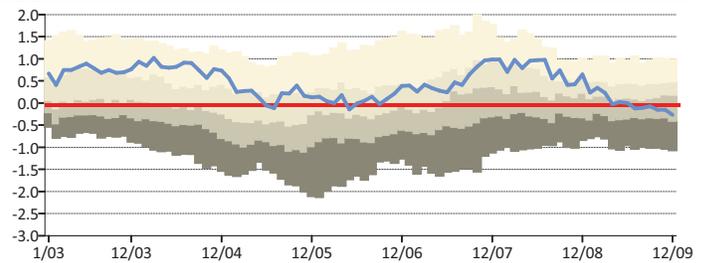


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	25.5 [89]	-42.6 [43]	16.5 [34]	27.7 [39]	14.9 [70]	21.4 [23]	40.2 [24]
Index	34.4 [54]	-43.2 [50]	12.9 [58]	26.2 [58]	15.0 [67]	20.8 [34]	40.0 [25]
Excess	-8.9	0.6	3.6	1.4	-0.1	0.6	0.1
Univ Size	112	128	122	113	106	104	104

Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Performance Statistics (Jan 94 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median	
Total Return				Excess Return				Alpha		
3 Years	-5.7	-4.9	-4.1	3 Years	-0.9	0.8	3 Years	-0.9	0.2	
5 Years	4.2	4.6	5.4	5 Years	-0.3	0.8	5 Years	-0.4	0.6	
7 Years	11.1	11.3	11.3	7 Years	-0.2	0.0	7 Years	-0.2	0.1	
10 Years	2.5	2.0	2.6	10 Years	0.5	0.6	10 Years	0.4	0.6	
Since Inception	7.0	5.8	7.1	Since Inception	1.2	1.3	Since Inception	1.2	1.2	
Standard Deviation				Tracking Error				Up Market Capture		
3 Years	24.4	24.3	24.4	3 Years	3.3	4.4	3 Years	99.2	100.0	
5 Years	20.2	19.9	20.2	5 Years	2.7	3.7	5 Years	101.4	102.8	
7 Years	18.3	18.1	18.4	7 Years	2.4	3.4	7 Years	101.2	100.8	
10 Years	18.1	18.0	18.4	10 Years	2.5	4.1	10 Years	101.8	101.8	
Since Inception	17.0	16.5	17.2	Since Inception	2.7	4.9	Since Inception	104.8	103.4	
Beta				Information Ratio				Down Market Capture		
3 Years	1.00		0.99	3 Years	-0.26	0.18	3 Years	101.7	100.1	
5 Years	1.00		1.00	5 Years	-0.13	0.24	5 Years	102.5	101.6	
7 Years	1.00		1.00	7 Years	-0.07	-0.01	7 Years	102.2	102.2	
10 Years	0.99		1.00	10 Years	0.18	0.17	10 Years	99.9	101.4	
Since Inception	1.02		1.00	Since Inception	0.44	0.26	Since Inception	99.6	99.2	

Commentary

Pyramis is the institutional investment management arm of Fidelity Investments. For this strategy, Pyramis uses a risk controlled portfolio construction process in which the source of value added is the fundamental stock analyses performed by the large Fidelity and Pyramis fundamental research staff. The portfolio is generally style, region and sector neutral relying on fundamental stock research to outperform its benchmark. This product is not as systematic in its portfolio construction process as the corresponding Large Capitalization strategy but instead, relies more on the skills of the portfolio manager to judge the analysts and their fundamental research when building the portfolio. The strategy has been managed by the same portfolio manager since 2000 and has consistently added value.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

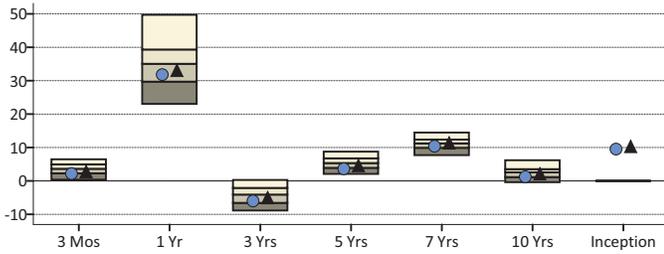
● SSgA: MSCI EAFE
 ▲ MSCI EAFE

Analysis Period: Jan 81 - Dec 09

Benchmark: MSCI EAFE

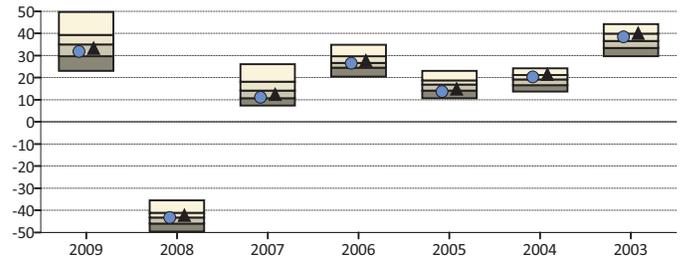
Universe: eA International Large Cap Core Equity

Total Return: Trailing Periods



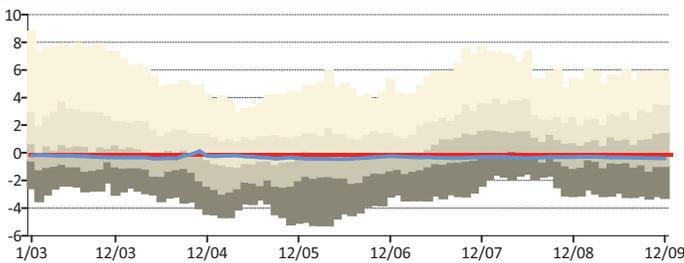
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	2.2 [78]	31.8 [63]	-6.0 [72]	3.7 [79]	10.4 [72]	1.3 [75]	n/a
Index	2.2 [77]	32.5 [59]	-5.6 [67]	4.0 [73]	10.8 [63]	1.6 [72]	n/a
Excess	0.0	-0.6	-0.4	-0.3	-0.4	-0.3	-0.2
Univ Size	112	112	104	84	70	56	0

Total Return: Calendar Years

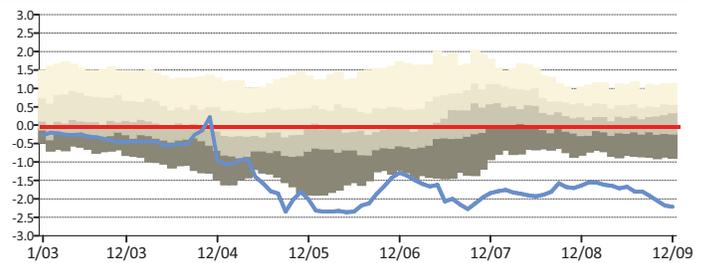


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	31.8 [63]	-43.3 [51]	11.2 [70]	26.6 [53]	13.8 [79]	20.4 [36]	38.5 [34]
Index	32.5 [59]	-43.1 [49]	11.6 [68]	26.9 [48]	14.0 [77]	20.7 [34]	39.2 [33]
Excess	-0.6	-0.2	-0.5	-0.2	-0.2	-0.3	-0.6
Univ Size	112	128	122	113	106	104	104

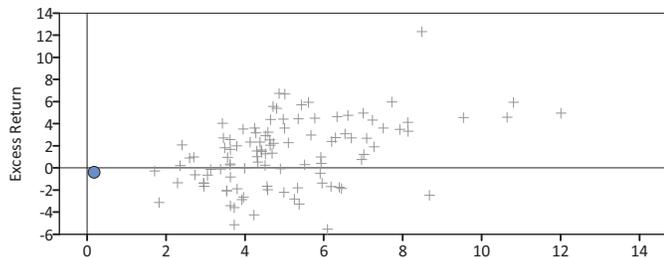
Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



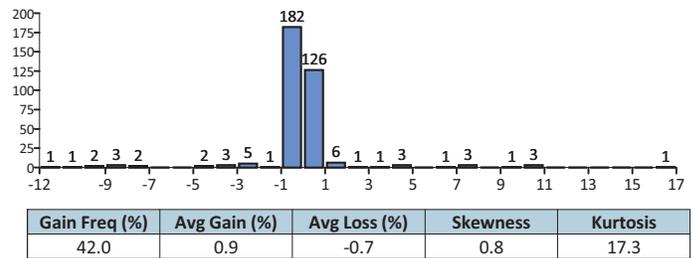
Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Excess Return vs. Tracking Error: Trailing 36 Months (Jan 07 - Dec 09)



Distribution of Monthly Excess Returns (Jan 81 - Dec 09)



Performance Statistics (Jan 81 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return				Alpha	
3 Years	-6.0	-5.6	-4.1	3 Years	-0.4	1.5	3 Years	-0.4	1.0
5 Years	3.7	4.0	5.4	5 Years	-0.3	1.4	5 Years	-0.3	1.2
7 Years	10.4	10.8	11.3	7 Years	-0.4	0.5	7 Years	-0.3	0.5
10 Years	1.3	1.6	2.6	10 Years	-0.3	1.0	10 Years	-0.3	1.0
Since Inception	9.5	9.7	n/a	Since Inception	-0.2	n/a	Since Inception	0.2	1.7
Standard Deviation				Tracking Error				Up Market Capture	
3 Years	23.9	24.0	24.4	3 Years	0.2	4.6	3 Years	98.5	104.2
5 Years	19.6	19.7	20.2	5 Years	0.2	3.9	5 Years	98.9	105.6
7 Years	18.0	18.0	18.4	7 Years	0.2	3.6	7 Years	98.9	102.4
10 Years	17.8	17.9	18.4	10 Years	0.4	4.3	10 Years	98.8	104.0
Since Inception	17.7	17.6	n/a	Since Inception	8.0	n/a	Since Inception	93.3	104.4
Beta				Information Ratio				Down Market Capture	
3 Years	1.00		1.00	3 Years	-2.22	0.35	3 Years	100.2	100.8
5 Years	1.00		1.01	5 Years	-1.95	0.36	5 Years	100.2	102.7
7 Years	1.00		1.00	7 Years	-2.04	0.18	7 Years	100.2	102.3
10 Years	1.00		1.00	10 Years	-0.68	0.29	10 Years	100.2	101.8
Since Inception	0.90		1.00	Since Inception	-0.03	n/a	Since Inception	92.9	98.5

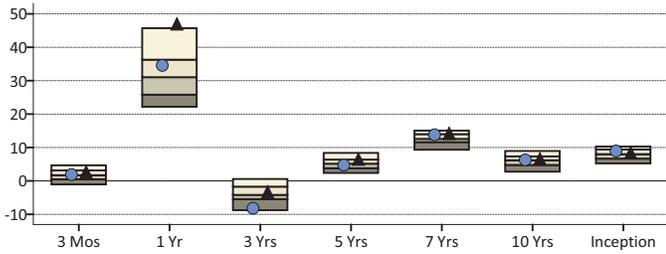
5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● Acadian: ACWI ex-U.S. Equity
 ▲ MSCI AC World Index ex USA IMI Value ND

Analysis Period: Nov 98 - Dec 09

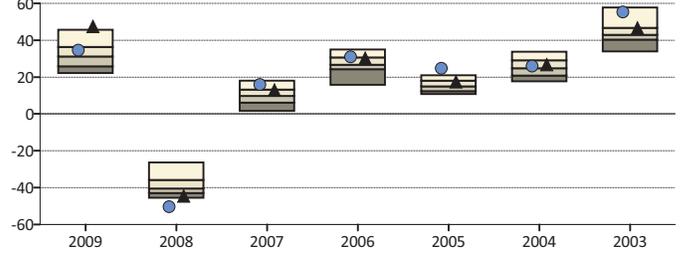
Benchmark: MSCI AC World Index ex USA IMI Value ND
Universe: eA International All Cap Value Equity

Total Return: Trailing Periods



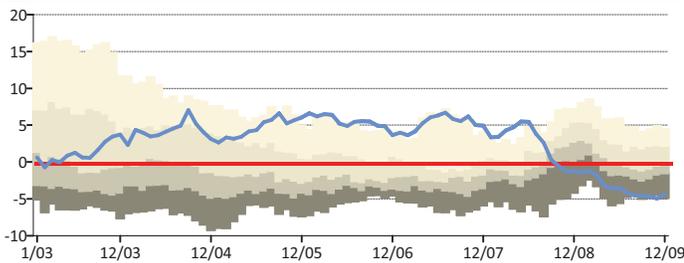
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	1.9 [49]	34.6 [33]	-8.2 [94]	4.8 [63]	13.8 [28]	6.3 [50]	9.0 [33]
Index	2.1 [45]	46.3 [5]	-3.8 [46]	6.0 [33]	13.6 [30]	6.0 [52]	7.9 [52]
Excess	-0.2	-11.7	-4.4	-1.1	0.2	0.2	1.1
Univ Size	37	37	37	35	30	20	20

Total Return: Calendar Years

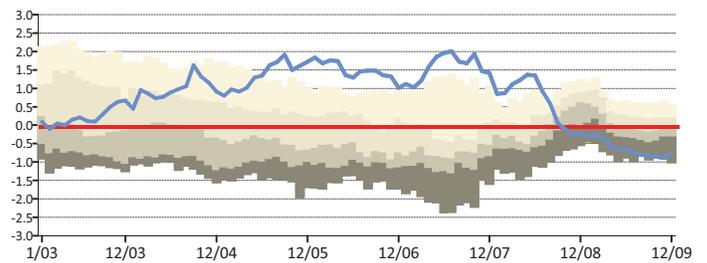


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	34.6 [33]	-50.4 [98]	15.9 [14]	31.0 [23]	24.8 [4]	26.0 [38]	55.4 [7]
Index	46.3 [5]	-45.6 [95]	11.7 [36]	29.2 [34]	16.4 [38]	25.7 [40]	45.5 [41]
Excess	-11.7	-4.8	4.2	1.9	8.5	0.3	9.9
Univ Size	37	41	45	47	44	42	38

Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Performance Statistics (Nov 98 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median	
Total Return				Excess Return				Alpha		
3 Years	-8.2	-3.8	-4.2	3 Years	-4.4	-0.3	3 Years	-4.2	-1.6	
5 Years	4.8	6.0	5.2	5 Years	-1.1	-0.8	5 Years	-1.3	-0.4	
7 Years	13.8	13.6	12.6	7 Years	0.2	-1.0	7 Years	-0.4	0.0	
10 Years	6.3	6.0	6.2	10 Years	0.2	0.2	10 Years	0.1	0.5	
Since Inception	9.0	7.9	8.0	Since Inception	1.1	0.1	Since Inception	0.9	0.5	
Standard Deviation				Tracking Error				Up Market Capture		
3 Years	27.9	26.8	22.9	3 Years	5.6	6.8	3 Years	100.8	80.0	
5 Years	23.4	21.8	19.0	5 Years	5.0	5.6	5 Years	109.6	85.5	
7 Years	21.3	19.7	17.4	7 Years	4.6	5.2	7 Years	109.4	89.7	
10 Years	20.5	18.8	17.8	10 Years	5.4	5.2	10 Years	110.9	92.0	
Since Inception	19.9	18.1	17.6	Since Inception	5.7	5.3	Since Inception	111.7	93.6	
Beta				Information Ratio				Down Market Capture		
3 Years	1.02		0.84	3 Years	-0.77	-0.05	3 Years	110.8	90.0	
5 Years	1.05		0.86	5 Years	-0.23	-0.15	5 Years	112.5	90.0	
7 Years	1.06		0.87	7 Years	0.05	-0.24	7 Years	110.9	92.6	
10 Years	1.05		0.89	10 Years	0.04	0.03	10 Years	109.6	93.8	
Since Inception	1.05		0.90	Since Inception	0.20	0.01	Since Inception	107.9	93.7	

Commentary

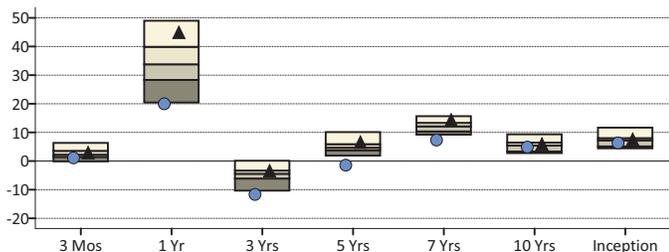
SIS maintains a close watch on Acadian. Performance for 2009 is significantly below the benchmark by 950 bps. Following the market crisis in 2008, Acadian reevaluated the way they weight factors in their model. They've increased the weight given to factors which consider current market environments. However, the bulk of the weight is still based on factors looking at historical precedent. Acadian also added two analysts during 2009. One analyst joined from Goldman Sachs Asset Management and is reviewing how they look at existing factors. The second analyst joined from Harvard Business School and will analyze how Acadian performs high level regressions and back tests. It's too early to determine the success of the process changes and personnel. SIS is closely monitoring Acadian.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● Brandes: Global
 ▲ MSCI AC World Index ex USA Value ND

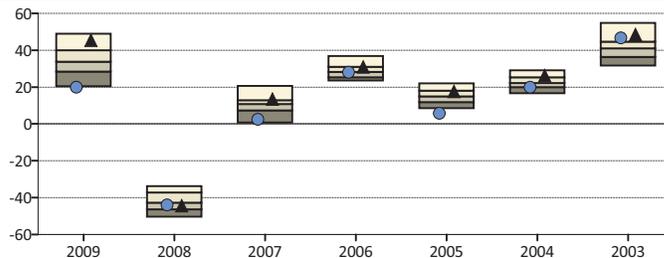
Analysis Period: Jan 99 - Dec 09
 Benchmark: MSCI AC World Index ex USA Value ND
 Universe: eA International Large Cap Value Equity

Total Return: Trailing Periods



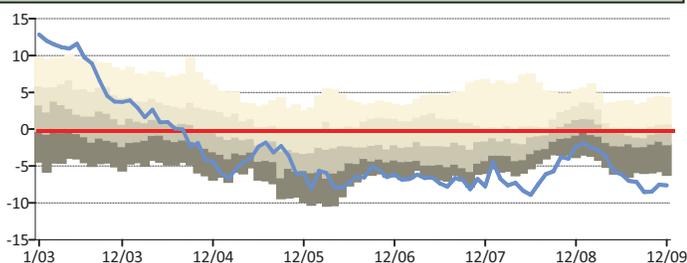
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	1.1 [83]	20.0 [97]	-1.7 [100]	-1.4 [100]	7.3 [100]	5.0 [57]	6.4 [63]
Index	2.2 [52]	44.3 [17]	-4.0 [40]	6.0 [25]	13.7 [21]	5.2 [54]	6.9 [54]
Excess	-1.1	-24.3	-7.6	-7.3	-6.4	-0.3	-0.5
Univ Size	71	71	70	61	55	43	37

Total Return: Calendar Years

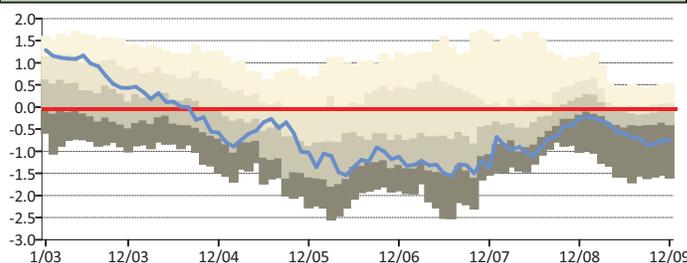


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	20.0 [97]	-44.0 [62]	2.6 [94]	28.1 [53]	5.7 [100]	19.9 [76]	46.6 [19]
Index	44.3 [17]	-45.5 [70]	12.3 [33]	29.7 [37]	16.5 [41]	25.1 [29]	47.3 [18]
Excess	-24.3	1.5	-9.8	-1.7	-10.8	-5.2	-0.7
Univ Size	71	77	79	74	69	68	65

Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Performance Statistics (Jan 99 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median	
Total Return				Excess Return				Alpha		
3 Years	-11.7	-4.0	-4.4	3 Years	-7.6	-0.4	3 Years	-8.6	-1.2	
5 Years	-1.4	6.0	4.7	5 Years	-7.3	-1.2	5 Years	-6.9	-1.0	
7 Years	7.3	13.7	12.1	7 Years	-6.4	-1.6	7 Years	-5.1	-0.6	
10 Years	5.0	5.2	5.4	10 Years	-0.3	0.2	10 Years	0.0	-0.3	
Since Inception	6.4	6.9	7.3	Since Inception	-0.5	0.4	Since Inception	-0.1	-0.1	
Standard Deviation				Tracking Error				Up Market Capture		
3 Years	24.5	26.6	24.6	3 Years	10.1	6.1	3 Years	71.0	87.9	
5 Years	19.9	21.7	20.1	5 Years	8.5	5.1	5 Years	72.1	87.6	
7 Years	19.0	19.8	18.5	7 Years	8.0	4.7	7 Years	80.3	88.3	
10 Years	19.1	19.1	17.9	10 Years	9.0	5.1	10 Years	90.0	90.5	
Since Inception	18.8	18.7	17.3	Since Inception	9.1	5.4	Since Inception	89.3	90.7	
Beta				Information Ratio				Down Market Capture		
3 Years	0.85		0.92	3 Years	-0.75	-0.05	3 Years	100.0	95.2	
5 Years	0.84		0.92	5 Years	-0.86	-0.24	5 Years	98.4	95.2	
7 Years	0.88		0.92	7 Years	-0.80	-0.33	7 Years	100.9	95.9	
10 Years	0.89		0.92	10 Years	-0.03	0.05	10 Years	91.2	95.8	
Since Inception	0.88		0.92	Since Inception	-0.06	0.07	Since Inception	90.8	94.9	

Commentary

SIS maintains a close watch on Brandes. This strategy's current underperformance streak stands out at three years running and four of the past five calendar years. While relative performance might be expected to improve going forward, the duration and source of the underperformance (if not its magnitude) is cause for concern. Performance for 2009 is almost entirely attributable to stock selection within financials. Aside from the stock selection issues in financials during 2008 & 2009, Brandes appears not to have been especially defensive heading into the decline, adopting a more defensive posture towards the end and then failing to rotate into more pro-cyclical names as the market reversed.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

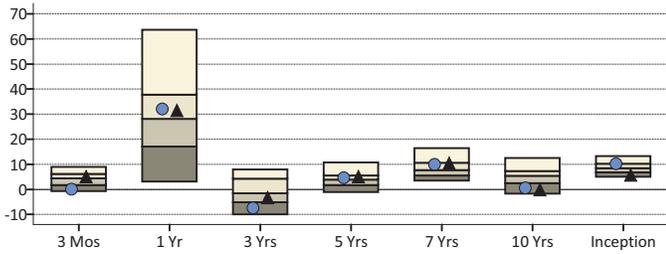
● TT International: International Equity
 ▲ MSCI World ex USA Growth ND

Analysis Period: Nov 92 - Dec 09

Benchmark: MSCI World ex USA Growth ND

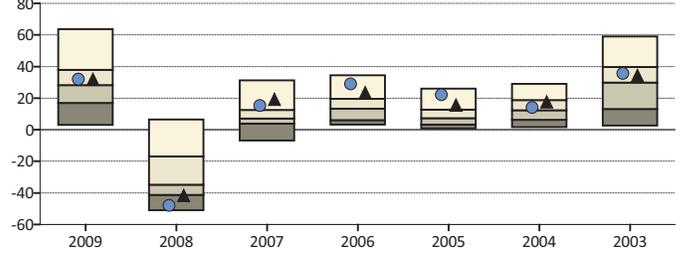
Universe: eA International Large Cap Growth Equity

Total Return: Trailing Periods



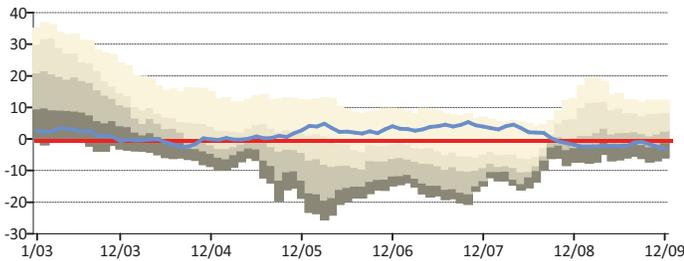
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	0.1 [92]	32.1 [39]	-7.3 [89]	4.6 [39]	9.9 [30]	0.6 [86]	10.2 [26]
Index	4.3 [52]	30.7 [43]	-4.1 [69]	4.2 [46]	9.6 [32]	-1.0 [94]	4.9 [96]
Excess	-4.2	1.4	-3.2	0.4	0.3	1.5	5.3
Univ Size	7782	7737	6972	5961	5096	3657	1070

Total Return: Calendar Years

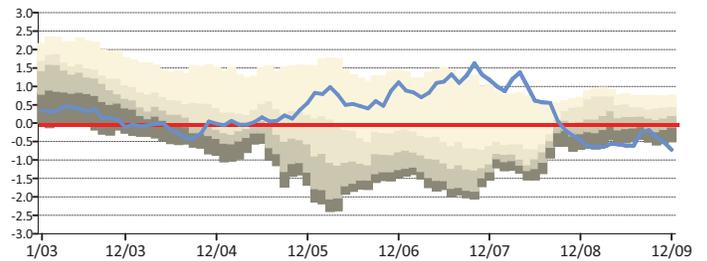


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	32.1 [39]	-47.8 [92]	15.4 [19]	29.0 [10]	22.3 [8]	14.1 [44]	35.6 [34]
Index	30.7 [43]	-42.9 [81]	18.0 [15]	22.1 [19]	14.4 [20]	16.3 [35]	33.0 [41]
Excess	1.4	-5.0	-2.6	6.9	7.9	-2.2	2.6
Univ Size	7737	8863	8922	8715	8301	7932	7504

Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Performance Statistics (Nov 92 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return			Alpha		
3 Years	-7.3	-4.1	-1.5	3 Years	-3.2	2.6	3 Years	-2.7	0.6
5 Years	4.6	4.2	3.9	5 Years	0.4	-0.3	5 Years	0.3	-0.1
7 Years	9.9	9.6	7.7	7 Years	0.3	-2.0	7 Years	-0.4	0.9
10 Years	0.6	-1.0	5.5	10 Years	1.5	6.4	10 Years	1.6	2.5
Since Inception	10.2	4.9	8.4	Since Inception	5.3	3.5	Since Inception	5.3	2.8
Standard Deviation				Tracking Error			Up Market Capture		
3 Years	25.5	23.5	20.2	3 Years	4.4	13.1	3 Years	102.3	69.2
5 Years	21.5	19.4	16.6	5 Years	4.2	11.9	5 Years	114.4	66.0
7 Years	19.9	17.6	15.1	7 Years	4.6	11.3	7 Years	111.9	70.3
10 Years	19.4	18.1	16.3	10 Years	5.5	13.4	10 Years	106.5	74.2
Since Inception	18.1	16.7	14.8	Since Inception	8.3	13.8	Since Inception	107.7	74.9
Beta				Information Ratio			Down Market Capture		
3 Years	1.07		0.76	3 Years	-0.72	0.22	3 Years	110.0	80.4
5 Years	1.09		0.72	5 Years	0.10	-0.03	5 Years	111.3	76.3
7 Years	1.11		0.73	7 Years	0.07	-0.18	7 Years	112.3	74.3
10 Years	1.02		0.73	10 Years	0.27	0.43	10 Years	99.5	70.8
Since Inception	0.96		0.71	Since Inception	0.64	0.29	Since Inception	85.4	66.0

Commentary

TT is a private partnership which is 100% owned by 23 working partners. The firm has an absolute return orientation and is willing to diverge substantially from the benchmark with regard to country and currency exposure. A specialized team conducts top down research aimed at country selection. Bottom up security selection is organized into a Europe Team and a Far East Team. There are generally 60-100 names in the portfolio with a concentration of 30%-40% in the top ten holdings. The approach is probably best described as growth at a reasonable price with an emphasis on identifying catalysts. Performance has been mixed, with some relatively long periods of underperformance. Historically stock selection in Asia has been a drag on the portfolio and there has been staff turnover in this group. Nevertheless, SIS regards TT as a seasoned team of investors with a differentiated approach.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

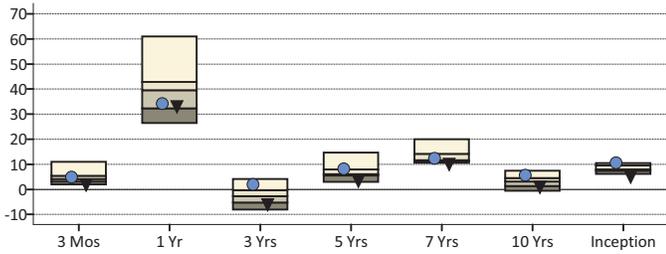
● Walter Scott: Global
 ▼ MSCI World ex USA ND

Analysis Period: Jan 92 - Dec 09

Benchmark: MSCI World ex USA ND

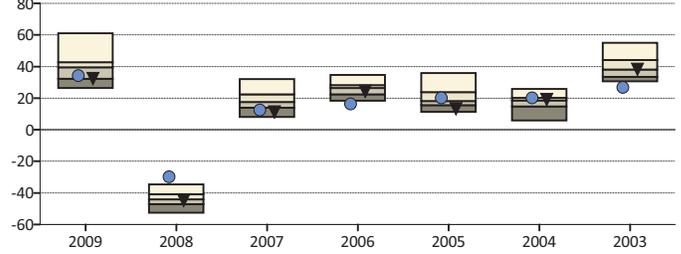
Universe: eA International All Cap Growth Equity

Total Return: Trailing Periods



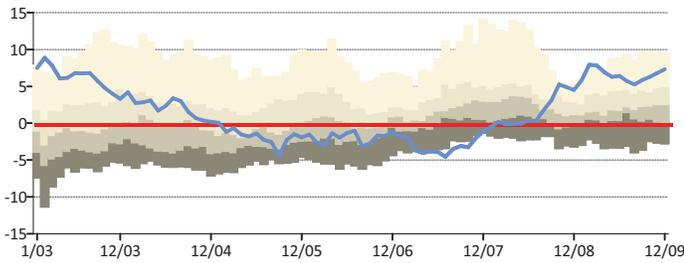
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	4.8 [40]	34.2 [66]	2.0 [9]	8.2 [15]	12.4 [42]	5.7 [15]	10.6 [4]
Index	2.4 [90]	33.7 [67]	-5.3 [76]	4.1 [88]	10.8 [91]	1.6 [68]	5.7 [100]
Excess	2.4	0.5	7.3	4.1	1.6	4.0	4.9
Univ Size	33	33	33	28	27	22	6

Total Return: Calendar Years

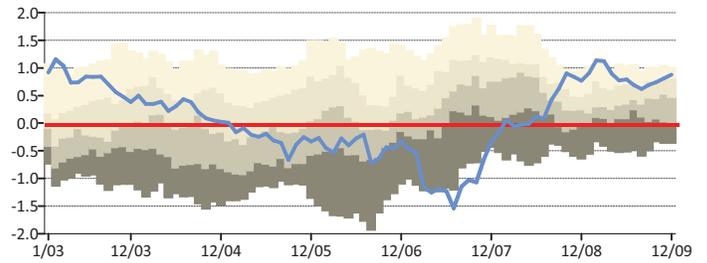


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	34.2 [66]	-29.7 [2]	12.5 [84]	16.4 [98]	20.1 [36]	20.2 [22]	26.9 [100]
Index	33.7 [67]	-43.6 [49]	12.4 [85]	25.7 [53]	14.5 [83]	20.4 [21]	39.4 [42]
Excess	0.5	13.8	0.0	-9.3	5.7	-0.1	-12.5
Univ Size	33	37	39	38	37	38	38

Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Performance Statistics (Jan 92 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median	
Total Return				Excess Return				Alpha		
3 Years	2.0	-5.3	-2.8	3 Years	7.3	2.6	3 Years	5.0	2.0	
5 Years	8.2	4.1	6.1	5 Years	4.1	2.0	5 Years	4.4	1.9	
7 Years	12.4	10.8	11.6	7 Years	1.6	0.8	7 Years	3.9	0.7	
10 Years	5.7	1.6	3.2	10 Years	4.0	1.5	10 Years	3.7	0.8	
Since Inception	10.6	5.7	7.9	Since Inception	4.9	2.3	Since Inception	5.4	2.2	
Standard Deviation				Tracking Error				Up Market Capture		
3 Years	17.5	24.2	25.0	3 Years	8.3	5.9	3 Years	80.1	104.8	
5 Years	15.0	19.9	20.7	5 Years	6.7	5.3	5 Years	86.5	108.1	
7 Years	13.9	18.1	19.1	7 Years	6.8	5.2	7 Years	84.4	104.9	
10 Years	14.0	18.0	19.3	10 Years	7.3	6.9	10 Years	86.0	107.3	
Since Inception	13.3	16.5	17.2	Since Inception	7.5	6.6	Since Inception	86.8	107.8	
Beta				Information Ratio				Down Market Capture		
3 Years	0.71		0.99	3 Years	0.88	0.48	3 Years	67.3	97.7	
5 Years	0.73		1.02	5 Years	0.61	0.43	5 Years	71.8	101.6	
7 Years	0.72		1.02	7 Years	0.23	0.16	7 Years	72.9	103.4	
10 Years	0.72		1.03	10 Years	0.55	0.18	10 Years	72.3	105.0	
Since Inception	0.72		1.01	Since Inception	0.66	0.25	Since Inception	63.8	99.2	

Commentary

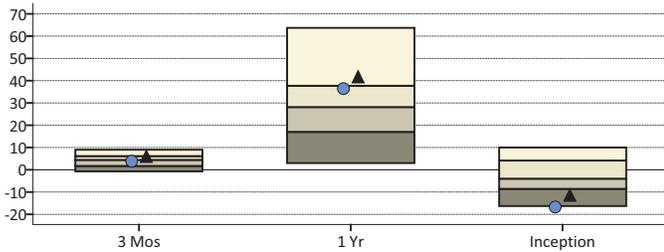
Walter Scott uses a long term, fundamental, bottom up, growth stock selection process. They perform detailed financial analysis of a company's business and the industries in which it operates. Walter Scott is seeking companies that can provide 20% or greater earnings growth over the long term through a buy and hold strategy that compounds returns over time. Portfolios are generally equal weighted with minimal regard to the indexes against which they are being compared. Walter Scott has generated positive long term returns through their quality growth orientation which has protected on the downside and generally kept up with the indexes on the upside. Walter Scott is currently on the watch list due to their sale to BNY-Mellon and the resulting retirement of their founder, Walter Scott, and more recently, the retirement of the Alan MacFarlane, Managing Director and previously, second largest shareholder of Walter Scott.

5th to 25th Percentile 25th Percentile to Median Median to 75th Percentile 75th to 95th Percentile
 ● UBS Global (USD): Global x US ACG ACW▲ MSCI AC World Index ex USA IMI Growth ND

Analysis Period: Jul 08 - Dec 09

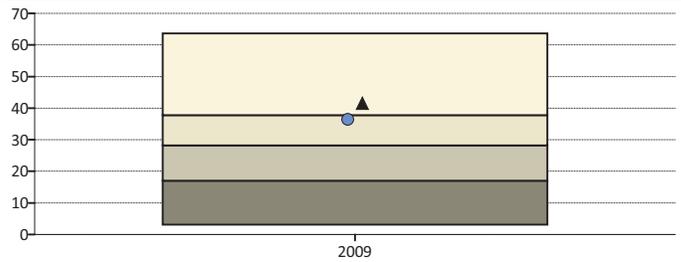
Benchmark: MSCI AC World Index ex USA IMI Growth ND

Total Return: Trailing Periods



[Rank]	3 Mos	1 Yr	S.I.
Strategy	4.0 [56]	36.5 [29]	-16.7 [96]
Index	5.3 [38]	40.9 [20]	-12.2 [88]
Excess	-1.3	-4.4	-4.5
Univ Size	7782	7737	7613

Total Return: Calendar Years



[Rank]	2009
Strategy	36.5 [29]
Index	40.9 [20]
Excess	-4.4
Univ Size	7737

Excess Return: Rolling 36-Month Periods (-)

Information Ratio: Rolling 36-Month Periods (-)

Performance Statistics (Jul 08 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return			Alpha		
Since Inception	-16.7	-12.2	-3.9	Since Inception	-4.5	8.2	Since Inception	-3.8	4.3
Standard Deviation				Tracking Error			Up Market Capture		
Since Inception	34.6	32.6	25.8	Since Inception	4.3	16.0	Since Inception	105.2	74.1
Beta				Information Ratio			Down Market Capture		
Since Inception	1.05		0.72	Since Inception	-1.04	0.53	Since Inception	109.9	76.1

Commentary

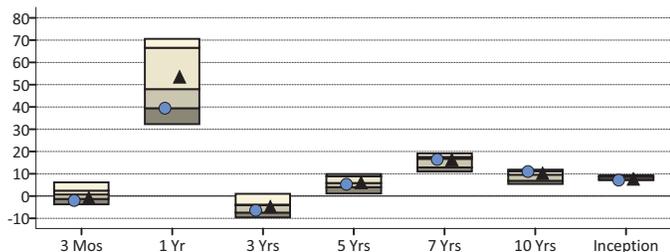
UBS lifted this international growth team out of Nicholas Applegate in 2007. The team is currently composed of two portfolio managers and five regional analysts. This is a growth strategy which looks for upside earnings surprise and fundamental changes that are unrecognized by the market. Price momentum is also a consideration. The process involves a ranking system that reduces a 3500 stock universe to about 300 stocks, on which the analysts conduct fundamental research. The portfolio holds 75-125 names with active weights limited to 3.5%. Country weights are limited to 2x the index or 15%. Although long term performance remains strong, the last two years have been disappointing. At least to some degree, the momentum factor in the portfolio has been a headwind over this period of time. The universe of high growth international managers with emerging markets and small cap capabilities is limited. The UBS team is among the more capable managers within this universe.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● DFA: ISCPV
 ▲ MSCI World ex USA Small Value ND

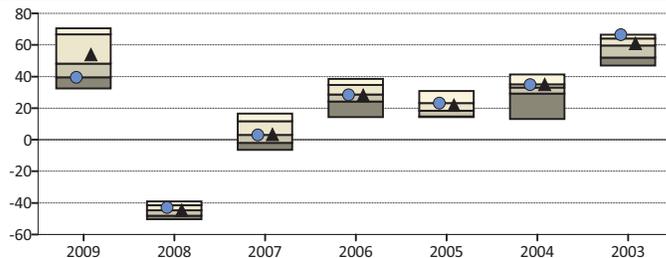
Analysis Period: Jan 95 - Dec 09
 Benchmark: MSCI World ex USA Small Value ND
 Universe: eA International Small Cap Value Equity

Total Return: Trailing Periods



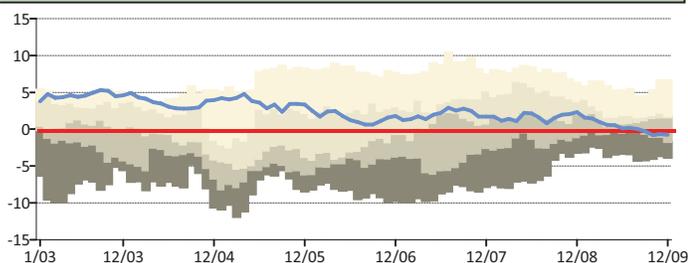
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	-2.0 [84]	39.5 [75]	-6.4 [67]	5.4 [67]	16.5 [56]	11.0 [29]	7.2 [100]
Index	-1.6 [79]	52.6 [42]	-5.6 [64]	5.2 [68]	15.5 [61]	9.4 [53]	6.8 [100]
Excess	-0.3	-13.1	-0.8	0.2	1.0	1.7	0.4
Univ Size	13	13	13	10	10	8	6

Total Return: Calendar Years

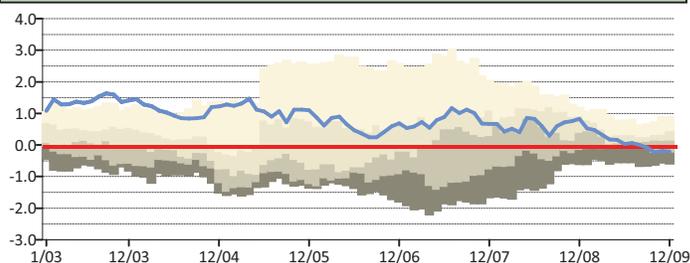


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	39.5 [75]	-42.9 [34]	3.0 [50]	28.4 [55]	23.2 [23]	34.8 [34]	66.5 [12]
Index	52.6 [42]	-45.9 [62]	2.0 [55]	26.9 [68]	20.6 [45]	33.6 [43]	59.6 [51]
Excess	-13.1	3.1	1.0	1.5	2.6	1.2	6.9
Univ Size	13	13	13	12	10	10	10

Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Performance Statistics (Jan 95 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median	
Total Return				Excess Return				Alpha		
3 Years	-6.4	-5.6	-4.0	3 Years	-0.8	1.6		3 Years	-1.1	0.9
5 Years	5.4	5.2	5.9	5 Years	0.2	0.7		5 Years	0.3	0.3
7 Years	16.5	15.5	16.8	7 Years	1.0	1.3		7 Years	1.3	0.8
10 Years	11.0	9.4	9.6	10 Years	1.7	0.3		10 Years	1.9	1.6
Since Inception	7.2	6.8	8.7	Since Inception	0.4	1.9		Since Inception	0.4	1.9
Standard Deviation				Tracking Error				Up Market Capture		
3 Years	26.4	27.3	26.4	3 Years	3.6	7.5		3 Years	96.1	99.9
5 Years	21.7	22.3	22.8	5 Years	3.2	6.6		5 Years	98.9	101.4
7 Years	20.0	20.3	20.7	7 Years	3.1	6.2		7 Years	101.2	101.2
10 Years	18.6	18.9	19.5	10 Years	3.2	6.1		10 Years	101.5	101.2
Since Inception	17.2	17.0	17.9	Since Inception	3.5	7.1		Since Inception	99.0	98.9
Beta				Information Ratio				Down Market Capture		
3 Years	0.96		0.96	3 Years	-0.21	0.17		3 Years	99.5	96.4
5 Years	0.96		0.96	5 Years	0.06	0.09		5 Years	98.4	97.8
7 Years	0.97		0.95	7 Years	0.32	0.26		7 Years	97.6	97.8
10 Years	0.97		0.97	10 Years	0.53	0.04		10 Years	94.7	97.2
Since Inception	0.99		0.96	Since Inception	0.10	0.21		Since Inception	97.3	93.5

Commentary

SIS views DFA as a solid manager with a consistent process. They employ quantitative tools with a fundamental overlay which allows them to remain focused on quality. DFA demonstrated strong performance during the year ending 12/31/09. The international small cap value strategy captured the sweet spot of multiple market rallies. Oregon also benefited from the timely implementation of the mandate which took advantage of stocks trading at historical lows. DFA has a consistent philosophy which employs an exclusion process rather than an inclusion process to select appropriate securities for the portfolio. This philosophy benefited from the strong, across the board, rally in early 2009.

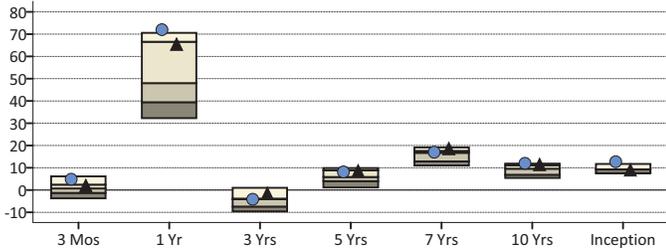
5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● Harris Associates: IntlSmCap
 ▲ MSCI AC World Index ex USA Small Value ND

Analysis Period: Nov 95 - Dec 09

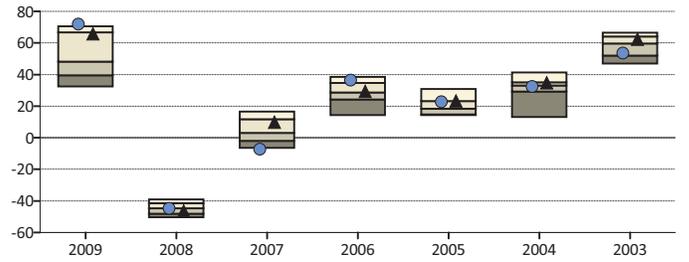
Benchmark: MSCI AC World Index ex USA Small Value ND

Total Return: Trailing Periods



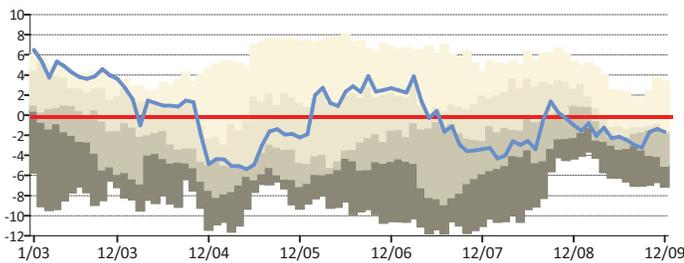
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	4.9 [17]	72.0 [1]	-4.0 [42]	8.2 [34]	17.1 [45]	12.0 [1]	12.8 [1]
Index	1.3 [44]	64.5 [27]	-2.3 [18]	7.8 [36]	17.7 [17]	10.6 [38]	8.2 [63]
Excess	3.7	7.5	-1.7	0.4	-0.6	1.4	4.5
Univ Size	13	13	13	10	10	8	7

Total Return: Calendar Years

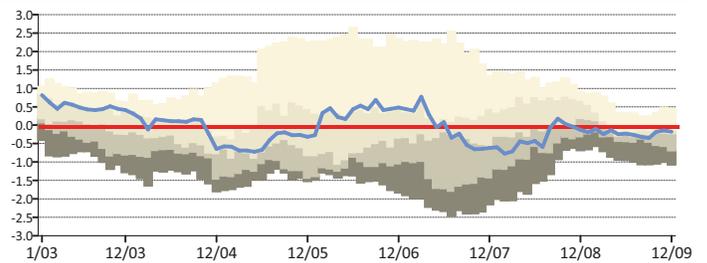


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	72.0 [1]	-44.6 [50]	-7.2 [100]	36.5 [19]	22.7 [34]	32.5 [56]	53.6 [67]
Index	64.5 [27]	-47.8 [73]	8.4 [43]	28.1 [64]	22.0 [38]	33.5 [45]	61.1 [48]
Excess	7.5	3.2	-15.7	8.4	0.7	-0.9	-7.5
Univ Size	13	13	13	12	10	10	10

Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Performance Statistics (Nov 95 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return				Alpha	
3 Years	-4.0	-2.3	-4.0	3 Years	-1.7	-1.7	3 Years	-1.9	-2.4
5 Years	8.2	7.8	5.9	5 Years	0.4	-1.9	5 Years	0.6	-1.9
7 Years	17.1	17.7	16.8	7 Years	-0.6	-0.9	7 Years	-0.1	-0.8
10 Years	12.0	10.6	9.6	10 Years	1.4	-1.0	10 Years	1.5	0.5
Since Inception	12.8	8.2	9.2	Since Inception	4.5	1.0	Since Inception	4.4	0.9
Standard Deviation				Tracking Error			Up Market Capture		
3 Years	29.4	29.2	26.4	3 Years	9.5	7.9	3 Years	82.8	86.9
5 Years	24.0	23.7	22.8	5 Years	7.9	6.5	5 Years	91.5	91.5
7 Years	22.1	21.4	20.7	7 Years	7.9	6.1	7 Years	93.0	91.8
10 Years	21.1	19.7	19.5	10 Years	8.1	6.6	10 Years	103.0	94.0
Since Inception	20.9	18.0	19.0	Since Inception	10.0	7.3	Since Inception	110.1	94.5
Beta				Information Ratio			Down Market Capture		
3 Years	0.96		0.89	3 Years	-0.18	-0.22	3 Years	92.2	93.1
5 Years	0.96		0.90	5 Years	0.05	-0.27	5 Years	90.5	93.3
7 Years	0.97		0.91	7 Years	-0.08	-0.18	7 Years	92.7	94.1
10 Years	0.99		0.92	10 Years	0.17	-0.14	10 Years	98.0	94.8
Since Inception	1.02		0.94	Since Inception	0.45	0.14	Since Inception	91.8	93.3

Commentary

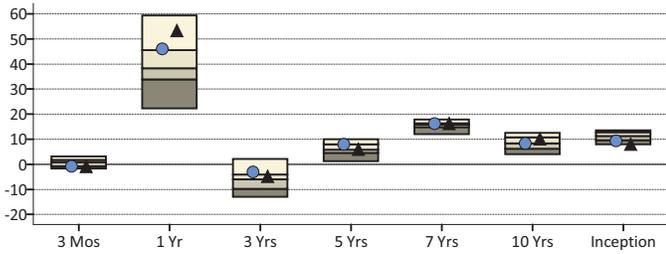
Harris invests in companies that trade at a substantial discount to their intrinsic value as determined by Harris' fundamental, bottom up, value analysis. Stocks are valued on their ability to generate cash for investors. Stocks that are identified as cheap are analyzed further, meeting with and assessing management. Harris is looking for management teams that generate cash from the company's assets, allocate capital efficiently and can enhance the value of the company. Harris is not benchmark sensitive and will, at times, perform significantly different than their benchmark both positively and negatively. Harris has generated excellent returns since they were hired.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● Pyramis: Select Intl Sm. Cap
 ▲ MSCI World ex USA Small Value ND

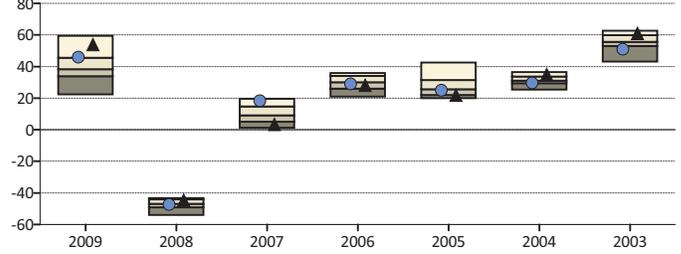
Analysis Period: Jul 95 - Dec 09
 Benchmark: MSCI World ex USA Small Value ND
 Universe: eA International Small Cap Core Equity

Total Return: Trailing Periods



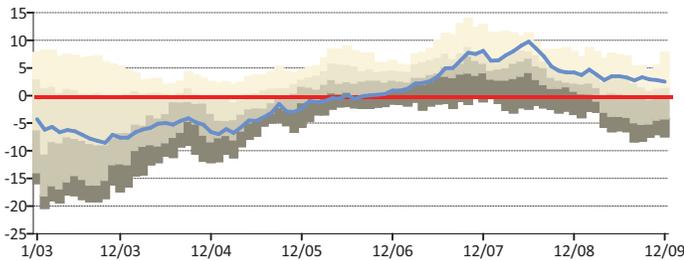
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	-0.8 [77]	46.0 [24]	-3.1 [20]	8.0 [24]	16.3 [32]	8.3 [58]	9.4 [80]
Index	-1.6 [95]	52.6 [12]	-5.6 [48]	5.2 [63]	15.5 [59]	9.4 [35]	7.2 [100]
Excess	0.8	-6.5	2.5	2.8	0.7	-1.0	2.2
Univ Size	22	22	22	18	17	15	6

Total Return: Calendar Years

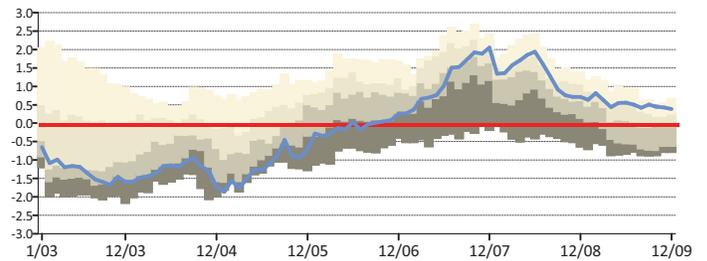


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	46.0 [24]	-47.4 [54]	18.4 [12]	29.0 [62]	25.1 [58]	29.5 [70]	50.9 [85]
Index	52.6 [12]	-45.9 [36]	2.0 [90]	26.9 [74]	20.6 [94]	33.6 [25]	59.6 [26]
Excess	-6.5	-1.4	16.4	2.1	4.5	-4.1	-8.7
Univ Size	22	27	26	22	22	21	21

Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Performance Statistics (Jul 95 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return			Alpha		
3 Years	-3.1	-5.6	-6.0	3 Years	2.5	-0.3	3 Years	2.6	-0.3
5 Years	8.0	5.2	5.8	5 Years	2.8	0.6	5 Years	2.7	0.9
7 Years	16.3	15.5	15.9	7 Years	0.7	0.4	7 Years	0.6	0.7
10 Years	8.3	9.4	8.3	10 Years	-1.0	-1.0	10 Years	-1.2	-1.0
Since Inception	9.4	7.2	11.3	Since Inception	2.2	4.0	Since Inception	2.2	2.4
Standard Deviation				Tracking Error			Up Market Capture		
3 Years	28.2	27.3	26.5	3 Years	6.5	7.2	3 Years	112.0	97.8
5 Years	23.5	22.3	22.5	5 Years	5.5	6.3	5 Years	115.6	104.9
7 Years	21.1	20.3	20.5	7 Years	5.0	5.6	7 Years	106.6	102.9
10 Years	20.0	18.9	20.0	10 Years	5.5	7.0	10 Years	102.6	96.8
Since Inception	18.3	17.2	17.9	Since Inception	6.0	6.3	Since Inception	106.8	104.3
Beta				Information Ratio			Down Market Capture		
3 Years	1.00		0.95	3 Years	0.39	-0.09	3 Years	101.2	101.2
5 Years	1.03		0.96	5 Years	0.51	0.11	5 Years	104.7	103.4
7 Years	1.01		0.96	7 Years	0.15	0.04	7 Years	105.7	104.2
10 Years	1.02		0.98	10 Years	-0.19	-0.19	10 Years	107.2	103.0
Since Inception	1.00		0.96	Since Inception	0.37	0.52	Since Inception	97.6	97.6

Commentary

Pyramis is the institutional investment management arm of Fidelity Investments. For this strategy, Pyramis uses a risk controlled portfolio construction process in which the source of value added is the fundamental stock analyses performed by the large Fidelity and Pyramis fundamental research staff. The portfolio is style, region and sector neutral relying exclusively on fundamental stock research to outperform its benchmark. Five regional portfolios, Japan, Continental Europe, UK, Pacific ex Japan and Canada, are constructed independently and then rolled up to a single, regional neutral portfolio. The strategy has been managed by the same portfolio manager since its inception in 1989 and has consistently added value.

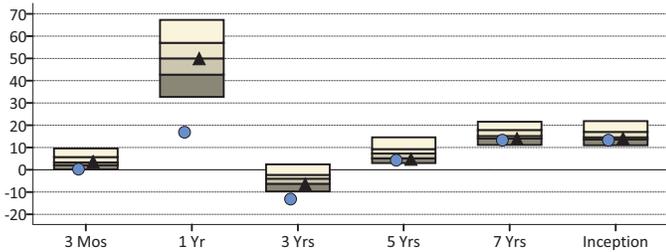
5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● Victory Capital Mgmt: Internatl Small Cap
 ▲ MSCI World ex USA Small Growth ND

Analysis Period: Nov 02 - Dec 09

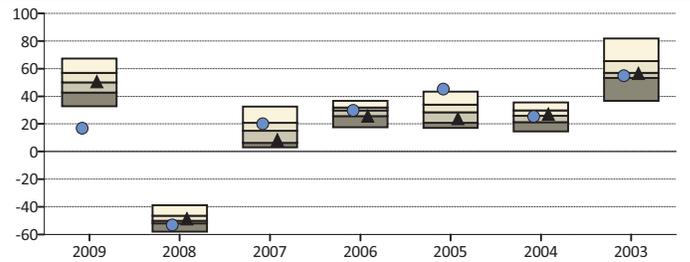
Benchmark: MSCI World ex USA Small Growth ND
Universe: eA International Small Cap Growth Equity

Total Return: Trailing Periods



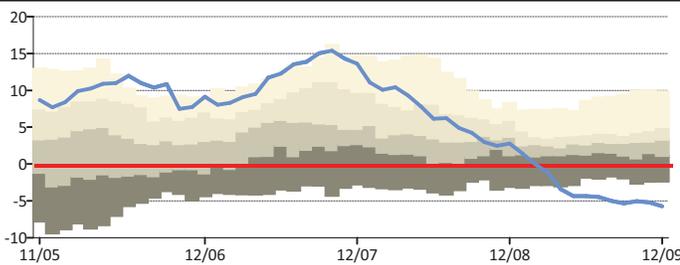
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	S.I.
Strategy	0.4 [94]	16.9 [100]	-13.0 [100]	4.4 [85]	13.4 [77]	13.4 [77]
Index	2.7 [71]	49.0 [55]	-7.3 [83]	3.9 [90]	13.1 [78]	13.1 [78]
Excess	-2.4	-32.1	-5.7	0.5	0.3	0.3
Univ Size	27	27	26	22	20	19

Total Return: Calendar Years

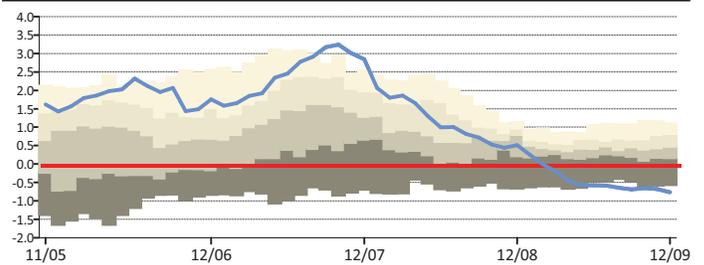


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	16.9 [100]	-53.1 [81]	20.0 [33]	29.7 [51]	45.2 [4]	25.5 [52]	54.8 [66]
Index	49.0 [55]	-50.1 [49]	7.1 [73]	24.2 [79]	22.3 [70]	25.6 [51]	55.2 [63]
Excess	-32.1	-3.0	13.0	5.5	22.9	-0.2	-0.4
Univ Size	27	29	30	27	27	26	24

Excess Return: Rolling 36-Month Periods (Nov 05 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Nov 05 - Dec 09)



Performance Statistics (Nov 02 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return			Alpha		
3 Years	-13.0	-7.3	-4.0	3 Years	-5.7	3.3	3 Years	-6.4	3.6
5 Years	4.4	3.9	7.4	5 Years	0.5	3.5	5 Years	0.5	3.9
7 Years	13.4	13.1	15.2	7 Years	0.3	2.1	7 Years	0.7	2.3
Since Inception	13.4	13.1	14.7	Since Inception	0.3	1.6	Since Inception	0.6	2.1
Standard Deviation				Tracking Error			Up Market Capture		
3 Years	26.5	27.3	27.4	3 Years	7.5	7.4	3 Years	83.5	104.6
5 Years	22.7	22.7	23.1	5 Years	7.1	6.0	5 Years	98.7	107.4
7 Years	21.1	20.7	21.2	7 Years	6.6	6.2	7 Years	100.0	108.9
Since Inception	20.9	20.6	21.3	Since Inception	6.6	6.1	Since Inception	98.9	106.6
Beta				Information Ratio			Down Market Capture		
3 Years	0.93		0.98	3 Years	-0.77	0.47	3 Years	103.8	97.4
5 Years	0.95		1.00	5 Years	0.07	0.59	5 Years	97.5	99.3
7 Years	0.97		1.00	7 Years	0.05	0.46	7 Years	98.8	96.5
Since Inception	0.96		1.00	Since Inception	0.04	0.36	Since Inception	97.7	96.5

Commentary

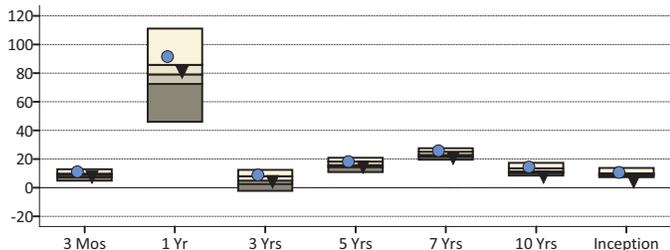
Victory Capital Management is a wholly owned subsidiary of KeyBank National Association and KeyCorp. The International Small Cap team, portfolio manager Margaret Lindsay and her analysts, were lifted out of Fiduciary/Franklin by Victory in July of 2006. Research is organized by region and by sector. The process involves screening for size, liquidity and analyst coverage and for stocks in industries with strong secular growth. Fundamental research is conducted on the stocks that screen well. The portfolio holds 60-75 names with initial positions weighted at 1.5%. Tracking error is monitored with Northfield and is not controlled with tight bands around index weightings in sectors, regions or countries. Going into 2008, this strategy had an exceptionally strong performance record. The last two years, especially 2009, have been a very difficult relative performance period. We nevertheless regard Margaret Lindsay as an experienced international small cap portfolio manager and expect this team to be able to again generate excess returns as the market environment changes.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● Genesis: Global EM Equity
 ▼ MSCI EM (Emerging Markets) IMI ND

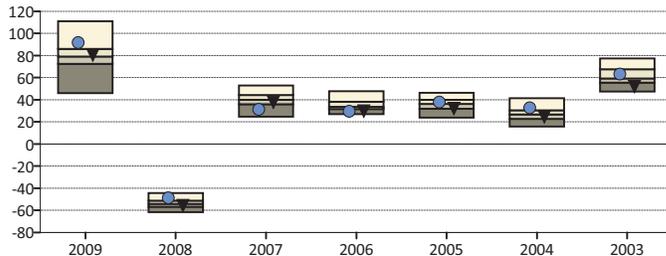
Analysis Period: Jun 94 - Dec 09
 Benchmark: MSCI EM (Emerging Markets) IMI ND
 Universe: eA Emerging Markets Equity

Total Return: Trailing Periods



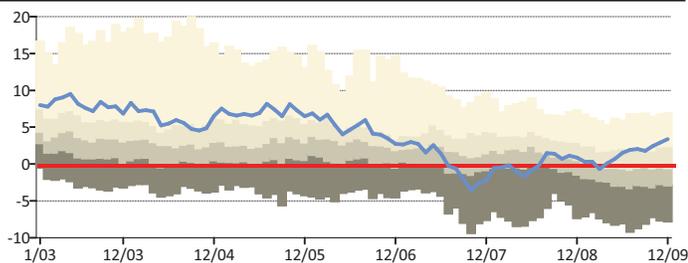
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	11.3 [11]	91.7 [16]	9.0 [17]	18.3 [25]	25.9 [16]	14.4 [14]	10.7 [13]
Index	9.0 [45]	82.4 [35]	5.6 [46]	15.8 [50]	22.1 [66]	9.1 [93]	5.7 [100]
Excess	2.3	9.3	3.4	2.5	3.8	5.4	5.0
Univ Size	148	148	138	115	100	85	32

Total Return: Calendar Years

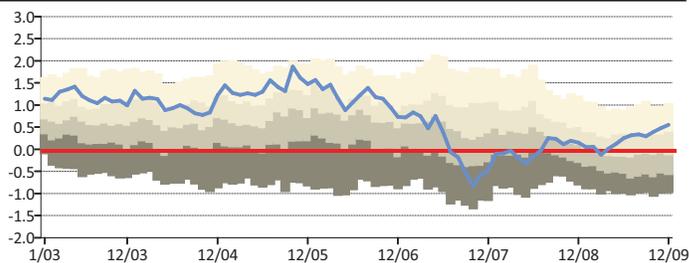


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	91.7 [16]	-48.6 [16]	31.4 [89]	29.6 [87]	37.9 [40]	32.9 [18]	63.3 [33]
Index	82.4 [35]	-53.8 [48]	39.8 [53]	31.8 [74]	33.9 [65]	26.5 [54]	53.8 [86]
Excess	9.3	5.2	-8.3	-2.2	4.0	6.4	9.5
Univ Size	148	170	168	161	147	142	135

Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Performance Statistics (Jun 94 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median	
Total Return				Excess Return				Alpha		
3 Years	9.0	5.6	5.0	3 Years	3.4	-0.6	3 Years	3.5	-0.7	
5 Years	18.3	15.8	15.8	5 Years	2.5	0.0	5 Years	3.2	0.5	
7 Years	25.9	22.1	23.0	7 Years	3.8	0.9	7 Years	5.0	1.1	
10 Years	14.4	9.1	11.4	10 Years	5.4	2.3	10 Years	5.9	1.9	
Since Inception	10.7	5.7	9.7	Since Inception	5.0	4.0	Since Inception	5.1	3.5	
Standard Deviation				Tracking Error				Up Market Capture		
3 Years	32.0	33.3	32.7	3 Years	6.1	5.7	3 Years	94.3	96.5	
5 Years	27.1	28.2	28.0	5 Years	5.2	4.8	5 Years	96.8	99.3	
7 Years	24.2	25.2	25.3	7 Years	5.1	4.5	7 Years	99.4	100.3	
10 Years	23.5	25.1	25.1	10 Years	5.8	5.3	10 Years	100.3	101.3	
Since Inception	23.5	25.0	25.0	Since Inception	6.5	6.2	Since Inception	100.0	103.1	
Beta				Information Ratio				Down Market Capture		
3 Years	0.95		0.98	3 Years	0.56	-0.12	3 Years	89.6	98.8	
5 Years	0.94		0.98	5 Years	0.48	0.00	5 Years	90.7	98.9	
7 Years	0.94		0.99	7 Years	0.75	0.22	7 Years	88.1	98.6	
10 Years	0.91		0.98	10 Years	0.93	0.49	10 Years	86.2	96.3	
Since Inception	0.91		0.98	Since Inception	0.77	0.57	Since Inception	86.5	94.2	

Commentary

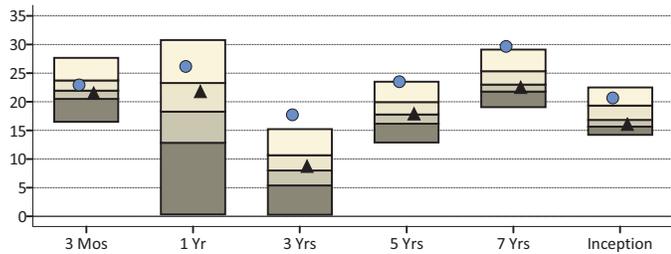
SIS views Genesis as a high quality emerging market manager with a stable employee base and solid investment process. Their buy and hold strategy was rewarded in 2009 with performance well above the MSCI EM benchmark for the year. New initiatives include taking positions in GCC countries. They do not believe this will constitute a significant portion of their emerging markets portfolio. However, they are beginning to see interesting opportunities in the region. SIS believes Genesis will continue to add value with their long term investment process and cautious approach to growing assets under management.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● Arrowstreet: Emerging Markets
 ▲ MSCI EM (Emerging Markets) IMI ND

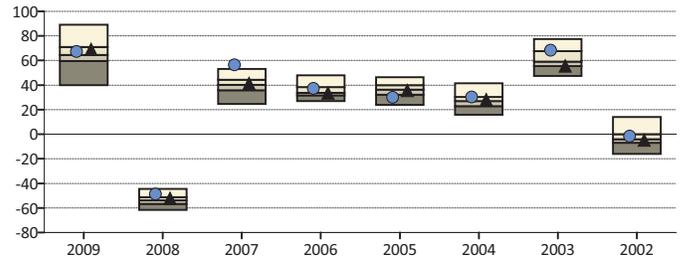
Analysis Period: **May 01 - Sep 09**
 Benchmark: **MSCI EM (Emerging Markets) IMI ND**
 Universe: **eA Emerging Markets Equity**

Total Return: Trailing Periods



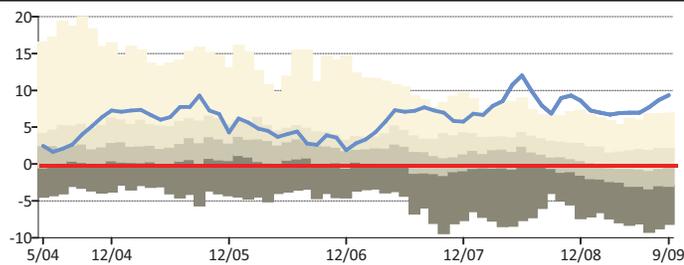
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	S.I.
Strategy	23.0 [34]	26.2 [16]	17.7 [1]	23.5 [5]	29.7 [4]	20.7 [11]
Index	21.2 [62]	21.5 [32]	8.4 [46]	17.6 [55]	22.2 [66]	15.7 [74]
Excess	1.8	4.7	9.4	5.9	7.5	5.0
Univ Size	158	158	146	121	102	96

Total Return: Calendar Years

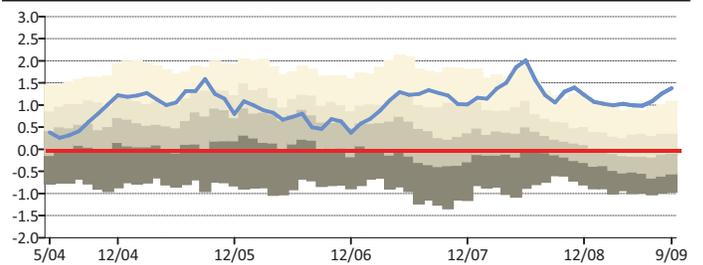


[Rank]	2009	2008	2007	2006	2005	2004	2003	2002
Strategy	67.3 [38]	-8.6 [15]	56.4 [3]	37.3 [33]	30.2 [85]	30.4 [26]	38.4 [23]	-1.4 [33]
Index	67.3 [38]	-3.8 [48]	39.8 [53]	31.8 [74]	33.9 [65]	26.5 [54]	33.8 [86]	-6.6 [71]
Excess	-0.1	5.2	16.7	5.5	-3.7	3.8	14.6	5.1
Univ Size	158	170	168	161	147	142	135	128

Excess Return: Rolling 36-Month Periods (May 04 - Sep 09)



Information Ratio: Rolling 36-Month Periods (May 04 - Sep 09)



Performance Statistics (May 01 - Sep 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return			Alpha		
3 Years	17.7	8.4	8.0	3 Years	9.4	-0.3	3 Years	9.7	-0.3
5 Years	23.5	17.6	17.8	5 Years	5.9	0.2	5 Years	6.4	0.7
7 Years	29.7	22.2	23.0	7 Years	7.5	0.8	7 Years	8.2	1.2
Since Inception	20.7	15.7	16.8	Since Inception	5.0	1.1	Since Inception	5.4	1.4
Standard Deviation				Tracking Error			Up Market Capture		
3 Years	32.0	33.5	33.0	3 Years	6.8	5.7	3 Years	109.6	97.1
5 Years	28.1	28.4	28.2	5 Years	6.2	4.9	5 Years	108.4	99.5
7 Years	25.2	25.3	25.4	7 Years	6.3	4.6	7 Years	107.8	100.1
Since Inception	25.2	25.3	25.2	Since Inception	6.2	4.6	Since Inception	105.6	100.1
Beta				Information Ratio			Down Market Capture		
3 Years	0.93		0.97	3 Years	1.38	-0.08	3 Years	91.2	98.8
5 Years	0.96		0.98	5 Years	0.95	0.05	5 Years	95.0	98.9
7 Years	0.96		0.99	7 Years	1.20	0.18	7 Years	88.8	98.6
Since Inception	0.97		0.98	Since Inception	0.80	0.27	Since Inception	92.7	98.0

Commentary

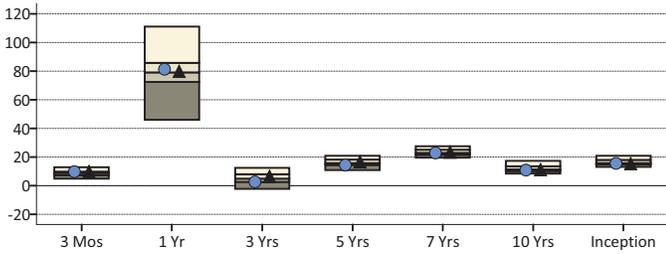
Arrowstreet uses a quantitative process that combines investment intuition with quantitative research to identify mispriced stocks and then constructs portfolios that have characteristics similar to their benchmark. The firm believes that the investment signals it evaluates can be categorized as having either behavioral underpinnings, informational underpinnings or both. The signals can be grouped into four categories; Value (multiple valuation signals like P/E, P/Cash Flow, P/Sales, etc), Momentum (multiple measures of price momentum), Earnings (measures to identify future profits and changes in market sentiment) and High Frequency (measures, mostly technical, that exploit short term trading patterns and liquidity considerations). Forecasts are made for country, sector and stock but the risk aware portfolio construction process results in a strategy that takes modest country, sector and individual stock bets. Performance of the product has much better than expected and the staff of the organization remains very stable.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

● Pictet: GEM
 ▲ MSCI EM (Emerging Markets) ND

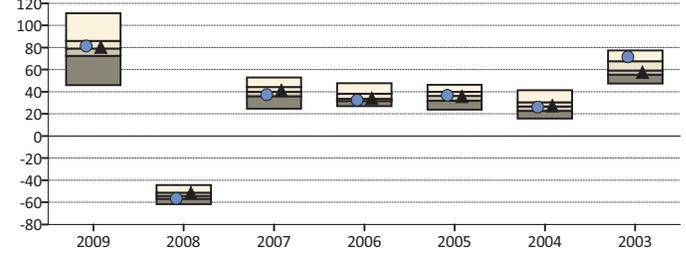
Analysis Period: Jan 99 - Dec 09
 Benchmark: MSCI EM (Emerging Markets) ND
 Universe: eA Emerging Markets Equity

Total Return: Trailing Periods



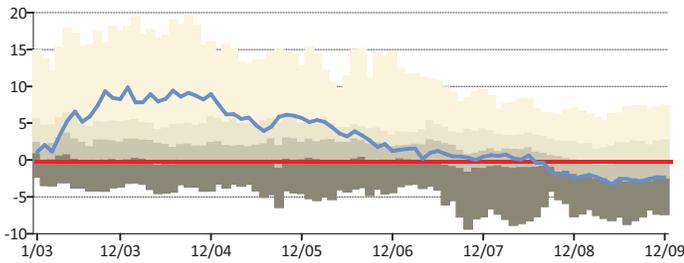
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	S.I.
Strategy	9.8 [30]	81.3 [39]	2.8 [75]	14.5 [76]	23.0 [52]	11.0 [59]	15.6 [63]
Index	8.5 [57]	78.5 [52]	5.1 [50]	15.5 [56]	22.0 [69]	9.8 [82]	14.0 [85]
Excess	1.3	2.8	-2.4	-1.0	1.0	1.2	1.6
Univ Size	148	148	138	115	100	85	79

Total Return: Calendar Years

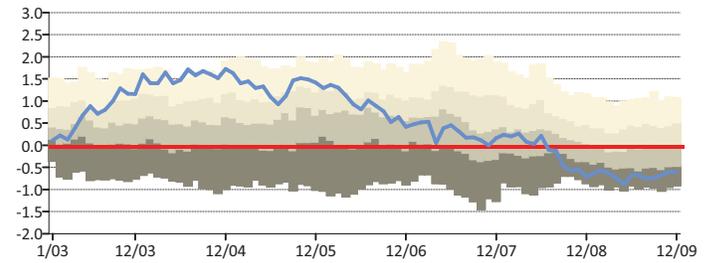


[Rank]	2009	2008	2007	2006	2005	2004	2003
Strategy	81.3 [39]	-56.5 [74]	37.5 [69]	32.7 [61]	36.7 [45]	26.1 [54]	71.7 [15]
Index	78.5 [52]	-53.3 [45]	39.4 [55]	32.2 [69]	34.0 [64]	25.6 [62]	55.8 [75]
Excess	2.8	-3.2	-1.9	0.5	2.7	0.6	15.8
Univ Size	148	170	168	161	147	142	135

Excess Return: Rolling 36-Month Periods (Jan 03 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jan 03 - Dec 09)



Performance Statistics (Jan 99 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median	
Total Return				Excess Return				Alpha		
3 Years	2.8	5.1	5.0	3 Years	-2.4	-0.1	3 Years	-2.3	-0.2	
5 Years	14.5	15.5	15.8	5 Years	-1.0	0.3	5 Years	-0.9	0.7	
7 Years	23.0	22.0	23.0	7 Years	1.0	1.0	7 Years	1.0	1.1	
10 Years	11.0	9.8	11.4	10 Years	1.2	1.6	10 Years	1.3	1.5	
Since Inception	15.6	14.0	16.0	Since Inception	1.6	2.0	Since Inception	1.5	1.7	
Standard Deviation				Tracking Error				Up Market Capture		
3 Years	32.6	32.8	32.7	3 Years	3.8	5.6	3 Years	96.8	98.8	
5 Years	27.9	28.0	28.0	5 Years	3.5	4.6	5 Years	99.7	100.6	
7 Years	25.3	25.0	25.3	7 Years	3.8	4.3	7 Years	103.3	101.2	
10 Years	25.2	24.9	25.1	10 Years	6.0	5.2	10 Years	102.8	102.2	
Since Inception	26.1	24.9	25.4	Since Inception	7.0	5.9	Since Inception	104.4	102.5	
Beta				Information Ratio				Down Market Capture		
3 Years	0.99		0.99	3 Years	-0.61	-0.01	3 Years	102.0	99.4	
5 Years	0.99		0.99	5 Years	-0.29	0.05	5 Years	102.2	99.5	
7 Years	1.00		0.99	7 Years	0.26	0.27	7 Years	101.3	99.0	
10 Years	0.99		0.99	10 Years	0.20	0.34	10 Years	99.4	98.8	
Since Inception	1.01		1.00	Since Inception	0.23	0.33	Since Inception	100.1	98.3	

Commentary

Pictet seeks to identify mispricings by ranking companies in each industry by adjusted value of installed capacity. Using a proprietary database, they seek to identify the countries, industries and stocks where the adjusted value is at a premium to the current market value. The relative value is calculated in one of three ways, depending on the sector; undervaluation of relative industrial capacity, capital strength and business franchise for financials and underlying value and implied growth for intellectual property and services seeking to purchase companies that are in the cheapest quartiles of value within their industries. Further fundamental analysis is completed to validate the database information and ensure that the company's strategy is to maximize the true worth of its assets. Pictet is currently on the watch list due to longer term performance shortfalls and recent changes in the leadership on the product. Recent performance is showing better results but the impacts of the changes are still uncertain.

5th to 25th Percentile
 25th Percentile to Median
 Median to 75th Percentile
 75th to 95th Percentile

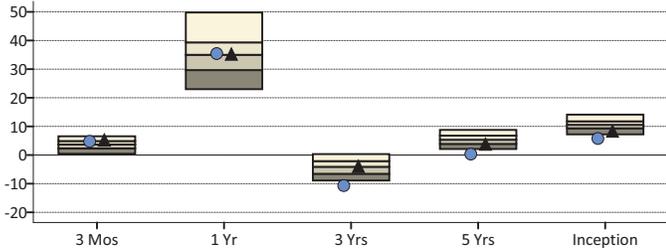
● AllianceBernstein: GSB
 ▲ MSCI AC World Index ND

Analysis Period: Jul 03 - Dec 09

Benchmark: MSCI AC World Index ND

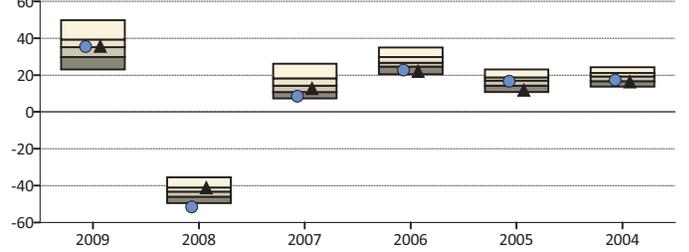
Universe: eA International Large Cap Core Equity

Total Return: Trailing Periods



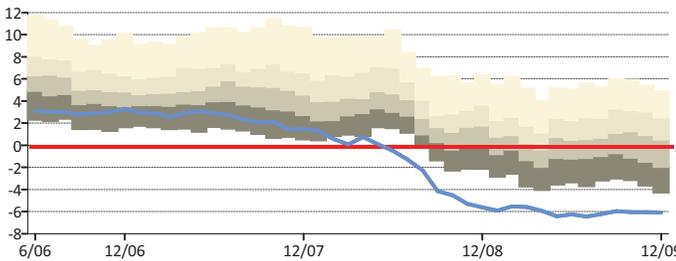
[Rank]	3 Mos	1 Yr	3 Yrs	5 Yrs	S.I.
Strategy	4.9 [27]	35.4 [48]	-10.7 [100]	0.4 [100]	5.8 [100]
Index	4.6 [32]	34.6 [53]	-4.6 [55]	3.1 [84]	7.7 [94]
Excess	0.2	0.8	-6.1	-2.7	-1.9
Univ Size	112	112	104	84	73

Total Return: Calendar Years

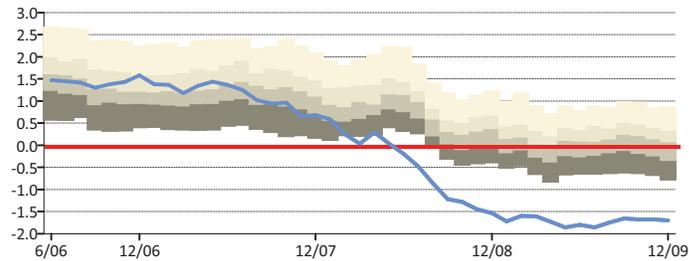


[Rank]	2009	2008	2007	2006	2005	2004
Strategy	35.4 [48]	-51.5 [100]	8.6 [90]	22.7 [88]	16.7 [52]	17.4 [69]
Index	34.6 [53]	-42.2 [40]	11.7 [68]	21.0 [92]	10.8 [95]	15.2 [86]
Excess	0.8	-9.3	-3.1	1.8	5.9	2.2
Univ Size	112	128	122	113	106	104

Excess Return: Rolling 36-Month Periods (Jun 06 - Dec 09)



Information Ratio: Rolling 36-Month Periods (Jun 06 - Dec 09)



Performance Statistics (Jul 03 - Dec 09)

	Strategy	Index	Median		Strategy	Median		Strategy	Median
Total Return				Excess Return			Alpha		
3 Years	-10.7	-4.6	-4.1	3 Years	-6.1	0.5	3 Years	-5.5	0.8
5 Years	0.4	3.1	5.4	5 Years	-2.7	2.3	5 Years	-2.7	2.2
Since Inception	5.8	7.7	10.6	Since Inception	-1.9	2.9	Since Inception	-2.3	2.6
Standard Deviation				Tracking Error			Up Market Capture		
3 Years	24.7	22.7	24.4	3 Years	3.6	5.6	3 Years	98.5	108.6
5 Years	20.4	18.4	20.2	5 Years	3.4	5.0	5 Years	107.1	117.0
Since Inception	18.5	16.7	18.4	Since Inception	3.1	4.7	Since Inception	106.3	118.3
Beta				Information Ratio			Down Market Capture		
3 Years	1.08		1.05	3 Years	-1.70	0.09	3 Years	116.2	105.8
5 Years	1.10		1.07	5 Years	-0.79	0.44	5 Years	116.8	107.5
Since Inception	1.09		1.07	Since Inception	-0.61	0.63	Since Inception	116.0	107.0

Commentary

SIS maintains a close watch on the Alliance Bernstein Global Style Blend. Both the value and growth products have experienced organizational instability over the last two years. While the value group seems to have recovered and is on solid footing, SIS continues to have concerns with the global research growth product. Throughout 2009, they suffered significant senior level investment professional turnover. While performance has recovered somewhat from a dismal 2008, SIS believes they are still at risk of losing additional investment professionals.