

EXECUTIVE SUMMARY



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OHIO RETIREMENT STUDY COUNCIL

Comparative Performance Study

Period ending 6/30/2007

Introduction

Evaluation Associates is pleased to present to the Council the most recent results of our ongoing, semi-annual comparative study of the performance of the five Ohio Statewide pension funds pursuant to Section 171.04 of the Revised Code. This is the seventeenth report we have prepared pursuant to this authority. The purpose of this comparative report is to provide the framework for dialogue with the retirement systems and to assist the Council in meeting its oversight responsibilities. As is our practice, this report reflects investment performance for all five retirement systems over the ten year period beginning July 1, 1997 and ending June 30, 2007.

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

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

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

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

In March 1997, S.B. 82 abolished the legal list and adopted the “prudent person rule.” The funds’ investment authority under this act is expanded to allow any individual investment, so long as the overall portfolio is diversified. This allows for responses to changes in the economy and investment markets and reliance on professional investment managers and economic advisors to guide the decision making process. Along with this expansion of investment authority, however, comes the requirement of prudence and diligence in the development of guidelines, benchmarks, and objectives, and importantly, mandates ongoing monitoring by those with fiduciary responsibility.

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

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

Our findings may be summarized as follows:

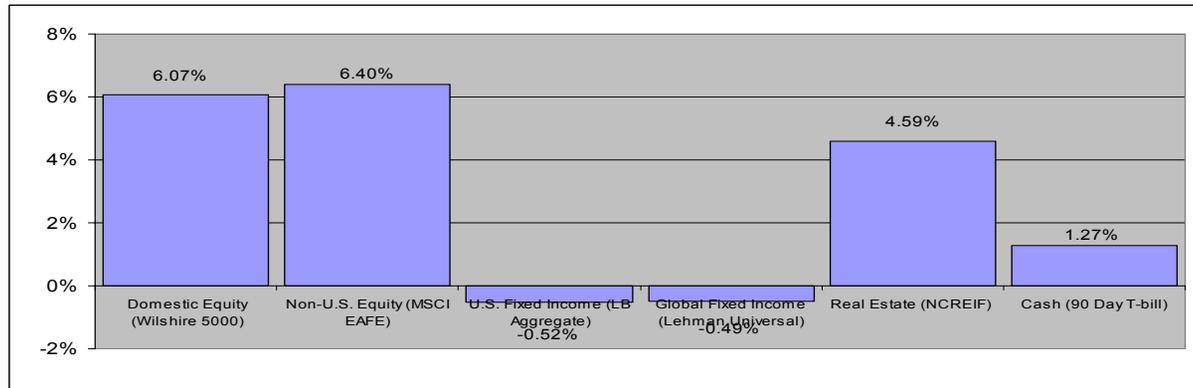
- The systems benefited from strong equity markets, both domestically and abroad, during the six months ending June 30, 2007, producing very favorable single digit returns. The range of returns for the six-month period was from a high of +8.48% (OP&F) to a low of +4.75% (PERS HC).
- All five systems outpaced their respective policy indexes for the six-month period. OP&F led its policy index by the largest amount, 123 basis points, and was followed by SERS which led its target by 121 basis points. The STRS’s policy index return was the top performer for the six-month period (+7.46%) largely due to a higher overall equity allocation and a higher alternatives policy target return. The PERS HC policy index had the lowest return for the six-month period, due to its higher allocation to fixed income. Fixed income produced only low single digit returns for the six-month period.
- In comparison to a broad universe of other public retirement systems (the Mellon All Public Total Fund Universe), all plans rank above median for the period ending June 30, 2007. OP&F ranks in the first quartile (13th percentile) while the other systems ranged from the 25th percentile (SERS) to the 43rd percentile (PERS DB).
- For the one-year period ending June 30, 2007, all of the systems except HPRS led their respective policy index returns and outpaced the median of the Mellon All Public Total Fund Universe, producing rankings in the 5th, 10th, 19th, 29th and 47th percentiles (STRS, OP&F, SERS, PERS DB, and HPRS, respectively).

- On a three-year basis, only HPRS has lagged its policy index, trailing by 33 basis points. Over the same time period, SERS has led its policy benchmark by the largest amount (121 basis points) followed by STRS (118 basis points), PERS DB (56 basis points) and OP&F (57 basis points).
- Comparing the three-year returns of the systems to the Mellon All Public Total Fund Universe, STRS ranked in the 8th percentile followed by OP&F, SERS and PERS DB which ranked in the 19th, 22nd, and 36th percentiles, respectively. HPRS ranked in the 59th percentile, which is slightly below median.
- For the five-year period, all systems have outpaced their respective policy benchmarks with STRS producing the largest level of outperformance at 101 basis points. In comparison to the Mellon All Public Total Fund Universe, STRS (+13.17%) and OP&F (+12.80%) ranked in the first quartile, PERS DB (+12.27%) and SERS (+12.09%) ranked in the second quartile, and HPRS (+11.76%) ranked just below median in the third quartile.
- Over the longer-term, ten-year period, HPRS is the only system trailing its actuarial interest rate. When compared to each system's respective policy benchmark over the last ten years, STRS, SERS, and OP&F exceed the return of their policy benchmark while PERS DB and HPRS trailed for the same period.
- During the eight years that we have been reviewing the results of the systems on behalf of the Council, the asset allocation targets became more similar and were reasonably close to each other. The obvious exception is PERS HC. It is important to note that they have a lower actuarial interest rate target than the others, at 6.5%. The retirement plans all have actuarial return assumptions of 8.00% to 8.25%. As a result, PERS HC has a lower equity and higher fixed income allocation than the retirement plans. This similarity in policy makes comparing one system's results to the other a more meaningful exercise over the more recent time periods. Changes to asset allocation policy by HPRS, and more recently SERS, will likely cause some comparison differences in the near future as SERS has significantly lowered its domestic equity allocation, adding to international equity and alternatives while HPRS has lowered fixed income and added to alternatives. Additionally, longer-term comparisons are more problematic as there were still some important differences in target allocations in the 1990's which impact the longer term return series. In the end, while peer comparisons can be a useful exercise, comparisons to the plans' policy index should be the primary comparison tool.
- With a full ten years of data now available since the formal adoption of the "prudent person rule", it is a useful exercise to examine the relative performance of the systems versus the peer group of public fund plans over that period. Tracking relative performance for the ten-year period, where all of the plans ranked below the median of the peer universe, to more recent 1, 2, 3, 4, and 5 year periods, where the majority of the systems are consistently ranking in the first or second quartile of the peer universe, should give validity to the concept that a larger investment opportunity set and increased portfolio diversification are favorable for performance.
- Appendix 1.1 and 1.2 at the end of this report compares the current and target asset allocation of each of the systems to two public fund universes, the total universe of public funds and the universe of public funds in excess of \$1 billion. The following observations are based on a review of the systems' asset allocation in comparison to those peer universes:

1. The actual and target asset allocation of PERS DB, STRS, OP&F, and HPRS to domestic equity rank above the median plan's allocation to domestic equity (40.58%) in the Mellon All Public Total Fund Universe. The actual (30.43%) and target (29.00%) allocation of SERS to domestic equity is below that of the median plan. The same holds true when the systems are compared to the median (38.73%) of the Mellon Billion Dollar Public Total Fund Universe.
 2. The systems' actual and target asset allocation to fixed income are below the median plan (26.52%) of the Mellon All Public Total Fund Universe.
 3. There are some differences in the target allocations of the systems to international equity. The median plan allocation of the Mellon All Public Total Fund Universe as of June 30, 2007 was 21.09%. The target allocations of STRS and SERS are higher at 25% and 29%, respectively. The target allocations of PERS DB and OP&F approximate the median at 20% and the HPRS target allocation is below at 15%. It is worth noting that each of the plans is maintaining an allocation to international equity that is marginally higher than stated targets. This allocation has been beneficial as these markets have produced double digit returns over the past six months.
 4. The universe median allocation to real estate was 5.40%. While the target allocation of each of the systems is above the median allocation, all plans except PERS DB and HPRS are maintaining a current allocation below their respective targets.
 5. SERS and HPRS both have current target allocations to alternatives that are above the peer median of 6.30%. The remaining plans have lower target allocations to alternative assets.
- You will notice that a former section of this report titled *Appendix: ORSC Performance Attribution* has been removed. In our efforts to provide the most appropriate and precise information possible, we have determined that revisiting this section of the report with regard to the methodology of the underlying calculations is warranted and the format in which the data is presented could be improved. We are currently working on this enhancement and the section will be included in the year-end report. Additionally, we will be reexamining the report in more detail to determine if there are any additional enhancements, improvements, or additions that should be made.
 - Overall, we believe this report provides the ORSC with a consolidated source of valuable information to assist in its oversight of the five Ohio Statewide pension funds and ensure that investment policies are consistently and effectively implemented. While the report does not provide very specific underlying portfolio detail, it does provide the necessary information to allow the ORSC to ask the right questions and act as an early indicator of potential issues that should be delved into in more detail. Any modifications to the report will only serve to enhance that ability.

Market Environment

The second quarter produced positive investment results for four out of the six major asset classes. The best return was achieved by non-U.S. equity (+6.40%) followed by U.S. equity (+6.07%), real estate (+4.59%), cash (+1.27%), non-U.S. fixed income (-0.49%) and U.S. fixed income (-0.52%).



Median Fund Returns

The median fund in the Mellon public fund database gained 4.48% in the second quarter and returned +6.96% for year-to-date 2007. A hypothetical fund with a 60% allocation to the Wilshire 5000 and a 40% allocation to the Lehman Brothers Aggregate Bond Index would have returned +3.42% for the second quarter and +4.93% for year-to-date 2007, falling shy of the median fund return in the Mellon public fund database.

Universe Medians Performance Summary Periods Ending June 30, 2007

	<u>One Quarter</u>	<u>Two Quarters</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>	<u>Ten Years</u>
Fund Sponsor						
Public Fund Universe	4.48%	6.96%	17.70%	13.03%	12.03%	8.61%
Corporate DB Universe	4.23%	6.46%	16.83%	12.11%	11.20%	8.27%
Endowment Universe	5.61%	9.24%	19.50%	14.23%	12.66%	9.29%
Taft-Hartley Universe	3.95%	6.26%	16.40%	11.55%	11.23%	8.45%
All Fund Universe	4.44%	6.67%	17.23%	12.40%	11.45%	8.54%
60% Wilshire 5000 / 40% LB Aggregate	3.42%	4.93%	14.59%	9.26%	9.13%	7.38%

Asset Allocation

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

Comparison of Policy Asset Allocation

	US Equity	Intl Equity	Fixed Income	Private / Public Real Estate	Alternative Investment	Cash
PERS (DB)	45.65%	20.00%	25.20%	6.80%	2.35%	0.00%
PERS (HC)	30.00%	15.00%	50.00%	5.00%	0.00%	0.00%
STRS	42.00%	25.00%	20.50%	9.50%	3.00%	0.00%
OP&F	46.00%	20.00%	23.00%	8.00%	3.00%	0.00%
SERS	29.00%	29.00%	24.00%	10.00%	7.00%	1.00%
HPRS	50.00%	15.00%	15.00%	5.00%	15.00%	0.00%

Note: PERS instituted separate policy target allocations for their defined benefit and health care plans in January 2005. An allocation of 50.0% to total fixed income in the Health Care Plan consists of 15.0% (fixed income), 15.0% short duration and 20.0% (TIPS). The Defined Benefit Plan real estate allocation is comprised of 5.8% private real estate and 1.0% REITS.

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

Evaluating Funds

- The most appropriate benchmark for evaluating the performance of each of the Ohio funds is the blended index contained in their respective investment policy statements. The investment policy statement contains information about the investment objectives and investment constraints that are specific to each fund based upon such factors as the funds' liquidity needs and the age of the workforce they employ.
- There are two investment objectives: (1) a return that matches the cash flows of assets and liabilities and (2) the amount of risk the fund is willing and able to tolerate. These objectives are constrained by time horizon, liquidity needs, and government regulations.
- The investment policy statement guides the funds' asset allocation decisions. Asset allocation is very important because some studies show that 95% of the variance in returns is explained by this decision alone. Therefore, Ohio fund returns should be compared against returns from organizations with similar asset allocations.
- Performance of each of the Ohio funds should first be measured against each fund's own policy benchmark return (the return of the specified target policy mix), and secondarily, against the peer group.
- A comparison of the returns of the Ohio funds against one another is a valid exercise. It must be done, however, while keeping in mind any differences in the individual funds' policy allocations and the level of risk tolerance implied by those allocations.

Executive Summary

Total Fund Returns

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

Total Fund Return vs. Policy Benchmark						
Fund		<u>One Quarter</u>	<u>Two Quarters</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
PERS (DB)						
	Actual	4.80%	7.11%	18.74%	13.68%	12.27%
	Policy	4.30%	6.49%	17.95%	13.12%	11.77%
	Difference	0.50%	0.62%	0.79%	0.56%	0.50%
PERS (HC)						
	Actual	2.60%	4.75%	14.07%	N/A	N/A
	Policy	2.30%	4.45%	13.73%	N/A	N/A
	Difference	0.30%	0.30%	0.34%	N/A	N/A
STRS						
	Actual	5.29%	7.73%	20.72%	15.51%	13.17%
	Policy	4.99%	7.46%	19.48%	14.33%	12.16%
	Difference	0.30%	0.27%	1.24%	1.18%	1.01%
OP&F						
	Actual	5.34%	8.48%	19.77%	14.39%	12.80%
	Policy	4.80%	7.25%	18.76%	13.82%	12.62%
	Difference	0.54%	1.23%	1.01%	0.57%	0.18%
SERS						
	Actual	5.23%	8.05%	19.25%	14.25%	12.09%
	Policy	4.52%	6.84%	18.01%	13.04%	11.28%
	Difference	0.71%	1.21%	1.24%	1.21%	0.81%
HPRS						
	Actual	5.03%	7.34%	17.89%	12.52%	11.76%
	Policy	4.81%	7.21%	17.96%	12.85%	11.74%
	Difference	0.22%	0.13%	-0.07%	-0.33%	0.02%

All returns are for periods ending 6/30/2007. Returns for periods longer than one year are annualized.

- PERS (DB): The second quarter return for the total fund outperformed its policy index by 0.50% and by 0.62% for year-to-date 2007. Over the trailing one-, three- and five-year periods, the total fund outperformed its policy index by 79, 56 and 50 basis points respectively.
- PERS (HC): The total fund outperformed its policy index by 0.30% for the second quarter and also for year-to-date 2007. Over the trailing one year period, the total fund outperformed its policy index by 34 basis points.
- STRS: The second quarter return for the total fund outperformed its policy index by 0.30% and by 0.27% for year-to-date 2007. Over the trailing one, three- and five-year periods, the total fund outperformed its policy index by 124, 118 and 101 basis points, respectively.
- OP&F: OP&F outperformed its policy index by 0.54% during the second quarter and outpaced the policy by 1.23% for year-to-date 2007. The total fund has outperformed its policy index over the trailing one-, three- and five-year periods by 101, 57 and 18 basis points, respectively.
- SERS: The total fund outperformed its policy index by 0.71% in the second quarter and by 1.21% for year-to-date 2007. The fund has outperformed its policy index over the trailing one-, three- and five-year periods by 124, 121 and 81 basis points, respectively.
- HPRS: The total fund outperformed its policy index during the second quarter by 0.22% and by 0.13% for year-to-date 2007. For the longer term trailing one- and three- year periods, the total fund underperformed its policy index by 7 and 33 basis points respectively, while the trailing five year period slightly exceeded the policy index by 2 basis points.

Domestic Equity Returns

Domestic Equity Return vs. Policy Benchmark						
<u>Fund</u>	<u>One Quarter</u>	<u>Two Quarters</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>	
PERS (DB)						
Actual	5.80%	7.07%	19.61%	12.36%	11.57%	
Policy	5.80%	7.18%	20.18%	12.48%	11.55%	
Difference	0.00%	-0.11%	-0.57%	-0.12%	0.02%	
PERS (HC)						
Actual	5.80%	7.07%	19.61%	N/A	N/A	
Policy	5.80%	7.18%	20.18%	N/A	N/A	
Difference	0.00%	-0.11%	-0.57%	N/A	N/A	
STRS						
Actual	6.49%	7.68%	21.24%	12.98%	11.65%	
Policy	5.77%	7.11%	20.07%	12.43%	11.38%	
Difference	0.72%	0.57%	1.17%	0.55%	0.27%	
OP&F						
Actual	5.84%	8.23%	20.14%	13.02%	11.53%	
Policy	6.07%	7.55%	20.45%	12.74%	11.96%	
Difference	-0.23%	0.68%	-0.31%	0.28%	-0.43%	
SERS						
Actual	5.80%	7.29%	18.81%	12.16%	11.40%	
Policy	5.77%	7.12%	20.08%	12.44%	11.53%	
Difference	0.03%	0.17%	-1.27%	-0.28%	-0.13%	
HPRS						
Actual	6.65%	9.02%	20.76%	13.44%	13.48%	
Policy	5.84%	7.54%	20.01%	12.81%	12.27%	
Difference	0.81%	1.48%	0.75%	0.63%	1.21%	

All returns are for periods ending 6/30/2007. Returns for periods longer than one year are annualized.

Domestic equity returns were positive for the second quarter. On an absolute and relative basis, HPRS (+6.65%) and STRS (+6.49%) generated the best returns. On an absolute and relative basis for year-to-date 2007, HPRS had the best result with a positive 9.02% return, which exceeded its equity benchmark by 148 basis points. Over the three and five-year periods, HPRS outpaced other plans.

Fixed Income Returns

Fixed Income Return vs. Policy Benchmark						
<u>Fund</u>	<u>One Quarter</u>	<u>Two Quarters</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>	
PERS (DB)						
Actual	-0.20%	1.50%	7.25%	5.21%	5.74%	
Policy	-0.50%	1.09%	6.61%	4.53%	5.17%	
Difference	0.30%	0.41%	0.64%	0.68%	0.57%	
PERS (HC)						
Actual	-0.20%	1.50%	7.25%	N/A	N/A	
Policy	-0.50%	1.09%	6.61%	N/A	N/A	
Difference	0.30%	0.41%	0.64%	N/A	N/A	
STRS						
Actual	-0.34%	1.35%	7.14%	4.83%	5.73%	
Policy	-0.49%	1.10%	6.61%	4.53%	5.17%	
Difference	0.15%	0.25%	0.53%	0.30%	0.56%	
OP&F						
Actual	-0.19%	1.61%	7.13%	5.79%	6.64%	
Policy	-0.52%	0.97%	6.12%	3.98%	4.48%	
Difference	0.33%	0.64%	1.01%	1.81%	2.16%	
SERS						
Actual	-0.52%	1.05%	6.61%	4.60%	5.20%	
Policy	-0.52%	0.97%	6.12%	3.98%	4.48%	
Difference	0.00%	0.08%	0.49%	0.62%	0.72%	
HPRS						
Actual	-0.33%	1.67%	7.49%	5.68%	5.96%	
Policy	-0.52%	0.96%	6.09%	3.97%	4.47%	
Difference	0.19%	0.71%	1.40%	1.71%	1.49%	

All returns are for periods ending 6/30/2007. Returns for periods longer than one year are annualized.

Fixed income returns were negative for all of the funds for the second quarter. On an absolute and relative basis, OP&F had the best second quarter return (-0.19%) followed by PERS DB & HC (-0.20%). For year-to-date 2007, HPRS posted the strongest result (+1.67%) on an absolute and relative basis, followed by OP&F (+1.61%). Over the trailing three and five-year periods, OP&F led all plans on an absolute and relative basis.

International Equity Returns

International Equity Return vs. Policy Benchmark						
<u>Fund</u>	<u>One Quarter</u>	<u>Two Quarters</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>	
PERS (DB)						
Actual	8.60%	12.94%	30.58%	25.25%	19.99%	
Policy	8.20%	12.31%	29.76%	24.57%	19.48%	
Difference	0.40%	0.63%	0.82%	0.68%	0.51%	
PERS (HC)						
Actual	8.60%	12.84%	30.58%	N/A	N/A	
Policy	8.20%	12.31%	29.76%	N/A	N/A	
Difference	0.40%	0.53%	0.82%	N/A	N/A	
STRS						
Actual	8.78%	12.65%	30.79%	27.30%	20.50%	
Policy	8.35%	12.23%	30.07%	25.99%	19.06%	
Difference	0.43%	0.42%	0.72%	1.31%	1.44%	
OP&F						
Actual	10.20%	13.79%	30.98%	25.15%	19.70%	
Policy	8.18%	12.24%	29.60%	24.52%	19.45%	
Difference	2.02%	1.55%	1.38%	0.63%	0.25%	
SERS						
Actual	10.33%	15.47%	34.28%	27.85%	19.63%	
Policy	8.17%	12.19%	29.54%	24.62%	17.69%	
Difference	2.16%	3.28%	4.74%	3.23%	1.94%	
HPRS						
Actual	8.72%	12.05%	27.11%	21.89%	15.88%	
Policy	8.42%	12.57%	29.24%	22.95%	18.15%	
Difference	0.30%	-0.52%	-2.13%	-1.06%	-2.27%	

All returns are for periods ending 6/30/2007. Returns for periods longer than one year are annualized.

All of the funds experienced strong gains in international equity during the second quarter. SERS (+10.33%) had the best absolute and relative result, followed by OP&F (+10.20%). For year-to-date 2007, SERS (+15.47%) led all plans with the best absolute and relative result. SERS had the best absolute results for the trailing one- and three-years while STRS led all plans for the trailing five year period.

Real Estate Returns

Real Estate Return vs. Policy Benchmark						
<u>Fund</u>		<u>One Quarter</u>	<u>Two Quarters</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
PERS (DB)						
	Actual	5.60%	9.51%	21.41%	N/A	N/A
	Policy	4.60%	8.37%	17.21%	N/A	N/A
	Difference	1.00%	1.14%	4.20%	N/A	N/A
PERS (DB) "Public Markets Only"						
	Actual	-9.90%	-6.66%	11.92%	N/A	N/A
	Policy	-9.50%	-6.24%	11.70%	N/A	N/A
	Difference	-0.40%	-0.42%	0.22%	N/A	N/A
PERS (HC) "Public Markets Only"						
	Actual	-9.90%	-6.60%	11.92%	N/A	N/A
	Policy	-9.50%	-6.24%	11.70%	N/A	N/A
	Difference	-0.40%	-0.36%	0.22%	N/A	N/A
STRS						
	Actual	2.50%	6.56%	26.71%	25.19%	19.65%
	Policy	2.95%	6.50%	16.27%	18.27%	14.70%
	Difference	-0.45%	0.06%	10.44%	6.92%	4.95%
OP&F						
	Actual	2.57%	12.97%	24.05%	23.83%	19.39%
	Policy	4.59%	8.38%	17.24%	17.98%	14.39%
	Difference	-2.02%	4.59%	6.81%	5.85%	5.00%
SERS						
	Actual	0.86%	5.79%	14.29%	19.04%	15.06%
	Policy	1.09%	5.44%	15.99%	18.39%	14.92%
	Difference	-0.23%	0.35%	-1.70%	0.65%	0.14%
HPRS						
	Actual	0.60%	0.28%	11.79%	10.56%	8.54%
	Policy	4.59%	8.38%	17.24%	17.98%	14.39%
	Difference	-3.99%	-8.10%	-5.45%	-7.42%	-5.85%

All returns are for periods ending 6/30/2007. Returns for periods longer than one year are annualized.

For the private real estate returns during the second quarter, PERS DB had the best absolute return (+5.60%) followed by OP&F (+2.57%). For the year-to-date 2007, OP&F had the highest return (+12.97%), followed by PERS DB (+9.51%). For the trailing one- and three-year periods, STRS had the best absolute and relative results, returning +26.71% and +25.19%, respectively. For the five-year period, STRS had the best absolute result (+19.65%) while OP&F had the best relative result outperforming its policy index by 5.0%. The policy returns for each of the funds varies greatly from quarter to quarter. This is due to the index selected and the method of reporting. The REIT portfolios for the PERS DB and PERS HC plans declined 9.90% for the second quarter and 6.60% for the Health Care Plan and 6.66% for the Defined Benefit Plan for year-to-date 2007.

Alternative Asset Returns

Alternative Asset Return vs. Policy Benchmark						
<u>Fund</u>		<u>One Quarter</u>	<u>Two Quarters</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
PERS (DB)						
	Actual	6.90%	15.02%	23.44%	23.57%	19.27%
	Policy	2.00%	10.06%	14.61%	14.18%	10.51%
	Difference	4.90%	4.96%	8.83%	9.39%	8.76%
PERS (HC)						
	Actual	N/A	N/A	N/A	N/A	N/A
	Policy	N/A	N/A	N/A	N/A	N/A
	Difference	N/A	N/A	N/A	N/A	N/A
STRS						
	Actual	10.20%	19.75%	26.97%	21.87%	13.63%
	Policy	10.20%	19.75%	26.97%	13.63%	N/A
	Difference	0.00%	0.00%	0.00%	8.24%	N/A
OP&F						
	Actual	2.59%	15.18%	22.94%	19.96%	6.88%
	Policy	2.16%	10.32%	15.56%	15.71%	12.43%
	Difference	0.43%	4.86%	7.38%	4.25%	-5.55%
SERS						
	Actual	8.47%	15.03%	22.51%	17.60%	7.68%
	Policy	0.14%	7.36%	14.84%	13.06%	9.33%
	Difference	8.33%	7.67%	7.67%	4.54%	-1.65%
HPRS						
	Actual	2.78%	5.00%	N/A	N/A	N/A
	Policy	4.53%	7.83%	N/A	N/A	N/A
	Difference	-1.75%	-2.83%	N/A	N/A	N/A

All returns are for periods ending 6/30/2007. Returns for periods longer than one year are annualized.

During the second quarter, STRS had the best absolute return (+10.20%) followed by SERS (+8.47%). For the year-to-date 2007, STRS had the highest return (+19.75%), followed by OP&F (+15.18%). For the trailing one-year period, STRS had the best absolute result and for the three- and five-year period PERS DB had the best absolute results. There is also a large amount of variation in the policies for alternative investments. As an example, STRS uses their actual alternative investment return as their policy return, while OP&F, on the other hand, adds 3% annually to the Wilshire 5000 index to benchmark its alternative investment returns.

Long-Term Results vs. Targets

Long Term Return - 10 Years

	Actual Return	Benchmark Actual Return	Actuarial Interest Rate	Valuation Date
PERS (DB)	8.18%	8.53%	8.00%	1/1/2005
PERS (HC)	N/A	N/A	6.50%	1/1/2005
STRS	8.58%	8.19%	8.00%	7/1/2005
OP&F	8.66%	8.52%	8.25%	1/1/2005
SERS	8.57%	8.19%	8.00%	7/1/2005
HPRS	6.70%	8.74%	8.00%	12/31/2004

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

The table above provides a long-term look at how the systems are performing compared to their policy returns and also compared to their actuarial interest rate. On a relative basis, STRS and SERS exceeded their respective policy index over the ten-year period ended June 30, 2007. HPRS and PERS are underperforming their policy indices while OP&F is approximating their policy index over the ten-year period. All plans are exceeding their actuarial interest rate except for HPRS.

Universe Comparisons

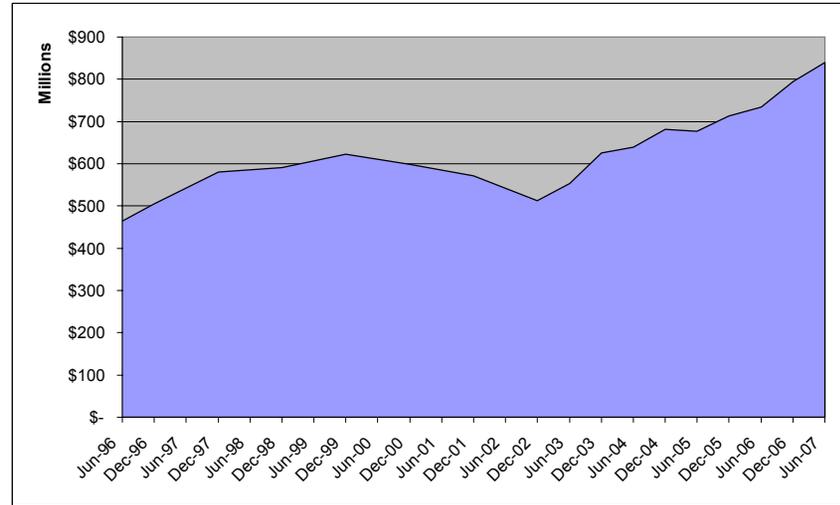
Public Fund Universe Peer Rankings

	One Quarter	Two Quarters	One Year	Three Years	Five Years
PERS (DB)	32	43	29	36	42
STRS	19	28	5	8	13
OP&F	16	13	10	19	24
SERS	20	25	19	22	49
HPRS	24	38	47	59	58

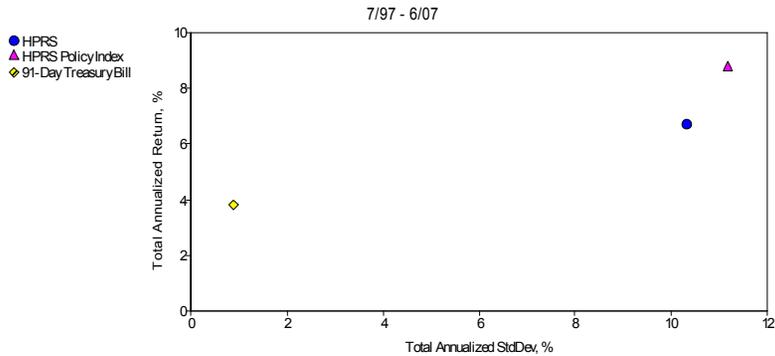
During the second quarter, all plans ranked in the first quartile within the Mellon All Public Plan Universe except for PERS DB which ranked high in the second quartile. For year-to-date 2007, OP&F placed in the first quartile while the remaining plans ranked in the second quartile. For the trailing one-year period STRS, OP&F and SERS ranked in the first quartile while PERS DB and HPRS ranked in the second quartile. Over the longer three- and five-year periods, all plans ranked ahead of the median public plan in the universe with the exception of HPRS.

Highway Patrol Retirement System

HPRS Returns					
Portfolio	One Quarter	Two Quarters	One Year	Three Years	Five Years
US Equity					
Actual	6.65%	9.02%	20.76%	13.44%	13.48%
Benchmark	5.84%	7.54%	20.01%	12.81%	12.27%
Difference	0.81%	1.48%	0.75%	0.63%	1.21%
Fixed Income					
Actual	-0.33%	1.67%	7.49%	5.68%	5.96%
Benchmark	-0.52%	0.96%	6.09%	3.97%	4.47%
Difference	0.19%	0.71%	1.40%	1.71%	1.49%
Intl. Equity					
Actual	8.72%	12.05%	27.11%	21.89%	15.88%
Benchmark	8.42%	12.57%	29.24%	22.95%	18.15%
Difference	0.30%	-0.52%	-2.13%	-1.06%	-2.27%
Real Estate					
Actual	0.60%	0.28%	11.79%	10.56%	8.54%
Benchmark	4.59%	8.38%	17.24%	17.98%	14.39%
Difference	-3.99%	-8.10%	-5.45%	-7.42%	-5.85%
Alternative Investments					
Actual	2.78%	5.00%	N/A	N/A	N/A
Benchmark	4.53%	7.83%	N/A	N/A	N/A
Difference	-1.75%	-2.83%	N/A	N/A	N/A



Performance vs. Risk



Asset Mix

	Actual June 30, 2007	Target	Difference
US Equity	51.1%	50.0%	1.1%
Intl. Equity	16.0%	15.0%	1.0%
Alternative Assets	11.9%	15.0%	-3.1%
Total Equity	79.0%	80.0%	-1.0%
Fixed Income	15.5%	15.0%	0.5%
Real Estate	5.2%	5.0%	0.2%
Short Term Investments	0.3%	0.0%	0.3%
Total Debt	21.0%	20.0%	1.0%
	100.0%	100.0%	0.0%

	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
	Total	Total	Alpha, %	Sharpe Ratio
HPRS	6.70	10.33	3.31	0.31
HPRS Policy Index	8.74	11.18	5.33	0.47
91-Day Treasury Bill	3.79	0.89	0.00	NA

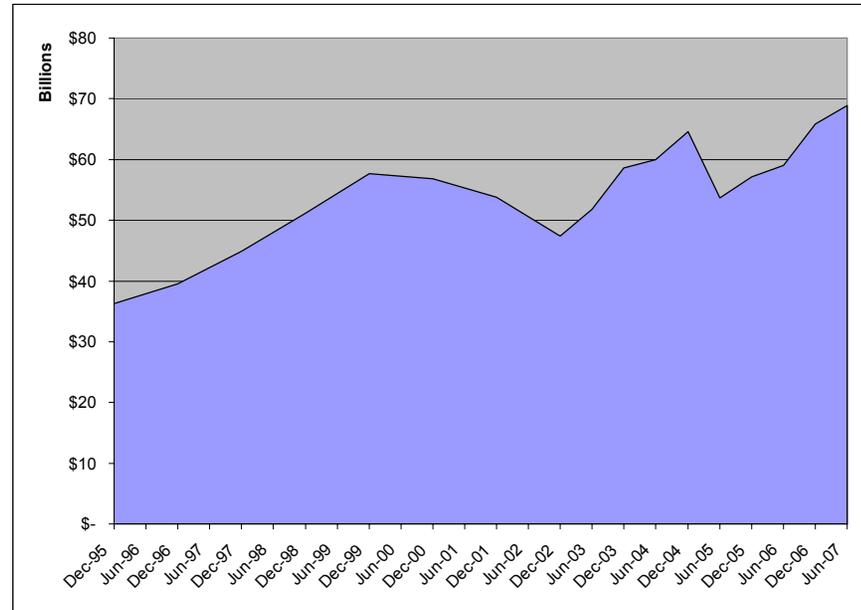
Characteristic Data

Assets @ 6-30-2007:	\$	839,014,268
Actuarial Interest Rate:		8.00%
Investment Staff Size:		1

Public Employees Retirement System

Defined Benefit Plan

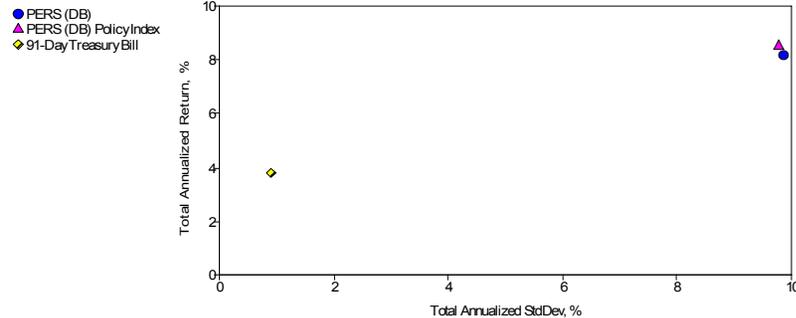
PERS Returns					
Portfolio	One Quarter	Two Quarters	One Year	Three Years	Five Years
US Equity					
Actual	5.80%	7.07%	19.61%	12.36%	11.57%
Benchmark	5.80%	7.18%	20.18%	12.48%	11.55%
Difference	0.00%	-0.11%	-0.57%	-0.12%	0.02%
Fixed Income					
Actual	-0.20%	1.50%	7.25%	5.21%	5.74%
Benchmark	-0.50%	1.09%	6.61%	4.53%	5.17%
Difference	0.30%	0.41%	0.64%	0.68%	0.57%
Intl. Equity					
Actual	8.60%	12.94%	30.58%	25.25%	19.99%
Benchmark	8.20%	12.31%	29.76%	24.57%	19.48%
Difference	0.40%	0.63%	0.82%	0.68%	0.00%
Real Estate					
Actual	5.60%	9.51%	21.41%	N/A	N/A
Benchmark	4.60%	8.37%	17.21%	N/A	N/A
Difference	1.00%	1.14%	4.20%	N/A	N/A
REITS					
Actual	-9.90%	-6.66%	11.92%	N/A	N/A
Benchmark	-9.50%	-6.24%	11.70%	N/A	N/A
Difference	-0.40%	-0.42%	0.22%	N/A	N/A
Private Equity					
Actual	6.90%	15.02%	23.44%	23.57%	19.27%
Benchmark	2.00%	10.06%	14.61%	14.18%	10.51%
Difference	4.90%	4.96%	8.83%	9.39%	8.76%



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

Performance v.s. Risk

7/97 - 6/07



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
	Total	Total	Alpha, %	Sharpe Ratio
PERS (DB)	8.18	9.86	4.67	0.47
PERS (DB) Policy Index	8.53	9.78	4.99	0.50
91-Day Treasury Bill	3.79	0.89	0.00	NA

Asset Mix

	Actual June 30, 2007	Target	Difference
US Equity	45.80%	45.60%	0.20%
Intl. Equity	21.50%	20.00%	1.50%
Opp. Equity	0.20%	0.10%	0.10%
REITS	0.90%	1.00%	-0.10%
Alternative Inv	2.50%	2.30%	0.20%
Total Equity	70.90%	69.00%	1.90%
Fixed Income	22.70%	25.20%	-2.50%
Real Estate	6.20%	5.80%	0.40%
Short Term Investments	0.20%	0.00%	0.20%
Total Debt	29.10%	31.00%	-1.90%
	100.00%	100.00%	0.00%

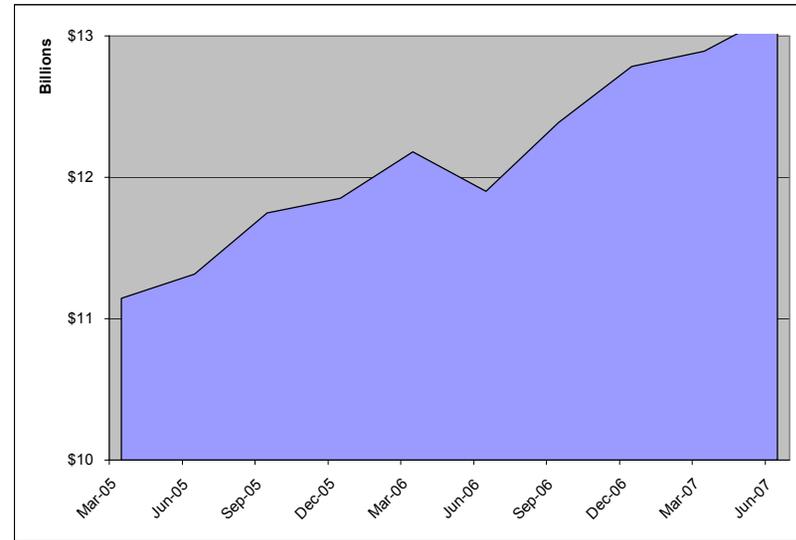
Note: An allocation of 22.73% to total fixed income consists of 16.95% (fixed income), 0.06% (stable value) and 5.72% (long duration).

Characteristic Data

Assets @ 6-30-2007:	\$	68,860,319,939
Actuarial Interest Rate:		8.00%
Investment Staff Size:		56

Public Employees Retirement System Health Care Plan

PERS Returns					
Portfolio	One Quarter	Two Quarters	One Year	Three Years	Five Years
US Equity					
Actual	5.80%	7.07%	19.61%	N/A	N/A
Benchmark	5.80%	7.18%	20.18%	N/A	N/A
Difference	0.00%	-0.11%	-0.57%	N/A	N/A
Fixed Income					
Actual	-0.20%	1.50%	7.25%	N/A	N/A
Benchmark	-0.50%	1.09%	6.61%	N/A	N/A
Difference	0.30%	0.41%	0.64%	N/A	N/A
Intl. Equity					
Actual	8.60%	12.84%	30.58%	N/A	N/A
Benchmark	8.20%	12.31%	29.76%	N/A	N/A
Difference	0.40%	0.53%	0.82%	N/A	N/A
REITS					
Actual	-9.90%	-6.60%	11.92%	N/A	N/A
Benchmark	-9.50%	-6.24%	11.70%	N/A	N/A
Difference	-0.40%	-0.36%	0.22%	N/A	N/A
TIPS					
Actual	-0.70%	1.68%	4.07%	N/A	N/A
Benchmark	-0.76%	1.73%	3.99%	N/A	N/A
Difference	0.06%	-0.05%	0.08%	N/A	N/A
Short Duration					
Actual	0.60%	1.71%	4.99%	N/A	N/A
Benchmark	0.73%	2.14%	5.22%	N/A	N/A
Difference	-0.13%	-0.43%	-0.23%	N/A	N/A



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

Asset Mix			
	Actual June 30, 2007	Target	Difference
US Equity	29.9%	30.0%	-0.1%
Intl. Equity	16.5%	15.0%	1.5%
Total Equity	46.4%	45.0%	1.4%
Fixed Income	14.3%	15.0%	-0.7%
REITS	4.1%	5.0%	-0.9%
TIPS	19.0%	20.0%	-1.0%
Short Duration Bonds	14.2%	15.0%	-0.8%
HC Cash	2.0%	0.0%	2.0%
Total Debt	53.6%	55.0%	-3.4%
	100.0%	100.0%	-2.0%

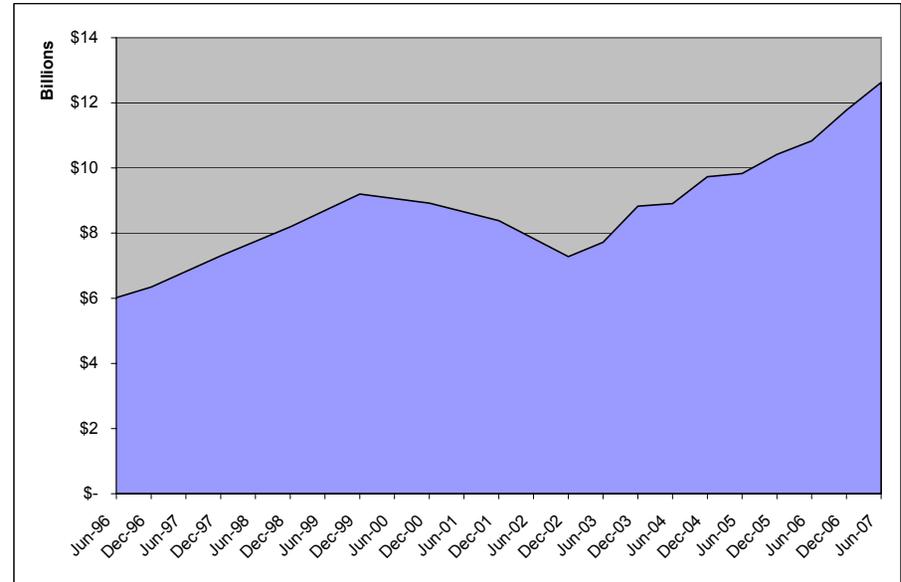
This section was intentionally left blank as risk/return profile for two years of data is not meaningful.

Characteristic Data

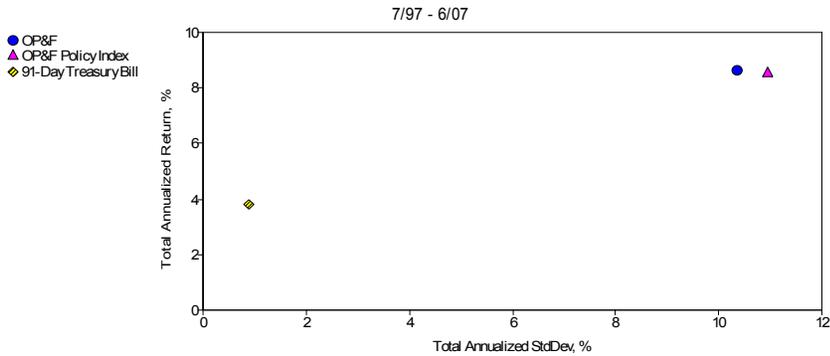
Assets @ 6-30-2007:	\$	13,164,490,684
Actuarial Interest Rate:		6.50%
Investment Staff Size:		56

Police & Fire Pension Fund

OP&F Returns					
Portfolio	One Quarter	Two Quarters	One Year	Three Years	Five Years
US Equity					
Actual	5.84%	8.23%	20.14%	13.02%	11.53%
Benchmark	6.07%	7.55%	20.45%	12.74%	11.96%
Difference	-0.23%	0.68%	-0.31%	0.28%	-0.43%
Fixed Income					
Actual	-0.19%	1.61%	7.13%	5.79%	6.64%
Benchmark	-0.52%	0.97%	6.12%	3.98%	4.48%
Difference	0.33%	0.64%	1.01%	1.81%	2.16%
Intl. Equity					
Actual	10.20%	13.79%	30.98%	25.15%	19.70%
Benchmark	8.18%	12.24%	29.60%	24.52%	19.45%
Difference	2.02%	1.55%	1.38%	0.63%	0.25%
Real Estate					
Actual	2.57%	12.97%	24.05%	23.83%	19.39%
Benchmark	4.59%	8.38%	17.24%	17.98%	14.39%
Difference	-2.02%	4.59%	6.81%	5.85%	5.00%
Alternative Investments					
Actual	2.59%	15.18%	22.94%	19.96%	6.88%
Benchmark	2.16%	10.32%	15.56%	15.71%	12.43%
Difference	0.43%	4.86%	7.38%	4.25%	-5.55%



Performance vs. Risk



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
	Total	Total	Alpha, %	Sharpe Ratio
OP&F	8.66	10.36	5.17	0.49
OP&F Policy Index	8.52	10.94	5.10	0.46
91-Day Treasury Bill	3.79	0.89	0.00	NA

Asset Mix

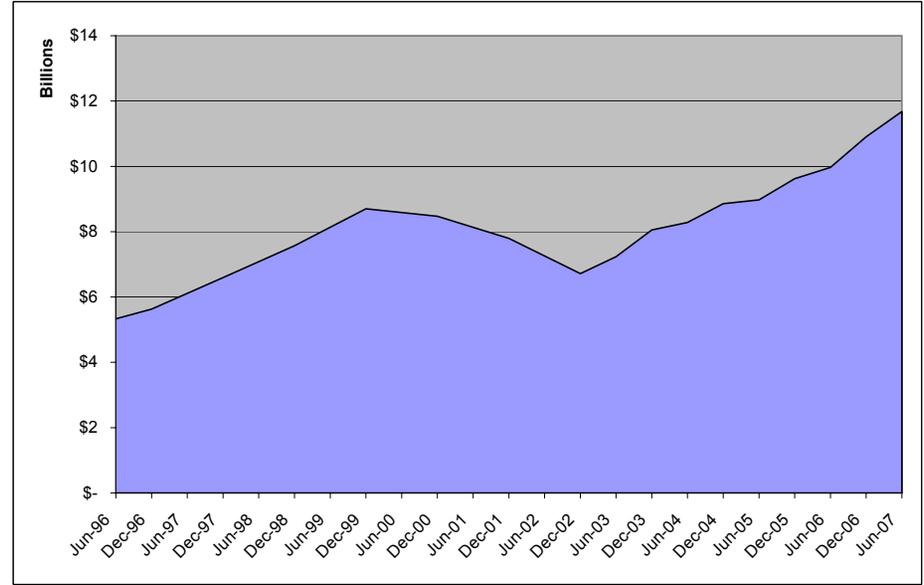
	Actual June 30, 2007	Target	Difference
US Equity	47.7%	46.0%	1.7%
Intl. Equity	22.9%	20.0%	2.9%
Alternative Assets	2.5%	3.0%	-0.5%
Total Equity	73.1%	69.0%	4.1%
Fixed Income	20.6%	23.0%	-2.4%
Real Estate	5.8%	8.0%	-2.2%
Short Term Investments	0.5%	0.0%	0.5%
Total Debt	26.9%	31.0%	-4.1%
	100.0%	100.0%	0.0%

Characteristic Data

Assets @ 6-30-2007: \$ 12,628,119,729
 Actuarial Interest Rate: 8.25%
 Investment Staff Size: 14

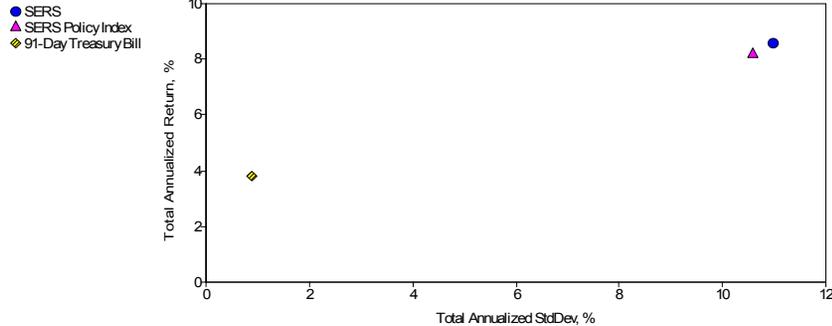
School Employees Retirement System

SERS Returns					
Portfolio	One Quarter	Two Quarters	One Year	Three Years	Five Years
US Equity					
Actual	5.80%	7.29%	18.81%	12.16%	11.40%
Benchmark	5.77%	7.12%	20.08%	12.44%	11.53%
Difference	0.03%	0.17%	-1.27%	-0.28%	-0.13%
Fixed Income					
Actual	-0.52%	1.05%	6.61%	4.60%	5.20%
Benchmark	-0.52%	0.97%	6.12%	3.98%	4.48%
Difference	0.00%	0.08%	0.49%	0.62%	0.72%
Intl. Equity					
Actual	10.33%	15.47%	34.28%	27.85%	19.63%
Benchmark	8.17%	12.19%	29.54%	24.62%	17.69%
Difference	2.16%	3.28%	4.74%	3.23%	1.94%
Real Estate					
Actual	0.86%	5.79%	14.29%	19.04%	15.06%
Benchmark	1.09%	5.44%	15.99%	18.39%	14.92%
Difference	-0.23%	0.35%	-1.70%	0.65%	0.14%
Private Equity					
Actual	8.47%	15.03%	22.51%	17.60%	7.68%
Benchmark	0.14%	7.36%	14.84%	13.06%	9.33%
Difference	8.33%	7.67%	7.67%	4.54%	-1.65%



Performance vs. Risk

7/97 - 6/07



Asset Mix

	Actual June 30, 2007	Target	Difference
US Equity	30.4%	29.0%	1.4%
Intl. Equity	31.8%	29.0%	2.8%
Alternative Assets	3.6%	7.0%	-3.4%
Total Equity	65.8%	65.0%	0.8%
Fixed Income	23.4%	24.0%	-0.6%
Real Estate	9.8%	10.0%	-0.2%
Short Term Investments	1.0%	1.0%	0.0%
Total Debt	34.2%	35.0%	-0.8%
	100.0%	100.0%	0.0%

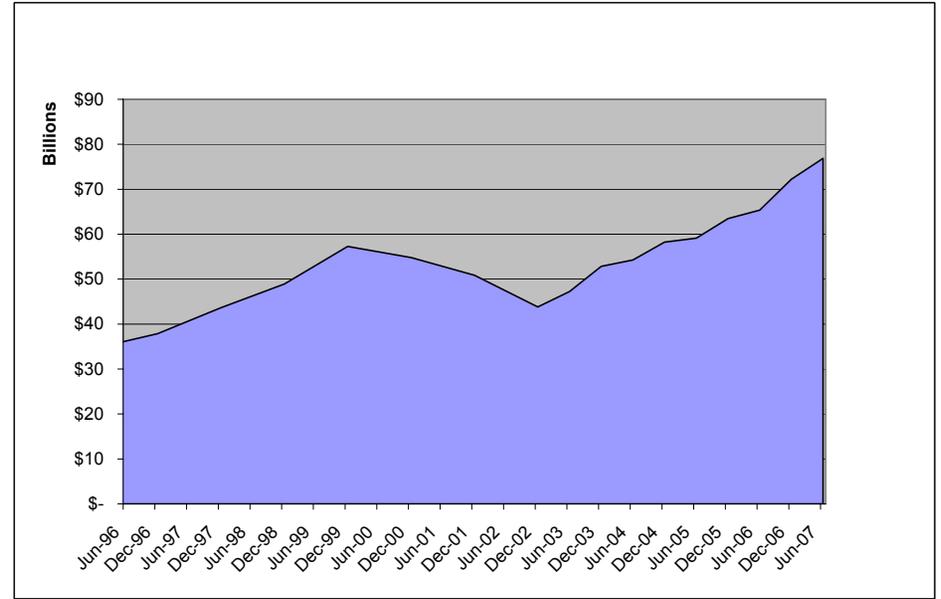
Characteristic Data

Assets @ 6-30-2007: \$ 11,677,350,255
 Actuarial Interest Rate: 8.00%
 Investment Staff Size: 12

	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
	Total	Total	Alpha, %	Sharpe Ratio
SERS	8.57	10.97	5.15	0.47
SERS Policy Index	8.19	10.60	4.75	0.44
91-Day Treasury Bill	3.79	0.89	0.00	NA

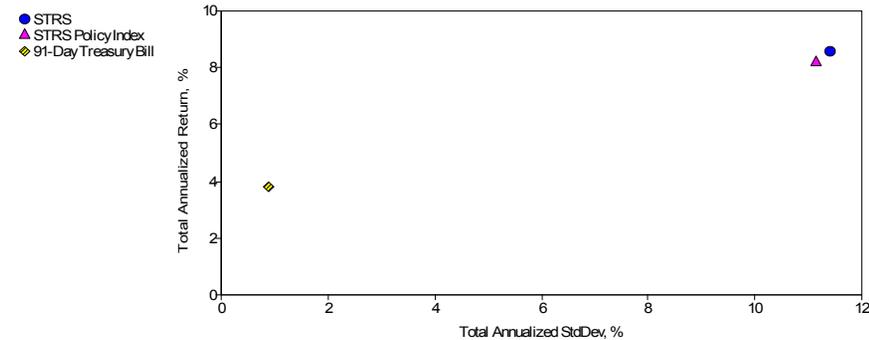
State Teachers Retirement System

STRS Returns					
Portfolio	One Quarter	Two Quarters	One Year	Three Years	Five Years
US Equity					
Actual	6.49%	7.68%	21.24%	12.98%	11.65%
Benchmark	5.77%	7.11%	20.07%	12.43%	11.38%
Difference	0.72%	0.57%	1.17%	0.55%	0.27%
Fixed Income					
Actual	-0.34%	1.35%	7.14%	4.83%	5.73%
Benchmark	-0.49%	1.10%	6.61%	4.53%	5.17%
Difference	0.15%	0.25%	0.53%	0.30%	0.56%
Intl. Equity					
Actual	8.78%	12.65%	30.79%	27.30%	20.50%
Benchmark	8.35%	12.23%	30.07%	25.99%	19.06%
Difference	0.43%	0.42%	0.72%	1.31%	1.44%
Real Estate					
Actual	2.50%	6.56%	26.71%	25.19%	19.65%
Benchmark	2.95%	6.50%	16.27%	18.27%	14.70%
Difference	-0.45%	0.06%	10.44%	6.92%	4.95%
Private Equity					
Actual	10.20%	19.75%	26.97%	21.87%	13.63%
Benchmark	10.20%	19.75%	26.97%	13.63%	N/A
Difference	0.00%	0.00%	0.00%	8.24%	N/A



Performance vs. Risk

7/97 - 6/07



Asset Mix

	Actual June 30, 2007	Target	Difference
US Equity	39.2%	42.0%	-2.8%
Intl. Equity	25.7%	25.0%	0.7%
Alternative Assets	3.5%	3.0%	0.5%
<i>Total Equity</i>	<i>68.4%</i>	<i>70.0%</i>	<i>-1.6%</i>
Fixed Income	19.4%	20.5%	-1.1%
Real Estate	8.0%	9.5%	-1.5%
Short Term Investments	4.2%	0.0%	4.2%
<i>Total Debt</i>	<i>31.6%</i>	<i>30.0%</i>	<i>1.6%</i>
	100.0%	100.0%	0.0%

	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
			Alpha, %	Sharpe Ratio
	Total	Total		
STRS	8.58	11.42	5.21	0.45
STRS Policy Index	8.19	11.14	4.81	0.43
91-Day Treasury Bill	3.79	0.89	0.00	NA

Characteristic Data

Assets @ 6-30-2007: \$ 76,854,605,962
 Actuarial Interest Rate: 8.00%
 Investment Staff Size: 112

Ohio Retirement Study Council

Performance Summary Table
Periods Ending 6/30/07

	1 Qtr	2 Qtrs	1 Yr	3 Yrs	5 Yrs	10 Yrs	Incept Date
HPRS							
Total Return	5.03	7.34	17.89	12.52	11.76	6.70	12/31/93
Domestic Equity	6.65	9.02	20.76	13.44	13.48	5.02	12/31/93
Fixed Income	-0.33	1.67	7.49	5.68	5.96	6.80	12/31/93
Cash & Equiv	1.54	2.88	5.53	4.41	3.17	4.07	3/31/94
Real Estate	0.60	0.28	11.79	10.56	8.54	8.90	12/31/93
International Equity	8.72	12.05	27.11	21.89	15.88	8.54	3/31/95
Alternatives	2.78	5.00	N/A	N/A	N/A	N/A	12/31/06
PERS (Defined Benefit Plan)							
Total Return	4.80	7.11	18.74	13.68	12.27	8.18	12/31/93
Domestic Equity	5.80	7.07	19.61	12.36	11.57	7.22	12/31/93
Fixed Income	-0.20	1.50	7.25	5.21	5.74	6.52	12/31/93
Long Duration Fixed Income	-2.00	-1.61	N/A	N/A	N/A	N/A	12/31/06
Cash & Equiv	1.30	2.62	5.41	4.06	2.94	3.96	12/31/93
Real Estate	5.60	9.51	21.41	NA	NA	NA	3/31/05
REITS	-9.90	-6.66	11.92	NA	NA	NA	3/31/06
International Equity	8.60	12.94	30.58	25.25	19.99	8.93	9/30/96
Alternatives	6.90	15.02	23.44	23.57	19.27	16.02	12/31/95
PERS (Health Care Plan)							
Total Return	2.60	4.75	14.07	N/A	N/A	N/A	12/31/04
Domestic Equity	5.80	7.07	19.61	N/A	N/A	N/A	12/31/04
Fixed Income	-0.20	1.50	7.25	N/A	N/A	N/A	12/31/04
Cash & Equiv	1.30	2.62	5.51	N/A	N/A	N/A	12/31/04
REITS	-9.90	-6.66	11.92	N/A	N/A	N/A	12/31/04
International Equity	8.60	12.84	30.58	N/A	N/A	N/A	12/31/04
TIPS	-0.70	1.68	4.07	N/A	N/A	N/A	2/28/05
Short Duration	0.60	1.71	4.99	N/A	N/A	N/A	2/28/05
OP&F							
Total Return	5.34	8.48	19.77	14.39	12.80	8.66	12/31/93
Domestic Equity	5.84	8.23	20.14	13.02	11.53	7.95	12/31/93
Fixed Income	-0.19	1.61	7.13	5.79	6.64	7.16	12/31/93
Cash & Equiv	1.28	2.57	5.20	3.77	2.75	3.84	9/30/96
Real Estate	2.57	12.97	24.05	23.83	19.39	15.65	12/31/93
International Equity	10.20	13.79	30.98	25.15	19.70	8.99	9/30/94
Alternatives	2.59	15.18	22.94	19.96	6.88	7.94	3/31/94

	1 Qtr	2 Qtrs	1 Yr	3 Yrs	5 Yrs	10 Yrs	Incept Date
SERS							
Total Return	5.23	8.05	19.25	14.25	12.09	8.57	12/31/93
Domestic Equity	5.80	7.29	18.81	12.16	11.40	7.55	12/31/93
Fixed Income	-0.52	1.05	6.61	4.60	5.20	6.55	12/31/93
Cash & Equiv	1.39	2.73	5.51	4.08	2.88	4.21	12/31/93
Real Estate	0.86	5.79	14.29	19.04	15.06	12.00	12/31/93
International Equity	10.33	15.47	34.28	27.85	19.63	9.72	12/31/94
Alternatives	8.47	15.03	22.51	17.60	7.68	9.23	12/31/93
STRS							
Total Return	5.29	7.73	20.72	15.51	13.17	8.58	12/31/93
Domestic Equity	6.49	7.68	21.24	12.98	11.65	7.16	12/31/93
Fixed Income	-0.34	1.35	7.14	4.83	5.73	6.95	12/31/93
Cash & Equiv	1.31	2.64	5.34	3.91	2.84	3.96	12/31/93
Real Estate	2.50	6.56	26.71	25.19	19.65	15.56	12/31/93
International Equity	8.78	12.65	30.79	27.30	20.50	8.98	12/31/93
Alternatives	10.20	19.75	26.97	21.87	13.63	7.07	12/31/93
Indices							
Russell 1000	5.89	7.18	20.43	12.34	11.33	7.55	
Russell 2000	4.43	6.46	16.44	13.44	13.88	9.06	
Russell 2500	4.95	8.68	18.73	14.96	15.3	11.01	
Russell 3000	5.76	7.10	20.08	12.44	11.53	7.61	
Standard & Poors 500	6.28	6.96	20.59	11.68	10.71	7.13	
S&P 500 Equal Wtd	5.87	8.87	21.18	14.45	14.87	10.81	
S&P 600 Small Cap	5.18	8.56	16.04	14.47	14.36	11.27	
S&P 400 Mid Cap	5.84	11.98	18.51	15.15	14.17	13.37	
DJ Wilshire 5000	6.07	7.56	20.47	12.74	11.97	7.71	
MSCI EAFE (Net)	6.40	10.74	27.00	22.24	17.73	7.66	
MSCI Em Mkts Free (Gross)	15.05	17.75	45.45	38.67	30.66	9.40	
MSCI World ex-U.S. (Net)	6.98	11.27	27.09	22.70	18.14	7.97	
Citigroup Broad Inv Grade	-0.60	0.89	6.08	4.03	4.55	6.04	
LB Aggregate	-0.52	0.98	6.12	3.98	4.48	6.02	
LB Mortgage	-0.50	1.05	6.39	4.27	4.14	5.86	
LB 1-3 Yr US Gov't	0.73	2.14	5.22	3.04	2.89	4.72	
LB US TIPS	-0.76	1.73	3.99	3.80	6.03	6.74	
LB Long-Term Gov't/Credit	-1.85	-0.88	6.99	5.36	6.55	7.36	
NCREIF Property	4.59	8.38	17.24	17.98	14.39	13.05	
Wilshire Resi Full Cap	-9.35	-5.98	11.72	22.29	19.48	13.59	

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

Ohio Retirement Study Council

INDEX DEFINITIONS

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

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

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

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

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

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

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

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

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

Ohio Retirement Study Council

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

MSCI Emerging Markets Free – A capitalization-weighted index of stocks from 26 emerging markets that only includes issues that may be traded by foreign investors. Consists of equities from emerging markets in Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Turkey, Thailand, and Venezuela.

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

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

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

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

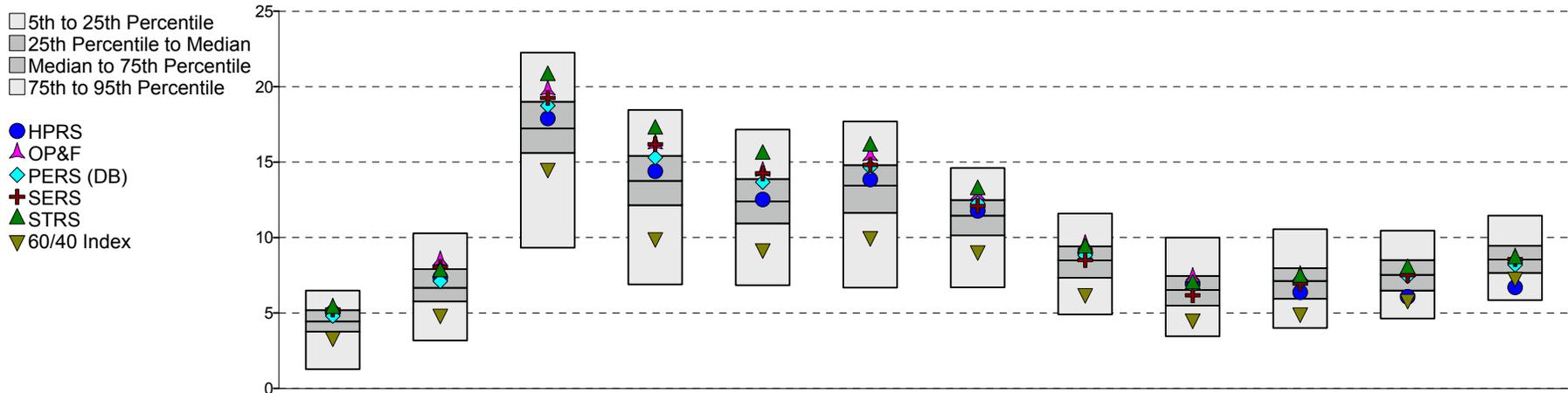
y the U.S. Government (i.e., Treasury and Agency Securities) with a maturity from one year up to but not including three years.

LB 1-3 Yr US Government – An index that consists of Inflation-Protection securities issued by the U.S. Treasury.

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

**Total Plans vs. Mellon All Total Fund Universe
Performance and Rank Data as of 06/29/07**

Cumulative Performance Comparison



Return, %

	One Quarter	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS	5.03	7.34	17.89	14.40	12.52	13.85	11.76	9.00	6.95	6.38	6.07	6.70
OP&F	5.34	8.48	19.77	16.20	14.39	15.42	12.80	9.55	7.36	7.49	7.72	8.66
PERS (DB)	4.80	7.11	18.74	15.31	13.68	14.66	12.27	8.82	6.81	7.05	7.44	8.18
SERS	5.23	8.05	19.25	16.18	14.25	14.82	12.09	8.51	6.18	6.95	7.51	8.57
STRS	5.29	7.73	20.72	17.18	15.51	16.05	13.17	9.30	6.92	7.35	7.94	8.58
60/40 Index	3.42	4.93	14.59	10.00	9.26	10.08	9.13	6.30	4.61	5.01	5.92	7.38
Universe(5%)	6.49	10.28	22.26	18.46	17.15	17.69	14.61	11.59	10.00	10.56	10.46	11.46
Universe(25%)	5.19	7.91	19.00	15.42	13.88	14.80	12.49	9.42	7.45	7.97	8.51	9.45
Universe(Median)	4.44	6.67	17.23	13.76	12.40	13.45	11.45	8.49	6.53	7.12	7.53	8.54
Universe(75%)	3.77	5.77	15.61	12.14	10.93	11.63	10.14	7.34	5.49	5.94	6.48	7.66
Universe(95%)	1.27	3.18	9.33	6.89	6.84	6.68	6.70	4.90	3.45	4.01	4.63	5.85

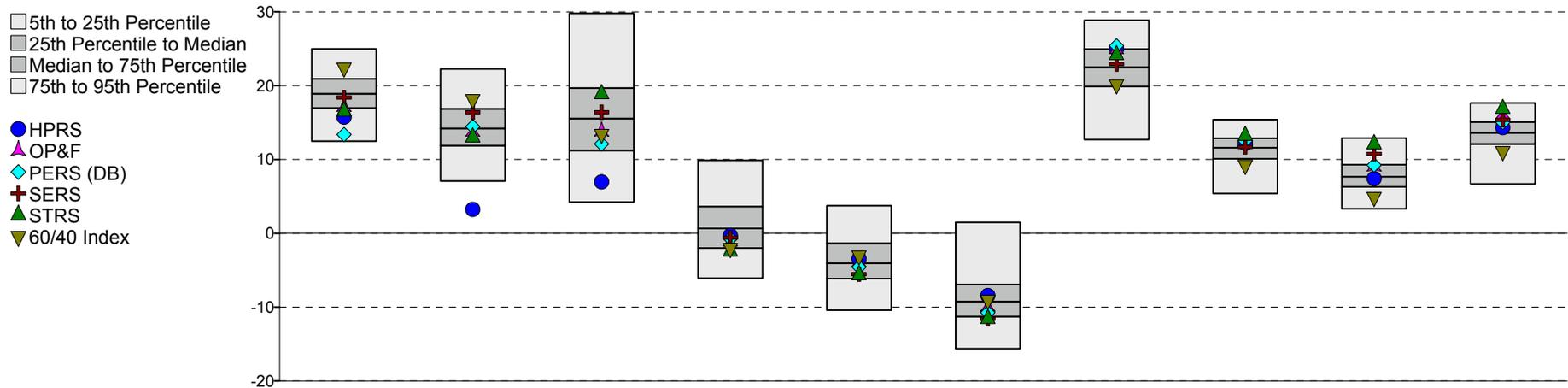
Percentile Rank

	One Quarter	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS	29	35	39	40	48	42	42	34	41	67	81	87
OP&F	21	18	17	17	21	19	20	23	28	40	45	46
PERS (DB)	36	40	28	27	28	28	32	39	45	52	53	62
SERS	24	23	22	17	21	24	36	49	57	54	51	49
STRS	22	29	10	11	12	13	16	27	41	43	41	48
60/40 Index	84	87	85	90	89	87	84	87	89	87	83	80

This page compares the Total Fund results to a broad universe of total funds – 426 other funds, including those of public, corporate, and multi-employer pension plans totaling \$1.5 Trillion in assets – over a ten-year measurement period. Here and elsewhere in the report, the “floating bars” define the universe against which the performance is being compared. The table just below the graph displays each fund's return for that period and the table below that defines each fund's relevant ranking in the universe. The numbers in the “rank” rows are percentile rankings. The 60/40 Index is the composition of a hypothetical portfolio of 60% stocks (DJ Wilshire 5000 Index) and 40% bonds (Lehman Aggregate Bond Index). The graph above is a cumulative performance comparison with measurement periods that are annualized over the last ten years. The graph shows that OP&F has demonstrated the highest return for the ten-year period with an 8.66% annualized return, which ranks the fund in the 46th percentile.

Total Plans vs. Mellon All Total Fund Universe
Performance and Rank Data as of 06/29/07

Calendar Year Performance



Return, %

	1/97 - 12/97	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06
HPRS	15.73	3.23	6.96	-0.29	-3.46	-8.42	24.96	12.18	7.42	14.32
OP&F	17.15	13.77	13.81	-1.12	-3.88	-9.89	24.97	13.13	9.06	16.15
PERS (DB)	13.37	14.45	12.10	-0.72	-4.57	-10.73	25.40	12.50	9.25	15.02
SERS	18.38	16.40	16.40	-0.59	-5.52	-11.57	22.93	11.69	10.76	15.37
STRS	16.51	13.01	18.87	-2.45	-5.66	-11.59	24.16	13.23	12.08	16.88
60/40 Index	22.43	18.14	13.43	-2.02	-3.03	-9.01	20.14	9.25	4.90	11.12
Universe(5%)	24.99	22.26	29.80	9.89	3.75	1.49	28.86	15.41	12.89	17.66
Universe(25%)	20.92	16.86	19.67	3.63	-1.35	-6.93	24.96	12.88	9.30	15.08
Universe(Median)	18.90	14.20	15.55	0.66	-4.04	-9.24	22.49	11.59	7.67	13.61
Universe(75%)	16.97	11.89	11.23	-1.99	-6.14	-11.26	19.87	10.10	6.30	12.11
Universe(95%)	12.47	7.07	4.23	-6.08	-10.42	-15.63	12.69	5.39	3.33	6.69

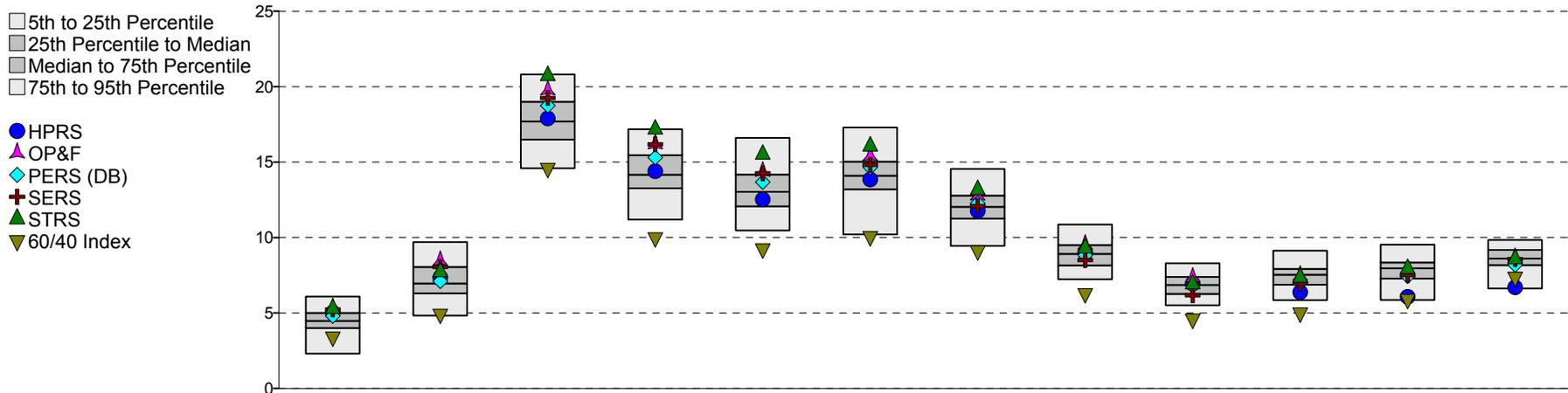
Percentile Rank

	1/97 - 12/97	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06
HPRS	85	99	89	59	44	41	25	39	56	37
OP&F	74	54	60	67	47	57	25	22	28	14
PERS (DB)	94	48	72	64	56	68	21	32	25	26
SERS	58	29	44	62	68	77	44	48	13	22
STRS	79	63	29	79	69	78	33	21	7	9
60/40 Index	14	18	62	75	41	47	73	84	89	85

The graph above is a calendar year performance comparison with twelve-month measurement periods ending December 31, 2006. The graph shows that all plans exceeded the median during 2006. STRS ranked in the 9th percentile, OP&F ranked in the 14th percentile, SERS placed in the 22nd percentile, PERS placed in the 26th percentile and HPRS ranked in the 37th percentile.

**Total Plans vs. Mellon All Public Total Fund Universe
Performance and Rank Data as of 06/29/07**

Cumulative Performance Comparison



Return, %

	One Quarter	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS	5.03	7.34	17.89	14.40	12.52	13.85	11.76	9.00	6.95	6.38	6.07	6.70
OP&F	5.34	8.48	19.77	16.20	14.39	15.42	12.80	9.55	7.36	7.49	7.72	8.66
PERS (DB)	4.80	7.11	18.74	15.31	13.68	14.66	12.27	8.82	6.81	7.05	7.44	8.18
SERS	5.23	8.05	19.25	16.18	14.25	14.82	12.09	8.51	6.18	6.95	7.51	8.57
STRS	5.29	7.73	20.72	17.18	15.51	16.05	13.17	9.30	6.92	7.35	7.94	8.58
60/40 Index	3.42	4.93	14.59	10.00	9.26	10.08	9.13	6.30	4.61	5.01	5.92	7.38
Universe(5%)	6.09	9.70	20.81	17.18	16.61	17.29	14.55	10.86	8.29	9.13	9.53	9.84
Universe(25%)	5.01	8.05	19.00	15.46	14.18	15.03	12.79	9.50	7.39	7.92	8.35	9.18
Universe(Median)	4.48	6.96	17.70	14.17	13.03	14.10	12.03	8.92	6.85	7.54	7.96	8.61
Universe(75%)	4.00	6.30	16.49	13.27	12.07	13.20	11.26	8.15	6.27	6.88	7.28	8.18
Universe(95%)	2.30	4.83	14.60	11.20	10.47	10.21	9.45	7.23	5.51	5.85	5.87	6.62

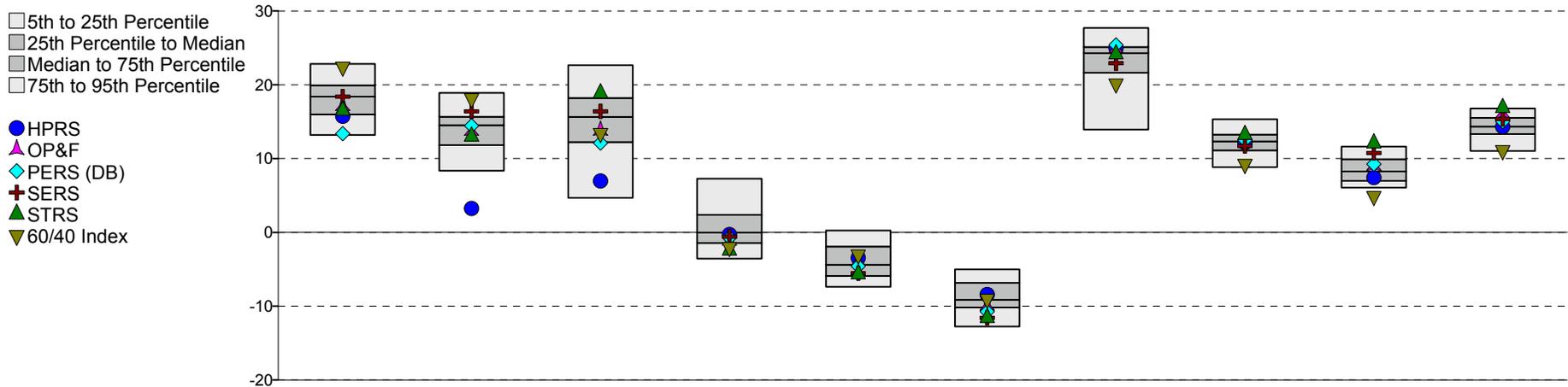
Percentile Rank

	One Quarter	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS	24	38	47	44	59	54	58	46	43	80	94	95
OP&F	16	13	10	15	19	19	24	22	26	55	56	46
PERS (DB)	32	43	29	30	36	34	42	53	56	70	71	74
SERS	20	25	19	15	22	28	49	64	81	74	70	51
STRS	19	28	5	5	8	10	13	30	46	59	51	51
60/40 Index	88	95	95	96	97	96	96	97	100	99	95	93

The graph above is a cumulative performance comparison with measurement periods that are annualized over the last ten years. The graph above compares the Total Fund results to a universe of all Public Retirement Systems in the Mellon All Public Total Fund Universe. OP&F, which ranked in the 46th percentile, was the only Ohio fund that outperformed the median return in the universe for the ten-year period. All of the funds ranked above the median public fund for year-to-date.

**Total Plans vs. Mellon All Public Total Fund Universe
Performance and Rank Data as of 06/29/07**

Calendar Year Performance



Return, %

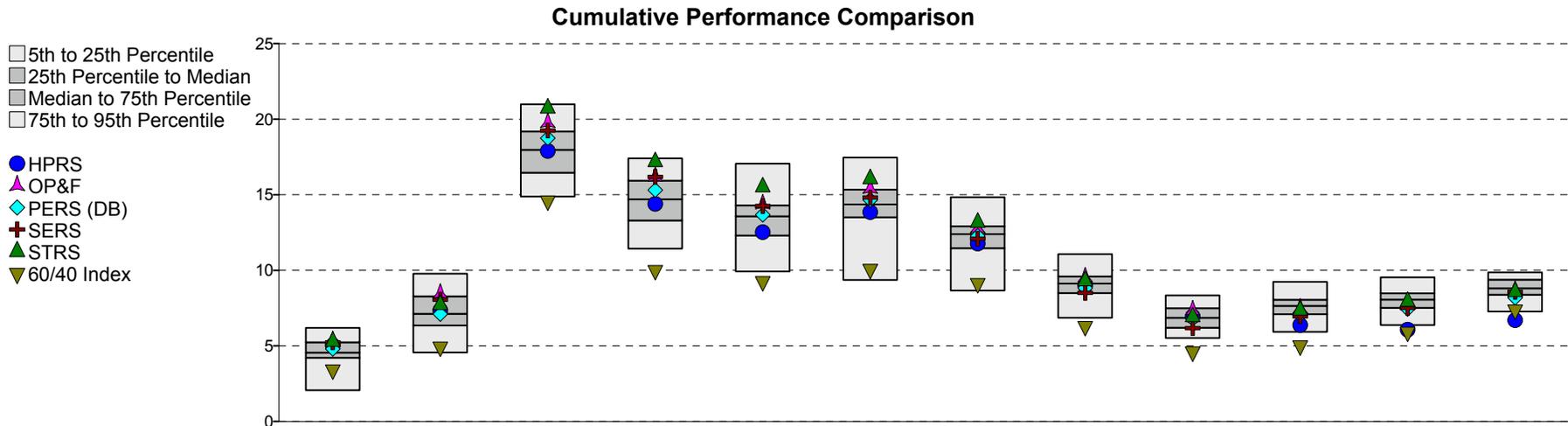
	1/97 - 12/97	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06
HPRS	15.73	3.23	6.96	-0.29	-3.46	-8.42	24.96	12.18	7.42	14.32
OP&F	17.15	13.77	13.81	-1.12	-3.88	-9.89	24.97	13.13	9.06	16.15
PERS (DB)	13.37	14.45	12.10	-0.72	-4.57	-10.73	25.40	12.50	9.25	15.02
SERS	18.38	16.40	16.40	-0.59	-5.52	-11.57	22.93	11.69	10.76	15.37
STRS	16.51	13.01	18.87	-2.45	-5.66	-11.59	24.16	13.23	12.08	16.88
60/40 Index	22.43	18.14	13.43	-2.02	-3.03	-9.01	20.14	9.25	4.90	11.12
Universe(5%)	22.83	18.91	22.64	7.28	0.25	-5.02	27.69	15.33	11.63	16.78
Universe(25%)	19.92	15.66	18.21	2.37	-1.93	-6.83	25.12	13.24	9.91	15.52
Universe(Median)	18.38	14.52	15.65	-0.01	-4.40	-9.15	24.28	12.33	8.24	14.33
Universe(75%)	15.97	11.83	12.23	-1.44	-5.89	-10.17	21.64	11.11	6.98	13.31
Universe(95%)	13.18	8.34	4.68	-3.55	-7.38	-12.75	13.93	8.84	6.06	11.03

Percentile Rank

	1/97 - 12/97	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06
HPRS	80	100	94	52	39	39	29	54	70	50
OP&F	64	57	65	68	41	71	29	27	33	12
PERS (DB)	94	51	77	64	53	78	21	43	30	35
SERS	49	19	41	61	68	86	65	68	11	31
STRS	72	63	15	88	69	87	50	25	3	4
60/40 Index	7	6	67	85	38	47	86	93	97	94

The graph above is a calendar year performance comparison with twelve-month measurement periods ending December 31, 2006. All plans ranked median or better in this universe in 2006. STRS ranked in the 4th percentile, OP&F ranked in the 12th percentile, SERS placed in the 31st percentile, PERS placed in the 35th percentile and HPRS ranked in the 50th percentile.

**Total Plans vs. Mellon Large Public Total Fund Universe
Performance and Rank Data as of 06/29/07**



Return, %

	One Quarter	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS	5.03	7.34	17.89	14.40	12.52	13.85	11.76	9.00	6.95	6.38	6.07	6.70
OP&F	5.34	8.48	19.77	16.20	14.39	15.42	12.80	9.55	7.36	7.49	7.72	8.66
PERS (DB)	4.80	7.11	18.74	15.31	13.68	14.66	12.27	8.82	6.81	7.05	7.44	8.18
SERS	5.23	8.05	19.25	16.18	14.25	14.82	12.09	8.51	6.18	6.95	7.51	8.57
STRS	5.29	7.73	20.72	17.18	15.51	16.05	13.17	9.30	6.92	7.35	7.94	8.58
60/40 Index	3.42	4.93	14.59	10.00	9.26	10.08	9.13	6.30	4.61	5.01	5.92	7.38
Universe(5%)	6.19	9.78	20.98	17.41	17.05	17.46	14.84	11.07	8.34	9.23	9.53	9.86
Universe(25%)	5.23	8.27	19.19	15.93	14.29	15.33	12.91	9.60	7.49	8.05	8.48	9.38
Universe(Median)	4.55	7.12	17.97	14.70	13.57	14.36	12.39	9.12	6.85	7.64	8.07	8.81
Universe(75%)	4.21	6.35	16.46	13.30	12.30	13.51	11.46	8.49	6.21	7.10	7.52	8.38
Universe(95%)	2.06	4.56	14.88	11.43	9.93	9.37	8.67	6.86	5.52	5.93	6.37	7.27

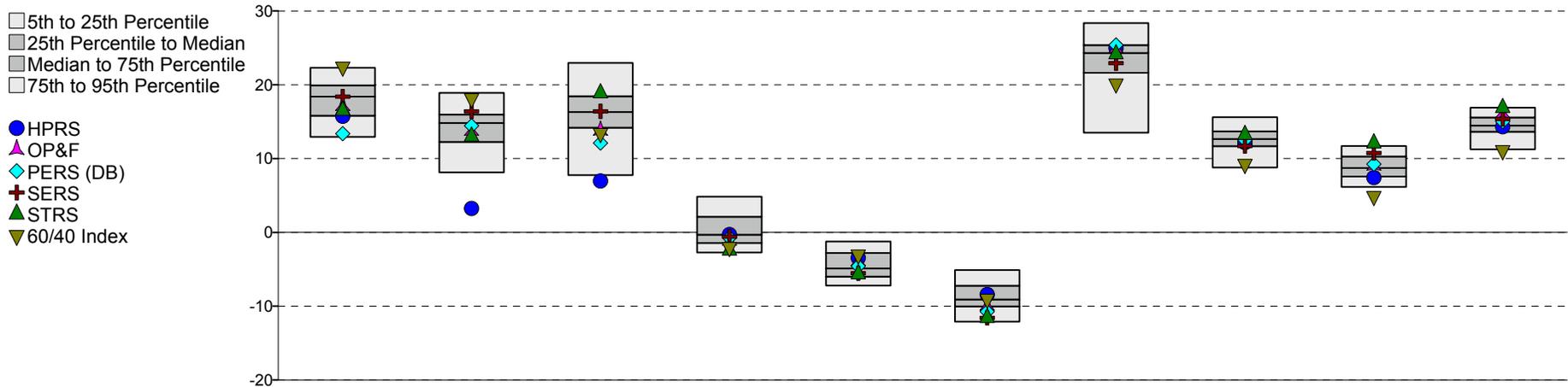
Percentile Rank

	One Quarter	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS	30	44	52	53	70	65	66	57	42	83	96	97
OP&F	21	15	13	18	23	23	31	27	31	65	65	55
PERS (DB)	37	50	33	37	44	42	53	65	58	76	82	81
SERS	25	31	23	18	27	35	61	72	80	79	81	61
STRS	24	35	7	6	9	13	17	36	45	69	60	61
60/40 Index	88	93	95	96	96	95	94	96	100	100	97	95

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

**Total Plans vs. Mellon Large Public Total Fund Universe
Performance and Rank Data as of 06/29/07**

Calendar Year Performance



Return, %

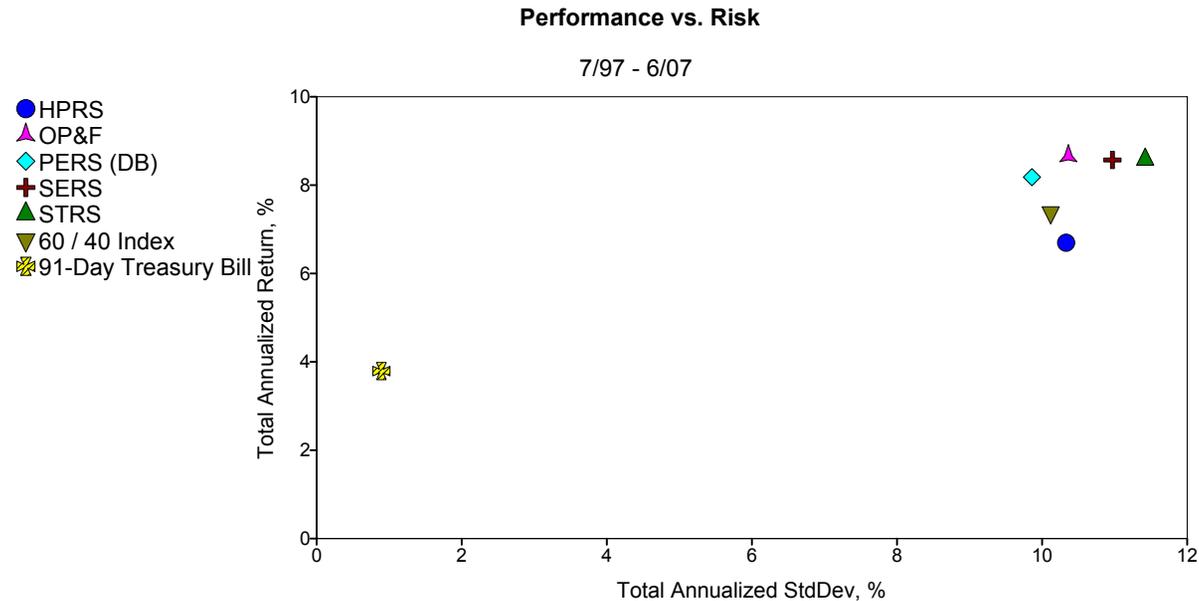
	1/97 - 12/97	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06
HPRS	15.73	3.23	6.96	-0.29	-3.46	-8.42	24.96	12.18	7.42	14.32
OP&F	17.15	13.77	13.81	-1.12	-3.88	-9.89	24.97	13.13	9.06	16.15
PERS (DB)	13.37	14.45	12.10	-0.72	-4.57	-10.73	25.40	12.50	9.25	15.02
SERS	18.38	16.40	16.40	-0.59	-5.52	-11.57	22.93	11.69	10.76	15.37
STRS	16.51	13.01	18.87	-2.45	-5.66	-11.59	24.16	13.23	12.08	16.88
60/40 Index	22.43	18.14	13.43	-2.02	-3.03	-9.01	20.14	9.25	4.90	11.12
Universe(5%)	22.29	18.91	22.95	4.84	-1.25	-5.10	28.37	15.60	11.70	16.89
Universe(25%)	19.91	15.95	18.44	2.12	-2.79	-7.22	25.38	13.69	10.28	15.58
Universe(Median)	18.38	14.81	16.30	-0.33	-4.88	-9.09	24.31	12.65	8.73	14.47
Universe(75%)	15.80	12.26	14.19	-1.44	-5.99	-10.03	21.61	11.68	7.58	13.63
Universe(95%)	12.93	8.12	7.75	-2.72	-7.21	-12.10	13.51	8.79	6.15	11.27

Percentile Rank

	1/97 - 12/97	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06
HPRS	76	100	95	46	30	36	31	64	77	55
OP&F	63	61	76	66	34	71	31	37	39	13
PERS (DB)	92	56	88	63	45	81	25	56	36	41
SERS	50	18	49	59	61	92	65	75	15	36
STRS	70	66	21	93	63	92	53	34	4	5
60/40 Index	4	6	78	89	29	47	87	91	97	95

The graph above is a calendar year performance comparison with twelve-month measurement periods ending December 31, 2006. In 2006, all plans except HPRS ranked above the median return for this universe. STRS ranked in the 5th percentile, OP&F placed in the 13th percentile, SERS ranked in the 36th percentile, PERS placed in the 41st percentile, and HPRS ranked in the 55th percentile.

Total Plans Risk Analysis - Last 10 Years Performance Overview For Period Ending 06/29/07

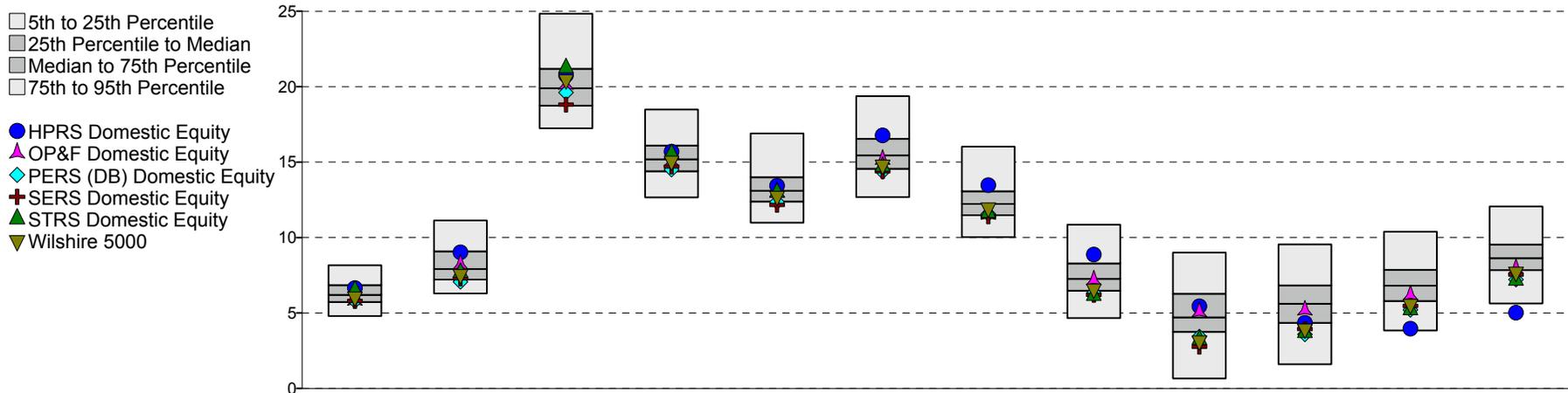


	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
			Alpha, %	Sharpe Ratio
	Total	Total		
HPRS	6.70	10.33	3.31	0.31
OP&F	8.66	10.36	5.17	0.49
PERS (DB)	8.18	9.86	4.67	0.47
SERS	8.57	10.97	5.15	0.47
STRS	8.58	11.42	5.21	0.45
60 / 40 Index	7.38	10.12	3.94	0.39
91-Day Treasury Bill	3.79	0.89	0.00	NA

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

**Total Domestic Equities vs. Mellon All Domestic Equities Universe
Performance and Rank Data as of 06/29/07**

Cumulative Performance Comparison



Return, %

	One Quarter	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Domestic Equity	6.65	9.02	20.76	15.69	13.44	16.77	13.48	8.87	5.45	4.35	3.96	5.02
OP&F Domestic Equity	5.84	8.23	20.14	15.05	13.02	15.18	11.53	7.19	5.08	5.19	6.19	7.95
PERS (DB) Domestic Equity	5.80	7.07	19.61	14.50	12.36	14.36	11.57	6.32	3.44	3.59	5.21	7.22
SERS Domestic Equity	5.80	7.29	18.81	14.71	12.16	14.40	11.40	6.20	2.76	3.93	5.48	7.55
STRS Domestic Equity	6.49	7.68	21.24	15.56	12.98	14.71	11.65	6.15	3.24	3.70	5.20	7.16
Wilshire 5000	6.07	7.56	20.47	15.07	12.74	14.81	11.97	6.60	3.16	3.96	5.59	7.71
Universe(5%)	8.17	11.13	24.84	18.48	16.90	19.37	16.03	10.85	9.00	9.55	10.39	12.06
Universe(25%)	6.85	9.09	21.18	16.10	13.99	16.54	13.06	8.28	6.27	6.83	7.86	9.54
Universe(Median)	6.20	7.92	19.90	15.19	13.10	15.44	12.23	7.26	4.71	5.61	6.81	8.64
Universe(75%)	5.73	7.22	18.74	14.40	12.39	14.56	11.48	6.48	3.75	4.35	5.80	7.85
Universe(95%)	4.80	6.30	17.24	12.66	10.98	12.68	10.02	4.66	0.66	1.60	3.84	5.63

Percentile Rank

	One Quarter	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Domestic Equity	33	26	30	36	38	22	21	17	35	75	94	96
OP&F Domestic Equity	71	41	41	56	53	59	75	53	43	56	67	70
PERS (DB) Domestic Equity	73	79	57	72	76	80	74	81	81	89	86	88
SERS Domestic Equity	73	71	73	65	80	79	77	87	89	83	83	80
STRS Domestic Equity	38	59	24	38	53	72	72	87	83	88	86	89
Wilshire 5000	57	65	36	55	61	67	60	72	84	83	81	77

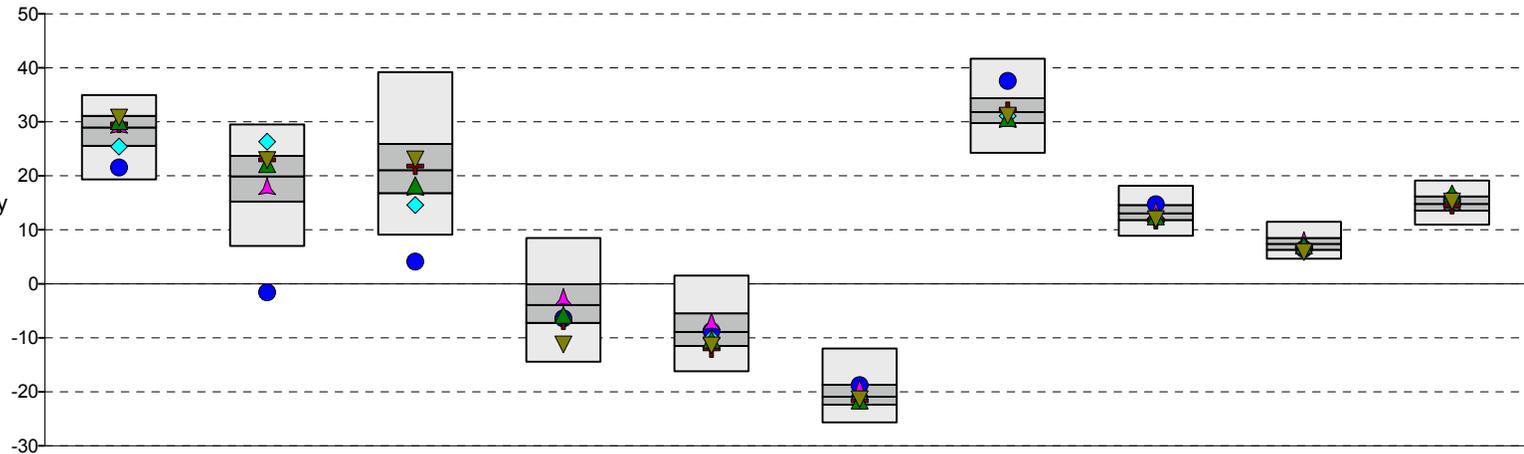
The exhibits above, and on the next three pages, focus on domestic equity results. The analysis is similar to the Total Fund analysis, except that now the comparisons are to a broad equity universe (above) and to the equity returns of Public Funds on pages 13 and 14. When compared to equity portfolios in the broad equity universe, for the past ten years, OP&F placed in the third quartile, while SERS, PERS, STRS and HPRS have ranked in the fourth quartile. The DJ Wilshire 5000 Index also ranked in the fourth quartile over the ten-year period.

**Total Domestic Equities vs. Mellon All Domestic Equities Universe
Performance and Rank Data as of 06/29/07**

Calendar Year Performance

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

● HPRS Domestic Equity
 ▲ OP&F Domestic Equity
 ◆ PERS (DB) Domestic Equity
 + SERS Domestic Equity
 ▲ STRS Domestic Equity
 ▼ Wilshire 5000



Return, %

	1/97 - 12/97	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06
HPRS Domestic Equity	21.54	-1.59	4.11	-6.40	-8.74	-18.76	37.58	14.74	6.45	15.59
OP&F Domestic Equity	28.96	17.57	17.41	-2.97	-7.47	-19.81	30.00	13.05	7.59	14.81
PERS (DB) Domestic Equity	25.41	26.31	14.58	-6.51	-10.14	-21.37	31.09	11.99	6.79	14.86
SERS Domestic Equity	29.59	22.96	21.81	-6.87	-12.04	-21.66	32.12	11.73	6.87	14.54
STRS Domestic Equity	29.58	21.64	17.75	-6.28	-10.90	-22.16	30.20	11.95	6.59	16.21
Wilshire 5000	31.29	23.43	23.56	-10.73	-10.90	-20.86	31.65	12.49	6.39	15.77
Universe(5%)	34.95	29.50	39.21	8.49	1.51	-11.99	41.68	18.15	11.50	19.12
Universe(25%)	31.09	23.69	25.91	-0.08	-5.45	-18.70	34.36	14.60	8.49	16.18
Universe(Median)	28.95	19.90	21.04	-3.93	-8.93	-20.91	31.82	13.06	7.38	14.78
Universe(75%)	25.55	15.22	16.80	-7.23	-11.52	-22.38	29.78	11.82	6.31	13.55
Universe(95%)	19.33	7.01	9.09	-14.43	-16.20	-25.65	24.26	8.90	4.64	10.97

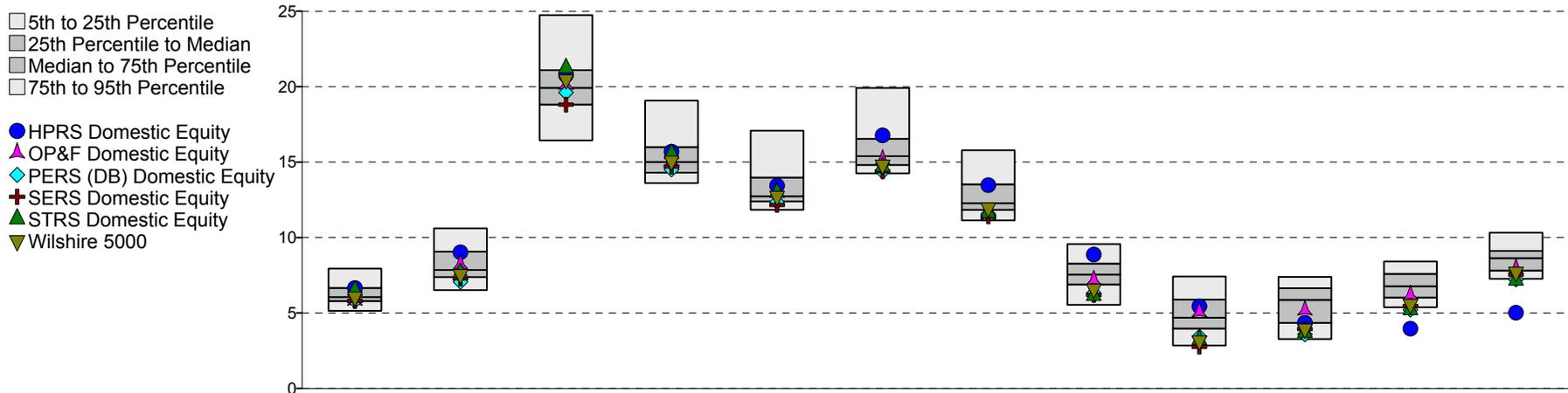
Percentile Rank

	1/97 - 12/97	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06
HPRS Domestic Equity	92	99	98	68	49	25	11	23	72	34
OP&F Domestic Equity	49	62	71	43	38	38	72	50	45	49
PERS (DB) Domestic Equity	76	13	82	69	61	59	60	73	63	48
SERS Domestic Equity	41	29	47	71	79	64	44	77	63	54
STRS Domestic Equity	42	38	69	67	70	72	70	73	69	24
Wilshire 5000	23	26	36	91	70	49	52	62	74	31

The graph above is a calendar year performance comparison with twelve-month measurement periods ending December 31, 2006 within the Mellon All Domestic Equities Universe. All plans except SERS ranked above the median return of this universe in 2006. STRS ranked in the 24th percentile, HPRS ranked in the 34th percentile, PERS placed in the 48th percentile, OP&F placed in the 49th percentile and SERS ranked in the 54th percentile.

Total Domestic Equities vs. Mellon All Public Domestic Equity Universe
Performance and Rank Data as of 06/29/07

Cumulative Performance Comparison



Return, %

	One Quarter	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Domestic Equity	6.65	9.02	20.76	15.69	13.44	16.77	13.48	8.87	5.45	4.35	3.96	5.02
OP&F Domestic Equity	5.84	8.23	20.14	15.05	13.02	15.18	11.53	7.19	5.08	5.19	6.19	7.95
PERS (DB) Domestic Equity	5.80	7.07	19.61	14.50	12.36	14.36	11.57	6.32	3.44	3.59	5.21	7.22
SERS Domestic Equity	5.80	7.29	18.81	14.71	12.16	14.40	11.40	6.20	2.76	3.93	5.48	7.55
STRS Domestic Equity	6.49	7.68	21.24	15.56	12.98	14.71	11.65	6.15	3.24	3.70	5.20	7.16
Wilshire 5000	6.07	7.56	20.47	15.07	12.74	14.81	11.97	6.60	3.16	3.96	5.59	7.71
Universe(5%)	7.94	10.61	24.74	19.08	17.09	19.91	15.78	9.57	7.42	7.39	8.42	10.32
Universe(25%)	6.66	9.06	21.09	16.00	13.98	16.54	13.53	8.28	5.89	6.64	7.59	9.11
Universe(Median)	6.05	7.85	19.92	15.01	12.74	15.40	12.27	7.54	4.69	5.87	6.77	8.64
Universe(75%)	5.79	7.38	18.81	14.30	12.39	14.81	11.84	6.90	3.97	4.35	6.03	7.81
Universe(95%)	5.14	6.51	16.44	13.61	11.84	14.26	11.15	5.54	2.85	3.27	5.38	7.26

Percentile Rank

	One Quarter	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Domestic Equity	26	27	29	30	34	20	26	14	31	75	98	99
OP&F Domestic Equity	75	37	40	49	42	58	88	63	41	56	66	69
PERS (DB) Domestic Equity	75	83	61	72	78	90	87	90	83	94	96	96
SERS Domestic Equity	75	77	75	63	84	90	91	91	97	91	94	83
STRS Domestic Equity	31	61	21	33	42	84	86	91	86	93	96	96
Wilshire 5000	49	71	37	49	50	75	68	83	87	91	92	79

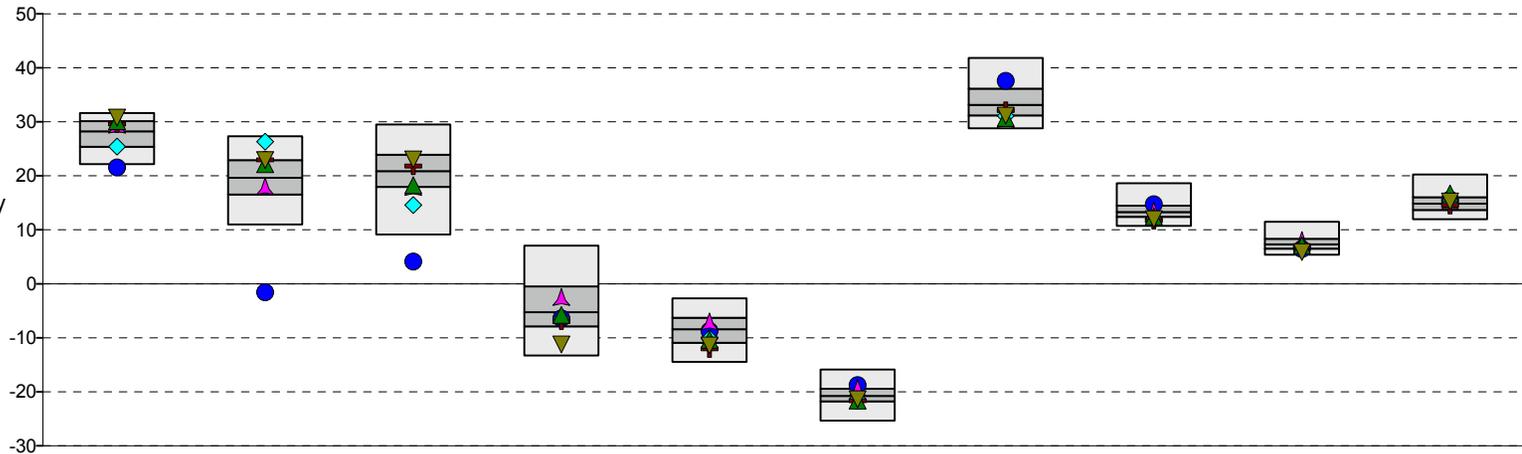
The comparisons above compare the domestic equity returns of the five Ohio public funds to the domestic equity returns of all of the public funds in the Mellon Universe. Over the ten-year period all plans trailed the median return in the universe ranking in the bottom quartile, except for OP&F which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

**Total Domestic Equities vs. Mellon All Public Domestic Equity Universe
Performance and Rank Data as of 06/29/07**

Calendar Year Performance

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

- HPRS Domestic Equity
- ▲ OP&F Domestic Equity
- ◆ PERS (DB) Domestic Equity
- ✚ SERS Domestic Equity
- ▲ STRS Domestic Equity
- ▼ Wilshire 5000



Return, %

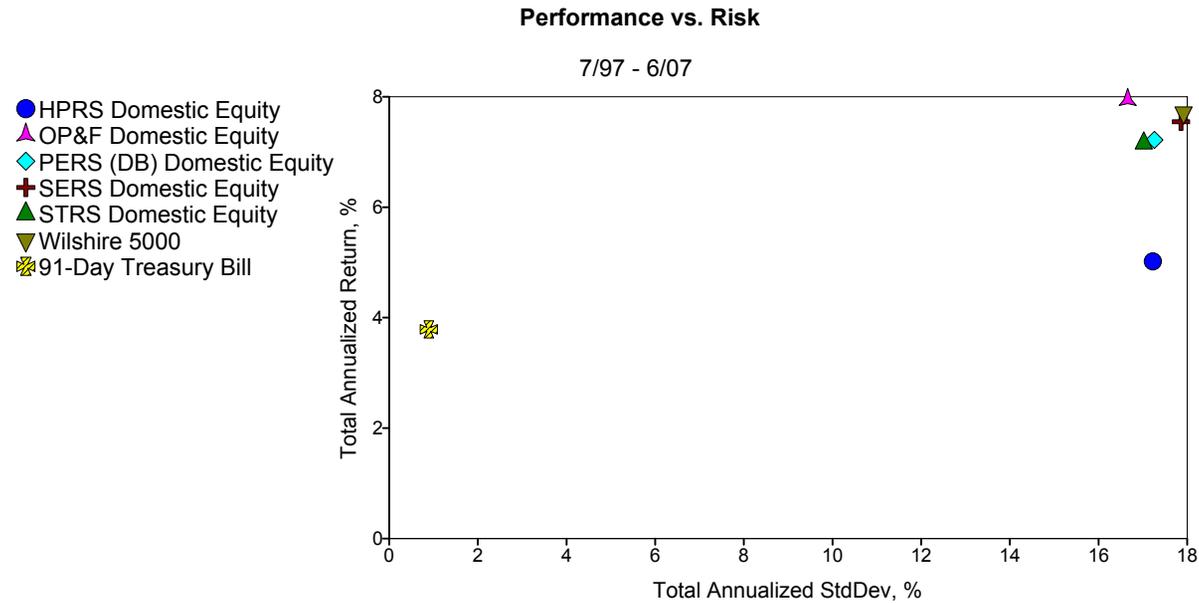
	1/97 - 12/97	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06
HPRS Domestic Equity	21.54	-1.59	4.11	-6.40	-8.74	-18.76	37.58	14.74	6.45	15.59
OP&F Domestic Equity	28.96	17.57	17.41	-2.97	-7.47	-19.81	30.00	13.05	7.59	14.81
PERS (DB) Domestic Equity	25.41	26.31	14.58	-6.51	-10.14	-21.37	31.09	11.99	6.79	14.86
SERS Domestic Equity	29.59	22.96	21.81	-6.87	-12.04	-21.66	32.12	11.73	6.87	14.54
STRS Domestic Equity	29.58	21.64	17.75	-6.28	-10.90	-22.16	30.20	11.95	6.59	16.21
Wilshire 5000	31.29	23.43	23.56	-10.73	-10.90	-20.86	31.65	12.49	6.39	15.77
Universe(5%)	31.64	27.32	29.52	7.08	-2.69	-15.89	41.83	18.63	11.50	20.26
Universe(25%)	30.11	22.91	23.91	-0.49	-6.29	-19.45	36.15	14.48	8.32	16.03
Universe(Median)	28.24	19.64	20.87	-5.27	-8.42	-20.77	33.13	13.29	7.30	14.85
Universe(75%)	25.39	16.53	17.95	-7.89	-10.92	-21.78	31.20	12.40	6.50	13.68
Universe(95%)	22.16	10.98	9.14	-13.28	-14.47	-25.35	28.80	10.73	5.40	11.97

Percentile Rank

	1/97 - 12/97	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06
HPRS Domestic Equity	98	98	99	57	54	18	13	18	76	30
OP&F Domestic Equity	44	66	78	34	39	28	91	55	47	52
PERS (DB) Domestic Equity	75	9	89	58	68	64	80	82	66	50
SERS Domestic Equity	32	22	38	61	84	70	62	88	66	56
STRS Domestic Equity	33	38	77	55	75	79	90	83	71	23
Wilshire 5000	14	16	29	94	75	52	68	69	78	28

The graph above is a calendar year performance comparison with twelve-month measurement periods ending December 31, 2006 within the Mellon All Public Domestic Equities Universe. In 2006, STRS ranked in the 23rd percentile, HPRS ranked in the 30th percentile, PERS approximated the median return, OP&F placed in the 52nd percentile and SERS ranked in the 56th percentile.

Domestic Equity Risk Analysis - Last 10 Years Performance Overview For Period Ending 06/29/07

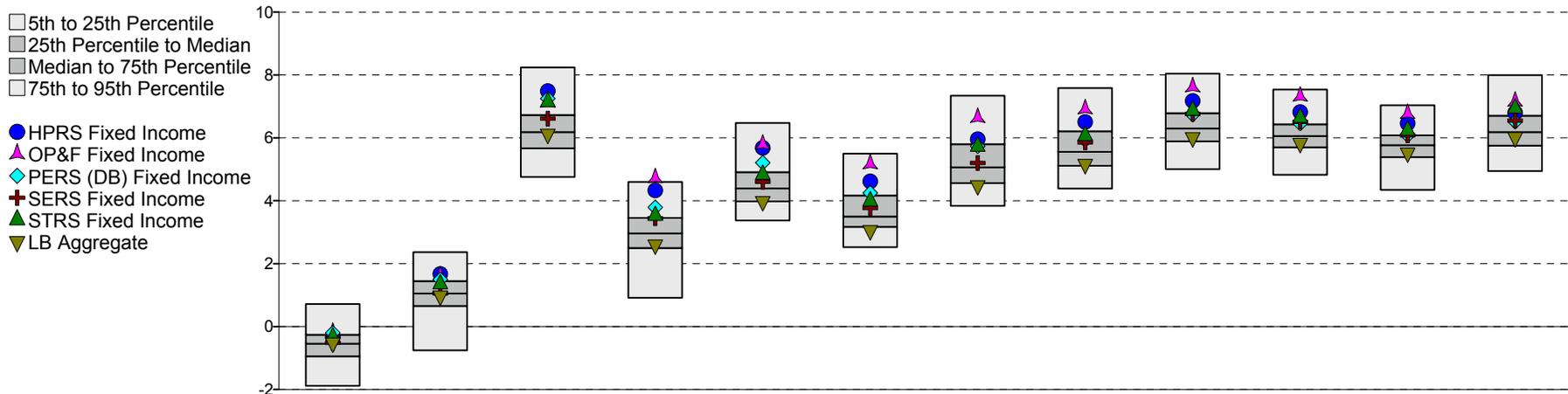


	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
			Alpha, %	Sharpe Ratio
	Total	Total		
HPRS Domestic Equity	5.02	17.23	2.67	0.15
OP&F Domestic Equity	7.95	16.66	5.34	0.32
PERS (DB) Domestic Equity	7.22	17.26	4.74	0.27
SERS Domestic Equity	7.55	17.86	5.16	0.29
STRS Domestic Equity	7.16	17.02	4.66	0.27
Wilshire 5000	7.71	17.92	5.32	0.30
91-Day Treasury Bill	3.79	0.89	0.00	NA

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

Total Fixed Income vs. Mellon All Domestic Fixed Income Universe
Performance and Rank Data as of 06/29/07

Cumulative Performance Comparison



Return, %

	One Quarter	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Fixed Income	-0.33	1.67	7.49	4.33	5.68	4.62	5.96	6.51	7.17	6.82	6.46	6.80
OP&F Fixed Income	-0.19	1.61	7.13	4.73	5.79	5.17	6.64	6.92	7.62	7.32	6.77	7.16
PERS (DB) Fixed Income	-0.20	1.50	7.25	3.79	5.21	4.25	5.74	5.93	6.74	6.46	6.08	6.52
SERS Fixed Income	-0.52	1.05	6.61	3.44	4.60	3.77	5.20	5.85	6.77	6.51	6.08	6.55
STRS Fixed Income	-0.34	1.35	7.14	3.53	4.83	3.99	5.73	6.07	6.87	6.64	6.23	6.95
LB Aggregate	-0.52	0.98	6.12	2.60	3.98	3.05	4.48	5.16	6.01	5.83	5.53	6.02
Universe(5%)	0.71	2.36	8.24	4.60	6.47	5.50	7.34	7.58	8.04	7.54	7.04	8.00
Universe(25%)	-0.26	1.44	6.73	3.45	4.91	4.16	5.80	6.21	6.79	6.43	6.08	6.71
Universe(Median)	-0.55	1.05	6.18	2.96	4.39	3.50	5.06	5.56	6.30	6.06	5.77	6.18
Universe(75%)	-0.95	0.65	5.67	2.50	3.98	3.17	4.56	5.11	5.89	5.70	5.39	5.75
Universe(95%)	-1.89	-0.76	4.76	0.91	3.37	2.52	3.84	4.39	5.01	4.82	4.35	4.94

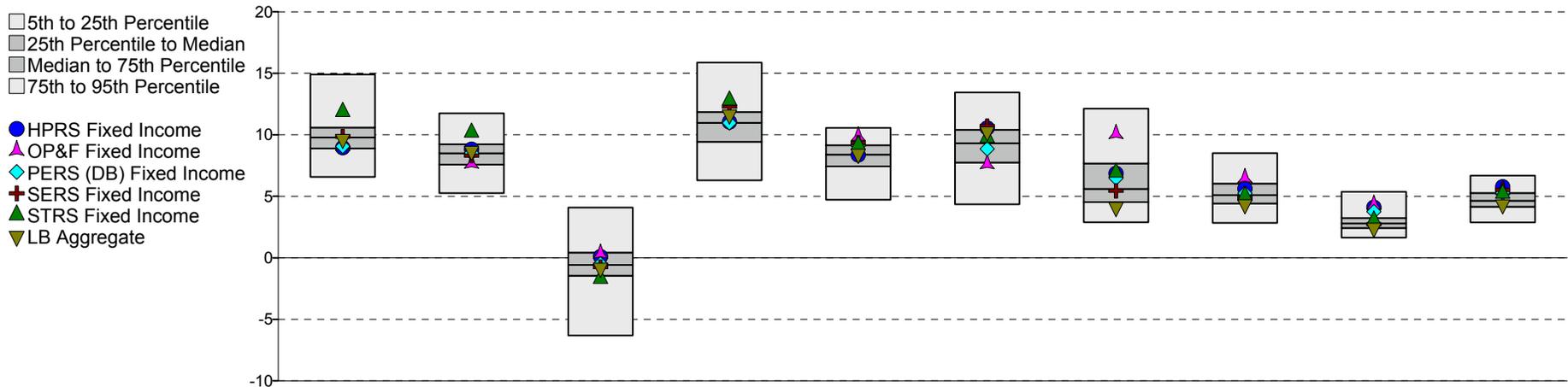
Percentile Rank

	One Quarter	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Fixed Income	29	15	12	9	10	15	22	18	16	14	13	23
OP&F Fixed Income	20	17	16	4	9	8	13	11	11	8	10	14
PERS (DB) Fixed Income	20	22	14	15	18	22	27	35	27	24	26	31
SERS Fixed Income	47	50	28	25	39	40	46	38	26	24	25	30
STRS Fixed Income	29	30	16	22	28	32	27	29	24	21	21	16
LB Aggregate	47	59	53	70	75	82	80	70	68	67	65	64

The exhibit above, and on the next page, compare the fixed income results of the five funds to that of a broad fixed income universe consisting of all of the domestic fixed income accounts in the Mellon Universe. For the trailing ten-year period, all funds placed in either the top quartile (OP&F, STRS and HPRS) of the universe or the second quartile (SERS and PERS) of the universe.

**Total Fixed Income vs. Mellon All Domestic Fixed Income Universe
Performance and Rank Data as of 06/29/07**

Calendar Year Performance



Return, %

	1/97 - 12/97	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06
HPRS Fixed Income	8.95	8.83	0.10	11.05	8.37	10.56	6.87	5.61	4.11	5.78
OP&F Fixed Income	9.11	7.67	0.35	12.55	9.90	7.63	10.08	6.50	4.33	5.54
PERS (DB) Fixed Income	9.07	8.53	-0.50	10.97	9.11	8.86	6.48	5.25	3.76	5.28
SERS Fixed Income	9.84	8.32	-0.76	12.29	9.35	10.71	5.45	4.89	2.74	5.52
STRS Fixed Income	11.87	10.19	-1.70	12.80	9.17	9.76	6.94	5.03	3.04	5.23
LB Aggregate	9.65	8.69	-0.82	11.63	8.44	10.26	4.10	4.34	2.43	4.33
Universe(5%)	14.91	11.75	4.08	15.87	10.56	13.44	12.12	8.51	5.37	6.68
Universe(25%)	10.59	9.23	0.42	11.85	9.15	10.41	7.67	6.04	3.23	5.27
Universe(Median)	9.78	8.50	-0.58	10.98	8.39	9.31	5.60	5.11	2.80	4.64
Universe(75%)	8.90	7.58	-1.45	9.43	7.43	7.75	4.53	4.42	2.43	4.15
Universe(95%)	6.57	5.26	-6.30	6.30	4.71	4.36	2.89	2.84	1.65	2.88

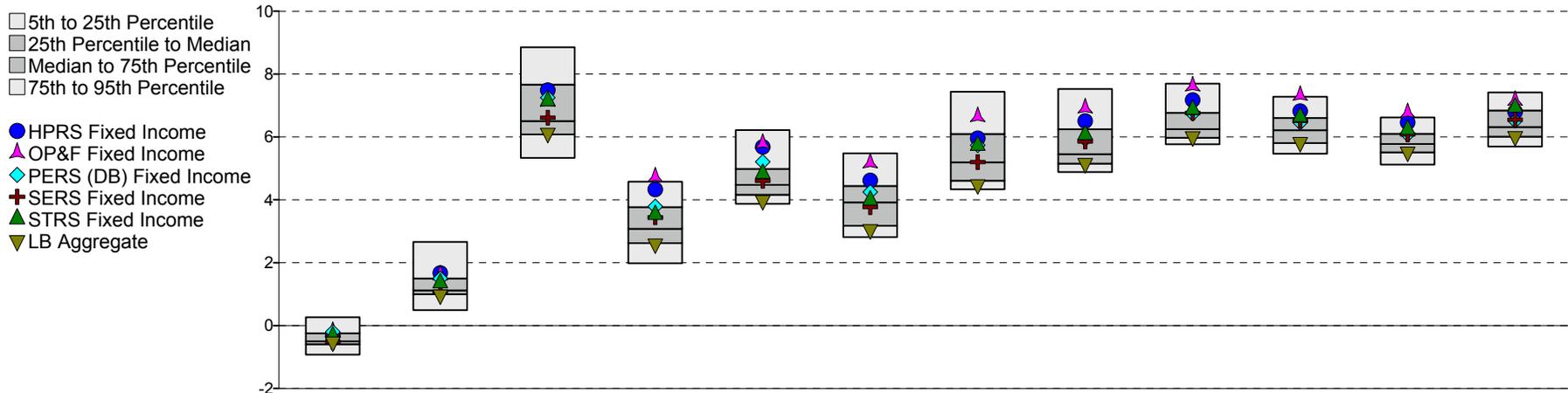
Percentile Rank

	1/97 - 12/97	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06
HPRS Fixed Income	74	39	29	49	51	22	32	34	10	15
OP&F Fixed Income	72	73	27	12	10	78	11	18	9	20
PERS (DB) Fixed Income	73	49	45	50	26	59	37	44	14	25
SERS Fixed Income	46	56	57	15	20	18	54	57	54	20
STRS Fixed Income	12	11	79	10	24	40	32	52	33	27
LB Aggregate	55	44	59	30	48	28	84	78	75	69

The graph above provides an analysis of the calendar year performance with twelve-month measurement periods ending December 31, 2006 within the Mellon All Domestic Fixed Income Universe. In 2006, all plans ranked in the first quartile of the universe, while STRS placed just outside of the first quartile by ranking in the 27th percentile.

**Total Fixed Income vs. Mellon All Public Domestic Fixed Income Universe
Performance and Rank Data as of 06/29/07**

Cumulative Performance Comparison



Return, %

	One Quarter	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Fixed Income	-0.33	1.67	7.49	4.33	5.68	4.62	5.96	6.51	7.17	6.82	6.46	6.80
OP&F Fixed Income	-0.19	1.61	7.13	4.73	5.79	5.17	6.64	6.92	7.62	7.32	6.77	7.16
PERS (DB) Fixed Income	-0.20	1.50	7.25	3.79	5.21	4.25	5.74	5.93	6.74	6.46	6.08	6.52
SERS Fixed Income	-0.52	1.05	6.61	3.44	4.60	3.77	5.20	5.85	6.77	6.51	6.08	6.55
STRS Fixed Income	-0.34	1.35	7.14	3.53	4.83	3.99	5.73	6.07	6.87	6.64	6.23	6.95
LB Aggregate	-0.52	0.98	6.12	2.60	3.98	3.05	4.48	5.16	6.01	5.83	5.53	6.02
Universe(5%)	0.27	2.66	8.85	4.58	6.22	5.48	7.44	7.53	7.70	7.28	6.62	7.42
Universe(25%)	-0.24	1.50	7.66	3.77	4.99	4.44	6.10	6.24	6.77	6.60	6.10	6.84
Universe(Median)	-0.50	1.12	6.51	3.08	4.48	3.92	5.19	5.45	6.25	6.21	5.78	6.32
Universe(75%)	-0.60	1.00	6.08	2.62	4.16	3.17	4.61	5.15	5.97	5.81	5.51	6.01
Universe(95%)	-0.92	0.49	5.33	1.98	3.87	2.81	4.33	4.88	5.77	5.47	5.12	5.70

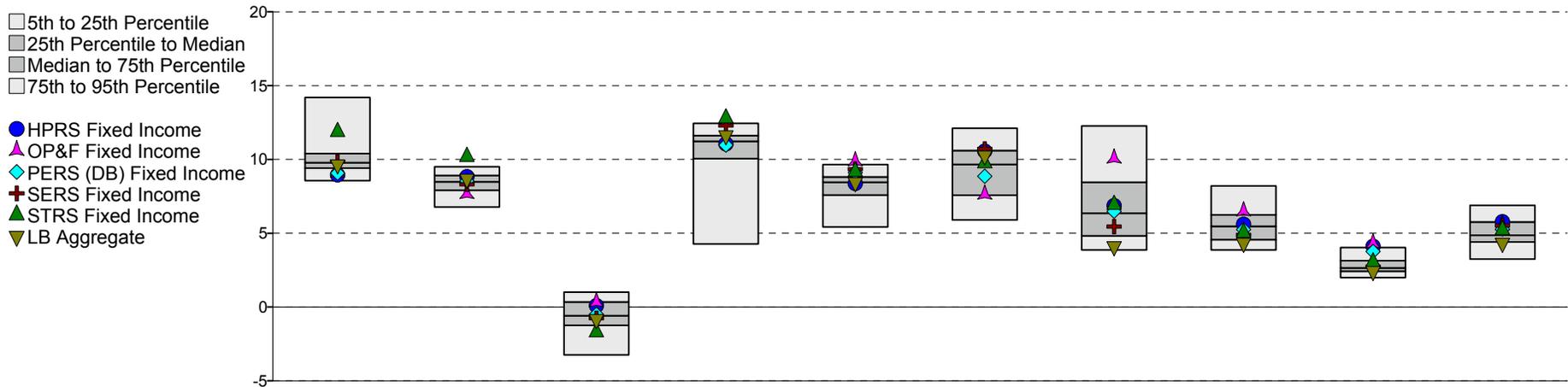
Percentile Rank

	One Quarter	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Fixed Income	32	11	28	14	13	22	28	20	16	12	11	30
OP&F Fixed Income	20	16	30	2	11	12	16	12	8	5	3	11
PERS (DB) Fixed Income	20	27	29	24	22	30	34	35	31	33	27	44
SERS Fixed Income	52	58	45	41	44	54	49	40	26	27	27	43
STRS Fixed Income	33	35	30	34	34	46	34	32	23	24	19	17
LB Aggregate	52	76	69	79	82	84	82	70	73	75	75	74

The exhibit above compares the fixed income results of the five funds to that of the domestic fixed income returns of the public funds in the Mellon Universe. Over the ten-year period, all plans outpaced the median return. OP&F and STRS ranked in the first quartile while the other plans placed in the second quartile of the universe. It should also be noted that fixed income returns for all five systems are near-median or better for all annualized time periods.

**Total Fixed Income vs. Mellon All Public Domestic Fixed Income Universe
Performance and Rank Data as of 06/29/07**

Calendar Year Performance



Return, %

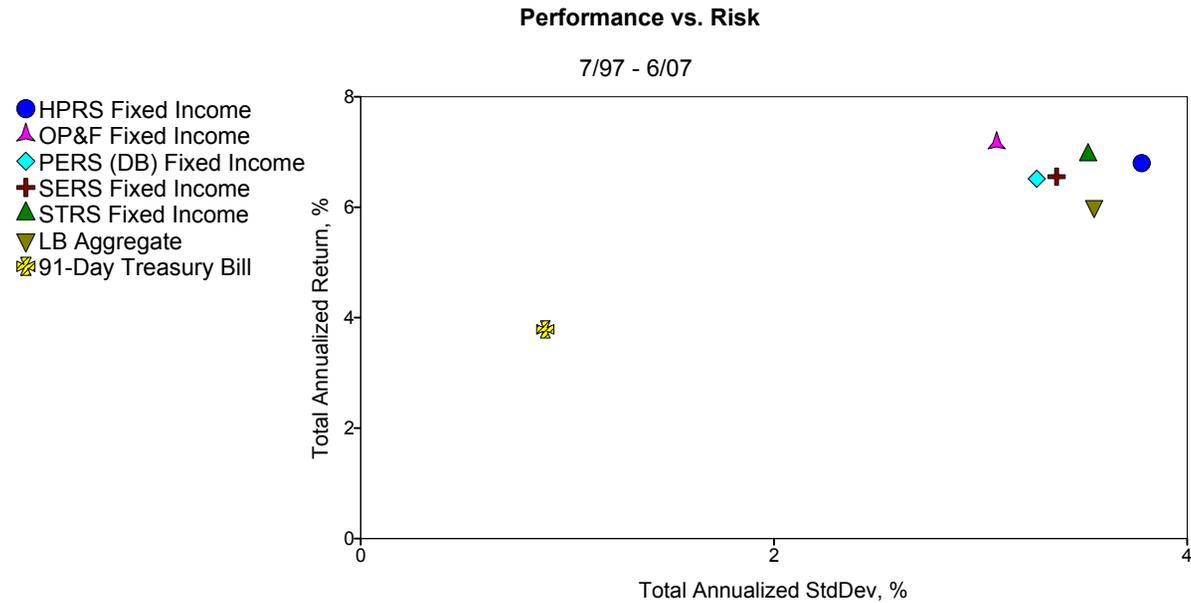
	1/97 - 12/97	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06
HPRS Fixed Income	8.95	8.83	0.10	11.05	8.37	10.56	6.87	5.61	4.11	5.78
OP&F Fixed Income	9.11	7.67	0.35	12.55	9.90	7.63	10.08	6.50	4.33	5.54
PERS (DB) Fixed Income	9.07	8.53	-0.50	10.97	9.11	8.86	6.48	5.25	3.76	5.28
SERS Fixed Income	9.84	8.32	-0.76	12.29	9.35	10.71	5.45	4.89	2.74	5.52
STRS Fixed Income	11.87	10.19	-1.70	12.80	9.17	9.76	6.94	5.03	3.04	5.23
LB Aggregate	9.65	8.69	-0.82	11.63	8.44	10.26	4.10	4.34	2.43	4.33
Universe(5%)	14.20	9.50	1.01	12.44	9.66	12.12	12.27	8.20	4.03	6.89
Universe(25%)	10.40	8.92	0.35	11.62	8.82	10.60	8.46	6.25	3.14	5.76
Universe(Median)	9.78	8.48	-0.58	11.23	8.46	9.66	6.35	5.47	2.64	4.86
Universe(75%)	9.41	7.91	-1.24	10.05	7.58	7.57	4.83	4.57	2.42	4.41
Universe(95%)	8.57	6.77	-3.24	4.27	5.43	5.90	3.86	3.86	1.99	3.25

Percentile Rank

	1/97 - 12/97	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06
HPRS Fixed Income	83	34	31	59	53	28	39	42	4	24
OP&F Fixed Income	82	76	25	4	3	75	15	23	2	30
PERS (DB) Fixed Income	82	48	47	63	17	62	47	52	8	35
SERS Fixed Income	43	56	55	6	13	13	63	68	40	32
STRS Fixed Income	10	2	87	3	16	44	39	63	28	40
LB Aggregate	64	42	56	24	52	32	89	87	74	79

The graph above provides an analysis of the calendar year performance with twelve-month measurement periods ending December 31, 2006 within the Mellon All Public Domestic Fixed Income Universe. In 2006, HPRS ranked in the first quartile, while the other plans placed in the second quartile of the universe.

Domestic Fixed Income Risk Analysis - Last 10 Years Performance Overview For Period Ending 06/29/07

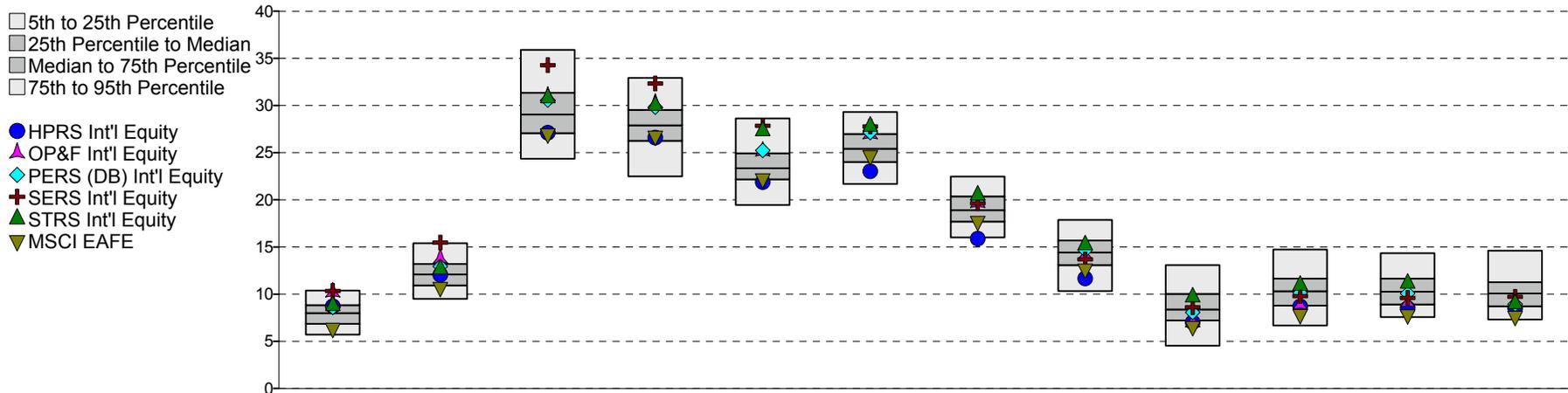


	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
			Alpha, %	Sharpe Ratio
	Total	Total		
HPRS Fixed Income	6.80	3.78	2.96	0.78
OP&F Fixed Income	7.16	3.08	3.28	1.06
PERS (DB) Fixed Income	6.52	3.27	2.67	0.83
SERS Fixed Income	6.55	3.37	2.71	0.82
STRS Fixed Income	6.95	3.52	3.09	0.90
LB Aggregate	6.02	3.55	2.21	0.64
91-Day Treasury Bill	3.79	0.89	0.00	NA

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

**Total International Equities vs. Mellon All International Equity Universe
Performance and Rank Data as of 06/29/07**

Cumulative Performance Comparison



Return, %

	One Quarter	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Int'l Equity	8.72	12.05	27.11	26.60	21.89	23.03	15.88	11.67	7.02	8.71	8.51	8.54
OP&F Int'l Equity	10.20	13.79	30.98	30.24	25.15	26.98	19.70	14.19	7.04	8.90	9.16	8.99
PERS (DB) Int'l Equity	8.60	12.94	30.58	29.82	25.25	27.12	19.99	14.67	8.07	10.13	10.07	8.93
SERS Int'l Equity	10.33	15.47	34.28	32.33	27.85	27.78	19.63	13.68	8.62	9.80	9.59	9.72
STRS Int'l Equity	8.78	12.65	30.79	30.01	27.30	27.79	20.50	15.22	9.69	10.92	11.14	8.98
MSCI EAFE	6.40	10.74	27.00	26.78	22.24	24.70	17.73	12.68	6.60	7.86	7.84	7.66
Universe(5%)	10.38	15.39	35.90	32.93	28.63	29.31	22.46	17.87	13.08	14.73	14.35	14.61
Universe(25%)	8.83	13.20	31.34	29.53	24.94	26.98	20.36	15.68	10.03	11.64	11.65	11.26
Universe(Median)	7.99	12.09	29.05	27.90	23.36	25.41	18.91	14.43	8.38	10.31	10.26	10.06
Universe(75%)	6.85	10.93	27.06	26.26	22.18	24.02	17.70	13.08	7.22	8.79	8.91	8.71
Universe(95%)	5.71	9.50	24.36	22.48	19.45	21.69	16.01	10.32	4.52	6.68	7.56	7.32

Percentile Rank

	One Quarter	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Int'l Equity	27	51	74	72	77	89	96	90	77	78	89	79
OP&F Int'l Equity	6	16	27	19	23	25	35	54	77	74	72	68
PERS (DB) Int'l Equity	32	29	33	22	22	22	28	43	58	53	55	70
SERS Int'l Equity	5	5	8	7	7	15	36	65	43	60	66	54
STRS Int'l Equity	26	35	30	20	9	15	23	31	30	36	31	68
MSCI EAFE	89	82	76	69	73	66	74	82	84	92	94	92

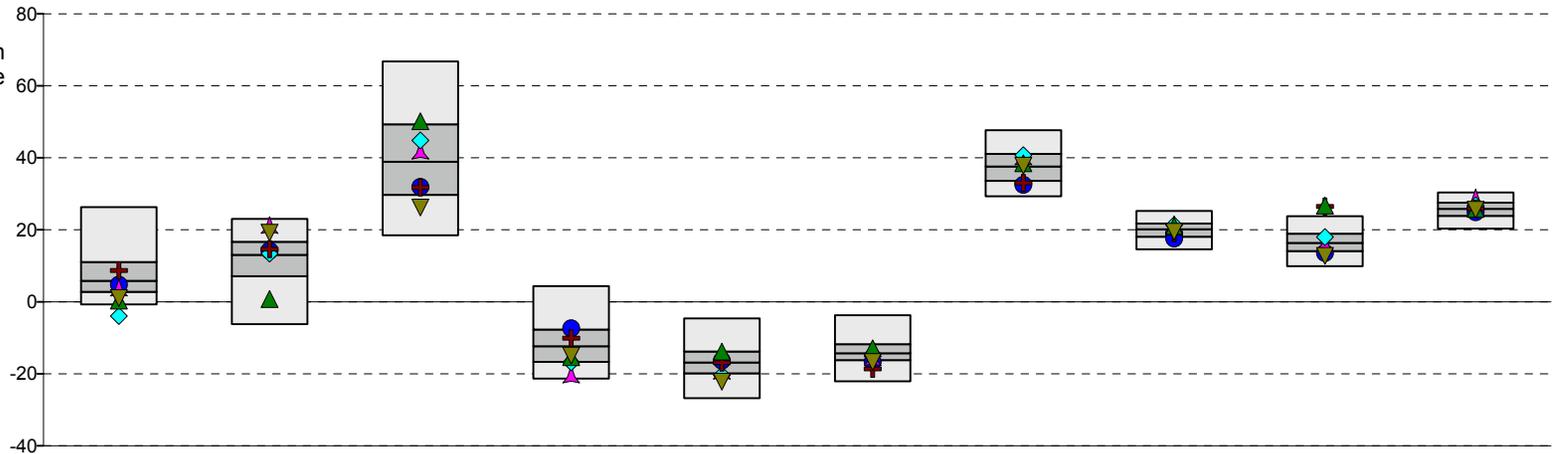
The exhibit above, and on the next page, compare the international equity results of the five funds to that of a broad international equity universe consisting of all of the international equity accounts in the Mellon Universe. For the ten-year period ending June 30, 2007, SERS ranked slightly below median (54th percentile), while STRS, OP&F and PERS ranked in the third quartile and HPRS placed in the fourth quartile.

**Total International Equities vs. Mellon All International Equity Universe
Performance and Rank Data as of 06/29/07**

Calendar Year Performance

- 5th to 25th Percentile
- ▒ 25th Percentile to Median
- ▓ Median to 75th Percentile
- 75th to 95th Percentile

- HPRS Int'l Equity
- ▲ OP&F Int'l Equity
- ◆ PERS (DB) Int'l Equity
- ✚ SERS Int'l Equity
- ▲ STRS Int'l Equity
- ▼ MSCI EAFE



Return, %

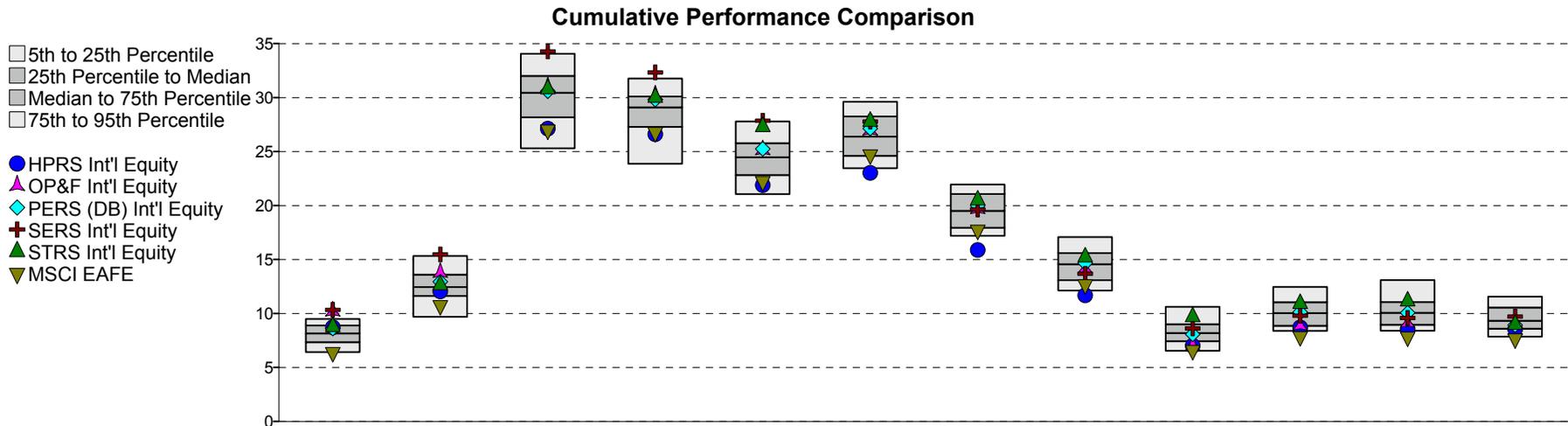
	1/97 - 12/97	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06
HPRS Int'l Equity	4.76	14.24	31.94	-7.35	-16.34	-16.66	32.50	17.59	13.58	24.90
OP&F Int'l Equity	3.17	20.55	41.21	-20.98	-19.93	-16.17	39.60	20.73	15.62	28.23
PERS (DB) Int'l Equity	-3.96	13.37	44.83	-16.80	-20.41	-14.55	40.71	21.30	17.97	26.78
SERS Int'l Equity	8.69	14.63	31.73	-10.08	-16.91	-18.64	33.02	19.04	26.49	25.88
STRS Int'l Equity	-0.47	-0.03	49.38	-16.17	-14.63	-13.69	37.71	20.28	25.94	25.01
MSCI EAFE	1.78	20.00	26.96	-14.17	-21.44	-15.94	38.59	20.25	13.54	26.34
Universe(5%)	26.30	23.02	66.77	4.37	-4.60	-3.74	47.65	25.24	23.76	30.39
Universe(25%)	11.06	16.67	49.32	-7.73	-13.79	-11.76	41.07	21.73	18.90	27.55
Universe(Median)	5.81	13.02	38.89	-12.37	-16.85	-14.31	37.58	20.16	16.34	25.80
Universe(75%)	2.77	7.11	29.69	-16.70	-19.87	-16.19	33.62	18.08	14.07	23.86
Universe(95%)	-0.73	-6.21	18.47	-21.35	-26.76	-22.08	29.33	14.59	9.91	20.31

Percentile Rank

	1/97 - 12/97	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06
HPRS Int'l Equity	59	40	68	24	47	78	82	78	80	63
OP&F Int'l Equity	73	8	45	94	76	75	37	38	59	19
PERS (DB) Int'l Equity	98	48	36	76	79	52	28	30	33	36
SERS Int'l Equity	31	37	68	37	51	90	79	67	1	49
STRS Int'l Equity	95	91	25	72	31	45	48	49	2	62
MSCI EAFE	84	9	82	61	84	74	43	49	81	43

The graph above provides an analysis of the calendar year performance with twelve-month measurement periods ending December 31, 2006 within the Mellon All International Equity Universe. In 2006, OP&F ranked in the 19th percentile, PERS ranked in the 36th percentile, SERS approximated the median return, STRS placed in the 62nd percentile and HPRS ranked in the 63rd percentile.

**Total International Equities vs. Mellon All Public International Equity Universe
Performance and Rank Data as of 06/29/07**



Return, %

	One Quarter	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Int'l Equity	8.72	12.05	27.11	26.60	21.89	23.03	15.88	11.67	7.02	8.71	8.51	8.54
OP&F Int'l Equity	10.20	13.79	30.98	30.24	25.15	26.98	19.70	14.19	7.04	8.90	9.16	8.99
PERS (DB) Int'l Equity	8.60	12.94	30.58	29.82	25.25	27.12	19.99	14.67	8.07	10.13	10.07	8.93
SERS Int'l Equity	10.33	15.47	34.28	32.33	27.85	27.78	19.63	13.68	8.62	9.80	9.59	9.72
STRS Int'l Equity	8.78	12.65	30.79	30.01	27.30	27.79	20.50	15.22	9.69	10.92	11.14	8.98
MSCI EAFE	6.40	10.74	27.00	26.78	22.24	24.70	17.73	12.68	6.60	7.86	7.84	7.66
Universe(5%)	9.49	15.32	34.06	31.76	27.79	29.60	21.95	17.08	10.62	12.46	13.10	11.56
Universe(25%)	8.88	13.60	32.01	30.10	25.78	28.25	21.06	15.60	9.00	11.05	11.06	10.55
Universe(Median)	8.15	12.45	30.44	29.09	24.48	26.38	19.51	14.57	8.19	10.04	10.06	9.33
Universe(75%)	7.34	11.62	28.17	27.29	22.82	24.60	17.95	13.08	7.43	8.86	8.96	8.60
Universe(95%)	6.43	9.68	25.30	23.86	21.05	23.46	17.20	12.13	6.55	8.39	8.40	7.86

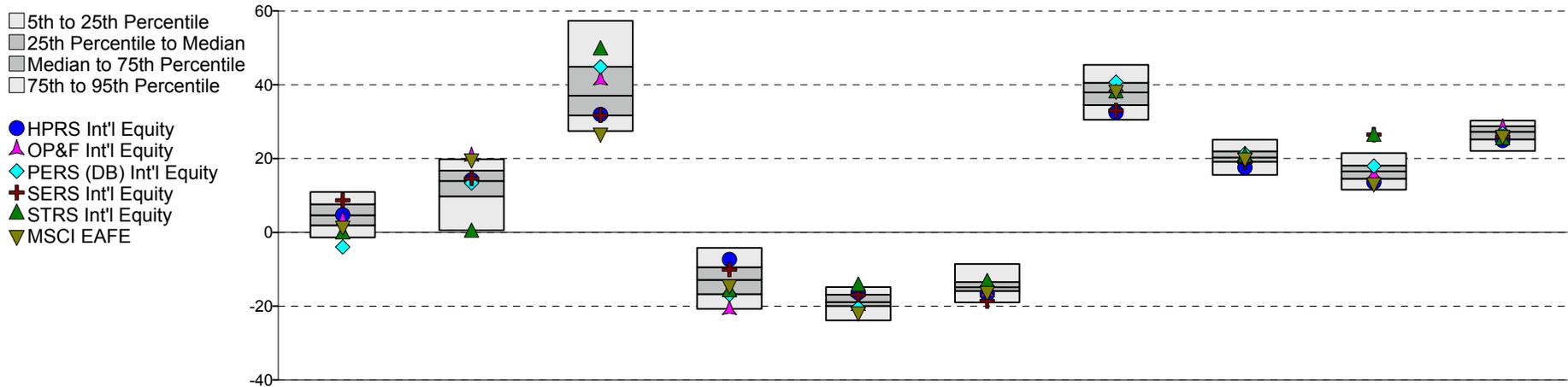
Percentile Rank

	One Quarter	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Int'l Equity	31	65	86	82	85	98	100	97	88	84	89	77
OP&F Int'l Equity	1	20	42	24	34	41	45	59	88	74	72	62
PERS (DB) Int'l Equity	36	38	46	27	33	39	41	47	53	49	50	63
SERS Int'l Equity	1	4	3	1	4	28	47	71	36	54	61	43
STRS Int'l Equity	29	45	43	25	12	28	33	31	17	30	25	62
MSCI EAFE	96	91	87	81	82	73	78	93	92	100	100	96

The exhibit above compares the international equity results of the five funds to that of the international equity returns of the public funds in the Mellon Universe. Over the ten-year period, SERS outpaced the median international equity return of public funds, while other plans fell below the median return.

**Total International Equities vs. Mellon All Public International Equity Universe
Performance and Rank Data as of 06/29/07**

Calendar Year Performance



Return, %

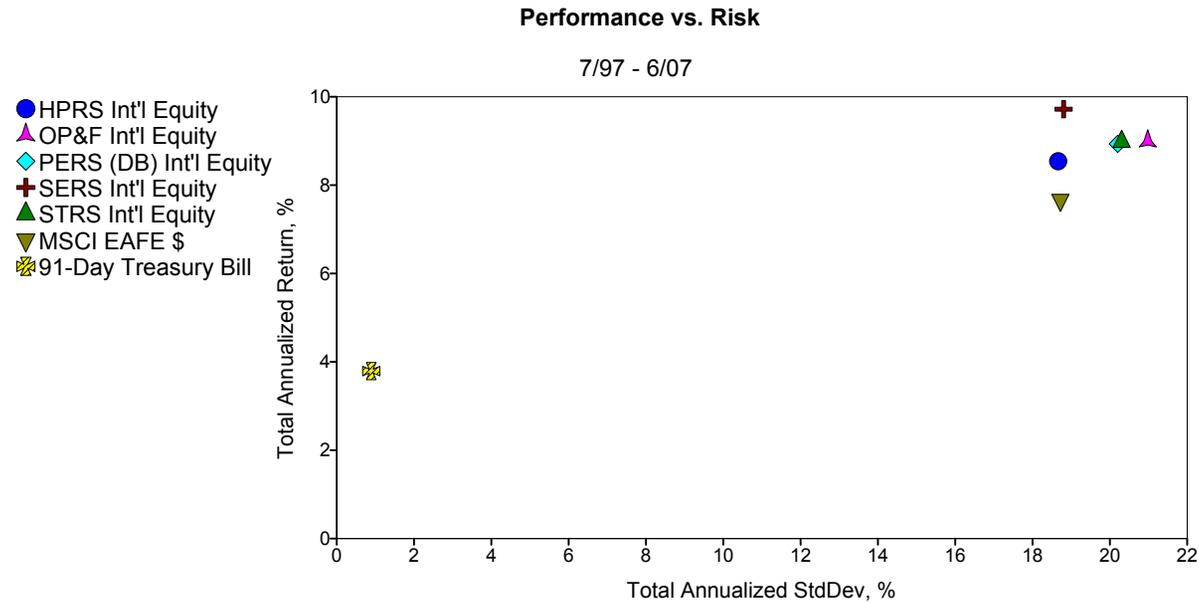
	1/97 - 12/97	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06
HPRS Int'l Equity	4.76	14.24	31.94	-7.35	-16.34	-16.66	32.50	17.59	13.58	24.90
OP&F Int'l Equity	3.17	20.55	41.21	-20.98	-19.93	-16.17	39.60	20.73	15.62	28.23
PERS (DB) Int'l Equity	-3.96	13.37	44.83	-16.80	-20.41	-14.55	40.71	21.30	17.97	26.78
SERS Int'l Equity	8.69	14.63	31.73	-10.08	-16.91	-18.64	33.02	19.04	26.49	25.88
STRS Int'l Equity	-0.47	-0.03	49.38	-16.17	-14.63	-13.69	37.71	20.28	25.94	25.01
MSCI EAFE	1.78	20.00	26.96	-14.17	-21.44	-15.94	38.59	20.25	13.54	26.34
Universe(5%)	10.95	19.82	57.34	-4.19	-14.84	-8.56	45.39	25.13	21.48	30.30
Universe(25%)	7.63	16.71	44.89	-9.43	-16.87	-13.46	40.52	21.96	18.08	28.79
Universe(Median)	4.62	13.92	37.05	-12.86	-18.87	-14.87	37.93	20.32	16.54	27.27
Universe(75%)	1.89	9.78	31.69	-16.75	-19.97	-15.88	34.48	19.18	14.57	25.21
Universe(95%)	-1.37	0.55	27.44	-20.72	-23.86	-18.96	30.53	15.54	11.58	22.06

Percentile Rank

	1/97 - 12/97	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06
HPRS Int'l Equity	49	48	71	12	20	79	88	88	85	82
OP&F Int'l Equity	63	0	38	96	74	77	36	40	65	31
PERS (DB) Int'l Equity	96	52	25	76	81	43	23	34	27	62
SERS Int'l Equity	10	44	73	27	26	93	86	77	0	72
STRS Int'l Equity	93	95	15	70	3	28	52	51	0	78
MSCI EAFE	82	4	96	59	89	75	45	52	87	67

The graph above provides an analysis of the calendar year performance with twelve-month measurement periods ending December 31, 2006 within the Mellon All Public International Equity Universe. In 2006, OP&F ranked 31st percentile, while all other plans ranked below the median return.

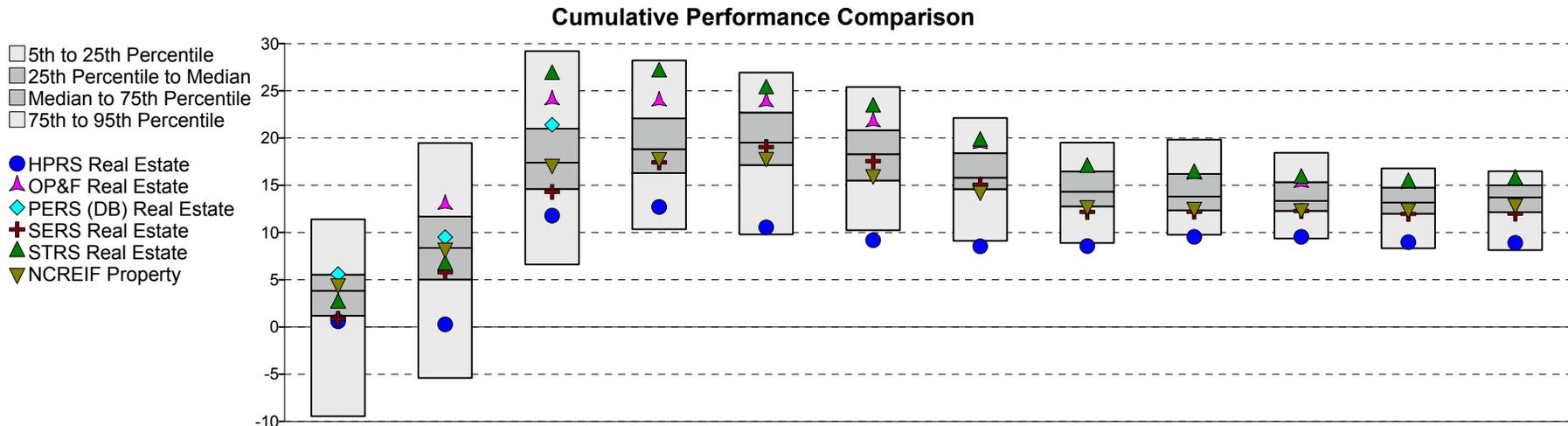
International Equity Risk Analysis - Last 10 Years Performance Overview For Period Ending 06/29/07



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
			Alpha, %	Sharpe Ratio
	Total	Total		
HPRS Int'l Equity	8.54	18.66	6.24	0.33
OP&F Int'l Equity	8.99	20.98	7.08	0.33
PERS (DB) Int'l Equity	8.93	20.20	6.86	0.34
SERS Int'l Equity	9.72	18.80	7.38	0.39
STRS Int'l Equity	8.98	20.30	6.95	0.34
MSCI EAFE \$	7.66	18.72	5.41	0.29
91-Day Treasury Bill	3.79	0.89	0.00	NA

This is a risk/return analysis of international equity portfolios for all of the plans. All plans have demonstrated risk-adjusted results (as measured by their Sharpe Ratios) greater than the non-U.S. equity market as defined by the MSCI EAFE index over the ten-year period. SERS experienced the best risk-adjusted international equity results followed by STRS, PERS DB, OP&F and HPRS.

**Total Real Estate vs. Mellon All Real Estate Universe
Performance and Rank Data as of 06/29/07**



Return, %

	One Quarter	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Real Estate	0.60	0.28	11.79	12.71	10.56	9.18	8.54	8.57	9.54	9.53	8.97	8.90
OP&F Real Estate	2.57	12.97	24.05	23.90	23.83	21.70	19.39	16.88	16.16	15.28	15.16	15.65
PERS (DB) Real Estate	5.60	9.51	21.41	NA								
SERS Real Estate	0.86	5.79	14.29	17.43	19.04	17.56	15.06	12.17	12.20	12.27	11.97	12.00
STRS Real Estate	2.50	6.56	26.71	26.97	25.19	23.26	19.65	16.88	16.24	15.74	15.28	15.56
NCREIF Property	4.59	8.38	17.24	17.95	17.98	16.15	14.39	12.86	12.68	12.55	12.57	13.05
Universe(5%)	11.39	19.47	29.21	28.21	26.93	25.41	22.13	19.51	19.83	18.44	16.79	16.50
Universe(25%)	5.54	11.68	20.99	22.08	22.70	20.83	18.40	16.47	16.20	15.32	14.76	15.01
Universe(Median)	3.82	8.37	17.39	18.83	19.52	18.29	15.80	14.33	13.81	13.36	13.17	13.73
Universe(75%)	1.18	5.03	14.61	16.28	17.14	15.50	14.59	12.76	12.35	12.30	12.00	12.16
Universe(95%)	-9.46	-5.40	6.61	10.34	9.79	10.24	9.12	8.89	9.78	9.36	8.33	8.14

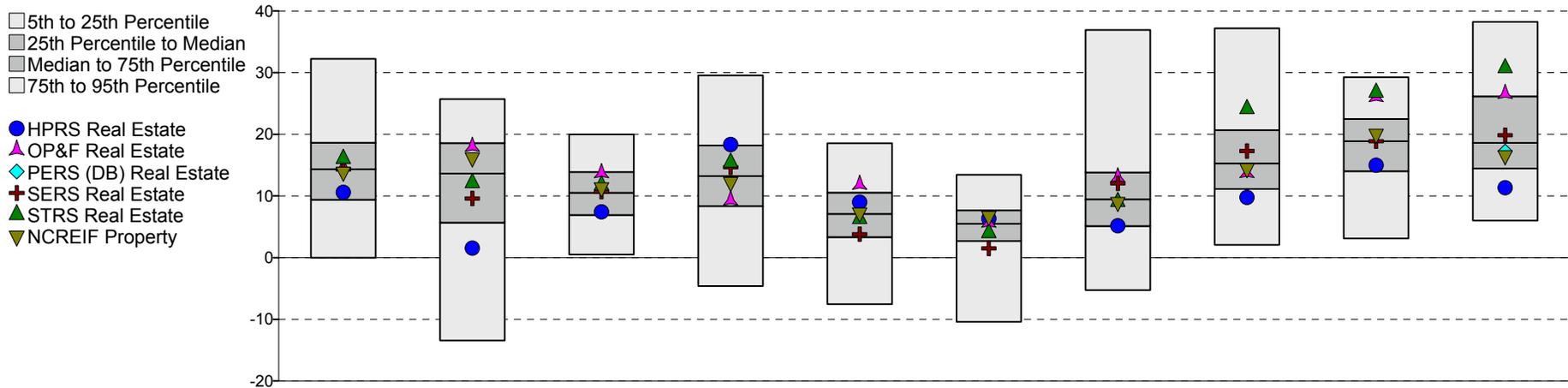
Percentile Rank

	One Quarter	Two Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
HPRS Real Estate	79	88	82	87	94	95	97	95	96	95	94	92
OP&F Real Estate	63	19	14	17	21	21	14	16	25	28	19	10
PERS (DB) Real Estate	24	38	24	NA								
SERS Real Estate	77	71	78	69	56	59	64	81	78	76	76	76
STRS Real Estate	63	67	9	7	12	12	13	16	24	21	17	11
NCREIF Property	41	50	52	64	70	72	77	73	69	71	65	64

The exhibit above, and on the next page, compare real estate results of the five funds to that of a broad real estate universe consisting of all of the real estate accounts in the Mellon Universe. Beginning January 1, 2006, PERS viewed REITS and private real estate as separate asset classes, therefore the prior return series is no longer being reported. For the ten-year period ending June 30, 2007, OP&F and STRS exceeded the median return to place in the 10th percentile and 11th percentile, respectively. SERS and HPRS rank in the bottom quartile. We have not included a risk/return analysis for real estate. While institutional investors in real property compute and report quarterly returns, these returns are based on appraisals and are not appropriately compared with other investments which actually trade on a daily basis. An annualized quarterly standard deviation of returns for real estate is, in our judgment, an insignificant number.

**Total Real Estate vs. Mellon All Real Estate Universe
Performance and Rank Data as of 06/29/07**

Calendar Year Performance



Return, %

	1/97 - 12/97	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06
HPRS Real Estate	10.59	1.55	7.43	18.35	9.00	6.35	5.17	9.78	14.99	11.34
OP&F Real Estate	14.84	18.02	13.72	9.30	11.84	5.70	13.06	13.74	26.07	26.58
PERS (DB) Real Estate	NA	17.23								
SERS Real Estate	14.33	9.60	10.70	14.65	3.79	1.49	12.05	17.28	18.87	19.84
STRS Real Estate	16.04	12.11	11.73	15.43	6.30	4.01	9.06	24.13	26.78	30.75
NCREIF Property	13.91	16.22	11.35	12.25	7.29	6.74	8.99	14.48	20.06	16.59
Universe(5%)	32.25	25.72	19.98	29.56	18.54	13.44	36.93	37.19	29.26	38.24
Universe(25%)	18.63	18.57	13.87	18.19	10.54	7.67	13.82	20.67	22.48	26.16
Universe(Median)	14.35	13.63	10.52	13.24	7.10	5.49	9.46	15.27	18.88	18.62
Universe(75%)	9.40	5.67	6.92	8.35	3.32	2.69	5.12	11.13	14.01	14.46
Universe(95%)	0.00	-13.42	0.50	-4.60	-7.55	-10.41	-5.26	2.08	3.10	6.01

Percentile Rank

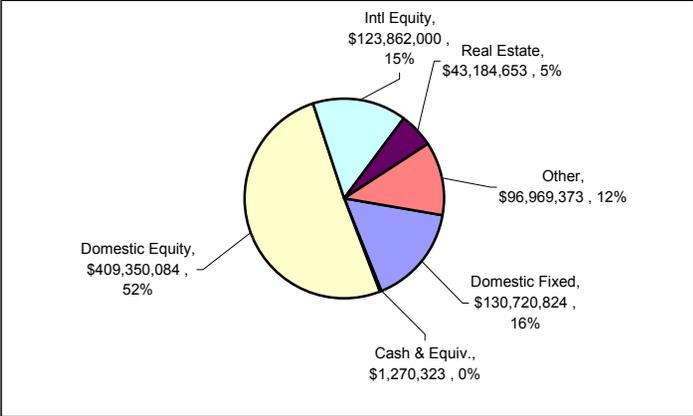
	1/97 - 12/97	1/98 - 12/98	1/99 - 12/99	1/00 - 12/00	1/01 - 12/01	1/02 - 12/02	1/03 - 12/03	1/04 - 12/04	1/05 - 12/05	1/06 - 12/06
HPRS Real Estate	70	82	72	24	33	39	75	82	70	83
OP&F Real Estate	46	30	26	73	17	46	27	61	11	24
PERS (DB) Real Estate	NA	58								
SERS Real Estate	52	66	49	40	69	81	30	39	50	44
STRS Real Estate	35	58	42	35	53	68	55	19	9	15
NCREIF Property	55	39	44	62	48	34	55	55	43	63

The graph above provides an analysis of the calendar year performance with twelve-month measurement periods ending December 31, 2006 within the Mellon All Real Estate Universe. In 2006, STRS and OP&F outpaced the median real estate return, which placed both plans in the top quartile of the universe. For the same time period, SERS also beat the median real estate return to place in the second quartile of the universe, while PERS and HPRS lagged the median return to rank in the third and fourth quartile, respectively, of the Mellon Universe.

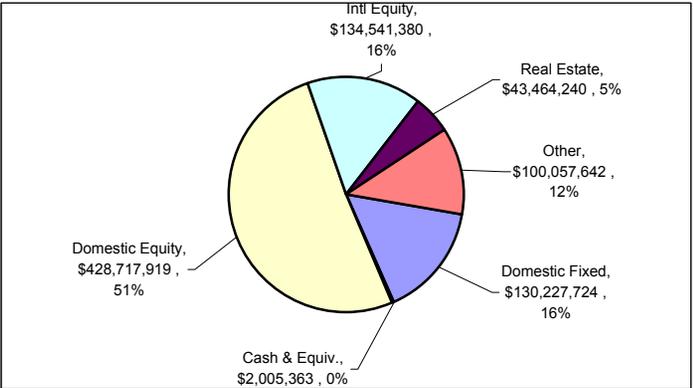
Highway Patrol Retirement System

**Asset Allocation
HPRS**

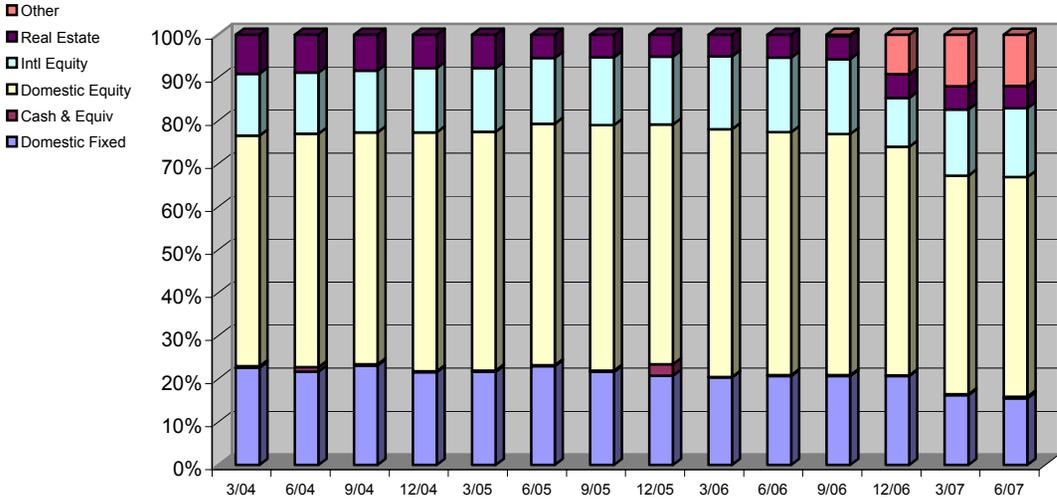
March 31, 2007 \$805,357,257



June 30, 2007 \$839,014,268



**Asset Allocation
HPRS**



	3/04	6/04	9/04	12/04	3/05	6/05	9/05	12/05	3/06	6/06	9/06	12/06	3/07	6/07
Domestic Fixed %	22.6	21.9	23.1	21.6	21.7	22.3	21.7	21.3	20.3	20.7	20.7	20.6	16.2	15.5
Cash & Equiv. %	0.3	0.2	0.3	0.2	0.3	2.7	0.1	0.2	0.2	0.2	0.2	0.4	0.2	0.3
Domestic Equity %	53.6	54.7	53.9	55.5	55.5	54.8	57.1	57.1	57.5	56.5	56.0	53.0	50.8	51.1
Intl Equity %	14.4	14.3	14.3	14.9	14.8	14.9	15.8	16.1	16.9	17.3	17.4	11.4	15.4	16.0
Real Estate %	9.1	8.9	8.4	7.8	7.8	5.3	5.3	5.3	5.1	5.4	5.4	5.5	5.4	5.2
Other %											0.3	9.1	12.0	11.9
Total Value (\$mil)	639.3	639.2	639.2	681.0	670.3	676.6	702.5	713.7	749.9	733.6	753.8	794.6	805.4	839.0

This is the first page devoted to the analysis of the Ohio Highway Patrol Retirement System's asset allocation. The chart on the left displays the fund's asset allocation over the first two quarters of 2007. The chart on the right tracks the quarterly asset allocation of the fund over the last fourteen quarters.

Highway Patrol Retirement System

Quarter Ending 6/30/2007

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

Label	Quarter Start	Quarter End	Percent	Description
Policy Index	Mar-07	Jun-07	32.0	Standard & Poors 500
			18.0	Russell 2500
			15.0	MSCI ACWI ex US
			5.0	NCREIF
			10.0	CPI + 5%
			5.0	HFRI Fund of Funds
			15.0	LB Aggregate

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

Highway Patrol Retirement System

Performance Overview

Returns for Period Ending June 30, 2007

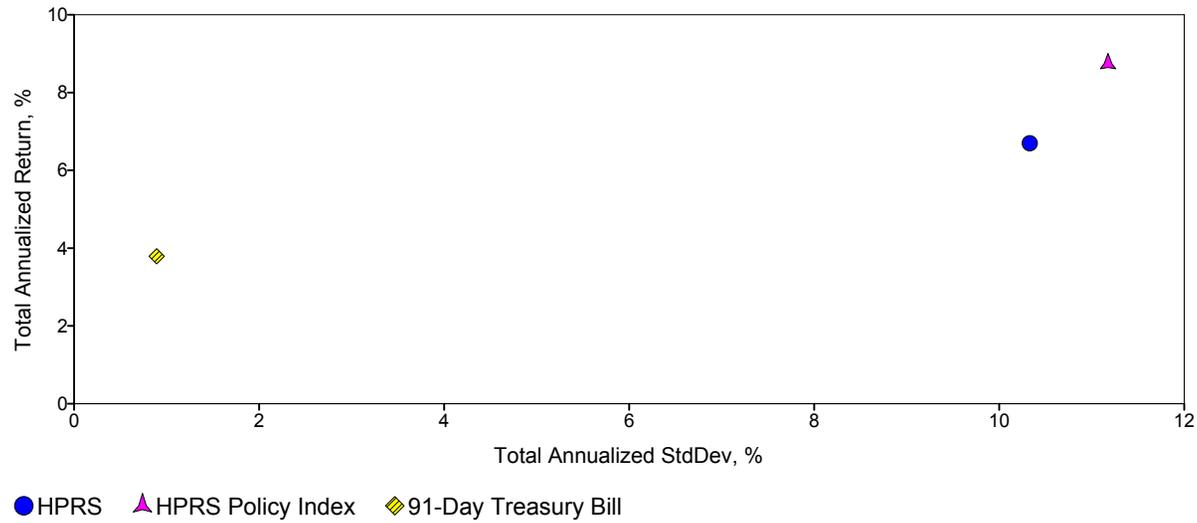
	<u>1 Qtr</u>	<u>2 Qtrs</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>	<u>10 Yrs</u>
Total Fund	5.03	7.34	17.89	12.52	11.76	6.70
Policy Index	4.81	7.21	17.96	12.85	11.74	8.74
Domestic Equity	6.65	9.02	20.76	13.44	13.48	5.02
Domestic Equity Segment Median	6.20	7.92	19.90	13.10	12.23	8.64
Wilshire 5000	6.07	7.56	20.47	12.74	11.97	7.71
International Equity	8.72	12.05	27.11	21.89	15.88	8.54
International Equity Segment Median	7.99	12.09	29.05	23.36	18.91	10.06
MSCI EAFE	6.40	10.74	27.00	22.24	17.73	7.66
Fixed Income	-0.33	1.67	7.49	5.68	5.96	6.80
Fixed Income Segment Median	-0.55	1.05	6.18	4.39	5.06	6.18
LB Aggregate	-0.52	0.98	6.12	3.98	4.48	6.02
Cash	1.54	2.88	5.53	4.41	3.17	4.07
Real Estate	0.60	0.28	11.79	10.56	8.54	8.90
NCREIF	4.59	8.38	17.24	17.98	14.39	13.05
Alternatives	2.78	5.00	NA	NA	NA	NA

Over the ten-year period as of June 30, 2007, the fund's total return is trailing the policy index by 2.04% annually. This is due to its domestic equity and real estate returns, which both lagged their respective benchmarks (Wilshire 5000 Index and NCREIF Index) by 269 and 415 basis points. The more recent one-year period shows that HPRS is slightly underperforming the policy index by 7 basis points.

**HPRS Total Fund Risk Analysis - Last 10 Years
Performance Overview
For Period Ending 06/29/07**

Performance vs. Risk

7/97 - 6/07



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
	Total	Total	Alpha, %	Sharpe Ratio
HPRS	6.70	10.33	3.31	0.31
HPRS Policy Index	8.74	11.18	5.33	0.47
91-Day Treasury Bill	3.79	0.89	0.00	NA

The graph above shows that on a risk-adjusted basis, HPRS has underperformed the return of its policy index for the ten-year period by 204 basis points.

Highway Patrol Retirement System

Asset Allocation Actual vs. Benchmark December 31, 2006

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	53.0%	32% S & P 500 / 16% Russell 2500	48.0%	5.0%
Fixed Income	20.6%	LB Aggregate	25.0%	-4.4%
Intl. Equity	11.4%	MSCI EAFE (Net)	15.0%	-3.6%
Real Estate	5.5%	NCREIF	12.0%	-6.5%
Alternative Investments	9.1%	5% HFRI FOF / 10% CPI + 5%	0.0%	9.1%
Short Term	0.4%	3 Month T-Bill	0.0%	0.4%

June 30, 2007

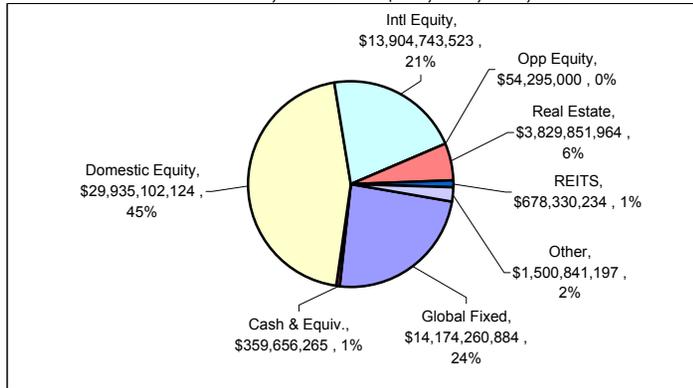
Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	51.1%	32% S & P 500 / 18% Russell 2500	50.0%	1.1%
Fixed Income	15.5%	LB Aggregate	15.0%	0.5%
Intl. Equity	16.0%	MSCI AC World Index ex US	15.0%	1.0%
Real Estate	5.2%	NCREIF	5.0%	0.2%
Alternative Investments	11.9%	5%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

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

Public Employees Retirement System

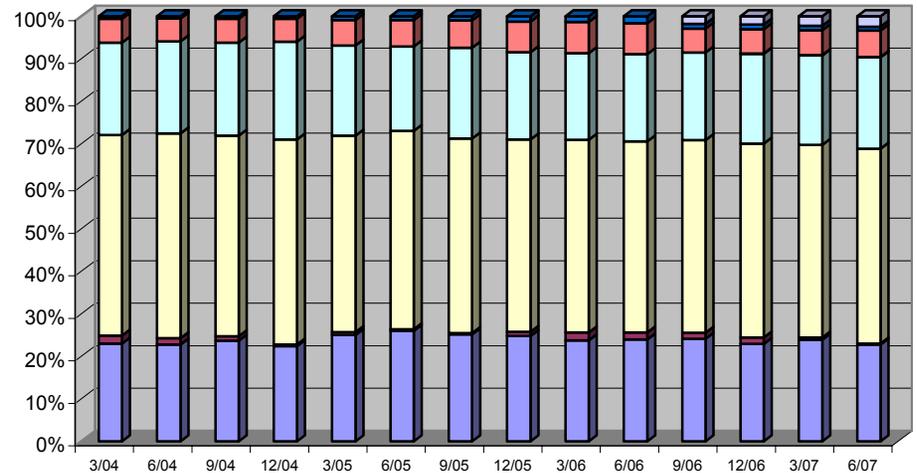
Asset Allocation PERS Defined Benefit Plan

March 31, 2007 \$66,015,839,087

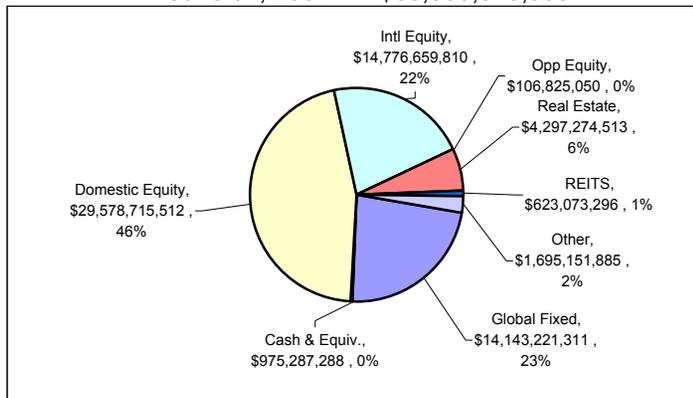


Asset Allocation PERS Defined Benefit Plan

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



June 31, 2007 \$68,860,319,939



	3/04	6/04	9/04	12/04	3/05	6/05	9/05	12/05	3/06	6/06	9/06	12/06	3/07	6/07
Global Fixed %	23.0	22.8	23.7	22.4	25.0	26.0	25.2	24.8	23.8	24.0	24.1	22.9	23.9	22.7
Cash & Equiv. %	1.9	1.5	1.0	0.4	0.7	0.4	0.3	1.0	1.8	1.7	1.4	1.5	0.5	0.2
Domestic Equity %	47.2	48.1	47.2	48.2	46.2	46.6	45.7	45.2	45.3	44.9	45.3	45.6	45.3	45.8
Intl Equity %	21.8	21.7	21.9	23.0	21.2	19.9	21.4	20.5	20.4	20.5	20.6	21.1	21.1	21.5
Opp Equity %	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.2
Real Estate %	4.5	4.4	4.5	4.3	5.4	5.5	5.7	6.6	6.3	6.2	5.6	5.7	5.8	6.2
REITS %	1.0	1.0	1.1	1.1	0.6	0.7	0.7	0.7	1.1	1.0	1.1	1.1	1.0	0.9
Other %	0.5	0.6	0.6	0.5	0.6	0.6	0.9	0.9	1.0	1.3	1.3	1.6	2.3	2.5
Total Value (\$bil)	53.7	58.6	60.4	60.0	59.8	64.6	52.8	53.7	55.7	57.2	59.7	59.0	66.0	68.9

Note: Defined benefit and health care plan assets were segregated in January 2005. An allocation of 22.73% to total fixed income consists of 16.95% (fixed income), 0.06% (stable value) and 5.72% (long duration) as of June 30, 2007.

This is the first page devoted to the analysis of the Ohio Public Employees Retirement System Defined Benefit Plan's asset allocation. The chart on the left displays the fund's asset allocation over the first two quarters of 2007. The chart on the right tracks the quarterly asset allocation of the fund over the last fourteen quarters.

Public Employees Retirement System

Defined Benefit Plan

Quarter Ending 6/30/2007

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

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

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

Public Employees Retirement System
Defined Benefit Plan
Quarter Ending 6/30/2007

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

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

Public Employees Retirement System
 Defined Benefit Plan
 Quarter Ending 6/30/2007

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

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

The current policy is located on the following page.

Public Employees Retirement System

Defined Benefit Plan

Quarter Ending 6/30/2007

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

Label	Quarter Start	Quarter End	Percent	Description	
Policy Index (cont.)	Mar-07	Jun-07	45.65	Russell 3000	
			25.20	LB Universal/LB Long G/C	
			20.00	MSCI AC World Ex-US (Net)	
			5.80	Real Estate	
			1.00	Wilshire Resi Full Cap	
			0.08	Russell 3000 + 3% (1 Qtr arrears)	
	2.27	LB Bellweather 3Mth T-Bill			

The current PERS policy index is listed in the table on the right. PERS instituted separate floating policy indexes for their defined benefit and health care plans in January 2005. Listed below are conditions that apply to the movement of the defined benefit policy index:

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

Public Employees Retirement System

Health Care Plan

Quarter Ending 6/30/2007

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

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

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

Public Employees Retirement System

Defined Benefit Plan - Performance Overview

Returns for Period Ending June 30, 2007

	<u>1 Qtr</u>	<u>2 Qtrs</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>	<u>10 Yrs</u>
Total Fund	4.80	7.11	18.74	13.68	12.27	8.18
Policy Index	4.30	6.49	17.95	13.12	11.77	8.53
Domestic Equity	5.80	7.07	19.61	12.36	11.57	7.22
Domestic Equity Segment Median	6.20	7.92	19.90	13.10	12.23	8.64
Wilshire 5000	6.07	7.56	20.47	12.74	11.97	7.71
International Equity	8.60	12.94	30.58	25.25	19.99	8.93
International Equity Segment Median	7.99	12.09	29.05	23.36	18.91	10.06
MSCI EAFE	6.40	10.74	27.00	22.24	17.73	7.66
Fixed Income	-0.20	1.50	7.25	5.21	5.74	6.52
Fixed Income Segment Median	-0.55	1.05	6.18	4.39	5.06	6.18
LB Aggregate	-0.52	0.98	6.12	3.98	4.48	6.02
Long Duration Fixed Income	-2.00	-1.61	N/A	N/A	N/A	N/A
LB Long-Term Gov't/Credit	-1.85	-0.88	6.99	5.36	6.55	7.36
Cash	1.30	2.62	5.41	4.06	2.94	3.96
Real Estate	5.60	9.51	21.41	NA	NA	NA
NCREIF	4.59	8.38	17.24	17.98	14.39	13.05
Public Real Estate	-9.90	-6.66	11.92	NA	NA	NA
Wilshire Resi Full Cap	-9.35	-5.98	11.72	NA	NA	NA
Alternatives	6.90	15.02	23.44	23.57	19.27	16.02

Over the past ten-year period, the PERS Defined Benefit Plan trailed its policy index by 35 basis points. Weaker relative performance in domestic equity attributed to the performance shortfall. For the more recent one-year period, the plan exceeded the policy benchmark by 79 basis points.

Public Employees Retirement System

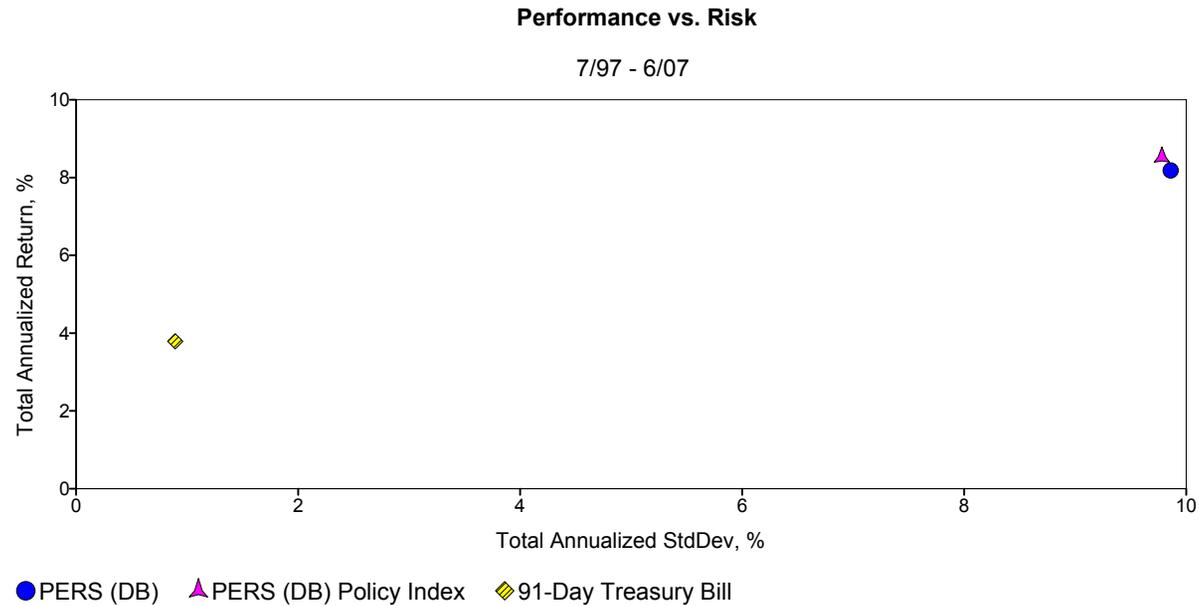
Health Care Plan - Performance Overview

Returns for Period Ending June 30, 2007

	<u>1 Qtr</u>	<u>2 Qtrs</u>	<u>1 Yr</u>
Total Fund	2.60	4.75	14.07
Policy Index	2.30	4.45	13.73
Domestic Equity	5.80	7.07	19.61
Domestic Equity Segment Median	6.20	7.92	19.90
Wilshire 5000	6.07	7.56	20.47
International Equity	8.60	12.84	30.58
International Equity Segment Median	7.99	12.09	29.05
MSCI EAFE	6.40	10.74	27.00
Fixed Income	-0.20	1.50	7.25
Fixed Income Segment Median	-0.55	1.05	6.18
LB Aggregate	-0.52	0.98	6.12
Cash	1.30	2.62	5.51
Public Real Estate	-9.90	-6.66	11.92
Wilshire Resi Full Cap	-9.35	-5.98	11.72
Treasury Inflation Protected Securities	-0.70	1.68	4.07
Lehman U.S. TIPS	-0.76	1.73	3.99
Short Duration	0.60	1.71	4.99
Lehman 1-3 Year Government	0.73	2.14	5.22

For the trailing one-year period, the PERS Health Care Plan outperformed its policy index by 34 basis points. Stronger relative performance in international equity, fixed income, REITS and TIPS were attributable to the relative outperformance versus the policy index.

PERS (DB) Total Fund Risk Analysis - Last 10 Years Performance Overview For Period Ending 06/29/07



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
	Total	Total	Alpha, %	Sharpe Ratio
PERS (DB)	8.18	9.86	4.67	0.47
PERS (DB) Policy Index	8.53	9.78	4.99	0.50
91-Day Treasury Bill	3.79	0.89	0.00	NA

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

Public Employees Retirement System

Defined Benefit Plan - Asset Allocation Actual vs. Benchmark December 31, 2006

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	45.6%	Russell 3000	45.2%	0.4%
Fixed Income	22.9%	Lehman Universal	25.4%	-2.5%
Intl. Equity	21.1%	MSCI AC World ex US	20.0%	1.1%
Opportunistic Equity	0.1%	--	0.0%	0.1%
Real Estate	5.7%	PERS Custom Index	5.6%	0.1%
REITS	1.1%	Wilshire Resi full cap	1.0%	0.1%
Alternative Investments	2.0%	Russell 3000 + 3% (1 Qtr arrears)	1.8%	0.2%
Short Term	1.5%	LB Bellweather 3 Month T-Bill	1.0%	0.5%

June 30, 2007

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	45.8%	Russell 3000	45.6%	0.2%
Fixed Income	22.7%	PERS Custom Index	25.2%	-2.5%
Intl. Equity	21.5%	MSCI AC World ex US	20.0%	1.5%
Opportunistic Equity	0.2%	--	0.1%	0.1%
Real Estate	6.2%	PERS Custom Index	5.8%	0.4%
REITS	0.9%	Wilshire Resi full cap	1.0%	-0.1%
Alternative Investments	2.5%	Russell 3000 + 3% (1 Qtr arrears)	2.3%	0.2%
Short Term	0.2%	LB Bellweather 3 Month T-Bill	0.0%	0.2%

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

Public Employees Retirement System

Health Care Plan - Asset Allocation

Actual vs. Benchmark

December 31, 2006

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	29.9%	Russell 3000	32.5%	-2.6%
Fixed Income	14.5%	Lehman Universal	16.0%	-1.5%
Intl. Equity	15.4%	MSCI AC World ex US	16.0%	-0.6%
REITS	5.2%	Wilshire Resi full cap	4.8%	0.4%
TIPS	19.2%	LB U.S. Tips	17.5%	1.7%
Short Duration Bonds	14.4%	LB 1-3 Yr Gov't	13.2%	1.2%
HC Cash	1.4%	91 Day T- Bill	0.0%	1.4%

June 30, 2007

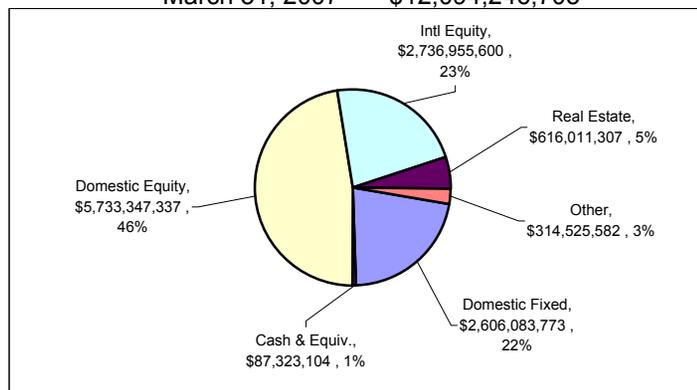
Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	29.9%	Russell 3000	30.0%	-0.1%
Fixed Income	14.3%	Lehman Universal	15.0%	-0.7%
Intl. Equity	16.5%	MSCI AC World ex US	15.0%	1.5%
REITS	4.1%	Wilshire Resi full cap	5.0%	-0.9%
TIPS	19.0%	LB U.S. Tips	20.0%	-1.0%
Short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

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

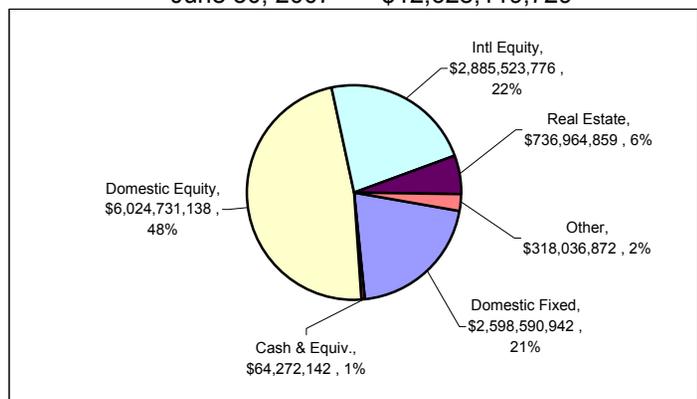
Police & Fire Pension Fund

Asset Allocation OP&F

March 31, 2007 \$12,094,246,703

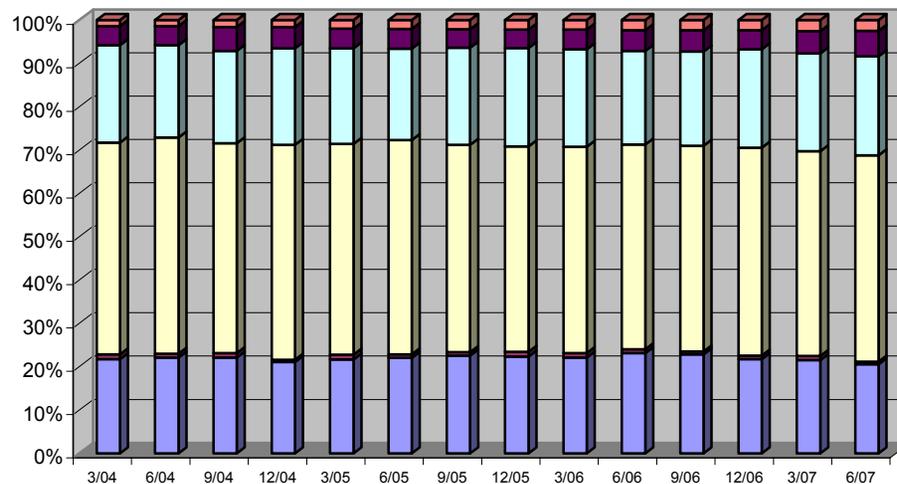


June 30, 2007 \$12,628,119,729



Asset Allocation OP&F

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



	3/04	6/04	9/04	12/04	3/05	6/05	9/05	12/05	3/06	6/06	9/06	12/06	3/07	6/07
Domestic Fixed %	21.8	22.2	22.1	21.0	21.8	21.9	22.5	22.4	22.2	23.2	22.8	21.8	21.6	20.6
Cash & Equiv. %	1.0	0.5	1.1	0.8	0.8	1.1	1.1	0.9	0.7	0.8	0.9	0.6	0.7	0.5
Domestic Equity %	49.0	50.1	48.4	49.5	48.8	49.4	47.7	47.6	47.8	47.3	47.3	48.1	47.9	47.7
Intl Equity %	22.6	21.4	21.3	22.2	22.1	21.0	22.3	22.8	22.5	21.6	21.7	22.7	22.6	22.9
Real Estate %	4.4	4.4	5.5	4.9	4.6	4.5	4.3	4.3	4.6	4.8	4.9	4.4	5.1	5.8
Other %	1.4	1.4	1.6	1.6	2.0	2.1	2.1	2.2	2.2	2.3	2.4	2.4	2.6	2.5
Total Value (\$bil)	8.0	8.7	9.0	8.9	9.0	9.7	9.7	9.8	10.2	10.4	10.9	10.8	12.1	12.6

This is the first page devoted to the analysis of the Ohio Police & Fire Pension Fund's asset allocation. The chart on the left displays the fund's asset allocation over the first two quarters of 2007. The chart on the right tracks the quarterly asset allocation of the fund over the last fourteen quarters.

Police & Fire Pension Fund

Quarter Ending 6/30/2007

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

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

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

Police & Fire Pension Fund

Quarter Ending 6/30/2007

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

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

Police & Fire Pension Fund

Performance Overview

Returns for Period Ending June 30, 2007

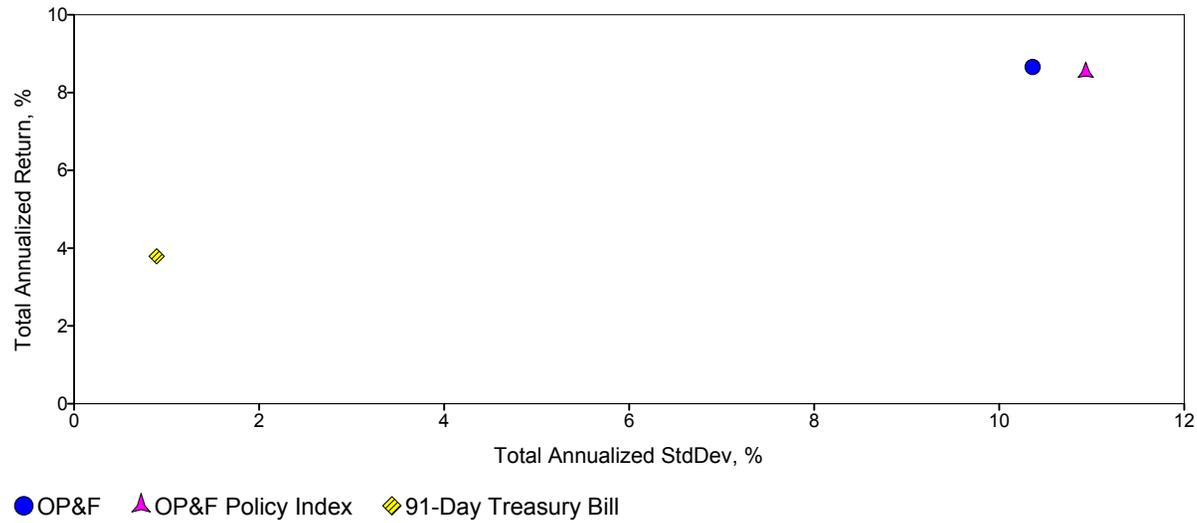
	<u>1 Qtr</u>	<u>2 Qtrs</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>	<u>10 Yrs</u>
Total Fund	5.34	8.48	19.77	14.39	12.80	8.66
Policy Index	4.80	7.25	18.76	13.82	12.62	8.52
Domestic Equity	5.84	8.23	20.14	13.02	11.53	7.95
Domestic Equity Segment Median	6.20	7.92	19.90	13.10	12.23	8.64
Wilshire 5000	6.07	7.56	20.47	12.74	11.97	7.71
International Equity	10.20	13.79	30.98	25.15	19.70	8.99
International Equity Segment Median	7.99	12.09	29.05	23.36	18.91	10.06
MSCI EAFE	6.40	10.74	27.00	22.24	17.73	7.66
Fixed Income	-0.19	1.61	7.13	5.79	6.64	7.16
Fixed Income Segment Median	-0.55	1.05	6.18	4.39	5.06	6.18
LB Aggregate	-0.52	0.98	6.12	3.98	4.48	6.02
Cash	1.28	2.57	5.20	3.77	2.75	3.84
Real Estate	2.57	12.97	24.05	23.83	19.39	15.65
NCREIF	4.59	8.38	17.24	17.98	14.39	13.05
Alternatives	2.59	15.18	22.94	19.96	6.88	7.94

For the trailing ten-year period, the fund outperformed its policy index by 14 basis points. Stronger relative performance in domestic equity, international equity, fixed income and real estate continued to contribute to overall performance. In addition, OP&F outperformed its policy index by 101 basis points for the more recent one-year period.

OP&F Total Fund Risk Analysis - Last 10 Years
 Performance Overview
 For Period Ending 06/29/07

Performance vs. Risk

7/97 - 6/07



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
	Total	Total	Alpha, %	Sharpe Ratio
OP&F	8.66	10.36	5.17	0.49
OP&F Policy Index	8.52	10.94	5.10	0.46
91-Day Treasury Bill	3.79	0.89	0.00	NA

The graph above shows that on a risk-adjusted basis, OP&F has outperformed the return of its policy index for the ten-year period by 14 basis points.

Police & Fire Pension Fund

Asset Allocation Actual vs. Benchmark December 31, 2006

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	48.1%	Wilshire 5000	46.0%	2.1%
Fixed Income	21.8%	Lehman Aggregate	23.0%	-1.2%
Intl. Equity Comp.	22.7%	MSCI ACWI ex-U.S. (Net)	20.0%	2.7%
Real Estate	4.4%	NCREIF	8.0%	-3.6%
Alternative Investments	2.4%	Wilshire 5000 Lagged + 5%	3.0%	-0.6%
Short Term	0.6%	3 Month T-Bill	0.0%	0.6%

June 30, 2007

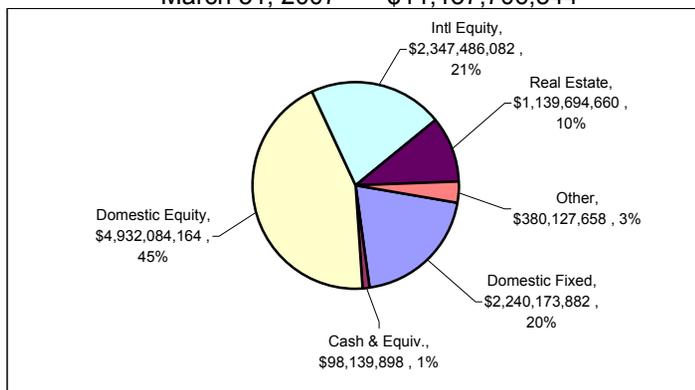
Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	47.7%	Wilshire 5000	46.0%	1.7%
Fixed Income	20.6%	Lehman Aggregate	23.0%	-2.4%
Intl. Equity Comp.	22.9%	MSCI ACWI ex- U.S. (Net)	20.0%	2.9%
Real Estate	5.8%	NCREIF	8.0%	-2.2%
Alternative Investments	2.5%	Wilshire 5000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

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

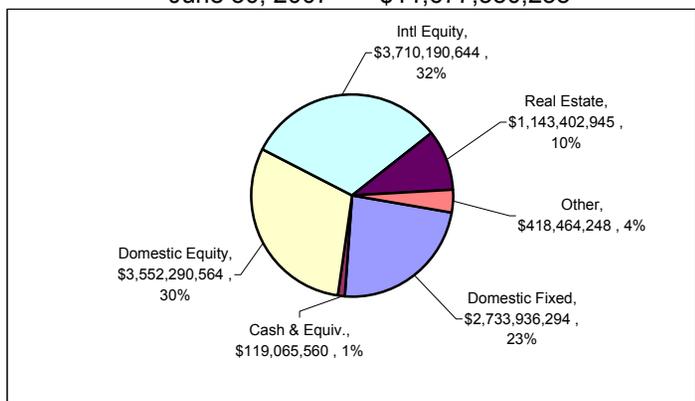
School Employees Retirement System

**Asset Allocation
SERS**

March 31, 2007 \$11,137,706,344

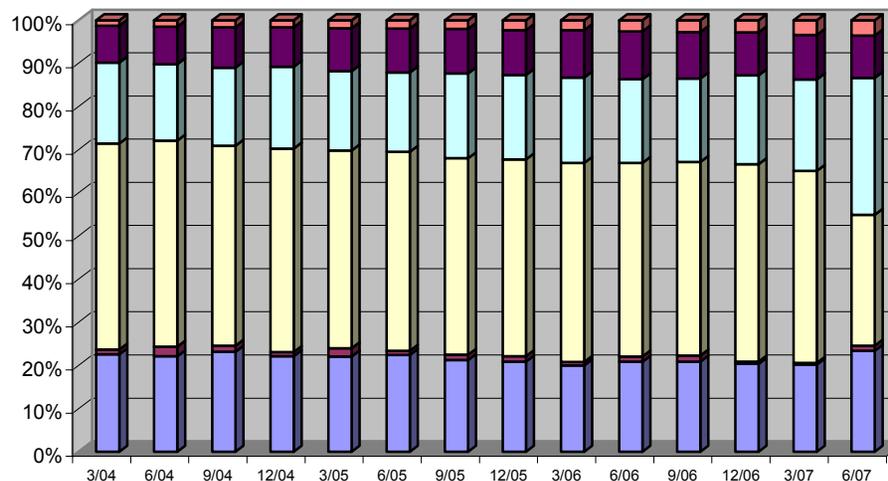


June 30, 2007 \$11,677,350,255



**Asset Allocation
SERS**

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



	3/04	6/04	9/04	12/04	3/05	6/05	9/05	12/05	3/06	6/06	9/06	12/06	3/07	6/07
Domestic Fixed %	22.5	22.4	23.0	22.2	22.2	22.4	21.3	20.9	19.9	21.0	21.1	20.2	20.1	23.4
Cash & Equiv. %	1.4	1.0	2.0	0.9	1.2	1.2	0.8	1.7	1.4	0.5	0.4	1.2	0.9	1.0
Domestic Equity %	47.6	48.3	46.1	47.1	46.1	46.0	45.7	45.1	45.8	45.2	45.3	45.5	44.3	30.4
Intl Equity %	18.7	18.0	18.0	19.0	18.5	18.3	19.8	19.5	19.7	19.5	19.5	20.4	21.1	31.8
Real Estate %	8.5	8.8	9.3	9.2	10.1	10.2	10.3	10.5	10.9	11.2	10.9	9.9	10.2	9.8
Other %	1.3	1.5	1.6	1.6	1.9	1.9	2.0	2.3	2.3	2.6	2.8	2.8	3.4	3.6
Total Value (\$bil)	8.3	8.3	8.3	8.9	8.8	9.0	9.4	9.6	10.1	10.0	10.3	10.9	11.1	11.7

This is the first page devoted to the analysis of the Ohio School Employees Retirement System's asset allocation. The chart on the left displays the fund's asset allocation over the first two quarters of 2007. The chart on the right tracks the quarterly asset allocation of the fund over the last fourteen quarters.

School Employees Retirement System

Quarter Ending 6/30/2007

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

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

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

School Employees Retirement System

Quarter Ending 6/30/2007

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

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

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

School Employees Retirement System

Performance Overview

Returns for Period Ending June 30, 2007

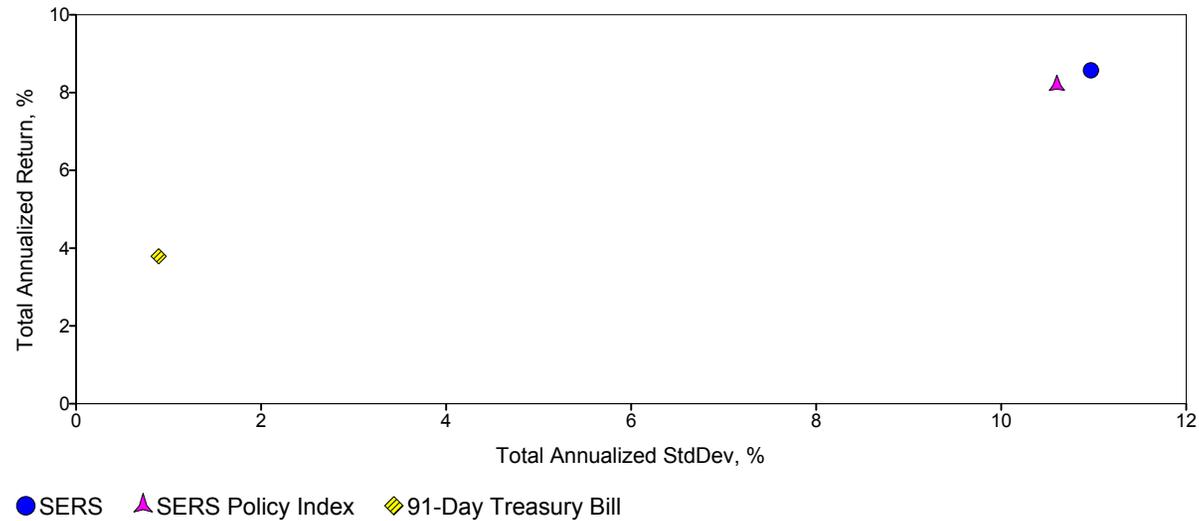
	<u>1 Qtr</u>	<u>2 Qtrs</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>	<u>10 Yrs</u>
Total Fund	5.23	8.05	19.25	14.25	12.09	8.57
Policy Index	4.52	6.84	18.01	13.04	11.28	8.19
Domestic Equity	5.80	7.29	18.81	12.16	11.40	7.55
Domestic Equity Segment Median	6.20	7.92	19.90	13.10	12.23	8.64
Wilshire 5000	6.07	7.56	20.47	12.74	11.97	7.71
International Equity	10.33	15.47	34.28	27.85	19.63	9.72
International Equity Segment Median	7.99	12.09	29.05	23.36	18.91	10.06
MSCI EAFE	6.40	10.74	27.00	22.24	17.73	7.66
Fixed Income	-0.52	1.05	6.61	4.60	5.20	6.55
Fixed Income Segment Median	-0.55	1.05	6.18	4.39	5.06	6.18
LB Aggregate	-0.52	0.98	6.12	3.98	4.48	6.02
Cash	1.39	2.73	5.51	4.08	2.88	4.21
Real Estate	0.86	5.79	14.29	19.04	15.06	12.00
NCREIF	4.59	8.38	17.24	17.98	14.39	13.05
Alternatives	8.47	15.03	22.51	17.60	7.68	9.23

For the trailing ten-year period, the fund exceeded its policy index by 38 basis points, which is due to stronger relative performance in international equity and fixed income. The more recent one-year period shows that the fund outperformed its policy index by 124 basis points.

SERS Total Fund Risk Analysis - Last 10 Years Performance Overview For Period Ending 06/29/07

Performance vs. Risk

7/97 - 6/07



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
			Alpha, %	Sharpe Ratio
	Total	Total		
SERS	8.57	10.97	5.15	0.47
SERS Policy Index	8.19	10.60	4.75	0.44
91-Day Treasury Bill	3.79	0.89	0.00	NA

The graph above shows that on a risk-adjusted basis, SERS has outperformed the return of its policy index for the ten-year period by 38 basis points.

School Employees Retirement System

Asset Allocation Actual vs. Benchmark December 31, 2006

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	45.5%	Russell 3000	46.0%	-0.5%
Fixed Income	20.2%	LB Aggregate	23.0%	-2.8%
Intl. Equity	20.4%	MSCI ACWI ex US (Developed - 50% Hdg)	16.0%	4.4%
Real Estate	9.9%	Custom RE (1 Qtr arrears)	10.0%	-0.1%
Alternative Investments	2.8%	S&P 500 (1 Qtr arrears) + 3%	3.0%	-0.2%
Short Term	1.2%	Citigroup 30 Day T-Bill	2.0%	-0.8%

June 30, 2007

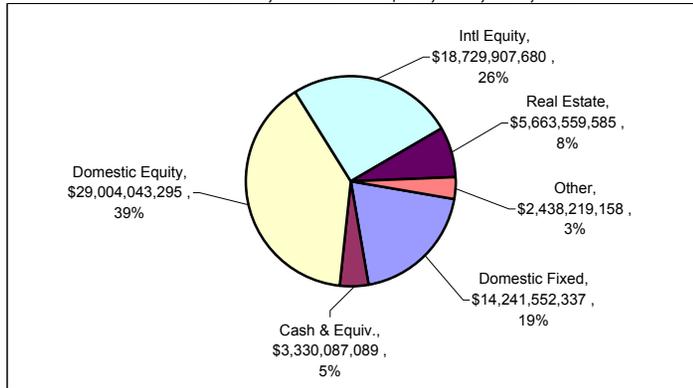
Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	30.4%	Russell 3000	29.0%	1.4%
Fixed Income	23.4%	LB Aggregate	24.0%	-0.6%
Intl. Equity	31.8%	MSCI ACWI ex US (Developed - 50% Hdg)	29.0%	2.8%
Real Estate	9.8%	Custom RE (1 Qtr arrears)	10.0%	-0.2%
Alternative Investments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

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

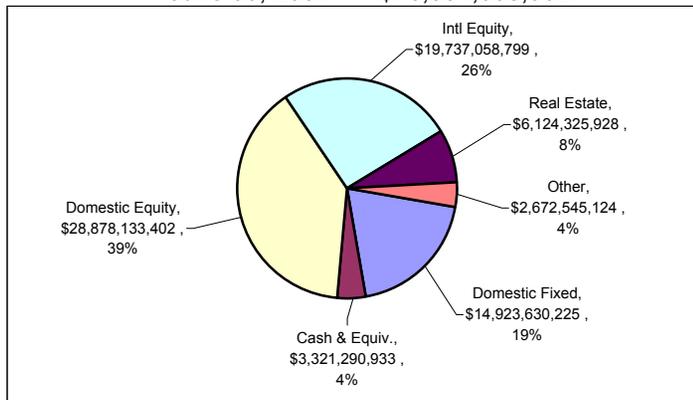
State Teachers Retirement System

Asset Allocation

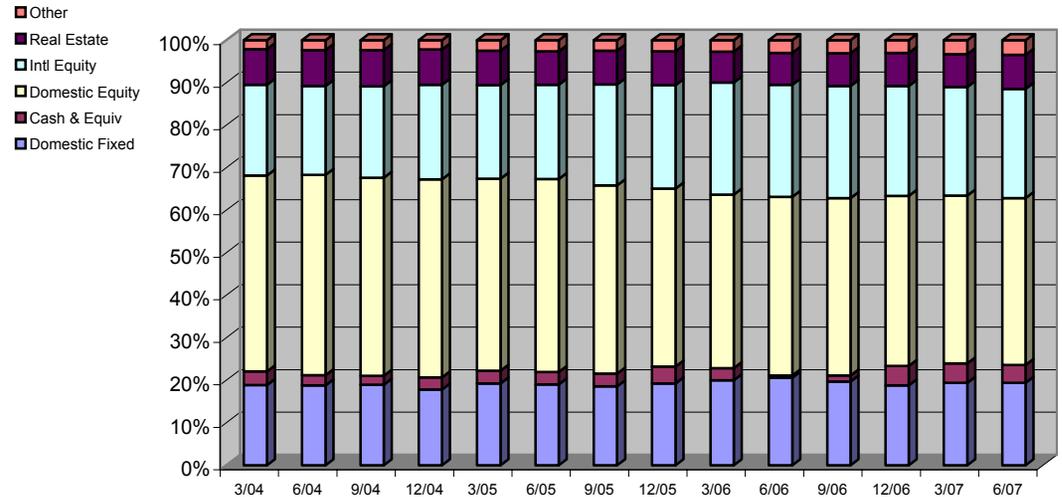
March 31, 2007 \$73,407,369,144



June 30, 2007 \$76,854,605,962



Asset Allocation



	3/04	6/04	9/04	12/04	3/05	6/05	9/05	12/05	3/06	6/06	9/06	12/06	3/07	6/07
Domestic Fixed %	18.9	18.8	19.0	17.8	19.2	19.0	18.6	19.2	20.0	20.6	19.7	18.8	19.4	19.4
Cash & Equiv. %	3.2	2.4	2.1	2.9	3.0	3.0	3.0	4.0	2.8	0.5	1.4	4.5	4.6	4.2
Domestic Equity %	46.1	47.2	46.6	46.7	45.1	45.4	44.3	41.9	40.8	42.0	41.7	40.0	39.5	39.2
Intl Equity %	21.3	20.9	21.5	22.3	22.0	22.1	23.7	24.3	26.4	26.4	26.4	25.9	25.5	25.7
Real Estate %	8.4	8.5	8.5	8.3	8.1	7.9	8.0	8.0	7.3	7.5	7.7	7.8	7.7	8.0
Other %	2.1	2.3	2.3	2.2	2.5	2.6	2.5	2.6	2.7	3.0	3.1	3.0	3.3	3.5
Total Value (\$bil)	48.5	52.8	54.4	54.3	54.2	58.2	57.9	59.1	62.0	63.5	66.5	65.4	73.4	76.9

This is the first page devoted to the analysis of the Ohio State Teachers Retirement System's asset allocation. The chart on the left displays the fund's asset allocation over the first two quarters of 2007. The chart on the right tracks the quarterly asset allocation of the fund over the last fourteen quarters.

State Teachers Retirement System

Quarter Ending 6/30/2007

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

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

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

State Teachers Retirement System

Quarter Ending 6/30/2007

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

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

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

State Teachers Retirement System

Performance Overview

Returns for Period Ending June 30, 2007

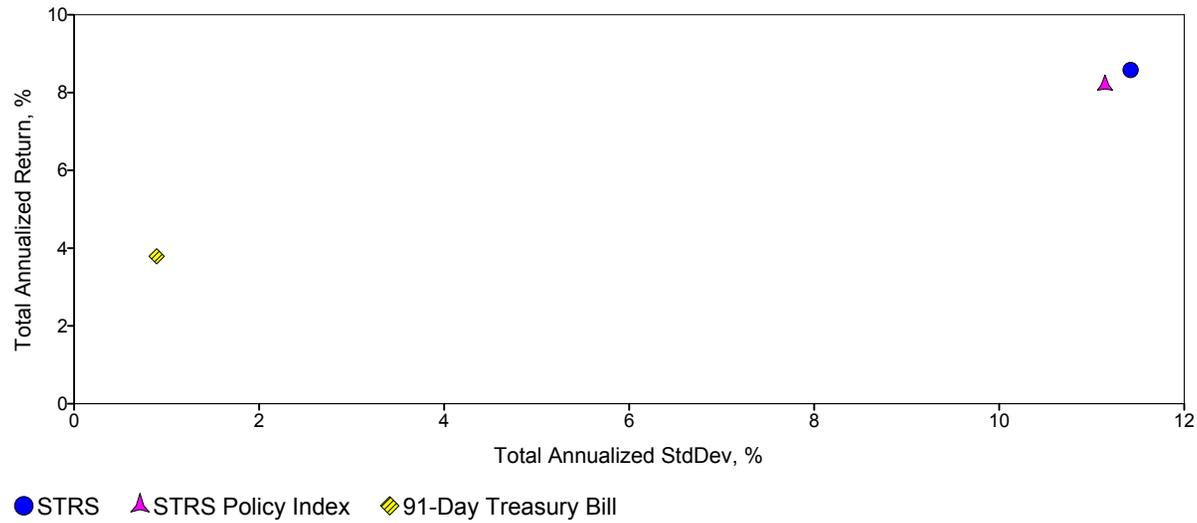
	<u>1 Qtr</u>	<u>2 Qtrs</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>	<u>10 Yrs</u>
Total Fund	5.29	7.73	20.72	15.51	13.17	8.58
Policy Index	4.99	7.46	19.48	14.33	12.16	8.19
Domestic Equity	6.49	7.68	21.24	12.98	11.65	7.16
Domestic Equity Segment Median	6.20	7.92	19.90	13.10	12.23	8.64
Wilshire 5000	6.07	7.56	20.47	12.74	11.97	7.71
International Equity	8.78	12.65	30.79	27.30	20.50	8.98
International Equity Segment Median	7.99	12.09	29.05	23.36	18.91	10.06
MSCI EAFE	6.40	10.74	27.00	22.24	17.73	7.66
Fixed Income	-0.34	1.35	7.14	4.83	5.73	6.95
Fixed Income Segment Median	-0.55	1.05	6.18	4.39	5.06	6.18
LB Aggregate	-0.52	0.98	6.12	3.98	4.48	6.02
Cash	1.31	2.64	5.34	3.91	2.84	3.96
Real Estate	2.50	6.56	26.71	25.19	19.65	15.56
NCREIF	4.59	8.38	17.24	17.98	14.39	13.05
Alternatives	10.20	19.75	26.97	21.87	13.63	7.07

Over the trailing ten-year period, the fund outperformed its policy index by 39 basis points. Strong relative outperformance in international equity, fixed income and real estate contributed to overall returns. Over the more recent one-year period, the fund exceeded its policy index by a larger margin, outpacing the policy benchmark by 124 basis points.

STRS Total Fund Risk Analysis - Last 10 Years
Performance Overview
For Period Ending 06/29/07

Performance vs. Risk

7/97 - 6/07



	Annualized Return, %	Annualized StdDev, %	MPT Statistics	
	Total	Total	Alpha, %	Sharpe Ratio
STRS	8.58	11.42	5.21	0.45
STRS Policy Index	8.19	11.14	4.81	0.43
91-Day Treasury Bill	3.79	0.89	0.00	NA

The graph above shows that on a risk-adjusted basis, STRS has outperformed the return of its policy index for the ten-year period by 39 basis points.

State Teachers Retirement System

Asset Allocation Actual vs. Benchmark December 31, 2006

Asset Class	Asset Allocation	Benchmark	Benchmark Weighting	Difference
Domestic Equity	40.0%	Russell 3000	42.0%	-2.0%
Fixed Income	18.8%	Lehman Universal	20.5%	-1.7%
Intl. Equity	25.9%	Intl. Hybrid Benchmark	25.0%	0.9%
Real Estate	7.8%	NCREIF Hybrid	9.5%	-1.7%
Alternative Investments	3.0%	Alt. Inv. Actual Return	3.0%	0.0%
Short Term	4.5%	3 Month T-Bill	0.0%	4.5%

June 30, 2007

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

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

Appendix 1.1 - Ohio Retirement Systems Asset Allocation Comparison Analysis

Comparison of Asset Allocation versus Mellon All Public Total Fund Universe

	U.S. Equity	Fixed Income	Non-U.S. Equity	Private / Public Real Estate	Alternatives	Cash
PERS (DB) - ACTUAL	45.79%	22.73%	21.46%	7.14%	2.46%	0.26%
PERS (DB) - TARGET	45.65%	25.20%	20.00%	5.80%	2.27%	0.00%
STRS - ACTUAL	39.24%	19.42%	25.68%	7.97%	3.48%	4.21%
STRS - TARGET	42.00%	20.50%	25.00%	9.50%	3.00%	0.00%
OP&F - ACTUAL	47.70%	20.58%	22.85%	5.84%	2.52%	0.51%
OP&F - TARGET	46.00%	23.00%	20.00%	8.00%	3.00%	0.00%
SERS - ACTUAL	30.43%	23.41%	31.79%	9.79%	3.58%	1.00%
SERS - TARGET	29.00%	24.00%	29.00%	10.00%	7.00%	1.00%
HPRS - ACTUAL	51.09%	15.52%	16.04%	5.18%	11.93%	0.24%
HPRS - TARGET	50.00%	15.00%	15.00%	5.00%	15.00%	0.00%
Maximum	58.67%	81.13%	31.46%	9.44%	19.02%	6.55%
5th	53.38%	45.22%	30.33%	9.32%	12.24%	6.12%
25th	49.63%	32.15%	23.16%	7.17%	8.73%	4.86%
Median	40.58%	26.52%	21.09%	5.40%	6.30%	3.72%
75th	33.79%	21.06%	17.90%	3.82%	4.08%	1.71%
95th	26.94%	14.53%	12.49%	0.00%	2.67%	0.00%
Minimum	20.06%	12.94%	5.30%	0.00%	1.66%	0.00%

Note:

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

Forty-four institutions represented the universe run.

PERS (DB) fixed income allocation is comprised of 16.95% in fixed income, 0.06% in stable value and 5.72% in long duration fixed income. The real estate allocation is comprised of 6.24% private real estate and 0.90% REITS.

Additionally, an allocation of 0.16% to opportunistic equity was not included. The target allocation does not include an allocation of 0.08% to opportunistic equity.

Source: Mellon Trust Universe Quarter Ended June 30, 2007

Appendix 1.2 - Ohio Retirement Systems Asset Allocation Comparison Analysis

Comparison of Asset Allocation versus Mellon Billion Dollar Public Fund Universe

	U.S. Equity	Fixed Income	Non-U.S. Equity	Private / Public Real Estate	Alternatives	Cash
PERS (DB) - ACTUAL	45.79%	22.73%	21.46%	7.14%	2.46%	0.26%
PERS (DB) - TARGET	45.65%	25.20%	20.00%	5.80%	2.27%	0.00%
STRS - ACTUAL	39.24%	19.42%	25.68%	7.97%	3.48%	4.21%
STRS - TARGET	42.00%	20.50%	25.00%	9.50%	3.00%	0.00%
OP&F - ACTUAL	47.70%	20.58%	22.85%	5.84%	2.52%	0.51%
OP&F - TARGET	46.00%	23.00%	20.00%	8.00%	3.00%	0.00%
SERS - ACTUAL	30.43%	23.41%	31.79%	9.79%	3.58%	1.00%
SERS - TARGET	29.00%	24.00%	29.00%	10.00%	7.00%	1.00%
HPRS - ACTUAL	51.09%	15.52%	16.04%	5.18%	11.93%	0.24%
HPRS - TARGET	50.00%	15.00%	15.00%	5.00%	15.00%	0.00%
Maximum	5.67%	81.13%	31.46%	9.28%	19.02%	8.15%
5th	54.80%	46.00%	29.62%	8.38%	13.33%	7.75%
25th	45.26%	31.19%	23.24%	6.98%	7.26%	6.07%
Median	38.73%	25.59%	21.22%	5.40%	5.71%	4.17%
75th	33.42%	19.28%	18.52%	3.82%	4.08%	2.71%
95th	25.73%	13.78%	15.46%	0.00%	3.28%	0.67%
Minimum	20.06%	12.94%	13.84%	0.00%	2.85%	0.00%

Note:

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

Thirty-six institutions represented the universe run.

HPRS total assets for period ended June 30, 2007 was \$839,014,268.

PERS (DB) fixed income allocation is comprised of 22.83% in fixed income and 0.07% in stable value. The real estate allocation is comprised of 5.67% private real estate and 1.10% REITS.

Additionally, an allocation of 0.16% to opportunistic equity was not included. The target allocation does not include an allocation of 0.08% to opportunistic equity.

Source: Mellon Trust Universe Quarter Ended June 30, 2007

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