

## Capital Markets Review As of March 31, 2009

### Capital Markets Review

#### First Quarter Economic Environment

The first quarter of 2009 began where 2008 ended, with returns of most asset classes down significantly. March saw most asset classes rebound impressively from depressed valuations, and witnessed the sixth best S&P 500 monthly return and fourth best MSCI Emerging Markets return in the last 20 years. With the Federal Funds Rate already at a range of 0.00% to 0.25%, the U.S. Federal Reserve made no changes to the key rate during the first quarter, although global central banks lowered their target short-term rates. In an effort to contain the fallout of the credit crisis into the economy, the U.S. Government passed an \$800 billion stimulus package.

The U.S. seasonally adjusted unemployment rate increased to 8.5% during the first quarter from 7.2% at the end of the fourth quarter, and from 4.9% from the beginning of 2008. March's unemployment rate represents the highest level in over a quarter of a century, the previous high of 8.8% having been reached in October 1983. Although crude oil prices remained well below July 2008's record high of \$146 per barrel, they ended the quarter up over 10% at just under \$50 per barrel. Even given the first quarter increase, prices have fallen over 60% from the recent high. With declining oil prices serving to curtail inflation, the Consumer Price Index rose moderately during the first quarter by 1.2% but has fallen 0.4% over the last 12 months, the largest 12-month drop since 1955. Measured against a weighted-average basket of 16 currencies, the U.S. Dollar closed the quarter up 4% and gained 5% against the Euro. The U.S. economy officially entered, in late 2007, a recession that has persisted through the end of the first quarter 2009.

#### First Quarter Equities

Information Technology was the only sector in the S&P 500 to post a positive return during the first quarter. The Financial sector was the worst-performing sector during the quarter as well as for the one-, three-, and five-year trailing periods. Growth stocks significantly outperformed their value counterparts and large capitalization stocks outperformed smaller stocks during the quarter. Internationally, no sector, measured by the MSCI All Country World Ex US, has posted a positive return over the trailing three-year period. The Telecommunication Services, Materials, and Energy sectors all posted strong relative performance compared to the other sectors during the first quarter, with Financials and Utilities posting relatively weak returns. Emerging markets was one of the few asset classes during the quarter to post a positive return after having the worst returns of the major asset classes during 2008.

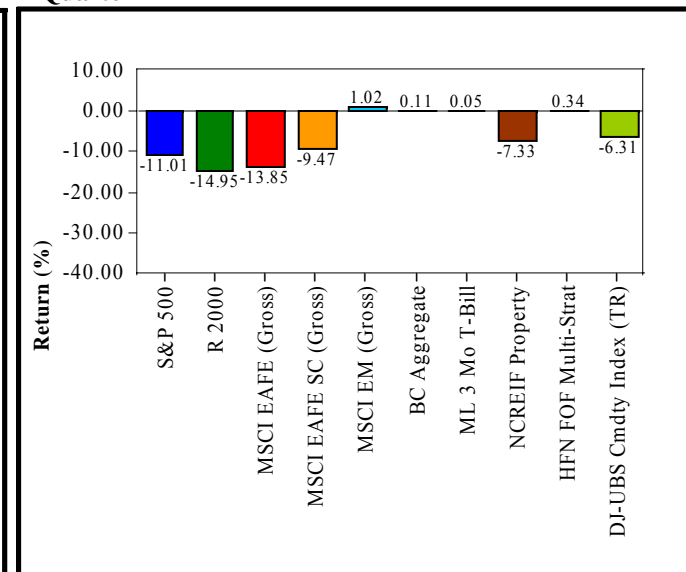
#### First Quarter Fixed Income

After struggling in 2008, the High Yield sector showed the strongest performance of the major fixed income sectors during the first quarter. The Barclays Capital Aggregate Bond Index was led by Asset Backed Securities but only posted slim gains because of the struggles by Long Corporates and Treasuries. The Treasury yield curve increased by between 10 and 90 basis points over all maturity ranges during the quarter.

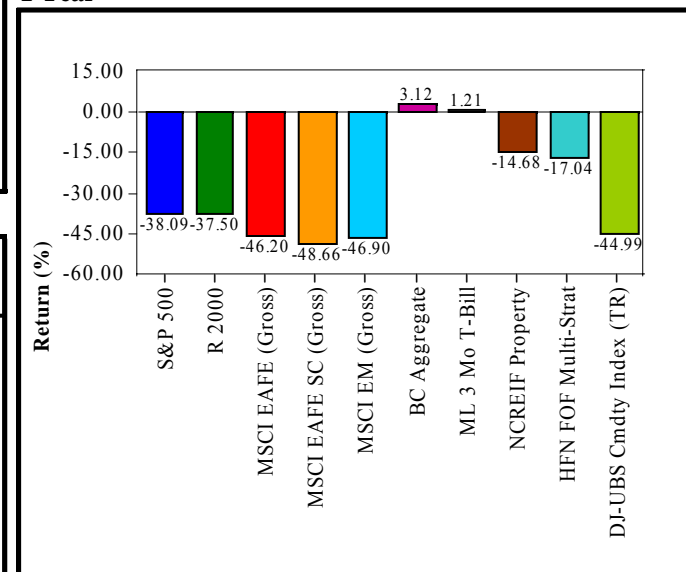
### Trailing-Period Performance

	1 Month Ending Jan-2009	1 Month Ending Feb-2009	1 Month	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
S&P 500	-8.43	-10.65	8.76	-11.01	-11.01	-38.09	-13.06	-4.76	-3.00
R 2000	-11.12	-12.15	8.93	-14.95	-14.95	-37.50	-16.80	-5.24	1.93
MSCI EAFE (Gross)	-9.80	-10.23	6.39	-13.85	-13.85	-46.20	-14.07	-1.75	-0.47
MSCI EAFE SC (Gross)	-6.40	-9.25	6.56	-9.47	-9.47	-48.66	-19.06	-2.82	3.34
MSCI EM (Gross)	-6.42	-5.62	14.38	1.02	1.02	-46.90	-7.88	6.25	8.15
BC Aggregate	-0.88	-0.38	1.39	0.11	0.11	3.12	5.78	4.13	5.70
ML 3 Mo T-Bill	-0.01	0.02	0.04	0.05	0.05	1.21	3.63	3.21	3.35
NCREIF Property	N/A	N/A	N/A	-7.33	-7.33	-14.68	4.15	9.43	9.36
HFN FOF Multi-Strat	0.51	-0.31	0.14	0.34	0.34	-17.04	-2.83	1.27	6.24
DJ-UBS Cmdbty Index (TR)	-5.38	-4.43	3.60	-6.31	-6.31	-44.99	-9.84	-3.25	6.36

### 1 Quarter



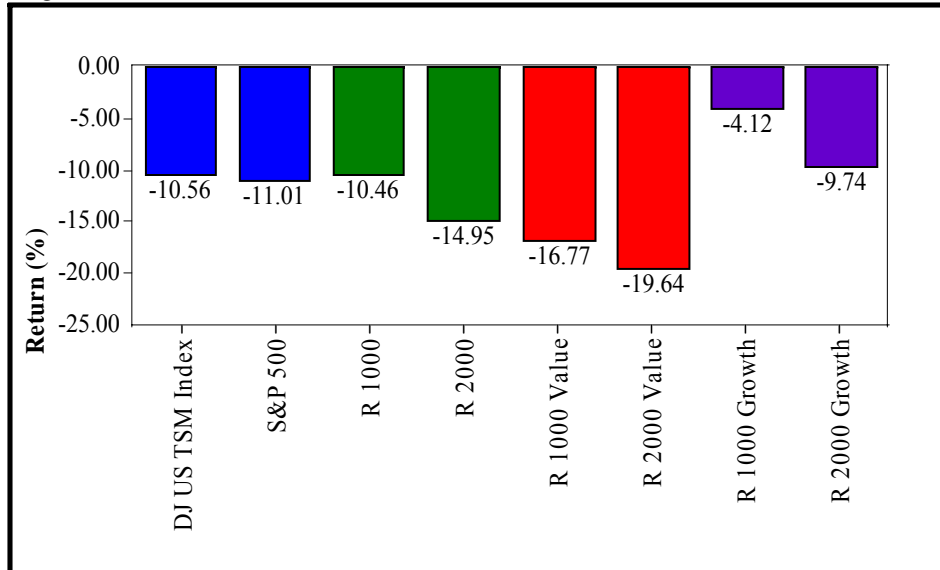
### 1 Year



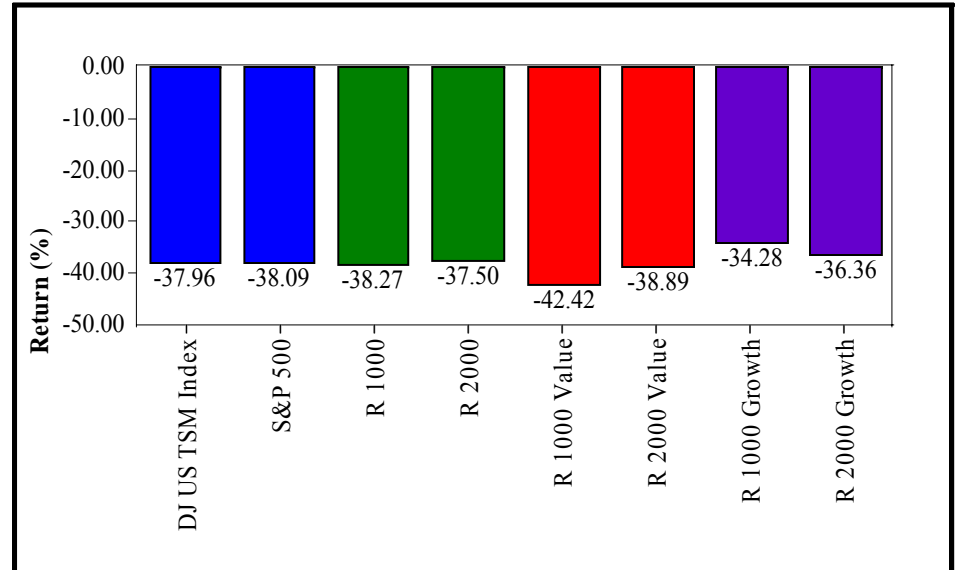
Performance is annualized for periods greater than one year.

**Domestic Equity Market Performance  
As of March 31, 2009**

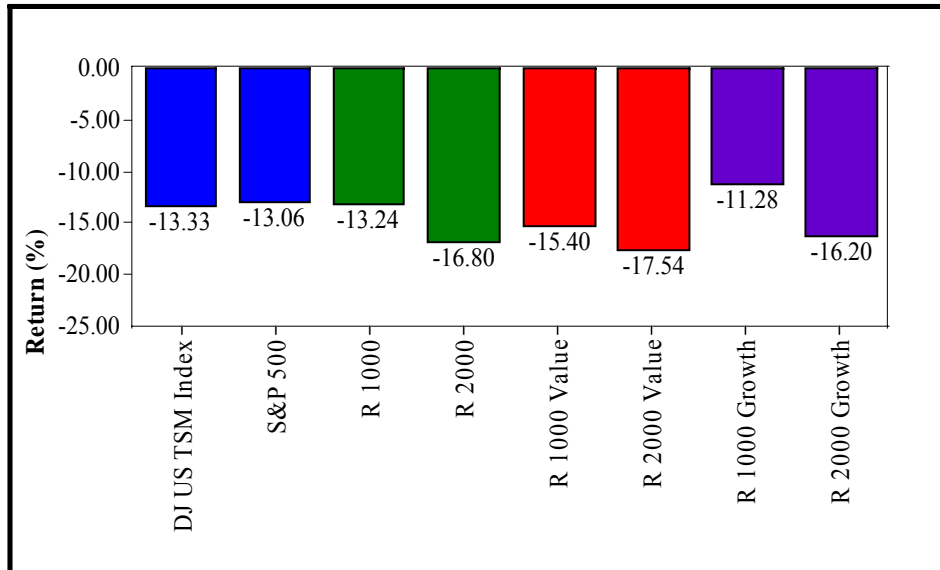
**1 Quarter**



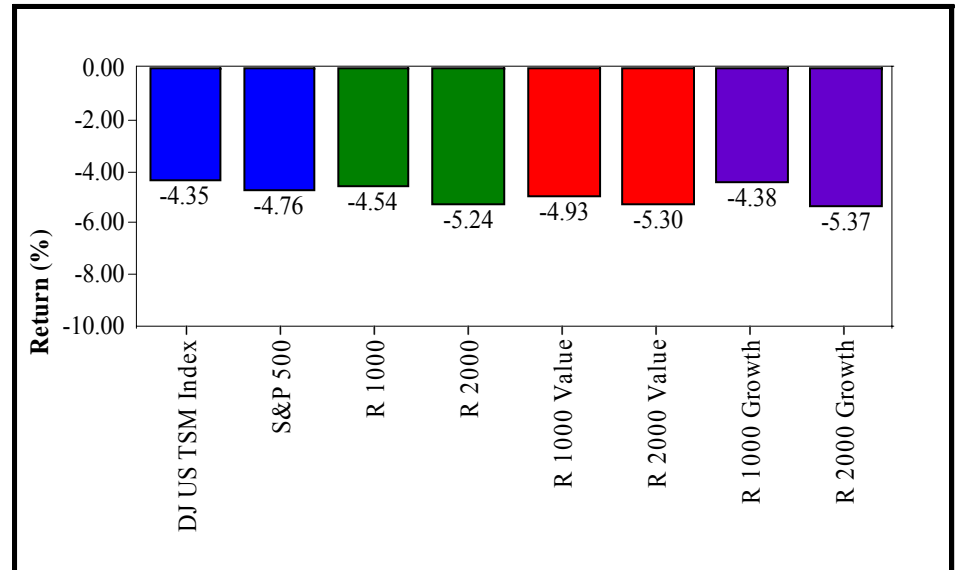
**1 Year**



**3 Years**



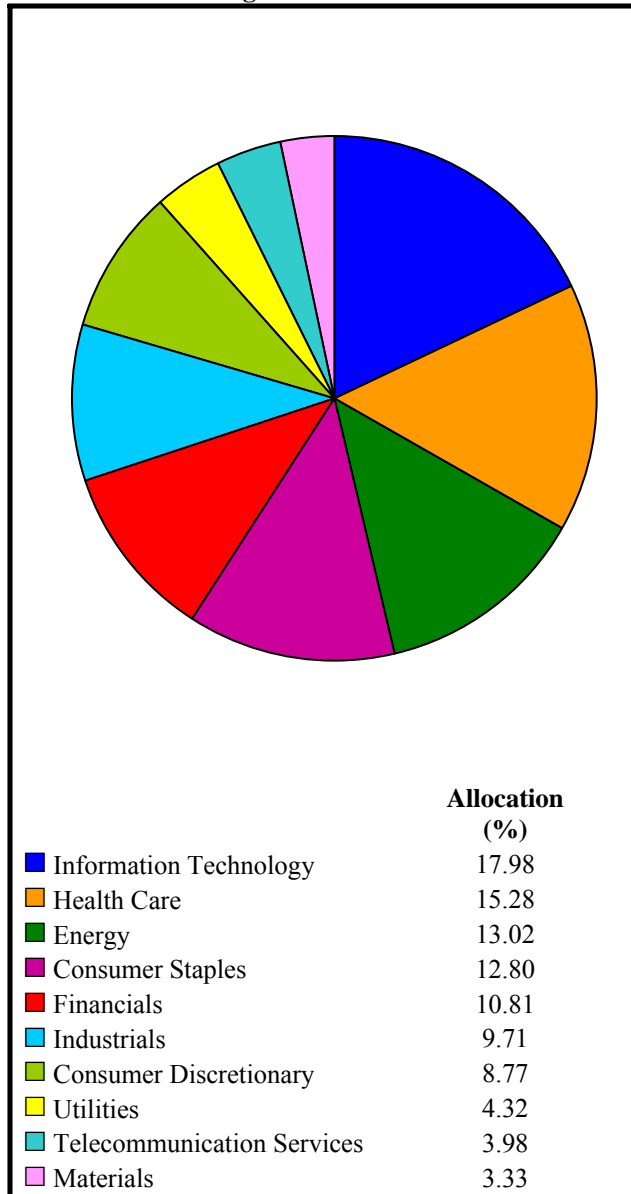
**5 Years**



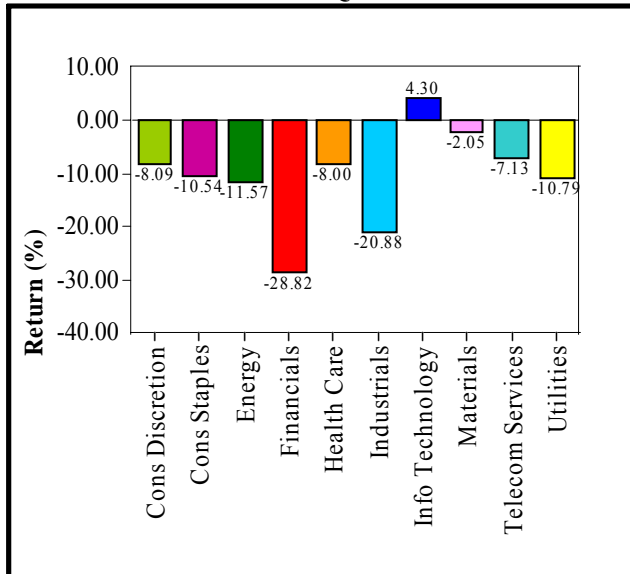
Performance is annualized for periods greater than one year.

## Domestic Equity Sector Weights and Returns As of March 31, 2009

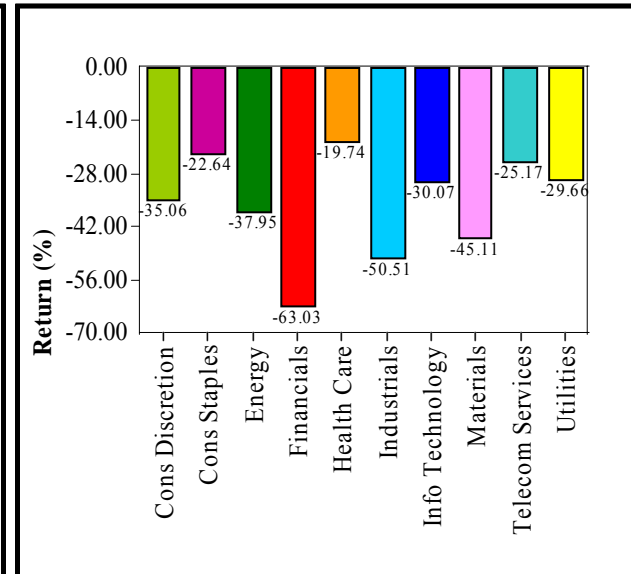
**S&P 500 Sector Weights**



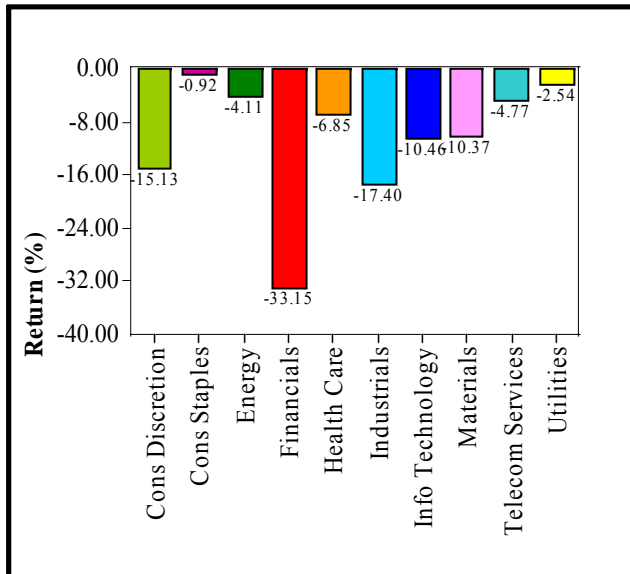
**S&P 500 Sector Returns - 1 Quarter**



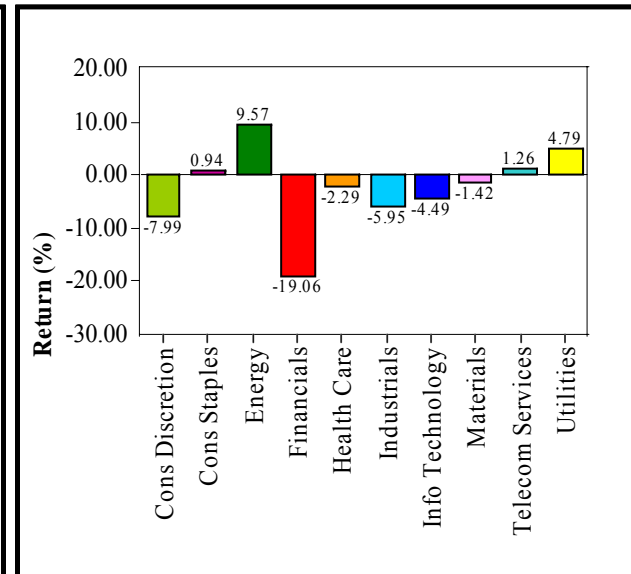
**S&P 500 Sector Returns - 1 Year**



**S&P 500 Sector Returns - 3 Years**



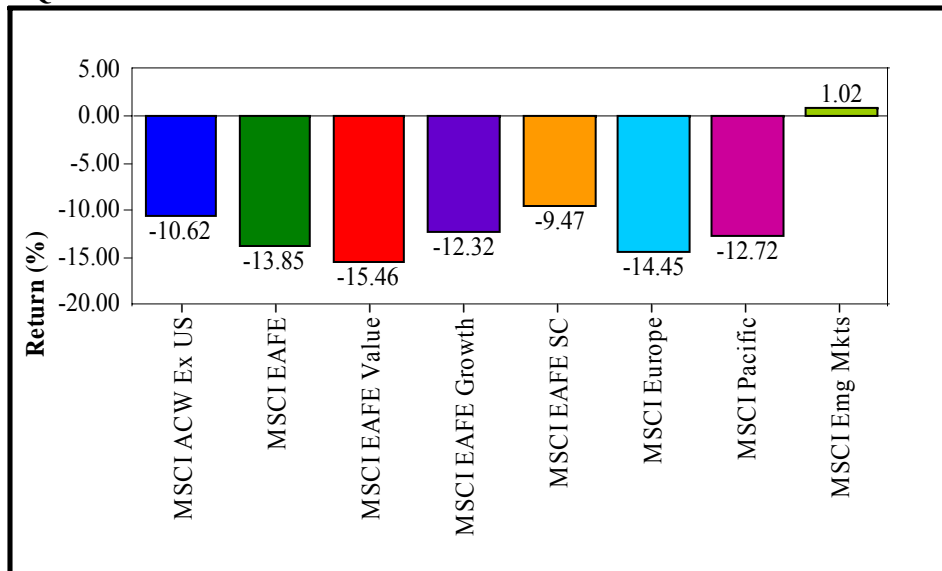
**S&P 500 Sector Returns - 5 Years**



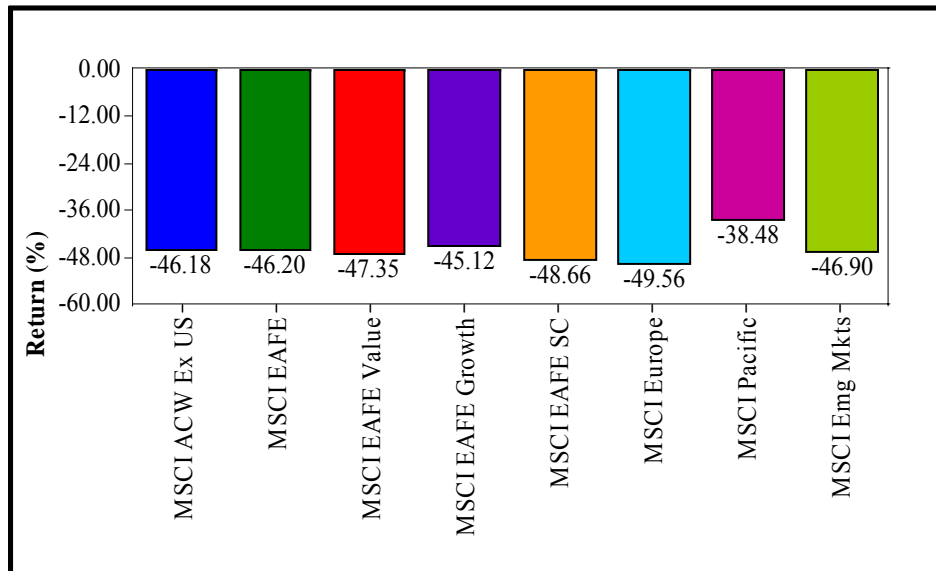
Performance is annualized for periods greater than one year. Returns provided by MPI Stylus, allocations provided by Standard & Poor's.

## International Equity Market Performance As of March 31, 2009

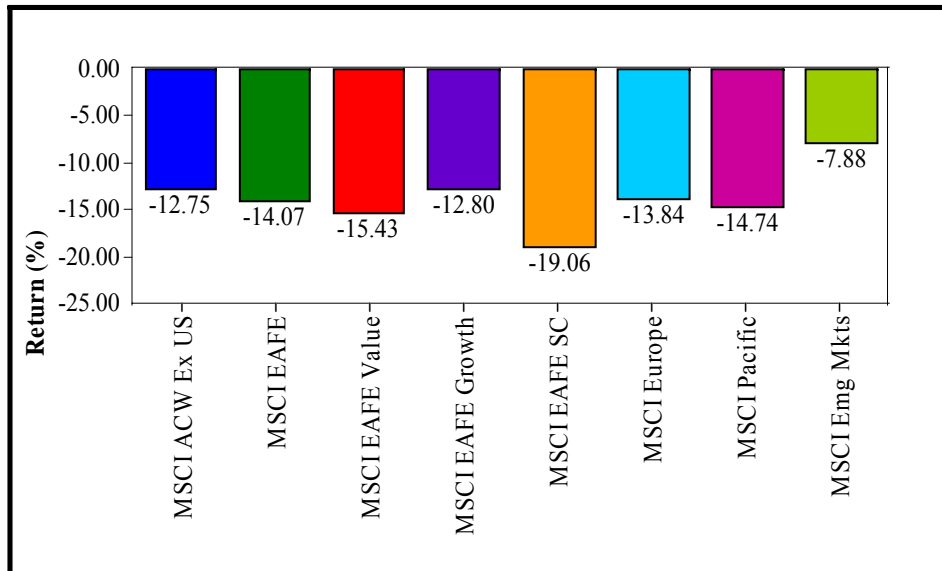
**1 Quarter**



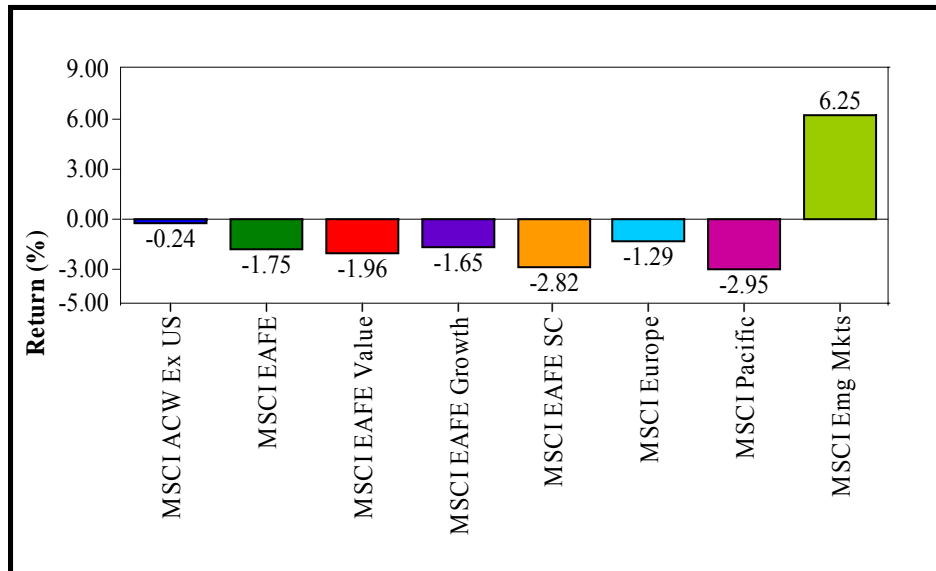
**1 Year**



**3 Years**



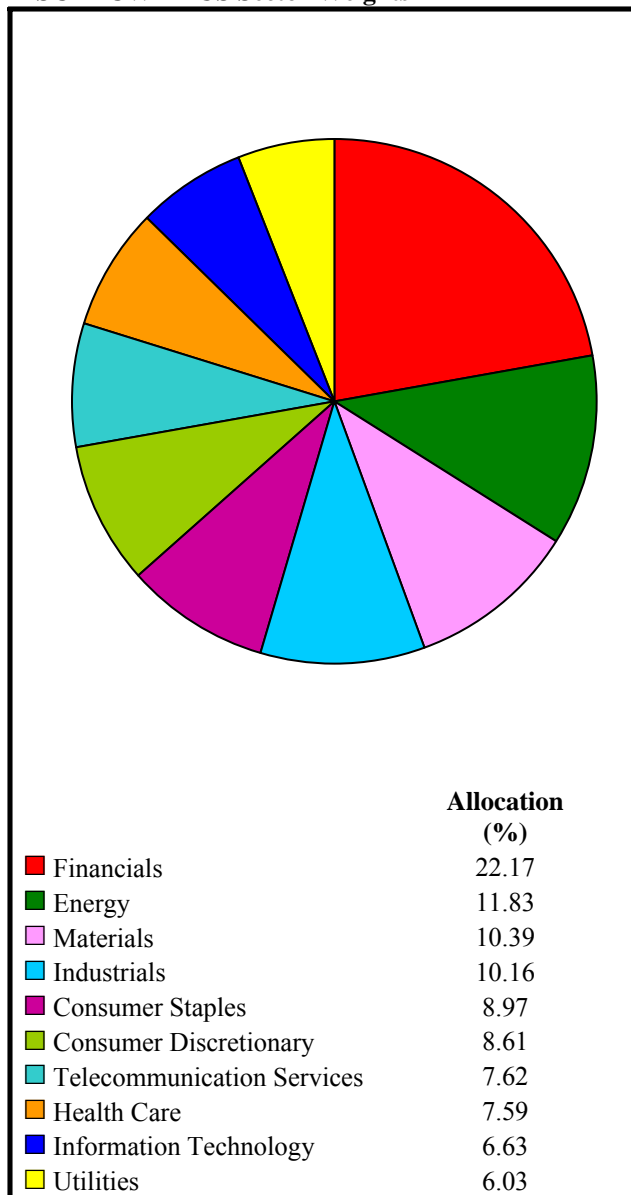
**5 Years**



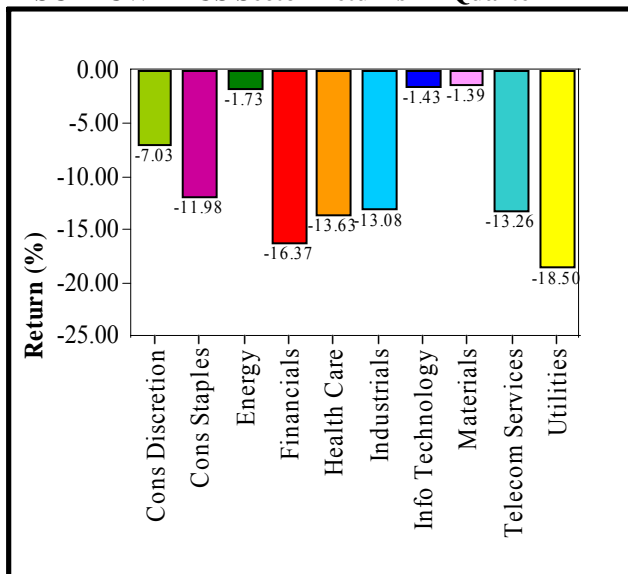
Performance is annualized for periods greater than one year.

**International Equity Sector Weights and Returns  
As of March 31, 2009**

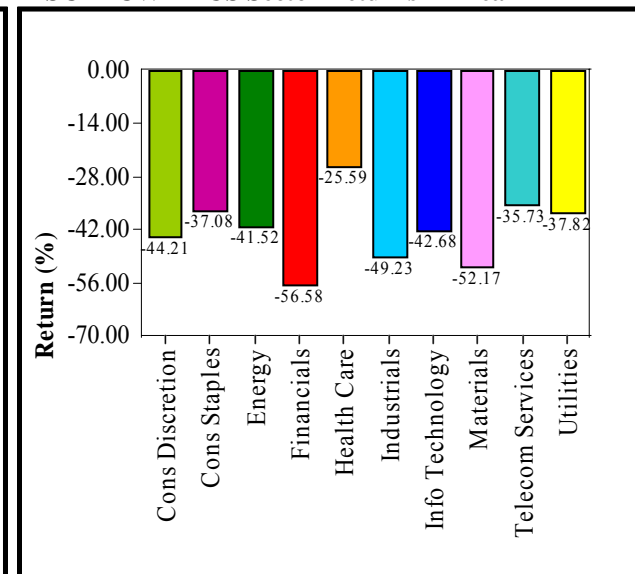
**MSCI ACW Ex US Sector Weights**



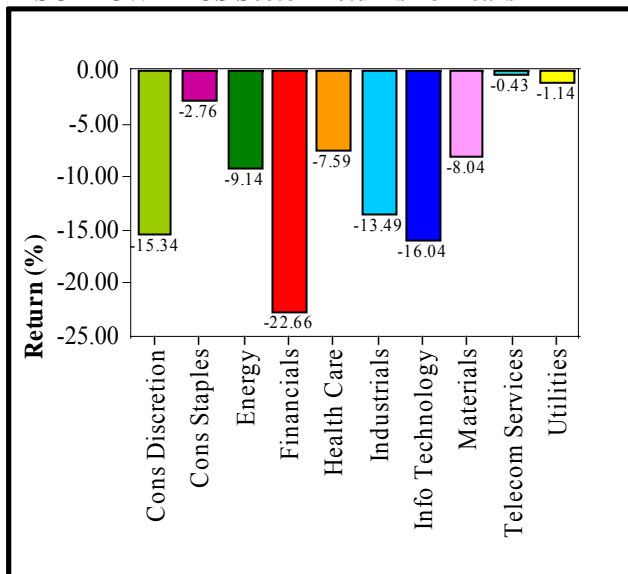
**MSCI ACW Ex US Sector Returns - 1 Quarter**



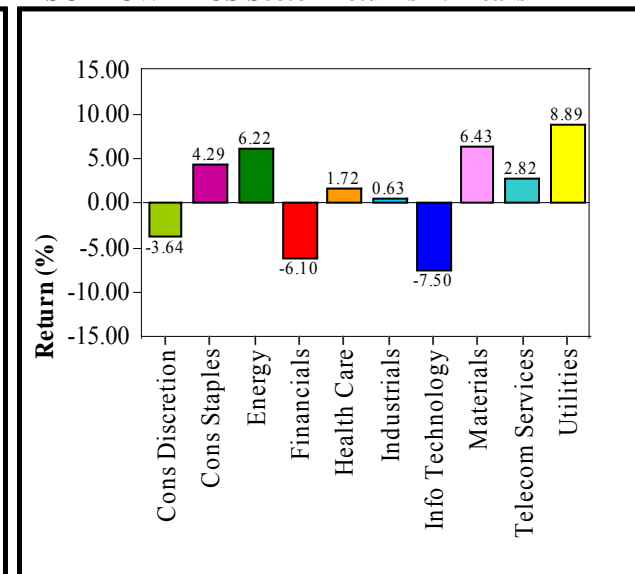
**MSCI ACW Ex US Sector Returns - 1 Year**



**MSCI ACW Ex US Sector Returns - 3 Years**



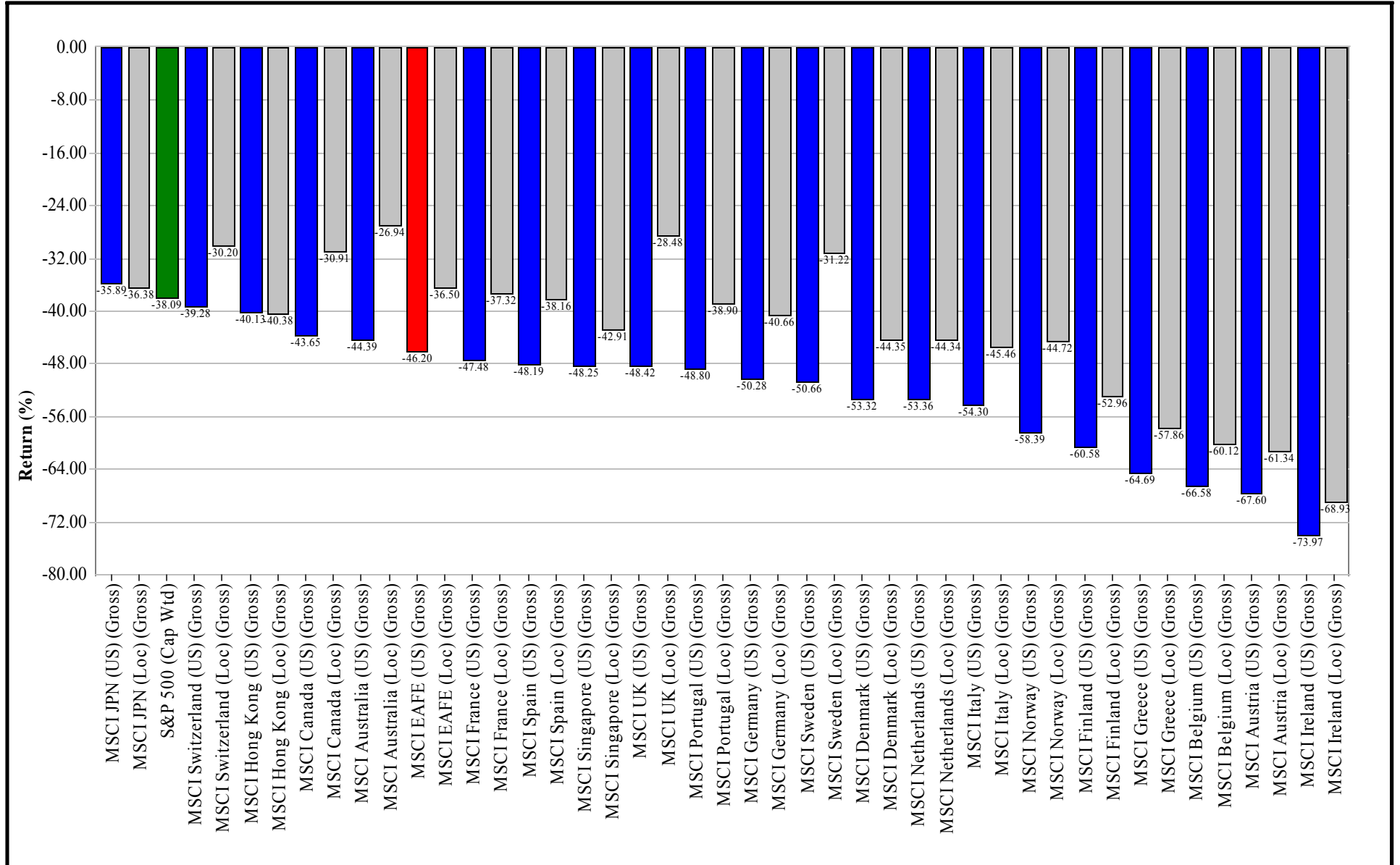
**MSCI ACW Ex US Sector Returns - 5 Years**



Performance is annualized for periods greater than one year. Returns and allocations provided by MSCI Barra.

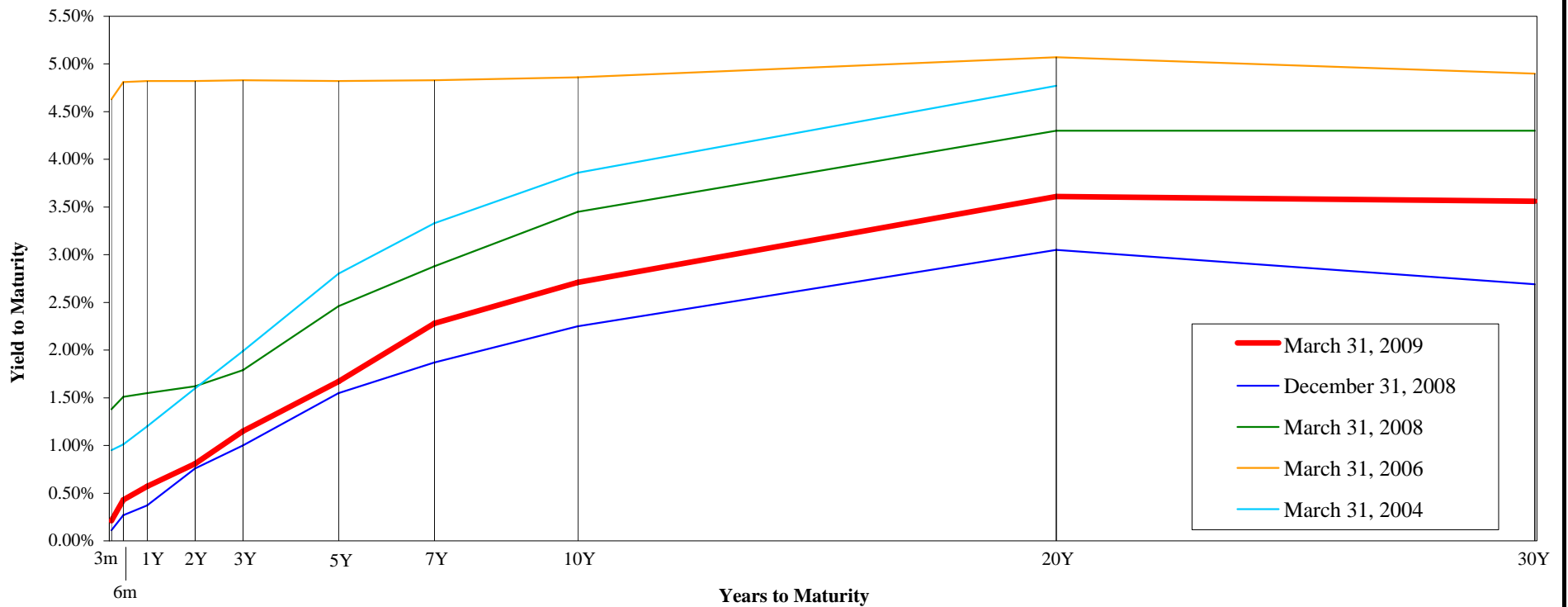
**International Equity Market Performance**  
As of March 31, 2009

**1 Year**



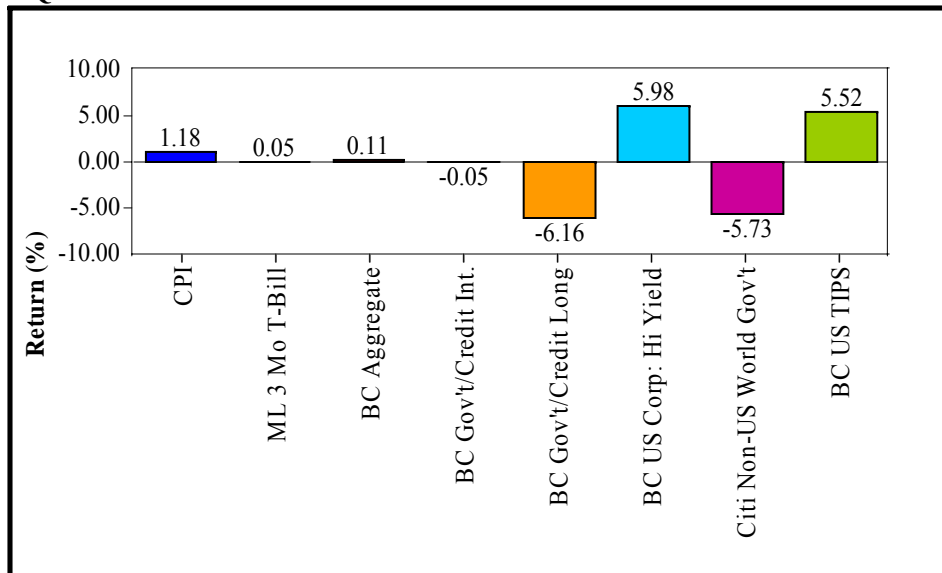
Treasury Yield Curve  
As of March 31, 2009

	March 31, 2009	December 31, 2008	March 31, 2008	March 31, 2006	March 31, 2004
<b>3 Month</b>	0.21%	0.11%	1.38%	4.63%	0.95%
<b>6 Month</b>	0.43%	0.27%	1.51%	4.81%	1.01%
<b>1 Year</b>	0.57%	0.37%	1.55%	4.82%	1.20%
<b>2 Year</b>	0.81%	0.76%	1.62%	4.82%	1.60%
<b>3 Year</b>	1.15%	1.00%	1.79%	4.83%	1.99%
<b>5 Year</b>	1.67%	1.55%	2.46%	4.82%	2.80%
<b>7 Year</b>	2.28%	1.87%	2.88%	4.83%	3.33%
<b>10 Year</b>	2.71%	2.25%	3.45%	4.86%	3.86%
<b>20 Year</b>	3.61%	3.05%	4.30%	5.07%	4.77%
<b>30 Year</b>	3.56%	2.69%	4.30%	4.90%	N/A

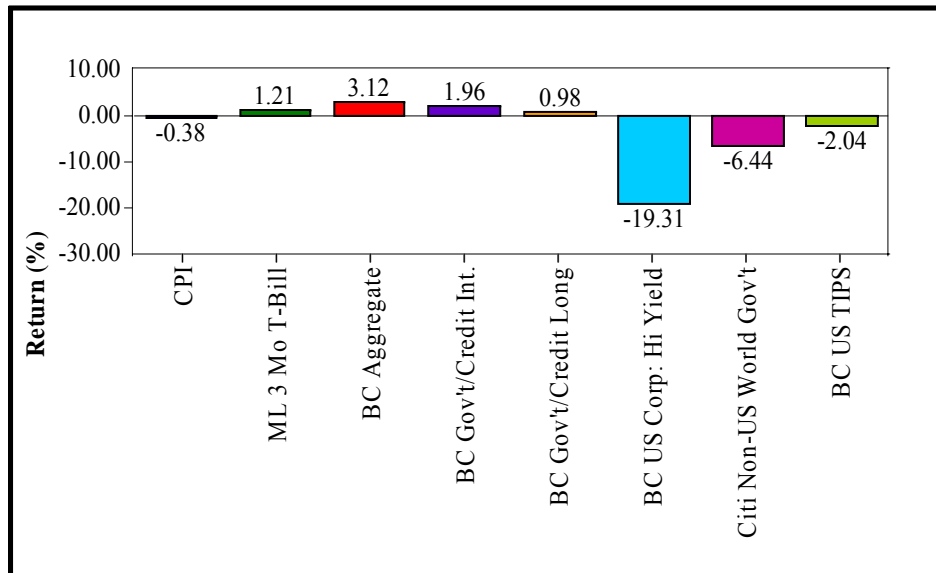


## Fixed Income Market Performance As of March 31, 2009

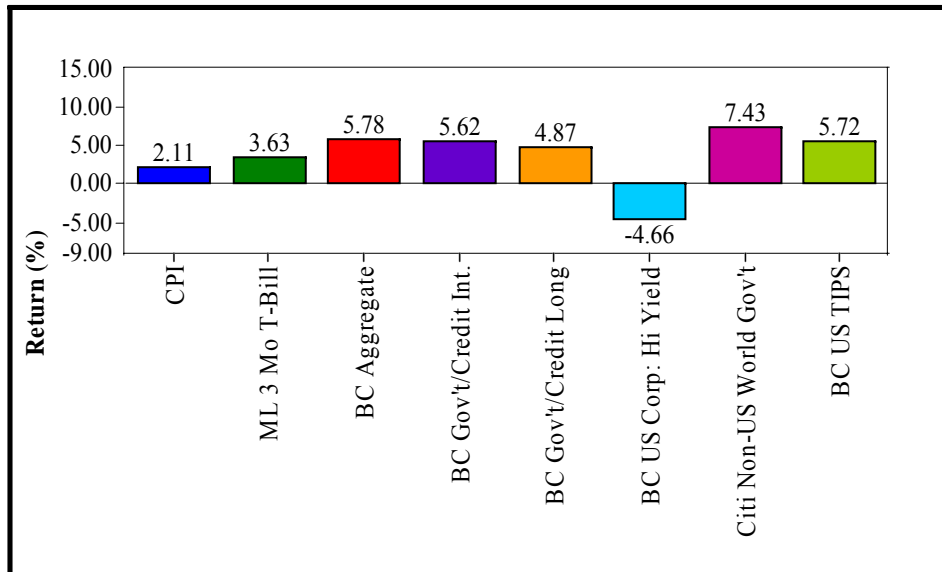
### 1 Quarter



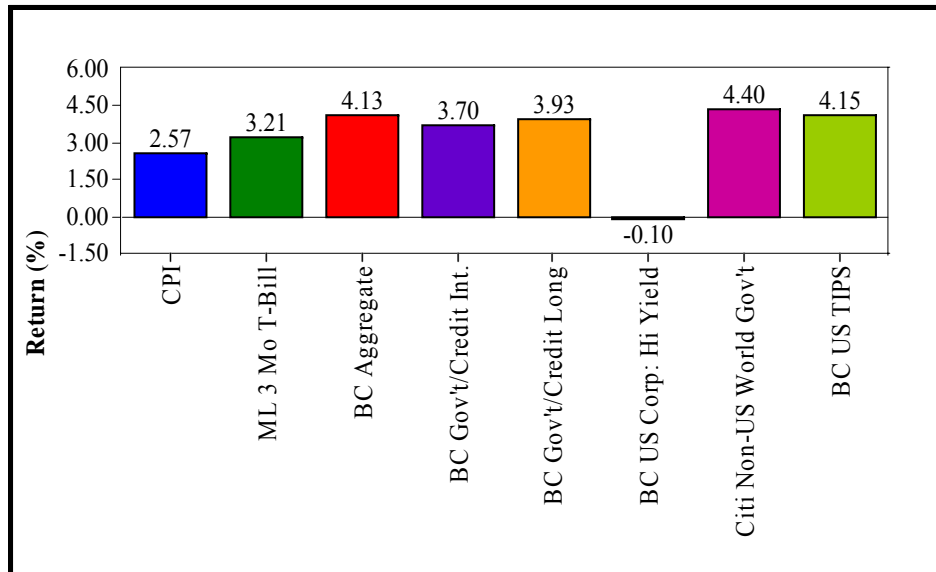
### 1 Year



### 3 Years



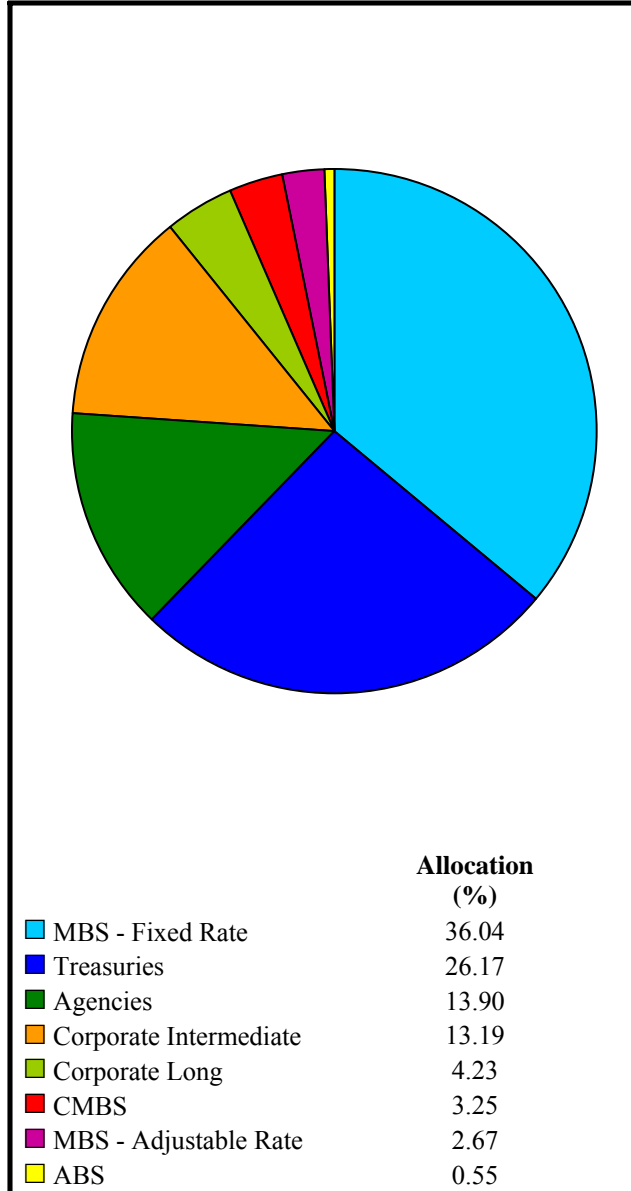
### 5 Years



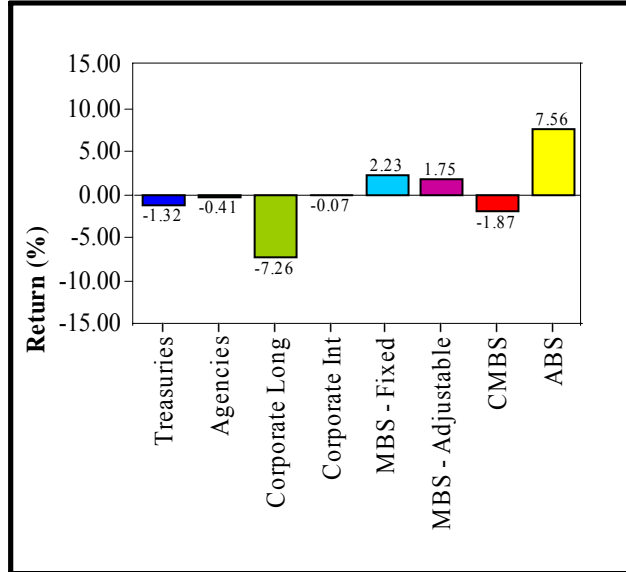
Performance is annualized for periods greater than one year.

**Domestic Fixed Income Sector Weights and Returns**  
As of March 31, 2009

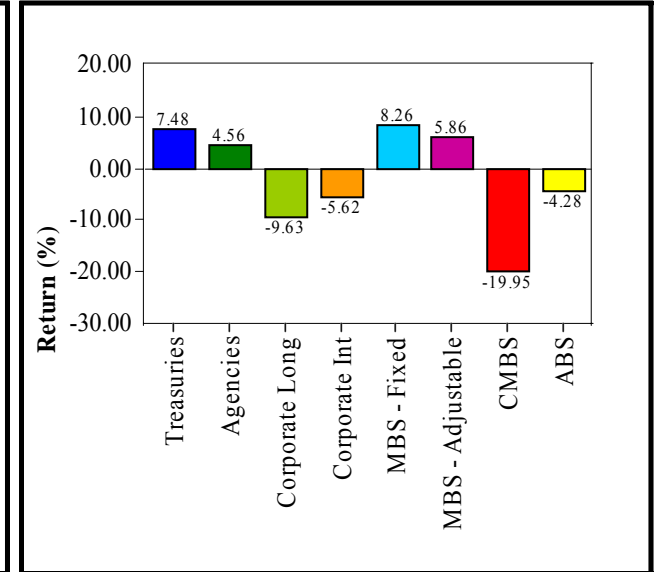
**BC Aggregate Sector Weights**



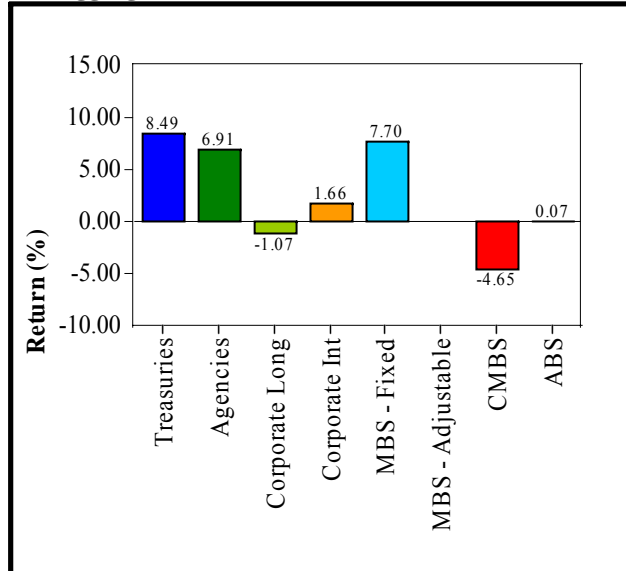
**BC Aggregate Sector Returns - 1 Quarter**



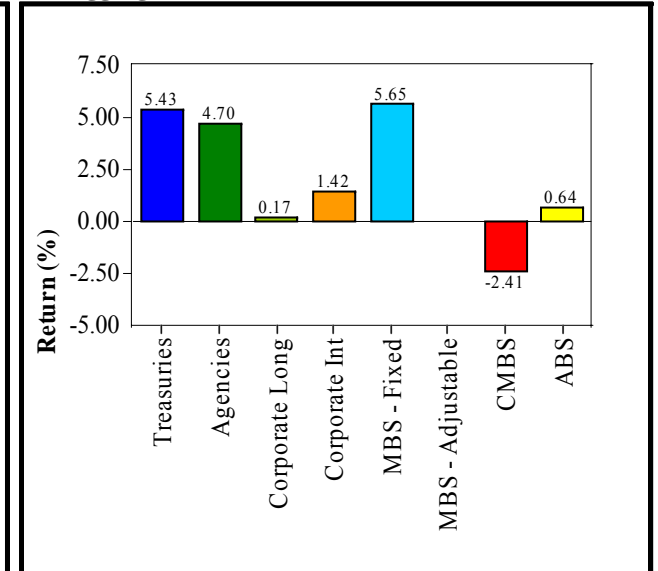
**BC Aggregate Sector Returns - 1 Year**



**BC Aggregate Sector Returns - 3 Years**



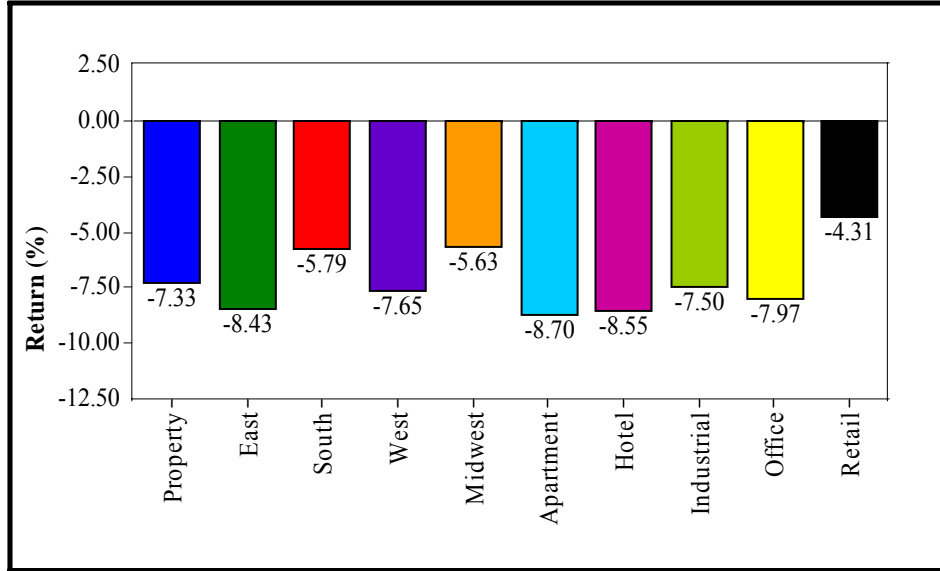
**BC Aggregate Sector Returns - 5 Years**



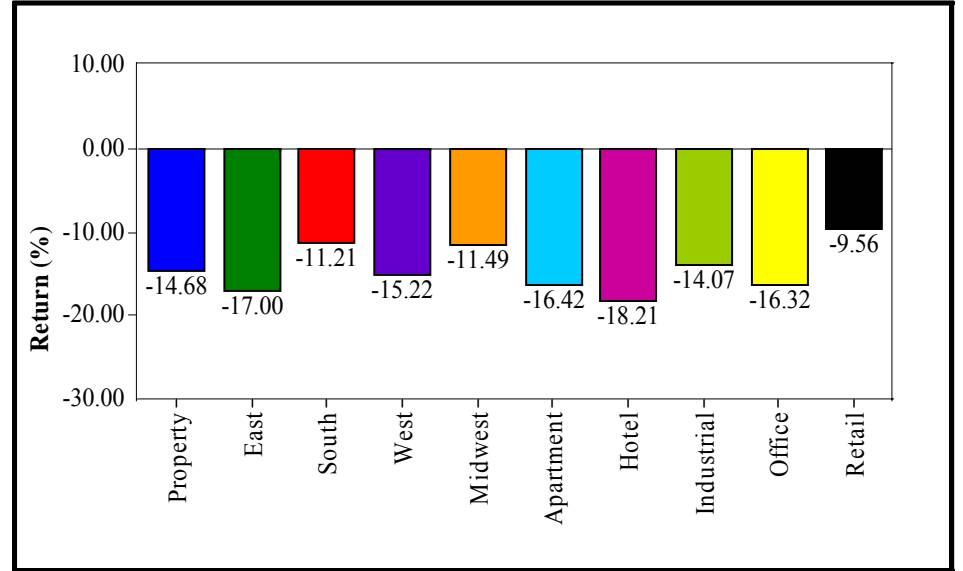
Performance is annualized for periods greater than one year. Returns and allocations provided by Barclays Capital Indices.

**Real Estate Market Performance  
As of March 31, 2009**

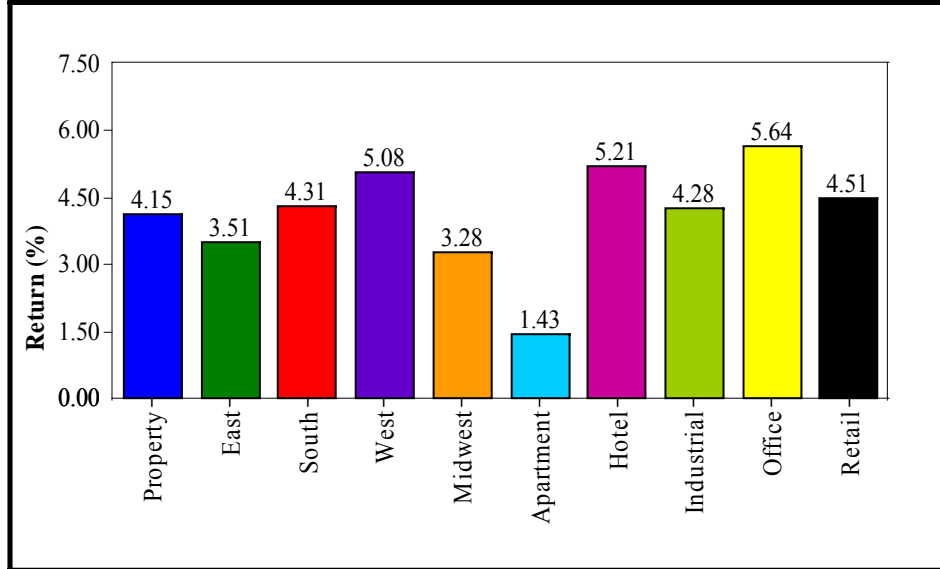
**1 Quarter**



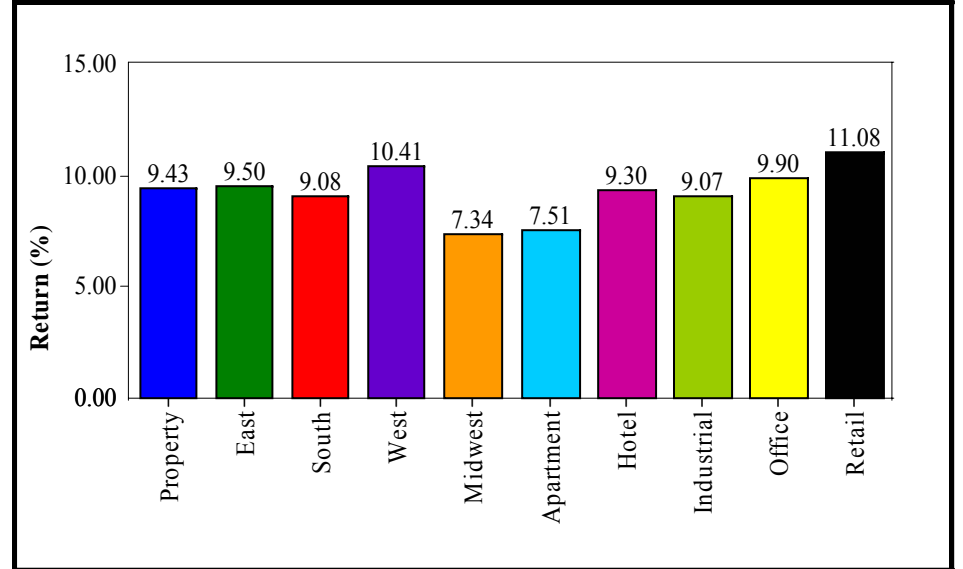
**1 Year**



**3 Years**



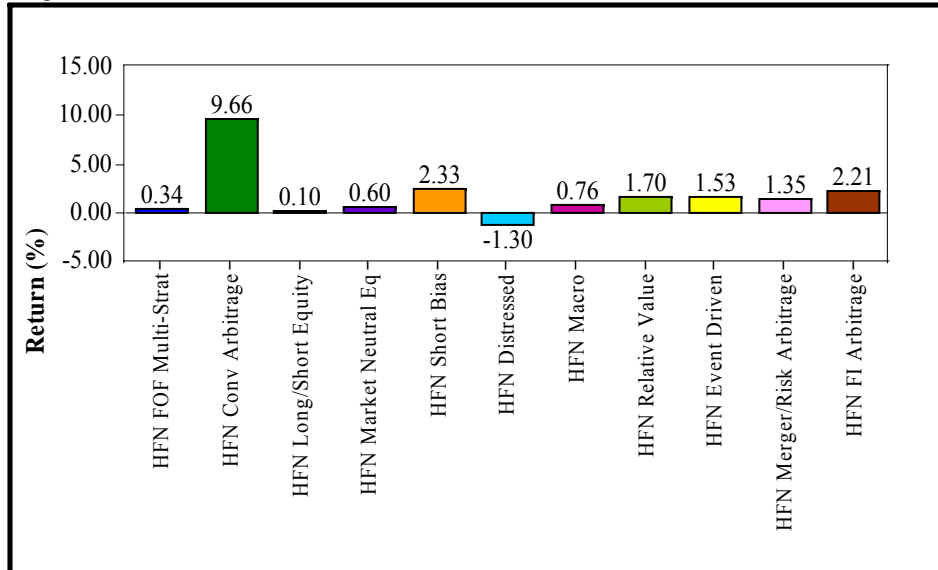
**5 Years**



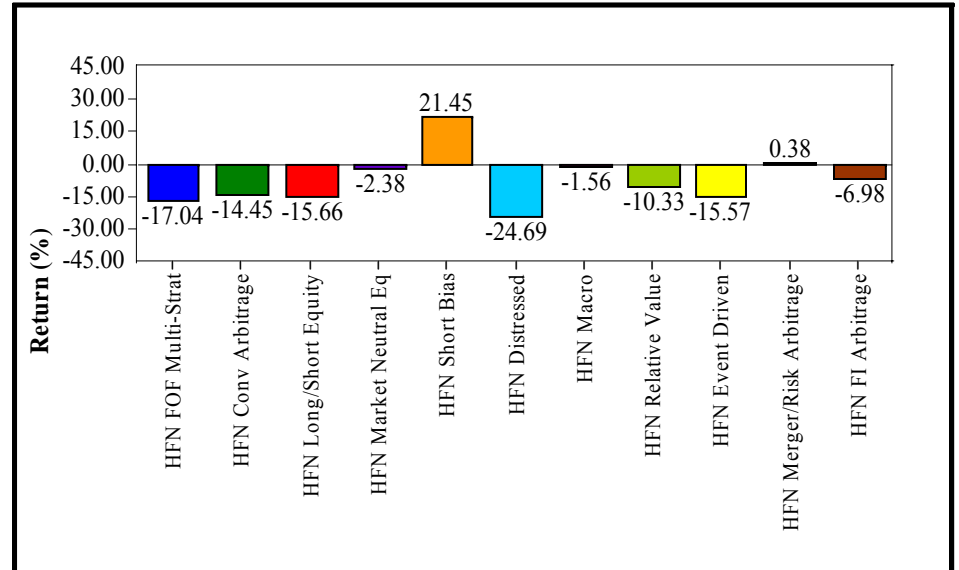
Performance is annualized for periods greater than one year.

## Hedge Fund Market Performance As of March 31, 2009

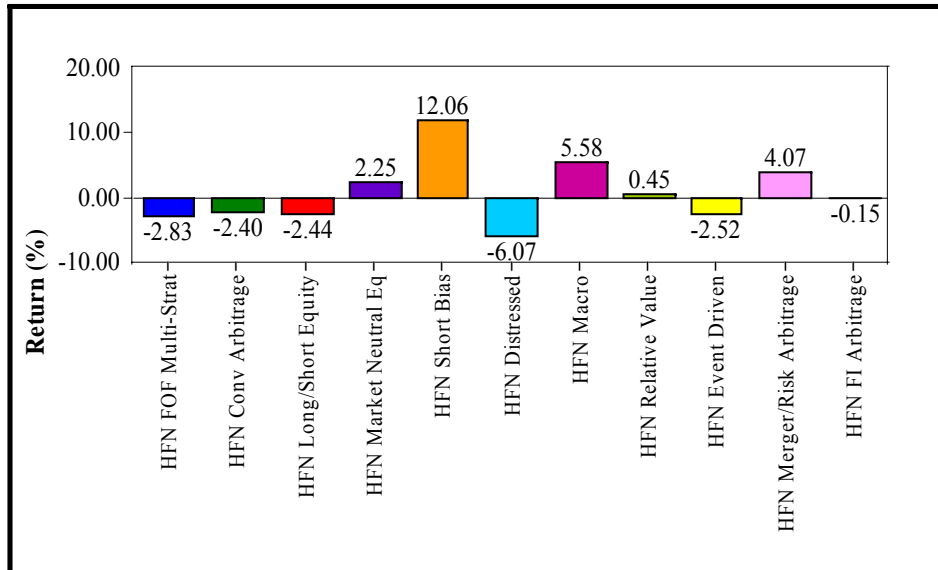
### 1 Quarter



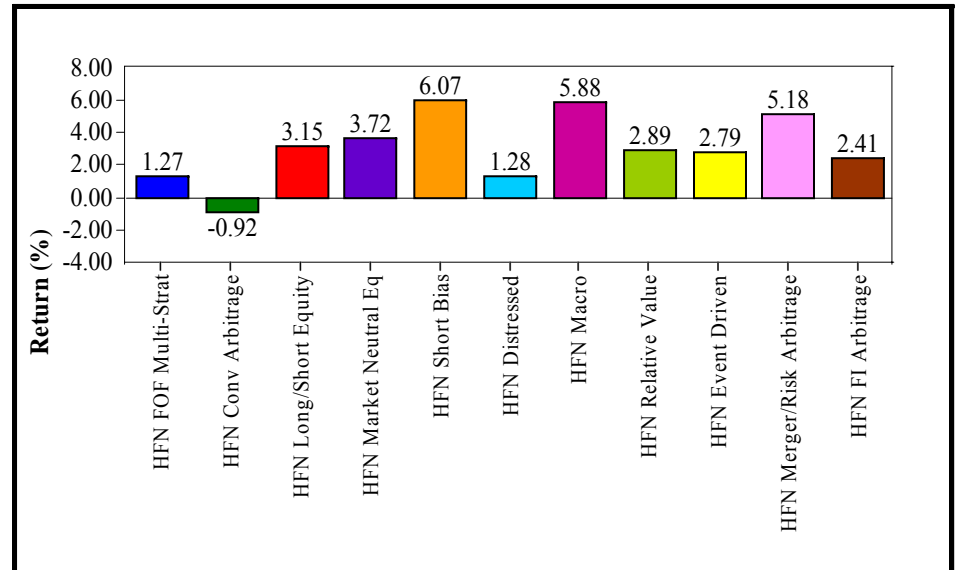
### 1 Year



### 3 Years



### 5 Years



Performance is annualized for periods greater than one year. Values are preliminary and subject to change.

**Annual Asset Class Performance  
As of March 31, 2009**

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD
Best	37.58%	23.17%	33.36%	28.58%	66.42%	31.84%	8.44%	25.91%	62.14%	31.27%	34.54%	32.59%	39.78%	8.44%	5.98%
	29.95%	22.96%	22.36%	20.34%	27.31%	16.16%	7.89%	16.56%	56.28%	25.95%	26.65%	26.86%	16.23%	5.24%	5.52%
	28.44%	17.38%	17.65%	16.24%	24.69%	13.15%	7.29%	14.81%	47.25%	20.70%	21.36%	19.67%	15.83%	2.06%	1.02%
	19.17%	16.49%	14.52%	11.77%	24.35%	12.40%	7.28%	10.25%	39.17%	18.33%	20.06%	18.37%	11.63%	-2.35%	0.34%
	18.47%	11.35%	13.90%	8.69%	21.26%	12.24%	6.61%	6.74%	28.97%	14.48%	14.02%	16.59%	11.63%	-6.46%	0.11%
	15.21%	10.31%	12.76%	5.23%	21.04%	11.63%	5.28%	3.12%	28.68%	11.13%	6.75%	15.79%	9.91%	-20.47%	0.05%
	13.54%	6.34%	9.65%	3.94%	20.19%	6.18%	4.42%	1.78%	23.93%	10.88%	5.33%	11.85%	6.97%	-26.16%	-6.16%
	11.55%	6.04%	5.33%	3.75%	11.36%	-3.02%	2.49%	-1.41%	11.93%	9.15%	4.91%	9.85%	6.60%	-33.79%	-6.31%
	7.54%	5.30%	2.05%	1.87%	4.85%	-5.86%	-2.37%	-6.00%	8.99%	8.56%	4.55%	4.85%	5.49%	-35.65%	-7.33%
	6.03%	3.63%	-3.39%	-2.55%	2.40%	-7.22%	-11.89%	-7.44%	8.39%	8.46%	3.07%	4.33%	5.00%	-37.00%	-9.47%
	-5.21%	0.14%	-11.60%	-25.33%	2.39%	-9.10%	-12.11%	-15.66%	5.87%	6.79%	2.84%	2.71%	1.87%	-43.06%	-11.01%
	N/A	N/A	N/A	-27.03%	-0.82%	-13.96%	-19.51%	-20.48%	4.10%	4.34%	2.74%	2.07%	1.79%	-46.78%	-13.85%
Worst	N/A	N/A	N/A	N/A	-7.65%	-30.61%	-21.21%	-22.10%	1.15%	1.33%	2.43%	0.41%	-1.57%	-53.18%	-14.95%

S & P 500 - US Large Cap	R 2000 - US Small Cap	MSCI EAFE (Gross) - Int'l Dev.	MSCI EAFE Sm Cap (Gross) - SC Int'l	MSCI EMF - Int'l Emerging Markets	BC Agg Bond - FI	BC US Corp: Hi Yield - FI	BC US Treasury US TIPS - FI	BC Gov't/Credit Long Term Bond - FI	NCREIF Property - Real Estate	HFN FOF Multi-Strat (Net) - Hedge Fund	DJ-UBS Cmdty Index (TR)	ML 3 Mo T-Bill - Cash Equiv
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