

**FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
COMPLIANCE EVALUATION REPORT
3rd QUARTER 2007**

TABLE OF CONTENTS

SECTION

I - Executive Summary

II - Worksheet Summary

**III - Private and Public Managers'
Compliance Representations**

IV - Compliance Worksheet

999 Third Avenue, Suite 3650
Seattle, Washington 98104
206.622.3700

2321 Rosecrans Avenue, Suite 2250
El Segundo, California 90245
310.297.1777

Executive Summary

3rd Quarter 2007

This report covers Wurts & Associates' evaluation of the investments within the portfolios relative to the Fresno County Employees' Retirement Association's (Association) Investment Policy and Guidelines (Guidelines). It contains a compliance worksheet summary of the investments evaluated, the private and public managers' representations regarding compliance, and a detailed compliance worksheet specifying the scope of each evaluation.

The Association's portfolio is comprised of both commingled vehicles and separate accounts. All of the separate account managers employed by the Association have specific language within the Guidelines for Wurts & Associates to evaluate. Please refer to Exhibit A which is a table summarizing the managers employed by the Association, the type of investment vehicle used by each, the general asset class of the investment, and whether or not the Guidelines contain specific language.

Investments made by managers using a commingled vehicle are typically governed by a partnership agreement or prospectus. The reason for this is that since commingled investment vehicles are designed to accommodate many different investors, only one common document may govern the investment strategy.

Public Market Managers

All managers employed by the Association that manage publicly traded securities have specific language in the Guidelines. Wurts & Associates has evaluated each manager's compliance relative to these guidelines and they are contained in this report. Grantham, Mayo, Van Otterloo & Company (GMO), Mondrian Investment Partners Limited, and State Street Global Advisors are employed through the usage of a commingled fund. The investment policies of these managers shall be governed by their prospectuses.

Private Market Managers

Private Market Investment Managers are given full discretion within the scope of their assigned segment, governed by their Limited Partnership Agreements. All private equity managers employed by the Association are made through commingled vehicles and none of them has specific language in the Guidelines to evaluate. All have warranted that they have complied with the appropriate governing authority over their investment strategy. Wurts & Associates is unable to verify this compliance.

Real Estate Managers

The Real Estate Investment Managers employed are given full discretion within the scope of the relevant language that governs the investment strategy. None of them has specific language in the Guidelines to evaluate. All have warranted that they have complied with the appropriate governing authority over their investment strategy. Wurts & Associates is unable to verify this compliance.

Summary of Findings

Of the managers employed by the Association that have specific guidelines, Wurts & Associates has determined the following:

Manager	In Compliance	Out of Compliance
Aronson + Johnson + Ortiz	✓	
Artisan Partners Limited Partnership	✓	
Brandywine Asset Management	✓	
Kalmar Investments Inc.	✓	
Wellington Capital Management	✓	
Enhanced Investment Technologies (INTECH)	✓	
TCW Asset Management Company	✓	
State Street Global Advisors	✓	
Mondrian Investment Partners Limited	✓	
Oechsle International	✓	
Franklin Templeton (International)	✓	
BlackRock, Inc.	✓	
Weiss, Peck & Greer	✓	
Bradford & Marzec	✓	
Loomis Sayles	✓	
Grantham, Mayo & van Otterloo	✓	

During the quarter three managers' guidelines were revised (Artisan Partners, INTECH, and Wellington Capital Management) per Wurts & Associates' recommendation and FCERA's approval. We are pleased to report this quarter that there were no material breaches of any consequence by any of the managers we audit.



Jeffrey MacLean
President & Chief Operating Officer

Disclaimer

Wurts & Associates, Inc. has exercised all reasonable professional care in the evaluation of the each investment manager's compliance to the Investment Policy and Guidelines of the Fresno County Employees' Retirement Association as of December 31, 2003. This report is provided to the Board of Trustees in conjunction with our responsibilities under the investment consulting agreement. Our professionals necessarily relied on data provided by third parties (e.g., Bloomberg, Advent, custodian banks) to perform our evaluation. Wurts & Associates makes no claims as to the accuracy of the data used in this evaluation and shall not be held liable for damages caused by errors or omissions in content, except to the extent arising from our sole gross negligence.

Exhibit A

Investment Manager	Investment Vehicle	General Asset Class	Enforcable Guidelines
Aronson + Johnston + Ortiz	Separate Account	Public Market (Equity)	Yes
Artisan Partners Limited Partnership	Separate Account	Public Market (Equity)	Yes
Brandywine Asset Management	Separate Account	Public Market (Equity)	Yes
Kalmar Investments Inc.	Separate Account	Public Market (Equity)	Yes
Wellington Capital Management	Separate Account	Public Market (Equity)	Yes
Enhanced Investment Technologies (INTECH)	Separate Account	Public Market (Equity)	Yes
TCW Asset Management Company	Separate Account	Public Market (Equity)	Yes
State Street Global Advisors	Commingled Fund	Public Market (Equity)	No
Mondrian Investment Partners Limited	Commingled Fund	Public Market (Equity)	No
Oechsle International	Separate Account	Public Market (Equity)	Yes
Franklin Templeton (International)	Separate Account	Public Market (Equity)	Yes
BlackRock, Inc.	Separate Account	Public Market (Fixed Income)	Yes
Weiss, Peck & Greer	Separate Account	Public Market (Fixed Income)	Yes
Bradford & Marzec	Separate Account	Public Market (Fixed Income)	Yes
Loomis Sayles	Separate Account	Public Market (Fixed Income)	Yes
Grantham, Mayo, Van Otterloo & Co	Commingled Fund	Public Market (Fixed Income)	No
Heitman / JMB Real Estate III, IV & V	Commingled Fund	Real Estate	No
Heitman / JMB Group Trust V	Commingled Fund	Real Estate	No
Sentinel Real Estate Corp.	Commingled Fund	Real Estate	No
TA Associates II, IV, & V	Commingled Fund	Real Estate	No
BCI Fund V	Commingled Fund	Private Market	No
The Blackstone Group (Private Equity)	Commingled Fund	Private Market	No
Blackstone Alternative Asset Management (Hedge Fund of Funds)	Commingled Fund	Private Market	No
DT Capital Partners	Commingled Fund	Private Market	No
Landmark	Commingled Fund	Private Market	No
Lonestar	Commingled Fund	Private Market	No
New Mountain	Commingled Fund	Private Market	No
TCW Fund III & IV	Commingled Fund	Private Market	No
Warburg Fund & Warburg Fund VIII	Commingled Fund	Private Market	No
JER Fund I & II	Commingled Fund	Real Estate	No

Client: **Fresno County Employees Retirement Association**

Analysis Date: **September 30, 2007**

Asset Class: Domestic Equity

Manager	Style	Market Cap Weighting	Diversification: at Market	Commercial Paper Rating	Weighted Avg Market Cap	Allowable Securities
Aronson + Johnson + Ortiz	M/LV					
Artisan Partners Ltd.	SG					
Brandywine Asset Mgmt.	SV					
Kalmar Investments Inc.	SG					
Wellington Management Co.	LV					
TCW Asset Management Company	LG					
Enhanced Investment Technologies (INTECH)	LG					
State Street Global Advisors	LG(p)					

Asset Class: International Equity

Manager		Market Cap Weighting	Diversification: at Market	Commercial Paper Rating	Weighted Avg Market Cap	Allowable Securities
Oechsle International	INT					
Franklin Templeton Cos.	INT					
Mondrian Investment Partners Limited	INT					

Asset Class: Domestic Fixed Income

Manager		Bond Quality	Diversification: at Market	Duration	Commercial Paper Rating	Derivatives Restricted	Prohibited Securities
BlackRock, Inc.	CP						
Bradford & Marzec, Inc.	CP						
Loomis, Sayles & Co.	CP						
Western Asset Management Company	CP						
Grantham, Mayo, Van Otterloo & Co.	GB						

Legend

	No Violation - In Compliance with Policy Guidelines
	Potential Violation - Currently Being Researched
	Confirmed Violation - Out of Compliance with Policy Guidelines
	Not Applicable



October 22, 2007

Mr. John Lee
Consultant
Wurts & Associates, Inc.
2321 Rosecrans Avenue, Suite 2250
El Segundo, California 90245

Re: Fresno CERA

Dear Mr. Lee:

This letter is to certify that to the best of our knowledge, the investment portfolio managed on behalf of the Fresno County Employees' Retirement Association was in compliance with stated investment objectives, policies and guidelines during the third quarter of 2007.

Please contact me at (626) 844-4046 should you have any questions.

Sincerely,

Kalisa Falzone
Compliance Officer



MONDRIAN
INVESTMENT PARTNERS LIMITED

October 8, 2007

Wurts & Associates Inc.
2321 Rosecrans Avenue
Suite 2250
El Segundo, CA 90245

Attn: Anthony Ferrara

Dear Anthony,

On behalf of Mondrian Investment Partners Limited (Investment Manager for the Mondrian Emerging Markets Equity Fund, L.P. ("Fund")), I certify the Fund is in compliance with its stated investment objectives and strategies, as described in the Confidential Information Memorandum.

Sincerely,

Andrew Miller
Senior Portfolio Manager



Fifth Floor, 10 Gresham Street, London EC2V 7JD, UK
Telephone 020 7477 7000 • Fax 020 7776 8500 • www.mondrian.com

Registered office as above. Registered number 2533342 England. For your security and for training purposes, telephone conversations may be recorded.
Mondrian Investment Partners Limited is authorised and regulated by the Financial Services Authority in the conduct of investment business.
Mondrian Investment Partners is a trademark of Mondrian Investment Partners Limited.

Fresno County Employees' Retirement Association
Certification of Compliance Statement
Third Quarter, 2007

This statement is to verify that to the best of our knowledge and based upon Wellington Management's systems, all transactions and positions in Fresno County Employees' Retirement Association's Research Value portfolio for the period July 1, 2007 – September 30, 2007, have been reviewed and are in compliance with the investment management agreement and Wellington Management's internal policies.

Note: The Fresno County Employees' Retirement Association Research Value Portfolio held a position in Rolls Royce ADR, which was not in compliance with the investment guidelines in place. The Retirement Board and the consultant were informed about the compliance flag. The Board subsequently approved the holding of the Rolls Royce security at its September 5, 2007 Board meeting. Also, the investment guidelines were modified to allow the Fresno County Employees' Retirement Association Research Value Portfolio to transact on over-the-counter markets.



Sue Bonfeld
Vice President
Wellington Management

9/30/2007

Date

COMPLIANCE WITH INVESTMENT GUIDELINES

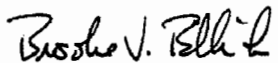
Investment Manager Name: Artisan Partners Limited Partnership

Account Name: Fresno County Employees Retirement Association

Quarter Ending: September 30, 2007

We were in compliance with the Investment Guidelines for the Fresno County Employees Retirement Association portfolio during the quarter specified above.

We were not in compliance with all the Investment Guidelines during the quarter specified above. Attached are a summary of any guideline deviations and a brief explanation of the deviation.

By: 
Name: Brooke J. Billick
Title: Chief Compliance Officer and Associate Counsel
Date: October 15, 2007

BCI Partners

BCI Partners, Inc.
411 Hackensack Avenue
Hackensack, NJ 07601

Telephone **201.342.5001**
Facsimile 201.342.5002

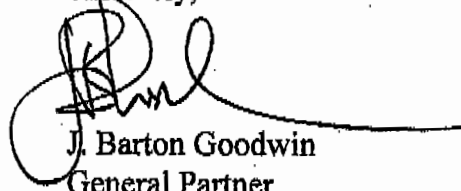
November 27, 2007

Mr. Anthony Ferrara
Wurts & Associates
2321 Rosecrans, Suite 2250
El Segundo, CA 90245

Dear Tony:

We certify that we are in compliance with the investment guidelines as stated in the BCI Growth V, L.P. Limited Partnership Agreement dated December 18, 1998, for the period July 1, 2007 and ending September 30, 2007.

Sincerely,



J. Barton Goodwin
General Partner

cc: Roberto Pena


BLACKROCK

October 12, 2007

COMPLIANCE CERTIFICATION

BlackRock performs compliance checks daily on the Fresno County Employees' Retirement Association, FCERA ("Client") account and, if necessary, BlackRock rebalances or otherwise takes such action for the account to ensure compliance with the relevant investment policies and guidelines applicable to the account that have been previously communicated to us and are currently in effect for the account ("Guidelines"). Therefore, and on that basis, for the period from July 1, 2007 to September 30, 2007, the Client's account has been in compliance, in all material respects, with its Guidelines.

BLACKROCK

By: 

Andrew Novak
Managing Director



Oechsle International Advisors, LLC

Tony Ferrara
Wurts & Associates
999 Third Avenue
Seattle WA, 98104

October 4, 2007

Re: Compliance with Investment Guidelines for Fresno County

This statement is to confirm that the assets invested by Oechsle International Advisors, LLC ("Oechsle") were managed in accordance with the Account's Investment Guidelines for the third quarter July 1, 2007 through September 30, 2007.

Oechsle agrees and acknowledges that the Account will continue to be managed according to the Investment Guidelines. If you have any questions, please do not hesitate to contact me at 617-330-8979.

Regards,

A handwritten signature in black ink, appearing to read "Chris Gelinas", with a stylized flourish at the end.

Chris Gelinas
Director of Compliance



LANDMARK PARTNERS

November 19, 2007

Mr. Anthony Ferrara
Wurts & Associates
2321 Rosecrans
Suite 2250
El Segundo, CA 90245

Dear Mr. Ferrara:

This letter is to formally notify the Board of Trustees of the Fresno County Employees Retirement Association that for the period beginning July 1, 2007 and ending September 30, 2007, the management of their portfolio investment in Landmark Equity Partners X, LP is in compliance with the guidelines as indicated in the Amended and Restated Partnership Agreement dated June 23, 2000.

Sincerely,

Landmark Equity Advisors LLC

A handwritten signature in black ink, appearing to read "Tina", written over the printed name.

Tina St. Pierre
Vice President

cc: Mr. Roberto Peña, FCERA

October 29, 2007

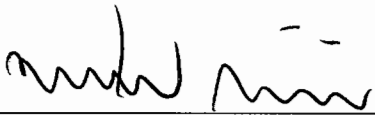
Mr. Anthony Ferrara
Wurts & Associates
2321 Rosecrans, Suite 2250
El Segundo, CA 90245

Dear Mr. Ferrara:

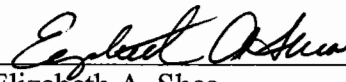
The S&P 500 Flagship Fund, in which the Fresno County Employees' Retirement Association is invested, is in compliance with the fund guidelines and restrictions outlined in its Fund Declaration as of September 30, 2007.

Should you have any questions or require additional information, please feel free to contact Matthew Simoni directly at (617) 664-2415, or Neil Tremblay of Client Services at (415) 836-9854.

Sincerely,



Matthew Simoni
Compliance Associate
Compliance and Risk Management



Elizabeth A. Shea
Principal and Senior Compliance Officer
Compliance and Risk Management

cc: Neil Tremblay, SSgA
Roberto Pena, FCERA



**Fresno County Employees Retirement Association
Investment Guidelines Certification Statement**

Certification of Investment Manager

To the best of our knowledge, the undersigned investment manager certifies that its investment decisions have stayed within the restrictions outlined in accordance with the provisions of the Board's Investments Policy Statement and Investment Guidelines agreed upon on May 27, 2004.

Signature: Nancy Romito

By: Nancy Romito

Title: Client Services Director

Firm: Kalmar Investments Inc.

Date: October 30, 2007

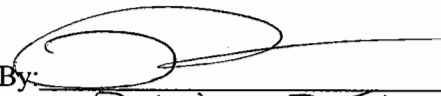
Reporting Period: Third Quarter 2007

**Amendment to the Fresno County Employees' Retirement Association
Separate Account Large Capitalization Growth Equity Assignment Guidelines for
Enhanced Investment Technologies, LLC ("INTECH")**

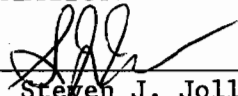
The Fresno County Employees' Retirement Association Separate Account Large Capitalization Growth Equity Assignment Guidelines for INTECH (the "Guidelines") shall be replaced with the attached. By its signature below, INTECH agrees to these Guidelines as well as the terms and conditions of the Investment Policy Statement, which is incorporated herein by reference.

Manager: INTECH
Equity Style: Large Cap Domestic Equity
Equity Benchmark: S&P 500/Citigroup Growth Index

ENHANCED INVESTMENT TECHNOLOGIES, LLC

By: 
Name: Patricia E. Flynn
Title: Chief Compliance Officer

**FRESNO COUNTY
EMPLOYEES' RETIREMENT
ASSOCIATION**

By: 
Name: Steven J. Jolly
Title: Chair

TRUST COMPANY OF THE WEST

865 SOUTH FIGUEROA STREET, LOS ANGELES, CALIFORNIA 90017

TEL: 213 244 0050 FAX: 213 244 0499 E-MAIL: garrett.walls@tcw.com

GARRETT A. WALLS
GROUP MANAGING DIRECTOR



October 18, 2007

Mr. Anthony Ferrara
Wurts & Associates
2321 Rosecrans Avenue, Suite 2250
El Segundo, CA 90245

Dear Mr. Ferrara:

To the best of our knowledge, based upon TCW's routine Compliance Department monitoring procedures and the representations made to me by the portfolio manager of the Fresno County Employees' Retirement Association ("FCERA") Concentrated Core Equity account, the account has been in material compliance with the account guidelines for the calendar quarter ended September 30, 2007 (except for any matters that FCERA has noted to us and any matters that we have otherwise reported to FCERA).

If you have any questions, please do not hesitate to contact me at (213) 244-0050.

Sincerely,

A handwritten signature in black ink, appearing to read "Garrett", written in a cursive style.

/bvf

cc: Mr. Roberto Pena, Fresno County Employees' Retirement Association
Mr. Paul Douglas, Trust Company of the West

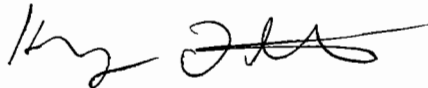
October 17, 2007

Mr. Tony Ferrara
Wurts & Associates
2321 Rosecrans, Suite 2250
El Segundo, CA 90245

Dear Mr. Ferrara:

Please accept this letter as a confirmation that Brandywine Global Investment Management LLC is in compliance with the attached guidelines and mandates for Fresno County Employees' Retirement Association with an effective date as of August 2003 from the period beginning 7/1/2007 and ending 9/30/2007.

Sincerely,



Henry Otto
Managing Director/Portfolio Manager

Enclosure

cc: Roberto Pena, FCERA

Fresno County Employees' Retirement Association Diversified Small Cap Value Equity Objectives and Guidelines

OBJECTIVE:

- The total equity segment of the portfolio is to exceed the Russell 2000 Value Index as well as the median equity return in a representative small cap style performance universe.

BENCHMARK:

- Russell 2000 Value

GUIDELINES:

- Investments will be limited to U.S. Dollar denominated exchange-listed domestic small cap equities. The securities shall be comprised of common stocks, convertible and non-convertible preferred stocks, convertible debt securities, ADRs, GDRs, and foreign securities traded on US exchanges. No derivatives are to be included in the portfolio.
- The weighted average market capitalization for the portfolio should be in a range of +/- 30% of the weighted average market capitalization of the benchmark. The weighted average capitalization of the portfolio may fall outside this range provided that the manager notifies the client in the quarterly portfolio update.
- Purchases will be limited to those securities in our capitalization range with positive operating earnings and price-to-earnings ratios (using trailing operating earnings) in the bottom 25% of a universe of all domestic equity securities.
- Funds will be fully invested with a normal position of less than 5% cash and up to 10% transitional cash.
- No more than 5% of the portfolio at cost shall be invested in any one issue; No single equity position in the portfolio may comprise more than 5% of the company's total market capitalization. The securities should be well diversified to avoid undue exposure to any single economic sector, industry, or individual security.
- The portfolio will not engage in investment transactions involving stock options, short sales, purchase on margin, letter stocks, private placement securities, and commodities.
- Sell procedures will be initiated for securities with capitalizations that are 25% above the current NYSE median capitalization or with price-to-earnings ratios above the 40th percentile breakpoint, based on trailing operating earnings.
- Direction of as much as possible without compromising execution through LJR and BNY.

If there have been any changes in your financial situation or investment objectives, or if you wish to impose any reasonable restrictions or modify existing restrictions, please contact the investment team.



October 16, 2007

Mr. Joel Wetrosky
Senior Analyst
Wurts & Associates
2321 Rosecrans, Suite 2250
El Segundo, CA 90245

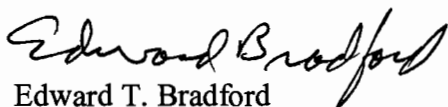
Re: Fresno County Employees

Dear Mr. Wetrosky:

In reply to your request for a written certification, please be advised that the investment portfolio managed for the above account was in compliance with all investment guidelines during the third quarter 2007.

If you have any questions or require additional information, please contact me at your convenience.

Sincerely,


Edward T. Bradford

cc: Roberto Pena, FCERA



Grantham, Mayo, Van Otterloo & Co. LLC
40 Rowes Wharf | Boston, MA 02110
T: (617) 330-7500 | F: (617) 261-0134 | www.gmo.com

October 18, 2007

Mr. Scott Garrett
Wurts & Associates
2321 Rosecrans, Suite 2250
El Segundo, California 90245

Re: **Compliance Certification for the Fresno County Employees Retirement Association's (the "Fund's") Investment in GMO Global Bond Fund, a Series of GMO Trust**

Dear Mr. Garrett:

On behalf of Grantham, Mayo, Van Otterloo & Co. LLC ("GMO"), I hereby certify that during the review period of July 1, 2007 through September 30, 2007 the GMO Global Bond Fund was in compliance with the investment restrictions set forth in the GMO Trust Prospectus dated June 30, 2007 and the Statement of Additional Information.

Please do not hesitate to contact me at 617-790-5049 if you have any questions.

Sincerely,

Mark A. Mitchelson
Compliance Specialist

cc: Roberto Pena, FCERA

ARONSON + JOHNSON + ORTIZ

230 SOUTH BROAD STREET
TWENTIETH FLOOR
PHILADELPHIA, PA 19102

215/546-7500
215/546-7506 FAX
ajopartners.com

October 5, 2007



Mr. Tony Ferrara
Wurts & Associates Inc.
2321 Rosecrans Avenue
Suite 2250
El Segundo, California 90245

Re: FRESNO COMPLIANCE

Dear Tony:

We're pleased to certify:

The portfolio managed for the Fresno County Employees' Retirement Association remained in compliance with all investment guidelines from July 1, 2007, to September 30, 2007.

We welcome your questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Dietrick', with a stylized flourish at the end.

Joseph F. Dietrick
dietrick@ajopartners.com

eja (FX)

cc: Roberto L. Peña

Compliance Worksheet 9-30-2007

Domestic Equity Accounts 9/30/2007

Aronson + Johnson + Ortiz	
Guideline	In Compliance
No single equity position > 5% of company's total market cap	Yes
≤ 7% per issue at market	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Weighted average market cap should not fall below \$5B	Yes
No derivatives, non-AD foreign stocks without consent of Association	Yes

Artisan Partners Limited Partnership	
Guideline	In Compliance
No single equity position > 5% of that company's total market cap	Yes
≤ 7% per issue at market	Yes
Initial position mkt caps shall be between \$100M and \$2.5B	Yes ¹
No derivatives, non-ADR foreign stocks, non-U.S. jurisdictional	Yes

Brandywine Asset Management	
Guideline	In Compliance
No single equity position > 5% of company's total market cap	Yes
≤ 5% per issue at market	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Weighted average market cap should be +/-30% of Russell 2000 Value Index w/o notification	Yes
No derivatives, non-ADR foreign stocks without consent of Association	Yes

Kalmar Investments Inc.	
Guideline	In Compliance
No single equity position > 5% of that company's total market cap	Yes
≤ 8% per issue at market	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Initial position caps shall be between \$100M and \$2B	Yes
No derivatives, non-ADR foreign stocks, non-U.S. jurisdictional	Yes

¹Artisan Partners did not deviate from its market capitalization range stated in the guidelines as the guidelines were revised during the quarter to set the upper limit of its market capitalization range to \$2.5 billion, up from \$2.0 billion.

Domestic Equity 2

Domestic Equity Accounts 9/30/2007

Enhanced Investment Technologies (INTECH)	
Guideline	In Compliance
No single equity position > 5% of that company's total market cap	Yes
Weight of any holding shall not exceed benchmark holding by more than 2.5% at time of purchase	Yes ¹
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Weighted average market cap should not fall below \$10B	Yes
No derivatives, non-ADR foreign stocks without consent of Association	Yes

TCW Asset Management Company	
Guideline	In Compliance
No single equity position > 5% of that company's total market cap	Yes
≤ 10% per issue at market	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Minimum cap of each security must be \$3B at time of purchase. Free receives excluded.	Yes
No derivatives, non-ADR foreign stocks without consent of Association	Yes ²

Wellington Capital Management	
Guideline	In Compliance
No single equity position > 5% of company's total market cap	Yes
≤ 7% per issue at market	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Weighted average market cap should not fall below \$5B	Yes
No derivatives, non-ADR foreign stocks without consent of Association	Yes

State Street Global Advisors	
Guideline	In Compliance
The investment policies of State Street shall be governed by the State Street's Fund Declaration.	Yes ³

¹INTECH's guidelines were revised during the quarter to allow for holdings to be more than 2.5% after initial purchase as long as the position is trimmed within 30 calendar days.

²Wellington's guidelines were revised during the quarter to allow for ADR's to be purchased in the over-the-counter markets as well.

³The Association's investment in State Street is made through a commingled vehicle. Therefore, the Association's investment guidelines do not govern the investment processes of the fund.

International Equity

International Equity Accounts

9/30/2007

Oechsle International	
Guideline	In Compliance
No single equity position > 5% of company's total market cap	Yes
≤ 5% per issue at market	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Weighted average market cap should not fall below \$1B	Yes
No derivatives without consent of Association	Yes

Franklin Templeton	
Guideline	In Compliance
No single equity position > 5% of company's total market cap	Yes
≤ 5% per issue at market	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Weighted average market cap should not fall below \$1B	Yes
No derivatives without consent of Association	Yes

Mondrian Investment Partners Limited	
Guideline	In Compliance
The investment policies of Mondrian shall be governed by the Mondrian Emerging Markets Equity Fund, L.P.'s Offering Memorandum.	Yes ¹

¹The Association's investment in Mondrian is made through a commingled vehicle. Therefore, the Association's investment guidelines do not govern the investment processes of the fund.

Domestic Fixed Income

Domestic Fixed Income Accounts 9/30/2007

BlackRock, Inc.	
Guideline	In Compliance
80% of portfolio to be comprised of investment grade (BBB or higher)	Yes
≤ 5% per issue at market except U.S. Govt. Bonds	Yes
Duration shall not exceed Lehman aggregate Bond Index by +/- 30%	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Use of derivatives to be disclosed quarterly to Association. No derivatives outside of benchmark duration	Yes
No use of stock options, margins, letter stocks, emer. mkt. securities, Z-Bonds, etc.	Yes

Loomis Sayles	
Guideline	In Compliance
80% of portfolio to be comprised of investment grade (BBB or higher) (inform Board)	Yes
≤ 5% per issue at market except U.S. Govt. Bonds	Yes
Duration shall not exceed Lehman aggregate Bond Index by more than 30%	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Use of derivatives to be disclosed quarterly to Association. No derivatives outside of benchmark duration	Yes
No use of stock options, margins, letter stocks, emer. mkt. securities, Z-Bonds, etc.	Yes

Bradford Marzec	
Guideline	In Compliance
80% of portfolio to be comprised of investment grade (BBB or higher)	Yes
≤ 5% per issue at market except U.S. Govt. Bonds	Yes
Duration shall not exceed Lehman aggregate Bond Index by more than 30%	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Use of derivatives to be disclosed quarterly to Association. No derivatives outside of benchmark duration	Yes
No use of stock options, margins, letter stocks, emer. mkt. securities, Z-Bonds, etc.	Yes

Domestic Fixed Income 2

Domestic Fixed Income Accounts

9/30/2007

Western Asset Management Company	
Guideline	In Compliance
80% of portfolio to be comprised of securities rated BBB- or higher	Yes
≤ 5% per issue at market except U.S. Govt. Bonds	Yes
Duration shall not exceed Lehman aggregate Bond Index by more than 30%	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
No use of stock options, margins, letter stocks, emer. mkt. securities, Z-Bonds, etc.	Yes