

**FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
COMPLIANCE EVALUATION REPORT
1st QUARTER 2008**

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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

1st Quarter 2008

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. | ✓ | |
| Western Asset Management Company | ✓ | |
| Bradford & Marzec | ✓ | |
| Loomis Sayles | ✓ | |
| Grantham, Mayo & van Otterloo | ✓ | |

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 | Enforceable 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 |
| Bradford & Marzec | Separate Account | Public Market (Fixed Income) | Yes |
| Loomis Sayles | Separate Account | Public Market (Fixed Income) | Yes |
| Western Asset Management Company | 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: **March 31, 2008**

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 |

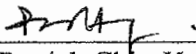
BLACKROCK

April 16, 2008

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 January 1, 2008 to March 31, 2008, the Client's account has been in compliance, in all material respects, with its Guidelines.

BLACKROCK

By: 
Patrick Chin-Hong
Director



May 19, 2008

Mr. Tony Ferrara
Consulting Associate
2321 Rosecrans Avenue, Suite 2250
El Segundo, California 90245

Re: Fresno CERA

Dear Mr. Ferrara,

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 the stated investment objectives, policies and guidelines during the first quarter of 2008.

Please contact me at (626)844-9414 should you have any questions.

Sincerely,

John Elliott
Compliance Officer

April 18, 2008

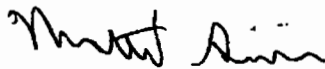
Mr. Anthony Ferrara
Wurts & Associates
2321 Rosecrans, Suite 2250
El Segundo, CA 90245

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 March 31, 2008.

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
Certification of Compliance Statement
First Quarter, 2008

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 January 1, 2008 – March 31, 2008, 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

3/31/2008
Date



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

April 10, 2008

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 January 1, 2008 through March 31, 2008 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

April 15, 2008



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 January 1, 2008, to March 31, 2008.

We welcome your questions.

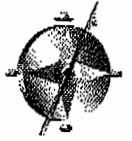
Sincerely,

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

Joseph F. Dietrick
dietrick@ajopartners.com

eja (FX)

cc: Roberto L. Peña



**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 M Romito

By: Nancy Romito

Title: Client Services Director

Firm: Kalmar Investments Inc.

Date: April 17, 2008

Reporting Period: First Quarter 2008



April 18, 2008

Tony Ferrara
Consulting Associate
Wurts & Associates
2321 Rosecrans, Suite 2250
El Segundo, CA 90245

Re: Fresno County Employees' Retirement Association

Dear Mr. Ferrara:

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 1st quarter 2008.

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

Sincerely,

Edward T. Bradford

cc: Roberto Pena, FCERA



Franklin Templeton®

TEMPLETON INVESTMENT COUNSEL, LLC

500 East Broward Boulevard/Suite 2100
Fort Lauderdale, Florida 33394-3091
Telephone 954-527-7500

DATE: April 28, 2008


TO: The Board of Trustees of the Fresno County Employees Retirement Association

FROM: Kevin Wuerfel
Supervisor, Global Investment Adviser Compliance

RE: Account #325 – Fresno County Employees’ Retirement Association Compliance Certification

CC: Robert Rosselot

We have reviewed the investment guidelines and restrictions for Fresno County Employees’ Retirement Association. In our opinion, for the quarter-ended March 31, 2008 the account is in compliance in all material respects with the investment restrictions set forth in the Investment Management Agreement dated August 1, 1994 and the Investment Policy Statement dated June 10, 2003.

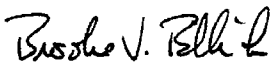

Kevin Wuerfel – Supervisor, Global Investment Adviser Compliance

COMPLIANCE WITH INVESTMENT GUIDELINES

Investment Manager Name: Artisan Partners Limited Partnership
Account Name: Fresno County Employees Retirement Association
Quarter Ending: March 31, 2008

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: April 30, 2008

April 15, 2008

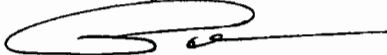
Mr. Anthony Ferrara
Wurts & Associates
2321 Rosecrans Avenue
Suite 2250
El Segundo, CA 90245
Via e-mail: aferrara@wurts.com

Re: Fresno County Employees' Retirement Association (I0240LG.240) ("Portfolio")

Dear Mr. Ferrara:

The purpose of this correspondence is to certify that for the period January 1, 2008 through March 31, 2008, INTECH has complied with the Portfolio's Manager Specific Guidelines as amended.

Sincerely,



Patricia Flynn
Chief Compliance Officer

cc: Robert Pena, Retirement Administrator (*via e-mail: rpena@co.fresno.ca.us*)



Oechsle International Advisors, LLC

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

April 7, 2008

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 fourth quarter January 1, 2008 through March 31, 2008.

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 617-330-8825.

Regards,

A handwritten signature in cursive script that reads "Paul Kelly".

Paul Kelly
Compliance Officer

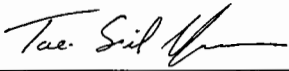
Certifications

JER Real Estate Advisors II, Inc., the sole General Partner of JER Real Estate Advisors II, L.P., the sole General Partner of the Partnerships, hereby certifies as follows:

- (a) no event has occurred which has caused the obligation of the Limited Partners to make Capital Contributions to be suspended;
- (b) no material breach by the General Partner of any covenant, representation or warranty of the Partnership Agreements has occurred or is continuing.

By: JER Real Estate Advisors II, L.P.,
As General Partner

By: JER Real Estate Advisors II, Inc.,
Its General Partner

By: 

Name: Tae-Sik Yoon
Title: Chief Financial Officer

TRUST COMPANY OF THE WEST

865 SOUTH FIGUEROA STREET, LOS ANGELES, CALIFORNIA 90017

TEL: 213 244 0053 FAX: 213 244 0741 E-MAIL: tracey.monroe@tcw.com

TRACEY B. MONROE
SENIOR VICE PRESIDENT



May 28, 2008

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 March 31, 2008 (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) 244-0053.

Sincerely,

A handwritten signature in black ink that reads "Tracey B. Monroe". The signature is written in a cursive, flowing style.

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

Compliance Worksheet 3-31-2008

Domestic Equity Accounts 3/31/2008

| 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 ² |
| No derivatives, non-ADR foreign stocks, non-U.S. jurisdictional | Yes |

¹Artisan Partners deviated from its market capitalization range stated in the guidelines. The guidelines state that: "The Manager uses a blend of smaller companies ranging in market capitalization for the portfolio from **approximately** \$100 million to \$2.5 billion at the initiation of the position." Artisan purchased one security (out of sixty-seven holdings), which at the time of initial purchase had a market capitalization of \$2.9 billion.

²Kalmar Investments deviated from its market capitalization range stated in the guidelines. The guidelines state that: "The Manager uses a blend of smaller companies ranging in market capitalization for the portfolio from **approximately** \$100 million to \$2 billion at the initiation of the position." Kalmar purchased three securities (out of eighty-five holdings), which at the time of initial purchase had market capitalizations of up to \$2.09 billion

Domestic Equity 2

Domestic Equity Accounts 3/31/2008

| 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 ² |
| No derivatives, non-ADR foreign stocks without consent of Association | Yes |

| 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 ³ |

| State Street Global Advisors | |
|---|------------------|
| Guideline | In Compliance |
| The investment policies of State Street shall be governed by the State Street's Fund Declaration. | Yes ⁴ |

¹INTECH's guidelines were revised during 3Q07 to allow for holdings to be more than 2.5% after initial purchase as long as the position is trimmed within 30 calendar days.

²TCW deviated from its market capitalization range stated in the guidelines. The guidelines state that: "**Generally**, the minimum capitalization of securities in the portfolio will be \$3 billion at time of investment." TCW purchased one security (out of one hundred thirty holdings), which at time of initial purchase had a market capitalization of \$2.6 billion.

³Wellington's guidelines were revised during 3Q07 to allow for ADR's to be purchased in the over-the-counter markets as well.

⁴The 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 3/31/2008

| 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

3/31/2008

| 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

3/31/2008

| 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 |