

**FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
COMPLIANCE EVALUATION REPORT
4th QUARTER 2008**

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999 Third Avenue, Suite 4200
Seattle, Washington 98104
206.622.3700

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

Executive Summary

4th 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	✓	
Brandywine Asset Management	✓	
Kalmar Investments Inc.	✓	
Wellington Capital Management	✓	
Enhanced Investment Technologies (INTECH)	✓	
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	✓	

During the fourth quarter, Franklin Templeton violated their investment guidelines by holding a security (Invesco Ltd.), which is not an allowable security. Franklin Templeton may only invest in markets within the MSCI EAFE Index as well as the Bermuda, Canada, and the Cayman Islands. On December 16th, Invesco Ltd.'s country assignment was changed from Bermuda to the United States. Although at time of purchase, Invesco Ltd.'s country assignment was Bermuda, the investment guidelines do not specify to allow for a country assignment change after time of purchase.



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
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
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: **December 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					
Brandywine Asset Mgmt.	SV					
Kalmar Investments Inc.	SG					
Wellington Management Co.	LV					
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

January 30, 2009

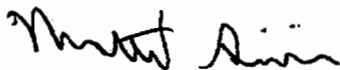
Mr. Anthony Ferrara
Wurts & Associates
2321 Rosecrans, Suite 2250
El Segundo, CA 90245

Dear Mr. Ferrara:


The S&P 500 Flagship Fund and the Russell 1000 Growth Securities Lending Fund, in which the Fresno County Employees' Retirement Association is invested, are in compliance with the fund guidelines and restrictions outlined in their Fund Declarations as of December 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 Relationship Management at (415) 836-9854.

Sincerely,



Matthew Simoni
Compliance Associate
SSgA Compliance



Tan Eng
Assistant Vice President and Compliance Officer
SSgA Compliance

cc: Neil Tremblay, SSgA
Roberto Pena, FCERA

January 20, 2009

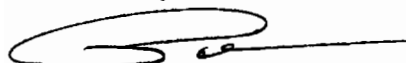
Mr. Anthony Ferrara
Wurts & Associates, Inc.
2321 Rosecrans Avenue
Suite 2250
El Segundo, CA 90245
Via e-mail: aferrara@wurts.com

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

Dear Mr. Ferrara:

The purpose of this correspondence is to certify that for the period October 1, 2008 through December 31, 2008, INTECH has complied with the Portfolio's Separate Account Large Capitalization Growth Equity Assignment as amended.

Sincerely,



Patricia Flynn
Chief Compliance Officer

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

January 16, 2009



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 October 1, 2008, to December 31, 2008.

We welcome your questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Dietrick', with a long horizontal flourish extending to the right.

Joseph F. Dietrick
dietrick@ajopartners.com

srr (FX)

cc: Roberto L. Peña

KALMAR INVESTMENTS INC.



**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: _____

A handwritten signature in cursive script, appearing to read "Nancy M Romito", written over a horizontal line.

By: Nancy Romito

Title: Client Services Director

Firm: Kalmar Investments Inc.

Date: January 21, 2009

Reporting Period: Fourth Quarter 2008



January 14, 2009

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 4th 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

Fresno County Employees' Retirement Association
Certification of Compliance Statement
Fourth 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 October 1, 2008 – December 31, 2008, have been reviewed and are in compliance with the investment management agreement and Wellington Management's internal policies.

Sue Bonfeld

Sue Bonfeld
Vice President
Wellington Management

12/31/2008

Date

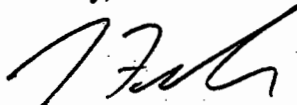
January 13, 2009

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 10/1/2008 and ending 12/31/2008.

Sincerely,



Jonathan Fella
Manager
Portfolio Compliance

Enclosure

cc: Roberto Pena, FCERA



Oechsle International Advisors, LLC

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

January 5, 2009

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 October 1, 2008 through December 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



**Fresno County Employees Retirement Association
Investment Holdings and Transaction Certification
December 31, 2008**

This is to certify that the investment portfolio managed on behalf of the Fresno County Employees Retirement Association December 31, 2008, was in compliance with the *Fresno County Employees Retirement Association Investment Policy* with the following exceptions:

NONE

Mary Ellen Logee 1/7/09
Loomis, Sayles & Company, L.P. Date

Mary Ellen Logee
Vice President, Portfolio Compliance Manager

Peter W. Palfrey 1/8/09
Loomis, Sayles & Company, L.P. Date

Peter W. Palfrey
Vice President, Portfolio Manager



January 13, 2009

Mr. Tony Ferrara
Senior Consulting Associate
Wurts & Associates, Inc.
999 3rd Avenue, Suite 4200
Seattle, Washington 98104-4021

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

Please contact me at (626) 817-5105 should you have any questions.

Sincerely,

Andrew Kang
Compliance Officer

Guidelines & Objectives
Diversified Small Cap Value Equity

Investment Style	U.S. Small Cap Value Equity
Investment Objective	To out-perform the investment benchmark over a 3-5 year period, while maintaining a portfolio with consistent small cap value characteristics.
Investment Benchmark	Russell 2000 Value Index
Investment Guidelines	<p>The portfolio will generally:</p> <ul style="list-style-type: none"> ❖ Invest in U.S. small cap and micro cap companies with value characteristics such as low price-to-earnings or low price-to-book ratios. ❖ Maintain a widely diversified portfolio of small and micro cap holdings. ❖ Maintain cash at no more than 5%, with up to 10% transitional cash. Exchange traded funds (ETFs) may be used to equitize cash positions in the portfolio, particularly during portfolio contributions and withdrawals. ❖ Limit investment in any single: <ul style="list-style-type: none"> ○ Company to 2% of the portfolio at purchase; ○ Industry to 20% of the portfolio at purchase; and ○ Sector to 35% of the portfolio at purchase. ❖ Not purchase: <ul style="list-style-type: none"> ○ ADR's; ○ Non-U.S. companies unless included in the Russell 3000; ○ Rule 144A securities; or ○ Derivatives to leverage the portfolio. ❖ Not engage in short sales



Franklin Templeton®

TEMPLETON INVESTMENT COUNSEL, LLC

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

DATE: January 13, 2009

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 December 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.

 1/14/09

Kevin Wuerfel
Supervisor – Global Investment Adviser Compliance


Mondrian Emerging Markets Equity Fund, L.P. (the "Fund")

Certification of Compliance with Investment Strategy

for the period from October 1, 2008 to December 31, 2008

The Fund has been in compliance with its Investment Strategy, as fully set forth in the Confidential Information Memorandum of the Fund, during the period described above. Each item of the Investment Strategy is described in the Appendix and initialed as being in compliance.

Mondrian Investment Partners Limited
(as Investment Manager to the Fund)

By: 
Name: **GINNY CHONG**
Title: **SENIOR PORTFOLIO MANAGER**
Date: **JAN 6 2009**

Mondrian Emerging Markets Equity Fund, L.P.

Investment Strategy Detail	Initial
<p><u>Securities, Approach and Markets</u></p> <p>The Fund pursues its investment objective primarily by investing in equity securities of emerging market companies, as described below, that, in the Investment Manager's opinion, are undervalued at the time of purchase based on fundamental value analysis employed by the Investment Manager. Equity securities in which the Fund may invest include, but are not limited to, common stocks, preferred stocks, convertible securities, index related securities, certain non-traditional equity securities and warrants. The Fund may purchase securities of non-U.S. issuers directly or indirectly in the form of American, European or Global depository receipts or other securities representing underlying shares of non-U.S. issuers. The Fund may also purchase other investment funds, including, but not limited to registered funds, unregistered funds and REIT's. Under normal circumstances, the Fund invests at least 80% of its assets in investments of emerging market issuers.</p> <p>The Investment Manager's approach in selecting investments for the Fund is primarily oriented to individual stock selection and is value driven. In selecting stocks for the Fund, the Investment Manager identifies those stocks that it believes will provide capital appreciation over a market cycle, taking into consideration movements in the price of the individual security and the impact of currency fluctuation on a United States domiciled, dollar-based investor. The Investment Manager conducts fundamental research on a global basis in order to identify securities that, in the Investment Manager's opinion, have the potential for long-term capital appreciation. This research effort generally centers on a value-oriented dividend discount methodology with respect to individual securities and market analysis that isolates value across country boundaries. The approach focuses on future anticipated dividends and discounts the value of those dividends back to what they would be worth if they were being received today. In addition, the analysis typically includes a comparison of the values and current market prices of different possible investments. The Investment Manager's general management strategy emphasizes long-term holding of securities, although securities may be sold in the Investment Manager's discretion without regard to the length of time they have been held.</p>	Gyc
<p><u>Emerging Markets Company</u></p> <p>The Fund considers an emerging country to be any country that is included in the International Finance Corporation Free Index or the Morgan Stanley Capital International Emerging Markets Index. In addition, any country which is generally recognized to be an emerging or developing country by the international financial community, including the World Bank and the International Finance Corporation, as well as any country that is classified by the United Nations or otherwise regarded by its authorities as developing will be considered an emerging country.</p> <p>There are more than 130 countries that are generally considered to be emerging or developing countries by the international financial community, approximately 40 of which currently have stock markets. Almost every nation in the world is included within this group of developing or emerging countries except the United States, Canada, and those in the Morgan Stanley Capital International EAFE Index.</p>	Gyc

<p>In considering possible emerging countries in which the Fund may invest, the Investment Manager places particular emphasis on certain factors, such as economic conditions (including growth trends, inflation rates and trade balances), regulatory and currency controls, accounting standards and political and social conditions. Although this is not an exclusive list, the Investment Manager considers an emerging country equity security to be one that is issued by a company that exhibits one or more of the following characteristics: (1) its principal securities trading market is in an emerging country, as defined above; (2) while traded in any market, alone or on a consolidated basis, the company derives 50% or more of its annual revenues or annual profits from either goods produced, sales made or services performed in emerging countries; (3) the company has 50% or more of its assets located in an emerging country; or (4) it is organized under the laws of, and has a principal office in, an emerging country. The Investment Manager determines eligibility based on publicly available information and inquiries made of the companies.</p> <p>Currently, investing in many emerging countries is not feasible, or may, in the Investment Manager's opinion, involve unacceptable political or governance risks. The Fund focuses its investments in those emerging countries where the Investment Manager considers the economies to be developing and where the markets are becoming more sophisticated.</p>	
<p><u>Currency, Debt Securities and Cash</u></p> <p>Currency considerations carry a special risk for a portfolio of international securities. The Fund may invest in securities issued in any currency and may hold foreign currency. Securities of issuers within a given country may be denominated in the currency of another country or in multinational currency units, including the euro. The Investment Manager primarily uses a purchasing power parity approach to evaluate currency risk. In this regard, the Fund may carry out hedging activities, and may invest in forward foreign currency contracts to hedge currency risks associated with the purchase of individual securities denominated in a particular currency. Under normal circumstances, hedging is undertaken defensively back into the base currency of the Fund.</p> <p>Under normal circumstances, no more than 10% of the Fund's assets will be invested in debt securities issued by governments or by their agencies, instrumentalities or political subdivisions, or by corporate entities, all of which may be high-yield, high-risk fixed income securities rated lower than BBB by S&P and Baa by Moody's or, if unrated, considered to be of equivalent quality. In addition, for temporary defensive purposes, the Fund may invest in high-quality debt instruments.</p> <p>To facilitate investment activities, the Fund will generally hold a small portion of its assets in cash or cash equivalent instruments.</p>	<p>GVC</p>

The Investment Manager manages the Fund's assets in accordance with the investment objective and guidelines described in the Confidential Information Memorandum and not in accordance with the individual guidelines of any one investor.



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

January 22, 2009

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 October 1, 2008 through December 31, 2008 the GMO Global Bond Fund was in compliance with the investment restrictions set forth in the GMO Trust Prospectus dated June 30, 2008 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



LANDMARK PARTNERS

February 2, 2009

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 January 1, 2008 and ending December 31, 2008, 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

Tina St. Pierre
Vice President

cc: Mr. Roberto Peña, FCERA

[Faint, illegible text, likely bleed-through from the reverse side of the page]

★

LONE STAR FUND IV (U.S.), L.P.

January 5, 2009

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

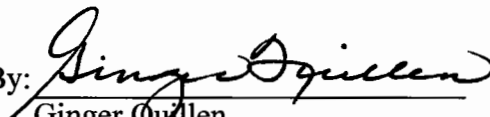
Re: *Statement of Compliance for the quarter ended December 31, 2008 – Lone Star Fund IV (U.S.), L.P.*

Dear Mr. Ferrara:

Please note that Lone Star Partners IV, L.P., the general partner of Lone Star Fund IV (U.S.), L.P. was in compliance with the provisions of the Amended and Restated Limited Partnership Agreement of Lone Star Fund IV (U.S.), L.P. (the "Partnership Agreement") for the quarter ended December 31, 2008.

If you have any questions regarding the above, please contact Lou Paletta at 214-754-8336 (email: lpaletta@lonestarfunds.com) or me at 214-754-8312 (e-mail: gquillen@lonestarfunds.com).

LONE STAR FUND IV (U.S.), L.P.,

By: 
Ginger Quillen
Vice President of
Lone Star Management Co. IV, Ltd.,
general partner of Lone Star Partners IV, L.P.,
general partner of Lone Star Fund IV (U.S.), L.P.

cc: Roberto Peña

Compliance Worksheet 12-31-2008

Domestic Equity Accounts 12/31/2008

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

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 ¹
No derivatives, non-ADR foreign stocks, non-U.S. jurisdictional	Yes

¹Kalmar 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 five security (out of eighty-one holdings), which at the time of initial purchase had a market capitalization of \$2.72 billion

Domestic Equity 2

Domestic Equity Accounts 12/31/2008

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

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 ²

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 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.

²Wellington's guidelines were revised during 3Q07 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

12/31/2008

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 securities outside of the MSCI EAFE Index as well as Bermuda, Canada, and Cayman Islands	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 securities outside of the MSCI EAFE Index as well as Bermuda, Canada, and Cayman Islands	No ¹
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 ²

¹Franklin Templeton held one security (Invesco Ltd.), which at time of purchase was incorporated in Bermuda but had its country assignment changed to the United States on December 16, 2008. Wurts & Associates has directed Franklin Templeton the portfolio may continue to maintain this position, but may not add to it.

²The 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 12/31/2008

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
12/31/2008

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