



CALLAN  
Associates, Inc.

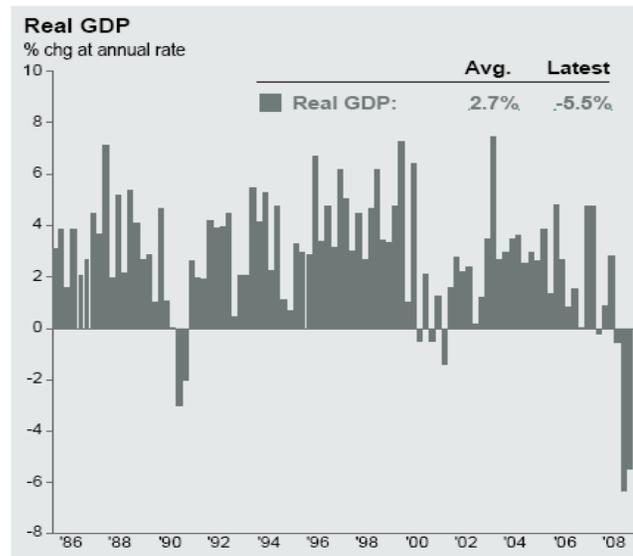
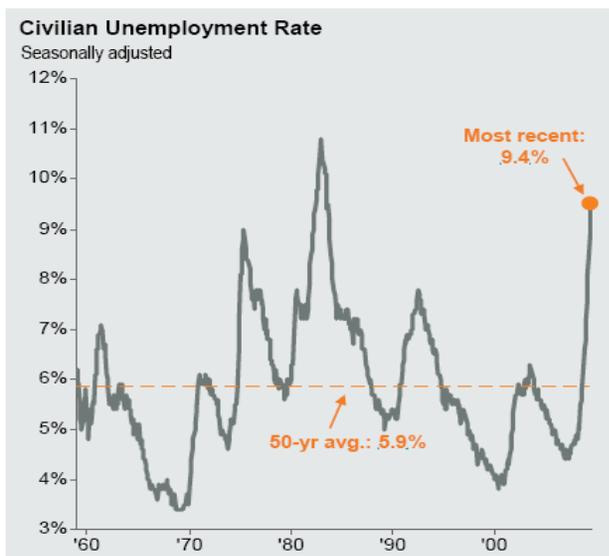


**Review for Period Ending  
June 30, 2009**

**Janet Becker-Wold, CFA  
Senior Vice President**



# U.S. Economy



- Economy remains mired in a deep recession – First quarter GDP was down 5.5%, second quarter was down a better than expected 1%
- Unemployment continues to rise, expected to peak first quarter 2010
- Interest rates remain very low but the yield curve is steep
- Core inflation subdued at 1.8% while “headline” CPI falls 1.3% (declining energy prices)
- Liquidity crisis appears to be easing. Credit spreads have narrowed and the TED spread is down to 0.4% from high of 4.6% on October 8, 2008.

Source: JP Morgan, Q3 Guide to the Markets



# Asset Class Performance

Periods ending June 30, 2009

Periodic Table of Investment Returns

Quarter Ending 6/30/09	Year Ending 6/30/09	3 Years Ending 6/30/09	5 Years Ending 6/30/09	10 Years Ending 6/30/09
Emer Markets <b>34.8%</b>	BC Aggr Bd <b>6.0%</b>	BC Aggr Bd <b>6.4%</b>	Emer Markets <b>15.1%</b>	Emer Markets <b>9.0%</b>
EAFE US\$ <b>25.4%</b>	3 Month T-Bill <b>1.0%</b>	Emer Markets <b>3.3%</b>	BC Aggr Bd <b>5.0%</b>	BC Aggr Bd <b>6.0%</b>
Russell 2000 Index <b>20.7%</b>	Russell 1000 Growth <b>(24.5%)</b>	3 Month T-Bill <b>3.2%</b>	3 Month T-Bill <b>3.2%</b>	3 Month T-Bill <b>3.2%</b>
Russell 1000 Value <b>16.7%</b>	Russell 2000 Index <b>(25.0%)</b>	Russell 1000 Growth <b>(5.5%)</b>	EAFE US\$ <b>2.3%</b>	Russell 2000 Index <b>2.4%</b>
Russell 1000 Index <b>16.5%</b>	Russell 1000 Index <b>(26.7%)</b>	EAFE US\$ <b>(8.0%)</b>	Russell 2000 Index <b>(1.7%)</b>	EAFE US\$ <b>1.2%</b>
Russell 1000 Growth <b>16.3%</b>	Emer Markets <b>(27.8%)</b>	Russell 1000 Index <b>(8.2%)</b>	Russell 1000 Growth <b>(1.8%)</b>	Russell 1000 Value <b>(0.1%)</b>
BC Aggr Bd <b>1.8%</b>	Russell 1000 Value <b>(29.0%)</b>	Russell 2000 Index <b>(9.9%)</b>	Russell 1000 Index <b>(1.9%)</b>	Russell 1000 Index <b>(1.7%)</b>
3 Month T-Bill <b>0.1%</b>	EAFE US\$ <b>(31.4%)</b>	Russell 1000 Value <b>(11.1%)</b>	Russell 1000 Value <b>(2.1%)</b>	Russell 1000 Growth <b>(4.2%)</b>

### For Quarter:

- Emerging markets and EAFE best performers
- Small beat large
- Value beat growth

### For Year:

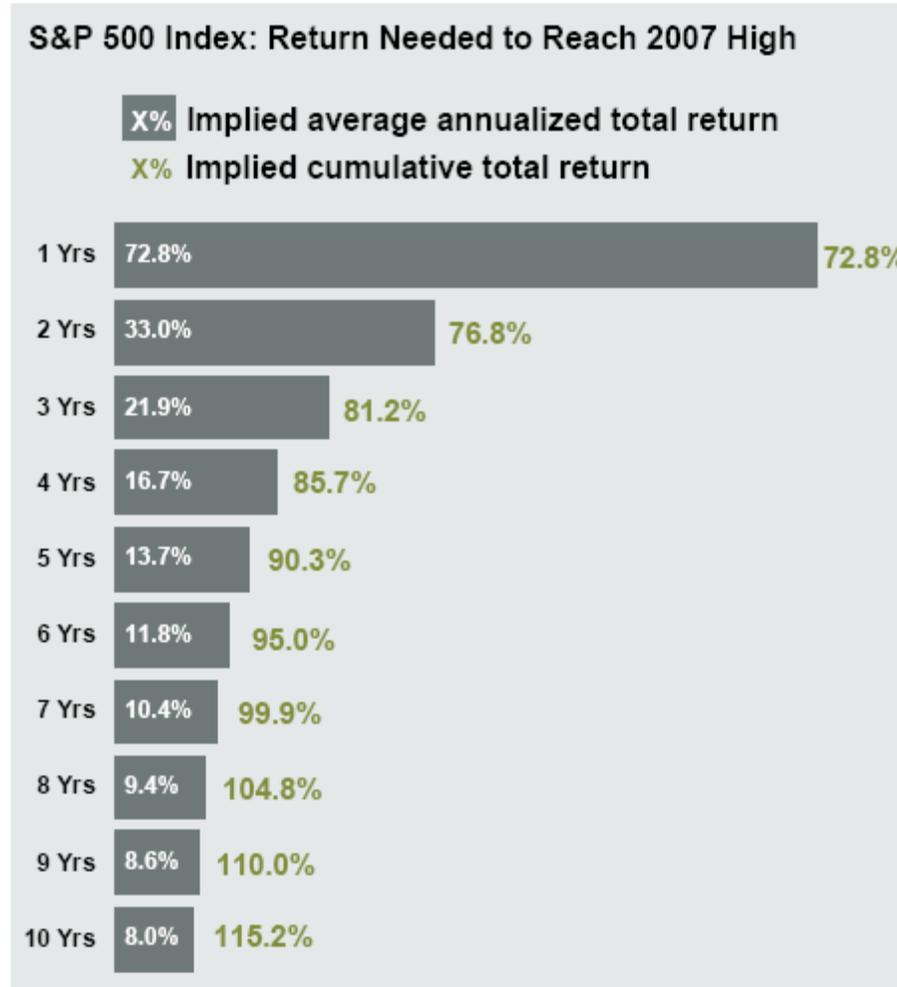
- Bonds and cash best performers
- Growth beat value
- Small beat large

### July Update:

S&P 500	+7.6%
Russell 2000	+9.6%
ACWI ex-US	+9.8%
BC Agg	+1.6%



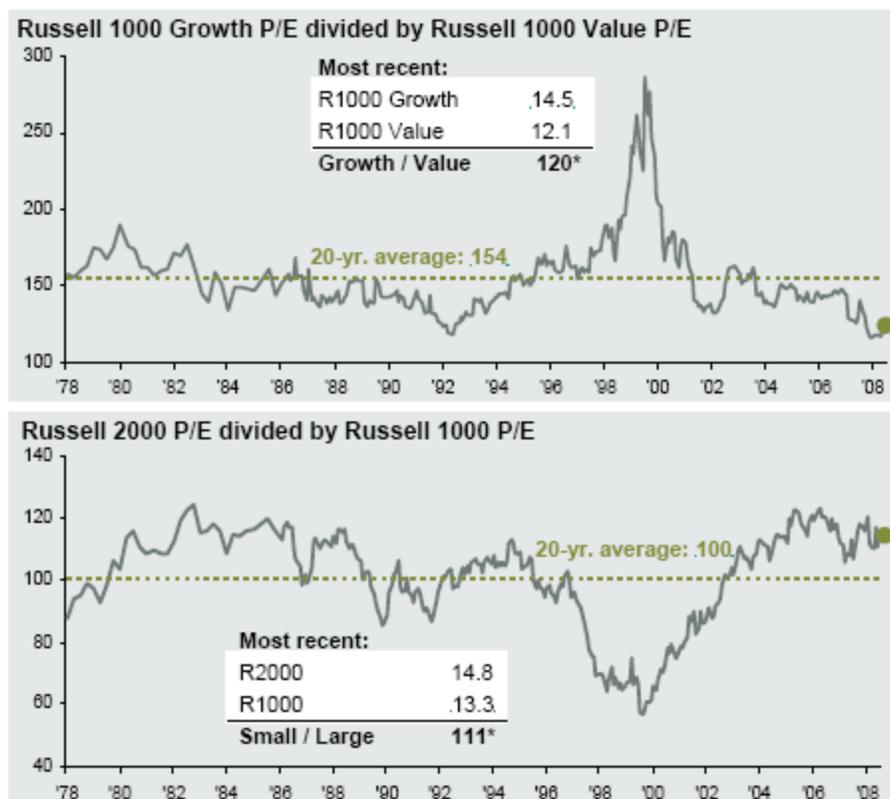
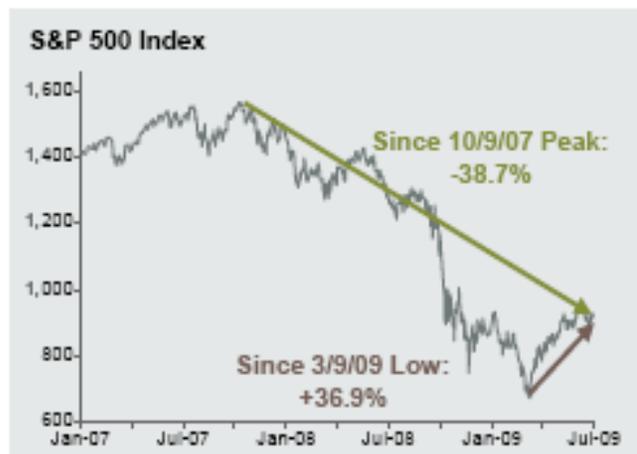
# Impact of Recent Market Losses



Source: JP Morgan, Q3 Guide to the Markets



# Stock Returns and Valuations



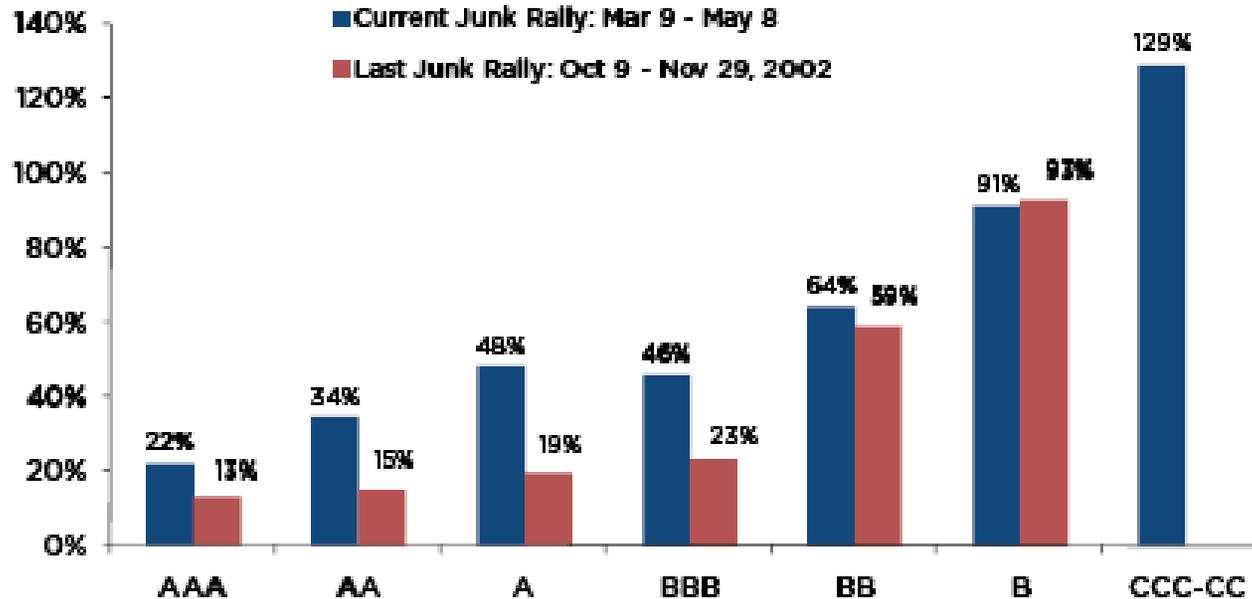
- Large cap growth looks cheap relative to value compared to historical averages
- Large cap looks cheap relative to small cap compared to historical averages

Charts: JP Morgan, Q3 Guide to the Markets



## Second Quarter "Rush to Junk" Rally

Average Price Change During Junk Rallies  
S&P 500 Sorted By S&P Debt Rating



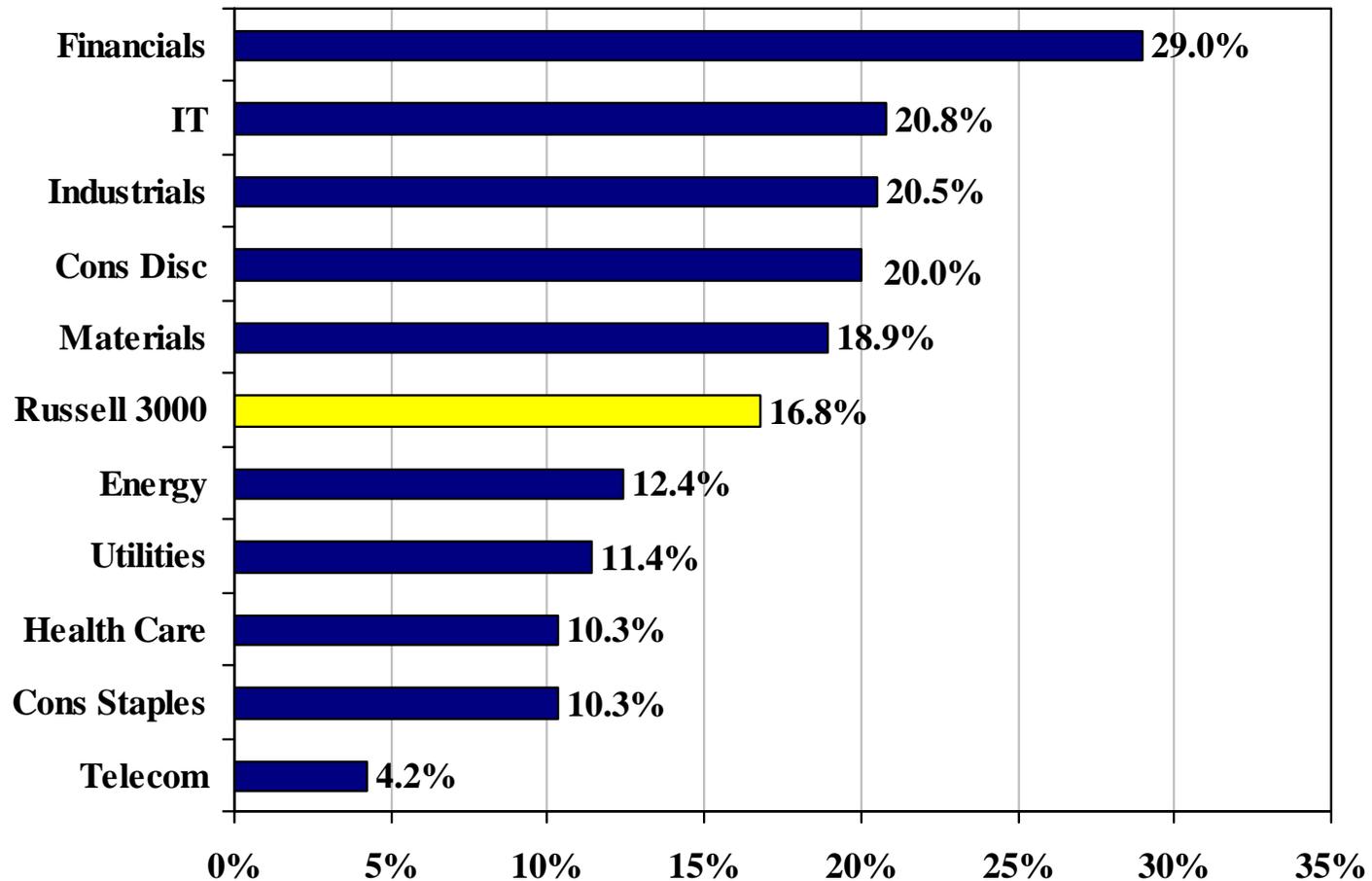
Source: Factset, Compustat, S&P

Source: Smith Group Asset Management



# U.S. Sector Performance

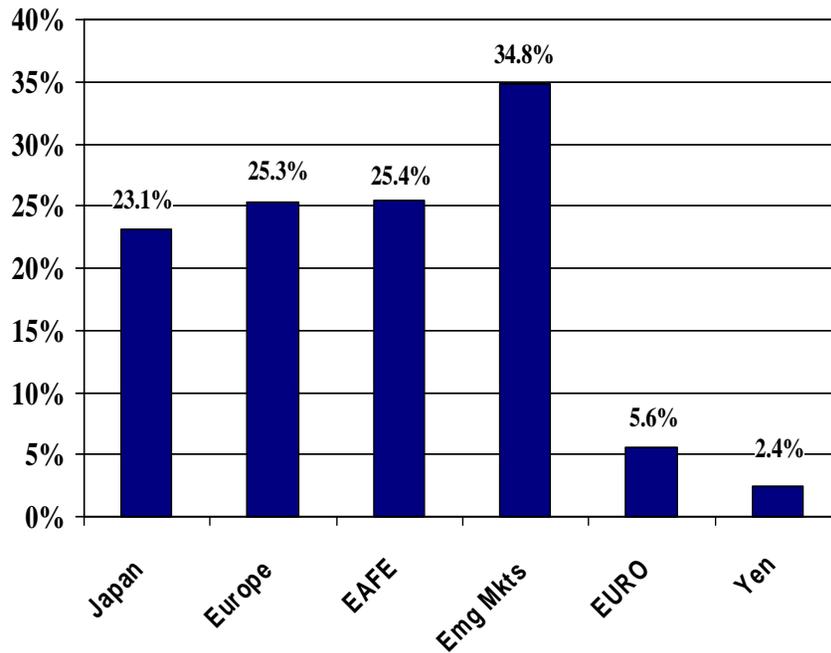
Quarter Ending June 30, 2009





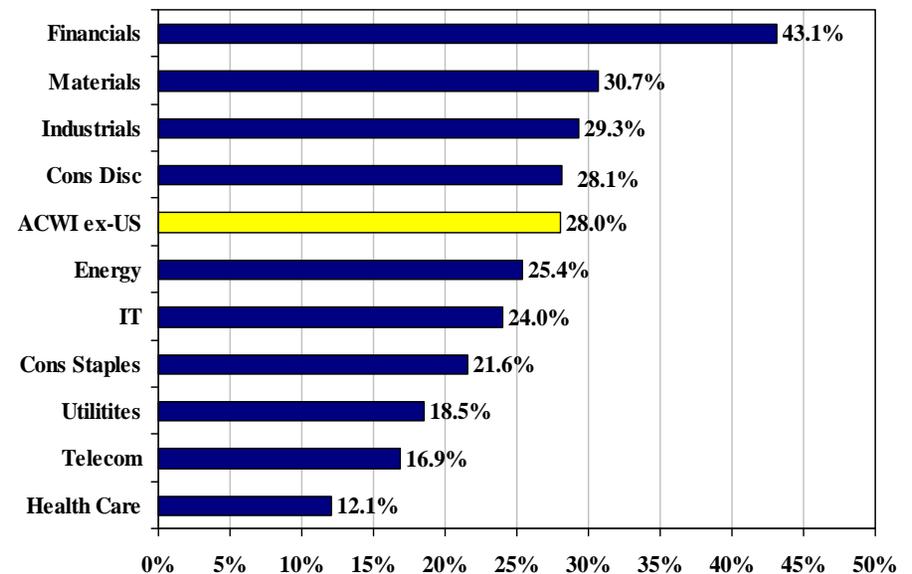
# International Equity Returns

Quarter Ending June 30, 2009



- Emerging Markets posted strong returns
- Dollar weakness helped U.S.-based investors
- Financials rebound strongly followed by materials and industrials

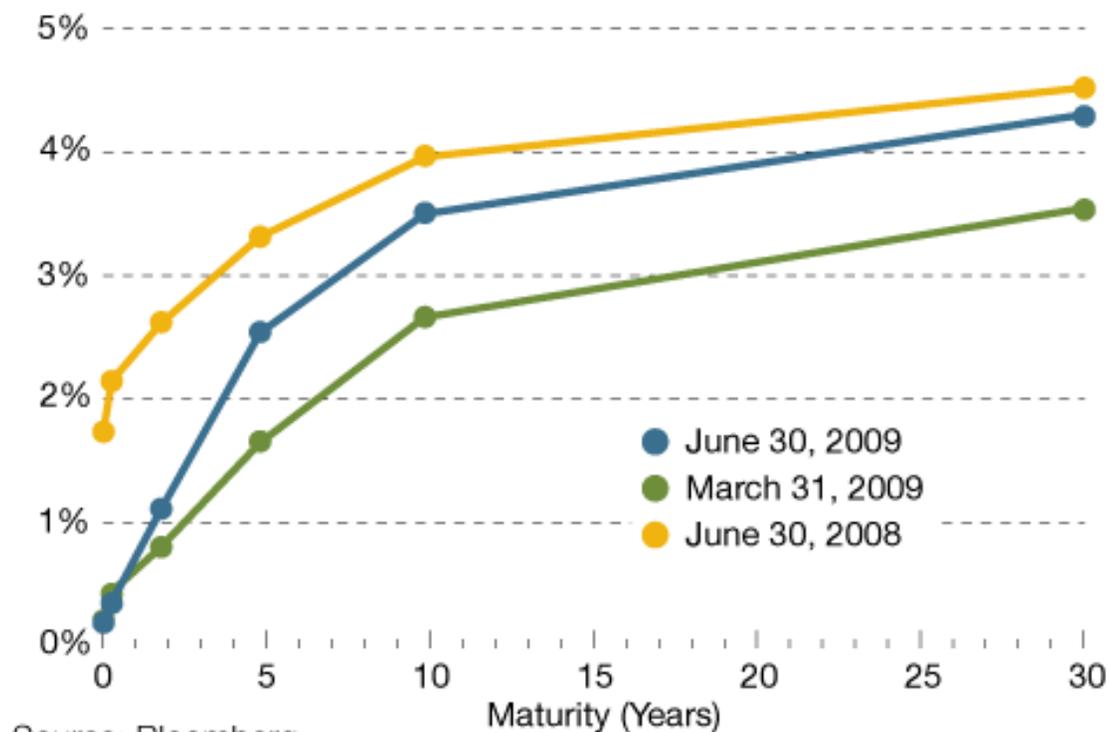
## MSCI ACWI ex-US Sector Returns





## Yield Curve Changes

### U.S. Treasury Yield Curves

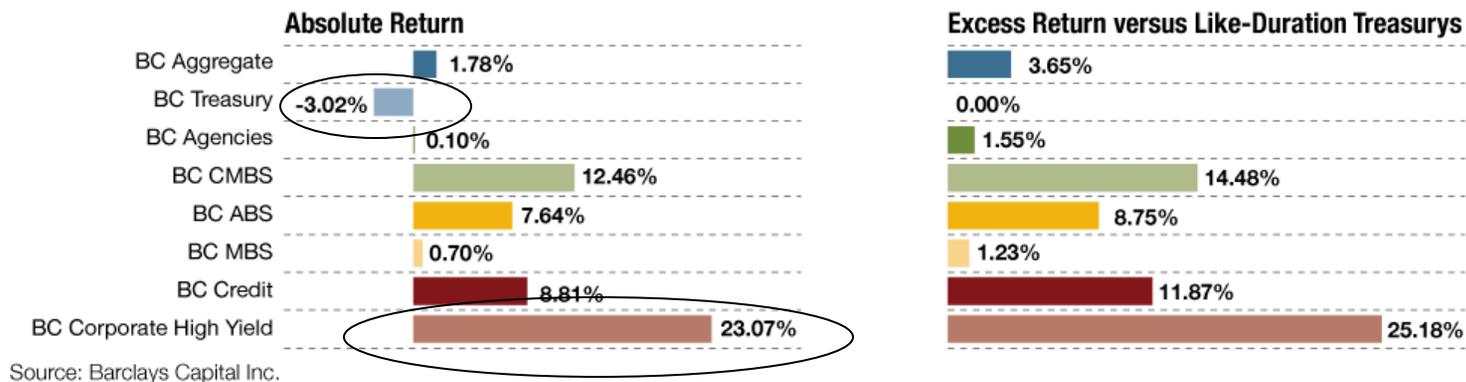


- Interest rates rose across the curve in the June quarter and the yield curve steepened

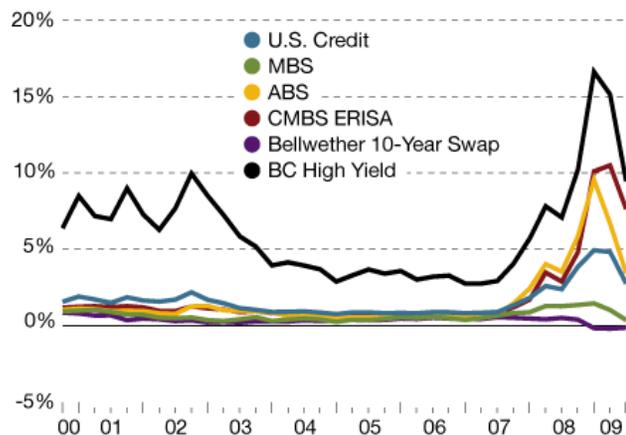


# Total Rates of Return by Bond Sector Quarter ending June 30, 2009

## Fixed Income Index Returns



## Effective Yield Over Treasuries





# Endowments - Asset Allocation

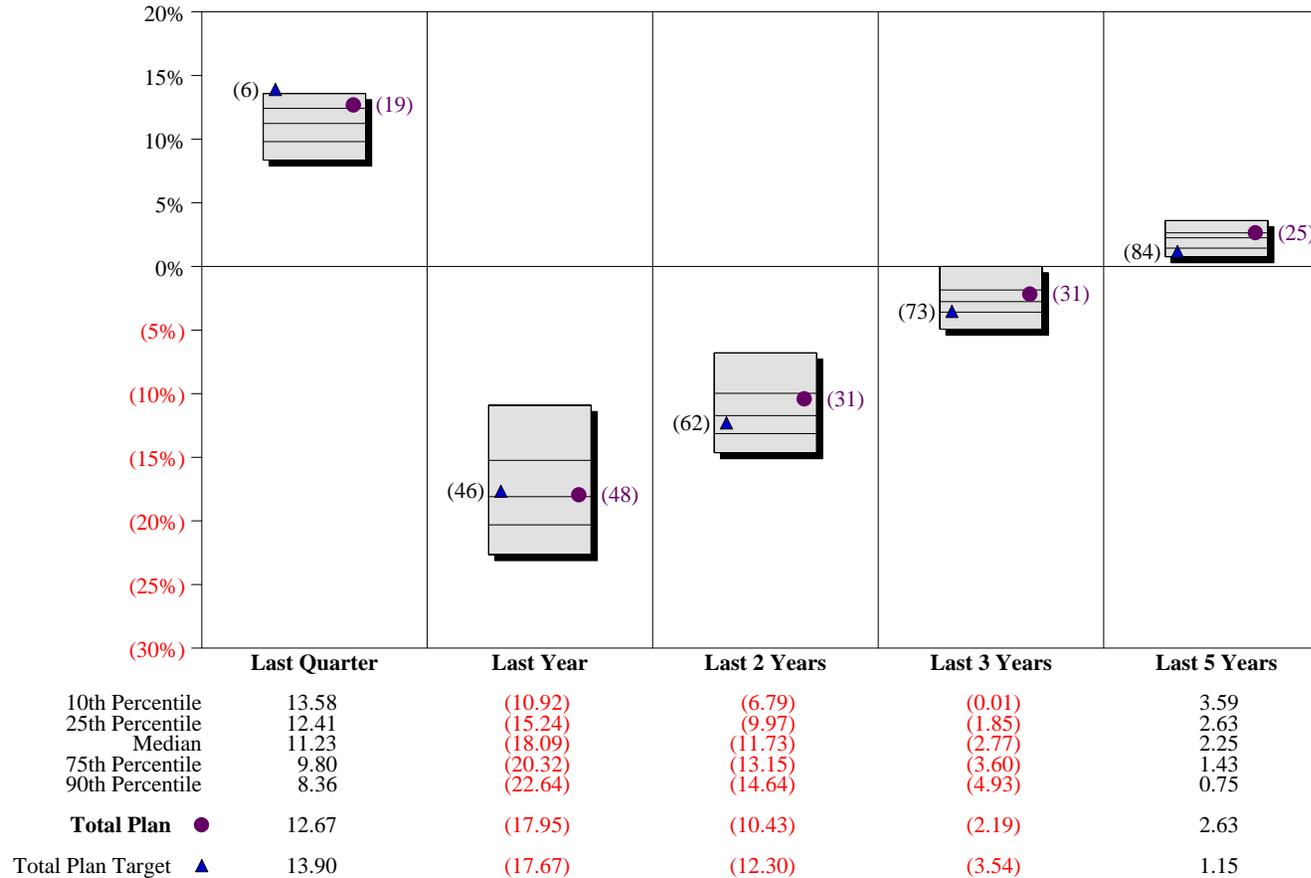
	June 30, 2009		Net New Inv.	Inv. Return	March 31, 2009	
	Market Value	Percent			Market Value	Percent
<b>Total Equity</b>	<b>\$647,993,716</b>	<b>70.53%</b>	<b>\$41,493,634</b>	<b>\$91,596,940</b>	<b>\$514,903,143</b>	<b>62.48%</b>
<b>Domestic Equity</b>	<b>\$494,850,899</b>	<b>53.86%</b>	<b>\$41,500,396</b>	<b>\$65,403,916</b>	<b>\$387,946,587</b>	<b>47.07%</b>
<b>Large Cap</b>	<b>\$346,757,958</b>	<b>37.74%</b>	<b>\$23,932,243</b>	<b>\$44,712,284</b>	<b>\$278,113,431</b>	<b>33.75%</b>
NTGI S&P 500	118,995,391	12.95%	28,789,144	14,246,215	75,960,032	9.22%
Metropolitan West	57,324,156	6.24%	6,500,000	8,239,440	42,584,715	5.17%
NTGI Russell 1000 Value	-	-	(18,075,158)	1,123,107	16,952,051	2.06%
LSV Asset Mgmt	56,637,898	6.16%	14,000,000	6,385,954	36,251,944	4.40%
INTECH	57,599,042	6.27%	12,100,000	5,181,235	40,317,807	4.89%
NTGI Russell 1000 Growth	-	-	(30,481,742)	1,617,571	28,864,171	3.50%
Sands Capital	56,201,471	6.12%	11,100,000	7,918,761	37,182,710	4.51%
<b>Mid Cap</b>	<b>\$95,956,029</b>	<b>10.44%</b>	<b>\$17,568,153</b>	<b>\$9,135,062</b>	<b>\$69,252,814</b>	<b>8.40%</b>
NTGI S&P 400	-	-	(454)	2	452	0.00%
Systematic Financial	48,510,686	5.28%	(0)	5,543,490	42,967,196	5.21%
Times Square	47,445,343	5.16%	17,568,606	3,591,570	26,285,166	3.19%
<b>Small Cap</b>	<b>\$52,136,912</b>	<b>5.67%</b>	<b>\$0</b>	<b>\$11,556,570</b>	<b>\$40,580,342</b>	<b>4.92%</b>
Barrow, Hanley	26,815,655	2.92%	(0)	6,603,241	20,212,415	2.45%
Eagle Asset Management	25,321,257	2.76%	0	4,953,329	20,367,928	2.47%
<b>International Equity</b>	<b>\$153,142,817</b>	<b>16.67%</b>	<b>\$(6,762)</b>	<b>\$26,193,024</b>	<b>\$126,956,556</b>	<b>15.40%</b>
Marvin & Palmer	56,662,420	6.17%	(2,750)	7,816,185	48,848,984	5.93%
Tradewinds - NWQ	72,108,707	7.85%	(2,894)	12,384,077	59,727,523	7.25%
Capital International	12,080,899	1.31%	(711)	3,020,225	9,061,385	1.10%
Grantham Mayo	12,290,792	1.34%	(408)	2,972,537	9,318,663	1.13%
<b>Domestic Fixed Income</b>	<b>\$203,728,500</b>	<b>22.17%</b>	<b>\$(59,714,443)</b>	<b>\$3,468,344</b>	<b>\$259,974,599</b>	<b>31.55%</b>
NTGI Aggregate Bond	176,074,480	19.16%	(59,714,443)	3,314,526	232,474,396	28.21%
NTGI TIPS	27,654,021	3.01%	0	153,818	27,500,203	3.34%
<b>Equitization</b>	<b>\$8,423,173</b>	<b>0.92%</b>	<b>\$(18,000,000)</b>	<b>\$8,766,945</b>	<b>\$17,656,228</b>	<b>2.14%</b>
<b>Cash</b>	<b>\$58,653,339</b>	<b>6.38%</b>	<b>\$27,011,541</b>	<b>\$38,016</b>	<b>\$31,603,781</b>	<b>3.83%</b>
<b>Total Plan ex Equitization</b>	<b>\$910,375,556</b>	<b>99.08%</b>	<b>\$8,790,732</b>	<b>\$95,103,300</b>	<b>\$806,481,523</b>	<b>97.86%</b>
<b>Total Plan</b>	<b>\$918,798,729</b>	<b>100.0%</b>	<b>\$(9,209,268)</b>	<b>\$103,870,245</b>	<b>\$824,137,751</b>	<b>100.0%</b>

+ \$94.7 million



# Endowments - Total Fund Performance

## Performance vs CAI Public Fund Sponsor Database

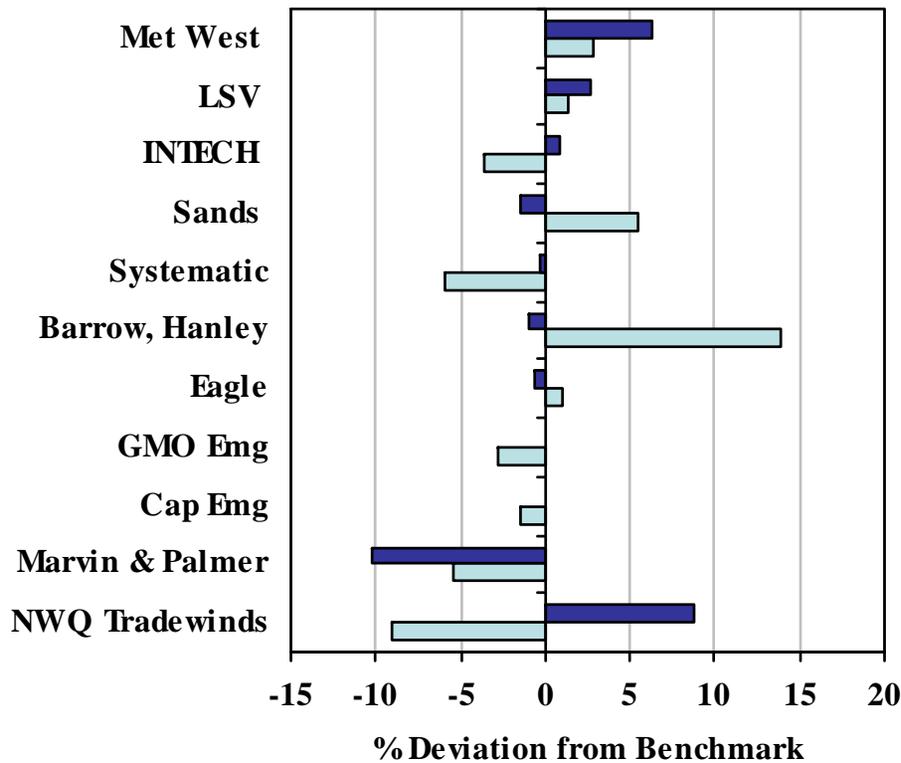


- For the quarter, under-performed the target by 123bps, ranking 19<sup>th</sup> percentile
- For the year, down 18.0%, behind target by 0.3%, 48<sup>th</sup> percentile
- Fund ranked 26<sup>th</sup> percentile against Endowment/Fdn for quarter



# Dashboard – All Managers

Period Ending June 30, 2009



**Quarter:**

Below Benchmark

- INTECH
- Systematic
- GMO
- Capital Intl
- Marvin & Palmer
- Tradewinds

**Year:**

Below Benchmark

- Sands
- Systematic
- Barrow, Hanley
- Eagle
- Marvin & Palmer

□ Quarter ■ Year



# Endowments - Manager Performance

	Last Quarter	Last Year	Last 3 Years	Last 4 Years	Last 5 Years
<b>Total Equity</b>	<b>17.80%</b>	<b>(27.96%)</b>	<b>(6.60%)</b>	<b>(1.09%)</b>	<b>1.09%</b>
<b>Domestic Equity</b>	<b>16.93%</b>	<b>(26.70%)</b>	<b>(7.57%)</b>	<b>(2.79%)</b>	<b>(0.49%)</b>
Russell 3000	16.82%	(26.56%)	(8.35%)	(4.17%)	(1.84%)
<b>Large Cap</b>	<b>16.76%</b>	<b>(25.42%)</b>	<b>(7.51%)</b>	<b>(3.21%)</b>	<b>(0.94%)</b>
Russell 1000	16.50%	(26.69%)	(8.20%)	(4.15%)	(1.85%)
<b>Large Cap Core</b>	<b>16.02%</b>	<b>(25.77%)</b>	<b>(7.89%)</b>	<b>(4.01%)</b>	<b>(2.01%)</b>
NTGI S&P 500	16.02%	(25.77%)	(7.89%)	(4.01%)	(2.01%)
S&P 500	15.93%	(26.21%)	(8.22%)	(4.27%)	(2.24%)
<b>Large Cap Value</b>	<b>18.39%</b>	<b>(25.81%)</b>	<b>(8.53%)</b>	<b>(2.49%)</b>	<b>0.96%</b>
Metropolitan West	19.52%	(22.67%)	(5.06%)	1.34%	4.19%
LSV Asset Management	18.01%	(26.38%)	(10.84%)	(5.04%)	(0.84%)
Russell 1000 Value	16.70%	(29.03%)	(11.11%)	(5.80%)	(2.13%)
<b>Large Cap Growth</b>	<b>16.59%</b>	<b>(25.41%)</b>	<b>(6.36%)</b>	<b>(3.45%)</b>	<b>(2.68%)</b>
INTECH	12.66%	(23.64%)	(6.07%)	(2.87%)	-
S&P/Citi 500 Growth Index	14.60%	(23.88%)	(5.06%)	(2.68%)	(1.85%)
Sands Capital	21.83%	(26.02%)	(6.33%)	(3.96%)	-
Russell 1000 Growth	16.32%	(24.50%)	(5.45%)	(2.68%)	(1.83%)
<b>Mid Cap</b>	<b>12.04%</b>	<b>(30.92%)</b>	<b>(7.91%)</b>	<b>(2.97%)</b>	<b>(0.46%)</b>
Russell MidCap Index	20.80%	(30.36%)	(9.25%)	(4.00%)	(0.11%)
Systematic Financial	12.90%	(27.57%)	(4.99%)	0.62%	4.46%
S&P/Citi 400 Value Index	18.78%	(27.26%)	(9.20%)	(3.80%)	(0.14%)
S&P/Citi 400 Growth Index	18.72%	(28.91%)	(5.97%)	(1.91%)	0.74%
<b>Small Cap</b>	<b>28.48%</b>	<b>(25.14%)</b>	<b>(6.83%)</b>	<b>0.51%</b>	<b>2.49%</b>
Russell 2000	20.69%	(25.01%)	(9.89%)	(4.31%)	(1.71%)
Barrow, Hanley	32.67%	(25.50%)	(9.17%)	(1.89%)	0.86%
Russell 2000 Value	18.00%	(25.24%)	(12.07%)	(6.05%)	(2.27%)
Eagle Asset Management	24.32%	(25.50%)	-	-	-
Russell 2000 Growth	23.38%	(24.85%)	(7.83%)	(2.68%)	(1.32%)
<b>International Equity</b>	<b>20.63%</b>	<b>(30.60%)</b>	<b>(2.78%)</b>	<b>3.90%</b>	<b>6.19%</b>
International Equity Target**	27.59%	(30.92%)	(7.78%)	(0.19%)	2.44%
MSCI ACWI x US (Net)	27.59%	(30.92%)	(5.80%)	1.69%	4.48%
Marvin & Palmer	16.00%	(43.92%)	(7.56%)	0.01%	1.75%
MSCI EAFE Growth	21.72%	(33.36%)	(7.03%)	0.38%	2.55%
Tradewinds - NWQ	20.73%	(20.15%)	(0.31%)	5.89%	9.04%
MSCI EAFE Value	30.31%	(28.43%)	(8.10%)	(0.21%)	2.92%
Capital International	33.33%	-	-	-	-
Grantham Mayo	31.90%	-	-	-	-
MSCI Emerging Mkts (net)	34.73%	(28.07%)	2.95%	10.27%	14.72%
<b>Domestic Fixed Income</b>	<b>1.51%</b>	<b>5.82%</b>	<b>6.75%</b>	<b>4.80%</b>	<b>5.22%</b>
NTGI Aggregate Bond	1.66%	6.61%	6.85%	4.89%	5.27%
BC Aggregate	1.78%	6.05%	6.43%	4.57%	5.01%
NTGI TIPS	0.56%	(2.00%)	5.63%	3.81%	4.87%
BC US TIPS	0.66%	(1.11%)	5.78%	3.87%	4.94%
<b>Cash</b>	<b>0.17%</b>	<b>0.92%</b>	<b>3.33%</b>	<b>3.50%</b>	<b>3.17%</b>
3-month Treasury Bill	0.05%	0.95%	3.25%	3.43%	3.17%
<b>Total Plan ex Equitization</b>	<b>11.77%</b>	<b>(17.61%)</b>	<b>(2.05%)</b>	<b>1.05%</b>	<b>2.71%</b>
<b>Total Plan</b>	<b>12.67%</b>	<b>(17.95%)</b>	<b>(2.19%)</b>	<b>0.92%</b>	<b>2.63%</b>
Total Plan Target	13.90%	(17.67%)	(3.54%)	(0.63%)	1.15%
CPI All Urban Consumers	1.40%	(1.43%)	2.06%	2.62%	2.60%

■ Performance was hurt by active management in international and TIPS (which underperformed the BC Aggregate)



# Judges - Asset Allocation

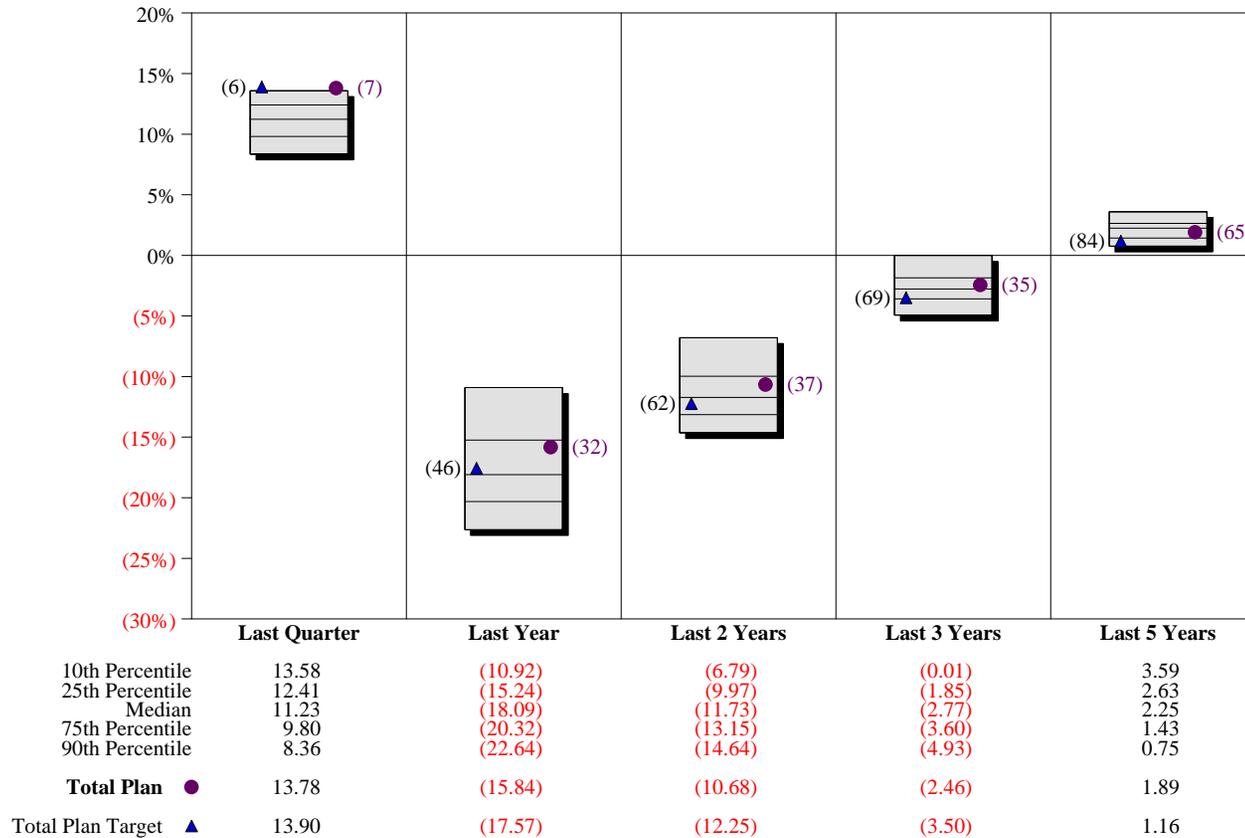
	June 30, 2009				March 31, 2009	
	Market Value	Percent	Net New Inv.	Inv. Return	Market Value	Percent
<b>Total Equity</b>	<b>\$33,857,266</b>	<b>70.10%</b>	<b>\$856,604</b>	<b>\$5,678,289</b>	<b>\$27,322,373</b>	<b>63.57%</b>
<b>Domestic Equity</b>	<b>\$26,366,579</b>	<b>54.59%</b>	<b>\$259,432</b>	<b>\$4,145,009</b>	<b>\$21,962,137</b>	<b>51.10%</b>
<b>Large Cap</b>	<b>\$17,931,600</b>	<b>37.12%</b>	<b>\$165,656</b>	<b>\$2,594,197</b>	<b>\$15,171,747</b>	<b>35.30%</b>
iShares S&P 500	17,931,600	37.12%	165,656	2,594,197	15,171,747	35.30%
<b>Mid Cap</b>	<b>\$5,888,903</b>	<b>12.19%</b>	<b>\$182,004</b>	<b>\$959,672</b>	<b>\$4,747,226</b>	<b>11.04%</b>
Chicago Equity	7,214	0.01%	(5,627,178)	887,166	4,747,226	11.04%
Systematic Financial	2,924,206	6.05%	2,890,600	33,605	-	-
Times Square	2,957,483	6.12%	2,918,582	38,901	-	-
<b>Small Cap</b>	<b>\$2,546,076</b>	<b>5.27%</b>	<b>\$(88,228)</b>	<b>\$591,140</b>	<b>\$2,043,164</b>	<b>4.75%</b>
Barrow, Hanley	1,293,302	2.68%	(88,181)	337,024	1,044,458	2.43%
Eagle Asset Management	1,252,774	2.59%	1,230,697	22,077	-	-
iShares Russell 2000 Growth	0	0.00%	(1,230,744)	232,039	998,705	2.32%
<b>International Equity</b>	<b>\$7,490,688</b>	<b>15.51%</b>	<b>\$597,171</b>	<b>\$1,533,280</b>	<b>\$5,360,236</b>	<b>12.47%</b>
Tradewinds - NWQ	7,068	0.01%	(874)	274	7,668	0.02%
Vanguard FTSE ex-US	7,483,620	15.49%	598,045	1,533,006	5,352,568	12.45%
<b>Domestic Fixed Income</b>	<b>\$14,444,626</b>	<b>29.90%</b>	<b>\$(1,444,349)</b>	<b>\$229,303</b>	<b>\$15,659,672</b>	<b>36.43%</b>
iShares BC Aggregate	14,444,626	29.90%	(1,444,349)	229,303	15,659,672	36.43%
<b>Cash</b>	<b>\$22</b>	<b>0.00%</b>	<b>\$(96)</b>	<b>\$73</b>	<b>\$45</b>	<b>0.00%</b>
<b>Total Plan</b>	<b>\$48,301,914</b>	<b>100.0%</b>	<b>\$(587,841)</b>	<b>\$5,907,664</b>	<b>\$42,982,091</b>	<b>100.0%</b>

**+ \$5.3 million**



# Judges - Total Fund Performance

Performance vs CAI Public Fund Sponsor Database



- For the quarter, Fund finished 0.1% behind the benchmark, ranking 7<sup>th</sup> percentile
- For the year, Fund finished 1.7% ahead of benchmark, ranking 32<sup>th</sup> percentile



# Judges - Manager Performance

	Last Quarter	Last Year	Last 3 Years	Last 4 Years	Last 5 Years
<b>Total Equity</b>	<b>20.03%</b>	<b>(27.83%)</b>	<b>(8.12%)</b>	<b>(3.07%)</b>	<b>(0.70%)</b>
<b>Domestic Equity</b>	<b>18.16%</b>	<b>(27.20%)</b>	<b>(9.07%)</b>	<b>(4.53%)</b>	<b>(2.22%)</b>
Russell 3000	16.82%	(26.56%)	(8.35%)	(4.17%)	(1.84%)
<b>Large Cap</b>	<b>16.42%</b>	<b>(26.56%)</b>	<b>(8.56%)</b>	<b>(4.50%)</b>	<b>(2.41%)</b>
Russell 1000	16.50%	(26.69%)	(8.20%)	(4.15%)	(1.85%)
iShares S&P 500	16.42%	(26.56%)	(8.56%)	-	-
S&P 500	15.93%	(26.21%)	(8.22%)	(4.27%)	(2.24%)
<b>Mid Cap</b>	<b>19.30%</b>	<b>(31.49%)</b>	<b>(11.56%)</b>	<b>(6.50%)</b>	<b>(2.75%)</b>
Russell Mid Cap	20.80%	(30.36%)	(9.25%)	(4.00%)	(0.11%)
<b>Small Cap</b>	<b>28.80%</b>	<b>(25.09%)</b>	<b>(8.43%)</b>	<b>(2.28%)</b>	<b>0.65%</b>
Russell 2000	20.69%	(25.01%)	(9.89%)	(4.31%)	(1.71%)
Barrow, Hanley	31.86%	(26.21%)	(9.73%)	(2.31%)	-
Russell 2000 Value	18.00%	(25.24%)	(12.07%)	(6.05%)	(2.27%)
<b>International Equity</b>	<b>27.67%</b>	<b>(30.03%)</b>	<b>(4.53%)</b>	<b>2.49%</b>	<b>6.07%</b>
Vanguard FTSE ex-US	27.71%	(28.13%)	-	-	-
MSCI ACWI x US (Net)	27.59%	(30.92%)	(5.80%)	1.69%	4.48%
<b>Domestic Fixed Income</b>	<b>1.60%</b>	<b>6.25%</b>	<b>6.40%</b>	<b>4.41%</b>	<b>4.44%</b>
iShares BC Agg	1.60%	6.25%	6.39%	-	-
BC Aggregate	1.78%	6.05%	6.43%	4.57%	5.01%
<b>Cash</b>	<b>0.12%</b>	<b>1.02%</b>	<b>3.23%</b>	<b>3.46%</b>	<b>3.19%</b>
3-month Treasury Bill	0.05%	0.95%	3.25%	3.43%	3.17%
<b>Total Plan</b>	<b>13.78%</b>	<b>(15.84%)</b>	<b>(2.46%)</b>	<b>0.41%</b>	<b>1.89%</b>
Total Plan Target	13.90%	(17.57%)	(3.50%)	(0.60%)	1.16%
CPI All Urban Consumers	1.40%	(1.43%)	2.06%	2.62%	2.60%

- Small cap and international were significant contributors to absolute performance
- Systematic & Times Square replaced Chicago Equity (6/24)
- Eagle was also added to complement Barrow, Hanley in June



# SIF- Asset Allocation

	June 30, 2009			Inv. Return	March 31, 2009	
	Market Value	Percent	Net New Inv.		Market Value	Percent
<b>Total Equity</b>	<b>\$58,014,490</b>	<b>10.15%</b>	<b>\$(58,898)</b>	<b>\$9,609,701</b>	<b>\$48,463,687</b>	<b>8.46%</b>
<b>Domestic Equity</b>	<b>\$46,158,982</b>	<b>8.07%</b>	<b>\$(58,770)</b>	<b>\$7,006,073</b>	<b>\$39,211,679</b>	<b>6.85%</b>
<b>Large Cap</b>	<b>\$32,409,945</b>	<b>5.67%</b>	<b>\$1,230</b>	<b>\$4,438,140</b>	<b>\$27,970,575</b>	<b>4.89%</b>
NTGI S&P 500	32,409,945	5.67%	1,230	4,438,140	27,970,575	4.89%
<b>Mid Cap</b>	<b>\$9,115,450</b>	<b>1.59%</b>	<b>\$(60,000)</b>	<b>\$1,523,517</b>	<b>\$7,651,933</b>	<b>1.34%</b>
Chicago Equity	10,901	0.00%	(9,054,391)	1,413,359	7,651,933	1.34%
Systematic Financial	4,526,247	0.79%	4,475,075	51,172	-	-
Times Square	4,578,303	0.80%	4,519,316	58,987	-	-
<b>Small Cap</b>	<b>\$4,633,587</b>	<b>0.81%</b>	<b>\$(0)</b>	<b>\$1,044,415</b>	<b>\$3,589,171</b>	<b>0.63%</b>
Barrow, Hanley	2,592,658	0.45%	35	630,413	1,962,210	0.34%
Eagle Asset Management	2,040,928	0.36%	2,004,940	35,988	-	-
iShares Russell 2000 Growth	0	0.00%	(2,004,976)	378,015	1,626,961	0.28%
<b>International Equity</b>	<b>\$11,855,508</b>	<b>2.07%</b>	<b>\$(128)</b>	<b>\$2,603,628</b>	<b>\$9,252,008</b>	<b>1.62%</b>
Tradewinds - NWQ	879	0.00%	(128)	2	1,005	0.00%
Vanguard FTSE ex-US	11,854,629	2.07%	0	2,603,626	9,251,003	1.62%
<b>Domestic Fixed Income</b>	<b>\$513,667,886</b>	<b>89.85%</b>	<b>\$(15,940,818)</b>	<b>\$5,504,417</b>	<b>\$524,104,287</b>	<b>91.54%</b>
NTGI BC Bond	183,104,335	32.03%	(8,025,821)	2,657,880	188,472,276	32.92%
NTGI BC Gov/Credit	178,002,547	31.14%	(7,611,179)	2,744,129	182,869,598	31.94%
NTGI BC Statutory Treasury	99,486,398	17.40%	(200,000)	(201,141)	99,887,539	17.45%
NTGI TIPS	53,074,606	9.28%	(103,818)	303,550	52,874,874	9.23%
<b>Cash</b>	<b>\$9</b>	<b>0.00%</b>	<b>\$(62)</b>	<b>\$71</b>	<b>-</b>	<b>-</b>
<b>Total Plan</b>	<b>\$571,682,385</b>	<b>100.0%</b>	<b>\$(15,999,778)</b>	<b>\$15,114,189</b>	<b>\$572,567,974</b>	<b>100.0%</b>

**- \$886 thousand**



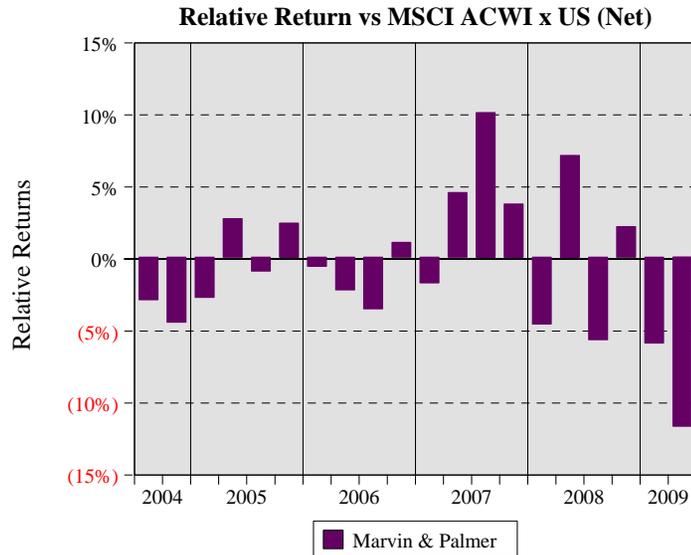
# SIF- Fund Performance

	Last Quarter	Last Year	Last 3 Years	Last 4 Years	Last 5 Years
<b>Total Equity</b>	<b>19.84%</b>	<b>(27.39%)</b>	<b>(8.14%)</b>	<b>(3.77%)</b>	<b>(1.65%)</b>
<b>Domestic Equity</b>	<b>17.88%</b>	<b>(26.95%)</b>	<b>(8.93%)</b>	<b>(4.39%)</b>	<b>(2.15%)</b>
Russell 3000	16.82%	(26.56%)	(8.35%)	(4.17%)	(1.84%)
<b>Large Cap</b>	<b>15.87%</b>	<b>(26.05%)</b>	<b>(8.05%)</b>	<b>(4.14%)</b>	<b>(2.13%)</b>
NTGI S&P 500	15.87%	(26.05%)	(8.05%)	(4.14%)	(2.13%)
S&P 500	15.93%	(26.21%)	(8.22%)	(4.27%)	(2.24%)
<b>Mid Cap</b>	<b>19.95%</b>	<b>(31.05%)</b>	<b>(11.43%)</b>	<b>(6.07%)</b>	<b>(2.98%)</b>
Russell Mid Cap	20.80%	(30.36%)	(9.25%)	(4.00%)	(0.11%)
<b>Small Cap</b>	<b>29.10%</b>	<b>(24.29%)</b>	<b>(8.19%)</b>	<b>(1.94%)</b>	<b>(0.03%)</b>
Russell 2000	20.69%	(25.01%)	(9.89%)	(4.31%)	(1.71%)
Barrow, Hanley	32.13%	(24.86%)	(8.98%)	(1.67%)	0.92%
Russell 2000 Value	18.00%	(25.24%)	(12.07%)	(6.05%)	(2.27%)
<b>International Equity</b>	<b>28.14%</b>	<b>(30.31%)</b>	-	-	-
Vanguard FTSE ex-US	28.14%	(28.53%)	-	-	-
MSCI ACWI x US (Net)	27.59%	(30.92%)	(5.80%)	1.69%	4.48%
<b>Domestic Fixed Income</b>	<b>1.07%</b>	<b>4.98%</b>	<b>6.32%</b>	<b>4.65%</b>	<b>4.76%</b>
Domestic Fixed Income Target**	1.26%	4.77%	6.12%	4.51%	4.68%
NTGI BC Bond	1.45%	6.56%	6.78%	4.81%	5.20%
BC Aggregate	1.78%	6.05%	6.43%	4.57%	5.01%
NTGI BC Gov/Credit	1.53%	5.29%	6.32%	4.65%	4.66%
BC Gov/Credit	1.67%	5.27%	6.13%	4.52%	4.57%
NTGI BC Statutory Treasury	(0.20%)	4.47%	5.60%	4.63%	4.08%
ML 1-3 Yr Treasury	(0.11%)	4.40%	5.58%	4.63%	4.07%
NTGI TIPS	0.58%	(1.11%)	5.80%	3.93%	5.01%
BC US TIPS Index	0.66%	(1.11%)	5.78%	3.87%	4.94%
3-month Treasury Bill	0.05%	0.95%	3.25%	3.43%	3.17%
<b>Total Plan</b>	<b>2.66%</b>	<b>0.75%</b>	<b>4.64%</b>	<b>3.77%</b>	<b>4.11%</b>
Total Plan Target	3.48%	0.42%	4.45%	3.62%	4.02%
CPI All Urban Consumers	1.40%	(1.43%)	2.06%	2.62%	2.60%

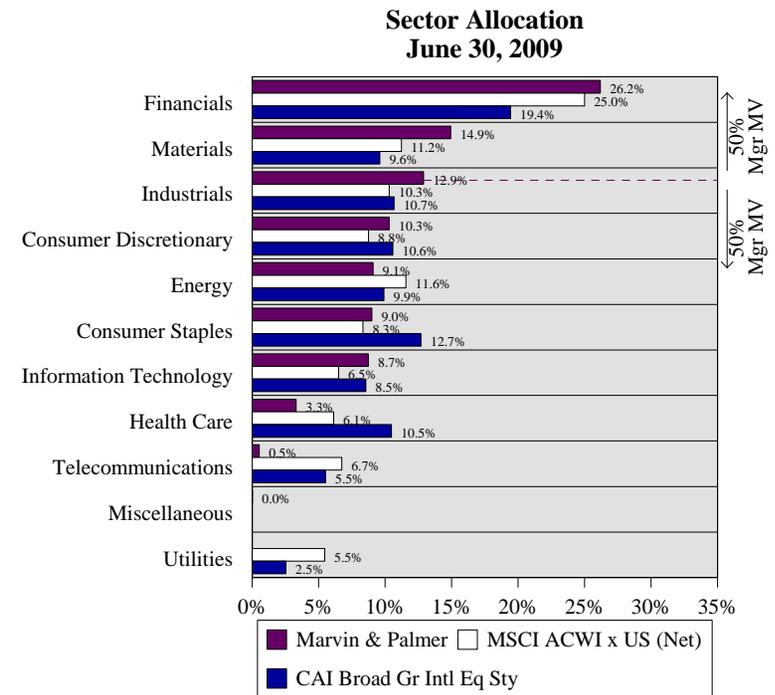
- Small cap and international were significant contributors to performance
- Systematic & Times Square replaced Chicago Equity (6/24)
- Eagle was also added to complement Barrow, Hanley



# Marvin & Palmer –Growth Intl Equity

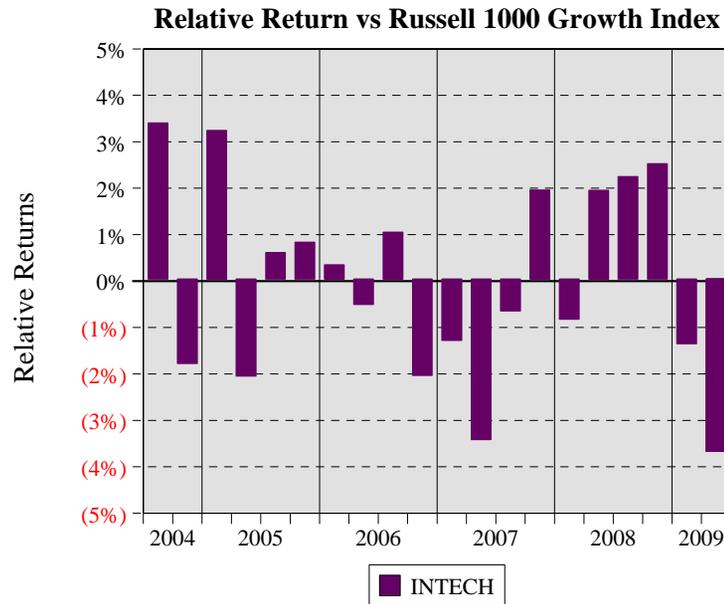


- **Change in market sentiment to lower quality, smaller, riskier names was a poor environment for M&P style**
- **Strategy utilizes relative price strength and fundamentals**
- **Stocks with positive relative price strength underperformed those with negative price strength March 1- June 30**

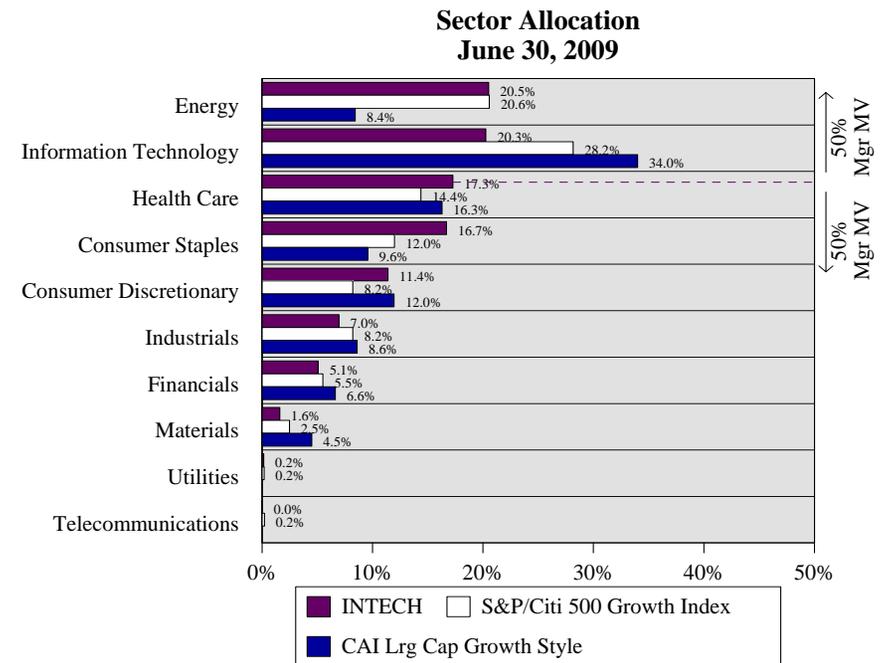




# INTECH - Large Cap Growth



- **Mathematical approach underperformed for the quarter but is above the benchmark over a one year period.**
- **Portfolio has experienced negative trending where underweights outperformed overweights**
- **Example, overweight Exxon (up 3%)  
underweight Microsoft (up 30%)**





# APPENDIX



# Endowments Compliance Report

Objectives – Three Years	Compliant?	Comments
Maintain purchasing power (3-year trailing)	No	-2.2% vs. CPI: 2.1%

Asset Allocation			
Category	Range	Target	Actual
Equities	67%-73%	70.0%	70.5%
Domestic	49%-59%	53.9%	53.9%
Large cap	33%-43%	38.3%	37.7%
Mid cap	6%-14%	10.0%	10.4%
Small cap	2.6%-9%	5.6%	5.7%
International	12%-20%	16.1%	16.7%
Fixed Income	27%-33%	30.0%	22.2%
Cash and Equivalents	0%-5%	0.0%	7.3%*

Rebalancing		
Applied when appropriate	No	The domestic fixed income allocation is currently outside of the range permitted by the investment policy.**

Performance		
Managers remain in specified style	No	Met West holdings map closer to core than value.
Active managers above median/indices for three years	No	LSV, INTECH, Sands, Marvin & Palmer

\*0.9% of cash balance is from the equitization account

\*\* Fixed income is below target and cash is above target as a result of the transition from the NT fixed income portfolios to State Street Global Advisors.



# JRS Compliance Report

Objectives – Three Years	Compliant?	Comments
Maintain purchasing power (3-year trailing)	No	-2.5% vs. CPI of 2.1%
Obtain excess returns	Yes	
Achieve 8.25% annualized return (3-year trailing)	No	-2.5%

Asset Allocation			
Category	Range	Target	Actual
Equities	60%-80%	70%	70.1%
Domestic	50%-60%	54%	54.6%
Large cap	30%-45%	39%	37.1%
Mid cap	8%-14%	11%	12.2%
Small cap	3%-9%	6%	5.3%
International	10%-20%	16%	15.5%
Fixed Income	25%-35%	30%	29.9%
Cash and Equivalents	0%-5%	0%	0.0%

Rebalancing		
Rebalanced when an asset class exceeds +/-5% of target	Yes	

Performance		
Managers remain in specified style	Yes	
Active managers above median/indices for 3-years	Yes	See note

Note: Chicago Equity was transitioned out of the portfolio and replaced with a combination of Times Square and Systematic on June 24, 2009.



# SIF Compliance Report

Objectives – Three Years	Compliant?	Comments
Provide reserves for workers' compensation claims	Yes	\$571.7 million in assets

Asset Allocation			
Category	Range	Target	Actual
Equities	10-15%	13.0%	10.2%
Domestic		10.4%	8.1%
Large cap		7.3%	5.7%
Mid cap		2.1%	1.6%
Small cap		1.0%	0.8%
International		2.6%	2.1%
Fixed Income	70%-90%	87.0%	89.9%
Barclays Aggregate		30.5%	32.0%
Intermediate Gov/Credit		30.5%	31.1%
1-3 year Treasury		17.4%	17.4%
TIPS		8.7%	9.3%
Cash and Equivalents	0%-15%	0.0%	0.0%

Rebalancing		
Applied when appropriate	Yes	

Performance		
Managers remain in specified style	Yes	
Active managers above median/indices for 3-year	Yes	See note

Note: Chicago Equity was transitioned out of the portfolio and replaced with a combination of Times Square and Systematic on June 24, 2009.