



Montana Board of Investments

Investment Performance Analysis

Quarter Ended

June 30, 2007

Prepared By

Andrew Robertson

RVKuhns

▶▶▶ & ASSOCIATES, INC.

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Montana Board of Investments
Comparative Performance - Pension Plans
As of June 30, 2007

| | 1 Quarter | Jul-2006 To Jun-2007 | 1 Year | 3 Years | 5 Years | 2006 | 2005 | 2004 | 2003 | 2002 |
|-------------------------------------|--------------|----------------------------|--------------|--------------|--------------|--------------|-------------|-------------|--------------|--------------|
| Public Employees' Retirement | 4.85 | 17.97 | 17.97 | 11.64 | 10.97 | 13.83 | 6.69 | 9.29 | 22.52 | -9.75 |
| Retirement Plans Custom Benchmark | 4.27 | 16.56 | 16.56 | 11.07 | 10.17 | 13.30 | 6.09 | 10.54 | 21.69 | -10.11 |
| Difference | 0.58 | 1.41 | 1.41 | 0.57 | 0.80 | 0.53 | 0.60 | -1.25 | 0.83 | 0.36 |
| All Public Plans-Total Fund Median | 4.43 | 17.54 | 17.54 | 12.95 | 11.94 | 14.02 | 8.35 | 12.38 | 24.31 | -8.65 |
| Percentile Rank | 31 | 43 | 43 | 80 | 79 | 53 | 82 | 92 | 69 | 72 |
| Teachers' Retirement | 4.83 | 17.93 | 17.93 | 11.64 | 10.95 | 13.76 | 6.74 | 9.35 | 22.54 | -9.87 |
| Retirement Plans Custom Benchmark | 4.27 | 16.56 | 16.56 | 11.07 | 10.17 | 13.30 | 6.09 | 10.54 | 21.69 | -10.11 |
| Difference | 0.56 | 1.37 | 1.37 | 0.57 | 0.78 | 0.46 | 0.65 | -1.19 | 0.85 | 0.24 |
| All Public Plans-Total Fund Median | 4.43 | 17.54 | 17.54 | 12.95 | 11.94 | 14.02 | 8.35 | 12.38 | 24.31 | -8.65 |
| Percentile Rank | 31 | 45 | 45 | 80 | 79 | 57 | 81 | 92 | 69 | 74 |
| Police Retirement | 4.85 | 17.90 | 17.90 | 11.53 | 10.94 | 13.73 | 6.66 | 9.07 | 22.31 | -9.49 |
| Retirement Plans Custom Benchmark | 4.27 | 16.56 | 16.56 | 11.07 | 10.17 | 13.30 | 6.09 | 10.54 | 21.69 | -10.11 |
| Difference | 0.58 | 1.34 | 1.34 | 0.46 | 0.77 | 0.43 | 0.57 | -1.47 | 0.62 | 0.62 |
| All Public Plans-Total Fund Median | 4.43 | 17.54 | 17.54 | 12.95 | 11.94 | 14.02 | 8.35 | 12.38 | 24.31 | -8.65 |
| Percentile Rank | 31 | 46 | 46 | 81 | 79 | 59 | 83 | 93 | 70 | 70 |
| Firefighters' Retirement | 4.84 | 17.90 | 17.90 | 11.52 | 10.94 | 13.73 | 6.65 | 9.08 | 22.41 | -9.57 |
| Retirement Plans Custom Benchmark | 4.27 | 16.56 | 16.56 | 11.07 | 10.17 | 13.30 | 6.09 | 10.54 | 21.69 | -10.11 |
| Difference | 0.57 | 1.34 | 1.34 | 0.45 | 0.77 | 0.43 | 0.56 | -1.46 | 0.72 | 0.54 |
| All Public Plans-Total Fund Median | 4.43 | 17.54 | 17.54 | 12.95 | 11.94 | 14.02 | 8.35 | 12.38 | 24.31 | -8.65 |
| Percentile Rank | 31 | 46 | 46 | 81 | 79 | 59 | 83 | 93 | 70 | 71 |
| Sheriff's Retirement | 4.82 | 17.88 | 17.88 | 11.56 | 10.98 | 13.75 | 6.62 | 9.26 | 22.63 | -9.73 |
| Retirement Plans Custom Benchmark | 4.27 | 16.56 | 16.56 | 11.07 | 10.17 | 13.30 | 6.09 | 10.54 | 21.69 | -10.11 |
| Difference | 0.55 | 1.32 | 1.32 | 0.49 | 0.81 | 0.45 | 0.53 | -1.28 | 0.94 | 0.38 |
| All Public Plans-Total Fund Median | 4.43 | 17.54 | 17.54 | 12.95 | 11.94 | 14.02 | 8.35 | 12.38 | 24.31 | -8.65 |
| Percentile Rank | 32 | 46 | 46 | 80 | 79 | 58 | 84 | 92 | 69 | 72 |

Retirement Plans Custom Benchmark is comprised of 45.0% S&P 1500, 5.0% S&P 1500+4%, 15.0% MSCI ACWI x-US, 30.0% LB Aggregate Bond Index, and 5.0% ML 3 Mo US T-Bill Index.

Performance shown is net of fees. Calculation is based on quarterly periodicity. All performance greater than one year is annualized.

Montana Board of Investments
Comparative Performance - Pension Plans
As of June 30, 2007

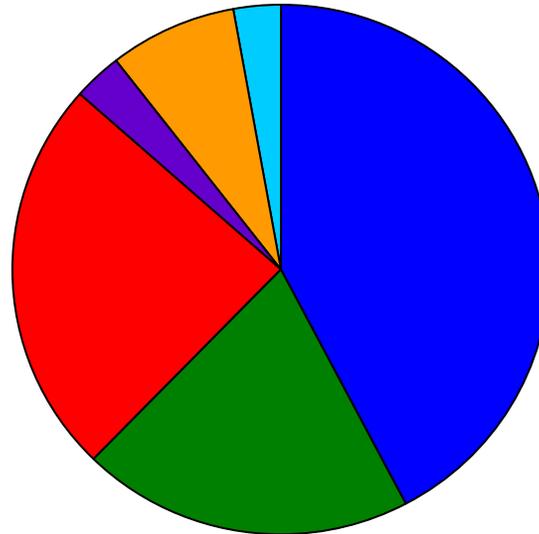
| | 1 Quarter | Jul-2006 To Jun-2007 | 1 Year | 3 Years | 5 Years | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|--------------|----------------------------|--------------|--------------|--------------|--------------|-------------|-------------|--------------|---------------|
| Highway Patrol Retirement | 4.84 | 18.01 | 18.01 | 11.64 | 11.02 | 13.83 | 6.65 | 9.34 | 22.68 | -10.01 |
| Retirement Plans Custom Benchmark | 4.27 | 16.56 | 16.56 | 11.07 | 10.17 | 13.30 | 6.09 | 10.54 | 21.69 | -10.11 |
| Difference | 0.57 | 1.45 | 1.45 | 0.57 | 0.85 | 0.53 | 0.56 | -1.20 | 0.99 | 0.10 |
| All Public Plans-Total Fund Median | 4.43 | 17.54 | 17.54 | 12.95 | 11.94 | 14.02 | 8.35 | 12.38 | 24.31 | -8.65 |
| Percentile Rank | 31 | 41 | 41 | 80 | 78 | 53 | 83 | 92 | 69 | 76 |
| Game Wardens' Retirement | 4.81 | 17.83 | 17.83 | 11.37 | 10.88 | 13.66 | 6.38 | 8.97 | 22.54 | -9.39 |
| Retirement Plans Custom Benchmark | 4.27 | 16.56 | 16.56 | 11.07 | 10.17 | 13.30 | 6.09 | 10.54 | 21.69 | -10.11 |
| Difference | 0.54 | 1.27 | 1.27 | 0.30 | 0.71 | 0.36 | 0.29 | -1.57 | 0.85 | 0.72 |
| All Public Plans-Total Fund Median | 4.43 | 17.54 | 17.54 | 12.95 | 11.94 | 14.02 | 8.35 | 12.38 | 24.31 | -8.65 |
| Percentile Rank | 32 | 47 | 47 | 81 | 80 | 63 | 90 | 93 | 69 | 68 |
| Judges' Retirement | 4.83 | 17.92 | 17.92 | 11.58 | 11.01 | 13.78 | 6.61 | 9.25 | 22.65 | -9.79 |
| Retirement Plans Custom Benchmark | 4.27 | 16.56 | 16.56 | 11.07 | 10.17 | 13.30 | 6.09 | 10.54 | 21.69 | -10.11 |
| Difference | 0.56 | 1.36 | 1.36 | 0.51 | 0.84 | 0.48 | 0.52 | -1.29 | 0.96 | 0.32 |
| All Public Plans-Total Fund Median | 4.43 | 17.54 | 17.54 | 12.95 | 11.94 | 14.02 | 8.35 | 12.38 | 24.31 | -8.65 |
| Percentile Rank | 31 | 45 | 45 | 80 | 78 | 57 | 84 | 92 | 69 | 72 |
| Volunteer Firefighter's Retirement | 4.85 | 18.02 | 18.02 | 11.48 | 11.16 | 13.82 | 6.44 | 9.12 | 22.61 | -6.28 |
| Retirement Plans Custom Benchmark | 4.27 | 16.56 | 16.56 | 11.07 | 10.17 | 13.30 | 6.09 | 10.54 | 21.69 | -10.11 |
| Difference | 0.58 | 1.46 | 1.46 | 0.41 | 0.99 | 0.52 | 0.35 | -1.42 | 0.92 | 3.83 |
| All Public Plans-Total Fund Median | 4.43 | 17.54 | 17.54 | 12.95 | 11.94 | 14.02 | 8.35 | 12.38 | 24.31 | -8.65 |
| Percentile Rank | 31 | 41 | 41 | 81 | 75 | 53 | 86 | 93 | 69 | 23 |

Retirement Plans Custom Benchmark is comprised of 45.0% S&P 1500, 5.0% S&P 1500+4%, 15.0% MSCI ACWI x-US, 30.0% LB Aggregate Bond Index, and 5.0% ML 3 Mo US T-Bill Index.

Performance shown is net of fees. Calculation is based on quarterly periodicity. All performance greater than one year is annualized.

**Montana Board of Investments
Public Employees' Retirement
Asset Allocation by Segment
As of June 30, 2007**

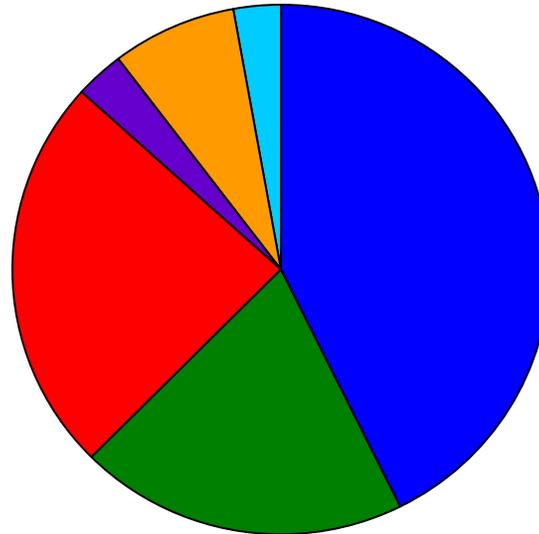
June 30, 2007 : \$4,099,665,023



| Segments | Market Value (\$) | Allocation (%) |
|--------------------------|----------------------|-------------------|
| ■ Domestic Equity | 1,735,718,440 | 42.34 |
| ■ International Equity | 818,362,199 | 19.96 |
| ■ Domestic Fixed Income | 995,489,284 | 24.28 |
| ■ Real Estate | 117,468,016 | 2.87 |
| ■ Alternative Investment | 315,058,722 | 7.68 |
| ■ Cash Equivalent | 117,568,363 | 2.87 |

**Montana Board of Investments
Teachers' Retirement
Asset Allocation by Segment
As of June 30, 2007**

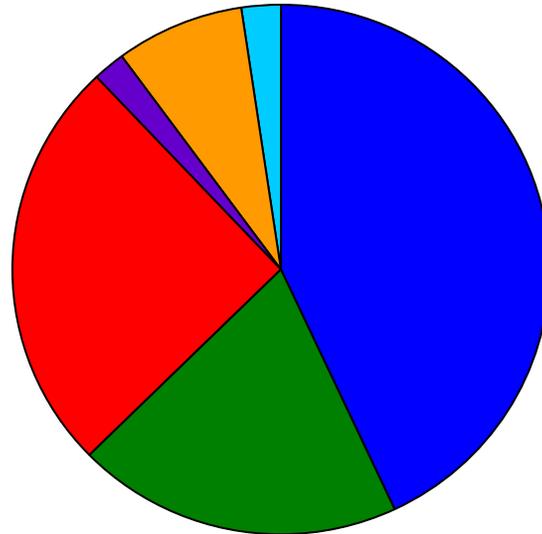
June 30, 2007 : \$3,188,288,765



| Segments | Market Value (\$) | Allocation (%) |
|--------------------------|----------------------|-------------------|
| ■ Domestic Equity | 1,361,988,214 | 42.72 |
| ■ International Equity | 629,321,268 | 19.74 |
| ■ Domestic Fixed Income | 773,105,157 | 24.25 |
| ■ Real Estate | 93,829,244 | 2.94 |
| ■ Alternative Investment | 241,011,163 | 7.56 |
| ■ Cash Equivalent | 89,033,719 | 2.79 |

**Montana Board of Investments
Police Retirement
Asset Allocation by Segment
As of June 30, 2007**

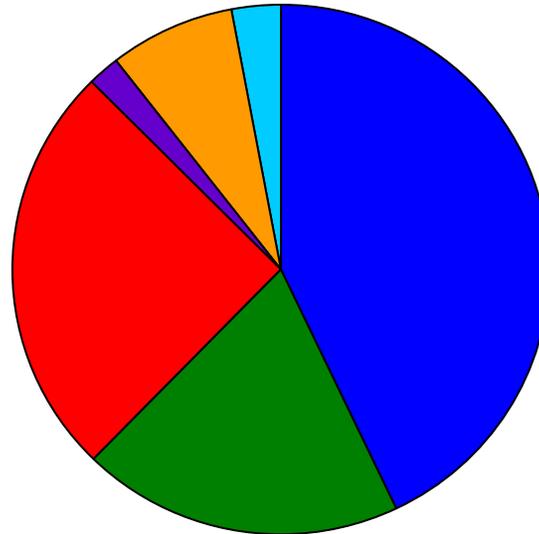
June 30, 2007 : \$202,501,537



| Segments | Market Value (\$) | Allocation (%) |
|--------------------------|----------------------|-------------------|
| ■ Domestic Equity | 87,098,507 | 43.01 |
| ■ International Equity | 39,783,655 | 19.65 |
| ■ Domestic Fixed Income | 51,175,541 | 25.27 |
| ■ Real Estate | 4,102,451 | 2.03 |
| ■ Alternative Investment | 15,547,396 | 7.68 |
| ■ Cash Equivalent | 4,793,987 | 2.37 |

**Montana Board of Investments
 Sheriff's Retirement
 Asset Allocation by Segment
 As of June 30, 2007**

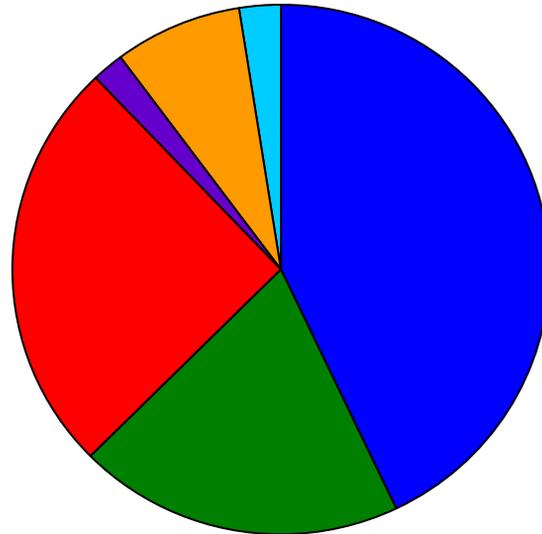
June 30, 2007 : \$196,594,669



| Segments | Market Value (\$) | Allocation (%) |
|--------------------------|----------------------|-------------------|
| ■ Domestic Equity | 84,481,106 | 42.97 |
| ■ International Equity | 38,003,530 | 19.33 |
| ■ Domestic Fixed Income | 49,550,742 | 25.20 |
| ■ Real Estate | 3,796,030 | 1.93 |
| ■ Alternative Investment | 14,858,605 | 7.56 |
| ■ Cash Equivalent | 5,904,655 | 3.00 |

**Montana Board of Investments
Firefighters' Retirement
Asset Allocation by Segment
As of June 30, 2007**

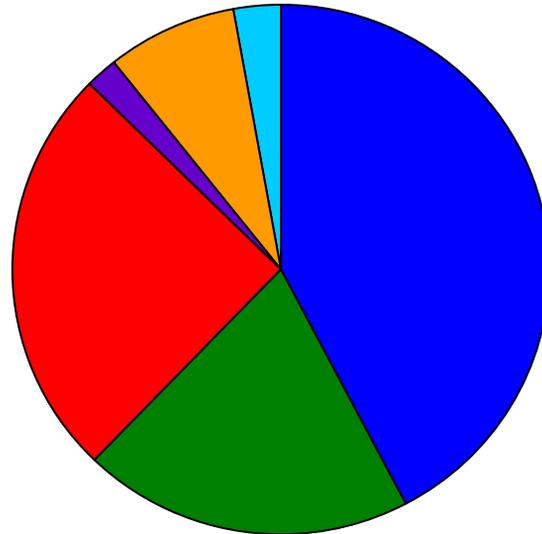
June 30, 2007 : \$192,880,251



| Segments | Market Value (\$) | Allocation (%) |
|--------------------------|----------------------|-------------------|
| ■ Domestic Equity | 82,765,957 | 42.91 |
| ■ International Equity | 37,848,457 | 19.62 |
| ■ Domestic Fixed Income | 48,813,017 | 25.31 |
| ■ Real Estate | 3,744,412 | 1.94 |
| ■ Alternative Investment | 14,849,782 | 7.70 |
| ■ Cash Equivalent | 4,858,626 | 2.52 |

**Montana Board of Investments
Highway Patrol Retirement
Asset Allocation by Segment
As of June 30, 2007**

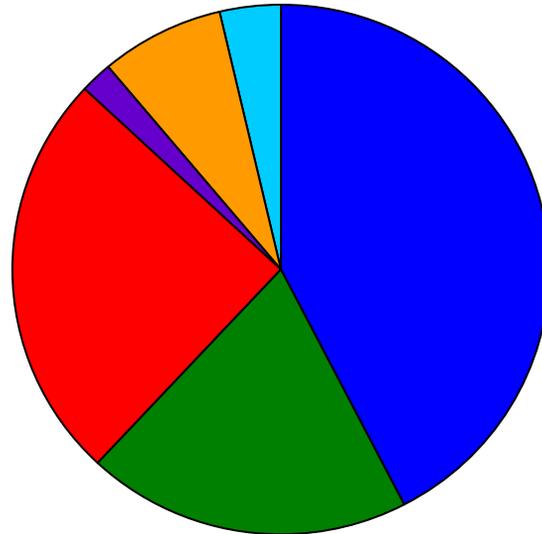
June 30, 2007 : \$102,816,046



| Segments | Market Value (\$) | Allocation (%) |
|--------------------------|----------------------|-------------------|
| ■ Domestic Equity | 43,439,439 | 42.25 |
| ■ International Equity | 20,512,696 | 19.95 |
| ■ Domestic Fixed Income | 25,897,415 | 25.19 |
| ■ Real Estate | 2,004,487 | 1.95 |
| ■ Alternative Investment | 7,979,371 | 7.76 |
| ■ Cash Equivalent | 2,982,640 | 2.90 |

**Montana Board of Investments
Game Wardens' Retirement
Asset Allocation by Segment
As of June 30, 2007**

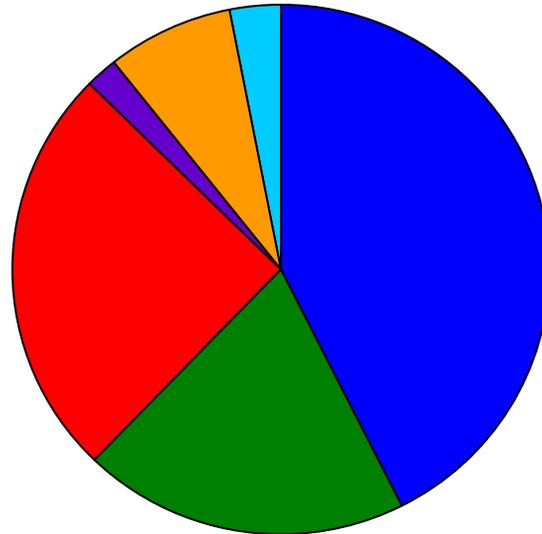
June 30, 2007 : \$73,335,909



| Segments | Market Value (\$) | Allocation (%) |
|--------------------------|-------------------|----------------|
| ■ Domestic Equity | 31,082,349 | 42.38 |
| ■ International Equity | 14,344,125 | 19.56 |
| ■ Domestic Fixed Income | 18,331,517 | 25.00 |
| ■ Real Estate | 1,403,713 | 1.91 |
| ■ Alternative Investment | 5,497,113 | 7.50 |
| ■ Cash Equivalent | 2,677,092 | 3.65 |

**Montana Board of Investments
Judges' Retirement
Asset Allocation by Segment
As of June 30, 2007**

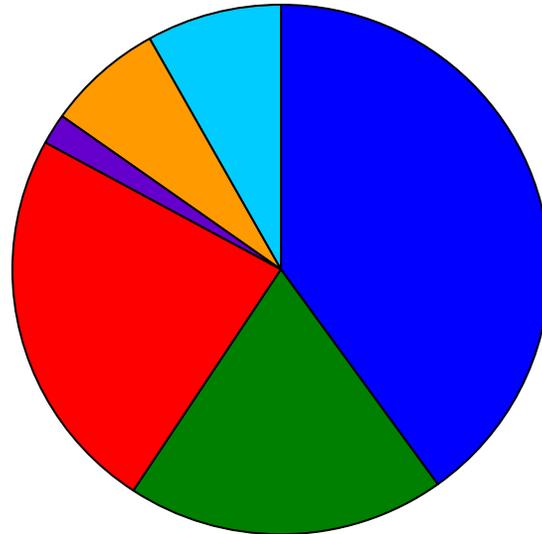
June 30, 2007 : \$61,925,583



| Segments | Market Value (\$) | Allocation (%) |
|--------------------------|----------------------|-------------------|
| ■ Domestic Equity | 26,347,685 | 42.55 |
| ■ International Equity | 12,162,381 | 19.64 |
| ■ Domestic Fixed Income | 15,576,342 | 25.15 |
| ■ Real Estate | 1,205,723 | 1.95 |
| ■ Alternative Investment | 4,744,137 | 7.66 |
| ■ Cash Equivalent | 1,889,315 | 3.05 |

**Montana Board of Investments
Volunteer Firefighter's Retirement
Asset Allocation by Segment
As of June 30, 2007**

June 30, 2007 : \$27,541,830



| Segments | Market Value (\$) | Allocation (%) |
|--------------------------|----------------------|-------------------|
| ■ Domestic Equity | 11,042,855 | 40.09 |
| ■ International Equity | 5,258,371 | 19.09 |
| ■ Domestic Fixed Income | 6,542,177 | 23.75 |
| ■ Real Estate | 503,866 | 1.83 |
| ■ Alternative Investment | 1,950,858 | 7.08 |
| ■ Cash Equivalent | 2,243,703 | 8.15 |

Montana Board of Investments
Comparative Performance - Pools
As of June 30, 2007

| | 1 Quarter | Jul-2006 To Jun-2007 | 1 Year | 3 Years | 5 Years | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|--------------|----------------------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|---------------|
| Domestic Equity Pool (MTDEP) | 6.31 | 19.75 | 19.75 | 11.16 | N/A | 14.03 | 4.95 | 9.17 | N/A | N/A |
| S&P 1500 Super Composite Index | 6.20 | 20.22 | 20.22 | 12.08 | 11.14 | 15.34 | 5.65 | 11.78 | 29.60 | -21.31 |
| Difference | 0.11 | -0.47 | -0.47 | -0.92 | N/A | -1.31 | -0.70 | -2.61 | N/A | N/A |
| US Equity (SA+CF) Median | 6.44 | 20.08 | 20.08 | 14.04 | 13.34 | 14.92 | 8.21 | 14.45 | 33.60 | -20.02 |
| Percentile Rank | 54 | 53 | 53 | 80 | N/A | 56 | 79 | 82 | N/A | N/A |
| Common Stock Pool | 6.75 | 19.00 | 19.00 | 9.91 | 9.44 | 12.33 | 4.42 | 7.12 | 29.67 | -25.04 |
| S&P 500 Index (Cap Weighted) | 6.28 | 20.59 | 20.59 | 11.68 | 10.71 | 15.80 | 4.91 | 10.88 | 28.68 | -22.10 |
| Difference | 0.47 | -1.59 | -1.59 | -1.77 | -1.27 | -3.47 | -0.49 | -3.76 | 0.99 | -2.94 |
| US Core/Large Cap Equity (SA+CF) Median | 6.23 | 20.43 | 20.43 | 12.57 | 11.36 | 15.55 | 6.75 | 11.79 | 28.91 | -21.34 |
| Percentile Rank | 25 | 70 | 70 | 92 | 91 | 84 | 87 | 94 | 40 | 92 |
| BGI S&P 500 Index Fund | 6.29 | 20.62 | 20.62 | 11.72 | 10.77 | 15.85 | 4.97 | 10.93 | 28.79 | -22.07 |
| S&P 500 Index (Cap Weighted) | 6.28 | 20.59 | 20.59 | 11.68 | 10.71 | 15.80 | 4.91 | 10.88 | 28.68 | -22.10 |
| Difference | 0.01 | 0.03 | 0.03 | 0.04 | 0.06 | 0.05 | 0.06 | 0.05 | 0.11 | 0.03 |
| US Core/Large Cap Equity (SA+CF) Median | 6.23 | 20.43 | 20.43 | 12.57 | 11.36 | 15.55 | 6.75 | 11.79 | 28.91 | -21.34 |
| Percentile Rank | 43 | 44 | 44 | 73 | 68 | 41 | 80 | 63 | 53 | 67 |
| INTECH Enhanced Plus | 3.95 | 18.34 | 18.34 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| S&P 500 Index (Cap Weighted) | 6.28 | 20.59 | 20.59 | 11.68 | 10.71 | 15.80 | 4.91 | 10.88 | 28.68 | -22.10 |
| Difference | -2.33 | -2.25 | -2.25 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| US Core/Large Cap Equity (SA+CF) Median | 6.23 | 20.43 | 20.43 | 12.57 | 11.36 | 15.55 | 6.75 | 11.79 | 28.91 | -21.34 |
| Percentile Rank | 94 | 77 | 77 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| T. Rowe U.S. Structured Research | 6.89 | 22.31 | 22.31 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| S&P 500 Index (Cap Weighted) | 6.28 | 20.59 | 20.59 | 11.68 | 10.71 | 15.80 | 4.91 | 10.88 | 28.68 | -22.10 |
| Difference | 0.61 | 1.72 | 1.72 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| US Core/Large Cap Equity (SA+CF) Median | 6.23 | 20.43 | 20.43 | 12.57 | 11.36 | 15.55 | 6.75 | 11.79 | 28.91 | -21.34 |
| Percentile Rank | 23 | 20 | 20 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Performance shown is gross of fees. Calculation based on monthly periodicity.
International Custom Benchmark is comprised of the MSCI EAFE through 12/31/06, and is the MSCI ACWI x-U.S. thereafter.

Montana Board of Investments
Comparative Performance - Pools
As of June 30, 2007

| | 1 Quarter | Jul-2006 To Jun-2007 | 1 Year | 3 Years | 5 Years | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|--------------|----------------------------|--------------|------------|------------|--------------|--------------|-------|-------|--------|
| Goldman Sachs Enhanced Large Cap | 5.89 | 18.52 | 18.52 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| S&P 500 Index (Cap Weighted) | 6.28 | 20.59 | 20.59 | 11.68 | 10.71 | 15.80 | 4.91 | 10.88 | 28.68 | -22.10 |
| Difference | -0.39 | -2.07 | -2.07 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| US Core/Large Cap Equity (SA+CF) Median | 6.23 | 20.43 | 20.43 | 12.57 | 11.36 | 15.55 | 6.75 | 11.79 | 28.91 | -21.34 |
| Percentile Rank | 66 | 76 | 76 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Western Asset U.S. Index Plus | 5.97 | 20.71 | 20.71 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| S&P 500 Index (Cap Weighted) | 6.28 | 20.59 | 20.59 | 11.68 | 10.71 | 15.80 | 4.91 | 10.88 | 28.68 | -22.10 |
| Difference | -0.31 | 0.12 | 0.12 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| US Core/Large Cap Equity (SA+CF) Median | 6.23 | 20.43 | 20.43 | 12.57 | 11.36 | 15.55 | 6.75 | 11.79 | 28.91 | -21.34 |
| Percentile Rank | 64 | 41 | 41 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Artisan Partners | 7.87 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| R Mid Cap Value Index | 3.65 | 22.09 | 22.09 | 19.32 | 17.17 | 20.22 | 12.65 | 23.71 | 38.07 | -9.65 |
| Difference | 4.22 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| US Value/Mid Cap Equity (SA+CF) Median | 6.47 | 23.42 | 23.42 | 17.71 | 16.71 | 17.83 | 10.87 | 20.12 | 37.44 | -11.30 |
| Percentile Rank | 25 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| BGI Mid Cap Index Fund | 5.85 | 18.58 | 18.58 | N/A | N/A | 10.46 | 12.71 | N/A | N/A | N/A |
| S&P Mid Cap 400 Index (Cap Weighted) | 5.84 | 18.51 | 18.51 | 15.15 | 14.18 | 10.32 | 12.55 | 16.50 | 35.64 | -14.51 |
| Difference | 0.01 | 0.07 | 0.07 | N/A | N/A | 0.14 | 0.16 | N/A | N/A | N/A |
| US Core/Mid Cap Equity (SA+CF) Median | 6.76 | 19.49 | 19.49 | 16.38 | 14.29 | 12.24 | 12.72 | 17.78 | 35.69 | -13.70 |
| Percentile Rank | 75 | 65 | 65 | N/A | N/A | 67 | 51 | N/A | N/A | N/A |
| Martingale Asset Mgmt. | 4.44 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| R Mid Cap Index | 5.30 | 20.83 | 20.83 | 17.16 | 16.39 | 15.26 | 12.65 | 20.22 | 40.06 | -16.18 |
| Difference | -0.86 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| US Core/Mid Cap Equity (SA+CF) Median | 6.76 | 19.49 | 19.49 | 16.38 | 14.29 | 12.24 | 12.72 | 17.78 | 35.69 | -13.70 |
| Percentile Rank | 98 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Performance shown is gross of fees. Calculation based on monthly periodicity.
International Custom Benchmark is comprised of the MSCI EAFE through 12/31/06, and is the MSCI ACWI x-U.S. thereafter.

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Comparative Performance - Pools
As of June 30, 2007

| | 1 Quarter | Jul-2006 To Jun-2007 | 1 Year | 3 Years | 5 Years | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|--------------|----------------------------|--------------|--------------|------------|--------------|-------------|--------------|------------|------------|
| TimesSquare Capital Mgmt. | 8.27 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| R Mid Cap Growth Index | 6.74 | 19.73 | 19.73 | 14.48 | 15.45 | 10.66 | 12.10 | 15.48 | 42.71 | -27.41 |
| Difference | 1.53 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| US Growth/Mid Cap Equity (SA+CF) Median | 8.26 | 20.62 | 20.62 | 15.29 | 14.66 | 10.44 | 12.15 | 15.55 | 37.24 | -23.93 |
| Percentile Rank | 50 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Vaughan Nelson Mgmt. | 6.63 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| R 2000 Value Index | 2.30 | 16.05 | 16.05 | 15.02 | 14.62 | 23.48 | 4.71 | 22.25 | 46.03 | -11.43 |
| Difference | 4.33 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| US Value/Small Cap Equity (SA+CF) Median | 5.18 | 19.14 | 19.14 | 15.85 | 16.46 | 18.55 | 8.05 | 22.18 | 45.35 | -9.28 |
| Percentile Rank | 29 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| DFA Small Cap Fund | 4.62 | 16.44 | 16.44 | 14.37 | N/A | 17.34 | 7.47 | 20.27 | N/A | N/A |
| S&P Small Cap 600 Index (Cap Weighted) | 5.18 | 16.04 | 16.04 | 14.47 | 14.36 | 15.12 | 7.68 | 22.65 | 38.80 | -14.63 |
| Difference | -0.56 | 0.40 | 0.40 | -0.10 | N/A | 2.22 | -0.21 | -2.38 | N/A | N/A |
| US Core/Small Cap Equity (SA+CF) Median | 5.65 | 17.06 | 17.06 | 14.80 | 15.43 | 16.18 | 7.79 | 20.75 | 45.19 | -14.84 |
| Percentile Rank | 73 | 60 | 60 | 59 | N/A | 34 | 54 | 56 | N/A | N/A |
| Northpointe Cap | 8.11 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| R 2000 Growth Index | 6.69 | 16.83 | 16.83 | 11.76 | 13.08 | 13.35 | 4.15 | 14.31 | 48.54 | -30.26 |
| Difference | 1.42 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| US Growth/Small Cap Equity (SA+CF) Median | 8.15 | 17.74 | 17.74 | 13.71 | 14.17 | 11.85 | 7.60 | 13.24 | 47.91 | -26.51 |
| Percentile Rank | 51 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Performance shown is gross of fees. Calculation based on monthly periodicity.
International Custom Benchmark is comprised of the MSCI EAFE through 12/31/06, and is the MSCI ACWI x-U.S. thereafter.

Montana Board of Investments
Comparative Performance - Pools
As of June 30, 2007

| | 1 Quarter | Jul-2006 To Jun-2007 | 1 Year | 3 Years | 5 Years | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|--------------|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Int'l Equity Pool (MTIEP) | 8.74 | 31.78 | 31.78 | 23.69 | 18.29 | 28.52 | 13.78 | 18.89 | 35.77 | -13.06 |
| International Custom Benchmark | 8.19 | 28.86 | 28.86 | 23.17 | 18.45 | 26.86 | 14.02 | 20.70 | 39.17 | -15.66 |
| Difference | 0.55 | 2.92 | 2.92 | 0.52 | -0.16 | 1.66 | -0.24 | -1.81 | -3.40 | 2.60 |
| International Equity All (SA+CF) Median | 7.16 | 28.53 | 28.53 | 23.61 | 19.20 | 26.66 | 15.98 | 20.49 | 38.79 | -13.54 |
| Percentile Rank | 26 | 25 | 25 | 50 | 63 | 35 | 73 | 63 | 64 | 48 |
| Acadian Asset Management | 9.18 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| MSCI ACW Ex US Value Index (Net) | 8.00 | 30.83 | 30.83 | 25.83 | 21.59 | 29.74 | 16.53 | 25.08 | 47.34 | -14.93 |
| Difference | 1.18 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| International Active Value Equity (SA+CF) Median | 6.71 | 28.56 | 28.56 | 23.50 | 20.23 | 28.63 | 14.54 | 23.61 | 42.46 | -9.55 |
| Percentile Rank | 17 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Bernstein Investment Mgmt. | 10.48 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| MSCI ACW Ex US Value Index (Net) | 8.00 | 30.83 | 30.83 | 25.83 | 21.59 | 29.74 | 16.53 | 25.08 | 47.34 | -14.93 |
| Difference | 2.48 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| International Active Value Equity (SA+CF) Median | 6.71 | 28.56 | 28.56 | 23.50 | 20.23 | 28.63 | 14.54 | 23.61 | 42.46 | -9.55 |
| Percentile Rank | 6 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Batterymarch Financial Mgmt. | 8.79 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| MSCI ACW Ex US Index (Net) | 8.19 | 29.62 | 29.62 | 24.52 | 19.45 | 26.65 | 16.62 | 20.91 | 40.83 | -14.95 |
| Difference | 0.60 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| International Active Core Equity (SA+CF) Median | 8.19 | 28.69 | 28.69 | 23.95 | 18.73 | 27.27 | 17.45 | 17.96 | 36.21 | -14.57 |
| Percentile Rank | 32 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Julius Baer Int'l Equity II | 8.95 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| MSCI ACW Ex US Index (Net) | 8.19 | 29.62 | 29.62 | 24.52 | 19.45 | 26.65 | 16.62 | 20.91 | 40.83 | -14.95 |
| Difference | 0.76 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| International Active Core Equity (SA+CF) Median | 8.19 | 28.69 | 28.69 | 23.95 | 18.73 | 27.27 | 17.45 | 17.96 | 36.21 | -14.57 |
| Percentile Rank | 27 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Performance shown is gross of fees. Calculation based on monthly periodicity.
International Custom Benchmark is comprised of the MSCI EAFE through 12/31/06, and is the MSCI ACWI x-U.S. thereafter.

Montana Board of Investments
Comparative Performance - Pools
As of June 30, 2007

| | 1 Quarter | Jul-2006 To Jun-2007 | 1 Year | 3 Years | 5 Years | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|--------------|----------------------------|--------------|--------------|------------|--------------|-------------|--------------|------------|------------|
| BGI Global Ex-US Alpha Tilt Fund | 8.73 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| MSCI ACW Ex US Index (Net) | 8.19 | 29.62 | 29.62 | 24.52 | 19.45 | 26.65 | 16.62 | 20.91 | 40.83 | -14.95 |
| Difference | 0.54 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| International Active Core Equity (SA+CF) Median | 8.19 | 28.69 | 28.69 | 23.95 | 18.73 | 27.27 | 17.45 | 17.96 | 36.21 | -14.57 |
| Percentile Rank | 34 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| BGI MSCI Europe Index Fund | 8.52 | 32.82 | 32.82 | 24.89 | N/A | 34.08 | 9.77 | 21.26 | N/A | N/A |
| MSCI Europe Index (Net) | 8.31 | 32.44 | 32.44 | 24.53 | 18.72 | 33.72 | 9.42 | 20.88 | 38.54 | -18.38 |
| Difference | 0.21 | 0.38 | 0.38 | 0.36 | N/A | 0.36 | 0.35 | 0.38 | N/A | N/A |
| European Equity (SA+CF) Median | 8.21 | 33.16 | 33.16 | 25.73 | 19.78 | 34.39 | 10.92 | 22.82 | 38.15 | -15.79 |
| Percentile Rank | 40 | 61 | 61 | 69 | N/A | 59 | 68 | 63 | N/A | N/A |
| Hansberger Global Investors | 9.28 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| MSCI ACW Ex US Growth Index (Net) | 8.38 | 28.40 | 28.40 | 23.19 | 17.30 | 23.61 | 16.71 | 16.73 | 34.42 | -14.99 |
| Difference | 0.90 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| International Active Growth Equity (SA+CF) Median | 8.16 | 29.12 | 29.12 | 22.45 | 17.31 | 25.04 | 17.37 | 17.82 | 34.18 | -17.44 |
| Percentile Rank | 23 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Martin Currie | 10.19 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| MSCI ACW Ex US Growth Index (Net) | 8.38 | 28.40 | 28.40 | 23.19 | 17.30 | 23.61 | 16.71 | 16.73 | 34.42 | -14.99 |
| Difference | 1.81 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| International Active Growth Equity (SA+CF) Median | 8.16 | 29.12 | 29.12 | 22.45 | 17.31 | 25.04 | 17.37 | 17.82 | 34.18 | -17.44 |
| Percentile Rank | 13 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Principal Global Investors | 7.31 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| MSCI ACW Ex US Growth Index (Net) | 8.38 | 28.40 | 28.40 | 23.19 | 17.30 | 23.61 | 16.71 | 16.73 | 34.42 | -14.99 |
| Difference | -1.07 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| International Active Growth Equity (SA+CF) Median | 8.16 | 29.12 | 29.12 | 22.45 | 17.31 | 25.04 | 17.37 | 17.82 | 34.18 | -17.44 |
| Percentile Rank | 61 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

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International Custom Benchmark is comprised of the MSCI EAFE through 12/31/06, and is the MSCI ACWI x-U.S. thereafter.

Montana Board of Investments
Comparative Performance - Pools
As of June 30, 2007

| | 1 Quarter | Jul-2006 To Jun-2007 | 1 Year | 3 Years | 5 Years | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|--------------|----------------------------|--------------|--------------|------------|--------------|--------------|--------------|-------|-------|
| Nomura Asset Management | 8.35 | 20.44 | 20.44 | 20.48 | N/A | 14.70 | 25.45 | 18.89 | N/A | N/A |
| MSCI AC Pacific Index (Net) | 5.63 | 21.63 | 21.63 | 20.07 | 17.04 | 15.67 | 23.02 | 18.21 | 39.84 | -8.78 |
| Difference | 2.72 | -1.19 | -1.19 | 0.41 | N/A | -0.97 | 2.43 | 0.68 | N/A | N/A |
| Pacific Basin Equity (SA+CF) Median | 6.87 | N/A | 18.05 | 21.11 | 17.44 | 13.45 | 25.31 | 19.98 | 38.94 | -7.12 |
| Percentile Rank | N/A | N/A | N/A | N/A | N/A | 45 | 45 | 73 | N/A | N/A |
| DFA Int'l Small Cap Fund | 5.23 | 31.01 | 31.01 | N/A | N/A | 24.78 | 22.24 | N/A | N/A | N/A |
| MSCI EAFE Sm Cap Index (Net) | 4.23 | 25.21 | 25.21 | 25.04 | 24.44 | 19.31 | 26.19 | 31.45 | 61.34 | -7.83 |
| Difference | 1.00 | 5.80 | 5.80 | N/A | N/A | 5.47 | -3.95 | N/A | N/A | N/A |
| International Small Cap Equity (SA+CF) Median | 7.13 | 33.60 | 33.60 | 30.08 | 26.78 | 29.05 | 26.08 | 29.88 | 57.23 | -5.08 |
| Percentile Rank | 81 | 66 | 66 | N/A | N/A | 79 | 71 | N/A | N/A | N/A |
| AXA Rosenberg Small Cap Int'l | 7.01 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| MSCI World ex US Small Cap (Net) | 5.16 | 26.13 | 26.13 | 24.93 | 24.29 | 19.46 | 25.04 | 29.40 | 61.81 | -7.42 |
| Difference | 1.85 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| International Small Cap Equity (SA+CF) Median | 7.13 | 33.60 | 33.60 | 30.08 | 26.78 | 29.05 | 26.08 | 29.88 | 57.23 | -5.08 |
| Percentile Rank | 53 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

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Montana Board of Investments
Comparative Performance - Pools
As of June 30, 2007

| | 1 Quarter | Jul-2006 To Jun-2007 | 1 Year | 3 Years | 5 Years | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|--------------|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Real Estate Composite | 3.03 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| NCREIF Property Index | 4.59 | 17.24 | 17.24 | 17.98 | 14.39 | 16.59 | 20.06 | 14.48 | 8.99 | 6.74 |
| Difference | -1.56 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Retirement Funds Bond Pool (RFBP) | -0.21 | 6.94 | 6.94 | 5.09 | 6.33 | 5.21 | 3.58 | 5.34 | 8.94 | 11.94 |
| LB Aggregate Bond Index | -0.52 | 6.12 | 6.12 | 3.98 | 4.48 | 4.33 | 2.43 | 4.34 | 4.10 | 10.25 |
| Difference | 0.31 | 0.82 | 0.82 | 1.11 | 1.85 | 0.88 | 1.15 | 1.00 | 4.84 | 1.69 |
| US Broad Market Fixed Income (SA+CF) Median | -0.49 | 6.27 | 6.27 | 4.26 | 4.94 | 4.64 | 2.77 | 4.71 | 4.93 | 9.95 |
| Percentile Rank | 15 | 16 | 16 | 12 | 8 | 20 | 8 | 19 | 9 | 6 |
| Trust Funds Bond Pool (TFBP) | -0.34 | 6.73 | 6.73 | 5.08 | 6.16 | 5.22 | 3.79 | 5.31 | 7.94 | 12.33 |
| LB Aggregate Bond Index | -0.52 | 6.12 | 6.12 | 3.98 | 4.48 | 4.33 | 2.43 | 4.34 | 4.10 | 10.25 |
| Difference | 0.18 | 0.61 | 0.61 | 1.10 | 1.68 | 0.89 | 1.36 | 0.97 | 3.84 | 2.08 |
| US Broad Market Fixed Income (SA+CF) Median | -0.49 | 6.27 | 6.27 | 4.26 | 4.94 | 4.64 | 2.77 | 4.71 | 4.93 | 9.95 |
| Percentile Rank | 22 | 22 | 22 | 12 | 10 | 20 | 6 | 20 | 15 | 4 |
| Short Term Investment Pool (STIP) | 1.36 | 5.60 | 5.60 | 4.04 | 2.95 | 5.11 | 3.36 | 1.46 | 1.24 | 1.98 |
| ML 3 Mo US T-Bill Index | 1.27 | 5.21 | 5.21 | 3.77 | 2.76 | 4.85 | 3.07 | 1.33 | 1.15 | 1.78 |
| Difference | 0.09 | 0.39 | 0.39 | 0.27 | 0.19 | 0.26 | 0.29 | 0.13 | 0.09 | 0.20 |

Performance shown is gross of fees. Calculation based on monthly periodicity.
International Custom Benchmark is comprised of the MSCI EAFE through 12/31/06, and is the MSCI ACWI x-U.S. thereafter.

**Montana Board of Investments
Comparative Performance
As of June 30, 2007**

| | 1 Quarter | Jul-2006 To Jun-2007 | 1 Year | 3 Years | 5 Years | 2006 | 2005 | 2004 | 2003 | 2002 |
|------------------------------------|----------------------|-------------------------------------|-------------------|--------------------|--------------------|--------------|--------------|--------------|--------------|-------------|
| Private Equity Pool (MTPEP) | 6.56 | 25.07 | 25.07 | 20.44 | 18.75 | 19.16 | 12.60 | 23.68 | 29.12 | N/A |
| S&P 1500 + 4% | 7.20 | 24.22 | 24.22 | 16.08 | 15.14 | 19.34 | 9.65 | 15.78 | 33.60 | -17.31 |
| Difference | -0.64 | 0.85 | 0.85 | 4.36 | 3.61 | -0.18 | 2.95 | 7.90 | -4.48 | N/A |

Performance shown is gross of fees. Calculation based on monthly periodicity.

Montana Board of Investments
Comparative Performance - Accounts
Comparative Performance
As of June 30, 2007

| | 1 Quarter | Jul-2006 To Jun-2007 | 1 Year | 3 Years | 5 Years | 2006 | 2005 | 2004 | 2003 | 2002 |
|-----------------------------------|--------------|----------------------------|-----------|------------|------------|------|------|-------|------|-------|
| Treasurers | 1.27 | 5.52 | 5.52 | 3.75 | 3.03 | 4.89 | 2.72 | 1.32 | 1.89 | 3.40 |
| Abandoned Mine Trust | 0.48 | 5.42 | 5.42 | 3.64 | 3.77 | 4.71 | 2.49 | 1.82 | 2.96 | 7.92 |
| BPA Mitigation Trust Fund | 0.46 | 5.43 | 5.43 | 3.58 | 3.53 | 4.86 | 2.21 | 1.78 | 2.71 | 7.00 |
| Montana Pole | 0.23 | 5.83 | 5.83 | 4.37 | 4.48 | 5.09 | 3.51 | 3.43 | 4.13 | 8.08 |
| FWP License Account | 1.29 | 5.44 | 5.44 | 3.85 | 3.34 | 4.90 | 2.90 | 1.40 | 2.13 | 4.59 |
| Streamside Tailings Operable Unit | 0.00 | 6.29 | 6.29 | 4.70 | 5.25 | 5.14 | 3.93 | 4.61 | 5.31 | 11.00 |
| UCFRB Restoration Fund | -0.01 | 6.52 | 6.52 | 4.88 | 5.85 | 5.07 | 4.00 | 5.07 | 6.93 | 11.69 |
| UCFRB Assess/Litig Cost Rec | -0.15 | 6.69 | 6.69 | 5.02 | 6.11 | 5.15 | 4.21 | 5.50 | 7.18 | 12.46 |
| State Fund Insurance | 0.58 | 7.57 | 7.57 | 4.99 | 5.38 | 6.08 | 2.53 | 4.82 | 7.24 | 6.83 |
| Subsequent Injury Fund | 0.41 | 5.30 | 5.30 | 3.53 | 3.80 | 5.01 | 1.94 | 1.85 | 3.09 | 8.65 |
| Old Fund Insurance | 0.99 | 5.82 | 5.82 | 3.98 | 4.17 | 4.86 | 2.36 | 1.72 | 3.98 | 9.18 |
| Zortman/Landusky LT H2O | -1.80 | 6.70 | 6.70 | 6.65 | 7.79 | 2.96 | 7.59 | 10.77 | 5.89 | 24.66 |
| Group Benefits | 1.29 | 5.51 | 5.51 | 3.80 | 3.68 | 4.92 | 2.85 | 1.48 | 2.73 | 5.14 |
| Permanent Coal Trust Fund | 0.61 | 6.21 | 6.21 | 5.39 | 5.99 | 5.40 | 5.00 | 5.60 | 6.57 | 9.59 |
| FWP Real Property Trust | -0.07 | 6.00 | 6.00 | 4.27 | 4.36 | 5.11 | 3.46 | 3.01 | 3.72 | 8.32 |
| Resource Indemnity Trust | -0.15 | 6.68 | 6.68 | 5.01 | 6.10 | 5.14 | 4.20 | 5.51 | 7.18 | 12.38 |
| Coal Tax Park Acquisition | -0.13 | 6.64 | 6.64 | 5.00 | 6.07 | 5.13 | 4.21 | 5.42 | 7.14 | 12.35 |
| Wildlife Habitat Trust | -0.02 | 6.18 | 6.18 | 4.50 | 4.40 | 5.18 | 3.66 | 3.43 | 3.69 | 7.43 |
| Trust and Legacy Account | -0.14 | 6.68 | 6.68 | 5.00 | 6.07 | 5.16 | 4.15 | 5.48 | 7.07 | 12.39 |
| Highway 93 Bond | 1.34 | 5.59 | 5.59 | N/A | N/A | 4.83 | N/A | N/A | N/A | N/A |
| Weed Control Trust | 0.54 | 5.50 | 5.50 | 3.65 | 3.93 | 4.67 | 2.40 | 1.83 | 3.32 | 8.41 |
| Tobacco Trust Fund | -0.09 | 6.74 | 6.74 | 5.00 | 6.05 | 5.21 | 4.03 | 5.83 | 6.60 | 12.03 |
| Coal Tax Cultural Trust Fund | -0.14 | 6.70 | 6.70 | 5.08 | 6.09 | 5.16 | 4.41 | 5.40 | 7.05 | 12.30 |
| Treasure St. Reg. Water System | -0.11 | 6.66 | 6.66 | 5.02 | 5.98 | 5.16 | 4.22 | 5.45 | 6.74 | 12.00 |
| Treasure State Endowment | -0.06 | 6.66 | 6.66 | 5.11 | 5.99 | 5.23 | 4.39 | 5.67 | 6.90 | 11.11 |
| Big Sky Economic Development Fund | -0.11 | 6.66 | 6.66 | N/A | N/A | 5.16 | N/A | N/A | N/A | N/A |
| Z/L Long Term H2O Trust Fund | -2.15 | 5.41 | 5.41 | N/A | N/A | 6.49 | N/A | N/A | N/A | N/A |
| University of Montana | 1.28 | 5.76 | 5.76 | 4.02 | N/A | 5.27 | 3.29 | 1.44 | 3.13 | N/A |
| Montana Tech-UM Agency Funds | 1.18 | 5.60 | 5.60 | 4.24 | N/A | 5.08 | 3.54 | 2.16 | N/A | N/A |
| Montana State University | 1.07 | 5.68 | 5.68 | N/A | N/A | 5.14 | 3.46 | N/A | N/A | N/A |

Performance shown is gross of fees. Calculation is based on quarterly periodicity. All performance greater than one year is annualized.

Montana Board of Investments
Glossary
As of June 30, 2007

Statistics Definitions

Alpha - A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the portfolio's historical performance not explained by movements of the market or a portfolio's non-systematic return.

Alpha Ratio - A measure of a portfolio's non-systematic return per unit of downside risk. It is measured by dividing the alpha of a portfolio by the downside risk. The non-systematic return is a measure of a portfolio's historical performance not explained by movements of the market.

Beta - A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk.

Buy and Hold Attribution - At the beginning of the time period under analysis, the manager and benchmark portfolios are broken down into segments (i.e., styles, sectors, and countries) based on the desired type of attribution. One assumes zero turn-over to the manager and benchmark portfolios throughout the period and calculates the segment returns ("buy and hold returns") to arrive at performance attribution. Country, sector, and style allocations are as of the date one quarter prior to the reporting date, and the returns shown are for those segments throughout the quarter reported. The following is the methodology for segment classification:

- **Country** - Stocks will be classified by their domicile country, as defined by Worldscope data.
- **Sector** - Stocks will be classified by their primary sector, as defined by Worldscope data.
- **Style** - Stocks will be classified into the following style boxes: large/mid/small vs. growth/neutral/value. Stocks will be classified along large/mid/small categories at the time of the Frank Russell index rebalancing, using the index market cap boundaries as cutoff points. Stocks will be classified along growth/neutral/value categories at the time of the Frank Russell index rebalancing, using the price/book ratio as supplied by Worldscope. Stocks in the Russell 3000 Index portfolio will be sorted by price/book ratio; names with the highest price/book ratio that make up 1/3 of the total market capitalization will be assigned to the growth category, names that make up the subsequent 1/3 of the total market capitalization will be assigned to the neutral category, while the balance of the names will be assigned to the value category.

Consistency - The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance.

Convexity - A measure of the shape of the curve that describes the relationship between bond prices and bond yields.

Coupon Rate - The percentage rate of interest paid on a bond or fixed income security; it is typically paid twice per year.

Current Yield - The annual income of a security divided by the security's current price.

Down Market Capture - Down market by definition is negative benchmark return and down market capture represents the ratio in % terms of the average portfolios return over the benchmark during the down market period. The lower the value of the down market capture the better the product's performance.

Downside Risk - A measure similar to standard deviation, but focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. The higher the factor, the riskier the product.

Earnings Per Share - It is backward looking, calculated using the one year current EPS divided by the one year EPS five years ago.

Montana Board of Investments

Glossary

As of June 30, 2007

Excess Return vs. Market - Average of the monthly arithmetic difference between the manager's return and the benchmark return over a specified time period, shown on an annualized basis.

Excess Return vs. Risk Free - Average of the monthly arithmetic difference between the manager's return and the risk-free return over a specified time period, shown on an annualized basis.

Excess Risk - A measure of the standard deviation of a portfolio's performance relative to the risk free return.

Gain/Loss - The net increase or decrease in the market value of a portfolio excluding its Net Cash Flow for a given period.

Information Ratio - Measured by dividing the active rate of return by the tracking error. The higher the information ratio, the more value-added contribution by the manager.

Modified Duration - A measure of the change in the price of a security in response to a change in interest rates.

Net Cash Flow - The sum, in dollars, of a portfolio's contributions and withdrawals. This includes all management fees and expenses only when performance shown is gross of fees.

Portfolio Duration - A measure of the price sensitivity of a fixed income portfolio in response to an interest rate change of 100 basis points.

Region Attribution - Calculated using the Morgan Stanley Capital International (MSCI) region standards.

Return - Compounded rate of return for the period.

%Return - The time-weighted rate of return of a portfolio for a given period.

R-Squared - The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. High R-Squared means a higher correlation of the portfolio's performance to the appropriate benchmark.

Sector Attribution - Calculated using the Industry Classification Benchmark (ICB).

Sharpe Ratio - Represents the excess rate of return over the risk-free return, divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.

Simple Alpha - The difference between the manager's return and the benchmark's return.

Spread Duration - A measure of the price sensitivity of a bond to a 100 basis-point movement of the bond's spread relative to Treasuries.

Standard Deviation - A statistical measure of the range of a portfolio's performance. The variability of a return around its average return over a specified time period.

Tracking Error - A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark.

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Treynor Ratio - Similar to Sharpe ratio, but focuses on beta rather than excess risk (standard deviation). Treynor ratio represents the excess rate of return over the risk-free rate divided by the beta. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.

Unit Value - The dollar value of a portfolio, assuming an initial nominal investment of \$100, growing at the compounded rate of %Return for a given period.

Up Market Capture - Up market by definition is positive benchmark return and up market capture represents the ratio in % terms of the average portfolios return over the benchmark during the up market period. The higher the value of the up market capture the better the product's performance.

Yield to Maturity - The rate of return achieved on a bond or other fixed income security assuming the security is bought and held to maturity and that the coupon interest paid over the life of the bond will be reinvested at the same rate of return.

Yield to Worst - The bond yield calculated by using the lower of the yield to maturity or the yield to call computed for every possible call date.

Peer Groups

RVK utilizes the Mellon Analytical Solutions Trust Universe and the RogersCasey Manager Universe for peer comparison and rankings. The Mellon Analytical Solutions Trust Universe, which is used for comparison of Total Fund composite results, utilizes actual client returns compiled from consultant and custodial data. The RogersCasey Manager Universe database includes performance and other quantitative data for over 1,400 investment management firms, over 17,000 investment products, including separate accounts, commingled funds, and mutual funds, and 160 standard peer groups.

Peer Group Definitions

SA = Separately Managed Fund
CF = Commingled Fund
MF = Mutual Fund

Peer Group Rankings

1 = Highest
100 = Lowest

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