



# Montana Board of Investments

Investment Performance Analysis

Quarter Ended

**September 30, 2007**

Prepared By

**Erik Williams**

# RVKuhns

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

	1 Quarter	Jul-2007 To Sep-2007	1 Year	3 Years	5 Years	2006	2005	2004	2003	2002
<b>Public Employees' Retirement</b>	<b>2.55</b>	<b>2.55</b>	<b>15.91</b>	<b>12.78</b>	<b>13.25</b>	<b>13.83</b>	<b>6.69</b>	<b>9.29</b>	<b>22.52</b>	<b>-9.75</b>
Retirement Plans Custom Benchmark	2.53	2.53	14.60	11.97	13.20	13.30	6.09	10.54	21.69	-10.11
Difference	0.02	0.02	1.31	0.81	0.05	0.53	0.60	-1.25	0.83	0.36
All Public Plans-Total Fund Median	2.25	2.25	15.64	13.57	14.82	13.89	8.46	12.33	24.50	-9.01
Percentile Rank	31	31	48	71	80	51	81	92	71	72
<b>Teachers' Retirement</b>	<b>2.55</b>	<b>2.55</b>	<b>15.86</b>	<b>12.78</b>	<b>13.25</b>	<b>13.76</b>	<b>6.74</b>	<b>9.35</b>	<b>22.54</b>	<b>-9.87</b>
Retirement Plans Custom Benchmark	2.53	2.53	14.60	11.97	13.20	13.30	6.09	10.54	21.69	-10.11
Difference	0.02	0.02	1.26	0.81	0.05	0.46	0.65	-1.19	0.85	0.24
All Public Plans-Total Fund Median	2.25	2.25	15.64	13.57	14.82	13.89	8.46	12.33	24.50	-9.01
Percentile Rank	31	31	48	73	80	54	81	92	71	74
<b>Police Retirement</b>	<b>2.51</b>	<b>2.51</b>	<b>15.78</b>	<b>12.65</b>	<b>13.15</b>	<b>13.73</b>	<b>6.66</b>	<b>9.07</b>	<b>22.31</b>	<b>-9.49</b>
Retirement Plans Custom Benchmark	2.53	2.53	14.60	11.97	13.20	13.30	6.09	10.54	21.69	-10.11
Difference	-0.02	-0.02	1.18	0.68	-0.05	0.43	0.57	-1.47	0.62	0.62
All Public Plans-Total Fund Median	2.25	2.25	15.64	13.57	14.82	13.89	8.46	12.33	24.50	-9.01
Percentile Rank	35	35	49	77	81	56	82	92	72	68
<b>Firefighters' Retirement</b>	<b>2.52</b>	<b>2.52</b>	<b>15.78</b>	<b>12.65</b>	<b>13.16</b>	<b>13.73</b>	<b>6.65</b>	<b>9.08</b>	<b>22.41</b>	<b>-9.57</b>
Retirement Plans Custom Benchmark	2.53	2.53	14.60	11.97	13.20	13.30	6.09	10.54	21.69	-10.11
Difference	-0.01	-0.01	1.18	0.68	-0.04	0.43	0.56	-1.46	0.72	0.54
All Public Plans-Total Fund Median	2.25	2.25	15.64	13.57	14.82	13.89	8.46	12.33	24.50	-9.01
Percentile Rank	34	34	49	77	81	56	82	92	71	71
<b>Sheriff's Retirement</b>	<b>2.53</b>	<b>2.53</b>	<b>15.79</b>	<b>12.69</b>	<b>13.25</b>	<b>13.75</b>	<b>6.62</b>	<b>9.26</b>	<b>22.63</b>	<b>-9.73</b>
Retirement Plans Custom Benchmark	2.53	2.53	14.60	11.97	13.20	13.30	6.09	10.54	21.69	-10.11
Difference	0.00	0.00	1.19	0.72	0.05	0.45	0.53	-1.28	0.94	0.38
All Public Plans-Total Fund Median	2.25	2.25	15.64	13.57	14.82	13.89	8.46	12.33	24.50	-9.01
Percentile Rank	33	33	49	76	80	55	83	92	71	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 September 30, 2007**

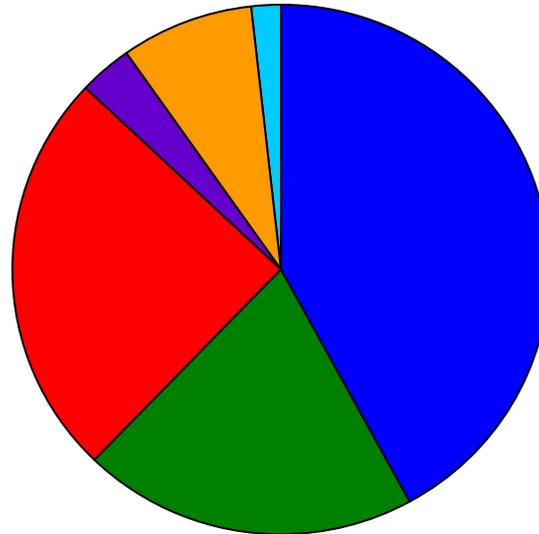
	1 Quarter	Jul-2007 To Sep-2007	1 Year	3 Years	5 Years	2006	2005	2004	2003	2002
<b>Highway Patrol Retirement</b>	<b>2.56</b>	<b>2.56</b>	<b>15.93</b>	<b>12.78</b>	<b>13.31</b>	<b>13.83</b>	<b>6.65</b>	<b>9.34</b>	<b>22.68</b>	<b>-10.01</b>
Retirement Plans Custom Benchmark	2.53	2.53	14.60	11.97	13.20	13.30	6.09	10.54	21.69	-10.11
Difference	0.03	0.03	1.33	0.81	0.11	0.53	0.56	-1.20	0.99	0.10
All Public Plans-Total Fund Median	2.25	2.25	15.64	13.57	14.82	13.89	8.46	12.33	24.50	-9.01
Percentile Rank	30	30	48	71	80	51	82	92	70	78
<b>Game Wardens' Retirement</b>	<b>2.54</b>	<b>2.54</b>	<b>15.79</b>	<b>12.49</b>	<b>13.11</b>	<b>13.66</b>	<b>6.38</b>	<b>8.97</b>	<b>22.54</b>	<b>-9.39</b>
Retirement Plans Custom Benchmark	2.53	2.53	14.60	11.97	13.20	13.30	6.09	10.54	21.69	-10.11
Difference	0.01	0.01	1.19	0.52	-0.09	0.36	0.29	-1.57	0.85	0.72
All Public Plans-Total Fund Median	2.25	2.25	15.64	13.57	14.82	13.89	8.46	12.33	24.50	-9.01
Percentile Rank	32	32	49	79	81	60	89	92	71	64
<b>Judges' Retirement</b>	<b>2.55</b>	<b>2.55</b>	<b>15.85</b>	<b>12.71</b>	<b>13.26</b>	<b>13.78</b>	<b>6.61</b>	<b>9.25</b>	<b>22.65</b>	<b>-9.79</b>
Retirement Plans Custom Benchmark	2.53	2.53	14.60	11.97	13.20	13.30	6.09	10.54	21.69	-10.11
Difference	0.02	0.02	1.25	0.74	0.06	0.48	0.52	-1.29	0.96	0.32
All Public Plans-Total Fund Median	2.25	2.25	15.64	13.57	14.82	13.89	8.46	12.33	24.50	-9.01
Percentile Rank	31	31	48	76	80	54	83	92	71	72
<b>Volunteer Firefighter's Retirement</b>	<b>2.63</b>	<b>2.63</b>	<b>16.07</b>	<b>12.67</b>	<b>13.23</b>	<b>13.82</b>	<b>6.44</b>	<b>9.12</b>	<b>22.61</b>	<b>-6.28</b>
Retirement Plans Custom Benchmark	2.53	2.53	14.60	11.97	13.20	13.30	6.09	10.54	21.69	-10.11
Difference	0.10	0.10	1.47	0.70	0.03	0.52	0.35	-1.42	0.92	3.83
All Public Plans-Total Fund Median	2.25	2.25	15.64	13.57	14.82	13.89	8.46	12.33	24.50	-9.01
Percentile Rank	28	28	42	77	80	51	85	92	71	21

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 September 30, 2007**

September 30, 2007 : \$4,189,612,613

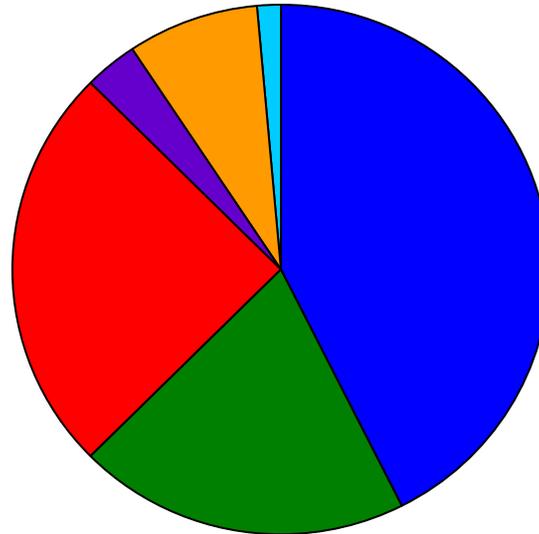


Segments	Market Value (\$)	Allocation (%)
■ Domestic Equity	1,760,191,044	42.01
■ International Equity	845,343,276	20.18
■ Domestic Fixed Income	1,039,895,000	24.82
■ Real Estate	133,604,755	3.19
■ Alternative Investment	334,448,181	7.98
■ Cash Equivalent	76,130,357	1.82

Allocation shown may not sum up to 100% exactly due to rounding.

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

September 30, 2007 : \$3,248,607,803

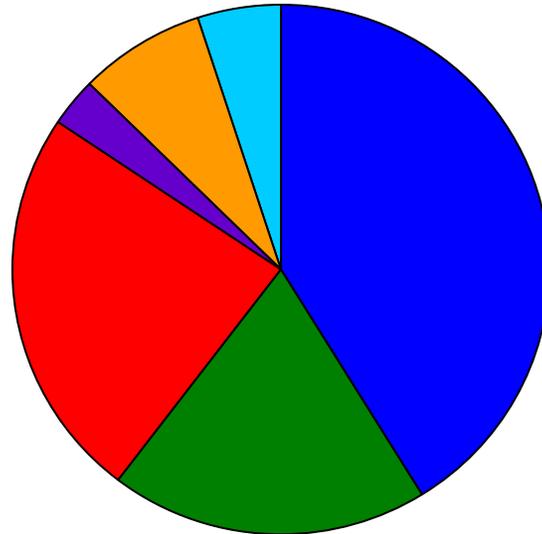


Segments	Market Value (\$)	Allocation (%)
■ Domestic Equity	1,381,191,442	42.52
■ International Equity	650,069,740	20.01
■ Domestic Fixed Income	809,079,227	24.91
■ Real Estate	105,332,376	3.24
■ Alternative Investment	255,843,561	7.88
■ Cash Equivalent	47,091,457	1.45

Allocation shown may not sum up to 100% exactly due to rounding.

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

September 30, 2007 : \$214,572,185

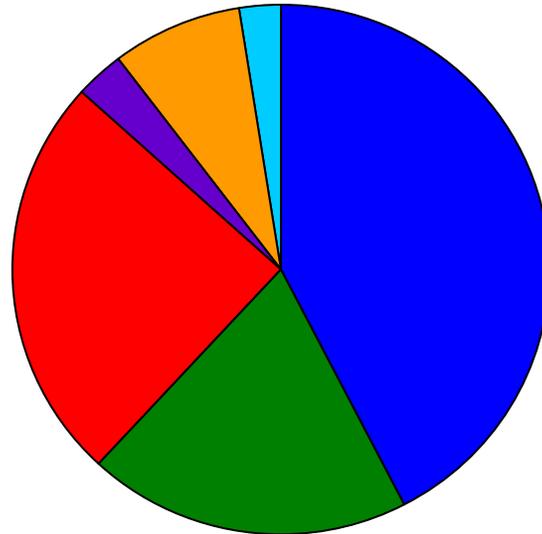


Segments	Market Value (\$)	Allocation (%)
■ Domestic Equity	88,326,545	41.16
■ International Equity	41,095,306	19.15
■ Domestic Fixed Income	51,792,573	24.14
■ Real Estate	6,176,134	2.88
■ Alternative Investment	16,504,220	7.69
■ Cash Equivalent	10,677,407	4.98

Allocation shown may not sum up to 100% exactly due to rounding.

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

September 30, 2007 : \$201,965,578

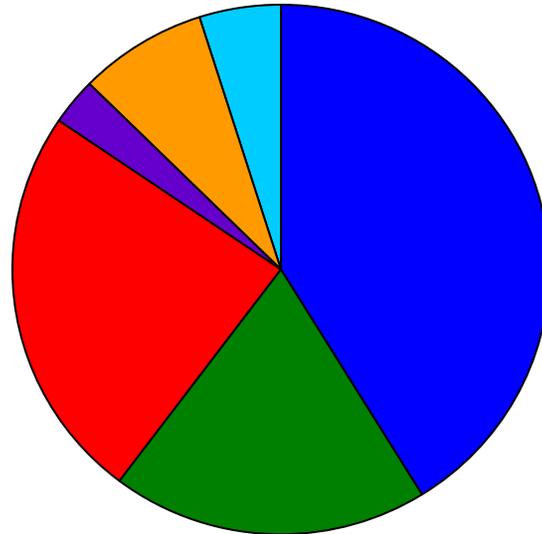


Segments	Market Value (\$)	Allocation (%)
■ Domestic Equity	85,672,240	42.42
■ International Equity	39,256,491	19.44
■ Domestic Fixed Income	50,148,184	24.83
■ Real Estate	6,009,647	2.98
■ Alternative Investment	15,773,039	7.81
■ Cash Equivalent	5,105,977	2.53

Allocation shown may not sum up to 100% exactly due to rounding.

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

September 30, 2007 : \$204,050,894

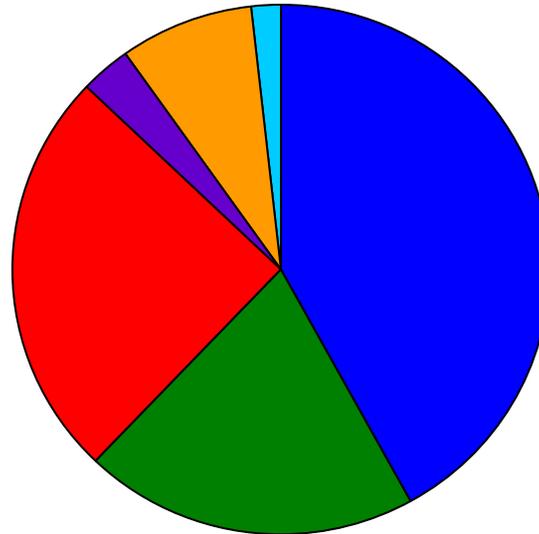


Segments	Market Value (\$)	Allocation (%)
■ Domestic Equity	83,932,908	41.13
■ International Equity	39,096,306	19.16
■ Domestic Fixed Income	49,401,563	24.21
■ Real Estate	5,881,792	2.88
■ Alternative Investment	15,763,673	7.73
■ Cash Equivalent	9,974,652	4.89

Allocation shown may not sum up to 100% exactly due to rounding.

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

September 30, 2007 : \$104,947,339

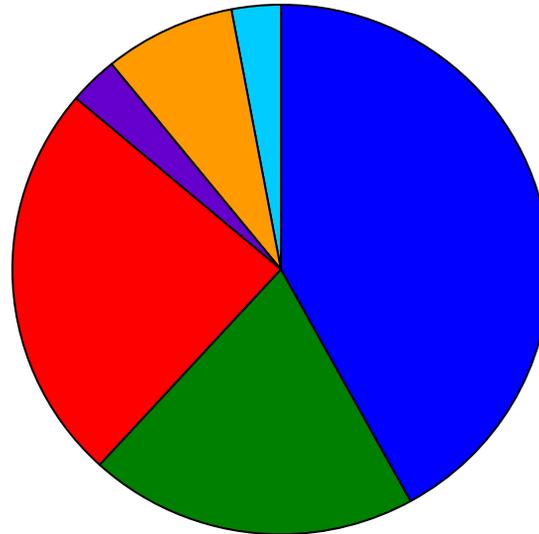


Segments	Market Value (\$)	Allocation (%)
■ Domestic Equity	44,051,909	41.98
■ International Equity	21,188,991	20.19
■ Domestic Fixed Income	26,209,664	24.97
■ Real Estate	3,132,720	2.99
■ Alternative Investment	8,470,440	8.07
■ Cash Equivalent	1,893,615	1.80

Allocation shown may not sum up to 100% exactly due to rounding.

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

September 30, 2007 : \$75,951,543

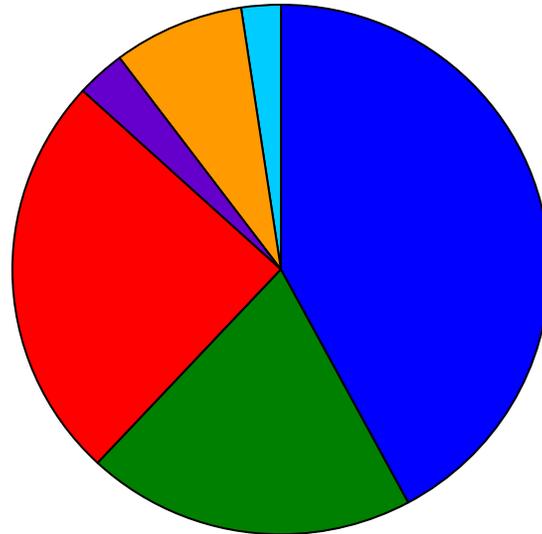


Segments	Market Value (\$)	Allocation (%)
■ Domestic Equity	31,883,773	41.98
■ International Equity	15,044,536	19.81
■ Domestic Fixed Income	18,552,543	24.43
■ Real Estate	2,257,860	2.97
■ Alternative Investment	6,001,404	7.90
■ Cash Equivalent	2,211,427	2.91

Allocation shown may not sum up to 100% exactly due to rounding.

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

September 30, 2007 : \$63,432,742

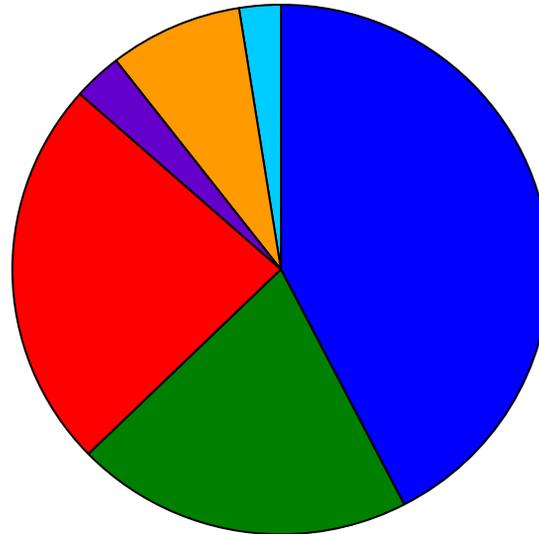


Segments	Market Value (\$)	Allocation (%)
■ Domestic Equity	26,719,172	42.12
■ International Equity	12,563,370	19.81
■ Domestic Fixed Income	15,764,148	24.85
■ Real Estate	1,891,142	2.98
■ Alternative Investment	4,961,637	7.82
■ Cash Equivalent	1,533,273	2.42

Allocation shown may not sum up to 100% exactly due to rounding.

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

September 30, 2007 : \$27,799,414



Segments	Market Value (\$)	Allocation (%)
■ Domestic Equity	11,793,302	42.42
■ International Equity	5,638,547	20.28
■ Domestic Fixed Income	6,621,057	23.82
■ Real Estate	836,185	3.01
■ Alternative Investment	2,226,531	8.01
■ Cash Equivalent	683,792	2.46

Allocation shown may not sum up to 100% exactly due to rounding.

**Montana Board of Investments**  
**Comparative Performance - Pools**  
**Composites**  
**As of September 30, 2007**

	1 Quarter	Jul-2007 To Sep-2007	1 Year	3 Years	5 Years	2006	2005	2004	2003	2002
<b>Domestic Equity Composite</b>	<b>1.55</b>	<b>1.55</b>	<b>15.81</b>	<b>12.64</b>	<b>15.24</b>	<b>14.03</b>	<b>4.95</b>	<b>9.17</b>	<b>29.93</b>	<b>-24.61</b>
S&P 1500 Super Composite Index	1.65	1.65	16.57	13.40	15.82	15.34	5.65	11.78	29.60	-21.31
<i>Difference</i>	<i>-0.10</i>	<i>-0.10</i>	<i>-0.76</i>	<i>-0.76</i>	<i>-0.58</i>	<i>-1.31</i>	<i>-0.70</i>	<i>-2.61</i>	<i>0.33</i>	<i>-3.30</i>
US Equity (SA+CF) Median	0.84	0.84	17.50	14.87	17.98	14.97	8.21	14.50	33.71	-20.01
<b>Percentile Rank</b>	<b>43</b>	<b>43</b>	<b>65</b>	<b>79</b>	<b>81</b>	<b>57</b>	<b>79</b>	<b>82</b>	<b>68</b>	<b>75</b>
<b>Dom Large Cap Equity Comp</b>	<b>1.94</b>	<b>1.94</b>	<b>N/A</b>							
S&P 500 Index (Cap Weighted)	2.03	2.03	16.44	13.14	15.45	15.80	4.91	10.88	28.68	-22.10
<i>Difference</i>	<i>-0.09</i>	<i>-0.09</i>	<i>N/A</i>							
US Core/Large Cap Equity (SA+CF) Median	1.92	1.92	16.56	13.91	15.99	15.64	6.78	11.80	28.95	-21.33
<b>Percentile Rank</b>	<b>50</b>	<b>50</b>	<b>N/A</b>							
<b>Dom Mid Cap Equity Comp</b>	<b>-1.65</b>	<b>-1.65</b>	<b>N/A</b>							
R Mid Cap Index	-0.39	-0.39	17.87	17.34	20.90	15.26	12.65	20.22	40.06	-16.18
<i>Difference</i>	<i>-1.26</i>	<i>-1.26</i>	<i>N/A</i>							
US Mid Cap Equity (SA+CF) Median	-0.20	-0.20	20.29	17.13	19.84	13.54	12.07	17.99	36.88	-15.65
<b>Percentile Rank</b>	<b>65</b>	<b>65</b>	<b>N/A</b>							
<b>Dom Small Cap Equity Comp</b>	<b>-1.34</b>	<b>-1.34</b>	<b>N/A</b>							
R 2000 Index	-3.09	-3.09	12.34	13.36	18.75	18.37	4.55	18.33	47.25	-20.48
<i>Difference</i>	<i>1.75</i>	<i>1.75</i>	<i>N/A</i>							
US Small Cap Equity (SA+CF) Median	-2.29	-2.29	17.08	15.06	20.03	15.64	7.86	19.12	46.09	-17.28
<b>Percentile Rank</b>	<b>43</b>	<b>43</b>	<b>N/A</b>							

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**  
**Composites**  
**As of September 30, 2007**

	1 Quarter	Jul-2007 To Sep-2007	1 Year	3 Years	5 Years	2006	2005	2004	2003	2002
<b>International Equity Composite</b>	<b>3.71</b>	<b>3.71</b>	<b>31.12</b>	<b>25.18</b>	<b>24.08</b>	<b>28.52</b>	<b>13.78</b>	<b>18.89</b>	<b>35.77</b>	<b>-13.06</b>
International Custom Benchmark	4.62	4.62	29.64	25.13	24.89	26.86	14.02	20.70	39.17	-15.66
<i>Difference</i>	<i>-0.91</i>	<i>-0.91</i>	<i>1.48</i>	<i>0.05</i>	<i>-0.81</i>	<i>1.66</i>	<i>-0.24</i>	<i>-1.81</i>	<i>-3.40</i>	<i>2.60</i>
International Active Equity (SA+CF) Median	2.86	2.86	26.55	24.24	24.84	26.66	16.02	19.67	37.80	-14.47
<b>Percentile Rank</b>	<b>43</b>	<b>43</b>	<b>28</b>	<b>41</b>	<b>57</b>	<b>38</b>	<b>69</b>	<b>58</b>	<b>61</b>	<b>41</b>
<b>Int'l Dev LCV Equity Comp</b>	<b>3.22</b>	<b>3.22</b>	<b>N/A</b>							
MSCI ACW Ex US Value Index (Net)	2.84	2.84	28.06	26.10	27.84	29.74	16.53	25.08	47.34	-14.93
<i>Difference</i>	<i>0.38</i>	<i>0.38</i>	<i>N/A</i>							
International Value Equity (SA+CF) Median	1.18	1.18	23.70	23.93	25.23	28.16	14.55	23.11	41.69	-9.45
<b>Percentile Rank</b>	<b>16</b>	<b>16</b>	<b>N/A</b>							
<b>Int'l Dev LCC Equity Comp</b>	<b>3.88</b>	<b>3.88</b>	<b>N/A</b>							
MSCI ACW Ex US Index (Net)	4.62	4.62	30.54	26.01	25.84	26.65	16.62	20.91	40.83	-14.95
<i>Difference</i>	<i>-0.74</i>	<i>-0.74</i>	<i>N/A</i>							
International Core Equity (SA+CF) Median	2.67	2.67	27.24	24.88	24.91	27.23	16.16	19.01	37.05	-14.22
<b>Percentile Rank</b>	<b>31</b>	<b>31</b>	<b>N/A</b>							
<b>Int'l Dev LCG Equity Comp</b>	<b>5.95</b>	<b>5.95</b>	<b>N/A</b>							
MSCI ACW Ex US Growth Index (Net)	6.39	6.39	33.01	25.89	23.79	23.61	16.71	16.73	34.42	-14.99
<i>Difference</i>	<i>-0.44</i>	<i>-0.44</i>	<i>N/A</i>							
International Growth Equity (SA+CF) Median	4.73	4.73	29.90	25.24	23.60	24.99	17.12	18.21	34.84	-16.96
<b>Percentile Rank</b>	<b>36</b>	<b>36</b>	<b>N/A</b>							
<b>Int'l Dev Small Cap Equity Comp</b>	<b>-2.07</b>	<b>-2.07</b>	<b>N/A</b>							
MSCI EAFE Sm Cap Index (Net)	-4.49	-4.49	19.10	23.79	27.69	19.31	26.19	31.45	61.34	-7.83
<i>Difference</i>	<i>2.42</i>	<i>2.42</i>	<i>N/A</i>							
International Small Cap Equity (SA+CF) Median	-0.96	-0.96	29.29	29.12	31.80	29.07	26.08	29.82	57.18	-5.22
<b>Percentile Rank</b>	<b>66</b>	<b>66</b>	<b>N/A</b>							

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**  
**Composites**  
**As of September 30, 2007**

	1 Quarter	Jul-2007 To Sep-2007	1 Year	3 Years	5 Years	2006	2005	2004	2003	2002
<b>Real Estate Comp</b>	<b>2.06</b>	<b>2.06</b>	N/A							
NCREIF ODCE Index (Net) (Asset Wtd Avg)	3.74	3.74	17.14	17.33	14.02	15.27	20.17	12.01	8.28	4.58
<i>Difference</i>	<i>-1.68</i>	<i>-1.68</i>	<i>N/A</i>							
<b>Retirement Funds Bond Pool (RFBP)</b>	<b>2.60</b>	<b>2.60</b>	<b>5.63</b>	<b>4.76</b>	<b>5.65</b>	<b>5.21</b>	<b>3.58</b>	<b>5.34</b>	<b>8.94</b>	<b>11.94</b>
LB Aggregate Bond Index	2.84	2.84	5.14	3.86	4.13	4.33	2.43	4.34	4.10	10.25
<i>Difference</i>	<i>-0.24</i>	<i>-0.24</i>	<i>0.49</i>	<i>0.90</i>	<i>1.52</i>	<i>0.88</i>	<i>1.15</i>	<i>1.00</i>	<i>4.84</i>	<i>1.69</i>
US Broad Market Fixed Income (SA+CF) Median	2.74	2.74	5.22	4.11	4.58	4.63	2.77	4.71	4.93	9.95
<b>Percentile Rank</b>	<b>58</b>	<b>58</b>	<b>20</b>	<b>11</b>	<b>15</b>	<b>20</b>	<b>8</b>	<b>19</b>	<b>9</b>	<b>6</b>
<b>Trust Funds Bond Pool (TFBP)</b>	<b>2.55</b>	<b>2.55</b>	<b>5.42</b>	<b>4.75</b>	<b>5.51</b>	<b>5.22</b>	<b>3.79</b>	<b>5.31</b>	<b>7.94</b>	<b>12.33</b>
LB Aggregate Bond Index	2.84	2.84	5.14	3.86	4.13	4.33	2.43	4.34	4.10	10.25
<i>Difference</i>	<i>-0.29</i>	<i>-0.29</i>	<i>0.28</i>	<i>0.89</i>	<i>1.38</i>	<i>0.89</i>	<i>1.36</i>	<i>0.97</i>	<i>3.84</i>	<i>2.08</i>
US Broad Market Fixed Income (SA+CF) Median	2.74	2.74	5.22	4.11	4.58	4.63	2.77	4.71	4.93	9.95
<b>Percentile Rank</b>	<b>62</b>	<b>62</b>	<b>33</b>	<b>11</b>	<b>16</b>	<b>20</b>	<b>6</b>	<b>20</b>	<b>15</b>	<b>4</b>
<b>Short Term Investment Pool (STIP)</b>	<b>1.39</b>	<b>1.39</b>	<b>5.56</b>	<b>4.39</b>	<b>3.14</b>	<b>5.11</b>	<b>3.36</b>	<b>1.46</b>	<b>1.24</b>	<b>1.98</b>
ML 3 Mo US T-Bill Index	1.34	1.34	5.22	4.11	2.94	4.85	3.07	1.33	1.15	1.78
<i>Difference</i>	<i>0.05</i>	<i>0.05</i>	<i>0.34</i>	<i>0.28</i>	<i>0.20</i>	<i>0.26</i>	<i>0.29</i>	<i>0.13</i>	<i>0.09</i>	<i>0.20</i>
<b>Private Equity Pool (MTPEP)</b>	<b>6.42</b>	<b>6.42</b>	<b>26.24</b>	<b>23.02</b>	<b>21.09</b>	<b>19.16</b>	<b>12.60</b>	<b>23.68</b>	<b>29.12</b>	<b>N/A</b>
S&P 1500 Index + 4% (Arithmetic)	2.66	2.66	21.26	17.98	20.48	19.98	9.94	16.30	34.77	-18.03
<i>Difference</i>	<i>3.76</i>	<i>3.76</i>	<i>4.98</i>	<i>5.04</i>	<i>0.61</i>	<i>-0.82</i>	<i>2.66</i>	<i>7.38</i>	<i>-5.65</i>	<i>N/A</i>

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 September 30, 2007**

	1 Quarter	Jul-2007 To Sept-2007	1 Year	3 Years	5 Years	2006	2005	2004	2003	2002
Private Equity Pool (MTPEP)	6.42	6.42	26.24	23.02	21.09	19.16	12.60	23.68	29.12	N/A
S&P 1500 + 4%	2.65	2.65	20.57	17.40	19.82	19.34	9.65	15.78	33.60	-17.31
Difference	3.77	3.77	5.67	5.62	1.27	-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 - Pools  
Managers  
As of September 30, 2007**

	1 Quarter	Jul-2007 To Sep-2007	1 Year	3 Years	5 Years	2006	2005	2004	2003	2002
<b>BGI Equity Index Fund A</b>	<b>2.06</b>	<b>2.06</b>	<b>16.49</b>	<b>13.19</b>	<b>15.52</b>	<b>15.85</b>	<b>4.97</b>	<b>10.93</b>	<b>28.79</b>	<b>-22.07</b>
S&P 500 Index (Cap Weighted)	2.03	2.03	16.44	13.14	15.45	15.80	4.91	10.88	28.68	-22.10
<i>Difference</i>	<i>0.03</i>	<i>0.03</i>	<i>0.05</i>	<i>0.05</i>	<i>0.07</i>	<i>0.05</i>	<i>0.06</i>	<i>0.05</i>	<i>0.11</i>	<i>0.03</i>
US Core/Large Cap Equity (SA+CF) Median	1.92	1.92	16.56	13.91	15.99	15.64	6.78	11.80	28.95	-21.33
<b>Percentile Rank</b>	<b>43</b>	<b>43</b>	<b>53</b>	<b>72</b>	<b>67</b>	<b>42</b>	<b>80</b>	<b>63</b>	<b>54</b>	<b>67</b>
<b>INTECH Enhanced Plus</b>	<b>1.99</b>	<b>1.99</b>	<b>14.77</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
S&P 500 Index (Cap Weighted)	2.03	2.03	16.44	13.14	15.45	15.80	4.91	10.88	28.68	-22.10
<i>Difference</i>	<i>-0.04</i>	<i>-0.04</i>	<i>-1.67</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
US Core/Large Cap Equity (SA+CF) Median	1.92	1.92	16.56	13.91	15.99	15.64	6.78	11.80	28.95	-21.33
<b>Percentile Rank</b>	<b>49</b>	<b>49</b>	<b>79</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>T. Rowe U.S. Structured Research</b>	<b>2.38</b>	<b>2.38</b>	<b>18.24</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
S&P 500 Index (Cap Weighted)	2.03	2.03	16.44	13.14	15.45	15.80	4.91	10.88	28.68	-22.10
<i>Difference</i>	<i>0.35</i>	<i>0.35</i>	<i>1.80</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
US Core/Large Cap Equity (SA+CF) Median	1.92	1.92	16.56	13.91	15.99	15.64	6.78	11.80	28.95	-21.33
<b>Percentile Rank</b>	<b>32</b>	<b>32</b>	<b>30</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Goldman Sachs Enhanced Large Cap</b>	<b>0.89</b>	<b>0.89</b>	<b>13.85</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
S&P 500 Index (Cap Weighted)	2.03	2.03	16.44	13.14	15.45	15.80	4.91	10.88	28.68	-22.10
<i>Difference</i>	<i>-1.14</i>	<i>-1.14</i>	<i>-2.59</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
US Core/Large Cap Equity (SA+CF) Median	1.92	1.92	16.56	13.91	15.99	15.64	6.78	11.80	28.95	-21.33
<b>Percentile Rank</b>	<b>71</b>	<b>71</b>	<b>85</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Western Asset U.S. Index Plus</b>	<b>-0.70</b>	<b>-0.70</b>	<b>13.22</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
S&P 500 Index (Cap Weighted)	2.03	2.03	16.44	13.14	15.45	15.80	4.91	10.88	28.68	-22.10
<i>Difference</i>	<i>-2.73</i>	<i>-2.73</i>	<i>-3.22</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
US Core/Large Cap Equity (SA+CF) Median	1.92	1.92	16.56	13.91	15.99	15.64	6.78	11.80	28.95	-21.33
<b>Percentile Rank</b>	<b>91</b>	<b>91</b>	<b>89</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

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

**Montana Board of Investments  
Comparative Performance - Pools  
Managers  
As of September 30, 2007**

	1 Quarter	Jul-2007 To Sep-2007	1 Year	3 Years	5 Years	2006	2005	2004	2003	2002
<b>Artisan Partners</b>	<b>-4.39</b>	<b>-4.39</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R Mid Cap Value Index	-3.55	-3.55	13.75	17.22	21.02	20.22	12.65	23.71	38.07	-9.65
<i>Difference</i>	-0.84	-0.84	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
US Value/Mid Cap Equity (SA+CF) Median	-3.18	-3.18	16.71	16.35	20.32	17.69	10.95	20.15	37.30	-10.89
<b>Percentile Rank</b>	<b>74</b>	<b>74</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>BGI Mid Cap Equity Index Fund</b>	<b>-0.85</b>	<b>-0.85</b>	<b>18.83</b>	N/A	N/A	<b>10.46</b>	<b>12.71</b>	N/A	N/A	N/A
S&P Mid Cap 400 Index (Cap Weighted)	-0.87	-0.87	18.76	15.63	18.18	10.32	12.55	16.50	35.64	-14.51
<i>Difference</i>	0.02	0.02	0.07	N/A	N/A	0.14	0.16	N/A	N/A	N/A
US Core/Mid Cap Equity (SA+CF) Median	-0.85	-0.85	18.84	16.43	18.50	12.22	12.72	17.65	35.69	-13.81
<b>Percentile Rank</b>	<b>53</b>	<b>53</b>	<b>51</b>	N/A	N/A	<b>68</b>	<b>51</b>	N/A	N/A	N/A
<b>Martingale Asset Mgmt.</b>	<b>-2.71</b>	<b>-2.71</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R Mid Cap Index	-0.39	-0.39	17.87	17.34	20.90	15.26	12.65	20.22	40.06	-16.18
<i>Difference</i>	-2.32	-2.32	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
US Core/Mid Cap Equity (SA+CF) Median	-0.85	-0.85	18.84	16.43	18.50	12.22	12.72	17.65	35.69	-13.81
<b>Percentile Rank</b>	<b>82</b>	<b>82</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>TimesSquare Capital Mgmt.</b>	<b>1.96</b>	<b>1.96</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R Mid Cap Growth Index	2.15	2.15	21.22	17.01	20.39	10.66	12.10	15.48	42.71	-27.41
<i>Difference</i>	-0.19	-0.19	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
US Growth/Mid Cap Equity (SA+CF) Median	4.06	4.06	25.73	18.63	19.59	10.44	12.16	15.55	37.20	-23.91
<b>Percentile Rank</b>	<b>69</b>	<b>69</b>	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.

**Montana Board of Investments  
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	1 Quarter	Jul-2007 To Sep-2007	1 Year	3 Years	5 Years	2006	2005	2004	2003	2002
<b>Vaughan Nelson Mgmt.</b>	<b>-0.27</b>	<b>-0.27</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R 2000 Value Index	-6.26	-6.26	6.09	12.51	18.70	23.48	4.71	22.25	46.03	-11.43
<i>Difference</i>	5.99	5.99	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
US Value/Small Cap Equity (SA+CF) Median	-4.25	-4.25	13.13	14.61	20.21	18.75	8.09	22.19	45.37	-9.28
<b>Percentile Rank</b>	<b>11</b>	<b>11</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>DFA US Small Cap Trust</b>	<b>-3.35</b>	<b>-3.35</b>	<b>12.67</b>	<b>14.38</b>	N/A	<b>17.34</b>	<b>7.47</b>	<b>20.27</b>	N/A	N/A
S&P Small Cap 600 Index (Cap Weighted)	-1.83	-1.83	14.93	14.29	18.73	15.12	7.68	22.65	38.80	-14.63
<i>Difference</i>	-1.52	-1.52	-2.26	0.09	N/A	2.22	-0.21	-2.38	N/A	N/A
US Core/Small Cap Equity (SA+CF) Median	-3.23	-3.23	13.67	13.97	19.06	16.18	7.76	20.72	45.15	-14.84
<b>Percentile Rank</b>	<b>52</b>	<b>52</b>	<b>61</b>	<b>43</b>	N/A	<b>35</b>	<b>54</b>	<b>55</b>	N/A	N/A
<b>NorthPointe Capital</b>	<b>0.60</b>	<b>0.60</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R 2000 Growth Index	0.02	0.02	18.94	14.10	18.70	13.35	4.15	14.31	48.54	-30.26
<i>Difference</i>	0.58	0.58	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
US Growth/Small Cap Equity (SA+CF) Median	1.96	1.96	23.42	16.67	20.29	11.86	7.60	13.24	47.95	-26.50
<b>Percentile Rank</b>	<b>69</b>	<b>69</b>	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.

**Montana Board of Investments  
Comparative Performance - Pools  
Managers  
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	1 Quarter	Jul-2007 To Sep-2007	1 Year	3 Years	5 Years	2006	2005	2004	2003	2002
<b>Acadian Asset Non-US Equity</b>	<b>2.91</b>	<b>2.91</b>	N/A							
MSCI ACW Ex US Value Index (Net)	2.84	2.84	28.06	26.10	27.84	29.74	16.53	25.08	47.34	-14.93
<i>Difference</i>	<i>0.07</i>	<i>0.07</i>	<i>N/A</i>							
International Active Value Equity (SA+CF) Median	1.19	1.19	23.81	23.96	25.49	28.57	14.61	23.69	42.36	-9.50
<b>Percentile Rank</b>	<b>22</b>	<b>22</b>	N/A							
<b>AllianceBernstein International Value</b>	<b>3.55</b>	<b>3.55</b>	N/A							
MSCI ACW Ex US Value Index (Net)	2.84	2.84	28.06	26.10	27.84	29.74	16.53	25.08	47.34	-14.93
<i>Difference</i>	<i>0.71</i>	<i>0.71</i>	<i>N/A</i>							
International Active Value Equity (SA+CF) Median	1.19	1.19	23.81	23.96	25.49	28.57	14.61	23.69	42.36	-9.50
<b>Percentile Rank</b>	<b>17</b>	<b>17</b>	N/A							
<b>Batterymarch International Equity</b>	<b>5.01</b>	<b>5.01</b>	N/A							
MSCI ACW Ex US Index (Net)	4.62	4.62	30.54	26.01	25.84	26.65	16.62	20.91	40.83	-14.95
<i>Difference</i>	<i>0.39</i>	<i>0.39</i>	<i>N/A</i>							
International Active Core Equity (SA+CF) Median	3.62	3.62	28.41	25.09	24.47	27.36	17.44	18.13	36.27	-14.57
<b>Percentile Rank</b>	<b>21</b>	<b>21</b>	N/A							
<b>Julius Baer Int'l Equity II</b>	<b>2.59</b>	<b>2.59</b>	N/A							
MSCI ACW Ex US Index (Net)	4.62	4.62	30.54	26.01	25.84	26.65	16.62	20.91	40.83	-14.95
<i>Difference</i>	<i>-2.03</i>	<i>-2.03</i>	<i>N/A</i>							
International Active Core Equity (SA+CF) Median	3.62	3.62	28.41	25.09	24.47	27.36	17.44	18.13	36.27	-14.57
<b>Percentile Rank</b>	<b>62</b>	<b>62</b>	N/A							

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

**Montana Board of Investments  
Comparative Performance - Pools  
Managers  
As of September 30, 2007**

	1 Quarter	Jul-2007 To Sep-2007	1 Year	3 Years	5 Years	2006	2005	2004	2003	2002
<b>BGI Global Ex-US Alpha Tilts Fund</b>	<b>3.66</b>	<b>3.66</b>	<b>29.55</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MSCI ACW Ex US Index (Net)	4.62	4.62	30.54	26.01	25.84	26.65	16.62	20.91	40.83	-14.95
<i>Difference</i>	-0.96	-0.96	-0.99	N/A	N/A	N/A	N/A	N/A	N/A	N/A
International Active Core Equity (SA+CF) Median	3.62	3.62	28.41	25.09	24.47	27.36	17.44	18.13	36.27	-14.57
<b>Percentile Rank</b>	<b>49</b>	<b>49</b>	<b>43</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>BGI MSCI Europe Index Fund</b>	<b>1.70</b>	<b>1.70</b>	<b>27.84</b>	<b>25.07</b>	N/A	<b>34.08</b>	<b>9.77</b>	<b>21.26</b>	N/A	N/A
MSCI Europe Index (US Currency) (Net)	1.69	1.69	27.51	24.72	25.46	33.72	9.42	20.88	38.54	-18.38
<i>Difference</i>	0.01	0.01	0.33	0.35	N/A	0.36	0.35	0.38	N/A	N/A
European Equity (SA+CF) Median	0.92	0.92	27.95	26.02	26.67	34.39	10.92	22.82	38.15	-15.79
<b>Percentile Rank</b>	<b>31</b>	<b>31</b>	<b>58</b>	<b>71</b>	N/A	<b>59</b>	<b>68</b>	<b>63</b>	N/A	N/A
<b>Nomura Asset Management</b>	<b>9.09</b>	<b>9.09</b>	<b>30.49</b>	<b>24.44</b>	N/A	<b>14.70</b>	<b>25.45</b>	<b>18.89</b>	N/A	N/A
MSCI AC Pacific Index (Net)	7.08	7.08	28.31	23.84	21.95	15.67	23.02	18.21	39.84	-8.78
<i>Difference</i>	2.01	2.01	2.18	0.60	N/A	-0.97	2.43	0.68	N/A	N/A
Pacific Basin Equity (SA+CF) Median	5.23	5.23	N/A	N/A	N/A	13.39	25.31	19.98	39.06	-7.12
<b>Percentile Rank</b>	<b>6</b>	<b>6</b>	N/A	N/A	N/A	<b>45</b>	<b>45</b>	<b>73</b>	N/A	N/A
<b>Martin Currie</b>	<b>7.83</b>	<b>7.83</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MSCI ACW Ex US Growth Index (Net)	6.39	6.39	33.01	25.89	23.79	23.61	16.71	16.73	34.42	-14.99
<i>Difference</i>	1.44	1.44	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
International Active Growth Equity (SA+CF) Median	4.95	4.95	29.92	25.51	23.25	24.85	17.36	17.67	34.22	-17.46
<b>Percentile Rank</b>	<b>24</b>	<b>24</b>	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.

**Montana Board of Investments  
Comparative Performance - Pools  
Managers  
As of September 30, 2007**

	1 Quarter	Jul-2007 To Sep-2007	1 Year	3 Years	5 Years	2006	2005	2004	2003	2002
<b>Hansberger Global Investors</b>	<b>4.85</b>	<b>4.85</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MSCI ACW Ex US Growth Index (Net)	6.39	6.39	33.01	25.89	23.79	23.61	16.71	16.73	34.42	-14.99
<i>Difference</i>	-1.54	-1.54	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
International Active Growth Equity (SA+CF) Median	4.95	4.95	29.92	25.51	23.25	24.85	17.36	17.67	34.22	-17.46
<b>Percentile Rank</b>	<b>51</b>	<b>51</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Principal Global Investors</b>	<b>4.65</b>	<b>4.65</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MSCI ACW Ex US Growth Index (Net)	6.39	6.39	33.01	25.89	23.79	23.61	16.71	16.73	34.42	-14.99
<i>Difference</i>	-1.74	-1.74	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
International Active Growth Equity (SA+CF) Median	4.95	4.95	29.92	25.51	23.25	24.85	17.36	17.67	34.22	-17.46
<b>Percentile Rank</b>	<b>53</b>	<b>53</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>DFA Int'l Small Cap Fund</b>	<b>-1.71</b>	<b>-1.71</b>	<b>25.90</b>	N/A	N/A	<b>24.78</b>	<b>22.24</b>	N/A	N/A	N/A
MSCI EAFE Sm Cap Index (Net)	-4.49	-4.49	19.10	23.79	27.69	19.31	26.19	31.45	61.34	-7.83
<i>Difference</i>	2.78	2.78	6.80	N/A	N/A	5.47	-3.95	N/A	N/A	N/A
International Small Cap Equity (SA+CF) Median	-0.96	-0.96	29.29	29.12	31.80	29.07	26.08	29.82	57.18	-5.22
<b>Percentile Rank</b>	<b>65</b>	<b>65</b>	<b>67</b>	N/A	N/A	<b>78</b>	<b>71</b>	N/A	N/A	N/A
<b>AXA Rosenberg Int'l Small Cap</b>	<b>-2.50</b>	<b>-2.50</b>	<b>25.57</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
S&P/Citigroup EMI World Ex US Index	-0.41	-0.41	26.78	27.50	29.65	29.42	22.10	28.76	53.73	-7.29
<i>Difference</i>	-2.09	-2.09	-1.21	N/A	N/A	N/A	N/A	N/A	N/A	N/A
International Small Cap Equity (SA+CF) Median	-0.96	-0.96	29.29	29.12	31.80	29.07	26.08	29.82	57.18	-5.22
<b>Percentile Rank</b>	<b>75</b>	<b>75</b>	<b>72</b>	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.

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

	1 Quarter	Jul-2007 To Sep-2007	1 Year	3 Years	5 Years	2006	2005	2004	2003	2002
Treasurers	1.48	1.48	5.47	4.00	3.12	4.89	2.72	1.32	1.89	3.40
Abandoned Mine Trust	2.11	2.11	5.46	3.89	3.55	4.71	2.49	1.82	2.96	7.92
BPA Mitigation Trust Fund	2.08	2.08	5.42	3.83	3.36	4.86	2.21	1.78	2.71	7.00
Montana Pole	2.27	2.27	5.41	4.51	4.22	5.09	3.51	3.43	4.13	8.08
FWP License Account	1.45	1.45	5.49	4.08	3.23	4.90	2.90	1.40	2.13	4.59
Streamside Tailings Operable Unit	3.31	3.31	6.05	4.93	4.89	5.14	3.93	4.61	5.31	11.00
UCFRB Restoration Fund	2.47	2.47	5.45	4.83	5.27	5.07	4.00	5.07	6.93	11.69
UCFRB Assess/Litig Cost Rec	2.52	2.52	5.42	4.95	5.45	5.15	4.21	5.50	7.18	12.46
State Fund Insurance	2.59	2.59	6.66	5.04	5.53	6.08	2.53	4.82	7.24	6.83
Subsequent Injury Fund	2.22	2.22	5.46	3.79	3.55	5.01	1.94	1.85	3.09	8.65
Old Fund Insurance	2.25	2.25	5.96	4.10	3.73	4.86	2.36	1.72	3.98	9.18
Zortman/Landusky LT H2O	4.58	4.58	4.06	5.23	6.07	2.96	7.59	10.77	5.89	24.66
Group Benefits	1.60	1.60	5.68	4.16	3.75	4.92	2.85	1.48	2.73	5.14
Permanent Coal Trust Fund	1.94	1.94	5.53	5.32	5.61	5.40	5.00	5.60	6.57	9.59
FWP Real Property Trust	2.46	2.46	5.31	4.47	4.16	5.11	3.46	3.01	3.72	8.32
Resource Indemnity Trust	2.52	2.52	5.40	4.94	5.45	5.14	4.20	5.51	7.18	12.38
Coal Tax Park Acquisition	2.49	2.49	5.40	4.93	5.42	5.13	4.21	5.42	7.14	12.35
Wildlife Habitat Trust	2.46	2.46	5.38	4.64	4.28	5.18	3.66	3.43	3.69	7.43
Trust and Legacy Account	2.53	2.53	5.43	4.93	5.42	5.16	4.15	5.48	7.07	12.39
Highway 93 Bond	N/A	N/A	N/A	N/A	N/A	4.83	N/A	N/A	N/A	N/A
Weed Control Trust	2.10	2.10	5.51	3.87	3.61	4.67	2.40	1.83	3.32	8.41
Tobacco Trust Fund	2.52	2.52	5.47	4.93	5.39	5.21	4.03	5.83	6.60	12.03
Coal Tax Cultural Trust Fund	2.46	2.46	5.37	4.99	5.43	5.16	4.41	5.40	7.05	12.30
Treasure State Reg. Water System	2.50	2.50	5.40	4.95	5.35	5.16	4.22	5.45	6.74	12.00
Treasure State Endowment	2.49	2.49	5.47	5.07	5.50	5.23	4.39	5.67	6.90	11.11
Big Sky Economic Development Fund	2.50	2.50	5.40	N/A	N/A	5.16	N/A	N/A	N/A	N/A
Z/L Long Term H2O Trust Fund	5.91	5.91	5.43	N/A	N/A	6.49	N/A	N/A	N/A	N/A
University of Montana	1.43	1.43	5.55	4.39	3.69	5.27	3.29	1.44	3.13	N/A
Montana Tech-UM Agency Funds	1.48	1.48	5.47	4.46	N/A	5.08	3.54	2.16	N/A	N/A
Montana State University	1.56	1.56	5.47	4.41	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 September 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.

**Average Quality** - Bond quality ratings are reported using the investment managers' and the index providers' preferred rating agency. There are two primary rating agencies in the U.S. *Moody's* assigns ratings on a system that employs up to four symbols (consisting of letters and numbers) such as, Aaa, Aa2, etc., with Aaa being the highest or safest rating. *Standard & Poor's (S&P)* employs a system that uses + and - along with letters such as AAA, AA+, etc. The two rating agencies' systems are summarized below:

<b><u>S&amp;P</u></b>	<b><u>Moody's</u></b>	<b><u>Explanation</u></b>
<b>Higher Credit Quality - Investment Grade</b>		
AAA	Aaa	Prime grade, highest safety
AA+	Aa1	High credit quality
AA	Aa2	
AA-	Aa3	
A+	A1	Upper-medium credit quality
A	A2	
A-	A3	
BBB+	Baa1	Lower-medium credit quality
BBB	Baa2	
BBB-	Baa3	
<b>Lower Credit Quality - Speculative Grade</b>		
BB+	Ba1	Speculative - low quality
BB	Ba2	
BB-	Ba3	
	B1	Highly speculative
B	B2	
	B3	
<b>Extremely Low Credit Quality - High Speculative or in Default</b>		
CCC+	Caa	Very high risk, poor quality
CCC		
CC	Ca	May be in default soon
C	C	Very speculative
CI		For income bonds - interest not being paid
D		Securities already in default

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**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, countries, and regions) 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, region, 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/Region** - Stocks will be classified by their domicile country/region, 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.

**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.

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**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** - The approximate percentage change in a bond's price for a 100 basis point change in yield.

**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.

**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

**Portfolio Duration** - The weighted average duration of all the bonds in a given portfolio, weighted by their dollar values.

**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.

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**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.

**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 worst possible yield taking into consideration all call, put, and optional sink dates.