



# Montana Board of Investments

Investment Performance Analysis

Quarter Ended

**September 30, 2008**

Prepared By

**Bret van Roden**

# RVKuhns

▶▶▶ & ASSOCIATES, INC.

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## Capital Markets Review As of September 30, 2008

### Capital Markets Review

#### Third Quarter Market Environment

In a dramatic flight to quality and repricing of global investment risk, the credit and liquidity crisis gripped all markets during the third quarter and sent volatility skyward. In the quarter's final month, markets witnessed the largest bankruptcy in U.S. history and unprecedented market intervention by the Federal Reserve and U.S. Treasury. Fannie Mae and Freddie Mac were taken over by the government, Lehman Brothers filed for bankruptcy protection, the government took control of AIG in exchange for an \$85 billion loan, Merrill Lynch and Wachovia were sold, and Washington Mutual was seized by federal regulators. Lehman's bankruptcy, on September 15, provided the catalyst for a late-quarter intensification of the credit crisis, as lending between banks ground to a halt and corporate borrowing costs soared (for those corporations that could obtain credit at all). By the time a hasty effort on the part of U.S. regulators to secure passage of a rescue plan ultimately failed on September 29, the Dow suffered its largest point decline in history, before a 5% rebound on the quarter's last trading day. Concerns for global demand sent commodity prices, particularly oil (which declined 28%), downward.

#### Third Quarter Equities

Markets around the world saw significant declines in the third quarter, based on a combination of a flight to quality given the credit and liquidity crisis, and on greater concerns of an economic slowdown. Commodity-rich and export-dependent emerging markets equities led the decline, returning -27%, in parity with the decline in commodity prices. International small-cap equities declined by 24%, and international developed markets fell by 21%. Within the domestic equity market, small-cap value securities provided the sole source of positive returns as every other market segment declined, led downward by large-cap growth. The economic sectors that had shown the most resiliency during the first half of the year saw the greatest declines in the third quarter, as energy and materials declined by 25% and 22%, respectively. Financial stocks, despite significant volatility, ended the quarter marginally positive, as the smaller and healthier banks posted gains. Consumer staples, long considered a recession hedge, posted the domestic market's greatest gains at 5%.

#### Third Quarter Fixed Income

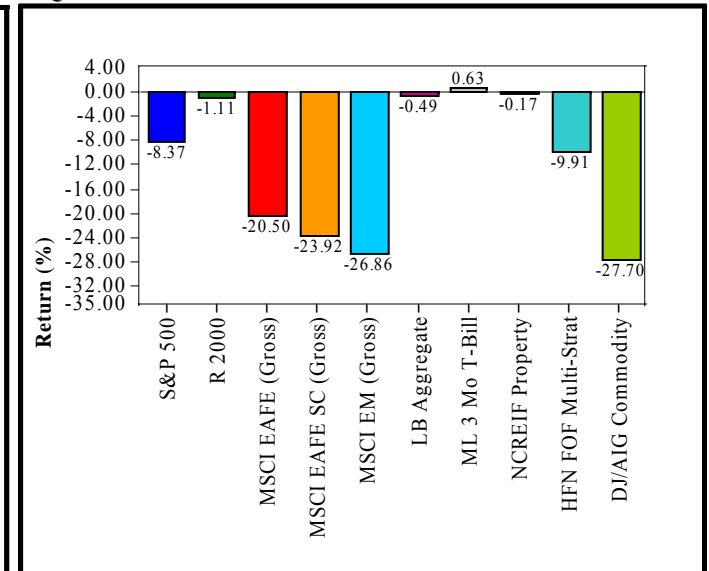
In the quarter's flight to quality, every broad segment of the fixed income market except for short-term Treasury bills, fixed-rate mortgage-backed securities, and agency securities posted negative returns. Investors' preference for the very safest securities, short-term Treasuries, caused their prices to rise to such a level that, several times toward the end of the quarter, their yields turned negative -- indicating that investors were willing to accept a small, known loss as the price of avoiding all uncertainty. At the same time, yields for any fixed income security that included default, interest-rate, or any other risk soared as their prices collapsed. Longer-term Treasury securities saw a selloff, partially because of fears that the \$700 billion in new debt expected to be issued by a government rescue plan would cause their prices to fall.

#### Trailing-Period Performance

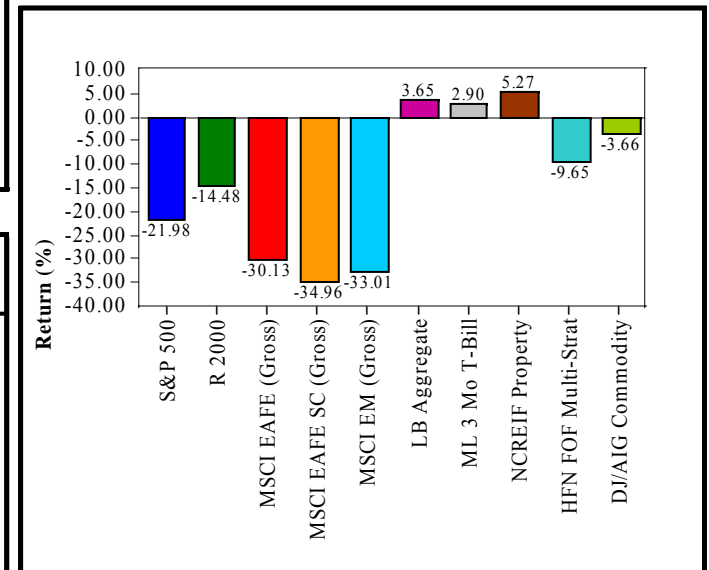
	1 Month Ending Jul-2008	1 Month Ending Aug-2008	1 Month	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
S&P 500	-0.84	1.45	-8.91	-8.37	-19.29	-21.98	0.22	5.17	3.06
R 2000	3.70	3.61	-7.97	-1.11	-10.38	-14.48	1.83	8.15	7.81
MSCI EAFE (Gross)	-3.20	-4.03	-14.42	-20.50	-28.91	-30.13	1.58	10.16	5.42
MSCI EAFE SC (Gross)	-4.56	-3.83	-17.12	-23.92	-31.68	-34.96	-3.54	9.56	N/A
MSCI EM (Gross)	-3.69	-7.95	-17.49	-26.86	-35.37	-33.01	8.69	19.05	14.77
LB Aggregate	-0.08	0.95	-1.34	-0.49	0.63	3.65	4.15	3.78	5.20
ML 3 Mo T-Bill	0.18	0.15	0.30	0.63	1.83	2.90	4.20	3.26	3.55
NCREIF Property	N/A	N/A	N/A	-0.17	1.99	5.27	13.24	14.24	11.83
HFN FOF Multi-Strat	-2.56	-1.64	-6.00	-9.91	-11.58	-9.65	2.84	4.81	8.03
DJ/AIG Commodity	-11.85	-7.28	-11.53	-27.70	-8.01	-3.66	1.90	10.15	9.98

Performance is annualized for periods greater than one year.

### 1 Quarter

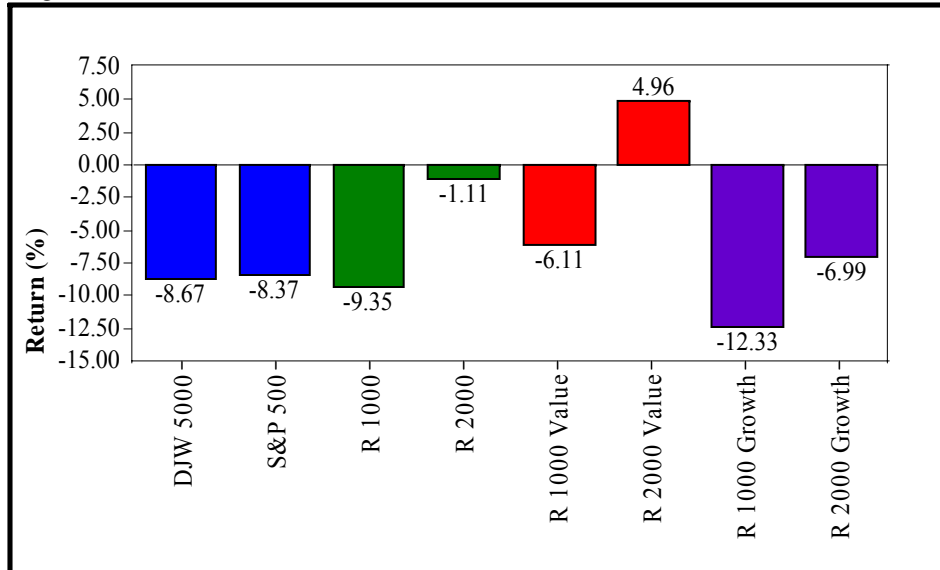


### 1 Year

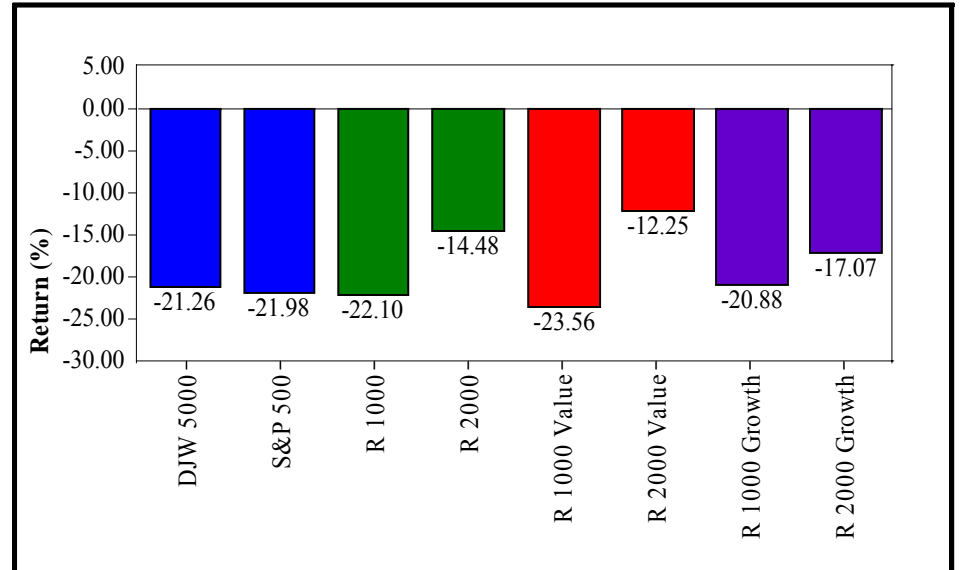


**Domestic Equity Market Performance  
As of September 30, 2008**

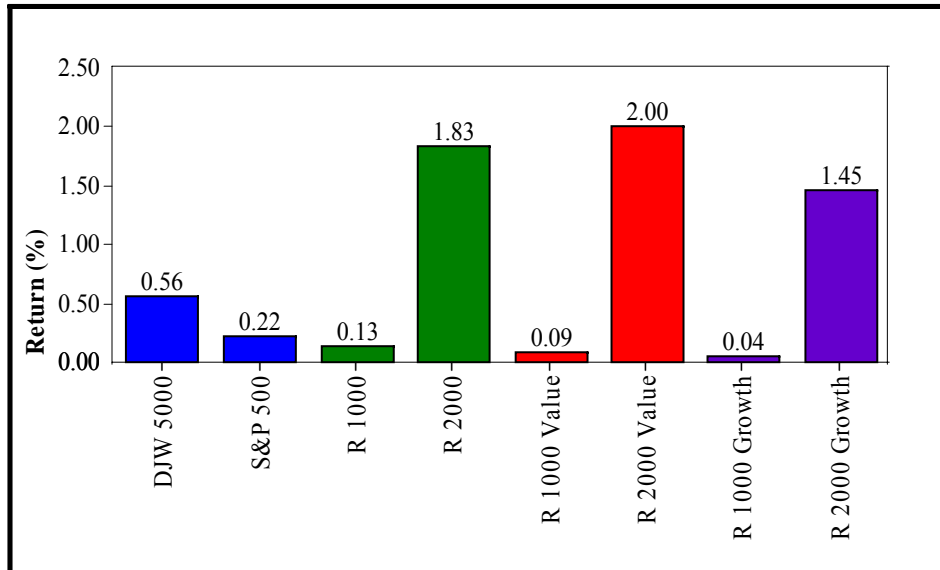
**1 Quarter**



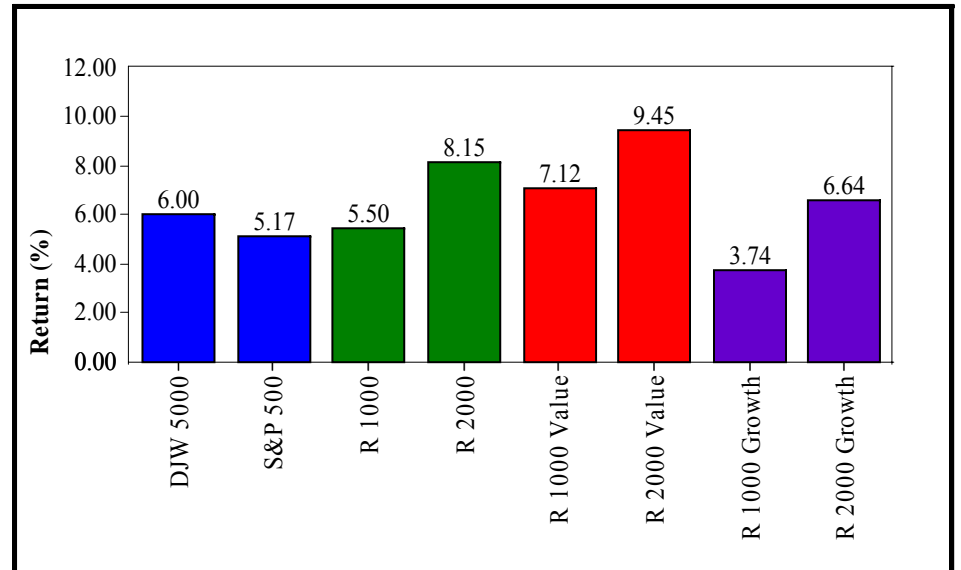
**1 Year**



**3 Years**



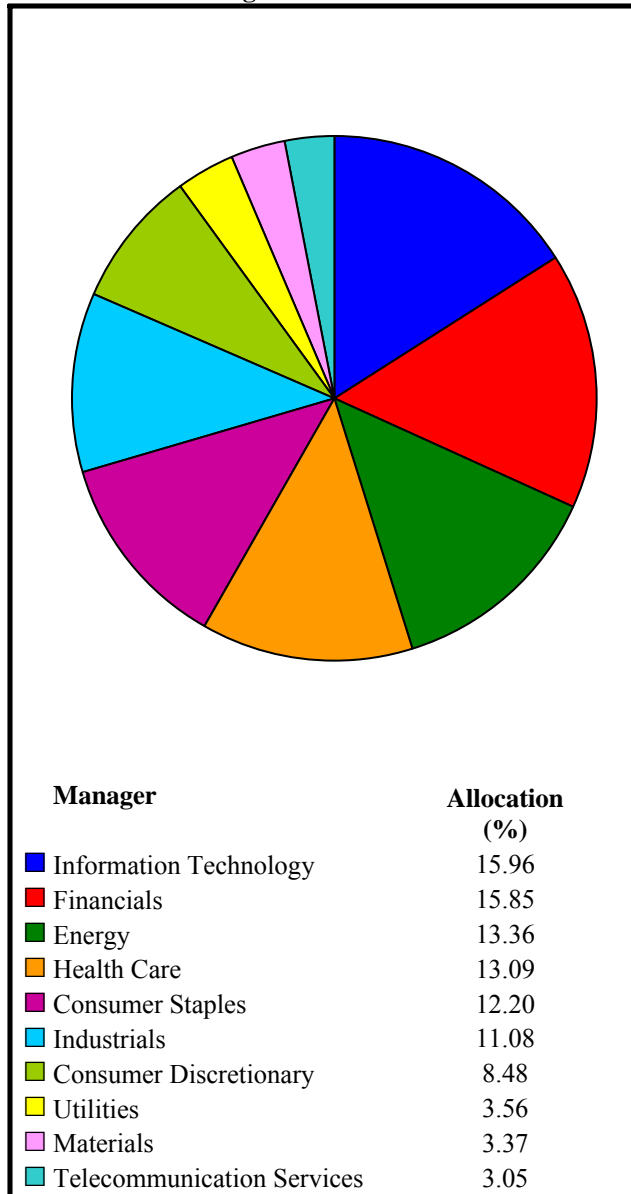
**5 Years**



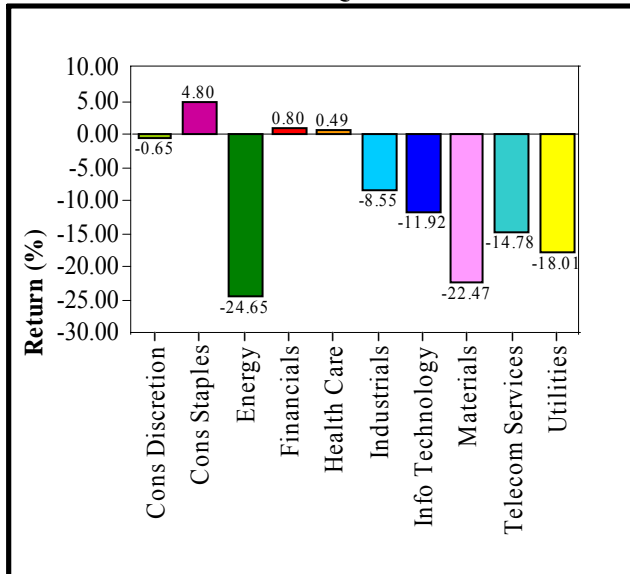
Performance is annualized for periods greater than one year.

## Domestic Equity Sector Weights and Returns As of September 30, 2008

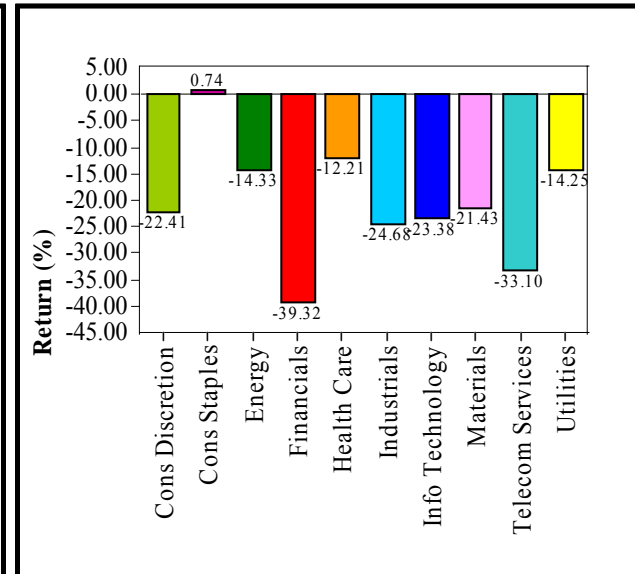
**S&P 500 Sector Weights**



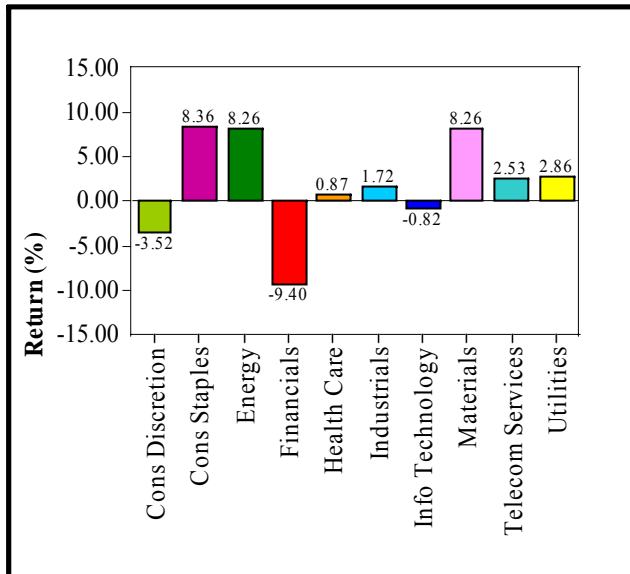
**S&P 500 Sector Returns - 1 Quarter**



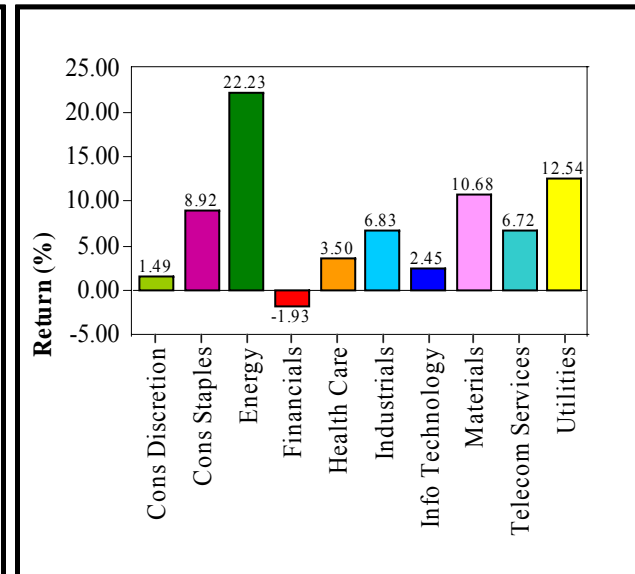
**S&P 500 Sector Returns - 1 Year**



**S&P 500 Sector Returns - 3 Years**



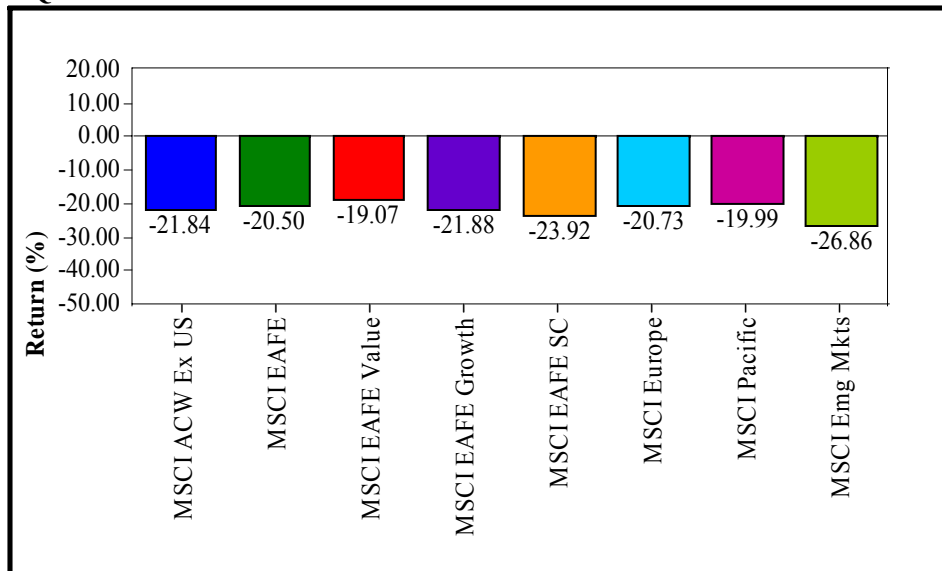
**S&P 500 Sector Returns - 5 Years**



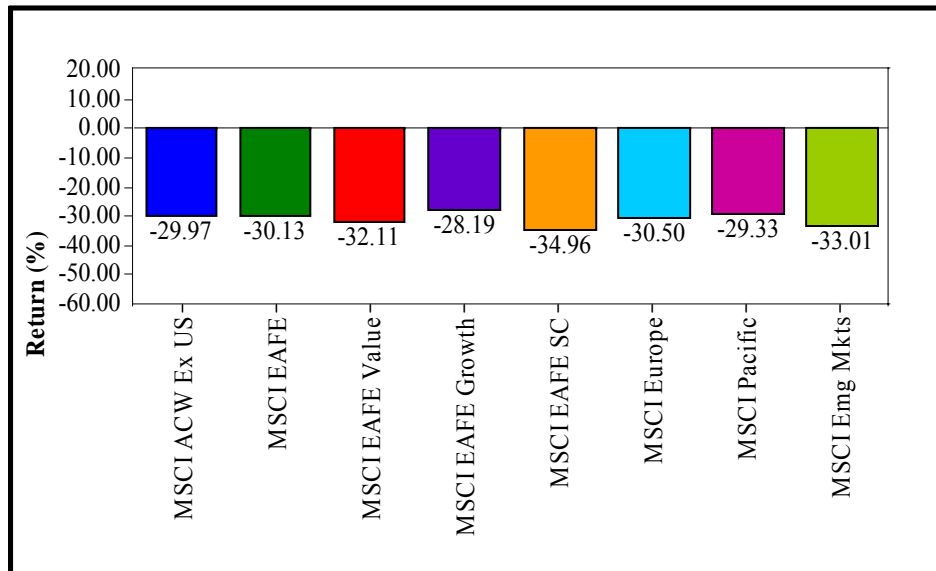
Performance is annualized for periods greater than one year. Returns provided by MPI Stylus, allocations provided by Standard & Poor's.

## International Equity Market Performance As of September 30, 2008

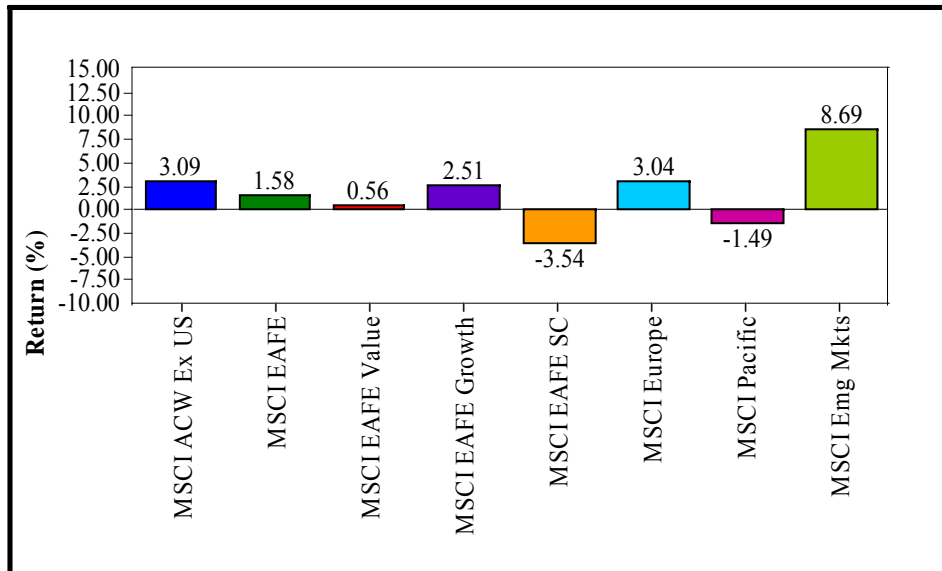
### 1 Quarter



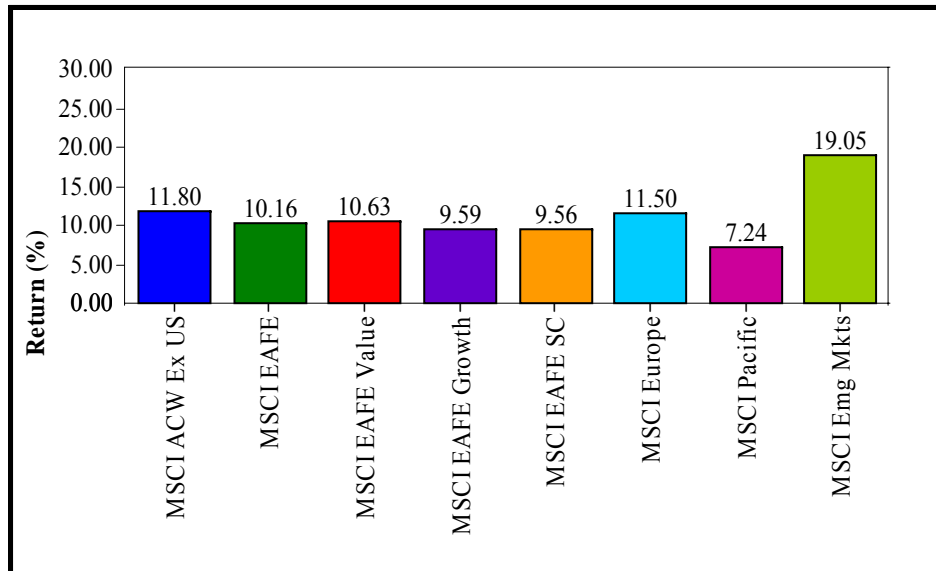
### 1 Year



### 3 Years



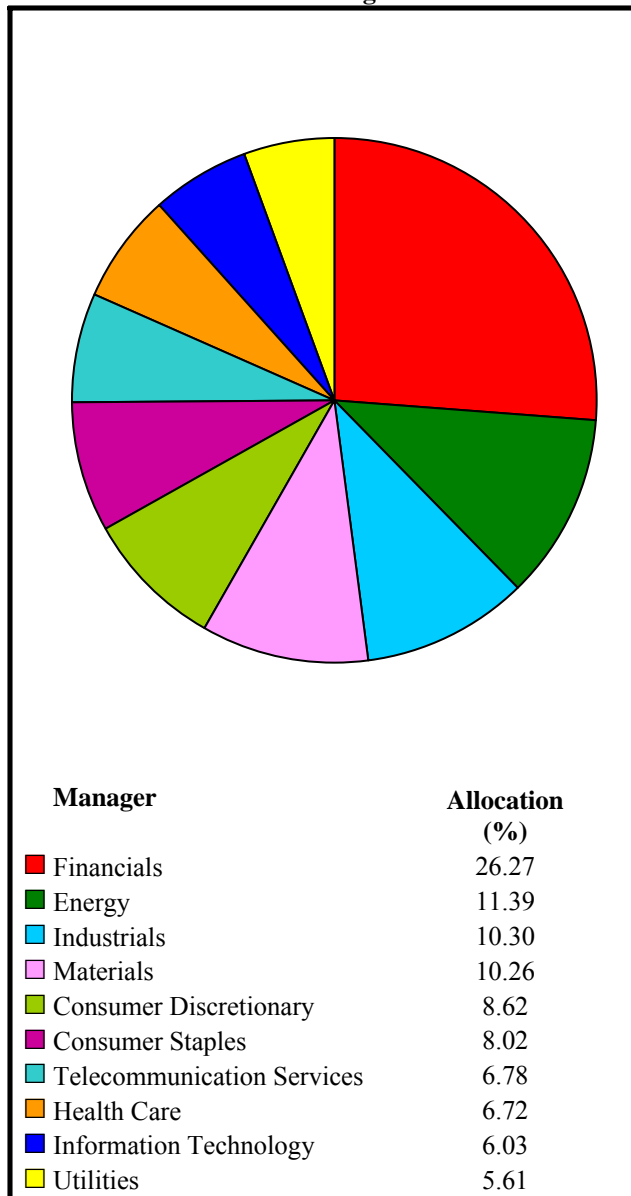
### 5 Years



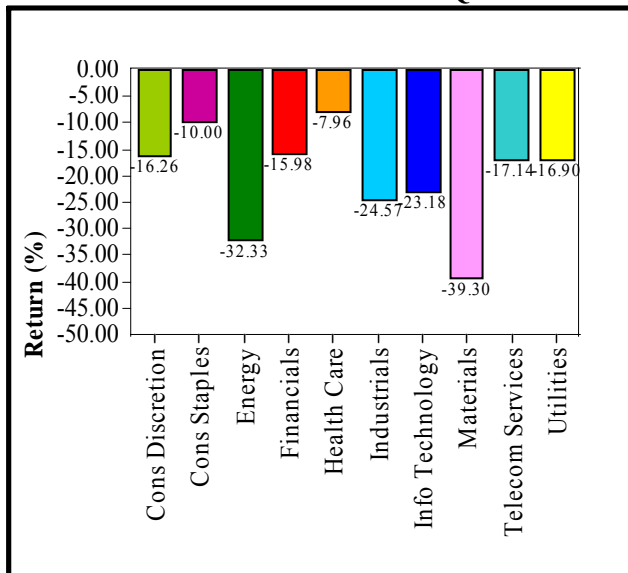
Performance is annualized for periods greater than one year.

## International Equity Sector Weights and Returns As of September 30, 2008

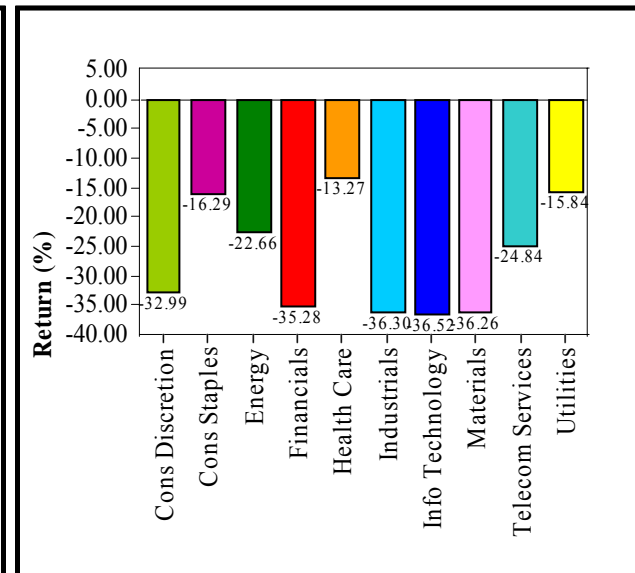
**MSCI ACW Ex US Sector Weights**



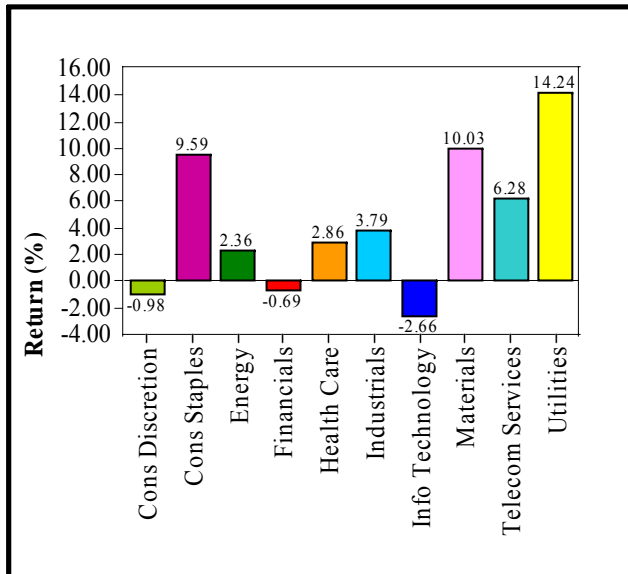
**MSCI ACW Ex US Sector Returns - 1 Quarter**



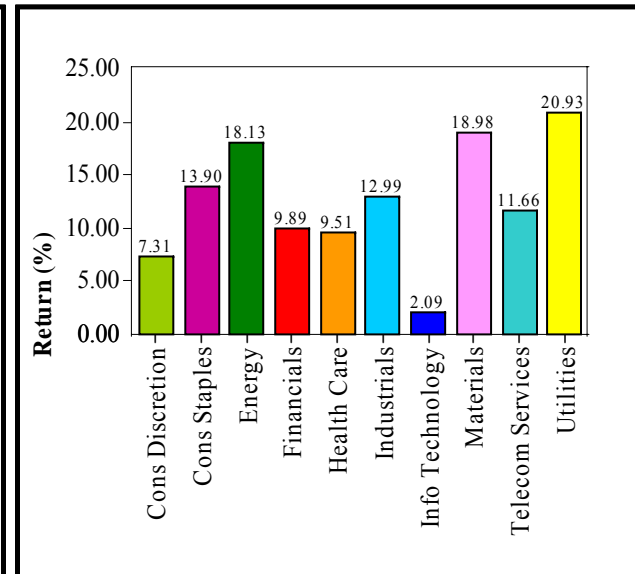
**MSCI ACW Ex US Sector Returns - 1 Year**



**MSCI ACW Ex US Sector Returns - 3 Years**



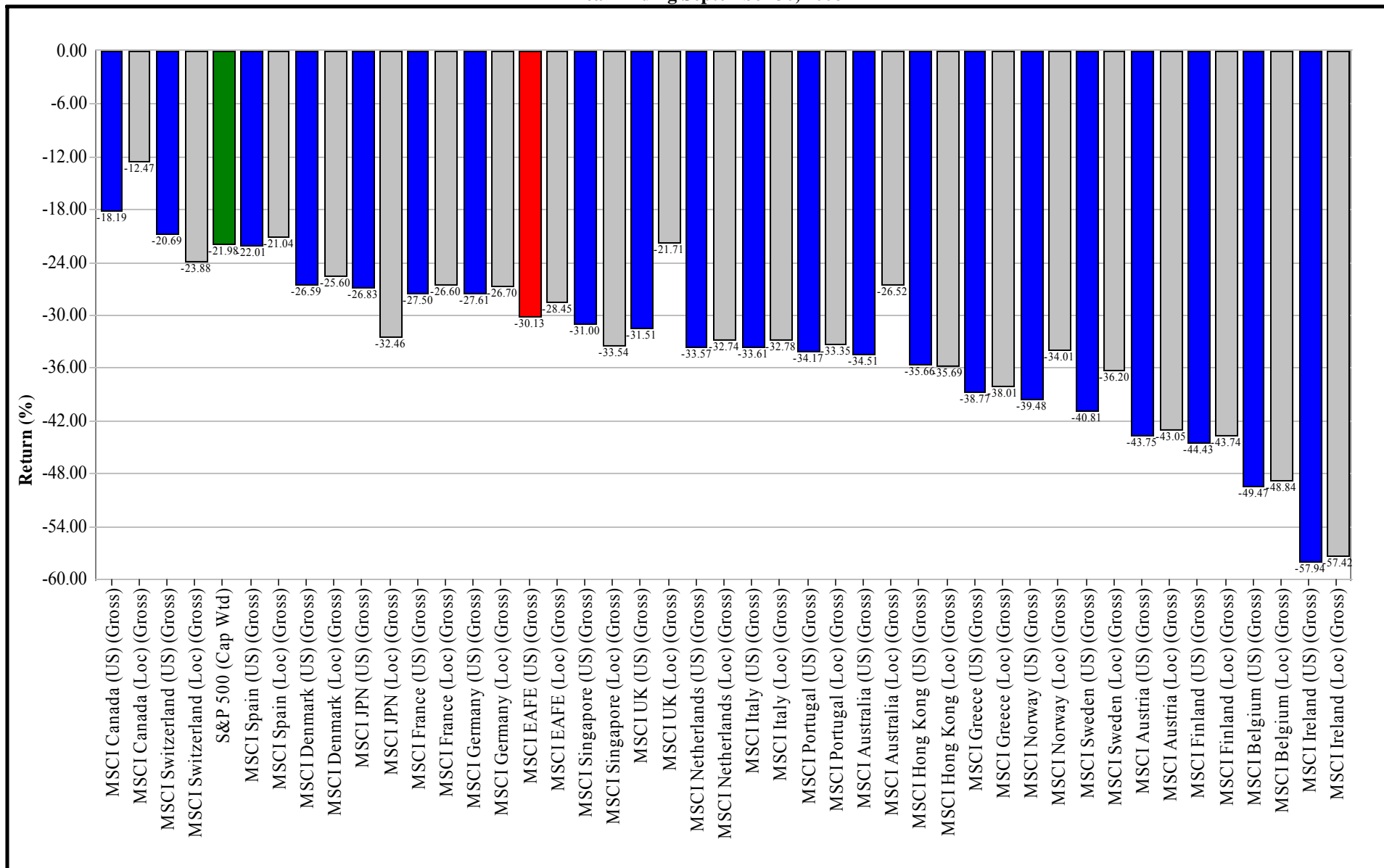
**MSCI ACW Ex US Sector Returns - 5 Years**



Performance is annualized for periods greater than one year. Returns and allocations provided by MSCI Barra.

**International Equity Market Performance  
As of September 30, 2008**

**1 Year Ending September 30, 2008**



**Treasury Yield Curve  
As of September 30, 2008**

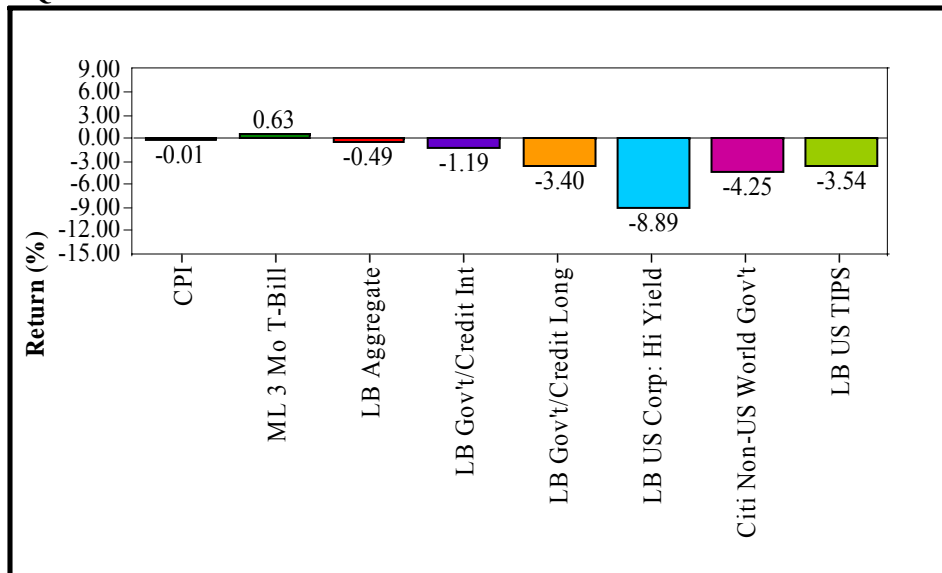
	September 30, 2008	June 30, 2008	September 28, 2007	September 30, 2005	September 30, 2003
<b>3 Month</b>	0.92%	1.90%	3.82%	3.55%	0.95%
<b>6 Month</b>	1.60%	2.17%	4.09%	3.93%	1.01%
<b>1 Year</b>	1.78%	2.36%	4.05%	4.01%	1.15%
<b>2 Year</b>	2.00%	2.63%	3.97%	4.18%	1.50%
<b>3 Year</b>	2.28%	2.91%	4.03%	4.18%	1.95%
<b>5 Year</b>	2.98%	3.34%	4.23%	4.18%	2.85%
<b>7 Year</b>	3.38%	3.61%	4.38%	4.23%	3.41%
<b>10 Year</b>	3.85%	3.99%	4.59%	4.34%	3.96%
<b>20 Year</b>	4.43%	4.59%	4.89%	4.62%	4.91%
<b>30 Year</b>	4.31%	4.53%	4.83%	N/A	N/A



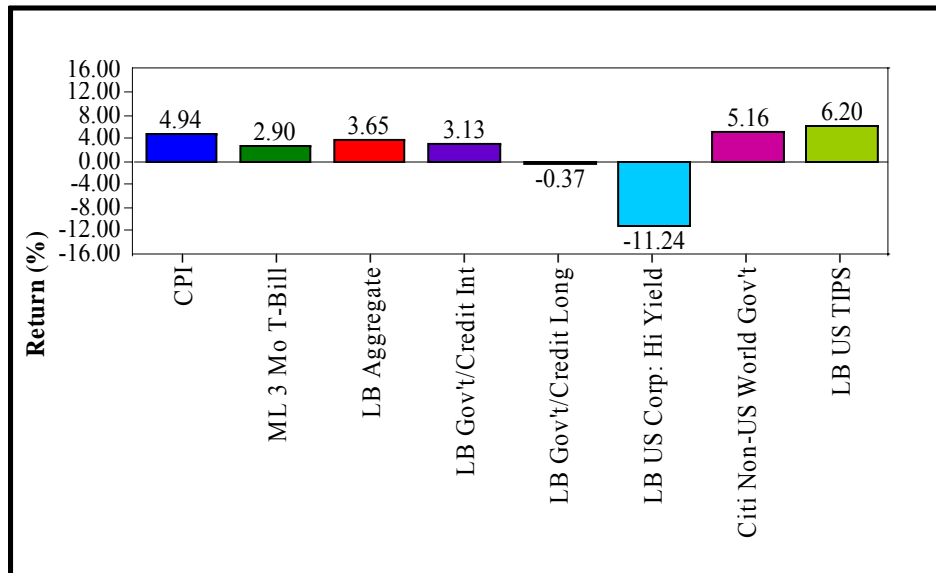


**Fixed Income Market Performance**  
As of September 30, 2008

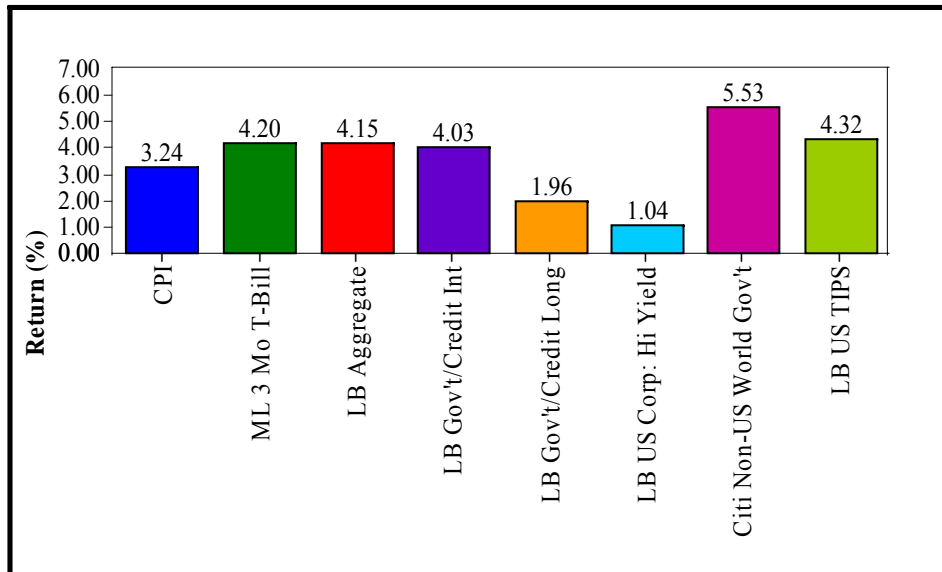
**1 Quarter**



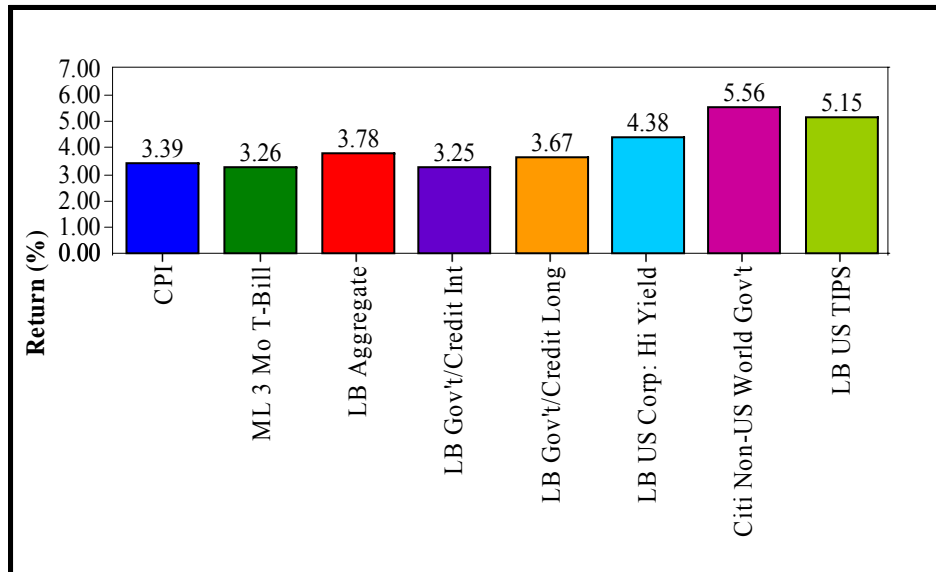
**1 Year**



**3 Years**



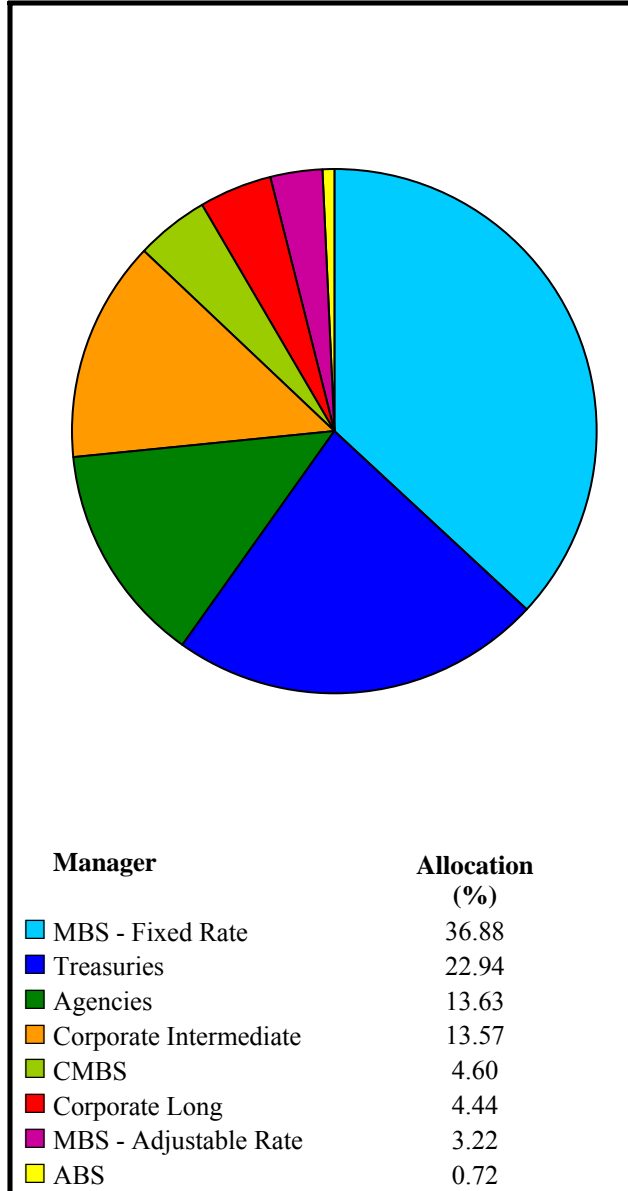
**5 Years**



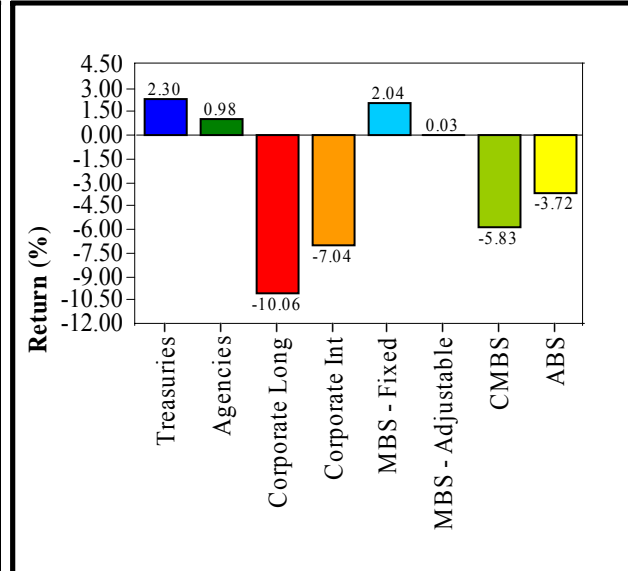
Performance is annualized for periods greater than one year.

**Domestic Fixed Income Sector Weights and Returns**  
As of September 30, 2008

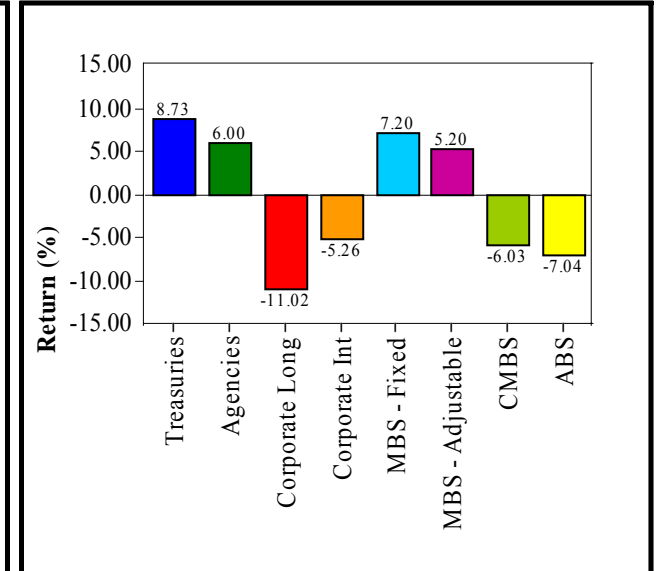
**LB Aggregate Sector Weights**



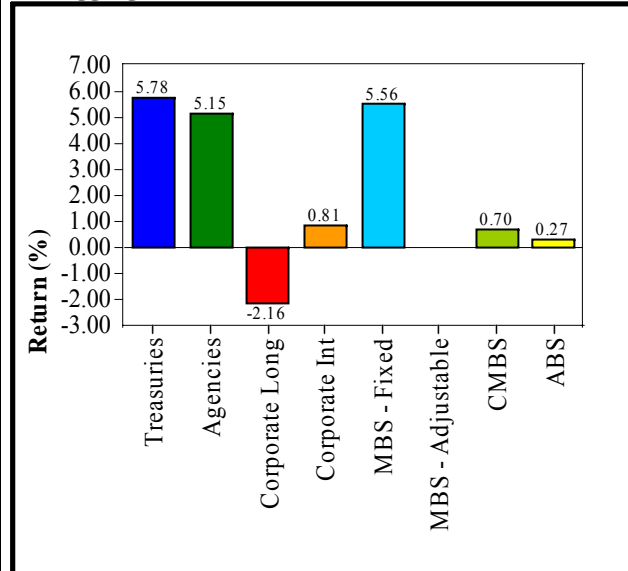
**LB Aggregate Sector Returns - 1 Quarter**



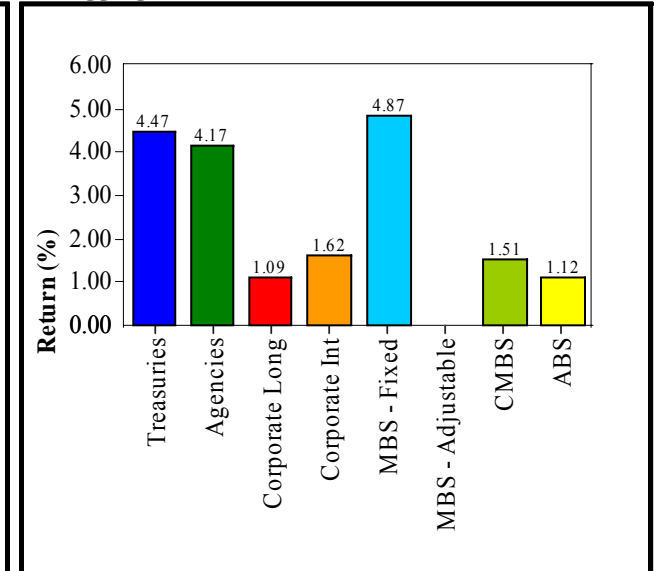
**LB Aggregate Sector Returns - 1 Year**



**LB Aggregate Sector Returns - 3 Years**



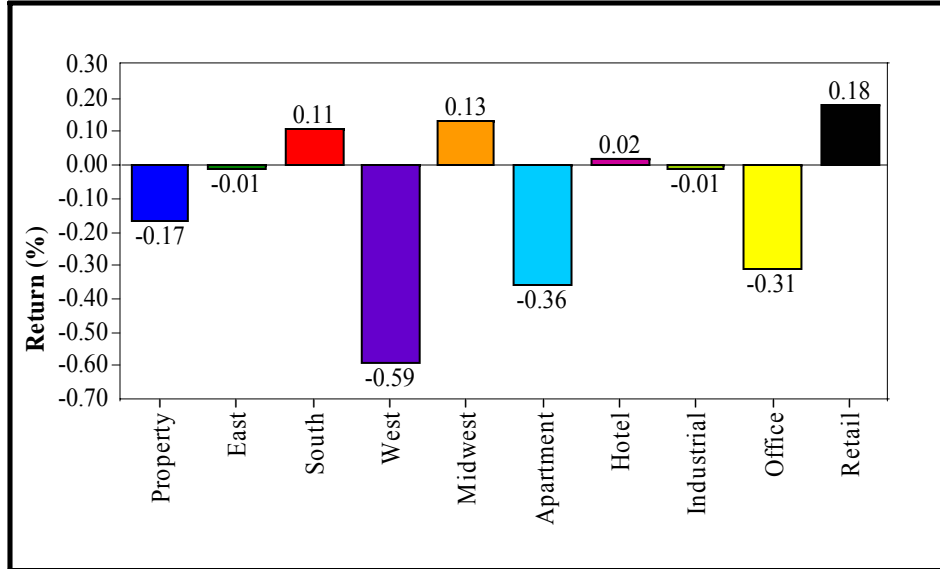
**LB Aggregate Sector Returns - 5 Years**



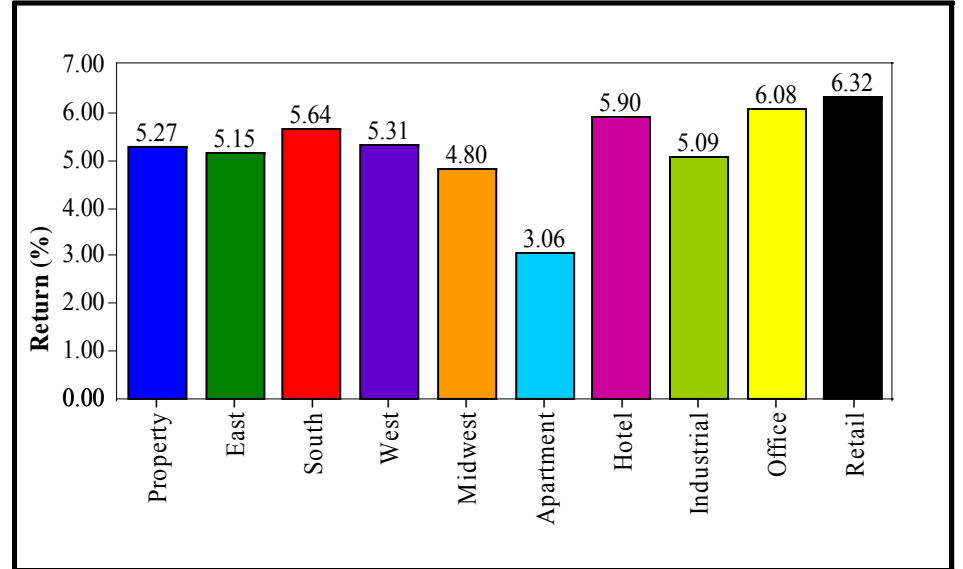
Performance is annualized for periods greater than one year. Returns and allocations provided by Lehman Brothers.

**Real Estate Market Performance  
As of September 30, 2008**

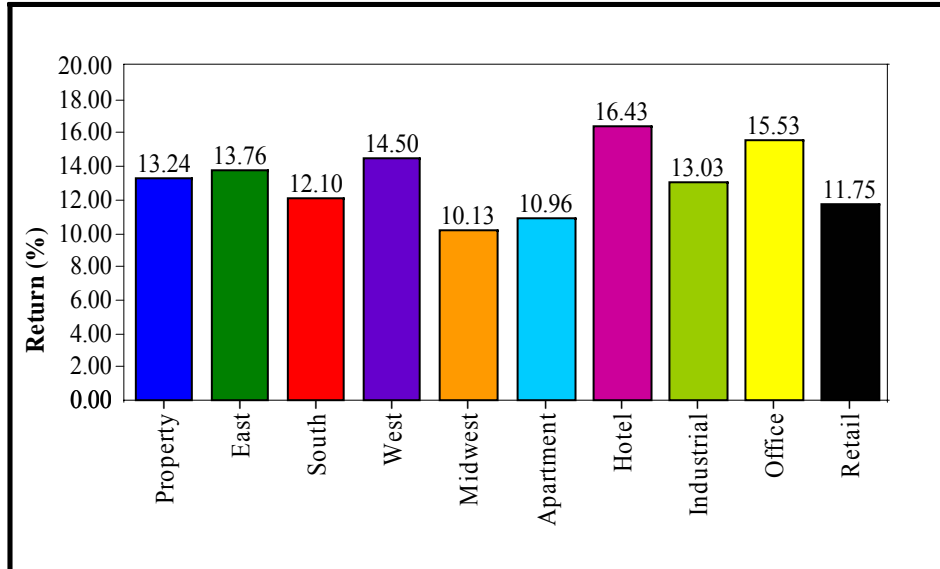
**1 Quarter**



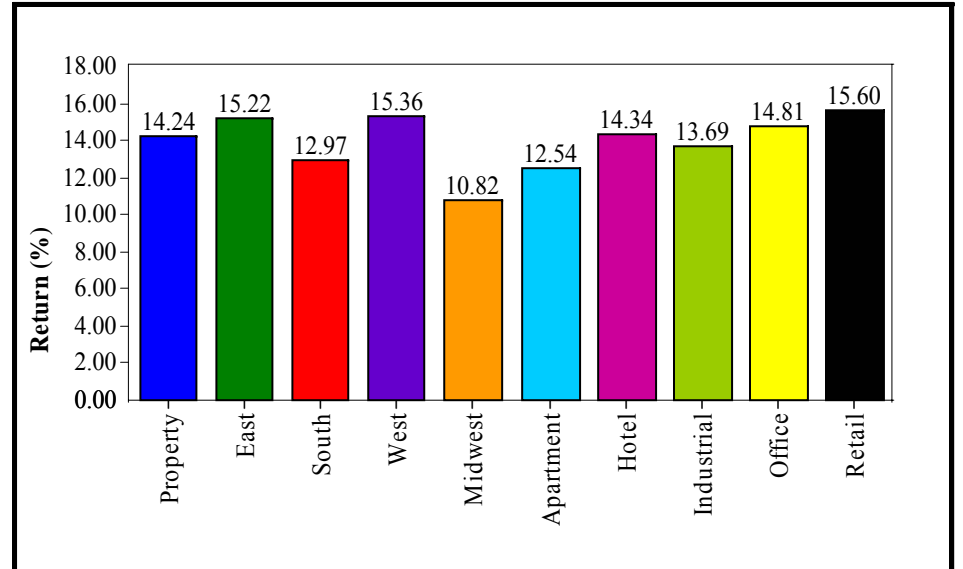
**1 Year**



**3 Years**



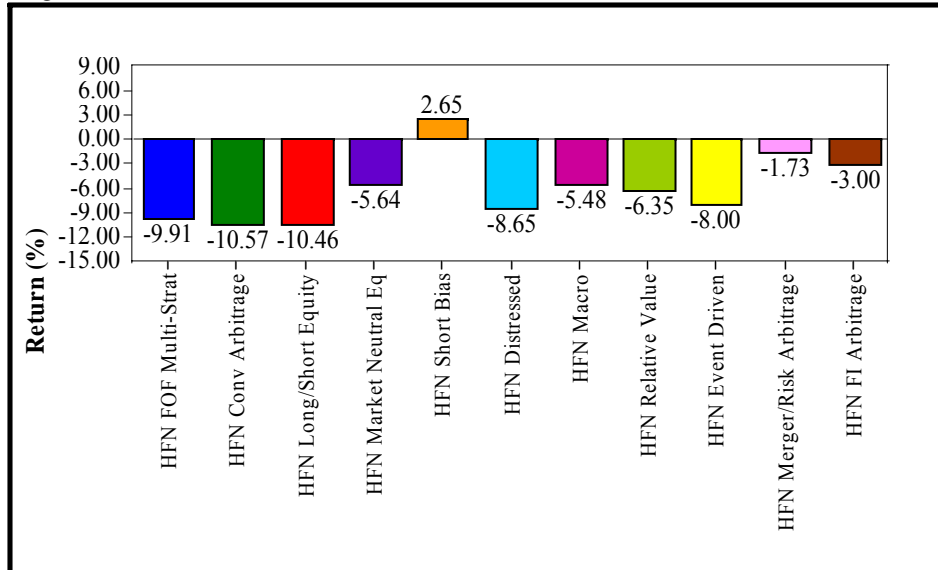
**5 Years**



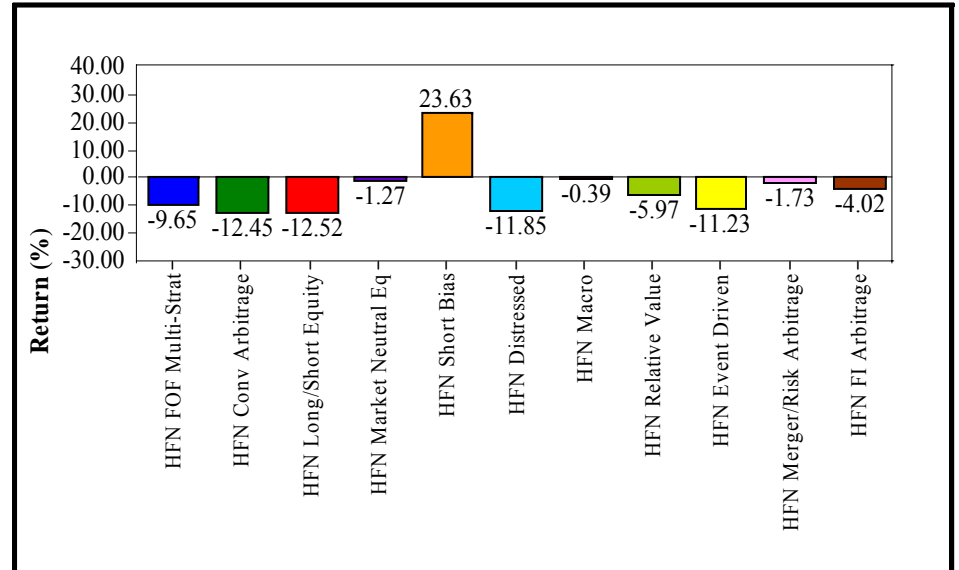
Performance is annualized for periods greater than one year.

## Hedge Fund Market Performance As of September 30, 2008

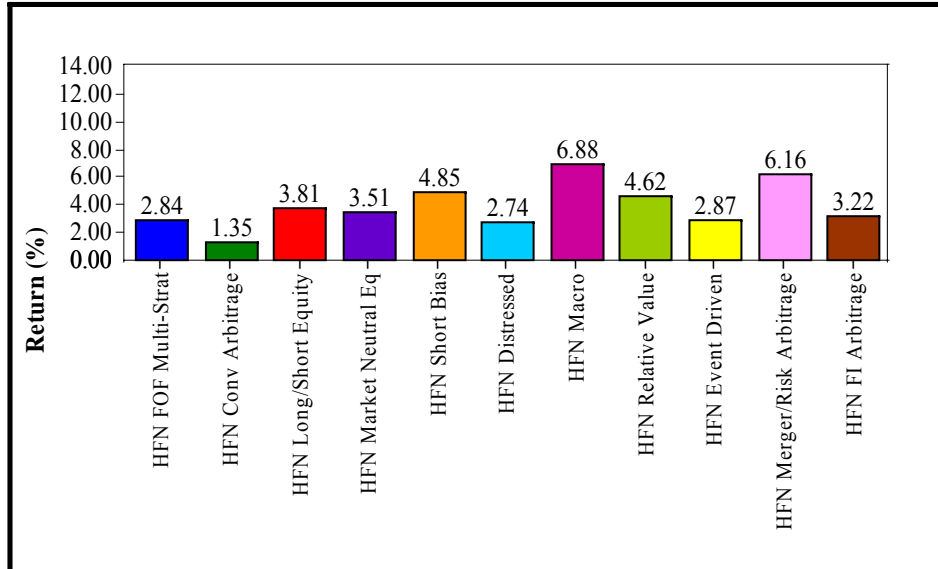
### 1 Quarter



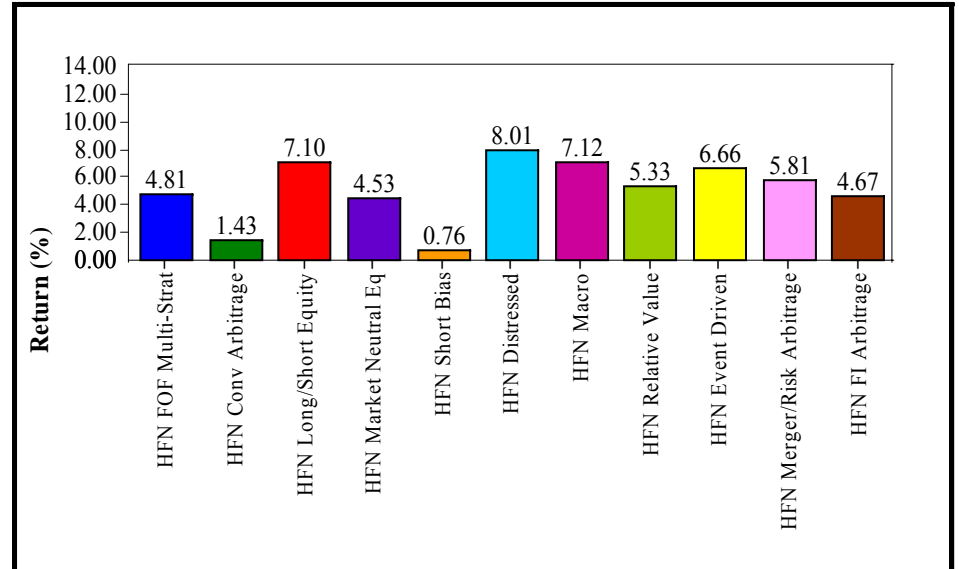
### 1 Year



### 3 Years



### 5 Years



Performance is annualized for periods greater than one year. Values are preliminary and subject to change.

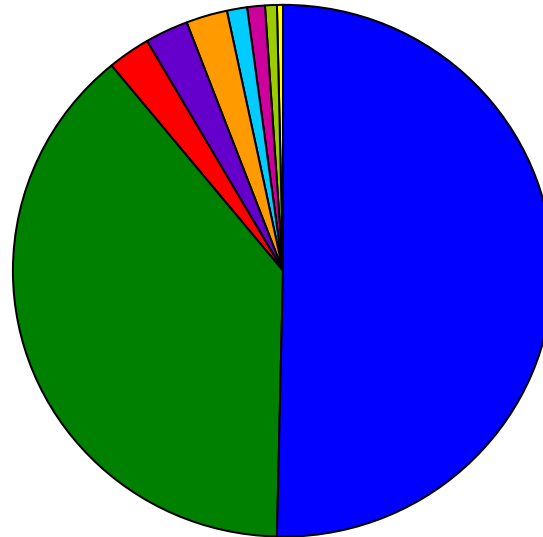
**Annual Asset Class Performance  
As of September 30, 2008**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	YTD
Best	16.61%	37.58%	23.17%	33.36%	28.58%	66.42%	31.84%	8.44%	25.91%	62.14%	31.27%	34.54%	32.59%	39.78%	1.99%
	8.06%	29.95%	22.96%	22.36%	20.34%	27.31%	16.16%	7.89%	16.56%	56.28%	25.95%	26.65%	26.86%	16.23%	1.83%
	6.39%	28.44%	17.38%	17.65%	16.24%	24.69%	13.15%	7.29%	14.81%	47.25%	20.70%	21.36%	19.67%	15.83%	1.17%
	4.19%	19.17%	16.49%	14.52%	11.77%	24.35%	12.40%	7.28%	10.25%	39.17%	18.33%	20.06%	18.37%	11.63%	0.63%
	1.32%	18.47%	11.35%	13.90%	8.69%	21.26%	12.24%	6.61%	6.74%	28.97%	14.48%	14.02%	16.59%	11.63%	-4.09%
	0.62%	15.21%	10.31%	12.76%	5.23%	21.04%	11.63%	5.28%	3.12%	28.68%	11.13%	6.75%	15.80%	9.91%	-8.01%
	-1.03%	13.54%	6.34%	9.65%	3.94%	20.19%	6.18%	4.42%	1.78%	23.93%	10.88%	5.33%	11.85%	6.97%	-10.08%
	-1.82%	11.55%	6.04%	5.33%	3.75%	11.36%	-3.02%	2.49%	-1.41%	11.93%	9.15%	4.91%	9.85%	6.60%	-10.38%
	-2.92%	7.54%	5.30%	2.05%	1.87%	4.85%	-5.86%	-2.37%	-6.00%	8.99%	8.56%	4.55%	4.85%	5.49%	-11.58%
	-7.10%	6.03%	3.63%	-3.39%	-2.55%	2.40%	-7.22%	-11.89%	-7.44%	8.39%	8.46%	3.07%	4.33%	5.00%	-19.29%
	-7.31%	-5.21%	0.14%	-11.60%	-25.33%	2.39%	-9.10%	-12.11%	-15.66%	5.87%	6.79%	2.84%	2.71%	1.87%	-28.91%
	N/A	N/A	N/A	N/A	-27.03%	-0.82%	-13.96%	-19.51%	-20.48%	4.10%	4.34%	2.74%	2.07%	1.79%	-31.68%
Worst	N/A	N/A	N/A	N/A	N/A	-7.65%	-30.61%	-21.21%	-22.10%	1.15%	1.33%	2.43%	0.41%	-1.57%	-35.37%

S & P 500 - US Large Cap	R 2000 - US Small Cap	MSCI EAFE (Gross) - Int'l Dev.	MSCI EAFE Sm Cap (Gross) - SC Int'l	MSCI EMF - Int'l Emerging Markets	LB Agg Bond - FI	LB US Corp: Hi Yield - FI	LB US Treasury: US TIPS - FI	LB Gov't/Credit: Long Term Bond - FI	NCREIF Property - Real Estate	HFN FOF Multi-Strat (Net) - Hedge Fund	DJ/AIG Commodity	ML 3 Mo T-Bill - Cash Equiv
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**Montana Board of Investments  
Asset Allocation  
Retirement Plans  
As of September 30, 2008**

September 30, 2008 : \$6,928,628,452



Manager	Market Value (\$)	Allocation (%)
Public Employees' Retirement	3,487,061,420	50.33
Teachers' Retirement	2,680,648,374	38.69
Police Retirement	181,189,698	2.62
Firefighters' Retirement	176,301,539	2.54
Sheriffs' Retirement	171,845,591	2.48
Highway Patrol Retirement	87,320,546	1.26
Game Wardens' Retirement	67,504,656	0.97
Judges' Retirement	53,496,782	0.77
Volunteer Firefighters' Retirement	23,259,846	0.34

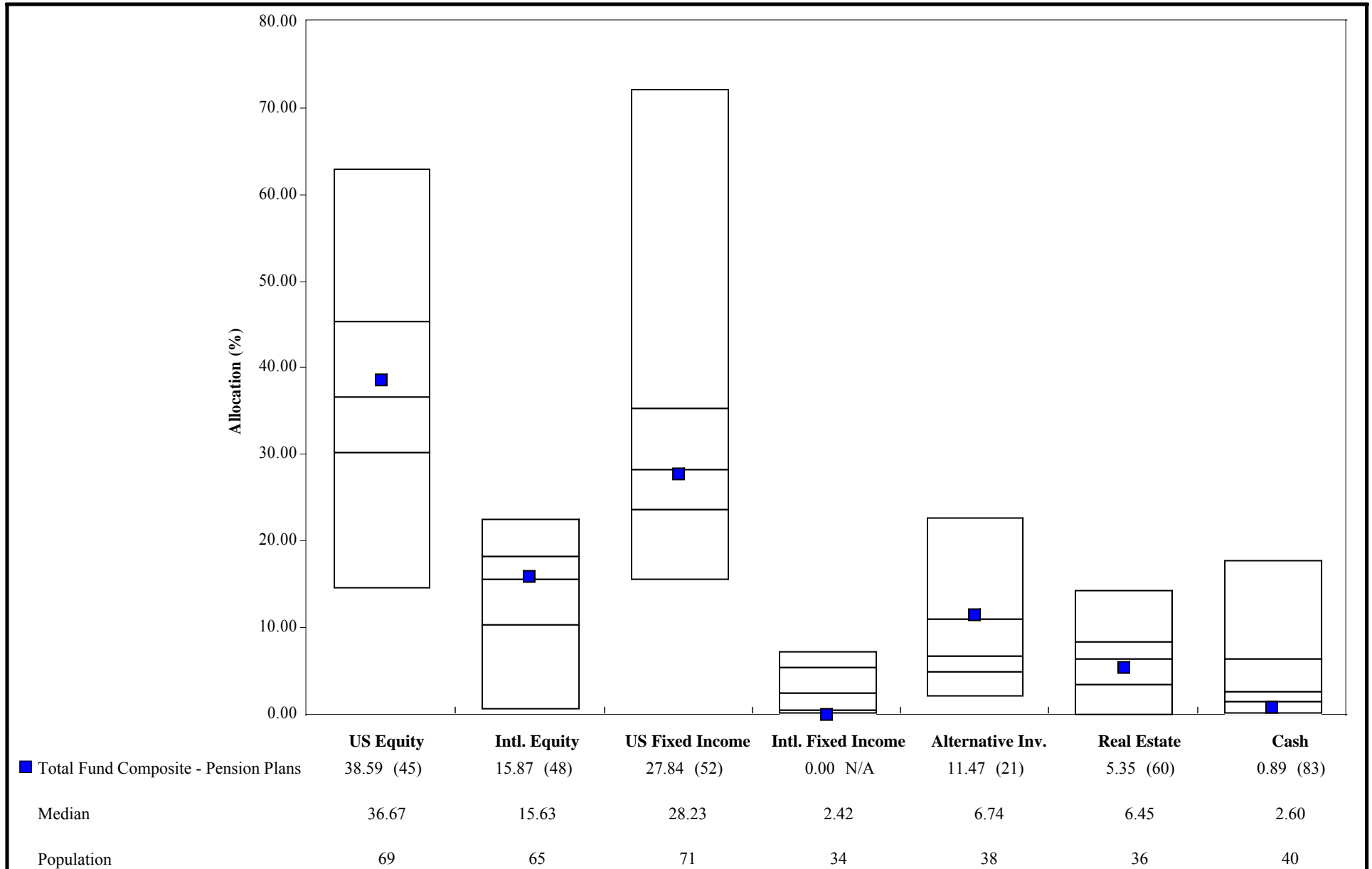
Allocations shown may not sum up to 100% exactly due to rounding.

**Montana Board of Investments  
Asset Allocation  
Retirement Plans by Asset Class  
As of September 30, 2008**

	Domestic Equity		International Equity		Domestic Fixed Income		Real Estate		Alternative Investment		Cash Equivalent		Total Fund	
	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Public Employees	1,345,249,358	38.58	555,124,564	15.92	970,367,951	27.83	187,459,212	5.38	402,230,262	11.53	26,630,073	0.76	3,487,061,420	50.33
Teachers	1,041,928,938	38.87	426,891,290	15.92	750,372,043	27.99	145,813,133	5.44	307,102,233	11.46	8,540,737	0.32	2,680,648,374	38.69
Police Retirement	67,139,697	37.05	27,671,710	15.27	48,843,544	26.96	8,558,318	4.72	19,652,728	10.85	9,323,702	5.15	181,189,698	2.62
Sheriffs' Retirement	65,784,586	38.28	26,875,958	15.64	48,194,470	28.05	8,747,099	5.09	19,624,655	11.42	2,618,823	1.52	171,845,591	2.48
Firefighters	64,931,269	36.83	26,579,803	15.08	46,611,035	26.44	8,635,572	4.90	19,399,791	11.00	10,144,069	5.75	176,301,539	2.54
Highway Patrol	33,674,970	38.56	13,914,501	15.93	24,272,305	27.80	4,472,603	5.12	10,040,582	11.50	945,585	1.08	87,320,546	1.26
Game Wardens	25,451,604	37.70	10,386,593	15.39	18,524,232	27.44	3,396,652	5.03	7,601,704	11.26	2,143,871	3.18	67,504,656	0.97
Judges	20,516,677	38.35	8,340,253	15.59	14,999,440	28.04	2,730,614	5.10	6,148,459	11.49	761,338	1.42	53,496,782	0.77
Volunteer Firefighters' Retirement	8,908,133	38.30	3,690,941	15.87	6,506,722	27.97	1,150,612	4.95	2,619,231	11.26	384,207	1.65	23,259,846	0.34
<b>Total Retirement Plans</b>	<b>2,673,585,232</b>	<b>38.59</b>	<b>1,099,475,613</b>	<b>15.87</b>	<b>1,928,691,741</b>	<b>27.84</b>	<b>370,963,815</b>	<b>5.35</b>	<b>794,419,646</b>	<b>11.47</b>	<b>61,492,405</b>	<b>0.89</b>	<b>6,928,628,452</b>	<b>100.00</b>

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

**Montana Board of Investments  
All Public Plans-Total Fund  
Plan Sponsor TF Asset Allocation  
As of September 30, 2008**



Parentheses contain percentile ranks. Percentages represent the total assets of the retirement plans.



**Montana Board of Investments  
Comparative Performance  
Retirement Plans  
As of September 30, 2008**

	1 Quarter	Jul-2008 To Sep-2008	1 Year	3 Years	5 Years	10 Years	2007	2006	2005	2004	2003
<b>Public Employees' Retirement - Net</b>	<b>-9.02</b>	<b>-9.02</b>	<b>-15.59</b>	2.49	6.04	4.83	8.72	13.82	6.69	9.29	22.52
Public Employees' Benchmark	-8.32	-8.32	-15.60	2.43	5.87	4.81	8.08	14.39	6.06	10.15	19.66
<i>Difference</i>	-0.70	-0.70	0.01	0.06	0.17	0.02	0.64	-0.57	0.63	-0.86	2.86
<b>Public Employees' Retirement - Gross</b>	<b>-8.97</b>	<b>-8.97</b>	<b>-15.41</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
All Public Plans-Total Fund Median	-9.14	-9.14	-14.99	2.74	6.51	6.16	8.30	14.19	7.93	12.10	24.31
<b>Percentile Rank</b>	<b>47</b>	<b>47</b>	<b>55</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Teachers' Retirement - Net</b>	<b>-9.05</b>	<b>-9.05</b>	<b>-15.64</b>	2.45	6.05	4.83	8.70	13.76	6.74	9.35	22.54
Teachers' Benchmark	-8.32	-8.32	-15.62	2.41	5.89	4.79	8.06	14.34	6.11	10.21	19.60
<i>Difference</i>	-0.73	-0.73	-0.02	0.04	0.16	0.04	0.64	-0.58	0.63	-0.86	2.94
<b>Teachers' Retirement - Gross</b>	<b>-9.00</b>	<b>-9.00</b>	<b>-15.46</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
All Public Plans-Total Fund Median	-9.14	-9.14	-14.99	2.74	6.51	6.16	8.30	14.19	7.93	12.10	24.31
<b>Percentile Rank</b>	<b>47</b>	<b>47</b>	<b>56</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Police Retirement - Net</b>	<b>-9.02</b>	<b>-9.02</b>	<b>-15.69</b>	2.39	5.87	4.65	8.61	13.72	6.66	9.07	22.31
Police Benchmark	-8.31	-8.31	-15.69	2.32	5.69	4.61	7.96	14.26	6.00	9.92	19.06
<i>Difference</i>	-0.71	-0.71	0.00	0.07	0.18	0.04	0.65	-0.54	0.66	-0.85	3.25
<b>Police Retirement - Gross</b>	<b>-8.97</b>	<b>-8.97</b>	<b>-15.51</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
All Public Plans-Total Fund Median	-9.14	-9.14	-14.99	2.74	6.51	6.16	8.30	14.19	7.93	12.10	24.31
<b>Percentile Rank</b>	<b>46</b>	<b>46</b>	<b>58</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Performance is annualized for periods greater than one year.  
All Public Plans - Total Fund Median is reported gross of fees.

**Montana Board of Investments  
Comparative Performance  
Retirement Plans  
As of September 30, 2008**

	1 Quarter	Jul-2008 To Sep-2008	1 Year	3 Years	5 Years	10 Years	2007	2006	2005	2004	2003
<b>Firefighters' Retirement - Net</b>	<b>-8.95</b>	<b>-8.95</b>	<b>-15.55</b>	2.45	5.92	4.67	8.64	13.73	6.65	9.08	22.41
Firefighters' Benchmark	-8.27	-8.27	-15.57	2.37	5.73	4.61	7.98	14.27	5.98	9.93	19.14
<i>Difference</i>	-0.68	-0.68	0.02	0.08	0.19	0.06	0.66	-0.54	0.67	-0.85	3.27
<b>Firefighters' Retirement - Gross</b>	<b>-8.90</b>	<b>-8.90</b>	<b>-15.36</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
All Public Plans-Total Fund Median	-9.14	-9.14	-14.99	2.74	6.51	6.16	8.30	14.19	7.93	12.10	24.31
<b>Percentile Rank</b>	<b>41</b>	<b>41</b>	<b>54</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Sheriffs' Retirement</b>	<b>-8.98</b>	<b>-8.98</b>	<b>-15.52</b>	2.46	6.00	4.73	8.64	13.74	6.62	9.26	22.63
Sheriffs' Benchmark	-8.25	-8.25	-15.48	2.41	5.82	4.69	8.00	14.29	5.96	10.10	19.36
<i>Difference</i>	-0.73	-0.73	-0.04	0.05	0.18	0.04	0.64	-0.55	0.66	-0.84	3.27
<b>Sheriffs' Retirement</b>	<b>-8.93</b>	<b>-8.93</b>	<b>-15.34</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
All Public Plans-Total Fund Median	-9.14	-9.14	-14.99	2.74	6.51	6.16	8.30	14.19	7.93	12.10	24.31
<b>Percentile Rank</b>	<b>42</b>	<b>42</b>	<b>53</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Highway Patrol Retirement - Net</b>	<b>-9.07</b>	<b>-9.07</b>	<b>-15.65</b>	2.46	6.03	4.67	8.74	13.82	6.65	9.34	22.67
Highway Patrol Benchmark	-8.35	-8.35	-15.62	2.42	5.85	4.65	8.09	14.39	5.98	10.19	19.39
<i>Difference</i>	-0.72	-0.72	-0.03	0.04	0.18	0.02	0.65	-0.57	0.67	-0.85	3.28
<b>Highway Patrol Retirement - Gross</b>	<b>-9.02</b>	<b>-9.02</b>	<b>-15.47</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
All Public Plans-Total Fund Median	-9.14	-9.14	-14.99	2.74	6.51	6.16	8.30	14.19	7.93	12.10	24.31
<b>Percentile Rank</b>	<b>48</b>	<b>48</b>	<b>56</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

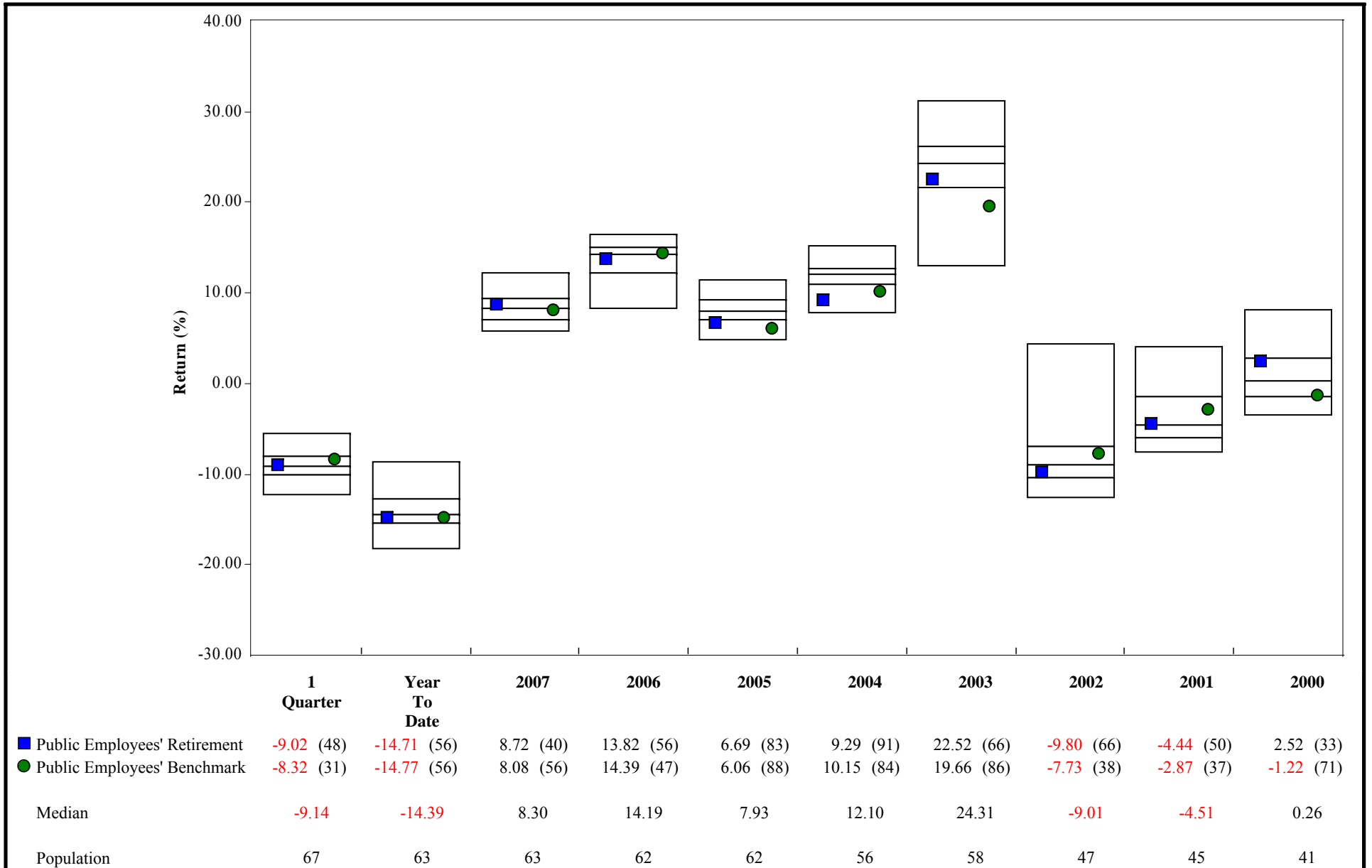
Performance is annualized for periods greater than one year.  
All Public Plans - Total Fund Median is reported gross of fees.

**Montana Board of Investments  
Comparative Performance  
Retirement Plans  
As of September 30, 2008**

	1 Quarter	Jul-2008 To Sep-2008	1 Year	3 Years	5 Years	10 Years	2007	2006	2005	2004	2003
<b>Game Wardens' Retirement - Net</b>	<b>-8.88</b>	<b>-8.88</b>	<b>-15.40</b>	2.46	5.91	4.71	8.65	13.66	6.38	8.97	22.54
Game Wardens' Benchmark	-8.15	-8.15	-15.36	2.41	5.73	4.67	8.01	14.17	5.74	9.80	19.33
<i>Difference</i>	<i>-0.73</i>	<i>-0.73</i>	<i>-0.04</i>	0.05	0.18	0.04	0.64	<i>-0.51</i>	0.64	<i>-0.83</i>	3.21
<b>Game Wardens' Retirement - Gross</b>	<b>-8.83</b>	<b>-8.83</b>	<b>-15.22</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
All Public Plans-Total Fund Median	-9.14	-9.14	-14.99	2.74	6.51	6.16	8.30	14.19	7.93	12.10	24.31
<b>Percentile Rank</b>	<b>37</b>	<b>37</b>	<b>52</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Judges' Retirement - Net</b>	<b>-8.98</b>	<b>-8.98</b>	<b>-15.54</b>	2.47	6.01	4.69	8.68	13.78	6.61	9.25	22.65
Judges' Benchmark	-8.26	-8.26	-15.52	2.42	5.82	4.69	8.03	14.32	5.96	10.09	19.38
<i>Difference</i>	<i>-0.72</i>	<i>-0.72</i>	<i>-0.02</i>	0.05	0.19	0.00	0.65	<i>-0.54</i>	0.65	<i>-0.84</i>	3.27
<b>Judges' Retirement - Gross</b>	<b>-8.93</b>	<b>-8.93</b>	<b>-15.36</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
All Public Plans-Total Fund Median	-9.14	-9.14	-14.99	2.74	6.51	6.16	8.30	14.19	7.93	12.10	24.31
<b>Percentile Rank</b>	<b>42</b>	<b>42</b>	<b>54</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Volunteer Firefighters' Retirement</b>	<b>-8.98</b>	<b>-8.98</b>	<b>-15.65</b>	2.48	5.95	5.10	8.80	13.82	6.44	9.12	22.61
Volunteer Firefighters' Benchmark	-8.25	-8.25	-15.60	2.43	5.77	5.06	8.18	14.32	5.79	9.95	19.31
<i>Difference</i>	<i>-0.73</i>	<i>-0.73</i>	<i>-0.05</i>	0.05	0.18	0.04	0.62	<i>-0.50</i>	0.65	<i>-0.83</i>	3.30
<b>Volunteer Firefighters' Retirement</b>	<b>-8.93</b>	<b>-8.93</b>	<b>-15.47</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
All Public Plans-Total Fund Median	-9.14	-9.14	-14.99	2.74	6.51	6.16	8.30	14.19	7.93	12.10	24.31
<b>Percentile Rank</b>	<b>42</b>	<b>42</b>	<b>56</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Performance is annualized for periods greater than one year.  
All Public Plans - Total Fund Median is reported gross of fees.

**Montana Board of Investments  
All Public Plans-Total Fund  
Plan Sponsor Peer Group Analysis  
As of September 30, 2008**



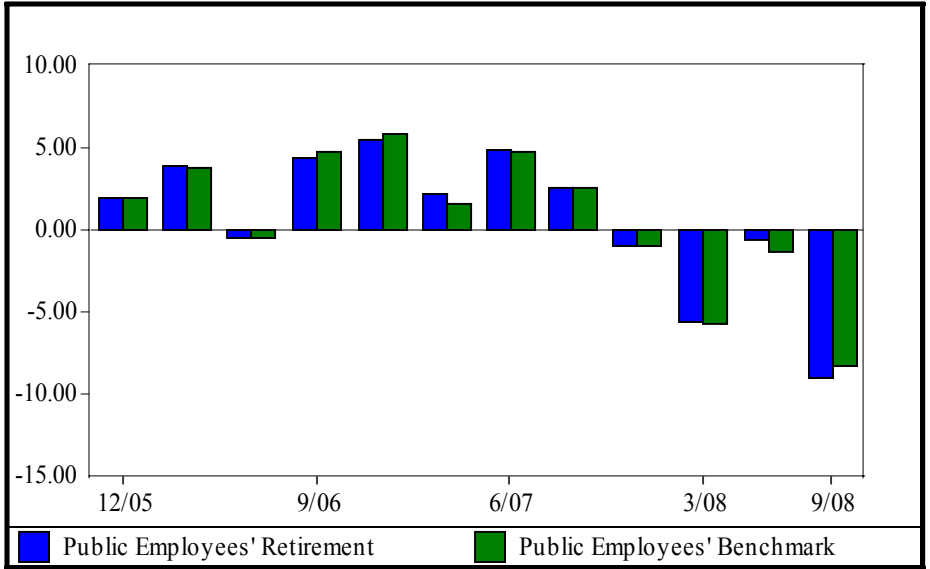
Performance shown is net of fees. Performance is annualized for periods greater than one year. Parentheses contain percentile ranks.  
All Public Plans - Total Fund Median is reported gross of fees.

**Montana Board of Investments**  
**Public Employees' Retirement vs. All Public Plans - Total Fund**  
**As of September 30, 2008**

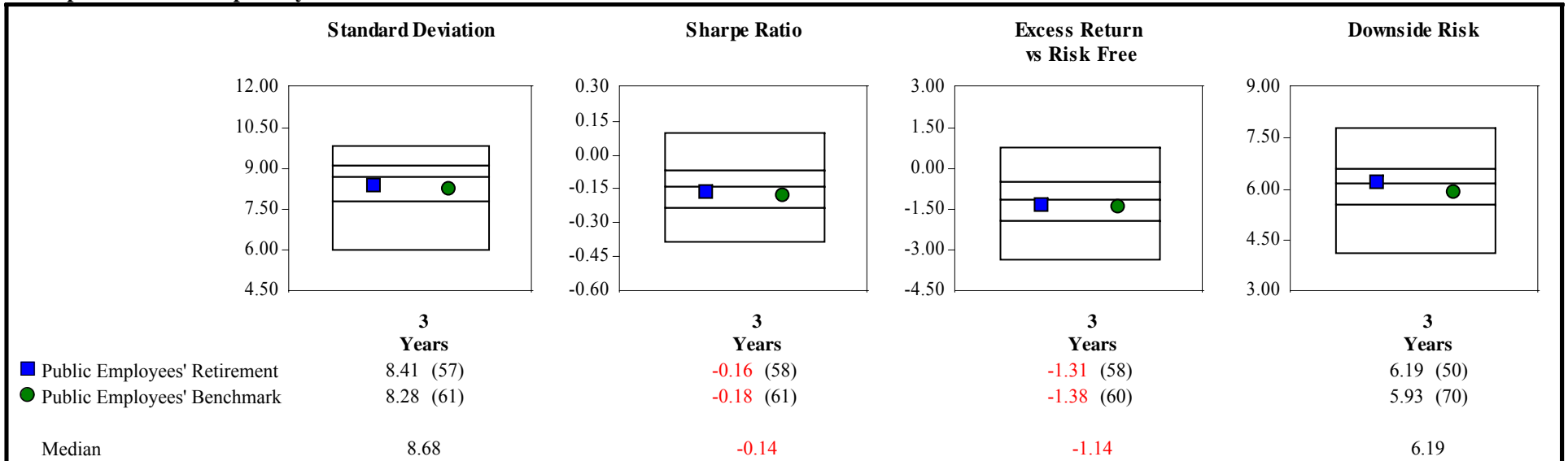
**Plan Sponsor Scattergram - 3 Years**



**Absolute Return - 3 Years**



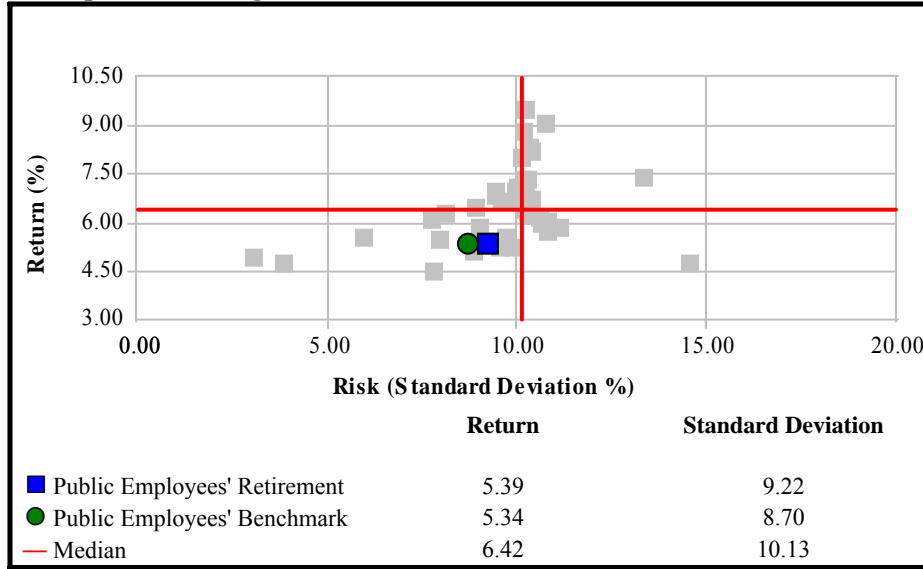
**Plan Sponsor Peer Group Analysis-Multi Statistics**



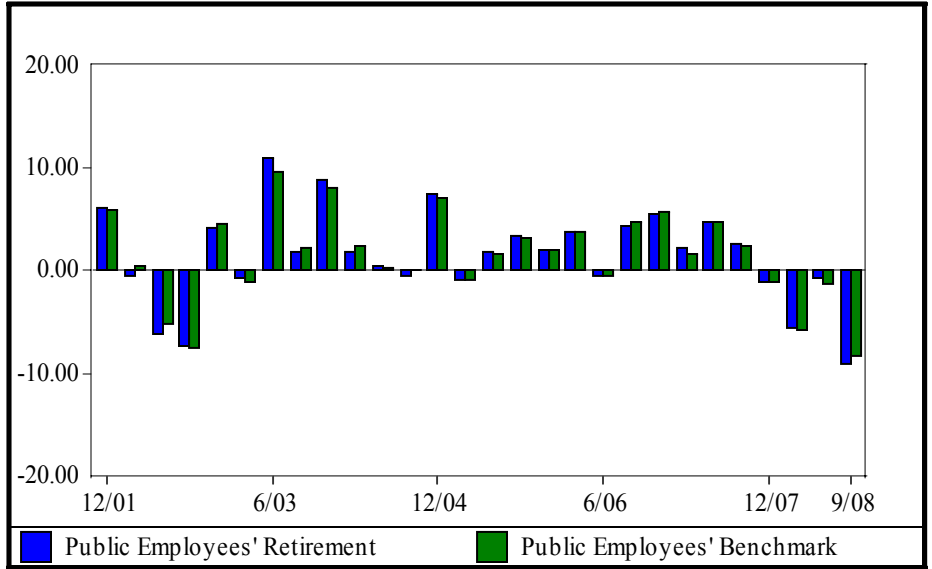
Performance shown is net of fees. Calculation is based on quarterly periodicity. Parentheses contain percentile ranks. All Public Plans - Total Fund Median is reported gross of fees.

**Montana Board of Investments**  
**Public Employees' Retirement vs. All Public Plans - Total Fund**  
**As of September 30, 2008**

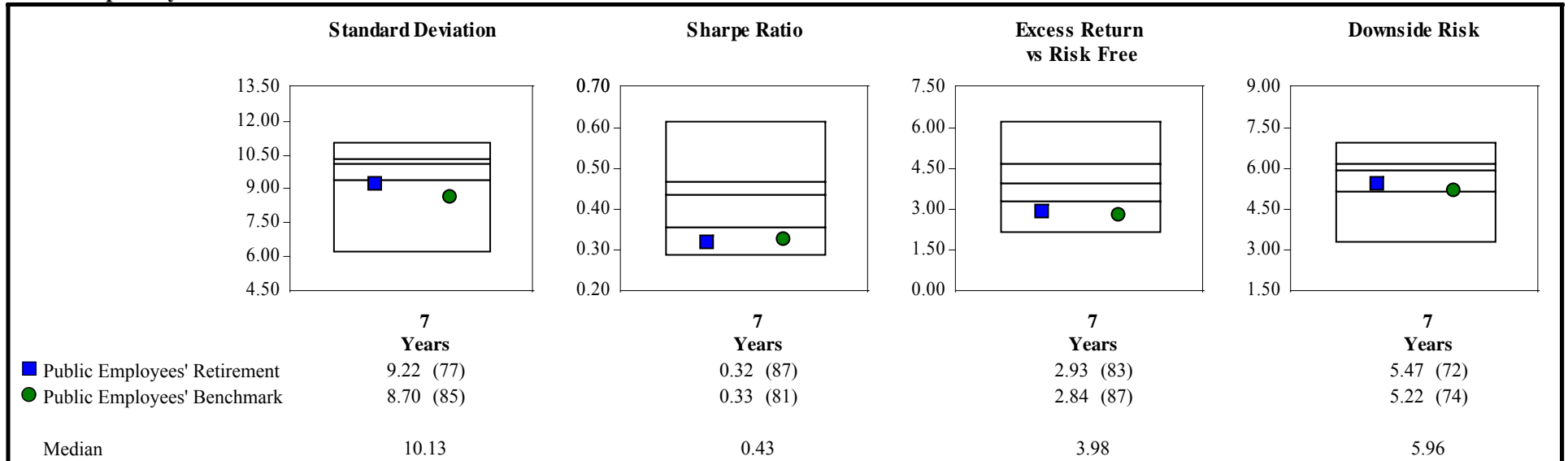
**Plan Sponsor Scattergram - 7 Years**



**Absolute Return - 7 Years**



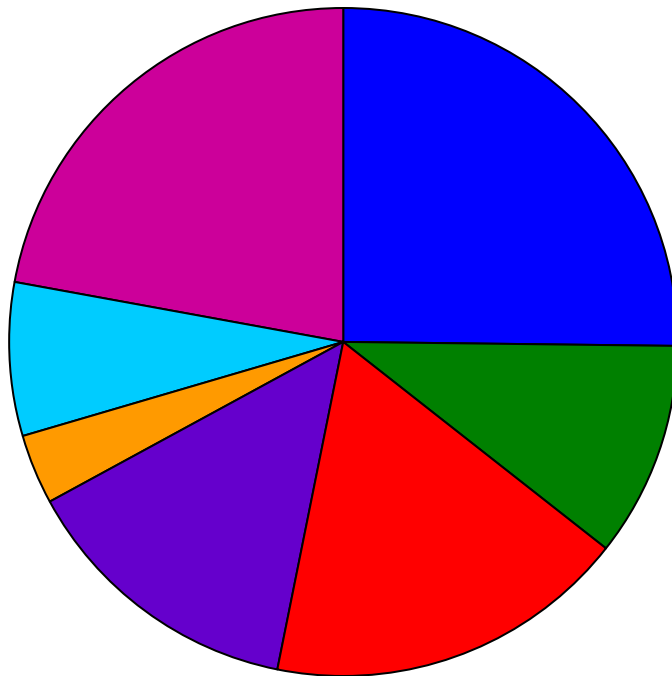
**Peer Group Analysis-Multi Statistics**



Performance shown is net of fees. Calculation is based on quarterly periodicity. Parentheses contain percentile ranks. All Public Plans - Total Fund Median is reported gross of fees.

**Montana Board of Investments  
Asset Allocation  
Investment Pools  
As of September 30, 2008**

September 30, 2008 : \$10,594,198,190



Manager	Market Value (\$)	Allocation (%)
Montana Domestic Equity Pool	2,673,376,872	25.23
Montana International Equity Pool	1,096,990,240	10.35
Retirement Funds Bond Pool	1,864,607,512	17.60
Trust Funds Bond Pool	1,472,861,172	13.90
Real Estate Pool	353,372,683	3.34
Private Equity Pool	794,093,273	7.50
Short Term Investment Pool	2,338,896,439	22.08

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

**Montana Board of Investments  
Comparative Performance  
Investment Pools  
As of September 30, 2008**

	1 Quarter	Jul-2008 To Sep-2008	1 Year	3 Years	5 Years	10 Years	2007	2006	2005	2004	2003
<b>Montana Domestic Equity Pool</b>	<b>-9.79</b>	<b>-9.79</b>	<b>-22.63</b>	<b>-0.67</b>	4.27	N/A	5.14	14.08	4.95	9.17	N/A
S&P 1500 Super Comp Index	-8.31	-8.31	-21.27	0.41	5.64	3.81	5.47	15.34	5.65	11.78	29.60
<i>Difference</i>	-1.48	-1.48	-1.36	-1.08	-1.37	N/A	-0.33	-1.26	-0.70	-2.61	N/A
<b>Montana International Equity Pool</b>	<b>-23.85</b>	<b>-23.85</b>	<b>-33.23</b>	1.62	9.47	6.81	14.65	28.79	13.78	18.89	35.77
International Custom Benchmark	-22.17	-22.17	-30.68	2.39	10.52	5.42	16.22	27.06	13.54	20.25	38.59
<i>Difference</i>	-1.68	-1.68	-2.55	-0.77	-1.05	1.39	-1.57	1.73	0.24	-1.36	-2.82
<b>Retirement Funds Bond Pool</b>	<b>-2.75</b>	<b>-2.75</b>	<b>0.30</b>	<b>3.40</b>	<b>3.93</b>	<b>5.68</b>	<b>6.74</b>	<b>5.19</b>	<b>3.58</b>	<b>5.34</b>	<b>8.94</b>
LB US Agg Bond Index	-0.49	-0.49	3.65	4.15	3.78	5.20	6.97	4.33	2.43	4.34	4.10
<i>Difference</i>	-2.26	-2.26	-3.35	-0.75	0.15	0.48	-0.23	0.86	1.15	1.00	4.84
<b>Trust Funds Bond Pool</b>	<b>-2.09</b>	<b>-2.09</b>	<b>1.51</b>	<b>3.79</b>	<b>4.24</b>	<b>5.73</b>	<b>6.83</b>	<b>5.24</b>	<b>3.79</b>	<b>5.31</b>	<b>7.94</b>
LB US Agg Bond Index	-0.49	-0.49	3.65	4.15	3.78	5.20	6.97	4.33	2.43	4.34	4.10
<i>Difference</i>	-1.60	-1.60	-2.14	-0.36	0.46	0.53	-0.14	0.91	1.36	0.97	3.84
<b>Real Estate Pool</b>	<b>-0.08</b>	<b>-0.08</b>	<b>3.74</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>7.41</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
NCREIF ODCE Index (Net) (Asset Wtd Avg)	-0.73	-0.73	2.40	11.72	12.84	10.68	14.83	15.27	20.17	12.01	8.28
<i>Difference</i>	0.65	0.65	1.34	N/A	N/A	N/A	-7.42	N/A	N/A	N/A	N/A
<b>Short Term Investment Pool</b>	<b>0.65</b>	<b>0.65</b>	<b>3.75</b>	<b>4.69</b>	<b>3.62</b>	<b>3.93</b>	<b>5.49</b>	<b>5.16</b>	<b>3.36</b>	<b>1.46</b>	<b>1.24</b>
1 Month LIBOR Index	0.74	0.74	3.45	4.59	3.60	3.80	5.37	5.16	3.53	1.56	1.20
<i>Difference</i>	-0.09	-0.09	0.30	0.10	0.02	0.13	0.12	0.00	-0.17	-0.10	0.04
<b>Short Term Investment Pool</b>	<b>0.65</b>	<b>0.65</b>	<b>3.75</b>	<b>4.69</b>	<b>3.62</b>	<b>3.93</b>	<b>5.49</b>	<b>5.16</b>	<b>3.36</b>	<b>1.46</b>	<b>1.24</b>
iMoneynet Money Fund (Gross) Median	0.68	0.68	3.73	4.69	3.61	3.81	5.44	5.18	3.32	1.44	1.26
<i>Difference</i>	-0.03	-0.03	0.02	0.00	0.01	0.12	0.05	-0.02	0.04	0.02	-0.02

Performance shown is gross of fees. Performance is annualized for periods greater than one year.



**Montana Board of Investments  
Comparative Performance  
Investment Pools  
As of September 30, 2008**

	<b>1 Quarter</b>	<b>Jul-2008 To Sep-2008</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>Private Equity Pool</b>	<b>-0.02</b>	<b>-0.02</b>	<b>3.14</b>	<b>15.80</b>	<b>19.87</b>	<b>N/A</b>	<b>25.34</b>	<b>19.06</b>	<b>12.60</b>	<b>23.68</b>	<b>29.12</b>
S&P 1500 + 4%	-7.31	-7.31	-17.27	4.41	9.64	7.81	9.47	19.34	9.65	15.78	33.60
<i>Difference</i>	7.29	7.29	20.41	11.39	10.23	N/A	15.87	-0.28	2.95	7.90	-4.48

Performance is shown gross of fees. Performance is annualized for periods greater than one year.

**Montana Board of Investments  
Comparative Performance  
Equity Composites  
As of September 30, 2008**

	1 Quarter	Jul-2008 To Sep-2008	1 Year	3 Years	5 Years	2007	2006	2005	2004	2003
<b>Domestic Large Cap Equity - Net</b>	<b>-9.81</b>	<b>-9.81</b>	<b>-23.24</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R 1000 Index	-9.35	-9.35	-22.10	0.13	5.50	5.77	15.46	6.27	11.40	29.89
<i>Difference</i>	<i>-0.46</i>	<i>-0.46</i>	<i>-1.14</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>
<b>Domestic Large Cap Equity - Gross</b>	<b>-9.75</b>	<b>-9.75</b>	<b>-23.06</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
US Large Cap Equity (SA+CF) Median	-9.40	-9.40	-21.25	0.76	6.28	6.89	15.31	7.37	12.08	29.50
<b>Percentile Rank</b>	<b>54</b>	<b>54</b>	<b>72</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>Domestic Mid Cap Equity - Net</b>	<b>-12.44</b>	<b>-12.44</b>	<b>-18.96</b>	<b>-0.06</b>	N/A	<b>3.68</b>	<b>10.46</b>	<b>15.04</b>	N/A	N/A
R Mid Cap Index	-12.91	-12.91	-22.36	0.09	8.62	5.60	15.26	12.65	20.22	40.06
<i>Difference</i>	<i>0.47</i>	<i>0.47</i>	<i>3.40</i>	<i>-0.15</i>	<i>N/A</i>	<i>-1.92</i>	<i>-4.80</i>	<i>2.39</i>	<i>N/A</i>	<i>N/A</i>
<b>Domestic Mid Cap Equity - Gross</b>	<b>-12.30</b>	<b>-12.30</b>	<b>-18.49</b>	<b>0.25</b>	N/A	<b>4.22</b>	<b>10.46</b>	<b>15.04</b>	N/A	N/A
US Mid Cap Equity (SA+CF) Median	-13.14	-13.14	-20.91	1.48	8.70	8.67	13.55	11.98	18.12	36.88
<b>Percentile Rank</b>	<b>44</b>	<b>44</b>	<b>32</b>	<b>67</b>	<b>N/A</b>	<b>73</b>	<b>72</b>	<b>22</b>	<b>N/A</b>	<b>N/A</b>
<b>Domestic Small Cap Equity - Net</b>	<b>-5.81</b>	<b>-5.81</b>	<b>-20.02</b>	<b>0.61</b>	<b>8.22</b>	<b>1.57</b>	<b>16.91</b>	<b>7.47</b>	<b>20.27</b>	N/A
R 2000 Index	-1.11	-1.11	-14.48	1.83	8.15	-1.57	18.37	4.55	18.33	47.25
<i>Difference</i>	<i>-4.70</i>	<i>-4.70</i>	<i>-5.54</i>	<i>-1.22</i>	<i>0.07</i>	<i>3.14</i>	<i>-1.46</i>	<i>2.92</i>	<i>1.94</i>	<i>N/A</i>
<b>Domestic Small Cap Equity - Gross</b>	<b>-5.66</b>	<b>-5.66</b>	<b>-19.51</b>	<b>1.06</b>	<b>8.66</b>	<b>2.12</b>	<b>17.33</b>	<b>7.47</b>	<b>20.27</b>	N/A
US Small Cap Equity (SA+CF) Median	-5.33	-5.33	-18.16	1.06	8.70	2.38	15.74	7.84	19.19	46.03
<b>Percentile Rank</b>	<b>54</b>	<b>54</b>	<b>59</b>	<b>50</b>	<b>51</b>	<b>52</b>	<b>39</b>	<b>55</b>	<b>45</b>	<b>N/A</b>

Performance is annualized for periods greater than one year.

**Montana Board of Investments  
Comparative Performance  
Equity Composites  
As of September 30, 2008**

	1 Quarter	Jul-2008 To Sep-2008	1 Year	3 Years	5 Years	2007	2006	2005	2004	2003
<b>International Large Cap Equity - Net</b>	<b>-23.99</b>	<b>-23.99</b>	<b>-33.41</b>	<b>0.57</b>	N/A	<b>15.43</b>	<b>25.72</b>	N/A	N/A	N/A
MSCI ACW Ex US Index (Net)	-21.91	-21.91	-30.32	2.64	11.34	16.65	26.65	16.62	20.91	40.83
<i>Difference</i>	-2.08	-2.08	-3.09	-2.07	N/A	-1.22	-0.93	N/A	N/A	N/A
<b>International Large Cap Equity - Gross</b>	<b>-23.91</b>	<b>-23.91</b>	<b>-33.14</b>	<b>0.86</b>	N/A	<b>15.95</b>	<b>25.80</b>	N/A	N/A	N/A
International Active Equity (SA+CF) Median	-20.89	-20.89	-29.23	2.83	10.83	13.42	26.76	16.29	19.69	38.35
<b>Percentile Rank</b>	<b>79</b>	<b>79</b>	<b>84</b>	<b>81</b>	N/A	<b>39</b>	<b>62</b>	N/A	N/A	N/A
<b>International Small Cap Equity - Net</b>	<b>-24.16</b>	<b>-24.16</b>	<b>-33.83</b>	N/A	N/A	<b>3.78</b>	N/A	N/A	N/A	N/A
MSCI EAFE Sm Cap Index (Net)	-23.97	-23.97	-35.24	-3.87	9.28	1.45	19.31	26.19	31.45	61.34
<i>Difference</i>	-0.19	-0.19	1.41	N/A	N/A	2.33	N/A	N/A	N/A	N/A
<b>International Small Cap Equity - Gross</b>	<b>-24.11</b>	<b>-24.11</b>	<b>-33.62</b>	N/A	N/A	<b>4.06</b>	N/A	N/A	N/A	N/A
International Small Cap Equity (SA+CF) Median	-25.03	-25.03	-35.04	1.16	13.40	7.57	29.50	26.08	29.88	57.61
<b>Percentile Rank</b>	<b>34</b>	<b>34</b>	<b>31</b>	N/A	N/A	<b>71</b>	N/A	N/A	N/A	N/A

Performance is annualized for periods greater than one year.

**Montana Board of Investments  
Comparative Performance  
Equity Sub Composites  
As of September 30, 2008**

	1 Quarter	Jul-2008 To Sep-2008	1 Year	3 Years	5 Years	2007	2006	2005	2004	2003
<b>Domestic Large Cap Value - Net</b>	<b>-6.57</b>	<b>-6.57</b>	<b>-23.08</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R 1000 Value Index	-6.11	-6.11	-23.56	0.09	7.12	-0.17	22.25	7.05	16.49	30.03
<i>Difference</i>	<i>-0.46</i>	<i>-0.46</i>	<i>0.48</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>
<b>Domestic Large Cap Value - Gross</b>	<b>-6.47</b>	<b>-6.47</b>	<b>-22.85</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
US Value/Large Cap Equity (SA+CF) Median	-7.59	-7.59	-21.57	0.84	7.68	3.51	18.93	8.32	15.40	30.80
<b>Percentile Rank</b>	<b>37</b>	<b>37</b>	<b>64</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>Domestic Large Cap Enhanced - Net</b>	<b>-10.19</b>	<b>-10.19</b>	<b>-26.00</b>	N/A	N/A	<b>3.09</b>	N/A	N/A	N/A	N/A
S&P 500 Index (Cap Wtd)	-8.37	-8.37	-21.98	0.22	5.17	5.49	15.80	4.91	10.88	28.68
<i>Difference</i>	<i>-1.82</i>	<i>-1.82</i>	<i>-4.02</i>	<i>N/A</i>	<i>N/A</i>	<i>-2.40</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
<b>Domestic Large Cap Enhanced - Gross</b>	<b>-10.13</b>	<b>-10.13</b>	<b>-25.80</b>	N/A	N/A	<b>3.41</b>	N/A	N/A	N/A	N/A
US Core/Large Cap Equity (SA+CF) Median	-9.01	-9.01	-21.31	0.70	6.03	6.22	15.75	6.78	11.76	28.80
<b>Percentile Rank</b>	<b>69</b>	<b>69</b>	<b>93</b>	<b>N/A</b>	<b>N/A</b>	<b>80</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Domestic Large Cap Passive - Net</b>	<b>-8.32</b>	<b>-8.32</b>	<b>-22.07</b>	<b>-0.29</b>	<b>4.20</b>	<b>5.68</b>	<b>13.89</b>	<b>4.58</b>	<b>7.95</b>	<b>N/A</b>
S&P 500 Index (Cap Wtd)	-8.37	-8.37	-21.98	0.22	5.17	5.49	15.80	4.91	10.88	28.68
<i>Difference</i>	<i>0.05</i>	<i>0.05</i>	<i>-0.09</i>	<i>-0.51</i>	<i>-0.97</i>	<i>0.19</i>	<i>-1.91</i>	<i>-0.33</i>	<i>-2.93</i>	<i>N/A</i>
<b>Domestic Large Cap Passive - Gross</b>	<b>-8.31</b>	<b>-8.31</b>	<b>-22.06</b>	<b>-0.29</b>	<b>4.20</b>	<b>5.68</b>	<b>13.89</b>	<b>4.58</b>	<b>7.95</b>	<b>N/A</b>
US Core/Large Cap Equity (SA+CF) Median	-9.01	-9.01	-21.31	0.70	6.03	6.22	15.75	6.78	11.76	28.80
<b>Percentile Rank</b>	<b>35</b>	<b>35</b>	<b>67</b>	<b>76</b>	<b>96</b>	<b>60</b>	<b>75</b>	<b>86</b>	<b>91</b>	<b>N/A</b>
<b>Domestic Large Cap Growth - Net</b>	<b>-13.61</b>	<b>-13.61</b>	<b>-21.45</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R 1000 Growth Index	-12.33	-12.33	-20.88	0.04	3.74	11.81	9.07	5.26	6.30	29.75
<i>Difference</i>	<i>-1.28</i>	<i>-1.28</i>	<i>-0.57</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>
<b>Domestic Large Cap Growth - Gross</b>	<b>-13.52</b>	<b>-13.52</b>	<b>-21.15</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
US Growth/Large Cap Equity (SA+CF) Median	-12.44	-12.44	-20.89	0.59	5.32	13.13	9.11	7.41	9.30	28.85
<b>Percentile Rank</b>	<b>62</b>	<b>62</b>	<b>55</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 is annualized for periods greater than one year.

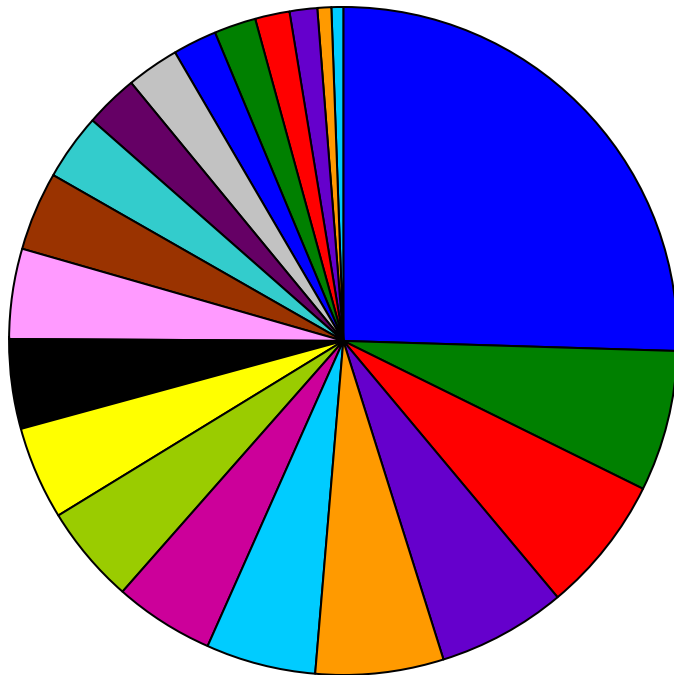
**Montana Board of Investments  
Comparative Performance  
Equity Sub Composites  
As of September 30, 2008**

	1 Quarter	Jul-2008 To Sep-2008	1 Year	3 Years	5 Years	2007	2006	2005	2004	2003
<b>Domestic Large Cap 130/30 - Net</b>	<b>-10.35</b>	<b>-10.35</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
S&P 500 Index (Cap Wtd)	-8.37	-8.37	-21.98	0.22	5.17	5.49	15.80	4.91	10.88	28.68
<i>Difference</i>	<i>-1.98</i>	<i>-1.98</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>	<i>N/A</i>
<b>Domestic Large Cap 130/30 - Gross</b>	<b>-10.21</b>	<b>-10.21</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
US Core/Large Cap Equity (SA+CF) Median	-9.01	-9.01	-21.31	0.70	6.03	6.22	15.75	6.78	11.76	28.80
<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
<b>International Large Cap Value - Net</b>	<b>-24.86</b>	<b>-24.86</b>	<b>-36.71</b>	N/A	N/A	<b>12.93</b>	N/A	N/A	N/A	N/A
MSCI ACW Ex US Value Index	-19.88	-19.88	-31.25	2.07	12.05	12.31	29.74	16.53	25.08	47.34
<i>Difference</i>	<i>-4.98</i>	<i>-4.98</i>	<i>-5.46</i>	<i>N/A</i>	<i>N/A</i>	<i>0.62</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
<b>International Large Cap Value - Gross</b>	<b>-24.76</b>	<b>-24.76</b>	<b>-36.36</b>	N/A	N/A	<b>13.71</b>	N/A	N/A	N/A	N/A
International Active Value Equity (SA+CF) Median	-17.37	-17.37	-27.60	3.08	11.32	11.02	28.57	14.76	23.75	42.37
<b>Percentile Rank</b>	<b>96</b>	<b>96</b>	<b>96</b>	N/A	N/A	<b>25</b>	N/A	N/A	N/A	N/A
<b>International Large Cap Core - Net</b>	<b>-24.24</b>	<b>-24.24</b>	<b>-32.14</b>	N/A	N/A	<b>15.63</b>	<b>29.15</b>	N/A	N/A	N/A
MSCI ACW Ex US Index (Net)	-21.91	-21.91	-30.32	2.64	11.34	16.65	26.65	16.62	20.91	40.83
<i>Difference</i>	<i>-2.33</i>	<i>-2.33</i>	<i>-1.82</i>	<i>N/A</i>	<i>N/A</i>	<i>-1.02</i>	<i>2.50</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
<b>International Large Cap Core - Gross</b>	<b>-24.16</b>	<b>-24.16</b>	<b>-31.88</b>	N/A	N/A	<b>16.11</b>	<b>29.15</b>	N/A	N/A	N/A
International Active Core Equity (SA+CF) Median	-22.44	-22.44	-30.50	2.80	10.71	15.36	27.53	17.51	18.55	36.67
<b>Percentile Rank</b>	<b>74</b>	<b>74</b>	<b>67</b>	N/A	N/A	<b>41</b>	<b>30</b>	N/A	N/A	N/A
<b>International Large Cap Growth - Net</b>	<b>-25.00</b>	<b>-25.00</b>	<b>-33.64</b>	N/A	N/A	<b>18.29</b>	N/A	N/A	N/A	N/A
MSCI ACW Ex US Growth Index (Net)	-23.88	-23.88	-29.45	3.16	10.56	21.03	23.61	16.71	16.73	34.42
<i>Difference</i>	<i>-1.12</i>	<i>-1.12</i>	<i>-4.19</i>	<i>N/A</i>	<i>N/A</i>	<i>-2.74</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
<b>International Large Cap Growth - Gross</b>	<b>-24.89</b>	<b>-24.89</b>	<b>-33.32</b>	N/A	N/A	<b>18.88</b>	N/A	N/A	N/A	N/A
International Active Growth Equity (SA+CF) Median	-23.02	-23.02	-30.25	2.62	10.38	17.76	25.23	17.32	17.82	34.26
<b>Percentile Rank</b>	<b>70</b>	<b>70</b>	<b>82</b>	N/A	N/A	<b>47</b>	N/A	N/A	N/A	N/A

Performance is annualized for periods greater than one year.

**Montana Board of Investments  
Asset Allocation  
Montana Domestic Equity Pool  
As of September 30, 2008**

September 30, 2008 : \$2,673,748,517



Manager	Market Value (\$)	Allocation (%)
BGI Equity Index Fund A (CF)	682,152,759	25.51
T. Rowe U.S. Structured Research (SA)	180,463,268	6.75
J.P. Morgan 130/30 (SA)	176,833,021	6.61
Barrow Hanley (SA)	167,613,844	6.27
INTECH Enhanced Plus (SA)	166,715,983	6.24
Western Asset U.S. Index Plus (CF)	140,446,047	5.25
Columbus Circle Investors (SA)	129,569,544	4.85
Renaissance Investment (SA)	127,431,011	4.77
Rainier Investment (SA)	121,806,799	4.56
Quantitative Mgmt (SA)	115,866,431	4.33
Goldman Sachs Enhanced Large Cap (CF)	115,693,274	4.33
Analytic Investors 130/30 (SA)	100,862,061	3.77
Martingale Asset Mgmt. (SA)	86,752,566	3.24
Martingale 130/30 (SA)	69,153,169	2.59
TimesSquare Capital Mgmt. (SA)	68,202,510	2.55
Artisan Partners (SA)	57,196,182	2.14
DFA US Small Cap Trust (CF)	52,981,541	1.98
Vaughan Nelson Mgmt. (SA)	44,084,027	1.65
NorthPointe Capital (SA)	35,546,267	1.33
BGI Mid Cap Equity Index A (CF)	19,229,442	0.72
Domestic Equity Pool SPIF	15,148,771	0.57

Allocation shown may not sum up to 100% exactly due to rounding. Market values do not include pending trades.

**Montana Board of Investments  
Comparative Performance  
Domestic Equity Managers  
As of September 30, 2008**

	1 Quarter	Jul-2008 To Sep-2008	1 Year	3 Years	5 Years	2007	2006	2005	2004	2003	Since Inception	Inception Date
<b>Barrow Hanley (SA) - Net</b>	<b>-7.74</b>	<b>-7.74</b>	<b>-23.68</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-20.67</b>	<b>09/01/2007</b>
R 1000 Value Index	-6.11	-6.11	-23.56	0.09	7.12	-0.17	22.25	7.05	16.49	30.03	-19.49	
<i>Difference</i>	<i>-1.63</i>	<i>-1.63</i>	<i>-0.12</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>	<i>-1.18</i>	
<b>Barrow Hanley (SA) - Gross</b>	<b>-7.65</b>	<b>-7.65</b>	<b>-23.43</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-20.39</b>	<b>09/01/2007</b>
US Value/Large Cap Equity (SA+CF) Median	-7.59	-7.59	-21.57	0.84	7.68	3.51	18.93	8.32	15.40	30.80	N/A	
<b>Percentile Rank</b>	<b>51</b>	<b>51</b>	<b>68</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>Quantitative Mgmt (SA) - Net</b>	<b>-4.82</b>	<b>-4.82</b>	<b>-22.21</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-18.71</b>	<b>09/01/2007</b>
R 1000 Value Index	-6.11	-6.11	-23.56	0.09	7.12	-0.17	22.25	7.05	16.49	30.03	-19.49	
<i>Difference</i>	<i>1.29</i>	<i>1.29</i>	<i>1.35</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>	<i>0.78</i>	
<b>Quantitative Mgmt (SA) - Gross</b>	<b>-4.73</b>	<b>-4.73</b>	<b>-22.01</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-18.47</b>	<b>09/01/2007</b>
US Value/Large Cap Equity (SA+CF) Median	-7.59	-7.59	-21.57	0.84	7.68	3.51	18.93	8.32	15.40	30.80	N/A	
<b>Percentile Rank</b>	<b>19</b>	<b>19</b>	<b>54</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>BGI Equity Index Fund A (CF) - Net</b>	<b>-8.35</b>	<b>-8.35</b>	<b>-21.93</b>	<b>0.27</b>	<b>5.23</b>	<b>5.54</b>	<b>15.85</b>	<b>4.97</b>	<b>10.93</b>	<b>28.79</b>	<b>-0.83</b>	<b>05/01/2000</b>
S&P 500 Index (Cap Wtd)	-8.37	-8.37	-21.98	0.22	5.17	5.49	15.80	4.91	10.88	28.68	-0.88	
<i>Difference</i>	<i>0.02</i>	<i>0.02</i>	<i>0.05</i>	<i>0.05</i>	<i>0.06</i>	<i>0.05</i>	<i>0.05</i>	<i>0.06</i>	<i>0.05</i>	<i>0.11</i>	<i>0.05</i>	
<b>BGI Equity Index Fund A (CF) - Gross</b>	<b>-8.34</b>	<b>-8.34</b>	<b>-21.91</b>	<b>0.28</b>	<b>5.23</b>	<b>5.56</b>	<b>15.85</b>	<b>4.97</b>	<b>10.93</b>	<b>28.79</b>	<b>-0.83</b>	<b>05/01/2000</b>
US Core/Large Cap Equity (SA+CF) Median	-9.01	-9.01	-21.31	0.70	6.03	6.22	15.75	6.78	11.76	28.80	N/A	
<b>Percentile Rank</b>	<b>36</b>	<b>36</b>	<b>62</b>	<b>62</b>	<b>79</b>	<b>63</b>	<b>44</b>	<b>79</b>	<b>62</b>	<b>51</b>	N/A	
<b>INTECH Enhanced Plus (SA) -Net</b>	<b>-8.38</b>	<b>-8.38</b>	<b>-19.85</b>	N/A	N/A	<b>7.15</b>	N/A	N/A	N/A	N/A	<b>-1.50</b>	<b>06/01/2006</b>
S&P 500 Index (Cap Wtd)	-8.37	-8.37	-21.98	0.22	5.17	5.49	15.80	4.91	10.88	28.68	-1.68	
<i>Difference</i>	<i>-0.01</i>	<i>-0.01</i>	<i>2.13</i>	<i>N/A</i>	<i>N/A</i>	<i>1.66</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>0.18</i>	
<b>INTECH Enhanced Plus (SA) - Gross</b>	<b>-8.31</b>	<b>-8.31</b>	<b>-19.59</b>	N/A	N/A	<b>7.63</b>	N/A	N/A	N/A	N/A	<b>-1.21</b>	<b>06/01/2006</b>
US Core/Large Cap Equity (SA+CF) Median	-9.01	-9.01	-21.31	0.70	6.03	6.22	15.75	6.78	11.76	28.80	N/A	
<b>Percentile Rank</b>	<b>34</b>	<b>34</b>	<b>31</b>	N/A	N/A	<b>35</b>	N/A	N/A	N/A	N/A	N/A	

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	1 Quarter	Jul-2008 To Sep-2008	1 Year	3 Years	5 Years	2007	2006	2005	2004	2003	Since Inception	Inception Date
<b>T. Rowe U.S. Research (SA) - Net</b>	<b>-9.07</b>	<b>-9.07</b>	<b>-21.39</b>	N/A	N/A	6.04	N/A	N/A	N/A	N/A	<b>-0.89</b>	06/01/2006
S&P 500 Index (Cap Wtd)	-8.37	-8.37	-21.98	0.22	5.17	5.49	15.80	4.91	10.88	28.68	-1.68	
<i>Difference</i>	-0.70	-0.70	0.59	N/A	N/A	0.55	N/A	N/A	N/A	N/A	0.79	
<b>T. Rowe U.S. Research (SA) - Gross</b>	<b>-8.99</b>	<b>-8.99</b>	<b>-21.14</b>	N/A	N/A	6.39	N/A	N/A	N/A	N/A	<b>-0.66</b>	06/01/2006
US Core/Large Cap Equity (SA+CF) Median	-9.01	-9.01	-21.31	0.70	6.03	6.22	15.75	6.78	11.76	28.80	N/A	
<b>Percentile Rank</b>	<b>50</b>	<b>50</b>	<b>49</b>	N/A	N/A	<b>49</b>	N/A	N/A	N/A	N/A	N/A	
<b>Goldman Sachs Large Cap (CF) - Net</b>	<b>-8.53</b>	<b>-8.53</b>	<b>-22.40</b>	N/A	N/A	2.09	N/A	N/A	N/A	N/A	<b>-3.78</b>	06/01/2006
S&P 500 Index (Cap Wtd)	-8.37	-8.37	-21.98	0.22	5.17	5.49	15.80	4.91	10.88	28.68	-1.68	
<i>Difference</i>	-0.16	-0.16	-0.42	N/A	N/A	-3.40	N/A	N/A	N/A	N/A	-2.10	
<b>Goldman Sachs Large Cap (CF) - Gross</b>	<b>-8.49</b>	<b>-8.49</b>	<b>-22.26</b>	N/A	N/A	2.28	N/A	N/A	N/A	N/A	<b>-3.59</b>	06/01/2006
US Core/Large Cap Equity (SA+CF) Median	-9.01	-9.01	-21.31	0.70	6.03	6.22	15.75	6.78	11.76	28.80	N/A	
<b>Percentile Rank</b>	<b>41</b>	<b>41</b>	<b>70</b>	N/A	N/A	<b>87</b>	N/A	N/A	N/A	N/A	N/A	
<b>Western Asset U.S. Index Plus (CF) - Net</b>	<b>-14.81</b>	<b>-14.81</b>	<b>-38.66</b>	N/A	N/A	<b>-2.42</b>	N/A	N/A	N/A	N/A	<b>-12.93</b>	06/01/2006
S&P 500 Index (Cap Wtd)	-8.37	-8.37	-21.98	0.22	5.17	5.49	15.80	4.91	10.88	28.68	-1.68	
<i>Difference</i>	-6.44	-6.44	-16.68	N/A	N/A	-7.91	N/A	N/A	N/A	N/A	-11.25	
<b>Western Asset U.S. Index Plus (CF) - Gross</b>	<b>-14.76</b>	<b>-14.76</b>	<b>-38.52</b>	N/A	N/A	<b>-2.18</b>	N/A	N/A	N/A	N/A	<b>-12.71</b>	06/01/2006
US Core/Large Cap Equity (SA+CF) Median	-9.01	-9.01	-21.31	0.70	6.03	6.22	15.75	6.78	11.76	28.80	N/A	
<b>Percentile Rank</b>	<b>97</b>	<b>97</b>	<b>100</b>	N/A	N/A	<b>99</b>	N/A	N/A	N/A	N/A	N/A	
<b>Columbus Circle Investors (SA) - Net</b>	<b>-13.43</b>	<b>-13.43</b>	<b>-19.71</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-13.10</b>	09/01/2007
R 1000 Growth Index	-12.33	-12.33	-20.88	0.04	3.74	11.81	9.07	5.26	6.30	29.75	-16.33	
<i>Difference</i>	-1.10	-1.10	1.17	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.23	
<b>Columbus Circle Investors (SA) - Gross</b>	<b>-13.33</b>	<b>-13.33</b>	<b>-19.37</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-12.70</b>	09/01/2007
US Growth/Large Cap Equity (SA+CF) Median	-12.44	-12.44	-20.89	0.59	5.32	13.13	9.11	7.41	9.30	28.85	N/A	
<b>Percentile Rank</b>	<b>61</b>	<b>61</b>	<b>37</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

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	1 Quarter	Jul-2008 To Sep-2008	1 Year	3 Years	5 Years	2007	2006	2005	2004	2003	Since Inception	Inception Date
<b>Rainier Investment (SA) - Net</b>	<b>-15.52</b>	<b>-15.52</b>	<b>-24.30</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-17.72</b>	<b>09/01/2007</b>
R 1000 Growth Index	-12.33	-12.33	-20.88	0.04	3.74	11.81	9.07	5.26	6.30	29.75	-16.33	
<i>Difference</i>	-3.19	-3.19	-3.42	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-1.39	
<b>Rainier Investment (SA) - Gross</b>	<b>-15.43</b>	<b>-15.43</b>	<b>-24.02</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-17.39</b>	<b>09/01/2007</b>
US Growth/Large Cap Equity (SA+CF) Median	-12.44	-12.44	-20.89	0.59	5.32	13.13	9.11	7.41	9.30	28.85	N/A	
<b>Percentile Rank</b>	<b>72</b>	<b>72</b>	<b>77</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>Renaissance Investment (SA) - Net</b>	<b>-11.90</b>	<b>-11.90</b>	<b>-20.34</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-15.54</b>	<b>09/01/2007</b>
R 1000 Growth Index	-12.33	-12.33	-20.88	0.04	3.74	11.81	9.07	5.26	6.30	29.75	-16.33	
<i>Difference</i>	0.43	0.43	0.54	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.79	
<b>Renaissance Investment (SA) - Gross</b>	<b>-11.82</b>	<b>-11.82</b>	<b>-20.07</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-15.23</b>	<b>09/01/2007</b>
US Growth/Large Cap Equity (SA+CF) Median	-12.44	-12.44	-20.89	0.59	5.32	13.13	9.11	7.41	9.30	28.85	N/A	
<b>Percentile Rank</b>	<b>43</b>	<b>43</b>	<b>44</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>Analytic Investors 130/30 (SA) - Net</b>	<b>-11.38</b>	<b>-11.38</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-13.99</b>	<b>03/01/2008</b>
S&P 500 Index (Cap Wtd)	-8.37	-8.37	-21.98	0.22	5.17	5.49	15.80	4.91	10.88	28.68	-11.25	
<i>Difference</i>	-3.01	-3.01	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-2.74	
<b>Analytic Investors 130/30 (SA) - Gross</b>	<b>-11.27</b>	<b>-11.27</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-13.72</b>	<b>03/01/2008</b>
US Core/Large Cap Equity (SA+CF) Median	-9.01	-9.01	-21.31	0.70	6.03	6.22	15.75	6.78	11.76	28.80	N/A	
<b>Percentile Rank</b>	<b>79</b>	<b>79</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>J.P. Morgan 130/30 (SA) - Net</b>	<b>-8.41</b>	<b>-8.41</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-10.10</b>	<b>03/01/2008</b>
S&P 500 Index (Cap Wtd)	-8.37	-8.37	-21.98	0.22	5.17	5.49	15.80	4.91	10.88	28.68	-11.25	
<i>Difference</i>	-0.04	-0.04	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.15	
<b>J.P. Morgan 130/30 (SA) - Gross</b>	<b>-8.25</b>	<b>-8.25</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-9.73</b>	<b>03/01/2008</b>
US Core/Large Cap Equity (SA+CF) Median	-9.01	-9.01	-21.31	0.70	6.03	6.22	15.75	6.78	11.76	28.80	N/A	
<b>Percentile Rank</b>	<b>34</b>	<b>34</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

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	1 Quarter	Jul-2008 To Sep-2008	1 Year	3 Years	5 Years	2007	2006	2005	2004	2003	Since Inception	Inception Date
<b>Martingale 130/30 (SA) - Net</b>	<b>-13.58</b>	<b>-13.58</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-12.93</b>	<b>03/01/2008</b>
S&P 500 Index (Cap Wtd)	-8.37	-8.37	-21.98	0.22	5.17	5.49	15.80	4.91	10.88	28.68	-11.25	
<i>Difference</i>	-5.21	-5.21	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-1.68	
<b>Martingale 130/30 (SA) - Gross</b>	<b>-13.45</b>	<b>-13.45</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-12.63</b>	<b>03/01/2008</b>
US Core/Large Cap Equity (SA+CF) Median	-9.01	-9.01	-21.31	0.70	6.03	6.22	15.75	6.78	11.76	28.80	N/A	
<b>Percentile Rank</b>	<b>92</b>	<b>92</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>Artisan Partners (SA) - Net</b>	<b>-6.39</b>	<b>-6.39</b>	<b>-10.78</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-5.10</b>	<b>03/01/2007</b>
R Mid Cap Value Index	-7.52	-7.52	-20.50	0.51	9.97	-1.42	20.22	12.65	23.71	38.07	-12.89	
<i>Difference</i>	1.13	1.13	9.72	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7.79	
<b>Artisan Partners (SA) - Gross</b>	<b>-6.21</b>	<b>-6.21</b>	<b>-10.11</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-4.37</b>	<b>03/01/2007</b>
US Value/Mid Cap Equity (SA+CF) Median	-9.91	-9.91	-20.27	0.97	9.63	3.36	17.40	11.03	20.15	37.22	N/A	
<b>Percentile Rank</b>	<b>29</b>	<b>29</b>	<b>9</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>BGI Mid Cap Equity Index A (CF) - Net</b>	<b>-10.88</b>	<b>-10.88</b>	<b>-16.57</b>	<b>1.89</b>	N/A	<b>8.10</b>	<b>10.46</b>	<b>12.71</b>	N/A	N/A	<b>3.88</b>	<b>01/01/2005</b>
S&P Mid Cap 400 Index (Cap Wtd)	-10.87	-10.87	-16.68	1.78	8.65	7.98	10.32	12.55	16.50	35.64	3.76	
<i>Difference</i>	-0.01	-0.01	0.11	0.11	N/A	0.12	0.14	0.16	N/A	N/A	0.12	
<b>BGI Mid Cap Equity Index A (CF) - Gross</b>	<b>-10.81</b>	<b>-10.81</b>	<b>-16.48</b>	<b>1.93</b>	N/A	<b>8.12</b>	<b>10.46</b>	<b>12.71</b>	N/A	N/A	<b>3.91</b>	<b>01/01/2005</b>
US Core/Mid Cap Equity (SA+CF) Median	-12.68	-12.68	-20.10	1.81	8.72	8.05	12.21	12.65	18.25	35.69	N/A	
<b>Percentile Rank</b>	<b>26</b>	<b>26</b>	<b>17</b>	<b>43</b>	N/A	<b>44</b>	<b>69</b>	<b>48</b>	N/A	N/A	N/A	
<b>Martingale Asset Mgmt. (SA) - Net</b>	<b>-17.66</b>	<b>-17.66</b>	<b>-25.04</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-14.98</b>	<b>03/01/2007</b>
R Mid Cap Index	-12.91	-12.91	-22.36	0.09	8.62	5.60	15.26	12.65	20.22	40.06	-11.72	
<i>Difference</i>	-4.75	-4.75	-2.68	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-3.26	
<b>Martingale Asset Mgmt. (SA) - Gross</b>	<b>-17.55</b>	<b>-17.55</b>	<b>-24.64</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-14.52</b>	<b>03/01/2007</b>
US Core/Mid Cap Equity (SA+CF) Median	-12.68	-12.68	-20.10	1.81	8.72	8.05	12.21	12.65	18.25	35.69	N/A	
<b>Percentile Rank</b>	<b>84</b>	<b>84</b>	<b>78</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

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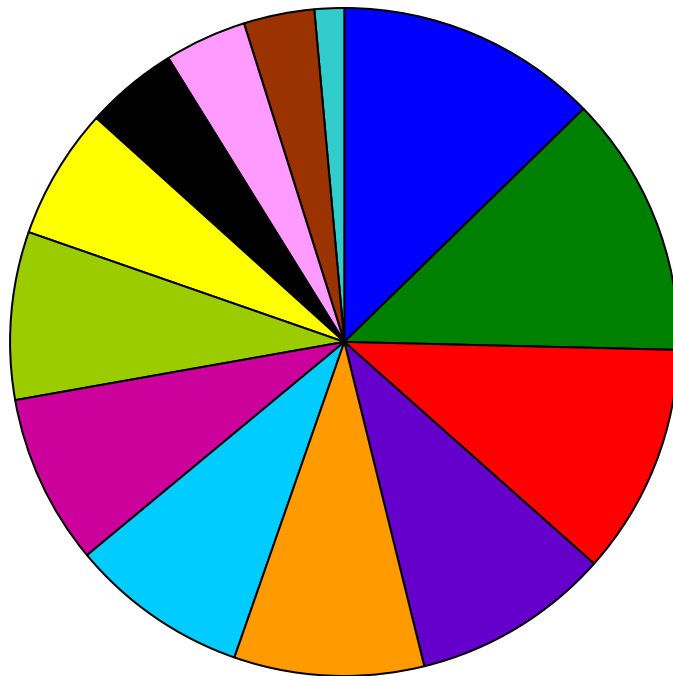
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	1 Quarter	Jul-2008 To Sep-2008	1 Year	3 Years	5 Years	2007	2006	2005	2004	2003	Since Inception	Inception Date
<b>TimesSquare Capital Mgmt. (SA) - Net</b>	<b>-10.50</b>	<b>-10.50</b>	<b>-17.43</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-6.13</b>	03/01/2007
R Mid Cap Growth Index	-17.75	-17.75	-24.65	-0.75	6.53	11.43	10.66	12.10	15.48	42.71	-11.38	
<i>Difference</i>	7.25	7.25	7.22	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.25	
<b>TimesSquare Capital Mgmt. (SA) - Gross</b>	<b>-10.34</b>	<b>-10.34</b>	<b>-16.91</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-5.50</b>	03/01/2007
US Growth/Mid Cap Equity (SA+CF) Median	-16.69	-16.69	-22.04	1.54	8.03	17.23	10.51	12.15	15.64	37.27	N/A	
<b>Percentile Rank</b>	<b>17</b>	<b>17</b>	<b>16</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>Vaughan Nelson Mgmt. (SA) - Net</b>	<b>-4.72</b>	<b>-4.72</b>	<b>-7.90</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-0.03</b>	03/01/2007
R 2000 Value Index	4.96	4.96	-12.25	2.00	9.45	-9.78	23.48	4.71	22.25	46.03	-9.64	
<i>Difference</i>	-9.68	-9.68	4.35	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9.61	
<b>Vaughan Nelson Mgmt. (SA) - Gross</b>	<b>-4.52</b>	<b>-4.52</b>	<b>-7.09</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>0.83</b>	03/01/2007
US Value/Small Cap Equity (SA+CF) Median	-1.76	-1.76	-15.70	1.59	9.69	-2.31	18.72	8.05	22.19	45.33	N/A	
<b>Percentile Rank</b>	<b>68</b>	<b>68</b>	<b>7</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>DFA US Small Cap Trust (CF) - Net</b>	<b>-0.40</b>	<b>-0.40</b>	<b>-16.55</b>	<b>0.73</b>	<b>8.45</b>	<b>-3.01</b>	<b>16.91</b>	<b>7.47</b>	<b>20.27</b>	N/A	<b>13.98</b>	03/01/2003
R 2000 Index	-1.11	-1.11	-14.48	1.83	8.15	-1.57	18.37	4.55	18.33	47.25	13.39	
<i>Difference</i>	0.71	0.71	-2.07	-1.10	0.30	-1.44	-1.46	2.92	1.94	N/A	0.59	
<b>DFA US Small Cap Trust (CF) - Gross</b>	<b>-0.32</b>	<b>-0.32</b>	<b>-16.19</b>	<b>1.09</b>	<b>8.68</b>	<b>-2.55</b>	<b>17.33</b>	<b>7.47</b>	<b>20.27</b>	N/A	<b>14.20</b>	03/01/2003
US Core/Small Cap Equity (SA+CF) Median	-3.68	-3.68	-17.02	0.79	8.48	-1.13	16.19	7.83	20.72	44.96	N/A	
<b>Percentile Rank</b>	<b>19</b>	<b>19</b>	<b>43</b>	<b>44</b>	<b>49</b>	<b>68</b>	<b>37</b>	<b>56</b>	<b>55</b>	N/A	N/A	
<b>NorthPointe Capital (SA) - Net</b>	<b>-13.99</b>	<b>-13.99</b>	<b>-34.85</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-18.83</b>	03/01/2007
R 2000 Growth Index	-6.99	-6.99	-17.07	1.45	6.64	7.05	13.35	4.15	14.31	48.54	-6.90	
<i>Difference</i>	-7.00	-7.00	-17.78	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-11.93	
<b>NorthPointe Capital (SA) - Gross</b>	<b>-13.83</b>	<b>-13.83</b>	<b>-34.42</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-18.38</b>	03/01/2007
US Growth/Small Cap Equity (SA+CF) Median	-10.16	-10.16	-22.23	1.05	6.95	11.02	11.89	7.60	13.65	47.88	N/A	
<b>Percentile Rank</b>	<b>78</b>	<b>78</b>	<b>98</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

Performance is annualized for periods greater than one year.

**Montana Board of Investments  
Asset Allocation  
Montana International Equity Pool  
As of September 30, 2008**

September 30, 2008 : \$1,097,440,270



Manager	Market Value (\$)	Allocation (%)
Battery March International Equity (SA)	139,399,681	12.70
Artio Int'l Equity II (SA)	139,179,371	12.68
BGI MSCI Europe Index (CF)	122,898,657	11.20
Acadian Asset Non-US Equity (SA)	105,528,464	9.62
AllianceBernstein International Value (SA)	99,990,436	9.11
Martin Currie (SA)	95,232,927	8.68
BGI Global Ex-US Alpha Tilts A (CF)	90,188,311	8.22
Hansberger Global Investors (SA)	89,374,501	8.14
Nomura Asset Management (SA)	69,421,741	6.33
Principal Global Investors (SA)	49,195,926	4.48
DFA Intl Small Company (DFISX)	44,084,682	4.02
AXA Rosenberg Int'l Small Cap (CF)	36,798,734	3.35
International Equity Pool SPIF	16,146,839	1.47

Allocation shown may not sum up to 100% exactly due to rounding. Market values do not include pending trades.

**Montana Board of Investments  
Comparative Performance  
International Equity Managers  
As of September 30, 2008**

	1 Quarter	Jul-2008 To Sep-2008	1 Year	3 Years	5 Years	2007	2006	2005	2004	2003	Since Inception	Inception Date
<b>Acadian Asset Non-US Equity (SA) - Net</b>	<b>-24.98</b>	<b>-24.98</b>	<b>-37.77</b>	N/A	N/A	12.73	N/A	N/A	N/A	N/A	<b>-10.90</b>	11/01/2006
MSCI ACW Ex US Value Index (Net)	-19.88	-19.88	-31.25	2.07	12.05	12.31	29.74	16.53	25.08	47.34	-8.50	
<i>Difference</i>	-5.10	-5.10	-6.52	N/A	N/A	0.42	N/A	N/A	N/A	N/A	-2.40	
<b>Acadian Asset Non-US Equity (SA) - Gross</b>	<b>-24.88</b>	<b>-24.88</b>	<b>-37.43</b>	N/A	N/A	13.46	N/A	N/A	N/A	N/A	<b>-10.41</b>	11/01/2006
Int'l Active Value Equity (SA+CF) Median	-17.37	-17.37	-27.60	3.08	11.32	11.02	28.57	14.76	23.75	42.37	N/A	
<b>Percentile Rank</b>	<b>96</b>	<b>96</b>	<b>99</b>	N/A	N/A	<b>26</b>	N/A	N/A	N/A	N/A	N/A	
<b>AllianceBernstein Int'l Value (SA) - Net</b>	<b>-24.74</b>	<b>-24.74</b>	<b>-35.63</b>	N/A	N/A	13.09	N/A	N/A	N/A	N/A	<b>-10.20</b>	11/01/2006
MSCI ACW Ex US Value Index (Net)	-19.88	-19.88	-31.25	2.07	12.05	12.31	29.74	16.53	25.08	47.34	-8.50	
<i>Difference</i>	-4.86	-4.86	-4.38	N/A	N/A	0.78	N/A	N/A	N/A	N/A	-1.70	
<b>AllianceBernstein Int'l Value (SA) - Gross</b>	<b>-24.64</b>	<b>-24.64</b>	<b>-35.26</b>	N/A	N/A	13.92	N/A	N/A	N/A	N/A	<b>-9.66</b>	11/01/2006
Int'l Active Value Equity (SA+CF) Median	-17.37	-17.37	-27.60	3.08	11.32	11.02	28.57	14.76	23.75	42.37	N/A	
<b>Percentile Rank</b>	<b>96</b>	<b>96</b>	<b>95</b>	N/A	N/A	<b>25</b>	N/A	N/A	N/A	N/A	N/A	
<b>Batterymarch Int'l Equity (SA) - Net</b>	<b>-25.41</b>	<b>-25.41</b>	<b>-34.45</b>	N/A	N/A	14.90	N/A	N/A	N/A	N/A	<b>-9.24</b>	11/01/2006
MSCI ACW Ex US Index (Net)	-21.91	-21.91	-30.32	2.64	11.34	16.65	26.65	16.62	20.91	40.83	-6.78	
<i>Difference</i>	-3.50	-3.50	-4.13	N/A	N/A	-1.75	N/A	N/A	N/A	N/A	-2.46	
<b>Batterymarch Int'l Equity (SA) - Gross</b>	<b>-25.35</b>	<b>-25.35</b>	<b>-34.25</b>	N/A	N/A	15.32	N/A	N/A	N/A	N/A	<b>-8.95</b>	11/01/2006
Int'l Active Core Equity (SA+CF) Median	-22.44	-22.44	-30.50	2.80	10.71	15.36	27.53	17.51	18.55	36.67	N/A	
<b>Percentile Rank</b>	<b>88</b>	<b>88</b>	<b>86</b>	N/A	N/A	<b>51</b>	N/A	N/A	N/A	N/A	N/A	
<b>Artio Int'l Equity II (SA) - Net</b>	<b>-23.41</b>	<b>-23.41</b>	<b>-29.46</b>	N/A	N/A	18.59	N/A	N/A	N/A	N/A	<b>-6.03</b>	11/01/2006
MSCI ACW Ex US Index (Net)	-21.91	-21.91	-30.32	2.64	11.34	16.65	26.65	16.62	20.91	40.83	-6.78	
<i>Difference</i>	-1.50	-1.50	0.86	N/A	N/A	1.94	N/A	N/A	N/A	N/A	0.75	
<b>Artio Int'l Equity II (SA) - Gross</b>	<b>-23.32</b>	<b>-23.32</b>	<b>-29.13</b>	N/A	N/A	19.25	N/A	N/A	N/A	N/A	<b>-5.58</b>	11/01/2006
Int'l Active Core Equity (SA+CF) Median	-22.44	-22.44	-30.50	2.80	10.71	15.36	27.53	17.51	18.55	36.67	N/A	
<b>Percentile Rank</b>	<b>66</b>	<b>66</b>	<b>28</b>	N/A	N/A	<b>17</b>	N/A	N/A	N/A	N/A	N/A	

Performance is annualized for periods greater than one year.

**Montana Board of Investments  
Comparative Performance  
International Equity Managers  
As of September 30, 2008**

	1 Quarter	Jul-2008 To Sep-2008	1 Year	3 Years	5 Years	2007	2006	2005	2004	2003	Since Inception	Inception Date
<b>BGI Global Ex-US Alpha Tilts A (CF) - Net</b>	<b>-23.07</b>	<b>-23.07</b>	<b>-31.54</b>	N/A	N/A	13.84	N/A	N/A	N/A	N/A	<b>-6.02</b>	10/01/2006
MSCI ACW Ex US Index (Net)	-21.91	-21.91	-30.32	2.64	11.34	16.65	26.65	16.62	20.91	40.83	-4.63	
<i>Difference</i>	-1.16	-1.16	-1.22	N/A	N/A	-2.81	N/A	N/A	N/A	N/A	-1.39	
<b>BGI Global Ex-US Alpha Tilts A (CF) - Gross</b>	<b>-22.98</b>	<b>-22.98</b>	<b>-31.21</b>	N/A	N/A	14.39	N/A	N/A	N/A	N/A	<b>-5.60</b>	10/01/2006
Int'l Active Core Equity (SA+CF) Median	-22.44	-22.44	-30.50	2.80	10.71	15.36	27.53	17.51	18.55	36.67	N/A	
<b>Percentile Rank</b>	<b>65</b>	<b>65</b>	<b>59</b>	N/A	N/A	<b>56</b>	N/A	N/A	N/A	N/A	N/A	
<b>Martin Currie (SA) - Net</b>	<b>-24.03</b>	<b>-24.03</b>	<b>-34.71</b>	N/A	N/A	19.21	N/A	N/A	N/A	N/A	<b>-8.13</b>	11/01/2006
MSCI ACW Ex US Growth Index (Net)	-23.88	-23.88	-29.45	3.16	10.56	21.03	23.61	16.71	16.73	34.42	-5.10	
<i>Difference</i>	-0.15	-0.15	-5.26	N/A	N/A	-1.82	N/A	N/A	N/A	N/A	-3.03	
<b>Martin Currie (SA) - Gross</b>	<b>-23.92</b>	<b>-23.92</b>	<b>-34.44</b>	N/A	N/A	19.66	N/A	N/A	N/A	N/A	<b>-7.79</b>	11/01/2006
Int'l Active Growth Equity (SA+CF) Median	-23.02	-23.02	-30.25	2.62	10.38	17.76	25.23	17.32	17.82	34.26	N/A	
<b>Percentile Rank</b>	<b>64</b>	<b>64</b>	<b>86</b>	N/A	N/A	<b>42</b>	N/A	N/A	N/A	N/A	N/A	
<b>Hansberger Global Investors (SA) - Net</b>	<b>-24.28</b>	<b>-24.28</b>	<b>-31.89</b>	N/A	N/A	19.96	N/A	N/A	N/A	N/A	<b>-7.40</b>	11/01/2006
MSCI ACW Ex US Growth Index (Net)	-23.88	-23.88	-29.45	3.16	10.56	21.03	23.61	16.71	16.73	34.42	-5.10	
<i>Difference</i>	-0.40	-0.40	-2.44	N/A	N/A	-1.07	N/A	N/A	N/A	N/A	-2.30	
<b>Hansberger Global Investors (SA) - Gross</b>	<b>-24.18</b>	<b>-24.18</b>	<b>-31.53</b>	N/A	N/A	20.71	N/A	N/A	N/A	N/A	<b>-6.90</b>	11/01/2006
Int'l Active Growth Equity (SA+CF) Median	-23.02	-23.02	-30.25	2.62	10.38	17.76	25.23	17.32	17.82	34.26	N/A	
<b>Percentile Rank</b>	<b>67</b>	<b>67</b>	<b>69</b>	N/A	N/A	<b>34</b>	N/A	N/A	N/A	N/A	N/A	
<b>Principal Global Investors (SA) - Net</b>	<b>-28.01</b>	<b>-28.01</b>	<b>-34.65</b>	N/A	N/A	14.11	N/A	N/A	N/A	N/A	<b>-10.31</b>	11/01/2006
MSCI ACW Ex US Growth Index (Net)	-23.88	-23.88	-29.45	3.16	10.56	21.03	23.61	16.71	16.73	34.42	-5.10	
<i>Difference</i>	-4.13	-4.13	-5.20	N/A	N/A	-6.92	N/A	N/A	N/A	N/A	-5.21	
<b>Principal Global Investors (SA) - Gross</b>	<b>-27.91</b>	<b>-27.91</b>	<b>-34.30</b>	N/A	N/A	14.72	N/A	N/A	N/A	N/A	<b>-9.86</b>	11/01/2006
Int'l Active Growth Equity (SA+CF) Median	-23.02	-23.02	-30.25	2.62	10.38	17.76	25.23	17.32	17.82	34.26	N/A	
<b>Percentile Rank</b>	<b>85</b>	<b>85</b>	<b>86</b>	N/A	N/A	<b>71</b>	N/A	N/A	N/A	N/A	N/A	

Performance is annualized for periods greater than one year.

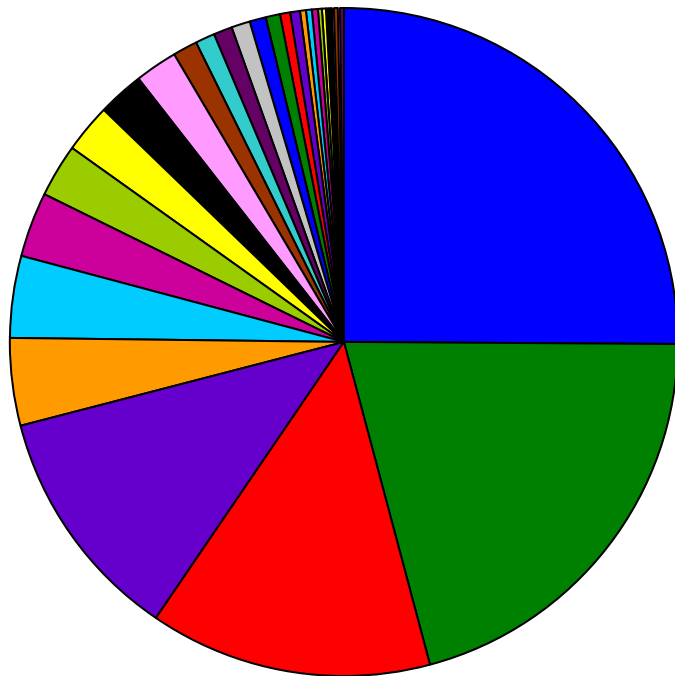
**Montana Board of Investments  
Comparative Performance  
International Equity Managers  
As of September 30, 2008**

	1 Quarter	Jul-2008 To Sep-2008	1 Year	3 Years	5 Years	2007	2006	2005	2004	2003	Since Inception	Inception Date
<b>BGI MSCI Europe Index (CF) - Net</b>	<b>-20.75</b>	<b>-20.75</b>	<b>-30.64</b>	2.83	11.30	14.12	34.09	9.77	21.26	N/A	12.64	05/01/2003
MSCI Eur Index (Net)	-20.77	-20.77	-30.93	2.51	10.96	13.86	33.72	9.42	20.88	38.54	12.35	
<i>Difference</i>	0.02	0.02	0.29	0.32	0.34	0.26	0.37	0.35	0.38	N/A	0.29	
<b>BGI MSCI Europe Index (CF) - Gross</b>	<b>-20.73</b>	<b>-20.73</b>	<b>-30.57</b>	2.87	11.33	14.18	34.09	9.77	21.26	N/A	12.67	05/01/2003
European Equity (SA+CF) Median	-21.78	-21.78	-31.67	2.89	12.41	12.80	34.88	11.21	22.83	39.44	N/A	
<b>Percentile Rank</b>	<b>43</b>	<b>43</b>	<b>48</b>	<b>51</b>	<b>62</b>	<b>39</b>	<b>62</b>	<b>74</b>	<b>62</b>	<b>N/A</b>	<b>N/A</b>	
<b>Nomura Asset Management (SA) - Net</b>	<b>-22.01</b>	<b>-22.01</b>	<b>-33.94</b>	<b>-0.19</b>	N/A	15.41	14.38	25.24	18.85	N/A	7.83	12/01/2003
MSCI AC Pacific Index (Net)	-21.22	-21.22	-32.66	-0.26	7.99	12.35	15.67	23.02	18.21	39.84	7.50	
<i>Difference</i>	-0.79	-0.79	-1.28	0.07	N/A	3.06	-1.29	2.22	0.64	N/A	0.33	
<b>Nomura Asset Management (SA) - Gross</b>	<b>-21.92</b>	<b>-21.92</b>	<b>-33.62</b>	<b>0.19</b>	N/A	15.91	14.69	25.45	18.89	N/A	8.11	12/01/2003
Pacific Basin Equity (SA+CF) Median	-19.60	-19.60	-30.71	2.19	N/A	19.65	18.87	20.61	20.04	42.34	N/A	
<b>Percentile Rank</b>	<b>83</b>	<b>83</b>	<b>87</b>	<b>78</b>	<b>N/A</b>	<b>62</b>	<b>70</b>	<b>36</b>	<b>72</b>	<b>N/A</b>	<b>N/A</b>	
<b>AXA Rosenberg Int'l Small Cap (CF) - Net</b>	<b>-26.15</b>	<b>-26.15</b>	<b>-35.28</b>	N/A	N/A	1.48	N/A	N/A	N/A	N/A	<b>-10.12</b>	10/01/2006
S&P/Citi Wrl'd Ext Mkt Ex US Index (Gross)	-23.68	-23.68	-34.46	0.58	11.64	7.32	29.42	22.10	28.76	53.73	-8.85	
<i>Difference</i>	-2.47	-2.47	-0.82	N/A	N/A	-5.84	N/A	N/A	N/A	N/A	-1.27	
<b>AXA Rosenberg Int'l Small Cap (CF) - Gross</b>	<b>-26.03</b>	<b>-26.03</b>	<b>-34.83</b>	N/A	N/A	2.10	N/A	N/A	N/A	N/A	<b>-9.54</b>	10/01/2006
Int'l Small Cap Equity (SA+CF) Median	-25.03	-25.03	-35.04	1.16	13.40	7.57	29.50	26.08	29.88	57.61	N/A	
<b>Percentile Rank</b>	<b>63</b>	<b>63</b>	<b>45</b>	<b>N/A</b>	<b>N/A</b>	<b>80</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	
<b>DFA Intl Small Company (DFISX) - Net</b>	<b>-22.43</b>	<b>-22.43</b>	<b>-32.52</b>	<b>0.13</b>	N/A	5.63	24.80	22.24	N/A	N/A	6.75	11/01/2004
MSCI EAFE Sm Cap Index (Net)	-23.97	-23.97	-35.24	-3.87	9.28	1.45	19.31	26.19	31.45	61.34	4.27	
<i>Difference</i>	1.54	1.54	2.72	4.00	N/A	4.18	5.49	-3.95	N/A	N/A	2.48	
<b>DFA Intl Small Company (DFISX) - Gross</b>	<b>-22.32</b>	<b>-22.32</b>	<b>-32.13</b>	<b>0.69</b>	N/A	6.22	25.48	22.91	N/A	N/A	7.34	11/01/2004
Int'l Small Cap Equity (SA+CF) Median	-25.03	-25.03	-35.04	1.16	13.40	7.57	29.50	26.08	29.88	57.61	N/A	
<b>Percentile Rank</b>	<b>21</b>	<b>21</b>	<b>15</b>	<b>57</b>	<b>N/A</b>	<b>60</b>	<b>73</b>	<b>66</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	

Performance is annualized for periods greater than one year.

**Montana Board of Investments  
Asset Allocation  
Trust Accounts  
As of September 30, 2008**

September 30, 2008 : \$3,809,736,132



Manager	Market Value (\$)	Allocation (%)
State Fund Insurance	955,014,533	25.07
Treasurers	791,197,965	20.77
Permanent Coal Trust Fund	521,466,099	13.69
Trust and Legacy Account	435,383,568	11.43
UCFRB Restoration Fund	159,813,446	4.19
Treasure State Endowment	153,091,972	4.02
Montana State University	119,792,948	3.14
Resource Indemnity Trust	98,370,630	2.58
Tobacco Trust Fund	88,370,800	2.32
University of Montana	85,558,166	2.25
Streamside Tailings Operable Unit	79,180,150	2.08
Group Benefits	44,056,318	1.16
Treasure State Reg. Water System	37,857,710	0.99
FWP License Account	34,416,339	0.90
Big Sky Economic Development Fund	33,928,526	0.89
Montana Pole	29,030,654	0.76
Old Fund Insurance	27,968,896	0.73
Coal Tax Park Acquisition	17,951,971	0.47
UCFRB Assess/Litig Cost Rec	17,647,483	0.46
FWP Mitigation Trust Fund	11,072,626	0.29
Coal Tax Cultural Trust Fund	10,109,091	0.27
Zortman/Landusky LT H2O	9,797,144	0.26
Weed Control Trust	9,388,529	0.25
Older Montanans Trust	7,922,113	0.21
Wildlife Habitat Trust	7,806,376	0.20
Montana Tech-UM Agency Funds	6,496,515	0.17
Z/L Long Term H2O Trust Fund	5,553,236	0.15
Abandoned Mine Trust	5,005,966	0.13
FWP Real Property Trust	4,946,102	0.13
Endowment for Children	1,029,686	0.03
Subsequent Injury Fund	510,571	0.01

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

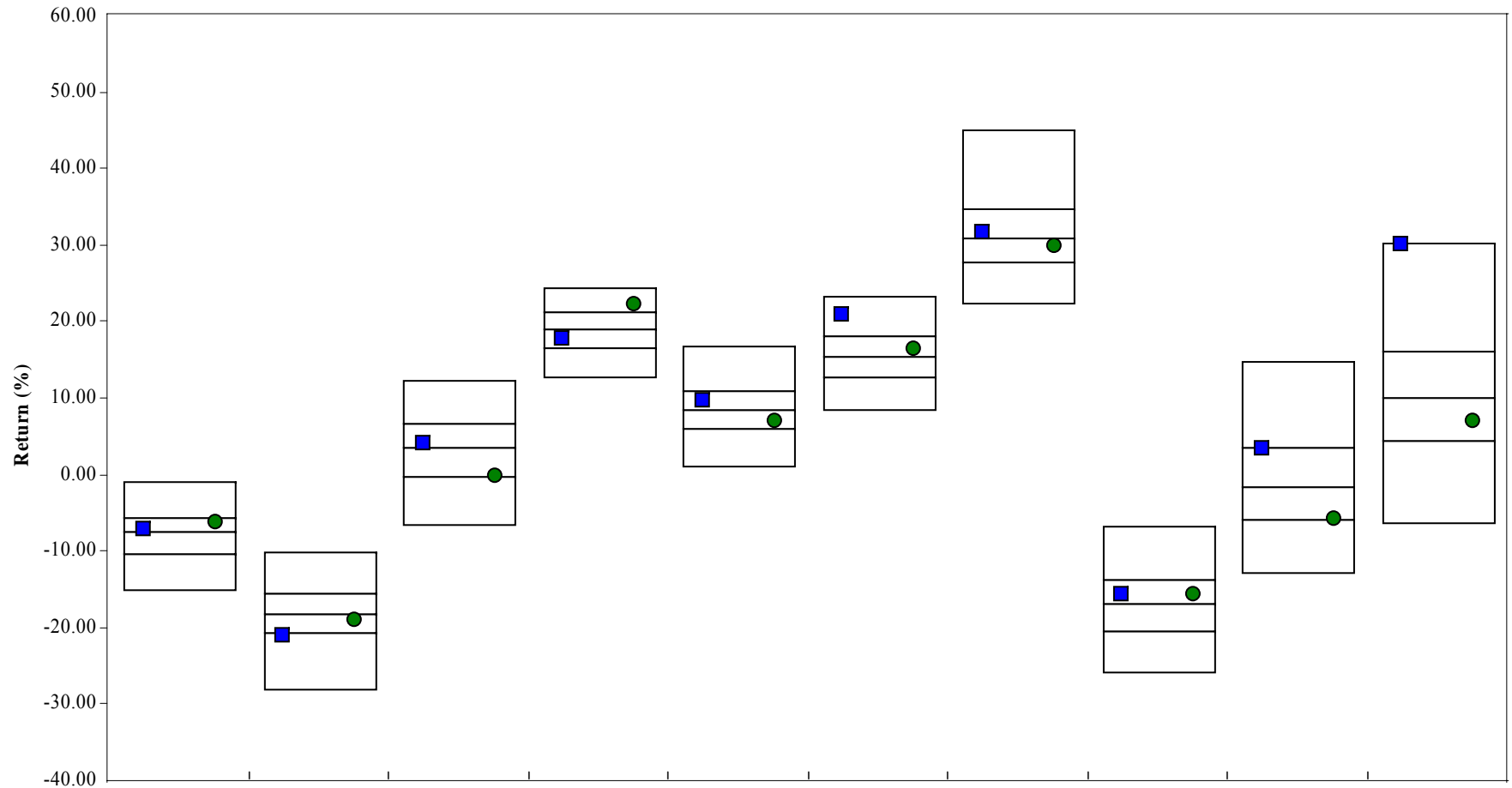


**Montana Board of Investments  
Comparative Performance  
Trust Accounts  
As of September 30, 2008**

	1 Quarter	Jul-2008 To Sep-2008	1 Year	3 Years	5 Years	10 Years	2007	2006	2005	2004	2003
Group Benefits	-0.68	-0.68	1.93	3.98	3.16	4.35	5.81	4.92	2.85	1.48	2.73
Subsequent Injury Fund	-22.89	-22.89	-20.19	-4.19	-1.88	2.32	6.56	5.01	1.94	1.85	3.09
State Fund Insurance	-4.34	-4.34	-3.17	2.70	3.34	4.74	6.63	6.06	2.53	4.82	7.24
Old Fund Insurance	-0.29	-0.29	3.25	4.55	3.42	4.98	6.73	4.86	2.36	1.72	3.98
Abandoned Mine Trust	-6.90	-6.90	-3.78	1.92	1.90	4.04	6.55	4.70	2.49	1.82	2.96
Trust and Legacy Account	-2.25	-2.25	1.31	3.71	4.19	5.67	6.76	5.17	4.15	5.48	7.07
Endowment for Children	-2.10	-2.10	1.24	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FWP Mitigation Trust Fund	-7.64	-7.64	-4.68	1.61	1.64	3.70	6.50	4.85	2.21	1.78	2.71
FWP Real Property Trust	-2.14	-2.14	1.38	3.73	3.45	4.94	6.67	5.11	3.48	3.01	3.72
Montana Pole	-1.98	-1.98	1.45	3.78	3.61	4.86	6.52	5.09	3.51	3.43	4.13
Older Montanans Trust	-2.21	-2.21	0.90	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Streamside Tailings Operable Unit	-1.55	-1.55	2.07	4.19	4.26	N/A	7.29	5.15	3.93	4.61	5.31
UCFRB Restoration Fund	-2.00	-2.00	1.53	3.78	4.12	N/A	6.77	5.08	4.00	5.07	6.93
UCFRB Assess/Litig Cost Rec	-2.17	-2.17	1.43	3.74	4.23	N/A	6.76	5.15	4.21	5.50	7.18
Weed Control Trust	-4.84	-4.84	-1.40	2.75	2.39	4.32	6.91	4.66	2.40	1.83	3.32
Wildlife Habitat Trust	-2.14	-2.14	1.41	3.78	3.62	4.94	6.74	5.18	3.66	3.43	3.69
Tobacco Trust Fund	-2.28	-2.28	1.33	3.75	4.26	N/A	6.83	5.21	4.03	5.83	6.60
Zortman/Landusky LT H2O	0.85	0.85	9.42	5.49	6.54	N/A	10.56	2.88	7.59	10.77	5.89
Z/L Long Term H2O Trust Fund	1.95	1.95	10.34	7.62	N/A	N/A	11.41	6.48	N/A	N/A	N/A
Resource Indemnity Trust	-2.28	-2.28	1.28	3.69	4.20	5.67	6.76	5.15	4.20	5.51	7.18
Coal Tax Park Acquisition	-2.27	-2.27	1.27	3.68	4.17	5.66	6.71	5.13	4.21	5.42	7.14
Coal Tax Cultural Trust Fund	-2.26	-2.26	1.30	3.73	4.21	5.66	6.71	5.16	4.41	5.40	7.05
Permanent Coal Trust Fund	-0.92	-0.92	2.70	4.38	4.78	5.65	6.22	5.41	5.00	5.60	6.57
Treasure State Reg. Water System	-2.29	-2.29	1.28	3.68	4.18	N/A	6.72	5.15	4.22	5.45	6.74
Treasure State Endowment	-2.23	-2.23	1.35	3.77	4.33	5.48	6.77	5.23	4.39	5.67	6.90
Big Sky Economic Development Fund	-2.29	-2.29	1.28	3.68	N/A	N/A	6.71	5.15	N/A	N/A	N/A
Treasurers	0.58	0.58	3.71	4.54	3.45	4.05	5.56	4.89	2.72	1.32	1.89
FWP License Account	0.67	0.67	3.40	4.46	3.38	4.17	5.54	4.92	2.90	1.40	2.13
University of Montana	0.01	0.01	2.55	4.32	3.38	N/A	5.41	5.29	3.29	1.44	3.13
Montana Tech-UM Agency Funds	0.37	0.37	3.31	4.49	3.72	N/A	5.51	5.10	3.54	2.16	N/A
Montana State University	0.22	0.22	3.18	4.46	N/A	N/A	5.58	5.14	3.46	N/A	N/A

Performance shown is gross of fees. Performance is annualized for periods greater than one year.

**Montana Board of Investments**  
**US Value/Large Cap Equity (SA+CF)**  
**Peer Group Analysis**  
**As of September 30, 2008**

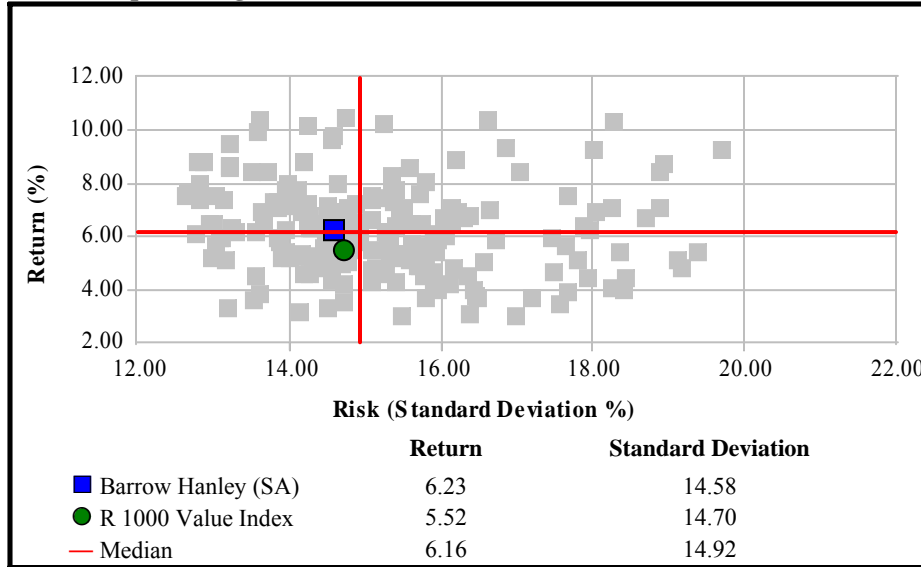


	1 Quarter	Year To Date	2007	2006	2005	2004	2003	2002	2001	2000
■ Barrow Hanley (SA)	-7.10 (46)	-20.87 (77)	4.13 (44)	17.82 (62)	9.80 (38)	21.04 (10)	31.80 (42)	-15.52 (40)	3.51 (25)	30.17 (5)
● R 1000 Value Index	-6.11 (30)	-18.85 (58)	-0.17 (75)	22.25 (16)	7.05 (64)	16.49 (39)	30.03 (57)	-15.52 (40)	-5.59 (73)	7.01 (67)
Median	-7.59	-18.29	3.51	18.93	8.32	15.40	30.80	-16.96	-1.73	10.03
Population	329	327	417	438	452	461	461	479	485	461

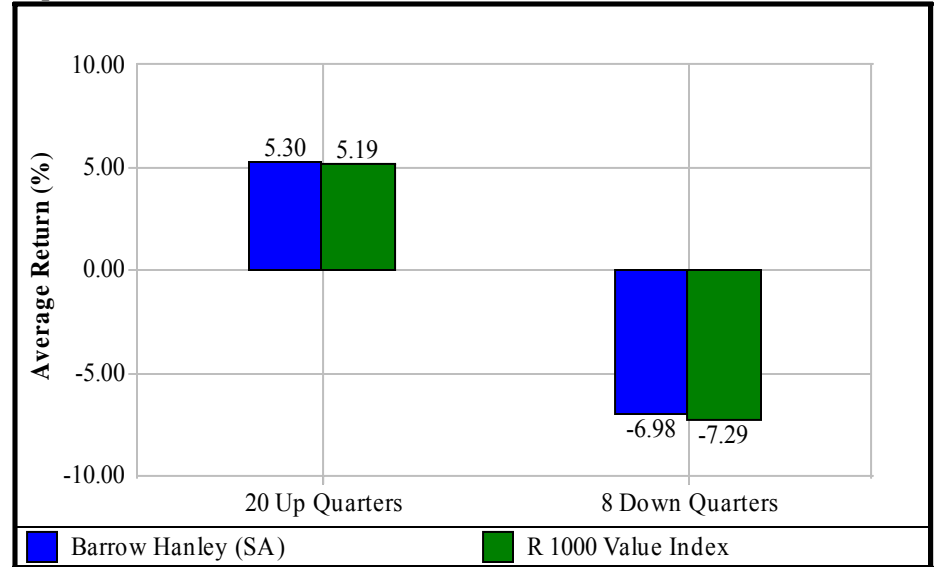
Performance shown is gross of fees. Parentheses contain percentile ranks.  
 Manager composite performance used for funds with less than 5 years of MBOI returns.

**Montana Board of Investments**  
**Barrow Hanley (SA) vs. US Value/Large Cap Equity (SA+CF)**  
 As of September 30, 2008

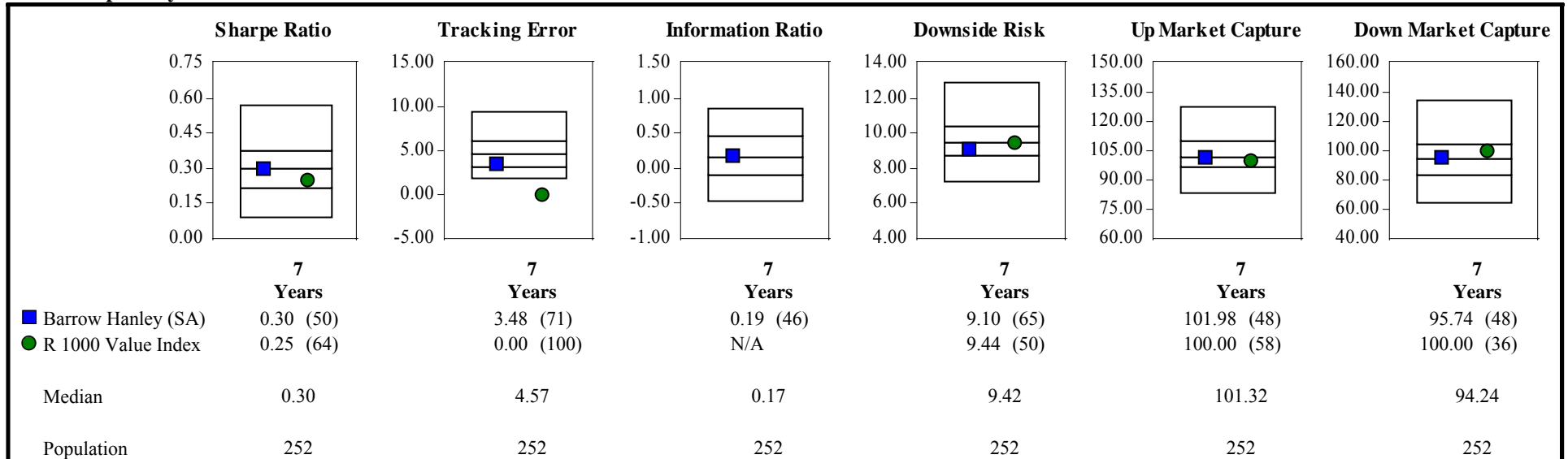
**Peer Group Scattergram - 7 Years**



**Up/Down Markets - 7 Years**



**Peer Group Analysis - Multi Statistics**

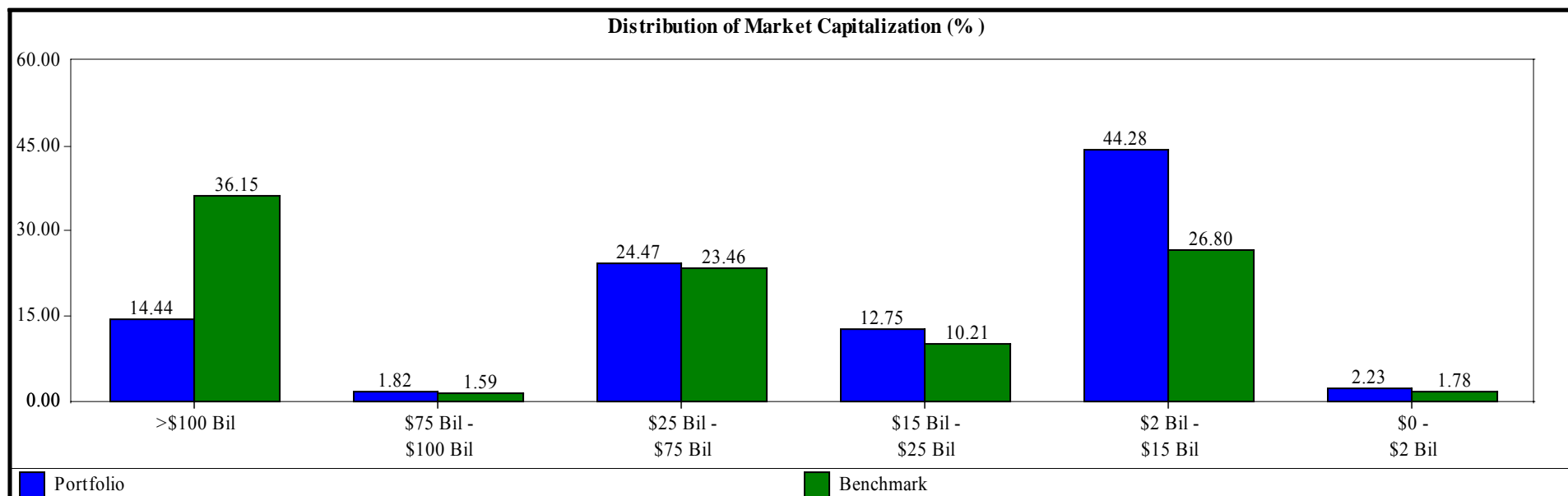


Performance shown is gross of fees. Calculation is based on quarterly periodicity. Parentheses contain percentile ranks.  
 Performance shown is manager composite.

**Montana Board of Investments**  
**Barrow Hanley (SA) vs. R 1000 Value Index**  
**Portfolio Characteristics**  
**As of September 30, 2008**

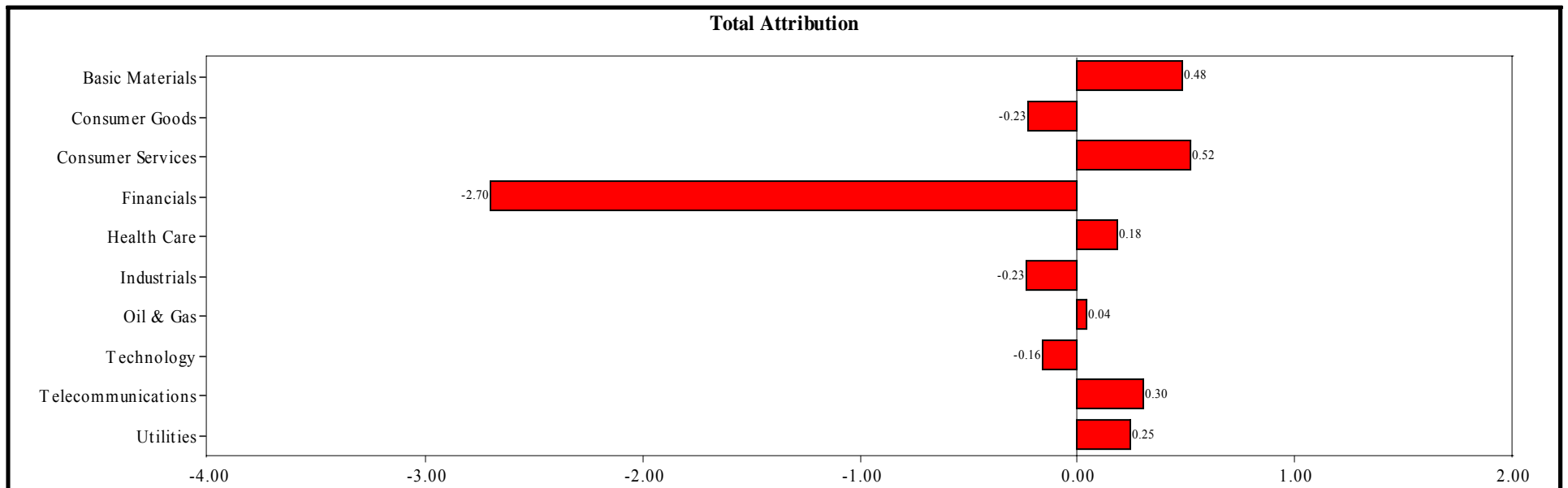
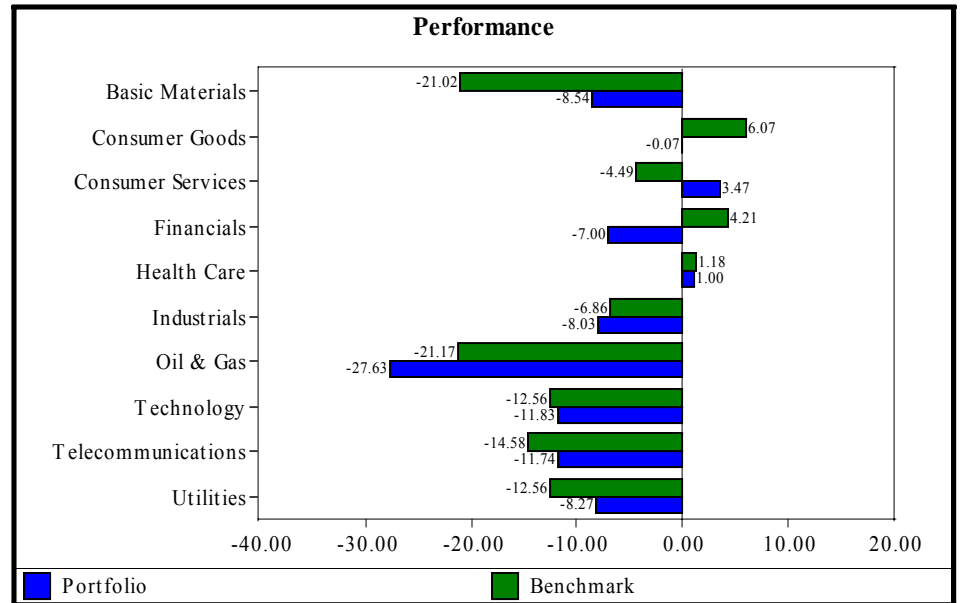
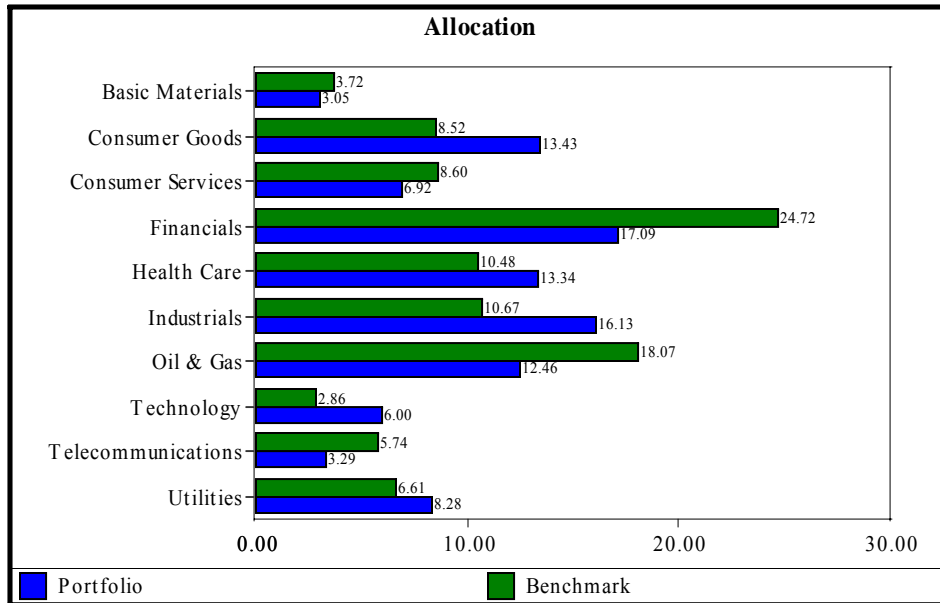
Top Ten Equity Holdings	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
L-3 COMMUNICATIONS	3.61	0.05	3.56	8.51
STANLEY WORKS	2.68	0.06	2.63	-6.18
ILLINOIS TOOL WORKS	2.22	0.34	1.88	-5.79
SLM CORPORATION	2.21	0.01	2.20	-36.23
BAXTER INTERNATIONAL INC.	2.02	0.00	2.02	2.98
INT'L BUSINESS MACHS	1.94	0.00	1.94	-0.92
MURPHY OIL CORPORATION	1.92	0.00	1.92	-34.38
OCCIDENTAL PETROLEUM	1.91	0.00	1.91	-21.24
CARNIVAL CORPORATION	1.90	0.21	1.69	8.41
VERIZON COMMUNICATIONS	1.82	1.59	0.23	-8.21
% of Portfolio	22.23	2.26		

Portfolio Characteristics	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	38,750	92,488
Median Mkt. Cap. (\$M)	15,033	4,023
Price/Earnings ratio	12.73	13.16
Price/Book ratio	2.04	1.90
5 Yr. EPS Growth Rate (%)	16.23	18.41
Current Yield (%)	3.41	3.42
Beta	-	1.00
Number of Stocks	85	662



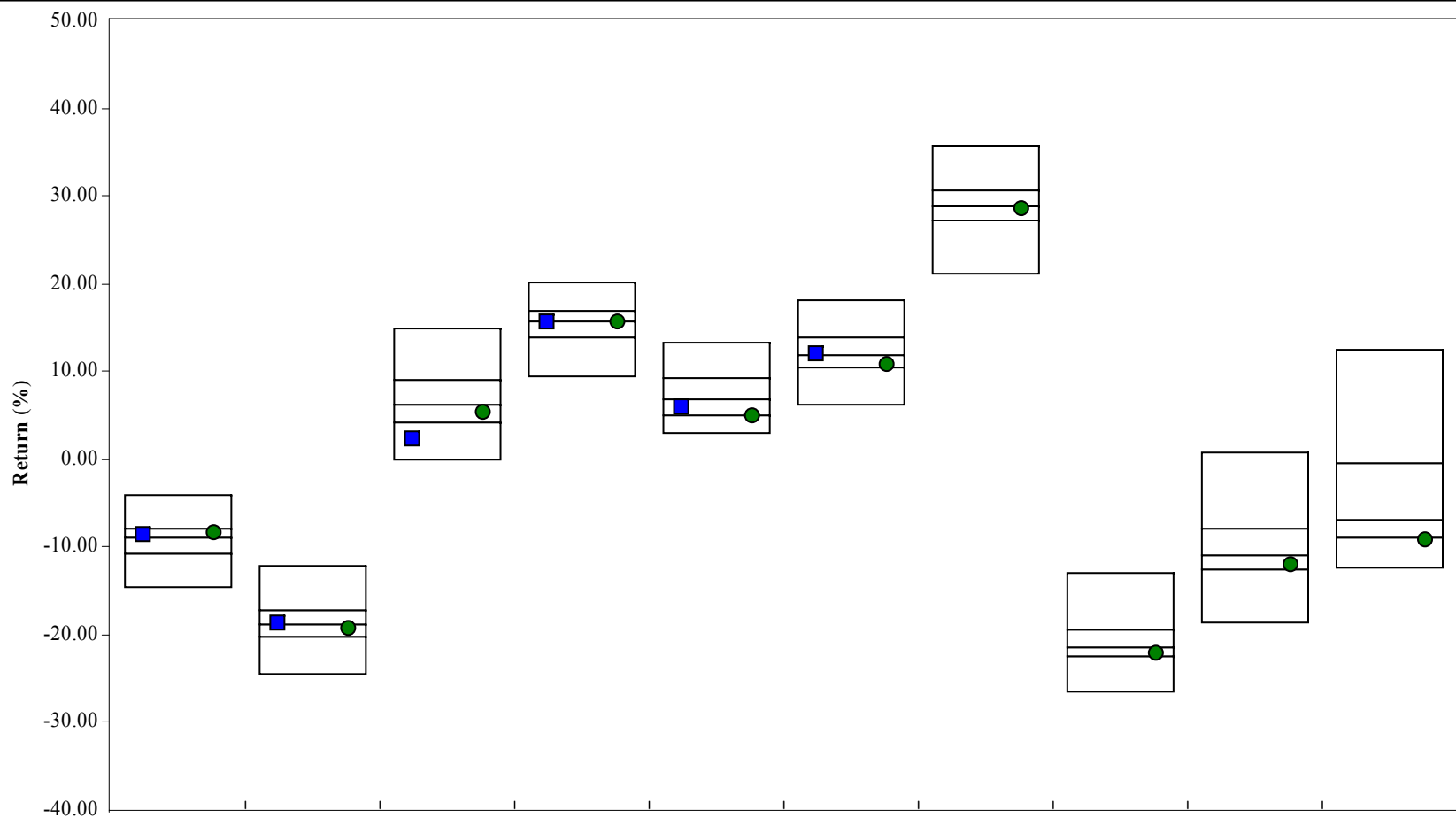
Beta is not calculated for funds with performance of less than 3 years.

**Montana Board of Investments**  
**Barrow Hanley (SA) vs. R 1000 Value Index**  
**Buy and Hold Sector Attribution Graph**  
**1 Quarter Ending September 30, 2008**



Sector attribution is calculated using the Industry Classification Benchmark (ICB).

**Montana Board of Investments  
US Core/Large Cap Equity (SA+CF)  
Peer Group Analysis  
As of September 30, 2008**

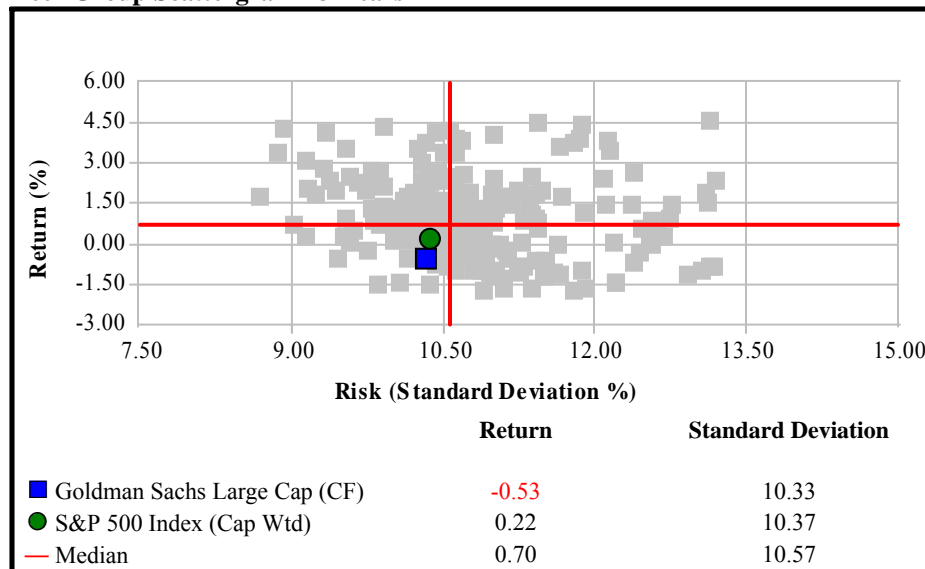


	1 Quarter	Year To Date	2007	2006	2005	2004	2003	2002	2001	2000
■ Goldman Sachs Large Cap (CF)	-8.49 (42)	-18.69 (48)	2.28 (87)	15.69 (52)	6.09 (60)	12.10 (45)	N/A	N/A	N/A	N/A
● S&P 500 Index (Cap Wtd)	-8.37 (39)	-19.29 (63)	5.49 (67)	15.80 (48)	4.91 (83)	10.88 (67)	28.68 (55)	-22.10 (69)	-11.89 (65)	-9.10 (80)
Median	-9.01	-18.81	6.22	15.75	6.78	11.76	28.80	-21.34	-10.97	-6.88
Population	377	375	458	451	439	429	424	443	440	420

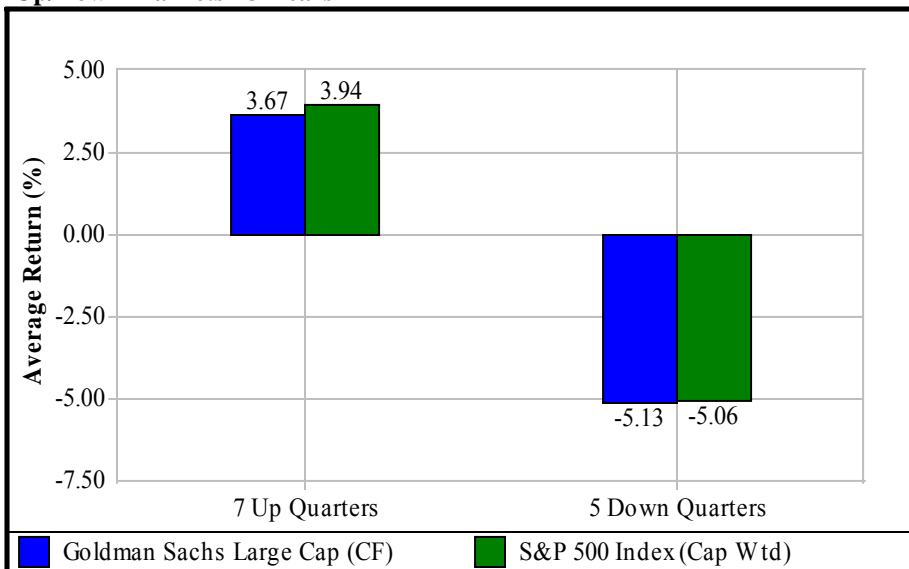
Performance shown is gross of fees. Parentheses contain percentile ranks.  
 Manager composite performance used for funds with less than 5 years of MBOI returns.

**Montana Board of Investments**  
**Goldman Sachs Large Cap (CF) vs. US Core/Large Cap Equity (SA+CF)**  
**As of September 30, 2008**

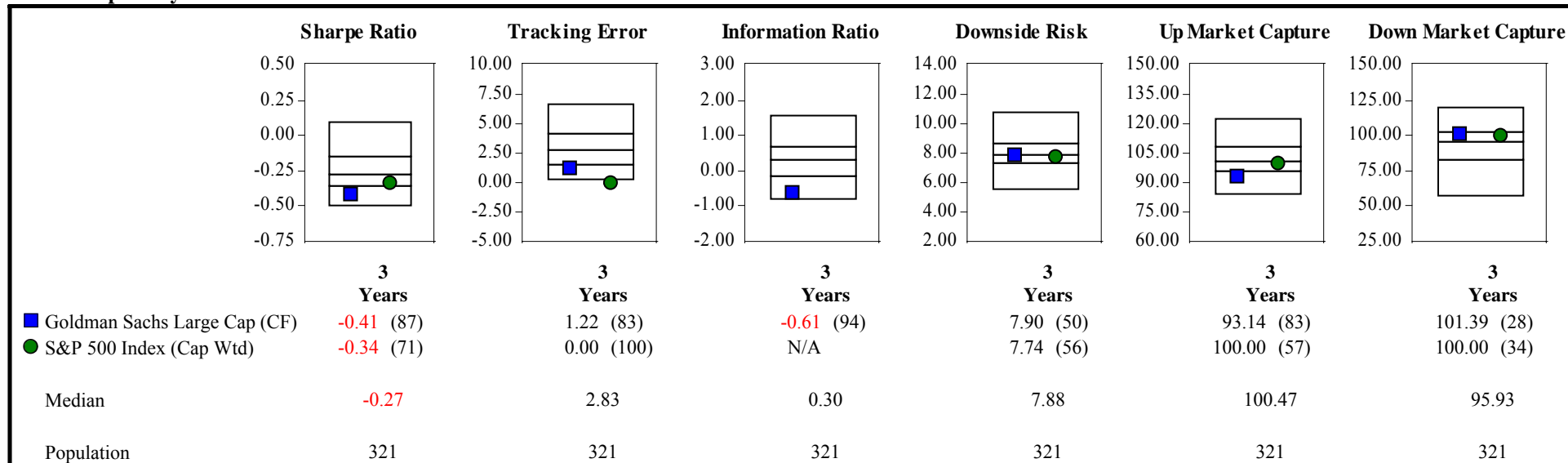
**Peer Group Scattergram - 3 Years**



**Up/Down Markets - 3 Years**



**Peer Group Analysis - Multi Statistics**

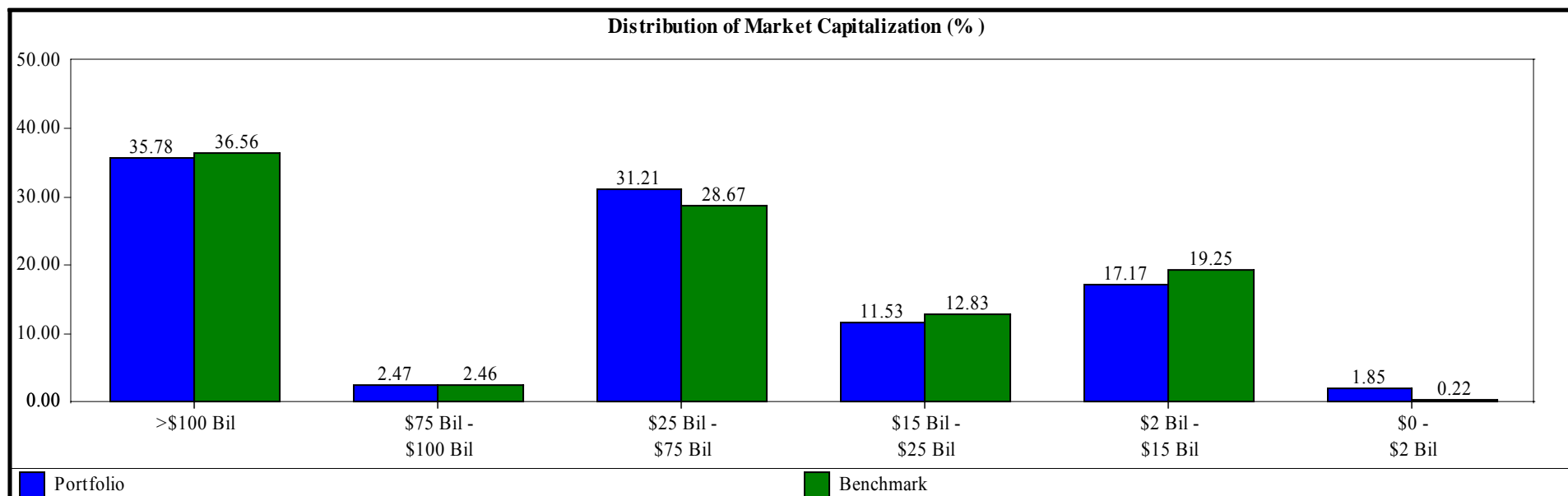


Performance shown is gross of fees. Calculation is based on quarterly periodicity. Parentheses contain percentile ranks.  
 Performance shown is manager composite.

**Montana Board of Investments**  
**Goldman Sachs Large Cap (CF) vs. S&P 500 Index (Cap Wtd)**  
**Portfolio Characteristics**  
**As of September 30, 2008**

Top Ten Equity Holdings	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
EXXON MOBIL CORPORATION	3.92	3.97	-0.04	-11.44
GENERAL ELECTRIC COMPANY	2.30	2.49	-0.19	-3.30
MICROSOFT CORPORATION	2.20	2.06	0.14	-2.59
PROCTER & GAMBLE CO (THE)	2.19	2.08	0.11	15.30
PFIZER INC.	2.07	1.22	0.84	7.32
JPMORGAN CHASE & CO.	1.93	1.69	0.24	37.38
AT&T INC.	1.83	1.62	0.21	-16.05
BANK OF AMERICA CORPORATION	1.71	1.57	0.14	49.31
JOHNSON & JOHNSON	1.65	1.90	-0.26	8.38
WELLS FARGO & COMPANY	1.41	1.22	0.19	59.80
% of Portfolio	21.21	19.82		

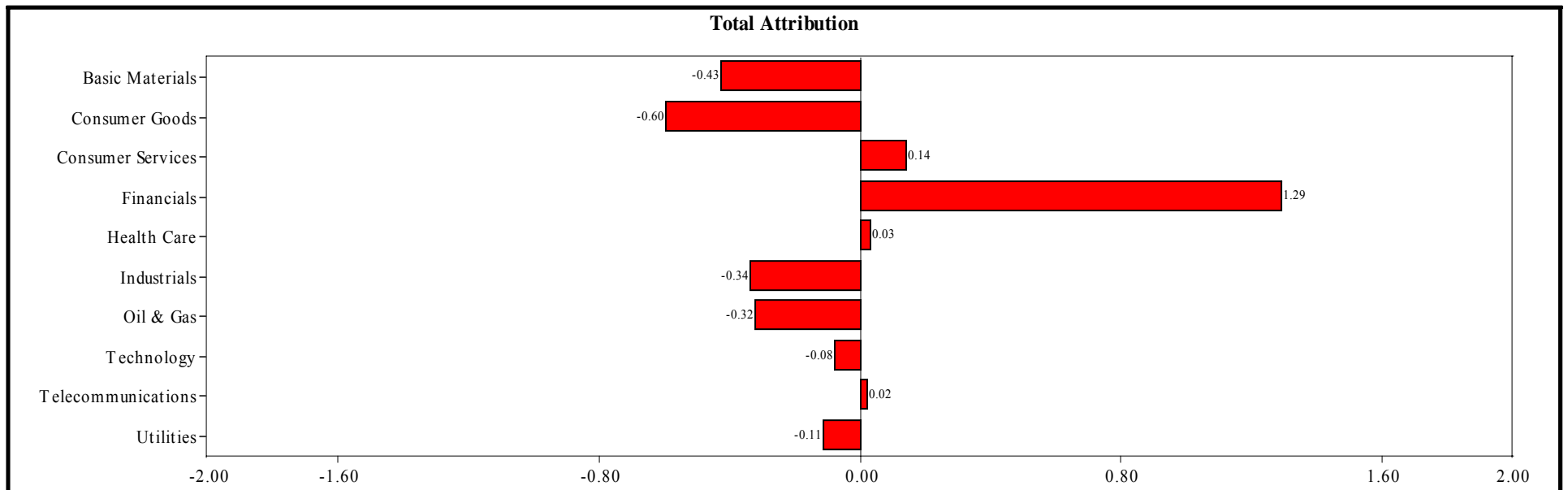
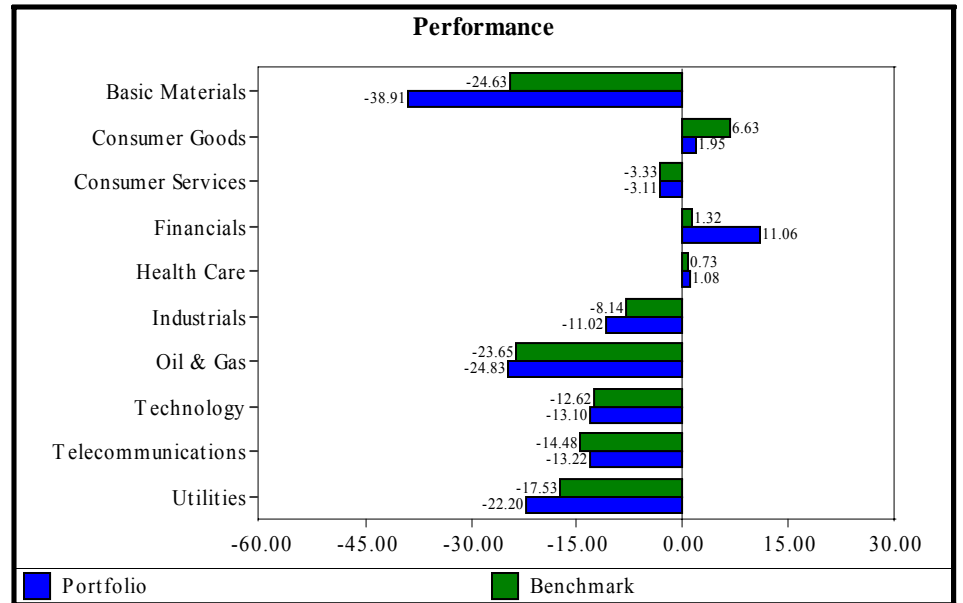
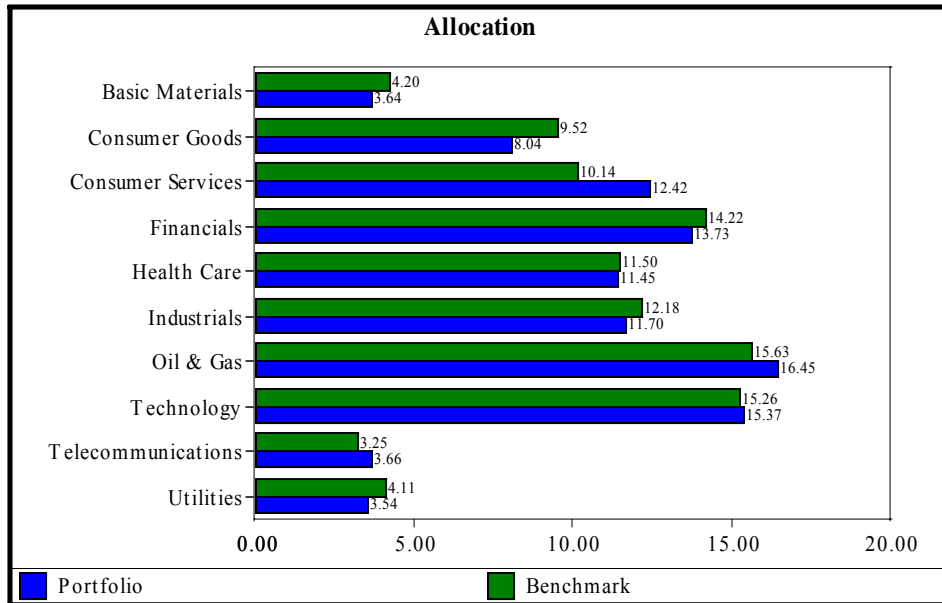
Portfolio Characteristics	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	88,156	89,010
Median Mkt. Cap. (\$M)	9,020	9,800
Price/Earnings ratio	14.96	14.63
Price/Book ratio	2.60	2.54
5 Yr. EPS Growth Rate (%)	23.63	22.26
Current Yield (%)	2.76	2.78
Beta	-	1.00
Number of Stocks	373	499



Beta is not calculated for funds with performance of less than 3 years.

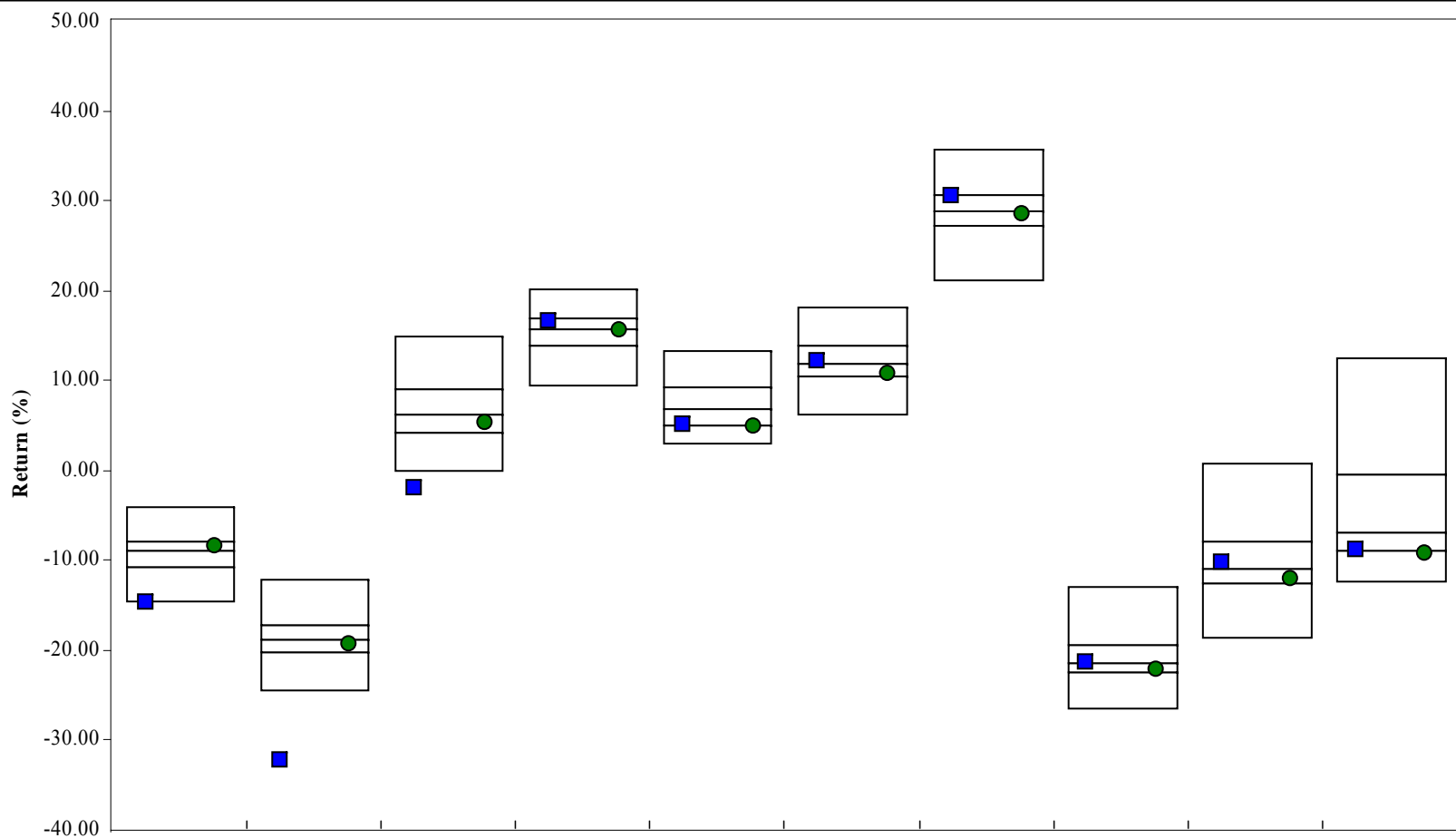


**Montana Board of Investments**  
**Goldman Sachs Large Cap (CF) vs. S&P 500 Index (Cap Wtd)**  
**Buy and Hold Sector Attribution Graph**  
**1 Quarter Ending September 30, 2008**



Sector attribution is calculated using the Industry Classification Benchmark (ICB).

**Montana Board of Investments**  
**US Core/Large Cap Equity (SA+CF)**  
**Peer Group Analysis**  
**As of September 30, 2008**

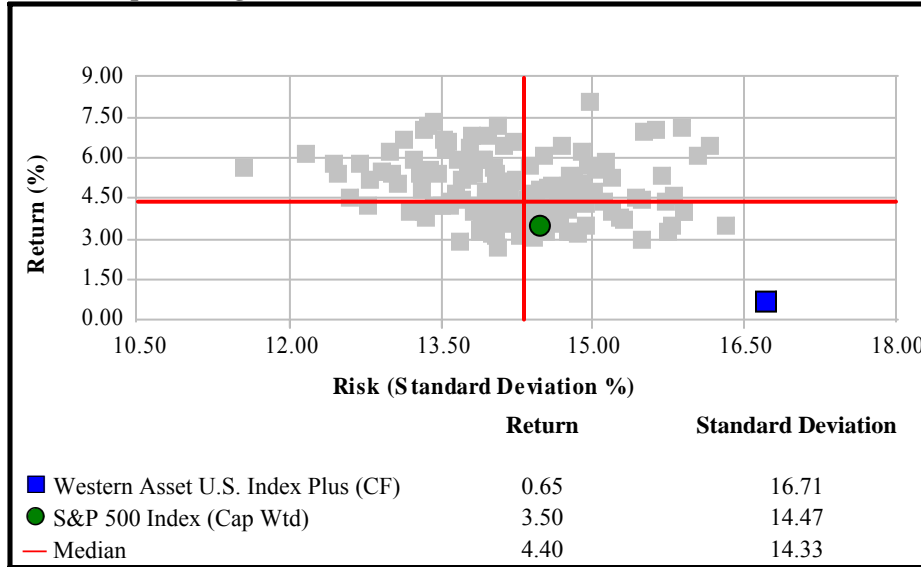


	1 Quarter	Year To Date	2007	2006	2005	2004	2003	2002	2001	2000
■ Western Asset U.S. Index Plus (CF)	-14.67 (96)	-32.20 (100)	-1.80 (99)	16.77 (28)	5.13 (75)	12.25 (42)	30.58 (26)	-21.32 (50)	-10.20 (42)	-8.79 (69)
● S&P 500 Index (Cap Wtd)	-8.37 (39)	-19.29 (63)	5.49 (67)	15.80 (48)	4.91 (83)	10.88 (67)	28.68 (55)	-22.10 (69)	-11.89 (65)	-9.10 (80)
Median	-9.01	-18.81	6.22	15.75	6.78	11.76	28.80	-21.34	-10.97	-6.88
Population	377	375	458	451	439	429	424	443	440	420

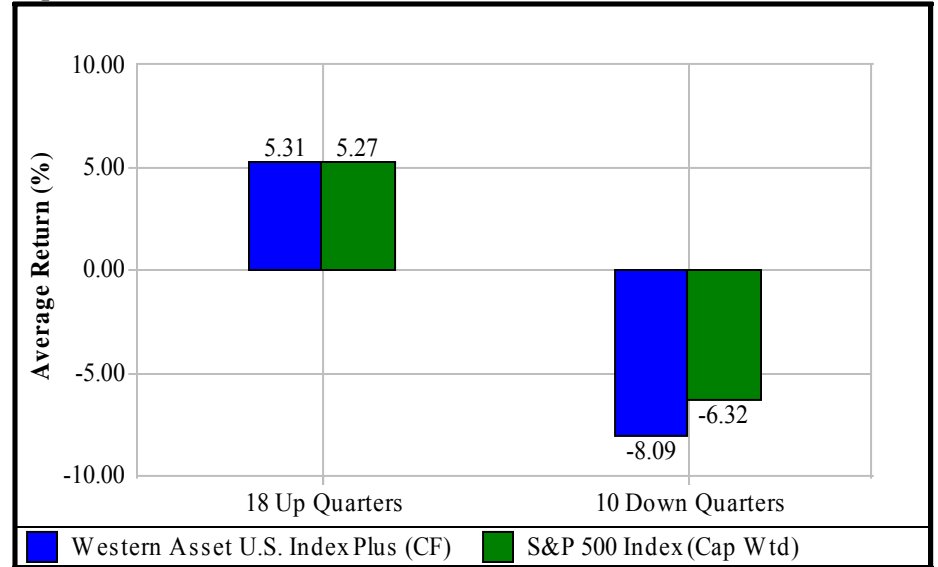
Performance shown is gross of fees. Parentheses contain percentile ranks.  
 Manager composite performance used for funds with less than 5 years of MBOI returns.

**Montana Board of Investments**  
**Western Asset U.S. Index Plus (CF) vs. US Core/Large Cap Equity (SA+CF)**  
**As of September 30, 2008**

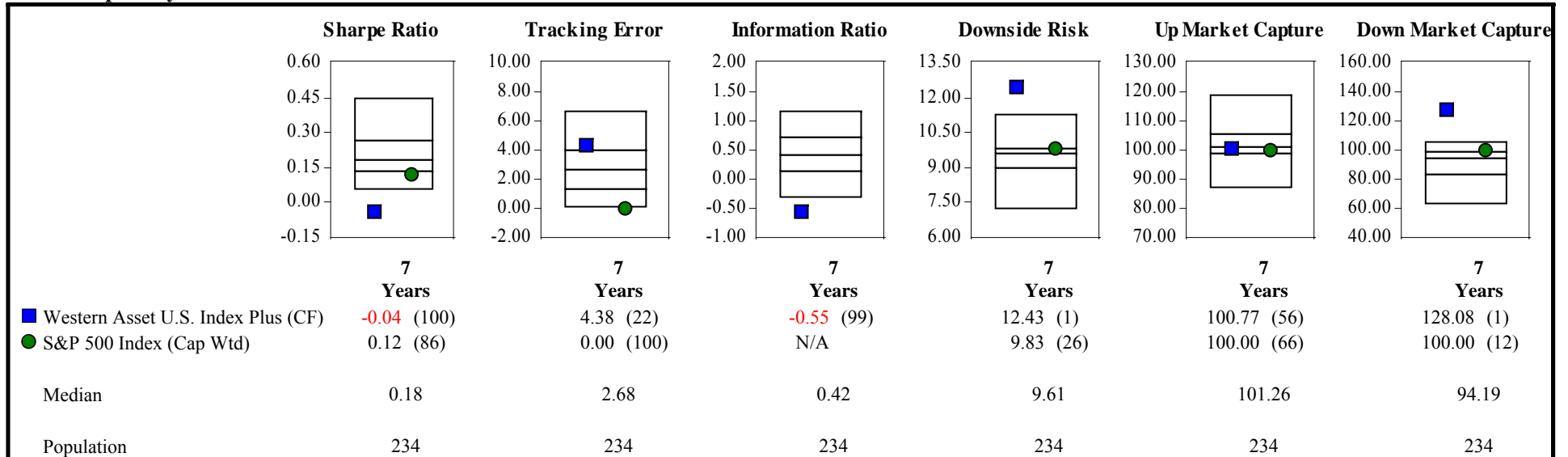
**Peer Group Scattergram - 7 Years**



**Up/Down Markets - 7 Years**



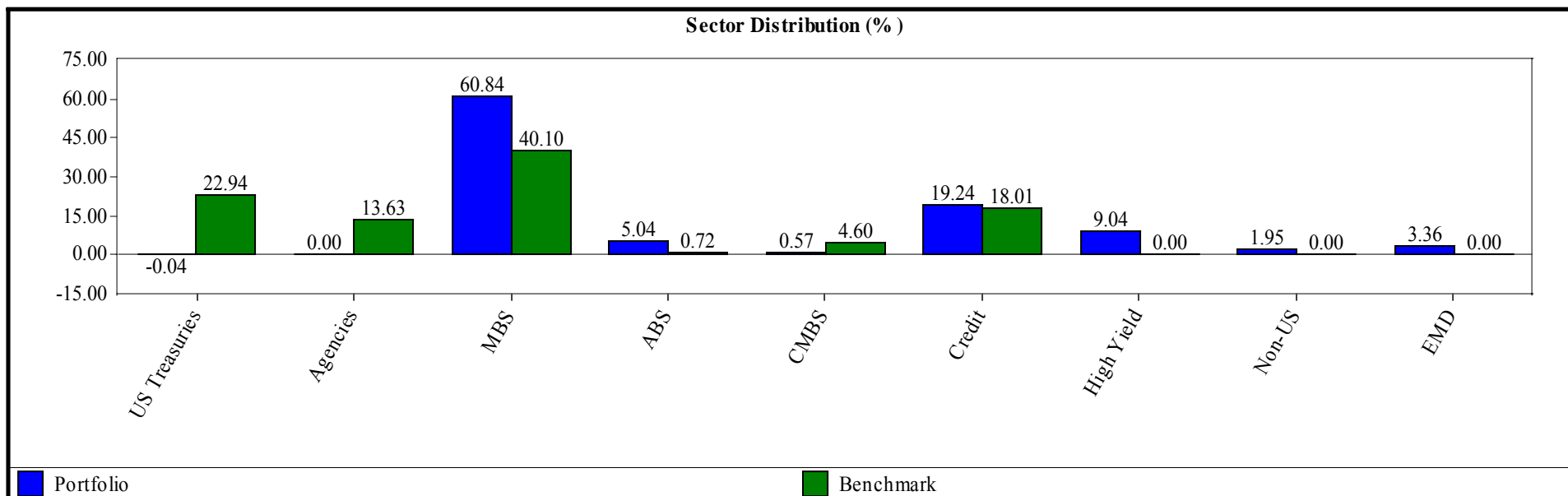
**Peer Group Analysis - Multi Statistics**



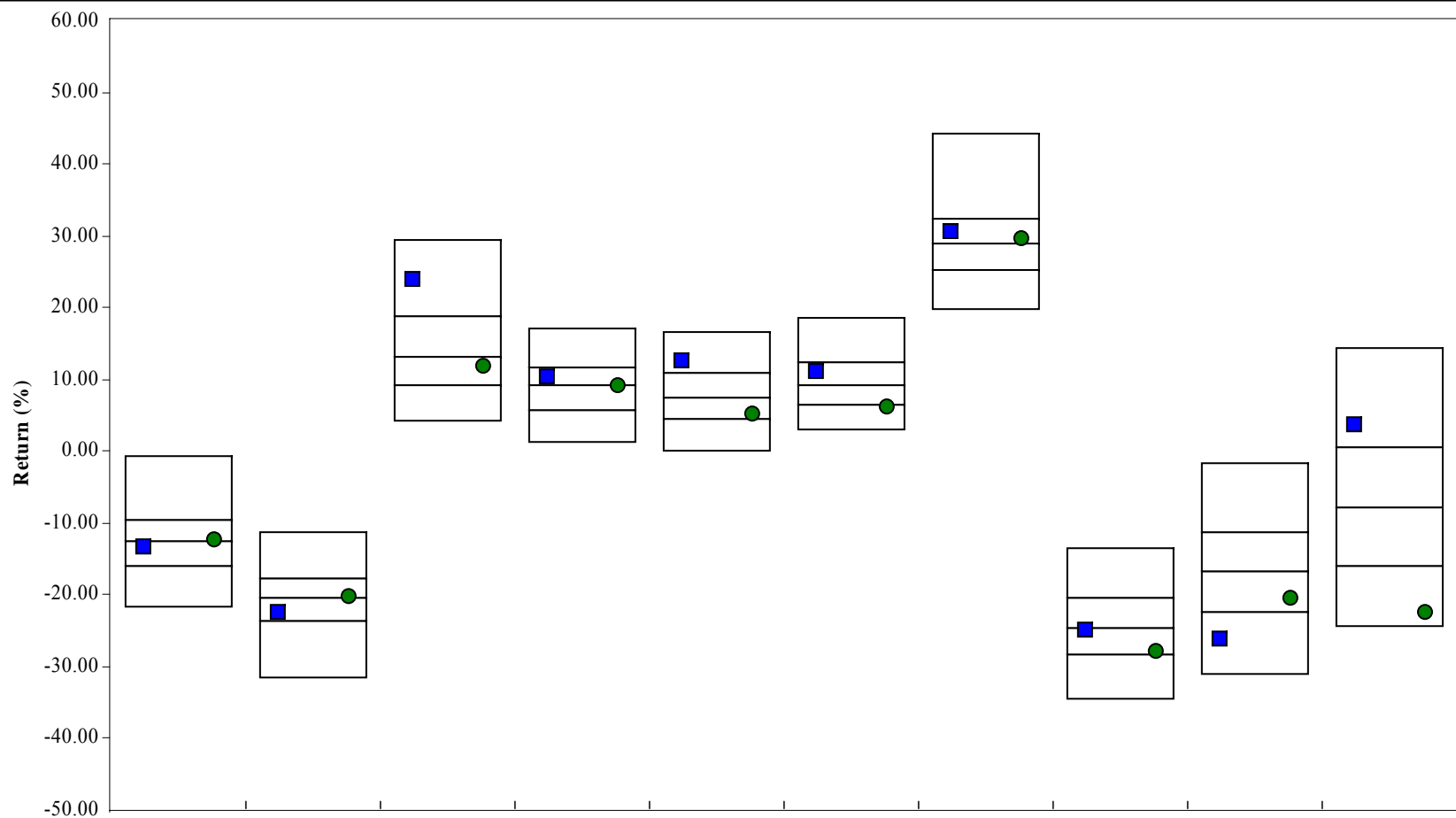
Performance shown is gross of fees. Calculation is based on quarterly periodicity. Parentheses contain percentile ranks.  
 Performance shown is manager composite.

**Montana Board of Investments**  
**Western Asset U.S. Index Plus (CF) vs. LB US Agg Bond Index**  
**Portfolio Characteristics**  
**As of September 30, 2008**

	<b>Portfolio</b>	<b>Benchmark</b>
<b>Portfolio Characteristics</b>		
Portfolio Duration	0.16	4.47
Spread Duration	3.83	4.50
Convexity	-0.08	-0.30
Avg. Maturity	3.41	7.11
Avg. Quality	AA-/Aa3	AA1/AA2
Yield To Maturity	14.88%	5.28%
Coupon Rate	5.38%	5.32%
Yield To Worst	15.33%	5.27%



**Montana Board of Investments**  
**US Growth/Large Cap Equity (SA+CF)**  
**Peer Group Analysis**  
**As of September 30, 2008**

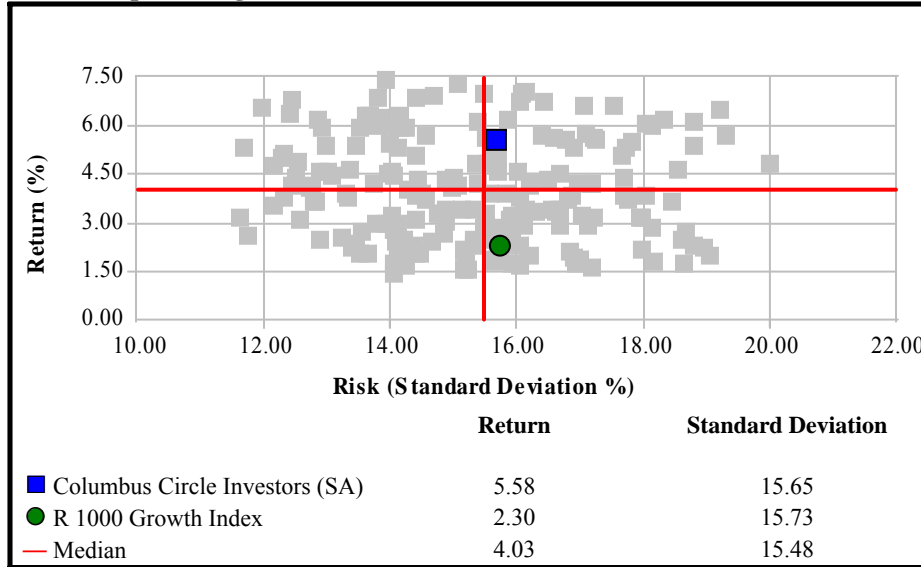


	1 Quarter	Year To Date	2007	2006	2005	2004	2003	2002	2001	2000
■ Columbus Circle Investors (SA)	-13.29 (61)	-22.46 (67)	24.01 (12)	10.45 (37)	12.61 (18)	11.28 (35)	30.60 (38)	-24.76 (52)	-25.98 (88)	3.76 (19)
● R 1000 Growth Index	-12.33 (48)	-20.27 (49)	11.81 (58)	9.07 (51)	5.26 (68)	6.30 (79)	29.75 (46)	-27.88 (73)	-20.42 (70)	-22.42 (92)
Median	-12.44	-20.33	13.13	9.11	7.41	9.30	28.85	-24.64	-16.63	-7.95
Population	326	324	427	449	482	505	527	549	565	564

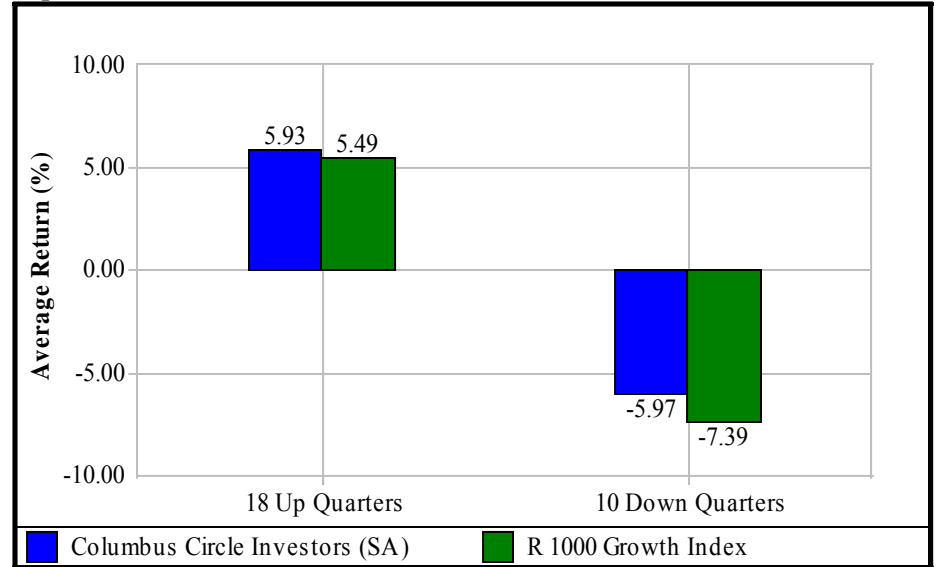
Performance shown is gross of fees. Parentheses contain percentile ranks.  
 Manager composite performance used for funds with less than 5 years of MBOI returns.

**Montana Board of Investments**  
**Columbus Circle Investors (SA) vs. US Growth/Large Cap Equity (SA+CF)**  
 As of September 30, 2008

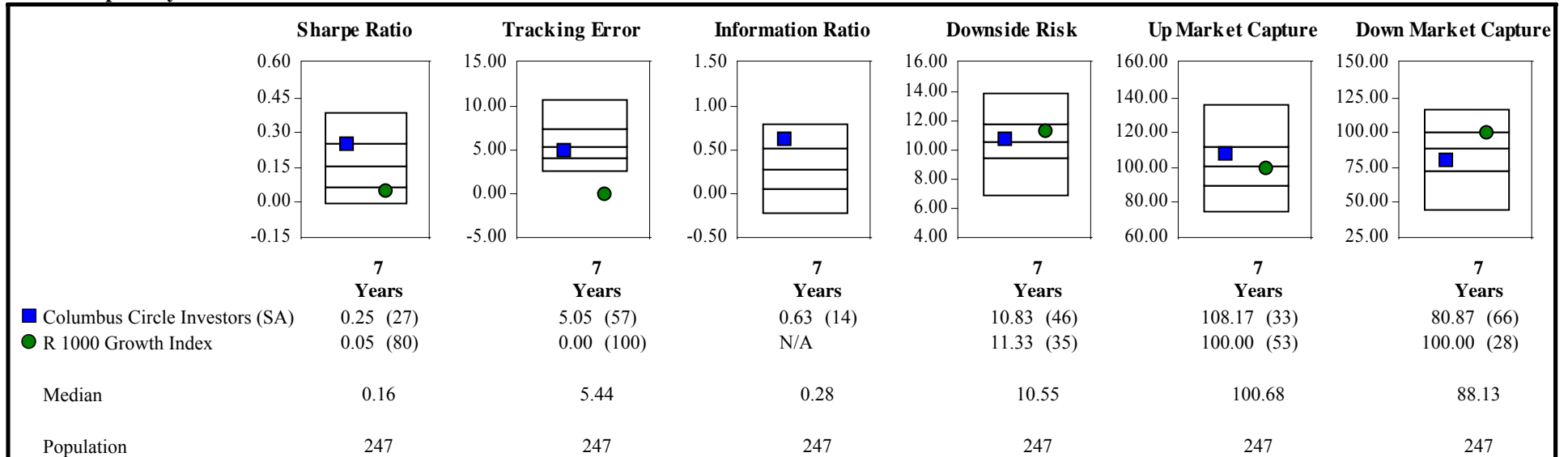
**Peer Group Scattergram - 7 Years**



**Up/Down Markets - 7 Years**



**Peer Group Analysis - Multi Statistics**

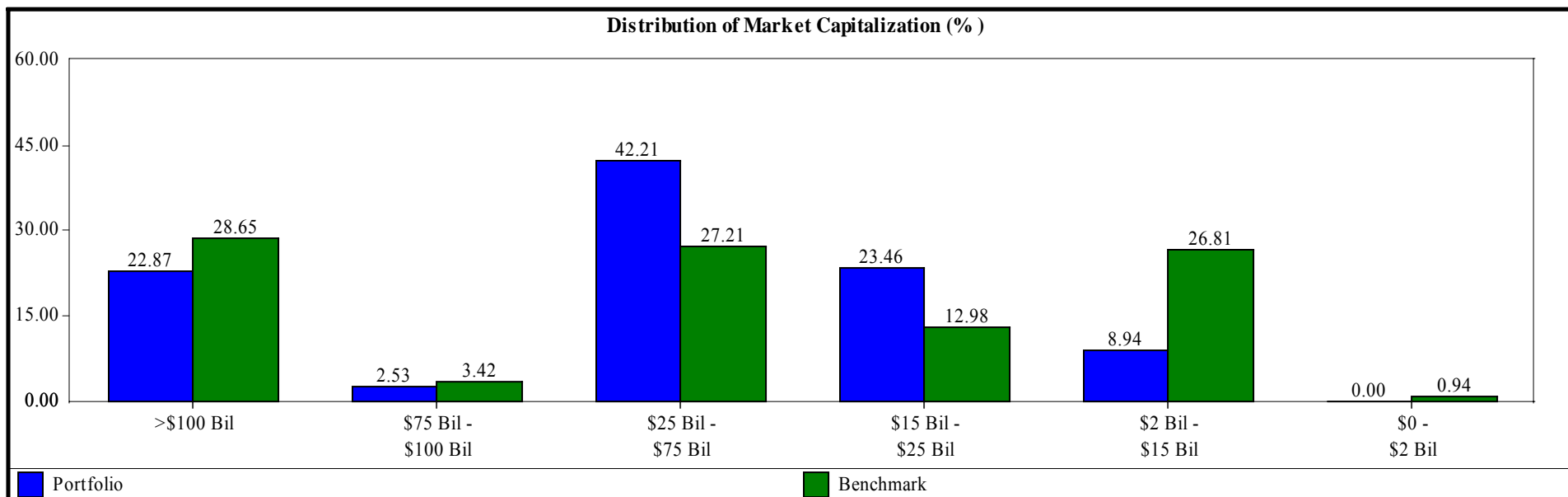


Performance shown is gross of fees. Calculation is based on quarterly periodicity. Parentheses contain percentile ranks.  
 Performance shown is manager composite.

**Montana Board of Investments**  
**Columbus Circle Investors (SA) vs. R 1000 Growth Index**  
**Portfolio Characteristics**  
**As of September 30, 2008**

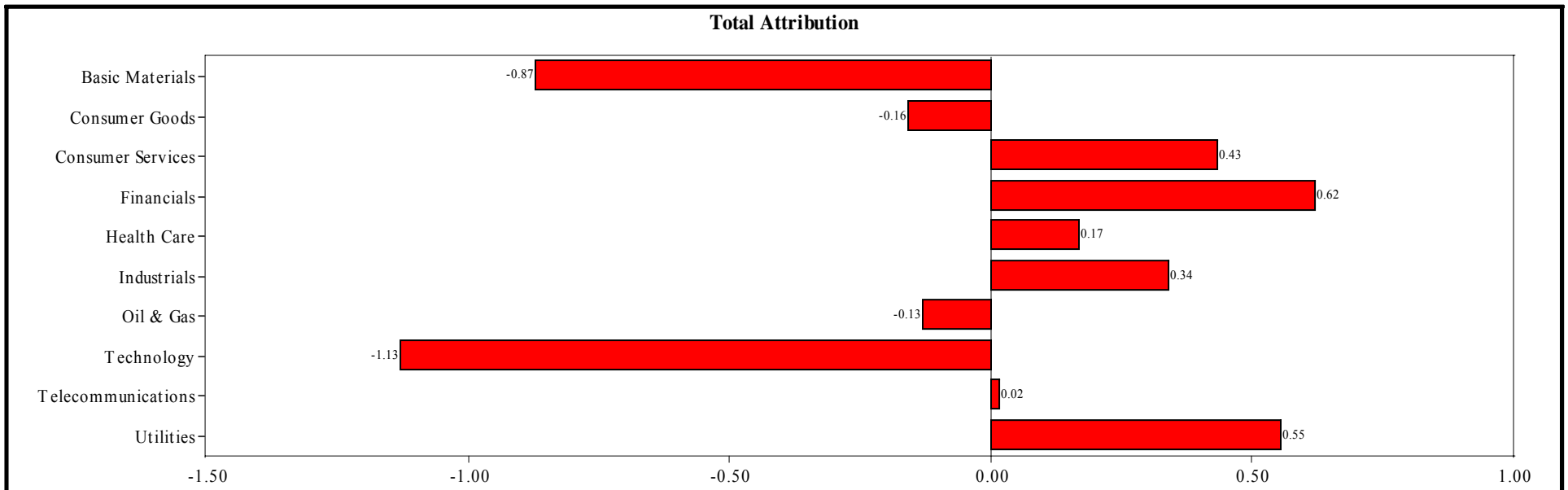
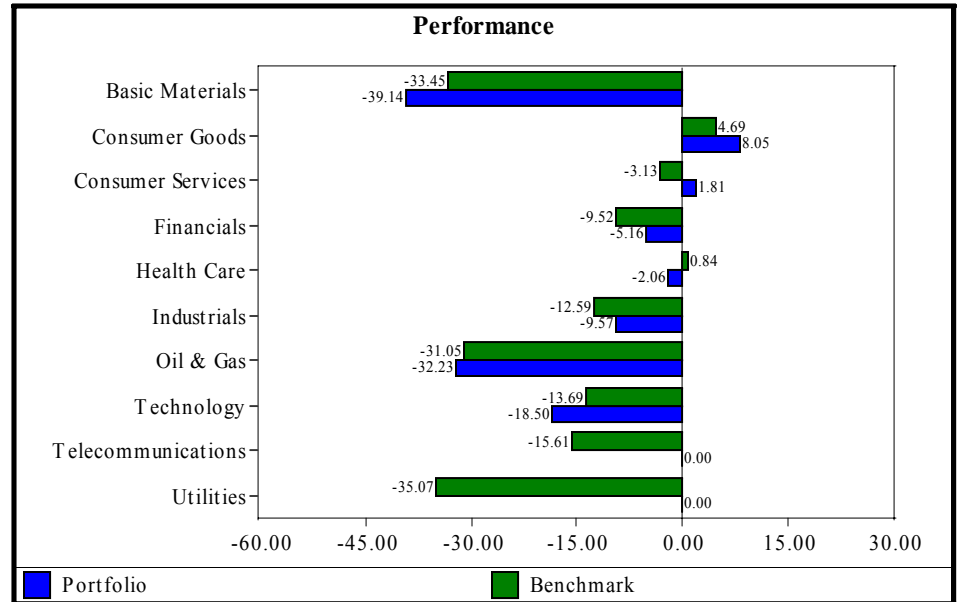
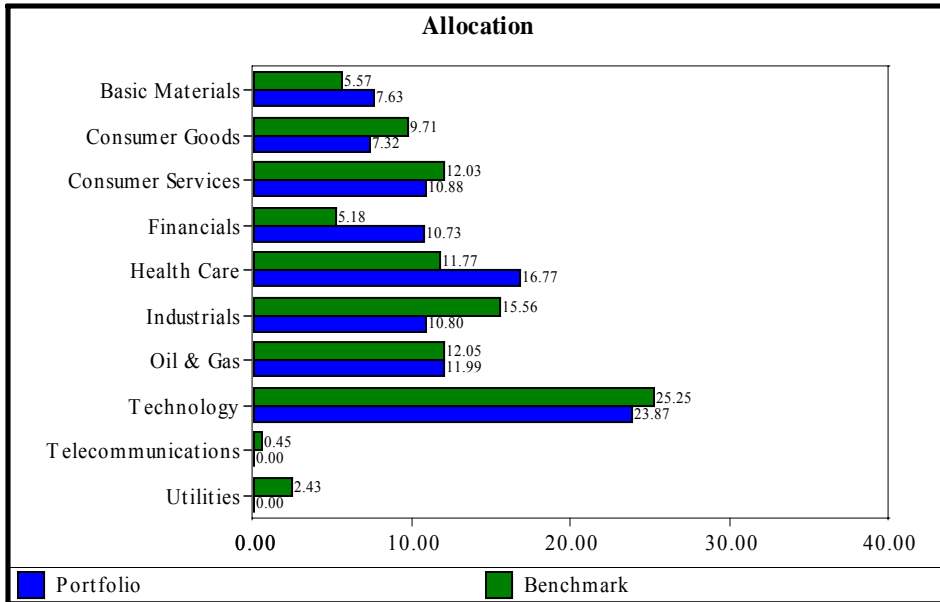
Top Ten Equity Holdings	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
WAL-MART STORES, INC.	5.56	1.86	3.70	6.99
JPMORGAN CHASE & CO.	4.39	0.00	4.39	37.38
GILEAD SCIENCES, INC.	3.20	0.72	2.48	-13.82
HEWLETT-PACKARD COMPANY	3.09	1.95	1.14	4.77
COCA-COLA COMPANY (THE)	2.77	1.48	1.29	2.46
GENERAL MILLS, INC.	2.74	0.03	2.71	13.84
MCDONALD'S CORPORATION	2.74	1.09	1.65	9.75
BAXTER INTERNATIONAL INC.	2.71	0.71	2.00	2.98
DEVON ENERGY CORPORATION	2.60	0.00	2.60	-23.97
CISCO SYSTEMS INCORPORATED	2.59	2.28	0.30	-3.01
% of Portfolio	32.39	10.12		

Portfolio Characteristics	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	63,556	66,866
Median Mkt. Cap. (\$M)	37,375	4,856
Price/Earnings ratio	19.79	16.40
Price/Book ratio	3.34	3.58
5 Yr. EPS Growth Rate (%)	38.68	26.92
Current Yield (%)	1.69	1.96
Beta	-	1.00
Number of Stocks	49	647



Beta is not calculated for funds with performance of less than 3 years.

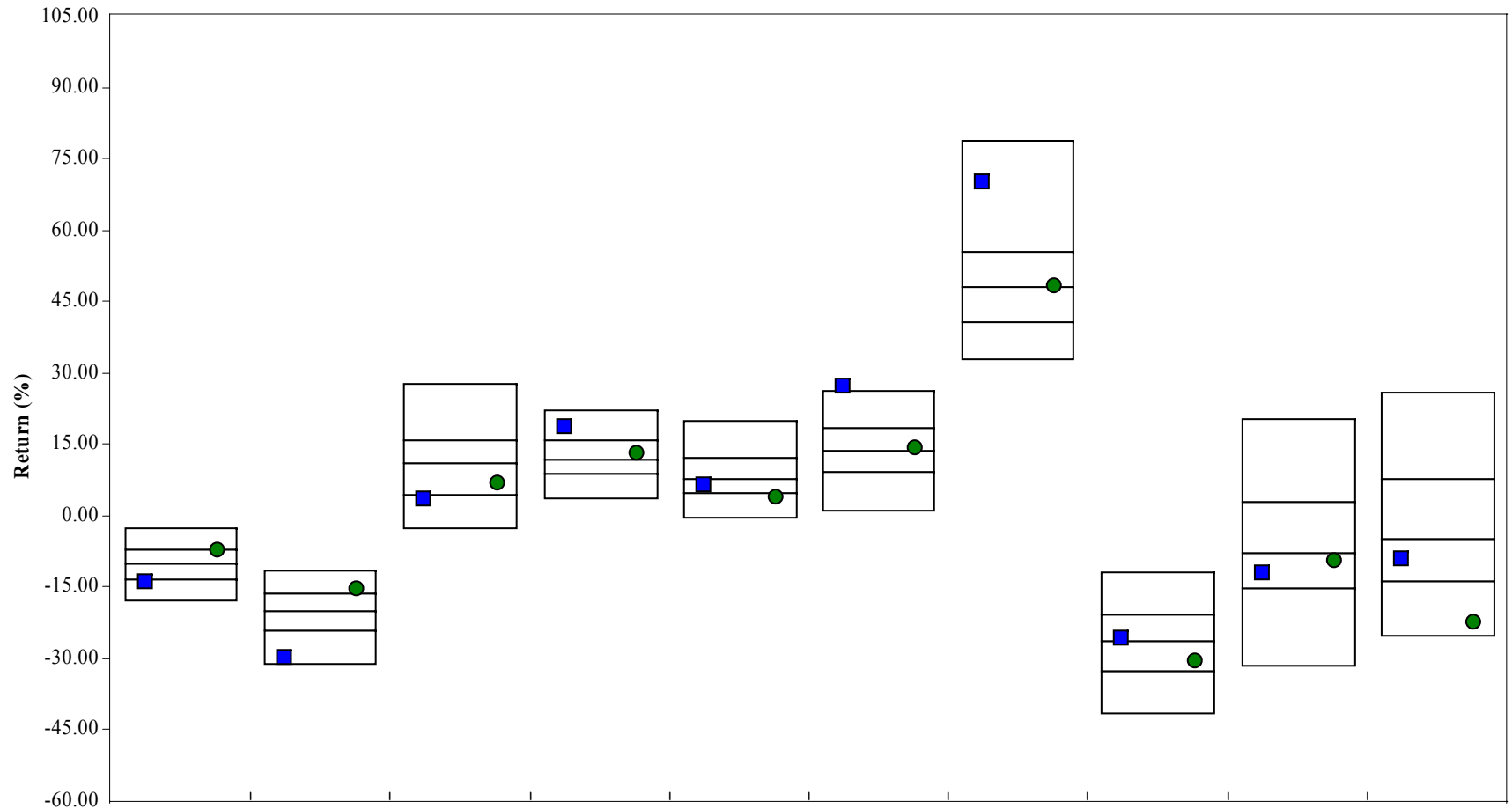
**Montana Board of Investments  
Columbus Circle Investors (SA) vs. R 1000 Growth Index  
Buy and Hold Sector Attribution Graph  
1 Quarter Ending September 30, 2008**



Sector attribution is calculated using the Industry Classification Benchmark (ICB).



**Montana Board of Investments  
US Growth/Small Cap Equity (SA+CF)  
Peer Group Analysis  
As of September 30, 2008**

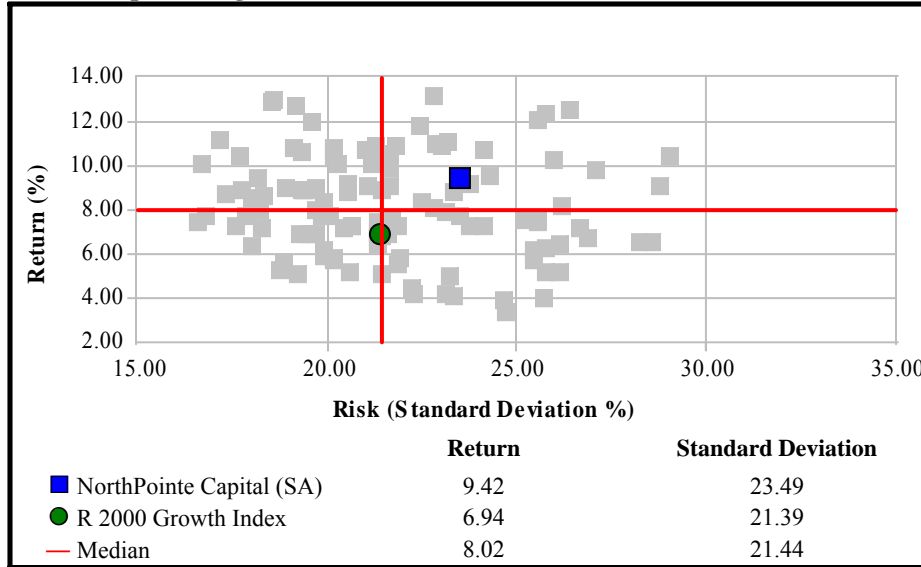


	1 Quarter	Year To Date	2007	2006	2005	2004	2003	2002	2001	2000
■ NorthPointe Capital (SA)	-13.76 (78)	-29.53 (92)	3.55 (79)	18.81 (13)	6.53 (61)	27.37 (4)	70.05 (10)	-25.77 (47)	-11.89 (62)	-8.77 (62)
● R 2000 Growth Index	-6.99 (25)	-15.29 (19)	7.05 (65)	13.35 (41)	4.15 (80)	14.31 (46)	48.54 (48)	-30.26 (66)	-9.23 (55)	-22.43 (92)
Median	-10.16	-20.08	11.02	11.89	7.60	13.65	47.88	-26.30	-7.66	-5.02
Population	205	204	265	271	275	283	284	299	299	287

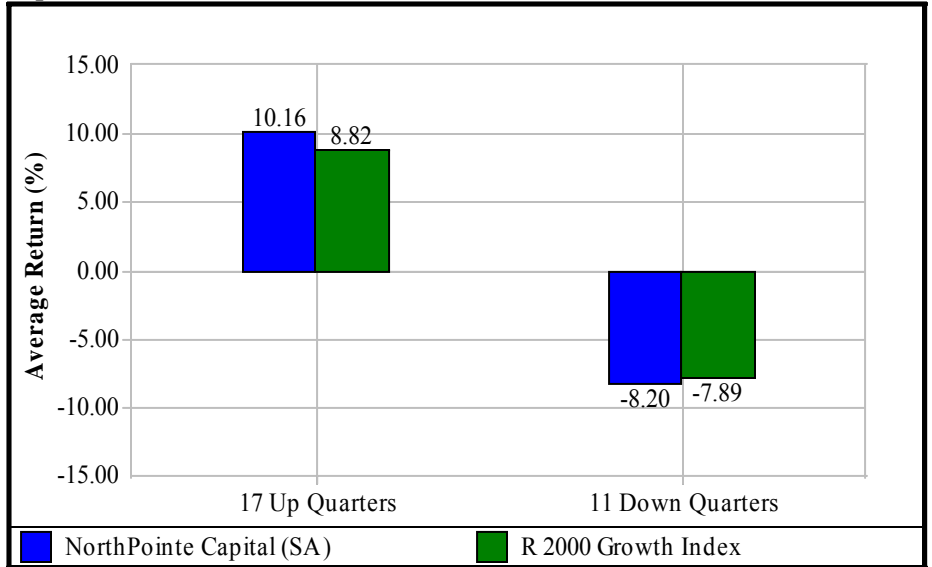
Performance shown is gross of fees. Parentheses contain percentile ranks.  
 Manager composite performance used for funds with less than 5 years of MBOI returns.

**Montana Board of Investments**  
**NorthPointe Capital (SA) vs. US Growth/Small Cap Equity (SA+CF)**  
**As of September 30, 2008**

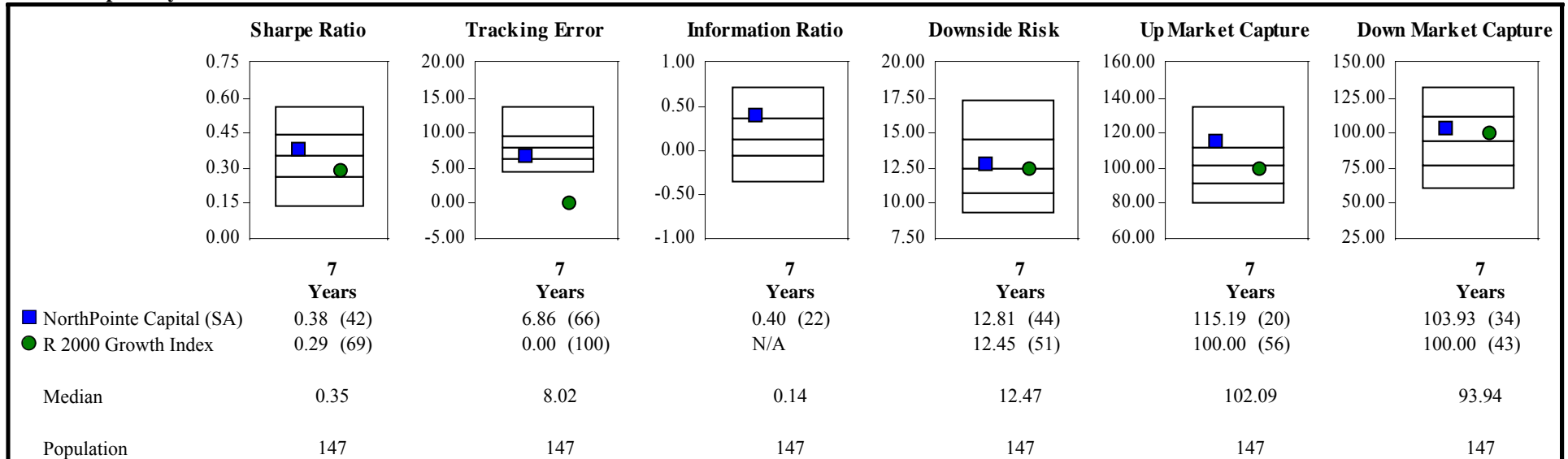
**Peer Group Scattergram - 7 Years**



**Up/Down Markets - 7 Years**



**Peer Group Analysis - Multi Statistics**

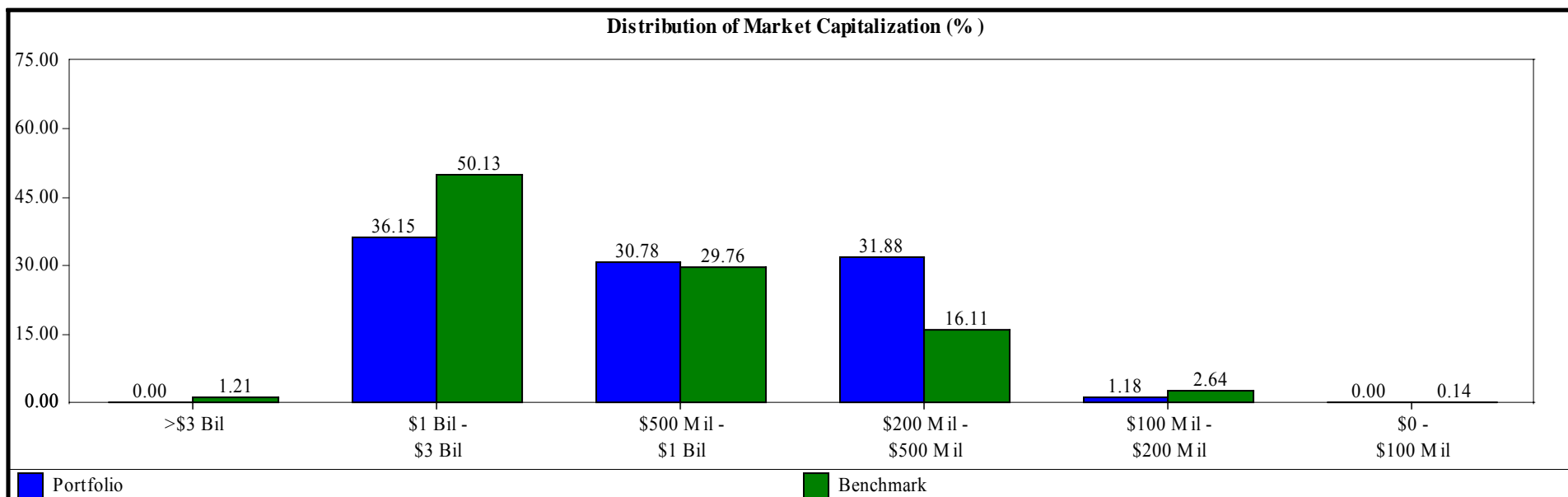


Performance shown is gross of fees. Calculation is based on quarterly periodicity. Parentheses contain percentile ranks.  
 Performance shown is manager composite.

**Montana Board of Investments**  
**NorthPointe Capital (SA) vs. R 2000 Growth Index**  
**Portfolio Characteristics**  
**As of September 30, 2008**

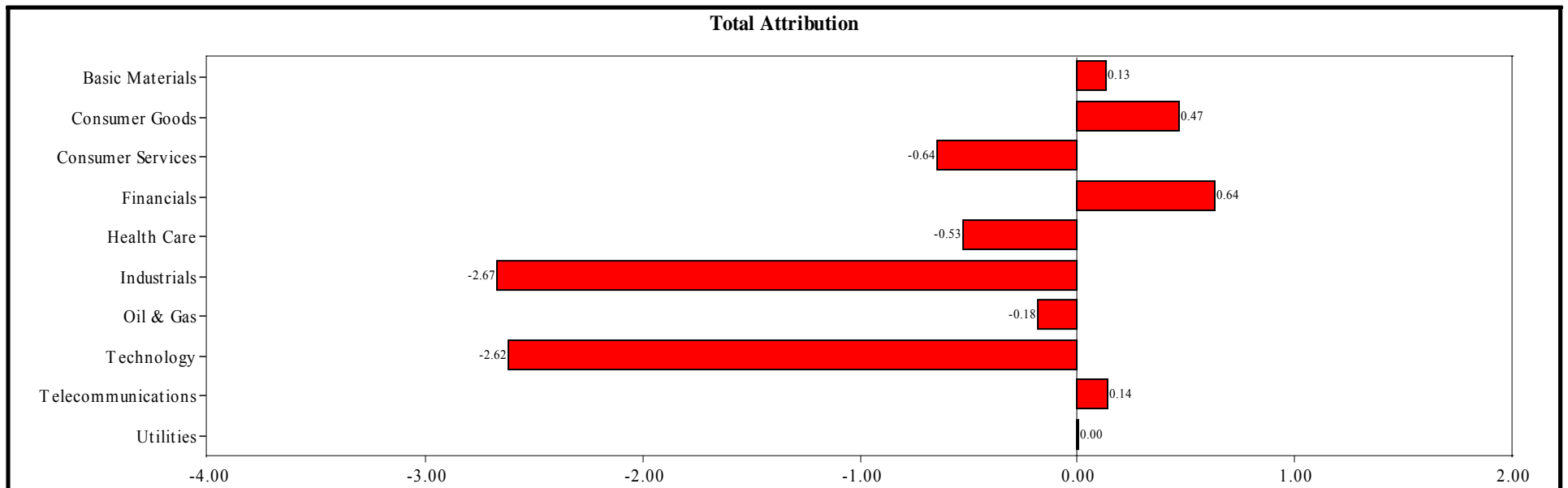
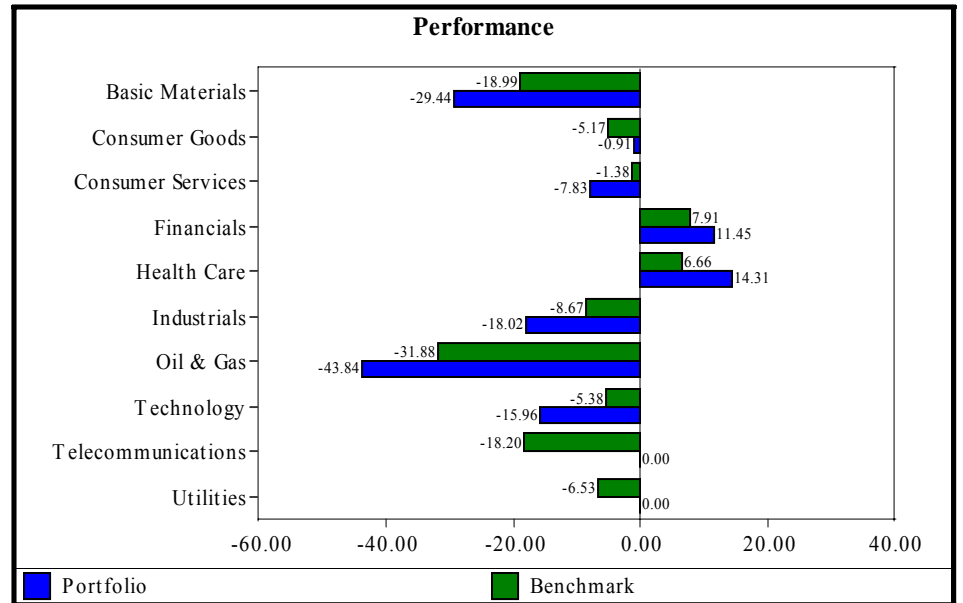
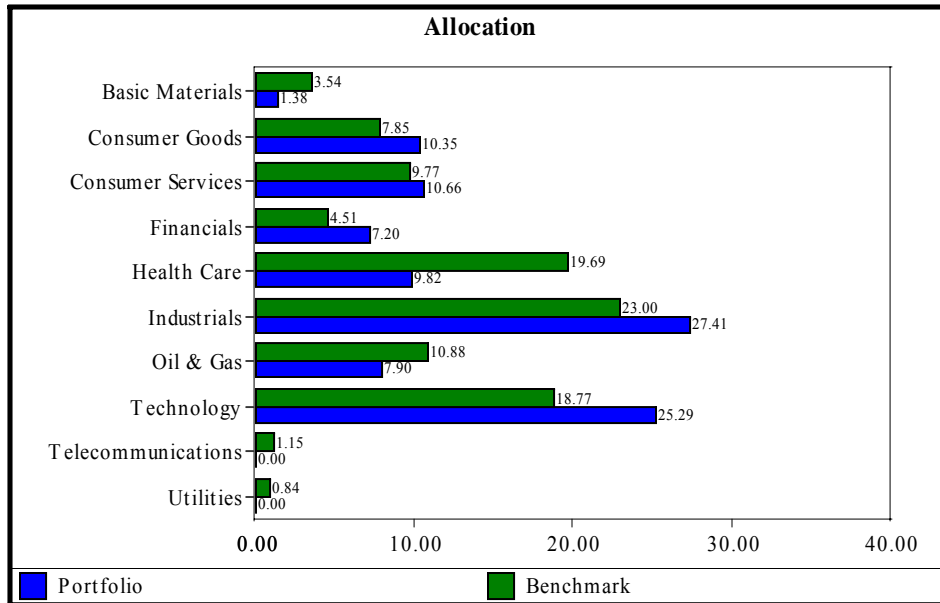
Top Ten Equity Holdings	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
ICONIX BRAND GROUP, INC.	2.19	0.11	2.08	8.28
INTERWOVEN INCORPORATED	2.13	0.11	2.02	17.57
BANKRATE, INC.	2.12	0.10	2.02	-0.41
SCIENTIFIC GAMES CORPORATION	2.11	0.00	2.11	-22.28
CENTRAL EUROPEAN	2.10	0.00	2.10	-38.76
WORLD ACCEPTANCE	2.06	0.12	1.94	6.92
JARDEN CORPORATION	1.96	0.00	1.96	28.56
DG FASTCHANNEL, INC.	1.94	0.06	1.88	27.07
LKQ CORPORATION	1.92	0.00	1.92	-6.09
CHATTEM, INC.	1.90	0.26	1.64	20.18
% of Portfolio	20.43	0.76		

Portfolio Characteristics	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	1,030	1,163
Median Mkt. Cap. (\$M)	708	493
Price/Earnings ratio	16.88	19.44
Price/Book ratio	2.45	3.13
5 Yr. EPS Growth Rate (%)	20.85	20.27
Current Yield (%)	2.75	2.42
Beta	-	1.00
Number of Stocks	73	1205



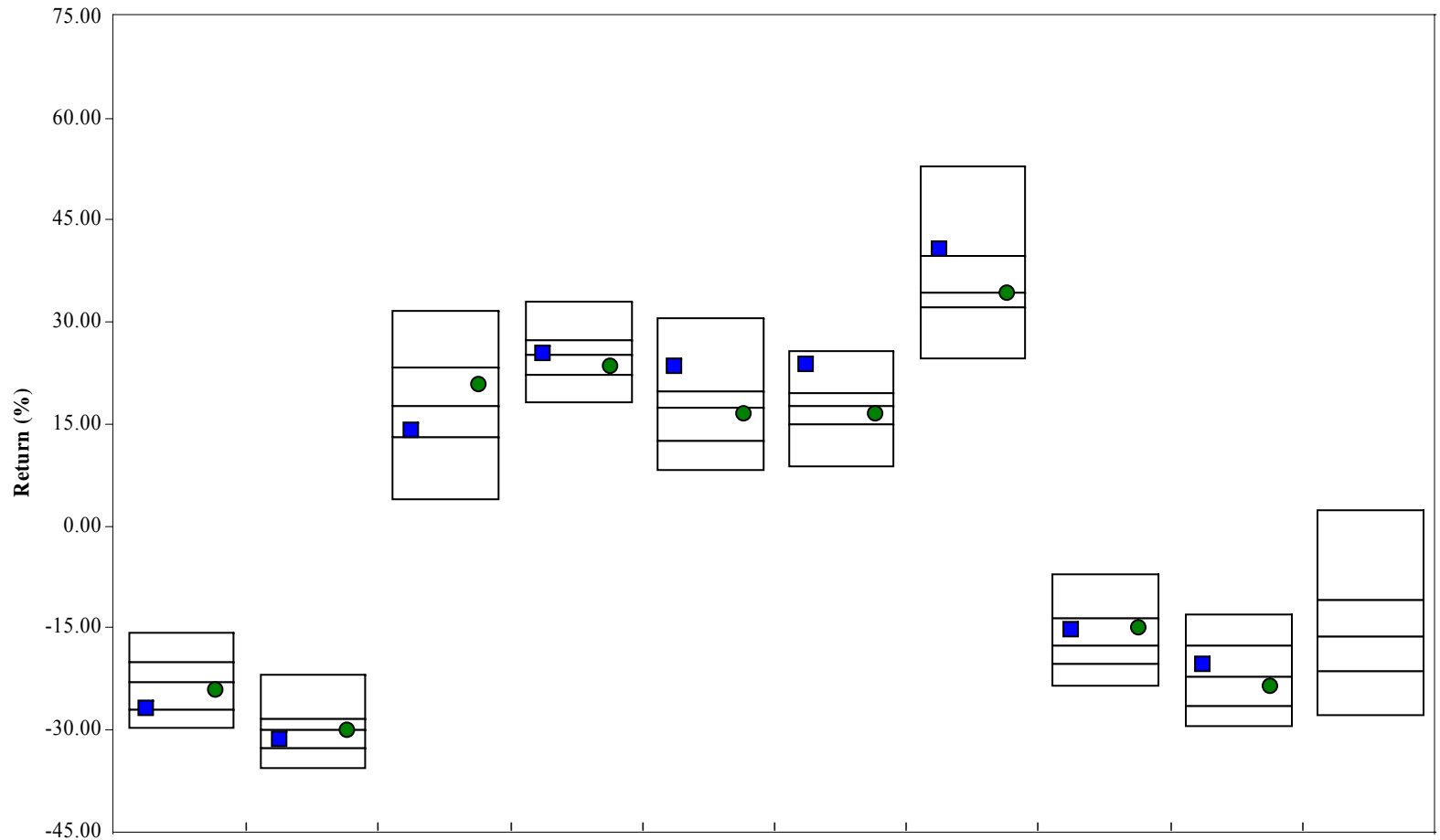
Beta is not calculated for funds with performance of less than 3 years.

**Montana Board of Investments  
NorthPointe Capital (SA) vs. R 2000 Growth Index  
Buy and Hold Sector Attribution Graph  
1 Quarter Ending September 30, 2008**



Sector attribution is calculated using the Industry Classification Benchmark (ICB).

**Montana Board of Investments  
International Active Growth Equity (SA+CF)  
Peer Group Analysis  
As of September 30, 2008**

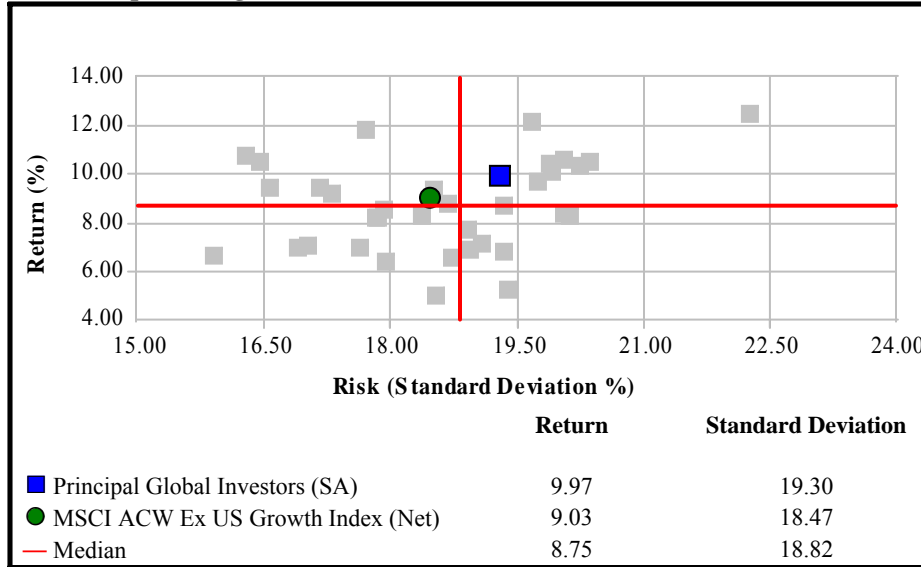


	1 Quarter	Year To Date	2007	2006	2005	2004	2003	2002	2001	2000
■ Principal Global Investors (SA)	-26.79 (74)	-31.40 (63)	14.26 (73)	25.50 (48)	23.65 (15)	23.96 (11)	40.77 (20)	-15.26 (36)	-20.32 (41)	N/A
● MSCI ACW Ex US Growth Index (Net)	-23.88 (64)	-29.87 (47)	21.03 (32)	23.61 (65)	16.71 (53)	16.73 (58)	34.42 (49)	-14.99 (35)	-23.59 (58)	N/A
Median	-23.02	-30.02	17.76	25.23	17.32	17.82	34.26	-17.48	-22.15	-16.09
Population	62	61	84	90	88	91	98	107	117	115

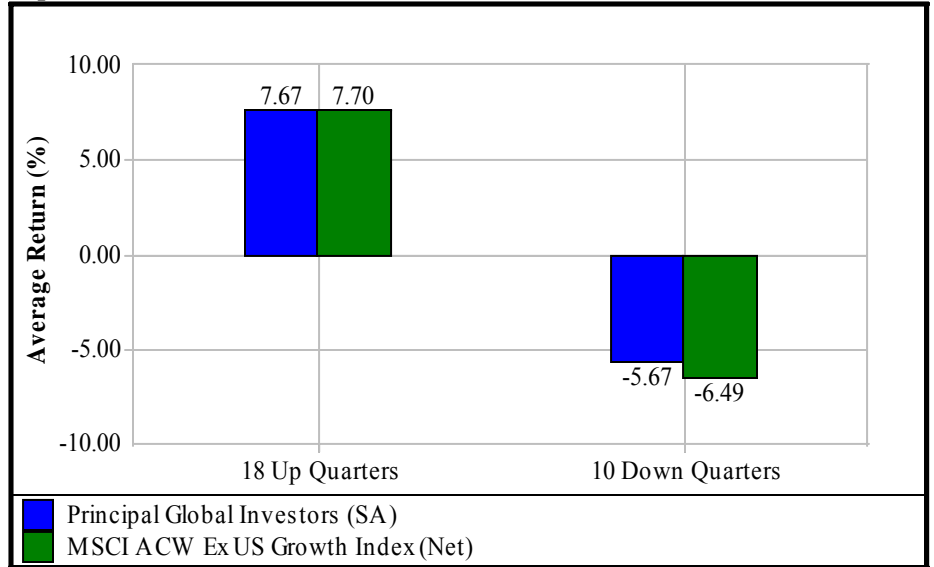
Performance shown is gross of fees. Parentheses contain percentile ranks.  
 Manager composite performance used for funds with less than 5 years of MBOI returns.

**Montana Board of Investments**  
**Principal Global Investors (SA) vs. International Active Growth Equity (SA+CF)**  
**As of September 30, 2008**

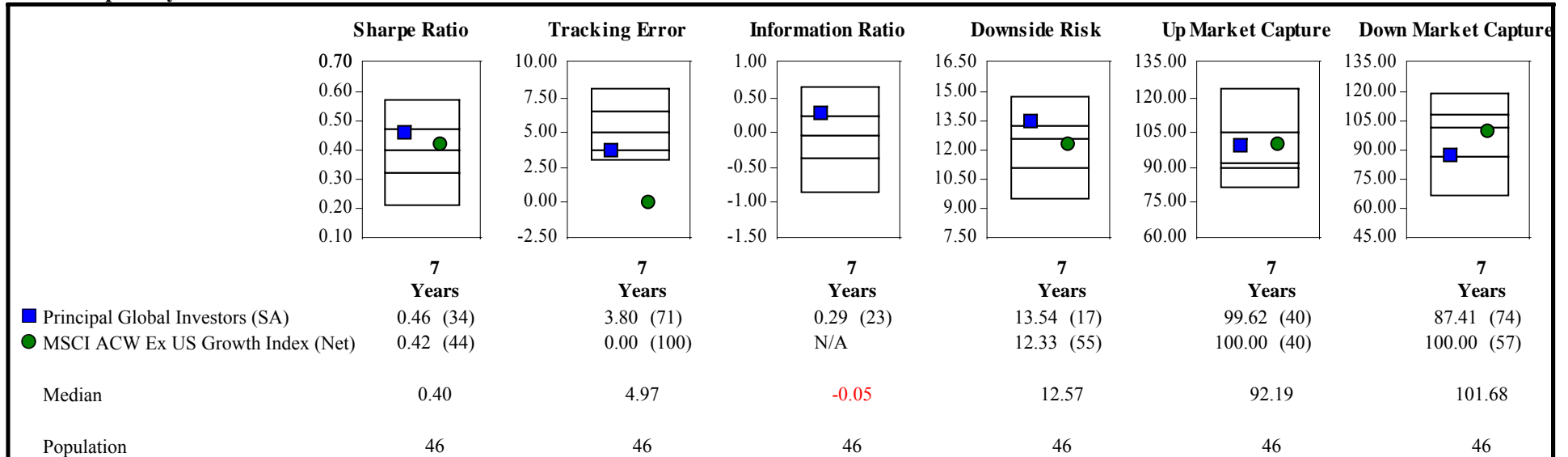
**Peer Group Scattergram - 7 Years**



**Up/Down Markets - 7 Years**



**Peer Group Analysis - Multi Statistics**

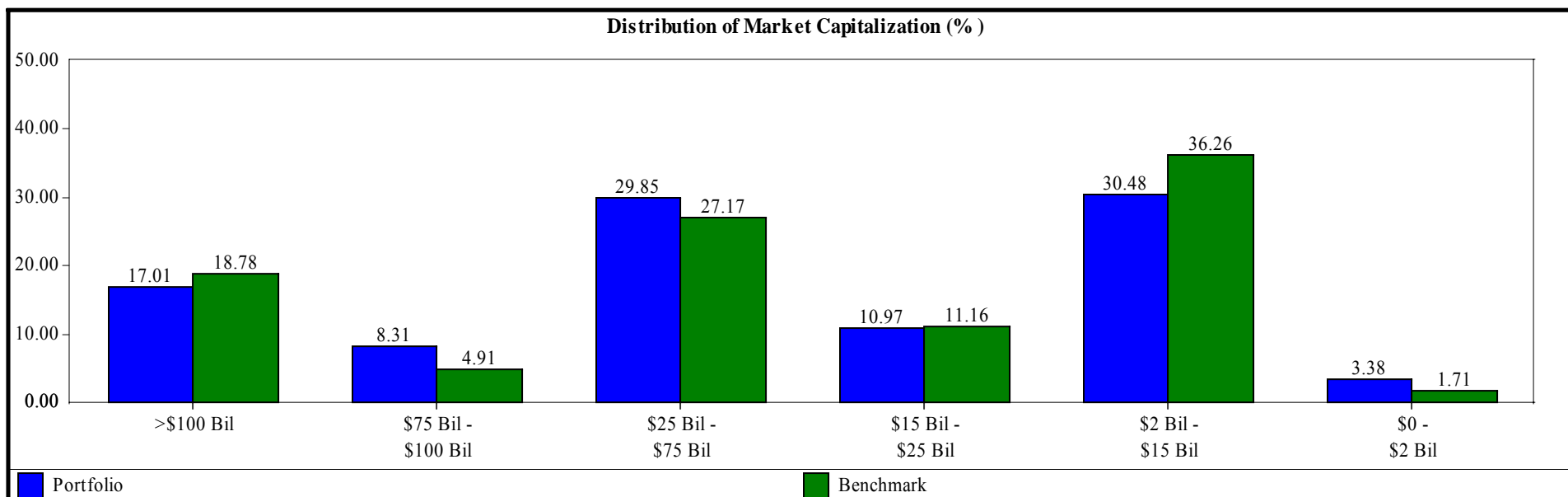


Performance shown is gross of fees. Calculation is based on quarterly periodicity. Parentheses contain percentile ranks.  
 Performance shown is manager composite.

**Montana Board of Investments**  
**Principal Global Investors (SA) vs. MSCI ACW Ex US Growth Index (Net)**  
**Portfolio Characteristics**  
**As of September 30, 2008**

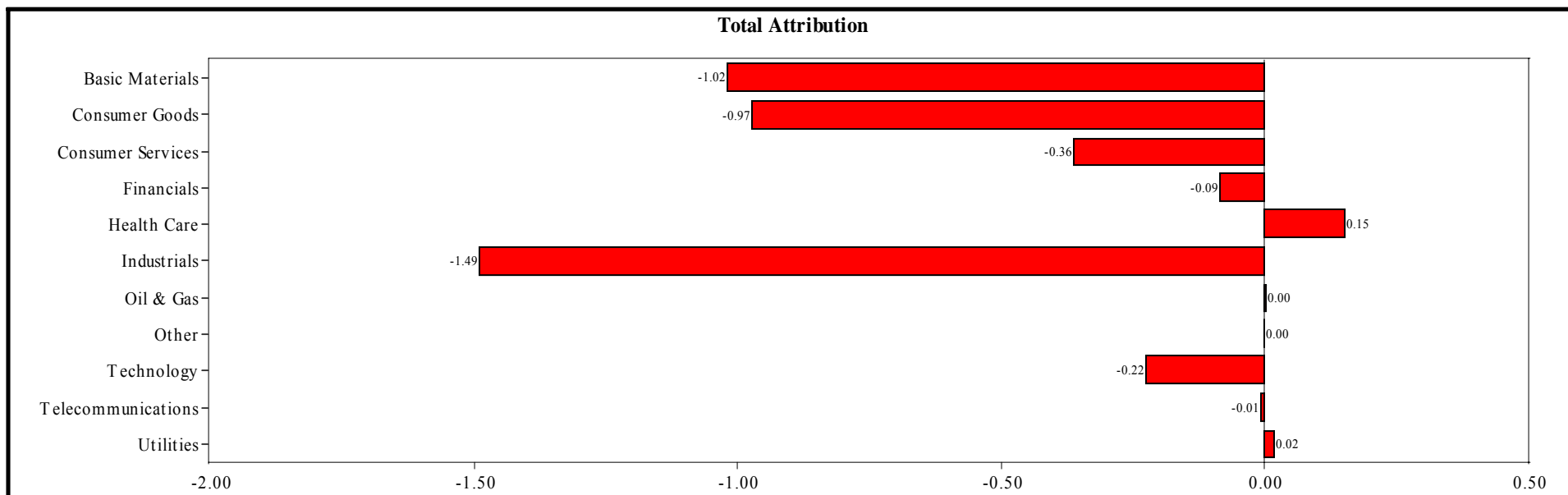
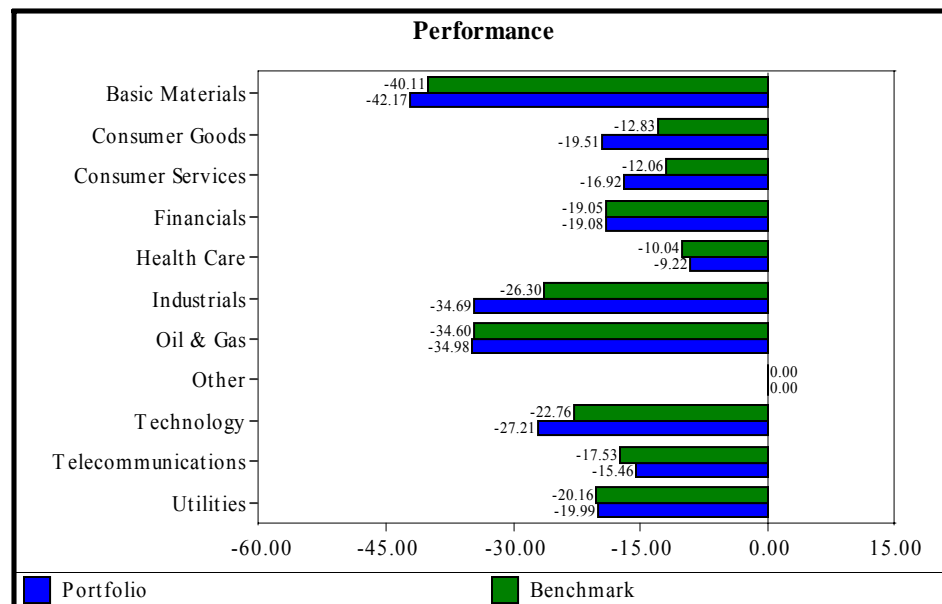
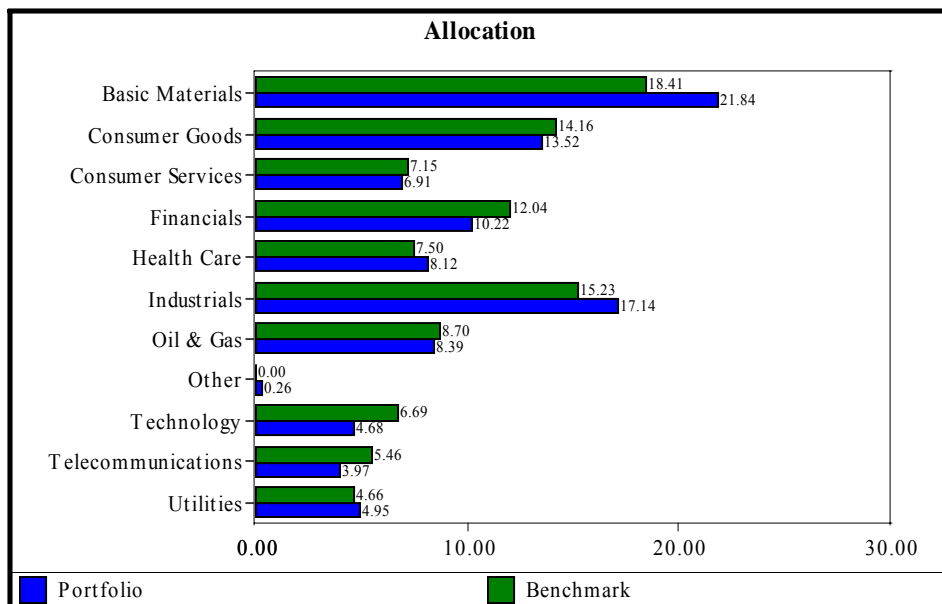
Top Ten Equity Holdings	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
NESTLE S.A.	3.46	2.93	0.54	-5.06
NOVARTIS AG	2.67	2.15	0.52	-5.37
TELEFONICA SA	2.39	0.00	2.39	-11.17
E.ON AG	2.27	0.00	2.27	-24.91
BHP BILLITON LIMITED	1.54	1.43	0.11	-40.61
ROCHE HOLDING AG	1.50	1.90	-0.39	-13.78
BRITISH AMERICAN TOB	1.46	0.00	1.46	-4.58
BAYER AG	1.41	0.97	0.44	-13.07
IMPERIAL TOBACCO GROUP PLC	1.36	0.56	0.79	-14.12
BG GROUP PLC	1.36	0.37	0.99	-30.45
% of Portfolio	19.42	10.31		

Portfolio Characteristics	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	49,424	50,153
Median Mkt. Cap. (\$M)	11,886	4,754
Price/Earnings ratio	12.89	11.71
Price/Book ratio	2.64	2.13
5 Yr. EPS Growth Rate (%)	23.53	21.37
Current Yield (%)	2.81	3.41
Beta	-	1.00
Number of Stocks	182	985



Beta is not calculated for funds with performance of less than 3 years.

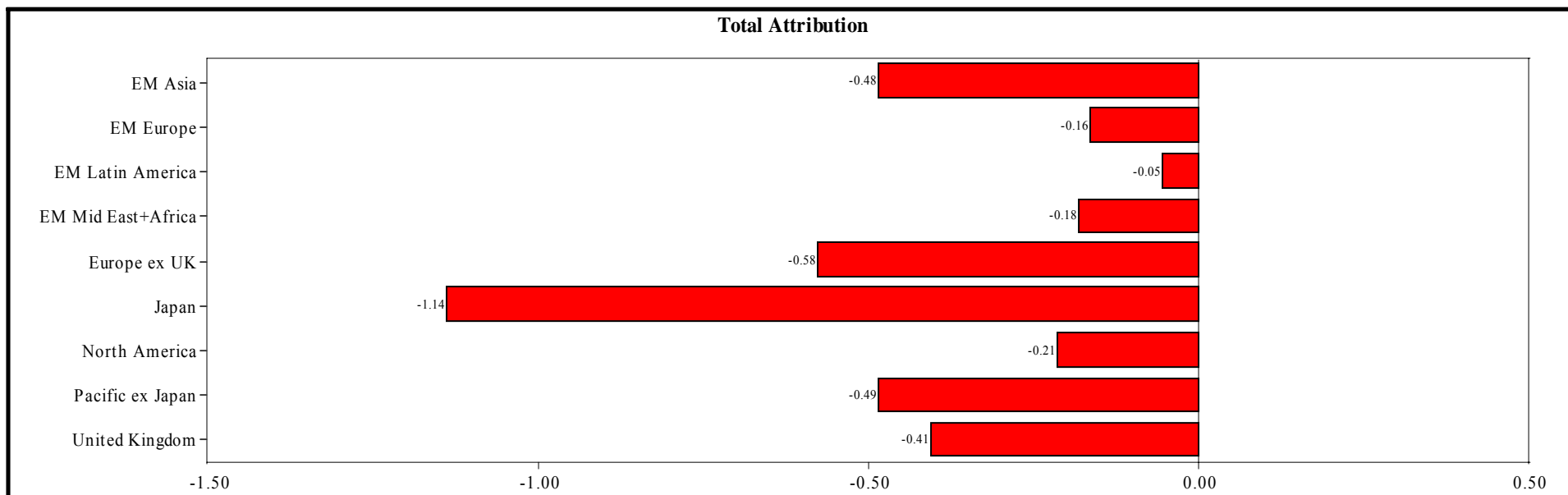
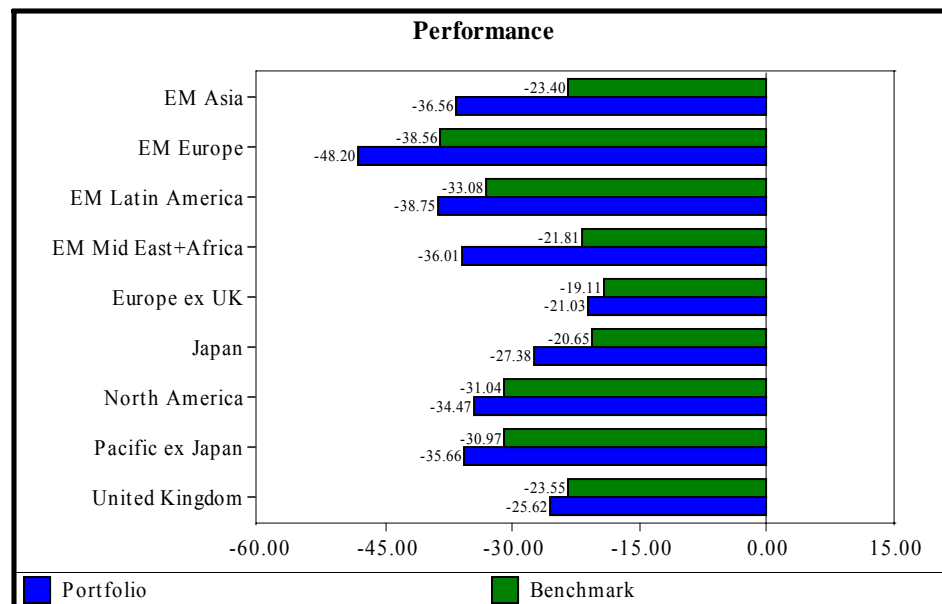
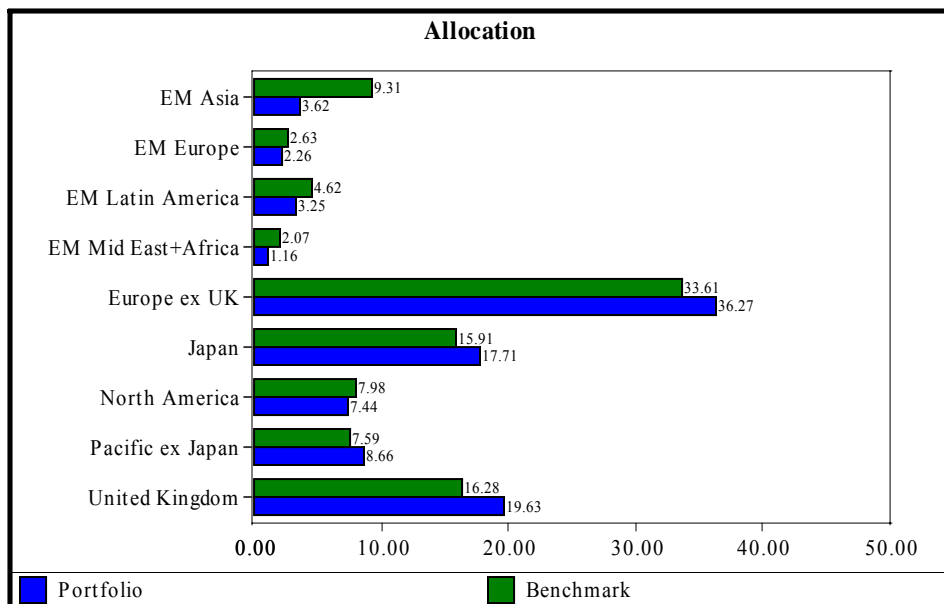
**Montana Board of Investments**  
**Principal Global Investors (SA) vs. MSCI ACW Ex US Growth Index (Net)**  
**Buy and Hold Sector Attribution Graph**  
**1 Quarter Ending September 30, 2008**



Sector attribution is calculated using the Industry Classification Benchmark (ICB).



**Montana Board of Investments**  
**Principal Global Investors (SA) vs. MSCI ACW Ex US Growth Index (Net)**  
**Buy and Hold Region Attribution Graph**  
**1 Quarter Ending September 30, 2008**



Region attribution is calculated using the Morgan Stanley Capital International (MSCI) region standards.

**Glossary**  
**As of September 30, 2008**

**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

**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.

## Glossary As of September 30, 2008

**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.

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

**Glossary**  
**As of September 30, 2008**

**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 Percentile Rankings**

Percentile rank compares an individual fund's performance with those of other funds within a defined peer group of managers possessing a similar investment style. Percentile rank identifies the percentage of a fund's peer group that has a higher return (or other comparative measurement) than the fund being ranked. Conversely, 100 minus the individual fund's ranking will identify the percentage of funds within the peer group that have a lower return than the fund being ranked.

1 - Highest Statistical Value

100 - Lowest Statistical Value

**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).

**Glossary**  
**As of September 30, 2008**

**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.

**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.

**Montana Board of Investments**  
**Addendum**  
**As of September 30, 2008**

**Performance Notes:**

All gross and net performance data is provided by State Street Analytics (SSA) except for DFA International Company (DFISX) gross returns, which are calculated by RVK based on SSA net returns.

Gross performance for the retirement plans are calculated with fee accruals provided by Montana's Accounting department.

Retirement Plans Custom Benchmarks are provided by State Street Bank and are calculated daily using actual allocations.

**Manager Notes:**

Effective June 15, 2008, Julius Baer Investment Management LLC changed its name to Artio Global Management LLC. Naming conventions have been updated accordingly.