

Wyoming State Treasurer's Office

Investment Performance Analysis
For the Quarter ended

June 30, 2006

Prepared by:
Jamie P. Voytko



RVKuhns
▶▶▶ & ASSOCIATES, INC.

1000 SW Broadway, Suite 1680
Portland, Oregon 97205
503.221.4200 f: 503.294.1409
www.rvkuhns.com

MEMORANDUM

To: Wyoming State Loan and Investment Board

From: Rebecca Gratsinger, Josh Kevan, Ashlee Moehring, and Jamie Voytko
R.V. Kuhns & Associates, Inc.

Subject: June 30, 2006 Investment Performance Analysis Commentary

Outlined below please find a summary of significant observations regarding performance of the State's Funds for the period ended June 30, 2006. In addition, we have included some supplementary comments focusing on the performance the State has experienced over the past fiscal year. We hope this summary will facilitate your review of our Investment Performance Analysis Report.

- The Total Fund (including Permanent Mineral Trust, Permanent Land Fund, University Permanent Land Fund, Common School, State Agency, Workers Compensation, and Tobacco Settlement) finished the quarter ended June 30, 2006 with a return of 0.1%. This performance is compared to the custom index return of -0.8%.
- The Permanent Mineral Trust Fund finished the quarter ended June 30, 2006 with a return of -0.3% and the Common School Fund finished with a return of -0.2%, while the Permanent Land Fund returned -0.1%. Weak second quarter domestic and international equity market performance was a performance drag for the three permanent funds.
- News from the Federal Reserve dominated the fixed income market performance throughout the quarter. While the Federal Reserve opened the quarter with discussions of neutral monetary policy, unanticipated data about the growth of the economy and inflationary signals forced it to raise rates by a total of 50 basis points during May and June meetings, ending the quarter with the target overnight lending rate at 5.25%. The State's total fixed income portfolio outperformed the Lehman Aggregate Index for the quarter, returning 0.4% versus -0.1% for the benchmark. The driving performance factor of the State's portfolio remains the shorter overall duration of the internal portfolio, relative to the Index. During the quarter, six new fixed income managers were funded. The State began the process of allocating capital according to its new target in the core plus, corporates, mortgages, and global fixed income mandates.
- The U.S. market took a step back during the quarter after a robust start to the year. Markets around the globe retreated due in part to inflation concerns in the U.S. The S&P 500 was down 1.4% and the Russell 1000 shed 1.7% during the quarter. The State's large-cap domestic equity investments, managed by State Street, were in line with the market, posting a -1.3% return during the quarter. The covered call overlay program however contributed significant returns for the quarter however, adding 71 basis points to the notional principal amount of \$500 million.
- Small-capitalization equities were hit harder than larger stocks during the quarter, with the Russell 2000 returning -5.0% during the quarter. Friess, the State's small/mid-cap growth manager, outperformed relative to the benchmark during the quarter, with a -4.6% return compared to an -6.1% for the Russell 2500 Growth. Gabelli also outperformed for the quarter, returning -0.2% versus -2.5% for the Russell 2500 Value.

- Developed international stock markets performed better than domestic equity markets during the quarter, while emerging markets performed worse. The MSCI EAFE Index was posted a positive 0.9% gain for the second quarter, and the MSCI Emerging Markets Index lost 4.3%. For the quarter, Fisher and Capital Guardian underperformed the EAFE benchmark returning -2.4% and -0.1% respectively.
- Real Estate markets continued to realize strong performance, driven primarily by appreciation in property prices, but also including healthy returns from operating income. June 30, 2006 marked the second full quarter of performance for the State's investment with Clarion, who returned 4.9% versus 4.0% for the NCREIF Property Index. Additionally, UBS Real Estate made its first capital call in June 2006.

Fiscal Year Ended June 30th, 2006

Diversification of the Permanent Funds played a major role in performance results for the fiscal year ended June 30th, 2006.

From June 2005 to June 2006, short-term interest rates increased by approximately 200 basis points, while longer-term rates increased by approximately 100 basis points, creating a very challenging environment for fixed income investments. The State's fixed income portfolio held up very well in this environment.

- The fixed income portfolio produced a positive return of 1.1% compared to a return on the Lehman Aggregate Bond Index of -0.8%. This is largely attributable to the overall shorter duration in the internal portfolio, and enhanced further by impressive returns for the convertible bond portfolio (+13.1%).

The State's continued diversification into equity securities and other alternatives contributed significantly to returns for the fiscal year. Collectively, the State's investment managers executed well on their assigned mandates, adding additional incremental return.

- The domestic equity portfolio returned 10.0% for the year, compared to 8.6% for the S&P 500.
- The international equity portfolio returned 28.8% for the year, compared to 27.1% for the MSCI EAFE.
- The first real estate capital calls occurred in late 2005, however real estate was the best performing asset in the most recent quarter with a positive 4.9% return, compared to 4.0% for the NCREIF Property Index.
- The domestic equity overlay strategy added 0.76% of incremental return for the year on the notional principal amount of \$500 Million.
- The Permanent Mineral Trust and Common School Permanent Land Fund ended the year with return of 6.6% and 6.0% respectively, both outperforming their custom index returns of 4.6% and 4.4% respectively.
- Returns for the Non-Permanent Funds (Workers Compensation, Tobacco Settlement, and State Agency Pool) were more pedestrian due to their heavy concentration in fixed income and cash, but performed very well on a relative basis. The Workers Compensation Fund returned 1.5% vs. -0.8% for its custom index. The Tobacco Settlement Trust return 0.7% vs. -0.8% for its custom index, and the State Agency Pool returned 2.3% vs. 0.9% for its custom index.

Capital Markets Review As of June 30, 2006

Capital Markets Review

Second Quarter Economic Environment: Fears of inflation and signs of a longer-than-expected interest rate hike campaign by the Federal Reserve spooked markets across the globe during the quarter. Riskier assets saw a significant sell-off in May and early June as investors tried to find a safe haven from inflationary pressures. A late June rally turned what could have been a catastrophic quarter into merely a poor one. Volatility returned to the markets as investors tried to decipher comments made by Federal Reserve Chairman Bernanke regarding his objective to keep inflation and growth under control. The unexpectedly strong economic data forced the Federal Reserve to raise rates twice in the quarter, which brought the tally of uninterrupted hikes to 17. First quarter GDP growth was finalized at 5.6%, which was the fastest growth rate in two years for the world's largest economy. Entering the third quarter, focus remained on the Federal Reserve after a rapid change in market consensus on the likely duration of the tightening campaign during the three months of the second quarter.

Second Quarter Equities: The U.S. market took a step back during the quarter after a robust start to the year. Markets around the globe retreated due in part to inflation concerns in the U.S. The U.S. Broad Market, as measured by the Russell 3000 Index, fell by 2.0% during the quarter. After leading the equity rally by gaining 13.9% in the first quarter, small-cap stocks (Russell 2000) fell from their May peaks to shed 5.0% in the quarter. Growth stocks were hit the hardest across the equity spectrum and all capitalizations. The Russell 1000 Growth Index lost 3.9% in the quarter. Small-cap growth stocks, as represented by the Russell 2000 Growth Index, were the worst performers of the domestic equity classes and lost 7.2%. Domestically, only large-cap value provided a safe haven for investors, returning 0.6% (Russell 1000 Value). Small value (Russell 2000 Value) declined 2.7% along with other equity classes. Non-U.S. developed countries, as measured by MSCI EAFE, were buoyed by a declining dollar to return 0.9%. Talk of continued rate hikes in the U.S. and inflation concerns dealt a blow to the raw material- and commodity-producing emerging markets. Even after currency gains, relative to the U.S. dollar, the MSCI Emerging markets posted a loss of 4.3% in the quarter.

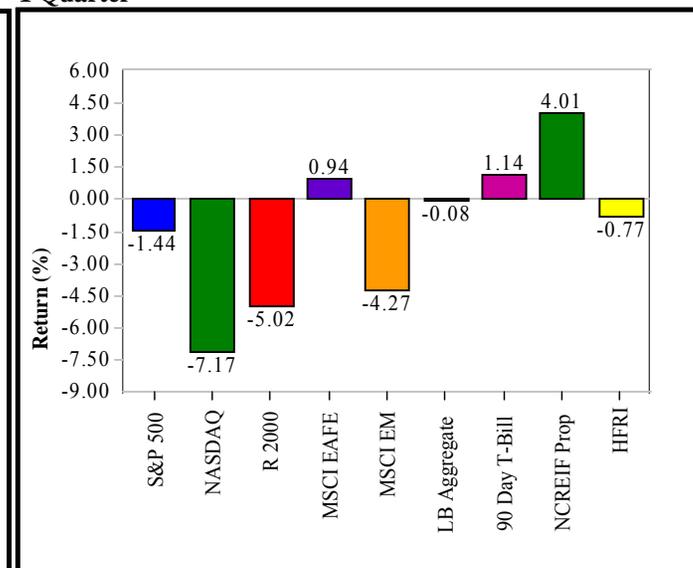
Second Quarter Fixed Income: News from the Federal Reserve dominated the fixed income market performance throughout the quarter. While the Federal Reserve opened the quarter with discussions of neutral monetary policy, unanticipated data about the growth of the economy and inflationary signals forced it to raise rates by a total of 50 basis points during May and June meetings, ending the quarter with the target overnight lending rate at 5.25%. The yield curve responded by flattening modestly and ending the quarter about 30 basis points higher across maturities. Fixed income performance overall was relatively flat, with the Lehman Aggregate Bond Index declining 0.1% on the quarter. Corporates performed poorly, down 0.4%, and Treasuries shed 0.1% on the quarter as well. The market saw some modest gains in High Yield as it returned 0.3% and U.S. TIPS rose 0.5%. As rates grew and diminished long-dated notes, cash posted the highest domestic fixed income return of 1.2%. Global fixed income exhibited particularly strong performance, helped by currency movements, as the Lehman Global Aggregate Index posted a strong 2.4% in the quarter.

Trailing-Period Performance

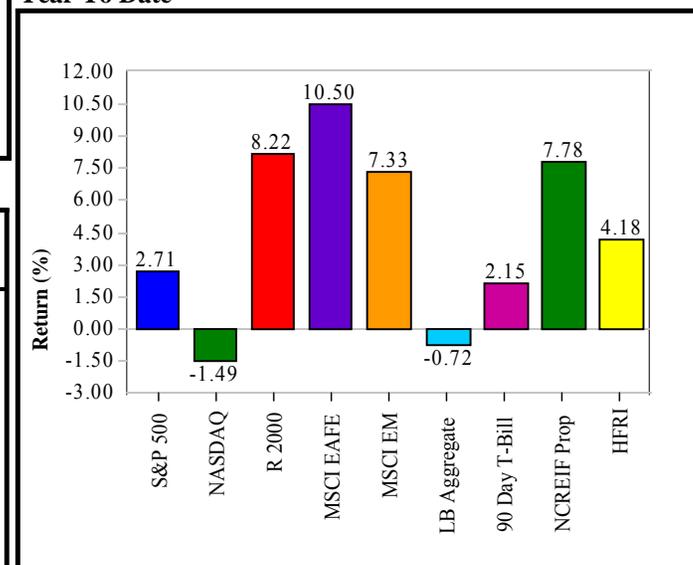
	1 Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
S&P 500 Index (Cap Weighted)	-1.44	2.71	8.63	11.22	2.49	8.32
NASDAQ Composite Index	-7.17	-1.49	5.61	10.21	0.11	6.25
R 2000 Index	-5.02	8.22	14.58	18.70	8.50	9.05
MSCI EAFE Index (Gross)	0.94	10.50	27.07	24.43	10.44	6.76
MSCI Emg Mkts Index (Gross)	-4.27	7.33	35.91	34.77	21.54	6.67
LB Aggregate Bond Index	-0.08	-0.72	-0.81	2.05	4.97	6.22
ML 90 Day T-Bill Index	1.14	2.15	3.85	2.21	2.16	3.76
NCREIF Property Index	4.01	7.78	18.67	15.79	12.01	12.41
HFRI Fund of Funds Index	-0.77	4.18	10.91	8.28	6.28	7.83

Performance for periods greater than one year are annualized.

1 Quarter

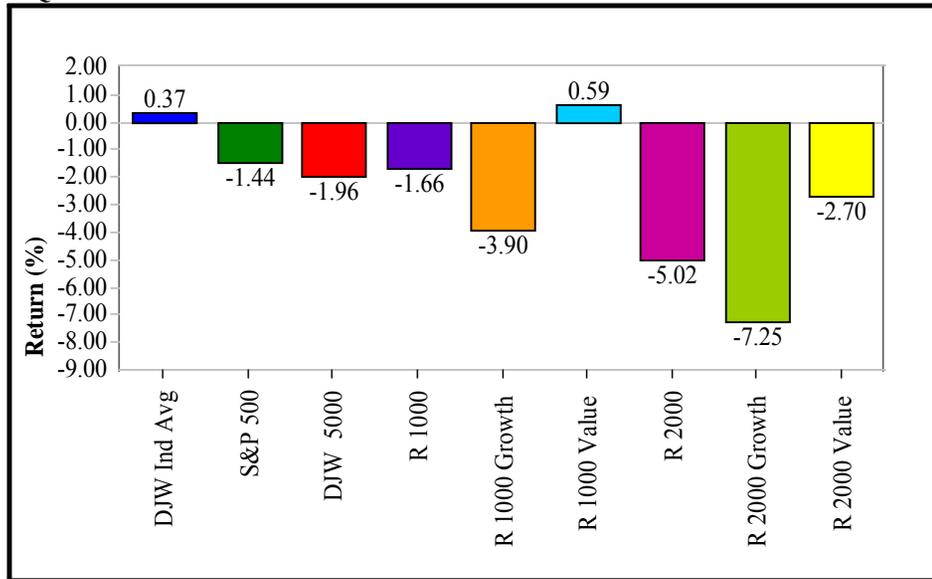


Year To Date

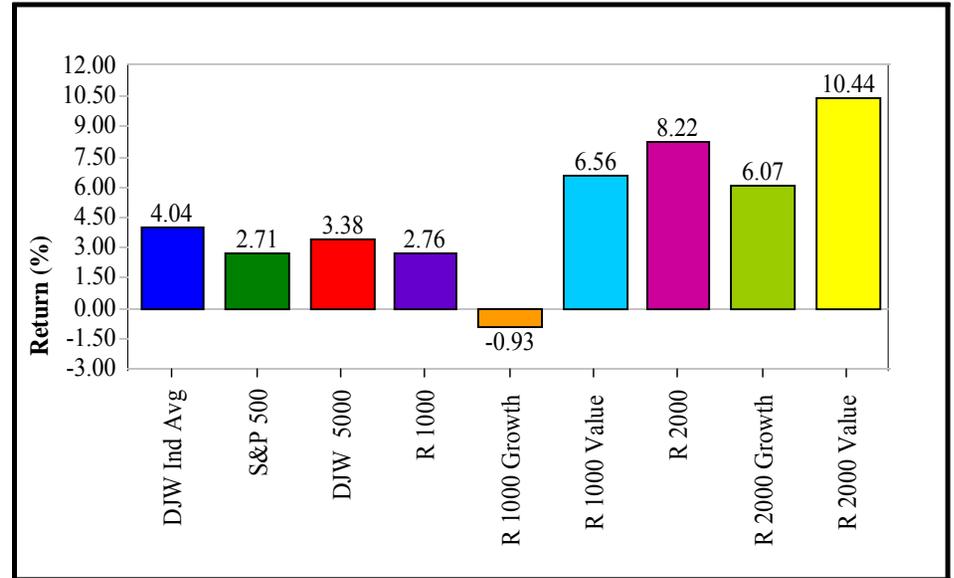


**Domestic Equity Market Performance
As of June 30, 2006**

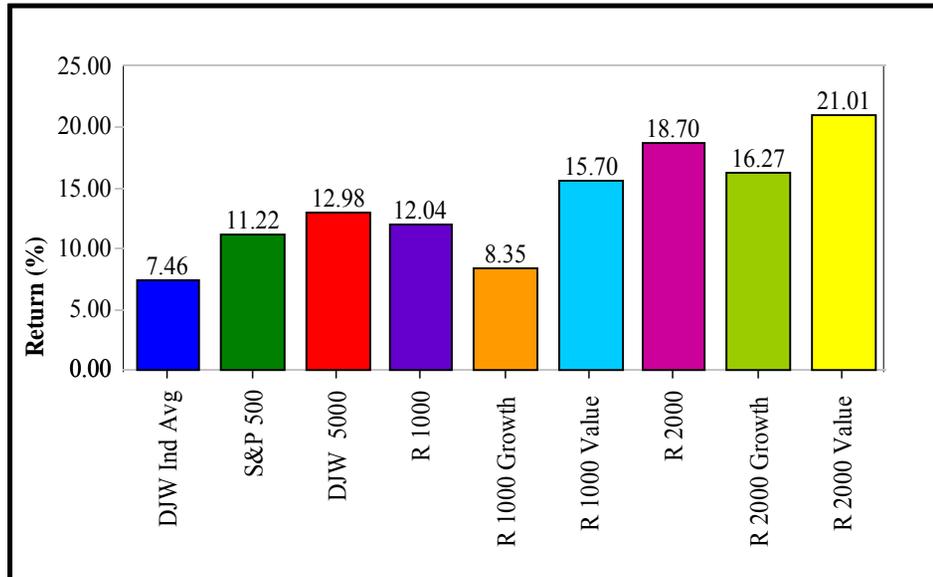
1 Quarter



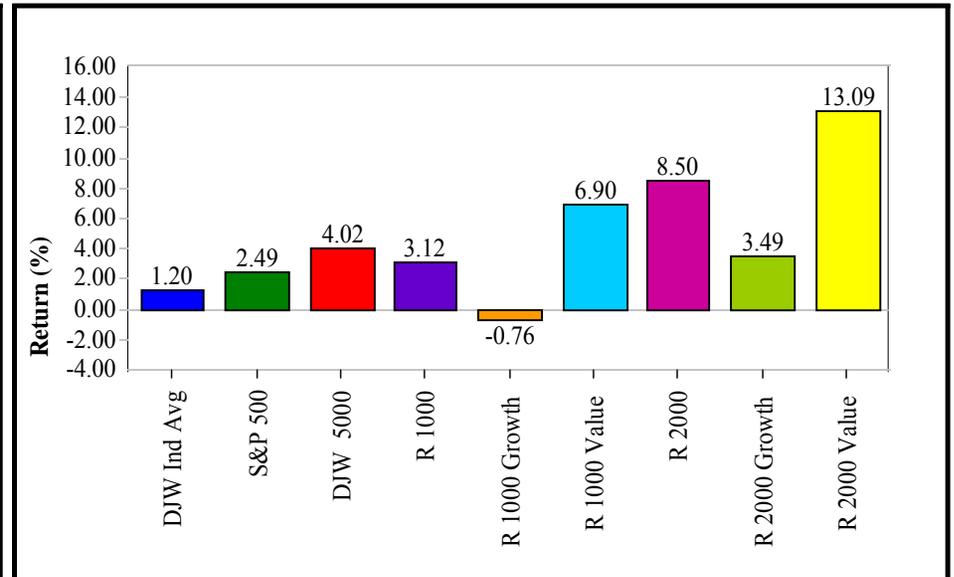
Year To Date



3 Years



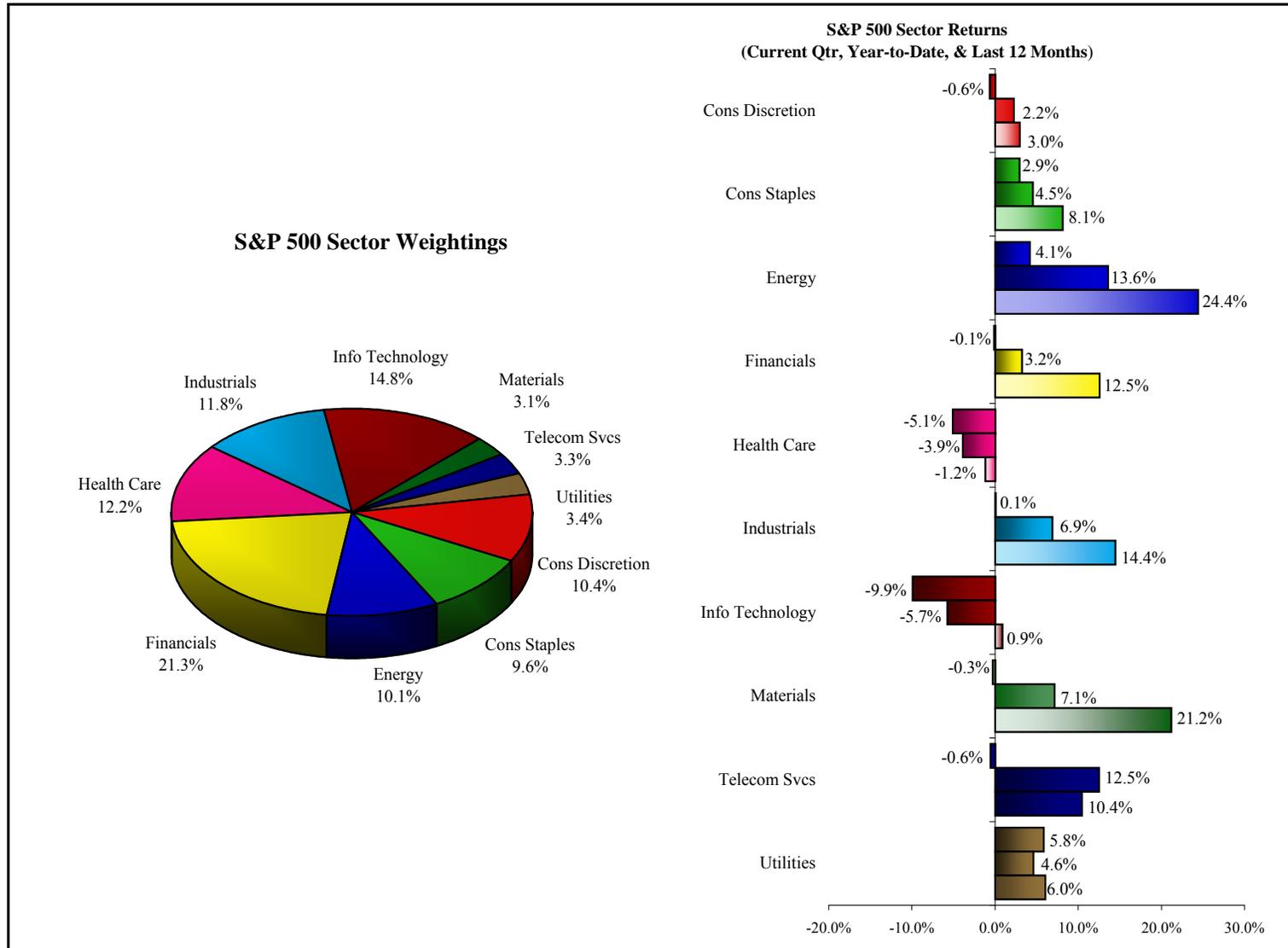
5 Years



Performance for periods greater than one year are annualized.

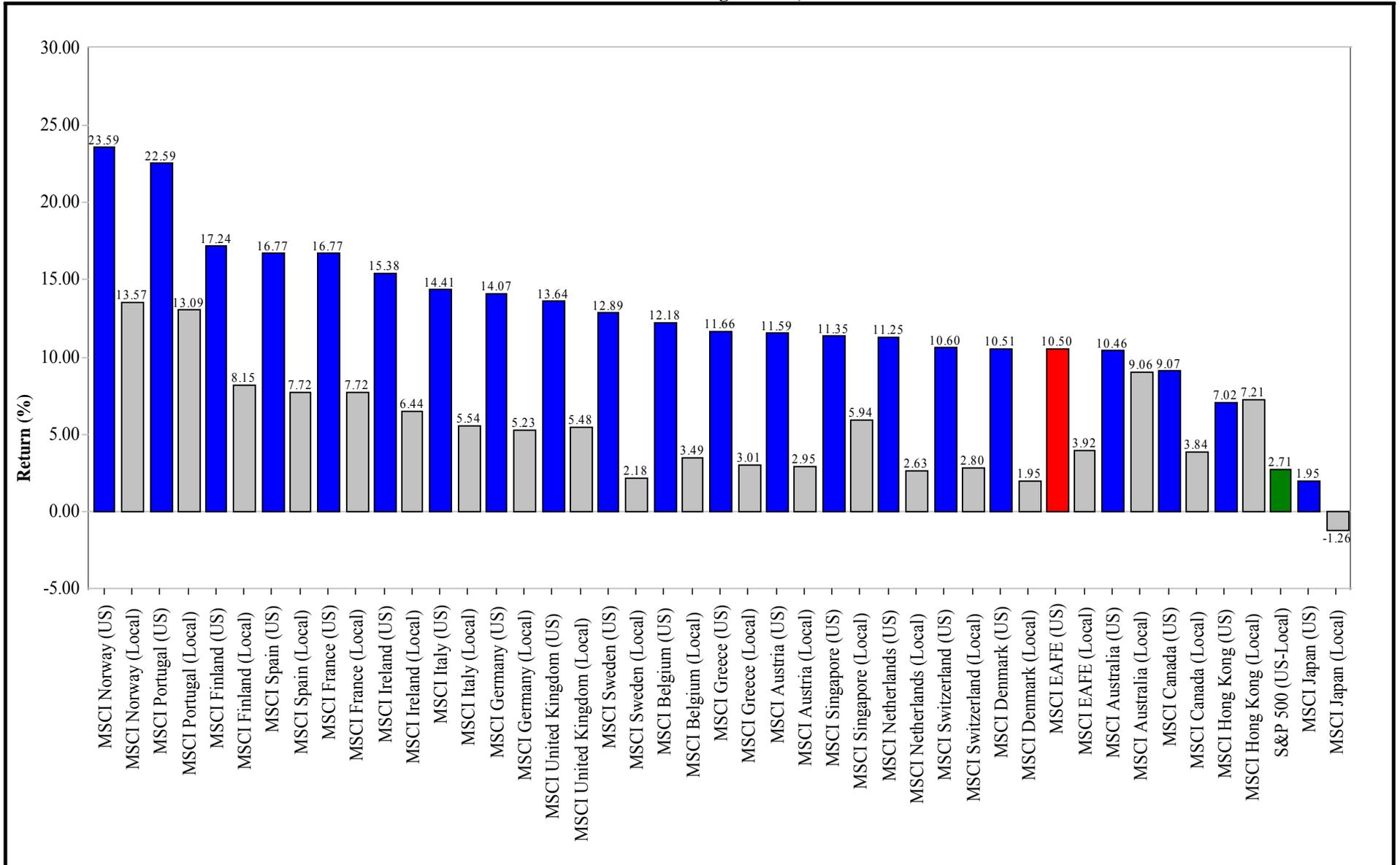
U.S. EQUITY SECTOR WEIGHTS AND RETURNS

Quarter Ended 6/30/2006



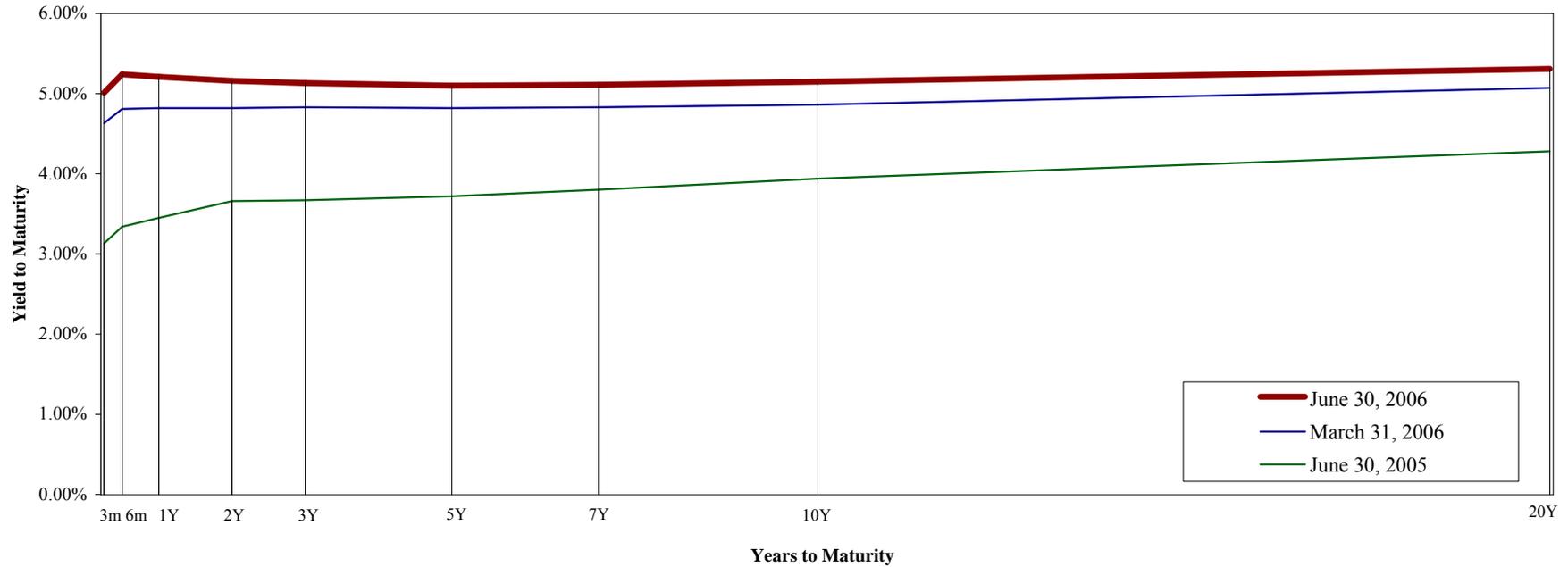
**International Equity Market Performance
As of June 30, 2006**

Year To Date Ending June 30, 2006



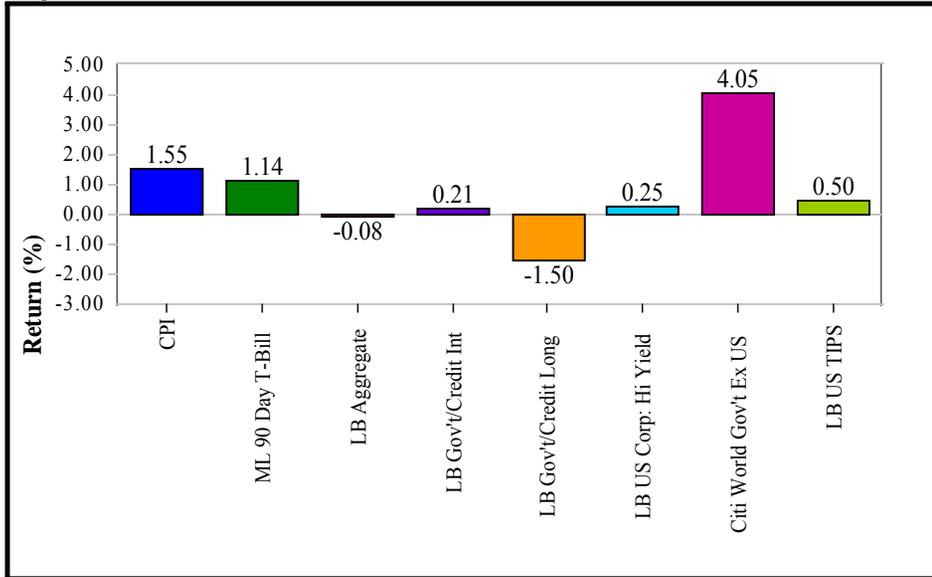
TREASURY YIELD CURVE Quarter Ended 6/30/2006

	June 30, 2006	March 31, 2006	June 30, 2005
3 Month	5.01%	4.63%	3.13%
6 Month	5.24%	4.81%	3.34%
1 Year	5.21%	4.82%	3.45%
2 Year	5.16%	4.82%	3.66%
3 Year	5.13%	4.83%	3.67%
5 Year	5.10%	4.82%	3.72%
7 Year	5.11%	4.83%	3.80%
10 Year	5.15%	4.86%	3.94%
20 Year	5.31%	5.07%	4.28%

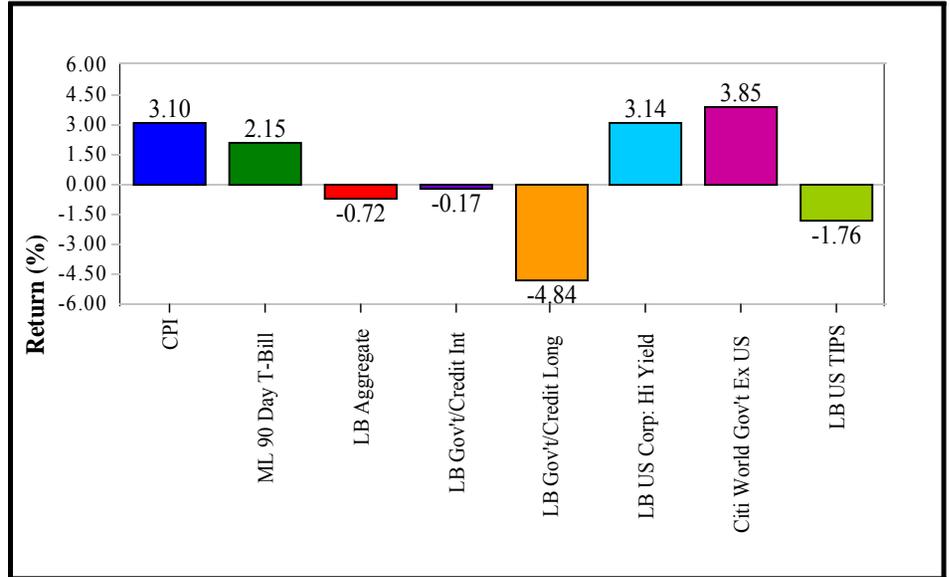


**Fixed Income Market Performance
As of June 30, 2006**

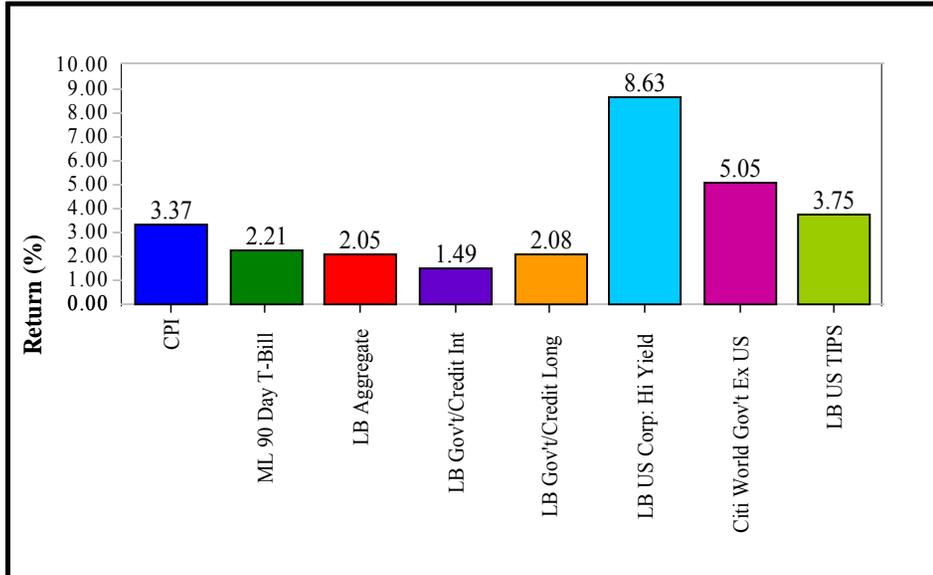
1 Quarter



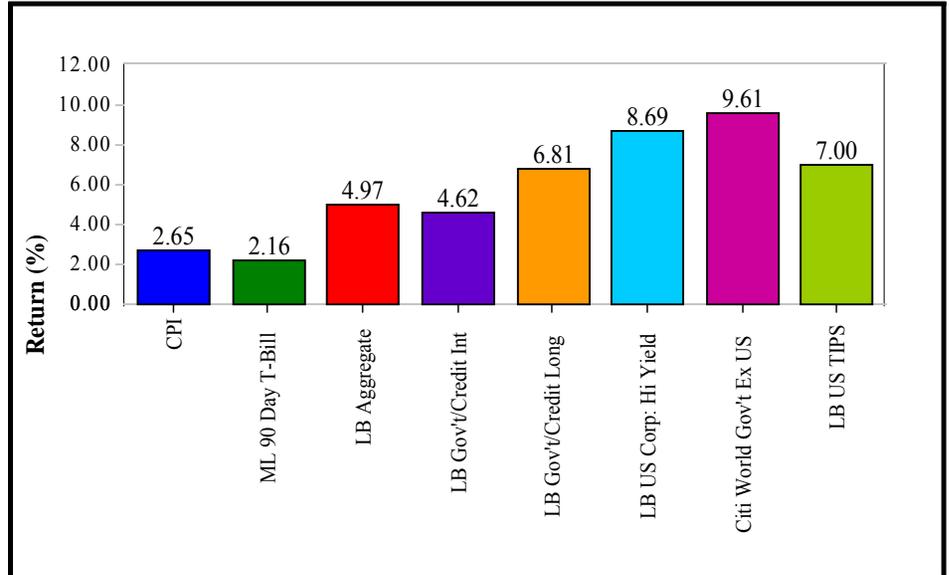
Year To Date



3 Years

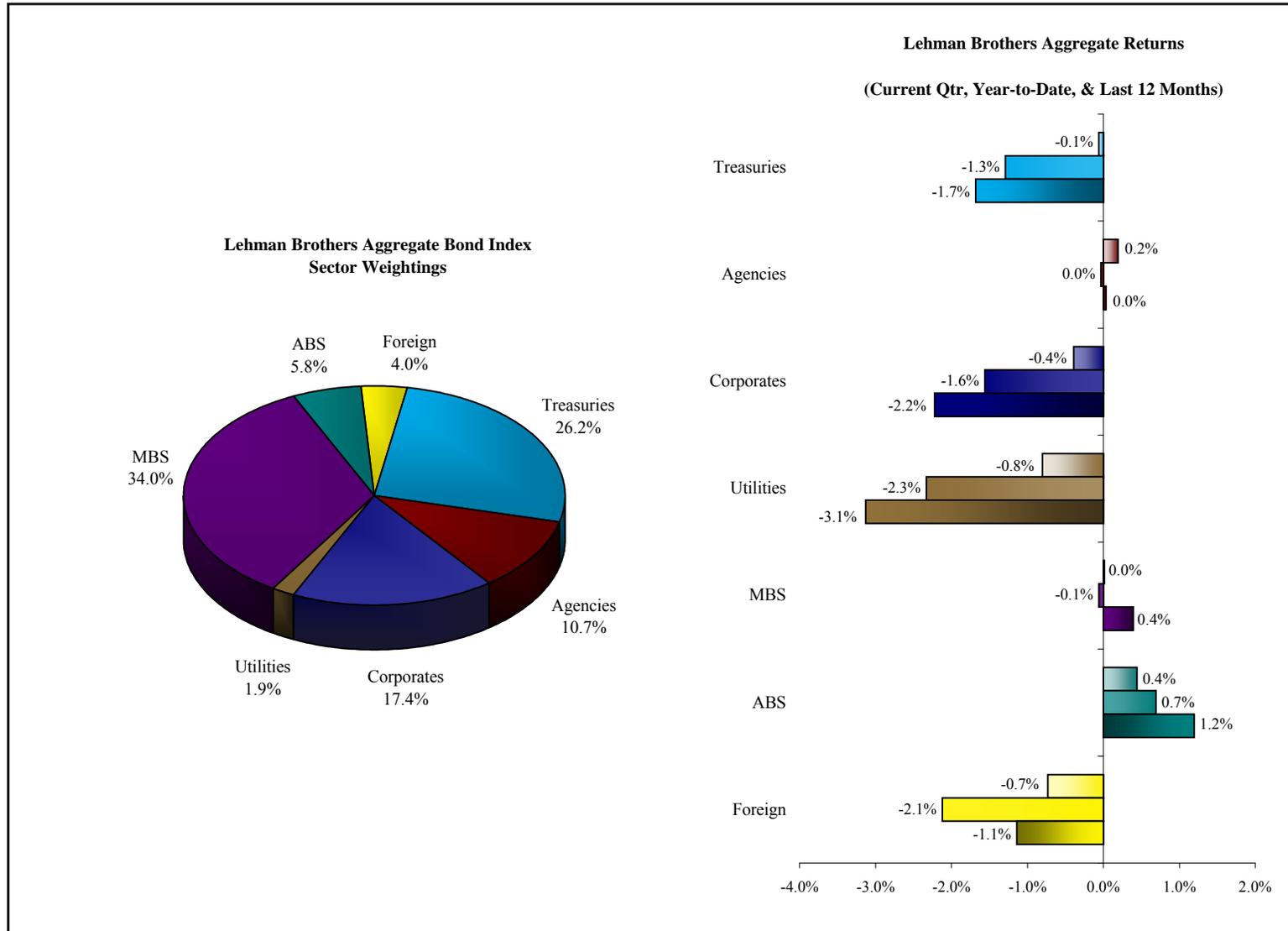


5 Years



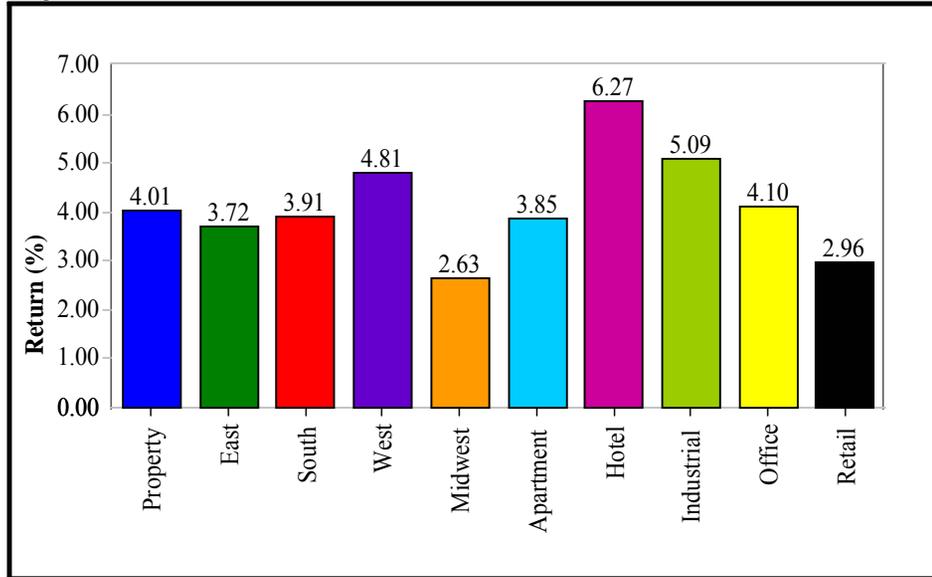
Performance for periods greater than one year are annualized.

BOND SECTOR WEIGHTS AND RETURNS
Lehman Brothers Aggregate Bond Index
Quarter Ended 6/30/2006

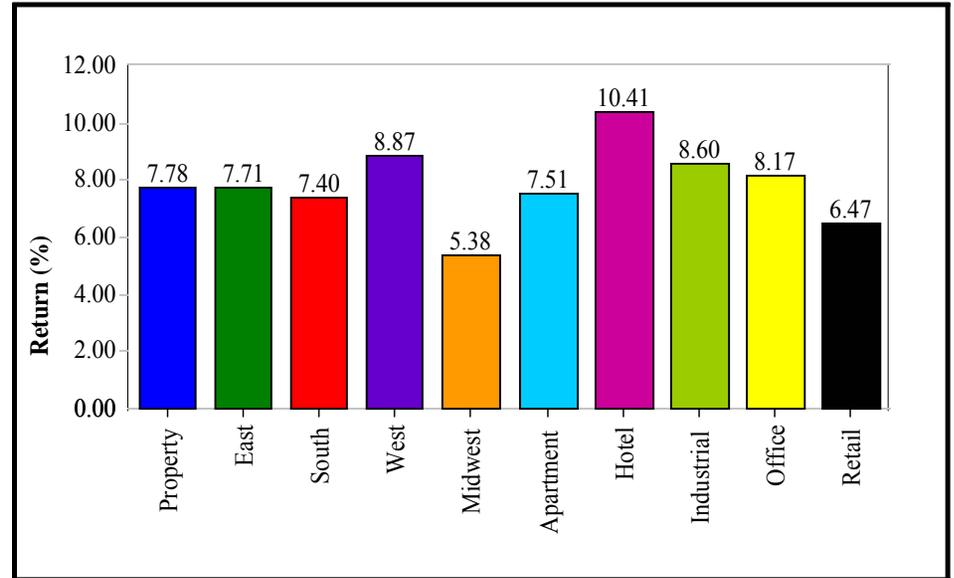


**Real Estate Market Performance
As of June 30, 2006**

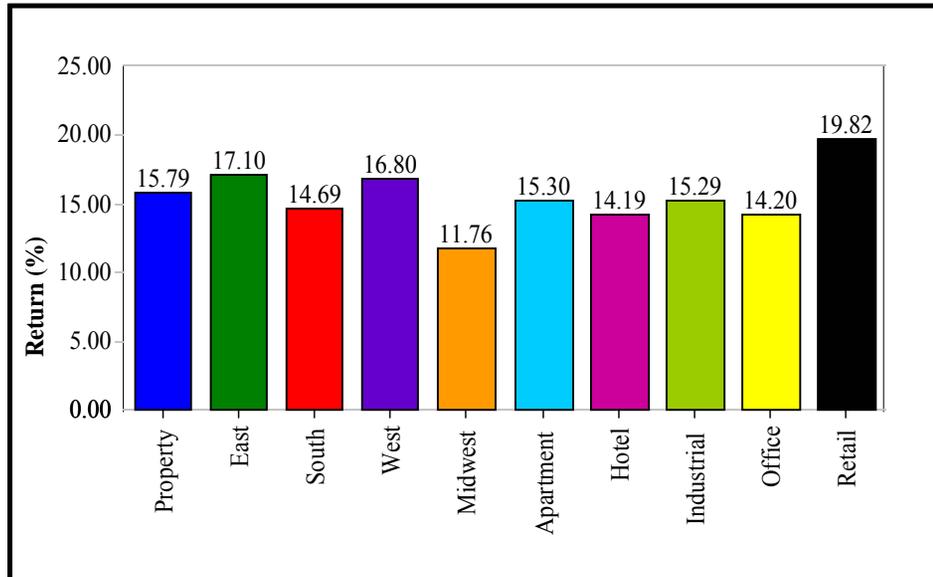
1 Quarter



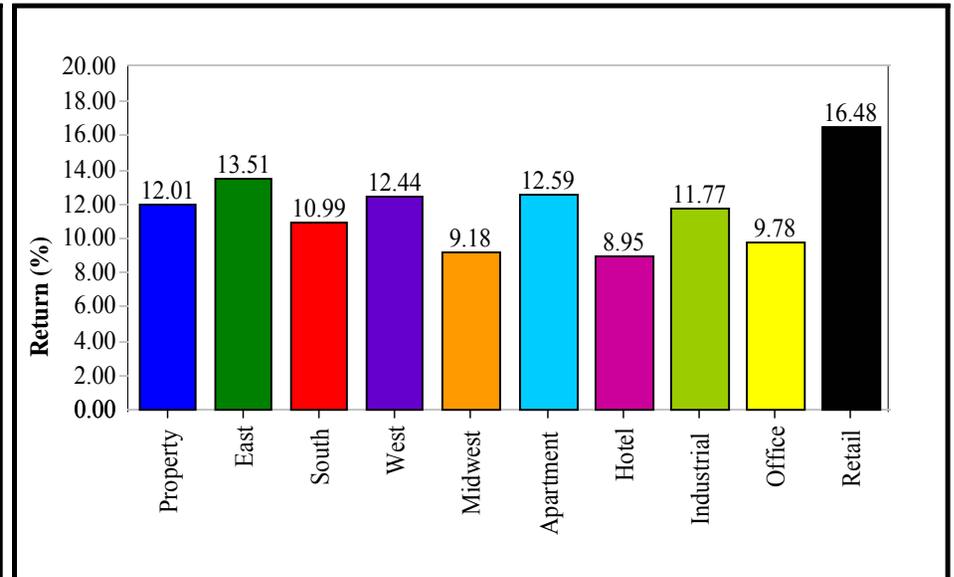
Year To Date



3 Years



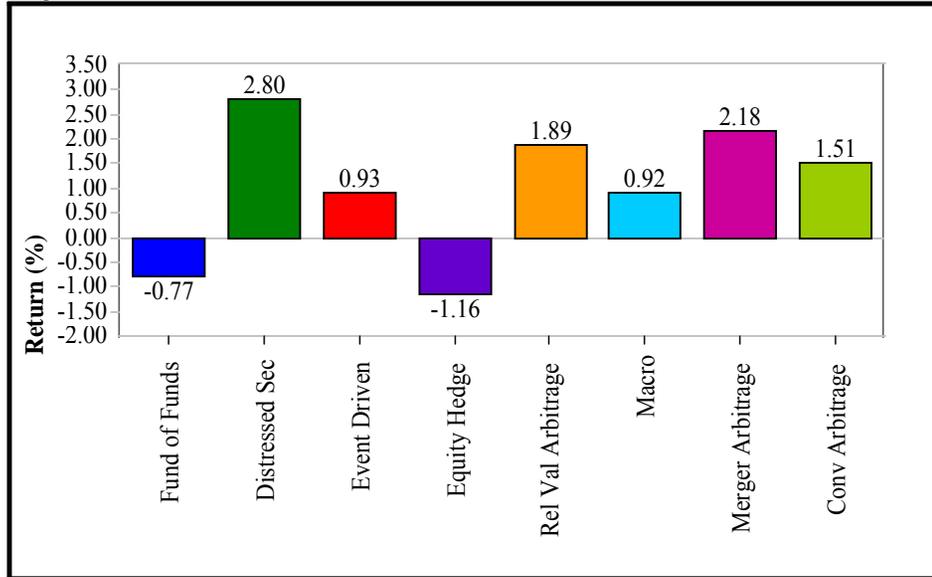
5 Years



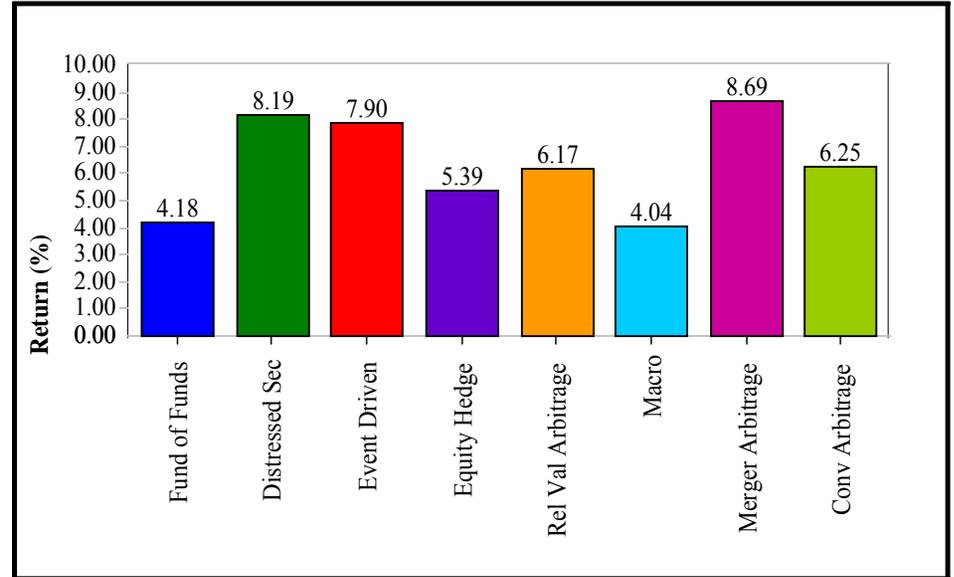
Performance for periods greater than one year are annualized.

Hedge Fund Market Performance As of June 30, 2006

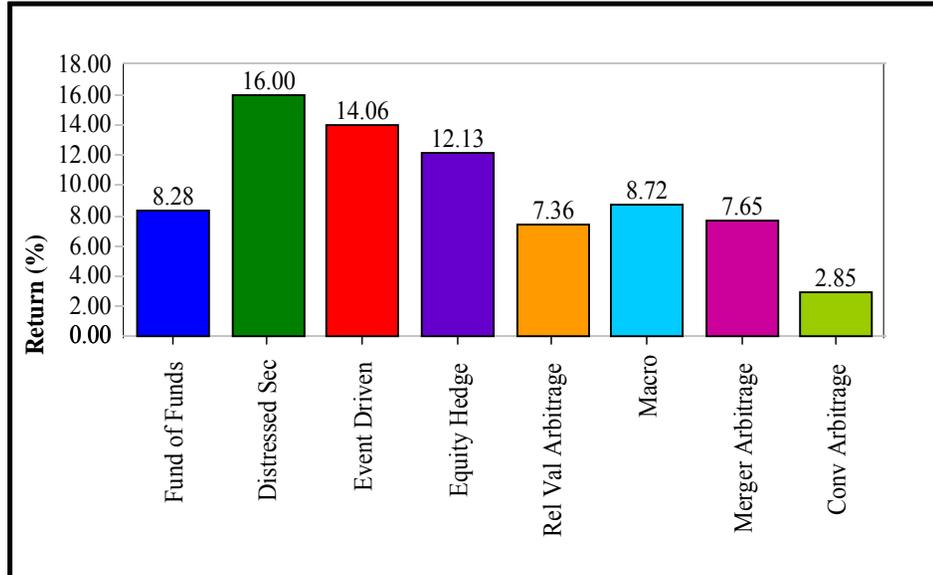
1 Quarter



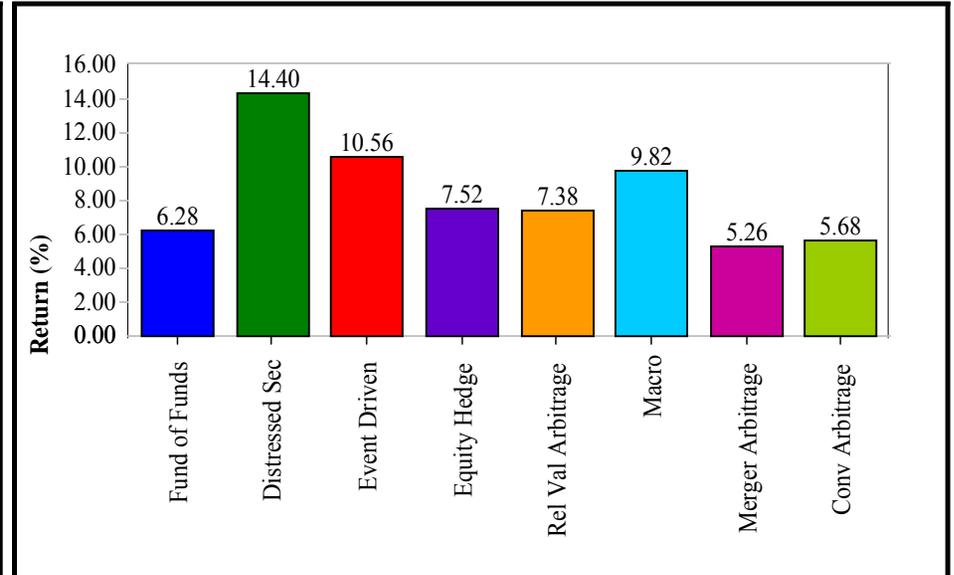
Year To Date



3 Years



5 Years



Performance for periods greater than one year are annualized.

**Annual Asset Class Performance
As of June 30, 2006**

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	YTD
Best ↑ ↓ Worst	29.14%	74.84%	8.06%	38.35%	23.12%	35.18%	38.71%	66.85%	22.83%	14.03%	10.25%	56.28%	25.95%	34.54%	10.50%
	18.41%	32.94%	6.39%	37.77%	22.45%	32.85%	27.02%	43.09%	12.24%	8.44%	6.74%	48.54%	22.25%	20.06%	10.44%
	15.75%	26.32%	3.84%	37.19%	21.64%	31.79%	20.33%	33.16%	11.63%	7.29%	1.76%	47.25%	20.70%	14.02%	8.22%
	13.81%	23.84%	2.66%	31.04%	21.37%	30.49%	16.24%	27.37%	7.02%	5.28%	1.01%	46.03%	18.33%	7.49%	7.78%
	12.33%	18.91%	0.38%	28.44%	16.50%	22.36%	15.63%	26.47%	6.03%	4.45%	-1.41%	39.17%	16.50%	7.05%	7.33%
	11.40%	18.12%	-1.03%	25.75%	14.39%	16.20%	8.69%	21.26%	4.07%	2.80%	-6.00%	30.03%	14.48%	6.27%	6.56%
	9.04%	17.12%	-1.55%	19.17%	11.35%	13.90%	5.36%	20.91%	-3.02%	2.49%	-11.42%	29.89%	14.31%	5.27%	6.07%
	7.77%	13.36%	-1.82%	18.47%	11.26%	12.95%	1.87%	11.36%	-5.86%	-2.37%	-15.52%	29.75%	11.40%	4.71%	4.18%
	7.40%	10.15%	-1.99%	11.55%	10.31%	12.76%	1.23%	7.35%	-7.79%	-5.59%	-15.66%	28.97%	11.13%	4.55%	3.14%
	5.00%	9.75%	-2.43%	11.10%	6.36%	9.65%	-2.55%	4.85%	-13.96%	-9.23%	-20.48%	11.62%	6.87%	4.15%	2.76%
	3.76%	3.12%	-2.92%	7.54%	6.03%	5.30%	-5.11%	2.39%	-22.43%	-12.45%	-21.65%	8.99%	6.30%	2.88%	2.15%
	-4.26%	2.90%	-3.48%	5.92%	5.25%	2.06%	-6.45%	-0.82%	-22.43%	-20.42%	-27.88%	4.10%	4.34%	2.74%	-0.72%
	-11.85%	1.38%	-7.32%	-5.21%	3.63%	-11.59%	-25.34%	-1.49%	-30.71%	-21.21%	-30.26%	1.10%	1.14%	2.43%	-0.93%

R 2000 Value	R 2000 Growth	R 2000	R 1000 Value	R 1000 Growth	R 1000	MSCI Emerging Mkt	MSCI EAFE	NCREIF Property Index	HFRI Fund of Funds Index	LB Agg Bond	ML 90 Day Treasury Bill	LB US Corp: Hi Yield
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Wyoming State Treasurer's Office
Investment Performance
 June 30, 2006

Investment Policy:

It is the investment policy for the State Loan and Investment Board to invest public funds of the State of Wyoming in a manner that strives for maximum safety, provides adequate liquidity to meet all operating requirements, and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity.

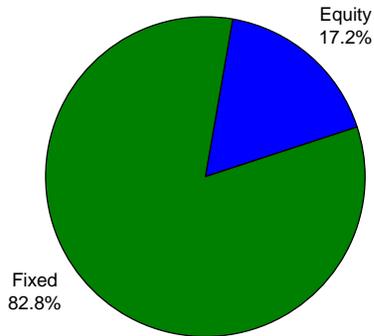
Investment Objectives and Priorities:

All available funds shall be invested with the following objectives and priorities:

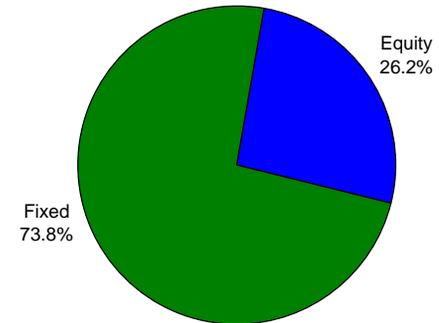
- a) Safety of principal. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- b) Liquidity requirements of anticipated and unanticipated expenditures.
- c) Yield.
- d) Recognition of differing objectives and needs of various fund portfolios.
- e) Conformance with State law and other pertinent legal restrictions.
- f) Maximization of the total rate of return on investment consistent with the foregoing objectives.
- g) Diversification by asset type, security, and investment manager in order to smooth the volatility of quarterly returns.

Asset Allocation:

6/30/2005 Allocation



6/30/2006 Allocation



Historical Performance:

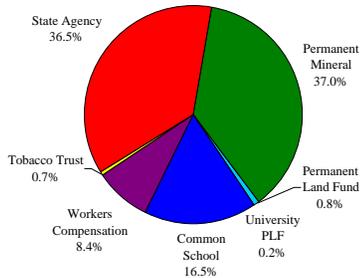
	Total Investment Value	Fiscal Year Ending 6/30/05 Market Value	Current Market Value	Qtr Ending 6/30/06 Return	Fiscal YTD Return	1 Year Return	3 Year Return	5 Year Return
Wyoming State Total Fund	\$8,191.20	\$6,676.90	\$8,307.27	0.09%	3.93%	3.93%	4.64%	5.18%
Wyoming State Custom Index				-0.81%	1.32%	1.32%	3.28%	4.79%

Performance shown is gross of fees.

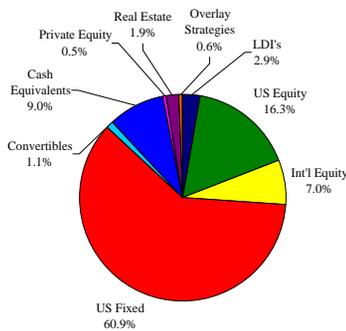
Wyoming State Treasurer's Office
Investment Performance - Total Performance
June 30, 2006

	Total Investment Value	Fiscal Year Ending 6/30/05 Market Value	Current Market Value	Qtr Ending 6/30/06 Return	Fiscal YTD Return	1 Year Return	3 Year Return	5 Year Return
Wyoming State Total Fund	\$8,191,200,820	\$6,676,903,391	\$8,307,271,870	0.09%	3.93%	3.93%	4.64%	5.18%
Custom Index				-0.81%	1.32%	1.32%	3.28%	4.79%
Investment Funds								
Permanent Mineral Trust	\$2,968,859,569	\$2,557,796,545	\$3,070,623,840	-0.29%	6.62%	6.62%	6.16%	7.37%
Permanent Land Fund	\$59,492,398	\$0	\$63,272,132	-0.12%	N/A	N/A	N/A	N/A
University Permanent Land Fund	\$14,925,068	\$0	\$15,811,265	N/A	N/A	N/A	N/A	N/A
Common School Perm Land Fund	\$1,314,296,944	\$1,203,985,801	\$1,371,627,543	-0.21%	6.02%	6.02%	6.49%	7.76%
Workers Compensation Fund	\$690,954,589	\$575,524,389	\$695,635,977	0.55%	1.47%	1.47%	3.76%	5.81%
Tobacco Settlement Trust	\$56,353,838	\$52,229,830	\$55,172,408	0.37%	0.74%	0.74%	1.50%	4.07%
State Agency Pool	\$3,086,318,414	\$2,287,366,827	\$3,035,128,705	0.78%	2.32%	2.32%	3.26%	4.05%
Asset Class Performance								
US Equity	\$880.91	\$1,350.15		-1.59%	9.99%	9.99%	11.77%	1.81%
S&P 500				-1.44%	8.63%	8.63%	11.22%	2.50%
International Equity	\$196.50	\$584.85		-1.15%	28.84%	28.84%	N/A	N/A
MSCI EAFE				0.94%	27.06%	27.06%	24.43%	10.44%
US Fixed	\$4,455.98	\$5,055.25		0.37%	1.14%	1.14%	3.22%	5.69%
Excluding Convertibles				0.41%	0.99%	0.99%	3.05%	5.71%
Lehman Aggregate				-0.08%	-0.81%	-0.81%	2.05%	4.97%
Convertible Bonds	\$63.26	\$88.37		-1.20%	13.07%	13.07%	13.47%	6.07%
ML All Quality Convertible				-0.74%	9.37%	9.37%	8.87%	5.56%
Cash Equivalents	\$810.86	\$746.57		1.25%	4.34%	4.34%	2.52%	2.34%
90 Day U.S. T-Bills				1.15%	3.98%	3.98%	2.36%	2.25%
Private Equity	\$21.92	\$40.41		N/M	N/M	N/M	N/M	N/M
S&P 500 + 5%				-0.23%	14.01%	14.01%	16.72%	7.62%
Real Estate	\$0.00	\$154.97		4.89%	N/A	N/A	N/A	N/A
NCREIF Property				4.01%	18.67%	18.67%	15.79%	12.00%
Overlay Strategies	\$50.48	\$47.09		0.71%	0.76%	0.76%	N/A	N/A
LDIs and Other Wyoming Investments	\$197.00	\$239.61		N/A	N/A	N/A	N/A	N/A

Allocation by Fund



Allocation by Asset Class



Performance shown is gross of fees. Investment performance is calculated on invested assets only.
Pooled investment performance and market values shown reflect State Agency participation.
Pooled investment performance is calculated on a capital-weighted basis using beginning-period allocations.
State of Wyoming created the Permanent Land Fund in January 2006 and the University Permanent Land Fund in April 2006.
Cash Equivalents performance does not include Extended Cash performance.
Interim performance for Private Equity is highly immature and is shown as "N/M" or "Not Material."
Overlay Strategies market value shown represents cash held as collateral. Performance shown is calculated based on a notional principle of \$500 million.
Market values shown for LDIs and Other Wyoming Investments reflect cost value of the investments.

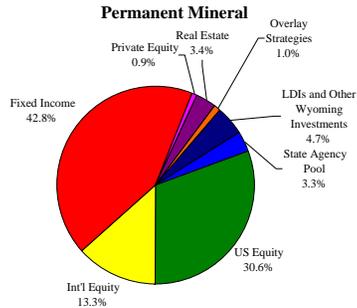
Wyoming State Treasurer's Office
Investment Performance - Total Performance
June 30, 2006

	Total Investment Value	Fiscal Year Ending 6/30/05 Market Value	Current Market Value	% of MV	Qtr Ending 6/30/06 Return	Fiscal YTD Return	1 Year Return	3 Year Return	5 Year Return
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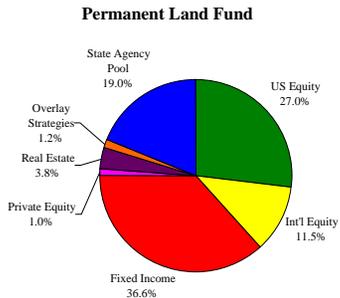
Wyoming State Total Fund	\$8,191,200,820	\$6,676,903,391	\$8,307,271,870		0.09%	3.93%	3.93%	4.64%	5.18%
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Investment Funds:

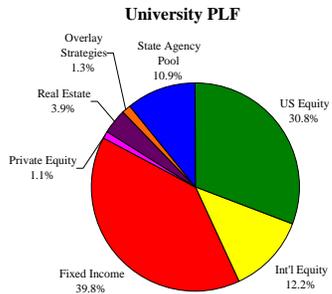
Permanent Mineral Trust	\$2,968,859,569	\$2,557,796,545	\$3,070,623,840	100.0%	-0.29%	6.62%	6.62%	6.16%	7.37%
US Equity	\$600,041,806	\$600,041,806	\$940,796,622	30.6%					
Int'l Equity	\$132,837,431	\$132,837,431	\$407,676,220	13.3%					
Fixed Income	\$1,458,977,936	\$1,458,977,936	\$1,313,152,657	42.8%					
Private Equity	\$16,870,490	\$16,870,490	\$27,191,770	0.9%					
Real Estate	\$0	\$0	\$104,288,886	3.4%					
Overlay Strategies	\$35,336,208	\$35,336,208	\$31,541,790	1.0%					
LDIs and Other Wyoming Investments	\$120,407,321	\$120,407,321	\$143,954,918	4.7%					
State Agency Pool	\$193,325,352	\$193,325,352	\$102,020,977	3.3%					
<i>Custom Index</i>					-0.36%	4.60%	4.60%	5.41%	5.96%



Permanent Land Fund	\$59,492,398	\$0	\$63,272,132	100.0%	-0.12%	N/A	N/A	N/A	N/A
US Equity	\$0	\$0	\$17,061,424	27.0%					
Int'l Equity	\$0	\$0	\$7,248,917	11.5%					
Fixed Income	\$0	\$0	\$23,177,055	36.6%					
Private Equity	\$0	\$0	\$633,994	1.0%					
Real Estate	\$0	\$0	\$2,375,986	3.8%					
Overlay Strategies	\$0	\$0	\$740,718	1.2%					
State Agency Pool	\$0	\$0	\$12,034,037	19.0%					
<i>Custom Index</i>					-0.34%	N/A	N/A	N/A	N/A



University Permanent Land Fund	\$14,925,068	\$0	\$15,811,265	100.0%	N/A	N/A	N/A	N/A	N/A
US Equity	\$0	\$0	\$4,865,405	30.8%					
Int'l Equity	\$0	\$0	\$1,929,372	12.2%					
Fixed Income	\$0	\$0	\$6,297,776	39.8%					
Private Equity	\$0	\$0	\$171,050	1.1%					
Real Estate	\$0	\$0	\$621,332	3.9%					
Overlay Strategies	\$0	\$0	\$206,894	1.3%					
State Agency Pool	\$0	\$0	\$1,719,435	10.9%					
<i>Custom Index</i>					N/A	N/A	N/A	N/A	N/A



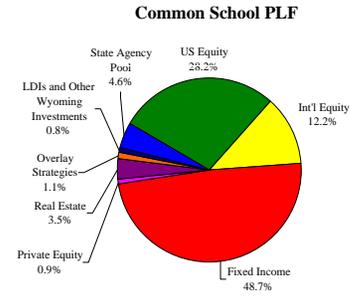
Performance shown is gross of fees.
Pooled investment performance and market values shown reflect State Agency participation.
Pooled investment and Custom Index performance is calculated on a capital-weighted basis using beginning-period allocations.
State of Wyoming created the Permanent Land Fund in January 2006 and the University Permanent Land Fund in April 2006.
Market values shown for LDIs and Other Wyoming Investments reflect cost value of the investments.

Wyoming State Treasurer's Office
Investment Performance - Total Performance
 June 30, 2006

	Total Investment Value	Fiscal Year Ending 6/30/05 Market Value	Current Market Value	% of MV	Qtr Ending 6/30/06 Return	Fiscal YTD Return	1 Year Return	3 Year Return	5 Year Return
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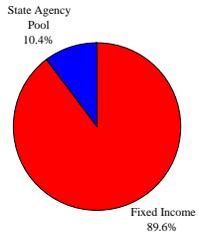
Investment Funds:

Common School Perm Land Fund	<u>\$1,314,296,944</u>	<u>\$1,203,985,801</u>	<u>\$1,371,627,543</u>	<u>100.0%</u>	<u>-0.21%</u>	<u>6.02%</u>	<u>6.02%</u>	<u>6.49%</u>	<u>7.76%</u>
US Equity		\$280,865,460	\$387,431,463	28.2%					
Int'l Equity		\$63,661,091	\$167,994,413	12.2%					
Fixed Income		\$723,436,145	\$667,621,126	48.7%					
Private Equity		\$5,046,956	\$12,417,501	0.9%					
Real Estate		\$0	\$47,679,308	3.5%					
Overlay Strategies		\$15,144,089	\$14,600,801	1.1%					
LDIs and Other Wyoming Investments		\$1,884,244	\$11,278,670	0.8%					
State Agency Pool		\$113,947,817	\$62,604,259	4.6%					
<i>Custom Index</i>					-0.32%	4.35%	4.35%	5.23%	5.94%



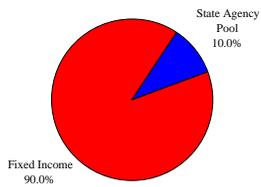
Workers Compensation Fund	<u>\$690,954,589</u>	<u>\$575,524,389</u>	<u>\$695,635,977</u>	<u>100.0%</u>	<u>0.55%</u>	<u>1.47%</u>	<u>1.47%</u>	<u>3.76%</u>	<u>5.81%</u>
US Equity		\$2	\$0	0.0%					
Fixed Income		\$414,890,726	\$623,501,148	89.6%					
State Agency Pool		\$160,633,660	\$72,134,828	10.4%					
<i>Custom Index</i>					-0.08%	-0.81%	-0.81%	2.66%	4.94%

Workers Compensation Fund



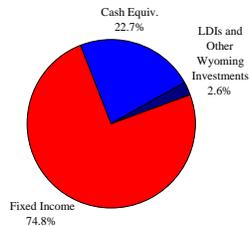
Tobacco Settlement Trust	<u>\$56,353,838</u>	<u>\$52,229,830</u>	<u>\$55,172,408</u>	<u>100.0%</u>	<u>0.37%</u>	<u>0.74%</u>	<u>0.74%</u>	<u>1.50%</u>	<u>4.07%</u>
Fixed Income		\$47,354,670	\$49,662,628	90.0%					
State Agency Pool		\$4,875,160	\$5,509,781	10.0%					
<i>Custom Index</i>					-0.08%	-0.81%	-0.81%	2.05%	4.97%

Tobacco Settlement



State Agency Pool	<u>\$3,086,318,414</u>	<u>\$2,287,366,827</u>	<u>\$3,035,128,705</u>	<u>100.0%</u>	<u>0.78%</u>	<u>2.32%</u>	<u>2.32%</u>	<u>3.26%</u>	<u>4.05%</u>
Fixed Income		\$1,553,485,414	\$2,268,825,262	74.8%					
Cash Equiv.		\$671,971,649	\$688,489,013	22.7%					
LDIs and Other Wyoming Investments		\$61,909,764	\$77,814,429	2.6%					
<i>Custom Index</i>					0.40%	0.90%	0.90%	2.65%	3.82%

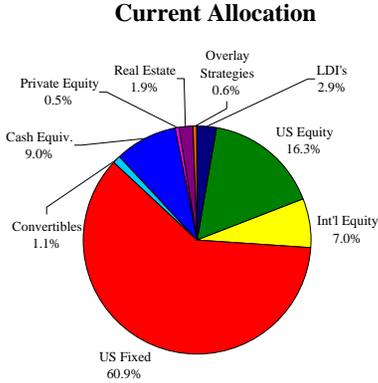
State Agency Pool



Performance shown is gross of fees.
 Pooled investment performance and market values shown reflect State Agency participation.
 Pooled investment and Custom Index performance is calculated on a capital-weighted basis using beginning-period allocations.
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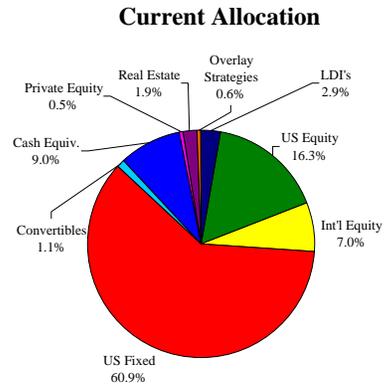
Wyoming State Treasurer's Office
Investment Performance - Total Performance
June 30, 2006

	Fiscal Year Ending 6/30/05 Market Value	Current Market Value	% of MV	Qtr Ending 6/30/06 Return	Fiscal YTD Return	1 Year Return	3 Year Return	5 Year Return
Wyoming State Total Fund	\$6,676.90	\$8,307.27	100.0%	0.09%	3.93%	3.93%	4.64%	5.18%
Wyoming State Custom Index				-0.81%	1.32%	1.32%	3.28%	4.79%
US Equity								
State Street (Index)(1)	700.10	965.85		-1.34%	8.71%	8.71%	10.58%	N/A
UW Portfolio Mgmt Program(1)	0.00	0.27		-0.97%	N/A	N/A	N/A	N/A
Gabelli (Sm-Mid Cap Value)(2)	101.98	202.05		-0.18%	10.99%	10.99%	16.65%	N/A
Friess (Sm-Mid Cap Growth)(3)	78.82	181.99		-4.60%	19.62%	19.62%	N/A	N/A
Total US Equity	<u>\$880.91</u>	<u>\$1,350.15</u>	16.3%					
US Equity Indices								
S&P 500(1)				-1.44%	8.63%	8.63%	11.22%	2.50%
Russell 2500 Value(2)				-2.52%	12.54%	12.54%	20.96%	13.40%
Russell 2500 Growth(3)				-6.12%	14.62%	14.62%	17.03%	4.39%
International Equity								
Int'l Exchange Traded Funds(4)	13.36	14.71		0.73%	27.30%	27.30%	N/A	N/A
Fisher(4)	92.85	284.50		-2.37%	28.77%	28.77%	N/A	N/A
Capital Guardian(4)	90.29	285.63		-0.05%	29.12%	29.12%	N/A	N/A
Total International Equity	<u>\$196.50</u>	<u>\$584.85</u>	7.0%					
Int'l Equity Indices								
MSCI EAFE(4)				0.94%	27.06%	27.06%	24.43%	10.44%
US Fixed Income								
WestAM(5)	156.02	0.01		N/A	N/A	N/A	N/A	N/A
WAMCO Core Plus(5)	153.73	144.47		-0.13%	-0.34%	-0.34%	2.66%	5.30%
Lehman Brothers Core Plus(5)	0.00	148.87		0.04%	N/A	N/A	N/A	N/A
PIMCO Core Plus(5)	0.00	120.25		N/A	N/A	N/A	N/A	N/A
PIMCO Mortgages(6)	0.00	120.14		N/A	N/A	N/A	N/A	N/A
JP Morgan Mortgages(6)	0.00	120.21		N/A	N/A	N/A	N/A	N/A
WAMCO Corporates(7)	0.00	120.14		N/A	N/A	N/A	N/A	N/A
Delaware Corporates(7)	0.00	120.36		N/A	N/A	N/A	N/A	N/A
PIMCO Global(8)	0.00	100.12		N/A	N/A	N/A	N/A	N/A
Wyoming State Treasurer's Office(9)	4,146.22	4,060.69		0.44%	1.09%	1.09%	3.10%	5.79%
Total US Fixed Income	<u>\$4,455.98</u>	<u>\$5,055.25</u>	60.9%					
US Fixed Income Indices								
Lehman Aggregate(5)				-0.08%	-0.81%	-0.81%	2.05%	4.97%
Lehman Mortgages(6)				0.01%	0.40%	0.40%	2.89%	4.65%
Lehman Credit(7)				-0.39%	-2.06%	-2.06%	1.97%	5.67%
Lehman Global Aggregate Hedged(8)				-0.04%	-0.05%	-0.05%	2.72%	4.70%
Lehman Gov't/Credit(9)				-0.14%	-1.53%	-1.53%	1.60%	5.13%



Performance shown is gross of fees.
Returns are stated in traditional total return terms and do not specify realized income. The State of Wyoming has the dual goals of maximizing returns while meeting income targets.
The numbers contained in the parentheses after the manager names and index names correspond, indicating the appropriate benchmark for each investment.
WestAM began liquidating during March 2006. Market value shown represents residual cash with the manager.
PIMCO Core Plus, PIMCO Mortgages, JP Morgan Mortgages, WAMCO Corporates, Delaware Corporates, PIMCO Global, and UBS Real Estate were inceptioned during second quarter 2006.
Interim performance for Cheyenne Capital Fund LP is highly immature and is shown as "NM" or "Not Material."
First Quadrant market value shown represents cash held as collateral. Performance shown is calculated based on a notional principle of \$500 million.
Market values shown for LDIs and Other Wyoming Investments reflect cost value of the investments.

Wyoming State Treasurer's Office
Investment Performance - Total Performance
June 30, 2006



	Fiscal Year Ending 6/30/05 Market Value	Current Market Value	% of MV	Qtr Ending 6/30/06 Return	Fiscal YTD Return	1 Year Return	3 Year Return	5 Year Return
<u>Convertible Bonds</u>								
Nicholas Applegate Convertibles(8)	<u>\$63.26</u>	<u>\$88.37</u>	1.1%	-1.20%	13.07%	13.07%	13.47%	6.07%
<u>Convertible Bond Indices</u>								
ML All Quality Convertible(8)				-0.74%	9.37%	9.37%	8.87%	5.56%
<u>Cash & Cash Equivalents</u>								
Wyoming Treasury Cash(9)	668.27	600.14		1.25%	4.34%	4.34%	2.52%	2.34%
Wyoming Treasury Extd Cash(10)	142.59	146.43		0.78%	2.69%	2.69%	1.92%	3.57%
Total Cash & Cash Equivalents	<u>\$810.86</u>	<u>\$746.57</u>	9.0%					
<u>Cash & Cash Equivalents Indices</u>								
90 Day U.S. T-Bills(9)				1.15%	3.98%	3.98%	2.36%	2.25%
JP Morgan Blended Index(10)				0.57%	3.54%	3.54%	2.12%	3.49%
<u>Private Equity</u>								
Cheyenne Capital Fund, LP(11)	<u>\$21.92</u>	<u>\$40.41</u>	0.5%	N/M	N/M	N/M	N/M	N/M
<u>Private Equity Indices</u>								
S&P 500 + 5%(11)				-0.23%	14.01%	14.01%	16.72%	7.62%
<u>Real Estate</u>								
Clarion (12)	\$0.00	\$104.97		4.89%	N/A	N/A	N/A	N/A
UBS Real Estate (12)	\$0.00	\$50.00		N/A	N/A	N/A	N/A	N/A
Total Real Estate	<u>\$0.00</u>	<u>\$154.97</u>	1.9%					
<u>Real Estate Indices</u>								
NCREIF Property (12)				4.01%	18.67%	18.67%	15.79%	12.00%
<u>Overlay Strategies</u>								
First Quadrant	<u>\$50.48</u>	<u>\$47.09</u>	0.6%	0.71%	0.76%	0.76%	N/A	N/A
<u>LDIs and Other Wyoming Investments</u>								
	<u>\$197.00</u>	<u>\$239.61</u>	2.9%	N/A	N/A	N/A	N/A	N/A

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Wyoming State Loan and Investment Board Investment Policy Compliance Report

June 30, 2006

Investment Policy Guidelines

Compliance

Explanation

Yes No N/A

1. Total Fund	Yes	No	N/A	Explanation
- Exceed the rate of inflation (C.P.I.) over a market cycle of 3 years.	X			Wyoming returned 4.6% vs. 3.4% for the CPI for the current 3 year period
- Exceed a weighted index of the total fund's asset allocation and component benchmarks over rolling 3-year periods by an appropriate amount.	X			Wyoming returned 4.6% vs. 3.3% for the Custom Index for the current 3 year period
- Not more than 1% of the outstanding common shares of any corporation shall be owned by the State. An exception may be made for Alternative Investments.	X			
- Not more than 1 ½% of the total book value of permanent funds shall be invested in the common stock of any corporation. An exception may be made for Alternative Investments.	X			

Compliance

		Yes	No	N/A	Explanation
2. Investment Funds					
a)	Permanent Mineral Trust Fund				
	- Exceed a weighted index of the Fund's asset allocation and component benchmarks over a market cycle of 3 to 5 years.	X			3 Year: Permanent Mineral Trust Fund return was 6.2% vs. 5.4% for the Custom Index
b)	Permanent Land Fund				
	- Exceed a weighted index of the Fund's asset allocation and component benchmarks over a market cycle of 3 to 5 years.			X	Inception date: 1/2006
c)	University Permanent Land Fund				
	- Exceed a weighted index of the Fund's asset allocation and component benchmarks over a market cycle of 3 to 5 years.			X	Inception date: 4/2006
d)	Common School Land Fund				
	- Exceed a weighted index of the Fund's asset allocation and component benchmarks over a market cycle of 3 to 5 years.	X			3 Year: Common School Land Fund return was 6.5% vs. 5.2% for the Custom Index
e)	Workers Compensation Fund				
	- Exceed a weighted index of the total pool's asset allocation and component benchmarks, over a market cycle of 3 to 5 years.	X			3 Year: Workers Compensation Fund return was 3.8% vs. 2.7% for the Custom Index
f)	Tobacco Settlement Trust Fund				
	- At least 5% to 10% of the fund balance should be invested in securities with maturities of less than one year.	X			
	- No public and/or private equities are permitted.	X			
	- Exceed a weighted index of the total pool's asset allocation and component benchmarks, over a market cycle of 3 to 5 years.		X		3 Year: Tobacco Settlement Trust Fund return was 1.5% vs. 2.1% for the Custom Index
g)	State Agency Pool				
	- At least 10% to 15% of the fund balance should be invested in securities with maturities of less than one year.	X			
	- No public and/or private equities are permitted.	X			
	- Exceed a weighted index of the Fund's asset allocation and component benchmarks over a market cycle of 3 to 5 years.	X			3 Year: State Agency Pool return was 3.3% vs. 2.7% for the Custom Index

Compliance

		Yes	No	N/A	Explanation
3. Domestic Equity Portfolios					
a)	State Street				
	- At the time of purchase, a maximum of five percent (5%) of the total stock portfolio of a manager may be invested in any one security.	X			Determined by the company's weight in the S&P 500 Index.
	- A stock position can be allowed to grow from five percent (5%) to a maximum of seven and one-half percent (7.5%) of market value providing there are at least 35 securities in the portfolio.	X			
	- A maximum of 5% of the outstanding float of shares of one company may be held.	X			
	- The maximum allowable in any sector, as defined as Global Industry Classification System Level 1, is 2.5 times the respective benchmark weighting, unless the contract with the investment manager specifically provides otherwise.	X			
	- A minimum number of 35 securities shall be held.	X			
	- Meet performance of the S&P 500 Index, before fees, over a market cycle of 3 to 5 years.		X		3 Year: State Street return was 10.6% vs. 11.2% for the S&P 500 Index. Underperformance is due to large cash flows during the inception months as the manager's funding level was brought up to target.

Compliance

		Yes	No	N/A	Explanation
b)	Gabelli				
	- At the time of purchase, a maximum of five percent (5%) of the total stock portfolio of a manager may be invested in any one security.	X			
	- A stock position can be allowed to grow from five percent (5%) to a maximum of seven and one-half percent (7.5%) of market value providing there are at least 35 securities in the portfolio.	X			
	- A maximum of 5% of the outstanding float of shares of one company may be held.	X			
	- The maximum allowable in any sector, as defined as Global Industry Classification System Level 1, is 2.5 times the respective benchmark weighting, unless the contract with the investment manager specifically provides otherwise.	X			
	- A minimum number of 35 securities shall be held.	X			
	- Outperform the Russell 2500 Value Index by 100 basis points, net of fees, over a market cycle of 3 to 5 years.		X		3 Year: Gabelli net return was 16.1% vs. 21.0% for the Russell 2500 Value Index
	- Performance should rank on the top 40 th percentile of the small cap peer universe over 3 to 5 years, gross of fees.		X		3 Year: US Small Value rank was 95

Compliance

		Yes	No	N/A	Explanation
c)	Friess				
	- At the time of purchase, a maximum of five percent (5%) of the total stock portfolio of a manager may be invested in any one security.	X			
	- A stock position can be allowed to grow from five percent (5%) to a maximum of seven and one-half percent (7.5%) of market value providing there are at least 35 securities in the portfolio.	X			
	- A maximum of 5% of the outstanding float of shares of one company may be held.	X			
	- The maximum allowable in any sector, as defined as Global Industry Classification System Level 1, is 2.5 times the respective benchmark weighting, unless the contract with the investment manager specifically provides otherwise.	X			
	- A minimum number of 35 securities shall be held.	X			
	- Outperform the Russell 2500 Growth Index by 100 basis points, net of fees, over a market cycle of 3 to 5 years.			X	Inception date: 5/2005
	- Performance should rank on the top 40 th percentile of the small cap peer universe over 3 to 5 years, gross of fees.			X	Inception date: 5/2005

Compliance

		Yes	No	N/A	Explanation
4. International Equity Portfolios					
a)	Fisher				
	- At the time of purchase, a maximum of five percent (5%) of the total stock portfolio of a manager may be invested in any one security.	X			
	- A stock position can be allowed to grow from five percent (5%) to a maximum of seven and one-half percent (7.5%) of market value providing there are at least 35 securities in the portfolio.	X			
	- A maximum of 5% of the outstanding float of shares of one company may be held.	X			
	- The maximum allowable in any sector, as defined as Global Industry Classification System Level 1, is 2.5 times the respective benchmark weighting, unless the contract with the investment manager specifically provides otherwise.	X			
	- A minimum number of 35 securities shall be held.	X			
	- Outperform the MSCI EAFE Index by 100 basis points, net of fees, over a market cycle of 3 to 5 years.			X	Inception date: 8/2004
	- Performance should rank on the top 40 th percentile of the international equity peer universe over 3 to 5 years, gross of fees.			X	Inception date: 8/2004

Compliance

		Yes	No	N/A	Explanation
b)	Capital Guardian				
	- At the time of purchase, a maximum of five percent (5%) of the total stock portfolio of a manager may be invested in any one security.	X			
	- A stock position can be allowed to grow from five percent (5%) to a maximum of seven and one-half percent (7.5%) of market value providing there are at least 35 securities in the portfolio.	X			
	- A maximum of 5% of the outstanding float of shares of one company may be held.	X			
	- The maximum allowable in any sector, as defined as Global Industry Classification System Level 1, is 2.5 times the respective benchmark weighting, unless the contract with the investment manager specifically provides otherwise.	X			
	- A minimum number of 35 securities shall be held.	X			
	- Outperform the MSCI EAFE Index by 100 basis points, net of fees, over a market cycle of 3 to 5 years.			X	Inception date: 9/2004
	- Performance should rank on the top 40 th percentile of the international equity peer universe over 3 to 5 years, gross of fees.			X	Inception date: 9/2004

Compliance

		Yes	No	N/A	Explanation
	5. Fixed Income Portfolios				
a)	Western Asset – Core Mandate*				
	- Not more than 10% of assets at time of purchase may be invested in the securities of a single issuer (other than government securities).	X			
	- Commercial paper of all issuers shall not exceed \$500 million.	X			
	- Duration +/- 20% of Lehman Brothers Aggregate Index.	X			
	- Minimum Issue Credit Rating A1/P1 for Commercial Paper, BAA for long-term corporate debt, AA for MBS, AA for Asset Backed Securities.		X		Downgrades: El Paso, RJ Reynolds, Tenet, Sonat, Southern Nat'l Gas, Tennessee Gas, Williams, Lehman ABS, Green Tree, Eastman Kodak, Liberty Media, GM, NWA, and Ford
	- U.S. Government issues will comprise a minimum of 20% of the portfolio market value; corporate and MBS will each be subject to a maximum limit of 65%.	X			
	- Average portfolio quality A or better.	X			
	- A minimum number of 25 securities shall be held.	X			
	- No more than 10% of the portfolio will be invested in the securities of a single issuer other than U.S. Government and Agency issues.	X			
	- Commercial MBS are permitted but shall not comprise greater than 5% of the portfolio market value.	X			
	- Private placements, futures and options, and reverse floaters are not allowed.	X			
	- Outperform the Lehman Brothers Aggregate by 50 basis points, net of fees, over a market cycle of 3 to 5 years.	X	X		3 Year: Western Asset net return was 2.6% vs. 2.1% for the Lehman Aggregate Index 5 Year: Western Asset net return was 5.2% vs. 5.0% for the Lehman Aggregate Index
	- Performance should rank in the top 40 th percentile of a peer universe over 3 to 5 years, gross of fees.		X X		3 Year: US Fixed Income rank was 49 5 Year: US Fixed Income rank was 57

**Western Asset will begin the transition to its new core plus mandate during fiscal year 2007.*

Compliance

		Yes	No	N/A	Explanation
b)	Lehman Brothers – Core Plus Mandate				
	- Non-US dollar denominated securities are permitted, but shall comprise no more than twenty percent (20%) of the portfolio market value. Un-hedged non-dollar denominated securities shall comprise no more than ten percent (10%) of the portfolio market value.	X			
	- Private mortgage-backed and asset-backed securities are limited to 10% per issuer, unless the collateral is credit-independent of the issuer and the security's credit enhancement is generated internally, in which case the limit is 25% per issuer.	X			
	- Obligations of other issuers are subject to a 10% per issuer limit excluding investments in commingled vehicles.	X			
	- Commercial mortgage-backed securities are permitted but shall comprise no more than five percent (5%) of the portfolio market value.	X			
	- Commercial paper of all issuers shall not exceed \$500 million.	X			
	- Duration must fall in the range of plus or minus twenty percent (20%) of the Lehman Brothers Aggregate Index.	X			
	- Minimum Issue Credit Rating will be: A1/P1 or equivalent for commercial paper B for corporate bonds AA for Mortgage-Backed Securities AA for Asset-Backed Securities Standard and Poor's, Fitch, or Moody's ratings are acceptable. Where the issue is split-rated, the lower of the ratings will apply.	X			
	- Average portfolio credit quality must be A or better.	X			
	- A maximum of twenty percent (20%) of portfolio market value may be invested in U.S. securities rated below investment grade.	X			
	- Emerging market securities are permitted, but shall comprise no more than ten percent (10%) of the portfolio market value.	X			
	- A minimum number of 25 securities shall be held.	X			
	- Investments in mortgage interest only and principal only securities or their derivations are prohibited.	X			
	- Private placements are not allowed.	X			
	- Outperform the Lehman Brothers Aggregate by 50 basis points, net of fees, over a market cycle of 3 to 5 years.			X	Inception date: 3/2006
	- Performance should rank in the top 40 th percentile of a peer universe over 3 to 5 years, gross of fees.			X	Inception date: 3/2006

Compliance

		Yes	No	N/A	Explanation
c)	PIMCO – Core Plus Mandate				
	- Non-US dollar denominated securities are permitted, but shall comprise no more than twenty percent (20%) of the portfolio market value. Un-hedged non-dollar denominated securities shall comprise no more than ten percent (10%) of the portfolio market value.	X			
	- Private mortgage-backed and asset-backed securities are limited to 10% per issuer, unless the collateral is credit-independent of the issuer and the security's credit enhancement is generated internally, in which case the limit is 25% per issuer.				
	- Obligations of other issuers are subject to a 10% per issuer limit excluding investments in commingled vehicles.	X			
	- Commercial mortgage-backed securities are permitted but shall comprise no more than five percent (5%) of the portfolio market value.	X			
	- Commercial paper of all issuers shall not exceed \$500 million.	X			
	- Duration must fall in the range of plus or minus twenty percent (20%) of the Lehman Brothers Aggregate Index.	X			
	- Minimum Issue Credit Rating will be: A1/P1 or equivalent for commercial paper B for corporate bonds AA for Mortgage-Backed Securities AA for Asset-Backed Securities Standard and Poor's, Fitch, or Moody's ratings are acceptable. Where the issue is split-rated, the lower of the ratings will apply.	X			
	- Average portfolio credit quality must be A or better.	X			
	- A maximum of twenty percent (20%) of portfolio market value may be invested in U.S. securities rated below investment grade.	X			
	- Emerging market securities are permitted, but shall comprise no more than ten percent (10%) of the portfolio market value.	X			
	- A minimum number of 25 securities shall be held.	X			
	- Investments in mortgage interest only and principal only securities or their derivations are prohibited.	X			
	- Private placements are not allowed.	X			
	- Outperform the Lehman Brothers Aggregate by 50 basis points, net of fees, over a market cycle of 3 to 5 years.			X	Inception date: 5/2006
	- Performance should rank in the top 40 th percentile of a peer universe over 3 to 5 years, gross of fees.			X	Inception date: 5/2006

Compliance

		Yes	No	N/A	Explanation
d)	Western Asset – Corporates Mandate				
	- Obligations of specific issuers are subject to a ten percent (10%) per issuer limit, excluding investments in commingled vehicles.	X			
	- Duration must fall in the range of plus or minus twenty percent (20%) of the Lehman Brothers Credit Index.	X			
	- Minimum Issue Credit Rating will be: A1/P1 or equivalent for commercial paper B for individual securities Standard and Poor's, Fitch, or Moody's ratings are acceptable. Where the issue is split-rated, the lower of the ratings will apply.	X			
	- Average portfolio credit quality must be A or better.	X			
	- A maximum of ten percent (10%) of portfolio market value may be invested in U.S. securities rated below investment grade.	X			
	- Future, options, and/or swaps are permitted for purposes of managing duration, yield curve, and sector risk, and as a substitute for cash securities, subject to Section 10 of this policy	X			
	- Outperform the Lehman Brothers Credit Index by 50 basis points, net of fees, over a market cycle of 3 to 5 years.			X	Inception date: 5/2006
	- Performance should rank in the top 40 th percentile of a peer manager universe measured by the State's Consultant, over 3 to 5 years, gross of fees.			X	Inception date: 5/2006

Compliance

		Yes	No	N/A	Explanation
e)	Delaware – Corporates Mandate				
	- Obligations of specific issuers are subject to a ten percent (10%) per issuer limit, excluding investments in commingled vehicles.	X			
	- Duration must fall in the range of plus or minus twenty percent (20%) of the Lehman Brothers Credit Index.	X			
	- Minimum Issue Credit Rating will be: A1/P1 or equivalent for commercial paper B for individual securities Standard and Poor's, Fitch, or Moody's ratings are acceptable. Where the issue is split-rated, the lower of the ratings will apply.	X			
	- Average portfolio credit quality must be A or better.	X			
	- A maximum of ten percent (10%) of portfolio market value may be invested in U.S. securities rated below investment grade.	X			
	- Future, options, and/or swaps are permitted for purposes of managing duration, yield curve, and sector risk, and as a substitute for cash securities, subject to Section 10 of this policy	X			
	- Outperform the Lehman Brothers Credit Index by 50 basis points, net of fees, over a market cycle of 3 to 5 years.			X	Inception date: 5/2006
	- Performance should rank in the top 40 th percentile of a peer manager universe measured by the State's Consultant, over 3 to 5 years, gross of fees.			X	Inception date: 5/2006

Compliance

		Yes	No	N/A	Explanation
f)	PIMCO – Mortgage Mandate	X			
	- Obligations of specific issuers are subject to a ten percent (10%) per issuer limit, excluding investments in commingled vehicles and U.S. agencies.	X			
	- Duration must fall in the range of plus or minus twenty percent (20%) of the Lehman Brothers Mortgage Index.	X			
	- Minimum Issue Credit Rating will be: A1/P1 or equivalent for commercial paper BBB for individual securities Standard and Poor’s, Fitch, or Moody’s ratings are acceptable. Where the issue is split-rated, the lower of the ratings will apply.	X			
	- Average portfolio credit quality must be AA or better.	X			
	- Futures, options, and/or swaps are permitted for purposes of managing duration, yield curve, and sector risk, and as a substitute for cash securities, subject to Section 10 of this policy.	X			
	- Outperform the Lehman Brothers Mortgage Index by 50 basis points, net of fees, over a market cycle of 3 to 5 years.			X	Inception date: 5/2006
	- Performance should rank in the top 40 th percentile of a peer manager universe, as measured by the State’s Consultant over 3 to 5 years, gross of fees.			X	Inception date: 5/2006

Compliance

		Yes	No	N/A	Explanation
g)	JPMorgan – Mortgage Mandate				
	- Obligations of specific issuers are subject to a ten percent (10%) per issuer limit, excluding investments in commingled vehicles and U.S. agencies.	X			
	- Duration must fall in the range of plus or minus twenty percent (20%) of the Lehman Brothers Mortgage Index.	X			
	- Minimum Issue Credit Rating will be: A1/P1 or equivalent for commercial paper BBB for individual securities Standard and Poor’s, Fitch, or Moody’s ratings are acceptable. Where the issue is split-rated, the lower of the ratings will apply.	X			
	- Average portfolio credit quality must be AA or better.	X			
	- Futures, options, and/or swaps are permitted for purposes of managing duration, yield curve, and sector risk, and as a substitute for cash securities, subject to Section 10 of this policy.	X			
	- Outperform the Lehman Brothers Mortgage Index by 50 basis points, net of fees, over a market cycle of 3 to 5 years.			X	Inception date: 5/2006
	- Performance should rank in the top 40 th percentile of a peer manager universe, as measured by the State’s Consultant over 3 to 5 years, gross of fees.			X	Inception date: 5/2006

Compliance

		Yes	No	N/A	Explanation
h)	PIMCO – Global Mandate				
	- Obligations of specific issuers are subject to a ten percent (10%) per issuer limit, excluding investments in commingled vehicles.	X			
	- Duration must fall in the range of plus or minus twenty percent (20%) of the Citigroup World Government Bond Index Hedged.	X			
	- Minimum Issue Credit Rating will be: A1/P1 or equivalent for commercial paper B for individual securities Standard and Poor’s, Fitch, or Moody’s ratings are acceptable. Where the issue is split-rated, the lower of the ratings will apply.	X			
	- Average portfolio credit quality must be A or better.	X			
	- A maximum of fifteen percent (15%) of portfolio market value may be invested in securities rated below investment grade.	X			
	- Emerging market securities are permitted, but shall comprise no more than ten percent (10%) of the portfolio market value.	X			
	- Futures, options, and/or swaps are permitted for purposes of managing duration, yield curve, and sector risk, and as a substitute for cash securities, subject to Section 10 of this policy.	X			
	- To hedge currency exposure, the portfolio may use foreign exchange forwards, futures, or currency options. The portfolio must remain at least ninety-five percent (95%) hedged against foreign currency exposure at all times.	X			
	- Outperform the Lehman Brothers Global Aggregate Hedged Bond Index by 50 basis points, net of fees, over a market cycle of 3 to 5 years.			X	Inception date: 5/2006
	- Performance should rank in the top 40 th percentile of a peer manager universe, as measured by the State’s Consultant over 3 to 5 years, gross of fees.			X	Inception date: 5/2006

Compliance

		Yes	No	N/A	Explanation
6. Convertible Bond Portfolios					
a)	Nicholas Applegate				
	- Performance must exceed ML All Quality Convertible Bond Index by 100 basis points, net of fees over a market cycle of 3 to 5 years.	X	X		3 Year: Nicholas Applegate net return was 12.8% vs. 8.9% for the ML All Quality Convertible Bond Index 5 Year: Nicholas Applegate net return was 5.6% vs. 5.6% for the ML All Quality Convertible Bond Index

Compliance

		Yes	No	N/A	Explanation
7. Overlay Strategies					
a)	First Quadrant				
	- Achieve an absolute return of 75-175 basis points, net of fees, above a zero benchmark, over a market cycle of 3 to 5 years.			X	Inception date: 2/2005

Compliance

		Yes	No	N/A	Explanation
8. Cash and Cash Equivalents Portfolios					
a)	JP Morgan Treasury Cash				
	- Portfolio's weighted average maturity is not to exceed 90 days.	X			
	- Portfolio's maximum average cash flow weighted duration of the portfolio must not exceed 90 days.	X			
	- The market value of the portfolio must remain within plus or minus ½ of 1% of amortized cost.	X			
	- A maximum of 10% of total assets shall be placed in the securities of one issuer except for government securities.	X			
	- Investment in any single issuer must not exceed 5% of the outstanding issues of that issuer.	X			
	- Investment performance must exceed Monitored Repurchase Agreement Rate plus 15 basis points and the cash equivalents allocation by the 90-day T-Bill rate net of fees over a market cycle of 3 to 5 years.	X			

Compliance

		Yes	No	N/A	Explanation
b)	JP Morgan Wyo-Star Cash				
	- Portfolio's weighted average maturity is not to exceed 90 days.	X			
	- Portfolio's maximum average cash flow weighted duration of the portfolio must not exceed 90 days.	X			
	- The market value of the portfolio must remain within plus or minus ½ of 1% of amortized cost.	X			
	- A maximum of 10% of total assets shall be placed in the securities of one issuer except for government securities.	X			
	- Investment in any single issuer must not exceed 5% of the outstanding issues of that issuer.	X			
	- Investment performance must exceed Monitored Repurchase Agreement Rate plus 15 basis points and the cash equivalents allocation by the 90-day T-Bill rate net of fees over a market cycle of 3 to 5 years.	X			

Compliance

		Yes	No	N/A	Explanation
c)	JP Morgan Treasury Extended Cash				
	- Portfolio's average cash flow weighted duration is not to exceed 3 years.	X			
	- Average cash flow weighted duration is not to exceed 3 years.	X			
	- Individual securities must not exceed cash flow weighted duration of greater than 5 years.	X			
	- A maximum of 10% of total assets shall be placed in the securities of one issuer except for government securities.	X			
	- Investment Performance Must Exceed An Equal Weighted Blend of the Merrill Lynch 1-3 Year Agency, 1-3 Year Treasury, and a 0-3 Year Mortgage Index net of fees over a market cycle of 3 to 5 years.	X	X		3 Year: JP Morgan returned 1.9% vs. 2.1% for the Blended Index 5 Year: JP Morgan returned 3.6% vs. 3.5% for the Blended Index
	- The extended portfolio must not exceed 35% of the total JP Morgan managed portfolio.	X			

Compliance

		Yes	No	N/A	Explanation
d)	JP Morgan Wyo-Star Extended Cash				
	- Portfolio's average cash flow weighted duration is not to exceed 3 years.	X			
	- Average cash flow weighted duration is not to exceed 3 years.	X			
	- Individual securities must not exceed cash flow weighted duration of greater than 5 years.	X			
	- A maximum of 10% of total assets shall be placed in the securities of one issuer except for government securities.	X			
	- Investment Performance Must Exceed An Equal Weighted Blend of the Merrill Lynch 1-3 Year Agency, 1-3 Year Treasury, and a 0-3 Year Mortgage Index net of fees over a market cycle of 3 to 5 years.	X	X		3 Year: JP Morgan returned 1.9% vs. 2.1% for the Blended Index 5 Year: JP Morgan returned 3.5% vs. 3.5% for the Blended Index
	- The extended portfolio must not exceed 35% of the total JP Morgan managed portfolio.	X			