



El Paso County Retirement Plan

INVESTMENT PERFORMANCE
EVALUATION REPORT

DECEMBER 31, 2006

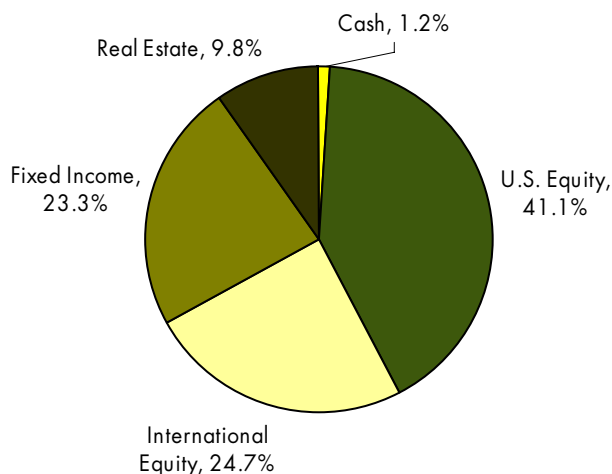
WATERSHED

El Paso County Retirement Plan

Executive Summary

Asset Allocation

\$275,351,559



	% of Total	4th Qtr Return	Benchmark Return	1 Year Return	Benchmark Return	Ahead of Index
Total Plan	100.0%	6.1%	6.1%	15.7%	15.3%	√
Operating Account	0.5%	...	...	...	...	...
SSgA Passive Bond	7.4%	1.2%	1.2%	4.3%	4.3%	=
Loomis Sayles	7.6%	2.0%	1.2%	6.0%	4.3%	√
PIMCO Diversified Income	4.3%	3.0%	1.2%	...	...
WAMCO Absolute Return	4.3%	2.0%	1.2%	...	...
Clarion Lion Properties	6.2%	3.1%	4.5%	15.0%	16.6%	
Clarion Lion Value Properties	3.7%	2.6%	4.5%	...	...
SSgA Index Plus	13.0%	7.3%	6.7%	15.9%	15.8%	√
OFI Institutional	6.7%	7.5%	8.0%	20.4%	22.2%	
Gardner Lewis	6.0%	4.9%	5.9%	8.8%	9.1%	
Lee Munder Investments	9.8%	8.4%	9.0%	21.5%	23.5%	
Roxbuy Capital Management	6.0%	8.0%	8.8%	13.5%	13.4%	√
LSV International	12.6%	11.3%	10.1%	29.9%	25.7%	
New Star International	12.0%	8.1%	10.4%	22.6%	26.3%	

Gross of fees Returns.

CAPITAL MARKET RETURNS

Fourth Quarter 2006

US EQUITIES	Market	Value	Growth	FIXED INCOME	Total	Excess
S&P 500	6.7%			Lehman Aggregate	1.2%	0.4%
Russell Top 200® (Lrg Cap)	6.7%	7.8%	5.5%	T-Bills	1.2%	...
Russell MidCap®	7.7%	8.5%	6.9%	Lehman Intermediate Treasury	0.8%	...
Russell 2000® (Sml Cap)	8.9%	9.0%	8.8%	Lehman Long Treasury	0.5%	...
NON-US EQUITIES				Lehman US TIPS	-1.3%	...
	US\$	Local	Currency	Lehman US Treasury	0.7%	...
MSCI AC World	9.2%	7.7%	1.5%	Lehman US Agency	1.1%	0.2%
MSCI AC World ex U.S.	11.2%	8.4%	2.8%	Lehman US Mortgage-Backed	1.6%	0.6%
MSCI EAFE (net)	10.4%	7.0%	3.3%	Lehman US Commercial MBS	1.1%	0.2%
MSCI Europe	11.5%	6.9%	4.6%	Lehman US Asset-Backed	1.1%	0.4%
MSCI Japan	5.0%	6.0%	-1.0%	Lehman US Corporate	1.4%	0.6%
MSCI Pacific ex-Japan	16.9%	12.1%	4.8%	Lehman US High Yield	4.2%	3.4%
MSCI Emerging Markets	17.6%	14.7%	3.0%	Lehman Majors ex-US	1.9%	1.2%
MSCI EAFE Small Cap	11.7%	8.7%	3.0%	Lehman Majors ex-US (Hedged)	0.7%	0.0%
MSCI EAFE Value	11.3%	8.0%	3.3%	Lehman Emerging Markets	3.9%	3.2%
MSCI EAFE Growth	9.4%	6.1%	3.3%			
REAL ESTATE				HEDGE FUNDS	Composite	Conservative
		NCREIF	NAREIT	HFRI Fund-of-Funds	5.4%	3.8%
		4.5%	9.5%			

Calendar Year 2006

US EQUITIES	Market	Value	Growth	FIXED INCOME	Total	Excess
S&P 500	15.8%			Lehman Aggregate	4.3%	0.9%
Russell Top 200® (Lrg Cap)	15.5%	23.0%	8.6%	T-Bills	4.8%	...
Russell MidCap®	15.3%	20.2%	10.7%	Lehman Intermediate Treasury	3.5%	...
Russell 2000® (Sml Cap)	18.4%	23.5%	13.3%	Lehman Long Treasury	1.9%	...
NON-US EQUITIES				Lehman US TIPS	0.4%	...
	US\$	Local	Currency	Lehman US Treasury	3.1%	...
MSCI AC World	21.5%	17.0%	4.5%	Lehman US Agency	4.4%	0.7%
MSCI AC World ex U.S.	27.2%	18.6%	8.5%	Lehman US Mortgage-Backed	5.2%	1.2%
MSCI EAFE (net)	26.3%	16.5%	9.9%	Lehman US Commercial MBS	4.7%	0.9%
MSCI Europe	34.4%	19.6%	14.7%	Lehman US Asset-Backed	4.7%	1.4%
MSCI Japan	6.3%	7.3%	-1.0%	Lehman US Corporate	4.3%	1.3%
MSCI Pacific ex-Japan	33.2%	25.9%	7.3%	Lehman US High Yield	11.8%	8.4%
MSCI Emerging Markets	32.6%	28.9%	3.7%	Lehman Majors ex-US	6.6%	3.7%
MSCI EAFE Small Cap	19.7%	12.0%	7.7%	Lehman Majors ex-US (Hedged)	3.2%	0.4%
MSCI EAFE Value	31.1%	20.8%	10.3%	Lehman Emerging Markets	10.0%	7.0%
MSCI EAFE Growth	22.7%	13.1%	9.6%			
REAL ESTATE				HEDGE FUNDS	Composite	Conservative
		NCREIF	NAREIT	HFRI Fund-of-Funds	10.3%	9.1%
		16.6%	35.1%			

Sources: Ibbotson Associates, MSCI, Lehman Brothers

Asset Allocation
As of December 31, 2006

	Cash & Equiv	Fixed Income	Real Estate	U.S. Stocks	Int'l Stocks	Total	Percent of Total
Operating Account	\$ 1,442,342					\$ 1,442,342	0.5%
SSgA Passive Bond		\$ 20,409,097				20,409,097	7.4%
Loomis Sayles	598,752	20,214,223				20,812,975	7.6%
PIMCO Diversified Income		11,709,035				11,709,035	4.3%
WAMCO Absolute Return		11,710,733				11,710,733	4.3%
Clarion Lion Properties	195,287		\$ 16,780,103			16,975,390	6.2%
Clarion Lion Value Properties	6,491		10,218,174			10,224,665	3.7%
SSgA Index Plus				\$ 35,813,465		35,813,465	13.0%
OFI Institutional	30,567			18,445,296		18,475,864	6.7%
Gardner Lewis	27,556			16,469,716		16,497,272	6.0%
Lee Munder Investments	577,643			26,483,624		27,061,267	9.8%
Roxbury Capital Management	606,342			15,821,426		16,427,768	6.0%
LSV International	(126,408)				\$ 34,927,578	34,801,170	12.6%
New Star International	27,862				32,962,655	32,990,518	12.0%
Total El Paso County	\$ 3,386,434	\$ 64,043,087	\$ 26,998,277	\$ 113,033,527	\$ 67,890,233	\$ 275,351,559	100.0%
Percent of Total	1.2%	23.3%	9.8%	41.1%	24.7%		
Target Allocation		25%	10%	42.0%	23%		
Allowable Ranges		20-30%	5-15%	37-47%	18-28%		

Growth of Assets
As of December 31, 2006

4th Quarter	Beginning Balance	Net Cash Flow	Net Investment Return	Ending Balance
Operating Account	\$ 1,812,945	\$ -395,889	\$ 25,285	\$ 1,442,342
SSgA Passive Bond	20,160,783	-	248,315	20,409,097
Loomis Sayles	20,425,751	-	387,225	20,812,975
PIMCO Diversified Income	11,363,525	-	345,510	11,709,035
WAMCO Absolute Return	11,476,796	-	233,937	11,710,733
Clarion Lion Properties	16,508,048	-	467,342	16,975,390
Clarion Lion Value Properties	10,000,000	-	224,665	10,224,665
SSgA Index Plus	33,387,727	-	2,425,738	35,813,465
OFI Institutional	17,196,435	-	1,279,428	18,475,864
Gardner Lewis	15,767,781	-	729,490	16,497,272
Lee Munder Investments	24,956,077	-	2,105,190	27,061,267
Roxbury Capital Management	15,246,501	-	1,181,267	16,427,768
LSV International	31,312,558	-	3,488,612	34,801,170
New Star International	30,578,639	-36	2,411,914	32,990,518
Total El Paso County	\$ 260,193,567	\$ -395,925	\$ 15,553,917	\$ 275,351,559

Net investment return includes income plus realized and unrealized gains and losses less investment management fees.

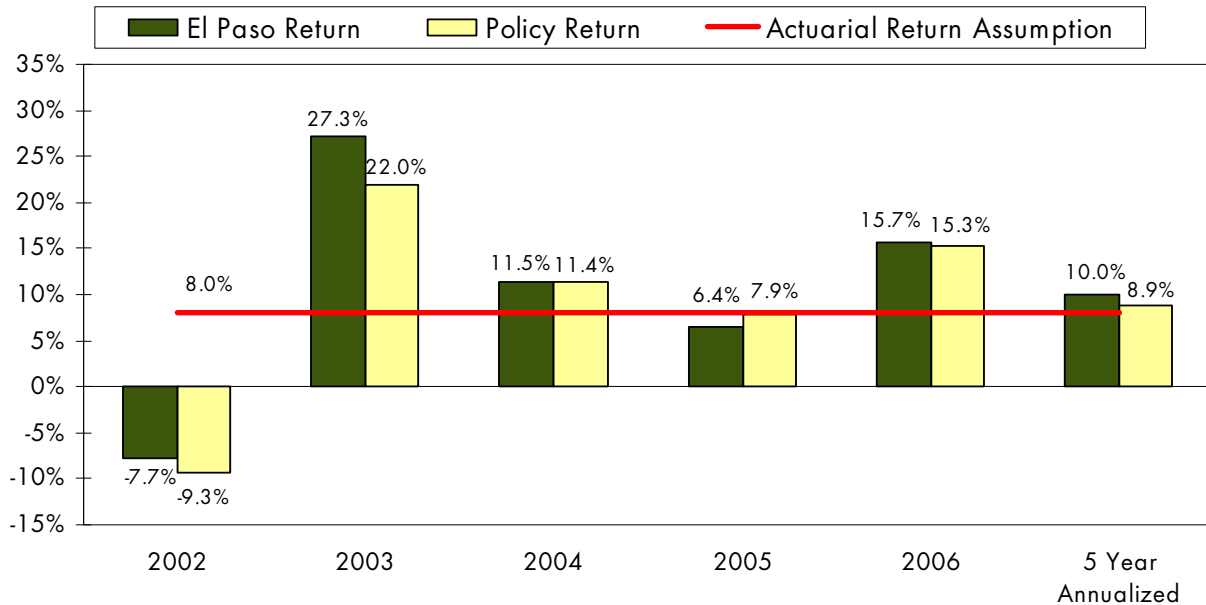
Investment Performance For Periods Ending December 31, 2006

	Quarter	1 Year	3 Years	5 Years	Since Inception	Inception Date
Total Fund (Gross)	6.1%	15.7%	11.1%	10.0%	8.3%	10 Years
Total Fund (Net)	6.0%	...	...	...	...
Policy Index ¹	6.1%	15.3%	11.5%	8.9%	8.9%	
Rank - Public Funds	22	9	22	8	43	
Total Fixed Income (Gross)	2.0%	5.5%	4.2%	5.9%	6.6%	10 Years
Total Fixed Income (Net)	1.9%	...	...	...	...
LB Aggregate	1.2%	4.3%	3.7%	5.1%	6.2%	
Rank - Fixed Income	21	21	27	17	35	
Total Real Estate (Gross)	2.9%	14.8%	15.3%	...	15.3%	12/31/03
Total Real Estate (Net)	2.6%	13.5%	14.0%	...	14.0%	
NCREIF Property Index	4.5%	16.6%	17.0%	...	17.0%	
Rank - Real Estate	71	71	75	...	...
Total U.S. Equities (Gross)	7.3%	16.4%	11.7%	8.8%	7.7%	10 Years
Total U.S. Equities (Net)	7.3%	...	...	...	...
Russell 3000	7.1%	15.7%	11.2%	7.2%	8.6%	
Rank - Domestic Equity	41	33	47	45	80	
Total International Equity (Gross)	9.7%	25.9%	17.7%	14.0%	7.8%	10 Years
Total International Equity (Net)	9.5%	...	...	...	...
MSCI EAFE (Net)	10.4%	26.3%	19.9%	15.0%	7.7%	
Rank - International Equity	62	49	85	84	86	

1. Policy Index: 42% Russell 3000®, 23% MSCI EAFE (Net), 25% Lehman Aggregate, 10% NCREIF Property Index.

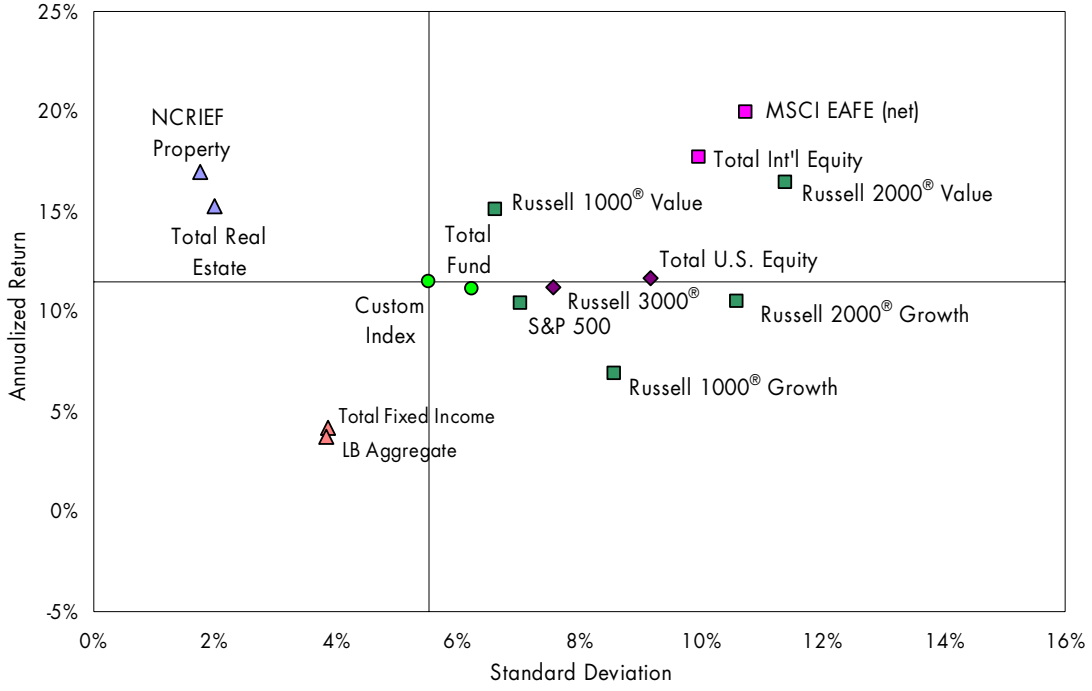
Periods longer than one year are annualized.

Annual Returns of the Fund Through December 31, 2006

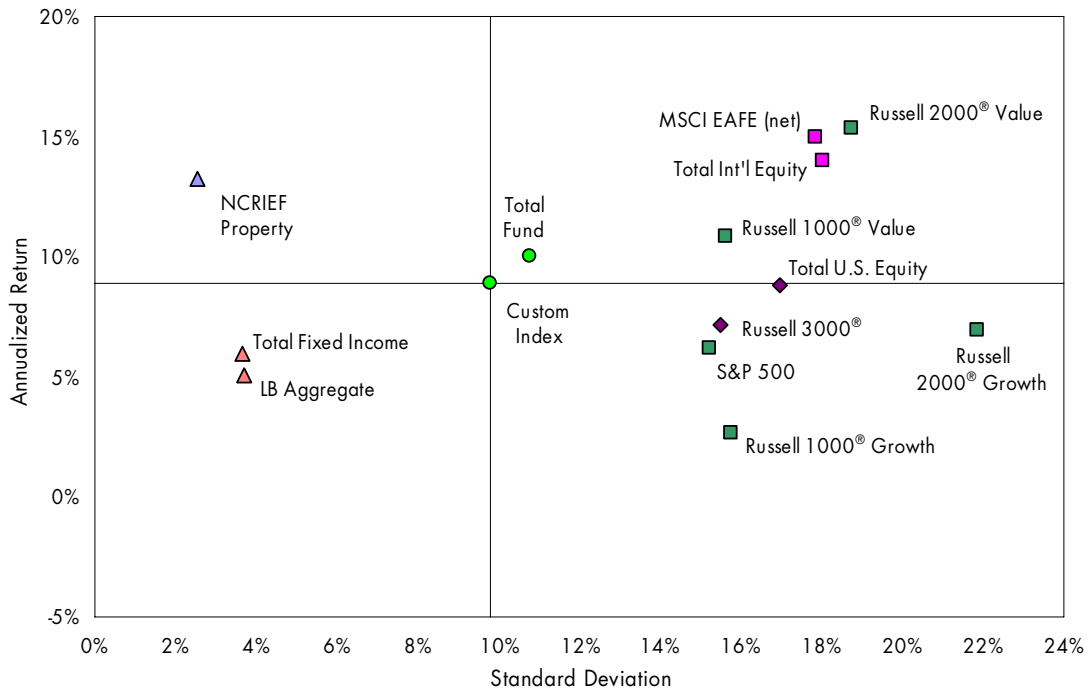


Return vs. Risk

3 Years Ending December 31, 2006



5 Years Ending December 31, 2006



Net of Fees Investment Performance
For Periods Ending December 31, 2006

	Quarter	1 Year	3 Years	5 Years	Since Inception	Inception Date
SSgA Passive Bond (Gross)	1.2%	4.3%	3.7%	...	4.0%	09/30/02
SSgA Passive Bond (Net)	1.2%	...	...	...	...
<i>Lehman Aggregate</i>	1.2%	4.3%	3.7%	...	4.0%	
<i>Rank - Fixed Income</i>	49	60	51	...	...
Loomis Sayles (Gross)	2.0%	6.0%	4.4%	6.9%	7.6%	12/31/95
Loomis Sayles (Net)	1.9%	5.4%	3.4%	6.4%	6.7%	
<i>Lehman Aggregate</i>	1.2%	4.3%	3.7%	5.1%	6.0%	
<i>Rank - Fixed Income</i>	20	19	21	11	...	
PIMCO Diversified Income (Gross)	3.0%	...	...	...	6.7%	03/31/06
PIMCO Diversified Income (Net)	3.0%	...	...	...	...
<i>Lehman Aggregate</i>	1.2%	...	...	...	5.0%	
<i>Rank - Fixed Income</i>	12	...	...	...	...
WAMCO Absolute Return (Gross)	2.0%	...	...	...	6.3%	03/31/06
WAMCO Absolute Return (Net)	2.0%	...	...	...	...
<i>Lehman Aggregate</i>	1.2%	...	...	...	5.0%	
<i>Rank - Fixed Income</i>	19	...	...	...	...
Clarion Lion Properties (Gross)	3.1%	15.0%	15.3%	...	15.3%	12/31/03
Clarion Lion Properties (Net)	2.8%	13.8%	14.1%	...	14.1%	
<i>NCREIF Property Index</i>	4.5%	16.6%	17.0%	...	17.0%	
<i>Rank - Real Estate</i>	59	60	59	...	...
Clarion Lion Value Properties (Gross)	2.6%	...	...	...	2.6%	09/30/06
Clarion Lion Value Properties (Net)	2.3%	...	...	...	2.3%	
<i>NCREIF Property Index</i>	4.5%	...	...	...	4.5%	
<i>Rank - Real Estate</i>	71	...	...	...	...

Periods longer than one year are annualized.

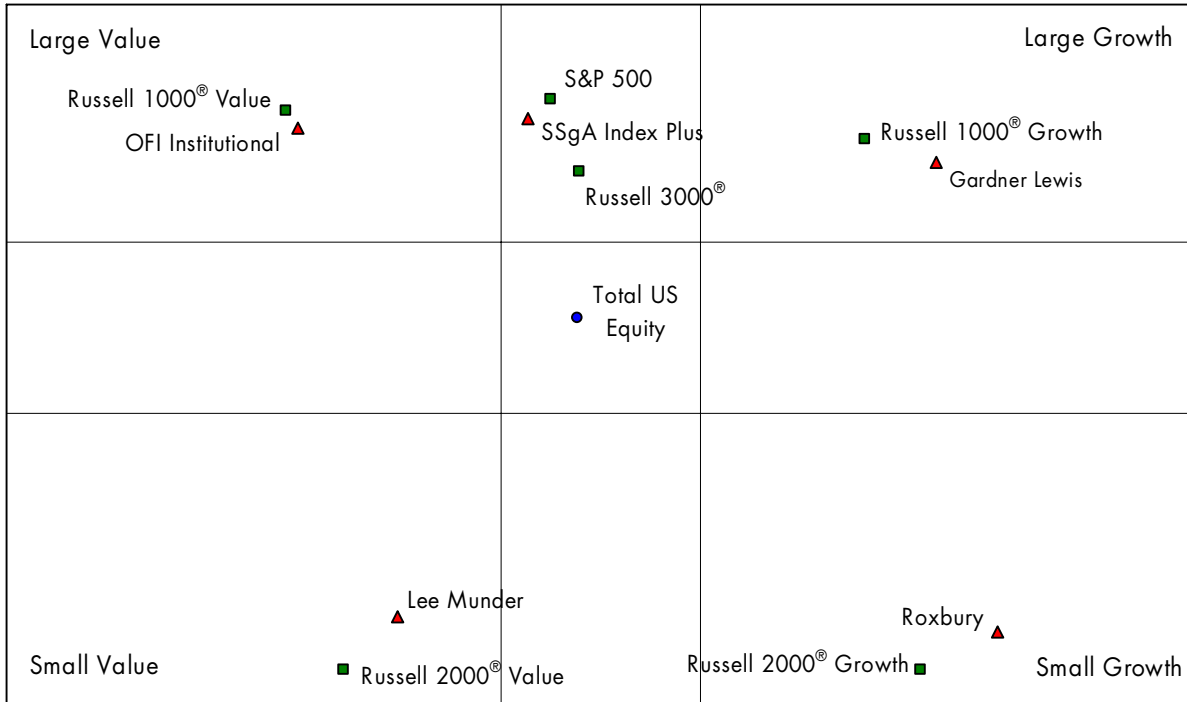
Net of Fees Investment Performance
For Periods Ending December 31, 2006

	Quarter	1 Year	3 Years	5 Years	Since Inception	Inception Date
SSgA Index Plus (Gross)	7.3%	15.9%	...	...	11.6%	06/30/04
SSgA Index Plus (Net)	7.3%	...	...	...	...
S&P 500	6.7%	15.8%	...	...	11.1%	
Rank - Large Cap Neutral	19	41	...	...	...
OFI Institutional (Gross)	7.5%	20.4%	14.61%	10.9%	9.0%	09/30/98
OFI Institutional (Net)	7.4%	...	...	...	...
Russell 1000 Value	8.0%	22.2%	15.07%	10.9%	9.5%	
Rank - Large Cap Value	56	34	46	27	...	
Gardner Lewis (Gross)	4.9%	8.8%	...	...	6.8%	03/31/04
Gardner Lewis (Net)	4.6%	7.9%	...	...	5.9%	
Russell 1000 Growth	5.9%	9.1%	...	...	7.2%	
Rank - Large Cap Growth	53	39	...	...	...
Lee Munder Investments (Gross)	8.4%	21.5%	...	...	16.2%	03/31/05
Lee Munder Investments (Net)	8.4%	...	...	...	...
Russell 2000 Value	9.0%	23.5%	...	...	18.5%	
Rank - Small Cap Value	51	17	...	...	...
Roxbury Capital Management (Gross)	8.0%	13.5%	...	...	16.7%	06/30/05
Roxbury Capital Management (Net)	7.8%	12.6%	...	...	15.8%	
Russell 2000 Growth	8.8%	13.4%	...	...	14.5%	
Rank - Small Cap Growth	46	46	...	...	...
LSV International (Gross)	11.3%	29.9%	...	...	23.1%	12/31/04
LSV International (Net)	11.1%	...	...	...	...
MSCI EAFE (Net) + Canada	10.1%	25.7%	...	...	20.0%	
Rank - International Equity	38	20	...	...	...
New Star International (Gross)	8.1%	22.6%	...	...	19.8%	09/30/05
New Star International (Net)	7.9%	
MSCI EAFE (Net)	10.4%	26.3%	24.5%	
Rank - International Equity	86	70	

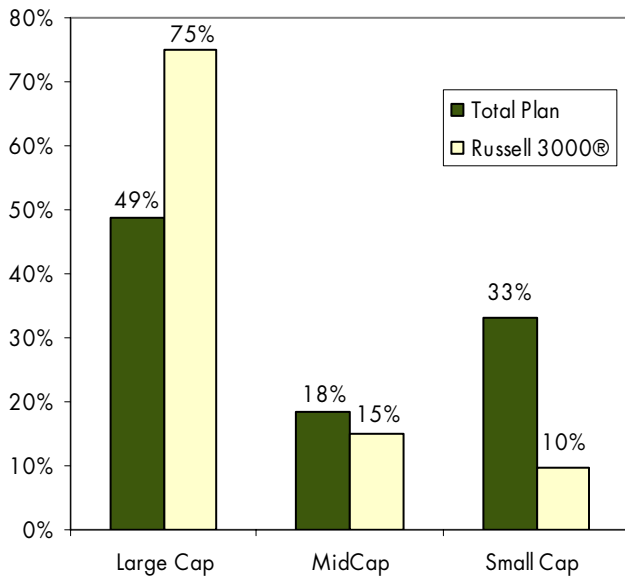
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Equity Portfolio Characteristics Equity Style Map

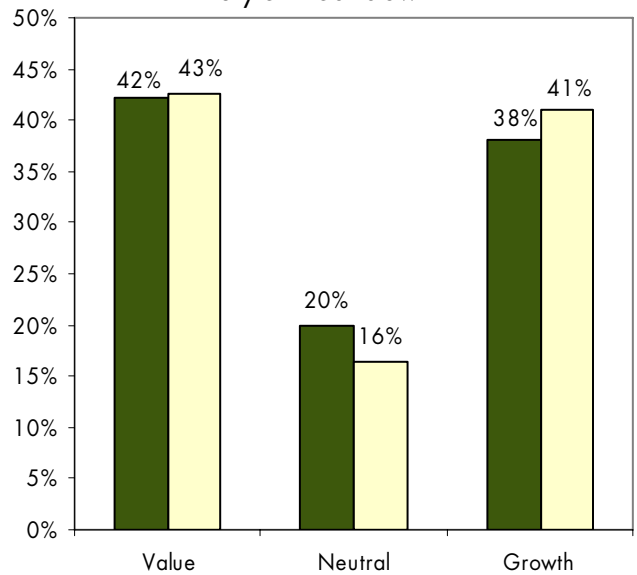
For Periods Ending December 31, 2006



Capitalization Breakdown



Style Breakdown



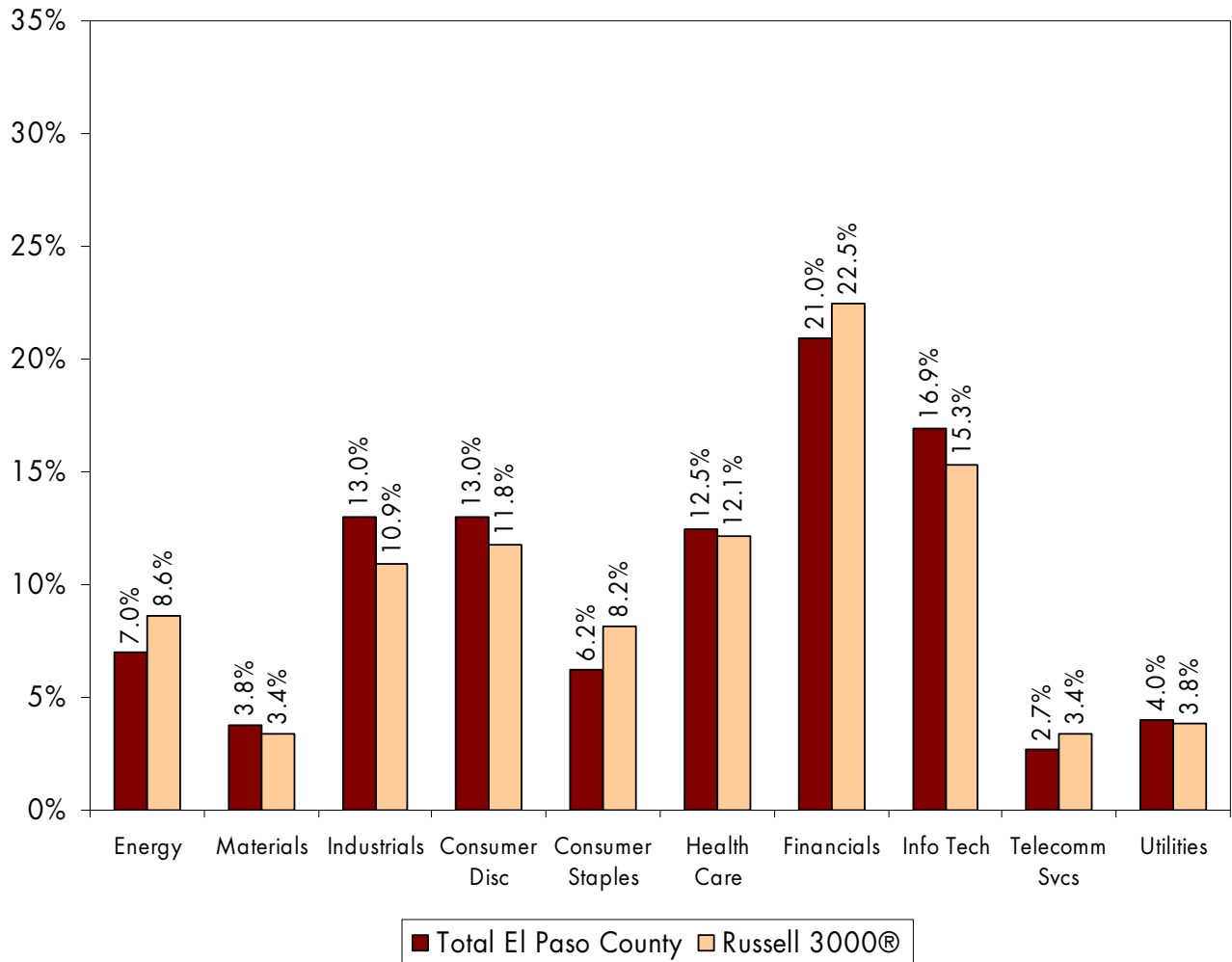
Equity Portfolio Characteristics

As of December 31, 2006

	Total El Paso County	Russell 3000®
# of Stocks	556	2,958
Wghtd Avg Mkt Cap (\$mil)	\$54,265	\$83,702
Median Mkt Cap (\$mil)	\$5,307	\$1,147
P/E Ratio	19.8	19.2
Dividend Yield	1.4	1.7
5-Yr Earnings Growth	10.0	10.4

Sector Allocation

As of December 31, 2006



Equity Portfolio Characteristics

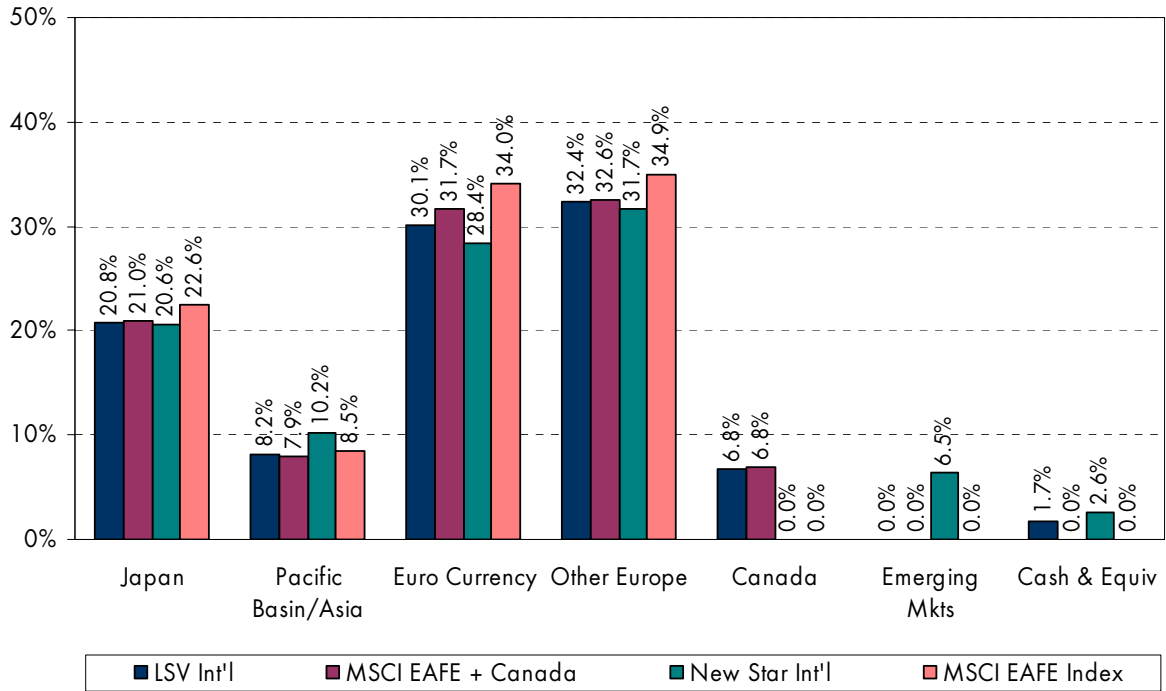
As of December 31, 2006

	SSgA Index Plus	S&P 500	OFI Institutional	Russell 1000® Value	Gardner Lewis	Russell 1000® Growth
# of Stocks	301	500	98	611	47	683
Wghtd Avg Mkt Cap (\$000)	\$97,780	\$101,419	\$110,549	\$110,236	\$39,814	\$73,075
Median Mkt Cap (\$000)	\$10,975	\$13,330	\$14,156	\$5,244	\$24,355	\$5,480
P/E Ratio	17.1	18.0	13.9	15.7	25.3	22.4
Dividend Yield	1.7	1.8	2.5	2.4	0.8	1.1
5-Yr Earnings Growth	11.3	10.5	11.0	10.1	12.1	11.1
Sectors:						
<i>Energy</i>	9.5%	9.9%	14.5%	14.0%	1.4%	4.0%
<i>Materials</i>	3.5%	3.0%	3.6%	3.7%	2.3%	2.8%
<i>Industrials</i>	11.3%	10.8%	7.7%	6.9%	2.1%	14.3%
<i>Consumer Discretionary</i>	12.8%	10.6%	6.4%	8.6%	20.5%	14.2%
<i>Consumer Staples</i>	8.3%	9.3%	7.1%	7.6%	9.1%	9.8%
<i>Health Care</i>	11.7%	12.0%	8.5%	6.9%	22.0%	17.5%
<i>Financials</i>	22.0%	22.3%	35.4%	36.4%	15.3%	8.7%
<i>Information Technology</i>	14.3%	15.1%	3.6%	3.4%	25.3%	26.6%
<i>Telecomm. Services</i>	3.6%	3.5%	7.6%	6.2%	0.0%	0.9%
<i>Utilities</i>	3.1%	3.6%	5.7%	6.5%	2.0%	1.4%

	Lee Munder Investments	Russell 2000® Value	Roxbury Capital	Russell 2000® Growth
# of Stocks	111	1,310	86	1,293
Wghtd Avg Mkt Cap (\$000)	\$1,652	\$1,196	\$1,488	\$1,203
Median Mkt Cap (\$000)	\$1,121	\$658	\$1,034	\$639
P/E Ratio	20.9	27.1	39.6	45.4
Dividend Yield	1.5	1.8	0.1	0.5
5-Yr Earnings Growth	5.0	6.5	12.4	9.1
Sectors:				
<i>Energy</i>	4.7%	4.2%	2.9%	6.1%
<i>Materials</i>	7.1%	5.9%	0.8%	3.3%
<i>Industrials</i>	22.0%	10.9%	18.8%	17.6%
<i>Consumer Discretionary</i>	12.2%	15.5%	14.7%	16.3%
<i>Consumer Staples</i>	4.1%	3.6%	1.5%	2.7%
<i>Health Care</i>	3.1%	4.6%	24.5%	19.5%
<i>Financials</i>	22.4%	34.7%	5.4%	9.3%
<i>Information Technology</i>	16.7%	13.3%	29.2%	23.8%
<i>Telecomm. Services</i>	0.3%	1.7%	2.2%	1.4%
<i>Utilities</i>	7.5%	5.6%	0.0%	0.1%

International Equity Portfolio Characteristics

Country Allocation as of December 31, 2006



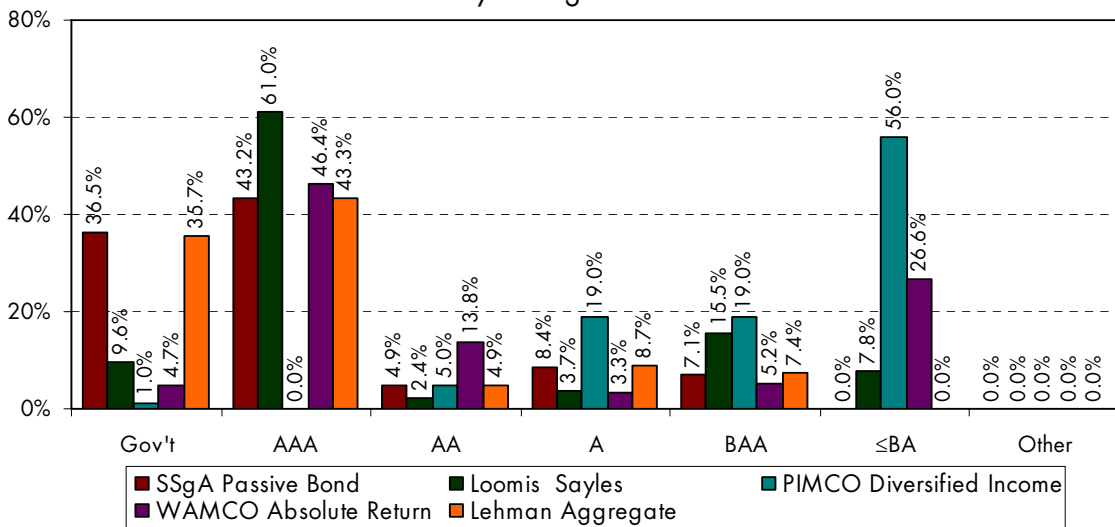
Sector Allocation as of December 31, 2006

	LSV International	MSCI EAFE ex Canada	New Star International	MSCI EAFE	Total International
# of Stocks	147	1,272	94	1,160	224
Wghtd Avg Mkt Cap (\$000)	\$49,318	\$55,576	\$56,194	\$57,889	\$52,641
Median Mkt Cap (\$000)	\$9,081	\$5,467	\$20,136	\$5,574	\$15,610
P/E Ratio	15.5	17.2	19.5	17.2	17.2
Dividend Yield	3.0	2.4	2.4	2.5	2.7
4-Yr Earnings Growth	11.8	12.5	9.9	12.6	10.9
Sectors:					
Energy	10.3%	8.7%	10.5%	7.2%	10.4%
Materials	14.4%	8.9%	4.2%	8.4%	9.4%
Industrials	8.8%	10.7%	8.5%	11.1%	8.6%
Consumer Discretionary	12.7%	11.4%	13.2%	11.9%	12.9%
Consumer Staples	2.5%	7.5%	5.0%	7.8%	3.7%
Health Care	4.5%	6.6%	8.3%	7.0%	6.3%
Financials	33.0%	30.2%	31.1%	29.9%	32.1%
Information Technology	3.0%	5.6%	8.7%	5.6%	5.7%
Telecomm. Services	5.9%	5.3%	7.7%	5.5%	6.8%
Utilities	5.0%	5.2%	2.8%	5.5%	3.9%

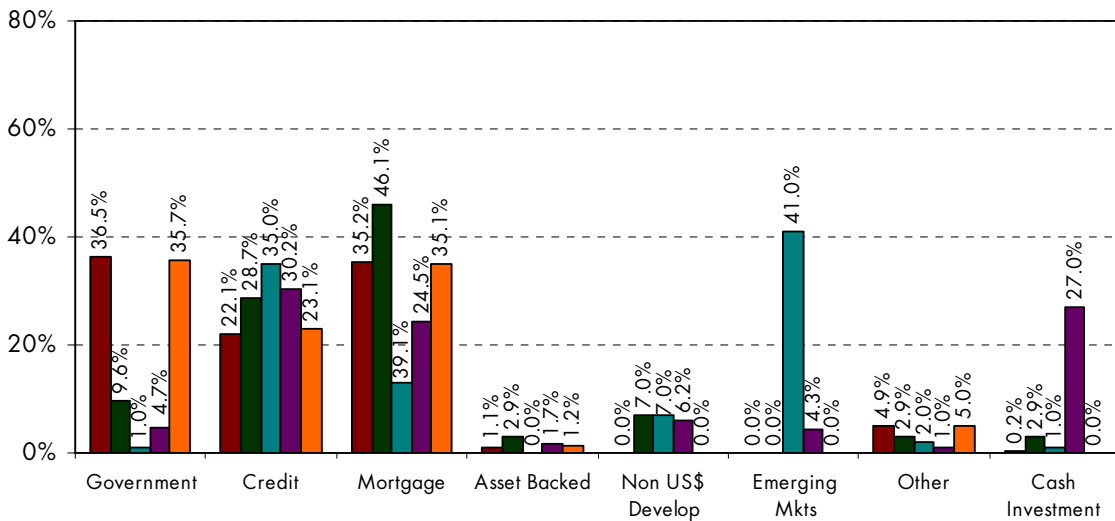
Fixed Income Characteristics As of December 31, 2006

	SSgA Passive Bond	Loomis Sayles	PIMCO Diversified Income	WAMCO Absolute Return	Lehman Aggregate
Effective Duration (years)	4.4	5.1	6.2	3.5	4.5
Average Quality	AA+	AA+	A-	A+	AA+
Yield to Maturity	5.3%	5.6%	5.4%	5.9%	5.3%
Effective Maturity (years)	6.7	8.5	8.9	6.6	7.0

Quality Rating Allocation

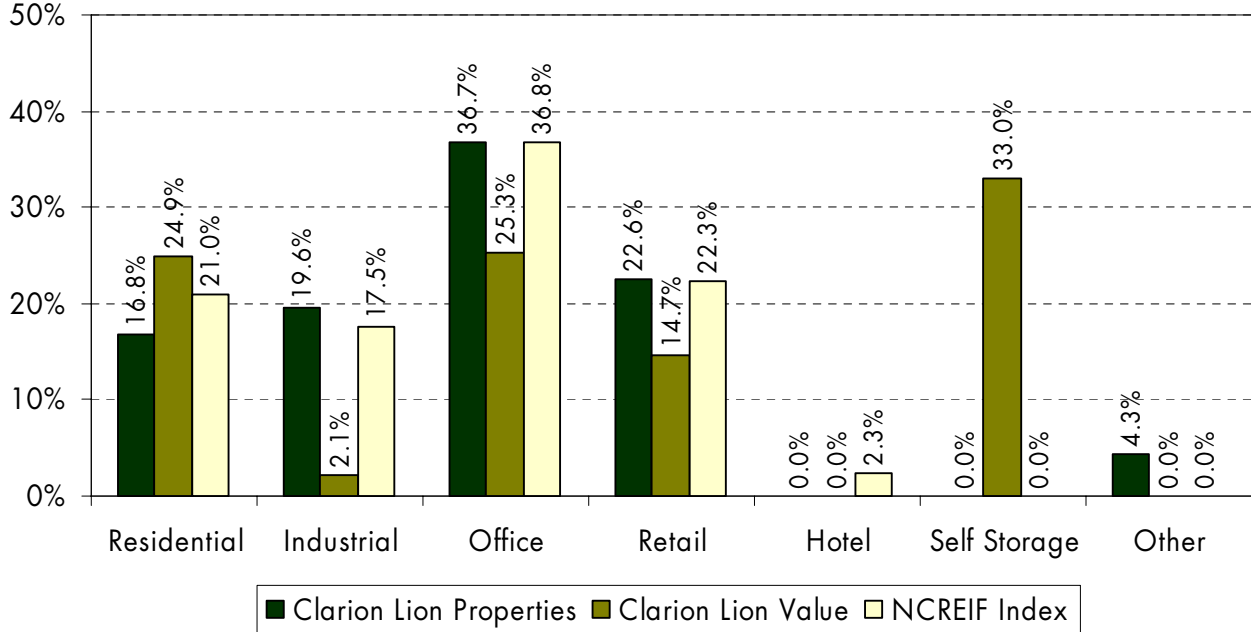


Sector Allocation

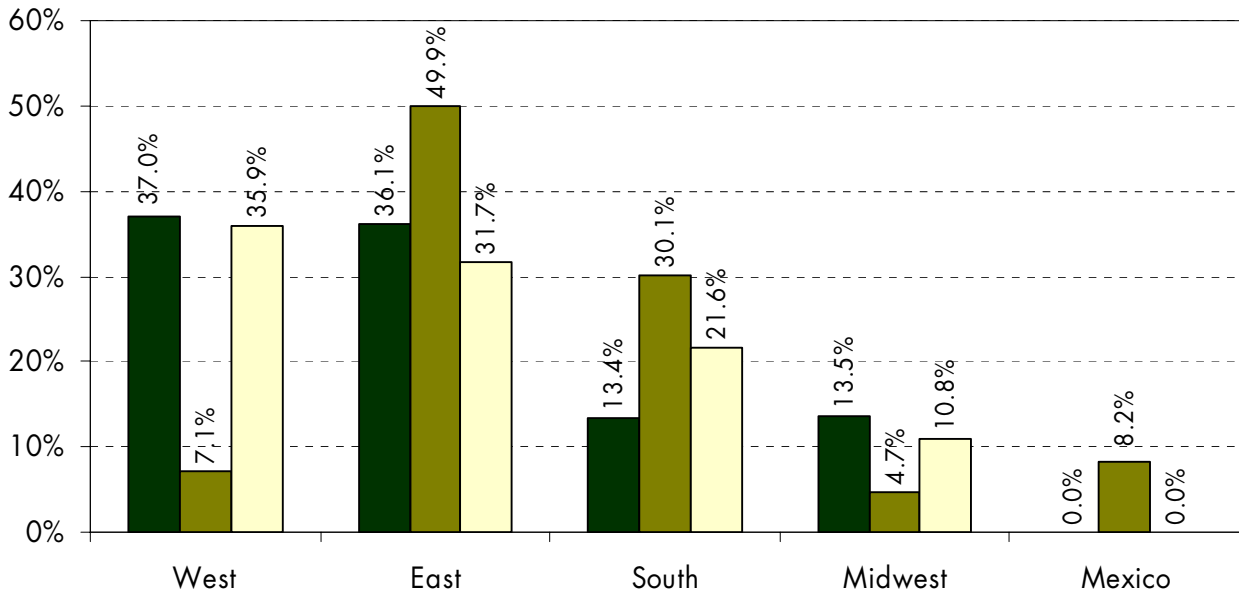


Portfolio Characteristics – Real Estate
As of December 31, 2006

By Property Type

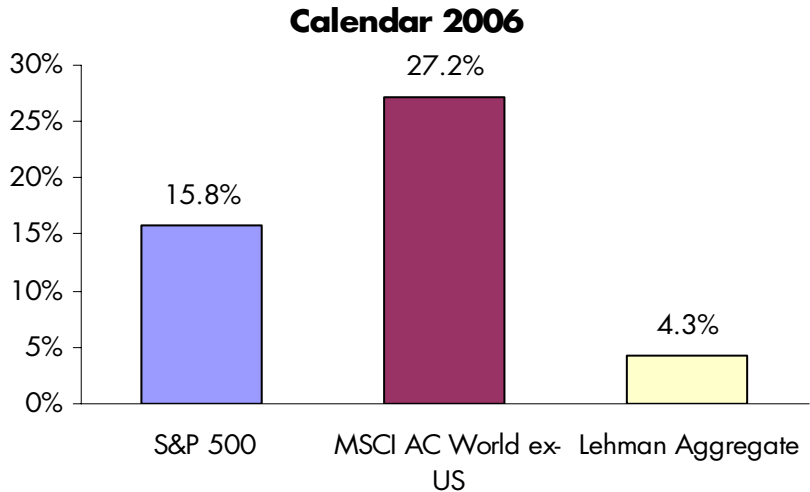


By Geographic Region



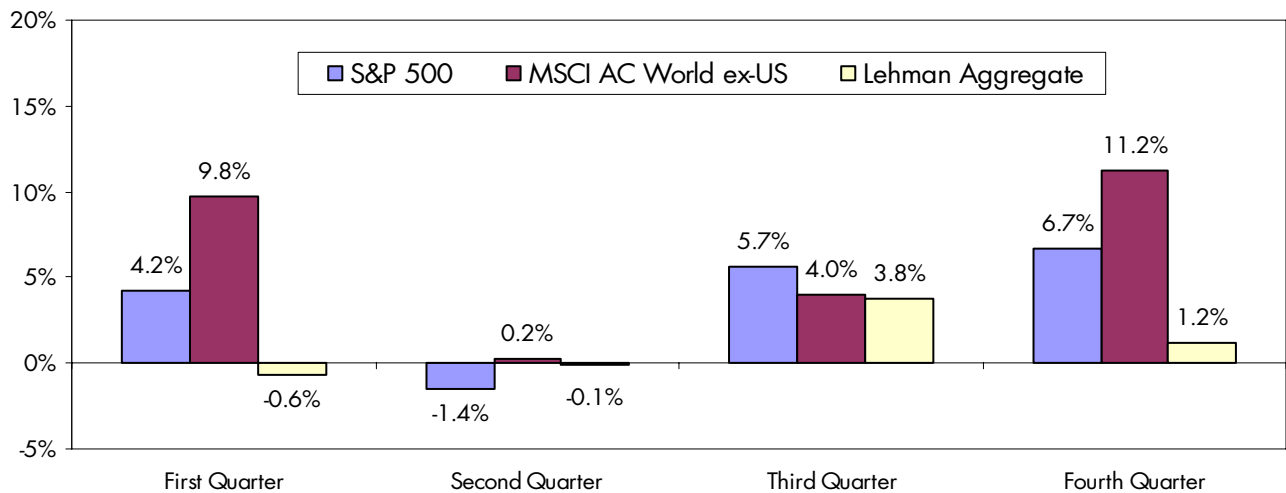
Capital Markets

Global equity markets posted double digit gains for calendar year 2006 as corporations generated robust corporate earnings growth despite mixed macro-economic news. Bonds posted modest returns as rising yields generated capital depreciation in bond prices, though not enough to offset coupon income.



Source: Ibbotson Associates

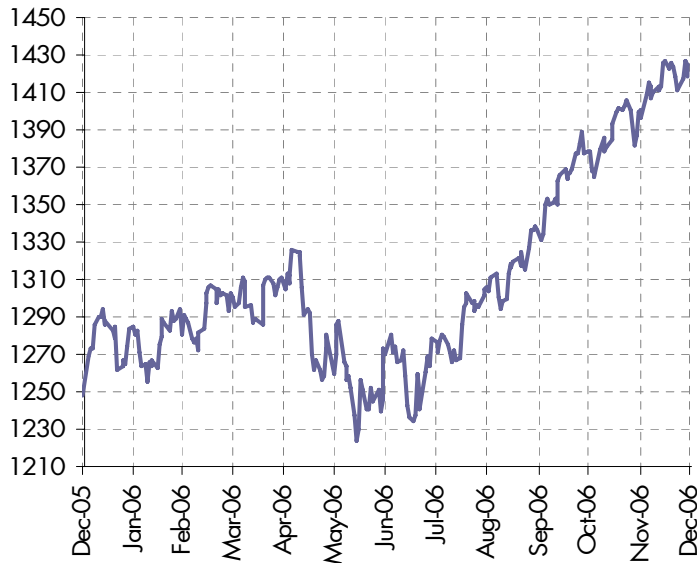
The Standard & Poor's 500 stock index rose 15.8% during the year. International stocks were the leaders for 2006, as the Morgan Stanley Capital International All-Country World ex-U.S. (MSCI AC World ex-US) Index posted a 27.2% return (in US Dollars). US Bonds markets returned 4.3% during 2006, as measured by the Lehman Brothers Aggregate Bond index.



Source: Ibbotson Associates

U.S. Equity Markets

S&P 500 Price Index: Calendar 2006



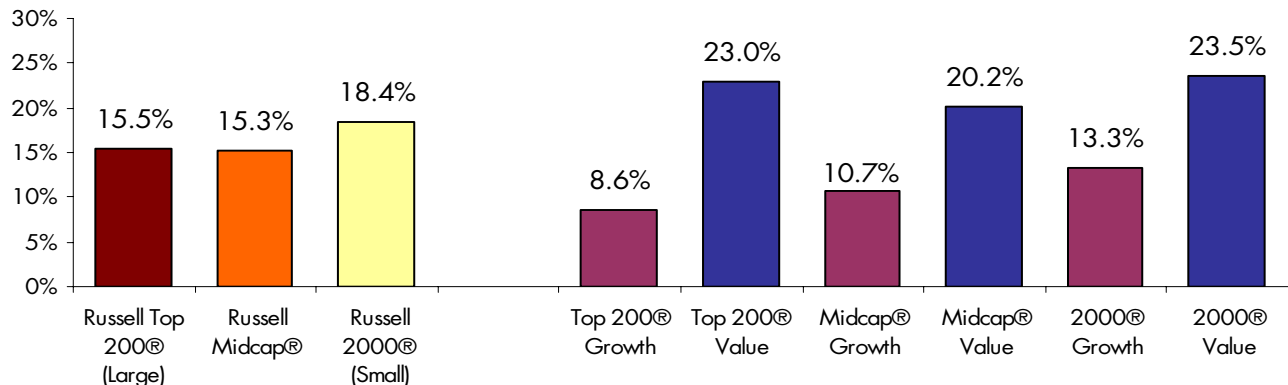
Source: Standard & Poor's

After a good start to 2006, the S&P 500 price index declined sharply during the second quarter as geopolitical tensions in the Middle East, rising interest rates and rising oil prices unnerved investors. Fortunately, a powerful rally in stock prices started during the second half of the year as economic growth remains firm despite a contraction in the US housing market, inflation seemed constrained particularly as energy prices fell, and

the Federal Reserve appeared to be on hold for the time being.

Once again, small cap stocks and value stocks led the pack during 2006, a trend that has stretched for seven consecutive years.

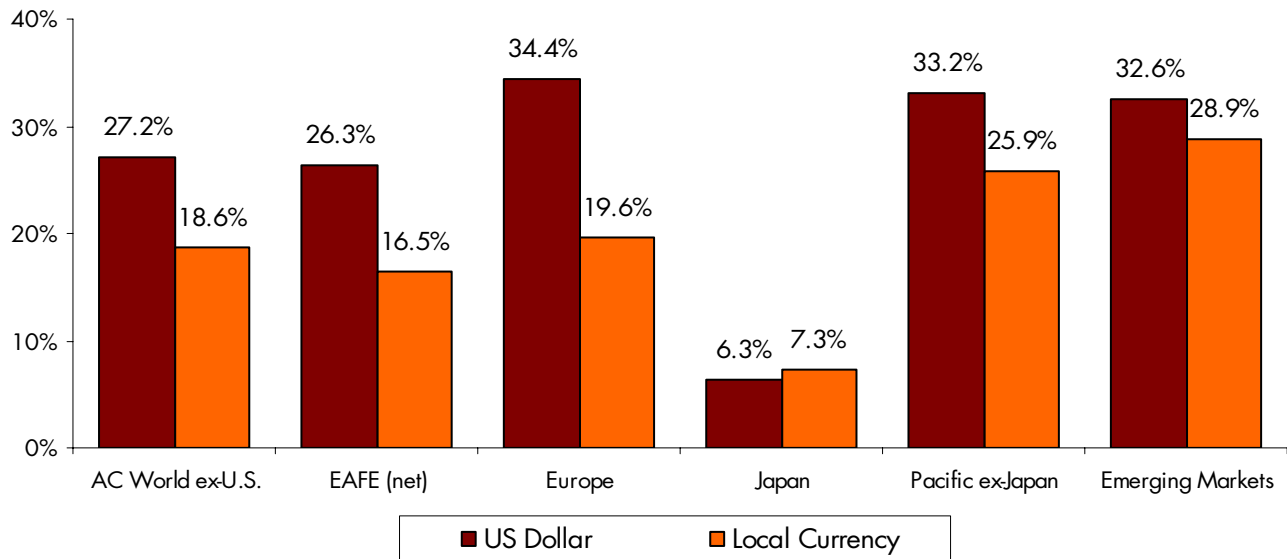
Russell Indexes: Calendar 2006



Source: Ibbotson Associates

International Equity Markets

MSCI Indexes: Calendar 2006

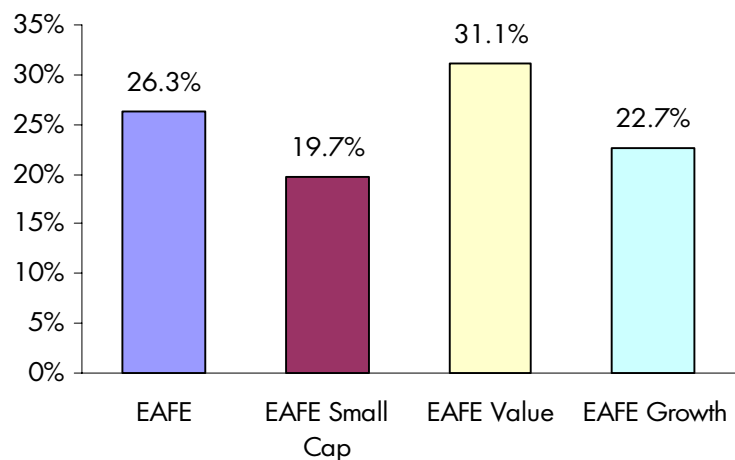


Source: MSCI

International equity markets posted tremendous returns during the year, with the MSCI All Country World ex-US index returning 18.6% in local currencies. Solid economic data and corporate M&A and leveraged buyout activity in the Euro area provided a supportive backdrop to equity returns despite tightening monetary policy. Japan's equity market returns were lackluster despite reasonable economic growth as markets were apprehensive over the Bank of Japan's tighter monetary policy stance. Emerging markets registered the largest local currency gains buoyed by robust earnings growth. The U.S. dollar weakened against most foreign currencies (ex-Japan).

Value stocks outperformed growth, while large cap stocks outperformed small caps.

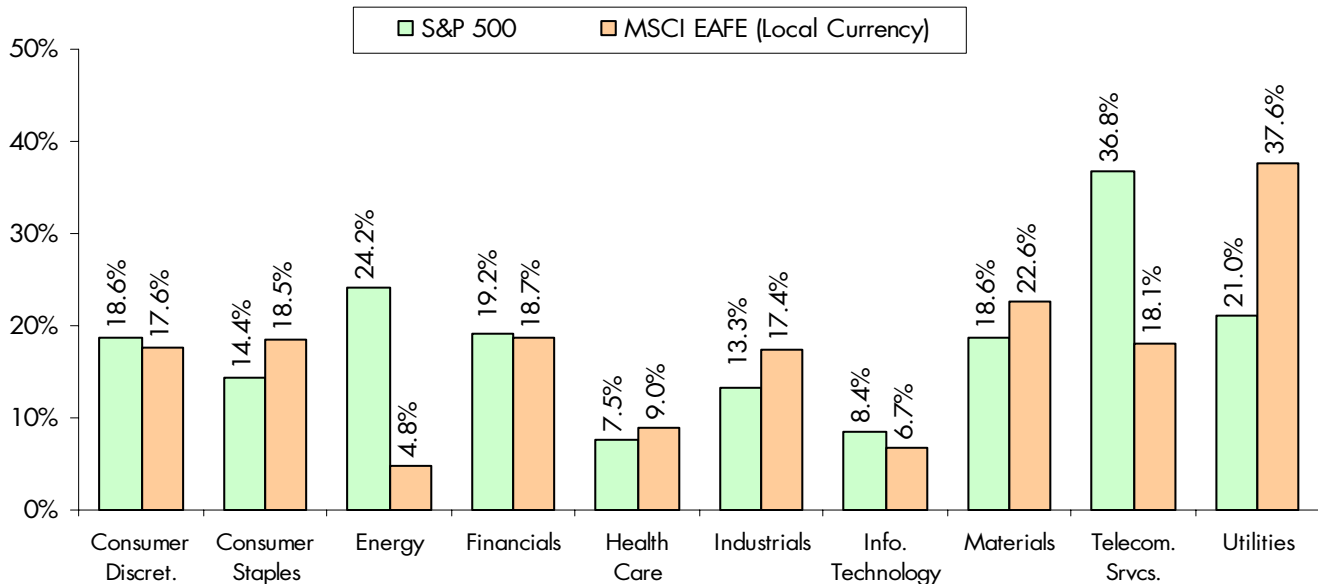
**MSCI Indexes: Calendar 2006
(Returns in US Dollars)**



Source: MSCI

Equity Sector Performance

Sector Performance: Calendar 2006



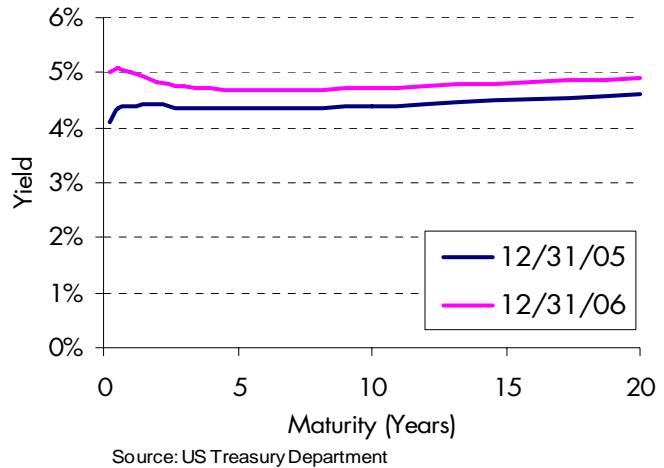
Source: Ibbotson Associates, MSCI

Most global sectors posted double-digit gains in 2006. The Telecommunication Services and Utilities sectors got a boost from M&A activity. Continued strength in metals and mining companies bolstered the Materials sector. The Financials sector benefited from strength in capital markets and real estate stocks. Energy stocks were lackluster overseas but solid in the US led by the large integrated oil and gas companies. Health Care stocks stumbled as problematic clinical trials and apprehension over a new Democrat-controlled Congress weighed on returns. Information Technology stocks posted yet another year of weak results.

Fixed Income Markets

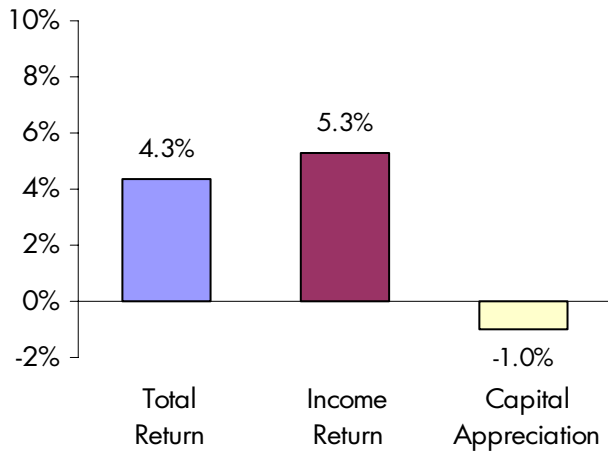
At year-end 2006, Treasury yields were slightly higher across the yield curve when compared to the previous year-end. This masks volatility throughout the year as yields rose briskly during the first half of 2006, fell for most of the second half as a weakening housing market and declining energy prices led to expectations for constrained inflation, only to reverse trend again late in the year as economic data surprised to the upside.

Treasury Yield Curve

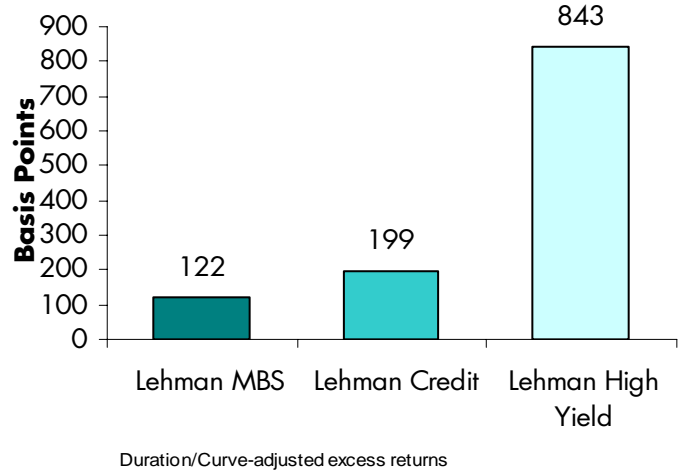


The Lehman Brothers Aggregate Bond index returned 4.3% for 2006, with an income return of 5.3% offset by capital depreciation of -1.0%. Spread sectors continued to perform well as collateralized and corporate debt outperformed Treasuries on a duration-adjusted basis.

Lehman Aggregate Bond Index: Calendar 2006



Excess Returns over Treasuries: Calendar 2006



Commercial Real Estate Markets

**NCREIF Property Index Returns:
Calendar 2006**



Returns are preliminary. Source: NCREIF

Commercial real estate returns, measured by the NCREIF Property Index (National Council of Real Estate Investment Fiduciaries) produced exceptional returns for 2006, with a total return of 16.6%. Income contributed 6.2% to returns while the appreciation component continued its outsized levels, adding 9.9% to total returns.

Cap rates continued to remain low thanks to solid fundamentals. Double digit gains were posted across all property types and geographic regions. By property type, hotels and offices posted the highest returns. Geographically, properties in the West and East led other areas.

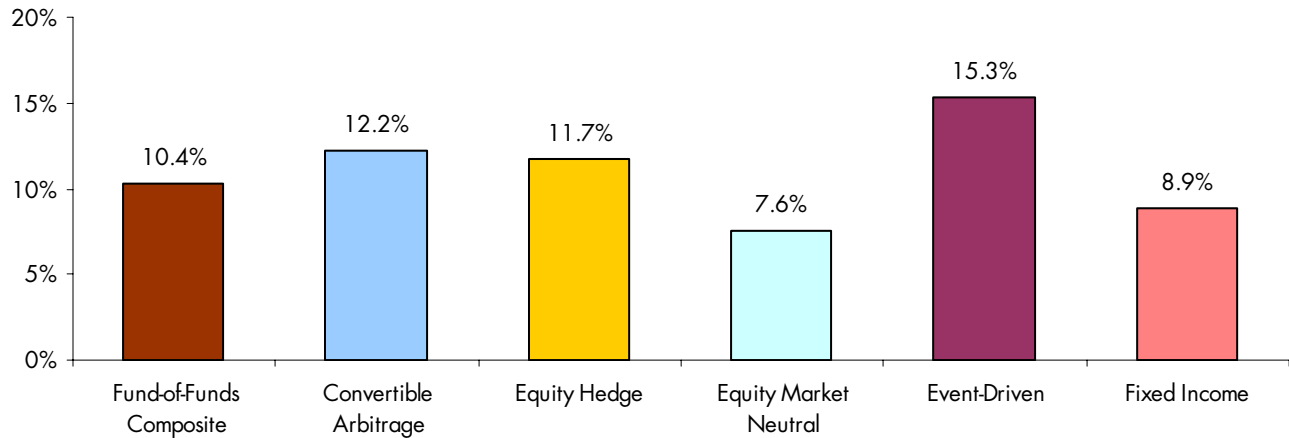
**NPI Property Type & Regional Returns:
Calendar 2006**



Returns are preliminary. Source: NCREIF

Hedge Funds Markets

Hedge Fund Research Index Returns: Calendar 2006



Returns are preliminary. Source: Hedge Fund Research

Hedge funds, as measured by HFR (Hedge Fund Research) Fund-of-Funds Composite, experienced a solid 10.4% return for 2006. Supporting returns were stable trends in credit spreads, ample opportunities in corporate acquisition and restructuring activities, and rising equity and convertible valuations. The low levels of volatility across most asset classes constrained returns during the year. The demise of the \$9 billion Amaranth multi-strategy fund in September, resulting from ill-fated bets in natural gas futures, seemed to have little impact on the overall market.

Capital Markets: Trailing Period Returns

Index	Periods Ending December 31, 2006				
	Quarter	1 Yr	3 Yrs	5 Yrs	10 Yrs
US Equities					
S&P 500	6.7%	15.8%	10.4%	6.2%	8.4%
Russell 3000®	7.1%	15.7%	11.2%	7.2%	8.6%
Russell Top 200® (Large Cap)	6.7%	15.5%	9.1%	4.7%	7.6%
Russell MidCap®	7.7%	15.3%	16.0%	12.9%	12.1%
Russell 2000® (Small Cap)	8.9%	18.4%	13.6%	11.4%	9.4%
Russell 1000® Value	8.0%	22.2%	15.1%	10.9%	11.0%
Russell 1000® Growth	5.9%	9.1%	6.9%	2.7%	5.4%
Russell 2000® Value	9.0%	23.5%	16.5%	15.4%	13.3%
Russell 2000® Growth	8.8%	13.3%	10.5%	6.9%	4.9%
Non-US Equities (In US dollars)					
MSCI AC World ex. U.S.	11.2%	27.2%	21.8%	16.9%	8.6%
MSCI EAFE (net)	10.4%	26.3%	19.9%	15.0%	7.7%
MSCI Europe	11.5%	34.4%	21.5%	15.4%	10.9%
MSCI Japan	5.0%	6.2%	15.8%	13.7%	2.3%
MSCI Pacific ex Japan	16.9%	33.2%	25.6%	22.4%	7.0%
MSCI Emerging Markets	17.6%	32.6%	31.0%	27.0%	9.4%
MSCI EAFE Value	11.3%	31.1%	23.2%	18.2%	10.6%
MSCI EAFE Growth	9.4%	22.7%	17.5%	12.6%	5.3%
Fixed Income					
LB Aggregate Bond	1.2%	4.3%	3.7%	5.1%	6.2%
30-Day Treasury Bills	1.2%	4.8%	3.0%	2.3%	3.6%
Citigroup 1-10 Yr Treasury	0.8%	3.5%	2.4%	3.6%	5.3%
Citigroup 10+ Yr Treasury	0.5%	1.9%	5.3%	6.9%	7.7%
Merrill Lynch TIPS	-1.3%	0.5%	3.9%	7.3%	...
Lehman Government	0.8%	3.5%	3.2%	4.6%	6.0%
Lehman Credit	1.3%	4.3%	3.8%	5.9%	6.6%
Lehman Mortgage	1.6%	5.2%	4.2%	4.8%	6.2%
Lehman High Yield	4.2%	11.9%	8.5%	10.2%	6.6%
Citigroup Non-US Gvt	2.1%	6.9%	2.9%	9.5%	4.7%
Citigroup Non-US Gvt (Hedged)	0.7%	3.1%	4.6%	4.5%	6.3%
JPM Emerging Mkt Debt+	4.1%	10.5%	11.4%	15.2%	11.0%
Real Estate					
NAREIT Equity	9.5%	35.1%	25.9%	23.2%	14.5%
NCREIF Property	4.5%	16.6%	17.0%	13.3%	12.7%
Inflation (CPI-U)	-0.5%	2.5%	3.1%	2.7%	2.4%

Periods longer than one year are annualized.

Source: Ibbotson Associates

Capital Markets: Calendar Year Returns

Index	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
US Equities										
S&P 500	15.8%	4.9%	10.9%	28.7%	-22.1%	-11.9%	-9.1%	21.0%	28.6%	33.4%
Russell 3000 [®]	15.7%	6.1%	12.0%	31.1%	-21.5%	-11.5%	-7.5%	20.9%	24.1%	31.8%
Russell Top 200 [®] (Large Cap)	15.5%	3.8%	8.3%	26.7%	-23.4%	-14.6%	-12.1%	21.8%	34.0%	34.5%
Russell MidCap [®]	15.3%	12.7%	20.2%	40.1%	-16.2%	-5.6%	8.3%	18.2%	10.1%	29.0%
Russell 2000 [®] (Small Cap)	18.4%	4.6%	18.3%	47.3%	-20.5%	2.5%	-3.0%	21.3%	-2.6%	22.4%
Russell 1000 [®] Value	22.2%	7.1%	16.5%	30.0%	-15.5%	-5.6%	7.0%	7.4%	15.6%	35.2%
Russell 1000 [®] Growth	9.1%	5.3%	6.3%	29.8%	-27.9%	-20.4%	-22.4%	33.2%	38.7%	30.5%
Russell 2000 [®] Value	23.5%	4.7%	22.3%	46.0%	-11.4%	14.0%	22.8%	-1.5%	-6.5%	31.8%
Russell 2000 [®] Growth	13.3%	4.2%	14.3%	48.5%	-30.3%	-9.2%	-22.4%	43.1%	1.2%	13.0%
Non-US Equities (In US dollars)										
MSCI AC World ex. U.S.	27.2%	17.1%	21.4%	41.4%	-14.7%	-19.5%	-15.1%	30.9%	14.5%	2.0%
MSCI EAFE (net)	26.3%	13.5%	20.3%	38.6%	-15.9%	-21.4%	-14.2%	27.0%	20.0%	1.8%
MSCI Europe	34.4%	9.9%	21.4%	39.1%	-18.1%	-19.6%	-8.1%	16.2%	28.9%	24.2%
MSCI Japan	6.2%	25.6%	16.2%	36.0%	-9.8%	-29.5%	-28.3%	63.1%	5.1%	-24.0%
MSCI Pacific ex Japan	33.2%	14.8%	29.6%	47.0%	-5.8%	-9.4%	-15.2%	43.2%	-6.2%	-30.8%
MSCI Emerging Markets	32.6%	34.5%	26.0%	56.3%	-6.0%	-2.4%	-30.6%	66.4%	-25.3%	-11.6%
MSCI EAFE Value	31.1%	14.4%	24.9%	46.0%	-15.6%	-18.2%	-2.8%	24.5%	18.1%	1.8%
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Citigroup 10+ Yr Treasury	1.9%	6.5%	7.7%	2.5%	16.7%	4.2%	20.3%	-8.7%	13.5%	15.1%
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NCREIF Property	16.6%	20.1%	14.5%	9.0%	6.8%	7.3%	12.3%	11.4%	16.3%	13.9%
Inflation (CPI-U)	2.5%	3.4%	3.3%	1.8%	2.4%	1.6%	3.4%	2.7%	1.6%	1.7%

Source: Ibbotson Associates