



Water and Power Employees' Retirement Plan (WPERP) Investment Portfolio

Quarterly Report Executive Summary

Creation Date: May 13, 2011

This report is solely for the use of client personnel. No part of it may be circulated, quoted, or reproduced for distribution outside the client organization without prior written approval from Pension Consulting Alliance, Inc.

Nothing herein is intended to serve as investment advice, a recommendation of any particular investment or type of investment, a suggestion of the merits of purchasing or selling securities, or an invitation or inducement to engage in investment activity.

Table of Contents

Section	Tab
Performance Summary of Major WPERP Plans	A
Investment Market Risk Metrics	B
Economic Overview	C
WPERP Retirement Plan Review	D
WPERP Retirement Plan Managers on Watch	E
WPERP Disability, Death, and Health Plan Review	F
Total Fund & Asset Class Universe Comparisons	G
Individual Manager Performance	H
Appendix	
Managers Watch Criteria	
Summary of WPERP Retirement Plan Portfolio Transitions	
WPERP Retirement Plan Policy Benchmark Description	
WPERP Health Plan Policy Benchmark Description	
Performance Attribution Glossary	
Glossary of Terms	
Definition of Benchmarks	
Risk Metric Description	

PERFORMANCE SUMMARY OF MAJOR WPERP INVESTMENT PLANS

As of March 31, 2011, the WPERP Total Retirement Plan had an aggregate value of \$7.3 billion. This represents a \$258.0 million increase in value over the last quarter. During the most recent 1-year period, the WPERP Total Retirement Plan increased by \$708.1 million. During the first quarter of 2011, global equity markets continued to rally, supported by healthy corporate earnings and positive economic news. Volatility rippled through the markets due to conflicts in the Middle East and Northern Africa, as well as the earthquake and ensuing tsunami in Japan. The vast majority of the volatility has since dissipated, although concerns over inflation, Japan's recovery, European debt issues, and rising commodity prices still remain. The economy has continued to slowly rebound on top of positive economic news, but has been hindered by continually high unemployment and a depressed housing sector.

As of March 31, 2011, the WPERP Total Health Plan had an aggregate value of \$1.1 billion.

Strategic Allocation Trends

The Retirement Plan strategic allocation targets reflect the allocation targets for the 2010-2011 fiscal year (effective 10/1/2010). As of March 31, 2011, the WPERP Total Retirement Plan had a 59% allocation in Equities, 31% in Fixed Income, 5% in Real Return, 1% in Private Equity, and 2% each in Real Estate and Cash. The Health Plan strategic allocation targets reflect the allocation targets for the 2010-2011 fiscal year (effective 7/1/2010). The WPERP Total Health Plan had a 56% allocation in Equities, 39% in Fixed Income, 3% in Real Return, 2% in Cash, and less than 1% each in Private Equity and Real Estate. Staff restructured both the Retirement and Health Plan portfolios in early October 2010 to bring them into alignment with the new fiscal year interim policy targets.

Recent Investment Performance of Major WPERP Investment Plans

Period ending March 31, 2011

WPERP Total Retirement Plan

	Quarter	1 Year	3 Year	5 Year	10 Year
Total Portfolio ¹	3.8	12.0	3.7	4.5	5.2
Policy Benchmark ²	3.5	12.5	2.7	4.3	5.4
Excess Return	0.3	-0.5	1.0	0.2	-0.2
Reference: Median Fund ³	4.0	13.3	3.5	4.3	5.9
Reference: Net of Fees ⁴	3.7	11.8	3.5	4.3	5.0

WPERP Total Health Plan

	Quarter	1 Year	3 Year
Total Portfolio ¹	3.7	10.8	5.1
Policy Benchmark ²	3.2	11.7	3.8
Excess Return	0.5	-0.9	1.3

¹ Gross of fees.

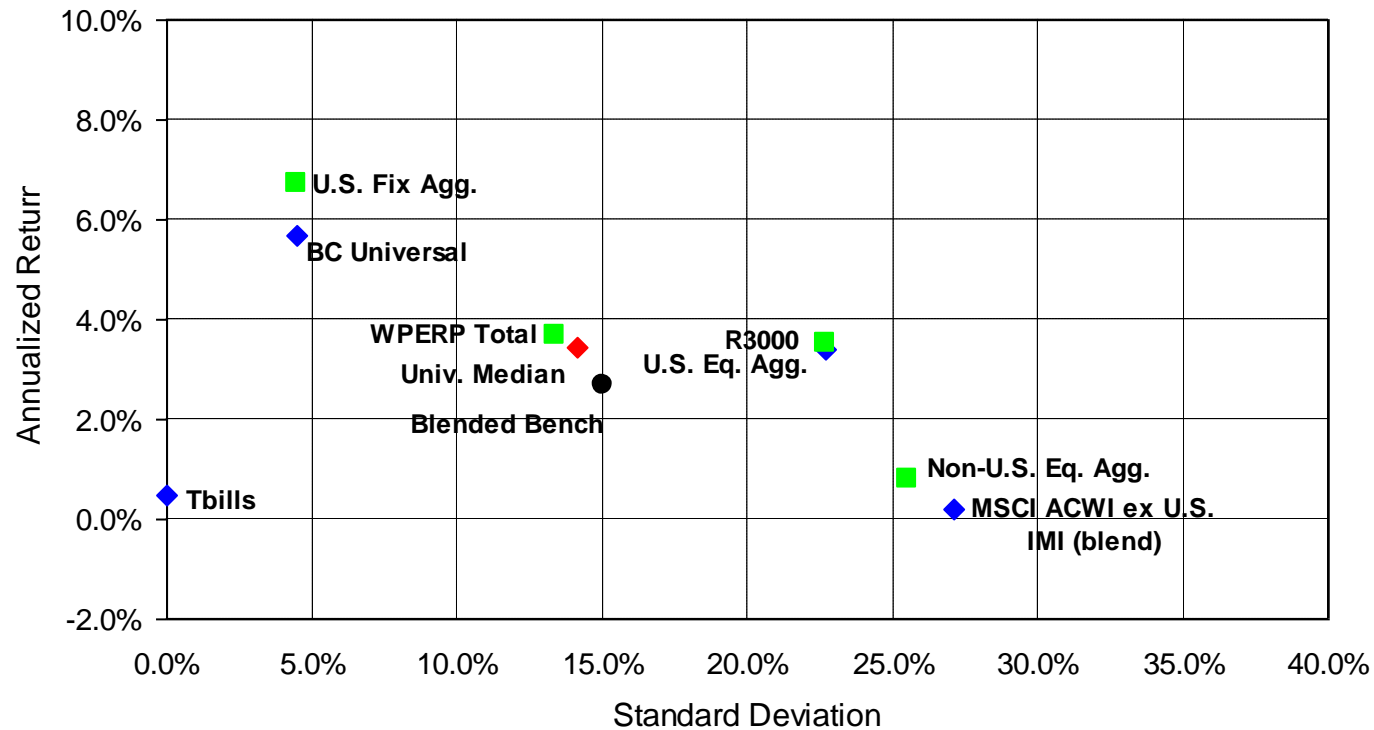
² See appendix for policy benchmark descriptions.

³ Mellon Total Funds Public Universe

⁴ Net of Fee returns are estimated based on existing WPERP manager fee schedule.

WPERP Retirement Plan Risk/Return Analysis – Last 3 Years

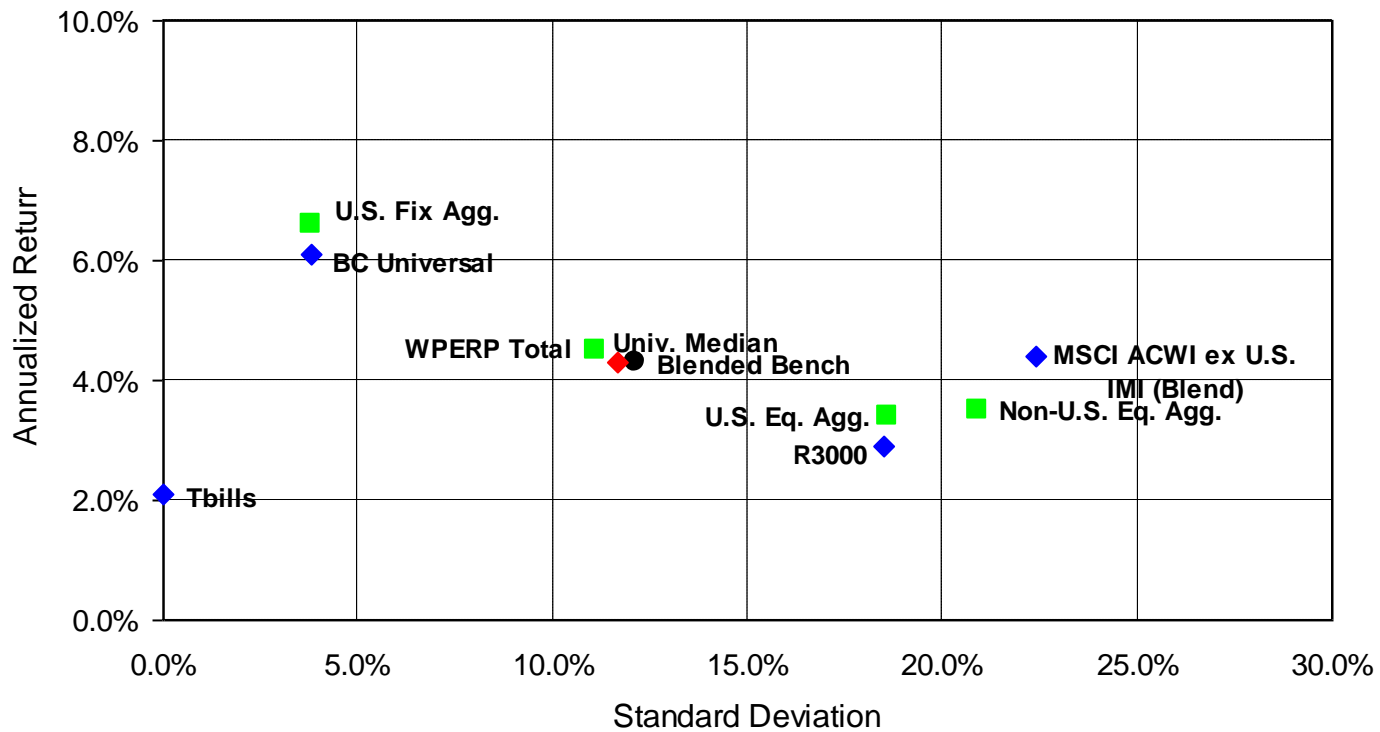
Period ending March 31, 2011



*Median Fund in the Mellon Total Fund Public Universe.

WPERP Retirement Plan Risk/Return Analysis – Last 5 Years

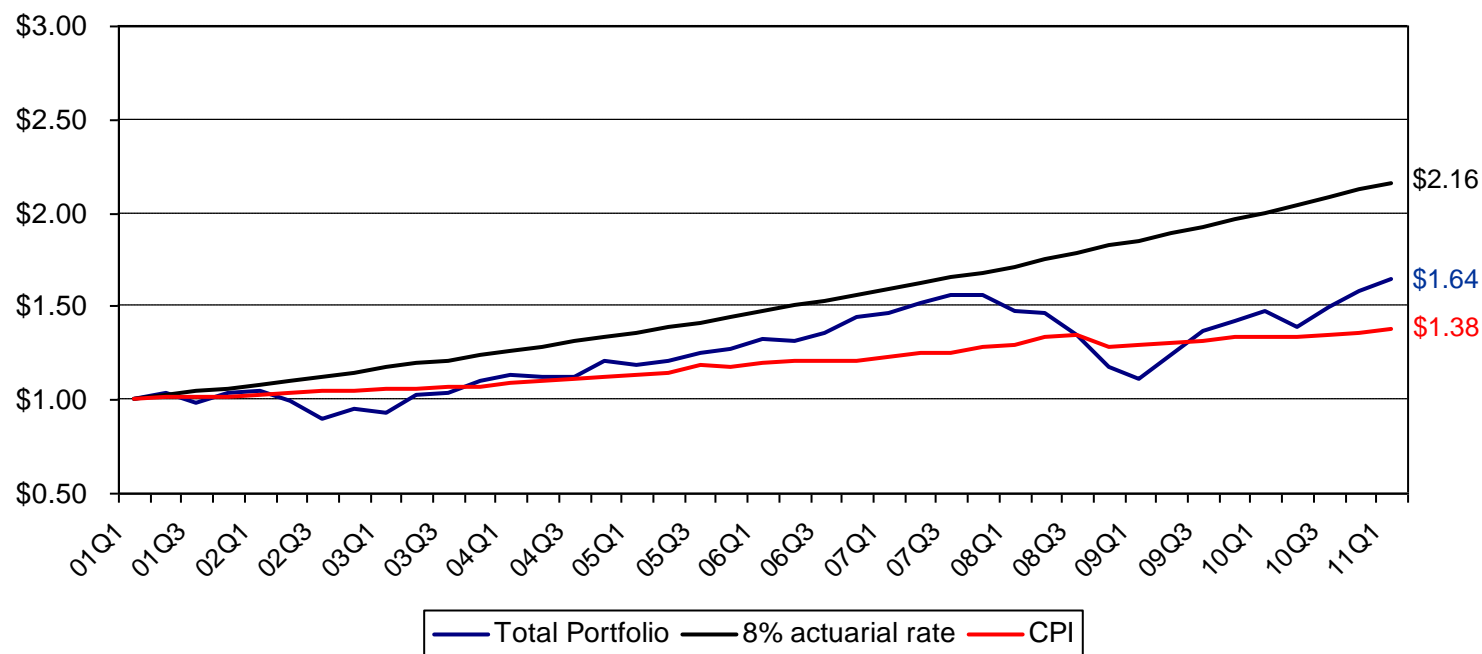
Period ending March 31, 2011



*Median Fund in the Mellon Total Fund Public Universe.

WPERP Retirement Plan Growth of a Dollar – Latest 10 Years

Period ending March 31, 2011



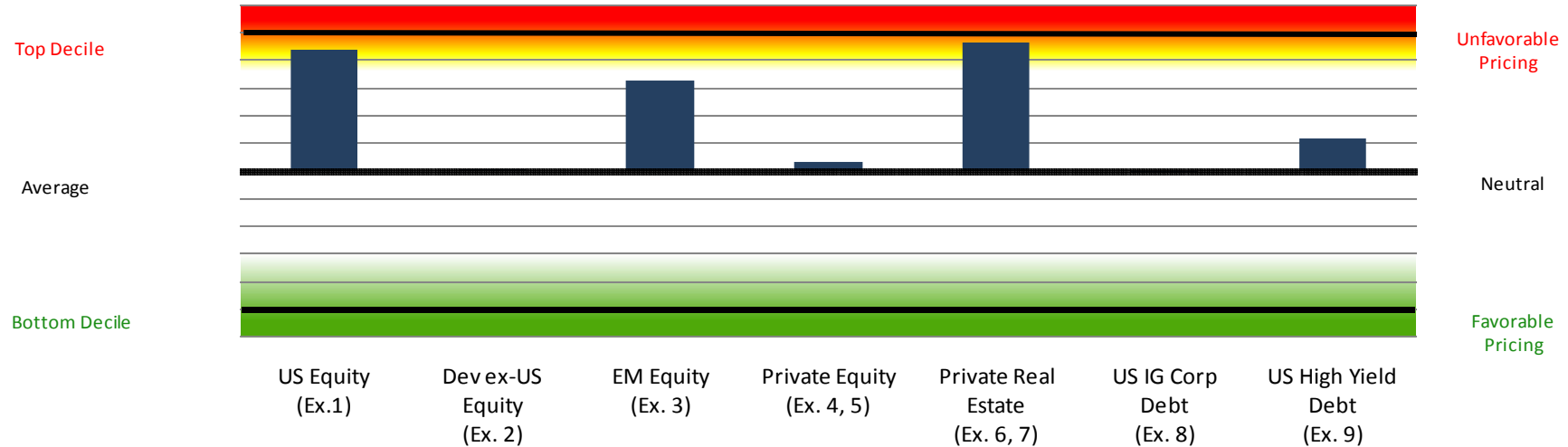
Investment Market Risk Metrics

Takeaways

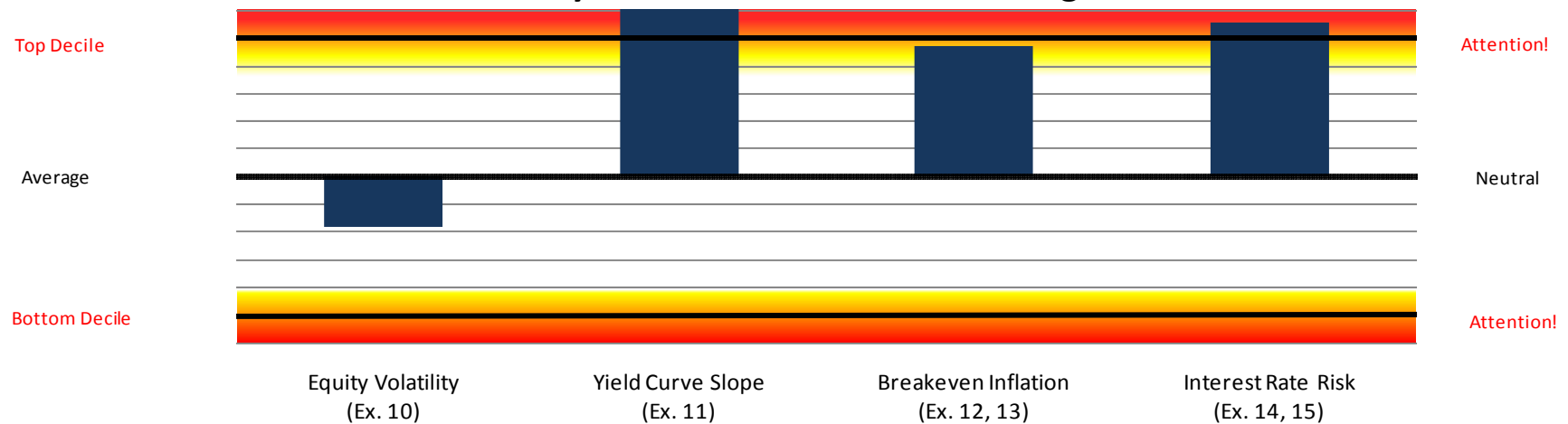
- Breakeven inflation levels are on the rise
- Commodity prices are on the rise
- The yield curve is steep, and interest rate risk is high
- U.S. equity volatility rose and fell quickly, during the month
- Risk asset pricing is inching up in the U.S., with equity valuations approaching high levels
- Private equity pricing is moderating
- Pricing of Non-U.S. developed market equities are near long-term averages

¹ See Appendix for the rationale for selection and calculation methodology used for the risk metrics.

Valuation Metrics versus Historical Range A Measure of Risk



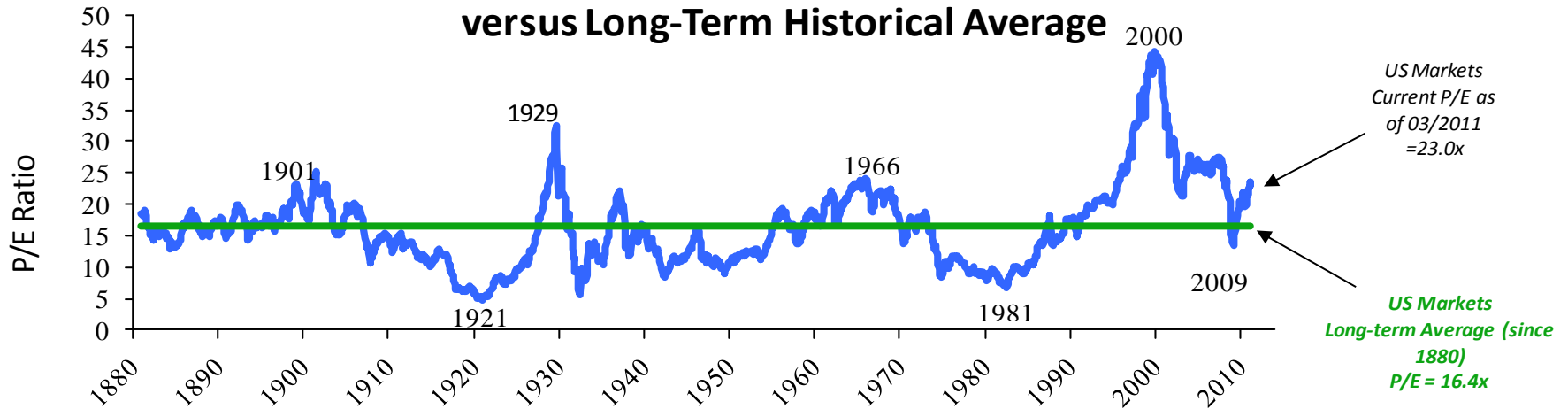
Other Important Metrics within their Historical Ranges Pay Attention to Extreme Readings



Developed Public Equity Markets

Exhibit 1

U.S. Equity Market P/E Ratio¹ versus Long-Term Historical Average

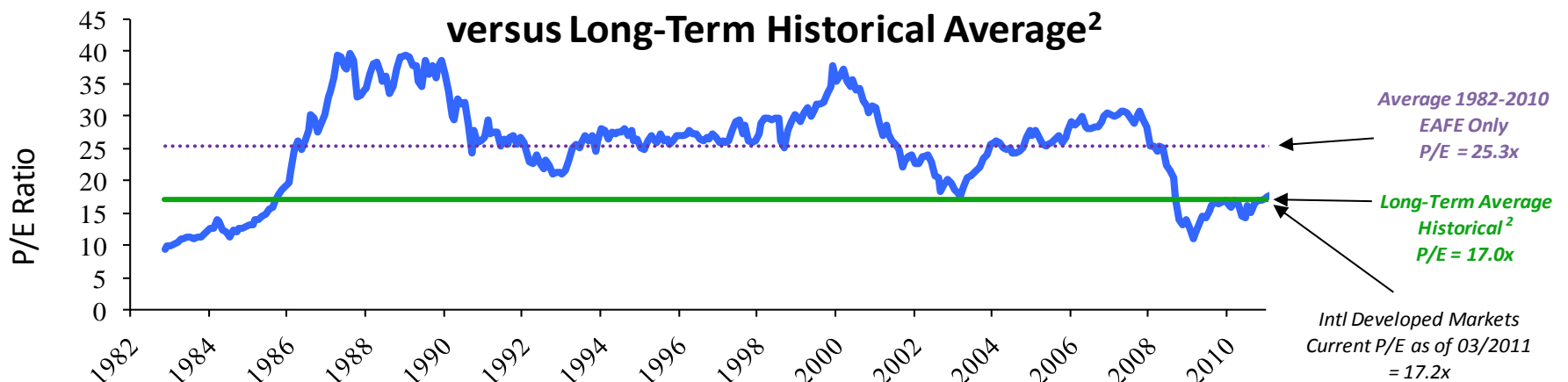


¹ P/E ratio is a Shiller P/E-10 based on 10 year real S&P 500 earnings over S&P 500 index level.

(Please note different time scales)

Exhibit 2

Developed ex-US Equity Market P/E Ratio¹ versus Long-Term Historical Average²



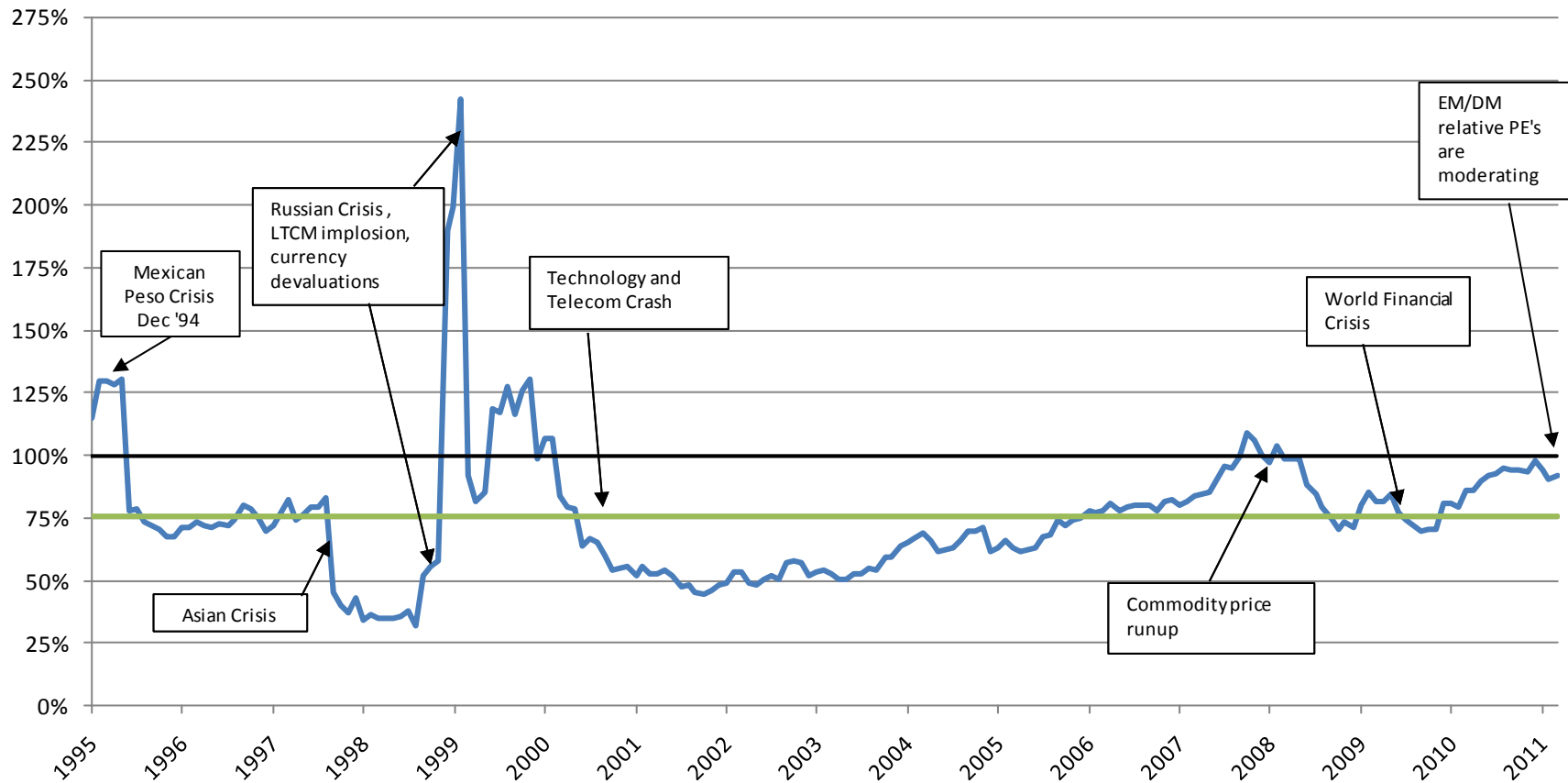
¹ P/E ratio is a Shiller P/E-10 based on 10 year real MSCI EAFE earnings

² To calculate the LT historical average, from 1881 to 1982 U.S. data is used as developed market proxy. From 1982 to present, actual developed ex-US market data (MSCI EAFE) is used.

Emerging Markets Public Equity Markets

Exhibit 3

Emerging Markets PE / Developed Markets PE (100% = Parity between PE Ratios)



Source: Bloomberg, MSCI World, MSCI EMF

— EM/DM PE

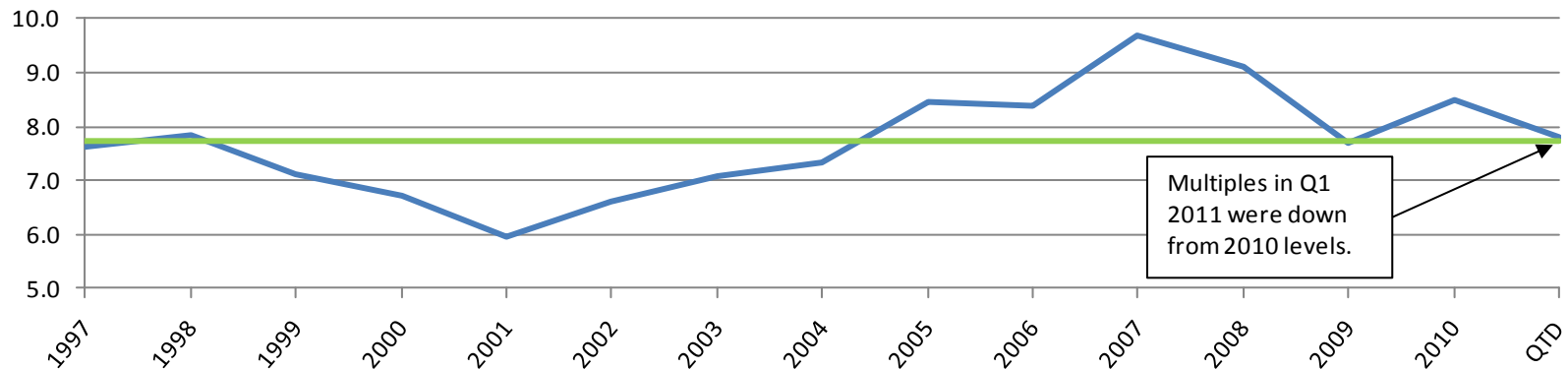
— Average EM/DM PE

— Parity

US Private Equity Markets

Exhibit 4

Price to EBITDA Multiples Paid in LBOs

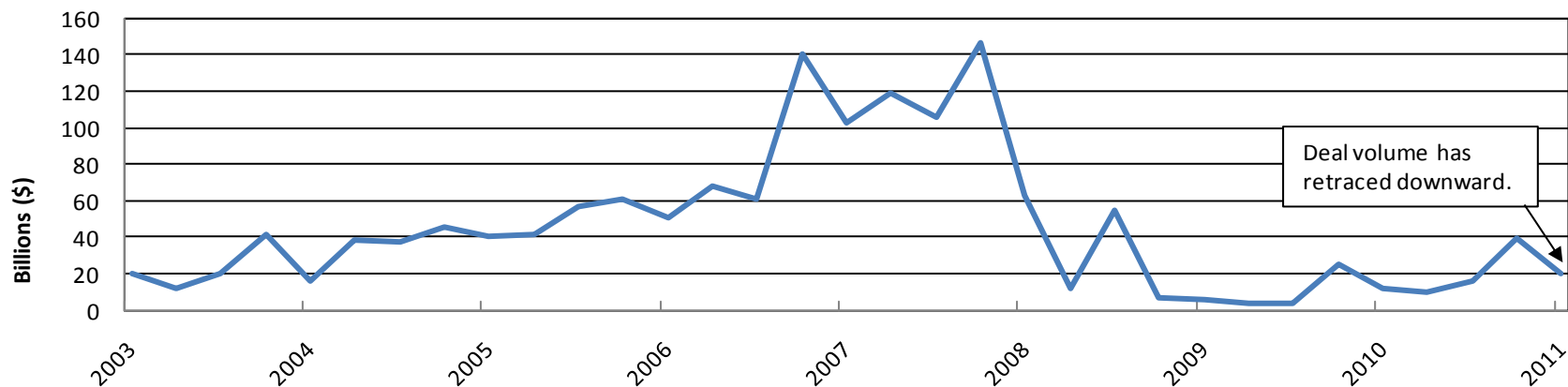


Source: S&P LCD study

(Please note different time scales)

Exhibit 5

Disclosed U.S. Quarterly Deal Volume*



Source: Thomson Reuters Buyouts

* quarterly total deal size (both equity and debt)

Private Real Estate Markets

Exhibit 6

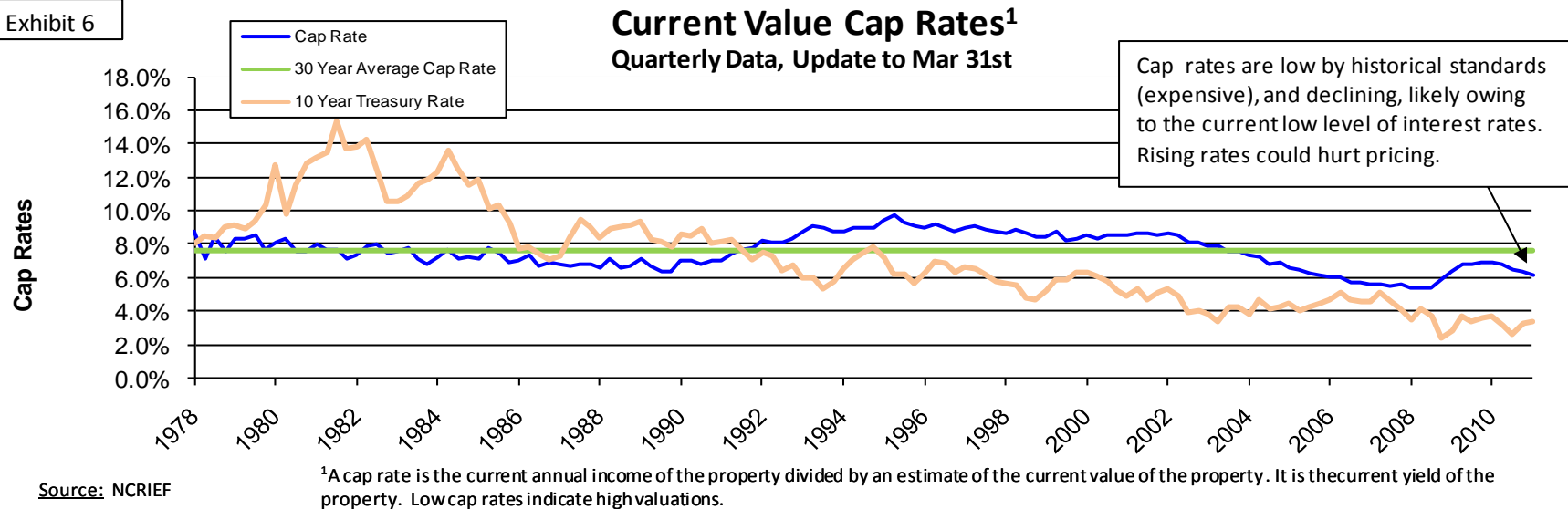
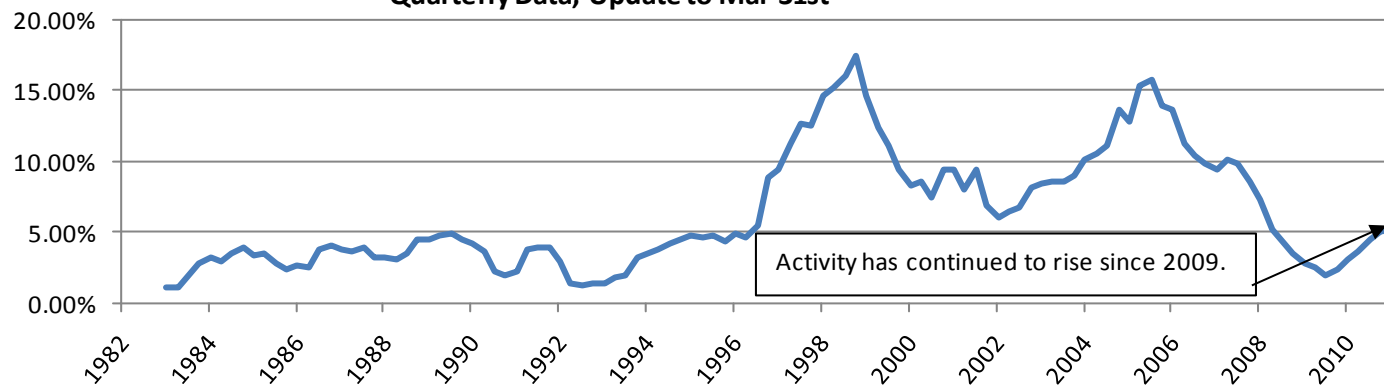


Exhibit 7

Transactions as a % of Market Value Trailing-Four Quarters (a measure of property turnover activity)

Quarterly Data, Update to Mar 31st

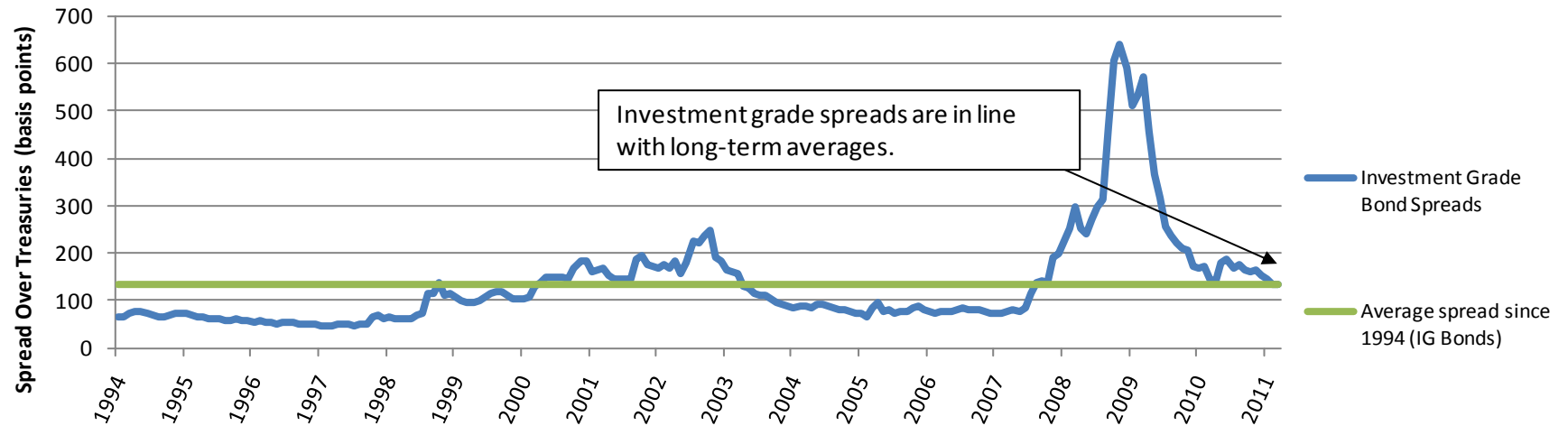


Source: NCREIF, PCA calculation

Credit Markets US Fixed Income

Exhibit 8

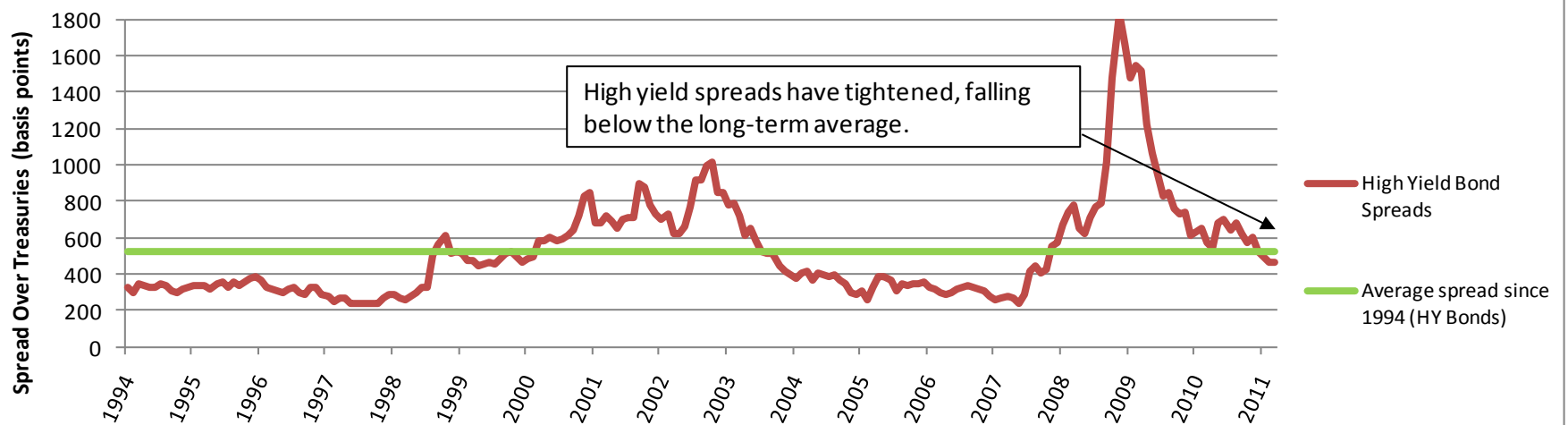
Investment Grade Corporate Bond Spreads



Source: LehmanLive: Barclays Capital US Corporate Investment Grade Index Intermediate Component.

Exhibit 9

High Yield Corporate Bond Spreads

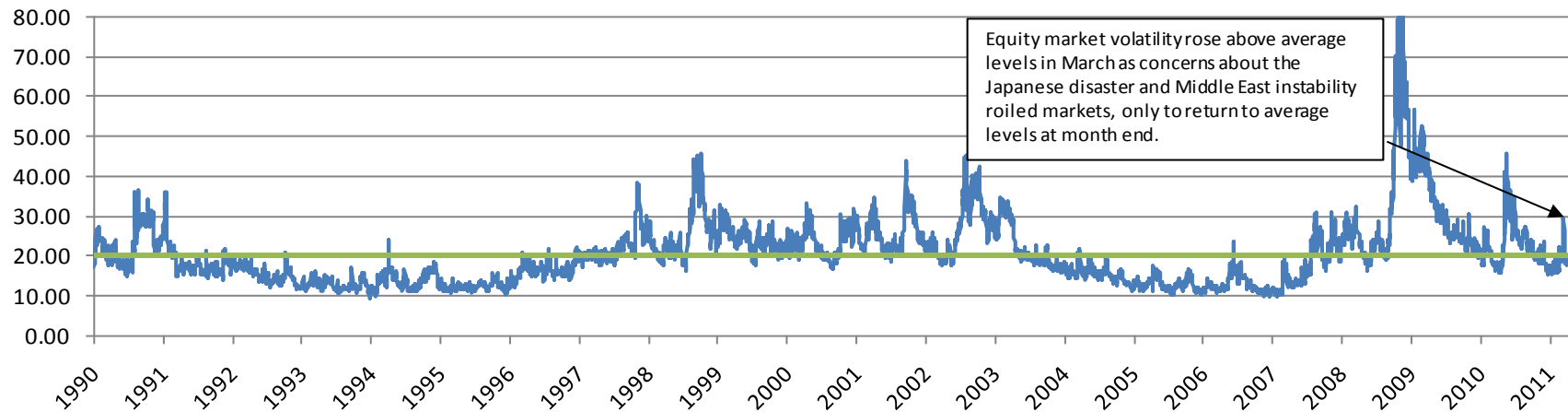


Source: LehmanLive: Barclays Capital U.S. Corporate High Yield Index.

Other Market Metrics

Exhibit 10

VIX - a measure of equity market fear / uncertainty

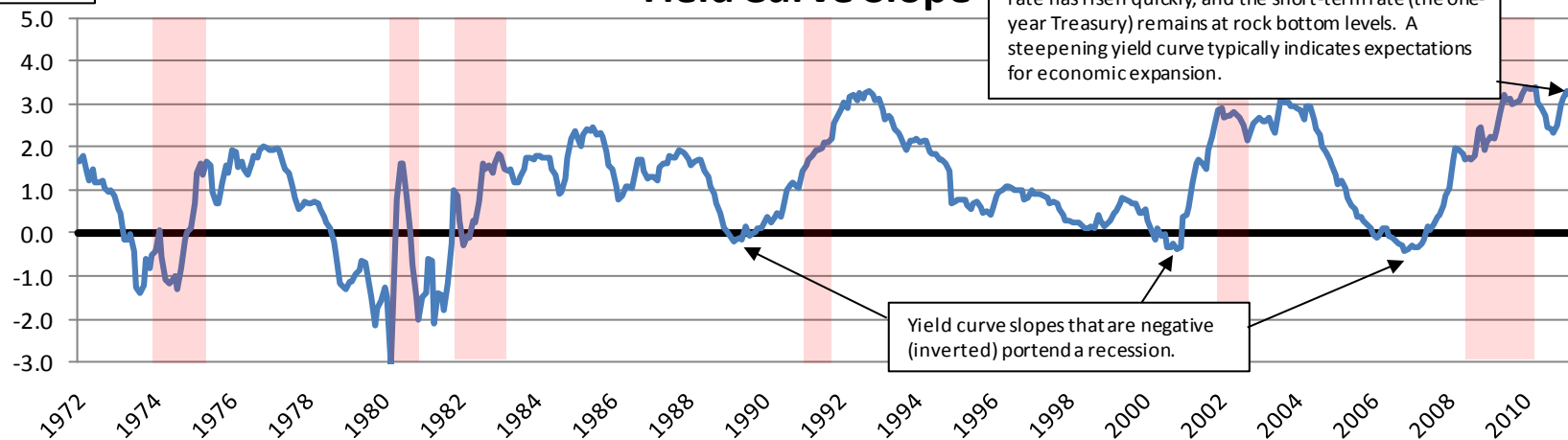


Source: <http://www.cboe.com/micro/vix/historical.aspx>

(Please note different time scales)

Exhibit 11

Yield Curve Slope



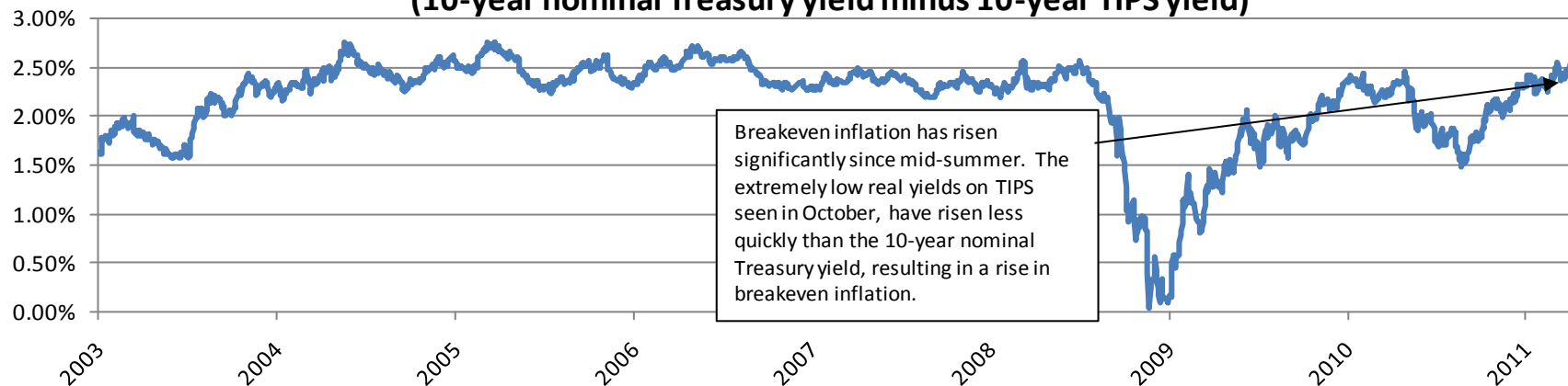
Source: www.ustreas.gov (10 yr treasury yield minus 1 year treasury yield)

Recession Dating: NBER <http://www.nber.org/cycles.html>

Measures of Inflation Expectations

Exhibit 12

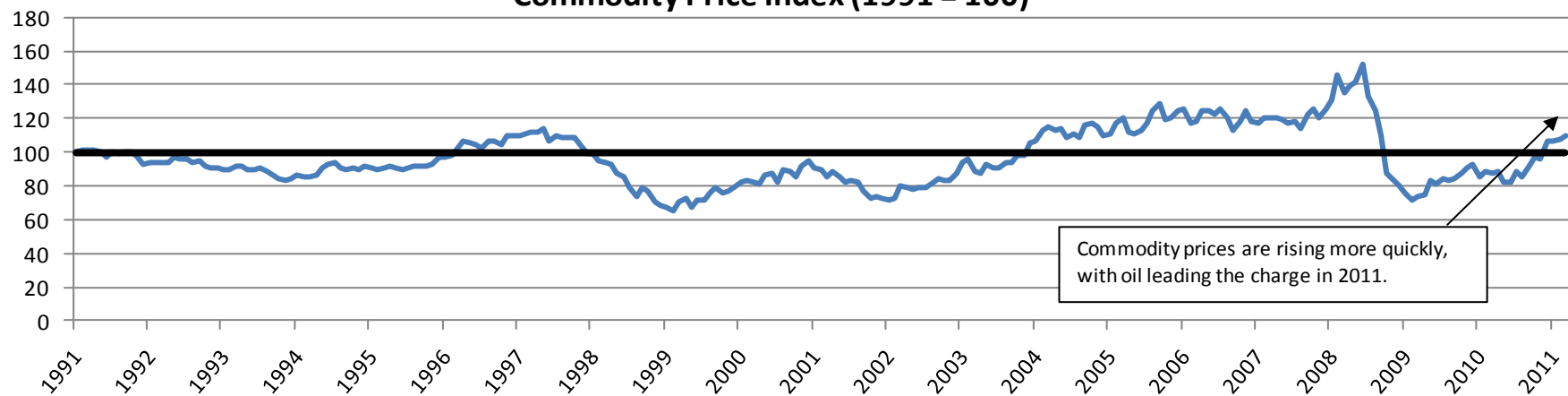
10-Year Breakeven Inflation (10-year nominal Treasury yield minus 10-year TIPS yield)



(Please note different time scales)

Exhibit 13

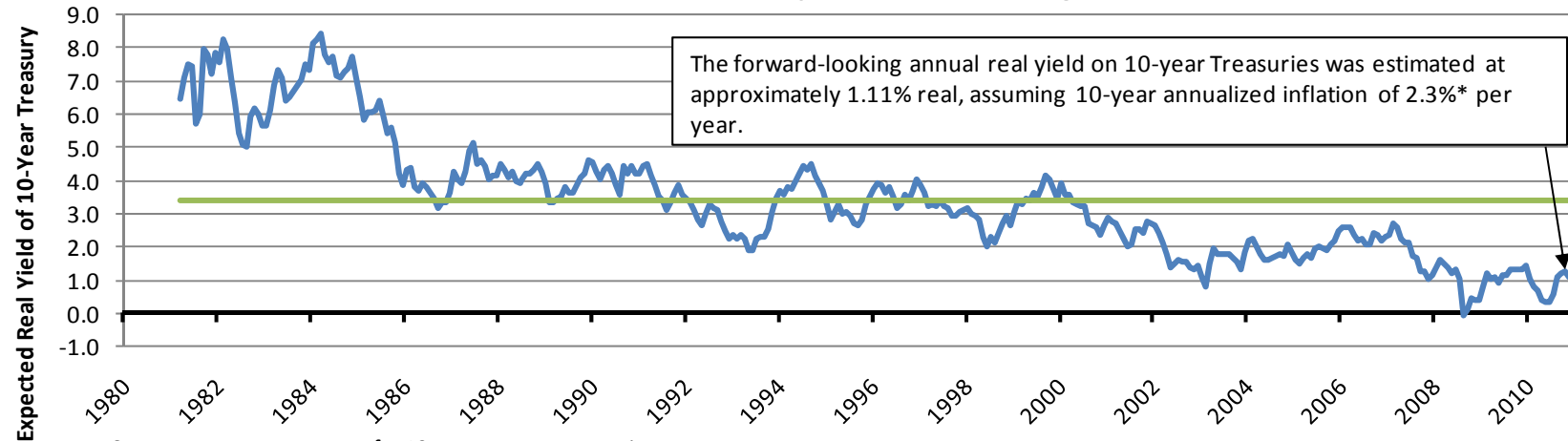
Inflation Adjusted Dow Jones UBS Commodity Price Index (1991 = 100)



Measures of U.S. Treasury Interest Rate Risk

Exhibit 14

Estimate of 10-Year Treasury Forward-Looking Real Yield

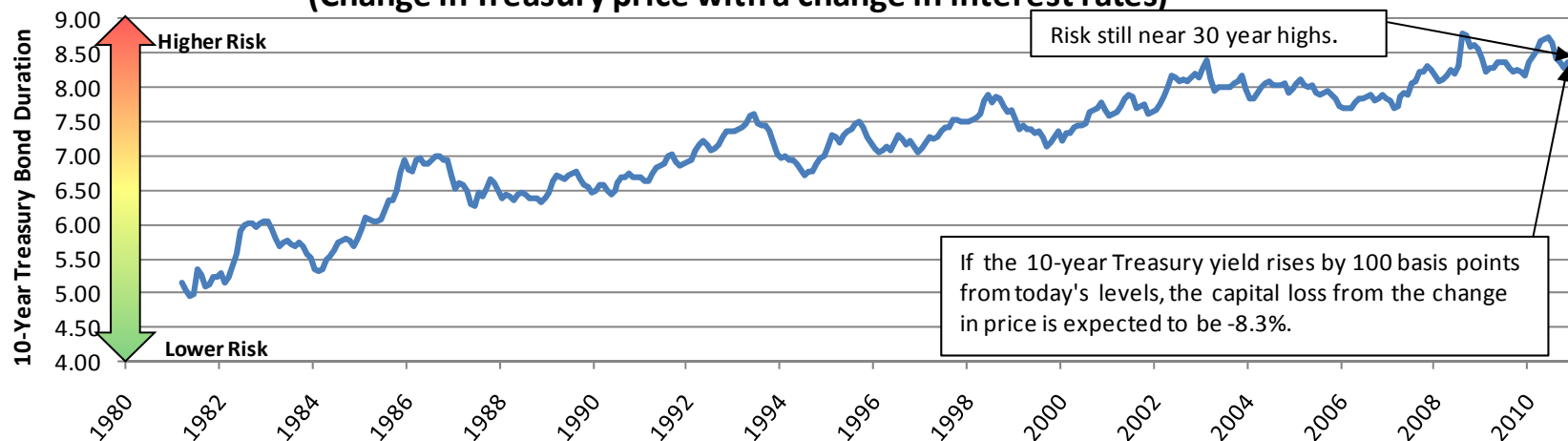


Sources: www.ustreas.gov for 10-year constant maturity rates

*Federal Reserve Bank of Philadelphia survey of professional forecasts for inflation estimates

Exhibit 15

10-Year Treasury Duration (Change in Treasury price with a change in interest rates)



Source: www.ustreas.gov for 10-year constant maturity rates, calculation of duration

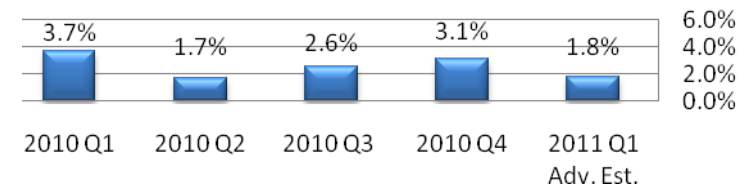
ECONOMIC OVERVIEW

Overview: Global equity markets extended their gains during the first quarter of 2011, with all major equity indices except Japan posting positive returns. Markets were supported by healthy corporate earnings and continued improvement in economic conditions. Volatility briefly surged triggered by conflicts in the Middle East and North Africa, as well as a devastating earthquake and tsunami in Japan. Although long-term market outlook indicates improving economic fundamentals, downside risks and volatility remain. Concerns over inflationary pressure driven by rising commodity prices, a lingering debt crisis in Europe, political unrest in the Middle East and North Africa, and uncertainty over Japan's recovery continue to represent headwinds for the global economy and markets.

Economic Growth

- The "advance" estimate of real GDP grew at an annualized rate of 1.8 percent in the first quarter of 2011, declining from 3.1 percent in 4Q 2010.
- The slowdown in GDP growth was attributed to strong imports and slowed exports, decreases in consumer and government spending, and slowed business structure investment.
- The GDP growth reflected positive contribution from an increase in inventory investment.

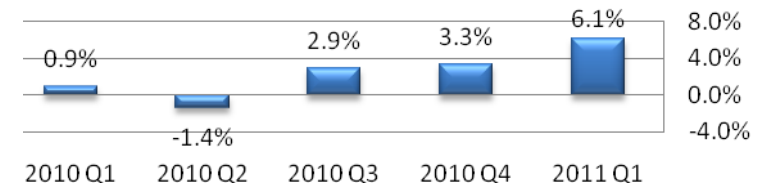
Annualized Quarterly GDP Growth



Inflation

- The Consumer Price Index for All Urban Consumers (CPI-U) increased by 6.1 percent in the quarter on an annualized basis, after seasonal adjustment.
- Core CPI-U increased 2.0 percent for the quarter.
- Over the last 12 months, CPI-U increased 2.7 percent before seasonal adjustment.

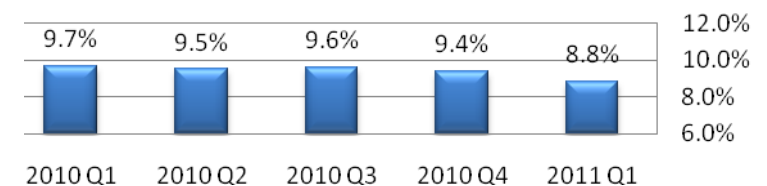
CPI-U After Seasonal Adjustment



Unemployment

- The U.S. economy gained 444,000 jobs in the quarter.
- The official unemployment rate fell from 9.4 to 8.8 percent in March.
- The majority of jobs gained were professional and business services, health care, leisure & hospitality, and mining.

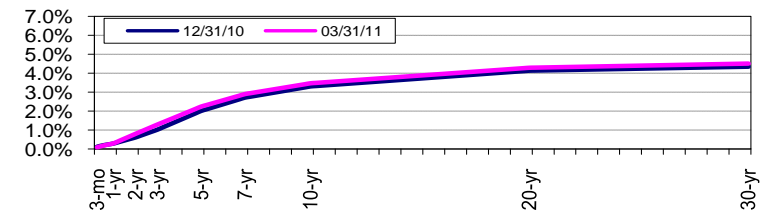
Unemployment Rate



Interest Rates & U.S. Dollar

- Except for the 3- and 6-month T-bills, the U.S. Treasury yields rose across the maturity spectrum during the quarter.
- The Federal Reserve has maintained the Federal Funds rate between 0.00% and 0.25% since December 2008.
- The U.S. dollar appreciated against the Yen by 2.5%, while depreciating against the Euro and the Sterling by (5.8%) and (2.7%), respectively.

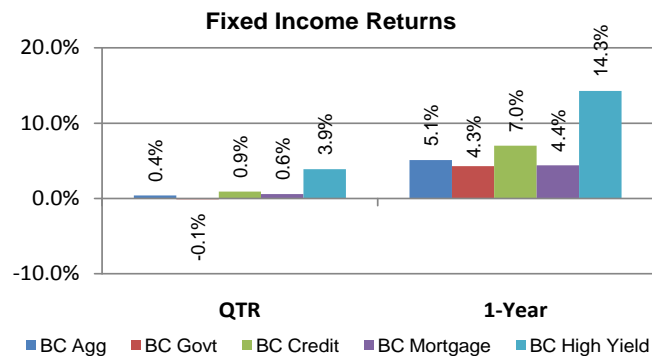
Treasury Yield Curve Changes



Source: U.S. Treasury Department

Fixed Income

- The bond markets rebounded from last quarter and posted returns mostly in the positive territory. The Federal Reserve is paying close attention to inflationary pressure after two rounds of quantitative easing. However, the Fed has not decided to raise interest rates even though some central banks are beginning to implement monetary tightening.
- High Yield continued to outperform other sectors during both the current quarter and trailing 1-year period. Investment credit and CMBS also generated strong returns during the same periods.



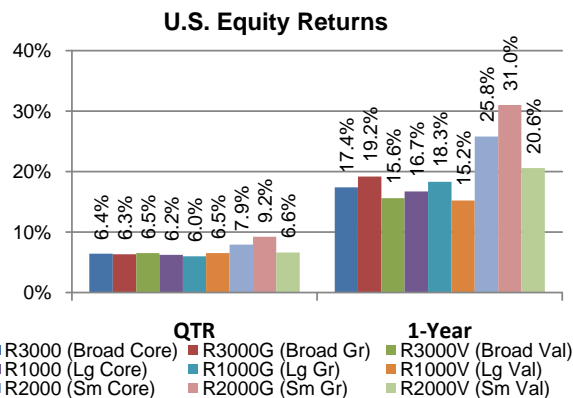
U.S. Fixed Income Sector Performance (BC Aggregate Index)

Sector	Weight	QTR	1 Year
Governments*	36.6%	-0.1%	4.3%
Agencies	8.3%	0.3%	3.8%
MBS	33.0%	0.6%	4.4%
ABS	0.3%	0.6%	4.2%
CMBS	2.4%	2.1%	12.6%
Inv. Grade Credit	19.4%	0.9%	7.0%

*U.S. Treasuries and Government Related

U.S. Equities

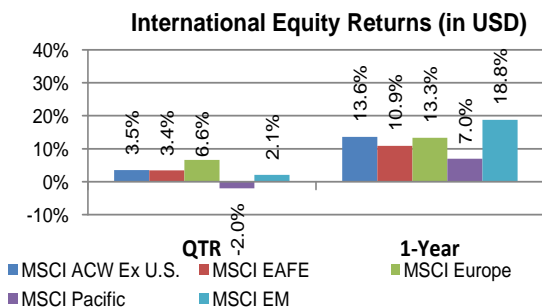
- The U.S. stock market generated solid gains, with the Russell 3000 returning 6.4% over the quarter and 17.4% over the latest one year, underpinned by strong corporate earnings and improving job data. However, housing market data remains weak.
- Major U.S. equity indices outperformed major international equity indices for the most part during the current quarter and trailing 1-year period. Growth indices trumped value except in large cap, while small stocks excelled over large stocks.
- Within sectors, cyclical sectors generated the strongest performance during the current quarter and trailing 1-year period, benefiting from surging energy prices and economic expansion.



U.S. Equity Sector Performance (Russell 3000 Index)			
Sector	Weight	QTR	1 Year
Energy	12.4%	16.9%	41.1%
Industrials	11.9%	8.8%	24.1%
Health Care	11.2%	6.7%	8.0%
Materials	4.3%	5.5%	26.7%
Consumer Disc	11.3%	4.8%	21.7%
Telecom Svc	2.7%	4.4%	27.4%
Information Tech	18.0%	4.4%	15.1%
Utilities	3.3%	4.1%	14.6%
Financials	16.1%	3.5%	5.6%
Consumer Staples	8.8%	3.1%	11.2%

International Equities

- The international equity markets, with the exception of Japan which was affected by the destruction caused by the earthquake and tsunami, advanced as investors focused on strong corporate earnings and improving economic outlook.
- Emerging markets lagged developed markets (except Japan) during the quarter as inflationary worries and their central banks' tightening dampened valuations.



International Equity Region Performance (in USD) (MSCI ACW Index ex U.S.)			
Sector	Weight	QTR	1 Year
United Kingdom	14.4%	3.8%	13.6%
Europe Ex. UK	30.0%	8.0%	13.1%
Japan	13.8%	-4.9%	1.6%
Pacific Ex. Japan	9.1%	2.8%	16.7%
Canada	8.4%	7.8%	23.1%
Emerging Markets	23.9%	2.1%	18.8%

Market Summary – Long-term Performance*

Indexes	1 Year	3 Year	5 Year	10 Year
Global Equity				
MSCI All Country World	14.6%	0.9%	3.5%	5.5%
Domestic Equity				
S&P 500	15.6%	2.4%	2.6%	3.3%
Russell 3000	17.4%	3.4%	2.9%	4.1%
Russell 3000 Growth	19.2%	5.6%	4.3%	3.3%
Russell 3000 Value	15.6%	1.1%	1.4%	4.9%
Russell 1000	16.7%	3.0%	2.9%	3.8%
Russell 1000 Growth	18.3%	5.2%	4.3%	3.0%
Russell 1000 Value	15.2%	0.6%	1.4%	4.5%
Russell 2000	25.8%	8.6%	3.3%	7.9%
Russell 2000 Growth	31.0%	10.2%	4.3%	6.4%
Russell 2000 Value	20.6%	6.8%	2.2%	9.0%
International Equity				
MSCI All Country World ex US	13.6%	-0.4%	4.1%	7.8%
MSCI EAFE	10.9%	-2.5%	1.8%	5.8%
MSCI Pacific	7.0%	-0.1%	0.1%	5.1%
MSCI Europe	13.3%	-3.5%	2.6%	6.2%
MSCI EM (Emerging Markets)	18.8%	4.6%	11.0%	17.1%
Fixed Income				
BC Aggregate Bond	5.1%	5.3%	6.0%	5.6%
BC Government	4.3%	3.7%	5.6%	5.1%
BC Credit Bond	7.0%	7.0%	6.4%	6.2%
BC Mortgage Backed Securities	4.4%	5.9%	6.5%	5.7%
BC High Yield Corporate Bond	14.3%	12.9%	9.1%	8.6%
Real Estate				
NCREIF (Private RE)	16.0%	-3.6%	3.5%	7.5%
NAREIT (Public RE)	24.4%	3.0%	1.1%	10.9%
Commodity Index				
DJ-UBS Commodity	28.5%	-5.2%	2.6%	7.1%

* Performance is annualized for periods greater than one year.

Actual vs. Target Allocations

The strategic allocation targets reflect the allocation targets for the 2010-2011 fiscal year.

With respect to policy targets, the Total Retirement Portfolio ended the latest quarter **overweight Domestic Equity, International Equity, and Cash** while **underweight Fixed Income, Private Equity, and Real Estate. Real Return** was on target. The Total Portfolio started new policy targets beginning 10/1/2010, as the portfolio shifted to the next phase of implementing its longer-term policy.

As of March 31, 2011

Segment	Actual (\$MM)	Actual %	Target% ¹	Variance	Min.	Max.
Total Portfolio ²	8,390	100	100	---	---	---
Total Retirement ³	7,301	100	100	---	---	---
Domestic Equity	2,756	38	34	4	29	39
International Equity	1,567	21	20	1	16	24
Fixed Income	2,278	31	33	-2	28	38
Real Return	337	5	5	0	---	---
Private Equity	81	1	3	-2	---	---
Real Estate	116	2	4	-2	---	---
Cash	173	2	1	1	0.5	1.5

¹ 2010-2011 strategic allocation policy targets.

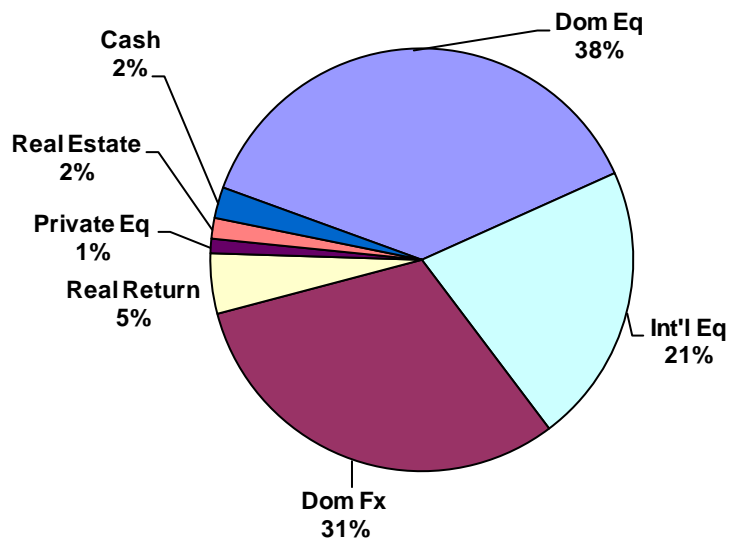
² Total Portfolio includes assets from the Retirement, Health, Disability, and Death Plans.

³ Including \$195,958 in transition assets and a negative balance of (\$6.4) million in securities lending.

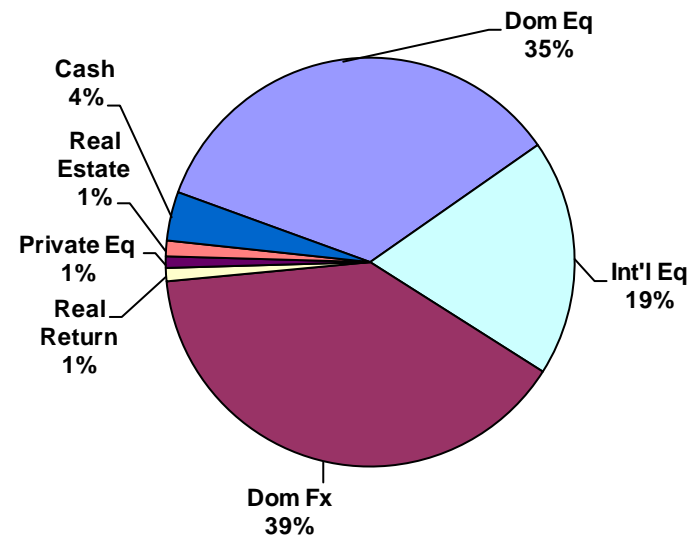
Actual Strategic Allocation Comparison

As of March 31, 2011, the Total Retirement Portfolio had a 59% allocation in Equities, 31% in Fixed Income, 5% in Real Return, 1% in Private Equity, and 2% each in Real Estate and Cash. During the latest 1-year period, the actual weighting of Domestic Equity, International Equity, Real Return, and Real Estate increased by 3%, 2%, 4%, and 1%, respectively, while Fixed Income and Cash decreased (8%) and (2%), respectively. Private Equity remained the same. The Total Portfolio implemented new policy targets beginning 10/1/2010, as the portfolio shifted to the next phase of its longer-term policy (see Appendix for a description of the new policy benchmark composition).

March 31, 2011



March 31, 2010



WPERP RETIREMENT PLAN PERFORMANCE

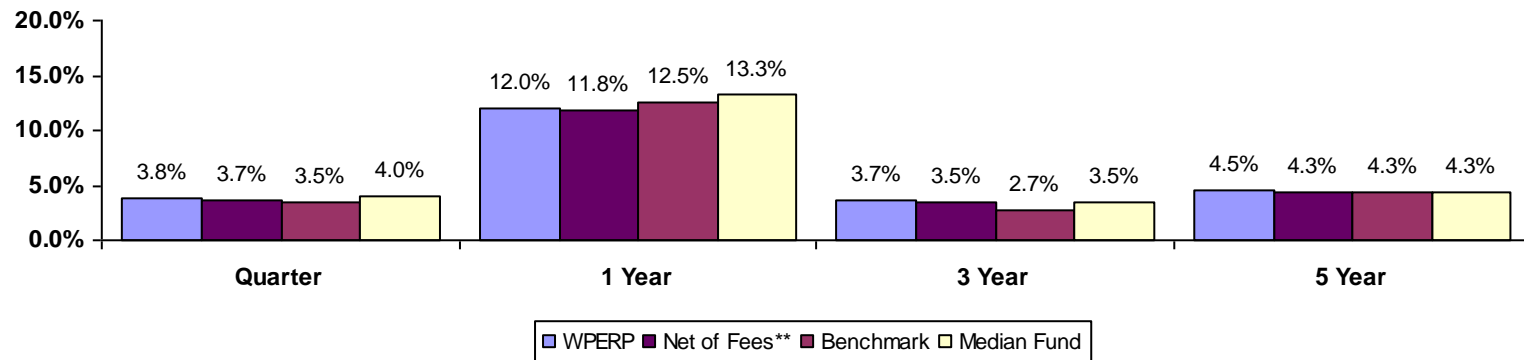
This section includes an overview of the performance of WPERP's Total Retirement Portfolio and a detailed analysis of strategic classes and specific mandates.

Portfolio Performance Overview

The Total Retirement Portfolio outperformed its policy benchmark by 30 basis points over the current quarter, but trailed over the latest 1-year period by (50) basis points, gross of fees. Over the latest 3-year period, the Total Portfolio outperformed its policy benchmark by 1.0%, as the Plan's Domestic Equity, International Equity, Fixed Income, and Cash portfolios outperformed their respective policy benchmarks. Over the latest 5-year period, the Total Portfolio outperformed its policy benchmark by 20 basis points.

The Total Retirement Portfolio closely matched the Median Public Fund over the current quarter and the trailing 3- and 5-year periods, gross of fees. The Total Portfolio trailed the Median Public Fund over the latest 1-year period by (1.3%), gross of fees. Relative underperformance by the Plan's Domestic and International Equity portfolios with respect to the Median Public Fund detracted from performance. In addition, a relative overweight position in Fixed Income also negatively impacted Total Portfolio performance.

Periods Ending March 31, 2011 (annualized)*

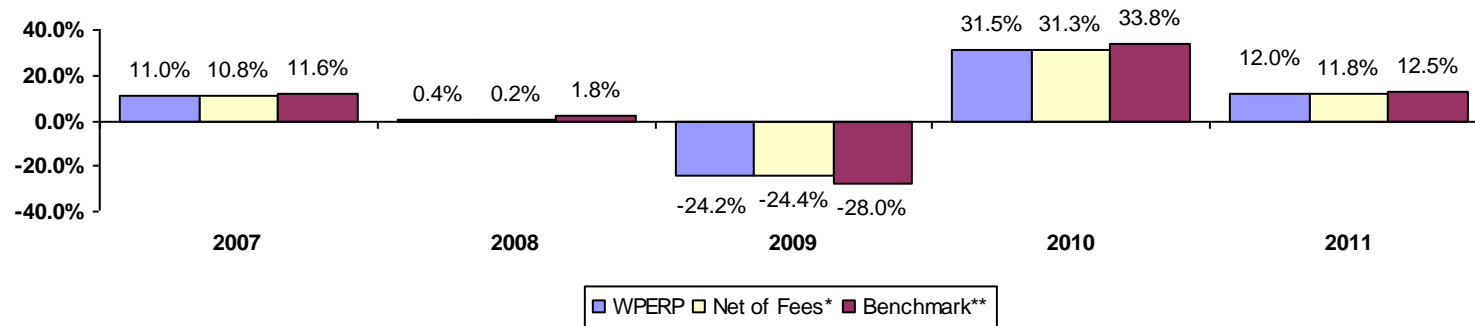


* WPERP performance reported gross of fees.

**Net of Fees Performance estimated based on existing WPERP manager fee schedule.

The Total Retirement Portfolio generated positive absolute performance results, gross of fees, over four of the five trailing 12-month periods. The Total Retirement Portfolio outperformed its policy benchmark one time over the same time periods, gross of fees.

12-month Performance – Periods Ending March 31



*Net of Fees estimated based on existing WPERP manager fee schedule

Portfolio Valuation

As of March 31, 2011, the Total Retirement Portfolio had an aggregate value of \$7.3 billion. This represents a \$258.0 million increase in value over last quarter including minus (\$3.9) million in net withdrawals. During the previous one-year period, the Total Retirement Portfolio increased by \$708.1 million.

Portfolio Valuation as of March 31, 2011, Gross of Fees

	1Q 2011	1-Year	3-Year	5-Year				
Beginning Market Value	\$7,042.6	\$6,592.6	\$6,996.3	\$6,615.2				
Net Flow	-3.9	-83.0	-501.3	-943.1				
Investment Return in \$ (in%)	261.9	3.8%	791.1	12.0%	805.7	3.7%	1,628.5	4.5%
Ending Market Value	\$7,300.6	\$7,300.6	\$7,300.6	\$7,300.6				

*Dollar figures in millions (\$), differences due to rounding

**Recent Quarter net flow per Mellon. 1-year, 3-year, 5-year net flow s estimated per PCA

Quarterly Report

Q1-11

PERFORMANCE ATTRIBUTION - RETIREMENT PLAN VS. POLICY BENCHMARK

Performance Attribution - 1Q 2011

	Policy		Portfolio		Impact on Return			
	Allocation*	Return	Allocation*	Return	Weighting	Selection	Interaction	Total
Domestic Equity	34.0%	6.4	37.8%	6.9	0.1	0.2	0.0	0.3
International Equity	20.0%	3.2	22.0%	3.1	(0.0)	(0.0)	(0.0)	(0.0)
Fixed Income	33.0%	0.7	33.0%	1.3	0.0	0.2	(0.0)	0.2
Real Return	5.0%	0.8	2.9%	(0.6)	0.1	(0.1)	0.0	0.0
Private Equity	3.0%	7.8	1.1%	2.3	(0.1)	(0.2)	0.1	(0.1)
Real Estate	4.0%	4.6	1.5%	7.6	(0.0)	0.1	(0.1)	0.0
Cash	1.0%	0.0	1.6%	0.1	(0.0)	0.0	0.0	(0.0)
Total	100.0%	3.5	100.0%	3.8	0.0	0.2	0.1	0.3

*Policy allocation utilizes beginning-of-the period target allocations; Portfolio allocation utilizes beginning-of-the period market values.

Performance Attribution - Trailing 12-month

	Policy		Portfolio		Impact on Return			
	Allocation*	Return	Allocation*	Return	Weighting	Selection	Interaction	Total
Domestic Equity	33.5%	17.4	37.2%	17.4	0.2	(0.0)	0.0	0.2
International Equity	18.5%	14.1	20.0%	11.0	(0.1)	(0.6)	(0.0)	(0.7)
Fixed Income	36.5%	5.7	35.2%	7.3	(0.5)	0.5	0.0	0.1
Real Return	4.0%	3.1	3.0%	5.3	0.2	0.1	(0.1)	0.2
Private Equity	2.5%	19.1	1.1%	18.6	(0.0)	0.2	(0.1)	0.1
Real Estate	3.5%	13.1	1.5%	20.0	(0.1)	(0.1)	0.1	(0.1)
Cash	1.5%	0.1	2.0%	0.5	(0.1)	0.0	0.0	(0.0)
Total	100.0%	12.5	100.0%	12.0	(0.4)	0.2	(0.1)	(0.3)

*Policy allocation utilizes average target allocations over the trailing four quarters; Portfolio allocation utilizes average market values over the trailing four quarters.

- During the most recent quarter, the Total Retirement Portfolio outperformed its policy benchmark, due primarily to an overweight position and security selection from Domestic Equity (+0.3%). In addition, security selection in Fixed Income also added to the Total Portfolio's relative outperformance (+0.2%).
- During the trailing 12-month period, The Total Portfolio underperformed its policy benchmark, due primarily to an overweight position and security selection in International Equity (-0.7%).

Quarterly Report

Q1-11

PERFORMANCE ATTRIBUTION - RETIREMENT PLAN VS. MEDIAN PUBLIC FUND¹

Performance Attribution - 1Q 2011

	Median Public Fund		Portfolio		Impact on Return			
	Allocation	Return	Allocation*	Return	Weighting	Selection	Interaction	Total
Domestic Equity	40.7%	6.5	37.8%	6.9	(0.1)	0.1	(0.0)	0.1
International Equity	17.5%	3.2	22.0%	3.1	(0.0)	(0.0)	(0.0)	(0.1)
Fixed Income	25.4%	1.0	33.0%	1.3	(0.2)	0.1	0.0	(0.1)
Real Estate	5.3%	4.1	1.5%	7.6	(0.0)	0.2	(0.1)	0.0
Alternative Investments	9.2%	3.3	4.0%	0.3	0.0	(0.3)	0.2	(0.1)
Cash	1.9%	0.0	1.6%	0.1	0.0	0.0	(0.0)	0.0
	100.0%	4.0	100.0%	3.8	(0.3)	0.1	0.0	(0.2)

*Portfolio allocation utilizes beginning-of-the period market values.

Performance Attribution - Trailing 12-month

	Median Public Fund		Portfolio		Impact on Return			
	Average Allocation	Return	Average Allocation	Return	Weighting	Selection	Interaction	Total
Domestic Equity	39.0%	18.6	37.2%	17.4	(0.1)	(0.5)	0.0	(0.6)
International Equity	17.6%	13.6	20.0%	11.0	0.0	(0.4)	(0.1)	(0.5)
Fixed Income	24.5%	6.8	35.2%	7.3	(0.7)	0.1	0.1	(0.5)
Real Estate	6.7%	17.5	1.5%	20.0	(0.2)	0.2	(0.1)	(0.2)
Alternative Investments	10.3%	8.0	4.1%	7.5	0.3	(0.1)	0.0	0.3
Cash	1.9%	0.1	2.0%	0.5	(0.0)	0.0	0.0	(0.0)
	100.0%	13.3	100.0%	12.0	(0.7)	(0.7)	(0.1)	(1.5)

*Median Public Fund allocation utilizes average target allocations over the trailing four quarters; Portfolio allocation utilizes average market values over the trailing four quarters.

- During the most recent quarter, the Total Retirement Portfolio slightly underperformed the Median Public Fund, due primarily to aggregated weighting factors (-0.3%).
- During the trailing 12-month period, The Total Portfolio underperformed the Median Public Fund. Security selection in Domestic and International Equities detracted the most (-0.5% and -0.4% respectively) from overall portfolio performance. An overweight position in Fixed Income also negatively impacted relative performance (-0.7%).

¹ Mellon Total Funds Public Universe. For the Median Public Fund: Alternative investments include allocations to Private Equity, Hedge Funds, and other investments; for WPERP, the asset class includes Private Equity and Real Return.

WPERP RETIREMENT PLAN STRATEGIC CLASS PERFORMANCE

The **Domestic Equity** portfolio outperformed its policy benchmark during the quarter by 30 basis points, with a 3.8% return. Over the latest 1-year period, the portfolio trailed its policy benchmark by (50) basis points. Over the latest 3- and 5-year periods, the portfolio outperformed its policy benchmark by 1.0% and 0.2%, respectively, as all five reporting domestic equity manager outperformed their respective benchmarks during these periods.

The **International Equity** portfolio posted a 3.1% quarterly return slightly underperforming its policy benchmark by (10) basis points. Over the latest 1-year period, the portfolio trailed its policy benchmark by (3.1%), as four out of the Plan's five International Equity managers underperformed their respective benchmarks. The portfolio outperformed its policy benchmark by 60 basis points over the latest 3-year period but underperformed it by (90) basis points over the latest 5-year period. Underperformance during the trailing 5-year period can be mainly attributed to one of the Plan's developed markets managers and one emerging markets manager.

The **Fixed Income** portfolio outperformed its policy benchmark over all time periods under observation. Both of the Plan's core fixed income managers outperformed their respective benchmarks over all time periods under observation. One of the Plan's high yield managers also outperformed its benchmark across all time periods, while the other manager underperformed all periods.

Periods ending March 31, 2011

Asset Class	Quarter	1 Year	3 Year	5 Year
Total Retirement	3.8	12.0	3.7	4.5
<i>Policy Benchmark¹</i>	<i>3.5</i>	<i>12.5</i>	<i>2.7</i>	<i>4.3</i>
Domestic Equity	6.9	17.4	3.5	3.4
<i>Russell 3000 (blend)³</i>	<i>6.4</i>	<i>17.4</i>	<i>3.4</i>	<i>2.9</i>
International Equity	3.1	11.0	0.8	3.5
<i>MSCI ACWI ex U.S. IMI ND (blend)⁴</i>	<i>3.2</i>	<i>14.1</i>	<i>0.2</i>	<i>4.4</i>
Fixed Income	1.3	7.3	6.7	6.6
<i>BC Universal</i>	<i>0.7</i>	<i>5.7</i>	<i>5.7</i>	<i>6.1</i>
Real Return ²	-0.6	5.3	0.3	---
<i>Tbill + 3%²</i>	<i>0.8</i>	<i>3.1</i>	<i>3.7</i>	<i>---</i>
Private Equity ²	2.3	18.6	-1.5	---
<i>Cambridge USPE/USVC^{2,5}</i>	<i>7.8</i>	<i>19.1</i>	<i>1.4</i>	<i>---</i>
Real Estate ²	7.6	20.0	-10.1	---
<i>NCREIF²</i>	<i>4.6</i>	<i>13.1</i>	<i>-4.2</i>	<i>---</i>
Cash	0.1	0.5	0.8	2.5
<i>Citigroup T-bills</i>	<i>0.0</i>	<i>0.1</i>	<i>0.5</i>	<i>2.1</i>

¹ See Appendix for a description of the Retirement Plan policy benchmark.

² Returns are lagged one quarter.

³ The policy benchmark for the Domestic Equity asset class is S&P 500 thru 3/31/03, and Russell 3000 from 4/1/03 to the present.

⁴ The policy benchmark for the International Equity asset class is MSCI ACWI ex US thru 12/31/08, and MSCI ACWI ex US IMI ND from 1/1/09 to the present.

⁵ The policy benchmark for the Private Equity asset class is a blended benchmark composed of Cambridge US Private Equity Index and the Cambridge US Venture Capital Index.

WPERP RETIREMENT PLAN MANAGER PERFORMANCE

Domestic Equity – Periods ending March 31, 2011

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception*	Inception Date**
BlackRock	756,724	Large Cap Core	6.2	16.9	3.1	3.0	6.4	8/2003
<i>Russell 1000 Index</i>	---	---	<i>6.2</i>	<i>16.7</i>	<i>3.0</i>	<i>2.9</i>	<i>6.3</i>	---
MFS	426,534	Large Cap Value	6.2	14.1	2.6	4.7	6.8	2/2004
<i>Russell 1000 Value Index</i>	---	---	<i>6.5</i>	<i>15.2</i>	<i>0.6</i>	<i>1.4</i>	<i>4.4</i>	---
T. Rowe Price	433,203	Large Cap Value	7.1	16.1	3.5	4.0	6.2	10/2004
<i>Russell 1000 Value Index</i>	---	---	<i>6.5</i>	<i>15.2</i>	<i>0.6</i>	<i>1.4</i>	<i>4.6</i>	---
Fred Alger	458,043	Large Cap Growth	8.6	23.4	6.6	6.8	7.4	2/2004
<i>Russell 1000 Growth Index</i>	---	---	<i>6.0</i>	<i>18.3</i>	<i>5.2</i>	<i>4.3</i>	<i>4.7</i>	---
T. Rowe Price	434,893	Large Cap Growth	5.5	---	---	---	---	4/2010
<i>Russell 1000 Growth Index</i>	---	---	<i>6.0</i>	---	---	---	---	---
Earnest Partners	119,444	Small Cap Value	10.5	23.7	7.5	2.8	6.0	11/2004
<i>Russell 2000 Value Index</i>	---	---	<i>6.6</i>	<i>20.6</i>	<i>6.8</i>	<i>2.2</i>	<i>5.0</i>	---
Frontier	127,089	Small Cap Growth	9.1	---	---	---	---	4/2010
<i>Russell 2000 Growth Index</i>	---	---	<i>9.2</i>	---	---	---	---	---

* Performance is calculated based on the first full month of performance since funding.

** Inception date reflect the month when portfolio received initial funding. Since-inception returns are not shown for managers with less than one year of performance.

Latest Quarter

During the first quarter of 2011, four of WPERP's seven reporting domestic equity managers either matched or outperformed their respective benchmarks.

BlackRock, WPERP's passive large cap core manager, matched the Russell 1000 Index with a 6.2% quarterly return. **MFS**, one of the Plan's large cap value managers, generated a 6.2% quarterly return underperforming the Russell 1000 Value Index return by (30) basis points. **T. Rowe Price LCV**, the Plan's other large cap value manager, outperformed the Russell 1000 Value Index by 60 basis points with a 7.1% quarterly return. **Fred Alger**, the Plan's active large cap growth manager, completed the quarter with an 8.6% return outperforming the Russell 1000 Growth Index by 2.6%. Stock selection in Information Technology accounted for the bulk of excess returns. **T. Rowe Price LCG**, the Plan's other large cap growth manager, posted a quarterly return of 5.5% and underperformed the Russell 1000 Growth Index by (50) basis points. **Earnest Partners**, WPERP's small cap value manager, ended the quarter with a 10.5% return outperforming the Russell 2000 Value Index by 3.9%. Stock selection across the portfolio benefited relative performance; gains were notably led by the Energy, Healthcare, and Materials sectors. **Frontier**, the Plan's small cap growth manager, posted a quarterly return of 9.1% and slightly underperformed the Russell 2000 Growth Index by (10) basis points.

Latest Year

During the latest 1-year period, **BlackRock** outperformed its benchmark by 20 basis points with a 16.9% return. **MFS** posted a 14.1% return and underperformed its benchmark by (1.1%). Stock selection in Technology and Health Care and an excess Cash drag negatively impacted performance. **T. Rowe Price LCV** generated a 16.1% return outperforming its benchmark by 90 basis points. **Fred Alger** posted a 23.4% return outperforming its benchmark by 5.1%. Stock selection in Information Technology benefited relative performance. **Earnest Partners** completed the latest 1-year period with a 23.7% return outperforming its benchmark by 3.1%. Stock selection in Energy, Industrials, and Consumer Discretionary contributed largely to relative outperformance.

Latest Three Years

During the latest 3-year period, **BlackRock** slightly outperformed its benchmark by 10 basis points with a 3.1% return. **MFS** surpassed its benchmark by 2.0% with a 2.6% return. Stock selection in Financials, Information Technology, and Industrials benefited relative performance. **T. Rowe Price LCV** posted a 3.5% return outperforming its benchmark by 2.9%. The portfolio's underweight position and stock selection in Financials, as well as stock selection in Consumer Staples and Industrials, drove the relative outperformance. **Fred Alger** posted a 6.6% return outperforming its benchmark by 1.4%. Stock selection in Energy, Industrials, and Materials added to relative performance. **Earnest Partners'** latest 3-year return of 7.5% surpassed its benchmark by 70 basis points.

Latest Five Years

During the latest 5-year period, **BlackRock** slightly outperformed its benchmark by 10 basis points with a 3.0% return. **MFS** finished the period surpassing the Russell 1000 Value Index return by 3.3%, with a 4.7% return. Stock selection in Financials, Information Technology, and Industrials largely aided relative performance. **T. Rowe Price LCV** outperformed its benchmark by 2.6% with a 4.0% return, due primarily to an underweight and stock selection in Financials. **Fred Alger** posted a 6.8% return outperforming its benchmark by 2.5%. Stock selection in Energy, Industrials, Information Technology, and Materials contributed the most to relative performance. **Earnest Partners** generated a 2.8% return besting its benchmark by 60 basis points.

International Equity – Periods ending March 31, 2011

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception*	Inception Date**
Invesco	426,418	Developed Markets	2.7	8.5	-0.1	2.4	6.7	6/2004
<i>MSCI World ex US IMI ND Index (blend – Invesco)¹</i>	---	---	3.8	12.8	-1.3	2.5	7.6	---
The Boston Company	429,618	Developed Markets	4.4	8.2	1.8	2.3	5.1	3/2005
<i>MSCI World ex US IMI ND Index (blend – Boston)²</i>	---	---	3.8	12.8	-1.3	2.9	6.2	---
Pyramis	434,768	Developed Markets	3.6	14.0	-0.7	2.8	6.8	11/2004
<i>MSCI World ex US IMI ND Index (blend – Pyramis)³</i>	---	---	3.8	12.8	-1.1	2.5	6.2	---
The Boston Company	138,371	Emerging Markets	0.6	16.6	8.5	11.5	16.5	3/2005
T. Rowe Price	137,533	Emerging Markets	1.0	17.1	0.8	9.2	15.7	3/2005
<i>MSCI EMF IMI ND Index (blend)⁴</i>	---	---	1.5	18.4	5.3	11.4	16.8	---

* Performance is calculated based on the first full month of performance since funding.

** Inception date reflect the month when portfolio received initial funding.

Latest Quarter

During the first quarter of 2011, one of WPERP's five reporting international equity managers outperformed its respective benchmark.

Invesco, WPERP's active core international manager, generated a quarterly return of 2.7% and underperformed the MSCI World ex US IMI ND Index (blend) return by (1.1%). Stock selection in Europe (particularly in Germany and the Netherlands), and holdings in Japan's Information Technology and Industrials sectors, detracted from relative performance. **The Boston Company**, the Plan's active international value manager, completed the quarter with a 4.4% return outperforming the MSCI World ex US IMI ND Index (blend) return by 60 basis points. **Pyramis**, the Plan's active international growth manager, slightly underperformed the MSCI World ex US IMI ND Index (blend) by (20) basis points, with a 3.6% quarterly return. **The Boston Company**, one of WPERP's two emerging markets managers, finished the quarter with a 0.6% return, underperforming the MSCI Emerging Markets IMI ND Index (blend) by (90) basis points. **T. Rowe Price**, the Plan's other emerging markets manager, completed the quarter with a 1.0% return, underperforming the MSCI Emerging Markets IMI ND Index (blend) by (50) basis points. T. Rowe Price has been under watch since May 2009. The Plan will consider issuing an RFP which may or may not replace T. Rowe Price. The manager will be invited to rebid.

¹ Invesco's benchmark is MSCI EAFE + Canada ND thru 12/31/08, and MSCI World ex US IMI ND from 1/1/09 to the present.

² Boston's benchmark is MSCI EAFE + Canada Value ND thru 6/30/07, MSCI EAFE + Canada ND from 7/1/07 to 12/31/08, and MSCI World ex US IMI ND from 1/1/09 to the present.

³ Pyramis' benchmark is MSCI EAFE ND thru 12/31/08, and MSCI World ex US IMI ND from 1/1/09 to the present.

⁴ Boston (EM) and T. Rowe Price's benchmark is MSCI EMF thru 12/31/08, and MSCI EMF IMI ND from 1/1/09 to the present.

Latest Year

Invesco finished its latest 1-year period with an 8.5% return, trailing its benchmark by (4.3%), due primarily to stock selection. **The Boston Company** completed the period underperforming its benchmark by (4.6%), with an 8.2% return. Finland, United Kingdom, Germany, Japan, and Australia were the worst performers; from a sector perspective, stock selection in Consumer Discretionary, Health Care, and Information Technology detracted the most from relative performance. **Pyramis** completed the period with a 14.0% return and bested its benchmark by 1.2%. Regional portfolios in Europe, Japan, and Canada outperformed. From a sector perspective, Industrials, Health Care and Materials contributed relative outperformance. **The Boston Company** emerging markets portfolio produced a 16.6% return but trailed its benchmark by (1.8%). Stock selection in South Korea, and (from a sector perspective) stock selection in Information Technology, Materials, and Consumer Discretionary detracted the most from relative performance. **T. Rowe Price** generated a 17.1% return and underperformed its benchmark by (1.3%). Stock selection in Industrials and Business Services detracted from relative performance.

Latest Three Years

Invesco finished its latest 3-year period with a minus (0.1%) return, outperforming its benchmark by 1.2%. Stock selection in Information Technology and investment in Japan aided relative performance. **The Boston Company** completed the period returning 1.8% outperforming its benchmark by 3.1%. Stock selection in Japan, France, Switzerland, and United Kingdom largely benefited relative performance; from a sector perspective, stock selection in Consumer Staples and Utilities outperformed other sectors. **Pyramis** returned minus (0.7%) and outperformed its benchmark by 40 basis points. **The Boston Company** emerging markets portfolio produced an 8.5% return and outperformed its benchmark by 3.2%. The portfolio's holdings in Thailand, Taiwan, Brazil, and sector contribution from Financials, Energy, and Industrials added to relative performance. **T. Rowe Price** generated a 0.8% return and trailed its benchmark by (4.5%). Stock selection in Financials accounted for the bulk of the underperformance.

Latest Five Years

Invesco finished its latest 5-year period slightly underperforming its benchmark by (10) basis points, with a 2.4% return. **The Boston Company** completed the period posting a 2.3% return, underperforming its benchmark by (60) basis points. **Pyramis** returned 2.8% outperforming its benchmark by 30 basis points. **The Boston Company** emerging markets portfolio produced an 11.5% return and bested its benchmark by 10 basis points. **T. Rowe Price** returned 9.2% and underperformed its benchmark return by (2.2%). Stock selection in Consumer Discretionary detracted the most from relative performance.

Fixed Income – Periods ending March 31, 2011

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception*	Inception Date**
JP Morgan	1,017,073	Core	1.0	---	---	---	---	4/2010
<i>BC Aggregate Index</i>	---	---	<i>0.4</i>	---	---	---	---	---
Wells	1,017,647	Core	0.8	6.2	7.5	7.4	6.4	7/2004
<i>BC Aggregate Index</i>	---	---	<i>0.4</i>	<i>5.1</i>	<i>5.3</i>	<i>6.0</i>	<i>5.3</i>	---
Loomis	124,568	High Yield	6.1	18.6	14.4	9.8	10.1	3/2005
<i>BC High Yield Index</i>	---	---	<i>3.9</i>	<i>14.3</i>	<i>12.9</i>	<i>9.1</i>	<i>8.8</i>	---
Wells	118,526	High Yield	3.7	12.4	11.9	8.7	7.8	11/2004
<i>BC High Yield Index</i>	---	---	<i>3.9</i>	<i>14.3</i>	<i>12.9</i>	<i>9.1</i>	<i>8.3</i>	---

* Performance is calculated based on the first full month of performance since funding.

** Inception date reflect the month when portfolio received initial funding.

Latest Quarter

During the first quarter of 2011, three of WPERP's four reporting fixed income managers outperformed their respective benchmarks. **JP Morgan**, one of the Plan's two core fixed income managers, posted a quarterly return of 1.0% and outperformed the BC Aggregate Index by 60 basis points. **Wells**, the Plan's other core fixed income manager, outperformed the BC Aggregate Index by 40 basis points with a quarterly return of 0.8%. **Loomis Sayles**, one of the portfolio's two high yield managers, delivered a quarterly return of 6.1% outperforming the BC High Yield Index by 2.2%. The portfolio benefited mainly from holdings in Convertibles as they mirrored strong equity returns, and in high yield bonds. The other high yield manager **Wells** finished the quarter underperforming the BC High Yield Index by (20) basis points with a 3.7% return.

Latest Year

Wells finished its latest 1-year period with a 6.2% return and outperformed its benchmark by 1.1%, due primarily to security selection within Agency mortgages, corporate, ABS, and CMBS. **Loomis Sayles** generated an 18.6% return and outperformed its benchmark by 4.3%, due primarily to yield curve positioning and security selection in Convertibles and Below-Investment-Grade Industrial bonds. **Wells** High Yield finished the period returning 12.4%, and trailed its benchmark by (1.9%). The portfolio was focused on absolute portfolio risk rather than relative risk versus the benchmark. As the market rewarded risk-taking in lower-quality issues, Wells portfolio's lower exposure to these securities hurt relative performance.

Latest Three Years

Wells finished its latest 3-year period posting a 7.5% return and outperformed its benchmark by 2.2%, due primarily to security selection. **Loomis Sayles** generated a 14.4% return and outperformed its benchmark by 1.5%, due primarily to yield curve positioning and investments in Convertibles and Below-Investment-Grade Industrial bonds. **Wells** High Yield posted an 11.9% return underperforming its benchmark by (1.0%). The portfolio relative underperformance was mostly driven by its more conservative holdings than the broad market.

Latest Five Years

Wells finished its latest 5-year period with a 7.4% return and outperformed its benchmark by 1.4%, driven mainly by security selection. **Loomis** completed the period with a 9.8% return outperforming its benchmark by 70 basis points. **Wells** High Yield generated an 8.7% return underperforming its benchmark by (40) basis points.

Real Return – Periods ending March 31, 2011

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception**	Inception Date***
Aetos Capital*	35,949	Hedge FOFs	2.7	7.5	1.6	---	2.3	2/2007
PAAMCO*	37,438	Hedge FOFs	3.7	7.2	0.4	---	4.2	2/2007
<i>Tbills + 3 %*</i>	---	---	<i>0.8</i>	<i>3.1</i>	<i>3.7</i>	---	<i>4.7</i>	---
<i>HFRI FOF Diversified Index*</i>	---	<i>Hedge FOFs</i>	<i>3.6</i>	<i>5.5</i>	<i>-2.4</i>	---	<i>-0.8</i>	---
WAMCO*	263,358	GILS	-1.0	---	---	---	---	4/2010
<i>BC WGILB Index* ****</i>	---	---	<i>-0.7</i>	---	---	---	---	---

* Returns are lagged one quarter and net-of-fees, if applicable.

** Performance is calculated based on the first full month of performance since funding.

*** Inception date reflect the month when portfolio received initial funding.

**** Barclays Capital World Govt Inflation-Linked All Maturities USA Hedged Bond Index (series B)

Latest Quarter

The WPERP Board is considering adding timber and commodities to the real return asset class. In addition, PCA made a presentation to the Board on the covered calls strategy. No decision has been made on either discussion. On 10/28/10, the Board terminated **PAAMCO** due to organizational changes. PAAMCO retains a residual balance of approximately \$3 million as of 3/31/11 (the market value and returns presented in the table above are lagged one quarter).

Aetos outperformed the Tbill+3% by 1.9% but underperformed the HFRI FOF Diversified Index by (90) basis points. **WAMCO**, the Plan's GILS (Global Inflation-Linked Securities) manager, posted a quarterly return of minus (1.0%) underperforming the BC WGILB Index by (30) basis points.

Latest Year

Over the latest 1-year period, **Aetos** outperformed the Tbill+3% by 4.4% and the HFRI FOF Diversified Index by 2.0%.

Latest Three Years

Aetos finished its latest 3-year period with a 1.6% return underperforming the Tbill+3% by (2.1%), but outperforming the HFRI FOF Diversified Index by 4.0%.

Private Equity and Real Estate - Periods ending March 31, 2011

Asset Class	Mkt Value (\$000)	Quarter	1 YR	3 YR	5 YR	Since Inception***	Inception Date****
Private Equity*	80,829	2.3	18.6	-1.5	---	5.0	9/2006
<i>Cambridge USPE/USVC**</i>	---	<i>7.8</i>	<i>19.1</i>	<i>1.4</i>	---	<i>8.6</i>	---
Real Estate*	115,779	7.6	20.0	-10.1	---	-3.8	3/2007
<i>NCREIF*</i>	---	<i>4.6</i>	<i>13.1</i>	<i>-4.2</i>	---	<i>0.5</i>	---

* Returns are lagged one quarter and net of fees.

** The policy benchmark for the Private Equity asset class is a blended benchmark composed of Cambridge US Private Equity Index and the Cambridge US Venture Capital Index.

*** Performance is calculated based on the first full month of performance since funding.

**** Inception date reflect the month when portfolio received initial funding.

The **Private Equity** portfolio consists of seven investments including **Lexington VI**, **Lexington VII**, **Landmark XIII**, **Landmark XIV**, **Capital Dynamics** (previously HRJ Capital), **Fisher Lynch**, and **Oaktree V**. The WPERP Board hired two new managers, **EnergyCap** and **Audax Mezz** during the current quarter (performance returns are lagged one quarter). The private equity portfolio underperformed the Cambridge USPE/USVC Index during the current quarter by (5.5%). The portfolio also trailed its benchmark by (0.5%) over the latest 1-year period and by (2.9%) over the latest 3-year period.

The **Real Estate** portfolio currently consists of five investments including **Prisa**, **Prisa II**, **JP Morgan Strategic**, **CB Richard Ellis**, and **Mesa West**. The portfolio outperformed the NCREIF Index during the current quarter and the latest 1-year period by 3.0% and 6.9%, respectively. All five managers outperformed the NCREIF Index during the quarter, while four out of five outperformed during the 1-year period. Over the latest 3-year period, the portfolio trailed its benchmark by (5.9%). All three reporting managers underperformed the benchmark during this period.

Quarterly Report

Q1-11

WPERP RETIREMENT PLAN MANAGERS ON WATCH

Return vs. Benchmark Since Watch

As of March 31, 2011

Portfolio	Style Group	Concern	Begin Watch Status	Last Reviewed	Performance Since Begin Watch Status*					
					First Month	First 3 Months	First 6 Months	First 9 Months	First 12 Months	Since Placed on Watch
T. Rowe Price	Emerging Markets	Performance	5/1/2009	3/9/2011	20.7	33.3	45.4	48.4	64.3	40.8
MSCI EMF IMI (blend)	Emerging Markets				17.8	29.8	41.5	45.8	60.4	38.6
T. Rowe vs. Target	MSCI EMF IMI (blend)				N/M	N/M	N/M	N/M	3.9	2.2
Wells	High Yield	Performance	2/1/2010	4/29/2011	0.3	4.8	6.1	11.0	13.6	13.3
BC High Yield	High Yield				0.2	5.7	6.9	13.0	16.2	15.3
Wells vs. Target	BC High Yield				N/M	N/M	N/M	N/M	-2.6	-2.0
Invesco	Developed Markets	Organizational	9/1/2010	---	8.4	7.7	22.8	---	---	19.8
MSCI Wld ex US IMI ND	Developed Markets				9.8	9.2	25.1	---	---	22.8
Invesco vs. Target	MSCI Wld ex US IMI ND				N/M	N/M	N/M	N/M	---	N/M
MFS	Large Cap Value	Performance	9/1/2010	---	8.0	10.7	25.2	---	---	25.9
Russell 1000 Value	Large Cap Value				7.8	10.4	26.3	---	---	26.8
MFS vs. Target	Russell 1000 Value				N/M	N/M	N/M	N/M	---	N/M
Boston Company	Developed Markets	Performance	12/1/2010	---	8.3	16.2	---	---	---	13.1
MSCI Wld ex US IMI ND	Developed Markets				8.4	14.5	---	---	---	12.5
Boston vs. Target	MSCI Wld ex US IMI ND				N/M	N/M	N/M	N/M	---	N/M
Pyramis	Developed Markets	Organizational	5/1/2011	4/15/2011	---	---	---	---	---	---
MSCI Wld ex US IMI ND	Developed Markets				---	---	---	---	---	---
Pyramis vs. Target	MSCI Wld ex US IMI ND				N/M	N/M	N/M	N/M	---	N/M

*Performance data provided by Mellon.

Periods marked as '---' do not indicate that returns are not available for these periods; only that the manager in question has not been on watch status for these periods.

Periods marked as "N/M" indicate returns are not meaningful enough to fairly judge investment performance.

Managers on Watch

T. Rowe Price (Emerging Markets) was placed on watch status beginning 5/1/2009 due to short-term performance. Watch status was extended 6 months due to continued performance concerns in April 2010 and October 2010. In March, 2011, PCA recommended WPERP begin a formal RFP process which may or may not result in replacing the manager. PCA also recommended that the manager be invited to rebid their portfolio.

Wells HY was placed on watch status beginning 2/1/2010 due to short-term performance. PCA has recommended extending the watch on 1/13/11 and completed an on-site visit review on 4/29/11.

Pyramis was placed on watch status beginning 5/1/2010 due to short-term performance. On 4/15/2011, PCA recommended removing Pyramis from watch status due to improved performance. Subsequent to removal, PCA recommends Pyramis again be placed on watch, beginning 5/1/11, for organizational issues resulting from a recent portfolio manager change.

Invesco was placed on watch status beginning 9/1/2010 due to organizational issues.

MFS was placed on watch status beginning 9/1/2010 due to short-term performance.

The Boston Company (Developed Markets) was placed on watch status beginning 12/1/2010 due to short-term performance.

Managers Removed/Terminated from Watch Status

The Boston Company (Developed Markets) was removed from watch on 8/19/09 due to strong relative performance and lack of any material impact from organizational changes. The Boston Company was originally placed on watch status on 8/1/2007 due to organizational changes.

The Boston Company (Emerging Markets) was removed from watch on 8/19/09 due to strong relative performance and lack of any material impact from organizational changes. The Boston Company was originally placed on watch status on 3/1/2009 due to organizational changes.

Intech was terminated on 8/19/09. Intech was originally placed on watch status on 12/31/2007 due to short-term performance.

ING was terminated on 10/7/09 but the account is currently pending transition. ING was originally placed on watch status on 8/1/2008 due to short-term performance.

Paradigm was terminated on 1/27/10. Paradigm was originally placed on watch status on 1/1/2009 due to short-term performance.

Aetos was removed from watch on 3/24/10 due to strong relative performance during the evaluation period. **Aetos** was originally placed on watch status on 3/1/2009 due to short-term performance.

PAAMCO was removed from watch on 3/24/10 due to strong relative performance during the evaluation period. **PAAMCO** was originally placed on watch status on 3/1/2009 due to short-term performance.

Loomis Sayles was removed from watch on 4/28/10 due to strong relative performance during the evaluation period. **Loomis Sayles** was originally placed on watch status on 5/1/2009 due to short-term performance.

BlackRock was removed from watch on 6/9/10 as the merger between BlackRock and Barclays Global Investors was examined and viewed as favorable, with key professionals remaining in place. **BlackRock** was originally placed on watch status on 7/1/2009 due to organizational issues.

Wells was removed from watch 1/13/11 (effective 12/31/10) due to stabilization of the investment team as well as the product's strong performance results. **Wells** was placed on watch status beginning 2/1/2010 due to short-term performance.

WPERP Retirement Plan Estimated Performance Results Net and Gross of Fees Comparison For Quarter Ending 3/31/2011

			Performance, % ²		Difference	
Asset Class	Manager	Market Value ²	Net	Gross	Percentage	Market Value
Domestic Equity						
Russell 1000 Index						
Passive	BlackRock	756,724,320	6.19%	6.20%	-0.01%	-75,680
Large Value	MFS	426,534,069	6.12%	6.20%	-0.08%	-341,500
Large Value	T. Rowe Price	433,203,079	7.01%	7.10%	-0.09%	-390,234
Large Growth	Fred Alger	458,042,699	8.52%	8.60%	-0.08%	-366,728
Large Growth	T. Rowe Price	434,893,289	5.41%	5.50%	-0.09%	-391,757
Small Value	Earnest Partners	119,443,809	10.34%	10.50%	-0.16%	-191,416
Small Growth	Frontier	127,088,526	8.85%	9.10%	-0.25%	-318,518
	Transition	896	---	---	---	---
		\$2,755,930,687				
International Equity						
Active Equities	Invesco	426,417,959	2.60%	2.70%	-0.11%	-469,576
Active Equities	The Boston Co.	429,617,597	4.29%	4.40%	-0.11%	-473,100
Active Equities	Pyramis	434,768,165	3.52%	3.60%	-0.08%	-391,644
Emerging Markets	The Boston Company	138,371,479	0.37%	0.60%	-0.23%	-318,988
Emerging Markets	T. Rowe Price	137,533,192	0.76%	1.00%	-0.25%	-344,695
		\$1,566,708,392				
Domestic Fixed Income						
Core	JP Morgan	1,017,072,846	0.98%	1.00%	-0.03%	-305,213
Core	Wells	1,017,646,915	0.77%	0.80%	-0.03%	-305,386
High Yield	Loomis Sayles	124,567,694	5.98%	6.10%	-0.13%	-162,149
High Yield	Wells	118,526,451	3.59%	3.70%	-0.12%	-142,403
		\$2,277,813,906				
Real Return ³						
	Aetos	35,949,014	2.70%	2.89%	-0.19%	-68,433
	PAAMCO	37,438,328	3.70%	3.95%	-0.25%	-93,830
	WAMCO	263,357,720	-1.00%	-1.05%	0.05%	-131,745
		\$336,745,062				
Private Equity ³						
	Lexington VI	20,555,879	0.00%	0.40%	-0.40%	-82,554
	Lexington VII	8,025,548	0.00%	0.40%	-0.40%	-32,231
	Landmark XIII	17,299,342	0.00%	0.40%	-0.40%	-69,475
	Cap Dynamics	20,134,332	3.80%	4.20%	-0.40%	-80,861
	Fisher Lynch	7,782,016	14.10%	14.50%	-0.40%	-31,253
	Landmark XIV	2,349,611	0.00%	0.40%	-0.40%	-9,436
	Oaktree	4,682,649	3.60%	4.00%	-0.40%	-18,806
		\$80,829,377				
Real Estate ³						
	Prisa	38,579,519	6.70%	6.93%	-0.23%	-88,937
	Prisa II	15,805,196	6.70%	6.93%	-0.23%	-36,436
	JP Morgan	38,310,597	4.90%	5.13%	-0.23%	-88,318
	CBRE	16,968,025	16.70%	16.93%	-0.23%	-39,116
	Mesa West	6,115,305	6.70%	6.93%	-0.23%	-14,098
		\$115,778,642				
Cash						
		173,029,254	---	0.10%	---	---
TOTAL PORTFOLIO ¹						
		7,300,628,793	3.74%	3.80%	-0.06%	-\$5,874,515
Total Fund Policy						
			---	3.50%	---	---

¹ Total portfolio market value includes \$195,958 in transition assets and a negative balance of (\$6.4) million in securities lending.

² Returns and market values calculated using data from Mellon and LDZ.

³ Hedge FoFs, Private Equity, and Real Estate asset classes report net-of-fee returns.

WPERP DISABILITY PLAN REVIEW

The WPERP - Disability portfolio ended the first quarter of 2011 with an aggregate value of approximately \$40.0 million.

Portfolio Performance Overview

Periods ending March 31, 2011, Gross of Fees

Asset Class	Quarter	1 Year	3 Year	5 Year	Since Inception**	Inception Date***
Total Portfolio	0.8	5.8	6.7	6.8	---	---
<i>Policy Benchmark*</i>	<i>0.4</i>	<i>4.9</i>	<i>5.1</i>	<i>5.8</i>	<i>---</i>	<i>---</i>
Wells	0.9	6.5	7.5	7.4	6.3	7/2004
<i>BC Aggregate</i>	<i>0.4</i>	<i>5.1</i>	<i>5.3</i>	<i>6.0</i>	<i>5.3</i>	<i>---</i>

*Policy benchmark consists of 95% BC Aggregate Bond Index and 5% Citigroup T-Bill.

** Performance is calculated based on the first full month of performance since funding.

*** Inception date reflect the month when portfolio received initial funding.

1Q 2011 – During the quarter, the Disability Plan posted a 0.8% return and outperformed its policy benchmark by 40 basis points. The benchmark portfolio consists of passively managed asset class portfolios held at the Disability Plan's policy weightings.

Longer Term – Over the latest 1-, 3-, and 5-year periods, the Disability Plan outperformed its policy benchmark by 0.9%, 1.6%, and 1.0%, respectively.

Portfolio Strategic Allocation (as of 3/31/11)

Segment	Actual \$(000)	Actual %	Target %	Variance
Total Portfolio	\$39,960	100	100	---
Fixed Income	38,444	96	95	1
Wells	38,444	96	95	1
Cash	1,516	4	5	-1

Strategic allocation – The Disability Plan target allocation consists of 95% fixed income investments and 5% cash. At the close of 1Q 2011, there was one fixed income manager, Wells. The total fund was 96% invested in this manager.

WPERP DEATH PLAN REVIEW

The WPERP – Death portfolio ended the first quarter of 2011 with an aggregate value of approximately \$23.0 million.

Portfolio Performance Overview

Periods ending March 31, 2011, Gross of Fees

Asset Class	Quarter	1 Year	3 Year	5 Year	Since Inception**	Inception Date***
Total Portfolio	0.8	5.0	6.3	6.6	---	---
<i>Policy Benchmark*</i>	<i>0.4</i>	<i>4.9</i>	<i>5.1</i>	<i>5.9</i>	<i>---</i>	<i>---</i>
Wells	0.9	6.4	7.5	7.4	6.3	7/2004
<i>BC Aggregate</i>	<i>0.4</i>	<i>5.1</i>	<i>5.3</i>	<i>6.0</i>	<i>5.3</i>	<i>---</i>

*Policy benchmark consists of 96% BC Aggregate Bond Index and 4% Citigroup T-bill.

** Performance is calculated based on the first full month of performance since funding.

*** Inception date reflect the month when portfolio received initial funding.

1Q 2011 – During the quarter, the Death Plan posted a 0.8% return and outperformed its policy benchmark by 40 basis points. The benchmark portfolio consists of passively managed asset class portfolios held at the Death Plan's policy weightings.

Longer Terms – Over the latest 1-, 3-, and 5-year periods, the Death Plan outperformed its policy benchmark by 0.1%, 1.2%, and 0.7%, respectively.

Portfolio Strategic Allocation (as of 3/31/11)

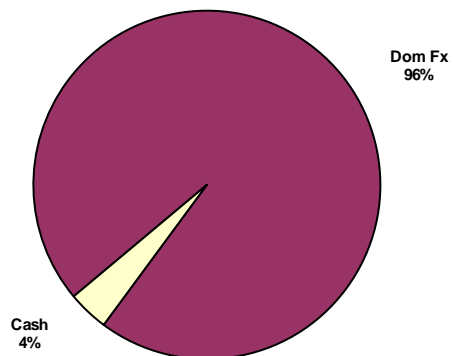
Segment	Actual \$(000)	Actual %	Target %	Variance
Total Portfolio	\$23,013	100	100	---
Fixed Income	22,248	97	96	1
Wells	22,248	97	96	1
Cash	765	3	4	-1

Strategic allocation – The Death Benefit Plan target allocation consists of 96% fixed income investments and 4% cash. At the close of 1Q 2011, there was one fixed income manager, Wells. The total fund was 97% invested in this manager.

Actual Strategic allocation Comparison – Disability and Death Plans

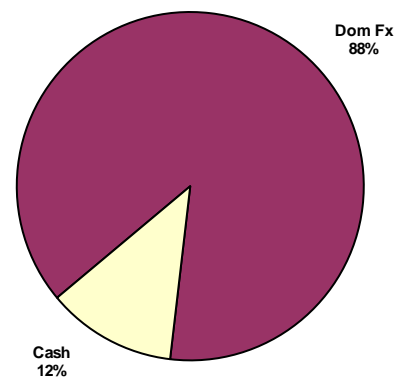
March 31, 2011

Disability

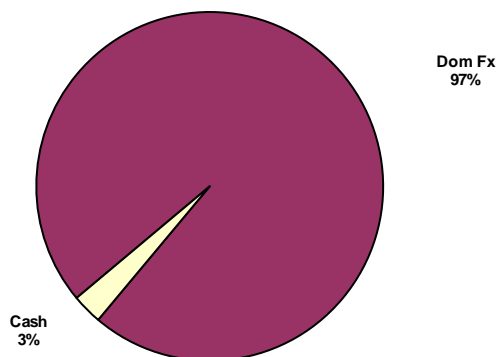


March 31, 2010

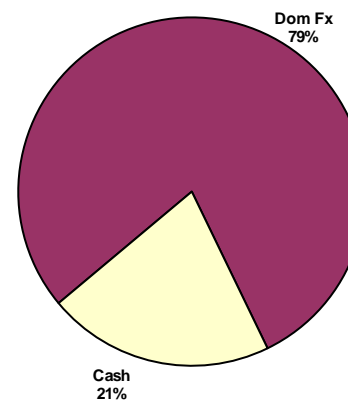
Disability



Death



Death



HEALTH PLAN REVIEW

The WPERP - Health Plan ended the first quarter of 2011 with an aggregate value of approximately \$1.1 billion. **PAAMCO** was terminated at the 10/28/10 Board meeting.

Portfolio Performance Overview

Periods ending March 31, 2011, Gross of Fees

Asset Class	Quarter	1 Year	3 Year	5 Year	Since Inception	Inception Date*
Total Health	3.7	10.8	5.1	---	3.8	12/2006
<i>Policy Benchmark¹</i>	<i>3.2</i>	<i>11.7</i>	<i>3.8</i>	<i>---</i>	<i>3.0</i>	<i>---</i>
Domestic Equity	7.0	17.9	3.2	---	1.2	1/2007
<i>Russell 3000 (blend)²</i>	<i>6.4</i>	<i>17.4</i>	<i>3.2</i>	<i>---</i>	<i>1.2</i>	<i>---</i>
International Equity	3.6	10.3	---	---	11.3	9/2009
<i>MSCI ACWI ex U.S. IMI ND</i>	<i>3.2</i>	<i>14.1</i>	<i>---</i>	<i>---</i>	<i>16.3</i>	<i>---</i>
Fixed Income	1.2	6.6	7.8	---	7.7	1/2007
<i>BC Universal (blend)³</i>	<i>0.7</i>	<i>5.7</i>	<i>5.7</i>	<i>---</i>	<i>6.2</i>	<i>---</i>
Real Return ⁴	1.1	---	---	---	---	4/2010
<i>Tbill + 3%⁴</i>	<i>0.8</i>	<i>---</i>	<i>---</i>	<i>---</i>	<i>---</i>	<i>---</i>
Private Equity ⁴	1.1	27.7	---	---	22.4	9/2008
<i>Cambridge USPE/USVC^{4,5}</i>	<i>7.8</i>	<i>19.1</i>	<i>---</i>	<i>---</i>	<i>5.5</i>	<i>---</i>
Real Estate ⁴	6.7	-2.0	---	---	-2.0	4/2010
<i>NCREIF⁴</i>	<i>4.6</i>	<i>13.1</i>	<i>---</i>	<i>---</i>	<i>13.1</i>	<i>---</i>
Cash	0.0	0.3	0.7	---	2.0	12/2006
<i>Citigroup T-bills</i>	<i>0.0</i>	<i>0.1</i>	<i>0.5</i>	<i>---</i>	<i>1.6</i>	<i>---</i>

*Since-inception returns are not shown for managers with less than one year of performance.

The Health Plan Total Portfolio outperformed its policy benchmark over the latest quarter by 50 basis points, with a 3.7% return. Over the latest 1-year period, the portfolio trailed its policy benchmark by (90) basis points. Over the latest 3-year period, the portfolio outperformed its policy benchmark by 1.3%, due mainly to relative outperformance by the Plan's Fixed Income portfolio.

¹ See Appendix for a description of the Health Plan policy benchmark.

² The policy benchmark for the Domestic Equity asset class is Russell 1000 thru 9/30/09, and Russell 3000 from 10/1/09 to the present.

³ The policy benchmark for the Fixed Income asset class is BC Aggregate thru 9/30/09, and BC Universal from 10/1/09 to the present.

⁴ Returns are lagged one quarter.

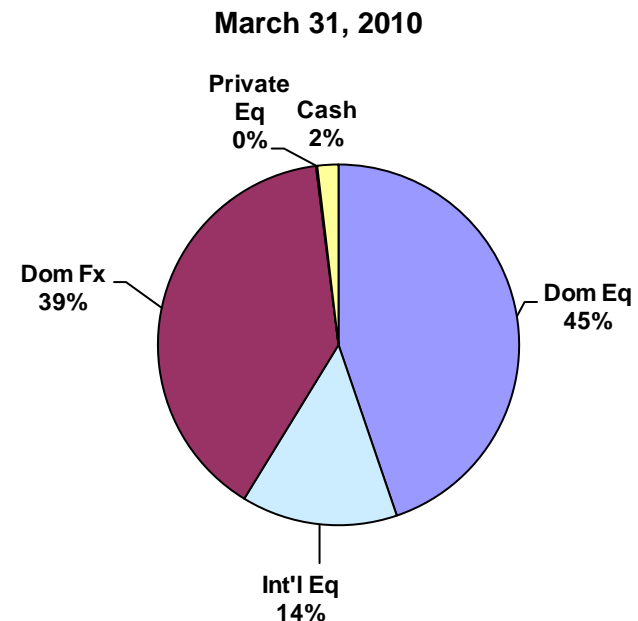
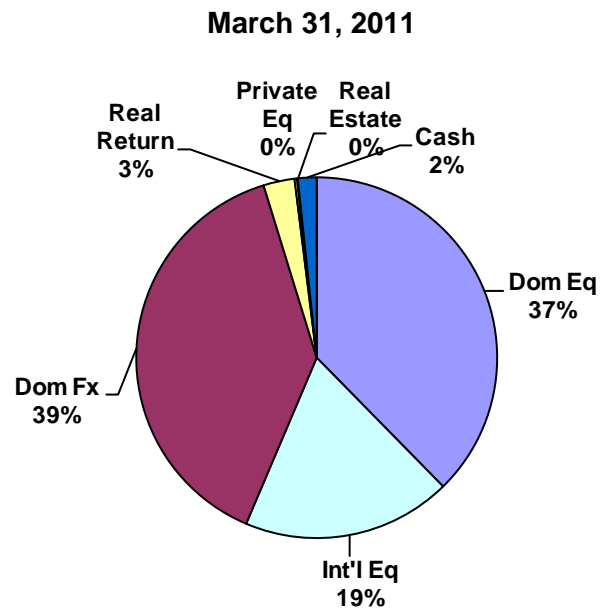
⁵ The policy benchmark for the Private Equity asset class is a blended benchmark composed of Cambridge US Private Equity Index and the Cambridge US Venture Capital Index.

Portfolio Strategic Allocation (as of 3/31/11) – New policy target took effect on 7/1/2010.

Segment	Actual (\$MM)	Actual %	Target* %	Variance
Health Plan***	1,089*	100	100	0
Domestic Equity	410	37	34	3
International Equity	204	19	18	1
Domestic Fixed	423	39	42	-3
Real Return	30	3	3	0
Private Equity	2	0	1	-1
Real Estate	1	0	0	0
Cash	18	2	2	0

*Includes \$719,275 in transition assets and a negative balance of (\$224,181) in securities lending.

As of March 31, 2011, the portfolio had a 56% allocation in Equities, 39% in Fixed Income, 3% in Real Return, 2% in Cash, and less than 1% each in Private Equity and Real Estate. During the latest one year, the actual weightings of Domestic Equity decreased by (8%), while International Equity increased 5%. Fixed Income, Private Equity, and Cash remained the same. Real Return and Real Estate were added during the period.



PERFORMANCE ATTRIBUTION - HEALTH PLAN

Performance Attribution - 1Q 2011

	Policy		Portfolio		Impact on Return			
	Allocation*	Return	Allocation*	Return	Weighting	Selection	Interaction	Total
Domestic Equity	34.0%	6.4	36.5%	7.0	0.1	0.2	0.0	0.3
International Equity	18.0%	3.2	18.8%	3.6	0.0	0.1	0.0	0.1
Fixed Income	42.0%	0.7	39.9%	1.2	0.1	0.2	(0.0)	0.3
Real Return	3.0%	0.8	2.9%	1.1	0.0	0.0	(0.0)	0.0
Private Equity	1.0%	7.8	0.2%	1.1	(0.0)	(0.1)	0.1	(0.1)
Real Estate	0.0%	4.6	0.0%	6.7	0.0	0.0	0.0	0.0
Cash	2.0%	0.0	1.7%	0.0	0.0	0.0	(0.0)	0.0
Total	100.0%	3.2	100.0%	3.7	0.1	0.4	0.1	0.6

*Policy allocation utilizes beginning-of-the period target allocations; Portfolio allocation utilizes beginning-of-the period market values.

Performance Attribution - Trailing 12-month

	Policy		Portfolio		Impact on Return			
	Allocation*	Return	Allocation*	Return	Weighting	Selection	Interaction	Total
Domestic Equity	34.8%	17.4	36.5%	17.9	(0.5)	0.2	(0.0)	(0.3)
International Equity	17.3%	14.1	17.2%	10.3	(0.1)	(0.6)	0.1	(0.6)
Fixed Income	42.8%	5.7	40.2%	6.6	(0.5)	0.4	(0.0)	(0.2)
Real Return	2.3%	3.1	1.9%	-	0.2	0.1	(0.0)	0.3
Private Equity	1.0%	19.1	0.2%	27.7	(0.0)	0.0	(0.0)	(0.0)
Real Estate	0.0%	13.1	0.0%	(2.0)	(0.1)	0.1	(0.1)	(0.1)
Cash	2.0%	0.1	3.9%	0.3	(0.4)	0.0	0.0	(0.4)
Total	100.0%	11.7	100.0%	10.8	(1.3)	0.1	(0.0)	(1.3)

*Policy allocation utilizes average target allocations over the trailing four quarters; Portfolio allocation utilizes average market values over the trailing four quarters.

- During the most recent quarter, the Total Health Plan Portfolio outperformed its policy benchmark due primarily to the overall selection effects (+0.4%).
- During the trailing 12-month period, The Total Health Plan Portfolio underperformed its policy benchmark, due primarily to aggregated weighting factors (-1.3%). In addition, security selection in International Equity detracted the most from overall portfolio performance (-0.6%).

Quarterly Report

Q1-11

WPERP HEALTH PLAN MANAGER PERFORMANCE

Domestic Equity - Periods ending March 31, 2011

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception*	Inception Date**
BlackRock	122,822	Large Cap Core	6.2	16.8	3.0	---	1.1	1/2007
<i>Russell 1000 Index</i>	---	---	<i>6.2</i>	<i>16.7</i>	<i>3.0</i>	---	<i>1.1</i>	---
MFS	61,240	Large Cap Value	6.2	14.1	---	---	16.3	9/2009
<i>Russell 1000 Value Index</i>	---	---	<i>6.5</i>	<i>15.2</i>	---	---	<i>19.8</i>	---
T. Rowe Price	62,315	Large Cap Value	7.3	16.1	---	---	18.8	9/2009
<i>Russell 1000 Value Index</i>	---	---	<i>6.5</i>	<i>15.2</i>	---	---	<i>19.8</i>	---
Fred Alger	65,714	Large Cap Growth	8.6	23.3	---	---	25.1	9/2009
<i>Russell 1000 Growth Index</i>	---	---	<i>6.0</i>	<i>18.3</i>	---	---	<i>23.3</i>	---
T. Rowe Price	62,450	Large Cap Growth	5.5	---	---	---	---	4/2010
<i>Russell 1000 Growth Index</i>	---	---	<i>6.0</i>	---	---	---	---	---
Earnest Partners	17,202	Small Cap Value	10.9	24.0	---	---	27.0	9/2009
<i>Russell 2000 Value Index</i>	---	---	<i>6.6</i>	<i>20.6</i>	---	---	<i>26.1</i>	---
Frontier	18,189	Small Cap Value	9.1	---	---	---	---	4/2010
<i>Russell 2000 Growth Index</i>	---	---	<i>9.2</i>	---	---	---	---	---

International Equity - Periods ending March 31, 2011

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception*	Inception Date**
Invesco	67,372	Developed Markets	2.8	8.4	---	---	10.1	9/2009
<i>MSCI World ex US IMI ND Index</i>	---	---	<i>3.8</i>	<i>12.8</i>	---	---	<i>13.6</i>	---
The Boston Company	68,038	Developed Markets	4.4	8.3	---	---	9.8	9/2009
<i>MSCI World ex US IMI ND Index</i>	---	---	<i>3.8</i>	<i>12.8</i>	---	---	<i>13.6</i>	---
Pyramis	68,686	Developed Markets	3.6	14.2	---	---	13.9	9/2009
<i>MSCI World ex US IMI ND Index</i>	---	---	<i>3.8</i>	<i>12.8</i>	---	---	<i>13.6</i>	---

* Performance is calculated based on the first full month of performance since funding.

** Inception date reflect the month when portfolio received initial funding. Since-inception returns are not shown for managers with less than one year of performance.

Fixed Income - Periods ending March 31, 2011

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception*	Inception Date**
JP Morgan	190,300	Core	1.0	5.6	---	---	5.6	4/2010
<i>BC Aggregate Index</i>	---	---	<i>0.4</i>	<i>5.1</i>	---	---	<i>5.1</i>	---
Wells	189,143	Core	0.8	6.2	7.6	---	7.6	1/2007
<i>BC Aggregate Index</i>	---	---	<i>0.4</i>	<i>5.1</i>	<i>5.3</i>	---	<i>5.9</i>	---
Wells	43,453	High Yield	3.8	12.0	---	---	12.5	9/2009
<i>BC High Yield Index</i>	---	---	<i>3.9</i>	<i>14.3</i>	---	---	<i>20.4</i>	---

Real Return - Periods ending March 31, 2011

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception*	Inception Date**
PAAMCO***	7,895	Hedge FOFs	3.7	---	---	---	---	8/2010
<i>Tbills + 3 %***</i>	---	---	<i>0.8</i>	---	---	---	---	---
Aetos Capital***	7,804	Hedge FOFs	2.7	---	---	---	---	9/2010
<i>Tbills + 3 %***</i>	---	---	<i>0.8</i>	---	---	---	---	---
WAMCO***	14,699	GILS	-1.1	---	---	---	---	4/2010
<i>BC WGILB Index***</i>	---	---	<i>-0.7</i>	---	---	---	---	---

Private Equity and Real Estate - Periods ending March 31, 2011

Asset Class	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception*	Inception Date**
Private Equity***	2,461	Private Equity	1.1	27.7	---	---	22.4	9/2008
<i>Cambridge USPE/USVC****</i>	---	---	<i>7.8</i>	<i>19.1</i>	---	---	<i>5.5</i>	---
Real Estate***	679	Real Estate	6.7	-2.0	---	---	-2.0	4/2010
<i>NCREIF***</i>	---	---	<i>4.6</i>	<i>13.1</i>	---	---	<i>13.1</i>	---

* Performance is calculated based on the first full month of performance since funding.

** Inception date reflect the month when portfolio received initial funding. Since-inception returns are not shown for managers with less than one year of performance.

*** Returns are lagged one quarter and net of fees.

**** The policy benchmark for the Private Equity asset class is a blended benchmark composed of Cambridge US Private Equity Index and the Cambridge US Venture Capital Index.

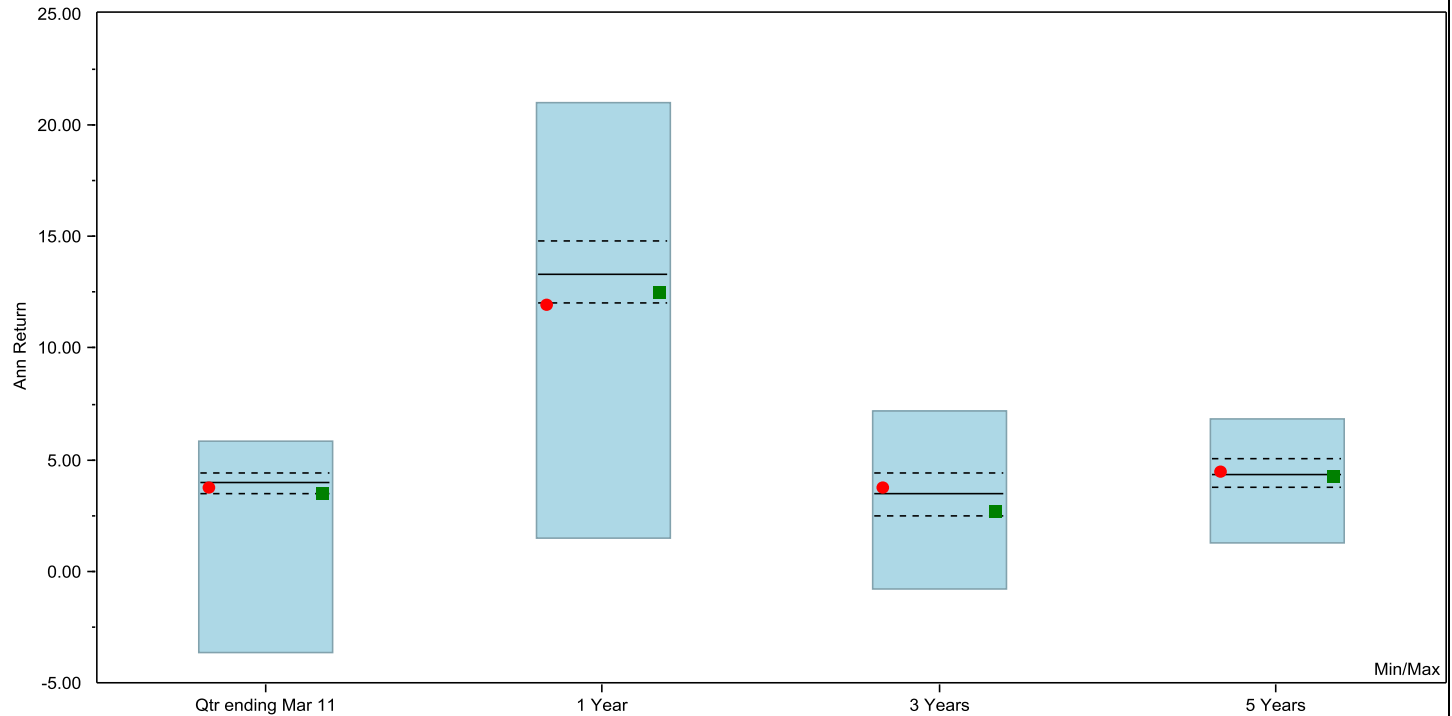
The **Private Equity** portfolio currently consists of three investments including **Lexington VII**, **Landmark XIV**, and **Oaktree V**. The WPERP Board hired two new managers, **EnergyCap** and **Audax Mezz** during the current quarter (performance returns are lagged one quarter). The **Real Estate** portfolio currently consists of one investment **Mesa West**.

Water and Power Employees' Retirement Plan

TOTAL FUNDS - PUBLIC (USD) - Monthly

As of March 31, 2011

Cumulative Performance Comparisons



	Value	%Tile	Rank	Value	%Tile	Rank	Value	%Tile	Rank	Value	%Tile	Rank
Maximum	5.83			21.00			7.15			6.82		
25th Percentile	4.41			14.84			4.39			5.06		
Median Percentile	4.00			13.33			3.45			4.30		
75th Percentile	3.47			12.06			2.48			3.73		
Minimum	-3.64			1.49			-0.77			1.24		
# of Portfolios	121			112			108			100		
• Total Fund	3.75	64	79	11.98	77	87	3.74	43	46	4.47	42	42
■ Policy Benchmark	3.47	75	91	12.52	66	75	2.73	73	80	4.26	54	54

Universe Source: The Bank of New York Mellon Corporation; Universe Status: Final

Notes:

Performance and related statistics calculated using Mellon's Workbench E-Chart

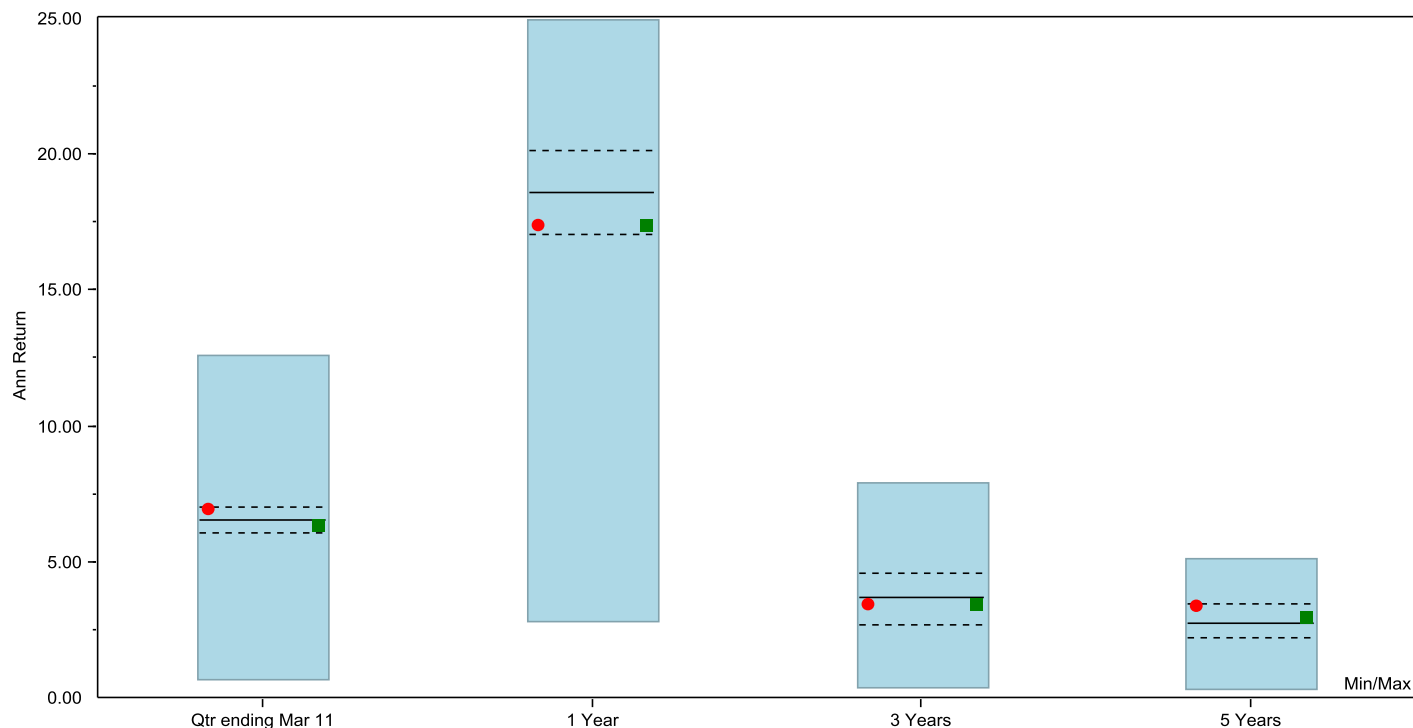
All performance is shown **gross of fees**.

Water and Power Employees' Retirement Plan

US Equity Segment - Public (USD) - Monthly

As of March 31, 2011

Cumulative Performance Comparisons



	Value	%Tile	Rank	Value	%Tile	Rank	Value	%Tile	Rank	Value	%Tile	Rank
Maximum	12.57			24.92			7.88			5.11		
25th Percentile	6.98			20.15			4.56			3.42		
Median Percentile	6.54			18.58			3.71			2.70		
75th Percentile	6.06			17.07			2.67			2.21		
Minimum	0.68			2.81			0.35			0.31		
# of Portfolios	99			84			63			53		
● Domestic Equity	6.94	27	27	17.41	67	57	3.46	57	36	3.37	26	14
■ Russell 3000 Composite	6.38	60	60	17.41	67	57	3.42	58	37	2.95	39	21

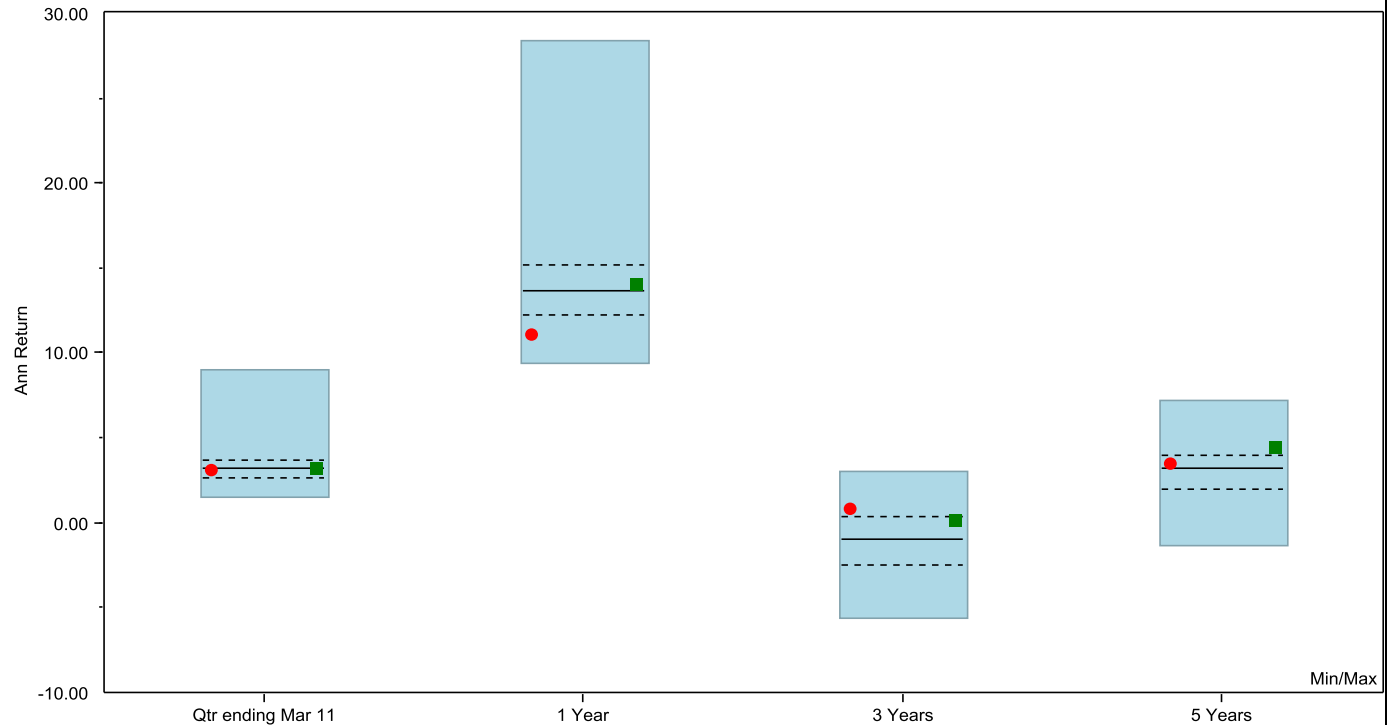
Universe Source: The Bank of New York Mellon Corporation; Universe Status: Final

Water and Power Employees' Retirement Plan

Non-US Equity Segment - Public (USD) - Monthly

As of March 31, 2011

Cumulative Performance Comparisons



	Value	%Tile	Rank	Value	%Tile	Rank	Value	%Tile	Rank	Value	%Tile	Rank
Maximum	9.05			28.40			2.99			7.22		
25th Percentile	3.65			15.19			0.37			3.99		
Median Percentile	3.25			13.64			-0.97			3.20		
75th Percentile	2.64			12.26			-2.50			1.96		
Minimum	1.52			9.39			-5.63			-1.32		
# of Portfolios	86			76			59			49		
● International Equity	3.08	60	52	11.05	85	65	0.83	17	10	3.49	43	22
■ MSCI ACWI ex US IMI (blend)	3.22	52	45	14.07	42	32	0.20	30	18	4.42	17	9

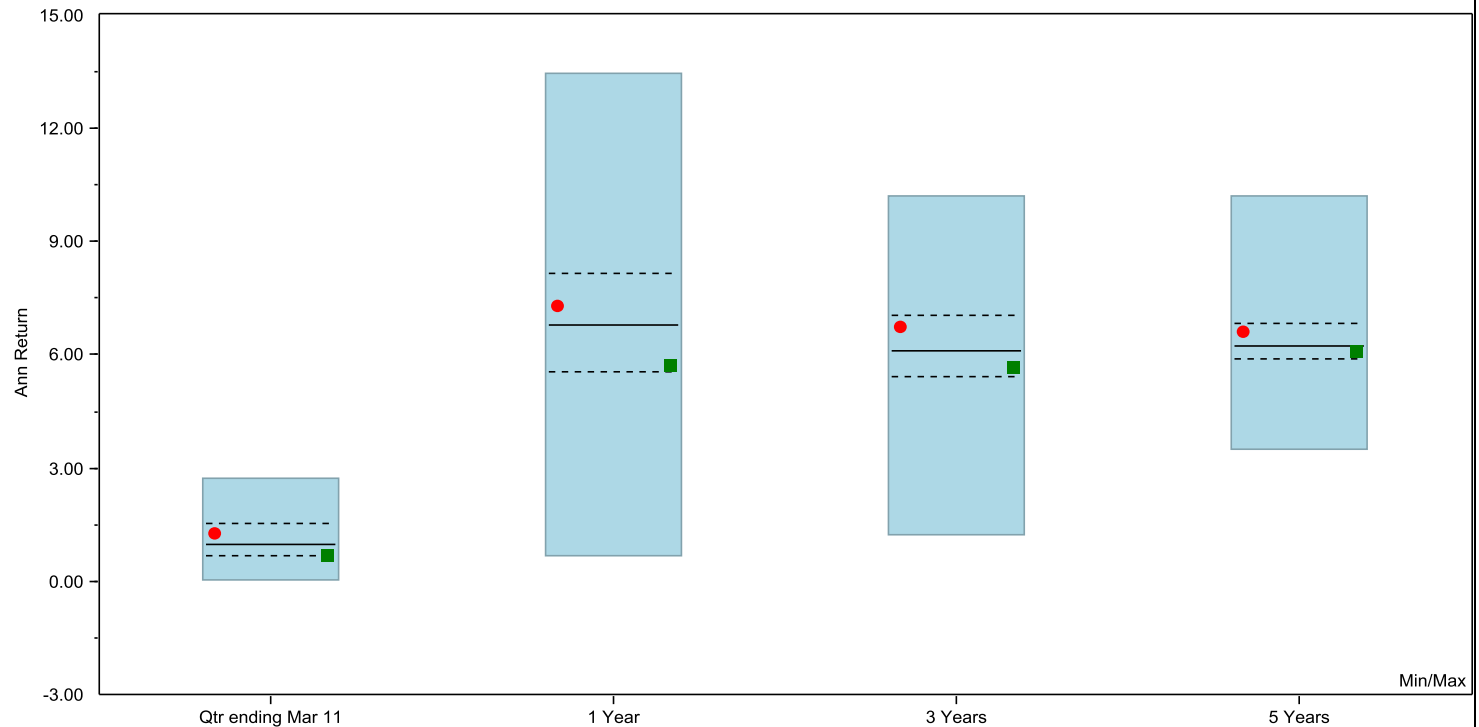
Universe Source: The Bank of New York Mellon Corporation; Universe Status: Final

Water and Power Employees' Retirement Plan

US Fixed Income Segment - Public (USD) - Monthly

As of March 31, 2011

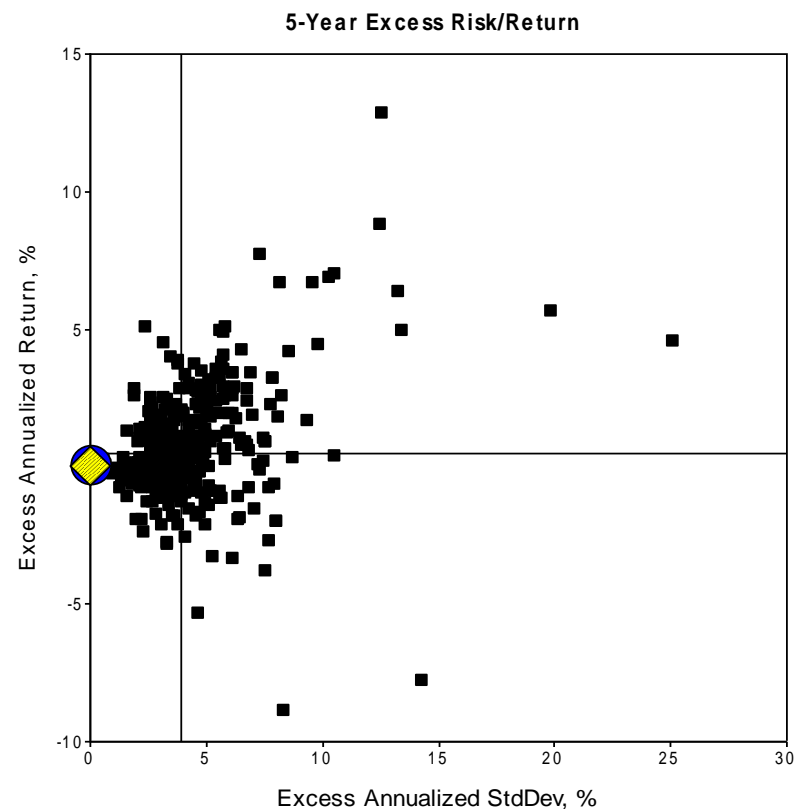
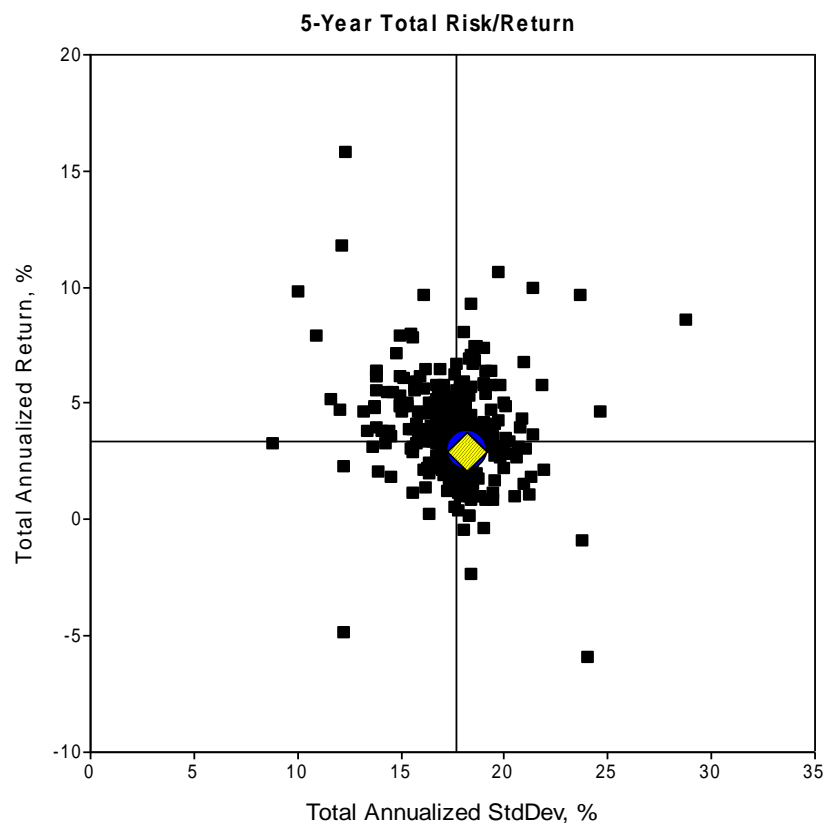
Cumulative Performance Comparisons



	Value	%Tile	Rank	Value	%Tile	Rank	Value	%Tile	Rank	Value	%Tile	Rank
Maximum	2.75			13.45			10.22			10.19		
25th Percentile	1.53			8.15			7.07			6.85		
Median Percentile	0.96			6.78			6.13			6.22		
75th Percentile	0.67			5.57			5.40			5.90		
Minimum	0.03			0.67			1.21			3.49		
# of Portfolios	93			78			60			50		
● Fixed Income	1.28	37	34	7.30	42	33	6.74	35	22	6.62	32	17
■ BC Universal	0.67	76	71	5.71	73	58	5.66	66	40	6.12	58	30

Universe Source: The Bank of New York Mellon Corporation; Universe Status: Final

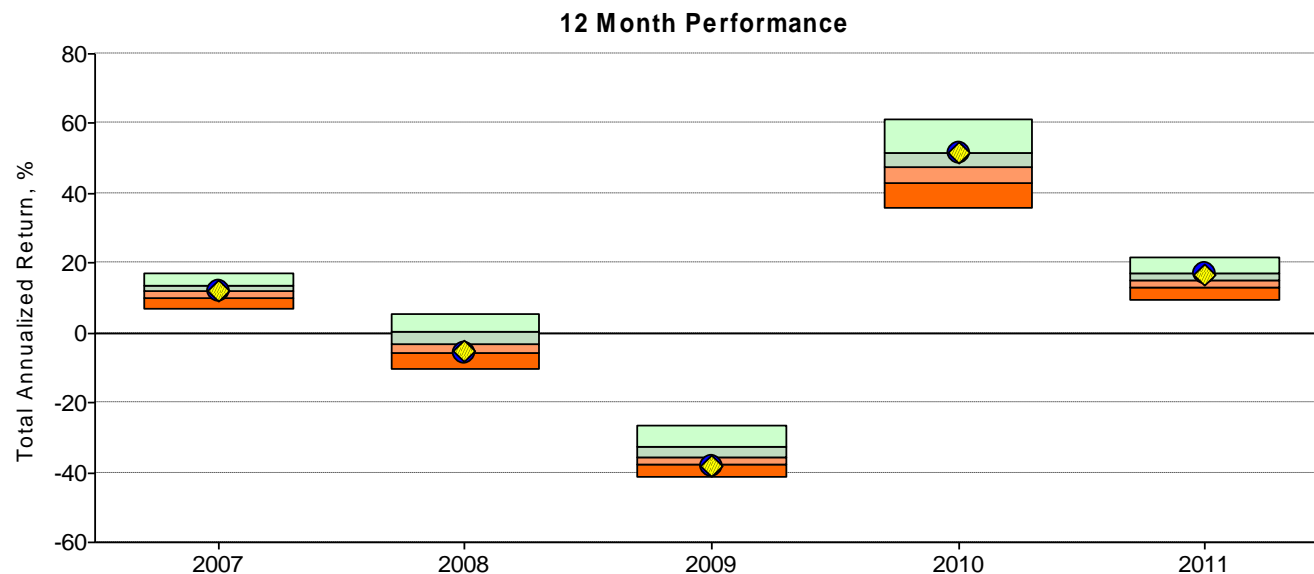
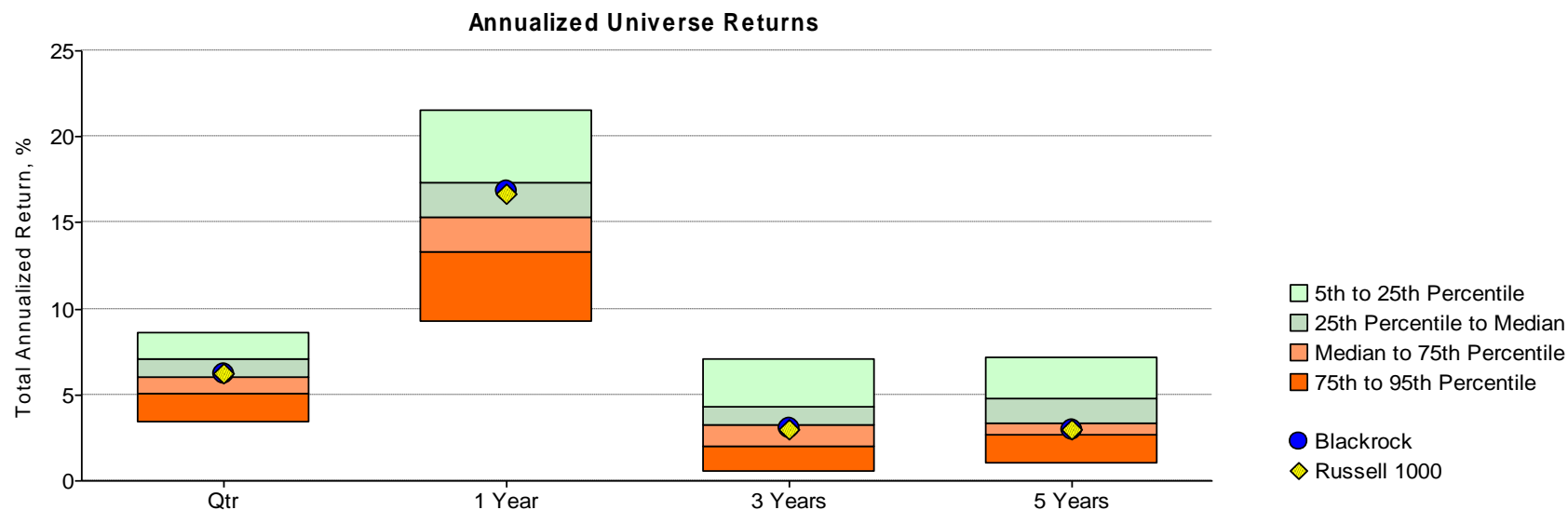
WPERP Large Cap Core Manager Comparisons as of March 31, 2011



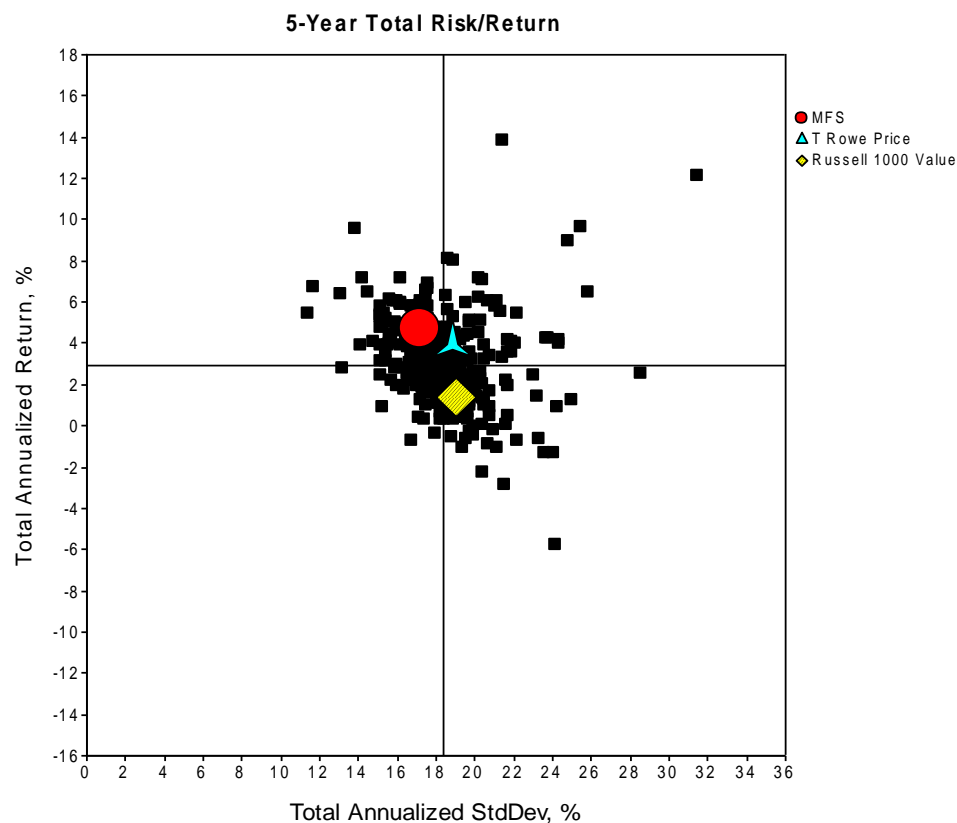
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Blackrock	2.97	18.21	0.16
Russell 1000	2.93	18.20	0.16
Large Cap Manager Universe Median	3.40	17.68	0.20

	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Blackrock	0.04	0.11	0.32
Russell 1000	0.00	0.00	NA
Large Cap Manager Universe Median	0.47	3.93	0.14

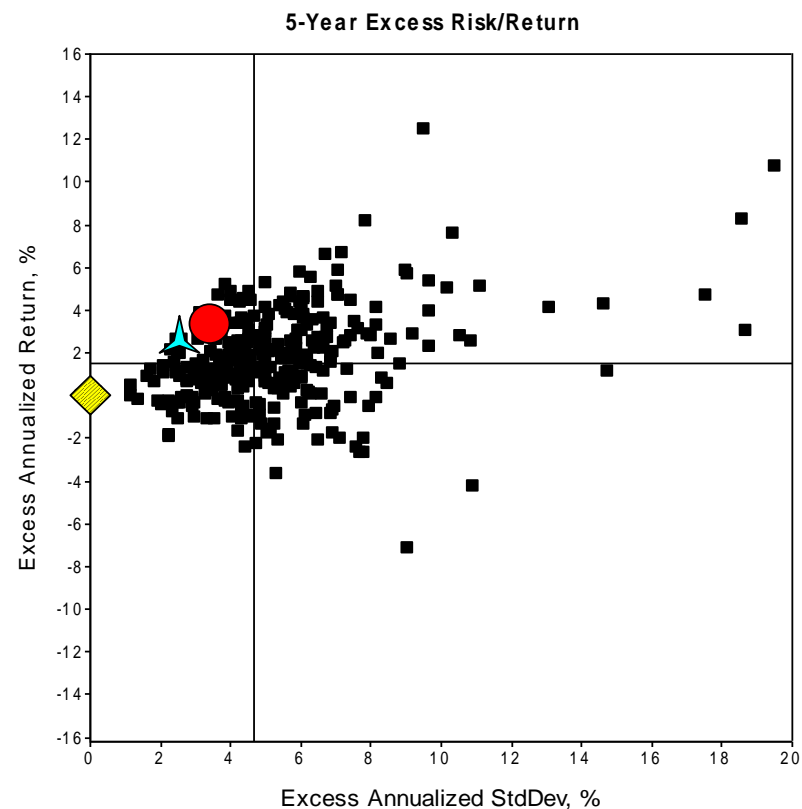
WPERP Large Cap Core Manager Comparisons as of March 31, 2011



WPERP Large Cap Value Manager Comparisons as of March 31, 2011

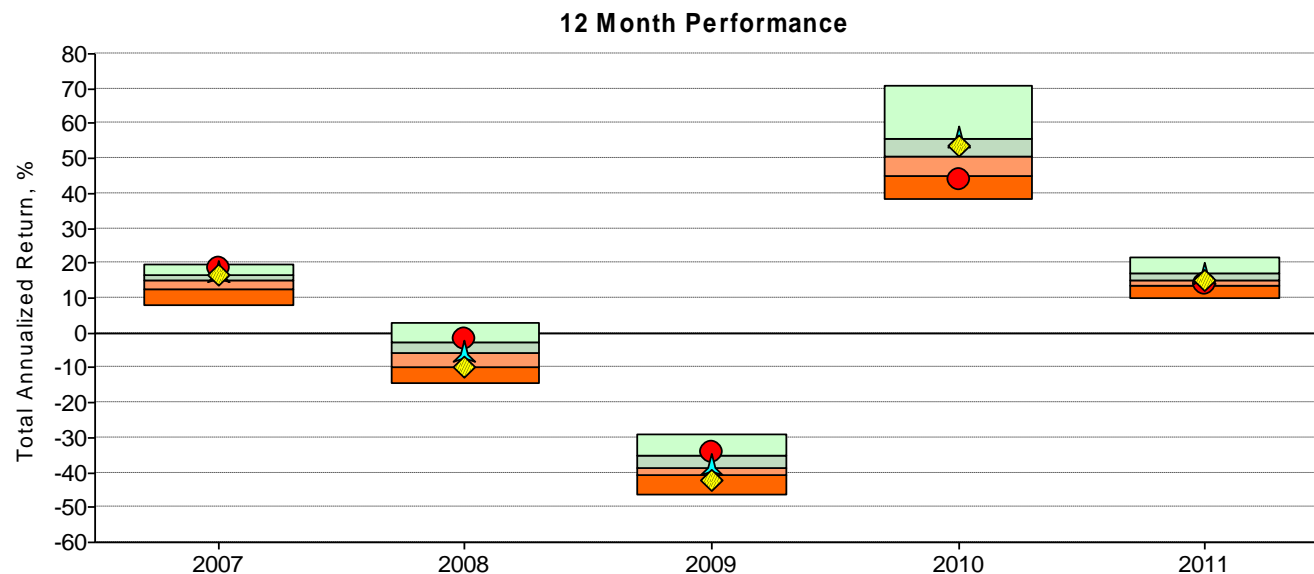
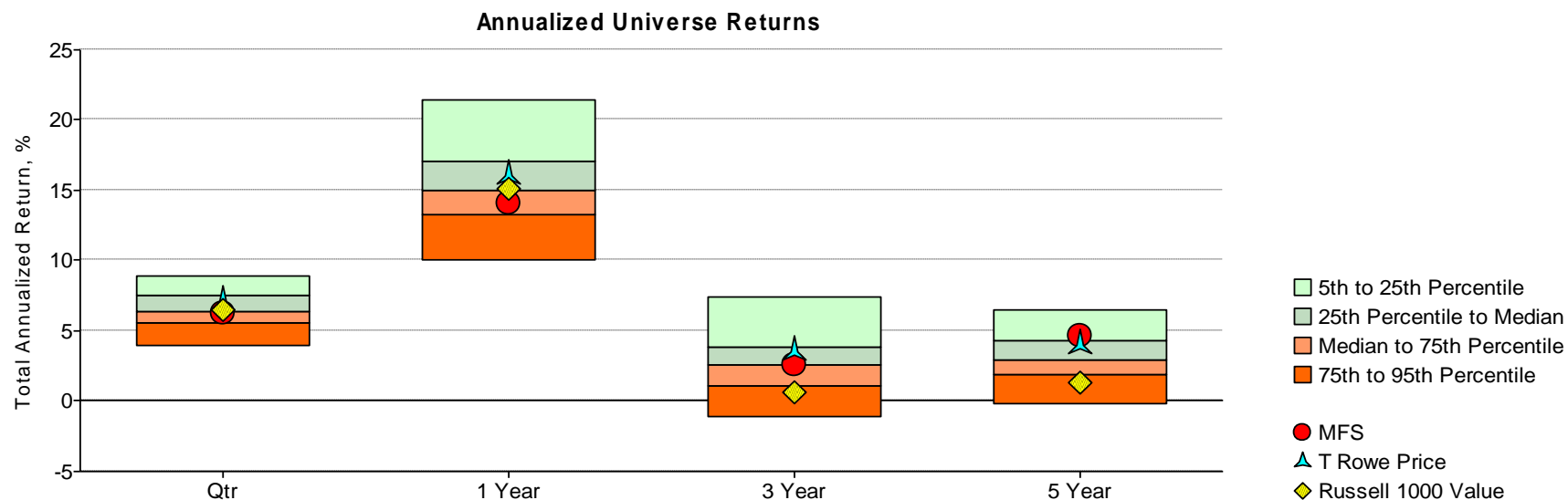


	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
MFS	4.69	17.19	0.27
T Rowe Price	3.95	18.80	0.21
Russell 1000 Value	1.38	18.98	0.07
Large Value Manager Universe Median	2.90	18.40	0.16

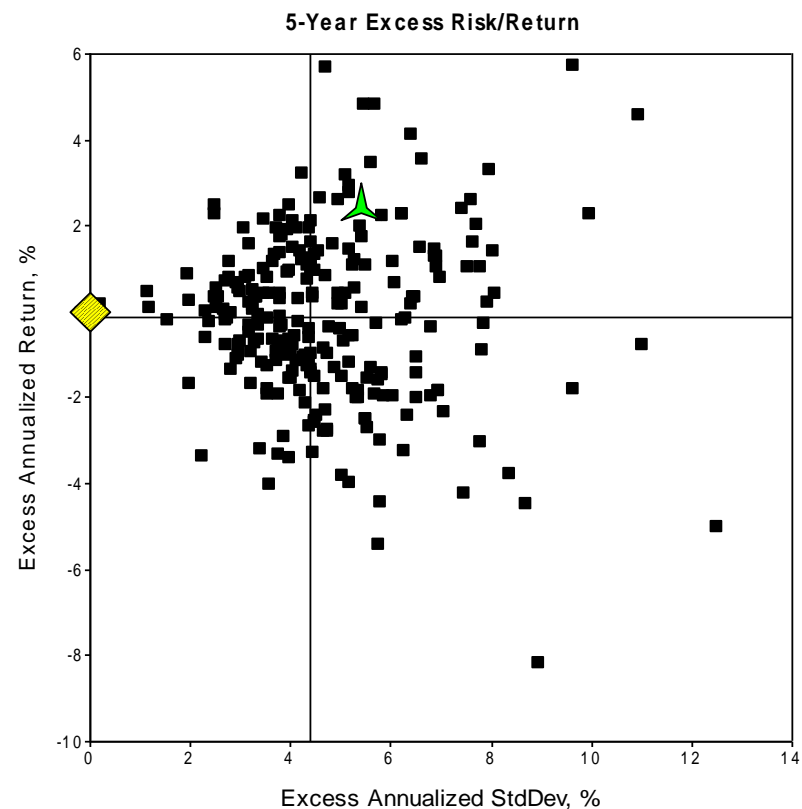
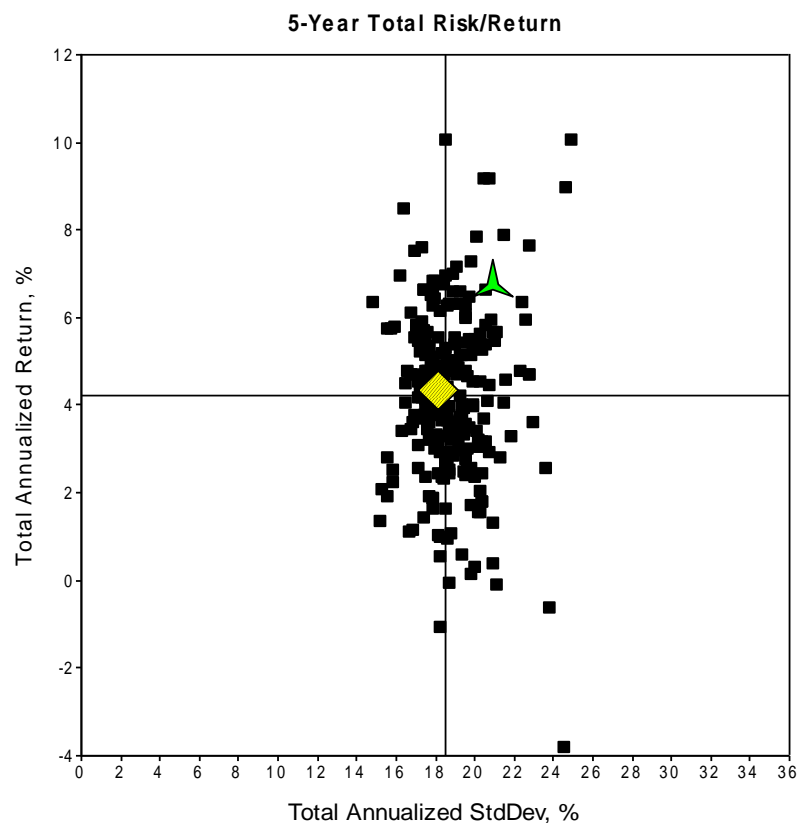


	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
MFS	3.32	3.42	0.97
T Rowe Price	2.58	2.56	1.01
Russell 1000 Value	0.00	0.00	NA
Large Value Manager Universe Median	1.52	4.69	0.33

WPERP Large Cap Value Manager Comparisons as of March 31, 2011



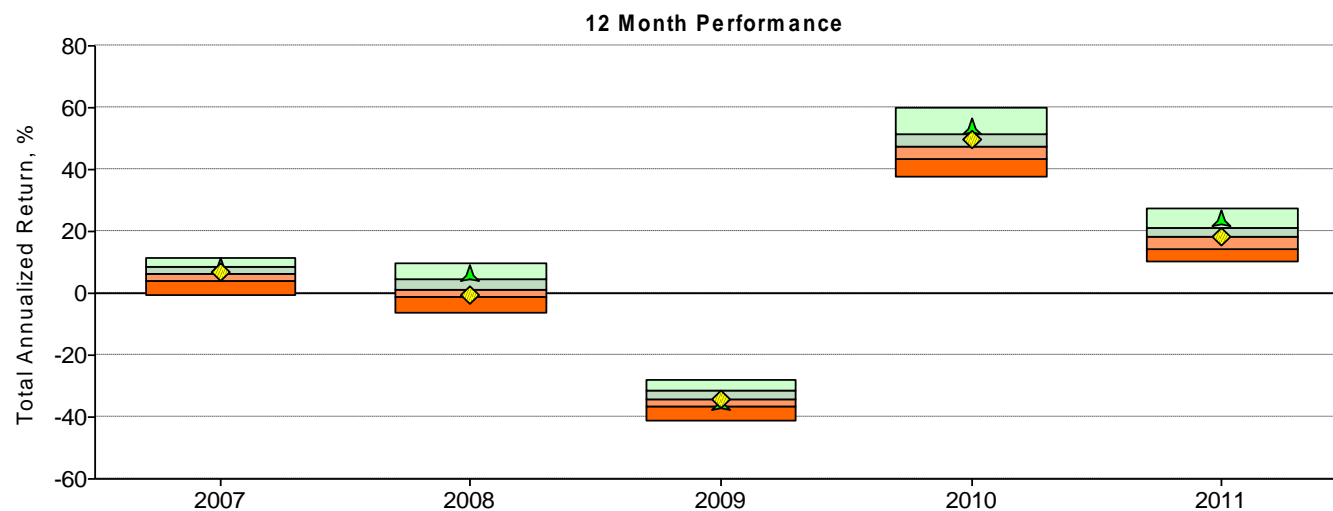
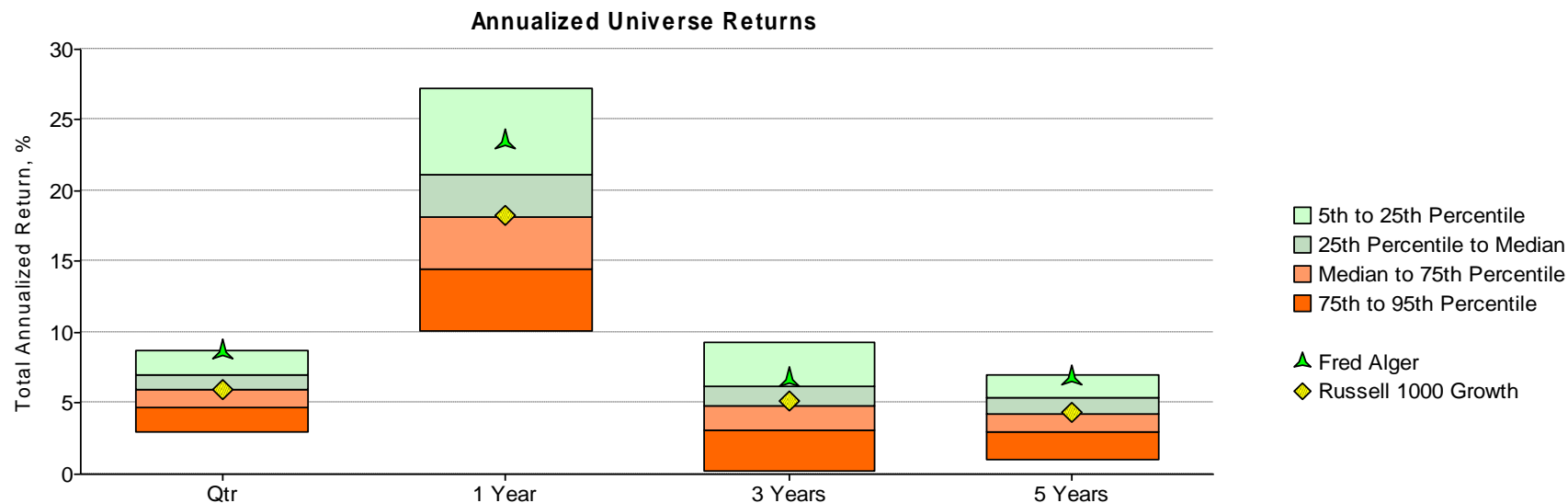
WPERP Large Cap Growth Manager Comparisons as of March 31, 2011



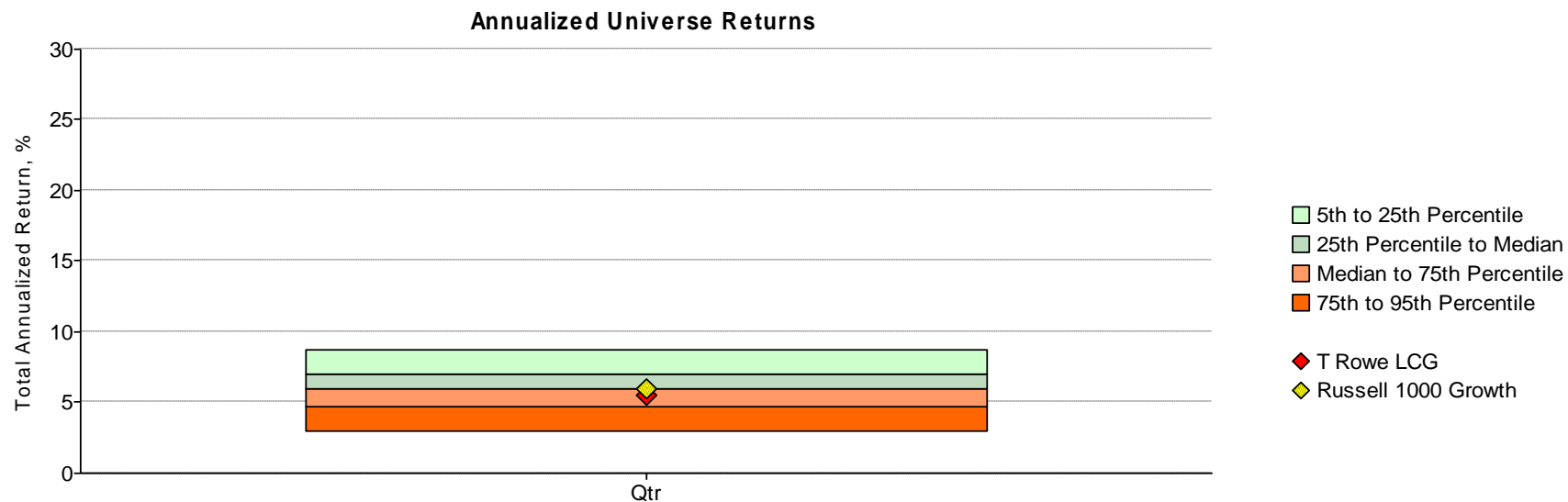
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Fred Alger	6.75	20.95	0.32
Russell 1000 Growth	4.34	18.12	0.24
Large Growth Manager Universe Median	4.22	18.52	0.24

	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Fred Alger	2.41	5.42	0.44
Russell 1000 Growth	0.00	0.00	NA
Large Growth Manager Universe Median	-0.11	4.37	-0.03

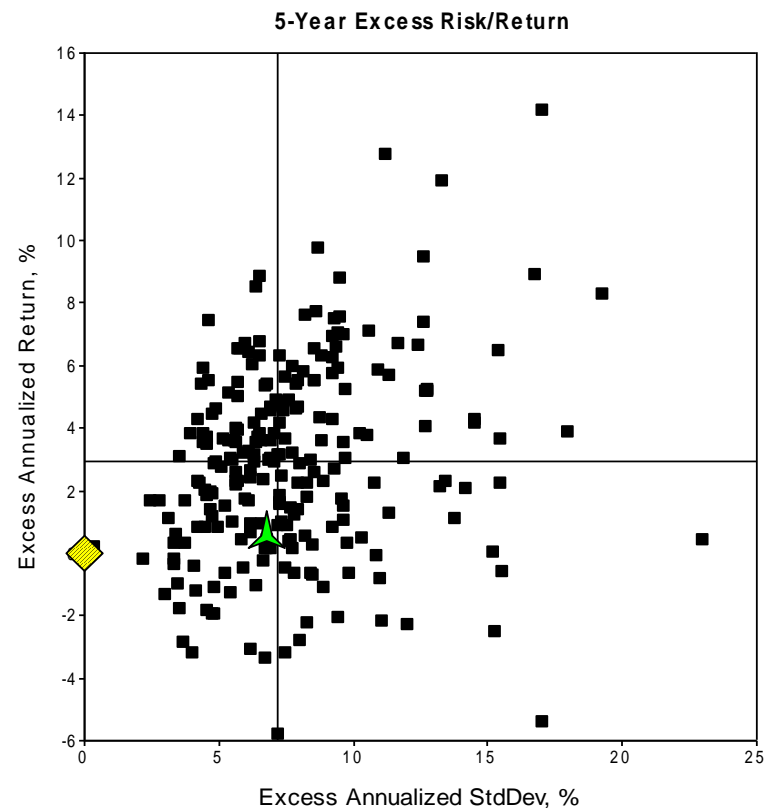
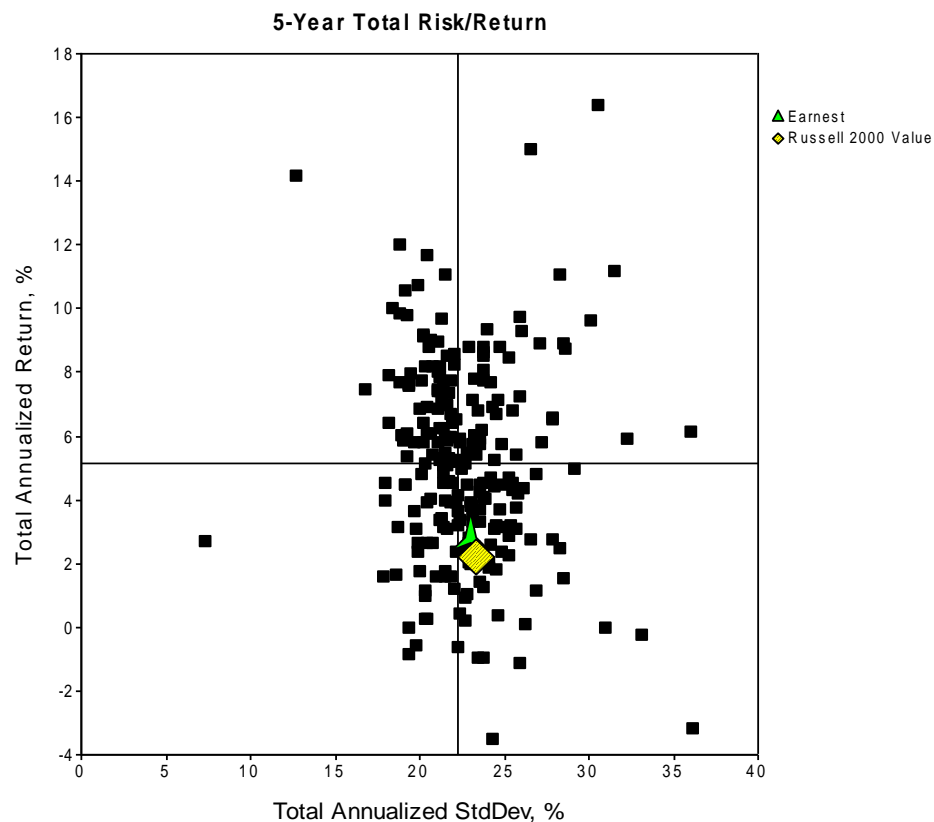
WPERP Large Cap Growth Manager Comparisons as of March 31, 2011



WPERP Large Cap Growth Manager Comparisons as of March 31, 2011



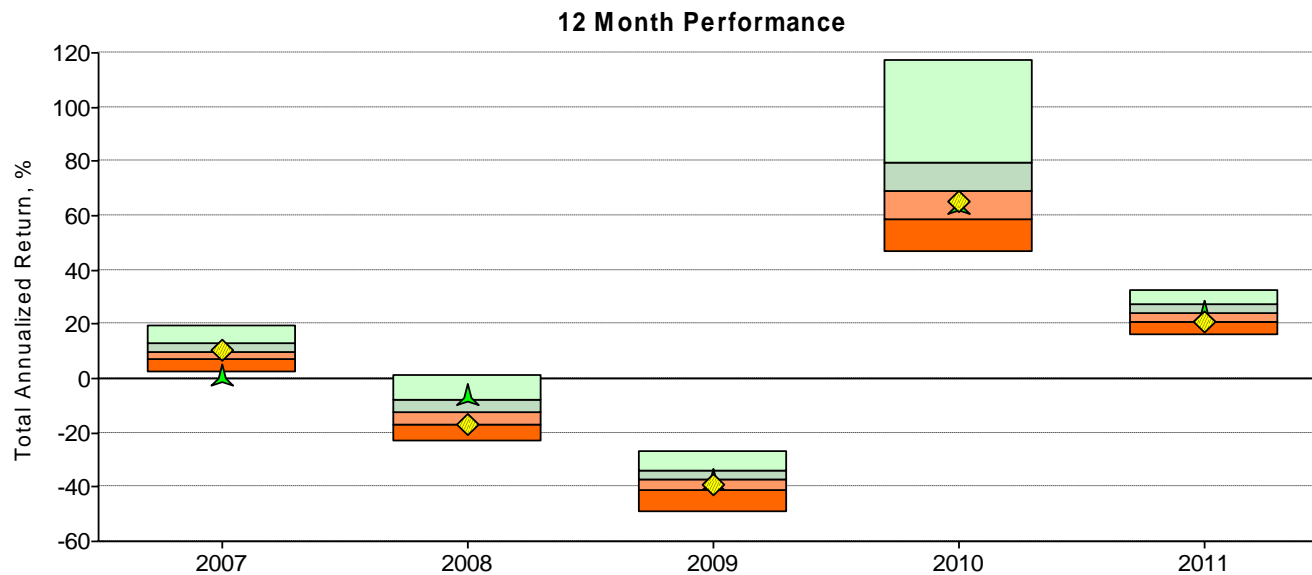
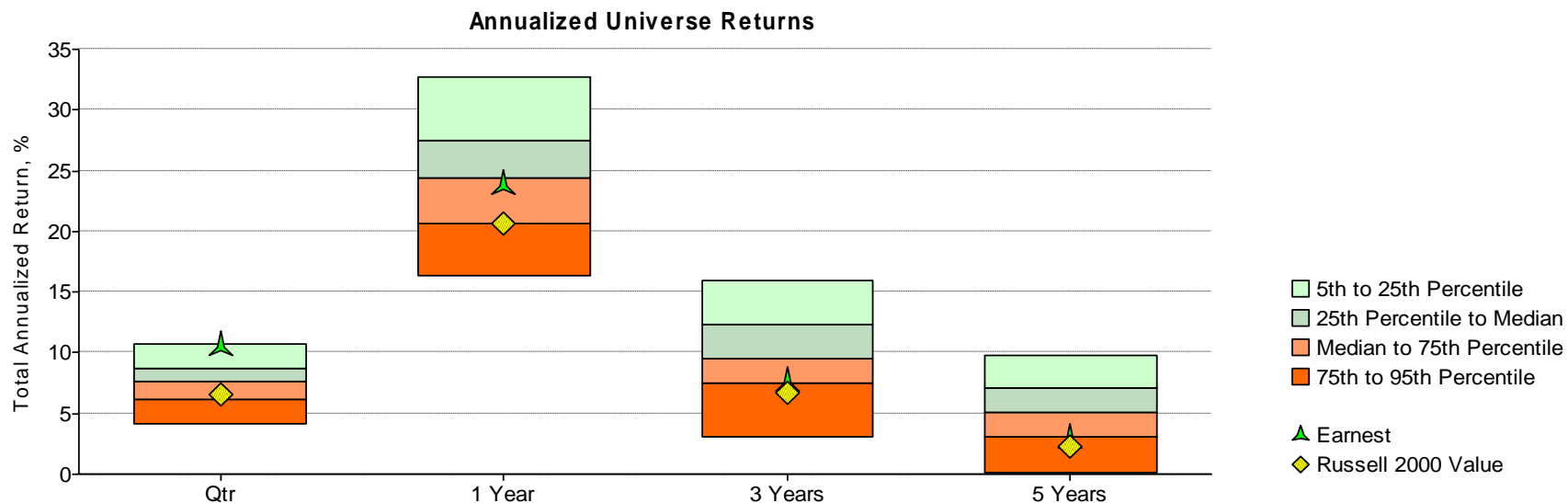
WPERP Small Cap Value Manager Comparisons as of March 31, 2011



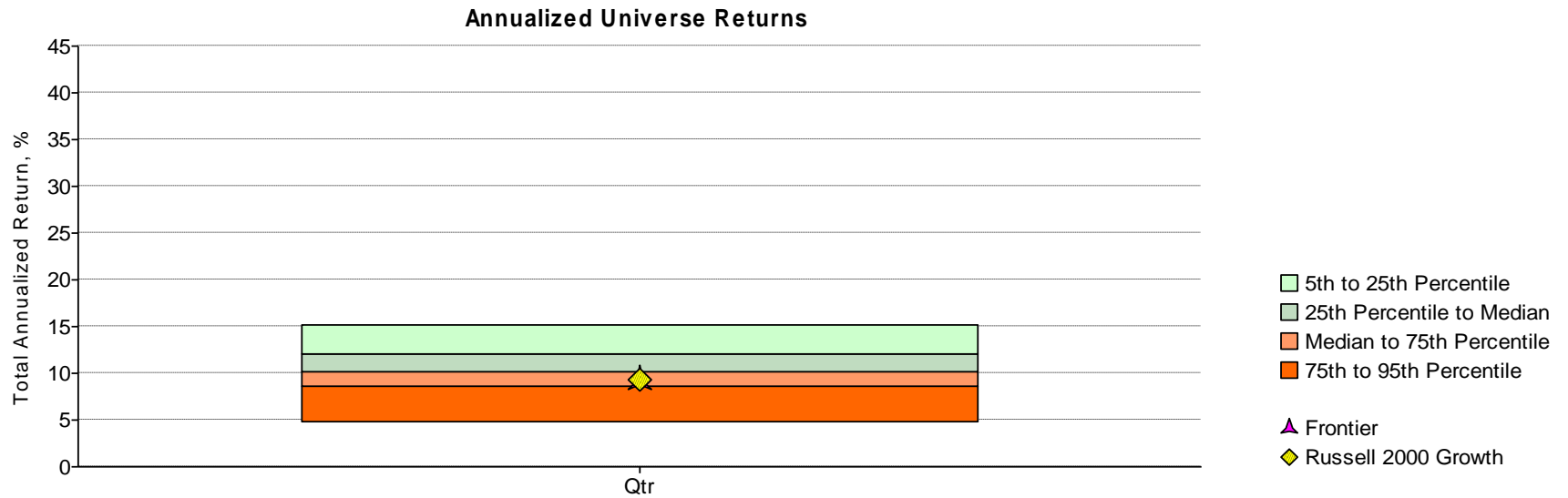
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Earnest	2.81	23.02	0.12
Russell 2000 Value	2.23	23.29	0.10
Small Cap Value Universe Median	5.16	22.27	0.23

	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Earnest	0.59	6.75	0.09
Russell 2000 Value	0.00	0.00	NA
Small Cap Value Universe Median	2.93	7.18	0.41

WPERP Small Cap Value Manager Comparisons as of March 31, 2011

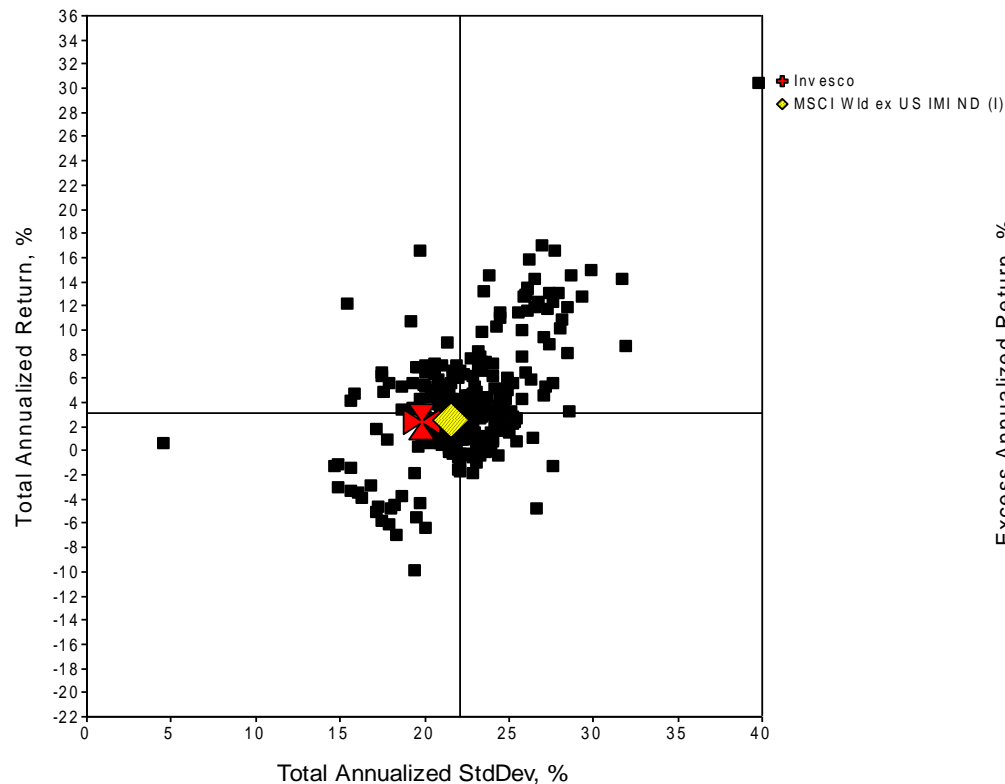


WPERP Small Cap Growth Manager Comparisons as of March 31, 2011

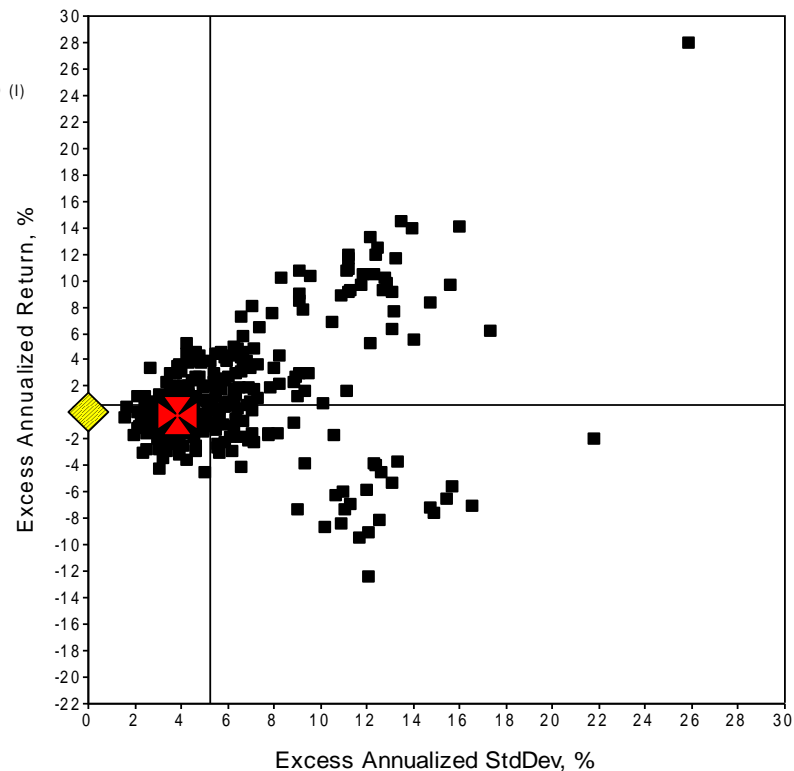


WPERP International Equity Manager Comparisons as of March 31, 2011

5 -Year Total Risk/Return



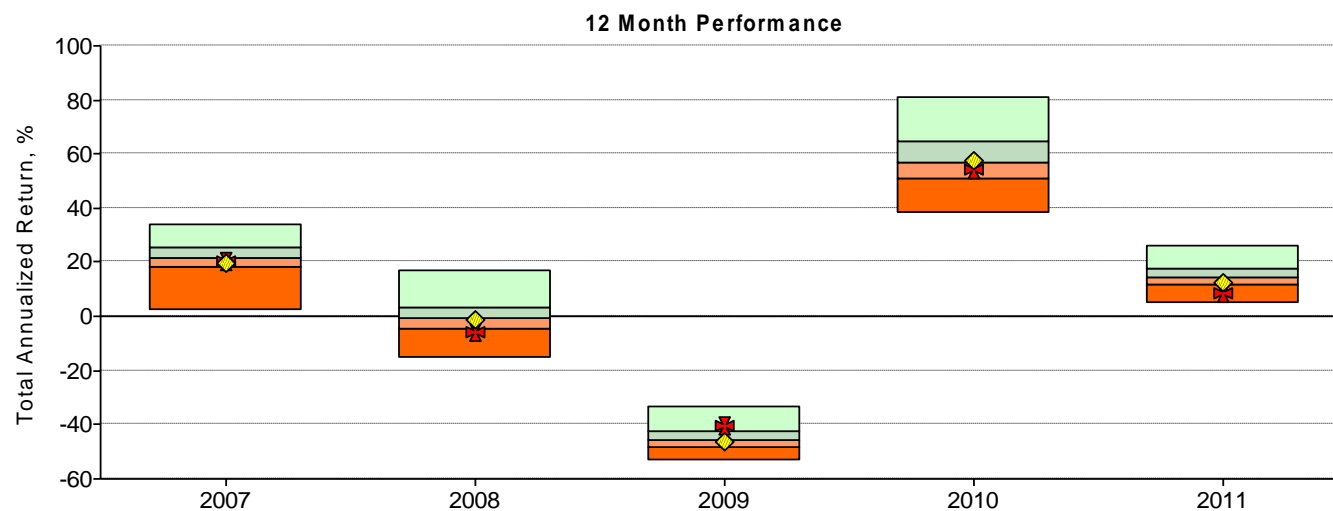
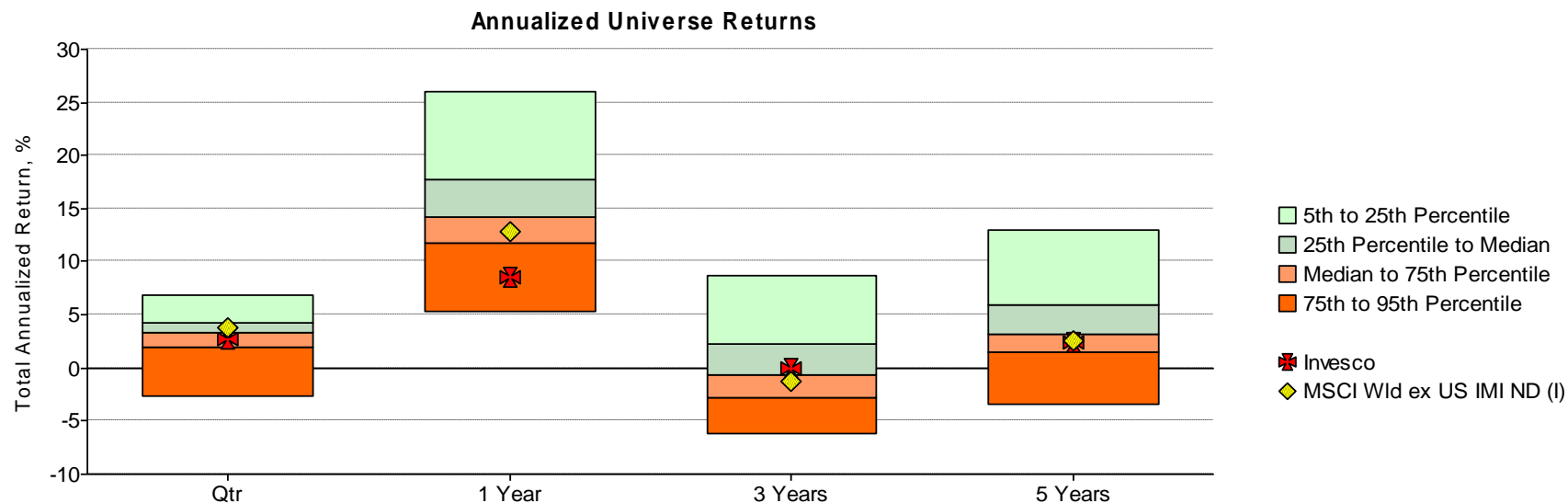
5 -Year Excess Risk/Return



	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Invesco	2.39	19.82	0.12
MSCI Wld ex US IMI ND (I)	2.55	21.56	0.12
International Equity Universe Median	3.17	22.11	0.14

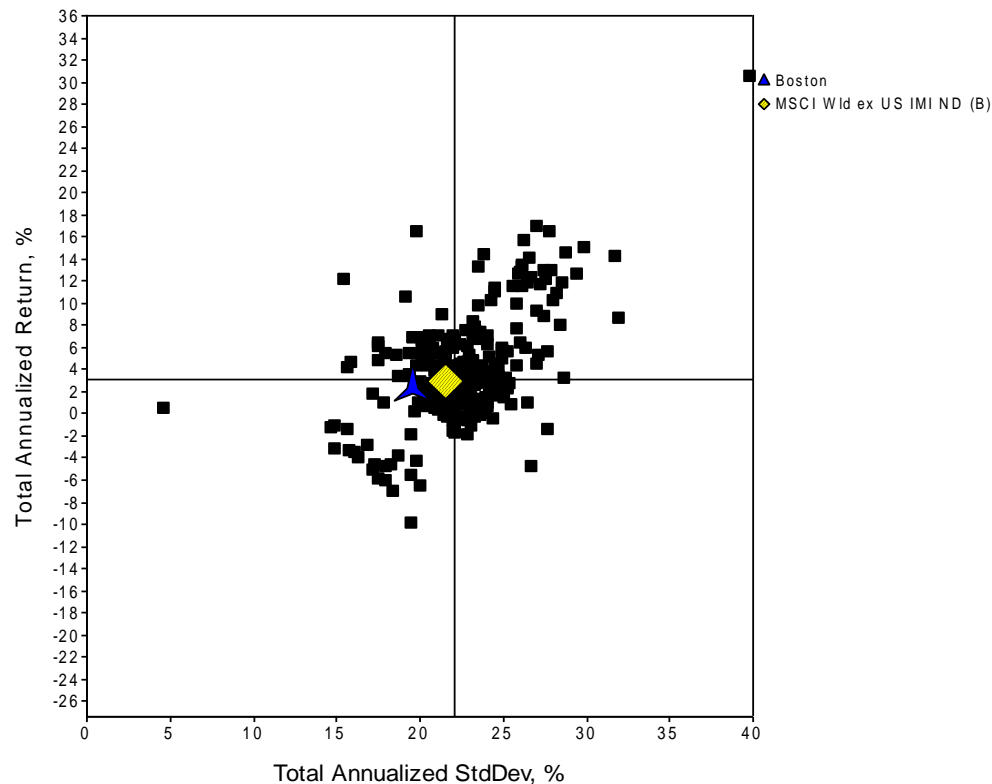
	Annualized Excess Return, %	Annualized Excess StDev, %	Sharpe Ratio, Excess
Invesco	-0.16	3.85	-0.04
MSCI Wld ex US IMI ND (I)	0.00	0.00	NA
International Equity Universe Median	0.62	5.28	0.14

WPERP International Equity Manager Comparisons as of March 31, 2011

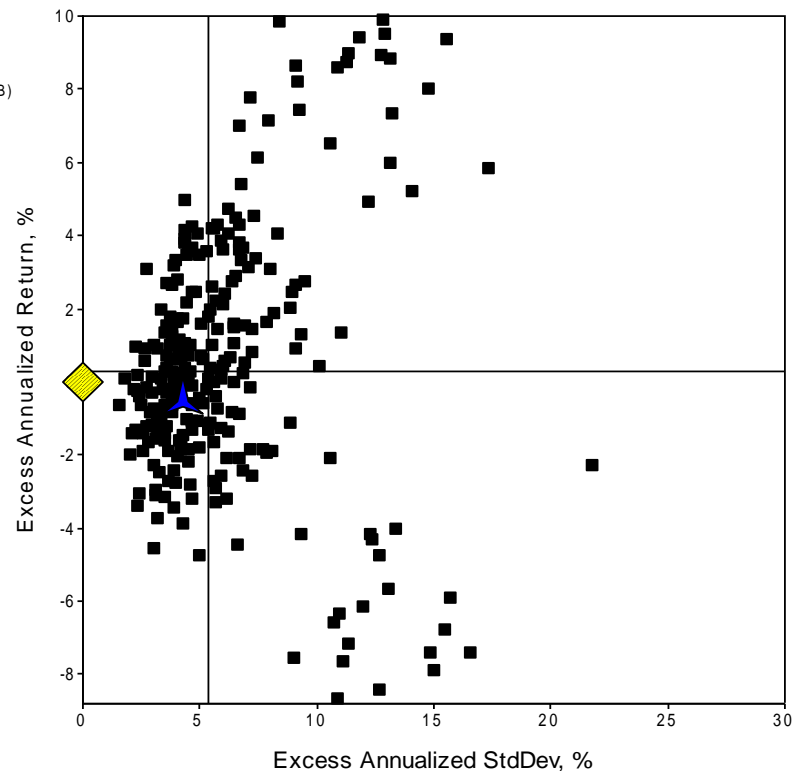


WPERP International Equity Manager Comparisons as of March 31, 2011

5-Year Total Risk/Return



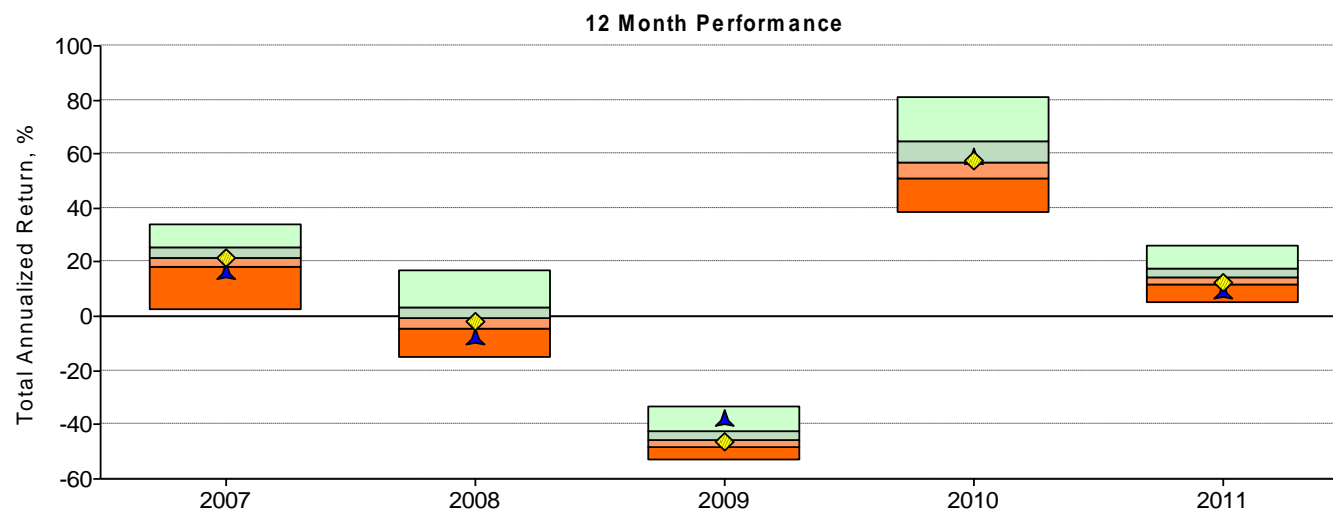
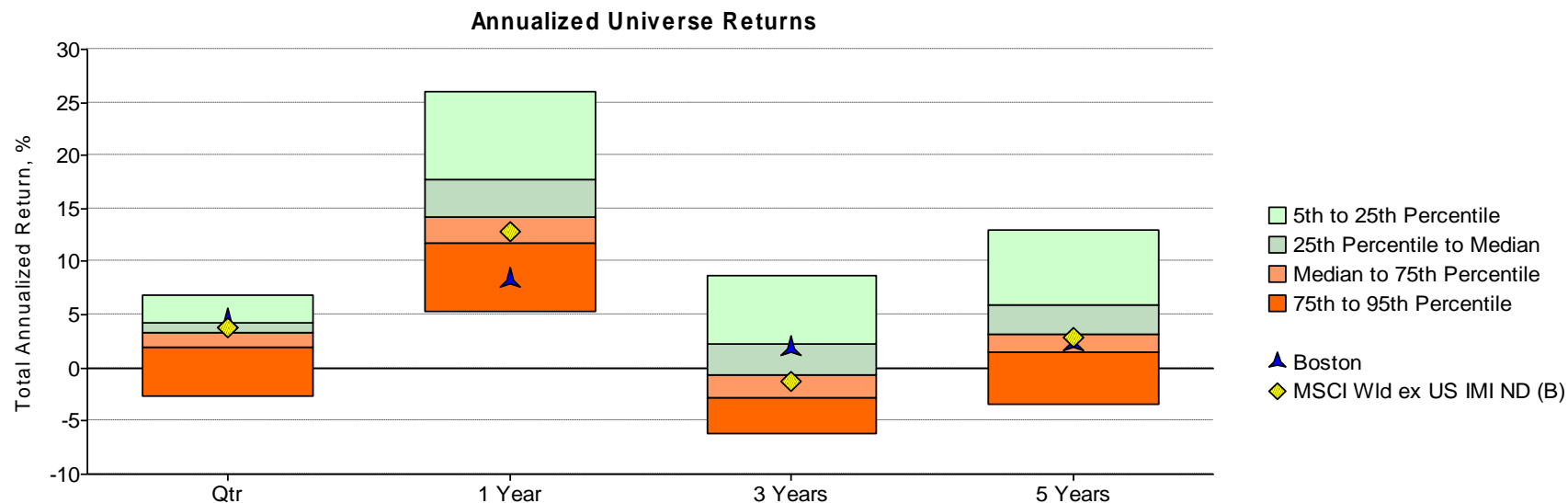
5-Year Excess Risk/Return



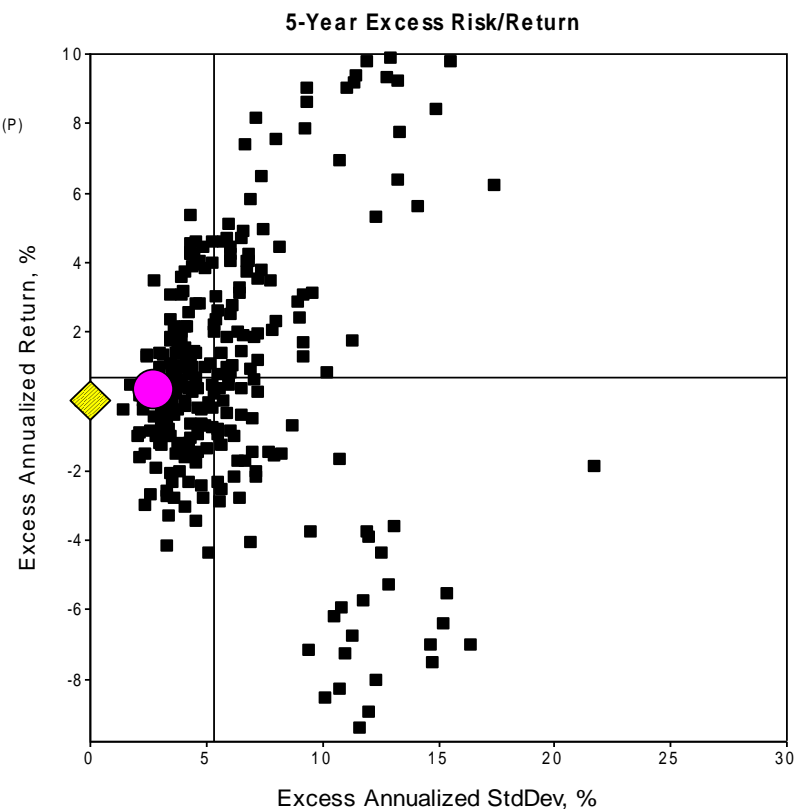
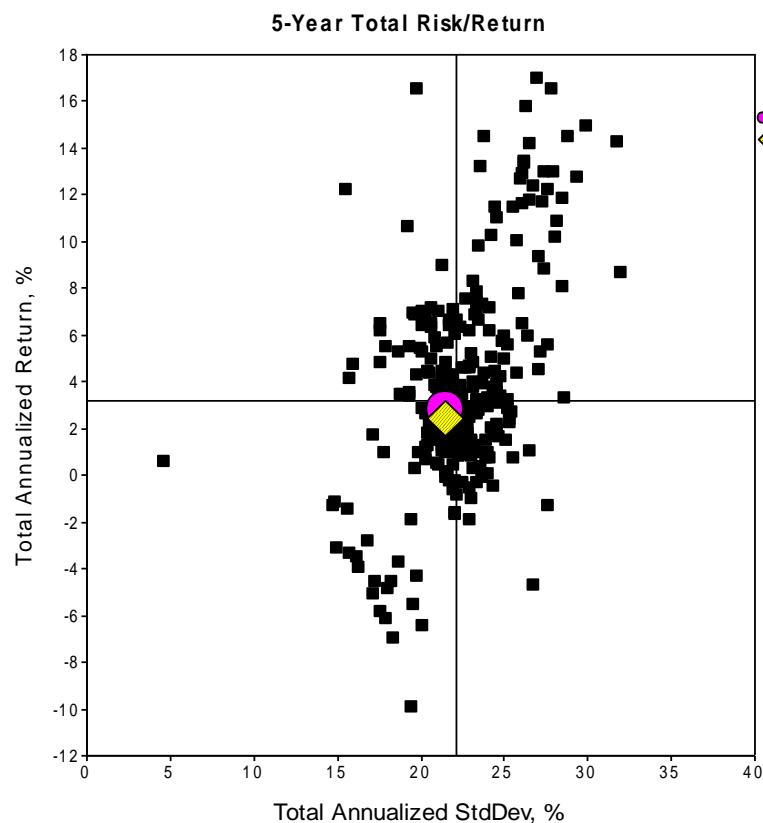
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Boston	2.31	19.55	0.12
MSCI Wld ex US IMI ND (B)	2.87	21.57	0.13
International Equity Universe Median	3.17	22.11	0.14

	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Boston	-0.56	4.28	-0.13
MSCI Wld ex US IMI ND (B)	0.00	0.00	NA
International Equity Universe Median	0.31	5.36	0.07

WPERP International Equity Manager Comparisons as of March 31, 2011



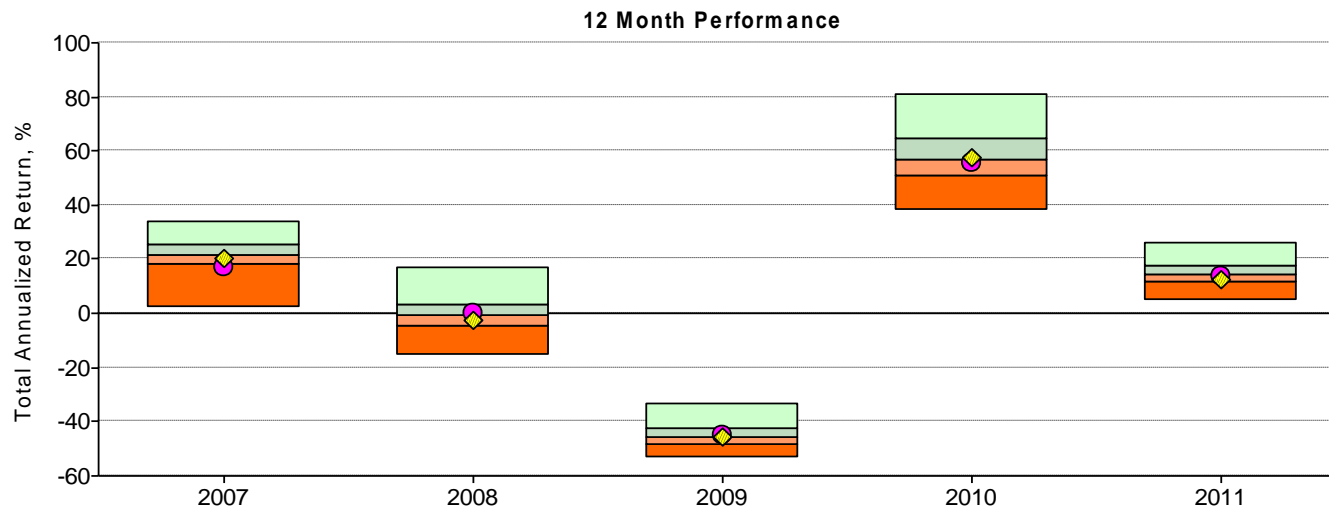
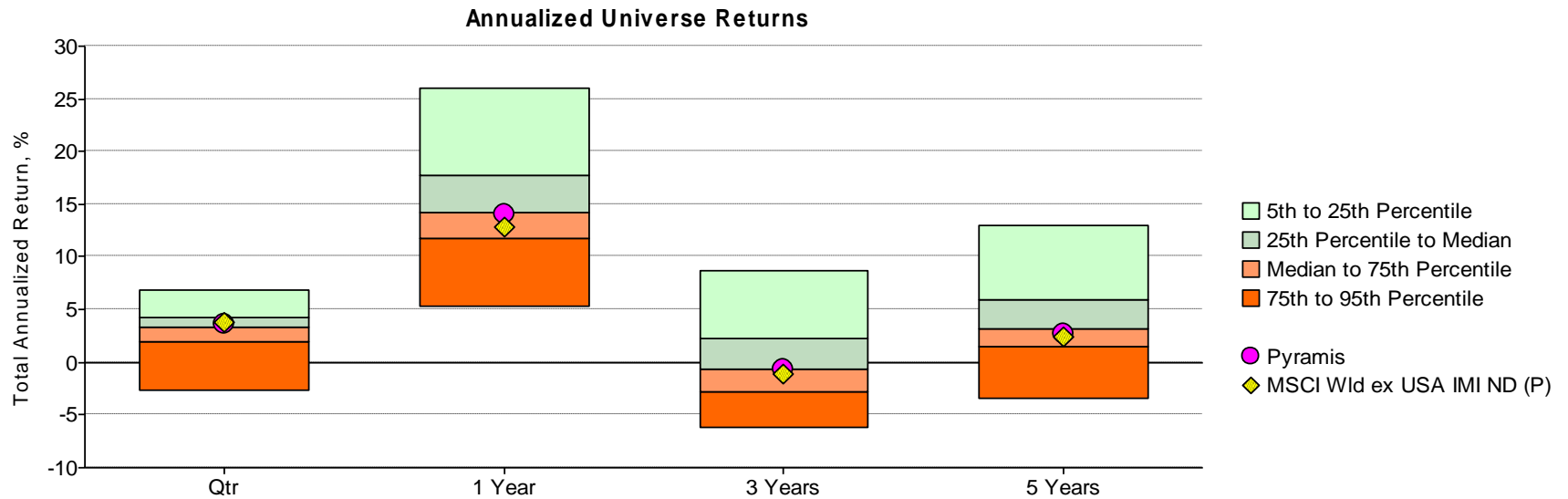
WPERP International Equity Manager Comparisons as of March 31, 2011



	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Pyramis	2.79	21.49	0.13
MSCI Wld ex USA IMI ND (P)	2.47	21.45	0.12
International Equity Universe Median	3.17	22.11	0.14

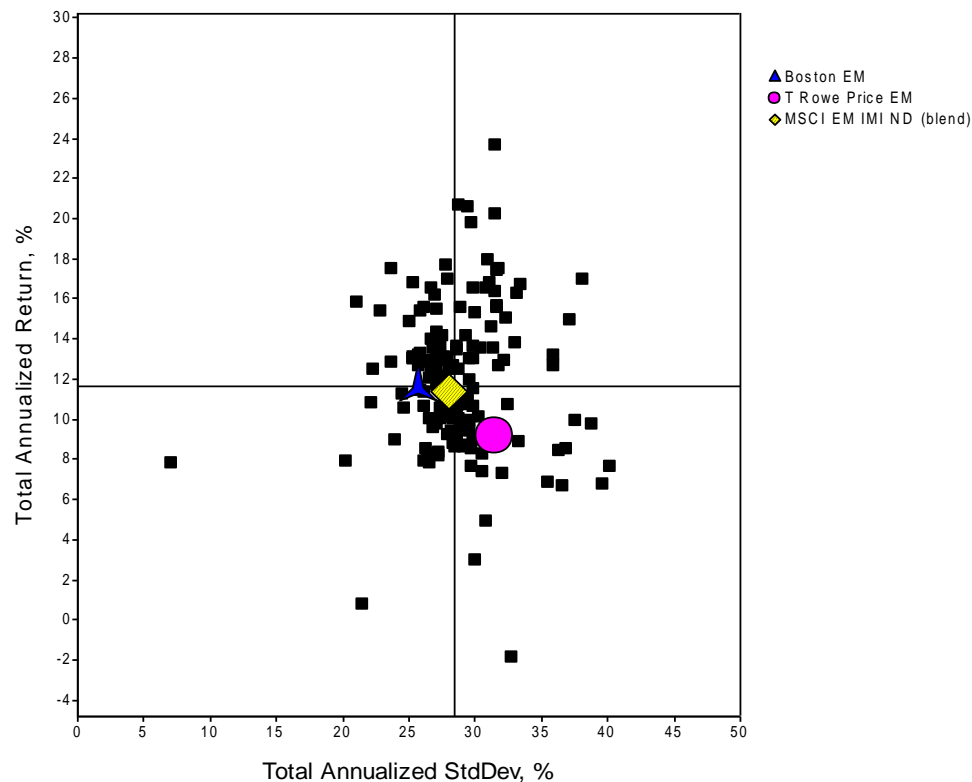
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Pyramis	0.32	2.76	0.11
MSCI Wld ex USA IMI ND (P)	0.00	0.00	NA
International Equity Universe Median	0.70	5.30	0.15

WPERP International Equity Manager Comparisons as of March 31, 2011



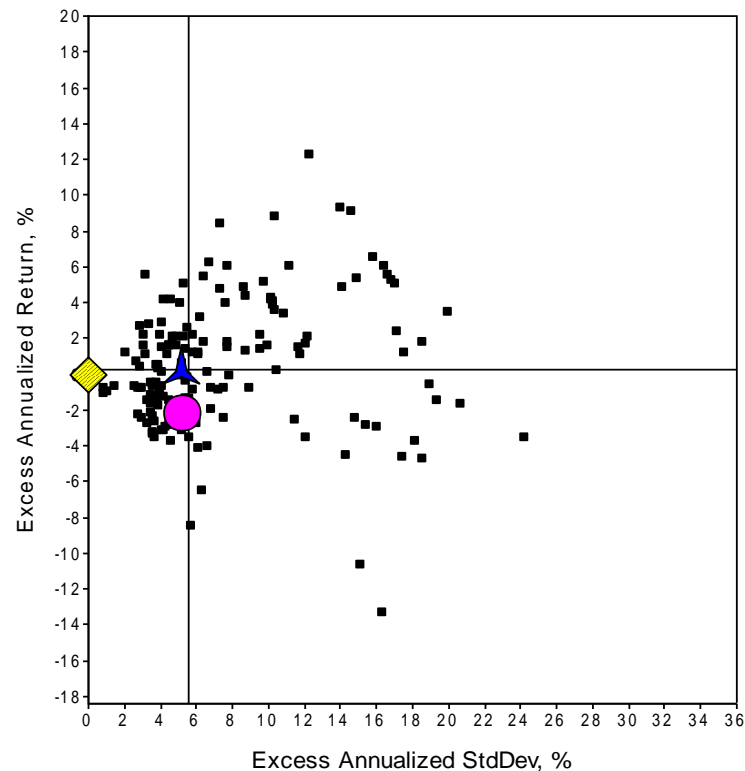
WPERP Emerging Market Equity Manager Comparisons as of March 31, 2011

5 -Year Total Risk/Return



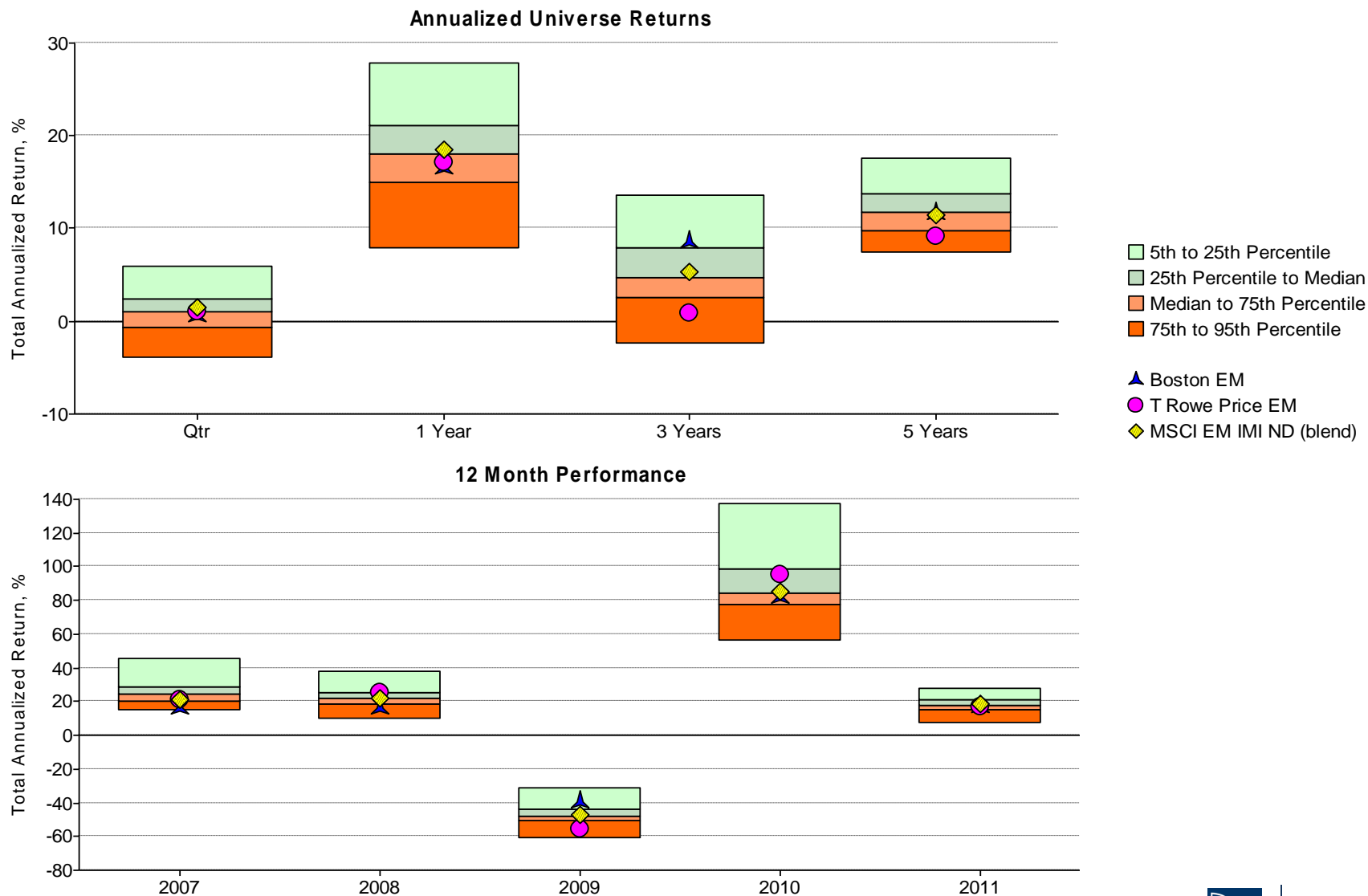
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Boston EM	11.55	25.63	0.45
T Rowe Price EM	9.19	31.41	0.29
MSCI EM IMI ND (blend)	11.42	28.06	0.41
Emerging Equity Universe Median	11.69	28.44	0.42

5 -Year Excess Risk/Return

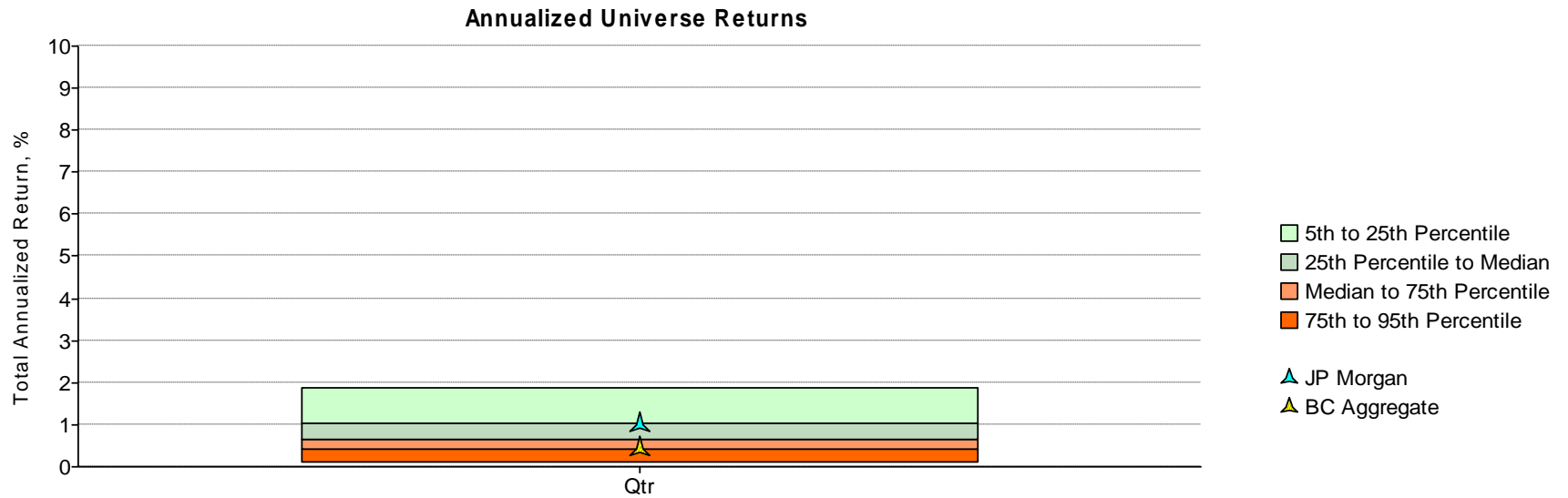


	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Boston EM	0.13	5.14	0.02
T Rowe Price EM	-2.23	5.28	-0.42
MSCI EM IMI ND (blend)	0.00	0.00	NA
Emerging Equity Universe Median	0.27	5.52	0.03

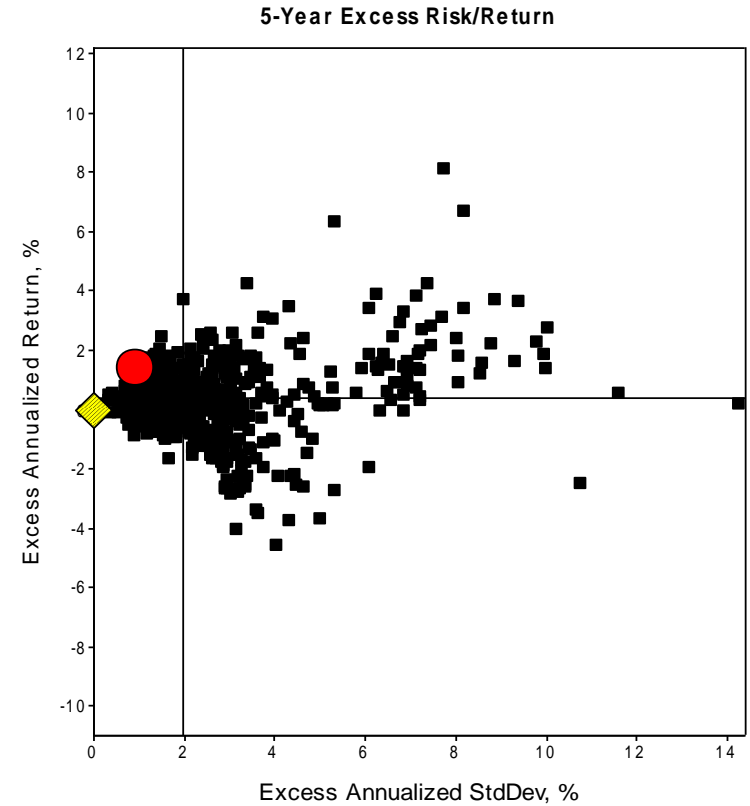
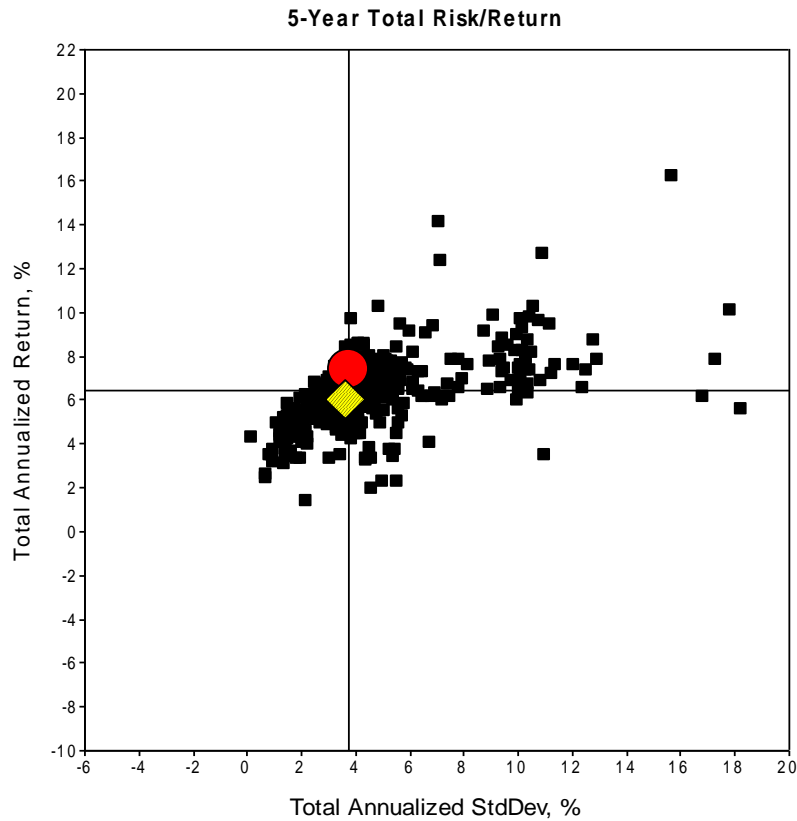
WPERP Emerging Market Equity Manager Comparisons as of March 31, 2011



WPERP Fixed Income Manager Comparisons as of March 31, 2011



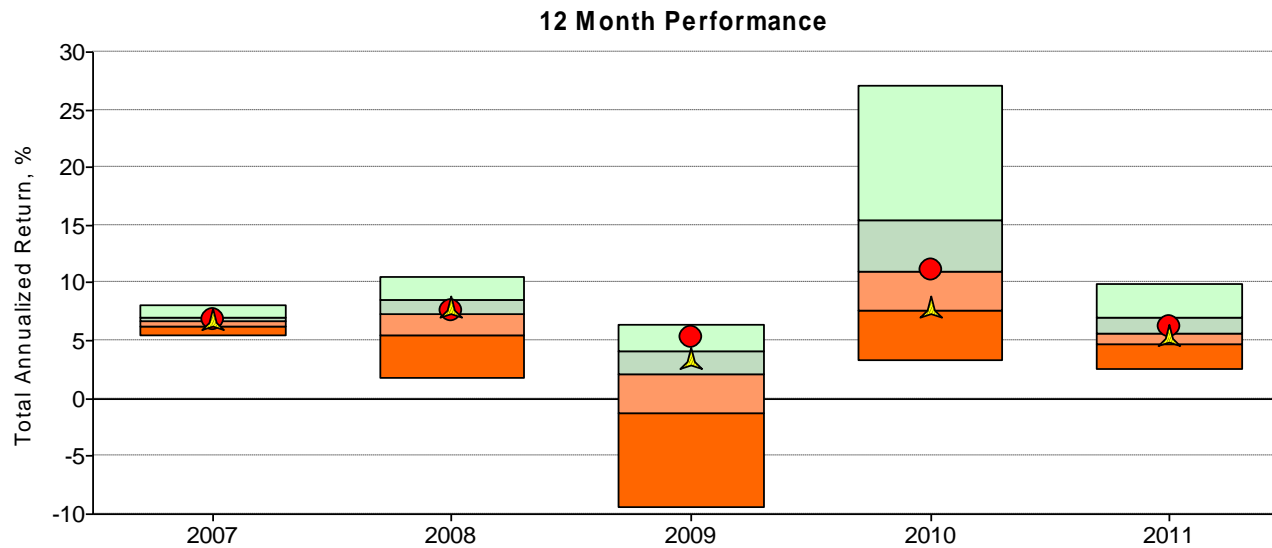
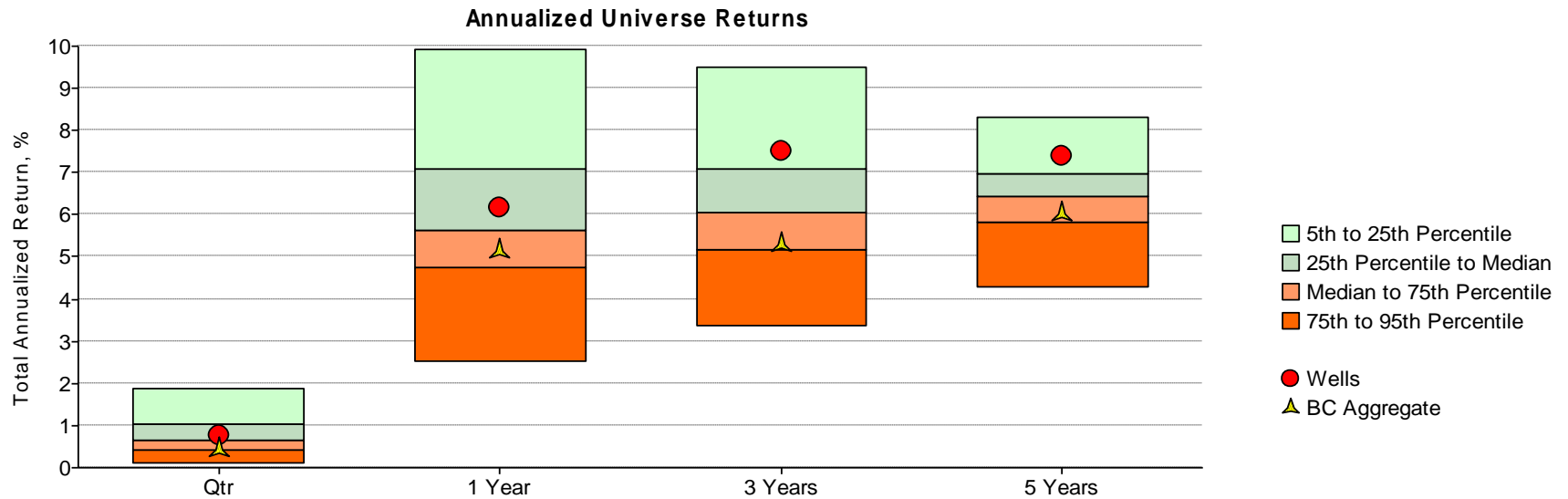
WPERP Fixed Income Manager Comparisons as of March 31, 2011



	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Wells	7.41	3.73	1.99
BC Aggregate	6.03	3.59	1.68
Fixed Income Manager Universe Median	6.42	3.73	1.74

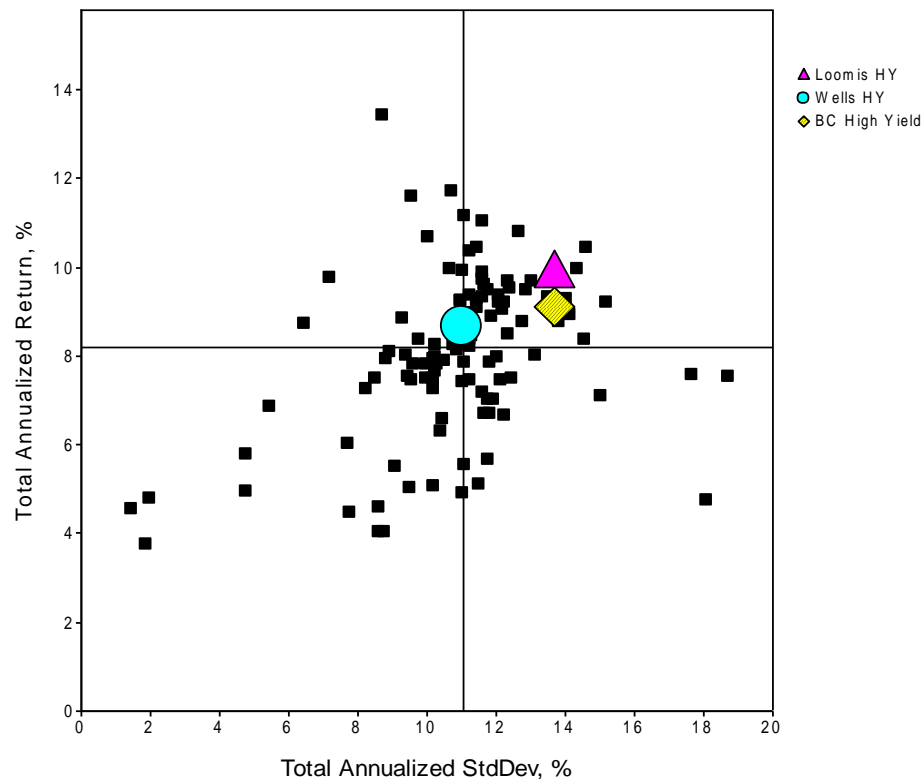
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Wells	1.38	0.93	1.49
BC Aggregate	0.00	0.00	NA
Fixed Income Manager Universe Median	0.39	1.98	0.20

WPERP Fixed Income Manager Comparisons as of March 31, 2011



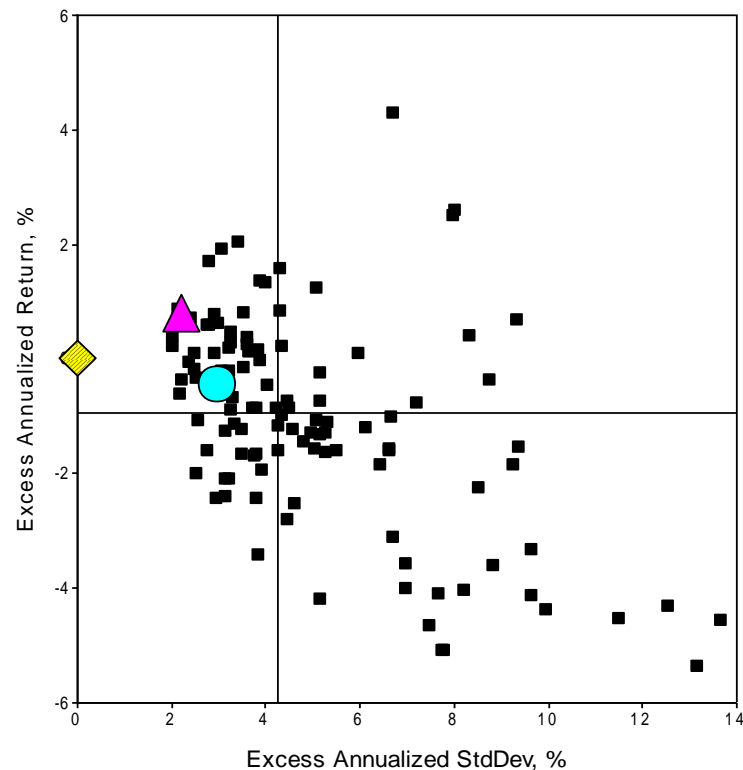
WPERP High Yield Manager Comparisons as of March 31, 2011

5-Year Total Risk/Return



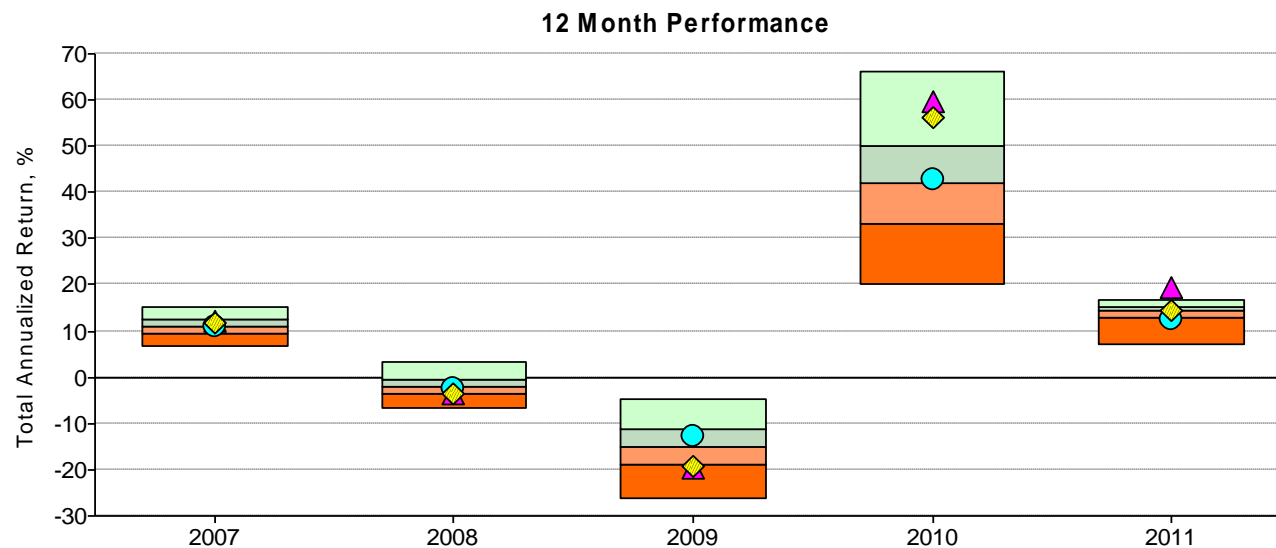
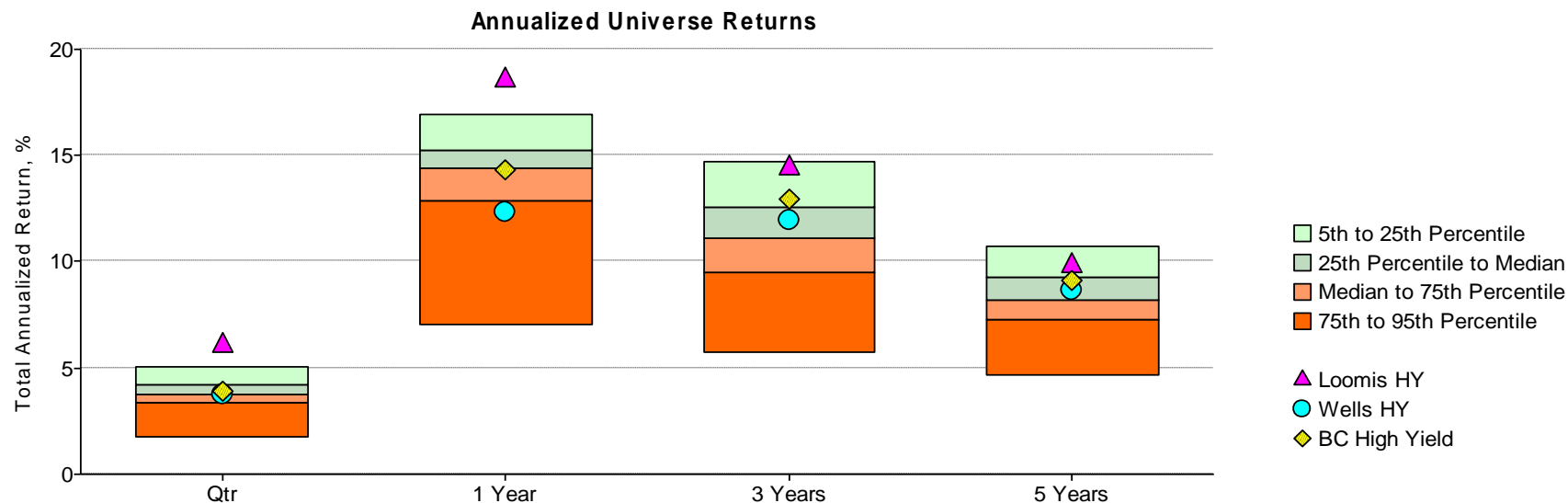
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Loomis HY	9.83	13.67	0.72
Wells HY	8.69	11.01	0.79
BC High Yield	9.12	13.66	0.67
U.S. High Yield Universe Median	8.20	11.06	0.76

5-Year Excess Risk/Return



	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Loomis HY	0.70	2.22	0.32
Wells HY	-0.43	2.97	-0.15
BC High Yield	0.00	0.00	NA
U.S. High Yield Universe Median	-0.93	4.24	-0.20

WPERP High Yield Manager Comparisons as of March 31, 2011





APPENDIX

MANAGERS WATCH CRITERIA

Asset Class	Short-term (Rolling 12 mth periods)	Medium-term (Rolling 36 mth periods)	Long-term
Active Domestic Equity	Portfolio Return < Benchmark Return – 3.0% at 2 consecutive calendar qtr end dates.	Portfolio Annlzd. Return < Benchmark Annlzd. Return – 1.5% at 2 consecutive calendar qtr end dates.	VRR < 0.98 at 2 consecutive calendar qtr end dates.
Passive Domestic Equity	Tracking Error > 0.35% at 2 consecutive calendar qtr end dates	Tracking Error > 0.20% at 2 consecutive calendar qtr end dates.	Portfolio Annlzd. Return < Benchmark Annlzd. Return –0.10% at 2 consecutive calendar qtr end dates.
Active International Equity	Portfolio Return < Benchmark Return – 4.5% at 2 consecutive calendar qtr end dates.	Portfolio Annlzd. Return < Benchmark Annlzd. Return – 2.5% for 2 consecutive calendar qtr end dates.	VRR < 0.98 at 2 consecutive calendar qtr end dates.
Active Fixed Income	Portfolio Return < Benchmark Return – 1.0% at 2 consecutive calendar qtr end dates.	Portfolio Annlzd. Return < Benchmark Annlzd. Return – 0.6% at 2 consecutive calendar qtr end dates.	VRR < 0.99 at 2 consecutive calendar qtrs.
Fund of Hedge Funds (Real Return)	Portfolio Return < Benchmark Return – 3.5% at 2 consecutive calendar qtr end dates.	Portfolio Annlzd. Return < Benchmark Annlzd. Return – 2.5% at 2 consecutive calendar qtr end dates.	VRR < 1.00 at 2 consecutive calendar qtr end dates.
Global Inflation Linked Securities (Real Return)	Portfolio Return < Benchmark Return – 2.0% at 2 consecutive calendar qtr end dates.	Portfolio Annlzd. Return < Benchmark Annlzd. Return – 1.5% at 2 consecutive calendar qtr end dates.	VRR < 0.99 at 2 consecutive calendar qtr end dates.

*All portfolio returns are gross of manager fees.

SUMMARY OF WPERP RETIREMENT PLAN PORTFOLIO TRANSITIONS

Manager	Mandate	Funded	Terminated
2003			
BlackRock (formerly Merrill Lynch)	Passive Core	3Q 2003	
Northern Trust	Passive Core	3Q 2003	1Q 2005
2004			
Fred Alger	Large Cap Growth	1Q 2004	---
Intech	Large Cap Growth	1Q 2004	3Q 2009
MFS	Large Cap Value	1Q 2004	---
T. Rowe Price	Large Cap Value	3Q 2004	---
Invesco	International	2Q 2004	---
ING/Aeltus	Core Fixed Income	3Q 2004	4Q 2009
Wells Capital	Core Fixed Income	3Q 2004	---
Bank of New York	Small Cap Growth	4Q 2004	1Q 2006
Earnest Partners	Small Cap Value	4Q 2004	---
Pyramis (formerly Fidelity)	International	4Q 2004	---
Wells Capital	High Yield	4Q 2004	---
2005			
Boston Company	International	1Q 2005	---
Loomis Sayles	High Yield	1Q 2005	---
Boston Company	Emerging Markets	1Q 2005	---
T. Rowe Price	Emerging Markets	1Q 2005	---
Boston Company	Large cap Active	---	1Q 2005
2006			
Lexington VI	Private Equity	3Q 2006	---
Northpointe	Small Cap Growth	3Q 2006	2Q 2009
Paradigm	Small Cap Growth	3Q 2006	1Q 2010
Landmark XIII	Private Equity	4Q 2006	---
Prisa	Real Estate	4Q 2006	---
2007			
Aetos	Hedge Fund	1Q 2007	---
PAAMCO	Hedge Fund	1Q 2007	4Q 2010
Prisa II	Real Estate	2Q 2007	---
JPM Strategic	Real Estate	3Q 2007	---
2008			
HRJ	Private Equity	1Q 2008	---
Fisher Lynch	Private Equity	2Q 2008	---
CB Richard Ellis	Real Estate	2Q 2008	---
Landmark XIV	Private Equity	3Q 2008	---
2009			
Oaktree V	Private Equity	1Q 2009	---

(Continued)

Manager	Mandate	Funded	Terminated
2010			
Mesa West	Real Estate	1Q 2010	---
Lexington VII	Private Equity	1Q 2010	---
T. Rowe Price	Large Cap Growth	2Q 2010	---
Frontier	Small Cap Growth	2Q 2010	---
JP Morgan	Core Fixed Income	2Q 2010	---
WAMCO	GILS	2Q 2010	---
2011			
EnergyCap VIII	Private Equity	1Q 2011	---
Audax Mezz III	Private Equity	1Q 2011	---

WPERP RETIREMENT PLAN POLICY BENCHMARK DESCRIPTION

Time Period	Policy Benchmarks
Thru 3/31/2003	30% Citigroup BIG 60% S&P 500 10% Citigroup T-Bill
4/1/2003-12/31/2006	35% BC Universal 40% Russell 3000 15% MSCI ACWI ex U.S. 1% T-Bill <i>The Plan had allocated 5% to Alternatives and 4% to Real Estate asset classes. Since both of these asset classes were not funded until 1Q 2007, the policy benchmark was calculated on a pro-weighted basis (on total of 91%) during this period.</i>
1/1/2007-2/28/2007	35% BC Universal 40% Russell 3000 15% MSCI ACWI ex U.S. 4% NCREIF Lag 4.25% Cambridge U.S. Private Equity Lag , 0.75% Cambridge U.S. Venture Capital Lag 1% T-Bill
3/1/2007-6/30/2008	35% BC Universal 40% Russell 3000 15% MSCI ACWI ex U.S. 4% NCREIF Lag 3.4% Cambridge U.S. Private Equity Lag , 0.60% Cambridge U.S. Venture Capital Lag 1% T-Bill + 3% Lag 1% T-Bill
7/1/2008-6/30/2009	30% BC Universal 40% Russell 3000 24% MSCI ACWI ex U.S. IMI 2% NCREIF Lag 0.85% Cambridge U.S. Private Equity Lag , 0.15% Cambridge U.S. Venture Capital Lag 2% T-Bill + 3% Lag 1% T-Bill
7/1/2009-9/30/2010	40% BC Universal 33% Russell 3000 17% MSCI ACWI ex U.S. IMI 3% NCREIF Lag 1.70% Cambridge U.S. Private Equity Lag , 0.30% Cambridge U.S. Venture Capital Lag 3% T-Bills + 3% Lag 2% T-Bill
10/1/2010-6/30/2011	33% BC Universal 34% Russell 3000 20% MSCI ACWI ex U.S. IMI 4% NCREIF Lag 2.55% Cambridge U.S. Private Equity Lag , 0.45% Cambridge U.S. Venture Capital Lag 5% T-Bills + 3% Lag (will change to CPI + 4% Lag effective 1/1/2011) 1% T-Bill

WPERP HEALTH PLAN POLICY BENCHMARK DESCRIPTION

Time Period	Policy Benchmarks
Thru 9/30/2009	60% Russell 1000 40% BC Aggregate Bond
10/1/2009-6/30/2010	45% BC Universal 37% Russell 3000 15% MSCI ACWI ex U.S. IMI 0% NCREIF Lag 0.85% Cambridge U.S. Private Equity Lag , 0.15% Cambridge U.S. Venture Capital Lag 0% T-Bill + 3% Lag 2% T-Bill <i>The Plan had allocated 3% to Real Return and 3% to Real Estate asset classes. Since both of these asset classes were not funded until 3Q 2009, the policy benchmark was calculated on a pro-weighted basis (on total of 94%) during this period.</i>
7/1/2010-6/30/2011	42% BC Universal 34% Russell 3000 18% MSCI ACWI ex U.S. IMI 0% NCREIF Lag 0.85% Cambridge U.S. Private Equity Lag , 0.15% Cambridge U.S. Venture Capital Lag 3% T-Bill + 3% Lag 2% T-Bill

Performance Attribution - the process of comparing a portfolio's performance with its benchmark, and identify and quantify sources of differential returns (also called active returns).

Differential Returns / Active Returns / Value Added – The difference between the return on a portfolio and the return on the benchmark.

Impact on Return

Attribution Segment	Definition	Formula	Where:
Weighting (also called allocation, sector allocation, or pure sector allocation)	The effects of portfolio manager decisions to over/underweight each sector	Allocation $(w_i - W_i) \times (b_i - b)$	w_i = portfolio segment weight W_i = benchmark segment weight b_i = benchmark segment return b = total benchmark return
Selection (also called within-sector selection)	The effects of portfolio manager decision to buy specific securities	Selection $(r_i - b_i) \times W_i$	r_i = portfolio segment return b_i = benchmark segment return W_i = benchmark segment weight
Interaction (also called allocation/selection interaction)	The effects of portfolio managers decisions to security selection can inadvertently cause sector over/underweighting.	Interaction $(r_i - b_i) \times (w_i - W_i)$	r_i = portfolio segment return b_i = benchmark segment return w_i = portfolio segment weight W_i = benchmark segment weight



GLOSSARY OF TERMS

Alpha - The premium an investment earns above a set standard. This is usually measured in terms of a common index (i.e., how the stock performs independent of the market). An Alpha is usually generated by regressing a security's excess return on the S&P 500 excess return.

Annualized Performance - The annual rate of return that when compounded t times generates the same t -period holding return as actually occurred from period 1 to period t .

Batting Average - Percentage of periods a portfolio outperforms a given index.

Beta - The measure of an asset's risk in relation to the Market (for example, the S&P 500) or to an alternative benchmark or factors. Roughly speaking, a security with a Beta of 1.5 will have moved, on average, 1.5 times the market return.

Bottom-up - A management style that de-emphasizes the significance of economic and market cycles, focusing instead on the analysis of individual stocks.

Dividend Discount Model - A method to value the common stock of a company that is based on the present value of the expected future dividends.

Growth Stocks - Common stock of a company that has an opportunity to invest money and earn more than the opportunity cost of capital.

Information Ratio - The ratio of annualized expected residual return to residual risk. A central measurement for active management, value added is proportional to the square of the information ratio.

R-Squared - Square of the correlation coefficient. The proportion of the variability in one series that can be explained by the variability of one or more other series a regression model. A measure of the quality of fit. 100% R-square means perfect predictability.

Standard Deviation - The square root of the variance. A measure of dispersion of a set of data from its mean.

Sharpe Ratio - A measure of a portfolio's excess return relative to the total variability of the portfolio.

Style Analysis - A returns-based analysis using a multi-factor attribution model. The model calculates a product's average exposure to particular investment styles over time (i.e., the product's normal style benchmark).

Top-down - Investment style that begins with an assessment of the overall economic environment and makes a general asset allocation decision regarding various sectors of the financial markets and various industries.

Tracking Error - The standard deviation of the difference between the performance of a portfolio and an appropriate benchmark.

Turnover - For mutual funds, a measure of trading activity during the previous year, expressed as a percentage of the average total assets of the fund. A turnover rate of 25% means that the value of trades represented one-fourth of the assets of the fund.

Value Stocks - Stocks with low price/book ratios or price/earnings ratios. Historically, value stocks have enjoyed higher average returns than growth stocks (stocks with high price/book or P/E ratios) in a variety of countries.



DEFINITION OF BENCHMARKS

BC Aggregate: an index comprised of approximately 6,000 publicly traded investment-grade bonds including U.S. Government, mortgage-backed, corporate, and yankee bonds with an approximate average maturity of 10 years.

BC High Yield: covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds (PIKs, as of October 1, 2009) are also included. Must be rated high-yield (Ba1/BB+ or lower) by at least two of the following ratings agencies: Moody's, S&P, Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. All issues must have at least one year to final maturity regardless of call features and have at least \$150 million par amount outstanding.

BC Multiverse Non-US Hedged: provides a broad-based measure of the international fixed-income bond market. The index represents the union of the BC Global Aggregate Index and the BC Global High Yield Index. In this sense, the term "Multiverse" refers to the concept of multiple universes in a single macro index.

BC U.S. Credit: includes publicly issued U.S. corporate and foreign debentures and secured notes that which are rated investment grade or higher by Moody's Investor Services, Standard and Poor's Corporation, or Fitch Investor's Service, with all issues having at least one year to maturity and an outstanding par value of at least \$250 million. Issues must be publicly issued, dollar-denominated and non-convertible.


BC U.S. Government: includes treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year) and agencies (i.e., publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government).

BC Universal: includes market coverage by the Aggregate Bond Index fixed rate debt issues, which are rated investment grade or higher by Moody's Investor Services, Standard and Poor's Corporation, or Fitch Investor's Service, with all issues having at least one year to maturity and an outstanding par value of at least \$100 million) and includes exposures to high yield CMBS securities. All returns are market value weighted inclusive of accrued interest.

Citigroup 3-Month Treasury Bills (T-bills): tracks the performance of U.S. Treasury bills with 3-month maturity.

MSCI ACWI ex US ND: comprises both developed and emerging markets less the United States. As of August 2008, the index consisted of 23 countries classified as developed markets and 25 classified as emerging markets. This series approximates the minimum possible dividend reinvestment. The dividend is reinvested after deduction of withholding tax, applying the rate to non-resident individuals who do not benefit from double taxation treaties. MSCI Barra uses withholding tax rates applicable to Luxembourg holding companies, as Luxembourg applies the highest rates.

MSCI EAFE Free (Europe, Australasia, Far East) ND: is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. This series approximates the minimum possible dividend reinvestment. The dividend is reinvested after deduction of withholding tax, applying the rate to non-resident individuals who do not benefit from double taxation treaties. MSCI Barra uses withholding tax rates applicable to Luxembourg holding companies, as Luxembourg applies the highest rates.



MSCI EM (Emerging Markets) GD: is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. This series approximates the maximum possible dividend reinvestment. The amount reinvested is the entire dividend distributed to individuals resident in the country of the company, but does not include tax credits.

MSCI Europe is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. As of June 2007, this index consisted of the following 16 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

MSCI Pacific is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. As of June 2007, this index consisted of the following 5 Developed Market countries: Australia, Hong Kong, Japan, New Zealand, and Singapore.

NAREIT Index: consists of all tax-qualified REITs listed on the New York Stock Exchange, American Stock Exchange, and the NASDAQ National Market System. The data is market weighted.

NCREIF Property Index: the NPI contains investment-grade, non-agricultural, income-producing properties which may be financed in excess of 5% gross market value; were acquired on behalf of tax exempt institutions; and are held in a fiduciary environment. Returns are gross of fees; including income, realized gains/losses, and appreciation/depreciation; and are market value weighted. Index is lagged one quarter.

Russell 1000: measures the performance of the 1,000 largest securities in the Russell 3000 Index. Russell 1000 is highly correlated with the S&P 500 Index and capitalization-weighted.

Russell 1000 Growth: measures the performance of those Russell 1000 securities with a greater-than-average growth orientation. Securities in this index tend to exhibit higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values than the Value universe.

Russell 1000 Value: measures the performance of those Russell 1000 securities with a less-than-average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values than the Growth universe.

Russell 2000: measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

Russell 2000 Growth: measures the performance of those Russell 2000 securities with a greater-than-average growth orientation. Securities in this index tend to exhibit higher price-to-book and price-to-earnings ratios.

Russell 2000 Value: measures the performance of those Russell 2000 securities with a less-than-average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-to-earnings ratios.

Russell 3000: represents the largest 3,000 US companies based on total market capitalization, representing approximately 98% of the investable US equity market.

US Equity Markets:

Metric: $P/E \text{ ratio} = \text{Price} / \text{"Normalized" earnings for the S\&P 500 Index}$


To represent the price of US equity markets, we have chosen the S&P 500 index. This index has the longest published history of price, is well known, and also has reliable, long-term, published quarterly earnings. The price= P of the P/E ratio is the current price of the market index (the average daily price of the most recent full month for the S&P 500 index). Equity markets are very volatile. Prices fluctuate significantly during normal times and extremely during periods of market stress or euphoria. Therefore, developing a measure of earnings power (E) which is stable is vitally important, if the measure is to provide insight. While equity prices can and do double, or get cut in half, real earnings power does not change nearly as much. Therefore, we have selected a well known measure of real, stable earnings power developed by Yale Professor Robert Shiller known as the Shiller E-10. The calculation of E-10 is simply the average real annual earnings over the past 10 years. Over 10 years, the earnings shenanigans and boom and bust levels of earnings tend to even out (and often times get restated). Therefore, this earnings statistic gives a reasonably stable, slow-to-change estimate of average real earnings power for the index. Professor Shiller's data and calculation of the E-10 are available on his website at <http://www.econ.yale.edu/~shiller/data.htm>. We have used his data as the base for our calculations. Details of the theoretical justification behind the measure can be found in his book *Irrational Exuberance* [Princeton University Press 2000, Broadway Books 2001, 2nd ed., 2005].

Developed Equity Markets Excluding the US:

Metric: $P/E \text{ ratio} = \text{Price} / \text{"Normalized" earnings for the MSCI EAFE Index}$

To represent the price of non-US developed equity markets, we have chosen the MSCI EAFE index. This index has the longest published history of price for non-US developed equities. The price= P of the P/E ratio is the current price of the market index (the average daily price of the most recent full month for the MSCI EAFE index). The price level of this index is available starting in December 1969. Again, for the reasons described above, we elected to use the Shiller E-10 as our measure of earnings (E). Since 12/1972, a monthly price earnings ratio is available from MSCI. Using this quoted ratio, we have backed out the implied trailing-twelve month earnings of the EAFE index for each month from 12/1972 to the present. These annualized earnings are then inflation adjusted using CPI-U to represent real earnings in US dollar terms for each time period. The Shiller E-10 for the EAFE index (10 year average real earnings) is calculated in the same manner as detailed above.

However, we do not believe that the pricing and earnings history of the EAFE markets are long enough to be a reliable representation of pricing history for developed market equities outside of the US. Therefore, in constructing the Long-Term Average Historical P/E for developed ex-US equities for comparison purposes, we have elected to use the US equity market as a developed market proxy, from 1881 to 1982. This lowers the Long-Term Average Historical P/E considerably. We believe this methodology provides a more realistic historical comparison for a market with a relatively short history.



Emerging Market Equity Markets:

Metric: Ratio of Emerging Market P/E Ratio to Developed Market P/E Ratio

To represent the Emerging Markets P/E Ratio, we have chosen the MSCI Emerging Market Free Index, which has P/E data back to January 1995 on Bloomberg. To represent the Developed Markets PE Ratio, we have chosen the MSCI World Index, which also has data back to January 1995 on Bloomberg. Although there are issues with published, single time period P/E ratios, in which the denominator effect can cause large movements, we feel that the information contained in such movements will alert investors to market activity that they will want to interpret.

US Private Equity Markets:

Metrics: S&P LCD Average EBITDA Multiples Paid in LBOs and US Quarterly Deal Volume

The Average Purchase Price to EBITDA multiples paid in LBOs is published quarterly by S&P in their LCD study. This is the total price paid (both equity and debt) over the trailing-twelve month EBITDA (earnings before interest, taxes, depreciation and amortization) as calculated by S&P LCD. This is the relevant, high-level pricing metric that private equity managers use in assessing deals. Data is published monthly.


US quarterly deal volume for private equity is the total deal volume in \$ billions (both equity and debt) reported in the quarter by Thomson Reuters Buyouts. This metric gives a measure of the level of activity in the market. Data is published quarterly.

U.S Private Real Estate Markets:

Metrics: US Cap rates and Transactions as a % of Market Value Trailing-Four Quarters

Real estate cap rates are a measure of the price paid in the market to acquire properties versus their annualized income generation before financing costs (NOI=net operating income). The date is published by NCREIF. We chose to use current value cap rate. These are capitalization rates from properties that were revalued during the quarter. While this data does rely on estimates of value and therefore tends to be lagging, (estimated prices are slower to rise and slow to fall than transaction prices), the data series goes back to 1979, providing a long data series for valuation comparison. Data is published quarterly.

Transactions as a % of Market Value Trailing-Four Quarters is a measure of property turnover activity in the NCREIF Universe. This metric is a measure of activity in the market. Data is published quarterly.



Credit Markets US Fixed Income:

Metric: Spreads

The absolute level of spreads over treasuries and spread trends (widening / narrowing) are good indicators of credit risk in the fixed income markets. Spreads incorporate estimates of future default, but can also be driven by technical dislocations in the fixed income markets. Abnormally narrow spreads (relative to historical levels) indicate higher levels of valuation risk, wide spreads indicate lower levels of valuation risk and / or elevated default fears. Investment grade bond spreads are represented by the Barclays Capital US Corporate Investment Grade Index Intermediate Component. The high yield corporate bond spreads are represented by the Barclays Capital US Corporate High Yield Index.

Measure of Equity Market Fear / Uncertainty


Metric: VIX – Measure of implied option volatility for U.S. equity markets

The VIX is a key measure of near-term volatility conveyed by implied volatility of S&P 500 index option prices. VIX increases with uncertainty and fear. Stocks and the VIX are negatively correlated. Volatility tends to spike when equity markets fall.

Measure of Monetary Policy

Metric: Yield Curve Slope

We calculate the yield curve slope as the 10 year treasury yield minus the 1 year treasury yield. When the yield curve slope is zero or negative, this is a signal to pay attention. A negative yield curve slope signals lower rates in the future, caused by a contraction in economic activity. Recessions are typically preceded by an inverted (negatively sloped) yield curve. A very steep yield curve (2 or greater) indicates a large difference between shorter-term interest rates (the 1 year rate) and longer-term rates (the 10 year rate). This can signal expansion in economic activity in the future, or merely higher future interest rates.



Measures of US Inflation Expectations

Metrics: Breakeven Inflation and Inflation Adjusted Commodity Prices

Inflation is a very important indicator impacting all assets and financial instruments. Breakeven inflation is calculated as the 10 year nominal treasury yield minus the 10 year real yield on US TIPS (treasury inflation protected securities). Abnormally low long-term inflation expectations are indicative of deflationary fears. A rapid rise in breakeven inflation indicates an acceleration in inflationary expectations as market participants sell nominal treasuries and buy TIPS. If breakeven inflation continues to rise quarter over quarter, this is a signal of inflationary worries rising, which may cause Fed action and / or dollar decline.

Commodity price movement (above the rate of inflation) is an indication of anticipated inflation caused by real global economic activity putting pressure on resource prices. We calculate this metric by adjusted in the Dow Jones UBS Commodity Index (formerly Dow Jones AIG Commodity Index) by US CPI-U. While rising commodity prices will not necessarily translate to higher US inflation, higher US inflation will likely show up in higher commodity prices, particularly if world economic activity is robust.

These two measures of anticipated inflation can, and often are, conflicting.

Measures of US Treasury Bond Interest Rate Risk

Metrics: 10-Year Treasury Forward-Looking Real Yield and 10-Year Treasury Duration

The expected annualized real yield of the 10 year U.S. Treasury Bond is a measure of valuation risk for U.S. Treasuries. A low real yield means investors will accept a low rate of expected return for the certainty of receiving their nominal cash flows. PCA estimates the expected annualized real yield by subtracting an estimate of expected 10 year inflation (produced by the Survey of Professional Forecasters as collected by the Federal Reserve Bank of Philadelphia), from the 10 year Treasury constant maturity interest rate.

Duration for the 10-Year Treasury Bond is calculated based on the current yield and a price of 100. This is a measure of expected percentage movements in the price of the bond based on small movements in percentage yield. We make no attempt to account for convexity.

Definition of “extreme” metric readings

A metric reading is defined as “extreme” if the metric reading is in the top or bottom decile of its historical readings. These “extreme” reading should cause the reader to pay attention. These metrics have reverted toward their mean values in the past.