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Water and Power Employees' Retirement Plan Investment Portfolio:

Quarterly Report Executive Summary

June 30, 2009

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RETIREMENT PORTFOLIO SUMMARY

As of June 30, 2009, the WPERP Total Retirement Portfolio had an aggregate value of \$5.7 billion. This represents a \$523.4 million increase in value over the last quarter. During the previous one-year period, the WPERP Total Portfolio decreased by (\$1,235.8) million. This significant volatility reflects the impact of the recent economic crisis and the recent fledgling signs of some form of near-term recovery.

Asset Allocation Trends

The asset allocation targets (see table on page 14) reflect the allocation targets for the 2008-2009 fiscal year.

As of June 30, 2009, the portfolio had a 48% allocation in Equities, 45% in Fixed Income, 1% in both Real Return and Private Equity, 2% in Real Estate, and 3% in Cash. During the latest quarter, the actual weightings of International Equity increased by 2.0% while Fixed Income decreased (2.0%). Other asset classes were unchanged. These shifts have reflected declines in global investment market values, as opposed to intentional shifts in allocation.

Recent Investment Performance Trends

The WPERP Total Portfolio has outperformed its policy benchmark over the trailing 1-, 3-, and 10-year periods, but trailed it over the most recent quarter and the latest 5-year period by (3.1%) and (0.2%), respectively. The Plan's Domestic and International Equity portfolios both underperformed their respective benchmarks during the current quarter. Over the longer-term periods, the Total Portfolio benefited from good relative performance from the Plan's public equity portfolios, as well as their below-target allocations which benefited relative performance as both asset classes experienced huge losses in 2008.

The Total Portfolio trailed the median fund over the latest 5- and 10-year periods. Underperformance during the longer-term periods can be attributed to differences in asset allocation versus the median fund.

Recent Investment Performance Total Retirement

| | Quarter | 1 Year | 3 Year | 5 Year | 10 Year |
|---------------------------|-------------|------------|------------|-------------|------------|
| Total Portfolio* | 11.1 | -15.1 | -1.8 | 2.1 | 2.8 |
| Policy Benchmark | 14.2 | -17.0 | -1.9 | 2.3 | 2.2 |
| Excess Return | -3.1 | 1.9 | 0.1 | -0.2 | 0.6 |
| Reference: Median Fund** | 11.1 | -17.8 | -2.7 | 2.4 | 3.4 |
| Reference: Net of Fees*** | 11.0 | -15.3 | -2.0 | 1.9 | 2.6 |

*Gross of Fees

**Mellon Total Funds Public Universe

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

Economic Review

Economic Growth – Preliminary readings show that the U.S. economy decreased at an annual rate of (1.0%) during the second quarter of 2009. The decrease in real GDP in the second quarter primarily reflected negative contributions from nonresidential fixed investment, personal consumption expenditures, residential fixed investment, private inventory investment, and exports that were partly offset by positive contributions from federal government spending and state and local government spending.

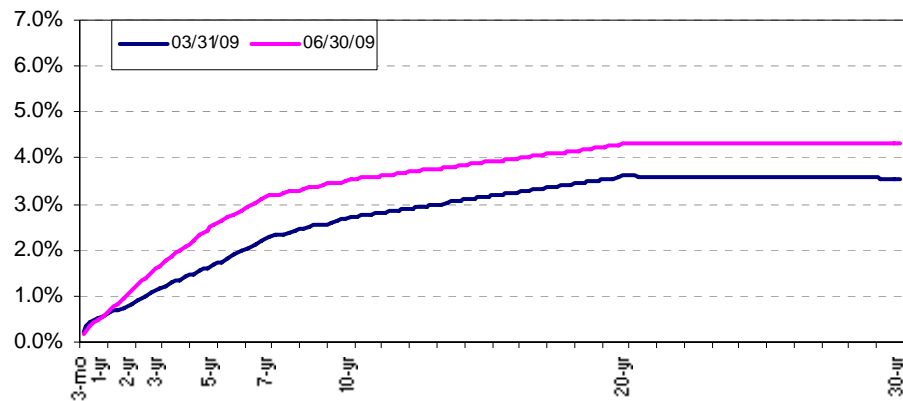
Inflation – The Consumer Price Index for All Urban Consumers (CPI-U) increased 3.3 percent in the quarter on an annualized basis, after seasonal adjustment. Core CPI-U increased 2.4 percent for the quarter. Year-to-date seasonally adjusted CPI-U increased 2.7 percent which compares with a 0.1 percent increase in all of 2008.

U.S. Dollar – During the second quarter of 2009, the Yen appreciated 2.3% against the dollar, the Euro appreciated 5.3% versus the dollar, and the Sterling appreciated 13.0% against the U.S. Dollar.

Unemployment – The U.S. economy shed 467,000 jobs in June while the unemployment rate increased to 9.5 percent. In the quarter, job losses were large and widespread across the major industry sectors with large declines occurring in manufacturing, professional and business services, and construction. Since the recession began in December 2007, the number of unemployed persons has increased by 7.2 million, and the unemployment rate has risen by 4.6 percentage points.

Domestic Interest Rates – U.S. Treasury rates increased across the maturity spectrum during the most recent quarter, however, rates remained low by historical standards. Since the December 16, 2008 meeting, the Federal Reserve has maintained a target range for the Federal Funds rate of 0.00% to 0.25%. The Federal Reserve announced plans to continue planned asset purchases and a commitment to keep interest rates low for a considerable time. These steps were taken to help improve conditions in private credit markets and to subdue a rise in long-term Treasury rates. Counterbalancing downward pressure on rates generated from the aforementioned Federal Reserve's purchases is a considerable increase in the supply of Treasury Securities as the Treasury attempts to finance copious government deficits.

Treasury Yield Curve Changes



Source: U.S. Treasury Department

Market Overview

Capital Market Highlights¹ – Latest Quarter Ending June 30, 2009

During the quarter, Equity Markets reversed course and posted gains...

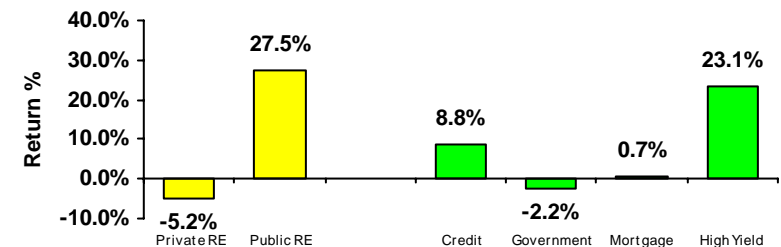
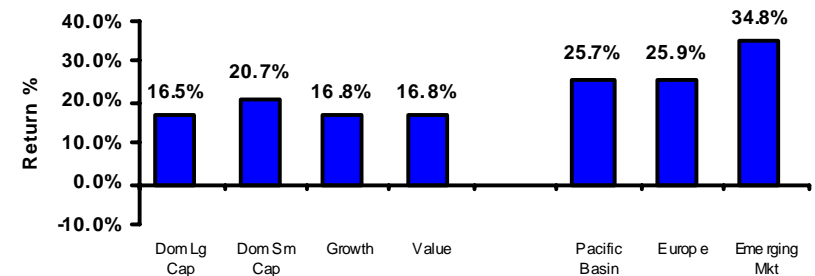
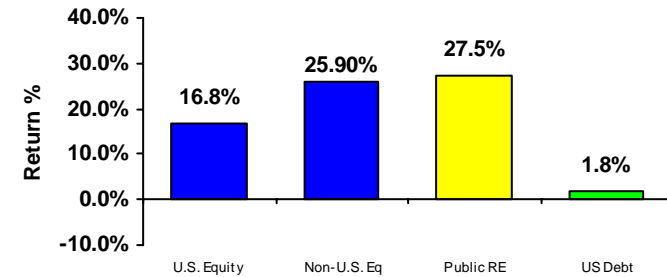
- Domestic and foreign equities posted double digit gains for the quarter led by financials.
- U.S. Debt remained flat for the quarter despite a drop in Treasury Securities.
- Public Real Estate rebounded strongly as fear subsided.

...with Emerging Markets leading the rally...

- Small Cap U.S. Equities outperformed Large Cap Equities as markets rebounded off their lows.
- Growth and Value posted identical returns.
- Emerging Markets remained strong despite sluggish export growth.

...while Fixed Income investors continue to move out on the risk curve.

- The Federal Reserve programs, notably TALF, helped narrow risk premiums across fixed income assets.
- Investors responded to compelling yields in the High Yield end of the market.

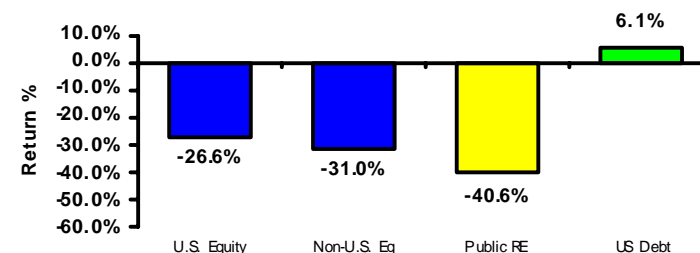


¹ See Appendix for benchmarks used in this section.

Capital Market Highlights¹ – Latest Year Ending June 30, 2009

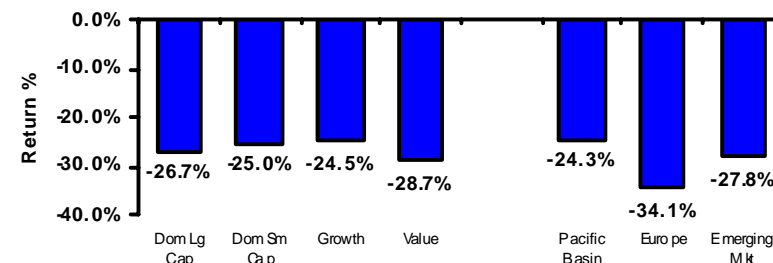
U.S. Fixed Income continued to post positive returns...

- The U.S. Equity markets outperformed non-U.S. Equity markets as signs of stabilization appear.
- The U.S. economy shed more jobs in recent quarters bringing the unemployment rate up to 9.5% the highest reading since 1983.



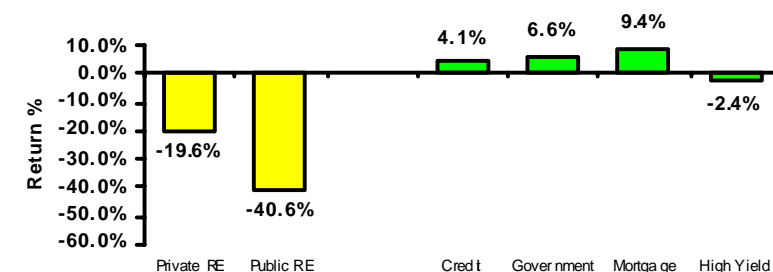
...while all Equity Markets provided dismal returns...

- Steep declines across the board for Non-U.S. Equities and all Domestic Equity subcomponents.
- Unprecedented stimulus efforts from around the world signaled a global response to the credit crisis.
- Asian Equities have fared better than European Equity markets.



...and Government-backed Mortgage Fixed Income supplied strong returns.

- A flight to safety has driven the price up on Government-backed Mortgages and Government Securities.
- Real Estate experienced unprecedented losses forcing many REITS to raise capital.

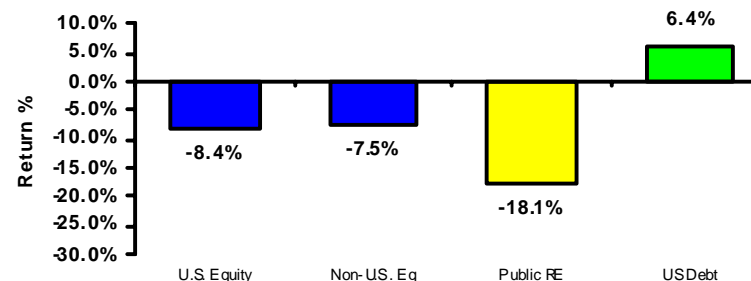


¹ See Appendix for benchmarks used in this section.

Capital Market Highlights¹ – Latest 3 Years Ending June 30, 2009

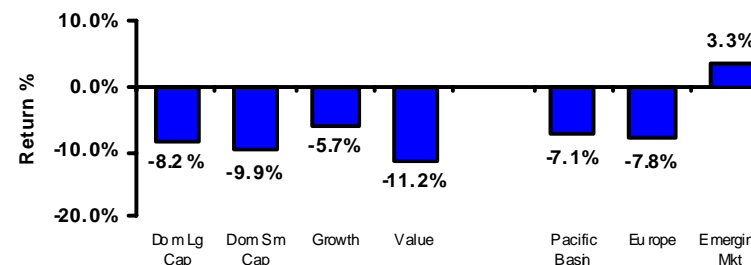
During the latest 3 years, high quality Debt has been the only asset class to post positive returns...

- Non-U.S. equity modestly outperformed Domestic Equity, however both posted negative returns.
- Public Real Estate had negative returns as concerns of overcapacity and lax underwriting weigh on the market.



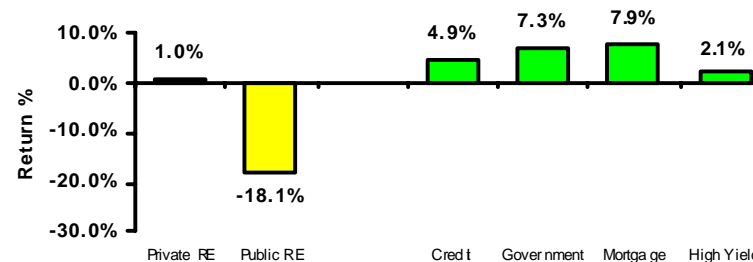
...as the credit crisis took its toll on Equity markets, save Emerging Markets...

- All U.S. Equity components provided negative returns, however Growth has weathered the credit crisis better than other components.
- The Pacific Basin and Europe were hurt by slowing exports demand.
- Value has been particularly hard hit due to its high concentration in financials and cyclicals.



...and Government and Government-backed Mortgages produced strong returns.

- Government Debt and Government-backed Mortgage outpaced all other U.S. Fixed Income segments as investors sought the relative safety.
- The great bull market in Real Estate that started in 2001 came to a zenith in 2006 and has turned ruthlessly negative.

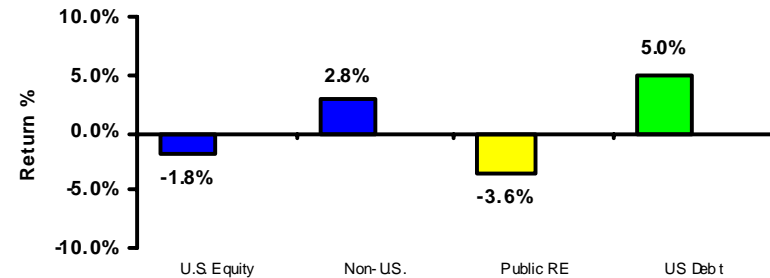


¹ See Appendix for benchmarks used in this section.

Capital Market Highlights¹ – Latest 5 Years Ending June 30, 2009

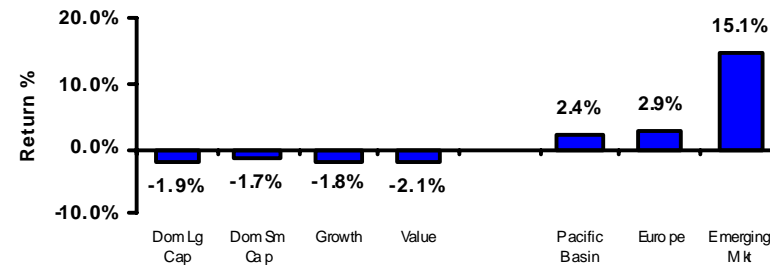
During the latest 5 years, U.S. Fixed Income and Non-U.S. Equity generated positive returns...

- Domestic Equity has posted negative results for the past 5 years as the credit crisis wiped out years of gains.
- Non-U.S. Equity and Fixed Income were able to produce positive results.



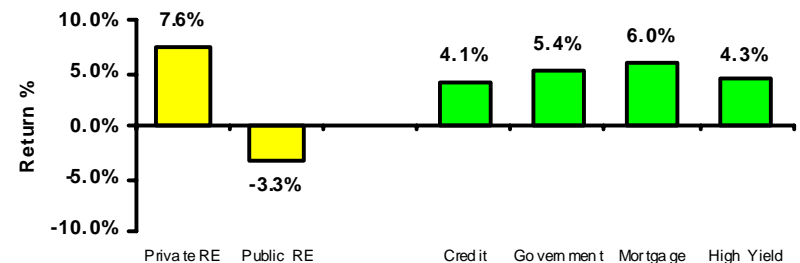
...with Emerging Markets outpacing all other Equity sub-components...

- Non-U.S. Equity posted positive returns while U.S. Equity sub-components returned negative results.
- Emerging Markets benefited from strong growth in BRIC countries and elevated natural resource prices.



...while Debt produced positive results over the latest five years.

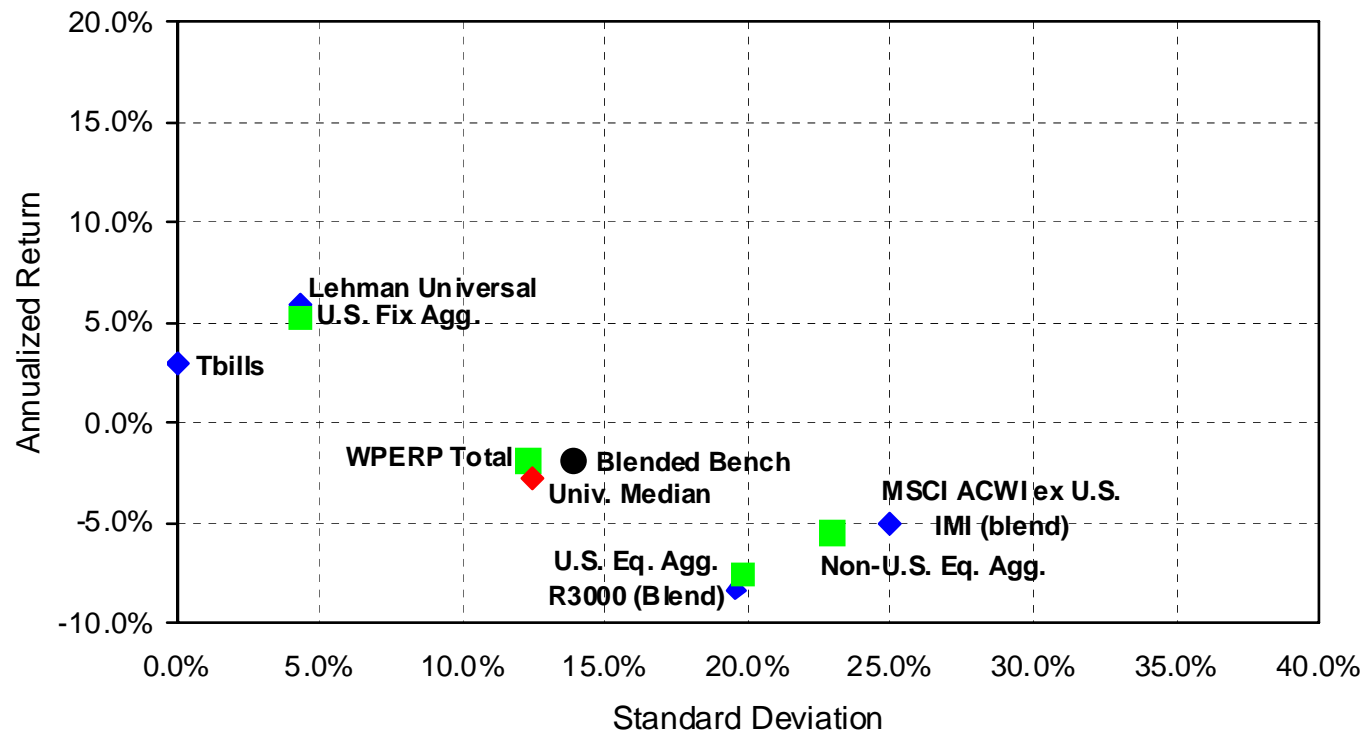
- All fixed income subcomponents posted solid results over the latest 5-year period.



¹ See Appendix for benchmarks used in this section.

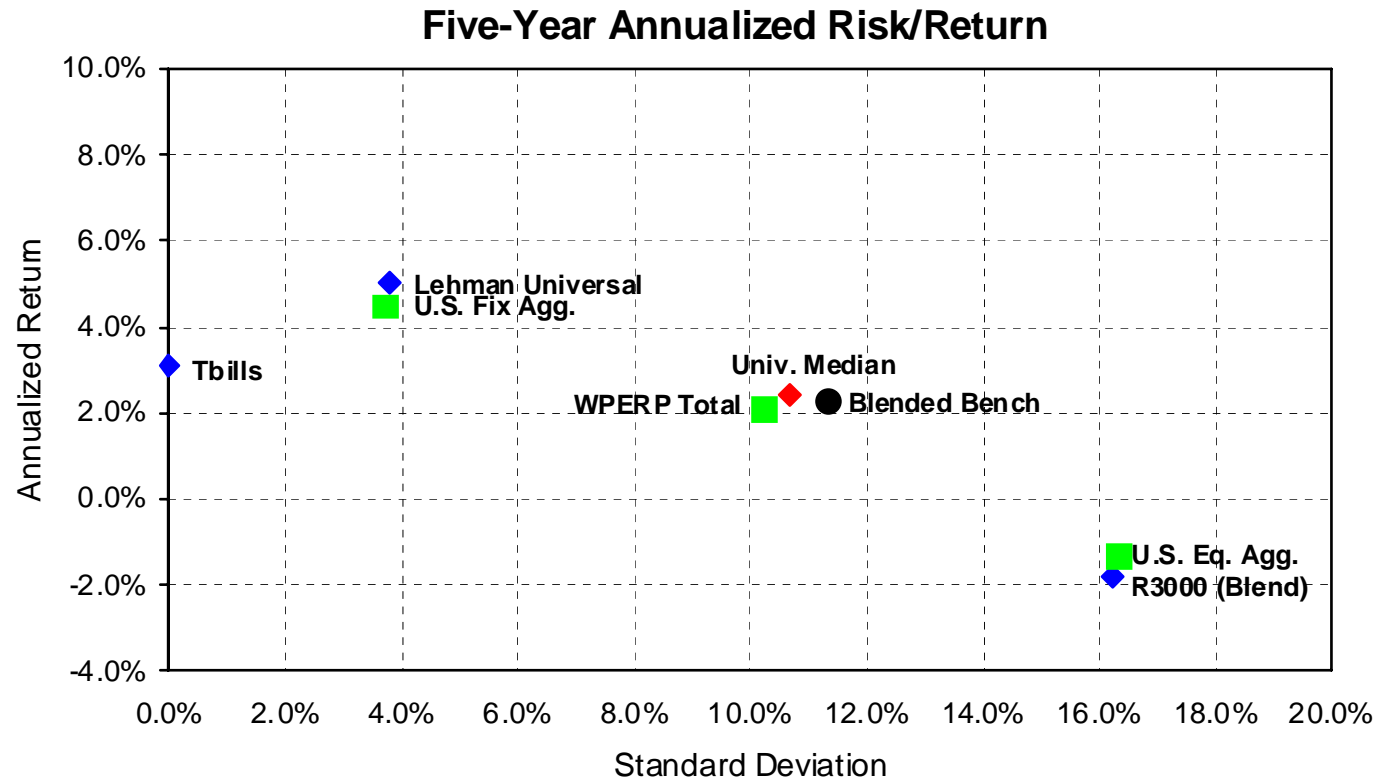
WPERP Risk/Return Analysis
Period ending June 30, 2009

Three-Year Annualized Risk/Return



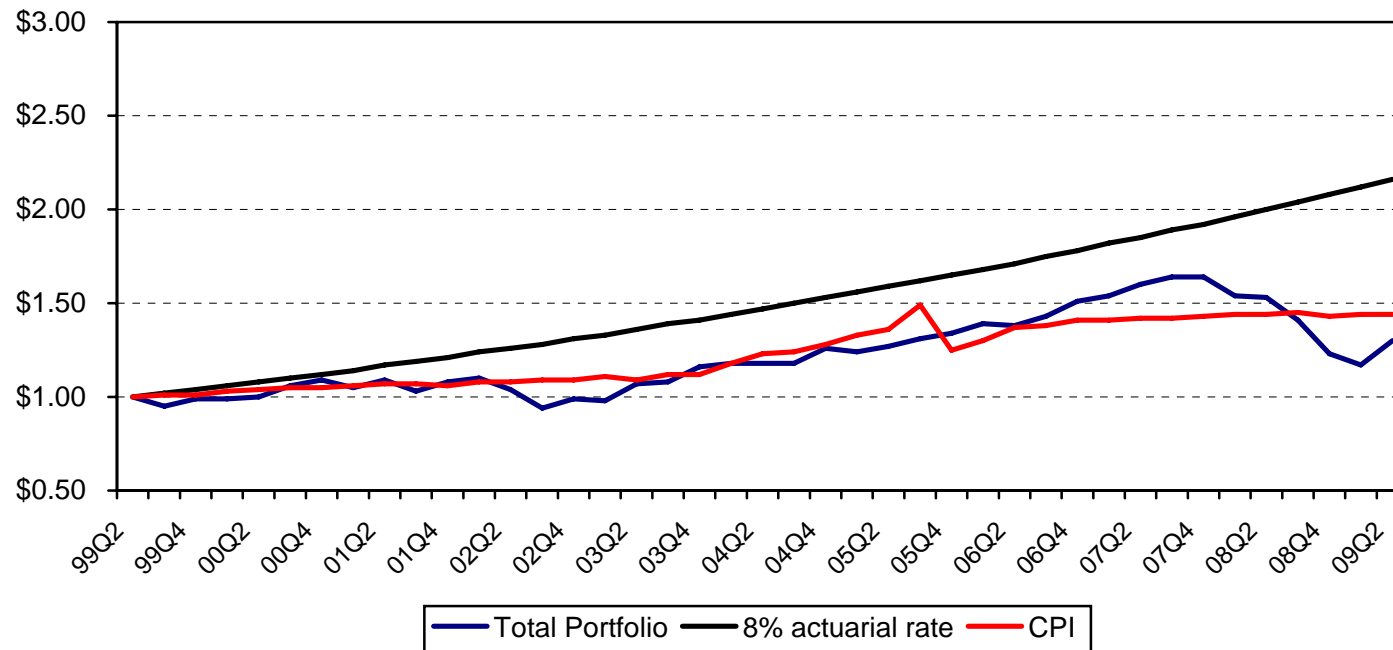
*Median Fund in the Mellon Total Fund Public Universe.

WPERP Risk/Return Analysis Period ending June 30, 2009



*Median Fund in the Mellon Total Fund Public Universe.

Growth of a Dollar-Latest 10 Years Total Portfolio



WPERP PORTFOLIO PERFORMANCE

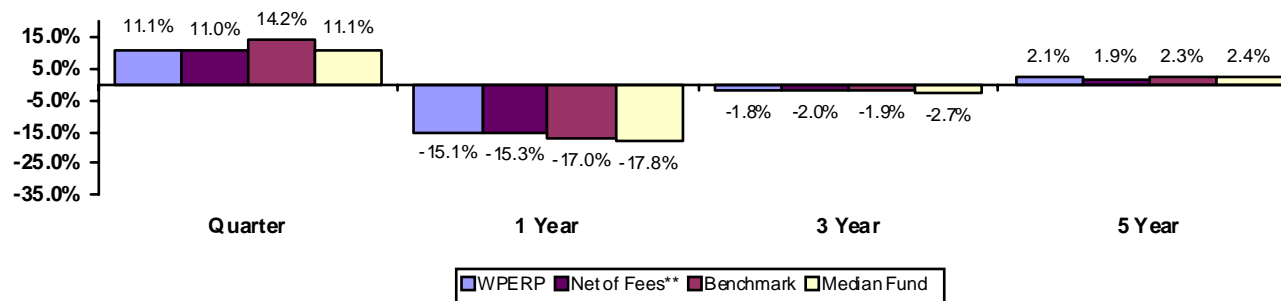
This section includes an overview of the performance of the WPERP investment portfolio and a detailed analysis of asset classes and specific mandates.

Portfolio Performance Overview

The WPERP Total Portfolio has outperformed its policy benchmark over the trailing 1- and 3-year periods, but trailed it over the most recent quarter and the latest 5-year period by (3.1%) and (0.2%), respectively. The Plan's Domestic and International Equity portfolios both underperformed their respective benchmarks during the current quarter. Over the longer-term periods, the Total Portfolio benefited from good relative performance from the Plan's public equity portfolios, as well as their below-target allocations which benefited relative performance as both asset classes experienced huge losses in 2008.

The Total Portfolio only trailed the median fund over the latest 5-year period. Underperformance during the longer-term periods can be attributed to differences in asset allocation versus the median fund.

Periods Ending June 30, 2009 (annualized)*



* WPERP performance reported gross of fees.

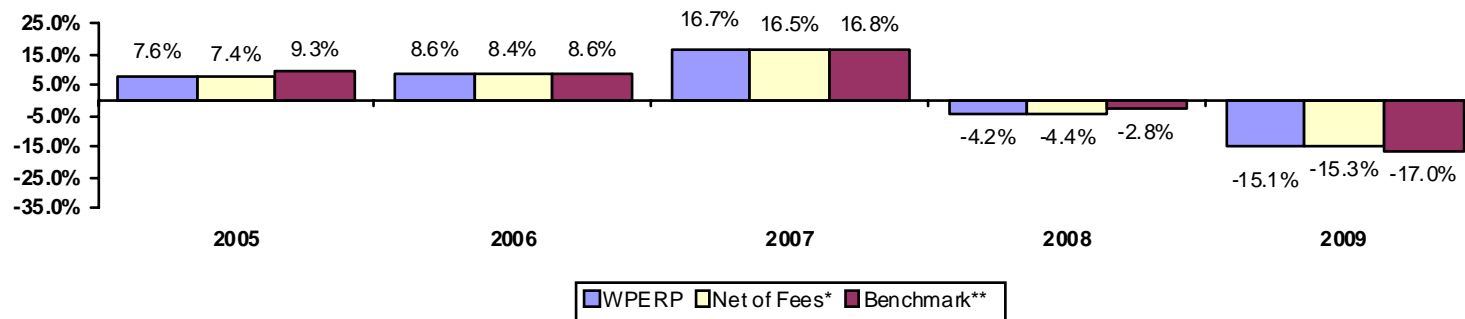
**Net of Fees Performance estimated based on existing WPERP manager fee schedule.

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The Plan generated positive absolute performance results, gross of fees, over three of the five trailing 12-month periods. The Plan outperformed or matched (gross of fees) its policy benchmark in two of the latest five 12-month periods.

12-month Performance – Periods Ending June 30



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

Portfolio Valuation

As of June 30, 2009, the WPERP Total Portfolio had an aggregate value of \$5.7 billion. This represents a \$523.4 million increase in value over last quarter including minus (\$45.4) million in net withdrawals. During the previous one-year period, the WPERP Total Portfolio decreased by (\$1,235.8) million.

Portfolio Valuation as of June 30, 2009, Gross of Fees

| | 2Q 2009 | | 1-Year | | 3-Year | | 5-Year | |
|-------------------------------|-----------|-------|-----------|--------|-----------|-------|-----------|------|
| Beginning Market Value | \$5,142.9 | | \$6,902.1 | | \$6,506.6 | | \$5,958.8 | |
| Net Flow | -45.4 | | -193.6 | | -495.2 | | -945.0 | |
| Investment Return in \$ (in%) | 568.8 | 11.1% | -1,042.2 | -15.1% | -345.1 | -1.8% | 652.5 | 2.1% |
| Ending Market Value | \$5,666.3 | | \$5,666.3 | | \$5,666.3 | | \$5,666.3 | |

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

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

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Actual vs. Target Allocations

With respect to policy targets, the Total Retirement Portfolio ended the latest quarter **overweight Fixed Income and Cash**, while **underweight Domestic Equity, International Equity, and Real Return**. While these target deviations are high by historical standards, not rebalancing back into the public equity classes has protected the system from substantial additional losses.

As of June 30, 2009

| Segment | Actual (\$MM) | Actual % | Target* % | Variance |
|----------------------|---------------|----------|-----------|----------|
| Total Portfolio | 6,468 | 100 | 100 | --- |
| Total Retirement** | 5,666 | 100 | 100 | 0 |
| Domestic Equity | 1,726 | 30 | 40 | -10 |
| International Equity | 1,004 | 18 | 24 | -6 |
| Fixed Income | 2,551 | 45 | 30 | 15 |
| Real Return | 60 | 1 | 2 | -1 |
| Private Equity | 47 | 1 | 1 | 0 |
| Real Estate | 95 | 2 | 2 | 0 |
| Cash | 186 | 3 | 1 | 2 |
| Health Plan*** | 741 | 100 | 100 | 0 |
| Domestic Equity | 359 | 49 | 60 | -11 |
| Domestic Fixed | 380 | 51 | 40 | 11 |
| Private Equity | 1 | 0 | 0 | 0 |
| Cash/Short Term | 1 | 0 | 0 | 0 |
| Death Benefit | 23 | 100 | 100 | 0 |
| Domestic Fixed | 20 | 87 | 96 | -9 |
| Cash/Short Term | 3 | 13 | 4 | 9 |
| Disability | 38 | 100 | 100 | 0 |
| Domestic Fixed | 34 | 88 | 95 | -7 |
| Cash/Short Term | 4 | 12 | 5 | 7 |

* 2008-2009 asset allocation policy targets.

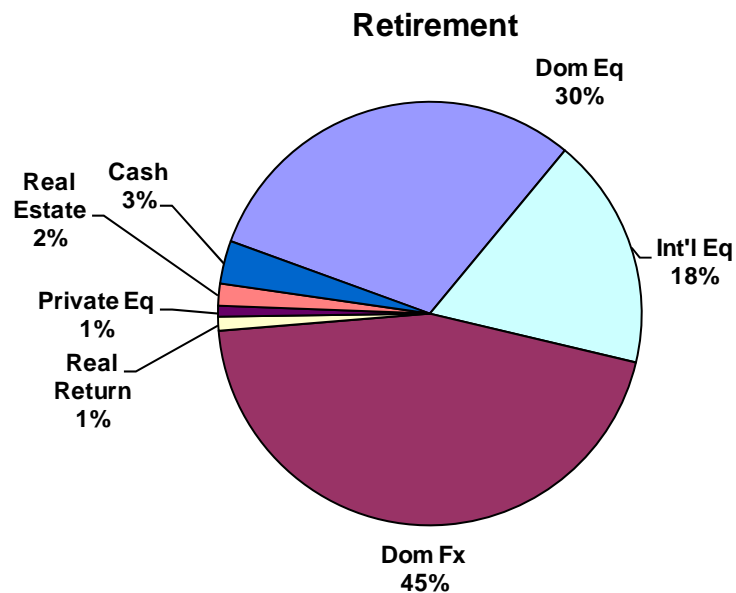
** Including \$4.0 million in transition assets and a negative balance of (\$6.7) million in securities lending.

*** Including a negative balance of (\$236,130) in securities lending.

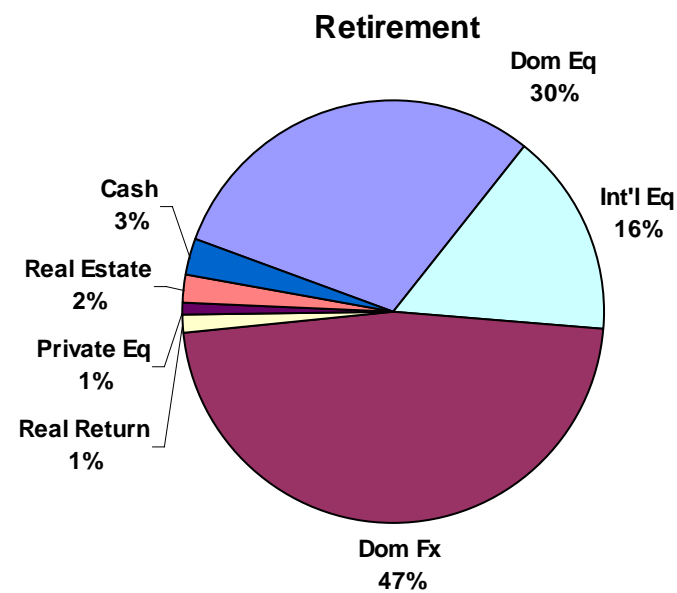
Actual Asset Allocation Comparison – Retirement Portfolio

As of June 30, 2009, the portfolio had a 48% allocation in Equities, 45% in Fixed Income, 1% in both Real Return and Private Equity, 2% in Real Estate, and 3% in Cash. During the latest quarter, the actual weightings of International Equity increased by 2.0% while Fixed Income decreased (2.0%). Other asset classes were unchanged.

June 30, 2009



March 31, 2009

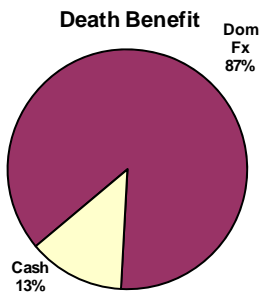


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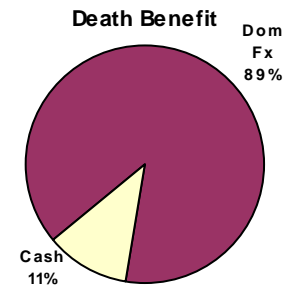
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Actual Asset Allocation Comparison – Death, Disability, Health Portfolios

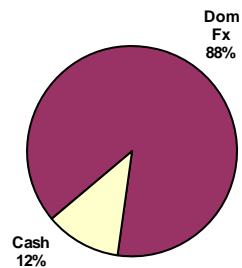
June 30, 2009



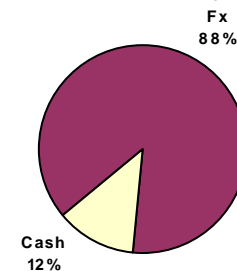
March 31, 2009



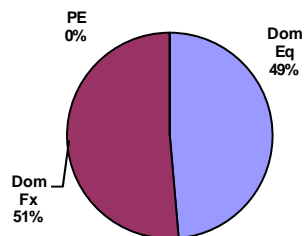
Disability



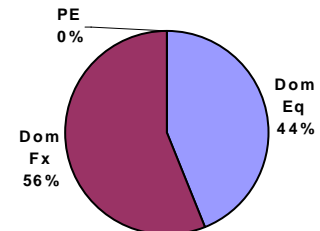
Disability



Health



Health



Asset Class Performance

The Total Portfolio generated positive absolute performance during the quarter, with an 11.1% return. This is the first quarter since 3Q 2007 that the performance of all three major asset classes have returned to the positive territory.

The **Domestic Equity** asset class underperformed its policy benchmark during the quarter by (30) basis, with a 16.5% return. Over the latest 1-year period, the Domestic Equity portfolio again trailed its policy benchmark by (30) basis points. Over the latest 3- and 5-year periods, the Domestic Equity portfolio outperformed its policy benchmark by 80 and 50 basis points, respectively.

The **International Equity** portfolio underperformed its policy benchmark during the quarter by (2.3%) as three of the Plan's five International Equity managers underperformed their respective benchmarks. Over the latest 1-year period, the International Equity portfolio surpassed its policy benchmark by 3.8%, as three of the Plan's five International Equity managers outperformed their respective benchmarks. During the latest 3-year period, the International Equity portfolio underperformed its policy benchmark by (50) basis points. The Plan is currently in the process of reassessing the International Equity portfolio, which may potentially result in a new slate of managers as well as an increased exposure to emerging markets.

The **Fixed Income** portfolio posted a 5.0% quarterly return outperforming its policy benchmark by 2.1%, as two of the Plan's four Fixed Income managers outperformed their respective benchmarks. Over the latest 1-, 3-, and 5-year periods, the Fixed Income portfolio trailed its policy benchmark by (1.4%), (0.6%) and (0.5%), respectively. Underperformance of the Fixed Income portfolio can be largely attributed to the poor relative performance by one of the Plan's core strategy managers. The Plan is currently conducting a core fixed income manager search.

Periods ending June 30, 2009

| Asset Class | Quarter | 1 Year | 3 Year | 5 Year |
|--|-------------|--------------|-------------|-------------|
| Total Retirement | 11.1 | -15.1 | -1.8 | 2.1 |
| <i>Policy Benchmark¹</i> | <i>14.2</i> | <i>-17.0</i> | <i>-1.9</i> | <i>2.3</i> |
| Domestic Equity | 16.5 | -26.9 | -7.5 | -1.3 |
| <i>Russell 3000 (blend)³</i> | <i>16.8</i> | <i>-26.6</i> | <i>-8.3</i> | <i>-1.8</i> |
| International Equity | 26.7 | -25.9 | -5.5 | --- |
| <i>MSCI ACWI ex U.S. IMI (blend)⁴</i> | <i>29.0</i> | <i>-29.7</i> | <i>-5.0</i> | <i>---</i> |
| Fixed Income | 5.0 | 3.5 | 5.3 | 4.5 |
| <i>BC Universal</i> | <i>2.9</i> | <i>4.9</i> | <i>5.9</i> | <i>5.0</i> |
| Real Return ² | 1.7 | -14.3 | --- | --- |
| <i>Tbill + 3%²</i> | <i>0.8</i> | <i>4.2</i> | <i>---</i> | <i>---</i> |
| Private Equity ² | -5.5 | -28.9 | --- | --- |
| <i>Cambridge USPE/USVC^{2,5}</i> | <i>-2.9</i> | <i>-23.2</i> | <i>---</i> | <i>---</i> |
| Real Estate ² | -15.9 | -25.5 | --- | --- |
| <i>NCREIF²</i> | <i>-7.3</i> | <i>-14.7</i> | <i>---</i> | <i>---</i> |
| Cash | 0.1 | 1.0 | 3.5 | 3.4 |
| <i>Citigroup T-bills</i> | <i>0.1</i> | <i>0.8</i> | <i>3.0</i> | <i>3.0</i> |

¹ See Appendix for list of benchmarks used in this section.

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 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.

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Manager Performance

Domestic Equity – Periods ending June 30, 2009

| Manager | Mkt Value (\$000) | Asset Class | Quarter | 1 YR | 3 YR | 5 YR | Since Inception* | Inception Date** |
|----------------------------------|-------------------|------------------|---------|-------|-------|------|------------------|------------------|
| BlackRock | 635,628 | Large Cap Core | 16.5 | -26.7 | -8.2 | -1.8 | 0.9 | 8/2003 |
| <i>Russell 1000 Index</i> | --- | --- | 16.5 | -26.7 | -8.2 | -1.9 | 0.8 | --- |
| MFS | 274,740 | Large Cap Value | 16.6 | -22.5 | -4.1 | 2.4 | 2.3 | 2/2004 |
| <i>Russell 1000 Value Index</i> | --- | --- | 16.7 | -29.0 | -11.1 | -2.1 | -2.0 | --- |
| T. Rowe Price | 243,307 | Large Cap Value | 19.3 | -24.4 | -7.3 | --- | -0.4 | 9/2004 |
| <i>Russell 1000 Value Index</i> | --- | --- | 16.7 | -29.0 | -11.1 | --- | -2.6 | --- |
| Fred Alger | 240,262 | Large Cap Growth | 14.0 | -28.7 | -4.1 | 0.0 | 0.1 | 2/2004 |
| Intech | 218,284 | Large Cap Growth | 15.2 | -28.5 | -8.4 | -2.4 | -1.9 | 2/2004 |
| <i>Russell 1000 Growth Index</i> | --- | --- | 16.3 | -24.5 | -5.4 | -1.8 | -1.7 | --- |
| Earnest Partners | 81,923 | Small Cap Value | 19.9 | -28.5 | -10.7 | --- | -3.3 | 11/2004 |
| <i>Russell 2000 Value Index</i> | --- | --- | 18.0 | -25.2 | -12.1 | --- | -4.6 | --- |
| Paradigm | 31,710 | Small Cap Growth | 14.7 | -37.8 | --- | --- | -13.7 | 9/2006 |
| <i>Russell 2000 Growth Index</i> | --- | --- | 23.4 | -24.8 | --- | --- | -7.9 | --- |

* 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 second quarter of 2009, WPERP's seven reporting domestic equity managers all posted strong, positive, double-digit gains; three of the seven managers either matched or outperformed their respective benchmarks. The account for **Northpointe** (terminated) closed on 5/7/09 and money has been moved to the cash account.

BlackRock, WPERP's passive large cap core manager, ended the quarter matching the Russell 1000 Index with a 16.5% return. **MFS**, one of the Plan's large cap value managers, generated a positive absolute quarterly return of 16.6% slightly trailing the Russell 1000 Value Index return by (10) basis points. Large cap value manager **T. Rowe Price** outperformed the Russell 1000 Value Index by 2.6% with a 19.3% return. The portfolio's overweight position and stock selection in Information Technology was one of the main drivers behind relative outperformance. **Fred Alger**, one of the Plan's large cap growth managers, completed the quarter with a 14.0% return underperforming the Russell 1000 Growth Index return by (2.3%). Performance in the Consumer Discretionary, Health Care, and Utilities sectors detracted from relative performance. **Intech**, the Plan's other large cap growth manager, underperformed the Russell 1000 Growth Index by (1.1%) with a 15.2% quarterly return. Intech attributes its relative performance by evaluating the trends in stocks it overweights compared to those it underweights, measured relative to the benchmark. The portfolio' current quarterly performance is a demonstration of "negative trending," according to Intech, in which the proportion of the overweighted stock with a positive relative

return is below that of the underweights. **Earnest Partners**, WPERP's small cap value manager ended the quarter with a 19.9% return, beating the Russell 2000 Value Index by 1.9%. Stock selection, especially in the Industrial sector, contributed to relative performance. **Paradigm**, the Plan's small cap growth manager, completed the quarter returning 14.7%, trailing the Russell 2000 Growth Index by (8.7%). In addition to poor stock selection, the portfolio's style and risk factors including favoring larger companies, underexposure to growth, and overexposure to momentum detracted from relative performance as the broad market rewarded companies with weak fundamentals.

Latest Year

During the latest 12-month period, **BlackRock** matched its benchmark return of minus (26.7%). **MFS** finished the latest 12-month period with a minus (22.5%) return and outperformed its benchmark by 6.5%. Overweight positions and stock selection in Industrials and Information Technology contributed to relative outperformance. **T. Rowe Price** posted a minus (24.4%) return and outperformed its benchmark by 4.6%. The portfolio's underweight position and stock selection in Financials, and an overweight position and stock selection in Industrials added the most value to relative performance. **Fred Alger** posted a minus (28.7%) return, underperforming its benchmark by (4.2%). Stock selection in Information Technology was the main detractor from relative performance. **Intech** completed the latest 12-month period returning minus (28.5%) trailing its benchmark by (4.0%), due primarily to the portfolio's negative trending (see Intech's commentary on previous page). **Earnest Partners** completed the latest 12-month period with a minus (28.5%) return and underperformed its benchmark by (3.3%). The portfolio's overweight position in Energy and stock selection in Health Care and Industrials dragged on performance. **Paradigm** underperformed its benchmark by (13.0%) with a minus (37.8%) return. Poor stock selection in six of the ten GICS industry sectors, especially Health Care and Information Technology, detracted from relative performance.

Latest Three Years

During the latest 36-month period, **BlackRock** matched its benchmark with a minus (8.2%) return. **MFS** finished the period surpassing its benchmark by 7.0% with a minus (4.1%) return. Stock selection in Financials, Industrials, and Information Technology benefited relative performance. **T. Rowe Price** posted a minus (7.3%) return outperforming its benchmark by 3.8%. The portfolio's underweight position and stock selection in Financials were the primary contributors to relative performance. **Fred Alger** posted a minus (4.1%) return outperforming its benchmark by 1.3%. Stock selection in Consumer Discretionary and Energy benefited relative performance. **Intech** completed the period with a minus (8.4%) return, underperforming its benchmark by (3.0%), due to the portfolio's negative trending. **Earnest Partners'** latest 3-year return of minus (10.7%) beat its benchmark by 1.4%. The portfolio's overweight position and stock selection in Industrials led the relative outperformance.

Latest Five Years

During the latest 60-month period, **BlackRock** slightly outperformed its benchmark by 10 basis points with minus (1.8%) return. **MFS** finished the period surpassing the Russell 1000 Value Index return by 4.5% with a 2.4% return, due primarily to stock selection in the Financials, Industrials, and Information Technology sectors. **Fred Alger** posted a 0.0% return outperforming its benchmark by 1.8%. The portfolio's overweight position and stock selection in Energy contributed the most to relative performance. **Intech** completed the period returning minus (2.4%) trailing its benchmark by (60) basis points.

Quarterly Report

Q2-09

International Equity – Periods ending June 30, 2009

| Manager | Mkt Value (\$000) | Asset Class | Quarter | 1 YR | 3 YR | 5 YR | Since Inception* | Inception Date** |
|---|-------------------|-------------------|---------|-------|------|------|------------------|------------------|
| Invesco | 319,753 | Developed Markets | 24.4 | -24.2 | -6.4 | --- | 2.9 | 6/2004 |
| MSCI World ex US IMI Index (blended – Invesco) ¹ | --- | --- | 27.1 | -30.5 | -7.0 | --- | 3.2 | --- |
| The Boston Company | 260,042 | Developed Markets | 26.0 | -20.7 | -6.6 | --- | -0.1 | 3/2005 |
| MSCI World ex US IMI Index (blended – Boston) ² | --- | --- | 27.1 | -30.5 | -6.6 | --- | 0.6 | --- |
| Pyramis | 286,844 | Developed Markets | 24.4 | -31.6 | -6.9 | --- | 1.4 | 11/2004 |
| MSCI World ex US IMI Index (blended – Pyramis) ³ | --- | --- | 27.1 | -29.4 | -7.1 | --- | 1.0 | --- |
| The Boston Company | 75,015 | Emerging Markets | 36.7 | -16.2 | 5.4 | --- | 11.8 | 3/2005 |
| T. Rowe Price | 62,555 | Emerging Markets | 42.7 | -34.9 | 1.7 | --- | 9.9 | 3/2005 |
| MSCI EMF IMI Index (blended) ⁴ | --- | --- | 36.6 | -26.7 | 3.8 | --- | 11.4 | --- |

* 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 second quarter of 2009, WPERP five reporting international equity managers all posted strong, positive, double-digit gains. Two of the five managers outperformed their respective benchmarks.

Invesco, WPERP's active core international manager, generated a quarterly return of 24.4%, but underperformed the MSCI World ex US IMI Index return by (2.7%). The portfolio's underweight positions and stock selection in Financials and Industrials detracted from relative performance. **The Boston Company**, the Plan's active international value manager, completed the quarter with a 26.0% return underperforming the MSCI World ex US IMI Index return by (1.1%). The portfolio's underweight position in Financials and Industrials hurt relative performance as these sectors outperformed. **Pyramis**, the Plan's active international growth manager, completed the quarter with a 24.4% return, trailing the MSCI World ex US IMI Index by (2.7%). The portfolio's holdings in the United Kingdom, particularly within the Materials, Consumer Discretionary, and Energy sectors detracted from relative performance. **The Boston Company**, one of WPERP's two emerging markets managers, finished the quarter with a strong 36.7% return, outperforming the MSCI Emerging Markets IMI Index by 10 basis points. **T. Rowe Price**, the Plan's other emerging markets manager, completed the quarter with a strong 42.7% return, outperforming the MSCI Emerging Markets IMI Index by 6.1%. Stock selection at the country level, particularly China, Taiwan, and Russia, aided relative performance.

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

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

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

Latest Year

Invesco finished its latest 12-month period with a minus (24.2%) return, surpassing its benchmark by 6.3%. The portfolio's focus on defensive sectors (Telecommunication Services, Consumer Staples, and Utilities) has helped to outperform the broader market. **The Boston Company** completed the period surpassing its benchmark by 9.8%, with a minus (20.7%) return. Stock selection in Canada, United Kingdom, Japan, and France were the main contributors to relative performance. **Pyramis** completed the period with a minus (31.6%) return and trailed its benchmark by (2.2%). Sector holdings in Materials, Utilities, and Consumer Discretionary within France, Germany, Australia, Finland, and Japan detracted from relative performance. **The Boston Company** emerging markets portfolio produced a minus (16.2%) return besting the MSCI Emerging Markets IMI Index's return by 10.5%. From a country perspective, an underweight position and stock selection in Russia, and stock selection in South Africa and Taiwan benefited relative performance. The portfolio also added value via stock selection in Energy and Materials, and by retaining a 5% position in Cash. The **T. Rowe Price** portfolio generated a minus (34.9%) return underperforming its index return by (8.2%). Stock selection in Consumer Discretionary and Financials detracted from relative performance.

Latest Three Years

Invesco finished its latest 36-month period with a minus (6.4%) return, besting its benchmark by 60 basis points. **The Boston Company** completed the period matching its benchmark return of minus (6.6%). **Pyramis** returned minus (6.9%) outperforming its benchmark by 20 basis points. **The Boston Company** emerging markets portfolio produced a 5.4% return outperforming the MSCI Emerging Markets IMI Index's return by 1.6%, due primarily to investment in Russia and the Energy sector. The **T. Rowe Price** portfolio generated a 1.7% return and trailed its index return by (2.1%). An overweight position and stock selection in Consumer Discretionary accounted for the bulk of underperformance.

Quarterly Report

Q2-09

Fixed Income – Periods ending June 30, 2009

| Manager | Mkt Value (\$000) | Asset Class | Quarter | 1 YR | 3 YR | 5 YR | Since Inception* | Inception Date** |
|---------------------|-------------------|-------------|---------|------|------|------|------------------|------------------|
| ING | 1,079,171 | Core | 4.2 | -0.7 | 3.3 | --- | 3.3 | 7/2004 |
| Wells | 1,226,219 | Core | 3.2 | 9.0 | 7.7 | --- | 5.8 | 7/2004 |
| BC Aggregate Index | --- | --- | 1.8 | 6.1 | 6.4 | --- | 4.9 | --- |
| Loomis | 123,975 | High Yield | 23.0 | -5.1 | 1.9 | --- | 3.6 | 3/2005 |
| BC High Yield Index | --- | --- | 23.1 | -2.4 | 2.1 | --- | 3.3 | --- |
| Wells | 121,185 | High Yield | 17.4 | 0.1 | 3.4 | --- | 3.6 | 11/2004 |
| BC High Yield Index | --- | --- | 23.1 | -2.4 | 2.1 | --- | 3.0 | --- |

* 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 second quarter of 2009, two of WPERP's four fixed income managers outperformed their respective benchmarks. The WPERP Board had approved PCA's recommendation to search for replacement of core manager ING on 2/18/09.

ING, one of WPERP's two core fixed income managers, finished the quarter with a 4.2% return, outperforming the BC Aggregate Index by 2.4%. The portfolio's overweight position and security selection to investment grade credit benefited relative performance. **Wells**, the Plan's other core fixed income manager, outperformed the BC Aggregate Index by 1.4% with a quarterly return of 3.2%. Security selection in CMBS and an overweight position to the consumer ABS sector contributed to relative performance; an overweight position and security selection in mortgages also added to performance. **Loomis Sayles**, one of the portfolio's two high yield managers, delivered a strong quarterly return of 23.0% slightly trailing the BC High Yield Index by (10) basis points. The other high yield manager **Wells** finished the quarter trailing the BC High Yield Index by (5.7%) with a 17.4% return. The portfolio's underweight position to CCC's detracted from relative performance as the lowest quality securities outperformed.

Latest Year

ING underperformed its benchmark by (6.8%) with a minus (0.7%) return over the latest 12-month period. The portfolio's holdings in mortgage-backed securities and banking institutions suffered significant losses in 2008. **Wells** outperformed the BC Aggregate Index by 2.9% with a 9.0% return, due primarily to security selection. **Loomis Sayles** generated a minus (5.1%) return over the most recent 12-month period trailing its benchmark by (2.7%). Performance was mostly affected by the portfolio's under-allocation to investment grade credit in the Financials sector. **Wells** High Yield finished the period exceeding the BC High Yield Index by 2.5% due to positive security selection.

Latest Three Years

ING trailed its benchmark over the latest 3-year period by (3.1%), largely due to the portfolio's exposure to RMBS and debt of financial institutions. **Wells** finished the period outperforming the BC Aggregate Index by 1.3%. High Yield manager **Loomis Sayles** completed the period underperforming its benchmark by (20) basis points. **Wells** High Yield posted a 3.4% return during the period, outperforming the BC High Yield Index by 1.3% due to positive security selection.

Quarterly Report

Q2-09

Real Return – Periods ending June 30, 2009

| Manager | Mkt Value (\$000) | Asset Class | Quarter | 1 YR | 3 YR | 5 YR | Since Inception** | Inception Date*** |
|-----------------------------|-------------------|-------------|---------|-------|------|------|-------------------|-------------------|
| Aetos Capital* | 29,562 | Hedge FoFs | 0.1 | -12.3 | --- | --- | -4.9 | 2/2007 |
| PAAMCO* | 30,629 | Hedge FoFs | 3.2 | -16.1 | --- | --- | -2.6 | 2/2007 |
| Tbills + 3 %* | --- | --- | 0.8 | 4.2 | --- | --- | 5.9 | --- |
| HFRI FOF Diversified Index* | --- | Hedge FoFs | 0.9 | -16.6 | --- | --- | -9.0 | --- |

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

** 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 second quarter of 2009, one of WPERP's two hedge fund managers outperformed both the Tbills+3% Index and the HFRI FOF Diversified Index.

Aetos trailed the Tbill+3% by (70) basis points and HFRI FOF Diversified Index by (80) basis points. **PAAMCO** outperformed the Tbill+3% by 2.4% and the HFRI FOF Diversified Index by 2.3%.

Latest Year

Over the latest 12-month period, **Aetos** underperformed the Tbill+3% by (16.5%) but outperformed the HFRI FOF Diversified Index by 4.3%. **PAAMCO** underperformed the Tbill+3% by (20.3%) but outperformed the HFRI FOF Diversified Index by 50 basis points.

Private Equity and Real Estate - Periods ending June 30, 2009¹

| Asset Class | Mkt Value (\$000) | Quarter | 1 YR | 3 YR | 5 YR |
|------------------------|-------------------|---------|-------|------|------|
| Private Equity* | 47,208 | -5.5 | -28.9 | --- | --- |
| Cambridge USPE/USVC*** | --- | -2.9 | -23.2 | --- | --- |
| Real Estate* | 95,129 | -15.9 | -25.5 | --- | --- |
| NCREIF* | --- | -7.3 | -14.7 | --- | --- |

* 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** asset class consists of five investments including **Lexington Capital**, **Landmark XIII**, **HRJ Capital**, **Fisher Lynch**, and **Landmark XIV**. WPERP also funded a new private equity manager, **Oaktree V**, during the first quarter. Returns for this manager are lagged one quarter and will be included in the asset class performance by 3Q 2009.

The Private Equity asset class' negative absolute results are reflective of the characteristics of immature private equity investments that are in the "J-curve" (negative results due to management fees and expenses paid on aggregate commitments and applied to funded commitments, which is a smaller asset base as commitments are drawn down over several years).

The **Real Estate** asset class consists of four investments including **Prisa**, **Prisa II**, **JP Morgan Strategic**, and **CB Richard Ellis**. The asset class underperformed the NCREIF Index by (8.6%) during the current quarter and (10.8%) over the latest 12-month period, as all four portfolios underperformed the NCREIF Index. The asset class' core managers, Prisa and JP Morgan Strategic, comprise approximately 86.3% of the total assets; their underperformance has a significant impact on overall asset class performance.

¹ Returns are lagged one quarter and net of fees.

Health Plan Performance

The WPERP - Health portfolio ended the second quarter of 2009 with an aggregate value of approximately \$740.8 million.

Health Plan - Periods ending June 30, 2009, Gross of Fees

| Asset Class | Quarter | 1 Year | 3 Year | 5 Year | Since Inception** | Inception Date*** |
|---|---------|--------|--------|--------|-------------------|-------------------|
| Total Portfolio | 9.2 | -11.0 | --- | --- | -4.5 | 12/2006 |
| Policy Benchmark* | 10.5 | -14.2 | --- | --- | -6.0 | --- |
| Reference: Benchmark based on actual asset allocation | 8.5 | --- | --- | --- | | |
| BlackRock | 16.5 | -26.7 | --- | --- | -13.9 | 1/2007 |
| R1000 Index | 16.5 | -26.7 | --- | --- | -13.9 | --- |
| Wells | 3.3 | 9.4 | --- | --- | 7.3 | 1/2007 |
| BC Aggregate | 1.8 | 6.1 | --- | --- | 5.6 | --- |
| Landmark XIV**** | -0.2 | --- | --- | --- | -3.4 | 9/2008 |
| Cambridge USPE/USVC **** | -2.9 | --- | --- | --- | -20.0 | --- |
| Oaktree V**** | --- | --- | --- | --- | --- | 2/2009 |
| Cambridge USPE/USVC **** | --- | --- | --- | --- | --- | --- |

* Policy benchmark consists of 60% Russell 1000 Index and 40%BC Aggregate Bond Index.

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

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

**** 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.

Q2 2009 – During the second quarter of 2009, The Health Plan outperformed its benchmark return (based on actual asset allocation) of 8.5% by 70 basis points, with a 9.2% return. The policy benchmark has a much greater target allocation to equity than actual allocation (60% vs. 49%), which caused the aggregated portfolio to underperform the policy benchmark return of 10.5%. **Landmark XIV**, the Plan's private equity manager, completed the quarter posting a minus (0.2%) return. WPERP also funded a new private equity manager, **Oaktree V**, during the first quarter. Returns for this manager are lagged one quarter and will be shown in 3Q 2009. The benchmark portfolio consists of passively managed asset class portfolios held at the Health Plan's policy weightings.

Longer Term – Over the latest 1-year period, the Health Plan outperformed its policy benchmark by 3.2%, as the portfolio's domestic equity manager matched its benchmark and its fixed income manager outperformed its benchmark.

Health Plan Performance (continued)

Health Plan – Asset Allocation as of 6/30/09

| Segment | Actual \$(000) | Actual % | Target % | Variance |
|------------------|-------------------|----------|----------|----------|
| Total Portfolio* | \$740,804 | 100 | 100 | --- |
| Domestic Equity | 359,445 | 49 | 60 | -11 |
| BlackRock | 359,445 | 49 | 60 | -11 |
| Fixed Income | 379,975 | 51 | 40 | 11 |
| Wells | 379,975 | 51 | 40 | 11 |
| Private Equity | 884 | 0 | 0 | 0 |
| Landmark XIV | 506 | 0 | 0 | 0 |
| Oaktree V | 378 | 0 | 0 | 0 |
| Cash | 736 | 0 | 0 | 0 |

* Including a negative balance of (\$236,130) in securities lending.

Asset Allocation – The Health Plan target allocation consists of 60% domestic equity and 40% domestic fixed income. By the close of 2Q 2009, the Plan consisted of four managers: BlackRock, Wells, Landmark XIV, and the newly funded private equity manager Oaktree V. The total fund was 100% invested in these managers.

Disability Plan Performance

The WPERP - Disability portfolio ended the second quarter of 2009 with an aggregate value of approximately \$38.2 million.

Disability Plan - Periods ending June 30, 2009, Gross of Fees

| Asset Class | Quarter | 1 Year | 3 Year | 5 Year | Since Inception** | Inception Date*** |
|-------------------|---------|--------|--------|--------|-------------------|-------------------|
| Total Portfolio | 3.1 | 6.8 | 6.9 | 5.3 | --- | --- |
| Policy Benchmark* | 1.7 | 5.8 | 6.3 | 4.9 | --- | --- |
| Wells | 3.5 | 7.8 | 7.3 | --- | 5.5 | 7/2004 |
| BC Aggregate | 1.8 | 6.1 | 6.4 | --- | 4.9 | --- |

*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.

Q2 2009 – During the second quarter of 2009, the Disability Plan posted a 3.1% return, outperforming its policy benchmark by 1.4%. 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 1.0%, 0.6%, and 0.4%, respectively.

Disability Plan – Asset Allocation as of 6/30/09

| Segment | Actual \$(000) | Actual % | Target % | Variance |
|-----------------|----------------|----------|----------|----------|
| Total Portfolio | \$38,209 | 100 | 100 | --- |
| Fixed Income | 33,749 | 88 | 95 | -7 |
| Wells | 33,749 | 88 | 95 | -7 |
| Cash | 4,460 | 12 | 5 | 7 |

Asset Allocation – The Disability Plan target allocation consists of 95% fixed income investments and 5% cash. By the close of 2Q 2009, there was one fixed income manager, Wells. The total fund was 88% invested in this manager.

Death Plan Performance

The WPERP – Death portfolio ended the second quarter of 2009 with an aggregate value of approximately \$23.0 million.

Death Plan - Periods ending June 30, 2009, Gross of Fees

| Asset Class | Quarter | 1 Year | 3 Year | 5 Year | Since Inception** | Inception Date*** |
|-------------------|---------|--------|--------|--------|-------------------|-------------------|
| Total Portfolio | 3.1 | 6.9 | 6.9 | 5.2 | --- | --- |
| Policy Benchmark* | 1.7 | 5.9 | 6.3 | 5.0 | --- | --- |
| Wells | 3.5 | 7.8 | 7.3 | --- | 5.5 | 7/2004 |
| BC Aggregate | 1.8 | 6.1 | 6.4 | --- | 4.9 | --- |

*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.

Q2 2009 – During the second quarter of 2009, the Death Plan posted a 3.1% return outperforming its policy benchmark by 1.4%. 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 1.0%, 0.6%, and 0.2% basis points, respectively.

Death Plan – Asset Allocation as of 6/30/09

| Segment | Actual \$(000) | Actual % | Target % | Variance |
|-----------------|----------------|----------|----------|----------|
| Total Portfolio | \$23,030 | 100 | 100 | --- |
| Fixed Income | 20,031 | 87 | 96 | -9 |
| Wells | 20,031 | 87 | 96 | -9 |
| Cash | 2,999 | 13 | 4 | 9 |

Asset Allocation – The Death Benefit Plan target allocation consists of 96% fixed income investments and 4% cash. By the close of 2Q 2009, there was one fixed income manager, Wells. The total fund was 87% invested in this manager.

Quarterly Report

Q2-09

Managers Placed on Watch Status Return vs. Benchmark Since Watch As of June 30, 2009

| 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* |
| The Boston Company | Developed Markets | Organizational | 9/1/2007 | 1/26/2009 | 3.0 | 2.5 | -8.2 | -2.7 | -23.8 | -17.5 |
| MSCI World ex US IMI (blended – Boston) | Developed Markets | | | | 5.7 | 6.0 | -3.7 | 1.7 | -23.9 | -20.8 |
| Boston Perf. Vs. Target | MSCI World ex US IMI | | | | N/M | N/M | N/M | N/M | 0.1 | 3.3 |
| Intech | Large Growth | Performance | 1/1/2008 | 2/9/2009 | -9.9 | -12.7 | -11.1 | -22.9 | -42.2 | -26.1 |
| Russell 1000 Growth | Large Growth | | | | -7.8 | -10.2 | -9.1 | -20.3 | -38.4 | -22.2 |
| Intech Perf. Vs. Target | Russell 1000 Growth | | | | N/M | N/M | N/M | N/M | -3.8 | -3.9 |
| ING | Core | Performance | 8/1/2008 | 1/26/2009 | 0.0 | -3.4 | -3.0 | -3.0 | --- | 0.2 |
| BC Aggregate | Core | | | | 0.9 | -2.8 | 3.2 | 4.8 | --- | 6.2 |
| ING Perf. Vs. Target | BC Aggregate | | | | N/M | N/M | N/M | N/M | --- | N/M |
| Paradigm | Small Growth | Performance | 1/1/2009 | --- | -9.1 | -12.3 | 0.5 | --- | --- | 0.5 |
| Russell 2000 Growth | Small Growth | | | | -7.6 | -9.7 | 11.4 | --- | --- | 11.4 |
| Paradigm Perf. Vs. Target | Russell 2000 Growth | | | | N/M | N/M | N/M | N/M | --- | N/M |
| The Boston Company | Emerging Markets | Organizational | 3/1/2009 | --- | 13.3 | 55.6 | --- | --- | --- | 54.9 |
| MSCI EMF IMI (blended) | Emerging Markets | | | | 14.4 | 58.1 | --- | --- | --- | 56.2 |
| Boston Perf. Vs. Target | MSCI EMF IMI | | | | N/M | N/M | N/M | N/M | --- | N/M |
| Aetos | Hedge FoFs | Performance | 3/1/2009 | --- | -0.9 | -0.6 | --- | --- | --- | -0.9 |
| Tbill+3% | Hedge FoFs | | | | 0.3 | 0.8 | --- | --- | --- | 1.1 |
| Aetos Perf. Vs. Target | Tbill+3% | | | | N/M | N/M | N/M | N/M | --- | N/M |
| PAAMCO | Hedge FoFs | Performance | 3/1/2009 | --- | -1.7 | 1.7 | --- | --- | --- | 1.5 |
| Tbill+3% | Hedge FoFs | | | | 0.3 | 0.8 | --- | --- | --- | 1.1 |
| PAAMCO Perf. Vs. Target | Tbill+3% | | | | N/M | N/M | N/M | N/M | --- | N/M |

(Continued on next page)

Quarterly Report

Q2-09

Managers Placed on Watch Status (Continued)

| | | | | | | | | | | |
|--------------------------------|------------------------------|-------------|----------|-----|------|-----|-----|-----|-----|------|
| T. Rowe Price | Emerging Markets | Performance | 5/1/2009 | --- | 20.7 | --- | --- | --- | --- | 20.2 |
| MSCI EMF IMI Index (blended) | Emerging Markets | | | | 17.8 | --- | --- | --- | --- | 16.4 |
| T. Rowe Price Perf. Vs. Target | MSCI EMF IMI Index (blended) | | | | N/M | N/M | N/M | N/M | --- | N/M |
| Loomis Sayles | High Yield | Performance | 5/1/2009 | --- | 6.7 | --- | --- | --- | --- | 10.6 |
| BC High Yield Index | High Yield | | | | 6.7 | --- | --- | --- | --- | 9.8 |
| Loomis Sayles Perf. Vs. Target | BC High Yield Index | | | | N/M | N/M | N/M | N/M | --- | N/M |

*Performance based on 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.

The Boston Company (International Developed) was placed on watch status on 8/1/2007 due to organizational changes.

Intech (Large Growth) was placed on watch status on 12/31/2007 due to short-term performance.

ING (Core) was placed on watch status on 8/1/2008 due to short-term performance. The WPERP Board approved PCA's recommendation to search for replacement at the Board meeting on 2/19/09.

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

The Boston Company (International Emerging Market) was placed on watch status on 3/1/2009 due to organizational changes.

Aetos (Hedge FoFs) was placed on watch status on 3/1/2009 due to short-term performance.

PAAMCO (Hedge FoFs) was placed on watch status on 3/1/2009 due to short-term performance.

T. Rowe Price (International Emerging Market) was placed on watch status on 5/1/2009 due to short-term performance.

Loomis Sayles (High Yield) was placed on watch status on 5/1/2009 due to short-term performance.

Quarterly Report

Q2-09

WPERP Estimated Performance Results Net and Gross of Fees Comparison For Quarter Ending 6/30/2009

| | | | Performance, % ² | | Difference | |
|------------------------------|--------------------|---------------------------|-----------------------------|---------|------------|--------------|
| Asset Class | Manager | Market Value ² | Net | Gross | Percentage | Market Value |
| Domestic Equity | | | | | | |
| Russell 1000 Index | | | | | | |
| Passive | BlackRock | 635,628,383 | 16.49% | 16.50% | -0.01% | -63,569 |
| Large Value | MFS | 274,739,547 | 16.52% | 16.60% | -0.08% | -219,968 |
| Large Value | T. Rowe Price | 243,306,593 | 19.22% | 19.30% | -0.08% | -194,801 |
| Large Growth | Fred Alger | 240,262,198 | 13.92% | 14.00% | -0.08% | -192,364 |
| Large Growth | Intech | 218,283,981 | 15.10% | 15.20% | -0.10% | -218,502 |
| Small Value | Earnest Partners | 81,922,777 | 19.75% | 19.90% | -0.15% | -123,069 |
| Small Growth | Paradigm | 31,709,756 | 14.52% | 14.70% | -0.18% | -57,180 |
| | | <u>\$1,725,853,235</u> | | | | |
| International Equity | | | | | | |
| Active Equities | Invesco | 319,752,778 | 24.29% | 24.40% | -0.11% | -352,115 |
| Active Equities | The Boston Co. | 260,042,282 | 25.91% | 26.00% | -0.09% | -234,249 |
| Active Equities | Pyramis | 286,843,780 | 24.32% | 24.40% | -0.08% | -229,659 |
| Emerging Markets | The Boston Company | 75,015,035 | 36.45% | 36.70% | -0.25% | -172,932 |
| Emerging Markets | T. Rowe Price | 62,554,582 | 42.46% | 42.70% | -0.24% | -150,492 |
| | | <u>\$1,004,208,457</u> | | | | |
| Domestic Fixed Income | | | | | | |
| Core | ING | 1,079,171,413 | 4.17% | 4.20% | -0.03% | -323,849 |
| Core | Wells | 1,226,218,939 | 3.17% | 3.20% | -0.03% | -367,976 |
| High Yield | Loomis Sayles | 123,975,146 | 22.87% | 23.00% | -0.13% | -161,377 |
| High Yield | Wells | 121,184,685 | 17.28% | 17.40% | -0.12% | -145,596 |
| | | <u>\$2,550,550,183</u> | | | | |
| Real Return ³ | | | | | | |
| | Aetos | 29,562,425 | 0.10% | 0.29% | -0.19% | 56,276 |
| | PAAMCO | 30,628,978 | 3.20% | 3.45% | -0.25% | 76,764 |
| | | <u>\$60,191,403</u> | | | | |
| Private Equity ³ | | | | | | |
| | Lexington | 14,778,445 | 0.60% | 1.10% | -0.50% | -74,264 |
| | Landmark XIII | 16,620,254 | -0.40% | 0.10% | -0.50% | -83,519 |
| | HRJ | 9,097,428 | -23.70% | -23.20% | -0.50% | -45,716 |
| | Fisher Lynch | 1,258,403 | -7.70% | -7.20% | -0.50% | -6,324 |
| | Landmark XIV | 3,035,067 | -0.20% | 0.30% | -0.50% | -15,252 |
| | Oaktree | 2,417,930 | --- | --- | --- | --- |
| | | <u>\$47,207,527</u> | | | | |
| Real Estate ³ | | | | | | |
| | Prisa | 41,857,459 | -15.50% | -15.29% | -0.21% | -88,086 |
| | Prisa II | 12,222,603 | -24.90% | -24.68% | -0.22% | -26,949 |
| | JP Morgan | 40,247,419 | -13.50% | -13.25% | -0.25% | -100,871 |
| | CBRE | 801,021 | -30.40% | -30.15% | -0.25% | -2,008 |
| | | <u>\$95,128,502</u> | | | | |
| Cash | | | | | | |
| | | <u>\$185,916,466</u> | --- | 0.10% | --- | --- |
| TOTAL PORTFOLIO ¹ | | | | | | |
| | | 5,666,311,148 | 11.04% | 11.10% | -0.06% | -\$3,515,638 |
| Total Fund Policy | | | | | | |
| | | | --- | 14.20% | --- | --- |

¹ Total portfolio market value includes \$4.0 million in transition assets and a negative balance of (\$6.7) million in securities lending.

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

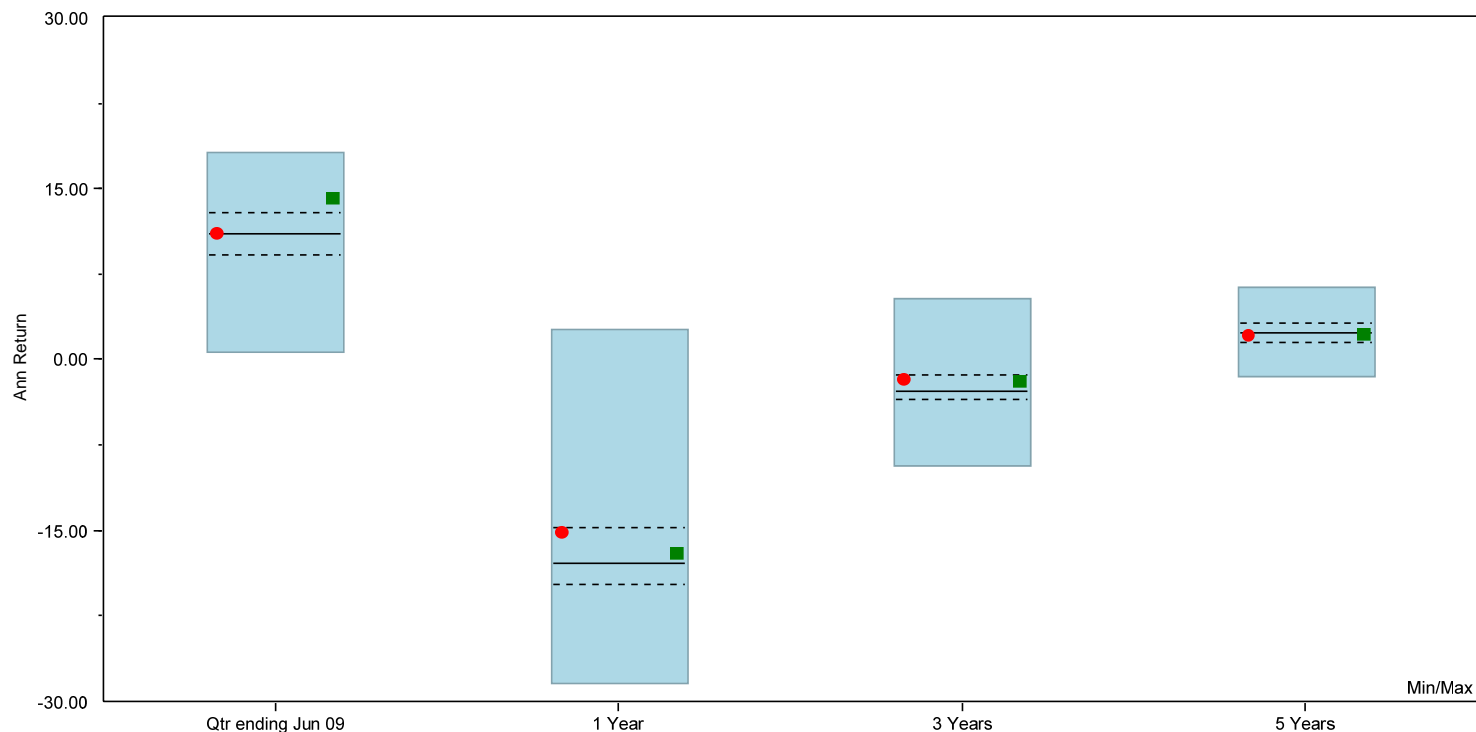
³ Hedge FoFs, Private Equity, and Real Estate asset classes report net-of-fee returns.

Water and Power Employees' Retirement Plan

TOTAL FUNDS - PUBLIC (USD) - Monthly

As of June 30, 2009

Cumulative Performance Comparisons



| | Value | %Tile | Rank | Value | %Tile | Rank | Value | %Tile | Rank | Value | %Tile | Rank |
|--------------------|-------|-------|------|--------|-------|------|-------|-------|------|-------|-------|------|
| Maximum | 18.21 | | | 2.67 | | | 5.36 | | | 6.32 | | |
| 25th Percentile | 12.94 | | | -14.76 | | | -1.32 | | | 3.15 | | |
| Median Percentile | 11.08 | | | -17.84 | | | -2.72 | | | 2.41 | | |
| 75th Percentile | 9.20 | | | -19.68 | | | -3.49 | | | 1.44 | | |
| Minimum | 0.63 | | | -28.43 | | | -9.31 | | | -1.47 | | |
| # of Portfolios | 88 | | | 71 | | | 66 | | | 61 | | |
| ● Total Fund | 11.11 | 50 | 45 | -15.15 | 30 | 22 | -1.77 | 30 | 20 | 2.07 | 65 | 41 |
| ■ Policy Benchmark | 14.18 | 16 | 14 | -16.98 | 42 | 30 | -1.95 | 36 | 24 | 2.27 | 59 | 37 |

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

Notes:

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

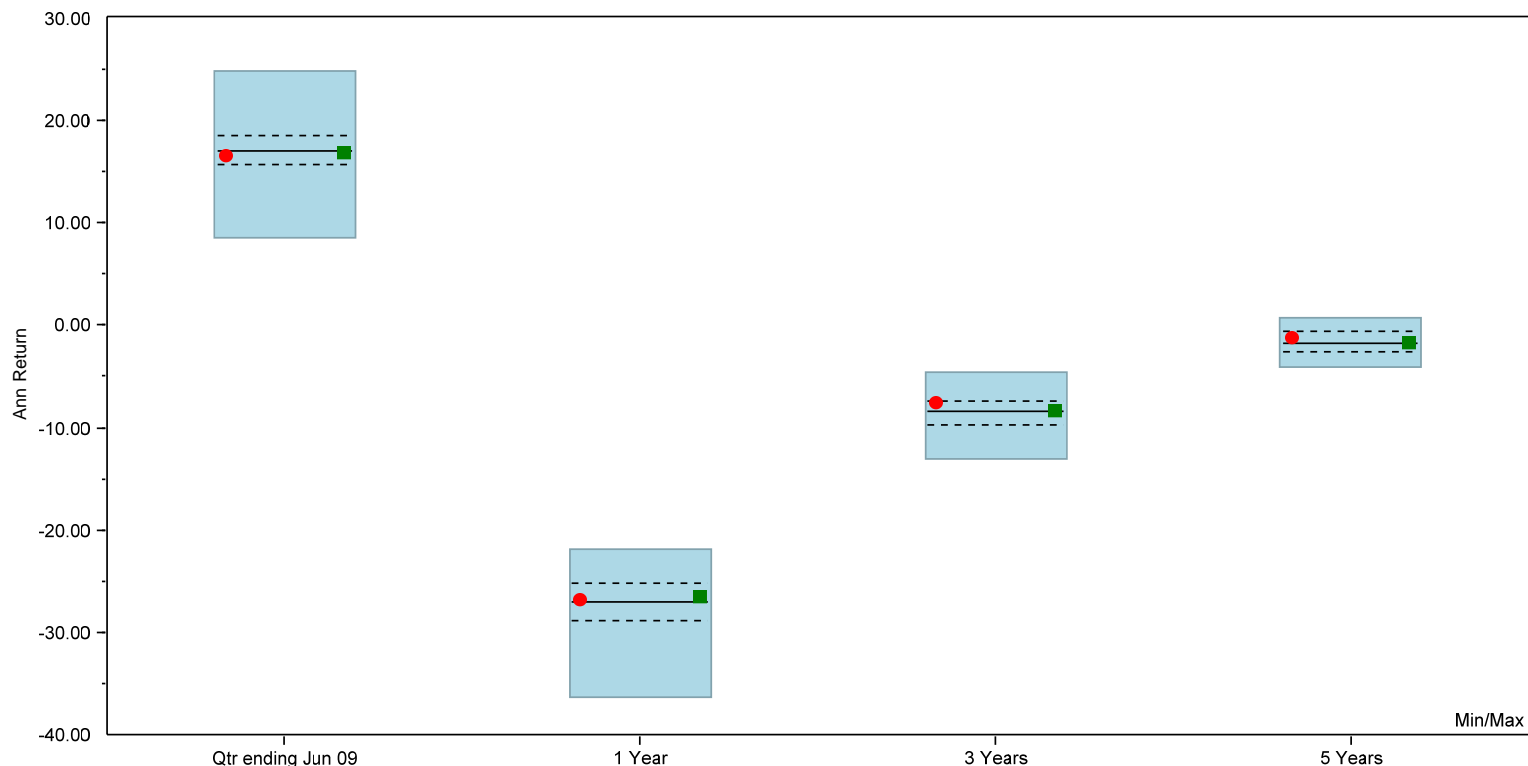
All performance is shown **gross of fees**.

Water and Power Employees' Retirement Plan

US Equity Segment - Public (USD) - Monthly

As of June 30, 2009

Cumulative Performance Comparisons



| | Value | %Tile | Rank | Value | %Tile | Rank | Value | %Tile | Rank | Value | %Tile | Rank |
|------------------------|-------|-------|------|--------|-------|------|--------|-------|------|-------|-------|------|
| Maximum | 24.82 | | | -21.89 | | | -4.56 | | | 0.81 | | |
| 25th Percentile | 18.57 | | | -25.15 | | | -7.45 | | | -0.66 | | |
| Median Percentile | 17.07 | | | -27.11 | | | -8.40 | | | -1.75 | | |
| 75th Percentile | 15.68 | | | -28.92 | | | -9.75 | | | -2.66 | | |
| Minimum | 8.50 | | | -36.30 | | | -13.05 | | | -4.11 | | |
| # of Portfolios | 73 | | | 60 | | | 51 | | | 43 | | |
| ● Domestic Equity | 16.54 | 64 | 48 | -26.87 | 44 | 27 | -7.54 | 26 | 14 | -1.27 | 41 | 18 |
| ■ Russell 3000 (blend) | 16.82 | 59 | 43 | -26.57 | 42 | 26 | -8.35 | 48 | 25 | -1.84 | 54 | 24 |

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

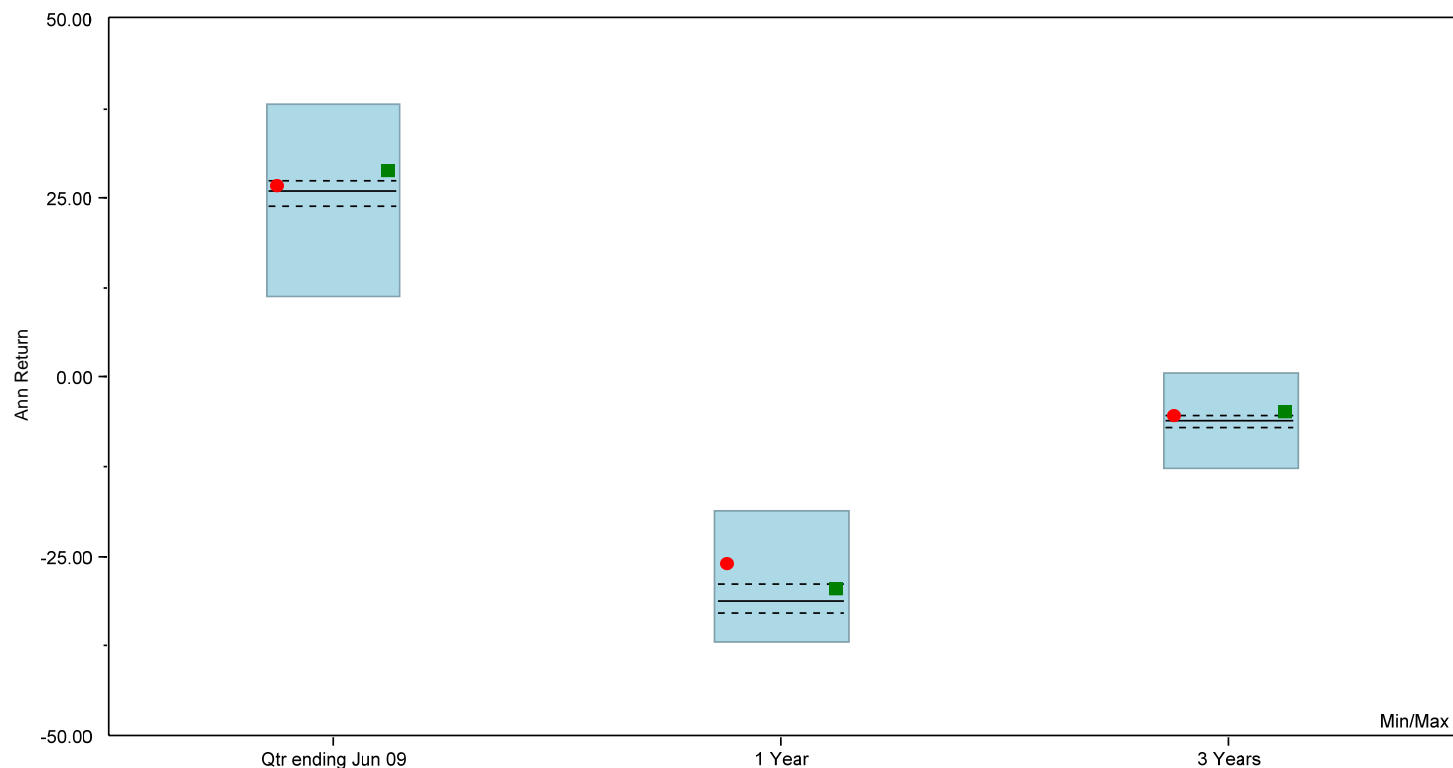
See page 32 for Notes on performance disclosures.

Water and Power Employees' Retirement Plan

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

As of June 30, 2009

Cumulative Performance Comparisons



| | Value | %Tile | Rank | Value | %Tile | Rank | Value | %Tile | Rank |
|-------------------------------|-------|-------|------|--------|-------|------|--------|-------|------|
| Maximum | 38.22 | | | -18.58 | | | 0.49 | | |
| 25th Percentile | 27.35 | | | -28.81 | | | -5.27 | | |
| Median Percentile | 25.91 | | | -31.15 | | | -5.96 | | |
| 75th Percentile | 23.91 | | | -32.83 | | | -6.93 | | |
| Minimum | 11.30 | | | -36.87 | | | -12.75 | | |
| # of Portfolios | 68 | | | 58 | | | 49 | | |
| ● International Equity | 26.72 | 38 | 26 | -25.90 | 7 | 4 | -5.46 | 30 | 15 |
| ■ MSCI ACWI ex US IMI (blend) | 28.97 | 10 | 7 | -29.66 | 35 | 21 | -4.96 | 23 | 12 |

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

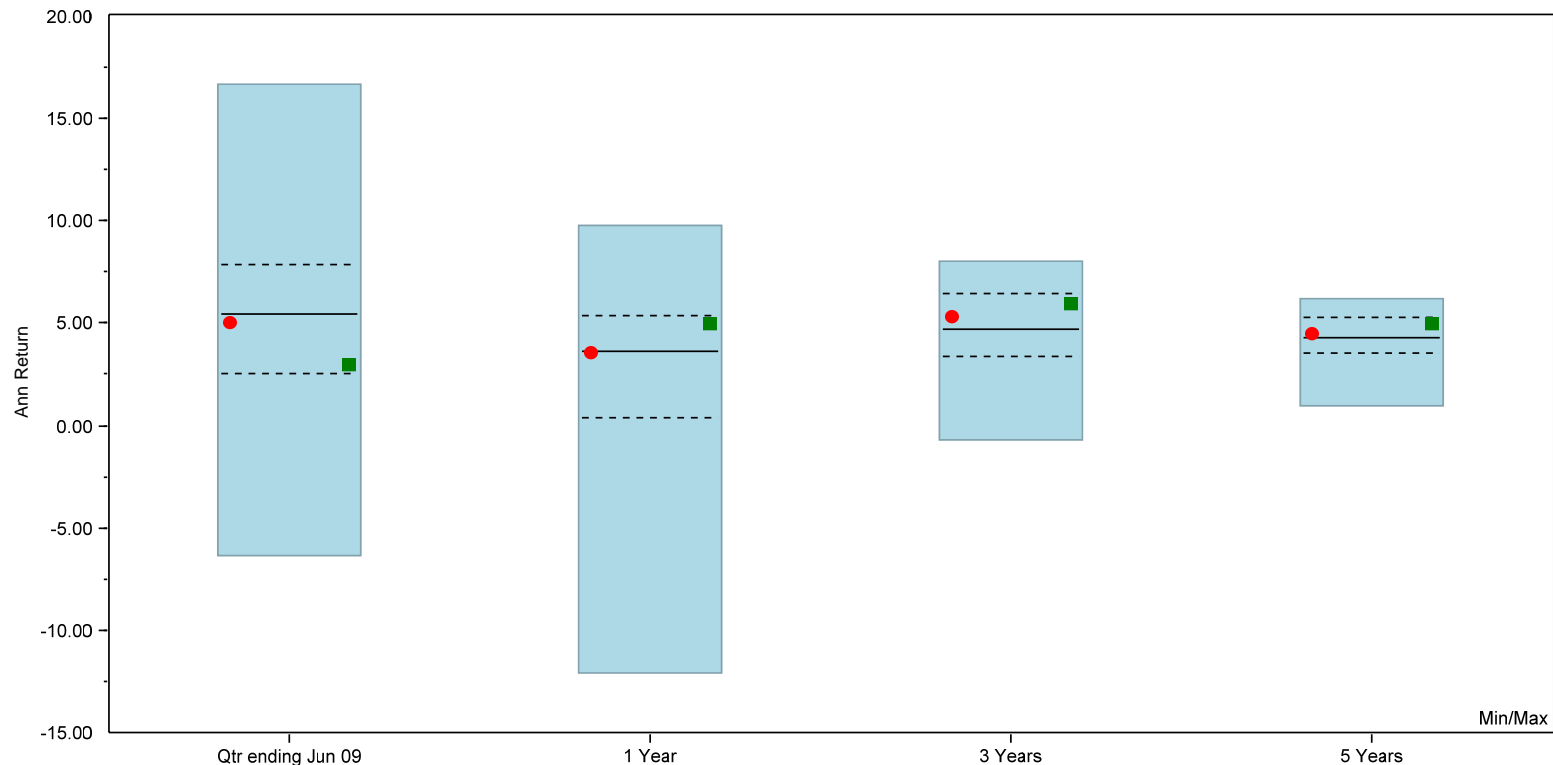
See page 32 for Notes on performance disclosures.

Water and Power Employees' Retirement Plan

US Fixed Income Segment - Public (USD) - Monthly

As of June 30, 2009

Cumulative Performance Comparisons

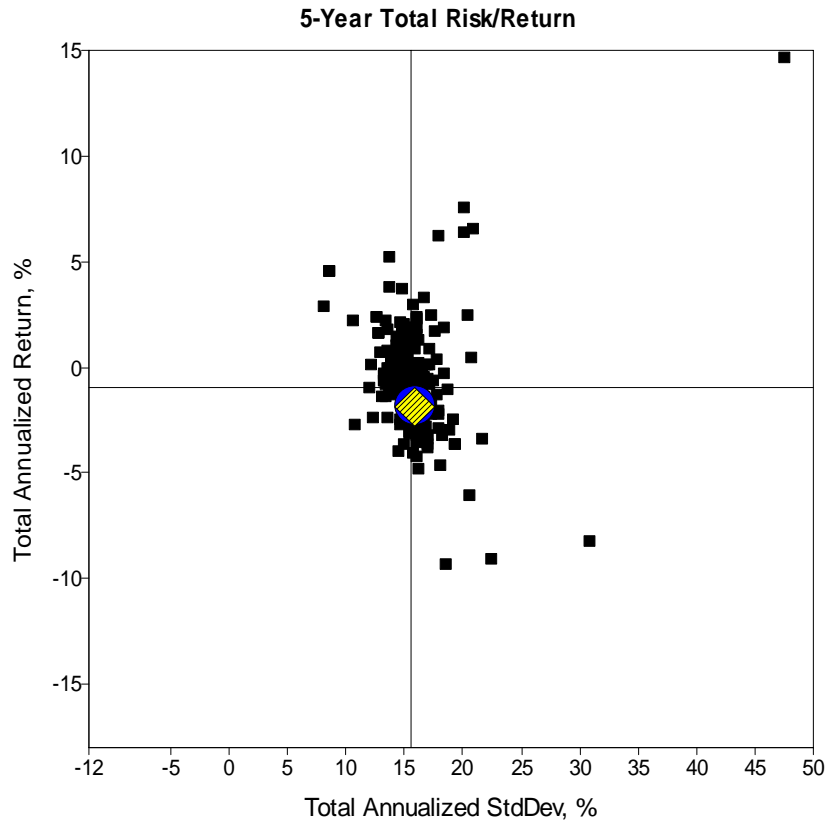


| | Value | %Tile | Rank | Value | %Tile | Rank | Value | %Tile | Rank | Value | %Tile | Rank |
|-------------------|-------|-------|------|--------|-------|------|-------|-------|------|-------|-------|------|
| Maximum | 16.64 | | | 9.79 | | | 8.00 | | | 6.23 | | |
| 25th Percentile | 7.85 | | | 5.38 | | | 6.43 | | | 5.32 | | |
| Median Percentile | 5.45 | | | 3.59 | | | 4.70 | | | 4.27 | | |
| 75th Percentile | 2.58 | | | 0.42 | | | 3.38 | | | 3.52 | | |
| Minimum | -6.33 | | | -12.10 | | | -0.73 | | | 0.97 | | |
| # of Portfolios | 79 | | | 66 | | | 57 | | | 46 | | |
| ● Fixed Income | 5.05 | 53 | 43 | 3.55 | 51 | 34 | 5.28 | 44 | 26 | 4.47 | 47 | 22 |
| ■ BC Universal | 2.94 | 73 | 59 | 4.92 | 31 | 21 | 5.92 | 33 | 19 | 4.95 | 35 | 17 |

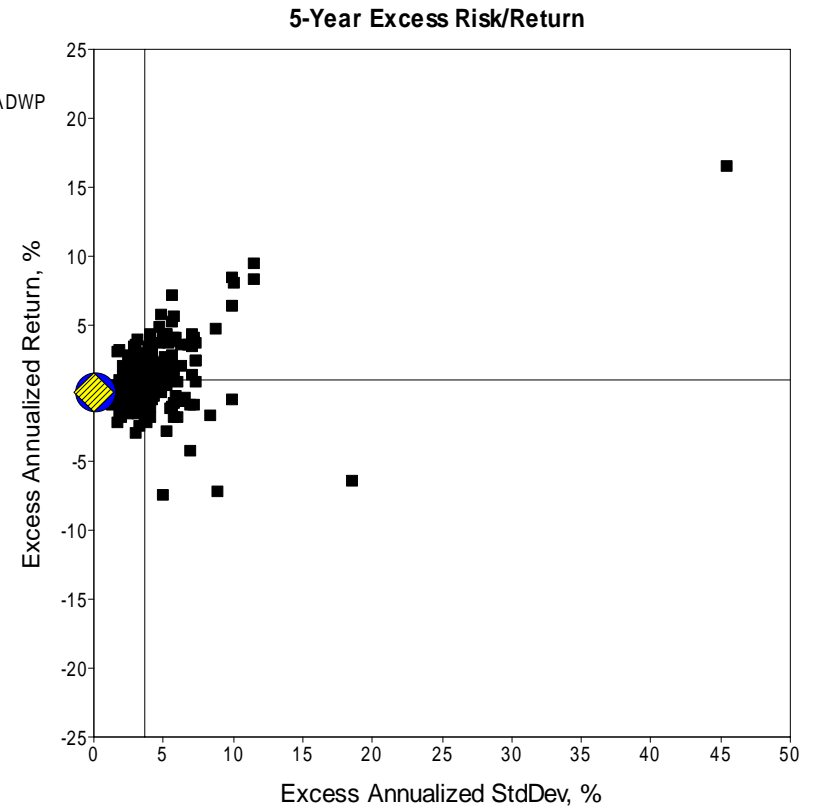
Universe Source: The Bank of New York Mellon Corporation; Universe Status: Final

See page 32 for Notes on performance disclosures.

WPERP Large Cap Core Manager Comparisons as of June 30, 2009



| | Annualized Return, % | Annualized StdDev, % | Sharpe Ratio |
|-----------------------------------|-------------------------|-------------------------|-----------------|
| BlackRock - LADWP | -1.75 | 15.88 | -0.11 |
| Russell 1000 | -1.85 | 15.86 | -0.12 |
| Large Cap Manager Universe Median | -0.94 | 15.59 | -0.06 |



| | Annualized Excess Return, % | Annualized Excess StdDev, % | Sharpe Ratio, Excess |
|-----------------------------------|-----------------------------------|-----------------------------------|----------------------------|
| BlackRock - LADWP | 0.10 | 0.19 | 0.52 |
| Russell 1000 | 0.00 | 0.00 | NA |
| Large Cap Manager Universe Median | 0.92 | 3.66 | 0.26 |

Notes:

Sources: Data MPI/eVestment Alliance (index information).

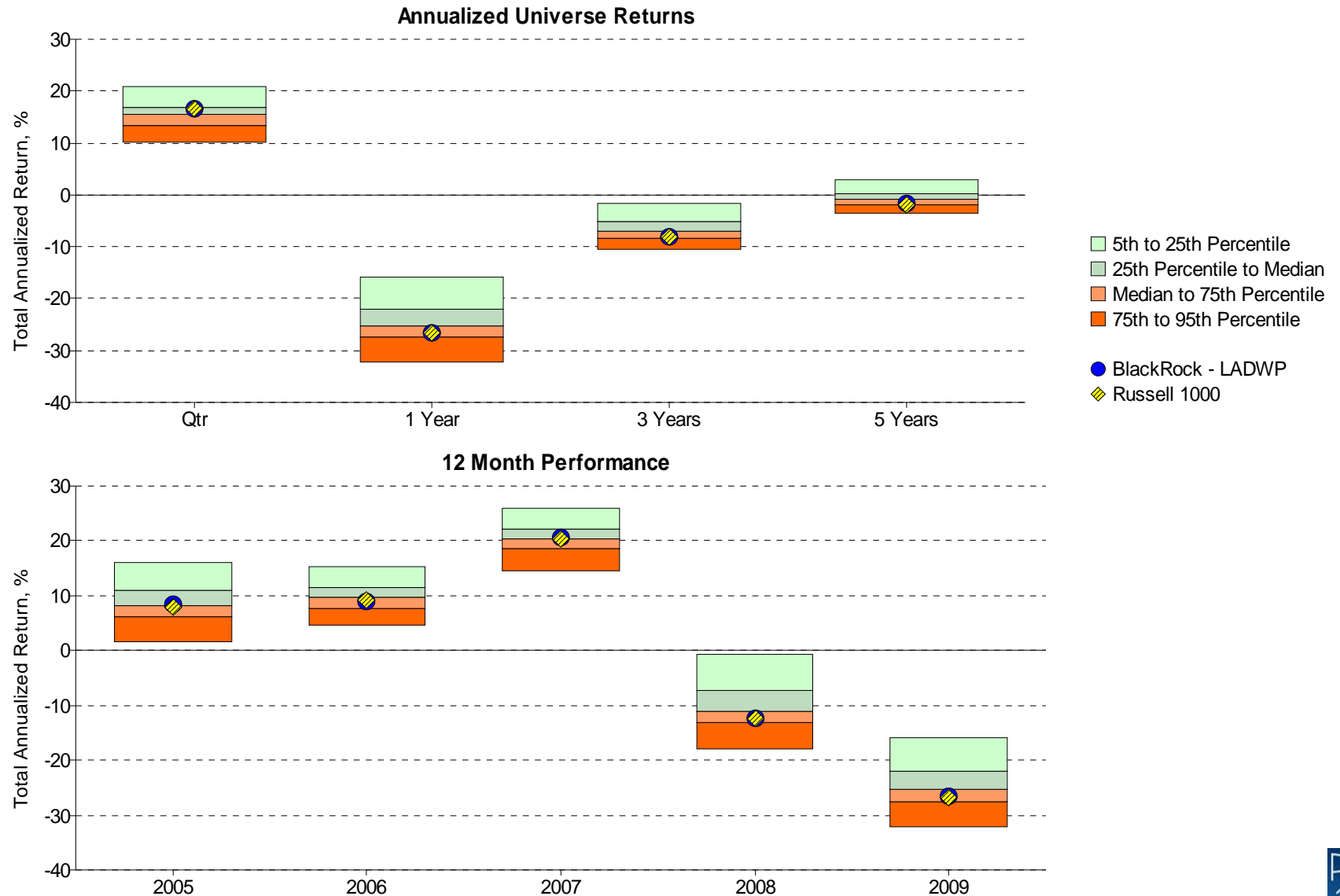
All performance is shown **gross of fees**.

Performance and related statistics calculated using MPI software that geometrically linked and compounded returns.

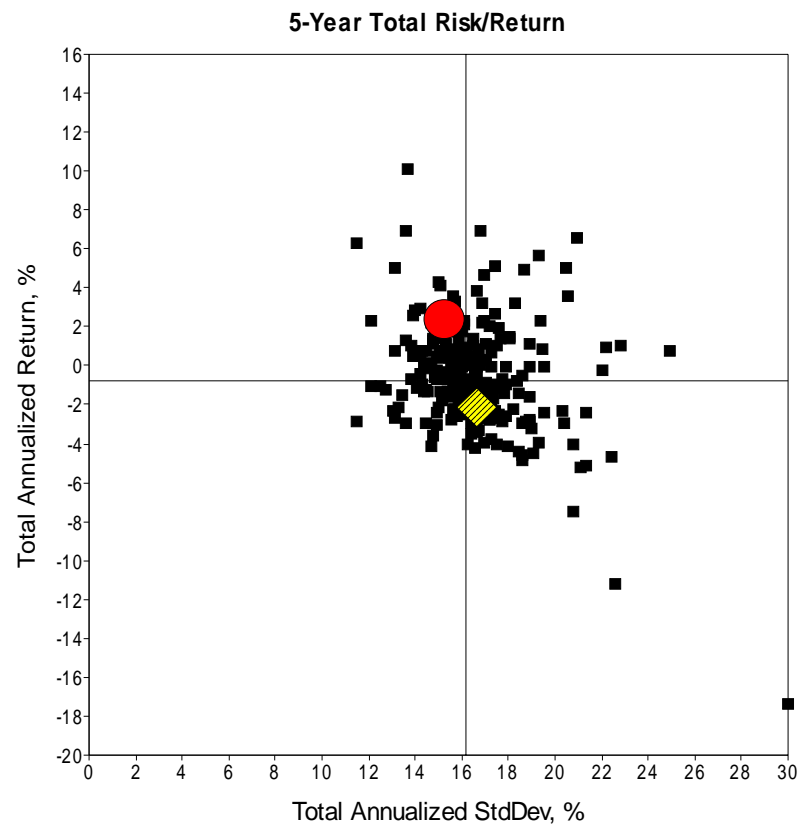
Differences due to rounding.



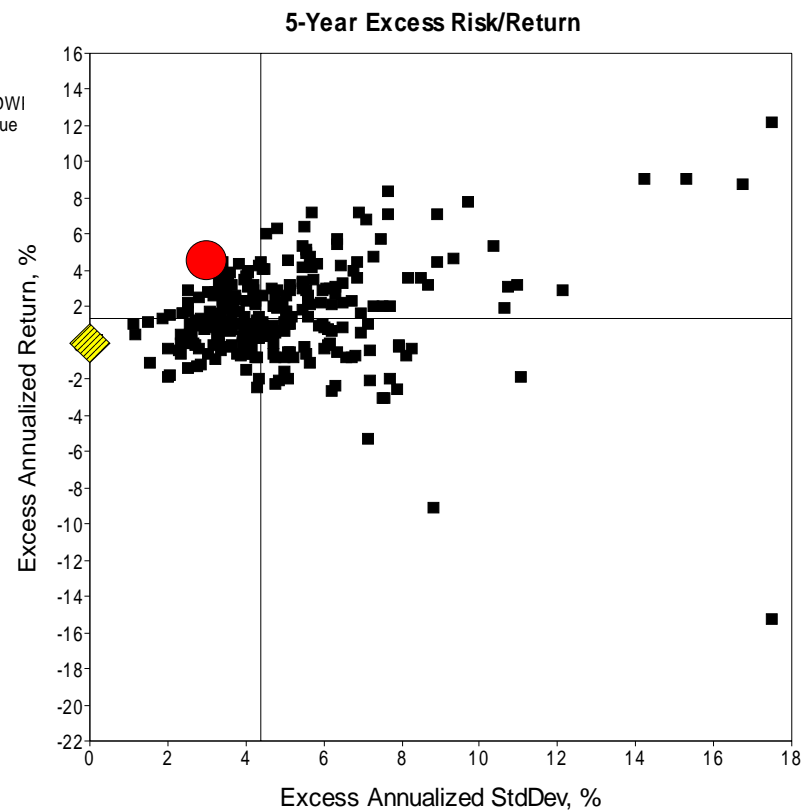
WPERP Large Cap Core Manager Comparisons as of June 30, 2009



WPERP Large Cap Value Manager Comparisons as of June 30, 2009



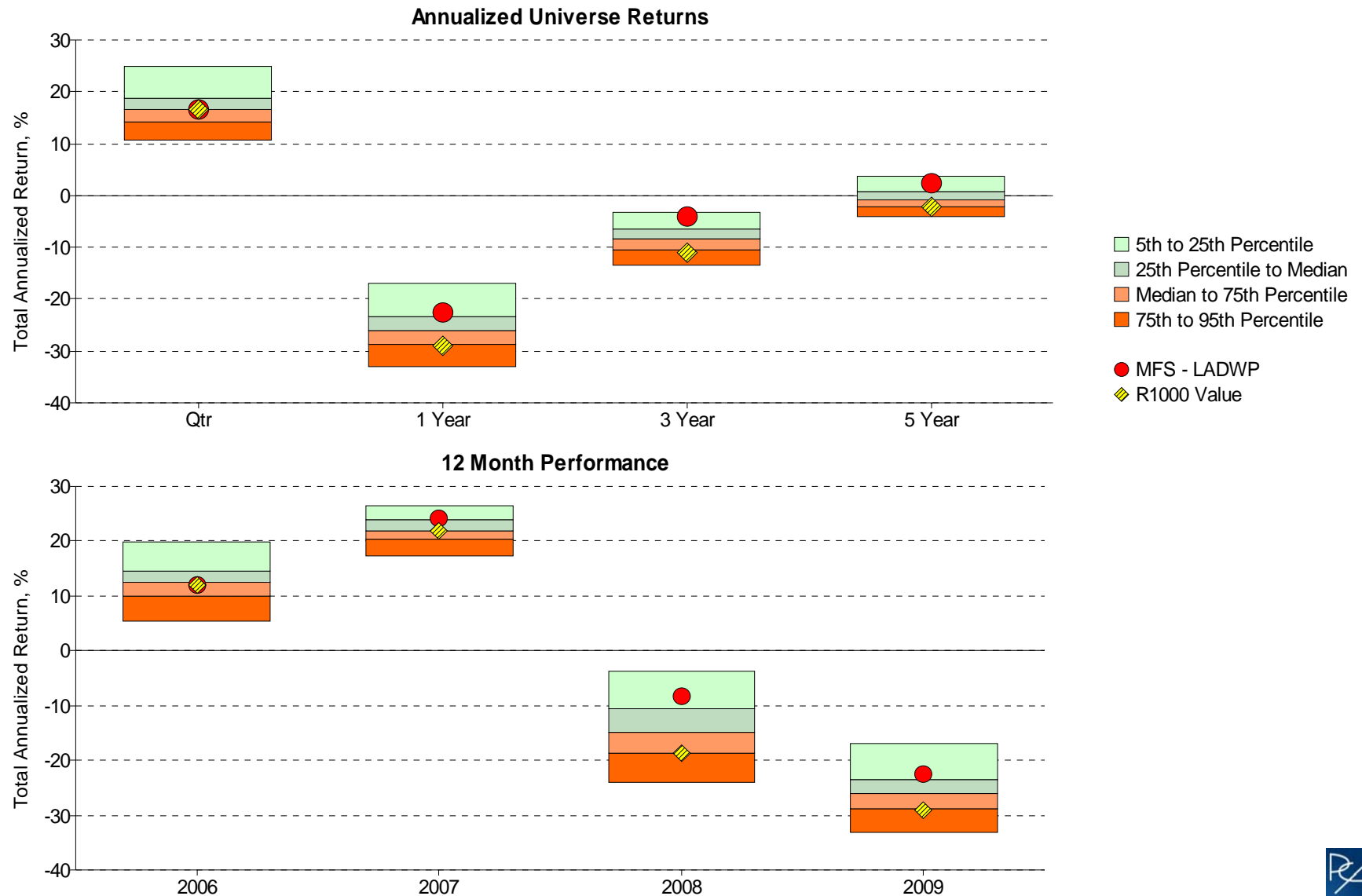
| | Annualized Return, % | Annualized StdDev, % | Sharpe Ratio |
|-------------------------------------|----------------------|----------------------|--------------|
| MFS - LADWP | 2.44 | 15.21 | 0.16 |
| R1000 Value | -2.14 | 16.63 | -0.13 |
| Large Value Manager Universe Median | -0.79 | 16.21 | -0.05 |



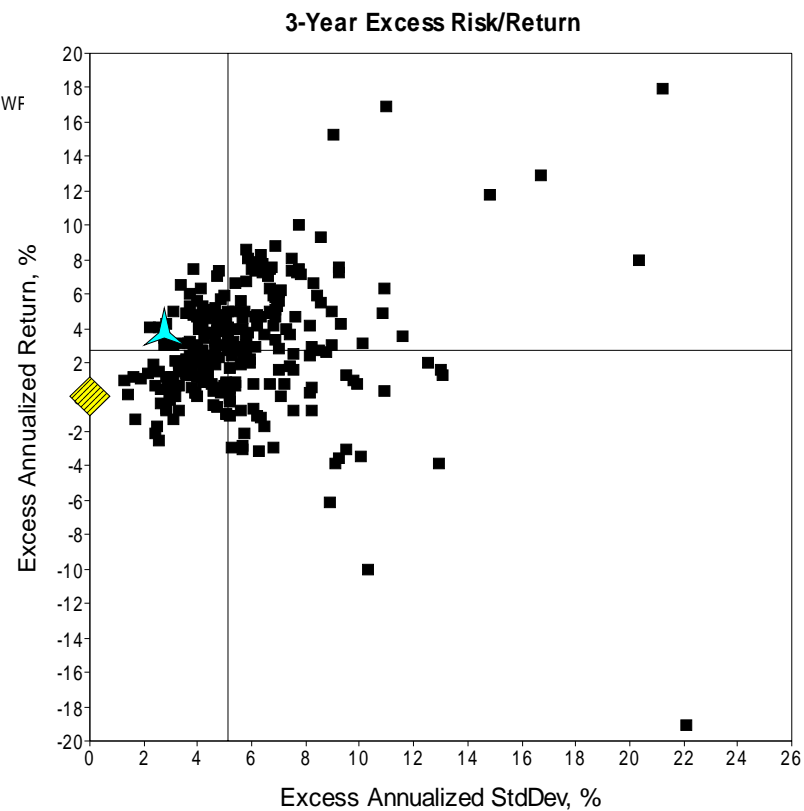
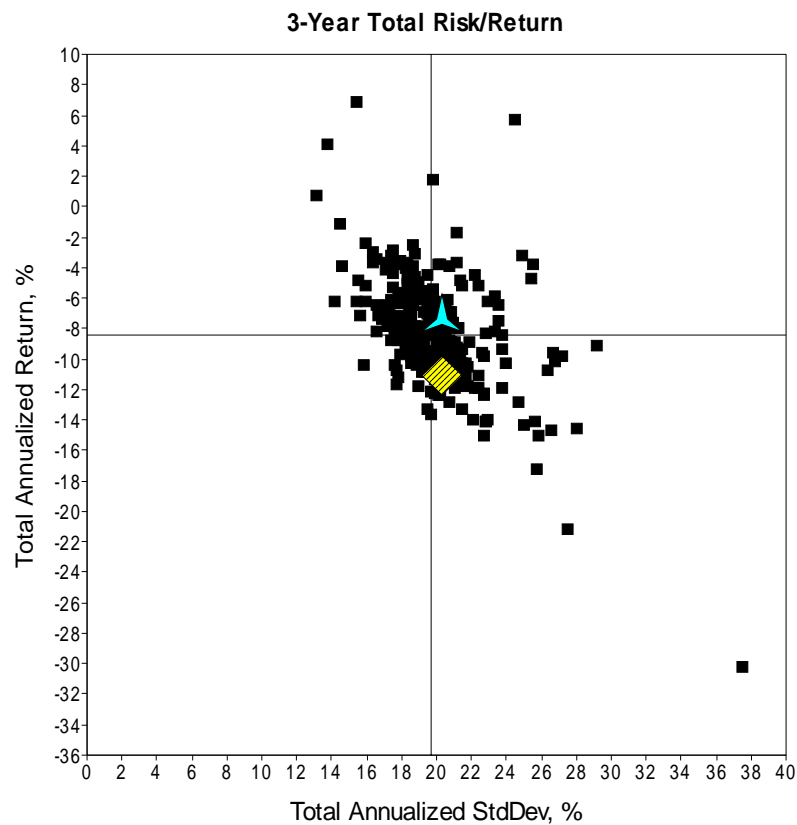
| | Annualized Excess Return, % | Annualized Excess StDev, % | Sharpe Ratio, Excess |
|-------------------------------------|-----------------------------|----------------------------|----------------------|
| MFS - LADWP | 4.57 | 3.00 | 1.53 |
| R1000 Value | 0.00 | 0.00 | NA |
| Large Value Manager Universe Median | 1.34 | 4.37 | 0.36 |



WPERP Large Cap Value Manager Comparisons as of June 30, 2009



WPERP Large Cap Value Manager Comparisons as of June 30, 2009

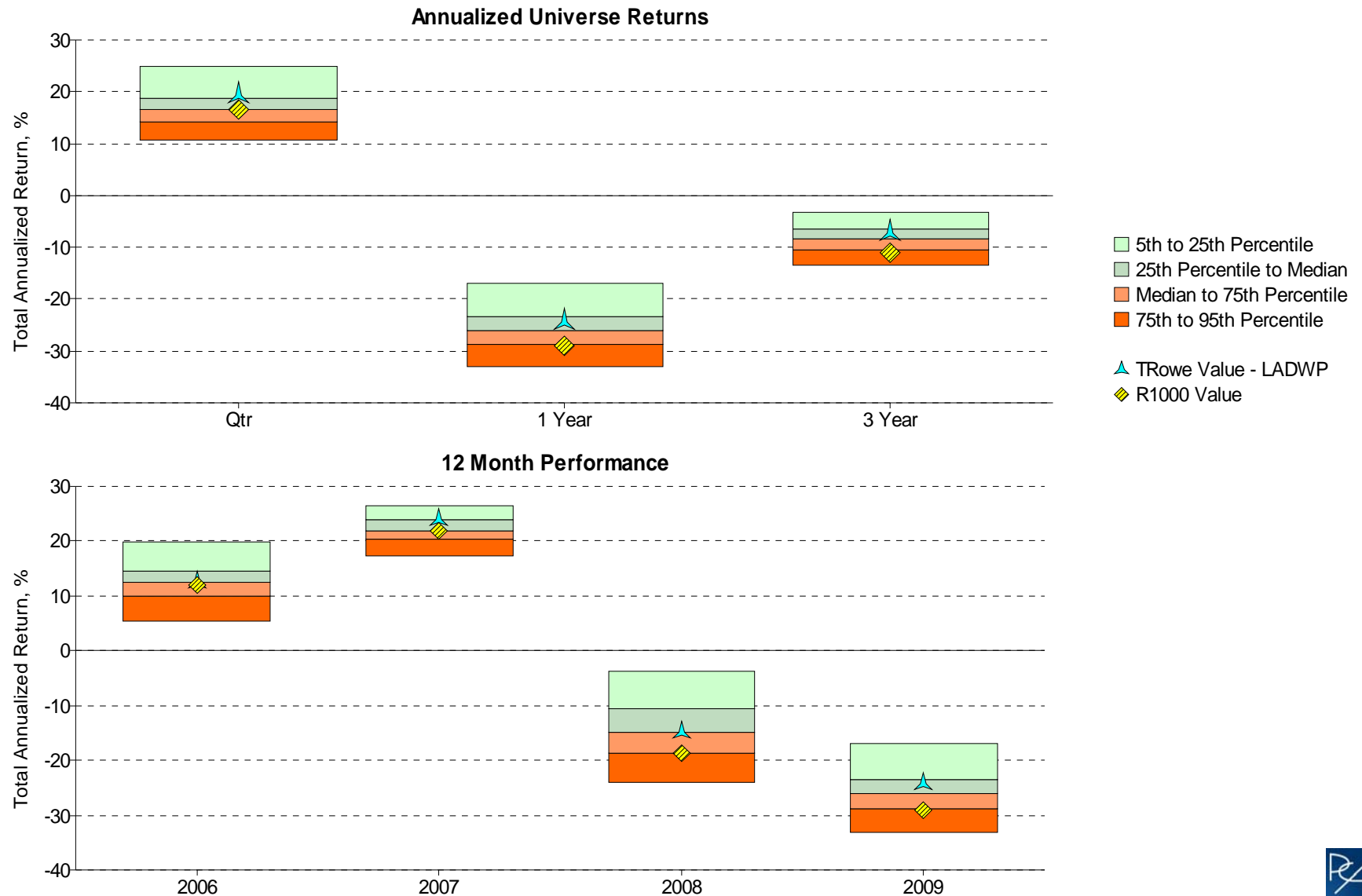


| | Annualized Return, % | Annualized StdDev, % | Sharpe Ratio |
|-------------------------------------|-------------------------|-------------------------|-----------------|
| TRowe Value - LADWP | -7.34 | 20.31 | -0.36 |
| R1000 Value | -11.11 | 20.33 | -0.55 |
| Large Value Manager Universe Median | -8.43 | 19.67 | -0.43 |

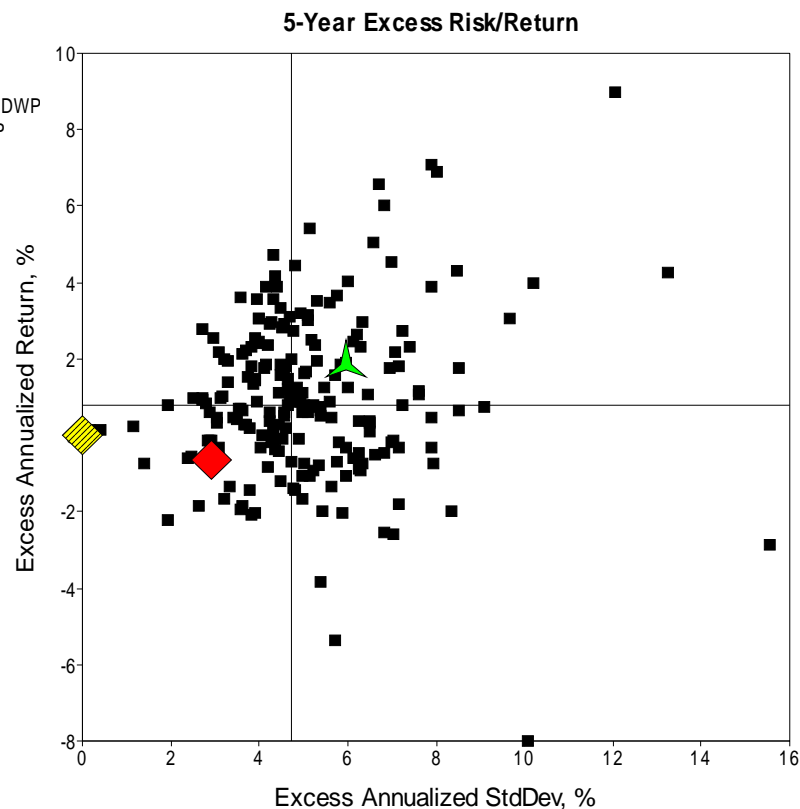
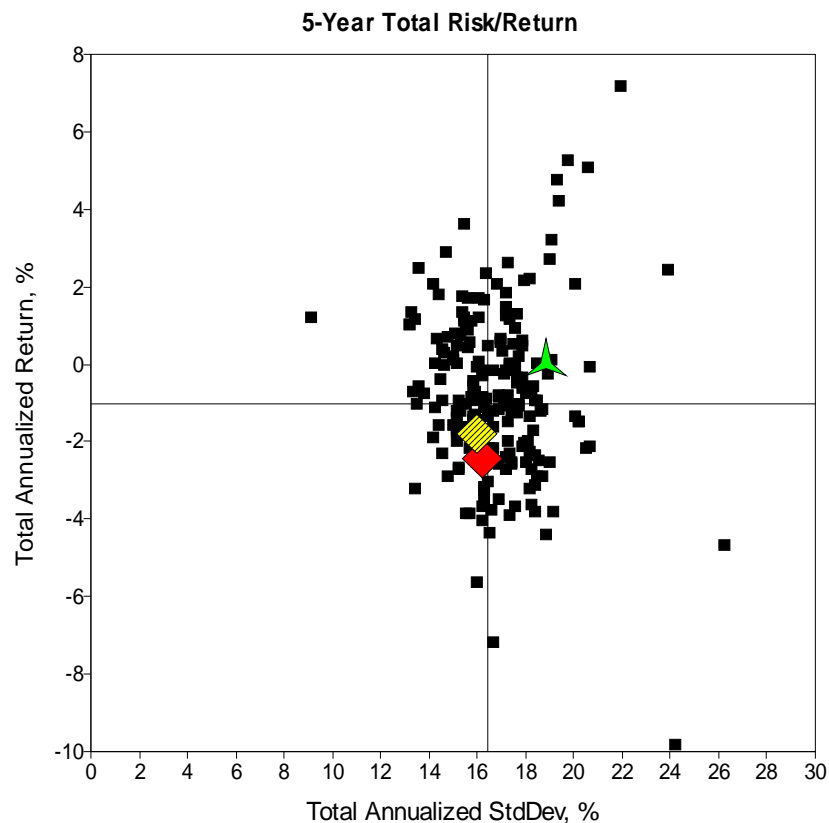
| | Annualized Excess Return, % | Annualized Excess StdDev, % | Sharpe Ratio, Excess |
|-------------------------------------|-----------------------------------|-----------------------------------|----------------------------|
| TRowe Value - LADWP | 3.78 | 2.73 | 1.38 |
| R1000 Value | 0.00 | 0.00 | NA |
| Large Value Manager Universe Median | 2.68 | 5.10 | 0.55 |



WPERP Large Cap Value Manager Comparisons as of June 30, 2009



WPERP Large Cap Growth Manager Comparisons as of June 30, 2009

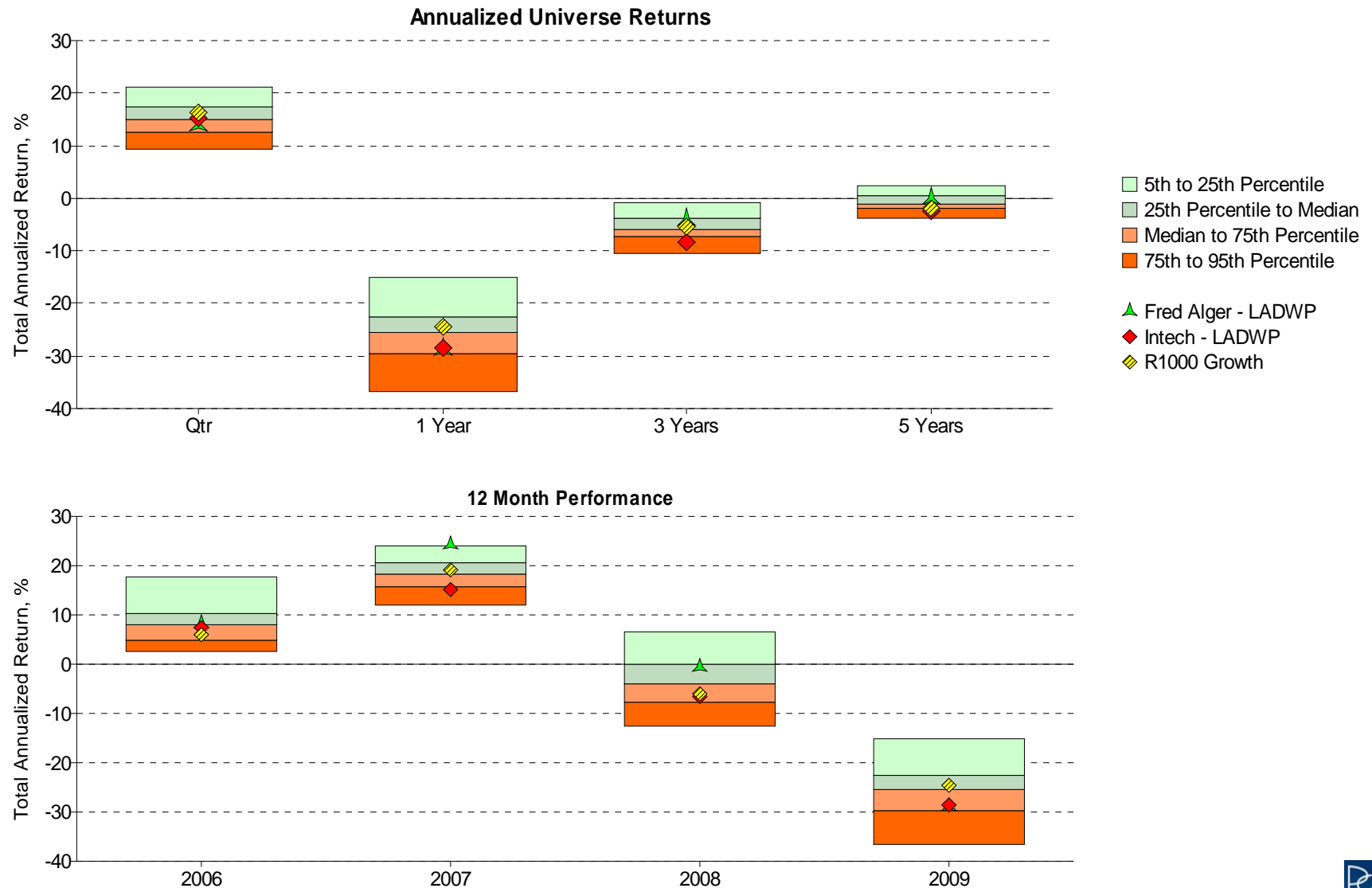


| | Annualized Return, % | Annualized StdDev, % | Sharpe Ratio |
|--------------------------------------|-------------------------|-------------------------|-----------------|
| Fred Alger - LADWP | 0.03 | 18.81 | 0.00 |
| Intech - LADWP | -2.45 | 16.20 | -0.15 |
| R1000 Growth | -1.82 | 15.95 | -0.11 |
| Large Growth Manager Universe Median | -1.02 | 16.45 | -0.06 |

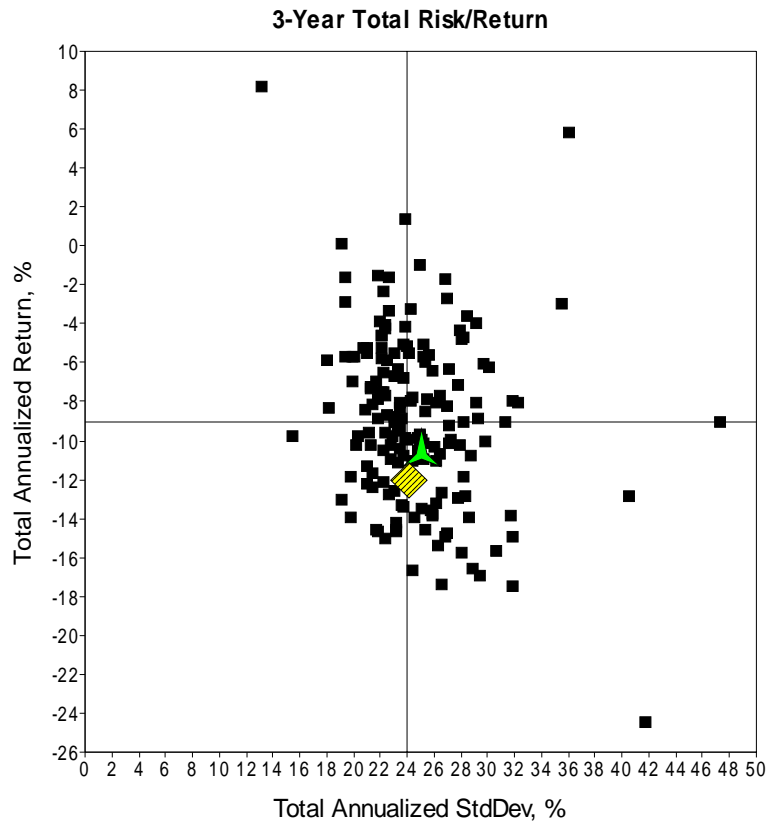
| | Annualized Excess Return, % | Annualized Excess StdDev, % | Sharpe Ratio, Excess |
|--------------------------------------|-----------------------------------|-----------------------------------|----------------------------|
| Fred Alger - LADWP | 1.84 | 5.97 | 0.31 |
| Intech - LADWP | -0.63 | 2.93 | -0.21 |
| R1000 Growth | 0.00 | 0.00 | NA |
| Large Growth Manager Universe Median | 0.80 | 4.73 | 0.20 |



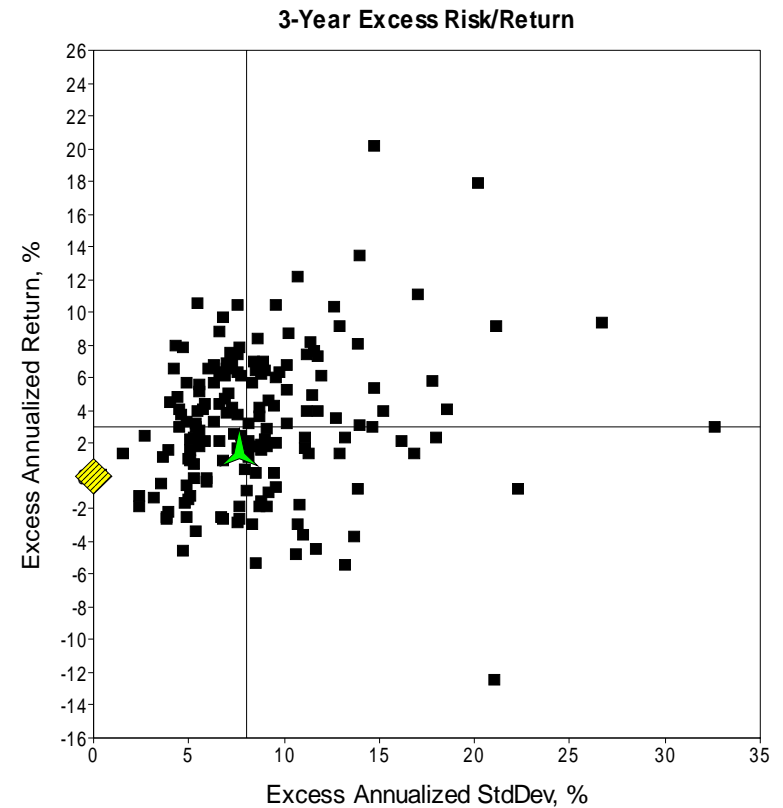
WPERP Large Cap Growth Manager Comparisons as of June 30, 2009



WPERP Small Cap Value Manager Comparisons as of June 30, 2009



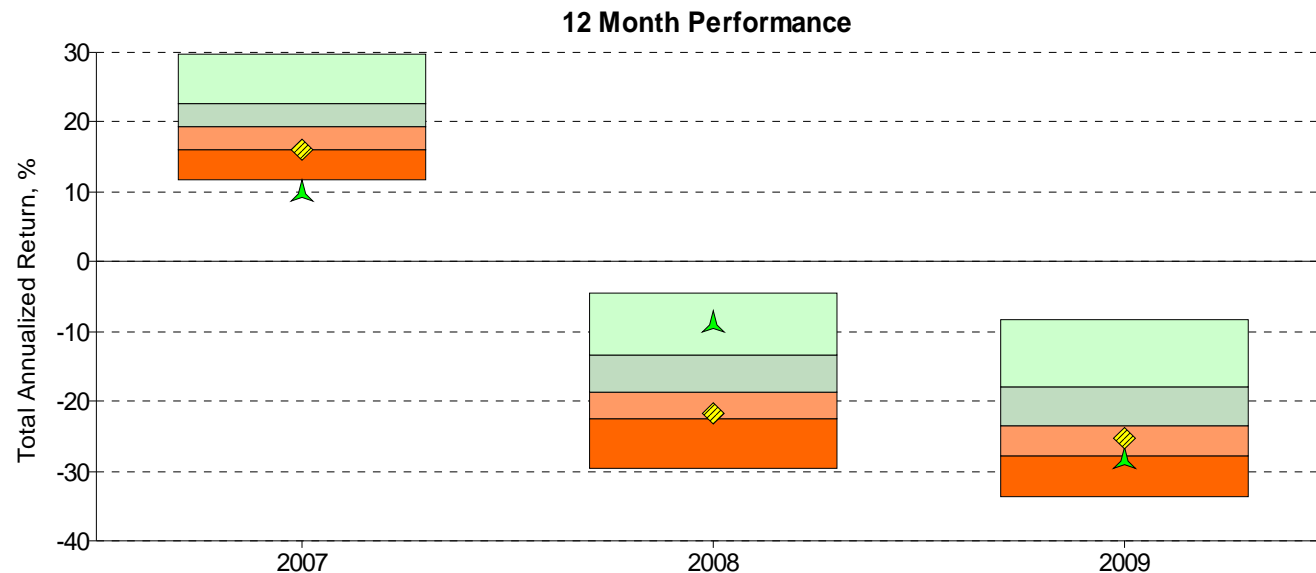
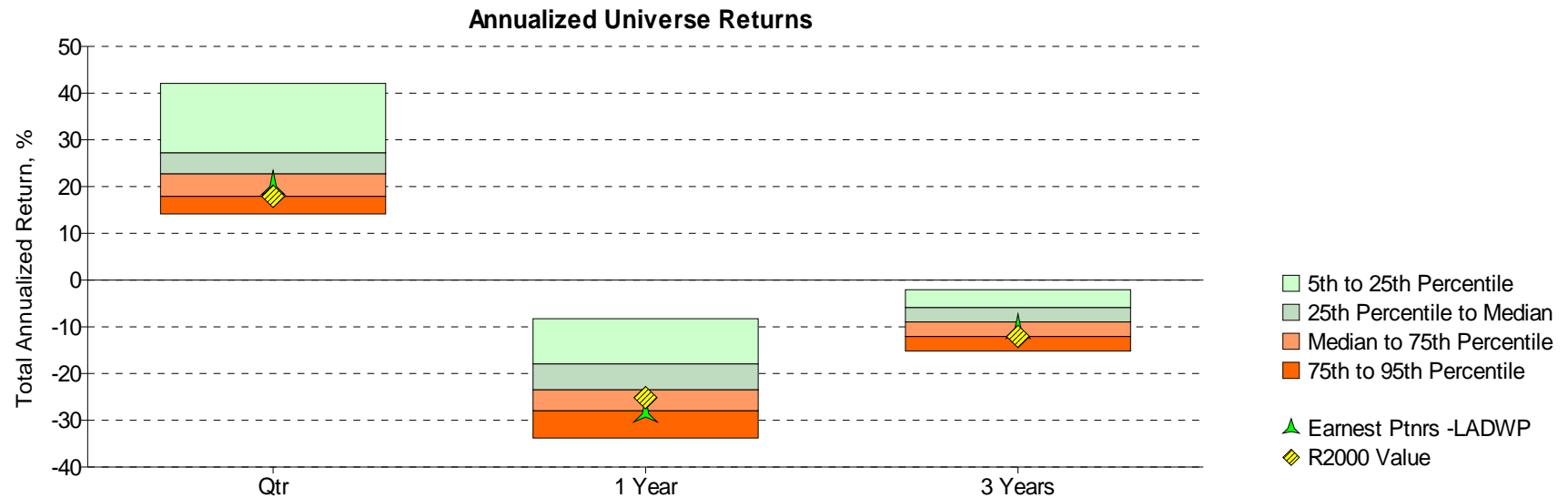
| | Annualized Return, % | Annualized StdDev, % | Sharpe Ratio |
|---------------------------------|----------------------|----------------------|--------------|
| Earnest Ptnrs -LADWP | -10.68 | 25.09 | -0.43 |
| R2000 Value | -12.07 | 24.18 | -0.50 |
| Small Cap Value Universe Median | -9.06 | 23.94 | -0.38 |



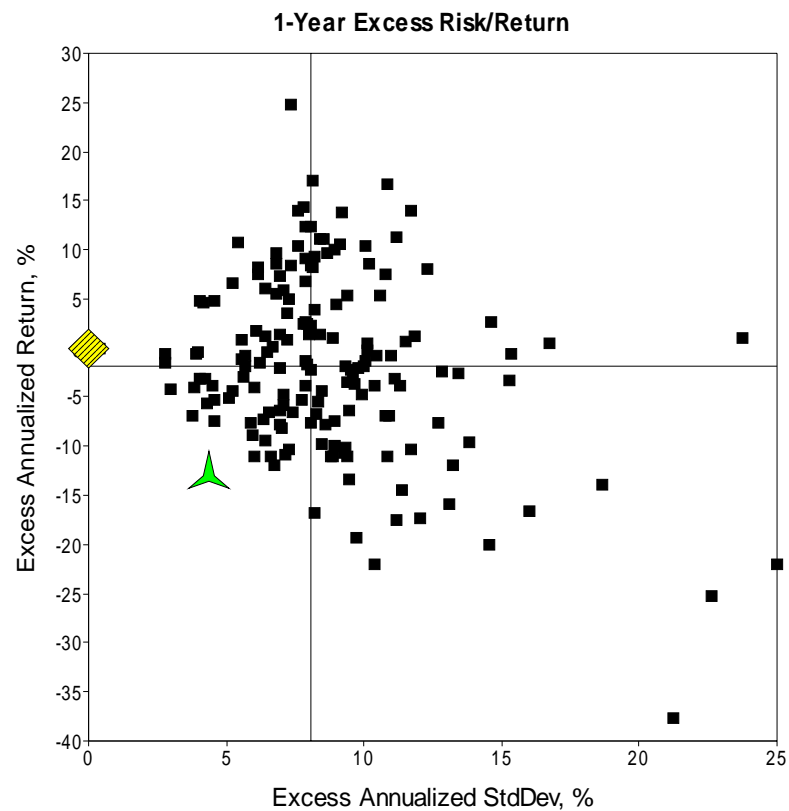
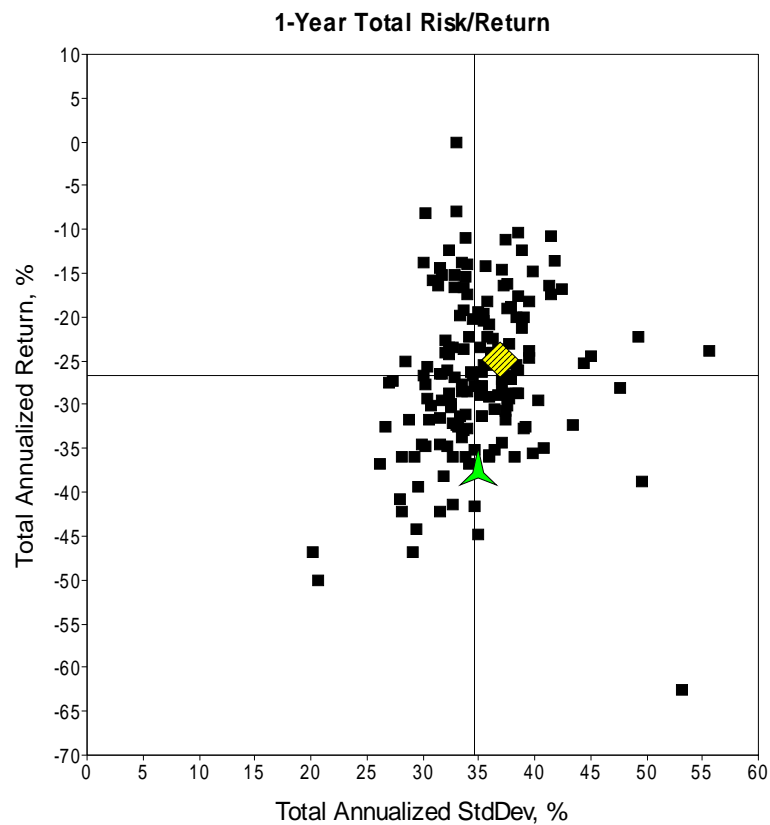
| | Annualized Excess Return, % | Annualized Excess StDev, % | Sharpe Ratio, Excess |
|---------------------------------|-----------------------------|----------------------------|----------------------|
| Earnest Ptnrs -LADWP | 1.38 | 7.60 | 0.18 |
| R2000 Value | 0.00 | 0.00 | NA |
| Small Cap Value Universe Median | 3.00 | 8.01 | 0.36 |



WPERP Small Cap Value Manager Comparisons as of June 30, 2009



WPERP Small Cap Growth Manager Comparisons as of June 30, 2009

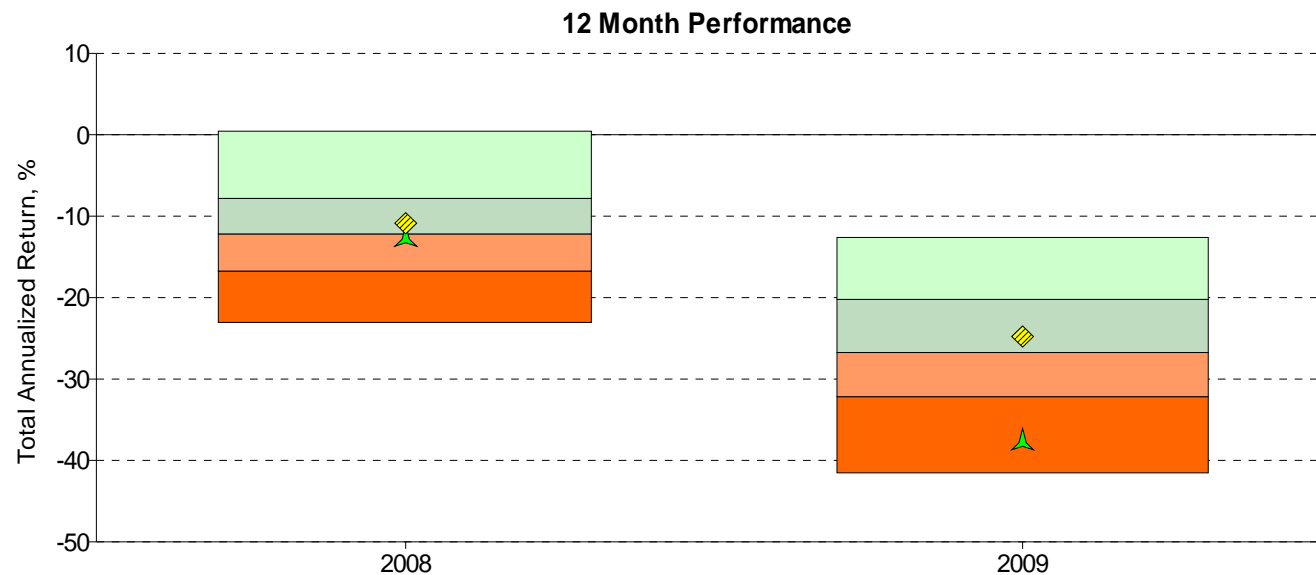
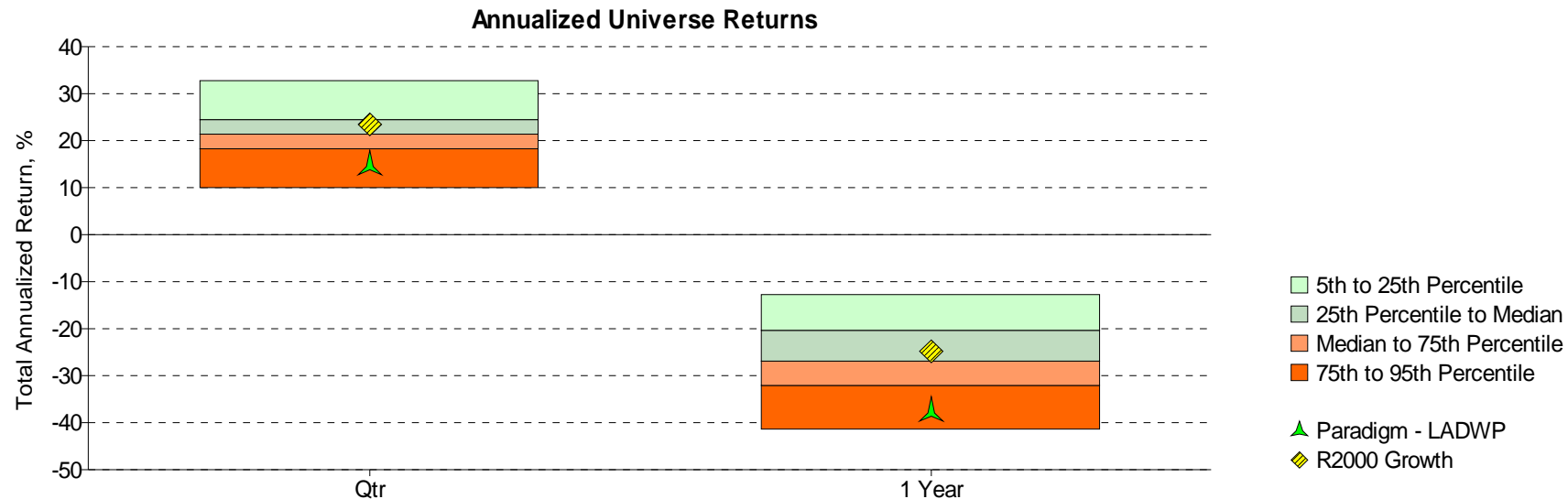


| | Annualized Return, % | Annualized StdDev, % | Sharpe Ratio |
|--|-------------------------|-------------------------|-----------------|
| Paradigm - LADWP | -37.79 | 34.89 | -1.08 |
| R2000 Growth | -24.84 | 36.84 | -0.67 |
| Small Cap Growth Manager Universe Median | -26.75 | 34.68 | -0.75 |

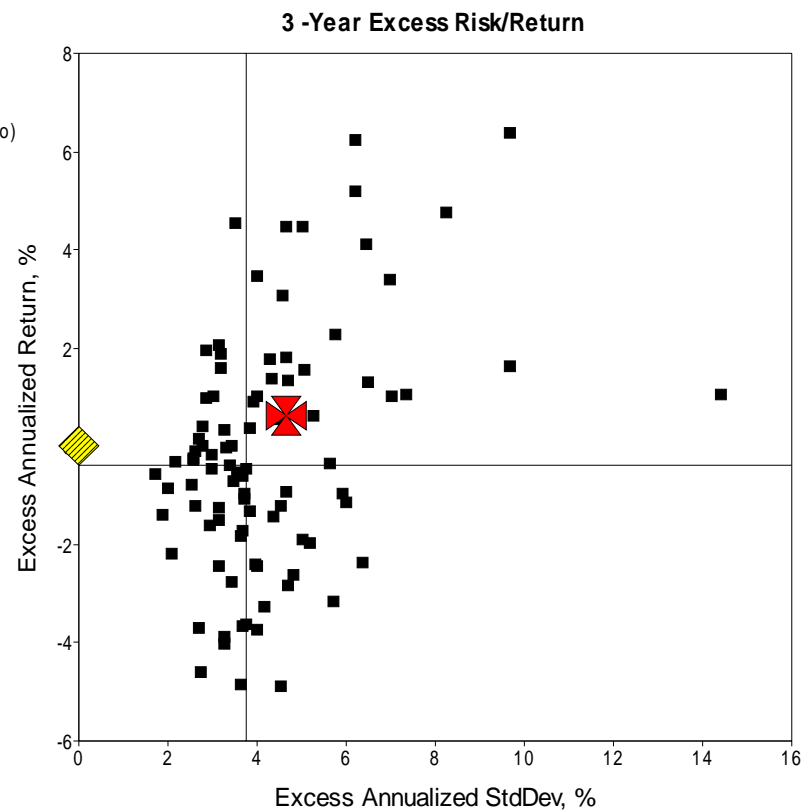
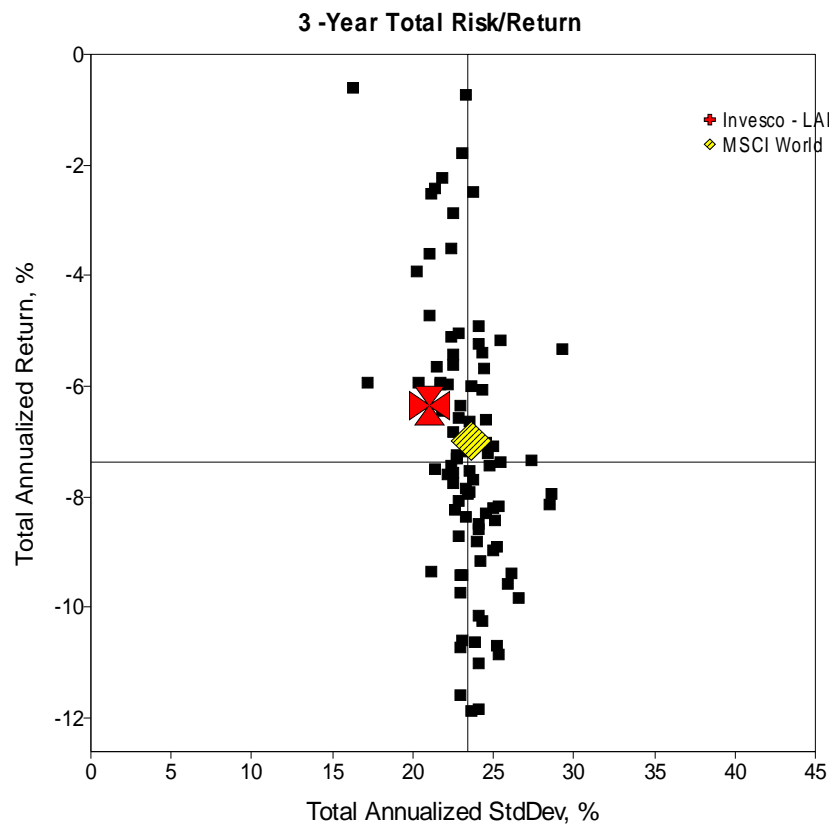
| | Annualized Excess Return, % | Annualized Excess StdDev, % | Sharpe Ratio, Excess |
|--|-----------------------------------|-----------------------------------|----------------------------|
| Paradigm - LADWP | -12.95 | 4.35 | -2.98 |
| R2000 Growth | 0.00 | 0.00 | NA |
| Small Cap Growth Manager Universe Median | -1.91 | 8.09 | -0.21 |



WPERP Small Cap Growth Manager Comparisons as of June 30, 2009



WPERP International Equity Manager Comparisons as of June 30, 2009

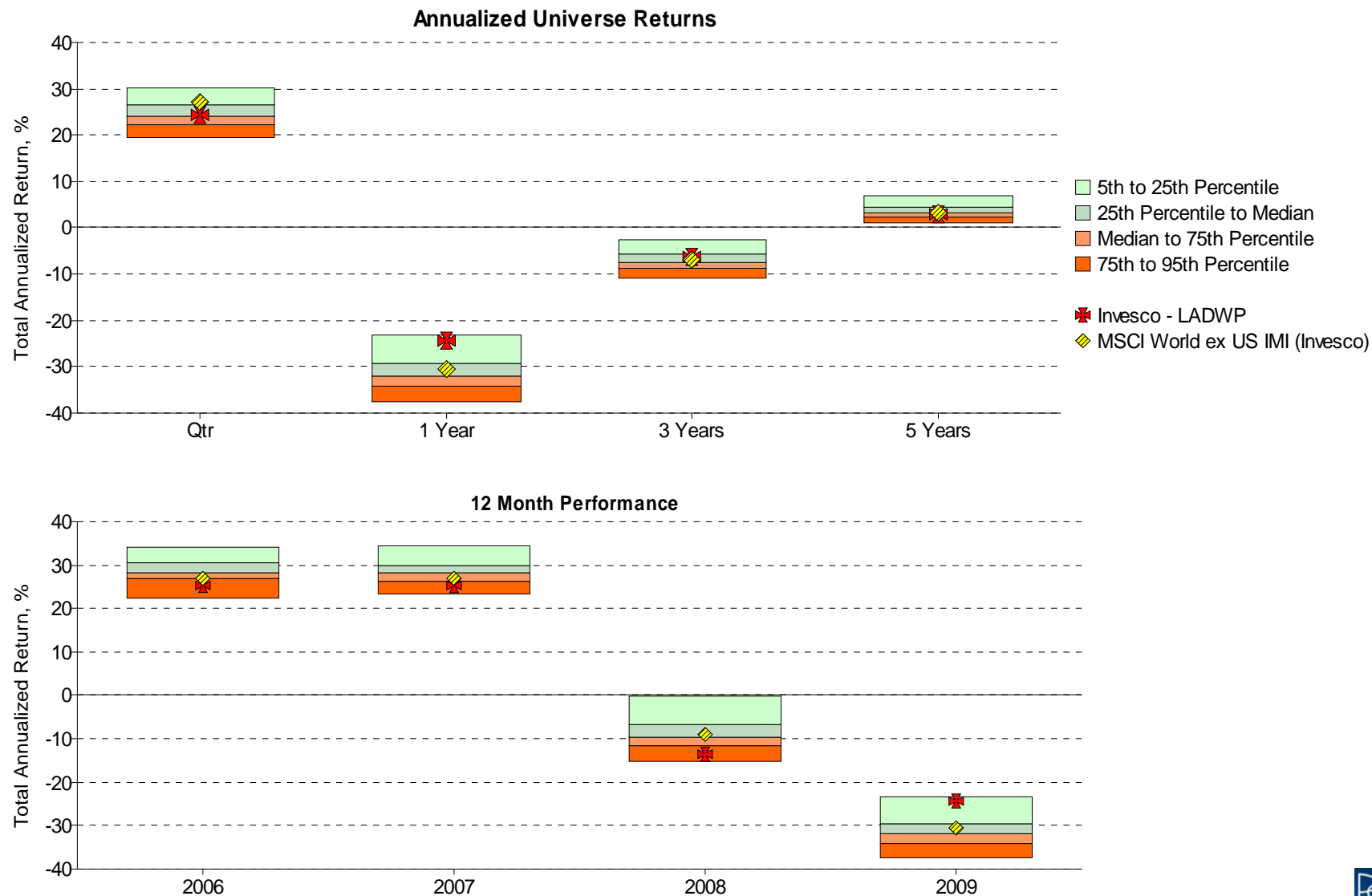


| | Annualized Return, % | Annualized StdDev, % | Sharpe Ratio |
|--------------------------------------|-------------------------|-------------------------|-----------------|
| Invesco - LADWP | -6.36 | 21.00 | -0.30 |
| MSCI World ex US IMI (Invesco) | -6.98 | 23.58 | -0.30 |
| International Equity Universe Median | -7.36 | 23.35 | -0.31 |

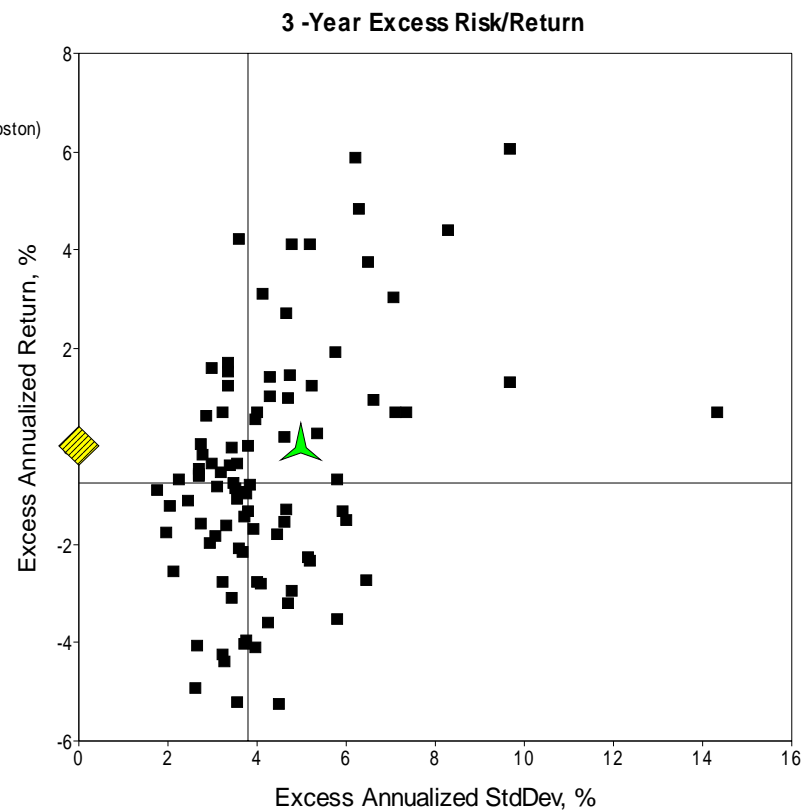
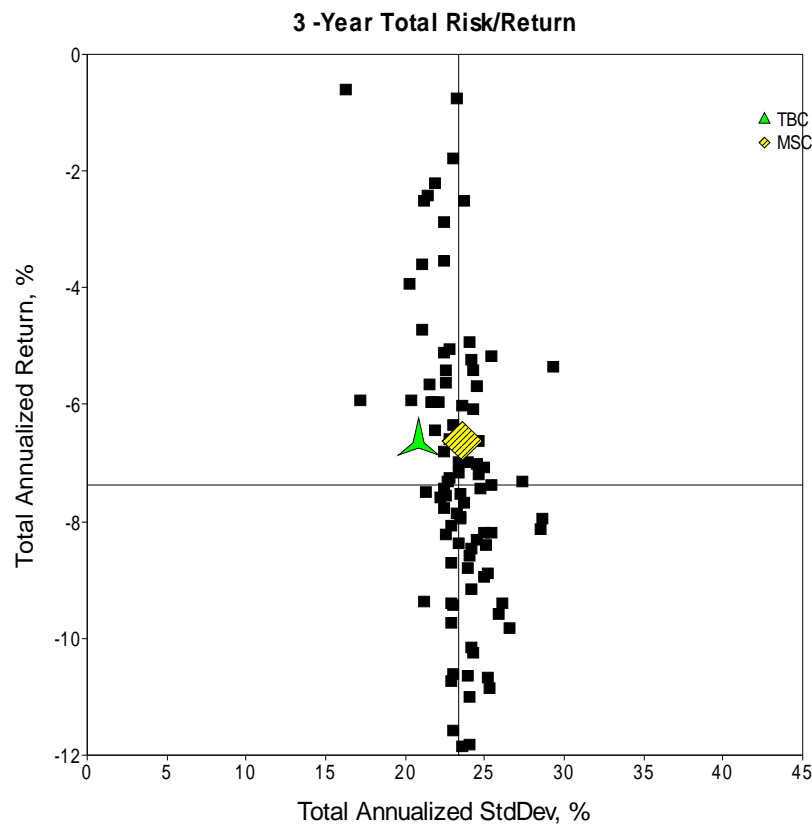
| | Annualized Excess Return, % | Annualized Excess StdDev, % | Sharpe Ratio, Excess |
|--------------------------------------|-----------------------------------|-----------------------------------|----------------------------|
| Invesco - LADWP | 0.62 | 4.67 | 0.13 |
| MSCI World ex US IMI (Invesco) | 0.00 | 0.00 | NA |
| International Equity Universe Median | -0.38 | 3.75 | -0.12 |



WPERP International Equity Manager Comparisons as of June 30, 2009



WPERP International Equity Manager Comparisons as of June 30, 2009

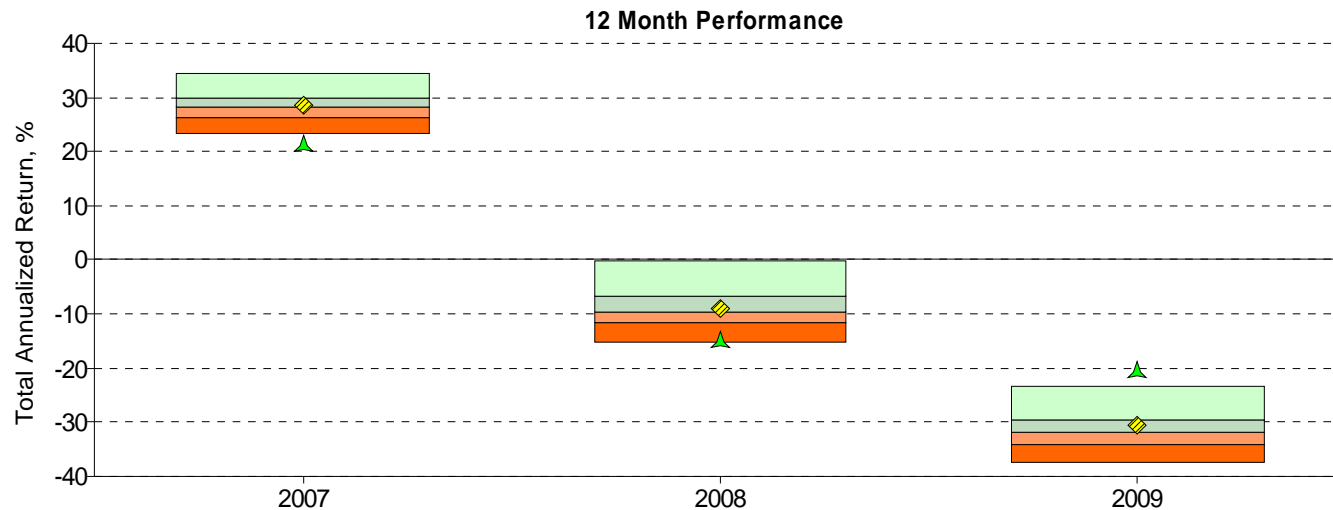
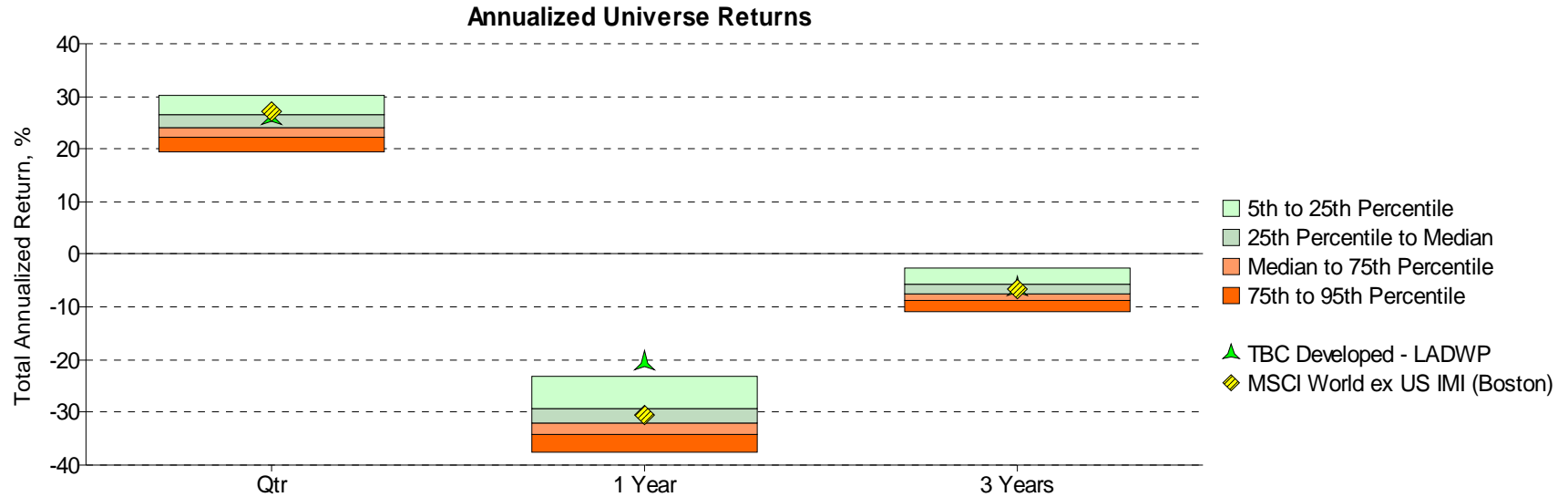


| | Annualized Return, % | Annualized StdDev, % | Sharpe Ratio |
|--------------------------------------|-------------------------|-------------------------|-----------------|
| TBC Developed - LADWP | -6.64 | 20.85 | -0.32 |
| MSCI World ex US IMI (Boston) | -6.63 | 23.63 | -0.28 |
| International Equity Universe Median | -7.36 | 23.35 | -0.31 |

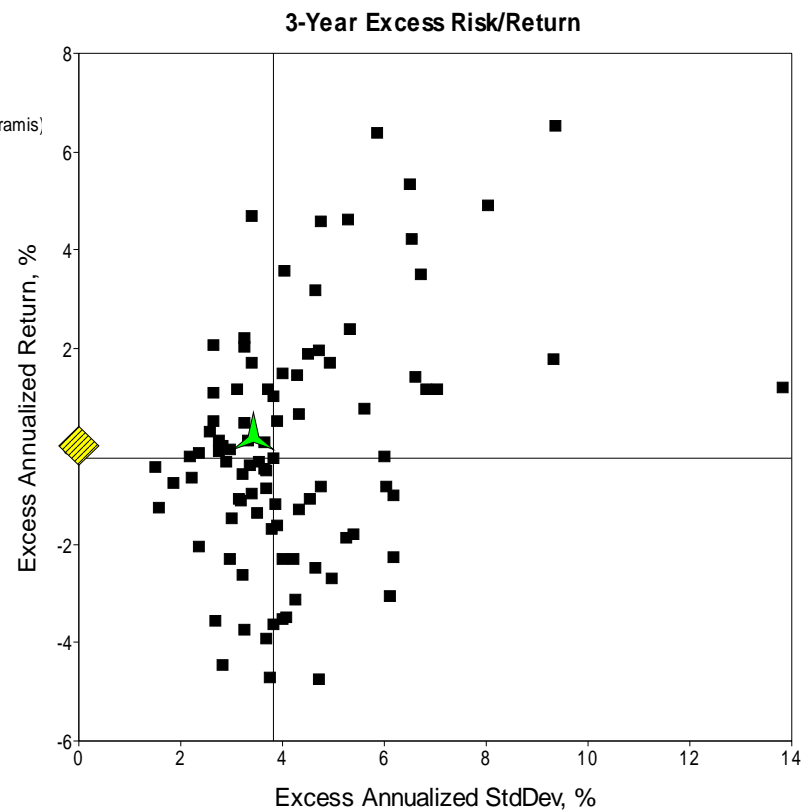
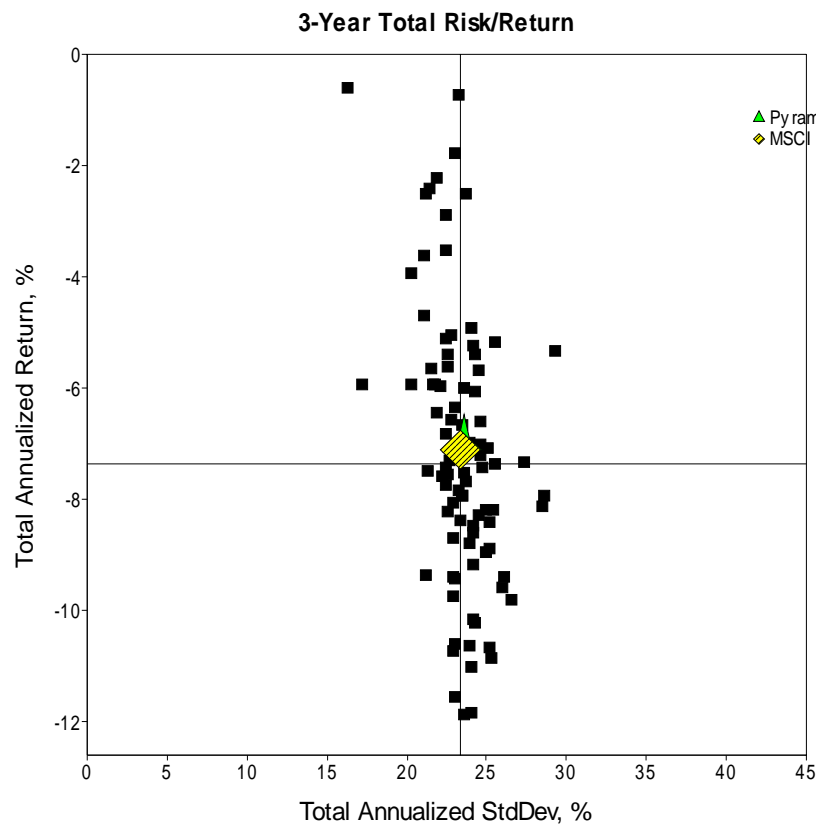
| | Annualized Excess Return, % | Annualized Excess StdDev, % | Sharpe Ratio, Excess |
|--------------------------------------|-----------------------------------|-----------------------------------|----------------------------|
| TBC Developed - LADWP | -0.01 | 4.96 | 0.00 |
| MSCI World ex US IMI (Boston) | 0.00 | 0.00 | NA |
| International Equity Universe Median | -0.73 | 3.78 | -0.22 |



WPERP International Equity Manager Comparisons as of June 30, 2009



WPERP International Equity Manager Comparisons as of June 30, 2009

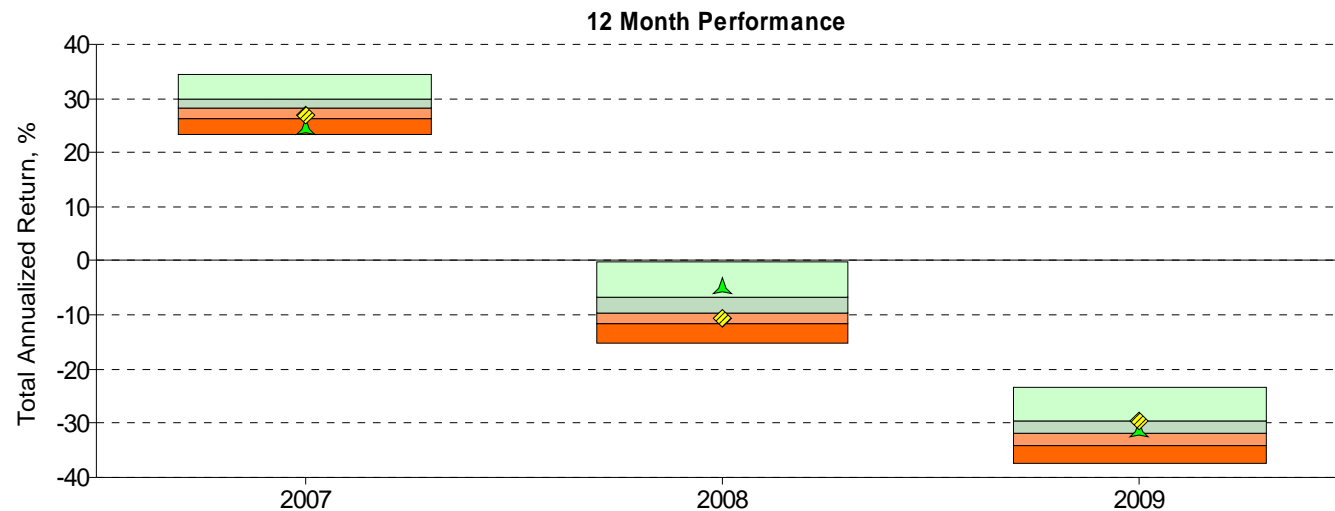
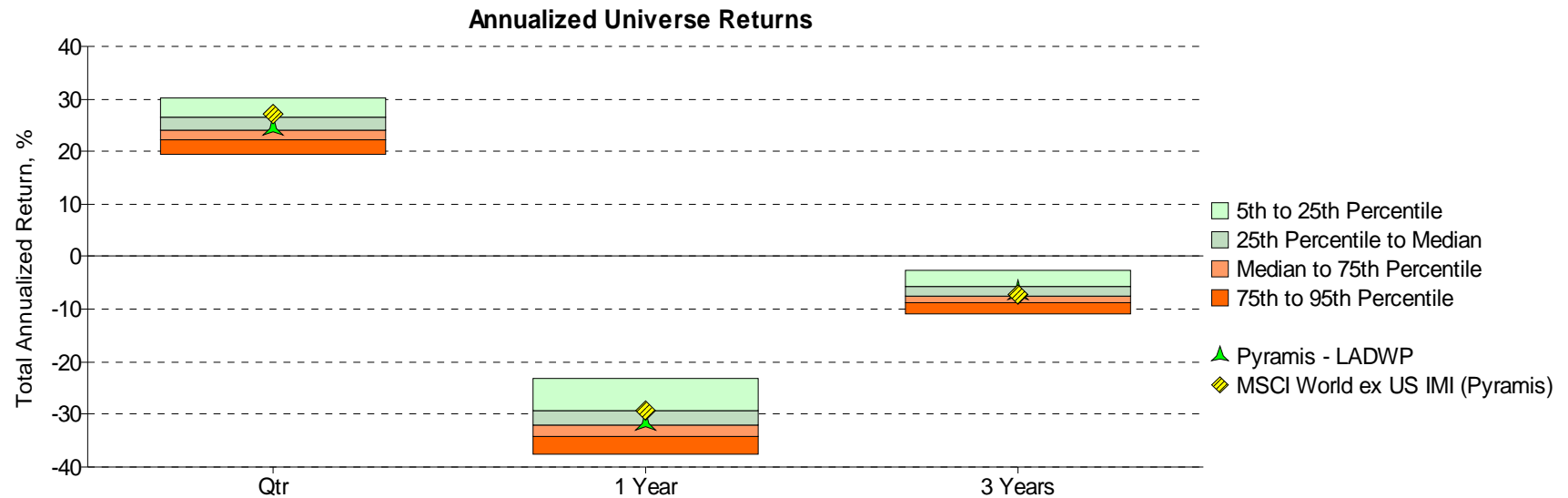


| | Annualized Return, % | Annualized StdDev, % | Sharpe Ratio |
|--------------------------------------|-------------------------|-------------------------|-----------------|
| Pyramis - LADWP | -6.92 | 23.58 | -0.29 |
| MSCI World ex US IMI (Pyramis) | -7.11 | 23.41 | -0.30 |
| International Equity Universe Median | -7.36 | 23.35 | -0.31 |

| | Annualized Excess Return, % | Annualized Excess StdDev, % | Sharpe Ratio, Excess |
|--------------------------------------|-----------------------------------|-----------------------------------|----------------------------|
| Pyramis - LADWP | 0.19 | 3.43 | 0.06 |
| MSCI World ex US IMI (Pyramis) | 0.00 | 0.00 | NA |
| International Equity Universe Median | -0.25 | 3.82 | -0.09 |

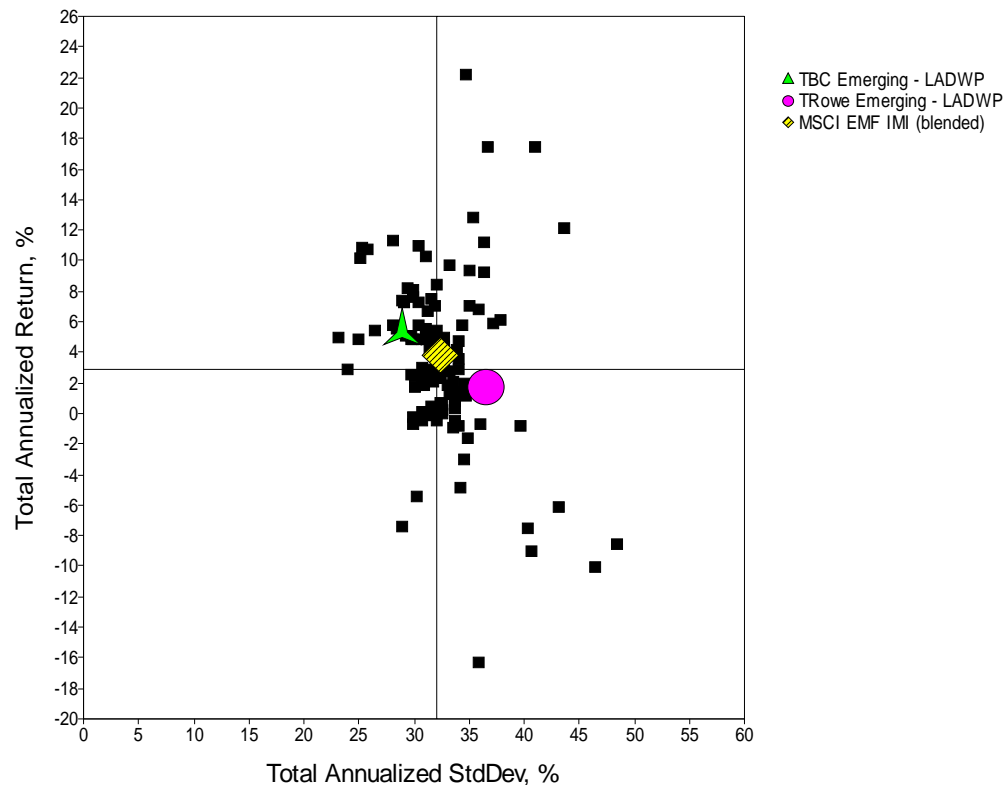


WPERP International Equity Manager Comparisons as of June 30, 2009



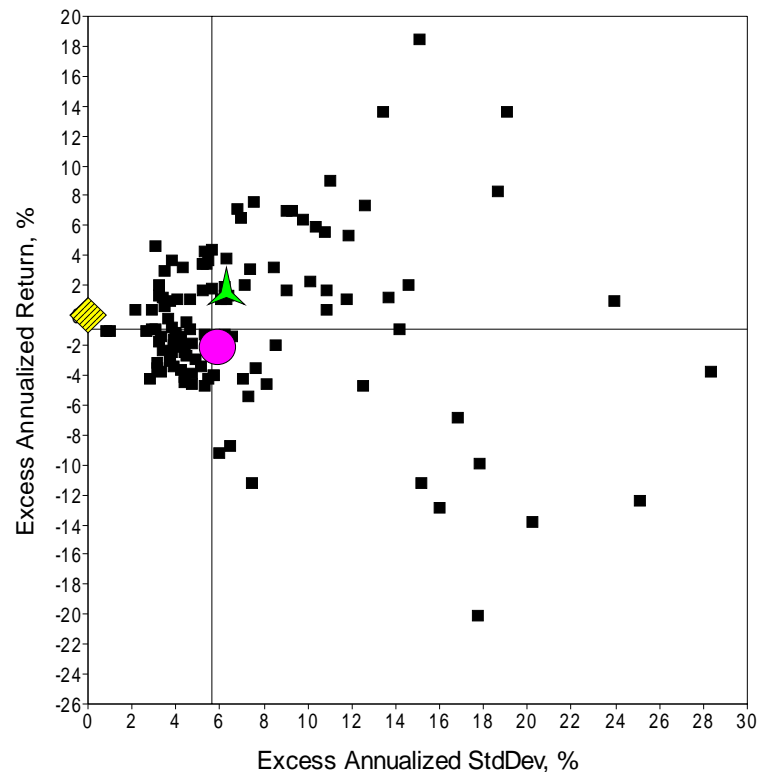
WPERP Emerging Market Equity Manager Comparisons as of June 30, 2009

3 -Year Total Risk/Return



| | Annualized Return, % | Annualized StdDev, % | Sharpe Ratio |
|---------------------------------|-------------------------|-------------------------|-----------------|
| TBC Emerging - LADWP | 5.37 | 28.90 | 0.19 |
| TRowe Emerging - LADWP | 1.70 | 36.48 | 0.05 |
| MSCI EMF IMI (blended) | 3.79 | 32.36 | 0.12 |
| Emerging Equity Universe Median | 2.86 | 32.12 | 0.09 |

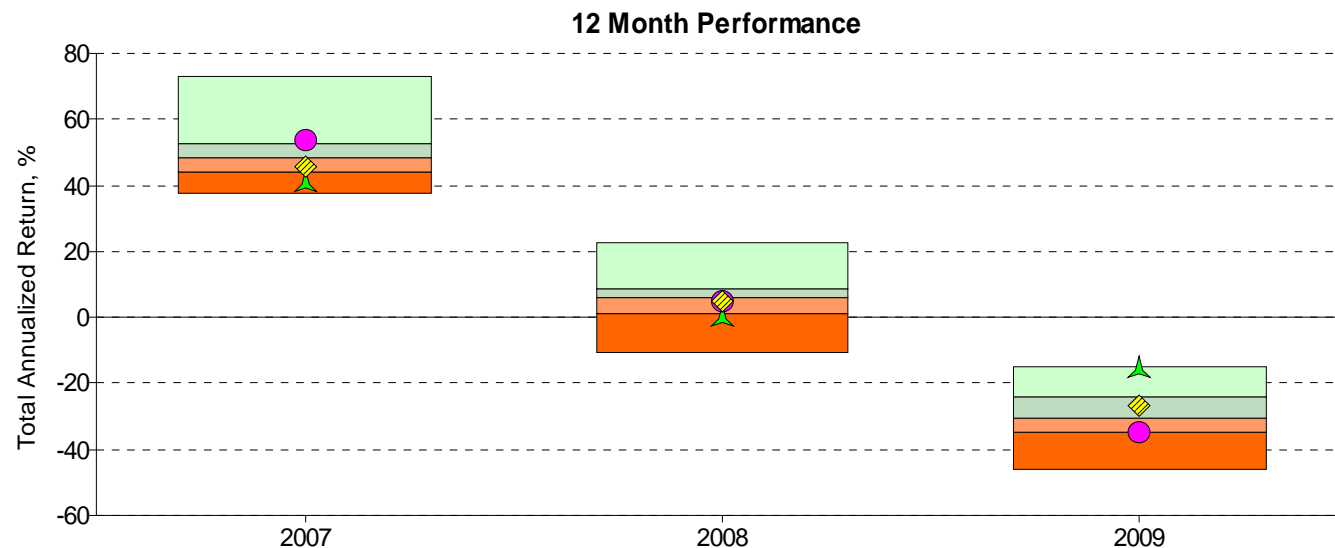
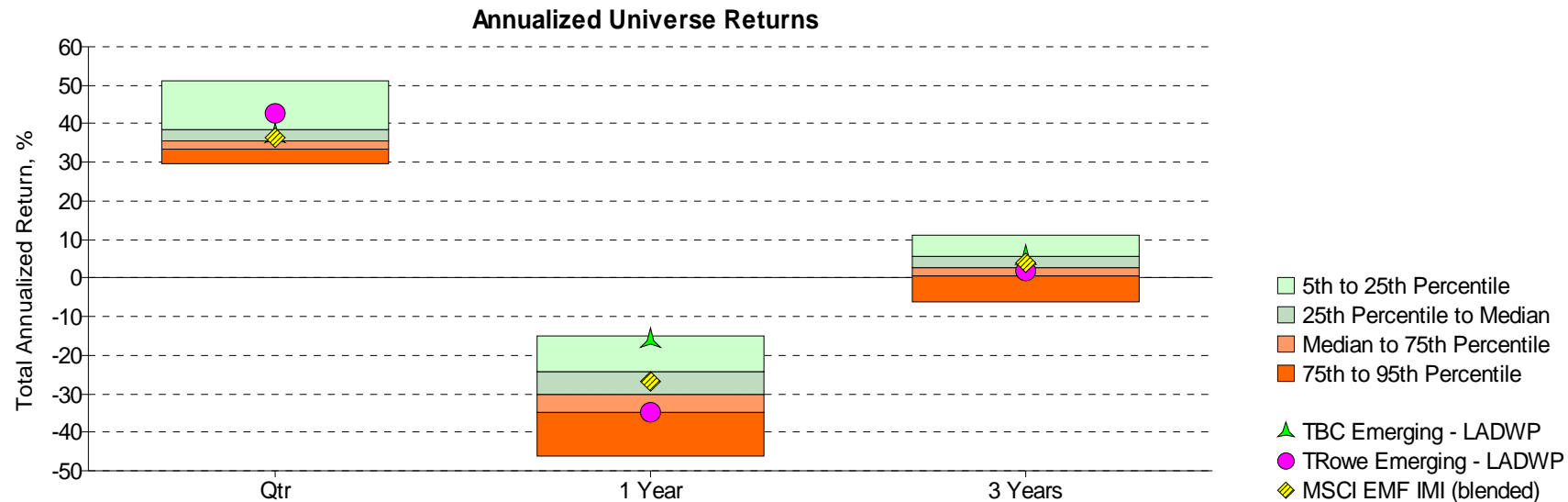
3 -Year Excess Risk/Return



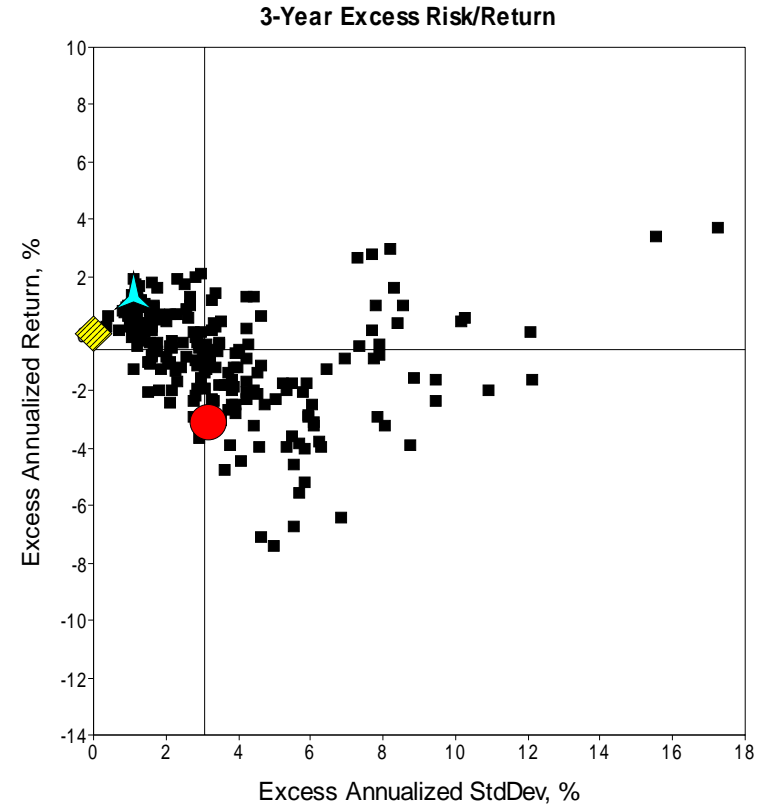
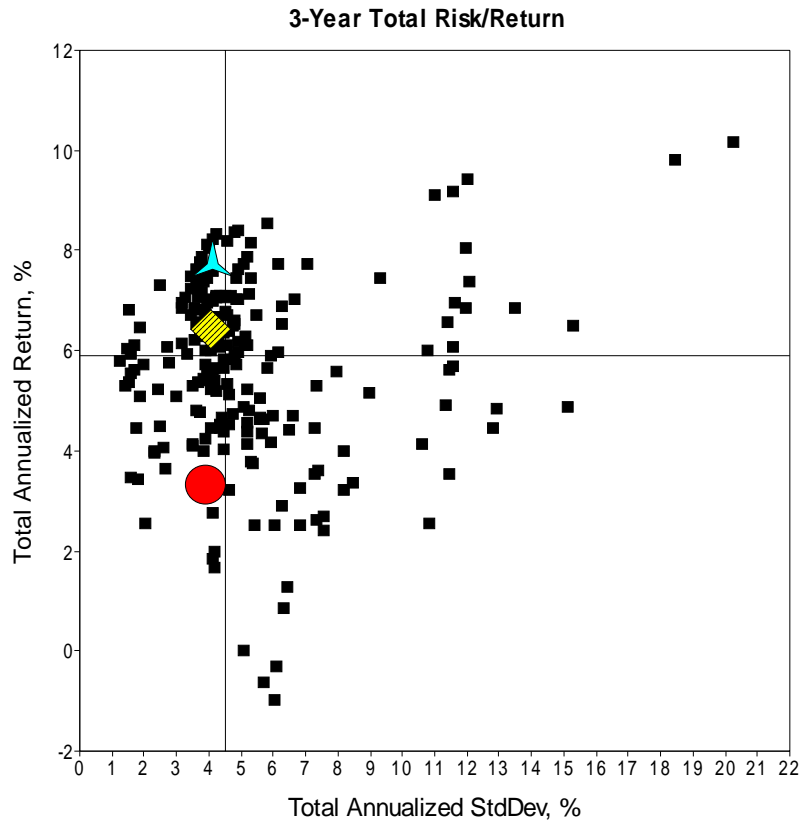
| | Annualized Excess Return, % | Annualized Excess StdDev, % | Sharpe Ratio, Excess |
|---------------------------------|-----------------------------------|-----------------------------------|----------------------------|
| TBC Emerging - LADWP | 1.58 | 6.28 | 0.25 |
| TRowe Emerging - LADWP | -2.09 | 5.90 | -0.35 |
| MSCI EMF IMI (blended) | 0.00 | 0.00 | NA |
| Emerging Equity Universe Median | -0.94 | 5.63 | -0.20 |



WPERP Emerging Market Equity Manager Comparisons as of June 30, 2009



WPERP Fixed Income Manager Comparisons as of June 30, 2009

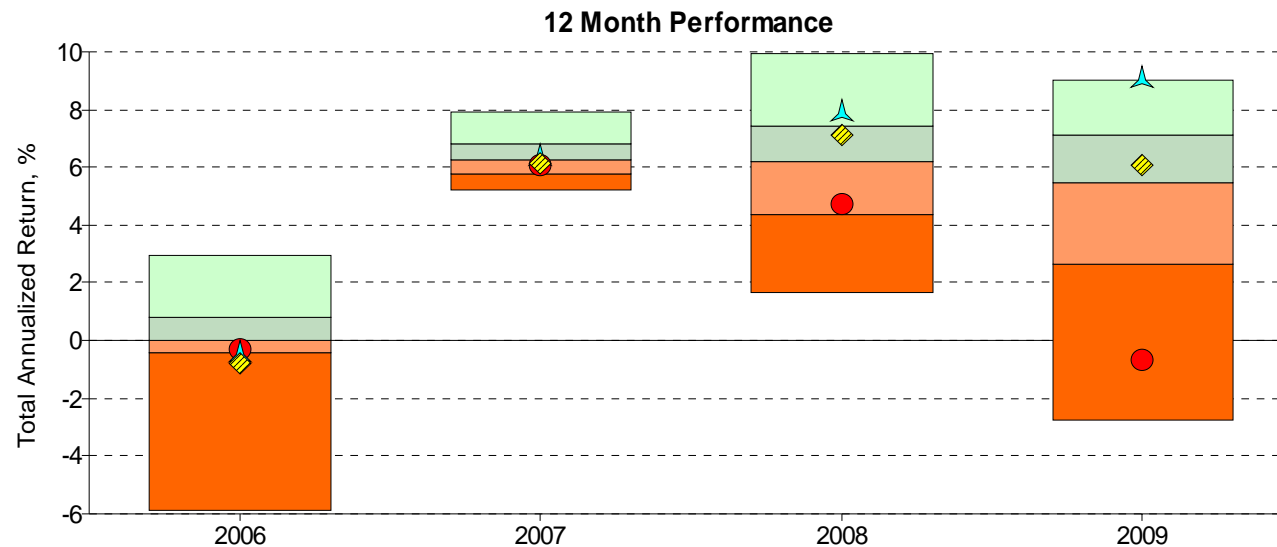
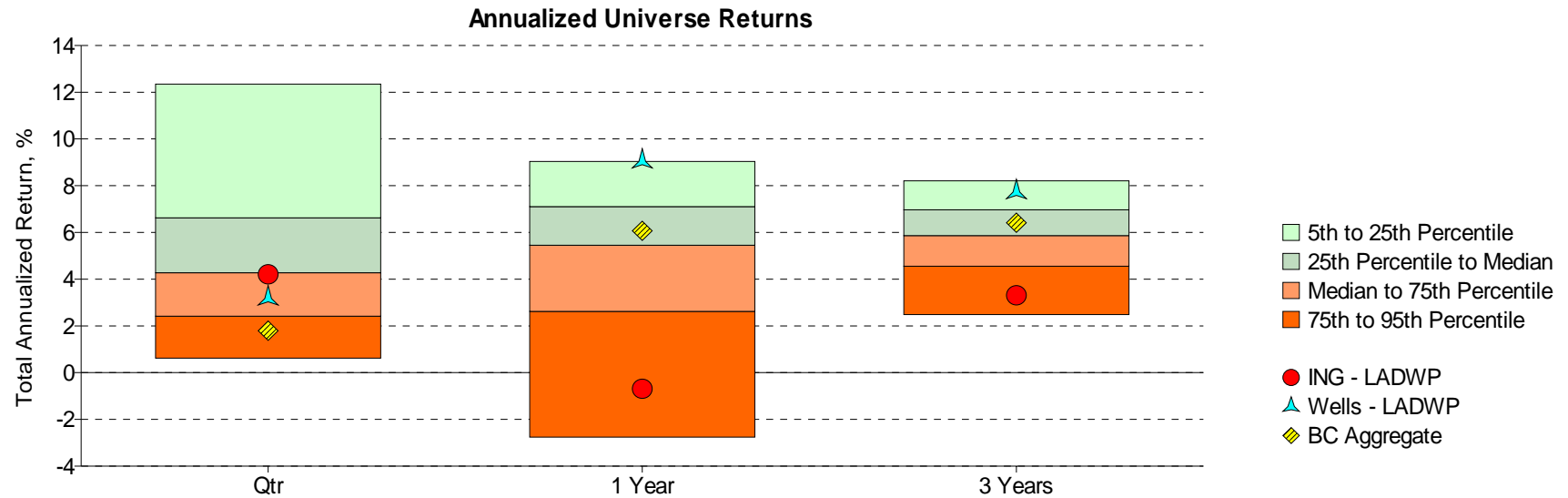


| | Annualized Return, % | Annualized StdDev, % | Sharpe Ratio |
|-----------------------------------|-------------------------|-------------------------|-----------------|
| ING - LADWP | 3.34 | 3.92 | 0.85 |
| Wells - LADWP | 7.72 | 4.15 | 1.86 |
| BC Aggregate | 6.43 | 4.04 | 1.59 |
| U.S. Fixed Income Universe Median | 5.89 | 4.49 | 1.32 |

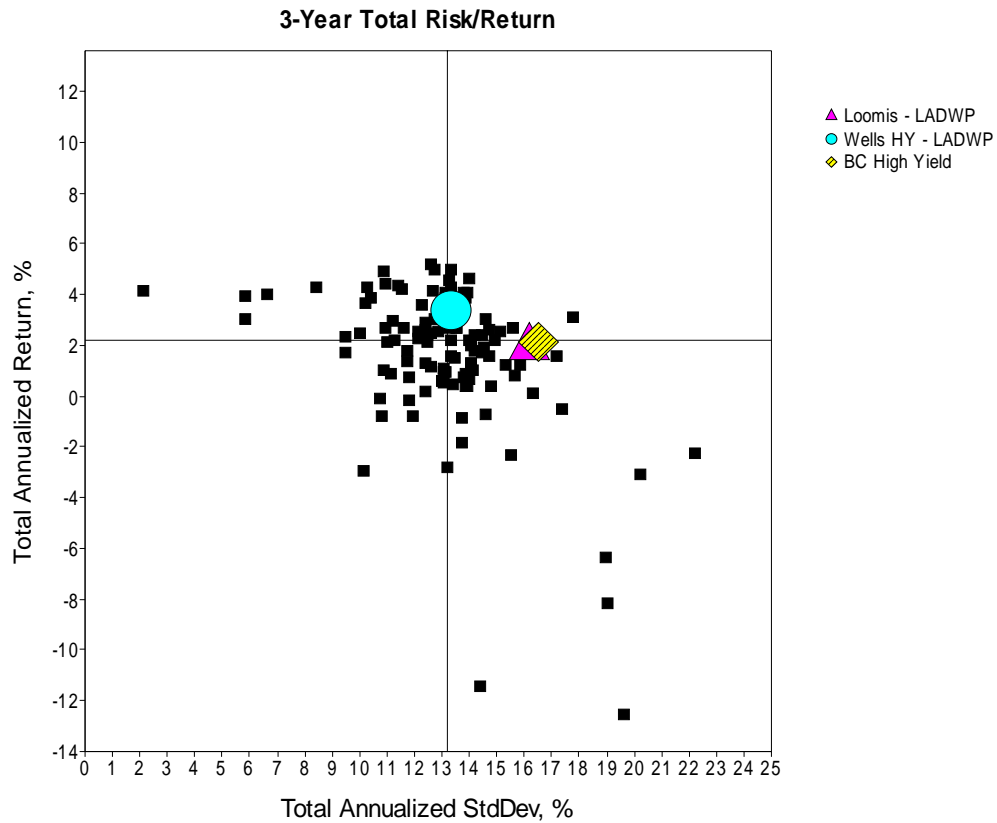
| | Annualized Excess Return, % | Annualized Excess StdDev, % | Sharpe Ratio, Excess |
|-----------------------------------|-----------------------------------|-----------------------------------|----------------------------|
| ING - LADWP | -3.09 | 3.17 | -0.98 |
| Wells - LADWP | 1.29 | 1.09 | 1.18 |
| BC Aggregate | 0.00 | 0.00 | NA |
| U.S. Fixed Income Universe Median | -0.54 | 3.06 | -0.17 |



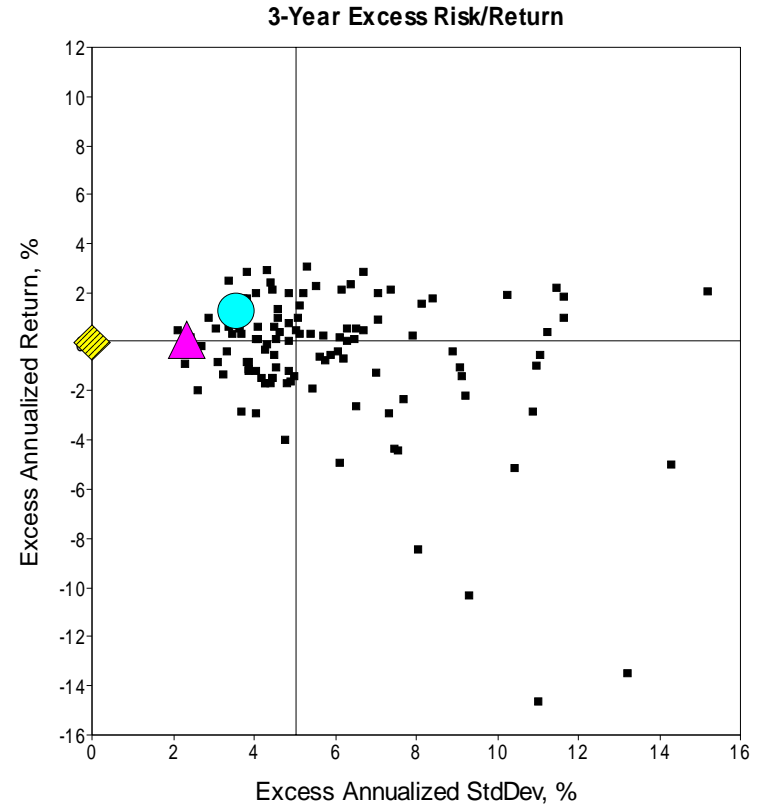
WPERP Fixed Income Manager Comparisons as of June 30, 2009



WPERP High Yield Manager Comparisons as of June 30, 2009



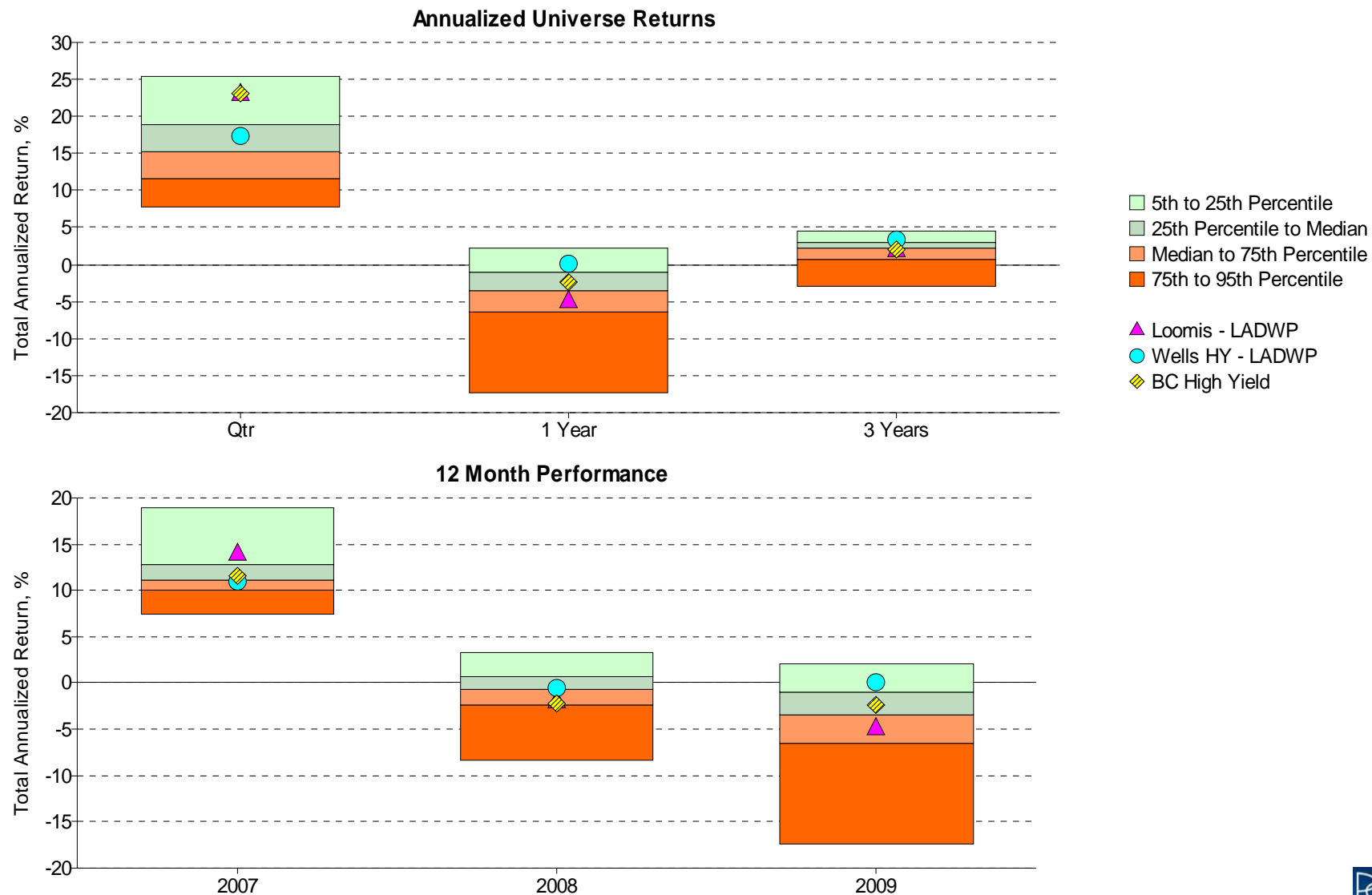
| | Annualized Return, % | Annualized StdDev, % | Sharpe Ratio |
|---------------------------------|-------------------------|-------------------------|-----------------|
| Loomis - LADWP | 1.92 | 16.18 | 0.12 |
| Wells HY - LADWP | 3.38 | 13.35 | 0.25 |
| BC High Yield | 2.10 | 16.50 | 0.13 |
| U.S. High Yield Universe Median | 2.18 | 13.22 | 0.16 |



| | Annualized Excess Return, % | Annualized Excess StdDev, % | Sharpe Ratio, Excess |
|---------------------------------|-----------------------------------|-----------------------------------|----------------------------|
| Loomis - LADWP | -0.18 | 2.33 | -0.08 |
| Wells HY - LADWP | 1.28 | 3.54 | 0.36 |
| BC High Yield | 0.00 | 0.00 | NA |
| U.S. High Yield Universe Median | 0.08 | 5.02 | 0.01 |



WPERP High Yield Manager Comparisons as of June 30, 2009





P e n s i o n C o n s u l t i n g A l l i a n c e , I n c .

Appendix

Quarterly Report

Managers Watch Criteria As of June 30, 2009

| 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% ¹ in any quarter | Portfolio Annlzd. Return ² < Benchmark Annlzd. Return – 1.5% for 2 consecutive qtrs. | VRR ³ < 0.98 for 2 consecutive quarters |
| Passive Domestic Equity | Tracking Error ⁴ > 0.35% in any quarter | Tracking Error > 0.20% for 2 consecutive qtrs. | Portfolio Annlzd. Return < Benchmark Annlzd. Return – 0.10% for 2 consecutive qtrs. |
| Active International Equity | Portfolio Return < Benchmark Return – 4.5% in any quarter | Portfolio Annlzd. Return < Benchmark Annlzd. Return – 2.5% for 2 consecutive qtrs. | VRR < 0.98 for 2 consecutive qtrs. |
| Active Fixed Income | Portfolio Return < Benchmark Return – 1.0% in any quarter | Portfolio Annlzd. Return < Benchmark Annlzd. Return – 0.6% for 2 consecutive qtrs. | VRR < 0.99 for 2 consecutive qtrs. |
| Fund of Hedge Funds (Real Return) | Portfolio Return < Benchmark Return – 3.5% in any quarter | Portfolio Annlzd. Return < Benchmark Annlzd. Return – 2.5% for 2 consecutive qtrs. | VRR < 1.00 for 2 consecutive qtrs. |

*All portfolio returns are gross of manager fees.

*Two (2) consecutive quarters is defined as six (6) months in a row; does not necessarily correspond to calendar quarter-end dates

**See Addendum in Statement of Investment Policy for specific benchmark information

¹ Return discounts from a benchmark return based on 2/3 of the typical tracking error estimates of the specified type of portfolio.

² Annualized Return is the average annual return of either the portfolio or its benchmark.

³ VRR – Value Relative Ratio – is calculated as: Portfolio Cumulative Return Relative / Benchmark Cumulative Return Relative.

⁴ Tracking error is a measure of the volatility of the average annual difference between the portfolio's return and the benchmark's return.

Quarterly Report

Summary of Portfolio Transitions

| Manager | Mandate | Funded | Terminated |
|------------------|-----------------------|---------|------------|
| 2003 | | | |
| 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 | --- |
| 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 | --- |
| 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 | --- |
| 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 | Private Equity | 3Q 2006 | --- |
| Northpointe | Small Cap Growth | 3Q 2006 | 1Q 2009 |
| Paradigm | Small Cap Growth | 3Q 2006 | --- |
| Landmark XIII | Private Equity | 4Q 2006 | --- |
| Prisa | Real Estate | 4Q 2006 | --- |
| 2007 | | | |
| Aetos | Hedge Fund | 1Q 2007 | --- |
| PAAMCO | Hedge Fund | 1Q 2007 | --- |
| 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/Health | 3Q 2008 | --- |
| 2009 | | | |
| Oaktree V | Private Equity | 1Q 2009 | --- |

LADWP Retirement Plan Policy Benchmarks

| 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 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. |
| 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% Tbills + 3% Lag 1% T Bill |
| 7/1/2008-present | 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% Tbills + 3% Lag 1% T Bill |

Quarterly Report

Benchmarks used in Market Overview

US Equity = Russell 3000 Index

Non-US Equity = MSCI EAFE

Real Estate = NCREIF

Public Real Estate = NAREIT

US Debt = BC Universal Index

Domestic Large Cap = Russell 1000

Domestic Small Cap = Russell 2000

Growth = Russell 3000 Growth Index

Value = Russell 3000 Value Index

Pacific = MSCI Pacific

Europe = MSCI Europe

Emerging = MSCI Emerging Markets Free

Private Real Estate = NCREIF Index

Credit = BC U.S. Credit Index

Government = BC Government Index

Mortgage = BC Mortgage Index

High Yield = BC High Yield Index

Quarterly Report

Glossary

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.

Quarterly Report

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.

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Definitions of Indices

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, in that order 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.

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: an index consisting of non-investment grade domestic and yankee bonds with a minimum outstanding amount of \$100 million and maturing over one year.

MSCI ACWI ex US: 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.

MSCI World ex US: comprises the entire developed world less the United States. The designation of a country as developed arises primarily as a measurement of GDP per capita. There are 21 countries within this index.

MSCI EAFE (Europe, Australasia, Far East): is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada.

MSCI EAFE plus Canada: is a free float-adjusted market capitalization index that is designed to measure developed market equity performance similar to the MSCI EAFE. This index excludes the US, but includes Canada.

MSCI EMF (Emerging Markets Free): is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

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.

Quarterly Report

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.

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