



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

Quarterly Report Executive Summary

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PERFORMANCE SUMMARY OF MAJOR WPERP INVESTMENT PLANS

As of December 31, 2009, the WPERP Total Retirement Plan had an aggregate value of \$6.4 billion. This represents a \$167.0 million increase in value over the last quarter. During the previous one-year period, the WPERP Total Retirement Plan increased by \$941.4 million. The rebound in the capital markets that started in the second quarter continued through year-end.

As of December 31, 2009, the WPERP Total Health Plan had an aggregate value of \$848.1 million.

Strategic Allocation Trends

The strategic allocation targets reflect the allocation targets for the 2009-2010 fiscal year. As of December 31, 2009, the WPERP Total Retirement Plan had a 53% allocation in Equities, 40% in Fixed Income, 1% each in Real Return, Private Equity, and Real Estate, and 4% in Cash. The WPERP Total Health Plan had a 60% allocation in Equities, 40% in Fixed Income, and less than 1% each in Private Equity and Cash.

Recent Investment Performance of Major WPERP Investment Plans

Period ending December 31, 2009

WPERP Total Retirement Plan

	Quarter	1 Year	3 Year	5 Year	10 Year
Total Portfolio ¹	3.3	20.6	-0.4	3.5	4.4
Policy Benchmark ²	2.9	20.8	-0.9	3.3	3.0
Excess Return	0.4	-0.2	0.5	0.2	1.4
Reference: Median Fund ³	3.4	19.7	-1.1	3.6	3.9
Reference: Net of Fees ⁴	3.2	20.4	-0.6	3.3	4.2

WPERP Total Health Plan

	Quarter	1 Year	3 Year
Total Portfolio ¹	3.5	20.6	0.7
Policy Benchmark ²	3.1	18.7	-0.7
Excess Return	0.4	1.9	1.4

¹ Gross of fees.

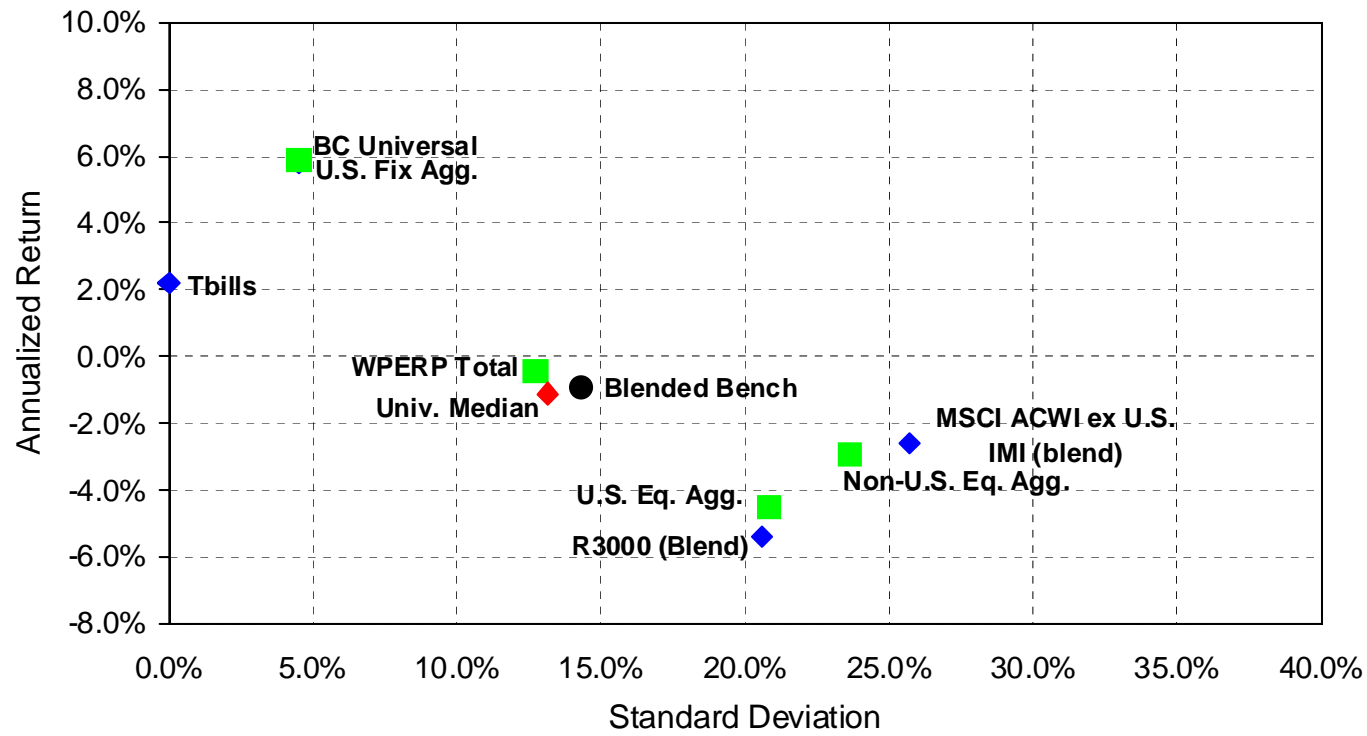
² See appendix for policy benchmark descriptions.

³ Mellon Total Funds Public Universe

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

WPERP Retirement Plan Risk/Return Analysis – Last 3 Years

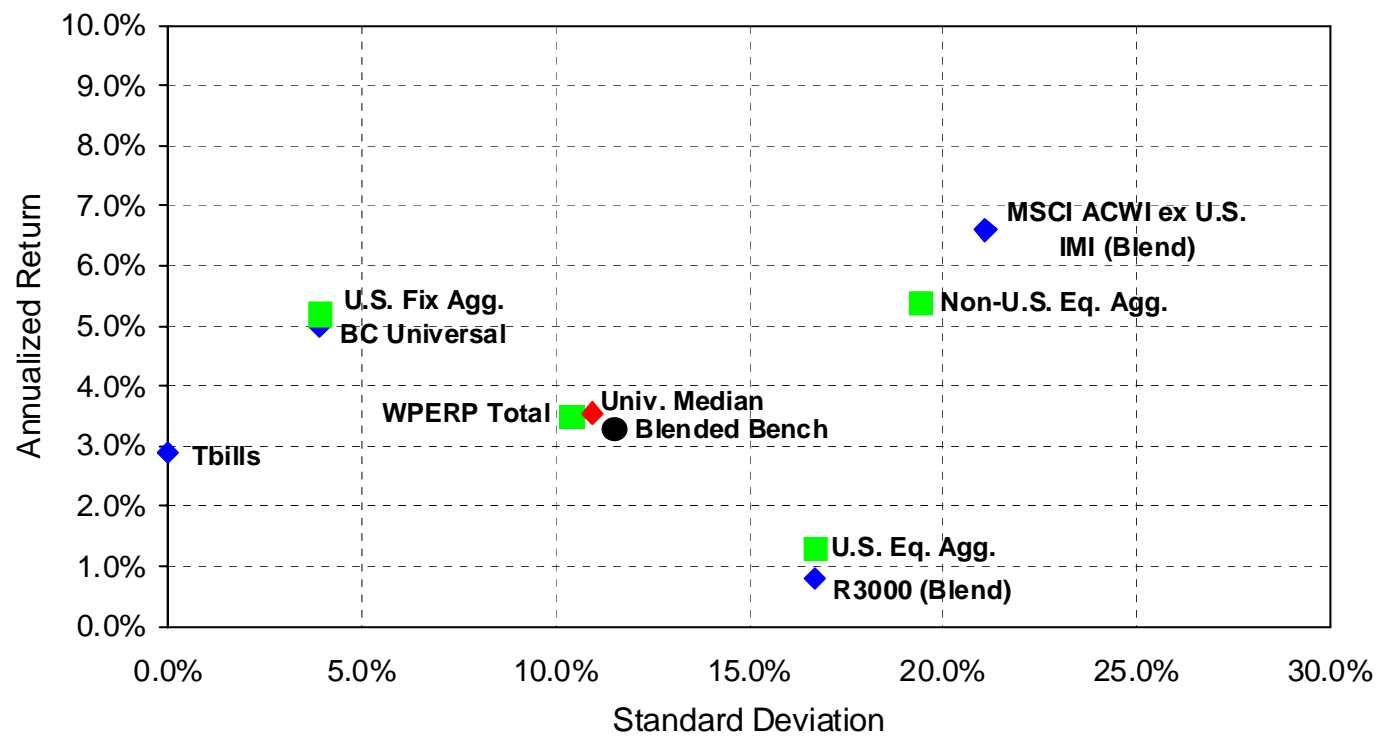
Period ending December 31, 2009



*Median Fund in the Mellon Total Fund Public Universe.

WPERP Retirement Plan Risk/Return Analysis – Last 5 Years

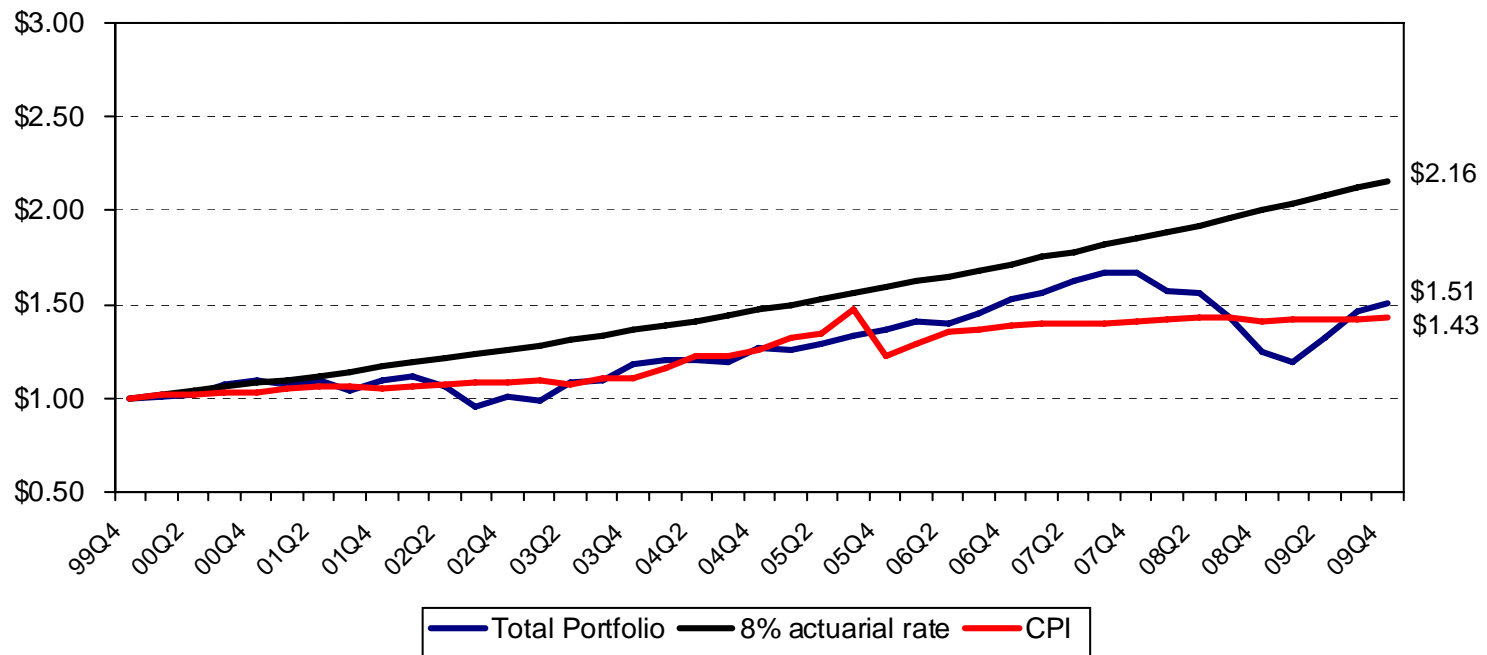
Period ending December 31, 2009



*Median Fund in the Mellon Total Fund Public Universe.

WPERP Retirement Plan Growth of a Dollar – Latest 10 Years

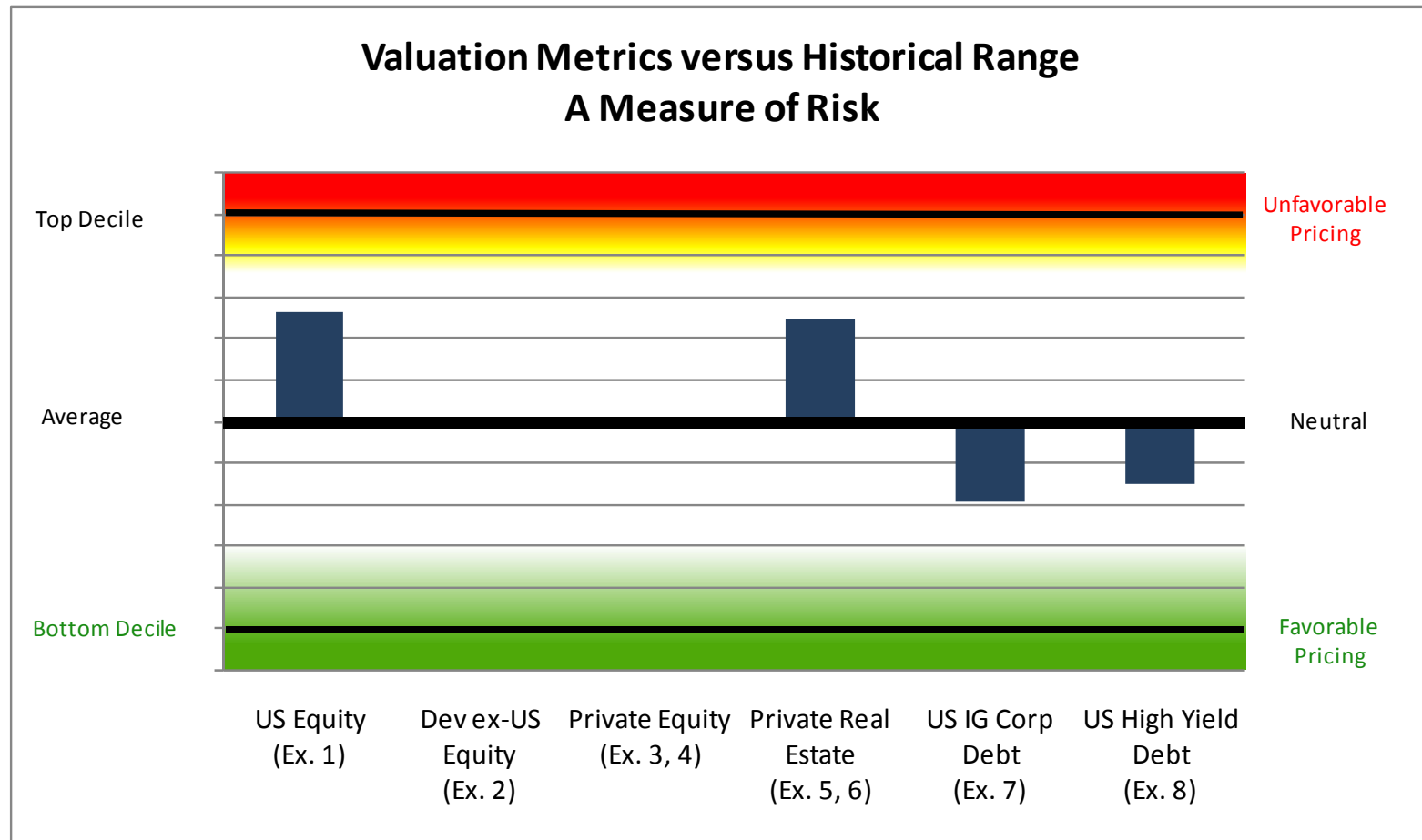
Period ending December 31, 2009

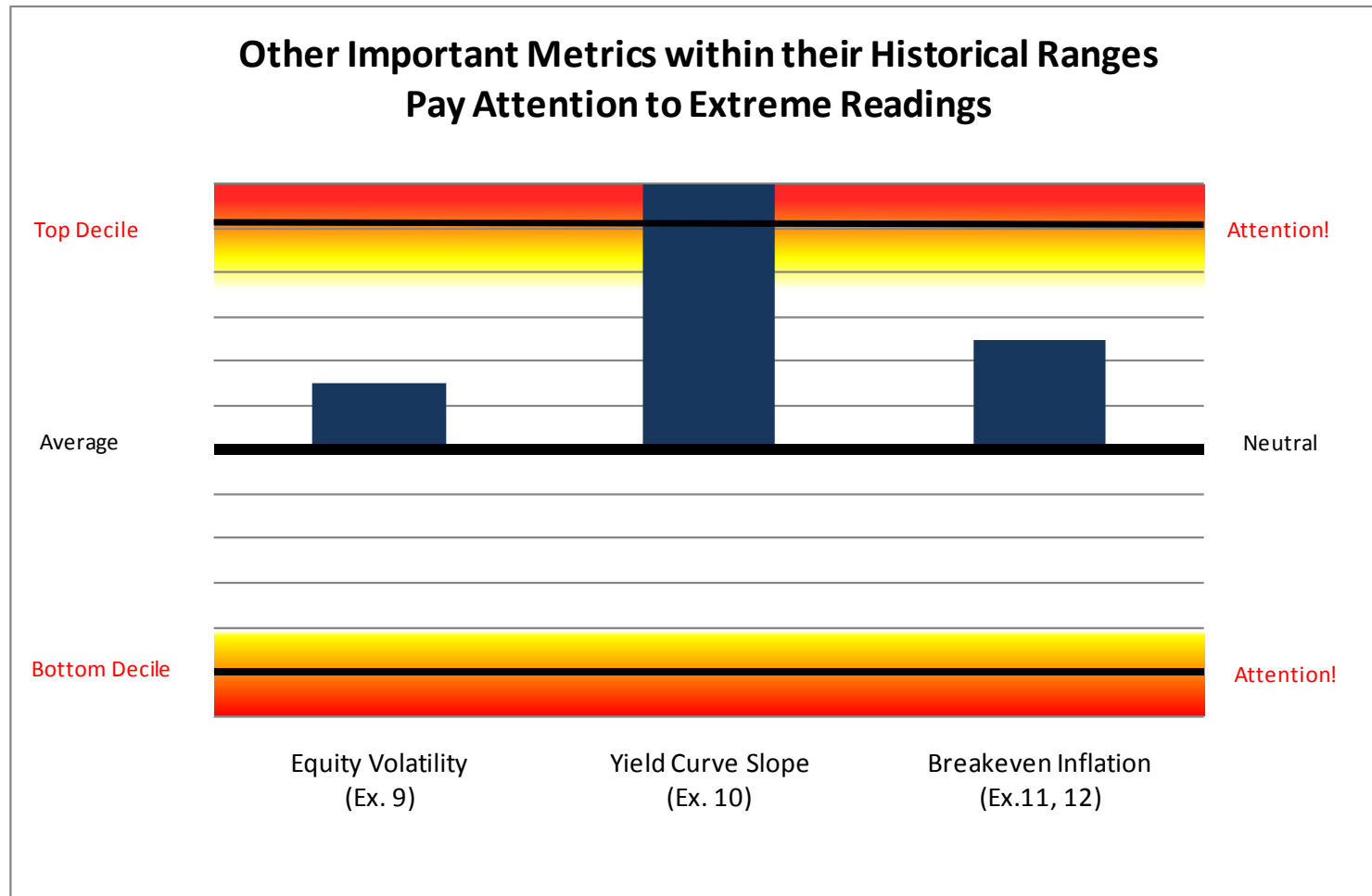


Investment Market Risk Metrics

Takeaways

- Public equity markets have rebounded, valuations are no longer well below historic averages
- Private equity deals are just starting to come back to market, pricing is normalizing
- Private real estate markets continue to correct, but are still remains historically expensive
- Even after a significant rally, debt markets spreads remain historically high
- The yield curve is extremely steep, portending expansion, but potentially future inflation
- Inflation expectations are not showing up in the market data, yet

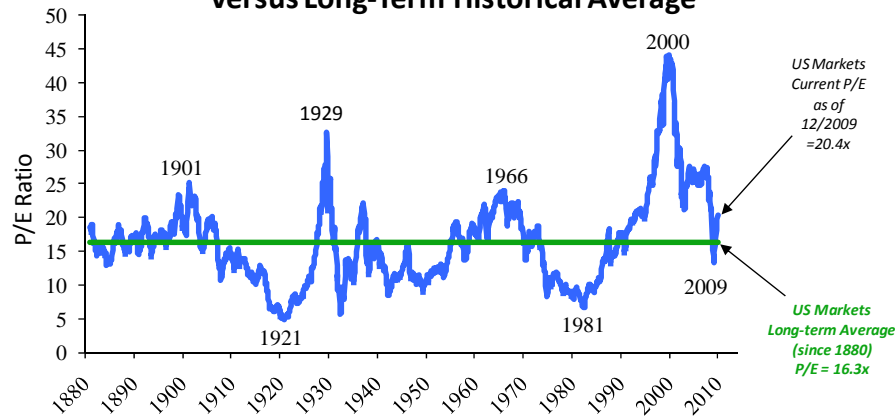




Public Equity Markets

Exhibit 1

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

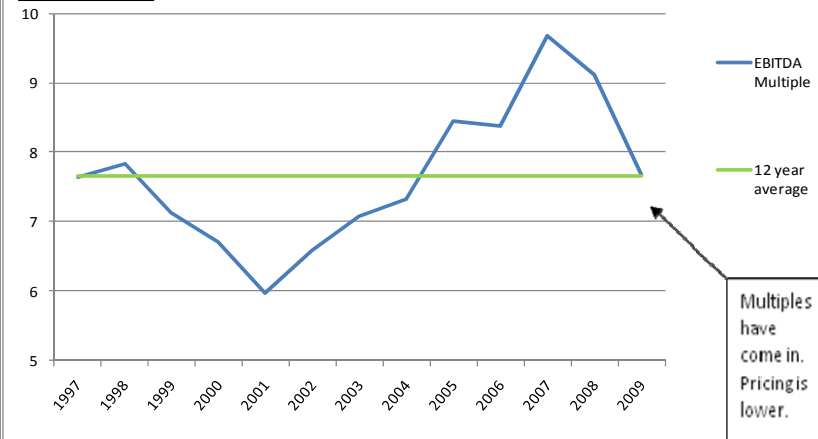


¹ P/E ratio is a Shiller P/E-10 based on 10 year real S&P 500 earnings over S&P 500 index level.

US Private Equity

Exhibit 3

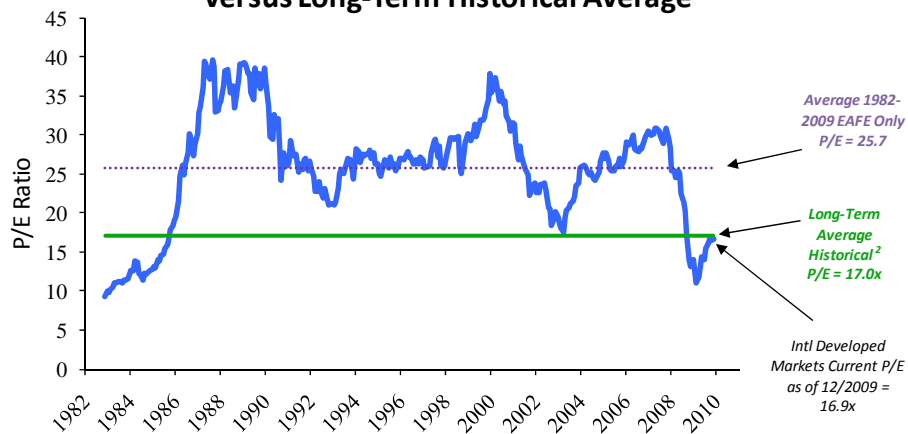
Price to EBITDA Multiples Paid in LBOs



Source: S&P LCD study

Exhibit 2

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

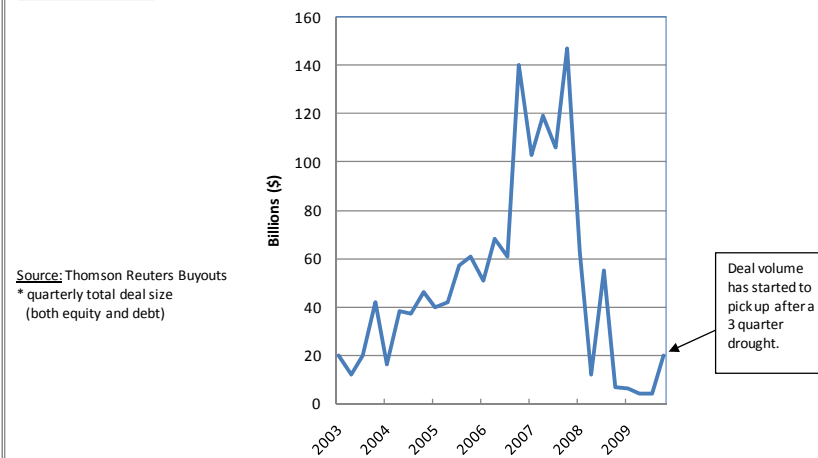


¹ P/E ratio is a Shiller P/E-10 based on 10 year real MSCI EAFE earnings over EAFE index level.

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

Exhibit 4

Disclosed U.S. Quarterly Deal Volume*

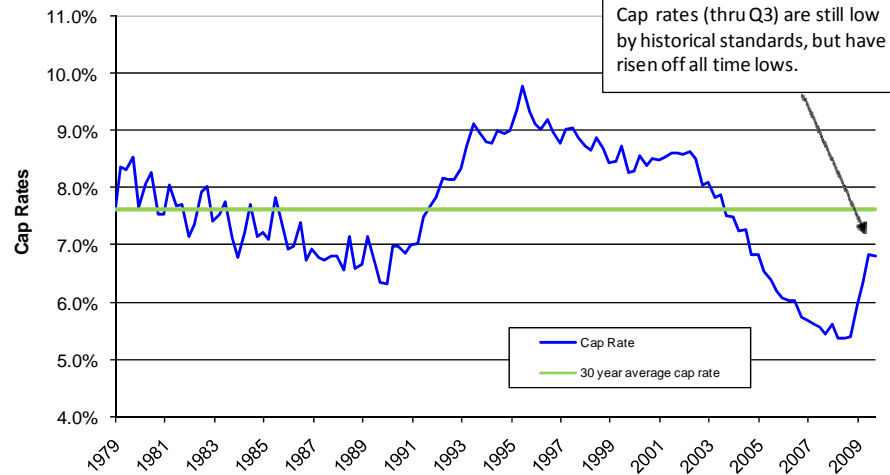


Source: Thomson Reuters Buyouts
* quarterly total deal size (both equity and debt)

Private Real Estate Markets

Exhibit 5

Current Value Cap Rates¹



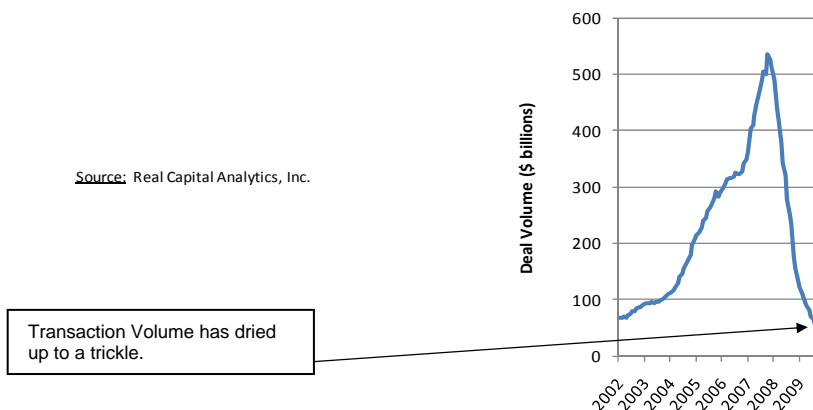
Source: NCREIF

¹A cap rate is the current annual income of the property divided by an estimate of the current value of the property. It is the current yield of the property. Low cap rates indicate high

Exhibit 6

Annual US Real Estate Deal Volume (TTM)

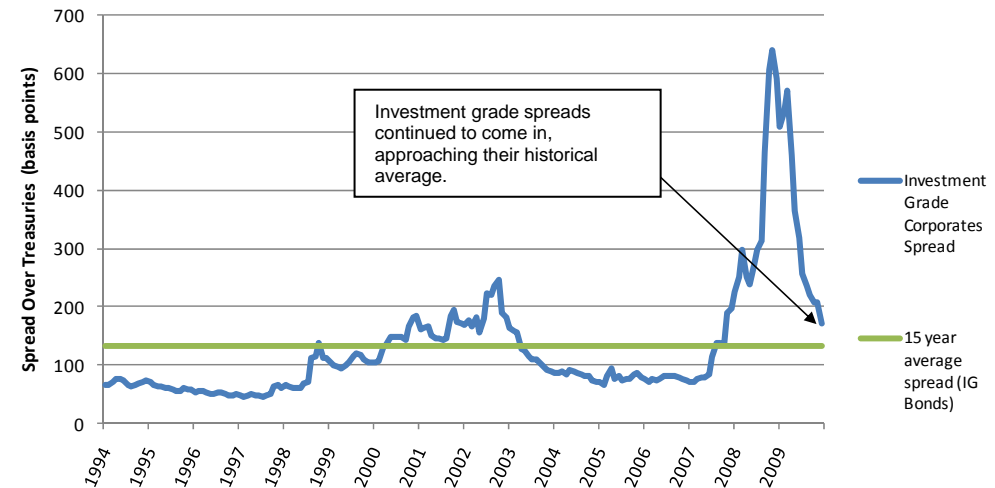
Source: Real Capital Analytics, Inc.



Credit Markets US Fixed Income

Exhibit 7

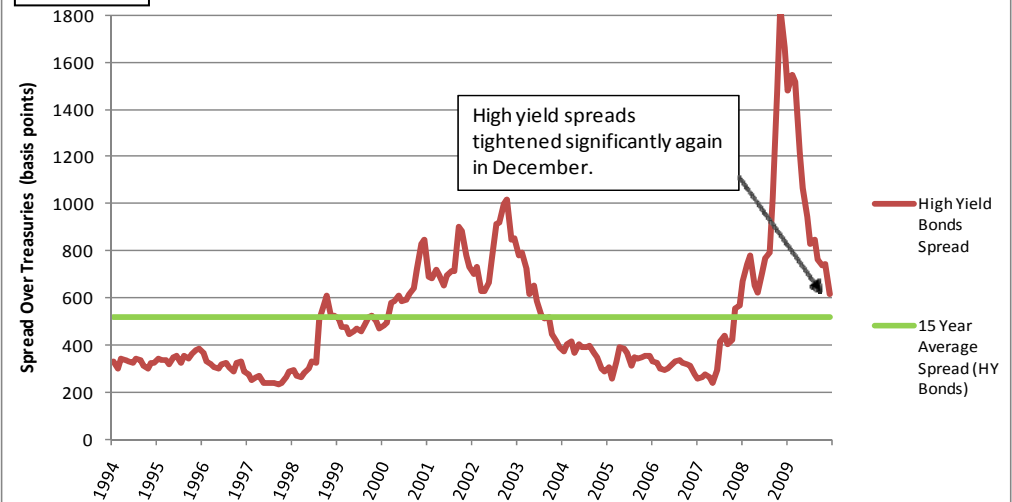
Investment Grade Corporate Bond Spreads



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

Exhibit 8

High Yield Corporate Bond Spreads

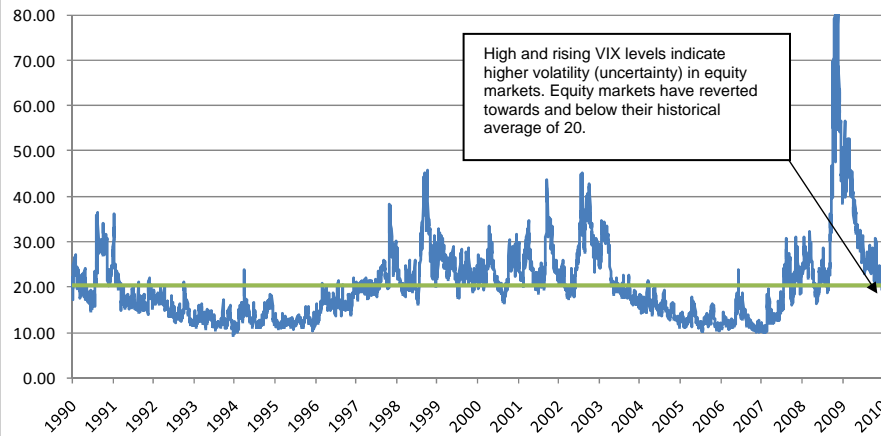


Source: LehmanLive: Barclays Capital U.S. Corporate High Yield Index.

Other Market Metrics

Exhibit 9

VIX - a measure of equity market fear/uncertainty

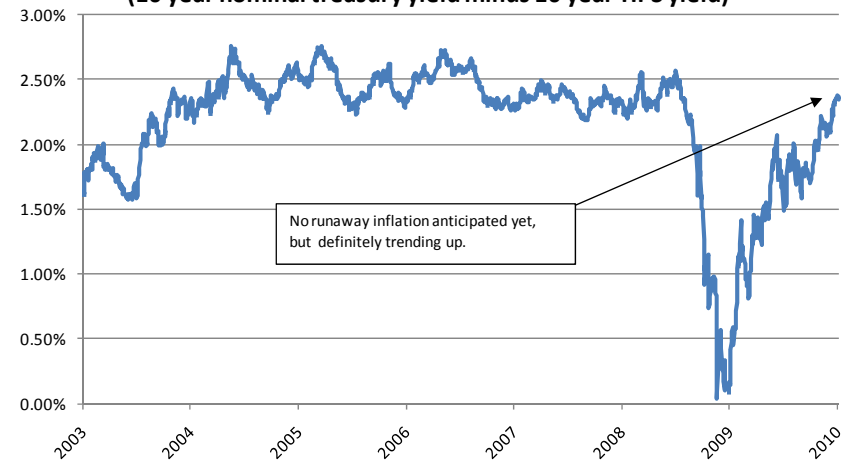


Source: <http://www.cboe.com/micro/vix/historical.aspx>

Measures of Inflation Expectations

Exhibit 11

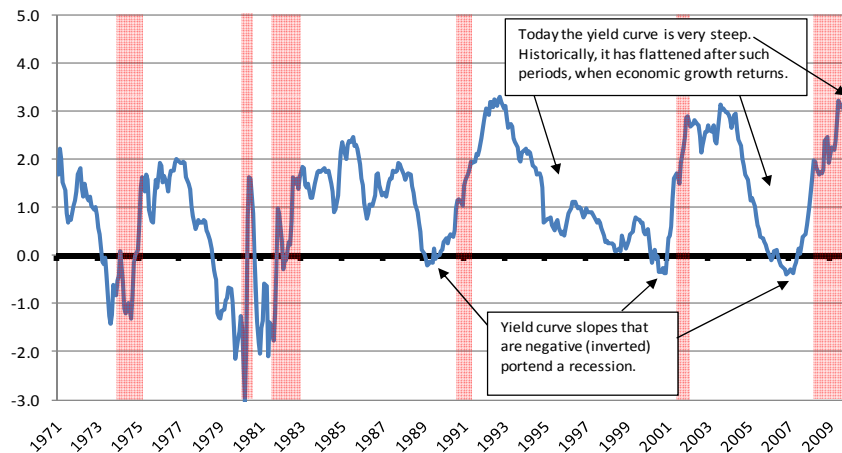
10 Year Breakeven Inflation (10 year nominal treasury yield minus 10 year TIPS yield)



Source: www.ustreas.gov
Daily Yield Curve Rates (10 year nominal treasury yield minus 10 year TIPS yield)

Exhibit 10

Yield Curve Slope



Source: www.ustreas.gov (10 yr treasury yield minus 1 year treasury yield)
Recession Dating: NBER <http://www.nber.org/cycles.html>

Exhibit 12

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



Source: Bloomberg DJUBS Index, St. Louis Fed for US CPI

ECONOMIC REVIEW

Economic Growth – Preliminary readings show that the U.S. economy expanded at an annualized rate of 5.7 percent during the fourth quarter of 2009. The increase in real GDP in the quarter primarily reflected positive contributions from personal consumption expenditures, exports, and private inventory investment while an increase in imports represented a drag on GDP growth. Third quarter GDP has been sharply revised lower from a preliminary reading of 3.5 percent down to a final reading of 2.2 percent.

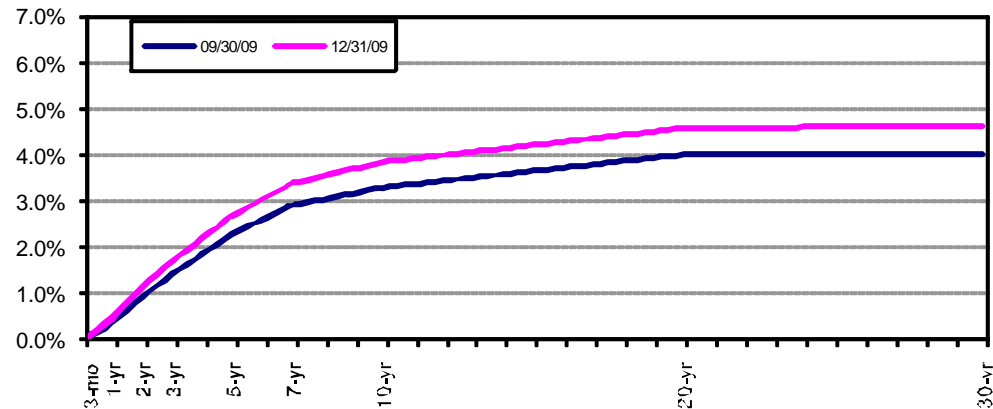
Inflation – The Consumer Price Index for All Urban Consumers (CPI-U) increased 3.3 percent in the quarter on an annualized basis, after seasonal adjustment. Core CPI-U increased 1.3 percent for the quarter. CPI-U, before seasonally adjustment, increased 2.7 percent over the last 12 months.

U.S. Dollar – During the fourth quarter of 2009, the Yen depreciated 3.5 percent against the dollar, the Euro depreciated 1.9 percent versus the dollar, and the Sterling strengthened 1.2 percent against the U.S. Dollar.

Unemployment – The U.S. economy shed an additional 286,000 jobs in the quarter increasing the official unemployment rate to 10.0 percent. In the quarter, job losses were 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 7.8 million to 15.3 million, and the unemployment rate has risen by 5.0 percentage points.

Domestic Interest Rates – U.S. Treasury rates increased across the maturity spectrum during the most recent quarter. 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 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. During the quarter, the Federal Reserve announced that they would allow a number of the temporary liquidity facilities established during the crisis to begin winding down, marking the early stages of its exit strategy from its current accommodative monetary policy stance.

Treasury Yield Curve Changes

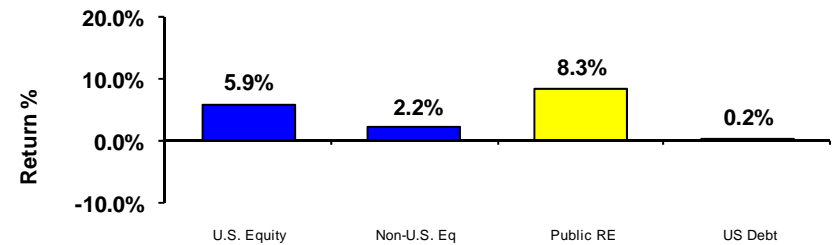


Source: U.S. Treasury Department

Capital Market Highlights – Latest Quarter Ending December 31, 2009

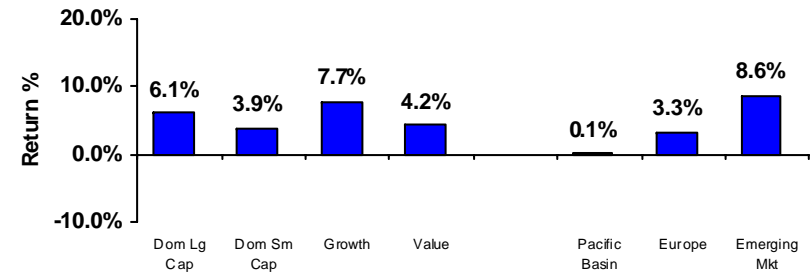
During the quarter, Equity Markets continued rebounding...

- Both Domestic and Non-U.S. Equity continued to post positive returns for the quarter led by Technology and Health Care sectors.
- U.S. Debt posted a small gain despite a fall in Government Debt.
- Public Real Estate continued to rebound strongly.



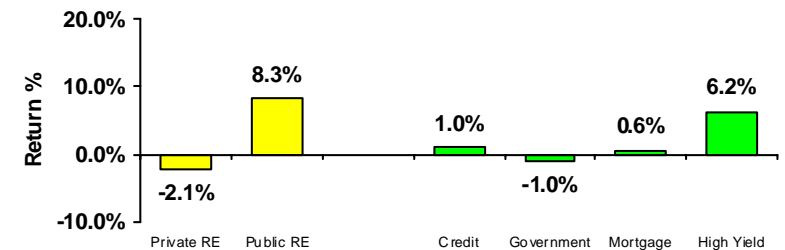
...with Emerging Markets leading the rally...

- Large Cap U.S. Equities outperformed Small Cap U.S. Equities as markets continued to rebound off their lows.
- Growth outperformed Value as Technology and Health Care rallied.
- Emerging Markets led the recovery in International Equity markets.



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

- High Yield spreads continued to tighten during the quarter.
- Government Debt posted a loss in the wake of large new issuances.

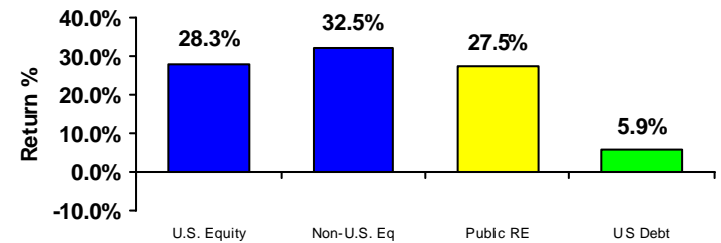


¹ See Appendix for benchmarks used in this section.

Capital Market Highlights – Latest Year Ending December 31, 2009

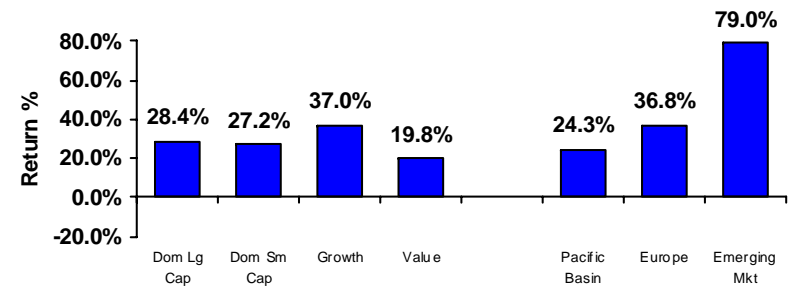
U.S. Equity, Non-U.S. Equity, and Public Real Estate achieved strong returns...

- Equity markets returned to positive territory as signs of stabilization appeared.
- U.S. Debt underperformed other asset classes due to an increase in risk appetite.



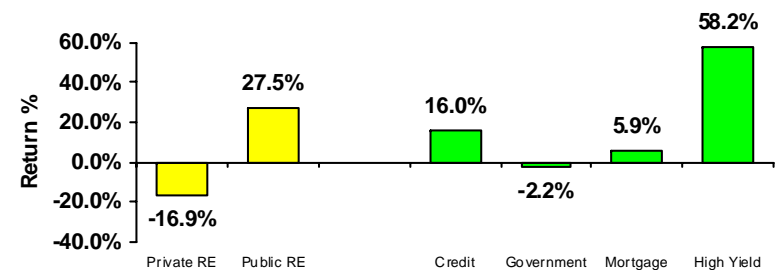
...while Emerging Markets posted enormous gains...

- Emerging Markets posted significant gains along with the Pacific Basin and Europe signaling the worst of the global recession may be over.
- All Domestic sub-components posted double digit gains with Growth and Large Cap experiencing relative outperformance.



...and Credit and High Yield supplied robust returns.

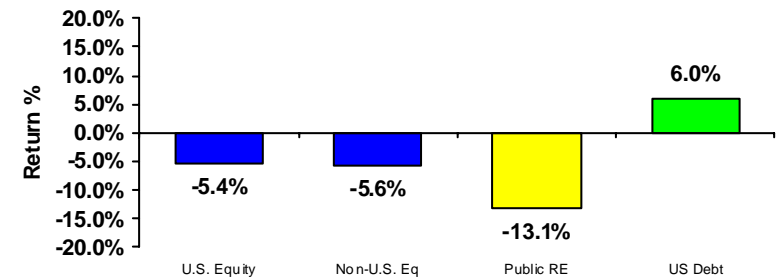
- Credit and High Yield benefited from a more benign credit environment and low global interest rates.
- Public Real Estate posted strong returns as investors anticipated the worst may be over for the sector.



Capital Market Highlights – Latest 3 Years Ending December 31, 2009

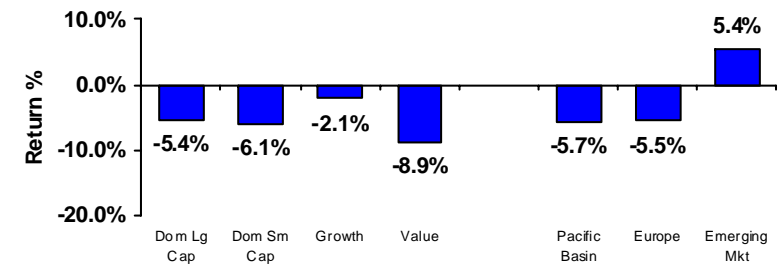
During the latest 3 years, high quality U.S. Debt has been the only asset class to post positive returns...

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



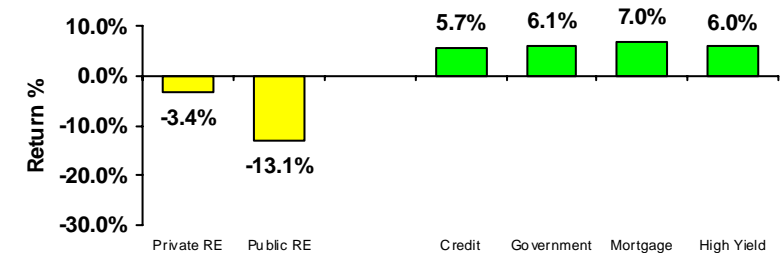
...as the credit crisis took its toll on Equity Markets, with the exception of Emerging Markets...

- All U.S. Equity components provided negative returns. However, Growth has weathered the credit crisis better than other components.
- Emerging Markets gained as they had less exposure to the credit crisis.
- Value has been particularly hard hit due to its high concentration in Financials and Cyclical.



... and Fixed Income across the spectrum produced positive returns.

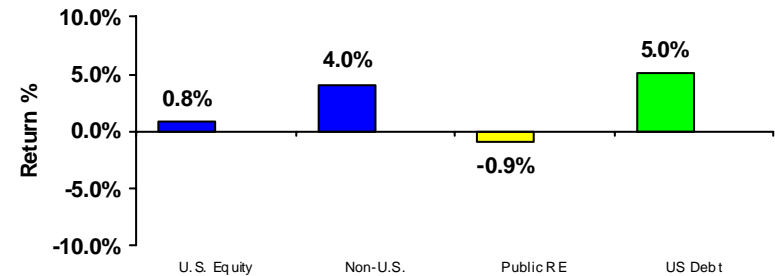
- Government Debt and Mortgage outpaced all other U.S. Fixed Income segments as investors sought the relative safety.
- Real Estate's bull market ended in 2006 and has turned ruthlessly negative.



Capital Market Highlights – Latest 5 Years Ending December 31, 2009

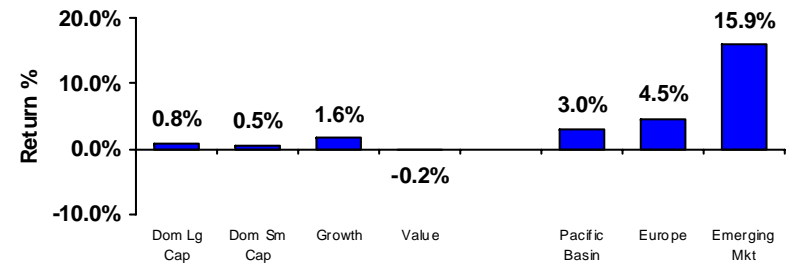
During the latest 5 years, US Debt led all other asset classes...

- Domestic Equities posted a small increase as the credit crisis wiped out years of gains.
- Non-U.S. Equity and Fixed Income were able to produce modest results.



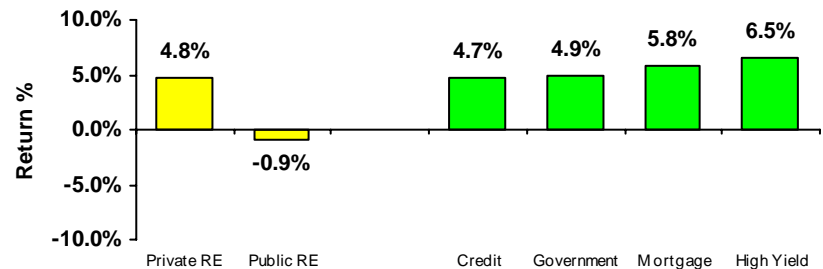
...with Emerging Markets outpacing all other Equity sub-components...

- All U.S. Equity sub-components produced returns that were essentially flat.
- Emerging Markets benefited from relatively strong economic growth compared to developed countries.



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

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



Actual vs. Target Allocations

The strategic allocation targets reflect the allocation targets for the 2009-2010 fiscal year.

With respect to policy targets, the Total Retirement Portfolio ended the latest quarter **overweight Domestic Equity, International Equity, and Cash**, while **underweight Real Return, Private Equity, and Real Estate**. Fixed Income was right on target.

As of December 31, 2009

Segment	Actual (\$MM)	Actual %	Target% ¹	Variance	Min.	Max.
Total Portfolio ²	7,321	100	100	---	---	---
Total Retirement ³	6,409	100	100	---	---	---
Domestic Equity	2,205	34	33	1	32	43
International Equity	1,210	19	17	2	12	18
Fixed Income	2,561	40	40	0	38	52
Real Return	67	1	3	-2	---	---
Private Equity	57	1	2	-1	---	---
Real Estate	81	1	3	-2	---	---
Cash	228	4	2	2	1	3

¹ 2009-2010 strategic allocation policy targets.

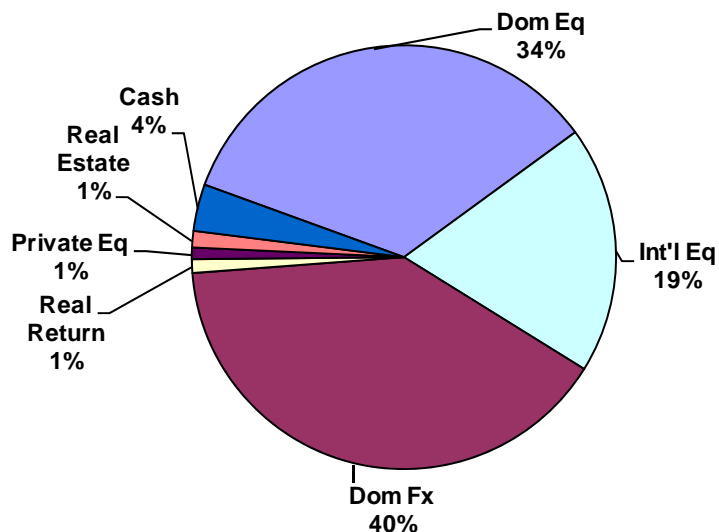
² Total Portfolio includes assets from the Retirement, Health, Disability, and Death Plans.

³ Including \$6.1 million in transition assets and a negative balance of (\$6.5) million in securities lending.

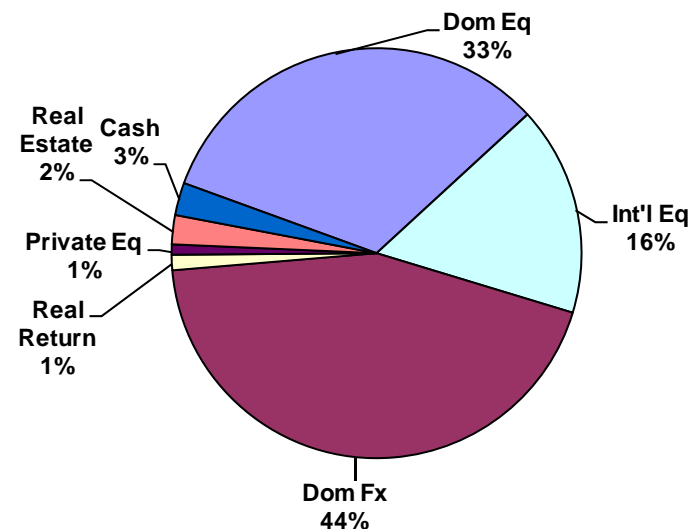
Actual Strategic Allocation Comparison

As of December 31, 2009, the Total Retirement Portfolio had a 53% allocation in Equities, 40% in Fixed Income, 1% each in Real Return, Private Equity, and Real Estate, and 4% in Cash. During the latest 1-year period, the actual weightings of Domestic Equity, International Equity, and Cash increased by 1%, 3%, and 1%, respectively, while Fixed Income and Real Estate decreased (4%) and (1%), respectively. Other asset classes were unchanged.

December 31, 2009



December 31, 2008



WPERP RETIREMENT PLAN PERFORMANCE

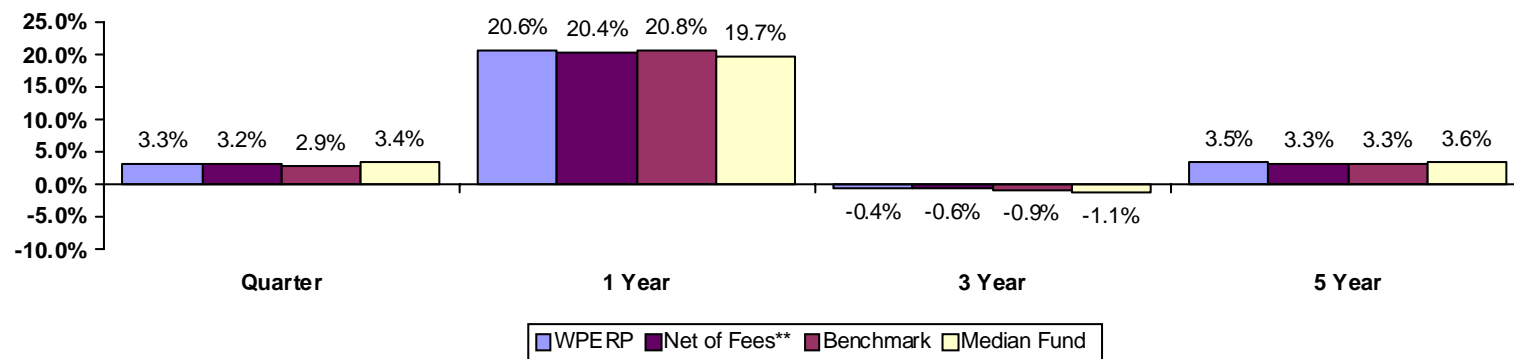
This section includes an overview of the performance of WPERP's Total Retirement Portfolio and a detailed analysis of strategic classes and specific mandates.

Portfolio Performance Overview

The Total Retirement Portfolio outperformed its policy benchmark over the current quarter, 3- and 5-year periods by 40, 50, and 20 basis points, respectively, gross of fees. Over the latest 1-year period, the Total Retirement Portfolio trailed its policy benchmark by (20) basis points, gross of fees.

The Total Retirement Portfolio outperformed the median fund over the trailing 1- and 3-year periods by 90 and 70 basis points, respectively, gross of fees. The Total Retirement Portfolio slightly trailed the median fund over both the current quarter and the latest 5-year period by (10) basis points, gross of fees.

Periods Ending December 31, 2009 (annualized)*

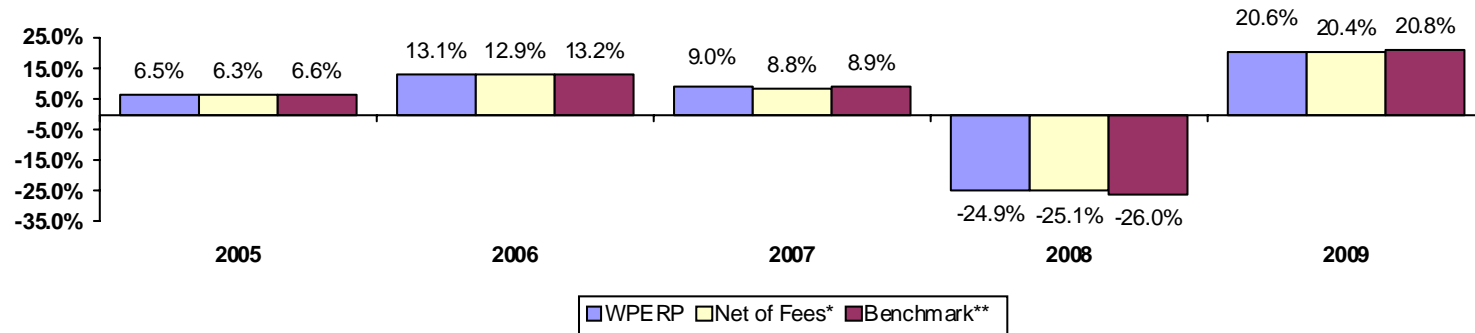


* WPERP performance reported gross of fees.

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

The Total Retirement Portfolio generated positive absolute performance results, gross of fees, over four of the five trailing 12-month periods. The Total Retirement Portfolio outperformed or closely matched its policy benchmark over all five periods, gross of fees.

12-month Performance – Periods Ending December 31



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

Portfolio Valuation

As of December 31, 2009, the Total Retirement Portfolio had an aggregate value of \$6.4 billion. This represents a \$167.0 million increase in value over last quarter including minus (\$38.0) million in net withdrawals. During the previous one-year period, the Total Retirement Portfolio increased by \$941.4 million.

Portfolio Valuation as of December 31, 2009, Gross of Fees

	<u>4Q 2009</u>		<u>1-Year</u>		<u>3-Year</u>		<u>5-Year</u>	
Beginning Market Value	\$6,241.9		\$5,467.5		\$7,050.4		\$6,228.5	
Net Flow	-38.0		-184.9		-557.2		-988.7	
Investment Return in \$ (in%)	<u>205.0</u>	3.3%	<u>1,126.3</u>	20.6%	<u>-84.3</u>	-0.4%	<u>1,169.0</u>	3.5%
Ending Market Value	\$6,408.9		\$6,408.9		\$6,408.9		\$6,408.9	

*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

PERFORMANCE ATTRIBUTION

Performance Attribution - 4Q 2009

	Policy		Portfolio		Impact on Return			
	Allocation	Return	Allocation*	Return	Weighting	Selection	Interaction	Total
Domestic Equity	33.0%	5.9	33.9%	6.2	0.0	0.1	0.0	0.1
International Equity	17.0%	3.7	18.7%	3.6	0.0	(0.0)	(0.0)	(0.0)
Fixed Income	40.0%	0.6	40.8%	1.3	(0.0)	0.3	0.0	0.3
Real Return	3.0%	0.8	1.0%	6.4	0.0	0.2	(0.1)	0.1
Private Equity	2.0%	5.6	1.4%	6.5	0.0	(0.1)	0.0	(0.0)
Real Estate	3.0%	(3.3)	0.8%	(7.8)	(0.1)	0.0	(0.0)	(0.1)
Cash	2.0%	0.0	3.3%	0.2	(0.0)	0.0	0.0	(0.0)
Total	100.0%	2.9	100.0%	3.3	0.0	0.5	(0.1)	0.4

*Allocation utilizes beginning-of-the period market values.

Performance Attribution - Trailing 12-month

	Policy		Portfolio		Impact on Return			
	Allocation*	Return	Allocation*	Return	Weighting	Selection	Interaction	Total
Domestic Equity	36.5%	28.3	32.4%	30.1	(0.3)	0.7	(0.1)	0.3
International Equity	20.5%	44.3	17.8%	37.8	(0.6)	(1.3)	0.2	(1.8)
Fixed Income	35.0%	8.6	43.0%	13.7	(1.0)	1.8	0.4	1.2
Real Return	2.5%	3.4	1.1%	1.9	0.2	(0.0)	0.0	0.2
Real Estate	2.0%	(10.1)	1.6%	(13.5)	0.1	(0.1)	0.0	0.1
Private Equity	2.0%	(22.1)	0.8%	(38.7)	0.5	(0.3)	0.2	0.4
Cash	1.5%	0.2	3.3%	0.4	(0.4)	0.0	0.0	(0.4)
Total	100.0%	20.8	100.0%	20.6	(1.4)	0.7	0.7	0.0

*Allocation utilizes average allocation over the trailing four quarters.

- During the most recent quarter, the Total Retirement Portfolio outperformed its policy benchmark. Security selection benefited the Total Retirement Portfolio while sector allocation held a neutral position.
- During the trailing 12-month period, positive effect generated by security selection and allocation/selection interaction (+1.4%) was offset by negative sector allocation (-1.4%). Within asset class categories, the International Equity portfolio detracted the most from overall portfolio performance.

WPERP RETIREMENT PLAN STRATEGIC CLASS PERFORMANCE

The **Domestic Equity** portfolio outperformed its policy benchmark during the quarter by 30 basis points, with a 6.2% return. Over the latest 1-year period, the portfolio surpassed its policy benchmark by 1.8%, as five of the Plan's six Domestic Equity managers either matched or outperformed their respective benchmarks. Over the latest 3- and 5-year periods, the portfolio outperformed its policy benchmark by 90 and 50 basis points, respectively.

The **International Equity** portfolio slightly underperformed its policy benchmark during the current quarter and the latest 3-year period by (10) and (30) basis points, returning 3.6% and minus (2.9%), respectively. Over the latest 1-year period, the portfolio trailed its policy benchmark by (6.5%), as four of the Plan's five International Equity managers underperformed their respective benchmarks. Over the latest 5-year period, the portfolio trailed its policy benchmark by (1.2%). The International Equity portfolio did not invest in emerging markets until 2005, whereas emerging markets is a component of the benchmark.

The **Fixed Income** portfolio posted a 1.3% quarterly return outperforming its policy benchmark by 70 basis points. Over the latest 1-year period, the portfolio surpassed its policy benchmark by 5.1%, due primarily to relative outperformance by the Plan's core fixed Income managers. Over the latest 3- and 5-year periods, the portfolio outperformed its policy benchmark by 10 and 20 basis points, respectively.

Periods ending December 31, 2009

Asset Class	Quarter	1 Year	3 Year	5 Year
Total Retirement	3.3	20.6	-0.4	3.5
<i>Policy Benchmark¹</i>	<i>2.9</i>	<i>20.8</i>	<i>-0.9</i>	<i>3.3</i>
Domestic Equity	6.2	30.1	-4.5	1.3
<i>Russell 3000 (blend)³</i>	<i>5.9</i>	<i>28.3</i>	<i>-5.4</i>	<i>0.8</i>
International Equity	3.6	37.8	-2.9	5.4
<i>MSCI ACWI ex U.S. IMI (blend)⁴</i>	<i>3.7</i>	<i>44.3</i>	<i>-2.6</i>	<i>6.6</i>
Fixed Income	1.3	13.7	5.9	5.2
<i>BC Universal</i>	<i>0.6</i>	<i>8.6</i>	<i>5.8</i>	<i>5.0</i>
Real Return ²	6.4	1.9	---	---
<i>Tbill + 3%²</i>	<i>0.8</i>	<i>3.4</i>	<i>---</i>	<i>---</i>
Private Equity ²	6.5	-13.5	1.7	---
<i>Cambridge USPE/USVC^{2,5}</i>	<i>5.6</i>	<i>-10.1</i>	<i>3.2</i>	<i>---</i>
Real Estate ²	-7.8	-38.7	---	---
<i>NCREIF²</i>	<i>-3.3</i>	<i>-22.1</i>	<i>---</i>	<i>---</i>
Cash	0.2	0.4	2.7	3.3
<i>Citigroup T-bills</i>	<i>0.0</i>	<i>0.2</i>	<i>2.2</i>	<i>2.9</i>

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

² Returns are lagged one quarter.

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

⁴ The policy benchmark for the International Equity asset class is MSCI ACWI ex US thru 12/31/08, and MSCI ACWI ex US IMI 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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WPERP RETIREMENT PLAN MANAGER PERFORMANCE

Domestic Equity – Periods ending December 31, 2009

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception*	Inception Date**
BlackRock	606,576	Large Cap Core	6.1	28.4	-5.4	0.8	4.1	8/2003
<i>Russell 1000 Index</i>	---	---	6.1	28.4	-5.4	0.8	4.1	---
MFS	346,528	Large Cap Value	4.7	20.7	-3.1	3.5	5.0	2/2004
<i>Russell 1000 Value Index</i>	---	---	4.2	19.7	-9.0	-0.3	1.8	---
T. Rowe Price	351,165	Large Cap Value	5.3	28.0	-5.3	2.0	3.6	9/2004
<i>Russell 1000 Value Index</i>	---	---	4.2	19.7	-9.0	-0.3	1.7	---
Fred Alger	365,342	Large Cap Growth	7.3	47.5	1.6	4.0	4.3	2/2004
<i>Russell 1000 Growth Index</i>	---	---	7.9	37.2	-1.9	1.6	2.0	---
R1000G Index Fund	352,450	Large Cap Growth	8.0	---	---	---	8.0	9/2009
<i>Russell 1000 Growth Index</i>	---	---	7.9	---	---	---	7.9	---
Earnest Partners	93,778	Small Cap Value	6.4	26.0	-5.3	0.8	1.5	11/2004
<i>Russell 2000 Value Index</i>	---	---	3.6	20.6	-8.2	0.0	0.5	---
Paradigm	34,787	Small Cap Growth	1.5	19.8	-10.0	---	-6.8	9/2006
<i>Russell 2000 Growth Index</i>	---	---	4.1	34.5	-4.0	---	-1.2	---
R2000G Index Fund	54,409	Small Cap Growth	4.3	---	---	---	4.3	9/2009
<i>Russell 2000 Growth Index</i>	---	---	4.1	---	---	---	4.1	---

* 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 fourth quarter of 2009, six of WPERP's eight reporting domestic equity managers either matched or outperformed their respective benchmarks. The Board approved to hire two new managers: **T. Rowe Price** in the large cap growth mandate to replace the Russell 1000 Growth Index Fund (formerly Intech), and **Frontier** in the small cap growth mandate to replace the Russell 2000 Growth Index Fund (formerly Northpointe). Small cap growth manager **Paradigm** was terminated (in January 2010) at the time of writing this report. These assets will also be managed by Frontier.

BlackRock, WPERP's passive large cap core manager, matched the Russell 1000 Index return of 6.1% during the quarter. **MFS**, one of the Plan's large cap value managers, generated a 4.7% quarterly return besting the Russell 1000 Value Index return by 50 basis points. Large cap value manager **T. Rowe Price** outperformed the Russell 1000 Value Index by 1.1% with a 5.3% quarterly return. Stock selection in Industrials, Information Technology, and Materials had the largest positive impact on relative performance.

Fred Alger, one of the Plan's large cap growth managers, completed the quarter with a 7.3% return underperforming the Russell 1000 Growth Index return by (60) basis points. **Earnest Partners**, WPERP's small cap value manager, ended the quarter with a 6.4% return outperforming the Russell 2000 Value Index by 2.8%. Stock selection in Industrials, Energy, and Telecommunications led the relative outperformance.

Latest Year

During the latest 1-year period, **BlackRock** matched its benchmark return of 28.4%. **MFS** posted a 20.7% return and outperformed its benchmark by 1.0%, due primarily to the portfolio's underweight position and stock selection in Energy. **T. Rowe Price** generated a strong 28.0% return and outperformed its benchmark by 8.3%. Stock selection in Financials and an overweight position in Information Technology added the most value to relative performance. **Fred Alger** posted a strong 47.5% return outperforming its benchmark by 10.3%. Stock selection in Energy, Health Care, and Consumer Discretionary led the relative outperformance. **Earnest Partners** completed the latest 1-year period with a 26.0% return and outperformed its benchmark by 5.4%. Allocation differences and stock selection in Financials and Energy benefited relative performance.

Latest Three Years

During the latest 3-year period, **BlackRock** matched its benchmark with a minus (5.4%) return. **MFS** surpassed its benchmark by 5.9% with a minus (3.1%) return. Allocation differences and stock selection in Financials and Information Technology benefited relative performance. **T. Rowe Price** posted a minus (5.3%) return outperforming its benchmark by 3.7%. The portfolio's underweight position and stock selection in Financials drove relative performance. **Fred Alger** posted a 1.6% return outperforming its benchmark by 3.5%. Stock selection in Energy, Consumer Discretionary, and Health Care benefited relative performance. **Earnest Partners'** latest 3-year return of minus (5.3%) beat its benchmark by 2.9%. Allocation differences and stock selection in Industrials and Financials added to relative performance.

Latest Five Years

During the latest 5-year period, **BlackRock** matched its benchmark returning 0.8%. **MFS** finished the period surpassing the Russell 1000 Value Index return by 3.8% with a 3.5% return. Allocation differences and stock selection in Financials and Information Technology benefited relative performance. **T. Rowe Price** returned 2.0% outperforming its benchmark by 2.3%, due primarily to the portfolio's underweight and stock selection in Financials. **Fred Alger** posted a 4.0% return outperforming its benchmark by 2.4%. The portfolio's overweight position and stock selection in Energy contributed the most to relative performance. **Earnest Partners** generated a 0.8% return outperforming its benchmark by 80 basis points.

International Equity – Periods ending December 31, 2009

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception*	Inception Date**
Invesco	357,644	Developed Markets	3.0	32.5	-4.1	4.3	6.4	6/2004
<i>MSCI World ex US IMI Index (blended – Invesco)¹</i>	---	---	2.3	36.1	-4.8	4.4	6.8	---
The Boston Company	318,702	Developed Markets	2.7	33.7	-3.7	---	4.2	3/2005
<i>MSCI World ex US IMI Index (blended – Boston)²</i>	---	---	2.3	36.1	-5.1	---	4.9	---
Pyramis	352,433	Developed Markets	3.0	30.5	-4.4	4.7	5.5	11/2004
<i>MSCI World ex US IMI Index (blended – Pyramis)³</i>	---	---	2.3	36.1	-5.0	4.2	5.0	---
The Boston Company	98,778	Emerging Markets	7.1	79.8	8.3	---	17.1	3/2005
T. Rowe Price	82,920	Emerging Markets	8.4	87.4	2.5	---	15.5	3/2005
<i>MSCI EMF IMI Index (blended)⁴</i>	---	---	9.0	82.9	6.2	---	16.8	---

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

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

Latest Quarter

During the fourth quarter of 2009, three of WPERP five reporting international equity managers outperformed their respective benchmarks.

Invesco, WPERP's active core international manager, generated a quarterly return of 3.0% and outperformed the MSCI World ex US IMI Index return by 70 basis points. **The Boston Company**, the Plan's active international value manager, completed the quarter with a 2.7% return outperforming the MSCI World ex US IMI Index return by 40 basis points. **Pyramis**, the Plan's active international growth manager, completed the quarter with a 3.0% return outperforming the MSCI World ex US IMI Index by 70 basis points. **The Boston Company**, one of WPERP's two emerging markets managers, finished the quarter with a 7.1% return, underperforming the MSCI Emerging Markets IMI Index by (1.9%). The portfolio's emphasis on South Korea versus China detracted from relative performance. **T. Rowe Price**, the Plan's other emerging markets manager, completed the quarter with an 8.4% return, underperforming the MSCI Emerging Markets IMI Index by (60) basis points.

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 1-year period with a 32.5% return, trailing its benchmark by (3.6%). Stock selection in the U.K. was a major detractor from relative performance. **The Boston Company** completed the period underperforming its benchmark by (2.4%), with a 33.7% return. Allocation differences within the European region with respect to the benchmark detracted from relative performance. **Pyramis** completed the period with a 30.5% return and trailed its benchmark by (5.6%). Allocation differences and stock selection within the European region detracted from relative performance. **The Boston Company** emerging markets portfolio produced a strong 79.8% return but trailed its benchmark by (3.1%). Stock selection in South Korea was a major detractor from relative performance. **T. Rowe Price** generated a strong 87.4% return and bested its benchmark return by 4.5%. Stock selection across the industry sectors, except for Health Care and Materials, drove the relative outperformance.

Latest Three Years

Invesco finished its latest 3-year period with a minus (4.1%) return, outperforming its benchmark by 70 basis points. **The Boston Company** completed the period returning minus (3.7%) outperforming its benchmark by 1.4%. Stock selection within the European region benefited relative performance. **Pyramis** returned minus (4.4%) and outperformed its benchmark by 60 basis points. **The Boston Company** emerging markets portfolio produced an 8.3% return and outperformed its benchmark by 2.1%. Stock selection in Russia and Taiwan contributed the most to relative performance; within industry sectors, Energy and Industrials were the top performers. **T. Rowe Price** generated a 2.5% return and trailed its benchmark by (3.7%). The portfolio's overweight position and stock selection in Consumer Discretionary was the biggest detractor from relative performance.

Latest Five Years

Invesco finished its latest 5-year period with a 4.3% return slightly trailing its benchmark by (10) basis points. **Pyramis** return 4.7% outperforming its benchmark by 50 basis points.

Fixed Income – Periods ending December 31, 2009

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception*	Inception Date**
ING	1,141,120	Core	0.9	9.1	3.9	3.8	4.1	7/2004
Wells	1,130,734	Core	0.5	11.2	7.7	6.1	6.2	7/2004
<i>BC Aggregate Index</i>	---	---	0.2	5.9	6.0	5.0	5.2	---
Loomis	149,969	High Yield	6.9	59.5	5.6	---	7.7	3/2005
<i>BC High Yield Index</i>	---	---	6.2	58.2	6.0	---	7.2	---
Wells	139,127	High Yield	4.7	46.8	6.1	6.5	6.4	11/2004
<i>BC High Yield Index</i>	---	---	6.2	58.2	6.0	6.5	6.7	---

* 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 fourth quarter of 2009, three of WPERP's four fixed income managers outperformed their respective benchmarks. The Board approved to hire **JP Morgan** to replace core fixed income manager **ING** (terminated in October and pending transition).

Wells, the Plan's core fixed income manager, outperformed the BC Aggregate Index by 30 basis points with a quarterly return of 0.5%. **Loomis Sayles**, one of the portfolio's two high yield managers, delivered a quarterly return of 6.9% outperforming the BC High Yield Index by 70 basis points. The other high yield manager **Wells** finished the quarter trailing the BC High Yield Index by (1.5%) with a 4.7% return. The portfolio's conservative positioning and less exposure to lower quality issues detracted from relative performance.

Latest Year

Wells finished its latest 1-year period with an 11.2% return and outperformed its benchmark by 5.3%. Security selection was the primary driver of relative outperformance. **Loomis Sayles** generated a strong 59.5% return and outperformed its benchmark by 1.3%. **Wells** High Yield finished the period returning 46.8%, but trailed its benchmark by (11.4%), due to the portfolio's more conservative positioning with respect to its benchmark.

Latest Three Years

Wells finished its latest 3-year period posting a 7.7% return and outperformed its benchmark by 1.7%, due primarily to security selection. **Loomis Sayles** generated 5.6% return and underperformed its benchmark by (40) basis points. **Wells** High Yield posted a 6.1% return and slightly outperformed its benchmark by 10 basis points.

Latest Five Years

Wells finished its latest 5-year period with a 6.1% and outperformed its benchmark by 1.1%. Security selection benefited relative performance. **Wells** High Yield matched its benchmark return of 6.5%.

Real Return – Periods ending December 31, 2009

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception**	Inception Date***
Aetos Capital*	32,603	Hedge FoFs	6.1	2.3	---	---	-0.4	2/2007
PAAMCO*	34,423	Hedge FoFs	6.6	1.6	---	---	2.4	2/2007
Tbills + 3 %*	---	---	0.8	3.4	---	---	5.4	---
HFRI FOF Diversified Index*	---	Hedge FoFs	4.4	-1.0	---	---	-3.9	---

* 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 fourth quarter of 2009, WPERP's two hedge fund managers both outperformed the Tbills+3% Index. The Board approved to hire **WAMCO** in a Global Inflation Linked Securities (GILS) mandate to be added to the real return asset class.

Aetos outperformed the Tbill+3% by 5.3% and the HFRI FOF Diversified Index by 1.7%. **PAAMCO** outperformed the Tbill+3% by 5.8% and the HFRI FOF Diversified Index by 2.2%.

Latest Year

Over the latest 1-year period, **Aetos** underperformed the Tbill+3% by (1.1%) but outperformed the HFRI FOF Diversified Index by 3.3%. **PAAMCO** underperformed the Tbill+3% by (1.8%) but outperformed the HFRI FOF Diversified Index by 2.6%.

Private Equity and Real Estate - Periods ending December 31, 2009

Asset Class	Mkt Value (\$000)	Quarter	1 YR	3 YR	5 YR	Since Inception***	Inception Date****
Private Equity*	56,558	6.5	-13.5	1.7	---	0.4	9/2006
<i>Cambridge USPE/USVC**</i>	---	5.6	-10.1	3.2	---	4.6	---
Real Estate*	80,650	-7.8	-38.7	---	---	-10.6	3/2007
<i>NCREIF*</i>	---	-3.3	-22.1	---	---	-3.0	---

* Returns are lagged one quarter and net of fees.

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

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

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

The **Private Equity** portfolio consists of six investments including **Lexington Capital**, **Landmark XIII**, **Capital Dynamics (previously HRJ Capital)**, **Fisher Lynch**, **Landmark XIV**, and **Oaktree V**. The portfolio outperformed the Cambridge USPE/USVC Index during the current quarter by 90 basis points. Over the latest 1- and 3-year periods, the portfolio underperformed its benchmark by (3.4%) and (1.5%), respectively.

The **Real Estate** portfolio consists of four investments including **Prisa**, **Prisa II**, **JP Morgan Strategic**, and **CB Richard Ellis**. The Board also hired, but has not yet funded, a new real estate manager, **Mesa West**. The portfolio underperformed the NCREIF Index by (4.5%) during the current quarter and (16.6%) over the latest 1-year period, as three of the four managers underperformed the NCREIF Index during the quarter and all four underperformed over the latest 1-year period. The asset class' core managers, Prisa and JP Morgan Strategic, comprise approximately 85% of the total assets; their underperformance has a significant impact on overall asset class performance.

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WPERP RETIREMENT PLAN MANAGERS ON PROBATION

Return vs. Benchmark Since Watch

As of December 31, 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
Paradigm	Small Growth	Performance	1/1/2009	10/1/2009	-9.1	-12.3	0.5	18.0	19.8	19.8
Russell 2000 Growth	Small Growth				-7.6	-9.7	11.4	29.1	34.5	34.5
Paradigm Perf. Vs. Target	Russell 2000 Growth				N/M	N/M	N/M	N/M	-14.7	-14.7
Aetos	Hedge FoFs	Performance	3/1/2009	---	-0.9	-0.6	1.7	9.3	---	9.3
Tbill+3%	Hedge FoFs				0.3	0.8	1.6	2.7	---	2.7
Aetos 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	6.1	14.6	---	14.6
Tbill+3%	Hedge FoFs				0.3	0.8	1.6	2.7	---	2.7
PAAMCO vs. Target	Tbill+3%				N/M	N/M	N/M	N/M	---	N/M
T. Rowe Price	Emerging Markets	Performance	5/1/2009	---	20.7	33.3	45.4	---	---	59.3
MSCI EMF IMI Index (blended)	Emerging Markets				17.8	29.8	41.5	---	---	54.0
T. Rowe Price 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	18.4	29.4	---	---	35.4
BC High Yield Index	High Yield				6.7	16.5	27.6	---	---	33.2
Loomis Sayles vs. Target	BC High Yield Index				N/M	N/M	N/M	N/M	---	N/M
Blackrock	Large Core	Organizational	7/1/2009	---	7.6	16.1	23.1	---	---	23.1
Russell 1000 Index	Large Core				7.6	16.1	23.1	---	---	23.1
Blackrock vs. Target	Russell 1000 Index				N/M	N/M	N/M	N/M	---	N/M
Wells	Core	Performance	2/1/2010	---	---	---	---	---	---	---
BC Aggregate Index	Core				---	---	---	---	---	---
Wells vs. Target	BC Aggregate Index				N/M	N/M	N/M	N/M	---	N/M
Wells	High Yield	Organizational	2/1/2010	---	---	---	---	---	---	---
BC High Yield Index	High Yield				---	---	---	---	---	---
Wells vs. Target	BC High Yield Index				N/M	N/M	N/M	N/M	---	N/M

*Performance data provided by Mellon.

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

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

Managers on Probation

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

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

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

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

Blackrock was placed on watch status on 7/1/2009 due to organizational issues.

Wells will be placed on watch status on 2/1/2010 due to short-term performance.

Wells HY will be placed on watch status on 2/1/2010 due to organizational issues.

Managers Removed/Terminated from Watch Status – Trailing 12-month

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

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

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

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

Paradigm was terminated on 1/27/09. Paradigm was placed on watch status on 1/1/2009 due to short-term performance.

WPERP Retirement Plan Estimated Performance Results Net and Gross of Fees Comparison For Quarter Ending 12/31/2009

Asset Class	Manager	Market Value ²	Performance, % ²		Difference	
			Net	Gross	Percentage	Market Value
Domestic Equity						
Russell 1000 Index						
Passive	BlackRock	606,575,897	6.09%	6.10%	-0.01%	-60,664
Large Value	MFS	346,527,777	4.62%	4.70%	-0.08%	-277,444
Large Value	T. Rowe Price	351,165,407	5.21%	5.30%	-0.09%	-316,334
Large Growth	Fred Alger	365,341,647	7.22%	7.30%	-0.08%	-292,507
Large Growth	R1000G Index	352,450,109	---	---	---	---
Small Value	Earnest Partners	93,777,883	6.24%	6.40%	-0.16%	-150,285
Small Growth	Paradigm	34,786,870	1.31%	1.50%	-0.19%	-66,221
Small Growth	R2000G Index	54,409,019	---	---	---	---
		\$2,205,034,609				
International Equity						
Active Equities	Invesco	357,643,941	2.90%	3.00%	-0.11%	-393,842
Active Equities	The Boston Co.	318,702,454	2.59%	2.70%	-0.11%	-350,959
Active Equities	Pyramis	352,433,466	2.92%	3.00%	-0.09%	-317,476
Emerging Markets	The Boston Company	98,778,129	6.87%	7.10%	-0.23%	-227,713
Emerging Markets	T. Rowe Price	82,920,449	8.16%	8.40%	-0.24%	-207,821
		\$1,210,478,439				
Domestic Fixed Income						
Core	ING	1,141,120,090	0.88%	0.90%	-0.03%	-342,439
Core	Wells	1,130,734,213	0.47%	0.50%	-0.03%	-339,322
High Yield	Loomis Sayles	149,968,912	6.78%	6.90%	-0.13%	-195,213
High Yield	Wells	139,127,054	4.59%	4.70%	-0.12%	-167,153
		\$2,560,950,269				
Real Return ³						
	Aetos	32,603,035	6.10%	6.29%	-0.19%	62,064
	PAAMCO	34,422,855	6.60%	6.85%	-0.25%	86,273
		\$67,025,890				
Private Equity ³						
	Lexington	16,918,019	4.80%	5.20%	-0.40%	-67,944
	Landmark XIII	17,281,854	1.60%	2.00%	-0.40%	-69,405
	Cap Dynamics	13,154,302	18.60%	19.00%	-0.40%	-52,829
	Fisher Lynch	2,550,389	-3.20%	-2.80%	-0.40%	-10,243
	Landmark XIV	3,385,750	3.60%	4.00%	-0.40%	-13,597
	Oaktree	3,268,057	11.00%	11.40%	-0.40%	-13,125
		\$56,558,371				
Real Estate ³						
	Prisa	33,481,492	-7.80%	-7.57%	-0.23%	-77,185
	Prisa II	10,981,852	-10.20%	-9.97%	-0.23%	-25,316
	JP Morgan	34,943,056	-7.30%	-7.07%	-0.23%	-80,554
	CBRE	1,243,594	3.90%	4.13%	-0.23%	-2,867
		\$80,649,994				
Cash						
		\$228,490,341	---	0.10%	---	---
TOTAL PORTFOLIO ¹						
		6,408,869,777	3.24%	3.30%	-0.06%	-\$3,967,253
Total Fund Policy						
			---	2.90%	---	---

¹ Total portfolio market value includes \$6.1 million in transition assets and a negative balance of (\$6.5) million in securities lending.

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

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

WPERP DISABILITY PLAN REVIEW

The WPERP - Disability portfolio ended the fourth quarter of 2009 with an aggregate value of approximately \$40.1 million.

Portfolio Performance Overview

Periods ending December 31, 2009, Gross of Fees

Asset Class	Quarter	1 Year	3 Year	5 Year	Since Inception**	Inception Date***
Total Portfolio	1.0	11.2	6.9	5.6	---	---
Policy Benchmark*	0.2	5.6	5.9	4.9	---	---
Wells	1.1	12.8	7.5	6.0	6.1	7/2004
BC Aggregate	0.2	5.9	6.0	5.0	5.2	---

*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.

4Q 2009 – During the fourth quarter of 2009, the Disability Plan posted a 1.0% return, outperforming its policy benchmark by 80 basis points. The benchmark portfolio consists of passively managed asset class portfolios held at the Disability Plan's policy weightings.

Longer Term – Over the latest 1-, 3-, and 5-year periods, the Disability Plan outperformed its policy benchmark by 5.6%, 1.0%, and 0.7%, respectively.

Portfolio Strategic Allocation (as of 12/31/09)

Segment	Actual \$(000)	Actual %	Target %	Variance
Total Portfolio	\$40,059	100	100	---
Fixed Income	35,741	89	95	-6
Wells	35,741	89	95	-6
Cash	4,318	11	5	6

Strategic allocation – The Disability Plan target allocation consists of 95% fixed income investments and 5% cash. By the close of 4Q 2009, there was one fixed income manager, Wells. The total fund was 89% invested in this manager.

WPERP DEATH PLAN REVIEW

The WPERP – Death portfolio ended the fourth quarter of 2009 with an aggregate value of approximately \$23.9 million.

Portfolio Performance Overview

Periods ending December 31, 2009, Gross of Fees

Asset Class	Quarter	1 Year	3 Year	5 Year	Since Inception**	Inception Date***
Total Portfolio	1.0	11.0	6.8	5.6	---	---
<i>Policy Benchmark*</i>	<i>0.2</i>	<i>5.7</i>	<i>5.9</i>	<i>4.9</i>	---	---
Wells	1.1	12.8	7.5	6.0	6.1	7/2004
<i>BC Aggregate</i>	<i>0.2</i>	<i>5.9</i>	<i>6.0</i>	<i>5.0</i>	<i>5.2</i>	---

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

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

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

4Q 2009 – During the fourth quarter of 2009, the Death Plan posted a 1.0% return outperforming its policy benchmark by 80 basis points. The benchmark portfolio consists of passively managed asset class portfolios held at the Death Plan's policy weightings.

Longer Terms – Over the latest 1-, 3-, and 5-year periods, the Death Plan outperformed its policy benchmark by 5.3%, 0.9%, and 0.7%, respectively.

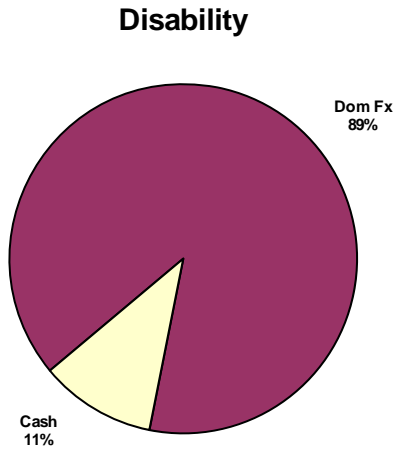
Portfolio Strategic Allocation (as of 12/31/09)

Segment	Actual \$(000)	Actual %	Target %	Variance
Total Portfolio	\$23,937	100	100	---
Fixed Income	19,381	81	96	-15
Wells	19,381	81	96	-15
Cash	4,555	19	4	15

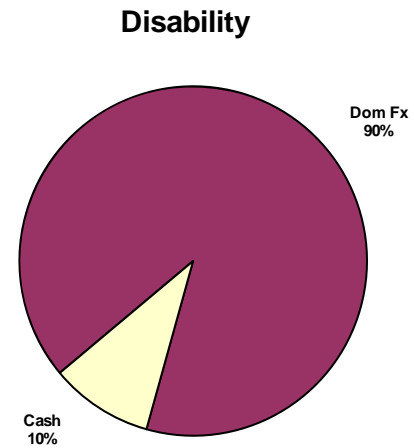
Strategic allocation – The Death Benefit Plan target allocation consists of 96% fixed income investments and 4% cash. By the close of 4Q 2009, there was one fixed income manager, Wells. The total fund was 81% invested in this manager.

Actual Strategic allocation Comparison – Disability and Death Plans

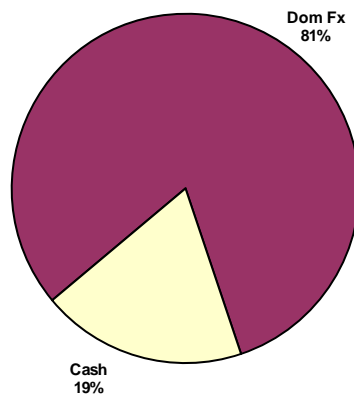
December 31, 2009



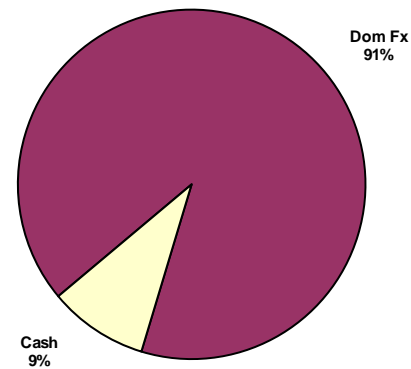
December 31, 2008



Death



Death



HEALTH PLAN REVIEW

The WPERP - Health Plan ended the fourth quarter of 2009 with an aggregate value of approximately \$848.1 million. In September 2009, the Health Plan funded ten new managers (T. Rowe Price, MFS, Fred Alger, R1000G Index, Earnest, R2000G Index, Pyramis, Invesco, The Boston Company, and Wells High Yield) in a course of action to emulate the Retirement Plan's strategic allocation.

Portfolio Performance Overview

Periods ending December 31, 2009, Gross of Fees

Asset Class	Quarter	1 Year	3 Year	5 Year	Since Inception	Inception Date
Total Health	3.5	20.6	0.7	---	0.7	12/2006
<i>Policy Benchmark¹</i>	3.1	18.7	-0.7	---	-0.7	---
Domestic Equity	6.2	27.9	-5.5	---	-5.5	1/2007
<i>Russell 3000 (blend)²</i>	5.9	28.2	-5.4	---	-5.4	---
International Equity	2.9	---	---	---	2.9	9/2009
<i>MSCI ACWI ex U.S. IMI</i>	3.7	---	---	---	3.7	---
Fixed Income	0.8	11.7	7.9	---	7.9	1/2007
<i>BC Universal (blend)³</i>	0.6	6.3	6.2	---	6.2	---
Real Return ⁴	---	---	---	---	---	---
<i>Tbill + 3%⁴</i>	---	---	---	---	---	---
Private Equity ⁴	7.0	26.7	---	---	26.7	9/2008
<i>Cambridge USPE/USVC^{4,5}</i>	5.6	-10.1	---	---	-10.1	---
Real Estate ⁴	---	---	---	---	---	---
<i>NCREIF⁴</i>	---	---	---	---	---	---
Cash	5.2	5.4	4.4	---	4.4	12/2006
<i>Citigroup T-bills</i>	0.0	0.2	2.2	---	2.2	---

During the fourth quarter of 2009, The Health Plan outperformed its policy benchmark by 40 basis points. Over the latest 1- and 3-year periods, the Health Plan outperformed its policy benchmark by 1.9% and 1.4%, respectively, due primarily to the relative outperformance by the Plan's core fixed income manager Wells.

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

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

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

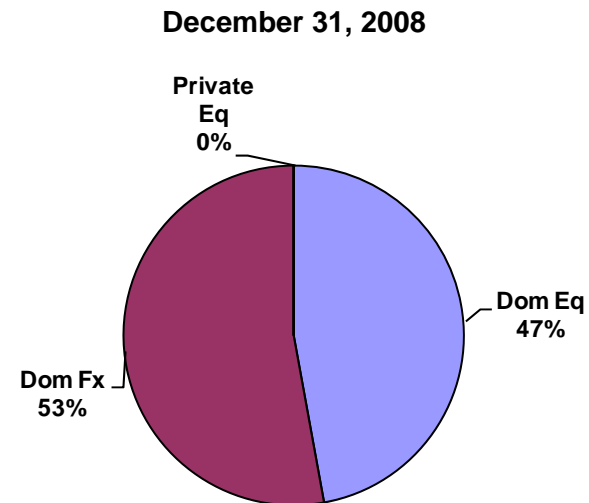
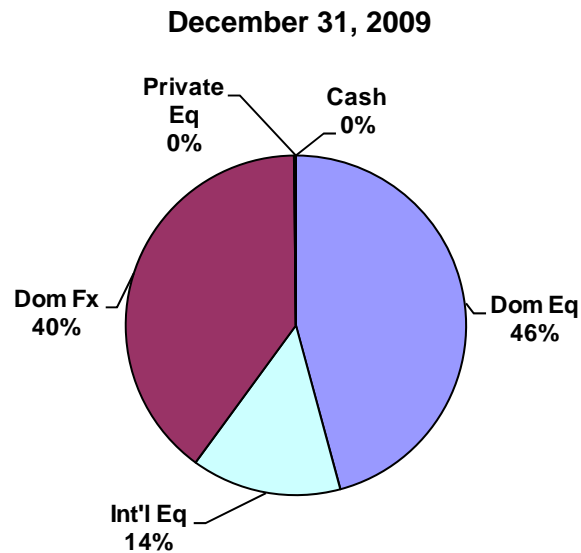
⁴ Returns are lagged one quarter.

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

Portfolio Strategic Allocation (as of 12/31/09) – New policy target took effect on 10/1/2009.

Segment	Actual (\$MM)	Actual %	Target* %	Variance
Health Plan***	848	100	100	0
Domestic Equity	388	46	37	9
International Equity	121	14	15	-1
Domestic Fixed	337	40	45	-5
Real Return	0	0	0	0
Private Equity	1	0	1	-1
Real Estate	0	0	0	0
Cash	0	0	2	-2

As of December 31, 2009, the portfolio had a 60% allocation in Equities, 40% in Fixed Income, and less than 1% each in Private Equity and Cash. During the latest quarter, the actual weighting of Domestic Equity increased by 2%, while International Equity and Fixed Income each decreased by (1.0%).



Quarterly Report

Q4-09

WPERP HEALTH PLAN MANAGER PERFORMANCE

Domestic Equity

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception*	Inception Date**
BlackRock	180,850	Large Cap Core	6.1	28.4	-5.4	---	-5.4	1/2007
<i>Russell 1000 Index</i>	---	---	6.1	28.4	-5.4	---	-5.4	---
MFS	44,784	Large Cap Value	4.7	---	---	---	4.7	9/2009
<i>Russell 1000 Value Index</i>	---	---	4.2	---	---	---	4.2	---
T. Rowe Price	44,401	Large Cap Value	5.4	---	---	---	5.4	9/2009
<i>Russell 1000 Value Index</i>	---	---	4.2	---	---	---	4.2	---
Fred Alger	47,355	Large Cap Growth	7.4	---	---	---	7.4	9/2009
<i>Russell 1000 Growth Index</i>	---	---	7.9	---	---	---	7.9	---
R1000G Index Fund	47,098	Large Cap Growth	8.0	---	---	---	8.1	9/2009
<i>Russell 1000 Growth Index</i>	---	---	7.9	---	---	---	7.9	---
Earnest Partners	12,070	Small Cap Value	6.7	---	---	---	6.7	9/2009
<i>Russell 2000 Value Index</i>	---	---	3.6	---	---	---	3.6	---
R2000G Index Fund	11,901	Small Cap Value	4.3	---	---	---	4.3	9/2009
<i>Russell 2000 Growth Index</i>	---	---	4.1	---	---	---	4.1	---

International Equity

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception*	Inception Date**
Invesco	39,934	Developed Markets	3.0	---	---	---	3.0	9/2009
<i>MSCI World ex US IMI Index</i>	---	---	2.3	---	---	---	2.3	---
The Boston Company	40,098	Developed Markets	2.8	---	---	---	2.8	9/2009
<i>MSCI World ex US IMI Index</i>	---	---	2.3	---	---	---	2.3	---
Pyramis	40,789	Developed Markets	3.0	---	---	---	3.0	9/2009
<i>MSCI World ex US IMI Index</i>	---	---	2.3	---	---	---	2.3	---

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

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

Fixed Income

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception*	Inception Date**
Wells	303,573	Core	0.5	11.5	7.9	---	7.9	1/2007
<i>BC Aggregate Index</i>	---	---	0.2	5.9	6.0	---	6.0	---
Wells	33,908	High Yield	2.9	---	---	---	2.9	9/2009
<i>BC High Yield Index</i>	---	---	6.2	---	---	---	6.2	---

Private Equity

Asset Class	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception*	Inception Date**
Private Equity***	1,075	Private Equity	7.0	26.7	---	---	26.7	9/2008
<i>Cambridge USPE/USVC**** *****</i>	---	---	5.6	-10.1	---	---	-10.1	---

* 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.

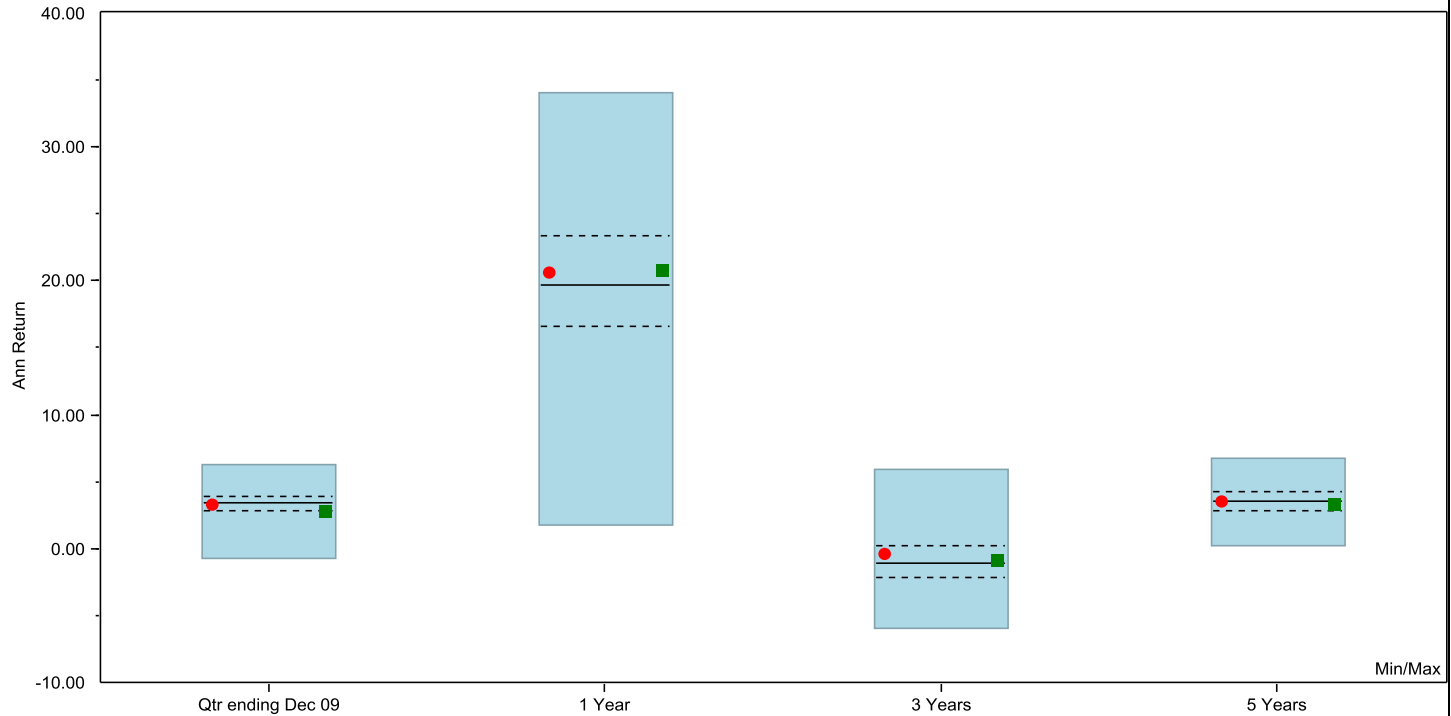
**** The policy benchmark for the Private Equity asset class is a blended benchmark composed of Cambridge US Private Equity Index and the Cambridge US Venture Capital Index.

Water and Power Employees' Retirement Plan

TOTAL FUNDS - PUBLIC (USD) - Monthly

As of December 31, 2009

Cumulative Performance Comparisons



	Value	%Tile	Rank	Value	%Tile	Rank	Value	%Tile	Rank	Value	%Tile	Rank
Maximum	6.21			34.09			5.88			6.70		
25th Percentile	3.92			23.35			0.19			4.21		
Median Percentile	3.37			19.66			-1.11			3.55		
75th Percentile	2.84			16.54			-2.22			2.77		
Minimum	-0.76			1.81			-5.91			0.19		
# of Portfolios	123			107			102			97		
● Total Fund	3.27	57	71	20.64	43	46	-0.42	35	36	3.53	52	51
■ Policy Benchmark	2.86	75	93	20.77	40	43	-0.90	45	46	3.27	60	59

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

Notes:

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

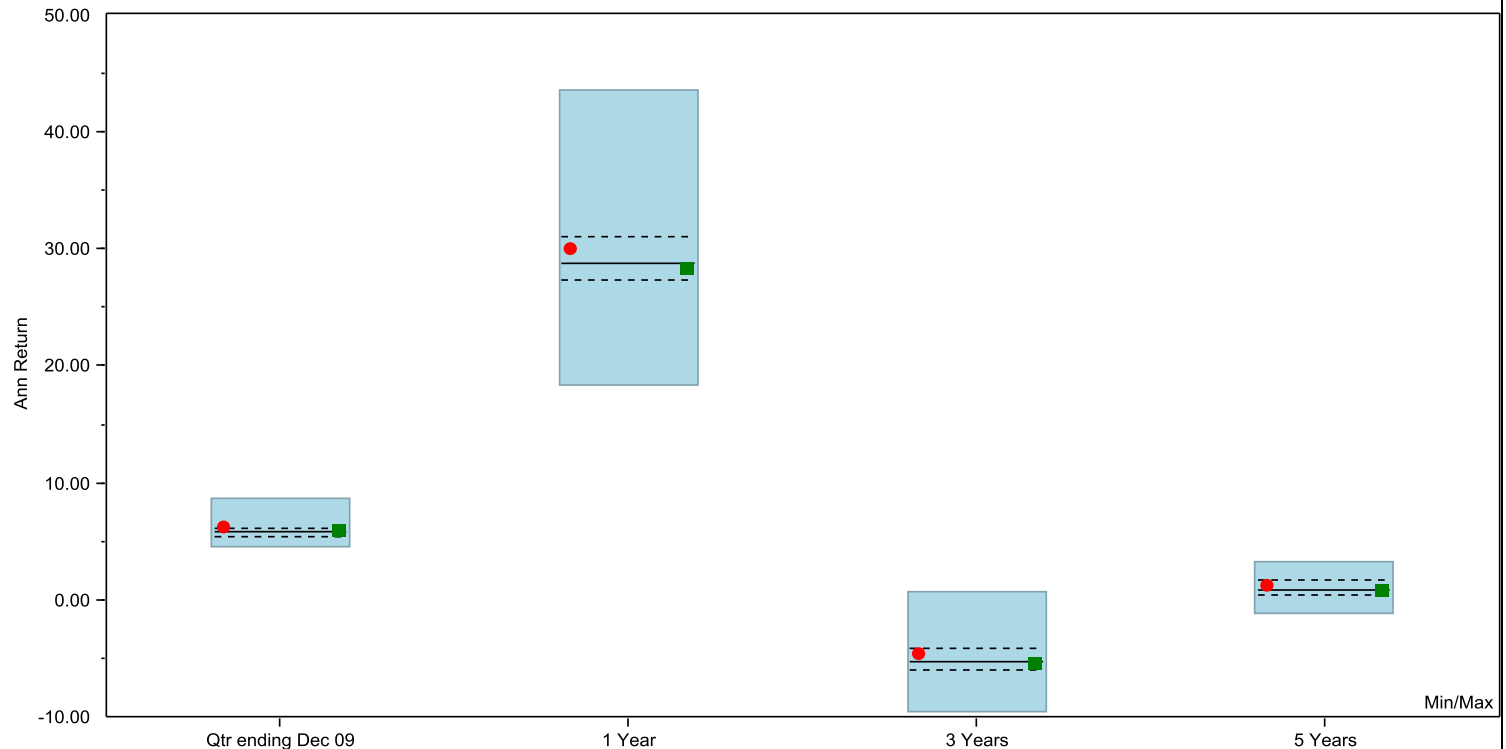
All performance is shown **gross of fees**.

Water and Power Employees' Retirement Plan

US Equity Segment - Public (USD) - Monthly

As of December 31, 2009

Cumulative Performance Comparisons



	Value	%Tile	Rank	Value	%Tile	Rank	Value	%Tile	Rank	Value	%Tile	Rank
Maximum	8.63			43.59			0.76			3.22		
25th Percentile	6.09			31.02			-4.16			1.62		
Median Percentile	5.76			28.81			-5.32			0.81		
75th Percentile	5.39			27.29			-6.06			0.35		
Minimum	4.50			18.36			-9.51			-1.22		
# of Portfolios	91			73			63			56		
● Domestic Equity	6.18	20	18	30.09	35	26	-4.52	34	22	1.32	36	21
■ Russell 3000 (blend)	5.90	45	42	28.33	60	45	-5.43	57	37	0.77	53	30

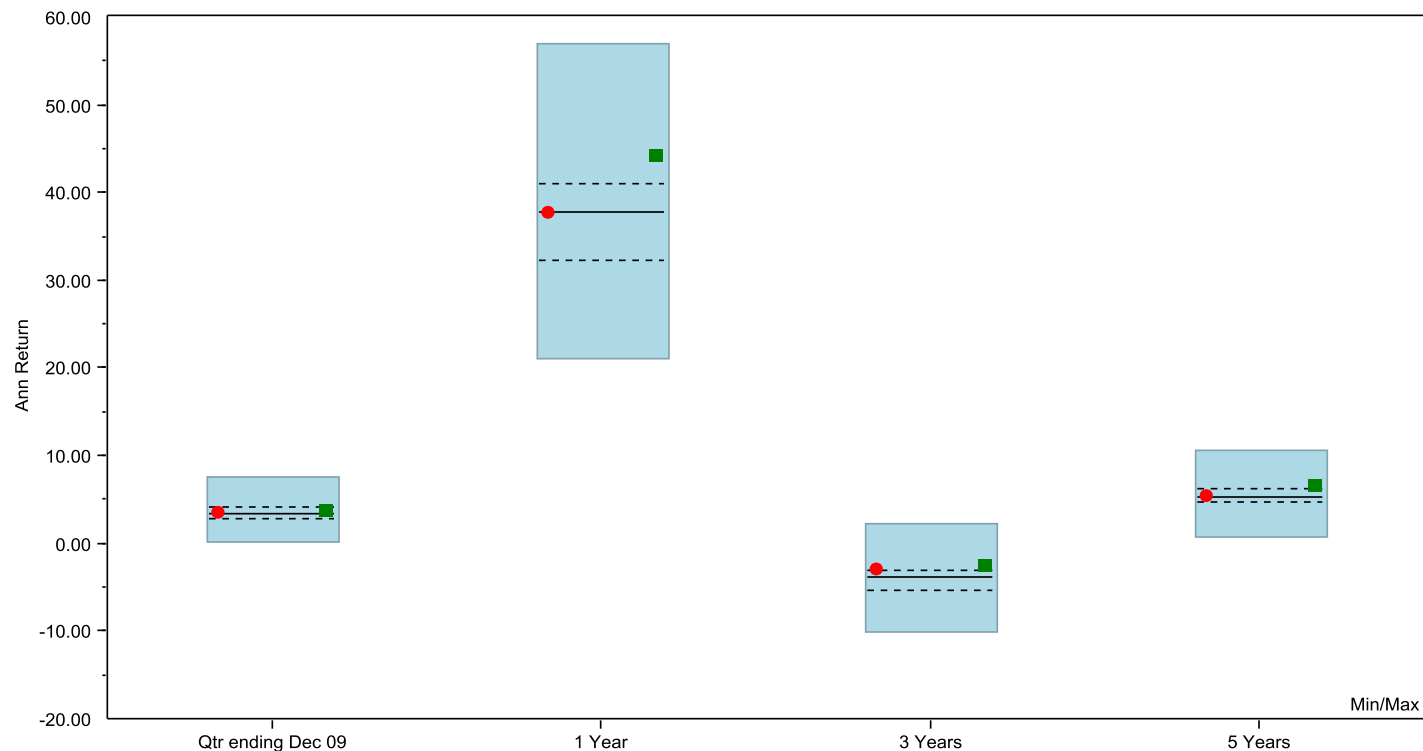
Universe Source: The Bank of New York Mellon Corporation; Universe Status: Final

Water and Power Employees' Retirement Plan

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

As of December 31, 2009

Cumulative Performance Comparisons



	Value	%Tile	Rank	Value	%Tile	Rank	Value	%Tile	Rank	Value	%Tile	Rank
Maximum	7.49			57.00			2.17			10.55		
25th Percentile	4.07			40.95			-3.03			6.31		
Median Percentile	3.39			37.77			-3.90			5.27		
75th Percentile	2.78			32.30			-5.28			4.73		
Minimum	0.19			21.12			-10.19			0.80		
# of Portfolios	84			70			59			50		
● International Equity	3.60	42	36	37.79	50	36	-2.89	22	14	5.42	48	25
■ MSCI ACWI ex US IMI (blend)	3.71	38	33	44.30	9	6	-2.56	18	11	6.62	19	10

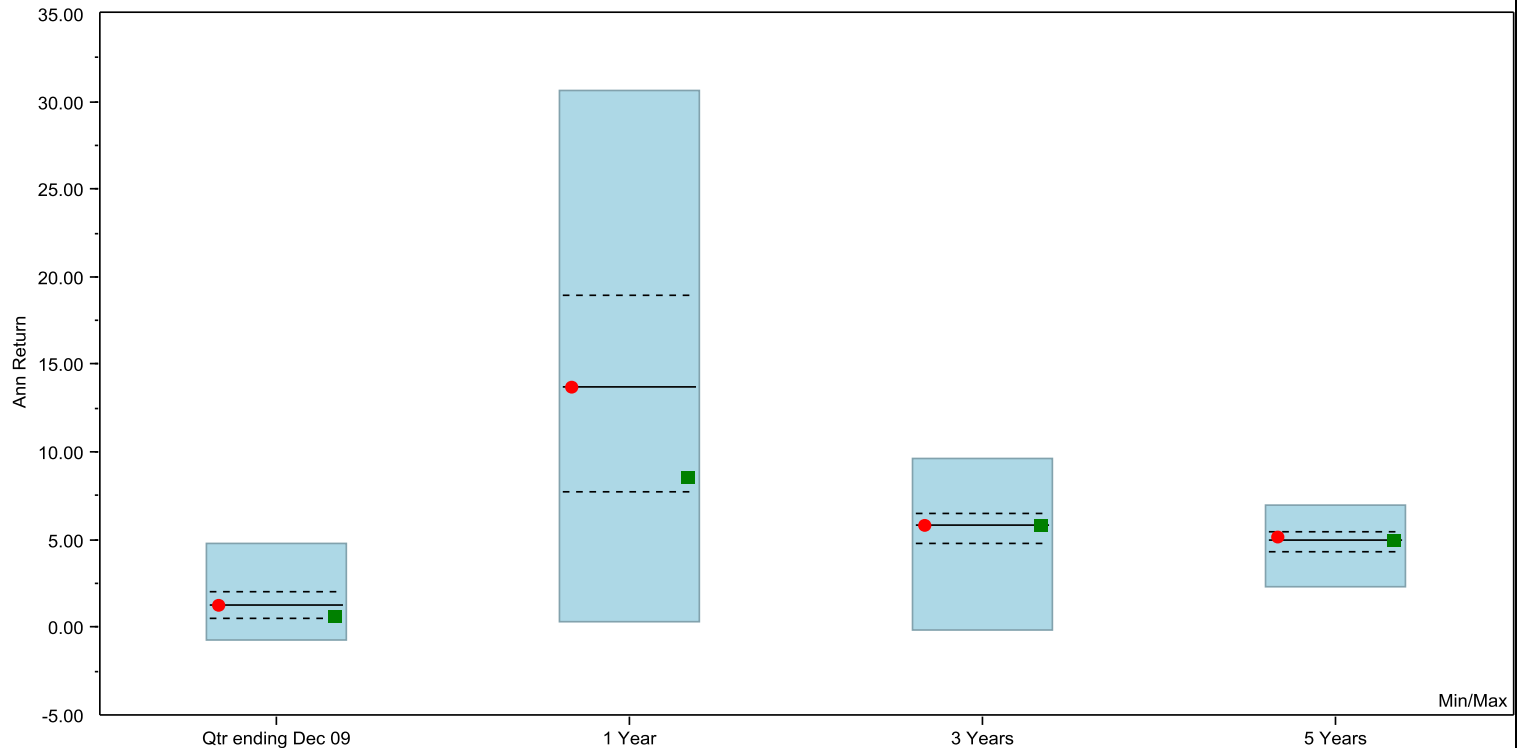
Universe Source: The Bank of New York Mellon Corporation; Universe Status: Final

Water and Power Employees' Retirement Plan

US Fixed Income Segment - Public (USD) - Monthly

As of December 31, 2009

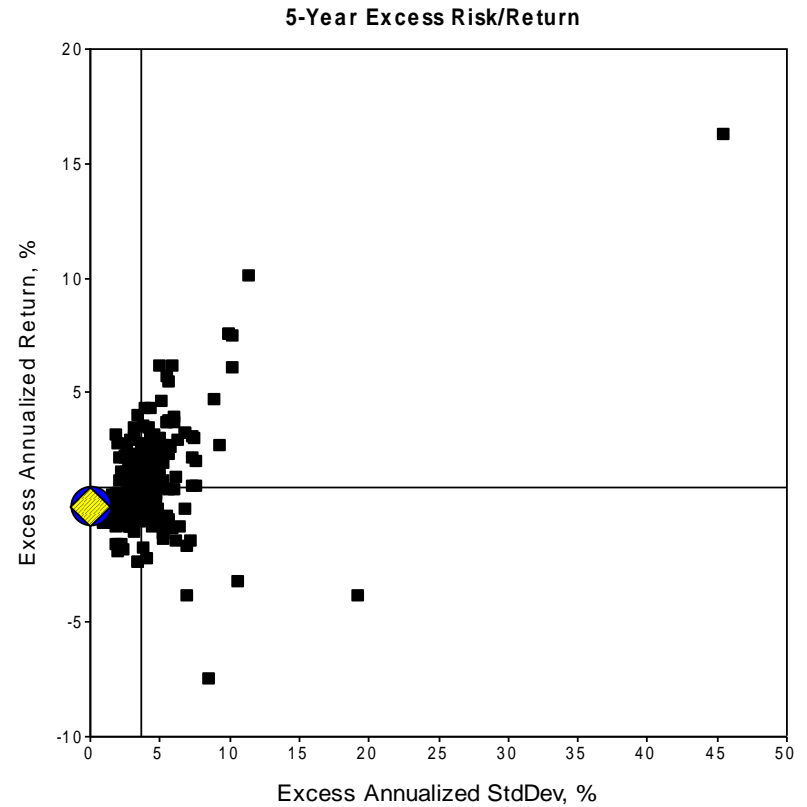
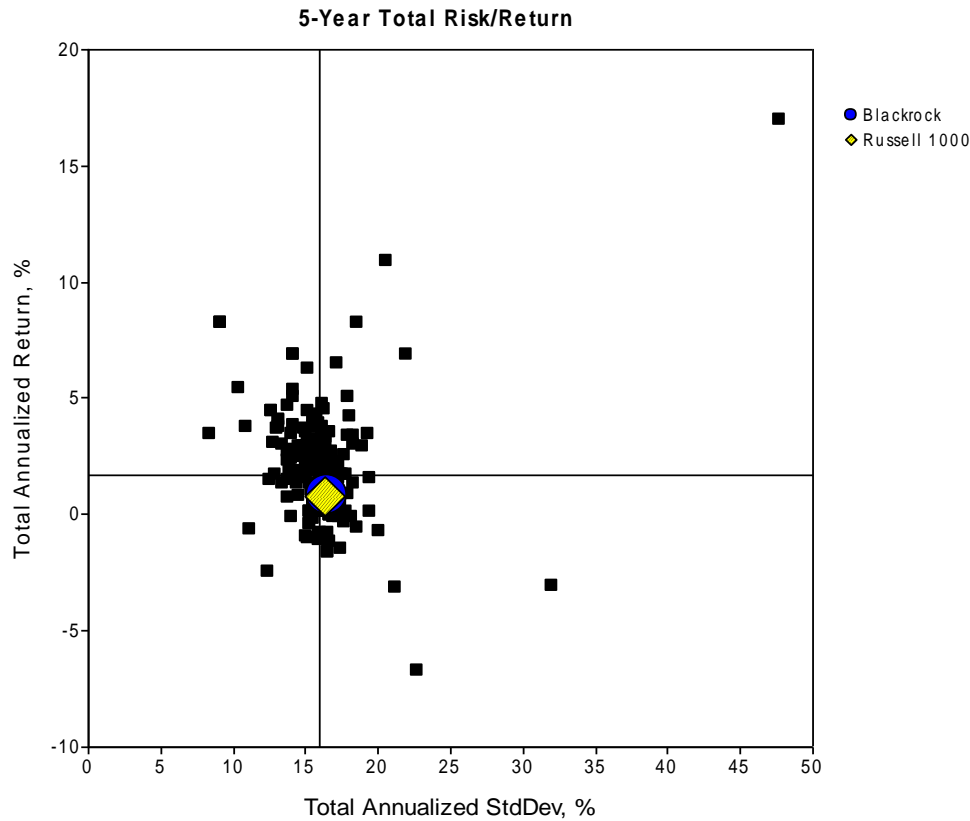
Cumulative Performance Comparisons



	Value	%Tile	Rank	Value	%Tile	Rank	Value	%Tile	Rank	Value	%Tile	Rank
Maximum	4.76			30.59			9.61			7.00		
25th Percentile	1.99			18.90			6.52			5.41		
Median Percentile	1.27			13.76			5.81			4.96		
75th Percentile	0.52			7.73			4.78			4.30		
Minimum	-0.74			0.37			-0.11			2.31		
# of Portfolios	93			76			66			56		
● Fixed Income	1.27	51	48	13.68	51	40	5.86	47	32	5.19	32	18
■ BC Universal	0.58	74	70	8.59	70	54	5.80	51	35	5.01	44	25

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

WPERP Large Cap Core Manager Comparisons as of December 31, 2009



	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Blackrock	0.84	16.40	0.05
Russell 1000	0.79	16.39	0.05
Large Cap Manager Universe Median	1.67	15.97	0.11

	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Blackrock	0.05	0.13	0.40
Russell 1000	0.00	0.00	NA
Large Cap Manager Universe Median	0.88	3.72	0.27

Notes:

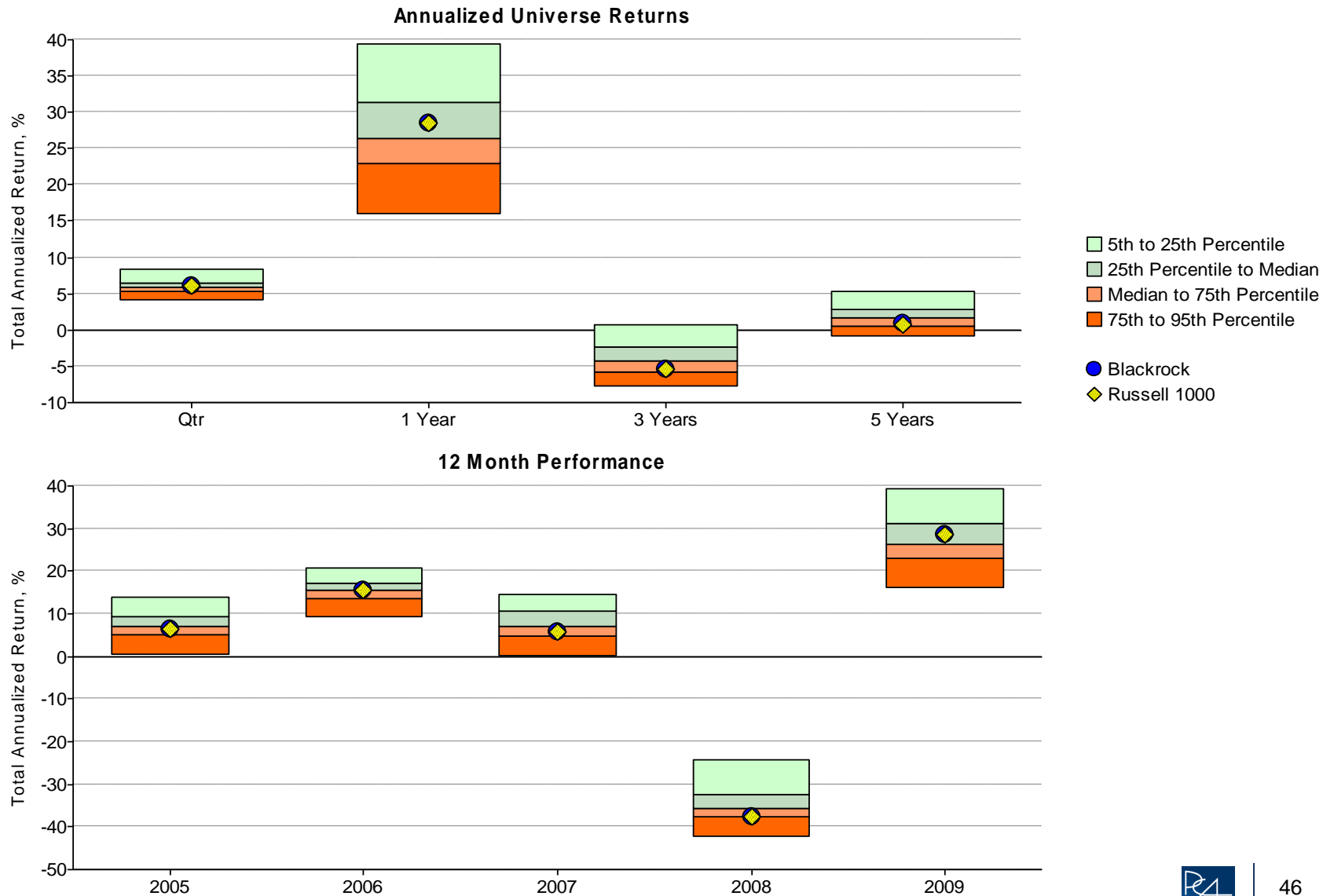
Sources: Data MPI/eVestment Alliance (index information).

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

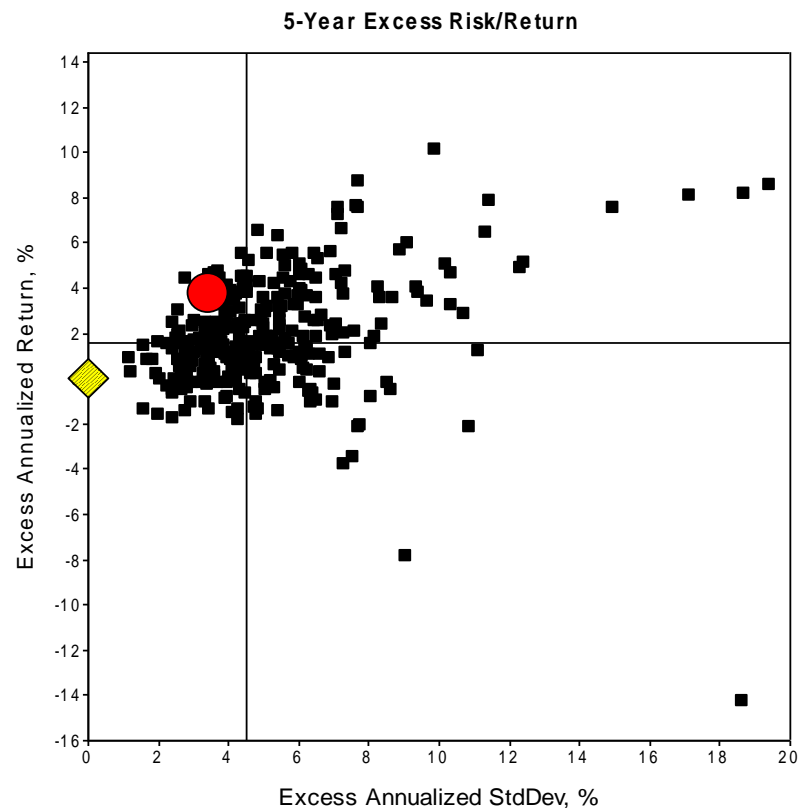
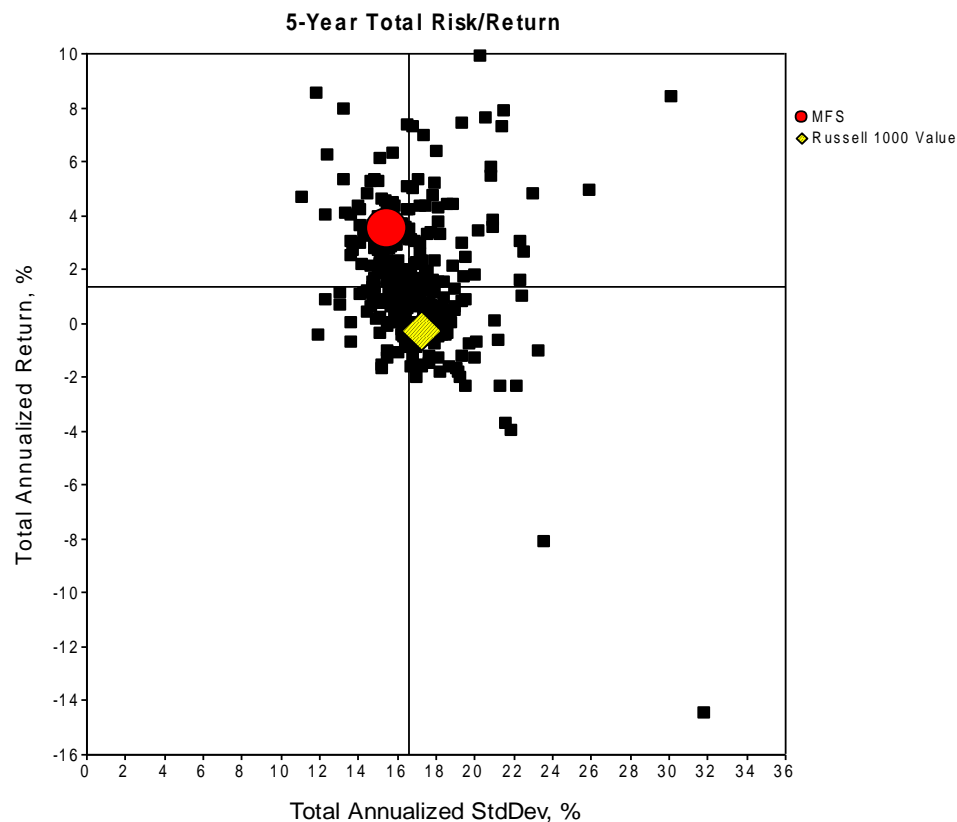
Performance and related statistics calculated using MPI software that geometrically linked and compounded returns.

Differences due to rounding.

WPERP Large Cap Core Manager Comparisons as of December 31, 2009



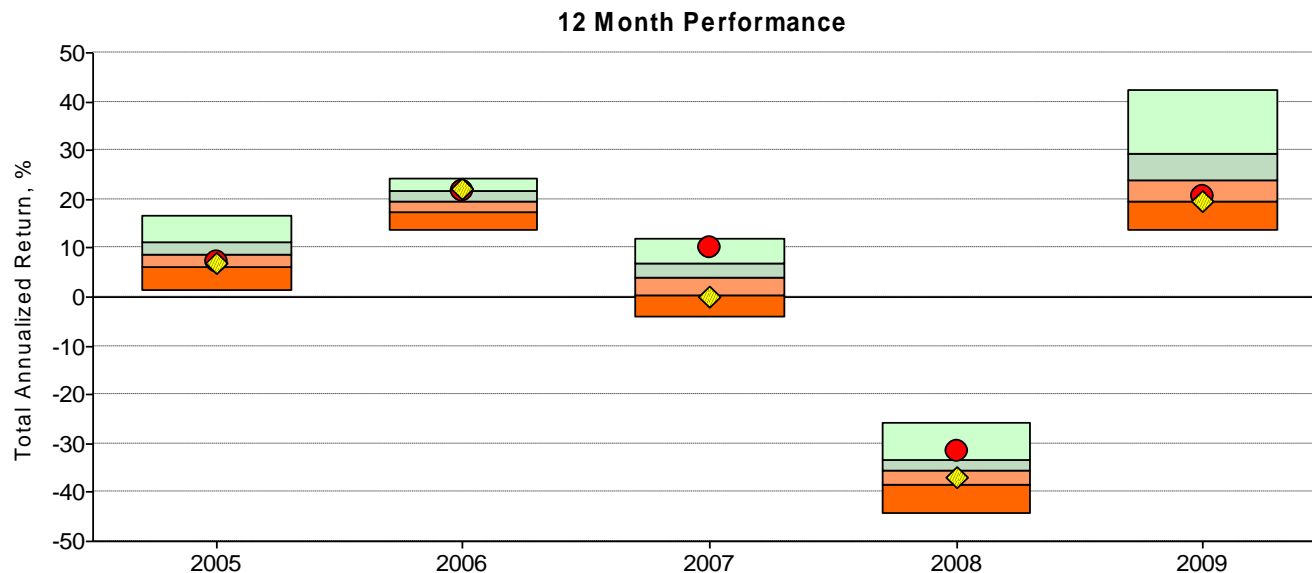
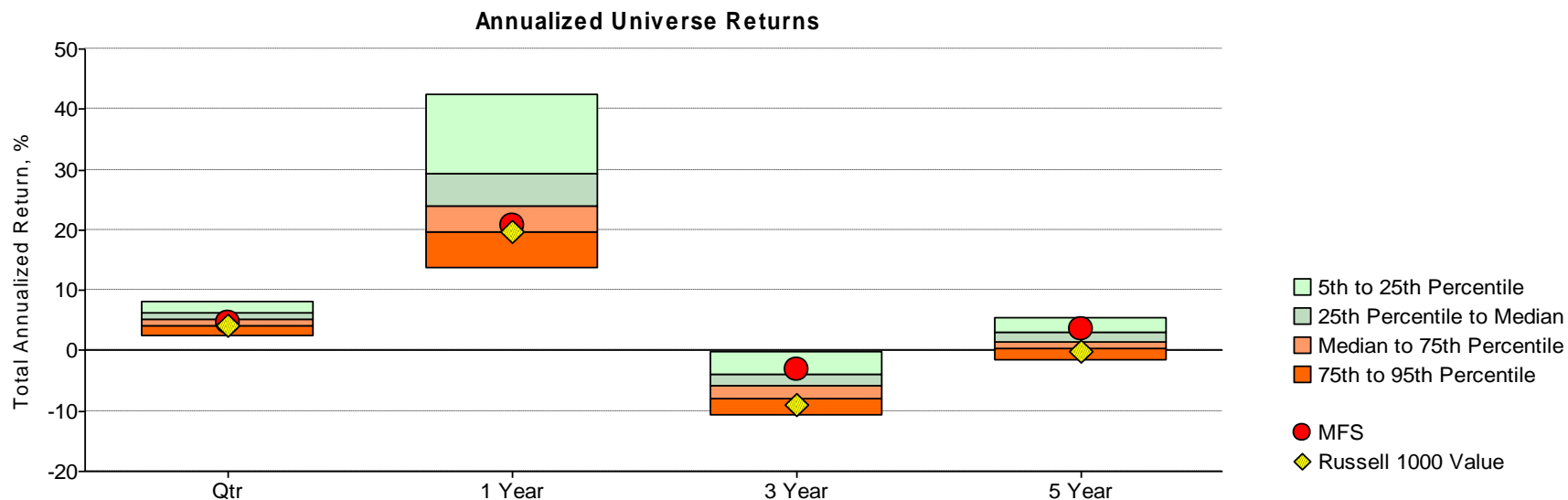
WPERP Large Cap Value Manager Comparisons as of December 31, 2009



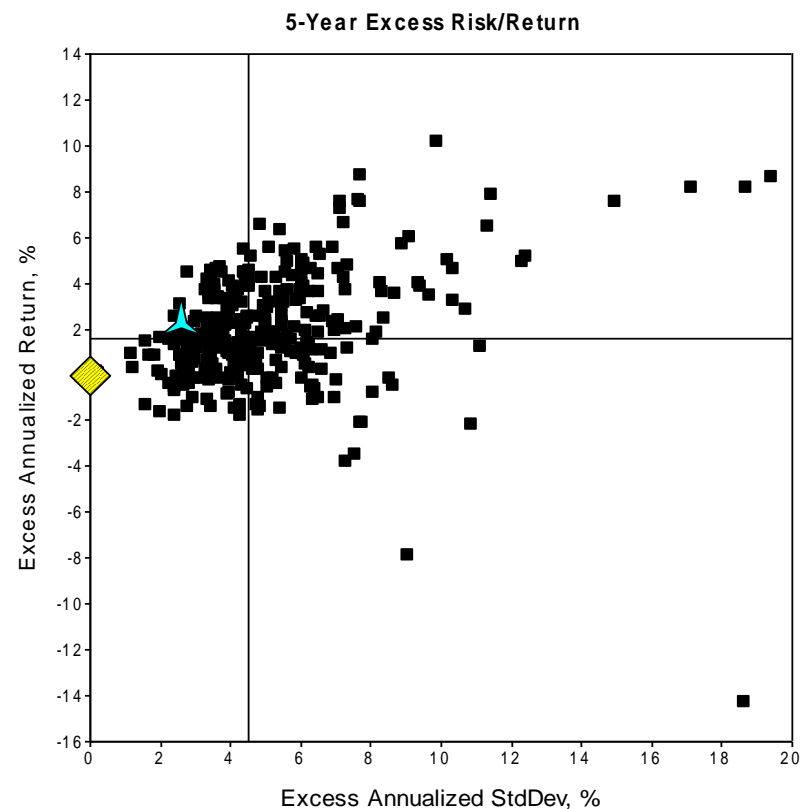
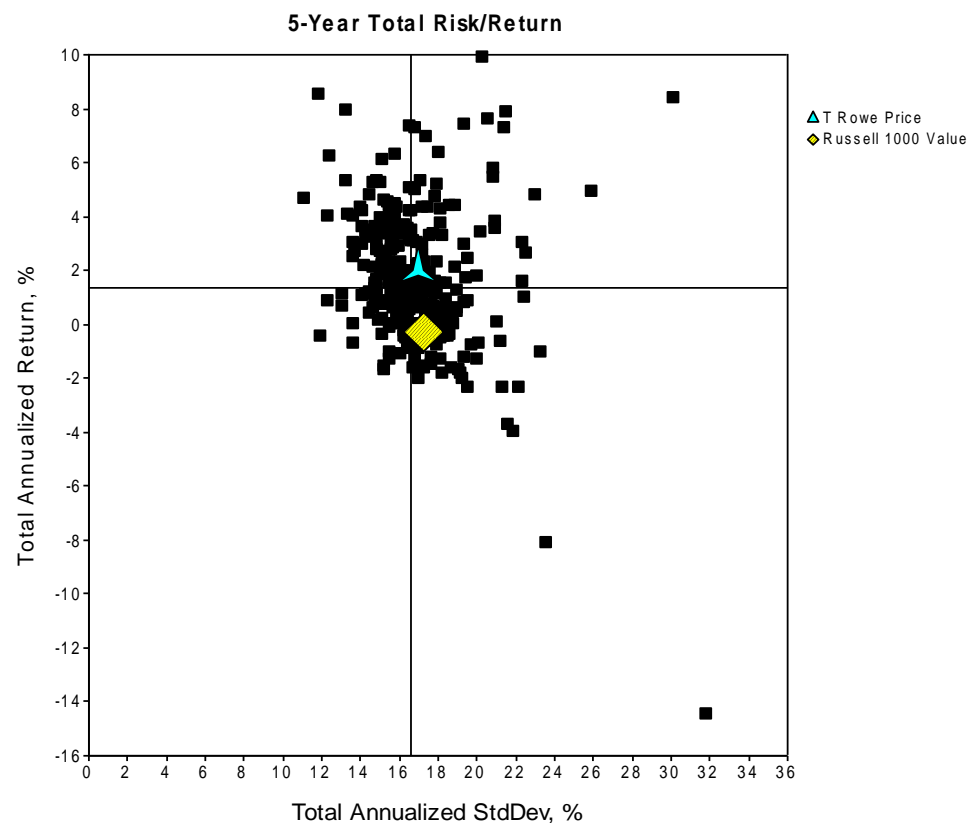
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
MFS	3.49	15.48	0.23
Russell 1000 Value	-0.25	17.27	-0.01
Large Value Manager Universe Median	1.37	16.60	0.08

	Annualized Excess Return, %	Annualized Excess StDev, %	Sharpe Ratio, Excess
MFS	3.74	3.42	1.09
Russell 1000 Value	0.00	0.00	NA
Large Value Manager Universe Median	1.62	4.51	0.40

WPERP Large Cap Value Manager Comparisons as of December 31, 2009



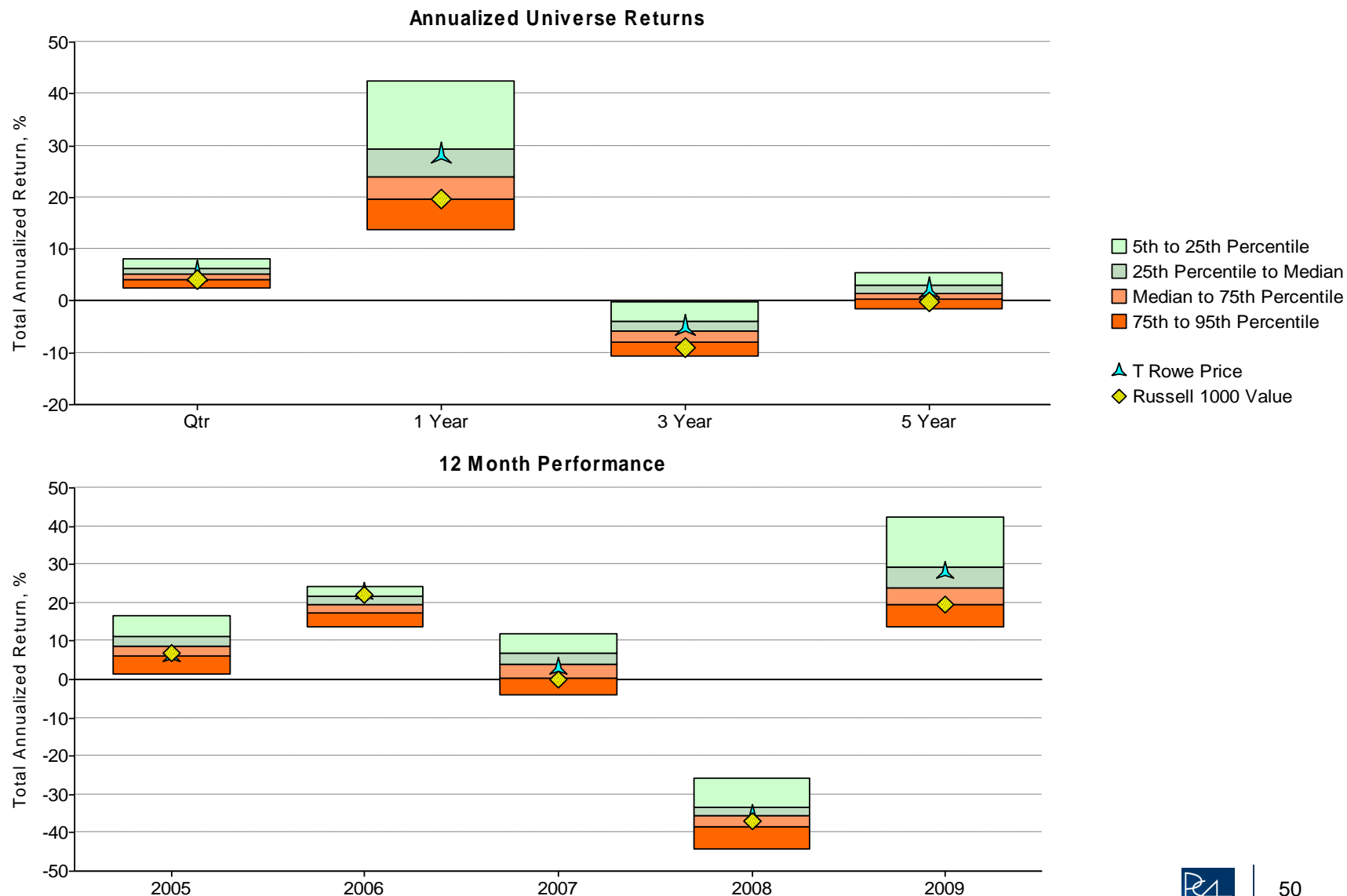
WPERP Large Cap Value Manager Comparisons as of December 31, 2009



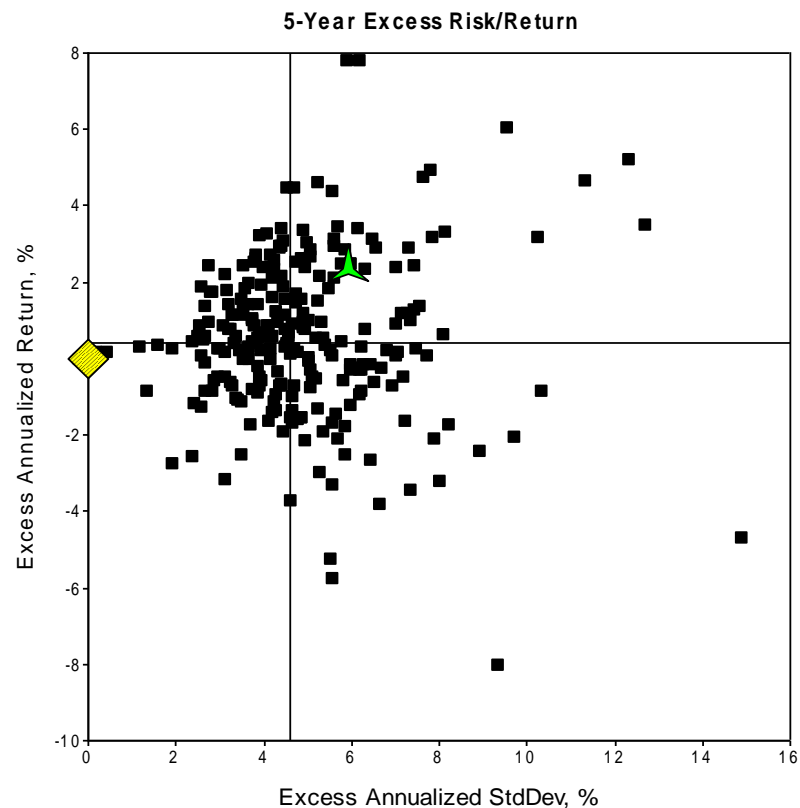
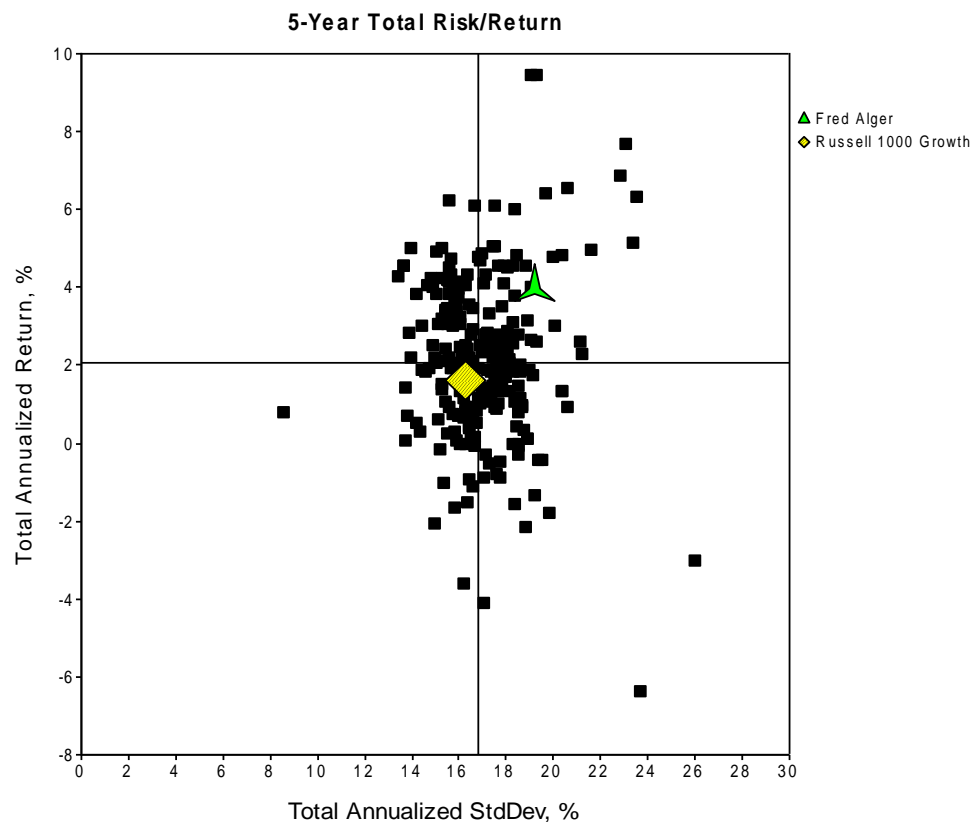
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
T Rowe Price	1.99	17.00	0.12
Russell 1000 Value	-0.25	17.27	-0.01
Large Value Manager Universe Median	1.37	16.60	0.08

	Annualized Excess Return, %	Annualized Excess StDev, %	Sharpe Ratio, Excess
T Rowe Price	2.24	2.58	0.87
Russell 1000 Value	0.00	0.00	NA
Large Value Manager Universe Median	1.62	4.51	0.40

WPERP Large Cap Value Manager Comparisons as of December 31, 2009



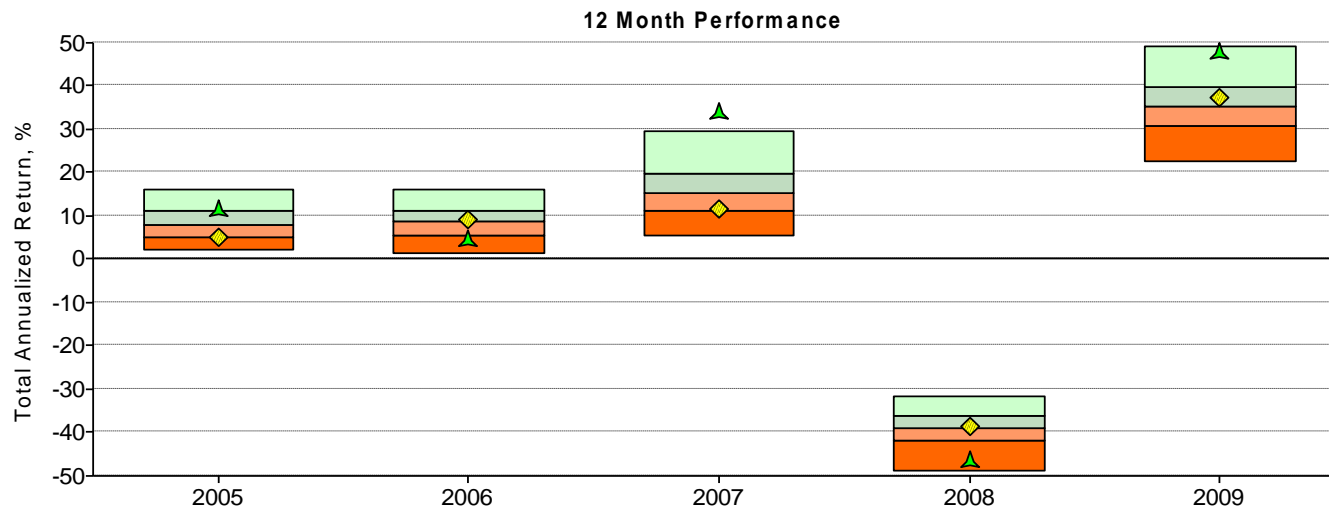
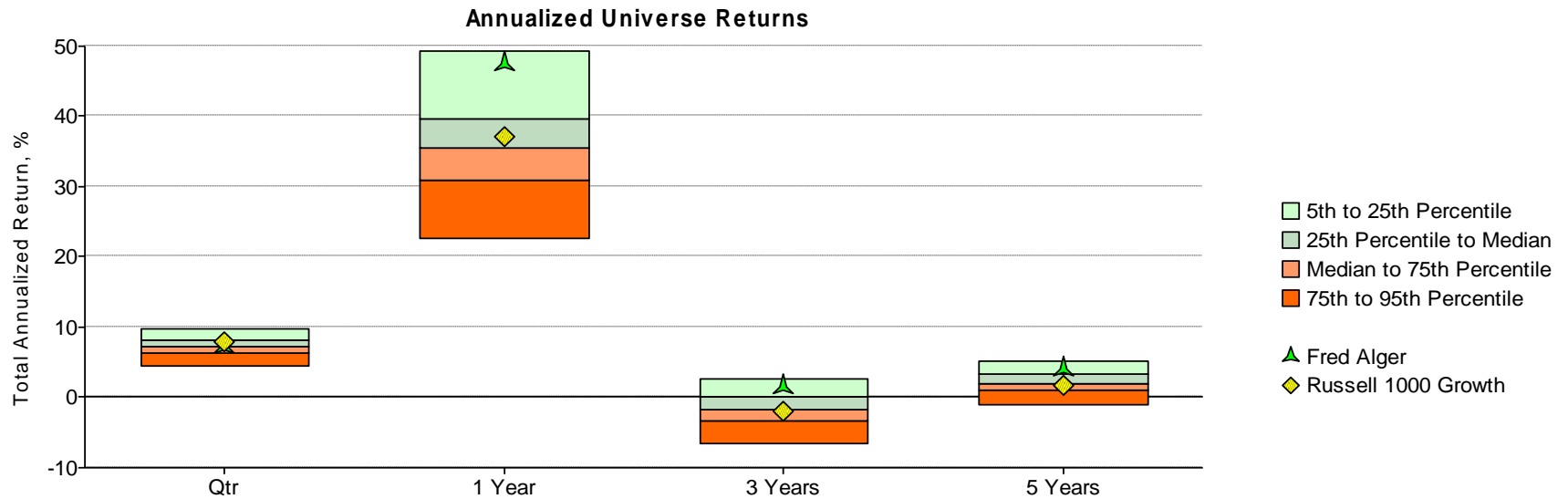
WPERP Large Cap Growth Manager Comparisons as of December 31, 2009



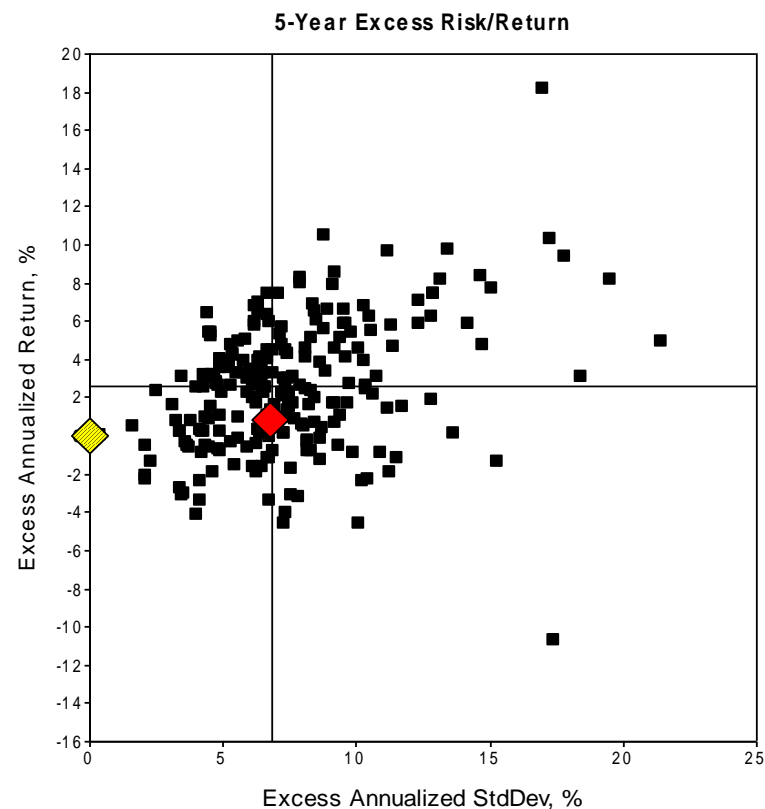
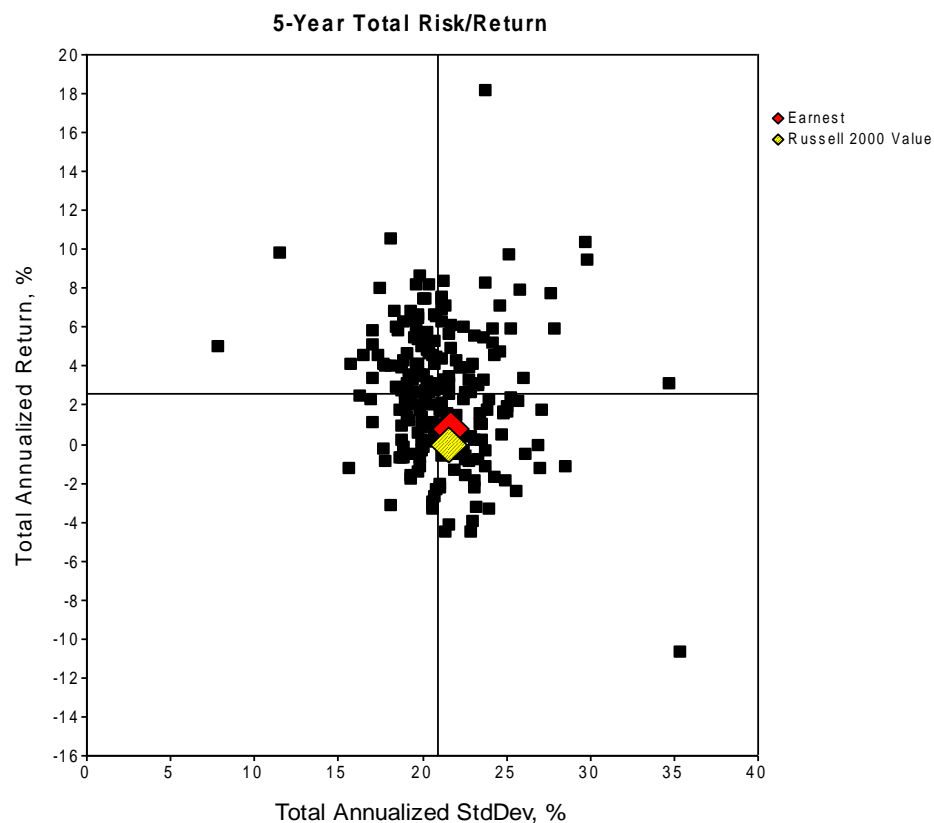
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Fred Alger	3.98	19.19	0.21
Russell 1000 Growth	1.63	16.30	0.10
Large Growth Manager Universe Median	2.06	16.79	0.13

	Annualized Excess Return, %	Annualized Excess StDev, %	Sharpe Ratio, Excess
Fred Alger	2.35	5.94	0.39
Russell 1000 Growth	0.00	0.00	NA
Large Growth Manager Universe Median	0.43	4.60	0.13

WPERP Large Cap Growth Manager Comparisons as of December 31, 2009



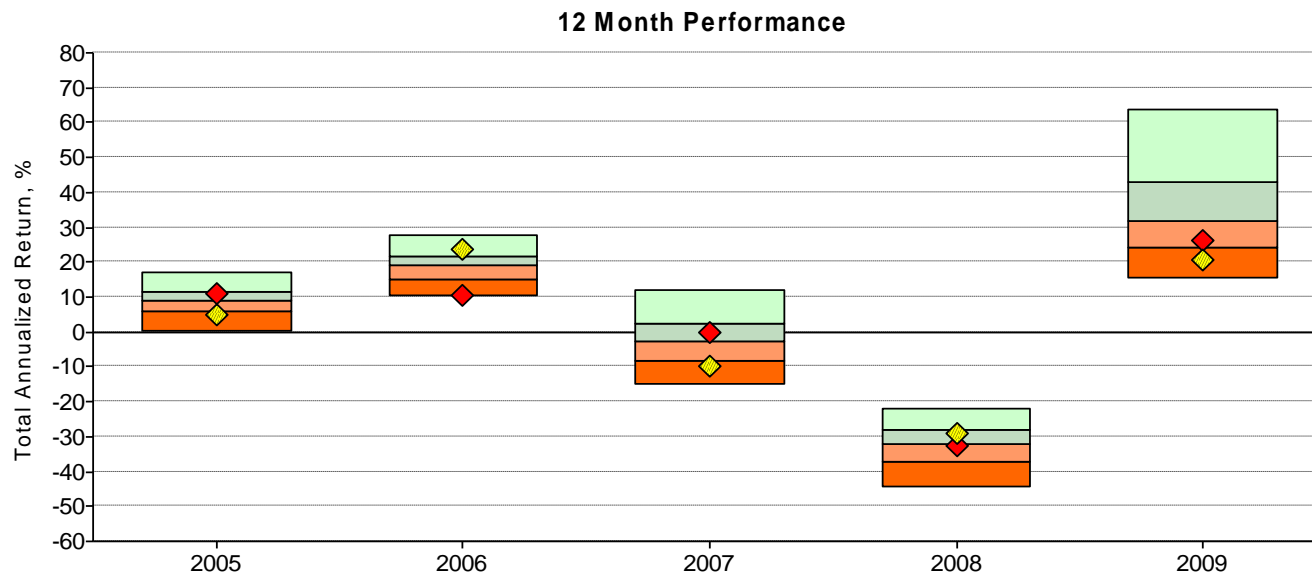
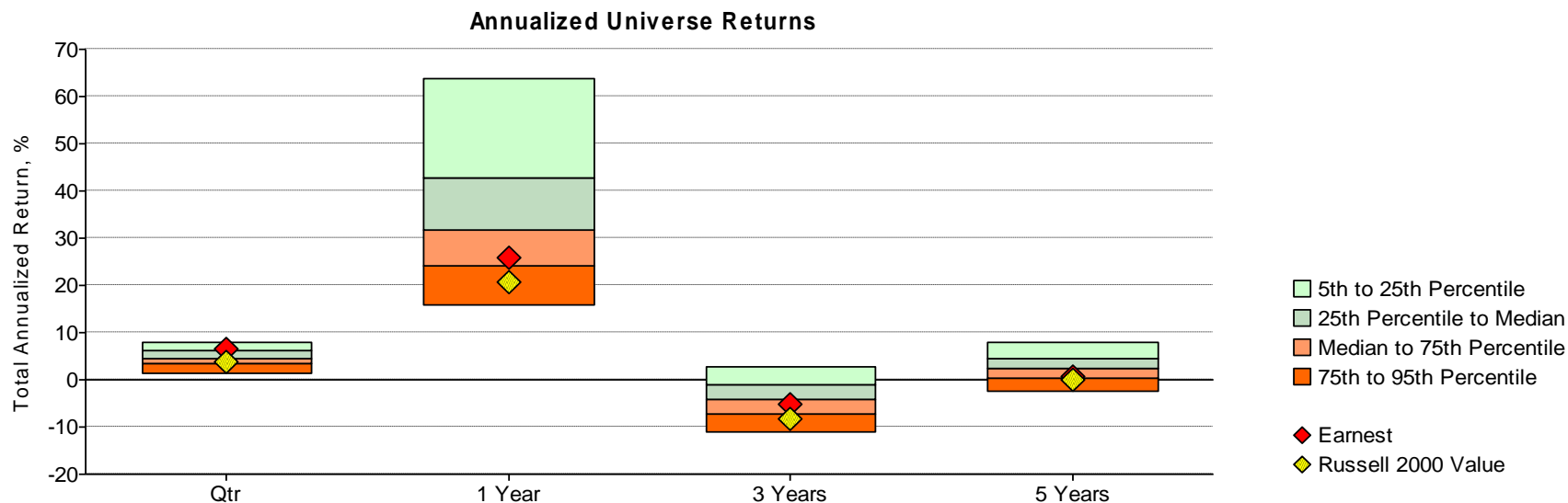
WPERP Small Cap Value Manager Comparisons as of December 31, 2009



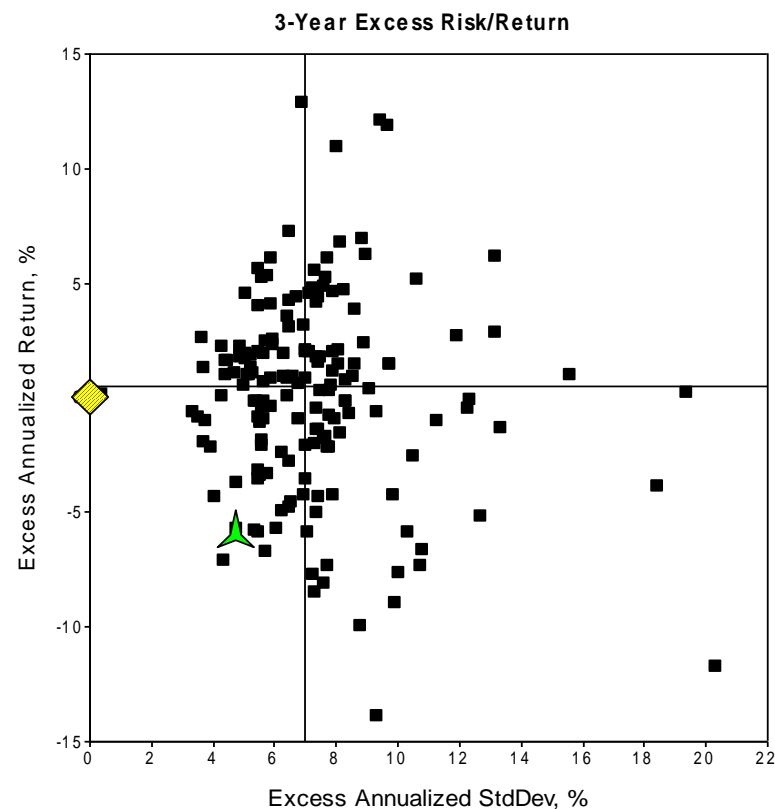
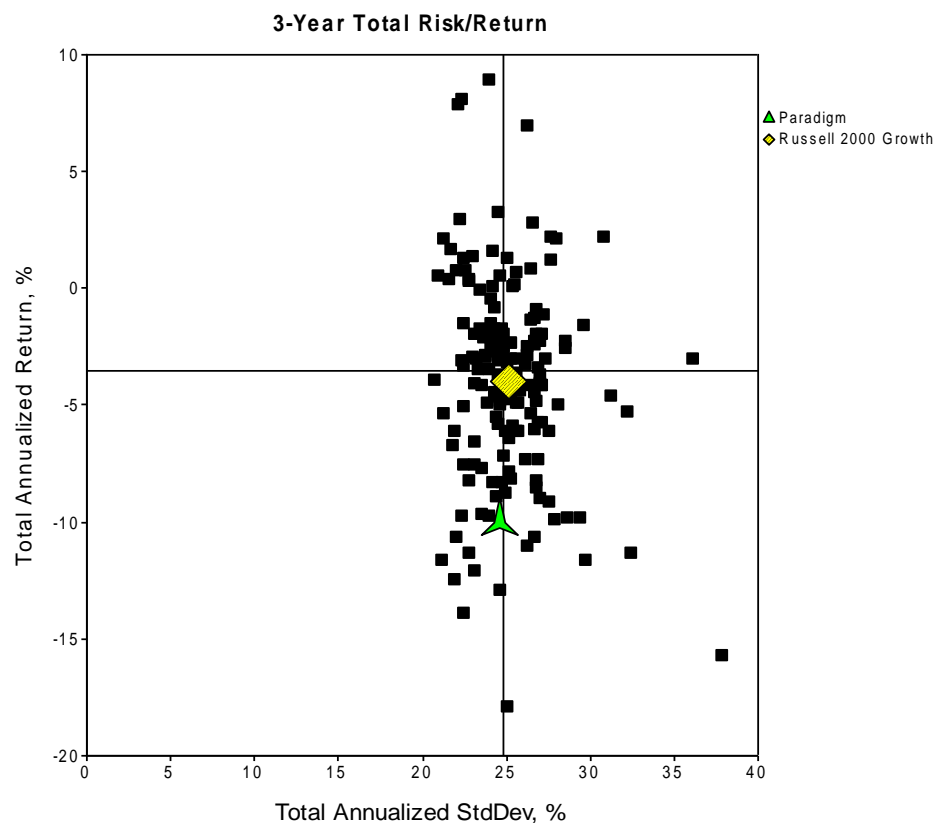
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Earnest	0.80	21.69	0.04
Russell 2000 Value	-0.01	21.62	0.00
Small Cap Value Universe Median	2.58	20.88	0.12

	Annualized Excess Return, %	Annualized Excess StDev, %	Sharpe Ratio, Excess
Earnest	0.81	6.76	0.12
Russell 2000 Value	0.00	0.00	NA
Small Cap Value Universe Median	2.58	6.84	0.35

WPERP Small Cap Value Manager Comparisons as of December 31, 2009



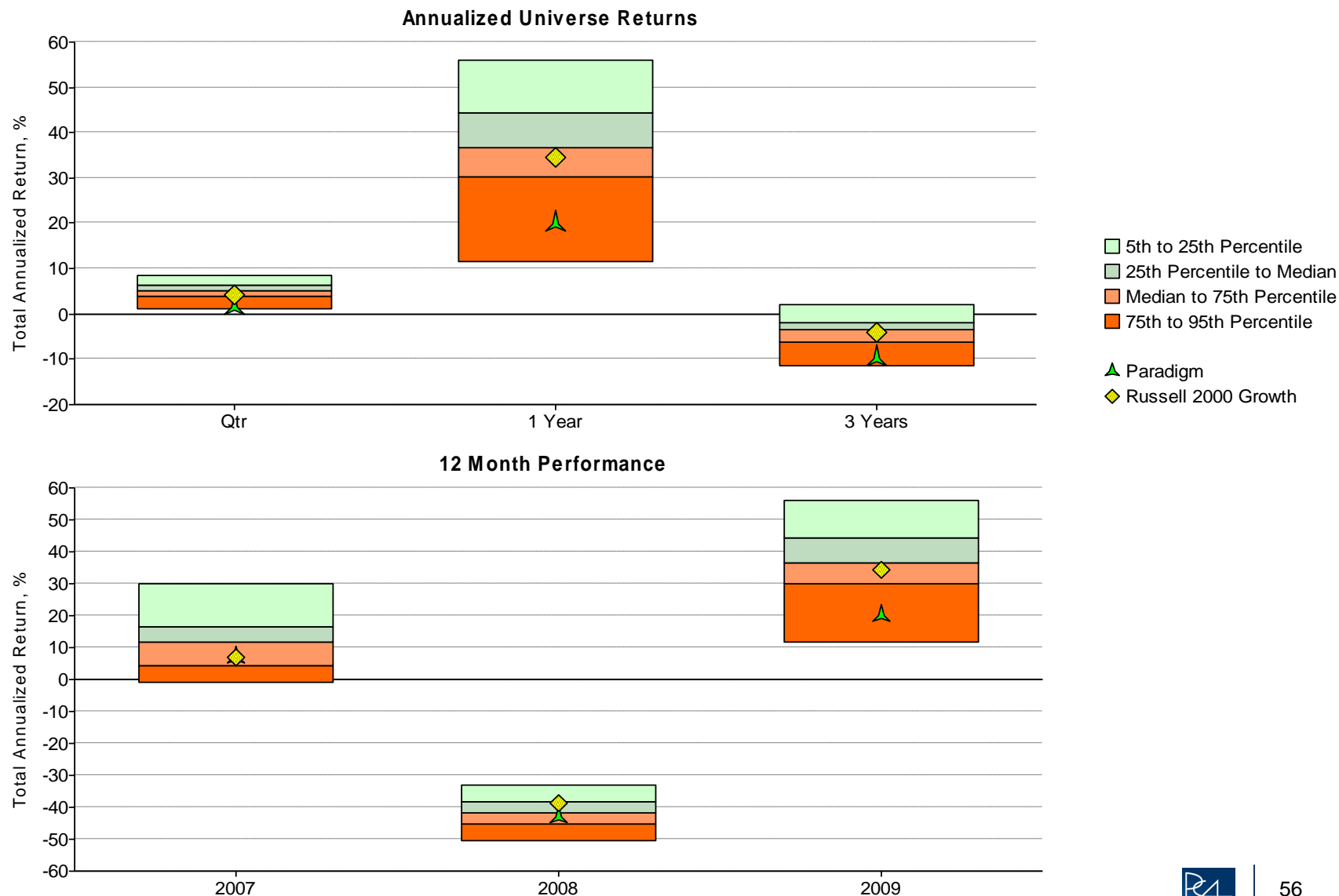
WPERP Small Cap Growth Manager Comparisons as of December 31, 2009



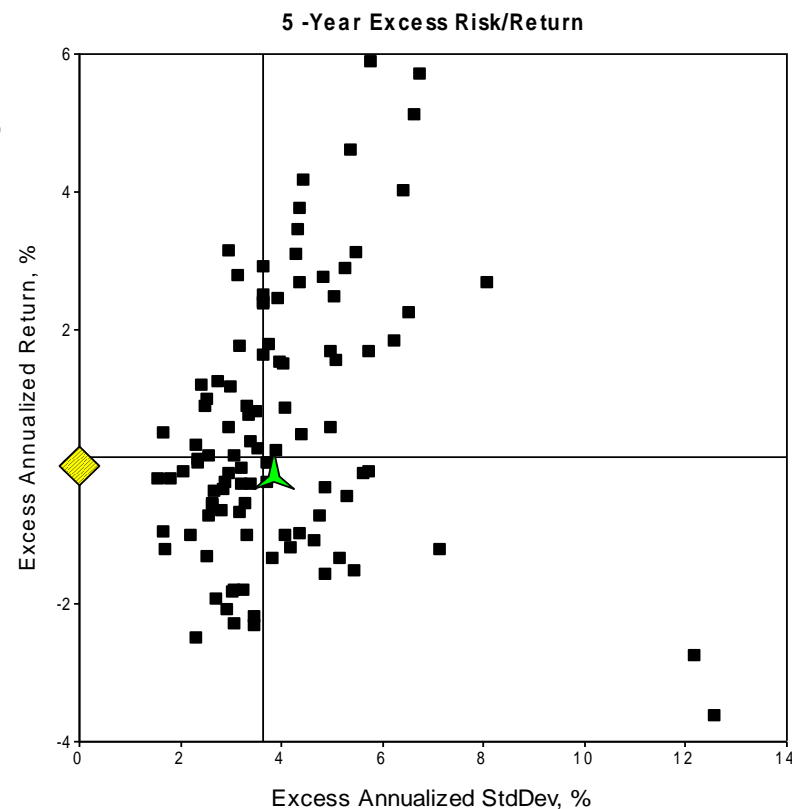
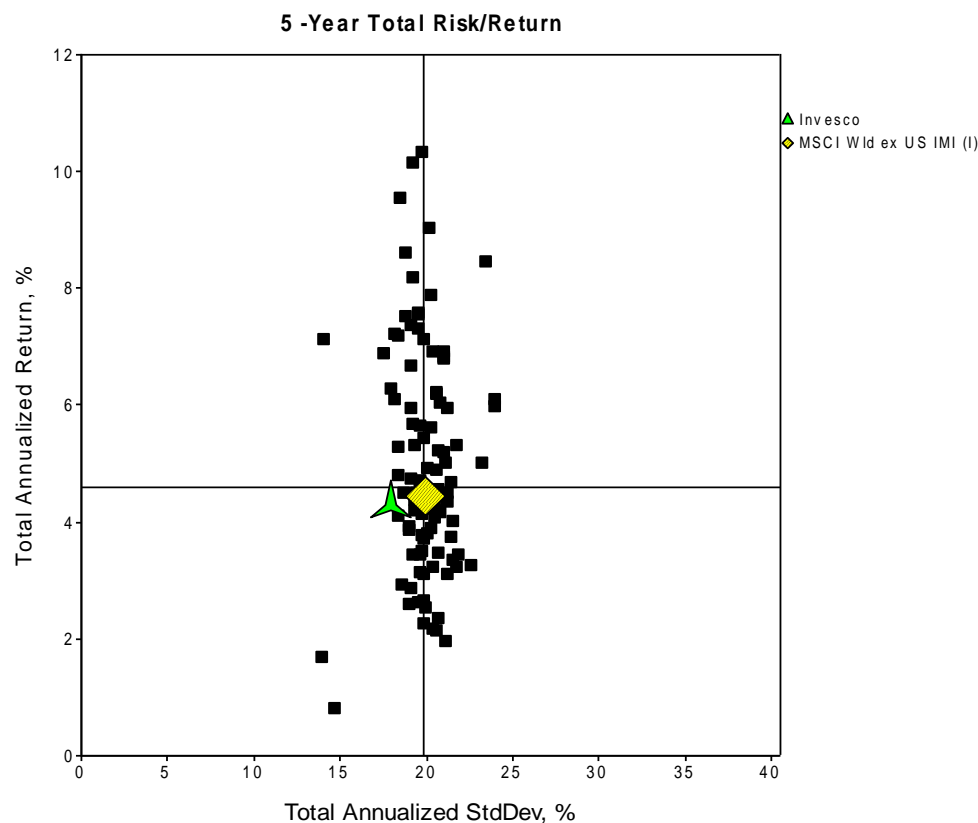
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Paradigm	-10.00	24.61	-0.41
Russell 2000 Growth	-4.00	25.20	-0.16
Small Cap Growth Universe Median	-3.53	24.87	-0.14

	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Paradigm	-5.99	4.72	-1.27
Russell 2000 Growth	0.00	0.00	NA
Small Cap Growth Universe Median	0.47	6.97	0.08

WPERP Small Cap Growth Manager Comparisons as of December 31, 2009



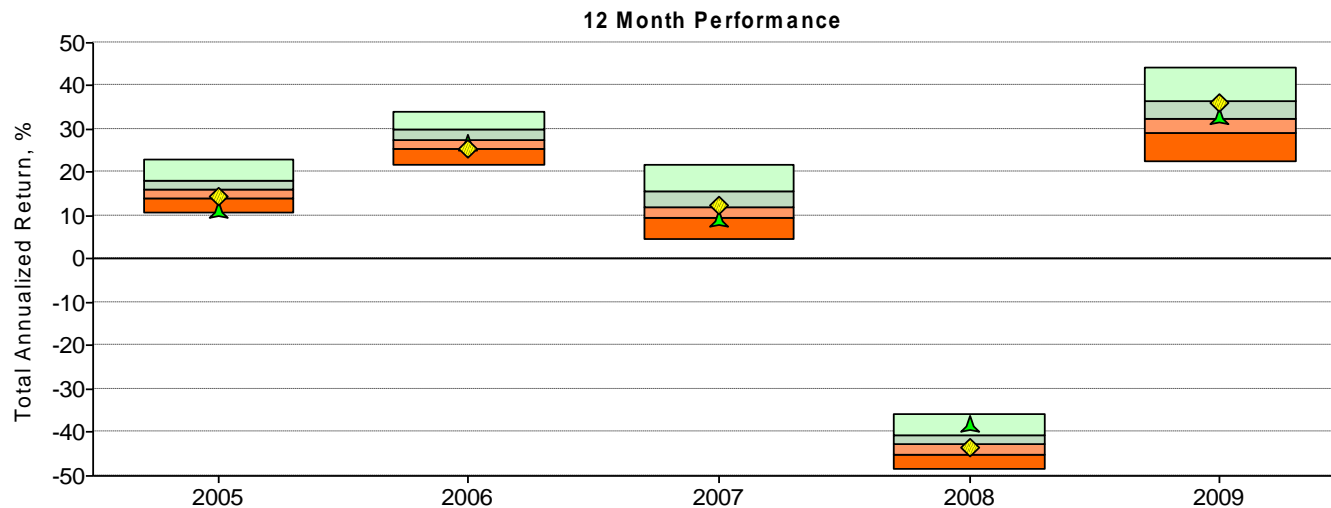
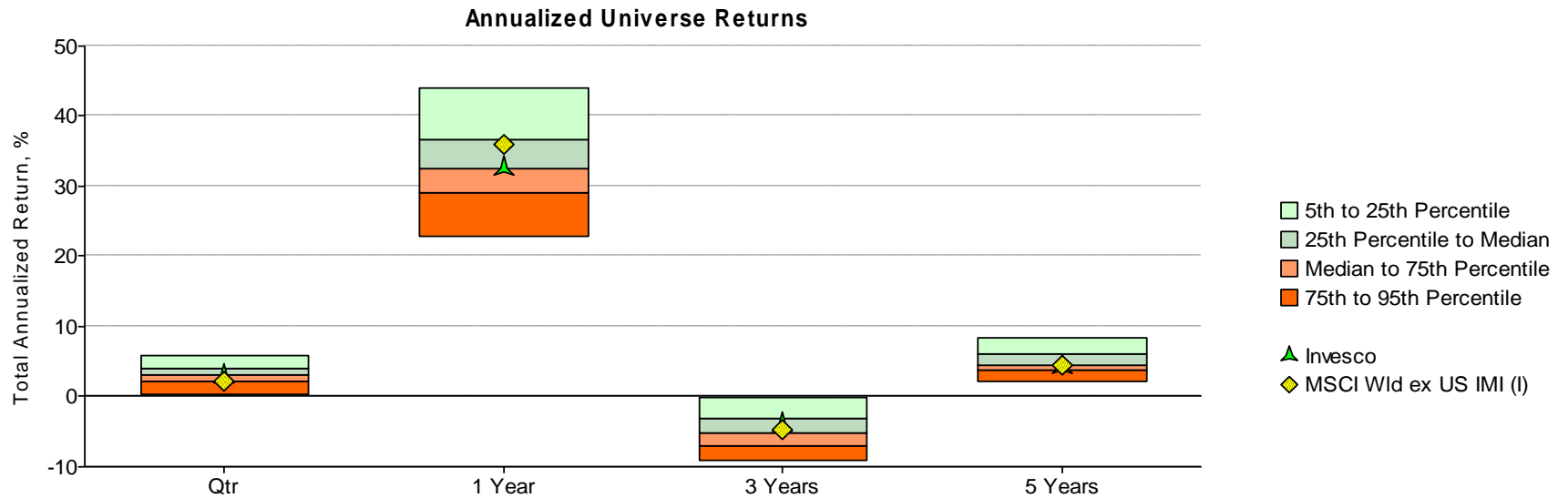
WPERP International Equity Manager Comparisons as of December 31, 2009



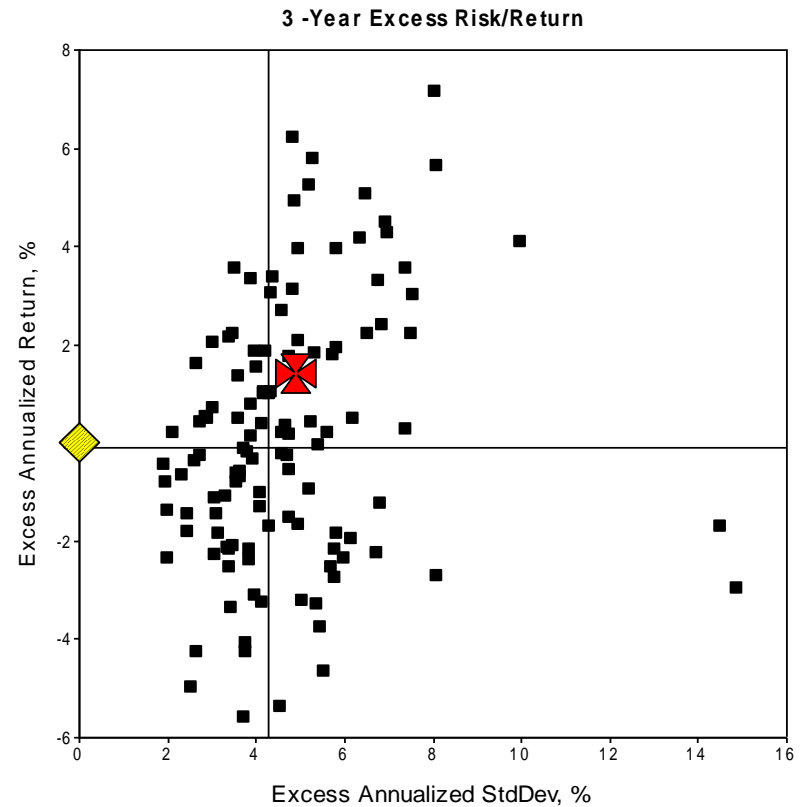
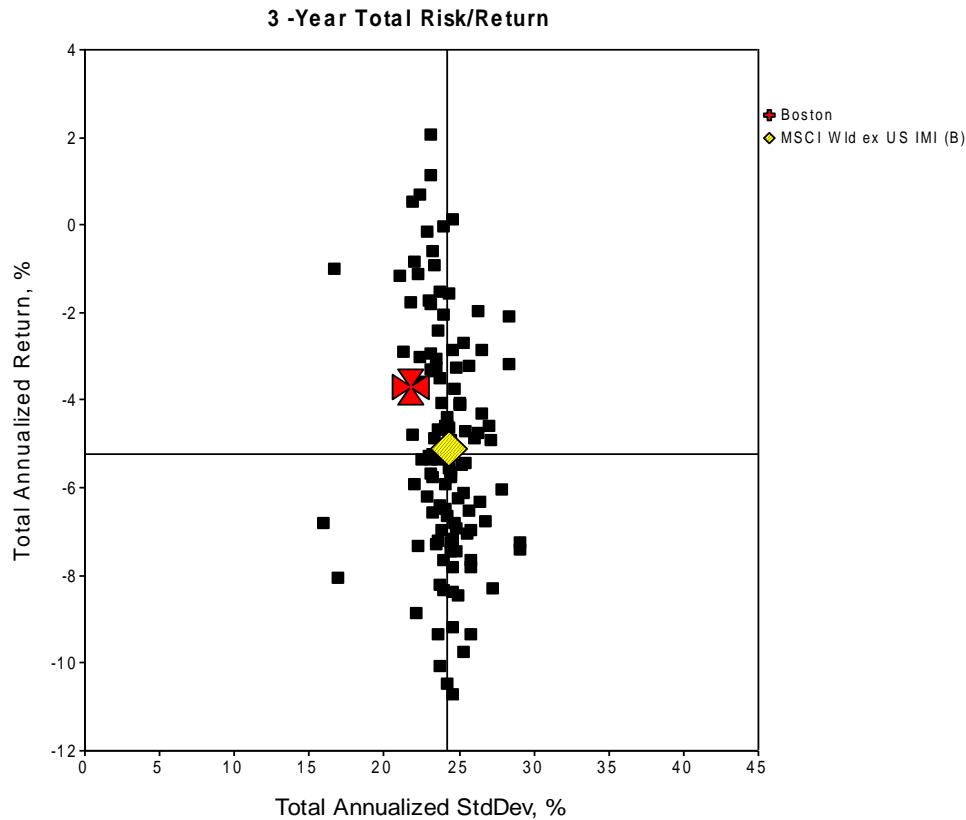
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Invesco	4.29	17.90	0.24
MSCI Wld ex US IMI (I)	4.44	19.94	0.22
International Equity Universe Median	4.58	19.84	0.23

	Annualized Excess Return, %	Annualized Excess StDev, %	Sharpe Ratio, Excess
Invesco	-0.15	3.85	-0.04
MSCI Wld ex US IMI (I)	0.00	0.00	NA
International Equity Universe Median	0.15	3.62	0.05

WPERP International Equity Manager Comparisons as of December 31, 2009



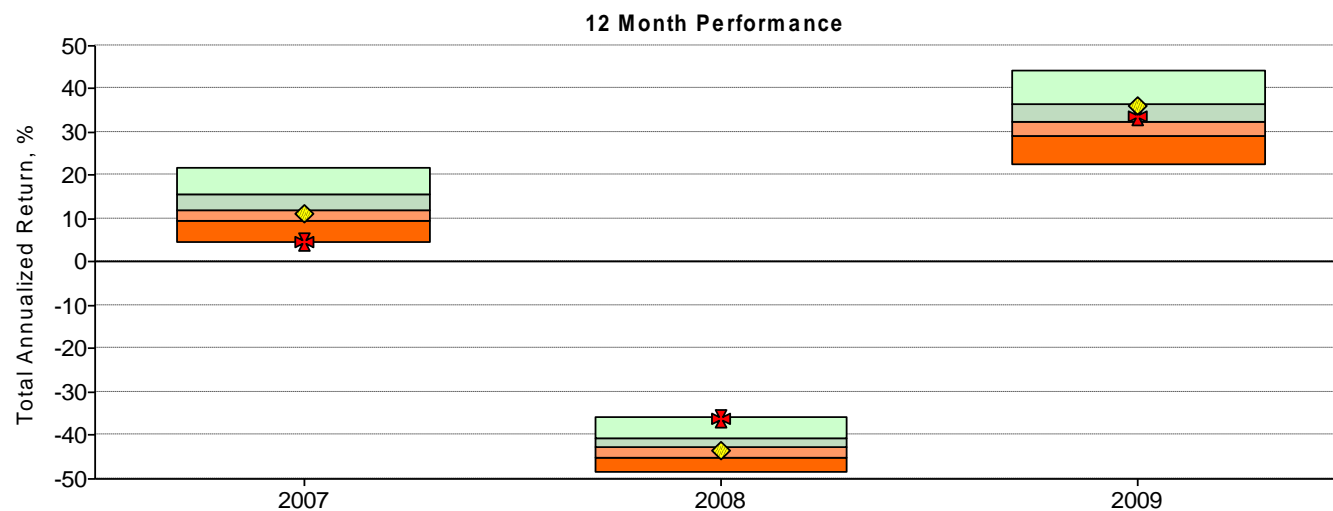
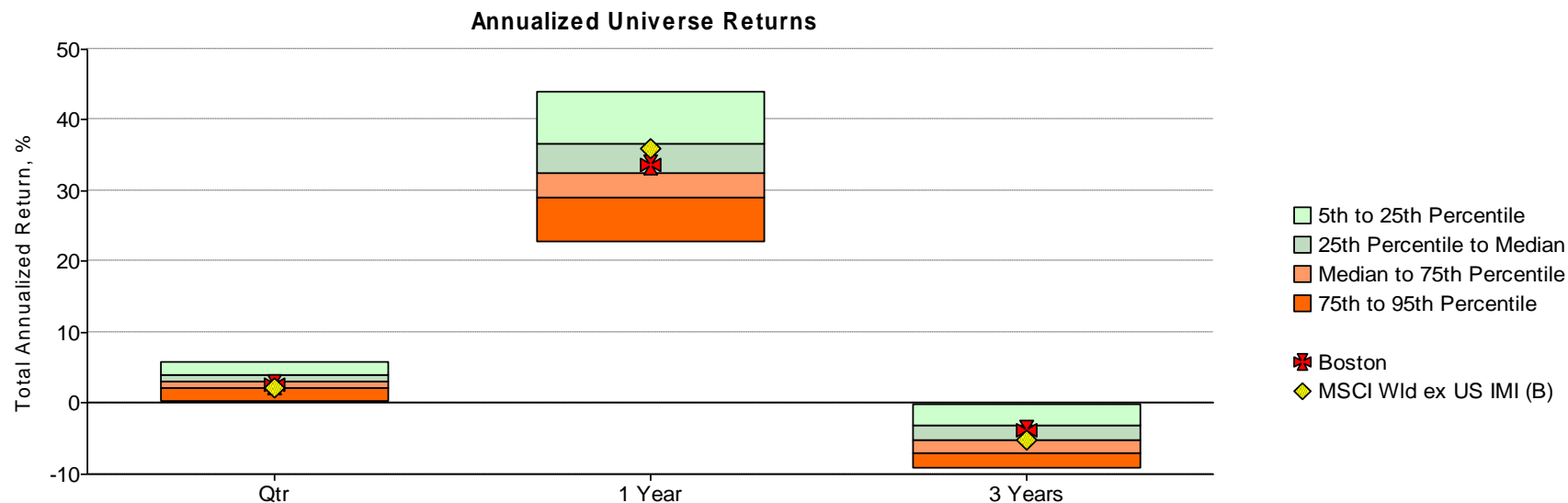
WPERP International Equity Manager Comparisons as of December 31, 2009



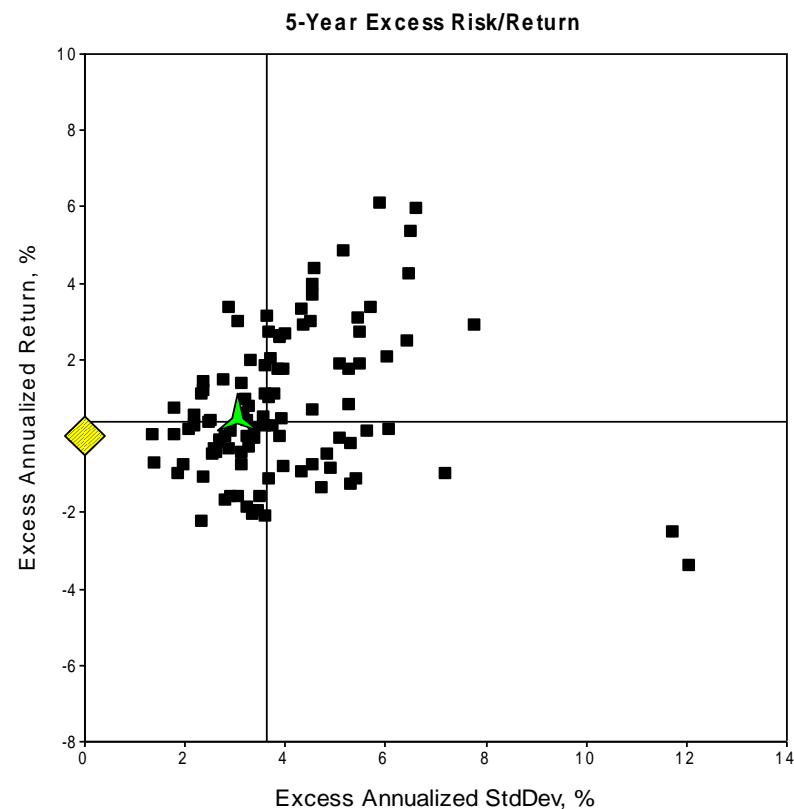
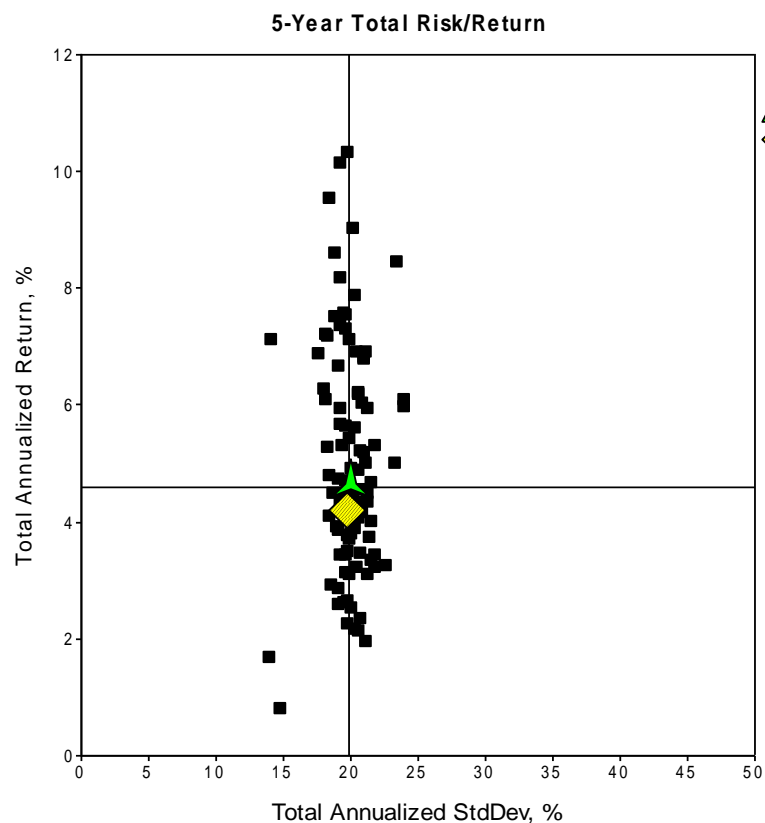
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Boston	-3.71	21.77	-0.17
MSCI Wld ex US IMI (B)	-5.11	24.30	-0.21
International Equity Universe Median	-5.22	24.17	-0.22

	Annualized Excess Return, %	Annualized Excess StDev, %	Sharpe Ratio, Excess
Boston	1.40	4.88	0.29
MSCI Wld ex US IMI (B)	0.00	0.00	NA
International Equity Universe Median	-0.11	4.27	-0.03

WPERP International Equity Manager Comparisons as of December 31, 2009



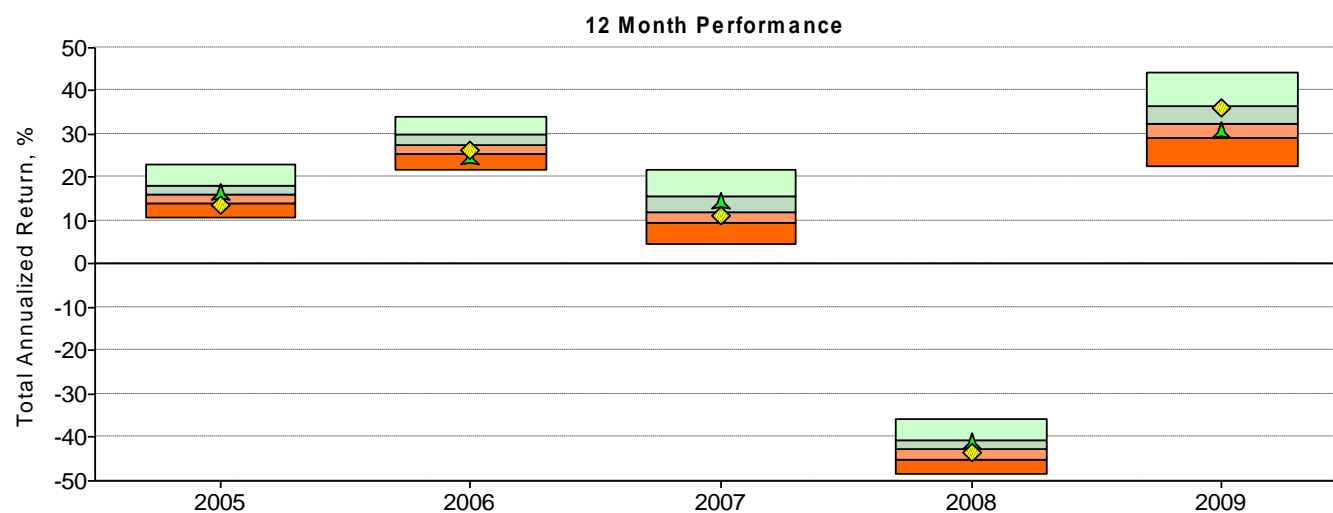
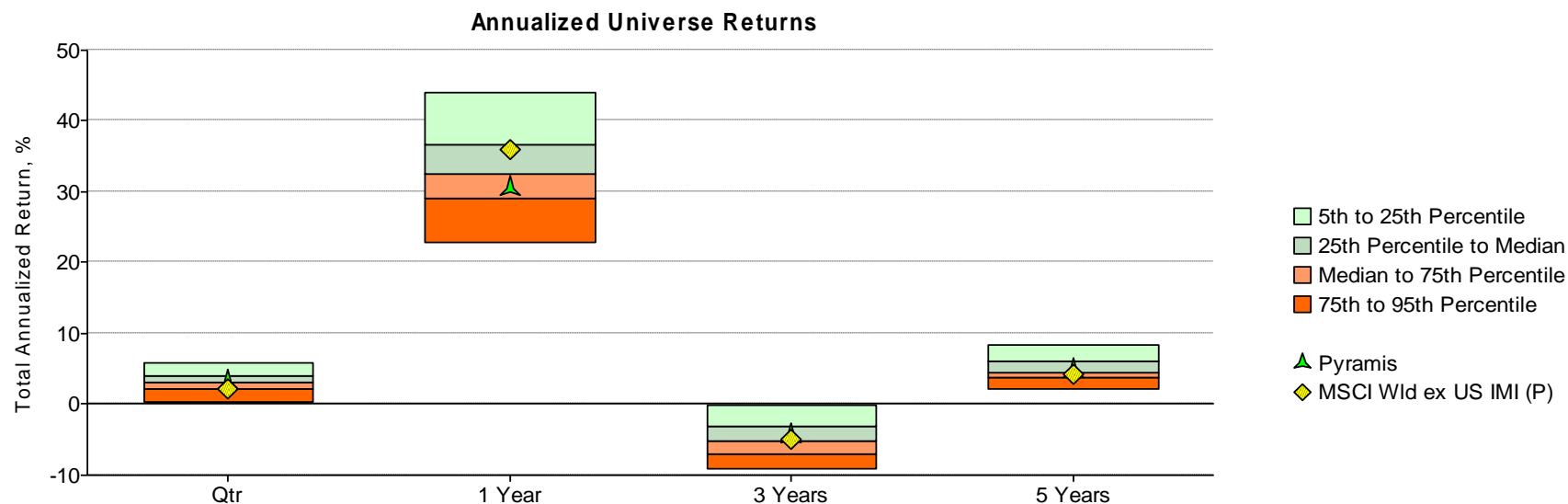
WPERP International Equity Manager Comparisons as of December 31, 2009



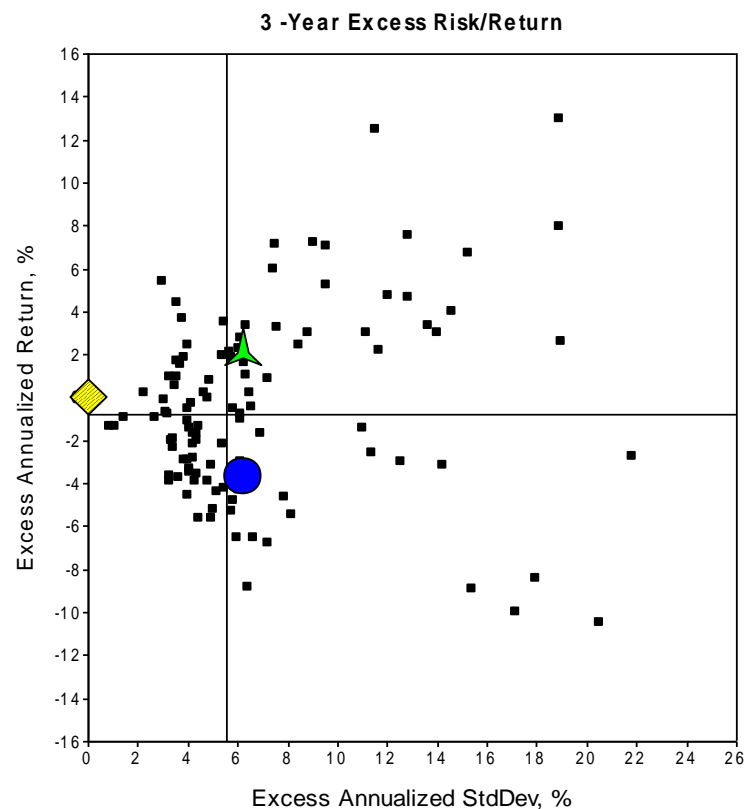
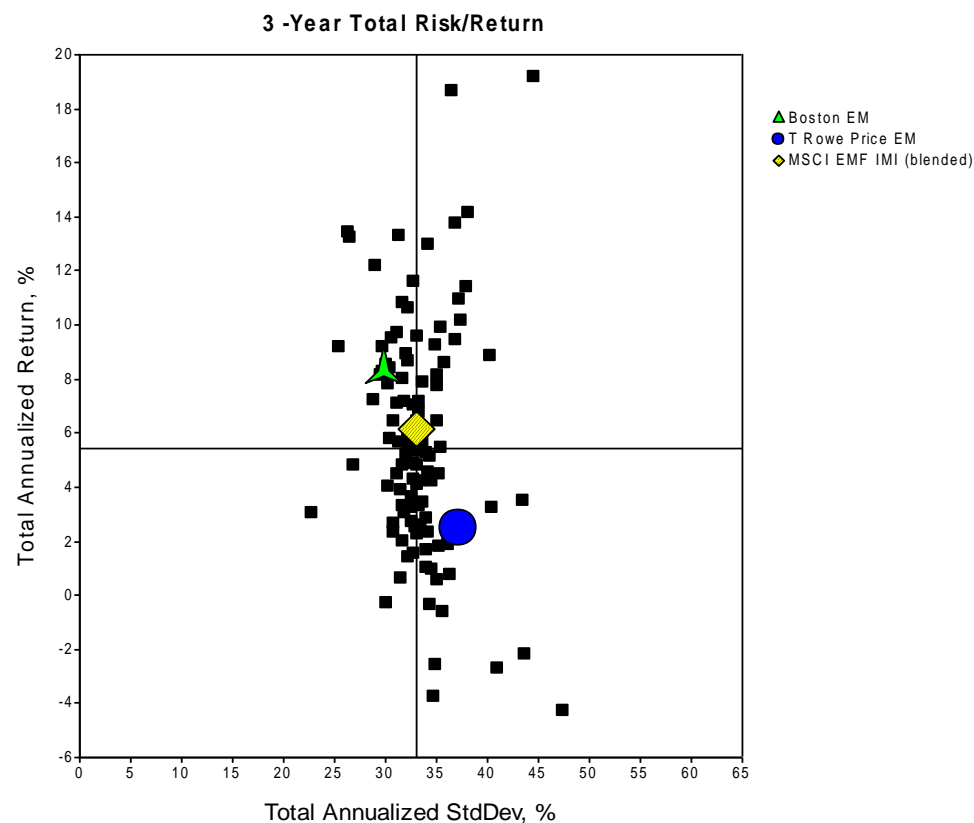
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Pyramis	4.66	20.01	0.23
MSCI Wld ex US IMI (P)	4.20	19.77	0.21
International Equity Universe Median	4.58	19.84	0.23

	Annualized Excess Return, %	Annualized Excess StDev, %	Sharpe Ratio, Excess
Pyramis	0.46	3.03	0.15
MSCI Wld ex US IMI (P)	0.00	0.00	NA
International Equity Universe Median	0.38	3.61	0.13

WPERP International Equity Manager Comparisons as of December 31, 2009



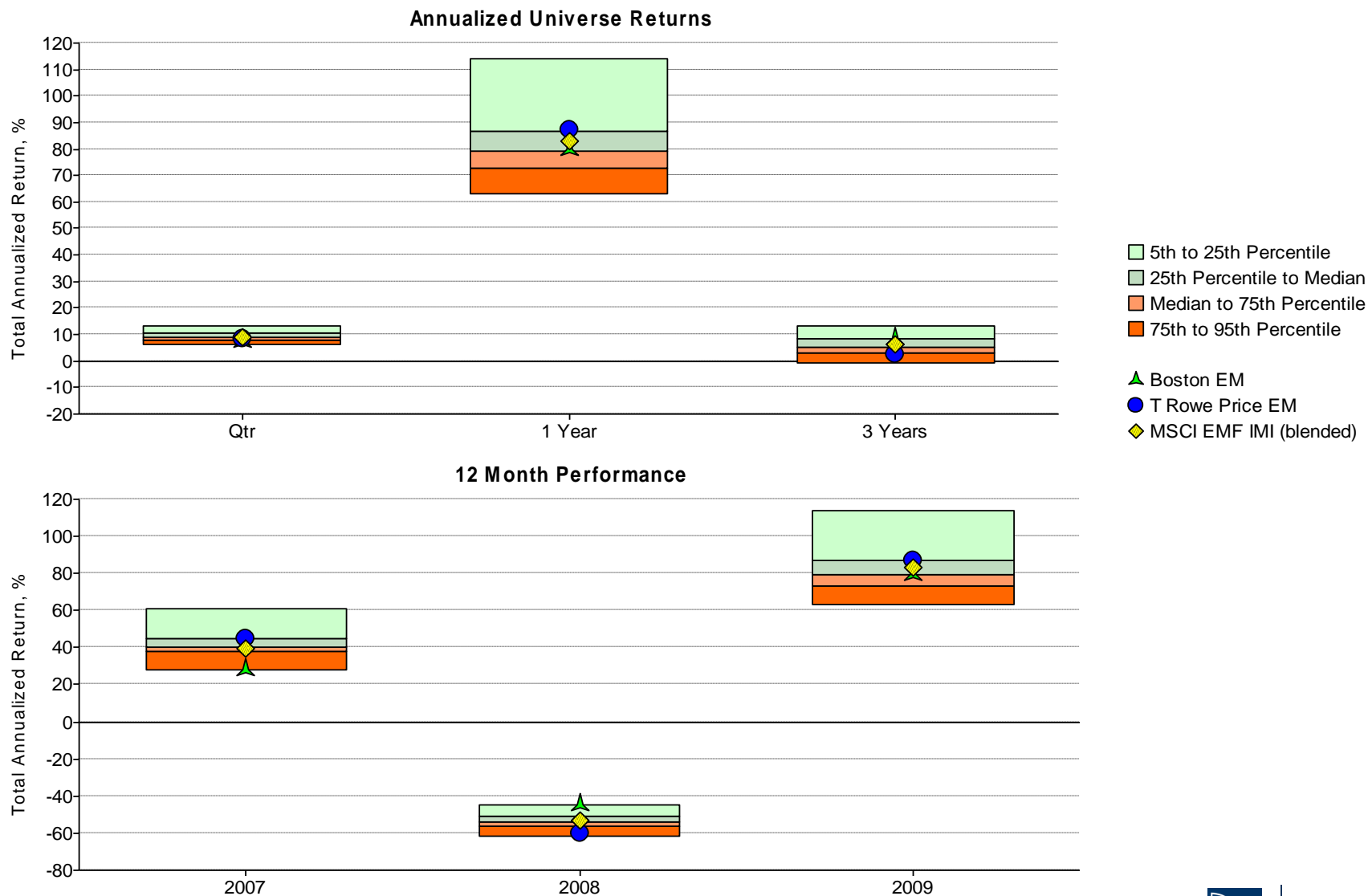
WPERP Emerging Market Equity Manager Comparisons as of December 31, 2009



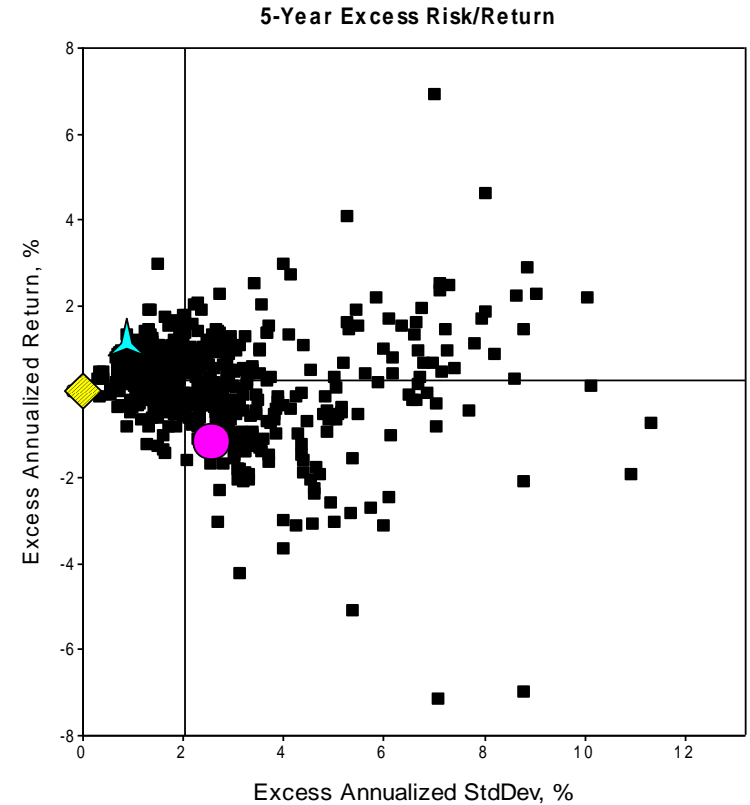
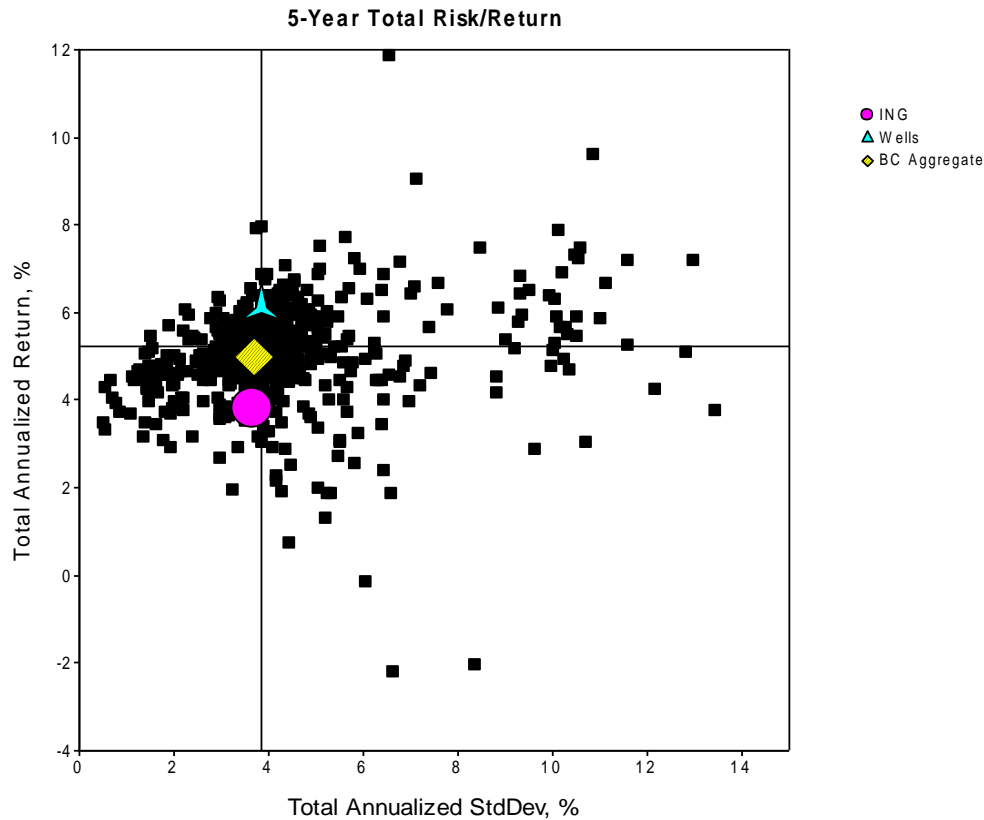
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Boston EM	8.28	29.77	0.28
T Rowe Price EM	2.49	37.21	0.07
MSCI EMF IMI (blended)	6.18	33.04	0.19
Emerging Equity Universe Median	5.41	32.97	0.16

	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Boston EM	2.10	6.23	0.34
T Rowe Price EM	-3.69	6.21	-0.59
MSCI EMF IMI (blended)	0.00	0.00	NA
Emerging Equity Universe Median	-0.77	5.52	-0.14

WPERP Emerging Market Equity Manager Comparisons as of December 31, 2009



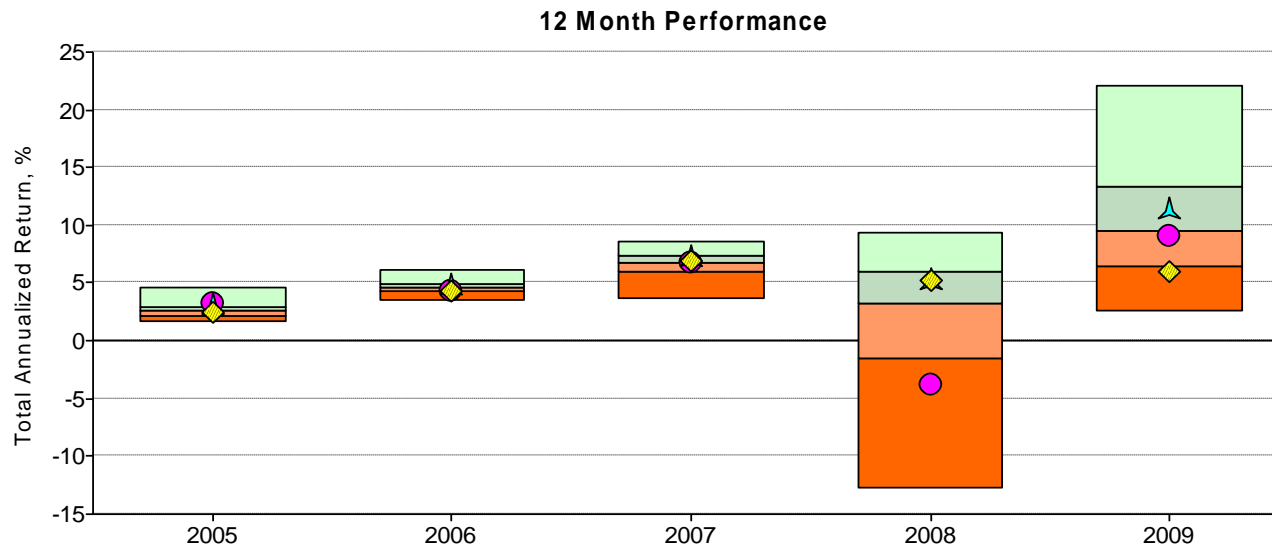
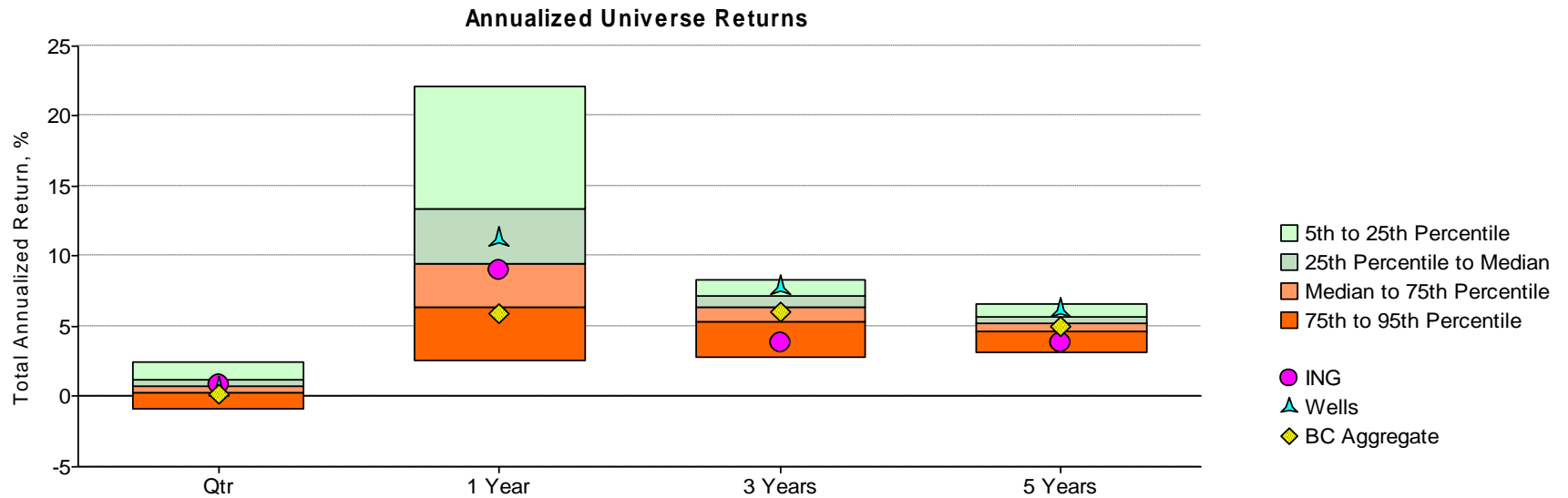
WPERP Fixed Income Manager Comparisons as of December 31, 2009



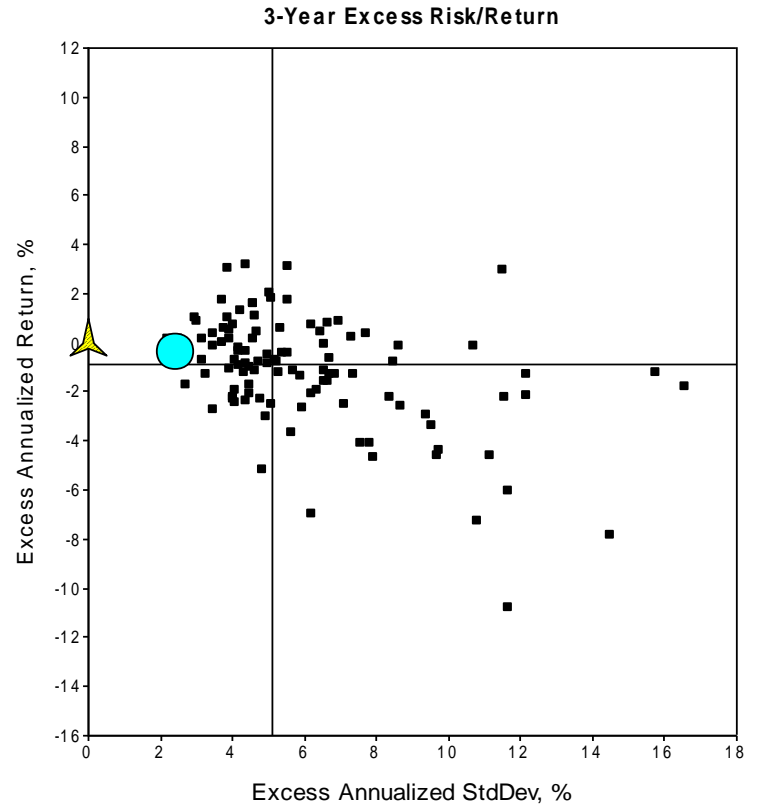
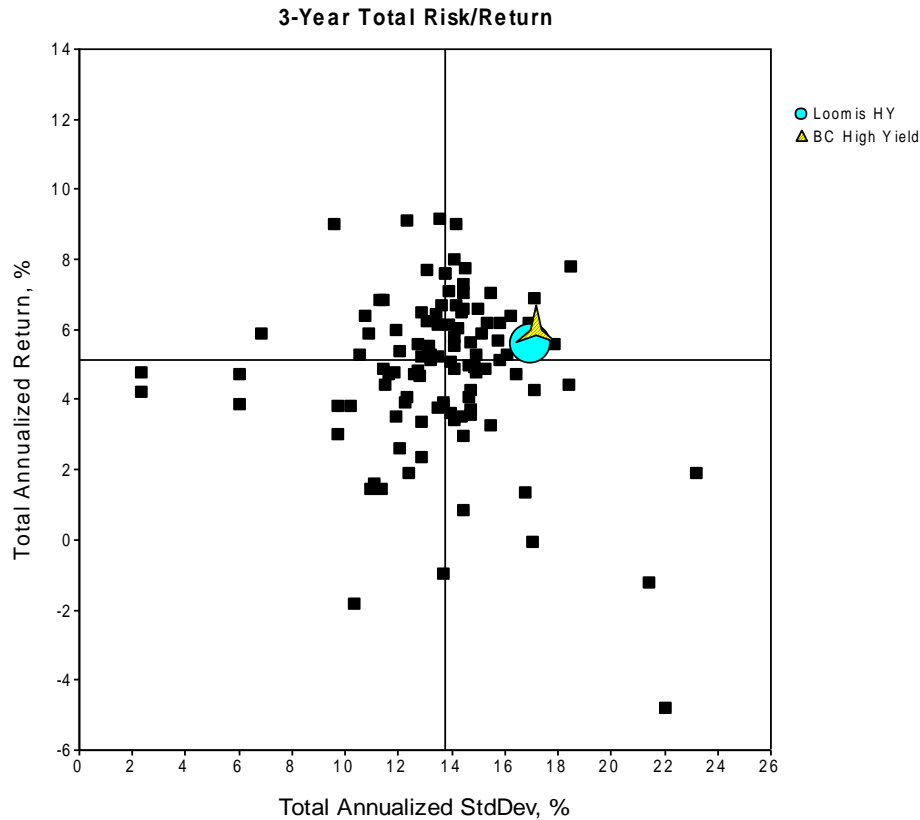
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
ING	3.81	3.65	1.04
Wells	6.12	3.84	1.59
BC Aggregate	4.97	3.70	1.34
U.S. Fixed Income Universe Median	5.23	3.85	1.40

	Annualized Excess Return, %	Annualized Excess StDev, %	Sharpe Ratio, Excess
ING	-1.16	2.57	-0.45
Wells	1.15	0.89	1.30
BC Aggregate	0.00	0.00	NA
U.S. Fixed Income Universe Median	0.26	2.01	0.12

WPERP Fixed Income Manager Comparisons as of December 31, 2009



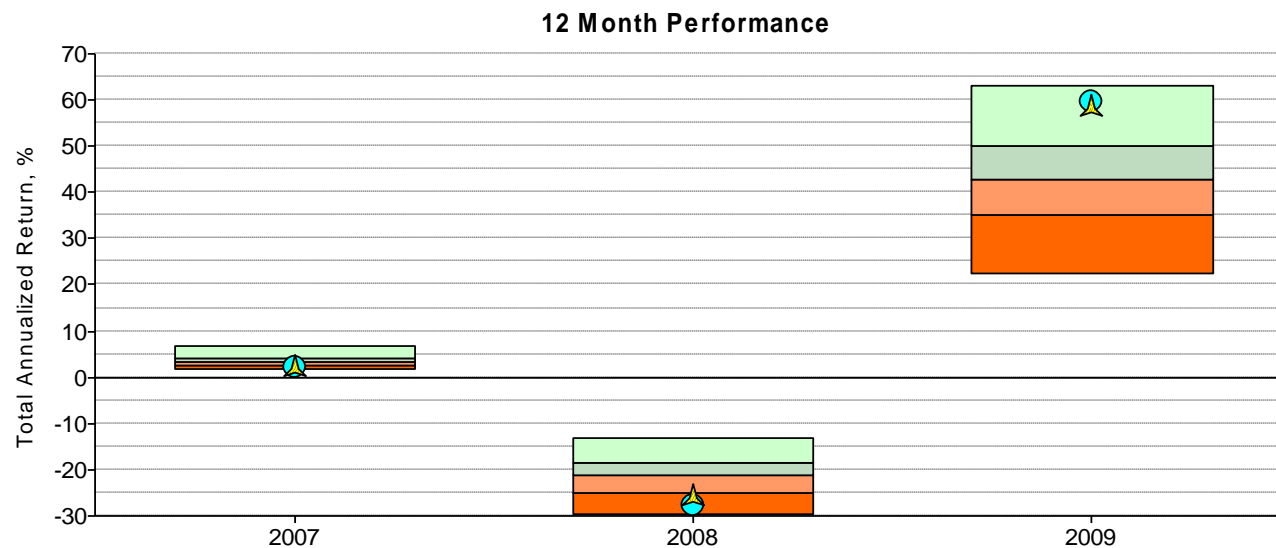
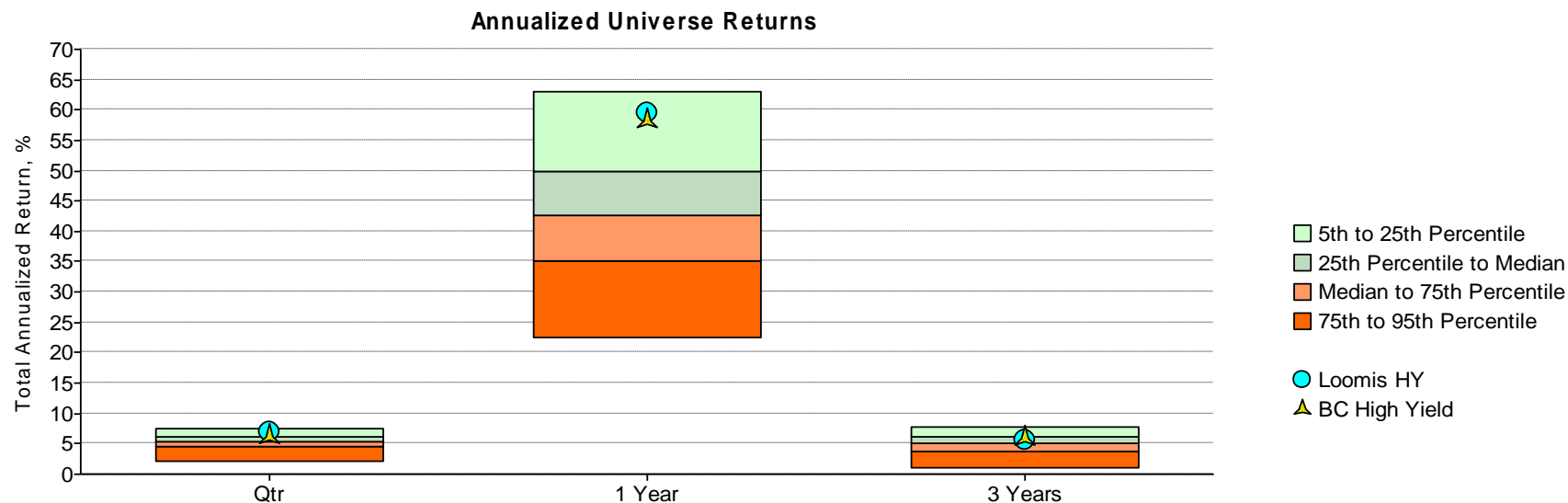
WPERP High Yield Manager Comparisons as of December 31, 2009



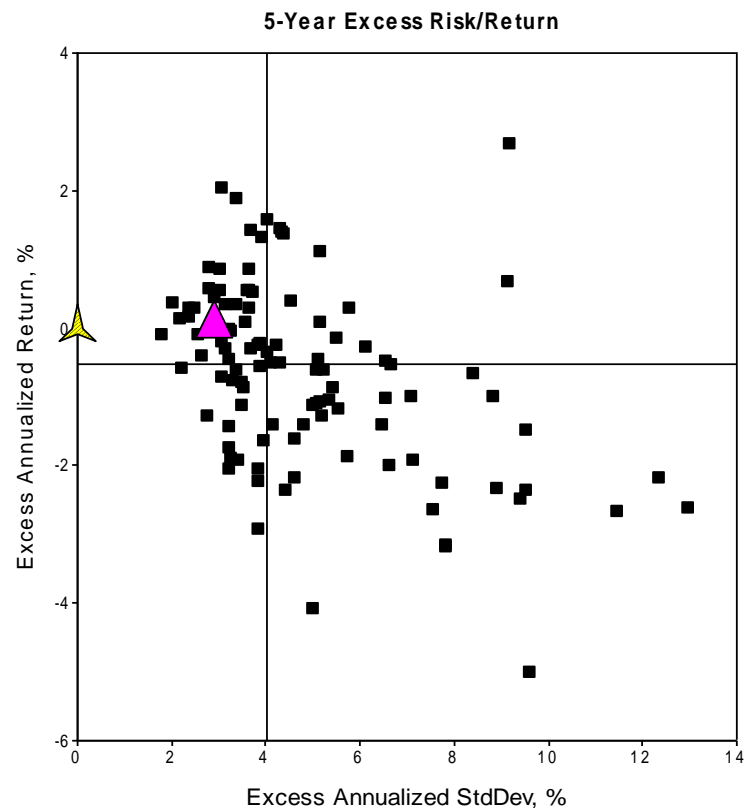
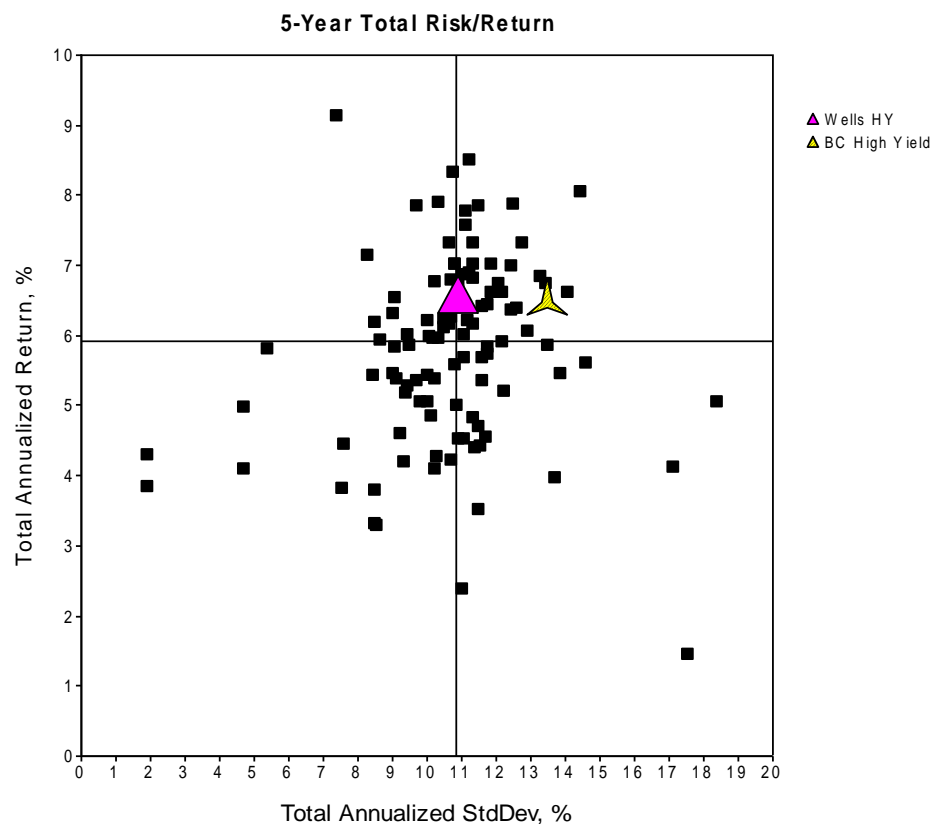
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Loomis HY	5.60	16.98	0.33
BC High Yield	5.98	17.17	0.35
U.S. High Yield Universe Median	5.12	13.76	0.39

	Annualized Excess Return, %	Annualized Excess StDev, %	Sharpe Ratio, Excess
Loomis HY	-0.37	2.43	-0.15
BC High Yield	0.00	0.00	NA
U.S. High Yield Universe Median	-0.85	5.12	-0.17

WPERP High Yield Manager Comparisons as of December 31, 2009



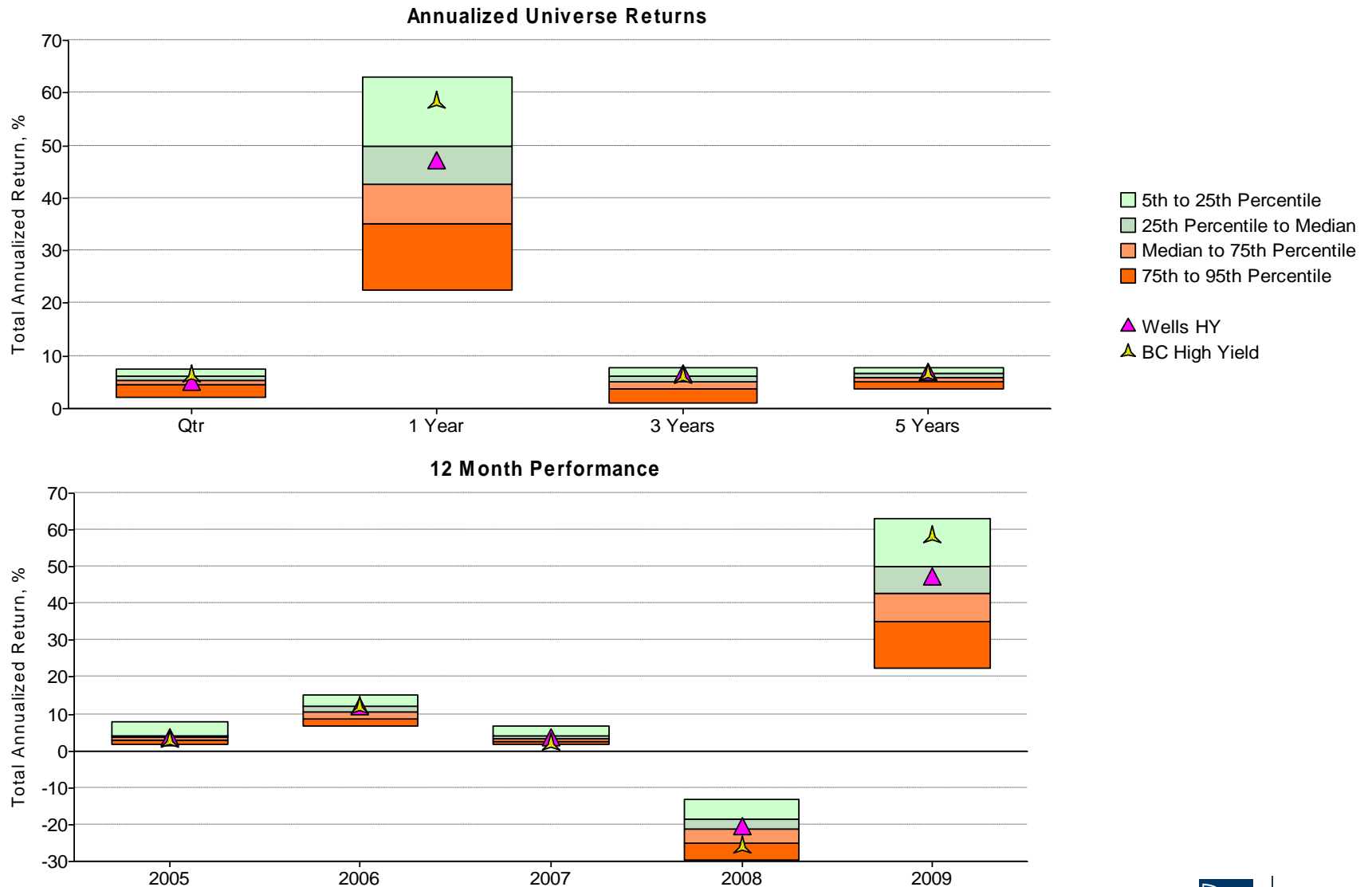
WPERP High Yield Manager Comparisons as of December 31, 2009



	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Wells HY	6.49	10.92	0.59
BC High Yield	6.46	13.46	0.48
U.S. High Yield Universe Median	5.93	10.85	0.56

	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Wells HY	0.03	2.89	0.01
BC High Yield	0.00	0.00	NA
U.S. High Yield Universe Median	-0.53	4.02	-0.12

WPERP High Yield Manager Comparisons as of December 31, 2009





APPENDIX

MANAGERS WATCH CRITERIA

Asset Class	Short-term (Rolling 12 mth periods)	Medium-term (Rolling 36 mth periods)	Long-term
Active Domestic Equity	Portfolio Return < Benchmark Return – 3.0% 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.

SUMMARY OF WPERP RETIREMENT PLAN 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	3Q 2009
MFS	Large Cap Value	1Q 2004	---
T. Rowe Price	Large Cap Value	3Q 2004	---
Invesco	International	2Q 2004	---
ING/Aeltus	Core Fixed Income	3Q 2004	4Q 2009
Wells Capital	Core Fixed Income	3Q 2004	---
Bank of New York	Small Cap Growth	4Q 2004	1Q 2006
Earnest Partners	Small Cap Value	4Q 2004	---
Fidelity/Pyramis	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	2Q 2009
Paradigm	Small Cap Growth	3Q 2006	1Q 2010
Landmark XIII	Private Equity	4Q 2006	---
Prisa	Real Estate	4Q 2006	---
2007			
Aetos	Hedge Fund	1Q 2007	---
PAAMCO	Hedge Fund	1Q 2007	---
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	---

WPERP RETIREMENT PLAN POLICY BENCHMARK DESCRIPTION

Time Period	Policy Benchmarks
Thru 3/31/2003	30% Citigroup BIG 60% S&P 500 10% Citigroup T-Bill
4/1/2003-12/31/2006	35% BC Universal 40% Russell 3000 15% MSCI ACWI ex U.S. 1% T-Bill 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% T-Bill + 3% Lag 1% T-Bill
7/1/2008-6/30/2009	30% BC Universal 40% Russell 3000 24% MSCI ACWI ex U.S. IMI 2% NCREIF Lag 0.85% Cambridge U.S. Private Equity Lag , 0.15% Cambridge U.S. Venture Capital Lag 2% T-Bill + 3% Lag 1% T-Bill
7/1/2009-6/30/2010	40% BC Universal 33% Russell 3000 17% MSCI ACWI ex U.S. IMI 3% NCREIF Lag 1.70% Cambridge U.S. Private Equity Lag , 0.30% Cambridge U.S. Venture Capital Lag 3% T-Bills + 3% Lag 2% T-Bill



WPERP HEALTH PLAN POLICY BENCHMARK DESCRIPTION

Time Period	Policy Benchmarks
Thru 9/30/2009	60% Russell 1000 40% BC Aggregate Bond
10/1/2009-6/30/2010	45% BC Universal 37% Russell 3000 15% MSCI ACWI ex U.S. IMI 0% NCREIF Lag 0.85% Cambridge U.S. Private Equity Lag , 0.15% Cambridge U.S. Venture Capital Lag 0% T-Bill + 3% Lag 2% T-Bill

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

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

Impact on Return

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



GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



DEFINITION OF BENCHMARKS

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

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

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

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


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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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



RISK METRIC DESCRIPTION – Rationale for selection and calculation methodology

US Equity Markets:

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


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

Developed Equity Markets Excluding the US:

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

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

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



US Private Equity Markets:

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

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

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

U.S Private Real Estate Markets:

Metrics: US Cap rates and Annual US Real Estate Deal Volume

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

Annual US real estate deal volume is the total deal transaction volume in \$ billions (both equity and debt) reported by Real Capital Analytics during the trailing-twelve months. This metric gives the level of activity in the market. Data is published monthly.

Credit Markets US Fixed Income:

Metric: Spreads

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



Measure of Equity Market Fear / Uncertainty

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

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

Measure of Monetary Policy

Metric: Yield Curve Slope

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

Measures of US Inflation Expectations

Metrics: Breakeven Inflation and Inflation Adjusted Commodity Prices

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

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

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

Definition of “extreme” metric readings

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



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