



NEPC, LLC

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Oklahoma Tobacco Endowment Settlement Trust

Investment Performance Analysis

August 24, 2011

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25
Years
1986-2011

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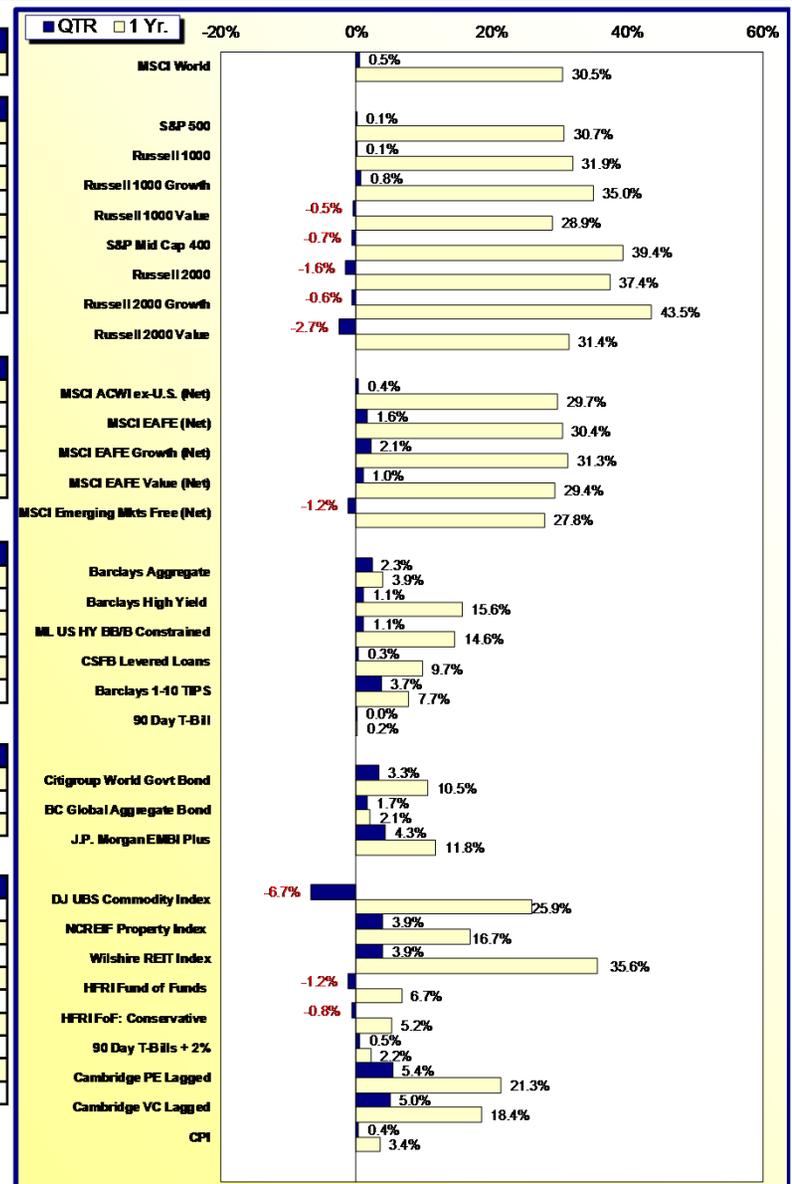
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Second Quarter Plan Highlights

- One of the objectives of the Tobacco Trust is to maximize current yield, therefore, NEPC has created a universe in which the Trust is ranked versus its peers based on total fund yield. For the year ending 6/30/11, the Trust generated a yield of 4.9% and ranked in the 4th percentile of Endowments & Foundations. For the quarter, the Trust had a yield of 2.7% which ranked in the 1st percentile of Endowments & Foundations.
- For the year ending 6/30/11, the Trust experienced a \$149 million gain (realized and unrealized) from investment return, including a \$62 million gain in the second quarter alone.
- Over the five year period ending 6/30/11, the Trust generated a return of 5.6% per annum, while underperforming the allocation index by 100 basis points and matching the policy index. For the year ending 6/30/2011, the Tobacco Trust posted a return of 18.1%, outperforming the allocation index and the policy index by 200 basis points and 80 basis points, respectively. For the quarter, the Trust earned 1.3%, outperforming the allocation index by 20 basis points and matching the policy index.
- For the quarter and the year, active management added value, as the Trust outperformed the allocation index by 20 basis points and 200 basis points, respectively.
 - The Domestic Equity Composite was down 0.2% for the quarter, underperforming the performance of the Russell 3000 by 20 basis points and ranking in the 56th percentile of a domestic equity universe. For the year, the Domestic Equity Composite earned 32.1%, underperforming the Russell 3000 Index by 30 basis points. Over the quarter, the SSgA Index Fund was the top performer, returning 0.8%.
 - The Martin Currie International Equity Fund outperformed the MSCI ACWI Ex US Index 1.5% vs. 0.6% and ranked in the 53rd percentile of the international developed equity manager universe for the quarter.
 - The Fixed Income Composite earned 1.9% for the quarter, underperforming the Barclays Capital Aggregate Index which returned 2.3%. Reams was the top fixed income performer, returning 2.5%, outperforming the Barclays Capital Aggregate Index by 20 basis points.
 - Western Global Multi-Sector Fund had a 1.2% return for the quarter, outperforming the return of its policy benchmark, 90 Day T-Bills + 2%, by 70 basis points. For the year, the Fund outperformed its policy benchmark by 8.5%.

Market Environment Overview

		QTR	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.
World Equity Benchmarks							
MSCI World	World	0.5%	5.3%	30.5%	0.5%	2.3%	4.0%
Domestic Equity Benchmarks							
S&P 500	Large Core	0.1%	6.0%	30.7%	3.3%	2.9%	2.7%
Russell 1000	Large Core	0.1%	6.4%	31.9%	3.7%	3.3%	3.2%
Russell 1000 Growth	Large Growth	0.8%	6.8%	35.0%	5.0%	5.3%	2.2%
Russell 1000 Value	Large Value	-0.5%	5.9%	28.9%	2.3%	1.2%	4.0%
S&P Mid Cap 400	Mid Core	-0.7%	8.6%	39.4%	7.8%	6.6%	7.9%
Russell 2000	Small Core	-1.6%	6.2%	37.4%	7.8%	4.1%	6.3%
Russell 2000 Growth	Small Growth	-0.6%	8.6%	43.5%	8.4%	5.8%	4.6%
Russell 2000 Value	Small Value	-2.7%	3.8%	31.4%	7.1%	2.2%	7.5%
International Equity Benchmarks							
MSCI ACWI ex-U.S. (Net)	International	0.4%	3.8%	29.7%	-0.4%	3.7%	7.5%
MSCI EAFE (Net)	Int'l Developed	1.6%	5.0%	30.4%	-1.8%	1.5%	5.7%
MSCI EAFE Growth (Net)	Int'l Developed	2.1%	4.4%	31.3%	-1.9%	2.9%	5.3%
MSCI EAFE Value (Net)	Int'l Developed	1.0%	5.6%	29.4%	-1.7%	0.4%	6.0%
MSCI Emerging Mkts Free (Net)	Int'l Emerging	-1.2%	0.9%	27.8%	4.2%	11.4%	16.2%
Domestic Fixed Income Benchmarks							
Barclays Aggregate	Core Bonds	2.3%	2.7%	3.9%	6.5%	6.5%	5.7%
Barclays High Yield	High Yield	1.1%	5.0%	15.6%	12.7%	9.3%	9.0%
ML US HY BB/B Constrained	High Yield	1.1%	4.8%	14.6%	10.5%	8.3%	8.1%
CSFB Levered Loans	Bank Loans	0.3%	3.0%	9.7%	6.0%	4.4%	4.9%
Barclays 1-10 TIPS	Inflation-Linked	3.7%	5.8%	7.7%	5.3%	6.9%	7.0%
90 Day T-Bill	Cash	0.0%	0.1%	0.2%	0.4%	2.0%	2.1%
Global Fixed Income Benchmarks							
Citigroup World Govt Bond	Global Bonds	3.3%	4.0%	10.5%	5.8%	7.4%	7.9%
BC Global Aggregate Bond	Global Bonds	1.7%	1.5%	2.1%	5.6%	5.3%	5.0%
J.P. Morgan EMBI Plus	Em. Mkt. Bonds	4.3%	5.0%	11.8%	10.4%	9.6%	10.5%
Alternative Benchmarks							
DJ UBS Commodity Index	Commodities	-6.7%	-2.6%	25.9%	-11.9%	-0.1%	6.6%
NCREIF Property Index	Real Estate	3.9%	7.4%	16.7%	-2.6%	3.4%	7.6%
Wilshire REIT Index	REIT	3.9%	10.9%	35.6%	4.9%	1.8%	10.6%
HFRI Fund of Funds	Hedge Funds	-1.2%	-0.3%	6.7%	-1.8%	1.5%	3.9%
HFRI FoF: Conservative	Hedge Funds	-0.8%	0.3%	5.2%	-2.1%	0.8%	3.3%
90 Day T-Bills + 2%	Hedge Funds	0.5%	1.1%	2.2%	2.4%	4.0%	4.2%
Cambridge PE Lagged	Private Equity	5.4%	13.4%	21.3%	4.3%	10.4%	11.3%
Cambridge VC Lagged	Venture Capital	5.0%	13.8%	18.4%	1.4%	5.9%	-2.2%
CPI	Inflation	0.4%	1.9%	3.4%	1.1%	2.1%	2.3%



Note: Cambridge Private Equity and Cambridge Venture Capital Indexes are lagged by one quarter. Performance shown as of March 31, 2011.



Total Fund Asset Growth Summary

	One Quarter	Year to Date	One Year	Since Return Inception
COMPOSITE				
Beginning Market Value	602,562	583,771	529,918	0
Net External Growth	-3,713	-8,326	-18,045	392,793
Return on Investment	61,689	85,093	148,665	267,745
Income Received	59,933	63,477	72,283	152,805
Gain/Loss	1,756	21,616	76,382	114,941
Ending Market Value	660,538	660,538	660,538	660,538

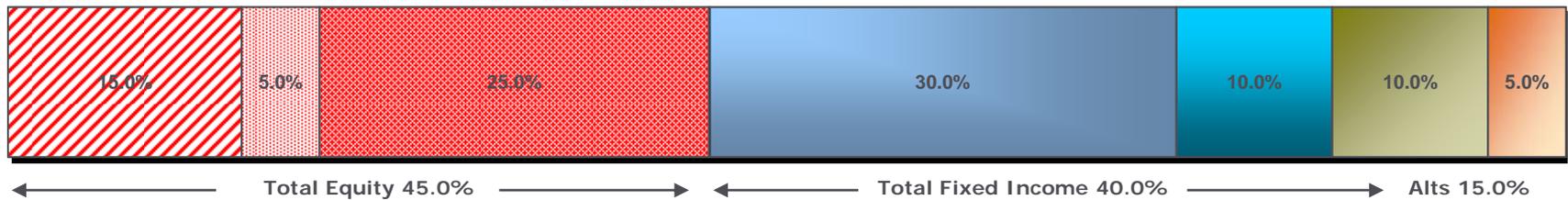
	Annualized Returns											
	Last 3 Months	Rank	Year-to-Date	Rank	Last Year	Rank	Two Years	Rank	Three Years	Rank	Five Years	Rank
Composite (Yield)	2.7%	1	3.3%	1	4.9%	4	4.1%	5	4.2%	5	4.0%	11
<i>E&F Median</i>	0.4%		0.8%		2.3%		2.2%		2.5%		2.7%	
Composite (Gross Return)	1.3%		5.3%		18.1%		15.9%		6.7%		5.6%	
<i>Allocation Index</i>	1.1%		4.2%		16.1%		14.2%		7.0%		6.6%	
<i>Policy Index</i>	1.3%		4.4%		17.3%		14.7%		5.5%		5.6%	
<i>Total E&F Median</i>	0.9%		4.6%		19.3%		16.6%		4.2%		4.9%	

As of 11/1/2007, the Policy Index consisted of 5% RUSSELL 2500 INDEX, 35% BC AGGREGATE BOND, 10% BofAML HIGH YIELD BB-B RATED, 15% S&P EPAC LARGEMIDCAP, 10% 90 DAY T-BILL + 200 BASIS POINTS, 25% RUSSELL 1000 INDEX

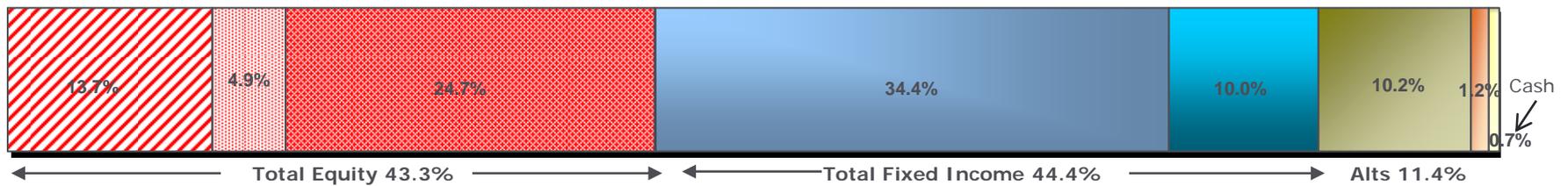


Total Fund Asset Allocation

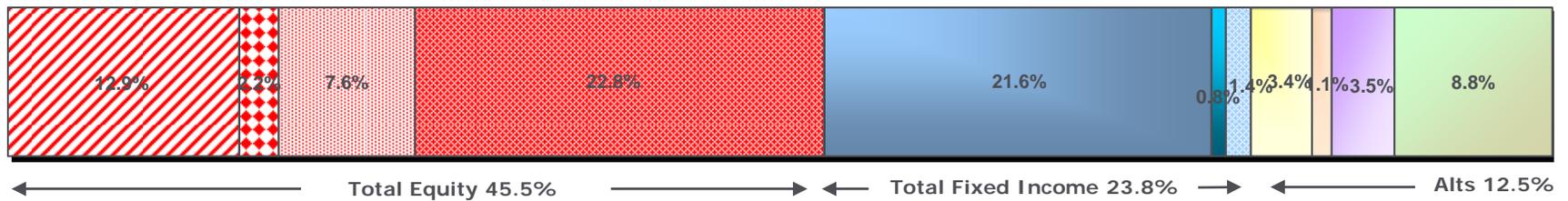
Target Asset Allocation



Current Asset Allocation



Average ICC Endowment & Foundation Allocation as of 3/31/10



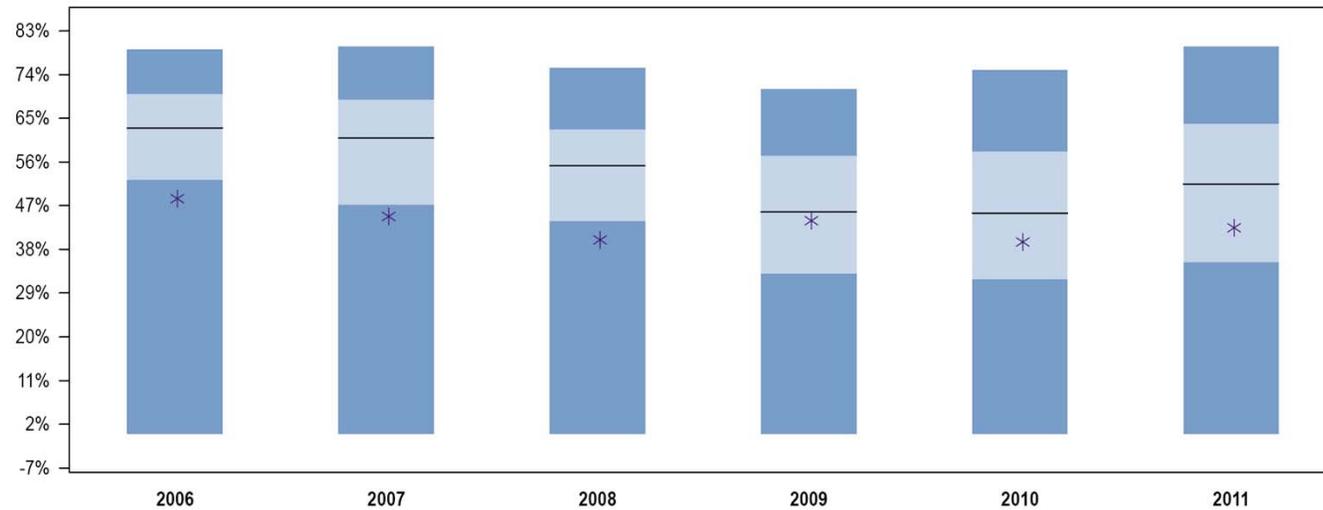
- Int. Dev.
 Emerging Mkt Eq
 Small/Mid Cap Equity
 Large Cap Equity
 Core Fixed Income
 High Yield
 Global Fixed/EMD
- Absolute Return
 Private Debt
 Cash
 Real Estate
 Misc
 Hedge Fund



Note: Percentages may not total 100 due to rounding.
 Manager percentages include cash held in respective accounts

Equity Commitment – Endowments & Foundations

Commitment to Equity (%)

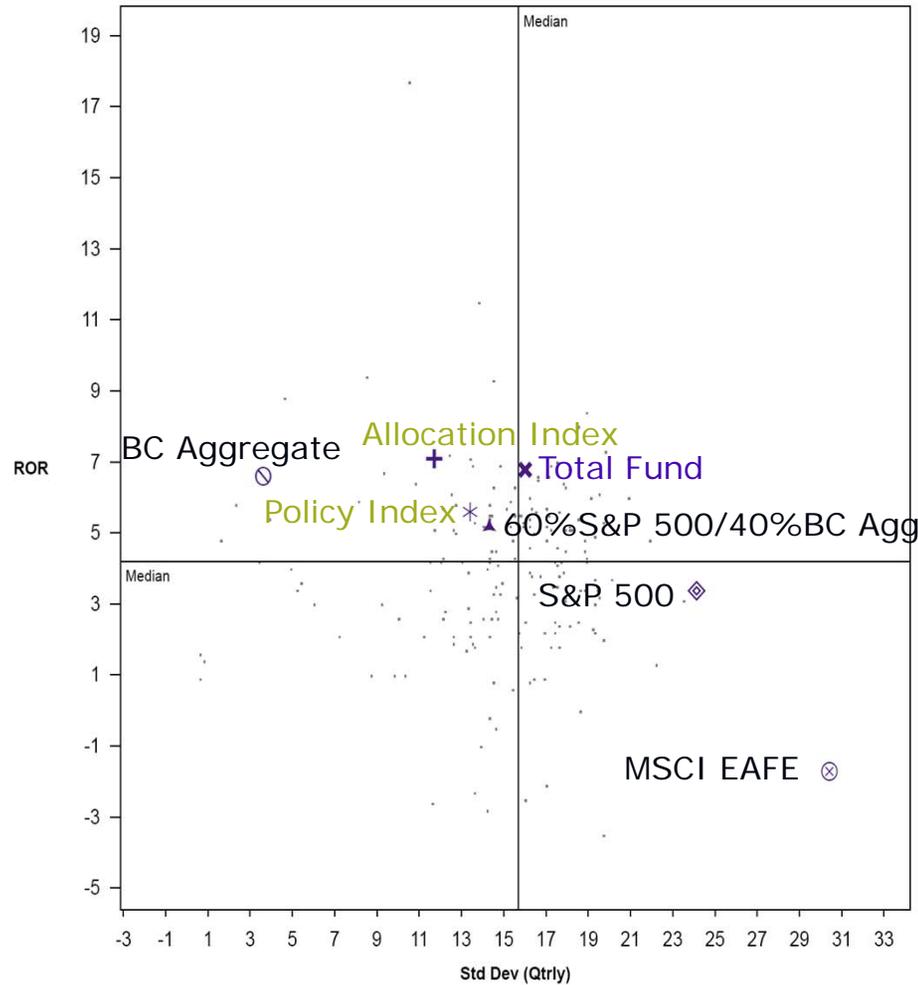


	2006	2007	2008	2009	2010	2011
* COMPOSITE	48.8 81	45.2 76	40.3 81	44.2 53	39.9 61	42.8 66
5th Percentile	79.1	79.7	75.3	70.9	74.9	79.8
25th Percentile	70.1	68.9	62.8	57.3	58.3	63.9
50th Percentile	63.0	60.9	55.3	45.7	45.5	51.5
75th Percentile	52.3	47.2	43.8	32.9	31.8	35.3
95th Percentile	0.0	0.0	0.0	0.0	0.0	0.0



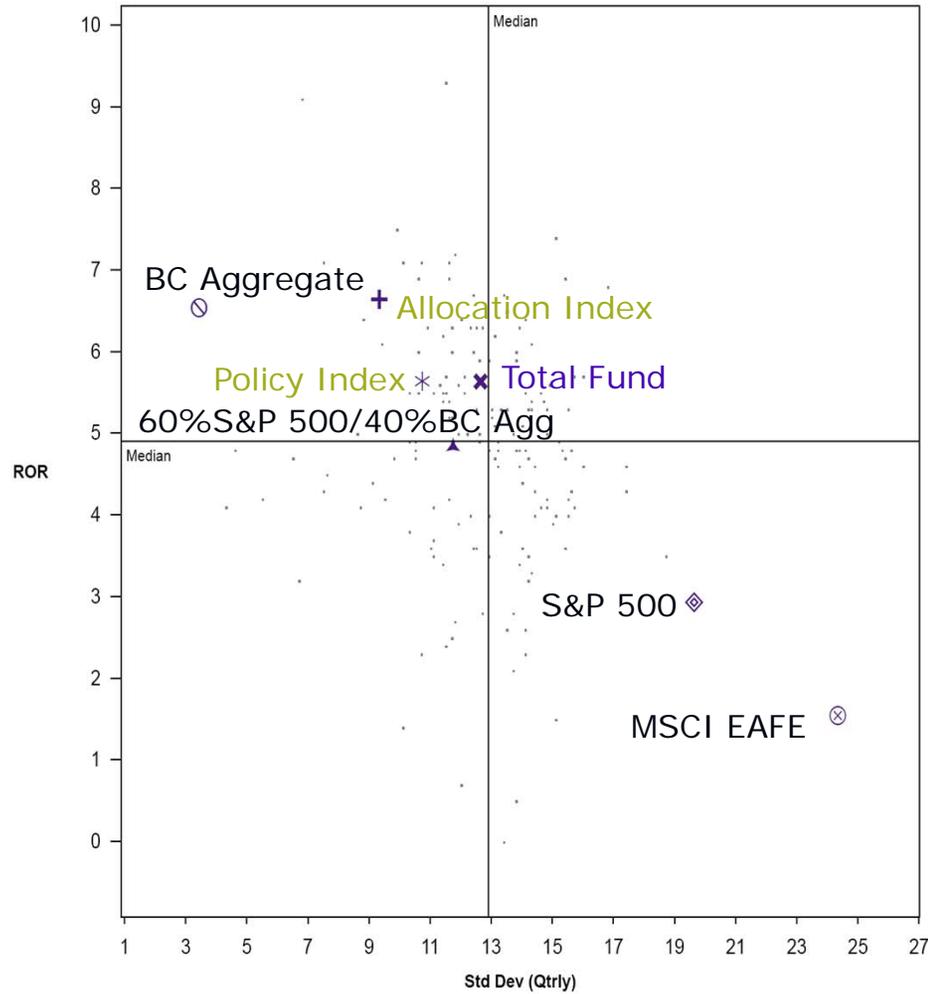
Note: Includes allocation to non-U.S. equities.
Excludes manager cash held in separately managed accounts.

Three Year Risk vs. Return – Endowments & Foundations



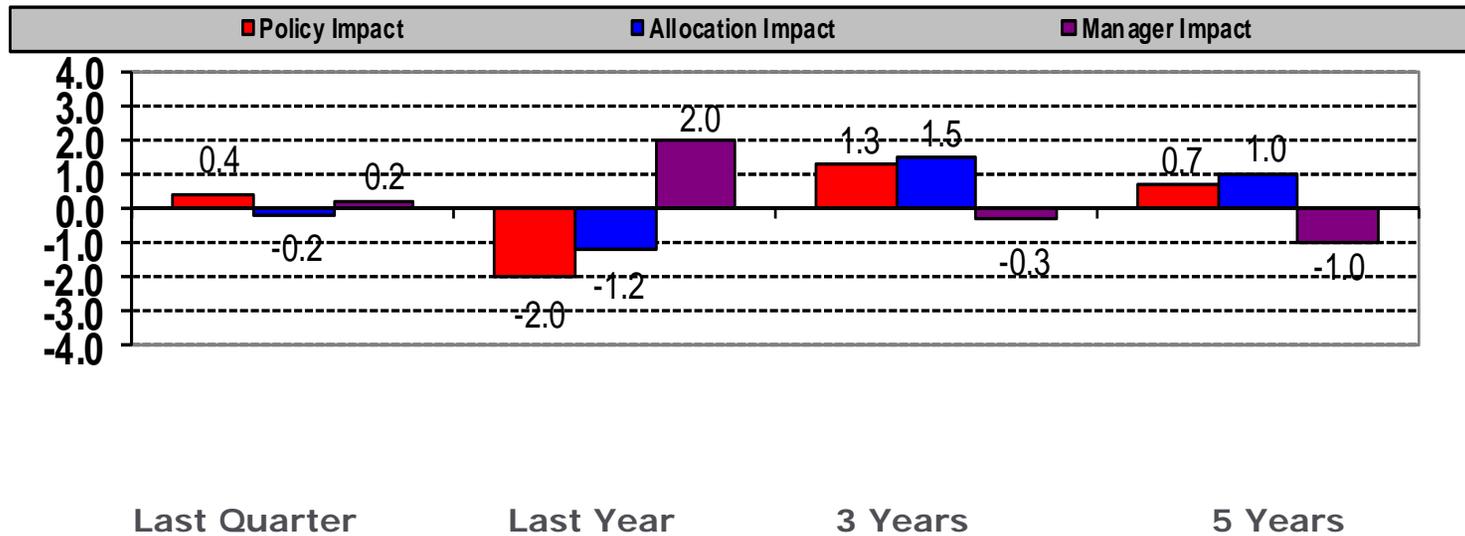
NAME	Return	Standard Deviation	Sharpe Ratio
✖ COMPOSITE	6.7 10	16.1 55	0.4 15
+ Allocation Index	7.0 7	11.8 16	0.6 7
* POLICY INDEX	5.5 26	13.5 26	0.4 17
◇ S&P 500	3.3 66	24.2 100	0.1 80
⊙ BC AGGREGATE	6.5 12	3.7 4	1.7 1
▲ 60% S&P 500 / 40% BC AGGREGA	5.1 36	14.4 38	0.3 28
⊗ MSCI EAFE (NET)	-1.8 97	30.5 100	-0.1 97
Median	4.2	15.7	0.2

Five Year Risk vs. Return – Endowment & Foundations



NAME	Return	Standard Deviation	Sharpe Ratio
* COMPOSITE	5.6 28	12.7 48	0.3 34
+ Allocation Index	6.6 11	9.4 8	0.5 5
* POLICY INDEX	5.6 28	10.8 19	0.3 18
◇ S&P 500	2.9 90	19.7 100	0.0 93
○ BC AGGREGATE	6.5 11	3.5 1	1.3 1
▲ 60% S&P 500 / 40% BC AGGREGA	4.8 58	11.8 35	0.2 51
⊗ MSCI EAFE (NET)	1.5 98	24.4 100	-0.0 97
Median	4.9	12.9	0.2

Performance Attribution



Manager Impact: The Composite is calculated by multiplying the actual asset class weights times the actual manager return. The allocation index is then subtracted from the Composite. The result, manager impact, measures the **contribution of active management**.

Allocation Impact: The allocation index is calculated by multiplying the actual asset class weights times the return of the respective passive benchmark. When the policy index is subtracted from the allocation index, the result measures the impact of **deviating from the target weights**.

Policy Impact: The policy index is calculated by multiplying the target asset class weights times the return of the respective passive benchmark (re-balanced monthly). The policy impact, which is the difference between the policy index and the median fund's performance, measures the effectiveness of **Plan Structure**.

Performance Summary

Target Weight	Weight in Fund		Annualized Returns											Ending Market Value		
			Last 3 Months	Rank	Year-to-Date	Rank	Last Year	Rank	Two Years	Rank	Three Years	Rank	Five Years		Rank	Inception Date
		Composite (Yield)	2.7%	1	3.3%	1	4.9%	4	4.1%	5	4.2%	5	4.0%	11		
		<i>E&F Median</i>	0.4%		0.8%		2.3%		2.2%		2.5%		2.7%			
100.0%	100.0%	Composite (Gross Return)	1.3%	32	5.3%	24	18.1%	64	15.9%	60	6.7%	10	5.6%	28	\$660,538,324	
		<i>Allocation Index</i>	1.1%		4.2%		16.1%		14.2%		7.0%		6.6%			
		<i>Policy Index</i>	1.3%		4.4%		17.3%		14.7%		5.5%		5.6%			
		<i>Total E&F Median</i>	0.9%		4.6%		19.3%		16.6%		4.2%		4.9%			
30.0%	29.6%	Domestic Equity Composite	-0.2%	56	6.6%	55	32.1%	64	23.8%	65	4.7%	60	3.7%	67	\$195,546,498	
		<i>Russell 3000</i>	0.0%		6.4%		32.4%		23.8%		4.0%		3.4%			
		<i>Performance Variance</i>	(0.2%)		0.3%		(0.3%)		0.1%		0.7%		0.3%			
		Domestic Equity Median	0.0%		7.0%		34.4%		25.7%		5.8%		4.9%			
25.0%	24.7%	Large Cap Equity Composite	0.3%	48	6.8%	43	31.9%	47	22.6%	57	4.1%	45	3.0%	62	\$163,257,636	
		<i>Russell 1000</i>	0.1%		6.4%		31.9%		23.3%		3.7%		3.3%			
		<i>Performance Variance</i>	0.2%		0.4%		(0.1%)		(0.7%)		0.5%		(0.3%)			
		Large Cap Median	0.2%		6.4%		31.7%		23.1%		3.8%		3.6%			
12.0%	12.3%	Barrow Hanley	-0.2%	48	6.8%	57	28.9%	67	21.1%	83	3.2%	63	1.6%	64	Aug-05	\$81,509,671
		<i>Russell 1000 Value</i>	-0.5%		5.9%		28.9%		22.8%		2.3%		1.2%			
		<i>Performance Variance</i>	0.3%		0.9%		(0.1%)		(1.7%)		0.9%		0.4%			
		Large Value Median	-0.2%		7.0%		30.3%		23.2%		3.7%		2.0%			
13.0%	12.4%	SSgA Index Fund	0.8%	54	6.7%	48	34.8%	54	24.1%	44	5.1%	46	n/a	Sep-06	\$81,747,965	
		<i>Russell 1000 Growth</i>	0.8%		6.8%		35.0%		23.9%		5.0%		5.3%			
		<i>Performance Variance</i>	(0.0%)		(0.1%)		(0.2%)		0.2%		0.1%		n/a			
		Large Growth Median	0.8%		6.5%		35.0%		23.9%		4.8%		5.1%			
5.0%	4.9%	Small/Mid Cap Equity Composite	-2.7%	85	5.8%	77	33.1%	83	29.9%	59	7.6%	66	6.8%	49	\$32,288,863	
5.0%	4.9%	Earnest Partners	-2.7%	85	5.8%	77	33.1%	83	29.9%	59	7.6%	66	6.8%	49	Jul-03	\$32,288,863
		<i>Russell 2500 Index</i>	-0.6%		8.1%		39.3%		31.4%		8.2%		5.2%			
		<i>Performance Variance</i>	(2.1%)		(2.2%)		(6.2%)		(1.5%)		(0.5%)		1.6%			
		SMID Median	-0.5%		8.2%		39.3%		30.8%		9.1%		6.7%			
15.0%	13.7%	International Equity Composite	1.5%	53	7.7%	10	29.5%	64	12.8%	99	-0.7%	67	0.9%	93	\$90,791,344	
15.0%	13.7%	Martin Currie	1.5%	53	7.7%	10	29.5%	64	12.8%	99	n/a		n/a	Sep-08	\$90,791,344	
		<i>MSCI ACWI Ex US</i>	0.6%		4.1%		30.3%		20.2%		0.1%		4.1%			
		<i>Citi PMI EPAC</i>	1.8%		5.4%		31.5%		19.0%		-0.5%		2.4%			
		<i>Performance Variance*</i>	0.9%		3.6%		(2.0%)		(6.2%)		n/a		n/a			
		Int'l Developed Median	1.7%		4.9%		30.3%		19.7%		0.4%		3.6%			

All returns over one year are annualized

Longer-term composite returns include terminated managers

Fiscal year ends 6/30

*Reflects Composite performance minus benchmark (Martin Currie had Citi PMI EPAC prior to Dec 2010, MSCI ACWI Ex US, thereafter)

Performance Summary

Target Weight	Weight in Fund		Last 3 Months	Rank	Year-to-Date	Rank	Last Year	Rank	Annualized Returns					Inception Date	Ending Market Value	
									Two Years	Rank	Three Years	Rank	Five Years			Rank
40.0%	44.5%	Domestic Fixed Income Composite	1.9%	56	3.8%	29	8.1%	28	11.9%	33	7.7%	52	7.2%	52		\$293,721,844
		<i>Barclays Aggregate</i>	2.3%		2.7%		3.9%		6.7%		6.5%		6.5%			
		<i>Performance Variance</i>	(0.4%)		1.1%		4.2%		5.2%		1.2%		0.6%			
		Domestic Fixed Income Median	2.0%		3.2%		5.9%		9.6%		7.8%		7.3%			
15.0%	17.2%	Bank of Oklahoma	1.8%	89	3.6%	16	7.3%	12	11.0%	17	4.7%	99	4.9%	98	Jul-02	\$113,533,510
		<i>Barclays. Aggregate</i>	2.3%		2.7%		3.9%		6.7%		6.5%		6.5%			
		<i>Performance Variance</i>	(0.5%)		0.9%		3.4%		4.3%		(1.8%)		(1.6%)			
15.0%	17.2%	Reams	2.5%	10	3.2%	37	4.7%	58	9.9%	27	8.9%	21	8.3%	12	Jul-02	\$113,387,998
		<i>Barclays. Aggregate</i>	2.3%		2.7%		3.9%		6.7%		6.5%		6.5%			
		<i>Performance Variance</i>	0.3%		0.4%		0.8%		3.2%		2.4%		1.8%			
		Core Fixed Median	2.2%		3.0%		5.0%		8.6%		7.5%		7.1%			
10.0%	10.1%	Post Advisory	1.1%	46	5.3%	41	15.5%	43	17.0%	73	10.6%	60	8.6%	53	Sep-03	\$66,800,336
		<i>ML US HY BB-B</i>	1.1%		4.8%		14.7%		18.2%		10.5%		8.2%			
		<i>Barclays. High-Yield</i>	1.1%		5.0%		15.6%		21.1%		12.7%		9.3%			
		<i>Performance Variance</i>	(0.1%)		0.5%		0.8%		(1.2%)		0.1%		0.4%			
		High Yield Median	1.0%		5.1%		15.2%		18.3%		10.8%		8.7%			
5.0%	1.2%	Private Debt Composite	n/a		n/a		n/a		n/a		n/a		n/a			\$8,062,143
	0.5%	Frontpoint**	2.1%		n/a		n/a		n/a		n/a		n/a	Jan-11		\$3,164,620
		<i>3 MONTHS LIBOR + 500 BPS</i>	1.3%		2.6%		5.3%		5.3%		5.9%		7.5%			
		<i>Performance Variance</i>	0.8%		n/a		n/a		n/a		n/a		n/a			
	0.7%	Medley**	n/a		n/a		n/a		n/a		n/a		n/a	Mar-11		\$4,897,523
		<i>3 MONTHS LIBOR + 500 BPS</i>	1.3%		2.6%		5.3%		5.3%		5.9%		7.5%			
		<i>Performance Variance</i>	n/a		n/a		n/a		n/a		n/a		n/a			
10.0%	10.2%	Absolute Return Composite	1.2%		3.3%		10.7%		13.9%		7.9%		4.5%			\$67,531,004
10.0%	10.2%	WAMCO	1.2%		3.3%		10.7%		13.9%		7.9%		n/a	Oct-07		\$67,531,004
		<i>90 Day U.S. T-Bills + 200 Bps</i>	0.5%		1.1%		2.2%		2.2%		2.4%		4.0%			
		<i>Performance Variance*</i>	0.7%		2.3%		8.5%		11.7%		5.5%		n/a			
0.0%	0.7%	Other														\$4,885,491
0.0%	0.7%	Clearing Account	0.0%		0.0%		0.3%		0.2%		0.4%		1.9%			\$4,885,491
		<i>90 Day U.S. T-Bills</i>	0.0%		0.1%		0.2%		0.2%		0.4%		2.0%			

All returns over one year are annualized
 Longer-term composite returns include terminated managers
 Fiscal year ends 6/30

**Reported Quarterly and Net of Fee. Medley's Q2 performance was not available, market value is based on an estimate.



Interest/Dividend Breakdown

Monthly Interest/Dividend Income

	April-11	May-11	June-11	Quarter
Composite	\$1,553,839	\$2,127,704	\$2,241,553	\$5,923,096
Bank of Oklahoma	249,061	459,398	200,602	\$909,061
Barrow	78,426	69,643	308,836	\$456,904
Clearing	5,448	5,223	5,493	\$16,164
Earnest Partners	14,333	16,462	37,783	\$68,578
Post Advisory	451,823	470,094	518,962	\$1,440,879
Reams	175,847	122,510	515,434	\$813,791
State Street	63,989	59,430	179,355	\$302,774
WAMCO	212,569	207,595	175,985	\$596,149
Martin Currie	302,344	717,351	299,102	\$1,318,796
FrontPoint	\$10,479	\$0	\$0	\$10,479

Estimated Annual Income

	Estimated Annual Income	Estimated Income Remainder FY 2011
Composite	\$18,229,688	-
Bank of Oklahoma	\$4,695,933	-
Barrow	\$1,956,454	-
Earnest Partners	\$981	-
Post Advisory	\$287,620	-
Martin Currie	\$5,471,501	-
Reams	\$2,733,218	-
State Street	\$1,965,503	-
WAMCO	\$1,118,477	-

Please Note: All Interest/Dividend data on this page is provided by Bank of Oklahoma. This is income payments received, not accrued. Negative income due to payment of accrued interest.



Domestic Equity – Barrow, Hanley (BMHS)

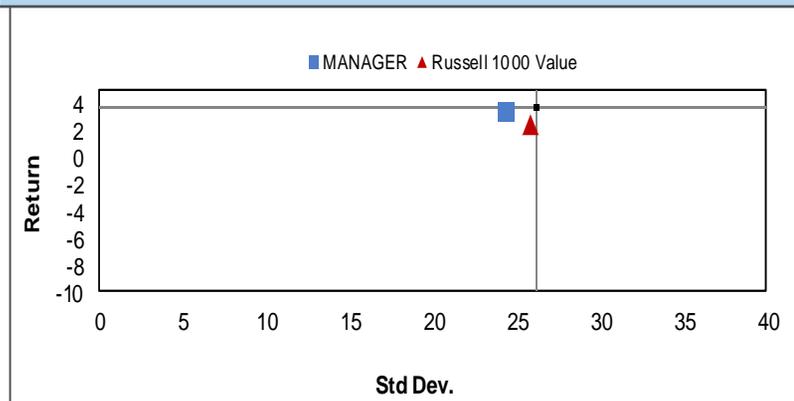
Characteristics

	Manager	Russell 1000 Value
Number of Issues	41	656
Market Cap (000's)	84,313	73,800
P/E Ratio	11.3	13.1
P/B Ratio	1.6	1.5
Dividend Yield(%)	2.4	2.3

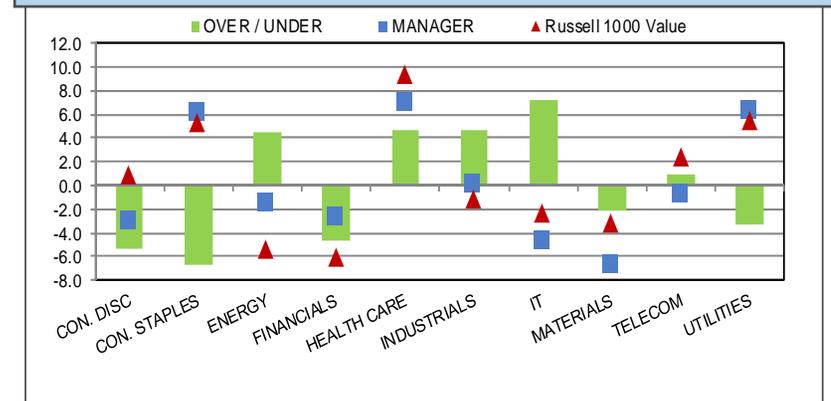
Top 10 Holdings

	MV	Weight (%)
MARATHON OIL CORP	\$3,113,388	3.9
CONOCO PHILLIPS	\$2,774,511	3.5
AMERICAN EXPRESS CO	\$2,729,760	3.4
WELLPOINTINC	\$2,575,779	3.2
PFIZER INC	\$2,549,971	3.2
AT&T INC.	\$2,509,659	3.2
OCCIDENTAL PETROLEUM CORP	\$2,476,152	3.1
VODAFONE GROUP PLC ADS	\$2,383,424	3.0
WALGREEN CO	\$2,373,514	3.0
BP PLC ADS	\$2,365,086	3.0

3Yr. Risk vs. Return (Large Value)



Sector Over / Under vs. Return



Domestic Equity - SSGA

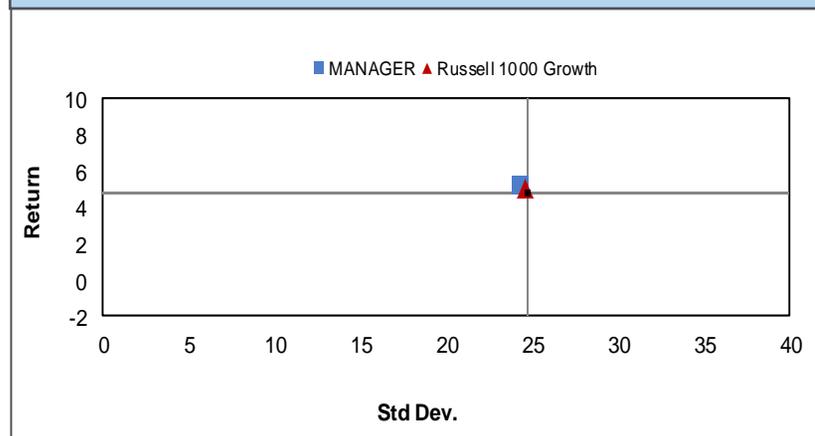
Characteristics

	Manager	Russell 1000 Growth
Number of Issues	580	591
Market Cap (Billion's)	84.07	84.33
P/E Ratio	15.6	15.5
P/B Ratio	4.0	4.1
Dividend Yield(%)	1.4	1.4
Return on Equity(%)	23.4	24.8
Beta	1.0	1.0

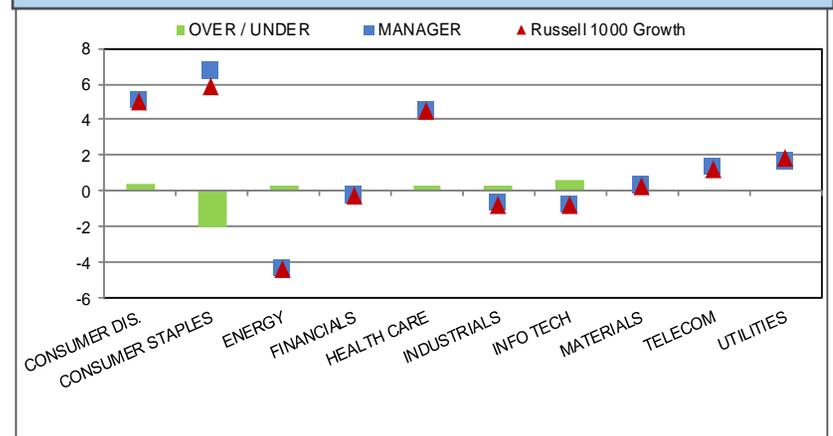
Top 10 Holdings

	MV	Weight (%)
APPLE INC	\$3,798,442	4.7
EXXON MOBIL CORP	\$3,620,271	4.4
INTL BUSINESS MACHINES CORP	\$2,542,543	3.1
MICROSOFT CORP	\$2,360,956	2.9
COCA-COLA CO	\$1,626,736	2.0
GOOGLE INCCL A	\$1,559,650	1.9
ORACLE CORP	\$1,546,770	1.9
SCHLUMBERGER LTD	\$1,434,586	1.8
PEPSICO INC	\$1,362,257	1.7
QUALCOMM INC	\$1,160,163	1.4

3Yr. Risk vs. Return (Large Growth)



Sector Over / Under vs. Return



Domestic Equity - Earnest Partners

Characteristics

	Manager	Russell 2500
Number of Issues	47	2478
Market Cap (Billion's)	4.6	1.4
P/E Ratio	17.4	16.9
P/B Ratio	2.7	2.0
Dividend Yield(%)	0.9	1.3
Return on Equity(%)	15.9	10.8

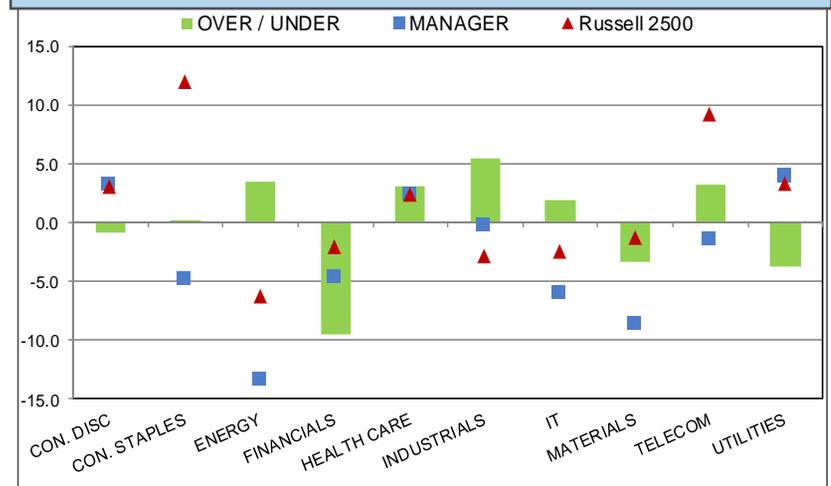
Top 10 Holdings

	MV	Weight (%)
BUCYRUS INTERNATIONAL	\$1,466,560	4.54
UNITED NAT FOOD INC	\$1,109,420	3.44
CSX	\$1,085,508	3.36
WHITING PETROLEUM CORP	\$1,041,453	3.23
BORGWARNER INC	\$1,001,796	3.1
INTUIT INC	\$995,712	3.08
NEWFIELD EXPLORATION	\$993,092	3.08
JOY GLOBAL INC	\$952,400	2.95
EXPRESS SCRIPTS INC.	\$912,262	2.83
HELIX ENERGY SOLUTIONS GROUP	\$788,256	2.44

3Yr. Risk vs. Return (SMID)



Sector Over / Under vs. Return



International Equity – Martin Currie

Characteristics

	Manager	MSCI ACWI Ex US
Number of Issues	72	1,857
Market Cap (Million's)	44,697	46,279
P/E Ratio	10.9	11.7
P/B Ratio	1.6	1.6
Dividend Yield(%)	2.6	3.0
Return on Equity(%)	16.6	17.6

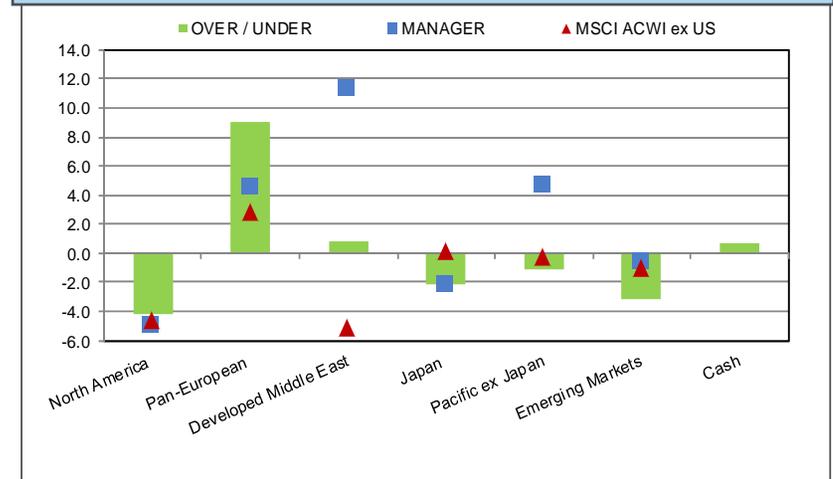
Top 10 Holdings

	Weight (%)
ROYAL DUTCH SHELL	2.5
SIEMENS AG	2.5
HSBC	2.2
GAZPROM	2.0
BASF	2.0
SANOFI	2.0
NOVARTIS	1.9
DAIMLER	1.9
VALE	1.8
SJM HOLDINGS	1.8

3Yr. Risk vs. Return (International Equity)

N/A

Country Allocation

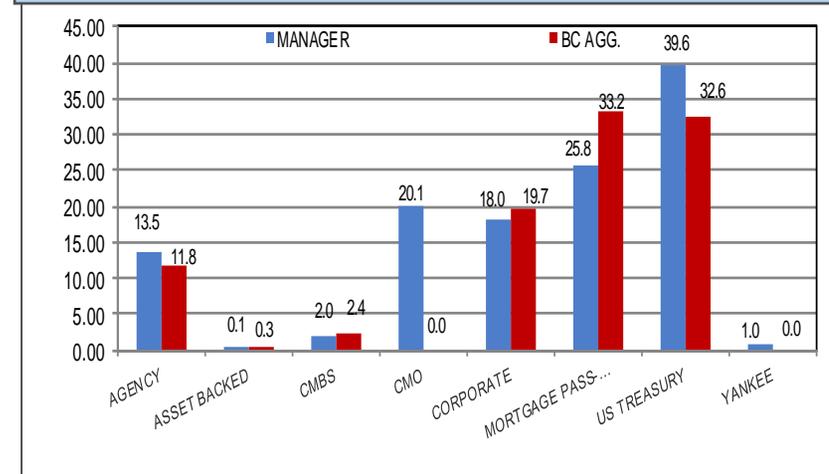


Domestic Fixed Income – Bank of Oklahoma

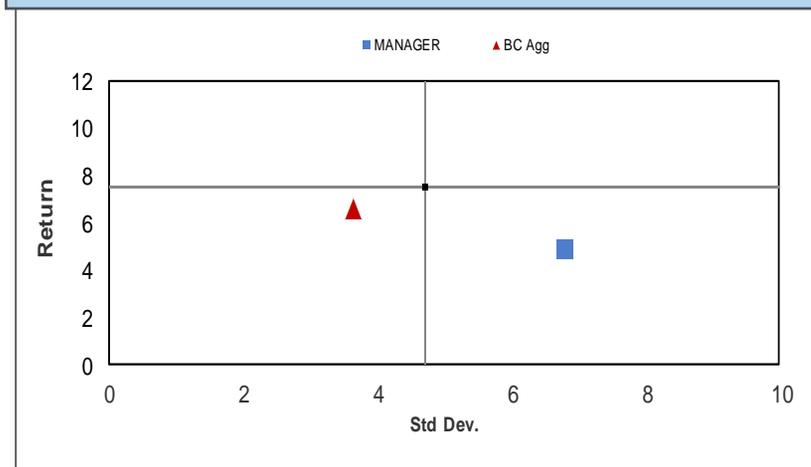
Characteristics

	Manager	BC Agg
Average Coupon(%)	4.0	4.2
Average Life	5.7	7.4
Yield to Maturity(%)	3.8	2.8
Duration	4.6	5.2
Average Quality	AA2	AA1/AA2

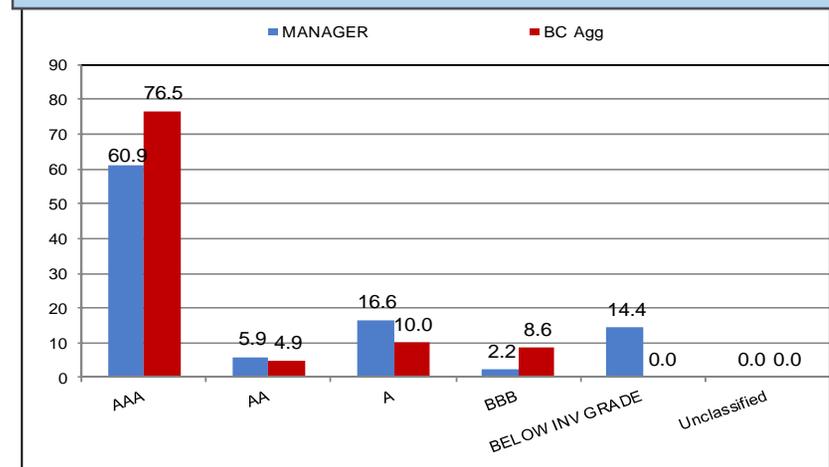
Sector Allocation



3Yr. Risk vs. Return (Core Bonds)



Credit Distribution

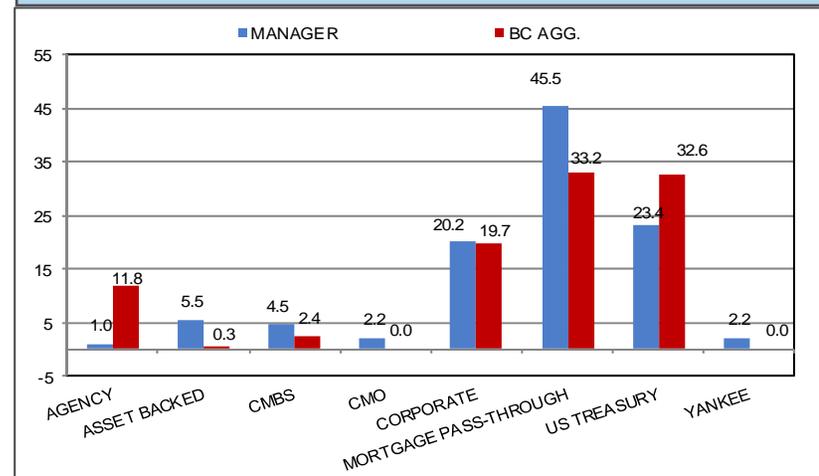


Domestic Fixed Income - Reams

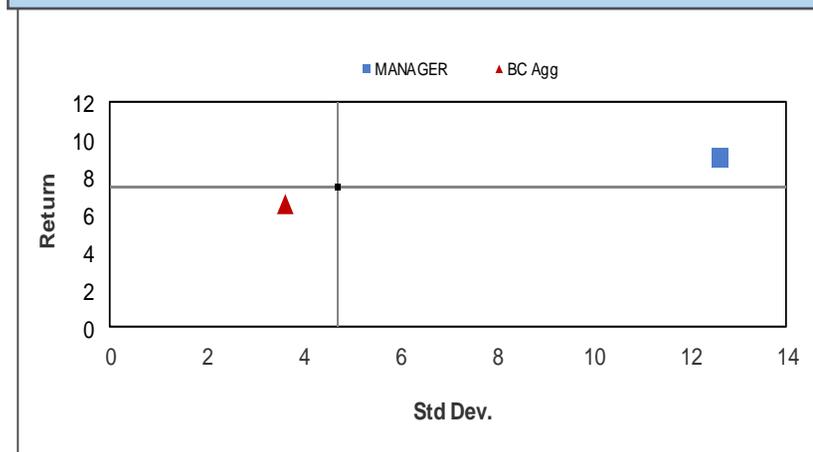
Characteristics

	Manager	BC Agg
Average Coupon(%)	3.0	4.2
Average Life	4.5	7.4
Yield to Maturity(%)	2.2	2.8
Duration	3.6	5.2
Average Quality	AAA	AA1/AA2

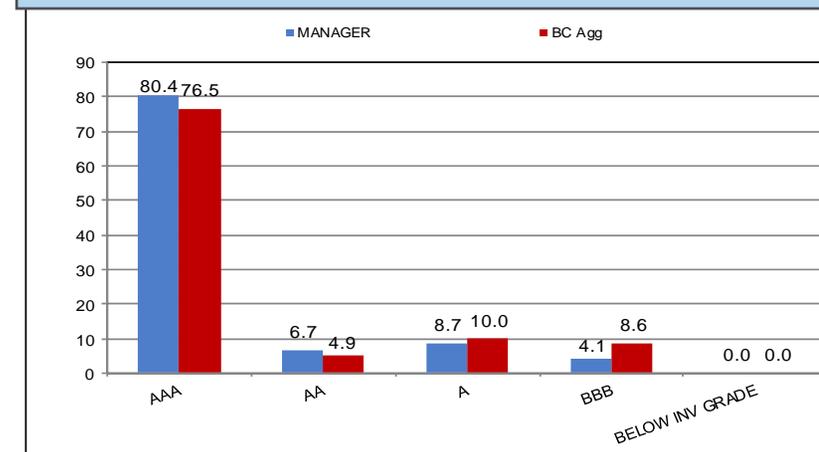
Sector Allocation



3Yr. Risk vs. Return (Core Fixed Income)



Credit Distribution

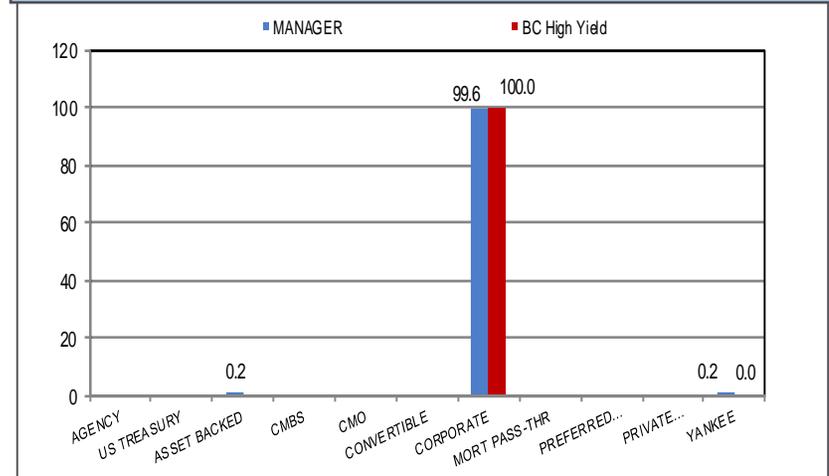


Domestic Fixed Income (High Yield) - Post

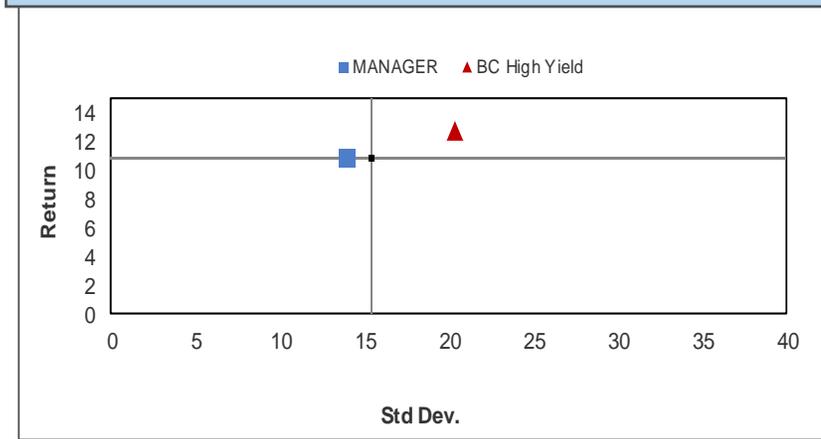
Characteristics

	Manager	BC High Yield
Average Coupon(%)	8.5	8.4
Average Life	6.1	6.8
Yield to Maturity(%)	7.7	7.8
Duration	4.4	4.6
Average Quality	BB-	BB-

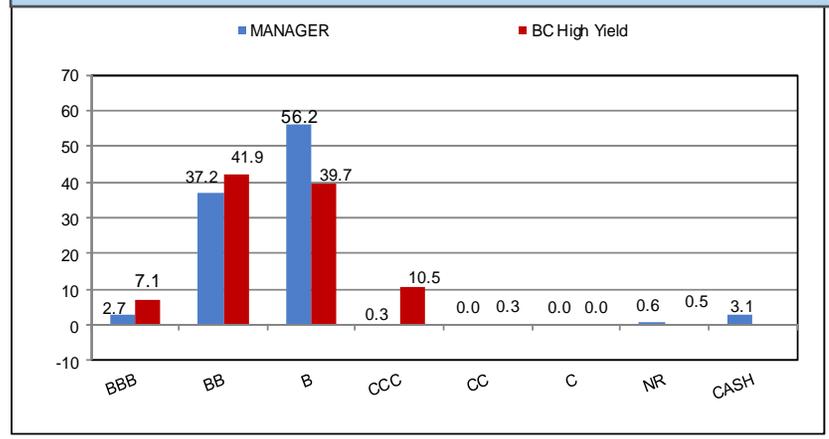
Sector Allocation



3Yr. Risk vs. Return (High Yield)



Credit Distribution

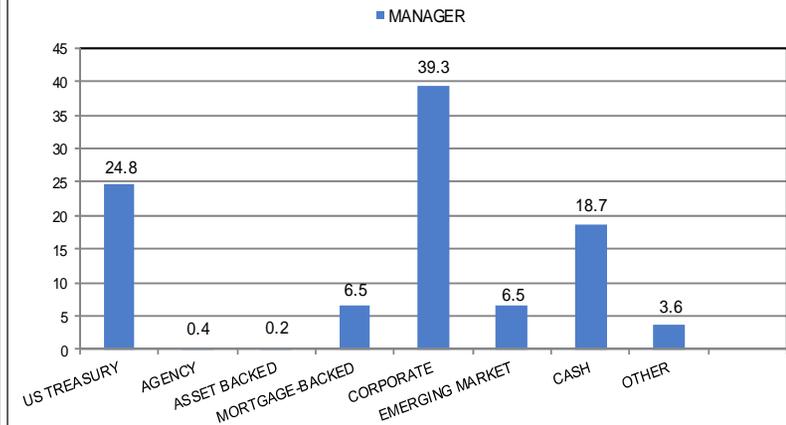


Absolute Return - WAMCO

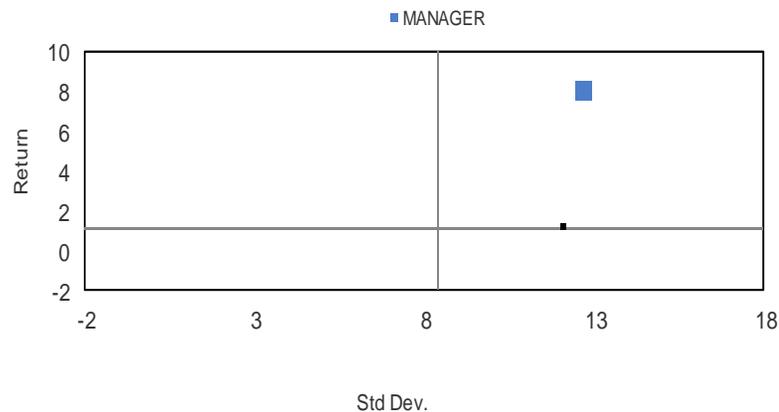
Characteristics

	Manager
Average Coupon(%)	5.0
Average Life	5.3
Duration (Yrs)	3.4
Quality	A/A3
Current Yield	3.7

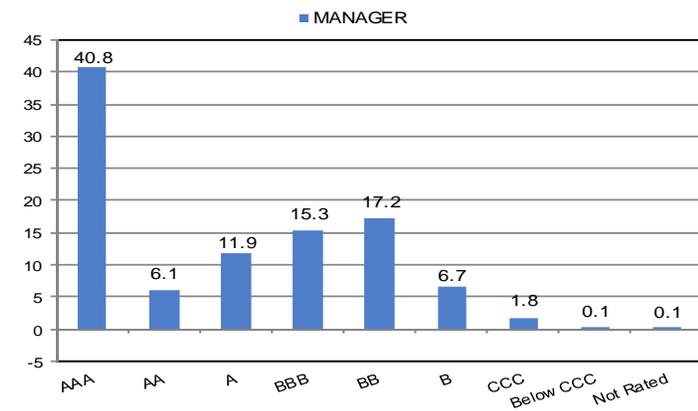
Sector Allocation

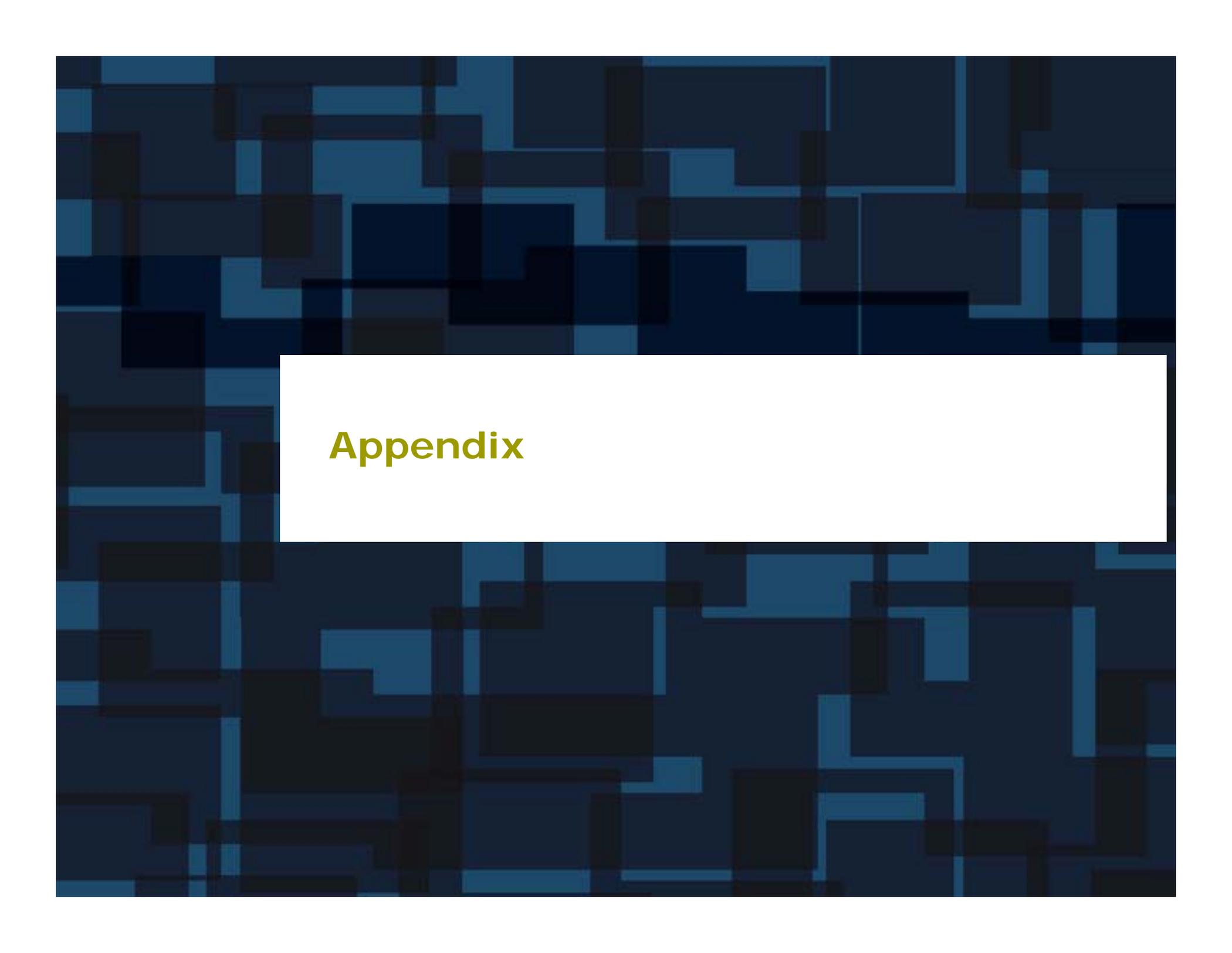


3Yr. Risk vs. Return



Credit Distribution





Appendix

Investment Market Update: Multiple Sectors

July 29 Market Update

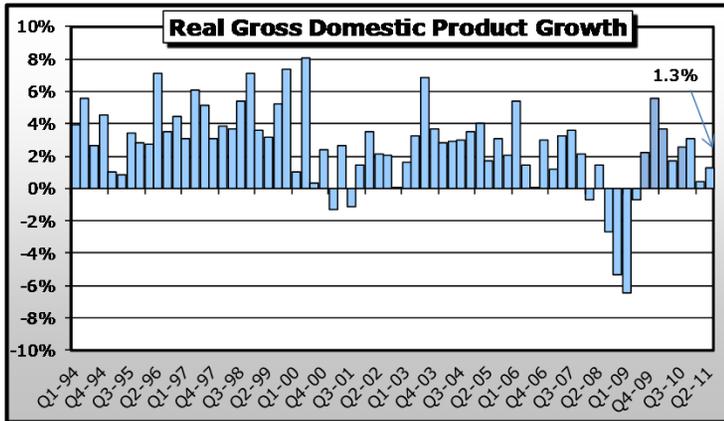
PERFORMANCE THROUGH 7/29/2011

Sector	Index	2011																
		2004	2005	2006	2007	2008	2009	2010	Jan	Feb	Mar	QTR 1	Apr	May	Jun	QTR 2	July	2011
REITS	Wilshire REIT	33.2%	13.8%	36.0%	-17.6%	-39.2%	28.6%	28.6%	3.5%	4.6%	-1.4%	6.7%	5.8%	1.6%	-3.4%	3.9%	1.8%	12.8%
Emerging FI	BC Emerging (\$US)	11.9%	12.3%	10.0%	5.2%	-14.8%	34.2%	12.8%	-0.3%	0.5%	1.4%	1.6%	1.4%	1.3%	0.7%	3.4%	2.0%	7.0%
Global FI	Citigroup WGBI	10.4%	-6.9%	6.1%	11.0%	10.9%	2.6%	5.2%	-0.0%	0.4%	0.3%	0.7%	3.2%	-0.1%	0.2%	3.3%	2.3%	6.4%
High Yield	BC HY	11.1%	2.7%	11.9%	1.9%	-26.2%	58.2%	15.1%	2.2%	1.3%	0.3%	3.9%	1.6%	0.5%	-1.0%	1.1%	1.2%	6.3%
LC Growth	R1000 Growth	6.3%	5.3%	9.1%	11.8%	-38.4%	37.2%	16.7%	2.5%	3.3%	0.1%	6.0%	3.4%	-1.1%	-1.4%	0.8%	-1.0%	5.8%
Muni Bonds	BC Muni (unadj)	4.5%	3.5%	4.8%	3.4%	-2.5%	12.9%	2.4%	-0.7%	1.6%	-0.3%	0.5%	1.8%	1.7%	0.4%	3.9%	1.0%	5.5%
Balanced	Diversified*	12.8%	6.4%	15.2%	5.9%	-26.9%	24.8%	14.4%	1.3%	2.5%	0.2%	3.9%	2.9%	-0.6%	-1.3%	1.0%	-0.6%	4.4%
Core FI	BC Aggregate	4.3%	2.4%	4.3%	7.0%	5.2%	5.9%	6.5%	0.1%	0.3%	0.1%	0.4%	1.3%	1.3%	-0.3%	2.3%	1.6%	4.4%
SC Growth	R2000 Growth	14.3%	4.1%	13.4%	7.1%	-38.5%	34.5%	29.1%	-0.6%	5.9%	3.8%	9.2%	3.6%	-2.0%	-2.1%	-0.6%	-3.9%	4.3%
Large Cap	Russell 1000	11.4%	6.3%	15.5%	5.8%	-37.6%	28.4%	16.1%	2.4%	3.5%	0.3%	6.2%	3.0%	-1.1%	-1.8%	0.1%	-2.2%	4.1%
SMid Cap	R2500	18.3%	8.1%	16.2%	1.4%	-36.8%	34.4%	26.7%	1.3%	4.9%	2.3%	8.7%	2.9%	-1.2%	-2.2%	-0.6%	-3.8%	4.0%
S&P 500	S&P 500	10.9%	4.9%	15.8%	5.5%	-37.0%	26.5%	15.1%	2.4%	3.4%	0.0%	5.9%	3.0%	-1.1%	-1.7%	0.1%	-2.0%	3.9%
Intl. Dev.	EAFE (net)	20.3%	13.5%	26.3%	11.2%	-43.4%	31.8%	7.8%	2.4%	3.3%	-2.2%	3.4%	6.0%	-3.0%	-1.3%	1.6%	-1.6%	3.3%
LC Value	R1000 Value	16.5%	7.1%	22.3%	-0.2%	-36.8%	19.7%	15.5%	2.3%	3.7%	0.4%	6.5%	2.7%	-1.1%	-2.1%	-0.5%	-3.3%	2.4%
Small Cap	Russell 2000	18.3%	4.6%	18.4%	-1.6%	-33.8%	27.2%	26.9%	-0.3%	5.5%	2.6%	7.9%	2.6%	-1.9%	-2.3%	-1.6%	-3.6%	2.4%
Intl. Emerging	EM (net)	25.6%	34.0%	32.2%	39.4%	-53.3%	78.5%	18.9%	-2.7%	-0.9%	5.9%	2.1%	3.1%	-2.6%	-1.5%	-1.1%	-0.4%	0.4%
SC Value	R2000 Value	22.3%	4.7%	23.5%	-9.8%	-28.9%	20.6%	24.5%	0.1%	5.1%	1.4%	6.6%	1.6%	-1.8%	-2.5%	-2.7%	-3.3%	0.3%
Commodities	DJ UBS Commodity	9.2%	21.4%	2.1%	16.2%	-35.7%	18.9%	16.8%	1.0%	1.3%	2.1%	4.4%	3.5%	-5.1%	-5.0%	-6.7%	3.0%	0.3%

* 35% LC, 10% SC, 12% Intl, 3% Emerging, 25% FI, 5% HY, 5% Global FI, 5% REITS

Sources: Lehman Live, Bloomberg, Wilshire

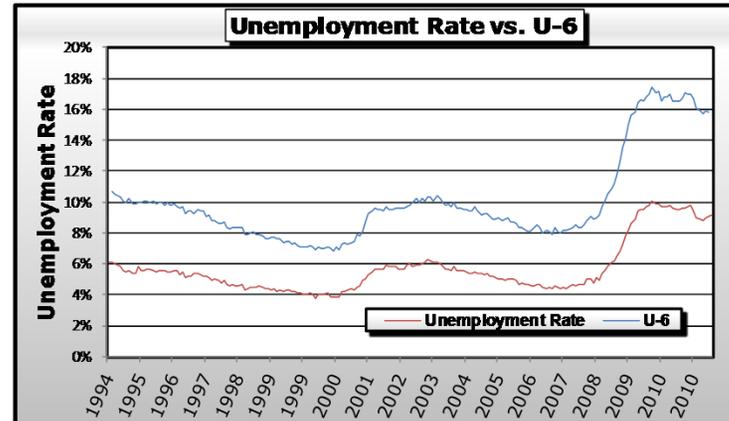
Economic Environment



GDP growth in Q2 came in at 1.3%, and Q1 was revised down to 0.4%.

Source: Bloomberg

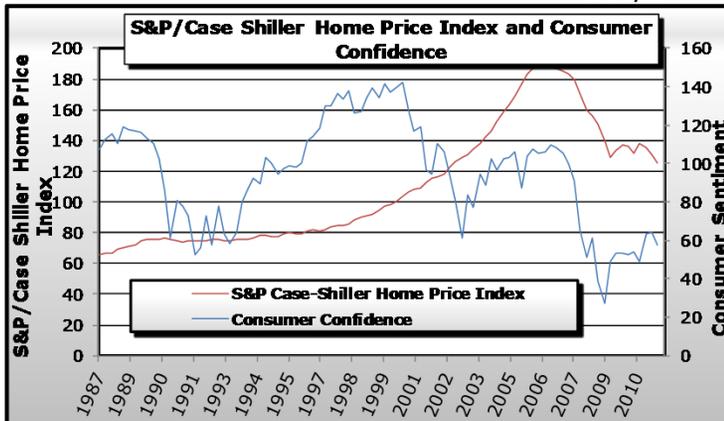
As of 7/29



Unemployment ticked up to 9.2% while U-6, a measure of broader unemployment, ended June at 16.2%.

Source: Bloomberg

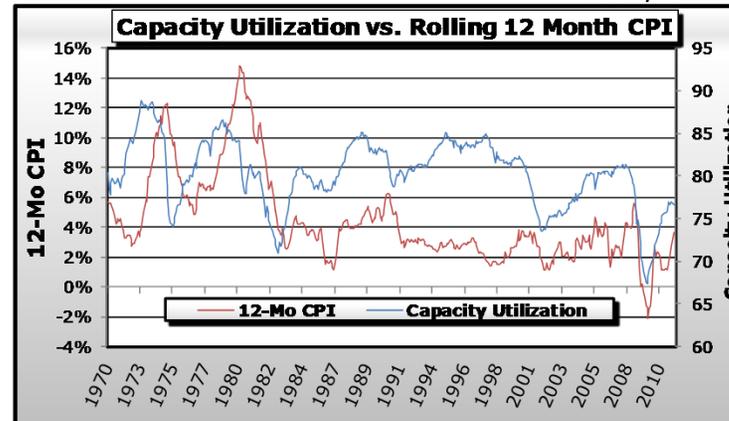
As of 6/30



Consumer confidence dropped in Q2; the Case-Shiller Home price index remains low.

Source: Bloomberg

As of 6/30



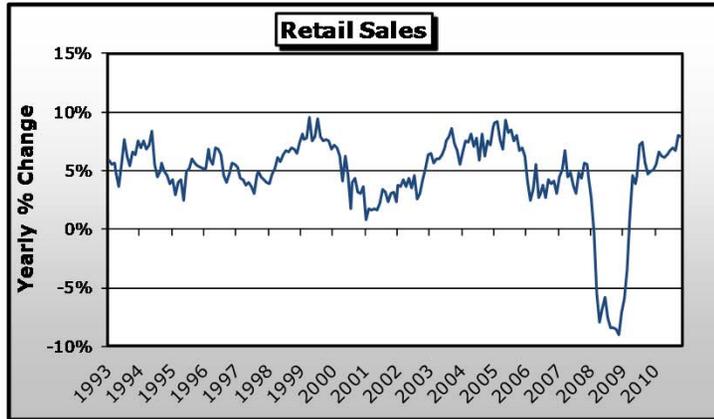
Capacity utilization stayed flat in June but still remains at depressed levels while CPI rose to 3.6%.

Source: Bloomberg

As of 6/30



Components of U.S. GDP



Retail Sales have recovered after hitting lows in 2008, however they dropped slightly in June.

Source: Bloomberg

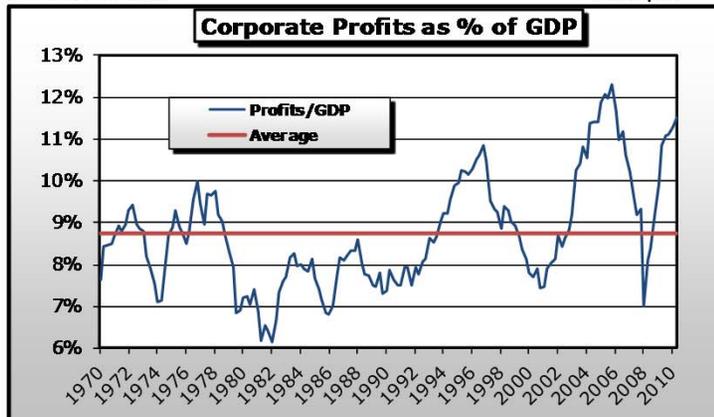
As of 6/30



The inventory liquidation process that was a boost to 2009 growth results has worn off, meaning demand must contribute to further growth.

Source: Bloomberg

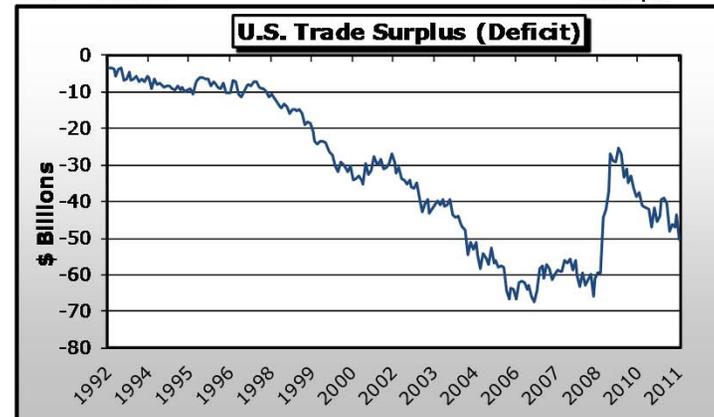
As of 5/31



Corporate Profits as a % of GDP increased in Q1 to 11.5%.

Source: Bloomberg

As of 3/31



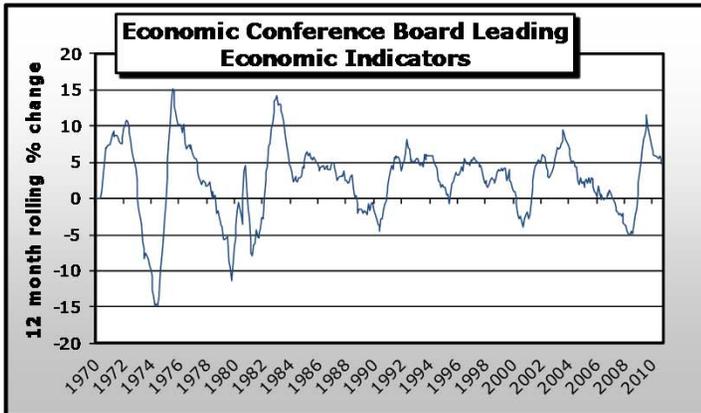
The U.S. trade deficit increased in May

Source: Bloomberg

As of 5/31

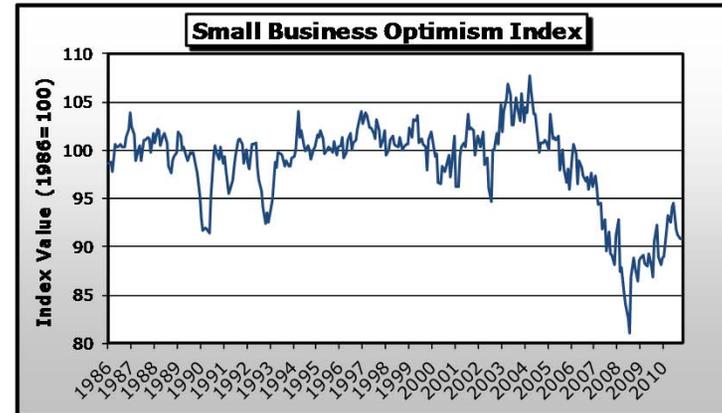


Key Economic Indicators



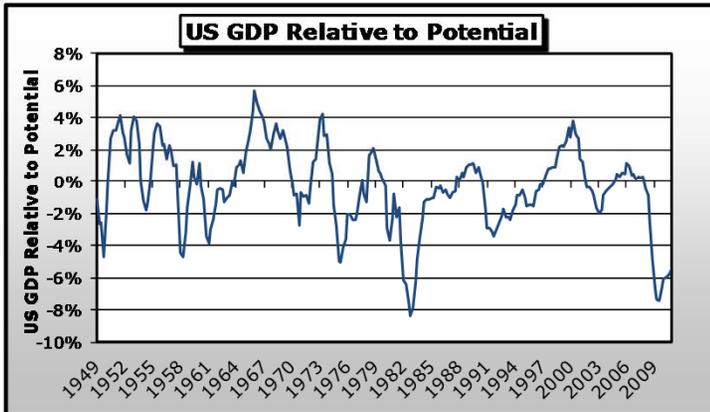
Rolling percentage change in the Leading Economic Indicators index increased in May.

Source: Bloomberg As of 5/31



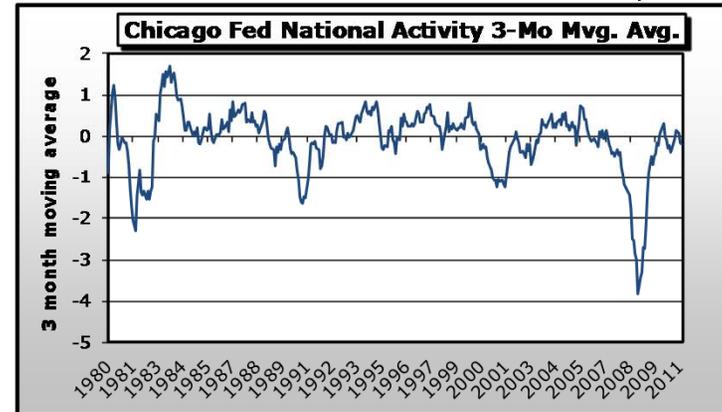
The small business optimism index fell modestly in June while remaining at depressed levels.

Source: Bloomberg As of 6/30



US GDP has increased relative to Potential GDP in recent months.

Source: St. Louis Fed As of 3/31

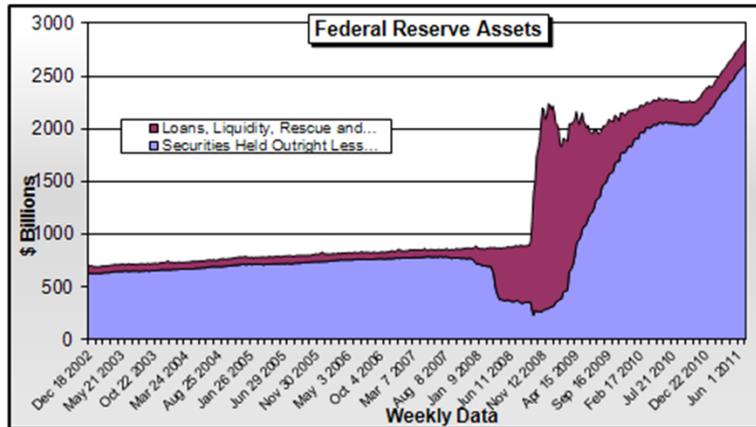


Chicago Fed National Activity 3 Month moving average fell modestly in May.

Source: Bloomberg As of 5/31



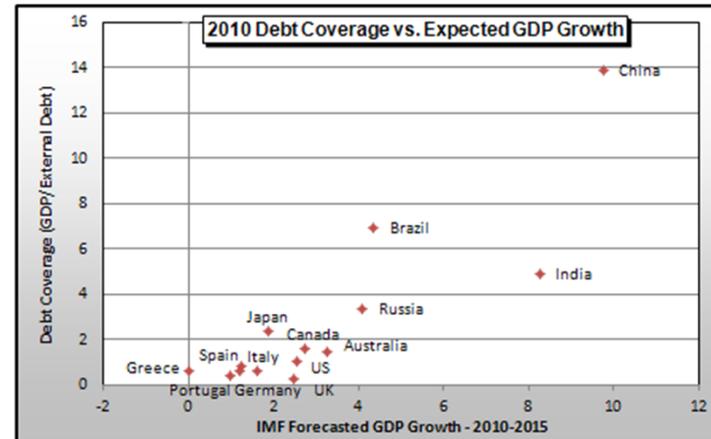
Economic Environment



The Fed Balance Sheet has likely peaked (for now) with QE2 coming to a close on June 30, 2011.

Source: United States Federal Reserve

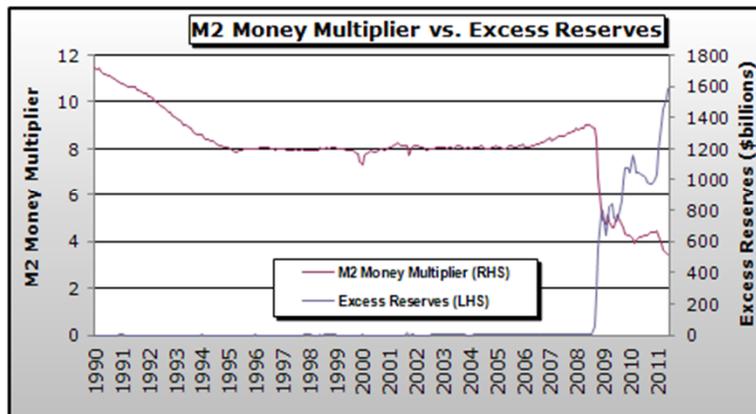
As of 6/30



Emerging market countries have more robust growth expectations and lower debt burdens.

Source: IMF, CIA World Factbook

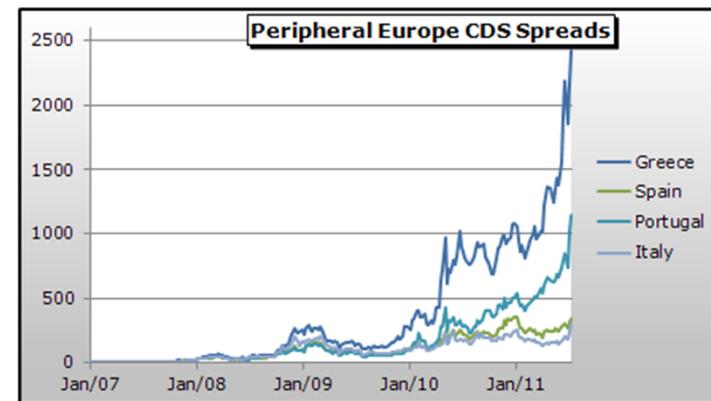
As of 12/31



The Money Multiplier remains low as a result of QE2, and banks have increased reserves in recent months.

Source: St. Louis Fed

As of 6/30



Peripheral Europe Credit Default Swap spreads have widened dramatically over the last 18 months, indicating increased investor concern about default possibility.

Source: Bloomberg

As of 6/30



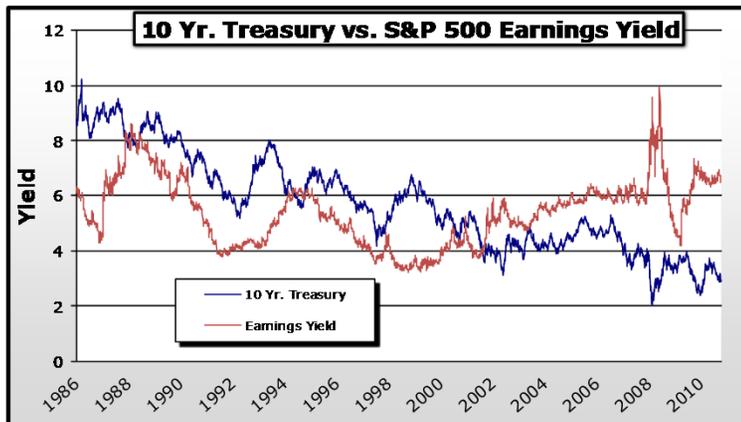
Market Environment – U.S. Equity



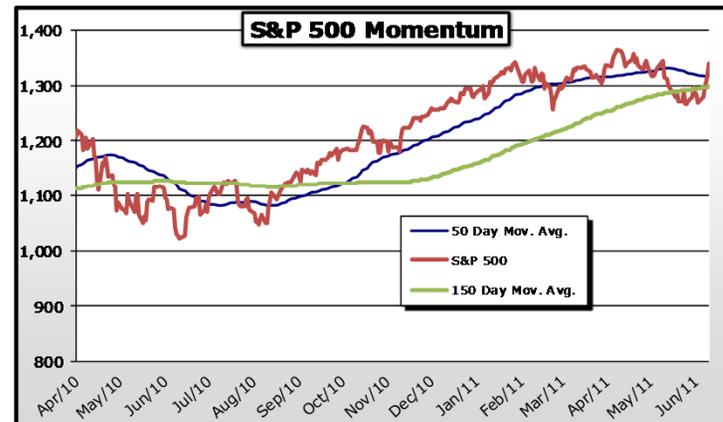
S&P appears close to fairly valued based on cyclically adjusted P-E ratio.



The VIX rose in June while equity markets dropped over the same period.



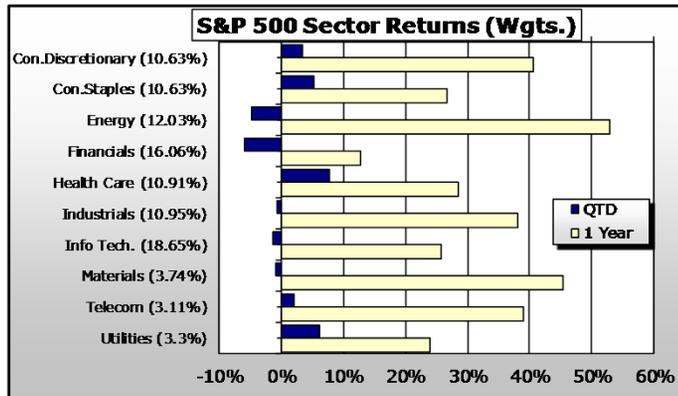
The earnings on stocks remain attractive relative to low Treasury yields.



S&P 500 fifty day moving average remains above the 150 day moving average as of 6/30, despite recent volatility.



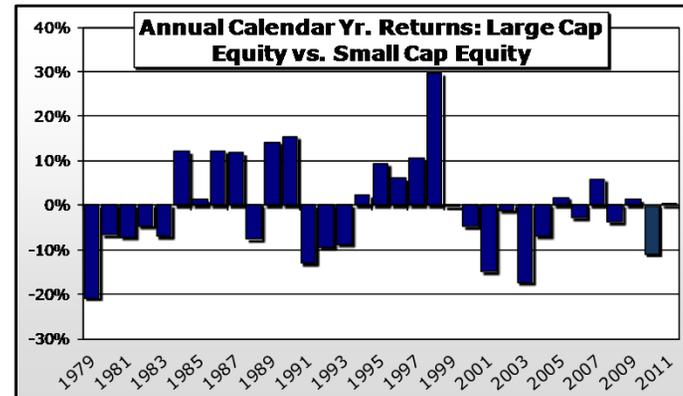
U.S. Stock Market Performance



The Health Care sector led the S&P 500 in Q2 while Energy led for the trailing year; Financials were the main drag on performance in Q2.

Source: Standard & Poors

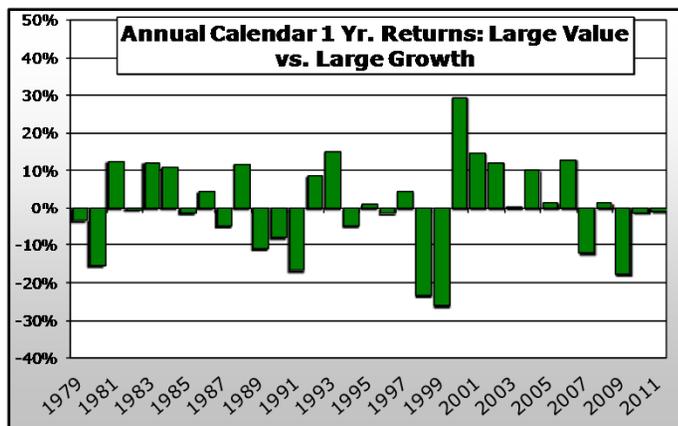
As of 6/30



Large Cap has outperformed Small Cap by 0.2% so far in 2011.

Source: Bloomberg

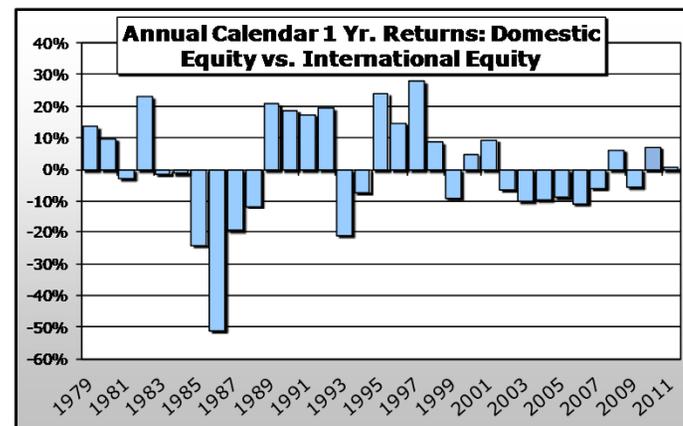
As of 6/30



Growth stocks have outperformed value stocks by 0.9% so far in 2011.

Source: Bloomberg

As of 6/30



Domestic equity has outperformed International equity by 1.0% so far in 2011.

Source: Bloomberg

As of 6/30



Non – U.S. Stock Market Performance

Developed Market Equity Returns (U.S. Dollars)

Source: MSCI Inc.

	Qtr. (%)	1 Yr. (%)	3 Yr. (%)
Europe ex UK	2.8%	36.9%	-2.3%
United Kingdom	1.7%	34.1%	-1.4%
Japan	0.2%	13.0%	-4.3%
Pacific Ex Japan	-0.2%	35.6%	5.1%
Canada	-4.7%	30.2%	0.3%
USA	0.1%	30.7%	2.7%

US Dollar Return vs. Major Foreign Currencies

(Negative = Dollar Depreciates, Positive = Dollar Appreciates)

	Qtr.	1 Yr.	5 Yr.
Euro	-2.4%	-15.6%	-2.5%
Japanese Yen	-3.1%	-8.9%	-6.8%
British Pound	-0.1%	-6.9%	2.9%
Canada	-0.7%	-9.5%	-2.9%
Australia	-3.7%	-21.6%	-7.1%

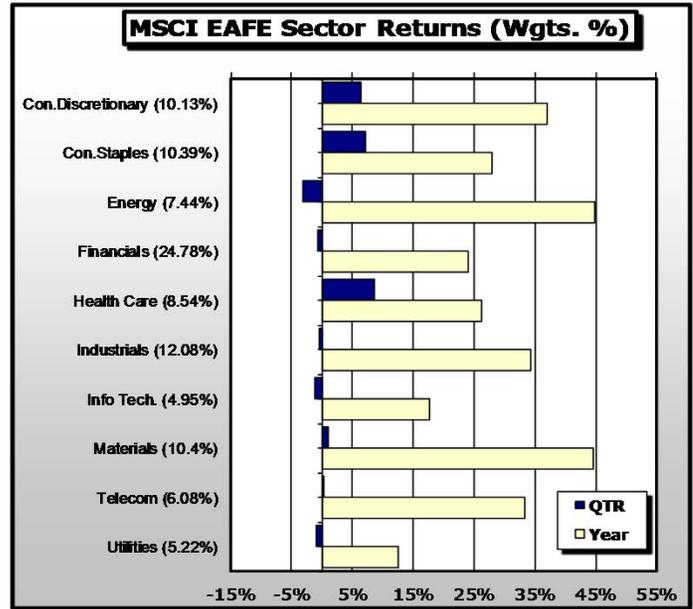
Currency Impact on Developed Mkt. Returns

(Negative = Currency Hurt, Positive = Currency Helped)

	Qtr.	1 Yr.	5 Yr.
MSCI EAFE (Local)	-0.8%	13.3%	-1.9%
MSCI EAFE (USD)	1.6%	30.4%	1.5%
Currency Impact	2.4%	17.0%	3.3%

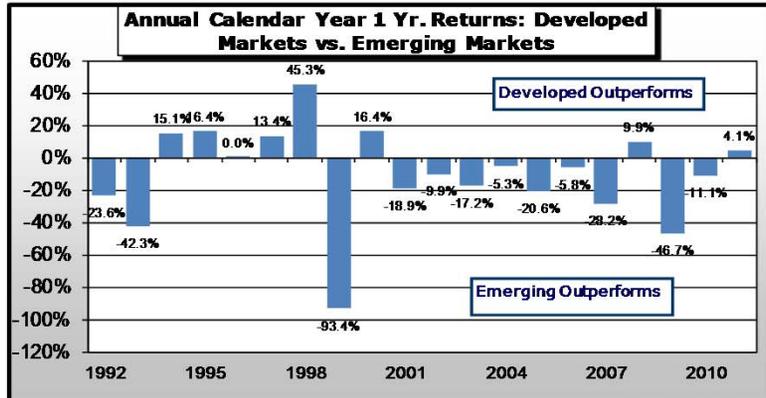
Source: Bloomberg, MSCI Inc.

As of 6/30/11



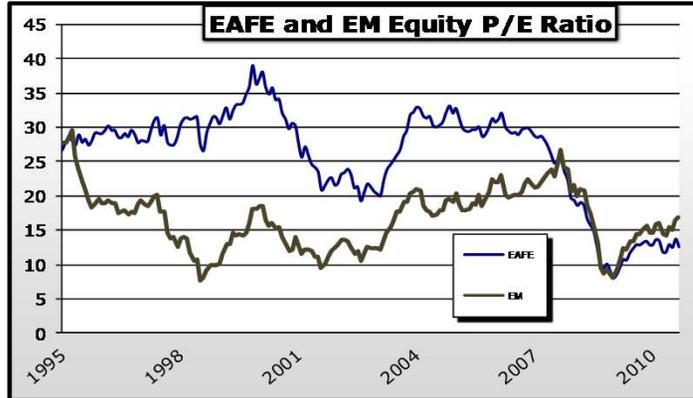
Source: Bloomberg, MSCI Inc.

As of 6/30/11



Source: MSCI Inc.

As of 6/30/11

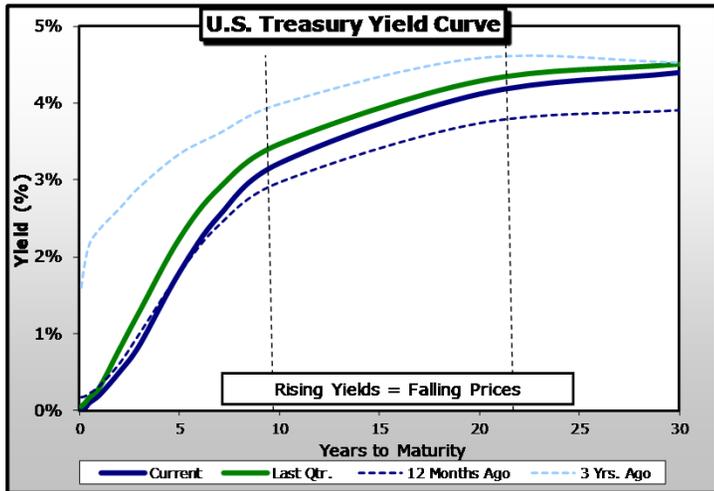


Source: Bloomberg, NEPC

As of 3/31/11

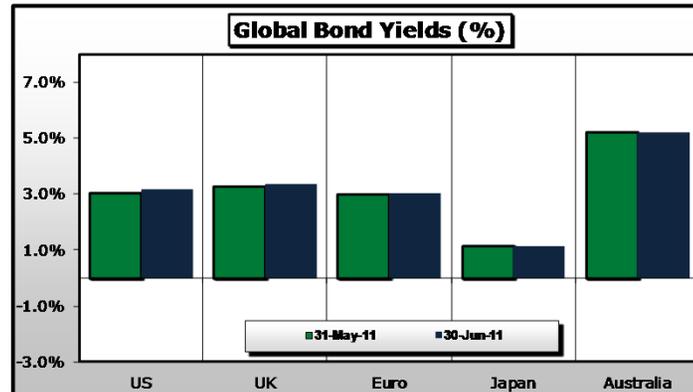


Market Environment – Interest Rates



Source: U.S. Treasury

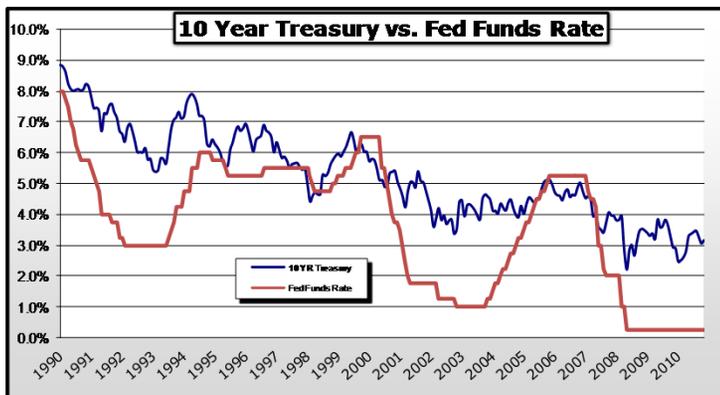
As of 6/30



Global Yields are higher today in the US and UK than a month ago while Australia and the Euro remained flat and Japan fell.

Source: Bloomberg

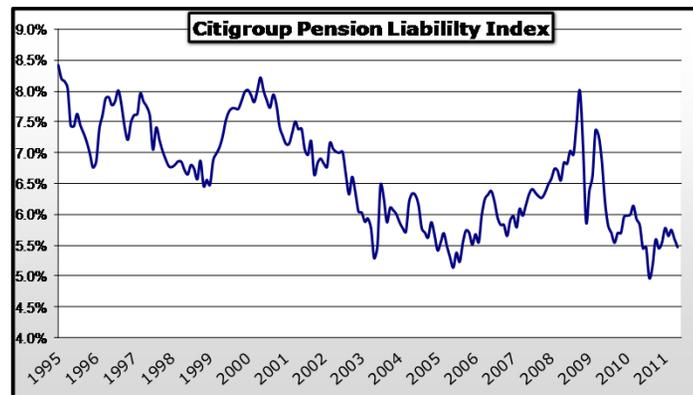
As of 6/30



Fed Funds rate is still 0.25% while 10 Yr. Treasury Yield increased to 3.16% in June.

Source: Bloomberg

As of 6/30

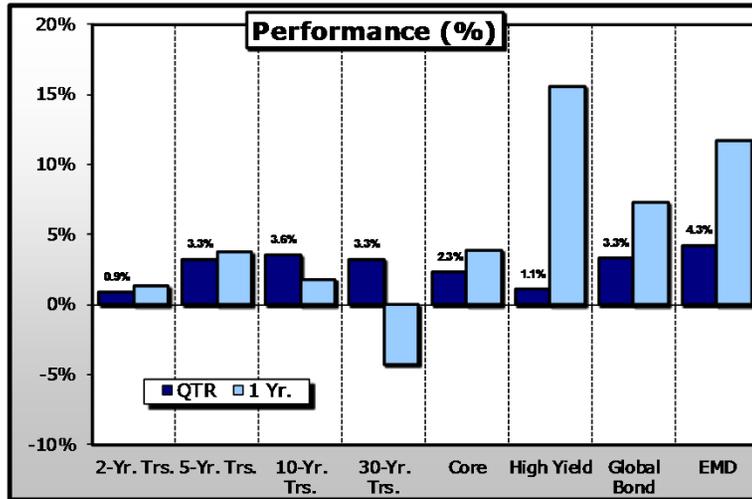


Citi Pension rate decreased to 5.5% in May.

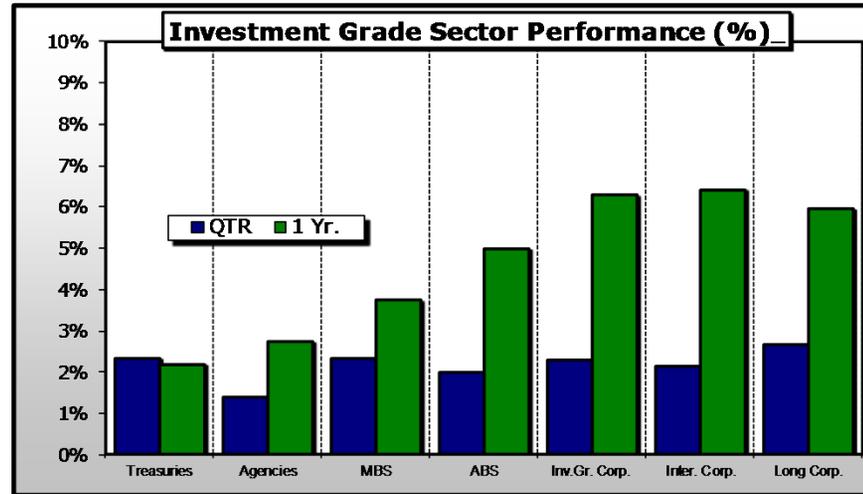
Source: Citigroup

As of 5/31

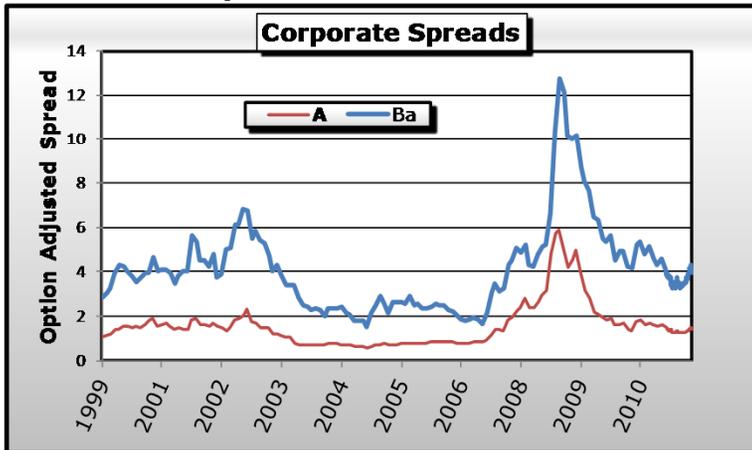
Fixed Income Performance



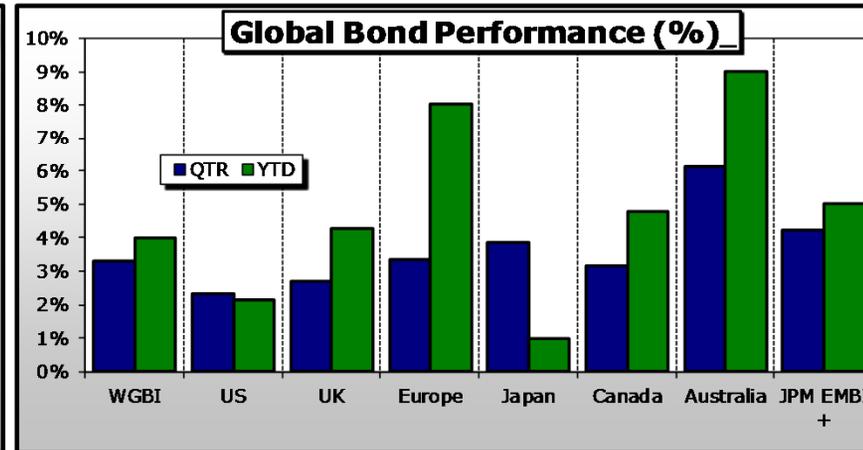
Source: Yield Book, Bloomberg



Source: Yield Book



Source: Lehman Live

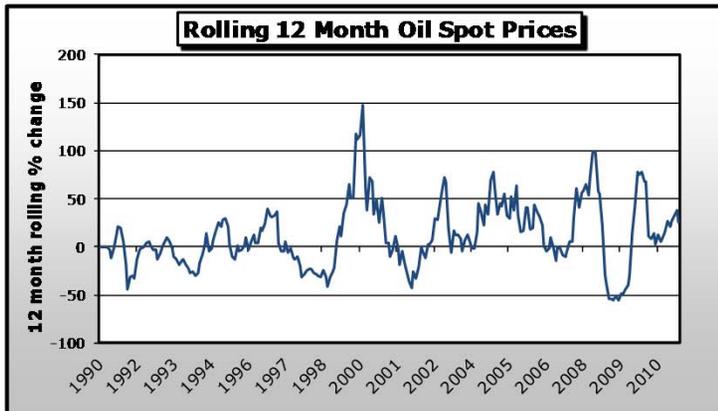


Source: Yield Book

All data as of 6/30



Market Environment – Commodities



Oil prices fell to \$95.4 per barrel at the end of June.

Source: Bloomberg

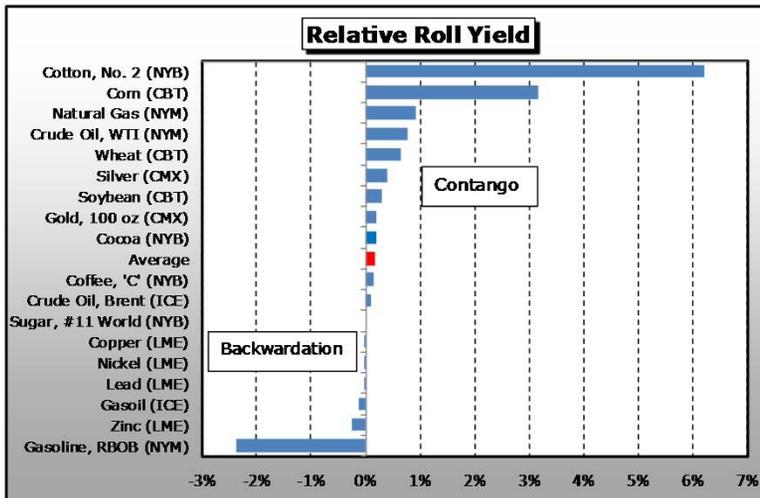
As of 6/30



Gold prices finished at \$1,500 per ounce at the end of June.

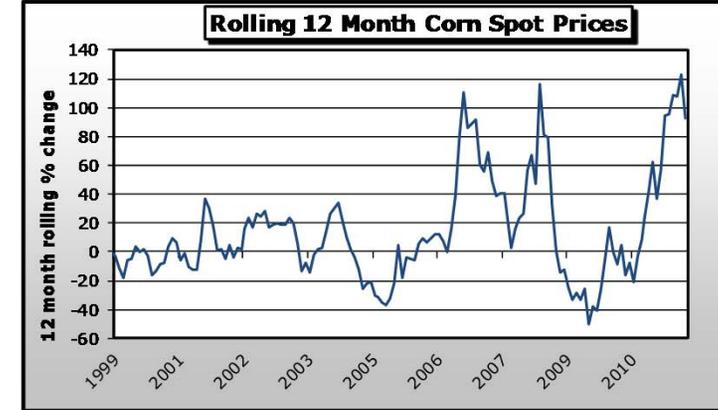
Source: Bloomberg

As of 6/30



Source: Bloomberg

As of 6/30



Corn prices finished at \$6.31/bushel at the end of June.

Source: Bloomberg

As of 6/30



Information Disclosure

- NEPC uses, as its data source, the plan's custodian bank or fund service company, and NEPC relies on those sources for security pricing, calculation of accruals, and all transactions, including income payments, splits, and distributions. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
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- S&P Index data is provided courtesy of Standard & Poor's Financial Services LLC.