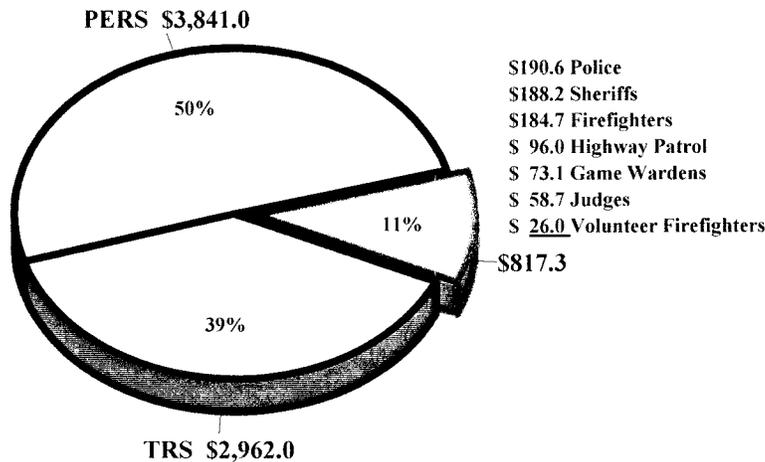


PENSION FUNDS

Pension Funds By Source

\$7.62 Billion Fair Value At June 30, 2008

(In Millions)



By law, all public pension funds in the state, including local governments and school districts, are managed by the state. The Board of Investments manages all pension fund investments. Pension fund operations are administered by two boards appointed by the Governor.

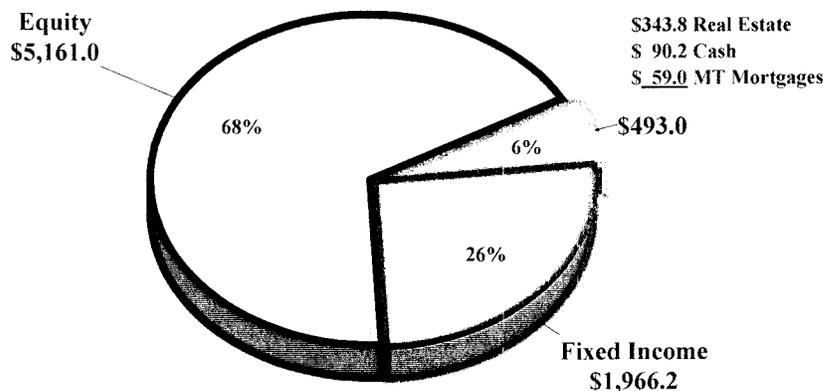
The Teachers' Retirement Board manages the Teachers' Retirement System (TRS), while the

Public Employees' Retirement Board manages the other eight systems.

Pension Funds By Investment

\$7.62 Billion Fair Value At June 30, 2008

(In Millions)



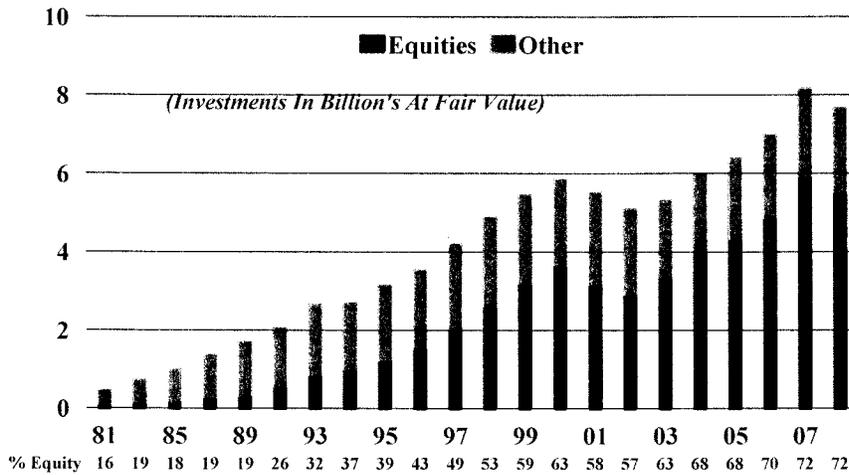
The upper graph depicts the state's nine pension fund investment portfolios at fair value as of June 30. The lower graph depicts total pension fund investments by major investment type.

As of June 30 approximately 99 percent of pension fund investments at fair value were managed in various investment pools created by the Board. These

pools, which operate similar to mutual funds, simplify investing and accounting, and provide broader diversification for the smaller funds. Income is distributed monthly to pool participants.

The pension funds earned \$198.6 million on their investments in 2008, compared to \$333.4 million in 2007. The total rate of return of each fund is shown on the following pages.

Pension Equity Investments

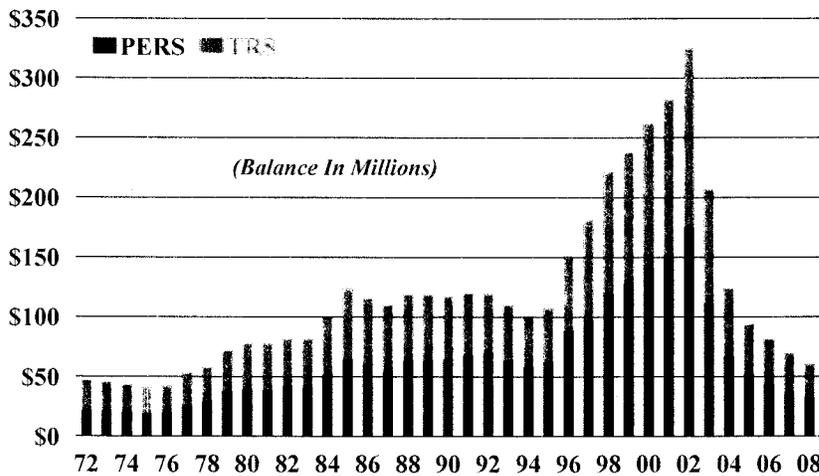


The Board has increased pension investments in equities in recent years to increase the total rate of return. The current range for total equity investments is 60-70% of total pension assets. The allocation was maintained in the upper end of the range throughout the fiscal year.

Declining equity prices reduced fair value of total pension fund investments from 2001 through 2003. Pension fund assets of \$5.95 billion in 2004 finally surpassed the 2000 value at the peak of the stock market bubble.

Pension Mortgages History

Outstanding Principal At Year-End



During 2001 through 2003 the Board actively sold fixed-income investments and invested the sale proceeds in the equity markets.

This rebalancing and a resurgent of domestic and international stock markets brought pension fund equity allocation to 68 percent of total pension fund investments in 2004.

From 1994 to 2002, the Board significantly

increased pension investments in Montana residential mortgages. Mortgage investments peaked at \$324.0 million in 2002. From 2003 through 2005, mortgage rates on the secondary market declined to less than 6 percent and the Board declined to purchase mortgages for the pension funds at these rates. This policy, combined with significant mortgage re-financings caused a significant drop in the pension mortgage portfolio to \$59.7 million at year-end 2008.

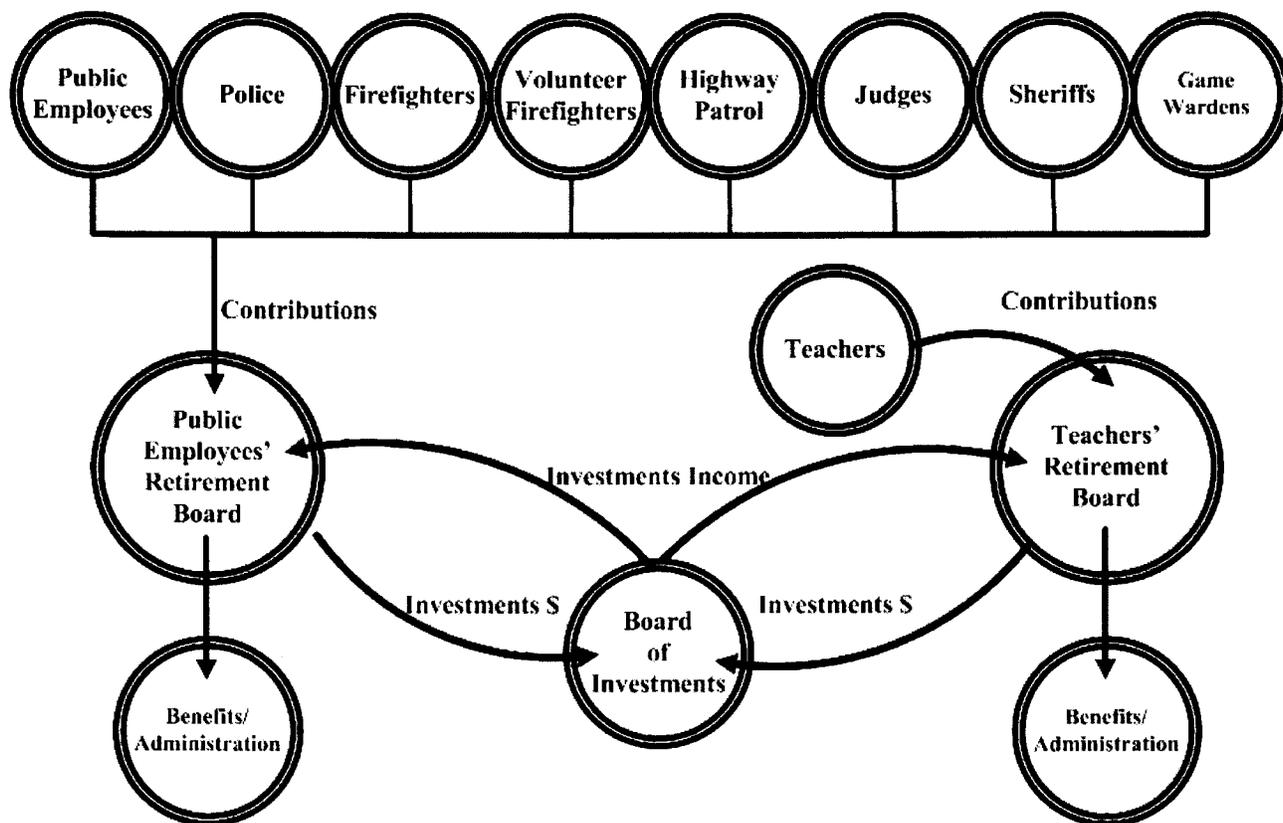
Pension Funds Annual Book Value Change At June 30

<u>Fund</u>	<u>2008 \$ Book Value</u>	<u>% of Total</u>	<u>2007 \$ Book Value</u>	<u>% of Total</u>	<u>\$ Change</u>	<u>% of Change</u>
Public Employees	2,596,905,188	50.2	2,555,999,805	50.2	40,905,383	1.6
Teachers	1,992,790,973	38.5	1,976,828,420	38.8	15,962,553	0.8
Police	137,299,263	2.7	133,138,238	2.6	4,161,026	3.1
Firefighters	134,409,185	2.6	127,771,817	2.5	6,637,368	5.2
Sheriffs	133,769,605	2.6	127,876,186	2.5	5,893,419	4.6
Highway Patrol	65,651,211	1.3	64,981,471	1.3	669,740	1.0
Game Wardens	55,128,207	1.1	49,832,066	1.0	5,296,141	10.6
Judges	40,433,951	0.8	39,231,024	0.8	1,202,927	3.1
Volunteer Firefighters	<u>20,274,641</u>	<u>0.4</u>	<u>19,669,979</u>	<u>0.4</u>	<u>604,662</u>	<u>3.1</u>
Total	<u>5,176,662,224</u>	<u>100.0</u>	<u>5,095,329,005</u>	<u>100.0</u>	<u>81,333,219</u>	<u>1.6</u>
<u>Investment Type</u>						
Retirement Funds Bond Pool	1,989,955,106	38.4	1,994,113,348	39.1	(4,158,242)	(0.2)
Equities	2,703,291,446	52.2	2,643,798,155	51.9	59,493,291	2.3
Real Estate Pool	316,535,000	6.1	155,035,000	3.0	161,500,000	104.2
Direct Real Estate	16,964,552	0.3	16,830,392	0.3	134,161	0.8
Short Term Investment Pool	90,213,738	1.7	216,714,579	4.3	(126,500,841)	(58.4)
Montana Mortgages	59,702,382	1.2	68,837,530	1.4	(9,135,148)	(13.3)
Total	<u>5,176,662,224</u>	<u>100.0</u>	<u>5,095,329,005</u>	<u>100.0</u>	<u>81,333,219</u>	<u>1.6</u>

Pension Funds Annual Fair Value Change At June 30

<u>Fund</u>	<u>2008 \$ Fair Value</u>	<u>% of Total</u>	<u>2007 \$ Fair Value</u>	<u>% of Total</u>	<u>\$ Change</u>	<u>% of Change</u>
Public Employees	3,840,967,298	50.4	4,092,006,497	50.3	(251,039,199)	(6.1)
Teachers	2,961,960,654	38.9	3,182,357,548	39.1	(220,396,894)	(6.9)
Police	190,589,682	2.5	202,111,670	2.5	(11,521,988)	(5.7)
Sheriffs	188,161,316	2.5	196,216,438	2.4	(8,055,123)	(4.1)
Firefighters	184,737,400	2.4	192,509,793	2.4	(7,772,394)	(4.0)
Highway Patrol	95,999,795	1.3	102,618,067	1.3	(6,618,272)	(6.4)
Game Wardens	73,124,533	1.0	73,194,406	0.9	(69,873)	(0.1)
Judges	58,658,494	0.8	61,806,036	0.8	(3,147,542)	(5.1)
Volunteer Firefighters	<u>25,992,748</u>	<u>0.3</u>	<u>27,491,637</u>	<u>0.3</u>	<u>(1,498,889)</u>	<u>(5.5)</u>
Total	<u>7,620,191,919</u>	<u>100.0</u>	<u>8,130,312,093</u>	<u>100.0</u>	<u>(510,120,173)</u>	<u>(6.3)</u>
<u>Investment Type</u>						
Retirement Funds Bond Pool	1,966,209,529	25.8	1,969,724,342	24.2	(3,514,813)	(0.2)
Equities	5,160,987,442	67.7	5,701,058,381	70.1	(540,070,939)	(9.5)
Real Estate Pool	326,540,884	4.3	157,501,001	1.9	169,039,883	107.3
Direct Real Estate	17,282,489	0.2	17,053,221	0.2	229,267	1.3
Short Term Investment Pool	90,213,738	1.2	216,714,579	2.7	(126,500,841)	(58.4)
Montana Mortgages	58,957,838	0.8	68,260,568	0.8	(9,302,730)	(13.6)
Total	<u>7,620,191,919</u>	<u>100.0</u>	<u>8,130,312,093</u>	<u>100.0</u>	<u>(510,120,173)</u>	<u>(6.3)</u>

The chart on the next page depicts the relationship of the two state Pension Boards to the Board of Investments in managing the state's nine pension fund assets and liabilities.



As depicted in the above chart the employee/employer contributions are collected by the two Pension Boards that administer the benefits. The actual employee/employer contribution levels and the formulas for benefits are set by law. The Pension Boards hire actuarial firms to value the nine systems and provide the assumptions used by the actuary in the valuations. The actuary determines the “soundness” of the systems based on the assumptions. Article VIII, Section 15 of the Montana State Constitution requires that the systems be “actuarially sound” as follows:

(1) Public retirement systems shall be funded on an actuarially sound basis. Public retirement system assets, including income and actuarially required contributions, shall not be encumbered, diverted, reduced, or terminated and shall be held in trust to provide benefits to participants and their beneficiaries and to defray administrative expenses.

(2) The governing boards of public retirement systems shall administer the system, including actuarial determinations, as fiduciaries of system participants and their beneficiaries.

- State law defines a system as actuarially sound when its unfunded liability, if any, can be amortized in 30 years or less with the current level of contributions. As of June 30, 2008, the Teachers’ Retirement System was not actuarially sound as determined by the system’s actuary. The state’s remaining eight funds were actuarially sound as determined by the systems’ actuaries.

The tables on the following pages show information on the nine systems.

Membership

<u>PERS</u>	<u>6/30/2008</u>	<u>6/30/2007</u>
Retirees & Beneficiaries	16,627	16,137
Vested Terminated	2,579	2,576
Non-vested Terminated	6,268	6,401
Active Members	<u>28,293</u>	<u>27,977</u>
Total	<u>53,767</u>	<u>53,091</u>

<u>Sheriffs</u>	<u>6/30/2008</u>	<u>6/30/2007</u>
Retirees & Beneficiaries	394	384
Vested Terminated	46	38
Non-vested Terminated	139	120
Active Members	<u>1,109</u>	<u>1,076</u>
Total	<u>1,688</u>	<u>1,618</u>

<u>Firefighters</u>	<u>6/30/2008</u>	<u>6/30/2007</u>
Retirees & Beneficiaries	535	519
Vested Terminated	9	9
Non-vested Terminated	52	52
Active Members	<u>525</u>	<u>480</u>
Total	<u>1,121</u>	<u>1,060</u>

<u>Highway Patrol</u>	<u>6/30/2008</u>	<u>6/30/2007</u>
Retirees & Beneficiaries	290	284
Vested Terminated	13	14
Non-vested Terminated	7	8
Active Members	<u>212</u>	<u>204</u>
Total	<u>522</u>	<u>510</u>

<u>Game Wardens</u>	<u>6/30/2008</u>	<u>6/30/2007</u>
Retirees & Beneficiaries	120	111
Vested Terminated	40	35
Non-vested Terminated	115	91
Active Members	<u>885</u>	<u>821</u>
Total	<u>1,160</u>	<u>1,058</u>

<u>Volunteer Firefighters</u>	<u>6/30/2008</u>	<u>6/30/2007</u>
Retirees & Beneficiaries	1,082	1,038
Vested Terminated	793	800
Active Members	<u>2,301</u>	<u>2,207</u>
Total	<u>4,176</u>	<u>4,045</u>

<u>Judges</u>	<u>6/30/2008</u>	<u>6/30/2007</u>
Retirees & Beneficiaries	50	51
Vested Terminated	5	5
Non-vested Terminated	-	-
Active Members	<u>51</u>	<u>51</u>
Total	<u>106</u>	<u>107</u>

<u>Teachers</u>	<u>7/01/2008</u>	<u>7/01/2007</u>
Retirees & Beneficiaries	11,788	11,356
Vested Terminated	1,649	1,671
Non-vested Terminated	9,574	8,963
Active Members	<u>18,292</u>	<u>18,176</u>
Total	<u>41,303</u>	<u>40,166</u>

<u>Police</u>	<u>6/30/2008</u>	<u>6/30/2007</u>
Retirees & Beneficiaries	636	592
Vested Terminated	34	37
Non-vested Terminated	58	38
Active Members	<u>673</u>	<u>640</u>
Total	<u>1,401</u>	<u>1,307</u>

<u>Total</u>	<u>6/30/2008</u>	<u>6/30/2007</u>
Retirees & Beneficiaries	31,522	30,472
Vested Terminated	5,168	5,185
Non-vested Terminated	16,213	15,673
Active Members	<u>52,341</u>	<u>51,632</u>
System Total	<u>105,244</u>	<u>102,962</u>

Assets and Liabilities (In Thousands \$)

PERS	6/30/2008	6/30/2007
Actuarial Liability	4,504,743	4,201,251
Actuarial Assets (1)	4,065,307	3,825,234
Unfunded Actuarial Liability	439,436	376,017
Funded Ratio	90.25%	91.05%

Sheriffs	6/30/2008	6/30/2007
Actuarial Liability	204,549	189,036
Actuarial Assets	199,453	183,894
Unfunded Actuarial Liability	5,096	5,142
Funded Ratio	97.51%	97.28%

Firefighters	6/30/2008	6/30/2007
Actuarial Liability	287,218	269,399
Actuarial Assets	206,127	188,545
Unfunded Actuarial Liability	81,091	80,854
Funded Ratio	71.77%	69.99%

Highway Patrol	6/30/2008	6/30/2007
Actuarial Liability	134,683	128,306
Actuarial Assets	101,500	95,758
Unfunded Actuarial Liability	33,183	32,548
Funded Ratio	75.36%	74.63%

Game Wardens	6/30/2008	6/30/2007
Actuarial Liability	83,449	72,992
Actuarial Assets	77,511	68,755
Unfunded Actuarial Liability	5,938	4,237
Funded Ratio	92.88%	94.20%

Volunteer Firefighters	6/30/2008	6/30/2007
Actuarial Liability	32,735	31,599
Actuarial Assets	27,544	25,862
Unfunded Actuarial Liability	5,191	5,737
Funded Ratio	84.14%	81.84%

Judges	6/30/2008	6/30/2007
Actuarial Liability	39,435	36,863
Actuarial Assets	62,040	57,778
Unfunded Actuarial Liability	(22,605)	(20,915)
Funded Ratio	157.32%	156.74%

Teachers	7/01/2008	7/01/2007
Actuarial Liability	4,110,800	3,928,500
Actuarial Assets (1)	3,159,135	3,006,233
Unfunded Actuarial Liability	951,665	922,267
Less University Contributions	157,100	153,400
Unfunded Actuarial Liability	794,565	768,867

Police	6/30/2008	6/30/2007
Actuarial Liability	327,556	310,423
Actuarial Assets	212,312	198,310
Unfunded Actuarial Liability	115,244	112,113
Funded Ratio	64.82%	63.88%

Total	6/30/2008	6/30/2007
Actuarial Liability	9,725,168	9,168,369
Actuarial Assets (1)	8,110,929	7,650,369
Unfunded Actuarial Liability	1,614,239	1,518,000
Less University Contributions	157,100	153,400
Total Unfunded Liability	1,457,139	1,364,600

(1) The December 2005 Special Session appropriated \$25.0 million to PERS and \$100.0 million to TRS. An additional \$50 million was made to TRS in the first half of 2007.

Cash Flow
(In Thousands \$)

<u>PERS</u>	<u>2008</u>	<u>2007</u>
Employees	72,874	69,150
Employers	72,270	67,196
State	378	446
Contributions	145,522	136,792
Benefits/A dministration	(197,756)	(183,845)
Cash Flow	(52,234)	(47,053)

<u>Sheriffs</u>	<u>2008</u>	<u>2007</u>
Employees	4,815	4,921
Employers	4,834	4,386
Contributions	9,649	9,307
Benefits/A dministration	(8,056)	(7,862)
Cash Flow	1,593	1,445

<u>Firefighters</u>	<u>2008</u>	<u>2007</u>
Employees	3,152	2,619
Employers	4,467	3,520
State	9,568	7,957
Contributions	17,187	14,096
Benefits/A dministration	(13,526)	(12,148)
Cash Flow	3,661	1,948

<u>Highway Patrol</u>	<u>2008</u>	<u>2007</u>
Employees	1,082	1,005
Employers	3,949	3,634
State	290	285
Contributions	5,321	4,924
Benefits/A dministration	(6,917)	(6,766)
Cash Flow	(1,596)	(1,842)

<u>Game Wardens</u>	<u>2008</u>	<u>2007</u>
Employees	3,613	3,199
Employers	2,979	2,638
Contributions	6,592	5,837
Benefits/A dministration	(2,995)	(2,834)
Cash Flow	3,597	3,003

<u>Volunteer Firefighters</u>	<u>2008</u>	<u>2007</u>
State	1,562	1,661
Contributions	1,562	1,661
Benefits/A dministration	(1,777)	(1,670)
Cash Flow	(215)	(9)

<u>Judges</u>	<u>2008</u>	<u>2007</u>
Employees	385	339
Employers	1,315	1,249
Contributions	1,700	1,588
Benefits/A dministration	(1,837)	(1,781)
Cash Flow	(137)	(193)

<u>Teachers</u>	<u>2008</u>	<u>2007</u>
Employees	59,553	56,509
Employers	67,922	61,944
State (1)	13,492	50,720
Total Contributions	140,967	169,173
Benefits/A dministration	(203,553)	(190,357)
Cash Flow	(62,586)	(21,184)

<u>Police</u>	<u>2008</u>	<u>2007</u>
Employees	2,974	2,709
Employers	5,156	4,283
State	9,452	8,677
Contributions	17,582	15,669
Benefits/A dministration	(18,078)	(13,489)
Cash Flow	(496)	2,180

<u>Total</u>	<u>2008</u>	<u>2007</u>
Members	148,448	140,451
Employers	162,892	148,850
State/Other	34,742	69,746
Contributions	346,082	359,047
Benefits/A dministration	(454,495)	(420,752)
Cash Flow	(108,413)	(61,705)

(1) \$50 million was appropriated to TRS in the first half of 2007.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

PERS Annual Book Value Change At June 30						
<u>Investment Type</u>	<u>2008 \$ Book Value</u>	<u>% of Total</u>	<u>2007 \$ Book Value</u>	<u>% of Total</u>	<u>\$ Change</u>	<u>% of Change</u>
Retirement Funds Bond Pool	1,000,295,210	38.5	1,000,295,210	39.1	0	0.0
Domestic Stock Pool	705,844,642	27.2	709,169,683	27.7	(3,325,041)	(0.5)
International Stock Pool	406,553,000	15.7	406,553,000	15.9	0	0.0
Montana Private Equity Pool	237,479,330	9.1	206,014,330	8.1	31,465,000	15.3
Total Equity	1,349,876,971	52.0	1,321,737,012	51.7	28,139,959	2.1
Real Estate Pool	159,628,000	6.1	78,213,000	3.1	81,415,000	104.1
Direct Real Estate	8,739,651	0.3	8,672,480	0.3	67,170	0.8
Montana Mortgages	32,239,286	1.2	37,172,266	1.5	(4,932,980)	(13.3)
Short Term Investment Pool	46,126,070	1.8	109,909,836	4.3	(63,783,766)	(58.0)
Total	2,596,905,188	100.0	2,555,999,805	100.0	40,905,383	1.6

PERS Annual Fair Value Change At June 30						
<u>Investment Type</u>	<u>2008 \$ Fair Value</u>	<u>% of Total</u>	<u>2007 \$ Fair Value</u>	<u>% of Total</u>	<u>\$ Change</u>	<u>% of Change</u>
Retirement Funds Bond Pool	988,124,279	25.7	987,821,047	24.1	303,232	0.0
Domestic Stock Pool	1,494,306,280	38.9	1,735,718,440	42.4	(241,412,160)	(13.9)
International Stock Pool	730,360,282	19.0	818,362,199	20.0	(88,001,917)	(10.8)
Montana Private Equity Pool	376,614,837	9.8	315,058,722	7.7	61,556,115	19.5
Total Equity	2,601,281,400	67.7	2,869,139,361	70.1	(267,857,961)	(9.3)
Real Estate Pool	164,667,259	4.3	79,459,123	1.9	85,208,137	107.2
Direct Real Estate	8,931,057	0.2	8,816,423	0.2	114,634	1.3
Montana Mortgages	31,837,233	0.8	36,860,707	0.9	(5,023,474)	(13.6)
Short Term Investment Pool	46,126,070	1.2	109,909,836	2.7	(63,783,766)	(58.0)
Total	3,840,967,298	100.0	4,092,006,497	100.0	(251,039,199)	(6.1)

PERS Book/Fair Values At June 30, 2008					
<u>Investment Type</u>	<u>Book \$ Value</u>	<u>Fair \$ Value</u>	<u>Fair \$ +/- Book</u>	<u>% of Book</u>	<u>% of Fair</u>
Retirement Funds Bond Pool	1,000,295,210	988,124,279	(12,170,931)	38.5	25.7
Domestic Stock Pool	705,844,642	1,494,306,280	788,461,638	27.2	38.9
International Stock Pool	406,553,000	730,360,282	323,807,282	15.7	19.0
Montana Private Equity Pool	237,479,330	376,614,837	139,135,508	9.1	9.8
Total Equity	1,349,876,971	2,601,281,400	1,251,404,428	52.0	67.7
Real Estate Pool	159,628,000	164,667,259	5,039,259	6.1	4.3
Direct Real Estate	8,739,651	8,931,057	191,407	0.3	0.2
Montana Mortgages	32,239,286	31,837,233	(402,054)	1.2	0.8
Short Term Investment Pool	46,126,070	46,126,070	0	1.8	1.2
Total	2,596,905,188	3,840,967,298	1,244,062,109	100.0	100.0

PERS Net Income By Source

<u>Income Type</u>	<u>2008 \$</u> <u>Income</u>	<u>% Of</u> <u>Total</u>	<u>2007 \$</u> <u>Income</u>	<u>% Of</u> <u>Total</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Gain on Sale of Pool Units	5,074,960	4.4	81,406,964	44.7	(76,332,004)	(93.8)
Retirement Funds Bond Pool	57,381,647	50.0	57,829,354	31.8	(447,707)	(0.8)
Domestic Stock Pool	16,149,859	14.1	13,870,772	7.6	2,279,087	16.4
International Stock Pool	16,760,585	14.6	12,915,540	7.1	3,845,045	29.8
Short Term Investment Pool	3,205,804	2.8	6,345,315	3.5	(3,139,511)	(49.5)
Montana Private Equity Pool	7,918,244	6.9	4,811,999	2.6	3,106,245	64.6
Montana Mortgages	2,177,685	1.9	2,582,453	1.4	(404,768)	(15.7)
Real Estate Pool	5,327,216	4.6	1,533,218	0.8	3,793,998	247.5
Direct Real Estate	696,654	0.6	647,742	0.4	48,912	7.6
All Other Funds	0	0.0	204	0.0	(204)	(100.0)
Total Gross Income	114,692,653	100.0	181,943,561	100.0	(67,250,907)	(37.0)
Board Management Fees	(1,533,150)		(1,081,153)		(451,997)	41.8
Custodial Bank Fees	(451,386)		(346,353)		(105,032)	30.3
External Manager Fees	(17,856,021)		(8,628,442)		(9,227,580)	106.9
Total Net Income	94,852,097		171,887,613		(77,035,516)	(44.8)

PERS 2008 Total Rates of Returns By Asset

<u>Asset Class</u>	<u>% Return</u>	<u>Market Index</u>	<u>Index % Return</u>	<u>Return +/- Index</u>
Short Term Investment Pool	4.54	LIBOR 1 Month	4.10	0.44
Domestic Stock Pool	(12.91)	S&P 1500 Index	(12.72)	(0.19)
International Stock Pool	(9.28)	MTIP Custom Benchmark	(7.08)	(2.20)
Private Equity Pool	9.60	S&P 1500 Index + 4%	(8.72)	18.32
Retirement Funds Bond Pool	5.88	Lehman Brothers Aggregate	7.13	(1.25)
Real Estate Pool	4.41	NCREIF	9.23	(4.82)
Montana Mortgages	5.66	NA	NA	NA
Direct Real Estate	8.44	NA	NA	NA
Total Net of Fees	(4.86)	Composite (1)	(5.61)	0.75
Total Gross of Fees	(4.65)	Peer Universe (2)	(4.42)	(0.23)

(1) An Index Composite Paralleling the Fund's Asset Allocation at Fair Value

(2) The Mellon Universe Comprised of Approximately 80 Peers

PERS Historical Rates of Returns Versus Benchmark

<u>Year</u>	<u>% Return</u>	<u>Benchmark (1)</u>	<u>Benchmark % Return</u>	<u>Return +/- Benchmark</u>
2008	(4.86)	PERS Composite	(5.61)	0.75
3 Year Annualized Average	6.97	PERS Composite	6.58	0.39
5 Year Annualized Average	8.47	PERS Composite	8.19	0.28
10 Year Annualized Average	5.47	PERS Composite	5.38	0.09

(1) An Index Composite Paralleling the Fund's Asset Allocation At Fair Value

PERS invested balances and income history are shown on Page A-16 in Appendix A

TEACHERS' RETIREMENT SYSTEM FUND (TRS)

TRS Annual Book Value Change At June 30

<u>Investment Type</u>	<u>2008 \$ Book Value</u>	<u>% of Total</u>	<u>2007 \$ Book Value</u>	<u>% of Total</u>	<u>\$ Change</u>	<u>% of Change</u>
Retirement Funds Bond Pool	768,059,943	38.5	774,052,977	39.2	(5,993,033)	(0.8)
Domestic Stock Pool	541,012,407	27.1	550,689,795	27.9	(9,677,388)	(1.8)
International Stock Pool	311,631,000	15.6	311,631,000	15.8	0	0.0
Montana Private Equity Pool	180,582,970	9.1	157,207,970	8.0	23,375,000	14.9
Total Equity	<u>1,033,226,377</u>	<u>51.8</u>	<u>1,019,528,766</u>	<u>51.6</u>	<u>13,697,612</u>	<u>1.3</u>
Real Estate Pool	122,873,000	6.2	60,321,000	3.1	62,552,000	103.7
Direct Real Estate	8,224,902	0.4	8,157,911	0.4	66,990	0.8
Montana Mortgages	27,463,096	1.4	31,665,264	1.6	(4,202,168)	(13.3)
Short Term Investment Pool	<u>32,943,654</u>	<u>1.7</u>	<u>83,102,502</u>	<u>4.2</u>	<u>(50,158,848)</u>	<u>(60.4)</u>
Total	<u>1,992,790,973</u>	<u>100.0</u>	<u>1,976,828,420</u>	<u>100.0</u>	<u>15,962,553</u>	<u>0.8</u>

TRS Annual Fair Value Change At June 30

<u>Investment Type</u>	<u>2008 \$ Fair Value</u>	<u>% of Total</u>	<u>2007 \$ Fair Value</u>	<u>% of Total</u>	<u>\$ Change</u>	<u>% of Change</u>
Retirement Funds Bond Pool	760,319,057	25.7	766,016,545	24.1	(5,697,488)	(0.7)
Domestic Stock Pool	1,157,377,216	39.1	1,361,988,214	42.8	(204,610,998)	(15.0)
International Stock Pool	561,647,715	19.0	629,321,268	19.8	(67,673,553)	(10.8)
Montana Private Equity Pool	<u>287,420,353</u>	<u>9.7</u>	<u>241,011,163</u>	<u>7.6</u>	<u>46,409,189</u>	<u>19.3</u>
Total Equity	<u>2,006,445,283</u>	<u>67.7</u>	<u>2,232,320,645</u>	<u>70.1</u>	<u>(225,875,362)</u>	<u>(10.1)</u>
Real Estate Pool	126,780,622	4.3	61,281,197	1.9	65,499,425	106.9
Direct Real Estate	8,351,432	0.3	8,236,798	0.3	114,634	1.4
Montana Mortgages	27,120,606	0.9	31,399,861	1.0	(4,279,256)	(13.6)
Short Term Investment Pool	<u>32,943,654</u>	<u>1.1</u>	<u>83,102,502</u>	<u>2.6</u>	<u>(50,158,848)</u>	<u>(60.4)</u>
Total	<u>2,961,960,654</u>	<u>100.0</u>	<u>3,182,357,548</u>	<u>100.0</u>	<u>(220,396,894)</u>	<u>(6.9)</u>

TRS Book/Fair Values At June 30, 2008

<u>Investment Type</u>	<u>Book \$ Value</u>	<u>Fair \$ Value</u>	<u>Fair \$ +/- Book</u>	<u>% of Book</u>	<u>% of Fair</u>
Retirement Funds Bond Pool	768,059,943	760,319,057	(7,740,887)	38.5	25.7
Domestic Stock Pool	541,012,407	1,157,377,216	616,364,809	27.1	39.1
International Stock Pool	311,631,000	561,647,715	250,016,715	15.6	19.0
Montana Private Equity Pool	180,582,970	287,420,353	106,837,382	9.1	9.7
Total Equity	<u>1,033,226,377</u>	<u>2,006,445,283</u>	<u>973,218,906</u>	<u>51.8</u>	<u>67.7</u>
Real Estate Pool	122,873,000	126,780,622	3,907,622	6.2	4.3
Direct Real Estate	8,224,902	8,351,432	126,530	0.4	0.3
Montana Mortgages	27,463,096	27,120,606	(342,490)	1.4	0.9
Short Term Investment Pool	<u>32,943,654</u>	<u>32,943,654</u>	<u>0</u>	<u>1.7</u>	<u>1.1</u>
Total	<u>1,992,790,973</u>	<u>2,961,960,654</u>	<u>969,169,681</u>	<u>100.0</u>	<u>100.0</u>

TRS Net Income By Source						
<u>Income Type</u>	<u>2008 \$</u> <u>Income</u>	<u>% Of</u> <u>Total</u>	<u>2007 \$</u> <u>Income</u>	<u>% Of</u> <u>Total</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Gain on Sale of Pool Units	13,629,581	13.9	60,387,854	43.8	(46,758,273)	(77.4)
Retirement Funds Bond Pool	44,379,383	45.1	44,556,027	32.3	(176,644)	(0.4)
Domestic Stock Pool	12,593,062	12.8	10,726,142	7.8	1,866,920	17.4
International Stock Pool	12,888,905	13.1	9,932,062	7.2	2,956,843	29.8
Short Term Investment Pool	2,181,149	2.2	4,702,916	3.4	(2,521,768)	(53.6)
Montana Private Equity Pool	6,066,217	6.2	3,668,413	2.7	2,397,804	65.4
Montana Mortgages	1,855,065	1.9	2,199,867	1.6	(344,802)	(15.7)
Real Estate Pool	4,112,816	4.2	1,182,933	0.9	2,929,883	247.7
Direct Real Estate	654,538	0.7	601,837	0.4	52,701	8.8
All Other Funds	0	0.0	173	0.0	(173)	(100.0)
Total Gross Income	98,360,715	100.0	137,958,226	100.0	(39,597,510)	(28.7)
Board Management Fees	(1,191,370)		(839,097)		(352,273)	42.0
Custodial Bank Fees	(348,007)		(266,022)		(81,985)	30.8
External Manager Fees	(13,774,120)		(6,623,485)		(7,150,635)	108.0
Total Net Income	83,047,218		130,229,621		(47,182,403)	(36.2)

TRS 2008 Total Rates of Return by Asset				
<u>Asset Class</u>	<u>% Return</u>	<u>Market Index</u>	<u>Index % Return</u>	<u>Return +/- Index</u>
Short Term Investment Pool	4.97	LIBOR 1 Month	4.10	0.87
Domestic Stock Pool	(12.91)	S&P 1500 Index	(12.72)	(0.19)
International Stock Pool	(9.28)	MTIP Custom Benchmark	(7.08)	(2.20)
Private Equity Pool	9.60	S&P 1500 Index + 4%	(8.72)	18.32
Retirement Funds Bond Pool	5.89	Lehman Brothers Aggregate	7.13	(1.24)
Real Estate Pool	4.41	NCREIF	9.23	(4.82)
Montana Mortgages	5.65	NA	NA	NA
Direct Real Estate	8.55	NA	NA	NA
Total Net of Fees	(4.89)	Composite (1)	(5.63)	0.74
Total Gross of Fees	(4.68)	Peer Universe (2)	(4.42)	(0.26)

(1) An Index Composite Paralleling the Fund's Asset Allocation at Fair Value
(2) The Mellon Universe Comprised of Approximately 80 Peers

TRS Historical Rates of Returns Versus Benchmark				
<u>Year</u>	<u>% Return</u>	<u>Benchmark (1)</u>	<u>Benchmark % Return</u>	<u>Return Benchmark</u>
2008	(4.89)	TRS Composite	(5.63)	0.74
3 Year Annualized Average	6.95	TRS Composite	6.56	0.39
5 Year Annualized Average	8.48	TRS Composite	8.21	0.27
10 Year Annualized Average	5.48	TRS Composite	5.35	0.13

(1) An Index Composite Paralleling the Fund's Asset Allocation At Fair Value

TRS invested balances and income history are shown on Page A-17 in Appendix A.

OTHER RETIREMENT SYSTEMS

<u>Assets of Individual Pensions at June 30</u>						
<u>Systems</u>	<u>2008 \$ Fair Value</u>	<u>2007 \$ Fair Value</u>	<u>2008 \$ Book Value</u>	<u>2007 \$ Book Value</u>	<u>Fair % Change</u>	<u>Book % Change</u>
Police	190,589,682	202,111,670	137,299,263	133,138,238	(5.7)	3.1
Sheriffs	188,161,316	196,216,438	133,769,605	127,876,186	(4.1)	4.6
Firefighters	184,737,400	192,509,793	134,409,185	127,771,817	(4.0)	5.2
Highway Patrol	95,999,795	102,618,067	65,651,211	64,981,471	(6.4)	1.0
Game Wardens	73,124,533	73,194,406	55,128,207	49,832,066	(0.1)	10.6
Judges	58,658,494	61,806,036	40,433,951	39,231,024	(5.1)	3.1
Vol. Firefighters	<u>25,992,748</u>	<u>27,491,637</u>	<u>20,274,641</u>	<u>19,669,979</u>	<u>(5.5)</u>	<u>3.1</u>
Total	817,263,968	855,948,048	586,966,063	562,500,780	(4.5)	4.3

<u>Other Pensions Annual Change At June 30</u>						
<u>Investment Type</u>	<u>2008 \$ Book Value</u>	<u>% of Total</u>	<u>2007 \$ Book Value</u>	<u>% of Total</u>	<u>\$ Change</u>	<u>% of Change</u>
Retirement Funds Bond Pool	221,599,953	37.8	219,765,162	39.1	1,834,791	0.8
Domestic Stock Pool	179,711,500	30.6	175,454,015	31.2	4,257,485	2.4
International Stock Pool	89,623,576	15.3	84,505,342	15.0	5,118,235	6.1
Montana Private Equity Pool	<u>50,853,021</u>	<u>8.7</u>	<u>42,573,021</u>	<u>7.6</u>	<u>8,280,000</u>	<u>19.4</u>
Total Equity	<u>320,188,097</u>	<u>54.5</u>	<u>302,532,377</u>	<u>53.8</u>	<u>17,655,720</u>	<u>5.8</u>
Real Estate Pool	34,034,000	5.8	16,501,000	2.9	17,533,000	106.3
Short Term Investment Pool	<u>11,144,014</u>	<u>1.9</u>	<u>23,702,241</u>	<u>4.2</u>	<u>(12,558,227)</u>	<u>(53.0)</u>
Total	<u>586,966,063</u>	<u>100.0</u>	<u>562,500,780</u>	<u>100.0</u>	<u>24,465,283</u>	<u>4.3</u>

<u>Other Pensions Book/Fair Values At June 30, 2008</u>					
<u>Investment Type</u>	<u>Book \$ Value</u>	<u>Fair \$ Value</u>	<u>Fair \$ +/- Book</u>	<u>% of Book</u>	<u>% of Fair</u>
Retirement Funds Bond Pool	221,599,953	217,766,193	(3,833,759)	37.8	26.6
Domestic Stock Pool	179,711,500	318,941,527	139,230,027	30.6	39.0
International Stock Pool	89,623,576	154,293,185	64,669,609	15.3	18.9
Montana Private Equity Pool	<u>50,853,021</u>	<u>80,026,048</u>	<u>29,173,027</u>	<u>8.7</u>	<u>9.8</u>
Total Equity	<u>320,188,097</u>	<u>553,260,759</u>	<u>233,072,663</u>	<u>54.5</u>	<u>67.7</u>
Real Estate Pool	34,034,000	35,093,002	1,059,002	5.8	4.3
Short Term Investment Pool	<u>11,144,014</u>	<u>11,144,014</u>	<u>0</u>	<u>1.9</u>	<u>1.4</u>
Total	586,966,063	817,263,968	230,297,905	100.0	100.0

Other Retirement Systems 2008 Total Rates of Return

<u>Fund</u>	<u>% Return</u>	<u>Index (1)</u>	<u>% Return</u>	<u>Fund +/- Index</u>
Sheriffs	(4.84)	Com posite	(5.56)	0.72
Police	(5.01)	Com posite	(5.75)	0.74
Firefighters	(4.91)	Com posite	(5.66)	0.75
Highway Patrol	(4.86)	Com posite	(5.58)	0.72
Jud ges	(4.85)	Com posite	(5.58)	0.73
Game Warden	(4.80)	Com posite	(5.51)	0.71
Vol. Firefighters	(4.90)	Com posite	(5.59)	0.69

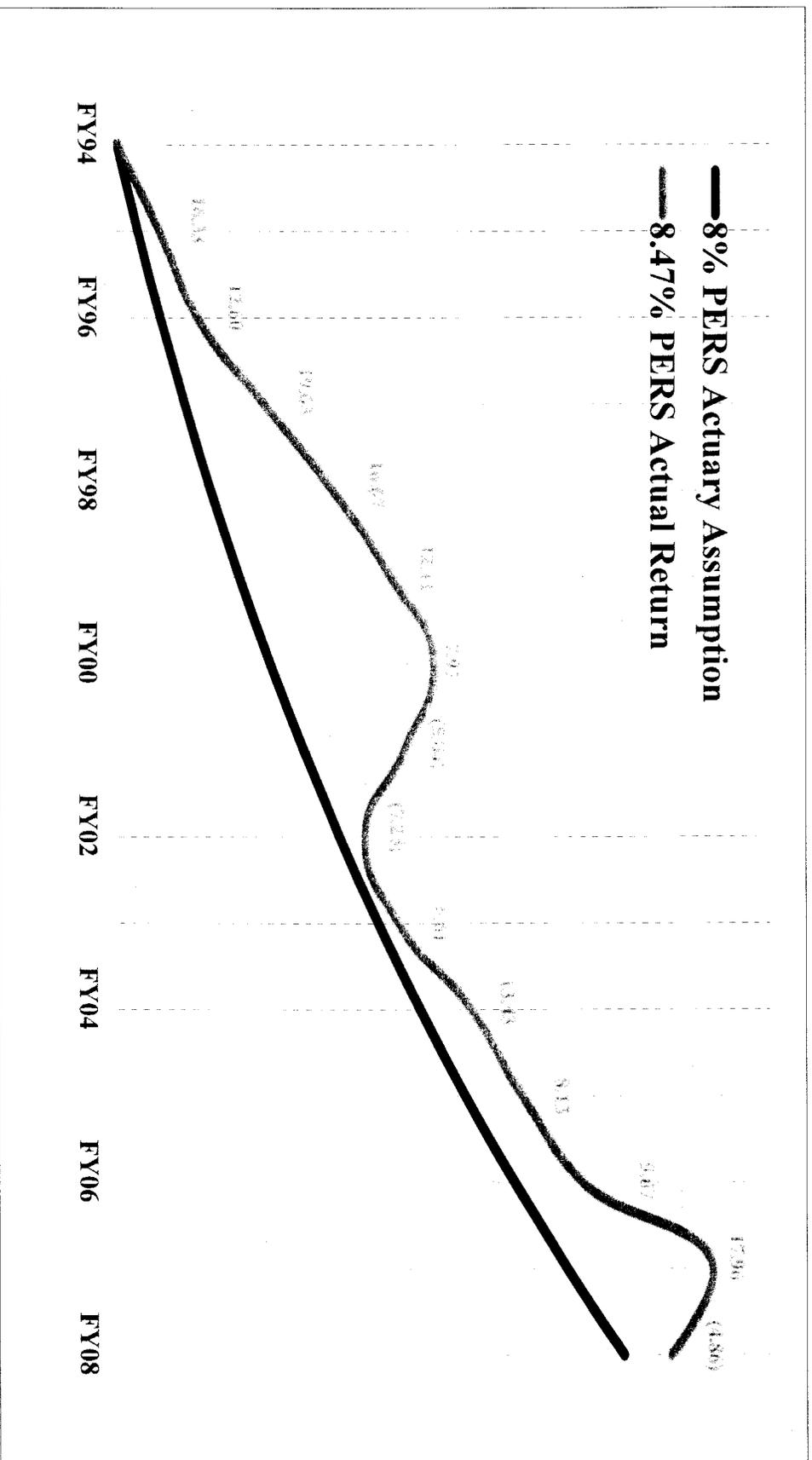
(1) An Index Composite Paralleling the Fund's Asset Allocation at Fair Value

The seven other retirement funds are administered by the Public Employees' Retirement Board, the same Board that administers the Public Employees' Retirement System. These smaller systems participate with the Public Employees' Retirement Fund and the Teachers' Retirement Fund in all investment pools managed by the Board, but do not participate in the Montana Residential Mortgage Program or direct real estate investments.

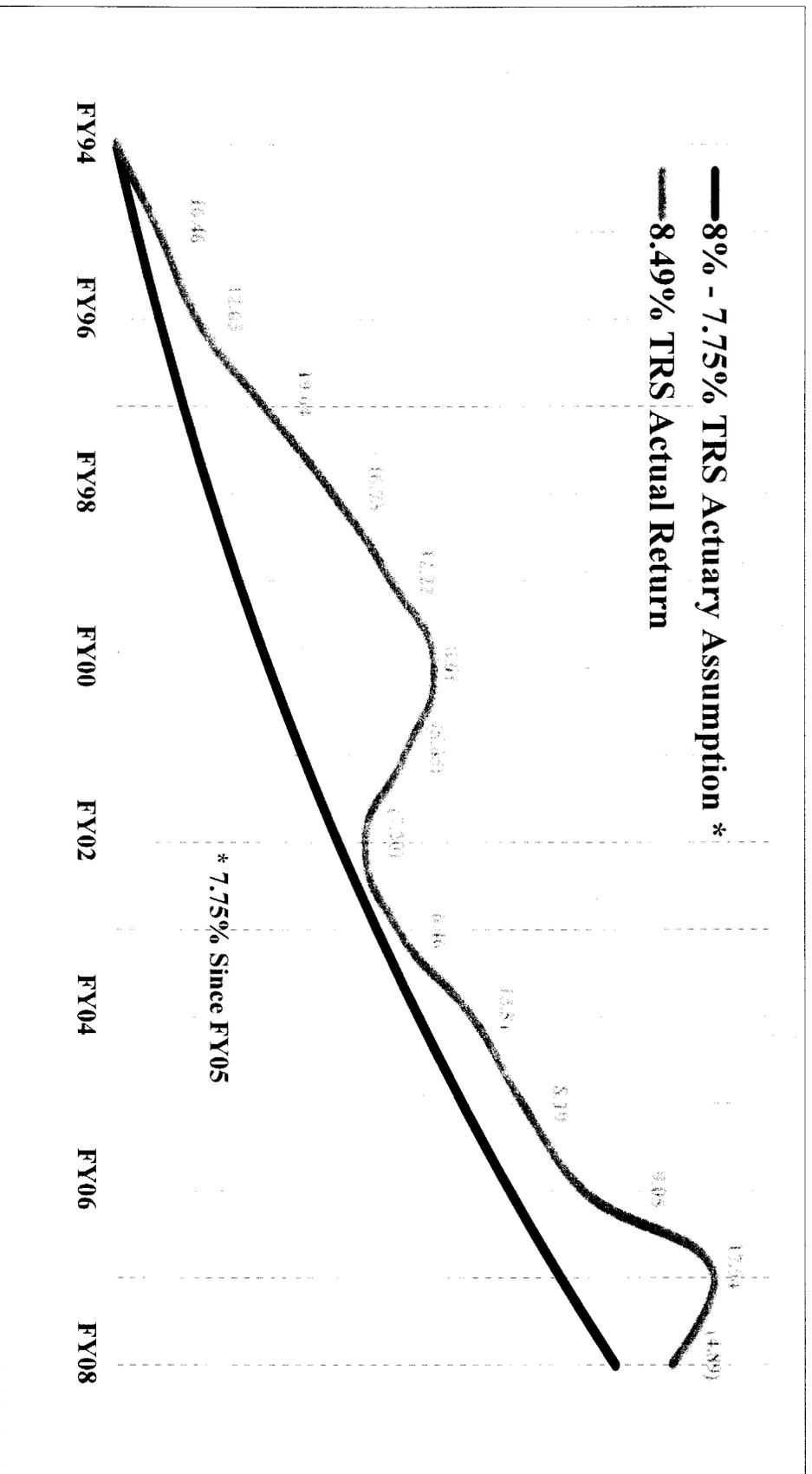
Pension Fund Investments
House State Administration Committee
January 15, 2009

Presented by:
Carroll South, Executive Director
Montana Board of Investments

PERs Returns Versus Assumption



TRS Returns Versus Assumption



Capital Markets Review
As of September 30, 2008

Capital Markets Review

Third Quarter Market Environment

In a dramatic shift to quality and reprieve of global investment risk, the credit and liquidity crisis gripped all markets during the third quarter and sent volatility skyward. In the quarter's final month, markets witnessed the largest bankruptcy in U.S. history and unprecedented market intervention by the Federal Reserve and U.S. Treasury. Fannie Mae and Freddie Mac were taken over by the government, Lehman Brothers filed for bankruptcy protection, the government took control of AIG in exchange for an \$85 billion loan, Merrill Lynch and Wachovia were sold, and Washington Mutual was seized by federal regulators. Lehman's bankruptcy, on September 15, provided the catalyst for a late-quarter intensification of the credit crisis, as lending between banks ground to a halt and corporate borrowing costs soared for those corporations that could obtain credit at all. By the time a hasty effort on the part of U.S. regulators to secure passage of a rescue plan ultimately failed on September 29, the Dow suffered its largest point decline in history. Before a 5% rebound on the quarter's last trading day, concerns for global demand sent commodity prices, particularly oil (which declined 28%), downward.

Third Quarter Equities

Markets around the world saw significant declines in the third quarter, based on a combination of a flight to quality given the credit and liquidity crisis, and on greater concerns of an economic slow-down. Commodity-rich and export-dependent emerging markets equities led the decline, returning -27%, in part with the decline in commodity prices. International small-cap equities declined by 24%, and international developed markets fell by 21%. Within the domestic equity market, small-cap value securities provided the sole source of positive returns as every other market segment declined, led downward by large-cap growth. The economic sectors that had shown the most resiliency during the first half of the year saw the greatest decline in the third quarter, as energy and materials declined by 25% and 22%, respectively. Financial stocks, despite significant volatility, ended the quarter marginally positive, as the smaller and healthier banks posted gains. Consumer staples, long considered a recession hedge, posted the domestic market's greatest gains at 5%.

Third Quarter Fixed Income

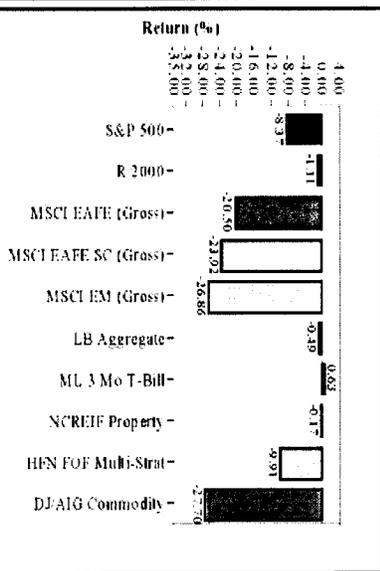
In the quarter's flight to quality, every broad segment of the fixed income market except for short-term Treasury bills, fixed-rate mortgage-backed securities, and agency securities posted negative returns. Investors' preference for the very safest securities, short-term Treasuries, caused their prices to rise to such a level that, several times toward the end of the quarter, their yields turned negative, indicating that investors were willing to accept a small, known loss as the price of avoiding all uncertainty. At the same time, yields for any fixed income security that included default interest rate, or any other risk, soared as their prices collapsed. Longer-term Treasury securities saw a self-correcting rally, partially because of fears that the \$700 billion in new debt expected to be issued by a government rescue plan would cause their prices to fall.

Trailing-Period Performance

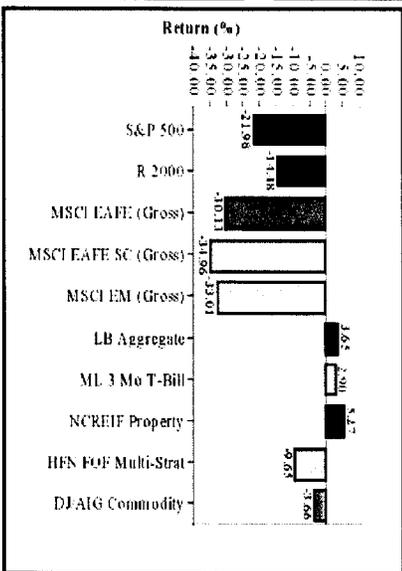
	1 Month		3 Months		1 Year		5 Years		10 Years	
	Ending Jul 2008	Ending Aug 2008	Ending Jul 2008	Ending Aug 2008	Ending Jul 2008					
S&P 500	-0.73	1.45	-3.91	-6.47	-13.39	-21.98	0.22	5.17	3.06	
R 2000	3.70	3.61	7.27	-1.11	-10.33	-41.16	1.83	8.14	7.81	
MSCI EAFE (Gross)	-3.20	-1.03	-11.72	-20.59	-42.81	-53.13	1.58	10.16	5.12	
MSCI EAFE SC (Gross)	-1.36	-0.83	-7.72	-23.92	-46.62	-41.66	-0.51	9.56	N/A	
MSCI EM (Gross)	-1.02	-2.95	-17.39	-26.26	-46.77	-43.61	8.69	10.08	14.77	
LB Aggregate	-0.68	0.92	-0.73	-0.77	0.63	3.65	4.15	3.78	5.20	
ML 3 Mo T-Bill	0.18	0.14	0.30	0.63	1.33	2.90	3.26	3.56	4.56	
NCREIF Property	N/A	N/A	N/A	1.99	5.27	15.24	14.24	11.83	8.03	
HFN FOF Multi-Strat	-2.50	-1.63	-6.16	-9.17	-17.58	-9.67	2.81	9.91	8.98	
DJAIIG Commodity	-11.37	-7.35	-11.53	-17.73	-47.61	-33.66	1.90	10.15	9.98	

Performance is annualized for periods greater than one year.

1 Quarter



1 Year



Capital Markets Review
As of December 31, 2008

Capital Markets Review

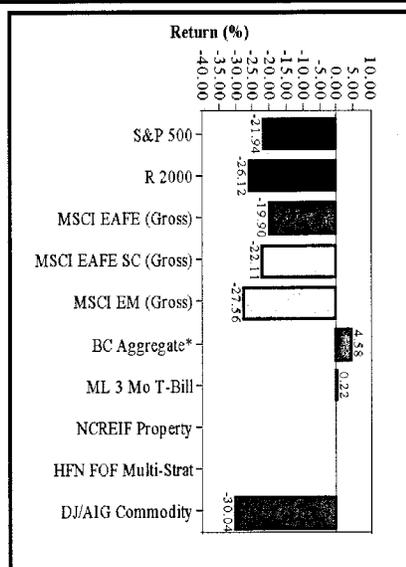


Trailing-Period Performance

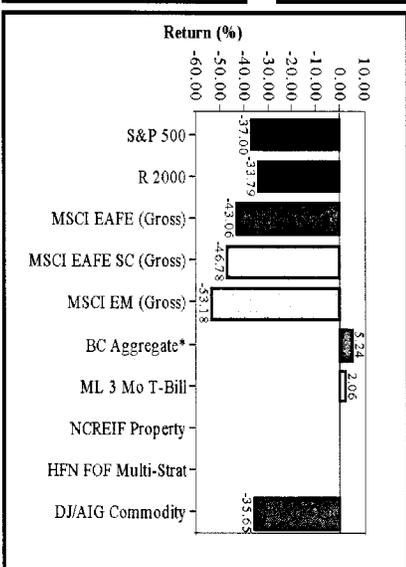
	1 Month		3 Months		6 Months		1 Year		3 Years		5 Years		10 Years	
	Month Ending Oct-2008	Month Ending Nov-2008	Month Ending Oct-2008	Month Ending Nov-2008	Month Ending Oct-2008	Month Ending Nov-2008	Year to Date	Year Ending Nov-2008						
S&P 500	-4.63%	-7.12%	1.06%	1.06%	-4.18%	-10.74%	-10.74%	-10.74%	-22.23%	-27.12%	-27.12%	-27.12%	-27.12%	-27.12%
R 2000	-6.81%	-7.12%	5.80%	5.80%	-3.67%	-10.74%	-10.74%	-10.74%	-22.23%	-27.12%	-27.12%	-27.12%	-27.12%	-27.12%
MSCI EAFE (Gross)	-6.03%	-7.12%	6.02%	6.02%	-4.58%	-10.74%	-10.74%	-10.74%	-22.23%	-27.12%	-27.12%	-27.12%	-27.12%	-27.12%
MSCI EAFE SC (Gross)	-6.03%	-7.12%	6.85%	6.85%	-3.14%	-10.74%	-10.74%	-10.74%	-22.23%	-27.12%	-27.12%	-27.12%	-27.12%	-27.12%
MSCI EM (Gross)	2.79%	-7.12%	7.83%	7.83%	2.14%	-10.74%	-10.74%	-10.74%	-22.23%	-27.12%	-27.12%	-27.12%	-27.12%	-27.12%
BC Aggregate*	-6.27%	-7.12%	3.25%	3.25%	4.58%	-10.74%	-10.74%	-10.74%	-22.23%	-27.12%	-27.12%	-27.12%	-27.12%	-27.12%
ML 3 Mo T-Bill	0.11%	0.10%	0.01%	0.01%	0.22%	2.06%	2.06%	2.06%	N/A	N/A	N/A	N/A	N/A	N/A
NCREIF Property	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HFN FOF Multi-Strat	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DJ/AIG Commodity	-21.23%	-21.23%	-1.78%	-1.78%	-22.83%	-22.83%	-22.83%	-22.83%	-22.83%	-22.83%	-22.83%	-22.83%	-22.83%	-22.83%

Performance is annualized for periods greater than one year.
*On November 3, 2008 Barclays Capital announced the re-branding of the Lehman Brothers indices.
*All Lehman Brothers indices now reflect the Barclays Capital name.

1 Quarter



1 Year

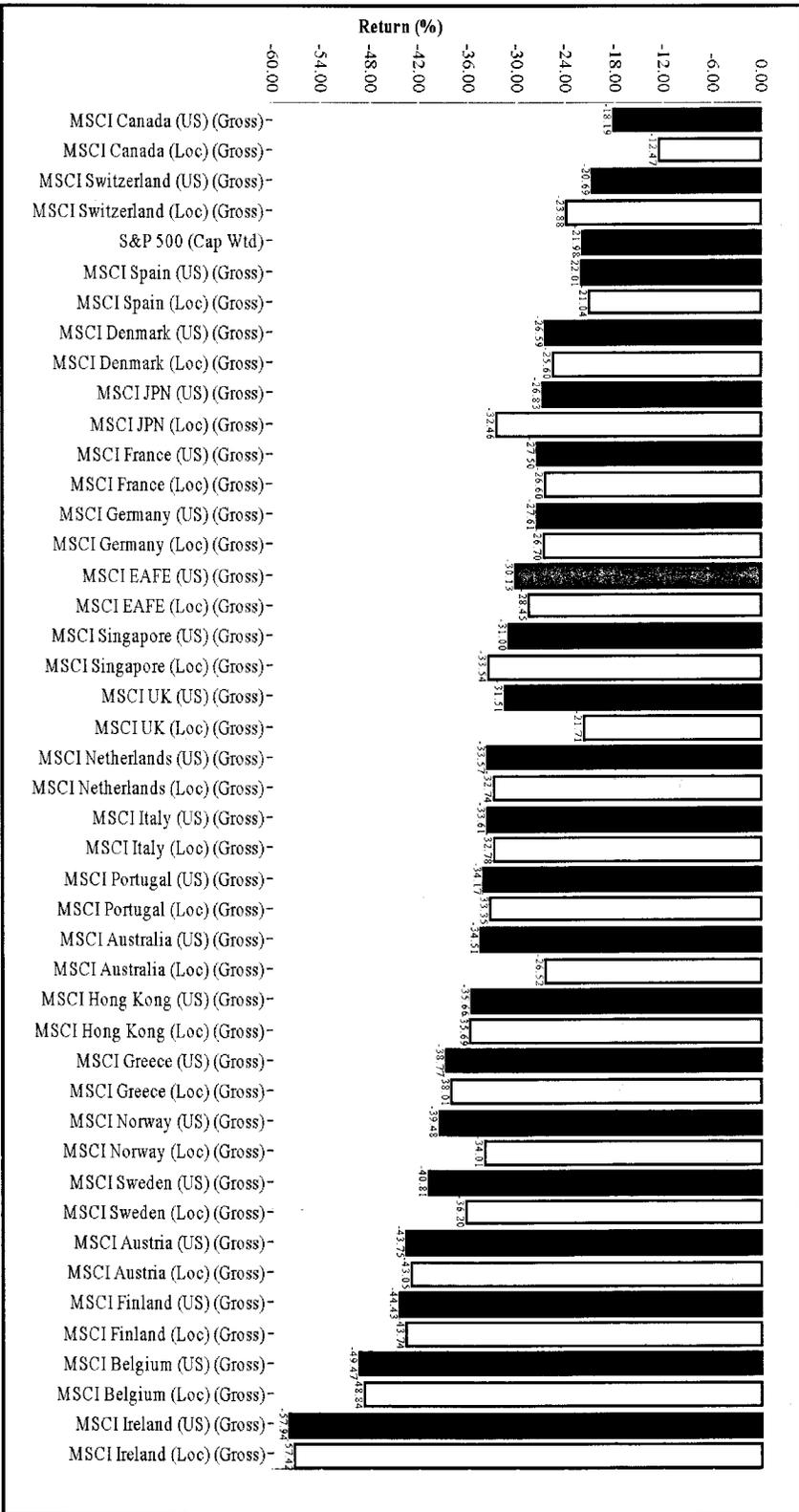


RVKuhns
RISK ASSOCIATES, INC.

International Stock Performance

International Equity Market Performance
As of September 30, 2008

1 Year Ending September 30, 2008



Global Stock Index Performance

<HELP> for explanation.

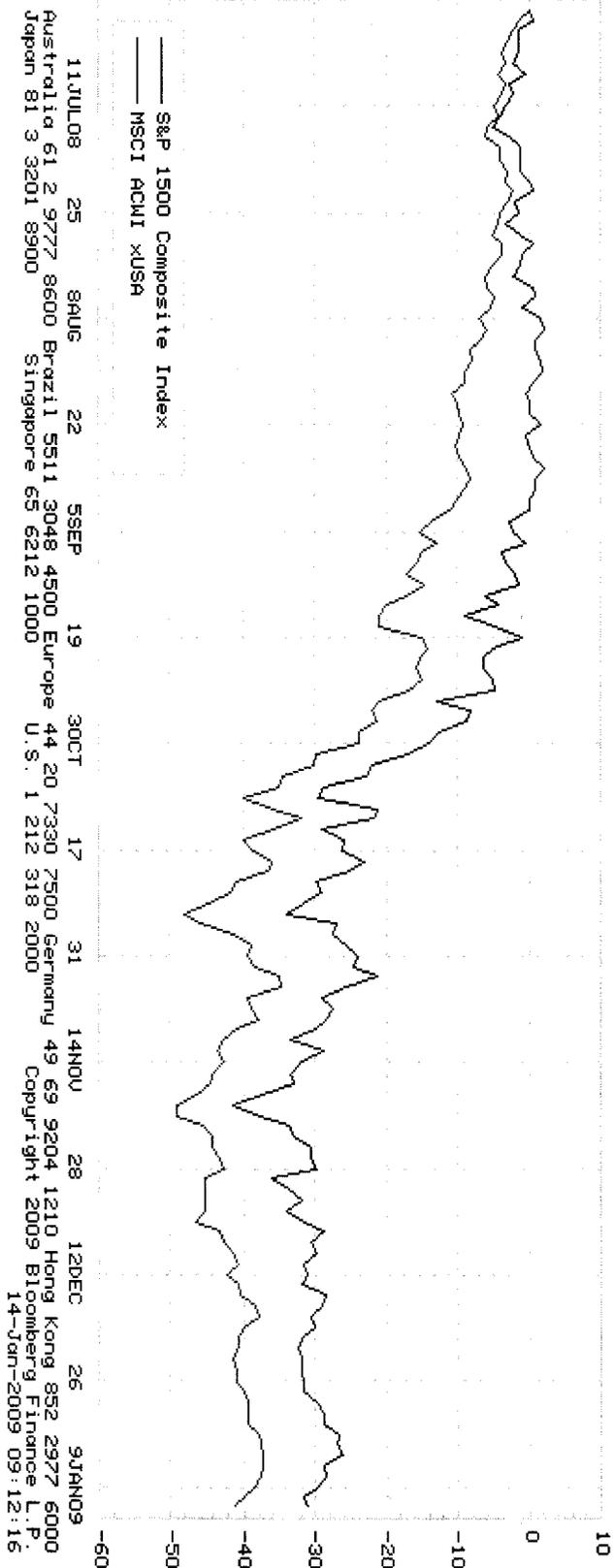
Hit 1<GO> for Options.

Hit <Page> for table.

Index **COMP**

COMPARATIVE RETURNS

Range	Cncy	Prc Appr	Daily Total Ret	Difference	Annual Eq
1 Securities		-32.23 %	-31.27 %	10.13 %	-50.09 %
2		-42.06 %	-41.40 %		-62.85 %
3					



Corporate Bond Spreads

LUACOAS Index GP

LUACOAS NY 13JAN09 00:00 BID: 5.21

Index GP

LUACOAS INDEX

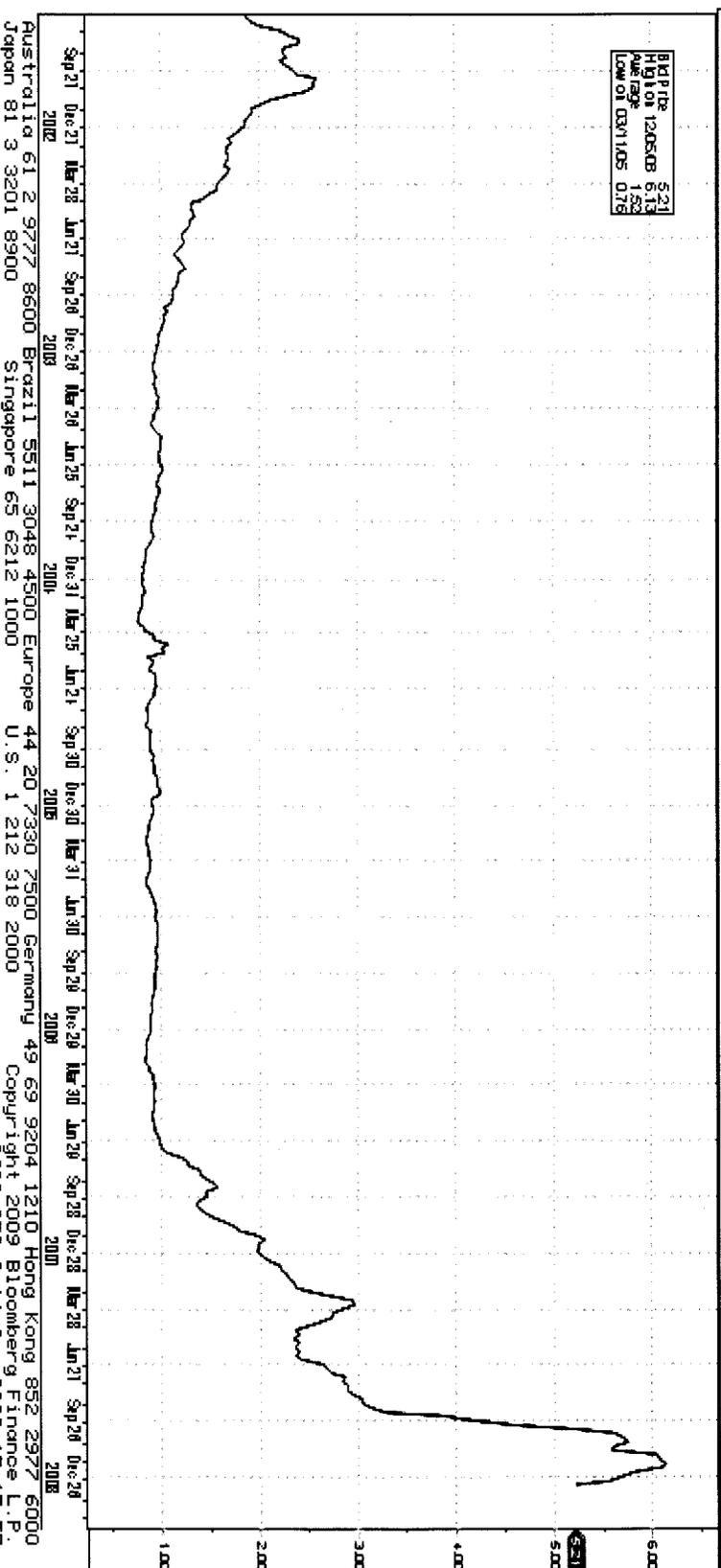
Hide

GP - Line Chart

Page 1/10

Range 06/28/02 - 01/09/09 Upper Bid Price Max. Avg. Currency USD
 Period Month Lower Name Max. Avg. 9

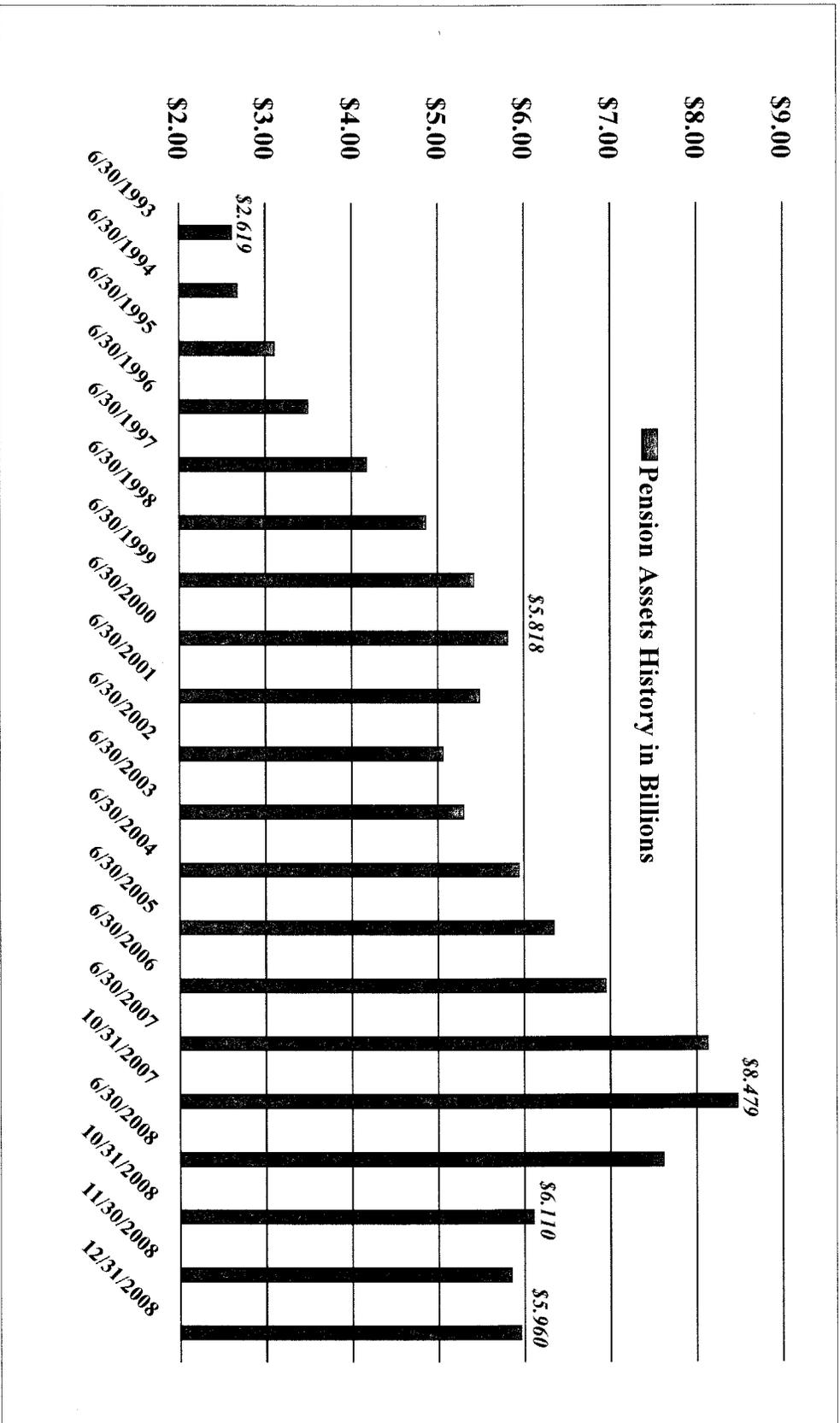
BIDPTS 5.21
 HIGHEST 120500 6.13
 AVERAGE 1.52
 LOW OF 03M105 0.76



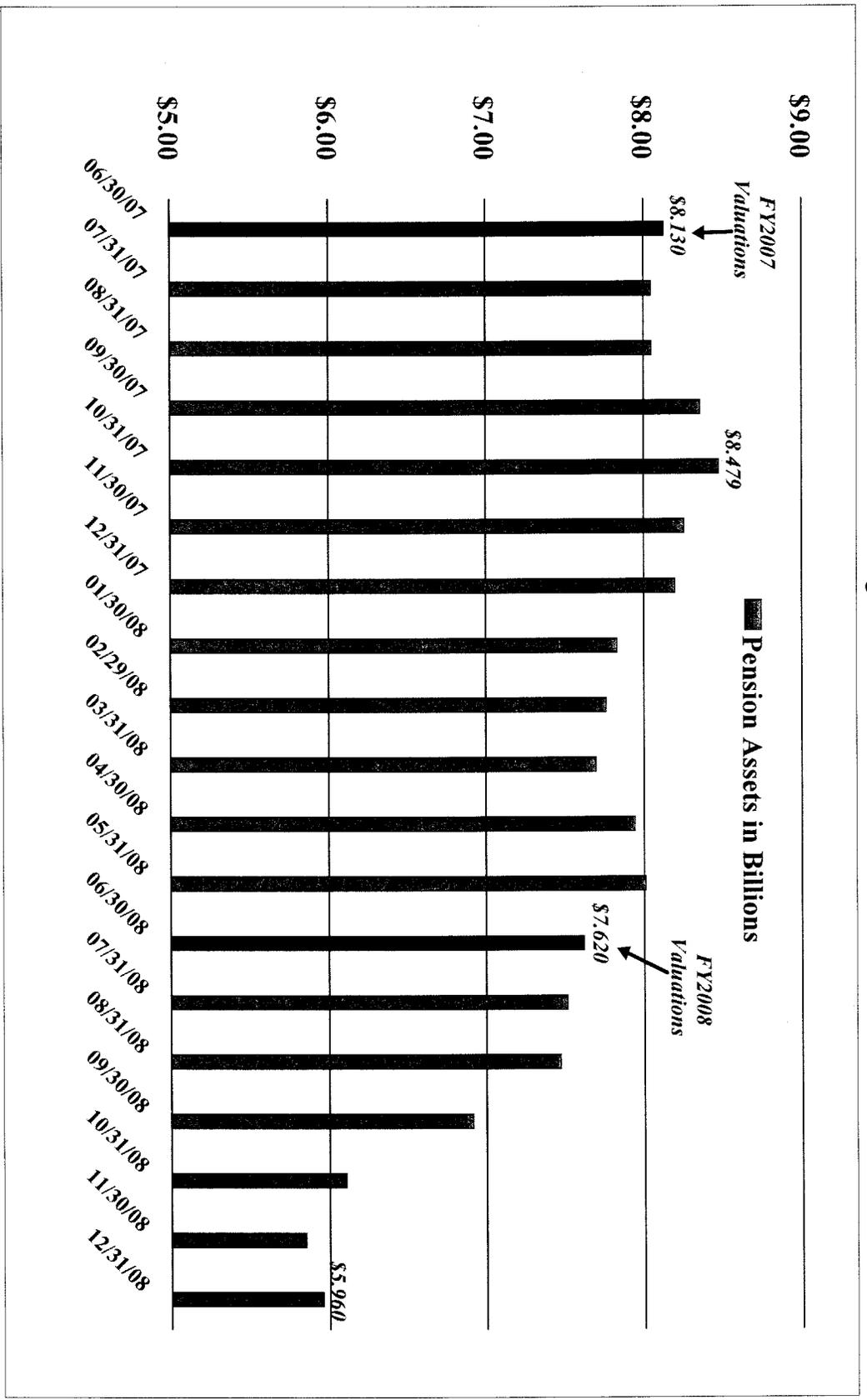
Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000

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 6502-879-0 14-Jan-2009 15:17:57

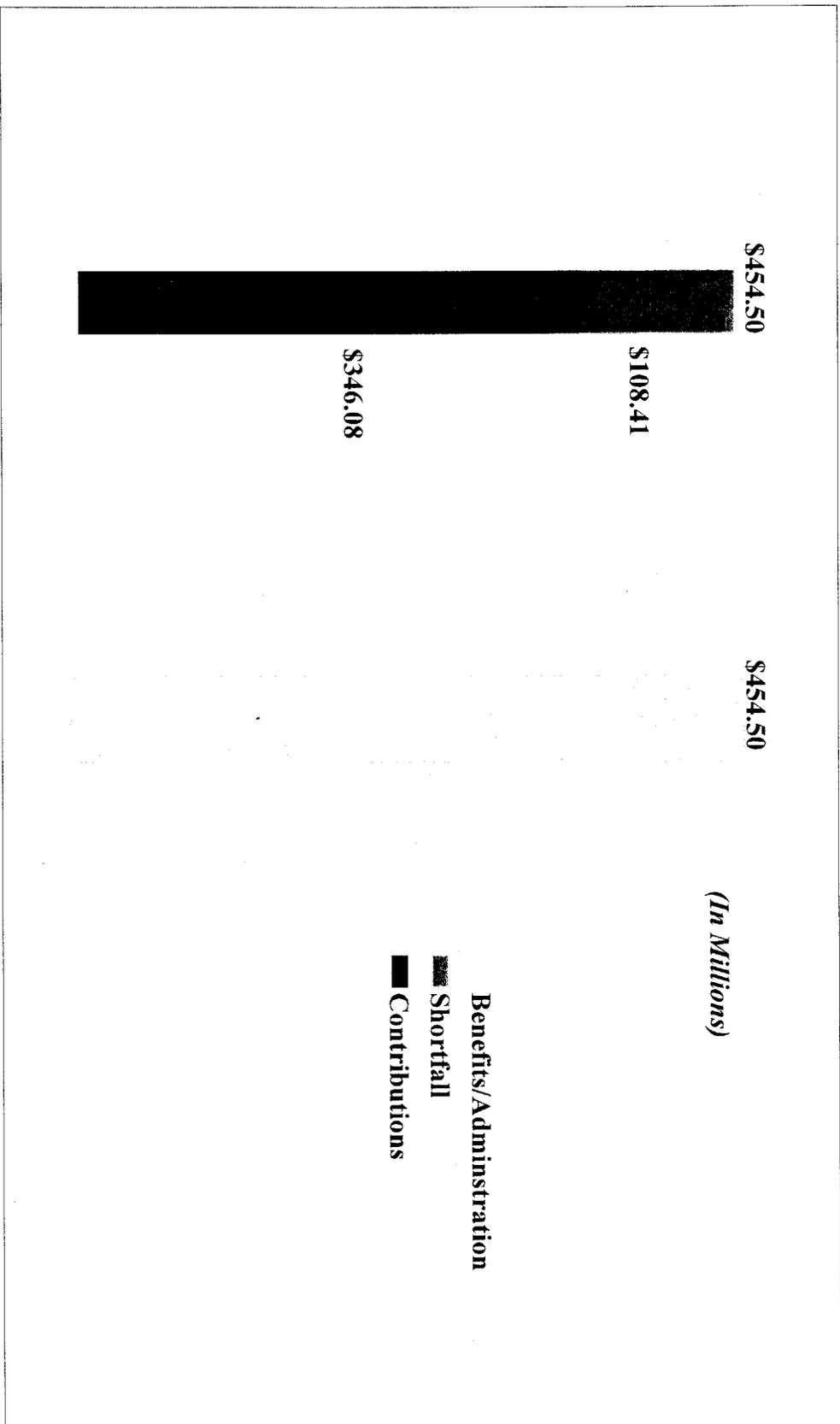
Pension History at Fair Value



Pension Values by Month



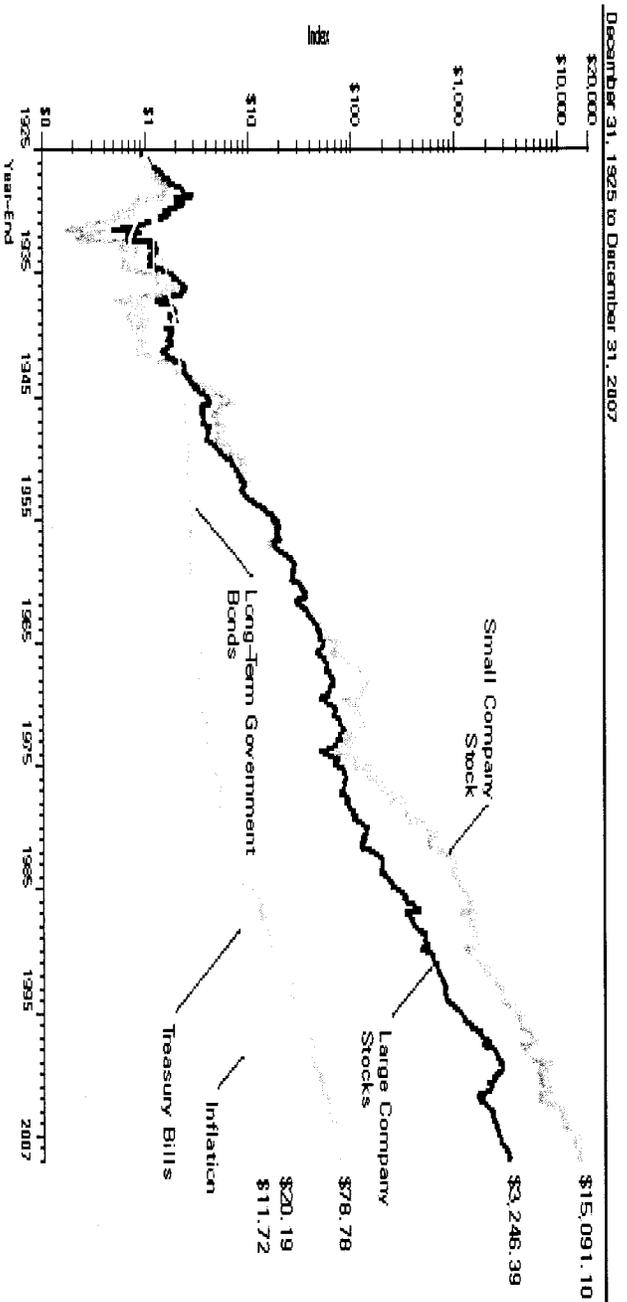
Pension Fund Cash Flow



Long Term Investment Returns

Market Report December 2007

Graph 1
Overall Indices of Investments in the U.S. Capital Markets
(Year-end 1925 = \$1.00)



10 Stocks, Bonds, Bills, and Inflation

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Long Term Investment Returns

Market Report December 2007

Table 7

Basic Series and Portfolios: Summary Statistics of Annual Total Returns in Percent

Asset Class	1/1/26 to 12/31/07		
	Geometric Mean	Arithmetic Mean	Standard Deviation
Large Company Stocks	10.4	12.3	20.0
Small Company Stocks	12.5	17.1	32.6
Long-Term Corporate Bonds	5.9	6.2	8.4
Long-Term Government Bonds	5.5	5.8	9.2
Intermediate-Term Government Bonds	5.3	5.5	5.7
U.S. Treasury Bills	3.7	3.8	3.1
Inflation	3.0	3.1	4.2
90% Stocks/10% Bonds	10.1	11.6	18.0
70% Stocks/30% Bonds	9.3	10.3	14.5
50% Stocks/50% Bonds	8.4	9.0	11.4
30% Stocks/70% Bonds	7.3	7.7	9.3
10% Stocks/90% Bonds	6.1	6.5	8.7

Morningstar Data

Allocations & Ranges Pre-Meltdown

Allocations and Approved Ranges as of 09/30/07												
					Total				Direct	Pooled		
									Real	Real		
<u>Pension Fund</u>	<u>MDEP</u>	<u>MTIP</u>	<u>MPEP</u>	<u>Equity</u>	<u>RFBP</u>	<u>STIP</u>	<u>Mtgs</u>	<u>Estate</u>	<u>Estate</u>	<u>Estate</u>	<u>Total Assets</u>	
PUBLIC EMPLOYEES	41.9%	20.1%	8.0%	69.9%	23.8%	1.8%	0.8%	0.2%	3.4%	4,203,115,739		
TEACHERS	42.4%	19.9%	7.8%	70.2%	23.8%	1.4%	0.9%	0.3%	3.5%	3,259,175,625		
POLICE	41.0%	19.1%	7.7%	67.8%	24.1%	4.8%			3.3%	215,218,721		
SHERIFFS	42.3%	19.4%	7.8%	69.4%	24.8%	2.4%			3.4%	202,601,854		
FIREFIGHTERS	41.0%	19.1%	7.7%	67.8%	24.1%	4.7%			3.3%	204,666,677		
HIGHWAY PATROL	41.8%	20.1%	8.0%	70.0%	24.9%	1.6%			3.5%	105,280,677		
GAME WARDENS	41.8%	19.7%	7.9%	69.5%	24.4%	2.7%			3.4%	76,190,660		
JUDGES	42.0%	19.7%	7.9%	69.6%	24.8%	2.1%			3.4%	63,633,532		
VOL FIREFIGHTERS	42.3%	20.2%	8.0%	70.5%	23.7%	2.3%			3.5%	27,889,006		
TOTAL	42.0%	20.0%	7.9%	69.9%	23.9%	1.8%	0.8%	0.2%	3.4%	8,357,772,490		
Approved Range	30.0%	15.0%	5.0%	60.0%	22.0%	1.0%	0.0%	0.0%	0.0%			
	50.0%	30.0%	10.0%	70.0%	32.0%	5.0%	4.0%	1.0%	8.0%			

Allocations & Ranges Post-Meltdown

Allocations and Approved Ranges as of 12/31/08												
										Direct	Pooled	
					Total					Real	Real	
Pension Fund	MDEP	MTIP	MPEP	Equity	RFBP	STIP	Mtgs	Estate	Estate		Total Assets	
PUBLIC EMPLOYEES	34.4%	14.6%	13.4%	62.4%	29.8%	0.5%	1.0%	0.3%	6.0%		3,005,232,503	
TEACHERS	34.4%	14.6%	13.1%	62.1%	29.9%	0.6%	1.1%	0.4%	5.9%		2,299,415,137	
POLICE	33.5%	14.6%	13.1%	61.2%	30.4%	2.5%			5.9%		154,831,304	
SHERIFFS	33.8%	14.6%	13.2%	61.6%	30.9%	1.5%			5.9%		149,244,799	
FIREFIGHTERS	34.5%	14.6%	13.4%	62.6%	30.8%	0.6%			6.0%		151,204,701	
HIGHWAY PATROL	34.5%	14.7%	13.2%	62.4%	31.0%	0.7%			5.9%		74,891,564	
GAME WARDENS	33.5%	14.6%	13.1%	61.2%	30.4%	2.5%			5.9%		59,560,839	
JUDGES	34.0%	14.7%	13.3%	62.0%	31.0%	1.0%			5.9%		46,282,756	
VOL FIREFIGHTERS	34.7%	14.6%	13.1%	62.4%	31.2%	0.6%			5.8%		19,679,522	
TOTAL	34.2%	14.6%	13.2%	62.0%	30.6%	1.2%	1.1%	0.3%	5.9%		5,960,343,125	
Approved Range	30.0%	15.0%	9.0%	60.0%	22.0%	1.0%	0.0%	0.0%	0.0%			
	50.0%	30.0%	15.0%	70.0%	32.0%	5.0%	4.0%	1.0%	8.0%			

Pension Fund Investment Activity

2008 Retirement Funds Investment Activity

<u>Pool</u>	Value of Units/		Net <u>Transactions</u>
	<u>Purchased</u>	<u>Sold</u>	
Retirement Funds Bond Pool (RFBP)	2,800,000	(6,958,243)	(4,158,243)
Montana Domestic Equity Pool (MDEP)	6,190,000	(14,934,944)	(8,744,944)
Montana International Equity Pool (MTIP)	5,255,000	(136,765)	5,118,235
Montana Private Equity Pool (MPEP)	63,120,000	-	63,120,000
Montana Real Estate Pool (MTRP)	161,500,000	-	161,500,000
Total	<u>238,865,000</u>	<u>(22,029,952)</u>	<u>216,835,048</u>

2007 Retirement Funds Investment Activity

<u>Pool</u>	Value of Units/		Net <u>Transactions</u>
	<u>Purchased</u>	<u>Sold</u>	
Retirement Funds Bond Pool (RFBP)	109,670,000	-	109,670,000
Montana Domestic Equity Pool (MDEP)	9,699,997	(118,345,358)	(108,645,361)
Montana International Equity Pool (MTIP)	880,000	(172,551)	707,449
Montana Private Equity Pool (MPEP)	117,500,000	-	117,500,000
Montana Real Estate Pool (MTRP)	125,000,000	-	125,000,000
Total	<u>362,749,997</u>	<u>(118,517,909)</u>	<u>244,232,088</u>

Pension Fund Investment Activity

2009 YTD Retirement Funds Investment Activity

<u>Pool</u>	Value of Units/ <u>Purchased</u>	Value of Units/ <u>Sold</u>	Net <u>Transactions</u>
	Retirement Funds Bond Pool (RFBP)		(108,130,000)
Montana Domestic Equity Pool (MDEP)		(5,440,000)	(5,440,000)
Montana International Equity Pool (MTIP)	43,085,000		43,085,000
Montana Private Equity Pool (MPEP)	112,530,000		112,530,000
Montana Real Estate Pool (MTRP)	43,880,000		43,880,000
Total	199,495,000	(113,570,000)	85,925,000