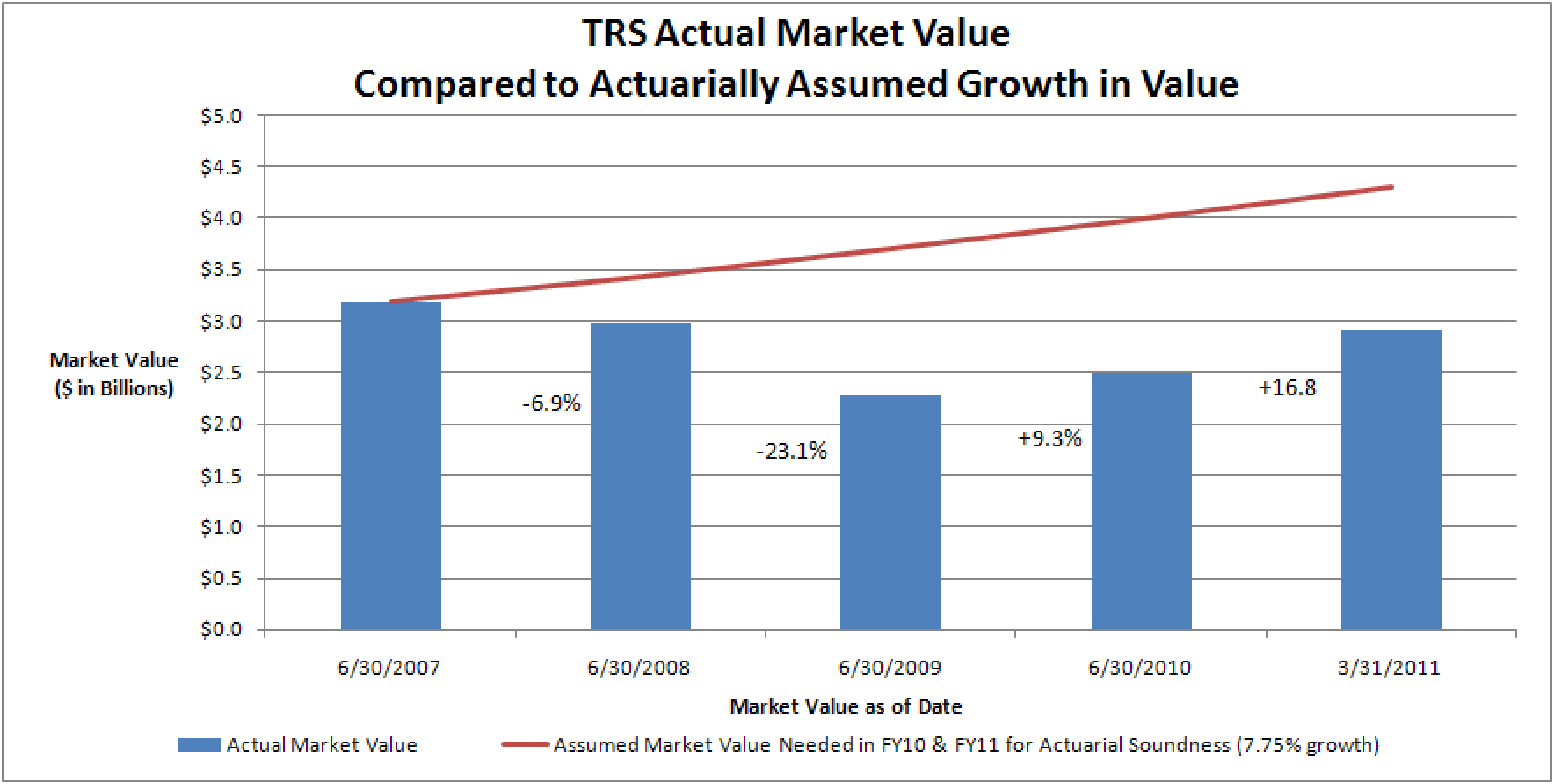

The bars in the chart are the actual market value of each fund as reported by the Board of Investments. The solid line represents the value of assets if it had grown at 7.75% each year as is assumed for investment returns in the actuarial valuations (as used in the TRS actuarial valuation as of June 30, 2010). The point of this chart is to demonstrate that the gain made in FY 2010 and FY 2011 has not closed the gap. FY 2007 is last year that TRS was actuarially sound. As is shown, FY 2009 saw reductions in fund assets of 23%. Since then, returns have exceeded the 7.75% actuarial assumption, but the gap has changed little. It will take significant investment returns over a long time period of time to close the gap and this assumes that the equity markets do not experience another downturn for many years.

The viewer must understand that the representation above strays from the usual actuarial analysis simply to make a point. Actuarial valuations incorporate many assumptions to reach a conclusion while this analysis focuses on just the asset value of the pension funds.