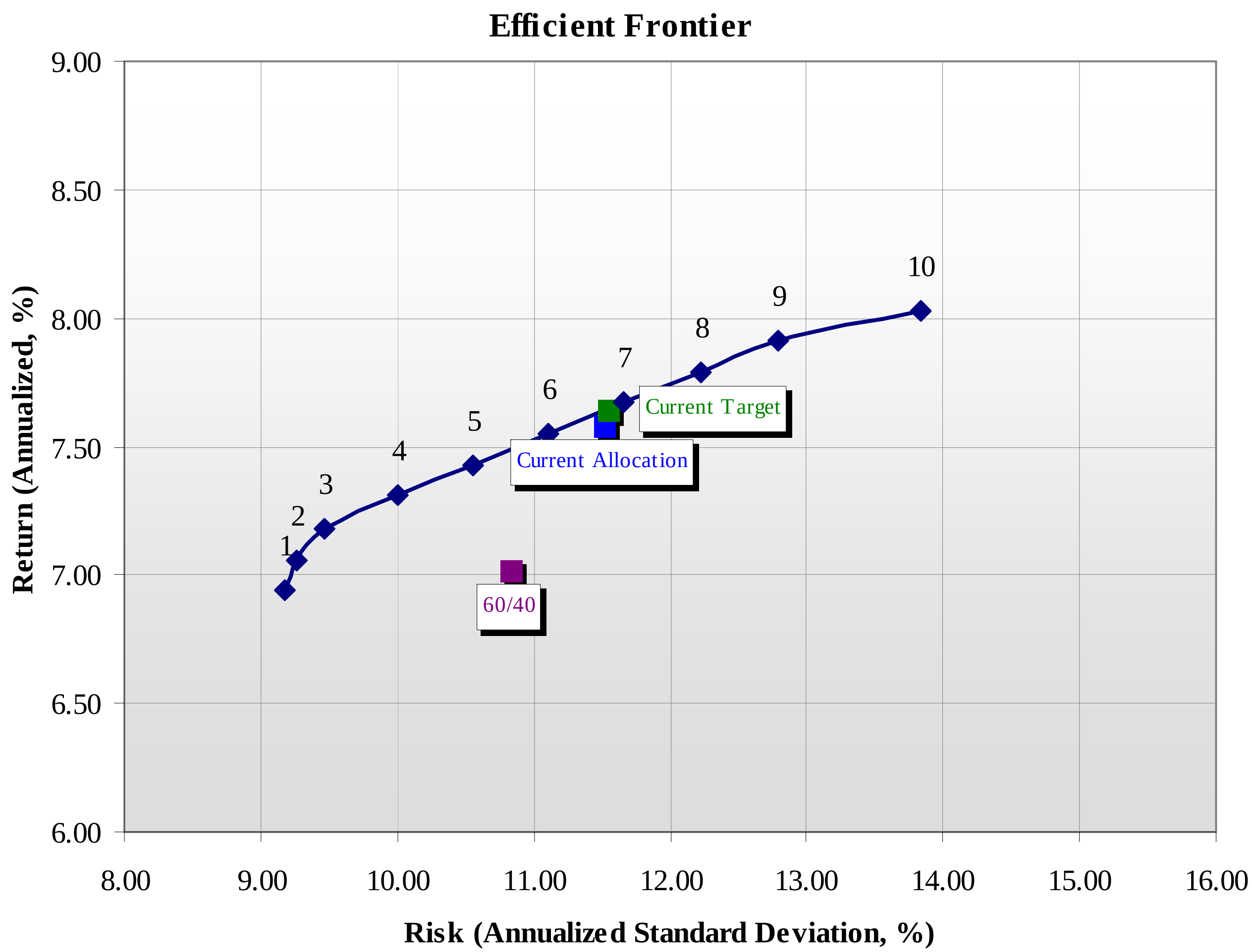
PERA's Policy Target vs. 60/40 Portfolio

Asset Classes	Min	Max	Current Allocation	Current Target	60/40	1	2	3	4	5	6	7	8	9	10
Broad US Equity	15	40	29	27	30	30	25	20	22	24	26	27	29	32	40
Broad International Equity	10	30	28	27	30	15	17	20	22	24	26	27	29	30	30
Core Fixed Income	15	40	25	26	40	40	40	40	36	32	29	25	22	18	15
Real Estate - Custom	0	3	2	3	0	3	3	3	3	3	3	3	3	3	3
Absolute Return	0	9	9	9	0	9	9	9	9	9	9	9	9	9	7
Private Equity	0	5	3	5	0	0	3	5	5	5	5	5	5	5	5
Real Assets - Custom	0	3	4	3	0	3	3	3	3	3	3	3	3	3	0
Total			100	100	100	100	100	100	100	100	100	100	100	100	100
Total Equity	40	70	57	54	60	45	42	40	44	48	51	55	58	62	70
Return			7.58	7.64	7.02	6.94	7.06	7.18	7.31	7.43	7.55	7.67	7.79	7.91	8.03
Risk (1 Year Holding Period)			11.52	11.54	10.83	9.18	9.27	9.47	10.01	10.55	11.10	11.66	12.22	12.79	13.83
Return (Compound)			6.97	7.03	6.48	6.55	6.66	6.76	6.85	6.92	6.98	7.04	7.10	7.16	7.16
Risk (3 Year Holding Period)			6.65	6.66	6.25	5.30	5.35	5.47	5.78	6.09	6.41	6.73	7.06	7.38	7.98
Risk (5 Year Holding Period)			5.15	5.16	4.84	4.11	4.15	4.24	4.48	4.72	4.96	5.21	5.46	5.72	6.18
Risk (7 Year Holding Period)			4.35	4.36	4.09	3.47	3.50	3.58	3.78	3.99	4.20	4.41	4.62	4.83	5.23
Risk (10 Year Holding Period)			3.64	3.65	3.42	2.90	2.93	2.99	3.17	3.34	3.51	3.69	3.86	4.04	4.37

Current allocation as of October 31, 2010.

PERA's Policy Target vs. 60/40 Portfolio



Current allocation as of October 31, 2010.

RVKuhns & ASSOCIATES, INC.