

## Performance for the Quarter and Year-to-Date ended March 31, 2007

The first quarter of 2007 was marked by troubles in the residential real estate market as the default rates on subprime mortgages continued to rise. This negative impact was offset by another trend in the stock market. Public share prices rose as an increasing amount of available shares were removed from the market through leveraged buyouts and company share buybacks. A leveraged buyout is an investment strategy where private investors combine investor capital and large amounts of debt to purchase the stock of a company from its public shareholders. The leveraged buyout industry is becoming one of the most active players in mergers and acquisitions. Buyout firms have raised a significant amount of capital that is still waiting to be deployed, which means that more public companies should be expected to turn private in the near future. This could have a very positive affect on stock prices.

The Federal Open Markets Committee (FOMC) maintained the federal funds rate of 5.25%, as the economic future for the country remains unclear. The final GDP at the end of the fourth quarter was 2.4%, and the 2006 Consumer Price Index came to a total of 2.5%. For the first quarter of 2007, existing home sales were up for February and March, while new home sales fell.

The yield curve remained relatively flat during the first quarter. The domestic equity market ended positively despite the largest one-day percentage drop (3.3% on February 27) since the 9/11 terrorist attacks. International equities outperformed domestic equities, and of those, developed equity markets outperformed lesser developed equity markets (emerging markets). The dollar declined modestly against both the Euro and the Japanese yen.

For the quarter ending March 31, 2007, all of the General Board funds produced positive returns. All of the funds also performed well in relation to their benchmarks for the quarter. The most significant relative performance of the first quarter was the Domestic Stock Fund with a return of 2.6%, double the return of its benchmark the Russell 3000.

## Fund and Benchmark Performance for Periods Ended March 31, 2007, net of fees

<u>General Board Funds</u>	<u>Quarter</u>	<u>YTD</u>	<u>1 Year</u>	<u>2 Years</u>	<u>3 Years</u>	<u>5 Years</u>	<u>Inception</u>
Multiple Asset <sup>1</sup>	2.5%	2.5%	11.3%	13.4%	11.1%	NA	10.2%
Custom Benchmark <sup>2</sup>	2.0%	2.0%	11.3%	11.9%	10.1%	NA	9.2%
Domestic Bond	1.5%	1.5%	8.1%	5.4%	3.9%	5.4%	5.9%
Lehman U.S. Universal (blend) <sup>3</sup>	1.6%	1.6%	6.9%	4.6%	3.5%	5.2%	5.9%
Inflation Protection Fund <sup>4</sup>	2.5%	2.5%	5.3%	3.1%	2.9%	NA	4.4%
BCGI Inftn-Lnkd Indx	2.4%	2.4%	5.1%	3.0%	3.0%	NA	4.4%
Stable Value Fund <sup>5</sup>	1.1%	1.1%	4.4%	4.2%	3.9%	NA	3.7%
Ryan Labs GIC Index	1.0%	1.0%	4.0%	3.7%	3.4%	NA	3.2%
Balanced Social Values Plus	2.1%	2.1%	4.4%	8.3%	5.4%	4.7%	4.6%
Custom Benchmark <sup>6</sup>	1.4%	1.4%	9.4%	9.5%	8.1%	6.3%	6.2%
Domestic Stock	2.6%	2.6%	10.6%	13.0%	10.9%	7.2%	6.3%
Russell 3000 Index	1.3%	1.3%	11.3%	12.8%	10.8%	7.2%	6.3%
International Stock	3.6%	3.6%	19.3%	24.3%	18.7%	14.1%	10.6%
MSCI Blend <sup>7</sup>	3.8%	3.8%	19.8%	22.2%	19.8%	15.8%	8.6%

<sup>1</sup> Inception for Multiple Asset Fund is 5/1/2002.

<sup>2</sup> On January 1, 2006, the benchmark for the Multiple Asset Fund became 45% Russell 3000 Index, 20% MSCI All Country World Index ex USA Index, 25% Lehman U.S. Universal Index ex-Mortgage Backed Securities, and 10% U.S. Barclays Capital Global Inflation Linked Bond Index. Prior to this date, the benchmark had been 47% Russell 3000 Index, 15% MSCI EAFE Index, 3% MSCI Emerging Markets Index, and 35% Lehman U.S. Universal Index. The benchmark data reported above is a blend of the two benchmarks based on the period for which the respective benchmark applies.

<sup>3</sup> Benchmark for the Domestic Bond Fund became the Lehman Universal ex-MBS Index on January 1, 2006. Prior to this date, the benchmark had been the Lehman Aggregate Bond Index from January 1, 2003 through December 31, 2005, and the Lehman Intermediate Aggregate Bond Index prior to January 1, 2003. The benchmark data reported above is a blend of the three benchmarks based on the period for which each respective benchmark applies.

<sup>4</sup> Inception for Inflation Protection Fund is 12/31/2003.

<sup>5</sup> Inception for Stable Value Fund is 11/30/2002.

<sup>6</sup> Benchmark for the Balanced Social Values Plus Fund is 60% Russell 3000, 30% Lehman Aggregate Bond Index and 10% Merrill Lynch 3 month Treasury Bills Index.

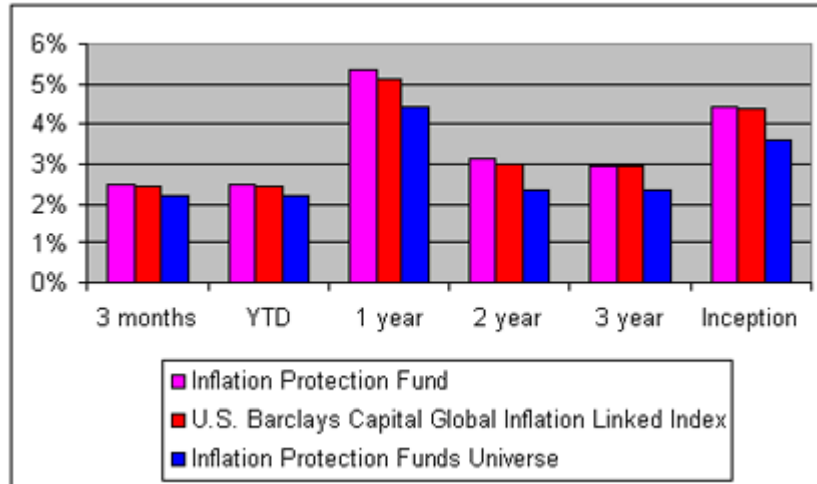
<sup>7</sup> Benchmark for the International Stock Fund became the MSCI All Country World Index ex USA (MSCI ACWI ex USA) on January 1, 2006. Prior to this date, the benchmark had been the MSCI EAFE Index. The benchmark data reported above is a blend of the two benchmarks based on the period for which each respective benchmark applies.

The charts below compare the performance of each of the General Board funds (except for the Stable Value Fund, for which there is no comparable data) with similar funds reported in the Standard and Poor's universe of mutual fund returns. The row called "Number of Funds" indicates how many mutual funds similar to the General Board's fund appear in the Standard and Poor's database. The row called "Rank" indicates the percentile rank of the General Board's fund when compared to similar mutual funds. For example, a rank of 30% means that the General Board's fund performed in the top 30% of a universe of similar mutual funds.

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## **Recent and Long-Term Returns: Inflation Protection Fund Compared with Standard and Poor's Universe**

For the first quarter 2007, the Inflation Protection Fund produced a return of 2.5%, 0.1% ahead of its benchmark. Commodities contributed strongly to the fund's performance. However, gains in commodities were partially offset by the fund's holdings of international bonds, which did not perform as well as U.S. inflation linked bonds.



**Compound Annual Returns for the Periods Ending March 31, 2007**

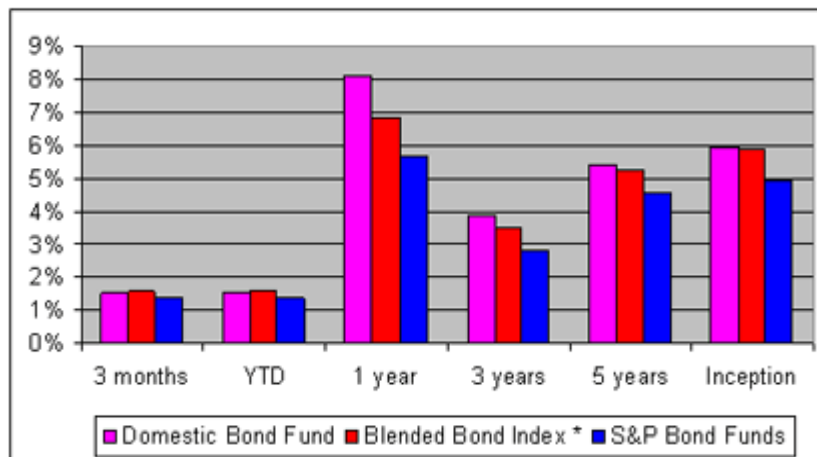
	<u>3 months</u>	<u>YTD</u>	<u>1 year</u>	<u>2 year</u>	<u>3 year</u>	<u>Inception</u>
Inflation Protection Fund	2.5%	2.5%	5.3%	3.1%	2.9%	4.4%
U.S. Barclays Capital Global Inflation Linked Index	2.4%	2.4%	5.1%	3.0%	3.0%	4.4%
Inflation Protection Funds Universe*	2.2%	2.2%	4.5%	2.3%	2.3%	3.6%
Number of Funds	135	135	119	97	68	64
Rank	7%	11%	11%	11%	6%	6%

\* The comparison universe is comprised of a subset of Wilshire's S&P universe of government bond funds with a stated mandate of inflation return, total return, and real return.

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**Recent and Long-Term Returns: Domestic Bond Fund Compared with Standard and Poor's Universe**

For the quarter ending March 31, 2007, the Domestic Bond Fund fell behind its benchmark by 0.1%, but ahead of its mean universe return by 0.1%. A portion of the Domestic Bond Fund is invested in the international bond market. The U.S. bond market performed better than international bond markets for the first quarter, which accounts for the fund's performance relative to the benchmark.



<b>Compound Annual Returns for the Periods Ending March 31, 2007</b>	<b>3 months</b>	<b>YTD</b>	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>Inception</b>
Domestic Bond Fund	1.5%	1.5%	8.1%	3.9%	5.4%	5.9%
Blended Bond Index *	1.6%	1.6%	6.9%	3.5%	5.2%	5.9%
S&P Bond Funds **	1.4%	1.4%	5.7%	2.8%	4.6%	4.9%
Number of Funds	1,431	1,431	1,367	1,157	892	484
Rank	24%	24%	4%	9%	20%	8%

\* Benchmark for the Domestic Bond Fund became the Lehman Universal ex-MBS Index on January 1, 2006. Prior to this date, the benchmark had been the Lehman Aggregate Bond Index from January 1, 2003 through December 31, 2005, and the Lehman Intermediate Aggregate Bond Index prior to January 31, 2003. The benchmark data reported above is a blend of the three benchmarks based on the period for which each respective benchmark applies.

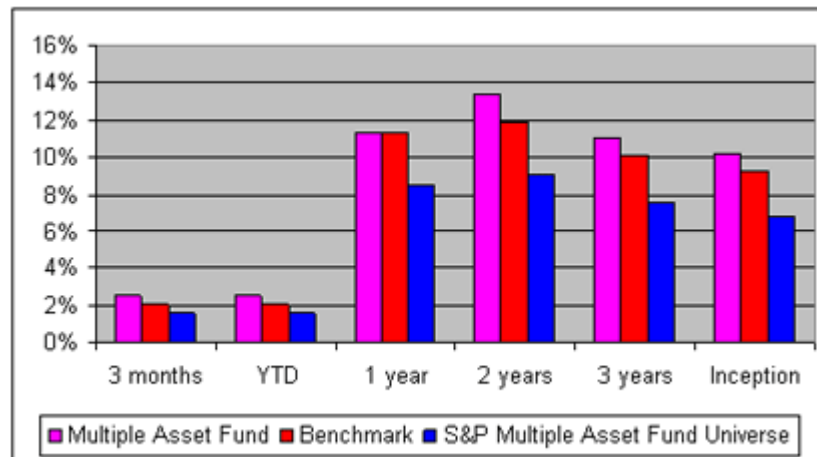
\*\* Three of Wilshire Compass's predefined universes were combined to assemble this Bond Funds Universe. The three Wilshire Compass predefined universes were mutual funds of "S&P Styles" of "Fixed Income General Short", "Fixed Income General Intermediate", and "Fixed Income General Long".

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## Recent and Long-Term Returns: Multiple Asset Fund Compared with Standard and Poor's Universe

The Multiple Asset Fund represents a pre-specified mix of four of the General Board funds with a target allocation of 45% Domestic Stock Fund, 20% International Stock Fund, 25% Domestic Bond Fund, and 10% Inflation Protection Fund. When these differences in allocations exceed the pre-specified limits, the Multiple Asset Fund is rebalanced by selling shares of the over-allocated funds and purchasing shares of the under-allocated funds.

For the quarter ending March 31, 2007, the Multiple Asset Fund surpassed its benchmark by 0.5%. This performance can be attributed to its 45% allocation to the Domestic Stock Fund, which performed extremely well. The Domestic Stock Fund finished 1.3% ahead of its benchmark for the first quarter.



Fund inception for the Multiple Asset Fund is May 1, 2002.

<b>Compound Annual Returns for the Periods Ending March 31, 2007</b>	<b>3 months</b>	<b>YTD</b>	<b>1 yr</b>	<b>2 yr</b>	<b>3 yr</b>	<b>Inception</b>
Multiple Asset Fund	2.5%	2.5%	11.3%	13.4%	11.1%	10.2%
Custom Benchmark *	2.0%	2.0%	11.3%	11.9%	10.1%	9.2%
S&P Multiple Asset Fund Universe **	1.6%	1.6%	8.5%	9.1%	7.6%	6.8%
Number of Funds	2,745	2,745	2,381	2,008	1,656	1,031
Rank	6%	6%	10%	5%	7%	7%

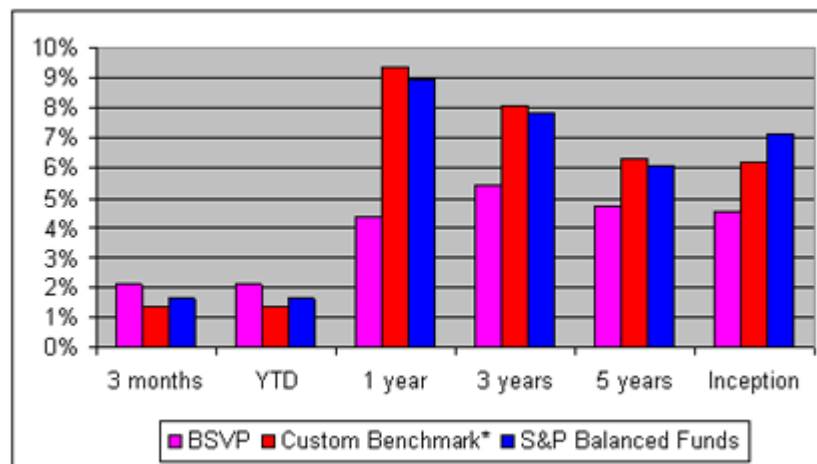
\* On January 1, 2006, the benchmark for the Multiple Asset Fund became 45% Russell 3000 Index, 20% MSCI All Country World Index ex USA Index, 25% Lehman U.S. Universal Index ex-Mortgage Backed Securities, and 10% U.S. Barclays Capital Global Inflation Linked Bond Index. Prior to this date, the benchmark had been 47% Russell 3000 Index, 15% MSCI EAFE Index, 3% MSCI Emerging Markets Index, and 35% Lehman U.S. Universal Index. The benchmark data reported above is a blend of the two benchmarks based on the period for which the respective benchmark applies.

\*\* The comparison universe is derived from the Wilshire Compass S&P "Asset Class" of "Balanced" mutual funds.

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## Recent and Long-Term Returns: Balanced Social Values Fund Compared with Standard and Poor's Universe

For the first quarter of 2007, the Balanced Social Values Plus Fund produced a return ahead of its benchmark by 0.7%. The excess return is attributable to the fund's equity holdings which outperformed the broader market.



<b>Compound Annual Returns for the Periods Ending March 31, 2007</b>	<b>3 months</b>	<b>YTD</b>	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>Inception</b>
Balanced Social Values Plus Fund	2.1%	2.1%	4.4%	5.4%	4.7%	4.6%
Custom Benchmark*	1.4%	1.4%	9.4%	8.1%	6.3%	6.2%
S&P Balanced Funds **	1.6%	1.6%	8.9%	7.8%	6.1%	7.2%
Number of Funds	1,195	1,195	1,043	744	510	248
Rank	18%	18%	99%	92%	84%	73%

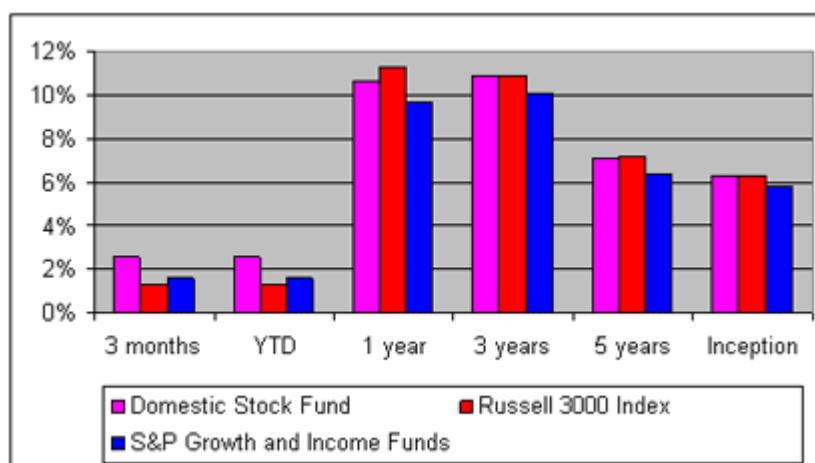
\* Benchmark for the Balanced Social Values Plus Fund is 60% Russell 3000, 30% Lehman Aggregate Bond Index and 10% Merrill Lynch 3 month Treasury Bills Index.

\*\* The comparison universe includes all Wilshire Compass mutual funds included in the predefined universe of S&P "Hybrid U.S. Balanced" funds.

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## Recent and Long-Term Returns: Domestic Stock Fund Compared with Standard and Poor's Universe

For the quarter ending March 31, 2007, the Domestic Stock Fund returned 2.6%, doubling the return of its benchmark the Russell 3000. The fund benefited from its allocation to small and mid-sized stocks and also from its allocation to private real estate.



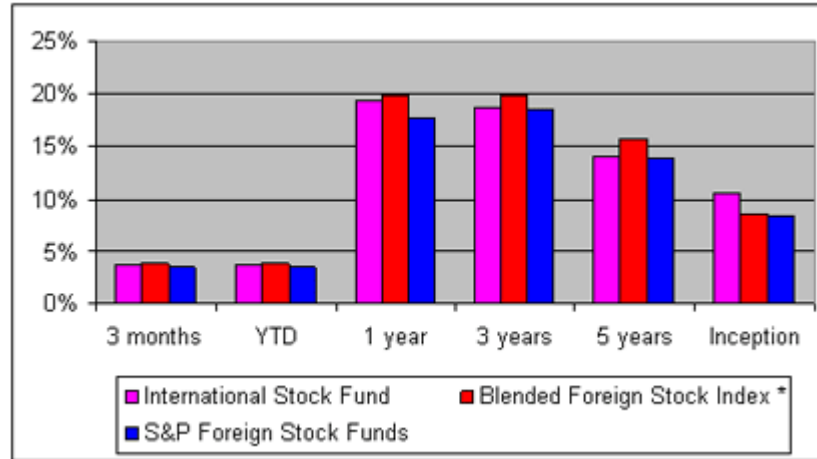
Compound Annual Returns for the Periods Ending March 31, 2007	3 months	YTD	1 year	3 years	5 years	Inception
Domestic Stock Fund	2.6%	2.6%	10.6%	10.9%	7.2%	6.3%
Russell 3000 Index	1.3%	1.3%	11.3%	10.8%	7.2%	6.3%
S&P Growth and Income Funds *	1.6	1.6%	9.7%	10.1%	6.4%	5.8%
Number of Funds	2,361	2,361	2,042	1,444	1,126	523
Rank	27%	27%	37%	40%	42%	41%

\* The comparison universe incorporates funds from the following Wilshire Compass S&P styles: Equity Large Cap Blend, Equity Small Cap Blend, and Equity Mid-cap Blend.

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## Recent and Long-Term Returns: International Stock Fund Compared with Standard and Poor's Universe

For the first quarter 2007, the International Stock Fund returned 3.6%, slightly behind its benchmark return of 3.8%. The fund has a larger allocation to stocks in lesser-developed countries (emerging markets) than its benchmark, and lesser-developed equity markets did not produce returns as high as those in developed equity markets during the first quarter.



Compound Annual Returns for the Periods Ending March 31, 2007	<u>3 months</u>	<u>YTD</u>	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>Inception</u>
International Stock Fund	3.6%	3.6%	19.3%	18.7%	14.1%	10.6%
Blended Foreign Stock Index *	3.8%	3.8%	19.8%	19.8%	15.8%	8.6%
S&P Foreign Stock Funds **	3.5%	3.5%	17.7%	18.5%	13.9%	8.3%
Number of Funds	1,079	1,079	959	787	649	329
Rank	45%	45%	30%	45%	47%	18%

\* Benchmark for the International Stock Fund became the MSCI All Country World Index ex USA (MSCI ACWI ex USA) on January 1, 2006. Prior to this date, the benchmark had been the MSCI EAFE Index. The benchmark data reported above is a blend of the two benchmarks based on the period for which each respective benchmark applies.

\*\* The comparison universe contains all Wilshire Compass mutual funds included in the predefined universe of S&P "Equity International" funds.

For further information on and returns of the investment strategy of the General Board's funds, please see the [Investment Funds Description](#) booklet, available on the General Board's Web site.

**Disclosure:** Past performance is not a predictor of future results. The General Board highly recommends that participants consult with a fee-only financial planner to develop a savings plan that is best suited to the participant's individual life circumstance and risk tolerance.