

PERFORMANCE REPORT

Independent
advice for
the institutional
investor

Ohio Public
Employees
Retirement System

Second Quarter
2005

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Returns and market values reported are those provided by Bank One, State Street, and OPERS. Real estate information is provided by the Townsend Group. Private equity information is provided by PCG. Historic returns have been provided by Capital Resource Advisors and OPERS. All rates of return are reported net of investment management fees. All rates of return for time periods greater than one year are annualized. Due to rounding percentages in some exhibits may not add to 100.0%.

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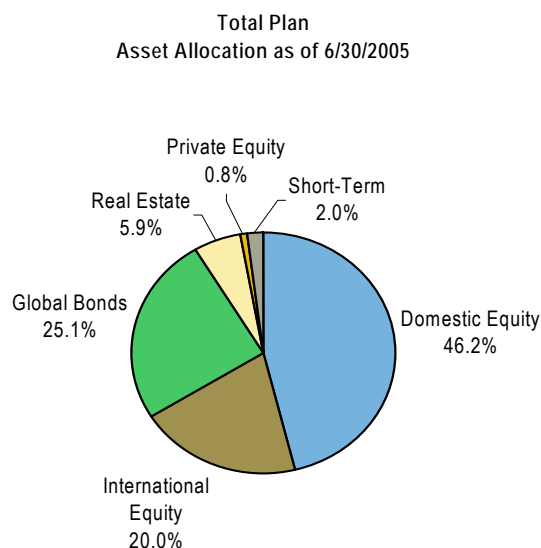
EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Return Summary Ending 6/30/2005

	Second Quarter	Year-to-Date	1-Year Ending 6/30/2005	3-Years Ending 6/30/2005	5-Years Ending 6/30/2005
Russell 3000 Index	2.2%	0.0%	8.1%	9.5%	-1.4%
MSCI All Country World Ex-U.S. Index	-0.2	0.0	16.5	13.6	0.4
Lehman Brothers Universal Bond Index	3.1	2.5	7.4	6.6	7.6
NCREIF Property Index	5.3	9.0	18.0	12.1	10.6

- The U.S. equity market gained 2.2% during the second quarter as represented by the Russell 3000 Index. Utilities continued to rally and gained 6.5% during the quarter. Energy stocks, although not the best performing sector during the quarter, increased 20.5% year-to-date. For the first time since the second quarter of 2004, large-cap growth stocks outperformed their large-cap value counterparts while small cap issues outperformed large cap. The Russell 3000 Index finished the first half of 2005 neutral.
- The MSCI All-Country World ex-U.S. Index was up 4.5% in local currency, but down 0.2% in U.S. dollars. Due to lackluster economic growth and political turmoil, Europe lost 0.8% during the second quarter. Japan lost 3.6% due to weak exports and heightened political tension with China. During the second quarter, emerging markets gained a solid 4.1%. Latin America was the best regional performer, advancing 9.1% for the quarter.
- The Lehman Brothers Universal Bond Index gained 3.1% during the second quarter. Corporate bonds were the best performing sector, gaining 3.6% during the quarter, despite the downgrade of General Motors and Ford debt to junk status. Government bonds also bolstered the return of the Index as the sector gained 3.4%. Hindering results included the mortgage and asset backed sectors. High yield issues gained 2.8%, marginally underperforming the Index.
- Real estate proved positive during the quarter, returning 5.3%.



EXECUTIVE SUMMARY

Return Summary Ending 6/30/2005

	Second Quarter	Year-to-Date	One-Year	Three-Years	Five-Years	Since 12/31/1995
Total Fund (DB)*	2.1%	1.2%	10.5%	10.3%	3.6%	7.0%
Policy Portfolio (DB)	2.2	1.3	10.4	10.0	3.5	7.7
Public Fund Index	2.5	1.6	10.6	9.8	3.6	8.3
Domestic Equity (DB)	2.4	0.2	8.2	9.7	-0.7	8.2
Performance Benchmark	2.2	0.0	8.1	9.5	-1.0	9.8
International Equity (DB)	0.0	0.2	16.6	13.8	0.4	6.0
Performance Benchmark	-0.2	0.0	16.5	13.6	0.4	5.7
Global Bonds (DB)	3.2	2.9	8.1	7.1	7.9	6.7
Performance Benchmark	3.1	2.5	7.4	6.6	7.9	6.7
Real Estate (DB)	1.9	3.7	13.1	10.3	10.7	10.5
Performance Benchmark	5.1	8.5	18.8	12.2	11.8	10.8
REITs (DB)	14.9	7.5	--	--	--	--
DJ Wilshire RESI (Full Cap)	14.1	6.8	--	--	--	--
Private Equity (DB)	0.8	15.2	21.8	15.9	3.4	--
Performance Benchmark	-1.5	9.4	10.3	6.9	-1.7	--
Cash Equivalents (DB)	0.8	1.4	2.4	1.6	2.6	4.0
Performance Benchmark	0.7	1.3	2.1	1.5	2.6	3.8
Stable Value (DB)	1.0	2.1	--	--	--	--
LB 90 Day Treasury Bill	0.7	1.3	--	--	--	--

* Performance prior to 12/31/04 was that of the Total Plan prior to the split of the Defined Benefit and Health Care assets.

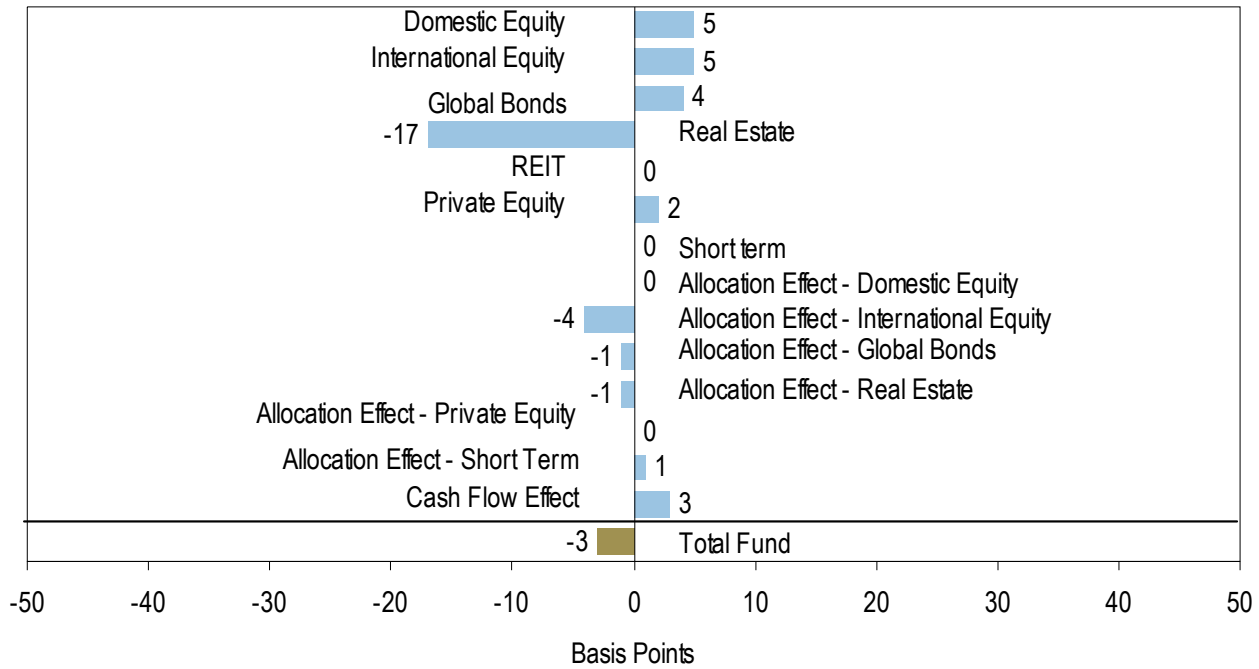
Return Summary Ending 6/30/2005

	Second Quarter	Since Inception	Inception Date
Total Fund (HC)	2.5%	1.1%	12/31/04
Healthcare Benchmark	2.4	1.0	
Domestic Equity (HC)	2.4	0.2	12/31/04
Russell 3000 Index	2.2	0.0	
International Equity (HC)	0.0	0.2	12/31/04
MSCI All Country World ex-U.S. Index	-0.2	0.0	
Global Bonds (HC)	3.2	2.9	12/31/04
LB Universal Index	3.1	2.5	
REITs (HC)	14.9	7.6	12/31/04
DJ Wilshire RESI (Full Cap)	14.1	6.8	
Cash Equivalents (HC)	0.9	1.6	12/31/04
LB 90 Day Treasury Bill	0.7	1.3	
TIPS	3.1	3.3	2/28/05
LB Inflation Index	3.0	3.1	
Short Duration	1.2	1.0	2/28/05
LB 1-3 Gov. Index	1.2	1.2	

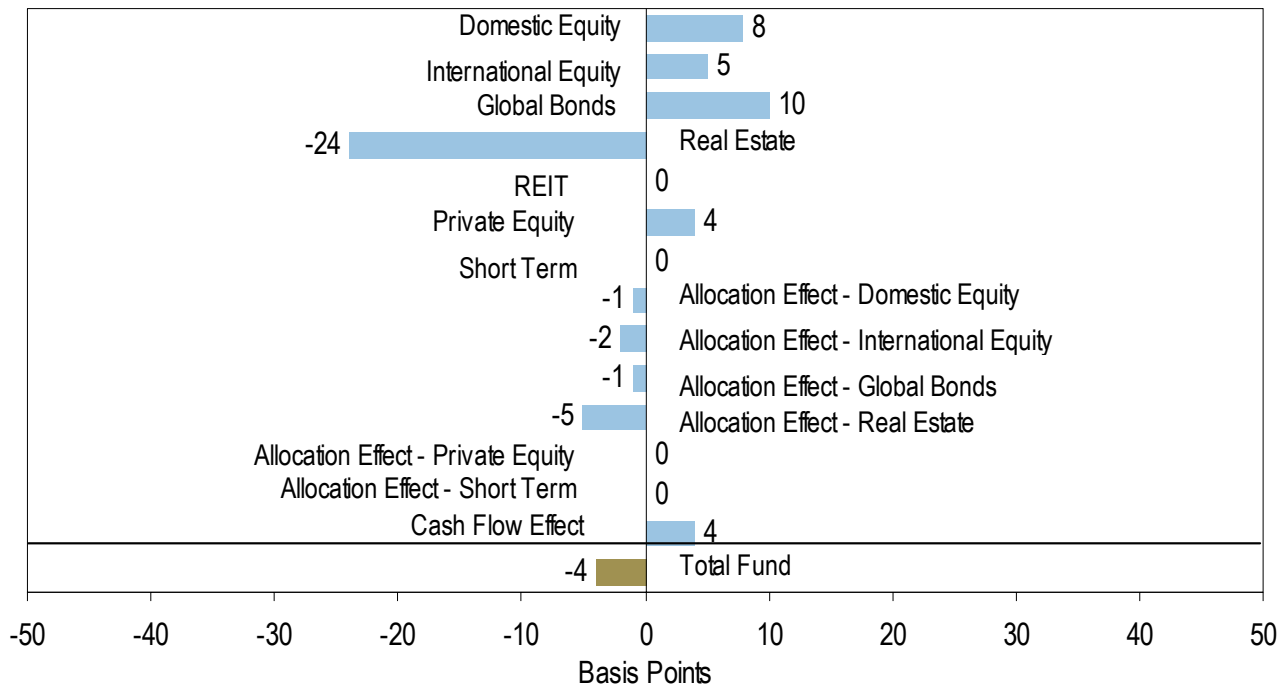
- The Defined Benefit assets gained 2.1% during the period and marginally lagged the result of the Fund's performance benchmark. The Health Care assets increased by 2.5% moderately outperforming the return of the health care benchmark.
- Within the Defined Benefit Fund, the real estate portfolio held back performance. Relative gains were achieved by the Domestic Equity, International Equity, Global Bonds and Cash Equivalents portfolios.
- The one-year performance of the Fund exceeded the return of the policy portfolio but modestly lagged the performance of the Public Fund Index. Longer term returns are mixed relative to the benchmarks.
- Within the Health Care Fund, the outperformance of the Domestic Equity, International Equity, Global Bonds, and REITs portfolios led to outperformance over the Fund's benchmark during the quarter.

EXECUTIVE SUMMARY

Defined Benefit Plan Attribution Analysis 3 Months Ending 6/30/05



Defined Benefit Plan Attribution Analysis 6 Months Ending 6/30/05



- Please see the Appendix for a description of performance attribution, allocation effect, and cash flow effect.

ASSET ALLOCATION-TOTAL PLAN AS OF 6/30/05

(\$ in thousands)

	Domestic Equity	Intl Equity	Global Bonds	Real Estate	Private Equity	Cash & Equivalents	Total	Percent of Total
Internal Equity	\$25,965,263 (100%)	--	--	--	--	\$16,031 (0%)	\$25,981,294	40.0%
Large Cap Equity	3,511,748 (99%)	--	--	--	--	25,210 (1%)	3,536,958	5.4
Small Cap Equity	516,273 (99%)	--	--	--	--	7,642 (1%)	523,915	0.8
Passive Equity	48 (18%)	--	--	--	--	218 (82%)	266	0.0
Domestic Equity	29,993,332 (100%)	--	--	--	--	49,101 (0%)	30,042,433	46.2
Active International	--	\$5,216,417 (98%)	--	--	--	\$118,708 (2%)	\$5,335,125	8.2%
Active/Passive International	--	4,380,577 (100%)	--	--	--	--	4,380,577	6.7
Passive International	--	2,493,313 (100%)	--	--	--	--	2,493,313	3.8
Emerging Markets	--	769,315 (96%)	--	--	--	28,194 (4%)	797,509	1.2
Other	--	--	--	--	--	297 (100%)	297	0.0
International Equity	--	12,859,622 (99%)	--	--	--	147,199 (1%)	13,006,821	20.0
Internal Bonds	--	--	\$13,962,753 (100%)	--	--	--	\$13,962,753	21.5%
Core Fixed Income	--	--	660,647 (89%)	--	--	\$78,884 (11%)	739,531	1.1
High Yield Field Income	--	--	823,440 (95%)	--	--	45,421 (5%)	868,861	1.3
Emerging Market Debt	--	--	680,005 (97%)	--	--	22,998 (3%)	703,003	1.1
Mortgage Backed Securities	--	--	25,000 (100%)	--	--	--	25,000	0.0
Other	--	--	--	--	--	2 (100%)	2	0.0
Global Bonds	--	--	16,151,845 (99%)	--	--	147,305 (1%)	16,299,150	25.1
Real Estate	--	--	--	\$3,803,475 (100%)	--	--	\$3,803,475	5.9%
Private Equity	--	--	--	--	\$494,893 (100%)	--	\$494,893	0.8%
Short Term-Defined Benefit	--	--	--	--	--	\$238,785 (100%)	\$238,785	0.4%
Short Term-Health Care	--	--	--	--	--	1,081,317 (100%)	1,081,317	1.7
Short Term	--	--	--	--	--	1,320,102 (100%)	1,320,102	2.0
Total Fund	\$29,993,332	\$12,859,622	\$16,151,845	\$3,803,475	\$494,893	\$1,663,707	\$64,966,874	100.0%
Percent of Total	46.2%	19.8%	24.9%	5.9%	0.8%	2.6%	100.0%	

- During the second quarter, the market value of the combined Plans increased to \$65.0 billion. A decrease of \$1.1 billion was experienced during the second quarter.

EXECUTIVE SUMMARY

Second Quarter 2005

ASSET ALLOCATION-DEFINED BENEFIT AS OF 6/30/05

(\$ in thousands)

	Domestic Equity	Intl Equity	Global Bonds	Real Estate	Private Equity	Cash & Equivalents	Total	Percent of Total	Policy
Domestic Equity (DB)	\$24,981,168	--	--	--	--	--	\$24,981,168	46.6%	46.1%
International Equity (DB)	--	\$10,683,650	--	--	--	--	\$10,683,650	19.9%	20.0%
Global Bonds (DB)	--	--	\$13,929,988	--	--	--	\$13,929,988	26.0%	26.0%
Real Estate (DB)	--	--	--	\$2,970,834	--	--	\$2,970,834	5.5%	
REIT (DB)	--	--	--	350,458	--	--	350,458	0.7	
Real Estate (DB)	--	--	--	3,321,292	--	--	3,321,292	6.2	6.0%
Private Equity	--	--	--	--	\$494,893	--	\$494,893	0.9%	0.9%
Cash Equivalents (DB)	--	--	--	--	--	\$204,799	\$204,799	0.4%	
Stable Value (DB)	--	--	--	--	--	33,986	33,986	0.1	
Short Term (DB)	--	--	--	--	--	238,785	238,785	0.4	1.0%
Other Pension Assets	--	--	--	--	--	\$300	\$300	0.0%	
Total Fund (DB)	\$24,981,168	\$10,683,650	\$13,929,988	\$3,321,292	\$494,893	\$239,085	\$53,650,076	100.0%	100.0%
Percent of Total	46.6%	19.9%	26.0%	6.2%	0.9%	0.4%	100.0%		

ASSET ALLOCATION-HEALTH CARE AS OF 6/30/05

(\$ in thousands)

	Domestic Equity	Intl Equity	Global Bonds	Real Estate	Cash & Equivalents	Total	Percent of Total	Policy
Domestic Equity (HC)	\$5,061,266	--	--	--	--	\$5,061,266	44.7%	47.5%
International Equity (HC)	--	\$2,322,874	--	--	--	\$2,322,874	20.5%	22.0%
Global Bonds (HC)	--	--	\$2,369,159	--	--	\$2,369,159	20.9%	22.0%
REIT (HC)	--	--	--	\$482,183	--	\$482,183	4.3%	4.0%
Cash Equivalents (HC)	--	--	--	--	\$407,077	\$407,077	3.6%	
TIPS (HC)	--	--	\$602,810	--	--	\$602,810	5.3%	2.5%
Short Duration (HC)	--	--	\$71,429	--	--	\$71,429	0.6%	2.0%
Total Fund (HC)	\$5,061,266	\$2,322,874	\$3,043,398	\$482,183	\$407,077	\$11,316,798	100.0%	100.0%
Percent of Total	44.7%	20.5%	26.9%	4.3%	3.6%	100.0%		

RETURN SUMMARY
ENDING 6/30/05

	Second Quarter	Year-to-Date	1 Year Ending 6/30/05	3 Years Ending 6/30/05	5 Years Ending 6/30/05	Since 12/31/95
Domestic Equity (DB/HC)	2.4%	0.2%	8.2%	9.7%	-0.7%	8.2%
Performance Benchmark	2.2	-0.0	8.1	9.5	-1.0	9.8
Domestic Equity (DB)	2.4	0.2	8.2	9.7	-0.7	8.2
Performance Benchmark	2.2	-0.0	8.1	9.5	-1.0	9.8
Domestic Equity (HC)	2.4	0.2	--	--	--	--
Russell 3000 Index	2.2	-0.0	--	--	--	--
Internal Russell 3000 Fund	2.3	0.1	8.1	9.6	--	--
Russell 3000 Index	2.2	-0.0	8.1	9.5	--	--
Internal Research Portfolio	2.1	0.2	8.5	--	--	--
Russell 1000 Index	2.1	0.1	7.9	--	--	--
AllianceBernstein	4.1	0.4	6.6	9.4	--	--
Russell 1000 Index	2.1	0.1	7.9	9.2	--	--
Wellington	3.1	1.5	8.2	10.0	--	--
Russell 1000 Index	2.1	0.1	7.9	9.2	--	--
Fidelity	6.3	7.8	19.2	15.5	--	--
Russell 2000 Index	4.3	-1.2	9.5	12.8	--	--
Invesco	3.7	1.6	9.3	13.2	--	--
Russell 2000 Index	4.3	-1.2	9.5	12.8	--	--

EXECUTIVE SUMMARY

RETURN SUMMARY ENDING 6/30/05

	Second Quarter	Year-to-Date	1 Year Ending 6/30/05	3 Years Ending 6/30/05	5 Years Ending 6/30/05	Since 7/31/96
International Equity (DB/HC)	0.1%	0.2%	16.6%	13.8%	0.4%	6.0%
Performance Benchmark	-0.2	0.0	16.5	13.6	0.4	5.7
International Equity (DB)	0.0	0.2	16.6	13.8	0.4	6.0
Performance Benchmark	-0.2	0.0	16.5	13.6	0.4	5.7
International Equity (HC)	0.0	0.2	--	--	--	--
MSCI All Country World ex-U.S. Index	-0.2	0.0	--	--	--	--
Capital Guardian	-1.0	-1.8	11.3	10.9	-1.8	--
Performance Benchmark	-1.0	-1.2	15.1	13.2	0.3	--
J.P. Morgan Fleming	0.2	-0.2	16.1	--	--	--
MSCI All Country World ex-U.S. Index	-0.2	0.0	16.5	--	--	--
Walter Scott & Partners	0.0	-0.6	10.4	--	--	--
MSCI All Country World ex-U.S. Index	-0.2	0.0	16.5	--	--	--
Alliance Bernstein	0.2	0.7	19.2	--	--	--
MSCI All Country World ex-U.S. Index	-0.2	0.0	16.5	--	--	--
Brandes	-2.1	-3.3	11.6	16.3	6.4	--
MSCI All Country World ex-U.S. Index	-0.2	0.0	16.5	13.6	0.4	--
TT International	1.0	-0.9	10.9	10.2	-3.7	--
MSCI All Country World ex-U.S. Index	-0.2	0.0	16.5	13.6	0.4	--
Barclays Enhanced	-0.4	0.1	17.5	14.9	2.0	--
MSCI All Country World ex-U.S. Index	-0.2	0.0	16.5	13.6	0.4	--
Barclays Index	-0.1	0.1	16.6	13.9	0.9	--
MSCI All Country World ex-U.S. Index	-0.2	0.0	16.5	13.6	0.4	--
Baring	0.6	0.7	17.8	14.8	1.4	--
Performance Benchmark	-0.2	0.0	16.5	13.6	0.7	--
Lazard	4.8	7.2	37.8	26.7	11.7	--
MSCI Emerging Markets Index	4.1	6.0	34.4	24.0	7.4	--
The Boston Company	4.4	4.1	31.0	--	--	--
MSCI Emerging Markets Index	4.1	6.0	34.4	--	--	--
First State Investments (Babson)	4.2	5.4	31.2	22.9	--	--
MSCI Emerging Markets Index	4.1	6.0	34.4	24.0	--	--
Wellington Int. Small Cap	-0.0	3.6	12.8	--	--	--
MSCI World Ex-U.S. Small Cap Net	-0.0	4.1	20.5	--	--	--
Acadian Int. Small Cap	1.2	8.0	30.6	--	--	--
MSCI World Ex-U.S. Small Cap Net	-0.0	4.1	20.5	--	--	--

RETURN SUMMARY
ENDING 6/30/05

	Second Quarter	Year-to-Date	1 Year Ending 6/30/05	3 Years Ending 6/30/05	5 Years Ending 6/30/05	Since 12/31/95
Global Bonds (DB/HC)	3.2%	2.9%	8.1%	7.1%	7.9%	6.7%
Performance Benchmark	3.1	2.5	7.4	6.6	7.9	6.7
Global Bonds (DB)	3.2	2.9	8.1	7.1	7.9	6.7
Performance Benchmark	3.1	2.5	7.4	6.6	7.9	6.7
Global Bonds (HC)	3.2	2.9	--	--	--	--
Lehman Brothers Universal	3.1	2.5	--	--	--	--
Internal Global Bonds	3.1	2.8	7.3	6.2	7.5	6.4
LB Aggregate Bond Index	3.0	2.5	6.8	5.8	7.4	6.5
Passive High Yield	4.6	1.8	9.6	--	--	--
LB Corporate High-Yield	2.8	1.1	10.9	--	--	--
Capital Guardian	9.7	8.5	29.8	20.7	--	--
LB Emerging Markets Index	5.9	5.1	19.6	18.7	--	--
Citigroup	6.6	5.6	21.7	18.8	--	--
LB Emerging Markets Index	5.9	5.1	19.6	18.7	--	--
AFL CIO	3.3	4.4	7.4	--	--	--
LB Aggregate Bond Index	3.0	2.5	6.8	--	--	--
GoldenTree	-0.9	1.2	9.5	--	--	--
LB Corporate High-Yield	2.8	1.1	10.9	--	--	--
W.R. Huff	3.1	0.9	8.4	13.1	--	--
LB Corporate High-Yield	2.8	1.1	10.9	14.5	--	--
Shenkman	2.8	1.5	9.5	9.4	--	--
LB Corporate High-Yield	2.8	1.1	10.9	14.5	--	--
Smith Breeden	3.3	2.7	--	--	--	--
LB Aggregate Bond Index	3.0	2.5	--	--	--	--
Fidelity	3.0	2.6	--	--	--	--
LB Aggregate Bond Index	3.0	2.5	--	--	--	--

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MARKET ENVIRONMENT
Second Quarter 2005

MARKET ENVIRONMENT

OVERVIEW

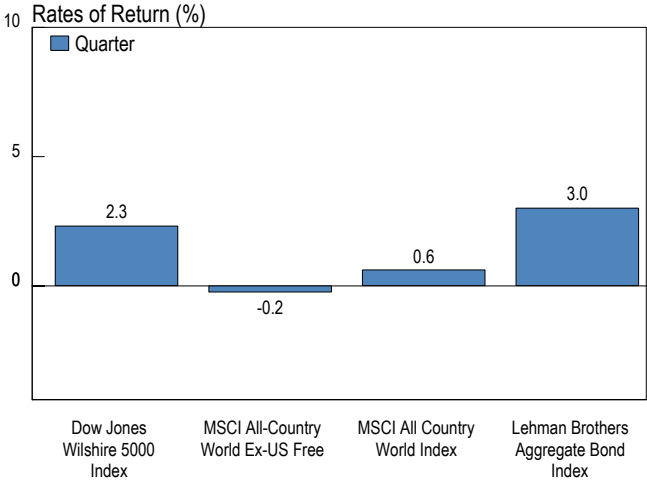
MAJOR MARKET RETURNS

	Second Quarter	Year-to-Date	1 Year Ending 6/30/05	3 Years Ending 6/30/05	5 Years Ending 6/30/05	10 Years Ending 6/30/05
Dow Jones Wilshire 5000 Index	2.3%	0.0%	8.2%	9.9%	-1.3%	10.0%
MSCI All-Country World Ex-US Free	-0.2	0.0	16.5	13.6	0.4	5.5
MSCI EAFE Free	-1.0	-1.2	13.7	12.1	-0.5	5.2
MSCI Emerging Markets Index	4.1	6.0	34.4	24.0	7.4	4.0
MSCI All Country World Index	0.6	-0.3	11.2	10.6	-1.7	6.9
Lehman Brothers Aggregate Bond Index	3.0	2.5	6.8	5.8	7.4	6.8

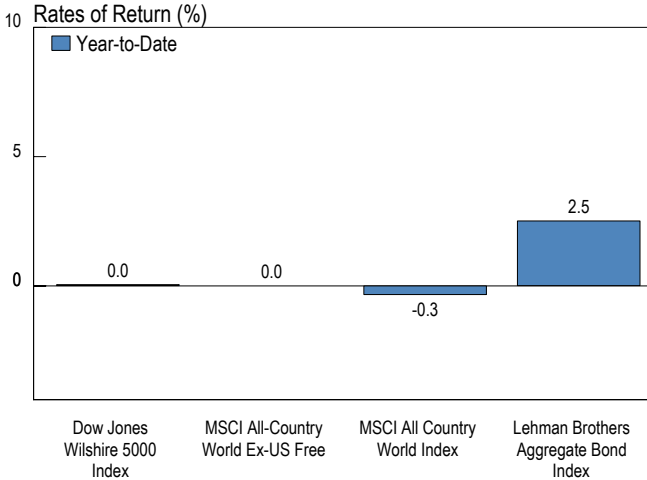
- After enduring a rather weak beginning to the year, the broad U.S. equity market was able to recoup most of its losses during the second quarter. Encouraging economic reports released during the quarter included a revision late in June to the first quarter Gross Domestic Product (GDP). Real GDP rose at a 3.8% annualized rate during the first quarter. This was in line with the healthy rate of growth experienced during the fourth quarter of last year and is the third straight quarter with annualized growth of approximately 4%. Jobless claims also fell near the end of the second quarter to the lowest level in two months. Furthermore, consumer confidence as reported by the Conference Board continued to increase and, as of the end of June, was at its highest level in three years. However, not all economic news was positive during the second quarter. Oil prices remained volatile and reached a new record high, exceeding \$60 per barrel. This, combined with the political turmoil in Europe and the fears of an economic slowdown in China, offset some of the gains achieved during the quarter.
- The DJ Wilshire 5000 Index gained 2.3% during the second quarter. Utilities continued to rally and gained 6.5% during the quarter. Energy stocks, although not the best performing sector during the quarter, increased 20.5% year-to-date. For the first time since the second quarter of 2004, large-cap growth stocks outperformed their large-cap value counterparts. The DJ Wilshire 5000 Index finished the first half of 2005 in neutral territory.
- As a result of solid GDP growth and political uncertainty in Europe, the dollar made gains against most major currencies during the second quarter. The MSCI All-Country World ex-U.S. Index was up 4.5% in local currency, but down 0.2% in U.S. dollars. Due to lackluster economic growth and political turmoil, Europe lost 0.8% during the second quarter. Japan lost 3.6% due to weak exports and heightened political tension with China. During the second quarter, emerging markets gained a solid 4.1%. Latin America was the best regional performer, advancing 9.1% for the quarter.
- As expected, the Federal Reserve continued its "measured pace" timetable of increasing overnight borrowing rates to the quarter-end level of 3.25%. Yields continued to decline, narrowing the gap between long- and short-term rates and reflecting expectations of an economic slowdown. The Lehman Brothers Aggregate Bond Index gained 3.0% during the second quarter. Corporate bonds were the best performing sector, gaining 3.6% during the quarter, despite the downgrade of General Motors and Ford debt to junk status. Year-to-date, the Lehman Brothers Aggregate Bond Index has advanced 2.5%.

MARKET ENVIRONMENT OVERVIEW

MAJOR MARKET RETURNS SECOND QUARTER

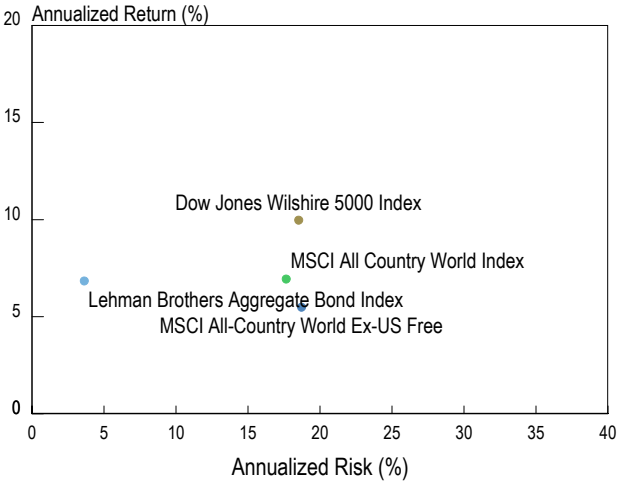


MAJOR MARKET RETURNS YEAR-TO-DATE ENDING 6/30/05

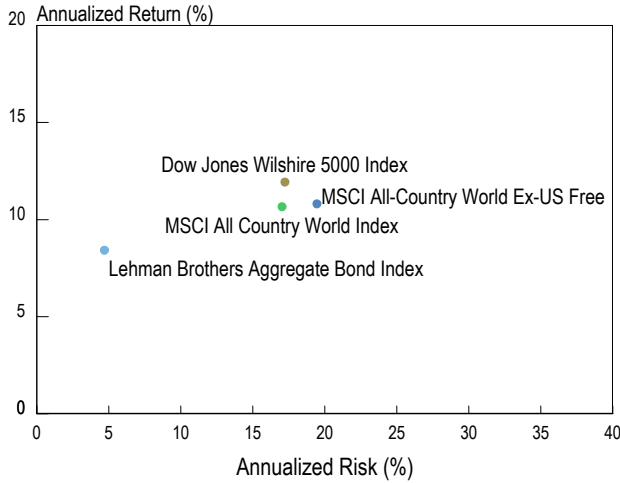


- The exhibits above show the performance of the major capital markets during the second quarter and year-to-date period.

ANNUALIZED RISK/RETURN 10 YEARS ENDING 6/30/05



ANNUALIZED RISK/RETURN 20 YEARS ENDING 6/30/05

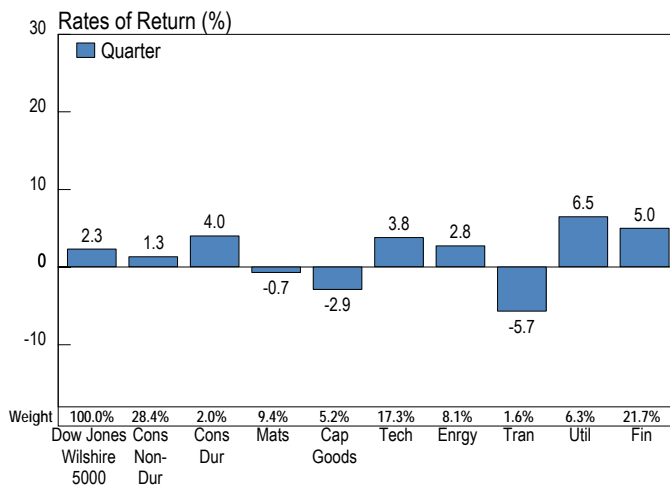


- The exhibits above show the historical performance of the major capital markets adjusted for the amount of risk (volatility of returns) incurred. Points near the top of the chart represent a greater return, and points near the right of the chart indicate greater volatility.

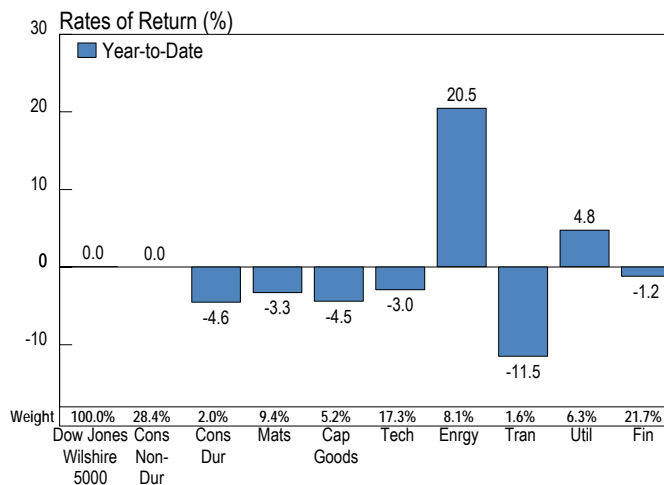
MARKET ENVIRONMENT

U.S. STOCK MARKET

**SECTOR RETURNS
SECOND QUARTER**

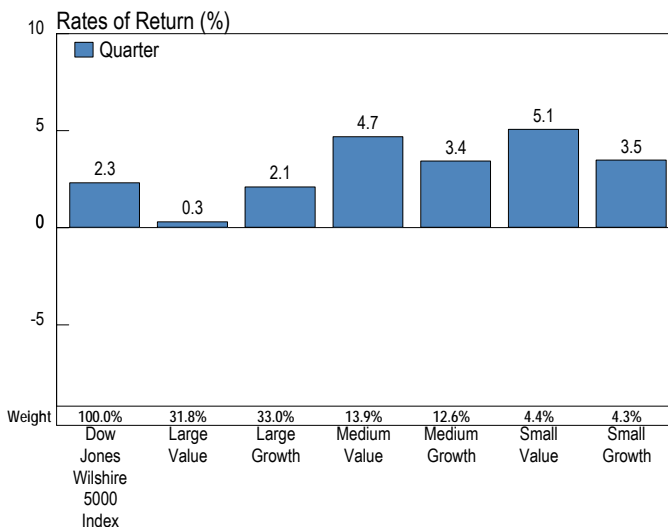


**SECTOR RETURNS
YEAR-TO-DATE ENDING 6/30/05**

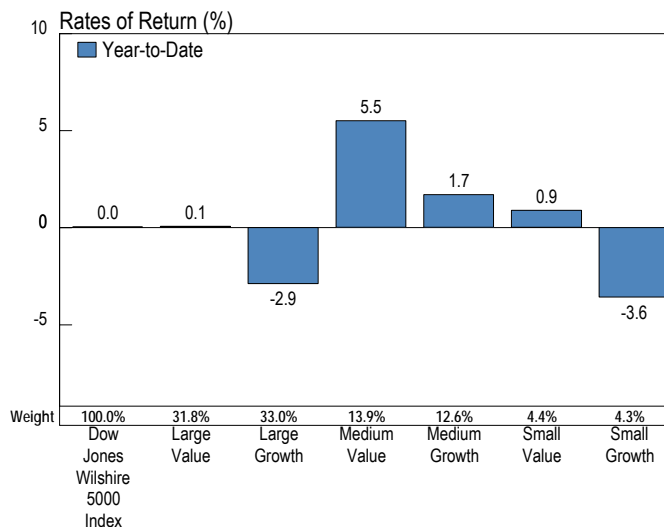


- The Dow Jones Wilshire 5000 Index is the broadest available measure of the aggregate domestic stock market. It includes all domestic common stocks with readily available price data.
- The exhibits above show the performance of the industrial sectors that comprise the Dow Jones Wilshire 5000 Index. The percentage below each bar indicates the sector's current weight within the Dow Jones Wilshire 5000 Index.

**STYLE RETURNS
SECOND QUARTER**



**STYLE RETURNS
YEAR-TO-DATE ENDING 6/30/05**

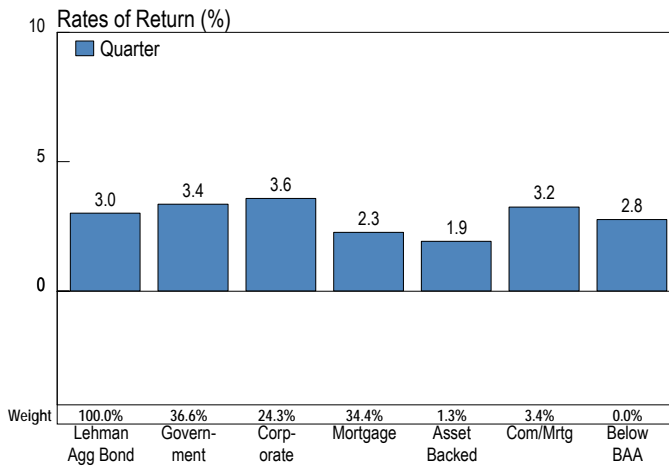


- The exhibits above illustrate the performance of stock investment styles according to capitalization (large and small) and financial characteristics (value and growth). The percentage below each bar indicates the style's current weight within the Dow Jones Wilshire 5000 Index.

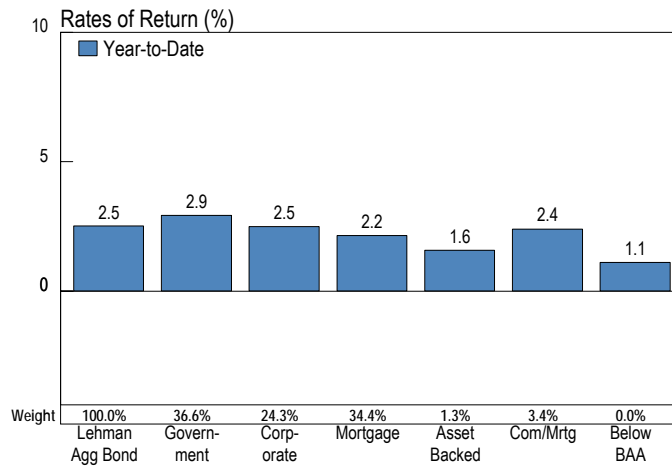
MARKET ENVIRONMENT

U.S. BOND MARKET

SECTOR RETURNS SECOND QUARTER

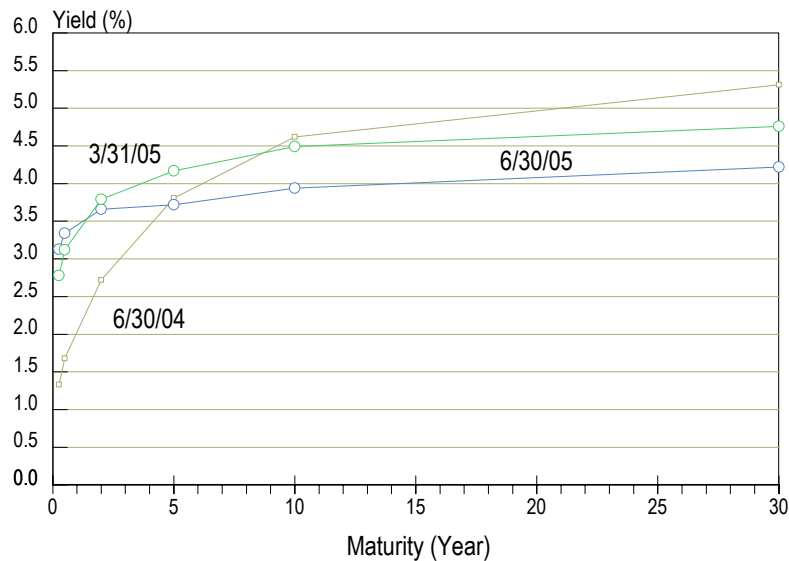


SECTOR RETURNS YEAR-TO-DATE ENDING 6/30/05



- The Lehman Brothers Aggregate Bond Index is a broad measure of the U.S. fixed income market. It consists of the corporate, government, and mortgage-backed indices and includes credit card, auto, and home equity loan-backed securities.
- The exhibits above show the performance of the sectors that comprise the broad domestic bond market. The percentage below each bar indicates the sector's current weight within the Lehman Brothers Aggregate Bond Index.

U.S. TREASURY YIELD CURVE

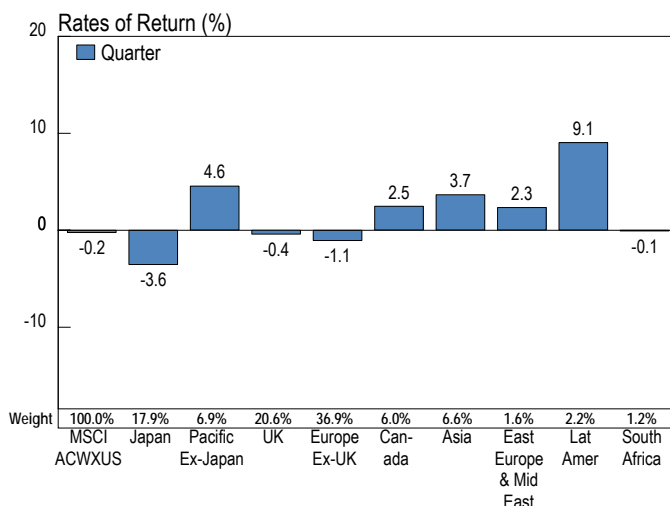


- The above exhibit illustrates yields of Treasury securities of various maturities as of June 30, 2004, March 31, 2005, and June 30, 2005.

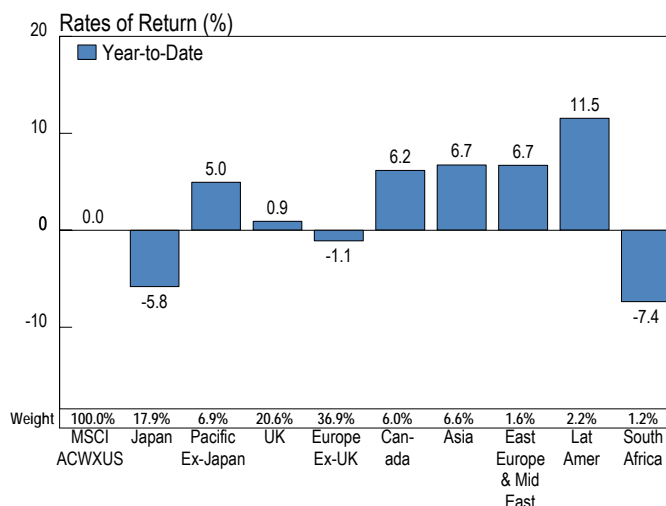
MARKET ENVIRONMENT

NON-U.S. STOCK MARKETS

NON-U.S. STOCK MARKET RETURNS
SECOND QUARTER

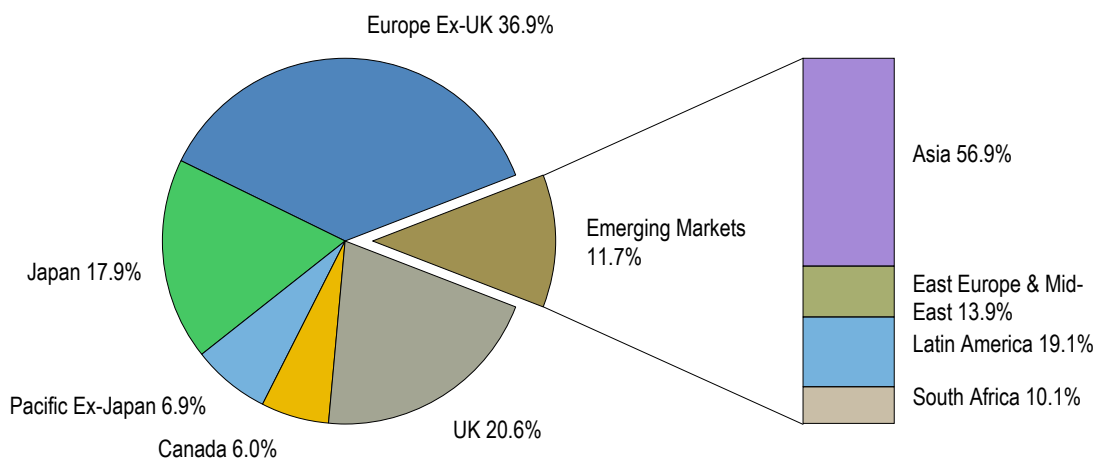


NON-U.S. STOCK MARKET RETURNS
YEAR-TO-DATE ENDING 6/30/05



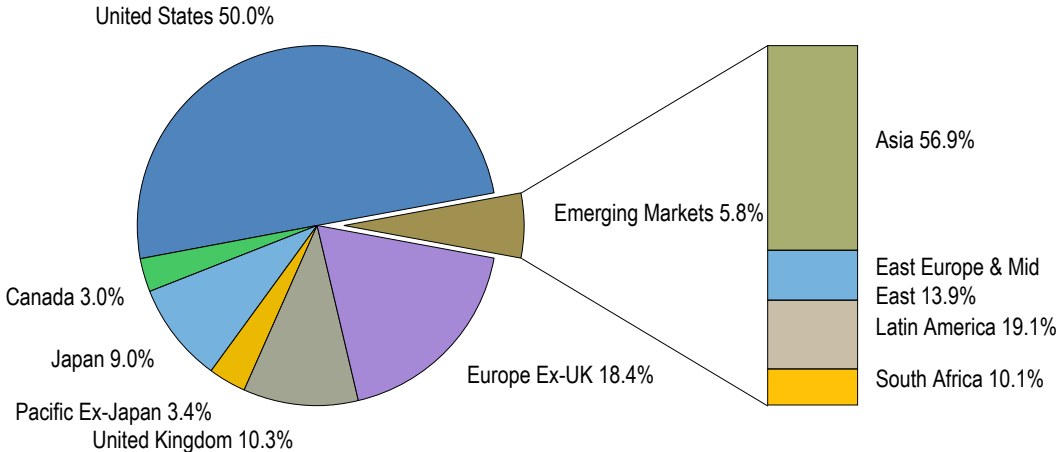
- The MSCI All-Country World Ex-U.S. Free Stock Index is a capitalization-weighted index of stocks representing 22 developed stock markets and 26 emerging stock markets around the world. The exhibits above show the performance of the regions that comprise the MSCI All-Country World Ex-U.S. Free Stock Index as of the end of the second quarter.

MSCI ALL-COUNTRY WORLD EX-U.S. STOCK INDEX
GEOGRAPHIC ALLOCATION AS OF 6/30/05

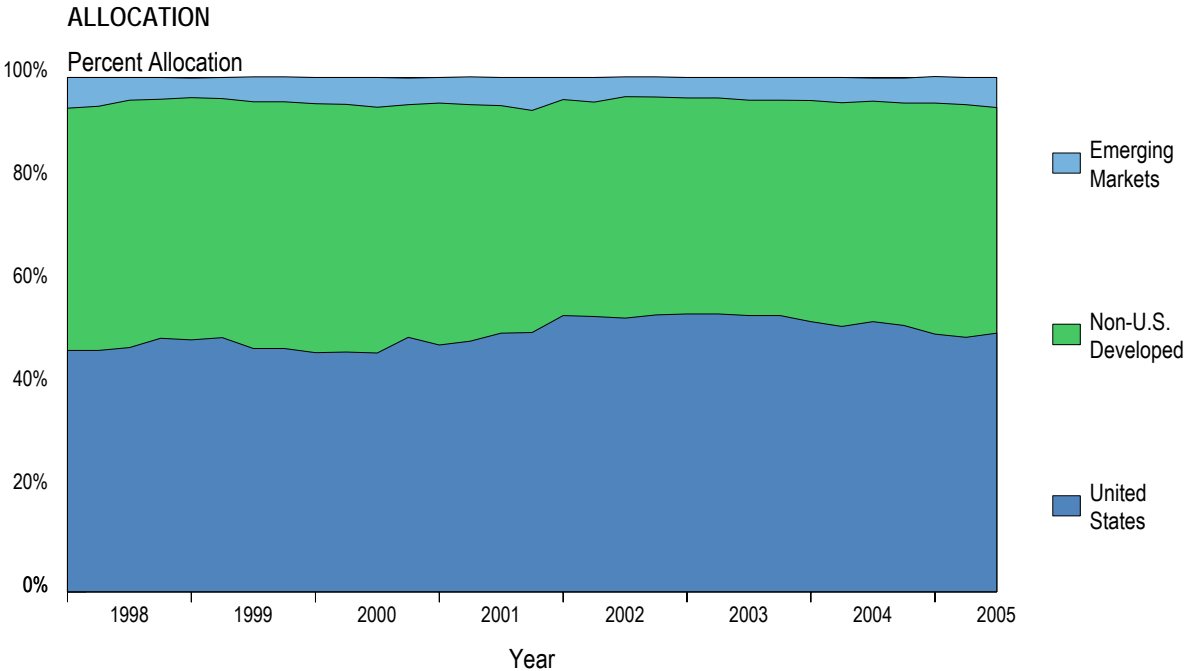


- The exhibit above illustrates the percent each region represents of the non-U.S. stock market as measured by the MSCI All-Country World Ex-U.S. Free Stock Index.

MSCI ALL-COUNTRY WORLD STOCK INDEX
GEOGRAPHIC ALLOCATION AS OF 6/30/05



- The MSCI All-Country World Free Stock Index is a capitalization-weighted index of stocks representing 23 developed stock markets and 26 emerging stock markets around the world. The above graph shows the allocation to each region as of the end of the second quarter.



- The graph above shows the changes in the breakdown between the United States, non-U.S. developed markets, and emerging markets in the MSCI All-Country World Free Stock Index over time.

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ASSET ALLOCATION

ASSET ALLOCATION

ASSET ALLOCATION AS OF 6/30/05

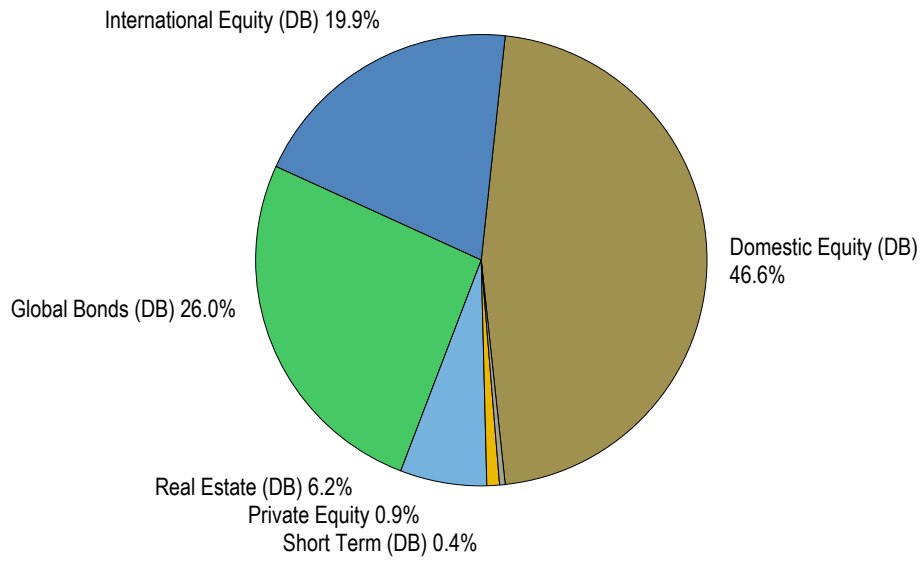
(\$ in thousands)

	Domestic Equity	Intl Equity	Global Bonds	Real Estate	Private Equity	Cash & Equivalents	Total	Percent of Total
Internal Equity	\$25,965,263 (100%)	--	--	--	--	\$16,031 (0%)	\$25,981,294	40.0%
Large Cap Equity	3,511,748 (99%)	--	--	--	--	25,210 (1%)	3,536,958	5.4
Small Cap Equity	516,273 (99%)	--	--	--	--	7,642 (1%)	523,915	0.8
Passive Equity	48 (18%)	--	--	--	--	218 (82%)	266	0.0
Domestic Equity	29,993,332 (100%)	--	--	--	--	49,101 (0%)	30,042,433	46.2
Active International	--	\$5,216,417 (98%)	--	--	--	\$118,708 (2%)	\$5,335,125	8.2%
Active/Passive International	--	4,380,577 (100%)	--	--	--	--	4,380,577	6.7
Passive International	--	2,493,313 (100%)	--	--	--	--	2,493,313	3.8
Emerging Markets	--	769,315 (96%)	--	--	--	28,194 (4%)	797,509	1.2
Other	--	--	--	--	--	297 (100%)	297	0.0
International Equity	--	12,859,622 (99%)	--	--	--	147,199 (1%)	13,006,821	20.0
Internal Bonds	--	--	\$13,962,753 (100%)	--	--	--	\$13,962,753	21.5%
Core Fixed Income	--	--	660,647 (89%)	--	--	\$78,884 (11%)	739,531	1.1
High Yield Field Income	--	--	823,440 (95%)	--	--	45,421 (5%)	868,861	1.3
Emerging Market Debt	--	--	680,005 (97%)	--	--	22,998 (3%)	703,003	1.1
Mortgage Backed Securities	--	--	25,000 (100%)	--	--	--	25,000	0.0
Other	--	--	--	--	--	2 (100%)	2	0.0
Global Bonds	--	--	16,151,845 (99%)	--	--	147,305 (1%)	16,299,150	25.1
Real Estate	--	--	--	\$3,803,475 (100%)	--	--	\$3,803,475	5.9%
Private Equity	--	--	--	--	\$494,893 (100%)	--	\$494,893	0.8%
Short Term-Defined Benefit	--	--	--	--	--	\$238,785 (100%)	\$238,785	0.4%
Short Term-Health Care	--	--	--	--	--	1,081,317 (100%)	1,081,317	1.7
Short Term	--	--	--	--	--	1,320,102 (100%)	1,320,102	2.0
Total Fund	\$29,993,332	\$12,859,622	\$16,151,845	\$3,803,475	\$494,893	\$1,663,707	\$64,966,874	100.0%
Percent of Total	46.2%	19.8%	24.9%	5.9%	0.8%	2.6%	100.0%	

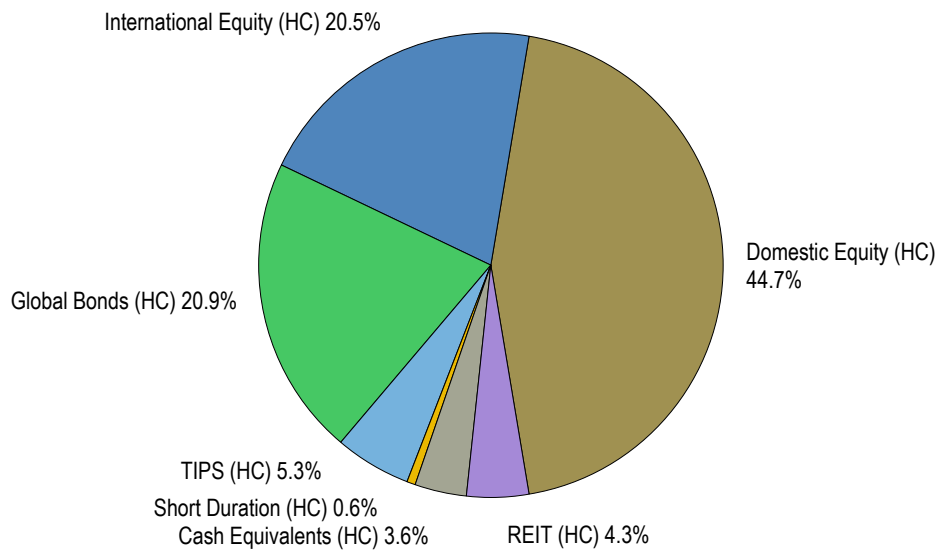
ASSET ALLOCATION

- The table shown above highlights the asset allocation of the combined Defined Benefit and Health Care Funds. Assets at the end of the second quarter represented \$65.0 billion. Of that, the Defined Benefit assets totaled \$53.7 billion and the Health Care assets represented \$11.3 billion.

DB ASSET ALLOCATION AS OF 6/30/05

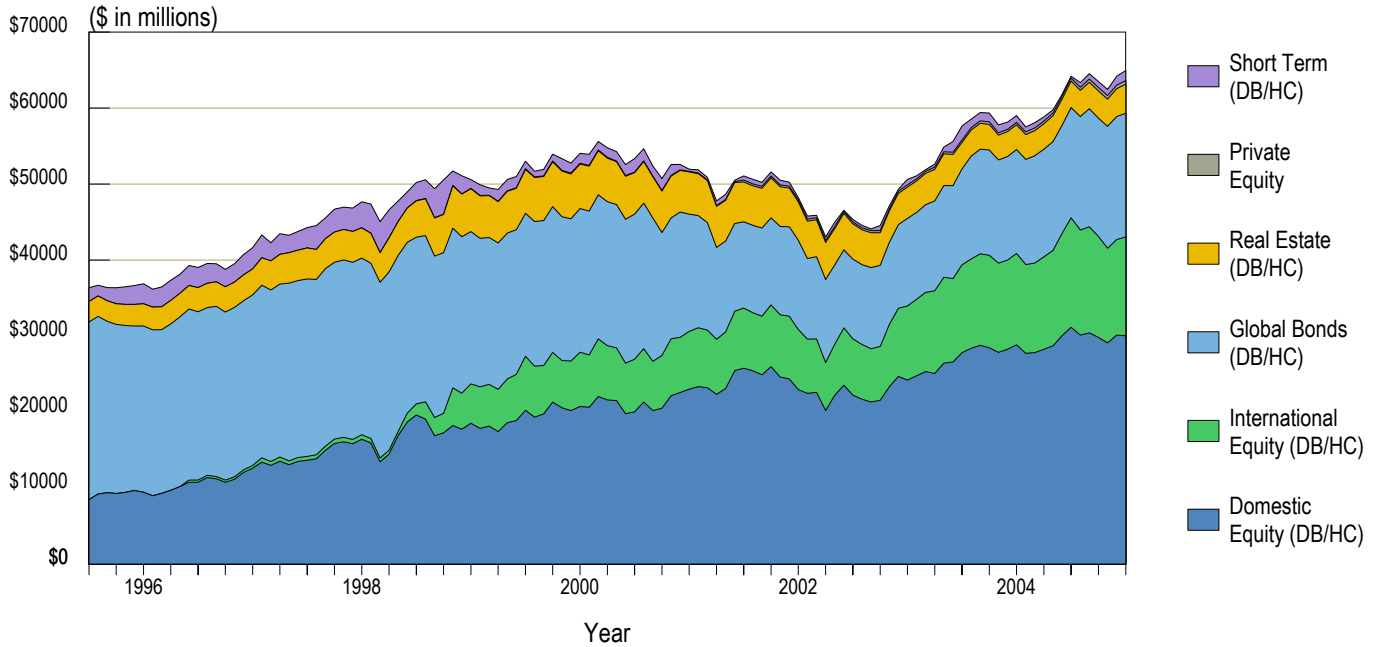


HC ASSET ALLOCATION AS OF 6/30/05

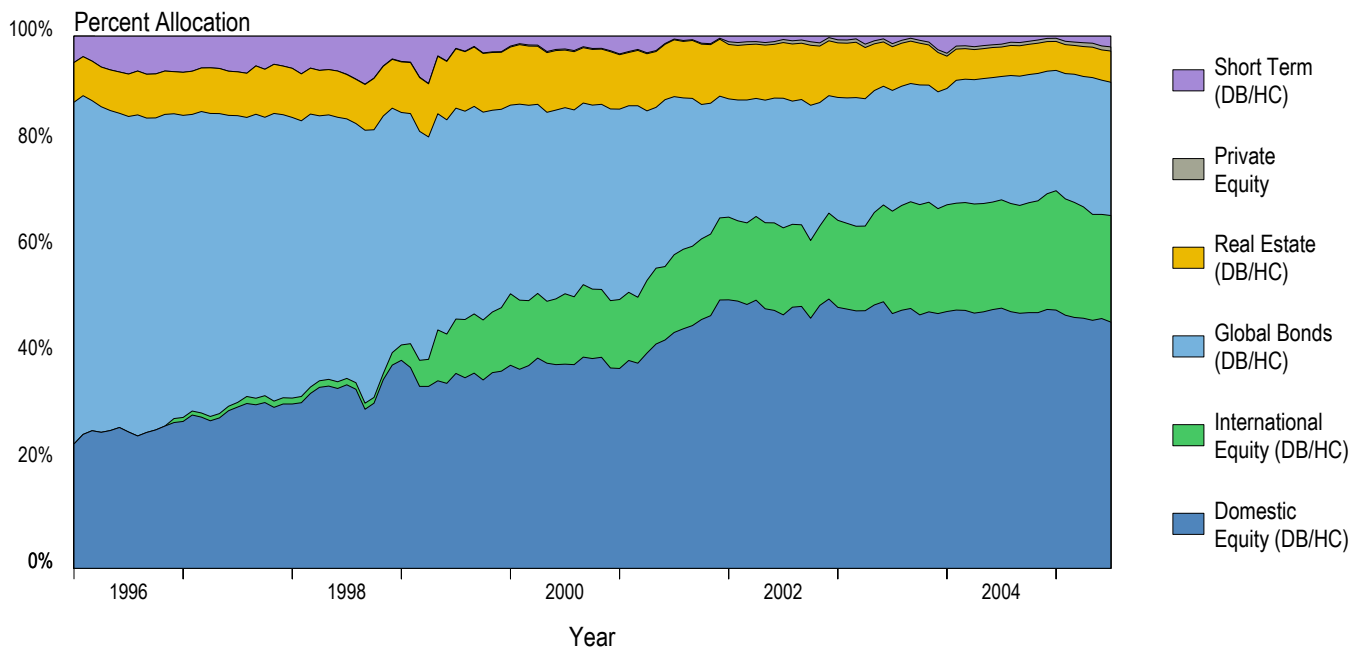


ASSET ALLOCATION

ALLOCATION AND GROWTH-TOTAL FUND
9 YEARS 6 MONTHS ENDING 6/30/05



ALLOCATION AND GROWTH-TOTAL FUND
9 YEARS 6 MONTHS ENDING 6/30/05



TOTAL FUND

OPERS
TOTAL FUND

**RETURN SUMMARY-DEFINED BENEFIT
ENDING 6/30/05**

	Second Quarter	Year-to-Date	1 Year Ending 6/30/05	3 Years Ending 6/30/05	5 Years Ending 6/30/05	Since 12/31/95
Total Fund (DB)*	2.1%	1.2%	10.5%	10.3%	3.6%	7.0%
Policy Portfolio (DB)	2.2	1.3	10.4	10.0	3.5	7.7
Public Fund Index	2.5	1.6	10.6	9.8	3.6	8.3
Domestic Equity (DB)	2.4	0.2	8.2	9.7	-0.7	8.2
Performance Benchmark	2.2	-0.0	8.1	9.5	-1.0	9.8
International Equity (DB)	0.0	0.2	16.6	13.8	0.4	6.0
Performance Benchmark	-0.2	0.0	16.5	13.6	0.4	5.7
Global Bonds (DB)	3.2	2.9	8.1	7.1	7.9	6.7
Performance Benchmark	3.1	2.5	7.4	6.6	7.9	6.7
Real Estate (DB)	1.9	3.7	13.1	10.3	10.7	10.5
Real Estate Benchmark (DB)	5.1	8.5	18.8	12.2	11.8	10.8
NCREIF NPI	5.3	9.0	18.0	12.1	10.6	11.6
REIT (DB)	14.9	7.5	--	--	--	--
DJ Wilshire RESI (Full Cap)	14.1	6.8	--	--	--	--
Private Equity**	0.8	15.2	21.8	15.9	3.4	--
Custom Benchmark	-1.5	9.4	10.3	6.9	-1.7	--
Cash Equivalents (DB)	0.8	1.4	2.4	1.6	2.6	4.0
Performance Benchmark	0.7	1.3	2.1	1.5	2.6	3.8
Stable Value (DB)	1.0	2.1	--	--	--	--
LB 90-Day Treasury Bill	0.7	1.3	--	--	--	--

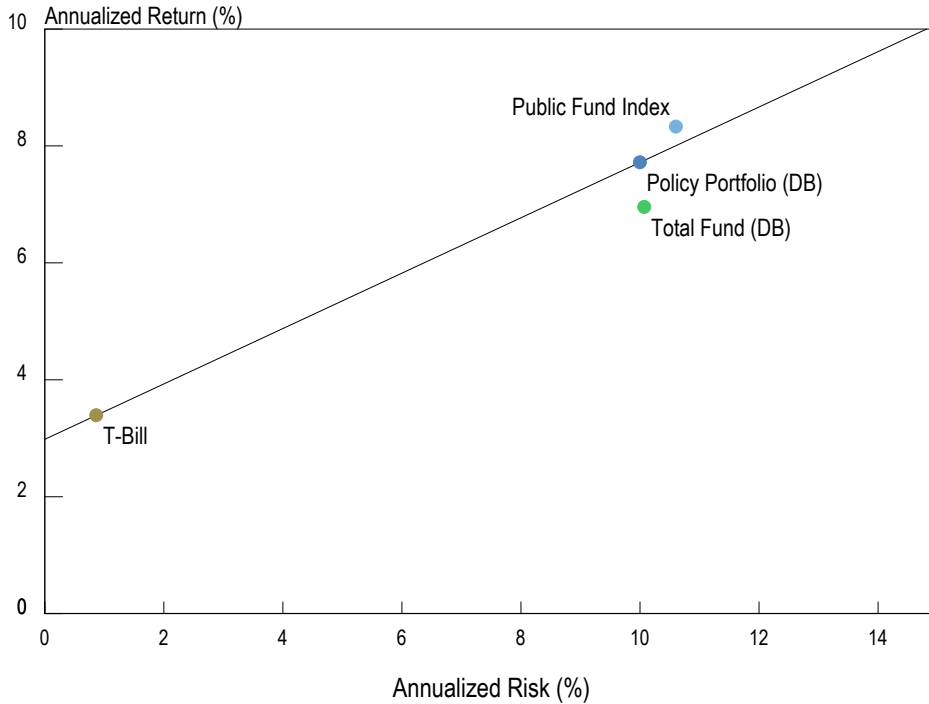
**RETURN SUMMARY-HEALTH CARE
ENDING 6/30/05**

	Second Quarter	Since Inception	Inception Date
Total Fund (HC)	2.5%	1.1%	12/31/04
Health Care Benchmark	2.4	1.0	
Domestic Equity (HC)	2.4	0.2	12/31/04
Russell 3000 Index	2.2	-0.0	
International Equity (HC)	0.0	0.2	12/31/04
MSCI All Country World ex-U.S. Index	-0.2	0.0	
Global Bonds (HC)	3.2	2.9	12/31/04
Lehman Brothers Universal	3.1	2.5	
REIT (HC)	14.9	7.6	12/31/04
DJ Wilshire RESI (Full Cap)	14.1	6.8	
Cash Equivalents (HC)	0.9	1.6	12/31/04
LB 90-Day Treasury Bill	0.7	1.3	
TIPS (HC)	3.1	3.3	2/28/05
Lehman Brothers Inflation Index	3.0	3.1	
Short Duration (HC)	1.2	1.0	2/28/05
Lehman Brothers 1-3 Yr Gov't	1.2	1.2	

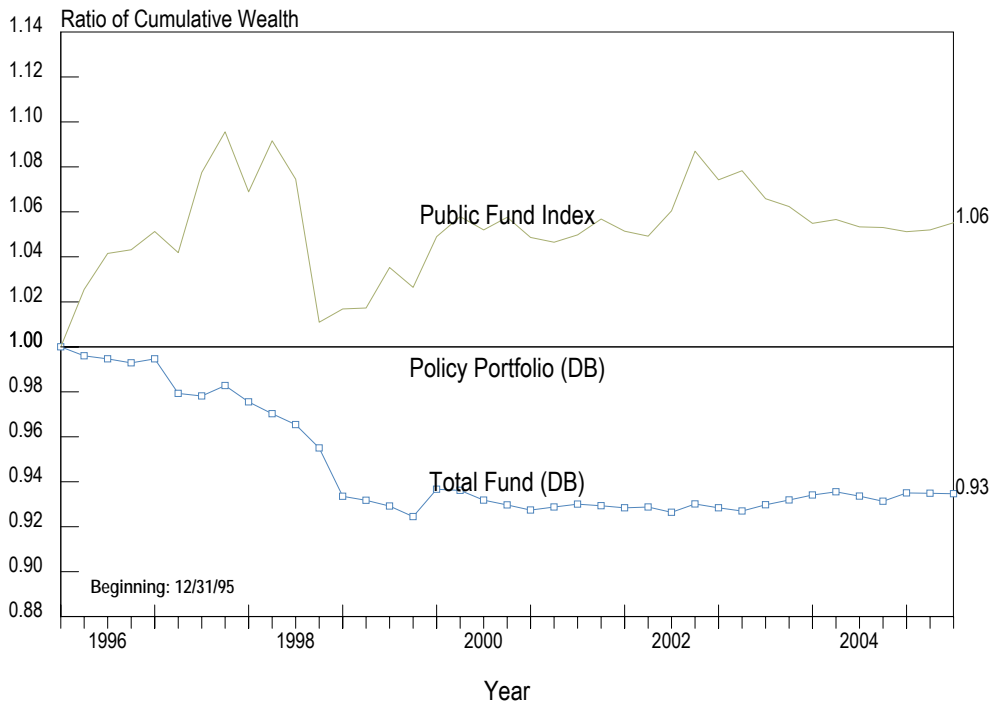
* Performance prior to 12/31/04 was that of the Total Plan prior to the split of the Defined Benefit and Health Care assets.

**The private equity return and that of its benchmark are shown on a one-quarter lag.

ANNUALIZED RISK/RETURN-DB
9 YEARS 6 MONTHS ENDING 6/30/05



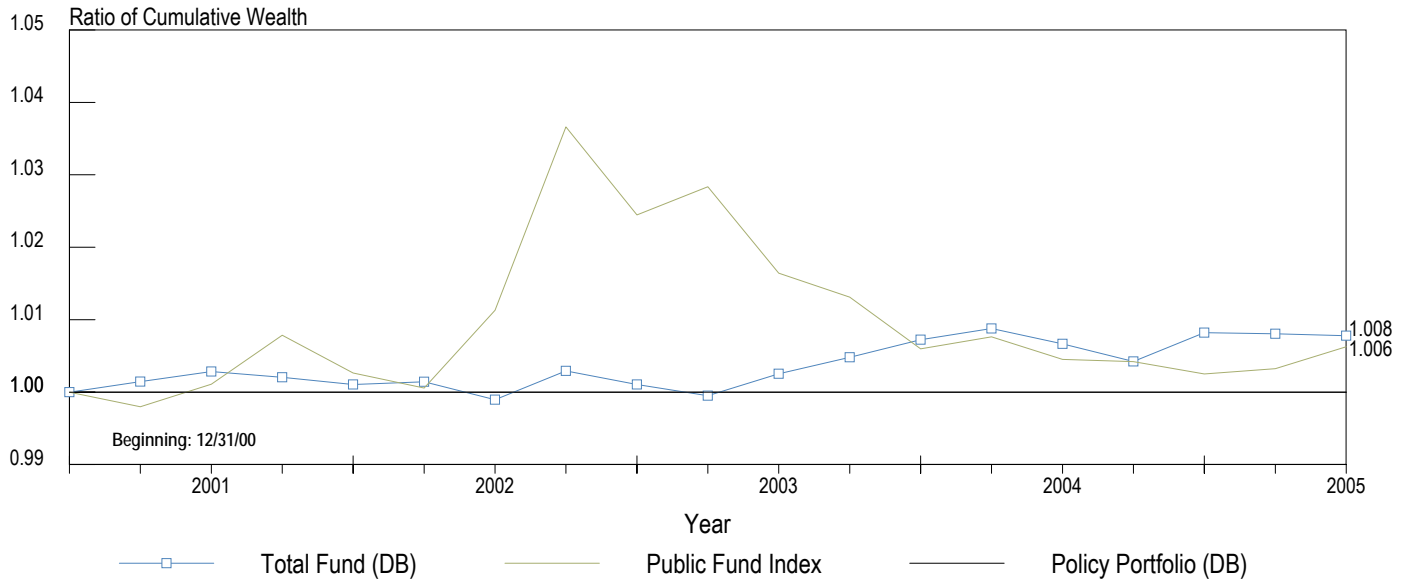
RATIO OF CUMULATIVE WEALTH-DB
9 YEARS 6 MONTHS ENDING 6/30/05



OPERS

TOTAL FUND

RATIO OF CUMULATIVE WEALTH-DB
4 YEARS 6 MONTHS ENDING 6/30/05



- The graph above shows the performance of the Defined Benefit Fund since the initiation of the Comprehensive Investment Review. The Fund's return marginally exceeded that of the Public Fund Index and the performance benchmark.

HISTORICAL RETURNS-DEFINED BENEFIT

(BY YEAR)

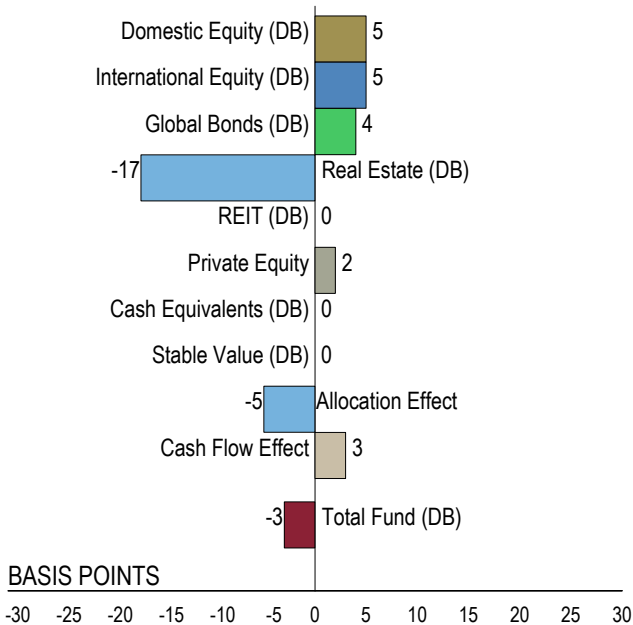
	Total Fund (DB)		Policy Portfolio (DB)		Return Difference	Public Fund Index		Return Difference
	Return	Rank	Return	Rank		Return	Rank	
1979	2.9%	--	11.8%	--	-8.9	--%	--	--
1980	9.7	--	20.4	--	-10.7	--	--	--
1981	0.7	--	-0.5	--	1.2	--	--	--
1982	28.3	--	26.2	--	2.1	--	--	--
1983	9.6	--	16.8	--	-7.2	--	--	--
1984	13.1	--	10.0	--	3.1	--	--	--
1985	25.6	--	27.9	--	-2.3	--	--	--
1986	15.2	--	17.6	--	-2.4	--	--	--
1987	1.3	--	5.6	--	-4.3	4.8	--	-3.5
1988	9.3	--	13.1	--	-3.8	11.7	--	-2.4
1989	18.4	--	24.8	--	-6.4	18.0	--	0.4
1990	6.3	--	1.8	--	4.5	-0.1	--	6.4
1991	15.7	--	24.8	--	-9.1	21.1	--	-5.4
1992	5.7	--	7.6	--	-1.9	6.9	--	-1.2
1993	9.7	--	10.0	--	-0.3	11.6	--	-1.9
1994	-0.0	--	-0.3	--	0.3	-1.0	--	1.0
1995	20.5	--	29.7	--	-9.2	24.0	--	-3.5
1996	7.8	--	8.4	--	-0.6	14.0	--	-6.2
1997	13.4	--	15.6	--	-2.2	17.5	--	-4.1
1998	14.4	--	19.6	--	-5.2	13.8	--	0.6
1999	12.1	--	11.7	--	0.4	15.3	--	-3.2
2000	-0.7	--	0.3	--	-1.0	0.2	--	-0.9
2001	-4.6	--	-4.7	--	0.1	-4.4	--	-0.2
2002	-10.7	--	-10.7	--	0.0	-8.8	--	-1.9
2003	25.4	17	24.6	32	0.8	22.4	72	3.0
2004	12.5	52	12.4	54	0.1	12.0	71	0.5
2005 (6 months)	1.2	63	1.3	58	-0.1	1.6	37	-0.4
Trailing 3-Year	10.3%	43	10.0%	52	0.3	9.8%	62	0.5
Trailing 5-Year	3.6	42	3.5	44	0.1	3.6	42	0.0
Trailing 10-Year	7.4	98	8.5	79	-1.1	8.9	51	-1.5

- The chart above shows the Defined Benefit Fund's annual and annualized returns compared with those of the policy portfolio and the Public Fund Index. As shown, the Fund approximated its benchmark in 2001, 2002, and 2004 while enjoying strong performance relative to the benchmark in 2003.
- The ranks are those of the Russell/Mellon Public Fund Index and are shown for informational purposes.

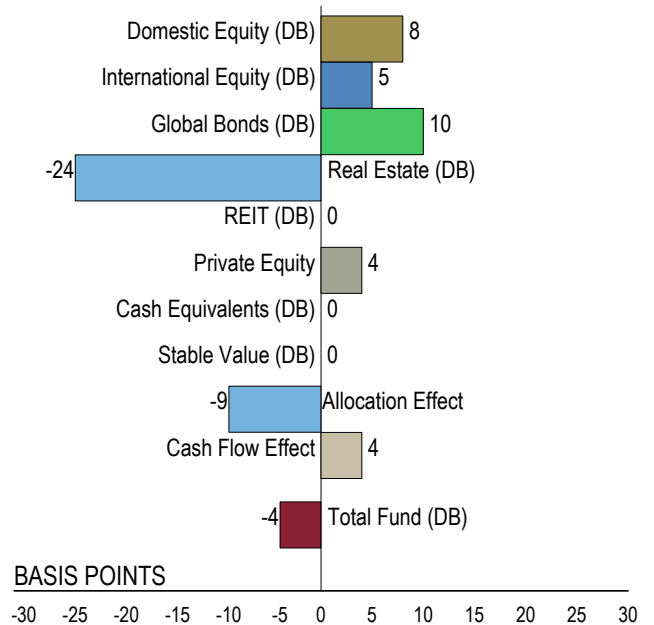
OPERS

TOTAL FUND

DEFINED BENEFIT ATTRIBUTION ANALYSIS
3 MONTHS ENDING 6/30/05

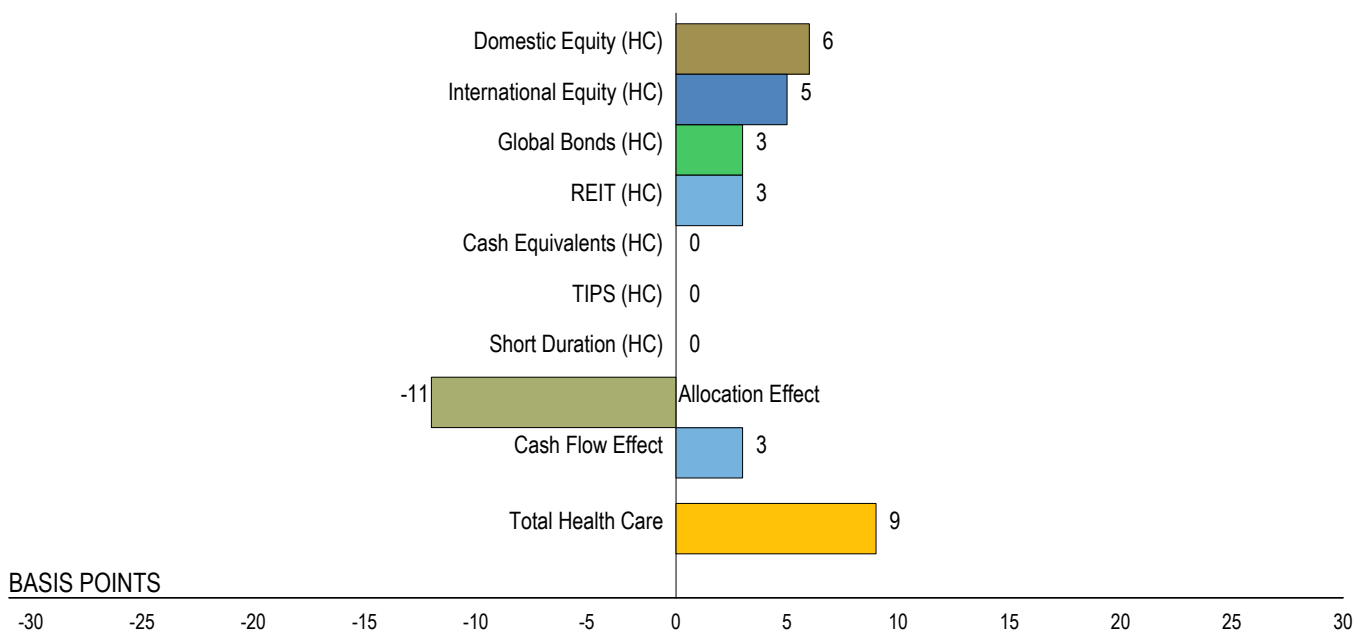


DEFINED BENEFIT ATTRIBUTION ANALYSIS
6 MONTHS ENDING 6/30/05



- The attribution graphs above illustrate each asset class's contribution to the return of the Defined Benefit Fund return over the past quarter and year-to-date periods. The graph on the left depicts the attribution analysis for the second quarter. As shown, the Domestic Equity, International Equity, Global Bonds, and Private Equity portfolios were the greatest positive contributors to performance while the Real Estate portfolio detracted value during the period. The quarter's allocation effect is shown in greater detail in the attribution charts on page 4 of this report.
- The second attribution graph highlights the performance during the previous six-month period. Similar to the results experienced during the second quarter, the greatest detractor of performance was the Real Estate portfolio. Domestic Equity, International Equity, and Global Bonds each enjoyed strong relative gains during the period.
- Performance Attribution is described as a measure of the source of the deviation of a fund's performance from that of its benchmark. The analysis may be done for a total fund or a separate asset class. Each bar on the graph represents the contribution made by the manager (or asset class) to the total difference in performance (shown at the bottom of the exhibit). A positive value for a component indicates a positive contribution to the aggregate. A negative value indicates a detrimental impact. The magnitude of each component's contribution is a function of (1) the performance of the component relative to its benchmark, and (2) the weight of the component in the aggregate.
- Please see the Appendix for a description of allocation effect and cash flow effect.

HEALTH CARE ATTRIBUTION ANALYSIS
3 MONTHS ENDING 6/30/05



- The attribution graph above illustrates each asset class's contribution to the return of the Health Care Fund return over the past quarter. The year-to-date attribution is not available as the Fund had no assets as of year-end 2004. During the second quarter, the Fund benefited from the relative results of the Domestic Equity, International Equity, Global Bonds, and REITs portfolios. The largest detractor during the period was an allocation effect.
- Performance Attribution is described as a measure of the source of the deviation of a fund's performance from that of its benchmark. The analysis may be done for a total fund or a separate asset class. Each bar on the graph represents the contribution made by the manager (or asset class) to the total difference in performance (shown at the bottom of the exhibit). A positive value for a component indicates a positive contribution to the aggregate. A negative value indicates a detrimental impact. The magnitude of each component's contribution is a function of (1) the performance of the component relative to its benchmark, and (2) the weight of the component in the aggregate.
- Please see the Appendix for a description of allocation effect and cash flow effect.

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DOMESTIC EQUITY

DOMESTIC EQUITY

\$30,042.4 Million and 46.2% of Fund

RETURN SUMMARY ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05		Since 12/31/95	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Domestic Equity (DB/HC)	2.4%	47	0.2%	45	8.2%	53	9.7%	46	-0.7%	64	8.2%	80
Performance Benchmark	2.2	58	-0.0	53	8.1	54	9.5	51	-1.0	70	9.8	32
Domestic Equity (DB)	2.4	47	0.2	45	8.2	53	9.7	46	-0.7	64	8.2	80
Performance Benchmark	2.2	58	-0.0	53	8.1	54	9.5	51	-1.0	70	9.8	32
Domestic Equity (HC)	2.4	47	0.2	45	--	--	--	--	--	--	--	--
Russell 3000 Index	2.2	58	-0.0	53	--	--	--	--	--	--	--	--

PERFORMANCE COMMENTARY

- The combined return of the Defined Benefit and Health Care Domestic Equity assets exceeded that of the performance benchmark during the second quarter. Positives during the period included outperformance of several of the Fund's externally managed portfolios including AllianceBernstein, Wellington, and Fidelity. The Internal Research portfolio matched the return of its benchmark. Somewhat detracting from results included underperformance of Invesco and the newly funded enhanced manager, Goldman Sachs. Piedmont's enhanced equity portfolio was also funded during the quarter.
- The longer-term performance of the domestic equity portfolio is mixed as the three- and five-year returns were favorable versus the benchmark while the since-1996 returns underperformed that of the benchmark.
- The rankings shown above are comprised of a universe that is designed to represent the average domestic equity return earned by U.S. institutional investors. The universe is calculated based on data provided by Russell/Mellon Analytical Services.

DOMESTIC EQUITY

\$30,042.4 Million and 46.2% of Fund

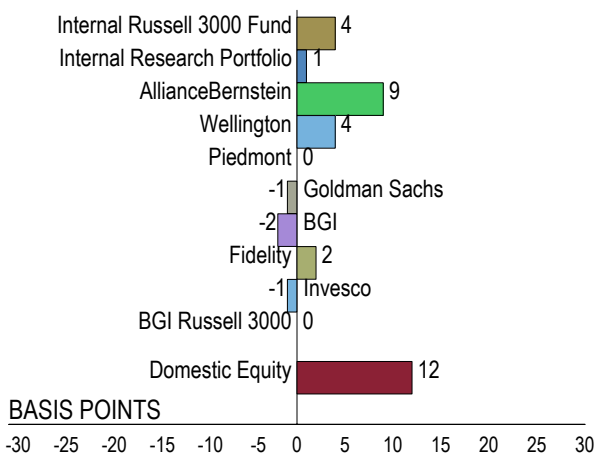
DOMESTIC EQUITY ASSET ALLOCATION-TOTAL PLAN AS OF 6/30/05

(\$ in thousands)

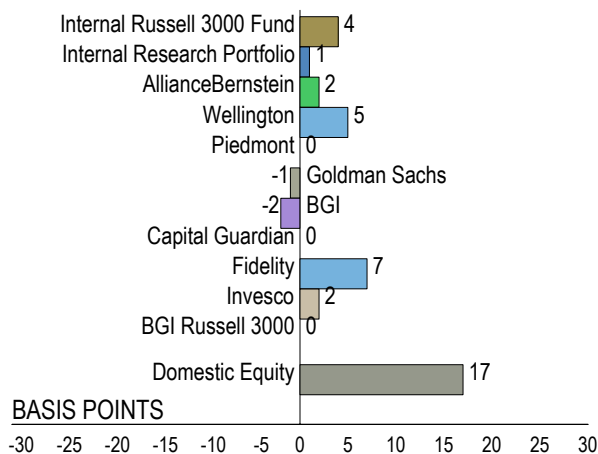
	Domestic Equity	Cash & Equivalents	Total	Percent of Total
Internal Russell 3000 Fund	\$19,764,196	\$11,878	\$19,776,074	65.8%
Internal Research Portfolio	6,201,068	4,152	6,205,220	20.7
Internal Equity	25,965,264	16,030	25,981,294	86.5
AllianceBernstein	\$1,264,843	\$19,262	\$1,284,105	4.3%
Wellington	1,203,730	3,380	1,207,110	4.0
Piedmont	19,990	--	19,990	0.1
Goldman Sachs	403,226	--	403,226	1.3
JP Morgan	19,816	--	19,816	0.1
BGI	602,712	--	602,712	2.0
Large Cap Equity	3,514,317	22,642	3,536,959	11.8
Fidelity	\$261,956	\$5,073	\$267,029	0.9%
Invesco	256,629	257	256,886	0.9
Small Cap Equity	518,585	5,330	523,915	1.7
BGI Russell 3000	\$48	\$218	\$266	0.0%
Passive Equity	48	218	266	0.0
Domestic Equity	\$29,998,214	\$44,220	\$30,042,434	100.0%
Percent of Total	99.9%	0.1%	100.0%	

- The above table displays the asset allocation within the total domestic equity portfolio. Internally-managed assets represented 86.5% of the asset class, while external active managers accounted for 13.5%. The BGI Russell 3000 Index Fund was liquidated to fund the newly hired enhanced managers.

MANAGER ATTRIBUTION ANALYSIS-TOTAL PLAN 3 MONTHS ENDING 6/30/05



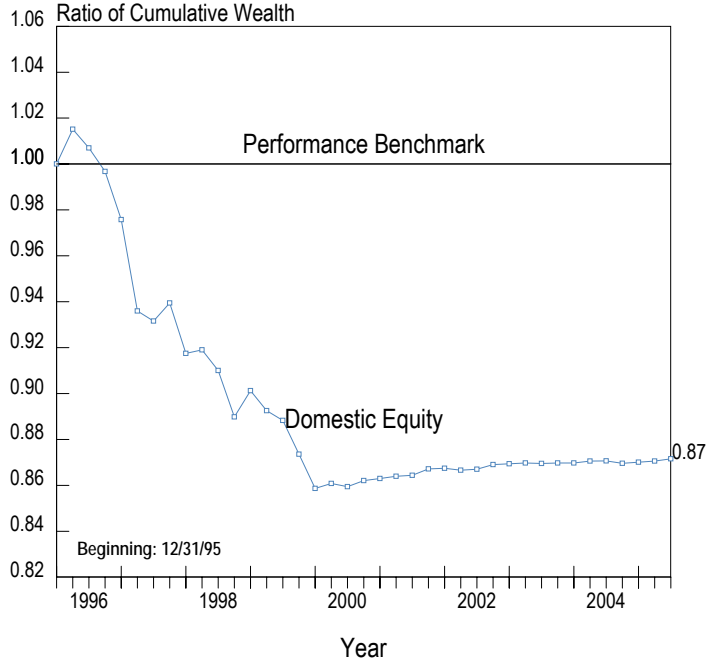
MANAGER ATTRIBUTION ANALYSIS-TOTAL PLAN 6 MONTHS ENDING 6/30/05



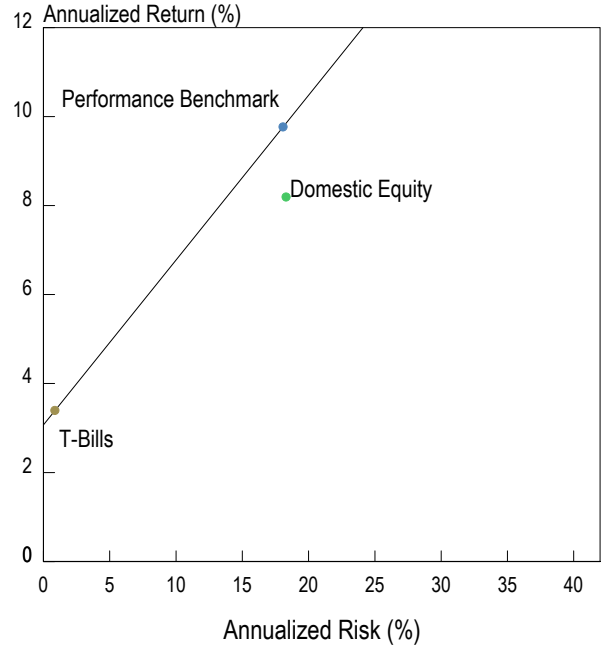
DOMESTIC EQUITY

\$30,042.4 Million and 46.2% of Fund

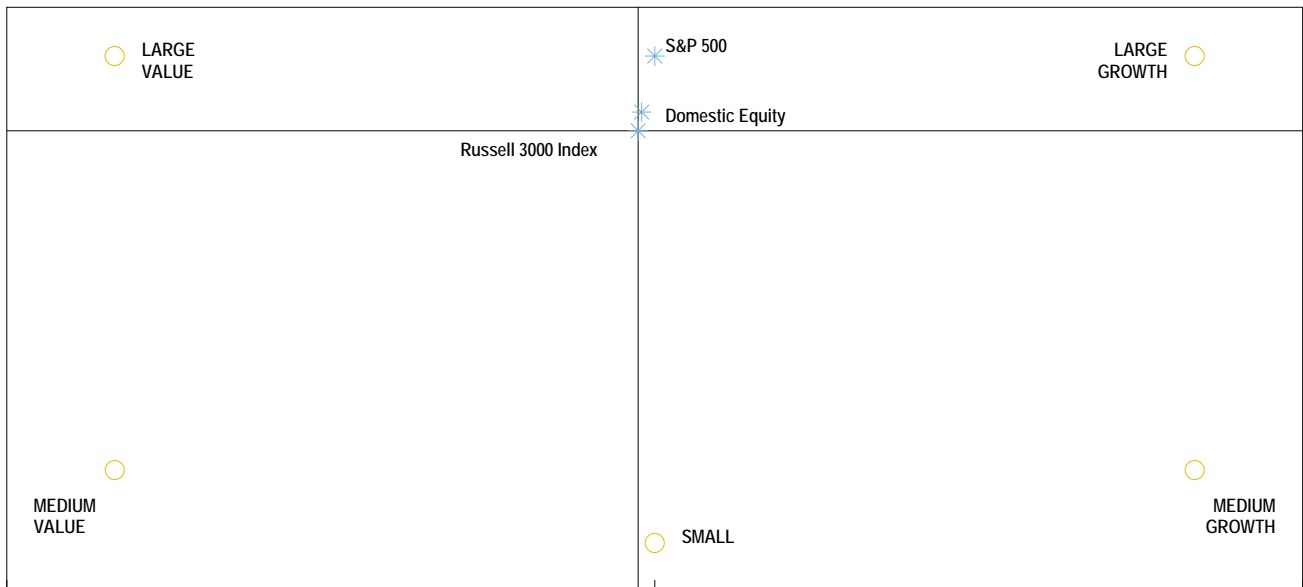
RATIO OF CUMULATIVE WEALTH-TOTAL PLAN
9 YEARS 6 MONTHS ENDING 6/30/05



ANNUALIZED RISK/RETURN-TOTAL PLAN
9 YEARS 6 MONTHS ENDING 6/30/05



EFFECTIVE STYLE MAP-TOTAL PLAN
5 YEARS ENDING 6/30/05



DOMESTIC EQUITY
\$30,042.4 Million and 46.2% of Fund

HISTORICAL RETURNS-TOTAL PLAN
(BY YEAR)

	Domestic Equity		Performance Benchmark		Return Difference
	Return	Rank	Return	Rank	
1979	17.7%	--	18.6%	--	-0.9
1980	32.6	--	32.5	--	0.1
1981	-11.4	--	-4.9	--	-6.5
1982	24.1	--	21.5	--	2.6
1983	16.0	--	22.6	--	-6.6
1984	4.6	--	6.3	--	-1.7
1985	28.1	--	31.7	--	-3.6
1986	20.9	--	18.7	--	2.2
1987	4.7	--	5.3	--	-0.6
1988	9.2	93	16.6	46	-7.4
1989	31.4	10	31.7	8	-0.3
1990	-0.3	5	-3.1	15	2.8
1991	24.5	95	30.5	73	-6.0
1992	3.0	98	7.6	69	-4.6
1993	15.5	16	10.1	66	5.4
1994	-3.1	93	1.3	21	-4.4
1995	25.0	95	37.6	17	-12.6
1996	19.8	76	22.8	31	-3.0
1997	25.4	71	33.4	8	-8.0
1998	26.3	12	28.6	6	-2.3
1999	14.6	84	20.3	56	-5.7
2000	-6.5	66	-7.0	69	0.5
2001	-10.1	56	-10.6	62	0.5
2002	-21.4	55	-21.6	58	0.2
2003	31.1	57	31.0	58	0.1
2004	12.0	66	11.9	68	0.1
2005 (6 months)	0.2	45	-0.0	53	0.2
Trailing 3-Year	9.7%	46	9.5%	51	0.2
Trailing 5-Year	-0.7	64	-1.0	70	0.3
Trailing 10-Year	8.7	88	10.7	30	-2.0

- The performance benchmark shown prior to 1996 is the S&P 500 as there was no formal performance benchmark in place. As the annual returns indicate, the performance of the asset class generally trailed the benchmark until the implementation of a core style in 2000.

INTERNAL RUSSELL 3000 FUND

\$19,776.1 Million and 30.4% of Fund

RETURN SUMMARY ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	
Internal Russell 3000 Fund	2.3%	54	0.1%	51	8.1%	54	9.6%	58	4.5%	--	11/30/01
Russell 3000 Index	2.2	55	-0.0	53	8.1	54	9.5	59	4.4	--	

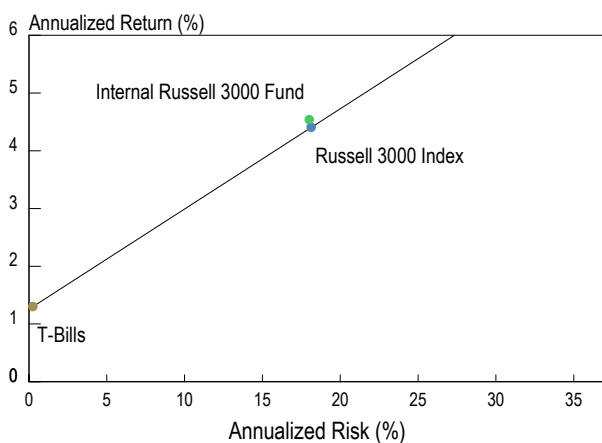
Philosophy and Process

- The internally managed Russell 3000 Index Fund is designed to replicate the performance of the Russell 3000 Index. The Russell 3000 Index is a capitalization-weighted index consisting of the 3000 largest publicly traded U.S. stocks by capitalization. The index is a broad measure of the performance of the aggregate equity market.
- The Large Cap Alpha portfolio was positioned as a Russell 3000 Index Fund during late-November 2001.

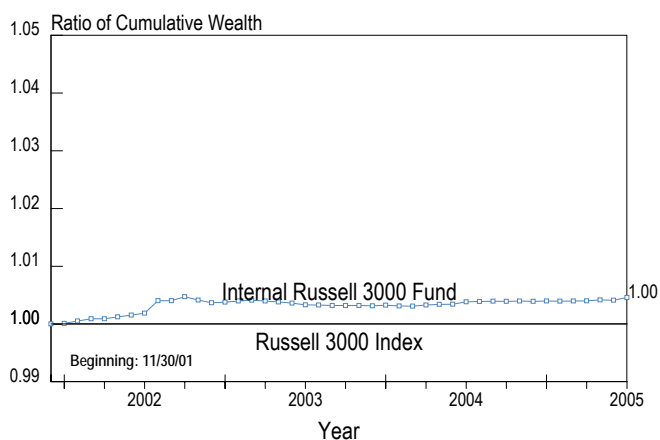
Performance Commentary

- The Internal Russell 3000 Fund experienced approximately 10 basis points of tracking versus the Russell 3000 Index during the second quarter. Since inception, the Fund experienced roughly 10 basis points of positive tracking relative to the Russell 3000 Index.
- The universe that the Internal Russell 3000 Index Fund is compared to is an all-cap domestic equity universe. The universe includes large, medium, and small cap offerings and consists of 882 portfolios. Data is provided by Russell/Mellon Analytical Services.

ANNUALIZED RISK/RETURN
3 YEARS 7 MONTHS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
3 YEARS 7 MONTHS ENDING 6/30/05



INTERNAL RESEARCH PORTFOLIO

\$6,205.2 Million and 9.6% of Fund

RETURN SUMMARY ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	
Internal Research Portfolio	2.1%	37	0.2%	42	8.5%	39	18.2%	37	9/30/02
Russell 1000 Index	2.1	37	0.1	44	7.9	44	17.7	41	

Philosophy and Process

- The Internal Research Portfolio is designed to achieve outperformance relative to the Russell 1000 Index using a quintile based stock selection system (SSS). Stocks that rank near the top of the SSS are overweighted relative to their weights within the Index, while those that rank poorly within the screen are underweighted or not held. The risk management techniques involved allow for low tracking error with roughly 40 basis points of expected outperformance annually.
- The Internal Research Portfolio was initially funded as a Russell 1000 Index Fund. The Fund's strategy was changed from passive to active throughout the fourth quarter of 2002.

Performance Commentary

- The Internal Research Portfolio matched the performance of the Russell 1000 Index during the second quarter. The portfolio's return exceeded that of the benchmark during the year-to-date, one-year and since inception periods.
- The Internal Research Portfolio's ranks are shown in a universe of large-cap, market-oriented portfolios provided by Russell/Mellon Analytic Services. These managers do not exhibit a consistent preference for the types of companies emphasized in value or growth portfolios. There are 450 portfolios included in the universe.

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EXTERNAL DOMESTIC EQUITY

ALLIANCEBERNSTEIN

\$1,284.1 Million and 2.0% of Fund

RETURN SUMMARY ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	
AllianceBernstein	4.1%	10	0.4%	39	6.6%	55	9.4%	36	4.3%	--	11/30/01
Russell 1000 Index	2.1	37	0.1	44	7.9	44	9.2	39	3.9	--	

- AllianceBernstein was funded with \$983,000,000 on November 20, 2001, with a subsequent addition of \$24,000,000 taking place on November 26, 2001.

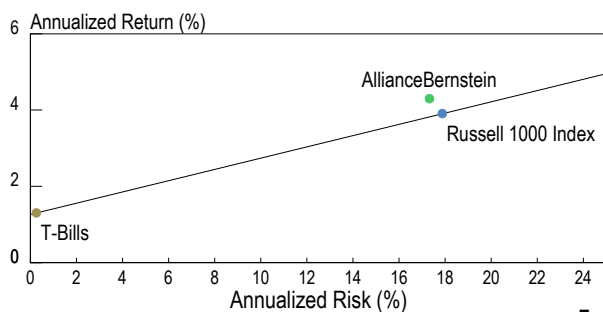
Philosophy and Process

- AllianceBernstein looks to capitalize on market tendencies by using internal research and portfolio management capabilities that include separate teams for value and growth. The strategy relies on a 50% weighting to a portfolio which employs a growth-oriented approach and 50% weighting to a value-based, price-driven portfolio. The portfolio is rebalanced when the growth or value portion of the portfolio reach a limit of +/- 10% of their 50% weighting. The portfolio is rebalanced halfway back to its target of 50%. The manager feels that the independence of the investment portfolios and the rebalancing to neutralize any style risks can deliver an investment premium while minimizing relative and absolute risks.

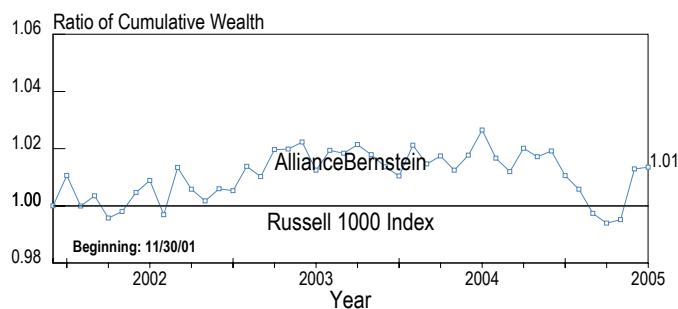
Performance Commentary

- AllianceBernstein's Style Blend portfolio added 2.0 percentage points of value over the Russell 1000 Index during the second quarter. The major contributor was the strength of the growth portion of the portfolio. From a sector standpoint, the portfolio's stock selection was strongest within the energy, technology, and consumer sectors. Holdings that bolstered returns included Google (+63.0%), Genentech (+41.8%), and GlobalSanteFe (+10.6%). The portfolio's largest holding, General Electric, somewhat inhibited the quarter's result as the security fell 3.3% during the quarter.
- While the manager's one-year return lagged the performance of the benchmark, results during the three-year and since inception period compare favorably.

ANNUALIZED RISK/RETURN 3 YEARS 7 MONTHS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH 3 YEARS 7 MONTHS ENDING 6/30/05



**RETURN SUMMARY
ENDING 6/30/05**

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	
Wellington	3.1%	21	1.5%	24	8.2%	41	10.0%	28	3.2%	--	11/30/01
Russell 1000 Index	2.1	37	0.1	44	7.9	44	9.2	39	3.9	--	

- Wellington was funded on November 20, 2001 with \$943,000,000. Additional funding of \$54,200,000 took place on November 26, 2001.

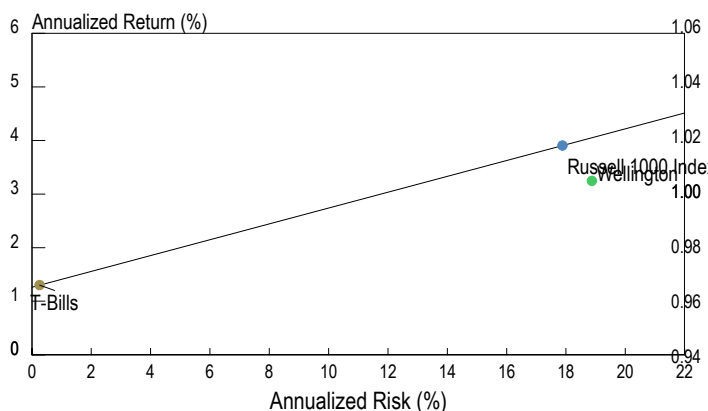
Philosophy and Process

- The portfolio consists of multiple sub-portfolios, actively managed by global industry analysts who are allocated assets corresponding to the weight of their industry relative to those of the S&P 500 Index. The sector neutral portfolio results in each analyst's best ideas in the portfolio. The global industry analysts utilize valuation methodologies unique to their particular industry, resulting in a blend of investment disciplines, which diversifies investment style risk. The capitalization and growth/valuation characteristics are a fall out of the process - over time these may vary significantly.

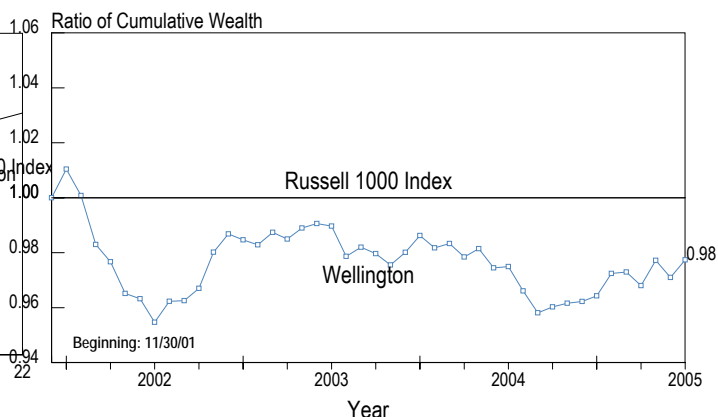
Performance Commentary

- Wellington's stock selections were positive contributors as the portfolio outperformed the Russell 1000 Index by 100 basis points. Technology holdings led performance as Google (+63.0%) and Corning (+49.3%) experienced positive results. Other positives included selections within the energy and health care sectors. Holdings within those particular sectors that had a positive impact on performance included Aetna (+10.5%) and McKesson (+18.8%). Stock selections within the materials sector hindered the quarter's result.
- While the manager's one- and three-year returns added value, the manager struggled versus the benchmark during the since inception period.

**ANNUALIZED RISK/RETURN
3 YEARS 7 MONTHS ENDING 6/30/05**



**RATIO OF CUMULATIVE WEALTH
3 YEARS 7 MONTHS ENDING 6/30/05**



PIEDMONT

\$20.0 Million and 0.0% of Fund

RETURN SUMMARY ENDING 6/30/05

	Since Inception	Inception Date
Piedmont	-0.7%	5/31/05
S&P 500 Index	0.1	

- Piedmont was funded in May, 2005 with approximately \$20,000,000.

Philosophy and Process

- Piedmont's investment process is quantitative. The hallmark of the manager's approach is what they have labeled their Alpha Forecast Model. The Alpha Forecast Model is designed to forecast excess returns for each of the stocks in the S&P 500 Index. The model utilizes several factors which are routinely updated and researched to enhance their effectiveness. Additional maintenance analysis is run for correlation statistics among the factors. Currently, the model incorporates seven factors including Earnings to Price, Earnings Momentum, Leverage, and Return on Assets.
- A significant amount of time is spent on maintaining the model and the portfolio. There is monthly rebalancing of the portfolio and the model's factors. The manager also is continuously examining new factors for inclusion into the multi-variate model. There is much scrutiny over the outputs of the model to ensure that they are consistently able to add value.

Performance Commentary

- Since the portfolio's inception in May, the portfolio underperformed the S&P 500 Index.

**RETURN SUMMARY
ENDING 6/30/05**

	Since Inception	Inception Date
Goldman Sachs	-0.5%	5/31/05
S&P 500 Index	0.1	

- Goldman Sachs was funded in May, 2005 with approximately \$400,000,000.

Philosophy and Process

- Goldman Sachs' Computer-Optimized, Research Enhanced (CORE) process combines fundamental analysis and quantitative modeling to add value through bottom-up stock selection. The model selects stocks based on six themes: valuation, profitability, earnings quality, management, momentum, and analyst sentiment. The six themes were chosen due to their theoretical appeal, statistically significant forecasting ability, and consistent performance. Because the correlations across factors are low, the manager expects the performance of the strategy to be consistent across market environments.
- The investment team uses a sophisticated risk model to manage a wide variety of systematic and process-specific risk factors. In addition, the firm has a separate Risk Performance and Analytics Group which is responsible for independently monitoring the absolute and relative risks taken by each of the firm's portfolios.

Performance Commentary

- Since the portfolio's inception in May, the portfolio underperformed the S&P 500 Index.

BARCLAYS GLOBAL INVESTORS

\$602.7 Million and 0.9% of Fund

RETURN SUMMARY ENDING 6/30/05

	Since Inception	Inception Date
BGI	-0.4%	5/31/05
Russell 1000 Index	0.4	

- The BGI Russell 1000 Alpha Tilts portfolio was funded with approximately \$600 million in May 2005.

Philosophy and Process

- BGI's stock selection model attempts to identify strong, profitable companies with sustainable earnings selling at attractive valuations. Each stock in the universe is ranked based on the insights gained through the model. The sources of investment insight are: (1) relative value; (2) earnings quality; and (3) sentiment. Relative value focuses on the relative attractiveness of a stock based on its fundamental factors in relation to its market price. Earnings quality focuses on the quality and sustainability of earnings by analyzing financial reports and operating performance. Sentiment focuses on the changes in analyst forecasts, management decisions, and market information.
- Through its bottom-up quantitative process, BGI constructs a highly diversified portfolio of stocks with characteristics very similar to the Russell 1000 Index. They make many small bets on a diverse group of themes independent of market and economic conditions and attempt to minimize implementation costs through highly efficient trading. The strategy is designed to outperform the Russell 1000 Index by a moderate amount with tracking error of up to 1%. The firm's process is robust and has been successfully applied across a wide variety of country and regional markets.

Performance Commentary

- In BGI's first month of performance, the Russell 1000 Alpha Tilts strategy underperformed its benchmark.

**RETURN SUMMARY
ENDING 6/30/05**

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	
Fidelity	6.3%	9	7.8%	1	19.2%	8	15.5%	32	14.5%	--	11/30/01
Russell 2000 Index	4.3	35	-1.2	68	9.5	59	12.8	61	11.0	--	

- Fidelity was funded on November 20, 2001 with an initial investment of just under \$135,000,000, with a subsequent addition of \$27,000,000 taking place on November 26, 2001.

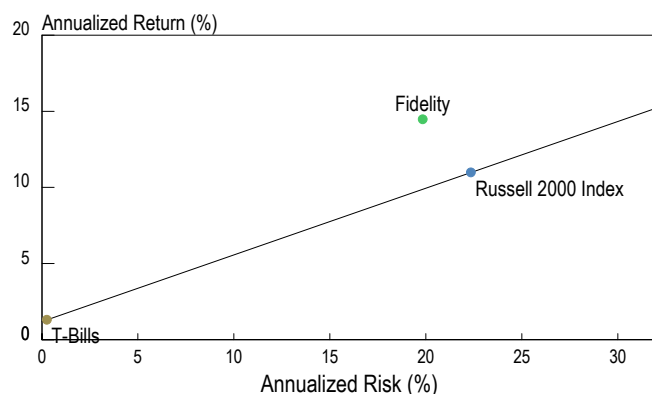
Philosophy and Process

- Fidelity's Small Company Discipline looks to exploit stock market inefficiencies at the stock level. Fidelity's process focuses on companies that exhibit persistent, above-average earnings growth, strong financial characteristics, as well as valuations close to or below the market. Despite the manager's focus on above-average earnings growth, the portfolio will tend to exhibit value-like characteristics. The strategy relies on a traditional fundamental, bottom-up investment process as there is no quantitative screening process.

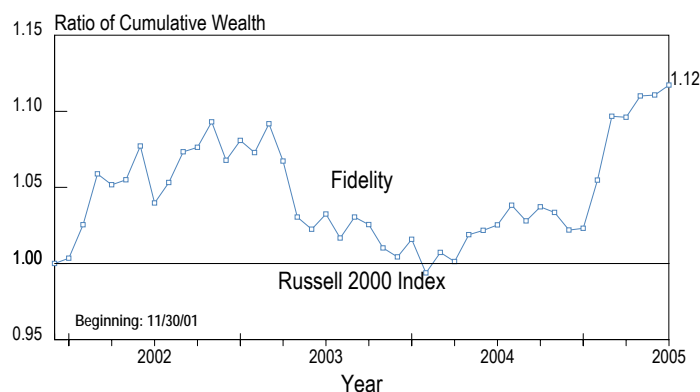
Performance Commentary

- Fidelity's second-quarter return of 6.3% exceeded that of the Russell 2000 Index by 2.0 percentage points. The greatest contributors during the period included selections within the health care and technology sectors. Within the technology sectors holdings that bolstered the result included Verifone Holdings (+25.5%), Avnet (+22.3%), and ValueClick (+16.2%). Notables within the health care sector included Per-Se Technologies (+36.9%), Fisher Scientific (+14.0%), and Omnicare (+19.8%). While most other sectors added value at the stock level, only the materials sector experienced adverse results.
- The manager's one-, three-year, and since inception results compare favorably versus the returns of the Index.

**ANNUALIZED RISK/RETURN
3 YEARS 7 MONTHS ENDING 6/30/05**



**RATIO OF CUMULATIVE WEALTH
3 YEARS 7 MONTHS ENDING 6/30/05**



INVESCO

\$256.9 Million and 0.4% of Fund

RETURN SUMMARY ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	
Invesco	3.7%	49	1.6%	37	9.3%	60	13.2%	56	12.9%	--	11/30/01
Russell 2000 Index	4.3	35	-1.2	68	9.5	59	12.8	61	11.0	--	

- Invesco was funded on November 20, 2001 with just over \$163,000,000. An additional \$400,000 was transferred to the fund on November 26, 2001.

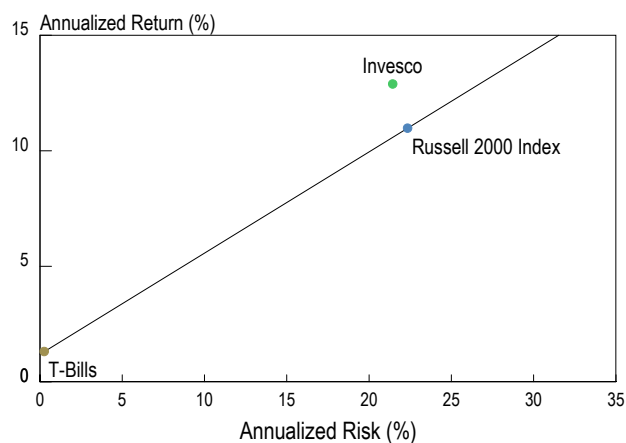
Philosophy and Process

- Invesco's quantitative approach focuses on adding value through stock selection as the portfolio's characteristics such as industry weightings and average market capitalization are kept similar to that of the Russell 2000 Index. The stock selection process is based on four concepts: earnings momentum, management action, relative value, and price trend. The portfolio tends to favor value stocks over time.

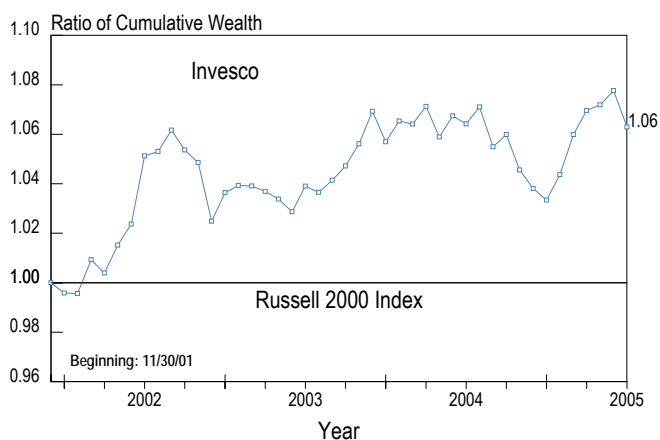
Performance Commentary

- Invesco underperformed the Russell 2000 Index during the quarter by 0.6 percentage points. Several of the manager's largest holdings performed poorly including Walter Industries (-5.4%), Vintage Petroleum (-3.0%), and Haemonetics Corp. (-3.6%). Positive selections during the period included Mentor Corp. (+29.8%), Labor Ready (+25.0%), and Landamerica Financial (+19.0%).
- The manager's longer-term returns with the exception of the one-year period, comfortably exceeded those of the Russell 2000 Index.

ANNUALIZED RISK/RETURN
3 YEARS 7 MONTHS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
3 YEARS 7 MONTHS ENDING 6/30/05



INTERNATIONAL EQUITY

INTERNATIONAL EQUITY

\$13,006.8 Million and 20.0% of Fund

Second Quarter 2005

RETURN SUMMARY ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05		Since 7/31/96	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
International Equity (DB/HC)	0.1%	36	0.2%	40	16.6%	23	13.8%	28	0.4%	48	6.0%	--
Performance Benchmark	-0.2	50	0.0	45	16.5	24	13.6	30	0.4	48	5.7	--
International Equity (DB)	0.0	40	0.2	40	16.6	23	13.8	28	0.4	48	6.0	--
Performance Benchmark	-0.2	50	0.0	45	16.5	24	13.6	30	0.4	48	5.7	--
International Equity (HC)	0.0	40	0.2	40	--	--	--	--	--	--	--	--
MSCI All Country World ex-U.S. Index	-0.2	50	0.0	45	--	--	--	--	--	--	--	--

PERFORMANCE COMMENTARY

- The combined return of the Fund's International Equity portfolio advanced 0.1% during the quarter and exceeded the performance of the benchmark by 30 basis points. Acadian's small cap portfolio, Baring, and AllianceBernstein boosted the period's result. The greatest detractor from performance was the below-benchmark result of Brandes.
- The International Equity composite's one-year return exceeded that of the performance benchmark by 0.1 percentage points. The remaining returns shown above have all either matched or exceeded the performance of the benchmark.
- The total International Equity composite ranked above median for all time periods shown.
- The rankings shown above are comprised of a universe that is designed to represent the average international equity return earned by U.S. institutional investors. The universe is calculated based on data provided by Russell/Mellon Analytical Services.

INTERNATIONAL EQUITY
\$13,006.8 Million and 20.0% of Fund

Second Quarter 2005

INTERNATIONAL EQUITY ASSET ALLOCATION-TOTAL PLAN AS OF 6/30/05

(\$ in thousands)

	Intl Equity	Cash & Equivalents	Total	Percent of Total
Acadian Int. Small Cap	\$336,644	\$2,373	\$339,017	2.6%
Alliance Bernstein	1,329,911	31,308	1,361,219	10.5
Bank of Ireland	4,703	--	4,703	0.0
Brandes	1,168,723	24,826	1,193,549	9.2
Capital Guardian	573,106	8,727	581,833	4.5
J.P. Morgan Fleming	530,942	4,282	535,224	4.1
Oechsle	2,476	--	2,476	0.0
TT International	405,440	23,143	428,583	3.3
Walter Scott & Partners	684,286	6,215	690,501	5.3
Wellington Int. Small Cap	194,654	3,366	198,020	1.5
Active International Equity	5,230,885	104,240	5,335,125	41.0
Barclays Enhanced	\$3,247,306	--	\$3,247,306	25.0%
Baring	1,133,271	--	1,133,271	8.7
Active/Passive International Equity	4,380,577	--	4,380,577	33.7
Barclays Index	\$2,493,313	--	\$2,493,313	19.2%
Passive International Equity	2,493,313	--	2,493,313	19.2
The Boston Company	\$305,590	\$12,733	\$318,323	2.4%
First State Investments (Babson)	292,619	11,558	304,177	2.3
Lazard	171,106	3,903	175,009	1.3
Emerging Markets	769,315	28,194	797,509	6.1
Other	--	\$297	\$297	0.0%
International Equity	\$12,874,090	\$132,731	\$13,006,821	100.0%
Percent of Total	99.0%	1.0%	100.0%	

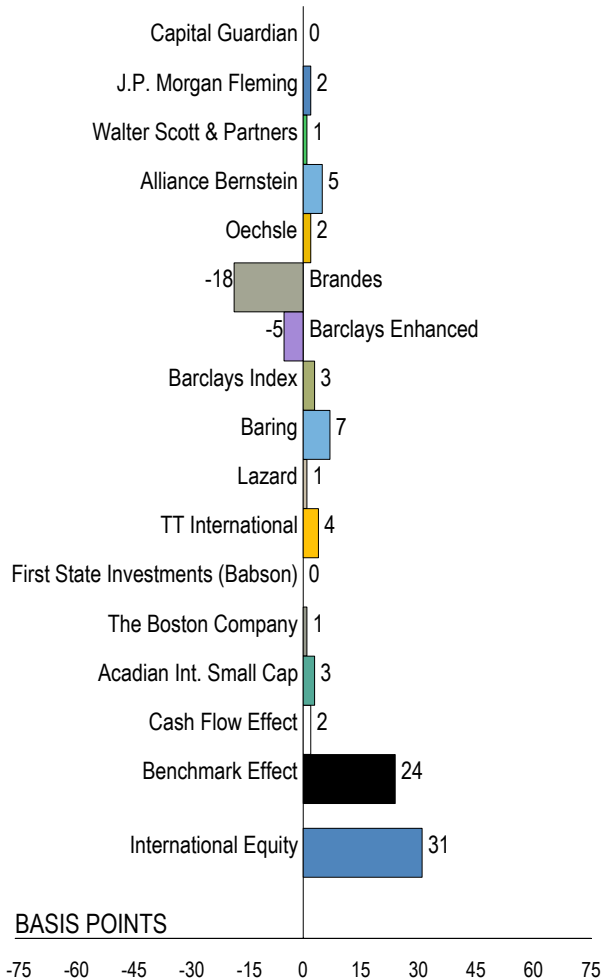
- The table above details the total international equity component's asset allocation.

INTERNATIONAL EQUITY

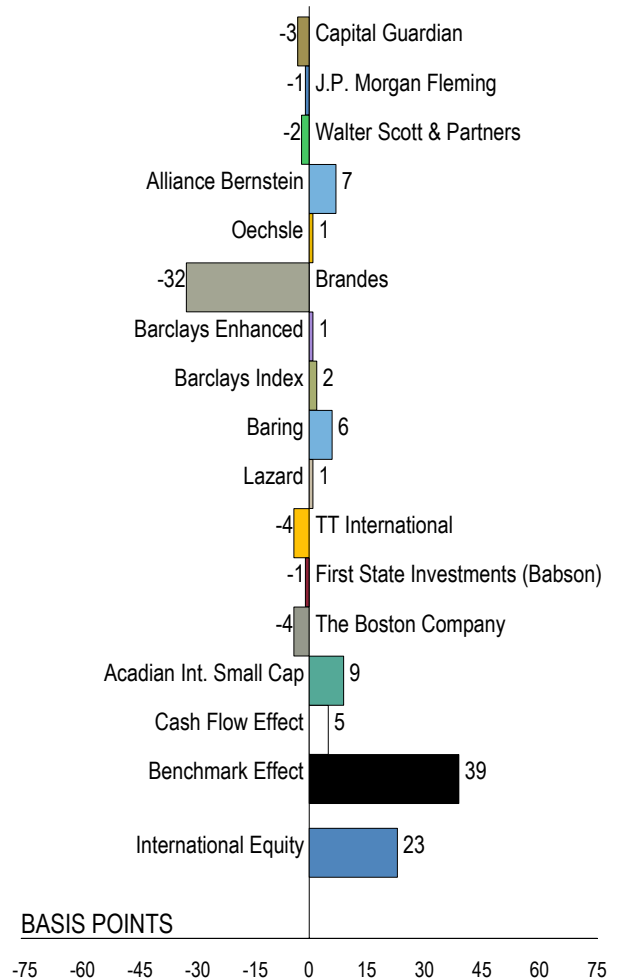
\$13,006.8 Million and 20.0% of Fund

Second Quarter 2005

MANAGER ATTRIBUTION ANALYSIS-TOTAL PLAN
3 MONTHS ENDING 6/30/05



MANAGER ATTRIBUTION ANALYSIS-TOTAL PLAN
6 MONTHS ENDING 6/30/05



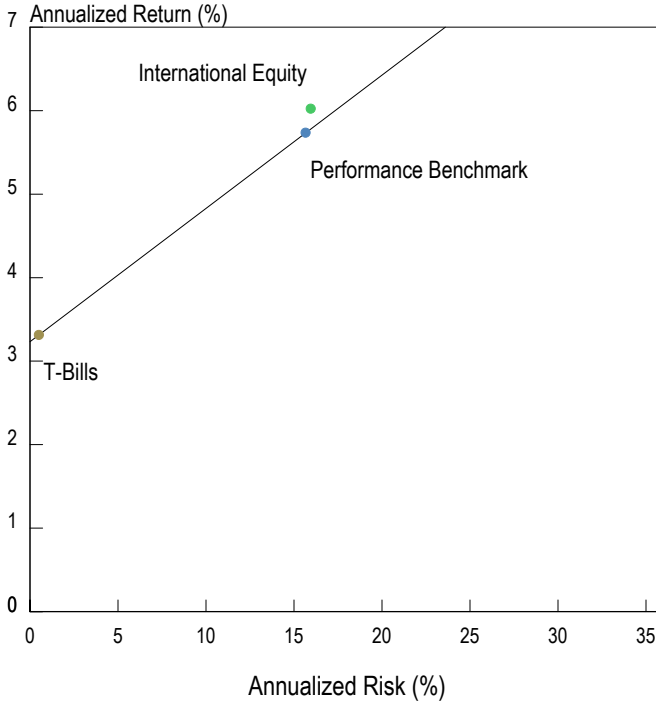
- The attribution analysis above on the left illustrates the International Equity (of both Plans) composite's relative performance by each manager during the second quarter. The Baring, AllianceBernstein, and TT International were the greatest contributors in terms of managers during the period. A positive benchmark effect also benefited performance. The two lone detractors from performance were Brandes and the Barclays Enhanced portfolio.
- The benchmark effect is described as the difference between all of the managers' individual benchmarks' performance relative to the benchmark of the asset class. Additionally, the impact of an over-weight to emerging markets and small cap segment of the market will also show up in the benchmark effect.
- Please see the Appendix for a description of the attribution chart.

INTERNATIONAL EQUITY

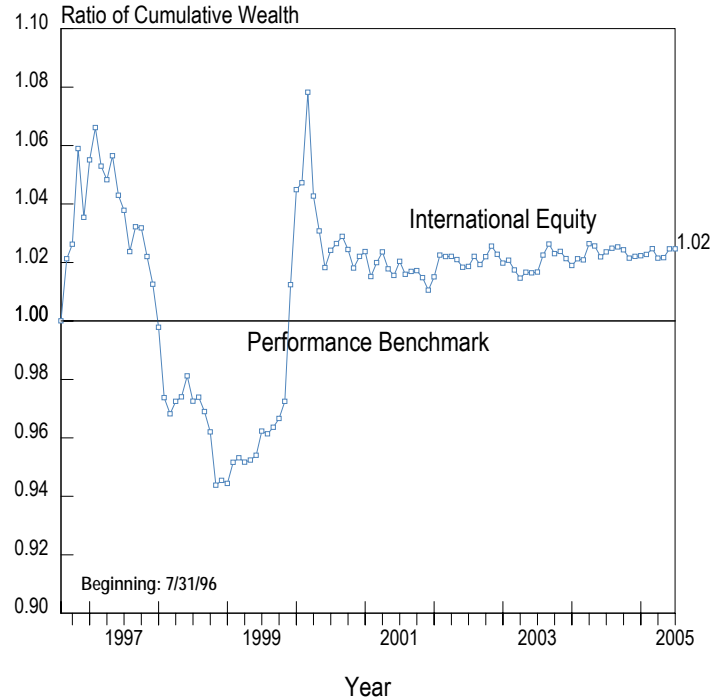
\$13,006.8 Million and 20.0% of Fund

Second Quarter 2005

ANNUALIZED RISK/RETURN-TOTAL PLAN
8 YEARS 11 MONTHS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH-TOTAL PLAN
8 YEARS 11 MONTHS ENDING 6/30/05



HISTORICAL RETURNS-TOTAL PLAN
(BY YEAR)

	International Equity (DB/HC)		Performance Benchmark		Return Difference
	Return	Rank	Return	Rank	
1996 (5 months)	10.4%	--	4.6%	--	5.8
1997	-4.0	98	1.6	84	-5.6
1998	13.4	46	19.8	8	-6.4
1999	44.8	33	30.9	72	13.9
2000	-16.8	71	-15.1	62	-1.7
2001	-20.4	74	-19.7	68	-0.7
2002	-14.6	48	-14.9	51	0.3
2003	40.7	22	40.8	22	-0.1
2004	21.3	21	20.9	28	0.4
2005 (6 months)	0.2	40	0.0	45	0.2
Trailing 3-Year	13.8%	28	13.6%	30	0.2
Trailing 5-Year	0.4	48	0.4	48	0.0
Since Inception (7/31/96)	6.0	--	5.7	--	0.3

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ACTIVE INTERNATIONAL EQUITY

ACADIAN

\$339.0 Million and 0.5% of Fund

Second Quarter 2005

RETURN SUMMARY ENDING 6/30/05

	Second Quarter	Year-to-Date	1 Year Ending 6/30/05	Since Inception	Inception Date
Acadian Int. Small Cap	1.2%	8.0%	30.6%	40.7%	9/30/03
MSCI World Ex-U.S. Small Cap Net	-0.0	4.1	20.5	28.2	

- Acadian was funded with \$100,000,000 on September 30, 2003. Additional funding of \$50,000,000 took place during the fourth quarter of 2003.

Philosophy and Process

- Acadian's mode of investing in international small cap stocks is a combination of quantitative and fundamental techniques. Acadian calls this process "Enhanced Value Investing." A dynamic proprietary model incorporates many factors that are continually revised and enhanced in an effort to capitalize on market trends. The quantitative model typically analyzes valuation factors, growth potential factors, and price factors.

Performance Commentary

- Acadian's international small cap portfolio advanced 1.2% during the second quarter and outperformed its benchmark by 1.2 percentage points. Stock selection combined with positive country allocations were the drivers behind the quarter's value-added. A significant overweight in Australia coupled with an underweight to the UK were positives for the quarter.
- Stock selection within Canada and an underallocation to equities in Singapore, which returned approximately 11 percent for the quarter, hindered results.
- Acadian's returns over the longer time periods shown above exceeded those of the MSCI World ex-U.S. Small Cap Net Index. Since inception, the portfolio has outperformed its benchmark by an impressive 12.5 percentage points.

Second Quarter 2005

RETURN SUMMARY
ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	
Alliance Bernstein	0.2%	24	0.7%	23	19.2%	9	24.2%	19	6/30/03
MSCI All Country World ex-U.S. Index	-0.2	41	0.0	33	16.5	22	24.0	21	

- AllianceBernstein's international strategy was funded with \$500,000,000 in June 2003. Additional funding of \$200,000,000 took place on September 24, 2003.

Philosophy and Process

- AllianceBernstein's international style blend combines two portfolios with growth and value characteristics into a core strategy. The growth portion is run by Alliance Capital Management and the value portion is managed by Bernstein Investment Research and Management. The portfolio is originally constructed with a 50% weight to each of the value and growth portfolios. Once one portion of the fund reaches 55%, the portfolio is rebalanced half-way back to the equal weight (52.5%).

Performance Commentary

- AllianceBernstein's international style blend strategy outperformed its benchmark during the quarter. The growth portion of the portfolio outperformed its value counterpart and the small bias towards growth stocks positively contributed to the relative gain during the quarter as growth stocks outperformed value within the international markets. From a sector standpoint, stock selection within the consumer discretionary, health care, and technology sectors proved positive.
- Poor stock selection within the consumer staples, financials, and energy sectors hindered performance.
- AllianceBernstein's returns over all time periods shown above exceeded those of its benchmark, the MSCI All Country World ex-U.S. Index.

BRANDES INVESTMENT PARTNERS

\$1,193.5 Million and 1.8% of Fund

Second Quarter 2005

RETURN SUMMARY ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	
Brandes	-2.1%	96	-3.3%	96	11.6%	71	16.3%	8	6.4%	7	13.6%	--	1/31/99
MSCI All Country World ex-U.S. Index	-0.2	41	0.0	33	16.5	22	13.6	24	0.4	46	4.0	--	

- Brandes was funded with \$500,000,000. Additional fundings of \$100,000,000 took place on January 11, 1999 and September 24, 2002.

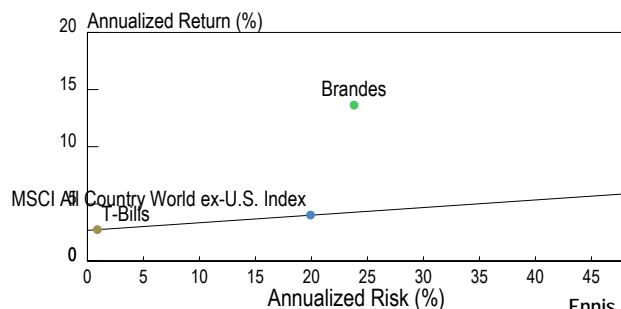
Philosophy and Process

- Brandes is a bottom-up, Graham and Dodd value-oriented global equity manager. The manager's philosophy is predicated on an assumption that stock prices are more volatile than the underlying intrinsic value of businesses. They believe that a stock should be viewed as a small piece of a business that is for sale. The key to success is to buy stocks of businesses which have determinable value, but which are unpopular or overlooked at the moment -- "undervalued" stocks. Brandes focuses on the fundamental characteristics of a company in order to develop an estimate of its intrinsic value. By choosing stocks that are selling at a discount to estimates of their intrinsic business value, a margin of safety and an opportunity for superior performance with below average risk are created.

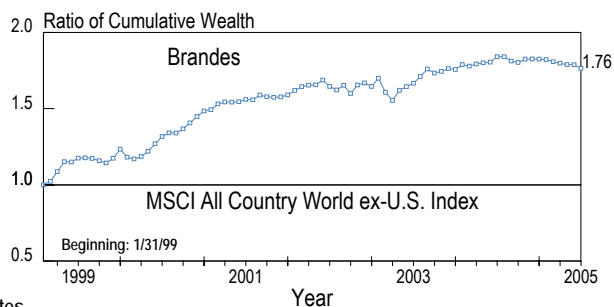
Performance Commentary

- Brandes underperformed its benchmark during the quarter by 1.9 percentage points. From a country standpoint, stock selection throughout Europe (UK, France, Italy, Portugal, and Spain) hindered performance. A below-Index allocation to emerging markets also held back the quarter's results as stocks from developing countries outperformed their developed peers. An over-allocation to and stock selection within Japan somewhat offset the quarter's underperformance.
- The manager's year-to-date and one-year returns have lagged the index largely due to poor stock selection over these periods. However, over the longer time periods shown above stock selection has been the main reason for the Fund's outperformance of its benchmark.

ANNUALIZED RISK/RETURN
6 YEARS 5 MONTHS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
6 YEARS 5 MONTHS ENDING 6/30/05



Second Quarter 2005

RETURN SUMMARY
ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	
Capital Guardian	-1.0%	73	-1.8%	75	11.3%	76	10.9%	54	-1.8%	60	7.7%	--	11/30/96
Performance Benchmark	-1.0	73	-1.2	60	15.1	32	13.2	29	0.3	47	4.7	--	

- Capital Guardian was funded on November 15, 1996 with \$300,000,000. Subsequent fundings were \$200,000,000 on July 21, 1997 and \$300,000,000 on January 19, 1999.

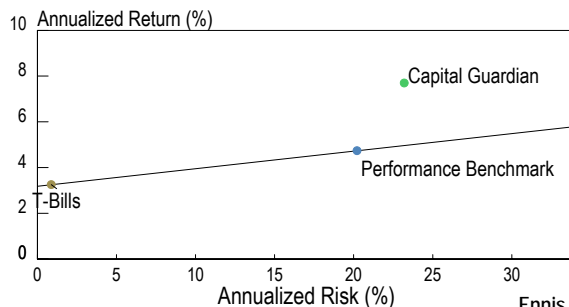
Philosophy and Process

- Capital Guardian refers to its investment approach as a multiple-manager system. Under this system, portfolios are divided among 7 portfolio managers (80%) and the firm's research analysts (20%). Each sub-portfolio is invested as an individual portfolio at the discretion of the portfolio manager and analyst team. For the analysts' research portfolio, each analyst manages a small percentage of the portfolio based on their industry and/or country research responsibility. All stocks are selected from the firm's "buy" list of about 200 companies. To minimize transaction costs, all sales are posted to an internal list that other portfolio managers have the opportunity to buy.

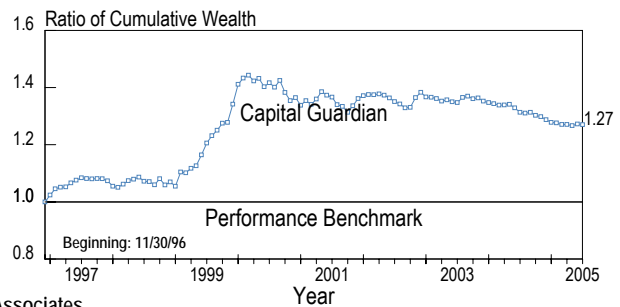
Performance Commentary

- The Capital Guardian non-U.S. equity portfolio equaled the MSCI EAFE Index during the quarter. Relative performance was negatively impacted by an overweight to the weak performing telecom sector and an underweight to the strong performing energy sector. Additionally, negative stock selection in the telecom and financial sectors detracted from results. Some of these losses were, however, partially offset by favorable stock selection in the energy sector and exposure to emerging markets and international small cap segments. Top performers in the portfolio included global energy major Royal Dutch Petroleum (+10%) and pharmaceutical giant Astra Zeneca (+5%).
- The manager's returns trailed those of the benchmark for the year-to-date, one-, three-, and five-year periods. Since inception, the portfolio has outperformed the benchmark by 3.0 percentage points, annually.

ANNUALIZED RISK/RETURN
8 YEARS 7 MONTHS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
8 YEARS 7 MONTHS ENDING 6/30/05



JP MORGAN FLEMING

\$535.2 Million and 0.8% of Fund

Second Quarter 2005

RETURN SUMMARY ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	
J.P. Morgan Fleming	0.2%	24	-0.2%	37	16.1%	23	30.1%	33	3/31/03
MSCI All Country World ex-U.S. Index	-0.2	41	0.0	33	16.5	22	31.1	24	

- JP Morgan Fleming was funded in April of 2003 with over \$235,000,000 in contributions. An additional \$71,000,000 was transferred into the account on May 31, 2003.

Philosophy and Process

- JP Morgan Fleming's EAFE Plus investment process is the result of the belief and experience that the information ratio is maximized when geared through stock selection rather than asset allocation or sector rotation. There are three main stages to J.P. Morgan Fleming's investment process: local research (stock rankings), determined by their regional desks; global sector research, determined by the Global Sector analysts of the Global Portfolios Group; and portfolio construction.

Performance Commentary

- J.P. Morgan Fleming's EAFE Plus strategy modestly outperformed its benchmark, the MSCI All Country World ex-U.S. Index over the second quarter. The portfolio gained from an overallocation to and favorable security selection within the health care sector. Top performers for the portfolio included global pharmaceuticals major, Roche Holdings and natural gas company, BG Group. The portfolio's relative performance was hurt by negative stock selection in the industrials and utilities sectors. On a regional basis, holdings in UK and Pacific Rim countries detracted from performance. The portfolio's chief detractors were Swiss temporary employment agency, Adecco, and British home improvement retailer, Kingfisher.
- The manager's return over the since inception period shown above lagged that of the benchmark partially due to the manager's growth bias.

Second Quarter 2005

RETURN SUMMARY ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	
TT International	1.0%	9	-0.9%	49	10.9%	79	10.2%	59	-3.7%	75	2.5%	--	7/31/99
MSCI All Country World ex-U.S. Index	-0.2	41	0.0	33	16.5	22	13.6	24	0.4	46	2.8	--	

- TT International was funded with \$200,000,000 on June 30, 1999. Additional funding of \$150,000,000 took place on July 20, 1999.

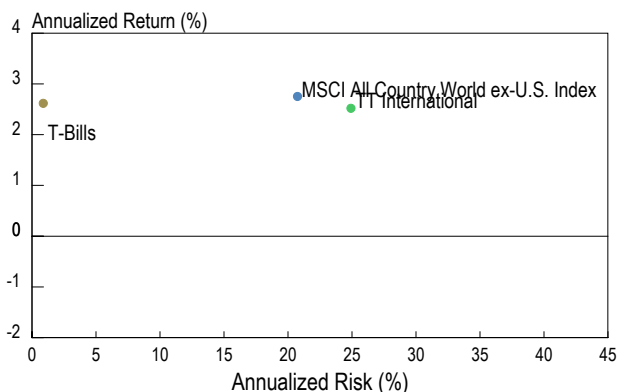
Philosophy and Process

- TT International looks to add value to a portfolio through country allocation, stock selection and currency management. The manager constructs their clients' portfolios in a non-index relative manner, while assessing risk and opportunity within the market.

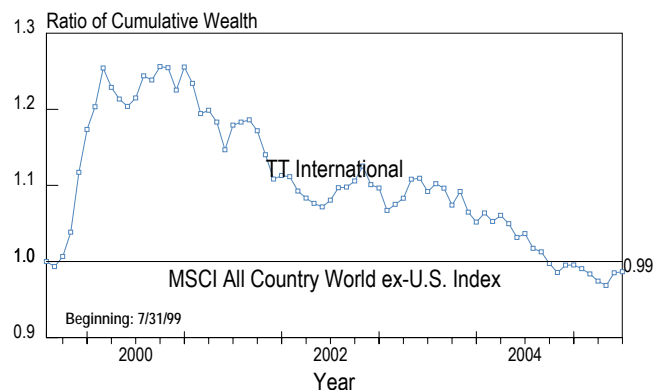
Performance Commentary

- TT International outperformed its benchmark, the MSCI All Country World ex-U.S. Index, by 1.2 percentage points during the second quarter. Stock selection within European countries, including the UK, Sweden, Switzerland, and France, helped the quarter's result as the manager's selections outperformed those of the Index. The manager also benefited positively from hedging part of the portfolio's Euro currency exposure as the Euro continued its decline.
- The manager's allocation to emerging markets (6.2% of the portfolio at quarter-end) was below that of the benchmark. That impeded performance as emerging markets outperformed their developed peers. The portfolio also was hurt by an underweight position within the energy sector, despite positive stock selection.
- Underperforming in all longer term time periods shown above, the manager is currently on the OPERS watch list for performance reasons.

ANNUALIZED RISK/RETURN
5 YEARS 11 MONTHS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
5 YEARS 11 MONTHS ENDING 6/30/05



WALTER SCOTT & PARTNERS

\$690.5 Million and 1.1% of Fund

Second Quarter 2005

RETURN SUMMARY ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	
Walter Scott & Partners	0.0%	29	-0.6%	46	10.4%	83	21.7%	--	5/31/03
MSCI All Country World ex-U.S. Index	-0.2	41	0.0	33	16.5	22	24.5	--	

- Walter Scott & Partners was funded with \$270,000,000 on May 30, 2003. Additional funding of \$12,000,000 took place on June 2, 2003, and \$100,000,000 was added to the portfolio on September 24, 2003.

Philosophy and Process

- Walter Scott & Partners employs a bottom-up fundamental growth investment style. Security selection focuses on companies with 20% or more internal growth which will be sustainable over time. The manager identifies major political and economic trends that may impact industry or sector growth. At the company level, the manager utilizes fundamental analysis such as returns on invested capital, soundness of management, strength of balance sheet, and management track record. By gaining an understanding as to how the financial figures of the past were generated, the analysts will be able to better understand how future earnings will be generated.

Performance Commentary

- Walter Scott's second-quarter return exceeded that of the benchmark by 0.2 percentage points. The manager's significant overweight and positive stock selection within the energy sector was the main contributor to their slight outperformance for the quarter.
- The portfolio's performance was hindered by its overweight in the consumer discretionary sector, which was one of the markets worst performing sectors due to poor European demand.
- Walter Scott's returns over the longer-term time periods shown above were negative compared to the Index.

 Second Quarter 2005

 RETURN SUMMARY
 ENDING 6/30/05

	Second Quarter	Year-to-Date	1 Year Ending 6/30/05	Since Inception	Inception Date
Wellington Int. Small Cap	-0.0%	3.6%	12.8%	19.2%	9/30/03
MSCI World Ex-U.S. Small Cap Net	-0.0	4.1	20.5	28.2	

- Wellington was funded with \$125,000,000 on December 30, 2003.

Philosophy and Process

- Wellington's International Small Cap Opportunities strategy is supported by a dedicated portfolio management team that utilizes the firm's 46 global industry analysts. The analysts are at liberty to use any method they feel adequate to analyze and identify proper selections for the portfolio. The final selections are made by the portfolio manager with a heavy reliance on the analysts' observations. The portfolio will shift from the growth to the value style from time to time.

Performance Commentary

- Wellington equaled the return of its benchmark during the second quarter. Performance was held back by an underweight allocation to energy and allocations to securities such as GCAP Media (-35%), Union Tool (-9%), and Jardine Lloyd Thompson (-7%).
- Positives during the period included an overweight to emerging markets coupled with specific stock selections such as MTU Aero Engines (+17%) and Alstom (+16%).
- The manager's returns trailed those of the benchmark over the year-to-date, one-year, and since inception periods.

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ACTIVE/PASSIVE INTERNATIONAL EQUITY

BARCLAYS ENHANCED

\$3,247.3 Million and 5.0% of Fund

Second Quarter 2005

RETURN SUMMARY ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	
Barclays Enhanced	-0.4%	46	0.1%	32	17.5%	18	14.9%	15	2.0%	27	4.4%	--	4/30/99
MSCI All Country World ex-U.S. Index	-0.2	41	0.0	33	16.5	22	13.6	24	0.4	46	3.0	--	

- The Barclays Enhanced portfolio was funded on April 26, 1999 with \$1,500,000,000.

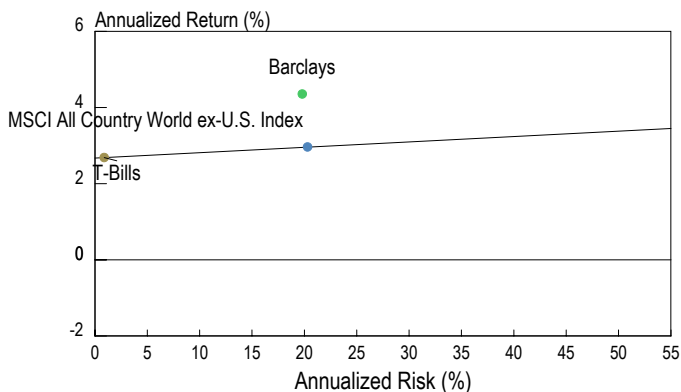
Philosophy and Process

- The Barclays Global Investors' Alpha Tilts product delivers enhanced returns while minimizing the risks and costs in client's portfolios. The strategy aims to generate above-market returns by managing all facets of investment performance. Risks and costs are evaluated in conjunction with expected returns, and portfolios are built to reliably deliver above-benchmark performance over time.

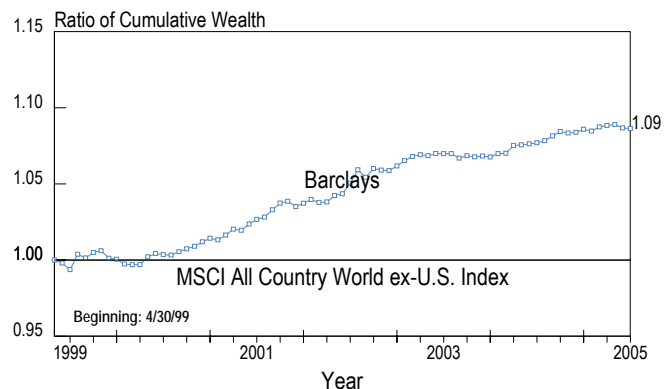
Performance Commentary

- The BGI's Alpha Tilts lagged its Index during the second quarter as the portfolio's return trailed by 20 basis points. Adverse stock selection was the largest detractor from performance, mainly from security-specific factors. Underweight allocations to several strong performing companies also dragged on performance. Below-benchmark exposure to ABN AMRO (+7.9%), Statoil ASA (+18.4%), SAP AG (+7.5%), Compagnie Financiere Richemont SA (+13.4%), and Ericsson Telephone (+7.3%) accounted for much of the performance shortfall as these companies posted significant gains during the quarter.
- The portfolio outperformed the Index over all longer time periods shown by comfortable margins.

ANNUALIZED RISK/RETURN
6 YEARS 2 MONTHS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
6 YEARS 2 MONTHS ENDING 6/30/05



Second Quarter 2005

**RETURN SUMMARY
ENDING 6/30/05**

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	
Baring	0.6%	16	0.7%	23	17.8%	17	14.8%	16	1.4%	35	4.1%	--	11/30/98
Performance Benchmark	-0.2	41	0.0	33	16.5	22	13.6	24	0.7	43	4.2	--	

- The Baring portfolio was funded on November 2, 1998 with \$300,000,000. Additional fundings of \$250,000,000 took place on November 19, 1998, \$250,000,000 on December 1, 1998 and \$700,000,000 on April 1, 1999.

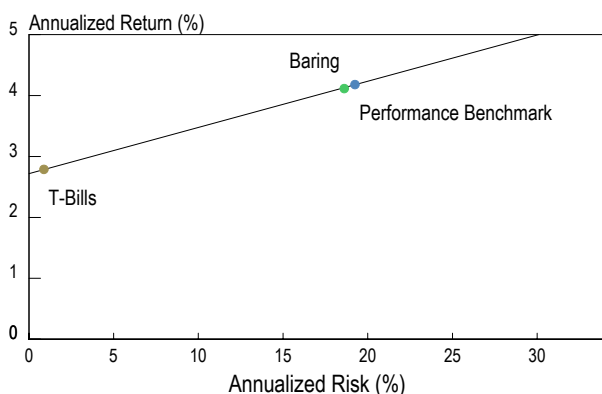
Philosophy and Process

- Baring Asset Management's Active/Passive Non-U.S. Equities process seeks to find and exploit unrecognized growth opportunities and to position clients' portfolios before that growth is reflected in prices. Active/Passive was designed for those who wish to emphasize the diversification aspect of international investment, but who are not satisfied with index-like returns and would like to benefit from Baring Asset Management's country weighting and currency expertise.

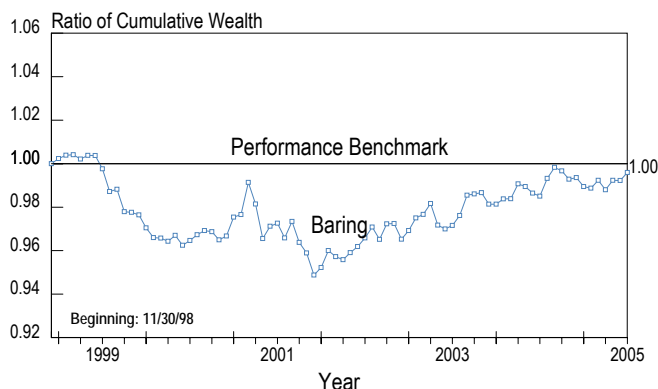
Performance Commentary

- Baring's second-quarter return exceeded that of the performance benchmark. The greatest contributor to performance during the period included overweight country allocations in Hong Kong and Singapore. However, much of this outperformance was due to positive currency effects as the U.S. dollar continued to appreciate against the Asian currencies. An overweight position to energy also helped the portfolio's performance.
- The manager's year-to-date, one-, three- and five-year results compare favorably versus the Index, however, the result slightly trailed the benchmark since the portfolio's inception.
- The manager remains on the OPERS watchlist for organizational concerns.

**ANNUALIZED RISK/RETURN
6 YEARS 7 MONTHS ENDING 6/30/05**



**RATIO OF CUMULATIVE WEALTH
6 YEARS 7 MONTHS ENDING 6/30/05**



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PASSIVE INTERNATIONAL EQUITY

BARCLAYS INDEX

\$2,493.3 Million and 3.8% of Fund

Second Quarter 2005

RETURN SUMMARY ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	
Barclays Index	-0.1%	36	0.1%	32	16.6%	21	13.9%	22	0.4%	36	12/31/99
MSCI All Country World ex-U.S. Index	-0.2	41	0.0	33	16.5	22	13.6	24	-0.3	43	

- BGI was funded on November 29, 1999 with \$3,500,000. Subsequent fundings of \$2,350,000,000 have taken place over numerous dates.

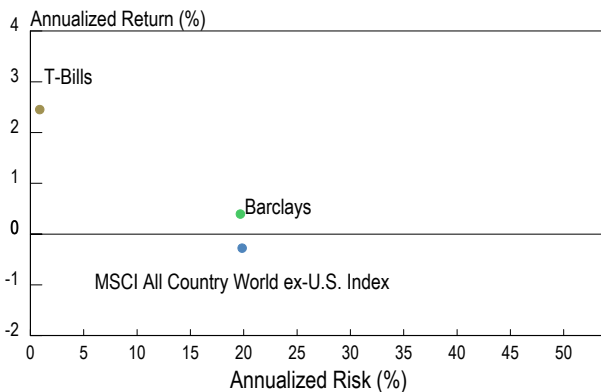
Philosophy and Process

- The BGI portfolio is managed to replicate the return of the MSCI All Country World ex-U.S. Index.

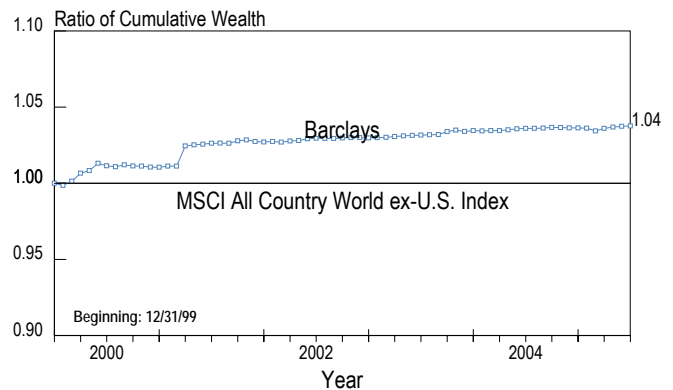
Performance Commentary

- The Barclays Index Fund experienced positive tracking versus the benchmark during the second quarter.
- Positive tracking is evident over the longer time periods analyzed.

ANNUALIZED RISK/RETURN
5 YEARS 6 MONTHS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
5 YEARS 6 MONTHS ENDING 6/30/05



EMERGING MARKETS

THE BOSTON COMPANY

\$318.3 Million and 0.5% of Fund

Second Quarter 2005

RETURN SUMMARY ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	
The Boston Company	4.4%	41	4.1%	81	31.0%	83	31.3%	--	11/30/02
MSCI Emerging Markets Index	4.1	53	6.0	48	34.4	59	30.9	--	

- Boston Company was funded with approximately \$147,000,000 during December 2002.

Philosophy and Process

- The Boston Company's Emerging Markets Value Equity philosophy is value-oriented, research-driven and risk-averse. The Boston Company evaluates traditional measures of value such as low Price/Earnings, low Price/Book Value, and low Price/Cash Flow. They review more broad measures of value including operating return characteristics, overall financial health, and change in business momentum.
- The manager's value-oriented, bottom-up investment style is both quantitative and fundamentally based, focusing first on stock selection then enhanced by country diversification guidelines.

Performance Commentary

- Boston Company's second-quarter return exceeded that of its benchmark. Several of the portfolio's largest holdings helped the quarter's result - particularly within the energy sector. Holdings that lifted the portfolio higher included Petrobras (19.4%), Reliance Industries (18.1%), Korea Electric Power Company (16.6%), and Lukoil (11.3%). Sector allocation for the quarter also proved to be positive as an overallocation to consumer staples and being underweight materials helped results.
- The manager's returns over the year-to-date and one-year periods have trailed the index, although the since inception return has exceeded that of the Index.

Second Quarter 2005

RETURN SUMMARY
ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	
First State Investments (Babson)	4.2%	49	5.4%	60	31.2%	82	22.9%	70	19.7%	38	6/30/01
MSCI Emerging Markets Index	4.1	53	6.0	48	34.4	59	24.0	58	17.9	59	

- First State (formerly Babson) was funded with \$100,000,000 on June 30, 2001. An additional \$67,000,000 was transferred to First State on September 24, 2003.

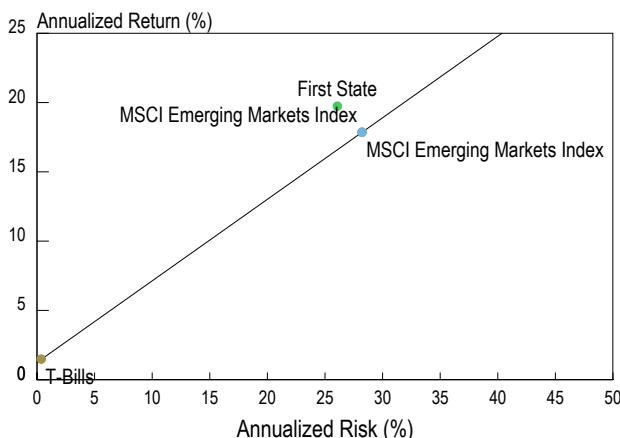
Philosophy and Process

- First State Investments (formerly Babson) aims to maximize the portfolio's return without taking unnecessary risks in emerging markets through a "growth at a reasonable price approach." When selecting securities, the manager focuses on soundly-managed and financially strong companies while diversifying the portfolio between countries and sectors at all times. First State Investments visits the relevant countries they invest in to meet with the companies in which they are looking to make an investment.

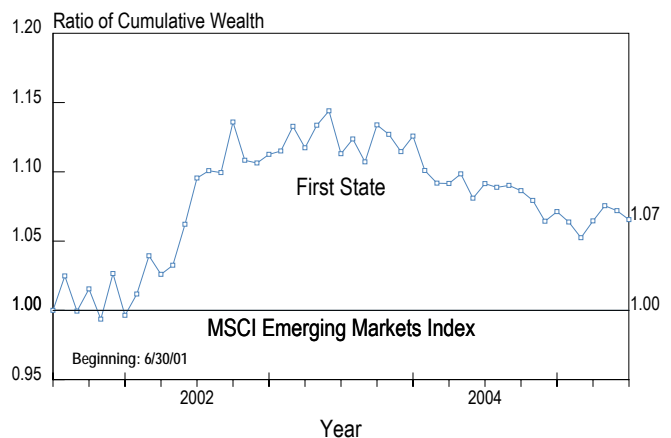
Performance Commentary

- First State turned in a second quarter return of 4.2% slightly exceeding its benchmark's return of 4.1%. Positives during the quarter included an overweight allocations to both India and Turkey. Stock selection within Turkey also helped relative results as did the selections within Korea. Specific stocks that performed well included China Resources Enterprise, Samsung Fire & Marine, and Amorepacific Corporation. Negatives included stock selection and underweights in Taiwan and within the information technology and Telecom Services sectors. Specific issues that negatively impacted performance included Hon Hai Precision, United Mizrahi Bank, and Kasikornbank.
- While the year-to-date, one-, and three-year returns lagged that of the Index, the manager's since inception results proved positive.

ANNUALIZED RISK/RETURN
4 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
4 YEARS ENDING 6/30/05



LAZARD ASSET MANAGEMENT

\$175.0 Million and 0.3% of Fund

Second Quarter 2005

RETURN SUMMARY ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	
Lazard	4.8%	31	7.2%	31	37.8%	32	26.7%	35	15.1%	--	2/28/99
MSCI Emerging Markets Index	4.1	53	6.0	48	34.4	59	24.0	58	13.2	--	

- The Lazard portfolio was funded on February 11, 1999 with \$200,000,000.

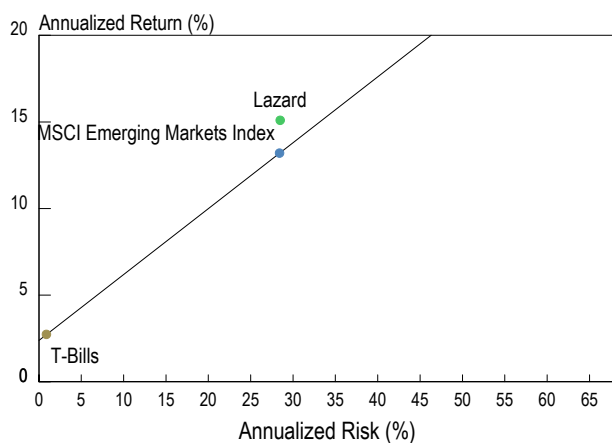
Philosophy and Process

- Lazard's value-oriented approach to investing in emerging markets is done through closed-end funds. The funds take into account economic stage of development and geopolitical risks of the emerging market countries in which they invest. The manager attempts to add value through outperformance of the underlying closed-end funds. Risk is reduced as the funds offer broad diversification for the portfolio.

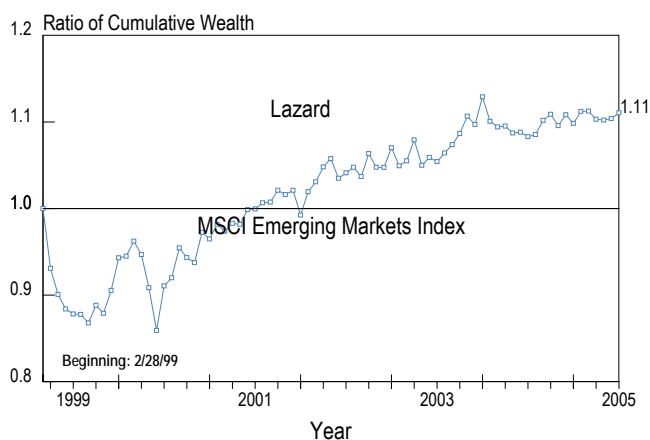
Performance Commentary

- Lazard's second-quarter return added 70 basis points of value over the MSCI Emerging Markets Index. All of the closed end funds within the portfolio increased for the quarter, except for South Africa which had a negative second quarter return. The second quarter's best returner was New India, which showed a positive return of 14%, Brazil and Latin America were also positive returning 12% and 11%, respectively.
- Lazard's returns over the longer periods analyzed have all outperformed versus the benchmark.

ANNUALIZED RISK/RETURN
6 YEARS 4 MONTHS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
6 YEARS 4 MONTHS ENDING 6/30/05



GLOBAL BONDS

GLOBAL BONDS

\$16,299.1 Million and 25.1% of Fund

Second Quarter 2005

RETURN SUMMARY ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05		Since 12/31/95	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Global Bonds (DB/HC)	3.2%	19	2.9%	18	8.1%	25	7.1%	30	7.9%	29	6.7%	30
Performance Benchmark	3.1	25	2.5	40	7.4	40	6.6	40	7.9	29	6.7	30
Global Bonds (DB)	3.2	19	2.9	18	8.1	25	7.1	30	7.9	29	6.7	30
Performance Benchmark	3.1	25	2.5	40	7.4	40	6.6	40	7.9	29	6.7	30
Global Bonds (HC)	3.2	19	2.9	18	--	--	--	--	--	--	--	--
Lehman Brothers Universal	3.1	25	2.5	40	--	--	--	--	--	--	--	--

PERFORMANCE COMMENTARY

- The Global Bond portfolio (both DB and HC assets) added 10 basis points of value relative to the performance benchmark during the quarter. The greatest contributors to the quarter's value added were the Internal Global Bond portfolio and Capital Guardian's emerging debt portfolio. GoldenTree was the only major detractor during the quarter.
- The Global Bond composite's year-to-date, one-, and three-year returns exceeded those of the performance benchmark. The five-year and since-1996 returns matched those of the benchmark.
- The rankings shown above are comprised of a universe that is designed to represent the average fixed income return earned by U.S. institutional investors. The universe is calculated based on data provided by Russell/Mellon Analytical Services.
- The combined return of the Global Bond portfolio ranked above the median of the Russell/Mellon bond universe over all time periods analyzed above.

Second Quarter 2005

GLOBAL BONDS ASSET ALLOCATION-TOTAL PLAN AS OF 6/30/05

(\$ in thousands)

	Global Bonds	Cash & Equivalents	Total	Percent of Total
Internal Global Bonds	\$13,884,148	--	\$13,884,148	85.2%
Passive High Yield	78,606	--	78,606	0.5
Internal Global Bonds	13,962,754	--	13,962,754	85.7
AFL CIO	\$99,544	\$1,209	\$100,753	0.6%
Smith Breeden	279,292	42,844	322,136	2.0
Fidelity	281,811	34,831	316,642	1.9
Core Fixed Income	660,647	78,884	739,531	4.5
GoldenTree	\$143,282	\$23,519	\$166,801	1.0%
Shenman	349,114	13,414	362,528	2.2
W.R. Huff	331,044	8,488	339,532	2.1
High Yield	823,440	45,421	868,861	5.3
Capital Guardian	\$337,426	\$18,134	\$355,560	2.2%
Citigroup	342,579	4,864	347,443	2.1
Emerging Market Debt	680,005	22,998	703,003	4.3
Clarion CMBS Value	\$25,000	--	\$25,000	0.2%
Mortgage Backed Securities	25,000	--	25,000	0.2
Other	--	\$2	\$2	0.0%
Global Bonds	\$16,151,846	\$147,305	\$16,299,151	100.0%
Percent of Total	99.1%	0.9%	100.0%	

- The table above details the Global Bond composite's asset allocation. As seen in the table, nearly 86% of the asset class is managed internally.

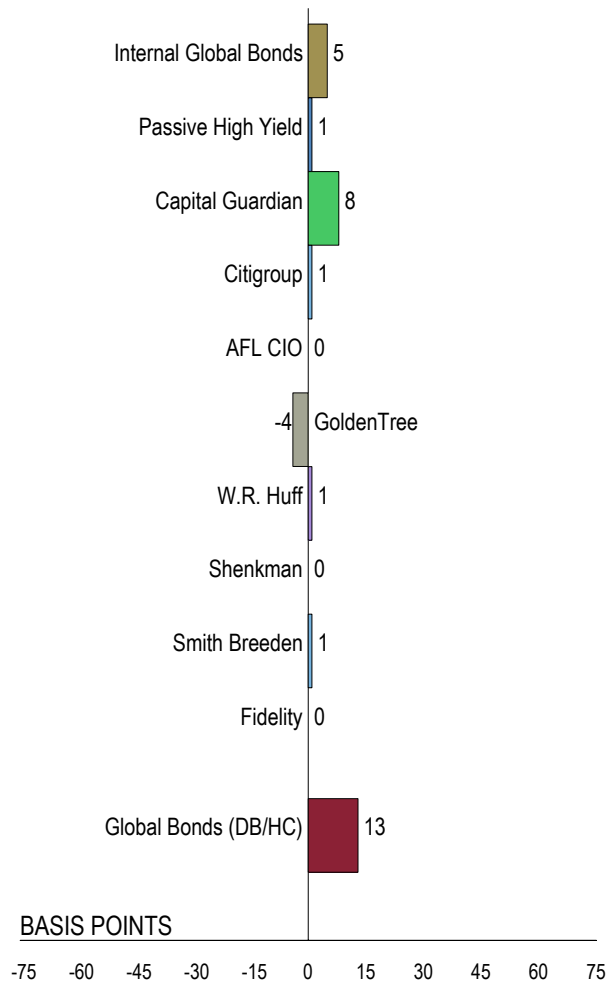
Near the end of the quarter, Clarion, a mortgage backed manager, was funded. The manager's performance history will begin as of July 1st.

GLOBAL BONDS

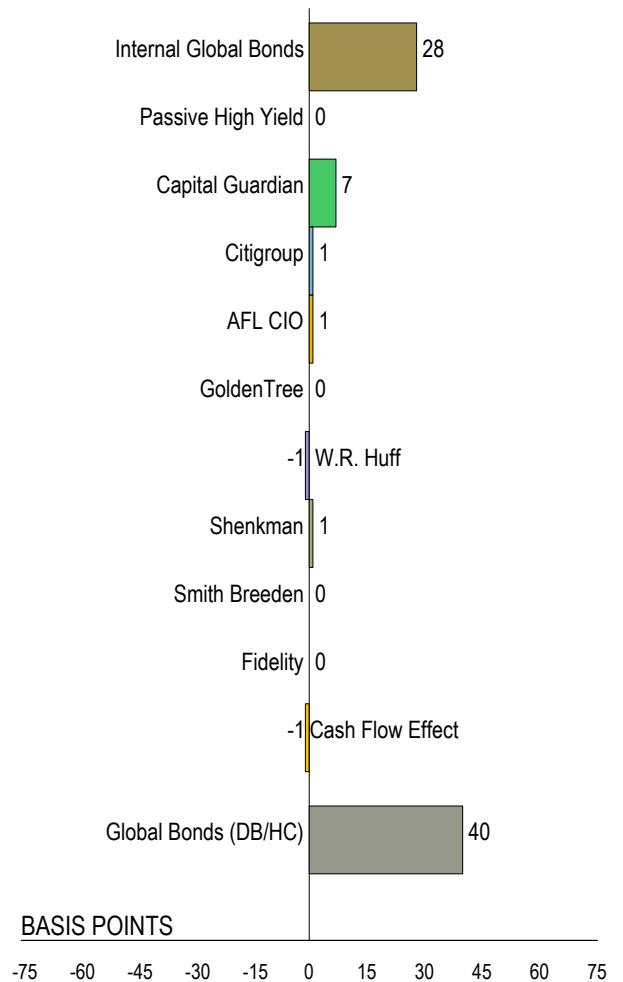
\$16,299.1 Million and 25.1% of Fund

Second Quarter 2005

MANAGER ATTRIBUTION ANALYSIS-TOTAL PLAN
3 MONTHS ENDING 6/30/05



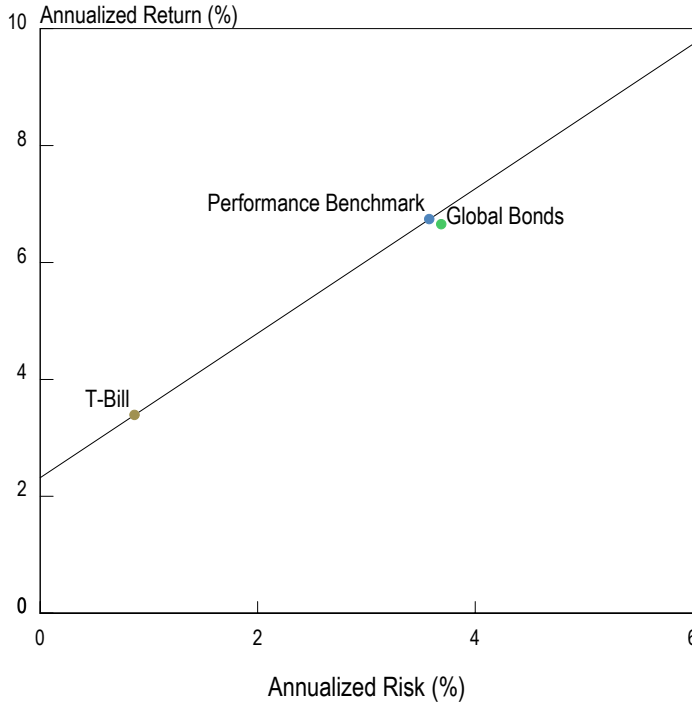
MANAGER ATTRIBUTION ANALYSIS-TOTAL PLAN
6 MONTHS ENDING 6/30/05



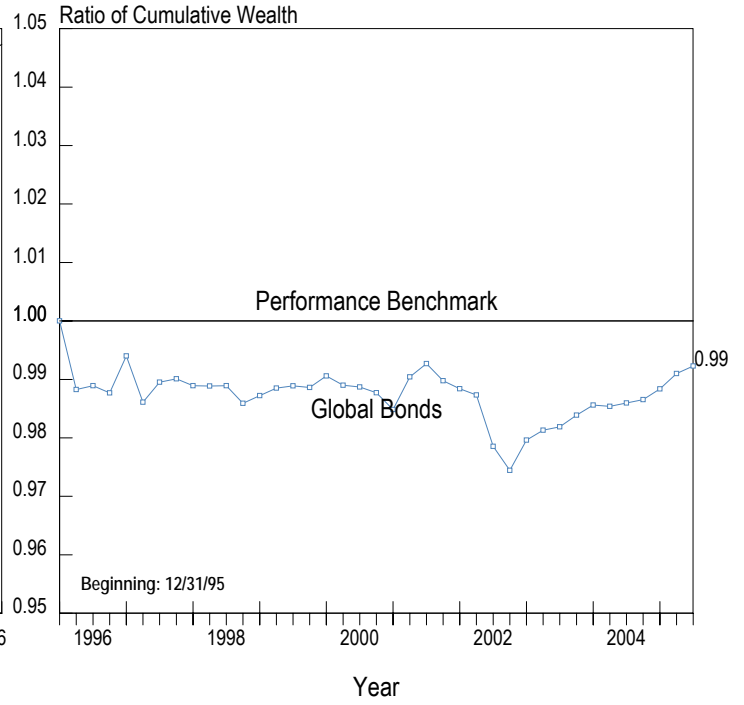
- The attribution analysis above on the left illustrates the Global Bond composite's relative performance by each manager during the second quarter. The Internal Global Bond and Capital Guardian portfolios were the greatest contributors to performance during the period. W.R. Huff, Smith Breeden, and Citigroup also positively contributed to the return. Somewhat offsetting the quarter's relative gains included underperformance by GoldenTree.
- The graph on the right depicts the performance over the year-to-date period. As shown, the majority of the value added during the previous six month period is attributable to the Internal Global Bond portfolio.
- Please see the Appendix for a description of the attribution chart.

Second Quarter 2005

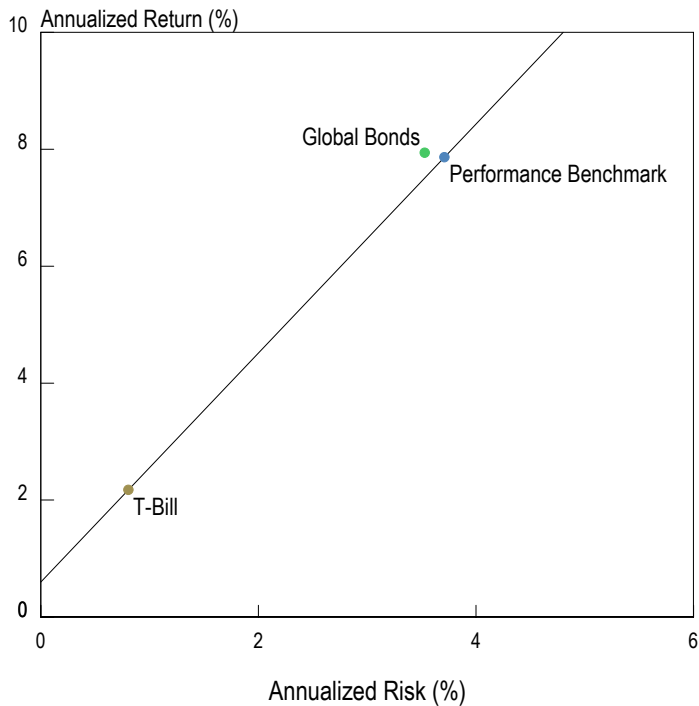
**ANNUALIZED RISK/RETURN-TOTAL PLAN
9 YEARS 6 MONTHS ENDING 6/30/05**



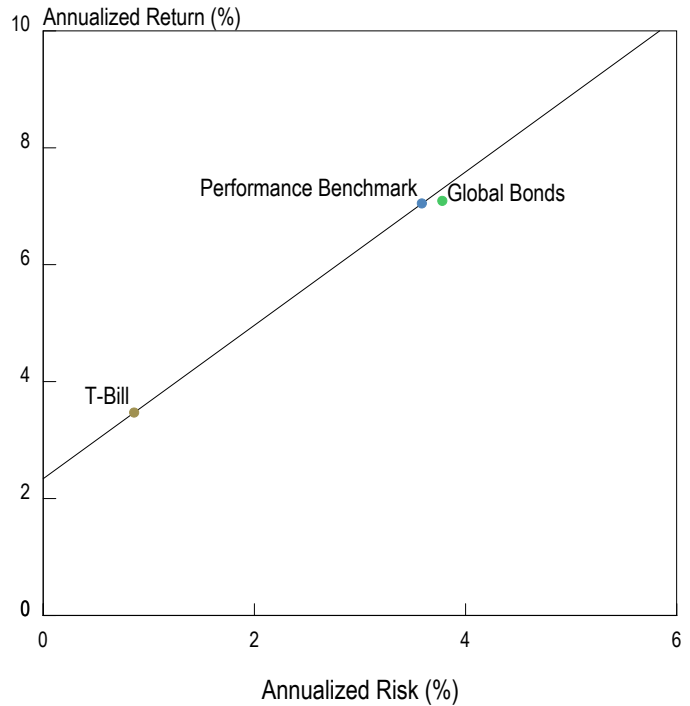
**RATIO OF CUMULATIVE WEALTH-TOTAL PLAN
9 YEARS 6 MONTHS ENDING 6/30/05**



**ANNUALIZED RISK/RETURN-TOTAL PLAN
5 YEARS ENDING 6/30/05**



**ANNUALIZED RISK/RETURN-TOTAL PLAN
10 YEARS ENDING 6/30/05**



GLOBAL BONDS

\$16,299.1 Million and 25.1% of Fund

Second Quarter 2005

HISTORICAL RETURNS-TOTAL PLAN

(BY YEAR)

	Global Bonds (DB/HC)	Performance Benchmark	Return Difference
	Return	Return	
1979	-4.2%	--%	--
1980	-0.7	2.8	-3.5
1981	4.3	6.5	-2.2
1982	38.4	31.8	6.6
1983	8.6	8.2	0.4
1984	17.4	15.0	2.4
1985	29.3	22.3	7.0
1986	16.8	15.4	1.4
1987	0.6	2.6	-2.0
1988	9.3	8.0	1.3
1989	17.3	14.4	2.9
1990	8.2	9.1	-0.9
1991	17.3	16.0	1.3
1992	7.2	7.6	-0.4
1993	9.9	9.9	0.0
1994	-2.0	-2.8	0.8
1995	22.1	18.5	3.6
1996	3.0	3.6	-0.6
1997	9.1	9.6	-0.5
1998	8.5	8.7	-0.2
1999	-0.5	-0.8	0.3
2000	11.0	11.6	-0.6
2001	9.1	8.7	0.4
2002	8.9	9.8	-0.9
2003	6.5	5.8	0.7
2004	5.2	5.0	0.2
2005 (6 months)	2.9	2.5	0.4
Trailing 3-Year	7.1%	6.6%	0.5
Trailing 5-Year	7.9	7.9	0.0
Trailing 10-Year	7.1	7.0	0.1

Second Quarter 2005

RETURN SUMMARY
ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05		Since 12/31/95	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Internal Global Bonds	3.1%	10	2.8%	5	7.3%	5	6.2%	32	7.5%	34	6.4%	40
LB Aggregate Bond Index	3.0	24	2.5	41	6.8	42	5.8	43	7.4	45	6.5	33

Philosophy and Process

- The Internal Global Bond portfolio is an internally managed core strategy benchmarked against the Lehman Brothers Aggregate Bond Index.

Performance Commentary

- The return of the Internal Global Bond portfolio exceeded the return of the Aggregate Bond Index during the quarter.
- The interim returns shown are positive, however, the since-1996 return marginally lagged the performance of the benchmark.

PASSIVE HIGH YIELD

\$78.6 Million and 0.1% of Fund

Second Quarter 2005

RETURN SUMMARY ENDING 6/30/05

	Second Quarter	Year-to-Date	1 Year Ending 6/30/05	Since Inception	Inception Date
Passive High Yield	4.6%	1.8%	9.6%	6.5%	1/31/04
LB Corporate High-Yield	2.8	1.1	10.9	7.1	

Philosophy and Process

- The Passive High Yield bond account is an internally managed high yield Index strategy benchmarked against the Lehman Brothers Corporate High Yield Bond Index.

Performance Commentary

- The return of the Passive High Yield portfolio bettered that of the Index by 1.8 percentage points.
- The year-to-date return compared favorably versus the benchmark, however, the one-year and since inception returns lag those of the Index.

CORE FIXED INCOME

AFL CIO

\$100.8 Million and 0.2% of Fund

Second Quarter 2005

RETURN SUMMARY ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	
AFL CIO	3.3%	6	4.4%	3	7.4%	20	6.1%	6	12/31/03
LB Aggregate Bond Index	3.0	27	2.5	39	6.8	52	4.6	51	

Philosophy and Process

- AFL CIO is an open-end mortgage fund that invests primarily in construction loans, mortgages, and mortgage-backed securities. Under the Trust's charter, at least 70% of the Trust's investments must be insured or guaranteed by the U.S. government.
- The Trust's objective is to provide current income by identifying securities that have competitive market yields. All investments that involve construction work are restricted to projects that employ union members.

Performance Commentary

- The return of the AFL CIO portfolio exceeded that of the Aggregate Bond Index during the second quarter by 0.3 percentage points. Longer term returns shown compared favorably versus the Aggregate Bond Index.

Second Quarter 2005

RETURN SUMMARY
ENDING 6/30/05

	Second Quarter		Year-to-Date		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	
Fidelity	3.0%	27	2.6%	24	6.1%	--	7/31/04
LB Aggregate Bond Index	3.0	27	2.5	39	5.8	--	

- Fidelity was funded on August 2, 2004 with \$298,543,750.

Philosophy and Process

- Fidelity's investment approach is designed to take advantage of their strengths in the areas of research, trading, and active management. Fidelity's active management strategies include sector allocation, credit research, individual security selection, yield curve strategies, and opportunistic trading. Each client's portfolio is assigned to both an individual portfolio manager and an investment team. Fidelity's investment teams are made up of four to nine investment professionals, including portfolio managers, senior traders, quantitative analysts, and credit analysts. They work together to assimilate all information relevant to managing a clients portfolio.

Performance Commentary

- Fidelity matched the performance of the Aggregate Bond Index during the second quarter. Positives during the period included their selections within the mortgage and corporate sectors. Within the corporate sector, the manager emphasized REIT securities, which performed well during the period. Their yield curve positioning - overweight longer maturity bonds - also provide positive. Negatives during the period included an allocation to TIPS, which underperformed the broad bond market.
- The manager's year-to-date and since inception performance compared favorably versus that of the benchmark.

SMITH BREEDEN

\$322.1 Million and 0.5% of Fund

Second Quarter 2005

RETURN SUMMARY ENDING 6/30/05

	Second Quarter		Year-to-Date		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	
Smith Breeden	3.3%	1	2.7%	9	6.2%	--	7/31/04
LB Aggregate Bond Index	3.0	27	2.5	39	5.8	--	

- Smith Breeden was funded on July 29, 2004 with \$303,226,328.

Philosophy and Process

- Smith Breeden's investment approach emphasizes security selection decisions, while minimizing the risk associated with changes in interest rates. Portfolios are constructed by utilizing high-quality agency mortgages and CMOs. Individual security selection decisions are based on a relative value framework and quantitative research. The manager's process is relatively risk-controlled and looks to add small amounts of value each month.

Performance Commentary

- Smith Breeden generated 30 basis points of value added relative to the Aggregate Bond Index during the second quarter. Security selection was the driver behind the performance as selections within the mortgage sector proved positive. The manager's yield curve positioning and sector bets had little impact on the overall results during the quarter.
- Year-to-date and since inception, the manager added value relative to the benchmark. Since inception, the greatest contributor to returns was the manager's stock selection within the asset backed and mortgage sectors.

HIGH YIELD

GOLDENTREE

\$166.8 Million and 0.3% of Fund

Second Quarter 2005

RETURN SUMMARY ENDING 6/30/05

	Second Quarter	Year-to-Date	1 Year Ending 6/30/05	Since Inception	Inception Date
GoldenTree	-0.9%	1.2%	9.5%	7.8%	3/31/04
LB Corporate High-Yield	2.8	1.1	10.9	7.8	

- GoldenTree was funded on May 24, 2004 with \$150,000,000.

Philosophy and Process

- GoldenTree's investment philosophy uses the process that Steve Tananbaum developed at MacKay Shields. The universe is developed based on yield and liquidity hurdles (defined by minimum deal size). Companies must meet "safety" requirements; both quantitative (asset coverage and FCF) and qualitative (strong management, market share leader). Finally, there must be a catalyst (accelerating earnings, restructuring) that allows the issuer to retire its debt. The firm uses an internally developed RASTA (Risk Adjusted Spread Times Asset Coverage) score and assigns every issue to a bucket. The manager's objective is maximize default adjusted spread.

Performance Commentary

- GoldenTree's return lagged that of the benchmark by 3.7 percentage points during the quarter. A high cash allocation (14%) throughout the quarter inhibited returns as the high yield market increased by 2.0% during the period. The cash allocation was higher as they have sold some strong performing securities during recent times. Issue selection also hampered performance as poor selections in the energy and media sectors proved negative. Positives during the period included positions within the European high yield market.
- Longer-term returns are mixed as the year-to-date return compared favorably, the one-year return lagged the return of the benchmark, and the since inception result matched the performance of the Index.

Second Quarter 2005

RETURN SUMMARY
ENDING 6/30/05

	Second Quarter	Year-to-Date	1 Year Ending 6/30/05	3 Years Ending 6/30/05	Since Inception	Inception Date
Shenkman	2.8%	1.5%	9.5%	9.4%	8.1%	10/31/01
LB Corporate High-Yield	2.8	1.1	10.9	14.5	11.2	

- Shenkman was funded on October 4, 2001 with \$75,000,000. Additional funding of \$75,000,000 on November 2, 2001, \$40,000,000 on December 11, 2001, \$35,000,000 on December 31, 2001, and \$25,000,000 on May 2, 2002 were added to the portfolio. On May 3, 2003, an additional \$25,000,000 was transferred to the manager.

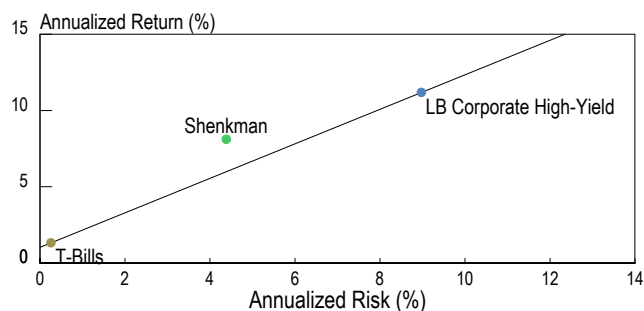
Philosophy and Process

- Shenkman's investment philosophy centers on the basic idea that in-depth fundamental credit research is the key to realizing above-average returns over a full market cycle. The firm has found this level of research necessary to adequately manage the significantly higher default risk associated with below-investment grade bonds. The investment philosophy is summarized as follows: 1. Drive performance through a combination of compounding interest income and maintaining a low default rate. 2. Protect capital by minimizing losses when credit fundamentals deteriorate. 3. Base investment decisions on in-depth, bottom-up, fundamental credit analysis. 4. Broadly diversify by issuer, issue, industry and security type. 5. Meet and communicate directly with the issuer's senior management. 6. Monitor all credits on a systematic basis at least four times per year. 7. Deliberate all credit issues with the entire investment team. 8. Avoid industries with historically high default rates. 9. Avoid small, illiquid issues (i.e., deal sizes under \$100 million).

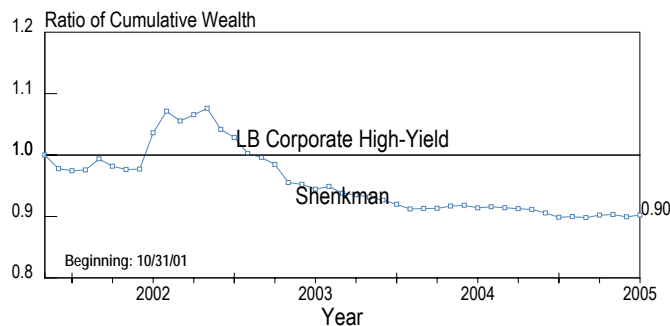
Performance Commentary

- Shenkman's return matched that of the LB Corporate High Yield Index during the second quarter. Positives during the period included no exposure to the poor performing airline and auto parts industries and an underweight allocation to the underperforming steel industry. Positive selections within the utilities and cable parts of the bond market bolstered returns. Contrary to the additives, security selections within CCC-rated bonds hindered the period's result as did the portfolio's de-emphasis of the lowest priced issues, which rallied during the quarter.
- The manager underperformed the Index over all periods shown above with the exception of the year-to-date period.

ANNUALIZED RISK/RETURN
3 YEARS 8 MONTHS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
3 YEARS 8 MONTHS ENDING 6/30/05



W.R. HUFF

\$339.5 Million and 0.5% of Fund

Second Quarter 2005

RETURN SUMMARY ENDING 6/30/05

	Second Quarter	Year-to-Date	1 Year Ending 6/30/05	3 Years Ending 6/30/05	Since Inception	Inception Date
W.R. Huff	3.1%	0.9%	8.4%	13.1%	9.1%	11/30/01
LB Corporate High-Yield	2.8	1.1	10.9	14.5	10.3	

- W.R. Huff was funded on November 2, 2001 with \$50,000,000. An additional \$50,000,000 was transferred into the account on November 28, 2001, and again on January 7, 2002. Other contributions took place on May 14, 2002, for \$25,000,000, and June 1, 2003 for \$25,000,000.

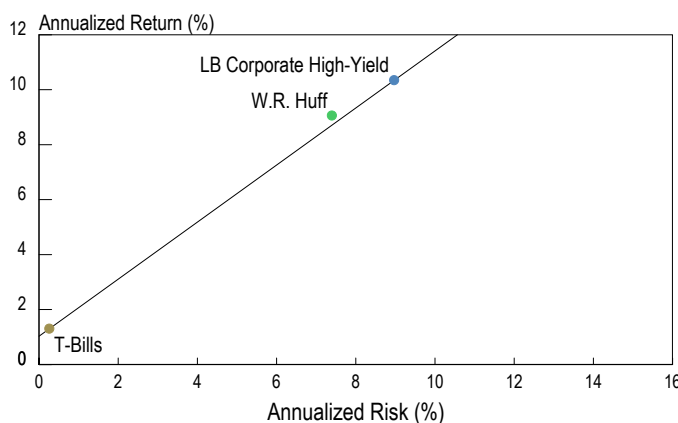
Philosophy and Process

- W.R. Huff believes that intense fundamental research and careful security selection, within a select group of sectors, will capture superior returns from high yield securities while minimizing defaults. The manager goes about this through exhaustive fundamental research that uncovers opportunities and exposes risks in the high yield marketplace. W.R. Huff's investments are in "plain vanilla" high yield securities. The manager does not mix equities, emerging market investments, preferred stock, convertible bonds, fallen angels, turn around situations or other distressed securities into their portfolios.

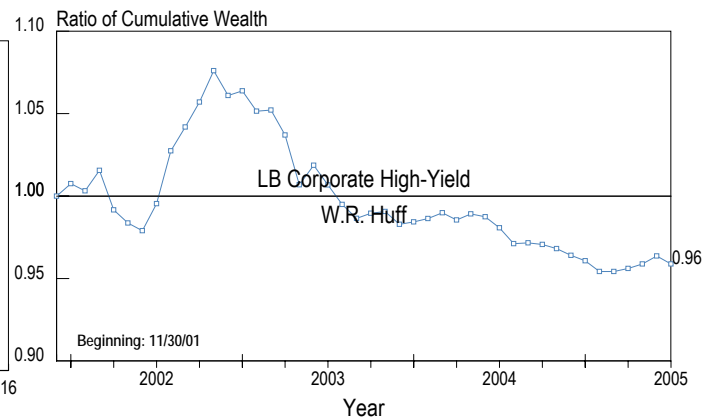
Performance Commentary

- W.R. Huff's second-quarter return exceeded that of the Lehman Brothers Corporate High Yield Index by 0.3 percentage points. Performance struggled relative to the benchmark for all longer time periods analyzed.
- During the period, the portfolio benefited from selections within the energy, health care, defense, and cable sectors. Over the longer periods analyzed, the manager's return have not kept up with those of the benchmark.

ANNUALIZED RISK/RETURN
3 YEARS 7 MONTHS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
3 YEARS 7 MONTHS ENDING 6/30/05



EMERGING MARKET DEBT

CAPITAL GUARDIAN

\$355.6 Million and 0.6% of Fund

Second Quarter 2005

RETURN SUMMARY ENDING 6/30/05

	Second Quarter	Year-to-Date	1 Year Ending 6/30/05	3 Years Ending 6/30/05	Since Inception	Inception Date
Capital Guardian	9.7%	8.5%	29.8%	20.7%	21.2%	10/31/01
LB Emerging Markets Index	5.9	5.1	19.6	18.7	15.2	

- Capital Guardian was funded on October 4, 2001 with \$75,000,000. Additional contributions took place on November 6, 2001 and December 10, 2001 of \$50,000,000 and \$25,000,000, respectively. An additional \$10,000,000 was added on June 1, 2003.

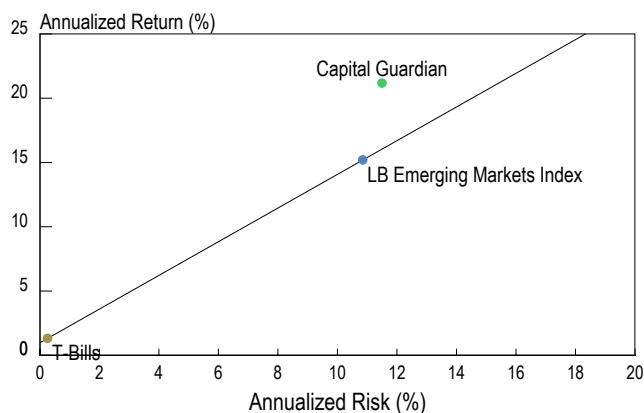
Philosophy and Process

- Capital Guardian's emerging markets fixed income investment goal is to achieve superior long-term total returns by investing in a range of corporate financings and sovereign issues from emerging market countries. The manager's approach is to bring together the entire Capital Guardian organization's depth of knowledge and research in emerging markets with the portfolio management experience of its high yield and emerging markets equity groups. The four emerging markets debt investment professionals work closely with CGTC's emerging markets equity analysts. The 32 emerging markets equity analysts provide insight into the industries, and often the specific companies that are being considered for purchase in emerging markets fixed income accounts. This allows credit analysts to get up to speed very quickly on a given company and country.

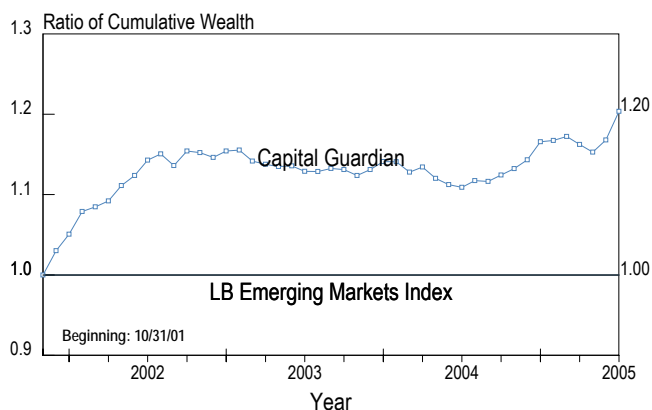
Performance Commentary

- Capital Guardian generated a strong absolute and relative return during the second quarter, as the portfolio outperformed the benchmark by 3.8 percentage points. Overweight allocations to Latin American countries such as the Dominican Republic, Panama, and Columbia benefited the period's return. Selections within Brazil and Mexico also proved positive. Negatives included underweight allocations to Russian and Nigerian issues.
- Capital Guardian added value over the benchmark for all longer periods analyzed.

ANNUALIZED RISK/RETURN
3 YEARS 8 MONTHS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
3 YEARS 8 MONTHS ENDING 6/30/05



Second Quarter 2005

RETURN SUMMARY
ENDING 6/30/05

	Second Quarter	Year-to-Date	1 Year Ending 6/30/05	3 Years Ending 6/30/05	Since Inception	Inception Date
Citigroup	6.6%	5.6%	21.7%	18.8%	17.1%	10/31/01
LB Emerging Markets Index	5.9	5.1	19.6	18.7	15.2	

- Citigroup (formerly Salomon) was funded on October 5, 2001 with \$75,000,000. Subsequent additions of \$50,000,000 took place on November 28, 2001 and on June 1, 2003.

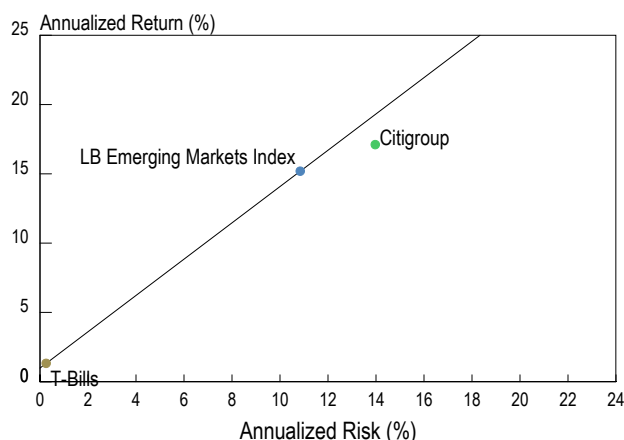
Philosophy and Process

- Citigroup looks to add value through superior country selection, combined with quantitative fixed income analysis, focusing on market inefficiencies among sectors and securities within each country. The manager actively manages spread duration and the portfolio's overall sensitivity to movements in dollar credit spreads. The manager maintains relative neutrality to interest rates by matching the Treasury duration of the Index. Corporate credit and non-dollar currency are tactical investments and not part of the core process.

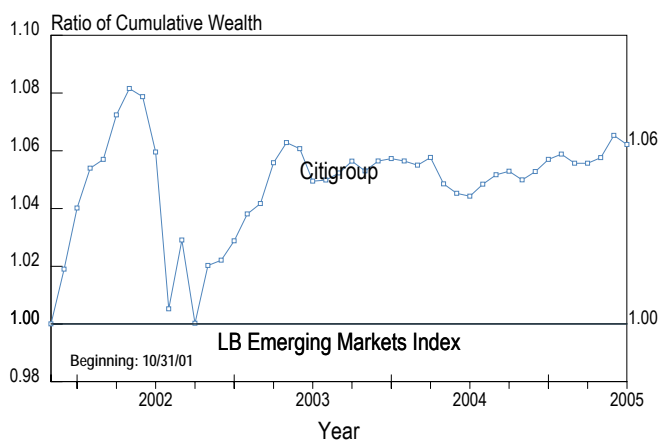
Performance Commentary

- Citigroup generated 0.7 percentage points of value added relative to the benchmark during the second quarter. Returns over the longer periods analyzed compare favorably as well.
- Issue selection was the greatest contributor to the period's value added. Selection in Argentina, Ecuador, Russia, Valenzuela, and Columbia proved particularly positive. The manager's decision to overweight Brazil, Columbia, and Panama also bolstered the result.
- Negatives during the quarter included an overweight allocation to Argentina and Ecuador coupled with issue selection in Panama.

ANNUALIZED RISK/RETURN
3 YEARS 8 MONTHS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
3 YEARS 8 MONTHS ENDING 6/30/05



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REAL ESTATE

REAL ESTATE

\$3,803.5 Million and 5.9% of Fund

Second Quarter 2005

RETURN SUMMARY ENDING 3/31/05

	First Quarter	1 Year Ending 3/31/05	3 Years Ending 3/31/05	5 Years Ending 3/31/05	Since 12/31/95
Real Estate (DB/HC)*	-0.1%	9.5%	10.2%	10.9%	10.3%
Performance Benchmark	2.3	14.4	11.0	11.3	10.4
Real Estate (DB)*	1.7	11.4	10.8	11.3	10.5
Real Estate Benchmark (DB)	3.3	15.5	11.4	11.5	10.5

RETURN SUMMARY ENDING 6/30/05

	Second Quarter	Year-to-Date
REIT (DB)	14.9%	7.5%
DJ Wilshire RESI (Full Cap)	14.1	6.8
REIT (HC)	14.9	7.6
DJ Wilshire RESI (Full Cap)	14.1	6.8

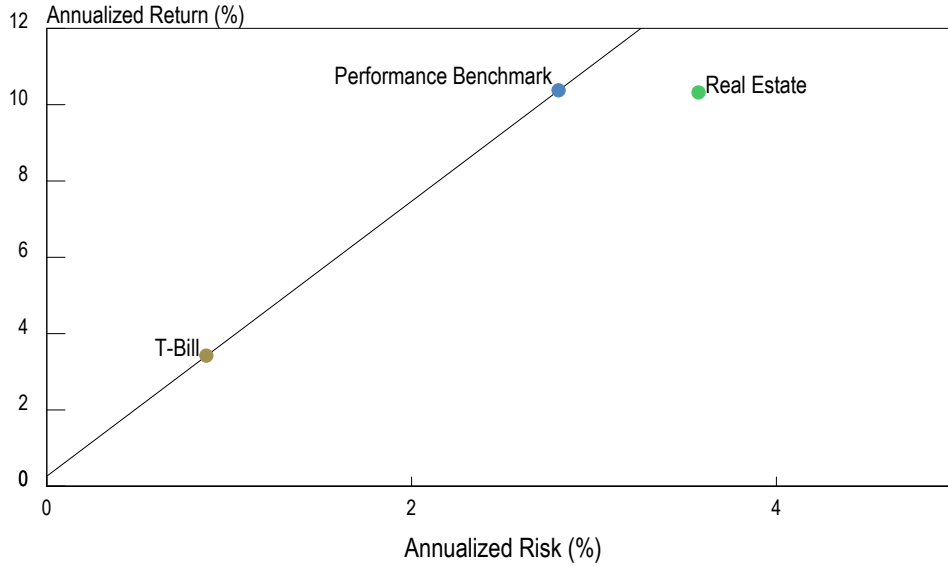
Performance Commentary

- The returns for the Real Estate composite are shown above. We report Real Estate returns, and those of its benchmark, on a one-quarter lag. The returns shown above for the REIT portfolio are not lagged.
- The quarter-lagged return of the Real Estate composite lagged that of the performance benchmark during the first quarter. The return of the REIT portfolio added value relative to the benchmark during the second quarter.
- The real estate component failed to match the performance of its benchmark over the one-, three-, five-year, and since inception periods.
- The Real Estate performance benchmark changed as of January 1, 2003. The current benchmark consists of 90% NCREIF Property Index and 10% Wilshire Real Estate Securities Index.
- The information contained in this section is provided by the Townsend Group. Real estate investments are reported in more detail in a separate report.

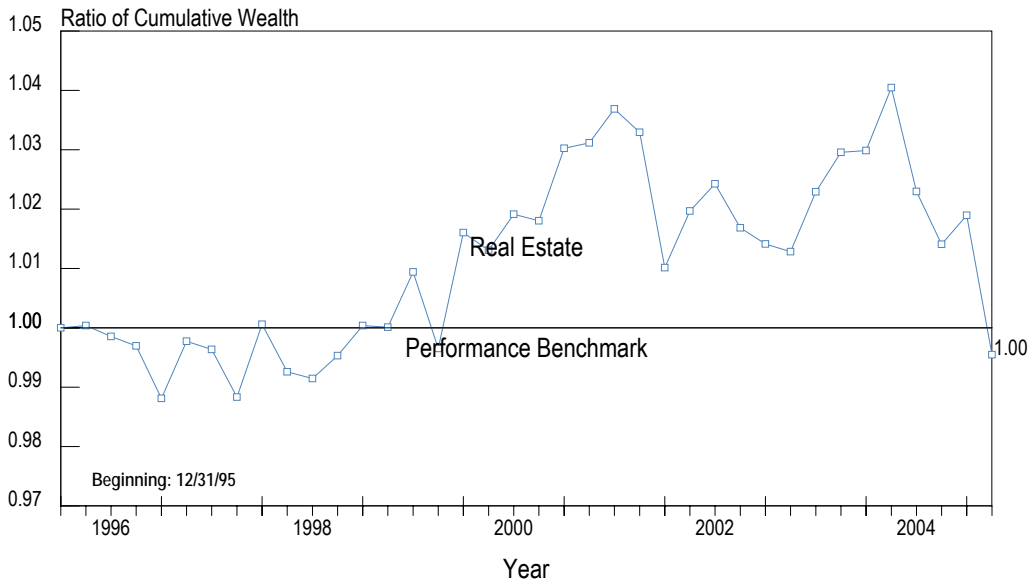
*Real Estate returns and those of its benchmark are reported on a one quarter lag.

Second Quarter 2005

ANNUALIZED RISK/RETURN-TOTAL PLAN
9 YEARS 3 MONTHS ENDING 3/31/05



RATIO OF CUMULATIVE WEALTH-TOTAL PLAN
9 YEARS 3 MONTHS ENDING 3/31/05



REAL ESTATE

\$3,803.5 Million and 5.9% of Fund

Second Quarter 2005

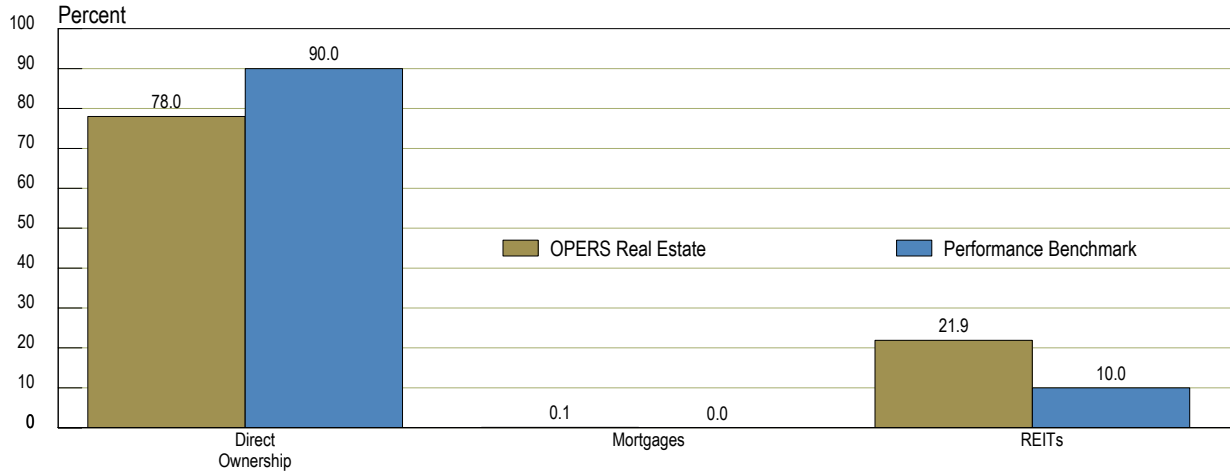
HISTORICAL RETURNS-TOTAL PLAN

(BY YEAR)

	Real Estate (DB/HC)	Performance Benchmark	Return Difference
	Return	Return	
1988 (9 months)	6.4%	--%	--
1989	4.3	--	--
1990	5.6	--	--
1991	-8.9	--	--
1992	3.9	--	--
1993	5.7	5.4	0.3
1994	15.4	4.3	11.1
1995	10.5	10.9	-0.4
1996	11.9	13.2	-1.3
1997	14.0	12.6	1.4
1998	5.8	5.8	0.0
1999	7.0	5.4	1.6
2000	16.8	15.2	1.6
2001	6.5	8.6	-2.1
2002	7.7	7.3	0.4
2003	12.3	10.6	1.7
2004	14.3	15.5	-1.2
2005 (3 months)	-0.1	2.3	-2.4
Trailing 3-Year	10.2%	11.0%	-0.8
Trailing 5-Year	10.9	11.3	-0.4
Trailing 10-Year	10.4	10.5	-0.1

Second Quarter 2005

SECTOR WEIGHTING COMPARISON AS OF 6/30/05
Real Estate vs. Performance Benchmark



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PRIVATE EQUITY

PRIVATE EQUITY

\$494.9 Million and 0.8% of Fund

Second Quarter 2005

RETURN SUMMARY ENDING 3/31/05

	First Quarter	1 Year Ending 3/31/05	3 Years Ending 3/31/05	5 Years Ending 3/31/05
Private Equity*	0.8%	21.8%	15.9%	3.4%
Custom Benchmark	-1.4	10.3	6.8	-1.7

PERFORMANCE COMMENTARY

- The returns for the private equity portfolio are shown above. We report private equity returns, and those of its custom benchmark, on a one-quarter lag. Additionally, The historic private equity returns are time-weighted returns rather than IRRs.
- The private equity return exceeded the return of the custom benchmark during the first quarter. The longer-term returns compare favorably versus the custom benchmark.
- Over the next several years, the Private Equity portfolio will be expanded to account for 4% of the total OPERS portfolio.
- The custom performance benchmark is the Russell 3000 Index plus 3% annually. A description of the changes in the benchmark over time can be found in the Appendix.

*Private Equity returns and those of its custom benchmark are reported on a one quarter lag.

Second Quarter 2005

Private Equity Portfolio as of June 30, 2005*

Portfolio/Manager	Assets Under Management (in millions)	% of Private Equity	Type	Vintage
Domestic				
Blue Chip Capital III	\$ 6.1	1.2%	Venture	1999
Blue Chip Capital II	\$ 4.9	1.0%	Venture	1997
Primus Capital Fund IV	\$ 6.7	1.4%	Venture	1997
Blue Chip Capital I	\$ 0.9	0.2%	Venture	1992
Primus Capital Fund V	\$ 11.1	2.2%	Venture	2000
Blue Chip Capital IV	\$ 12.4	2.5%	Venture	2000
Primus Capital Fund III	\$ 0.8	0.2%	Venture	1993
CMEA Ventures VI	\$ 3.3	0.7%	Venture	2004
Essex Woodlands	\$ 10.6	2.1%	Venture	2004
Granite Global Ventures II	\$ 7.1	1.4%	Venture	2004
JMI Equity Fund V	\$ 1.8	0.4%	Venture	2005
Paul Capital Top Tier Investments III	\$ 0.1	0.0%	Venture	2005
Blackstone Capital Partners IV	\$ 131.2	26.5%	Venture	2002
Castle Harlan Partners IV	\$ 21.1	4.3%	Buyout	2003
FS Equity Partners V	\$ 14.2	2.9%	Buyout	2003
Linsalata Capital Partners Fund III	\$ 8.3	1.7%	Buyout	1998
TPG Partners IV	\$ 31.9	6.4%	Buyout	2003
MCM Capital Partners	\$ 6.5	1.3%	Buyout	1998
Linsalata Capital Partners Fund IV	\$ 5.5	1.1%	Buyout	2000
AIG	\$ 17.0	3.4%	Buyout	1997
Charterhouse Capital VII	\$ 34.1	6.9%	Buyout	2003
Kirtland Capital	\$ 2.5	0.5%	Buyout	2004
Hellman & Friedman Capital Partners V	\$ 5.3	1.1%	Buyout	2004
Lincolnshire Equity Fund III	\$ 2.4	0.5%	Buyout	2004
First Reserve Fund X	\$ 13.6	2.7%	Buyout	2004
New Mountain Partners II	\$ 9.1	1.8%	Buyout	2004
Oak Hill Capital Partners II	\$ 9.9	2.0%	Buyout	2005
Carlyle Partners	\$ 1.5	0.3%	Buyout	2005
Providence Equity Partners	\$ 2.2	0.4%	Buyout	2004
Permirea Europe III	\$ 13.4	2.7%	Buyout	2003
Total Domestic	\$ 395.4	79.9%		
International				
Timber Fund I	\$ 39.9	8.1%	Special Sit.	2003
Cambium Fund II	\$ 12.1	2.4%	Special Sit.	1997
Coller International IV	\$ 28.9	5.8%	Special Sit.	2002
OPERS/Pathway Private Equity	\$ 0.8	0.2%	Special Sit.	2005
OCM Fund III	\$ 17.7	3.6%	Special Sit.	2004
Total International	\$ 99.4	20.1%		
Total Private Equity	\$ 494.9	100.0%		

* Based on unaudited financial statements at December 31, 2004 adjusted for cash flows through June 30, 2005.

- The above chart displays the asset levels of the components in the Private Equity portfolio. The information displayed above is from the OPERS Quarterly Investment Report.
- The market values shown in the table above were based on preliminary valuations.

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DEFINED CONTRIBUTION PLAN

OPERS

DEFINED CONTRIBUTION PLAN

RETURN SUMMARY DEFINED CONTRIBUTION PLAN ENDING 6/30/05

	Second Quarter	Year-to-Date	1 Year Ending 6/30/05	3 Years Ending 6/30/05	5 Years Ending 6/30/05
Core Stable Value	1.0%	2.1%	4.2%	4.2%	5.0%
Stable Value Custom Benchmark	1.2	2.4	4.8	5.0	5.5
Core Bond	3.2	2.6	7.3	6.7	8.1
Lehman Brothers Universal	3.1	2.5	7.4	6.6	7.6
Core Stock Index	2.2	-0.0	8.0	9.4	-1.4
Russell 3000 Index	2.2	-0.0	8.1	9.5	-1.4
Core Large Cap	2.5	1.0	7.8	9.3	-0.4
Russell 1000 Index	2.1	0.1	7.9	9.2	-1.9
Core Small Cap	3.9	-0.0	7.9	11.3	2.9
Russell 2000 Index	4.3	-1.2	9.5	12.8	5.7
Core International	-0.8	-1.1	11.9	10.6	-1.5
MSCI All Country World ex-U.S. Index	-0.2	0.0	16.5	13.6	0.4
Conservative Asset Allocation	2.1	1.6	6.6	7.1	4.7
Conservative Benchmark	1.9	1.4	6.3	6.2	3.7
Moderate Asset Allocation	2.0	0.9	7.5	8.5	2.6
Moderate Benchmark	2.0	0.8	7.7	8.1	2.0
Aggressive Asset Allocation	2.0	0.5	8.1	9.3	1.2
Aggressive Benchmark	2.0	0.3	8.9	9.5	1.0

- The table above highlights the performance of the options within the OPERS Defined Contribution Plan. As shown, the Core Bond and Core Large Cap options outperformed their respective benchmarks. Within the asset allocation strategies, the Conservative Asset Allocation option added value over its benchmark while the Moderate and Aggressive options matched the performance of their respective benchmarks. The underperforming options included the Core Stable Value, Core Small Cap, and Core International options.
- The DC plan has ten quarters of actual performance as of June 30, 2005. All other historical performance shown is based on composite returns of the underlying managers.

OPERS
DEFINED CONTRIBUTION PLAN

ASSET ALLOCATION AS OF 6/30/05
DEFINED CONTRIBUTION PLAN
(\$ in thousands)

	Domestic Equity	Intl Equity	Global Bonds	Balanced	Cash & Equivalents	Total	Percent of Total
Core Stable Value	--	--	--	--	\$4,870	\$4,870	5.1%
Core Bond	--	--	\$4,155	--	--	\$4,155	4.3%
Core Stock Index	\$9,315	--	--	--	--	\$9,315	9.7%
Core Large Cap	\$7,127	--	--	--	--	\$7,127	7.4%
Core Small Cap	\$5,695	--	--	--	--	\$5,695	5.9%
Core International	--	\$3,809	--	--	--	\$3,809	4.0%
Conservative Asset Allocation	--	--	--	\$6,619	--	\$6,619	6.9%
Moderate Asset Allocation	--	--	--	\$30,663	--	\$30,663	32.0%
Aggressive Asset Allocation	--	--	--	\$23,527	--	\$23,527	24.6%
Defined Contribution Plan	\$22,137	\$3,809	\$4,155	\$60,809	\$4,870	\$95,780	100.0%
Percent of Total	23.1%	4.0%	4.3%	63.5%	5.1%	100.0%	

- The asset allocation table shown above lists the assets in each of the DC options as of June 30, 2005. More than half of the assets were in the Moderate and Aggressive Asset Allocation options.

OPERS

CORE STABLE VALUE

RETURN SUMMARY CORE STABLE VALUE ENDING 6/30/05

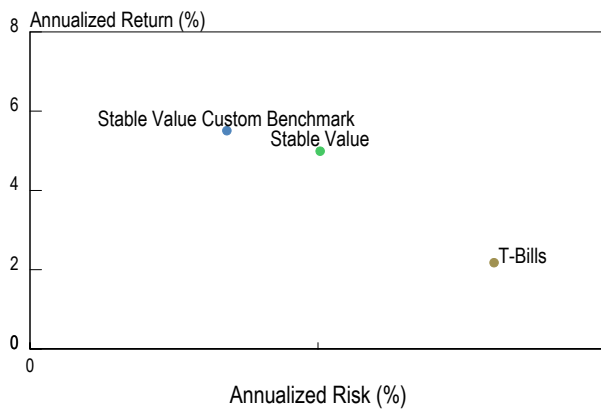
	Second Quarter	Year-to-Date	1 Year Ending 6/30/05	3 Years Ending 6/30/05	5 Years Ending 6/30/05
Core Stable Value	1.0%	2.1%	4.2%	4.2%	5.0%
Stable Value Custom Benchmark	1.2	2.4	4.8	5.0	5.5

- The Core Stable Value portfolio consists of the Invesco Stable Value Fund.

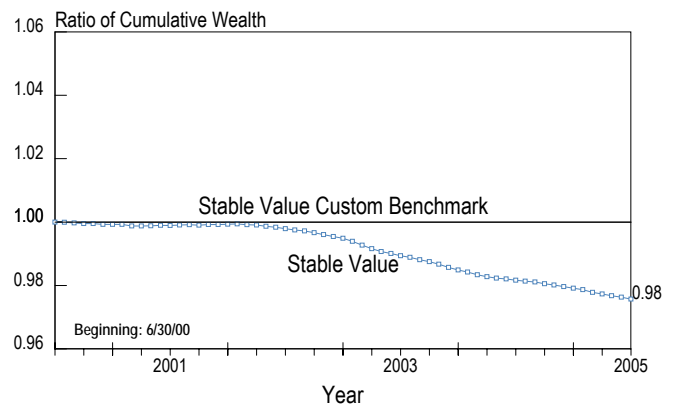
Performance Commentary

- The Core Stable Value Fund rose 1.0% during the period and underperformed the custom benchmark shown above. Performance over the longer periods analyzed are also negative, as the option's performance lagged that of its benchmark over the one-, three-, and five-year periods.

ANNUALIZED RISK/RETURN CORE STABLE VALUE 5 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH CORE STABLE VALUE 5 YEARS ENDING 6/30/05



RETURN SUMMARY
CORE BOND
ENDING 6/30/05

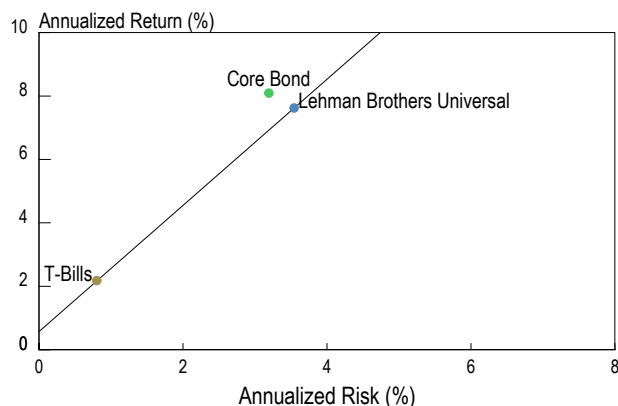
	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Core Bond	3.2%	19	2.6%	35	7.3%	42	6.7%	38	8.1%	22
Lehman Brothers Universal	3.1	25	2.5	40	7.4	40	6.6	40	7.6	42

- The Core Bond option is managed by Fidelity Management Company and Smith Breeden Associates.

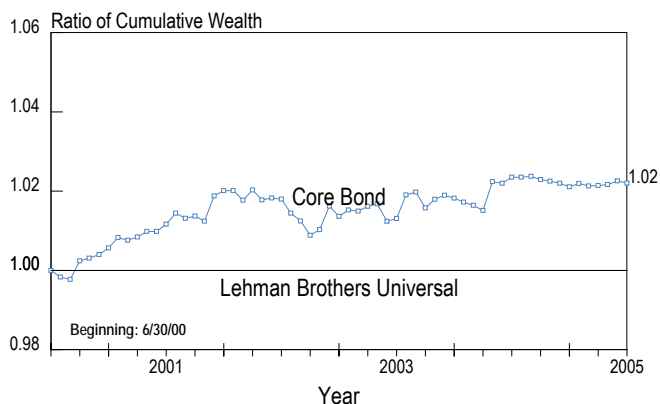
Performance Commentary

- The Core Bond option added 10 basis points of value over the Lehman Brothers Universal Bond Index during the second quarter. The option's value added came as a result of outperformance generated from Smith Breeden. Fidelity matched the performance of its benchmark during the period.
- The longer term results of the option compare favorably versus the performance of the benchmark with the exception of the one-year period shown.
- The rankings are based on a universe of 512 actively managed fixed income funds with an aggregate market value of \$390.5 billion. The universe is compiled by the Russell/Mellon Analytical Services.

ANNUALIZED RISK/RETURN
CORE BOND
5 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
CORE BOND
5 YEARS ENDING 6/30/05



OPERS

CORE STOCK INDEX

RETURN SUMMARY CORE STOCK INDEX ENDING 6/30/05

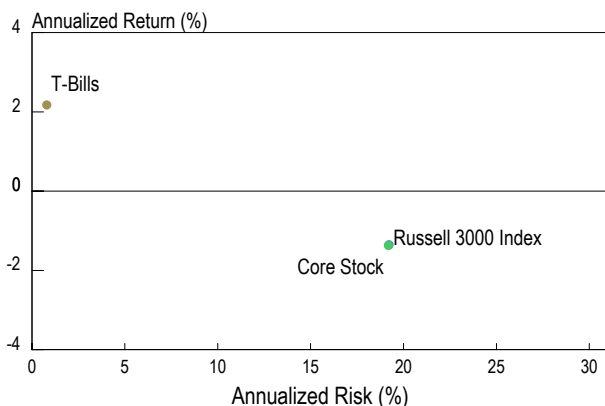
	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Core Stock Index	2.2%	58	-0.0%	53	8.0%	57	9.4%	55	-1.4%	77
Russell 3000 Index	2.2	58	-0.0	53	8.1	54	9.5	51	-1.4	77

- The Core Stock Index is managed by Barclays Global Investors. The portfolio is designed to replicate the performance of the Russell 3000 Index.

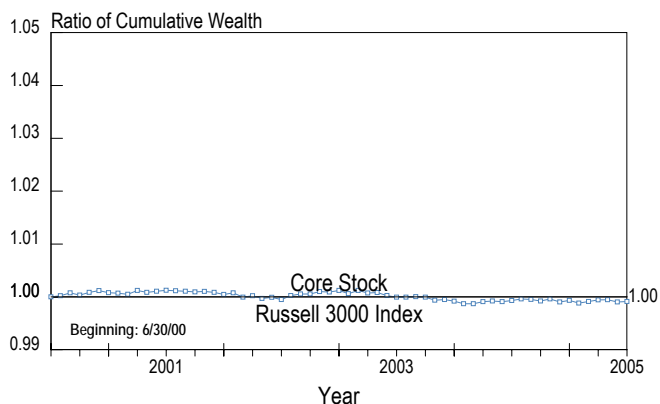
Performance Commentary

- The performance of the Core Stock Index matched the result of the Russell 3000 Index. The returns approximated those of the Index over the longer periods shown.
- The rankings are based on a universe of 496 actively managed U.S. equity funds with an aggregate market value of \$668.3 billion. The universe is compiled by the Russell/Mellon Analytical Services.

ANNUALIZED RISK/RETURN CORE STOCK INDEX 5 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH CORE STOCK INDEX 5 YEARS ENDING 6/30/05



RETURN SUMMARY
CORE LARGE CAP
ENDING 6/30/05

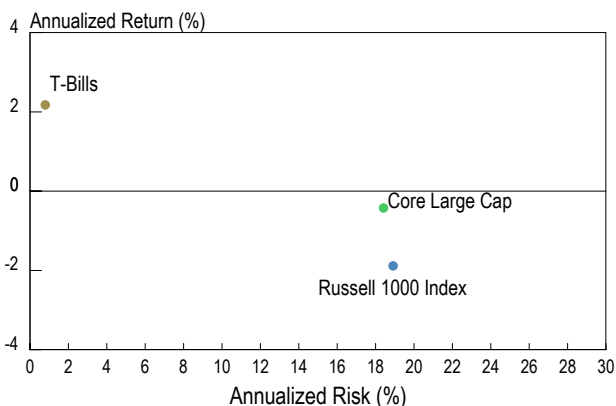
	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Core Large Cap	2.5%	31	1.0%	29	7.8%	44	9.3%	38	-0.4%	50
Russell 1000 Index	2.1	37	0.1	44	7.9	44	9.2	39	-1.9	61

- The Core Large Cap option includes portfolios managed by Barclays Global Investors (BGI), Grantham, Mayo, Van Otterloo & Co. (GMO), and Wellington Management Company. The BGI portfolio is passively managed while the other two managers attempt to add value over the benchmark. The combined result is expected to outperform the Russell 1000 Index over time.

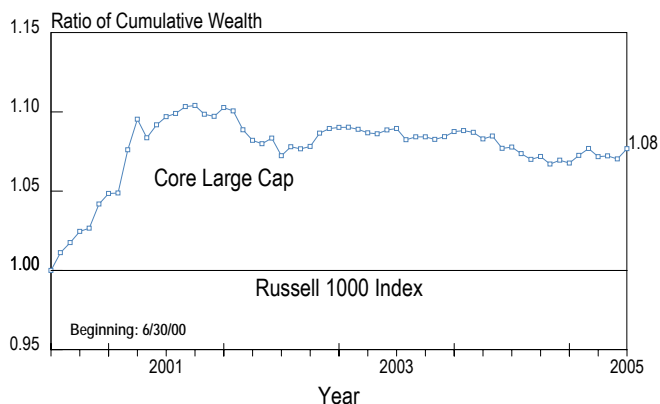
Performance Commentary

- The performance of the Core Large Cap option exceeded that of the Russell 1000 Index during the second quarter. The outperformance was a result of above-benchmark results generated by Wellington. GMO slightly underperformed the Russell 1000 Index, which somewhat detracted from the quarter's result.
- Performance struggled versus the Russell 1000 Index during the one-year period. Favorable relative results were witnessed over the year-to-date, three-, and five-year periods.
- The rankings are based on a universe of 450 actively managed U.S. equity funds with an aggregate market value of \$808.8 billion. The universe is compiled by the Russell/Mellon Analytical Services.

ANNUALIZED RISK/RETURN
CORE LARGE CAP
5 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
CORE LARGE CAP
5 YEARS ENDING 6/30/05



OPERS

CORE SMALL CAP

RETURN SUMMARY CORE SMALL CAP ENDING 6/30/05

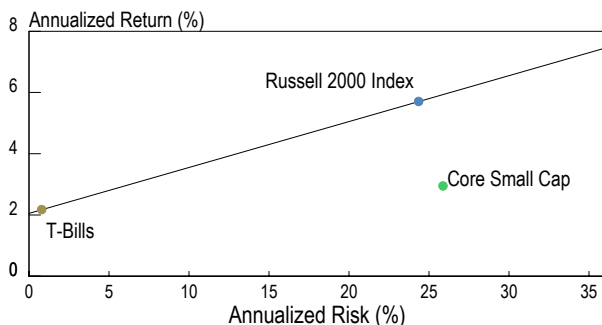
	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Core Small Cap	3.9%	44	-0.0%	56	7.9%	65	11.3%	71	2.9%	72
Russell 2000 Index	4.3	35	-1.2	68	9.5	59	12.8	61	5.7	68

- The Core Small Cap option includes portfolios managed by Barclays Global Investors (BGI) and Invesco Capital Management. The BGI portfolio is passively managed while the remaining portfolio attempts to add value relative to the Index. The combined result is expected to outperform the Russell 2000 Index over time. Capital Guardian was removed from the option in the second quarter of 2005.

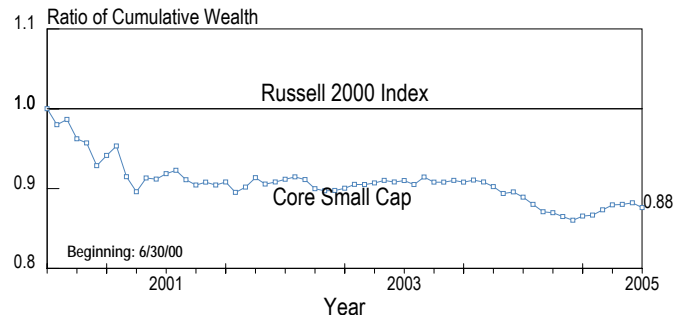
Performance Commentary

- The performance of the Core Small Cap option lagged that of the Russell 2000 Index during the second quarter by 0.4 percentage points. Invesco lagged the performance of the Russell 2000 Index which caused the option's underperformance. BGI successfully tracked the performance of the benchmark.
- With the exception of the year-to-date period performance struggled versus the Russell 2000 Index during the longer time periods analyzed.
- Capital Guardian's small cap strategy was removed from the option during the second quarter.
- The rankings are based on a universe of 307 actively managed U.S. Equity small cap funds with an aggregate market value of \$221.5 billion. The universe is compiled by the Russell/Mellon Analytical Services.

ANNUALIZED RISK/RETURN CORE SMALL CAP 5 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH CORE SMALL CAP 5 YEARS ENDING 6/30/05



RETURN SUMMARY
CORE INTERNATIONAL
ENDING 6/30/05

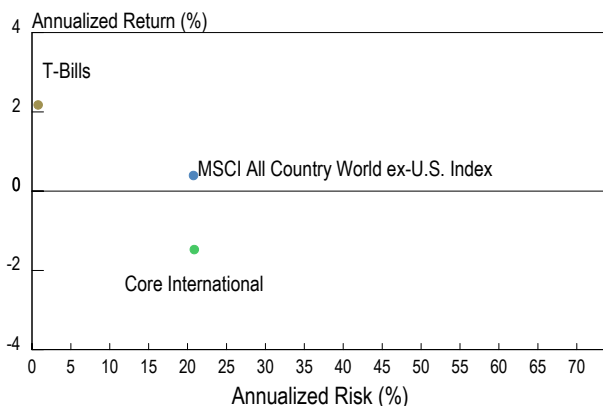
	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Core International	-0.8%	71	-1.1%	72	11.9%	79	10.6%	79	-1.5%	81
MSCI All Country World ex-U.S. Index	-0.2	50	0.0	45	16.5	24	13.6	30	0.4	48

- The Core International option includes portfolios managed by Barclays Global Investors (BGI), Capital Guardian Trust Company, and Goldman Sachs Asset Management. The BGI portfolio is passively managed while the remaining two portfolios attempt to add value relative to the Index. The combined result is expected to outperform the MSCI All Country World ex-U.S. Index over time.

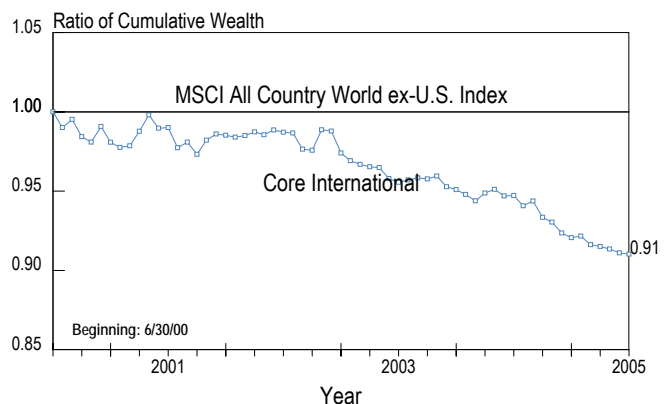
Performance Commentary

- The Core International option failed to achieve the benchmark return during the quarter. The quarter's performance shortfall was 0.6 percentage points. Capital Guardian underperformed its benchmark during the period, contributing to the below benchmark result. BGI's EAFE strategy, which invests in developed countries only, also negatively impacted performance as emerging markets (included in the option's benchmark) performed better than their developed peers. Goldman Sachs matched the return of its benchmark.
- Performance struggled versus the benchmark during the longer time periods analyzed.
- The rankings are based on a universe of 475 actively managed non-U.S. equity funds with an aggregate market value of \$319.9 billion. The universe is compiled by the Russell/Mellon Analytical Services.

ANNUALIZED RISK/RETURN
CORE INTERNATIONAL
5 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
CORE INTERNATIONAL
5 YEARS ENDING 6/30/05



OPERS

CONSERVATIVE ALLOCATION

RETURN SUMMARY CONSERVATIVE ASSET ALLOCATION ENDING 6/30/05

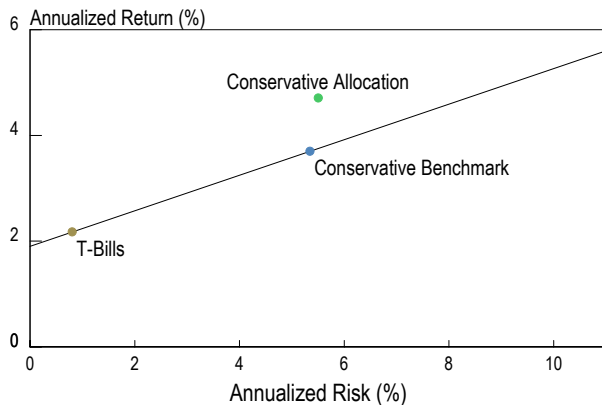
	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Conservative Asset Allocation	2.1%	56	1.6%	32	6.6%	38	7.1%	29	4.7%	46
Conservative Benchmark	1.9	65	1.4	40	6.3	44	6.2	47	3.7	60

- The Conservative Asset Allocation option consists of 35% Stable Value, 35% Core Bond, 12% Core Stock, 10% Core Large Cap, 3% Core Small Cap, and 5% Core International Fund.

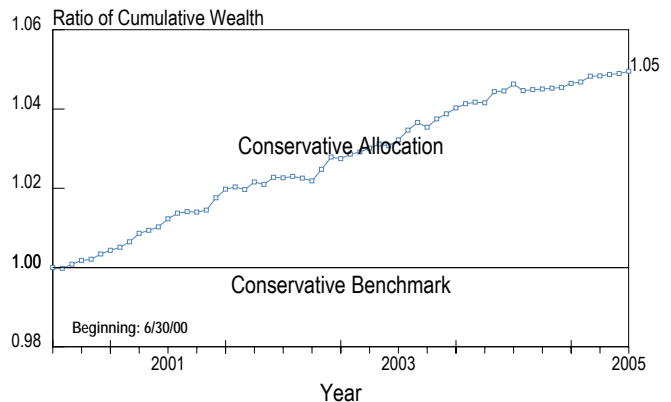
Performance Commentary

- The Conservative Asset Allocation option outperformed its custom benchmark during the second quarter. The outperformance is a result of superior results achieved within the options allocations to the Core Bond and Core Large Cap Funds. Detractors from performance included the Stable Value, Core Small Cap, and Core International Funds. The long-term performance shown compared favorably with that of the custom benchmark.
- The rankings are based on a universe of actively managed U.S. balanced funds consisting of 30% U.S. Stocks and 70% Fixed Income. The universe is compiled by Morningstar Services.

ANNUALIZED RISK/RETURN
CONSERVATIVE ASSET ALLOCATION
5 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
CONSERVATIVE ASSET ALLOCATION
5 YEARS ENDING 6/30/05



RETURN SUMMARY
MODERATE ASSET ALLOCATION
ENDING 6/30/05

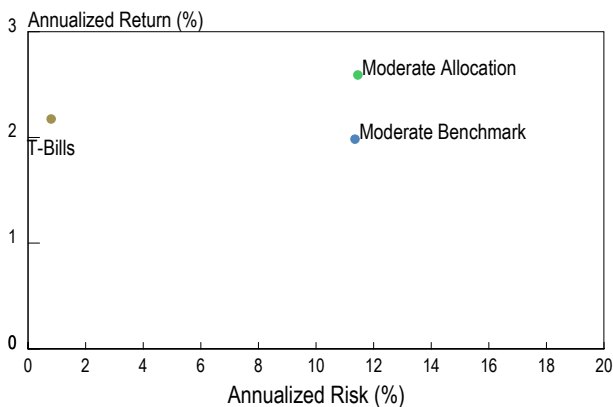
	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Moderate Asset Allocation	2.0%	57	0.9%	41	7.5%	41	8.5%	35	2.6%	49
Moderate Benchmark	2.0	57	0.8	44	7.7	39	8.1	41	2.0	53

- The Moderate Asset Allocation option consists of 20% Stable Value, 20% Core Bond, 25% Core Stock, 20% Core Large Cap, 5% Core Small Cap, and 10% Core International Fund.

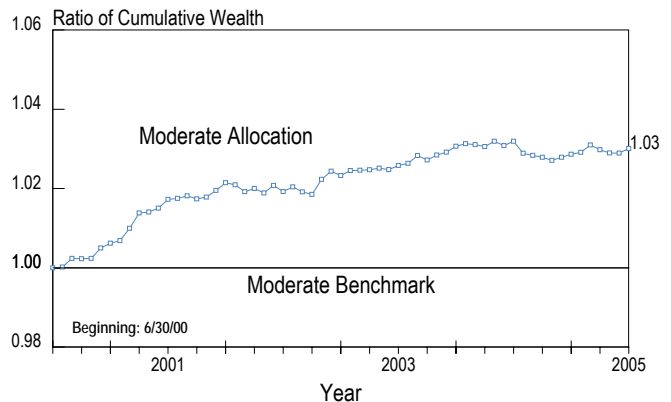
Performance Commentary

- The Moderate Asset Allocation option matched the result of its custom benchmark during the second quarter. Positives included the option's allocations to the Core Bond and Core Large Cap options. Detractors were the Core International, Core Small Cap and Stable Value offerings. With the exception of the one-year period, the option's performance compared favorably versus the performance of its custom benchmark.
- The rankings are based on a universe of actively managed U.S. balanced funds consisting of 60% U.S. Stocks and 40% Fixed Income. The universe is compiled by Morningstar Services.

ANNUALIZED RISK/RETURN
MODERATE ASSET ALLOCATION
5 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
MODERATE ASSET ALLOCATION
5 YEARS ENDING 6/30/05



OPERS

AGGRESSIVE ALLOCATION

RETURN SUMMARY AGGRESSIVE ASSET ALLOCATION ENDING 6/30/05

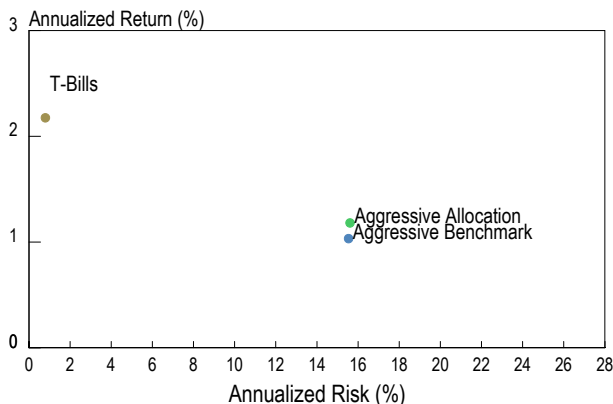
	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Aggressive Asset Allocation	2.0%	56	0.5%	43	8.1%	42	9.3%	40	1.2%	50
Aggressive Benchmark	2.0	56	0.3	48	8.9	34	9.5	37	1.0	50

- The Aggressive Asset Allocation option consists of 10% Stable Value, 10% Core Bond, 30% Core Stock, 25% Core Large Cap, 10% Core Small Cap, and 15% Core International Fund.

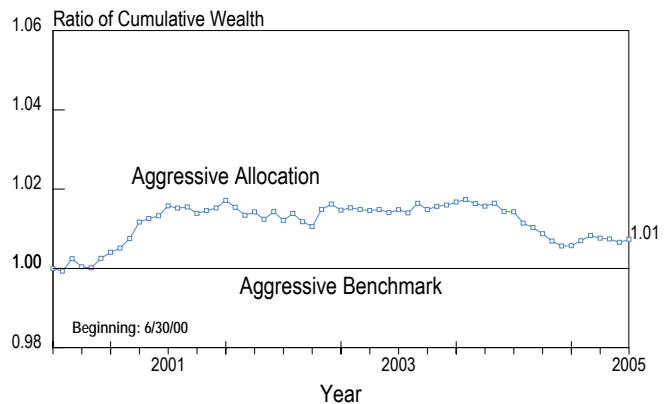
Performance Commentary

- The second-quarter return of the Aggressive Asset Allocation option matched that of its custom benchmark. Positives included the option's allocations to the Core Bond and Core Large Cap options. Detractors were the Core International, Core Small Cap and Stable Value offerings. Performance over the longer periods analyzed is mixed.
- The rankings are based on a universe of actively managed U.S. balanced funds consisting of 80% U.S. Stocks and 20% Fixed Income. The universe is compiled by Morningstar Services.

ANNUALIZED RISK/RETURN AGGRESSIVE ASSET ALLOCATION 5 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH AGGRESSIVE ASSET ALLOCATION 5 YEARS ENDING 6/30/05



RETURN SUMMARY
BGI RUSSELL 3000
ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
BGI Russell 3000	2.2%	58	-0.0%	53	8.0%	57	9.5%	51	-1.4%	77
Russell 3000 Index	2.2	58	-0.0	53	8.1	54	9.5	51	-1.4	77

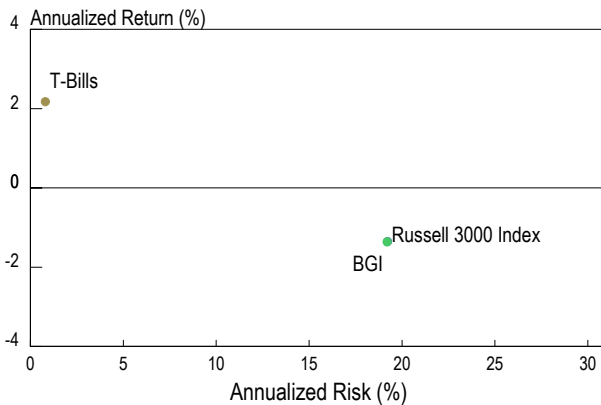
Philosophy and Process

- The BGI Russell 3000 Index Fund's goal is to replicate the performance of the Russell 3000 Index.

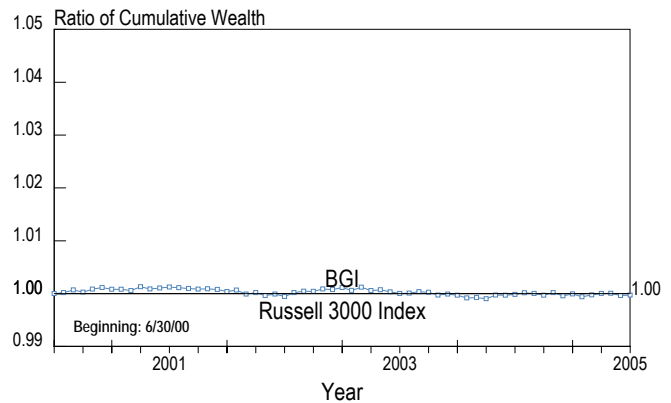
Performance Commentary

- The performance of the BGI Russell 3000 Index Fund successfully tracked that of the Index during the quarter. Modest tracking was experienced during the one-year period.
- The rankings are based on a universe of 523 actively managed U.S. Equity funds with an aggregate market value of \$654.6 billion. The universe is compiled by the Russell/Mellon Analytical Services.

ANNUALIZED RISK/RETURN
BGI RUSSELL 3000
5 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
BGI RUSSELL 3000
5 YEARS ENDING 6/30/05



OPERS

BGI RUSSELL 1000 INDEX

RETURN SUMMARY BGI RUSSELL 1000 ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
BGI Russell 1000	2.0%	41	0.1%	44	7.8%	44	9.0%	42	-2.1%	63
Russell 1000 Index	2.1	37	0.1	44	7.9	44	9.2	39	-1.9	61

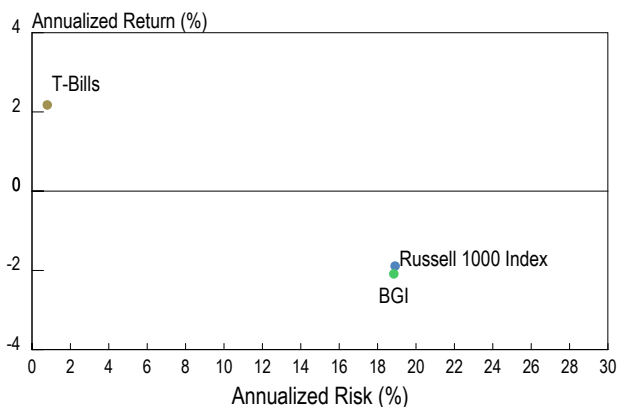
Philosophy and Process

- The BGI Russell 1000 Index Fund's goal is to replicate the performance of the Russell 1000 Index.

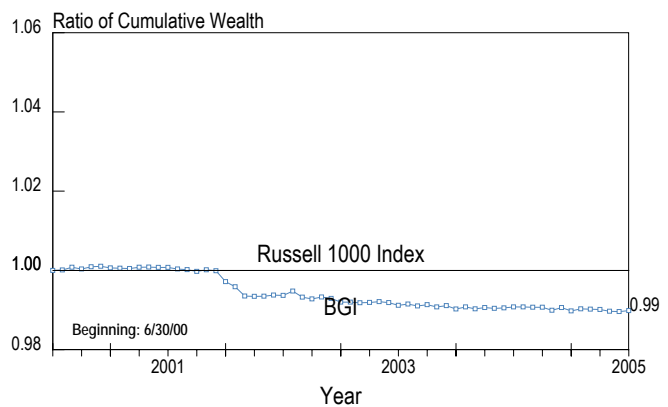
Performance Commentary

- During the second quarter the BGI Russell 1000 Index Fund experienced approximately 10 basis points of negative tracking. Negative tracking was also apparent over the one-, three-, and five-year periods.
- The rankings are based on a universe of 450 actively managed U.S. Equity funds with an aggregate market value of \$808.8 billion. The universe is compiled by the Russell/Mellon Analytical Services.

ANNUALIZED RISK/RETURN
BGI RUSSELL 1000
5 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
BGI RUSSELL 1000
5 YEARS ENDING 6/30/05



RETURN SUMMARY
BGI RUSSELL 2000
ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
BGI Russell 2000	4.3%	35	-1.2%	68	9.3%	60	12.6%	62	5.6%	68
Russell 2000 Index	4.3	35	-1.2	68	9.5	59	12.8	61	5.7	68

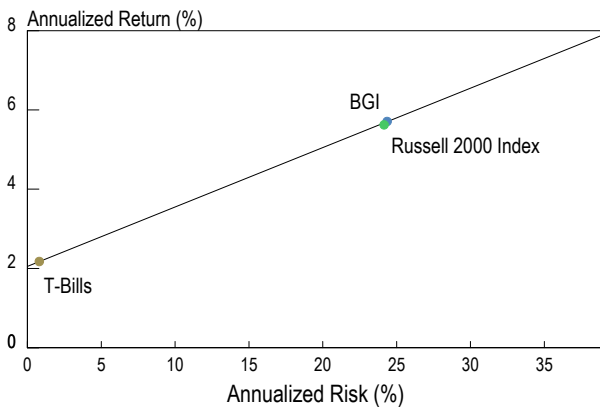
Philosophy and Process

- The BGI Russell 2000 Index Fund's goal is to replicate the performance of the Russell 2000 Index.

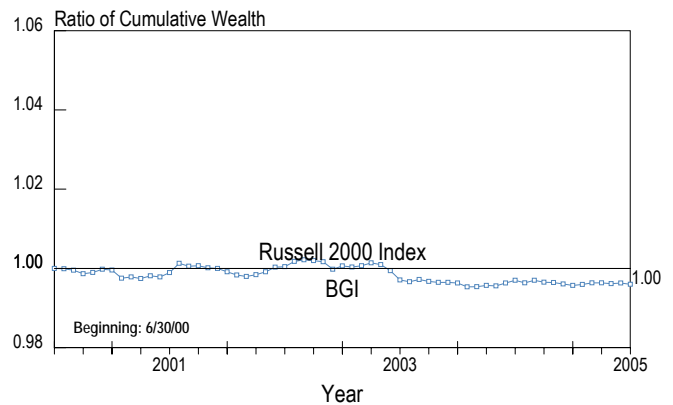
Performance Commentary

- The BGI Russell 2000 Index Fund successfully tracked the Index it was designed to track during the period. Negative tracking was experienced over the one-, three-, and five-year periods.
- The rankings are based on a universe of 307 actively managed U.S. Equity small cap funds with an aggregate market value of \$221.5 billion. The universe is compiled by the Russell/Mellon Analytical Services.

ANNUALIZED RISK/RETURN
BGI RUSSELL 2000
5 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
BGI RUSSELL 2000
5 YEARS ENDING 6/30/05



OPERS

BGI EAFE INDEX

RETURN SUMMARY BGI EAFE INDEX ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
BGI EAFE Index	-0.9%	70	-1.0%	50	13.0%	52	10.9%	54	-1.4%	54
MSCI EAFE Index	-1.0	73	-1.2	60	13.7	43	12.1	41	-0.5	52

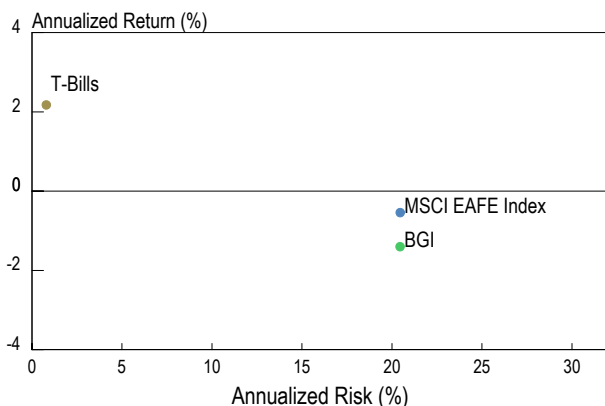
Philosophy and Process

- The BGI EAFE Index Fund's goal is to replicate the performance of the MSCI EAFE Index.

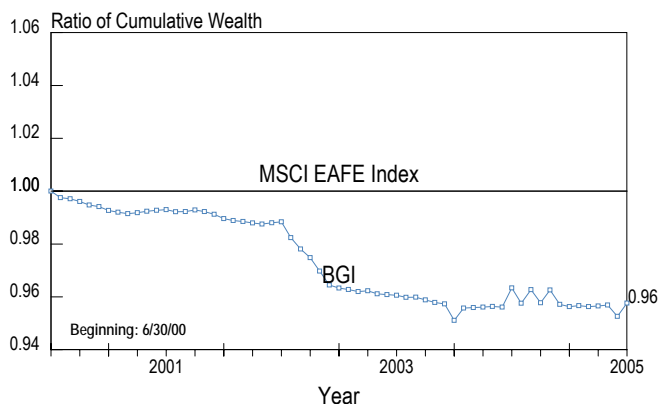
Performance Commentary

- The BGI EAFE Index Fund experienced 10 basis points of positive tracking during the second quarter. While the tracking was positive over the one-year period, significant negative tracking was evident over the three- and five-year periods.
- The rankings are based on a universe of 79 actively managed non-U.S. Equity funds with an aggregate market value of \$195.6 billion. The universe is compiled by the Russell/Mellon Analytical Services.

ANNUALIZED RISK/RETURN BGI EAFE INDEX 5 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH BGI EAFE INDEX 5 YEARS ENDING 6/30/05



RETURN SUMMARY
CAPITAL GUARDIAN INTERNATIONAL EQUITY
ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Capital Guardian International Equity	-0.9%	70	-1.6%	70	11.5%	73	10.9%	54	-2.2%	67
MSCI All Country World ex-U.S. Index	-0.2	41	0.0	33	16.5	22	13.6	24	0.4	46

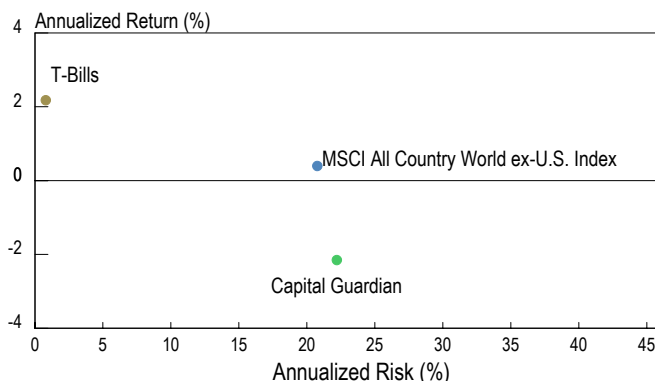
Philosophy and Process

- Capital Guardian refers to its investment approach as a multiple-manager system. Under this system, portfolios are divided among 7 portfolio managers (80%) and the firm's research analysts (20%). Each sub-portfolio is invested as an individual portfolio at the discretion of the portfolio manager and analyst team. For the analysts' research portfolio, each analyst manages a small percentage of the portfolio based on their industry and/or country research responsibility. All stocks are selected from the firm's "buy" list of about 200 companies. To minimize transaction costs, all sales are posted to an internal list that other portfolio managers have the opportunity to buy.

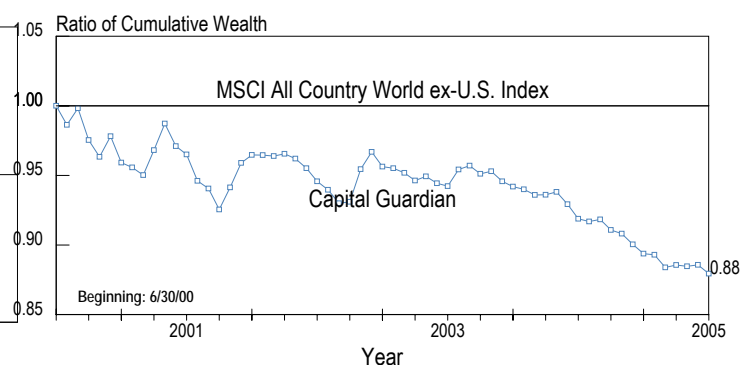
Performance Commentary

- The Capital Guardian international equity portfolio underperformed the benchmark during the quarter. Relative performance was negatively impacted by an overweight to the weak performing telecommunications sector and an underweight to the strong performing energy sector. Additionally, negative stock selection in the telecommunications and financial sectors detracted from results. Some of these losses were, however, partially offset by favorable stock selection in the energy sector and exposure to emerging markets and international small cap segments. Top performers in the portfolio included global energy major Royal Dutch Petroleum (+10%) and pharmaceutical giant Astra Zeneca (+5%).
- The manager's returns trailed those of the benchmark over the longer periods analyzed.

ANNUALIZED RISK/RETURN
CAPITAL GUARDIAN INTERNATIONAL EQUITY
5 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
CAPITAL GUARDIAN INTERNATIONAL EQUITY
5 YEARS ENDING 6/30/05



OPERS

FIDELITY BROAD MARKET DURATION

RETURN SUMMARY FIDELITY BROAD MARKET DURATION ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Fidelity Broad Market Duration	3.1%	16	2.6%	28	7.3%	23	6.8%	20	8.1%	12
Lehman Brothers Universal	3.1	16	2.5	39	7.4	20	6.6	23	7.6	33

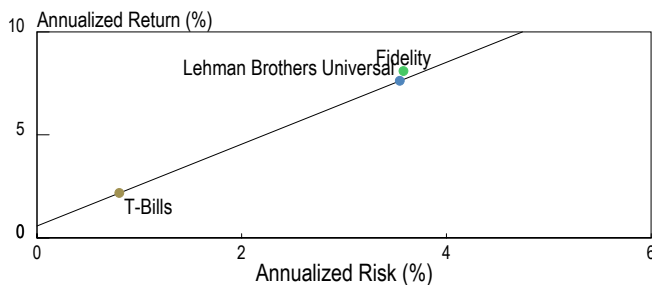
Philosophy and Process

- Fidelity's investment approach is designed to take advantage of their strengths in the areas of research, trading, and active management. Fidelity's active management strategies include sector allocation, credit research, individual security selection, yield curve strategies, and opportunistic trading. Each client's portfolio is assigned to both an individual portfolio manager and an investment team. Fidelity's investment teams are made up of four to nine investment professionals, including portfolio managers, senior traders, quantitative analysts, and credit analysts. They work together to assimilate all information relevant to managing a clients portfolio.

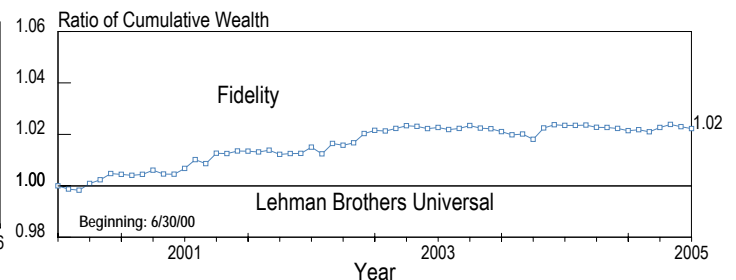
Performance Commentary

- Fidelity matched the performance of the Index during the second quarter. Positives during the period included their selections within the mortgage and corporate sectors. Within the corporate sector, the manager emphasized REIT securities, which performed well during the period. Their yield curve positioning - overweight longer maturity bonds - also provide positive. Negatives during the period included an allocation to TIPS, which underperformed the broad bond market.
- With the exception of the one-year period, Fidelity's trailing returns analyzed above compare favorably with the performance of the Universal Bond Index.
- The rankings are based on a universe of 141 actively managed fixed income funds with an aggregate market value of \$355.4 billion. The universe is compiled by the Russell/Mellon Analytical Services.

ANNUALIZED RISK/RETURN
FIDELITY BROAD MARKET DURATION
5 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
FIDELITY BROAD MARKET DURATION
5 YEARS ENDING 6/30/05



RETURN SUMMARY
GMO CORE U.S. EQUITY
ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
GMO Core U.S. Equity	2.0%	41	0.7%	34	7.9%	44	7.9%	59	0.6%	45
Russell 1000 Index	2.1	37	0.1	44	7.9	44	9.2	39	-1.9	61

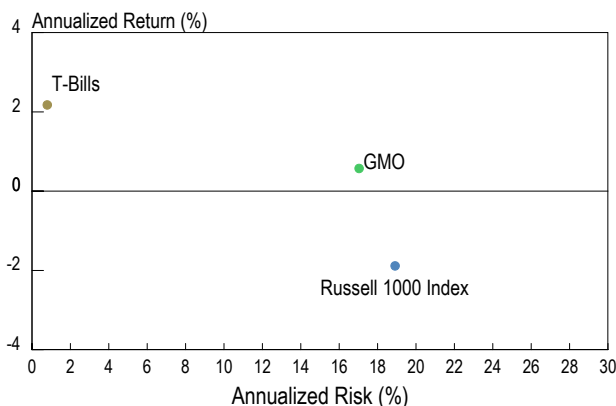
Philosophy and Process

- GMO takes a quantitative approach to adding value across all markets. Their U.S. equity models incorporate three main factors in determining a stock's attractiveness. The first is the firm's proprietary method of calculating a company's intrinsic value. The second incorporates P/E ratio (normalized) and the third is price momentum. The result is a diversified portfolio of 200 - 300 securities that is rebalanced on a monthly basis.

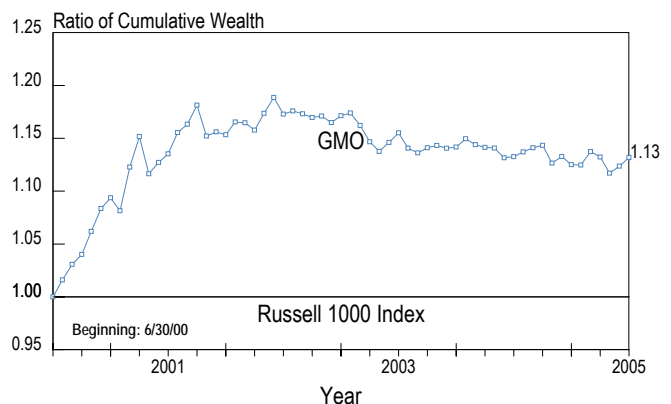
Performance Commentary

- GMO marginally underperformed the Russell 1000 Index during the second quarter. An under-allocation to the financial sector inhibited the period's return. Negative contributors from a stock standpoint included Harley-Davidson, Eastman Kodak, and Johnson & Johnson. Positives during the period included stock selections within the retail and construction industries. An over-allocation to the utilities sector proved positive.
- While the manager's year-to-date and since inception results compare favorably versus the Index, the manager's return lagged that of the benchmark over the three-year period.
- The rankings are based on a universe of 450 actively managed U.S. equity funds with an aggregate market value of \$808.8 billion. The universe is compiled by the Russell/Mellon Analytical Services.

ANNUALIZED RISK/RETURN
GMO CORE U.S. EQUITY
5 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
GMO CORE U.S. EQUITY
5 YEARS ENDING 6/30/05



OPERS

GOLDMAN SACHS INTERNATIONAL EQUITY

RETURN SUMMARY GOLDMAN SACHS INTERNATIONAL ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Goldman Sachs International	-0.2%	41	0.1%	32	12.7%	56	11.0%	53	0.4%	46
MSCI All Country World ex-U.S. Index	-0.2	41	0.0	33	16.5	22	13.6	24	0.4	46

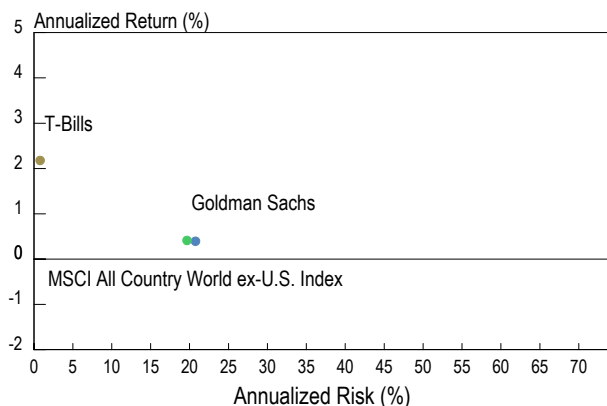
Philosophy and Process

- The Goldman Sachs quantitative team is based in New York and manages equity strategies in the U.S. and overseas. The quantitative approach looks to maximize the value added through stock selection and keep country bets neutral. The team calculates expected returns on thousands of stocks on a daily basis using a six factor quantitative model. The six factors incorporated into the model include valuation, momentum, analyst sentiment, profitability, earnings quality, and management impact. The highest ranked stocks are optimized to construct the most risk efficient portfolio as possible.

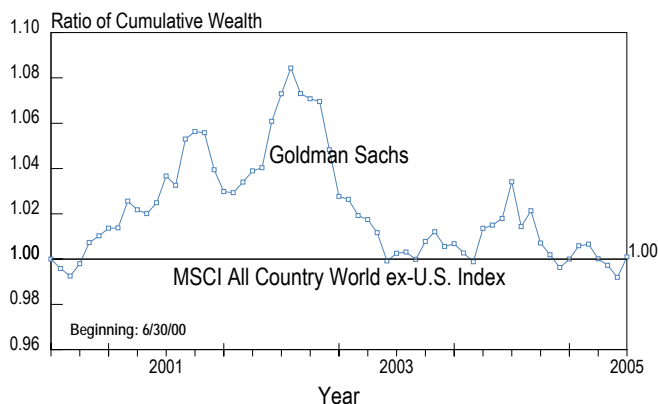
Performance Commentary

- Goldman Sachs' second-quarter return matched that of the MSCI All Country World ex-U.S. Index. Historical returns are mixed as the one- and three-year returns lagged those of the benchmark and the year-to-date and five-year results approximated the benchmark's result.
- The rankings are based on a universe of 79 actively managed non-U.S. equity funds with an aggregate market value of \$195.4 billion. The universe is compiled by the Russell/Mellon Analytical Services.

ANNUALIZED RISK/RETURN GOLDMAN SACHS INTERNATIONAL 5 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH GOLDMAN SACHS INTERNATIONAL 5 YEARS ENDING 6/30/05



RETURN SUMMARY
INVESCO SMALL CAP
ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Invesco Small Cap	3.7%	49	1.6%	37	9.2%	60	13.1%	57	7.8%	62
Russell 2000 Index	4.3	35	-1.2	68	9.5	59	12.8	61	5.7	68

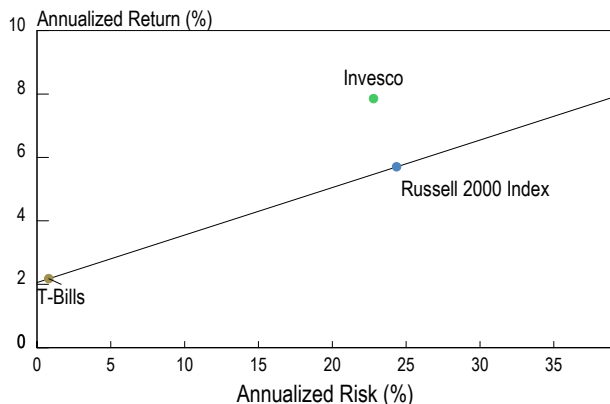
Philosophy and Process

- Invesco's quantitative approach focuses on adding value through stock selection as the portfolio's characteristics such as industry weightings and average market capitalization are kept similar to that of the Russell 2000 Index. The stock selection process is based on four concepts: earnings momentum, management action, relative value and price trend. The portfolio tends to favor value stocks over time.

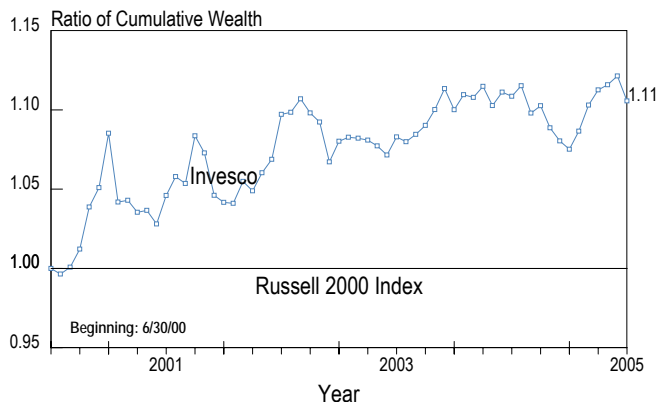
Performance Commentary

- Invesco underperformed the Russell 2000 Index during the quarter by 0.6 percentage points. Several of the manager's largest holdings performed poorly including Walter Industries (-5.4%), Vintage Petroleum (-3.0%), and Haemonetics Corp. (-3.6%). Positive selections during the period included Mentor Corp. (+29.8%), Labor Ready (+25.0%), and Landamerica Financial (+19.0%).
- The manager's longer-term returns comfortably exceeded those of the Russell 2000 Index.
- The rankings are based on a universe of 307 actively managed U.S. equity small cap funds with an aggregate market value of \$221.5 billion. The universe is compiled by the Russell/Mellon Analytical Services.

ANNUALIZED RISK/RETURN
INVESCO SMALL CAP
5 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
INVESCO SMALL CAP
5 YEARS ENDING 6/30/05



OPERS

INVESCO STABLE VALUE

RETURN SUMMARY INVESCO STABLE VALUE ENDING 6/30/05

	Second Quarter	Year-to-Date	1 Year Ending 6/30/05	3 Years Ending 6/30/05	5 Years Ending 6/30/05
Invesco Stable Value	1.0%	2.1%	4.2%	4.2%	5.0%
Stable Value Custom Benchmark	1.2	2.4	4.8	5.0	5.5

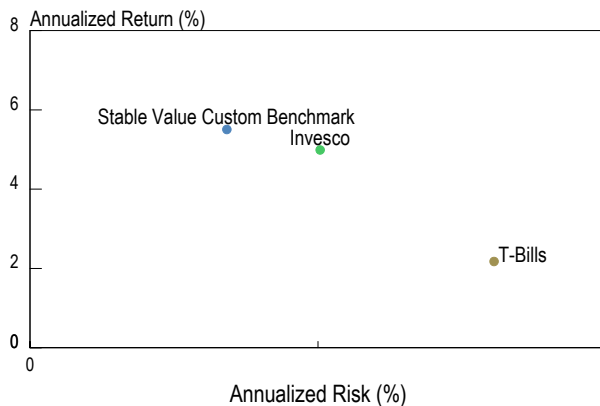
Philosophy and Process

- Invesco goal in stable value investing is to "preserve invested capital." The four step investment process begins with an outlook on the investment markets and current themes within the marketplace. Those are then built into the strategy of the stable value investment team. Invesco's Credit Group looks at every security and has the right to allow or not allow the management team to purchase any specific security.

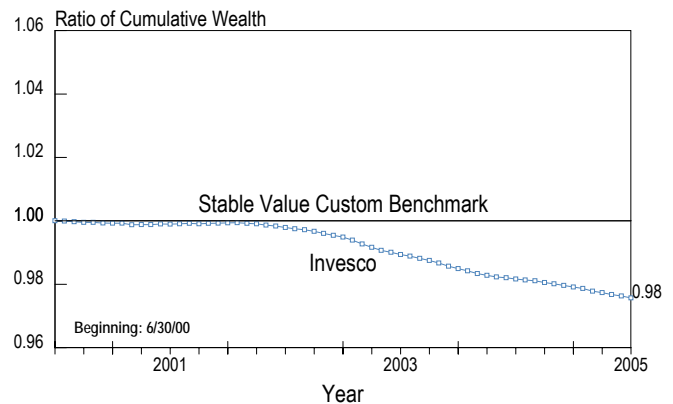
Performance Commentary

- Invesco's Stable Value portfolio fell short of the return of the custom benchmark by 0.2 percentage points during the second quarter. The manager's return trail those of the benchmark over all longer time periods analyzed.

ANNUALIZED RISK/RETURN
INVESCO STABLE VALUE
5 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
INVESCO STABLE VALUE
5 YEARS ENDING 6/30/05



RETURN SUMMARY
SMITH BREEDEN
ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Smith Breeden	3.3%	6	2.6%	28	7.3%	23	6.1%	50	8.0%	14
Lehman Brothers Universal	3.1	16	2.5	39	7.4	20	6.6	23	7.6	33

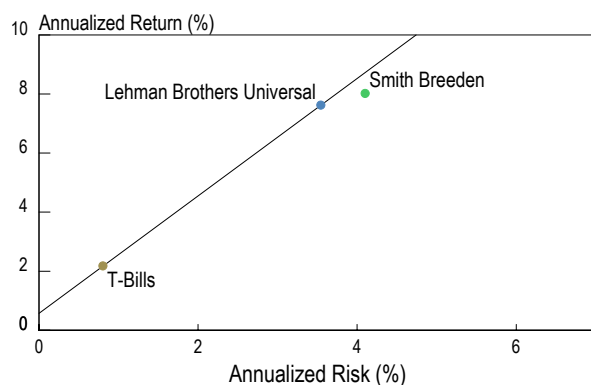
Philosophy and Process

- Smith Breeden's investment approach emphasizes security selection decisions, while minimizing the risk associated with changes in interest rates. Portfolios are constructed by utilizing high-quality agency mortgages and CMOs. Individual security selection decisions are based on a relative value framework and quantitative research. The manager's process is relatively risk-controlled and looks to add small amounts of value each month.

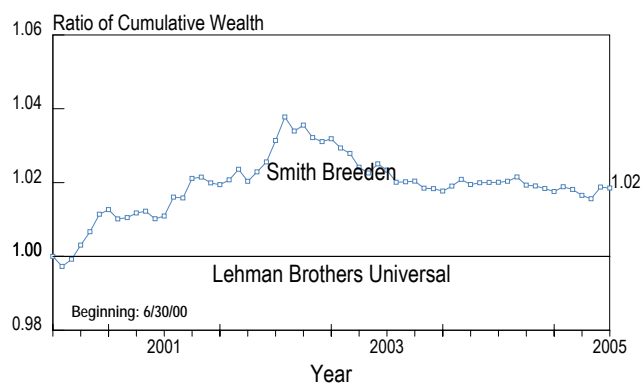
Performance Commentary

- Smith Breeden generated 20 basis points of value added relative to the Aggregate Bond Index during the second quarter. Security selection was the driver behind the performance as selections within the mortgage sector proved positive. The manager's yield curve positioning and sector bets had little impact on the overall results during the quarter.
- Year-to-date and over the five-year period, the manager added value relative to the benchmark.
- The rankings are based on a universe of 141 actively managed fixed income funds with an aggregate market value of \$355.4 billion. The universe is compiled by the Russell/Mellon Analytical Services.

ANNUALIZED RISK/RETURN
SMITH BREEDEN
5 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH
SMITH BREEDEN
5 YEARS ENDING 6/30/05



OPERS

WELLINGTON RESEARCH PORTFOLIO

RETURN SUMMARY WELLINGTON RESEARCH PORTFOLIO ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Wellington Research Portfolio	3.1%	21	1.5%	24	8.1%	42	10.0%	28	-0.9%	53
Russell 1000 Index	2.1	37	0.1	44	7.9	44	9.2	39	-1.9	61

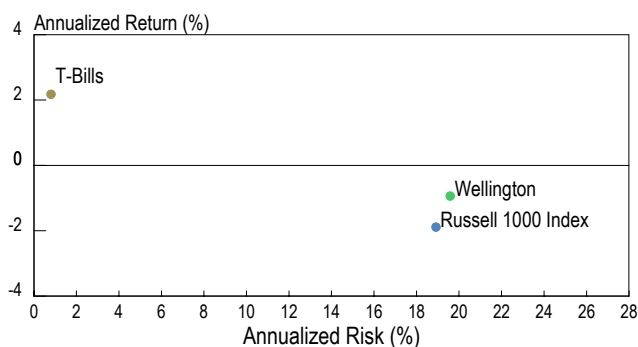
Philosophy and Process

- The portfolio consists of multiple sub-portfolios, actively managed by global industry analysts who are allocated assets corresponding to the weight of their industry relative to those of the S&P 500 Index. The sector neutral portfolio results in each analyst's best ideas in the portfolio. The global industry analysts utilize valuation methodologies unique to their particular industry, resulting in a blend of investment disciplines, which diversifies investment style risk. The capitalization and growth/valuation characteristics are a fall out of the process - over time these may vary significantly.

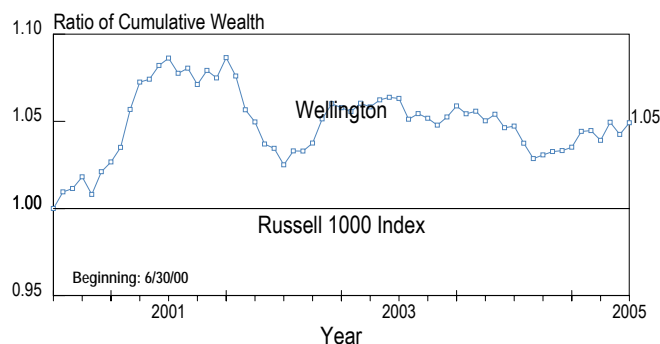
Performance Commentary

- Wellington's stock selections were positive as the portfolio outperformed the Russell 1000 Index by 100 basis points. Technology holdings led performance as notable performers including Google (+63.0%) and Corning (+49.3%) experienced positive results. Other positives included selections within the energy and health care sectors. Holdings within those particular sectors that had a positive impact on performance included Aetna (+10.5%) and McKesson (+18.8%). Stock selections within the materials sector hindered the quarter's result.
- While the manager's one-, three-, and five-year returns added value over the Russell 1000 Index.
- The rankings are based on a universe of 450 actively managed U.S. equity funds with an aggregate market value of \$808.8 billion. The universe is compiled by the Russell/Mellon Analytical Services.

ANNUALIZED RISK/RETURN WELLINGTON RESEARCH PORTFOLIO 5 YEARS ENDING 6/30/05



RATIO OF CUMULATIVE WEALTH WELLINGTON RESEARCH PORTFOLIO 5 YEARS ENDING 6/30/05



RETURNS OF THE MAJOR CAPITAL MARKETS

RETURNS OF THE MAJOR CAPITAL MARKETS

	Second Quarter	Annualized Periods Ending 6/30/05			
		1-Year	3-Year	5-Year	10-Year
Stock Indices:					
DJ Wilshire 5000 Index	2.3%	8.2%	9.9%	-1.3%	10.0%
S&P 500 Index	1.4	6.3	8.3	-2.4	9.9
Russell 3000 Index	2.2	8.1	9.5	-1.4	10.1
Russell 1000 Value Index	1.7	14.0	11.0	6.6	12.0
Russell 1000 Growth Index	2.5	1.7	7.3	-10.4	7.4
Russell MidCap Value Index	4.7	21.8	16.5	14.9	14.3
Russell MidCap Growth Index	3.4	10.9	14.9	-5.2	9.4
Russell 2000 Value Index	5.1	14.4	14.2	16.1	13.9
Russell 2000 Growth Index	3.5	4.3	11.4	-4.5	5.2
Bond Indices:					
Lehman Brothers Aggregate	3.0%	6.8%	5.8%	7.4%	6.8%
Lehman Brothers Gov't/Credit	3.4	7.3	6.4	7.7	6.9
Lehman Brothers Long-Term Gov't/Credit	7.1	16.9	11.1	10.6	8.7
Lehman Brothers Intermed. Gov't/Credit	2.5	4.8	5.1	6.9	6.3
Lehman Brothers Mortgage-Backed	2.3	6.1	4.7	6.8	6.7
Lehman Brothers 1-3 Yr Gov't	1.2	2.1	2.5	4.7	5.2
Lehman Brothers Universal	3.1	7.4	6.6	7.6	7.0
Real Estate Indices:					
NCREIF Open End Fund Index	5.0%	17.0%	11.9%	10.1%	11.7%
DJ Wilshire Real Estate Securities Index	14.1	34.5	21.4	20.5	15.3
Foreign Indices:					
MSCI All Country World ex-U.S. Index	-0.2%	16.5%	13.6%	0.4%	5.5%
MSCI EAFE Free	-1.0	13.7	12.1	-0.5	5.2
MSCI Emerging Markets Index	4.1	34.4	24.0	7.4	4.0
MSCI Hedged EAFE Foreign Stock Index	4.5	14.2	5.3	-3.7	7.4
SSB Non-U.S. World Gov't Bond	-2.7	7.7	11.0	7.9	4.8
Citigroup Non-US World Gov't Bond Hedged	3.2	9.2	5.5	6.0	7.9
Cash Equivalents:					
Treasury Bills (30-Day)	0.6%	1.7%	1.2%	2.2%	3.5%
EnnisKnupp STIF Index	0.6	2.1	1.7	2.8	4.2
Inflation Index					
Consumer Price Index	0.6%	2.5%	2.6%	2.4%	2.5%

APPENDIX II

Benchmark Descriptions

Second Quarter 2005

DESCRIPTION OF TERMS

- **Rank-** A representation of the percentile position of the performance of a given portfolio, relative to a universe of similar funds. For example, a rank of 25 for a given manager indicates outperformance by that manager of 75% of other funds in that same universe.
- **Universe-** A distribution of the returns achieved by a group of funds with similar investment objectives.
- **Ratio of Cumulative Wealth Graph-** An illustration of a portfolio's cumulative, unannualized performance relative to that of its benchmark. An upward sloping line indicates superior fund performance. Conversely, a downward sloping line indicates underperformance by the fund. A flat line is indicative of benchmark-like performance.
- **Risk-Return Graph-** The horizontal axis, annualized standard deviation, is a statistical measure of risk, or the volatility of returns. The vertical axis is the annualized rate of return. As most investors generally prefer less risk to more risk and always prefer greater returns, the upper left corner of the graph is the most attractive place to be. The line on this exhibit represents the risk and return tradeoffs associated with market portfolios or index funds.
- **Style Map-** This illustration represents the manager's style compared to that of the broadest stock index (the DJ Wilshire 5000). Any manager falling above the axis is referred to as large-cap and any manager falling below the axis is considered to be medium- to small-cap.
- **Performance Attribution-** A measure of the source of the deviation of a fund's performance from that of its benchmark. The analysis may be done for a total fund or a separate asset class. Each bar on the graph represents the contribution made by the manager (or asset class) to the total difference in performance (shown at the bottom of the exhibit). A positive value for a component indicates a positive contribution to the aggregate relative performance. A negative value indicates a detrimental impact. The magnitude of each component's contribution is a function (1) the performance of the component relative to its benchmark, and (2) the weight of the component in the aggregate.
- **Allocation Effect-** Allocation Effect is described as the impact that deviations from the Fund's stated policy weights had on the Total Fund's Performance.
- **Cash Flow Effect-** Cash Flow Effect is described as the impact that cash flows had on the Total Fund's performance.

Second Quarter 2005

DESCRIPTION OF BENCHMARKS

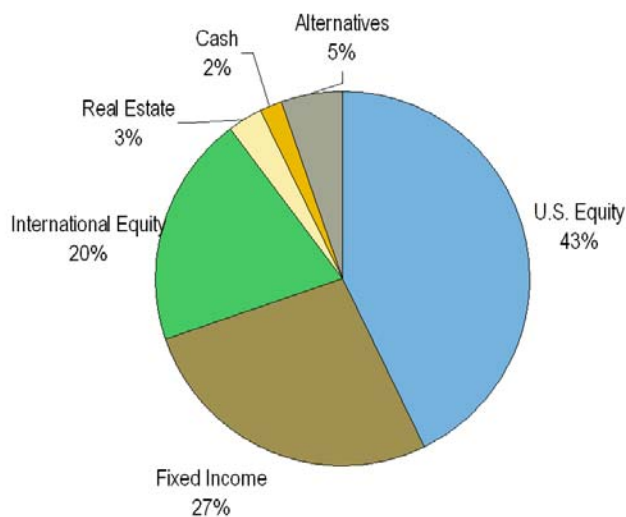
- Russell 3000 Stock Index- A capitalization-weighted stock index consisting of the 3,000 largest publicly traded U.S. stocks by capitalization. This index is a broad measure of the performance of the aggregate domestic equity market.
- Lehman Brothers Universal Bond Index - A market-value weighted index consisting of the Lehman Brothers Aggregate Bond Index as well as high-yield and emerging market securities. The Universal Bond Index is the broadest available measure of the aggregate U.S. fixed income market.
- MSCI Emerging Markets Free Index - A capitalization-weighted index of stocks representing 25 emerging country markets.
- MSCI All-Country World Ex-U.S. Free Index - A capitalization-weighted index of stocks representing 47 developed and emerging country markets, excluding the U.S. market.
- Real Estate Index- As of January 2003, a composite comprised of 90% NCREIF Property Index (net 100 basis points annually) and 10% Wilshire Real Estate Securities Index. Prior to January 2003, the benchmark was a composite of 60% NCREIF Property Index, 20% S&P 500 REIT Index and 20% Giliberto-Levy Real Estate Index.
- Policy Portfolio- A return based on a combination the U.S. equity performance benchmark, the international equity performance benchmark, the fixed income performance benchmark, the real estate performance benchmark and the venture capital performance benchmark.
- U.S. Equity- The performance benchmark was the S&P 500 from 1996 through 1999. From January, 1999 to January 2001 the S&P Super Composite was the performance benchmark. From January 2001 through December 2001, the performance benchmark is a combination of the S&P Super Composite and the Russell 3000 Index. The benchmark is the Russell 3000 Index as of January 1, 2002. Before 1996 the S&P 500 is shown as the benchmark.
- International Equity- From 1/1996 through 9/1998 the benchmark was the MSCI EAFE Index. From 10/1998 to the present, the benchmark represents the return generated by the MSCI All Country World Ex-U.S. Index.
- Fixed Income- Prior to January 1, 2002 the performance benchmark was the Salomon Brothers Broad Investment Grade Index. The performance benchmark is currently the the Lehman Brothers Universal Bond Index.
- Short Term- Historical benchmark Returns were provided to EnnisKnupp by OPERS Staff. The benchmark is the 91-day Treasury Bill.
- Private Equity- As of January 2002, the benchmark is the Russell 3000 Index plus 3% annually. Prior to that, the benchmark was the S&P 500 Index.
- S&P 500 Index- A capitalization weighted index representing the 500 largest publicly traded U.S. stocks.

DESCRIPTION OF UNIVERSES

Second Quarter 2005

- **U.S. Stock Universe-** The rankings of the various managers are within their appropriate size and style universe. The universes are provided to EnnisKnupp by Russell/Mellon Analytical Services.
- **Non-U.S. Equity Universe-** The rankings are based on a universe of 454 actively managed international stock portfolios with an aggregate market value of \$309.3 billion. The universe is created using data compiled by the Russell/Mellon Analytical Services.
- **Fixed Income Universe-** The rankings are based on a universe of 490 actively managed fixed income funds with an aggregate market value of \$403.5 billion. The universe is compiled by the Russell/Mellon Analytical Services.
- **Public Fund Universe-** The rankings are based on a universe of 69 public funds with an aggregate market value of \$796.4 billion. The universe is compiled by the Russell/Mellon Analytical Services.
- The chart below shows the asset allocation for the aggregate public fund as represented by the Russell/Mellon Public Fund Universe as of 06/30/2005.

Russell/Mellon Aggregate Public Fund as of 6/30/2005



Second Quarter 2005

- The AllianceBernstein U.S. equity portfolio's ranks are shown in a universe of large cap market oriented portfolios provided by Russell/Mellon Analytic Services. These managers do not exhibit a consistent preference for the types of companies emphasized in value or growth portfolios. There are 450 portfolios included in the universe.
- The Wellington U.S. equity portfolio's ranks are shown in a universe of large cap market oriented portfolios provided by Russell/Mellon Analytical Services. These managers do not exhibit a consistent preference for the types of companies emphasized in value or growth portfolios. There are 450 portfolios included in the universe.
- The JP Morgan U.S. equity portfolio's ranks are shown in a universe of large cap market oriented portfolios provided by Russell/Mellon Analytical Services. These managers do not exhibit a consistent preference for the types of companies emphasized in value or growth portfolios. There are 450 portfolios included in the universe.
- The Goldman Sachs U.S. equity portfolio's ranks are shown in a universe of large cap market oriented portfolios provided by Russell/Mellon Analytical Services. These managers do not exhibit a consistent preference for the types of companies emphasized in value or growth portfolios. There are 450 portfolios included in the universe.
- The Piedmont U.S. equity portfolio's ranks are shown in a universe of large cap market oriented portfolios provided by Russell/Mellon Analytical Services. These managers do not exhibit a consistent preference for the types of companies emphasized in value or growth portfolios. There are 450 portfolios included in the universe.
- The Fidelity U.S. equity portfolio's ranks are shown in a universe of similar small cap portfolios provided by Russell/Mellon Analytical Services. Managers included in this non-style specific universe focus on small capitalization stocks. These stocks may be unseasoned and rapidly growing, but sometimes simply are small businesses with long histories. Typical characteristics of small capitalization portfolios are below-market dividend yields, above-market betas, and high residual risk relative to broad market indexes. There are 307 participants in the universe.
- The Invesco U.S. equity portfolio's ranks are shown in a universe of similar small cap portfolios provided by Russell/Mellon Analytical Services. Managers included in this non-style specific universe focus on small capitalization stocks. These stocks may be unseasoned and rapidly growing, but sometimes simply are small businesses with long histories. Typical characteristics of small capitalization portfolios are below-market dividend yields, above-market betas, and high residual risk relative to broad market indexes. There are 307 participants in the universe.

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Second Quarter 2005

2005 Defined Benefit Rebalancing Targets

	Policy Allocation Target	Policy Range
U.S. Equity*	46.1%	+/- 3%
International Equity	20.0	+/- 3%
Global Bonds	26.0	+/- 3%
Real Estate	6.0	+/- 4%
Short Term	1.0	--
Private Equity*	0.9	+/- 3%

2005 Health Care Rebalancing Targets

	Policy Allocation Target	Policy Range
U.S. Equity	47.5%	+/- 3%
International Equity	22.0	+/- 3%
Global Bonds	22.0	+/- 3%
REITS	4.0	+/- 4%
Short Bonds	2.0	--
TIPS	2.5	+/- 3%

- The above target policy allocations are from the June 2005 OPERS Quarterly Report.

*Allocation to Private Equity will increase gradually, with a corresponding decrease in public market equities. The eventual target is a 4% allocation to private equity and 43% allocation to U.S. equity.

APPENDIX II

Second Quarter 2005

RETURN SUMMARY ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05		Since 12/31/95	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Total Fund (DB/HC)	2.19%	--	1.20%	--	10.46%	--	10.29%	--	3.57%	--	6.95%	--
Policy Portfolio	2.14	--	1.21	--	10.31	--	9.95	--	3.51	--	7.71	--
Public Fund Index	2.47	--	1.64	--	10.55	--	9.79	--	3.58	--	8.33	--
Domestic Equity (DB/HC)	2.37	47	0.17	45	8.18	53	9.65	46	-0.68	64	8.19	80
Performance Benchmark	2.25	58	-0.00	53	8.06	54	9.46	51	-0.96	70	9.77	32
International Equity (DB/HC)	0.07	36	0.23	40	16.58	23	13.85	28	0.43	48	6.02	--
Performance Benchmark	-0.24	50	0.00	45	16.47	24	13.63	30	0.42	48	5.73	--
Global Bonds (DB/HC)	3.23	19	2.92	18	8.11	25	7.06	30	7.94	29	6.65	30
Performance Benchmark	3.10	25	2.52	40	7.42	40	6.56	40	7.86	29	6.74	30
Real Estate (DB/HC)	4.60	--	4.53	--	14.02	--	10.62	--	10.92	--	10.55	--
Performance Benchmark	4.07	--	6.45	--	16.58	--	11.49	--	11.33	--	10.55	--
NCREIF NPI	5.34	--	9.04	--	18.02	--	12.08	--	10.63	--	11.63	--
Private Equity	0.80	--	15.22	--	21.83	--	15.94	--	3.36	--	--	--
Custom Benchmark	-1.45	--	9.35	--	10.35	--	6.90	--	-1.68	--	--	--
Short Term (DB/HC)	0.76	--	1.42	--	2.36	--	1.62	--	2.61	--	4.02	--
Performance Benchmark	0.71	--	1.29	--	2.12	--	1.53	--	2.58	--	3.84	--

Second Quarter 2005

RETURN SUMMARY
ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05		Since 12/31/95	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Domestic Equity	2.37%	47	0.17%	45	8.18%	53	9.65%	46	-0.68%	64	8.19%	80
Performance Benchmark	2.25	58	-0.00	53	8.06	54	9.46	51	-0.96	70	9.77	32
Internal Russell 3000 Fund	2.31	54	0.06	51	8.14	54	9.56	58	--	--	--	--
Russell 3000 Index	2.25	55	-0.00	53	8.06	54	9.46	59	--	--	--	--
Internal Research Portfolio	2.08	37	0.19	42	8.53	39	--	--	--	--	--	--
Russell 1000 Index	2.06	37	0.12	44	7.93	44	--	--	--	--	--	--
AllianceBernstein	4.07	10	0.41	39	6.56	55	9.36	36	--	--	--	--
Russell 1000 Index	2.06	37	0.12	44	7.93	44	9.19	39	--	--	--	--
Wellington	3.05	21	1.48	24	8.20	41	10.05	28	--	--	--	--
Russell 1000 Index	2.06	37	0.12	44	7.93	44	9.19	39	--	--	--	--
Fidelity	6.33	9	7.83	1	19.25	8	15.54	32	--	--	--	--
Russell 2000 Index	4.32	35	-1.25	68	9.45	59	12.81	61	--	--	--	--
Invesco	3.67	49	1.58	37	9.33	60	13.23	56	--	--	--	--
Russell 2000 Index	4.32	35	-1.25	68	9.45	59	12.81	61	--	--	--	--

Second Quarter 2005

RETURN SUMMARY
ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05		Since 7/31/96	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
International Equity (DB/HC)	0.07%	36	0.23%	40	16.58%	23	13.85%	28	0.43%	48	6.02%	--
Performance Benchmark	-0.24	50	0.00	45	16.47	24	13.63	30	0.42	48	5.73	--
Capital Guardian	-1.03	73	-1.76	75	11.34	76	10.90	54	-1.84	60	--	--
Performance Benchmark	-1.01	73	-1.17	60	15.10	32	13.18	29	0.32	47	--	--
J.P. Morgan Fleming	0.17	24	-0.17	37	16.11	23	--	--	--	--	--	--
MSCI All Country World ex-U.S. Index	-0.24	41	0.00	33	16.47	22	--	--	--	--	--	--
Walter Scott & Partners	0.03	29	-0.60	46	10.37	83	--	--	--	--	--	--
MSCI All Country World ex-U.S. Index	-0.24	41	0.00	33	16.47	22	--	--	--	--	--	--
Alliance Bernstein	0.19	24	0.69	23	19.21	9	--	--	--	--	--	--
MSCI All Country World ex-U.S. Index	-0.24	41	0.00	33	16.47	22	--	--	--	--	--	--
Brandes	-2.14	96	-3.33	96	11.63	71	16.29	8	6.44	7	--	--
MSCI All Country World ex-U.S. Index	-0.24	41	0.00	33	16.47	22	13.63	24	0.39	46	--	--
TT International	1.02	9	-0.87	49	10.86	79	10.23	59	-3.70	75	--	--
MSCI All Country World ex-U.S. Index	-0.24	41	0.00	33	16.47	22	13.63	24	0.39	46	--	--
Barclays Enhanced	-0.42	46	0.05	32	17.48	18	14.91	15	2.00	27	--	--
MSCI All Country World ex-U.S. Index	-0.24	41	0.00	33	16.47	22	13.63	24	0.39	46	--	--
Barclays Index	-0.10	36	0.12	32	16.64	21	13.92	22	0.91	40	--	--
MSCI All Country World ex-U.S. Index	-0.24	41	0.00	33	16.47	22	13.63	24	0.39	46	--	--
Baring	0.56	16	0.66	23	17.75	17	14.80	16	1.35	35	--	--
Performance Benchmark	-0.24	41	0.00	33	16.47	22	13.63	24	0.71	43	--	--
Lazard	4.84	31	7.19	31	37.80	32	26.74	35	11.72	18	--	--
MSCI Emerging Markets Index	4.12	53	6.00	48	34.38	59	24.04	58	7.37	73	--	--
The Boston Company	4.41	41	4.06	81	31.01	83	--	--	--	--	--	--
MSCI Emerging Markets Index	4.12	53	6.00	48	34.38	59	--	--	--	--	--	--
First State Investments (Babson)	4.21	49	5.42	60	31.18	82	22.90	70	--	--	--	--
MSCI Emerging Markets Index	4.12	53	6.00	48	34.38	59	24.04	58	--	--	--	--
Wellington Int. Small Cap	-0.02	--	3.61	--	12.80	--	--	--	--	--	--	--
MSCI World Ex-U.S. Small Cap Net	-0.00	--	4.13	--	20.48	--	--	--	--	--	--	--
Acadian Int. Small Cap	1.23	--	8.04	--	30.57	--	--	--	--	--	--	--
MSCI World Ex-U.S. Small Cap Net	-0.00	--	4.13	--	20.48	--	--	--	--	--	--	--

Second Quarter 2005

RETURN SUMMARY
ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05		Since 12/31/95	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Global Bonds	3.23%	19	2.92%	18	8.11%	25	7.06%	30	7.94%	29	6.65%	30
Performance Benchmark	3.10	25	2.52	40	7.42	40	6.56	40	7.86	29	6.74	30
Internal Global Bonds	3.06	10	2.84	5	7.26	5	6.24	32	7.46	34	6.40	40
LB Aggregate Bond Index	3.01	24	2.51	41	6.80	42	5.76	43	7.40	45	6.51	33
Passive High Yield	4.63	--	1.83	--	9.64	--	--	--	--	--	--	--
LB Corporate High-Yield	2.77	--	1.11	--	10.86	--	--	--	--	--	--	--
Capital Guardian	9.70	--	8.53	--	29.84	--	20.73	--	--	--	--	--
LB Emerging Markets Index	5.93	--	5.11	--	19.65	--	18.66	--	--	--	--	--
Citigroup	6.58	--	5.62	--	21.70	--	18.76	--	--	--	--	--
LB Emerging Markets Index	5.93	--	5.11	--	19.65	--	18.66	--	--	--	--	--
AFL CIO	3.27	6	4.36	3	7.39	20	--	--	--	--	--	--
LB Aggregate Bond Index	3.01	27	2.51	39	6.80	52	--	--	--	--	--	--
GoldenTree	-0.93	--	1.23	--	9.49	--	--	--	--	--	--	--
LB Corporate High-Yield	2.77	--	1.11	--	10.86	--	--	--	--	--	--	--
W.R. Huff	3.06	--	0.91	--	8.37	--	13.09	--	--	--	--	--
LB Corporate High-Yield	2.77	--	1.11	--	10.86	--	14.51	--	--	--	--	--
Shenkman	2.77	--	1.53	--	9.45	--	9.35	--	--	--	--	--
LB Corporate High-Yield	2.77	--	1.11	--	10.86	--	14.51	--	--	--	--	--
Smith Breeden	3.30	1	2.65	9	--	--	--	--	--	--	--	--
LB Aggregate Bond Index	3.01	27	2.51	39	--	--	--	--	--	--	--	--
Fidelity	3.03	27	2.60	24	--	--	--	--	--	--	--	--
LB Aggregate Bond Index	3.01	27	2.51	39	--	--	--	--	--	--	--	--

APPENDIX II

Second Quarter 2005

RETURN SUMMARY ENDING 6/30/05

	Second Quarter		Year-to-Date		1 Year Ending 6/30/05		3 Years Ending 6/30/05		5 Years Ending 6/30/05		Since 12/31/95	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Total Fund (DB)	2.13%	71	1.22%	63	10.48%	49	10.29%	43	3.58%	42	6.95%	97
Policy Portfolio (DB)	2.16	63	1.26	58	10.36	50	9.97	52	3.52	44	7.72	94
Public Fund Index	2.47	37	1.64	37	10.55	47	9.79	62	3.58	42	8.33	45
Domestic Equity (DB)	2.37	47	0.17	45	8.18	53	9.65	46	-0.68	64	8.19	80
Performance Benchmark	2.25	58	-0.00	53	8.06	54	9.46	51	-0.96	70	9.77	32
International Equity (DB)	0.01	40	0.23	40	16.58	23	13.85	28	0.43	48	6.02	--
Performance Benchmark	-0.24	50	0.00	45	16.47	24	13.63	30	0.42	48	5.73	--
Global Bonds (DB)	3.24	19	2.92	18	8.11	25	7.06	30	7.94	29	6.65	30
Performance Benchmark	3.10	25	2.52	40	7.42	40	6.56	40	7.86	29	6.74	30
Real Estate (DB)	1.95	--	3.66	--	13.08	--	10.31	--	10.74	--	10.46	--
Real Estate Benchmark (DB)	5.09	--	8.52	--	18.84	--	12.20	--	11.76	--	10.77	--
NCREIF NPI	5.34	--	9.04	--	18.02	--	12.08	--	10.63	--	11.63	--
REIT (DB)	14.91	--	7.54	--	--	--	--	--	--	--	--	--
DJ Wilshire RESI (Full Cap)	14.13	--	6.80	--	--	--	--	--	--	--	--	--
Private Equity	0.80	--	15.22	--	21.83	--	15.94	--	3.36	--	--	--
Custom Benchmark	-1.45	--	9.35	--	10.35	--	6.90	--	-1.68	--	--	--
Cash Equivalents (DB)	0.76	--	1.42	--	2.36	--	1.63	--	2.61	--	4.02	--
Performance Benchmark	0.71	--	1.29	--	2.12	--	1.53	--	2.58	--	3.84	--
Stable Value (DB)	1.03	--	2.08	--	--	--	--	--	--	--	--	--
LB 90-Day Treasury Bill	0.71	--	1.28	--	--	--	--	--	--	--	--	--

 Second Quarter 2005

 RETURN SUMMARY
 ENDING 6/30/05

	Second Quarter	Year-to-Date
Total Fund (HC)	2.46%	1.10%
Health Care Benchmark	2.36	0.97
Domestic Equity (HC)	2.38	0.17
Russell 3000 Index	2.25	-0.00
International Equity (HC)	0.02	0.22
MSCI All Country World ex-U.S. Index	-0.24	0.00
Global Bonds (HC)	3.24	2.91
Lehman Brothers Universal	3.10	2.51
REIT (HC)	14.92	7.56
DJ Wilshire RESI (Full Cap)	14.13	6.80
Cash Equivalents (HC)	0.85	1.59
LB 90-Day Treasury Bill	0.71	1.28
TIPS (HC)	3.05	--
Lehman Brothers Inflation Index	3.05	--
Short Duration (HC)	1.19	--
Lehman Brothers 1-3 Yr Gov't	1.20	--

APPENDIX II

Second Quarter 2005

RETURN SUMMARY ENDING 6/30/05

	Second Quarter	Year-to-Date	1 Year Ending 6/30/05	3 Years Ending 6/30/05	5 Years Ending 6/30/05
Core Stable Value	1.03%	2.06%	4.19%	4.22%	4.99%
Stable Value Custom Benchmark	1.20	2.41	4.82	5.00	5.50
Core Bond	3.16	2.61	7.26	6.70	8.09
Lehman Brothers Universal	3.10	2.51	7.42	6.56	7.62
Core Stock Index	2.22	-0.02	8.04	9.45	-1.37
Russell 3000 Index	2.25	-0.00	8.06	9.46	-1.36
Core Large Cap	2.54	0.97	7.83	9.34	-0.43
Russell 1000 Index	2.06	0.12	7.93	9.19	-1.89
Core Small Cap	3.92	-0.02	7.86	11.33	2.95
Russell 2000 Index	4.32	-1.25	9.45	12.81	5.70
Core International	-0.77	-1.13	11.93	10.60	-1.48
MSCI All Country World ex-U.S. Index	-0.24	0.00	16.47	13.63	0.39
Conservative Asset Allocation	2.06	1.65	6.61	7.09	4.71
Conservative Benchmark	1.95	1.35	6.29	6.17	3.70
Moderate Asset Allocation	1.99	0.92	7.54	8.47	2.59
Moderate Benchmark	1.96	0.78	7.73	8.09	1.98
Aggressive Asset Allocation	1.97	0.50	8.11	9.31	1.18
Aggressive Benchmark	2.00	0.34	8.86	9.48	1.03

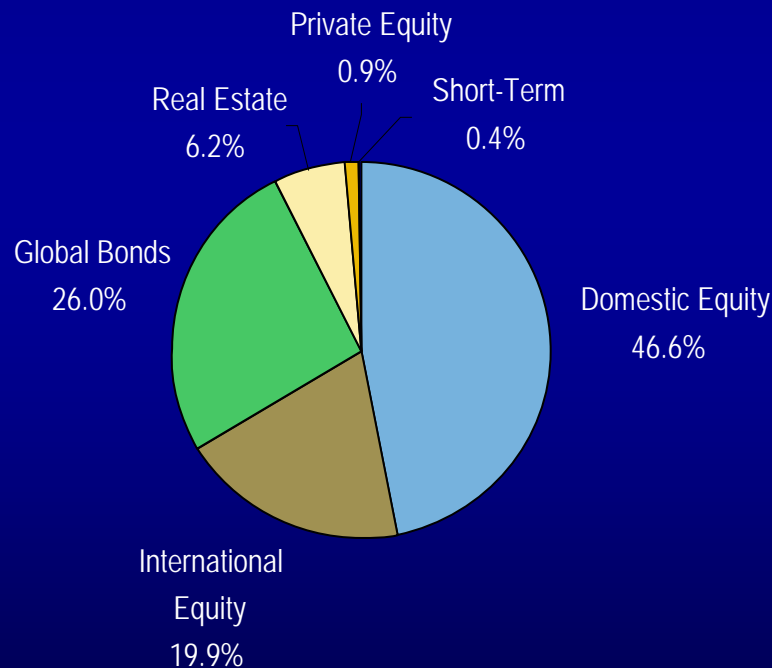
Performance Summary: Second Quarter 2005

September 14, 2005

Brady O'Connell, CFA

Defined Benefit Market Value as of 6/30/05

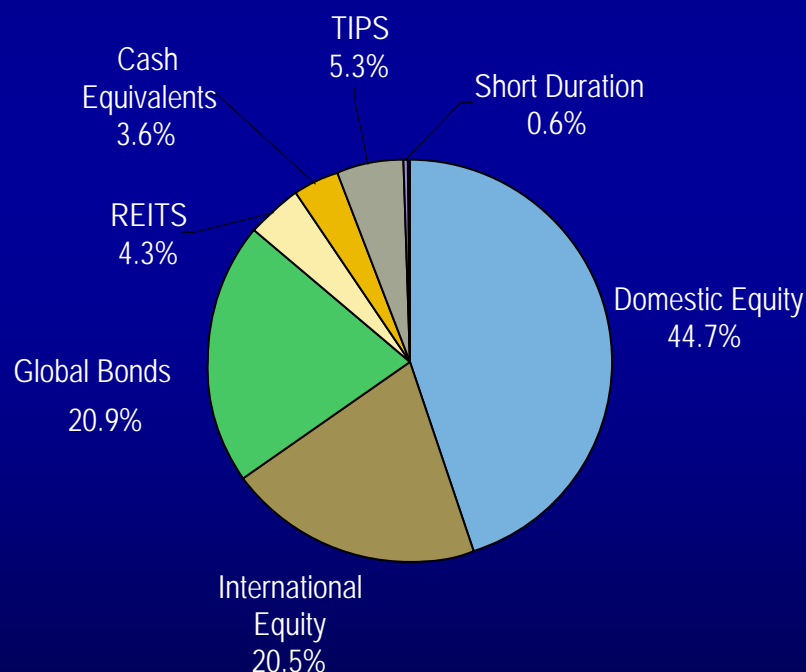
- OPERS Defined Benefit Plan totaled \$53.7 billion at the end of the second quarter of 2005.
- Above-target allocations to Domestic Equity and Real Estate were offset by underweight allocations to International Equity and Short Term assets.



Asset Class	Actual	Target	Difference
Domestic Equity	46.6%	46.1%	+0.5
International Equity	19.9	20.0	-0.1
Global Bonds	26.0	26.0	--
Real Estate	6.2	6.0	+0.2
Private Equity	0.9	0.9	--
Short-Term	0.4	1.0	-0.6

Health Care Market Value as of 6/30/05

- OPERS Health Care Plan totaled \$11.3 billion at the end of the second quarter of 2005.
- Overweight allocations to REITs, TIPS, and Short Term were offset by below-target allocations to Domestic Equity, International Equity, and Global Bonds.



Asset Class	Actual	Target	Difference
Domestic Equity	44.7%	47.5%	-2.8
International Equity	20.5	22.0	-1.5
Global Bonds	20.9	22.0	-1.1
REITs	4.3	4.0	+0.3
TIPS	5.3	2.5	+2.8
Short-Term	4.2	2.0	+2.2

DB Performance Ending 6/30/05

	Second Quarter	Year-to- Date	One- Year	Three- Years	Five- Years	Since 12/31/95
Total Fund (DB)	2.1%	1.2%	10.5%	10.3%	3.6%	7.0%
Performance Benchmark	2.2	1.3	10.4	10.0	3.5	7.7
<i>Difference</i>	<i>-0.1</i>	<i>-0.1</i>	<i>+0.1</i>	<i>+0.3</i>	<i>+0.1</i>	<i>-0.7</i>

- Moderate underperformance was experienced during the second quarter and year-to-date periods. Results compared favorably over the one-, three-, and five-year periods. Please note that the performance beyond the first quarter of 2005 is that of the combined assets.

DB Fund Performance Ending 6/30/05

Russell Mellon Public Funds Universe > 1 Billion
 Periods Ending 6/30/05



HC Performance Ending 6/30/05

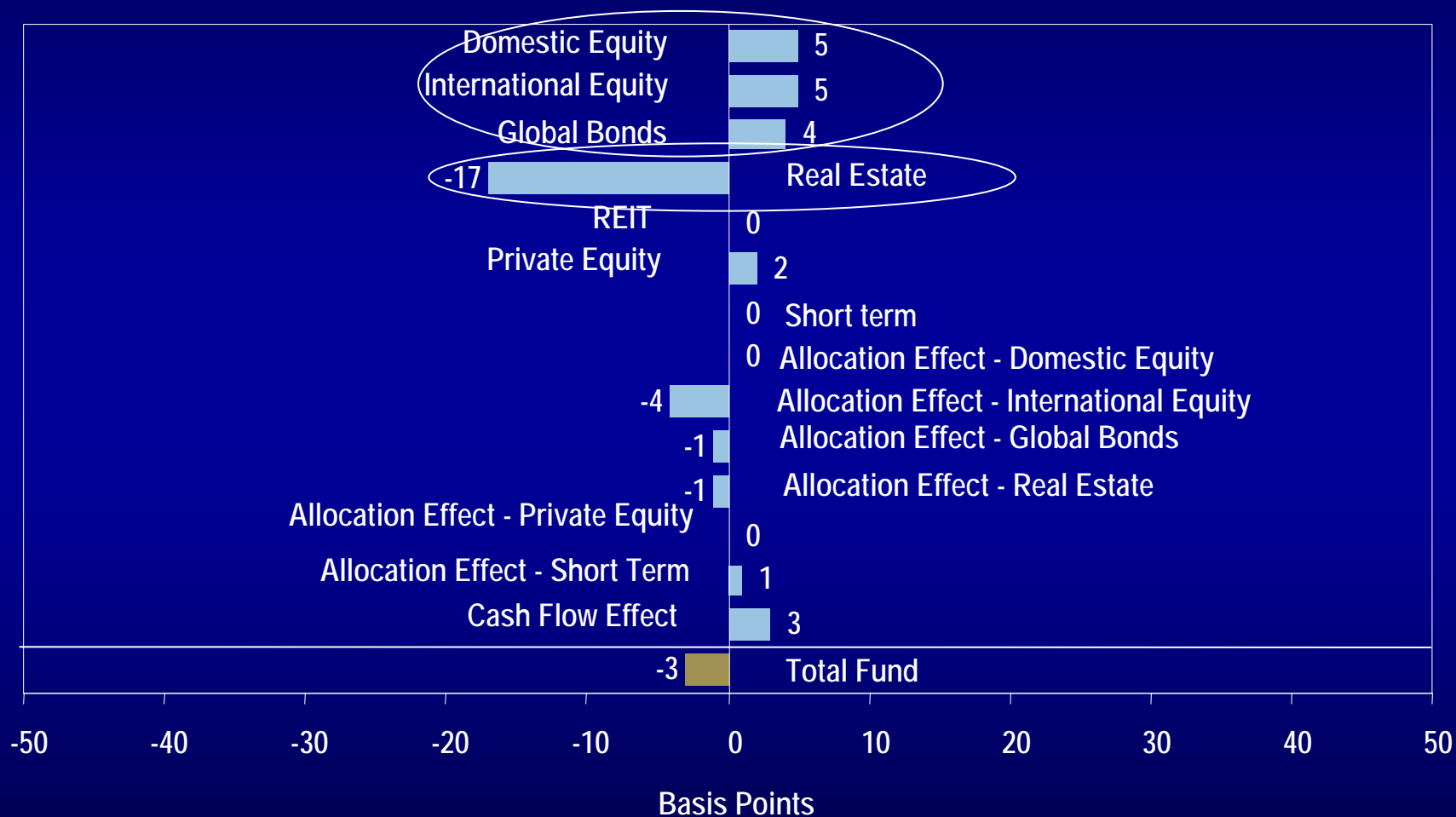
	Second Quarter	Since Inception (12/31/04)
Total Fund (HC)	2.5%	1.1%
Health Care Performance Benchmark	2.4	1.0
<i>Difference</i>	<i>+0.1</i>	<i>+0.1</i>

- The Health Care assets outperformed the performance benchmark over the quarter and since inception periods. A distinct investment policy was developed as of the first quarter 2005.

DB Second Quarter Performance Attribution

Defined Benefit Plan Attribution Analysis

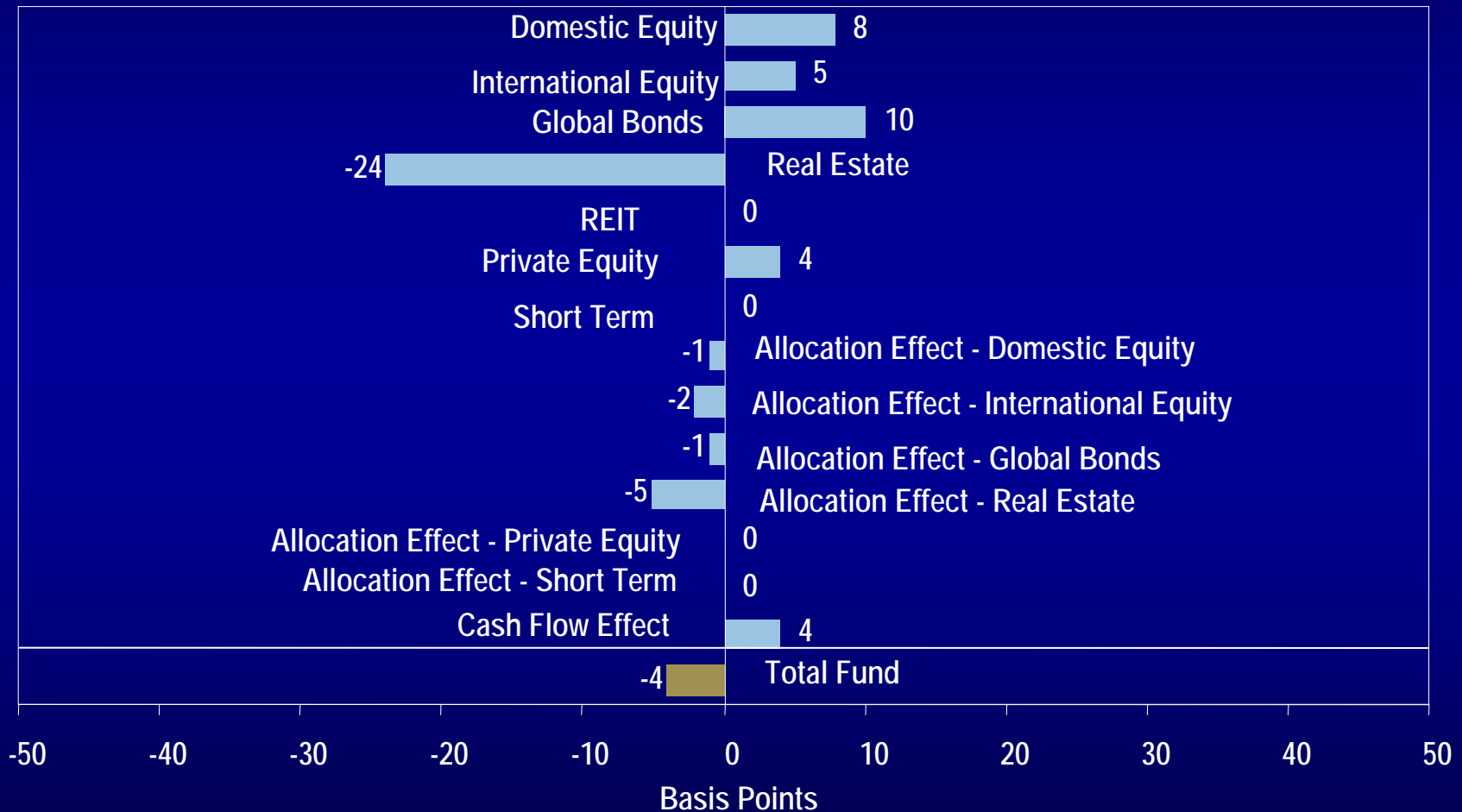
3 Months Ending 6/30/05



DB Year-to-Date Performance Attribution

Defined Benefit Plan Attribution Analysis

6 Months Ending 6/30/05



Defined Benefit Overview

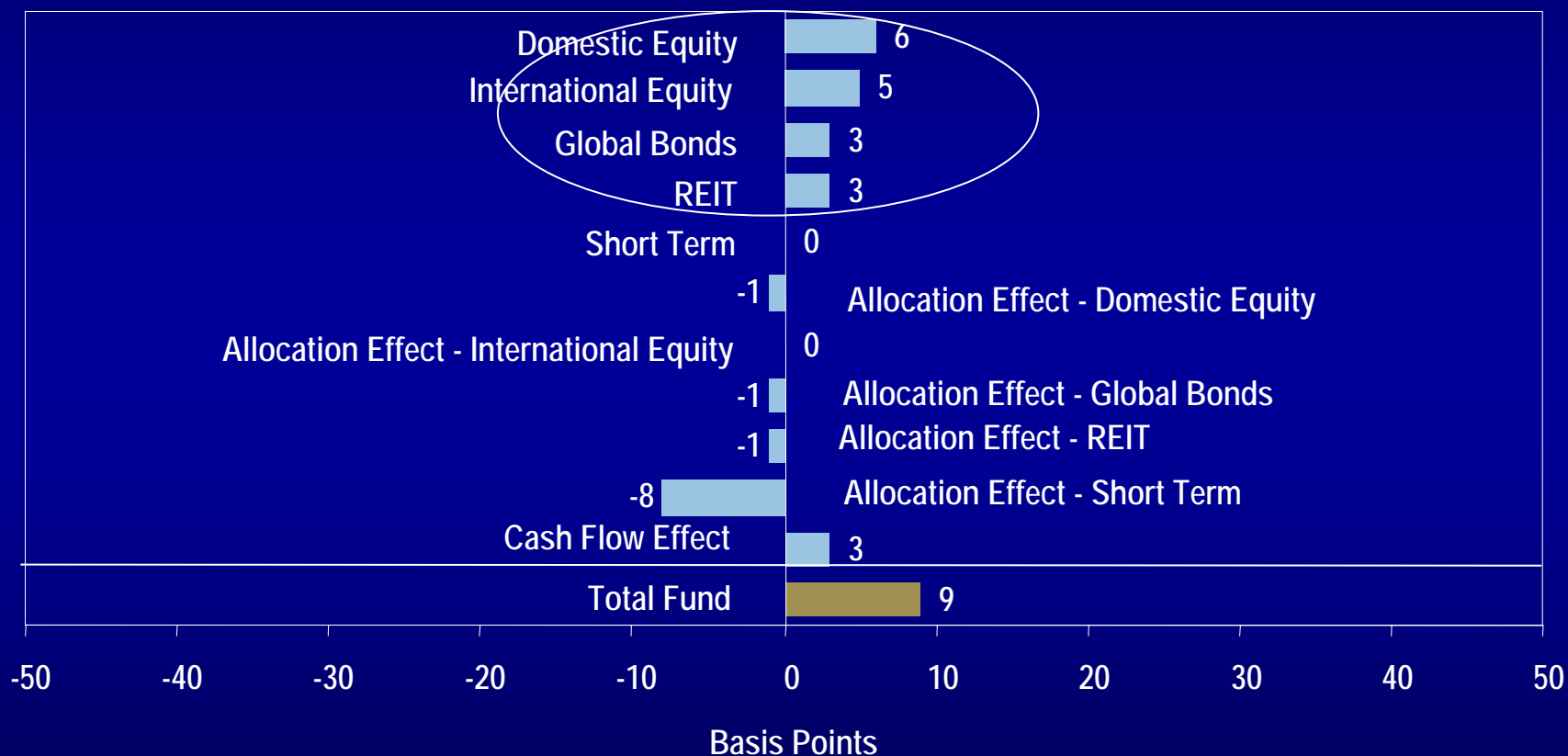
	Second Quarter	Year-to-Date	One-Year	Three-Years	Five-Years	Since 12/31/95
Domestic Equity	2.4%	0.2%	8.2%	9.7%	-0.7%	8.2%
Performance Benchmark	2.3	0.0	8.1	9.5	-1.0	9.8
International Equity	0.0	0.2	16.6	13.8	0.4	6.0
International Benchmark	-0.2	0.0	16.5	13.6	0.4	5.7
Global Bonds	3.2	2.9	8.1	7.1	7.9	6.7
Performance Benchmark	3.1	2.5	7.4	6.6	7.9	6.7
Real Estate	1.9	3.7	13.1	10.3	10.7	10.5
Performance Benchmark	5.1	8.5	18.8	12.2	11.8	10.8
REITS	14.9	7.5	--	--	--	--
DJ Wilshire RESI (Full Cap)	14.1	6.8	--	--	--	--
Private Equity ¹	0.8	15.2	21.8	15.9	3.4	--
Performance Benchmark	-1.5	9.4	10.3	6.9	-1.7	--
Cash Equivalents	0.8	1.4	2.4	1.6	2.6	4.0
Performance Benchmark	0.7	1.3	2.1	1.5	2.6	3.8
Stable Value	1.0	2.1	--	--	--	--
Performance Benchmark	0.7	1.3	--	--	--	--

[1] The Private Equity return and that of its benchmark are shown on a one-quarter lag.

HC Second Quarter Performance Attribution

Health Care Plan Attribution Analysis

3 Months Ending 6/30/05



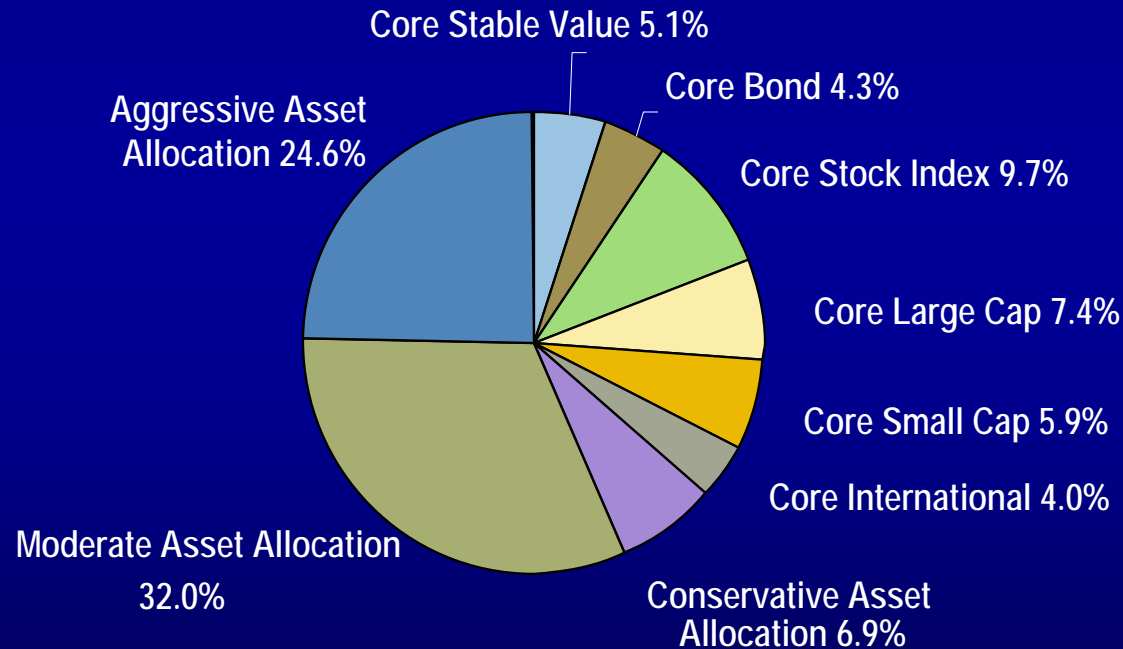
Health Care Overview

	Second Quarter	Since Inception
Domestic Equity	2.4%	0.2%
Performance Benchmark	2.2	0.0
International Equity	0.0	0.2
International Benchmark	-0.2	0.0
Global Bonds	3.2	2.9
Performance Benchmark	3.1	2.5
REITS	14.9	7.6
DJ Wilshire RESI (Full Cap)	14.1	6.8
Cash Equivalents	0.9	1.6
LB 90-Day Treasury Bill	0.7	1.3
TIPS	3.1	3.3
LB Inflation Index	3.0	3.1
Short Duration	1.2	1.0
LB 1-3 Year Gov.	1.2	1.2

Defined Contribution Market Value as of 6/30/05

- OPERS Defined Contribution Plan totaled \$95.8 million at the end of the second quarter of 2005.

Defined Contribution Plan
Asset Allocation as of 6/30/05



Defined Contribution¹ Overview

	Second Quarter	Year-to-Date	One-Year	Three-Years ¹	Five-Years ¹
Core Stable Value	1.0%	2.1%	4.2%	4.2%	5.0%
Stable Value Custom Benchmark	1.2	2.4	4.8	5.0	5.5
Core Bond	3.2	2.6	7.3	6.7	8.1
Lehman Brothers Universal Index	3.1	2.5	7.4	6.6	7.6
Core Stock Index	2.2	0.0	8.0	9.4	-1.4
Russell 3000 Index	2.2	0.0	8.1	9.5	-1.4
Core Large Cap	2.5	1.0	7.8	9.3	-0.4
Russell 1000 Index	2.1	0.1	7.9	9.2	-1.9
Core Small Cap	3.9	0.0	7.9	11.3	2.9
Russell 2000 Index	4.3	-1.2	9.5	12.8	5.7
Core International	-0.8	-1.1	11.9	10.6	-1.5
MSCI All Country World ex-U.S. Index	-0.2	0.0	16.5	13.6	0.4
Conservative Asset Allocation	2.1	1.6	6.6	7.1	4.7
Conservative Benchmark	1.9	1.4	6.3	6.2	3.7
Moderate Asset Allocation	2.0	0.9	7.5	8.5	2.6
Moderate Benchmark	2.0	0.8	7.7	8.1	2.0
Aggressive Asset Allocation	2.0	0.5	8.1	9.3	1.2
Aggressive Benchmark	2.0	0.3	8.9	9.5	1.0

[1] The DC Plan has ten quarters of actual performance as of June 30, 2005. All historical performance shown is based on composite returns of the underlying managers.

Observations

Domestic Equity:

Wellington, AllianceBernstein, and Fidelity performed well during the quarter. The Internal Research Portfolio matched the return of the benchmark while Invesco underperformed.

The stock-based enhanced equity managers were funded during the second quarter.

Capital Guardian was terminated at the beginning of the quarter.

International Equity:

Active management continued to perform poorly within the overall universe of international equity managers as the MSCI All Country World Ex-U.S. Index ranked 22nd and 24th in the actively managed universe over the one- and three-year periods, respectively

Contributing the most to the outperformance included AllianceBernstein, Baring, TT International, and Acadian.

Brandes again experienced significant underperformance during the quarter. BGI's enhanced portfolio also detracted during the quarter.

Observations Continued

Global Bonds:

Strong relative returns by the Internal portfolio, Capital Guardian, and Smith Breeden led to the outperformance at the asset class level.

GoldenTree significantly underperformed its benchmark, detracting from the quarter's result.

Clarion was hired at the end of the second quarter as a CMBS manager.

Real Estate:

Second quarter return of 1.9% lagged that of the performance benchmark

Strong absolute returns over the longer time periods

Private Equity:

Strong performance on time-weighted basis; exposure still being built

Allocation:

Allocation differences between the Policy and the Fund hindered performance during the quarter and year-to-date periods.