


# The Investment Profile Page User's Guide

This guide will help you use the Morningstar Investment Profile to your advantage. For more information about each investment, we recommend you read the prospectus before investing.


Release Date: 12-31-2008

## OPERS Stock Index Fund

**1 Overall Morningstar Rating**

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**Benchmark**  
Russell 1000 TR USD

**Investment Strategy**  
The investment seeks to provide long-term growth of capital. The fund seeks to match the Russell 3000® Index. The fund invests in the common stock of the largest 3,000 companies in the United States as defined by the Russell 3000® Index. These companies should reflect the economic condition of the United States and offer the opportunity to participate in its potential growth, without active investment manager risk. The fund may experience significant fluctuation of returns including large negative returns, especially over short time periods.

**Category Description: Large Blend**  
Large-blend funds have portfolios that are fairly representative of the overall stock market in size, growth rates, and price. They tend to invest across the spectrum of U.S. industries and owing to their broad exposure, the funds' returns are often similar to those of the S&P 500 Index.

**Volatility Analysis**  
In the past, this investment has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio makeups or investment strategies.

**Operations**  
Expense Ratio: 0.03% of fund assets  
Fund Inception Date: 12-31-02  
Total Fund Assets(\$mil): 18.54

**Notes**  
You should review the Investment Options Disclosures document before making any investment decisions. The Morningstar Rating that is reflected on this page is hypothetical. The Rating is considered hypothetical because Morningstar does not independently analyze the custom fund universe. Rather the Rating is assigned to the custom fund universe as a means to compare the institutional funds with the universe of mutual funds that Morningstar rates.

**Overall Morningstar Rating™**  
★★★  
Rated against 1748 Large Blend funds. An investment's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for details.

**Morningstar Return**  
Average

**Morningstar Risk**  
Average

**Performance**

YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Fund Return %	Benchmark Return %	Category Average %	Morningstar Rating™	# of Funds in Category
-37.17	-37.17	-8.56	-1.90	-0.79	1.25	—	—	—	—	—
-37.60	-37.60	-8.66	-2.04	-1.09	—	—	—	—	—	—
-37.79	-37.79	-9.03	-2.47	-0.84	—	—	—	—	—	—
—	—	★★★	★★★	★★★	—	—	—	—	—	—
—	—	1748	1365	683	—	—	—	—	—	—

**Growth of \$10,000** as of 12-31-08

**Portfolio Analysis** as of 12-31-08

**Composition** as of 12-31-08

Asset Class	% Assets
U.S. Stocks	99.5
Non-U.S. Stocks	0.3
Bonds	0.2
Cash	0.0
Other	0.0

**Morningstar Style Box™** as of 12-31-08

Style	% Mkt Cap
Giant	40.38
Large	31.14
Medium	19.88
Small	6.60
Micro	2.01

**Morningstar Sectors** as of 12-31-08

Sector	Fund%	S&P 500%
Information	18.68	19.44
Software	4.15	3.92
Hardware	8.53	9.03
Media	2.48	2.66
Telecommunication	3.52	3.83
Service	43.16	41.05
Healthcare Service	14.44	14.80
Consumer Service	8.13	8.02
Business Service	5.87	4.97
Financial Service	14.72	13.26
Manufacturing	38.17	39.50
Consumer Goods	9.84	10.52
Industrial Materials	11.84	11.46
Energy	12.18	13.46
Utilities	4.31	4.06

**Top 10 Holdings** as of 12-31-08

Company	% Assets
ExxonMobil Corporation	4.37
Procter & Gamble Company	1.93
AT&T, Inc.	1.76
General Electric Company	1.76
Johnson & Johnson	1.75
Microsoft Corporation	1.62
Chevron Corporation	1.58
Wal-Mart Stores, Inc.	1.30
Pfizer Inc.	1.24
J.P. Morgan Chase & Co.	1.21

Total Number of Stock Holdings: 2362  
Total Number of Bond Holdings: 1  
Annual Turnover Ratio: 4

**7 Performance**


**8 Composition**

**9 Morningstar Style Box**

**10 Morningstar Sectors**

**11 Top 10 Holdings**

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**1 Morningstar Rating™** See “How to Use the Morningstar Rating.”

**2 Investment Strategy** For mutual funds and variable annuity/life products, this is a summary of the Investment Objectives and Policy section found in every prospectus. It states the objective of the fund and how the manager(s) intend to invest to achieve this objective. It includes any limitations to the fund’s investment policies, as well as any share class structure differences, previous names, mergers, liquidation, and opening and closing information. For separate accounts, the investment strategy is typically written by the asset manager.

**3 Category Description** Morningstar assigns each investment option to one category, based on the stocks and bonds that have found their way into the portfolio over the past three years. Here, we describe that category.

**4 Volatility Analysis** We classify investment portfolios as having one of three volatility levels relative to all types of mutual funds: Low, Moderate, and High. Investments with wider ranges of returns are labeled “high,” as they are considered riskier than “low” volatility investments, which have had smaller ranges of returns. We also show where the portfolio’s category lands. For portfolios that haven’t been in existence for three years, we simply show the category average.

**5 Operations** Find out where to write or call for more information, along with the name of the person who determines which stocks or bonds belong in the investment portfolio (the “portfolio manager”) and how long that manager has been working on the portfolio.

*Expense Ratio:* The amount of money taken out of your account each year to pay for the operation and management of an investment portfolio, expressed as a percentage.

How much is too much? The average stock fund charges 1.4%, while the average bond fund charges 0.75%. In general, the lower the expense ratio the better.

**6 Notes** Important disclosure and reference information.

**7 Performance** The investment’s total return is shown for the preceding year, as well as the average annualized return for the past three, five, and 10 years. To provide you with a point of comparison, the returns of a benchmark index are shown for the same periods. Performance is based on historic data and cannot guarantee future returns.

**8 Composition** See “How to Use Morningstar’s Composition Graphics”.

**9 Morningstar Style Box™** See “How to Use the Morningstar Style Box.”

**10 Morningstar Sectors** Morningstar determines how much of each stock portfolio is held in each of Morningstar’s 12 major industrial sectors, which roll up into three broader categories. A portfolio with 25% or more of assets in any one sector is almost certainly taking on more risk than a portfolio that spreads itself more evenly among sectors.

*Credit Analysis (Fixed Income only)*

For corporate-bond and municipal-bond funds, the credit analysis depicts the quality of US and non-US bonds in the fund’s portfolio. The analysis reveals the percentage of fixed-income securities that fall within each credit-quality rating as assigned by Standard & Poor’s or Moody’s. At the top of the ratings are AAA bonds. Bonds with a BBB rating are the lowest bonds that are still considered to be of investment grade.

Bonds that are rated at or lower than BB (often called junk bonds or high-yield bonds) are considered to be quite speculative. (For municipal bonds, ratings BBB and below

are considered speculative). Any bonds that appear in the NR/NA category are either not rated by Standard & Poor’s or Moody’s, or did not have a rating available.

*Morningstar World Regions (International only)*

This data set provides a breakdown of the geographical exposure of a fund’s stock assets. Regional exposure summarizes a portfolio’s exposure to geopolitical risk, and it also provides a reference point for understanding fund returns. Morningstar Categories are assigned based on three years of regional exposure.

**11 Top Ten Holdings** The top holdings are the stocks or bonds with the most influence on a portfolio’s returns. Conservative portfolios typically devote no more than 3% to 4% of their assets to any one stock or bond. More daring portfolios may devote 7% or more to one stock. Add up the weighting of the top five holdings for another measure of risk. A conservative option generally bets 15% or less on the top 5 holdings, while a portfolio with more than 25% in the top five may be considered aggressive.

# How to Use the Morningstar Style Box™

The Morningstar Style Box is a visual tool that helps investors see past confusing fund names and descriptions to better understand the “investment style” of stocks and mutual funds.

We assign each investment into one of our nine Style Box squares by analyzing its portfolio and determining the best fit.

### Things to Remember About the Morningstar Style Box

Risk increases as you move down and to the right of the Morningstar Style Box. Don't put all your eggs in one basket. The returns of investments from different parts of the Morningstar Style Box probably

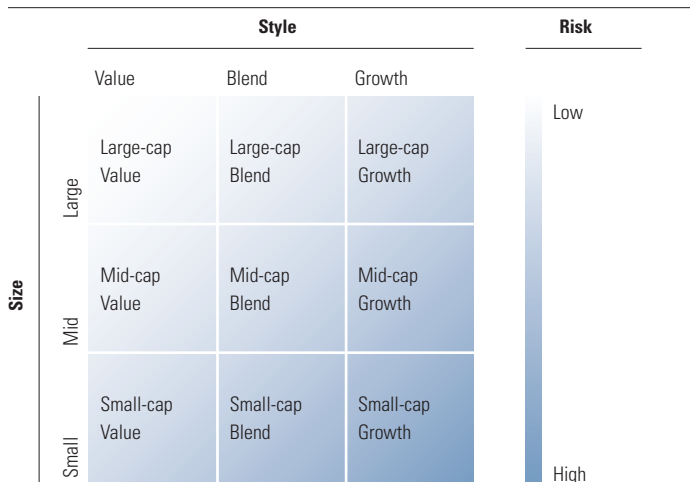
won't move in the same direction at the same time. By combining investments from different parts of the Morningstar Style Box, your portfolio's overall returns will likely be more stable.

### What the Morningstar Style Box Does

It paints a picture of what's in an investment's portfolio. Are the companies large or small? Are the stocks cheap or expensive? Do the bonds have long or short maturities? Are they of high or low quality?

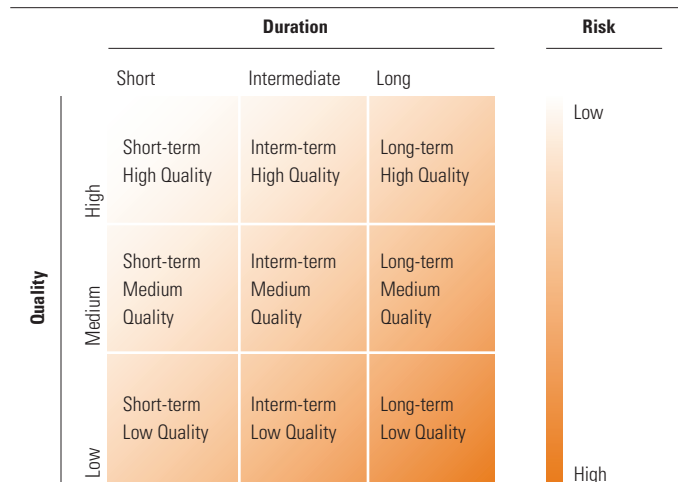
The Morningstar Style Box also provides a basis for our domestic stock fund categories. Similar investments are categorized together, then rated on their ability to balance risk and reward relative to other investments in that same, fairly narrow category. III

## Morningstar Equity Style Box



Within the stock grid, nine possible combinations exist, ranging from large-cap value for the safest investments to small-cap growth for the riskiest.

## Morningstar Fixed-Income Style Box



Within the bond grid, nine possible combinations exist, ranging from short duration or maturity/high quality for the safest investments to long duration or maturity/low quality for the riskiest.

## How to Use the Morningstar Rating™

The Morningstar Rating is a useful tool for identifying investments worthy of further research, but it's not the only thing to consider.

The Morningstar Rating, commonly called the "star rating," tells you how well an investment has performed relative to similar offerings after adjusting for all costs and risk. It rates investments from one to five stars, with the best performers receiving five stars and the worst performers receiving a single star.

The star rating is best used as an initial screen to identify investments worthy of further research, those that have performed well relative to their peers. It's a strictly quantitative measure—a high rating doesn't imply the

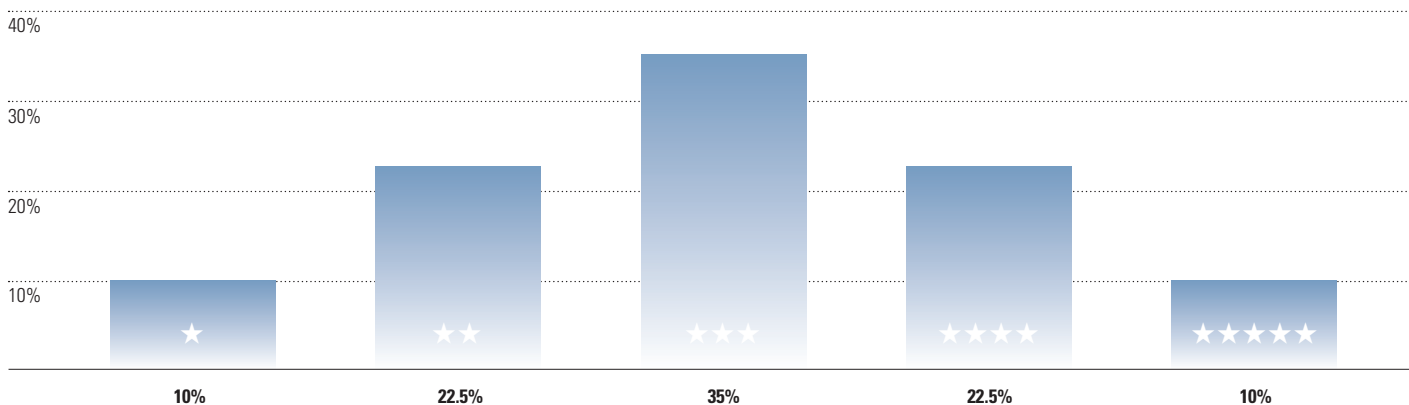
approval or endorsement of a Morningstar analyst. Keep in mind that the rating is based solely on historical performance, and a highly rated offering may no longer have the portfolio manager responsible for that performance. Or—conversely—a lower-rated or non-rated offering might now employ a manager who produced excellent results with other managed investment products.

Also, because ratings are based on performance within specific categories, it's important to note that not all five-star offerings are equal or even interchangeable.

A five-star sector fund, for example, might have the best risk-adjusted return within its specific category, but it's probably far riskier than a highly rated diversified offering. Rather than choosing investments according to their ratings, investors should first decide on an overall portfolio strategy and then seek the best investments for each portion of their portfolio. The Morningstar Rating can then be used to identify possible candidates, but you should never make a buy or sell decision based solely on the rating. ■■

### Morningstar Rating

■ Percent of all rated investments



The Morningstar Rating is based on risk-adjusted return, which is calculated by subtracting a risk penalty from total return, after accounting for all sales charges, loads, and redemption fees. The penalty is determined by the amount of variation in monthly returns, with an emphasis on downward variation. The greater the variation, the larger the penalty. Investments are ranked within their Morningstar Categories by their risk-adjusted return and assigned stars using the following distribution: the top 10% receive five stars, the next 22.5% four stars, the middle 35% three stars, the next 22.5% two stars, and the bottom 10% receive one star. Ratings are calculated for up to three time periods—three-, five-, and 10 years—and combined to produce an overall rating. Investments with less than three years of performance history are not rated.

# How to Use Morningstar's Composition Graphics

Morningstar's Composition graphics are tools that visually break down how a fund's assets are invested.

Morningstar allocates stocks into one of five asset classes: U.S. Stocks, Non-U.S. Stocks, Bonds, Cash and Other. For each of these asset classes, Morningstar calculates portfolio statistics on the long and short positions and displays long, short, and net (long minus short) statistics as appropriate. Calculations are run on the most-recent portfolio available.

### Asset Allocation

- ▶ The U.S. Stock data point indicates the percentage of the fund's assets devoted to U.S.-domiciled equity investments.
- ▶ The Non-U.S. Stock data point reflects only the percentage of a portfolio's equity investments that are domiciled outside the United States.
- ▶ The Bond data point identifies the percentage of the fund's assets held in bonds and bond exposure gained from derivatives. Bonds include everything from government notes to high-yield corporate bonds.

- ▶ The Cash data point identifies the percentage of the fund's assets held in cash. Cash encompasses both actual cash and cash equivalents (fixed-income securities with a maturity of one year or less) held by the portfolio plus receivables minus payables.
- ▶ Lastly, the Other data point includes positions in preferred stocks (equity securities that pay dividends at a specific rate) as well as convertible bonds and convertible preferreds. Derivatives and unidentified holdings are also grouped in this asset class.

### Using the Bar Chart

The x-axis of this chart represents the percentage each investment group holds, with the y-axis representing a zero value. Values to the right of the y-axis represent positive, or "long", security positions, while values to the left of the y-axis represent negative, or "short", security positions. The table to the right of the bar chart sums these two values to present the "net" emphasis of each investment group.

For example, a bar representing Cash Allocations that extends left of the y-axis indicates negative percentages of cash in which the portfolio is leveraged, meaning it has borrowed against its own assets to buy more securities or that it has used other techniques to gain more than 100% exposure to the market.

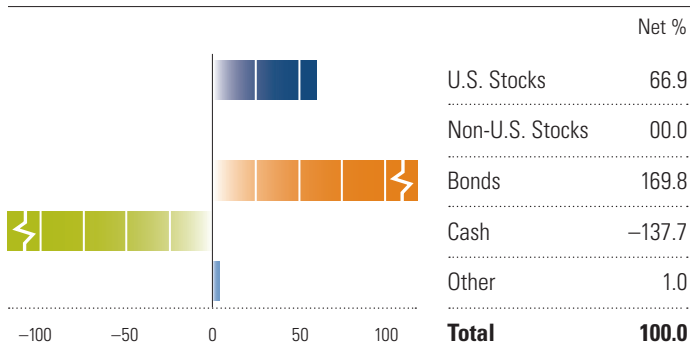
### Over 100%

Long or short positions in any asset class that are greater than 100% are indicated by a line break.

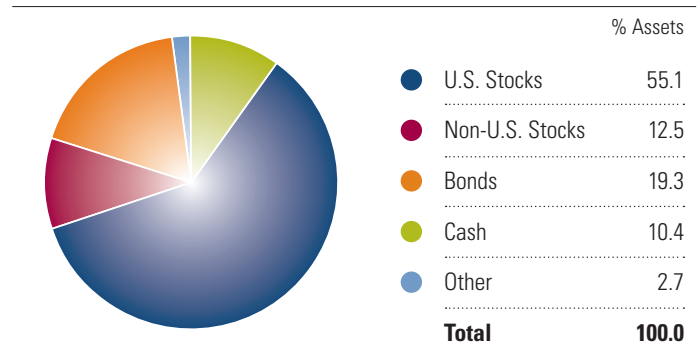
### Where are the Shorts?

Sometimes the amount of shorts in a portfolio is so small the bar chart cannot visually represent the miniscule amount. For example, if a portfolio has a -0.01% position in Cash, the bar chart appears, though the green to the left of the y-axis may not be visible. ■■■

## When Do We Use the Bar Chart or the Pie Graph?



Morningstar Investment Profiles and Guides display a horizontal bar chart when a fund's portfolio contains short and derivative positions of which the net sum, including any offsetting long positions in that asset class, is greater or less than 100%.



When a fund's portfolio takes only long positions in securities, we represent the portfolio's asset allocation in a pie graph that sums to 100%.