

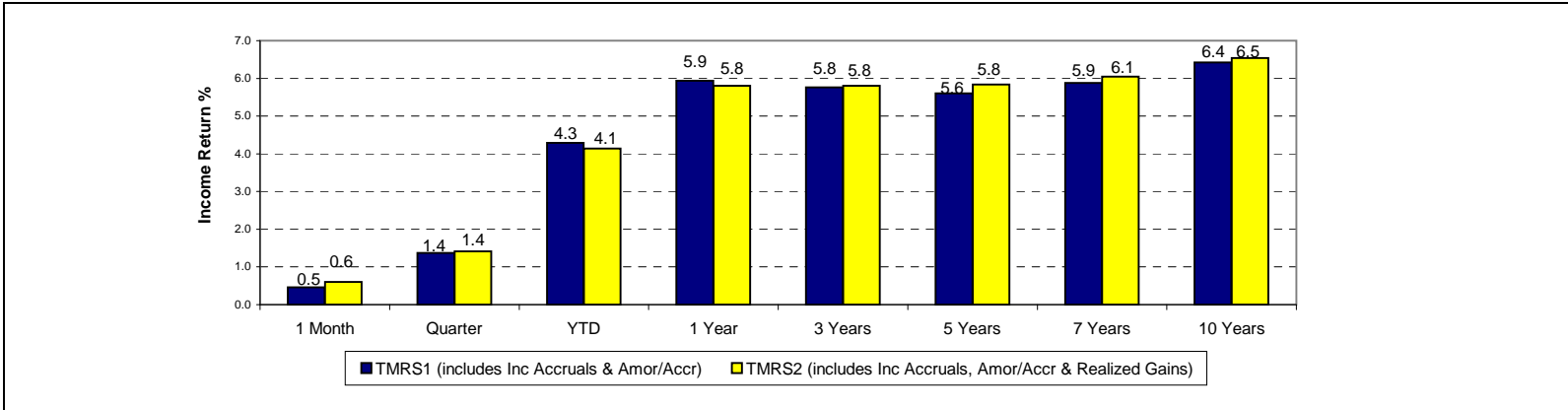


PERFORMANCE SUMMARY

As of September 30, 2008

TMRS Income Rate of Return

	<u>1 Month</u>	<u>Quarter</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>7 Years</u>	<u>10 Years</u>
TMRS1 (includes Inc Accruals & Amor/Accr)	0.46	1.37	4.29	5.94	5.76	5.60	5.88	6.42
TMRS2 (includes Inc Accruals, Amor/Accr & Realized Gains)	0.60	1.41	4.14	5.80	5.80	5.84	6.05	6.54



TMRS Total Return

	<u>1 Month</u>	<u>Quarter</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>7 Years</u>	<u>10 Years</u>
FIXED INCOME								
TMRS - Total Fixed Income	-2.38	-2.39	-3.03	2.37	2.22	5.31	6.59	6.34
LB Gov/Credit Long Index	-4.35	-3.40	-4.09	-0.37	1.96	3.67	5.55	5.30
EQUITIES								
TMRS - EAFE	-14.51	-20.61	-27.62					
MSCI EAFE Index	-14.46	-20.56	-27.84					
TMRS - Russell 3000	-9.57	-8.86	-15.42					
Russell 3000 Index	-9.40	-8.73	-15.36					
CASH								
Unallocated Cash	0.18	0.63						
TOTAL PORTFOLIO	-3.16	-3.36	-4.19	1.14	1.81	5.06	6.41	6.21

General Market Commentary

Global markets were hit hard during September as available credit tightened and multiple major financial institutions were bailed out, taken over, or failed. Included was the largest US bankruptcy (Lehman Brothers) and largest bank failure (Washington Mutual), along with the largest single-day point drop (-777 pts) for the DJIA. The US government worked to pass a \$700 billion bailout plan to help ease the financial markets (passed Oct. 2). Major central banks held rates steady during the month. Crude oil prices continued to fall from July's record high of \$146 per barrel, ending the month just over \$100 per barrel.

Source: R.V. Kuhns

