

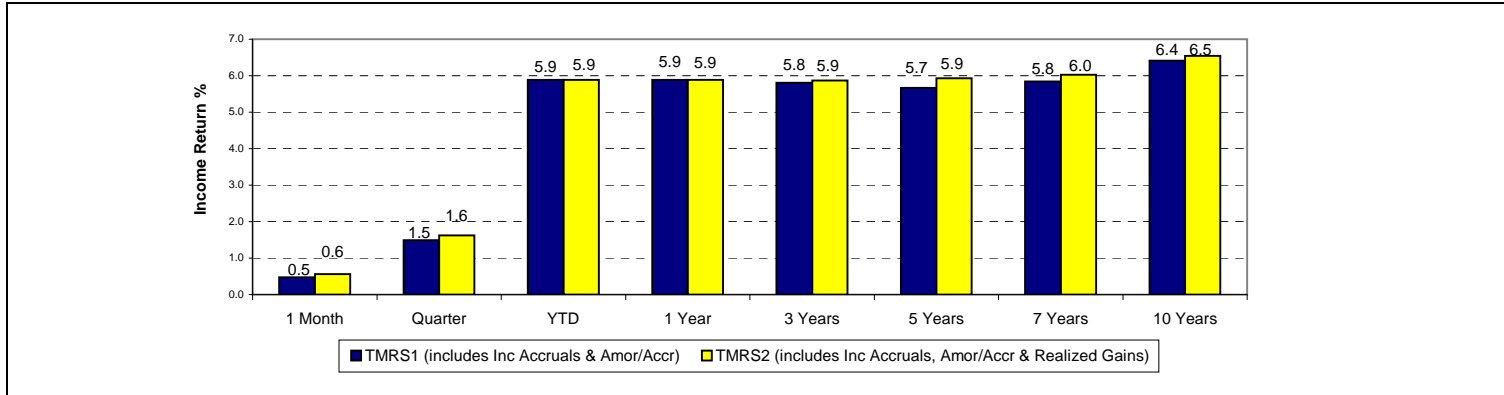


PERFORMANCE SUMMARY

As of December 31, 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)	0.47	1.49	5.89	5.89	5.81	5.67	5.84	6.41
TMRS2 (includes Inc Accruals, Amor/Accr & Realized Gains)	0.56	1.62	5.89	5.89	5.87	5.93	6.03	6.54



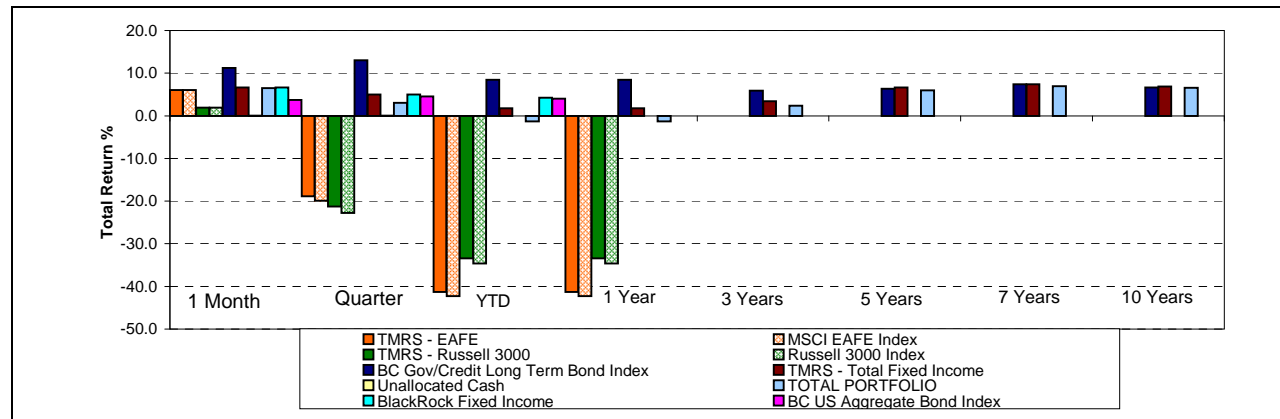
Source: R.V. Kuhns & State Street Performance & Analytics

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	6.64	4.98	1.80	1.80	3.42	6.66	7.39	6.90
BC Gov/Credit Long Term Bond Index	11.23	13.06	8.44	8.44	5.89	6.31	7.42	6.63
BlackRock Fixed Income	6.64	4.98	4.23					
BC US Aggregate Bond Index	3.73	4.58	3.99					
EQUITIES								
TMRS - EAFE	6.07	-18.89	-41.29	-41.29				
MSCI EAFE Index	6.01	-19.95	-42.24	-42.24				
TMRS - Russell 3000	1.93	-21.26	-33.40	-33.40				
Russell 3000 Index	1.91	-22.78	-34.64	-34.64				
CASH								
Unallocated Cash	0.05	0.08						
TOTAL PORTFOLIO	6.46	3.02	-1.30	-1.30	2.36	6.00	6.91	6.57

General Market Commentary

Rebounding from 2008 lows, global equity markets posted solid gains in December with nearly every major index posting a positive return for the month. The US Federal Reserve cut the Fed Funds rate to a range of 0.00% - 0.25%, marking the tenth time it has cut rates in the last 15 months. The Bank of England cut rates 150 bps to 1.50%, while the European Central bank dropped their key rates 75 bps to 2.50%. Crude oil prices continued to fall from July's record high of \$146 per barrel, ending the month under \$45 per barrel.



Source: R.V. Kuhns & State Street Performance & Analytics

*TMRS performance inception date is 1/4/08; MSCI EAFE Index and Russell 3000 Index performance start date is 1/4/08