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prepared for:

Beaver County Employees' Retirement System

Performance Review First Quarter 2008

Markets & Economy

Market Index Performance
As of March 31, 2008

	1 Quarter	Year To Date	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
DOMESTIC EQUITY								
Russell 3000 Index	-9.52	-9.52	-6.06	2.24	6.10	12.07	4.44	3.88
Russell 1000 Value Index	-8.72	-8.72	-9.99	2.54	6.01	13.68	6.27	5.54
S&P 500	-9.45	-9.45	-5.08	3.03	5.85	11.32	3.70	3.50
Russell 1000 Growth Index	-10.18	-10.18	-0.75	3.08	6.33	9.96	2.07	1.28
Russell Midcap Value Index	-8.64	-8.64	-14.12	0.30	6.57	16.77	10.38	8.16
Russell Midcap Growth Index	-10.95	-10.95	-4.55	1.01	7.77	15.20	6.65	5.15
Russell 2500 Index	-9.37	-9.37	-11.27	-2.00	6.01	15.67	8.84	6.89
Russell 2000 Value Index	-6.53	-6.53	-16.88	-4.22	4.33	15.45	9.99	7.46
Russell 2000 Index	-9.90	-9.90	-13.00	-4.01	5.06	14.90	7.57	4.96
Russell 2000 Growth Index	-12.83	-12.83	-8.94	-3.83	5.74	14.24	4.88	1.75
INTERNATIONAL EQUITY								
MSCI EAFE (net)	-8.91	-8.91	-2.70	8.15	13.32	21.40	9.21	6.19
MSCI AC World Index (net)	-9.28	-9.28	-1.15	7.02	11.10	17.18	7.13	N/A
MSCI EM (net)	-10.99	-10.99	21.33	20.99	29.24	35.53	22.57	N/A
REAL ESTATE								
NAREIT-Equity REITs	1.39	1.39	-17.38	0.30	11.68	18.32	15.55	10.68
NCREIF Property Index	1.60	1.60	13.58	15.08	16.76	15.07	12.64	12.63
DOMESTIC FIXED INCOME								
LB Aggregate Index	2.17	2.17	7.67	7.13	5.48	4.59	5.68	6.04
LBGC Bond Index	2.53	2.53	8.35	7.36	5.54	4.62	5.83	6.12
LBGC Intermediate Bond Index	3.00	3.00	8.88	7.50	5.66	4.36	5.50	5.90
LB US Treasury: 1-3 Year	3.07	3.07	9.07	7.02	5.42	3.61	4.28	4.92
LB US Corp: High Yield	-3.02	-3.02	-3.74	3.64	4.89	8.62	6.84	4.85
CASH EQUIVALENT								
90 Day Treasury Bills	0.92	0.92	4.57	4.80	4.32	3.07	2.90	3.66

Returns are expressed as percentages.



U.S. Economy

- The Fed cut the fed funds rate three times, lowering it from 4.25% in December to 2.25% in March, as concerns of economic slowdown outweighed the risk of higher inflation.
- For the second consecutive quarter, GDP increased at a 0.6% annual rate during the first quarter. The slight expansion was due to a rise in exports and a buildup of inventories; however, the underlying data – consumer spending, business investment and construction – point to a weakening economy.
- The Conference Board's Consumer Confidence Index declined from 90.6 in December to 64.5 in March. Weakening employment prospects, stock market volatility, housing declines, and higher energy prices all contributed to the sharply lower reading.
- The employment environment deteriorated sharply in the first quarter, with payroll losses of roughly 75,000 each month and 232,000 in total. The unemployment rate ticked up slightly from 5.0% in December to 5.1% in March.
- The price of crude oil ranged from \$87 to \$110 per barrel in the first quarter, versus the previous quarter's range of \$79 to \$99 per barrel.

U.S. Equity

- The U.S. equity market declined for the second consecutive quarter with the S&P 500 down 9.5%. January proved to be the worst of the three months as the S&P 500 Index experienced its worst monthly loss since September 2002.
- As measured by the Russell indices, value outperformed growth across the market capitalization spectrum.

International Equity

- Developed non-U.S. equity markets fell sharply during the first quarter, as measured by the 8.8% decline in the MSCI EAFE Index (-14.8% in local currency terms). It was the worst quarterly decline for the Index since the first quarter of 2003.

Real Estate

- The U.S. REIT market started the year on a positive note, returning a modest gain of 1.4% for the first quarter.
- Private real estate returned 1.6% for the first quarter (1.3% in income and 0.3% in appreciation).

U.S. Fixed Income Markets

- The Lehman Brothers Aggregate Index returned 2.2%. Investment grade spread sectors' performances were largely positive – with the exception of ABS and CMBS – on an absolute basis, but entirely negative relative to duration-neutral treasuries.



Interest Rates:

- The Federal Reserve Board cut the fed funds rate three times, lowering it from 4.25% in December to 2.25% in March. The Fed implemented interest rate cuts as concerns of economic slowdown outweighed the risk of higher inflation. With the most recent cuts, the real fed funds rate fell below zero, which should stimulate the faltering U.S. economy, suffering from lower consumer spending and softening labor markets.

Growth*/Sentiment:

- The annualized fourth quarter real GDP grew by 0.6%, down from 4.9% in the third quarter. According to economy.com, lower inventories dampened the GDP growth by 180 bps and declines in homebuilding by 125 bps. The only bright spot in the fourth quarter GDP report was a 6.5% increase in exports, driven by the recent weakness of the greenback. With consumer spending decelerating, the consensus expectation among economists is that the U.S. will experience a recession in the first half of 2008.
- The Institute for Supply and Management’s (ISM) Index has flattened out in the first quarter, with a reading of 48.6 in March versus 48.4 in December; a reading below 50 is indicative of contraction in manufacturing activity.
- The Conference Board’s Consumer Confidence Index continued its freefall, declining from 90.6 in December to 64.5 in March. Weakening employment prospects, stock market volatility, housing declines, and higher energy prices all contributed to the sharply lower reading. A deterioration in confidence of this magnitude does not bode well for future consumer spending and is yet another sign that the economy is entering a recession.

Employment:

- The employment environment deteriorated sharply in the first quarter, with payroll losses of roughly 75,000 each month and 232,000 in total. Not surprisingly, the construction sector was the largest detractor with a net loss of 51,000 jobs. The unemployment rate ticked up slightly from 5.0% in December to 5.1% in March.

Inflation:

- The price of crude oil, as represented by West Texas Intermediate (WTI), ranged from \$87 to \$110 per barrel in the first quarter, versus the previous quarter’s range of \$79 to \$99 per barrel.
- The core CPI (which excludes more volatile food and energy prices) was flat in February, suggesting that the slowdown in the economy was putting a lid on price increases. Year-over-year, core inflation stood at 2.3% and the headline CPI at 4.1%.
- The Producer Price Index (PPI) rose 0.3% in February, pushing the year-over-year increase to 6.8%. The increase in producer prices for the past year has been primarily driven by the higher energy and food prices. By comparison, core PPI (which excludes energy and food) rose 2.5% over the trailing year.

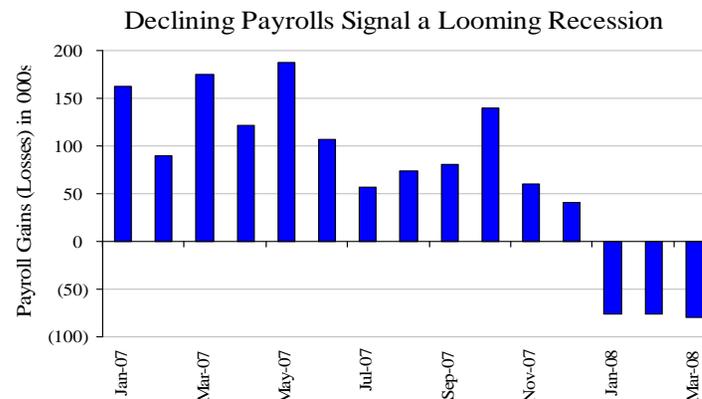
Deficit:

- Following the third quarter deficit of \$177.4B, which represented 5.1% of GDP, the fourth quarter current account deficit narrowed to \$172.9B, or 4.9% of GDP.

* U.S. GDP figures are lagged by one quarter.

Economic Indicators			
Descriptor	Frequency	Actual	Consensus
Federal Funds Rate	Monthly	2.25%	2.00%
GDP (Lagged)	Quarterly	0.6%	0.7%
Consumer Sentiment	Monthly	64.5	73.0
Jobless Claims	Weekly	357,000	386,000
Unemployment Rate	Monthly	5.1%	NA
CPI (Lagged)	Monthly	0.0%	0.3%
PPI (Lagged)	Monthly	0.3%	0.4%
Current Account Deficit (Lagged)	Quarterly	\$173B	\$184B
ISM	Monthly	48.6	48.0
Existing Home Sales (Lagged)	Monthly	5.03M	4.89M
New Home Sales (Lagged)	Monthly	0.590M	0.575M

Source: Economy.com



Source: Economy.com, Bureau of Labor Statistics



Market Overview:

- The U.S. equity market declined for the second consecutive quarter with all major indices posting negative returns. January proved to be the worst of the three months as the S&P 500 Index experienced its worst monthly return since September 2002. Stocks rebounded during the second half of March after the FOMC cut the fed funds rate by 75 basis points.
- As measured by the Russell indices, value outperformed growth across the market capitalization spectrum. After a dismal 2007, the Russell 2000 Value Index (-6.5%) was the strongest performing market segment during the first quarter of 2008.
- The U.S. equity market offered very few places to hide as all but one of the major economic sectors posted negative returns and over 70% of the S&P 500 Index constituents were in the red for the quarter.
- The first quarter's performance has pushed the trailing one year returns for the broad market S&P 500 Index and Russell 3000 Index into negative territory. The Russell 1000 Growth Index was the strongest performing market segment over the last 12 months.

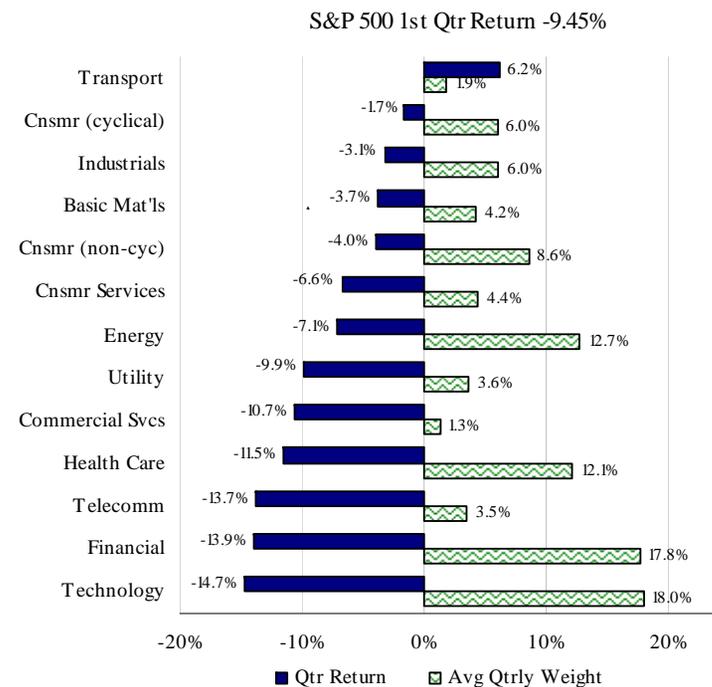
Market Drivers:

- The FOMC cut the fed funds rate three times, lowering it from 4.25% in December to 2.25% in March. Committee members cited a slowdown in consumer spending, softer labor markets, tighter credit conditions, and a deepening of the housing contraction as threats to economic growth.
- The Fed's response to continued stress in the financial markets and shrinking liquidity was not limited to rate cuts. The FOMC created a new lending facility for banks seeking liquidity. In another bold move, the Fed agreed to provide special financing in connection with JPMorgan Chase's acquisition of Bear Stearns.
- Financial institutions continued their capital raising in an effort to shore up weakened capital bases. Bank of America raised \$13 billion, Lehman Brothers \$4 billion, and Wachovia \$3.5 billion during the quarter.
- Volatility remained high in the U.S. equity market as the S&P 500 Index experienced daily moves greater than 2% on 19 of the quarter's trading days.

Performance Highlights:

- Soaring crude oil prices did not help returns for the energy sector. The sector's quarterly returns were negative for the first time since the third quarter of 2006.
- The transport sector was the only sector to deliver positive performance during the quarter. Other bright spots for the market included two DJIA components, Wal-Mart and IBM, which posted returns of 11.3% and 6.8%, respectively.
- Technology, one of the stronger performing sectors in 2007, was the worst performing sector in the first quarter of 2008. Google and Apple, two of technology's high flyers in 2007, fell 36.3% and 27.5% during the quarter, respectively. The market also punished Microsoft (-19.9%) after its unsolicited bid for Yahoo!
- The financial sector's woes continued during the first quarter of 2008. Bears Stearns, which was pushed to the brink of bankruptcy, lost nearly 90% of its market value. Citigroup (-26.4%), AIG (-25.4%), Goldman Sachs (-22.9%), and Wachovia (-27.5%) were also among the most significant detractors.

U.S. Equity Index Returns					
3/31/2008					
	Jan	Feb	Mar	1Q08	1-YR
Dow Jones Industrials	-4.5	-2.8	0.1	-7.0	1.6
S&P 500 Index	-6.0	-3.3	-0.4	-9.5	-5.1
S&P 500 (Eq Wtd, Rbl Daily)	-4.4	-3.4	-1.2	-8.8	-9.8
NASDAQ Composite (Ex Income)	-9.9	-5.0	0.3	-14.1	-5.9
Russell 3000 Index	-6.1	-3.1	-0.6	-9.5	-6.1
Russell 1000 Index	-6.0	-3.1	-0.7	-9.5	-5.4
Russell Midcap Index	-6.5	-2.3	-1.5	-10.0	-8.9
Russell 2000 Index	-6.8	-3.7	0.4	-9.9	-13.0
Russell 1000 Growth Index	-7.8	-2.0	-0.6	-10.2	-0.8
Russell 1000 Value Index	-4.0	-4.2	-0.8	-8.7	-10.0
Russell Midcap Growth Index	-8.0	-1.5	-1.8	-11.0	-4.6
Russell Midcap Value Index	-4.6	-3.3	-1.0	-8.6	-14.1
Russell 2000 Growth Index	-9.2	-3.5	-0.6	-12.8	-8.9
Russell 2000 Value Index	-4.1	-4.0	1.5	-6.5	-16.9



Source: Barra APA



Market Overview*:

- Developed non-U.S. equity markets fell sharply during the first quarter, as measured by the 8.8% decline in the MSCI EAFE Index (-14.8% in local currency terms). It was the worst quarterly decline for the Index since the first quarter of 2003. The market began 2008 with widespread losses, experienced a mild recovery in February, and dipped again in March. Ongoing concerns of a severe crisis in the financial sector, a weakened economic outlook, and lower profit growth expectations drove developed regions lower.
- The U.S. dollar continued to fall against most major currencies, which enhanced returns for U.S. investors. The U.S. dollar hit record lows relative to the euro and the yen. The British pound was an exception, as it declined slightly against the U.S. dollar. The Canadian dollar also fell relative to the U.S. dollar.
- Economic sectors declined across the board. According to the S&P/Citigroup GICS indices, telecommunication services (-15.6%), information technology (-10.9%), financials (-10.5%), and energy (-10.4%) were the worst performers. Uncertainty surrounding major telecom providers in Europe dragged this sector lower. Meanwhile, further write-downs at several prominent banks pushed the financial sector lower.
- As measured by the relevant S&P/Citigroup indices, small caps outperformed large caps by 243 basis points, while value outpaced growth by 98 basis points.

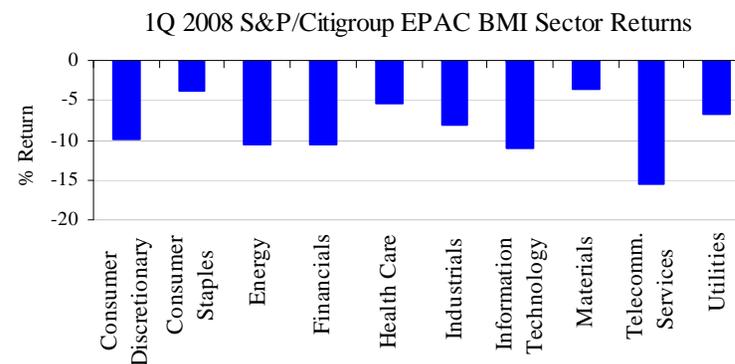
Market Drivers:

- Continental Europe struggled during the quarter, with write-offs at a number of high profile financial institutions shaking confidence in the region. However, high commodity prices aided the performance of the region's materials and energy shares. With regard to monetary policy, the European Central Bank left the interest rates unchanged at 4.0%, while the Bank of England cut the repurchase rate to 5.25%.
- Japan experienced a significant decline during the quarter, as slowing worldwide consumer demand and a gloomy economic outlook continued to negatively affect this market. Furthermore, an unwinding of the yen carry trade pushed the yen higher, relative to many currencies. The Bank of Japan left the interest rates unchanged during the quarter, but injected USD \$4 billion into its banking system.
- In the Asia-Pacific region, financial companies in the region were also hurt by the exposure to structured finance investments. The Bank of Australia continued its anti-inflation policy, with two rate hikes, to leave its cash rate at 7.25%.

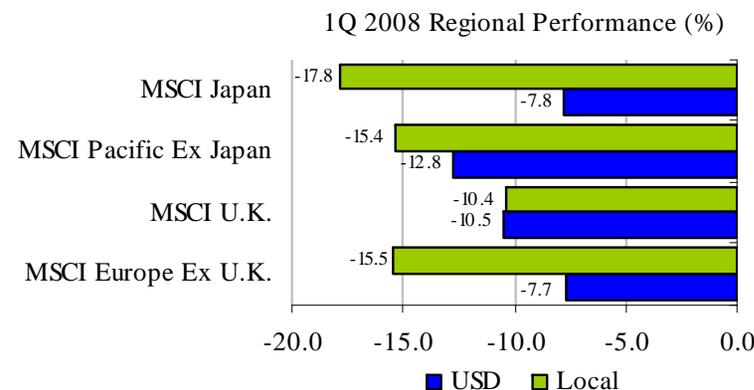
Performance Highlights*:

- Portugal (-13.2%), Greece (-15.8%), Italy (-11.7%), and Germany (-11.8%) had the biggest losses among the MSCI EAFE Index constituents.
- Hong Kong (-18.9%), New Zealand (-14.7%), and Australia (-11.7%) declined significantly in the Asia-Pacific region. Singapore (-7.4%) managed to slightly outperformed the broad market.
- All major telecommunication services companies declined during the quarter; Telecom Italia (-37.7%), Vodafone (-19.7%), and Deutsche Telekom (-29.8%) all fell sharply.
- Within the information technology sector, most companies experienced a sharp sell-off, particularly Japanese names such as Nintendo (-21.6%), Hitachi (-28.7%), and Fujifilm Holdings (-25.1%).
- The financial services sector was hit the hardest. UBS (-44.9%) was one of the worst performing companies; Unicredito Italiano (-25.4%) and Credit Suisse (-25.8%) also had significant declines.

International Equity Index Returns					
3/31/2008					
	Jan	Feb	Mar	Qtr	1 Year
MSCI EAFE	(9.23)	1.46	(1.00)	(8.82)	(2.27)
MSCI EAFE Small Cap	(9.76)	4.26	(0.27)	(6.16)	(10.89)
MSCI EAFE Growth Index	(9.19)	2.75	(1.48)	(8.07)	2.27
MSCI EAFE Value Index	(9.26)	0.16	(0.51)	(9.58)	(6.77)
S&P/Citigroup EPAC BMI	(9.49)	1.89	(0.99)	(8.69)	(2.60)
S&P/Citigroup EPAC PMI	(9.34)	1.37	(1.19)	(9.19)	(1.22)
S&P/Citigroup EPAC EMI	(10.04)	3.89	(0.23)	(6.76)	(7.23)
S&P/Citigroup EPAC BMI Growth	(9.57)	2.16	(1.68)	(9.17)	(2.33)
S&P/Citigroup EPAC BMI Value	(9.40)	1.62	(0.28)	(8.19)	(2.86)



Source: S&P/Citigroup



Source: MSCI.



Market Overview – Public Real Estate:

- The U.S. REIT market, as measured by the NAREIT Equity Index, started the year on a positive note, returning a modest gain of 1.4% for the first quarter. It was a volatile three-month period with REITs falling approximately 15% in the first two weeks of January, only to rebound in the latter half of the month to end January down just 1.0%. February saw a further decline of 3.6%, which continued into early March, however, following the fed funds rate cut of 75 basis points in mid March, REITs reversed course and ended March up 6.2%.
- The broader NAREIT Composite Index was down 0.6% for the first quarter due to a 24.1% loss in the mortgage REIT sector (which is excluded from the Equity REIT Index).

Performance Highlights:

- Sector results were mixed for the quarter with seven sectors posting positive results and the remaining six registering losses. Self storage was, by far, the best performing sector, gaining 20.2% for the quarter, followed by apartments, which returned 11.5%. Specialty REITs were the worst performers, down 7.7%, followed by lodging (-6.8%) and free standing retail (-6.4%).

International REITs:

- Asia, the best performing region in 2007, fell off the pedestal following a material decline of 16.3% for the quarter. The biggest detractors for the quarter were the Hong Kong REOCs, which fell 25.6%.
- Europe, the 2007 laggard, took a turn in the spotlight with a robust gain of 6.5%. Country specific performances were mixed: Switzerland (31.4%), Finland (16.5%), and France (14.9%) generated strong results while Norway (-29.3%), Spain (-20.9%), and Italy (-9.8%) produced disappointing results.
- The FTSE EPRA/NAREIT Global Real Estate Index composition at the end of the first quarter was as follows: North America 41%, Europe 21%, and Asia 38%.

Market Overview – Private Real Estate*:

- Despite the turmoil in the financial markets, private real estate, as measured by the NCREIF Property Index (NPI), returned 3.2% for the last quarter of 2007. For the year, private real estate returned a robust 15.9%.
- The NFI-ODCE Index, an index comprised of 14 open-end diversified core equity funds, returned 2.1% on a gross basis and 1.9% net for the last quarter of 2007. The differences between the NPI and NFI indices can be attributed to more frequent valuation adjustments in the NFI Index, which also includes separate accounts.

Market Drivers:

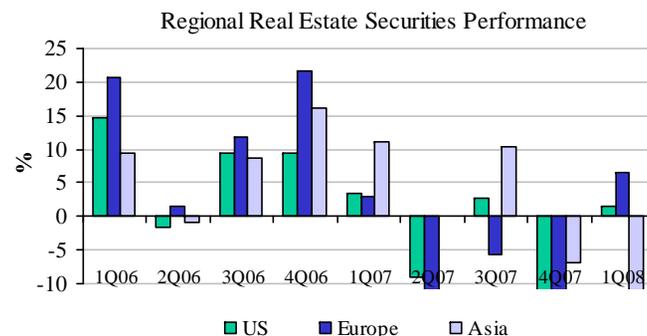
- Fundamentals were under threat as fears that a slowing economy would hurt tenant demand. Limited new supply, however, should lessen the overall impact of a drop in real estate demand. The credit crisis has led to higher borrowing costs and tighter lending standards, which has forced the leveraged buyers from the market. The general consensus is that private real estate values peaked in 2007. Little is happening in the way of transaction activity as buyers and sellers have adopted a ‘wait and see’ approach.

Performance Highlights:

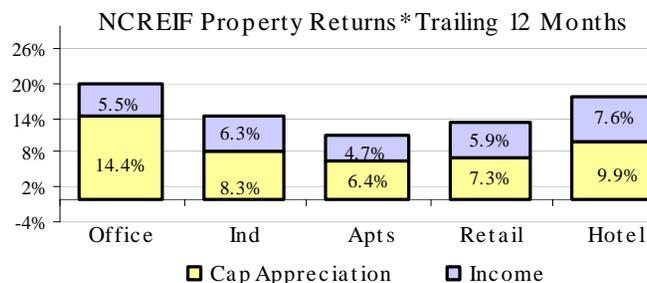
- The West was the only region to outperform the index with a 3.8% gain. Properties in the Midwest gained 3.2%, while the East returned 3.1%, followed by the South’s 2.4% gain. For the year, the West gained 18.3%, while the South underperformed other regions with a lesser gain of 12.8%.
- Hotels, retail, and office all outperformed the index for the quarter. Hotels performed the best with a gain of 4.0%, closely followed by retail properties at 3.9% and office at 3.8%. Industrial properties gained 2.6% and apartments brought up the bottom with a modest gain of 1.9%. For the year, office was the strongest performer with a healthy return of 20.5%, while apartments lagged all other sectors, gaining only 11.4%.

*Private real estate performance is as of 12/31/07, due to the lagged nature of private market data.

Public Real Estate Index Returns		
Index	1Q08	LTM
NAREIT Comp Index	-0.6%	-20.0%
NAREIT Equity Index	1.4%	-17.4%
DJ Wilshire RESI	2.1%	-19.0%
Morgan Stanley REIT Index	2.1%	-17.9%



Private Real Estate Index Returns		
Index	Trailing LTM	4Q07
NCREIF	15.9%	3.2%
Income	5.6%	1.3%
Appreciation	9.9%	1.9%
Market Value	\$309,307.60M	N/A
Properties	5,711	N/A



Market Overview:

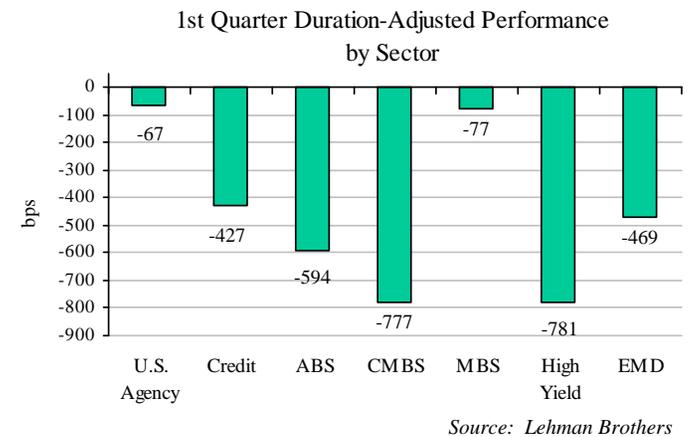
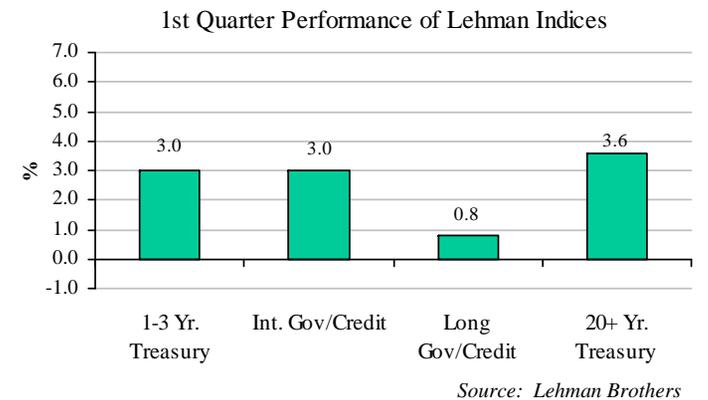
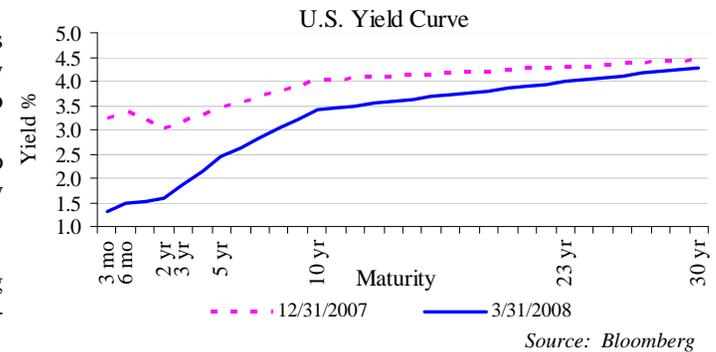
- The U.S. fixed income markets posted positive returns during the first quarter. The Lehman Brothers (“LB”) Aggregate Index returned 2.2%. Investment grade spread sectors’ performances were largely positive - with the exception of ABS and CMBS - on an absolute basis, but entirely negative relative to duration-neutral treasuries.
- The “plus” sectors, namely high yield and emerging market debt, generated mixed results relative to their investment grade counterparts. They, like the investment grade sectors, significantly underperformed duration-neutral treasuries, by 781 and 469 bps, respectively.

Market Drivers:

- The fixed income markets remained volatile during the first quarter, as investors rejected everything outside of treasuries, bolstering illiquidity. Inability to finance positions caused levered investors to sell-off high quality non-treasury assets. As a result, spreads widened out materially.
- Over the quarter, the economy continued to show signs of weakness, as housing prices continued to drop, unemployment rose, and consumer sentiment declined. The Federal Reserve Board stepped in, using traditional and less traditional methods, in an attempt to promote growth, inject liquidity, and restore financial market stability. On three occasions, the Fed cut the federal funds rate for a total of 200 bps. The fed funds rate ended the quarter at 2.25%. In addition, the Fed expanded the Term Action Facility allowing non-depository institutions to access the discount window and provided financial support for JPMorgan Chase’s acquisition of Bear Stearns. And as a result, spreads narrowed towards the end of March.
- Treasury yields fell across the yield curve as investors continued to favor treasuries above all else. Short- and intermediate-term rates fell more notably than longer-term rates. The curve steepened due to the Fed’s dramatic rate cuts and heightened inflationary concerns. The 2- to 10-year spread widened by 85 bps and ended the quarter at 183 bps; the 2- to 30-year spread closed the quarter at 271 bps.

Performance Highlights:

- Weak economic data, investor risk aversion, and illiquidity caused a massive underperformance of spread sectors relative to duration-neutral treasuries. Absolute performance was mixed.
- The mortgage and agency sectors held up best due to their high quality. Mortgages, the largest component of the LB Aggregate Index at 38.9% weight, returned 2.4% on an absolute basis and -77 bps relative to duration-neutral treasuries. Agencies earned 3.2% in absolute terms and -67 bps relative to duration-neutral treasuries.
- Within the LB Aggregate sectors, CMBS and ABS posted the worst absolute and relative performance, declining 2.6% and 1.9%, respectively, in absolute terms. CMBS was negatively impacted due to forced selling by levered investors; while ABS continued to be burdened by concerns over the financial strength of the monoline insurers and consumer credit.
- Investment grade credit and high yield, posted poor results due to weak economic data and recessionary fears. The LB High Yield Index dropped 3.0% and investment grade credit earned 0.4%. Higher credit quality and less cyclical industries fared the best. Financials, automobiles, and homebuilders continued to perform poorly. The Moody’s trailing 12-month corporate default rate rose over the quarter to 1.5% (through February).
- Municipals underperformed treasuries in the first quarter due to the continued flight-to-quality, fears over potential monoline downgrades, and the dislocation in auction-rate municipals.



Total Fund

Asset Allocation And Performance
Beaver County Employees' Retirement Fund
As of March 31, 2008

	Allocation		Performance %							
	Market Values (\$)	%	1 Quarter	Year To Date	1 Year	2 Years	3 Years	5 Years	Since Inception	Inception Date
Total Fund	182,118,218	100.00	-4.73	-4.73	-1.48	4.51	6.22	8.82	4.67	10/01/1999
<i>Target Policy Index</i>			<i>-4.58</i>	<i>-4.58</i>	<i>0.08</i>	<i>5.24</i>	<i>6.49</i>	<i>9.41</i>	<i>4.70</i>	<i>10/01/1999</i>
Total International Equity	9,760,090	5.36	-10.04	-10.04	-5.93	7.04	N/A	N/A	8.70	02/01/2006
Boston Company	9,760,090	5.36	-10.04	-10.04	-5.92	7.05	N/A	N/A	8.71	02/01/2006
<i>MSCI EAFE (net)</i>			<i>-8.91</i>	<i>-8.91</i>	<i>-2.70</i>	<i>8.15</i>	<i>13.32</i>	<i>21.40</i>	<i>9.01</i>	<i>02/01/2006</i>
Total Real Estate	4,993,054	2.74	-3.13	-3.13	-0.70	N/A	N/A	N/A	-0.70	04/01/2007
ERECT Funds	4,993,064	2.74	-3.13	-3.13	-0.61	N/A	N/A	N/A	-0.61	04/01/2007
<i>NCREIF Property Index</i>			<i>1.60</i>	<i>1.60</i>	<i>13.58</i>	<i>15.08</i>	<i>16.76</i>	<i>15.07</i>	<i>13.58</i>	<i>04/01/2007</i>
Balanced Managers										
C.S. McKee, LP	76,454,611	41.98	-5.23	-5.23	-1.28	4.06	7.02	11.20	7.92	10/01/1999
<i>60 R3000 / 40 LB Agg.</i>			<i>-4.93</i>	<i>-4.93</i>	<i>-0.58</i>	<i>4.31</i>	<i>5.98</i>	<i>9.16</i>	<i>4.61</i>	<i>10/01/1999</i>
CIM Investment Management	90,910,451	49.92	-3.61	-3.61	-0.82	4.84	6.21	9.45	4.50	10/01/1999
<i>53 S&P 500 / 7 S&P 600 / 40 LBGC</i>			<i>-4.60</i>	<i>-4.60</i>	<i>-0.11</i>	<i>4.46</i>	<i>5.84</i>	<i>9.06</i>	<i>4.69</i>	<i>10/01/1999</i>
MDL Capital Management	2	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10/01/1999

Returns are gross of fees.
Segment data excludes cash position(s) and is gross of fees.
Returns are expressed as percentages.



Comparative Performance - Balanced Managers
Beaver County Employees' Retirement Fund
As of March 31, 2008

	1 Quarter	Year To Date	1 Year	2 Years	3 Years	5 Years	Since Inception	Inception Date
Total Fund								
C.S. McKee, LP	-5.23	-5.23	-1.28	4.06	7.02	11.20	7.92	10/01/1999
<i>60 R3000 / 40 LB Agg.</i>	-4.93	-4.93	-0.58	4.31	5.98	9.16	4.61	10/01/1999
CIM Investment Management	-3.61	-3.61	-0.82	4.84	6.21	9.45	4.50	10/01/1999
<i>53 S&P 500 / 7 S&P 600 / 40 LBGC</i>	-4.60	-4.60	-0.11	4.46	5.84	9.06	4.69	10/01/1999
Domestic Equity								
C.S. McKee, LP	-9.64	-9.64	-7.11	1.32	6.42	14.39	8.21	10/01/1999
<i>Russell 3000/Russell 3000 Value/Russell 1000 blended index</i>	-9.52	-9.52	-6.06	2.24	6.10	12.51	5.20	10/01/1999
CIM Investment Management	-9.28	-9.28	-8.33	1.79	5.09	10.52	1.78	10/01/1999
<i>92 S&P 500/ 8 S&P 600</i>	-9.29	-9.29	-5.52	2.55	5.83	11.69	2.18	10/01/1999
Fixed Income								
C.S. McKee, LP	3.07	3.07	9.10	7.83	6.17	5.39	6.86	10/01/1999
<i>LB Aggregate Index</i>	2.17	2.17	7.67	7.13	5.48	4.59	6.38	10/01/1999
CIM Investment Management	2.32	2.32	7.38	7.13	5.21	4.12	5.91	10/01/1999
<i>LBGC Bond Index</i>	2.53	2.53	8.35	7.36	5.54	4.62	6.51	10/01/1999

Returns are gross of fees.
Segment data excludes cash position(s) and is gross of fees.
Returns are expressed as percentages.



**Summary Financial Reconciliation
Beaver County Employees' Retirement Fund
As of March 31, 2008**

Quarter

	Market Value As of 12/31/2007	Net Flows	Return On Investment	Market Value As of 3/31/2008
Total Fund	190,782,888	392,375	(9,057,045)	182,118,218

YTD

	Market Value As of 12/31/2007	Net Flows	Return On Investment	Market Value As of 3/31/2008
Total Fund	190,782,888	392,375	(9,057,045)	182,118,218

1 Year

	Market Value As of 3/31/2007	Net Flows	Return On Investment	Market Value As of 3/31/2008
Total Fund	187,269,344	(2,487,234)	(2,663,892)	182,118,218



Asset Allocation Targets
Beaver County Employees' Retirement Fund
As of March 31, 2008

Asset Class	Current Weight	Target	Minimum	Maximum	Within Range?
Domestic Equity	56.2%	51%	41%	- 61%	Yes
International Equity	5.4%	8%	3%	- 13%	Yes
Real Estate	2.7%	6%	0%	- 8%	Yes
Fixed Income	34.2%	35%	25%	- 45%	Yes
Cash Equivalent	1.6%	0%	0%	- 10%	Yes

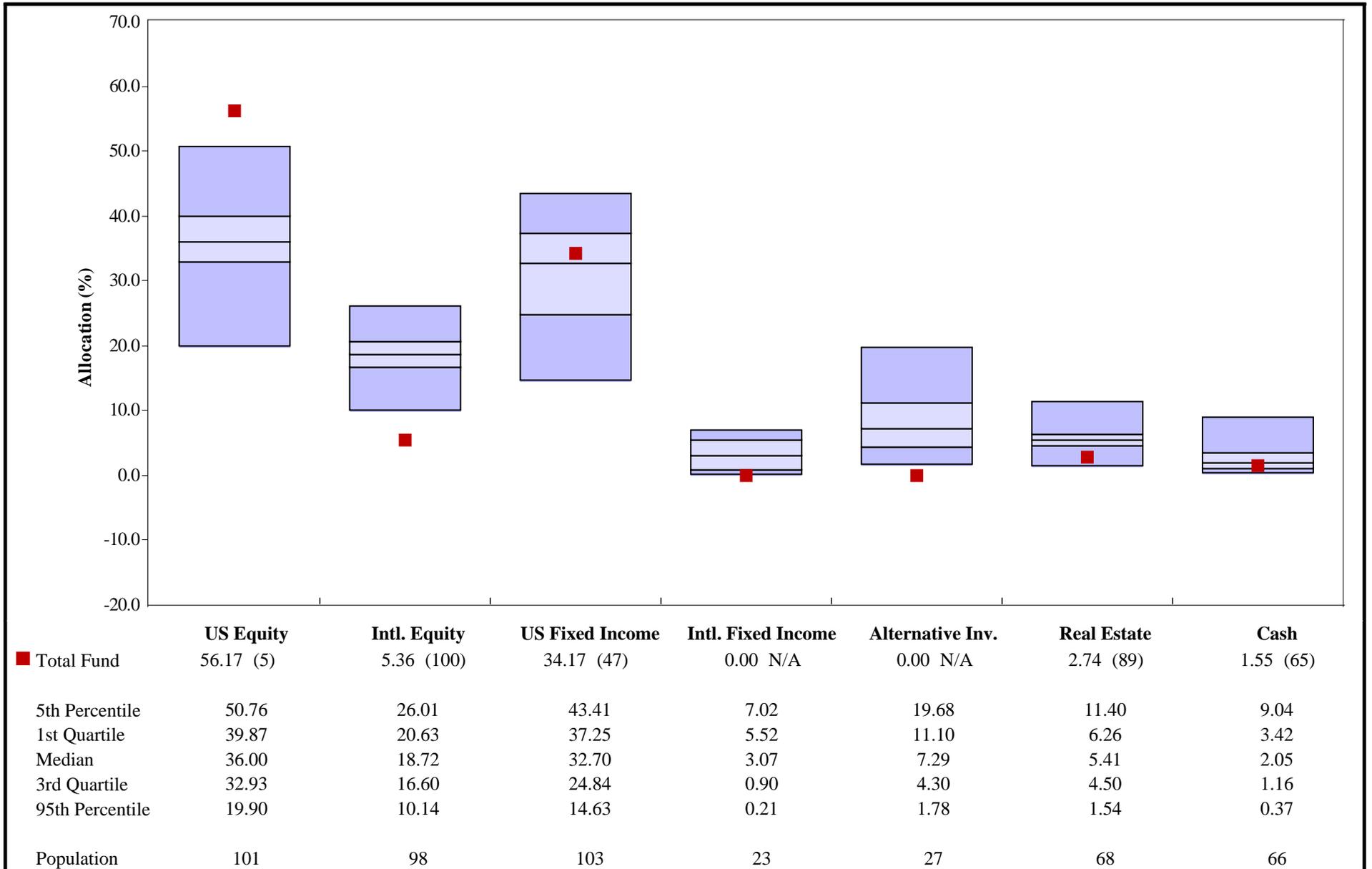


Investment Policy Compliance Summary
Beaver County Employees' Retirement Fund
As of March 31, 2008

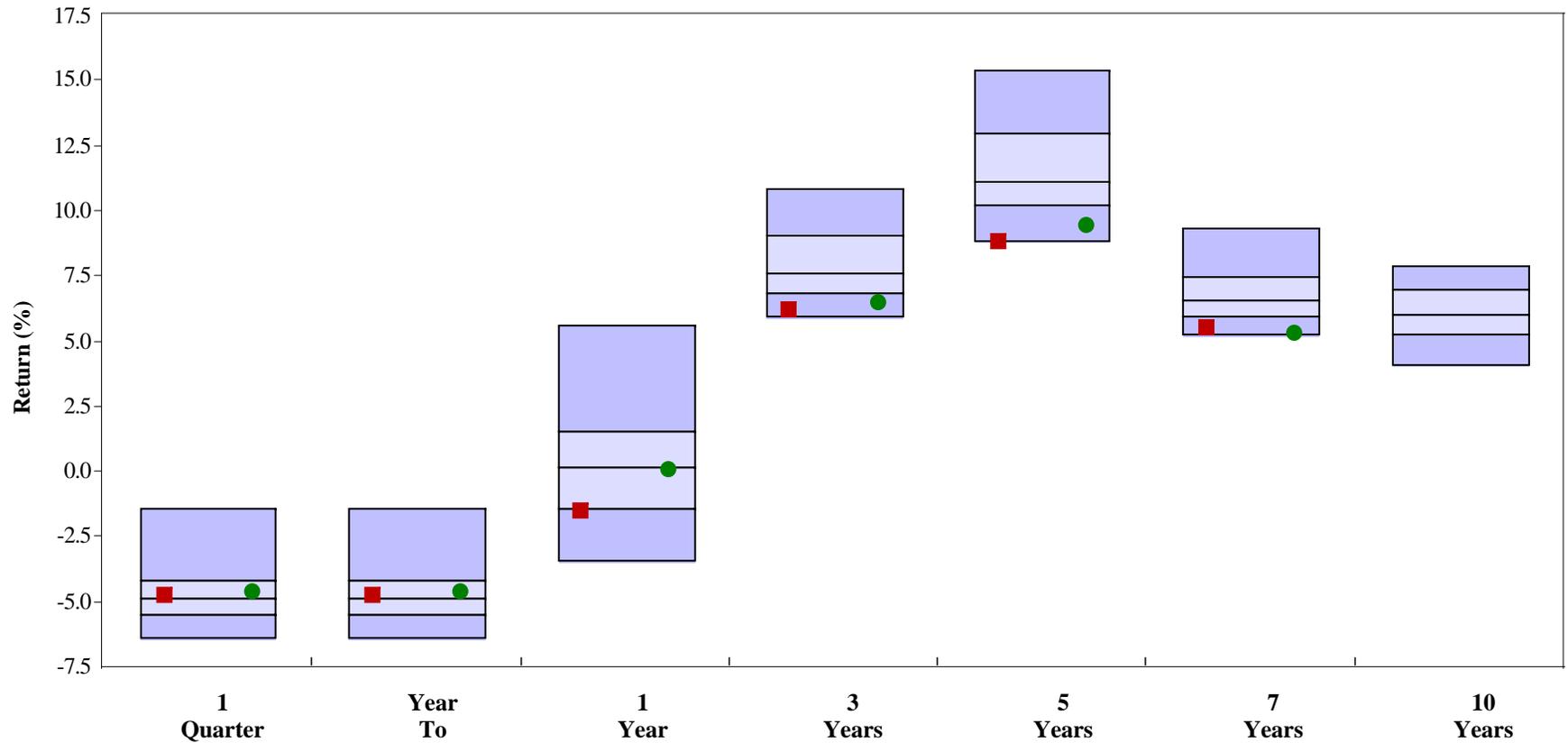
Policies	Description	In Compliance?	Observation/Recommendation
General Fund Guidelines	Individual equity issues not to exceed 5% at market.	Yes	No action needed at this time.
	Overall rating of the fixed income assets are "A" or better.	Yes	No action needed at this time.
	Prohibited transactions must be avoided.	Yes	No action needed at this time.
Asset Allocation	No prohibited asset classes.	Yes	No action needed at this time.
	Total fund is within specified asset ranges.	Yes	No action needed at this time.
Overall Fund Performance	Fund performance versus the blended benchmark for the quarter.	No	Overall portfolio return lagged the blended index for the quarterly period ending 03/31/08.
	Fund performance versus the blended benchmark for the one-year period.	No	Overall portfolio return lagged the blended index for the one-year period ending 03/31/08.
	Total portfolio performance should outperform CPI by 6.5% for rolling five-year periods	No	Total portfolio return lagged CPI+ objective for the latest five-year period
Money Managers	Money managers adhered to established investment guidelines and objectives.	Yes	No action needed at this time.



Asset Allocation Analysis
All Public Plans-Total Fund
Beaver County Employees' Retirement Fund
As of March 31, 2008



Peer Group Analysis
All Public Plans-Total Fund
Beaver County Employees' Retirement Fund
As of March 31, 2008

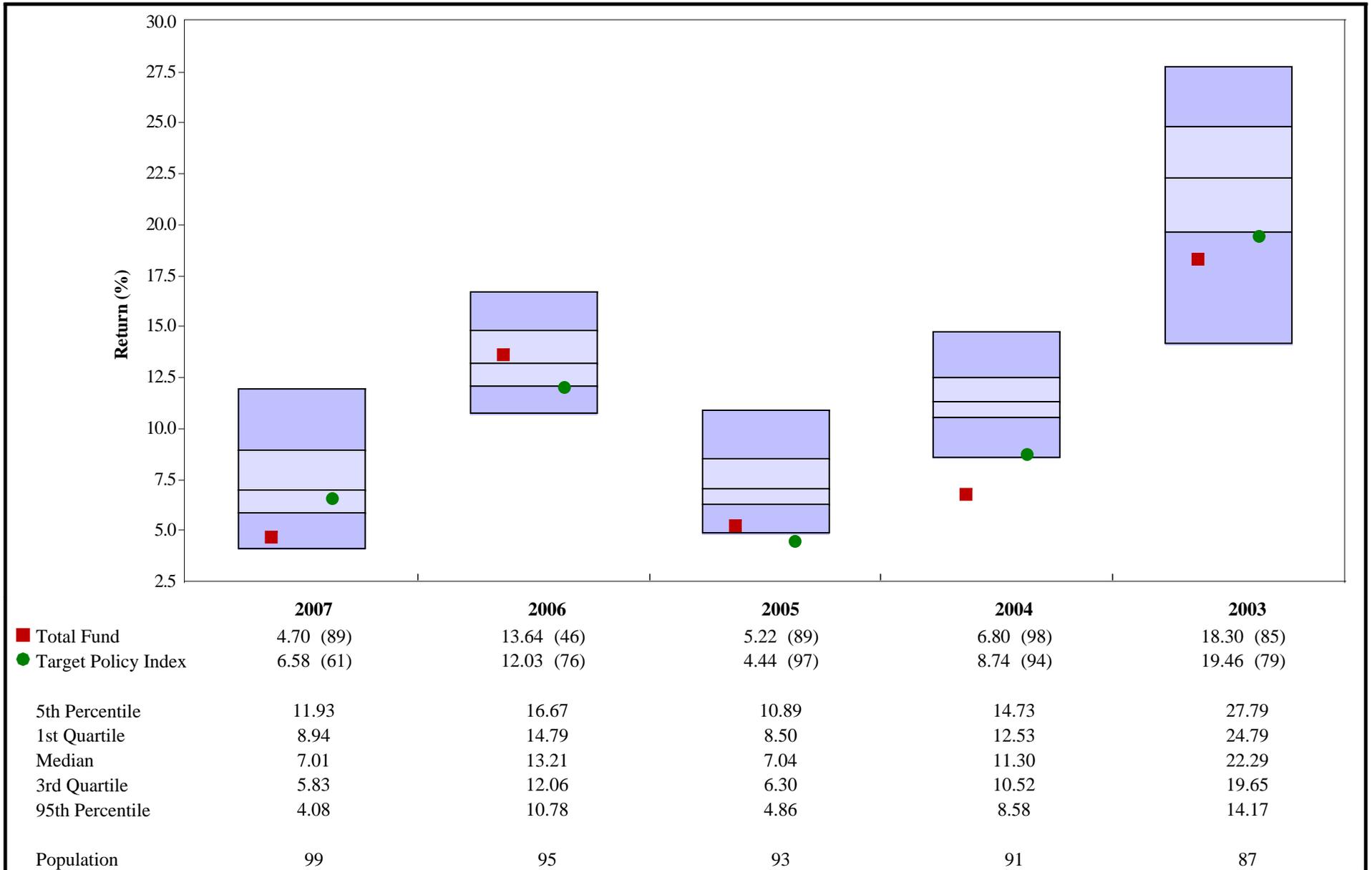


■ Total Fund	-4.73 (44)	-4.73 (44)	-1.48 (76)	6.22 (90)	8.82 (93)	5.54 (87)	N/A
● Target Policy Index	-4.58 (38)	-4.58 (38)	0.08 (51)	6.49 (84)	9.41 (90)	5.33 (93)	N/A
5th Percentile	-1.47	-1.47	5.58	10.79	15.37	9.32	7.84
1st Quartile	-4.21	-4.21	1.55	9.01	12.92	7.46	6.98
Median	-4.91	-4.91	0.13	7.56	11.10	6.57	6.02
3rd Quartile	-5.53	-5.53	-1.44	6.84	10.20	5.91	5.22
95th Percentile	-6.39	-6.39	-3.44	5.96	8.79	5.22	4.09
Population	103	103	100	93	86	80	55

Parenteses contain percentile rankings.
Returns are expressed as percentages.
Calculation based on quarterly periodicity.
Returns are gross of fees.



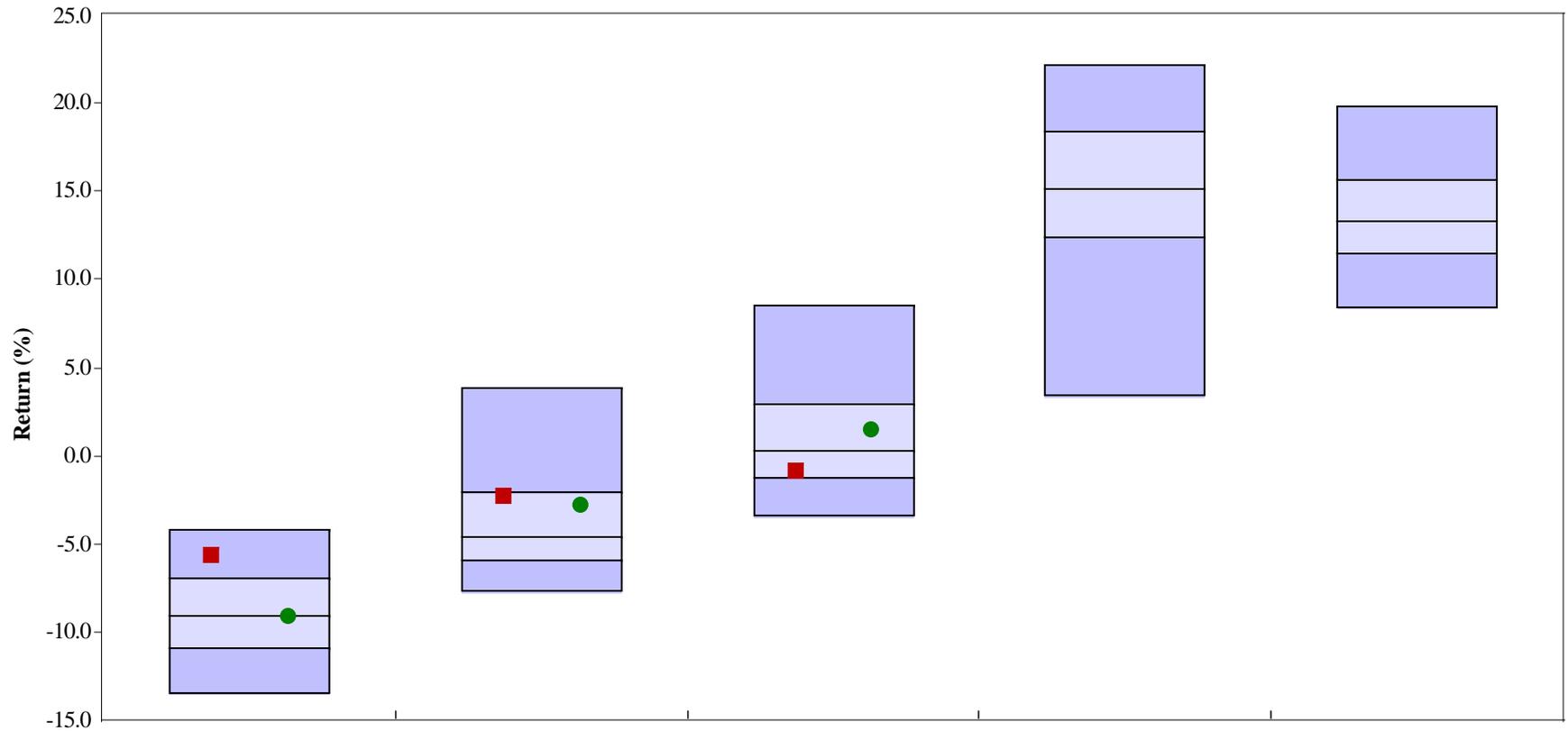
Peer Group Analysis
All Public Plans-Total Fund
Beaver County Employees' Retirement Fund
As of March 31, 2008



Parenteses contain percentile rankings.
Returns are expressed as percentages.
Calculation based on quarterly periodicity.
Returns are gross of fees.



Peer Group Analysis
All Public Plans-Total Fund
Beaver County Employees' Retirement Fund
As of March 31, 2008



	2002	2001	2000	1999	1998
■ Total Fund	-5.61 (14)	-2.31 (29)	-0.90 (73)	N/A	N/A
● Target Policy Index	-9.11 (51)	-2.80 (32)	1.45 (45)	N/A	N/A
5th Percentile	-4.21	3.84	8.51	22.17	19.85
1st Quartile	-6.93	-2.07	2.91	18.39	15.62
Median	-9.07	-4.57	0.29	15.16	13.34
3rd Quartile	-10.94	-5.99	-1.25	12.41	11.48
95th Percentile	-13.47	-7.68	-3.38	3.38	8.38
Population	60	57	52	47	40

Parenteses contain percentile rankings.
Returns are expressed as percentages.
Calculation based on monthly periodicity.
Returns are gross of fees.



Financial Reconciliation
1 Quarter Ending March 31, 2008

	Market Value As of 12/31/2007	Contributions	Distributions	Fees	Return On Investment	Market Value As of 3/31/2008
Total Fund	190,782,888	2,912,110	(2,440,050)	(79,685)	(9,057,045)	182,118,218
C.S. McKee, LP	80,637,680	1,453,463	(1,248,350)	-	(4,388,182)	76,454,611
MDL Capital Management	4,892	-	(4,922)	-	31	2
CIM Investment Management	94,136,238	1,447,797	(1,186,778)	(68,835)	(3,417,971)	90,910,451
Boston Company	10,849,935	10,850	-	(10,850)	(1,089,845)	9,760,090
ERECT Funds	5,154,142	-	-	-	(161,078)	4,993,064

Fees for mutual funds and commingled vehicles are calculated based on the fund's expense ratio.



Financial Reconciliation
Year To Date Ending March 31, 2008

	Market Value As of 12/31/2007	Contributions	Distributions	Fees	Return On Investment	Market Value As of 3/31/2008
Total Fund	190,782,888	2,912,110	(2,440,050)	(79,685)	(9,057,045)	182,118,218
C.S. McKee, LP	80,637,680	1,453,463	(1,248,350)	-	(4,388,182)	76,454,611
MDL Capital Management	4,892	-	(4,922)	-	31	2
CIM Investment Management	94,136,238	1,447,797	(1,186,778)	(68,835)	(3,417,971)	90,910,451
Boston Company	10,849,935	10,850	-	(10,850)	(1,089,845)	9,760,090
ERECT Funds	5,154,142	-	-	-	(161,078)	4,993,064

Fees for mutual funds and commingled vehicles are calculated based on the fund's expense ratio.



Financial Reconciliation
1 Year Ending March 31, 2008

	Market Value As of 3/31/2007	Contributions	Distributions	Fees	Return On Investment	Market Value As of 3/31/2008
Total Fund	187,269,344	36,963,836	(38,868,800)	(582,270)	(2,663,892)	182,118,218
C.S. McKee, LP	63,567,699	18,612,696	(3,738,385)	(153,053)	(1,834,346)	76,454,611
MDL Capital Management	29,738,080	587,969	(31,095,968)	(113,859)	883,780	2
CIM Investment Management	78,564,768	17,696,748	(4,034,446)	(248,936)	(1,067,683)	90,910,451
Boston Company	10,374,802	66,423	-	(66,423)	(614,712)	9,760,090
ERECT Funds	5,023,996	-	-	-	(30,932)	4,993,064

Fees for mutual funds and commingled vehicles are calculated based on the fund's expense ratio.



**Historical Hybrid Composition
Target Policy Index
Beaver County Employees' Retirement Fund
As of March 31, 2008**

Passive Portfolios	Weight (%)
Effective Date: Oct-1999	
Russell 1000 Value Index	13.0
S&P 500 Index	42.0
LBGC Bond Index	45.0
Effective Date: Jan-2000	
Russell 1000 Value Index	13.0
S&P 500 Index	42.0
LBGC Bond Index	34.0
LB Aggregate Index	11.0
Effective Date: Apr-2000	
Russell 1000 Value Index	14.0
S&P 500 Index	46.0
LBGC Bond Index	31.0
LB Aggregate Index	9.0
Effective Date: Jan-2002	
Russell 1000 Value Index	15.0
S&P 500 Index	35.0
Russell 1000 Growth Index	10.0
LBGC Bond Index	30.0
LB Aggregate Index	10.0
Effective Date: Sep-2002	
Russell 3000 Value Index	15.0
Russell 3000 Growth Index	10.0
S&P 500 Index	32.0
S&P SmallCap 600 Index	3.0
LBGC Bond Index	30.0
LB Aggregate Index	10.0
Effective Date: Dec-2003	
Russell 3000 Index	25.0
S&P 500 Index	32.0

Passive Portfolios	Weight (%)
Effective Date: Dec-2003	
S&P SmallCap 600 Index	3.0
LBGC Bond Index	30.0
LB Aggregate Index	10.0
Effective Date: Mar-2004	
Russell 3000 Index	25.0
S&P 500 Index	32.0
S&P SmallCap 600 Index	3.0
LBGC Bond Index	10.0
LB Government Index	20.0
LB Aggregate Index	10.0
Effective Date: Mar-2006	
Russell 3000 Index	20.5
Russell 1000 Value Index	8.0
S&P 500 Index	22.5
S&P SmallCap 600 Index	3.0
MSCI EAFE (net)	8.0
LBGC Bond Index	16.5
LB Government Index	8.0
LB Aggregate Index	13.5
Effective Date: Sep-2006	
Russell 3000 Index	20.5
Russell 1000 Value Index	8.0
S&P 500 Index	22.5
S&P SmallCap 600 Index	3.0
MSCI EAFE (net)	8.0
LBGC Bond Index	16.5
LB Aggregate Index	21.5
Effective Date: Mar-2007	
Russell 3000 Index	19.5
Russell 1000 Value Index	7.5



**Historical Hybrid Composition
Target Policy Index
Beaver County Employees' Retirement Fund
As of March 31, 2008**

Passive Portfolios	Weight (%)
Effective Date: Mar-2007	
S&P 500 Index	22.0
S&P SmallCap 600 Index	2.0
MSCI EAFE (net)	8.0
NCREIF Property Index	6.0
LBGC Bond Index	15.5
LB Aggregate Index	19.5
Effective Date: Jan-2008	
Russell 3000 Index	23.0
S&P 500 Index	26.0
S&P SmallCap 600 Index	2.0
MSCI EAFE (net)	8.0
NCREIF Property Index	6.0
LBGC Bond Index	19.0
LB Aggregate Index	16.0



Domestic Equity

Portfolio Characteristics
Total Domestic Equity vs. Russell 3000 Index
Beaver County Employees' Retirement Fund
As of March 31, 2008

Portfolio Characteristics	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	66,851	74,422
Median Mkt. Cap. (\$M)	4,077	948
Price/Earnings ratio	15.01	15.88
Price/Book ratio	2.37	2.67
5 Yr. EPS Growth Rate (%)	21.63	23.58
Current Yield (%)	2.93	2.67
Beta	-	1.00
Number of Stocks	281	2893

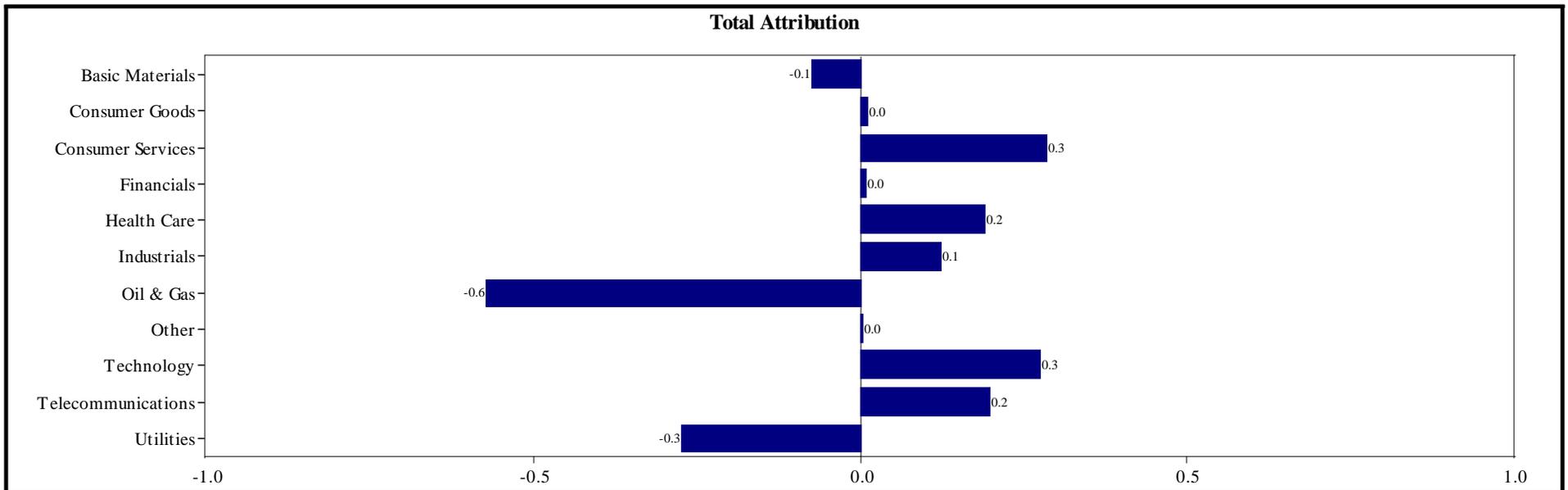
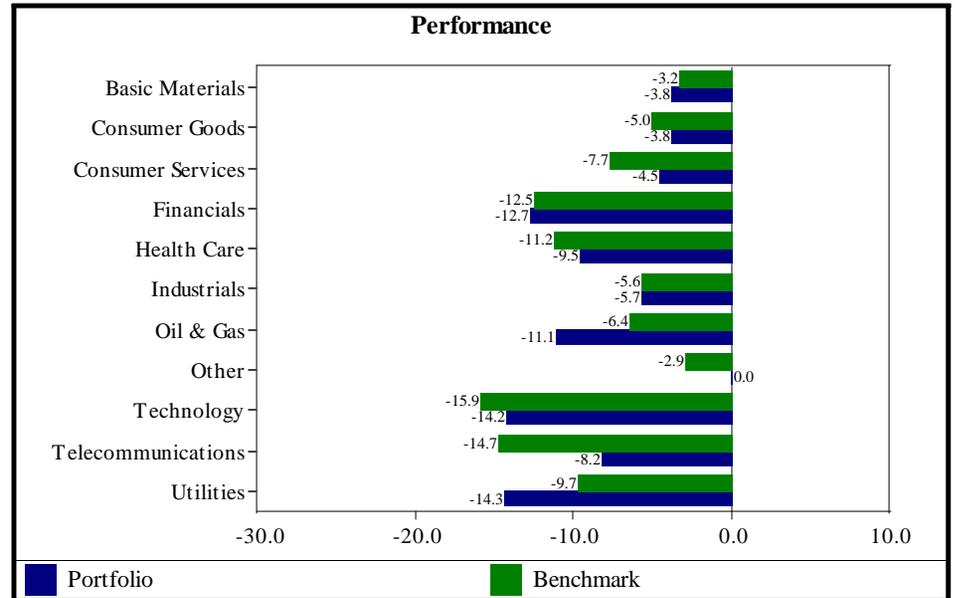
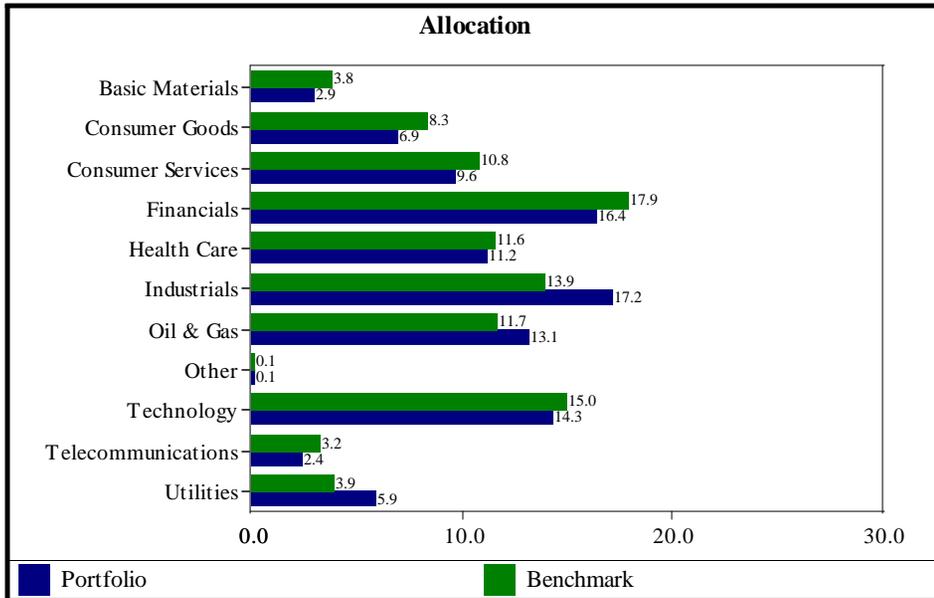
Top Ten Equity Holdings	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
CHEVRONTEXACO CORPORATION	2.63	1.29	1.34	-7.93
WAL-MART STORES, INC.	2.55	0.89	1.66	11.33
CONOCOPHILLIPS	2.49	0.88	1.62	-13.20
GENERAL ELECTRIC COMPANY	2.40	2.68	-0.28	0.77
INTEL CORPORATION	2.34	0.87	1.47	-20.05
AT&T INC.	2.02	1.66	0.36	-6.89
CISCO SYSTEMS INCORPORATED	2.01	1.03	0.99	-11.01
EXXON MOBIL CORPORATION	1.86	3.35	-1.49	-9.36
JPMORGAN CHASE & CO.	1.83	1.03	0.80	-0.81
MARATHON OIL CORPORATION	1.67	0.23	1.44	-24.74
% of Portfolio	21.80	13.91		

Ten Best Performers	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
CABOT OIL & GAS CORPORATION	0.11	0.03	0.08	26.01
LANDSTAR SYSTEM, INC	0.07	0.02	0.05	23.85
NABORS INDUSTRIES LTD.	0.30	0.07	0.23	23.29
KIRBY CORPORATION	0.12	0.02	0.10	22.63
UNIT CORPORATION	0.08	0.02	0.07	22.49
WATSON WYATT & CO	0.10	0.02	0.09	22.44
ESSEX PROPERTY TRUST	0.09	0.02	0.07	17.96
ZIMMER HOLDINGS, INC.	0.72	0.13	0.59	17.70
DEVON ENERGY CORPORATION	0.38	0.33	0.05	17.52
SUN HYDRAULICS CORPORATION	0.19	0.00	0.18	16.37
% of Portfolio	2.16	0.66		

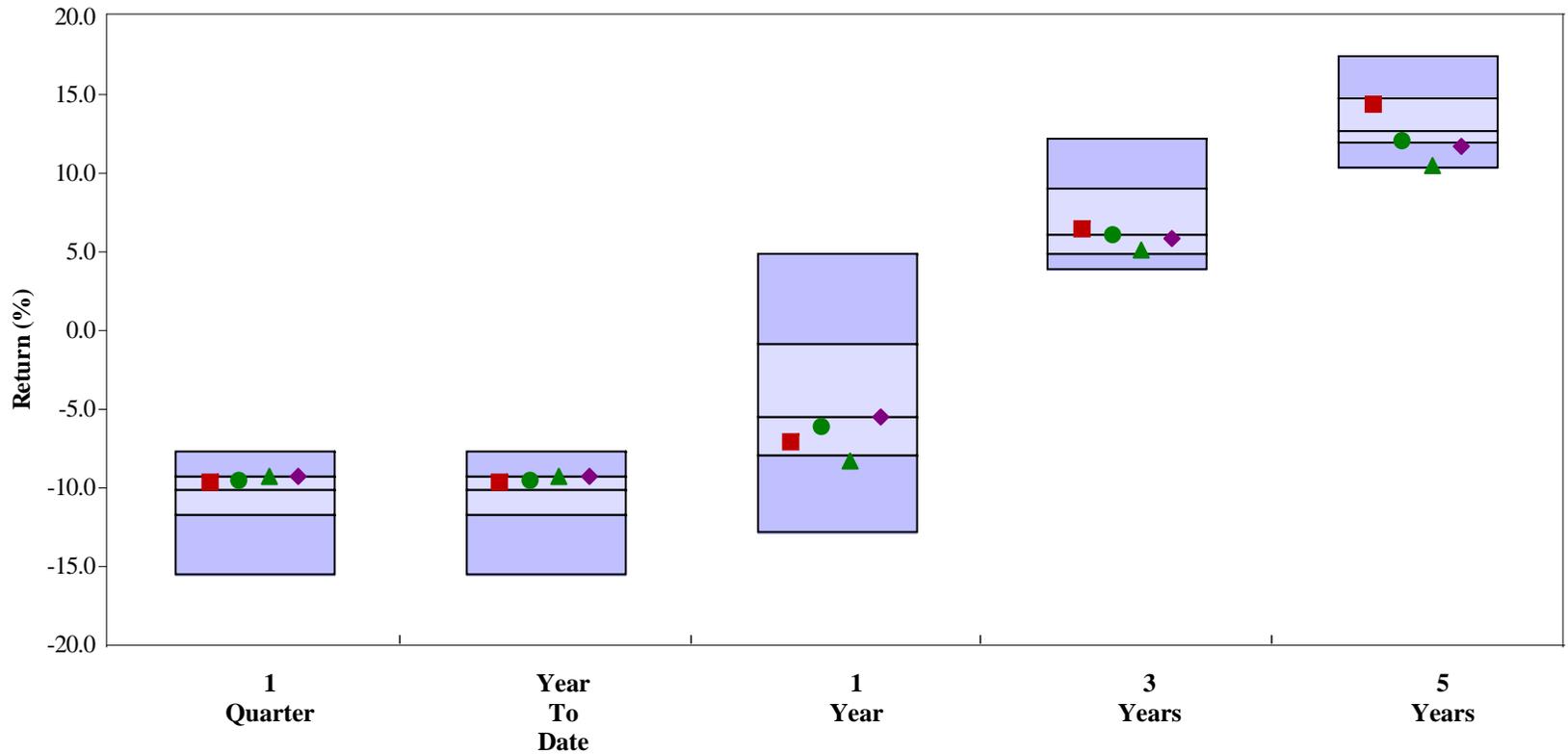
Ten Worst Performers	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
WELLPOINT, INC.	0.15	0.17	-0.01	-49.70
3COM CORPORATION	0.09	0.01	0.08	-49.34
SCHERING-PLOUGH CORPORATION	0.52	0.16	0.35	-45.73
MOTOROLA, INC.	0.18	0.15	0.03	-41.71
UNITED NATURAL FOODS, INC.	0.08	0.01	0.08	-41.02
UNITEDHEALTH GROUP	0.17	0.30	-0.13	-40.91
CANDELA CORPORATION	0.02	0.00	0.02	-39.07
IMMUCOR, INC.	0.04	0.01	0.03	-37.22
INT'L RECTIFIER	0.19	0.01	0.18	-36.71
LCA-VISION INC.	0.03	0.00	0.03	-36.50
% of Portfolio	1.47	0.82		



**Buy and Hold Sector Attribution Graph
Total Domestic Equity vs. Russell 3000 Index
Beaver County Employees' Retirement Fund
1 Quarter Ending March 31, 2008**



Peer Group Analysis
US All Cap Core Equity (SA+CF)
Beaver County Employees' Retirement Fund
As of March 31, 2008

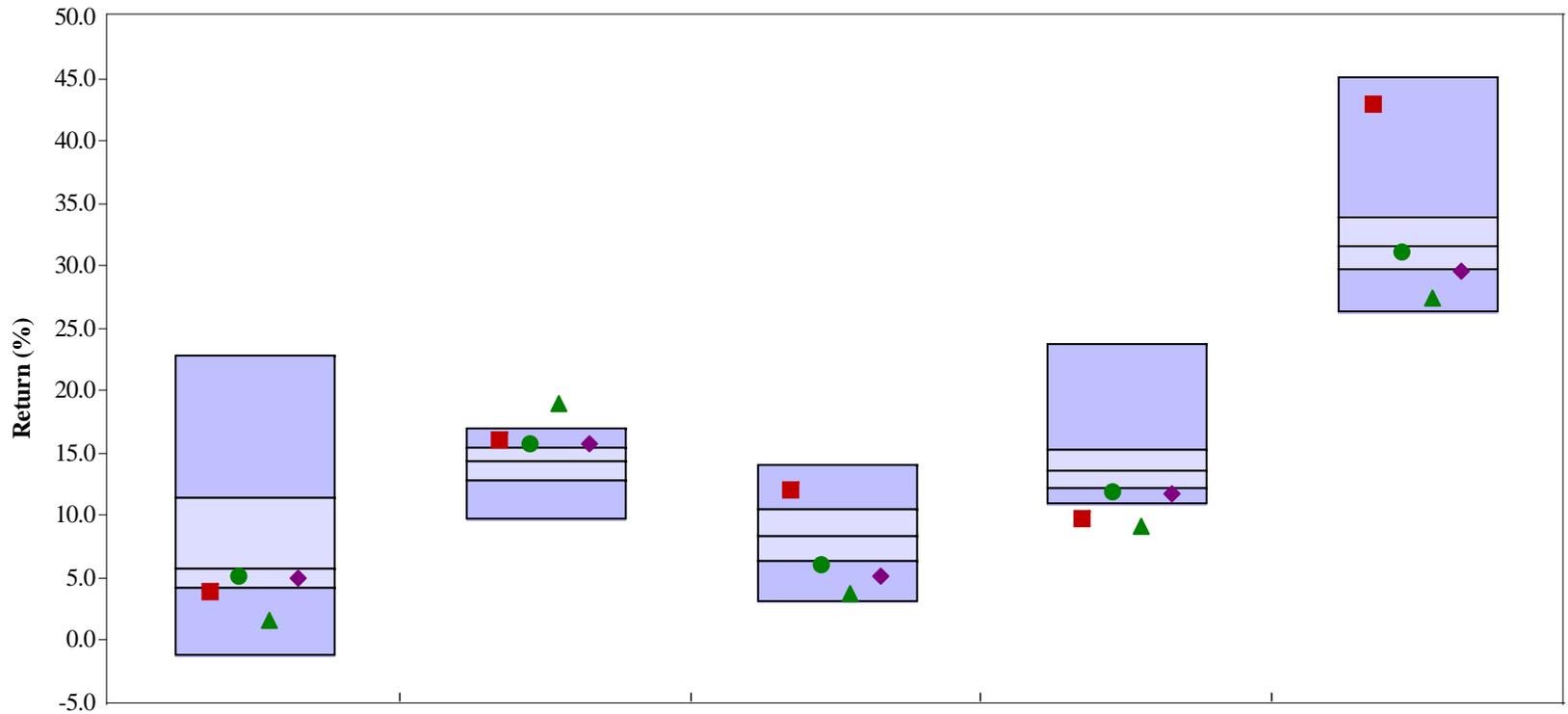


■ C.S. McKee, LP	-9.64 (44)	-9.64 (44)	-7.11 (67)	6.42 (44)	14.39 (32)
● Russell 3000 Index	-9.52 (34)	-9.52 (34)	-6.06 (61)	6.10 (50)	12.07 (72)
▲ CIM Investment Management	-9.28 (24)	-9.28 (24)	-8.33 (81)	5.09 (74)	10.52 (93)
◆ 92 S&P 500/ 8 S&P 600	-9.29 (25)	-9.29 (25)	-5.52 (49)	5.83 (65)	11.69 (82)
5th Percentile	-7.67	-7.67	4.84	12.16	17.42
1st Quartile	-9.32	-9.32	-0.84	9.05	14.77
Median	-10.16	-10.16	-5.55	6.10	12.71
3rd Quartile	-11.69	-11.69	-7.92	4.87	11.97
95th Percentile	-15.47	-15.47	-12.75	3.94	10.33
Population	33	33	33	33	30

Parenteses contain percentile rankings.
Returns are expressed as percentages.
Calculation based on quarterly periodicity.
Returns are domestic equity.



Peer Group Analysis
US All Cap Core Equity (SA+CF)
Beaver County Employees' Retirement Fund
As of March 31, 2008



	2007	2006	2005	2004	2003
■ C.S. McKee, LP	3.84 (78)	15.98 (14)	11.99 (19)	9.81 (99)	42.92 (9)
● Russell 3000 Index	5.14 (66)	15.72 (21)	6.12 (84)	11.95 (84)	31.06 (62)
▲ CIM Investment Management	1.61 (85)	19.01 (1)	3.80 (94)	9.13 (100)	27.44 (90)
◆ 92 S&P 500/ 8 S&P 600	5.03 (67)	15.77 (21)	5.15 (91)	11.81 (85)	29.50 (78)
5th Percentile	22.77	16.92	14.06	23.66	45.12
1st Quartile	11.41	15.48	10.50	15.35	33.91
Median	5.70	14.41	8.33	13.54	31.54
3rd Quartile	4.28	12.78	6.40	12.19	29.67
95th Percentile	-1.12	9.82	3.18	10.94	26.41
Population	34	36	39	37	37

Parentheses contain percentile rankings.
Returns are expressed as percentages.
Calculation based on quarterly periodicity.
Returns are domestic equity.



Portfolio Characteristics
C.S. McKee, LP vs. Russell 3000 Index
Beaver County Employees' Retirement Fund
As of March 31, 2008

Portfolio Characteristics	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	55,364	74,422
Median Mkt. Cap. (\$M)	5,935	948
Price/Earnings ratio	14.46	15.88
Price/Book ratio	2.27	2.67
5 Yr. EPS Growth Rate (%)	23.15	23.58
Current Yield (%)	3.01	2.67
Beta (5 yrs, monthly periodicity)	0.99	1.00
Number of Stocks	92	2893

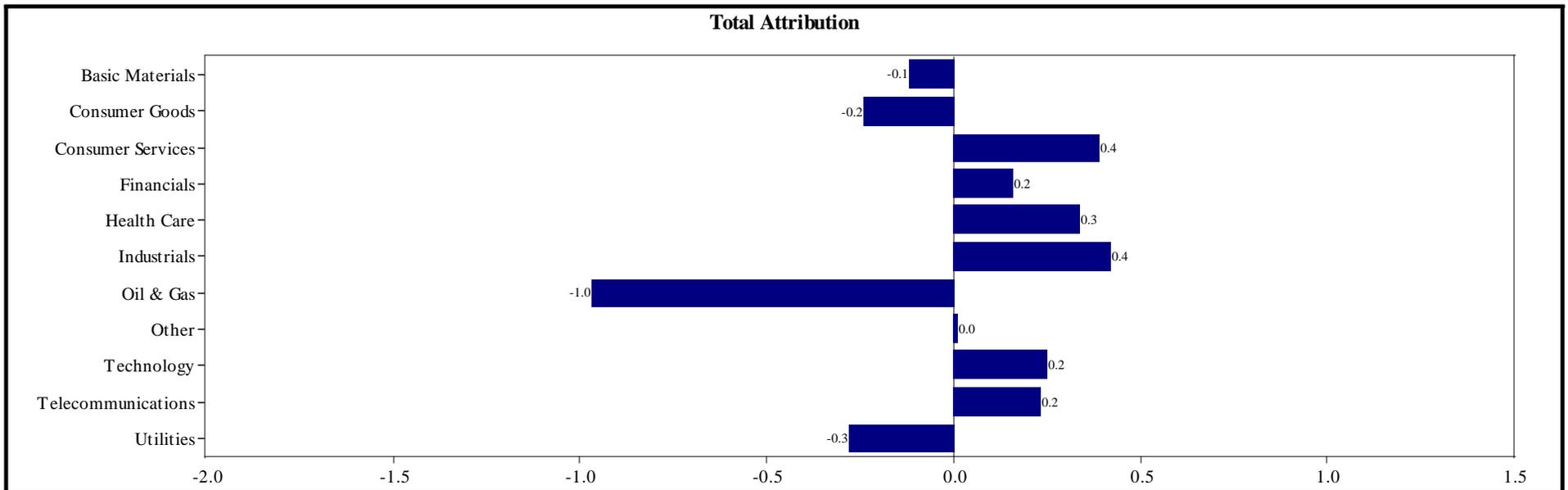
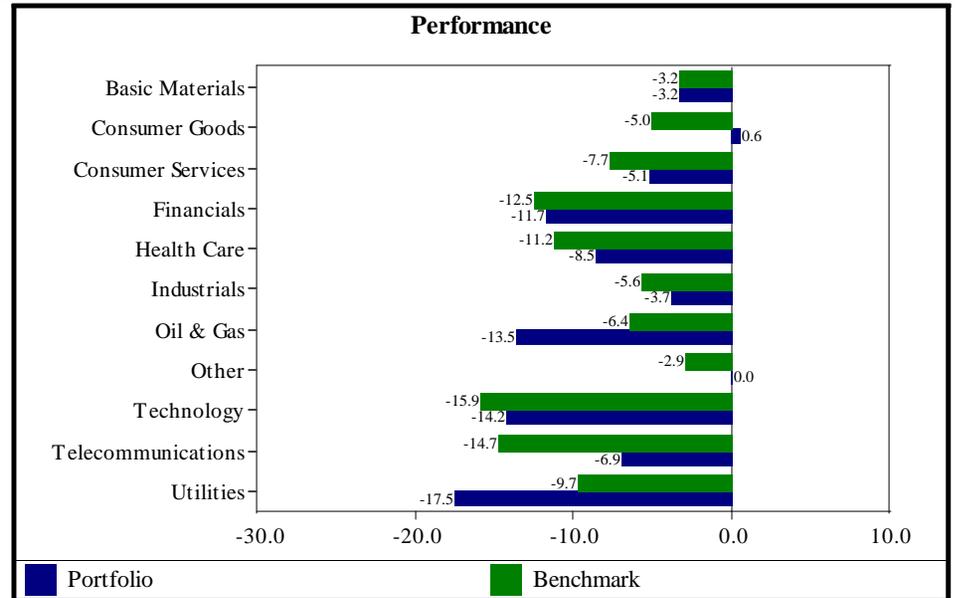
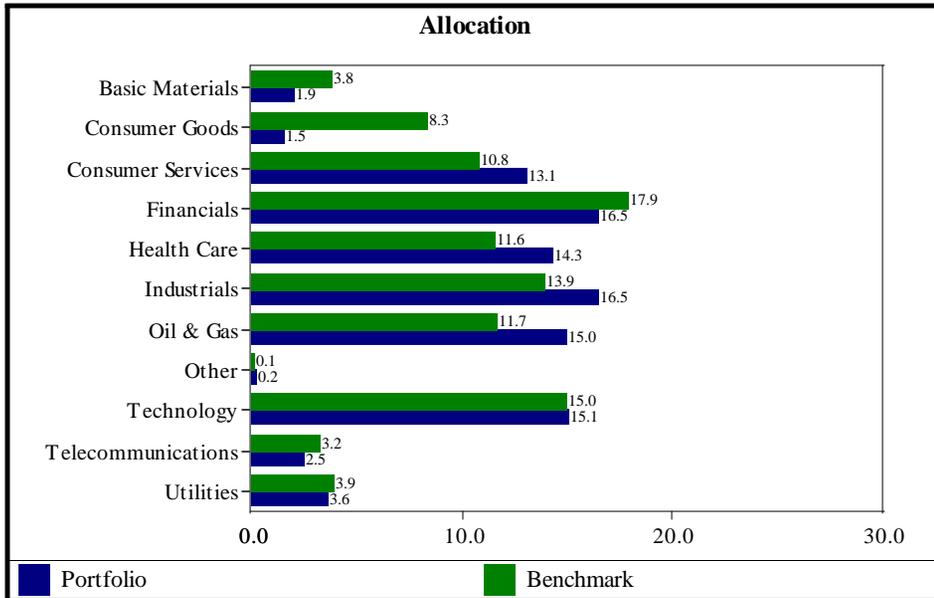
Top Ten Equity Holdings	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
WAL-MART STORES, INC.	4.31	0.89	3.41	11.33
CHEVRONTEXACO CORPORATION	4.19	1.29	2.90	-7.93
CONOCOPHILLIPS	4.05	0.88	3.18	-13.20
INTEL CORPORATION	3.63	0.87	2.77	-20.05
MARATHON OIL CORPORATION	3.55	0.23	3.32	-24.74
PUBLIC SVC ENTRPR GR	3.18	0.14	3.04	-17.52
CISCO SYSTEMS INCORPORATED	2.76	1.03	1.73	-11.01
JPMORGAN CHASE & CO.	2.55	1.03	1.52	-0.81
APPLIED MATERIALS, INC.	2.49	0.19	2.30	10.20
AT&T INC.	2.47	1.66	0.81	-6.89
% of Portfolio	33.18	8.21		

Ten Best Performers	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
ZIMMER HOLDINGS, INC.	1.53	0.13	1.40	17.70
SUN HYDRAULICS CORPORATION	0.40	0.00	0.39	16.37
SUPERIOR ENERGY SVCS	0.27	0.02	0.25	15.11
FORWARD AIR CORPORATION	0.28	0.01	0.27	13.92
MERIT MEDICAL SYSTEMS, INC.	0.20	0.00	0.20	13.88
TYCO INTERNATIONAL LTD.	0.72	0.15	0.56	11.48
WAL-MART STORES, INC.	4.31	0.89	3.41	11.33
APPLIED MATERIALS, INC.	2.49	0.19	2.30	10.20
PRESTIGE BRANDS HLDG	0.20	0.00	0.20	9.36
LAKELAND FINANCIAL	0.29	0.00	0.29	9.06
% of Portfolio	10.69	1.39		

Ten Worst Performers	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
3COM CORPORATION	0.19	0.01	0.18	-49.34
SCHERING-PLOUGH CORPORATION	0.78	0.16	0.61	-45.73
UNITED NATURAL FOODS, INC.	0.17	0.01	0.17	-41.02
CANDELA CORPORATION	0.05	0.00	0.05	-39.07
INT'L RECTIFIER	0.41	0.01	0.39	-36.71
LCA-VISION INC.	0.07	0.00	0.06	-36.50
GOOGLE INC.	0.88	0.71	0.17	-36.30
MENTOR CORPORATION	0.16	0.01	0.15	-34.22
LAYNE CHRISTENSEN COMPANY	0.26	0.00	0.26	-28.84
STEAK N SHAKE	0.11	0.00	0.11	-27.80
% of Portfolio	3.08	0.91		



**Buy and Hold Sector Attribution Graph
C.S. McKee, LP vs. Russell 3000 Index
Beaver County Employees' Retirement Fund
1 Quarter Ending March 31, 2008**



Portfolio Characteristics
CIM Investment Management vs. S&P 500
Beaver County Employees' Retirement Fund
As of March 31, 2008

Portfolio Characteristics	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	77,014	89,591
Median Mkt. Cap. (\$M)	4,630	10,897
Price/Earnings ratio	15.46	15.74
Price/Book ratio	2.46	2.71
5 Yr. EPS Growth Rate (%)	20.53	23.14
Current Yield (%)	2.86	2.65
Beta (5 yrs, monthly periodicity)	0.99	1.00
Number of Stocks	215	500

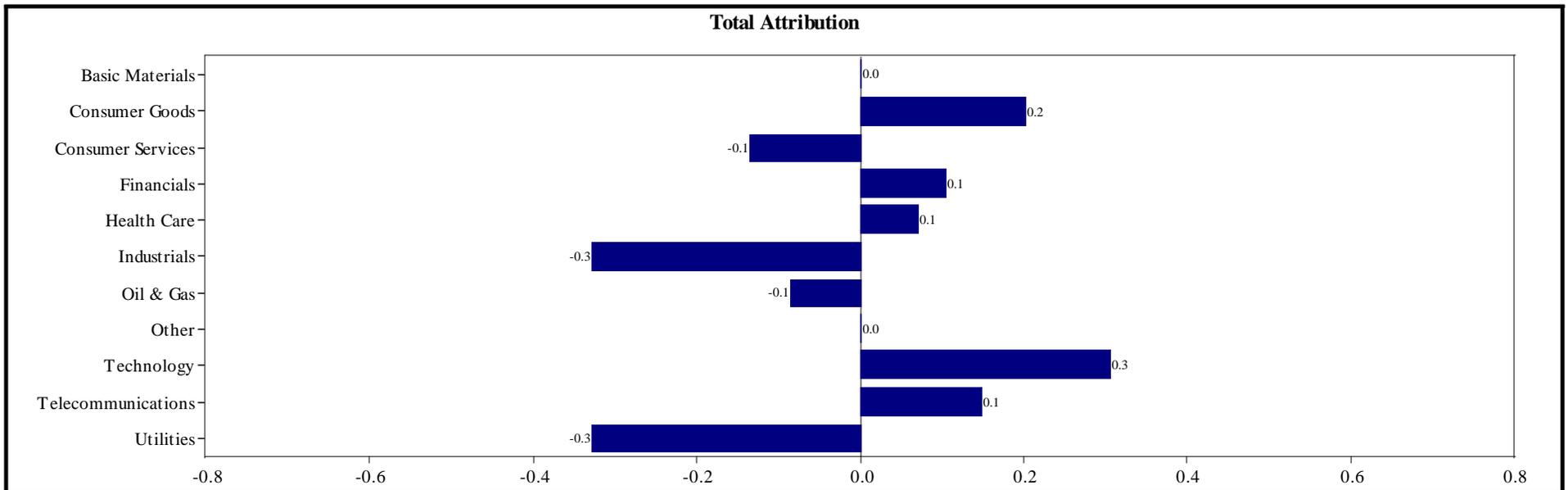
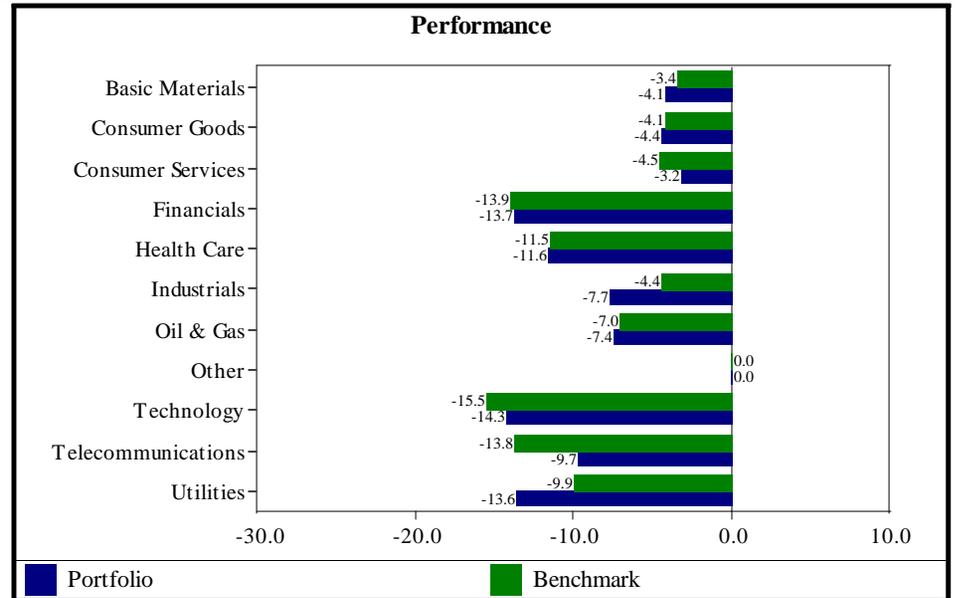
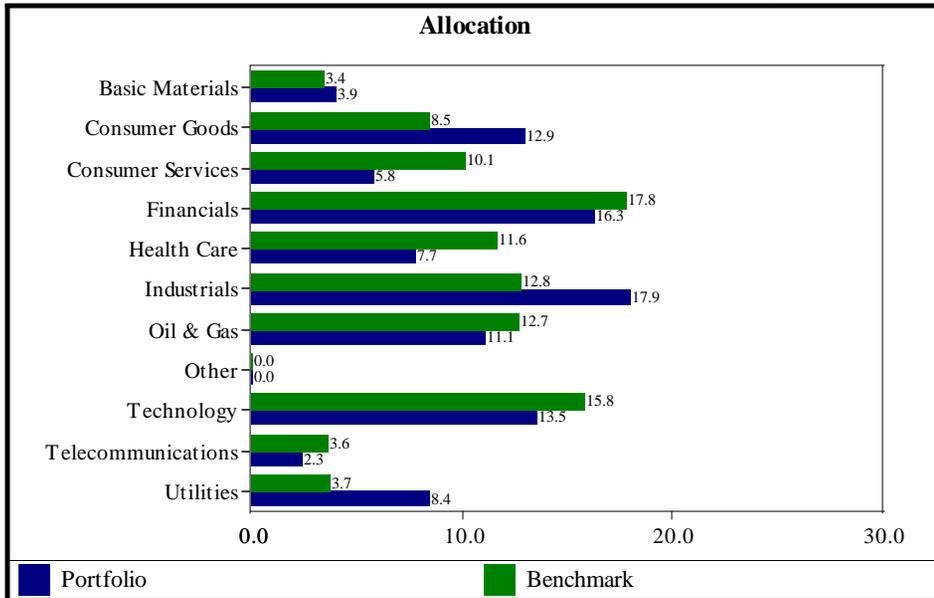
Top Ten Equity Holdings	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
EXXON MOBIL CORPORATION	3.51	3.97	-0.46	-9.36
GENERAL ELECTRIC COMPANY	2.83	3.24	-0.41	0.77
MICROSOFT CORPORATION	1.83	1.99	-0.16	-19.96
AT&T INC.	1.62	2.03	-0.41	-6.89
INT'L BUSINESS MACHS	1.44	1.40	0.04	6.89
CISCO SYSTEMS INCORPORATED	1.36	1.26	0.10	-11.01
PROCTER & GAMBLE CO (THE)	1.34	1.89	-0.55	-4.05
CHEVRONTEXACO CORPORATION	1.25	1.55	-0.31	-7.93
TORCHMARK CORPORATION	1.23	0.05	1.18	-0.48
BANK OF AMERICA CORPORATION	1.22	1.48	-0.25	-6.57
% of Portfolio	17.63	18.86		

Ten Best Performers	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
CABOT OIL & GAS CORPORATION	0.21	0.00	0.21	26.01
LANDSTAR SYSTEM, INC	0.14	0.00	0.14	23.85
NABORS INDUSTRIES LTD.	0.56	0.08	0.48	23.29
KIRBY CORPORATION	0.22	0.00	0.22	22.63
UNIT CORPORATION	0.16	0.00	0.16	22.49
WATSON WYATT & CO	0.19	0.00	0.19	22.44
ESSEX PROPERTY TRUST	0.18	0.00	0.18	17.96
DEVON ENERGY CORPORATION	0.72	0.41	0.31	17.52
VIAD CORP	0.15	0.00	0.15	14.15
WATSCO INC	0.15	0.00	0.15	13.90
% of Portfolio	2.68	0.49		

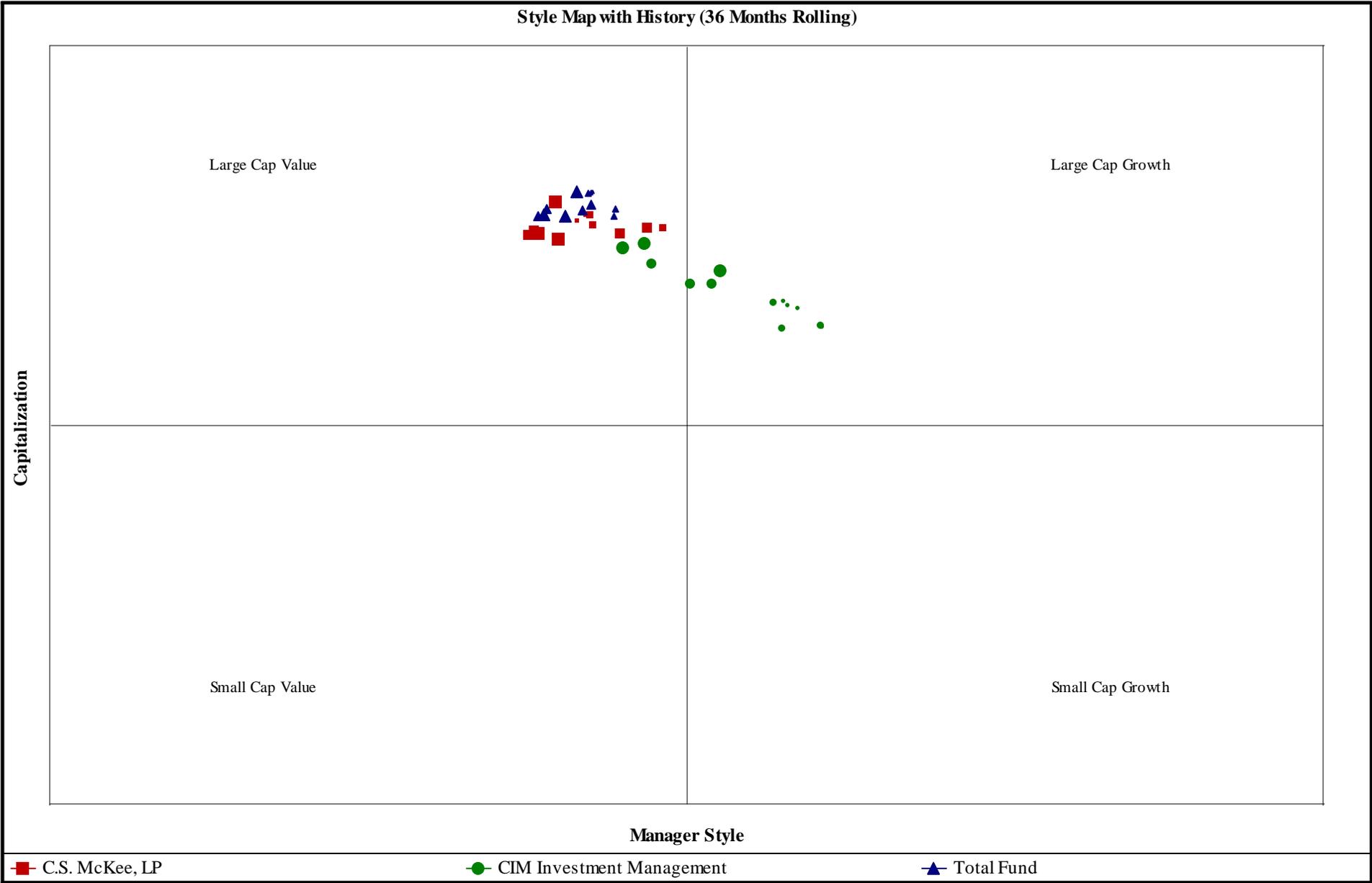
Ten Worst Performers	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
WELLPOINT, INC.	0.29	0.21	0.08	-49.70
SCHERING-PLOUGH CORPORATION	0.28	0.20	0.08	-45.73
MOTOROLA, INC.	0.35	0.18	0.16	-41.71
UNITEDHEALTH GROUP	0.32	0.38	-0.05	-40.91
IMMUCOR, INC.	0.07	0.00	0.07	-37.22
GOOGLE INC.	0.85	0.90	-0.05	-36.30
MERCK & CO. , INC.	0.63	0.72	-0.09	-34.04
CYMER, INC.	0.09	0.00	0.09	-33.11
BARNES GROUP INC.	0.08	0.00	0.08	-30.84
MEREDITH CORPORATION	0.53	0.01	0.52	-30.08
% of Portfolio	3.49	2.60		



**Buy and Hold Sector Attribution Graph
 CIM Investment Management vs. S&P 500
 Beaver County Employees' Retirement Fund
 1 Quarter Ending March 31, 2008**

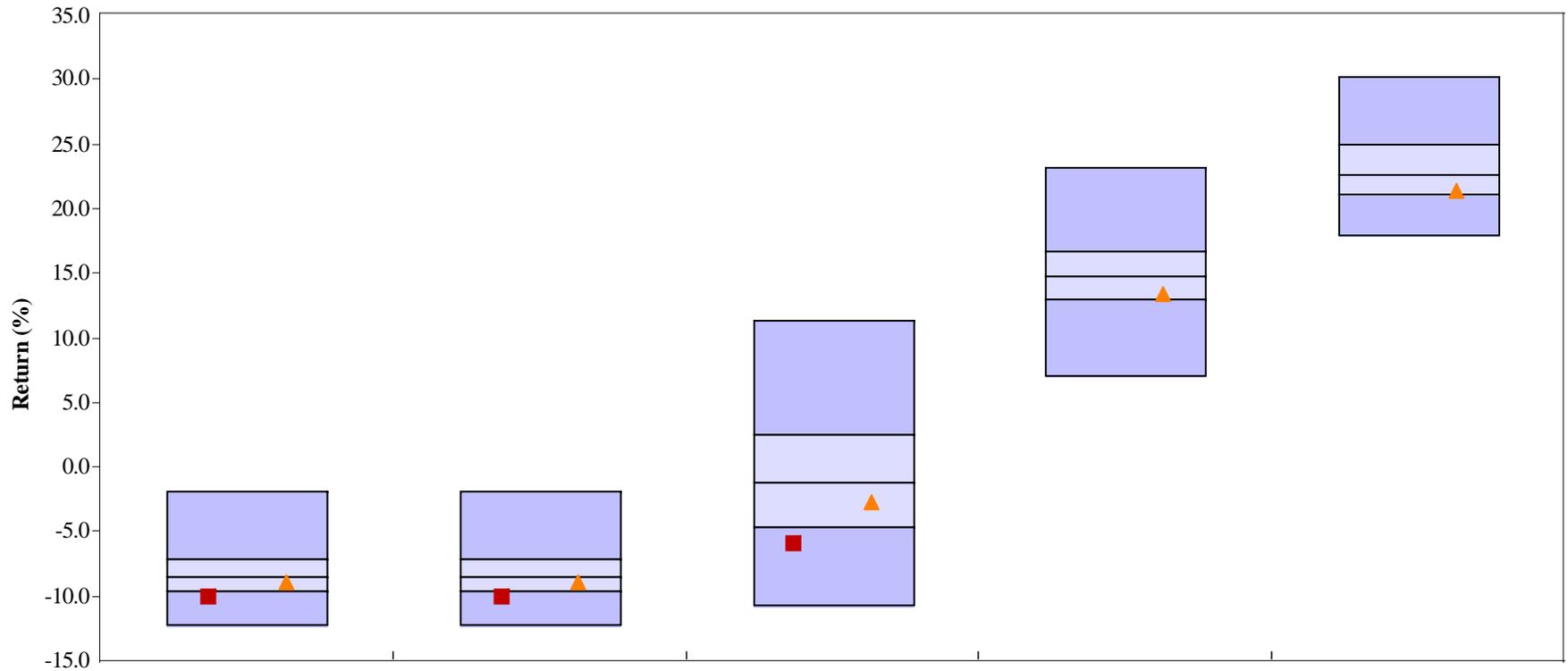


Style Analysis
Beaver County Employees' Retirement Fund
January 1, 2004 To March 31, 2008



International Equity

Peer Group Analysis
International Equity All (SA+CF)
Beaver County Employees' Retirement Fund
As of March 31, 2008

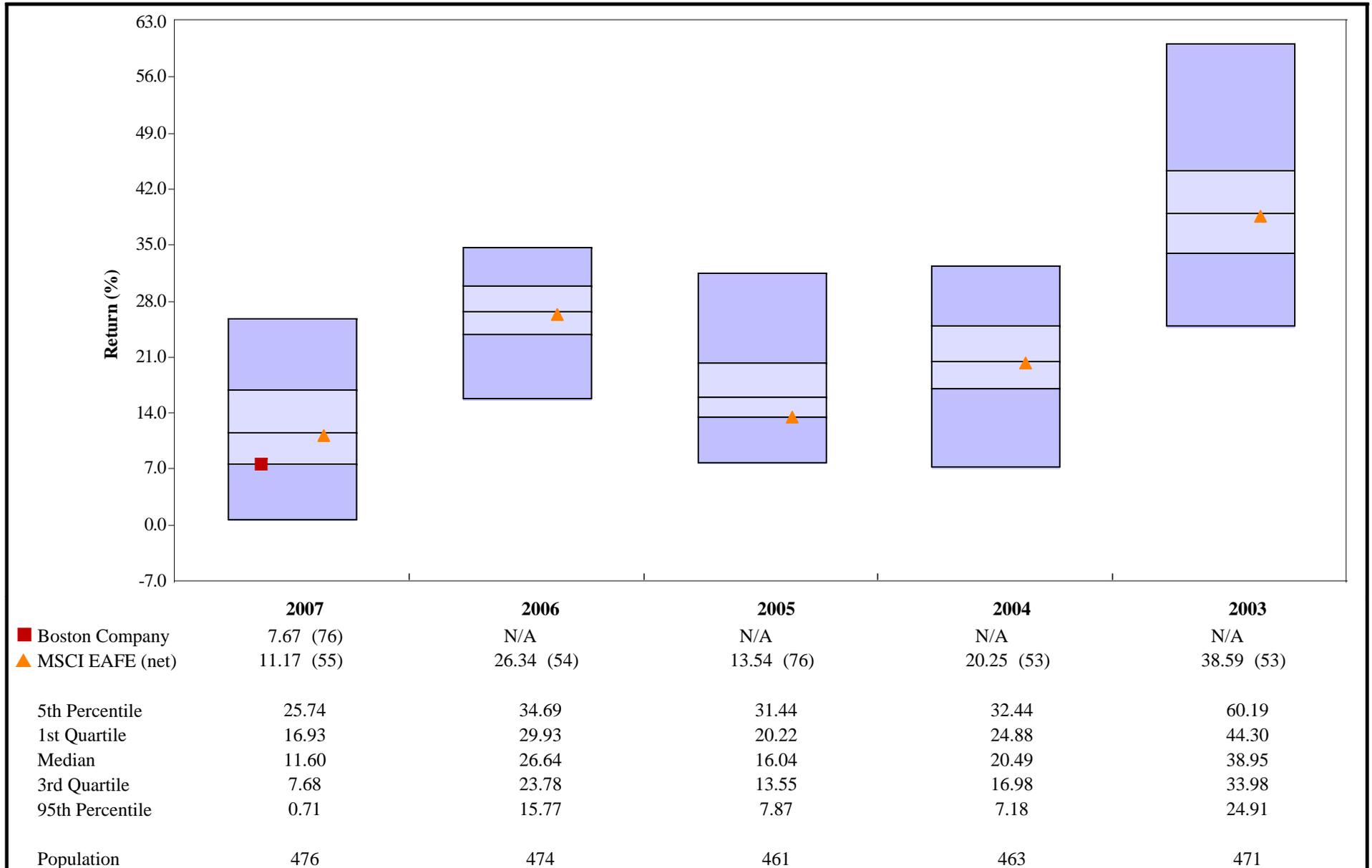


	1 Quarter	Year To Date	1 Year	3 Years	5 Years
■ Boston Company	-10.04 (80)	-10.04 (80)	-5.92 (83)	N/A	N/A
▲ MSCI EAFE (net)	-8.91 (59)	-8.91 (59)	-2.70 (62)	13.32 (71)	21.40 (72)
5th Percentile	-1.98	-1.98	11.36	23.18	30.16
1st Quartile	-7.08	-7.08	2.48	16.75	24.99
Median	-8.54	-8.54	-1.24	14.69	22.65
3rd Quartile	-9.69	-9.69	-4.68	12.97	21.09
95th Percentile	-12.29	-12.29	-10.68	7.04	17.92
Population	475	475	469	416	364

Parentheses contain percentile rankings.
Returns are expressed as percentages.
Calculation based on quarterly periodicity.
Returns are gross of fees.



Peer Group Analysis
International Equity All (SA+CF)
Beaver County Employees' Retirement Fund
As of March 31, 2008

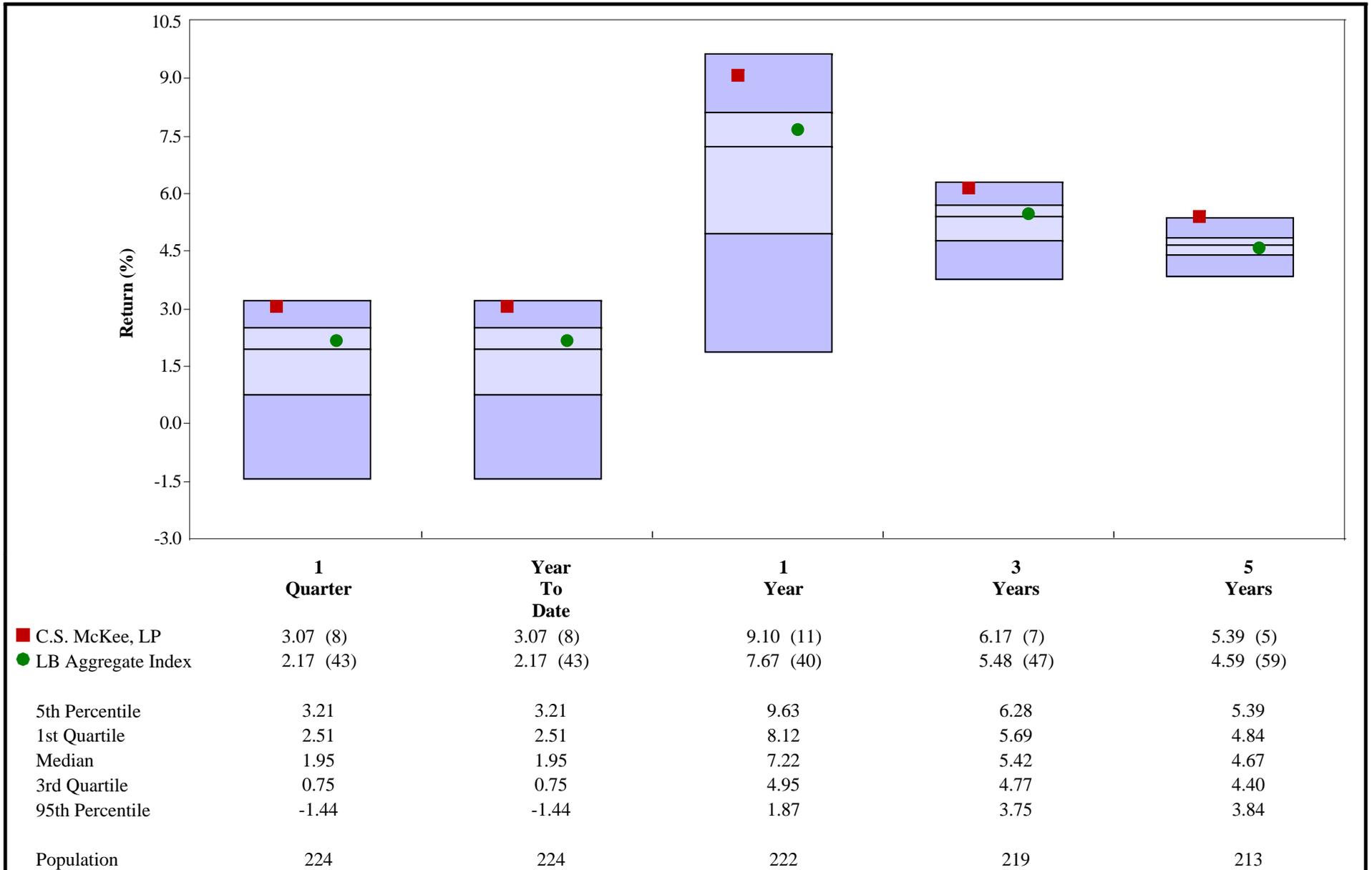


Parentheses contain percentile rankings.
Returns are expressed as percentages.
Calculation based on quarterly periodicity.
Returns are gross of fees.



Fixed Income

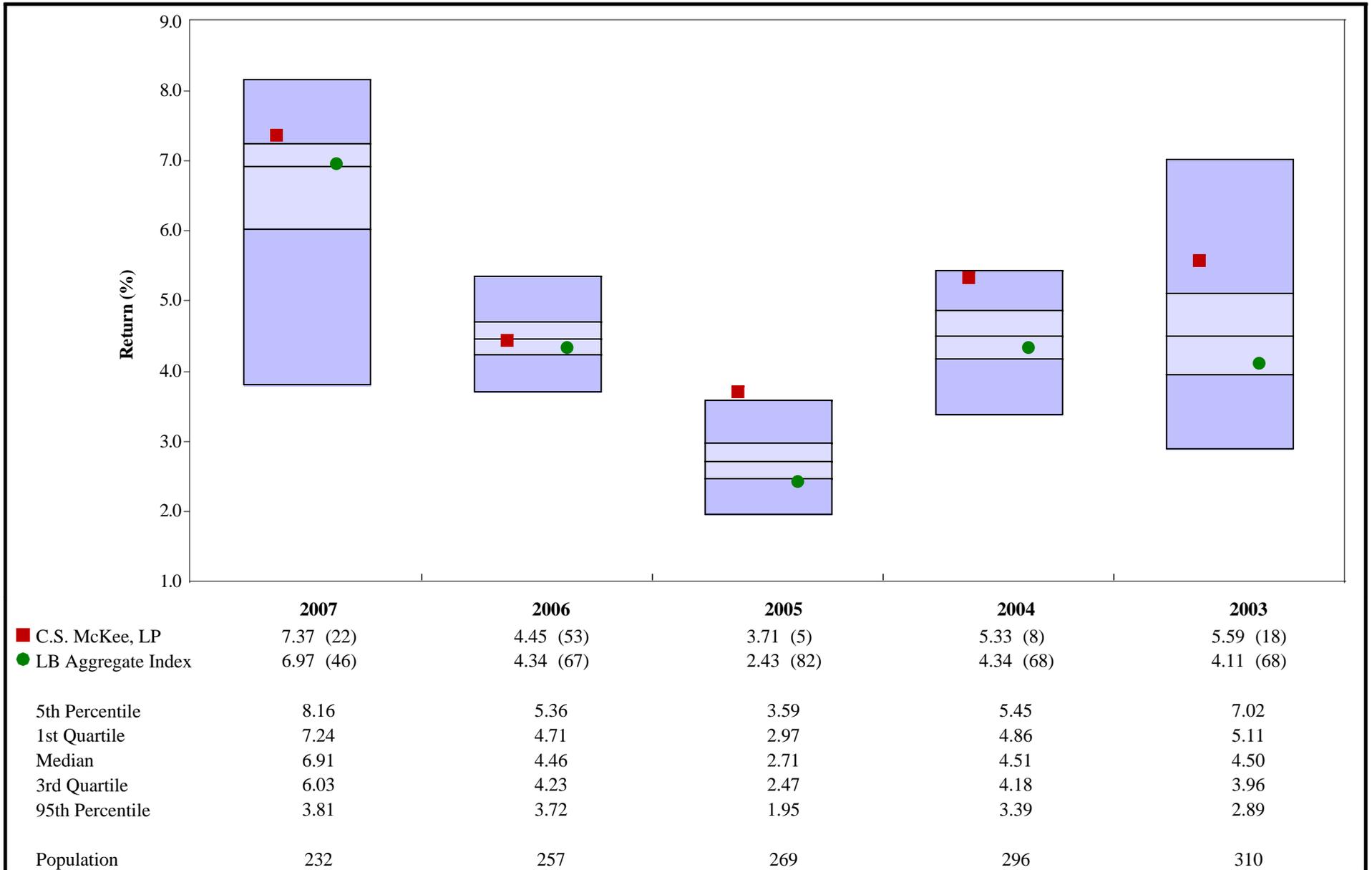
Peer Group Analysis
US Broad Market Core Fixed Income (SA+CF)
Beaver County Employees' Retirement Fund
As of March 31, 2008



Parenteses contain percentile rankings.
Returns are expressed as percentages.
Calculation based on quarterly periodicity.
Returns are domestic fixed income.



Peer Group Analysis
US Broad Market Core Fixed Income (SA+CF)
Beaver County Employees' Retirement Fund
As of March 31, 2008

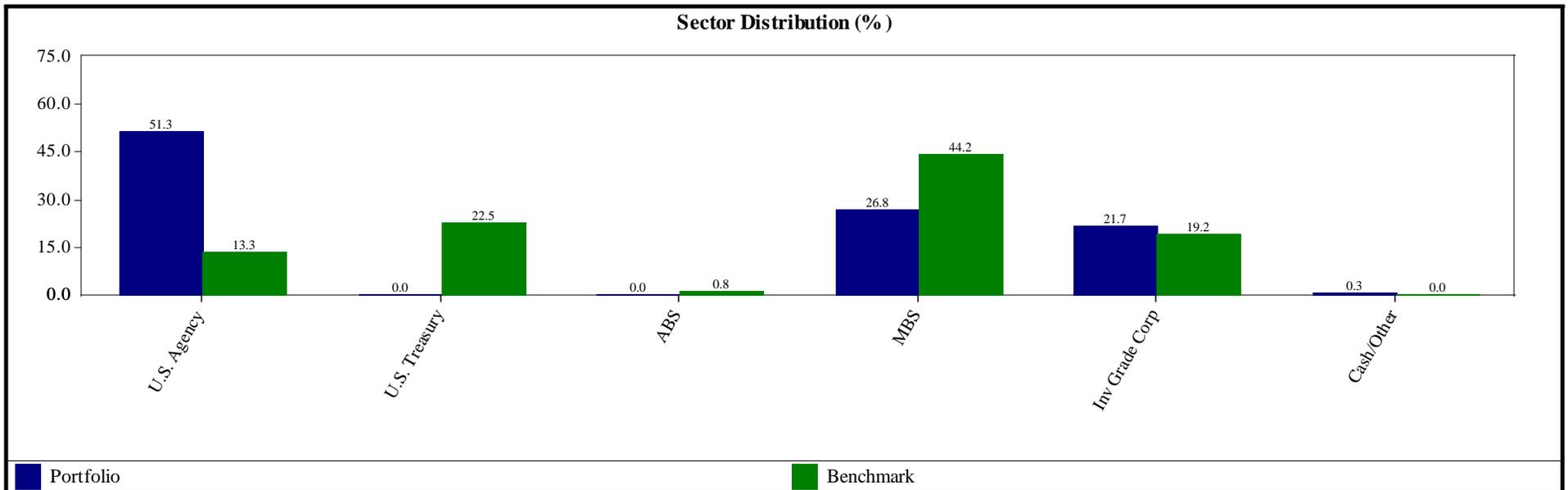
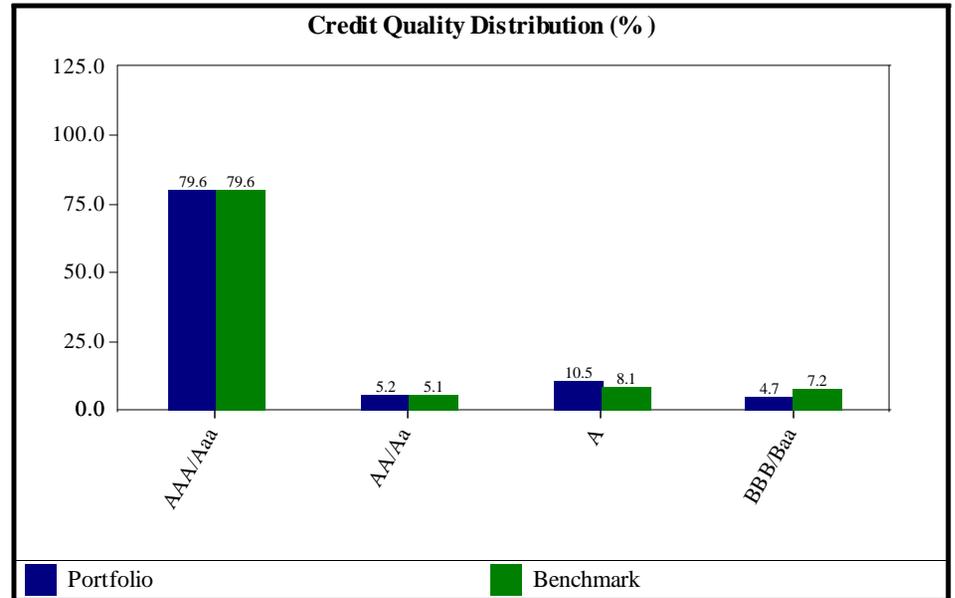


Parenteses contain percentile rankings.
Returns are expressed as percentages.
Calculation based on quarterly periodicity.
Returns are domestic fixed income.

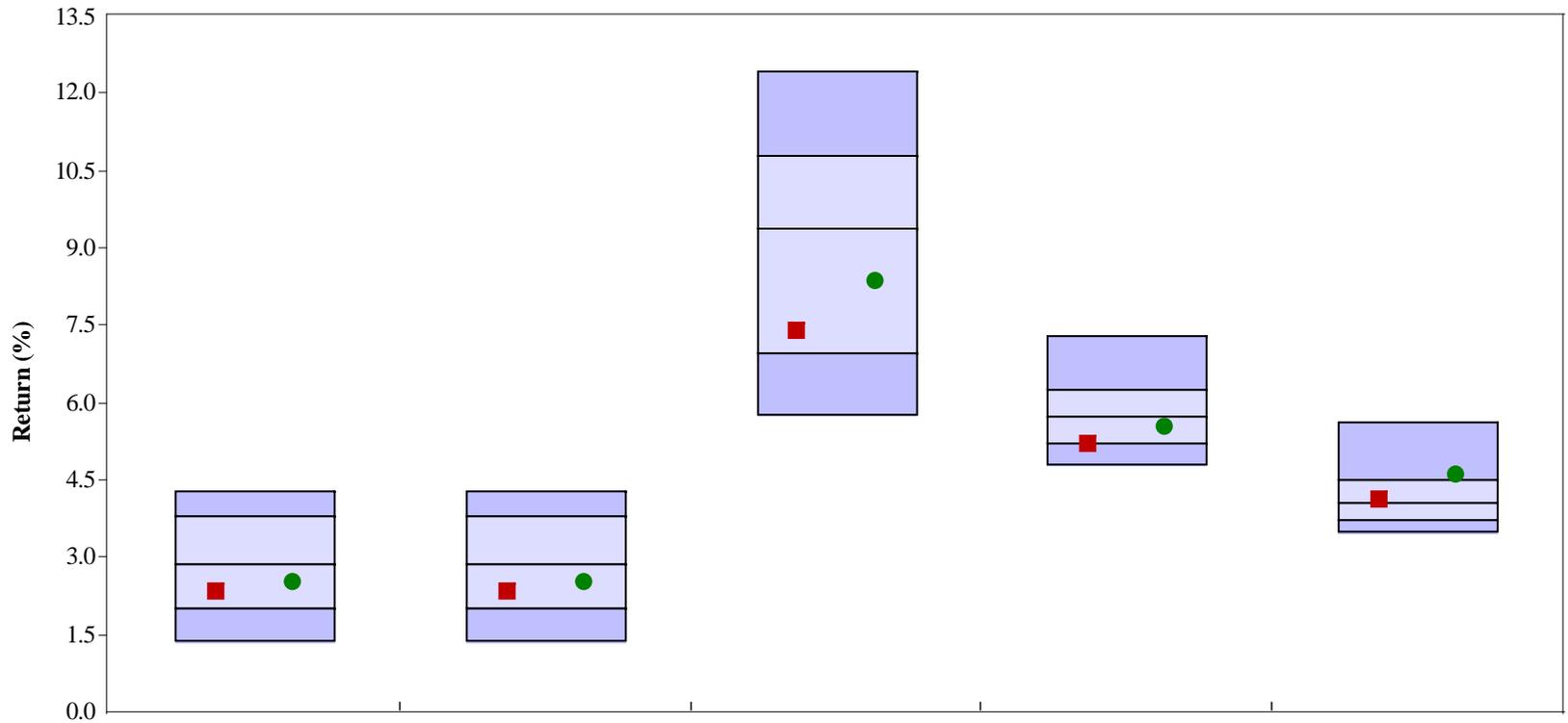


Portfolio Characteristics
C.S. McKee, LP vs. LB Aggregate Index
Beaver County Employees' Retirement Fund
As of March 31, 2008

	Portfolio	Benchmark
Portfolio Characteristics		
Yield To Maturity	6.05%	4.51%
Avg. Maturity	5.26	7.05
Coupon Rate	5.29%	5.41%
Portfolio Duration	3.90	4.38
Avg. Quality	AAA	AA



Peer Group Analysis
US Governments Fixed Income (SA+CF)
Beaver County Employees' Retirement Fund
As of March 31, 2008

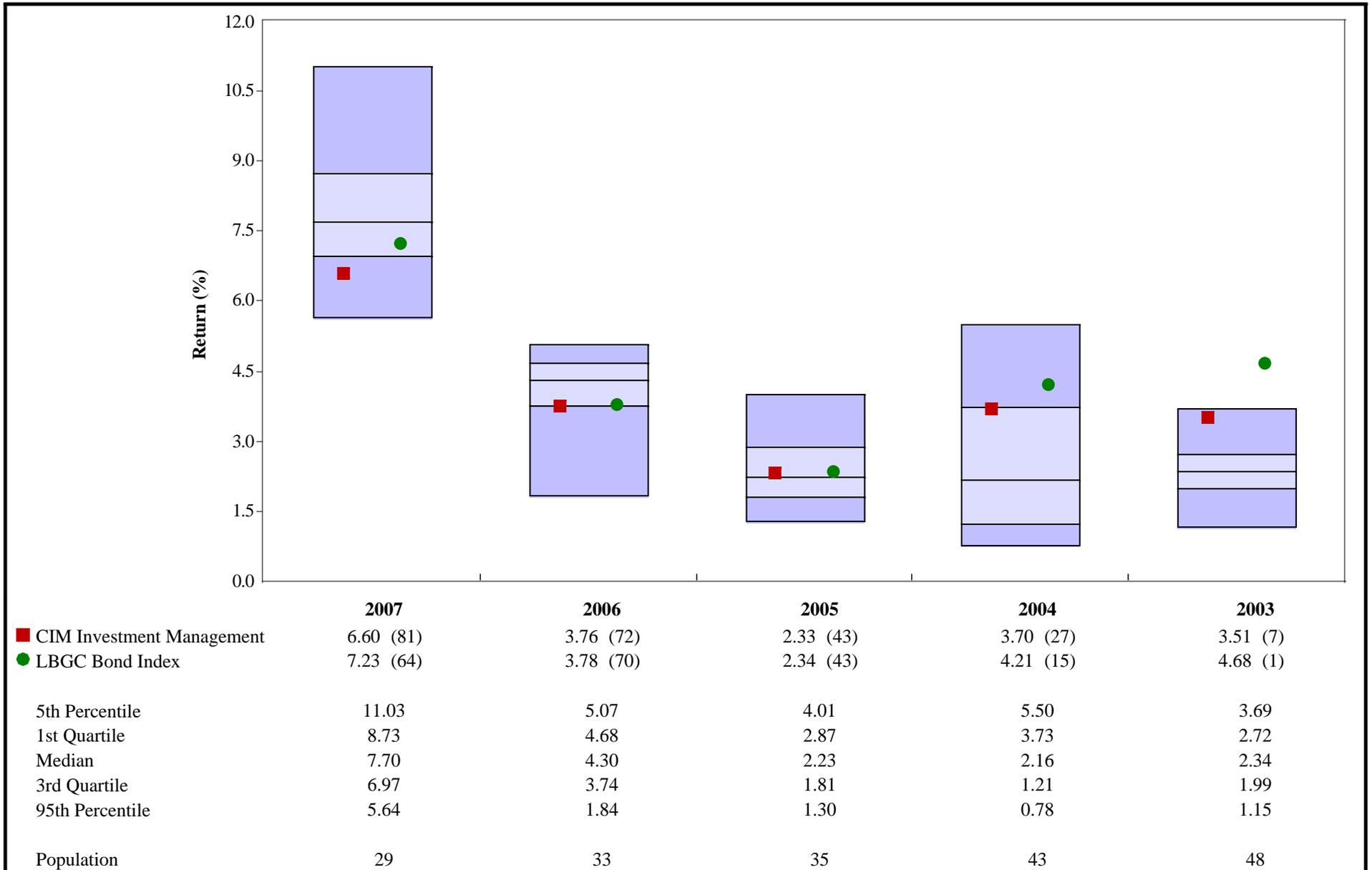


	1 Quarter	Year To Date	1 Year	3 Years	5 Years
■ CIM Investment Management	2.32 (72)	2.32 (72)	7.38 (74)	5.21 (73)	4.12 (40)
● LBG Bond Index	2.53 (64)	2.53 (64)	8.35 (62)	5.54 (54)	4.62 (24)
5th Percentile	4.27	4.27	12.41	7.30	5.63
1st Quartile	3.80	3.80	10.77	6.25	4.49
Median	2.85	2.85	9.36	5.73	4.04
3rd Quartile	2.01	2.01	6.96	5.20	3.70
95th Percentile	1.36	1.36	5.75	4.81	3.48
Population	25	25	25	25	24

Parentheses contain percentile rankings.
Returns are expressed as percentages.
Calculation based on quarterly periodicity.
Returns are domestic fixed income.



Peer Group Analysis
US Governments Fixed Income (SA+CF)
Beaver County Employees' Retirement Fund
As of March 31, 2008

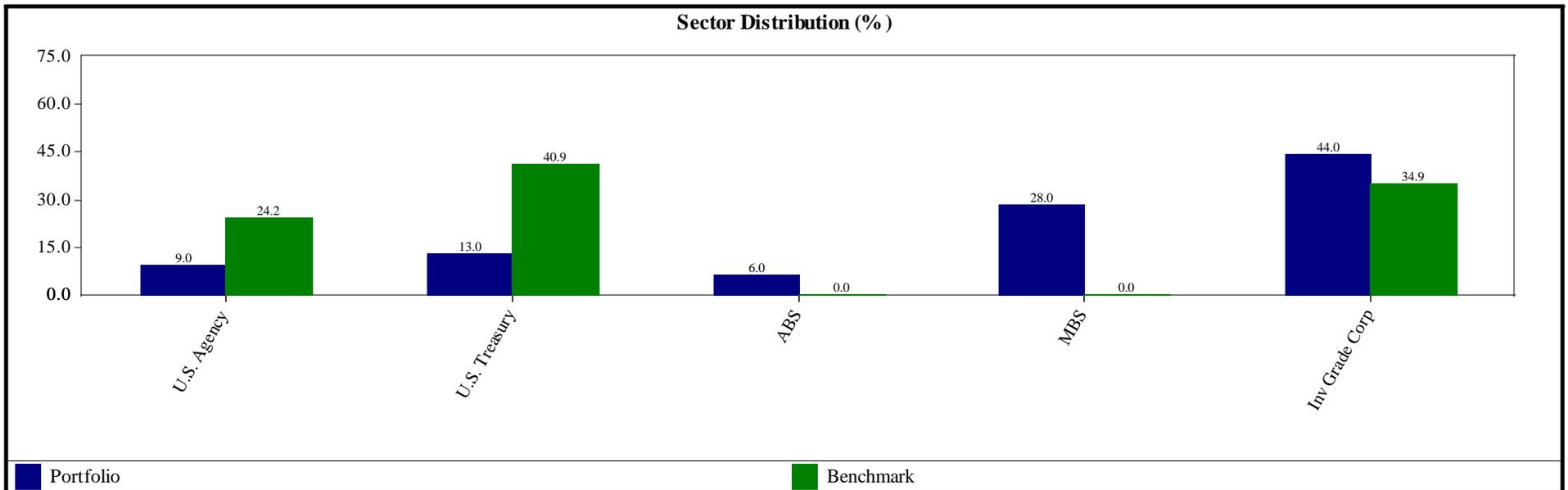
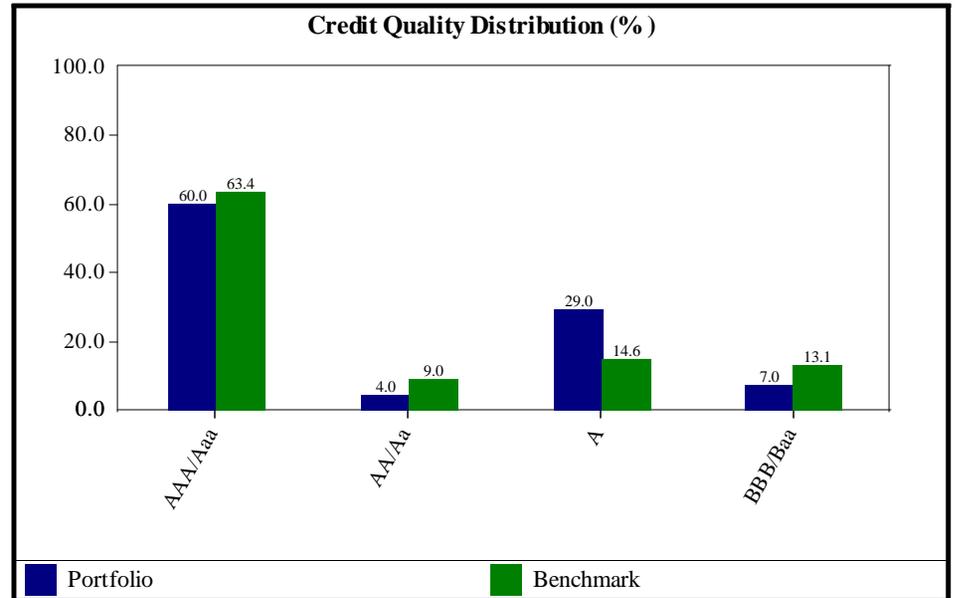


Parenteses contain percentile rankings.
Returns are expressed as percentages.
Calculation based on quarterly periodicity.
Returns are domestic fixed income.



Portfolio Characteristics
CIM Investment Management vs. LBG Bond Index
Beaver County Employees' Retirement Fund
As of March 31, 2008

	Portfolio	Benchmark
Portfolio Characteristics		
Yield To Maturity	5.42%	3.91%
Avg. Maturity	6.78	8.02
Coupon Rate	5.55%	5.33%
Portfolio Duration	5.18	5.37
Avg. Quality	AA	AA



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