

Spokane Employees' Retirement System

Fourth Quarter 2010 Performance Report

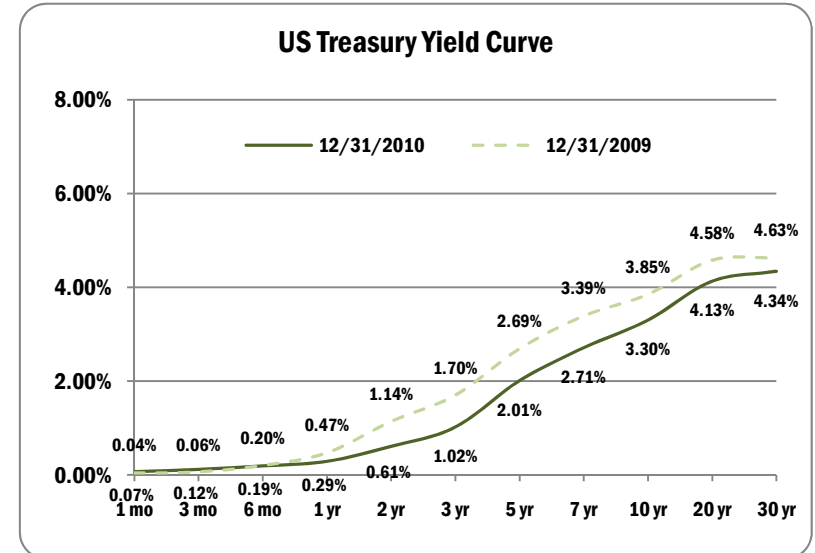
February 2011



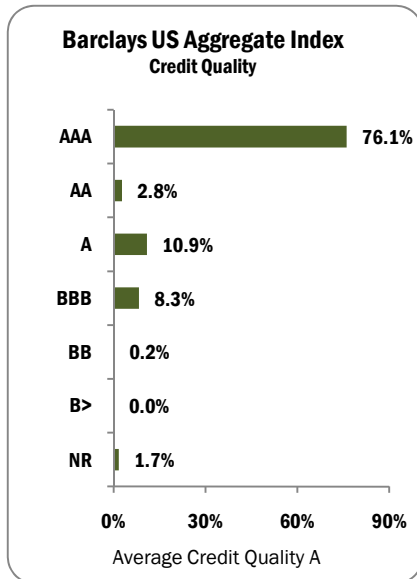
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4Q2010 Bond Market Data

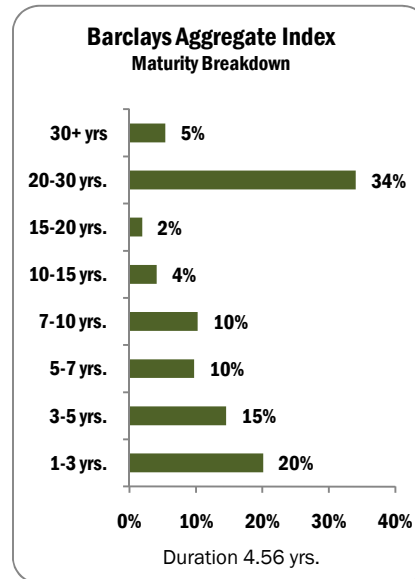
Index	4Q10	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
90-Day T-Bill	0.03%	0.15%	0.15%	0.56%	2.18%	2.16%
Barclays US Treasury US TIPS	-0.65%	6.31%	6.31%	4.97%	5.33%	7.02%
Barclays US Treasury	-2.64%	5.87%	5.87%	5.11%	5.47%	5.41%
Barclays US Treasury 1-3 Yr	-0.15%	2.40%	2.40%	3.26%	4.19%	3.95%
Barclays US Treasury 5-10 Yr	-3.76%	8.68%	8.68%	6.51%	6.49%	6.14%
Barclays US Govt/ Credit	-2.17%	6.59%	6.59%	5.60%	5.56%	5.83%
Barclays 1-3 Yr Govt/ Credit	-0.07%	2.80%	2.80%	3.86%	4.53%	4.34%
Barclays US Govt/ Credit 5-10 Yr	-2.94%	9.42%	9.42%	6.98%	6.45%	6.69%
Barclays US Aggregate	-1.30%	6.54%	6.54%	5.90%	5.80%	5.84%
Barclays US Corp. High Yield	3.22%	15.12%	15.12%	10.38%	8.91%	8.88%
Barclays Global Aggregate	-1.33%	5.54%	5.54%	5.75%	6.66%	6.74%
Barclays Municipal	-4.17%	2.38%	2.38%	4.08%	4.09%	4.83%
Barclays US Credit	-1.86%	8.47%	8.47%	6.85%	5.98%	6.55%



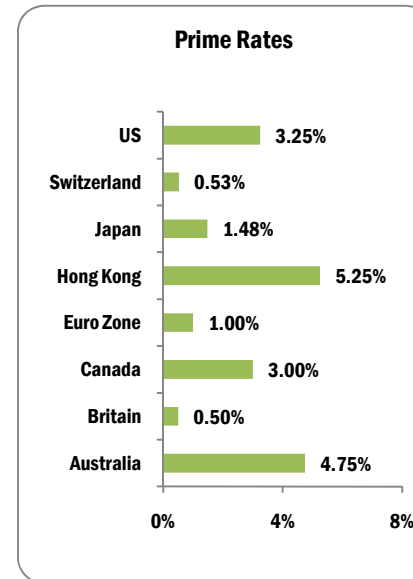
Source: Department of US Treasury



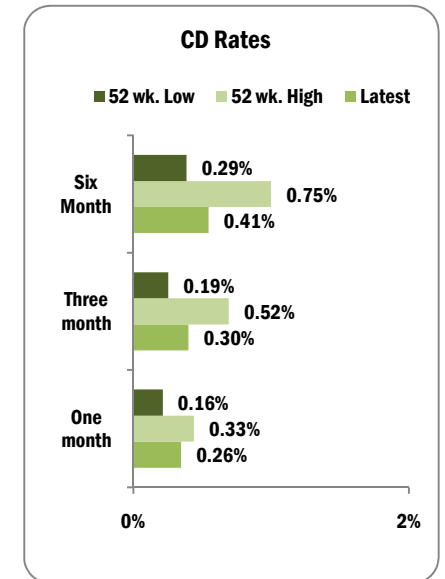
Source: Morningstar



Source: Morningstar



Source: Wall Street Journal



Source: Federal Reserve

4Q2010 US Equity Market Data

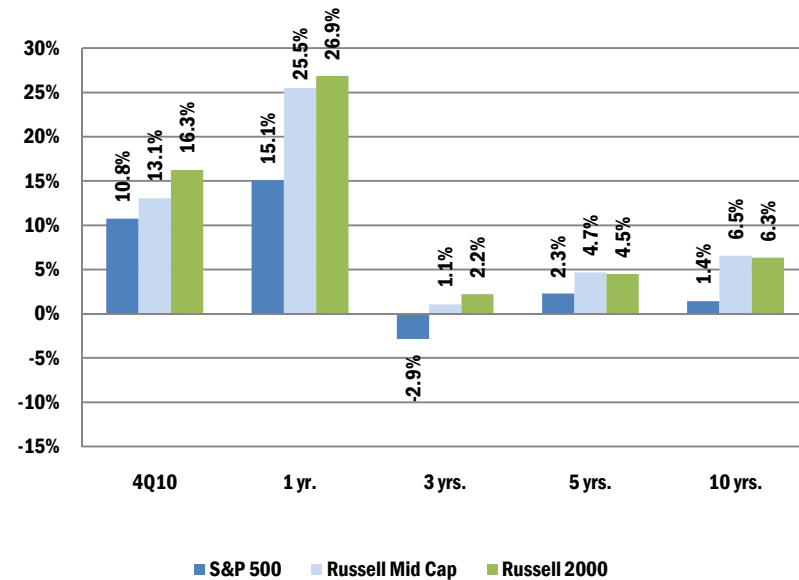
Sectors Weights/Returns (ranked by quarter performance)

S&P 500 Index	Wgt.	Sector	4Q10	1 Yr.
	12%	Energy	21.48%	20.46%
	4%	Materials	19.03%	22.20%
	11%	Consumer Discretionary	12.63%	27.66%
	11%	Industrials	11.81%	26.73%
	11%	Health Care	11.57%	12.13%
	19%	Information Technology	10.24%	10.19%
	3%	Telecom Services	7.34%	18.97%
	11%	Consumer Staples	6.11%	14.11%
	16%	Financials	3.64%	2.90%
	3%	Utilities	1.09%	5.46%
S&P Midcap 400 Index	Wgt.	Sector	4Q10	1 Yr.
	6%	Energy	38.36%	44.87%
	16%	Industrials	18.31%	27.03%
	16%	Information Technology	18.16%	24.60%
	14%	Consumer Discretionary	16.39%	35.89%
	7%	Materials	16.20%	18.28%
	20%	Financials	13.21%	21.41%
	1%	Telecom Services	12.33%	5.13%
	11%	Health Care	11.66%	22.52%
S&P Smallcap 600 Index	Wgt.	Sector	4Q10	1 Yr.
	5%	Energy	23.70%	30.77%
	16%	Industrials	19.00%	30.92%
	20%	Information Technology	16.66%	32.70%
	15%	Consumer Discretionary	14.14%	31.90%
	5%	Materials	11.40%	28.26%
	3%	Consumer Staples	10.56%	25.90%
	13%	Health Care	10.46%	23.02%
	1%	Telecom Services	9.06%	14.03%
	19%	Financials	8.60%	19.73%
	4%	Utilities	6.38%	14.30%

Index Performance Data

Index	4Q10	YTD	1 yr.	Annualized		
				3 yrs.	5 yrs.	10 yrs.
S&P 500	10.76%	15.06%	15.06%	-2.86%	2.29%	1.41%
Russell 1000 Value	10.54%	15.51%	15.51%	-4.42%	1.28%	3.26%
Russell 1000 Growth	11.83%	16.71%	16.71%	-0.47%	3.75%	0.02%
Russell Mid Cap	13.07%	25.48%	25.48%	1.05%	4.66%	6.54%
Russell Mid Cap Value	12.24%	24.75%	24.75%	1.01%	4.08%	8.07%
Russell Mid Cap Growth	14.01%	26.38%	26.38%	0.97%	4.88%	3.12%
Russell 2000	16.25%	26.85%	26.85%	2.22%	4.47%	6.33%
Russell 2000 Value	15.36%	24.50%	24.50%	2.19%	3.52%	8.42%
Russell 2000 Growth	17.11%	29.09%	29.09%	2.18%	5.30%	3.78%
DJ US Select REIT	7.45%	28.07%	28.07%	0.01%	2.32%	10.42%

Market Returns

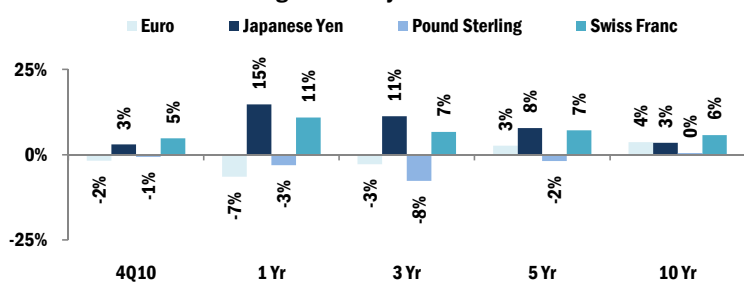


4Q2010 International Market Data

Index Performance Data (net)

Index (US\$)	4Q10	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
MSCI ACWI ex-US	7.2%	11.2%	11.2%	-5.0%	4.8%	5.5%
MSCI EAFE	6.6%	7.8%	7.8%	-7.0%	2.5%	3.5%
Europe	4.5%	3.9%	3.9%	-8.9%	2.9%	3.3%
United Kingdom	6.0%	8.8%	8.8%	-7.0%	2.6%	3.5%
Germany	9.5%	8.4%	8.4%	-9.8%	6.2%	3.9%
France	1.7%	-4.1%	-4.1%	-10.5%	1.8%	2.0%
Pacific	10.6%	15.9%	15.9%	-2.9%	1.6%	4.0%
Japan	12.1%	15.4%	15.4%	-4.6%	-2.4%	1.0%
Hong Kong	4.8%	23.2%	23.2%	-1.3%	12.1%	8.3%
Australia	9.8%	14.5%	14.5%	-0.1%	10.9%	14.3%
Canada	12.2%	20.5%	20.5%	0.8%	9.4%	10.1%
MSCI EM	7.3%	18.9%	18.9%	-0.3%	12.8%	15.9%
MSCI EM Latin America	6.0%	14.7%	14.7%	4.3%	19.6%	21.2%
MSCI EM Asia	7.0%	19.0%	19.0%	-0.9%	12.7%	14.9%
MSCI EM Eur/Mid East	8.5%	17.9%	17.9%	-8.3%	5.0%	11.9%
MSCI ACWI Value ex-US	6.2%	7.8%	7.8%	-5.3%	4.3%	6.6%
MSCI ACWI Growth ex-US	8.2%	14.5%	14.5%	-4.8%	5.2%	4.4%
MSCI AC World Sm Cap ex-US	11.7%	25.2%	25.2%	0.5%	7.3%	11.2%

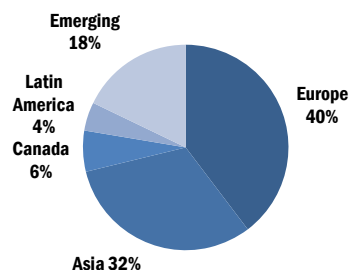
Foreign Currency v. US\$ Returns



Exchange Rates	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
Japanese yen	89.97	92.24	92.70	88.40	83.54	81.00
Euro	0.69	0.70	0.74	0.82	0.73	0.75
British pound	0.63	0.63	0.66	0.66	0.63	0.64
Swiss franc	1.04	1.04	1.06	1.08	0.98	0.93
US dollar	1.00	1.00	1.00	1.00	1.00	1.00

Regional Exposure

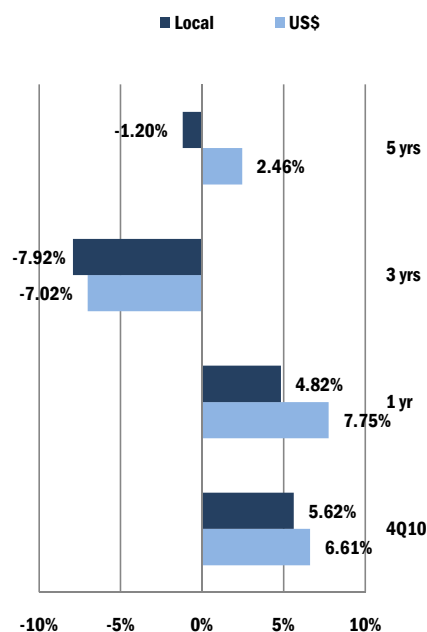
MSCI ACWI ex-USA



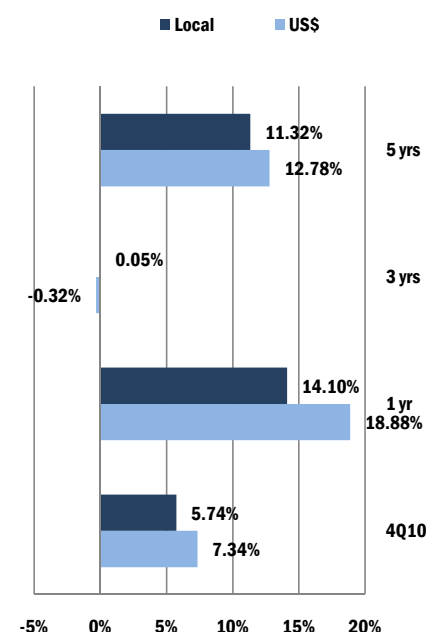
Top 10 Countries (MSCI AC World ex-USA)

Japan	16%
UK	14%
Canada	8%
France	6%
Australia	6%
Switzerland	6%
Germany	5%
China	4%
Brazil	4%
South Korea	3%

MSCI EAFE Index Return



MSCI Emerging Index Return



Historical Market Returns

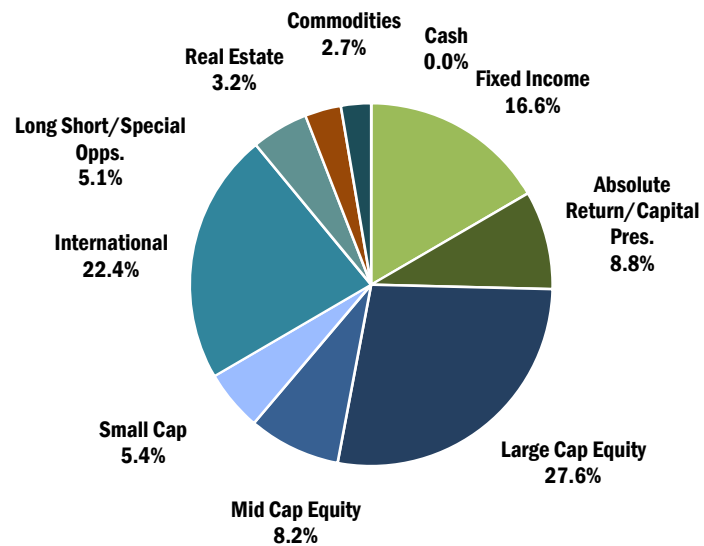
Ranked by Performance

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	4Q10
Large Cap Growth 23.12%	Large Cap Value 35.18%	Large Cap Growth 38.71%	Emerging Mkt. 66.64%	Small Cap Value 22.83%	Small Cap Value 14.02%	Global Bonds 16.52%	Emerging Mkt. 56.28%	Emerging Mkt. 25.95%	Emerging Mkt. 34.54%	Emerging Mkt. 32.59%	Emerging Mkt. 39.78%	US Bonds 5.24%	Emerging Mkt. 79.02%	Small Cap Growth 29.09%	Small Cap Growth 17.11%
Large Cap Value 21.64%	Mid Cap Value 34.37%	Intl. Growth 22.47%	Mid Cap Growth 51.29%	Mid Cap Value 19.18%	US Bonds 8.44%	US Bonds 10.25%	Small Cap Growth 48.54%	Intl. Value 24.88%	Intl. Value 14.39%	Intl. Value 31.05%	Intl. Growth 16.84%	Global Bonds 4.79%	Mid Cap Growth 46.29%	Mid Cap Growth 26.38%	Small Cap Value 15.36%
Small Cap Value 21.37%	Small Cap Value 31.78%	Intl. Value 18.09%	Small Cap Growth 43.09%	US Bonds 11.63%	Mid Cap Value 2.33%	Emerging Mkt. -6.00%	Small Cap Value 46.03%	Mid Cap Value 23.71%	Intl. Growth 13.64%	Small Cap Value 23.48%	Large Cap Growth 11.81%	Small Cap Value -28.92%	Large Cap Growth 37.21%	Mid Cap Value 24.75%	Mid Cap Growth 14.01%
Mid Cap Value 20.26%	Large Cap Growth 30.49%	Mid Cap Growth 17.86%	Large Cap Growth 33.16%	Large Cap Value 7.01%	Global Bonds 1.57%	Mid Cap Value -9.64%	Intl. Value 45.96%	Small Cap Value 22.25%	Mid Cap Value 12.65%	Intl. Growth 22.69%	Mid Cap Growth 11.43%	Large Cap Value -36.85%	Intl. Value 35.06%	Small Cap Value 24.50%	Mid Cap Value 12.24%
Mid Cap Growth 17.48%	Mid Cap Growth 22.54%	Large Cap Value 15.63%	Intl. Growth 29.71%	Global Bonds 3.17%	Emerging Mkt. -2.37%	Small Cap Value -11.43%	Mid Cap Growth 42.71%	Large Cap Value 16.49%	Mid Cap Growth 12.10%	Large Cap Value 22.25%	Global Bonds 9.48%	Large Cap Growth -38.44%	Small Cap Growth 34.47%	Emerging Mkt. 18.88%	Large Cap Growth 11.83%
Small Cap Growth 11.26%	Small Cap Growth 12.95%	Global Bonds 13.71%	Intl. Value 24.54%	Intl. Value -2.82%	Large Cap Value -5.59%	Large Cap Value -15.52%	Mid Cap Value 38.07%	Intl. Growth 16.48%	Large Cap Value 7.05%	Mid Cap Value 20.22%	Small Cap Growth 7.05%	Mid Cap Value -38.44%	Mid Cap Value 34.21%	Large Cap Growth 16.71%	Large Cap Value 10.54%
Intl. Value 9.22%	US Bonds 9.65%	US Bonds 8.69%	Large Cap Value 7.35%	Mid Cap Growth -11.75%	Small Cap Growth -9.23%	Intl. Value -15.60%	Intl. Growth 32.49%	Mid Cap Growth 15.48%	Large Cap Growth 5.26%	Small Cap Growth 13.35%	US Bonds 6.97%	Small Cap Growth -38.54%	Intl. Growth 29.91%	Large Cap Value 15.51%	Intl. Growth 7.86%
Emerging Mkt. 6.03%	Global Bonds 3.78%	Mid Cap Value 5.08%	Mid Cap Value -0.11%	Large Cap Growth -22.42%	Intl. Value -18.22%	Intl. Growth -15.76%	Large Cap Value 30.03%	Small Cap Growth 14.31%	Small Cap Value 4.71%	Mid Cap Growth 10.66%	Intl. Value 6.49%	Intl. Growth -42.46%	Small Cap Value 20.58%	Intl. Growth 12.60%	Emerging Mkt. 7.36%
Global Bonds 4.91%	Intl. Growth 2.33%	Small Cap Growth 1.23%	US Bonds -0.82%	Small Cap Growth -22.43%	Mid Cap Growth -20.15%	Mid Cap Growth -27.41%	Large Cap Growth 29.75%	Global Bonds 9.27%	Small Cap Growth 4.15%	Large Cap Growth 9.07%	Large Cap Value -0.17%	Intl. Value -43.68%	Large Cap Value 19.69%	US Bonds 6.54%	Intl. Value 5.37%
Intl. Growth 3.70%	Intl. Value 1.82%	Small Cap Value -6.45%	Small Cap Value -1.49%	Intl. Growth -24.40%	Large Cap Growth -20.42%	Large Cap Growth -27.88%	Global Bonds 12.51%	Large Cap Growth 6.30%	US Bonds 2.43%	Global Bonds 6.64%	Mid Cap Value -1.42%	Mid Cap Growth -44.32%	Global Bonds 6.93%	Global Bonds 5.54%	US Bonds -1.30%
US Bonds 3.63%	Emerging Mkt. -11.59%	Emerging Mkt. -25.34%	Global Bonds -5.17%	Emerging Mkt. -30.71%	Intl. Growth -24.41%	Small Cap Growth -30.26%	US Bonds 4.10%	US Bonds 4.34%	Global Bonds -4.49%	US Bonds 4.33%	Small Cap Value -9.78%	Emerging Mkt. -53.18%	US Bonds 5.93%	Intl. Value 3.81%	Global Bonds -1.33%

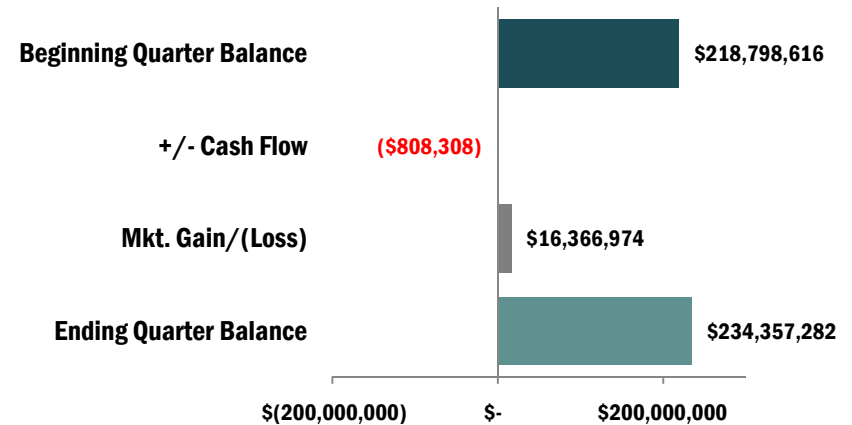
International & emerging returns are reported gross.

Spokane Employees' Retirement System

Current Allocation



Account Balance



Policy Index*

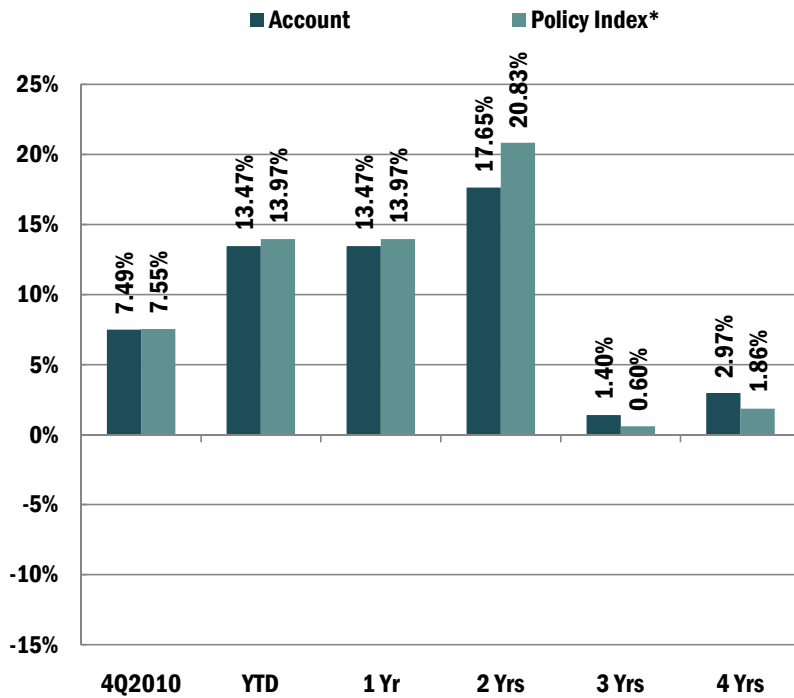
Index	Weight
US 90 Day T-Bill	1%
Barclays US Aggregate Bond Index	15%
Barclays Corporate High Yield Index	5%
Barclays Global Aggregate Bond Index	5%
S&P 500 Index	34%
Russell Mid Cap Index	8%
Russell 2000 Index	5%
MSCI ACWI ex-US	17%
S&P GSCI Index	4%
NAREIT Composite	3%
NCREIF Property Index	3%

*As of 3Q2010 SERS adjusted the Fund's target asset allocation and policy index.

Spokane Employees' Retirement System

Total Account Performance

December 31, 2010



Asset Class Performance

	4Q2010	1 Yr	2 Yrs	3 Yrs
Fixed Income	0.88%	5.99%	8.35%	6.90%
Barclays US Aggregate Bond Index	-1.30%	6.54%	6.23%	5.90%
Absolute Return/Capital Pres.	1.22%	-0.34%	-0.20%	-4.02%
Barclays US Aggregate Bond Index	-1.30%	6.54%	6.23%	5.90%
Large Cap Equity	10.99%	15.76%	21.54%	-2.57%
S&P 500 Index	10.76%	15.06%	20.63%	-2.86%
Mid Cap Equity	11.92%	22.88%	29.85%	2.81%
Russell Mid Cap Index	13.07%	25.48%	32.76%	1.05%
Small Cap	16.69%	26.03%	25.49%	-1.71%
Russell 2000 Index	16.25%	26.85%	27.01%	2.22%
International	8.19%	17.28%	27.50%	-0.69%
MSCI AC World Ex USA (net)	7.20%	11.15%	25.39%	-5.03%
Commodities	13.63%	7.17%	-	-
S&P GSCI	13.41%	9.03%	-	-
Long Short/Special Opps.	4.68%	7.61%	12.60%	-
S&P 500 Index	10.76%	15.06%	20.63%	-
Real Estate	5.05%	23.35%	18.50%	-0.61%
FTSE NAREIT Composite	7.67%	27.56%	27.68%	0.44%

*As of 3Q2010 SERS adjusted the Fund's target asset allocation and policy index.