Prime BUCHHOLZ

PORTSMOUTH
BOSTON
ATLANTA

Sean Higman and George Hauptfuhrer • Consultants
Johan Grahn • Investment Analyst
Matthew Abrams • Performance Analyst

pbaTPBP@primebuchholz.com

Town of Palm Beach
Police Retirement System

Investment Performance Analysis
Period Ended September 30, 2010

Index

Tab I

Global Economic Highlights

- Data released by the Bureau of Economic Analysis in the third quarter revealed that U.S. real GDP increased at an annual rate of 1.7% in the second quarter. This was the fourth consecutive quarterly gain, yet it confirmed economic growth had moderated significantly from the first quarter's growth rate of 3.7%. The slow down in U.S. growth in the second quarter was attributed to rising imports and falling private inventory investment. Since the end of the second quarter, consumer confidence has fallen and growth in the manufacturing sector has slowed. While the euro area grew at an annualized rate of 1.9% in the second quarter, significant dispersion among countries continued as Greece and Spain contracted while Germany experienced growth, following an increase in exports. Japan's economy continued to expand—albeit at a slower pace than the first quarter—while China, Singapore, and Taiwan posted double-digit growth.
- The major central banks maintained historically low interest rates through the third quarter. The Federal Open Market Committee (FOMC), European Central Bank (ECB), and Bank of England all held rates steady amid concerns over the sustainability of the global economic recovery. In early October, the Bank of Japan (BOJ) further lowered its overnight interest rate to between 0.0–0.1% in the face of ongoing deflationary concerns and an appreciating currency. The BOJ also set up a ¥5 trillion asset-buying facility (USD $60 billion) for government and corporate bonds, as well as exchange-traded funds (ETFs) and real estate investment trusts (REITs), to encourage the decline in risk premiums and enhance monetary easing.
- In August the FOMC announced that it would begin purchasing U.S. Treasuries with principal payments from agency debt and agency mortgage-backed securities (MBS), rather than allowing its securities portfolio to contract. The statement from the September FOMC meeting indicated the Fed has become increasingly concerned about low levels of inflation amid the slowing economic recovery. Many investors viewed the statement and other Fed actions as evidence that the Fed would purchase additional U.S. Treasuries and expand its balance sheet, which has been commonly referred to as quantitative easing.
- West Texas Intermediate (WTI) crude oil closed the third quarter 11.2% higher, retracing losses experienced during the previous quarter. Improved economic sentiment and the declining dollar aided oil's rise to $79.97 per barrel (bbl) at the close of the quarter. Oil spot prices are now essentially flat for the year, having risen 0.8%.
- Through August 31st, consumer prices across Organisation for Economic Co-Operation and Development (OECD) countries increased 1.6% over the trailing 12-month period. Excluding food and energy, prices were 1.2% higher on the year. Both measures have declined this year, with the broad Consumer Price Index (CPI) falling more significantly. Turkey, Greece, Iceland, and Hungary continued to exhibit high year-over-year inflation, as did several non-OECD countries, including the emerging markets of India (+9.9%), Indonesia (+6.4%), and Russia (+6.1%). In August, Ireland posted modest year-over-year price increases for the first time in 2010, while Japan continued to experience deflation. U.S. headline CPI advanced 1.1% over the trailing annual period ended August 2010. Core CPI, which excludes food and energy, climbed 0.9% in the period.
- The U.S. unemployment rate rose slightly during the quarter from 9.5% to 9.6% as modest growth in private sector employment could not offset declines in temporary government positions related to the 2010 Census. Meanwhile, the number of long-term unemployed fell from 6.8 million to 6.1 million during the quarter and now represents 42% of the total unemployed. The unemployment rate across OECD countries ended July at 8.5%, down from levels witnessed three months prior. Unemployment across the euro area remained elevated at 10.0%, with rates continuing to vary widely across the region. Spain's unemployment rate rose to 20.3%, which is significantly higher than other OECD countries. Ireland, Portugal, Hungary, and France also maintained double-digit unemployment rates, while Korea and Austria reported the lowest rates among the OECD countries.
- The Federal Housing Finance Agency (FHFA) reported that U.S. house prices rose in the second quarter of 2010—the first quarterly gain since the second quarter of 2007. The purchase-only FHFA Seasonally Adjusted House Price Index still contracted 1.6% over the trailing 12-month period ended June 30, 2010, a more moderate decline than the annual period ended March 31st (−3.2%). For the 12-month period, there continued to be substantial variability in housing prices by region, with the West South Central and Middle Atlantic experiencing modest gains, while the Mountain (−5.3%) and South Atlantic (−3.4%) areas continued to post declines.

Prime BUCHHOLZ

Sources: Bureau of Economic Analysis, Bloomberg, Board of Governors of the Federal Reserve System, Bureau of Labor Statistics, OECD, Federal Housing Finance Agency

Historical Returns

Equity Index Returns	Qtr	1 Yr	3 Yr	5 Yr	10 Yr
S&P 500 Index	11.3	10.2	-7.1	0.6	-0.4
S&P 500–Equal Weighted	12.7	15.8	-3.0	3.0	5.5
Russell 3000 (Broad Market)	11.5	11.0	-6.6	0.9	0.1
Russell 1000 (Large Cap)	11.6	10.8	-6.8	0.9	-0.2
Russell 1000 Value	10.1	8.9	-9.4	-0.5	2.6
Russell 1000 Growth	13.0	12.7	-4.4	2.1	-3.4
Russell Midcap	13.3	17.5	-4.2	2.6	4.9
Russell Midcap Value	12.1	16.9	-4.8	2.0	7.8
Russell Midcap Growth	14.7	18.3	-3.9	2.9	-0.9
Russell 2000 (Small Cap)	11.3	13.4	-4.3	1.6	4.0
MSCI EAFE Net	16.5	3.3	-9.5	2.0	2.6
MSCI EAFE Local Currency	7.1	2.6	-10.5	-0.9	-0.8
MSCI ACWI Net	14.3	8.4	-7.5	2.4	1.6
MSCI ACWI ex-U.S. Net	16.6	7.6	-7.4	4.3	4.3
S&P/CG EMI ex-U.S. (Small Cap)	17.4	9.9	-7.5	4.2	7.5
MSCI Emerging Markets Net	18.0	20.2	-1.5	12.7	13.4

Fixed Income Index Returns	Qtr	1 Yr	3 Yr	5 Yr	10 Yr
LIBOR US 3m	0.1	0.3	1.8	3.1	2.8
91-Day Treasury Bill	0.0	0.1	1.0	2.5	2.4
Merrill Lynch 1-3 Yr Treasury	0.6	2.5	4.1	4.4	4.2
Barclays Capital Intermediate Treasury	2.3	6.5	6.8	5.9	5.6
Barclays Capital Long Term Treasury	5.2	12.7	10.7	7.8	8.2
Barclays Capital Government	2.5	7.0	7.2	6.1	6.2
Citigroup Mortgage Securities	0.5	5.8	7.6	6.5	6.3
Barclays Capital Credit	4.6	11.7	8.3	6.5	7.1
Barclays Capital Gov't/Credit	3.3	8.7	7.5	6.1	6.5
Barclays Capital Aggregate	2.5	8.2	7.4	6.2	6.4
Barclays Capital Municipal	3.4	5.8	6.0	5.1	5.7
Barclays Capital High Yield	6.7	18.4	8.7	8.4	8.0
JPM Global Bond	7.9	6.3	8.7	7.3	7.8
JPM Non-U.S. Bond	10.4	5.9	9.2	7.7	8.2
JPM Global Bond-Hedged	2.3	6.4	6.4	5.3	5.6
JPM Non-U.S. Bond-Hedged	2.0	5.8	6.0	4.9	5.3
JP Morgan EMBI+	8.9	16.0	10.2	9.3	11.0

Illiquid Partnerships	Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Private Real Assets (as of 6/30/2010)					
NCREIF Property Index	3.3	-1.5	-4.7	3.8	7.2
Apartment	4.4	-0.1	-5.6	2.5	6.9
Industrial	2.2	-3.7	-5.5	3.2	6.9
Office	3.4	-2.0	-5.3	4.4	6.4
Retail	2.8	-0.2	-1.9	4.7	-0.5
NCREIF Timber Index	1.0	-3.6	6.1	9.8	7.1
Private Equity (as of 06/30/2010)					
U.S. Private Equity	-0.2	13.7	-2.6	5.2	3.8
Venture Capital	-1.1	6.8	-2.2	3.2	-1.6
Early/Seed Stage	-2.8	-0.2	-4.2	0.0	-4.2
Later Stage	2.9	20.1	2.3	6.7	0.5
Buyouts	0.9	13.9	-3.5	5.1	5.5
Small	-4.8	11.4	-0.2	8.7	7.4
Medium	1.3	9.7	-2.1	7.1	4.7
Large	3.9	16.6	0.7	6.8	5.1

Russell 3000 Sector	Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Energy	13.1	5.2	-8.2	1.6	8.4
Materials	18.3	13.6	-4.8	7.3	9.8
Industrials	13.7	17.9	-7.6	2.2	2.9
Consumer Discretionary	15.4	23.7	-2.6	1.4	1.6
Consumer Staples	10.8	12.9	2.4	6.4	6.9
Health Care	8.6	9.1	-2.1	1.9	0.8
Financials	5.4	0.1	-20.1	-9.2	-2.2
Information Technology	12.4	11.6	-2.4	3.8	-6.1
Telecommunications Services	20.1	19.1	-8.1	4.6	-3.7
Utilities	12.1	12.2	-3.5	2.6	2.2

Hedge Funds	Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Total Hedge Fund Index	**5.2**	**7.5**	**1.0**	**5.2**	**6.0**
Absolute Return					
Event Driven	4.2	11.2	1.2	5.3	7.7
Relative Value	4.2	12.3	4.4	6.8	6.8
Convertible Arbitrage	6.3	13.5	5.1	6.6	6.3
Equity Market Neutral	1.5	1.0	-0.9	1.9	3.3
Directional Hedge					
Equity Long/Short	5.9	6.8	-1.6	3.7	4.5
Global Macro	4.7	3.8	5.4	6.8	8.2
Emerging Markets	8.4	11.7	-0.8	8.8	12.0
Short Bias	-9.0	-14.3	-2.7	-2.7	2.4
Fund of Funds					
Strategic	4.2	3.8	-4.1	2.3	3.3
Diversified	2.6	3.3	-3.0	2.1	3.6
Conservative	2.3	3.6	-2.9	1.4	3.3

Real Assets and Inflation	Qtr	1 Yr	3 Yr	5 Yr	10 Yr
REITs					
FTSE EPRA/NAREIT GL Equity Index	18.4	18.4	-9.7	2.6	9.7
Commodities					
DJ-UBS Commodity	11.6	10.0	-6.8	-2.4	5.2
Goldman Sachs Commodity	8.3	4.2	-13.3	-10.2	0.9
Inflation-Protected Bonds					
Barclays Capital U.S. TIPS	2.5	8.9	6.9	5.5	6.0
Inflation					
U.S. CPI	-0.1	0.8	1.5	1.8	2.3
U.S. CPI Plus 5%	1.5	6.1	6.6	6.9	7.3

Note: All returns as of 9/30/2010, unless otherwise noted.

Key Metrics

Option-Adjusted Spreads	Current QTR	1 Year Ago
U.S. High Yield	621	764
U.S. Corporate	175	218
U.S. IG Financials	215	288
CDX IG 5-Yr	107	103
CDX HY 5-Yr	565	714
Agency MBS	85	38
CMBS	304	537
ABS - Fixed Rate	71	149
ABS - Floating Rate	102	246
TED[1]	14	19
Emerging Markets	312	365

[1] 3 month US LIBOR minus 3 Month US T Bills

U.S. Economy	Current QTR	1 Year Ago
Unemployment Rate	9.60%	9.80%
Quarterly GDP[2]	1.70%	-0.70%
Current Account Deficit[2]	$123.30	$98.80
Annualized Current Account Deficit/GDP[2]	3.38%	3.06%

[2] Statistics as of one quarter prior

Central Bank Activity	Current QTR	1 Year Ago
Fed Funds Rate	0-0.25%	0-0.25%
Bank of Japan Target Rate	0.10%	0.10%
European Central Bank Rate	1.00%	1.00%
Bank of England Official Bank Rate	0.50%	0.50%

Inflation Forecast	Current QTR	1 Year Ago
10-Year Treasury Yield	2.51%	3.31%
10-Year TIPS Yield	0.69%	1.54%
Market Inflation Forecast	1.82%	1.77%
5-Year Treasury Yield	1.26%	2.31%
5-Year TIPS Yield	-0.14%	0.89%
Market Inflation Forecast	1.40%	1.42%

Equity Market Valuations	Current QTR			1-Year Ago		
	Trailing P/E	Forward P/E	Div. Yield	Trailing P/E	Forward P/E	Div. Yield
S&P 500 Index	14.3x	13.5x	2.0%	15.2x	16.0x	2.4%
Russell 1000 Index	14.6x	13.7x	1.9%	15.4x	15.9x	2.3%
Russell Midcap Index	16.5x	15.3x	1.6%	15.8x	16.6x	1.8%
Russell 2000 Index	16.6x	16.0x	1.3%	16.5x	16.6x	1.5%
Russell 3000 Index	14.7x	13.9x	1.9%	15.5x	15.9x	2.2%
Russell 3000 Growth Index	16.9x	15.2x	1.4%	16.9x	16.8x	1.5%
Russell 3000 Value Index	12.9x	12.8x	2.3%	14.1x	15.1x	2.9%
MSCI ACWI Index	14.2x	13.1x	2.5%	16.0x	15.5x	2.7%
MSCI ACWI ex-U.S. Index	14.2x	12.8x	2.9%	16.7x	15.3x	3.0%
MSCI EAFE Index	13.9x	12.6x	3.1%	16.6x	15.2x	3.2%
MSCI EM Index	14.0x	12.5x	2.3%	16.2x	15.1x	2.3%
London - FTSE 100[3]	12.8x	11.4x	3.3%	16.5x	13.6x	3.8%
Japan - Nikkei 225[3]	17.6x	16.2x	1.7%	23.3x	23.7x	1.6%
Hong Kong - Hang Seng[3]	14.2x	14.3x	2.8%	20.4x	16.7x	2.9%
China - Shanghai Composite[3]	16.7x	15.1x	1.6%	22.0x	20.2x	1.5%

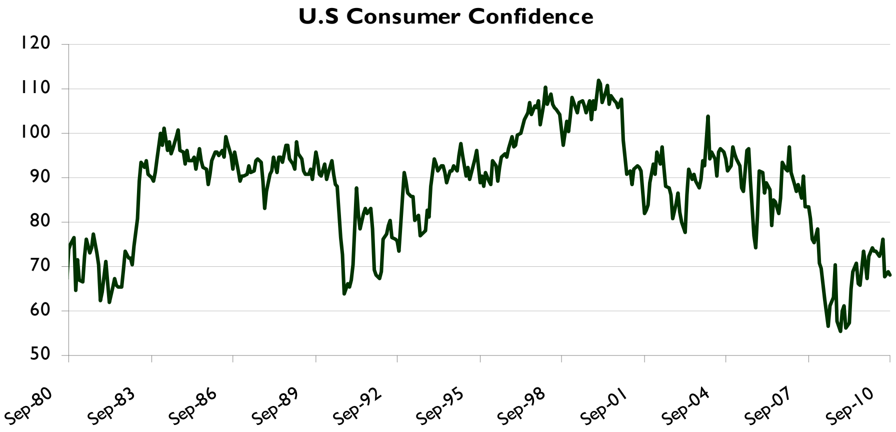
[3] Returns in local currency

P/E excludes companies with negative earnings

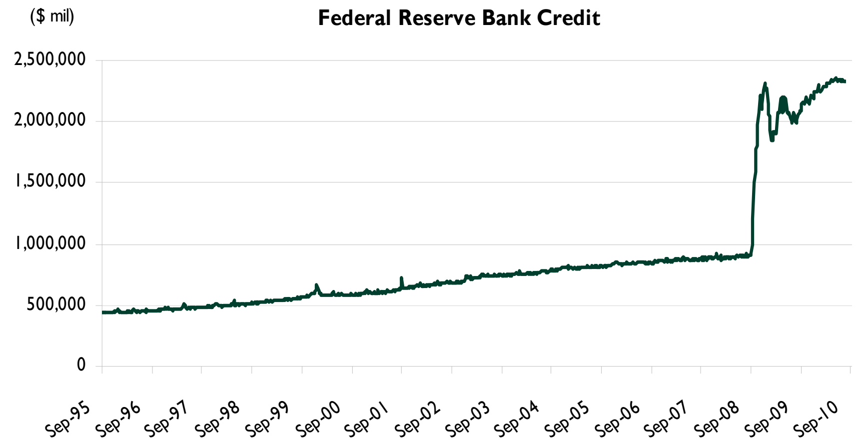
U.S. Treasury Yields							Curve Steepness
Date	3-Mo T-Bill	6-Mo T-Bill	2-Year Note	5-Year Note	10-Year Note	30-Year Note	10-Year - 2-Year
1 Year Ago	0.11%	0.17%	0.95%	2.31%	3.31%	4.05%	2.36%
Current Quarter	0.16%	0.19%	0.43%	1.26%	2.51%	3.69%	2.08%

Currency Rates			Percentage Change		
per U.S. Dollar	Current QTR	1 Year Ago	QTD	YTD	1 Year
Canadian Dollar	1.03	1.07	3.38%	2.21%	3.91%
Japanese Yen	83.53	89.70	5.87%	11.33%	7.37%
British Pound	0.64	0.63	5.16%	-2.81%	-1.66%
Euro	0.73	0.68	11.41%	-4.80%	-6.87%
GBP/Euro	0.87	0.92	-5.64%	2.22%	5.58%
Yen/Euro	113.88	131.33	-4.97%	16.99%	15.30%

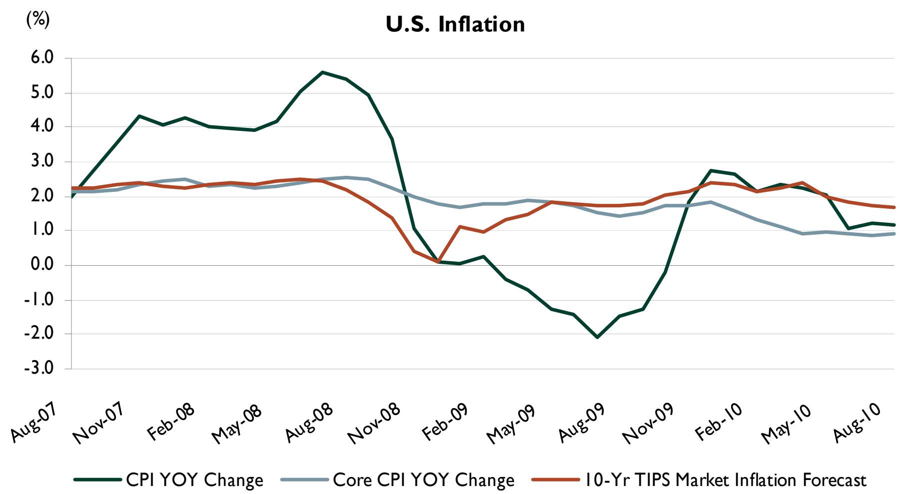
Macroeconomic Trends



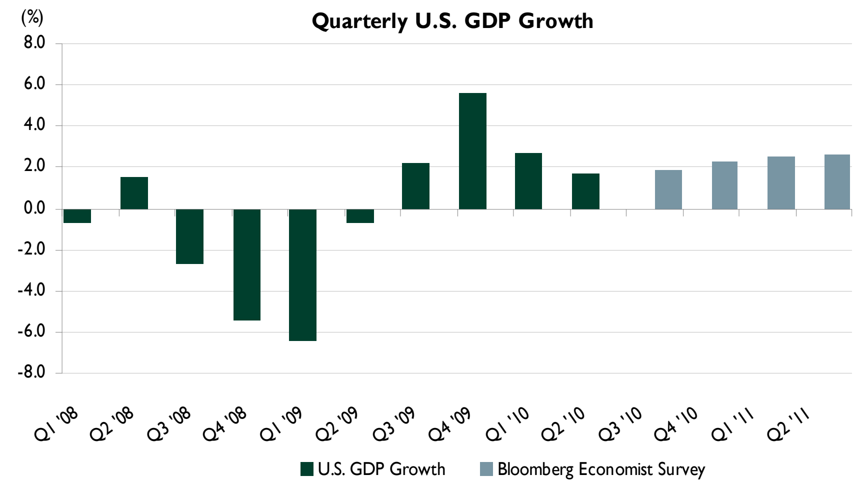
Consumer confidence fell in July and remained stagnated well below pre-recession levels, as the bleak unemployment and economic outlook weighed heavily on consumers.



The Federal Reserve balance sheet currently stands at approximately $2.3 trillion dollars, nearly 30% of which represents Treasury holdings. Many investors believe the Fed is likely to expand quantitative easing measures in an attempt to stabilize the economy and counteract deflationary forces.



The CPI climbed 1.1% on a year-over-year basis in August and Core CPI rose by only 0.9%. Both measures have been contained by excess capacity in the economy and remain well below historical averages. Ten-year breakeven rates rose near the end of the quarter on concerns regarding the potential expansion of the Fed balance sheet.



U.S. real GDP increased at an annual rate of 1.7% in the second quarter, confirming growth had moderated significantly in the quarter, driven by rising imports and falling private inventory investment. The Bloomberg survey indicates economists believe domestic economic growth should remain muted in coming quarters.

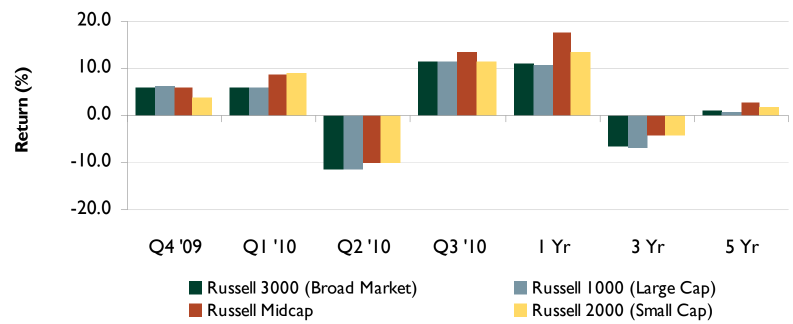
Prime BUCHHOLZ

Sources: U.S. Bureau of Labor Statistics, Federal Reserve Bank of Cleveland, Bloomberg

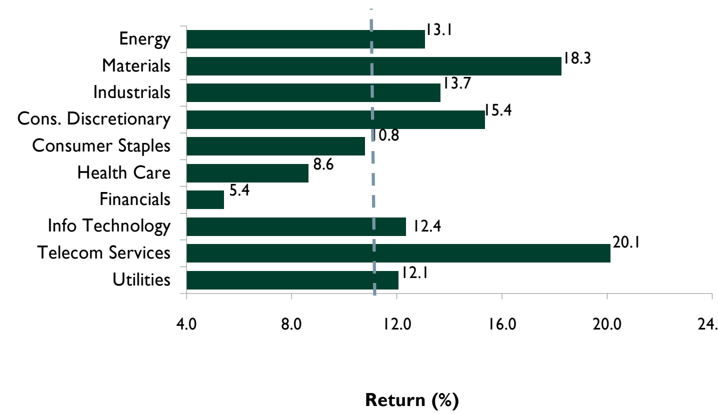
U.S. Equity

- A strong September propelled the U.S. equity market to double-digit gains despite economic uncertainty and continued outflows from U.S. stock funds. The Investment Company Institute estimates that U.S. stock funds experienced outflows of $10 billion or more during each month of the third quarter. The broad domestic equity market, as represented by the Russell 3000 Index overcame these headwinds and rose 11.5% over the trailing three-month period. Likely contributing to market gains were signals from the Fed that continued high unemployment and low inflation may lead to additional monetary easing, as well as improving corporate profits and diminished fears related to a double-dip recession in the U.S.
- All ten Russell 3000 sectors posted gains in the third quarter. Among the more meaningful market exposures, higher beta sectors—such as industrials (+13.7%) and technology (+12.4%)—outperformed the Index, while the more defensive consumer staples (+10.8%) and health care (+8.6%) lagged the broader market. Financials (+5.4%) was the worst performing sector over the period.
- Mid cap stocks outperformed both their large and small cap counterparts. The Russell Midcap Index ended up 13.3%. While the large cap Russell 1000 Index (+11.6%) and Russell 2000 Index (+11.3%) generated similar returns, it was the small cap segment of the market that performed best during the September rally, with the Index up 12.5% after losing ground during the third quarter through August.
- From a factor perspective, it was higher beta, more volatile stocks that were on average the best performers. Stocks with higher EPS and sales growth broadly outperformed while stocks with the lowest P/E and P/B ratios generally lagged the market on the whole. The Russell 3000 Growth Index (+13.0%) outperformed the Russell 3000 Value Index (+10.1%) by close to 300 basis points (bps) during the quarter. Year to date, both indices were up 4.8% with growth outperforming its value counterpart by almost 400 bps over the trailing one-year period ended September 30th.

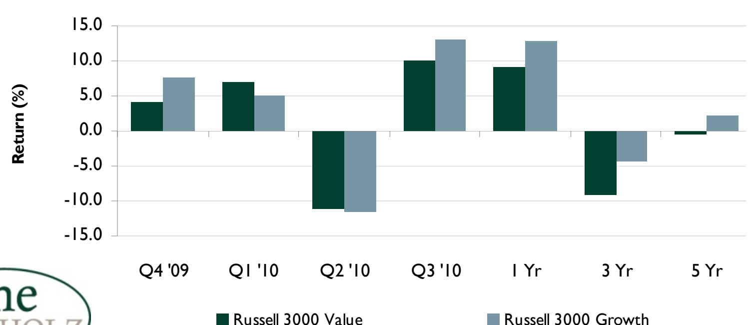
U.S. Market Cap Comparison



Q3 '10 U.S. Sector Returns*



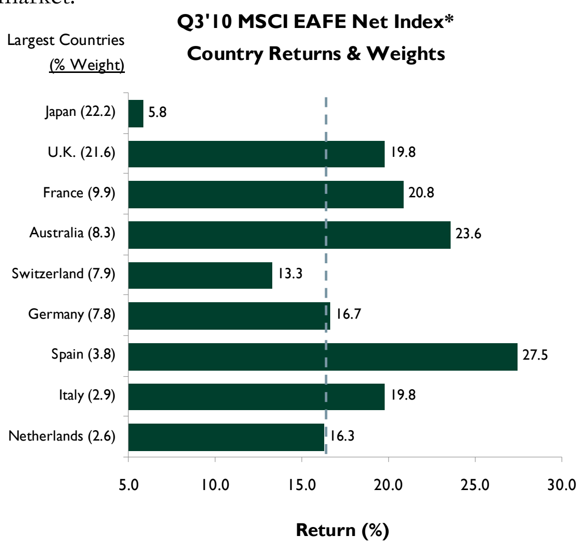
U.S. Growth vs. Value Comparison



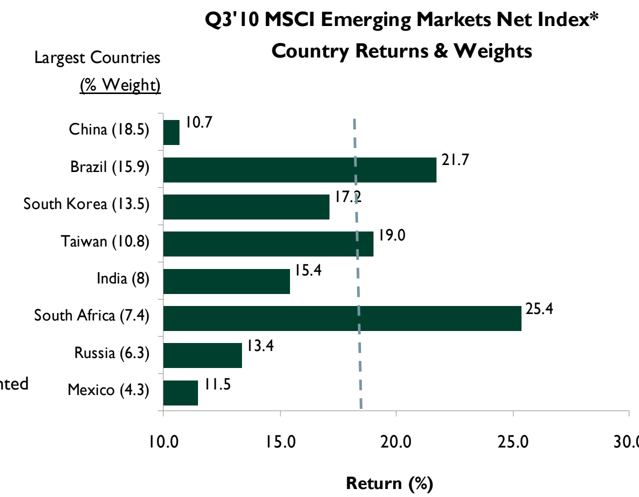
* Dotted line indicates total index return
Sources: Ibbotson, Vestek, Bloomberg, Wall St. Journal

International Equity

- Currency had a significant influence over foreign equity returns, with the MSCI EAFE Net Index rising 16.5% in USD and 7.1% in local terms. Of note, the euro, Australian dollar, and Swedish krona each rose significantly versus the USD, appreciating 11.4%, 15.0%, and 15.6%, respectively. Much of the dollar weakness came in September, as investors anticipated the Federal Reserve taking additional quantitative easing measures. With respect to the euro, the currency rebounded off significant lows, as it sold off considerably on heightened concerns over the health of several member states. Despite the euro's strong gains in the quarter, it has lost nearly 5% on the USD for the year-to-date period.
  - With the exception of Ireland (−3.5% in USD, − 13.5% locally due to the announcement of a costly bank bailout), all European equity markets posted third quarter gains, with many exceeding 20% in USD terms. Much of these returns were attributable to currency appreciation, e.g., MSCI Europe ex-U.K. Index up 6.8% locally vs. 19.2% in USD. The U.K. market experienced stronger local returns in the quarter, gaining 13.7%. Currency had a similar, albeit less drastic, impact on the equity market, as the pound gained 5.2% on the dollar for the period.
  - Asia-Pacific also performed strongly. The Australian market benefited from commodity price increases and central banks globally increasing their reserves in commodity-sensitive currencies. Favorable economic data coming out of China contributed to Hong Kong's 21.9% quarterly gain. The Japanese market was among the worst performing markets, with the local market returning − 0.1% (+5.8% in USD). The continued strength of the yen and its impact on the large Japanese exporters weighed on the market, as did the country's ongoing battle with deflation. The yen saw some relief near quarter-end, as the Bank of Japan took measures to intervene in the market.
- Similar to their developed counterparts, emerging equity markets experienced strong third quarter returns, with currency having a meaningful impact for U.S. investors. The MSCI Emerging Markets Net Index gained 18.0% in USD and 12.8% locally, helped by strong GDP reports and positive economic news in both large and small emerging countries. Year to date, the Index is meaningfully ahead of most developed markets, up 11.0% in USD, 8.2% locally.
  - Commodity-producing countries and their currencies, most notably Brazil and its real, rose sharply, after experiencing strong declines the prior quarter. Brazil, which benefited from favorable GDP numbers, gained 14.4% locally and 21.7% in USD terms. Additionally, South Africa's equity market and its currency benefited from the sharp increase in gold prices in the quarter, with the market up 25.4% in USD and 14.1% in rand.
  - Asian markets performed strongly, led by several of the smaller markets' gains—specifically Thailand's 32.4% and the Philippines' 29.1%. Additionally strong export numbers from Taiwan aided the market's 19.0% return, while favorable industrial production and retail sales numbers boosted China's equity market. However, concerns over further government intervention held back Chinese equity market performance relative to other emerging markets.
  - Eastern European markets were among the strongest performing, getting a considerable boost from currency appreciation. Among the top performers were Poland (+35.5% USD, +16.8% locally) and Turkey (+31.9% USD, +20.5% locally), as economic growth is starting to become more recognized by investors.



* Note: Other countries accounted for 13.1% of the Index weight



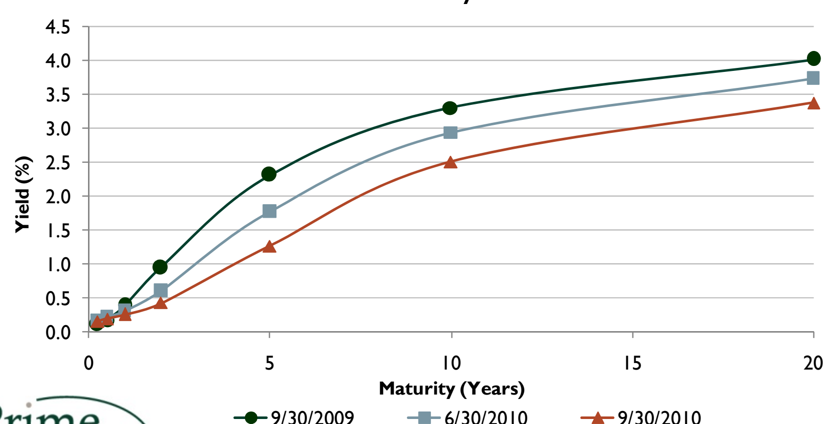
* Note: Other countries accounted for 15.3% of the Index weight

Sources: Vestek, MSCI/Barra, Wall Street Journal, Financial Times. Note: All returns quoted in U.S. dollar terms, unless otherwise noted. *Dotted line indicates total index return

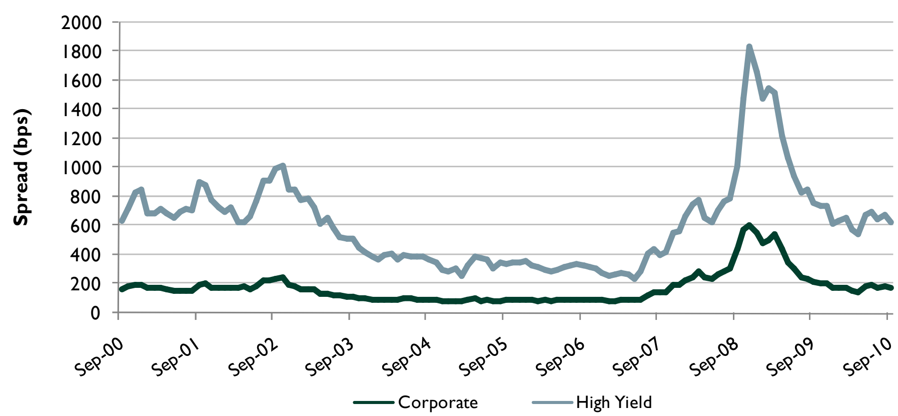
U.S. Fixed Income

- The FOMC left the Fed funds rate unchanged at its August and September meetings. The September statement indicated the Fed had become increasingly concerned about low levels of inflation amid the slowing economic recovery. Many investors viewed this as further evidence that the Fed is likely to expand quantitative easing measures through the purchase of U.S. Treasuries.
- The commercial mortgage-backed securities (CMBS) sector of the Index returned 6.4%, generating the strongest gains, and trailed by the corporate sector at 4.7%. While CMBS posted strong gains, Barclays Capital reported that 60+ day delinquencies increased to 8.3% of the CMBS conduit universe outstanding at October 1, 2010. Agency MBS generated a positive return of 0.6% for the quarter, however, gains in July were partially offset by declines in August and September. During the quarter, the U.S. government decided to focus its asset purchase program on Treasury securities rather than MBS. Given uncertainty in the MBS markets and historically narrow option-adjusted spreads (OAS), OAS for the Barclays MBS Index widened by 74 bps, driven by an increase in fixed rate MBS OAS of 77 bps.
- Within the corporate sector, returns were led by financial issues (+5.1%), followed by utilities (+4.7%), and industrials (+4.5%). Corporate bond OAS tightened by 18 bps with the greatest tightening seen in financial issues (34 bps). Given the decline in rates along the curve, long corporates outperformed intermediate corporates by 2.0%.
- The Barclays Capital U.S. Treasury Index rose 2.7% during the quarter. The overall shape of the yield curve flattened with the two-year note falling 18 bps and the ten-year bond falling 42 bps due to moderating expectations for inflation and expectations of further Fed Treasury purchases. As a result, longer-dated maturities outperformed short to intermediate maturities. Long Treasuries rose 5.2% while intermediate maturities gained 2.3%. At the short end of the curve, the one- to three-year segment, returns were a modest 0.6% during the quarter.
- The Barclays Capital Aggregate Index gained 2.5%; performance was driven by corporate and Treasury returns as investors continued to search for yield as well as safety. The long portion of the Index outperformed its short and intermediate counterparts.
- Risk aversion abated during the quarter, positively impacting high yield bonds. The sector rose 6.7% with the strongest gains recorded in banks and life insurance companies. Other areas that performed well included communications and technology. During the quarter, OAS and yield to maturity of the high yield market narrowed by 79 and 110 bps, respectively. Across all sectors, longer-maturity bonds outperformed their shorter-dated counterparts. From a quality rating standpoint, the strongest returns were found in the CCC and below and the BB segments.

U.S. Treasury Yield Curve



OAS Comparison – Corporate vs. High Yield

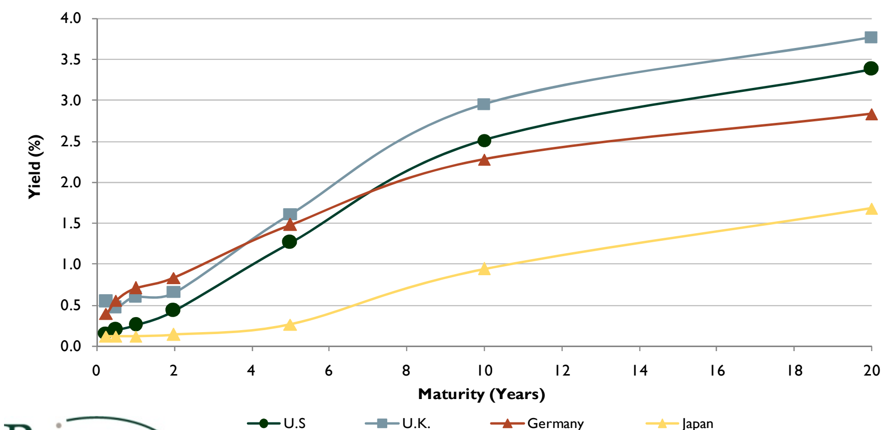


Sources: Bloomberg, Barclays Capital, Federal Reserve

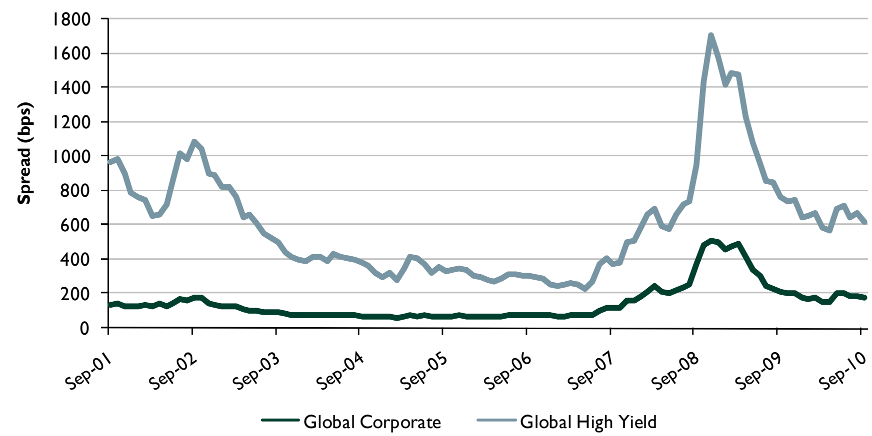
Currencies & Global Bonds

- During the quarter, the USD displayed significant weakness compared to developed nations; the Dollar Spot Index, a weighted-average of six major currencies (the euro, Japanese yen, British pound, Canadian dollar, Swedish krona, and Swiss franc), fell 8.5%. The main cause of USD weakness seemed to be ongoing concerns regarding the potential for further quantitative easing in the U.S.
- Unlike the previous three quarters, the euro rose 11.4% against the dollar despite ongoing concerns regarding Portugal, Ireland, Italy, Greece, and Spain. The BOJ intervened in the currency market for the first time in six years, but could not halt the continued rise in the Japanese yen, which continued to increase given the low interest rate differentials with the U.S. Lastly, economic reports in the U.K. diminished fears of more easing, causing the British pound to gain against the USD.
- In regions with favorable growth prospects, select central banks have been raising interest rates. In contrast, most large central banks in the developed world have not moved toward restrictive monetary policies. Canada is an exception, as the Royal Bank of Canada raised its policy rate by 25 bps at its September meeting. As previously noted, in early October the BOJ lowered its overnight interest rate further to less than 0.1%, and set up a ¥5 trillion asset-buying facility (USD $60 billion) for the purchase of various financial assets to lower risk premiums and ease monetary policy. Among Latin American nations, Brazil, Chili, and Peru all tightened policy rates by 50 bps at recent meetings.
- Concerns over the health of several European countries abounded; however, bond yields still narrowed in many key markets. Sovereign yields fell and curves flattened in the U.S., Germany, the U.K., and Japan. Also, across all markets yields remained close to the lows experienced over the past ten years.
- Currency had an extremely positive impact on unhedged global sovereign returns. The Barclays Capital Global Corporate Bond Index rose 8.3% on an unhedged basis; removing the impact of currency, the Index gained 2.2%. Aside from weak local market returns in Ireland and Portugal, which fell 4.1% and 2.0%, respectively, major bond markets rose in Europe. The health of the banking system in Ireland and concern over the potential cost of the government bailout led to rising yields, while concerns regarding economic growth and high deficits impacted Portugal. Euro area countries grew 2.3% in local market terms, but gained more than 14% on an unhedged basis due to an 11.4% increase in the euro. Among euro area nations, Spain (+16.1%), France (+14.6%), Italy (+14.3%), and Germany (+13.7%) were key contributors.

GlobalYield Curves as of September 30, 2010



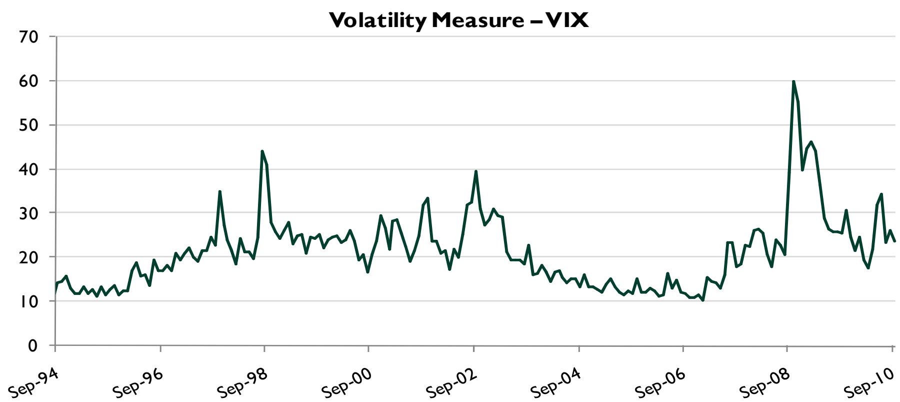
OAS Comparison - Global Corporate versus Global High Yield



Source: Bloomberg, Barclays Capital

Flexible Capital

- Hedge funds, as measured by the HFRI Fund-Weighted Composite Index, rose by 5.2% in the third quarter, bringing year-to-date gains to 4.8%. Though they trailed the S&P 500 Index's 11.3% return for the quarter, long/short equity managers, as measured by the HFRI Equity Hedge Index, fared relatively well, posting a quarterly return of 5.9%, driven by a 4.8% gain in September. Stock selection and the lack of share price differentiation based on company fundamentals continues to be an issue for hedge fund managers, particularly short sellers; the HFRI Short Bias Index declined 9.0%, bringing year-to-date losses to 11.2%. The HFRI Event-Driven Index gained 4.2%, with the HFRI Distressed/Restructuring and HFRI Merger Arbitrage Indexes gaining 2.6% and 3.0%, respectively. Distressed residential mortgage-backed securities were strong during the quarter, as bonds have been re-priced amid limited distressed sales and a shrinking housing market. Distressed corporate securities were also positive since the high yield market, which saw record new issuance, experienced spread compression and distressed managers have been able to add value through legal proceedings and taking active roles in restructurings. In addition, many distressed managers have maintained sizable exposure to post-reorganization equities, which benefited from the equity rally.
- Merger arbitrage spreads remained at profitable levels during the quarter and activity increased as cash-rich companies sought strategic targets. The HFRI Relative Value Index gained 4.2% with long/short credit and capital structure arbitrage managers having capitalized on pricing anomalies created by the withdrawal of bank proprietary capital. The HFRI Macro Index was also strong, gaining 4.7%, as currency and commodity trends were profitable and sovereign debt issues persisted.



- With correlations among stocks at historic levels—possibly fueled in part by macro events, high frequency trading, and use of derivatives and ETFs—it has become increasingly difficult for hedge funds utilizing fundamental research to outperform the traditional asset classes. Long/short equity had a strong September and captured roughly half the upside in the S&P 500 Index over the quarter. Although many equity hedge funds entered September with relatively conservative positioning, net exposure was increased throughout the month as stock correlations declined somewhat from peak levels. The directional nature of these funds helped them profit from the broad market move. Even with the strong finish to the quarter, many hedge funds remain apprehensive regarding positioning going forward. While some hedge fund managers have tried to ignore the macro environment and its effect on performance, they are reminded on a daily basis that management of their funds does not occur within a bubble.
- The Goldman Sachs Hedge Fund VIP basket consists of the 50 companies that "matter most" to hedge funds. The positions in this basket are the stocks that appear most frequently as top ten holdings of hedge funds with 10–200 total holdings. The tables below reflect the top and bottom five performing companies in this basket during the third quarter. Similar to the broader market, the top performing holdings among hedge fund managers were related to commodities and/or emerging markets. The large money center banks continued to frustrate investors.

Top 5 Q3 Performers

Company	Q3	YTD	1 Year
Anadarko Petroleum	**59.7%**	-7.4%	-8.4%
CF Industries Hldgs	**56.8%**	9.8%	16.3%
Baidu Inc/China	**52.4%**	152.2%	163.0%
Freeport-McMoRan	**46.5%**	8.2%	27.2%
Halliburton Co	**36.5%**	12.1%	23.8%
S&P 500	**11.3%**	3.9%	10.2%

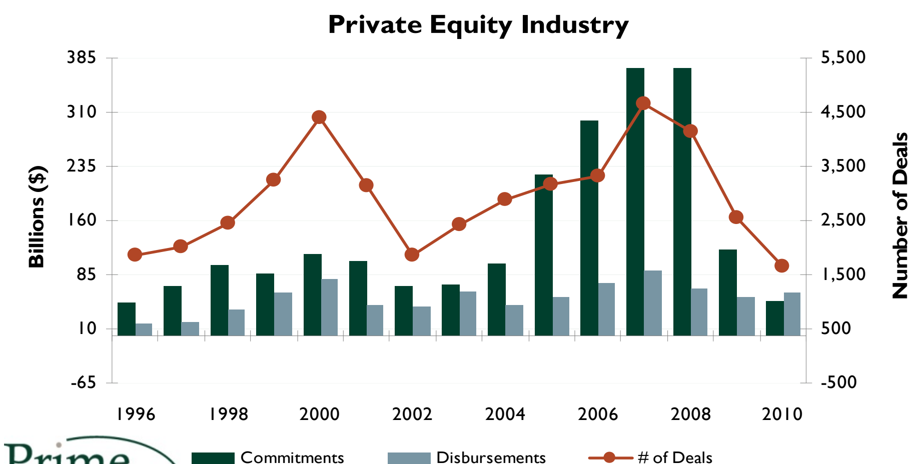
Bottom 5 Q3 Performers

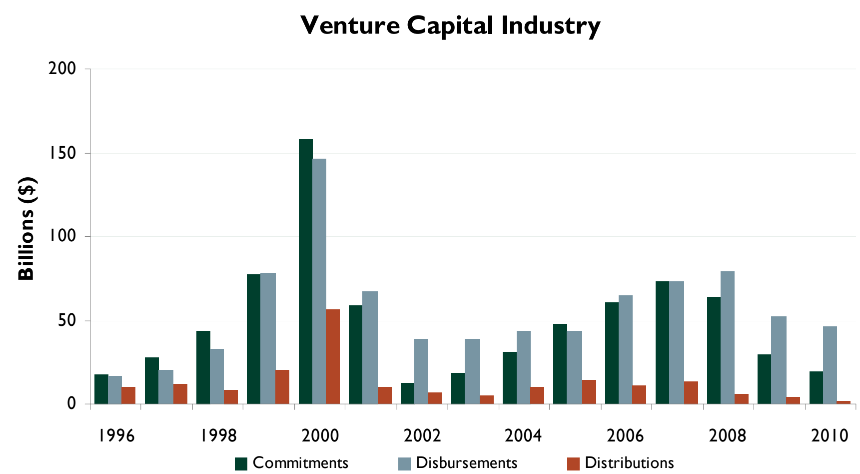
Company	Q3	YTD	1 Year
Bank of America	**-8.7%**	-12.8%	-23.4%
U.S. Bancorp	**-2.8%**	-3.1%	0.5%
Wells Fargo & Co	**-2.0%**	-6.8%	-11.1%
Hewlett-Packard Co	**-1.5%**	-17.0%	-9.7%
Intel Corp	**-0.2%**	-3.4%	1.9%
S&P 500	**11.3%**	3.9%	10.2%

Sources: MSCI/Barra, MarketWatch, Inc., Bloomberg, Hedge Fund Research, New York Stock Exchange, Goldman Sachs

Private Equity (as of 06/30/2010)

- U.S. buyout firms raised $9.7 billion across 39 funds during the second quarter of 2010. Fundraising during the first half of the year totaled nearly $16 billion, which is akin to the totals seen in 2003 on an annualized basis—the low point of the last decade. The challenging nature of the fundraising market can also be seen in the time it has taken to close private equity funds, as the average fundraising duration has more than doubled since 2004 from nine months to 19 months, according to fundraising data.
- For the quarter, 135 U.S. buyout deals worth $24.3 billion were announced, representing a noteworthy increase when compared to the $4.7 billion announced during the prior year period. According to Dealogic, the second quarter's activity also surpassed the first quarter of 2010's activity, when 115 deals worth $13.0 billion were announced.
- U.S. buyout firms continued to see improvement in the exit environment, as exits were up from a year prior. According to Dealogic, total U.S. mergers and acquisitions (M&A) volume during the quarter was $209 billion—up 9% compared with the second quarter of 2009 and 6% from first quarter of 2010. There were 2,822 transactions announced in the second quarter of 2010, which was the highest quarterly count since the second quarter of 2007.
- U.S. venture capital fundraising activity declined for the second straight quarter. Thirty-eight U.S. venture capital funds raised $1.9 billion during the second quarter, which is a 49% decline from the $3.7 billion (from 32 funds) raised in the first quarter of 2010. Additionally, the $1.9 billion raised represents a 56% decline in dollar amount from the same period one year prior.
- During the quarter, there were 17 venture-backed IPOs valued at $1.3 billion. This represents the most active quarter, by number of IPOs and dollar value, since the fourth quarter of 2007. Furthermore, 92 venture-backed M&A deals were announced during the second quarter with an average disclosed deal value of $133.3 million. The 92 deals represent a 42% increase compared to the second quarter of 2009. The average disclosed transaction value of $133.3 million is 26% below the first quarter 2010 level and 33% below the second quarter 2009 number.
- During the second quarter, 19 European-focused private equity funds held final closes worth a total of $8.0 billion. This is less than the $14.6 billion of capital commitments secured by 21 funds during the previous quarter.
- After a slow start to 2010, the European private equity market experienced an increase in activity. The number of deals completed during the quarter exceeded 300 with a total value of approximately €13.9 billion.
- According to the Emerging Markets Private Equity Association, emerging markets private equity came back strongly during the first half of 2010 on both the fundraising and investment fronts. For the first half of 2010, total fundraising volume in emerging markets rose 22% to $11 billion, compared with $9 billion in the prior year period. Total investment volume climbed by 55% to $13 billion through the first six months of the year.

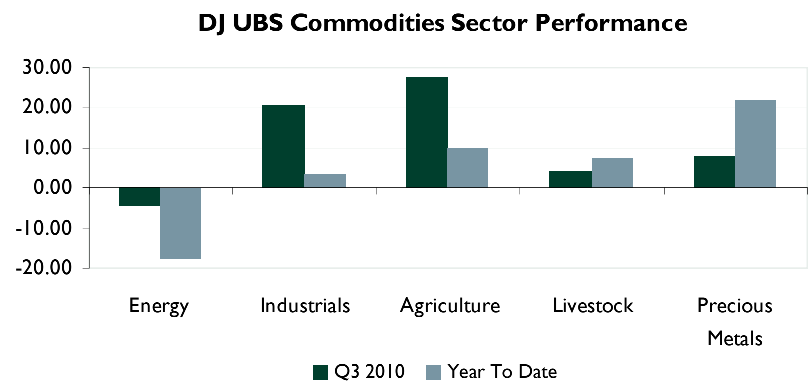




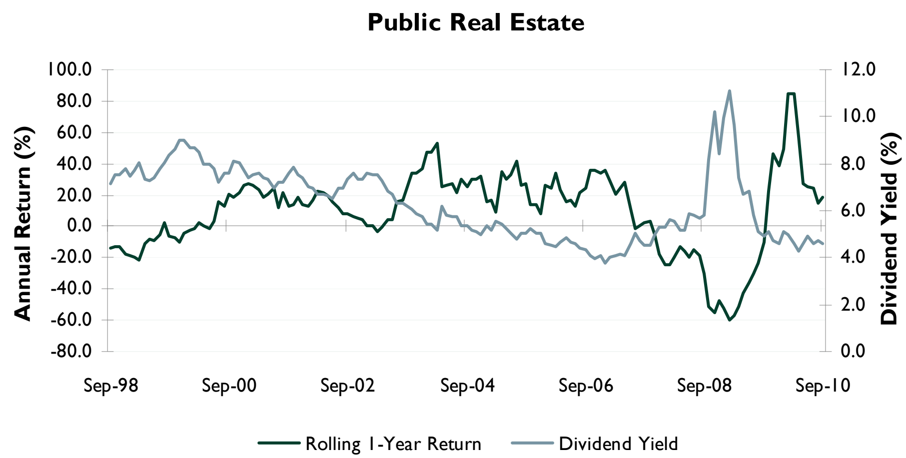
Sources: Dow Jones Private Equity Analyst, National Venture Capital Association, Thomson Financial, S&P LCD, Emerging Markets Private Equity Association, Dealogic, and Preqin.

Inflation Hedging

- Commodities surged in the third quarter, gaining 11.6% as represented by the Dow Jones UBS Commodity Index. Wheat, cotton, and corn were bolstered in the quarter by adverse weather conditions in Russia (drought and fire), Pakistan (flooding), and Brazil (dry weather). Additionally, strong export demand and the expectation of declining production served as catalysts for corn price strength. One-third of the corn crop destined for ethanol production, coupled with strong demand from China, led to tight supplies and pushed corn higher for the quarter. Precious metals climbed higher because of flight to safety and persistently declining U.S. interest rates accelerated by the potential for further U.S. Fed purchases of U.S. Treasuries. Gold futures settled at its highest close ever ($1307.80 per troy ounce) and spot silver reached a 30-year high. Comparatively, in 1980, gold hit a then-record $873 per troy ounce. On an inflation-adjusted basis, that would be the equivalent of $2,314.29 in today's dollars.
- Global real estate securities had a strong quarter, returning 18.4% and outperforming most broader stock indices. Two factors appeared to heavily influence the market and, at times, overshadow real estate and security fundamentals. First, low interest rates have pushed investors to seek higher yielding instruments. U.S. REITs, which returned 13.3%, had a dividend yield of 3.7% at quarter-end. This is below the ten-year average of 5.8%, but above many fixed income alternatives. Second, macroeconomic sentiment and perceptions of the future regulatory environment improved. This appeared to sway European REITs (+28.2%), which rose likely due to positive results in European bank stress tests and the unexpectedly accommodating Basel III requirements.



- The NCREIF Property Index returned 3.3% in the second quarter. This marks the second quarterly positive return for the Index after six consecutive negative quarters dating back to 2008. Despite unemployment at 9.6% and growth projections for the economy mixed, all four property sectors rose in value during the quarter. Transaction volume overall remains muted relative to pre-crisis levels; however, in June commercial real estate investment volume rose above $10 billion for the first month since September 2008. Meanwhile, sales of office assets reached $5 billion and the sector returned 3.4%. Only the apartment sector outgained office, returning 4.4% in the quarter as Fannie and Freddie Mae continued to provide financing for multi-family properties.
- During the quarter, the Barclays Capital U.S. TIPS Index gained 2.5%. Real yields declined across the curve with the sharpest declines occurring in intermediate to long-maturity segments. From a maturity range perspective, TIPS in the 10- to 20-year and 7- to 10-year segments outperformed shorter-dated counterparts by a significant margin. Inflation expectations fell moderately with the five- and ten-year breakeven inflation rates ending the quarter at 1.4% and 1.8%, respectively. That compares to 1.6% and 1.9%, respectively, at the end of the previous quarter. As a result of a drop in breakeven expectations, TIPS underperformed their nominal Treasury counterparts across all maturities.



Sources: Dow Jones AIG, National Council of Real Estate Investment Fiduciaries, National Association of Real Estate Investment Trusts, Barclays Capital, Bloomberg

Tab II

Total Fund Highlights

- The Total Fund gained 7.7% during the third quarter of 2010 and finished modestly ahead of both the Target Index and the Actual Index which returned 7.6% and 7.2%, respectively. Equity markets rallied and the Fund's global equity segment gained 13.4% compared to 11.5% generated by the Russell 3000 and 16.5% posted by the MSCI EAFE Net Index. The flexible capital segment reversed last quarter's losses and finished 50 bps ahead of the HFRI Fund-of-Funds Index with a 3.9% gain. The fixed income segment also gained 3.9% during the quarter as the BC Aggregate Index climbed 2.5% and the IRM Convertibles Account rose 5.1% after a second quarter loss of 3.3%. The Fund's inflation hedging investments also performed well on both an absolute and relative basis as the segment increased 9.4% compared to 8.7% generated by the composite index.
- Guggenheim made a distribution of approximately $337k on September 30th.

Segment Performance

Segment Level Performance (% Rate of Return) - Periods Ended September 30, 2010

	Qtr Ended Sep-10	1 YR	3 YRS	5 YRS	10 YRS	Return	Since	Std. Dev.	Beta	Correlation
Total Fund	**7.7**	**8.7**	**-2.3**	**3.2**	**3.7**	**7.7**	**Mar-91**	**9.1**	**0.52**	**0.93**
Target Index	7.6	7.4	-2.6	2.7	3.1	7.7	Mar-91	9.3	0.56	0.97
Domestic Equity	**12.3**	**13.7**	**-4.1**	**2.7**	**1.2**	**10.0**	**Mar-91**	**18.1**	**1.03**	**0.92**
Russell 3000 Index	11.5	11.0	-6.6	0.9	0.1	8.3	Mar-91	16.6	1.02	1.00
International Equity	**15.2**	**7.8**	**-5.3**	**4.6**	**NA**	**10.8**	**Dec-02**	**23.2**	**1.30**	**0.94**
MSCI EAFE Net Index	16.5	3.3	-9.5	2.0	2.6	9.4	Dec-02	22.1	1.25	0.94
Total Flexible Capital	**3.9**	**5.8**	**-1.0**	**3.6**	**NA**	**5.4**	**Feb-03**	**7.4**	**0.34**	**0.78**
HFRI Fund-of-Funds Index	3.4	3.6	-3.0	2.2	3.7	4.3	Feb-03	7.7	0.36	0.79
Total Fixed Income	**3.9**	**7.8**	**5.4**	**5.4**	**6.0**	**6.7**	**Mar-91**	**4.6**	**0.03**	**0.10**
Fixed Income Composite Index	4.1	7.4	5.7	6.1	4.1	8.3	Mar-91	6.5	0.32	0.80
Total Inflation Hedging	**9.4**	**10.3**	**-10.2**	**NA**	**NA**	**-3.6**	**Jun-06**	**18.2**	**0.76**	**0.84**
Inflation Hedging Composite Index	8.7	10.9	0.4	3.6	1.8	4.3	Jun-06	13.3	0.58	0.87

* Periods greater than one year are annualized.

** Standard deviations are based on quarterly observations.

*** Beta and correlation are relative to the S&P 500 Index.

Executive Summary

Town of Palm Beach

Police Retirement System

Executive Summary as of September 30, 2010

Assets Market Value	% of Portfolio		Dec-09	Mar-10	Jun-10	Sep-10	Calendar YTD	1 YR	3 YRS	5 YRS	10 YRS	Return	Since
			{----------Quarter Ending----------}					{------Period Ending Sep-2010------}				{----Inception----}	
$55,383,826	**100.0**	**Total Fund**	**3.6**	**2.4**	**-4.9**	**7.7**	**4.9**	**8.7**	**-2.3**	**3.2**	**3.7**	**7.7**	**Mar-91**
		Target Index	2.6	2.2	-4.9	7.6	4.6	7.4	-2.6	2.7	3.1	7.7	Mar-91
		Actual Index	2.6	2.3	-4.8	7.2	4.4	7.1	-2.7	2.8	3.4	9.1	Mar-91
		60% S&P 500 Index/40% BC Aggregate Index	3.7	4.0	-5.6	7.9	5.9	9.9	-1.0	3.2	2.6	7.9	Mar-91
		Consumer Price Index	0.0	0.8	0.2	0.2	1.2	1.2	1.6	1.9	2.3	2.5	Mar-91
$19,580,031	**35.4**	**Global Equity**	**5.3**	**4.0**	**-10.3**	**13.4**	**5.8**	**11.4**	**-4.4**	**3.1**	**1.8**	**10.3**	**Mar-91**
$12,097,037	**21.8**	**Domestic Equity**	**6.2**	**5.5**	**-9.6**	**12.3**	**7.1**	**13.7**	**-4.1**	**2.7**	**1.2**	**10.0**	**Mar-91**
		Russell 3000 Index	5.9	6.0	-11.3	11.5	4.8	11.0	-6.6	0.9	0.1	8.3	Mar-91
$2,714,465	4.9	SSgA S&P 500 (R) Flagship NL Fund	6.0	5.4	-11.4	11.3	3.9	10.2	-7.2	0.6	-0.5	7.9	Dec-94
		S&P 500 Index	6.0	5.4	-11.4	11.3	3.9	10.2	-7.2	0.6	-0.4	7.9	Dec-94
$3,032,005	5.5	Stralem & Company Large Cap Core Account	6.7	3.7	-9.1	10.6	4.3	11.3	-3.3	NA	NA	1.9	Mar-06
		S&P 500 Index	6.0	5.4	-11.4	11.3	3.9	10.2	-7.2	0.6	-0.4	-0.8	Mar-06
$2,182,548	3.9	SSgA S&P Midcap 400 (R) Index NL Fund	5.5	9.0	-9.6	13.2	11.5	17.7	NA	NA	NA	4.8	Sep-08
		S&P Midcap Index	5.6	9.1	-9.6	13.1	11.6	17.8	-1.7	3.8	5.4	4.9	Sep-08
$2,000,147	3.6	CRM Midcap Value Instl Fund	5.2	5.1	-11.7	13.9	5.7	11.2	NA	NA	NA	1.7	Sep-08
		Russell Midcap Value Index	5.2	9.6	-9.6	12.1	11.2	16.9	-4.8	2.0	7.8	3.8	Sep-08
$2,167,873	3.9	Geneva Mid Cap Equity Account	7.1	5.4	-5.9	13.7	12.8	20.9	-0.4	5.0	NA	5.4	Aug-05
		Russell Midcap Growth Index	6.7	7.7	-10.2	14.7	10.9	18.3	-3.9	2.9	-0.9	3.1	Aug-05
$7,482,994	**13.5**	**International Equity**	**4.0**	**1.6**	**-11.4**	**15.2**	**3.7**	**7.8**	**-5.3**	**4.6**	**NA**	**10.8**	**Dec-02**
		MSCI EAFE Net Index	2.2	0.9	-14.0	16.5	1.0	3.3	-9.5	2.0	2.6	9.4	Dec-02
$3,840,107	6.9	Harris Associates International Value L.P.	4.3	5.8	-10.5	14.0	7.9	12.5	-2.5	5.5	NA	13.4	Feb-03
		MSCI EAFE Value Index	0.3	-0.2	-15.5	16.4	-1.9	-1.7	-10.7	1.1	3.9	10.6	Feb-03
		MSCI EAFE Net Index	2.2	0.9	-14.0	16.5	1.0	3.3	-9.5	2.0	2.6	10.1	Feb-03
$3,642,887	6.6	Artisan International Inv Fund	3.7	-2.5	-12.4	16.6	-0.4	3.3	-8.8	3.2	NA	9.1	Dec-02
		MSCI EAFE Growth Index	4.2	2.0	-12.4	16.6	4.1	8.4	-8.4	2.8	1.1	8.7	Dec-02
		MSCI EAFE Net Index	2.2	0.9	-14.0	16.5	1.0	3.3	-9.5	2.0	2.6	9.4	Dec-02

Prime BUCHHOLZ

Executive Summary

Town of Palm Beach

Police Retirement System

Executive Summary as of September 30, 2010

Assets Market Value	% of Portfolio		{----------Quarter Ending----------} Dec-09	Mar-10	Jun-10	Sep-10	Calendar YTD	{------Period Ending Sep-2010------} 1 YR	3 YRS	5 YRS	10 YRS	{----Inception----} Return	Since
$14,537,638	**26.2**	**Total Flexible Capital**	**2.6**	**2.2**	**-2.9**	**3.9**	**3.1**	**5.8**	**-1.0**	**3.6**	**NA**	**5.4**	**Feb-03**
		HFRI Fund-of-Funds Index	1.5	1.4	-2.6	3.4	2.1	3.6	-3.0	2.2	3.7	4.3	Feb-03
$2,874,923	5.2	Archstone Offshore Fund, Ltd.	3.5	2.8	-3.7	4.0	2.9	6.4	-1.0	NA	NA	3.3	Jun-06
		HFRI Fund-of-Funds Diversified Index	1.6	1.6	-2.5	2.6	1.6	3.2	-3.0	2.1	3.6	1.0	Jun-06
$5,717,612	10.3	Private Advisors Stable Value ERISA Fund Class AA-FF, Ltd.	2.3	2.4	-0.2	3.2	5.5	7.9	NA	NA	NA	3.9	Sep-08
		HFRI Fund-of-Funds Conservative Index	1.1	1.7	-1.5	3.0	3.2	4.3	-2.7	1.6	3.3	0.1	Sep-08
$5,945,103	10.7	Forester Offshore B Fund, Ltd.	2.7	1.7	-4.9	4.4	1.0	3.7	NA	NA	NA	4.6	Sep-08
		HFRI Fund-of-Funds Strategic Index	1.7	1.3	-3.3	4.1	1.9	3.7	-4.1	2.3	3.3	1.6	Sep-08
$11,620,113	**21.0**	**Total Fixed Income**	**1.8**	**2.0**	**0.0**	**3.9**	**5.9**	**7.8**	**5.4**	**5.4**	**6.0**	**6.7**	**Mar-91**
		Fixed Income Composite Index	1.8	1.8	-0.5	4.1	5.4	7.4	5.7	6.1	4.1	8.3	Mar-91
$1,450,163	2.6	SSgA U.S. Aggregate Bond Index NL Fund	0.2	1.7	3.5	2.4	7.8	8.1	7.3	6.1	NA	5.8	Dec-01
		BC Aggregate Index	0.2	1.8	3.5	2.5	8.0	8.2	7.4	6.2	6.4	5.9	Dec-01
$4,346,821	7.8	Richmond Capital Fixed Income Account	0.2	2.4	3.4	2.7	8.7	8.9	8.0	6.5	NA	5.4	Dec-02
		BC Aggregate Index	0.2	1.8	3.5	2.5	8.0	8.2	7.4	6.2	6.4	5.3	Dec-02
$5,823,129 [1]	10.5	Income Research Convertibles	3.4	1.7	-3.3	5.1	3.4	6.9	2.2	4.4	NA	4.6	Oct-04
		BOA Conv. Bond US Inv. Gr. Index	3.4	1.7	-4.3	5.7	2.8	6.3	3.6	5.8	3.2	5.2	Oct-04
$7,474,276	**13.5**	**Total Inflation Hedging**	**4.4**	**0.1**	**-3.4**	**9.4**	**5.7**	**10.3**	**-10.2**	**NA**	**NA**	**-3.6**	**Jun-06**
		Inflation Hedging Composite Index	4.4	0.5	-2.8	8.7	6.3	10.9	0.4	3.6	1.8	4.3	Jun-06
$1,702,756 [2]	3.1	Guggenheim Real Estate PLUS Trust	-0.9	1.9	0.1	7.3	9.5	8.4	-18.4	NA	NA	-9.3	Jun-06
		70% NCREIF Index/ 30% NAREIT Index	1.3	3.5	1.1	6.6	11.5	13.0	-3.4	4.3	8.9	1.9	Jun-06
		NCREIF Property Index	-2.1	0.8	3.3	3.9	8.1	5.8	-4.6	3.7	7.2	1.2	Jun-06
$3,891,628	7.0	Wellington Diversified Inflation Hedges CTF	8.1	-0.2	-9.2	14.3	3.5	11.9	NA	NA	NA	0.1	Sep-08
		DIH Composite Index	7.4	0.1	-8.9	13.6	3.6	11.2	-1.3	6.7	NA	2.8	Sep-08
$1,879,892	3.4	Vanguard Inflation-Protected Securities Adm Fund	NA	NA	3.9	2.6	NA	NA	NA	NA	NA	5.9	Jan-10
		BC US Treasury Inflation Notes Index	1.8	0.6	3.8	2.5	7.0	8.9	6.9	5.5	7.5	5.8	Jan-10

Prime BUCHHOLZ

Executive Summary

Town of Palm Beach

Police Retirement System

Executive Summary as of September 30, 2010

Assets Market Value	% of Portfolio		Quarter Ending Dec-09	Quarter Ending Mar-10	Quarter Ending Jun-10	Quarter Ending Sep-10	Calendar YTD	Period Ending Sep-2010 1 YR	3 YRS	5 YRS	10 YRS	Inception Return	Inception Since
$1,978,365 [3]	**3.6**	**Total Liquid Capital**	**0.0**	**0.0**	**0.0**	**0.0**	**0.1**	**0.1**	**1.0**	**NA**	**NA**	**2.3**	**Mar-06**
$1,978,365	3.6	Government Stif 15	0.0	0.0	0.0	0.0	0.1	0.1	1.0	NA	NA	2.3	Mar-06
		Citigroup Treasury Bill 3 Months Index	0.0	0.0	0.0	0.0	0.1	0.1	1.0	2.5	2.4	2.3	Mar-06
$193,403 [4]	0.3	Meridian Holdback											

Please Note: -Periods Greater Than One Year Are Annualized

-Prior to 10/31/1999: Performance representative of Town of Palm Beach Total Fund.

-Prior to 12/31/2001: Performance provided by Callan & Associates.

-Prior to 12/31/2004: Portfolios were combined

-Actual Index represents actual allocations with index returns.

-Target Index (effective 9/1/2009): 20% Russell 3000 Index/ 15% MSCI EAFE Net Index/ 30% HFRI FOF Index/ 15% Inflation Hedging Composite Index/ 20% BC Aggregate Index

-Target Index (effective 1/1/2009): 30% Russell 3000 Index/ 5% MSCI EAFE Net Index/ 30% HFRI FOF Index/ 15% Inflation Hedging Composite Index/ 20% BC Aggregate Index

-Fixed Income Composite Index: 50% BOA Conv. Bond US Inv. Gr. Index / 50% BC Aggregate Index

-Inflation Hedging Composite Index (effective 2/1/2010) : 30% 70% NCREIF Index/30% NAREIT Index/ 45% DIH Composite Index / 25% BC US Treasury Inflation Notes Index

[1] Market value provided by manager due to valuation and accrual discrepancies

[2] Market value estimated using preliminary manager performance and adjusted for 9/30/10 distribution of $336,681.48

[3] Client specific cash performance not available. Citigroup Treasury Bill 3 Month Index is being reported. Cash adjusted for proceeds of $336,681.48 from Guggenheim.

[4] Included in total market value, excluded from performance

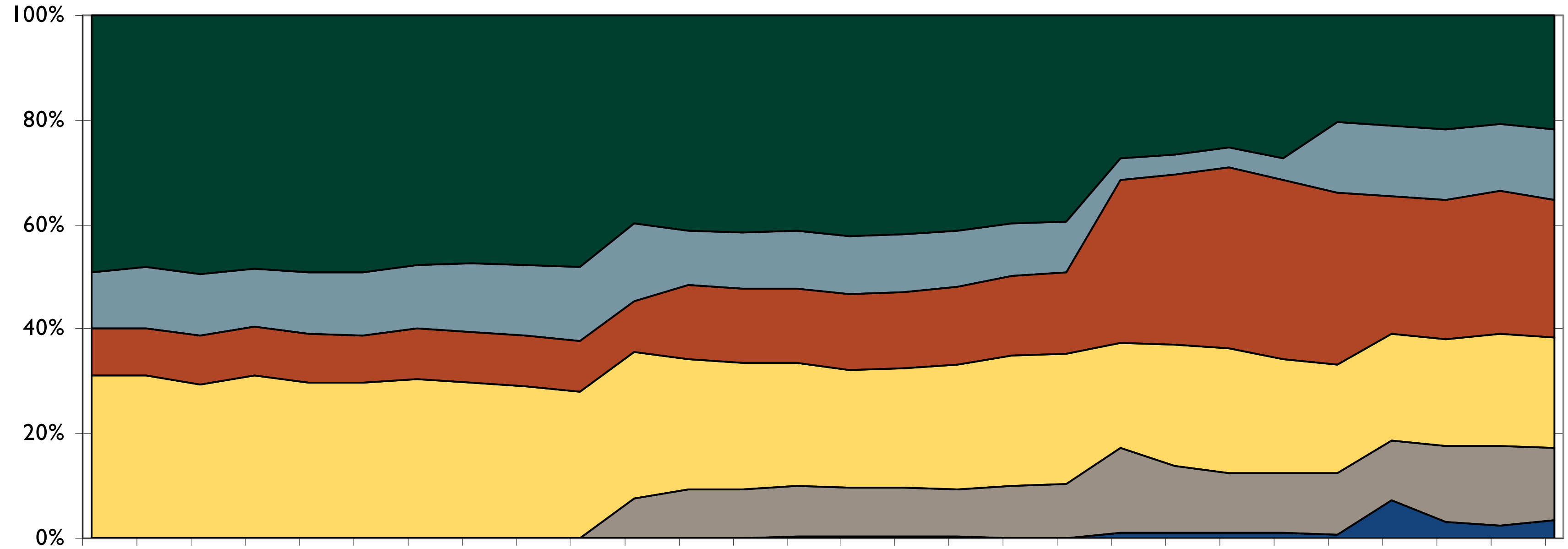
Asset Allocation – Current

Asset Allocation Policy Ranges

	Lower (%)	Target (%)	9/30/2010 Actual Allocation (%)	Upper (%)
Domestic Large Cap Equity	7.2	10.0	**10.4**	12.5
Domestic Mid/Small Cap Equity	7.2	10.0	**11.5**	12.5
International Equity	12.0	15.0	**13.5**	18.0
Developed			*12.5*	
Emerging			*1.0*	
Absolute Return	12.0	15.0	**12.9** *	18.0
Directional Hedge	12.0	15.0	**13.3** *	18.0
Core Fixed	7.5	10.0	**10.5**	12.5
Convertible Fixed	7.5	10.0	**10.5**	12.5
Inflation Hedging	12.0	15.0	**13.5**	18.0
Cash/Other	0.0	0.0	**3.9**	5.0

* Archstone Partners allocation split equally between Hedge and Absolute Return.

Asset Allocation – Historical

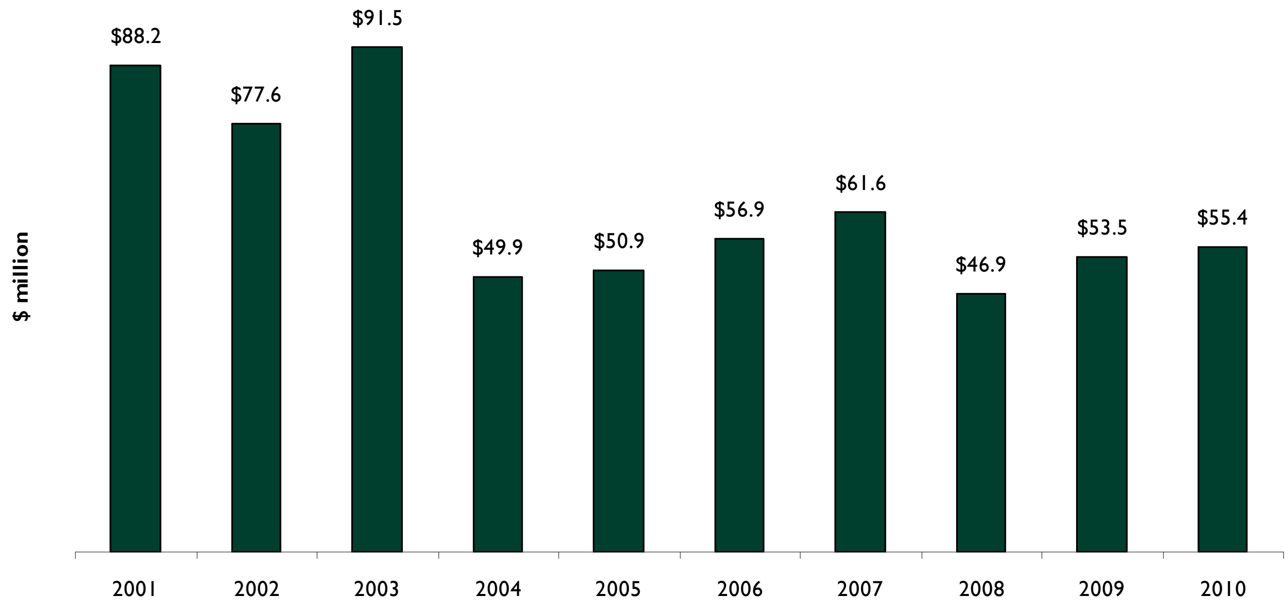


	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06	Sep-06	Dec-06	Mar-07	Jun-07	Sep-07	Dec-07	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10
Domestic Equity	49	48	49	48	49	49	48	47	48	48	40	41	42	41	42	42	41	40	40	27	27	25	27	21	21	22	21	22
Intl Equity	11	12	12	11	12	12	12	13	13	14	15	10	11	11	11	11	11	10	10	4	4	4	4	13	14	14	13	14
Flexible Capital	9	9	9	10	9	9	10	10	10	10	10	14	14	14	15	15	15	15	16	31	33	35	34	33	26	27	27	26
Fixed Income	31	31	30	31	30	30	30	30	29	28	28	25	24	24	23	23	24	25	25	20	23	24	22	21	21	21	22	21
Inflation Hedging	0	0	0	0	0	0	0	0	0	0	8	9	10	10	9	10	9	10	10	16	13	12	12	12	12	15	15	14
Cash	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	1	7	3	3	4

Asset Growth

Asset Growth

	Beginning Market Value	Net Contr/Wdraw	Investment Performance	Ending Market Value Excluding Other	Ending Market Value
12/31/2001				$88,209,969	$88,209,969
12/31/2002	$88,209,969	-$1,902,154	-$8,682,906	$77,624,908	$77,624,908
12/31/2003	$77,624,908	-$1,730,045	$15,626,064	$91,520,928	$91,520,928
12/31/2004	$91,520,928	-$49,174,188	$7,583,305	$49,930,044	$49,930,044
12/31/2005	$49,930,044	-$2,026,545	$3,041,254	$50,944,753	$50,944,753
12/31/2006	$50,944,753	-$651,663	$6,623,829	$56,916,920	$56,916,920
12/31/2007	$56,916,920	$45,752	$4,676,848	$61,639,520	$61,639,520
12/31/2008	$61,639,520	-$718,479	-$14,416,760	$46,504,281	$46,906,207
12/31/2009	$46,504,281	-$1,245,587	$7,985,660	$53,244,355	$53,505,214
9/30/2010	$53,244,355	-$638,477	$2,584,545	$55,190,423	$55,383,826
Total	**$88,209,969**	**-$58,041,386**	**$25,021,840**	**$55,190,423**	**$55,383,826**



Please note: prior to 12/31/04, portfolios were combined.

Watch List – Criteria

Manager	Long-Term Under Performance[1]	Short-Term Under Performance[2]	Change in Structure/Investment Approach	Change in Investment Policy
SSgA S&P 500 Flagship Index Fund	N/A	N/A	No	No
Stralem & Company Large Cap Core Account	No	No	No	No
SSgA S&P MidCap Index NL Fund	N/A	N/A	No	No
CRM Midcap Value Instl Fund	New	No	No	No
Geneva Mid Cap Equity Account	No	No	No	No
Harris Associates International Value L.P.	No	No	No	No
Artisan International Inv Fund	No	No	No	No
Archstone Offshore Fund, Ltd.	No	No	No	No
Private Advisors Stable Value ERISA Fund, Ltd.	New	No	No	No
Forester Offshore B Fund, Ltd.	New	No	No	No
SSgA Passive Bond Market NL Fund	N/A	N/A	No	No
Richmond Capital Fixed Income Account	No	No	No	No
Income Research Convertibles	No	No	No	No
Guggenheim Real Estate PLUS Trust	**Yes**	No	No	No
Wellington Diversified Inflation Hedges CTF	New	No	No	No
Vanguard Inflation-Protected Securities Adm Fund	New	No	No	No

1 - Based on 3-year and since inception comparisons only.

2 - Based on the last three quarters.

 The watch list criteria reported on above is set forth in the client's Manager Termination Guidelines.

Watch List – Commentary

- The purpose of a "Watch List" is to highlight conditions that may cause the Board to consider terminating an investment manager. When a manager is placed on the Watch List, the firm will be notified and will be expected to meet with the Board to discuss the cause of concern and planned resolution. The consultant will monitor the situation on an ongoing basis and will inform the Board of any change in status.
- The Board will discuss all Watch List managers at each future meeting. It is anticipated that improvement and/or resolution of the issue should be expected in two calendar quarters. If the Board determines that the situation has not been resolved to its satisfaction, the manager relationship may be terminated.
- Change in structure/investment approach criteria:
  - Ownership changes (e.g. prominent owner leaves without an acceptable plan of succession in place, key employees receive large sums of cash without corresponding incentives to remain).
  - Key personnel changes (e.g. member of key investment decision making body leaves or lead portfolio manager leaves without an acceptable plan of succession, significant turnover in client service personnel).
  - Manager variance from the strategy it was hired to implement (e.g. value manager buys high growth names, intermediate bond manager buys long bonds).
  - Manager is involved in material litigation or fraud (e.g. SEC investigates firm, client lawsuits).
  - Material client-servicing problems (e.g. reconciliation of manager statements to bank statements not performed promptly, lack of prompt response to issues raised).
  - Long-term underperformance is defined as since inception and annualized three- and five-year periods.
  - Short-term underperformance is defined as three consecutive quarters relative to the median in a universe of peers, excluding index funds that match index.
  - If any of the above conditions occur, the investment consultant will determine whether to place the manager on the Watch List or to immediately terminate its contract with the Board. The consultant will notify the Board in writing of its decision.

Liquidity Schedule

Investment (as of September 30, 2010)	Inception	Subscriptions	Redemptions: Daily	Monthly	Quarterly	Annually	Illiquid	Notes
Global Equity								
SSgA S&P 500 (R) Flagship NL Fund	Dec-94	Daily	2,714,465					
Stralem & Company Large Cap Core Account	Mar-06	Daily	3,032,005					
SSgA S&P Midcap 400 (R) Index NL Fund	Sep-08	Daily	2,182,548					
CRM Midcap Value Instl Fund	Sep-08	Daily	2,000,147					
Geneva Mid Cap Equity Account	Aug-05	Daily	2,167,873					
Harris Associates International Value L.P.	Feb-03	Monthly		3,840,107				Reds: 30 days notice
Artisan International Inv Fund	Dec-02	Daily	3,642,887					
Flexible Capital								
Archstone Offshore Fund, Ltd.	Jun-06	Monthly			2,874,923			Reds: 90 days notice
Private Advisors Stable Value ERISA Fund Class AA-FF, Ltd.	Sep-08	Monthly				5,717,612		Reds: notice by last business day of October
Forester Offshore B Fund, Ltd.	Sep-08	Quarterly			5,945,103			Reds: 60 days notice. See footnote 2
Inflation Hedging								
Guggenheim Real Estate PLUS Trust	Jun-06	Quarterly					1,702,756	Reds: Gated
Wellington Diversified Inflation Hedges CTF	Sep-08	Monthly		3,891,628				Reds: notice by 22nd calendar day of prior month
Vanguard Inflation-Protected Securities Adm Fund	Jan-10	Daily	1,879,892					
Fixed Income								
SSgA U.S. Aggregate Bond Index NL Fund	Dec-01	Daily	1,450,163					
Richmond Capital Fixed Income Account	Dec-02	Daily	4,346,821					
Income Research Convertibles	Oct-04	Daily	5,823,129					Reds: several days written prior notice
Liquid Capital								
Gvt Stif 15 + Meridian Holdback	Mar-06	Daily	2,171,768					
Total ($)	**55,383,826**		**31,411,697**	**7,731,735**	**8,820,026**	**5,717,612**	**1,702,756**	
Total (%)	**100.0**		**56.7**	**14.0**	**15.9**	**10.3**	**3.1**	

1 - Liquidity schedule based on managers' general redemption terms. Please contact your client service team for specific redemption information. Total does not include terminated manager holdbacks.
2 - Forester Diversified: Initial $3.0 million invested in B-shares 10/1/2008, under lock-up until 9/30/2011. $2.3 million invested 1/1/2009 free of lock on 12/31/2011.

Redemption Terms		
Daily	31,411,697	56.7
Monthly	7,731,735	14.0
Quarterly	8,820,026	15.9
Annually	5,717,612	10.3
Illiquid	1,702,756	3.1
Total	**55,383,826**	**100.0**

Operational Detail

Manager	Vehicle Type	Latest Audited Financials	Auditor/Accountant	Legal Counsel	Custodian	Administrator	Transparency
SSgA S&P 500 Flagship Index Fund	Pooled	Dec-09	PricewaterhouseCoopers	SSgA Internal Legal Staff, Ropes and Gray LLP	State Street Bank and Trust Company	State Srteet Bank	High
Stralem & Company Large Cap Core Account	Separate	Dec-08	Eisner, LLP	Kramer Levin Naftalis & Frankel	N/A	Ultimus Fund Solutions, LLC	High
SSgA S&P MidCap Index NL Fund	Pooled	Dec-09	PricewaterhouseCoopers	SSgA Internal Legal Staff, Ropes and Gray LLP	State Street Bank and Trust Company	State Street Bank	High
CRM Midcap Value Instl Fund	Pooled	Jun-09	Ernst & Young LLP	Bingham McCutchen LLP	PNC Global Investment Servicing Inc.	PNC Global Investment Servicing (U.S.), Inc.	High
Geneva Mid Cap Equity Account	Separate	N/A	Kohler & Franklin	Croen & Barr	N/A	N/A	High
Harris Associates International Value L.P.	Pooled	Dec-08	Deloitte & Touche LLP	Winston & Strawn LLP	State Street Bank and Trust Company	Harris Associates, LP	High
Artisan International Inv Fund	Pooled	Sep-09	Ernst & Young LLP	Ropes & Gray LLP	State Street Bank and Trust Company	Artisan Partners Limited Partnership	High
Archstone Offshore Fund, Ltd.	Pooled	Dec-09	Ernst & Young LLP	Willkie Farr & Gallagher LLP (US), Walkers (Cayman)	Bank of New York Mellon	SS&C Technologies, Inc.	High
Private Advisors Stable Value ERISA Fund, Ltd.	Pooled	Dec-08	Rothstein, Kass & Company, P.C.	Dechert LLP	Private Advisors, LLC, JPMorgan Chase & Co. (cash custody) Bank of New York Mellon (Underlying Funds)	Admiral Administration Ltd.	High
Forester Offshore B Fund, Ltd.	Pooled	Jun-09	Ernst & Young LLP	Ogier (Cayman)	BNY Mellon, Citco Bank and Trust Company Limited, JPMorgan Asset Management	Citco Fund Services	High
SSgA Passive Bond Market NL Fund	Pooled	Dec-09	PricewaterhouseCoopers, Ernst & Young	SSgA Internal Legal Staff, Ropes and Gray LLP	State Street Bank and Trust Company	State Street Bank	Medium
Richmond Capital Fixed Income Account	Separate	N/P	Keiter, Stephen, Hurst, Gary & Shreaves (Annual Review Only)	LeClair Ryan	State Street Bank	N/A	High
Income Research Convertibles	Separate	Dec-07	Edelstein & Company LLP	Wilmer Cutler Pickering Hale & Dorr LLP	State Street Bank	N/A	High
Guggenheim Real Estate PLUS Trust	Pooled	Dec-09	KPMG LLP	Goodwin Procter LLP	N/A	N/A	Medium
Wellington Diversified Inflation Hedges CTF	Pooled	Dec-09	PricewaterhouseCoopers	Internal/Goodwin Proctor LLP	State Street Bank and Trust	Internal	High
Vanguard Inflation-Protected Securities Adm Fund	Pooled	Dec-09	PricewaterhouseCoopers	Vanguard Legal Department	JPMorgan Chase & Co.	Vanguard	High

N/A: information not applicable. N/P: information not provided at the time of report creation.

Low Transparency: limited disclosure of underlying portfolio holdings/components.

Medium Transparency: partial disclosure of underlying holdings/components.

High Transparency: access to underlying portfolio holdings/components.

Transparency assessments may not be comparable across asset classes or vehicles, given the existence of differing industry practices and implementation methods.

Auditor, latest audited financials, and legal counsel data provided for separate accounts is that of the management firm and provided for informational purposes only. Separate accounts typically are not audited.

Information obtained from third party sources is believed to be reliable, however, the accuracy of the information is not guaranteed and is not subject to independent verification.

Data is as of the most recent calendar year end and updated annually.

Fee Schedule

Fee Schedule as of September 30, 2010

Police Retirement System

	Fee Schedule	Assets Market Value	Projected Annual Fee ($)	Projected Annual Fee (%)
SSgA S&P 500 (R) Flagship NL Fund	0.05% on assets managed Minimum Fee of $7,500 Prorated with Passive Bond Market & Midcap Index	$2,714,465	$2,562	0.09%
Stralem & Company Large Cap Core Account	0.80% on assets managed	$3,032,005	$24,256	0.80%
SSgA S&P Midcap 400 (R) Index NL Fund	0.08% on assets managed Minimum Fee of $7,500 Prorated with S&P 500 Index & Passive Bond Market	$2,182,548	$3,296	0.15%
CRM Midcap Value Instl Fund	0.84% on assets managed	$2,000,147	$16,801	0.84%
Geneva Mid Cap Equity Account	1.00% on assets managed	$2,167,873	$21,679	1.00%
Harris Associates International Value L.P.	1.01% on assets managed	$3,840,107	$38,785	1.01%
Artisan International Inv Fund	1.22% on assets managed	$3,642,887	$44,443	1.22%
Archstone Offshore Fund, Ltd.	1.50% on assets managed[1]	$2,874,923	$43,124	1.50%

1 - Fee does not include underlying manager fees.

Prime BUCHHOLZ

Fee Schedule

Fee Schedule as of September 30, 2010

Police Retirement System

	Fee Schedule	Assets Market Value	Projected Annual Fee ($)	Projected Annual Fee (%)
Private Advisors Stable Value ERISA Fund Class AA-FF, Ltd.	1.25% on assets managed[1]	$5,717,612	$71,470	1.25%
Forester Offshore B Fund, Ltd.	1.00% on assets managed[1]	$5,945,103	$59,451	1.00%
SSgA U.S. Aggregate Bond Index NL Fund	0.06% on assets managed Minimum Fee of $7,500 Prorated with S&P 500 & S&P Midcap Index	$1,450,163	$1,642	0.11%
Richmond Capital Fixed Income Account	0.35% on assets managed	$4,346,821	$15,214	0.35%
Income Research Convertibles	0.35% on assets managed under 20 million aggregate	$5,823,129	$20,381	0.35%
Guggenheim Real Estate PLUS Trust	0.60% of Ending Market Value Plus 20% Relative Outperformance	$1,702,756	$10,217	0.60%
Wellington Diversified Inflation Hedges CTF	0.90% on assets managed $45,000 minimum	$3,891,628	$45,000	1.16%
Vanguard Inflation-Protected Securities Adm Fund	0.12% on assets managed	$1,879,892	$2,256	0.12%
Government Stif 15	--	$1,978,365	--	--
Total Investment Management Fees[2]		**$55,383,826**	**$420,577**	**0.76%**

1 - Fee does not include underlying manager fees.
2 - Total market value includes Meridian holdback.

Fee Schedule

Fee Schedule as of September 30, 2010

Police Retirement System

	Fee Schedule	Assets Market Value	Projected Annual Fee ($)	Projected Annual Fee (%)
State Street Bank & Trust Co.				
-Custody Fees	0.015% on assets custodied	$55,383,826	$8,308	0.015%
-Accounting Fees				
Separate Domestic Eq Fees	$4,000 each		$16,000	
Separate Domestic FI Fees	$5,000 each		$5,000	
Mutual Funds/Pooled Accounts	$2,750 each		$2,750	
-Accounting Fees				
Depository Trades	$15.00 each		$420	
Domestic Holdings > 150	$60.00 each		$6,540	
Paydowns	no charge			
Physicals	$35.00 each			
Options or Futures	$55.00 each			
Outgoing Wires	$7.50 each			
Expense Checks	$15.00 each			
Estimated Total to SSBT Fee:			$32,058	0.06%
Total Fees		**$55,383,826**	**$452,634**	**0.82%**

1 - Fee does not include underlying manager fees.

2 - Total market value includes Meridian holdback.

Peer Performance Comparison

Peer Performance Comparison as of June 30, 2010	1 Yr Rtn	%tile	3 Yr Rtn	%tile	5 Yr Rtn	%tile	5 yr Std Deviation	5 yr Beta	5 yr Correlation	YTD	2009	2008	2007	2006
										Returns				
TPBP Total Fund														
Market-Oriented Equity														
SSgA S&P 500 Flagship Index Fund	14.4	27	-9.8	56	-0.8	50	18.0	1.00	1.00	-6.7	26.5	-37.0	5.5	15.7
Stralem & Company Large Cap Core	14.8	26	-5.7	5	1.7	10	15.5	0.84	0.98	-5.7	20.6	-29.5	13.0	10.7
S&P 500 Index	14.4	27	-9.8	57	-0.8	50	18.1	1.00	1.00	-6.7	26.4	-37.0	5.5	15.8
Median	12.3	---	-9.6	---	-0.8	---	---	---	---	-7.8	27.2	-37.5	7.4	13.7
Midcap Equity														
SSgA S&P Midcap Index NL Fund	24.7	21	-6.0	27	2.2	33	20.6	1.00	1.00	-1.5	37.2	-36.2	8.0	10.3
S&P Midcap Index	24.9	20	-5.9	27	2.2	33	20.6	1.00	1.00	-1.4	37.4	-36.2	8.0	10.3
Median	21.1	---	-8.4	---	1.1	---	---	---	---	-3.6	36.7	-40.8	10.0	12.7
Midcap Value Equity														
CRM Midcap Value Instl Fund	10.4	94	-8.8	49	1.3	35	17.3	0.72	0.95	-7.1	28.7	-35.0	10.4	17.3
Russell Midcap Value Index	28.9	14	-9.4	56	0.7	52	22.5	1.00	1.00	-0.9	34.2	-38.4	-1.4	20.2
Median	22.4	---	-9.1	---	0.7	---	---	---	---	-3.7	32.9	-36.5	2.7	16.6
Midcap Growth Equity														
Geneva Midcap Equity	20.7	50	-2.8	5	3.2	29	18.1	0.80	0.97	-0.8	36.5	-35.7	16.2	4.6
Russell Midcap Growth Index	21.3	41	-7.5	49	1.4	52	21.9	1.00	1.00	-3.3	46.3	-44.3	11.4	10.7
Median	20.6	---	-7.7	---	1.5	---	---	---	---	-3.9	39.2	-43.1	17.2	9.3
International Equity														
Harris Intl Value Equity Fund L.P.	22.8	1	-7.7	5	4.8	6	24.6	1.00	0.94	-5.3	56.0	-42.1	-0.4	31.3
Artisan International Fund	7.7	37	-11.8	33	2.5	20	23.9	1.01	0.98	-14.6	39.8	-47.0	19.7	25.6
MSCI EAFE Net Index	5.9	58	-13.4	50	0.9	50	23.3	1.00	1.00	-13.2	31.8	-43.4	11.2	26.3
Median	6.4	---	-13.6	---	0.8	---	---	---	---	-12.2	29.9	-43.7	10.8	25.4
Fixed Income														
SSgA Passive Bond Market NL Fund	9.4	75	7.5	19	5.4	37	3.4	1.00	1.00	5.3	5.9	5.2	6.9	4.2
Richmond Capital Fixed Income	11.6	60	8.0	12	5.8	26	4.4	1.18	0.92	5.9	10.7	2.1	6.2	4.4
BC Aggregate Index	9.5	75	7.6	18	5.5	33	3.4	1.00	1.00	5.3	5.9	5.3	7.0	4.3
Median	14.0	---	5.0	---	5.0	---	---	---	---	4.4	14.8	-6.5	4.8	4.6

Prime BUCHHOLZ

Tab III

Equity

	SSgA S&P 500 Index	Stralem Large Cap Core	SSgA S&P Midcap Index	CRM Midcap Value	Geneva Mid Cap Equity	Domestic Equity	Russell 3000
Composition							
# of Holdings	500	30	401	57	55	916	2,955
% Top 15 Holdings	25.2	61.1	9.9	41.9	38.6	19.0	20.3
% Top 25 Holdings	35.7	90.2	15.0	61.9	59.6	28.4	28.7
Characteristics							
Wtd Avg Mkt Cap ($B)	78.4	87.5	3.3	10.1	6.4	42.9	63.7
Forecast P/E	12.4	11.8	15.6	12.8	19.2	13.7	13.0
Price To Book	2.1	2.1	2.0	2.0	3.7	2.2	2.1
Historical EPS Growth - 5 Year	5.1	5.8	7.8	1.4	17.5	7.4	5.4
Forecast EPS Growth - Long-Term	11.0	9.5	12.4	11.1	16.4	11.9	11.5
Yield	2.0	2.9	1.4	1.5	0.4	1.7	1.9
Beta	1.00	0.90	1.00	0.97	0.92	0.98	1.00
GICS Sectors (%)							
Energy	10.9	8.3	6.2	9.7	7.9	8.7	10.2
Materials	3.6	1.5	6.6	8.5	1.3	4.0	4.1
Industrials	10.8	26.5	15.1	11.7	22.8	17.8	11.4
Consumer Discretionary	10.5	4.1	14.2	13.8	20.2	11.8	11.3
Consumer Staples	11.3	15.6	4.0	8.3	4.6	9.4	9.7
Health Care	11.7	11.5	11.4	13.4	12.6	12.0	11.9
Financials	15.5	3.4	20.2	11.4	3.9	10.6	16.3
Information Technology	18.8	12.4	15.8	13.7	26.7	17.3	18.5
Telecommunication Service	3.2	0.0	0.8	0.0	0.0	0.9	3.0
Utilities	3.6	16.7	5.9	9.5	0.0	7.6	3.7
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Market Capitalization (%)							
Large ($15.0B-Above)	78.0	88.4	0.0	20.2	3.0	43.5	63.4
Mid/Large ($7.0-15.0B)	14.8	11.6	5.9	48.6	34.8	21.6	13.4
Mid ($1.0-7.0B)	7.2	0.0	91.4	31.2	62.3	34.4	19.1
Small/Mid ($0.5-1.0B)	0.0	0.0	2.6	0.0	0.0	0.5	2.3
Small ($0.0-0.5B)	0.0	0.0	0.0	0.0	0.0	0.0	1.8
Other	0.1	0.0	0.0	0.0	0.0	0.0	0.0

Data for Period Ended September 30, 2010

- Source for All Data: Thomson Portfolio Analytics
- Forecast EPS Growth - Long-Term is the value weighted mean of all portfolio stocks' median annualized growth forecasts (5 years)
- Beta is the valued weighted mean of all portfolio stocks' forecast betas relative to a portfolio specific benchmark

Equity

	Harris Intl. Value	Artisan Intl. Fund	Total International	MSCI AC World X U SA	Total Equity	MSCI AC World
Composition						
# of Holdings	57	81	127	1,819	1,042	2,410
% Top 15 Holdings	42.6	40.6	28.7	11.7	12.9	10.5
% Top 25 Holdings	62.8	56.6	42.2	16.6	19.8	15.2
Characteristics						
Wtd Avg Mkt Cap ($B)	35.5	39.5	37.7	43.0	40.9	56.3
Forecast P/E	13.5	12.9	13.2	12.0	13.5	12.2
Price To Book	1.5	1.9	1.7	1.5	2.0	1.7
Historical EPS Growth - 5 Year	-8.0	5.0	-1.8	2.2	4.0	3.6
Forecast EPS Growth - Long-Term	15.0	16.1	15.5	15.6	13.3	13.6
Yield	2.6	1.9	2.2	2.7	1.9	2.4
Beta	1.03	0.95	1.01	1.00	0.99	1.00
GICS Sectors (%)						
Energy	0.0	0.0	0.0	10.4	5.3	10.7
Materials	4.4	6.7	5.5	12.2	4.6	8.6
Industrials	21.1	16.7	19.0	10.5	18.2	10.6
Consumer Discretionary	21.7	19.5	20.6	9.0	15.2	9.7
Consumer Staples	12.2	15.7	13.9	9.0	11.1	9.8
Health Care	4.8	5.4	5.1	6.1	9.4	8.5
Financials	24.0	24.8	24.4	25.7	15.9	21.2
Information Technology	11.8	9.4	10.7	6.4	14.7	11.7
Telecommunication Service	0.0	1.4	0.7	6.1	0.8	4.9
Utilities	0.0	0.4	0.2	4.5	4.8	4.1
Other	0.0	0.0	0.0	0.0	0.0	0.0
Market Capitalization (%)						
Large ($15.0B-Above)	45.4	65.6	56.3	65.1	48.4	69.0
Mid/Large ($7.0-15.0B)	40.7	29.5	35.3	18.2	26.8	17.4
Mid ($1.0-7.0B)	12.5	4.9	7.7	16.5	24.2	13.5
Small/Mid ($0.5-1.0B)	1.2	0.0	0.6	0.1	0.5	0.0
Small ($0.0-0.5B)	0.2	0.0	0.1	0.1	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0

Data for Period Ended September 30, 2010
- Source for All Data: Thomson Portfolio Analytics
- Forecast EPS Growth - Long-Term is the value weighted mean of all portfolio stocks' median annualized growth forecasts (5 years)
- Beta is the valued weighted mean of all portfolio stocks' forecast betas relative to a portfolio specific benchmark

Non-U.S. Equity

	Harris Intl. Value	Artisan Intl. Fund	Total International	MSCI AC World X U SA	Total Equity	MSCI AC World
Regional Allocation (%)						
Japan	21.7	4.1	13.1	14.5	5.0	8.5
United Kingdom/Ireland	18.2	13.4	15.9	15.0	6.2	8.9
Continental Europe	50.0	49.5	49.8	29.6	19.0	17.4
Southeast Asia	0.0	15.8	7.7	3.5	2.9	2.1
Australia/New Zealand	4.2	1.8	3.1	6.0	1.2	3.5
Canada	1.2	2.8	1.9	7.6	1.0	4.5
U.S.	0.0	2.7	1.3	0.0	61.8	41.3
Emerging Asia	2.0	9.2	5.5	13.1	2.2	7.8
Emerging Europe/Mideast/Africa	0.2	0.6	0.4	4.9	0.3	2.9
Latin America	2.6	0.0	1.3	5.7	0.5	3.3
Other	0.0	0.0	0.0	0.0	0.0	0.0

	Total Equity	MSCI AC World
Regional Allocation (%)		
Domestic	61.8	41.3
International	38.2	58.7
Developed Markets	*35.3*	*44.7*
Emerging Markets	*2.9*	*14.0*
Other	0.0	0.0

Data for Period Ended September 30, 2010

- Source for All Data: Thomson Portfolio Analytics

Hedge Strategies

	Forester Offshore Fund, Ltd. [1]	Archstone Offshore Fund, Ltd.	Private Advisors Stable Value Fund, Ltd. [2]	Total Leveraged Portfolio
Market Value	$5,945	$2,875	$5,718	$14,538
% of Total Managed Portfolio ($55.4 mm)	10.7	5.2	10.3	26.2
Market Exposure (%)				
Gross Long %	93.0	105.8	139.0	113.6
Gross Short %	61.0	40.3	66.0	58.9
Net %	32.0	65.5	73.0	54.7
Total Gross	154.0	146.1	205.0	172.5
Strategy Weights (%)				
L/S Equity	92.5	58.1	6.0	51.7
L/S Credit	0.0	11.5	17.0	9.0
Event-Driven	0.0	3.9	11.0	5.1
Distressed	0.0	4.6	29.5	12.5
Special Situations	0.0	3.3	19.0	8.1
Relative Value	0.0	3.5	10.5	4.8
Macro	0.0	0.0	7.0	2.8
Other/Cash	7.5	15.1	0.0	6.0
Geography (%)				
U.S. & Canada	81.0	68.9	82.4	79.2
Developed Europe	6.3	17.4	11.4	10.5
Asia	6.3	8.0	5.3	6.2
Emerging Markets	6.3	5.7	0.9	4.1
Other	0.0	0.0	0.0	0.0

Top 10 Long Holdings/Managers

Manager	% of Portfolio	Manager	% of Portfolio	Manager	% of Portfolio
BROOKSIDE	6.3	ELLIOTT	8.8	GOLUB INT'L	7.5
KENSICO	6.3	VIKING GLOBAL	8.3	CARVAL	6.2
SAMLYN	6.3	FARALLON	7.7	ELLIOTT	5.8
VIKING	6.3	JNV OFFSHORE	7.4	DAVIDSON KEMPNER	4.9
BRIDGER	3.8	BAY RESOURCE PARTNEI	6.6	FIR TREE	4.3
COATUE	3.8	TACONIC	6.1	HBK	4.3
GLENHILL	3.8	KINGDON	6.1	TUDOR BVI	4.2
HOPLITE	3.8	ETON PARK	6.0	KING STREET	4.0
JOHO	3.8	OCH ZIFF	5.9	CASPIAN	3.9
LANSDOWNE	3.8	YORK	5.9	LUXOR	3.7

Data for Period Ended September 30, 2010
- Portfolios with incomplete data are excluded from the Total Leveraged Portfolio calculations.
- Top holdings are reflected as of current quarter end when provided by the manager. Otherwise, holdings are based on 13Fs with a quarter lag, when applicable. The 13F reflects top equity holdings as a percentage of total equity holdings at the firm level.
- Market Values in '000s.

[1] Strategy allocation and exposure information based on manager estimates. Underlying manager allocations are based on averages of estimated portfolio ranges provided by manager; underlying managers with the same average percentage allocation are listed alphabetically. Geographic exposure excludes cash.

[2] Market exposure excludes Direct Lending & Asset Based strategies. Strategy allocation amounts are estimated and exclude cash.

Inflation Hedging

	Wellington DIH [1]	Wellington DIH Target Allocation
Asset Allocation Summary		
Total Equities	57.9	55.0
Energy	*24.2*	*25.0*
Metals and Mining	*10.9*	*10.0*
Agriculture/Livestock	*11.0*	*10.0*
Real Estate	*0.0*	*0.0*
Climate Change	*5.5*	*5.0*
Other	*6.4*	*5.0*
Total Commodities	25.8	25.0
Energy	*5.6*	*6.3*
Industrial Metals	*5.7*	*6.3*
Precious Metals	*6.8*	*6.3*
Agriculture/Livestock	*5.9*	*6.3*
Total Fixed Income/Cash	16.3	20.0
TIPS	*12.9*	*20.0*
Cash	*3.4*	*0.0*
Equities Exposure by Geography		
U.S.	40.1	39.0
Non-U.S.	59.9	61.0

Data for Period Ended September 30, 2010

AAA includes U.S. Treasury securities as they are direct obligations of the U.S. government; however, it should be noted that Treasury issues are not rated by an independent rating agency.

[1] Asset Allocation to Commodities also includes 0.98% Residual Cash. As of 09/30/2010, the Wellington DIH - Short Term Cash Pool had a yield of 0.30. Top portfolio allocations were to Repos (41.5%), Foreign Bank Obligations (26.1%),ABCP (14.6%),US Govt Related (7.9%)and Floating Rate Notes (2.7%).Greatest quality allocation was to AA (70.1%).

Inflation Hedging

	Vanguard Inflation-Protected Securities Adm Fund [1]	BC US Treasury Inflation Notes Index [2]
Portfolio Characteristics		
Yield	0.6	1.9
Average Maturity	9.3	9.3
Effective Duration	4.9	4.9
Quality Breakdown		
AAA	100.0	100.0
AA	0.0	0.0
A	0.0	0.0
BAA	0.0	0.0
BA and Below	0.0	0.0
NR/Other	0.0	0.0
Sector and Sub-Sector Breakdown		
U.S. Treasury	99.9	100.0
U.S. Government Related	0.0	0.0
Non-U.S. Sovereign/Agency	0.0	0.0
Investment Grade Corporate	0.0	0.0
Industrials	*0.0*	*0.0*
Utility	*0.0*	*0.0*
Financials	*0.0*	*0.0*
High Yield	0.0	0.0
Non-U.S. Dollar	0.0	0.0
Emerging Market Debt	0.0	0.0
MBS	0.0	0.0
MBS - Agency	*0.0*	*0.0*
MBS - Non-Agency	*0.0*	*0.0*
CMBS	0.0	0.0
ABS	0.0	0.0
Municipal	0.0	0.0
Cash	0.0	0.0
Other	0.1	0.0

Data for Period Ended September 30, 2010

"AAA" includes U.S. Treasury securities as they are direct obligations of the U.S. government; however, it should be noted that Treasury issues are not rated by an independent rating agency.

[1] Yield represents Month End SEC Yield.

[2] Yield represents Current Yield

Fixed Income

	Richmond [1]	SSgA Passive Bond [2]	BC Aggregate [3]
Portfolio Characteristics			
Yield	2.7	2.8	2.6
Average Maturity	6.2	6.4	6.6
Effective Duration	4.5	4.3	4.7
Quality Breakdown			
AAA	20.4	78.1	77.7
AA	7.2	4.2	4.4
A	31.8	9.4	9.7
BAA	11.3	8.0	8.2
BA and Below	0.0	0.0	0.0
NR/Other	29.3	0.3	0.0
Sector and Sub-Sector Breakdown			
U.S. Treasury	4.4	32.1	33.4
U.S. Government Related	0.0	7.7	7.4
Non-U.S. Sovereign/Agency	0.0	0.0	3.5
Investment Grade Corporate	50.4	18.2	18.6
Industrials	*18.9*	*9.7*	*9.9*
Utility	*3.4*	*2.1*	*2.1*
Financials	*28.1*	*6.4*	*6.6*
High Yield	0.0	0.0	0.0
Non-U.S. Dollar	0.0	0.0	0.0
Emerging Market Debt	0.0	0.0	0.0
MBS	29.3	34.0	32.5
MBS - Agency	*29.3*	*34.0*	*32.5*
MBS - Non-Agency	*0.0*	*0.0*	*0.0*
CMBS	12.1	3.0	3.0
ABS	1.8	0.3	0.4
Municipal	0.0	0.0	0.0
Cash	2.0	0.3	0.0
Other	0.0	4.4	1.2

Data for Period Ended September 30, 2010

"AAA" includes U.S. Treasury securities as they are direct obligations of the U.S. government; however, it should be noted that Treasury issues are not rated by an independent rating agency.

- Statistics as of 6/30/2010: SSgA Passive Bond

(1) NR/Other 29.3% represents Agency MBS issues.

(2) Other 4.4% represents Non-Corporate securities.

(3) While Agency MBS are typically not rated, Barclays Capital includes Agency MBS in its AAA-rating category. Other represents 1.2% Supranationals.

Fixed Income

	IRM [1]	BoA Convertible
Portfolio Characteristics		
Yield	-1.2	-1.6
Average Maturity	10.5	10.6
Effective Duration	1.3	1.6
Delta	0.4	0.4
Investment Premium	16.0	18.4
Conversion Premium	45.0	48.6
Quality Breakdown		
AA and Above	4.6	10.0
A	42.6	37.3
BAA	47.7	52.7
BA	0.0	0.0
B and Below	0.0	0.0
NR/Other	5.1	0.0
Sector Breakdown		
Basic Industry	8.2	5.0
Capital Goods	4.7	4.5
Communications	0.0	5.0
Consumer Cyclicals	1.0	3.0
Consumer Non-Cyclicals	29.1	28.5
Energy	13.1	9.5
Technology	12.5	19.8
Transportation	1.0	2.2
Other Industries	0.0	0.0
Utility	2.5	2.1
Financial	24.8	20.4
Other	3.1	0.0

Data for Period Ended September 30, 2010

"AA and Above" includes U.S. Treasury securities as they are direct obligations of the U.S. government; however, it should be noted that Treasury issues are not rated by an independent rating agency.

[1] NR/Other 5.1% includes 3.1% Cash.

Tab IV

Performance Highlights

Equity

- Stralem was up 10.5% during the third quarter versus a gain of 11.3% for the S&P 500 Index. The strategy generated positive relative performance through the first two months of the quarter, but lagged the benchmark by close to 200 basis points in September, given a beta driven rally that favored lower quality stocks. Slight relative underperformance on the quarter was largely attributable to underperformance from their technology names (they have been adding to these positions) as well as brand label consumer names such as Kellogg and Procter & Gamble that failed to keep pace with the broader market. Activity during the quarter mostly consisted of adds and trims; with the only outright sale being the elimination of Avon Products, with the proceeds invested in CVS Caremark. Within the up-market buckets, dominant companies were generally the best performers, while new industries struggled. Strong performers within the dominant companies bucket included Caterpillar (+32%), Emerson Electric (+21%), and McDonald's (+14%). Stralem has taken gains and trimmed some of its exposure to industrials. Down market stocks, particularly utilities, failed to keep pace during the market rally in September, but continue to serve their role of offering downside protection.
- Michael Alpert joined the firm during mid-August in the capacity of a more senior portfolio manager. Alpert had previously been at J&W Seligman from 1999 through 2010 where he was a Portfolio Manager, and Head of the Small Company Growth Team. Prior to joining Seligman, he spent eight years at Anderson Consulting, where he was Manager of the Communications Industry Group. He earned his MBA from the University of Pennsylvania.
- Cramer Rosenthal McGlynn's Mid Cap Value strategy gained 13.5% in the third quarter outpacing the Russell Midcap Value Index which appreciated 12.1%. Strong relative performance was driven by CRM's stock selection. Information technology, which contributed to CRM's underperformance in the first half of 2010, was a significant contributor to the strategy's third quarter outperformance. CRM maintains its overweight to the sector with an emphasis on strong balance sheets and exposure to the potential catalyst of enterprise spending. Within financials, insurer XL Group was a standout, having issued a positive earnings report for the second quarter. CRM's financials exposure has declined, especially in more credit sensitive areas, given concerns over the potential impact of proposed legislation on profitability. Selection was also strong across the consumer discretionary, business services, and industrials sectors. Air Products, which struggled in the first half of the year after announcing a hostile bid for Airgas, was a top contributor within industrials, as the firm saw three of its directors voted to Airgas' board, and the firm confirmed strong business momentum. Conversely, an overweight to, and adverse stock selection within health care, where valuations have allowed CRM to build some high conviction (top ten) positions, were detractive during the quarter. CRM advises that the firm has largely let valuations dictate the positioning of the portfolios. More recently CRM has reduced financials exposure in favor of information technology and health care which have been relative laggards. However, outside of trading around positions in response to market volatility, CRM has not made any major shifts within the portfolio.

Performance Highlights

Equity (cont'd)

- During the third quarter, Geneva Mid Cap Growth slightly underperformed the Russell Midcap Growth Index, which rose 14.7%. From a factor perspective, an underweight to high beta stocks was a key headwind. Other factors, such as market cap, P/E, and earnings growth, did not meaningfully impact performance. In terms of performance attribution, allocation had a modest negative impact. Most of the underperformance was due to stock selection in consumer discretionary. Within that sector, Strayer Education and Urban Outfitters were key detractors. Strayer sold off, along with its for-profit education peers, due to concerns about a Department of Education review into defaulted loans within the industry. Investors are concerned that Federal financial aid may be withheld if enrollment procedures are found to be lax. Urban Outfitters reported weaker than expected September same-store sales and the market is concerned that Urban will report a weak holiday season. Geneva feels that Urban's outlook remains strong due to overseas expansion. Other than consumer discretionary, there were no other detractors. Stock selection was strong in consumer staples after Unilever announced a deal to acquire Alberto Culver. Among information technology stocks, Citrix and Cognizant were key contributors. Citrix has a new desktop application that has experienced higher than expected adoption rates. Cognizant's financial services division has experienced strong growth. Another contributor was Micros, a hospitality-focused software company that is benefiting from an uptick in lodging activity.
- Geneva feels that the economy will experience modest GDP growth, but feels that they are well positioned in companies that are poised to outperform. There were no significant shifts in sector weights. The strategy remains overweight industrials, energy, and technology, and underweight materials, financials, and telecom services. There was some activity. Within energy, Geneva sold natural gas company Southwest Energy in favor of oil-focused Concho Resources. In health care, the team swapped out of Covance due to big pharma spending cuts and redeployed proceeds into SXC, a rules-based medical payment processor that links payors and providers. Lastly, the team sold Adobe and Morningstar. Adobe was sold due to a weaker than expected new product cycle and Morningstar sold because solid top-line performance is not leading to bottom-line growth.

Performance Highlights

Equity (cont'd)

- Harris International Equity advanced 14.0% over the third quarter, trailing the 16.4% return of the MSCI World ex U.S Index. Changes to the portfolio were minimal during the quarter. Harris sold out of Moet Hennessey Louis Vuitton and British Sky Broadcasting while adding a position in Australian-based packaging firm Amcor. The portfolio remained heavily weighted to the consumer industries, with an emphasis on luxury goods and retail names. Industrials were, again, a key overweight in the portfolio, where meaningful positions in Brambles, ASSA ABLOY, and Experian added value over the quarter. Financials exposure was derived, primarily, of larger European financials, with a focus on companies that have attractive private wealth businesses and considerable market shares. At quarter-end the strategy held no exposure to the energy, telecom and utilities sectors. Regionally Harris continued to focus on opportunities in developed markets, particularly in continental Europe. While the team acknowledges the growth opportunities within emerging markets, they feel that valuations are not attractive enough to pursue. Japan a modest overweight at quarter-end, where the team favored financial and automotive names.
- Artisan's International Fund gained 16.6% in the third quarter, performing in line with the MSCI EAFE Index, which returned 16.5%. The investment team continued to build the portfolio around the secular growth themes of changing demographics, particularly with respect to the developing middle class in emerging nations, as well as improved technology, the privatization of economic resources and outsourcing. While direct emerging markets exposure stood at approximately 11% at quarter-end, many of Artisan's holdings that are domiciled in the developed world (particularly Europe) are meaningfully exposed to emerging markets growth. As the team gained clarity into the evolving regulatory environment and new minimum capital requirements abroad, they decided to trim exposure to European financials. Among the holdings affected were HSBC, Intesa Sanpaolo and BNP Paribas, all of which were reduced, while the Fund's position in Credit Agricole was sold. Over the quarter Artisan focused on growth opportunities in China and Hong Kong. Specifically, Artisan added names in the property development industry, which the team anticipates will benefit from structural tailwinds going forward. Notable additions to the portfolio included Sun Hung Kai Properties, Cheung Kong Holdings, and China Resources Land. Regionally the Fund remained significantly underweight Japan relative to the Index, though a meaningful position in Softbank Corp. was added during the quarter. Direct emerging markets exposure is primarily in China, where Artisan continued to favor financials and technology companies.

Performance Highlights

Flexible Capital

- Archstone Offshore gained 4.0% in the third quarter, bringing year-to-date returns to 2.9%. Archstone's strong showing in the third quarter was driven primarily by the Fund's equity managers, many of which fully participated in the July and September rallies. Conatus (16.8%) was the top performing manager during the third quarter as many of the manager's contrarian value holdings, specifically non-U.S. financials, rallied in August and September. Other top performing equity managers included Bay II Resource Partners (13.2%) – which benefited from net long positioning and exposure to commodities/cyclicals – and Lone Pinon (13.0%), which benefited from emerging markets exposure; both direct and indirect through U.S. based global franchises. Other notable equity managers include York (4.4%), Viking (3.9%), Highfields (8.7%), and Kensico (3.1%). Record issuance and modest spread compression in the high yield market created a generally accommodative market for Archstone's credit-oriented strategies. A rally in post-reorg equities provided an additional tailwind for distressed investors; however, credit manager returns fell into a modestly positive range of 1% to 3% as conservative positioning and increased cash levels limited the upside for managers such as King Street (2.6%), Och-Ziff (2.9%), Elliott (0.9%), and Eton Park (1.5%).
- The Private Advisors Stable Value Fund was up 2.7% in the third quarter and up 4.6% year-to-date. By comparison, the HFRI FOF: Conservative Index returned 3.0% in the quarter and was up 3.2% year-to-date. The Fund's fairly modest distressed mortgage allocation (11%) was the largest contributor to the quarter's performance though distressed corporate, corporate lending, and long short equity also had meaningful contributions. Managers with distressed mortgage exposure included Fortress Mortgage, Zais Matrix, and Marathon Subprime. These managers still believe there is home price depreciation to come, despite a nice run up in the past six months. The only change recently in the fund line-up was Saba which was added at 2% in July. They are a long short credit manager similar to King Street, but smaller. Aside from Saba, Private Advisors has been building position sizes up to the firms' to targets with the inflows and feel that is likely to continue through year-end. The only other possible change would be to add a third "core" global macro manager. Redemptions at year-end are expected to be roughly $115 million or 3% of the total Firm AUM and 5.3% of the hedge fund assets.
- Forester Partners gained 4.3% in the third quarter, bringing year-to-date gains to 0.4%. Many of Forester's equity managers entered the third quarter with modest net exposure and did not fully participate in the equity market rally, which saw the S&P 500 Index appreciate 11.3%. In addition, stock selection remains problematic for many as increased levels of volatility and equity market correlation, combined with greater emphasis on macro factors, have hindered the alpha generated through fundamental analysis. This was most evident for well-regarded managers, such as Kensico (3.1%), Viking (3.9%), Samlyn (3.8%), and Hoplite (2.0%), all of which underperformed their peers and were unable to add value above their net market exposure. However, the third quarter did produce some disparity in equity manager returns, with several managers reporting positive alpha and double-digit absolute returns due to a combination of stock selection and sector/regional concentration. Notable outperformers included TMT-focused Coatue (13.2%), growth manager HHR (15.4%), global diversified managers Brookside (7.7%) and Glenhill (7.2%), and Asia specialist Joho (6.3%). In addition, financials specialist Wellington Bay Pond reported a strong relative quarter as the financials sector meaningfully underperformed the broader market.

Performance Highlights

Fixed Income

- The Richmond Capital Fixed Income Account gained 2.7% in the third quarter. For comparison, the Barclays Capital Aggregate Index gained 2.5% with performance primarily driven by corporates and Treasuries as investors continued to search for yield as well as safety. The short and intermediate portions of the Index outperformed the long counterparts.
- During the third quarter of 2010, the Income Research & Management Investment Grade Convertible composite slightly underperformed the BofA ML U.S. Investment Grade Convertible Bond Index, which rose 5.7%. A key feature of the IRM portfolio is its preference for convertibles with bond-like characteristics rather than those with higher equity market sensitivities. During the third quarter, equity markets rallied, which created a headwind for the strategy. In addition to having less equity market sensitivity, the strategy has a significant underweight to BBB-rated convertibles which outperformed the firm's higher quality counterparts by a wide margin. From an attribution perspective, credit selection in consumer staples, financials, and materials detracted from returns while selection in health care was additive. At the end of the quarter, the portfolio looked more neutral rather than defensive or economically sensitive. While it maintained overweights to consumer staples and utilities and underweights to technology and consumer discretionary, it also had an overweight to materials, an economically-sensitive sector. It still had a somewhat defensive bias with overweights to consumer staples and utilities and underweights to technology. However, it moved from an underweight to an overweight in financials and from an overweight to an underweight in health care. The portfolio did maintain a quality bias with 60% of the portfolio invested in A-rated securities or higher, compared to 50% for the benchmark. In addition, it maintained its preference for bond-like convertibles rather than equity sensitive issues.

Performance Highlights

Inflation Hedging

- The Guggenheim PLUS Partnership returned an estimated 7.3% for the third quarter; as REITS performed positively, returning 12.8%, and the private portfolio saw some modest appreciation. At quarter-end, the Fund was 50% leveraged on a look through basis, with 69% exposure through private investments and 31% through public securities. The strategy also made a partial redemption payment at quarter end of approximately 10%. Remaining outstanding redemption requests roll over to the next quarter-end; December 31, 2010. REIT performance and liquidity in the financing market has allowed the portfolio to lower leverage, re-balance sector weightings and re-finance debt maturing in the near term. 50% is the lowest leverage level for the portfolio since the financial crisis, and sector weightings are nearer to target, through the private portfolio continues to carry an overweight to office leading to an overall weight of 40.9% vs. a 32% target. Apartment weighting is 15.8% vs. a target of 20%, retail 18.9% vs. a 24% target, and industrial 25.1% vs. a 24% target. Guggenheim reports that, of the $147.9 million of 2010 maturing debt, only $37.9 million remains to be re-financed. A larger amount ($400+ million) remains to be financed in 2011; however, market liquidity and REIT performance have enabled the portfolio to lessen some of the liquidity pressures faced during the crisis.

- Wellington Diversified Inflation Hedges rose 14.5% in the third quarter, outperforming its custom benchmark, which returned 13.5%. Year to date the strategy has returned 4.1% relative to its benchmark's 3.5%. During the quarter, asset allocation generated the predominate amount of outperformance. An underweight to TIPS and overweight to Precious Metals and Agricultural Equities, each contributed to the relative performance. An underweight to TIPS and overweight to Gold/Precious Metals is likely a continuing theme in the strategy reflecting management's concern over a future stagflationary environment. The strategy had employed a tactical overlay position, utilizing gold related instruments; but the exposure was removed during the period as gold prices increased. Security selection overall was a slightly negative contributor to performance in the period, however two strategies had differentiated outcomes. The Energy Equity portfolio contributed -.8% alpha through security selection while Metals & Mining contributed +.5%. Of note, the Metals & Mining portfolio benefited from a growing position in precious metals related stocks during the quarter. On a look through basis including stocks and commodity futures, the overall portfolio is now 15.6% exposed to precious metals, 14.1% to Industrial Metals, 29.1% Energy, 18.7% Fixed Income and Cash, 17.1% Agriculture, and 5.3% Global Climate Change.

- During the quarter, the Vanguard Inflation-Protected Securities Fund gained 2.6%, modestly outperforming the Barclays Capital U.S. Treasury Inflation Protected Securities Index, which rose by 2.5%. As of September 30th, the Fund continued to have average duration and maturity characteristics that were in line with that of the Index. Additionally, the latest available holdings report from Vanguard indicates that the Fund had nearly 100% of assets invested in Treasury Inflation Protected Securities (TIPS) as of June 30th, with less than 0.5% allocated to short-term reserves. During the quarter, real yields fell across the curve with the eight-to ten-year portion of the curve declining the most. In this environment, the longer-maturity bonds outperformed their shorter maturity counterparts. Ten-year inflation expectations ended the quarter relatively flat after declining in August amid rising macroeconomic concerns. At the end of the quarter, the Fund held $7.6 billion in net assets.

Manager Profiles

Archstone Offshore Fund — September 30, 2010

Firm Details: *Archstone Partners*

Total Assets ($ mil.):	$4,720
Style:	Hybrid FOF
Assets in Style ($ mil.):	$3,460
Year Founded:	1991
Location:	New York, NY
Ownership:	Alfred Shuman 80%; Balance in declining order: Stanley Shuman; Richard Nye; Steven Kotler; Stephanie Shuman; Joseph Pignatelli; David Parker; John Marshall
Registration:	SEC
GP Capital:	$2.4 million (as of 6/30/2010)

Key Investment Professionals:

- Alfred Shuman - Founder. BA from Harvard ('61) and MBA from Harvard Business School ('63). Serves as Trustee of various non-profit and educational organizations.

- Joe Pignatelli - President of Archstone Funds. Over 15 years experience in investment management. Oversees all manager analysis, asset allocation, and coordination of legal/financial issues. Bachelors from Pace University and Masters from Baruch College.

-David Parker - COO and Chief Compliance Officer. BS from University of Texas and MBA from Harvard Business School. Duties include all management-related issues, strategy, planning, and governance.

Other investment professionals include Mark Smith, Barbara Barlick, Matt Hess, Kevin Jornlin & Edgar Smith.

Investment Objective, Philosophy/Process, and Assessment

Objective: The fund's three primary goals are: 1) to earn 3-5 times the risk free rate of return; 2) to capture a substantial share of the market's gains; 3) to protect its capital during market declines.

Philosophy/Process: Archstone Partners employs a fund- of-funds approach that focuses on top-tier firms. The following strategies are employed: hedged equity, market neutral, global trading, short biased, and long biased. The fund targets 60% to directional equity managers and 40% to non-directional, usually multi-strategy managers. Manager allocations are targeted to be either 10% , 5%, or 2.5%. A significant element of qualitative analysis exists in this process, as the partners rely heavily on experience and contacts in building the portfolio. Archstone requires that its underlying managers have at least $5 million invested in the fund, and that the invested amount represents at least 50% of the managers' net worth.

Assessment: We believe Archstone has a strong and experienced team. Based on our research of hedge funds, we believe the Fund consists of high quality underlying hedge funds. This Fund may be more concentrated than some other fund-of-funds and Archstone is willing to size up their high conviction managers. The firm has been able to leverage long-standing relationships in the hedge fund industry that can often lead to early access to new managers. Archstone provides full transparency, including manager names and allocations, exposures, and detailed quarterly letters.

Sample Portfolio Characteristics

Underlying Funds	*Alloc %*	*Strategy*
Elliott International, Ltd	9	Multi-Strategy
Viking Global Equities III, Ltd.	8	Long/Short Equity
Farallon Capital Offshore Investors, Inc.	8	Multi-Strategy
JNV Overseas Fund, Ltd.	7	Long/Short Equity
Bay Resource Partners Offshore Fund, Ltd.	7	Long/Short Equity
Taconic Offshore Opportunities Fd Ltd.	6	Long/Short Equity
Kingdon Offshore, Ltd.	6	Long/Short Equity
Eton Park Overseas Fund, LTD	6	Multi-Strategy
OZ Overseas Fund II, Ltd	6	Multi-Strategy
York Investment Limited	6	Multi-Strategy
Highfields Capital, Ltd.	6	Long/Short Equity
King Street Capital Ltd.	5	Multi-Strategy
SCP Atlantic Fund	5	Long/Short Equity
TPG-Axon Partners Offshore,Ltd.	4	Long/Short Equity
Kensico Offshore Fund, Ltd.	3	Long/Short Equity
Conatus Capital Overseas, Ltd.	3	Long/Short Equity
Glenhill Capital Overseas Partners	3	Long/Short Equity
Lone Pinon	1	Long/Short Equity

Vehicle Information:

Inception:	October 2000	**3c1/3c7:**	3c7
Assets ($ mil.):	$1,910	**Subscriptions:**	Monthly
Minimum Account Size:	$1,000,000	**Redemptions (notice):**	Quarterly with 90 day notice
Management Fee:	1.5%; Underlying Manager Fees	**Lock-up:**	12 months
Profit Allocation:	0%	**ERISA Capacity:**	None as of 6/23/2010
Highwater Mark:	N/A	**Prime Broker:**	N/A
Hurdle Rate:	N/A	**Administrator:**	SS&C Technologies, Inc.
UBTI:	No	**Auditor:**	Ernst & Young LLP
Additional Expenses:	capped at 0.60%, (0.42% in 2009)	**Legal Counsel:**	Willkie Farr & Gallagher LLP (US), Walkers (Cayman)
Additional Vehicles:	Onshore		

Manager Profiles

PA Stable Value Fund, Ltd. — September 30, 2010

Firm Details: *Private Advisors*

Total Assets ($ mil.):	$3,850
Style:	Absolute Return FOF
Assets in Style ($ mil.):	$1,606
Year Founded:	1997
Location:	Richmond, VA
Ownership:	Employee Owned
Registration:	SEC
GP Capital:	$35 million across all products (as of 6/30/2010)

Key Investment Professionals:

- Louis Moelchert, Jr., Managing Partner & Founder, Former Head of the University of Richmond investment program since 1975. Former Chairman of the Board of the Commonfund for 4 years and Board member for 12 years. Former Chairman of the Investment Advisory Committee of the Virginia retirement System.
- Charles Johnson, III, Partner, previous experience in both the hedge fund and fund of funds industry with Johnson Capital, and EIM, Inc.
- Portfolio management is handled by Timothy Berry, Michael Fuller, Charles Honey, and Tripp Taliaferro

Investment Objective, Philosophy/Process, and Assessment

Investment Objective: The Private Advisors low volatility multi-strategy funds seek consistently positive returns which are not dependent upon, or correlated to equity or fixed income markets. The strategy strives to return 10-12% or returns that are comparable to Treasury Bills plus 5% over the long term. The fund targets volatility which is one-third that of the S&P 500 Index or a level that is comparable to the Barclays Aggregate Bond Index. The Fund's secondary objective is to preserve capital in negative markets.

Philosophy/Process: The low volatility multi-strategy funds have generally employed approximately 25 managers with investment strategies in long/short credit, direct lending, distressed, event driven, multi-strategy, relative value, and global macro to a lesser extent. Private Advisor's underlying manager diligence includes both an evaluation of the firm's operations and an evaluation of the firm's investment process. The fund intends to maintain diversification across styles and strategies, but manager selection tends to emphasize fundamentally based, value driven approaches. Nondirectional, lower volatility strategies are also sought after. Private Advisor's stated approach is to only consider managers with low leverage approaches for the portfolio. Private Advisors will generally avoid trading-based strategies, black box approaches, and managers that employ high leverage. The fund seeks managers that will typically be hedged in a manner that results in low net exposure to the markets.

Assessment: We believe Private Advisors has developed a strong institutional business and has access to high quality underlying managers. Our diligence has shown their process to be fairly conservative and focused on preservation of capital. We believe their operational due diligence effort is thorough and rigorously applied. This has resulted in low fund volatility and stable returns over many years. The Stable Value Fund is the offshore version of the Alternative Asset Fund, which has an inception date of June 1998.

Allocations to 3c-1 vehicles are subject to slot availability.

*Allocations to the right represent a partial list of underlying managers though a full list is provided to Prime Buchholz.

Sample Portfolio Characteristics

Underlying Funds	*Alloc %*	*Strategy*
Golub Capital International, Ltd.	8	Lending/LS Credit
CVI Global Value Fund B LP	6	Distressed
Elliott International, Ltd	6	Multi-Strategy
Davidson Kempner International, Ltd.	5	Multi-Strategy
Fir Tree Capital Opportunity Fund, Ltd.	4	Distressed
HBK Offshore Fund II, LP	4	Multi-Strategy
Tudor BVI Global	4	Global Macro L/S
King Street Capital Ltd.	4	Distressed
Caspian Capital Partners International, Ltd.	4	Capital Structure Arb.
Luxor Capital Partners Offshore, Ltd.	4	Credit Arbitrage
Garrison Credit Opps Fund, LP	4	Distressed
Drawbridge Special Opportunities Fund Ltd.	3	Event-Driven
Styx International, Ltd	3	Distressed
Zais Matrix VI-A, Ltd.	3	Distressed
Mason Capital, Ltd.	3	Multi-Strategy
Marathon Credit Opportunities Fund, Ltd.	3	L/S Credit
Marathon Distressed Subprime Fund, Ltd.	3	Distressed
Moore Macro Managers Fund, Ltd	3	Global Macro
Spectrum Investment Partners, Ltd.	3	Multi-Strategy
ADAR Investments, Ltd.	2	Market Neutral Equity
Bleichroeder Advisers, LLC	2	Merger Arbitrage
Gruss Global Investors Enhanced, Ltd.	2	Merger Arbitrage
Saba Capital Offshore Fund, Ltd.	2	L/S Credit
Waterstone Market Neutral Offshore Fund, Ltd.	2	Convertible Arbitrage
Fortress Value Recovery Fund I, Ltd.	2	Distressed
Aurelius Capital International, Ltd.	2	Distressed
MKP Credit Offshore, Ltd.	2	Relative Value/Arbitrage
Redwood Offshore Fund, Ltd.	1	Multi-Strategy

Vehicle Information:

Inception:	July 1, 2004	**3c1/3c7:**	3c1
Assets ($ mil.):	$98	**Subscriptions:**	Monthly
Minimum Account Size:	$1,000,000	**Redemptions (notice):**	Dec. 31st (notice due by last business day of Oct.)
Management Fee:	1.25% or 1% mgmt w/ 5% performance	**Lock-up:**	One-year
Profit Allocation:	None	**ERISA Capacity:**	Limited
Highwater Mark:	NA	**Prime Broker:**	N/A
Hurdle Rate:	NA	**Administrator:**	Admiral Administration Ltd.
UBTI:	No	**Auditor:**	Rothstein, Kass & Company, P.C.
Additional Expenses:	0.10-0.15% (legal, audit, administration, etc.)	**Legal Counsel:**	Dechert LLP
Additional Vehicles:			

Manager Profiles

Forester Offshore, Ltd. — September 30, 2010

Firm Details: *Forester Capital*

Total Assets ($ mil.):	$2,715
Style:	Directional Hedge FOF
Assets in Style ($ mil.):	$1,540
Year Founded:	1999
Location:	Greenwich, CT
Ownership:	Employee Owned
Registration:	No
GP Capital:	Aligned

Key Investment Professionals:

Trent Carmichael - Prior to founding Forester Capital, Mr. Carmichael was with Tiger Management from 1996 to 1999, Nelson Capital Management from 1991-1994 and Donaldson, Lufkin and Jenrette from 1988-1990. Mr. Carmichael has a Master's degree in Management from the Kellogg School and a BA in Economics from Duke University. He has obtained the Chartered Financial Analyst designation.

Fritz Fortmiller - Mr. Fortmiller joined Forester in 2006. Prior to Forester, he worked at Cambridge Associates from 1999-2005 as a Specialist Consultant, Research Consultant and Associate. Prior to that, he founded Turnbuckle Records and worked as a Paralegal Specialist in the U.S. Attorney's Office. BA in Philosophy from Yale University. He has obtained the Chartered Financial Analyst designation.

Investment Objective, Philosophy/Process, and Assessment

Objective: Seeks to achieve medium to long-term returns that are superior to the broad market averages while assuming less risk.

Philosophy/Process: Diversification will be achieved through investment in managers that have different expertise in industry sectors, cap sizes, or geographical areas. Forester looks for managers who have a demonstrated track record, have the ability to generate both long and short ideas, and have a significant amount of their own net worth in their fund. Individual managers are limited to 25% of overall portfolio. Forester may invest up to 10% in an affiliated fund. The fund does not invest in managers who specialize in currencies, bonds or commodities.

Assessment: Based on our research of hedge funds, we believe the Fund consists of high quality underlying hedge funds and is offered at a reasonable fee. This Fund may be more diversified than some other fund-of-funds as Forester tends to weight highest conviction ideas in the range of 4.5%-6.5%. Forester has been able to leverage long-standing relationships in the hedge fund industry that can often lead to early access to new managers. Forester provides a high degree of transparency, including manager names and allocation ranges, market and regional exposures, and quarterly letters.

The offshore fund was rolled out in January of 2004. The fund is identical in strategy and process to the Forester Partners, LP. Forester Partners II, LP was created to accommodate 3c1 investors when Forester Partners LP converted to a 3c7 vehicle in January 2008. There is substantial overlap between managers in Forester Partners, LP, Forester Partners II, LP and Forester Offshore, Ltd.

*Allocations for funds shown to the right are approximate based on portfolio ranges and represent a partial list of underlying managers.

*Forester prefers offshore investors under the $2 million minimum to choose the 3yr liquidity, B share class.

*Allocations to 3c-1 products are subject to slot availability.

Sample Portfolio Characteristics

Underlying Funds	*Alloc %*	*Strategy*
Brookside Capital Investors, Inc.	6	U.S. Diversified
Kensico Capital, L.L.C.	6	U.S. Diversified
Samlyn Capital, LLC	6	Global Diversified
Viking Global Performance LLC	6	Global Large Cap
Bridger Management, L.L.C.	4	U.S. Diversified
Coatue Capital, L.L.C.	4	Global TMT
Glenhill Capital Management, L.L.C.	4	U.S. Diversified
Hoplite Capital, LLC	4	U.S. Cons., Fin'l, Indust.
Joho Capital, L.L.C.	4	Asian Large Cap
Lansdowne Partners Limited Partnership	4	European Diversified
Merchants' Gate Capital LP	4	Global Diversified
Pennant Capital Management, L.L.C.	4	U.S. Diversified
Polar Capital LLP	4	European Concentrated
Spring Point Capital LLC	4	U.S. Low Net Exposure
Tiger Global Performance, L.L.C.	4	Global Diversified
Wellington Hedge Management, LLC	4	Global Financials
Abrams Bison Investments, L.L.C.	1	U.S. Concentrated
Castine Capital Management, LLC	1	U.S. Sm Cap Financials
Eminence Capital, L.L.C.	1	U.S. Diversified
Highfields Capital Management, L.P.	1	Global Diversified
Impala Asset Management, LLC	1	Global Diversified
North Run Capital, L.P.	1	U.S. Sm Cap Value
Steadfast Capital, L.L.C.	1	U.S. Diversified
The Children's Investment Fund Mgmt UK LLP	1	Global Activist

Vehicle Information:

Inception:	January 2004	**3c1/3c7:**	3c7
Assets ($ mil.):	$735	**Subscriptions:**	Quarterly
Minimum Account Size:	$2,000,000	**Redemptions (notice):**	Quarterly (with 60 days notice)
Management Fee:	1.0%, underlying manager fees	**Lock-up:**	A: Two years B: Three years
Profit Allocation:	A: 3%, B: None	**ERISA Capacity:**	Yes
Highwater Mark:	Yes	**Prime Broker:**	N/A
Hurdle Rate:	NA	**Administrator:**	Citco Fund Services
UBTI:	No	**Auditor:**	Ernst & Young LLP
Additional Expenses:	Accounting, legal, filing (approx. 18 bps)	**Legal Counsel:**	Ogier (Cayman)
Additional Vehicles:	Onshore 3c1 and 3c7		

Manager Profiles

Guggenheim PLUS II L.P. — September 30, 2010

Firm Details: ***Guggenheim***

Total Assets ($ mil.):	$1,196
Style:	Hybrid - Private & Public Real Estate
Year Founded:	2001
Location:	New York, NY
Ownership:	60% Guggenheim Partners/40% Employee Owned

Key Investment Professionals:

- Mike Miles, Ph.D., CPA, Co-PM - Prior to joining Guggenheim, he served as PM for Fidelity Real Estate Asset Manager, Executive VP of the Prudential Realty Group, and Managing Director of Prudential Real Estate Advisors. He is past president of the NCREIF and the American Real Estate and Urban Economics Association.
- Will Stevens, Managing Director Co-PM - Prior to joining Guggenheim, he was a VP in Capital Transactions Group at Lend Lease Real Estate Investments. Prior to joining Lend Lease, he worked in investment banking at Jones Lang LaSalle and First Union Securities.
- Karen Calby, Managing Director - She is responsible for manager evaluation and market intelligence in the REIT manager universe. Prior to joining Guggenheim, she was a Director at Fisher Francis Trees and Watts, Partner at Oliver, Wyman and Company, and a strategic consultant at Anderson Consulting.

Investment Objective, Philosophy/Process, and Assessment

The Guggenheim PLUS II strategy accesses real estate exposure through public real estate securities managers, open end core funds and direct asset holdings.

Management will use analytical tools to determine the Fund's optimal allocations to geographic markets, property types, leverage, and form of investment. Managers and local investors are selected for execution of the top-down strategy, and continuous market feedback is established at the local level. The portfolio will consist of a broad range of assets, including separately managed accounts, REITs, private funds, existing real estate partnerships, joint ventures, mezzanine financing and CMBS. Typically, the allocation between private and public real estate will be 70%/30%, consistent with the target performance benchmark, 70% NCREIF/30% NAREIT. Guggenheim has identified six investment strategies for meeting the Fund's investment goals: i) market selection by property type and geography, ii) public/private arbitrage, iii) valuation focus, iv) manager and local investor evaluation, v) active management of leverage, and vi) limited development exposure. The Fund will not invest in Blind Pools, or directly in investments in raw land, international real estate or development companies (as opposed to specific real estate projects).

Guggenheim's unique structure has been adversely impacted by the illiquid real estate market and the impairment has increased risks going forward. For example, in periods where assets are not growing, the strategy may be forced to either sell illiquid assets to raise capital, or freeze liquidity rights to investors. Illiquidity risk becomes strategy risk in Guggenheim's unique structure as the research driven public/private market arbitrage can be impaired by the volatility of public markets and the inability to shift allocations in private assets. As a result of the inability to actively manage the portfolio while charging active management fees on both the direct investments and the investments in underlying funds, the fund has underperformed its benchmark with risks of further underperformance. This heightens the risks of further investor redemptions as well as portfolio team departures.

Given the current environment, it is difficult to forecast market liquidity and the strategy's ability to fund redemptions, now in excess of 40% of total assets, over the near term. This large ratio of redemptions to total assets, portfolio illiquidity, as well as the possibility of continued relative underperformance heightens the risks to the strategy's longer term viability and resource retention. As a result, we recommend that clients submit redemption requests to exit the strategy as Guggenheim provides liquidity for client withdrawal requests.

Sample Portfolio Characteristics

Portfolio Holdings (based on 09/30/2010 estimates):
By Product Type:
Office 38%; Multi-family 16%; Retail 21%; Industrial /Other 25%

By Geography:
Global 23% Global Transition 28% Diversified Growth 11% Unique/Government 13% Strategic Yield Market 17% Migration/Tourism 5% Middle America 5%

Public Market (31%): AEW (Core), Invesco (Large-Cap), LaSalle (Small-Cap), K.G. Redding (Abs. Return), In-House portfolio (Public/Private Arbitrage)

Private Market (69%): Open-End Funds: ING Group (Clarion Lion Properties Fd, Clarion Lion Industrial Trust), Deutsche Bank (RREEF America II REIT), UBS Realty Investors (Alegis RESA), Prime Property Fund, Prudential PRISA --- Direct Investments & Mezzanine Loans: Office, Multi-family, Retail, Industrial, Inveco Core Real Estate Fund, LLC, TIAA-CREF Asset Mgmt Core Property Fund, LP.

Risk controls include limits on exposure by property type and economic location, and ceilings on leverage (50% ceiling at the aggregate portfolio level, with a target of 35%), the amount of development, and the amount of public mkt inv by the Fund.

The G.P. interests are aligned through multi-layered incentive programs (including deferred compensation plans with vesting schedules) linked to fund/company ownership and performance.
The incentive allocation is calculated on a rolling four-quarter basis.

Vehicle Information:

Year Partnership Formed:	2003	**Fees:**	0.95% < $5mm; 0.60% $5-$20mm: 0.50% > $20mm
Product Structure:	Hybrid - Private & Public Real Estate	**Carried Interest:**	20% of Gross Fund Returns Over Target Benchmark
Fund Size:	$687 million	**Hurdle Rate:**	Target Benchmark (70% NCREIF/30% NAREIT)
Current Investments:	detailed above	**Liquidity:**	Quarterly (six quarter lock-up); (90 day notice thereafter)
GP Commitment:	Interests Aligned (see above)	**Reporting:**	Quarterly
Minimum Investment:	$5,000,000 (Flexible)	**UBTI:**	Minimized through REIT Blocker

Manager Profiles

Wellington Diversified Inflation Hedges — September 30, 2010

Firm Details: ***Wellington Management Company, LLP***

Total Assets ($ mil.):	$598,491
Style:	Real Asset
Year Founded:	1928
Location:	Boston, MA
Ownership:	The firm is 100% employee owned by 107 partners.

Key Investment Professionals:
Scott Elliott, Director of Asset Allocation Strategies and Senior V.P., is the lead portfolio manager on the strategy.
Commodities: David Chang and Gregory LeBlanc
Core Energy: Karl Bandtel
Metals & Mining, Agric, Livestock & Forest Products Equities: John O'Toole, David Fassnacht, and David Palmer
Global Precious Metals: Keith White
Global Climate Change: Kenneth Abrams and Mark Beckwith
TIPs Core Bond: Lindsey Politi and Joe Marvan
Cash: Tim Smith

Investment Objective, Philosophy/Process, and Assessment

Objective: Wellington's Diversified Inflation Hedges Portfolio invests in various liquid assets, seeking strong relative performance in a rising inflationary environment. The Fund seeks to provide long-term returns of CPI+5%. Portfolio volatility is expected to be between stocks and bonds.

Philosophy/Process: Wellington intends to invest in a number of liquid assets, including core energy equities, metals & mining equities, agriculture, livestock & forest products equities, global precious metals, global climate change equities, commodities, and inflation-protected core bonds. Wellington seeks to add value through bottom-up stock analysis, combined with a top-down look at the macroeconomic factors affecting the markets. In addition, the tactical management of allocations in another source of returns.

DIH seeks to benefit from areas of the market with favorable supply and demand characteristics. Specifically, the portfolio targets markets experiencing increasing demand, but constrained supply response. Generally, these conditions result in rising prices.

In 2008, Wellington introduced Diversified Inflation Hedges II (DIH II). Wellington manages DIH II like the standard DIH portfolio with the exception of the fixed income component, which is an Inflation Protected Muni Bond Plus portfolio. Management will pursue the muni bond plus approach with an inflation protection overlay instead of a TIPS approach. Also, for the commodities component, the approach will initially utilize short term cash for the cash collateral, but will have the flexibility to move the collateral to municipal bonds.

Process Enhancements: Wellington has transitioned all bond portfolios to long only. As part of the transition, Wellington eliminated the use of broad market derivatives, inflation break-evens, and now all bond portfolios hold only inflation protected government securities. Guidelines for the commodities portfolio remain unchanged, allowing up to 200% gross exposure (150 long/50 short), and will not allow net short positions in any commodity. The collateral pool is currently a cash collateral pool.

Assessment: Wellington Diversified Inflation Hedges was launched at the beginning of 2005, providing a liquid option for investors seeking an inflationary hedge. Management has the flexibility to move between multiple asset classes, enabling the portfolio to perform well in stable as well as rising inflationary environments. The product structure provides investors with access to multiple talents from the Wellington organization. DIH provides a unique mix of real asset categories while providing an element of active management through tactical asset allocation. We are comfortable with this strategy as a core component of an inflation hedging program.

Sample Portfolio Characteristics

(As of 09/30/10)
Normal portfolio allocations:

25% Core Energy equities (Large Cap focus) - producers, refiners, oil, natural gas, and oil field services

10% Metals & Mining equities (Large Cap focus) - exploration, mining, processing, fabrication, marketing, distribution

10% Agriculture, Livestock & Forest Products equities - producing, processing & distribution of agricultural products, farm machinery, fertilizer and packaged foods. Forest Products include timber, pulp and paper product companies.

5% Global Climate Change

5% Global Precious Metals (70% equity/30% commodity exposure)

25% Commodities - Diversified exposure to four major commodity sectors (Energy, Industrial Metals, Precious Metals, Agriculture & Livestock). Combines futures (or swap) exposure on a diversified basket of commodities (GS, DJ-UBS) with exposure to individual commodity futures. Cash invested in cash equivalents and inflation - linked bonds.

20% Fixed Income & Cash - Invests in sectors similar to Core Bond strategy, but primarily invests in Treasury Inflation Protected Bonds (TIPs).
Composite Benchmark: 25% MSCI Wrld Energy > $3 bil/10% MSCI Wrld Met. & Mining > $3 bil/10% Ag., Forest Products & Livestock Bench. /5% HSBC Climate Change/ 3.5% MSCI AC Wrld Gold & Precious Met./1.5% GSCI Precious Met./25% eq. sector-weighted S&P GSCI/20% BC U.S. TIPs 1-10 Yr Index (Components have changed over time.)

Vehicle Information:

Year Partnership Formed:	2005	**Fees:**	0.90%
Product Structure:	Real Asset	**Carried Interest:**	N/A
Fund Size:	CTF & CIF; $660.1mm	**Hurdle Rate:**	N/A
Current Investments:	N/A	**Liquidity:**	Monthly liquidity
GP Commitment:	N/A	**Reporting:**	Monthly
Minimum Investment:	$5,000,000	**UBTI:**	Minimized through compliance controls

Manager Profiles

Vanguard Inflation Protected Securities — September 30, 2010

Firm Details: *The Vanguard Group*

Total Assets ($ mil.):	$1,409,324
Style:	Infl Protected Securities
Assets in Style ($mil.):	$32,435
Year Founded:	1975
Product Inception:	2000
Location:	Valley Forge, PA
Ownership:	-The firm is owned by fund shareholders.

Key Investment Professionals:

- Kenneth Volpert, CFA - Volpert joined Vanguard as a senior portfolio manager in November 1992. Previous experience with Mellon Bond Associates and Investment Capital Management Corporation. B.S., University of Illinois, M.B.A., University of Chicago. He has co-managed the Fund since its inception.
- John Hollyer, CFA - Hollyer joined Vanguard in 1989 as a Fixed Income Portfolio Manager. B.S. University of Pennsylvania. He has co-managed the Fund since its inception.

Investment Objective and Philosophy/Process

Investment Objective: The Fund seeks to provide inflation protection and income consistent with investment in inflation-indexed securities.

Philosophy/Process: Vanguard Inflation-Protected Securities Fund offers investors exposure to a wide range of inflation-adjusted bonds and other securities. At least 80% of the Fund will be comprised of inflation indexed bonds issues by the U.S. government or its agencies, but the remaining assets can be invested in other Treasuries, corporates, or agency bonds that may or may not be adjusted for inflation. The Fund managers actively manage exposure along the yield curve and will adjust duration based on interest rate expectations. The Fixed Income Group uses a hub and satellite decision-making framework. The hub consists of senior investment professionals and are tasked with developing a macroeconomic outlook, making strategic duration and yield curve positioning decisions, and making broad sector and quality allocation decisions. The satellites implement the macro decisions from the hub level. Specifically, they are responsible for issuer selection, subsector allocations, tactical duration/yield curve positioning, etc. Research responsibilities are assigned by sector and industries. The analyst performs deep fundamental research on his/her respective sector and, after forming an independent opinion, outlines the investment rationale and assigns the issue a rating (outperform, market-perform, or underperform.) The satellite teams meet regularly and discuss new ideas. Traders participate in these meetings in order to offer a view on liquidity. If an idea is accepted, the PM directs the trading desk to implement the idea.

*Firm assets as of June 30, 2010

Assessment

Vanguard has a deep and well-regarded team of investment professionals. One of the key strengths of the Fixed Income Group is the hub and satellite structure which leverages key abilities across all strategies and results in more consistent positioning and views across strategies. The Vanguard Inflation-Protected Securities Fund will typically invest only in U.S. TIPS resulting in benchmark-like performance. However, it is important to note that the Fund is actively managed and Vanguard can purchase a constrained amount of non-inflation linked, non-government related bonds. Like many Vanguard products, fees are extremely competitive. Some considerations include Vanguard's preference for longer-term commitments and securities lending. While the Fund offers daily liquidity, Vanguard prefers longer-term commitments and requests advance notice for redemptions of a large dollar amount. Vanguard does permit securities lending in this Fund, but has historically never lent Treasury securities. However, if it were to begin lending, we feel that the firm implements a conservative policy as it pertains to the practice. We remain comfortable with Vanguard's practices and are confident that the firm does not want to break the implicit trust of shareholders by taking on more risk to pursue these additional revenue sources. Please note that TIPS pay semi-annual interest based on the inflation-adjusted principal amount of the bond. Inflation adjustments are determined by the index ratio of the bond, which measures the change in CPI since the bond's issuance. At maturity, investors receive either the adjusted principal or original principal amount (par value), whichever is greater. However, during periods of deflation, the adjusted principal may decrease, leading to lower coupon payments. While investors are guaranteed the par value of the bond at maturity, bonds purchased at inflation adjusted levels, those with higher index ratios, may suffer a loss if a bond matures following a prolonged period of deflation.

(Please see Portfolio Characteristics page for additional detail)

Vehicle Information:

Vehicle Name	Minimum	Assets ($ mil.)	Fee
Vanguard Infl Prot Sec A Fd	$100,000	$10,093.6	0.12%
Vanguard Inflation-Prot I Fd	$5,000,000	$7,604.5	0.09%
Vanguard Infl Prot Sec Fd	$3,000	$14,736.6	0.25%

Sample Operational Detail	
Vanguard Inflation-Prot I Fd	
Last Audited Financial	12/31/2009
Accountant/Auditor	PricewaterhouseCoopers
Custodian	JPMorgan Chase & Co.
Administrator	Vanguard
Securities Lending	Yes

Quality/Avg. Quality:	AAA-AA/AAA
Duration:	3-9 Years
% Non-Investment Grade:	0%
% Foreign:	Typically 0%
Security Constraints:	N/A
Sector Constraints:	N/A
Avg # of Securities:	35
Turnover:	14%
Assets in Composite:	100.0%
GIPS Compliant:	No

Historical Performance

October 01, 2000 through September 30, 2010

Risk/Return Summary

	SSGA S&P 500		STRALEM LG EQ		S&P 500 INDEX	
	Return	Std Dev	Return	Std Dev	Return	Std Dev
CUMULATIVE PERIODS						
Current Quarter	11.3	---	10.6	---	11.3	---
Previous Quarter	-11.4	---	- 9.1	---	-11.4	---
Year To Date	3.9	---	4.3	---	3.9	---
ANNUALIZED PERIODS						
1 Year	10.2	---	11.3	---	10.2	---
2 Years	1.3	---	1.1	---	1.3	---
3 Years	- 7.1	23.0	- 3.3	19.7	- 7.2	23.0
4 Years	- 1.7	20.5	1.5	17.6	- 1.8	20.6
5 Years	0.6	18.6	2.4	15.9	0.6	18.6
6 Years	2.5	17.4	5.3	15.0	2.5	17.4
7 Years	4.0	16.7	7.0	14.2	4.0	16.7
8 Years	6.4	16.6	7.7	13.9	6.4	16.6
9 Years	3.0	17.9	5.5	15.0	3.0	17.9
10 Years	- 0.5	18.4	3.9	15.0	- 0.4	18.4
CALENDAR YEARS						
2009	26.5	---	20.6	---	26.4	---
2008	-37.0	---	-29.5	---	-37.0	---
2007	5.5	---	13.0	---	5.5	---
2006	15.7	---	10.7	---	15.8	---
2005	4.9	---	13.3	---	4.9	---
2004	10.8	---	16.8	---	10.9	---
2003	28.7	---	21.7	---	28.7	---
2002	-22.1	---	-19.2	---	-22.1	---
2001	-12.1	---	1.1	---	-11.9	---
2000	- 9.2	---	6.4	---	- 9.1	---

Historical Performance

October 01, 2000 through September 30, 2010
Risk/Return Summary

	SSGA S&P MIDCAP IDX FD NL		S&P MIDCAP	
	Return	Std Dev	Return	Std Dev
CUMULATIVE PERIODS				
Current Quarter	13.2	---	13.1	---
Previous Quarter	- 9.7	---	- 9.6	---
Year To Date	11.5	---	11.6	---
ANNUALIZED PERIODS				
1 Year	17.7	---	17.8	---
2 Years	6.7	---	6.8	---
3 Years	- 1.7	26.4	- 1.7	26.4
4 Years	3.1	23.3	3.1	23.3
5 Years	3.7	21.2	3.8	21.2
6 Years	6.6	19.9	6.6	19.9
7 Years	8.1	19.0	8.1	19.0
8 Years	10.3	18.8	10.3	18.8
9 Years	8.5	20.0	8.5	19.9
10 Years	5.4	20.6	5.4	20.6
CALENDAR YEARS				
2009	37.2	---	37.4	---
2008	-36.2	---	-36.2	---
2007	8.0	---	8.0	---
2006	10.3	---	10.3	---
2005	12.7	---	12.6	---
2004	16.5	---	16.5	---
2003	35.7	---	35.6	---
2002	-14.6	---	-14.5	---
2001	- 0.5	---	- 0.6	---
2000	---	---	17.5	---

Historical Performance

October 01, 2000 through September 30, 2010
Risk/Return Summary

	CRM MID VAL INSTL FD		RUS MIDCAP VAL	
	Return	Std Dev	Return	Std Dev
CUMULATIVE PERIODS				
Current Quarter	13.9	---	12.1	---
Previous Quarter	-11.7	---	- 9.6	---
Year To Date	5.7	---	11.1	---
ANNUALIZED PERIODS				
1 Year	11.2	---	16.9	---
2 Years	2.8	---	4.2	---
3 Years	- 4.7	21.9	- 4.8	28.7
4 Years	1.3	19.9	- 0.5	25.4
5 Years	3.2	18.1	2.0	23.0
6 Years	5.9	17.4	5.7	21.6
7 Years	8.6	17.0	8.3	20.7
8 Years	10.7	17.0	10.6	20.3
9 Years	9.6	19.1	8.7	20.8
10 Years	9.4	19.2	7.8	20.5
CALENDAR YEARS				
2009	28.7	---	34.2	---
2008	-35.0	---	-38.4	---
2007	10.4	---	- 1.4	---
2006	17.3	---	20.2	---
2005	7.9	---	12.6	---
2004	25.0	---	23.7	---
2003	41.9	---	38.1	---
2002	-16.7	---	- 9.6	---
2001	19.4	---	2.3	---
2000	55.6	---	19.2	---

Historical Performance

October 01, 2000 through September 30, 2010

Risk/Return Summary

	GENEVA MIDCAP EQUITY		RUS MIDCAP GR	
	Return	Std Dev	Return	Std Dev
CUMULATIVE PERIODS				
Current Quarter	13.8	---	14.6	---
Previous Quarter	- 5.9	---	-10.2	---
Year To Date	12.8	---	10.9	---
ANNUALIZED PERIODS				
1 Year	20.9	---	18.3	---
2 Years	7.6	---	8.5	---
3 Years	- 0.4	23.1	- 3.9	28.2
4 Years	3.8	20.4	1.8	24.8
5 Years	5.0	18.9	2.9	22.6
6 Years	7.7	17.8	6.0	21.3
7 Years	9.0	16.8	7.1	20.3
8 Years	10.3	16.0	10.6	20.0
9 Years	9.0	17.2	7.4	22.8
10 Years	5.8	18.3	- 0.9	26.6
CALENDAR YEARS				
2009	36.5	---	46.3	---
2008	-35.7	---	-44.3	---
2007	16.2	---	11.4	---
2006	4.6	---	10.7	---
2005	15.8	---	12.1	---
2004	20.9	---	15.5	---
2003	26.5	---	42.7	---
2002	-14.0	---	-27.4	---
2001	- 3.8	---	-20.2	---
2000	13.3	---	-11.7	---

Historical Performance

October 01, 2000 through September 30, 2010

Risk/Return Summary

	HARRIS		ARTISAN		EAFE NET		EAFE NET V		EAFE NET G		MSCI WXUS N	
	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev
CUMULATIVE PERIODS												
Current Quarter	14.0	---	16.6	---	16.5	---	16.4	---	16.6	---	16.6	---
Previous Quarter	-10.5	---	-12.4	---	-14.0	---	-15.5	---	-12.4	---	-12.4	---
Year To Date	7.9	---	- 0.4	---	1.1	---	- 1.9	---	4.1	---	3.7	---
ANNUALIZED PERIODS												
1 Year	12.5	---	3.3	---	3.3	---	- 1.7	---	8.4	---	7.6	---
2 Years	15.1	---	4.1	---	3.3	---	2.7	---	3.7	---	6.7	---
3 Years	- 2.5	31.1	- 8.8	29.7	- 9.5	29.3	-10.7	31.5	- 8.4	27.6	- 7.4	30.4
4 Years	1.6	27.5	- 0.6	26.6	- 1.9	26.3	- 3.5	28.2	- 0.4	24.8	0.9	27.3
5 Years	5.5	25.0	3.2	24.3	2.0	23.9	1.1	25.7	2.8	22.6	4.3	24.8
6 Years	8.9	23.4	6.8	23.3	5.6	22.9	5.0	24.4	6.2	21.7	8.0	23.6
7 Years	10.7	22.2	8.4	22.3	7.8	21.9	7.9	23.5	7.6	20.8	10.0	22.5
8 Years	13.5	23.4	9.4	22.9	9.9	21.8	10.5	23.5	9.2	20.5	12.2	22.3
9 Years	11.9	24.4	6.4	23.2	6.8	22.0	7.0	23.5	6.5	20.8	9.0	22.5
10 Years	9.2	24.6	2.4	23.1	2.6	22.1	3.9	23.1	1.1	21.5	4.3	22.7
CALENDAR YEARS												
2009	56.0	---	39.8	---	31.8	---	34.2	---	29.4	---	41.4	---
2008	-42.1	---	-47.0	---	-43.4	---	-44.1	---	-42.7	---	-45.5	---
2007	- 0.4	---	19.7	---	11.2	---	6.0	---	16.5	---	16.7	---
2006	31.3	---	25.6	---	26.3	---	30.4	---	22.3	---	26.7	---
2005	16.0	---	16.3	---	13.5	---	13.8	---	13.3	---	16.6	---
2004	19.2	---	17.8	---	20.2	---	24.3	---	16.1	---	20.9	---
2003	42.8	---	29.1	---	38.6	---	45.3	---	32.0	---	40.8	---
2002	- 7.1	---	-18.9	---	-15.9	---	-15.9	---	-16.0	---	-14.9	---
2001	- 4.2	---	-15.9	---	-21.4	---	-18.5	---	-24.6	---	-19.7	---
2000	13.6	---	-10.6	---	-14.2	---	- 3.1	---	-24.5	---	-15.1	---

Historical Performance

October 01, 2000 through September 30, 2010
Risk/Return Summary

	ARCHSTONE		HFRI FOF DIV		PRIV ADVISORS		HFRI FOF CONS		FORESTER		HFRI FOF STRAT		S&P 500		CG T-BILL 3 MO +5%	
	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev
CUMULATIVE PERIODS																
Current Quarter	4.0	---	2.6	---	3.2	---	3.0	---	4.4	---	4.1	---	11.3	---	1.3	---
Previous Quarter	- 3.7	---	- 2.4	---	- 0.2	---	- 1.5	---	- 4.9	---	- 3.3	---	-11.4	---	1.3	---
Year To Date	2.9	---	1.6	---	5.5	---	3.2	---	1.0	---	1.9	---	3.9	---	3.8	---
ANNUALIZED PERIODS																
1 Year	6.5	---	3.2	---	7.9	---	4.3	---	3.7	---	3.7	---	10.2	---	5.1	---
2 Years	4.2	---	1.1	---	3.9	---	0.1	---	4.6	---	1.6	---	1.3	---	5.3	---
3 Years	- 1.0	12.1	- 3.0	9.6	1.6	7.4	- 2.7	9.2	1.9	9.0	- 4.1	11.5	- 7.2	23.0	6.0	0.6
4 Years	2.9	11.3	0.9	9.2	3.6	6.7	0.4	8.6	5.6	8.5	1.0	11.1	- 1.8	20.6	7.0	1.0
5 Years	4.1	10.3	2.1	8.5	4.3	6.1	1.6	7.9	6.4	7.9	2.3	10.4	0.6	18.6	7.5	1.0
6 Years	5.6	9.6	3.4	8.1	4.2	5.7	2.5	7.4	7.8	7.5	4.1	9.9	2.5	17.4	7.5	0.9
7 Years	6.3	9.1	3.8	7.6	4.5	5.4	2.8	6.9	7.7	7.1	4.6	9.4	4.0	16.7	7.3	0.9
8 Years	6.9	8.7	4.4	7.2	6.0	5.4	3.5	6.5	7.6	6.7	5.4	9.0	6.4	16.6	7.1	0.8
9 Years	5.8	8.4	4.1	6.9	5.3	5.3	3.5	6.2	7.7	6.3	4.7	8.8	3.0	17.9	7.1	0.8
10 Years	5.1	8.1	3.6	6.6	5.6	5.1	3.3	5.9	8.8	6.2	3.3	8.8	- 0.4	18.4	7.4	0.9
CALENDAR YEARS																
2009	19.8	---	11.5	---	11.9	---	9.7	---	14.6	---	13.3	---	26.4	---	5.2	---
2008	-23.3	---	-20.8	---	-12.7	---	-19.9	---	-13.6	---	-25.2	---	-37.0	---	6.8	---
2007	12.0	---	9.7	---	8.8	---	7.7	---	18.4	---	12.8	---	5.5	---	9.7	---
2006	12.3	---	10.2	---	9.1	---	9.2	---	11.5	---	11.8	---	15.8	---	9.8	---
2005	10.5	---	7.5	---	1.6	---	5.2	---	12.0	---	10.3	---	4.9	---	8.0	---
2004	11.7	---	7.2	---	6.3	---	5.8	---	10.0	---	8.3	---	10.9	---	6.2	---
2003	14.0	---	11.4	---	15.2	---	9.0	---	9.0	---	15.9	---	28.7	---	6.1	---
2002	- 2.3	---	1.1	---	2.7	---	3.6	---	5.6	---	- 4.1	---	-22.1	---	6.7	---
2001	- 0.0	---	2.8	---	8.4	---	3.1	---	19.4	---	1.2	---	-11.9	---	9.1	---
2000	15.8	---	2.5	---	17.7	---	5.8	---	---	---	- 0.6	---	- 9.1	---	11.0	---

Historical Performance

October 01, 2000 through September 30, 2010
Risk/Return Summary

	SSGA AGGREGATE BOND		RICHMOND CAP FI		BC AGGREGATE	
	Return	Std Dev	Return	Std Dev	Return	Std Dev
CUMULATIVE PERIODS						
Current Quarter	2.4	---	2.7	---	2.5	---
Previous Quarter	3.5	---	3.4	---	3.5	---
Year To Date	7.8	---	8.7	---	7.9	---
ANNUALIZED PERIODS						
1 Year	8.1	---	8.9	---	8.2	---
2 Years	9.2	---	12.5	---	9.4	---
3 Years	7.3	3.4	8.0	5.0	7.4	3.4
4 Years	6.7	3.2	7.2	4.5	6.8	3.2
5 Years	6.1	3.3	6.5	4.4	6.2	3.3
6 Years	5.5	3.3	5.8	4.2	5.6	3.3
7 Years	5.2	3.5	5.4	4.2	5.3	3.5
8 Years	5.3	3.4	5.4	4.0	5.4	3.4
9 Years	5.6	3.5	5.8	4.0	5.7	3.5
10 Years	6.4	3.6	6.5	4.0	6.4	3.6
CALENDAR YEARS						
2009	5.9	---	10.7	---	5.9	---
2008	5.2	---	2.1	---	5.3	---
2007	6.9	---	6.2	---	7.0	---
2006	4.2	---	4.4	---	4.3	---
2005	2.3	---	2.0	---	2.4	---
2004	4.2	---	3.8	---	4.3	---
2003	4.1	---	4.0	---	4.1	---
2002	10.4	---	9.8	---	10.3	---
2001	8.5	---	9.0	---	8.4	---
2000	10.8	---	12.4	---	11.6	---

Historical Performance

October 01, 2000 through September 30, 2010

Risk/Return Summary

	INCOME RESEARCH CONV		BOA CONV BOND US INV GR INDEX	
	Return	Std Dev	Return	Std Dev
CUMULATIVE PERIODS				
Current Quarter	5.1	---	5.7	---
Previous Quarter	- 3.3	---	- 4.3	---
Year To Date	3.4	---	2.8	---
ANNUALIZED PERIODS				
1 Year	6.9	---	6.3	---
2 Years	9.2	---	10.9	---
3 Years	2.2	9.3	3.6	11.5
4 Years	4.2	8.3	5.9	10.2
5 Years	4.4	7.4	5.8	9.2
6 Years	4.6	6.8	5.2	8.8
7 Years	4.7	6.5	5.3	8.3
8 Years	5.3	6.3	5.9	7.9
9 Years	4.8	6.1	4.9	7.8
10 Years	4.2	6.0	3.2	8.1
CALENDAR YEARS				
2009	18.6	---	28.6	---
2008	-13.3	---	-15.1	---
2007	7.4	---	7.9	---
2006	7.4	---	7.3	---
2005	4.3	---	0.5	---
2004	3.3	---	4.7	---
2003	9.1	---	11.5	---
2002	2.2	---	- 3.6	---
2001	6.0	---	- 0.1	---
2000	7.0	---	3.0	---

Historical Performance

October 01, 2000 through September 30, 2010

Risk/Return Summary

	GUGGENHEIM		70% NCREIF/30% NAREIT		NCREIF PROP IDX	
	Return	Std Dev	Return	Std Dev	Return	Std Dev
CUMULATIVE PERIODS						
Current Quarter	7.3	---	6.6	---	3.9	---
Previous Quarter	0.1	---	1.1	---	3.3	---
Year To Date	9.5	---	11.5	---	8.1	---
ANNUALIZED PERIODS						
1 Year	8.4	---	13.0	---	5.8	---
2 Years	-24.3	---	- 5.1	---	- 9.2	---
3 Years	-18.4	19.8	- 3.4	14.9	- 4.6	8.0
4 Years	-10.9	18.7	0.7	13.5	0.4	8.2
5 Years	- 5.7	17.7	4.3	12.6	3.7	8.0
6 Years	- 1.8	16.8	7.1	12.1	6.1	7.8
7 Years	0.9	15.9	8.3	11.4	7.0	7.3
8 Years	2.2	15.0	8.9	10.8	7.1	6.8
9 Years	---	---	8.7	10.2	6.9	6.5
10 Years	---	---	8.9	9.8	7.2	6.1
CALENDAR YEARS						
2009	-27.1	---	- 2.3	---	-16.9	---
2008	-29.1	---	-15.9	---	- 6.5	---
2007	4.2	---	5.8	---	15.8	---
2006	21.6	---	22.1	---	16.6	---
2005	17.2	---	17.9	---	20.1	---
2004	20.5	---	19.6	---	14.5	---
2003	17.0	---	16.9	---	9.0	---
2002	7.0	---	6.0	---	6.7	---
2001	---	---	9.3	---	7.3	---
2000	---	---	16.4	---	12.2	---

Historical Performance

October 01, 2003 through September 30, 2010
Risk/Return Summary

	WELLINGTON DIH		DIH COMPOSITE IDX	
	Return	Std Dev	Return	Std Dev
CUMULATIVE PERIODS				
Current Quarter	14.3	---	13.6	---
Previous Quarter	- 9.2	---	- 8.9	---
Year To Date	3.5	---	3.6	---
ANNUALIZED PERIODS				
1 Year	11.9	---	11.2	---
2 Years	0.1	---	2.8	---
3 Years	- 5.4	31.0	- 1.3	23.6
4 Years	3.8	27.8	5.6	21.2
5 Years	5.3	25.3	6.7	19.2
6 Years	---	---	---	---
7 Years	---	---	---	---
CALENDAR YEARS				
2009	42.7	---	30.0	---
2008	-45.2	---	-31.8	---
2007	30.4	---	26.7	---
2006	20.4	---	17.9	---
2005	25.0	---	20.5	---
2004	---	---	---	---
2003	---	---	---	---

Historical Performance

October 01, 2000 through September 30, 2010

Risk/Return Summary

	VANGUARD INFL-PROT SECS ADM FD		BC US TREASURY INFLATION NOTES	
	Return	Std Dev	Return	Std Dev
CUMULATIVE PERIODS				
Current Quarter	2.6	---	2.5	---
Previous Quarter	3.9	---	3.8	---
Year To Date	7.1	---	7.0	---
ANNUALIZED PERIODS				
1 Year	9.1	---	8.9	---
2 Years	6.9	---	7.3	---
3 Years	6.7	6.1	6.9	5.9
4 Years	6.2	5.8	6.4	5.7
5 Years	5.3	5.6	5.5	5.5
6 Years	5.3	5.2	5.5	5.1
7 Years	5.6	5.4	5.8	5.3
8 Years	5.8	5.1	5.9	5.1
9 Years	6.7	5.5	6.9	5.5
10 Years	7.3	5.4	7.5	5.3
CALENDAR YEARS				
2009	11.0	---	11.4	---
2008	- 2.8	---	- 2.4	---
2007	11.7	---	11.6	---
2006	0.5	---	0.4	---
2005	2.7	---	2.8	---
2004	8.3	---	8.5	---
2003	8.0	---	8.4	---
2002	16.6	---	16.6	---
2001	7.6	---	7.9	---
2000	---	---	13.2	---

Index Descriptions

Barclays Capital Aggregate Index comprises government securities, mortgage-backed securities, asset-backed securities and corporate securities to simulate the universe of bonds in the market. The maturities of the bonds in the index are over one year.

Barclays Capital Aggregate Float Adjusted Index is a benchmark of the dollar-denominated investment grade bond market that excludes Treasuries, agencies, and mortgage-backed securities held in Federal Reserve accounts.

Barclays Capital Corporate Bond Index includes investment-grade, SEC-registered publicly issued U.S. corporate debentures and secured notes. The corporate sectors are industrial, utility, and finance. All securities must have at least one year to final maturity and at least $250 million of par outstanding.

Barclays Capital High Yield Index covers the universe of fixed rate, non-investment grade debt. Pay-in-kind (PIK) bonds, Eurobonds, and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC-registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, and 144-As are also included.

Barclays Capital Global Emerging Markets Index represents the union of the USD-denominated U.S. Emerging Markets Index and the predominately EUR-denominated Pan Euro Emerging Markets Index, covering emerging markets in the following regions: Americas, Europe, Middle East, Africa, and Asia. Countries must have a maximum sovereign rating of Baa1/BBB+/BBB+.

Barclays Capital Global Treasury Ex-US Capped Index includes government bonds issued by investment-grade countries outside the United States, in local currencies, that have a remaining maturity of one year or more and are rated investment grade.

Barclays Capital Global Treasury Index tracks fixed-rate local currency sovereign debt of investment-grade countries. The Index represents the Treasury sector of the Global Aggregate Index and currently contains issues from more than 30 countries denominated in over 20 currencies. The three major components are the U.S. Treasury Index, the Pan-European Treasury Index, and the Asian-Pacific Treasury Index, in addition to Canadian, Chilean, Mexican, and South-African government bonds.

Barclays Capital GNMA Index is comprised of 30-year GNMA pass-throughs, 15-year GNMA pass-throughs, and GNMA Graduated Payment Mortgages.

Barclays Capital Intermediate U.S. Treasury Index includes all publicly issued U.S. Treasury securities that have a remaining maturity of greater than or equal to 1 year and less than 10 years, are rated investment grade, and have $250 million or more of outstanding face value.

Barclays Capital Long U.S. Treasury Index includes all publicly issued, U.S. Treasury securities that have a remaining maturity of 10 or more years, are rated investment grade, and have $250 million or more of outstanding face value.

Barclays Capital U.S. Credit Index includes publicly issued U.S. corporates, specified foreign debentures, and secured notes denominated in U.S. dollars. The Index is a subset of the U.S. Government/Credit Index and the U.S. Aggregate Index.

Barclays Capital U.S. Mortgage Backed Securities (MBS) Index covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid adjustable rate mortgages) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

Barclays Capital U.S. Treasury Index is comprised of public obligations of the U.S. Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index.

Barclays Capital U.S. TIPS Index is a rules-based, market value-weighted index that tracks inflation protected securities issued by the U.S. Treasury.

Barclays Mortgage Index contains 15- and 30-year fixed-rate securities. These securities are pools of mortgage loans issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The Index holds approximately 600 securities.

Citigroup 3-Month T-Bill Index consists of equal dollar amounts of three-month Treasury bills that are purchased at the beginning of each of three consecutive months. As each bill matures, all proceeds are rolled over or reinvested in a new three-month bill.

Citigroup World Government Bond Index is a market capitalization weighted index consisting of the government bond markets of the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, Netherlands, Spain, Sweden, Switzerland, United Kingdom, and United States. It includes all fixed-rate bonds with a remaining maturity of one year or longer and with amounts outstanding of at least the equivalent of U.S. $25 million.

Index Descriptions

Consumer Price Index (CPI) is an inflationary indicator that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food, and transportation.

DJ-AIG Commodity Index is composed of futures contracts on physical commodities. It is composed of commodities traded on U.S. exchanges, with the exception of aluminum, nickel, and zinc, which trade on the London Metal Exchange (LME).

FTSE EPRA/NAREIT Global Real Estate Index is designed to represent general trends in eligible real estate *equities* worldwide. Relevant real estate activities are defined as the ownership, disposure and development of income-producing real estate. The Index series includes a range of regional and country indices.

HFRI Distressed Securities Index is an equally weighted index that represents strategies that invest in, and may sell short the securities of companies where the security's price has been, or is expected to be, affected by a distressed situation as reported by the hedge fund managers listed within the Hedge Fund Research (HFR) database.

HFRI Equity Hedge Index is designed to represent the overall composition of the equity hedge (also known as long/short equity) universe. The Index is constructed with equally weighted composites of constituents as reported by the hedge fund managers listed within the Hedge Fund Research (HFR) database.

HFRI ED: Distressed Restructuring Index is designed to represent strategies which employ an investment process focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings.

HFRI Event Driven Index is an equally weighted index that represents constituents investing in opportunities created by significant transactional events as reported by the hedge fund managers listed within the Hedge Fund Research (HFR) database.

HFRI FOF Composite Index includes over 800 constituent fund of funds, both domestic and offshore. Fund of Funds invest with multiple managers through funds or managed accounts. The strategy designs a diversified portfolio of managers with the objective of significantly lowering the risk (volatility) of investing with an individual manager. The Fund of Funds manager has discretion in choosing which strategies to invest in for the portfolio. A manager may allocate funds to numerous managers within a single strategy, or with numerous managers in multiple strategies.

HFRI FOF Conservative Index includes constituents that exhibit one or more of the following characteristics: seeks consistent returns by primarily investing in funds that generally engage in more "conservative" strategies such as Equity Market Neutral, Fixed Income Arbitrage, and Convertible Arbitrage; exhibits a lower historical annual standard deviation than the HFRI Fund of Funds Composite Index. A fund in the Index shows generally consistent performance regardless of market conditions.

HFRI FOF Diversified Index includes constituents that exhibit one or more of the following characteristics: invests in a variety of strategies among multiple managers; historical annual return and/or a standard deviation generally similar to the HFRI Fund of Fund Composite index; demonstrates generally close performance and returns distribution correlation to the HFRI Fund of Fund Composite Index. A fund in the Diversified Index tends to show minimal loss in down markets while achieving superior returns in up markets.

HFRI FOF Strategic Index includes FoFs that exhibit one or more of the following characteristics: seeks superior returns by primarily investing in funds that generally engage in more opportunistic strategies such as Emerging Markets, Sector specific, and Equity Hedge; exhibits a greater dispersion of returns and higher volatility compared to the HFRI Fund of Funds Composite Index.

HFRI Fund Weighted Composite Index is designed to represent the performance of domestic and offshore hedge funds across all strategies with the exception of fund of funds. Comprised of over 2000 hedge funds, it is a fund weighted index in that all funds, regardless of assets under management or other factors, are given an equal weighting.

HFRI Merger Arbitrage Index is designed to represent managers who utilize a merger or risk arbitrage investment strategy by investing in securities of companies that are the subject of some form of extraordinary corporate transaction, including acquisition or merger proposals, exchange offers, cash tender offers and leveraged buy-outs.

HFRX Convertible Arbitrage Index is designed to represent managers who utilize convertible arbitrage strategies where, in an effort to capitalize on relative pricing inefficiencies, managers will purchase long positions in convertible securities, generally convertible bonds, convertible preferred stock or warrants, and hedge a portion of the equity risk by selling short the underlying common stock.

Index Descriptions

HFRX Distressed Securities Index is designed to represent the overall composition of the distressed strategy hedge fund universe. The Index is asset weighted based on the distribution of assets in the hedge fund industry.

HFRX Equity Hedge Index is designed to represent managers who utilize a long/short equity approach to investing with portfolio exposures anywhere from net long to net short depending on market conditions. Equity hedge managers' source of return is similar to that of traditional stock pickers on the upside, but they use short selling and hedging to attempt to outperform the market on the downside. Stock index put options are also often used as a hedge against market risk.

HFRX Equity Market Neutral Index is designed to reflect the performance of Equity Market Neutral strategies which employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities and select securities for purchase and sale. These can include both Factor-based and Statistical Arbitrage/Trading strategies. Equity Market Neutral Strategies typically maintain net equity market exposure no greater than 10% long or short.

HFRX Event Driven Index is designed to represent hedge fun managers who seek investment opportunities created by significant transactional events, such as spin-offs, mergers and acquisitions, industry consolidations, liquidations, reorganizations, bankruptcies, recapitalizations and share buybacks and other extraordinary corporate transactions.

HFRX Global Hedge Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of eight strategies: convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The Index is asset weighted based on the distribution of assets in the hedge fund industry.

HFRX Macro Index is designed to represent hedge investment strategies that generally employ a top-down global approach that concentrates on forecasting how global macroeconomic and political events affect the valuations of financial instruments. Macro strategies attempt to identify extreme price valuations in stock markets, interest rates, foreign exchange rates and physical commodities, and make leveraged bets on the anticipated price movements in these markets.

HFRX Merger Arbitrage Index is designed to reflect the performance of Merger Arbitrage strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are currently engaged in a corporate transaction.

HFRX Relative Value Arbitrage Index is designed to represent investment managers who maintain positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment theses, and security types range broadly across equity, fixed income, derivative or other security types.

JPMorgan EMBI+ Index is a market capitalization-weighted index that tracks returns for actively traded external debt instruments in emerging markets.

JPMorgan Global Government Bond Index is a total return, market capitalization-weighted index that is rebalanced monthly. The Index currently comprises the local currency, fixed rate coupon issues of 13 markets greater than 1-year in maturity.

Merrill Lynch 1-3 Year Treasury Index is an unmanaged index consisting of all public U.S. Treasury obligations having maturities from 1 to 2.99 years and reflects total return.

Merrill Lynch High-Yield Bond Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

MSCI ACWI (All Country World Index) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The Index consists of 48 country indices comprising 23 developed and 25 emerging market country indices.

MSCI ACWI ex-U.S. Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the U.S.

MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada.

MSCI EAFE Small Cap Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of small companies within developed markets, excluding the U.S. & Canada, and includes companies that are in the Investable Market Index with a market capitalization below that of the companies in the Standard Index in a particular market.

MSCI EM (Emerging Markets) Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

Index Descriptions

MSCI U.S. Investable Market Energy Index represents the investable universe of energy companies in the U.S. equity market.

MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The Index consists of 23 developed market country indices.

NAREIT Equity Index is an unmanaged index of all tax-qualified REITs listed on the NYSE, AMEX, and NASDAQ which have 75% or more of their gross invested book assets invested directly or indirectly in the equity ownership of real estate. Total return calculation for the NAREIT Equity Index include reinvestment of distributions.

NCREIF Property Index provides returns for institutional grade real estate held in a fiduciary environment in the United States.

NCREIF Timberland Index is a property-based index reporting returns for three regions of the U.S.: the South, Northeast and Pacific Northwest. In addition to total returns, the Index reports income and appreciation returns.

Russell 1000 Growth Index measures the performance of the large cap growth segment of the U.S. equity universe. The Index includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market.

Russell 1000 Value Index measures the performance of the large cap value segment of the U.S. equity universe. The Index includes those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Growth Index measures the performance of the small cap growth segment of the U.S. equity universe. The Index includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values.

Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index, representing approximately 10% of the total market capitalization of that Index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

Russell 2000 Value Index measures the performance of small cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2500 Index measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "smid" cap. The Russell 2500 Index is a subset of the Russell 3000® Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership.

Russell 2500 Value Index measures the performance of the small to mid cap value segment of the U.S. equity universe. It includes those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 3000 Growth Index measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 3000 Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market.

Russell 3000 Value Index measures the performance of the broad value segment of U.S. equity value universe. It includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell Microcap® Index measures the performance of the micro cap segment of the U.S. equity market. It includes 1,000 of the smallest securities in the small cap Russell 2000® Index based on a combination of their market cap and current index membership, and includes the next 1,000 smallest stocks.

Russell Midcap® Growth Index measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap Index companies with higher price-to-book ratios and higher forecasted growth values.

Russell Midcap® Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap Index represents approximately 31% of the total market capitalization of the Russell 1000 companies.

Disclosures

Russell Midcap® Value Index measures the performance of the mid-cap value segment of the U.S. equity universe. The Index includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values.

S&P 500 Index is a gauge of the U.S. equities market and includes 500 leading companies in leading industries of the U.S. economy.

S&P GSCI is a world-production weighted index composed of 24 commodity futures contracts. It is a composite index of commodity sector returns and represents an unleveraged investment through broadly diversified long positions in commodity futures.

S&P Midcap 400 Index tracks a diverse basket of medium-sized U.S. firms whose market capitalization usually range from approximately $2 billion to $10 billion.

TUCS® – Wilshire's Trust Universe Comparison Services® benchmark is a cooperative effort between Wilshire Associates and custodial organizations. Custodians submit asset positions and performance data to be pooled into universes of managed tax-exempt portfolios. TUCS is the most widely accepted benchmark for the performance of institutional assets.

Venture Economics All PE Index is an index comprised of pooled cash flows of private capital partnerships (Buyout, Venture and Mezzanine).

Wilshire 5000 Index represents the broadest index for the U.S. equity market, measuring the performance of all U.S. equity securities with readily available price data.

Policy Index – A custom benchmark consisting of a number of indices which are weighted based on the asset allocation targets within a client investment policy. The index measures the return of the asset allocation strategy if it were implemented using passive (index) portfolios.

Actual Index – A custom benchmark consisting of a number of indices which are weighted based on the allocation of each asset class within a client's overall structure at the beginning of each quarter. The index measures the return of the current asset allocation if it were implemented using passive (index) portfolios.

The difference between the Actual Index and the Policy Index measures the impact of the decision to allocate assets differently than the client's policy mandates (allocation effect). The difference between the Total Fund Return and the Actual Index measures how the management team performed versus a passive strategy (manager selection effect). The difference between Total Fund Return and the Policy Index measures both the allocation effect and the manager selection effect.

Indices referenced in this report are unmanaged and cannot be invested in directly. Index returns do not reflect any investment management fees or transaction expenses. Index descriptions listed are representative and not all inclusive.

This report is not an offer, nor does it invite anyone to make an offer, to buy or sell securities. Information obtained from third parties is believed to be reliable; however, accuracy of the data is not guaranteed. Unless otherwise noted, content is current as of the date indicated and subject to change without notice.

Commentary within includes the opinion of Prime Buchholz, is intended solely for our clients, and is not meant to provide tax or legal advice. Clients should consult a tax or legal professional for advice regarding their particular situation.

Risk/Return analytics are provided by BNY Mellon Asset Servicing, 2010. All rights reserved. BNY Mellon Asset Servicing provides performance measurement, analytics, and attribution services to a wide range of institutional clients.

For Ibbotson output: ©Morningstar 2010. All rights reserved. The information contained herein is based on analytics compiled using Morningstar® EnCorr®. Use of this information requires expert knowledge. It is to be used by specialist institutions only. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied, adapted or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information, except where such damages or losses cannot be limited or excluded by law in your jurisdiction. Past financial performance is no guarantee of future results.

Clients may, at times, invest in managers or products that are not recommended by Prime Buchholz. Due diligence and monitoring of managers that are not Prime Buchholz recommended is less rigorous than the level applied to recommended managers. Reports provided to clients regarding managers that have not been recommended by us are for informational purposes only and do not necessarily constitute our endorsement of the manager.

Returns are provided by third-party sources and are net of fees unless otherwise stated. Performance may or may not reflect reinvestment of dividends and other earnings. Past performance is not an indication of future results.