CITY OF POMPANO BEACH
GENERAL EMPLOYEES' RETIREMENT SYSTEM

INVESTMENT PERFORMANCE ANALYSIS

FIRST QUARTER 2010

Note: For a copy of Part II of Southeastern Advisory Services, Inc.'s most recent Form ADV please write: Southeastern Advisory Services, Inc., 12 Piedmont Center, Suite 202, Atlanta, GA 30305, or e-mail your request to kit@seadvisory.com. Part II of Form ADV will be mailed within seven (7) days upon receipt of the request.

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MARCH 31, 2010

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Executive Summary

CITY OF POMPANO BEACH GENERAL EMPLOYEES' RETIREMENT SYSTEM

Quarter Ending March 31, 2010

I. MARKET ENVIRONMENT

Index	First Quarter	1 Year	3 Year
Standard & Poor's 500 Index	5.4%	49.8%	-4.2%
MSCI EAFE Index (Net)	0.9%	54.4%	-7.0%
NCREIF Index	0.8%	-9.6%	-4.3%
CSFB Hedge Index	3.1%	21.2%	2.5%
Barclays U.S. Aggregate	1.8%	7.7%	6.1%
91 Day Treasury Bills	0.0%	0.2%	2.0%
Consumer Price Index	0.8%	2.3%	2.0%

The first quarter of 2010 began with many global markets in January giving back some of the gains earned in 2009. But by the end of the quarter, most investments returned to rally mode and exhibited strong performance for the quarter. The economic recovery begun in March of last year showed true signs of solid footing; US Gross Domestic Product grew for a second straight quarter at a healthy 5.6% annual rate in the fourth quarter of 2009 and corporate earnings continued to improve. The US unemployment rate fell from 10.0% to 9.7% in the first quarter.

Equities: The Standard and Poor's 500 stock index returned 5.4% in the first quarter, with strong run-ups in February and March overpowering a disappointing January. Small cap, especially micro cap, returned to favor with investors (Wilshire US Micro Cap, 11.6%; Wilshire US Small Cap, 9.7%; Wilshire US Large Cap, 5.6%). However, as consumer sentiment improved, and industrial and consumer spending returned to more normal levels, value-oriented stocks outperformed growth-oriented equities (Wilshire US Large Value, 6.4%; Wilshire US Large Growth, 4.8%; Wilshire US Small Value, 11.1%; Wilshire US Small Growth, 8.3%). Turning to economic sectors of the S&P 500, Industrials (13.0%), Financials (12.0%) and Consumer Discretionary stocks (10.4%) were the best-performing sectors; Telecomm Services (-4.3%) and Utilities (-3.2%) were the worst-performing sectors.

Fixed Income: Fixed income markets felt the pull of multiple forces over the first quarter of 2010. Central banks maintained liquidity supports in global securities markets, keeping bellwether interest rates low and making higher-yielding credits attractive. Treasury yields fell in January, stayed somewhat flat in February, and rose sharply in March; however, over the three months two-year Treasury yields actually fell 0.2% to 1.0%, while thirty-year yields rose a scant 0.08% to 4.7%. Long Treasuries managed to outperform shorter Treasuries over the quarter (Barclays Long Treasury, 0.9%; Barclays 1-3 Year Treasury, 0.7%).

Alternatives: Hedge funds posted their strongest return of 2010 during March with gains coming across credit, macro, event driven and equity strategies. Commercial real estate is showing hints of stabilization in specific markets and the pace of price declines appear to be slowing. During first quarter of 2010, the U.S. office vacancy rate rose to 16.6% marking the tenth consecutive quarterly increase, per CBRE Econometric Advisors.

II. Live Universe Comparisons and Reporting

Wilshire Public Plan Sponsor Universe

Number of Plans	208
Median Size	\$109.1 Million
Total Assets	\$529.9 Billion
Total Plans over \$1 Billion	35
Total Plans between \$100 - \$1,000 Million	71
Total Plans between \$20 Million - \$100 Million	74
Total Plans under \$20 Million	28

About Wilshire Associates

The Wilshire Cooperative is collaboration between Wilshire Associates and more than 60 independent investment consulting firms. Wilshire provides advanced performance measurement and attribution reporting systems to participating firms while Cooperative members provide asset and performance data for their sponsor clients. These are then pooled into peer groups for comparative purposes. Today, the Wilshire Cooperative is the standard utilized by over 1900 plan sponsors with assets over \$875 billion dollars.

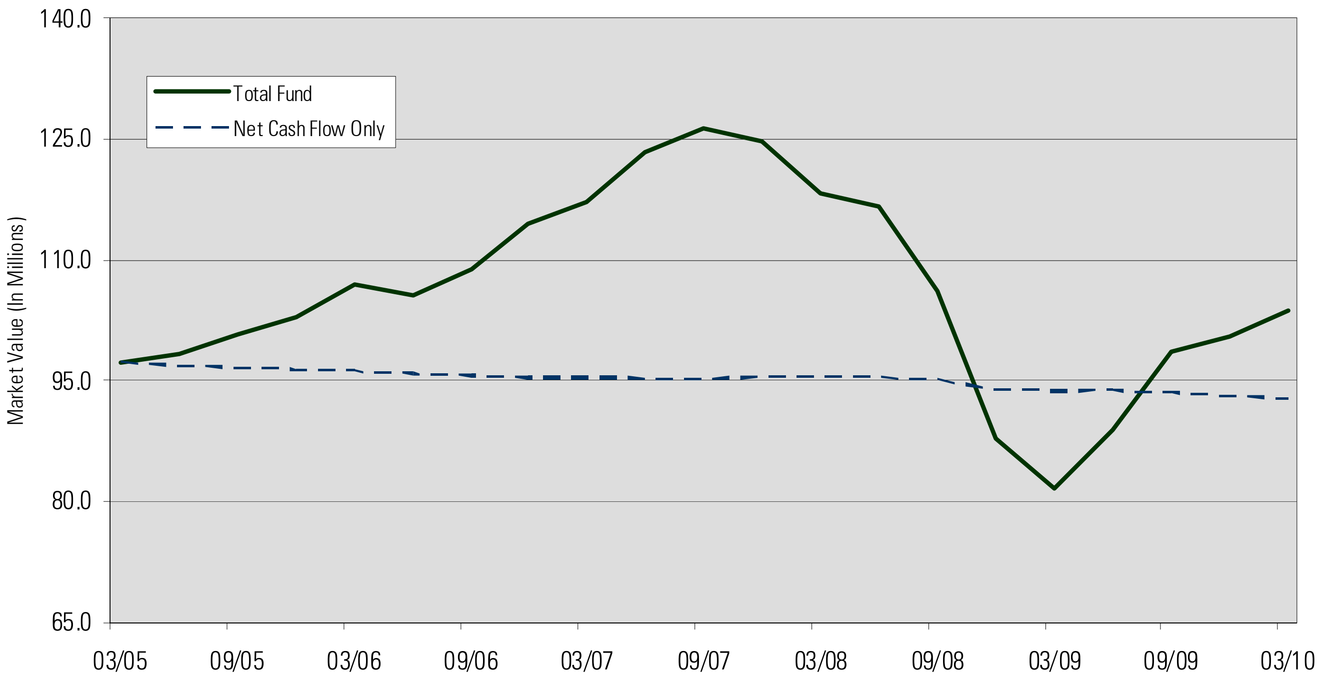
Our Universe Comparisons

As a Wilshire affiliate, we are granted access to large and diverse peer comparisons, including total fund, portfolio-level, and style-based universes. The Wilshire Public Fund Universe (above) includes the actual, live results of over 200 public pension systems across the country. These are real public funds who face similar investment restrictions and guidelines to your own. These peer-to-peer performance comparisons are critical to the evaluation process.

Our Reporting

Unique to Southeastern Advisory Services is our customized reporting platform. We have the ability to accurately calculate performance against virtually any benchmark, comparison or metric. These industry-leading tools include sophisticated attribution analyses and holdings-based style and characteristic analysis. Our goal is to deliver a clear, easily-understood picture of performance that fairly assesses the effectiveness of your investment policy, strategy and managers. Each performance report is fully-customized based on your input. We welcome your requests and suggestions.

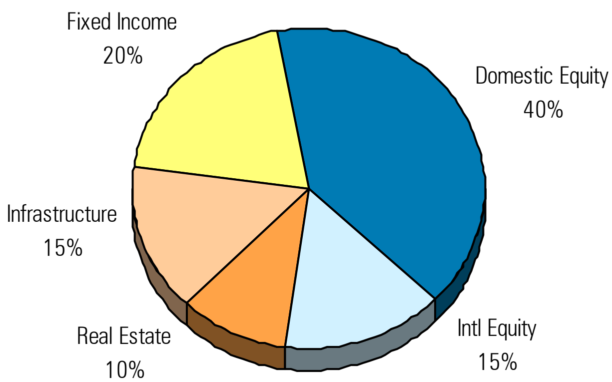
III. PORTFOLIO GROWTH- PERIOD ENDED MARCH 31, 2010



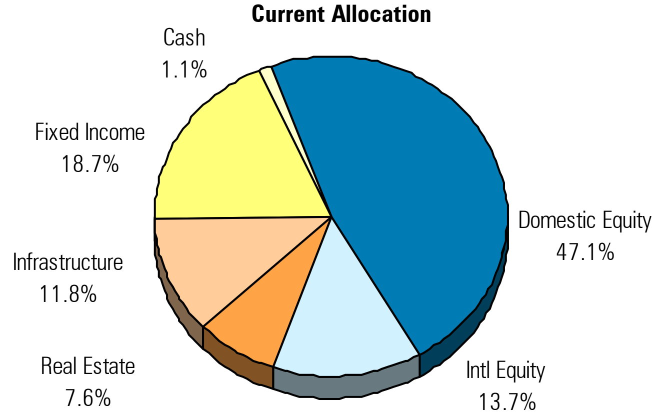
Period Ending	Beginning Value $(000)	Net Cash Flow	Net Gain/Loss	Ending Value $(000)	Quarterly Return	Fiscal Yr Return
Jun-05	97,246	-385	1,431	98,291	1.5%	
Sep-05	98,291	-228	2,526	100,589	2.6%	9.8%
Dec-05	100,589	-254	2,428	102,763	2.4%	
Mar-06	102,763	-213	4,248	106,798	4.1%	
Jun-06	106,798	-319	-965	105,513	-0.9%	
Sep-06	105,513	-222	3,590	108,882	3.4%	9.3%
Dec-06	108,882	-288	5,811	114,405	5.3%	
Mar-07	114,405	-2	2,669	117,072	2.3%	
Jun-07	117,072	-39	6,351	123,385	5.4%	
Sep-07	123,385	-32	2,874	126,227	2.4%	16.3%
Dec-07	126,227	104	-1,534	124,797	-1.2%	
Mar-08	124,797	1	-6,647	118,150	-5.3%	
Jun-08	118,150	-12	-1,468	116,671	-1.2%	
Sep-08	116,671	-210	-10,276	106,185	-8.8%	-15.8%
Dec-08	106,185	-1,328	-17,143	87,713	-16.3%	
Mar-09	87,713	-84	-5,993	81,636	-6.8%	
Jun-09	81,636	12	7,153	88,801	8.8%	
Sep-09	88,801	-212	9,915	98,504	11.6%	-5.3%
Dec-09	98,504	-475	2,523	100,552	2.6%	
Mar-10	100,552	-219	3,343	103,676	3.4%	6.1%
Total	**97,246**	**-4,406**	**10,836**	**103,676**	**12.0%**	
Absolute Return Objective:						**8.0%**

IV. ALLOCATION OF ASSETS

Policy Allocation

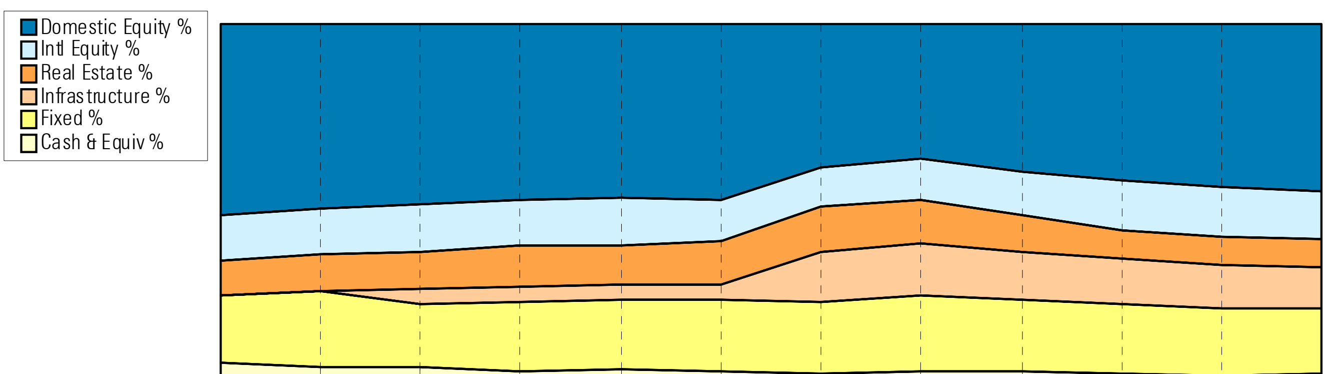


Current Allocation



Asset Class	Target Range	Quarter End Allocation	Median Public Plan
Domestic Equity Securities	35%-65%	47.1%	41.6%
Intl Equity Securities	10%-25%	13.7%	13.1%
Real Estate	5%-15%	7.6%	2.4%
Fixed Income Securities	15%-30%	18.7%	31.7%
Infrastructure	10%-20%	11.8%	0.0%
Cash Equivalents	N/A	1.1%	11.2%

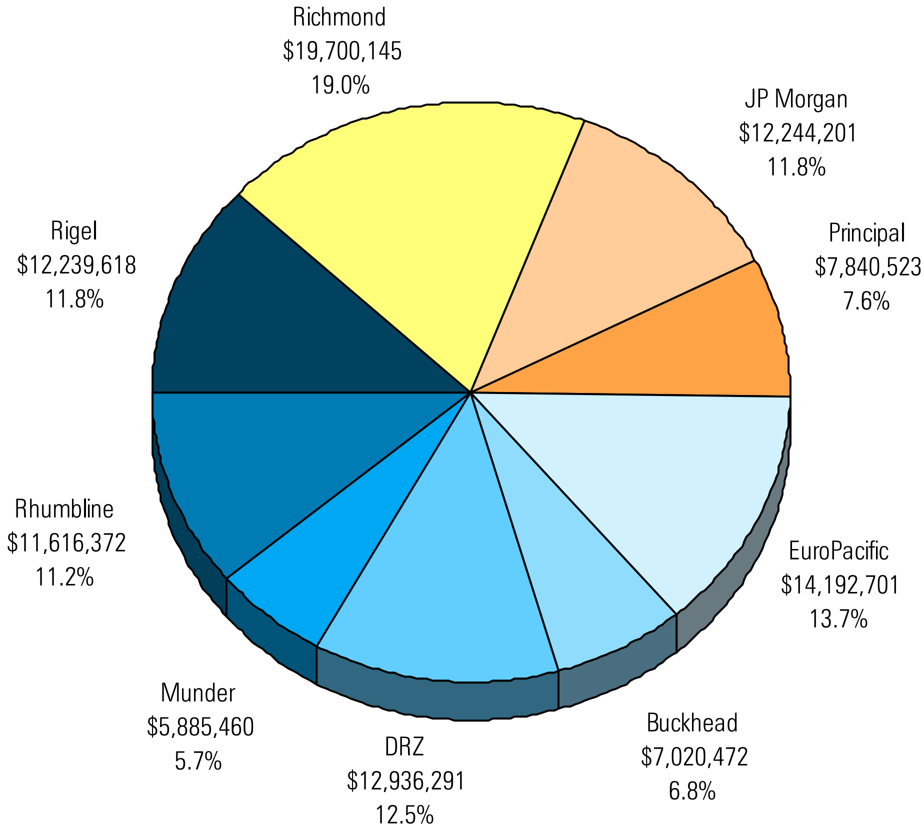
Historical Asset Allocation



	6/07	9/07	12/07	3/08	6/08	9/08	12/08	3/09	6/09	9/09	12/09	3/10
Domestic Equity %	53.9	52.0	50.9	49.6	49.1	49.5	40.1	38.0	41.3	44.1	46.2	47.1
Intl Equity %	12.9	13.2	13.6	13.2	13.1	11.8	11.5	11.4	12.8	13.8	14.0	13.7
Real Estate %	10.0	10.3	10.5	11.2	11.3	12.1	13.0	12.3	10.1	8.3	7.8	7.6
Infrastructure %	0.0	0.0	4.0	4.3	4.3	4.4	13.7	14.7	13.5	12.8	12.3	11.8
Fixed %	19.2	21.4	17.8	19.7	19.9	20.3	20.5	21.8	20.7	19.7	18.9	18.7
Cash & Equiv %	4.0	3.1	3.2	2.1	2.3	1.9	1.2	1.8	1.6	1.3	0.8	1.1

Manager	Dom. Equity	Intl Equity	Real Estate	Infrastructure	Fixed Inc	Cash
DePrince, Race, and Zollo	98.6%	0.0%	0.0%	0.0%	0.0%	1.4%
Rhumbline	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rigel Capital	97.8%	0.0%	0.0%	0.0%	0.0%	2.2%
Munder Capital	98.3%	0.0%	0.0%	0.0%	0.0%	1.7%
Buckhead Capital	95.3%	0.0%	0.0%	0.0%	0.0%	4.7%
EuroPacific Growth	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Principal U.S. Property	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
JP Morgan Infrastructure	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Richmond Capital	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
Total Fund	**47.1%**	**13.7%**	**7.6%**	**11.8%**	**18.7%**	**1.1%**

V. MANAGER ALLOCATION AND CASH FLOWS- Quarter ending March 31, 2010



Manager	Beginning Value	% Alloc	Cash In	Cash Out	Gain/Loss	Ending Value	% Alloc
DePrince, Race, and Zollo	$12,106,096	12.0%	$0	($109,906)	$940,101	$12,936,291	12.5%
Rhumbline	$10,992,175	10.9%	$0	$0	$624,197	$11,616,372	11.2%
Rigel Capital	$11,879,751	11.8%	$0	($109,906)	$469,773	$12,239,618	11.8%
Munder Capital	$5,499,129	5.5%	$0	$0	$386,331	$5,885,460	5.7%
Buckhead Capital	$6,524,737	6.5%	$0	$0	$495,735	$7,020,472	6.8%
EuroPacific Growth Fund R5	$14,078,689	14.0%	$0	$0	$114,012	$14,192,701	13.7%
Principal U.S. Property	$7,831,283	7.8%	$0	$0	$9,240	$7,840,523	7.6%
JP Morgan Infrastructure	$12,387,892	12.3%	$0	$0	($143,691)	$12,244,201	11.8%
Richmond Capital Fixed	$19,252,211	19.1%	$442	$0	$447,492	$19,700,145	19.0%
Total Fund	**$100,551,963**	**100%**	**$442**	**($219,812)**	**$3,343,190**	**$103,675,783**	**100%**
Receipts & Disbursements Acct.	*$1,213,628*		*$1,973,728*	*($2,004,648)*	*$10*	*$1,182,718*	
Total Fund + R&D Acct.	***$101,765,591***		***$1,974,170***	***($2,224,460)***	***$3,343,200***	***$104,858,501***	

For this report, all performance and asset allocation information for the Total Fund does not include the Receipts & Disbursements Account.
The inception date for the JP Morgan account was November 20, 2008.

VI. TOTAL FUND PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
Total Fund - Gross of Fees	**3.4%**	**28.8%**	**-3.0%**	**2.3%**
Total Fund - Net of Fees	**3.3%**	**28.3%**	**-3.3%**	**2.1%**
Target Index	3.4%	29.8%	-0.8%	4.1%
vs. Total Public Fund Sponsors	57	64	96	99
Total Domestic Equities	**6.4%**	**56.3%**	**-4.9%**	**1.5%**
80% Russell 1000/ 20% Russell 2000	6.3%	53.8%	-3.9%	2.6%
vs. Equity Returns of Public Funds	42	27	72	84
Total International Equities	**0.8%**	**52.7%**	**-1.0%**	**7.0%**
MSCI EAFE Index (Net)	0.9%	54.4%	-7.0%	3.7%
vs. Intl Equity Returns of Public Funds	78	83	28	51
Total Real Estate	**0.1%**	**-21.9%**	**-13.1%**	**n/a**
NCREIF	0.8%	-9.6%	-4.3%	n/a
vs. Real Estate Returns of Total Funds	61	80	70	n/a
Total Infrastructure	**-0.9%**	**4.0%**	**n/a**	**n/a**
CPI + 4.0%	1.8%	6.3%	6.0%	6.4%
Total Fixed Income	**2.4%**	**14.0%**	**7.1%**	**6.0%**
Barclays U.S. Aggregate	1.8%	7.7%	6.1%	5.4%
vs. Fixed Inc Returns of Public Funds	39	34	23	27

Current Target Index: 30% Russell 1000 /10% Russell 2000/20% Barclays US Aggregate/15% MSCI EAFE (Net)/10% NCREIF/15% CPI+4%. Prior to 4Q08, the Target Index was comprised of 40% Russell 1000 /10% Russell 2000/30% Barclays US Aggregate/10% MSCI EAFE (Net)/10% NCREIF. Prior to September 2007 the Target Index was comprised of 40% Russell 1000/10% Russell 2000/30% ML Govt/Corp Master/10% MSCI EAFE (Net)/10% NCREIF.

VII. EQUITY MANAGER COMPARISON

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
DePrince, Race, and Zollo	**7.8%**	**81.8%**	**-4.0%**	**2.9%**
Russell 1000 Value	6.8%	53.6%	-7.3%	1.0%
vs. Large Value Equity Portfolios	9	1	34	36
Rhumbline	**5.7%**	**52.0%**	**-3.6%**	**2.5%**
Russell 1000	5.7%	51.6%	-4.0%	2.3%
vs. Large Neutral Equity Portfolios	35	28	32	36
Rigel Capital	**4.0%**	**32.7%**	**-7.0%**	**n/a**
Russell 1000 Growth	4.6%	49.7%	-0.8%	n/a
vs. Large Growth Equity Portfolios	65	92	97	n/a
Munder Capital	**7.0%**	**58.1%**	**-1.3%**	**n/a**
Russell MidCap Growth	7.7%	63.0%	-2.0%	n/a
vs. Midcap Growth Equity Portfolios	51	41	57	n/a
Buckhead Capital	**7.6%**	**55.8%**	**-4.4%**	**2.5%**
Russell 2000 Value	10.0%	65.1%	-5.7%	2.8%
vs. Small Value Equity Portfolios	92	85	60	83

Equity Portfolio Summary: Total Fund*

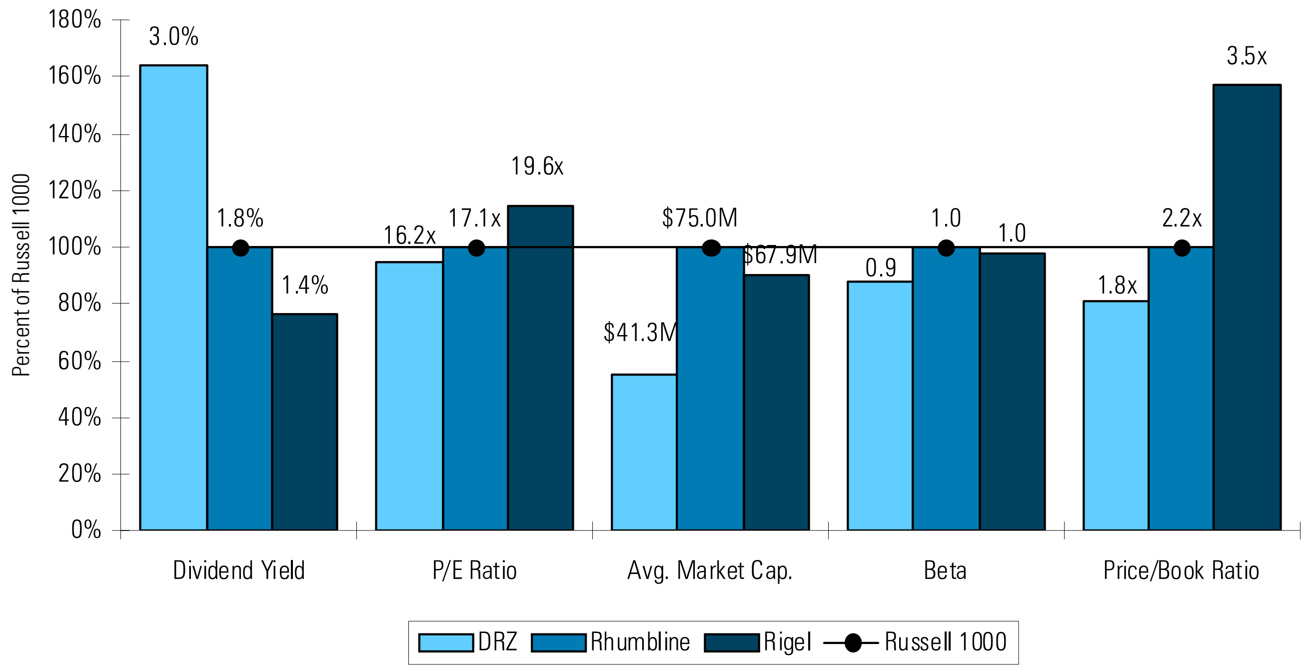
	Portfolio	80% R1000/20% R2000
Total Number Of Securities	262	2,966
Equity Market Value	48,826,397	
Average Capitalization $(000)	37,269,650	60,219,568
Median Capitalization $(000)	5,315,686	
Equity Segment Yield	1.8	1.7
Equity Segment P/E - Average	31.5	32.5
Equity Segment P/E - Median	18.7	
Equity Segment Beta	1.0	1.1
Price/Book Ratio	2.1	2.1
Debt/Equity Ratio	44.7	50.0
Five Year Earnings Growth	4.2	5.0

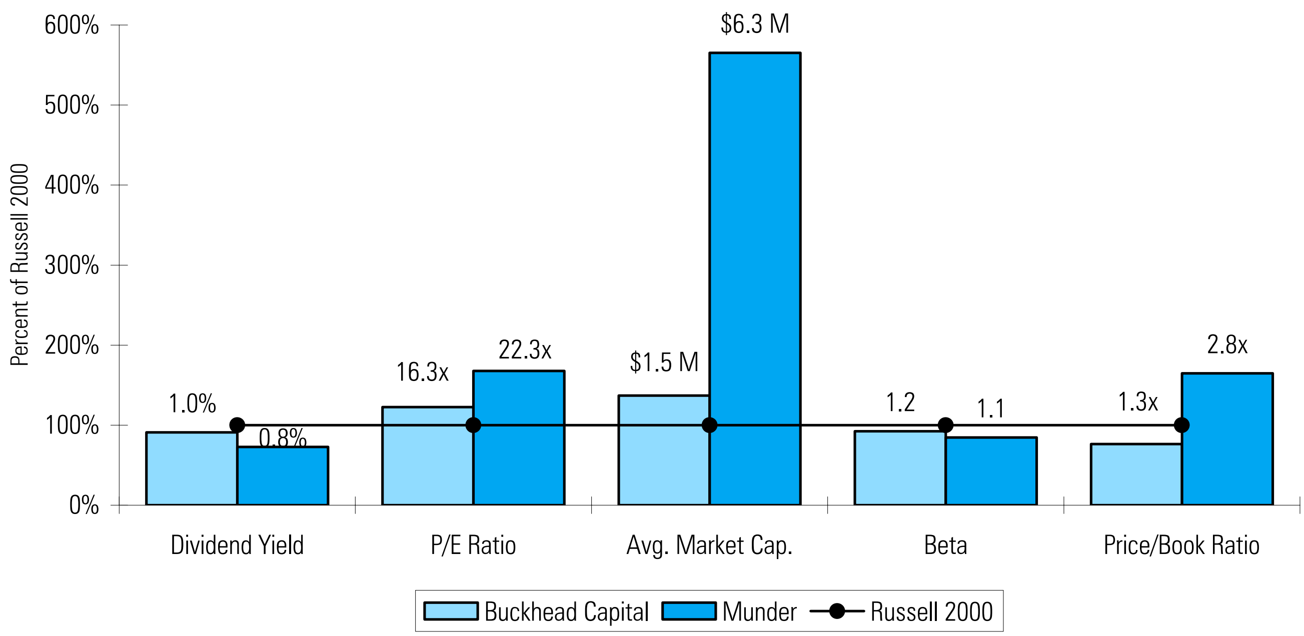
Ten Largest Holdings	Market Value	% of Portfolio	Quarterly Return
Procter & Gamble Co	550,006	1.5%	5.1%
Express Scripts Inc	524,064	1.4%	17.7%
Cognizant Technology	494,200	1.3%	12.5%
Visa Inc	493,292	1.3%	4.2%
Abbott Labs	477,966	1.3%	-1.7%
Microsoft Corp	455,763	1.2%	-3.6%
Tidewater Inc.	438,429	1.2%	-0.9%
General Mls Inc	427,147	1.2%	0.7%
American Tower Sys C	417,876	1.1%	-1.4%
Wilmington Trust Cor	345,567	0.9%	34.4%

Ten Best Performers	Quarterly Return	Ten Worst Performers	Quarterly Return
Synovus Finl Corp	60.9%	Goodrich Pete Corp	-35.8%
Valassis Communicati	52.4%	American Superconduc	-29.3%
Keycorp	39.8%	Arena Resources Inc	-22.5%
Thq Inc	39.1%	Comstock Res Inc	-21.6%
Texas Capital Bancsh	36.0%	Corrections Corp Ame	-19.1%
Valeant Pharmaceutic	35.0%	Southwestern Energy	-15.5%
Wilmington Trust Cor	34.4%	Ppl Corp	-13.2%
Lauder Estee Cos Inc	34.1%	Vulcan Matls Co	-9.8%
Airgas Inc	34.1%	Crawford & Co	-9.6%
Netflix Com Inc	33.7%	Exelon Corp	-9.3%

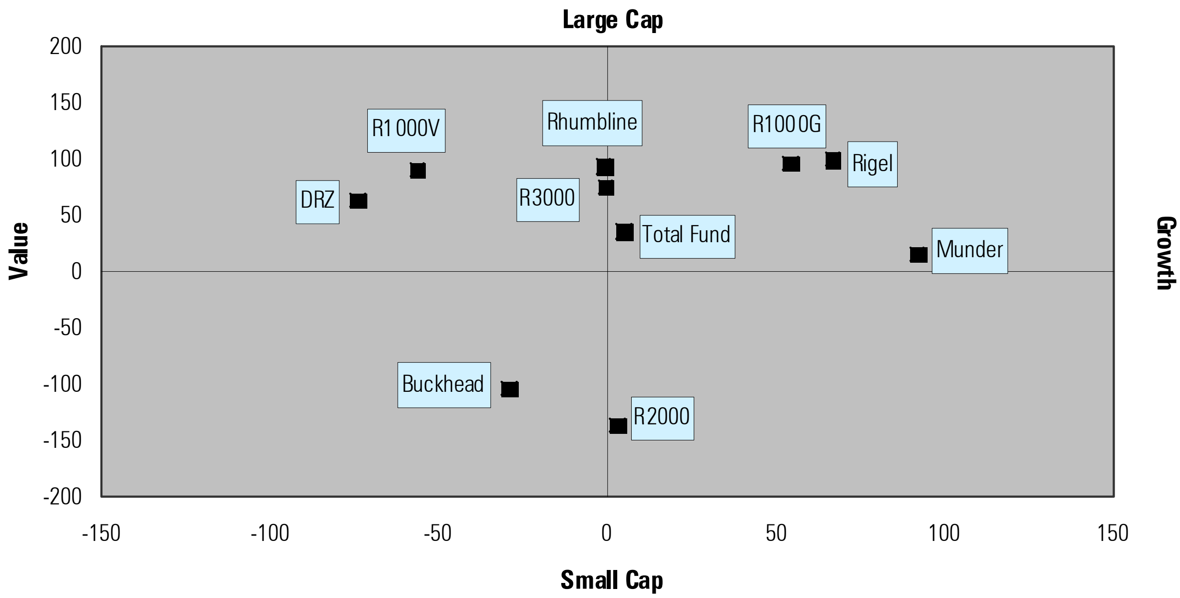
*Does not include Rhumbline as it is invested in a commingled account.

Equity Portfolio Characteristics





Equity Style Map (Current Quarter)



	Growth-Value	Size
Buckhead Capital	-28.9	-103.8
DePrince Race Zollo	-73.9	64.2
Munder Capital	92.1	15.5
Rhumbline	-0.9	93.6
Rigel Capital	66.9	99.6

	Growth-Value	Size
Total Fund	4.9	35.9
Russell 2000	3.0	-136.6
Russell 3000	-0.6	75.0
Russell 1000 Growth	54.3	96.2
Russell 1000 Value	-56.3	90.9

VIII. INTERNATIONAL EQUITY PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
EuroPacific Growth R5	**0.8%**	**52.7%**	**-1.0%**	**8.0%**
MSCI EAFE (Net)	0.9%	54.4%	-7.0%	3.7%
vs. International Equity Mutual Funds	67	60	22	26

American Funds EuroPacific Gr R5

Overall Morningstar Rtg™	Incept	Type	Total Assets	Morningstar Cat
★★★★★ (638)	05-15-02	MF	$16,365 mil	Foreign Large Blend (MF)

Standard Index MSCI Eafe Ndtr_D

Category Index MSCI AC World Ex USA NR

Performance 03-31-2010

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2008	-7.88	-2.26	-17.99	-19.25	-40.38
2009	-7.87	22.41	19.61	3.46	39.55
2010	0.81	—	—	—	0.81

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	52.70	—	8.19	—	9.21
Std Quarterly	52.70	—	8.19	—	9.21
Total Return	52.70	-0.98	8.19	*3.54*	9.21
+/- Std Index	-1.74	6.04	4.44	*2.27*	—
+/- Cat Index	-8.23	3.19	2.08	*0.74*	—
% Rank Cat	42	3	6	*11*	—
No. in Cat	819	638	466	255	—
7-day Yield	—				

Performance Disclosure

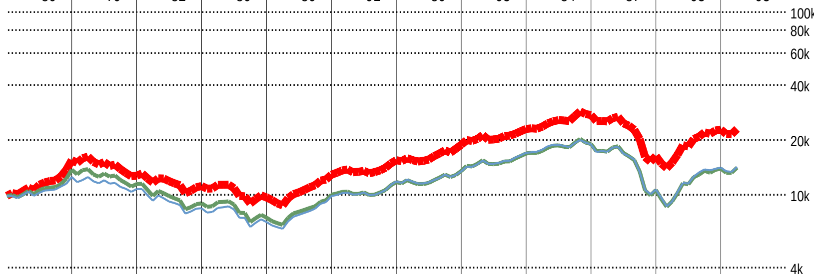
The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and ten-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-421-0180 or visit www.americanfunds.com.

Investment Style
Equity
Stock %

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	03-10
86	79	82	86	86	91	86	93	84	87	93	93



Growth of $10,000
- American Funds EuroPacific Gr R5 $23,243
- Category Average $14,272
- Standard Index $14,392

Performance Quartile (within category)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	03-10	History
37.24	*30.59*	*26.87*	*22.96*	30.20	35.62	41.09	46.56	50.87	27.95	38.28	38.59	NAV
56.97	*-17.84*	*-12.18*	*-13.45*	33.24	19.98	21.39	22.17	19.22	-40.38	39.55	0.81	Total Return %
30.01	*-3.67*	*9.26*	*2.49*	-5.35	-0.27	7.85	-4.17	8.05	3.00	7.77	-0.06	+/- Standard Index
26.34	*-2.53*	*7.55*	*1.50*	-7.59	-0.93	4.77	-4.48	2.57	5.15	-1.90	-0.77	+/- Category Index
—	—	—	—	45	17	6	79	8	11	13	57	% Rank Cat
340	396	439	482	504	551	608	657	743	778	823	844	No. of Funds in Cat

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	0.43
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	**0.54**

Risk and Return Profile

	3 Yr 638 funds	5 Yr 466 funds	10 Yr *255 funds*
MorningstarRating™	5★	5★	*5☆*
Morningstar Risk	-Avg	-Avg	*-Avg*
Morningstar Return	High	High	*+Avg*

	3 Yr	5 Yr	10 Yr
Standard Deviation	23.39	19.24	*17.16*
Mean	-0.98	8.19	*3.54*
Sharpe Ratio	0.00	0.36	*0.13*

MPT Statistics	Standard Index	Best Fit Index MSCI Eas NdD
Alpha	5.71	4.29
Beta	0.94	0.87
R-Squared	96.00	97.00

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	17.00% Assets

Portfolio Analysis 12-31-2009

Composition %	Long %	Short%	Net %
Cash	5.7	0.0	5.7
U.S. Stocks	0.2	0.0	0.2
Non-U.S. Stocks	92.5	0.0	92.5
Bonds	1.6	0.0	1.6
Other	0.0	0.0	0.1
Total	100.0	0.0	100.0

Equity Style
Value Blend Growth
Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	5.2	0.39	0.43
P/C Ratio TTM	5.5	0.85	0.89
P/B Ratio TTM	1.9	1.27	1.19
Geo Avg Mkt Cap $mil	38648	1.38	1.60

Fixed-Income Style
Short Int Long
High Med Low

Avg Eff Duration	—
Avg Eff Maturity	—
Avg Credit Quality	—
Avg Wtd Coupon	8.29
Avg Wtd Price	—

Credit Analysis 03-31-2010	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel Std Index
Americas	10.7	53.50
Greater Europe	65.5	1.01
Greater Asia	23.8	0.68

Share Chg since 09-30-2009	Share Amount	270 Total Stocks / 33 Total Fixed-Income / 41% Turnover Ratio	% Net Assets
⊖	31 mil	Bayer AG	2.58
⊕	50 mil	America Movil S.A.B. de C.V.	2.49
	41 mil	Anheuser-Busch InBev SA	2.24
	11 mil	Roche Holding AG	1.95
	34 mil	Novartis AG	1.94
⊖	99 mil	Banco Santander SA	1.71
	57 mil	Telefonica, S.A.	1.68
	62 mil	Gazprom OAO (EDR)	1.63
	22 mil	Novo Nordisk A/S	1.49
⊕	118 mil	Prudential PLC	1.26
⊕	24 mil	Nestle SA	1.25
⊖	2 mil	Samsung Electronics Co Ltd	1.21
	24 mil	Sap AG	1.19
⊖	20 mil	Teva Pharmaceutical Industrie	1.17
⊕	1 bil	FNMA	1.11

Sector Weightings	Stocks %	Rel Std Index
Information Economy	**16.9**	**1.64**
Software	1.7	1.70
Hardware	4.4	2.59
Media	1.2	1.20
Telecommunication	9.6	1.45
Service Economy	**42.0**	**0.97**
Healthcare Services	12.8	1.58
Consumer Services	5.0	0.86
Business Services	2.0	0.51
Financial Services	22.1	0.87
Manufacturing Economy	**41.1**	**0.88**
Consumer Goods	17.0	1.03
Industrial Goods	12.3	0.72
Energy	8.8	1.07
Utilities	3.1	0.63

Operations

Family:	American Funds	Objective:	Foreign Stock	Minimum IRA Purchase:	$0
Manager:	Knowles/Lee/Grace/Lyckeus/Bepler	Ticker:	RERFX	Min Auto Investment Plan:	$250
Tenure:	11.1 Years	Minimum Intitial Purchase:	$0	Purchase Constraints:	A/

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IX. REAL ESTATE PERFORMANCE COMPARISONS

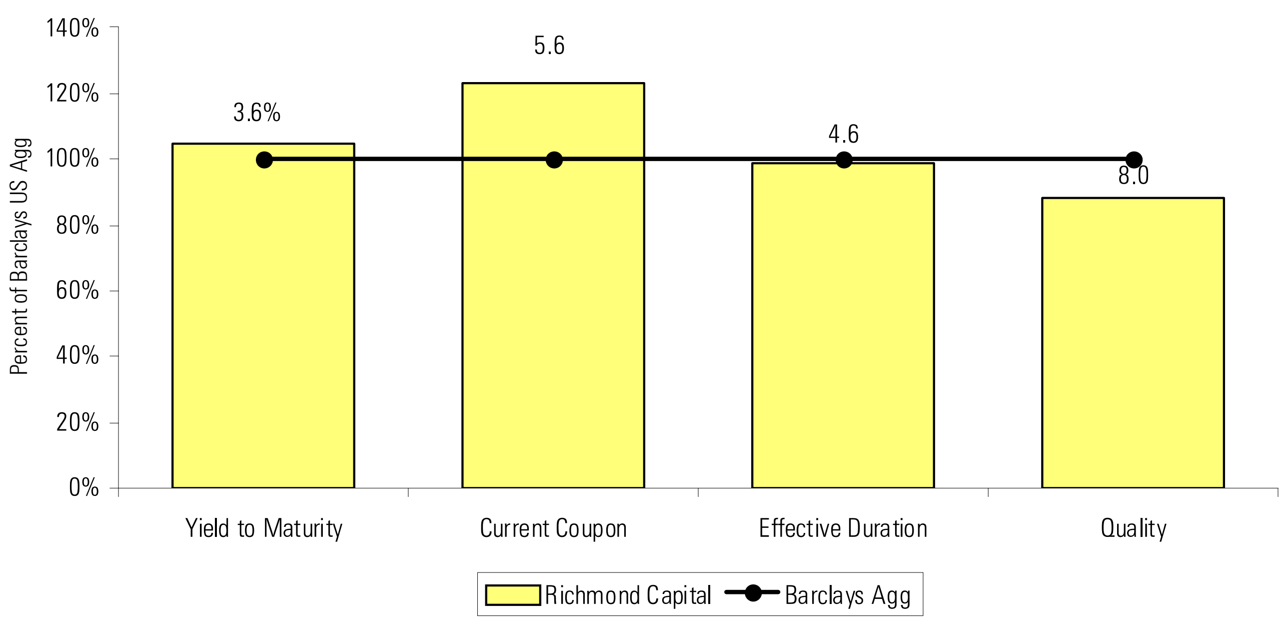
Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
Principal U.S. Property	**0.1%**	**-21.9%**	**-13.1%**	**n/a**
NCREIF	0.8%	-9.6%	-4.3%	n/a
vs. Real Estate Portfolios	59	74	76	n/a

X. FIXED INCOME/ABSOLUTE RETURN PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
Richmond Capital	**2.3%**	**13.7%**	**6.9%**	**5.9%**
Barclays US Aggregate	1.8%	7.7%	6.1%	5.4%
vs. Core Fixed Income Portfolios	35	33	31	38
JP Morgan Infrastructure	**-0.9%**	**4.0%**	**n/a**	**n/a**
CPI + 4.0%	1.8%	6.3%	6.1%	6.6%
vs. Intermediate Fixed Income Funds	100	100	n/a	n/a

The inception date for the JP Morgan Infrastructure account was November 20, 2008.

Fixed Income Portfolio Characteristics



XI. POLICY COMPLIANCE - For Discussion Only

A. Investment Guidelines: Total Fund

Goal	1 Year	3 Years	5 Years
Exceed Target Index	×	×	×
Rank Above 50th Percentile in Public Fund Universe	64th	96th	99th
Earn Average Annual Return of 8.0%	✓	×	×
Standard Deviation Relative to Target Index	N/A	>	>

Guideline	Total Fund
Equity securities limited to less than 70% of Total Fund market value	60.8%
Investment in foreign company stock limited to 25% of value of Total Fund	13.7%
Investment in real estate limited to 15% of value of Total Fund	7.6%
Equity securities with Market Cap of less than $5 billion limited to 25% of market value of Total Fund	✓
Fixed Income portfolio average credit quality of "A" or better	✓
Fixed Income portfolio duration should be < 135% of the market index duration	✓
< 5% of fixed income portfolio (at cost) shall be invested in single corp. issuer	✓

B. Investment Guidelines: DePrince, Race, and Zollo (DRZ)

DePrince, Race, and Zollo Goal	3 Years	5 Years
Exceed Russell 1000 Value performance	✓	✓
Rank Above 50th Percentile in Large Cap Value Portfolio Universe	✓	✓
Standard Deviation Relative to Russell 1000 Value	>	>

Guideline	Total Fund
Equity securities: <5% equity portfolio cost/market value per single issuer	✓
Cash securities may not exceed 25% (at market) of portfolio	✓

C. Investment Guidelines: Rhumbline

Rhumbline Goal	3 Years	5 Years
Match Russell 1000 performance	✓	✓
Rank Above 50th Percentile in Large Cap Neutral Universe	✓	✓
Standard Deviation Relative to Russell 1000	<	=

D. Investment Guidelines: Rigel Capital

Rigel Capital Goal	3 Years	5 Years
Exceed Russell 1000 Growth performance	✗	N/A
Rank Above 50th Percentile in Large Cap Growth Universe	97th	N/A
Standard Deviation Relative to Russell 1000 Growth	>	N/A

Guideline	Total Fund
Equity securities: <5% equity portfolio cost/market value per single issuer	✓
Cash securities may not exceed 25% (at market) of portfolio	✓

E. Investment Guidelines: Munder Capital

Munder Capital Goal	3 Years	5 Years
Exceed Russell Midcap Growth performance	✓	N/A
Rank Above 50th Percentile in Mid Cap Growth Universe	57th	N/A
Standard Deviation Relative to Russell Midcap Growth	<	N/A

Guideline	Total Fund
Equity securities: <5% equity portfolio cost/market value per single issuer	✓
Cash securities may not exceed 25% (at market) of portfolio	✓

F. Investment Guidelines: Buckhead Capital

Buckhead Capital Goal	3 Years	5 Years
Exceed Russell 2000 Value performance	✓	✗
Rank Above 50th Percentile in Small Cap Value Universe	60th	83rd
Standard Deviation Relative to Russell 2000 Value	<	<

Guideline	Total Fund
Equity securities: <5% equity portfolio cost value per single issuer	✓
Cash securities may not exceed 25% (at market) of portfolio	✓

G. Investment Guidelines: EuroPacific Growth

EuroPacific Growth Goal	3 Years	5 Years
Exceed MSCI EAFE (Net) performance	✓	✓
Rank Above 50th Percentile in Intl Equity Fund Universe	✓	✓
Standard Deviation Relative to MSCI EAFE (Net)	<	<

Guideline	Total Fund
International Equity securities: <15% of Total Fund	13.7%

H. Investment Guidelines: Principal U.S. Property Separate Account

Principal U.S. Property Goal	3 Years	5 Years
Exceed NCRIEF Index performance	✗	N/A
Rank Above 50th Percentile in Real Estate Portfolio Universe	76th	N/A
Standard Deviation Relative to NCRIEF Index	>	N/A

Guideline	Total Fund
Real Estate securities: <15% of Total Fund	7.6%

I. Investment Guidelines: Richmond Capital

Richmond Capital Goal	3 Years	5 Years
Exceed Barclays Aggregate Index performance	✓	✓
Rank Above 50th Percentile in Core Fixed Income Universe	✓	✓
Standard Deviation Relative to Barclays Aggregate	>	>

Guideline	Total Fund
Fixed Income portfolio average credit quality of "A" or better	✓
Fixed Inc. portfolio duration should be <135% of the index duration	✓
< 5% of fixed income portfolio (at cost) shall be invested in single corp issuer	✓

J. Manager Status

Manager	Status	Effective Date
DePrince, Race, and Zollo	Good Standing	
Rhumbline	Good Standing	
Rigel Capital	Terminated	2Q2010
Munder Capital	Good Standing	
Buckhead Capital	Good Standing	
EuroPacific Growth	Good Standing	
Principal U.S. Property	Under Review	3Q2008
Richmond Capital	Good Standing	
JP Morgan Infrastructure	Good Standing	

XII. COMMISSION RECAPTURE SUMMARY

Period	Commissions Paid	Commissions Received through Recapture/Rebates
4Q2009	$26,659	$798
1Q2010	$23,541	$450
2Q2010		
3Q2010		
Fiscal YTD 2010	$50,200	$1,248

Source for commissions paid: Salem Trust custodial statements

XIII. NOTES

1) The prior investment consultant, Merrill Lynch Consulting Services, provided all performance and market value data for periods prior to December 31, 2006.
2) Performance data for The Plan is based on market value and transaction information provided in the Salem Trust accounting statements. The statements currently provided by Salem Trust are trade date statements.
3) Salem Trust reports the JP Morgan Infrastructure fund values via a "shadow entry" which causes this valuation to generally trail by one quarter. Because Salem Trust is the official record-keeper, SEAS uses only these statements for all performance reporting.