

**CITY OF POMPANO BEACH
GENERAL EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT PERFORMANCE ANALYSIS
THIRD QUARTER 2009**

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GENERAL EMPLOYEES' RETIREMENT SYSTEM**

INVESTMENT PERFORMANCE ANALYSIS

SEPTEMBER 30, 2009

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Executive Summary

CITY OF POMPANO BEACH GENERAL EMPLOYEES' RETIREMENT SYSTEM

Quarter Ending September 30, 2009

I. MARKET ENVIRONMENT

Index	Third Quarter	1 Year	3 Year
Standard & Poor's 500 Index	15.6%	-6.9%	-5.4%
MSCI EAFE Index (Net)	19.5%	3.2%	-3.6%
NCREIF Index	-3.3%	-22.1%	-1.3%
CSFB Hedge Index	3.7%	10.6%	6.4%
Barclays U.S. Aggregate	0.1%	0.4%	2.8%
91 Day Treasury Bills	0.1%	-1.3%	2.1%
Consumer Price Index	1.4%	-1.4%	2.1%

The third quarter of 2009 found global stock markets surging upward in full recovery mode, continuing the trend set in the prior quarter. The economy continued to hint at an imminent end to the current global recession, despite a US unemployment rate hovering at just under 10%. Corporate earnings reports were generally good (results achieved primarily through cost-cutting), and housing prices in major US metro markets increased for three months in a row. The US Federal Reserve maintained their 0.0-0.25% overnight rates target throughout the quarter, continuing their efforts to sustain and increase overall liquidity in the markets.

Equities: The S&P 500 enjoyed its best quarterly performance since the heady days of the Internet stock bubble of 1998, with a return of 15.6% for the third quarter. Large-cap stocks (Wilshire US Large Cap, 15.3%) could not keep up with the heady pace set by smaller-company stocks (Wilshire US Small Cap, 22.9%). Among large-company stocks, growth was slightly favored, a slight nod to higher-beta issues (Wilshire US Large Growth, 15.5%; Wilshire US Large Value, 15.1%). However, among smaller-company stocks, value was strongly favored, perhaps reflecting stronger earnings prospects, more compelling company narratives, or simply beaten-down Financial stocks staging a comeback (Wilshire US Small Growth, 19.9%; Wilshire US Small Value, 25.9%). Financial stocks outpaced the pack with a 24.8% return.

Fixed Income: The Fed maintained its program of broad purchases of Treasury and US Agency MBS, allowing interest rates to moderate and supporting increased liquidity in consumer borrowing, especially in the hard-hit home loan market. All broad fixed income sectors rallied in the third quarter as Treasury yields fell across all maturities. The yield on two-year Treasuries fell .18% to .96%, while the thirty-year Treasury yield dropped .27% to 4.05%. The ten-year yield, the bellwether rate for the mortgage market, slid a healthy .31% to 3.56%. Given a lower and flatter yield curve, long-term paper outperformed shorter issuance (Barclays Long Treasury, 4.5%; Barclays 1-3 Year Treasury, .8%).

Alternatives: Commercial real estate continued to struggle with U.S. office vacancy rates climbing to 16.1% in the third quarter (CBRE Economic Advisors). This marks the eighth consecutive quarter of rising vacancy. The U.S. government is making \$8.0 billion available for high-speed rail infrastructure with California applying for \$4.7 billion to build an 800-mile bullet rail system. Hedge funds experienced their seventh month of positive performance and net positive inflows for the September quarter.



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

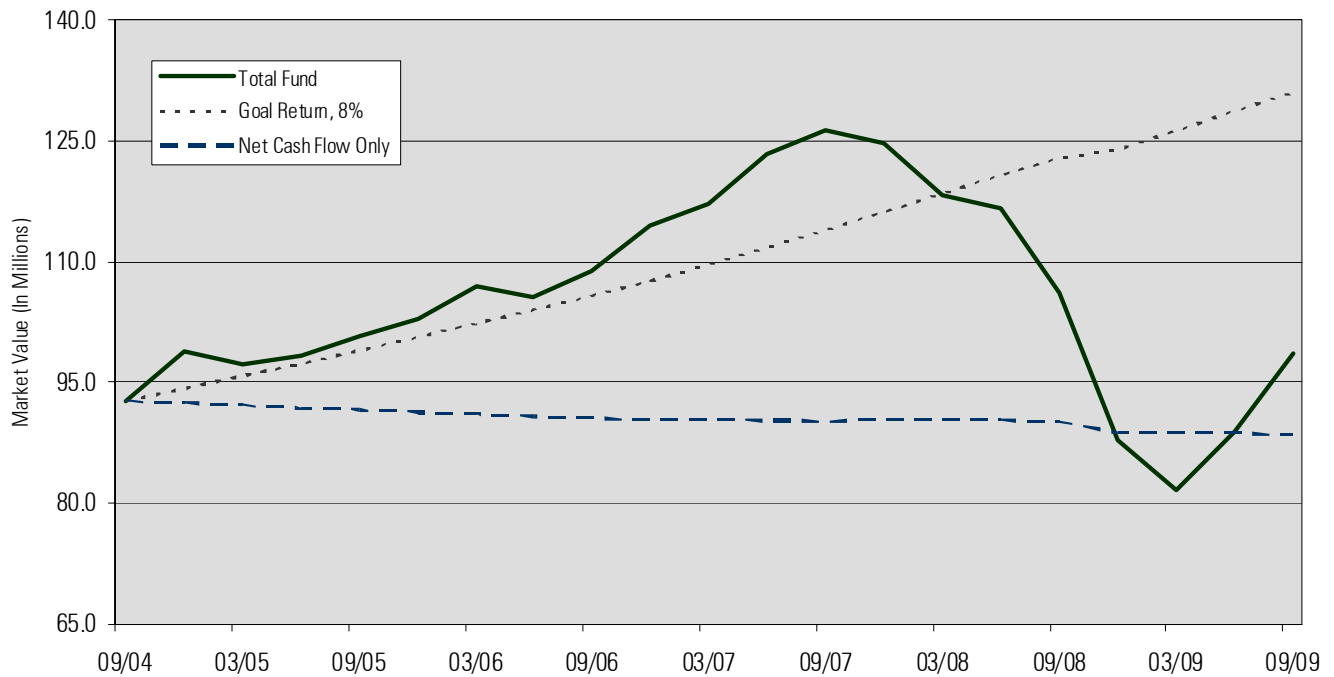
As a Wilshire affiliate, we are granted access to large and diverse peer comparisons, including total fund, portfolio-level, and style-based universes. The Wilshire Public Fund Universe (above) includes the actual, live results of over 200 public pension systems across the country. These are real public 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.



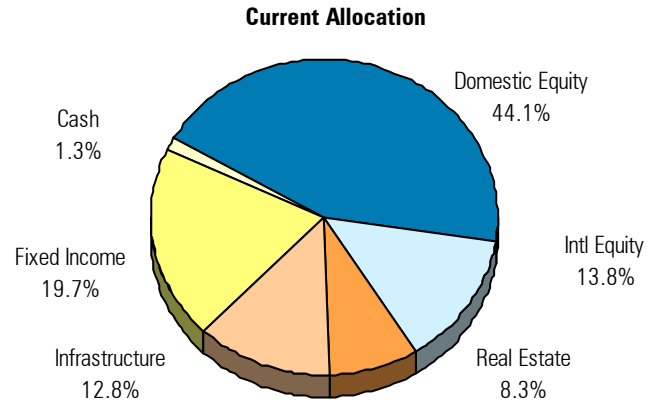
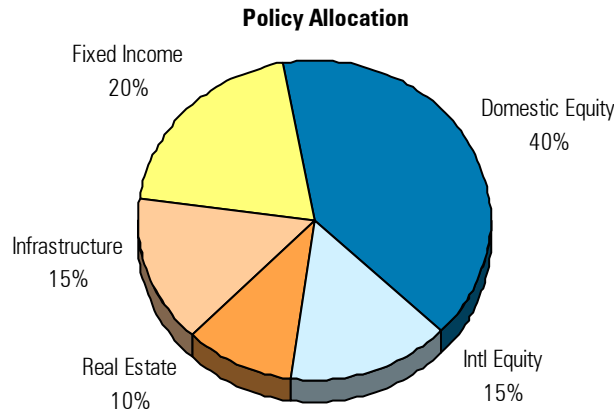
III. PORTFOLIO GROWTH- PERIOD ENDED SEPTEMBER 30, 2009



Period Ending	Beginning Value \$(000)	Net Cash Flow	Net Gain/Loss	Ending Value \$(000)	Quarterly Return	Fiscal Yr Return
Dec-04	92,679	-273	6,453	98,860	7.0%	
Mar-05	98,860	-237	-1,377	97,246	-1.4%	
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%
Total	92,679	-4,222	10,047	98,504	11.3%	
Absolute Return Objective:						8.0%

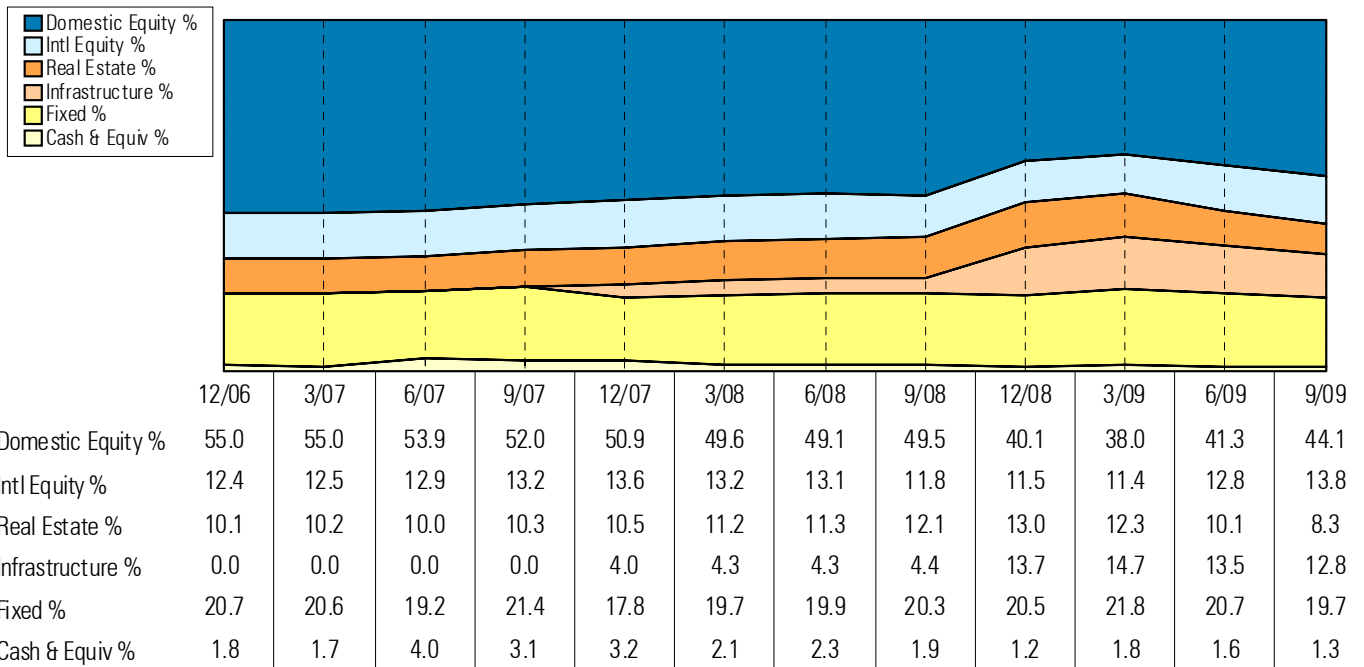


IV. ALLOCATION OF ASSETS



Asset Class	Target Range	Quarter End Allocation	Median Public Plan
Domestic Equity Securities	35%-65%	44.1%	40.8%
Intl Equity Securities	10%-25%	13.8%	11.6%
Real Estate	5%-15%	8.3%	2.9%
Fixed Income Securities	15%-30%	19.7%	34.1%
Infrastructure	10%-20%	12.8%	0.0%
Cash Equivalents	N/A	1.3%	10.6%

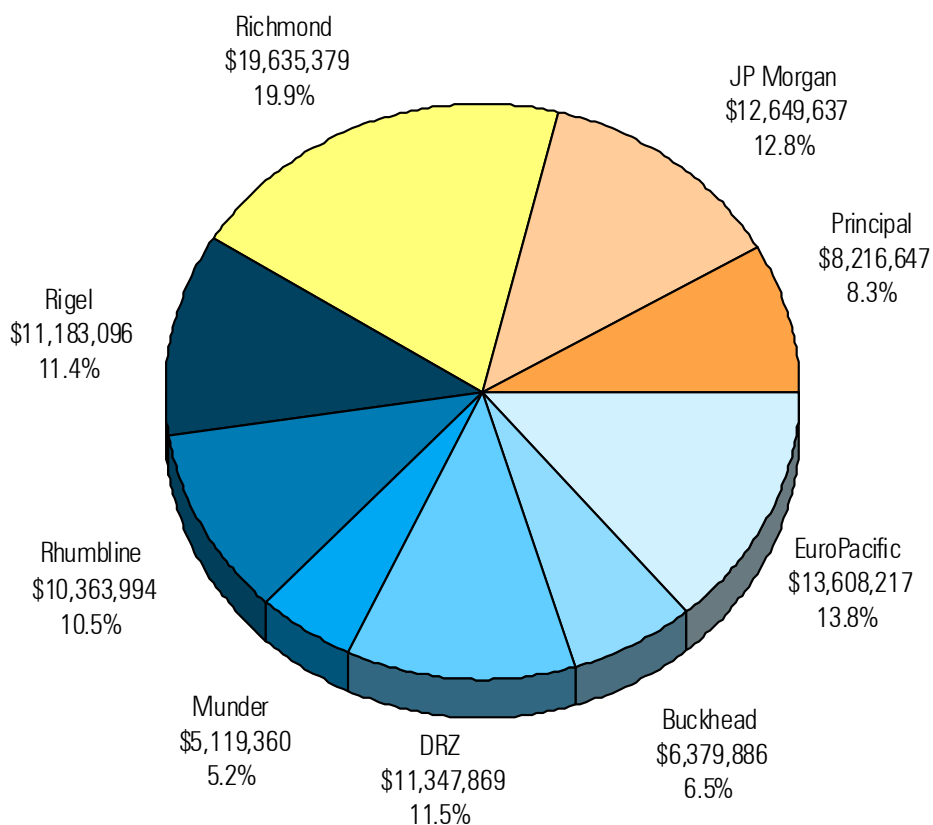
Historical Asset Allocation



Manager	Dom. Equity	Intl Equity	Real Estate	Infrastructure	Fixed Inc	Cash
DePrince, Race, and Zollo	99.3%	0.0%	0.0%	0.0%	0.0%	0.7%
Rhumblin	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rigel Capital	95.3%	0.0%	0.0%	0.0%	0.0%	4.7%
Munder Capital	97.8%	0.0%	0.0%	0.0%	0.0%	2.2%
Buckhead Capital	95.5%	0.0%	0.0%	0.0%	0.0%	4.5%
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	44.1%	13.8%	8.3%	12.8%	19.7%	1.3%



V. MANAGER ALLOCATION AND CASH FLOWS- Quarter ending September 30, 2009



Manager	Beginning Value	% Alloc	Cash In	Cash Out	Gain/Loss	Ending Value	% Alloc
DePrince, Race, and Zollo	\$9,058,791	10.2%	\$0	\$0	\$2,289,078	\$11,347,869	11.5%
Rhumblin	\$8,929,796	10.1%	\$462	(\$2,134)	\$1,435,870	\$10,363,994	10.5%
Rigel Capital	\$9,907,675	11.2%	\$933	\$0	\$1,274,488	\$11,183,096	11.4%
Munder Capital	\$4,399,028	5.0%	\$0	\$0	\$720,332	\$5,119,360	5.2%
Buckhead Capital	\$5,262,832	5.9%	\$0	\$0	\$1,117,054	\$6,379,886	6.5%
EuroPacific Growth Fund R5	\$11,377,480	12.8%	\$0	\$0	\$2,230,737	\$13,608,217	13.8%
Principal U.S. Property	\$8,997,906	10.1%	\$0	\$0	(\$781,259)	\$8,216,647	8.3%
JP Morgan Infrastructure	\$12,008,561	13.5%	\$0	\$0	\$641,076	\$12,649,637	12.8%
Richmond Capital Fixed	\$18,858,752	21.2%	\$0	(\$210,710)	\$987,337	\$19,635,379	19.9%
Total Fund	\$88,800,821	100%	\$1,395	(\$212,844)	\$9,914,713	\$98,504,085	100%
<i>Receipts & Disbursements Acct.</i>	<i>\$1,072,955</i>		<i>\$1,820,444</i>	<i>(\$1,918,413)</i>	<i>\$13</i>	<i>\$974,999</i>	
Total Fund + R&D Acct.	\$89,873,776		\$1,821,839	(\$2,131,257)	\$9,914,726	\$99,479,084	

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	11.6%	-5.3%	-2.5%	2.2%
Total Fund - Net of Fees	11.3%	-5.7%	-2.8%	2.0%
Target Index	10.3%	-0.7%	-0.3%	4.2%
vs. Total Public Fund Sponsors	33	97	95	95
Total Domestic Equities	18.7%	-9.2%	-5.9%	0.6%
80% Russell 1000/ 20% Russell 2000	16.7%	-6.8%	-4.9%	1.7%
vs. Equity Returns of Public Funds	9	83	72	85
Total International Equities	19.6%	8.9%	1.5%	8.9%
MSCI EAFE Index (Net)	19.5%	3.2%	-3.6%	6.1%
vs. Intl Equity Returns of Public Funds	60	25	25	51
Total Real Estate	-8.7%	-36.0%	-9.7%	n/a
NCREIF	-3.3%	-22.1%	-1.3%	n/a
vs. Real Estate Returns of Total Funds	89	83	78	n/a
Total Infrastructure	6.8%	n/a	n/a	n/a
CPI + 4.0%	1.1%	2.7%	6.1%	6.6%
Total Fixed Income	5.4%	18.8%	7.0%	5.5%
Barclays U.S. Aggregate	3.7%	10.6%	6.4%	5.1%
vs. Fixed Inc Returns of Public Funds	36	5	26	31

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	25.3%	-4.7%	-5.1%	1.6%
Russell 1000 Value	18.2%	-10.6%	-7.9%	0.9%
vs. Large Value Equity Portfolios	2	36	37	64
Rhumblin	16.1%	-5.3%	-4.7%	1.7%
Russell 1000	16.1%	-6.1%	-5.1%	1.5%
vs. Large Neutral Equity Portfolios	25	30	31	41
Rigel Capital	12.9%	-18.1%	n/a	n/a
Russell 1000 Growth	14.0%	-1.9%	n/a	n/a
vs. Large Growth Equity Portfolios	67	98	n/a	n/a
Munder Capital	16.4%	-3.6%	n/a	n/a
Russell MidCap Growth	17.6%	-0.4%	n/a	n/a
vs. Midcap Growth Equity Portfolios	62	55	n/a	n/a
Buckhead Capital	21.2%	-7.8%	-3.5%	2.4%
Russell 2000 Value	22.7%	-12.6%	-6.7%	1.8%
vs. Small Value Equity Portfolios	72	59	52	65



Equity Portfolio Summary: Total Fund*

	Portfolio	80% R1000/20% R2000
Total Number Of Securities	268	2,978
Equity Market Value	43,377,301	
Average Capitalization \$(000)	36,218,392	55,545,586
Median Capitalization \$(000)	4,358,974	
Equity Segment Yield	1.9	1.8
Equity Segment P/E - Average	35.8	193.7
Equity Segment P/E - Median	16.6	
Equity Segment Beta	1.0	1.1
Price/Book Ratio	1.9	1.8
Debt/Equity Ratio	45.0	44.2
Five Year Earnings Growth	9.7	8.1

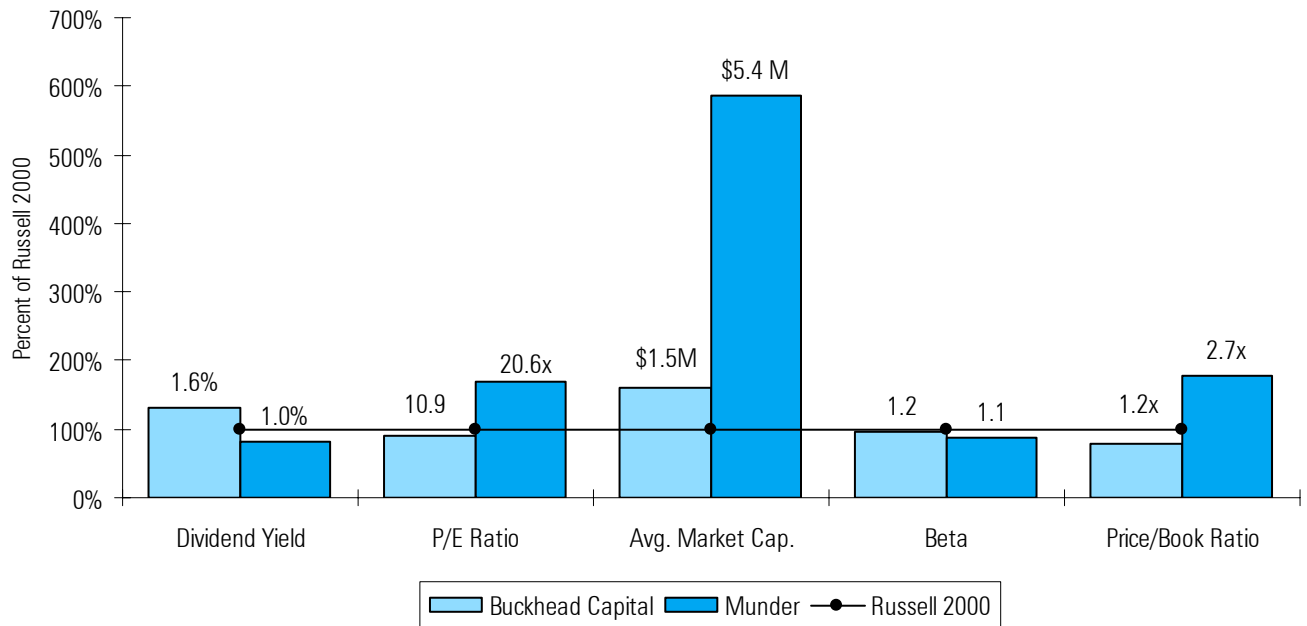
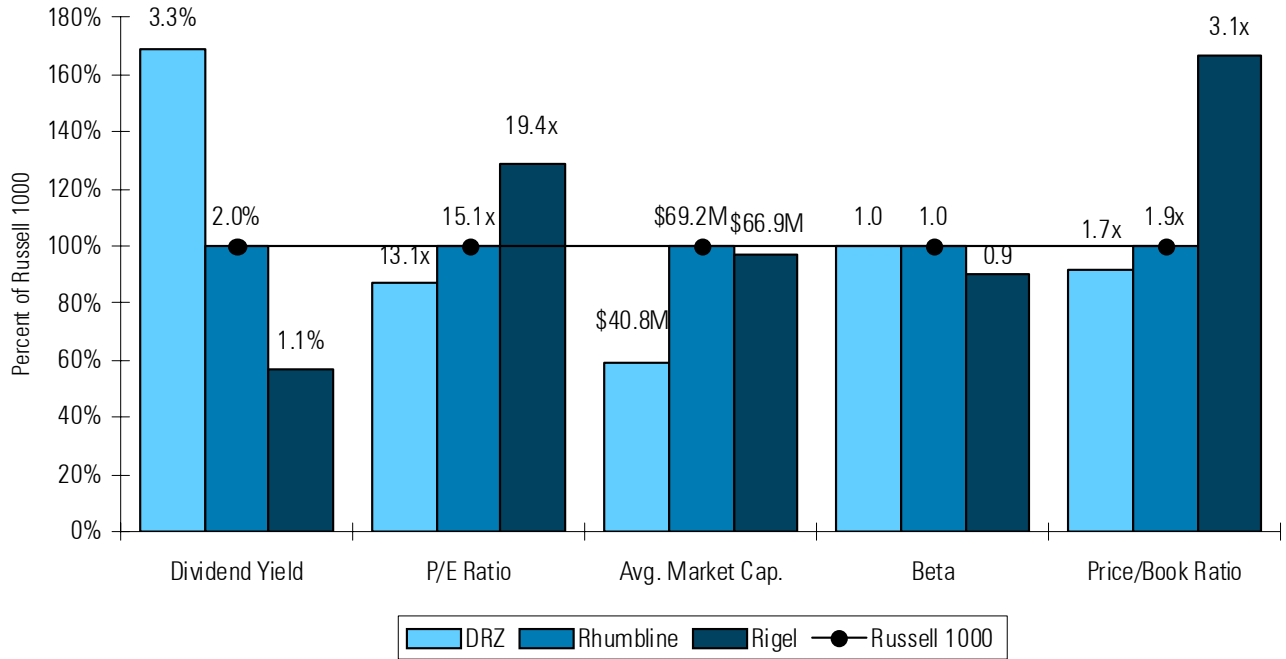
Ten Largest Holdings	Market Value	% of Portfolio	Quarterly Return
Intl Business McHn	499,491	1.5%	15.1%
Wal Mart Stores Inc	486,236	1.5%	1.9%
Apple Computer Inc	466,391	1.4%	30.1%
Procter & Gamble Co	354,528	1.1%	14.3%
Occidental Pete Corp	329,202	1.0%	19.7%
Google Inc	317,840	1.0%	17.6%
Cisco Sys Inc	307,197	0.9%	26.3%
Intel Corp	300,126	0.9%	19.1%
Hewlett Packard Co	299,784	0.9%	22.4%
Medco Health Solutio	291,152	0.9%	21.3%

Ten Best Performers	Quarterly Return	Ten Worst Performers	Quarterly Return
Valassis Communicati	192.6%	Premiere Global Svcs	-23.3%
American Greetings	92.6%	United Cmnty Bks Bla	-15.9%
Xyratex Ltd	90.6%	URS Corp New	-11.9%
Donnelley R R & Sons	86.3%	Aaron Rents Inc	-11.4%
Cabot Corp	85.3%	Borg-Warner Automoti	-11.4%
Jabil Circuit Inc	82.0%	Crawford & Co	-11.0%
Kansas City Southn	64.4%	Ppl Corp	-6.9%
Greenbrier Cos Inc	62.9%	Stericycle Inc	-6.0%
Dow Chem Co	62.4%	O Reilly Automotive	-5.1%
Intuitive Surgical I	60.2%	Penn Natl Gaming Inc	-5.0%

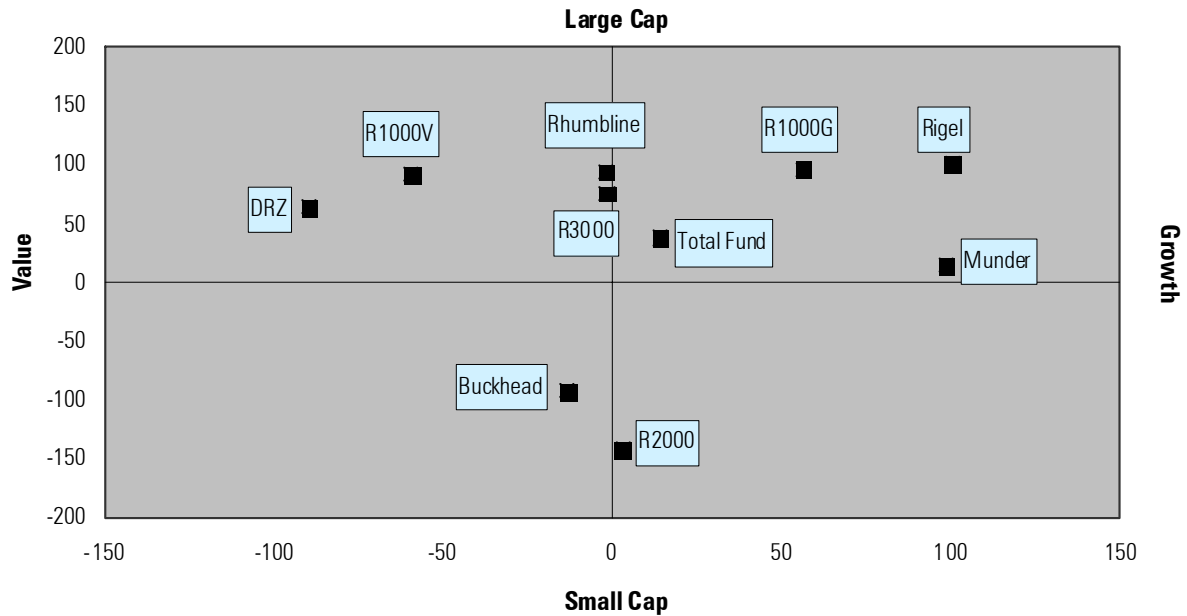
*Does not include Rhumblin as it is invested in a commingled account.



Equity Portfolio Characteristics



Equity Style Map (Current Quarter)



	Growth-Value	Size		Growth-Value	Size
Buckhead Capital	-13.2	-9238	Total Fund	14.1	37.4
DePrince Race Zollo	-89.6	63.7	Russell 2000	3.1	-142.6
Munder Capital	98.6	14.1	Russell 3000	-1.4	75.3
Rhumblin	-1.8	93.8	Russell 1000 Growth	56.3	96.1
Rigel Capital	100.4	99.9	Russell 1000 Value	-59.3	91.5

VIII. INTERNATIONAL EQUITY PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
EuroPacific Growth R5	19.6%	8.9%	1.5%	9.9%
MSCI EAFE (Net)	19.5%	3.2%	-3.6%	6.1%
vs. International Equity Mutual Funds	40	31	24	26



American Funds EuroPacific Gr R5

Overall Morningstar Rtg™ **★★★★★** (600)
Standard Index
 MSCI Eafe Ndrtr_D

Incept 05-15-02 Type MF Total Assets \$15,757 mil Morningstar Cat Foreign Large Blend (MF)
Category Index
 MSCI AC World Ex USA NR

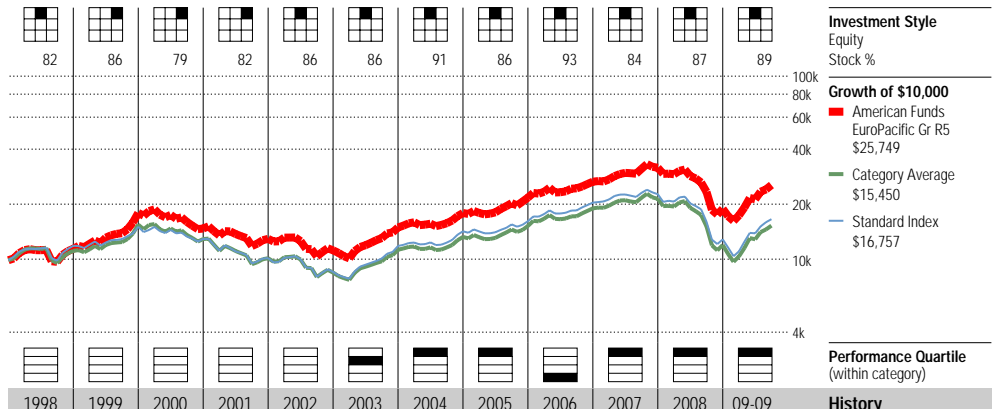
Performance 09-30-2009					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2007	2.99	8.49	5.29	1.35	19.22
2008	-7.88	-2.26	-17.99	-19.25	-40.38
2009	-7.87	22.41	19.61	—	34.88
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	8.92	—	10.08	—	9.24
Std Quarterly	8.92	—	10.08	—	9.24
Total Return	8.92	1.40	10.08	6.25	9.24
+/- Std Index	5.69	5.00	4.01	3.71	—
+/- Cat Index	3.03	2.64	1.98	2.21	—
% Rank Cat	10	4	6	8	—
No. in Cat	807	600	462	246	—
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.

Fees and Expenses	
Sales Charges	NA
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	5 Yr	10 Yr
MorningstarRating™	5★	5★	5☆
Morningstar Risk	-Avg	-Avg	-Avg
Morningstar Return	High	High	High
600 funds 462 funds 246 funds			
	3 Yr	5 Yr	10 Yr
Standard Deviation	22.85	19.06	17.72
Mean	1.40	10.08	6.25
Sharpe Ratio	0.06	0.45	0.26
MPT Statistics	Standard Index	Best Fit Index	
		MSCI Eas NdD	
Alpha	4.50	2.67	
Beta	0.93	0.86	
R-Squared	96.00	96.00	



1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	09-09	History
23.72	37.24	30.59	26.87	22.96	30.20	35.62	41.09	46.56	50.87	27.95	37.70	NAV
15.54	56.97	-17.84	-12.18	-13.45	33.24	19.98	21.39	22.17	19.22	-40.38	34.88	Total Return %
-4.46	30.00	-3.67	9.26	2.49	-5.35	-0.27	7.85	-4.17	8.05	3.00	5.91	+/- Standard Index
—	26.34	-2.53	7.55	1.50	-7.59	-0.93	4.77	-4.48	2.57	5.15	-1.47	+/- Category Index
—	—	—	—	—	45	17	6	79	8	11	12	% Rank Cat
302	340	396	439	482	504	551	608	657	743	778	834	No. of Funds in Cat

Portfolio Analysis 06-30-2009

Composition %	Long %	Short%	Net %	Share Chg since 03-31-2009	Share Amount	261 Total Stocks	31 Total Fixed-Income	41% Turnover Ratio	% Net Assets
Cash	9.2	0.0	9.2	—	—	—	—	—	—
U.S. Stocks	0.2	0.0	0.2	—	36 mil	Bayer AG	—	—	2.58
Non-U.S. Stocks	88.7	0.0	88.7	—	47 mil	America Movil S.A.B. de C.V.	—	—	2.43
Bonds	1.8	0.0	1.8	—	12 mil	Roche Holding AG	—	—	2.11
Other	0.0	0.0	0.1	—	40 mil	Inbev	—	—	1.91
Total	100.0	0.0	100.0	—	33 mil	Novartis	—	—	1.76
Equity Style	Portfolio Value Blend Growth	Port Statistics	Rel Avg Index	Rel Cat	—	108 mil	Banco Santander SA	—	1.73
		P/E Ratio TTM	10.6	0.79	0.90	57 mil	Telefonica, S.A.	—	1.73
		P/C Ratio TTM	7.1	1.04	1.08	24 mil	Novo Nordisk A/S	—	1.70
		P/B Ratio TTM	1.5	1.00	1.00	59 mil	Gazprom OAO (EDR)	—	1.59
		Geo Avg Mkt Cap \$mil	30518	1.02	1.29	23 mil	Teva Pharmaceutical Industrie	—	1.54
Fixed-Income Style	Short Int	Long	Avg Eff Duration	—	—	23 mil	SAP Corporation	—	1.25
			Avg Eff Maturity	—	—	24 mil	Nestle	—	1.20
			Avg Credit Quality	—	—	2 mil	Samsung Electronics	—	1.18
			Avg Wtd Coupon	8.38	—	21 mil	Brazilian Petroleum Corporati	—	1.16
			Avg Wtd Price	1006.61	—	54 mil	Royal KPN N.V.	—	0.99

Sector Weightings	Stocks %	Rel Std Index
Information Economy	19.8	1.85
Software	1.7	1.89
Hardware	4.1	3.42
Media	1.3	0.93
Telecommunication	12.7	1.76
Service Economy	39.2	0.93
Healthcare Services	13.6	1.62
Consumer Services	5.7	1.27
Business Services	1.9	0.51
Financial Services	18.0	0.71
Manufacturing Economy	41.0	0.87
Consumer Goods	17.9	1.03
Industrial Goods	10.6	0.66
Energy	7.0	0.85
Utilities	5.6	1.02

Regional Exposure	Stocks %	Rel Std Index
Americas	10.2	102.00
Greater Europe	65.9	0.99
Greater Asia	23.9	0.72

Operations	Family:	Objective:	Foreign Stock	Minimum IRA Purchase:	\$0
Manager:	American Funds	Knowles/Lee/Grace/Lyckeus/Bepler	RERFX	Min Auto Investment Plan:	\$250
Tenure:	10.6 Years	Minimum Initial Purchase:	\$0	Purchase Constrains:	A/

IX. REAL ESTATE PERFORMANCE COMPARISONS

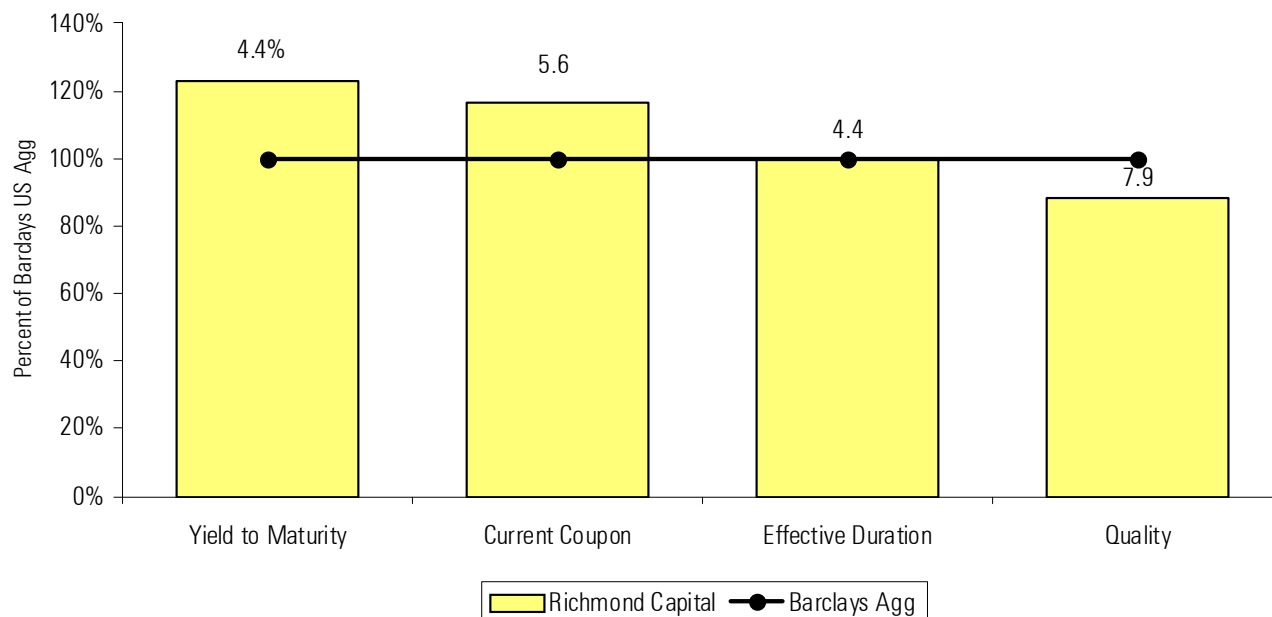
Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
Principal U.S. Property	-8.7%	-36.0%	-9.7%	n/a
NCREIF	-3.3%	-22.1%	-1.3%	n/a
vs. Real Estate Portfolios	79	85	75	n/a

X. FIXED INCOME/ABSOLUTE RETURN PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
Richmond Capital	5.2%	18.3%	6.9%	5.4%
Barclays US Aggregate	3.7%	10.6%	6.4%	5.1%
vs. Core Fixed Income Portfolios	34	7	42	56
JP Morgan Infrastructure	6.8%	n/a	n/a	n/a
CPI + 4.0%	1.1%	0.6%	6.1%	6.6%
vs. Intermediate Fixed Income Funds	32	n/a	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	x	x	x
Rank Above 50 th Percentile in Public Fund Universe	98 th	95 th	95 th
Earn Average Annual Return of 8.0%	x	x	x
Standard Deviation Relative to Target Index	N/A	>	>

Guideline	Total Fund
Equity securities limited to less than 70% of Total Fund market value	57.8%
Investment in foreign company stock limited to 25% of value of Total Fund	13.8%
Investment in real estate limited to 15% of value of Total Fund	8.3%
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 50 th Percentile in Large Cap Value Portfolio Universe	✓	64 th
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: Rhumblin

Rhumblin Goal	3 Years	5 Years
Match Russell 1000 performance	✓	✓
Rank Above 50 th 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	N/A
Rank Above 50 th Percentile in Large Cap Growth Universe	N/A	N/A
Standard Deviation Relative to Russell 1000 Growth	N/A	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	N/A
Rank Above 50 th Percentile in Mid Cap Growth Universe	N/A	N/A
Standard Deviation Relative to Russell Midcap Growth	N/A	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 50 th Percentile in Small Cap Value Universe	52 nd	65 th
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 50 th Percentile in Intl Equity Fund Universe	✓	✓
Standard Deviation Relative to MSCI EAFE (Net)	<	<

Guideline	Total Fund
International Equity securities: <15% of Total Fund	13.8%

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 50 th Percentile in Real Estate Portfolio Universe	75 th	N/A
Standard Deviation Relative to NCRIEF Index	>	N/A

Guideline	Total Fund
Real Estate securities: <15% of Total Fund	8.3%

I. Investment Guidelines: Richmond Capital

Richmond Capital Goal	3 Years	5 Years
Exceed Barclays Aggregate Index performance	✓	✓
Rank Above 50 th Percentile in Core Fixed Income Universe	✓	56 th
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	
Rhumblin	Good Standing	
Rigel Capital	Under Review	2Q2009
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
4Q2008	\$25,164	\$657
1Q2009	\$14,174	\$399
2Q2009	\$20,065	\$488
3Q2009	\$22,882	\$497
Fiscal YTD 2009	\$82,285	\$2,042

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.

