

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

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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GENERAL EMPLOYEES' RETIREMENT SYSTEM**

INVESTMENT PERFORMANCE ANALYSIS

JUNE 30, 2009

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Executive Summary

CITY OF POMPANO BEACH GENERAL EMPLOYEES' RETIREMENT SYSTEM

Quarter Ending June 30, 2009

I. MARKET ENVIRONMENT

Index	Second Quarter	1 Year	3 Year
Standard & Poor's 500 Index	15.9%	-26.2%	-8.2%
MSCI EAFE Index (Net)	25.4%	-31.4%	-8.0%
NCREIF Index	-5.2%	-19.6%	1.0%
CSFB Hedge Index	6.3%	-13.7%	1.5%
Barclays U.S. Aggregate	1.8%	6.1%	6.4%
91 Day Treasury Bills	0.1%	0.9%	3.2%
Consumer Price Index	1.4%	-1.4%	2.1%

The second quarter of 2009 found global equity markets staging a dramatic rally as investors reassessed their portfolios and reversed the flight to safety that drove sovereign bond yields to historic lows. The global recession churned onward, driving the US unemployment rate up to a June rate of 9.7%. However, economists pointed to leading indicators of a possible upcoming recovery; improved corporate earnings, a slowdown in the decrease of US real estate prices, and the Federal Reserve's maintenance of its 0.0-0.25% overnight rate targets spurred investor optimism regarding hopes of economic growth for the rest of 2009 and 2010.

Equities: US stock markets saw fit to reward just about every sector with positive performance in the second quarter of 2009. The S&P 500's return was 15.9%. Turning to economic sectors of the S&P 500, Financials led the charge for the second quarter (35.6%) as this long-depressed sector exhibited improved earnings. The Information Technology sector was a distant second place at 19.7%; these stocks benefited from hopes that a global recovery would rely on technological infrastructure investment to increase productivity. The worst-performing sector of the S&P 500 was Telecomm Services, with a still-respectable 3.5% return; Health Care was the second-worst performing sector at a strong 8.9%.

Fixed Income: With investors looking for new opportunities in the capital markets and willing to assume more risk in their portfolios, the fixed income markets saw a net sell-off of US Treasury and agency-related debt (Barclays US Government, -2.2%) that pushed benchmark yields higher over the quarter. The yield on two-year Treasuries pushed up to 1.1% as of June 30, 2009, a 0.4% rise from March 31, while the yield on thirty-year Treasuries rose to 4.3%, a 0.8% jump over the quarter. Unsurprisingly, short- and long-term Treasuries all lost ground, longer paper quite dramatically (Barclays 1-3 Year Treasury, -0.1%; Barclays Long Treasury, -7.2%).

Alternatives: During the June quarter, Hedge funds assets rose for the first time in a year, to \$1.4 trillion according to Hedge Fund Research. Asset growth was reportedly fueled by strong performance and a dramatic decrease in withdrawals. Managers of commercial real estate continued to mark their portfolios down to reflect higher vacancy rates and lower demand. States and municipalities facing budget deficits are increasingly considering privatizing their local infrastructure. At the end of 2008, 15 roads in the U.S. had been privatized with another 79 roads in 25 states being considered for privatization according to the US Public Interest Research Group.



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

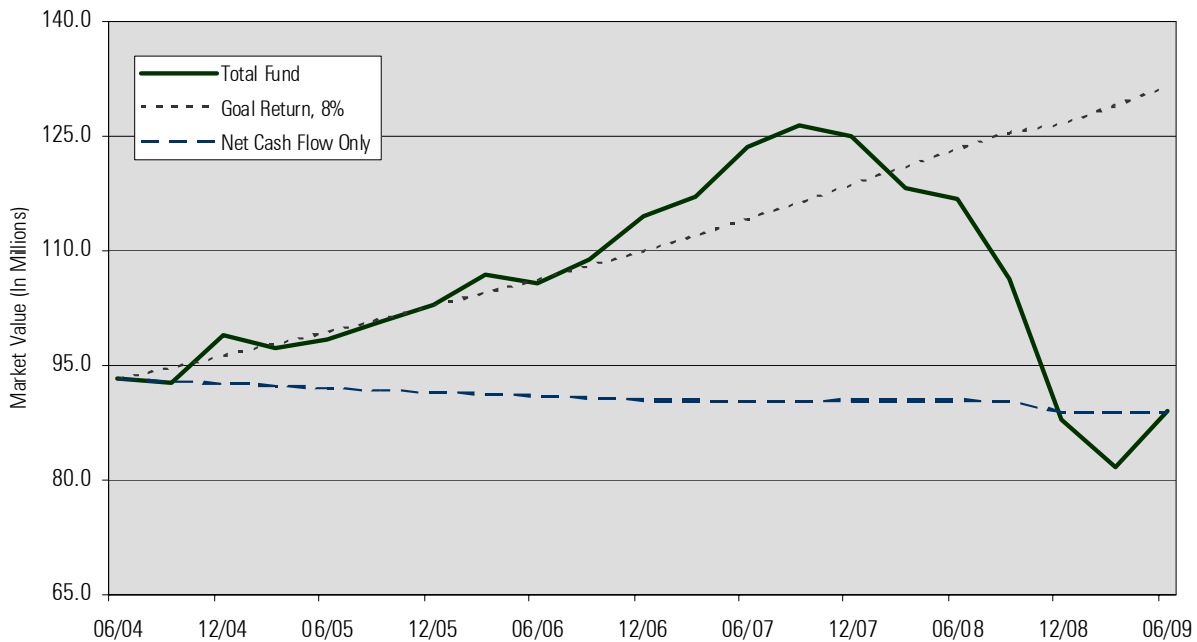
As a Wilshire affiliate, we are granted access to large and diverse peer comparisons, including total fund, portfolio-level, and style-based universes. The Wilshire Public Fund Universe (above) includes the actual, live results of over 200 public pension systems across the country. These are real public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



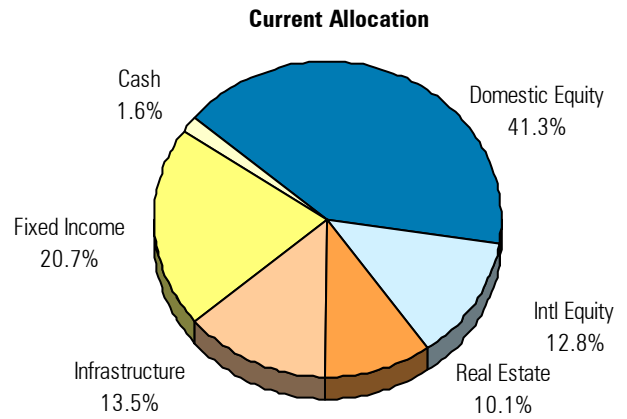
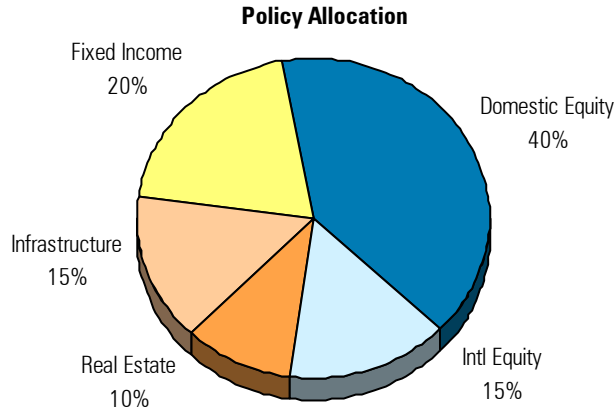
III. PORTFOLIO GROWTH- PERIOD ENDED JUNE 30, 2009



Period Ending	Beginning Value \$(000)	Net Cash Flow	Net Gain/Loss	Ending Value \$(000)	Quarterly Return	Fiscal Yr Return
Sep-04	93,076	-338	-59	92,679	-0.1%	9.3%
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	3	7,162	88,801	8.8%	-15.1%
Total	93,076	-4,357	82	88,801	-0.3%	
Absolute Return Objective:						8.0%

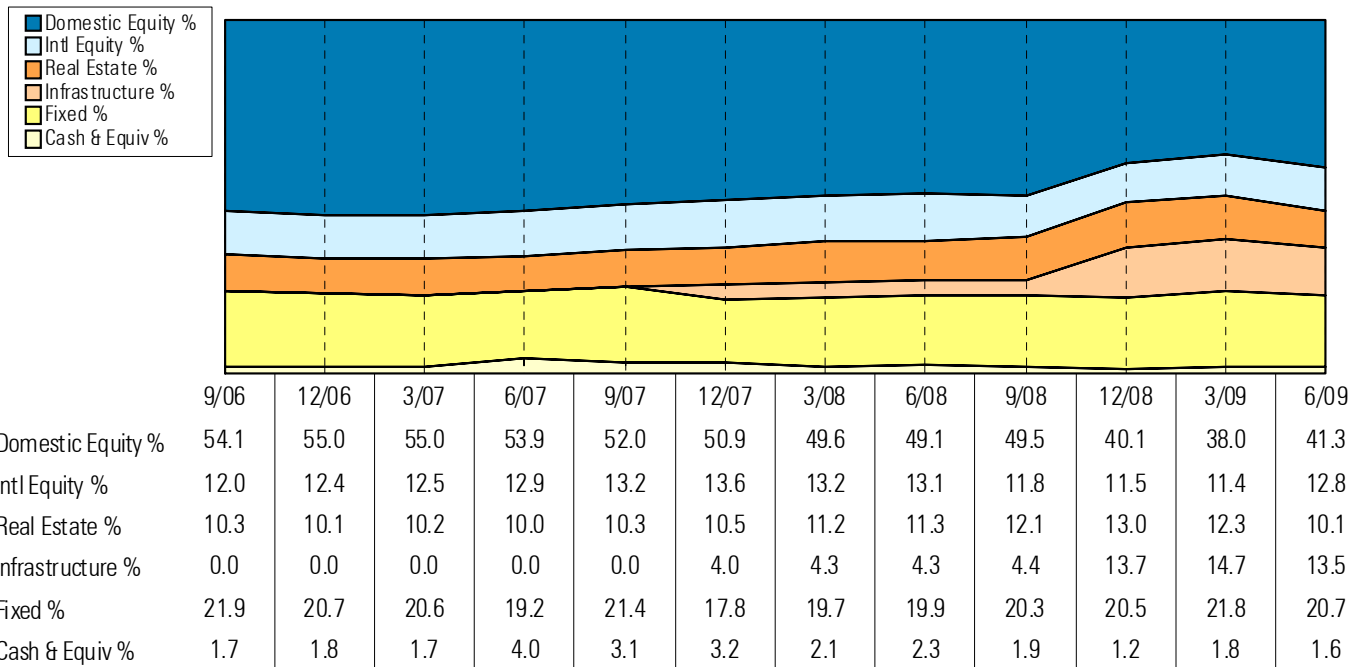


IV. ALLOCATION OF ASSETS



Asset Class	Target Range	Quarter End Allocation	Median Public Plan
Domestic Equity Securities	35%-65%	41.3%	39.6%
Intl Equity Securities	10%-25%	12.8%	10.0%
Real Estate	5%-15%	10.1%	2.0%
Fixed Income Securities	15%-30%	20.7%	37.1%
Infrastructure	10%-20%	13.5%	0.0%
Cash Equivalents	N/A	1.6%	11.3%

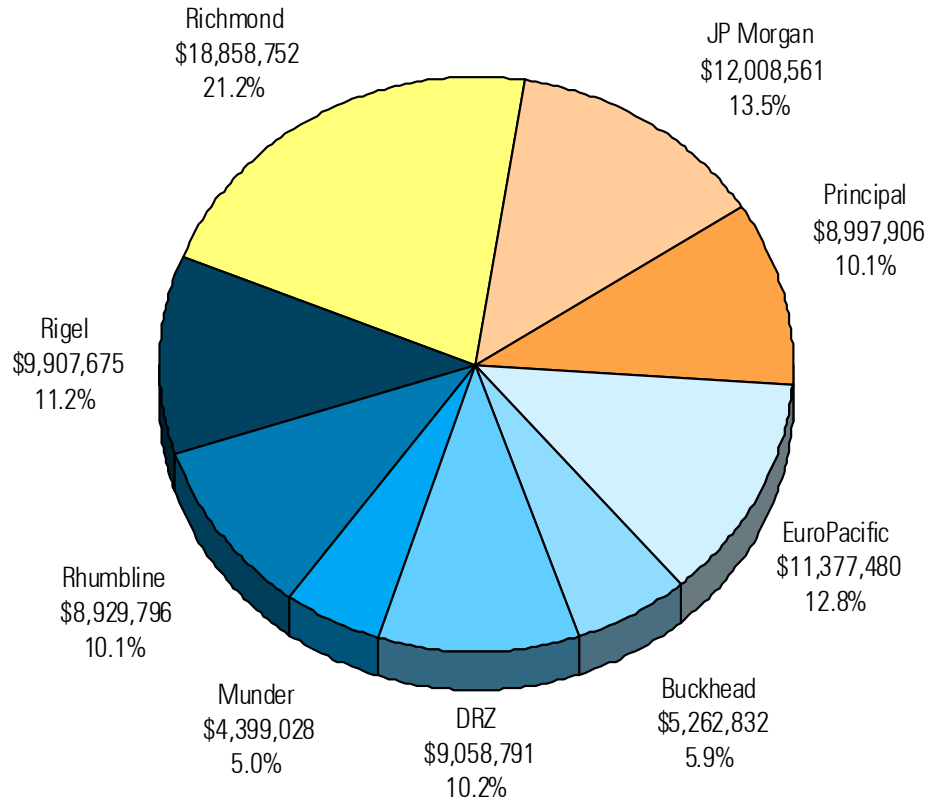
Historical Asset Allocation



Manager	Dom. Equity	Intl Equity	Real Estate	Infrastructure	Fixed Inc	Cash
DePrince, Race, and Zollo	98.2%	0.0%	0.0%	0.0%	0.0%	1.8%
Rhumblin	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rigel Capital	98.2%	0.0%	0.0%	0.0%	0.0%	1.8%
Munder Capital	99.0%	0.0%	0.0%	0.0%	0.0%	1.0%
Buckhead Capital	91.4%	0.0%	0.0%	0.0%	0.0%	8.6%
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	41.3%	12.8%	10.1%	13.5%	20.7%	1.6%



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



Manager	Beginning Value	% Alloc	Cash In	Cash Out	Gain/Loss	Ending Value	% Alloc
DePrince, Race, and Zollo	\$7,178,595	8.8%	\$0	\$0	\$1,880,196	\$9,058,791	10.2%
Rhumblin	\$7,639,814	9.4%	\$1,476	\$0	\$1,288,506	\$8,929,796	10.1%
Rigel Capital	\$9,312,241	11.4%	\$0	\$0	\$595,434	\$9,907,675	11.2%
Munder Capital	\$3,722,566	4.6%	\$0	\$0	\$676,462	\$4,399,028	5.0%
Buckhead Capital	\$4,502,142	5.5%	\$1,837	\$0	\$758,853	\$5,262,832	5.9%
EuroPacific Growth Fund R5	\$9,294,825	11.4%	\$0	(\$88)	\$2,082,743	\$11,377,480	12.8%
Principal U.S. Property	\$10,042,988	12.3%	\$0	\$0	(\$1,045,082)	\$8,997,906	10.1%
JP Morgan Infrastructure	\$12,000,000	14.7%	\$0	\$0	\$8,561	\$12,008,561	13.5%
Richmond Capital Fixed	\$17,942,660	22.0%	\$0	\$0	\$916,092	\$18,858,752	21.2%
Total Fund	\$81,635,831	100%	\$3,313	(\$88)	\$7,161,765	\$88,800,821	100%
<i>Receipts & Disbursements Acct.</i>	<i>\$1,066,063</i>		<i>\$1,695,579</i>	<i>(\$1,688,890)</i>	<i>\$203</i>	<i>\$1,072,955</i>	
Total Fund + R&D Acct.	\$82,701,894		\$1,698,892	(\$1,688,978)	\$7,161,968	\$89,873,776	

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	8.8%	-22.6%	-4.9%	-0.1%
Total Fund - Net of Fees	8.8%	-22.8%	-5.1%	-0.2%
Target Index	11.0%	-15.4%	-2.3%	2.2%
vs. Total Public Fund Sponsors	67	96	94	97
Total Domestic Equities	16.8%	-31.4%	-10.2%	-3.2%
80% Russell 1000/ 20% Russell 2000	17.3%	-26.3%	-8.5%	-1.8%
vs. Equity Returns of Public Funds	54	90	83	87
Total International Equities	22.4%	-25.3%	-3.0%	5.2%
MSCI EAFE Index (Net)	25.4%	-31.4%	-8.0%	2.3%
vs. Intl Equity Returns of Public Funds	76	32	25	44
Total Real Estate	-10.4%	-31.5%	-6.0%	n/a
NCREIF	-5.2%	-19.6%	1.0%	n/a
vs. Real Estate Returns of Total Funds	84	61	59	n/a
Total Infrastructure	0.1%	n/a	n/a	n/a
CPI + 4.0%	2.4%	2.6%	6.1%	6.6%
Total Fixed Income	5.2%	7.8%	6.6%	5.1%
Barclays U.S. Aggregate	1.8%	6.1%	6.4%	5.0%
vs. Fixed Inc Returns of Public Funds	27	21	41	35

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	26.2%	-25.3%	-10.5%	-2.7%
Russell 1000 Value	16.7%	-29.0%	-11.1%	-2.1%
vs. Large Value Equity Portfolios	4	35	70	87
Rhumblin	16.9%	-26.0%	-7.9%	-1.7%
Russell 1000	16.5%	-26.7%	-8.2%	-1.9%
vs. Large Neutral Equity Portfolios	25	34	29	43
Rigel Capital	6.4%	-40.5%	n/a	n/a
Russell 1000 Growth	16.3%	-24.5%	n/a	n/a
vs. Large Growth Equity Portfolios	97	98	n/a	n/a
Munder Capital	18.2%	-31.1%	n/a	n/a
Russell MidCap Growth	20.7%	-30.3%	n/a	n/a
vs. Midcap Growth Equity Portfolios	47	58	n/a	n/a
Buckhead Capital	16.9%	-21.8%	-9.4%	-2.1%
Russell 2000 Value	18.0%	-25.3%	-12.1%	-2.3%
vs. Small Value Equity Portfolios	83	39	50	68



Equity Portfolio Summary: Total Fund*

	Portfolio	80% R1000/20% R2000
Total Number Of Securities	246	2,986
Equity Market Value	36,716,293	
Average Capitalization \$(000)	29,104,972	51,348,541
Median Capitalization \$(000)	3,831,418	
Equity Segment Yield	2.1	2.1
Equity Segment P/E - Average	22.1	23.3
Equity Segment P/E - Median	14.2	
Equity Segment Beta	1.2	1.1
Price/Book Ratio	1.6	1.6
Debt/Equity Ratio	44.3	42.5
Five Year Earnings Growth	10.9	9.2

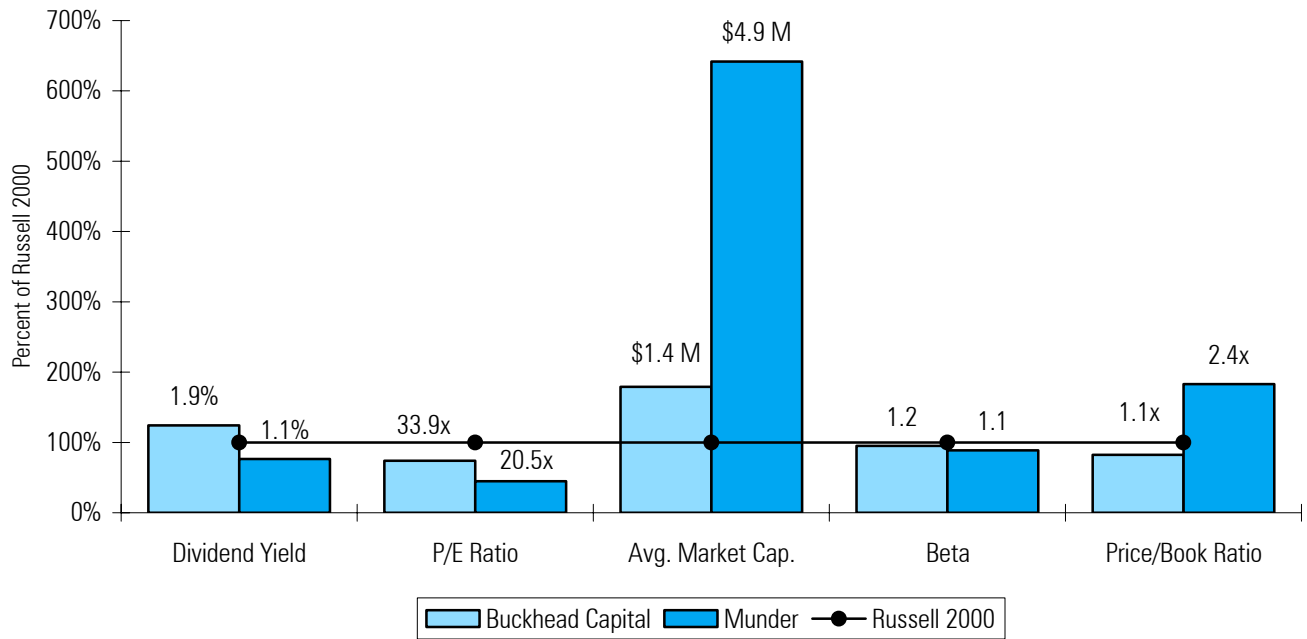
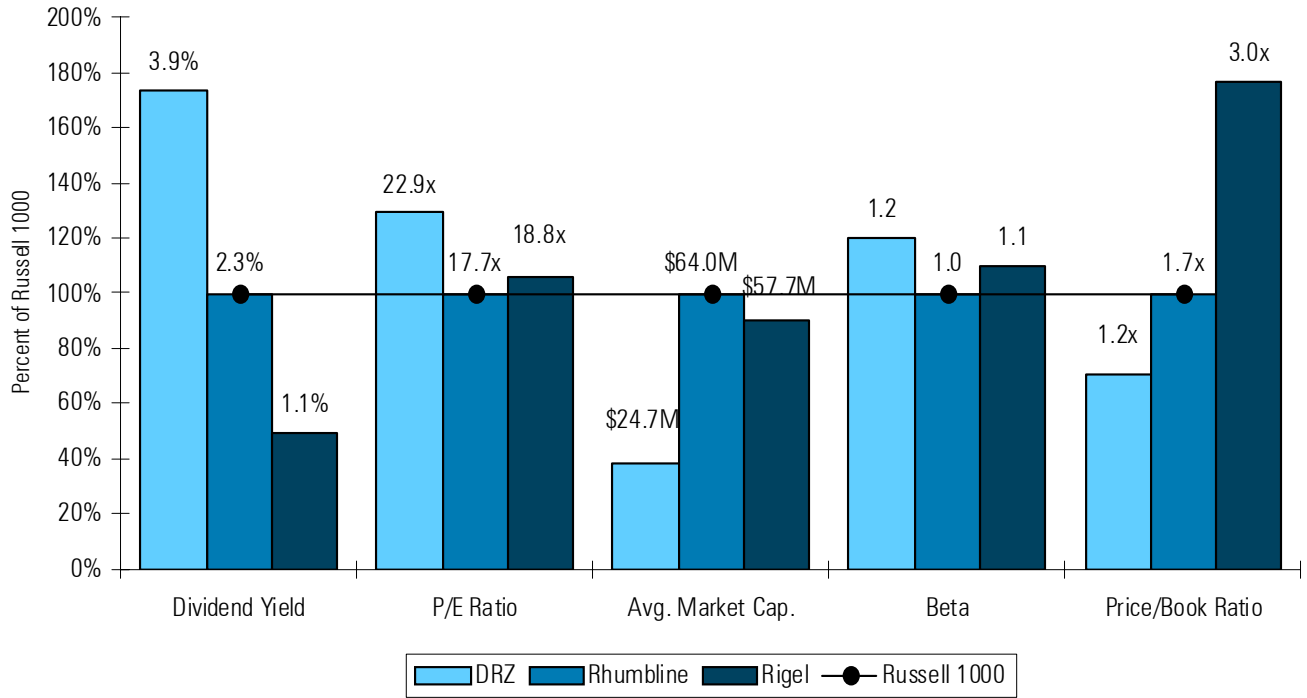
Ten Largest Holdings	Market Value	% of Portfolio	Quarterly Return
Microsoft Corp	584,005	2.1%	30.2%
Apple Computer Inc	457,343	1.6%	35.5%
Intl Business McHn	427,182	1.5%	8.3%
Google Inc	417,374	1.5%	21.1%
J P Morgan Chase & C	416,620	1.5%	28.6%
Amazon Com Inc	316,235	1.1%	13.9%
Southwestern Energy	311,577	1.1%	30.9%
Yum Brands Inc	290,391	1.0%	22.1%
Cognizant Technology	280,270	1.0%	28.4%
Coca Cola Co	278,150	1.0%	10.1%

Ten Best Performers	Quarterly Return	Ten Worst Performers	Quarterly Return
Lincoln Natl Corp In	157.6%	Keycorp	-33.3%
Central European Dis	146.9%	Gamestop Corp New	-21.4%
Xyratex Ltd	126.8%	Briggs & Stratton Co	-18.6%
Atlas Amer Inc	104.2%	Coinstar Inc	-18.5%
Con-Way Inc	97.7%	Masimo Corp	-16.8%
Greenbrier Cos Inc	96.4%	Iberiabank Corp	-13.5%
Dow Chem Co	93.2%	Crawford & Co	-12.3%
Dycom Inds Inc	91.2%	Raymond James Finl I	-12.1%
Gildan Activewear In	82.7%	Sunoco Inc	-11.5%
Cbs Corp	81.2%	Best Buy Inc	-11.5%

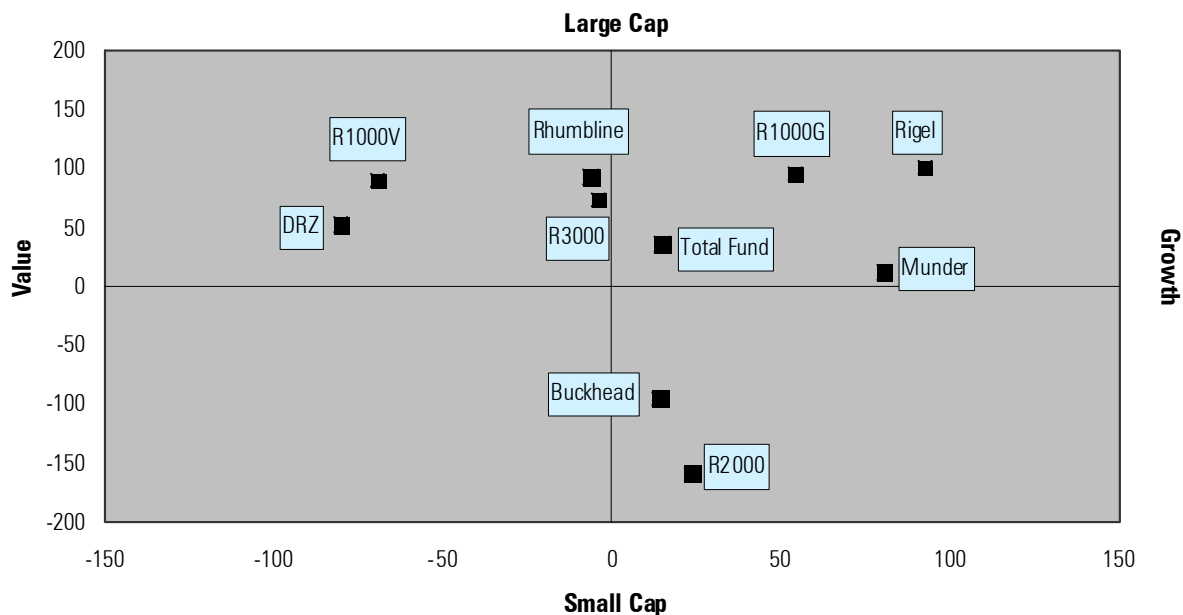
*Does not include Rhumblin as it is invested in a commingled account.



Equity Portfolio Characteristics



Equity Style Map (Current Quarter)



	Growth-Value	Size		Growth-Value	Size
Buckhead Capital	-14.2	-94.7	Total Fund	14.9	35.7
DePrince Race Zollo	-80.1	52.1	Russell 2000	23.8	-159.0
Munder Capital	80.5	11.8	Russell 3000	-3.9	73.7
Rhumblin	-6.2	92.9	Russell 1000 Growth	54.2	95.8
Rigel Capital	92.7	101.0	Russell 1000 Value	-69.1	89.9

VIII. INTERNATIONAL EQUITY PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
EuroPacific Growth R5	22.4%	-25.3%	-2.9%	6.1%
MSCI EAFE (Net)	25.4%	-31.4%	-8.0%	2.3%
vs. International Equity Mutual Funds	83	24	32	34



American Funds EuroPacific Gr R5

Overall Morningstar Rtg™ ★★★★★
 617 Foreign Large Blend (MF)
Incept 05-15-02 **Type** MF **Total Assets** \$14,898 mil **Morningstar Cat** Foreign Large Blend (MF)

Performance 06-30-2009					
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	—	—	12.77
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Std Monthly	-25.32	—	6.33	—	6.86
Std Quarterly	-25.32	—	6.33	—	6.86
Total Return	-25.32	-2.90	6.33	4.95	6.86
+/- MSCI Eafe Nd	6.03	5.08	4.02	3.79	—
+/- MSCI AC Wor	5.60	2.90	1.84	2.43	—
% Rank Cat	10	5	6	6	—
No. in Cat	803	617	461	250	—
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.

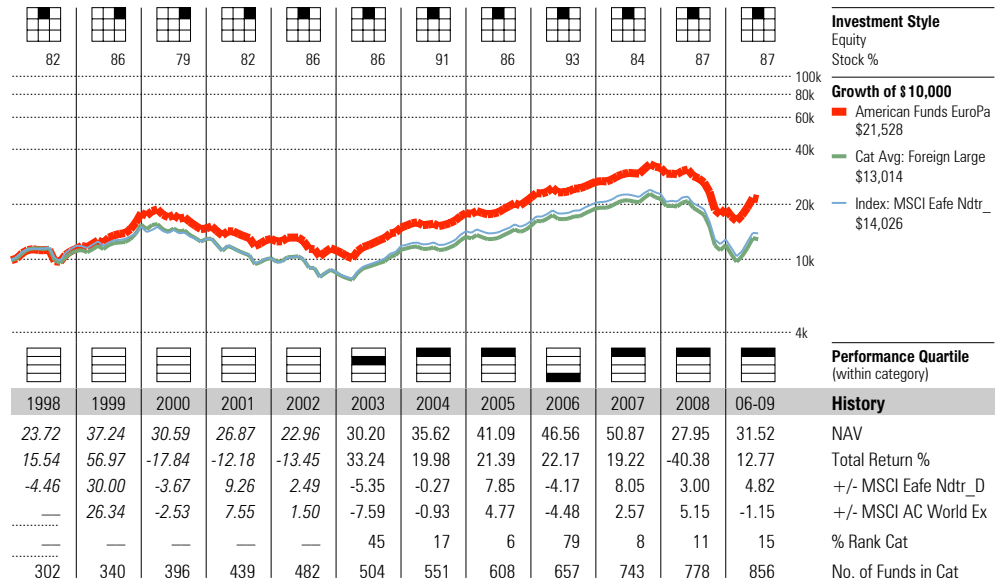
Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-421-0180 or visit NA.

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
	617 funds	461 funds	250 funds
MorningstarRating™	5★	5★	5☆
Morningstar Risk	-Avg	-Avg	-Avg
Morningstar Return	High	High	High
	3 Yr	5 Yr	10 Yr
Standard Deviation	21.91	18.54	17.40
Mean	-2.90	6.33	4.95
Sharpe Ratio	-0.16	0.26	0.19
MPT Statistics	Standard Index	Best Fit Index	
	MSCI Eafe Ndrtr_D	MSCI Wd x USN	
Alpha	4.42	3.76	
Beta	0.93	0.92	
R-Squared	96.00	97.00	

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	9.00% Assets

Operations			
Family:	American Funds	Objective:	Foreign Stock
Manager:	Knowles/Lee/Grace/Lykeus/Bepler	Minimum Initial Purchase:	\$0
Tenure:	10.3 Years	Minimum Initial Purchase:	\$0



Portfolio Analysis 03-31-2009									
Composition %	Long %	Short %	Net %	Share Chg since 09-30-2008	Share Amount	287 Total Stocks	67 Total Fixed-Income	41% Turnover Ratio	% Net Assets
Cash	11.9	0.0	11.9	—	18 mil	Roche Holding Ltd	—	—	4.00
U.S. Stocks	0.2	0.0	0.2	+	3 bil	FNMA	—	—	3.84
Non-U.S. Stocks	85.9	0.0	85.9	*	37 mil	Bayer	—	—	3.20
Bonds	1.9	0.0	1.9	-	46 mil	America Movil S.A.B. de C.V.	—	—	2.11
Other	0.1	0.0	0.1	-	26 mil	Novo-Nordisk A S	—	—	1.98
Total	100.0	0.0	100.0	-	31 mil	Nestle	—	—	1.77
Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat	24 mil	Novartis	—	—	1.75
Value Blend Growth	P/E Ratio TTM	10.0	1.02	1.12	114 mil	Banco Santander SA	—	—	1.62
	P/C Ratio TTM	5.8	—	1.05	44 mil	Anheuser-Busch InBev	—	—	1.51
	P/B Ratio TTM	1.9	1.58	1.19	23 mil	Teva Pharmaceutical Industrie	—	—	1.43
	Geo Avg Mkt Cap \$mil	25268	1.08	1.22	60 mil	Koninklijke KPN	—	—	1.28
Fixed-Income Style	Avg Eff Duration	—	—	—	58 mil	Gazprom OAO (EDR)	—	—	1.24
Short Int Long	Avg Eff Maturity	—	—	—	22 mil	SAP	—	—	1.15
	Avg Credit Quality	—	—	—	35 mil	Telefonica, S.A.	—	—	1.14
	Avg Wtd Coupon	8.22	—	—	10 mil	Schneider Electric	—	—	1.12
	Avg Wtd Price	886.27	—	—					

Credit Analysis 06-30-2009			Bond %
AAA			—
AA			—
A			—
BBB			—
BB			—
B			—
Below B			—
NR/NA			—

Regional Exposure			Stocks % Rel MSCI Eafe
Americas			9.8 98.00
Greater Europe			63.8 0.97
Greater Asia			26.4 0.77

Sector Weightings			Stocks % Rel MSCI Eafe Ndt
Information Economy			22.6 2.13
Software			1.8 2.25
Hardware			5.1 2.04
Media			1.6 1.23
Telecommunication			14.0 2.37
Service Economy			34.3 0.80
Healthcare Services			13.7 1.61
Consumer Services			5.9 1.28
Business Services			3.1 0.60
Financial Services			11.6 0.48
Manufacturing Economy			43.1 0.92
Consumer Goods			15.6 1.11
Industrial Goods			14.7 0.80
Energy			7.3 0.79
Utilities			5.5 1.04

IX. REAL ESTATE PERFORMANCE COMPARISONS

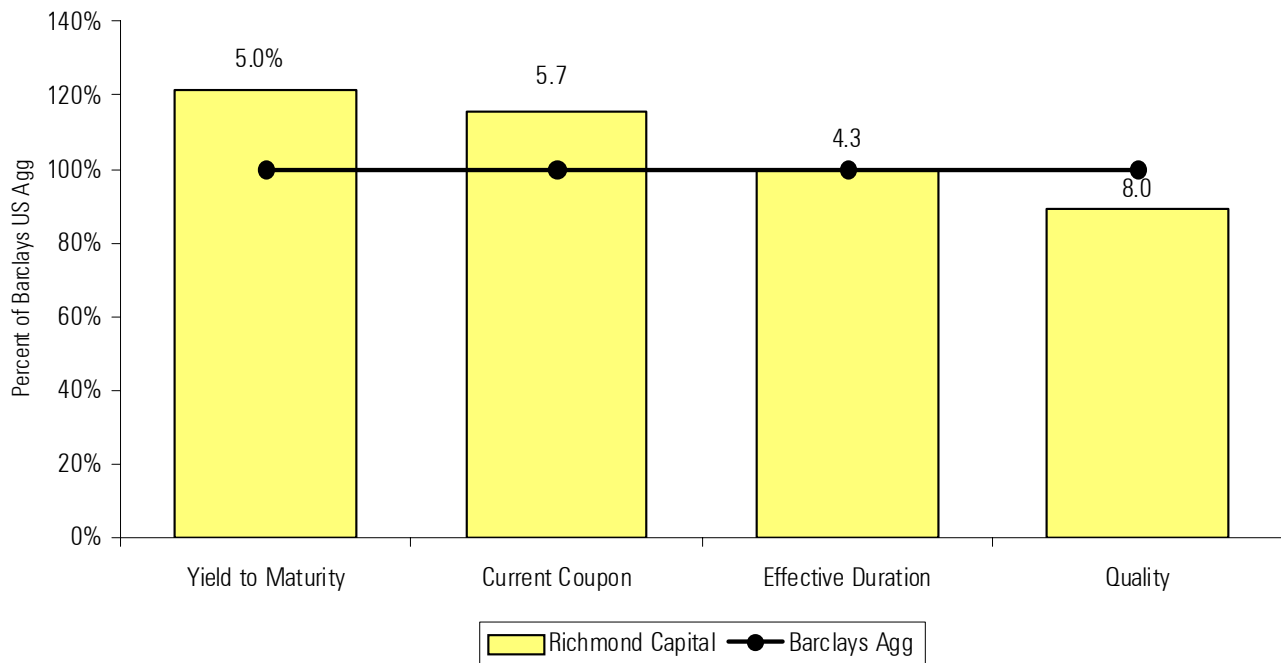
Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
Principal U.S. Property	-10.4%	-31.5%	-6.0%	n/a
NCREIF	-5.2%	-19.6%	1.0%	n/a
vs. Real Estate Portfolios	78	68	64	n/a

X. FIXED INCOME/ABSOLUTE RETURN PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
Richmond Capital	5.1%	7.6%	6.5%	5.0%
Barclays US Aggregate	1.8%	6.1%	6.4%	5.0%
vs. Core Fixed Income Portfolios	29	30	48	59
JP Morgan Infrastructure	0.1%	n/a	n/a	n/a
CPI + 4.0%	2.4%	0.6%	6.1%	6.6%
vs. Intermediate Fixed Income Funds	99	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	96 th	94 th	97 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	54.1%
Investment in foreign company stock limited to 25% of value of Total Fund	12.8%
Investment in real estate limited to 15% of value of Total Fund	10.1%
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	✓	x
Rank Above 50 th Percentile in Large Cap Value Portfolio Universe	70 th	87 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	✓	68 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	12.8%

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	64 th	N/A
Standard Deviation Relative to NCRIEF Index	>	N/A

Guideline	Total Fund
Real Estate securities: <15% of Total Fund	10.1%

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	✓	59 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	2Q2009
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		
Fiscal YTD 2009	\$59,403	\$1,544

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.

