

**CITY OF POMPANO BEACH
GENERAL EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT PERFORMANCE ANALYSIS
SECOND QUARTER 2012**

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GENERAL EMPLOYEES' RETIREMENT SYSTEM**

INVESTMENT PERFORMANCE ANALYSIS

JUNE 30, 2012

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Executive Summary

CITY OF POMPANO BEACH GENERAL EMPLOYEES' RETIREMENT SYSTEM

Quarter Ending June 30, 2012

I. MARKET ENVIRONMENT

Index	Second Quarter	1 Year	3 Year
Standard & Poor's 500 Index	-2.8%	5.4%	16.4%
MSCI EAFE Index (Net)	-7.1%	-13.8%	6.0%
NCREIF Index	2.7%	12.0%	8.8%
CSFB Hedge Index	-2.3%	-6.0%	4.5%
Barclays U.S. Aggregate	2.1%	7.5%	6.9%
91 Day Treasury Bills	0.0%	0.1%	0.1%
Consumer Price Index	0.0%	1.7%	2.1%

The optimism that fueled the global stock market rally in the first quarter of 2012 hit a wall of bad economic news during the second quarter. The Federal Reserve Board announced after their June FOMC meeting that they would continue their current program of maturity extension in their Treasury holdings, known as "Operation Twist", through the end of 2012. The economic volatility in continental Europe continued to dominate headlines as well. Greece's fiscal problems led many pundits to predict its withdrawal from the euro, and Spain's banking sector entered crisis mode; although a EUR 100 million bailout to stabilize that nation's banks failed to calm investors' nerves, promises of increased fiscal integration among Eurozone nations spurred a dramatic rally in European stocks right at quarter-end. Meanwhile, China's economic slowdown loomed over the Asia-Pacific region and threatened to drag down markets worldwide.

Equities: The U.S. stock market could not maintain its positive momentum from the first quarter, as investors sold equities in the face of weak economic data and deteriorating conditions in the European sovereign debt crisis. The S&P 500 fell -2.8% in the second quarter. Looking at broad market cap bands of the Wilshire 5000, the Wilshire US Micro Cap (-2.9%) outperformed both large-cap and small-cap benchmarks (Wilshire US Large Cap, -3.1%; Wilshire US Small Cap, -3.3%). Value-oriented stocks were the clear beneficiaries of investors' desire for asset safety in this volatile quarter (Wilshire US Large Value, -2.1%; Wilshire US Large Growth, -4.2%; Wilshire US Small Value, -2.5%; Wilshire US Small Growth, -4.2%). Among sectors of the S&P 500, Telecom Services was the best performing sector during the second quarter, posting a total return of 14.2%. The general fall in rates helped the interest-rate-sensitive Utilities group deliver an impressive 6.6% return.

Fixed Income: Bond investors searching for yield found another challenging marketplace in the second quarter; the volatility of global stock markets yet again fueled safe-haven rotation into U.S. Treasuries, sending yields for this sector mostly lower over the quarter. With the Fed's continued lockdown of the Fed Funds rate target at 0.0-0.3%, short-term yields barely moved; the yield on two-year U.S. Treasuries held fast at 0.3% as of June 29. However, the global flight to the safety of long Treasuries, as well as the Fed's Operation Twist, pushed the yield on thirty-year Treasuries to a remarkable 2.8%. Unsurprisingly, the performance of long-term Treasuries left the returns on shorter paper in the dust (Barclays Long Treasury, 10.6%; Barclays 1-3 Year Treasury, 0.2%)

Alternatives: The Teacher Retirement System of Texas just went from hedge fund investor to hedge fund owner. During 1Q12, the Texas pension took a \$250 million stake in Bridgewater Associates, the giant money manager. Now, rather than plowing money into specific portfolios, it can claim a piece of the whole operation. By investing directly in Bridgewater, the Teacher Retirement System of Texas can share in the upside return without paying the high costs (New York Times). This strategy is consistent with the criticism in Simon Lack's new book *The Hedge Fund Mirage* (John Wiley & Sons) which contends that hedge fund operators earn the lion's share of investment profits, leaving very little in after-fee returns for investors. Hedge assets under management have climbed back to \$2 trillion (DJCS All Hedge Index), having reached \$2.1 trillion in 2007 before the 2008 market crash (Forbes).



II. Live Universe Comparisons and Reporting

Wilshire Public Plan Sponsor Universe



Number of Plans	170
Median Size	\$85.2 Million
Total Assets	\$498.1 Billion
Total Plans over \$1 Billion	30
Total Plans between \$100 - \$1,000 Million	49
Total Plans between \$20 Million - \$100 Million	60
Total Plans under \$20 Million	31

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 1300 plan sponsors with assets over \$743 billion dollars.

Our Universe Comparisons

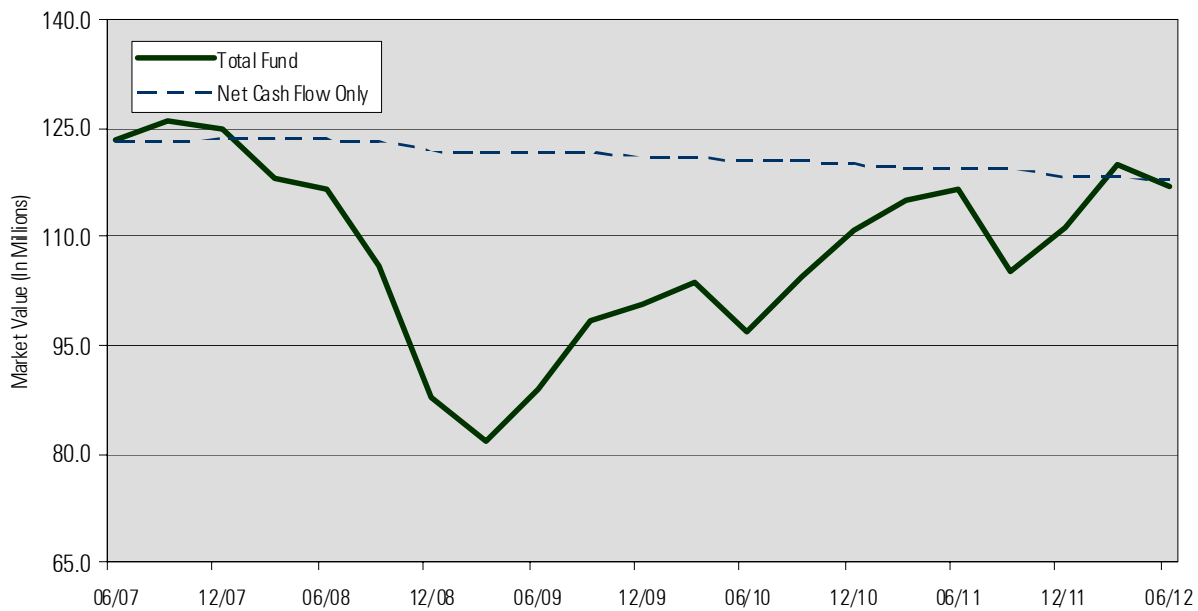
As a Wilshire affiliate, we are granted access to large and diverse peer comparisons, including total fund, portfolio-level, and style-based universes. The Wilshire Public Fund Universe (above) includes the actual, live results of over 170 public pension systems across the country. These are real public 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.



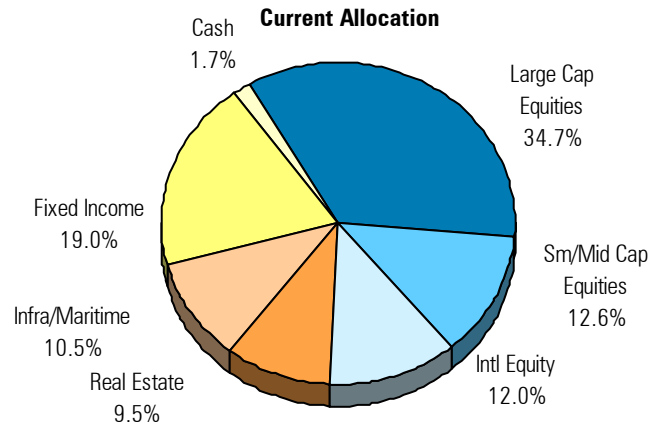
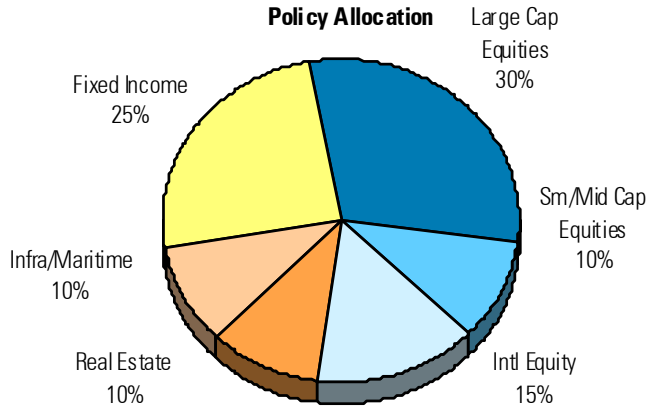
III. PORTFOLIO GROWTH- PERIOD ENDED JUNE 30, 2012



Period Ending	Beginning Value \$(000)	Net Cash Flow	Net Gain/Loss	Ending Value \$(000)	Quarterly Return	Fiscal Yr Return
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%	
Jun-10	103,676	-456	-6,139	97,081	-5.6%	
Sep-10	97,081	32	7,418	104,530	7.3%	7.5%
Dec-10	104,530	-377	6,867	111,021	6.8%	
Mar-11	111,021	-548	4,484	114,956	3.9%	
Jun-11	114,956	-181	1,757	116,532	1.6%	
Sep-11	116,532	-19	-11,114	105,400	-9.2%	2.5%
Dec-11	105,400	-994	6,805	111,211	6.5%	
Mar-12	111,211	-148	8,883	119,946	8.0%	
Jun-12	119,946	-420	-2,715	116,812	-2.1%	12.7%
Total	123,946	-5,567	-1,006	116,812	2.0%	
Absolute Return Objective:						8.0%

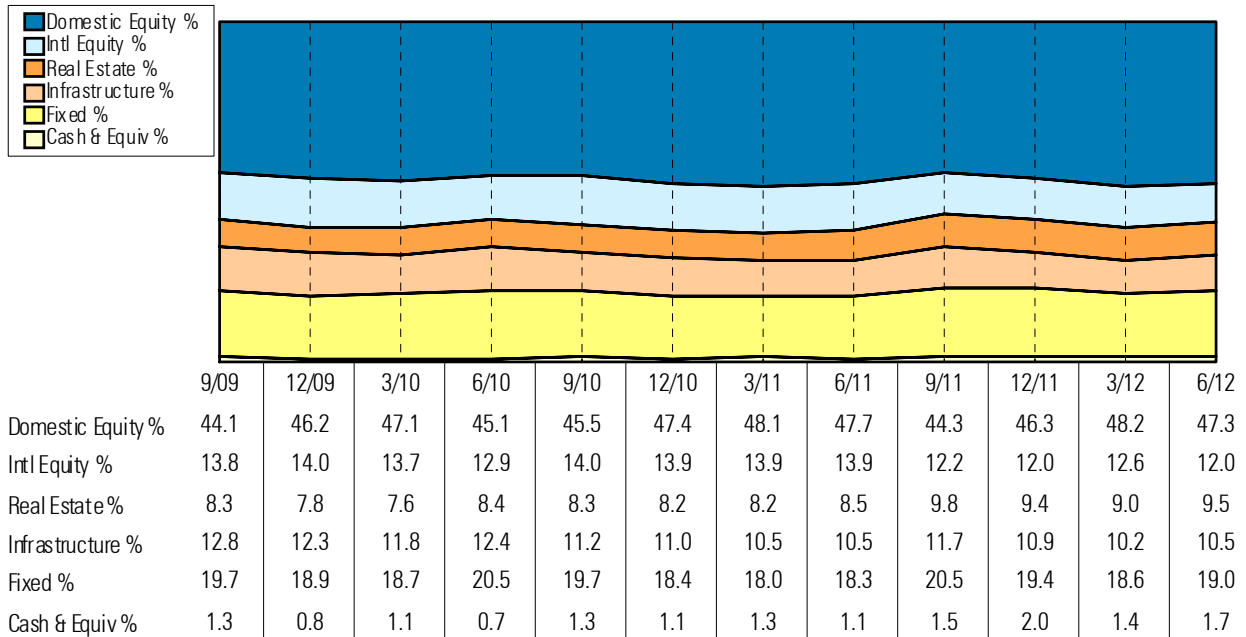


IV. ALLOCATION OF ASSETS



Asset Class	Target Range	Quarter End Allocation	Median Public Plan
Domestic Equity Securities	25%-55%	47.3%	43.1%
Intl Equity Securities	10%-25%	12.0%	13.5%
Real Estate	5%-15%	9.5%	4.2%
Fixed Income Securities	15%-35%	19.0%	28.3%
Infrastructure	5%-20%	10.5%	0.0%
Cash Equivalents	N/A	1.7%	10.9%

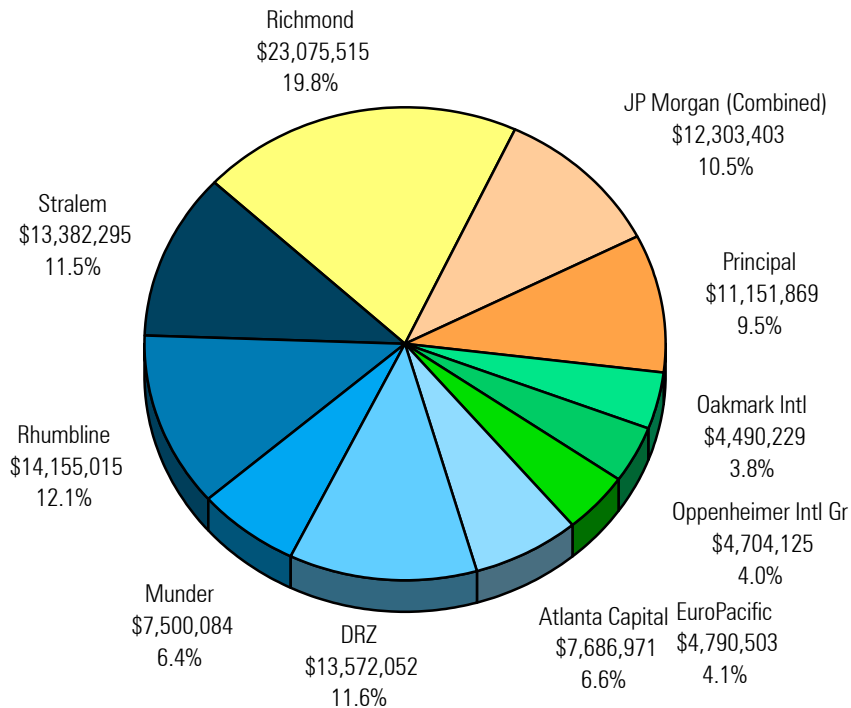
Historical Asset Allocation



Manager	Dom. Equity	Intl Equity	Real Estate	Infrastructure	Fixed Inc	Cash
DePrince, Race, and Zollo	98.0%	0.0%	0.0%	0.0%	0.0%	2.0%
Rhumblin	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Stralem Large Cap	97.3%	0.0%	0.0%	0.0%	0.0%	2.7%
Munder Capital	98.0%	0.0%	0.0%	0.0%	0.0%	2.0%
Atlanta Capital	96.1%	0.0%	0.0%	0.0%	0.0%	3.9%
EuroPacific Growth	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Oakmark International	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Openheimer Intl 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%
JP Morgan Maritime	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Richmond Capital	0.0%	0.0%	0.0%	0.0%	96.0%	4.0%
Total Fund	47.3%	12.0%	9.5%	10.5%	19.0%	1.7%



V. MANAGER ALLOCATION AND CASH FLOWS- Quarter ending June 30, 2012



Manager	Beginning Value	% Alloc	Cash In	Cash Out	Gain/Loss	Ending Value	% Alloc
DePrince, Race, and Zollo	\$14,482,302	12.1%	\$0	\$0	(\$910,250)	\$13,572,052	11.6%
Rhumblin	\$14,608,744	12.2%	\$0	\$0	(\$453,729)	\$14,155,015	12.1%
Stralem Large Cap	\$13,910,867	11.6%	\$0	\$0	(\$528,572)	\$13,382,295	11.5%
Munder Capital	\$7,853,964	6.5%	\$0	\$0	(\$353,880)	\$7,500,084	6.4%
Buckhead Capital	\$8,159,837	6.8%	\$0	(\$8,083,056)	(\$76,781)	\$0	0.0%
Atlanta Capital	\$0	0.0%	\$8,083,056	\$0	(\$396,085)	\$7,686,971	6.6%
EuroPacific Growth Fund	\$5,103,320	4.3%	\$0	\$0	(\$312,817)	\$4,790,503	4.1%
Oakmark International	\$4,996,898	4.2%	\$0	\$0	(\$506,669)	\$4,490,229	3.8%
Oppenheimer Intl Growth	\$5,041,625	4.2%	\$0	\$0	(\$337,500)	\$4,704,125	4.0%
Principal U.S. Property	\$10,761,395	9.0%	\$0	\$0	\$390,474	\$11,151,869	9.5%
Richmond Capital Fixed	\$22,618,465	18.9%	\$0	\$0	\$457,050	\$23,075,515	19.8%
JP Morgan Infrastructure	\$12,038,485	10.0%	\$0	(\$382,537)	\$559,270	\$12,215,218	10.5%
JP Morgan Maritime	\$370,505	0.3%	\$107	\$0	(\$282,427)	\$88,185	0.1%
Total Fund	\$119,946,407	100%	\$8,083,163	(\$8,465,593)	(\$2,751,916)	\$116,812,061	100%
<i>Receipts & Disbursements Acct.</i>	<i>\$4,212,840</i>		<i>\$875,483</i>	<i>(\$2,441,572)</i>	<i>\$45</i>	<i>\$2,646,796</i>	
Total Fund + R&D Acct.	\$124,159,247		\$8,958,646	(\$10,907,165)	(\$2,751,871)	\$119,458,857	

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 Infrastructure account was November 20, 2008. The inception date for the Oakmark International Fund was February 29, 2012. The inception date for the Oppenheimer Intl Growth Fund was February 29, 2012. The inception date for the Atlanta Capital account was May 6, 2012.



VI. TOTAL FUND PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
Total Fund - Gross of Fees	-2.1%	2.4%	11.5%	0.4%
Total Fund - Net of Fees	-2.2%	1.8%	10.9%	-0.1%
Target Index	-1.6%	3.1%	11.4%	2.2%
vs. Total Public Fund Sponsors	55	22	45	90
Total Domestic Equities	-4.3%	1.7%	16.5%	-0.9%
80% Russell 1000/ 20% Russell 2000	-3.2%	3.1%	16.9%	0.5%
vs. Equity Returns of Public Funds	60	45	42	66
Total International Equities	-7.6%	-14.8%	6.6%	-2.8%
MSCI EAFE Index (Net)	-7.1%	-13.8%	6.0%	-6.1%
vs. Intl Equity Returns of Public Funds	69	71	76	33
Total Real Estate	3.6%	12.5%	7.4%	-2.1%
NCREIF ODCE Fund Index	2.6%	12.4%	8.4%	-0.9%
NCREIF Property Index	2.7%	12.0%	8.8%	2.5%
vs. Real Estate Returns of Total Funds	20	32	63	61
Total Infrastructure	1.3%	7.2%	5.4%	n/a
CPI + 3.0%	0.8%	4.7%	5.1%	n/a
Total Fixed Income	2.1%	8.3%	8.4%	7.8%
Barclays U.S. Aggregate	2.1%	7.5%	6.9%	6.8%
vs. Fixed Inc Returns of Public Funds	46	24	54	26

Current Target Index: 30% Russell 1000 /10% Russell 2500/25% Barclays US Aggregate/15% MSCI EAFE (Net)/10% NCREIF/10% CPI+3%. Prior to January 1, 2012: 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	-6.3%	-0.6%	18.6%	-0.8%
Russell 1000 Value	-2.2%	3.0%	15.8%	-2.2%
vs. Large Value Equity Portfolios	89	74	1	34
Rhumblin	-3.1%	4.4%	16.6%	0.6%
Russell 1000	-3.1%	4.4%	16.6%	0.4%
vs. Large Neutral Equity Portfolios	61	56	31	38
Stralem Large Cap	-3.8%	4.8%	n/a	n/a
Russell 1000 Growth	-4.0%	5.8%	n/a	n/a
vs. Large Growth Equity Portfolios	22	32	n/a	n/a
Munder Capital	-4.5%	0.0%	20.2%	2.1%
Russell MidCap Growth	-5.6%	-3.0%	19.0%	1.9%
vs. Midcap Growth Equity Portfolios	36	29	25	46
Atlanta Capital (incept 5/6/12)	n/a	n/a	n/a	n/a
Russell 2500	n/a	n/a	n/a	n/a
vs. SMID Equity Portfolios	n/a	n/a	n/a	n/a



Equity Portfolio Summary: Total Fund*

	Portfolio	80% R1000/20% R2000
Total Number Of Securities	208	2,990
Equity Market Value	69,208,494	
Average Capitalization \$(000)	41,460,282	78,751,244
Median Capitalization \$(000)		
Equity Segment Yield	1.8	2.0
Equity Segment P/E - Average	12.5	18.4
Equity Segment P/E - Median		
Equity Segment Beta	0.9	1.1
Price/Book Ratio	1.7	2.1
Debt/Equity Ratio	41.5	46.7
Five Year Earnings Growth	3.7	6.8
	3.4	3.8

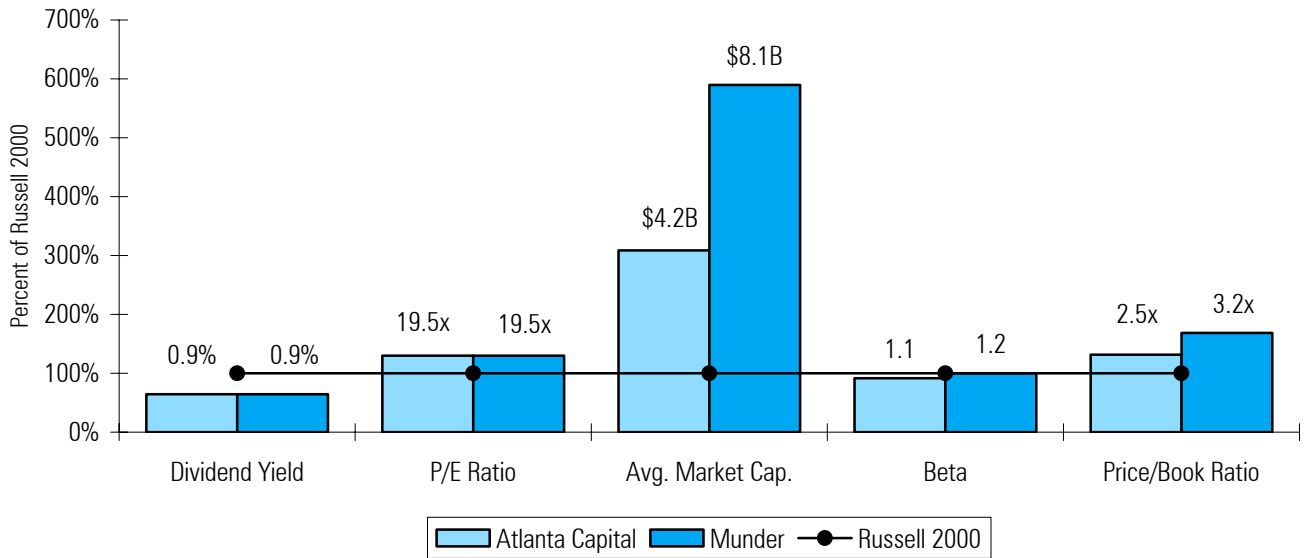
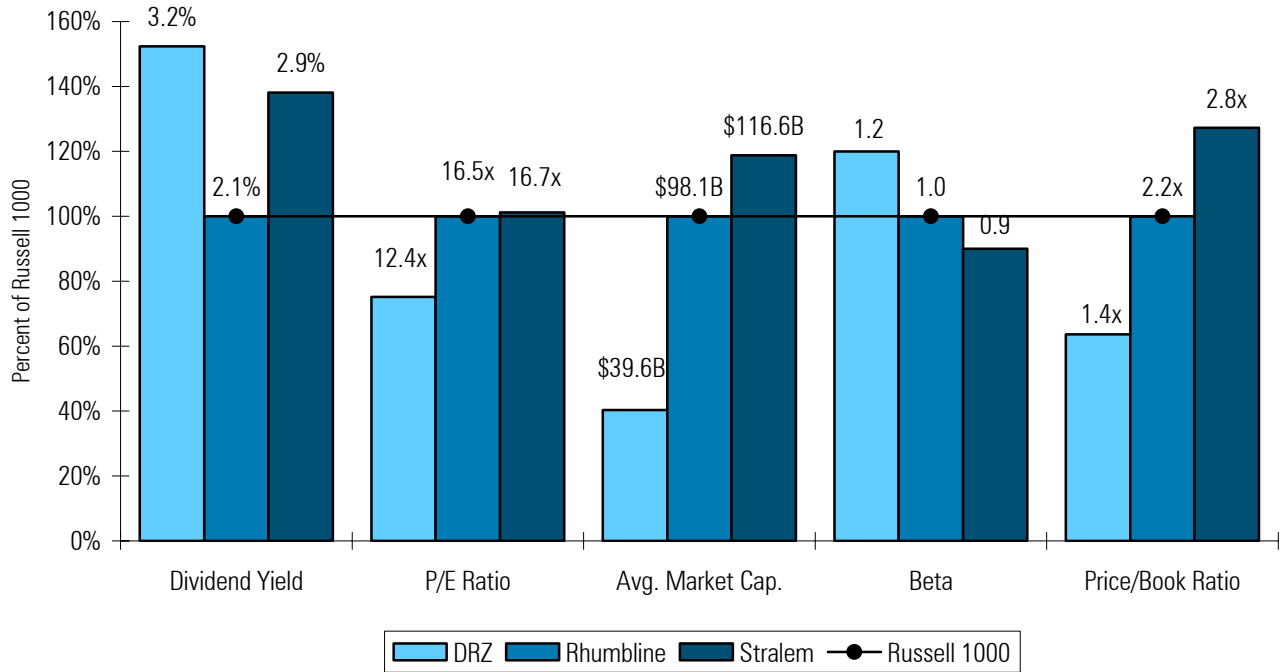
Ten Largest Holdings	Market Value	% of Portfolio	Quarterly Return
Exxon Mobil Corp	778,687	1.9%	-0.7%
General Elec Co	691,888	1.7%	4.7%
Nextera Energy Inc	619,290	1.5%	13.7%
Microsoft Corp	559,797	1.4%	-4.5%
Cisco Sys Inc	556,308	1.4%	-18.5%
Chevron Corp	548,600	1.3%	-0.7%
At&T Inc	520,636	1.3%	15.8%
Abbott Labs	515,760	1.3%	6.1%
Pfizer Inc	503,700	1.2%	2.5%
Coca Cola Co	500,416	1.2%	6.4%

Ten Best Performers	Quarterly Return	Ten Worst Performers	Quarterly Return
American Capital Age	18.2%	Green Mtn Coffee Roa	-53.5%
Health Mgmt Assoc In	16.8%	Fossil Inc	-42.0%
Transdigm Group Inc	16.0%	Arch Coal Inc	-35.4%
At&T Inc	15.8%	Ryder Sys Inc	-31.3%
Biomarin Pharmaceuti	15.6%	Herbalife Ltd	-29.3%
Iron Mtn Inc Del	15.4%	Kirby Expl Co.	-28.4%
Ihs Inc	15.0%	Morgan Stanley	-25.5%
Monster Beverage Cor	14.7%	Carmax Inc	-25.1%
Nextera Energy Inc	13.7%	Prudential Finl Inc	-23.6%
Healthsouth Corp	13.6%	Northern Oil & Gas I	-23.1%

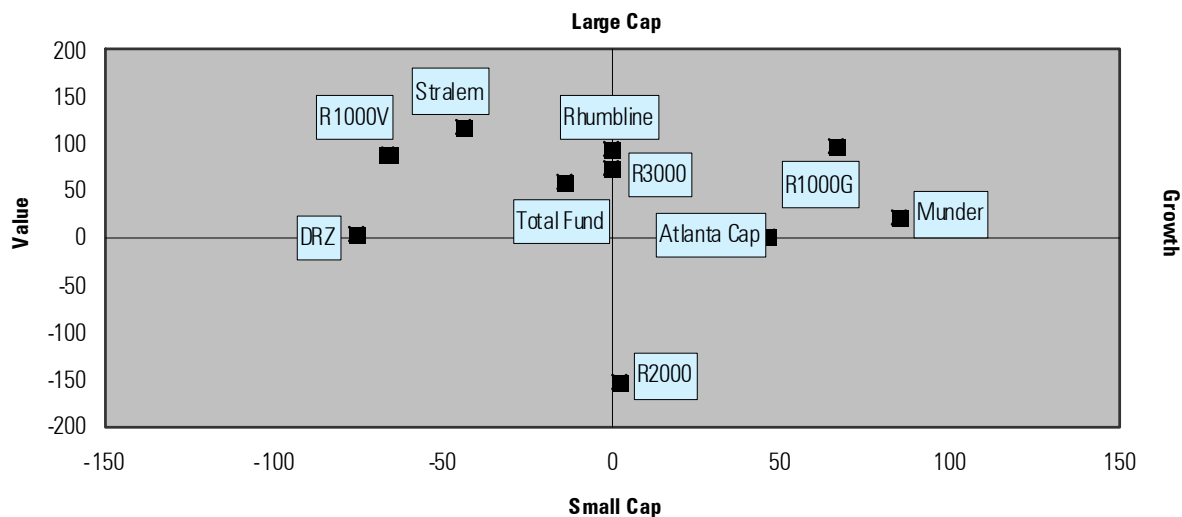
*Does not include Rhumblin as they are invested in a commingled account.



Equity Portfolio Characteristics



Equity Style Map (Current Quarter)



	Growth-Value	Size		Growth-Value	Size
Atlanta Capital	46.3	1.2	Total Fund	-14.2	59.6
DePrince Race Zollo	-75.4	53.5	Russell 2000	2.5	-151.8
Munder Capital	84.8	22.7	Russell 3000	-0.2	74.9
Rhumblin	-0.4	93.6	Russell 1000 Growth	66.1	97.8
Stralem Large Cap	-43.7	118.9	Russell 1000 Value	-66.2	89.5

VIII. INTERNATIONAL EQUITY PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
EuroPacific Growth	-6.1%	-12.3%	7.6%	-2.2%
MSCI EAFE (Net)	-7.1%	-13.8%	6.0%	-6.1%
vs. International Equity Mutual Funds	26	26	39	21
Oakmark International	-10.1%	n/a	n/a	n/a
MSCI EAFE (Net)	-7.1%	n/a	n/a	n/a
vs. International Equity Mutual Funds	90	n/a	n/a	n/a
Oppenheimer International Growth	-6.7%	n/a	n/a	n/a
MSCI EAFE (Net)	-7.1%	n/a	n/a	n/a
vs. International Equity Mutual Funds	36	n/a	n/a	n/a



American Funds EuroPacific Gr R6

Overall Morningstar Rtg™
 ☆☆☆☆ (733)
Morningstar Analyst Rtg™
 Gold 11-15-2011

Morningstar Cat
 Foreign Large Blend (MF)
Total Assets
 \$89,819 mil

Standard Index
 MSCI Eafe Ndtf_D
Category Index
 MSCI ACWI Ex USA NR USD

Incept
 05-01-09
Type
 MF

Performance 06-30-2012					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2010	0.81	-11.95	16.93	5.76	9.76
2011	3.58	1.05	-20.81	4.59	-13.31
2012	12.38	-6.13	—	—	5.49
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	-12.62	—	—	—	10.42
Std 06-30-2012	-12.62	—	—	—	10.42
Total Return	-12.62	7.50	-2.37	7.53	10.42
+/- Std Index	1.21	1.54	3.73	2.39	—
+/- Cat Index	1.95	0.53	2.25	0.79	—
% Rank Cat	28	29	9	7	—
No. in Cat	815	733	582	325	—
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 800-421-4225 or visit www.americanfunds.com.

Fees and Expenses

Sales Charges	
Front-End Load %	NA
Deferred Load %	NA
Fund Expenses	
Management Fees %	0.42
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	0.50

Risk and Return Profile

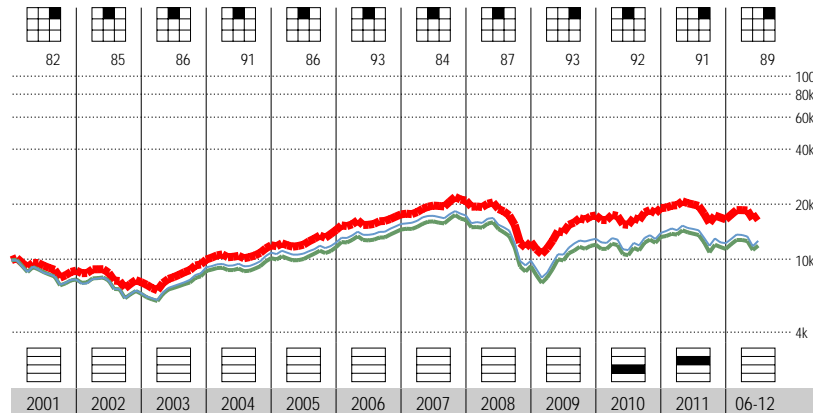
	3 Yr	5 Yr	10 Yr
	733 funds	582 funds	325 funds
MorningstarRating™	4☆	5☆	5☆
Morningstar Risk	-Avg	-Avg	-Avg
Morningstar Return	+Avg	High	High
	3 Yr	5 Yr	10 Yr
Standard Deviation	19.94	22.60	18.38
Mean	7.50	-2.37	7.53
Sharpe Ratio	0.46	-0.03	0.39

MPT Statistics	Standard Index	Best Fit Index
		MSCI ACWI Ex USA NR USD
Alpha	1.71	0.69
Beta	0.95	0.97
R-Squared	95.45	98.03

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	4.00% Assets

Operations

Family:	American Funds	Objective:	Foreign Stock	Minimum IRA Purchase:	\$0
Manager:	Knowles/Lee/Grace/Lyckeus/Thomsen	Ticker:	REGX	Min Auto Investment Plan:	\$0
Tenure:	12.0 Years	Minimum Initial Purchase:	\$0	Purchase Constrains:	A/



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	06-12
NAV	—	—	—	—	—	—	—	—	38.34	41.37	35.13	37.06
Total Return %	-12.17	-13.61	32.91	19.69	21.12	21.87	18.96	-40.53	39.35	9.76	-13.31	5.49
+/- Standard Index	9.27	2.33	-5.68	-0.56	7.58	-4.47	7.79	2.85	7.57	2.01	-1.17	2.53
+/- Category Index	7.56	1.34	-7.92	-1.22	4.50	-4.78	2.31	5.00	-2.10	-1.39	0.40	2.72
% Rank Cat	—	—	—	—	—	—	—	—	—	54	40	—
No. of Funds in Cat	439	482	504	551	608	657	743	778	823	829	817	832

Portfolio Analysis 03-31-2012

Composition %	Long %	Short%	Net %	Share Chg since 12-31-2011	Share Amount	306 Total Stocks	81 Total Fixed-Income	24% Turnover Ratio	% Net Assets
Cash	8.0	0.0	8.0						
U.S. Stocks	0.1	0.0	0.1		22 mil	Novo Nordisk A/S			3.05
Non-U.S. Stocks	89.4	0.0	89.4	⊖	2 mil	Samsung Electronics Co Ltd			2.30
Bonds	0.2	0.0	0.3	⊕	34 mil	Novartis AG			1.88
Other	2.3	0.0	2.3	⊕	2 bil	FHLMC			1.86
Total	100.0	0.0	100.0	⊖	74 mil	America Movil, S.A.B. de C.V.			1.82

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	13.1	1.22	1.10
	P/C Ratio TTM	8.5	1.25	1.19
	P/B Ratio TTM	1.7	1.35	1.08
	Geo Avg Mkt Cap \$mil	32150	1.17	1.34

Fixed-Income Style	Ltd	Mod	Ext	Avg Eff Duration	—
				Avg Eff Maturity	—
				Avg Credit Quality	—
				Avg Wtd Coupon	—
				Avg Wtd Price	99.96

Credit Analysis NA	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure	Stocks %	Rel Std Index
Americas	7.5	—
Greater Europe	55.6	—
Greater Asia	36.9	—

Sector Weightings	Stocks %	Rel Std Index
Cyclical	37.4	—
Basic Materials	6.0	—
Consumer Cyclical	13.1	—
Financial Services	17.2	—
Real Estate	1.1	—
Sensitive	38.4	—
Communication Services	8.0	—
Energy	7.0	—
Industrials	12.0	—
Technology	11.4	—
Defensive	24.3	—
Consumer Defensive	10.5	—
Healthcare	11.5	—
Utilities	2.3	—

Oakmark International I

Overall Morningstar Rtg™
★★★★ (733)
Morningstar Analyst Rtg™
Gold 11-15-2011

Morningstar Cat
Foreign Large Blend (MF)
Total Assets
\$8,409 mil

Standard Index
MSCI Eafe Ndrtr_D
Category Index
MSCI ACWI Ex USA NR USD

Incept
09-30-92
Type
MF

Performance 06-30-2012

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2010	5.70	-10.73	14.41	7.65	16.22
2011	2.27	2.12	-20.42	3.41	-14.07
2012	16.80	-10.14	—	—	4.96

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	-13.64	10.68	-2.36	7.05	9.49
Std 06-30-2012	-13.64	—	-2.36	7.05	9.49
Total Return	-13.64	10.68	-2.36	7.05	9.49

+/- Std Index	0.19	4.72	3.74	1.91	—
+/- Cat Index	0.93	3.71	2.26	0.31	—
% Rank Cat	41	5	9	10	—
No. in Cat	815	733	582	325	—
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 800-625-6275 or visit www.oakmark.com.

Fees and Expenses

Sales Charges	
Front-End Load %	NA
Deferred Load %	NA
Fund Expenses	
Management Fees %	0.90
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	1.06

Risk and Return Profile

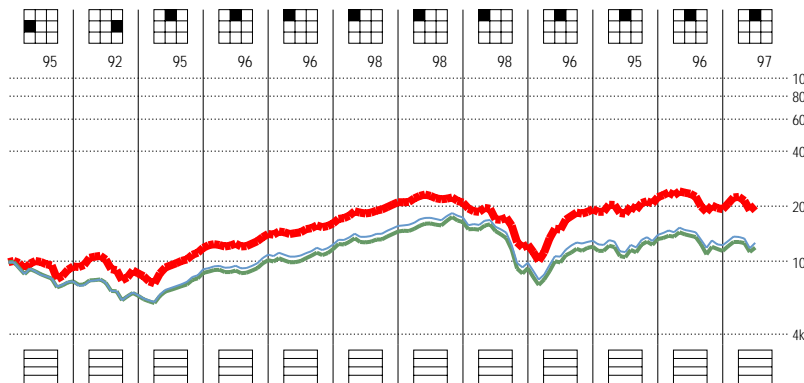
	3 Yr	5 Yr	10 Yr
	733 funds	582 funds	325 funds
MorningstarRating™	5★	4★	4★
Morningstar Risk	+ Avg	+ Avg	Avg
Morningstar Return	High	High	High
Standard Deviation	21.28	24.76	20.27
Mean	10.68	-2.36	7.05
Sharpe Ratio	0.58	-0.01	0.35

MPT Statistics	Standard Index	Best Fit Index
		MSCI EAFE Ndrtr_D
Alpha	4.50	4.50
Beta	1.00	1.00
R-Squared	93.11	93.11

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	-8.00% Assets

Operations

Family:	Oakmark
Manager:	Taylor/Herro
Tenure:	11.6 Years



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	06-12
NAV	14.49	13.14	18.02	21.13	22.52	25.45	20.95	10.85	16.84	19.41	16.55	17.37
Total Return %	-5.13	-8.46	38.04	19.09	14.12	30.60	-0.51	-41.06	56.30	16.22	-14.07	4.96
+/- Standard Index	16.31	7.48	-0.55	-1.16	0.58	4.26	-11.68	2.32	24.52	8.47	-1.93	2.00
+/- Category Index	14.60	6.49	-2.79	-1.82	-2.50	3.95	-17.16	4.47	14.85	5.07	-0.36	2.19
% Rank Cat	—	—	—	—	—	—	—	—	—	—	—	—
No. of Funds in Cat	439	482	504	551	608	657	743	778	823	829	817	832

Portfolio Analysis 03-31-2012

Composition %	Long %	Short%	Net %	Share Chg since 12-31-2011	Share Amount	Total Stocks	% Net Assets
Cash	3.1	0.0	3.1			52 Total Stocks	
U.S. Stocks	0.0	0.0	0.0			0 Total Fixed-Income	
Non-U.S. Stocks	96.9	0.0	96.9	+	13 mil	45% Turnover Ratio	4.20
Bonds	0.0	0.0	0.0	-	7 mil	Credit Suisse Group	3.43
Other	0.0	0.0	0.0	-	74 mil	Toyota Motor Corp	3.41
Total	100.0	0.0	100.0	-	5 mil	Daiwa Securities Co., Ltd.	3.40
				-	5 mil	Daimler AG	3.15

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	12.7	1.19	1.07
	P/C Ratio TTM	6.3	0.93	0.88
	P/B Ratio TTM	1.2	0.95	0.76
	Geo Avg Mkt Cap \$mil	23260	0.85	0.97

Fixed-Income Style

Ltd	Mod	Ext	Avg Eff Duration	—
			Avg Eff Maturity	—
			Avg Credit Quality	—
			Avg Wtd Coupon	—
			Avg Wtd Price	—

Credit Analysis NA

	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR/NA	—

Regional Exposure

	Stocks %	Rel Std Index
Americas	2.2	—
Greater Europe	72.1	—
Greater Asia	25.7	—

Sector Weightings	Stocks %	Rel Std Index
Cyclical	59.2	—
Basic Materials	10.6	—
Consumer Cyclical	21.5	—
Financial Services	27.0	—
Real Estate	0.0	—
Sensitive	28.4	—
Communication Srvcs	0.0	—
Energy	0.0	—
Industrials	18.0	—
Technology	10.4	—
Defensive	12.5	—
Consumer Defensive	9.7	—
Healthcare	2.8	—
Utilities	0.0	—

Oppenheimer International Growth Y

Overall Morningstar Rtg[™]
 ☆☆☆☆ (210)
 Morningstar Analyst Rtg[™]
 Silver 11-15-2011

Morningstar Cat
 Foreign Large Growth (MF)
 Total Assets
 \$5,945 mil

Standard Index
 MSCI Eafe Nldr_D
 Category Index
 MSCI EAFE Growth NR USD

Incept
 09-07-05
 Type
 MF

Performance 06-30-2012					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2010	3.97	-11.14	16.08	7.56	15.35
2011	3.37	3.99	-17.77	4.86	-7.31
2012	13.56	-6.69	—	—	5.96
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	-8.64	11.72	-1.39	—	5.40
Std 06-30-2012	-8.64	—	-1.39	—	5.40
Total Return	-8.64	11.72	-1.39	7.90	5.40
+/- Std Index	5.19	5.76	4.71	2.76	—
+/- Cat Index	3.92	4.10	3.21	2.99	—
% Rank Cat	23	19	17	11	—
No. in Cat	238	210	171	96	—
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.

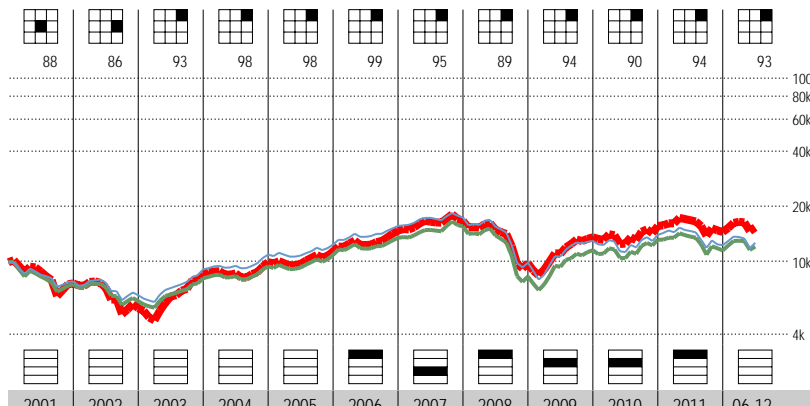
Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-225-5677 or visit www.oppenheimerfunds.com.

Fees and Expenses	
Sales Charges	
Front-End Load %	NA
Deferred Load %	NA
Fund Expenses	
Management Fees %	0.69
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	0.91

Risk and Return Profile			
	3 Yr	5 Yr	10 Yr
	210 funds	171 funds	96 funds
MorningstarRating [™]	4★	4★	4☆
Morningstar Risk	Avg	-Avg	Avg
Morningstar Return	+Avg	+Avg	+Avg
	3 Yr	5 Yr	10 Yr
Standard Deviation	19.82	22.70	20.61
Mean	11.72	-1.39	7.90
Sharpe Ratio	0.65	0.02	0.39
MPT Statistics	Standard Index	Best Fit Index MSCI EAFE Gr TR	
Alpha	5.63	3.90	
Beta	0.94	0.99	
R-Squared	94.83	96.66	

Regional Exposure	
Americas	4.4
Greater Europe	80.2
Greater Asia	15.4

Operations	
Family:	OppenheimerFunds
Manager:	Dunphy/Evans
Tenure:	8.3 Years
Objective:	Foreign Stock
Ticker:	OIGYX
Minimum Initial Purchase:	\$0
Minimum IRA Purchase:	\$0
Min Auto Investment Plan:	\$0
Purchase Constrains:	T/



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	06-12
NAV	14.63	10.73	16.43	19.14	21.60	27.79	30.94	17.83	24.43	27.90	25.52	27.04
Total Return %	-23.42	-26.70	53.20	16.46	14.24	30.18	12.93	-41.22	38.44	15.35	-7.31	5.96
+/- Standard Index	-1.98	-10.76	14.61	-3.79	0.70	3.84	1.76	2.16	6.66	7.60	4.83	3.00
+/- Category Index	1.16	-10.68	21.21	0.34	0.96	7.85	-3.52	1.48	9.08	3.10	4.80	2.10
% Rank Cat	—	—	—	—	—	5	74	10	36	33	13	—
No. of Funds in Cat	191	214	226	221	213	243	220	251	266	261	251	245

Portfolio Analysis 05-31-2012

Composition %	Long %	Short%	Net %	Share Chg since 04-30-2012	Share Amount	117 Total Stocks	0 Total Fixed-Income	19% Turnover Ratio	% Net Assets
Cash	6.2	0.0	6.2						
U.S. Stocks	1.1	0.0	1.1			47 mil			2.60
Non-U.S. Stocks	91.5	0.0	91.5			2 mil			2.33
Bonds	0.0	0.0	0.0			9 mil			2.32
Other	1.2	0.0	1.2			7 mil			1.98
Total	100.0	0.0	100.0			6 mil			1.76
Equity Style	Portfolio Value Blend Growth	Port Statistics	Rel Avg Index	Rel Cat					
		P/E Ratio TTM	15.7	1.47	1.07				
		P/C Ratio TTM	8.8	1.30	0.90				
		P/B Ratio TTM	2.6	2.07	1.13				
		Geo Avg Mkt Cap \$mil	9361	0.34	0.41				
Fixed-Income Style	Ltd Mod Ext	Avg Eff Duration	—						
		Avg Eff Maturity	—						
		Avg Credit Quality	—						
		Avg Wtd Coupon	—						
		Avg Wtd Price	—						

23 mil	William Hill PLC	1.70
1 mil	Nidec Corporation	1.55
10 mil	Ericsson Telephone Company	1.55
12 mil	Filtrona PLC	1.45
981,241	Industria De Diseno Textil SA	1.43
4 mil	Grifols SA	1.43
518,011	Roche Holding AG	1.43
4 mil	BG Group PLC	1.38
4 mil	Hoya Corporation	1.35
2 mil	CSL Limited	1.35

Sector Weightings	Stocks %	Rel Std Index
Cyclical	23.5	—
Basic Materials	6.0	—
Consumer Cyclical	13.3	—
Financial Services	4.2	—
Real Estate	0.0	—
Sensitive	53.9	—
Communication Services	4.6	—
Energy	5.0	—
Industrials	28.1	—
Technology	16.3	—
Defensive	22.6	—
Consumer Defensive	13.6	—
Healthcare	9.1	—
Utilities	0.0	—

IX. REAL ESTATE PERFORMANCE COMPARISONS

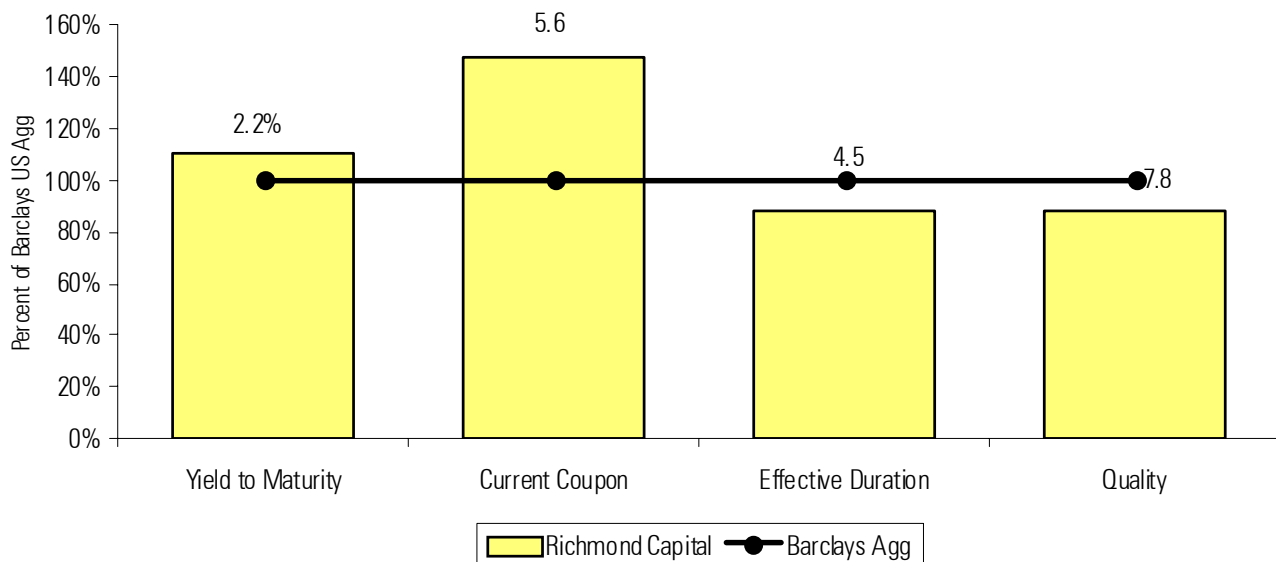
Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
Principal U.S. Property	3.6%	12.5%	7.4%	-2.1%
NCREIF ODCE Fund Index	2.6%	12.4%	8.4%	-0.9%
NCREIF Property Index	2.7%	12.0%	8.8%	2.5%
vs. Real Estate Portfolios	22	36	48	68

X. FIXED INCOME/ABSOLUTE RETURN PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
Richmond Capital	2.0%	8.1%	8.2%	7.6%
Barclays US Aggregate	2.1%	7.5%	6.9%	6.8%
vs. Core Fixed Income Portfolios	70	45	48	31
JP Morgan Infrastructure	3.2%	9.4%	5.6%	n/a
CPI + 3.0%	0.8%	4.7%	5.1%	n/a
JP Morgan Maritime	n/a	n/a	n/a	n/a
CPI + 3.0%	0.5%	7.0%	6.4%	n/a

The inception date for the JP Morgan Infrastructure account was November 20, 2008.
SEAS will begin reporting performance for JPM Maritime as performance is available from JPM for reconciliation.

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
Rank Above 50 th Percentile in Public Fund Universe	✓	✓	90 th
Earn Average Annual Return of 8.0%	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	59.3%
Investment in foreign company stock limited to 25% of value of Total Fund	12.0%
Investment in real estate limited to 15% of value of Total Fund	9.5%
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	✓	✓
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: Stralem Large Cap

Stralem Large Cap 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	✓	✓
Rank Above 50 th Percentile in Mid Cap Growth Universe	✓	✓
Standard Deviation Relative to Russell Midcap Growth	<	<

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: Atlanta Capital

Atlanta Capital Goal	3 Years	5 Years
Exceed Russell 2500 performance	N/A	N/A
Rank Above 50 th Percentile in SMID Cap Universe	N/A	N/A
Standard Deviation Relative to Russell 2500	N/A	N/A

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)	>	<

H. Investment Guidelines: Oakmark International

Oakmark International Goal	3 Years	5 Years
Exceed MSCI EAFE (Net) performance	n/a	n/a
Rank Above 50 th Percentile in Intl Equity Fund Universe	n/a	n/a
Standard Deviation Relative to MSCI EAFE (Net)	n/a	n/a

I. Investment Guidelines: Oppenheimer International Growth

Oppenheimer International Growth Goal	3 Years	5 Years
Exceed MSCI EAFE (Net) performance	n/a	n/a
Rank Above 50 th Percentile in Intl Equity Fund Universe	n/a	n/a
Standard Deviation Relative to MSCI EAFE (Net)	n/a	n/a

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

Principal U.S. Property Goal	3 Years	5 Years
Exceed NCRIF ODCE Index performance	×	×
Rank Above 50 th Percentile in Real Estate Portfolio Universe	50 th	60 th
Standard Deviation Relative to NCRIF ODCE Index	>	>



K. 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	✓	✓
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	✓

L. Manager Status

Manager	Status	Effective Date
DePrince, Race, and Zollo	Good Standing	
Rhumblin	Good Standing	
Stralem Large Cap	Good Standing	
Munder Capital	Good Standing	
Atlanta Capital	Good Standing	
EuroPacific Growth	Good Standing	
Oakmark International	Good Standing	
Oppenheimer International Growth	Good Standing	
Principal U.S. Property	Good Standing	
Richmond Capital	Good Standing	
JP Morgan Infrastructure	Good Standing	

XII. COMMISSION RECAPTURE SUMMARY

Period	Commissions Paid	Commissions Received through Recapture/Rebates
4Q2011	\$6,373	\$955
1Q2012	\$11,380	\$691
2Q2012	\$14,035	\$1,114
3Q2012		
Fiscal YTD 2012	\$31,789	\$2,759

Source for commissions paid: Salem Trust custodial statements



XII. HISTORICAL EARNINGS ANALYSIS

Fiscal Year	Fiscal Year Earnings	Fiscal Year Return
2003	\$10,395,140	13.7%
2004	\$8,485,935	9.3%
2005	\$9,033,405	9.8%
2006	\$9,300,446	9.3%
2007	\$17,706,111	16.3%
2008	(\$19,925,235)	-15.8%
2009	(\$6,068,122)	-4.7%
2010	\$7,144,888	7.5%
2011	\$1,993,958	2.5%
FTYD 2012	\$12,974,107	12.7%
Since Inception	\$51,040,633	5.8%*

*Annualized

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.

