

**CITY OF POMPANO BEACH
GENERAL EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT PERFORMANCE ANALYSIS
FOURTH QUARTER 2011**

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GENERAL EMPLOYEES' RETIREMENT SYSTEM**

INVESTMENT PERFORMANCE ANALYSIS

DECEMBER 31, 2011

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Executive Summary

CITY OF POMPANO BEACH GENERAL EMPLOYEES' RETIREMENT SYSTEM

Quarter Ending December 31, 2011

I. MARKET ENVIRONMENT

Index	Fourth Quarter	1 Year	3 Year
Standard & Poor's 500 Index	11.8%	2.1%	14.1%
MSCI EAFE Index (Net)	3.3%	-12.1%	7.7%
NCREIF Index	3.0%	14.3%	2.4%
CSFB Hedge Index	0.5%	-7.5%	6.8%
Barclays U.S. Aggregate	1.1%	7.8%	6.8%
91 Day Treasury Bills	0.0%	0.1%	0.1%
Consumer Price Index	-0.5%	3.0%	2.4%

The fourth quarter of 2011 found global stock markets recovering strongly from the worldwide pullbacks of the third quarter, despite the sovereign debt crisis continuing to unfold in continental Europe. Global bond markets managed modest gains in the fourth quarter as well, with yields in safe-haven bond markets changing little compared to the vast yield spreads that had opened up in Greek and Italian sovereigns. The US economy has settled into a period of modest expansion; consumer-level inflation rose 3.0% over calendar 2011, but in the fourth quarter prices actually fell -0.5%. Economists in Europe are expressing increased concern over a double-dip recession in that region, which could impact the fragile recovery in the US.

Equities: The U.S. stock market bounced back from a negative return in the third quarter. The Standard & Poor's 500 Index returned 11.8% for the fourth quarter and 2.1% for calendar 2011. As befits a market in rally mode, small-cap stocks outperformed larger issues in the fourth quarter (Wilshire US Small-Cap, 14.9%; Wilshire US Large-Cap, 11.7%). Riskier micro-cap stocks trailed larger equities for the quarter (Wilshire US Micro-Cap, 9.8%). Value-oriented stocks outperformed growth-oriented equities in the fourth quarter across the board (Wilshire US Large-Cap Value, 12.7% versus Wilshire US Large-Cap Growth, 10.8%; Wilshire US Small-Cap Value, 16.1% versus Wilshire US Small-Cap Growth, 13.6%). Among economic sectors of the S&P 500, Energy stocks benefited from higher crude oil prices and posted the best return for the fourth quarter, 18.2%; Industrials followed with a 16.6% return, reaping the rewards of a stronger economy. The Telecommunication Services sector was the worst performer, with a still-strong 7.6% return for the quarter.

Fixed Income: With global economies in turmoil and equity markets highly volatile, risk-weary investors snapped up the sovereign debt of the U.K., Germany, Japan and especially the US throughout 2011, driving yields to astonishingly low levels. This flight to safety slowed down somewhat in the fourth quarter as investors rotated back into equities; however, as the debt crisis in Europe deepened, bond yields in the safe-haven sovereigns were again nudged lower. As of year-end 2011, the yield on two-year US Treasuries stood at 0.3%, only 0.4% lower than at year-end 2010. In contrast, the 30-year Treasury yield ended 2011 at 2.9%, a full 1.5% lower than at year-end 2010. Not surprisingly, the best-performing investment-grade bond sector for the quarter and year was long-term U.S. Treasuries, with a 1.9% return for fourth quarter for the Barclays US Treasury Long Index and a 29.9% return for calendar 2011. The 1.1% return of the Barclays US Aggregate Index for the fourth quarter paled in comparison to the 6.5% jump of the Barclays US High Yield Index, propelled by a 1.1% tightening of option-adjusted yield spreads.

Alternatives: Despite most hedge fund strategies posting negative returns in 2011, investors continued to pile in with inflows estimated at \$15 billion for the year. Total hedge assets under management is now estimated at a staggering \$1.7 trillion (Dow Jones Credit Suisse). Commercial real estate strategies showed strength in 4Q11 and most asset managers are indicating positive fund flows and performance guidance for 2012. In infrastructure news, China's Commerce Minister recently announced that China may channel part of its huge pool of foreign exchange reserves into investment in U.S. infrastructure, including rail and transportation networks. The minister explained that China may be unwilling to take on too much U.S. government debt but instead would consider investment in our infrastructure. (US News & World Report).



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

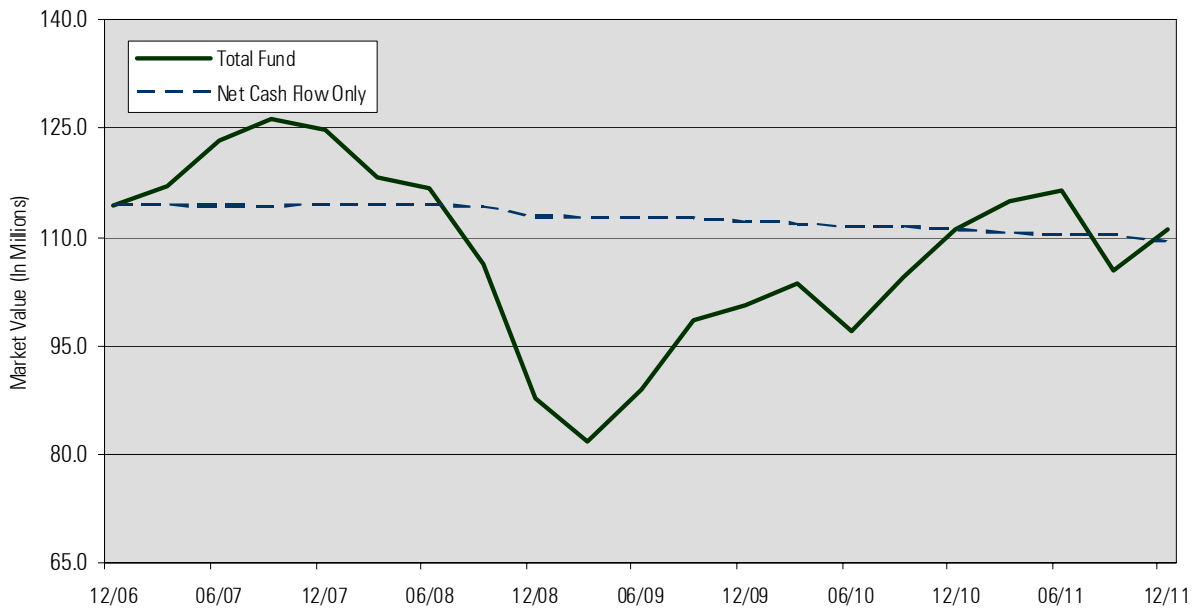
As a Wilshire affiliate, we are granted access to large and diverse peer comparisons, including total fund, portfolio-level, and style-based universes. The Wilshire Public Fund Universe (above) includes the actual, live results of over 170 public pension systems across the country. These are real public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



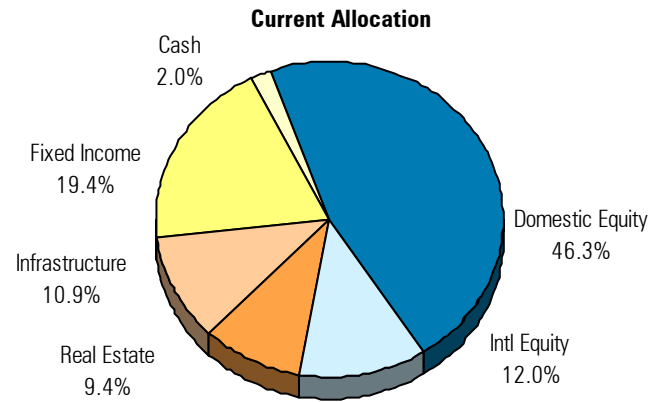
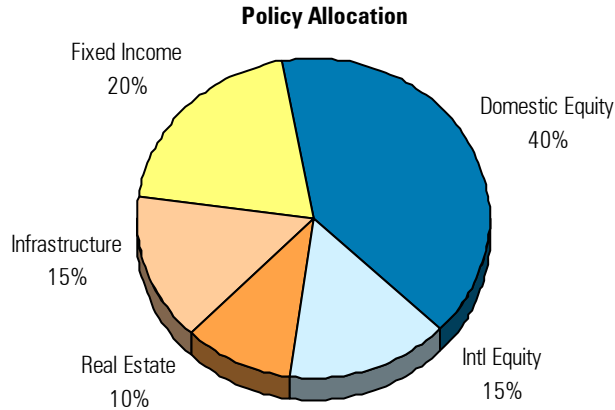
III. PORTFOLIO GROWTH- PERIOD ENDED DECEMBER 31, 2011



Period Ending	Beginning Value \$(000)	Net Cash Flow	Net Gain/Loss	Ending Value \$(000)	Quarterly Return	Fiscal Yr Return
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%	
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%	6.5%
Total	114,405	-5,039	1,846	111,211	4.0%	
Absolute Return Objective:						8.0%

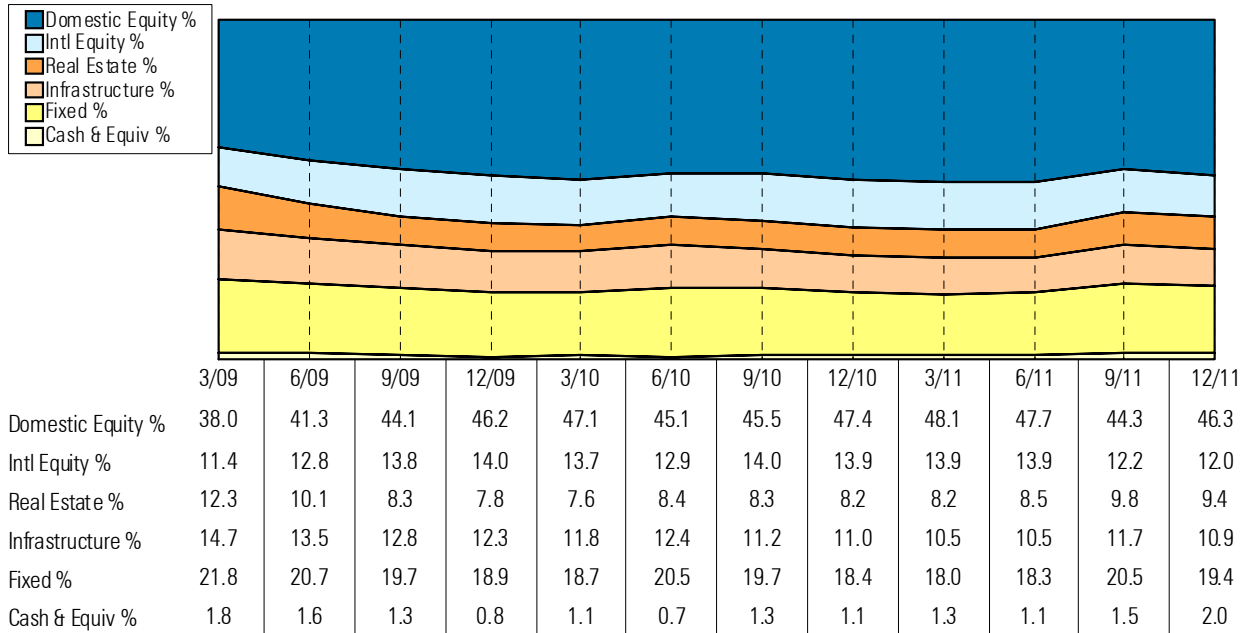


IV. ALLOCATION OF ASSETS



Asset Class	Target Range	Quarter End Allocation	Median Public Plan
Domestic Equity Securities	35%-65%	46.3%	36.1%
Intl Equity Securities	10%-25%	12.0%	13.1%
Real Estate	5%-15%	9.4%	4.1%
Fixed Income Securities	15%-30%	19.4%	32.4%
Infrastructure	10%-20%	10.9%	0.0%
Cash Equivalents	N/A	2.0%	14.3%

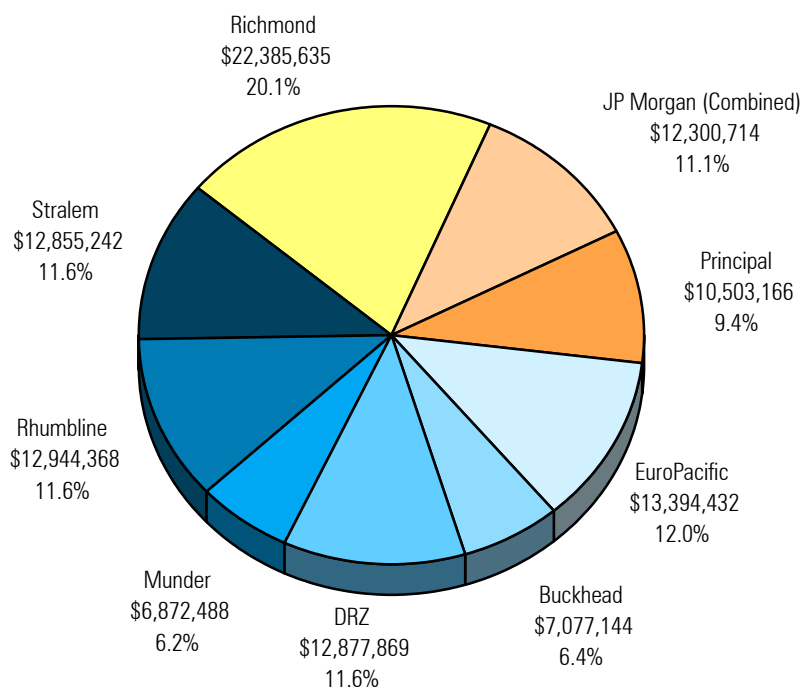
Historical Asset Allocation



Manager	Dom. Equity	Intl Equity	Real Estate	Infrastructure	Fixed Inc	Cash
DePrince, Race, and Zollo	98.8%	0.0%	0.0%	0.0%	0.0%	1.2%
Rhumblin	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Stralem Large Cap	96.6%	0.0%	0.0%	0.0%	0.0%	3.4%
Munder Capital	98.7%	0.0%	0.0%	0.0%	0.0%	1.3%
Buckhead Capital	93.3%	0.0%	0.0%	0.0%	0.0%	6.7%
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%	98.7%	0.0%	1.3%
Richmond Capital	0.0%	0.0%	0.0%	0.0%	96.4%	3.6%
Total Fund	46.3%	12.0%	9.4%	10.9%	19.4%	2.0%



V. MANAGER ALLOCATION AND CASH FLOWS- Quarter ending December 31, 2011



Manager	Beginning Value	% Alloc	Cash In	Cash Out	Gain/Loss	Ending Value	% Alloc
DePrince, Race, and Zollo	\$11,815,427	11.2%	\$0	(\$441,346)	\$1,503,788	\$12,877,869	11.6%
Rhumblin	\$11,577,241	11.0%	\$0	\$0	\$1,367,127	\$12,944,368	11.6%
Stralem Large Cap	\$11,904,260	11.3%	\$0	(\$441,346)	\$1,392,328	\$12,855,242	11.6%
Munder Capital	\$6,218,790	5.9%	\$0	\$0	\$653,698	\$6,872,488	6.2%
Buckhead Capital	\$6,162,856	5.8%	\$0	\$0	\$914,288	\$7,077,144	6.4%
EuroPacific Growth Fund	\$12,806,113	12.2%	\$0	\$0	\$588,319	\$13,394,432	12.0%
Principal U.S. Property	\$10,277,232	9.8%	\$0	\$0	\$225,934	\$10,503,166	9.4%
Richmond Capital Fixed	\$22,134,184	21.0%	\$0	\$0	\$251,451	\$22,385,635	20.1%
JP Morgan Infrastructure	\$12,346,130	11.7%	\$0	(\$154,492)	(\$81,845)	\$12,109,793	10.9%
JP Morgan Maritime	\$157,282	0.1%	\$62,379	\$0	(\$28,740)	\$190,921	0.2%
Total Fund	\$105,399,515	100%	\$62,379	(\$1,037,184)	\$6,786,348	\$111,211,058	100%
<i>Receipts & Disbursements Acct.</i>	<i>\$1,606,482</i>		<i>\$7,148,280</i>	<i>(\$3,039,170)</i>	<i>\$17</i>	<i>\$5,715,609</i>	
Total Fund + R&D Acct.	\$107,005,997		\$7,210,659	(\$4,076,354)	\$6,786,365	\$116,926,667	

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 JP Morgan Maritime Fund is a closed end fund. Performance reporting on this investment will begin in subsequent quarters.

For the period July 1, 2010 through February 28, 2011, the JP Morgan Maritime account value was combined with the JP Morgan IIF account on all SEAS reports. On March 1, 2011, SEAS made the internal adjustments to separate the investment values. This is shown in the transfer of (\$18, 962) from JPM IIF to JPM Maritime in the cash flow table above. This was not a transaction at the manager level, only an adjustment made on the SEAS performance reporting system.



VI. TOTAL FUND PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
Total Fund - Gross of Fees	6.5%	2.2%	9.9%	0.8%
Total Fund - Net of Fees	6.4%	1.7%	9.4%	0.3%
Target Index	6.2%	2.8%	10.5%	2.2%
vs. Total Public Fund Sponsors	28	20	67	93
Total Domestic Equities	12.5%	0.8%	15.1%	-0.5%
80% Russell 1000/ 20% Russell 2000	12.6%	0.4%	15.0%	0.1%
vs. Equity Returns of Public Funds	45	43	54	66
Total International Equities	4.6%	-13.3%	9.9%	-1.2%
MSCI EAFE Index (Net)	3.3%	-12.1%	7.6%	-4.7%
vs. Intl Equity Returns of Public Funds	48	51	73	31
Total Real Estate	2.2%	15.5%	-2.8%	-1.9%
NCREIF ODCE Fund Index	3.0%	16.0%	-1.8%	-0.2%
NCREIF Property Index	3.0%	14.3%	2.4%	3.1%
vs. Real Estate Returns of Total Funds	62	17	63	57
Total Infrastructure	-0.3%	6.3%	4.0%	n/a
CPI + 4.0%	0.5%	7.0%	6.4%	6.3%
Total Fixed Income	1.2%	8.1%	9.3%	7.3%
Barclays U.S. Aggregate	1.1%	7.8%	6.8%	6.5%
vs. Fixed Inc Returns of Public Funds	61	21	35	22

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	12.8%	-0.1%	18.7%	-0.1%
Russell 1000 Value	13.1%	0.4%	11.5%	-2.6%
vs. Large Value Equity Portfolios	35	55	5	24
Rhumblin	11.8%	1.5%	15.0%	0.2%
Russell 1000	11.9%	1.5%	14.8%	0.0%
vs. Large Neutral Equity Portfolios	63	66	28	34
Stralem Large Cap	11.7%	8.8%	n/a	n/a
Russell 1000 Growth	10.6%	2.6%	n/a	n/a
vs. Large Growth Equity Portfolios	14	2	n/a	n/a
Munder Capital	10.5%	-0.6%	21.1%	3.7%
Russell MidCap Growth	11.2%	-1.7%	22.1%	2.4%
vs. Midcap Growth Equity Portfolios	76	33	38	38
Buckhead Capital	14.8%	-10.2%	11.8%	-1.7%
Russell 2000 Value	16.0%	-5.5%	12.4%	-1.9%
vs. Small Value Equity Portfolios	79	97	99	87



Equity Portfolio Summary: Total Fund*

	Portfolio	80% R1000/20% R2000
Total Number Of Securities	215	2,946
Equity Market Value	64,857,111	
Average Capitalization \$(000)	37,837,872	68,293,530
Median Capitalization \$(000)		
Equity Segment Yield	1.8	2.0
Equity Segment P/E - Average	11.6	17.1
Equity Segment P/E - Median		
Equity Segment Beta	0.9	1.1
Price/Book Ratio	1.6	1.9
Debt/Equity Ratio	42.8	67.7
Five Year Earnings Growth	1.7	5.6
	3.3	2.8

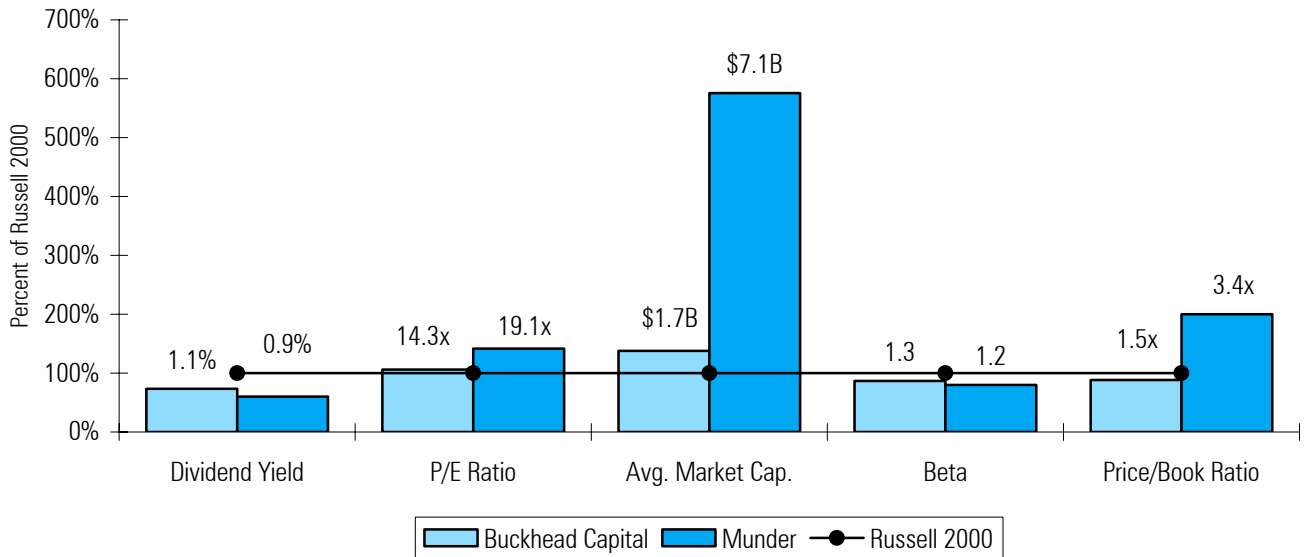
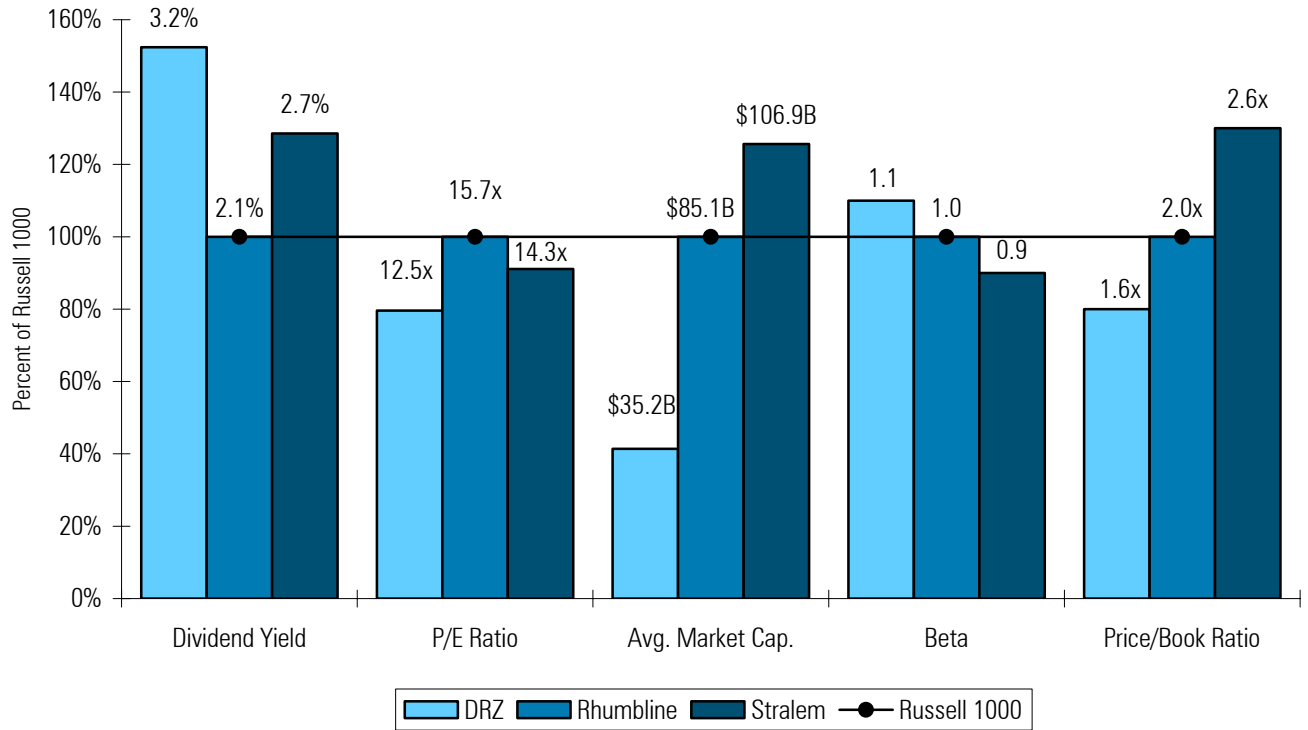
Ten Largest Holdings	Market Value	% of Portfolio	Quarterly Return
Dow Chem Co	724,752	1.9%	29.2%
Exxon Mobil Corp	661,128	1.7%	17.4%
General Elec Co	623,268	1.6%	18.6%
Chevron Corp	553,280	1.4%	15.9%
McDonalds Corp	551,815	1.4%	15.1%
Abbott Labs	534,185	1.4%	11.0%
Microsoft Corp	529,584	1.4%	5.1%
Kroger Co	527,996	1.4%	10.8%
Pfizer Inc	473,916	1.2%	23.6%
Wal Mart Stores Inc	454,176	1.2%	15.9%

Ten Best Performers	Quarterly Return	Ten Worst Performers	Quarterly Return
Kodiak Oil & Gas Cor	82.3%	American Greetings	-31.0%
Complete Production	78.0%	Meritor Inc	-24.6%
On Assignment Inc	58.1%	Wisdomtree Invts Inc	-13.8%
Lyondellbasell Indus	54.2%	Frontier Communicati	-12.8%
Netscout Sys Inc	54.1%	Solera Holdings Inc	-11.6%
Oil Sts Intl Inc	50.0%	Baxter Intl Inc	-11.3%
Chemical Finl Corp	40.6%	Thermo Fisher Scient	-11.2%
Stanley Black & Deck	38.5%	Cooper Cos Inc	-10.9%
Dycom Inds Inc	36.7%	Cerner Corp	-10.6%
Marathon Oil Corp	36.4%	Oracle Systems Corp	-10.6%

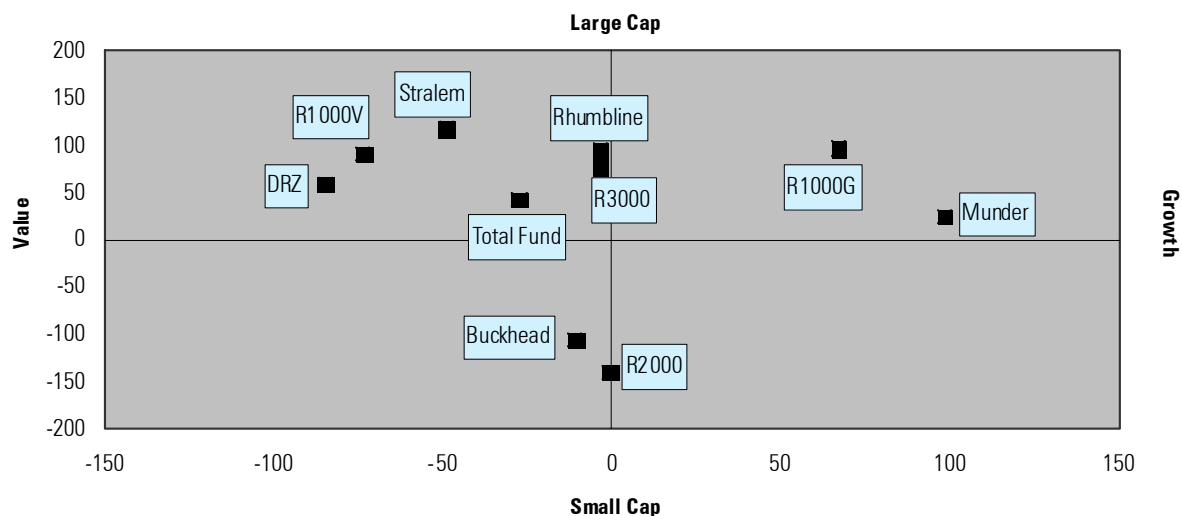
*Does not include Rhumblin as they are invested in a commingled account.



Equity Portfolio Characteristics



Equity Style Map (Current Quarter)



	Growth-Value	Size		Growth-Value	Size
Buckhead Capital	-10.8	-106.9	Total Fund	-27.3	43.4
DePrince Race Zollo	-84.8	59.0	Russell 2000	-0.5	-140.8
Munder Capital	98.3	24.2	Russell 3000	-3.2	75.7
Rhumblin	-3.5	94.1	Russell 1000 Growth	67.0	96.8
Stralem Large Cap	-49.0	117.5	Russell 1000 Value	-73.5	91.4

VIII. INTERNATIONAL EQUITY PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
EuroPacific Growth	4.6%	-13.3%	9.9%	-1.2%
MSCI EAFE (Net)	3.3%	-12.1%	7.6%	-4.7%
vs. International Equity Mutual Funds	47	35	44	26



American Funds EuroPacific Gr R6

Overall Morningstar Rtg[™] **★★★★☆ (737)**
 Incept 05-01-09 Type MF Total Assets \$94,239 mil Morningstar Cat Foreign Large Blend (MF)
 Standard Index MSCI Eafe Ndrtr_D
 Category Index MSCI ACWI Ex USA NR USD

Performance 12-31-2011					
Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2009	-7.96	22.34	19.59	3.49	39.35
2010	0.81	-11.95	16.93	5.76	9.76
2011	3.58	1.05	-20.81	4.59	-13.31
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	-13.31	—	—	—	10.25
Std 12-31-2011	-13.31	—	—	—	10.25
Total Return	-13.31	9.86	-1.27	6.65	10.25
+/- Std Index	-1.17	2.21	3.45	1.98	—
+/- Cat Index	0.40	-0.84	1.65	0.34	—
% Rank Cat	40	22	8	7	—
No. in Cat	817	737	563	317	—
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	NA
Management Fees %	0.42
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	0.50

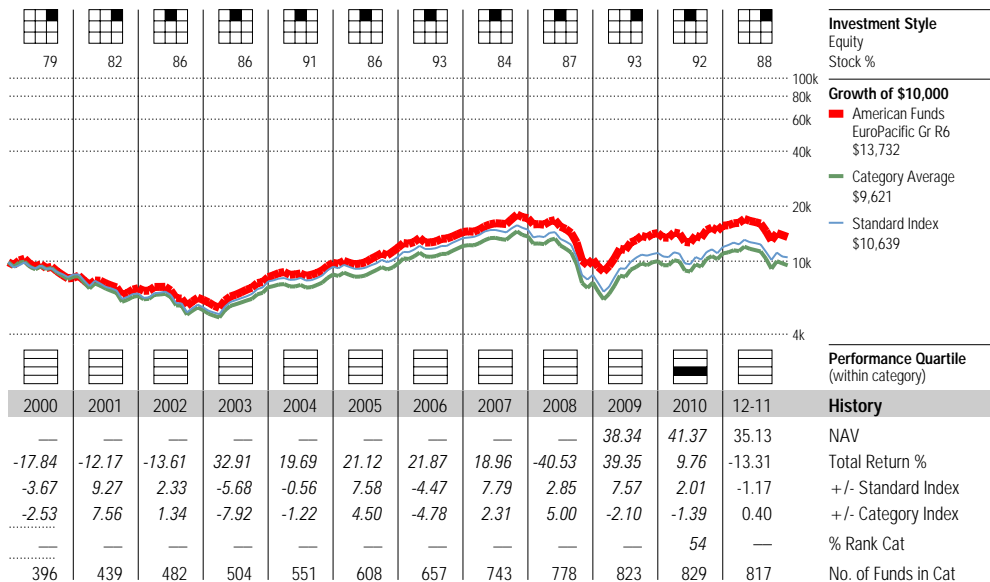
Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating [™]	4☆	5☆	5☆
Morningstar Risk	-Avg	-Avg	-Avg
Morningstar Return	+Avg	High	High
Standard Deviation	21.78	21.83	18.00
Mean	9.86	-1.27	6.65
Sharpe Ratio	0.53	-0.01	0.34
MPT Statistics	Standard Index	Best Fit Index	NA
Alpha	2.49	—	—
Beta	0.93	—	—
R-Squared	94.98	—	—

12-Month Yield	2.09%
30-day SEC Yield	2.03
Potential Cap Gains Exp	-3.00% Assets

Operations

Family:	American Funds	Objective:	Foreign Stock	Minimum IRA Purchase:	\$0
Manager:	Knowles/Lee/Grace/Lyckeus/Bepler	Ticker:	REGGX	Min Auto Investment Plan:	\$0
Tenure:	12.4 Years	Minimum Initial Purchase:	\$0	Purchase Constrains:	A/



Portfolio Analysis 09-30-2011

Composition %	Long %	Short%	Net %	Share Chg since 06-30-2011	Share Amount	314 Total Stocks	104 Total Fixed-Income	31% Turnover Ratio	% Net Assets
Cash	9.1	0.0	9.1	—	—	—	—	—	—
U.S. Stocks	0.1	0.0	0.1	—	22 mil	Novo Nordisk A/S	—	—	2.56
Non-U.S. Stocks	88.1	0.0	88.1	—	84 mil	America Movil, S.A.B. de C.V.	—	—	2.17
Bonds	0.3	0.0	0.3	—	33 mil	Novartis AG	—	—	2.16
Other	2.4	0.0	2.4	—	2 bil	FHLMC	—	—	2.11
Total	100.0	0.0	100.0	—	2 bil	FNMA	—	—	2.06

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	11.8	1.08	1.04
	P/C Ratio TTM	6.9	1.10	0.99
	P/B Ratio TTM	1.6	1.28	1.08
	Geo Avg Mkt Cap \$mil	28840	1.03	1.26

Fixed-Income Style	Ltd	Mod	Ext	Avg Eff Duration	—
				Avg Eff Maturity	—
				Avg Credit Quality	—
				Avg Wtd Coupon	—
				Avg Wtd Price	99.95

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

Regional Exposure	Stocks %	Rel Std Index
Americas	8.8	—
Greater Europe	53.1	—
Greater Asia	38.1	—

Sector Weightings	Stocks %	Rel Std Index
Cyclical	36.0	—
Basic Materials	6.6	—
Consumer Cyclical	11.7	—
Financial Services	16.4	—
Real Estate	1.3	—
Sensitive	39.0	—
Communication Services	9.5	—
Energy	6.8	—
Industrials	12.7	—
Technology	10.1	—
Defensive	25.0	—
Consumer Defensive	11.4	—
Healthcare	11.2	—
Utilities	2.4	—

IX. REAL ESTATE PERFORMANCE COMPARISONS

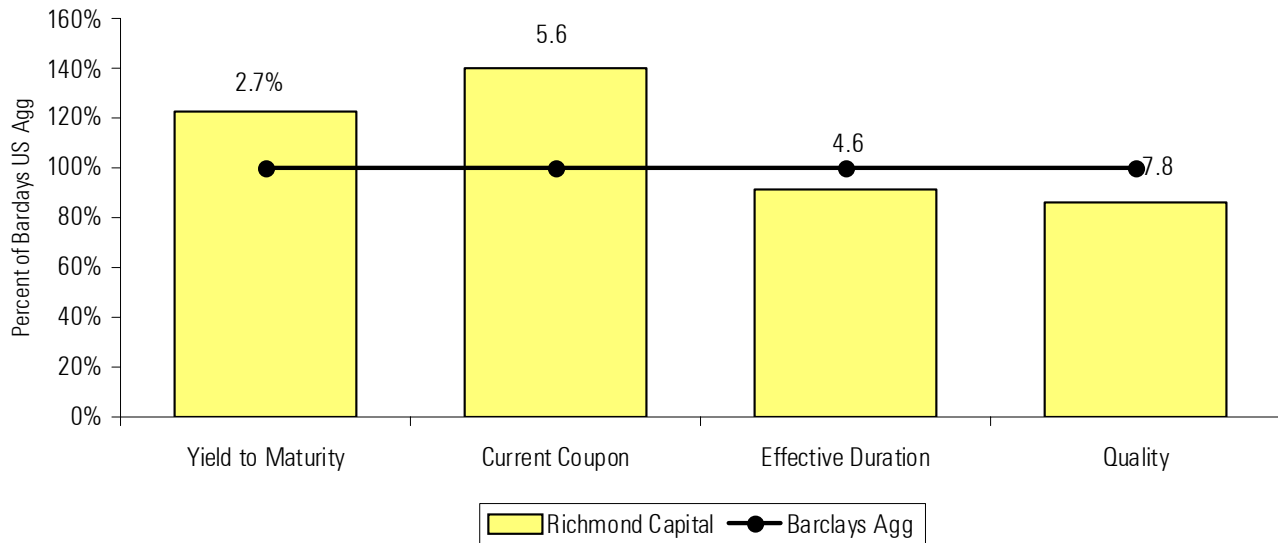
Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
Principal U.S. Property	2.2%	15.5%	-2.8%	-1.9%
NCREIF ODCE Fund Index	3.0%	16.0%	-1.8%	-0.2%
NCREIF Property Index	3.0%	14.3%	2.4%	3.1%
vs. Real Estate Portfolios	68	29	59	69

X. FIXED INCOME/ABSOLUTE RETURN PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
Richmond Capital	1.1%	8.0%	9.1%	7.1%
Barclays US Aggregate	1.1%	7.8%	6.8%	6.5%
vs. Core Fixed Income Portfolios	63	31	33	34
JP Morgan Infrastructure	0.2%	4.8%	3.5%	n/a
CPI + 4.0%	0.5%	7.0%	6.4%	6.3%
JP Morgan Maritime	n/a	n/a	n/a	n/a
CPI + 4.0%	0.5%	7.0%	6.4%	6.3%

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	x
Rank Above 50 th Percentile in Public Fund Universe	✓	67 th	93 rd
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	58.3%
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	9.4%
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: Buckhead Capital

Buckhead Capital Goal	3 Years	5 Years
Exceed Russell 2000 Value performance	✘	✓
Rank Above 50 th Percentile in Small Cap Value Universe	99 th	87 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)	<	<

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

Principal U.S. Property Goal	3 Years	5 Years
Exceed NCREIF ODCE Index performance	✗	✗
Rank Above 50 th Percentile in Real Estate Portfolio Universe	59 th	69 th
Standard Deviation Relative to NCREIF ODCE Index	>	>

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	✓	✓
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	
Stralem Large Cap	Good Standing	
Munder Capital	Good Standing	
Buckhead Capital	Under Review	2Q2010
EuroPacific 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		
2Q2012		
3Q2012		
Fiscal YTD 2012	\$6,373	\$955

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.

