

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

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GENERAL EMPLOYEES' RETIREMENT SYSTEM**

INVESTMENT PERFORMANCE ANALYSIS

DECEMBER 31, 2012

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Executive Summary

CITY OF POMPANO BEACH GENERAL EMPLOYEES' RETIREMENT SYSTEM

Quarter Ending December 31, 2012

I. MARKET ENVIRONMENT

Index	Fourth Quarter	1 Year	3 Year
Standard & Poor's 500 Index	-0.4%	16.0%	10.9%
MSCI EAFE Index (Net)	6.6%	17.3%	3.6%
NCREIF Index	2.5%	10.5%	12.6%
CSFB Hedge Index	0.9%	3.4%	2.0%
Barclays U.S. Aggregate	0.2%	4.2%	6.2%
91 Day Treasury Bills	0.0%	0.1%	0.1%
Consumer Price Index	-0.8%	1.7%	2.1%

The United States' stock market struggled through the fourth quarter of 2012, as investors weighed the cross currents from the economic effects of Superstorm Sandy, the results of the U.S. elections, additional stimulus efforts by the Federal Reserve and the potential impacts from "going over the fiscal cliff." While Congress and the White House wrangled over the final form of the budget package, markets traded lower; stocks rallied sharply at year-end as word emerged of an impending agreement, which was indeed approved late on January 1, 2013. Inflation remains muted in the U.S.; the Consumer Price Index's -0.8% change in the fourth quarter brought its 2012 rate to 1.7%, compared to a 3.0% rise in 2011. Treasury yields continued to be range-bound during the quarter, with ten-year yields closing the year at 1.8%.

Equities: The Standard & Poor's 500 index posted a -0.4% return for the fourth quarter. After trading similarly through the first three quarters of 2012, the performance of large and small capitalization stocks began to diverge during the fourth quarter. The Wilshire US Small-Cap Index outpaced the Wilshire U.S. Large-Cap 3.1% to -0.2% during the quarter. The micro-cap segment of the Wilshire 5000 was the worst-performing broad market cap sleeve of the index for the quarter (-2.1%). The small value segment was the best performing style group for the quarter, up 4.3%. Despite trailing in the fourth quarter, growth stocks led value in the large cap segment in 2012 (16.9% v. 14.6%). Turning to sector performance of the Wilshire 5000, Financials was the best performing sector for the quarter with returns of 4.9%. For the year, all sectors posted positive total returns with Consumer Discretionary stocks (23.9%) following Financials for top honors, while the Energy (3.8%) and Utilities (2.3%) sectors lagged other groups.

Fixed Income: Treasury yields pushed investors to seek additional basis points of yield in riskier asset space. Thanks to the year-end stock market rally, the U.S. Treasury yield curve rose very slightly over the fourth quarter of 2012. Treasuries actually lost a bit of ground (Barclays U.S. Treasury, -0.09%); short-term paper unsurprisingly performed somewhat better than longer issuance (Barclays U.S. Treasury 1-3 Years, 0.06%; Barclays U.S. Treasury Long, -0.8%). The broad-based Barclays U.S. Aggregate Index returned 0.2% for the fourth quarter and finished the year at 4.2%. High yield bonds, in contrast, found increased favor with investors and were the strongest performers for the quarter (Barclays U.S. High Yield, 3.3%).

Alternatives: Steady inflows and performance-based gains increased hedge fund assets by \$60 billion in the fourth quarter, bringing total industry capital to a record \$2.25 trillion, according to the latest HFR Global Hedge Fund Industry Report. Hedge funds posted performance gains in 4Q12, as global financial markets struggled with the political and macroeconomic uncertainty which had adversely impacted performance throughout much of the year, including the European banking and sovereign debt crisis, and the U.S. fiscal cliff negotiations. The HFRI Fund Weighted Composite Index advanced 1.3% in 4Q, topping the global equity market decline, and bringing full-year 2012 HFRI FWC Index performance to 6.2%.



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

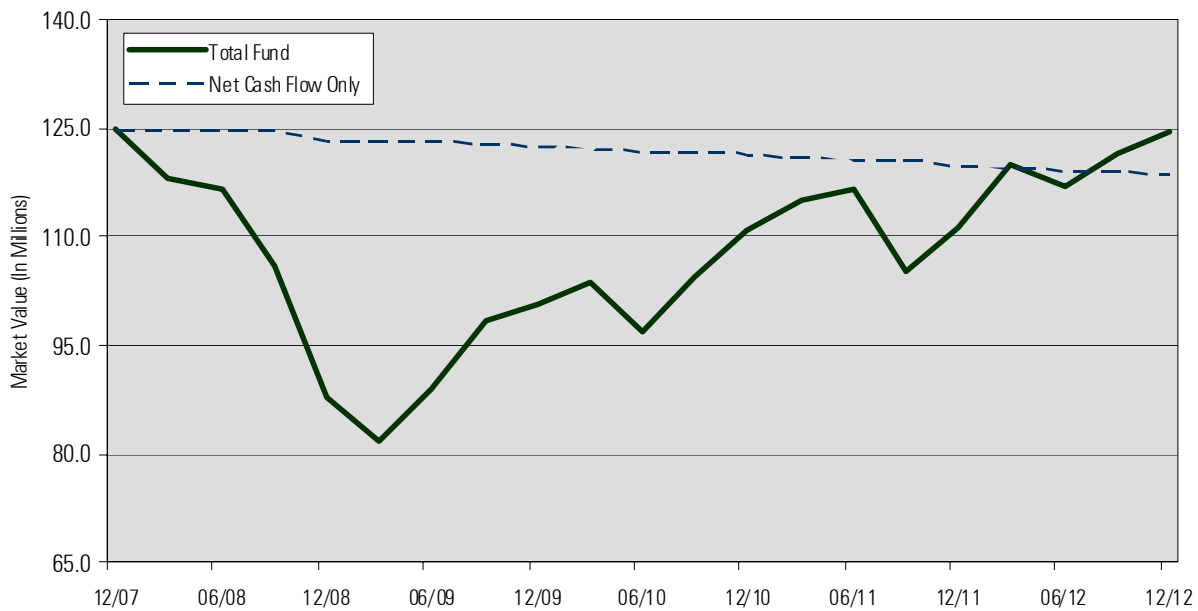
As a Wilshire affiliate, we are granted access to large and diverse peer comparisons, including total fund, portfolio-level, and style-based universes. The Wilshire Public Fund Universe (above) includes the actual, live results of over 170 public pension systems across the country. These are real public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



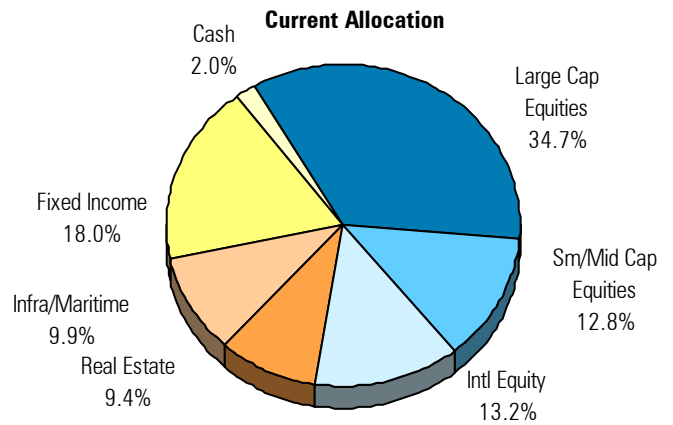
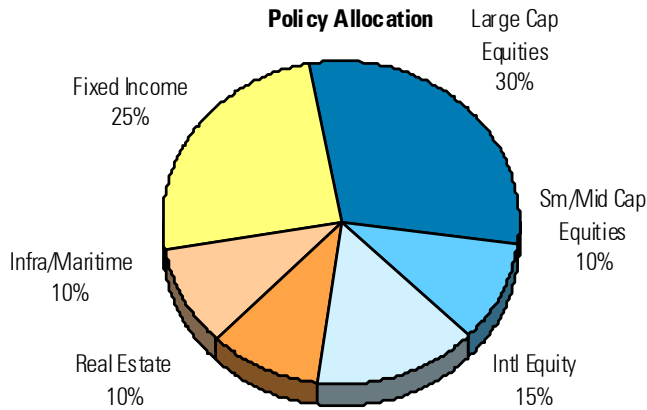
III. PORTFOLIO GROWTH- PERIOD ENDED DECEMBER 31, 2012



Period Ending	Beginning Value \$(000)	Net Cash Flow	Net Gain/Loss	Ending Value \$(000)	Quarterly Return	Fiscal Yr Return
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%	
Sep-12	116,812	0	4,691	121,503	4.2%	17.5%
Dec-12	121,503	-639	3,511	124,375	2.8%	2.8%
Total	124,797	-6,277	5,856	124,375	8.1%	
Absolute Return Objective:						8.0%

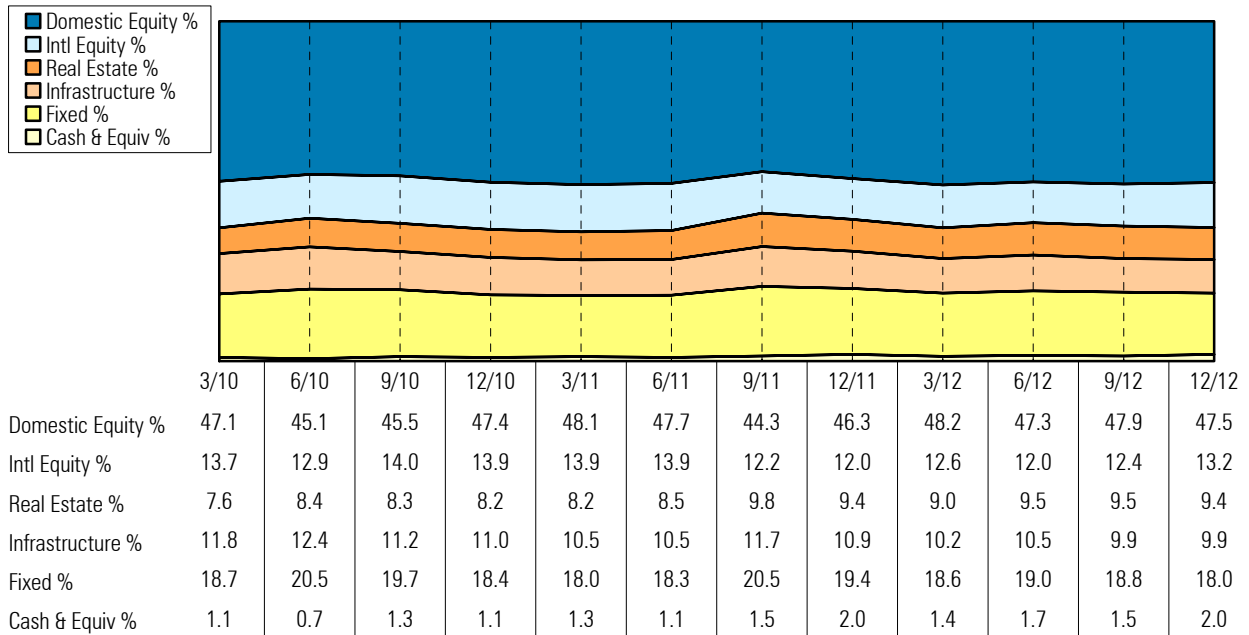


IV. ALLOCATION OF ASSETS



Asset Class	Target Range	Quarter End Allocation	Median Public Plan
Domestic Equity Securities	25%-55%	47.5%	45.0%
Intl Equity Securities	10%-25%	13.2%	12.2%
Real Estate	5%-15%	9.4%	3.7%
Fixed Income Securities	15%-35%	18.0%	30.0%
Infrastructure	5%-20%	9.9%	0.0%
Cash Equivalents	N/A	2.0%	9.1%

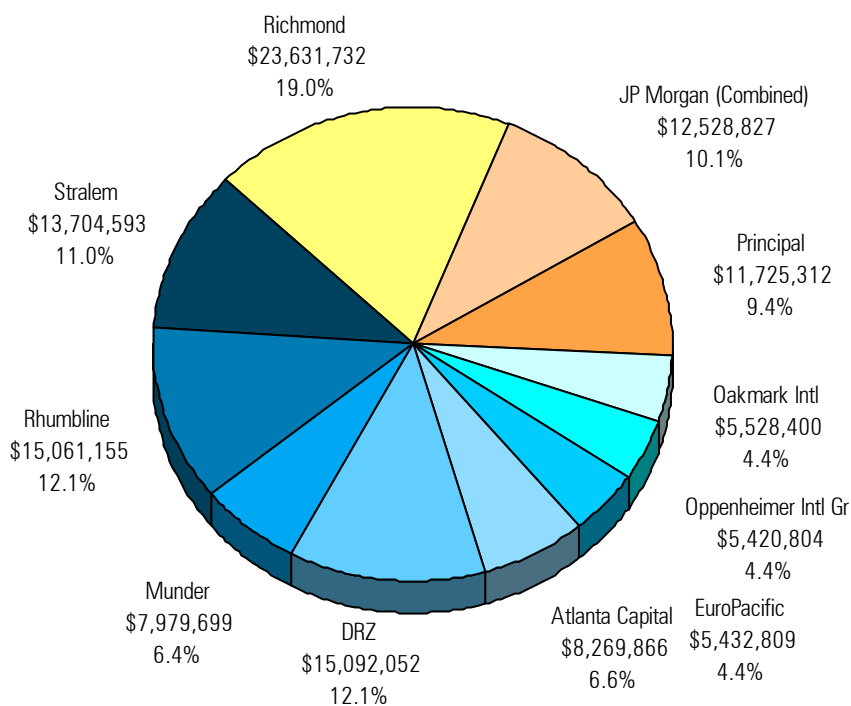
Historical Asset Allocation



Manager	Dom. Equity	Intl Equity	Real Estate	Infrastructure	Fixed Inc	Cash
DePrince, Race, and Zollo	97.7%	0.0%	0.0%	0.0%	0.0%	2.3%
Rhumblin	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Stralem Large Cap	97.0%	0.0%	0.0%	0.0%	0.0%	3.0%
Munder Capital	98.6%	0.0%	0.0%	0.0%	0.0%	1.4%
Atlanta Capital	97.8%	0.0%	0.0%	0.0%	0.0%	2.2%
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%	9.9%	0.0%	90.1%
Richmond Capital	0.0%	0.0%	0.0%	0.0%	94.7%	5.3%
Total Fund	47.5%	13.2%	9.4%	9.9%	18.0%	2.0%



V. MANAGER ALLOCATION AND CASH FLOWS- Quarter ending December 31, 2012



Manager	Beginning Value	% Alloc	Cash In	Cash Out	Gain/Loss	Ending Value	% Alloc
DePrince, Race, and Zollo	\$14,447,623	11.9%	\$0	(\$184,622)	\$829,051	\$15,092,052	12.1%
Rhumblin	\$15,044,386	12.4%	\$0	\$0	\$16,769	\$15,061,155	12.1%
Stralem Large Cap	\$14,047,172	11.6%	\$0	(\$184,622)	(\$157,957)	\$13,704,593	11.0%
Munder Capital	\$7,810,955	6.4%	\$0	(\$62,087)	\$230,831	\$7,979,699	6.4%
Atlanta Capital	\$8,020,870	6.6%	\$0	(\$62,087)	\$311,083	\$8,269,866	6.6%
EuroPacific Growth Fund	\$5,142,099	4.2%	\$0	\$0	\$290,710	\$5,432,809	4.4%
Oakmark International	\$4,857,306	4.0%	\$0	\$0	\$671,094	\$5,528,400	4.4%
Oppenheimer Intl Growth	\$5,086,857	4.2%	\$0	\$0	\$333,947	\$5,420,804	4.4%
Principal U.S. Property	\$11,502,498	9.5%	\$0	\$0	\$222,814	\$11,725,312	9.4%
Richmond Capital Fixed	\$23,531,594	19.4%	\$14	\$0	\$100,124	\$23,631,732	19.0%
JP Morgan Infrastructure	\$11,941,661	9.8%	\$0	(\$393,896)	\$705,398	\$12,253,163	9.9%
JP Morgan Maritime	\$70,143	0.1%	\$248,350	\$0	(\$42,830)	\$275,663	0.2%
Total Fund	\$121,503,164	100%	\$248,364	(\$887,314)	\$3,511,034	\$124,375,248	100%
<i>Receipts & Disbursements</i>	<i>\$1,447,393</i>		<i>\$7,056,582</i>	<i>(\$2,200,188)</i>	<i>\$6</i>	<i>\$6,303,793</i>	
Total Fund + R&D Acct.	\$122,950,557		\$7,304,946	(\$3,087,502)	\$3,511,040	\$130,679,041	

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	2.8%	13.3%	9.0%	1.6%
Total Fund - Net of Fees	2.6%	12.8%	8.5%	1.1%
Target Index	1.6%	12.0%	9.1%	3.1%
vs. Total Public Fund Sponsors	11	26	23	82
Total Domestic Equities	2.1%	16.4%	10.7%	1.2%
80% Russell 1000/ 20% Russell 2000	0.5%	16.4%	11.4%	2.3%
vs. Equity Returns of Public Funds	19	39	56	65
Total International Equities	8.6%	20.5%	4.6%	-0.9%
MSCI EAFE Index (Net)	6.6%	17.3%	3.6%	-3.7%
vs. Intl Equity Returns of Public Funds	9	14	25	11
Total Real Estate	1.9%	11.6%	14.4%	-2.3%
NCREIF ODCE Fund Index	2.4%	10.9%	14.4%	-1.1%
NCREIF Property Index	2.5%	10.5%	12.6%	2.1%
vs. Real Estate Returns of Total Funds	51	42	22	62
Total Infrastructure	4.1%	8.1%	5.0%	n/a
CPI + 3.0%	0.0%	4.7%	5.1%	n/a
Total Fixed Income	0.4%	5.8%	7.3%	7.2%
Barclays U.S. Aggregate	0.2%	4.2%	6.2%	5.9%
vs. Fixed Inc Returns of Public Funds	78	69	50	31

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	5.8%	19.1%	12.1%	4.0%
Russell 1000 Value	1.5%	17.5%	10.9%	0.6%
vs. Large Value Equity Portfolios	1	10	6	2
Rhumblin	0.1%	16.4%	11.1%	2.1%
Russell 1000	0.1%	16.4%	11.1%	1.9%
vs. Large Neutral Equity Portfolios	43	32	31	31
Stralem Large Cap	-1.1%	8.4%	n/a	n/a
Russell 1000 Growth	-1.3%	15.3%	n/a	n/a
vs. Large Growth Equity Portfolios	70	98	n/a	n/a
Munder Capital	3.0%	17.7%	14.3%	3.0%
Russell MidCap Growth	1.7%	15.8%	12.9%	3.2%
vs. Midcap Growth Equity Portfolios	23	34	25	41
Atlanta Capital (incept 5/6/12)	3.9%	n/a	n/a	n/a
Russell 2500	3.1%	n/a	n/a	n/a
vs. SMID Equity Portfolios	24	n/a	n/a	n/a



Equity Portfolio Summary: Total Fund*

	Portfolio	80% R1000/20% R2000
Total Number Of Securities	204	2,967
Equity Market Value	75,438,505	
Average Capitalization \$(000)	39,370,572	75,726,701
Median Capitalization \$(000)		
Equity Segment Yield	1.7	2.0
Equity Segment P/E - Average	13.0	19.1
Equity Segment P/E - Median		
Equity Segment Beta	0.8	1.1
Price/Book Ratio	1.8	2.1
Debt/Equity Ratio	40.7	71.2
Five Year Earnings Growth	4.0	7.4
	3.3	2.4

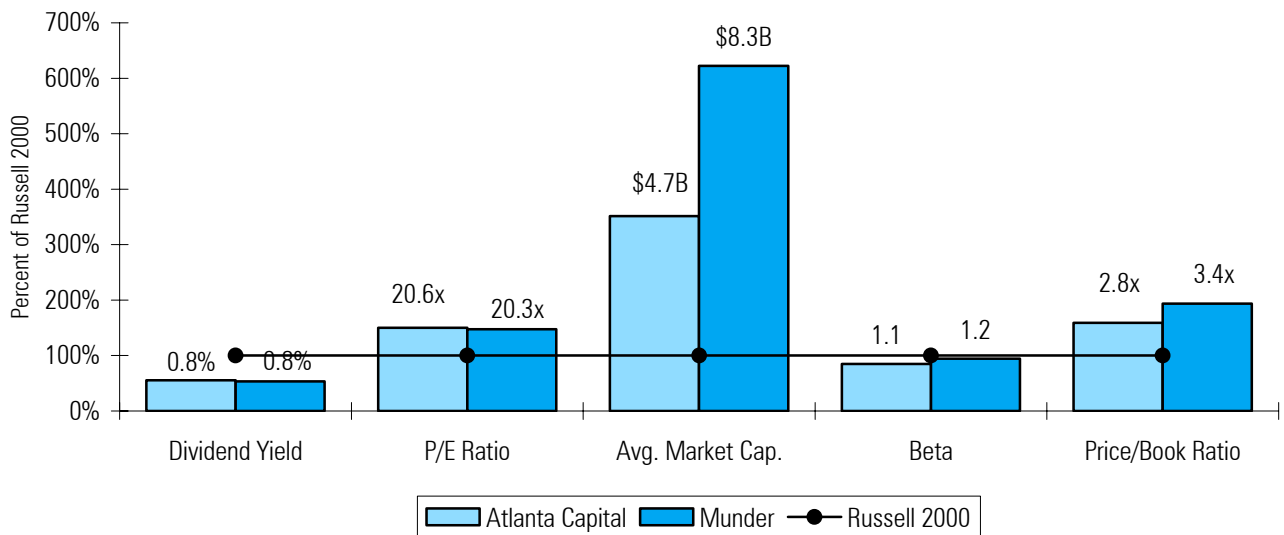
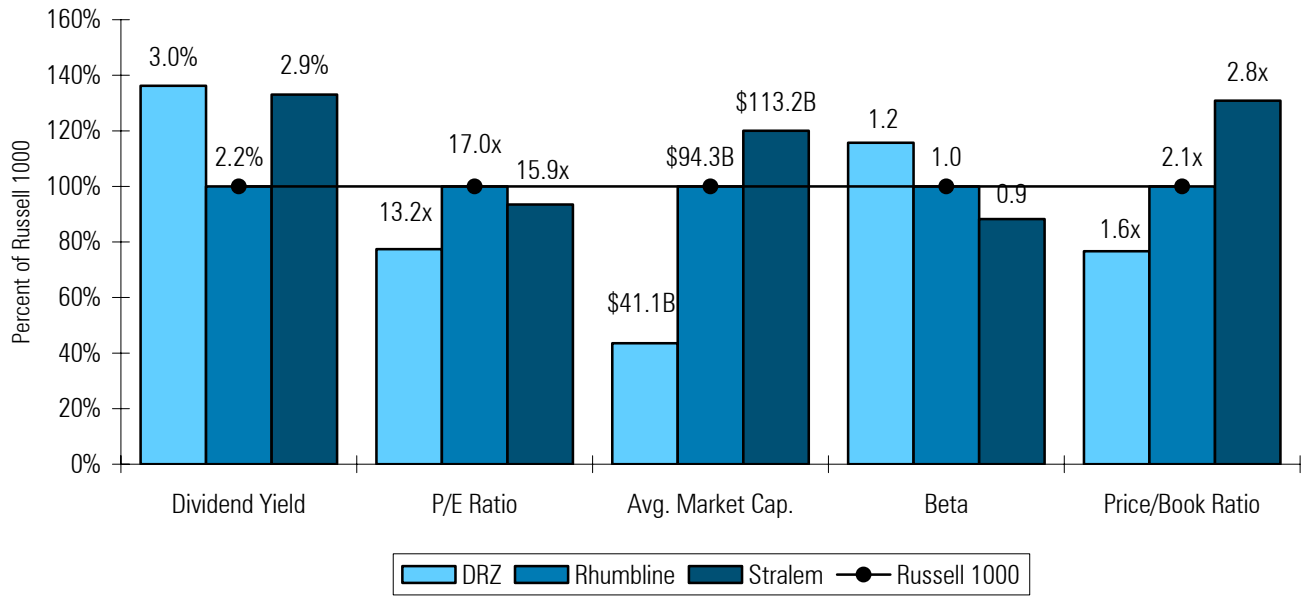
Ten Largest Holdings	Market Value	% of Portfolio	Quarterly Return
Dow Chem Co	798,304	1.8%	12.7%
Exxon Mobil Corp	692,400	1.6%	-4.8%
Caterpillar Inc	689,766	1.6%	5.4%
Intel Corp	627,152	1.4%	-8.1%
Nextera Energy Inc	622,710	1.4%	-0.8%
Cisco Sys Inc	593,430	1.4%	4.5%
Chevron Corp	562,328	1.3%	-6.4%
Microsoft Corp	555,984	1.3%	-9.5%
Lkq Corp	552,820	1.3%	14.1%
Pfizer Inc	549,252	1.3%	1.8%

Ten Best Performers	Quarterly Return	Ten Worst Performers	Quarterly Return
Green Mtn Coffee Roa	74.2%	Herbalife Ltd	-30.1%
Carmax Inc	32.7%	Pitney Bowes Inc	-20.4%
Ford Mtr Co Del	31.9%	Ross Stores Inc	-16.0%
Ryder Sys Inc	28.7%	Kohls Corp	-15.5%
Terex Corp New	24.5%	Wiley John & Sons In	-14.8%
Steel Dynamics Inc	23.2%	Skyworks Solutions I	-13.9%
Biomarin Pharmaceuti	22.3%	Ascena Retail Group	-13.8%
Solera Holdings Inc	22.2%	Micros Sys Inc	-13.6%
Rockwell Automation	21.5%	Freeport-McMoran Cop	-12.9%
Tupperware Corp	20.3%	Donnelley R R & Sons	-12.9%

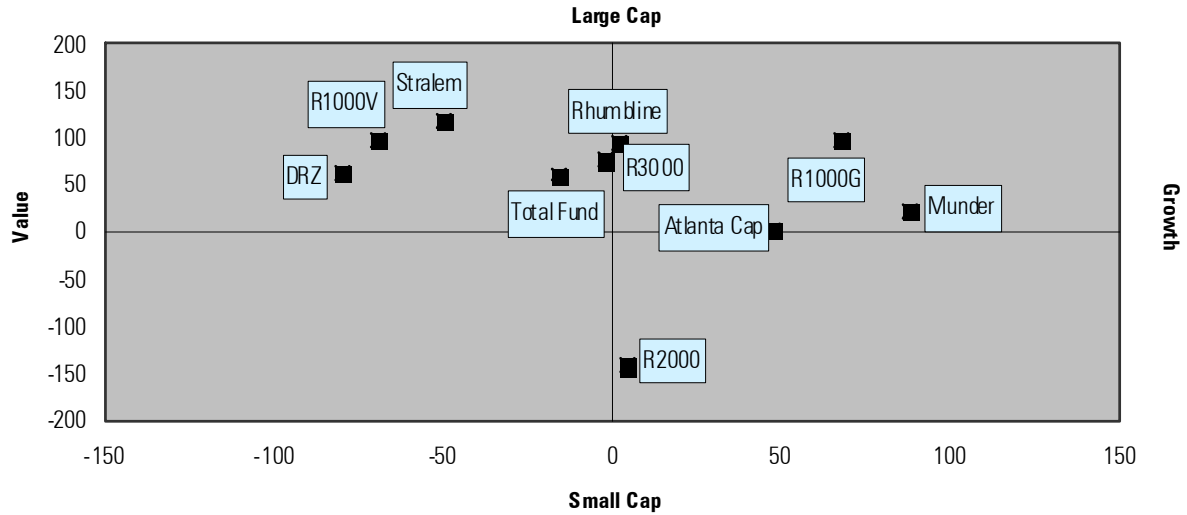
*Does not include Rhumblin as they are invested in a commingled account.



Equity Portfolio Characteristics



Equity Style Map (Current Quarter)



	Growth-Value	Size		Growth-Value	Size
Atlanta Capital	47.3	2.3	Total Fund	-15.8	61.2
DePrince Race Zollo	-79.3	61.6	Russell 2000	4.6	-142.0
Munder Capital	88.2	22.8	Russell 3000	-1.6	75.9
Rhumblin	-2.1	93.8	Russell 1000 Growth	68.3	97.4
Stralem Large Cap	-49.8	119.0	Russell 1000 Value	-68.8	90.5

VIII. INTERNATIONAL EQUITY PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
EuroPacific Growth	5.7%	20.1%	4.6%	-1.0%
MSCI EAFE (Net)	6.6%	17.3%	3.6%	-3.7%
vs. International Equity Mutual Funds	70	32	40	21
Oakmark International	13.8%	n/a	n/a	n/a
MSCI EAFE (Net)	6.6%	n/a	n/a	n/a
vs. International Equity Mutual Funds	1	n/a	n/a	n/a
Oppenheimer International Growth	6.6%	n/a	n/a	n/a
MSCI EAFE (Net)	6.6%	n/a	n/a	n/a
vs. International Equity Mutual Funds	50	n/a	n/a	n/a



American Funds EuroPacific Gr R6

Overall Morningstar Rtg™
 ☆☆☆☆ (713)
Morningstar Analyst Rtg™
 Gold 07-26-2012

Morningstar Cat
 Foreign Large Blend (MF)
Total Assets
 \$101,612 mil

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

Incept
 05-01-09
Type
 MF

Performance 12-31-2012					
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	7.34	5.65	19.64
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	19.64	—	—	—	12.73
Std 12-31-2012	19.64	—	—	—	12.73
Total Return	19.64	4.42	-1.16	10.18	12.73
+/- Std Index	2.32	0.86	2.53	1.97	—
+/- Cat Index	2.81	0.55	1.73	0.44	—
% Rank Cat	26	37	11	11	—
No. in Cat	786	713	589	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	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

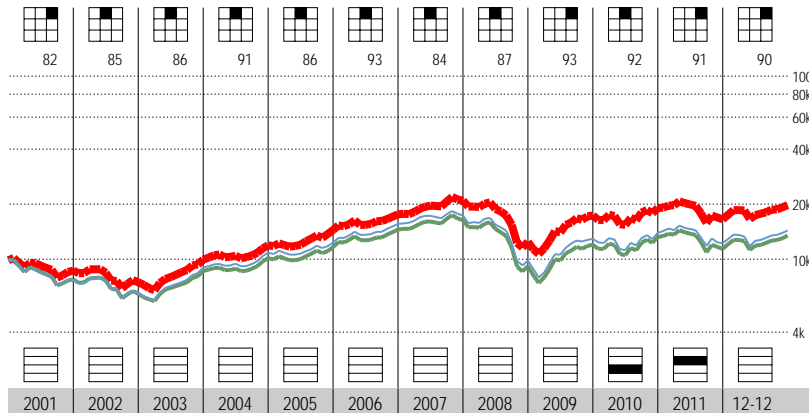
	3 Yr	5 Yr	10 Yr
MorningstarRating™	4☆	5☆	5☆
Morningstar Risk	-Avg	-Avg	-Avg
Morningstar Return	+Avg	+Avg	+Avg
Standard Deviation	18.91	22.35	17.74
Mean	4.42	-1.16	10.18
Sharpe Ratio	0.32	0.04	0.54

MPT Statistics	Standard Index	Best Fit Index
Alpha	0.98	0.64
Beta	0.94	0.96
R-Squared	96.26	98.13

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	13.00% Assets

Operations

Family:	American Funds	Objective:	Foreign Stock	Minimum IRA Purchase:	\$0
Manager:	Knowles/Lee/Grace/Lyckeus/Thomson	Tracker:	REGX	Min Auto Investment Plan:	\$0
Tenure:	12.5 Years	Minimum Initial Purchase:	\$0	Purchase Constrains:	A/



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	12-12
NAV	—	—	—	—	—	—	—	—	38.34	41.37	35.13	41.18
Total Return %	-12.17	-13.61	32.91	19.69	21.12	21.87	18.96	-40.53	39.35	9.76	-13.31	19.64
+/- Standard Index	9.27	2.33	-5.68	-0.56	7.58	-4.47	7.79	2.85	7.57	2.01	-1.17	2.32
+/- Category Index	7.56	1.34	-7.92	-1.22	4.50	-4.78	2.31	5.00	-2.10	-1.39	0.40	2.81
% Rank Cat	—	—	—	—	—	—	—	—	54	40	—	—
No. of Funds in Cat	439	482	504	551	608	657	743	778	823	829	817	786

Portfolio Analysis 09-30-2012

Composition %	Long %	Short%	Net %	Share Chg since 06-30-2012	Share Amount	310 Total Stocks	104 Total Fixed-Income	24% Turnover Ratio	% Net Assets
Cash	8.3	0.0	8.3	—	—	—	—	—	—
U.S. Stocks	0.1	0.0	0.1	—	22 mil	Novo Nordisk A/S	—	—	3.53
Non-U.S. Stocks	89.6	0.0	89.6	⊖	2 mil	Samsung Electronics Co Ltd	—	—	2.44
Bonds	0.6	0.0	0.6	⊕	34 mil	Novartis AG	—	—	2.12
Other	1.3	0.0	1.3	⊖	44 mil	SOFTBANK Corp	—	—	1.80
Total	100.0	0.0	100.0	⊕	19 mil	Bayer AG	—	—	1.67
Equity Style	Portfolio Value Blend Growth	Port Statistics	Rel Avg Index	Rel Cat	⊖	25 mil	Nestle SA	—	1.58
		P/E Ratio TTM	13.9	1.13	1.10	59 mil	America Movil, S.A.B. de C.V.	—	1.52
		P/C Ratio TTM	9.3	1.28	1.22	17 mil	Anheuser-Busch Inbev SA	—	1.44
		P/B Ratio TTM	1.7	1.27	1.14	1 bit	FNMA	—	1.31
		Geo Avg Mkt Cap \$mil	32174	1.01	1.32	25 mil	British American Tobacco PLC	—	1.30
Fixed-Income Style	Ltd Mod Ext	Avg Eff Duration	—	—	⊕	417 mil	Taiwan Semiconductor Manufact	—	1.29
		Avg Eff Maturity	—	—	⊕	92 mil	Prudential PLC	—	1.21
		Avg Credit Quality	—	—	—	72 mil	Housing Development Finance C	—	1.06
		Avg Wtd Coupon	0.72	—	—	142 mil	BP PLC	—	1.01
		Avg Wtd Price	100.50	—	—	31 mil	Honda Motor Co Ltd	—	0.97

Sector Weightings

Sector	Stocks %	Rel Std Index
Cyclical	37.3	—
Basic Materials	5.9	—
Consumer Cyclical	13.7	—
Financial Services	16.4	—
Real Estate	1.3	—
Sensitive	36.1	—
Communication Services	8.0	—
Energy	6.2	—
Industrials	10.2	—
Technology	11.7	—
Defensive	26.6	—
Consumer Defensive	11.5	—
Healthcare	13.2	—
Utilities	1.9	—

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

Regional Exposure	Stocks %	Rel Std Index
Americas	6.3	—
Greater Europe	55.1	—
Greater Asia	38.6	—

Oakmark International I

Overall Morningstar Rtg™
★★★★★ (713)
Morningstar Analyst Rtg™
Gold 09-27-2012

Morningstar Cat
Foreign Large Blend (MF)
Total Assets
\$11,075 mil

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

Incept
09-30-92
Type
MF

Performance 12-31-2012					
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	8.17	13.82	29.22
Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	29.22	8.87	3.52	11.23	10.37
Std 12-31-2012	29.22	—	3.52	11.23	10.37
Total Return	29.22	8.87	3.52	11.23	10.37
+/- Std Index	11.90	5.31	7.21	3.02	—
+/- Cat Index	12.39	5.00	6.41	1.49	—
% Rank Cat	2	3	2	7	—
No. in Cat	786	713	589	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	NA
Front-End Load %	NA
Deferred Load %	NA
Fund Expenses	0.90
Management Fees %	0.90
12b1 Expense %	NA
Prospectus Gross Exp Ratio %	1.06

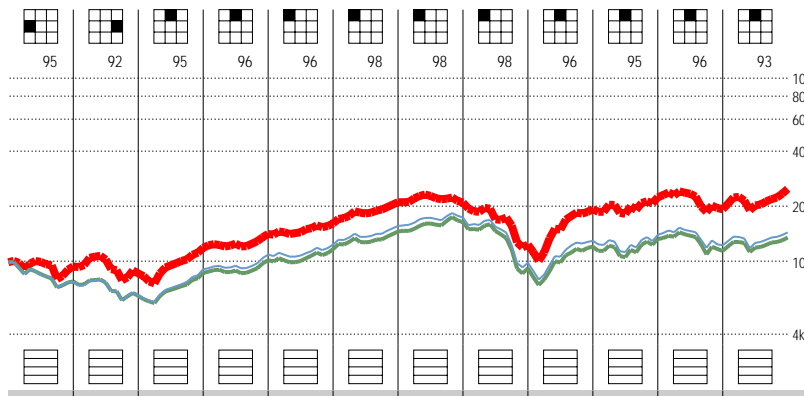
Risk and Return Profile

	3 Yr	5 Yr	10 Yr
	713 funds	589 funds	325 funds
MorningstarRating™	5★	5★	5★
Morningstar Risk	+ Avg	+ Avg	Avg
Morningstar Return	High	High	High
	3 Yr	5 Yr	10 Yr
Standard Deviation	20.16	24.92	19.36
Mean	8.87	3.52	11.23
Sharpe Ratio	0.52	0.25	0.56
MPT Statistics	Standard Index	Best Fit Index	
		MSCI EAFE Ndtr_D	
Alpha	5.18	5.18	
Beta	0.99	0.99	
R-Squared	92.88	92.88	

	12-Month Yield	30-day SEC Yield	Potential Cap Gains Exp
	—	—	7.00% Assets

Operations

Family:	Oakmark
Manager:	Taylor/Herro
Tenure:	12.2 Years



2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	12-12	History
14.49	13.14	18.02	21.13	22.52	25.45	20.95	10.85	16.84	19.41	16.55	20.93	NAV
-5.13	-8.46	38.04	19.09	14.12	30.60	-0.51	-41.06	56.30	16.22	-14.07	29.22	Total Return %
16.31	7.48	-0.55	-1.16	0.58	4.26	-11.68	2.32	24.52	8.47	-1.93	11.90	+/- Standard Index
14.60	6.49	-2.79	-1.82	-2.50	3.95	-17.16	4.47	14.85	5.07	-0.36	12.39	+/- Category Index
—	—	—	—	—	—	—	—	—	—	—	—	% Rank Cat
439	482	504	551	608	657	743	778	823	829	817	786	No. of Funds in Cat

Portfolio Analysis 09-30-2012

Composition %	Long %	Short%	Net %	Share Chg since 06-30-2012	Share Amount	49 Total Stocks	0 Total Fixed-Income	% Net Assets
Cash	3.4	0.0	3.4			38%	Turnover Ratio	
U.S. Stocks	3.2	0.0	3.2	⊕	7 mil	Daimler AG		3.64
Non-U.S. Stocks	89.5	0.0	89.5	⊖	16 mil	Credit Suisse Group		3.62
Bonds	0.0	0.0	0.0	⊕	85 mil	Daiwa Securities Co., Ltd.		3.50
Other	3.9	0.0	3.9	⊕	10 mil	Canon, Inc.		3.36
Total	100.0	0.0	100.0	⊖	493 mil	Lloyds Banking Group PLC		3.36

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	14.7	1.19	1.16
	P/C Ratio TTM	5.8	0.79	0.75
	P/B Ratio TTM	1.1	0.78	0.70
	Geo Avg Mkt Cap \$mil	19030	0.60	0.78

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	5.8	—
Greater Europe	65.3	—
Greater Asia	28.8	—

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	61.7	—
Basic Materials	8.6	—
Consumer Cyclical	22.5	—
Financial Services	30.6	—
Real Estate	0.0	—
Sensitive	29.5	—
Communication Services	0.0	—
Energy	0.0	—
Industrials	20.0	—
Technology	9.5	—
Defensive	8.8	—
Consumer Defensive	4.7	—
Healthcare	4.1	—
Utilities	0.0	—

Objective:	Foreign Stock	Minimum IRA Purchase:	\$1,000
Ticker:	OAKIX	Min Auto Investment Plan:	\$500
Minimum Initial Purchase:	\$1,000	Purchase Constrains:	T/

Oppenheimer International Growth Y

Overall Morningstar Rtg™
 ☆☆☆☆☆ (223)
 Morningstar Analyst Rtg™
 Silver 11-06-2012

Morningstar Cat
 Foreign Large Growth (MF)
 Total Assets
 \$7,608 mil

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

Incept
 09-07-05
 Type
 MF

Performance 12-31-2012

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	8.14	6.56	22.10

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	22.10	9.29	1.21	—	7.07
Std 12-31-2012	22.10	—	1.21	—	7.07
Total Return	22.10	9.29	1.21	12.27	7.07

+/- Std Index	4.78	5.73	4.90	4.06	—
+/- Cat Index	5.24	4.43	4.30	4.50	—
% Rank Cat	11	4	4	3	—
No. in Cat	250	223	182	105	—
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
Morningstar Rating™	5★	5★	5★
Morningstar Risk	Avg	-Avg	Avg
Morningstar Return	High	High	High

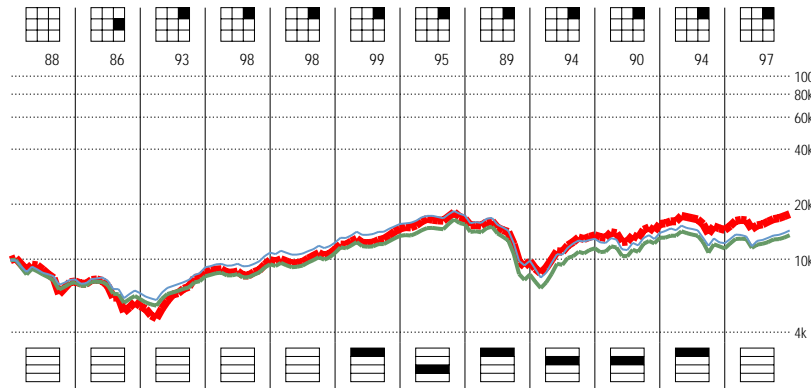
	3 Yr	5 Yr	10 Yr
Standard Deviation	19.05	22.42	19.00
Mean	9.29	1.21	12.27
Sharpe Ratio	0.56	0.15	0.62

MPT Statistics	Standard Index	Best Fit Index
		MSCI EAFE Gr TR
Alpha	5.58	4.27
Beta	0.94	0.98
R-Squared	94.98	96.84

12-Month Yield	—
30-day SEC Yield	—
Potential Cap Gains Exp	18.00% Assets

Operations

Family:	OppenheimerFunds
Manager:	Dunphy/Evans
Tenure:	8.8 Years



Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
NAV	14.63	10.73	16.43	19.14	21.60	27.79	30.94	17.83	24.43	27.90	25.52	30.71
Total Return %	-23.42	-26.70	53.20	16.46	14.24	30.18	12.93	-41.22	38.44	15.35	-7.31	22.10
+/- Standard Index	-1.98	-10.76	14.61	-3.79	0.70	3.84	1.76	2.16	6.66	7.60	4.83	4.78
+/- Category Index	1.16	-10.68	21.21	0.34	0.96	7.85	-3.52	1.48	9.08	3.10	4.80	5.24
% Rank Cat	—	—	—	—	—	5	74	10	36	33	13	—
No. of Funds in Cat	191	214	226	221	213	243	220	251	266	261	251	250

Portfolio Analysis 11-30-2012

Composition %	Long %	Short%	Net %
Cash	2.8	0.0	2.8
U.S. Stocks	1.7	0.0	1.8
Non-U.S. Stocks	95.4	0.0	95.4
Bonds	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total	100.0	0.0	100.0

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat
Value Blend Growth	P/E Ratio TTM	16.6	1.35	1.13
	P/C Ratio TTM	11.1	1.52	1.10
	P/B Ratio TTM	2.9	2.14	1.32
	Geo Avg Mkt Cap \$mil	11086	0.35	0.47

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	4.7	—
Greater Europe	81.8	—
Greater Asia	13.5	—

Share since 10-31-2012	Share Amount	116 Total Stocks	% Net Assets
		0 Total Fixed-Income	
		19% Turnover Ratio	
	3 mil	Sap AG	2.75
	49 mil	BT Group PLC	2.53
	10 mil	Experian PLC	2.25
	1 mil	Industria De Diseno Textil SA	1.90
	2 mil	Heineken N.V.	1.88
	14 mil	James Hardie Industries PLC D	1.86
	24 mil	William Hill PLC	1.81
	640,304	Roche Holding AG	1.73
	6 mil	Aalberts Industries NV	1.65
	3 mil	Carnival Corporation	1.63
	4 mil	Grifols SA	1.62
	2 mil	CSL Limited	1.59
	12 mil	Filtrona PLC	1.59
	7 mil	Bunzl PLC	1.58
	3 mil	Shoppers Drug Mart	1.52

Sector Weightings

	Stocks %	Rel Std Index
Cyclical	25.1	—
Basic Materials	4.5	—
Consumer Cyclical	16.2	—
Financial Services	4.5	—
Real Estate	0.0	—
Sensitive	49.0	—
Communication Services	5.8	—
Energy	4.8	—
Industrials	23.2	—
Technology	15.3	—
Defensive	25.9	—
Consumer Defensive	15.4	—
Healthcare	10.5	—
Utilities	0.0	—

IX. REAL ESTATE PERFORMANCE COMPARISONS

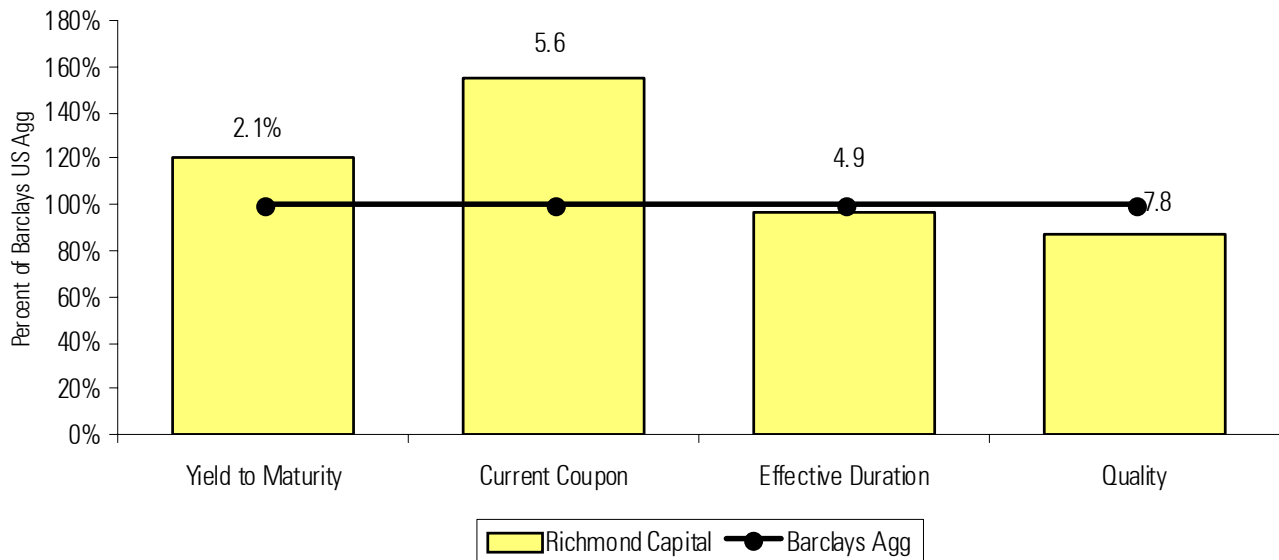
Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
Principal U.S. Property	1.9%	11.6%	14.4%	-2.3%
NCREIF ODCE Fund Index	2.4%	10.9%	14.4%	-1.1%
NCREIF Property Index	2.5%	10.5%	12.6%	2.1%
vs. Real Estate Portfolios	59	49	34	56

X. FIXED INCOME/ABSOLUTE RETURN PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
Richmond Capital	0.4%	5.6%	7.1%	7.0%
Barclays US Aggregate	0.2%	4.2%	6.2%	5.9%
vs. Core Fixed Income Portfolios	57	62	50	40
JP Morgan Infrastructure	4.4%	10.6%	5.3%	n/a
CPI + 3.0%	0.0%	4.7%	5.1%	n/a
JP Morgan Maritime	n/a	n/a	n/a	n/a
CPI + 3.0%	0.0%	4.7%	5.1%	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	✓	✗	✗
Rank Above 50 th Percentile in Public Fund Universe	✓	✓	82 nd
Earn Average Annual Return of 8.0%	✓	✓	✗
Standard Deviation Relative to Target Index	N/A	>	>

Guideline	Total Fund
Equity securities limited to less than 70% of Total Fund market value	60.7%
Investment in foreign company stock limited to 25% of value of Total Fund	13.2%
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: 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	✓	56 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
4Q2012	\$2,827	\$94
1Q2013		
2Q2013		
3Q2013		
Fiscal YTD 2013	\$2,827	\$94

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%
2012	\$17,665,210	17.5%
FTYD 2013	\$3,511,034	2.8%
Since Inception	\$59,242,770	6.2%*

*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.

