

# **JUPITER POLICE OFFICER'S RETIREMENT FUND**

## **INVESTMENT PERFORMANCE PERIOD ENDING DECEMBER 31, 2007**

NOTE: For a free copy of Part II (mailed w/i 5 bus. days from request receipt) of Burgess Chambers and Associates, Inc.'s most recent Form ADV which details pertinent business procedures, please contact:  
601 North New York Avenue, Suite 200, Winter Park, Florida 32789, 407-644-0111.



## **Jupiter Police Officers' Retirement Fund**

### **BCA Fourth Quarter 2007 Market Review ©**

Burgess Chambers and Sidney Taylor

#### **How a Slowing Economy Impacts Asset Class Performance and Asset Allocation**

The fourth quarter of 2007 revealed more evidence of fading economic growth in the U.S. The major cause has been the banks. Lending standards for both commercial and private mortgages have been tightened in the wake of a decline in the quality of existing loans. Banks are inducing an economic slowdown and are further increasing the probability of property foreclosures. Firms will be less inclined to borrow capital to make investments in plant, equipment and technology. The lending industry has stalled and faces further losses in 2008 in the form of loan asset write-downs. The banking environment will not improve until loan asset performance improves in terms of rising collateral values and falling delinquencies.

BCA believes that a mild recession will occur in 2008; as business activity and investment slows and consumers pull back spending. The impact upon asset classes may vary, as follows:

- Domestic stocks – A shift towards high quality and high capitalization companies with multi-national exposure.
- Domestic bonds – Widening yield spreads will favor a tilt towards high quality corporate issues.
- International stocks – High quality companies in developed countries will be less risky than emerging markets.
- Real Estate – REITS experienced re-pricing in 2007 and direct real estate will see falling valuations in 2008.
- Dollar strength – Stabilizes as capital flows into the U.S. rise from improving exports and increased foreign investment.

The slowing economy will reward those areas of the stock market that lagged until recently. The days of cheap money and investors not paying a risk premium are over. Low quality companies with weak balance sheets will be replaced in portfolios with safe high quality names. Falling consumer spending will typically hurt Starbucks, but help McDonalds.

Both fiscal stimulus (tax cuts) and more interest rate cutting by the Federal Reserve will occur in 2008, but such measures will not have traction until 2009. Accordingly, bonds will be an attractive asset class in 2008. The result may be better than coupon bond returns and bonds selling for a significant premium by year end 2008.

**Jupiter Police Officers' Retirement Fund**  
**Total Fund**  
**Investment Summary**  
**December 31, 2007**

- ❑ For the quarter, the total Fund earned -\$83,236 (-0.3% net), and ranked in the top 33rd percentile. The best performing asset category was fixed-income (+2.9%). While the REIT account experienced a significant decline, it represented a small portion of the total assets, as its allocation was reduced prior to the sell-off.
- ❑ For the 12-month period, the Fund earned +\$1.8 million (+7.6% net), and ranked in the top 30th percentile. The best three performing asset categories were: Westwood large-cap value (+13.5%), C.S. McKee international (+12.6%), and the i-Shares Russell 1000 Growth index (+11.8%).
- ❑ For the 12-month period, total domestic equities beat the Russell 3000 index (+9.8% vs. +5.2%).
- ❑ For the three and five-year periods, the total Fund has averaged +7.5% and +10.3% per year, respectively. During the past two years, since the manager changes were implemented, total annualized performance beat the 60/40 benchmark (+9.8% vs. +8.6%) and the strategic model (+9.5%).

**Investment Performance**

	<u><b>Quarter</b></u>	<u><b>One Year</b></u>
<b>Beginning Market Value</b>	<b>26,470,744</b>	<b>22,559,723</b>
<b>Ending Market Value</b>	<b>26,020,680</b>	<b>26,020,680</b>
<b>Net Contributions</b>	<b>-366,828</b>	<b>+1,693,169</b>
<b>Investment Gain/(Loss)</b>	<b>-83,236</b>	<b>+1,767,788</b>
<b>Investment Return, Net</b>	<b>-0.3%</b>	<b>+7.6%</b>

Fiscal Year: October 1st to September 30th.

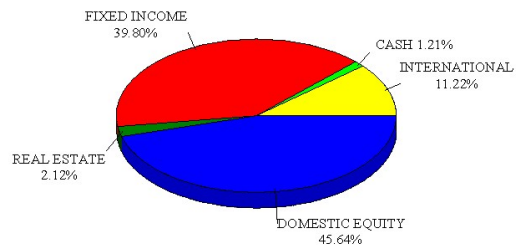


**Jupiter Police Officers' Retirement Fund**  
**Total Fund**  
**Compliance Checklist**  
**December 31, 2007**

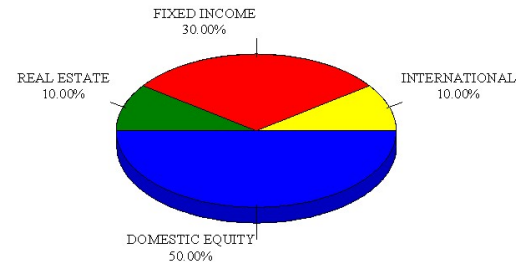
	<u><b>Yes</b></u>	<u><b>No</b></u>
1. The annualized three-year total Fund performance achieved the return for the Benchmark (60/40).	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The annualized three-year total Fund performance ranked in the top 40th percentile.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. The annualized five-year total Fund performance achieved the return for the Benchmark (60/40).	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The annualized five-year total Fund performance ranked in the top 40th percentile.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. The annualized three-year domestic equity performance achieved the domestic equity benchmark. (+7.0% vs. +8.9%)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. The annualized five-year domestic equity performance achieved the domestic equity benchmark. (+13.6% vs. 13.6%)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. The annualized three-year C.S. McKee international performance achieved the MSCI EAFE.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8. The annualized three-year C.S. McKee performance ranked in the top 40th percentile.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9. The annualized three-year Adelante REIT performance achieved the DJ Wilshire REIT.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. The annualized three-year Adelante REIT performance ranked in the top 40th percentile	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. The annualized three-year Sawgrass fixed income performance achieved the fixed income benchmark.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. The annualized three-year Sawgrass fixed income performance ranked in the top 40th percentile.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. Total equity securities (including the REIT), were within the 60% limitation.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. No more than 10% of the Fund's equity assets (at cost) were invested in foreign securities (actual 10.1%).	<input type="checkbox"/>	<input checked="" type="checkbox"/>
15. No more than 10% of the fixed income portfolio (at cost) was invested in the securities of any single corporate issuer.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Jupiter Police Officer's Retirement Fund**  
**Total Fund**  
**Actual vs Target Asset Allocation**  
**December 31, 2007**

**ACTUAL ASSET ALLOCATION**



**TARGET ASSET ALLOCATION**

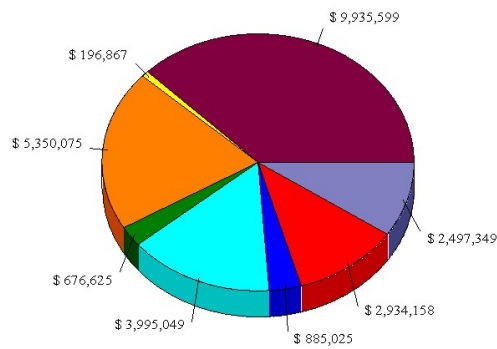


	MARKET VALUE ACTUAL	PERCENT ACTUAL	MARKET VALUE TARGET	PERCENT TARGET	MARKET VALUE DIFFERENCE	PERCENT DIFFERENCE
DOMESTIC EQUITY	11,876,788.5	45.6%	13,010,340.2	50.0%	(1,133,551.8)	(4.4%)
FIXED INCOME	10,355,291.9	39.8%	7,806,204.1	30.0%	2,549,087.8	9.8%
INTERNATIONAL	2,920,422.2	11.2%	2,602,068.0	10.0%	318,354.2	1.2%
REAL ESTATE	552,668.9	2.1%	2,602,068.0	10.0%	(2,049,399.1)	(7.9%)
CASH	315,508.9	1.2%	0.0	0.0%	315,508.9	1.2%
<b>TOTAL FUND</b>	<b>\$26,020,680.5</b>	<b>100.0%</b>	<b>\$26,020,680.5</b>	<b>100.0%</b>	<b>\$0.0</b>	<b>0.0%</b>

# Jupiter Police Officer's Retirement Fund

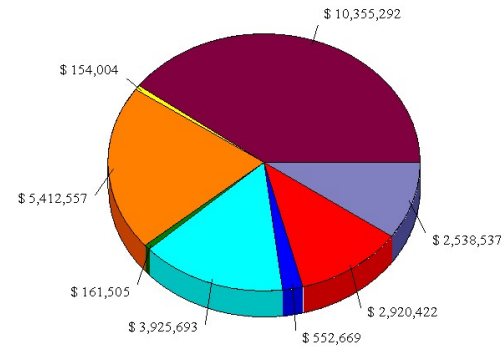
## Total Fund Manager Allocation

**Total Market Value  
On September 30, 2007  
\$ 26,470,744**



	Value	Percent
Adelante REIT	885,025	3.34
CS McKee International	2,934,158	11.08
Fifth Third Cash (ETF)	196,867	0.74
Fifth Third Cash (R&D)	676,625	2.56
Robeco Mid-Cap	3,995,049	15.09
Sawgrass Fixed Income	9,935,599	37.53
Westwood Large Cap Value	5,350,075	20.21
i-Shares Russell 1000 Growth	2,497,349	9.45

**Total Market Value  
On December 31, 2007  
\$ 26,020,680**



	Value	Percent
Adelante REIT	552,669	2.12
CS McKee International	2,920,422	11.22
Fifth Third Cash (ETF)	154,004	0.59
Fifth Third Cash (R&D)	161,505	0.62
Robeco Mid-Cap	3,925,693	15.09
Sawgrass Fixed Income	10,355,292	39.80
Westwood Large Cap Value	5,412,557	20.80
i-Shares Russell 1000 Growth	2,538,537	9.76

# Jupiter Police Officer's Retirement Fund

## Total Fund

### December 31, 2007

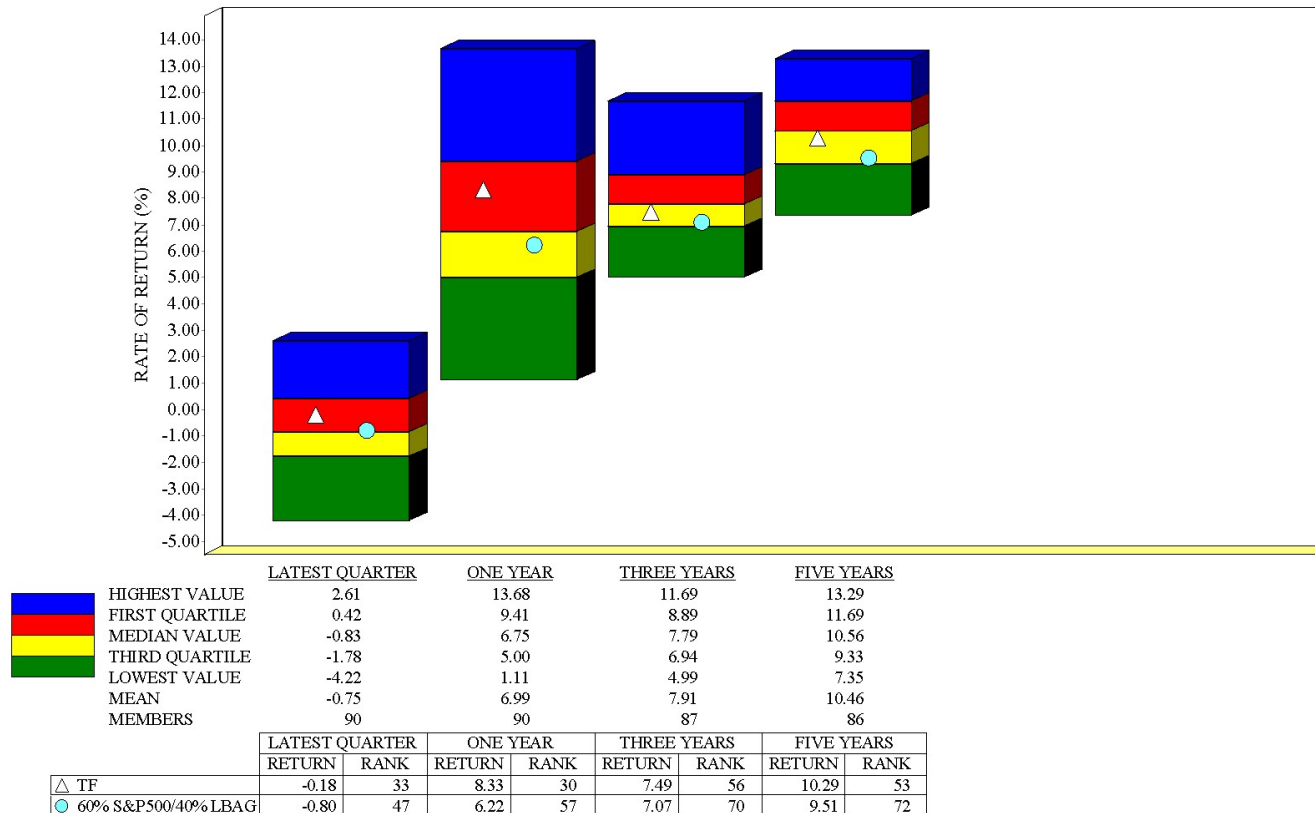
Name	Market Value + Accruals	QTD Rate of Return	1 Year Rate of Return	2 Years Rate of Return	3 Years Rate of Return	5 Years Rate of Return
<b>TOTAL FUND</b>						
<u>Equity</u>						
<u>Domestic Equity</u>						
Westwood Large Cap Value	5,412,557	-0.1%	13.5%	N/A	N/A	N/A
i-Shares Russell 1000 Growth	2,538,537	-1.2%	11.8%	10.6%	N/A	N/A
Robeco Mid-Cap	3,925,693	-3.0%	4.2%	N/A	N/A	N/A
<u>International</u>						
CS McKee International	2,920,422	-1.7%	12.6%	19.4%	16.8%	N/A
<u>Real Estate</u>						
<u>Real Estate</u>						
Adelante REIT	552,669	-13.9%	-15.8%	7.8%	10.1%	N/A
<u>Fixed Income</u>						
<u>Fixed Income</u>						
Sawgrass Fixed Income	10,355,292	2.9%	7.1%	5.9%	4.5%	N/A
<u>Cash</u>						
<u>Cash</u>						
Fifth Third Cash (ETF)	154,004	1.2%	4.9%	5.1%	N/A	N/A
Fifth Third Cash (R&D)	161,505	1.4%	5.1%	4.6%	3.8%	-0.2%
<b>TOTAL:</b>	<b>26,020,680</b>	<b>-0.2%</b>	<b>8.3%</b>	<b>9.8%</b>	<b>7.5%</b>	<b>10.3%</b>
Strategic Model		-2.4%	4.1%	9.5%	8.5%	12.0%
60% S&P500/40% LBAG		-0.8%	6.2%	8.6%	7.1%	9.5%
Russell 1000 Value		-5.8%	-0.2%	10.5%	9.3%	14.6%
Russell 1000 Growth		-0.8%	11.8%	10.4%	8.7%	12.1%
S&P 400 Mid Cap		-2.7%	8.0%	9.1%	10.3%	16.2%
MSCI Gross EAFE		-1.7%	11.6%	19.0%	17.3%	22.1%
Wilshire REIT		-13.5%	-17.6%	5.9%	8.5%	18.3%
LB Interm Aggregate		2.9%	7.0%	5.8%	4.5%	4.2%
ML 3M TBill		1.1%	5.0%	4.9%	4.3%	3.1%

# Jupiter Police Officer's Retirement Fund

## Total Fund

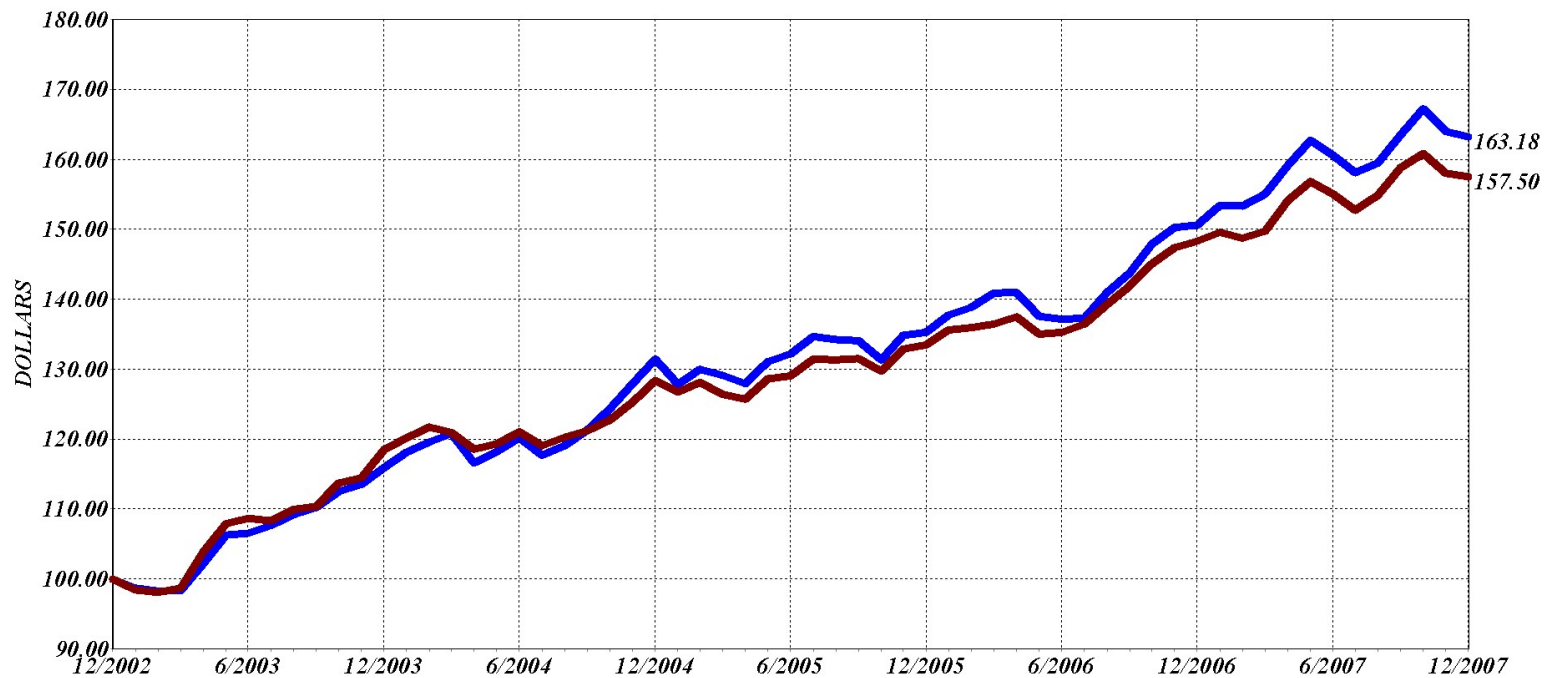
### Total Fund Versus Balanced Moderate

#### December 31, 2002 Through December 31, 2007





**Jupiter Police Officer's Retirement Fund**  
**Total Fund**  
**Growth of a Dollar Analysis**  
**December 31, 2002 Through December 31, 2007**



	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	-0.18	8.33	7.49	10.29
60% S&P500/40% LBAG	-0.80	6.22	7.07	9.51

**Jupiter Police Officer's Retirement Fund**  
**Westwood Large Cap Value**  
**Performance Profile**  
**Through December 31, 2007**

	ENDED	RETURN
BEST QUARTER	6/2007	7.82
WORST QUARTER	12/2007	-0.12
BEST 4 QUARTERS	12/2007	13.53
WORST 4 QUARTERS	12/2007	13.53

TOTAL # OF PERIODS: 12  
# OF POSITIVE PERIODS: 8  
# OF NEGATIVE PERIODS: 4

	QUARTER TO DATE	ONE YEAR
TOTAL FUND	-0.12	13.53
RUSSELL 1000 VALUE	-5.80	-0.17
EXCESS	5.98	13.69
RISKLESS INDEX	1.05	5.00
REAL ROR	-0.84	9.01

PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	TREYNOR RATIO
ONE YEAR	13.53	1	10.35	0.82	12.90	0.98	87.61	8.65

*The risk benchmark for this analysis is the Russell 1000 Value.  
The universe used was the Large Cap Value*

**Jupiter Police Officer's Retirement Fund**  
**i-Shares Russell 1000 Growth**  
**Performance Profile**  
**Through December 31, 2007**

	ENDED	RETURN
BEST QUARTER	6/2007	6.72
WORST QUARTER	6/2006	-3.82
BEST 4 QUARTERS	12/2007	11.80
WORST 4 QUARTERS	12/2006	9.40

TOTAL # OF PERIODS: 24  
# OF POSITIVE PERIODS: 16  
# OF NEGATIVE PERIODS: 8

	QUARTER TO DATE	ONE YEAR	TWO YEARS
TOTAL FUND	-1.23	11.80	10.59
RUSSELL 1000 GROWTH	-0.77	11.81	10.43
EXCESS	-0.49	-0.02	0.15
RISKLESS INDEX	1.05	5.00	4.93
REAL ROR	-1.94	7.34	6.89

PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	TREYNOR RATIO
ONE YEAR	11.80	58	9.16	0.74	0.04	0.99	98.99	6.84
TWO YEARS	10.59	53	8.27	0.69	0.11	1.01	98.45	5.61

*The risk benchmark for this analysis is the Russell 1000 Growth.  
The universe used was the Large Cap Growth*

**Jupiter Police Officer's Retirement Fund**  
**Robeco Mid-Cap**  
**Performance Profile**  
**Through December 31, 2007**

	ENDED	RETURN
BEST QUARTER	3/2007	6.40
WORST QUARTER	9/2007	-3.28
BEST 4 QUARTERS	12/2007	4.16
WORST 4 QUARTERS	12/2007	4.16

TOTAL # OF PERIODS: 12  
# OF POSITIVE PERIODS: 6  
# OF NEGATIVE PERIODS: 6

	QUARTER TO DATE	ONE YEAR
TOTAL FUND	-3.03	4.16
S&P 400 MID CAP	-2.73	7.98
EXCESS	-0.40	-3.68
RISKLESS INDEX	1.05	5.00
REAL ROR	-3.73	0.01

PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	TREYNOR RATIO
ONE YEAR	4.16	73	9.59	-0.09	-3.31	0.88	91.71	-0.96

*The risk benchmark for this analysis is the S&P 400 Mid Cap.  
The universe used was the Mid Cap*

**Jupiter Police Officer's Retirement Fund**  
**CS McKee International**  
**Performance Profile**  
**Through December 31, 2007**

	ENDED	RETURN
BEST QUARTER	12/2006	10.31
WORST QUARTER	6/2005	-2.98
BEST 4 QUARTERS	12/2006	26.53
WORST 4 QUARTERS	12/2005	11.71

TOTAL # OF PERIODS: 36  
# OF POSITIVE PERIODS: 27  
# OF NEGATIVE PERIODS: 9

	QUARTER TO DATE	ONE YEAR	TWO YEARS	THREE YEARS
TOTAL FUND	-1.73	12.60	19.36	16.75
MSCI GROSS EAFE	-1.71	11.63	19.00	17.32
EXCESS	0.05	0.90	0.28	-0.51
RISKLESS INDEX	1.05	5.00	4.93	4.30
REAL ROR	-2.43	8.14	15.44	12.87

PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	TREYNOR RATIO
ONE YEAR	12.60	47	9.85	0.77	0.75	1.03	93.21	7.39
TWO YEARS	19.36	49	9.24	1.56	0.73	0.97	94.65	14.91
THREE YEARS	16.75	71	9.44	1.32	-0.19	0.98	94.91	12.75

*The risk benchmark for this analysis is the MSCI Gross EAFE.  
The universe used was the EAFE*

**Jupiter Police Officer's Retirement Fund  
Adelante REIT  
Performance Profile  
Through December 31, 2007**

	ENDED	RETURN
BEST QUARTER	6/2005	16.13
WORST QUARTER	12/2007	-13.86
BEST 4 QUARTERS	12/2006	37.92
WORST 4 QUARTERS	12/2007	-15.80

TOTAL # OF PERIODS: 36  
# OF POSITIVE PERIODS: 23  
# OF NEGATIVE PERIODS: 13

	QUARTER TO DATE	ONE YEAR	TWO YEARS	THREE YEARS
TOTAL FUND	-13.86	-15.80	7.77	10.06
WILSHIRE REIT	-13.55	-17.56	5.92	8.49
EXCESS	-0.16	2.27	1.73	1.82
RISKLESS INDEX	1.05	5.00	4.93	4.30
REAL ROR	-14.51	-19.27	4.11	6.33

PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	TREYNOR RATIO
ONE YEAR	-15.80	61	20.70	-1.00	3.17	1.04	98.47	-19.99
TWO YEARS	7.77	45	18.02	0.16	1.77	0.99	98.16	2.86
THREE YEARS	10.06	50	20.34	0.28	1.48	1.10	88.26	5.21

*The risk benchmark for this analysis is the Wilshire REIT.  
The universe used was the REIT/Real Estate*

**Jupiter Police Officer's Retirement Fund**  
**Sawgrass Fixed Income**  
**Performance Profile**  
**Through December 31, 2007**

	ENDED	RETURN
BEST QUARTER	9/2006	3.21
WORST QUARTER	3/2005	-0.58
BEST 4 QUARTERS	12/2007	7.07
WORST 4 QUARTERS	12/2005	1.72

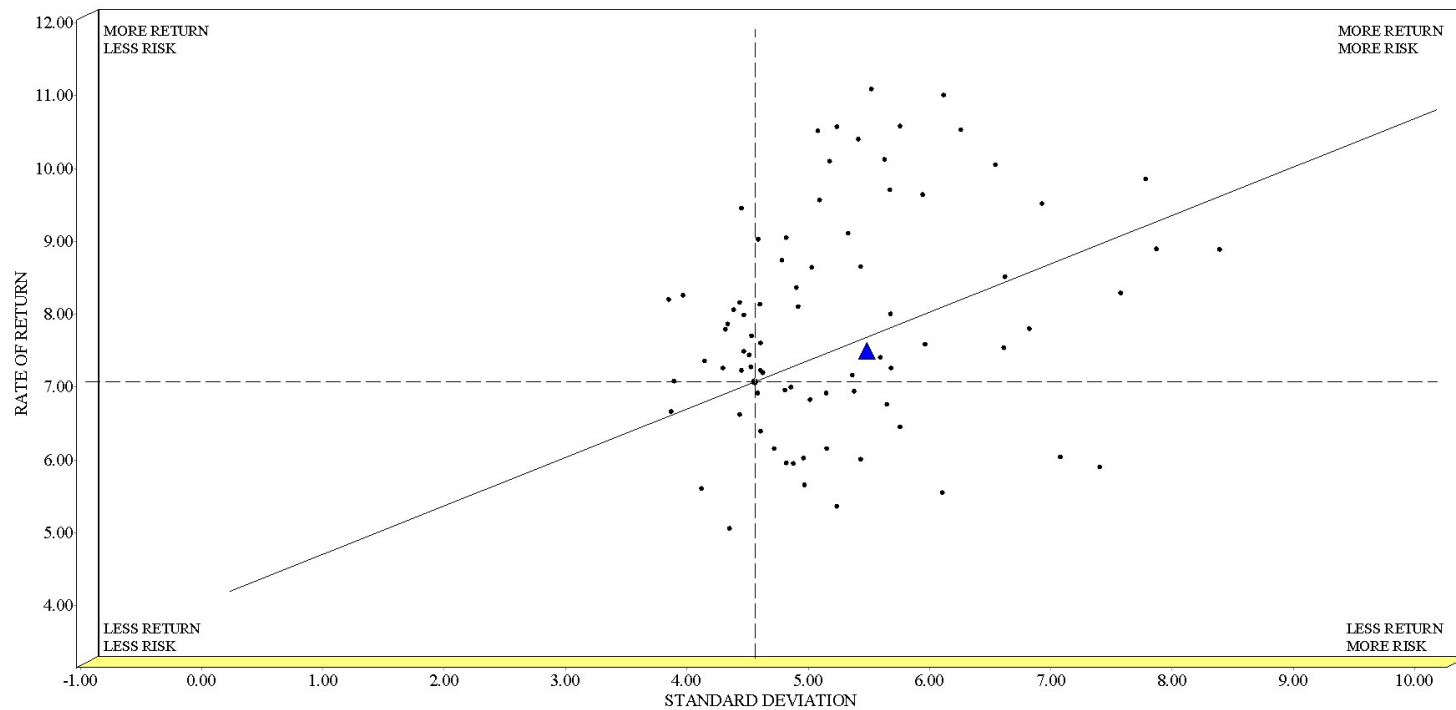
TOTAL # OF PERIODS: 36  
# OF POSITIVE PERIODS: 27  
# OF NEGATIVE PERIODS: 9

	QUARTER TO DATE	ONE YEAR	TWO YEARS	THREE YEARS
TOTAL FUND	2.88	7.07	5.91	4.49
LB INTERM AGGREGATE	2.89	7.02	5.79	4.51
EXCESS	-0.01	0.05	0.11	-0.02
RISKLESS INDEX	1.05	5.00	4.93	4.30
REAL ROR	2.17	2.78	2.36	0.97

PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	TREYNOR RATIO
ONE YEAR	7.07	52	2.38	0.87	-0.06	1.06	99.05	1.96
TWO YEARS	5.91	41	2.24	0.44	0.14	0.97	89.85	1.01
THREE YEARS	4.49	61	2.22	0.08	0.00	0.92	91.84	0.21

*The risk benchmark for this analysis is the LB Interm Aggregate.  
The universe used was the BCA HQ Int Fixed Income Universe*

**Jupiter Police Officer's Retirement Fund  
Total Fund  
Risk Versus Reward Analysis - 3 Yr.  
December 31, 2004 Through December 31, 2007**

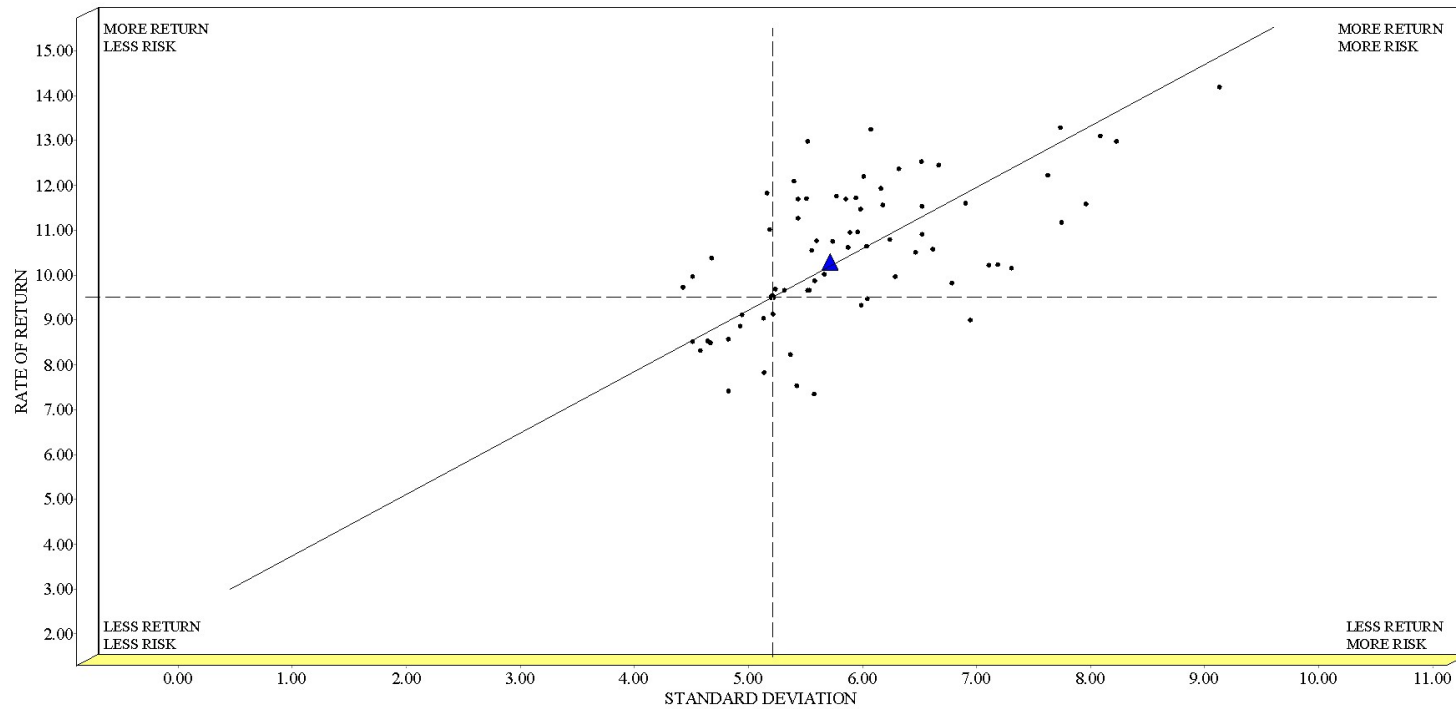


	RETURN	STD DEV	ALPHA	BETA	R-SQUARED
▲ TOTAL FUND	7.49	5.48	0.07	1.13	88.54

*The risk benchmark for this analysis is the 60% S&P500/40% LBAG.  
The comparative universe is comprised of Balanced Moderate.*



**Jupiter Police Officer's Retirement Fund  
Total Fund  
Risk Versus Reward Analysis - 5 Yr.  
December 31, 2002 Through December 31, 2007**



	RETURN	STD DEV	ALPHA	BETA	R-SQUARED
▲ TOTAL FUND	10.29	5.71	0.76	1.00	83.24

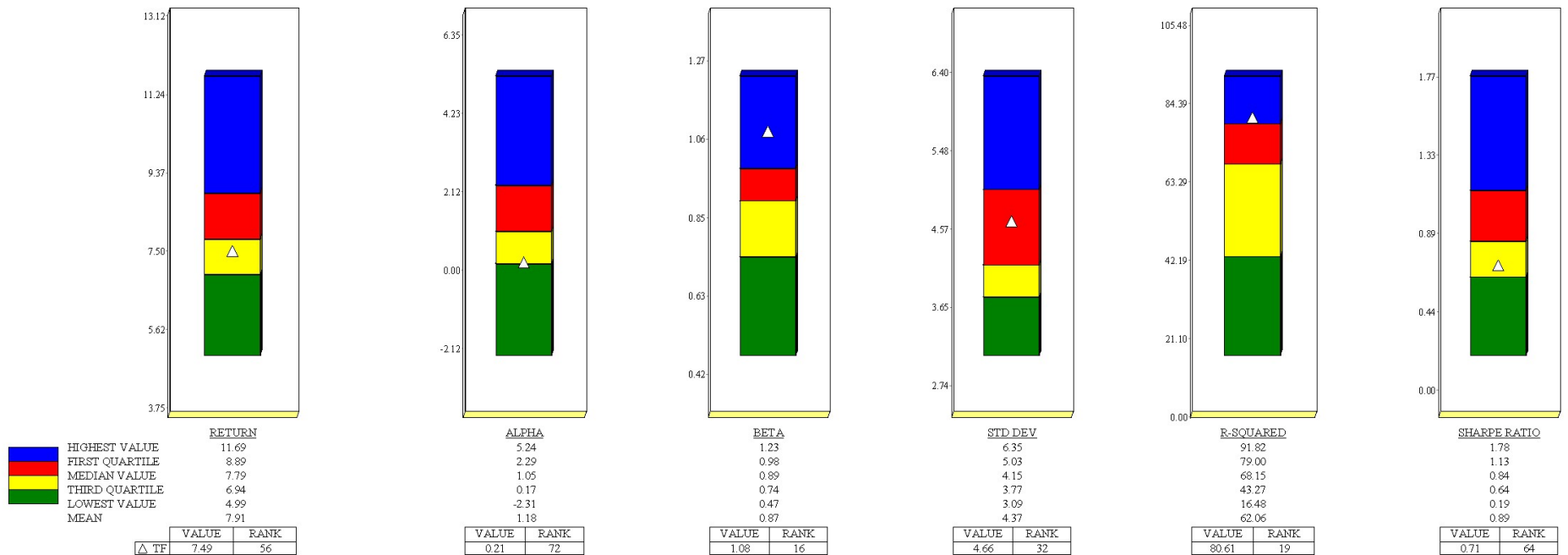
*The risk benchmark for this analysis is the 60% S&P500/40% LBAG.  
The comparative universe is comprised of Balanced Moderate.*

# Jupiter Police Officer's Retirement Fund

## Total Fund

### Total Fund Within Balanced Moderate

#### December 31, 2004 Through December 31, 2007



The risk benchmark for this analysis is the 60% S&P500/40% LBAG.

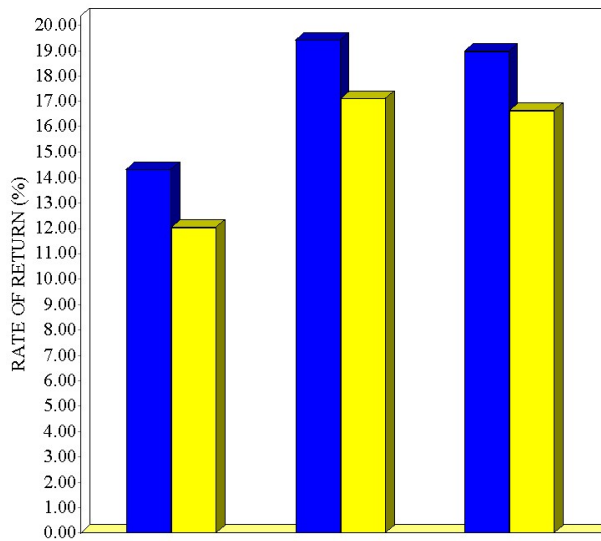
# Jupiter Police Officer's Retirement Fund

## Performance in Rising and Declining Markets

### As Compared to the Benchmark

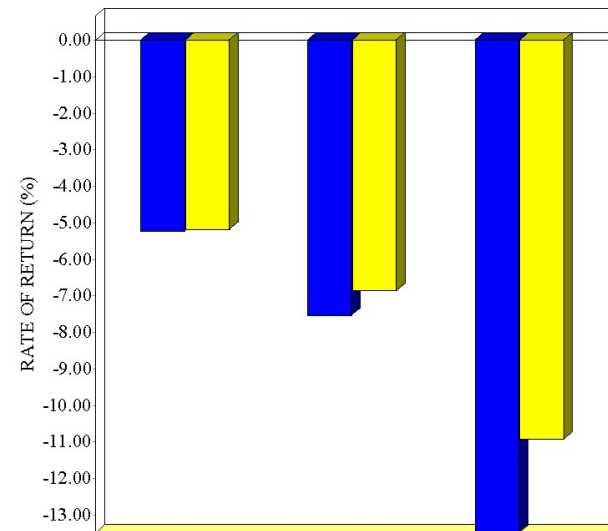
#### December 31, 2004 Through December 31, 2007

UP MARKET PERFORMANCE



	ONE YEAR	TWO YEARS	THREE YEARS
TOTAL FUND	14.32	19.40	18.96
60% S&P500/40% LBAG	12.04	17.11	16.64
DIFFERENCE	2.28	2.29	2.32
RATIO	1.19	1.13	1.14
UP PERIODS	7	18	25

DOWN MARKET PERFORMANCE



	ONE YEAR	TWO YEARS	THREE YEARS
TOTAL FUND	-5.24	-7.54	-13.49
60% S&P500/40% LBAG	-5.19	-6.87	-10.93
DIFFERENCE	-0.05	-0.67	-2.56
RATIO	1.01	1.10	1.23
DOWN PERIODS	5	6	11

## **Jupiter Police Officer's Retirement Fund**

### **Glossary of Terms**

- ACCRUED INTEREST- Bond interest earned since the last interest payment, but not yet received.
- ALPHA- A linear regressive constant that measures the manager's expected return independent of Beta.
- ASSET ALLOCATION- The optimal division of portfolio asset classes in order to achieve an expected investment objective.
- BETA- A measure of portfolio sensitivity (volatility) in relation to the market, based upon past experience.
- BOND DURATION- A measure of portfolio sensitivity to interest rate risk.
- COMMINGLED FUND- An investment fund, offered by a bank or insurance company, which is similar to a mutual fund in that investors are permitted to purchase and redeem units that represent ownership in a pool of securities.
- CORE- A type of investment strategy that has approximately an equal weighting in both growth and value stocks in order to achieve a return that is comparable to the broad market performance (i.e., the S&P 500).
- CORRELATION COEFFICIENT- A statistical measure of how two assets move together. The measure is bounded by +1 and -1; +1 means that the two assets move together positively, while a measure of -1 means that the assets are perfectly negatively correlated.
- INDEXES- Indexes are used as "independent representations of markets" (e.g., S&P 500 and LBGC).
- INFORMATION RATIO- Annualized excess return above the benchmark relative to the annualized tracking error.
- GROWTH MANAGER- A growth manager generally invests in companies that have either experienced above-average growth rates and/or are expected to experience above-average growth rates in the future. Growth portfolios tend to have high price/earnings ratios and generally pay little to no dividends.
- LARGE CAP- Generally, the term refers to a company that has a market capitalization that exceeds \$5 billion.
- MANAGER UNIVERSE- A collection of quarterly investment returns from various investment management firms that may be subdivided by style (e.g. growth, value, core).
- MID CAP- Generally, the term refers to a company that has a market capitalization between \$1 and \$5 billion.



## **Jupiter Police Officer's Retirement Fund**

### **Glossary of Terms**

**-RATE OF RETURN-** The percentage change in the value of an investment in a portfolio over a specified time period.

**-RISK MEASURES-** Measures of the investment risk level, including beta, credit, duration, standard deviation, and others that are based on current and historical data.

**-R-SQUARED-** Measures how closely portfolio returns and those of the market are correlated, or how much variation in the portfolio returns may be explained by the market. An R<sup>2</sup> of 40 means that 40% of the variation in a fund's price changes could be attributed to changes in the market index over the time period.

**-SHARPE RATIO-** The ratio of the rate of return earned above the risk-free rate to the standard deviation of the portfolio. It measures the number of units of return per unit of risk.

**-STANDARD DEVIATION-** Measure of the variability (dispersion) of historical returns around the mean. It measures how much exposure to volatility was experienced by the implementation of an investment strategy.

**-SYSTEMATIC RISK-** Measured by beta, it is the risk that cannot be diversified away (market risk).

**-TRACKING ERROR-** A measure of closely a manager's performance tracks an index; it is the annualized standard deviation of the differences between the quarterly returns for the manager and the benchmark.

**-TREYNOR RATIO-** A measure of reward per unit of risk. (excess return divided by beta)

**-UP-MARKET CAPTURE RATIO-** Ratio that illustrates how a manager performed relative to the market during rising market periods; the higher the ratio, the better the manager performed (i.e., a ratio of 110 implies the manager performed 10% better than the market).

**-VALUE MANAGER-** A value manager generally invests in companies that have low price-to-earnings and price-to-book ratios and/or above-average dividend yields.

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Advisory services are offered through or by Burgess Chambers and Associates, Inc., a registered SEC investment advisor.

#### **Performance Reporting:**

- 1.Changes in portfolio valuations due to capital gains or losses, dividends, interest or other income are included in the calculation of returns. All calculations are made in accordance with generally accepted industry standards.
- 2.Transaction costs, such as commissions, are included in the purchase cost or deducted from the proceeds or sale of a security. Differences in transaction costs may affect comparisons.
- 3.Individual client returns may vary due to a variety of factors, including differences in investment objectives and timing of investment decisions.
- 4.BCA does not have discretion or decision making authority over any investments. All decisions regarding investment manager selection and retention, asset allocation, and other investment policies were made by the client. While BCA provides recommendations and choices regarding suitable investments, not all clients take these recommendations or select from the choices offered.
- 5.Portfolio returns are generally shown before the deduction of investment advisory fees.
- 6.Performance reports are generated from information supplied by the client, custodian, and/or investment managers. BCA relies upon the accuracy of this data when preparing reports.
- 7.The market indexes do not include transaction costs, and an investment in a product similar to the index would have lower performance dependent upon costs, fees, dividend reinvestments, and timing. Benchmarks and indexes are for comparison purposes only, and there is no assurance or guarantee that such performance will be achieved.
- 8.Performance information prepared by third party sources may differ from that shown by BCA, These differences may be due to different methods of analysis, different time periods being evaluated, different pricing sources for securities, treatment of accrued income, treatment of cash, and different accounting procedures.
- 9.Certain valuations, such as alternative assets, ETF, and mutual funds, are prepared based on information from third party sources, the accuracy of such information cannot be guaranteed by BCA. Such data may include estimates and maybe be subject to revision.
- 10.BCA has not reviewed the risks of individual security holdings or the compliance/non-compliance of individual security holdings with investment policies and guidelines of fund sponsor, nor has it assumed any responsibility to do so.

The firm's ADV, Part II, is available upon request.

