

City of Venice Police Officers' Retirement Plan

1st Quarter 2009



Playing the Waiting Game... No Magic Bullet.

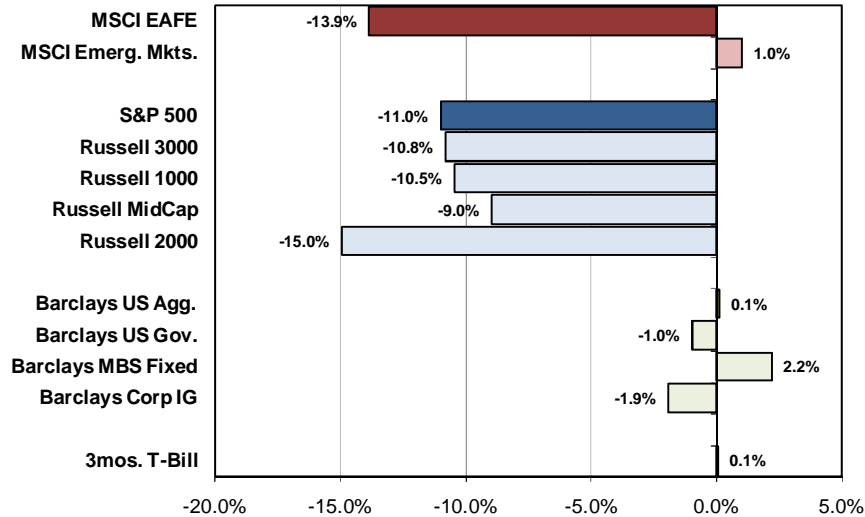
- ◆ Although the economy appeared to unravel at an incredibly rapid pace by any historical standard over the last nine months, the multiple layers of credit expansion and financial engineering that led to the current recessionary environment simply do not lend themselves to an equally short-term resolution. This lack of a “quick fix” to the economy’s woes is difficult information for market participants, which often react as poorly to future uncertainty as they do to the actual realization of bad news, to effectively digest. However, it is also important to remember that the economy and the market are not on the same clock. The market represents a classic leading economic indicator, and if history is any guide, the market will recover even as headline economic data, such as unemployment (currently 8.5%), continues to deteriorate. While corporate earnings will certainly represent a significant part of the market’s ultimate recovery, the first critical component must be some return of investor confidence in the financial system and equity investments as an essential tool for long-term portfolio growth.
- ◆ After ending 2008 with a positive month, investors were hopeful that the first quarter of 2009 would represent the start of the market’s recovery. Unfortunately, the market spent much of the first quarter adding to the losses sustained during the last quarter of 2008. This downward spiral, which thankfully received a large dose of late March relief, shook the resolve of many long-term investors. The broad market Russell 3000 Index posted a return of -10.8% for the quarter. While two of the ten economic sectors of the Russell 3000 Index returned worse than -20% (financials and industrials) and three other sectors posted returns of less than -10% (energy, consumer staples and utilities), unlike the 4th quarter, there was a pocket of positive performance. The information technology sector, which was the core index’s most heavily weighted sector (18.5%), managed a return of +3.5% for quarter. In the large cap space, the S&P 500 and Russell 1000 Index posted returns of -11.0% and -10.5% respectively. Further down the capitalization spectrum, the Russell MidCap Index returned -9.0% for the quarter and the small cap Russell 2000 Index returned a disappointing -15.0%. Due to the relative strength and weight of the information technology sector in the indices, growth style benchmarks outpaced their value counterparts by a wide margin at every capitalization range. The broad market Russell 3000 Value Index fell by -17.0% while the Russell 3000 Growth Index returned a much more mild -4.5%. Large cap issues, as measured by Russell 1000 Index, returned -16.8% for value vs. -4.1% for growth. The Russell MidCap Value Index returned -14.7% vs. -3.4% for the Russell MidCap Growth Index. In the narrowest spread of the quarter, the Russell 2000 Value Index returned -19.6%, which fell short of the Russell 2000 Growth Index return of -9.7% by a margin of 9.9%.
- ◆ It was a tale of two markets between the performance of developed and emerging market indices during the quarter. The developed markets as measured by the MSCI-EAFE Index, declined in both U.S. dollars (-13.9%) and local currency (-10.0%) for the quarter. Within the 21 country index, Norway, which was down more than 40% in the 4th quarter of 2008, posted the index’s only positive country performance with a U.S. dollar return of +3.3%. The major countries of the index (Japan, United Kingdom, France, Switzerland and Germany), which collectively represent more than 60% of the index, were each down in excess of -10% during the quarter. Unlike the wide performance bands of the domestic style indices, the international style distribution was somewhat tighter in the developed markets with the MSCI-EAFE Value Index returning -15.5% vs. the MSCI-EAFE Growth Index return of -12.3%. After declining more than 50% in 2008, the MSCI Emerging Market Index returned +1.0% in U.S. dollars and +4.2% in local currency for the quarter.
- ◆ A large number of the government’s broad-based initiatives to bring stability and return liquidity to the fixed income markets were fleshed out during the quarter. The structure and size of these programs continues to evolve on a daily basis and their ultimate success will likely be difficult to measure in the near-term. However, it is also clear that the Fed and Treasury remain on the offensive, as they vocally assure the market’s participants that they will do what is necessary to ensure stability and liquidity to the financial markets. The Barclays Capital U.S. Aggregate Index mild return of +0.1% masked some of the performance disparity within the bond market’s government, mortgage and credit sectors. Reversing a massive flight to quality that occurred in the bond market since the outset of the credit crisis, government obligations pulled back during the quarter with the Barclays Government Index returning -1.0% for the quarter. Outside of government issues and aided by prospect of protection through government programs, the Barclays Mortgage Index returned +2.2% for quarter. As a symbol of the fear still present in the credit market, the Barclays Corporate Investment Grade Index posted a return of -1.9%. Despite these investment grade credit losses, many lower quality credit issues were positive. Aided by its higher coupons, the Merrill Lynch High Yield Master II Index returned +5.0% for the quarter.
- ◆ Despite our current economic problems, we have faith in the future the United States and the adaptability of the financial system. As large and unpopular as some programs may be, it is a natural expectation for the government to temporality pick up the slack and attempt to drive economic growth forward as personal consumption and business spending slows. The timing of the market and eventual economic recovery is difficult to pinpoint and as Tom Petty phrased it so eloquently back in 1981, “the waiting is the hardest part”.

The Market Environment

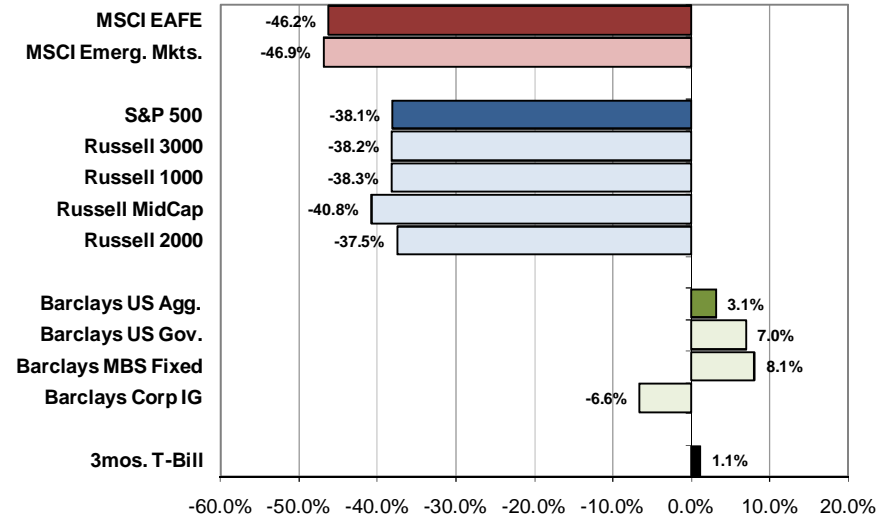
Major Market Index Performance

Period Ended: March 31, 2009

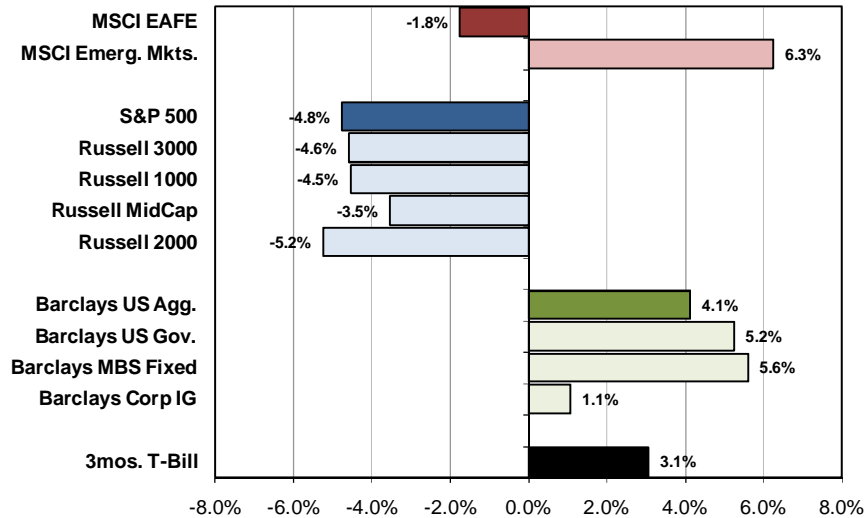
Quarter Performance



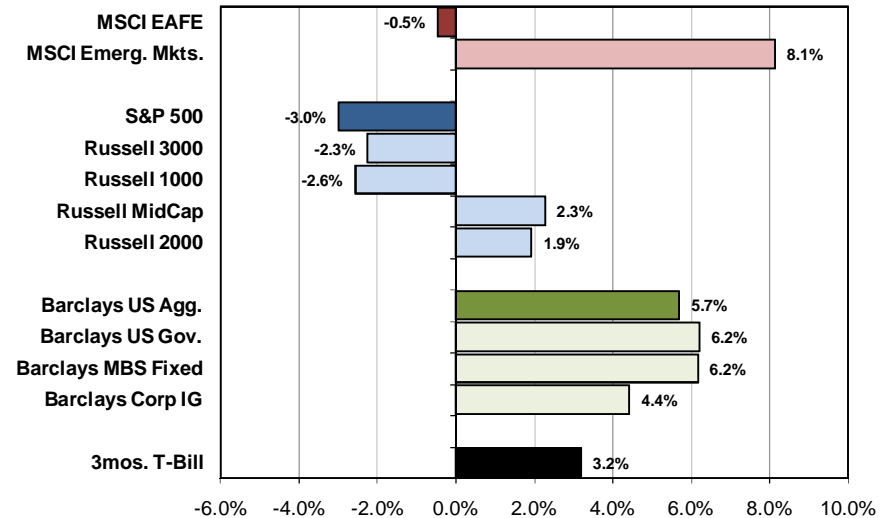
One Year Performance



Five Year Annualized Performance



Ten Year Annualized Performance



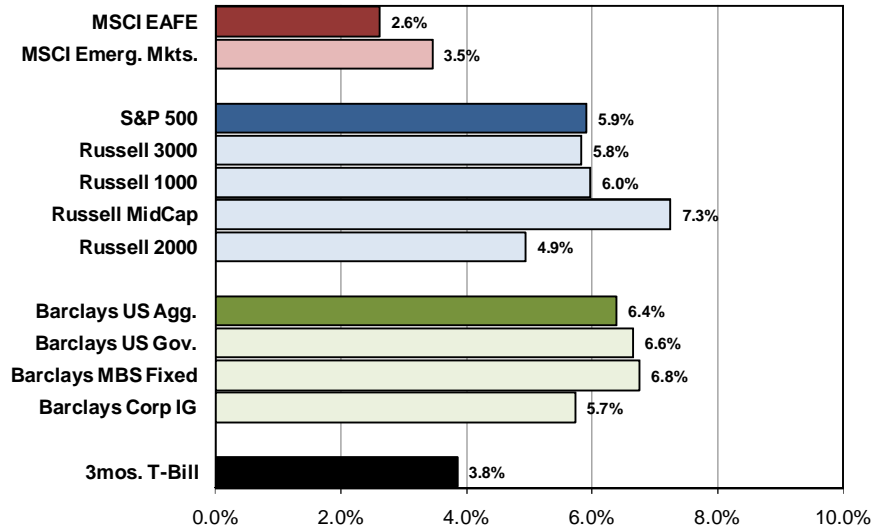
Source: MSCI Capital Markets, Russell Investments, Barclays Capital & Bogdahn Consulting, LLC.

The Market Environment

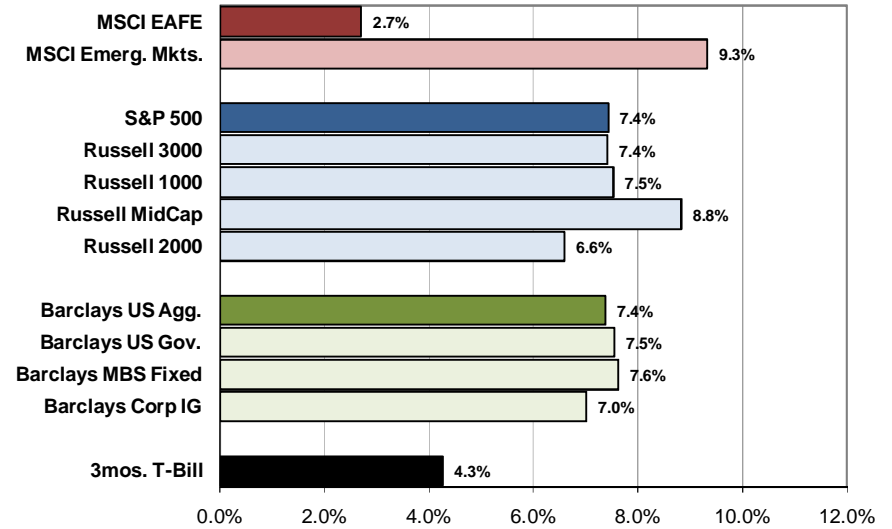
Long-Term Major Market Index Performance

Period Ended: March 31, 2009

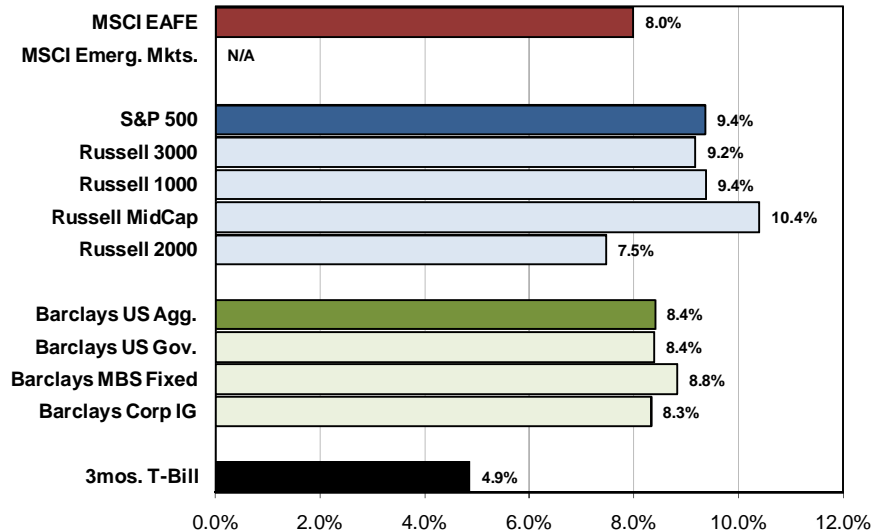
Fifteen Year Annualized Performance



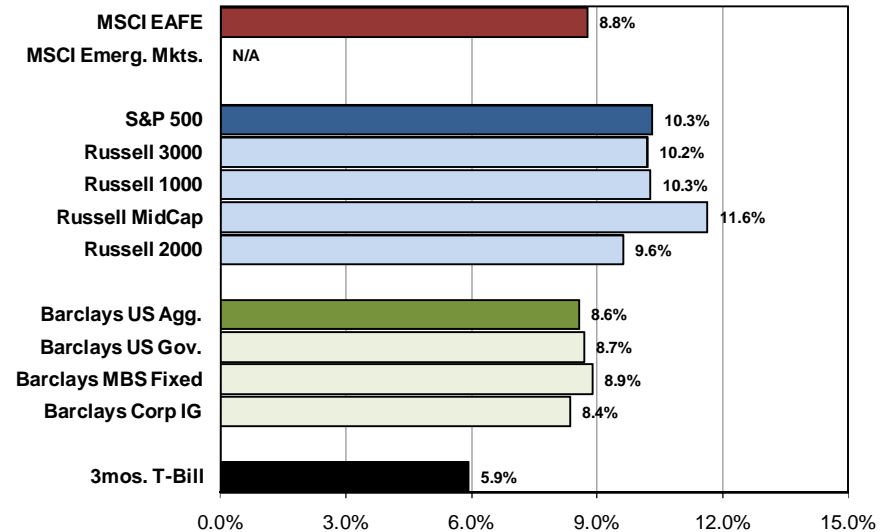
Twenty Year Annualized Performance



Twenty-Five Year Annualized Performance



Thirty Year Annualized Performance



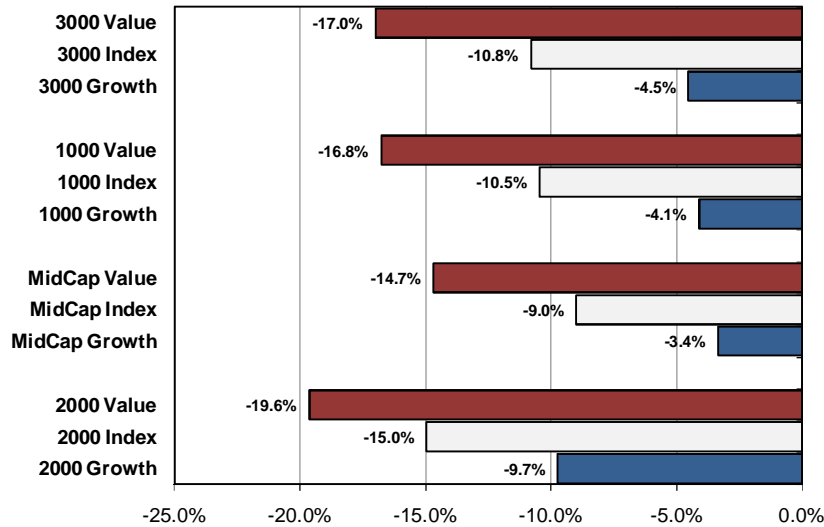
Source: MSCI Capital Markets, Russell Investments, Barclays Capital & Bogdahn Consulting, LLC.

The Market Environment

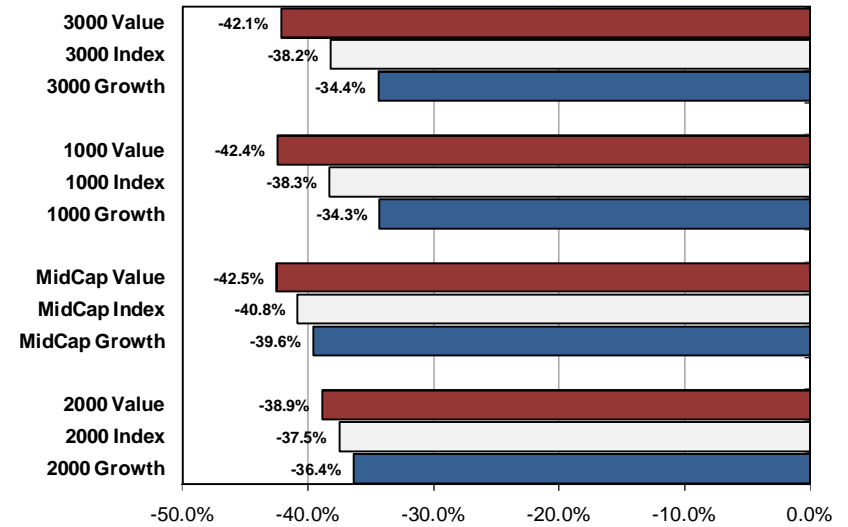
Russell Style Index Performance

Period Ended: March 31, 2009

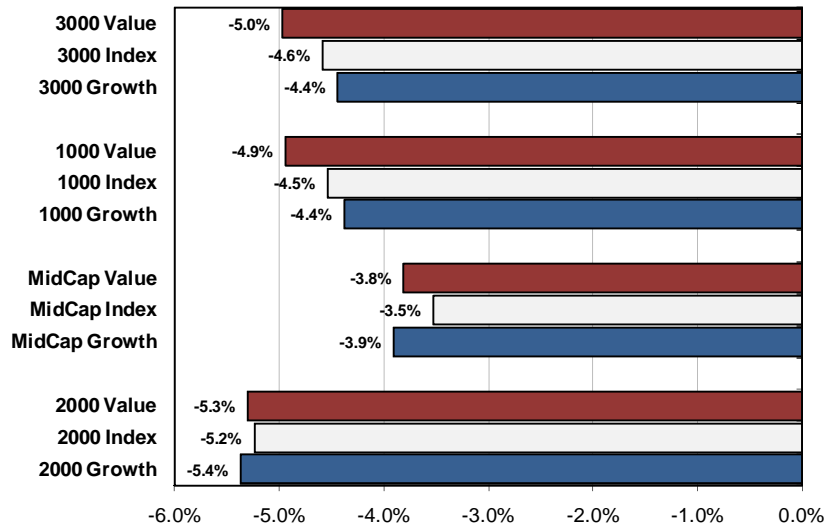
Quarter Performance



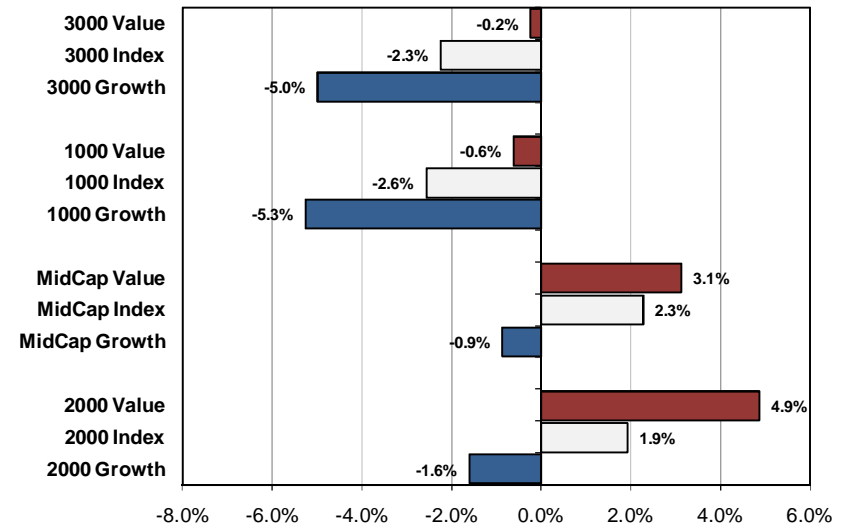
One Year Performance



Five Year Annualized Performance



Ten Year Annualized Performance

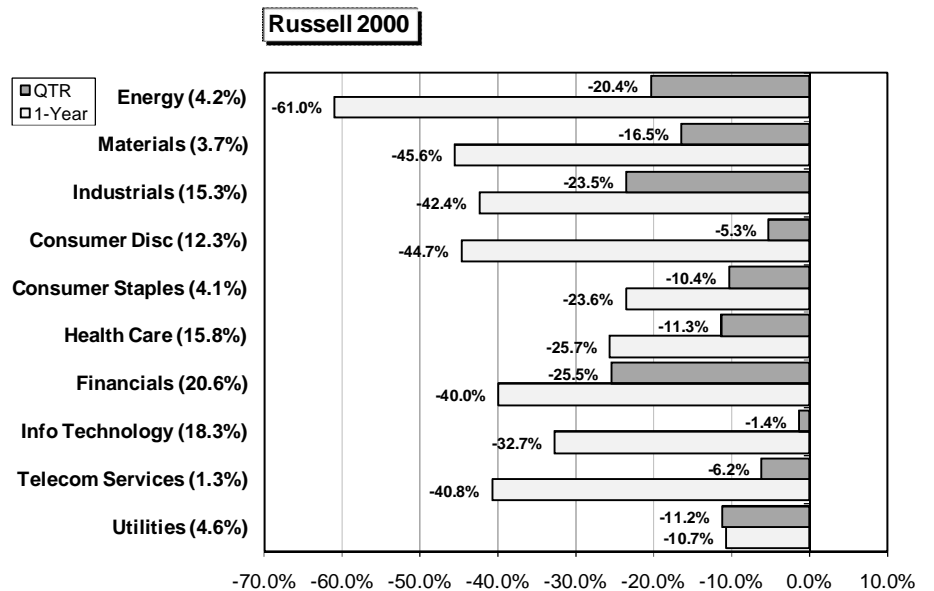
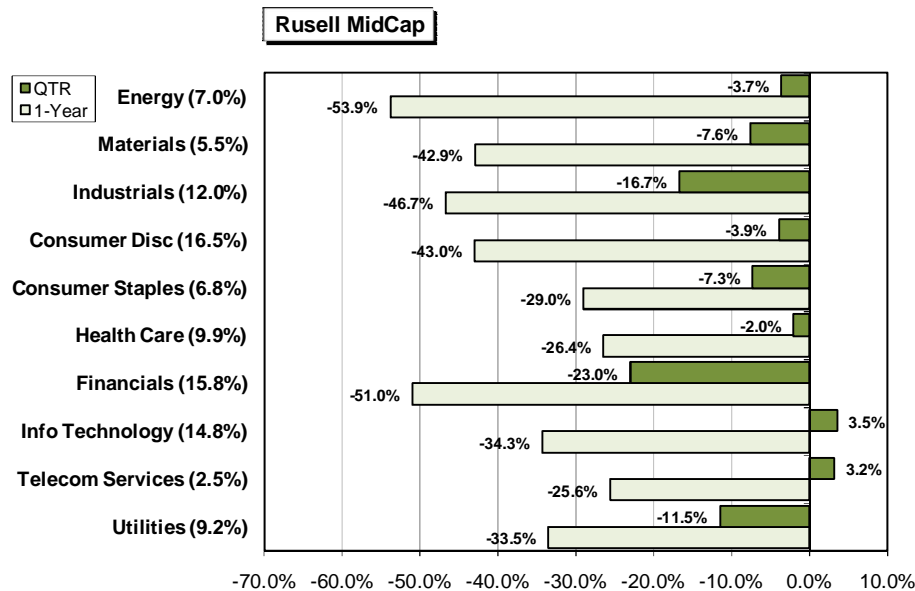
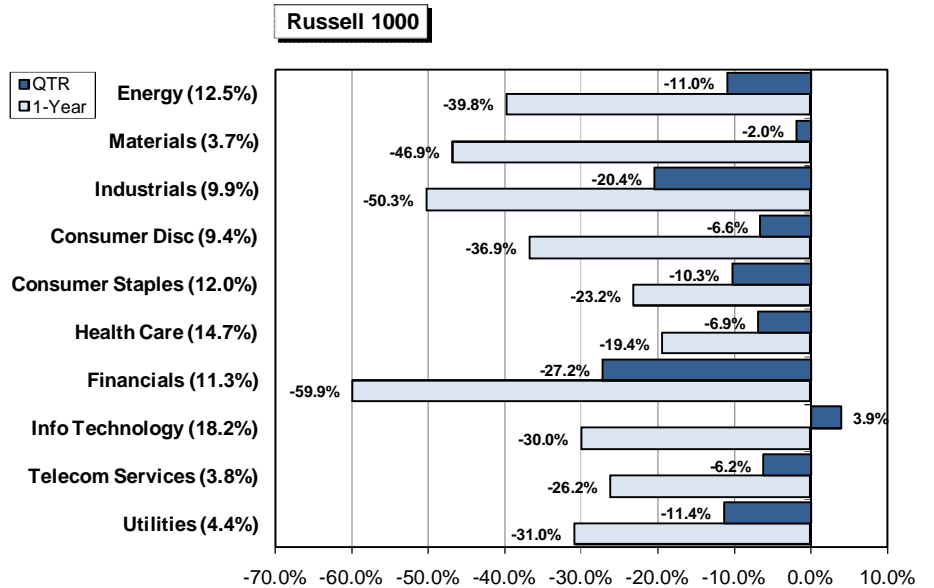
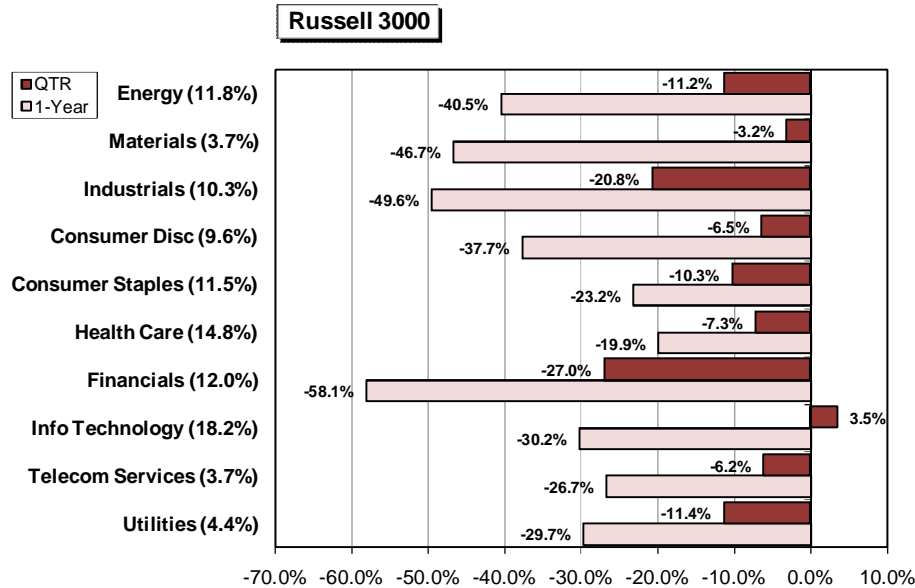


Source: Russell Investments

The Market Environment

4th Quarter & Year-to-Date GICS Sector Performance & (Year-End Sector Weight)

Period Ended: March 31, 2009



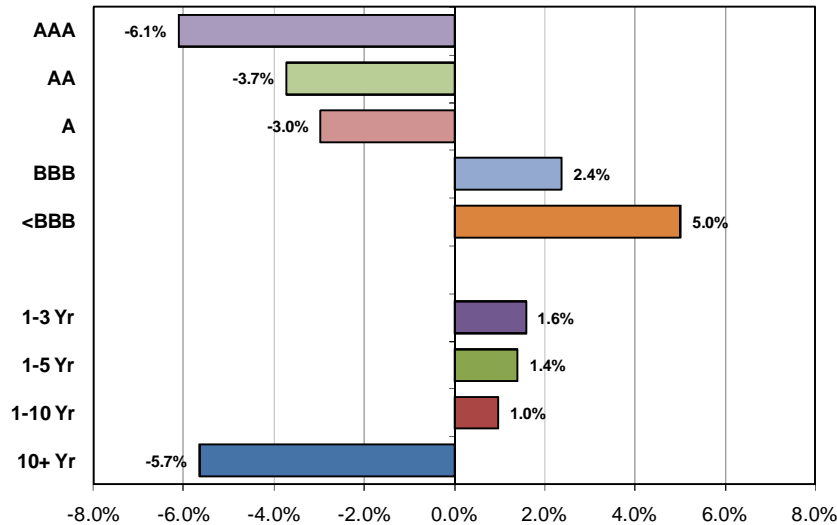
Source: Thompson Financial

The Market Environment

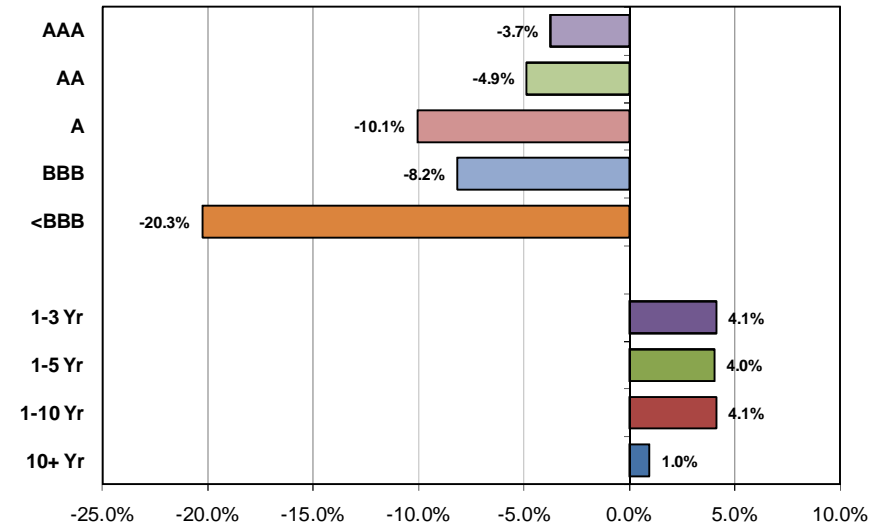
Domestic Credit Sector & Broad Market Maturity Performance & Rate Comparison

Period Ended: March 31, 2009

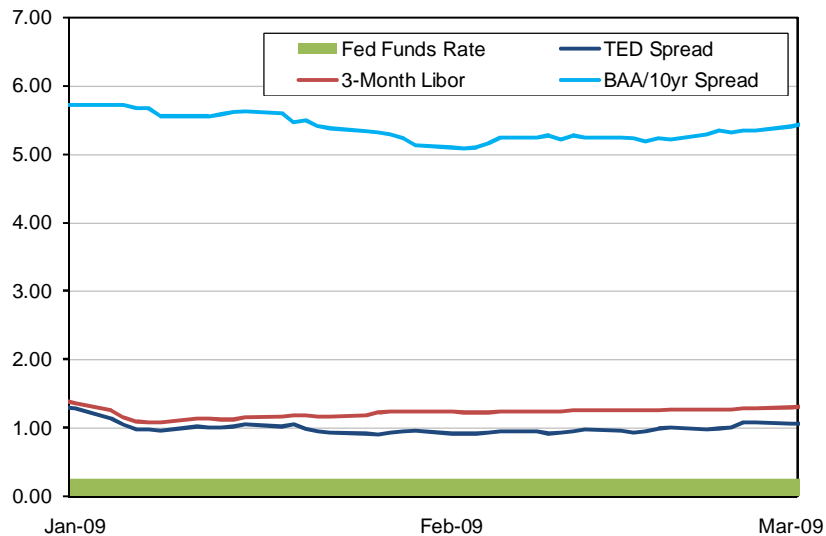
Quarter Performance



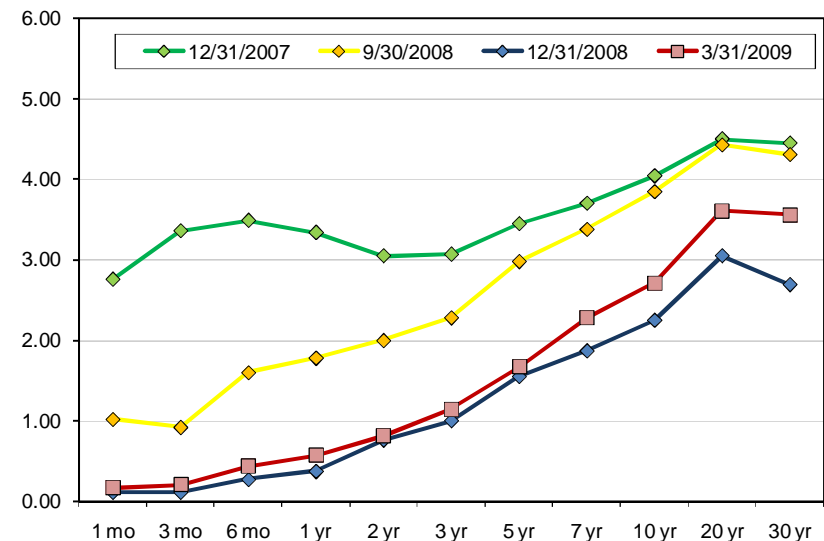
One Year Performance



2009 Market Rates



Treasury Yield Curve

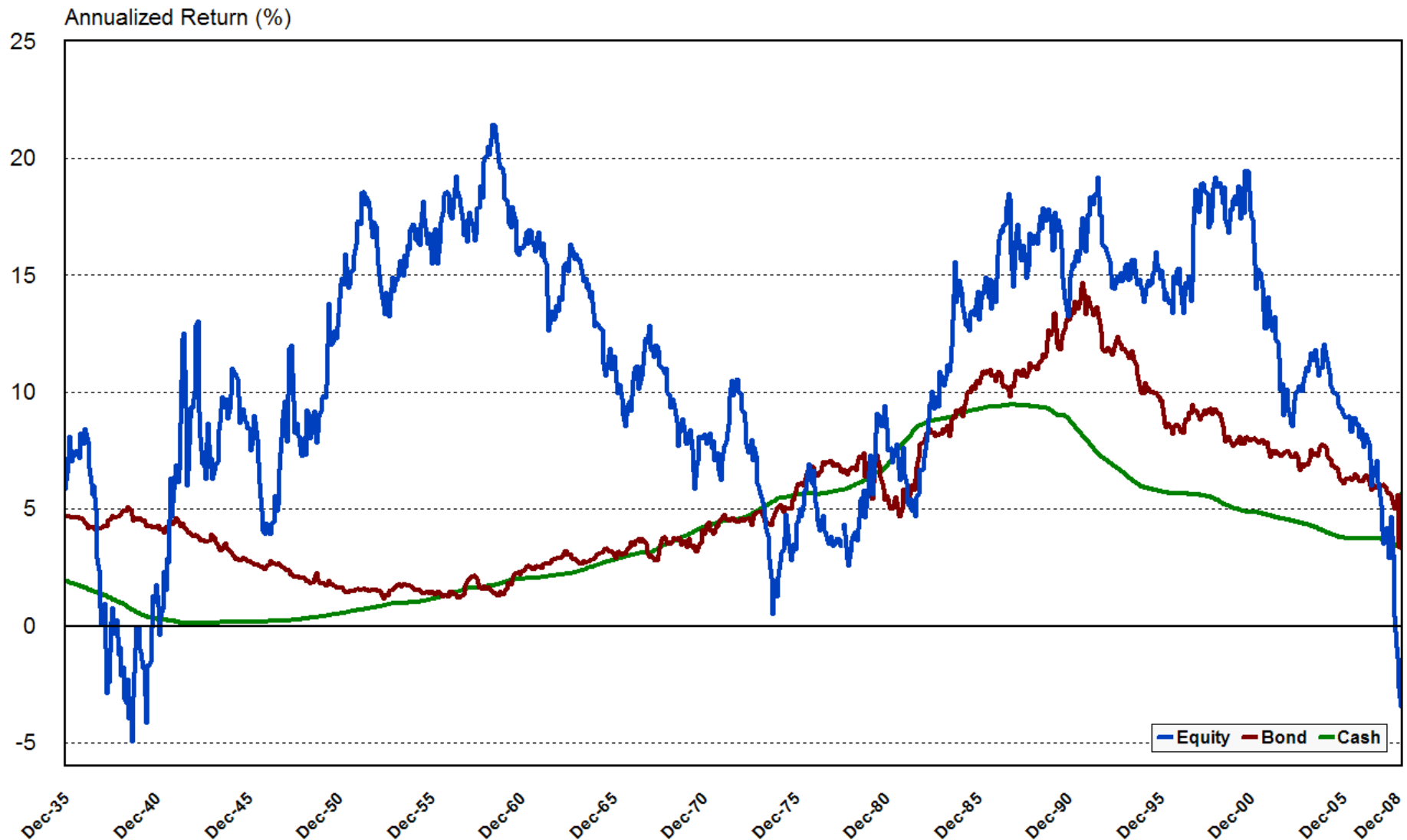


Source: Merrill Lynch, Mortgage-X.com, US Department of Treasury & St. Louis Fed

The Market Environment

Taking a Long-Term Perspective

10-year rolling monthly returns of stocks, bonds and cash (1/1/26 – 3/31/09)



880 rolling 10-year observations

- Stocks outperforms Bonds 736 rolling periods or 84% of the time.
- Stocks outperforms Cash 749 rolling periods or 85% of the time.
- Bonds outperform Cash 723 rolling periods or 82% of the time.

Source: Ibbotson & Zephyr Associates

City of Venice Police Officers' Retirement Fund

Compliance Checklist as of 3/31/2009

| Total Fund Compliance: | | | | Yes | No | N/A |
|------------------------|---|--|--|-----|----|-----|
| 1. | The Total Plan return equaled or exceeded the 8% actuarial earnings assumption over the trailing three and five year periods. | | | | ✓ | |
| 2. | The Total Plan return equaled or exceeded the total plan benchmark over the trailing three and five year periods. | | | | ✓ | |
| 3. | The Total Plan return ranked within the top 40th percentile of its peer group over the trailing three and five year periods. | | | ✓ | | |
| 4. | The Total Plan standard deviation was equal to or less than 120% of the total plan benchmark over the trailing three and five year periods. | | | | ✓ | |

| Equity Compliance: | | | | Yes | No | N/A |
|--------------------|---|--|--|-----|----|-----|
| 1. | Total equity returns meet or exceed the benchmark over the trailing three and five year periods. | | | ✓ | | |
| 2. | Total equity returns ranked within the top 40th percentile of its peer group over the trailing three and five year periods. | | | ✓ | | |
| 3. | The total equity allocation was less than 85% of the total plan assets at market. | | | ✓ | | |
| 4. | The total equity allocation was less than 65% of the total plan assets at cost. | | | ✓ | | |
| 6. | Total foreign equity was less than 10% of the total plan assets at cost. | | | ✓ | | |

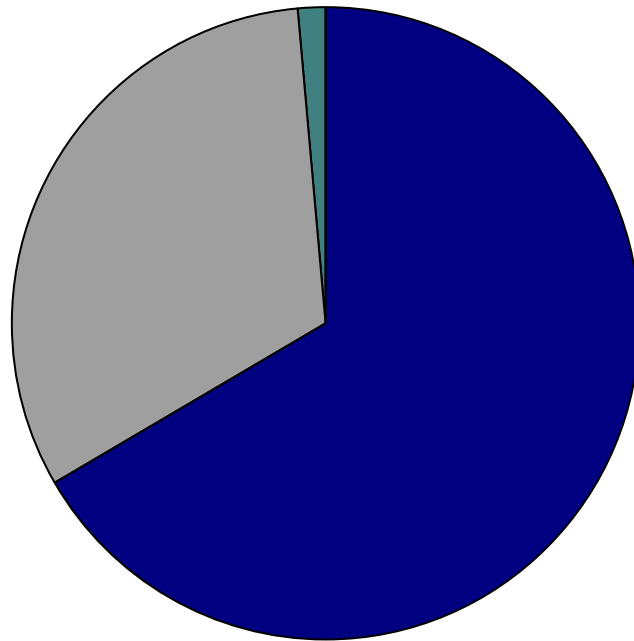
| Fixed Income Compliance: | | | | Yes | No | N/A |
|--------------------------|---|--|--|-----|----|-----|
| 1. | Total fixed income returns meet or exceed the benchmark over the trailing three and five year periods. | | | | ✓ | |
| 2. | Total fixed income returns ranked within the top 40th percentile of its peer group over the trailing three and five year periods. | | | | ✓ | |
| 3. | The average quality of the fixed portfolio was investment grade or better. | | | ✓ | | |
| 4. | No more than 25% of the fixed income portfolio was rated below BBB/Baa. | | | ✓ | | |

| Manager Compliance: | BH-EQ | | | BH-FX | | | | | | | | | | | |
|---|-------|----|-----|-------|----|-----|-----|----|-----|-----|----|-----|-----|----|-----|
| | Yes | No | N/A | Yes | No | N/A | Yes | No | N/A | Yes | No | N/A | Yes | No | N/A |
| 1. Manager outperformed the index over the trailing three and five year periods. | ✓ | | | | ✓ | | | | | | | | | | |
| 2. Manager ranked within the top 50th percentile over trailing three and five year periods. | ✓ | | | | ✓ | | | | | | | | | | |
| 3. Less than four consecutive quarters of under performance relative to the benchmark. | ✓ | | | | ✓ | | | | | | | | | | |
| 4. Three-year down-market capture ratio less than the index. | ✓ | | | | ✓ | | | | | | | | | | |
| 5. Standard deviation <= 150% of the index over the trailing three and five year periods. | ✓ | | | | ✓ | | | | | | | | | | |

Venice Police Officers' Retirement Fund
March 31, 2009

Asset Allocation By Style as of Dec - 2008

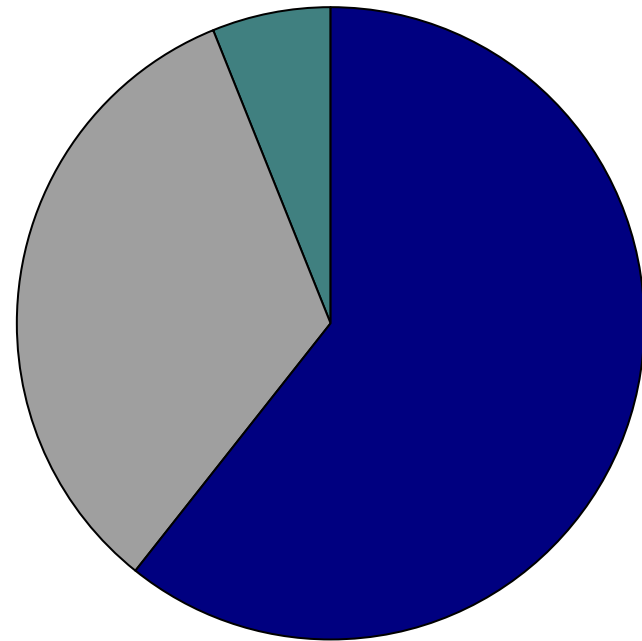
December 31, 2008 : \$19,188,119



| Segments | Market Value (\$) | Allocation (%) |
|-----------------------|-------------------|----------------|
| Domestic Equity | 12,775,864 | 66.6 |
| Domestic Fixed Income | 6,130,822 | 32.0 |
| Cash Equivalent | 281,433 | 1.5 |

Asset Allocation By Style - Current Quarter

March 31, 2009 : \$17,322,029



| Segments | Market Value (\$) | Allocation (%) |
|-----------------------|-------------------|----------------|
| Domestic Equity | 10,508,804 | 60.7 |
| Domestic Fixed Income | 5,755,171 | 33.2 |
| Cash Equivalent | 1,058,054 | 6.1 |

Venice Police Officers' Retirement Plan
Comparative Performance Trailing Returns
As of March 31, 2009

| | 1 Quarter | Oct-2008 To Mar-2009 | 1 Year | 3 Years | 5 Years | 7 Years | Since Inception | Inception Date |
|---|--------------------|----------------------------|--------------------|--------------------|------------------|------------------|--------------------|-------------------|
| Total Fund (Net) | -8.52 (84) | -23.68 (75) | -31.68 (68) | -7.73 (31) | -0.08 (9) | 1.21 (12) | 8.01 N/A | 08/01/1986 |
| Total Fund Policy | -7.06 (61) | -19.34 (30) | -25.78 (20) | -6.82 (18) | -1.48 (30) | 0.14 (33) | 7.56 N/A | |
| Difference | -1.46 | -4.34 | -5.90 | -0.91 | 1.40 | 1.07 | 0.45 | |
| Mixed-Asset Target Alloc Growth Funds (MF) Median | -6.56 | -21.11 | -29.47 | -8.77 | -2.38 | -0.52 | N/A | |
| Total Fund (Gross) | -8.43 | -23.51 | -31.32 | -7.39 | 0.30 | 1.61 | 8.19 | 08/01/1986 |
| Total Fund Policy | -7.06 | -19.34 | -25.78 | -6.82 | -1.48 | 0.14 | 7.56 | |
| Difference | -1.37 | -4.17 | -5.54 | -0.57 | 1.78 | 1.47 | 0.63 | |
| Total Equity | -12.10 (90) | -30.98 (79) | -39.63 (90) | -10.74 (25) | -0.42 (9) | 0.73 (9) | 9.78 N/A | 08/01/1986 |
| Russell 1000 Index | -10.45 (50) | -30.59 (73) | -38.27 (75) | -13.24 (71) | -4.54 (71) | -2.86 (73) | 7.96 N/A | |
| Difference | -1.65 | -0.39 | -1.36 | 2.50 | 4.12 | 3.59 | 1.82 | |
| US Core/Large Cap Equity (SA+CF) Median | -10.49 | -29.78 | -37.07 | -12.51 | -3.79 | -2.34 | N/A | |
| Total Fixed Income | -0.23 (76) | -5.15 (95) | -9.76 (95) | -0.24 (97) | 0.64 (97) | 3.13 (95) | 6.23 N/A | 03/01/1988 |
| Barclays Capital U.S. Government/Credit | -1.27 (91) | 5.06 (38) | 1.78 (52) | 5.47 (44) | 3.74 (59) | 5.41 (42) | 7.15 N/A | |
| Difference | 1.04 | -10.21 | -11.54 | -5.71 | -3.10 | -2.28 | -0.92 | |
| US Broad Market Core Fixed Income (SA+CF) Median | 0.46 | 4.44 | 1.93 | 5.32 | 3.93 | 5.31 | N/A | |

Returns for periods greater than one year are annualized.

Returns are expressed as percentages.

Current Total Fund Policy: 65% Russell 1000, 30% LBGC, 5% Citigroup 3-Month T-Bill



Venice Police Officers' Retirement Plan
Comparative Performance Fiscal Year Returns
As of March 31, 2009

| | Oct-2007 To Sep-2008 | Oct-2006 To Sep-2007 | Oct-2005 To Sep-2006 | Oct-2004 To Sep-2005 | Oct-2003 To Sep-2004 | Oct-2002 To Sep-2003 | Oct-2001 To Sep-2002 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Total Fund (Net) | -16.34 (34) | 20.79 (5) | 9.09 (29) | 14.82 (15) | 15.22 (13) | 17.25 (50) | -9.07 (32) |
| Total Fund Policy | -13.98 (15) | 12.73 (67) | 7.88 (52) | 10.14 (62) | 10.09 (55) | 18.39 (41) | -10.22 (43) |
| Difference | -2.36 | 8.06 | 1.21 | 4.68 | 5.13 | -1.14 | 1.15 |
| Mixed-Asset Target Alloc Growth Funds (MF) Median | -17.95 | 13.86 | 7.96 | 11.06 | 10.44 | 17.11 | -10.69 |
| Total Fund (Gross) | -16.01 | 21.27 | 9.43 | 15.30 | 15.68 | 17.73 | -8.70 |
| Total Fund Policy | -13.98 | 12.73 | 7.88 | 10.14 | 10.09 | 18.39 | -10.22 |
| Difference | -2.03 | 8.54 | 1.55 | 5.16 | 5.59 | -0.66 | 1.52 |
| Total Equity | -20.99 (46) | 28.49 (1) | 11.60 (31) | 20.08 (11) | 21.49 (4) | 23.84 (53) | -15.46 (22) |
| Russell 1000 Index | -22.10 (66) | 16.90 (46) | 10.25 (61) | 14.26 (53) | 13.90 (58) | 25.14 (29) | -19.51 (58) |
| Difference | 1.11 | 11.59 | 1.35 | 5.82 | 7.59 | -1.30 | 4.05 |
| US Core/Large Cap Equity (SA+CF) Median | -21.42 | 16.61 | 10.78 | 14.37 | 14.28 | 24.02 | -19.07 |
| Total Fixed Income | -1.34 (82) | 2.48 (100) | 3.14 (98) | 3.34 (31) | 4.04 (35) | 8.65 (6) | 8.22 (60) |
| Barclays Capital U.S. Government/Credit | 2.41 (52) | 5.08 (61) | 3.33 (96) | 2.56 (91) | 3.35 (81) | 6.51 (26) | 9.20 (26) |
| Difference | -3.75 | -2.60 | -0.19 | 0.78 | 0.69 | 2.14 | -0.98 |
| US Broad Market Core Fixed Income (SA+CF) Median | 2.56 | 5.16 | 3.86 | 3.11 | 3.79 | 5.79 | 8.56 |

Returns for periods greater than one year are annualized.

Returns are expressed as percentages.

Current Total Fund Policy: 65% Russell 1000, 30% LBGC, 5% Citigroup 3-Month T-Bill

Venice Police Officers' Retirement Plan

Total Fund (Net)

March 31, 2009

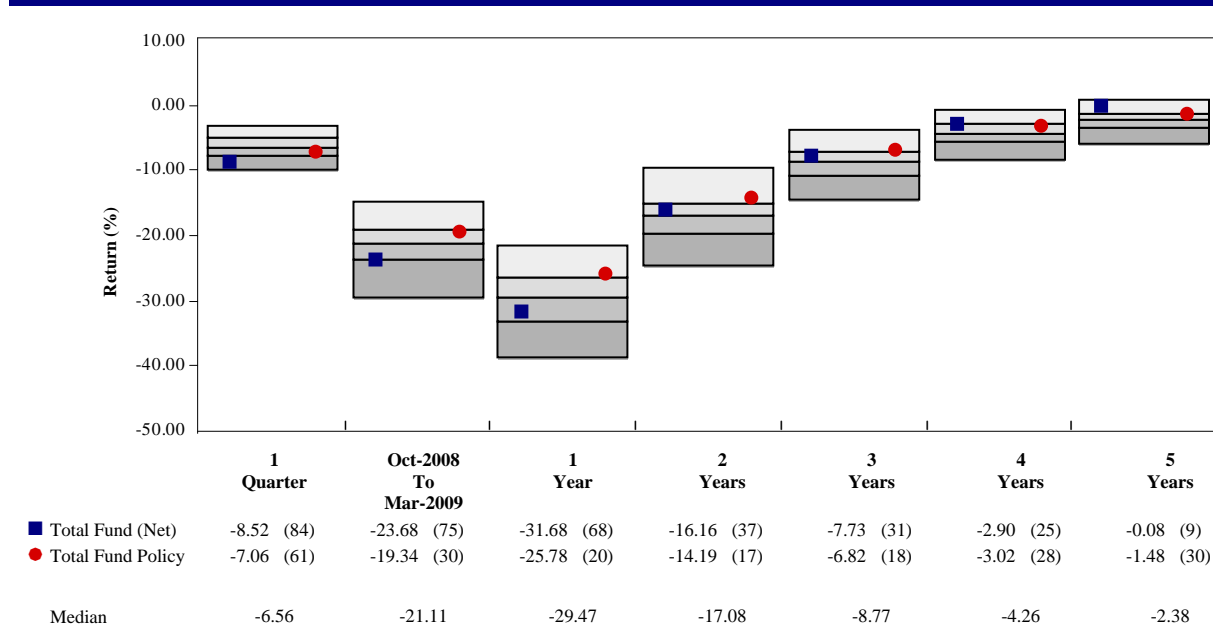
Financial Reconciliation 1 Quarter

| | Market Value As of 12/31/2008 | Net Transfers | Contributions | Distributions | Fees | Expenses | Income | Capital Apprec./ Deprec. | Market Value As of 3/31/2009 |
|------------------|-------------------------------------|------------------|---------------|---------------|------|----------|--------|-----------------------------|------------------------------------|
| Total Fund (Net) | 19,188 | - | 207 | -428 | -19 | -23 | 162 | -1,764 | 17,322 |

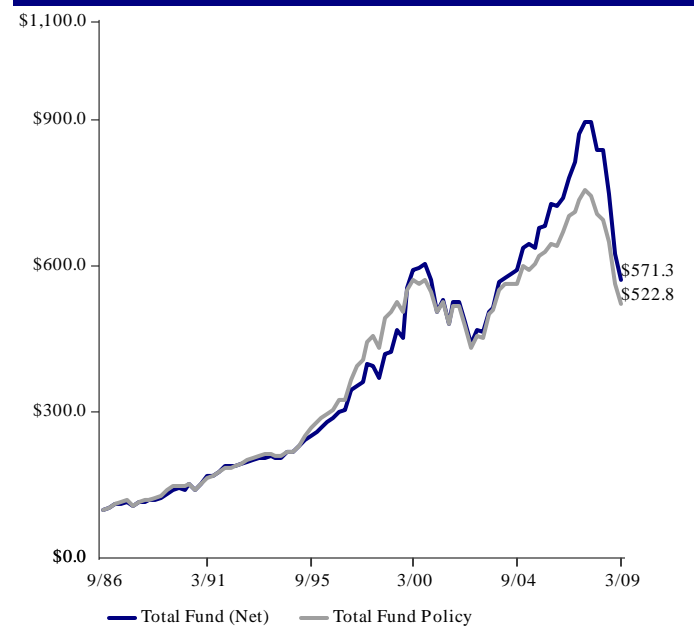
Financial Reconciliation Fiscal Year To Date

| | Market Value As of 9/30/2008 | Net Transfers | Contributions | Distributions | Fees | Expenses | Income | Capital Apprec./ Deprec. | Market Value As of 3/31/2009 |
|------------------|------------------------------------|------------------|---------------|---------------|------|----------|--------|-----------------------------|------------------------------------|
| Total Fund (Net) | 23,459 | - | 409 | -1,016 | -42 | -39 | 327 | -5,776 | 17,322 |

Peer Group Analysis - Mixed-Asset Target Alloc Growth Funds (MF)



Cumulative Performance



Comparative Performance

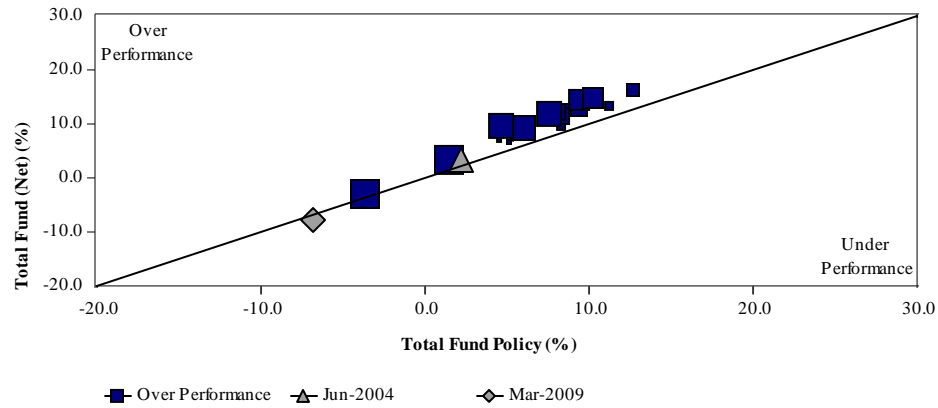
| | 1 Quarter Ending Dec-2008 | 1 Quarter Ending Sep-2008 | 1 Quarter Ending Jun-2008 | 1 Quarter Ending Mar-2008 | 1 Quarter Ending Dec-2007 | 1 Quarter Ending Sep-2007 |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Total Fund (Net) | -16.57 (61) | -10.57 (66) | 0.11 (18) | -6.59 (41) | 0.04 (15) | 2.65 (36) |
| Total Fund Policy | -13.21 (17) | -6.55 (16) | -1.54 (68) | -5.45 (22) | -1.12 (42) | 2.28 (44) |
| Mixed-Asset Target Alloc Growth Funds (MF) Median | -15.74 | -9.51 | -0.94 | -6.85 | -1.47 | 1.94 |

Venice Police Officers' Retirement Plan

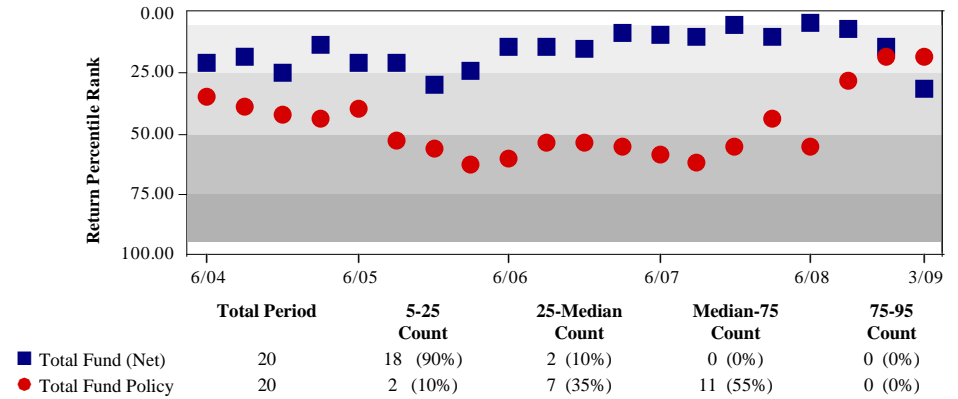
Total Fund (Net)

March 31, 2009

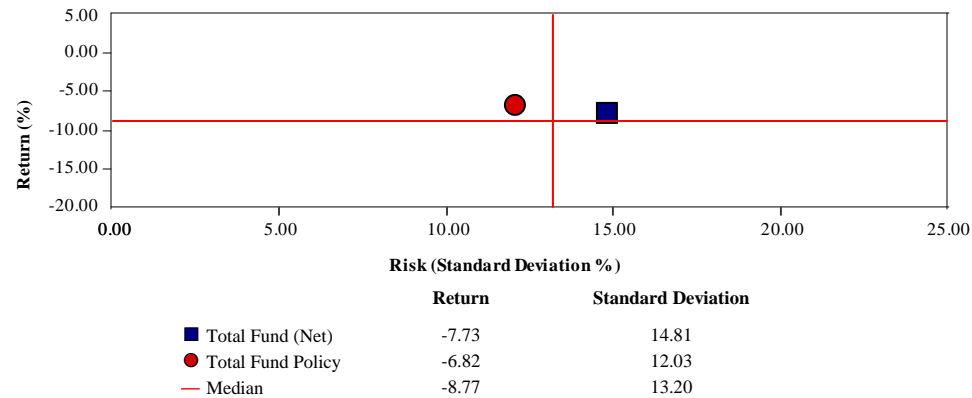
3 Yr Rolling Under/Over Performance - 5 Years



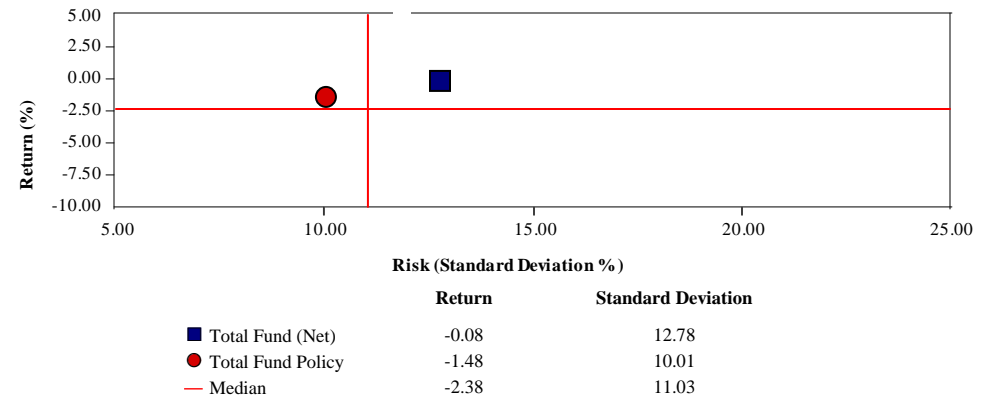
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Historical Statistics - 3 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | IR | Sharpe Ratio | Beta | Downside Risk |
|-------------------|----------------|-------------------|---------------------|-------|-------|--------------|------|---------------|
| Total Fund (Net) | 4.52 | 116.56 | 113.97 | 0.61 | -0.13 | -0.71 | 1.19 | 13.44 |
| Total Fund Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | -0.83 | 1.00 | 10.74 |

Historical Statistics - 5 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | IR | Sharpe Ratio | Beta | Downside Risk |
|-------------------|----------------|-------------------|---------------------|-------|------|--------------|------|---------------|
| Total Fund (Net) | 4.49 | 132.84 | 116.71 | 1.95 | 0.39 | -0.18 | 1.21 | 10.71 |
| Total Fund Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | -0.41 | 1.00 | 8.49 |

Venice Police Officers' Retirement Plan

Total Equity

March 31, 2009

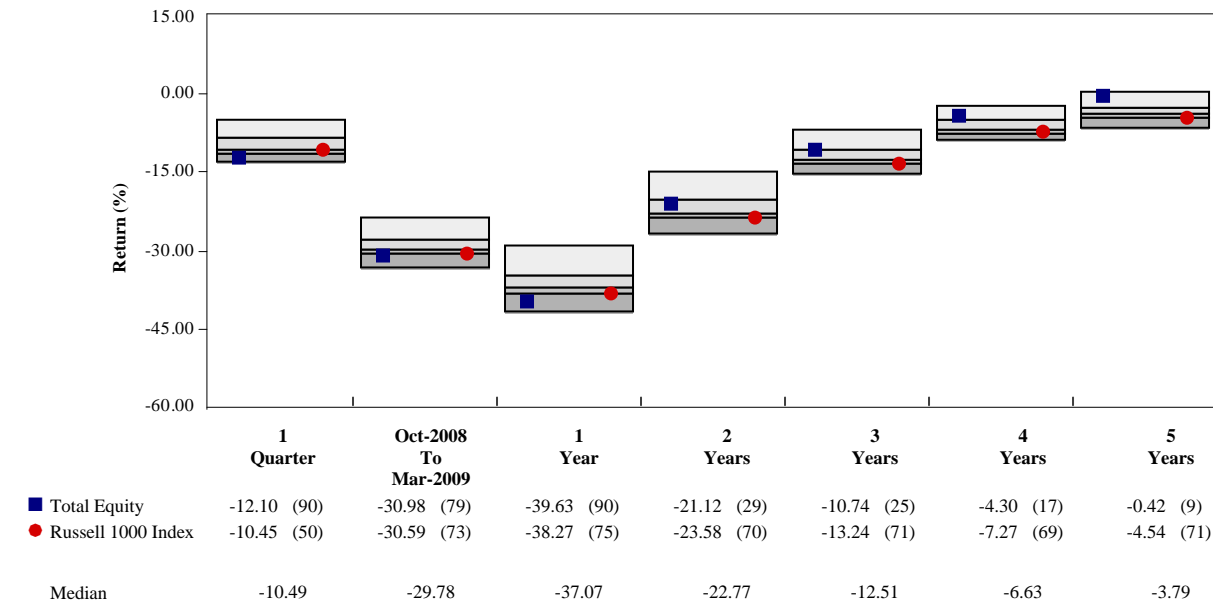
Financial Reconciliation 1 Quarter

| | Market Value As of 12/31/2008 | Net Transfers | Contributions | Distributions | Fees | Expenses | Income | Capital Apprec./ Deprec. | Market Value As of 3/31/2009 |
|--------------|-------------------------------------|------------------|---------------|---------------|------|----------|--------|-----------------------------|------------------------------------|
| Total Equity | 19,188 | - | 207 | -428 | -19 | -23 | 162 | -1,764 | 17,322 |

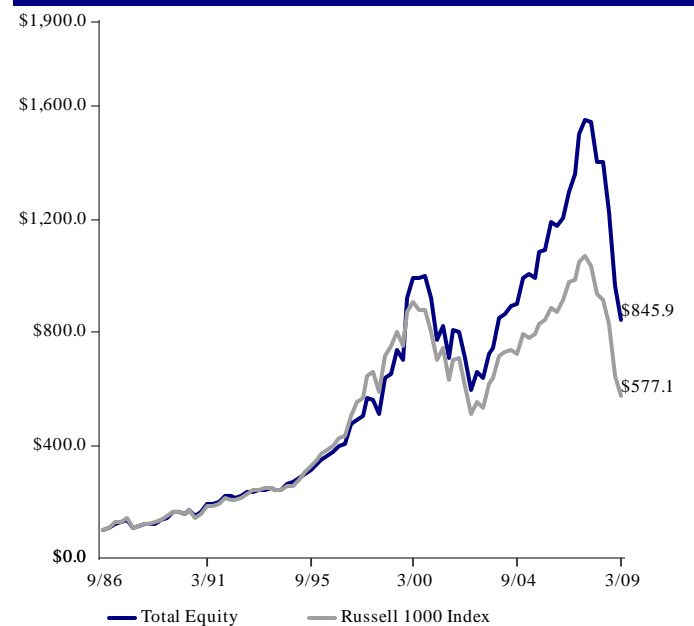
Financial Reconciliation Fiscal Year To Date

| | Market Value As of 9/30/2008 | Net Transfers | Contributions | Distributions | Fees | Expenses | Income | Capital Apprec./ Deprec. | Market Value As of 3/31/2009 |
|--------------|------------------------------------|------------------|---------------|---------------|------|----------|--------|-----------------------------|------------------------------------|
| Total Equity | 23,459 | - | 409 | -1,016 | -42 | -39 | 327 | -5,776 | 17,322 |

Peer Group Analysis - US Core/Large Cap Equity (SA+CF)



Cumulative Performance



Comparative Performance

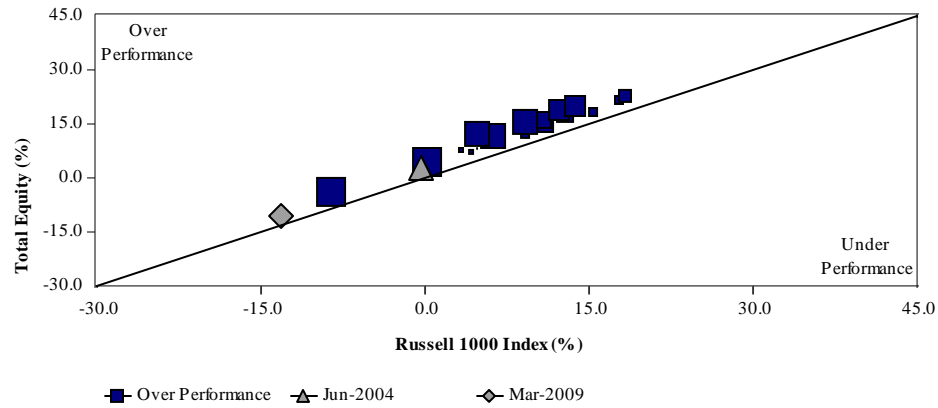
| | 1 Quarter Ending Dec-2008 | 1 Quarter Ending Sep-2008 | 1 Quarter Ending Jun-2008 | 1 Quarter Ending Mar-2008 | 1 Quarter Ending Dec-2007 | 1 Quarter Ending Sep-2007 |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Total Equity | -21.48 (45) | -12.77 (89) | 0.27 (26) | -9.45 (48) | -0.24 (13) | 3.37 (20) |
| Russell 1000 Index | -22.48 (70) | -9.35 (57) | -1.89 (63) | -9.48 (51) | -3.23 (60) | 1.98 (50) |
| US Core/Large Cap Equity (SA+CF) Median | -21.74 | -9.01 | -1.19 | -9.47 | -2.87 | 1.98 |

Venice Police Officers' Retirement Plan

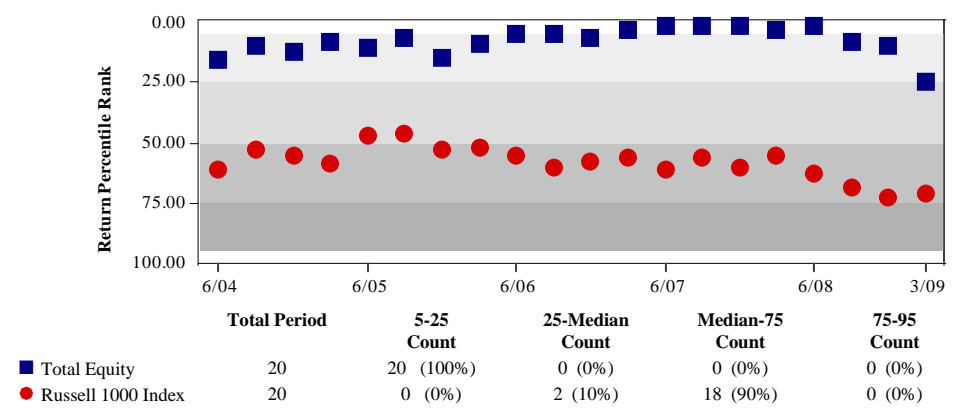
Total Equity

March 31, 2009

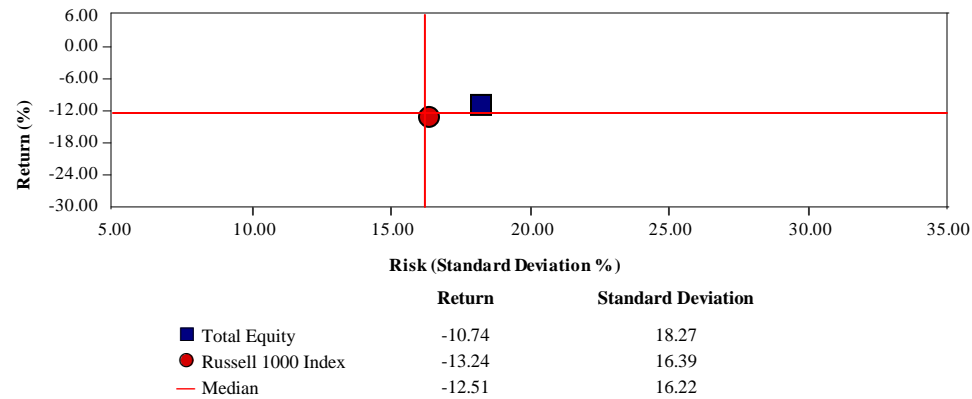
3 Yr Rolling Under/Over Performance - 5 Years



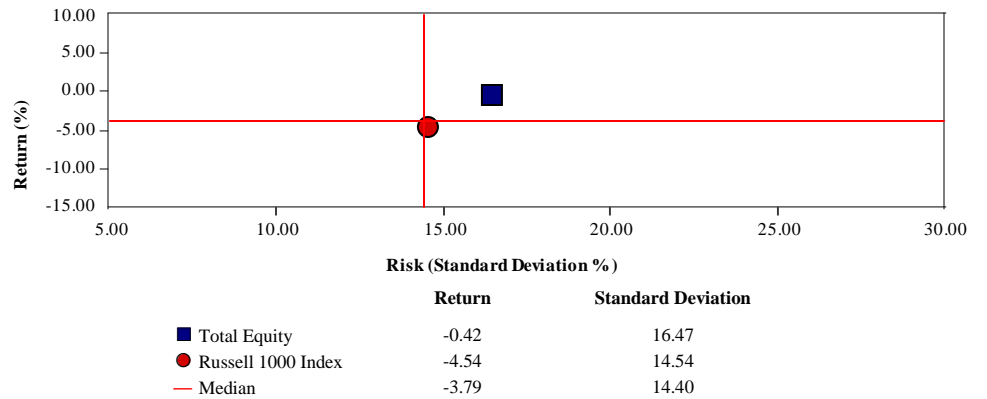
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Historical Statistics - 3 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | IR | Sharpe Ratio | Beta | Downside Risk |
|--------------------|----------------|-------------------|---------------------|-------|------|--------------|------|---------------|
| Total Equity | 5.26 | 103.79 | 92.05 | 2.78 | 0.56 | -0.72 | 0.99 | 16.39 |
| Russell 1000 Index | 0.00 | 100.00 | 100.00 | 0.00 | N/A | -0.91 | 1.00 | 16.19 |

Historical Statistics - 5 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | IR | Sharpe Ratio | Beta | Downside Risk |
|--------------------|----------------|-------------------|---------------------|-------|------|--------------|------|---------------|
| Total Equity | 5.22 | 120.89 | 95.39 | 4.50 | 0.84 | -0.13 | 1.03 | 13.12 |
| Russell 1000 Index | 0.00 | 100.00 | 100.00 | 0.00 | N/A | -0.44 | 1.00 | 12.79 |

Venice Police Officers' Retirement Plan

Total Fixed Income

March 31, 2009

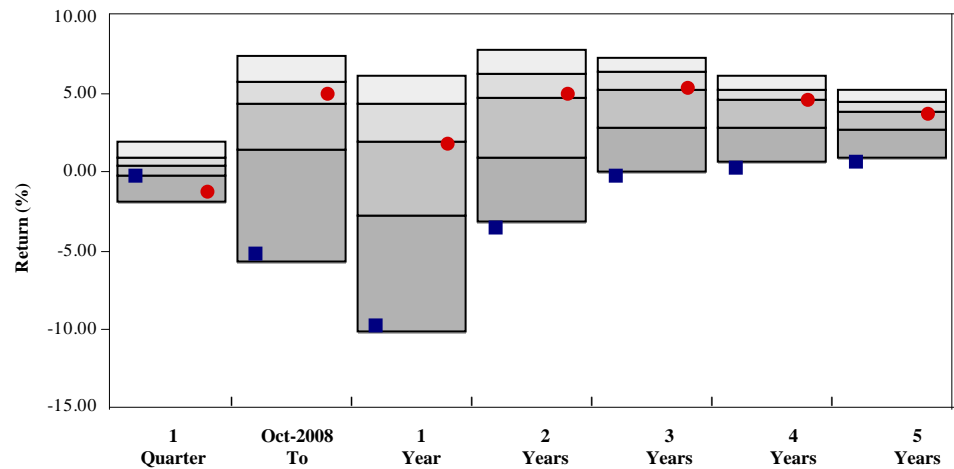
Financial Reconciliation 1 Quarter

| | Market Value As of 12/31/2008 | Net Transfers | Contributions | Distributions | Fees | Expenses | Income | Capital Apprec./ Deprec. | Market Value As of 3/31/2009 |
|--------------------|-------------------------------------|------------------|---------------|---------------|------|----------|--------|-----------------------------|------------------------------------|
| Total Fixed Income | 19,188 | - | 207 | -428 | -19 | -23 | 162 | -1,764 | 17,322 |

Financial Reconciliation Fiscal Year To Date

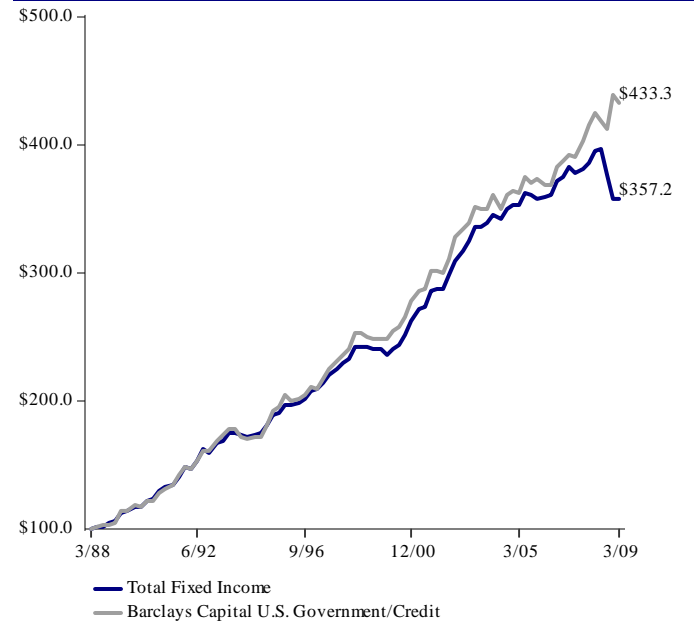
| | Market Value As of 9/30/2008 | Net Transfers | Contributions | Distributions | Fees | Expenses | Income | Capital Apprec./ Deprec. | Market Value As of 3/31/2009 |
|--------------------|------------------------------------|------------------|---------------|---------------|------|----------|--------|-----------------------------|------------------------------------|
| Total Fixed Income | 23,459 | - | 409 | -1,016 | -42 | -39 | 327 | -5,776 | 17,322 |

Peer Group Analysis - US Broad Market Core Fixed Income (SA+CF)



| | | | | | | | |
|---|------------|------------|------------|------------|------------|-----------|-----------|
| ■ Total Fixed Income | -0.23 (76) | -5.15 (95) | -9.76 (95) | -3.47 (96) | -0.24 (97) | 0.30 (98) | 0.64 (97) |
| ● Barclays Capital U.S. Government/Credit | -1.27 (91) | 5.06 (38) | 1.78 (52) | 5.01 (40) | 5.47 (44) | 4.59 (50) | 3.74 (59) |
| Median | 0.46 | 4.44 | 1.93 | 4.72 | 5.32 | 4.58 | 3.93 |

Cumulative Performance



Comparative Performance

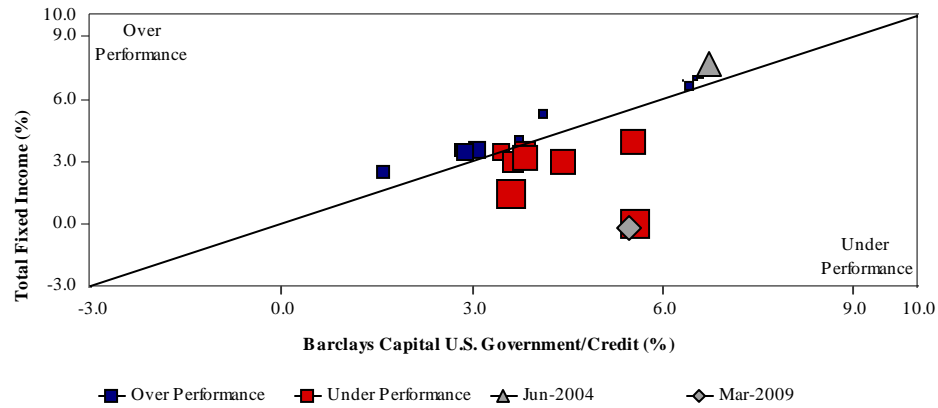
| | 1 Quarter Ending Dec-2008 | 1 Quarter Ending Sep-2008 | 1 Quarter Ending Jun-2008 | 1 Quarter Ending Mar-2008 | 1 Quarter Ending Dec-2007 | 1 Quarter Ending Sep-2007 |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Total Fixed Income | -4.93 (97) | -5.16 (96) | 0.31 (3) | 2.39 (31) | 1.28 (95) | 0.98 (100) |
| Barclays Capital U.S. Government/Credit | 6.42 (12) | -1.64 (55) | -1.51 (89) | 2.53 (26) | 3.10 (27) | 3.01 (26) |
| US Broad Market Core Fixed Income (SA+CF) Median | 3.77 | -1.43 | -0.94 | 1.98 | 2.90 | 2.85 |

Venice Police Officers' Retirement Plan

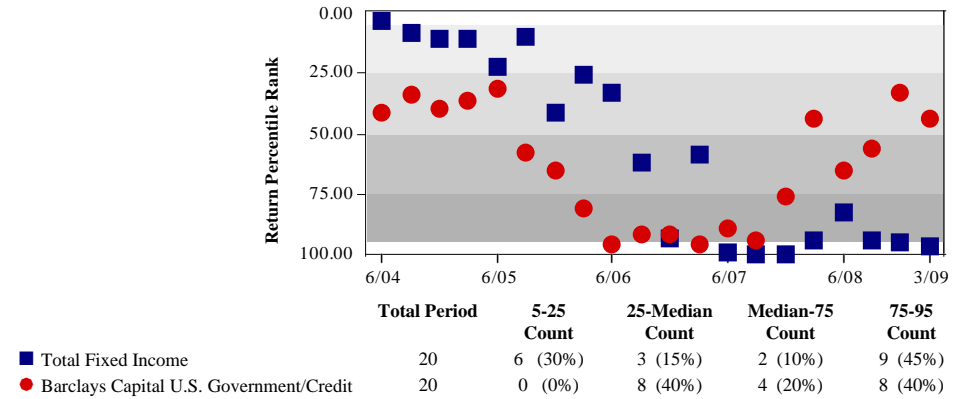
Total Fixed Income

March 31, 2009

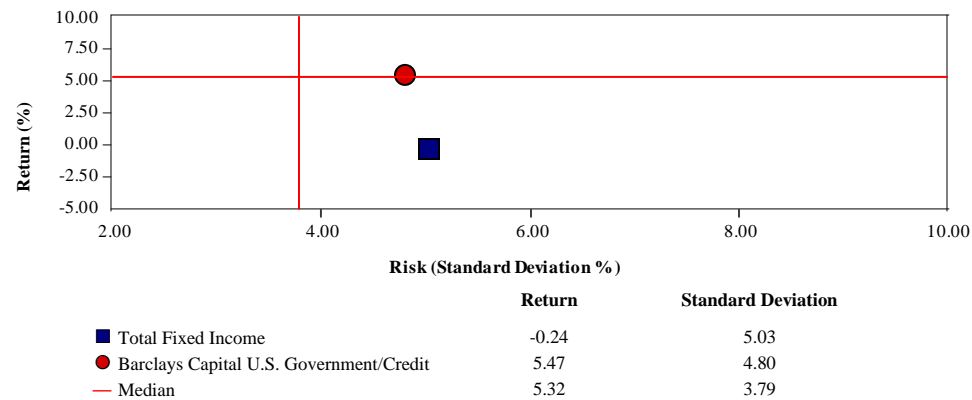
3 Yr Rolling Under/Over Performance - 5 Years



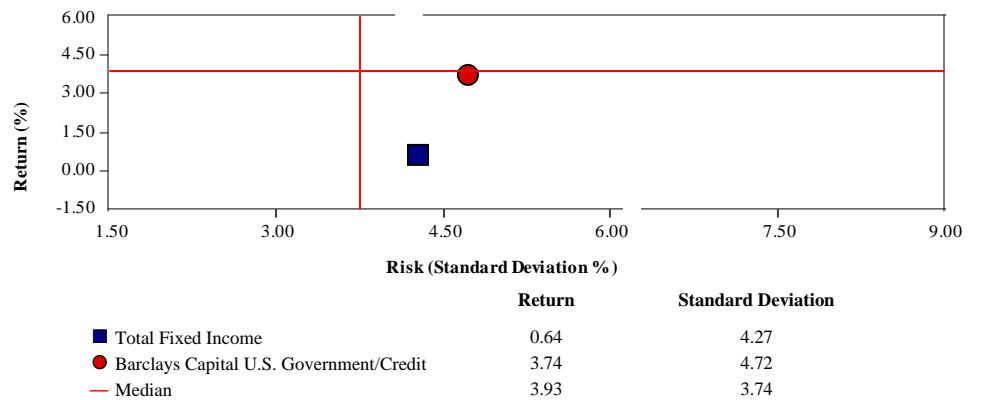
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Historical Statistics - 3 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | IR | Sharpe Ratio | Beta | Downside Risk |
|---|----------------|-------------------|---------------------|-------|-------|--------------|------|---------------|
| Total Fixed Income | 8.05 | 84.91 | 197.32 | -7.45 | -0.64 | -0.30 | 1.42 | 8.28 |
| Barclays Capital U.S. Government/Credit | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 0.39 | 1.00 | 2.49 |

Historical Statistics - 5 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | IR | Sharpe Ratio | Beta | Downside Risk |
|---|----------------|-------------------|---------------------|-------|-------|--------------|------|---------------|
| Total Fixed Income | 6.43 | 78.90 | 123.86 | -3.36 | -0.43 | -0.25 | 1.15 | 6.50 |
| Barclays Capital U.S. Government/Credit | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 0.15 | 1.00 | 2.66 |

Venice Police Officers' Retirement Plan
Total Fund Policy
As of March 31, 2009

| Allocation Mandate | Weight (%) |
|---|------------|
| Effective Date: Aug-1986 | |
| Citigroup 3 Month T-Bill | 55.00 |
| Russell 1000 Index | 45.00 |
| Effective Date: Jan-1988 | |
| Russell 1000 Index | 50.00 |
| Barclays Capital U.S. Government/Credit | 45.00 |
| Citigroup 3 Month T-Bill | 5.00 |
| Effective Date: Jul-1989 | |
| Russell 1000 Index | 55.00 |
| Barclays Capital U.S. Government/Credit | 40.00 |
| Citigroup 3 Month T-Bill | 5.00 |
| Effective Date: Jul-1990 | |
| Russell 1000 Index | 60.00 |
| Barclays Capital U.S. Government/Credit | 35.00 |
| Citigroup 3 Month T-Bill | 5.00 |
| Effective Date: Jul-1991 | |
| Russell 1000 Index | 55.00 |
| Barclays Capital U.S. Government/Credit | 20.00 |
| Citigroup 3 Month T-Bill | 25.00 |
| Effective Date: Jan-1993 | |
| Russell 1000 Index | 45.00 |
| Barclays Capital U.S. Government/Credit | 15.00 |
| Citigroup 3 Month T-Bill | 40.00 |
| Effective Date: Apr-1994 | |
| Russell 1000 Index | 50.00 |
| Barclays Capital U.S. Government/Credit | 35.00 |
| Citigroup 3 Month T-Bill | 15.00 |
| Effective Date: Apr-1995 | |
| Russell 1000 Index | 65.00 |

| Allocation Mandate | Weight (%) |
|---|------------|
| Effective Date: Apr-1995 | |
| Barclays Capital U.S. Government/Credit | 25.00 |
| Citigroup 3 Month T-Bill | 10.00 |
| Effective Date: Jul-1996 | |
| Russell 1000 Index | 70.00 |
| Barclays Capital U.S. Government/Credit | 25.00 |
| Citigroup 3 Month T-Bill | 5.00 |
| Effective Date: Jan-1999 | |
| Russell 1000 Index | 60.00 |
| Barclays Capital U.S. Government/Credit | 35.00 |
| Citigroup 3 Month T-Bill | 5.00 |
| Effective Date: Apr-2000 | |
| Russell 1000 Index | 65.00 |
| Barclays Capital U.S. Government/Credit | 30.00 |
| Citigroup 3 Month T-Bill | 5.00 |

**Venice Police Officers' Retirement Plan
Benchmark History
As of March 31, 2009**

Total Equity Policy

| Allocation Mandate | Weight (%) |
|---------------------------------|-------------------|
| Effective Date: Aug-1986 | |
| Russell 1000 Index | 100.00 |

Total Fixed Income Policy

| Allocation Mandate | Weight (%) |
|---|-------------------|
| Effective Date: Mar-1988 | |
| Barclays Capital U.S. Government/Credit | 100.00 |

Statistics Definitions

| Statistics | Description |
|---------------------|--|
| Return | -- Compounded rate of return for the period. |
| Standard Deviation | -- A statistical measure of the range of a portfolio's performance, the variability of a return around its average return over a specified time period. |
| Sharpe Ratio | -- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance. |
| Alpha | -- A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the portfolio's historical performance not explained by movements of the market, or a portfolio's non-systematic return. |
| Beta | -- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk. |
| R-Squared | -- The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. High R-Square means a higher correlation of the portfolio's performance to the appropriate benchmark. |
| Treynor Ratio | -- Similar to Sharpe ratio, but focuses on beta rather than excess risk (standard deviation). Represents the excess rate of return over the risk free rate divided by the beta. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance. |
| Downside Risk | -- A measure similar to standard deviation, but focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. The higher the factor, the riskier the product. |
| Tracking Error | -- A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark. |
| Information Ratio | -- Measured by dividing the active rate of return by the tracking error. The higher the Information Ratio, the more value-added contribution by the manager. |
| Consistency | -- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance. |
| Excess Return | -- Arithmetic difference between the managers return and the risk-free return over a specified time period. |
| Active Return | -- Arithmetic difference between the managers return and the benchmark return over a specified time period. |
| Excess Risk | -- A measure of the standard deviation of a portfolio's performance relative to the risk free return. -- |
| Up Market Capture | -- The ratio of average portfolio return over the benchmark during periods of positive benchmark return. Higher values indicate better product performance. |
| Down Market Capture | -- The ratio of average portfolio return over the benchmark during periods of negative benchmark return. Lower values indicate better product performance. |

Calculation based on monthly periodicity.



simplifying your investment and fiduciary decisions

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