

City of Venice Police Officers' Retirement Plan

2nd Quarter 2009



THE
**BOGDAHN
GROUP**

simplifying your investment and fiduciary decisions

Dislocation Nation

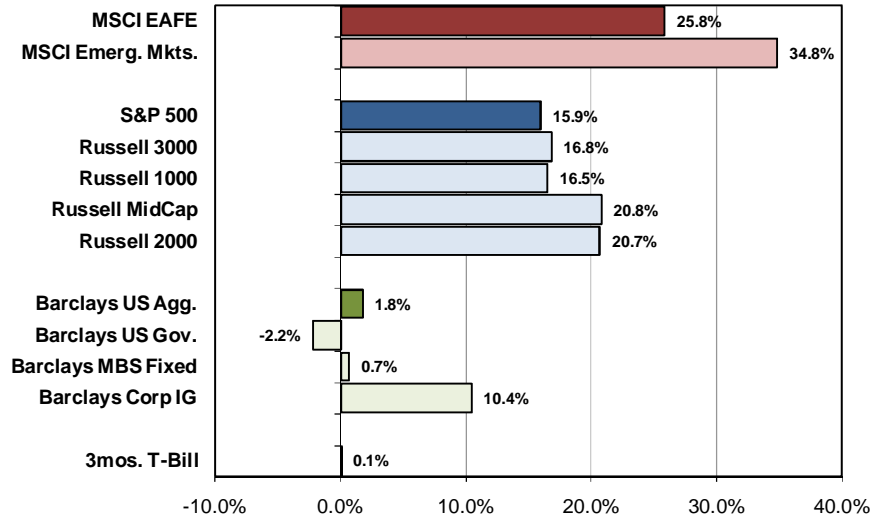
- ◆ The equity market advanced for most of the quarter; however, as June came to a close investors were reminded that volatility is alive and well. While the market experienced more than a 40% recovery off its March lows, it would be a naive assumption to expect another 40% positive spike without the market taking a breather. Much of the dislocated valuations that caused the market to bounce rapidly off its low are also at the core of the recent equity market pullback. It is logical for investors to take an inventory of risks as the prospect for near-term earnings and economic growth is weak. Although the market's decline at the end of quarter may have caused recent talk of "green shoots" to wither on the vine, a variety of data points indicate that the broader economy has at least slowed its pace of decline. Sometimes we just have to consider less negative to be a positive.
- ◆ The second quarter of 2009 posted some of the strongest equity performance numbers in years and represented a welcome relief after more than a year of negative results. The market rally, which began in mid-March, continued unabated for most of the quarter despite rising unemployment and disappointing economic statistics. The broad market Russell 3000 Index posted a return of 16.8% for the quarter. While all ten economic sectors of the Russell 3000 Index posted positive returns for the quarter, performance was particularly strong in materials, industrials, consumer discretionary, financials and information technology sectors, each of which posted returns in excess of the broad index. While the index's other five sectors finished behind the 16.8% return of the Russell 3000 index, only telecommunications services (4.2%) returned less than 10% for the quarter. In the large cap space, the S&P 500 and Russell 1000 Index posted returns of 15.9% and 16.5% respectively. Further down the capitalization spectrum, the Russell MidCap Index returned 20.8% for the quarter and the small cap Russell 2000 Index returned a similar 20.7%. Due to the broad-based sector strength in the various indices, particularly in financials, value style benchmarks outpaced growth benchmarks by a narrow margin (<1%) in all but the small capitalization space. The broad market Russell 3000 Value and Growth indices both returned 16.8%. Large cap issues, as measured by Russell 1000 style benchmarks, returned 16.7% for value vs. 16.3% for growth. The Russell MidCap Value Index returned 20.9% vs. 20.7% for the Russell MidCap Growth Index. Unlike the larger capitalization ranges, growth investments (23.4%) outpaced value investments (18.0%) by 5.4% for the quarter within the Russell 2000 style indices. This outperformance by growth in small cap was primarily due to performance in the growth-oriented information technology sector (30.3%) vs. the value-oriented financials sector (9.9%).
- ◆ Equity market strength was not isolated to domestic markets during the quarter as both developed and emerging international markets advanced. Un-hedged international holdings got an additional boost from U.S. dollar weakness, which was widespread during the second quarter. The developed markets as measured by the MSCI-EAFE Index, increased in both U.S. dollars (25.8%) and local currency (17.3%). Within the 21 country index, each country posted positive results. Performance within the index was led by Spain, Sweden, Hong Kong and Singapore, each of which returned more than 35% for the quarter in U.S. dollars. Unlike the narrow performance bands of most of the domestic style indices, the international style distribution was broader with the MSCI-EAFE Value Index returning 30.3% vs. the MSCI-EAFE Growth Index return of 21.7%. Emerging markets posted strongest equity index performance for the second quarter in a row with the MSCI-EM index returning 34.8% in U.S. dollars and 24.6% in local currency. Much like the developed index, each of the 22 countries represented by the emerging markets index posted positive performance for the quarter.
- ◆ The "risk" trade returned to the bond market with a vengeance during the second quarter as investors sought the yield advantage of corporate obligations. As spreads continued to narrow during the quarter, lower quality debt got the largest boost with the Merrill Lynch High Yield Master II index posting an "equity-like" return of 23.2%. Despite the Fed's best efforts to keep interest rates low to fuel its numerous recovery programs and foster attractive mortgage rates, the yield curve steepened measurably during the quarter for maturities beyond one year. Although the Barclays Capital U.S. Aggregate Index returned a seemingly mild 1.8% for the quarter, things were not as smooth in the government, mortgage and credit sectors that make up the broad index. The Barclays Government Index posted its second straight quarterly loss with a return of -2.2%. The mortgage sector was not much stronger but did manage to post a positive return of 0.7%. The narrowing credit spreads previously mentioned also benefited higher-quality corporate issues with the Barclays Corporate Investment Grade Index posting a strong return of 10.4% for quarter.
- ◆ When market dislocation causes investment "pillars" like strategic asset allocation and prudent manager selection to break down, it can be harmful to investor expectations. The loss of long-term focus can result in short-term decision making and timing-based portfolio positioning. Unfortunately, such a limited view toward achieving a long-term term set of objectives can further exacerbate the frustration and uncertainty associated with adverse market conditions. It is important to remember that the long-term nature of institutional investors is the "foundation" of what allows them to take advantage of the structural and emotional conditions that negatively affect investors with shorter time horizons. While we may be in a period of severe market dislocation, the death of diversification and strategic asset allocation as effective tools toward achieving long-term objectives is greatly exaggerated.

The Market Environment

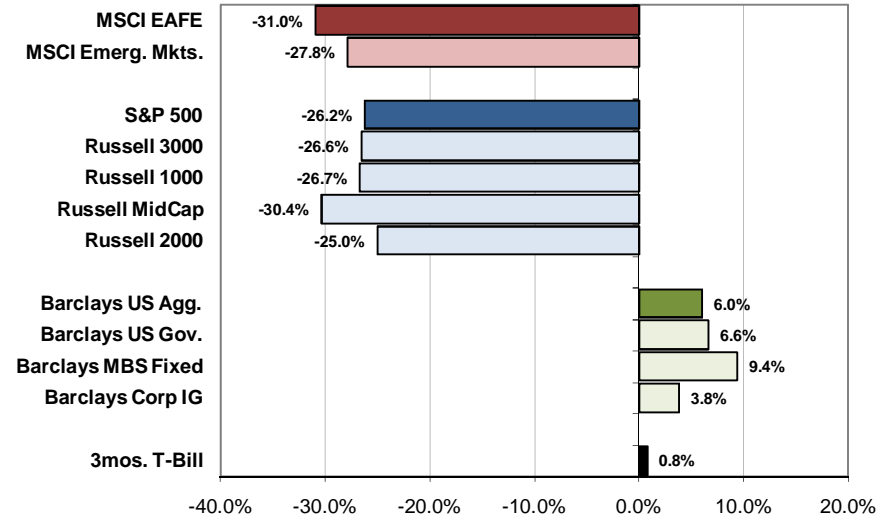
Major Market Index Performance

Period Ended: June 30, 2009

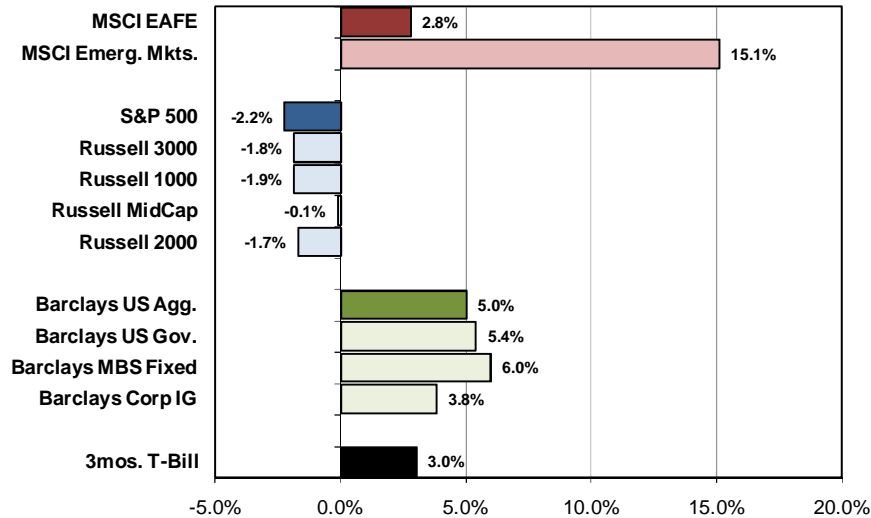
Quarter Performance



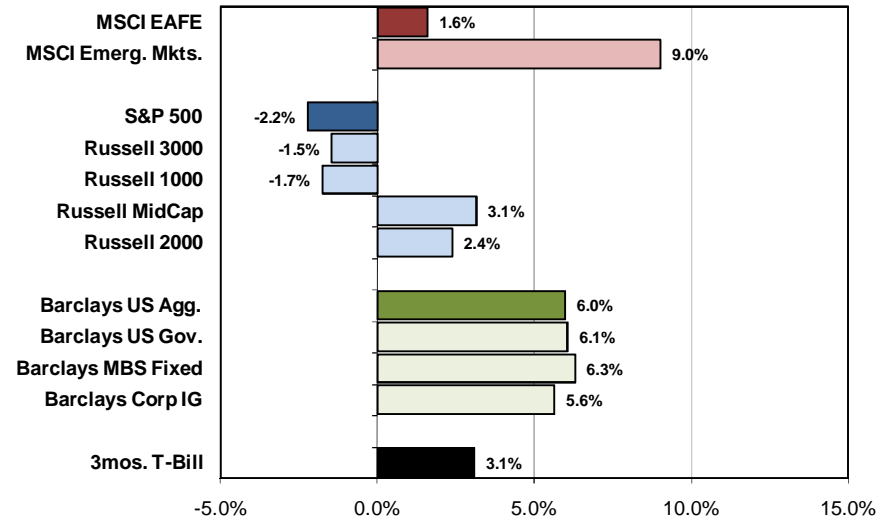
One Year Performance



Five Year Annualized Performance



Ten Year Annualized Performance



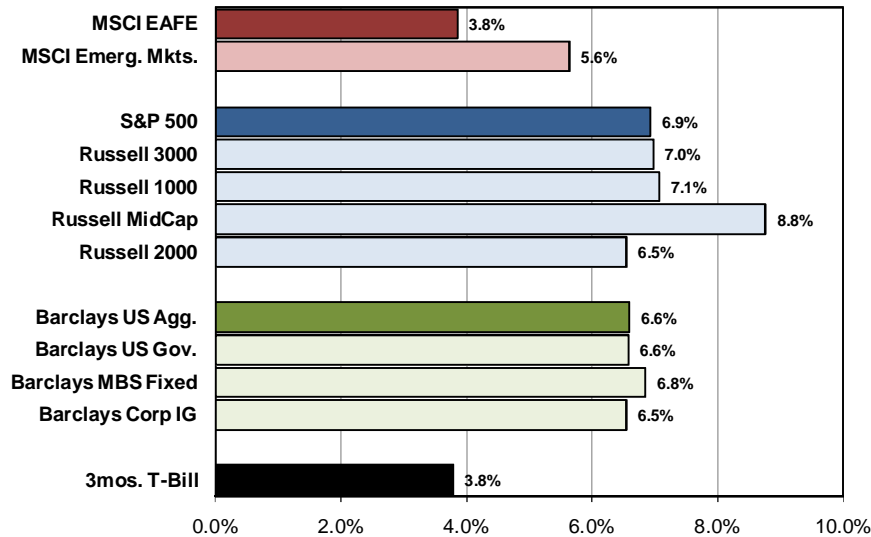
Source: MSCI Capital Markets, Russell Investments, Barclays Capital & Bogdahn Consulting, LLC.

The Market Environment

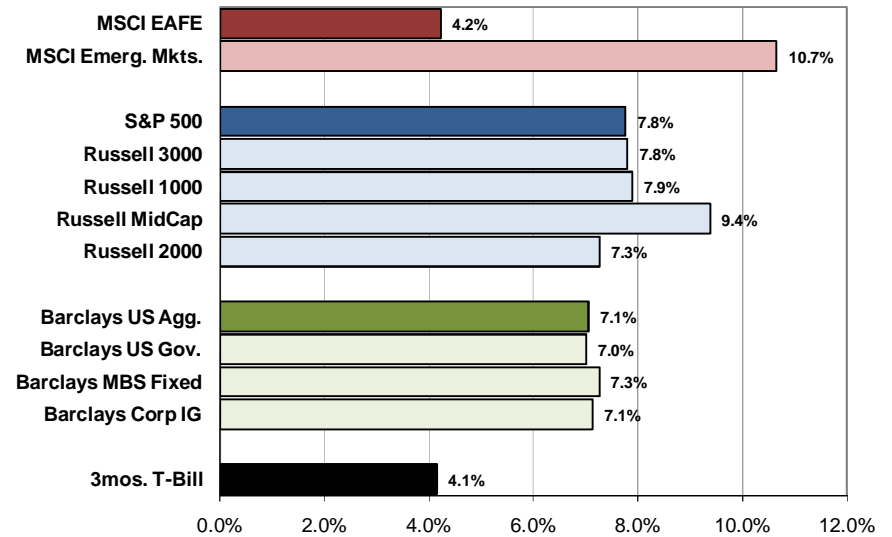
Long-Term Major Market Index Performance

Period Ended: June 30, 2009

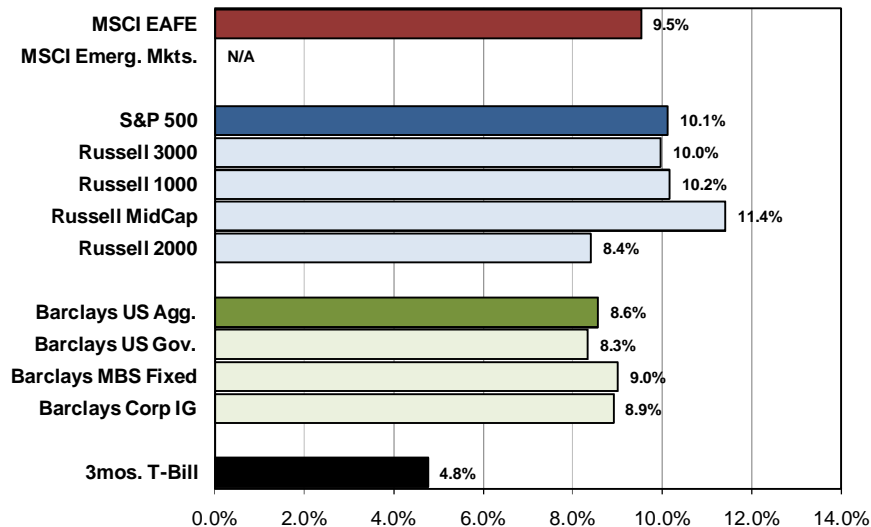
Fifteen Year Annualized Performance



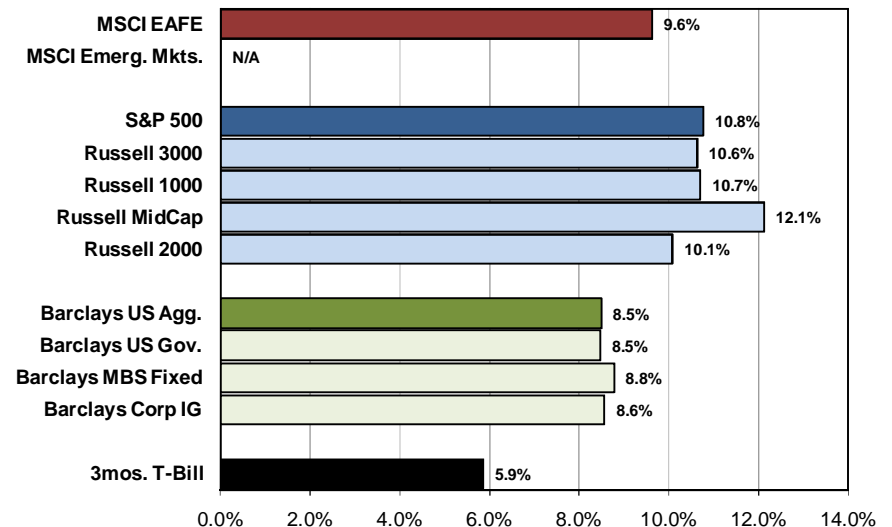
Twenty Year Annualized Performance



Twenty-Five Year Annualized Performance



Thirty Year Annualized Performance



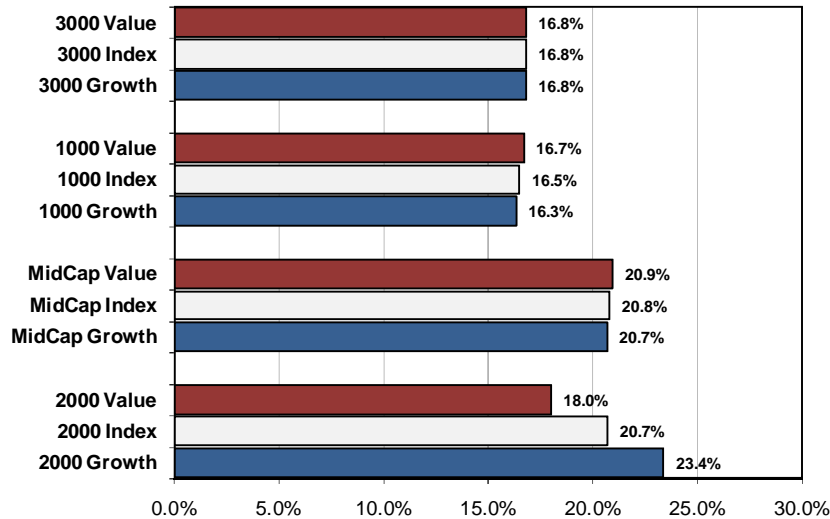
Source: MSCI Capital Markets, Russell Investments, Barclays Capital & Bogdahn Consulting, LLC.

The Market Environment

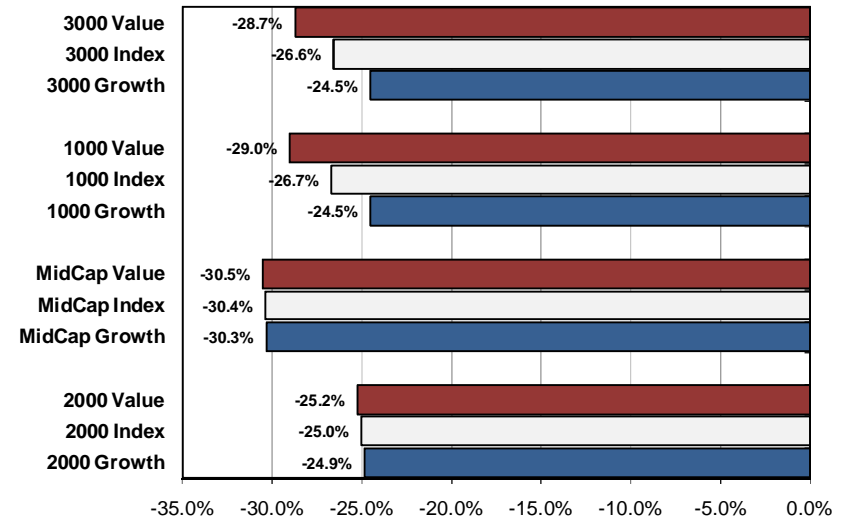
Russell Style Index Performance

Period Ended: June 30, 2009

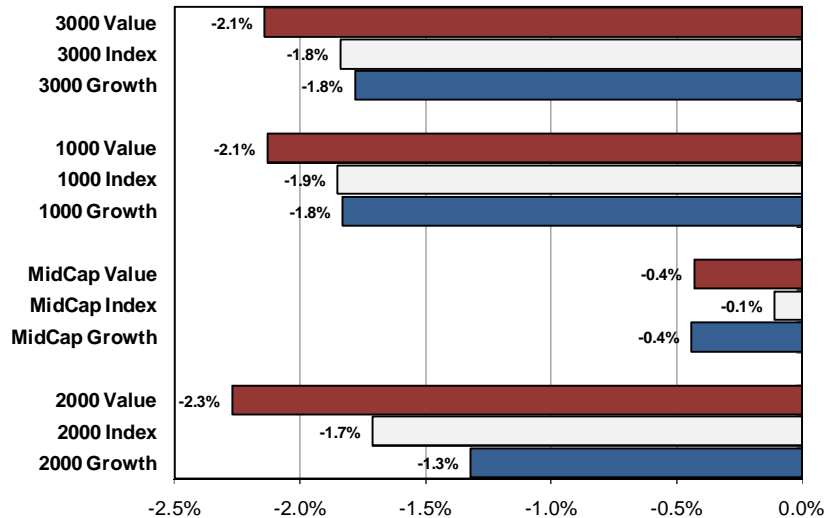
Quarter Performance



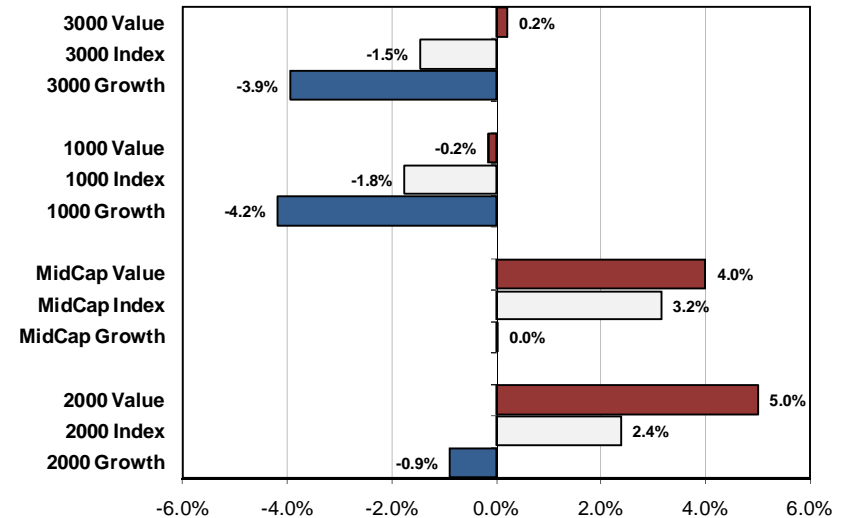
One Year Performance



Five Year Annualized Performance



Ten Year Annualized Performance

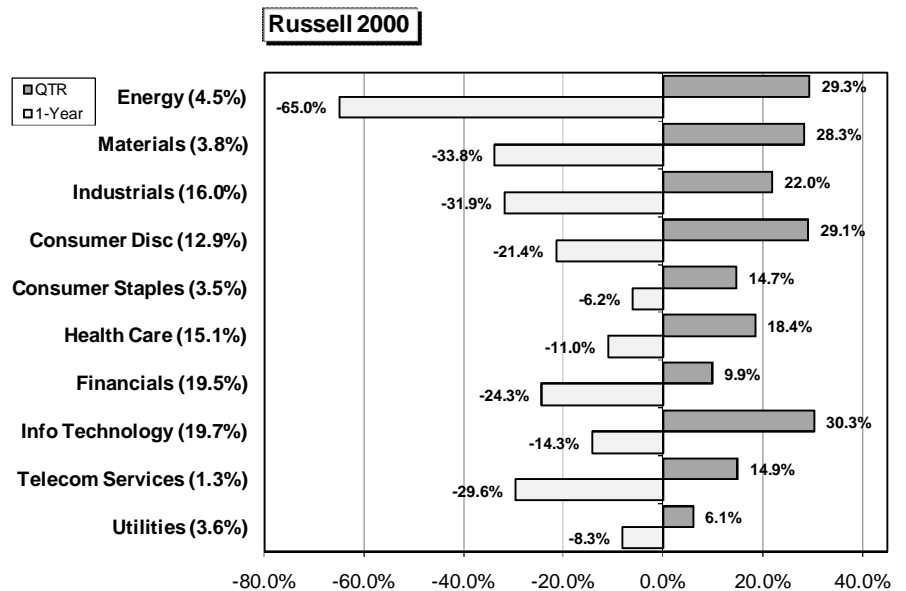
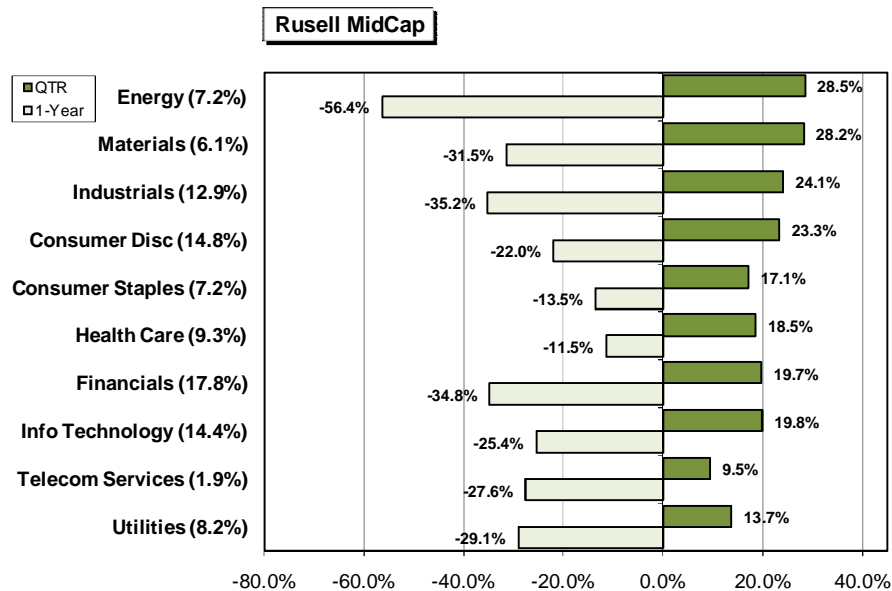
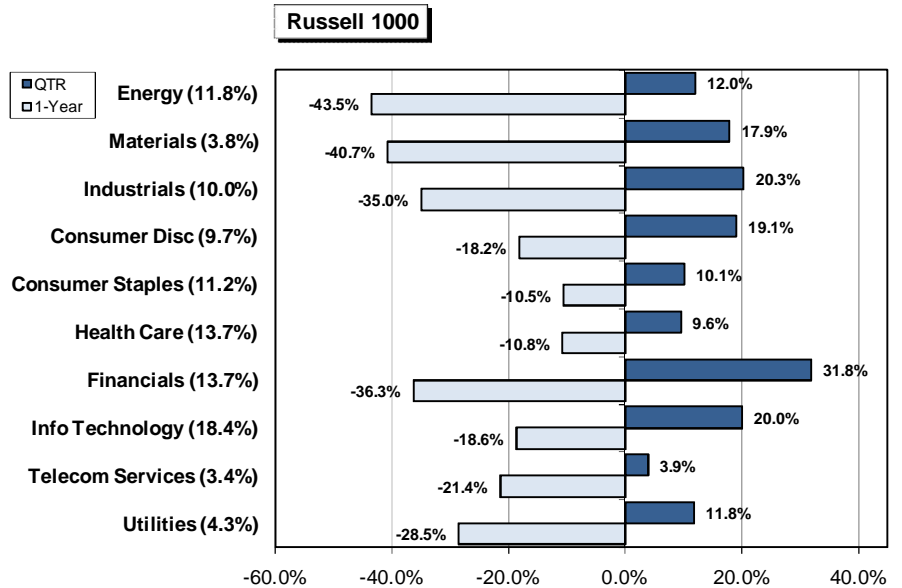
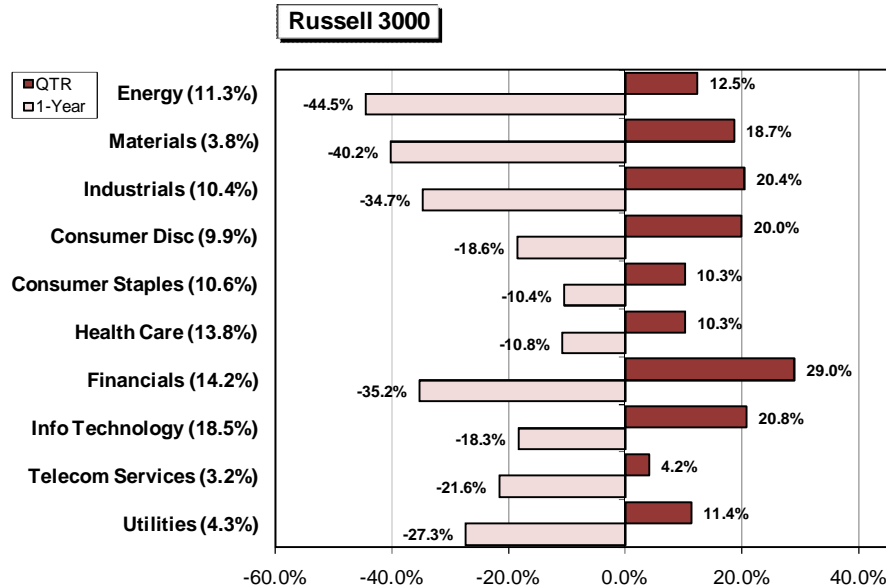


Source: Russell Investments

The Market Environment

Quarter & 1-Year GICS Sector Performance & (Quarter-End Sector Weight)

Period Ended: June 30, 2009



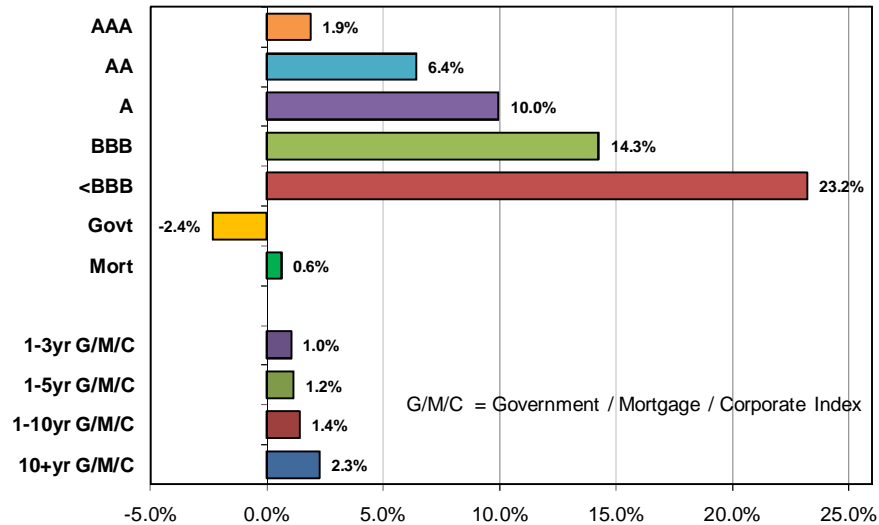
Source: Thompson Financial

The Market Environment

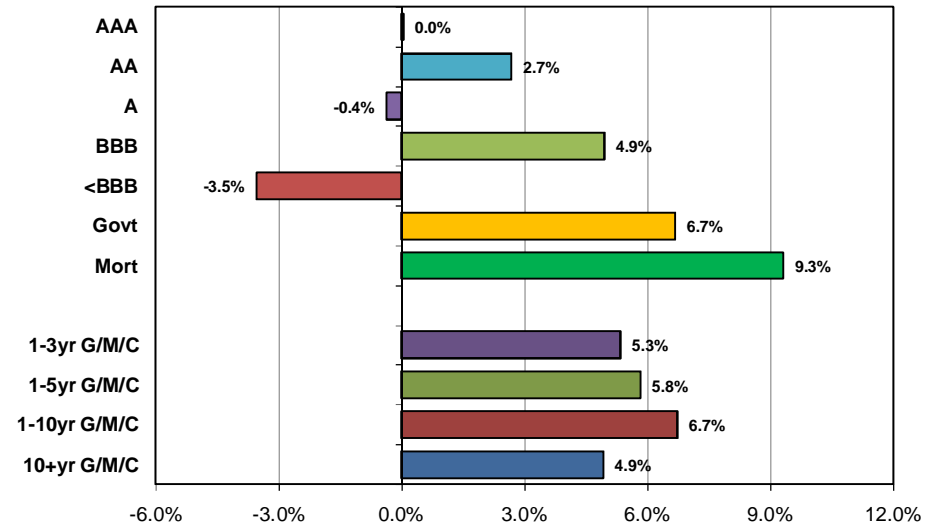
Domestic Credit Sector & Broad Market Maturity Performance & Rate Comparison

Period Ended: June 30, 2009

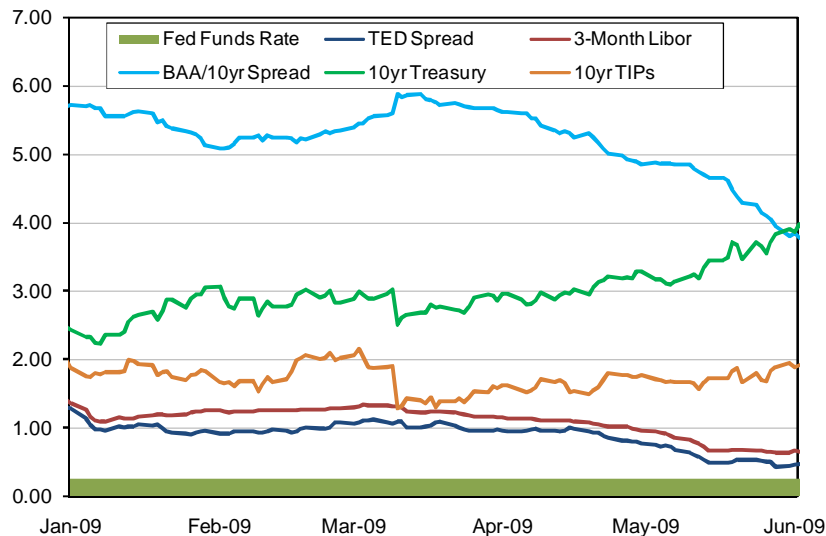
Quarter Performance



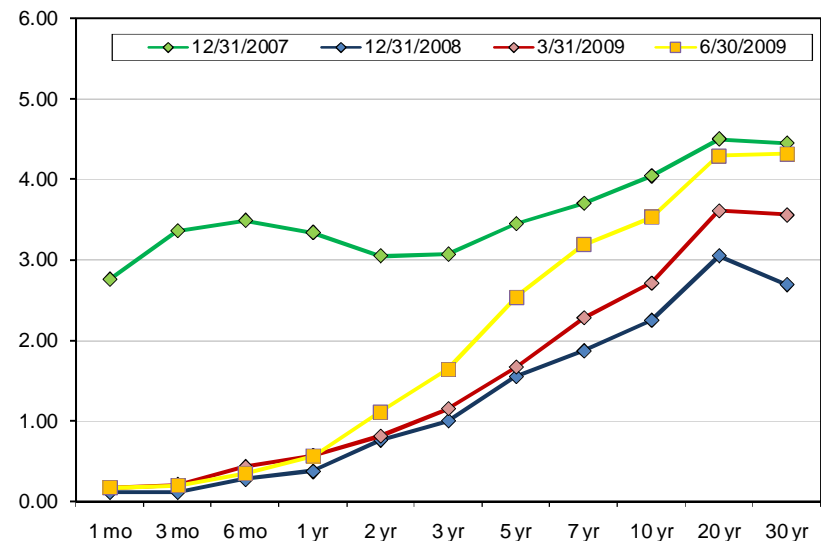
One Year Performance



2009 Market Rates



Treasury Yield Curve

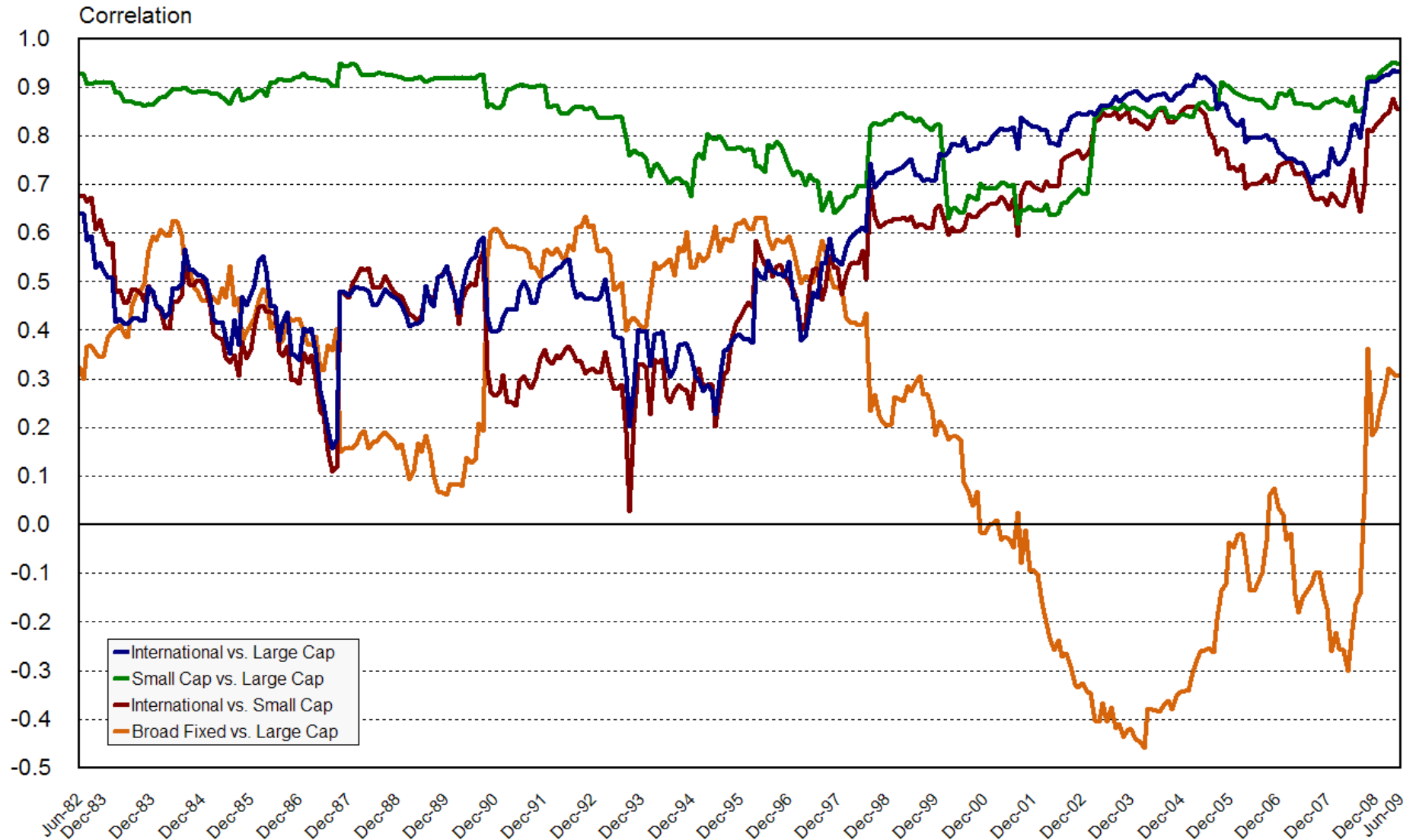


Source: Merrill Lynch, Mortgage-X.com, US Department of Treasury & St. Louis Fed

The Market Environment

A Visualization of Crisis and Globalization Over the Last 30 Years

3-year rolling correlations of Large Cap, Small Cap, International & Broad Market Fixed Income



Source: Zephyr Associates

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City of Venice Police Officers' Retirement Fund

Compliance Checklist as of 06/30/2009

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. Actual allocation 11%.				✓	

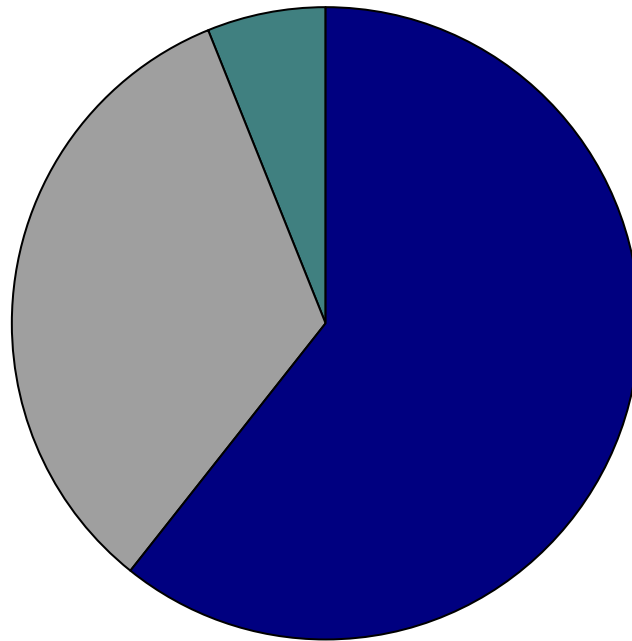
Fixed Income Compliance:				Yes	No	N/A
1.	Total fixed income returns meet or exceed the benchmark over the trailing three and five year periods.				✓	
2.	Total fixed income returns ranked within the top 40th percentile of its peer group over the trailing three and five year periods.				✓	
3.	The average 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
June 30, 2009**

Asset Allocation By Style as of Mar - 2009

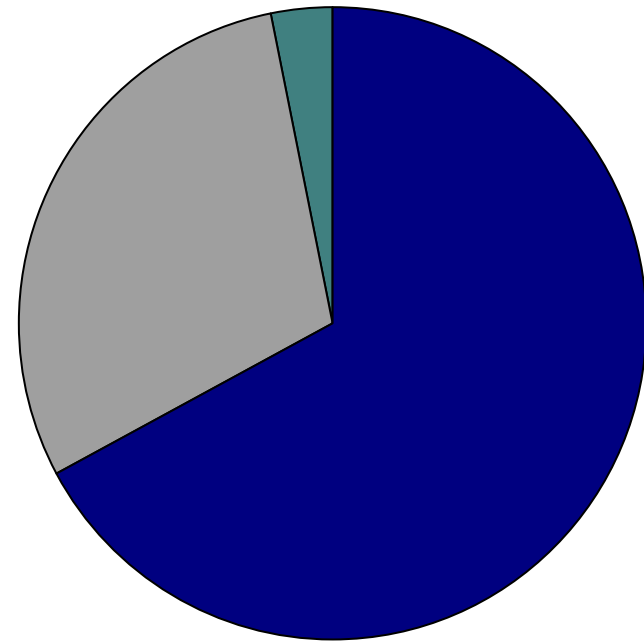
March 31, 2009 : \$17,322,029



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

Asset Allocation By Style - Current Quarter

June 30, 2009 : \$19,167,235



Segments	Market Value (\$)	Allocation (%)
Domestic Equity	12,864,271	67.1
Domestic Fixed Income	5,703,948	29.8
Cash Equivalent	599,017	3.1

Venice Police Officers' Retirement Plan
Comparative Performance Trailing Returns
As of June 30, 2009

	1 Quarter	Oct-2008 To Jun-2009	1 Year	3 Years	5 Years	7 Years	Since Inception	Inception Date
Total Fund (Net)	12.08 (68)	-14.46 (89)	-23.50 (84)	-3.88 (36)	1.86 (12)	4.10 (9)	8.45 N/A	08/01/1986
Total Fund Policy	11.19 (82)	-10.31 (48)	-16.19 (26)	-3.13 (23)	0.64 (34)	2.86 (34)	7.98 N/A	
Difference	0.89	-4.15	-7.31	-0.75	1.22	1.24	0.47	
Mixed-Asset Target Alloc Growth Funds (MF) Median	13.72	-10.53	-18.58	-4.64	0.03	2.43	N/A	
Total Fund (Gross)	12.19	-14.19	-23.19	-3.50	2.25	4.51	8.64	08/01/1986
Total Fund Policy	11.19	-10.31	-16.19	-3.13	0.64	2.86	7.98	
Difference	1.00	-3.88	-7.00	-0.37	1.61	1.65	0.66	
Total Equity	15.72 (44)	-20.13 (75)	-30.32 (90)	-5.87 (23)	1.90 (9)	4.79 (5)	10.37 N/A	08/01/1986
Russell 1000 Index	16.50 (30)	-19.13 (53)	-26.69 (61)	-8.20 (65)	-1.85 (69)	1.35 (64)	8.59 N/A	
Difference	-0.78	-1.00	-3.63	2.33	3.75	3.44	1.78	
US Core/Large Cap Equity (SA+CF) Median	15.43	-19.05	-26.08	-7.82	-1.18	1.73	N/A	
Total Fixed Income	7.78 (8)	2.24 (94)	-3.04 (96)	2.12 (96)	2.43 (97)	3.70 (94)	6.53 N/A	03/01/1988
Barclays Capital U.S. Government/Credit	1.85 (84)	7.01 (65)	5.26 (66)	6.16 (59)	4.79 (63)	5.13 (62)	7.16 N/A	
Difference	5.93	-4.77	-8.30	-4.04	-2.36	-1.43	-0.63	
US Broad Market Core Fixed Income (SA+CF) Median	3.54	7.83	6.44	6.45	5.13	5.27	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 June 30, 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 (12)	21.49 (5)	23.84 (53)	-15.46 (22)
Russell 1000 Index	-22.10 (66)	16.90 (46)	10.25 (62)	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	-21.38	16.64	10.78	14.37	14.27	24.10	-19.04
Total Fixed Income	-1.34 (82)	2.48 (100)	3.14 (98)	3.34 (31)	4.04 (34)	8.65 (6)	8.22 (61)
Barclays Capital U.S. Government/Credit	2.41 (53)	5.08 (61)	3.33 (97)	2.56 (91)	3.35 (81)	6.51 (26)	9.20 (27)
Difference	-3.75	-2.60	-0.19	0.78	0.69	2.14	-0.98
US Broad Market Core Fixed Income (SA+CF) Median	2.58	5.16	3.86	3.10	3.78	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)

June 30, 2009

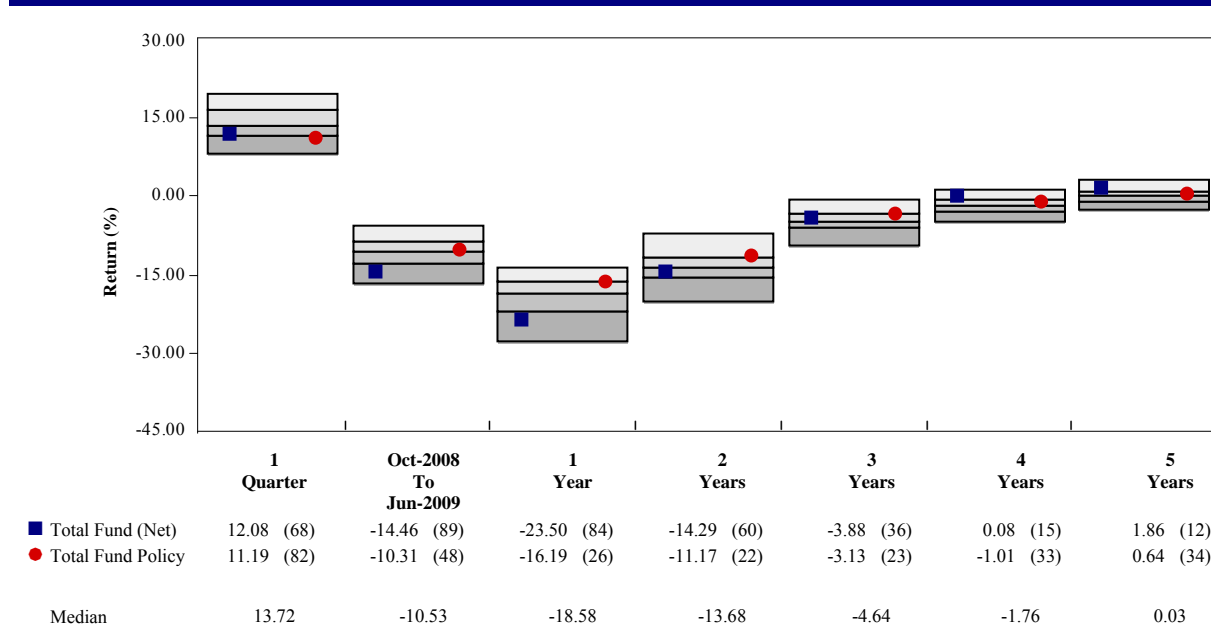
Financial Reconciliation 1 Quarter

	Market Value As of 3/31/2009	Net Transfers	Contributions	Distributions	Fees	Expenses	Income	Capital Apprec./ Deprec.	Market Value As of 6/30/2009
Total Fund (Net)	17,322	-	194	-403	-17	-17	143	1,945	19,167

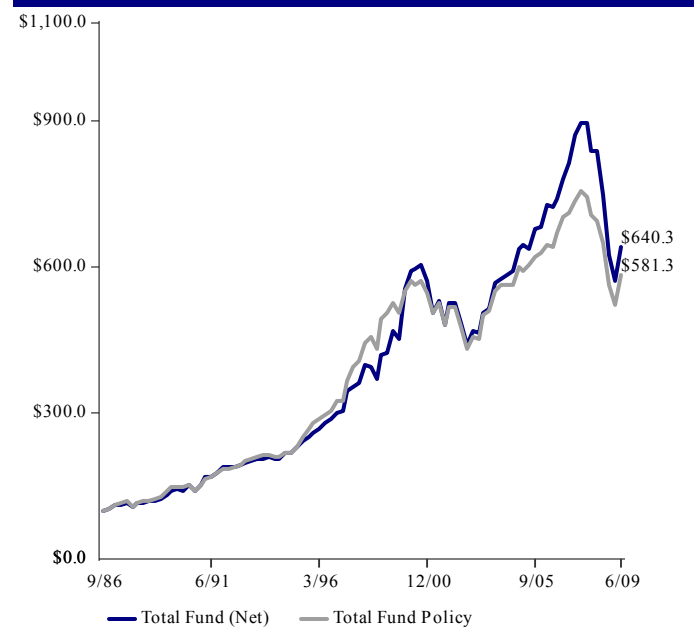
Financial Reconciliation Fiscal Year To Date

	Market Value As of 9/30/2008	Net Transfers	Contributions	Distributions	Fees	Expenses	Income	Capital Apprec./ Deprec.	Market Value As of 6/30/2009
Total Fund (Net)	23,459	-	603	-1,418	-60	-56	471	-3,831	19,167

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



Cumulative Performance



Comparative Performance

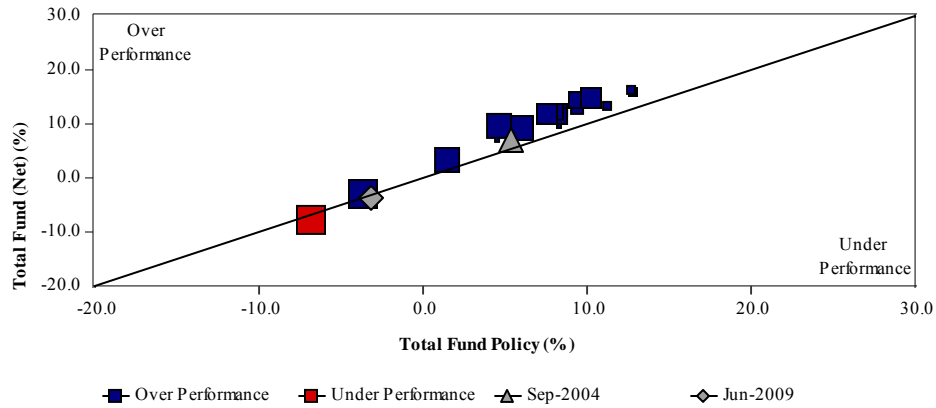
	1 Quarter Ending Mar-2009	1 Quarter Ending Dec-2008	1 Quarter Ending Sep-2008	1 Quarter Ending Jun-2008	1 Quarter Ending Mar-2008	1 Quarter Ending Dec-2007
Total Fund (Net)	-8.52 (84)	-16.57 (61)	-10.57 (66)	0.11 (18)	-6.59 (41)	0.04 (15)
Total Fund Policy	-7.06 (61)	-13.21 (17)	-6.55 (16)	-1.54 (68)	-5.45 (22)	-1.12 (42)
Mixed-Asset Target Alloc Growth Funds (MF) Median	-6.56	-15.74	-9.51	-0.94	-6.85	-1.47

Venice Police Officers' Retirement Plan

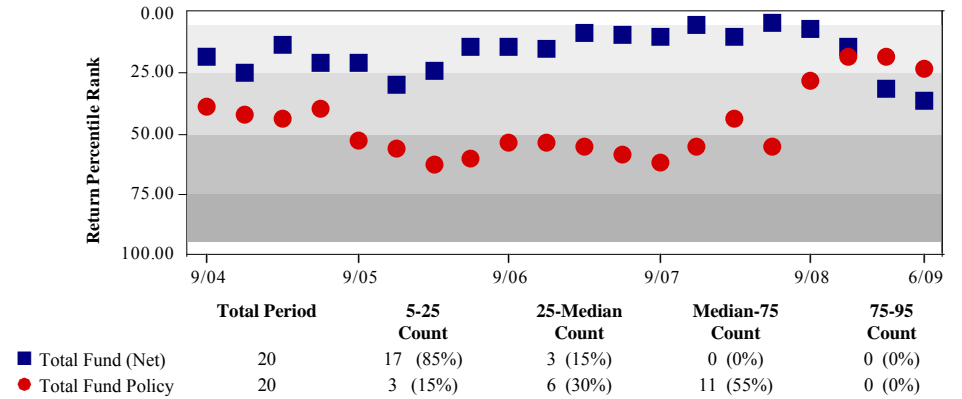
Total Fund (Net)

June 30, 2009

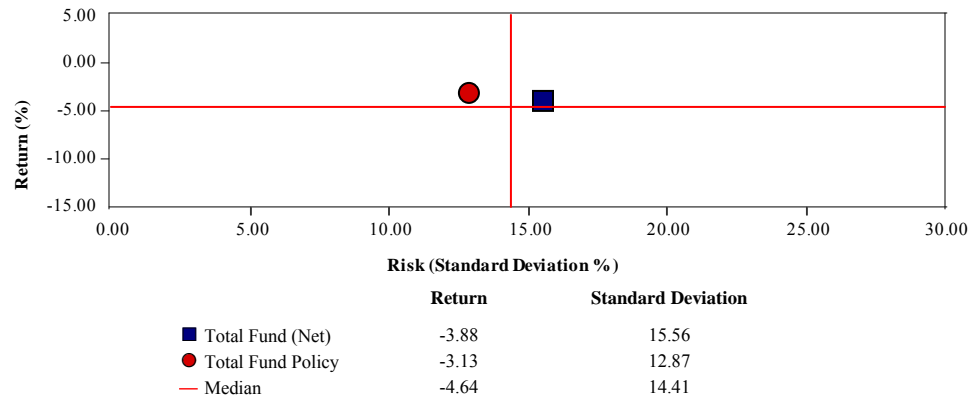
3 Yr Rolling Under/Over Performance - 5 Years



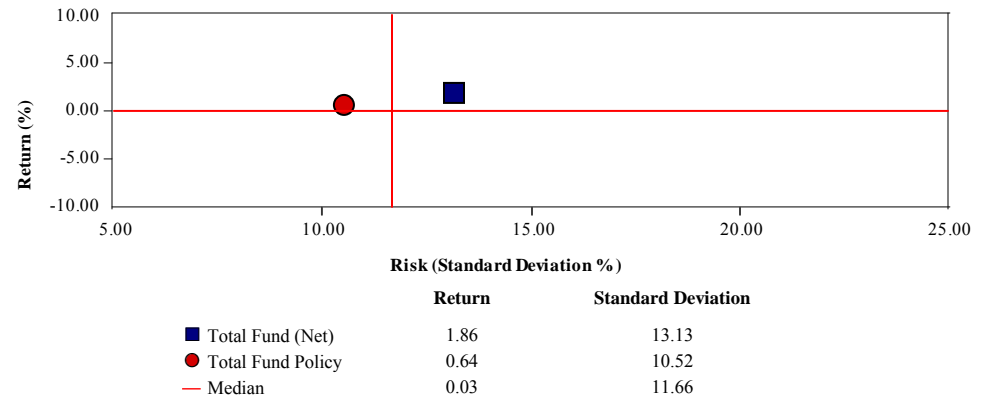
3 Yr Rolling Percentile Ranking - 5 Years



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)	4.56	113.82	114.05	0.03	-0.08	-0.38	1.17	13.38
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	-0.43	1.00	10.68

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	IR	Sharpe Ratio	Beta	Downside Risk
Total Fund (Net)	4.46	126.49	116.64	1.31	0.34	-0.02	1.19	10.65
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	-0.17	1.00	8.44

Venice Police Officers' Retirement Plan

Total Equity

June 30, 2009

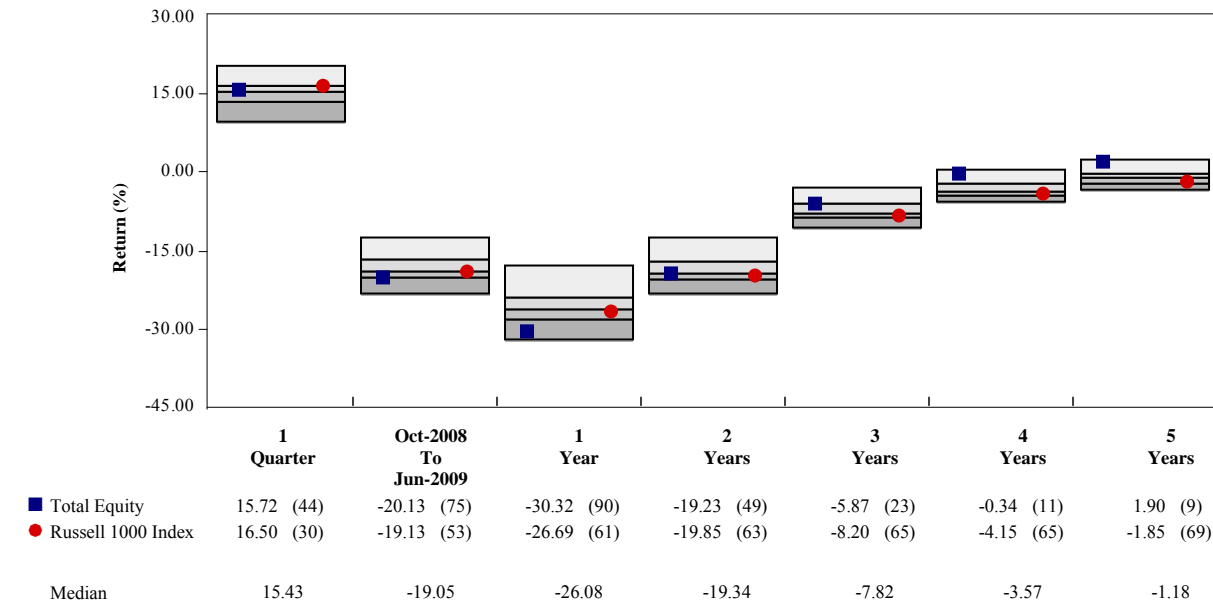
Financial Reconciliation 1 Quarter

	Market Value As of 3/31/2009	Net Transfers	Contributions	Distributions	Fees	Expenses	Income	Capital Apprec./ Deprec.	Market Value As of 6/30/2009
Total Equity	17,322	-	194	-403	-17	-17	143	1,945	19,167

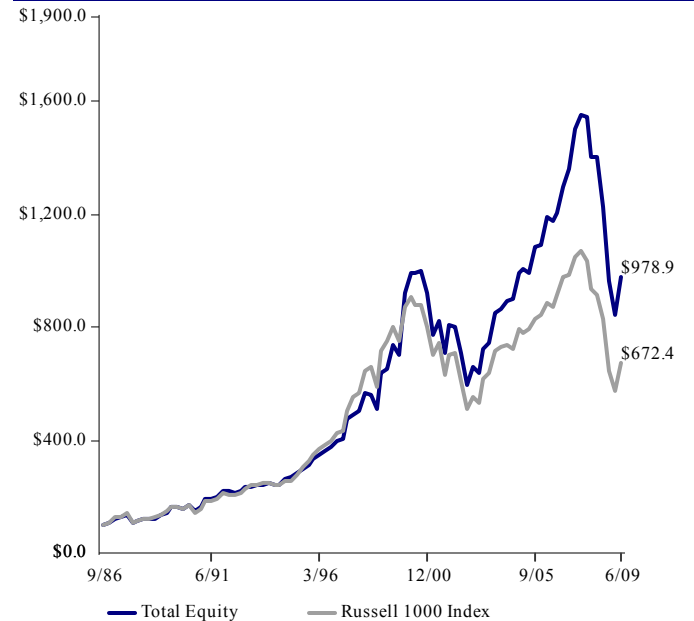
Financial Reconciliation Fiscal Year To Date

	Market Value As of 9/30/2008	Net Transfers	Contributions	Distributions	Fees	Expenses	Income	Capital Apprec./ Deprec.	Market Value As of 6/30/2009
Total Equity	23,459	-	603	-1,418	-60	-56	471	-3,831	19,167

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



Cumulative Performance



Comparative Performance

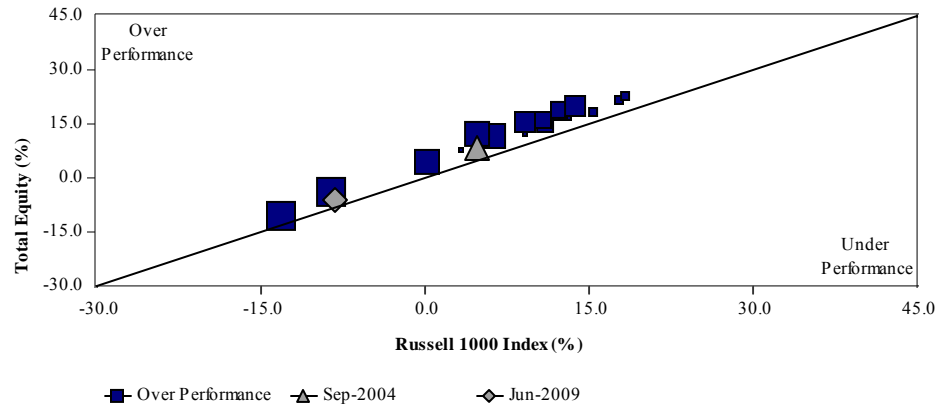
	1 Quarter Ending Mar-2009	1 Quarter Ending Dec-2008	1 Quarter Ending Sep-2008	1 Quarter Ending Jun-2008	1 Quarter Ending Mar-2008	1 Quarter Ending Dec-2007
Total Equity	-12.10 (91)	-21.48 (46)	-12.77 (88)	0.27 (25)	-9.45 (49)	-0.24 (13)
Russell 1000 Index	-10.45 (50)	-22.48 (69)	-9.35 (57)	-1.89 (62)	-9.48 (51)	-3.23 (60)
US Core/Large Cap Equity (SA+CF) Median	-10.49	-21.74	-9.00	-1.29	-9.47	-2.87

Venice Police Officers' Retirement Plan

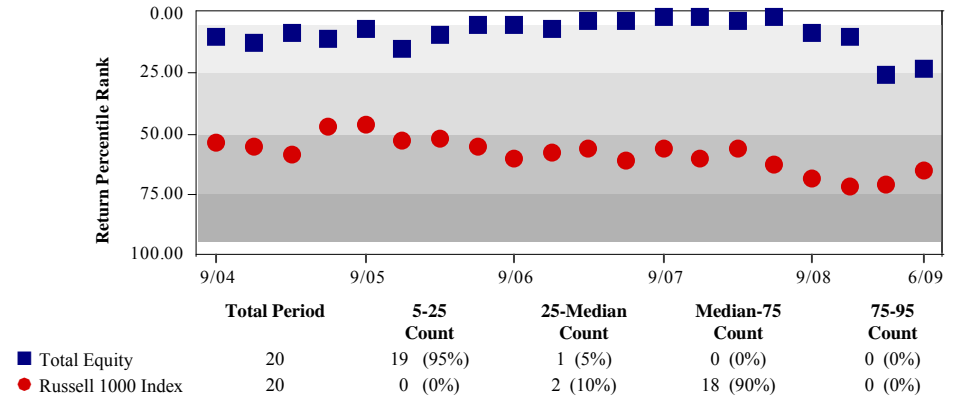
Total Equity

June 30, 2009

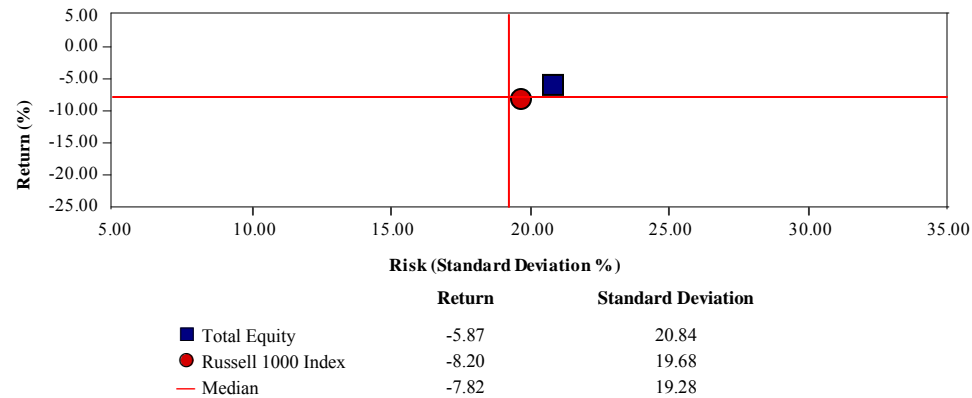
3 Yr Rolling Under/Over Performance - 5 Years



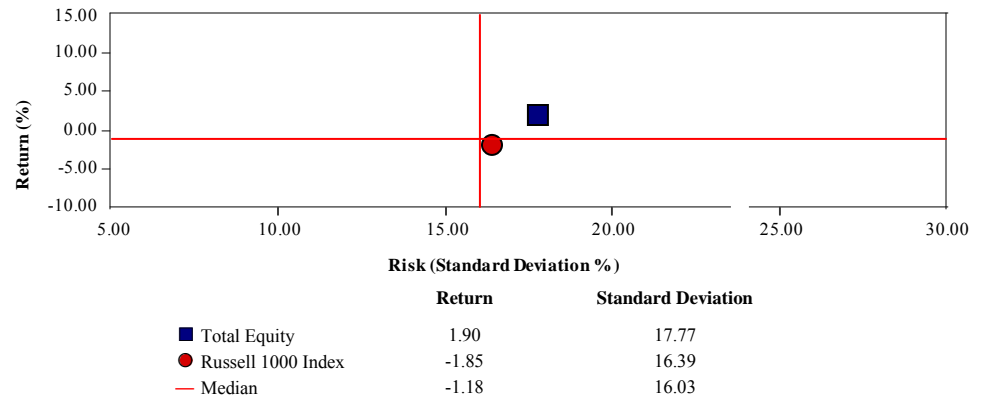
3 Yr Rolling Percentile Ranking - 5 Years



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	5.38	101.31	91.82	2.42	0.48	-0.37	0.98	16.30
Russell 1000 Index	0.00	100.00	100.00	0.00	N/A	-0.51	1.00	16.10

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	IR	Sharpe Ratio	Beta	Downside Risk
Total Equity	5.21	114.45	94.27	3.91	0.75	0.02	1.01	13.06
Russell 1000 Index	0.00	100.00	100.00	0.00	N/A	-0.23	1.00	12.76

Venice Police Officers' Retirement Plan

Total Fixed Income

June 30, 2009

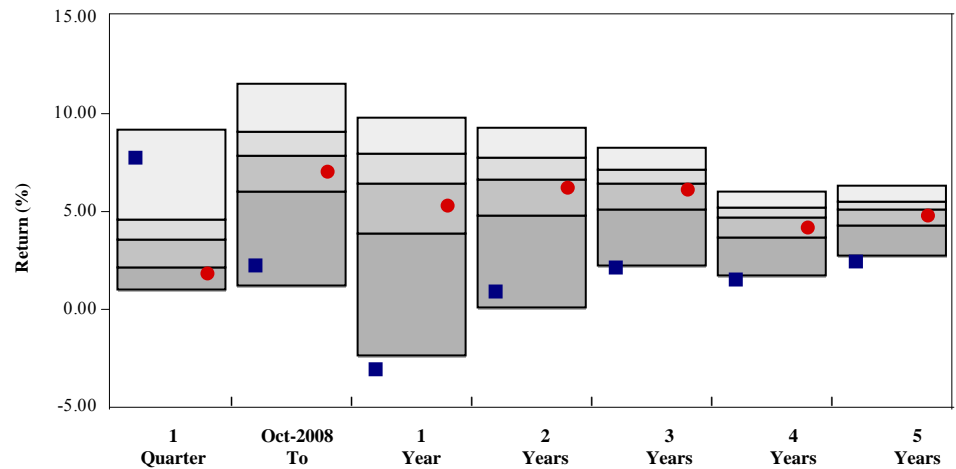
Financial Reconciliation 1 Quarter

	Market Value As of 3/31/2009	Net Transfers	Contributions	Distributions	Fees	Expenses	Income	Capital Apprec./ Deprec.	Market Value As of 6/30/2009
Total Fixed Income	17,322	-	194	-403	-17	-17	143	1,945	19,167

Financial Reconciliation Fiscal Year To Date

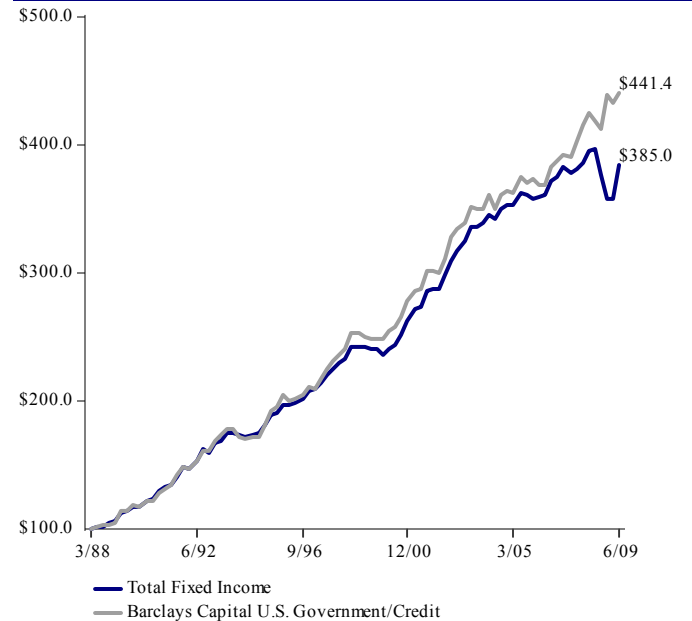
	Market Value As of 9/30/2008	Net Transfers	Contributions	Distributions	Fees	Expenses	Income	Capital Apprec./ Deprec.	Market Value As of 6/30/2009
Total Fixed Income	23,459	-	603	-1,418	-60	-56	471	-3,831	19,167

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



■ Total Fixed Income	7.78 (8)	2.24 (94)	-3.04 (96)	0.92 (93)	2.12 (96)	1.57 (96)	2.43 (97)
● Barclays Capital U.S. Government/Credit	1.85 (84)	7.01 (65)	5.26 (66)	6.24 (57)	6.16 (59)	4.19 (66)	4.79 (63)
Median	3.54	7.83	6.44	6.67	6.45	4.66	5.13

Cumulative Performance



Comparative Performance

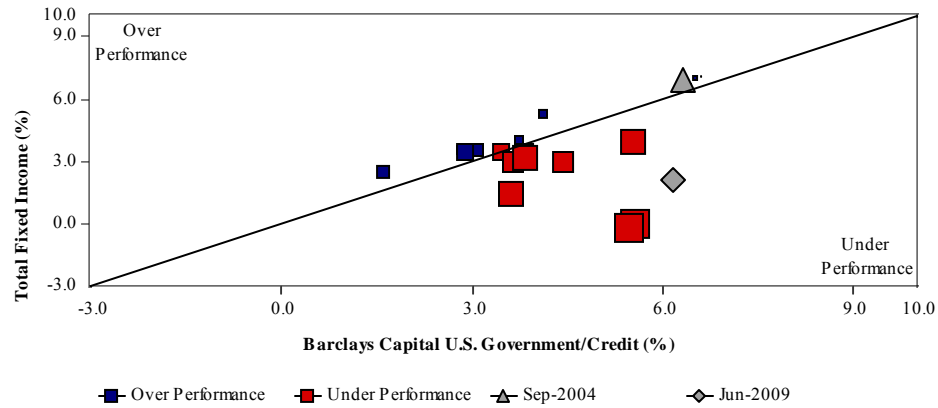
	1 Quarter Ending Mar-2009	1 Quarter Ending Dec-2008	1 Quarter Ending Sep-2008	1 Quarter Ending Jun-2008	1 Quarter Ending Mar-2008	1 Quarter Ending Dec-2007
Total Fixed Income	-0.23 (76)	-4.93 (97)	-5.16 (96)	0.31 (3)	2.39 (32)	1.28 (95)
Barclays Capital U.S. Government/Credit	-1.27 (92)	6.42 (12)	-1.64 (56)	-1.51 (88)	2.53 (27)	3.10 (28)
US Broad Market Core Fixed Income (SA+CF) Median	0.53	3.84	-1.39	-0.95	1.99	2.90

Venice Police Officers' Retirement Plan

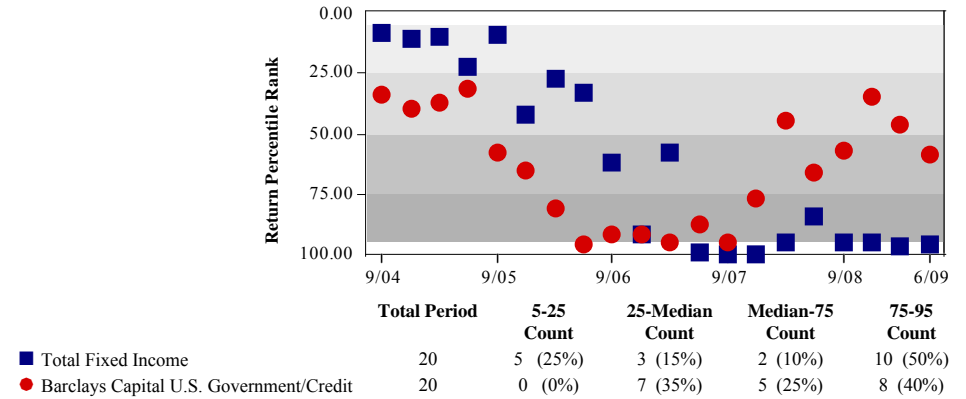
Total Fixed Income

June 30, 2009

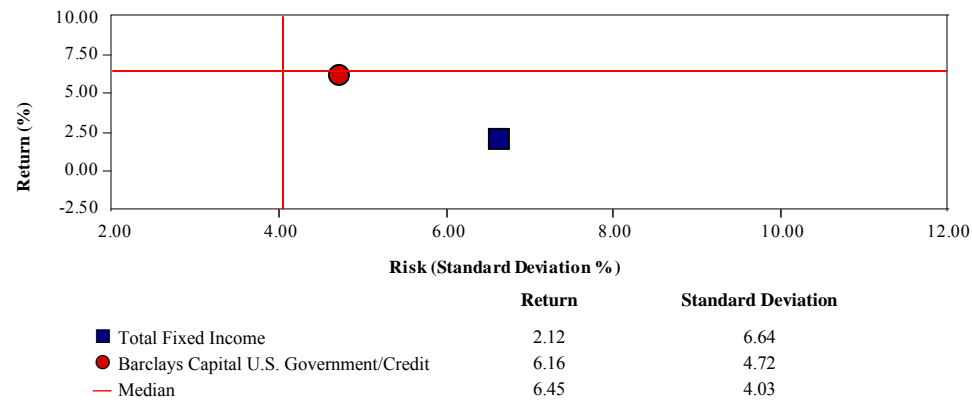
3 Yr Rolling Under/Over Performance - 5 Years



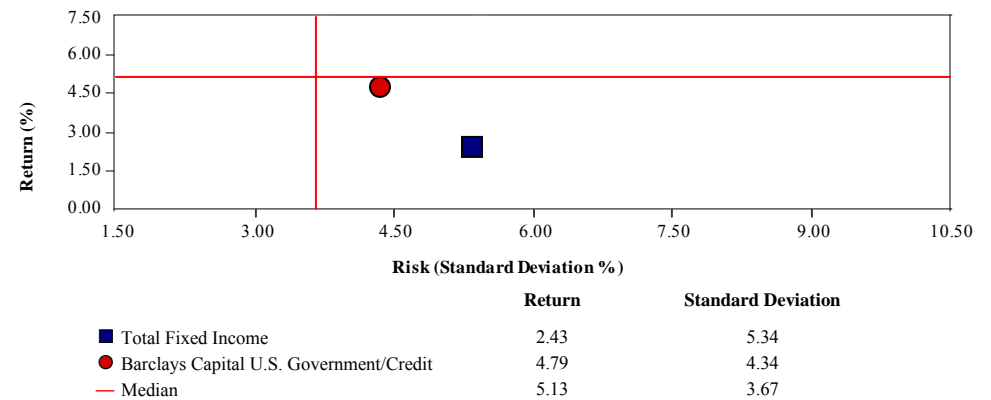
3 Yr Rolling Percentile Ranking - 5 Years



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	8.38	105.91	207.90	-6.16	-0.41	-0.04	1.45	8.28
Barclays Capital U.S. Government/Credit	0.00	100.00	100.00	0.00	N/A	0.59	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	6.61	93.52	139.34	-3.20	-0.30	-0.03	1.25	6.47
Barclays Capital U.S. Government/Credit	0.00	100.00	100.00	0.00	N/A	0.39	1.00	2.27

Venice Police Officers' Retirement Plan
Total Fund Policy
As of June 30, 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 (%)
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 June 30, 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.

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