

# City of Venice Police Officers' Retirement Plan

4th Quarter 2009



THE  
**BOGDAHN  
GROUP**

*simplifying your investment and fiduciary decisions*



## **4<sup>th</sup> Quarter 2009 Market Environment**

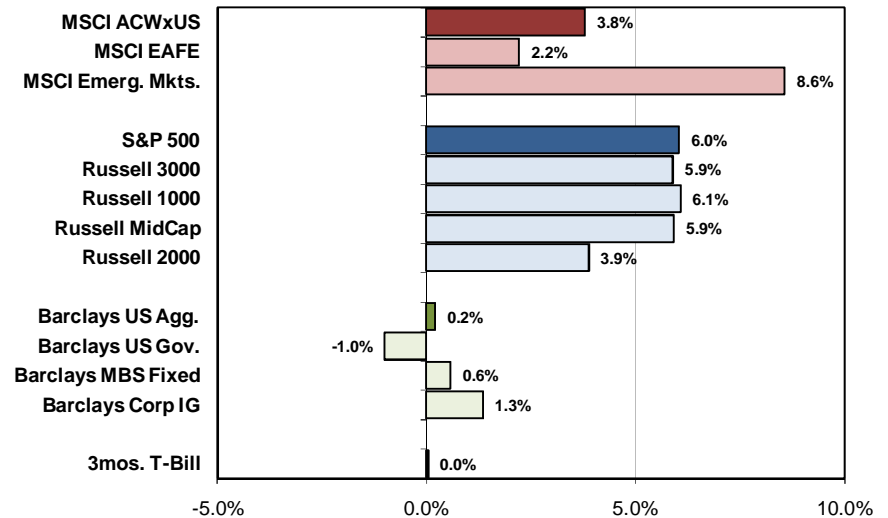
# The Market Environment

## Major Market Index Performance

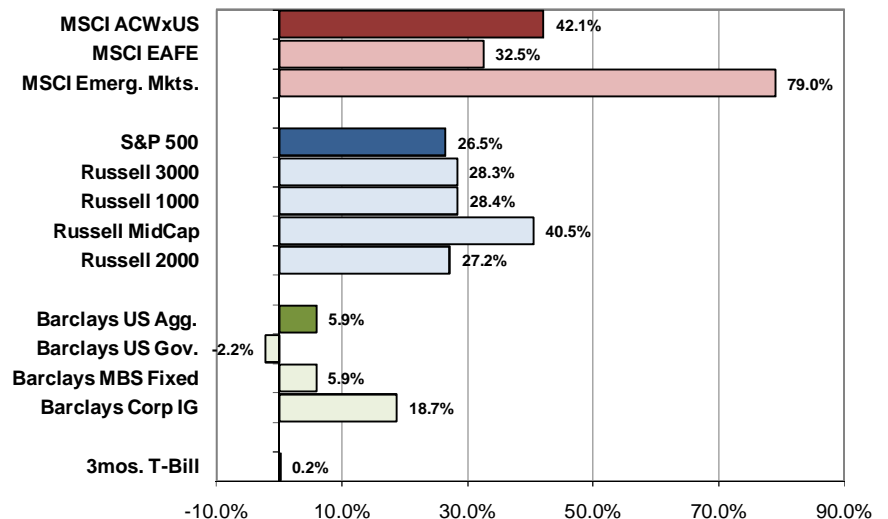
Period Ended: December 31, 2009

- Much like 2008, 2009 will not be a year that investors will soon forget. After opening the year with a continuation of 2008's risk aversion and negative performance, investors embraced equity and credit-based risk assets, which drove market returns higher at one of the most rapid paces in history. However, each of the chart's strong annual equity results are somewhat deceptive since many of the equity benchmarks were down in excess of -20% during the 4<sup>th</sup> quarter of 2008.
- Outside of the United States, emerging markets more than tripled the performance of developed markets during the quarter and was once again the strongest broad asset class in our summary. These results are even more pronounced on an annual basis with emerging markets posting an impressive +79.0% for the year.
- Most of the core domestic equity indices posted similar results to the S&P 500's return of +6.0% for the quarter. Small cap issues, represented by the Russell 2000 index, returned a slightly lower +3.9% for the quarter. Over the one-year period, the Russell MidCap index posted the group's outsized performance relative to the various capitalization ranges with a return of +40.5%.
- The Barclays aggregate return of +0.2% for the quarter was dominated by the performance of credit issues (+1.3%) in the index as spreads continued to compress for most of the quarter. The government index's return of -1.0% was impacted by the yield curve's move during the quarter. For the trailing 1-year period, the Barclays Aggregate posted a solid +5.9% return, which stands in contrast to the -2.2% return of the Government Index and the +18.7% return of the Investment Grade Credit index.

Quarter Performance



One Year Performance

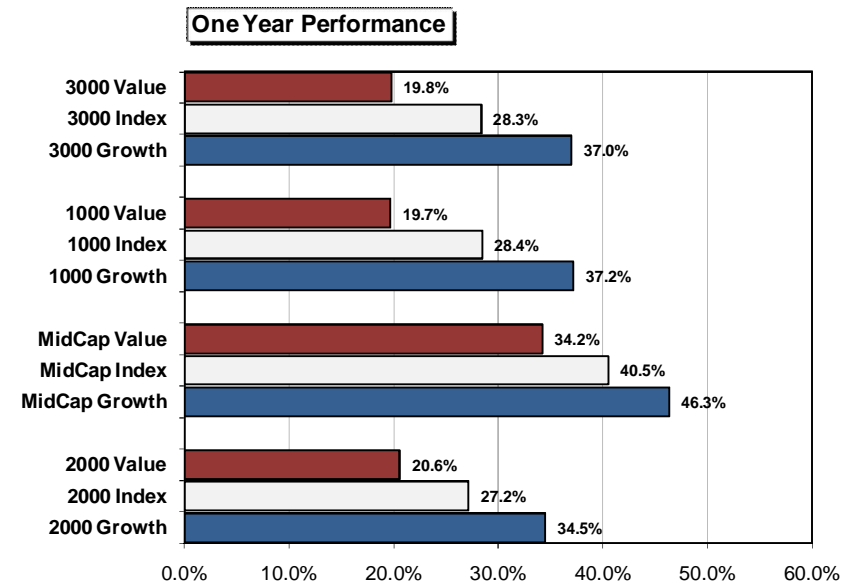
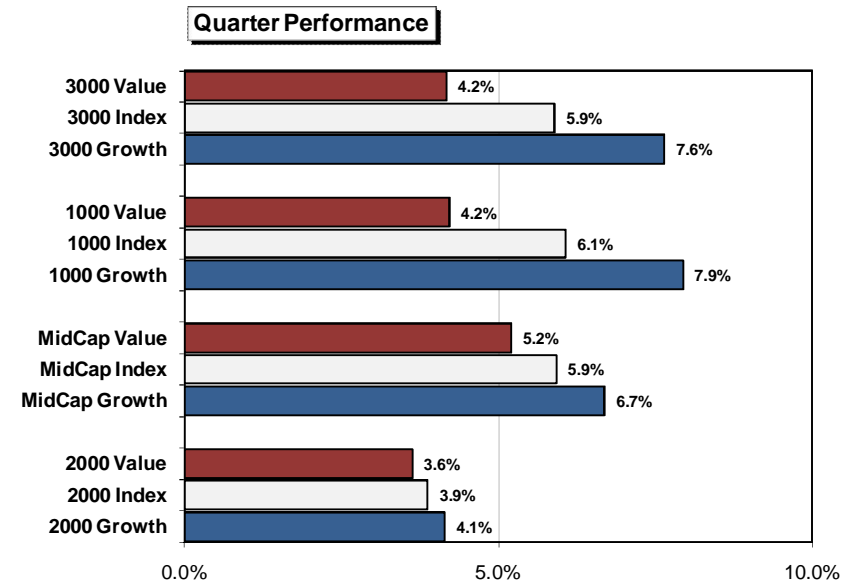


# The Market Environment

## Domestic Equity Style Index Performance

Period Ended: December 31, 2009

- A rally in two of the largest sectors of the growth benchmarks (information technology and health care) drove growth index performance to outpace value index results at all capitalization levels. The financial sector's negative performance, which represented a weight of more than 20% in each of the Russell value indices at the end of the quarter, was also a contributing factor to the underperformance of value relative to growth investments.
- The differential between value and growth index results for the 4<sup>th</sup> quarter were broader at the large cap levels primarily due to a larger exposure to the strong performing information technology sector in the smaller capitalization value indices. While the range of style-based returns is much broader at all capitalization levels over the one year period, the causes are similar to the 4<sup>th</sup> quarter's results. Annual differentials were driven by the strong positive results in the information technology sector and the negative performance of the financial sector.
- Style-based results over the one-year period were heavily impacted by the end-point sensitivity of the calculation. This sensitivity is quantified by the elimination of the 4<sup>th</sup> quarter of 2008's performance in the calculation, which fell by more than 20% for each style-based index, and the inclusion of the 4<sup>th</sup> quarter of 2009's results, which were positive for all of the indices.

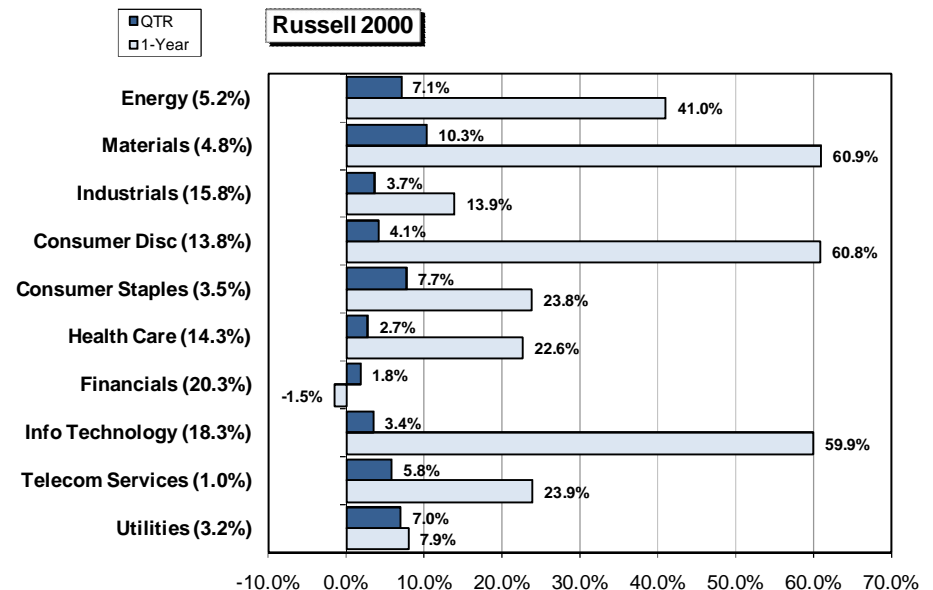
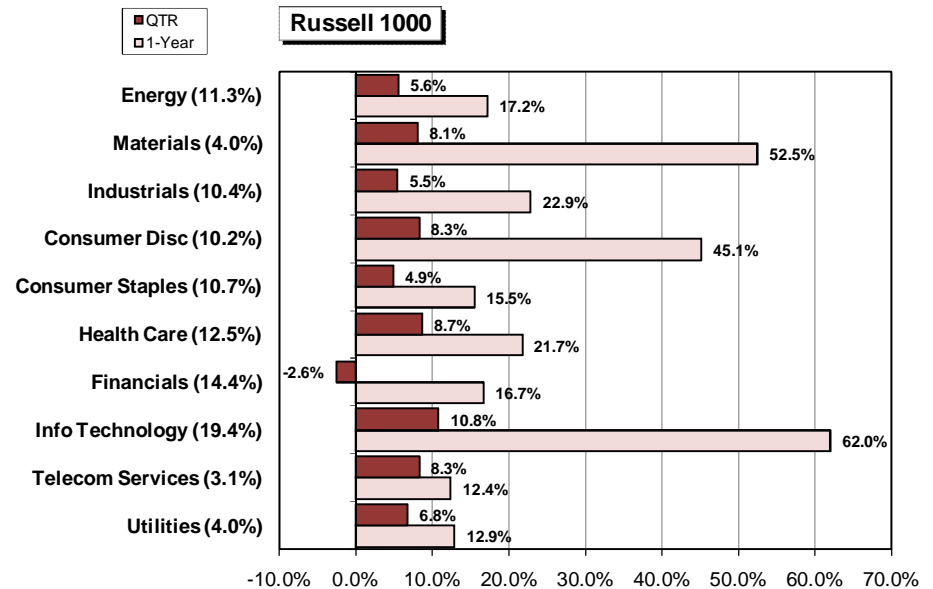


# The Market Environment

## GICS Sector Performance & (Quarter-End Sector Weight)

Period Ended: December 31, 2009

- Large cap stock performance was positive across the various Global Industry Classification Standard (GICS) sectors for the quarter with the exception of financial issues, which were mildly negative. While six of the index's ten sectors outpaced the +6.1% return of the Russell 1000, performance was led by strong results in the information technology (+10.8%) and health care (+8.7%) sectors.
- The financial sector of the Russell 1000, which was the strongest sector of the index during the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of the year, posted the index's weakest performance during the 4<sup>th</sup> quarter with a return of -2.6%. However, the strong results of the previous quarters are evident in the solid +16.7% return of the financial sector for the year.
- Within the Russell 1000 index, each of the ten GICS sectors posted positive results for the year. The strongest performance came from the information technology (+62.0%), materials (+52.5%) and consumer discretionary (+45.1%) sectors of the index.
- For the quarter, small cap stock performance was positive across all ten GICS sectors with the materials (+10.3%), consumer staples (+7.7%), and energy (+7.1%) sectors providing the largest contribution. Six of the Russell 2000's economic sectors managed to outpace the 3.9% return of the core index for the 4<sup>th</sup> quarter.
- For the year, seven of the ten GICS sectors in the Russell 2000 posted annual returns in excess of 20%. In fact, three sectors posted returns in excess of 50%. Only the financial sector, which returned -1.5%, posted a negative result for the year.



# The Market Environment

## Quality Rankings\* Breakdown by Weight and Quarterly Performance

Period Ended: December 31, 2009

- Within the Russell 1000 index, the performance of each of the quality segments, with the exception of those classified as “not available”, were spread over a relatively narrow spectrum during the 4<sup>th</sup> quarter. Of the companies that received a rating, “B” rated stocks turned in the strongest performance with a return of +7.2%, while “B-” rated stocks returned a weaker but still solid +4.7% for the quarter.
- With nearly 30% of the small cap Russell 2000 index being classified as “not rated”, drawing sweeping quality conclusions from the data can be more problematic. However, for the issues with a weight in excess of 1% in the breakdown, there appears to be a clear advantage to quality in smaller cap issues with the “A+” and “A” rated segments of the index leading performance for the quarter.

Russell 1000 Quality Breakdown	Average Weight	QTR Return
A+	10.6%	5.5%
A	10.7%	7.0%
A-	14.1%	4.8%
B+	16.9%	6.5%
B	5.9%	7.2%
B-	28.1%	4.7%
C	2.1%	6.5%
D	0.0%	0.0%
Not Rated	10.8%	8.8%
N/A	0.8%	14.2%
<b>Russell 1000 Index</b>	<b>100.0%</b>	<b>6.1%</b>

Russell 2000 Quality Breakdown	Average Weight	QTR Return
A+	3.1%	6.2%
A	5.0%	4.6%
A-	0.7%	-0.2%
B+	17.3%	4.6%
B	20.4%	2.5%
B-	12.2%	4.3%
C	11.2%	1.1%
D	0.2%	16.6%
Not Rated	29.3%	4.8%
N/A	0.6%	10.0%
<b>Russell 2000 Index</b>	<b>100.0%</b>	<b>3.9%</b>

Quality Rankings Table

A+	A	A-	B+	B	B-	C	D
Highest	High	Above Average	Average	Below Average	Lower	Lowest	In Reorganization

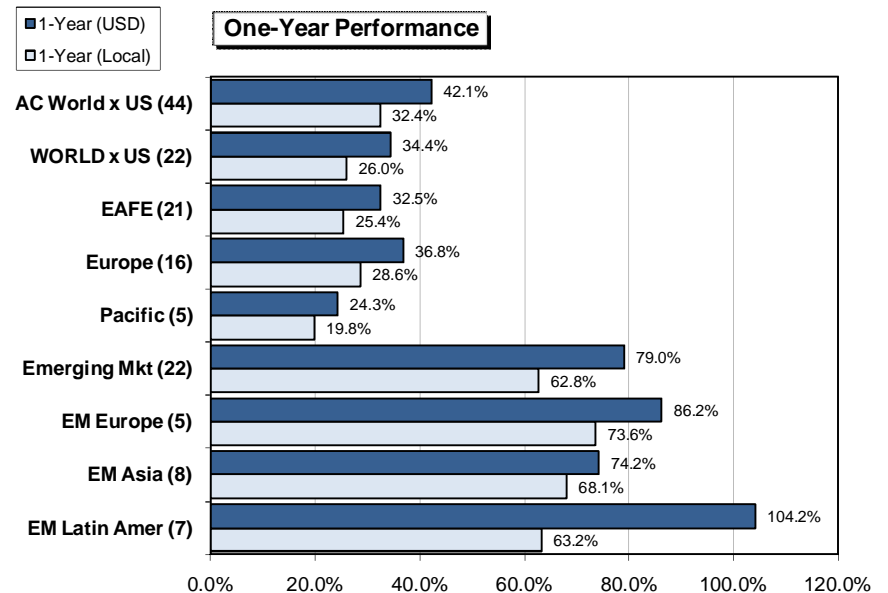
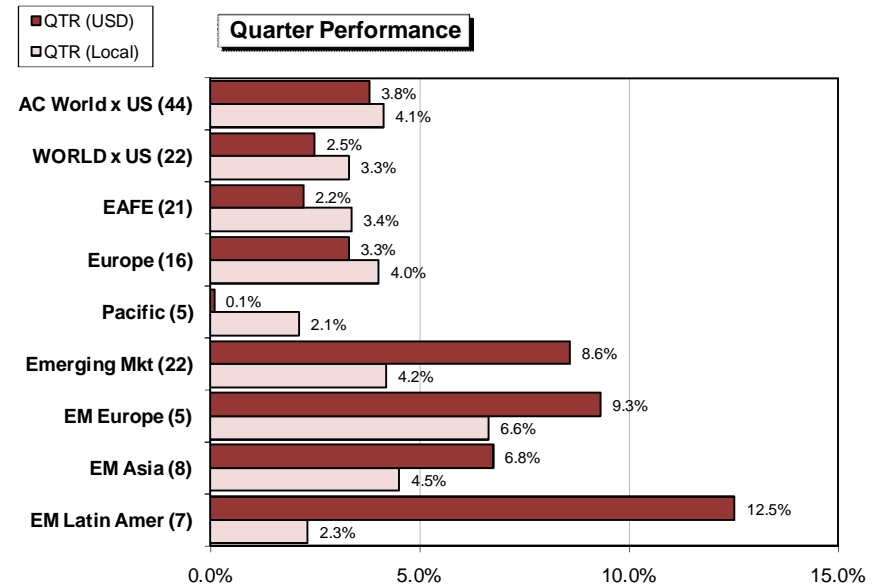
\*Standard and Poor's rankings are generated by a computerized system and are based on per-share earnings and dividend records of the most recent 10 years. - October 2005 report

# The Market Environment

## International and Regional Market Index Performance (# Countries)

Period Ended: December 31, 2009

- For the first time since the equity markets turned positive back in March, international developed markets (+2.2%) lagged the performance of domestic equity markets across the capitalization spectrum. Another phenomenon visible in the performance of international developed markets during the 4<sup>th</sup> quarter is the strength of the U.S. dollar (USD). Both the Europe and Pacific regions of the MSCI-EAFE index show stronger results in local currency vs. USD.
- Emerging Markets continued its strong performance during the 4<sup>th</sup> quarter with a return of +8.6%. Unlike the developed markets, which were impacted by USD strength, the currency effect on the performance of the emerging markets index continued to be positive. This USD depreciation is visible in the 4<sup>th</sup> quarter performance of each of the emerging market country segments.
- Over the trailing one-year period, the USD's broad depreciation against various foreign currencies is evident. This USD depreciation had a positive impact for U.S. investors on un-hedged international returns.
- In contrast to the domestic indices which were driven by information technology and health care results, the GICS sector attribution of both the EAFE and ACWIxUS indices illustrates the largest strength coming from exposure to materials and consumer staples issues. While financial sector weakness was evident in both indices (-4.5% & -1.8%), the information technology and utilities sectors also posted negative results in the EAFE index.





# The Market Environment

## U.S. Dollar International Index Attribution & Country Detail

Period Ended: December 31, 2009

MSCI - EAFE	Ending Weight	4 <sup>th</sup> Qtr Return	1-Year Return
Energy	8.4%	7.0%	34.9%
Materials	10.4%	13.2%	70.0%
Industrials	11.2%	1.5%	31.8%
Consumer Discretionary	9.7%	2.9%	38.0%
Consumer Staples	10.1%	8.1%	32.2%
Health Care	8.4%	5.4%	18.3%
Financials	25.5%	-4.5%	38.7%
Information Technology	4.8%	-2.6%	21.9%
Telecommunication Services	5.8%	1.6%	16.6%
Utilities	5.9%	-0.3%	5.3%
<b>Total</b>	<b>100.0%</b>	<b>2.2%</b>	<b>32.5%</b>

MSCI - ACWIXUS	Ending Weight	4 <sup>th</sup> Qtr Return	1-Year Return
Energy	11.2%	7.3%	51.2%
Materials	12.0%	12.7%	76.5%
Industrials	9.8%	2.4%	36.0%
Consumer Discretionary	8.4%	4.4%	45.9%
Consumer Staples	8.5%	9.2%	36.3%
Health Care	6.4%	6.0%	19.8%
Financials	25.8%	-1.8%	48.6%
Information Technology	6.7%	2.7%	51.7%
Telecommunication Services	6.2%	1.9%	19.8%
Utilities	5.0%	0.9%	11.2%
<b>Total</b>	<b>100.0%</b>	<b>3.8%</b>	<b>42.1%</b>

Country	MSCI - EAFE Ending Weight	MSCI - ACWIXUS Ending Weight	4th Quarter Return	1- Year Return
United Kingdom	21.6%	15.2%	7.0%	43.4%
Japan	20.7%	14.5%	-2.8%	6.4%
France	11.1%	7.8%	2.2%	33.3%
Australia	8.4%	5.9%	5.0%	76.8%
Germany	8.1%	5.7%	2.2%	26.6%
Switzerland	7.7%	5.4%	3.8%	26.6%
Spain	4.6%	3.2%	1.6%	45.1%
Italy	3.5%	2.4%	-2.6%	28.0%
Netherlands	2.7%	1.9%	3.8%	43.0%
Sweden	2.5%	1.8%	3.6%	65.9%
Hong Kong	2.3%	1.6%	3.6%	60.2%
Singapore	1.5%	1.0%	9.8%	74.0%
Finland	1.1%	0.8%	-3.5%	12.7%
Belgium	1.0%	0.7%	1.6%	58.6%
Denmark	0.9%	0.6%	-2.8%	37.1%
Norway	0.8%	0.6%	14.9%	88.6%
Greece	0.5%	0.4%	-22.4%	25.3%
Austria	0.3%	0.2%	-9.8%	44.8%
Portugal	0.3%	0.2%	0.5%	41.7%
Ireland	0.3%	0.2%	-2.7%	12.9%
New Zealand	0.1%	0.1%	0.1%	51.7%
<b>Total EAFE Countries</b>	<b>100.0%</b>	<b>70.3%</b>	<b>2.2%</b>	<b>32.5%</b>
Canada		7.3%	5.2%	57.4%
<b>Total Developed Countries</b>		<b>77.6%</b>	<b>2.5%</b>	<b>34.4%</b>
China		4.0%	9.6%	62.6%
Brazil		3.8%	13.1%	128.6%
Korea		2.8%	2.3%	72.1%
Taiwan		2.5%	8.1%	80.3%
India		1.7%	7.7%	102.8%
South Africa		1.5%	9.4%	57.8%
Russia		1.4%	10.5%	104.9%
Mexico		1.0%	13.7%	56.6%
Israel		0.6%	14.1%	54.6%
Malaysia		0.6%	6.7%	52.1%
Indonesia		0.4%	5.2%	127.6%
Turkey		0.3%	9.2%	98.5%
Chile		0.3%	15.4%	86.7%
Thailand		0.3%	1.1%	77.3%
Poland		0.3%	12.9%	42.5%
Colombia		0.1%	-1.1%	84.4%
Peru		0.1%	0.8%	72.1%
Hungary		0.1%	3.5%	77.6%
Egypt		0.1%	-6.2%	39.7%
Philippines		0.1%	9.8%	68.0%
Czech Republic		0.1%	-6.9%	27.8%
Morocco		0.0%	-7.1%	-5.0%
<b>Total Emerging Countries</b>		<b>22.4%</b>	<b>8.6%</b>	<b>79.0%</b>
<b>Total ACWIXUS Countries</b>		<b>100.0%</b>	<b>3.8%</b>	<b>42.1%</b>

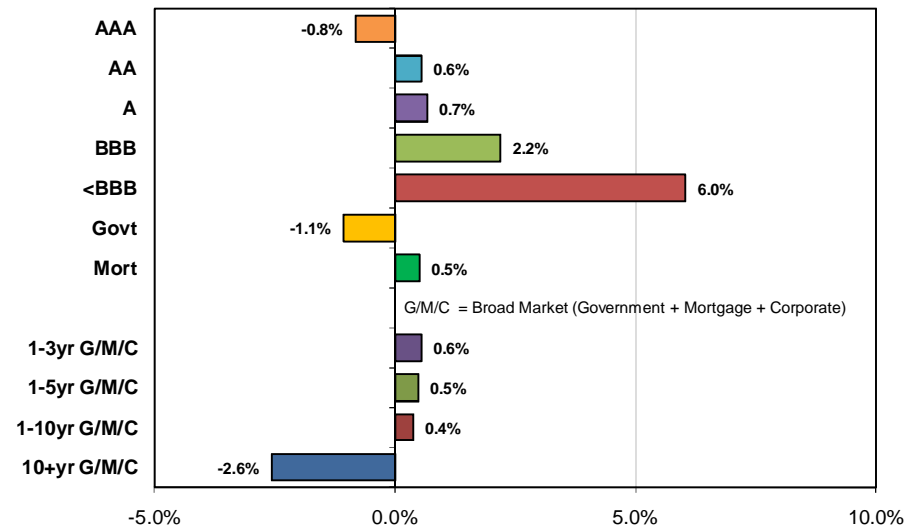
# The Market Environment

## Domestic Credit Sector & Broad Market Maturity Performance

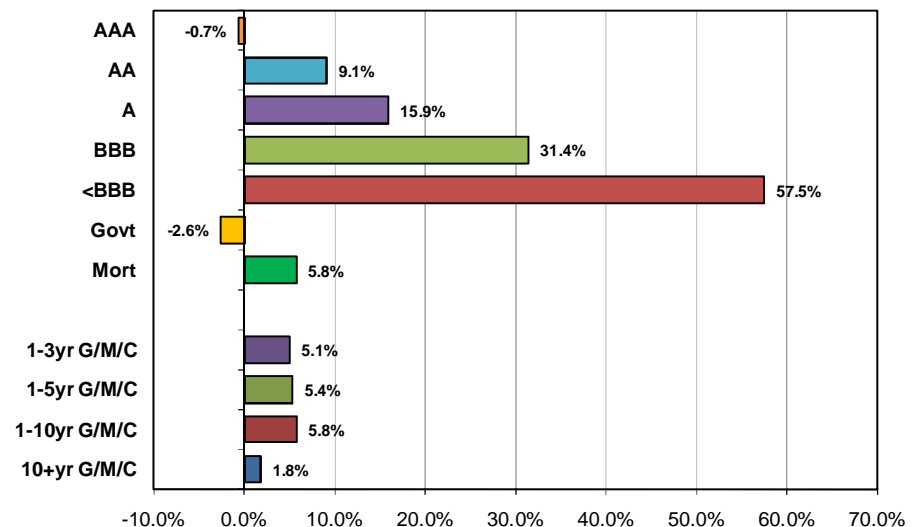
Period Ended: December 31, 2009

- Although the equity quality performance distribution showed a much more narrow range than in previous quarters, a move down the quality ladder in fixed income assets continued to reward investors willing to take on lower quality debt. In addition to the “quality-play” that is evident in the performance numbers of the various credit indices, the longer-dated broad index suffered relative to the shorter-term broad indices as a result of a steepening curve. This yield curve movement is particularly evident in the results of the chart’s government benchmark, which recorded a -1.1% return for the quarter.
- For the quarter, high yield issues once again produced the strongest results with a return of +6.0%. Results in investment grade segment of the credit market (BBB to AAA) step down dramatically from high yield results. These investment grade results range from +2.2% for BBB issues down to -0.8% for AAA issues. Outside of government and credit issues, the chart’s mortgage-backed benchmark posted a mild but positive return of +0.5%.
- Each of the themes that are described in the paragraphs above for 4<sup>th</sup> quarter are also evident, and much more dramatic, over the one-year period. This disparity is best illustrated in the more than 60% performance differential between the year’s high yield return of +57.5% and the government return of -2.6%.

Quarter Performance



One Year Performance

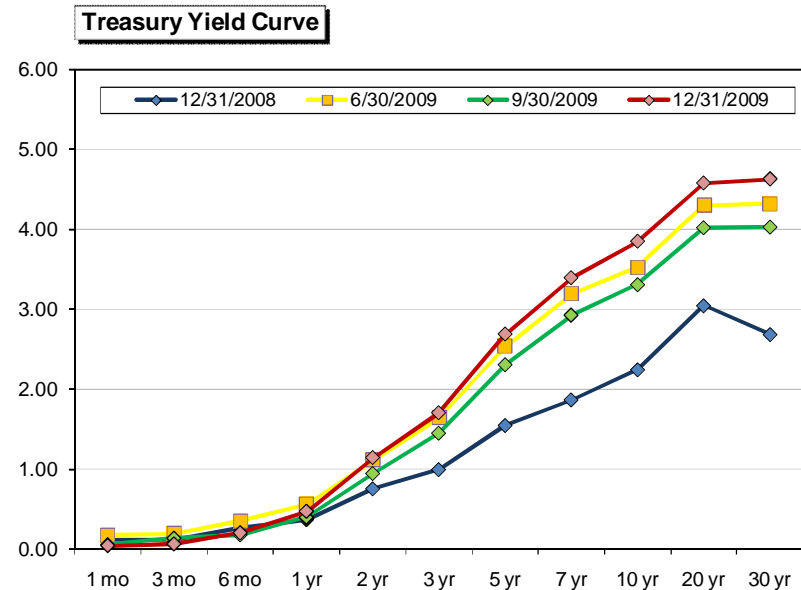
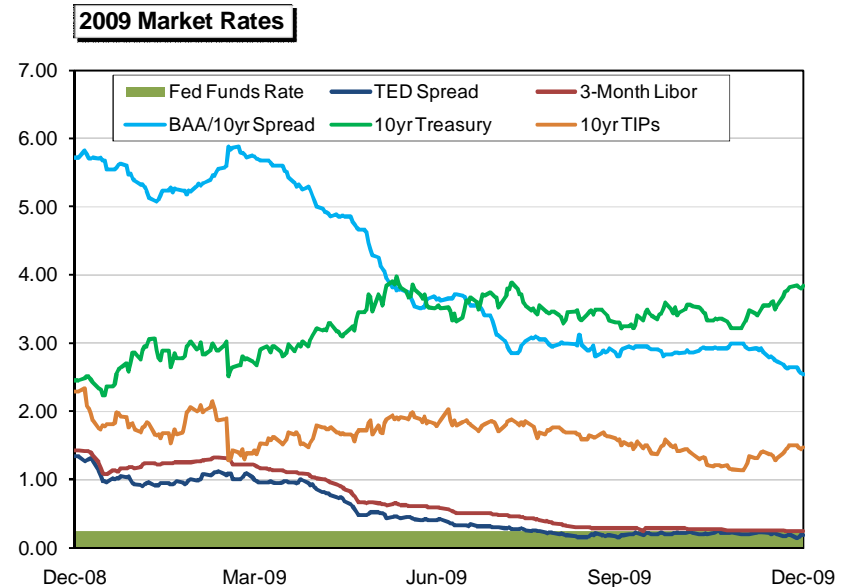


# The Market Environment

## Market Rate & Yield Curve Comparison

Period Ended: December 31, 2009

- During the quarter, the Fed kept the target for the Fed funds rate unchanged at 0-25 basis points, despite calls by many market observers to systematically remove the stimulative effects of such a low interest rate policy. The Fed continued to state in its press release that economic conditions, including low rates of resource utilization, subdued inflation trends, and stable inflation expectations, are likely to warrant exceptionally low levels of the federal funds rate for an extended period.
- The various indicators reported in the 2009 Market Rates charts continue to show improving credit conditions and more stable inflation expectations than were evident earlier in the year.
- Reversing its move during the 3<sup>rd</sup> quarter, the Treasury yield curve increased at maturities beyond two years during 4<sup>th</sup> quarter to their highest level of 2009. This steepening is particularly visible at the long end of the curve where rates spiked by 60 basis points during the quarter.
- The benchmark 10-year Treasury finished the quarter with a yield of 3.85%. This yield represented an increase of 54 basis points from the yield at the end of the 3<sup>rd</sup> quarter (3.31%) and a 160 basis point increase from the yield at the end of 2008 (2.25%).



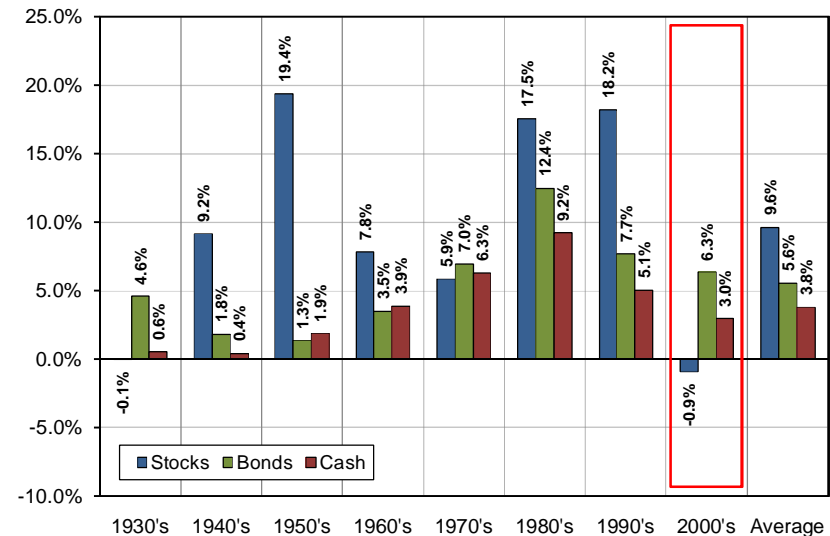
# The Market Environment

## Decades in Review

Period Ended: December 31, 2009

- Despite some exciting years along the way, the decade that ended December 31, 2009 represented the weakest calendar decade on record for stocks back to the 1930's. In contrast to the returns on stocks, both bond and cash results for the 2000's were consist with long-term averages.

Returns by Decade



- The rolling decade chart presents a similar visual story as the "Returns by Decade" chart. However, by moving the inception period back to 1926 and rolling the 10-year periods forward by month, some mid 1930's 10-year returns were lower than those recorded during the 2000's decade.

Rolling 10-Year Returns

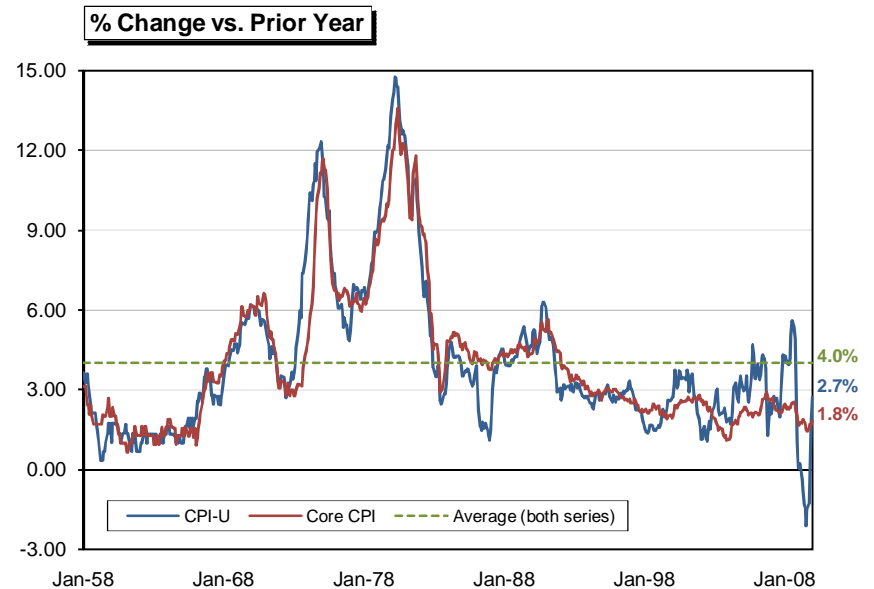


# The Market Environment

## A Closer Look at the Measurement of CPI-U & Core CPI

Period Ended: December 31, 2009

- The Consumer Price Index for All Urban Consumers (CPI-U) is a measure of the average change in prices over time of goods and services purchased by consumers (inflation). The CPI-U data is calculated on both an unadjusted (chart) and a seasonally adjust basis. While the seasonally adjusted data is often used for analyzing economic trends, the unadjusted data is used extensively for escalation purposes. The December 2009 year-over-year change in CPI-U was 2.7%.
- The Core Consumer Price Index is a more narrow measure of inflation in that it excludes the food and energy segments of the CPI-U index. These segments are often excluded by analysts due to their volatility and susceptibility to price shocks that cannot be dampened through monetary policy. Although both the CPI-U and the Core CPI have averaged 4.0% over the analysis period, the chart clearly shows that the two measures have diverged significantly at various times in history. The December 2009 year-over-year change in Core CPI was 1.8%.
- The table illustrates the various components of CPI-U as well as the items that are excluded in the measurement of Core CPI. This data is from the December 2009 report from the Bureau of Labor Statistics (BLS). Each major component of the index is made up of several sub-segments. Housing as an example, which also carries the heaviest weight in the index, is made up of lodging, fuels & utilities, and household furnishings & operations.



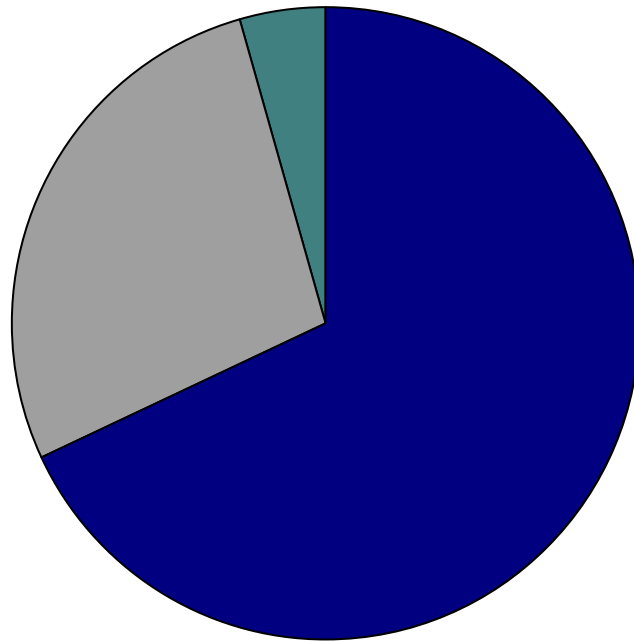
CPI Components	CPI Weight*	12-Month Change
Food & Bev	15.8%	-0.4%
Housing	43.4%	-0.3%
Apparel	3.7%	1.9%
Transportation	15.3%	14.4%
Medical Care	6.4%	3.4%
Recreation	5.7%	-0.4%
Education & Communication	6.3%	2.4%
Other	3.4%	8.0%
<b>CPI All Urban Consumers</b>	<b>100.0%</b>	<b>2.7%</b>
Less Food	7.6%	18.2%
Less Energy	14.6%	-0.5%
<b>Core CPI</b>	<b>77.8%</b>	<b>1.8%</b>

\* BLS 2008 Relative Importance

**Venice Police Officers' Retirement Fund  
December 31, 2009**

**Asset Allocation By Style as of Sep - 2009**

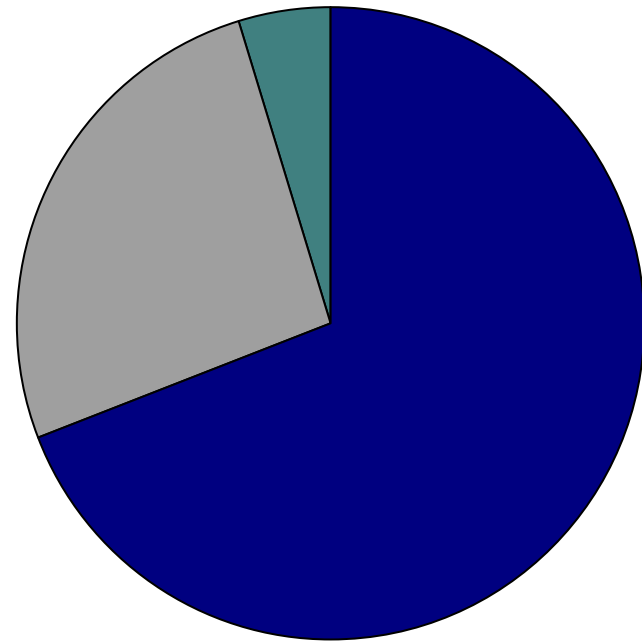
September 30, 2009 : \$21,367,365



Segments	Market Value (\$)	Allocation (%)
Domestic Equity	14,536,688	68.0
Domestic Fixed Income	5,881,156	27.5
Cash Equivalent	949,521	4.4

**Asset Allocation By Style - Current Quarter**

December 31, 2009 : \$22,544,860

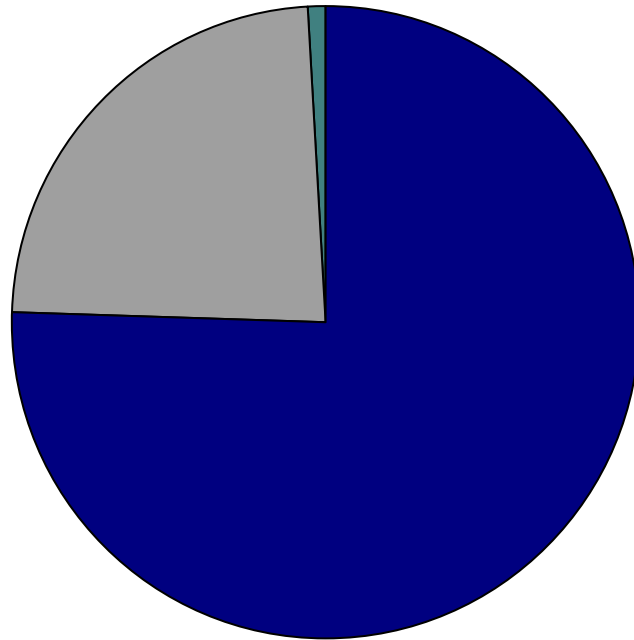


Segments	Market Value (\$)	Allocation (%)
Domestic Equity	15,581,237	69.1
Domestic Fixed Income	5,902,894	26.2
Cash Equivalent	1,060,729	4.7

**Venice Police Officers' Retirement Fund  
December 31, 2009**

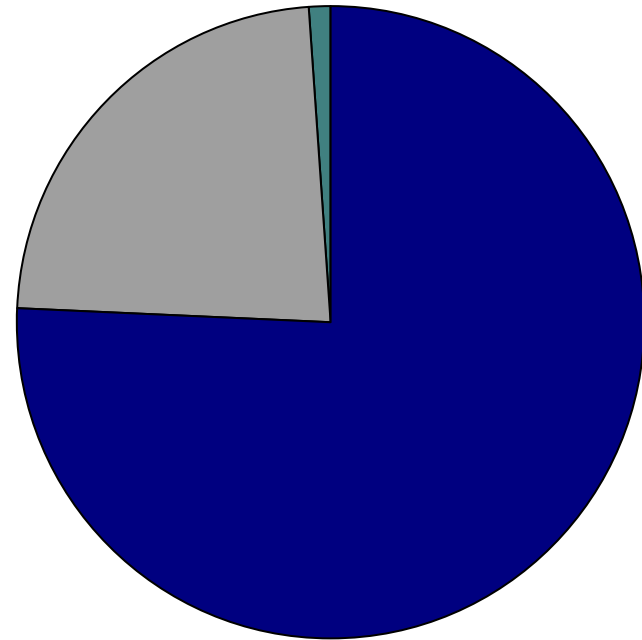
**Asset Allocation By Manager as of Sep - 2009**

September 30, 2009 : \$21,367,365



**Asset Allocation By Manager - Current Quarter**

December 31, 2009 : \$22,544,860



	Market Value (\$)	Allocation (%)
■ Bowen Hanes Balanced Portfolio	16,125,766	75.5
■ Rockwood Capital Balanced Portfolio	5,038,550	23.6
■ R&D Account	203,050	1.0

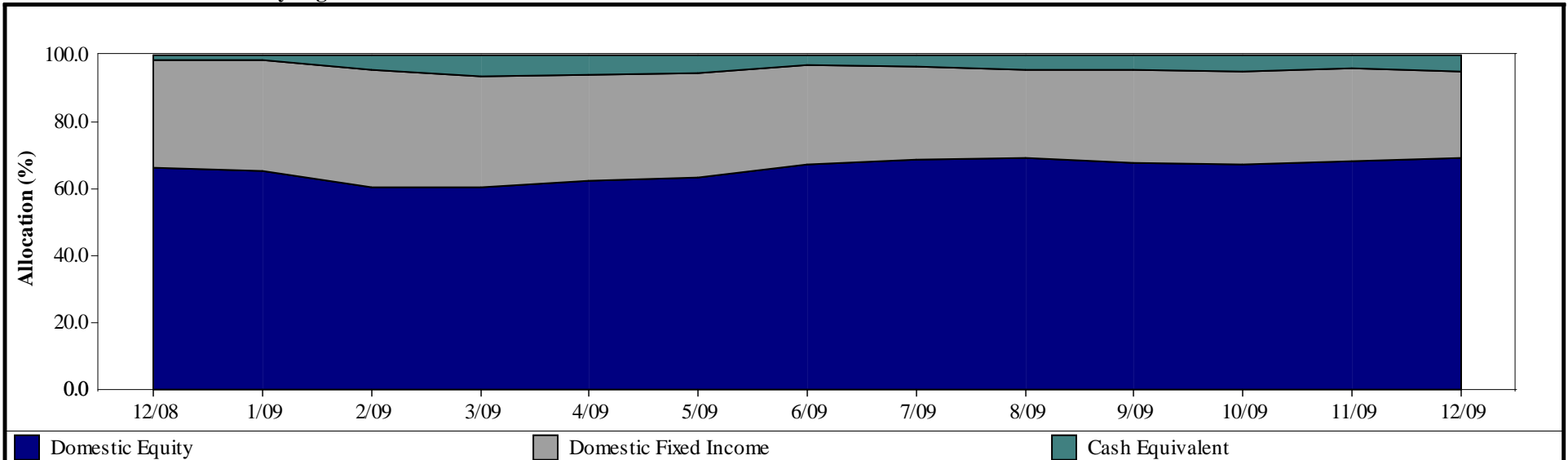
	Market Value (\$)	Allocation (%)
■ Bowen Hanes Balanced Portfolio	17,056,820	75.7
■ Rockwood Capital Balanced Portfolio	5,232,961	23.2
■ R&D Account	255,079	1.1

**Venice Police Officers' Retirement Plan**  
**Asset Allocation**  
**As of December 31, 2009**

**Asset Allocation**

	Dec-2009		Sep-2009		Jun-2009		Mar-2009		Dec-2008	
	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
<b>Bowen Hanes Balanced Portfolio</b>	17,056,820	75.66	16,125,766	75.47	19,167,235	100.00	17,322,029	100.00	19,188,119	100.00
<b>Rockwood Balanced Portfolio</b>	5,232,961	23.21	5,038,550	23.58	-	-	-	-	-	-
<b>R&amp;D Account</b>	255,079	1.13	203,050	0.95	-	-	-	-	-	-
<b>Total Fund</b>	22,544,860	100.00	21,367,365	100.00	19,167,235	100.00	17,322,029	100.00	19,188,119	100.00

**Historical Asset Allocation By Segment**





**Venice Police Officers' Retirement Plan**  
**Financial Reconciliation**  
**As of December 31, 2009**

**Financial Reconciliation Quarter**

	Market Value As of 9/30/2009	Net Transfers	Contributions	Distributions	Fees	Expenses	Income	Capital Apprec./ Deprec.	Market Value As of 12/31/2009
Bowen Hanes Balanced Portfolio	16,125,766	-	-	-	-16,079	-	113,177	833,956	17,056,820
Rockwood Balanced Portfolio	5,038,550	-	-	-	-	-	25,938	168,474	5,232,961
R&D Account	203,050	-	497,561	-420,444	-	-25,105	16	-	255,079
<b>Total Fund</b>	<b>21,367,365</b>	<b>-</b>	<b>497,561</b>	<b>-420,444</b>	<b>-16,079</b>	<b>-25,105</b>	<b>139,131</b>	<b>1,002,430</b>	<b>22,544,860</b>

**Financial Reconciliation FYTD**

	Market Value As of 9/30/2009	Net Transfers	Contributions	Distributions	Fees	Expenses	Income	Capital Apprec./ Deprec.	Market Value As of 12/31/2009
Bowen Hanes Balanced Portfolio	16,125,766	-	-	-	-16,079	-	113,177	833,956	17,056,820
Rockwood Balanced Portfolio	5,038,550	-	-	-	-	-	25,938	168,474	5,232,961
R&D Account	203,050	-	497,561	-420,444	-	-25,105	16	-	255,079
<b>Total Fund</b>	<b>21,367,365</b>	<b>-</b>	<b>497,561</b>	<b>-420,444</b>	<b>-16,079</b>	<b>-25,105</b>	<b>139,131</b>	<b>1,002,430</b>	<b>22,544,860</b>

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

	1 Quarter	Oct-2009 To Dec-2009	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Total Fund (Net)</b>	<b>5.29 (4)</b>	<b>5.29 (4)</b>	<b>21.87 (33)</b>	<b>-0.89 (59)</b>	<b>3.61 (38)</b>	<b>9.07 N/A</b>	<b>08/01/1986</b>
Total Fund Policy	3.89 (29)	3.89 (29)	19.81 (50)	-1.30 (70)	2.37 (80)	8.48 N/A	
Difference	1.40	1.40	2.06	0.41	1.24	0.59	
All Public Plans-Total Fund Median	3.45	3.45	19.66	-0.54	3.29	N/A	
<b>Total Fund (Gross)</b>	<b>5.37</b>	<b>5.37</b>	<b>22.32</b>	<b>-0.50</b>	<b>4.00</b>	<b>9.26</b>	<b>08/01/1986</b>
Total Fund Policy	3.89	3.89	19.81	-1.30	2.37	8.48	
Difference	1.48	1.48	2.51	0.80	1.63	0.78	
<b>Total Equity</b>	<b>7.40 (9)</b>	<b>7.40 (9)</b>	<b>28.03 (34)</b>	<b>-1.70 (13)</b>	<b>4.35 (7)</b>	<b>11.23 N/A</b>	<b>08/01/1986</b>
Russell 1000 Index	6.07 (44)	6.07 (44)	28.43 (32)	-5.36 (56)	0.79 (65)	9.36 N/A	
Difference	1.33	1.33	-0.40	3.66	3.56	1.87	
US Core/Large Cap Equity (SA+CF) Median	5.97	5.97	25.92	-5.18	1.25	N/A	
<b>Total Fixed Income</b>	<b>1.05 (26)</b>	<b>1.05 (26)</b>	<b>15.32 (11)</b>	<b>3.24 (93)</b>	<b>3.13 (95)</b>	<b>6.72 N/A</b>	<b>03/01/1988</b>
Barclays Capital U.S. Government/Credit	-0.21 (93)	-0.21 (93)	4.52 (97)	5.81 (71)	4.70 (76)	7.18 N/A	
Difference	1.26	1.26	10.80	-2.57	-1.57	-0.46	
US Broad Market Core Fixed Income (SA+CF) Median	0.59	0.59	9.63	6.57	5.36	N/A	

Returns for periods greater than one year are annualized.

Returns are expressed as percentages.

Current Total Fund Policy: 65% Russell 1000, 30% Barclays G/C, 5% Citigroup 3-Month T-Bill

Rockwood Policy= 60% Russell 3000, & 40% Barclays Aggregate

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

	1 Quarter	Oct-2009 To Dec-2009	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Bowen Hanes Balanced Portfolio</b>	<b>5.77 (1)</b>	<b>5.77 (1)</b>	<b>23.63 (17)</b>	<b>-0.41 (45)</b>	<b>3.90 (26)</b>	<b>9.13 N/A</b>	<b>08/01/1986</b>
Total Fund Policy	3.89 (29)	3.89 (29)	19.81 (50)	-1.30 (70)	2.37 (80)	8.48 N/A	
Difference	1.88	1.88	3.82	0.89	1.53	0.65	
All Public Plans-Total Fund Median	3.45	3.45	19.66	-0.54	3.29	N/A	
<b>Bowen Hanes Equity</b>	<b>7.68 (8)</b>	<b>7.68 (8)</b>	<b>29.12 (28)</b>	<b>-1.42 (11)</b>	<b>4.53 (7)</b>	<b>11.27 N/A</b>	<b>08/01/1986</b>
Russell 1000 Index	6.07 (44)	6.07 (44)	28.43 (32)	-5.36 (56)	0.79 (65)	9.36 N/A	
Difference	1.61	1.61	0.69	3.94	3.74	1.91	
US Core/Large Cap Equity (SA+CF) Median	5.97	5.97	25.92	-5.18	1.25	N/A	
<b>Bowen Hanes Fixed Income</b>	<b>1.55 (9)</b>	<b>1.55 (9)</b>	<b>16.03 (10)</b>	<b>3.45 (93)</b>	<b>3.26 (94)</b>	<b>6.75 N/A</b>	<b>03/01/1988</b>
Barclays Capital U.S. Government/Credit	-0.21 (93)	-0.21 (93)	4.52 (97)	5.81 (71)	4.70 (76)	7.18 N/A	
Difference	1.76	1.76	11.51	-2.36	-1.44	-0.43	
US Broad Market Core Fixed Income (SA+CF) Median	0.59	0.59	9.63	6.57	5.36	N/A	
<b>Rockwood Balanced Portfolio</b>	<b>3.86 (31)</b>	<b>3.86 (31)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>3.86 N/A</b>	<b>10/01/2009</b>
Total Rockwood Policy	3.64 (40)	3.64 (40)	N/A	N/A	N/A	3.64 N/A	
Difference	0.22	0.22	N/A	N/A	N/A	0.22	
All Public Plans-Total Fund Median	3.45	3.45	19.66	-0.54	3.29	N/A	
<b>Rockwood Equity</b>	<b>6.26 (44)</b>	<b>6.26 (44)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>6.26 N/A</b>	<b>10/01/2009</b>
Russell 3000 Index	5.90 (62)	5.90 (62)	28.34 (55)	-5.42 (68)	0.76 (66)	5.90 N/A	
Difference	0.36	0.36	N/A	N/A	N/A	0.36	
US All Cap Core Equity (SA+CF) Median	6.02	6.02	28.44	-4.82	1.31	N/A	
<b>Rockwood Fixed Income</b>	<b>-0.20 (93)</b>	<b>-0.20 (93)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-0.20 N/A</b>	<b>10/01/2009</b>
Barclays Capital Aggregate	0.20 (75)	0.20 (75)	5.93 (85)	6.04 (65)	4.97 (67)	0.20 N/A	
Difference	-0.40	-0.40	N/A	N/A	N/A	-0.40	
US Broad Market Core Fixed Income (SA+CF) Median	0.59	0.59	9.63	6.57	5.36	N/A	

Returns for periods greater than one year are annualized.

Returns are expressed as percentages.

Current Total Fund Policy: 65% Russell 1000, 30% Barclays G/C, 5% Citigroup 3-Month T-Bill

Rockwood Policy= 60% Russell 3000, & 40% Barclays Aggregate

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

	Oct-2008 To Sep-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
<b>Total Fund (Net)</b>	<b>-3.43 (89)</b>	<b>-16.34 (33)</b>	<b>20.79 (5)</b>	<b>9.09 (29)</b>	<b>14.82 (16)</b>	<b>15.22 (13)</b>	<b>17.25 (50)</b>
Total Fund Policy	0.09 (55)	-13.98 (14)	12.73 (67)	7.88 (52)	10.14 (63)	10.09 (56)	18.39 (41)
Difference	-3.52	-2.36	8.06	1.21	4.68	5.13	-1.14
Mixed-Asset Target Alloc Growth Funds (MF) Median	0.56	-18.00	13.94	7.96	11.17	10.55	17.23
<b>Total Fund (Gross)</b>	<b>-3.03</b>	<b>-16.01</b>	<b>21.27</b>	<b>9.43</b>	<b>15.30</b>	<b>15.68</b>	<b>17.73</b>
Total Fund Policy	0.09	-13.98	12.73	7.88	10.14	10.09	18.39
Difference	-3.12	-2.03	8.54	1.55	5.16	5.59	-0.66
<b>Total Equity</b>	<b>-6.40 (48)</b>	<b>-20.99 (46)</b>	<b>28.49 (1)</b>	<b>11.60 (32)</b>	<b>20.08 (12)</b>	<b>21.49 (5)</b>	<b>23.84 (53)</b>
Russell 1000 Index	-6.14 (44)	-22.10 (67)	16.90 (47)	10.25 (62)	14.26 (53)	13.90 (58)	25.14 (30)
Difference	-0.26	1.11	11.59	1.35	5.82	7.59	-1.30
US Core/Large Cap Equity (SA+CF) Median	-6.56	-21.34	16.68	10.78	14.37	14.27	24.10
<b>Total Fixed Income</b>	<b>8.50 (92)</b>	<b>-1.34 (83)</b>	<b>2.48 (100)</b>	<b>3.14 (98)</b>	<b>3.34 (31)</b>	<b>4.04 (34)</b>	<b>8.65 (6)</b>
Barclays Capital U.S. Government/Credit	11.46 (71)	2.41 (53)	5.08 (60)	3.33 (97)	2.56 (91)	3.35 (82)	6.51 (26)
Difference	-2.96	-3.75	-2.60	-0.19	0.78	0.69	2.14
US Broad Market Core Fixed Income (SA+CF) Median	12.53	2.58	5.16	3.86	3.13	3.80	5.79

Returns for periods greater than one year are annualized.

Returns are expressed as percentages.

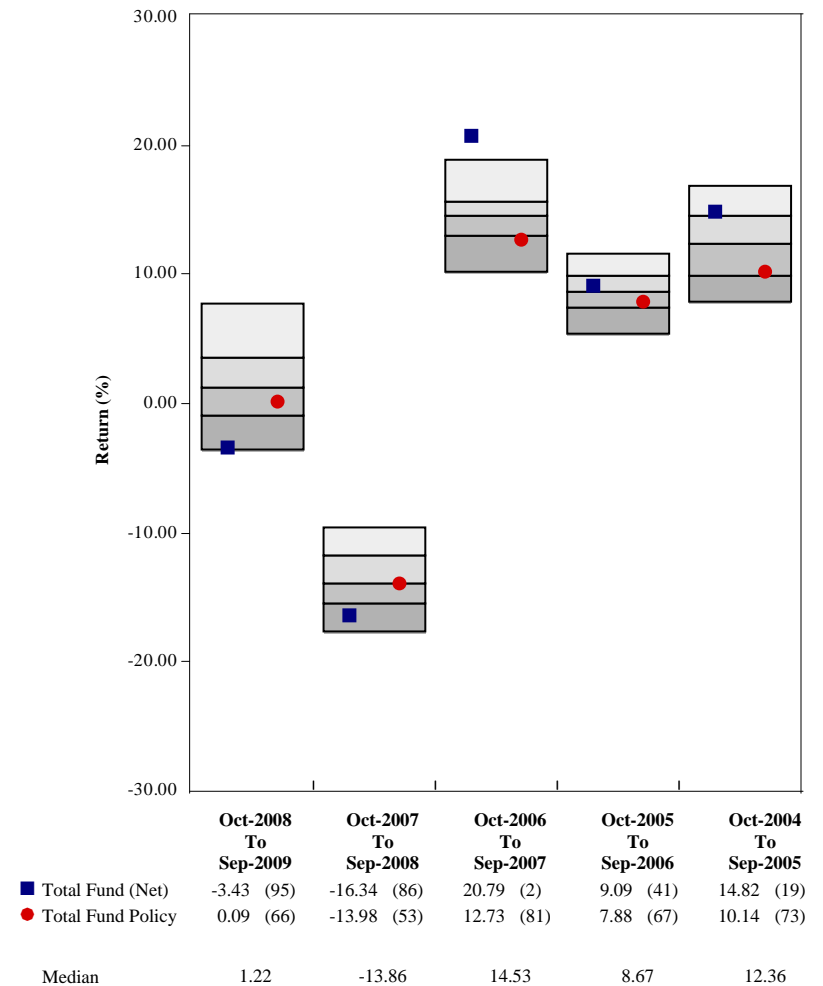
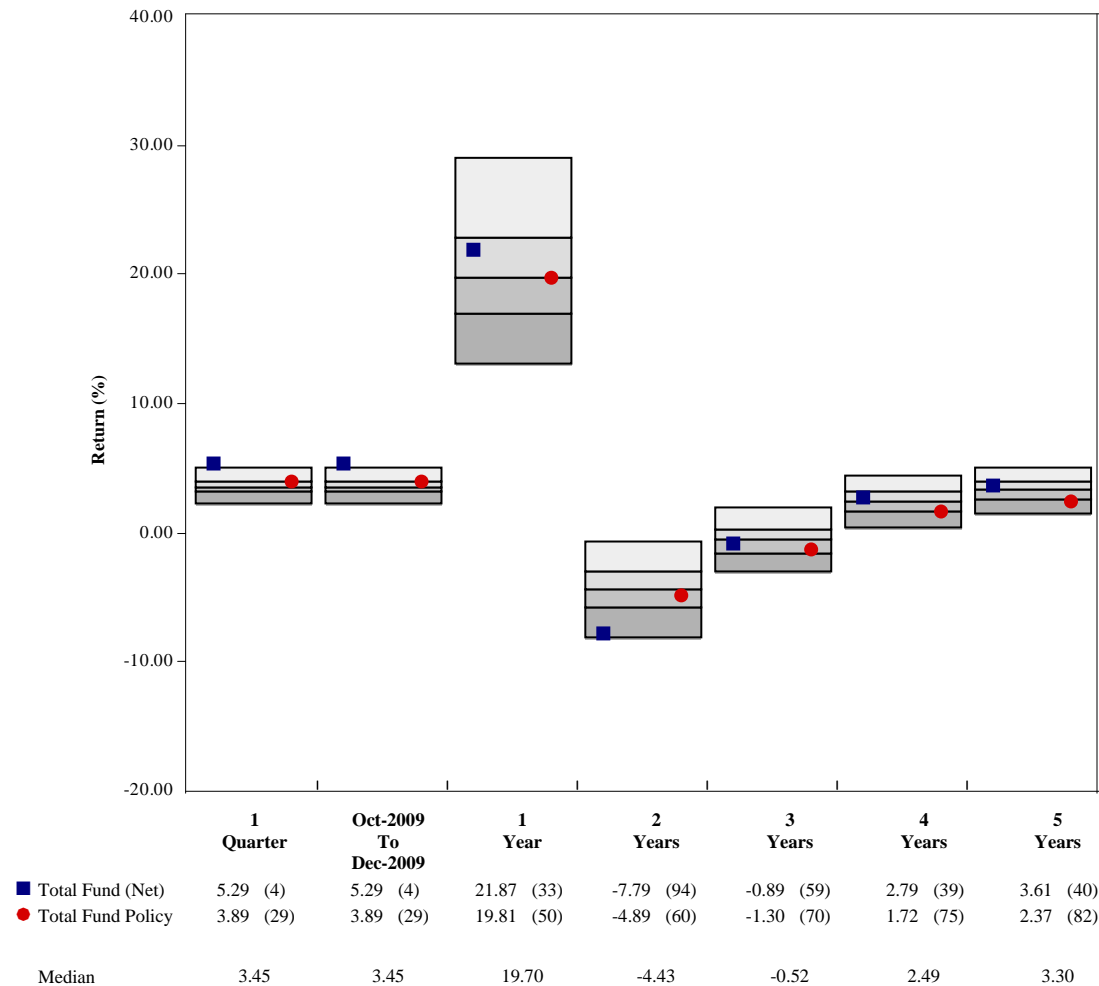
Current Total Fund Policy: 65% Russell 1000, 30% Barclays G/C, 5% Citigroup 3-Month T-Bill

# Venice Police Officers' Retirement Plan

## Total Fund (Net)

### December 31, 2009

#### Plan Sponsor Peer Group Analysis - All Public Plans-Total Fund



#### Comparative Performance

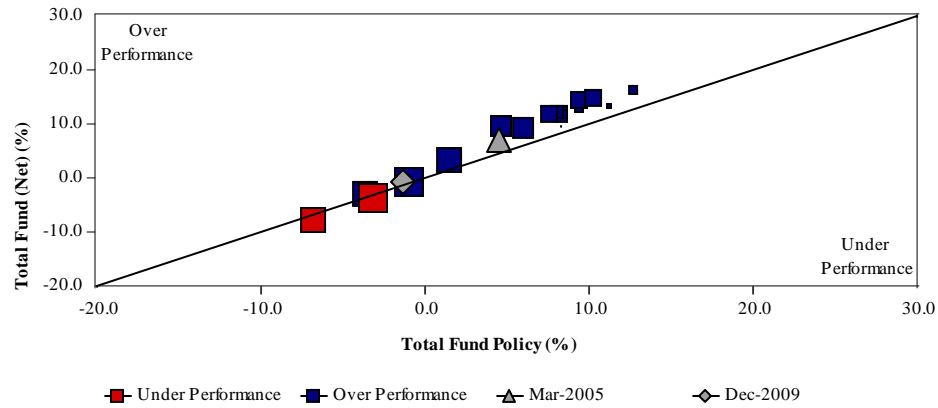
	1 Quarter Ending Sep-2009	1 Quarter Ending Jun-2009	1 Quarter Ending Mar-2009	1 Quarter Ending Dec-2008	1 Quarter Ending Sep-2008	1 Quarter Ending Jun-2008
Total Fund (Net)	12.90 (18)	12.08 (28)	-8.52 (96)	-16.57 (95)	-10.57 (94)	0.11 (22)
Total Fund Policy	11.59 (48)	11.19 (40)	-7.06 (83)	-13.21 (60)	-6.55 (31)	-1.54 (86)
All Public Plans-Total Fund Median	11.50	10.58	-5.70	-12.40	-7.54	-0.76

# Venice Police Officers' Retirement Plan

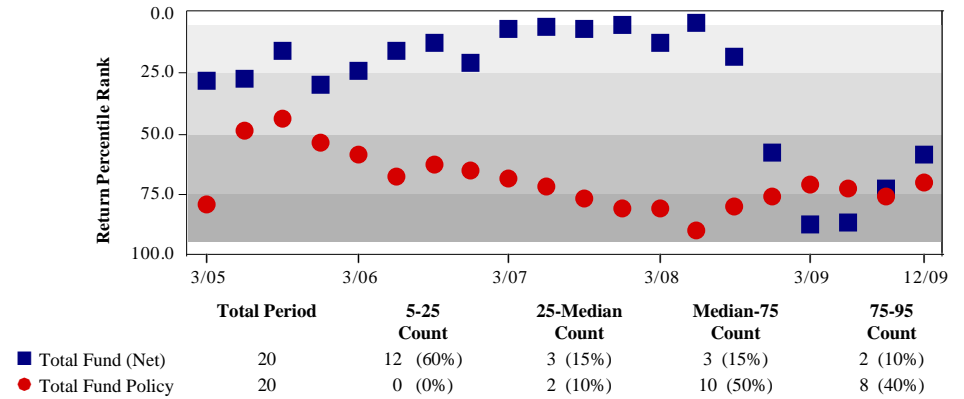
## Total Fund (Net)

### December 31, 2009

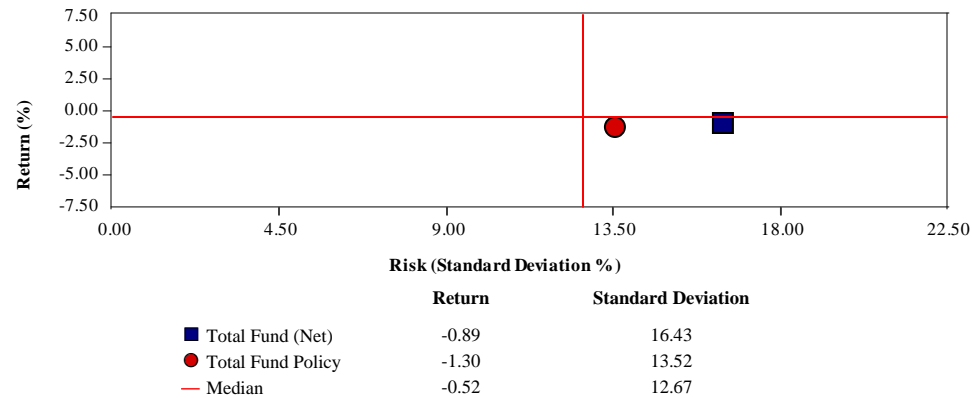
#### 3 Yr Rolling Under/Over Performance - 5 Years



#### 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)	4.75	119.13	113.85	0.95	0.19	-0.11	1.18	13.41
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	-0.20	1.00	10.71

#### Historical Statistics - 5 Years

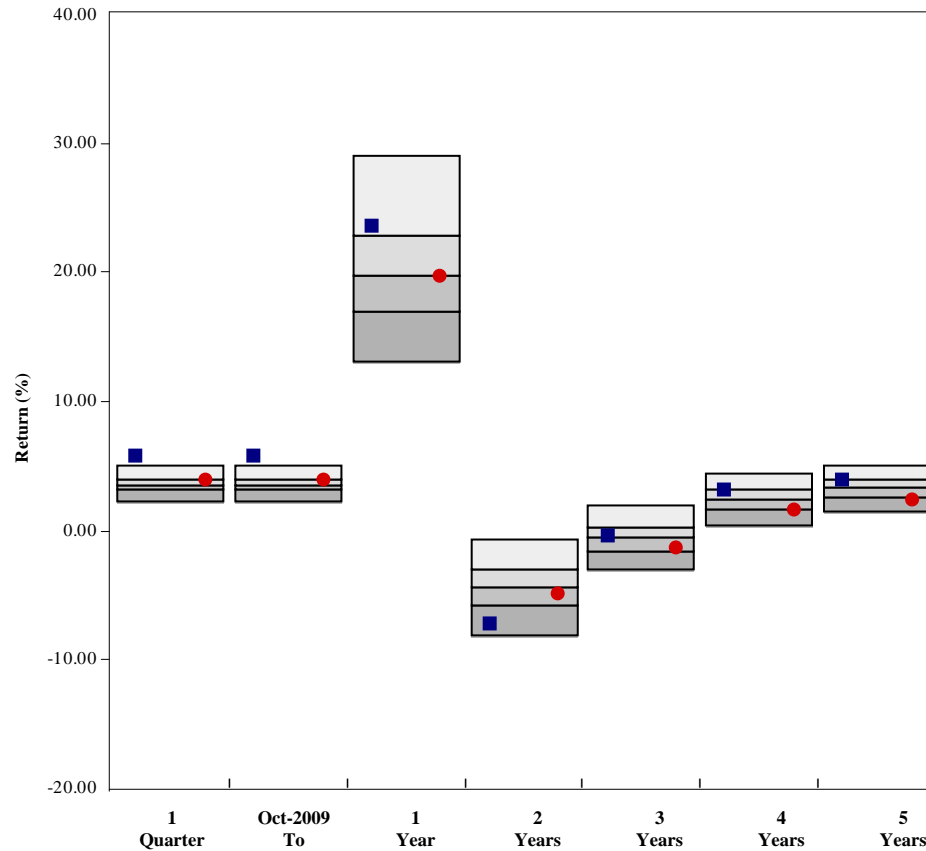
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	IR	Sharpe Ratio	Beta	Downside Risk
Total Fund (Net)	4.50	124.91	118.23	0.99	0.35	0.12	1.19	10.65
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	0.00	1.00	8.41

# Venice Police Officers' Retirement Plan

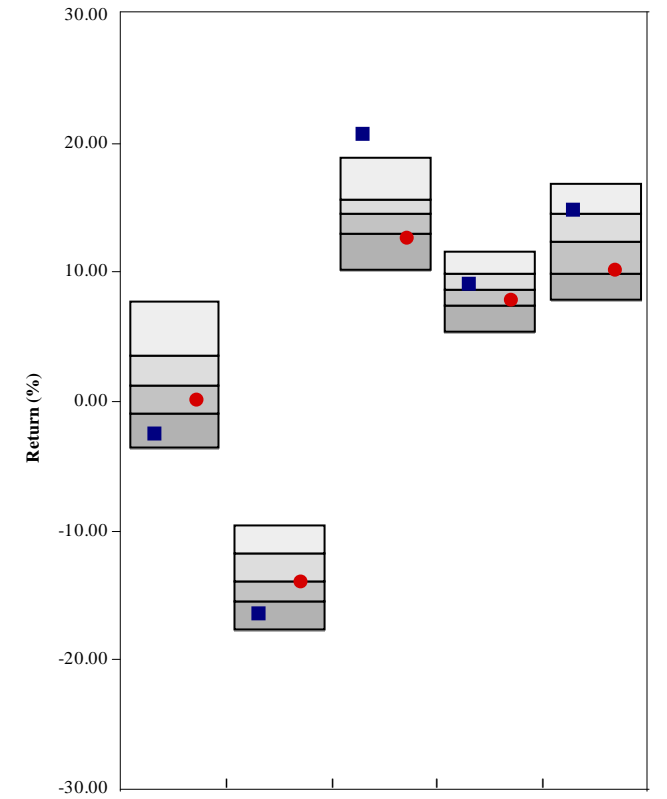
## Bowen Hanes Portfolio (Net)

### December 31, 2009

#### Plan Sponsor Peer Group Analysis - All Public Plans-Total Fund



■ Bowen Hanes Portfolio (Net)	5.77 (1)	5.77 (1)	23.63 (17)	-7.12 (89)	-0.41 (46)	3.16 (26)	3.90 (27)
● Total Fund Policy	3.89 (29)	3.89 (29)	19.81 (50)	-4.89 (60)	-1.30 (70)	1.72 (75)	2.37 (82)
Median	3.45	3.45	19.70	-4.43	-0.52	2.49	3.30



■ Bowen Hanes Portfolio (Net)	-2.49 (89)	-16.34 (86)	20.79 (2)	9.09 (41)	14.82 (19)
● Total Fund Policy	0.09 (66)	-13.98 (53)	12.73 (81)	7.88 (67)	10.14 (73)
Median	1.22	-13.86	14.53	8.67	12.36

#### Comparative Performance

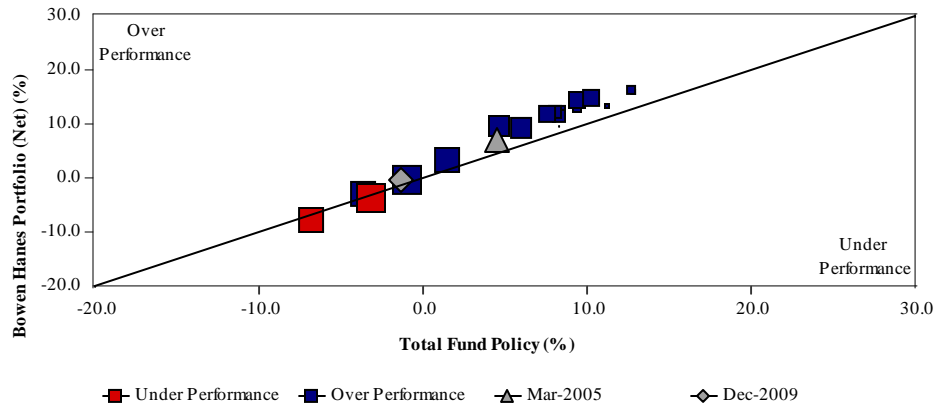
	1 Quarter Ending Sep-2009	1 Quarter Ending Jun-2009	1 Quarter Ending Mar-2009	1 Quarter Ending Dec-2008	1 Quarter Ending Sep-2008	1 Quarter Ending Jun-2008
Bowen Hanes Portfolio (Net)	14.00 (8)	12.08 (28)	-8.52 (96)	-16.57 (95)	-10.57 (94)	0.11 (22)
Total Fund Policy	11.59 (48)	11.19 (40)	-7.06 (83)	-13.21 (60)	-6.55 (31)	-1.54 (86)
All Public Plans-Total Fund Median	11.50	10.58	-5.70	-12.40	-7.54	-0.76

# Venice Police Officers' Retirement Plan

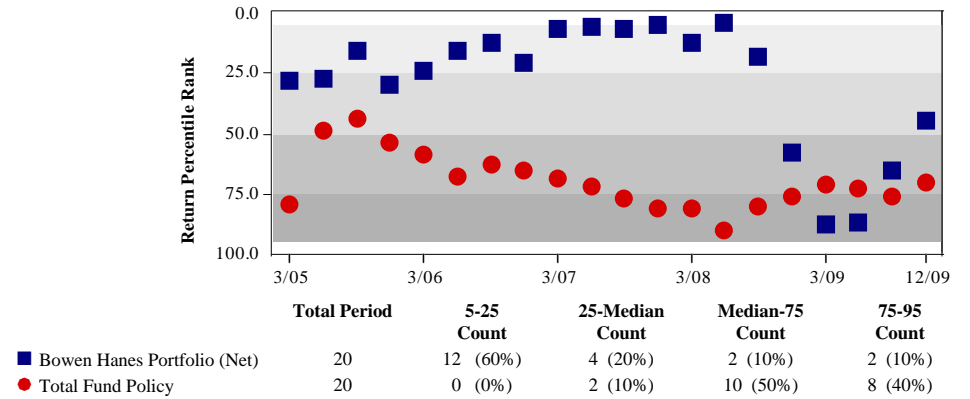
## Bowen Hanes Portfolio (Net)

### December 31, 2009

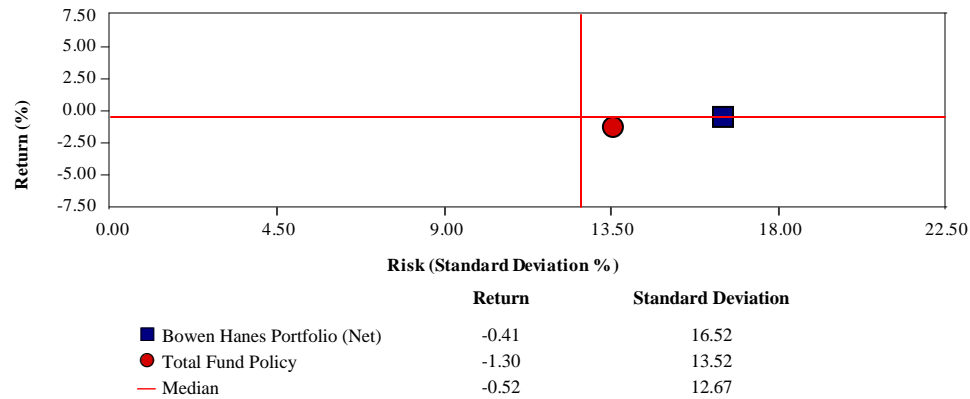
#### 3 Yr Rolling Under/Over Performance - 5 Years



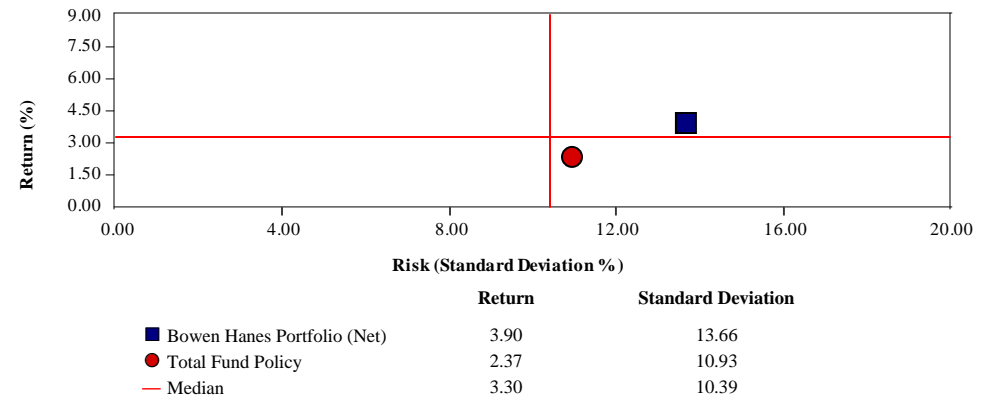
#### 3 Yr Rolling Percentile Ranking - 5 Years



#### 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
Bowen Hanes Portfolio (Net)	4.79	121.23	113.19	1.45	0.29	-0.08	1.18	13.40
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	-0.20	1.00	10.71

#### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	IR	Sharpe Ratio	Beta	Downside Risk
Bowen Hanes Portfolio (Net)	4.52	126.39	117.65	1.27	0.41	0.14	1.20	10.65
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	0.00	1.00	8.41

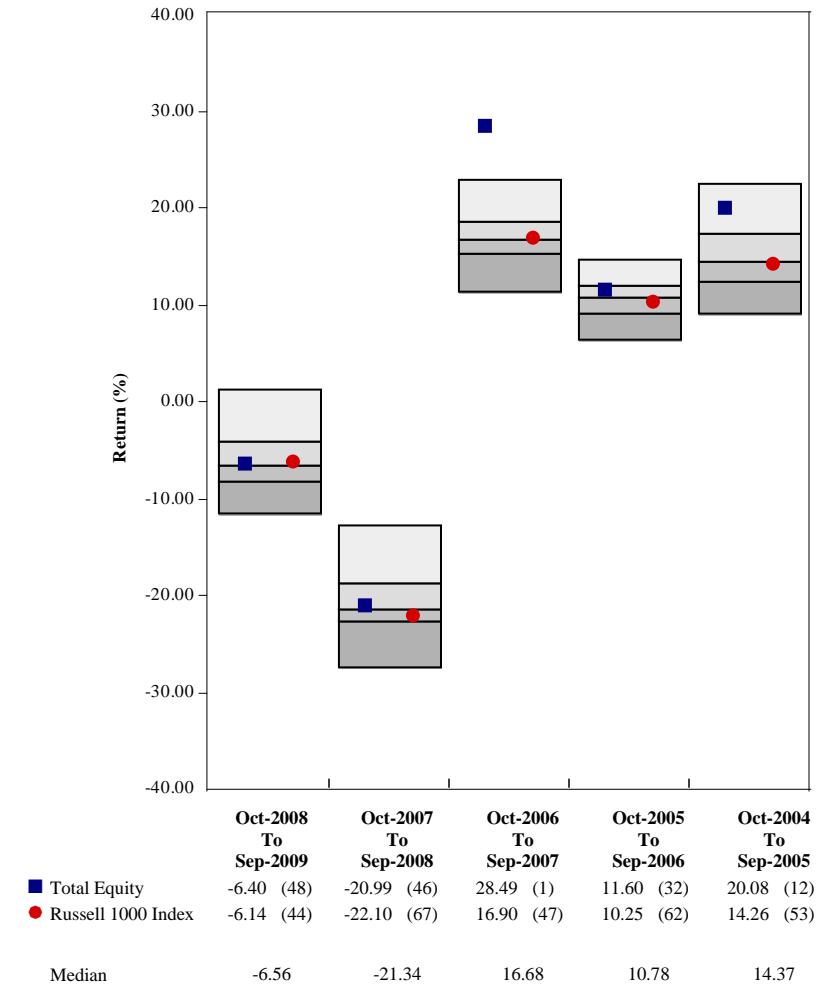
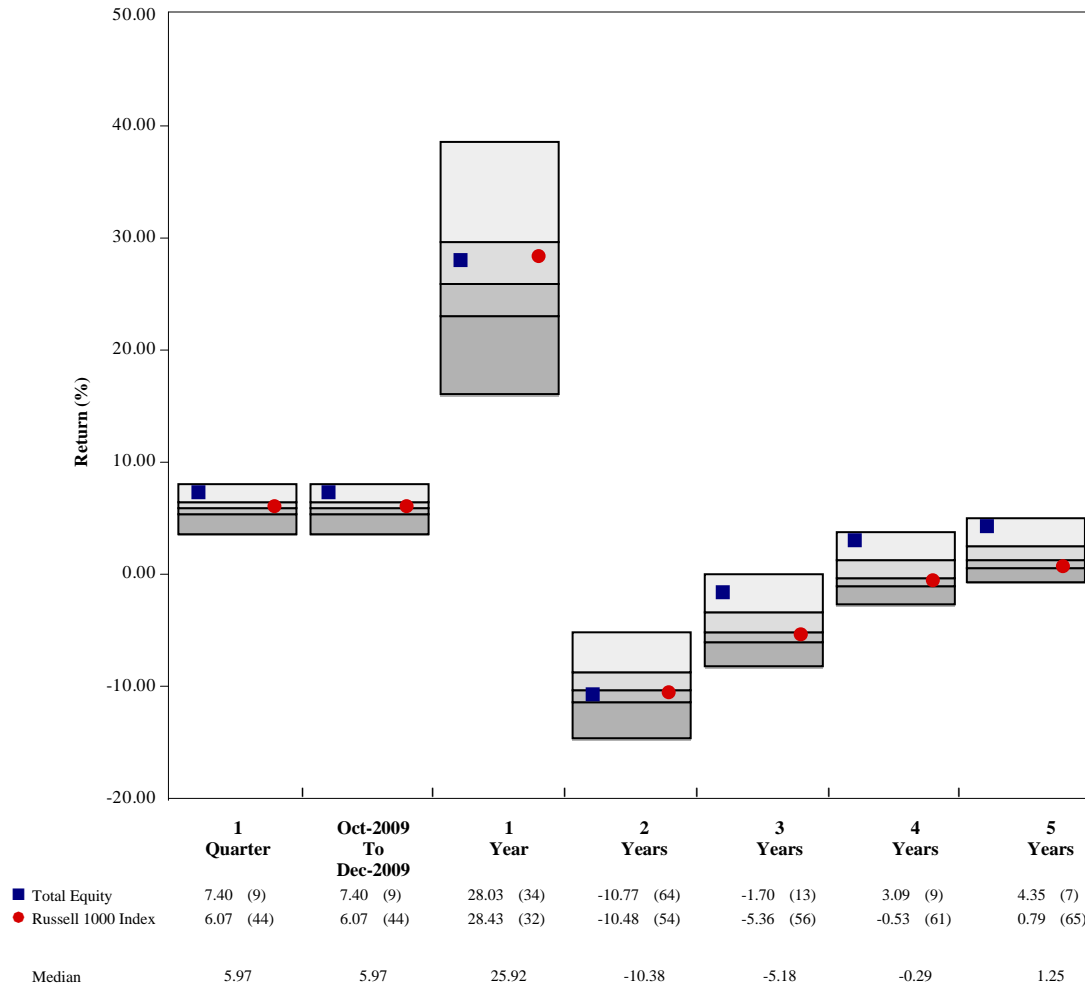


# Venice Police Officers' Retirement Plan

## Total Equity

### December 31, 2009

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



#### Comparative Performance

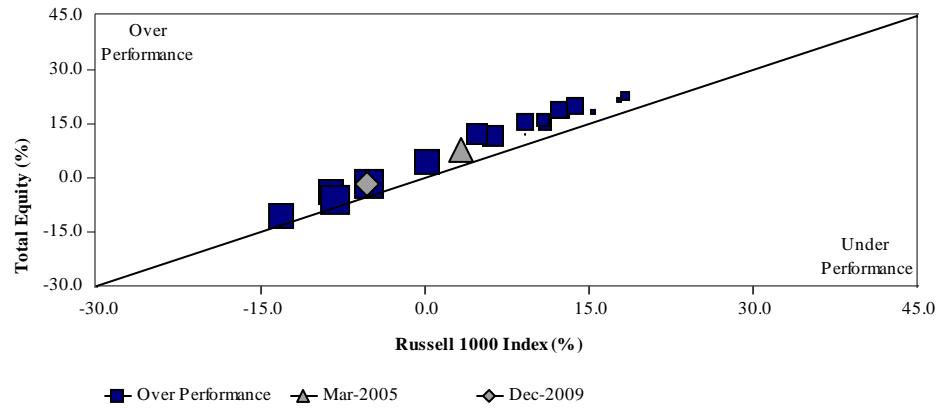
	1 Quarter Ending Sep-2009	1 Quarter Ending Jun-2009	1 Quarter Ending Mar-2009	1 Quarter Ending Dec-2008	1 Quarter Ending Sep-2008	1 Quarter Ending Jun-2008
Total Equity	17.19 (13)	15.72 (46)	-12.10 (91)	-21.48 (47)	-12.77 (88)	0.27 (25)
Russell 1000 Index	16.07 (25)	16.50 (30)	-10.45 (50)	-22.48 (70)	-9.35 (58)	-1.89 (63)
US Core/Large Cap Equity (SA+CF) Median	15.25	15.54	-10.47	-21.67	-8.97	-1.19

# Venice Police Officers' Retirement Plan

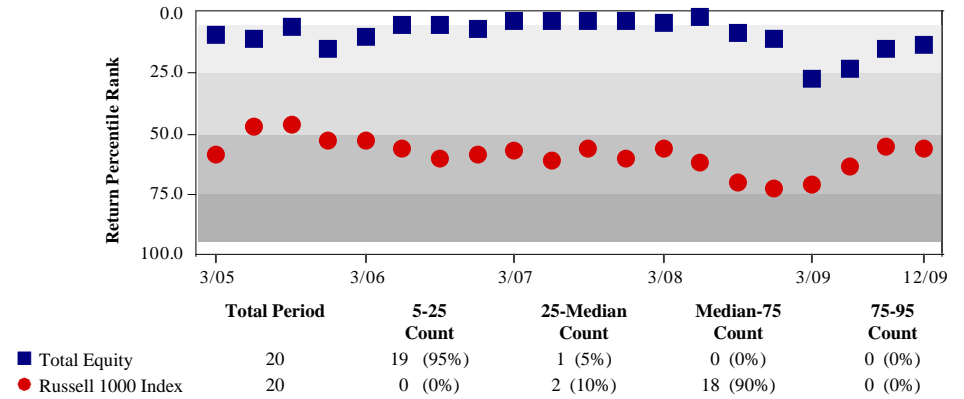
## Total Equity

### December 31, 2009

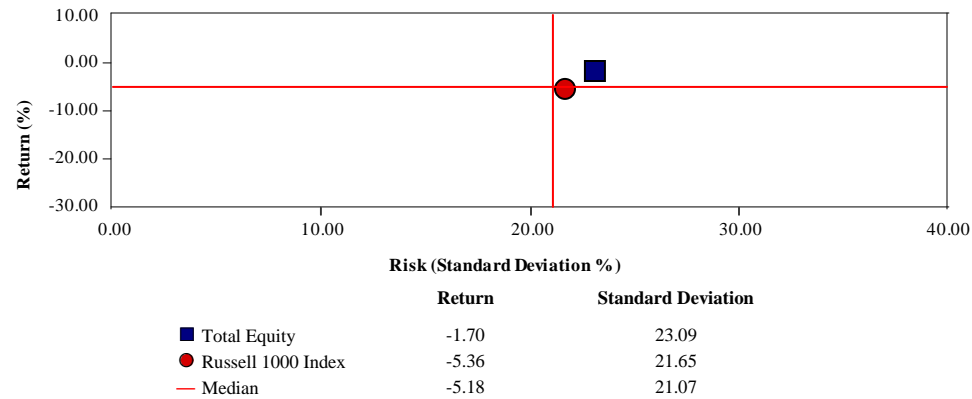
#### 3 Yr Rolling Under/Over Performance - 5 Years



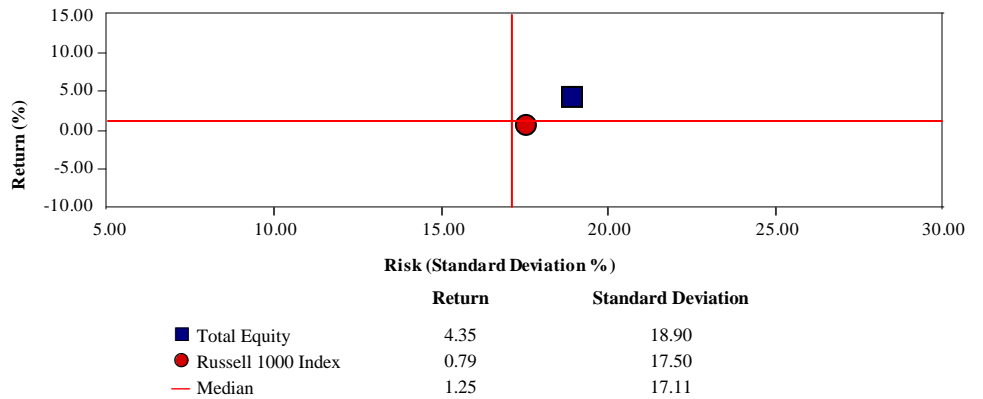
#### 3 Yr Rolling Percentile Ranking - 5 Years



#### 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	5.63	106.37	91.89	3.92	0.70	-0.09	1.00	16.35
Russell 1000 Index	0.00	100.00	100.00	0.00	N/A	-0.29	1.00	16.15

#### Historical Statistics - 5 Years

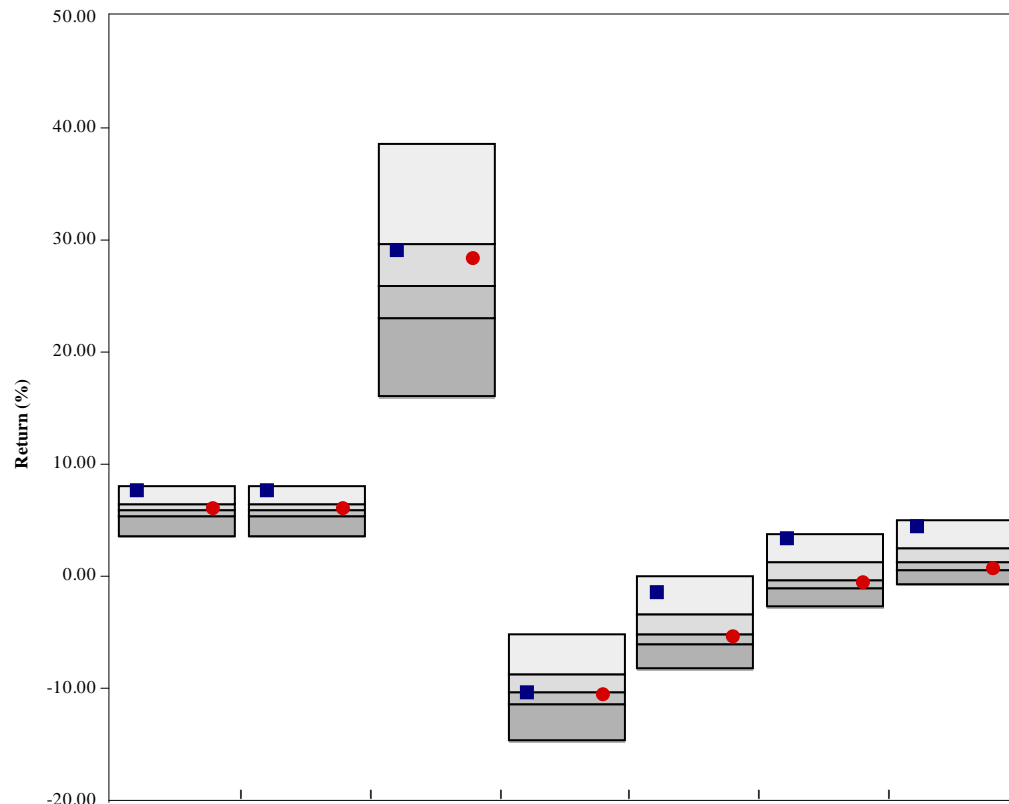
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	IR	Sharpe Ratio	Beta	Downside Risk
Total Equity	5.30	113.24	95.91	3.63	0.69	0.17	1.02	13.08
Russell 1000 Index	0.00	100.00	100.00	0.00	N/A	-0.05	1.00	12.70

# Venice Police Officers' Retirement Plan

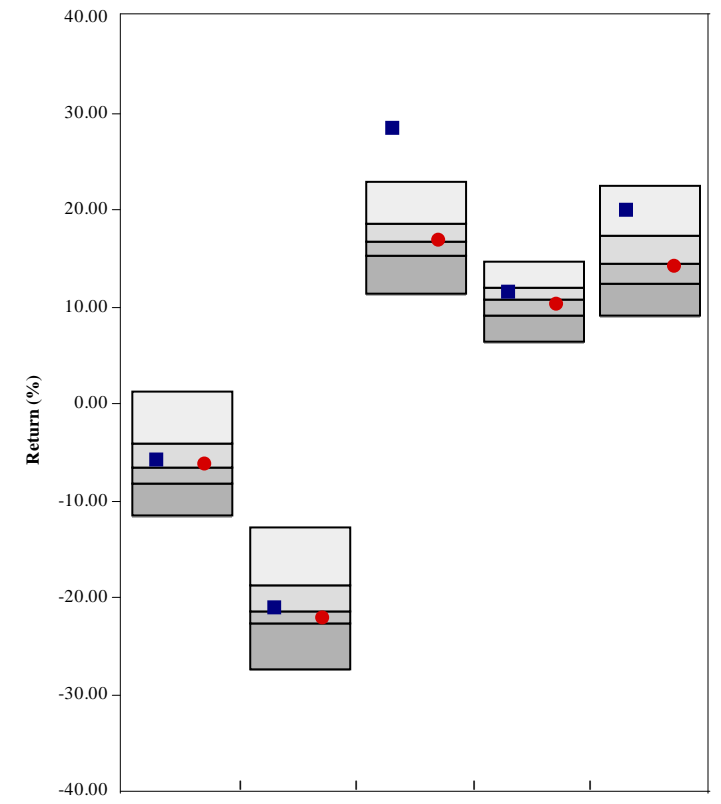
## Bowen Hanes Equity

### December 31, 2009

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



■ Bowen Hanes Equity	7.68 (8)	7.68 (8)	29.12 (28)	-10.39 (51)	-1.42 (11)	3.31 (8)	4.53 (7)
● Russell 1000 Index	6.07 (44)	6.07 (44)	28.43 (32)	-10.48 (54)	-5.36 (56)	-0.53 (61)	0.79 (65)
Median	5.97	5.97	25.92	-10.38	-5.18	-0.29	1.25



■ Bowen Hanes Equity	-5.84 (40)	-20.99 (46)	28.49 (1)	11.60 (32)	20.08 (12)
● Russell 1000 Index	-6.14 (44)	-22.10 (67)	16.90 (47)	10.25 (62)	14.26 (53)
Median	-6.56	-21.34	16.68	10.78	14.37

#### Comparative Performance

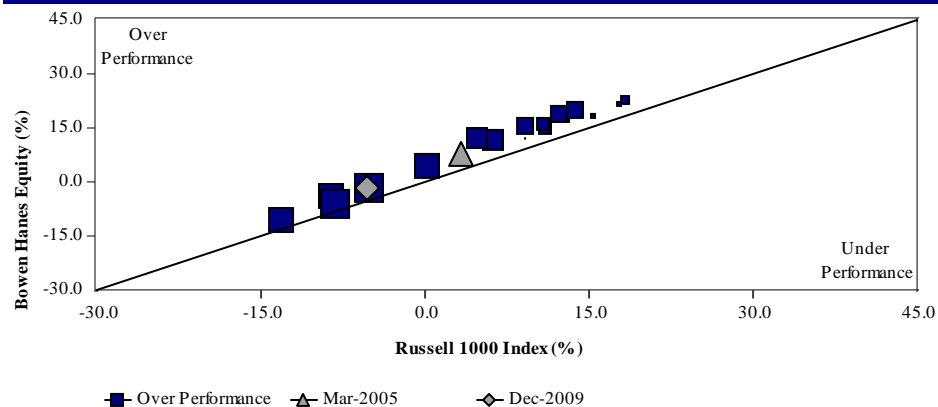
	1 Quarter Ending Sep-2009	1 Quarter Ending Jun-2009	1 Quarter Ending Mar-2009	1 Quarter Ending Dec-2008	1 Quarter Ending Sep-2008	1 Quarter Ending Jun-2008
Bowen Hanes Equity	17.89 (9)	15.72 (46)	-12.10 (91)	-21.48 (47)	-12.77 (88)	0.27 (25)
Russell 1000 Index	16.07 (25)	16.50 (30)	-10.45 (50)	-22.48 (70)	-9.35 (58)	-1.89 (63)
US Core/Large Cap Equity (SA+CF) Median	15.25	15.54	-10.47	-21.67	-8.97	-1.19

# Venice Police Officers' Retirement Plan

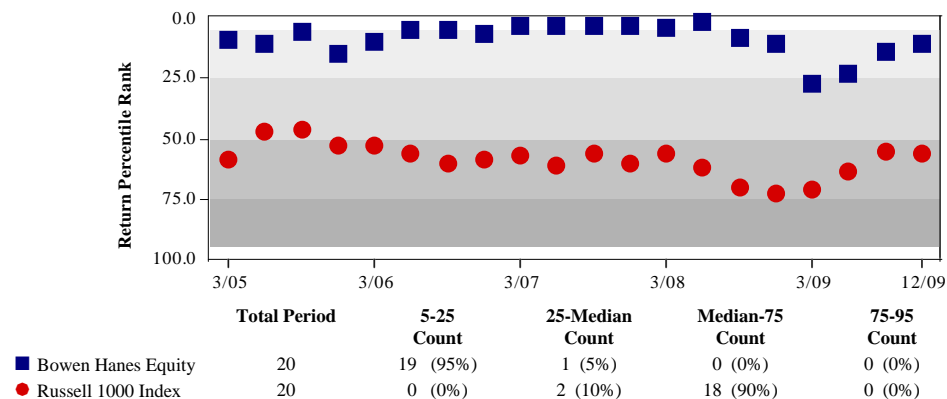
## Bowen Hanes Equity

### December 31, 2009

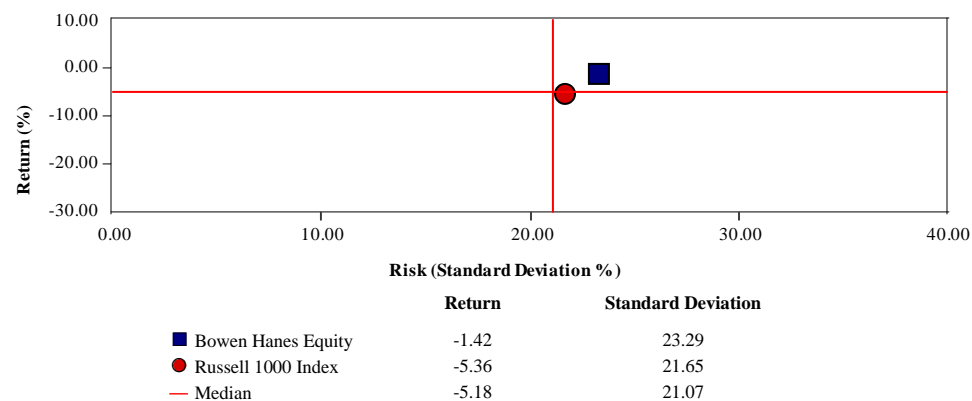
#### 3 Yr Rolling Under/Over Performance - 5 Years



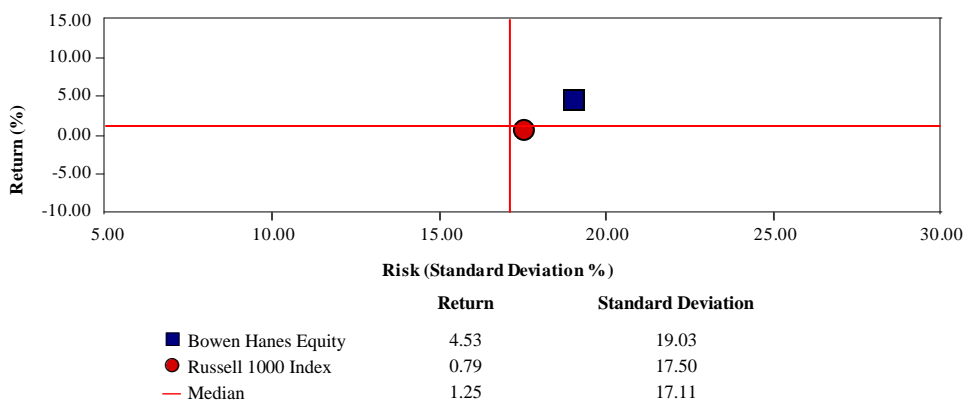
#### 3 Yr Rolling Percentile Ranking - 5 Years



#### 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
Bowen Hanes Equity	5.64	106.64	91.13	4.21	0.75	-0.07	1.00	16.32
Russell 1000 Index	0.00	100.00	100.00	0.00	N/A	-0.29	1.00	16.15

#### Historical Statistics - 5 Years

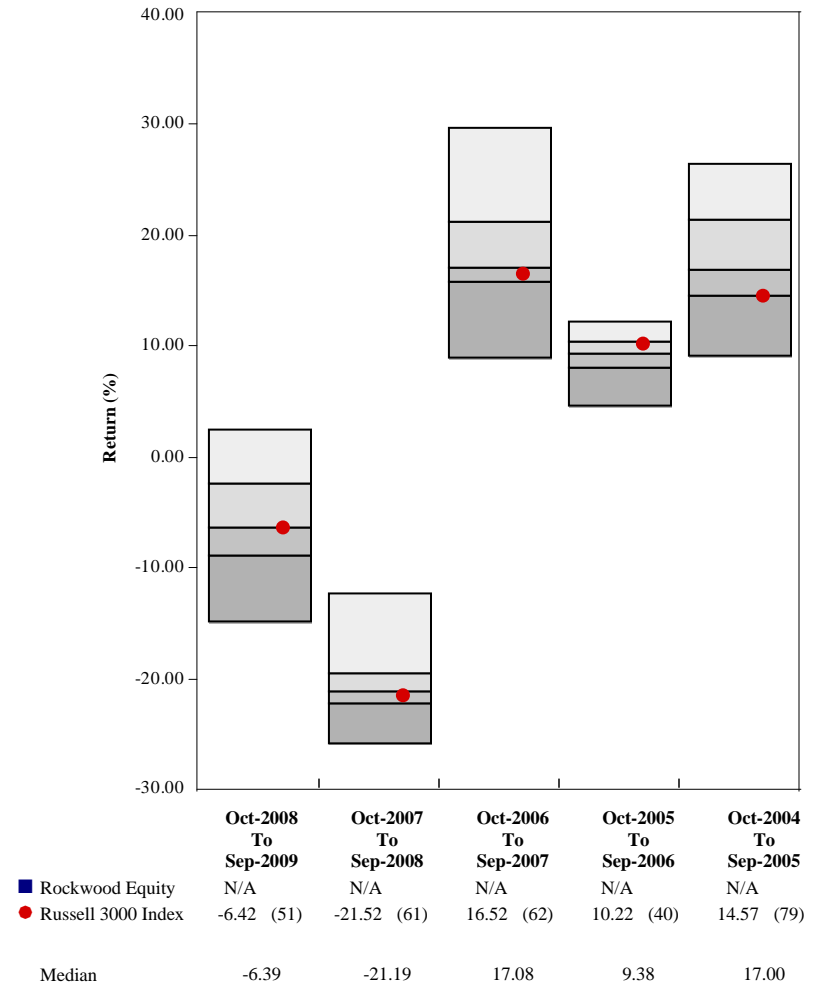
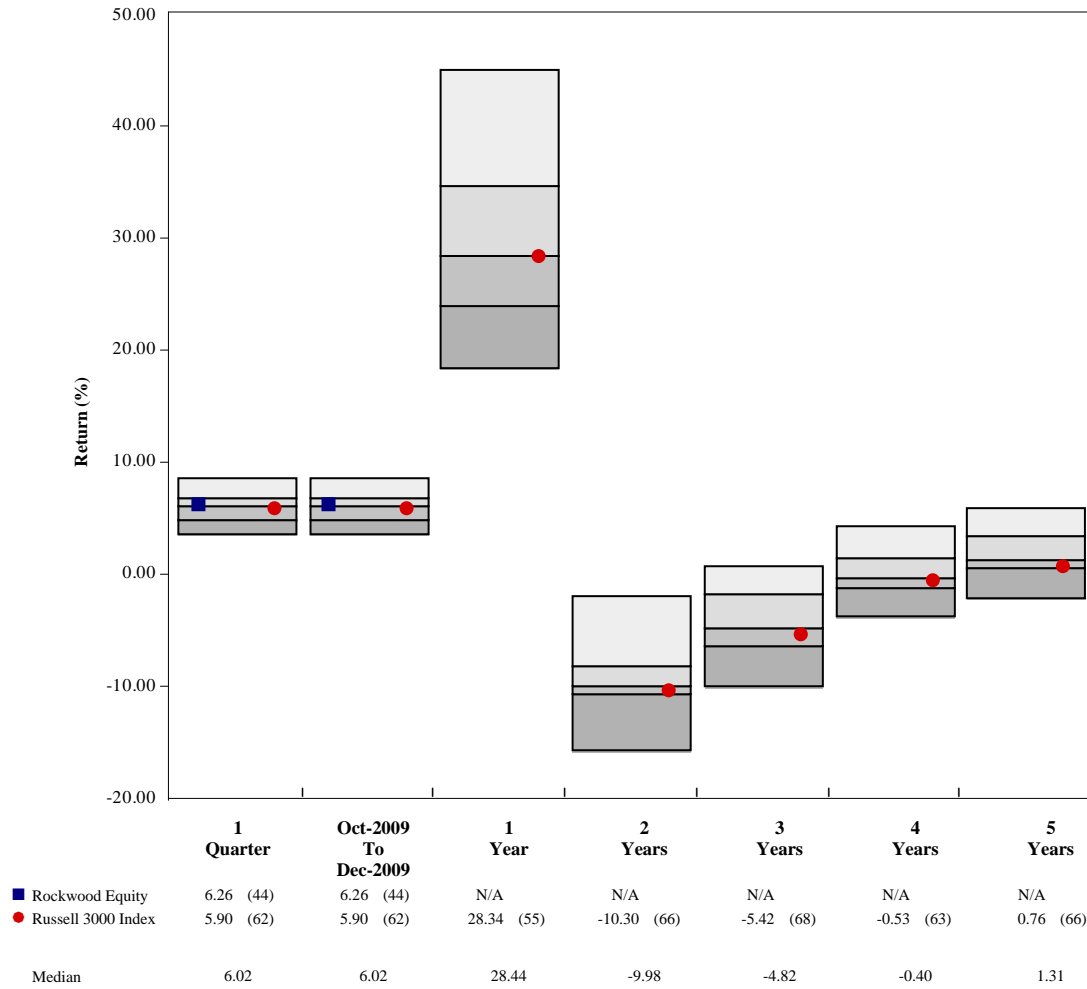
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	IR	Sharpe Ratio	Beta	Downside Risk
Bowen Hanes Equity	5.31	113.42	95.24	3.80	0.72	0.18	1.02	13.06
Russell 1000 Index	0.00	100.00	100.00	0.00	N/A	-0.05	1.00	12.70

# Venice Police Officers' Retirement Plan

## Rockwood Equity

### December 31, 2009

#### Peer Group Analysis - US All Cap Core Equity (SA+CF)



#### Comparative Performance

	1 Quarter Ending Sep-2009	1 Quarter Ending Jun-2009	1 Quarter Ending Mar-2009	1 Quarter Ending Dec-2008	1 Quarter Ending Sep-2008	1 Quarter Ending Jun-2008
Rockwood Equity	N/A	N/A	N/A	N/A	N/A	N/A
Russell 3000 Index	16.31 (43)	16.82 (47)	-10.80 (70)	-22.78 (57)	-8.73 (40)	-1.69 (74)
US All Cap Core Equity (SA+CF) Median	15.47	16.47	-10.11	-22.40	-9.42	-0.38

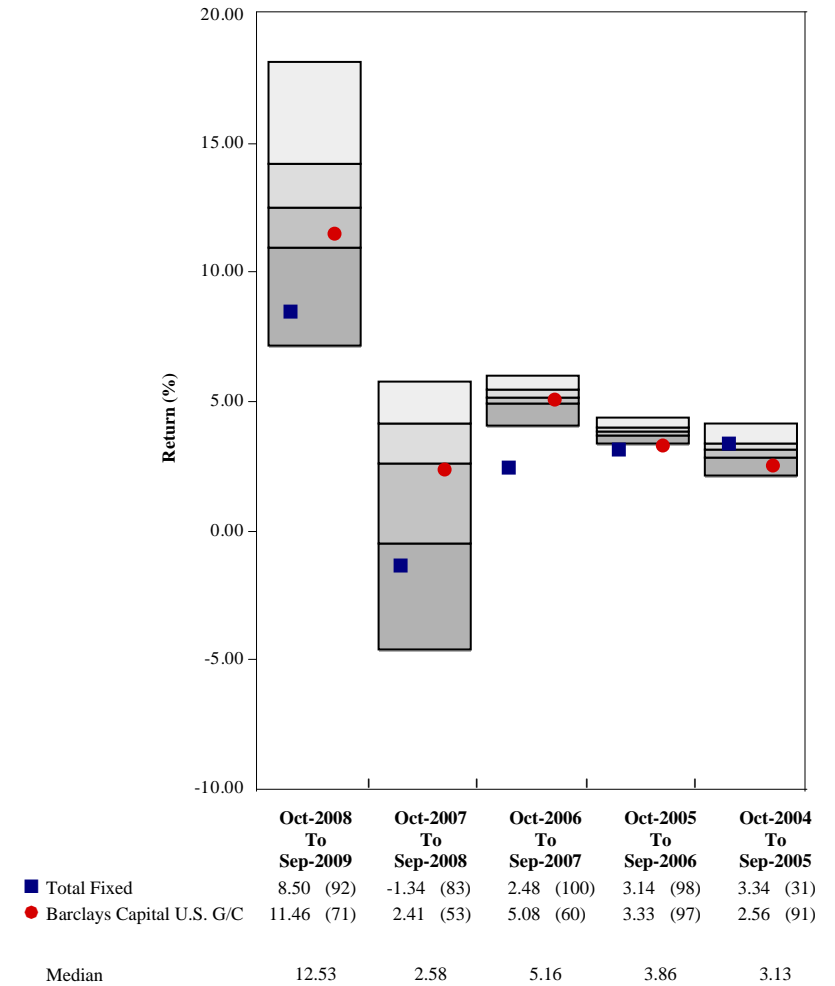
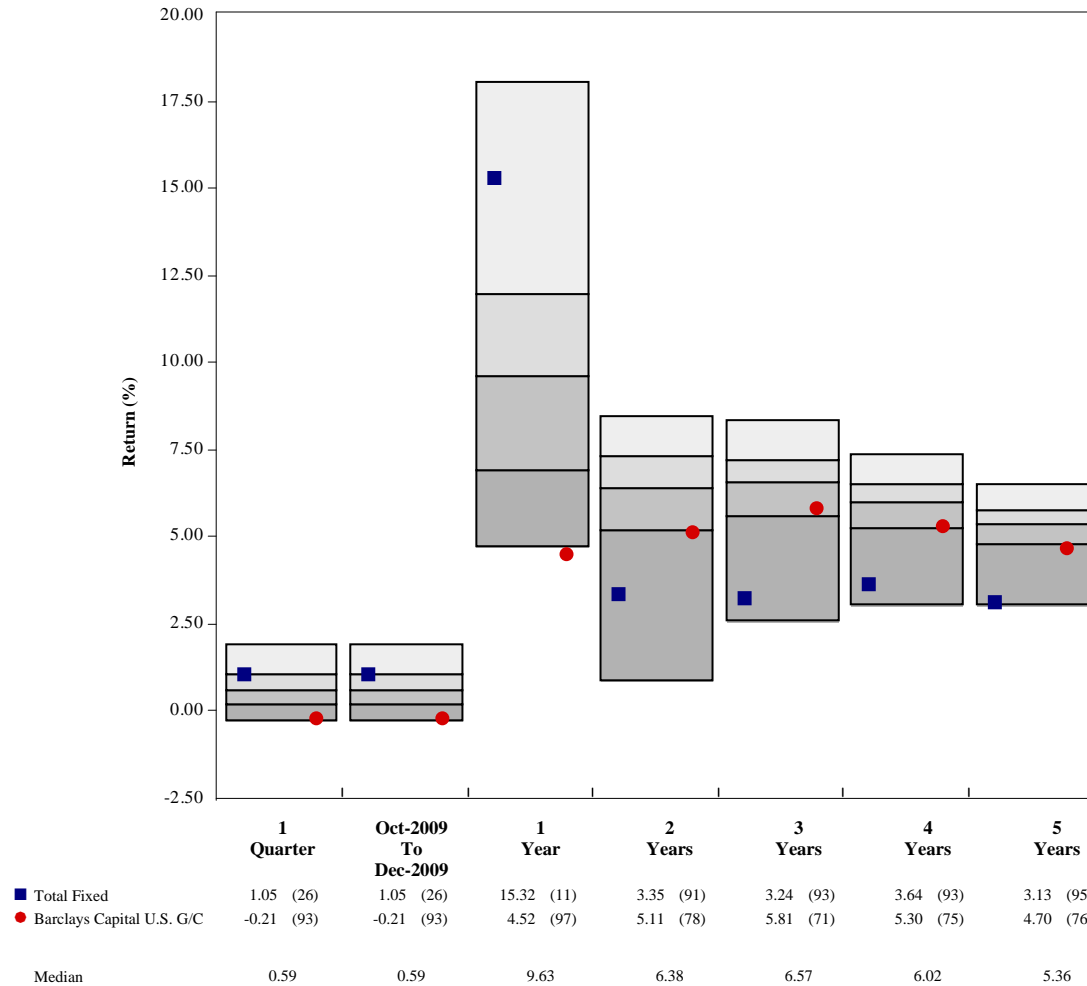
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# Venice Police Officers' Retirement Plan

## Total Fixed

### December 31, 2009

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



#### Comparative Performance

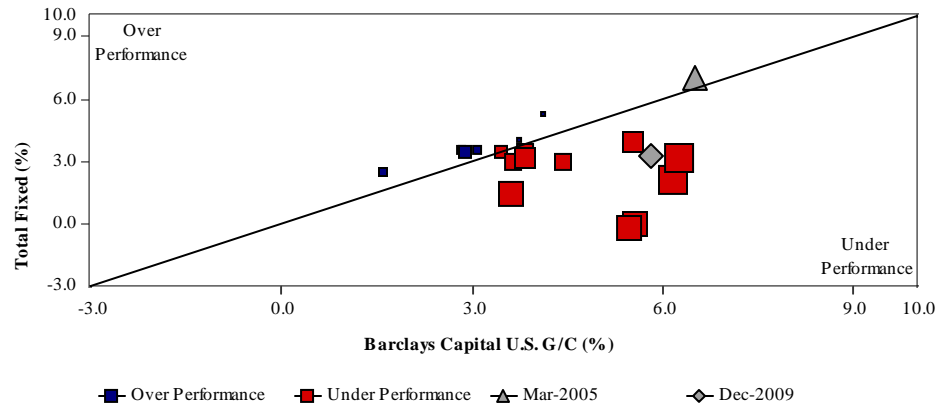
	1 Quarter Ending Sep-2009	1 Quarter Ending Jun-2009	1 Quarter Ending Mar-2009	1 Quarter Ending Dec-2008	1 Quarter Ending Sep-2008	1 Quarter Ending Jun-2008
Total Fixed	6.13 (18)	7.78 (6)	-0.23 (76)	-4.93 (97)	-5.16 (96)	0.31 (3)
Barclays Capital U.S. G/C	4.16 (65)	1.85 (84)	-1.27 (93)	6.42 (12)	-1.64 (56)	-1.51 (88)
US Broad Market Core Fixed Income (SA+CF) Median	4.69	3.50	0.45	3.82	-1.41	-0.94

# Venice Police Officers' Retirement Plan

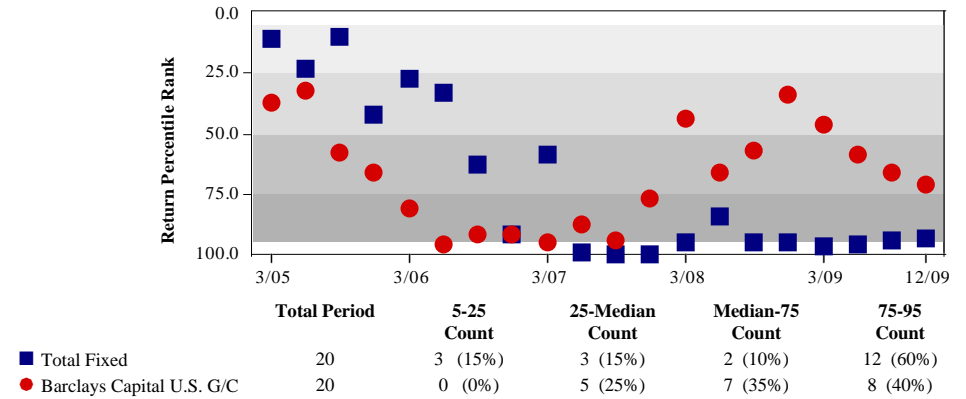
## Total Fixed

### December 31, 2009

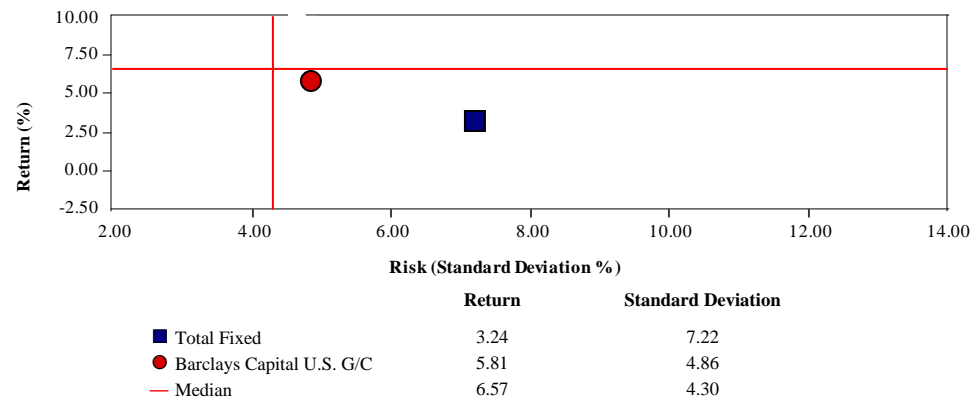
#### 3 Yr Rolling Under/Over Performance - 5 Years



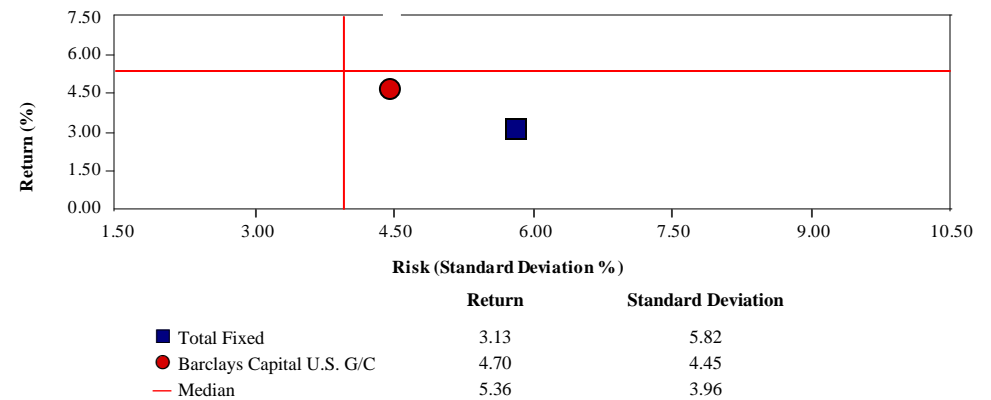
#### 3 Yr Rolling Percentile Ranking - 5 Years



#### 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	8.45	117.23	190.80	-4.47	-0.23	0.13	1.43	8.28
Barclays Capital U.S. G/C	0.00	100.00	100.00	0.00	N/A	0.67	1.00	2.65

#### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	IR	Sharpe Ratio	Beta	Downside Risk
Total Fixed	6.65	102.21	136.87	-2.50	-0.18	0.06	1.27	6.48
Barclays Capital U.S. G/C	0.00	100.00	100.00	0.00	N/A	0.40	1.00	2.35

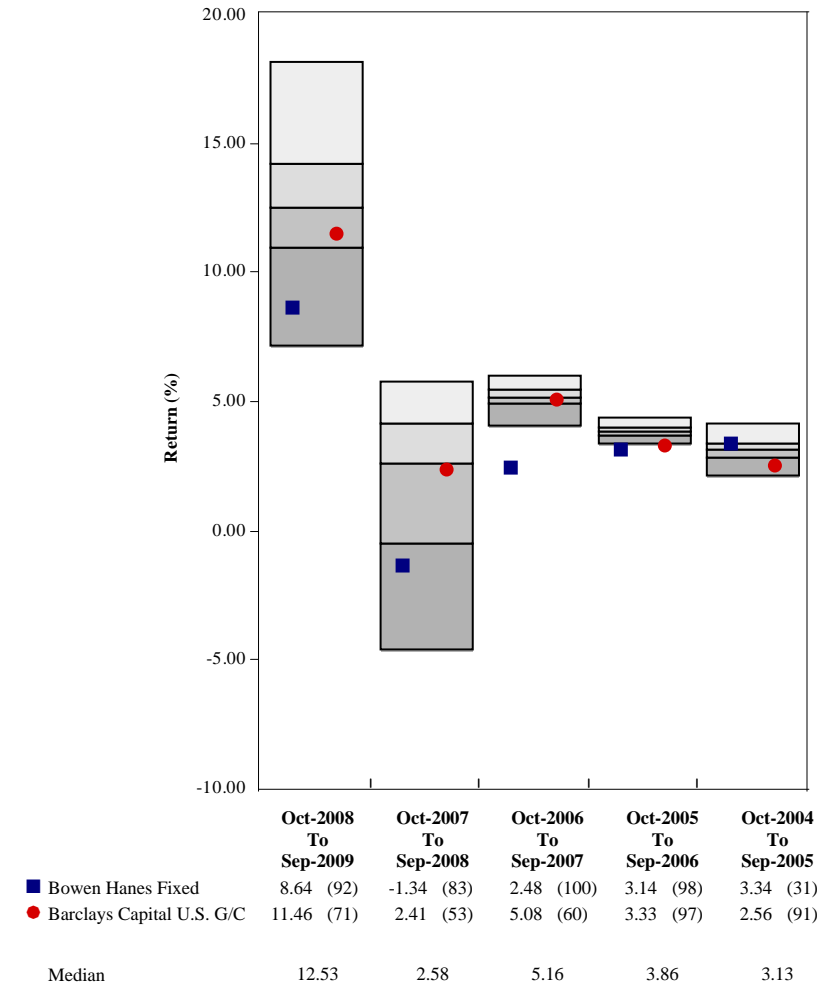
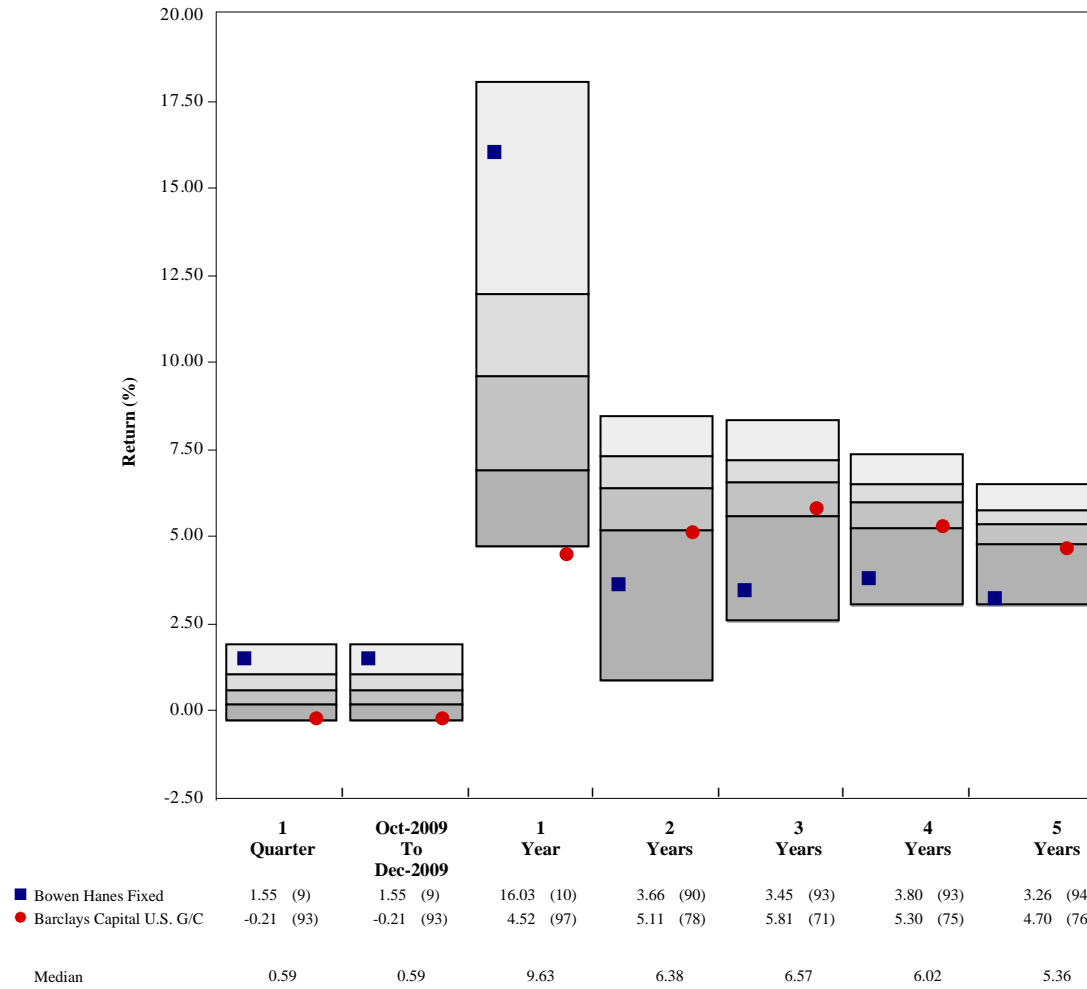


# Venice Police Officers' Retirement Plan

## Bowen Hanes Fixed

### December 31, 2009

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



#### Comparative Performance

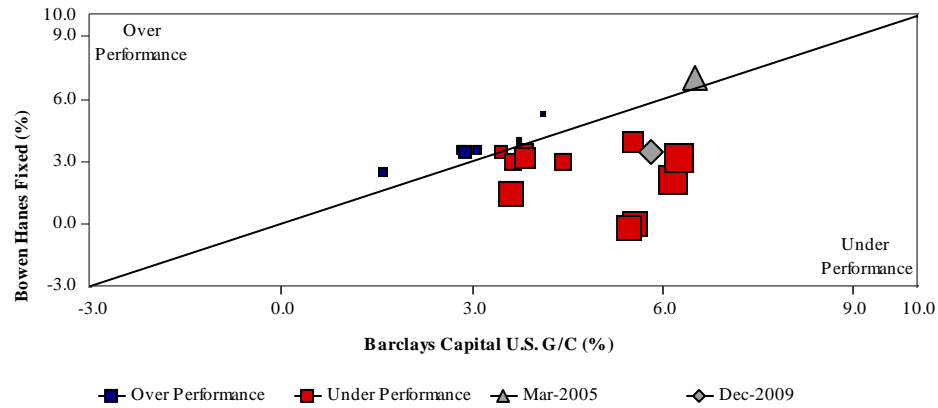
	1 Quarter Ending Sep-2009	1 Quarter Ending Jun-2009	1 Quarter Ending Mar-2009	1 Quarter Ending Dec-2008	1 Quarter Ending Sep-2008	1 Quarter Ending Jun-2008
Bowen Hanes Fixed	6.26 (18)	7.78 (6)	-0.23 (76)	-4.93 (97)	-5.16 (96)	0.31 (3)
Barclays Capital U.S. G/C	4.16 (65)	1.85 (84)	-1.27 (93)	6.42 (12)	-1.64 (56)	-1.51 (88)
US Broad Market Core Fixed Income (SA+CF) Median	4.69	3.50	0.45	3.82	-1.41	-0.94

# Venice Police Officers' Retirement Plan

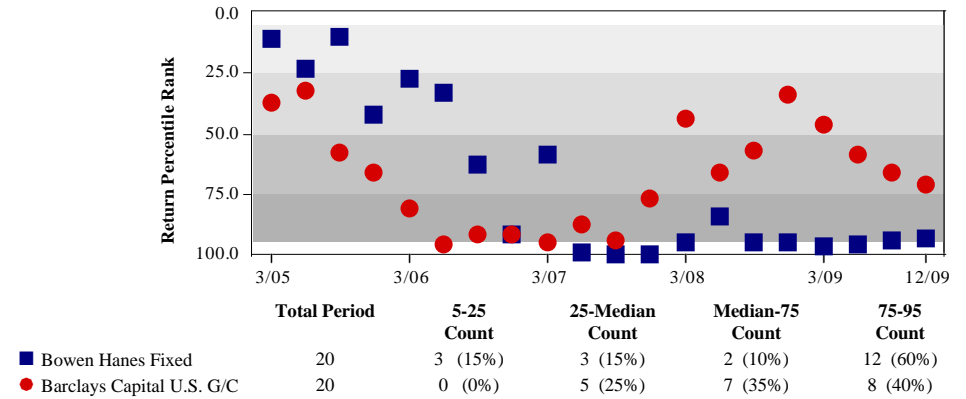
## Bowen Hanes Fixed

### December 31, 2009

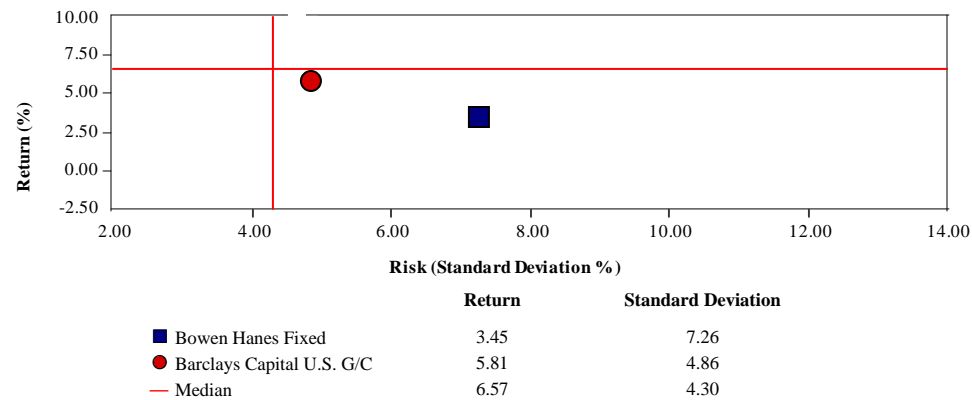
#### 3 Yr Rolling Under/Over Performance - 5 Years



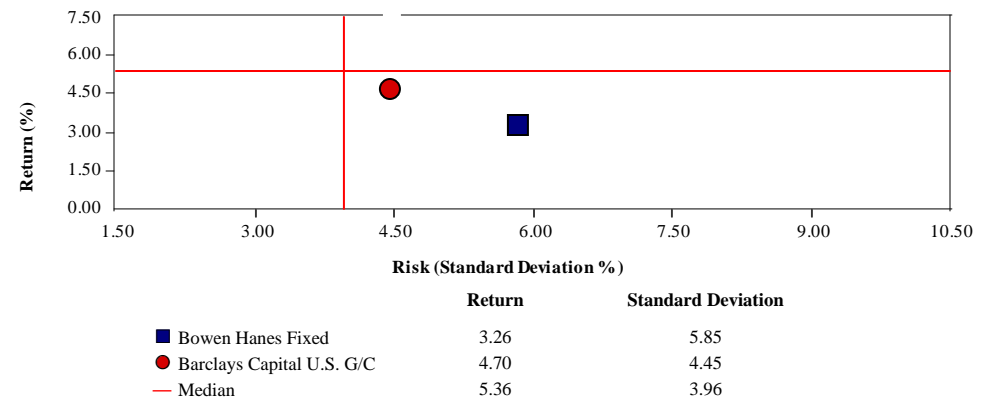
#### 3 Yr Rolling Percentile Ranking - 5 Years



#### 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
Bowen Hanes Fixed	8.48	117.89	187.34	-4.21	-0.21	0.15	1.42	8.27
Barclays Capital U.S. G/C	0.00	100.00	100.00	0.00	N/A	0.67	1.00	2.65

#### Historical Statistics - 5 Years

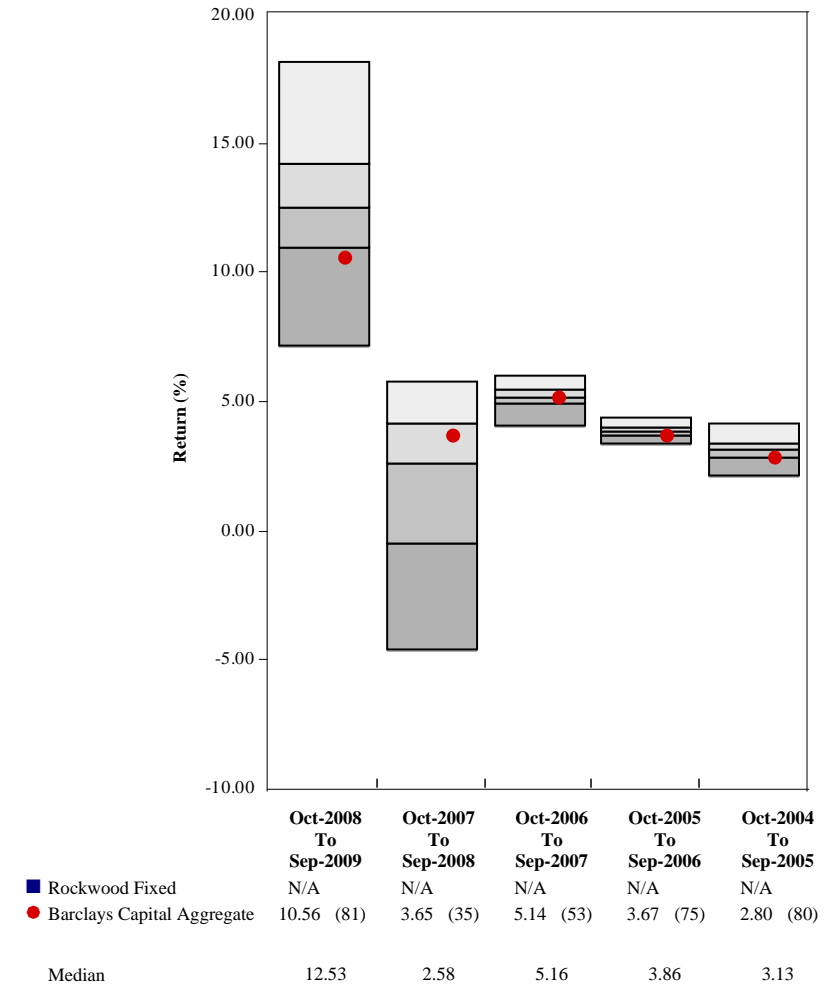
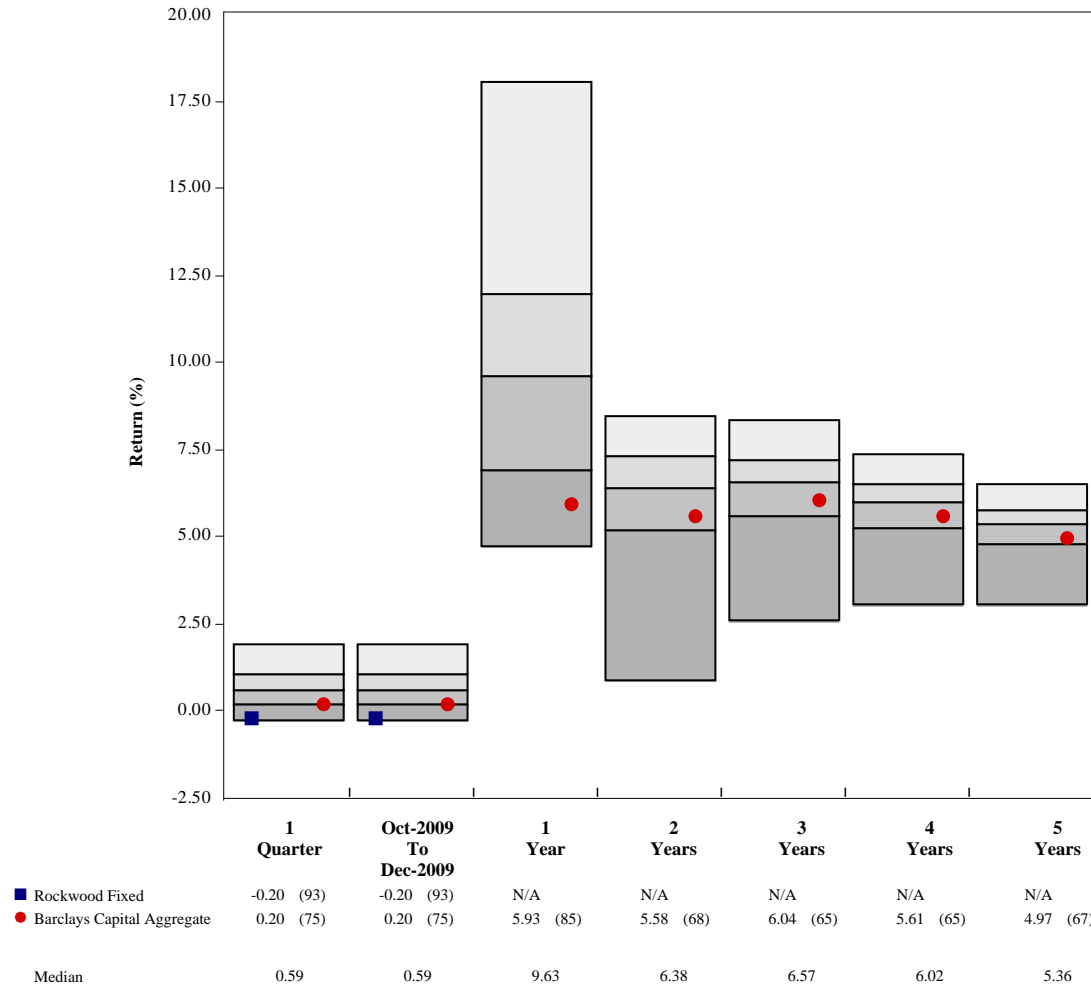
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	IR	Sharpe Ratio	Beta	Downside Risk
Bowen Hanes Fixed	6.67	102.66	134.68	-2.35	-0.17	0.08	1.26	6.47
Barclays Capital U.S. G/C	0.00	100.00	100.00	0.00	N/A	0.40	1.00	2.35

# Venice Police Officers' Retirement Plan

## Rockwood Fixed

### December 31, 2009

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



#### Comparative Performance

	1 Quarter Ending Sep-2009	1 Quarter Ending Jun-2009	1 Quarter Ending Mar-2009	1 Quarter Ending Dec-2008	1 Quarter Ending Sep-2008	1 Quarter Ending Jun-2008
Rockwood Fixed	N/A	N/A	N/A	N/A	N/A	N/A
Barclays Capital Aggregate	3.74 (81)	1.78 (86)	0.12 (66)	4.58 (38)	-0.49 (30)	-1.02 (58)
US Broad Market Core Fixed Income (SA+CF) Median	4.69	3.50	0.45	3.82	-1.41	-0.94

## City of Venice Police Officers' Retirement Fund

### Compliance Checklist as of 12/31/2009

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 Plan**  
**Total Fund Policy**  
**As of December 31, 2009**

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

Allocation Mandate	Weight (%)
Barclays Capital U.S. Government/Credit	25.00
Citigroup 3 Month T-Bill	10.00
<b>Effective Date: Jul-1996</b>	
Russell 1000 Index	70.00
Barclays Capital U.S. Government/Credit	25.00
Citigroup 3 Month T-Bill	5.00
<b>Effective Date: Jan-1999</b>	
Russell 1000 Index	60.00
Barclays Capital U.S. Government/Credit	35.00
Citigroup 3 Month T-Bill	5.00
<b>Effective Date: Apr-2000</b>	
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 December 31, 2009**

**Total Rockwood Policy**

Allocation Mandate	Weight (%)
<b>Effective Date: Oct-2009</b>	
Russell 3000 Index	60.00
Barclays Capital Aggregate	40.00

**Total Fixed Income Policy**

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

**Total Equity Policy**

Allocation Mandate	Weight (%)
<b>Effective Date: Aug-1986</b>	
Russell 1000 Index	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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