

# City of Venice Municipal Police Officers' Pension Trust Fund

Investment Performance Review  
December 31, 2011



THE  
**BOGDAHN  
GROUP.**

*simplifying your investment and fiduciary decisions*



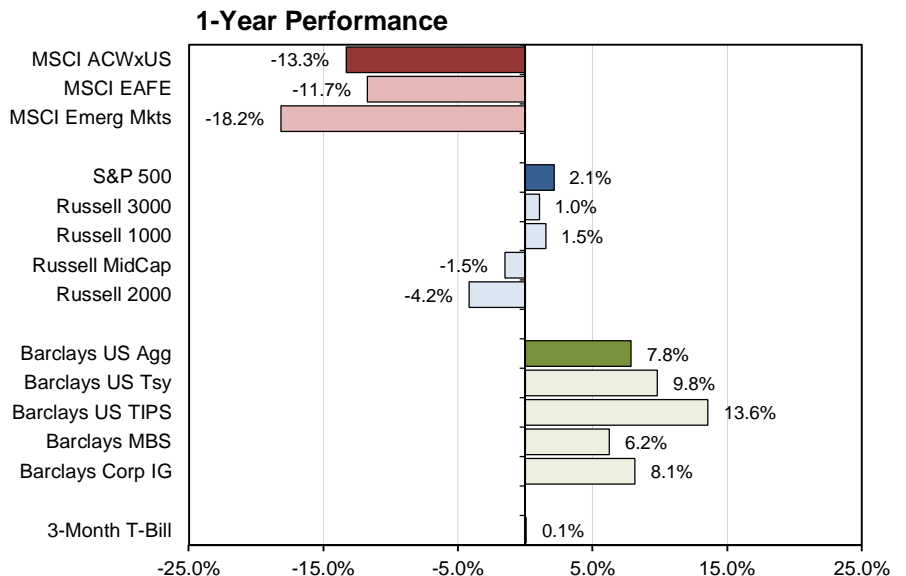
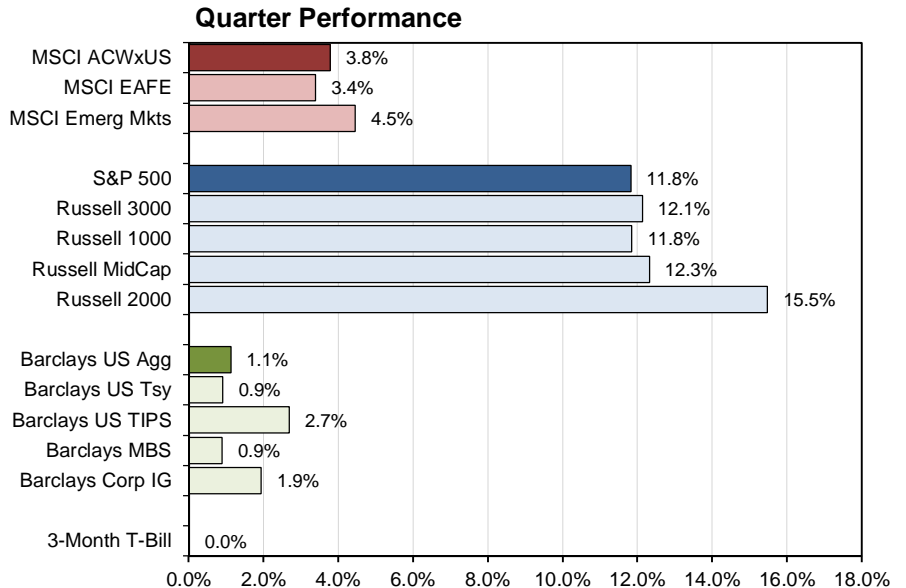
## **4<sup>th</sup> Quarter 2011 Market Environment**

# The Market Environment

## Major Market Index Performance

Period Ended: December 31, 2011

- After an extremely negative third quarter, investors in the world's equity markets would have likely been satisfied with a quarter that simply offered some "stabilization" of rapidly deteriorating values. However, led by stronger domestic economic indicators and renewed "hope" of productive collaboration by European central authorities and countries to ease debt woes, "unsettled" equity investors received some welcome relief. As a result, domestic equity markets enjoyed their strongest performance in more than a year. While the international equity indices also posted their strongest results in a year, compared to their domestic index counterparts, it is clear that Europe's structural problems continue to weigh heavily on the international returns.
- Large cap stocks, as measured by the S&P 500, returned a strong 11.8% for the quarter with October accounting for the majority of the quarter's double-digit performance. This quarter represented the best return for the S&P 500 since the third quarter of 2009 (15.6%) and the 11<sup>th</sup> best fourth quarter return since 1926. Several positive readings on the domestic economy during the quarter had a constructive impact on economically sensitive small cap issues. As a result, the Russell 2000 small cap index produced the highest domestic equity performance for the quarter, returning 15.5%.
- Broad international equity results were also positive for the quarter with the MSCI-ACWxUS index returning 3.8% in U.S. Dollars (USD). Developed markets, represented by the MSCI-EAFE index, returned a slightly lower 3.4% for the quarter and the MSCI-EM (emerging markets) index posted a stronger 4.5%. While several "far east" currencies appreciated relative to the USD during the quarter, the Euro continued its slide versus the USD, which dampened the returns of U.S. based international investors.
- The various segments of the domestic bond market also posted positive performance for the quarter. However, a relatively stable yield curve coupled with more attractive opportunities in other asset classes during the quarter kept returns low. The broad market Barclays US Aggregate index returned a mild 1.1% for the quarter.

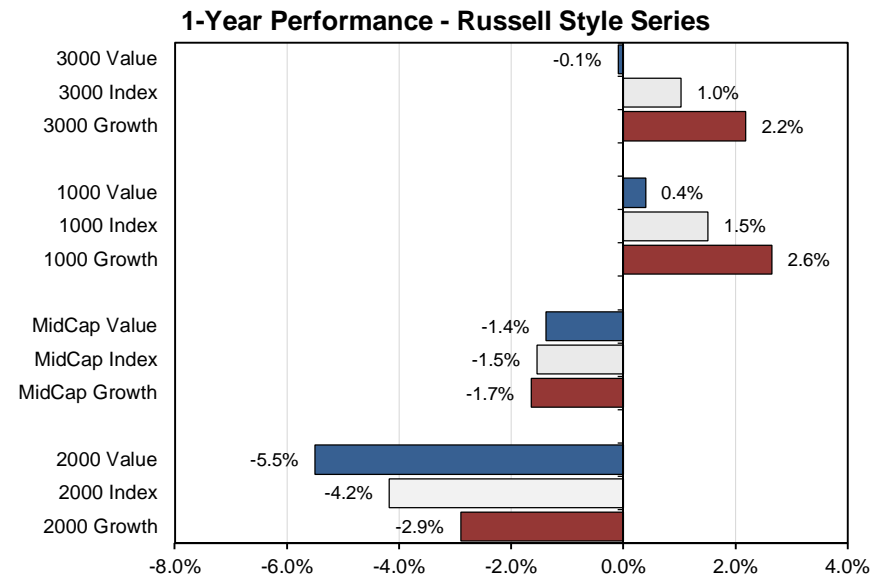
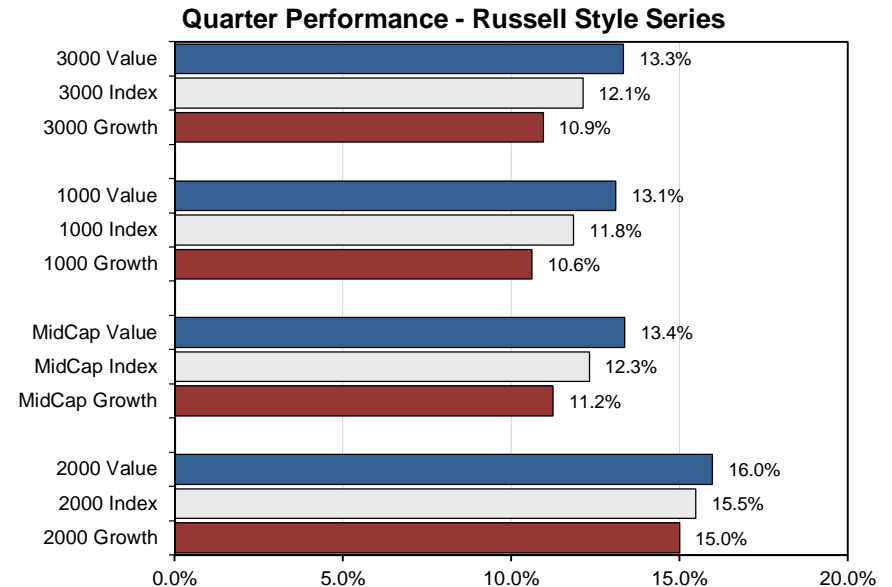


# The Market Environment

## Domestic Equity Style Index Performance

### Period Ended: December 31, 2011

- Style-based equity indices moved sharply higher across the capitalization spectrum during the fourth quarter. In a reversal of a 2011 trend, value-based index results outperformed growth-based index returns at all capitalization levels for the quarter. Although value managed to outpace growth for the period, growth index results were still very robust with indices posting returns of greater than 10% at every level. The average performance span between styles across capitalizations was a relatively narrow 200 basis points for the quarter.
- The fourth quarter's "value-surge" was driven primarily by the 11.8% return of the financial sector in the Russell 1000 index. This sector represented an average weight of 24.6% in the Russell 1000 Value index versus a weight of only 3.8% in the Russell 1000 Growth index. Although financials certainly gave a boost to value-based performance results for the quarter, the strongest absolute returns were realized in the energy (18.4%) and consumer discretionary (18.0%) sectors of the Russell 1000 Value index. These sectors collectively represented an average weight of 22.5% in the value index. In contrast, the information technology sector, which represents a significant overweight in the Russell 1000 growth index (+19.5% vs. value), returned a solid but lower 8.5% for the quarter, which represented a drag on growth results.
- With the exception of midcap style-based benchmarks, growth outpaced value at all capitalization levels for the year. Over this period, the information technology sector of the Russell 1000 index returned a mild but positive 1.3%. This performance favored growth-based strategies. However, in contrast to the fourth quarter's strong performance in the financial sector, the Russell 1000 index posted a disappointing -15.1% financial sector return for the year. This large performance disparity between the two heaviest weighted sectors of the growth and value benchmarks placed downward pressure on value results. With the exception of the 0.4% return of the Russell 1000 Value index, each of the other value-based benchmarks posted negative results for the year.

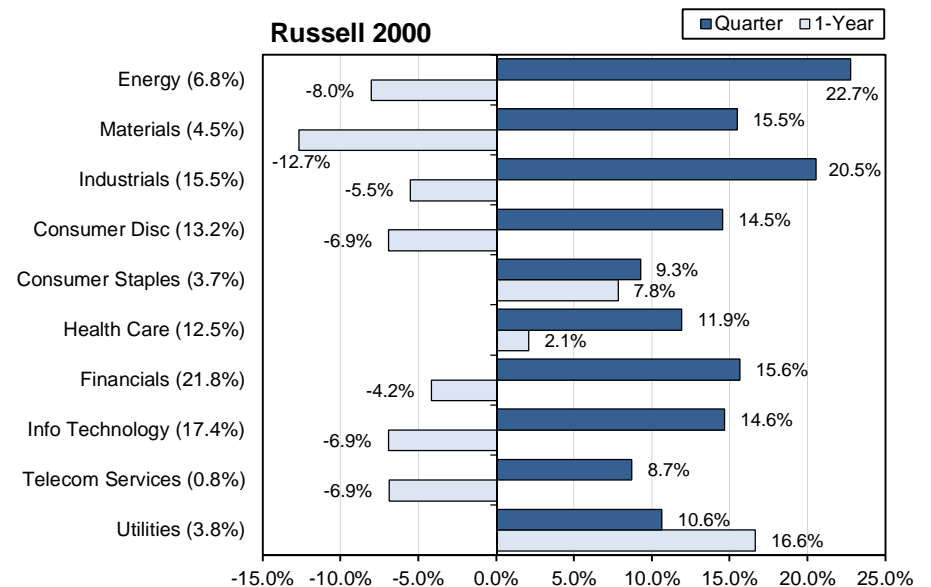
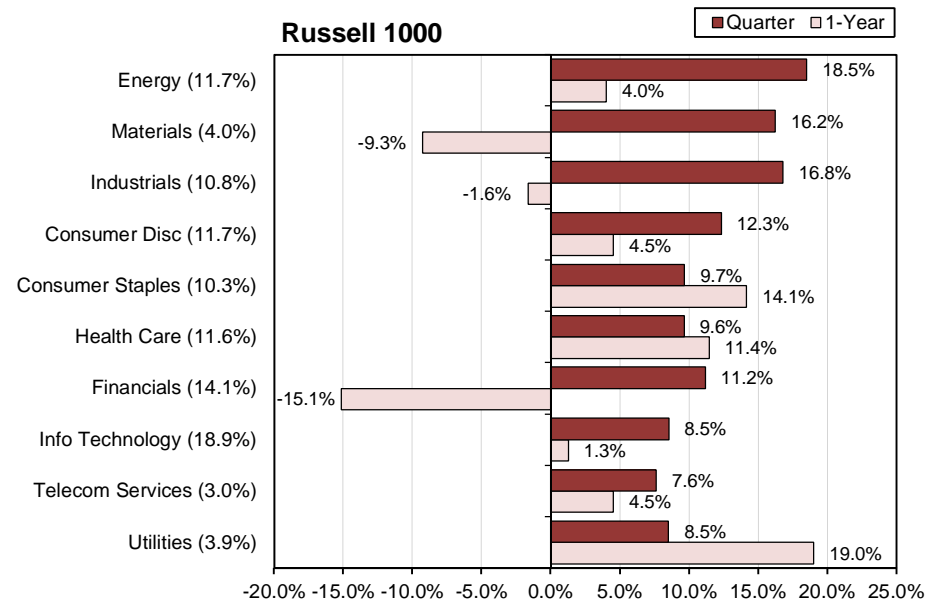


# The Market Environment

## GICS Sector Performance & (Quarter Average Sector Weight)

Period Ended: December 31, 2011

- The performance of the Global Industry Classification Standard (GICS) economic sectors of the Russell 1000 large cap index covered a span of 1,090 basis points from best (18.5%) to worst (7.6%) for the quarter. The term “worst” is certainly relative this quarter since the solid 7.6% return of the telecommunication services sector dominated all of last quarter’s sector results. Five of ten Russell 1000 index sectors posted double-digit returns for the quarter with the heavily-weighted (>10%) energy (18.5%) and industrial (16.8%) sectors leading the way.
- The fourth quarter’s strong sector performance was enough to propel several previously negative large cap sectors into positive territory for the year. However, the financial (-15.1%), materials (-9.3%) and industrial (-1.6%) sectors were still weak for the year. Mirroring the risk aversion theme that existed for most of 2011, defensive issues in the consumer staples, health care and utilities sectors were the strongest performing for the year with returns in excess of 10%. Each of these sectors built on earlier 2011 gains during the fourth quarter.
- Like large cap sector performance, all ten GICS sectors of the Russell 2000 small cap index posted positive results for the quarter. This small cap sector performance covered a span of 1,400 basis points from best (22.7%) to worst (8.7%). While small cap sector performance was also led by returns in the energy (22.7%) and industrial (20.5%) sectors, six additional sectors of the Russell 2000 index also returned greater than 10% for the quarter. As a result, small cap sectors easily outpaced their respective large cap counterparts during the period and outperformed in eight of ten economic sectors.
- Only three sectors of the Russell 2000 index managed to post positive returns for 2011. As a result, management strategies that invest down the capitalization spectrum will likely have a tough time keeping pace with large cap focused strategies for 2011. In fact, absent of the fourth quarter’s surge in consumer staples and health care, the utilities sector of the Russell 2000 index would have been the only sector to post a positive return for the year.



Source: Thompson Financial

# The Market Environment

## Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000

Period Ended: December 31, 2011

Top 10 Weighted Stocks				
Russell 1000	Symbol	Weight	Return	Sector
Exxon Mobil Corp	XOM	3.08%	17.4%	Energy
Apple Inc	AAPL	2.87%	6.2%	Information Technology
IBM	IBM	1.77%	5.5%	Information Technology
Chevron Corp	CVX	1.62%	15.9%	Energy
Microsoft Corp	MSFT	1.53%	5.1%	Information Technology
Procter & Gamble Co	PG	1.42%	6.4%	Consumer Staples
Johnson & Johnson	JNJ	1.39%	3.9%	Health Care
General Electric Co	GE	1.37%	18.6%	Industrials
AT&T Inc	T	1.36%	7.6%	Telecomm Service
Pfizer Inc	PFE	1.23%	23.6%	Health Care
Top 10 Performing Stocks				
Russell 1000	Symbol	Weight	Return	Sector
Cobalt International Energy Inc	CIE	0.01%	103.4%	Energy
Education Management Corp	EDMC	0.01%	88.6%	Consumer Discretionary
Akamai Technologies Inc	AKAM	0.04%	62.4%	Information Technology
Plains Exploration & Production	PXP	0.04%	61.7%	Energy
Lamar Advertising Co	LAMR	0.01%	61.5%	Consumer Discretionary
Pultegroup Inc	PHM	0.01%	59.7%	Consumer Discretionary
MBIA Inc	MBI	0.01%	59.4%	Financials
Wesco International Inc	WCC	0.02%	58.0%	Industrials
Pharmasset Inc	VRUS	0.06%	55.6%	Health Care
Lyondellbasell Industries Nv	LYB	0.08%	54.2%	Materials
Bottom 10 Performing Stocks				
Russell 1000	Symbol	Weight	Return	Sector
AMR Corp	AMR	0.00%	-88.2%	Industrials
Green Mountain Coffee Roasters	GMCR	0.06%	-51.7%	Consumer Staples
First Solar Inc	FSLR	0.02%	-46.6%	Information Technology
Sears Holdings Corp	SHLD	0.02%	-44.7%	Consumer Discretionary
Rovi Corp	ROVI	0.03%	-42.8%	Information Technology
Human Genome Sciences Inc	HGSI	0.01%	-41.8%	Health Care
Career Education Corp	CECO	0.01%	-38.9%	Consumer Discretionary
Netflix Inc	NFLX	0.04%	-38.8%	Consumer Discretionary
Pandora Media Inc	P	0.00%	-31.7%	Consumer Discretionary
Homeaway Inc	AWAY	0.00%	-30.8%	Consumer Discretionary

Top 10 Weighted Stocks				
Russell 2000	Symbol	Weight	Return	Sector
Healthspring Inc	HS	0.32%	49.6%	Health Care
Netlogic Microsystems Inc	NETL	0.31%	3.0%	Information Technology
World Fuel Services Corp	INT	0.26%	28.7%	Energy
Jack Henry & Associates Inc	JKHY	0.26%	16.3%	Information Technology
Home Properties Inc	HME	0.25%	2.6%	Financials
Clean Harbors Inc	CLH	0.25%	24.2%	Industrials
American Campus Communities	ACC	0.25%	13.8%	Financials
Nu Skin Enterprises Inc	NUS	0.24%	20.3%	Consumer Staples
National Retail Properties Inc	NNN	0.24%	-0.4%	Financials
Signature Bank	SBNY	0.24%	25.7%	Financials
Top 10 Performing Stocks				
Russell 2000	Symbol	Weight	Return	Sector
Inhibitex Inc	INHX	0.05%	344.7%	Health Care
Medivation Inc	MDVN	0.10%	171.6%	Health Care
RSC Holdings Inc	RRR	0.07%	159.5%	Industrials
Solta Medical Inc	SLTM	0.01%	151.2%	Health Care
First Financial Hldg Inc	FFCH	0.01%	124.1%	Financials
Flotek Industries Inc	FTK	0.04%	113.3%	Materials
Broadwind Energy Inc	BWEN	0.01%	112.4%	Industrials
Greenbrier Companies Inc	GBX	0.03%	108.4%	Industrials
Delphi Financial Group Inc	DFG	0.12%	106.8%	Financials
Ista Pharmaceuticals Inc	ISTA	0.01%	104.3%	Health Care
Bottom 10 Performing Stocks				
Russell 2000	Symbol	Weight	Return	Sector
Alimera Sciences Inc	ALIM	0.00%	-84.4%	Health Care
Biosante Pharmaceuticals Inc	BPAX	0.02%	-78.0%	Health Care
Powerwave Technologies Inc	PWAV	0.01%	-75.8%	Information Technology
MF Global Holdings Ltd	MF	0.02%	-70.9%	Financials
School Specialty Inc	SCHS	0.01%	-64.9%	Consumer Discretionary
Endocyte Inc	ECYT	0.01%	-64.5%	Health Care
DHT Holdings Inc	DHT	0.01%	-62.9%	Energy
Targacept Inc	TRGT	0.03%	-62.9%	Health Care
Diamond Foods Inc	DMND	0.10%	-59.5%	Consumer Staples
Friendfinder Networks Inc	FFN	0.00%	-59.2%	Information Technology

Source: Thompson Financial

# The Market Environment

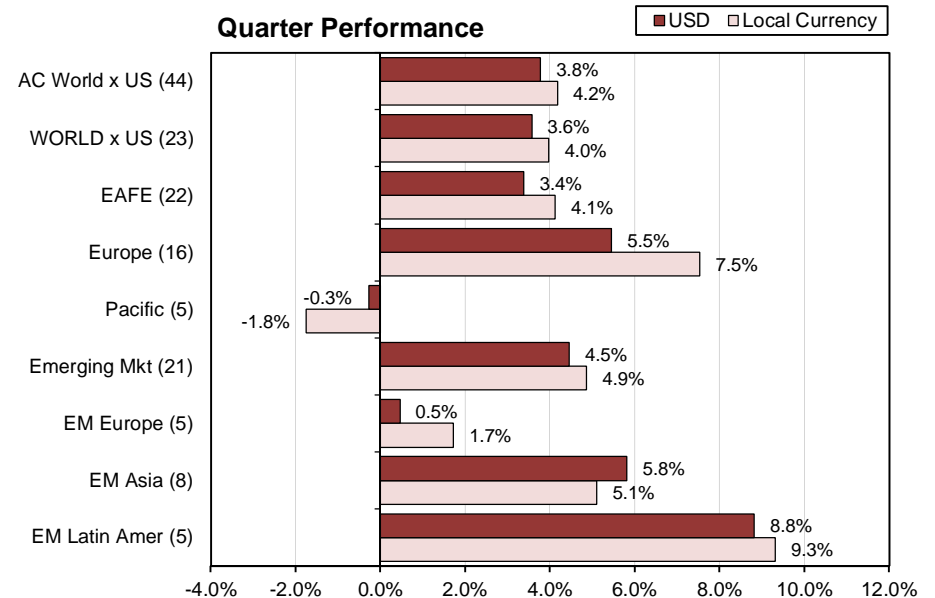
## International and Regional Market Index Performance (Country Count)

Period Ended: December 31, 2011

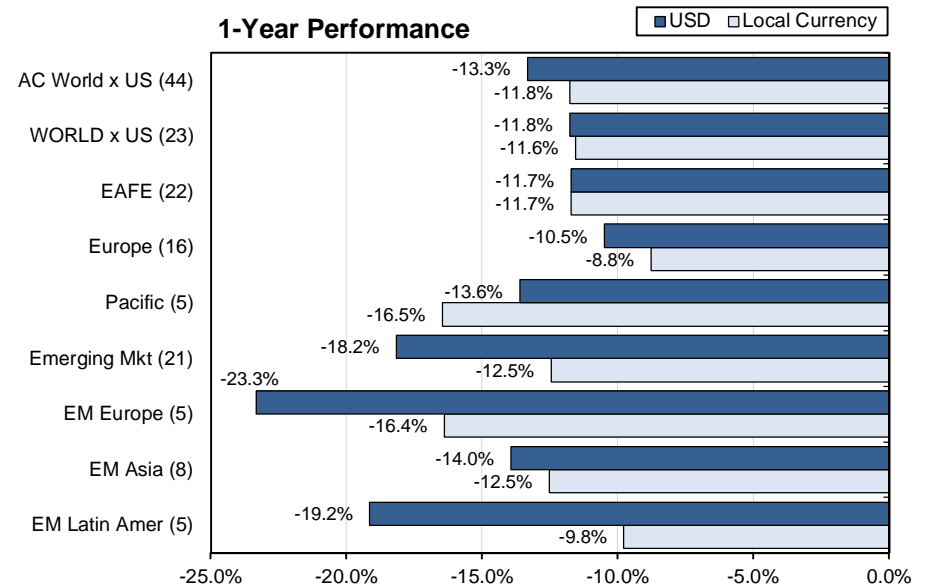
- With the exception of the developed market Pacific region, which was held back by Japan's -3.9% return, each of the diversified international equity benchmarks closed the quarter in positive territory in USD. While the broad market MSCI-ACWxUS index returned a solid 3.8% for the quarter, individual country results within the index represented a performance band of nearly 50% for the quarter in USD. Two "crisis-headline" countries, Ireland, which returned 22.4% and Greece, which posted a return of -27.5%, were the quarter's strongest and weakest performing countries within the index for the quarter. Within the broad international markets, the developed market MSCI-EAFE index returned 3.4% for the quarter while the MSCI-EM index rebounded with a stronger 4.5%.
- The MSCI-ACWxUS index realized positive performance across all 10 economic sector for the quarter. These positive sector results were dominated by the 12.1% return of the energy sector, the quarter's only double-digit sector return in the MSCI-ACWxUS index. While both the developed and emerging market GICS tables show sectors with negative results for the quarter, it is clear that the MSCI-ACWxUS index's energy sector strength came from developed market constituents, while its solid 6.6% return in the consumer discretionary sector came from the benchmark's emerging market exposure.
- The USD continued to strengthen against most of the developed and emerging market European currencies during the quarter. In contrast, all five of the developed Pacific region countries and four of the eight EM Asia countries appreciated relative to the USD. As always, un-hedged USD strength represents a drag on U.S. investor returns of foreign holdings.
- Unlike the double-digit performance realized by domestic equity benchmarks, the fourth quarter's positive international index results were not enough to overcome the weakness experienced earlier in the year. As a result, international index performance was uniformly weak with the developed market MSCI-EAFE index returning -11.7% and the MSCI-EM index returning a weaker -18.2% in USD for the year.

Source: MSCI

Quarter Performance



1-Year Performance





# The Market Environment

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

Period Ended: December 31, 2011

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Energy	9.2%	14.9%	1.5%
Materials	10.1%	4.4%	-22.5%
Industrials	12.5%	4.4%	-14.5%
Consumer Discretionary	10.0%	1.2%	-14.1%
Consumer Staples	11.5%	5.9%	4.6%
Health Care	10.0%	5.7%	6.3%
Financials	21.4%	-0.3%	-21.2%
Information Technology	4.7%	-0.5%	-17.5%
Telecommunication Services	6.1%	2.0%	-1.0%
Utilities	4.5%	-4.5%	-18.3%
<b>Total</b>	<b>100.0%</b>	<b>3.4%</b>	<b>-11.7%</b>

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Energy	14.0%	6.6%	-17.9%
Materials	13.3%	1.0%	-26.8%
Industrials	6.4%	1.9%	-29.2%
Consumer Discretionary	8.1%	2.1%	-8.9%
Consumer Staples	8.1%	9.7%	0.9%
Health Care	1.0%	-3.2%	-22.3%
Financials	23.8%	4.2%	-23.4%
Information Technology	13.1%	7.1%	-15.0%
Telecommunication Services	8.5%	2.0%	-4.1%
Utilities	3.7%	8.9%	-13.4%
<b>Total</b>	<b>100.0%</b>	<b>4.5%</b>	<b>-18.2%</b>

MSCI - ACWixUS	Sector Weight	Quarter Return	1-Year Return
Energy	11.9%	12.1%	-7.7%
Materials	11.7%	2.2%	-23.8%
Industrials	10.5%	4.7%	-16.2%
Consumer Discretionary	9.0%	1.3%	-13.4%
Consumer Staples	10.0%	6.6%	3.9%
Health Care	7.2%	5.6%	5.6%
Financials	22.9%	1.2%	-20.2%
Information Technology	6.4%	2.7%	-17.6%
Telecommunication Services	6.4%	2.5%	-1.1%
Utilities	4.1%	-1.8%	-16.8%
<b>Total</b>	<b>100.0%</b>	<b>3.8%</b>	<b>-13.3%</b>

Country	MSCI-EAFE Weight	MSCI-ACWixUS Weight	Quarter Return	1- Year Return
United Kingdom	23.3%	15.9%	9.1%	-2.5%
Japan	21.6%	14.8%	-3.9%	-14.2%
France	9.1%	6.2%	2.8%	-16.0%
Switzerland	8.6%	5.9%	4.1%	-6.1%
Australia	8.6%	5.9%	7.5%	-10.8%
Germany	7.9%	5.4%	3.9%	-17.5%
Spain	3.3%	2.2%	-1.9%	-11.2%
Sweden	3.1%	2.1%	8.8%	-15.1%
Hong Kong	2.8%	1.9%	6.3%	-16.0%
Netherlands	2.5%	1.7%	6.6%	-11.7%
Italy	2.3%	1.6%	0.9%	-22.3%
Singapore	1.7%	1.1%	-1.0%	-17.9%
Denmark	1.1%	0.7%	8.3%	-15.7%
Belgium	1.0%	0.7%	2.2%	-10.0%
Norway	0.9%	0.6%	9.6%	-9.1%
Finland	0.8%	0.6%	-1.9%	-31.0%
Israel	0.7%	0.4%	4.8%	-27.6%
Ireland	0.3%	0.2%	22.4%	14.3%
Austria	0.2%	0.2%	-5.1%	-36.0%
Portugal	0.2%	0.2%	-9.3%	-21.9%
New Zealand	0.1%	0.1%	-2.2%	6.4%
Greece	0.1%	0.1%	-27.5%	-62.7%
<b>Total EAFE Countries</b>	<b>100.0%</b>	<b>68.3%</b>	<b>3.4%</b>	<b>-11.7%</b>
Canada		8.4%	5.2%	-12.2%
<b>Total Developed Countries</b>		<b>76.7%</b>	<b>3.6%</b>	<b>-11.8%</b>
China		4.2%	8.1%	-18.2%
Korea		3.5%	5.9%	-11.8%
Brazil		3.5%	8.9%	-21.6%
Taiwan		2.6%	-0.4%	-20.2%
South Africa		1.8%	7.0%	-14.4%
Russia		1.5%	6.2%	-19.3%
India		1.4%	-14.3%	-37.2%
Mexico		1.1%	9.4%	-12.1%
Malaysia		0.8%	11.7%	0.1%
Indonesia		0.7%	5.8%	6.5%
Thailand		0.5%	11.5%	-2.4%
Chile		0.4%	8.2%	-20.0%
Poland		0.3%	-6.1%	-29.5%
Turkey		0.3%	-15.7%	-35.2%
Colombia		0.2%	2.2%	-5.0%
Philippines		0.2%	7.0%	0.1%
Peru		0.2%	12.5%	-21.4%
Czech Republic		0.1%	-2.0%	-5.0%
Egypt		0.1%	-2.4%	-33.7%
Hungary		0.1%	-11.7%	-46.9%
Morocco		0.0%	-10.0%	-14.8%
<b>Total Emerging Countries</b>		<b>23.3%</b>	<b>4.5%</b>	<b>-18.2%</b>
<b>Total ACWixUS Countries</b>		<b>100.0%</b>	<b>3.8%</b>	<b>-13.3%</b>

Source: MSCI

# The Market Environment

## Domestic Bond Sector & Broad/Global Bond Market Performance

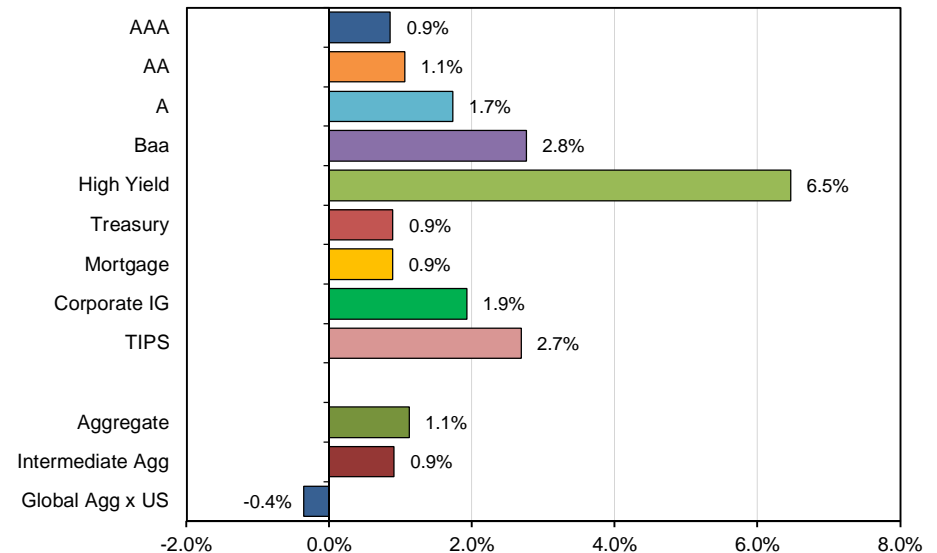
Period Ended: December 31, 2011

With the exception of the proxy for global bonds (Barclays Global Aggregate xUS), each of the fixed income benchmarks posted positive results for the quarter. The broad market Barclays Aggregate bond index posted a return of 1.1%. Within the benchmark's segments, the Treasury (0.9%), mortgage (0.9%) and corporate (1.9%) portions of the index all contributed to the broad market performance. In a reversal of last quarter's "flight-to-quality", the scaled credit benchmark results show that investors once again favored the "yield-advantage" of lower-rated issues over the "safety" of Treasury securities. The high yield benchmark returned a strong 6.5% for the quarter while high-quality AAA index returned a "Treasury-like" 0.9%. While Treasury returns were mild for the quarter due to a largely stable yield curve, Treasury inflation protected securities (TIPS) returned a solid 2.7%. TIPS were the beneficiary of the continued easing of domestic inflation expectations. Outside of the U.S. market, the Barclays Global Aggregate xUS benchmark posted a return of -0.4% for the quarter in USD. This global bond index number was negatively impacted by the moderate strength in the USD during the period as the USD hedged version of the index returned 0.7% for the quarter.

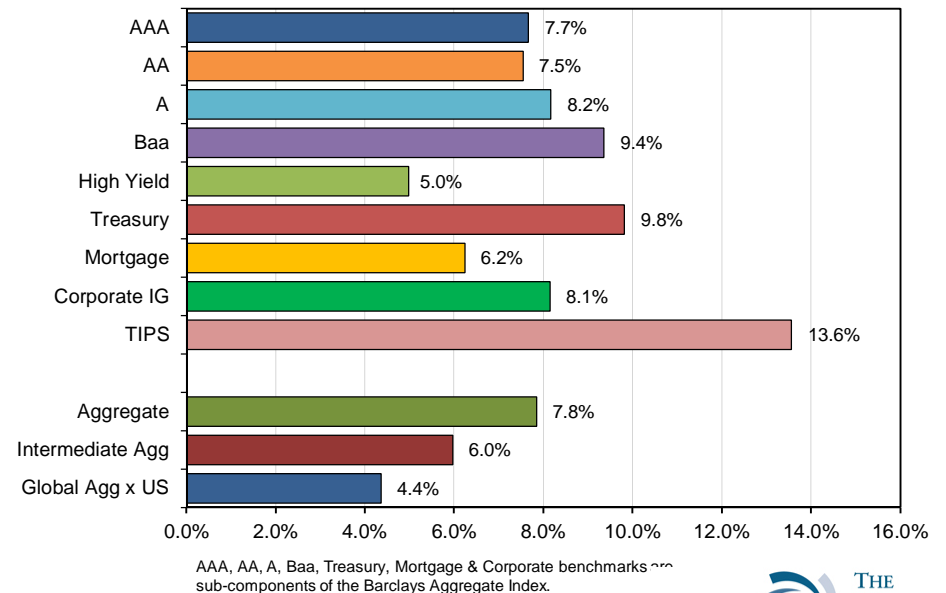
The trailing one-year returns were strong across the various broad and sector-based fixed income indices. The year's fixed income results were led by the 13.6% return of TIPS, which benefited from both a decline in the yield curve as well as reduced inflation expectations. The leading performance of TIPS for 2011 was followed by Treasury (9.8%), corporate (8.1%) and mortgage (6.2%) index results.

The advantage of longer-duration portfolios in the trailing year's declining interest rate environment is evident in the 178 basis point return differential between the Barclays Aggregate and the Barclays Intermediate Aggregate benchmarks. Outside of the aggregate index components, the performance of the global (4.4%) and high yield (5.0%) benchmarks were held back by risk factors associated with ongoing global macroeconomic events and concerns.

Quarter Performance



1-Year Performance

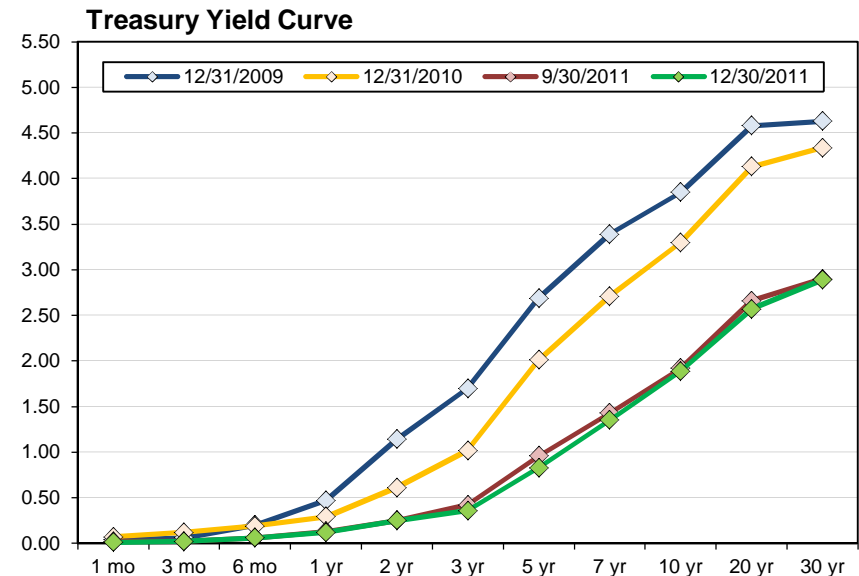
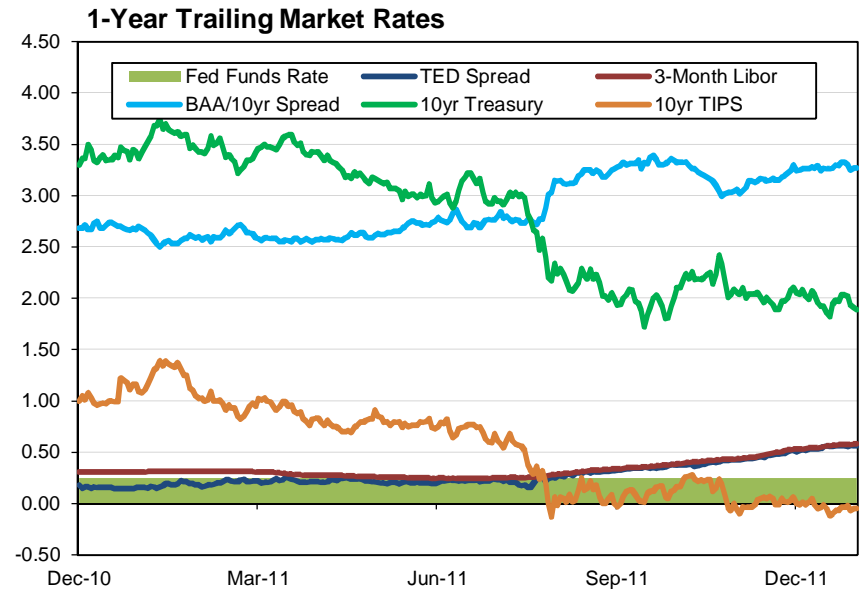


# The Market Environment

## Market Rate & Yield Curve Comparison

### Period Ended: December 31, 2011

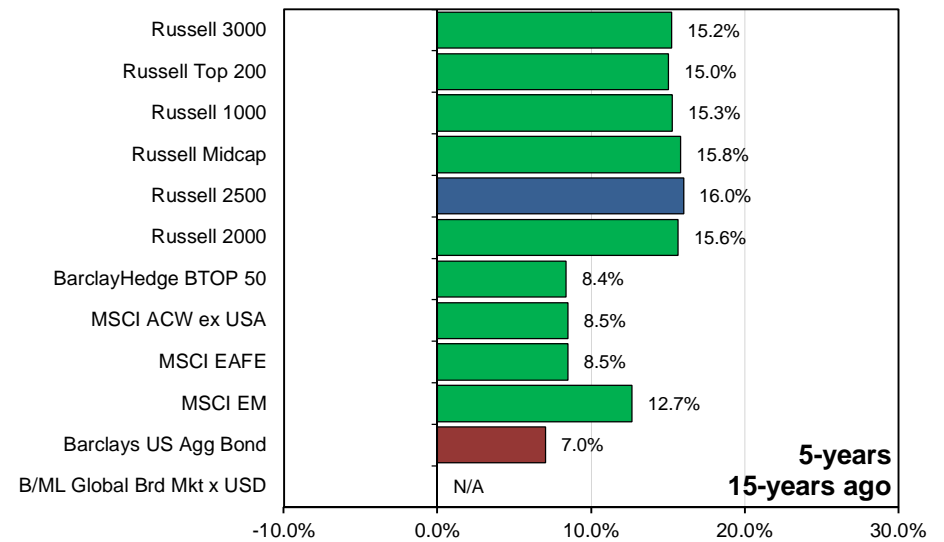
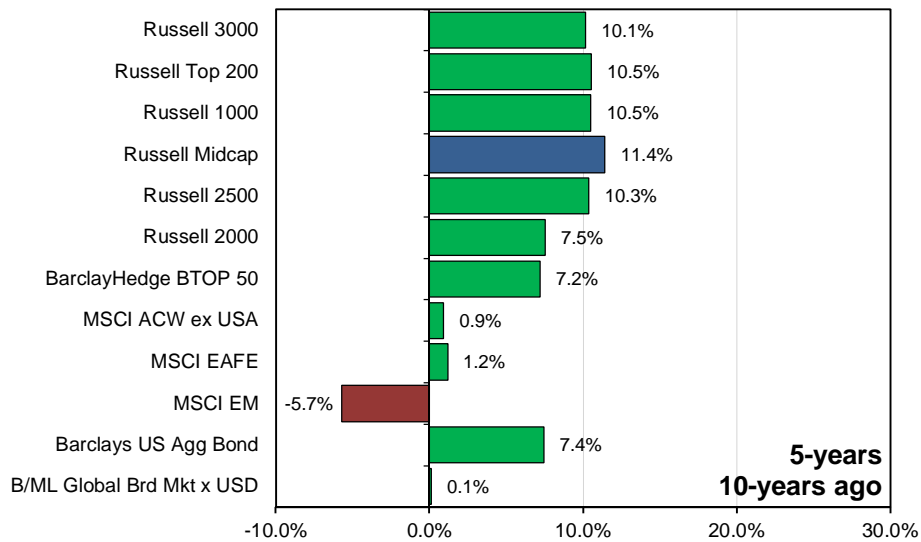
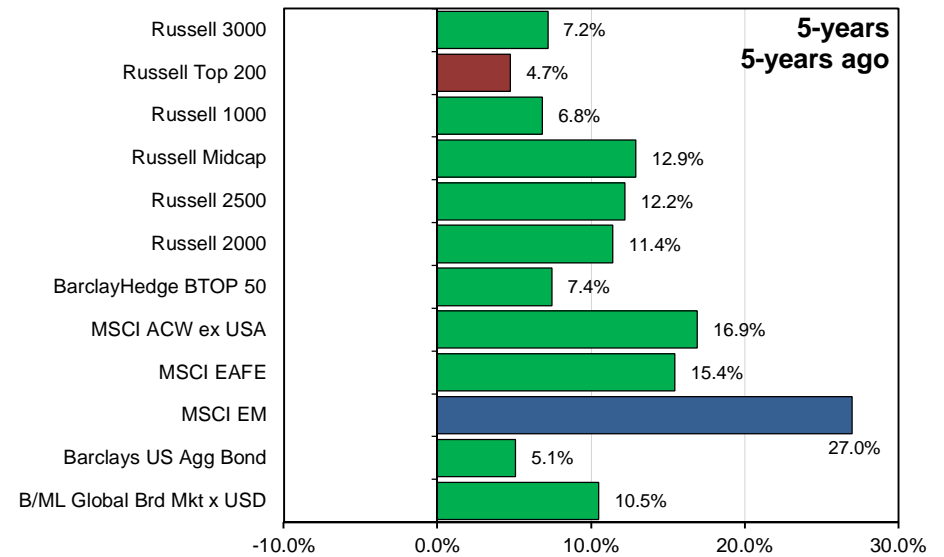
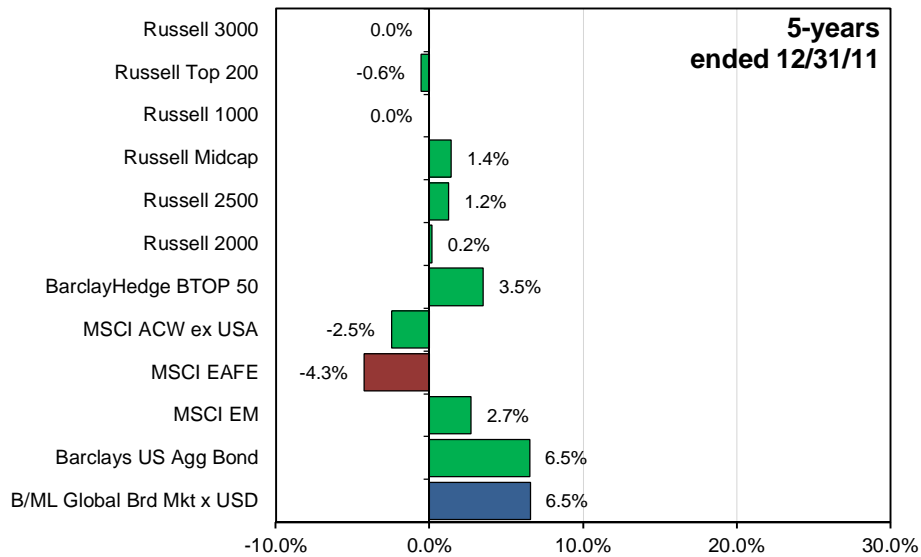
- With no direct action by the Fed, the fed funds rate remained unchanged during the quarter (targeted at 0.0% to 0.25%). The benchmark 10-year Treasury also showed little change over the period, closing the quarter at a yield of 1.89%, just 3 basis points lower than its 9/30/11 yield. However, the green 10-year Treasury yield line on the market rate graph clearly shows a substantial level of yield volatility underneath these two quarter “end-points”. 10-year yields moved higher through most of October as investors sought out stronger performing asset classes and more attractively yielding fixed income securities. The 10-year closed at its highest level of the quarter on 10/27/11 with a yield of 2.42% before declining back below 2.0% in late November and moving in a narrow range for the rest of the quarter.
- Several quarter’s ago the 5-year TIPS auction experienced an interesting market anomaly, it was actually issued with a negative yield. In order to be issued with a negative yield, the bond carried a positive 0.5% coupon but was issued at a premium to its par value. The orange 10-year TIPS yield line on the market rate graph shows that what was once an anomaly in the TIPS market has become more commonplace. The 10-year TIPS yield closed 25 of the quarter’s 63 trading days, including the 12/31/11 yield of -0.05%, in negative territory.
- The Treasury yield curve ended the fourth quarter close to its 9/30/11 level. Yields along the curve fell an average of only 5 basis points for maturities beyond 1-year during the quarter. While the first paragraph detailed a fair amount of “intra-quarter” volatility in 10-year Treasury yields, fully invested portfolios will likely show moderately positive results for the period and favor longer-duration, lower-quality strategies.



# The Market Environment

## A Term-Based Asset Class Review

### 5-Year Annualized Returns at 5-Year Historical Intervals



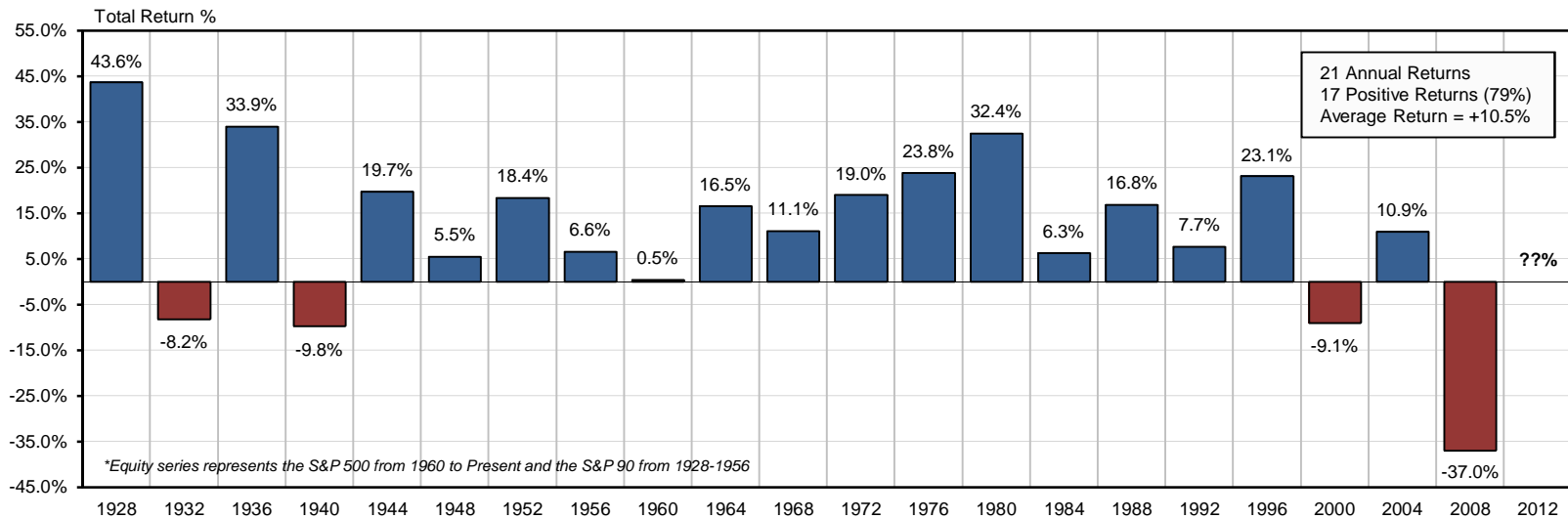
Best Performing Worst Performing

Source: Zephyr Style Advisor

# The Market Environment

## Presidential Election Year Equity Market Performance\* (top)

### 2011 Bogdahn Survey Results (bottom)



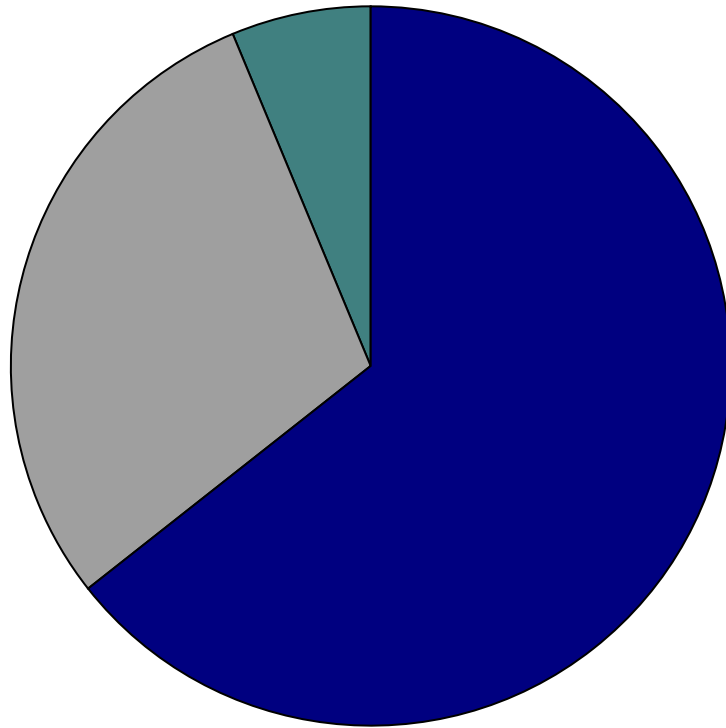
We want to thank everyone who was able to participate in the Bogdahn Group's first client survey. As we indicated, the insights gathered from this valuable client feedback will be used to enhance the effectiveness of the client service and communication that we provide all of our clients. We received 115 responses to the following 10 questions that asked clients to rate their experience on a scale of 0 (poor) to 9 (excellent).

7.78	1 Please rate your satisfaction with the structure and clarity of our performance report.
7.95	2 Please rate your satisfaction with the level of detail in our performance report.
8.31	3 Please rate your consultant's ability to effectively communicate the information in the performance report.
8.25	4 Please rate your consultant's ability to effectively communicate investment insights beyond those in the performance report.
8.10	5 Please rate the effort of your consultant to offer suggestions and/or solutions to enhance your portfolio.
7.46	6 Please rate the outcomes of your consultant's suggestions and/or investment solutions.
8.19	7 Please rate your consultant's level of understanding of your Plan/Fund's unique needs.
8.26	8 Please rate the timeliness of your consultant's responses to regular inquiries. (Our firm policy is to reply to all inquiries within 24 hours).
8.18	9 Please rate the detail provided in your consultant's follow up to inquiries.
8.06	10 Please rate your overall satisfaction with The Bogdahn Group's services.
8.05	Average

**Venice Municipal Police Officers' Pension Trust Fund**  
**December 31, 2011**

**Asset Allocation By Style as of Sep - 2011**

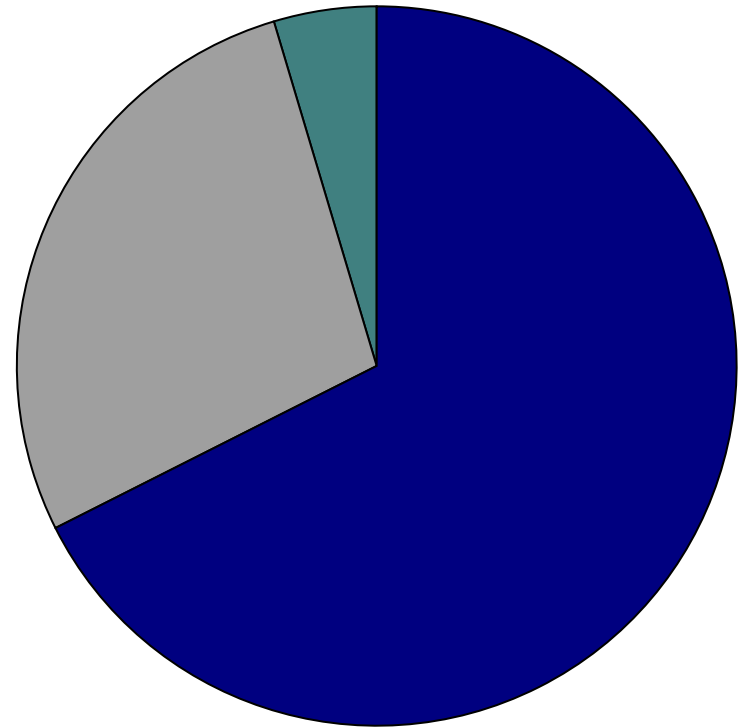
September 30, 2011 : \$23,384,408



Segments	Market Value (\$)	Allocation (%)
■ Domestic Equity	15,054,385	64.4
■ Domestic Fixed Income	6,865,281	29.4
■ Cash Equivalent	1,464,742	6.3

**Asset Allocation By Style - Current Quarter**

December 31, 2011 : \$24,262,754

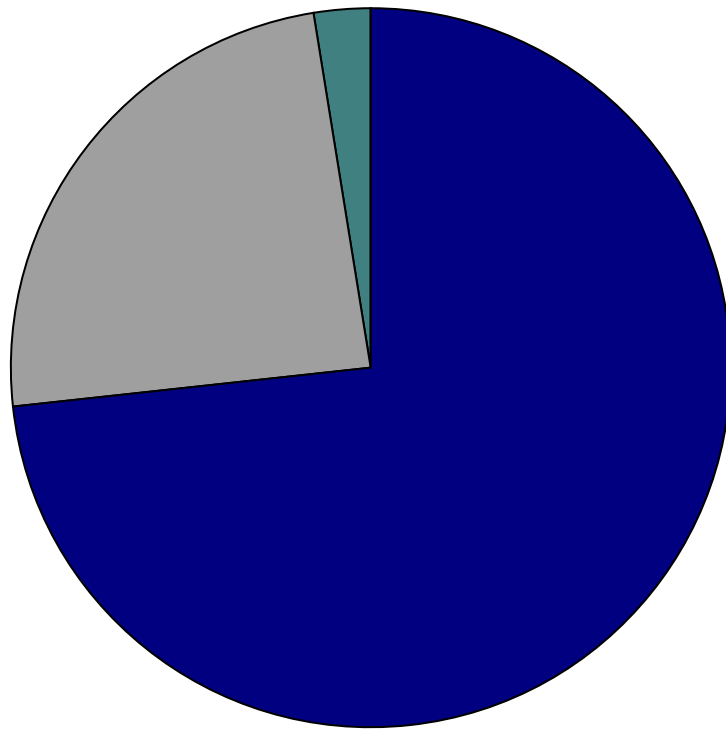


Segments	Market Value (\$)	Allocation (%)
■ Domestic Equity	16,392,568	67.6
■ Domestic Fixed Income	6,749,896	27.8
■ Cash Equivalent	1,120,290	4.6

**Venice Municipal Police Officers' Pension Trust Fund**  
**December 31, 2011**

**Asset Allocation By Manager as of Sep - 2011**

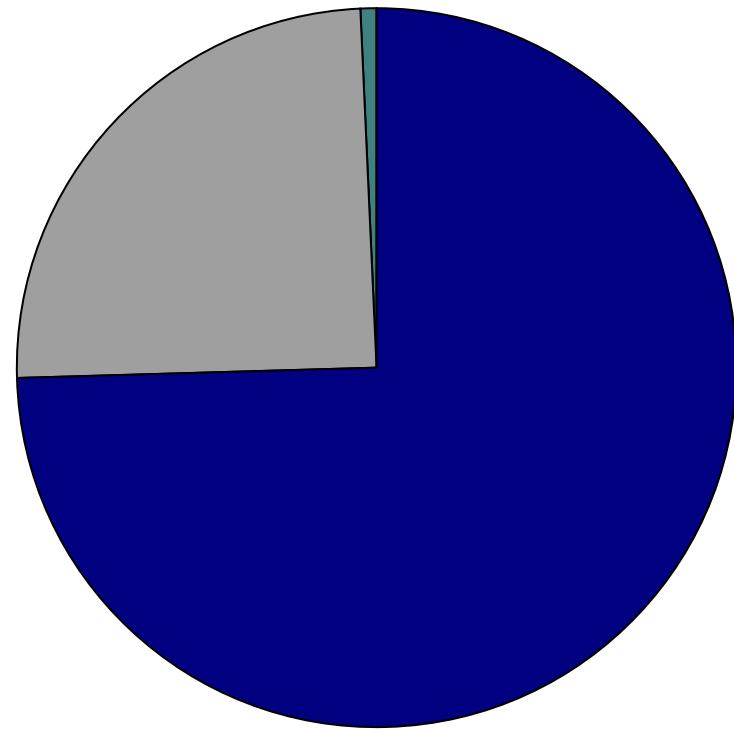
September 30, 2011 : \$23,384,408



	Market Value (\$)	Allocation (%)
■ Bowen Hanes Balanced Portfolio	17,135,549	73.3
■ Rockwood Capital Balanced Portfolio	5,654,490	24.2
■ R&D Account	594,369	2.5

**Asset Allocation By Manager - Current Quarter**

December 31, 2011 : \$24,262,754



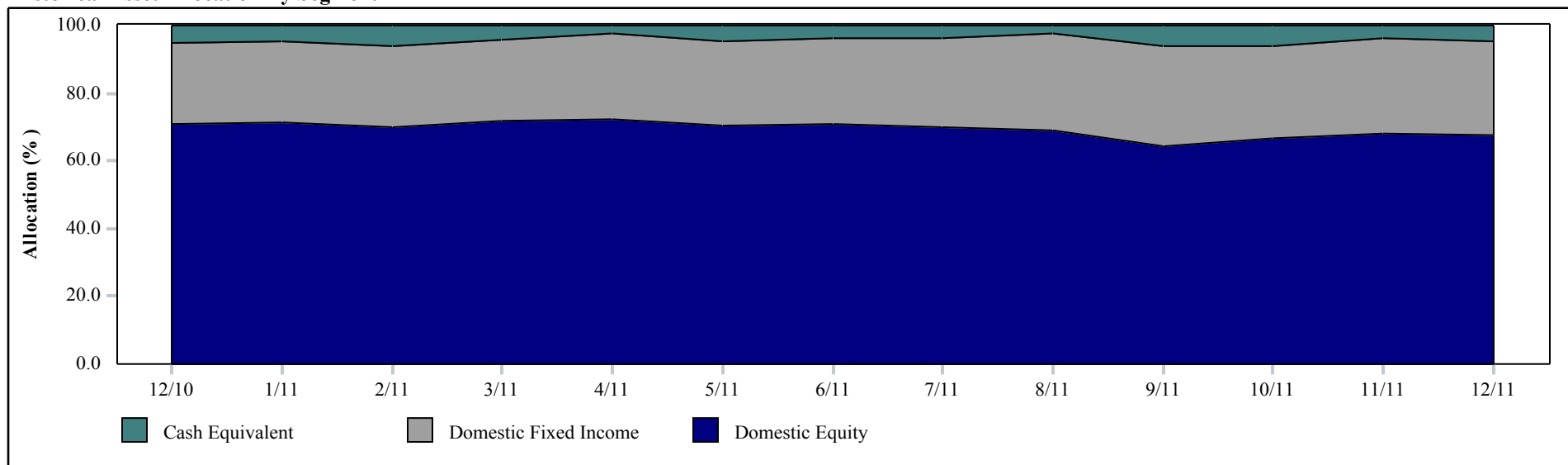
	Market Value (\$)	Allocation (%)
■ Bowen Hanes Balanced Portfolio	18,086,621	74.5
■ Rockwood Capital Balanced Portfolio	6,001,132	24.7
■ R&D Account	175,001	0.7

**Venice Municipal Police Officers' Pension Trust Fund**  
**Asset Allocation**  
**As of December 31, 2011**

**Asset Allocation**

	Dec-2010		Mar-2011		Jun-2011		Sep-2011		Dec-2011	
	(\$)	%	(\$)	%	(\$)	%	(\$)	%	(\$)	%
<b>Bowen Hanes Balanced Portfolio</b>	<b>18,531,959</b>	<b>73.76</b>	<b>20,224,678</b>	<b>74.71</b>	<b>20,181,557</b>	<b>74.41</b>	<b>17,135,549</b>	<b>73.28</b>	<b>18,086,621</b>	<b>74.54</b>
<b>Rockwood Balanced Portfolio</b>	<b>6,203,883</b>	<b>24.69</b>	<b>6,673,638</b>	<b>24.65</b>	<b>6,675,877</b>	<b>24.61</b>	<b>5,654,490</b>	<b>24.18</b>	<b>6,001,132</b>	<b>24.73</b>
<b>R&amp;D Account</b>	<b>387,982</b>	<b>1.54</b>	<b>171,361</b>	<b>0.63</b>	<b>264,298</b>	<b>0.97</b>	<b>594,369</b>	<b>2.54</b>	<b>175,001</b>	<b>0.72</b>
<b>Total Fund</b>	<b>25,123,823</b>	<b>100.00</b>	<b>27,069,677</b>	<b>100.00</b>	<b>27,121,731</b>	<b>100.00</b>	<b>23,384,408</b>	<b>100.00</b>	<b>24,262,754</b>	<b>100.00</b>

**Historical Asset Allocation By Segment**





**Venice Municipal Police Officers' Pension Trust Fund**  
**Financial Reconciliation**  
**As of December 31,2011**

**Financial Reconciliation Quarter**

	Market Value As of 10/01/2011	Net Transfers	Contributions	Distributions	Fees	Expenses	Income	Capital Apprec./ Deprec.	Market Value As of 12/31/2011
Bowen Hanes Balanced Portfolio	17,135,549	-356,578	-	-	-17,082	-	109,093	1,215,638	18,086,621
Rockwood Balanced Portfolio	5,654,490	-118,859	-	-	-7,068	-	30,209	442,360	6,001,132
R&D Account	594,369	475,437	428,515	-1,302,366	-	-20,956	3	-	175,001
<b>Total Fund</b>	<b>23,384,408</b>	<b>-</b>	<b>428,515</b>	<b>-1,302,366</b>	<b>-24,150</b>	<b>-20,956</b>	<b>139,305</b>	<b>1,657,998</b>	<b>24,262,754</b>

**Financial Reconciliation FYTD**

	Market Value As of 10/01/2011	Net Transfers	Contributions	Distributions	Fees	Expenses	Income	Capital Apprec./ Deprec.	Market Value As of 12/31/2011
Bowen Hanes Balanced Portfolio	17,135,549	-356,578	-	-	-17,082	-	109,093	1,215,638	18,086,621
Rockwood Balanced Portfolio	5,654,490	-118,859	-	-	-7,068	-	30,209	442,360	6,001,132
R&D Account	594,369	475,437	428,515	-1,302,366	-	-20,956	3	-	175,001
<b>Total Fund</b>	<b>23,384,408</b>	<b>-</b>	<b>428,515</b>	<b>-1,302,366</b>	<b>-24,150</b>	<b>-20,956</b>	<b>139,305</b>	<b>1,657,998</b>	<b>24,262,754</b>

**Venice Municipal Police Officers' Pension Trust Fund**  
**Comparative Performance Trailing Returns**  
**As of December 31, 2011**

	1 Quarter	Oct-2011 To Dec-2011	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Total Fund (Net)</b>	<b>7.72</b>	<b>7.72</b>	<b>0.23</b>	<b>12.06</b>	<b>2.37</b>	<b>8.94</b>	<b>08/01/1986</b>
Total Fund Policy	7.05	7.05	1.41	11.05	1.91	8.36	
Difference	0.67	0.67	-1.18	1.01	0.46	0.58	
<b>Total Fund (Gross)</b>	<b>7.83 (6)</b>	<b>7.83 (6)</b>	<b>0.65 (44)</b>	<b>12.51 (13)</b>	<b>2.78 (28)</b>	<b>9.15 (6)</b>	<b>08/01/1986</b>
Total Fund Policy	7.05 (20)	7.05 (20)	1.41 (27)	11.05 (42)	1.91 (66)	8.36 (51)	
Difference	0.78	0.78	-0.76	1.46	0.87	0.79	
All Public Plans-Total Fund Median	6.11	6.11	0.34	10.67	2.24	8.36	
<b>Total Domestic Equity</b>	<b>11.60 (55)</b>	<b>11.60 (55)</b>	<b>-1.49 (78)</b>	<b>14.65 (37)</b>	<b>2.26 (21)</b>	<b>11.01 (3)</b>	<b>08/01/1986</b>
Total Equity Policy	10.17 (81)	10.17 (81)	-2.42 (83)	13.11 (68)	-0.91 (83)	9.11 (94)	
Difference	1.43	1.43	0.93	1.54	3.17	1.90	
IM U.S. Large Cap Core Equity (SA+CF) Median	11.80	11.80	1.78	14.02	0.51	10.19	
<b>Total Fixed Income</b>	<b>0.73 (98)</b>	<b>0.73 (98)</b>	<b>6.44 (91)</b>	<b>9.93 (19)</b>	<b>4.86 (95)</b>	<b>6.77 (100)</b>	<b>03/01/1988</b>
Total Fixed Income Policy	1.12 (73)	1.12 (73)	7.84 (51)	6.62 (94)	6.56 (68)	7.22 (86)	
Difference	-0.39	-0.39	-1.40	3.31	-1.70	-0.45	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	1.27	1.27	7.85	8.39	6.87	7.54	
<b>Bowen Hanes Balanced Portfolio</b>	<b>7.64 (9)</b>	<b>7.64 (9)</b>	<b>0.47 (47)</b>	<b>12.01 (23)</b>	<b>2.34 (47)</b>	<b>8.93 (19)</b>	<b>08/01/1986</b>
Total Fund Policy	7.05 (20)	7.05 (20)	1.41 (27)	11.05 (42)	1.91 (66)	8.36 (51)	
Difference	0.59	0.59	-0.94	0.96	0.43	0.57	
All Public Plans-Total Fund Median	6.11	6.11	0.34	10.67	2.24	8.36	
<b>Bowen Hanes Equity</b>	<b>11.12 (69)</b>	<b>11.12 (69)</b>	<b>-0.61 (71)</b>	<b>14.16 (46)</b>	<b>2.00 (26)</b>	<b>10.95 (4)</b>	<b>08/01/1986</b>
Russell 1000 Index	11.84 (49)	11.84 (49)	1.50 (55)	14.81 (34)	-0.02 (65)	9.30 (94)	
Difference	-0.72	-0.72	-2.11	-0.65	2.02	1.65	
IM U.S. Large Cap Core Equity (SA+CF) Median	11.80	11.80	1.78	14.02	0.51	10.19	
<b>Bowen Hanes Fixed Income</b>	<b>0.49 (99)</b>	<b>0.49 (99)</b>	<b>5.68 (96)</b>	<b>10.11 (18)</b>	<b>4.96 (94)</b>	<b>6.79 (99)</b>	<b>03/01/1988</b>
Total Fixed Income Policy	1.12 (73)	1.12 (73)	7.84 (51)	6.62 (94)	6.56 (68)	7.22 (86)	
Difference	-0.63	-0.63	-2.16	3.49	-1.60	-0.43	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	1.27	1.27	7.85	8.39	6.87	7.54	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.

**Venice Municipal Police Officers' Pension Trust Fund**  
**Comparative Performance Trailing Returns**  
**As of December 31, 2011**

	1 Quarter	Oct-2011 To Dec-2011	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Rockwood Balanced Portfolio</b>	<b>8.25 (3)</b>	<b>8.25 (3)</b>	<b>-0.35 (67)</b>	<b>N/A</b>	<b>N/A</b>	<b>10.88 (1)</b>	<b>10/01/2009</b>
Total Rockwood Policy	7.73 (8)	7.73 (8)	4.07 (6)	N/A	N/A	9.30 (7)	
Difference	0.52	0.52	-4.42	N/A	N/A	1.58	
All Public Plans-Total Fund Median	6.11	6.11	0.34	10.67	2.24	7.36	
<b>Rockwood Equity</b>	<b>13.32 (12)</b>	<b>13.32 (12)</b>	<b>-4.56 (85)</b>	<b>N/A</b>	<b>N/A</b>	<b>13.94 (3)</b>	<b>10/01/2009</b>
Russell 3000 Index	12.12 (25)	12.12 (25)	1.03 (42)	14.88 (51)	-0.01 (79)	10.46 (50)	
Difference	1.20	1.20	-5.59	N/A	N/A	3.48	
IM U.S. All Cap Core Equity (SA+CF) Median	11.62	11.62	0.69	14.93	1.09	10.44	
<b>Rockwood Fixed Income</b>	<b>1.31 (45)</b>	<b>1.31 (45)</b>	<b>8.26 (22)</b>	<b>N/A</b>	<b>N/A</b>	<b>6.59 (71)</b>	<b>10/01/2009</b>
Total Fixed Income Policy	1.12 (73)	1.12 (73)	7.84 (51)	6.62 (94)	6.56 (68)	6.71 (68)	
Difference	0.19	0.19	0.42	N/A	N/A	-0.12	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	1.27	1.27	7.85	8.39	6.87	7.01	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.

**Venice Municipal Police Officers' Pension Trust Fund**  
**Comparative Performance Fiscal Year Returns**  
**As of December 31, 2011**

	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008	Oct-2006 To Sep-2007	Oct-2005 To Sep-2006
<b>Total Fund (Net)</b>	<b>-0.08</b>	<b>12.94</b>	<b>-3.43</b>	<b>-16.34</b>	<b>20.79</b>	<b>9.09</b>
Total Fund Policy	0.77	10.08	0.09	-13.98	12.73	7.88
Difference	-0.85	2.86	-3.52	-2.36	8.06	1.21
<b>Total Fund (Gross)</b>	<b>0.34 (49)</b>	<b>13.39 (4)</b>	<b>-3.03 (90)</b>	<b>-16.01 (84)</b>	<b>21.27 (2)</b>	<b>9.43 (35)</b>
Total Fund Policy	0.77 (40)	10.08 (48)	0.09 (65)	-13.98 (54)	12.73 (77)	7.88 (65)
Difference	-0.43	3.31	-3.12	-2.03	8.54	1.55
All Public Plans-Total Fund Median	0.25	9.99	1.25	-13.67	14.40	8.63
<b>Total Domestic Equity</b>	<b>-1.95 (81)</b>	<b>15.54 (4)</b>	<b>-6.40 (56)</b>	<b>-20.99 (56)</b>	<b>28.49 (2)</b>	<b>11.60 (34)</b>
Total Equity Policy	-2.04 (81)	10.75 (33)	-6.14 (52)	-22.10 (68)	16.90 (52)	10.25 (57)
Difference	0.09	4.79	-0.26	1.11	11.59	1.35
IM U.S. Large Cap Core Equity (SA+CF) Median	0.97	9.46	-5.90	-20.51	16.98	10.75
<b>Total Fixed Income</b>	<b>4.80 (75)</b>	<b>10.26 (24)</b>	<b>8.50 (91)</b>	<b>-1.34 (79)</b>	<b>2.48 (100)</b>	<b>3.14 (97)</b>
Total Fixed Income Policy	5.26 (49)	8.73 (66)	11.46 (66)	2.41 (52)	5.08 (58)	3.33 (96)
Difference	-0.46	1.53	-2.96	-3.75	-2.60	-0.19
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	5.25	9.23	12.33	2.53	5.15	3.86
<b>Bowen Hanes Balanced Portfolio</b>	<b>-0.49 (69)</b>	<b>12.24 (10)</b>	<b>-2.49 (86)</b>	<b>-16.34 (87)</b>	<b>20.79 (2)</b>	<b>9.09 (42)</b>
Total Fund Policy	0.77 (40)	10.08 (48)	0.09 (65)	-13.98 (54)	12.73 (77)	7.88 (65)
Difference	-1.26	2.16	-2.58	-2.36	8.06	1.21
All Public Plans-Total Fund Median	0.25	9.99	1.25	-13.67	14.40	8.63
<b>Bowen Hanes Equity</b>	<b>-2.07 (81)</b>	<b>14.02 (9)</b>	<b>-5.84 (50)</b>	<b>-20.99 (56)</b>	<b>28.49 (2)</b>	<b>11.60 (34)</b>
Russell 1000 Index	0.91 (53)	10.75 (33)	-6.14 (52)	-22.10 (68)	16.90 (52)	10.25 (57)
Difference	-2.98	3.27	0.30	1.11	11.59	1.35
IM U.S. Large Cap Core Equity (SA+CF) Median	0.97	9.46	-5.90	-20.51	16.98	10.75
<b>Bowen Hanes Fixed Income</b>	<b>4.72 (77)</b>	<b>11.03 (18)</b>	<b>8.64 (91)</b>	<b>-1.34 (79)</b>	<b>2.48 (100)</b>	<b>3.14 (97)</b>
Total Fixed Income Policy	5.26 (49)	8.73 (66)	11.46 (66)	2.41 (52)	5.08 (58)	3.33 (96)
Difference	-0.54	2.30	-2.82	-3.75	-2.60	-0.19
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	5.25	9.23	12.33	2.53	5.15	3.86

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.

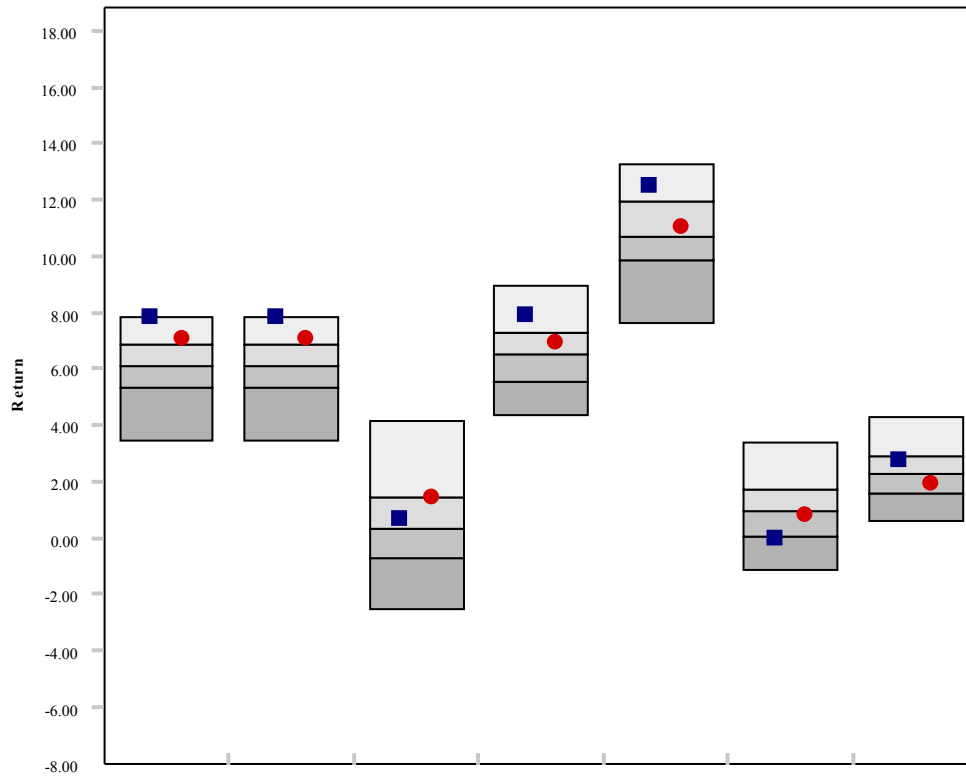
**Venice Municipal Police Officers' Pension Trust Fund**  
**Comparative Performance Fiscal Year Returns**  
**As of December 31, 2011**

	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008	Oct-2006 To Sep-2007	Oct-2005 To Sep-2006
<b>Rockwood Balanced Portfolio</b>	<b>1.16 (33)</b>	<b>15.21 (1)</b>	N/A	N/A	N/A	N/A
Total Rockwood Policy	2.72 (12)	10.37 (40)	N/A	N/A	N/A	N/A
Difference	-1.56	4.84	N/A	N/A	N/A	N/A
All Public Plans-Total Fund Median	0.25	9.99	1.25	-13.67	14.40	8.63
<b>Rockwood Equity</b>	<b>-2.18 (76)</b>	<b>21.00 (1)</b>	N/A	N/A	N/A	N/A
Russell 3000 Index	0.55 (65)	10.96 (49)	-6.42 (59)	-21.52 (65)	16.52 (66)	10.22 (39)
Difference	-2.73	10.04	N/A	N/A	N/A	N/A
IM U.S. All Cap Core Equity (SA+CF) Median	0.98	10.87	-6.11	-21.03	17.90	9.24
<b>Rockwood Fixed Income</b>	<b>5.25 (51)</b>	<b>8.28 (83)</b>	N/A	N/A	N/A	N/A
Total Fixed Income Policy	5.26 (49)	8.73 (66)	11.46 (66)	2.41 (52)	5.08 (58)	3.33 (96)
Difference	-0.01	-0.45	N/A	N/A	N/A	N/A
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	5.25	9.23	12.33	2.53	5.15	3.86

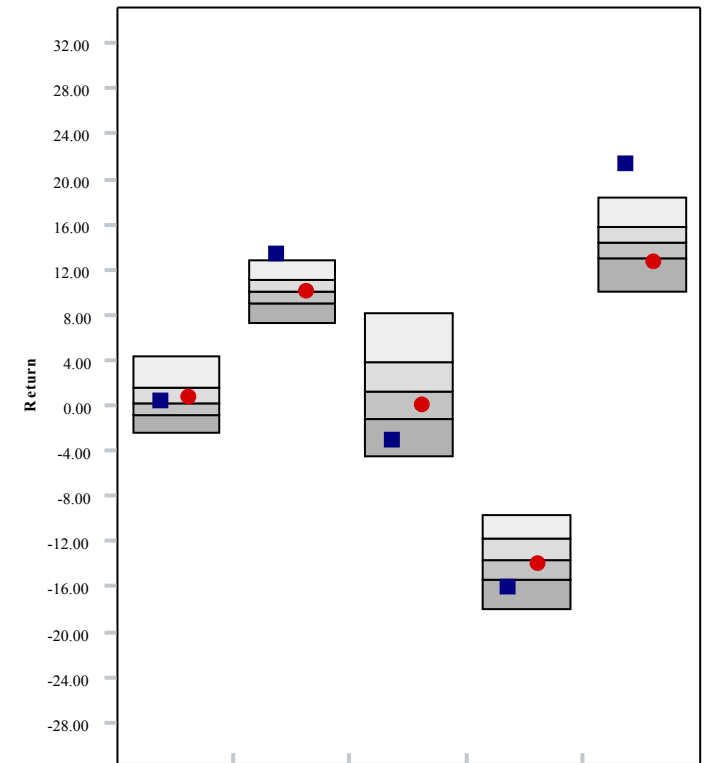
Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.

**Venice Municipal Police Officers' Pension Trust Fund**  
**Total Fund (Gross)**  
**December 31, 2011**

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



	1 Quarter	Oct-2011 To Dec-2011	1 Year	2 Years	3 Years	4 Years	5 Years
■ Total Fund (Gross)	7.83 (6)	7.83 (6)	0.65 (44)	7.91 (16)	12.51 (13)	-0.05 (79)	2.78 (28)
● Total Fund Policy	7.05 (20)	7.05 (20)	1.41 (27)	6.91 (39)	11.05 (42)	0.84 (54)	1.91 (66)
Median	6.11	6.11	0.32	6.51	10.69	0.94	2.24



	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008	Oct-2006 To Sep-2007
■ Total Fund (Gross)	0.34 (49)	13.39 (4)	-3.03 (90)	-16.01 (84)	21.27 (2)
● Total Fund Policy	0.77 (40)	10.08 (48)	0.09 (65)	-13.98 (54)	12.73 (78)
Median	0.25	10.00	1.24	-13.67	14.43

**Comparative Performance**

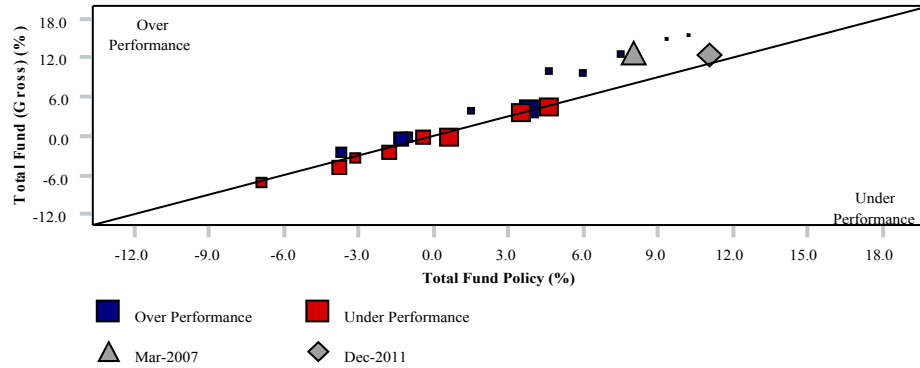
	1 Quarter Ending Sep-2011	1 Quarter Ending Jun-2011	1 Quarter Ending Mar-2011	1 Quarter Ending Dec-2010	1 Quarter Ending Sep-2010	1 Quarter Ending Jun-2010
Total Fund (Gross)	-12.89 (96)	0.82 (69)	6.29 (1)	7.51 (11)	10.42 (9)	-6.70 (81)
Total Fund Policy	-9.58 (39)	0.89 (65)	3.84 (63)	6.37 (45)	8.59 (55)	-6.39 (74)
All Public Plans-Total Fund Median	-10.23	1.09	4.08	6.21	8.76	-5.81

# Venice Municipal Police Officers' Pension Trust Fund

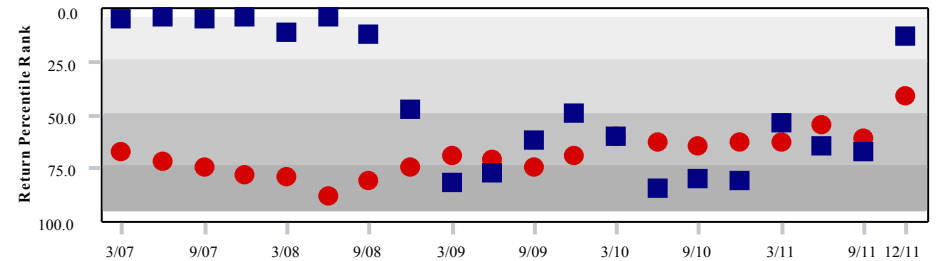
## Total Fund (Gross)

### December 31, 2011

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

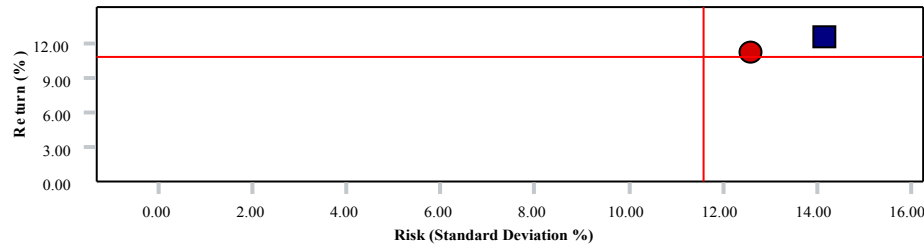


#### 3 Yr Rolling Percentile Ranking - 5 Years



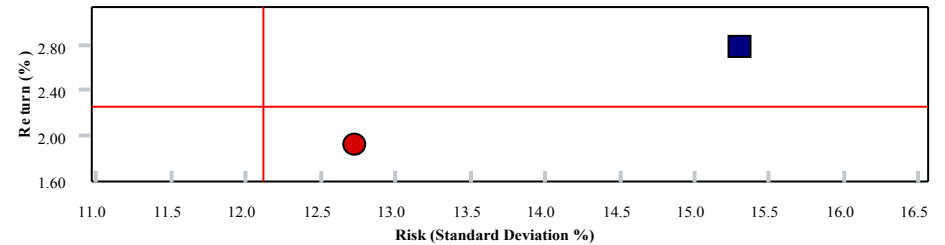
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Total Fund (Gross)	20	8 (40%)	2 (10%)	5 (25%)	5 (25%)
Total Fund Policy	20	0 (0%)	1 (5%)	15 (75%)	4 (20%)

#### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Total Fund (Gross)	12.51	14.19
Total Fund Policy	11.05	12.61
Median	10.69	11.60

#### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Total Fund (Gross)	2.8	15.3
Total Fund Policy	1.9	12.7
Median	2.2	12.1

#### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund (Gross)	3.64	111.51	109.72	0.50	0.42	0.90	1.09	8.62
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	0.89	1.00	7.57

#### Historical Statistics - 5 Years

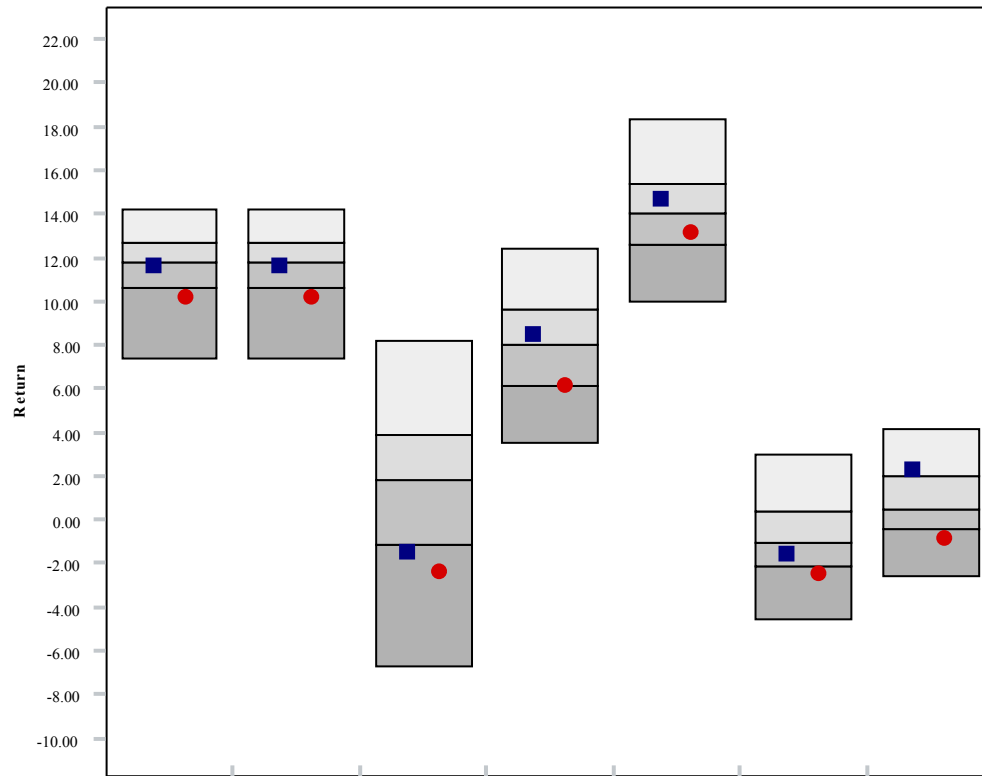
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund (Gross)	4.34	118.23	113.53	0.80	0.29	0.16	1.17	11.55
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	0.10	1.00	9.30

# Venice Municipal Police Officers' Pension Trust Fund

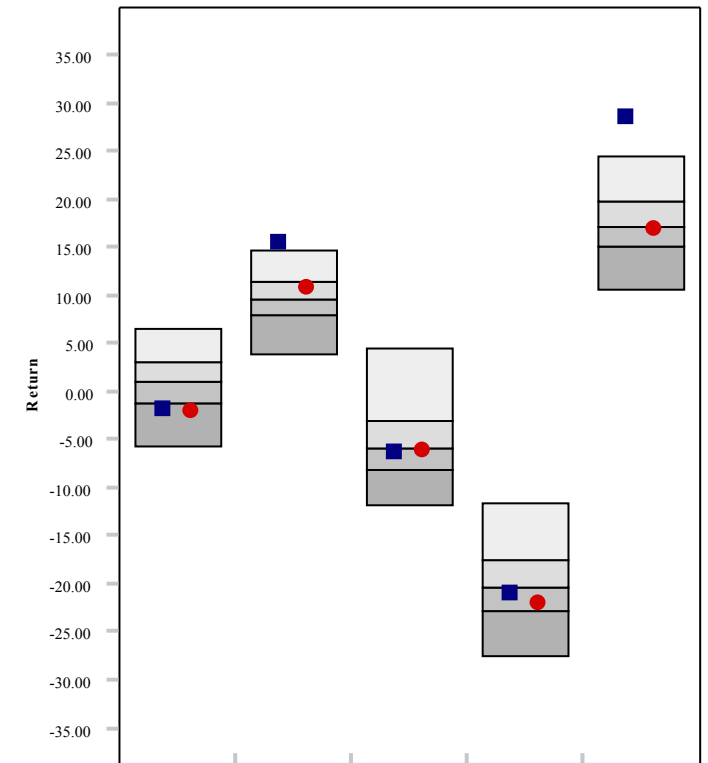
## Total Equity

### December 31, 2011

#### Peer Group Analysis - IM U.S. Large Cap Core Equity (SA+CF)



	1 Quarter	Oct-2011 To Dec-2011	1 Year	2 Years	3 Years	4 Years	5 Years
■ Total Equity	11.60 (55)	11.60 (55)	-1.49 (78)	8.50 (41)	14.65 (37)	-1.61 (64)	2.26 (21)
● Total Equity Policy	10.17 (81)	10.17 (81)	-2.42 (83)	6.15 (76)	13.11 (68)	-2.51 (79)	-0.91 (83)
Median	11.80	11.80	1.78	7.98	14.02	-1.05	0.51



	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008	Oct-2006 To Sep-2007
■ Total Equity	-1.95 (81)	15.54 (4)	-6.40 (56)	-20.99 (56)	28.49 (2)
● Total Equity Policy	-2.04 (81)	10.75 (33)	-6.14 (52)	-22.10 (68)	16.90 (52)
Median	0.97	9.46	-5.90	-20.51	16.98

#### Comparative Performance

	1 Quarter Ending Sep-2011	1 Quarter Ending Jun-2011	1 Quarter Ending Mar-2011	1 Quarter Ending Dec-2010	1 Quarter Ending Sep-2010	1 Quarter Ending Jun-2010
Total Equity	-18.93 (94)	0.30 (56)	8.55 (7)	11.09 (45)	13.96 (5)	-10.51 (24)
Total Equity Policy	-16.32 (76)	0.12 (60)	5.71 (66)	10.60 (64)	11.55 (33)	-11.44 (50)
IM U.S. Large Cap Core Equity (SA+CF) Median	-14.89	0.47	6.30	10.91	11.04	-11.48

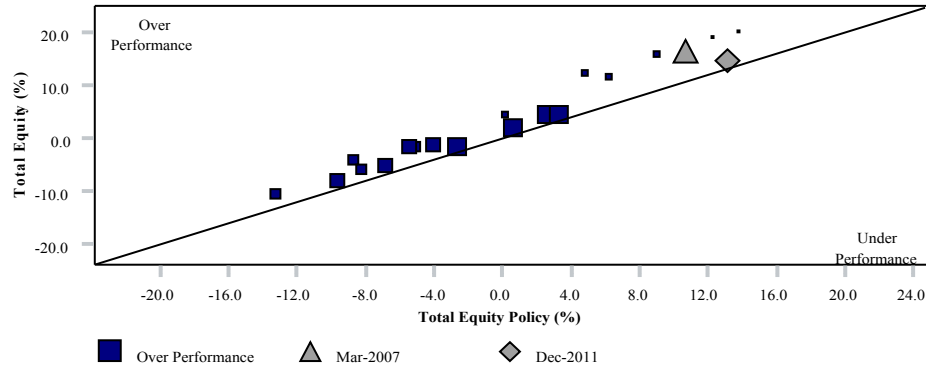


# Venice Municipal Police Officers' Pension Trust Fund

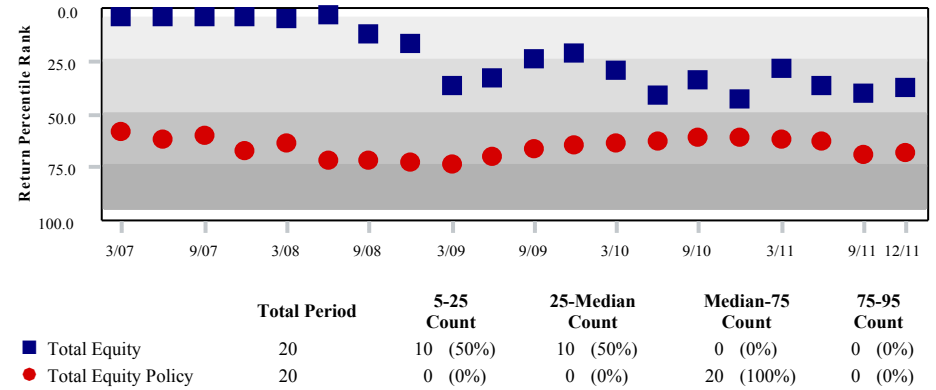
## Total Equity

### December 31, 2011

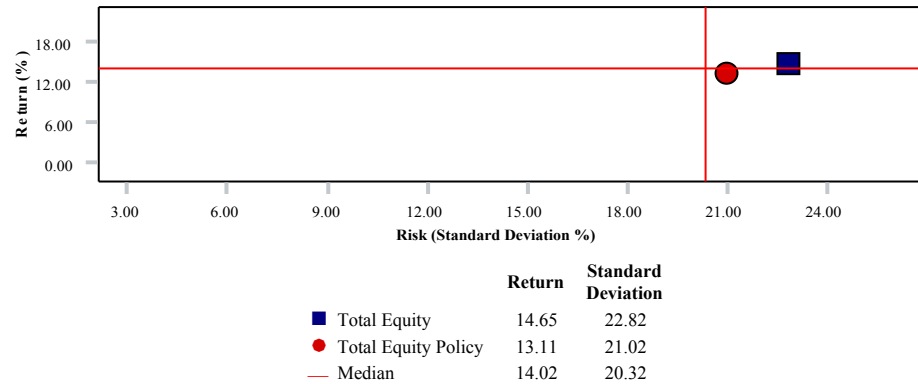
#### 3 Yr Rolling Under/Over Performance - 5 Years



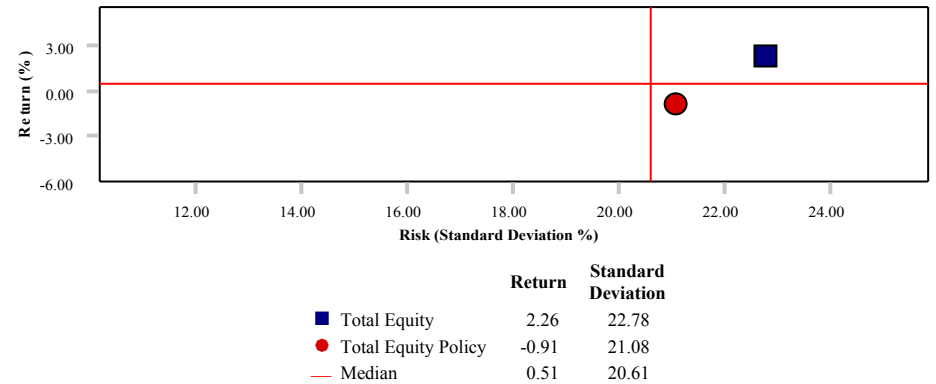
#### 3 Yr Rolling Percentile Ranking - 5 Years



#### Peer Group Scattergram - 3 Years



#### Peer Group Scattergram - 5 Years



#### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Equity	4.67	103.87	99.24	1.29	0.33	0.77	1.02	12.57
Total Equity Policy	0.00	100.00	100.00	0.00	N/A	0.73	1.00	12.01

#### Historical Statistics - 5 Years

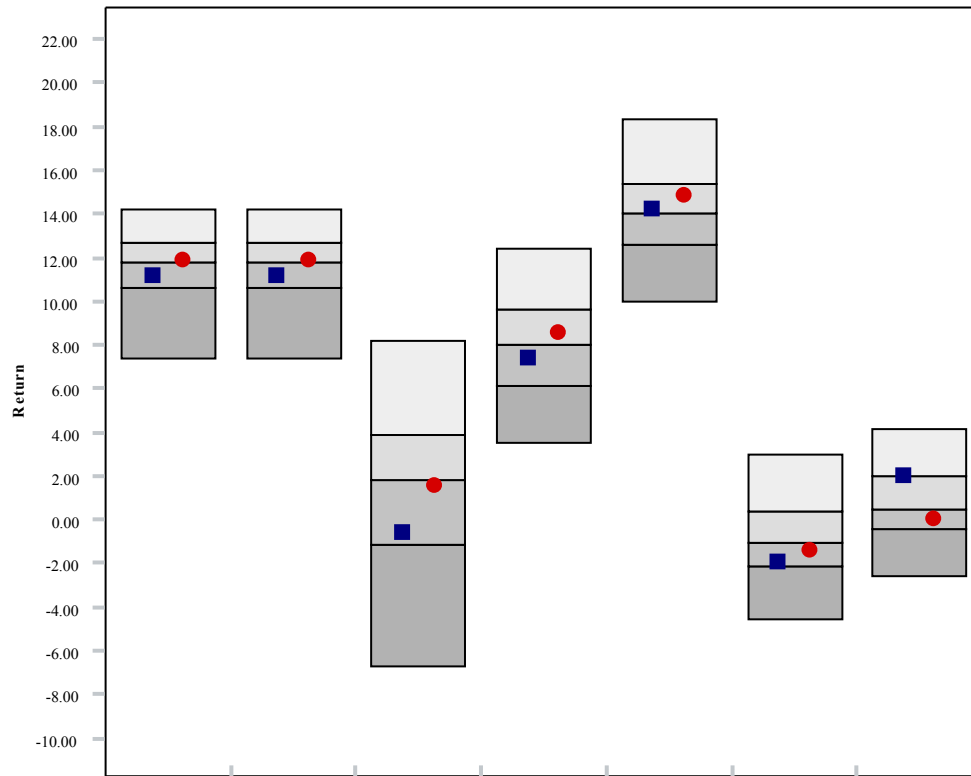
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Equity	5.20	107.25	94.61	3.39	0.65	0.14	1.02	14.84
Total Equity Policy	0.00	100.00	100.00	0.00	N/A	-0.02	1.00	14.40

# Venice Municipal Police Officers' Pension Trust Fund

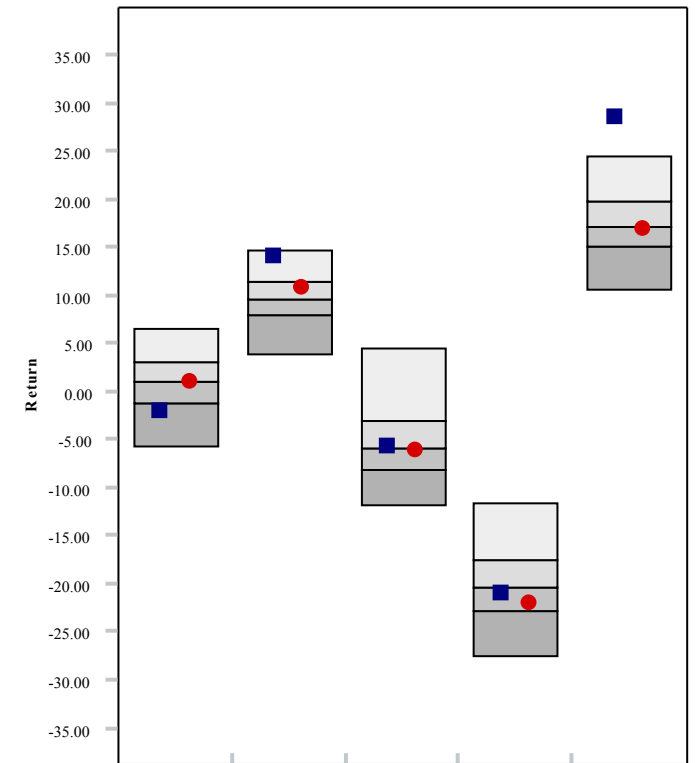
## Bowen Hanes Equity

### December 31, 2011

#### Peer Group Analysis - IM U.S. Large Cap Core Equity (SA+CF)



	1 Quarter	Oct-2011 To Dec-2011	1 Year	2 Years	3 Years	4 Years	5 Years
■ Bowen Hanes Equity	11.12 (69)	11.12 (69)	-0.61 (71)	7.35 (61)	14.16 (46)	-1.92 (71)	2.00 (26)
● Russell 1000 Index	11.84 (49)	11.84 (49)	1.50 (55)	8.55 (41)	14.81 (34)	-1.42 (61)	-0.02 (65)
Median	11.80	11.80	1.78	7.98	14.02	-1.05	0.51



	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008	Oct-2006 To Sep-2007
■ Bowen Hanes Equity	-2.07 (81)	14.02 (9)	-5.84 (50)	-20.99 (56)	28.49 (2)
● Russell 1000 Index	0.91 (53)	10.75 (33)	-6.14 (52)	-22.10 (68)	16.90 (52)
Median	0.97	9.46	-5.90	-20.51	16.98

#### Comparative Performance

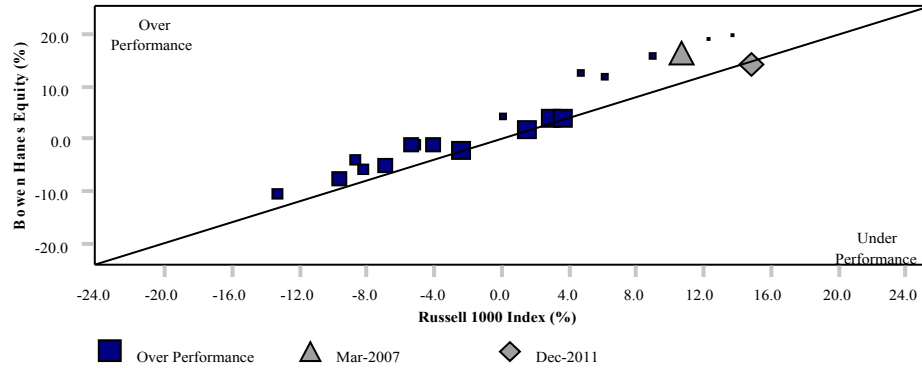
	1 Quarter Ending Sep-2011	1 Quarter Ending Jun-2011	1 Quarter Ending Mar-2011	1 Quarter Ending Dec-2010	1 Quarter Ending Sep-2010	1 Quarter Ending Jun-2010
Bowen Hanes Equity	-17.92 (89)	0.24 (58)	8.73 (6)	9.48 (85)	11.69 (29)	-9.63 (15)
Russell 1000 Index	-14.68 (46)	0.12 (60)	6.24 (52)	11.19 (42)	11.55 (33)	-11.44 (50)
IM U.S. Large Cap Core Equity (SA+CF) Median	-14.89	0.47	6.30	10.91	11.04	-11.48

# Venice Municipal Police Officers' Pension Trust Fund

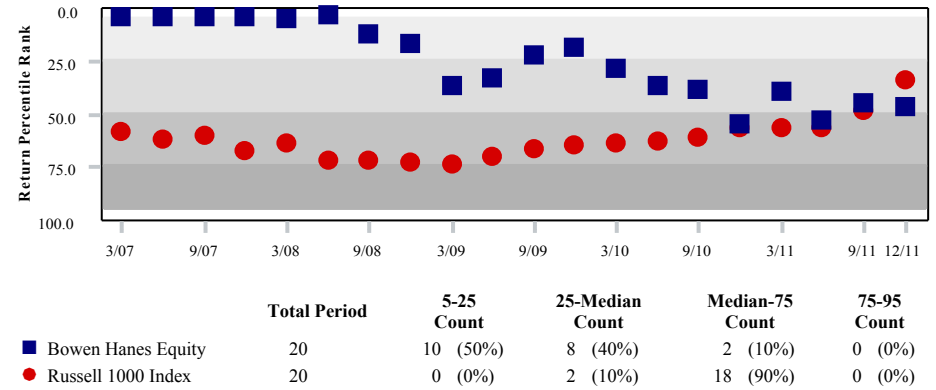
## Bowen Hanes Equity

### December 31, 2011

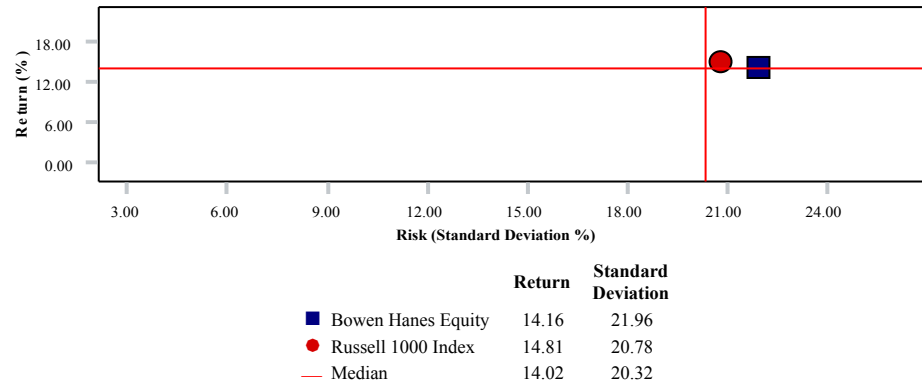
#### 3 Yr Rolling Under/Over Performance - 5 Years



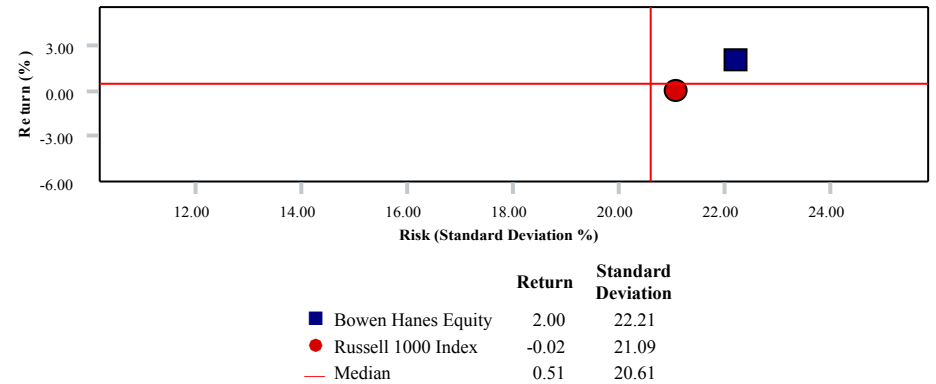
#### 3 Yr Rolling Percentile Ranking - 5 Years



#### Peer Group Scattergram - 3 Years



#### Peer Group Scattergram - 5 Years



#### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Bowen Hanes Equity	4.99	99.75	101.67	-0.49	-0.09	0.77	1.00	12.26
Russell 1000 Index	0.00	100.00	100.00	0.00	N/A	0.82	1.00	11.59

#### Historical Statistics - 5 Years

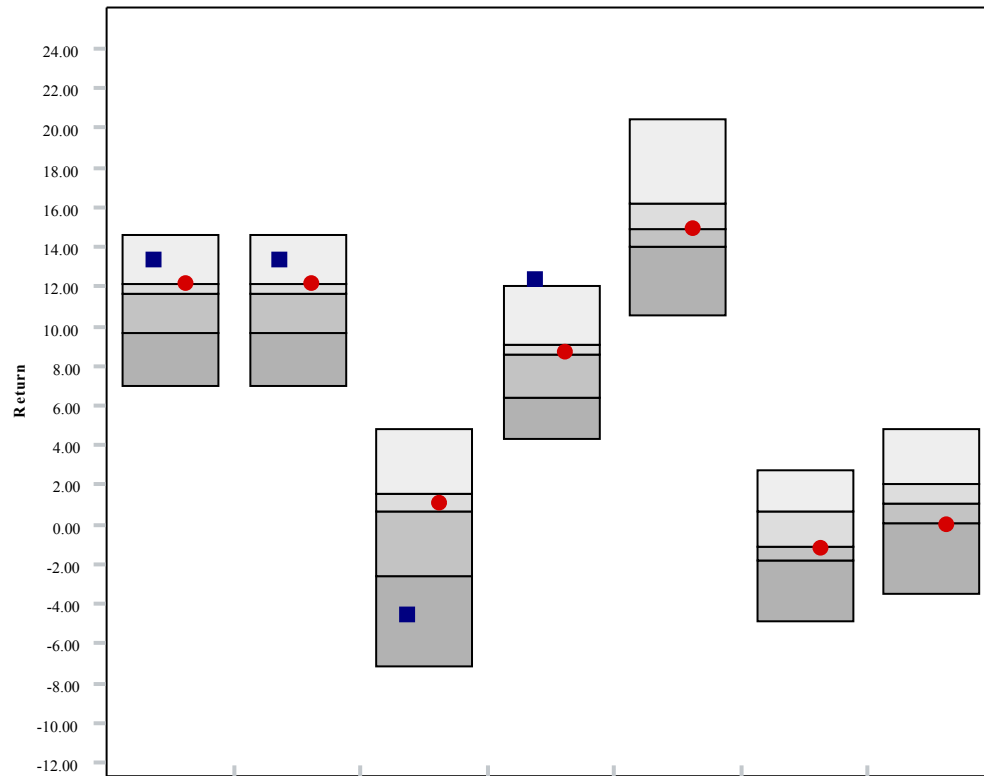
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Bowen Hanes Equity	5.41	103.96	95.65	2.19	0.40	0.13	1.00	14.68
Russell 1000 Index	0.00	100.00	100.00	0.00	N/A	0.02	1.00	14.19

# Venice Municipal Police Officers' Pension Trust Fund

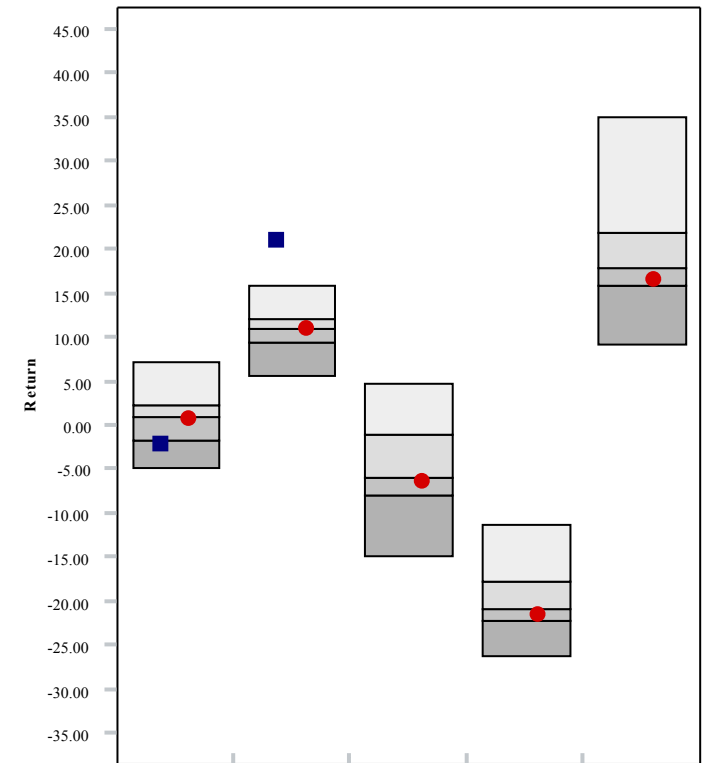
## Rockwood Equity

### December 31, 2011

#### Peer Group Analysis - IM U.S. All Cap Core Equity (SA+CF)



	1 Quarter	Oct-2011 To Dec-2011	1 Year	2 Years	3 Years	4 Years	5 Years
Rockwood Equity	13.32 (12)	13.32 (12)	-4.56 (85)	12.35 (4)	N/A	N/A	N/A
Russell 3000 Index	12.12 (25)	12.12 (25)	1.03 (42)	8.69 (48)	14.88 (51)	-1.26 (63)	-0.01 (79)
Median	11.62	11.62	0.69	8.52	14.93	-1.13	1.09



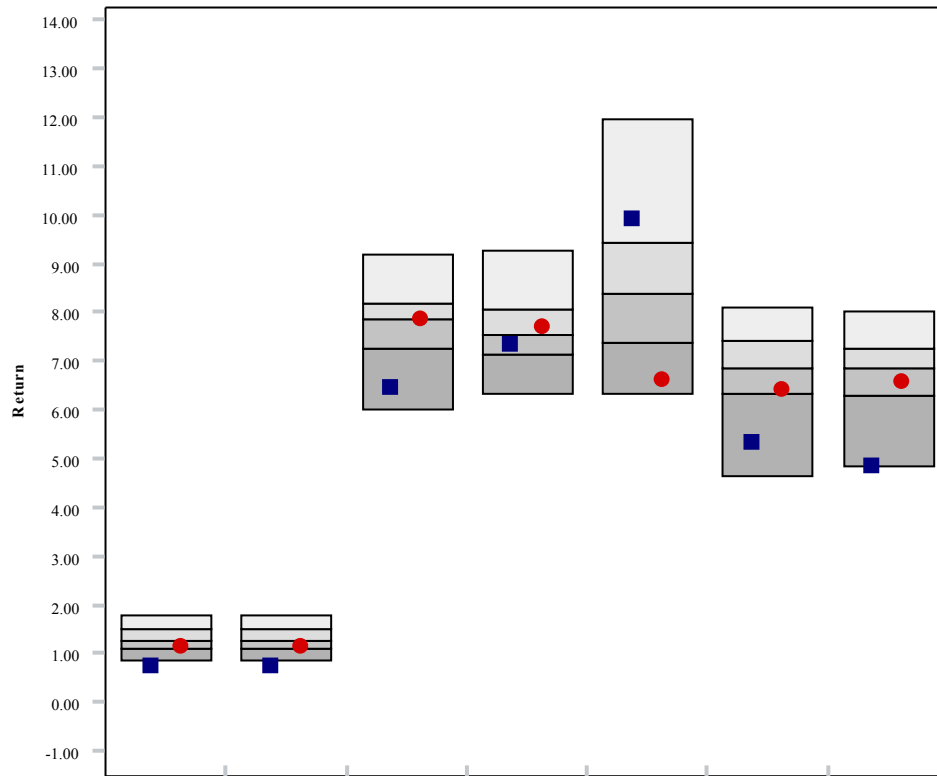
	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008	Oct-2006 To Sep-2007
Rockwood Equity	-2.18 (76)	21.00 (1)	N/A	N/A	N/A
Russell 3000 Index	0.55 (65)	10.96 (49)	-6.42 (59)	-21.52 (65)	16.52 (66)
Median	0.98	10.87	-6.11	-21.03	17.90

#### Comparative Performance

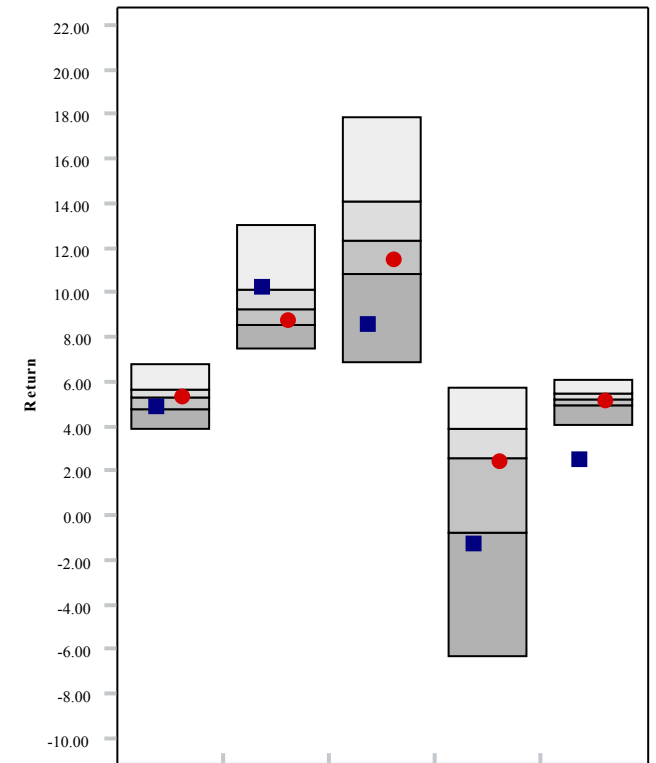
	1 Quarter Ending Sep-2011	1 Quarter Ending Jun-2011	1 Quarter Ending Mar-2011	1 Quarter Ending Dec-2010	1 Quarter Ending Sep-2010	1 Quarter Ending Jun-2010
Rockwood Equity	-22.41 (97)	0.51 (37)	7.99 (33)	16.16 (9)	22.58 (1)	-13.70 (97)
Russell 3000 Index	-15.28 (40)	-0.03 (60)	6.38 (58)	11.59 (58)	11.53 (39)	-11.32 (54)
IM U.S. All Cap Core Equity (SA+CF) Median	-15.78	0.10	6.66	11.82	11.29	-11.30

**Venice Municipal Police Officers' Pension Trust Fund**  
**Total Fixed**  
**December 31, 2011**

**Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)**



	1 Quarter	Oct-2011 To Dec-2011	1 Year	2 Years	3 Years	4 Years	5 Years
■ Total Fixed	0.73 (98)	0.73 (98)	6.44 (91)	7.33 (61)	9.93 (19)	5.32 (92)	4.86 (95)
● Total Fixed Income Policy	1.12 (73)	1.12 (73)	7.84 (51)	7.69 (43)	6.62 (94)	6.39 (74)	6.56 (68)
Median	1.27	1.27	7.85	7.55	8.39	6.87	6.87



	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008	Oct-2006 To Sep-2007
■ Total Fixed	4.80 (75)	10.26 (24)	8.50 (91)	-1.34 (79)	2.48 (100)
● Total Fixed Income Policy	5.26 (49)	8.73 (66)	11.46 (66)	2.41 (52)	5.08 (58)
Median	5.25	9.23	12.33	2.53	5.15

**Comparative Performance**

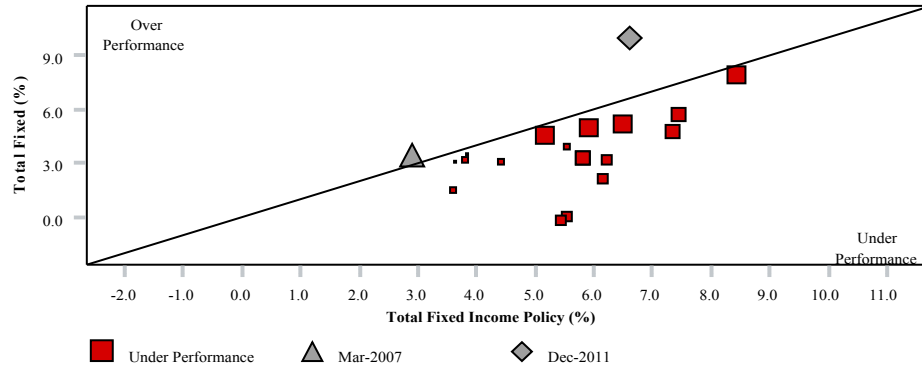
	1 Quarter Ending Sep-2011	1 Quarter Ending Jun-2011	1 Quarter Ending Mar-2011	1 Quarter Ending Dec-2010	1 Quarter Ending Sep-2010	1 Quarter Ending Jun-2010
Total Fixed	2.20 (88)	2.28 (41)	1.09 (19)	-0.82 (27)	3.87 (4)	2.73 (90)
Total Fixed Income Policy	3.82 (26)	2.29 (38)	0.42 (82)	-1.30 (72)	3.28 (17)	3.88 (10)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	3.34	2.24	0.67	-1.12	2.81	3.40

# Venice Municipal Police Officers' Pension Trust Fund

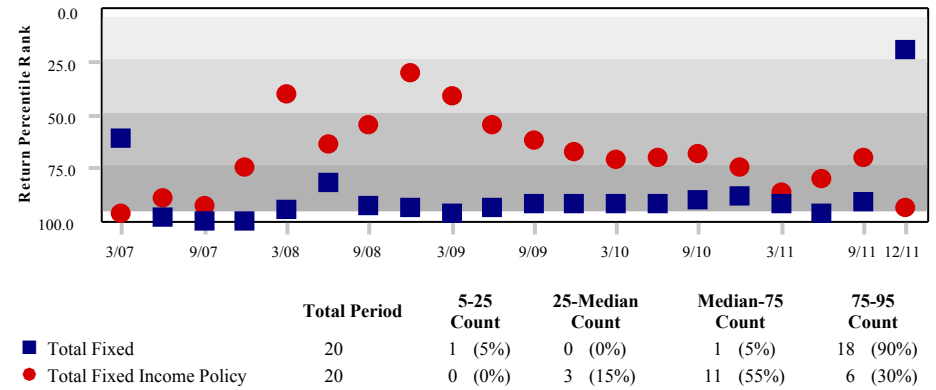
## Total Fixed

### December 31, 2011

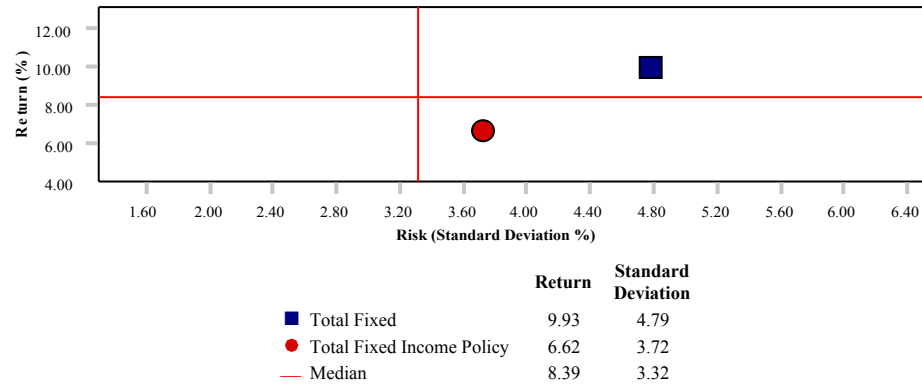
#### 3 Yr Rolling Under/Over Performance - 5 Years



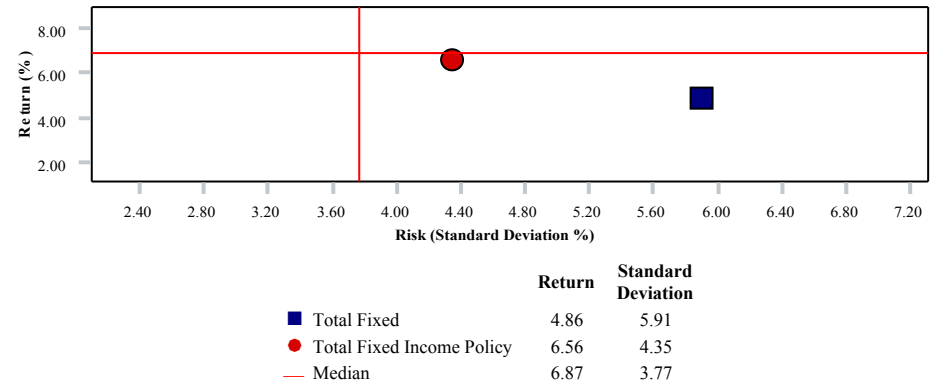
#### 3 Yr Rolling Percentile Ranking - 5 Years



#### Peer Group Scattergram - 3 Years



#### Peer Group Scattergram - 5 Years



#### Historical Statistics - 3 Years

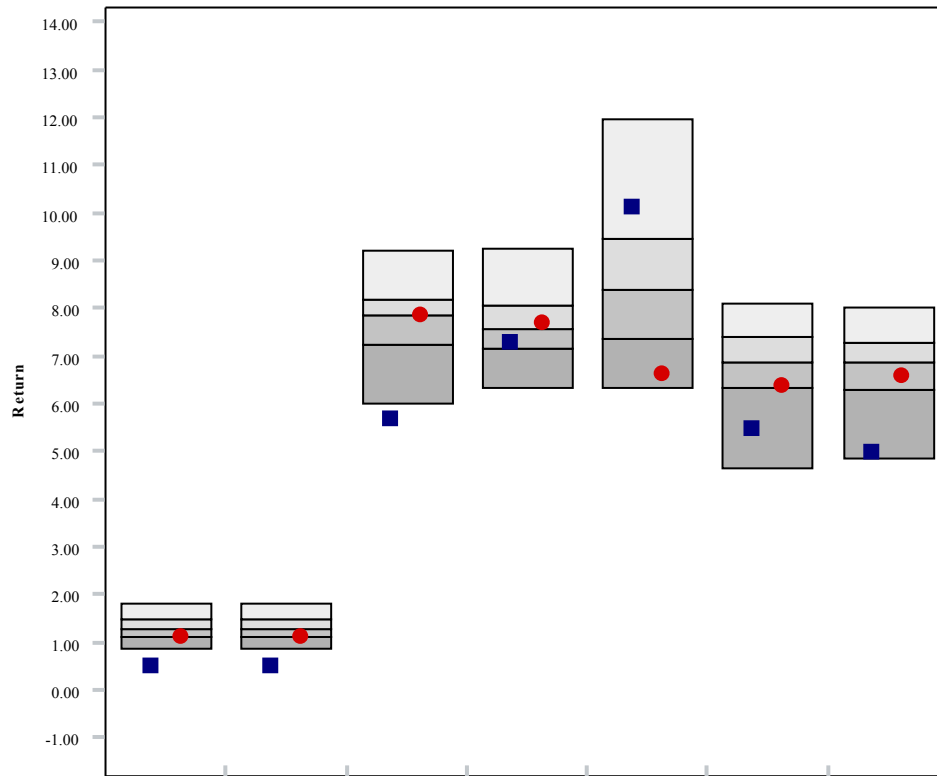
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fixed	3.32	132.36	85.71	4.17	0.94	2.23	0.85	2.16
Total Fixed Income Policy	0.00	100.00	100.00	0.00	N/A	2.00	1.00	1.62

#### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fixed	6.63	108.53	173.22	-3.34	-0.20	0.42	1.32	6.43
Total Fixed Income Policy	0.00	100.00	100.00	0.00	N/A	1.14	1.00	2.14

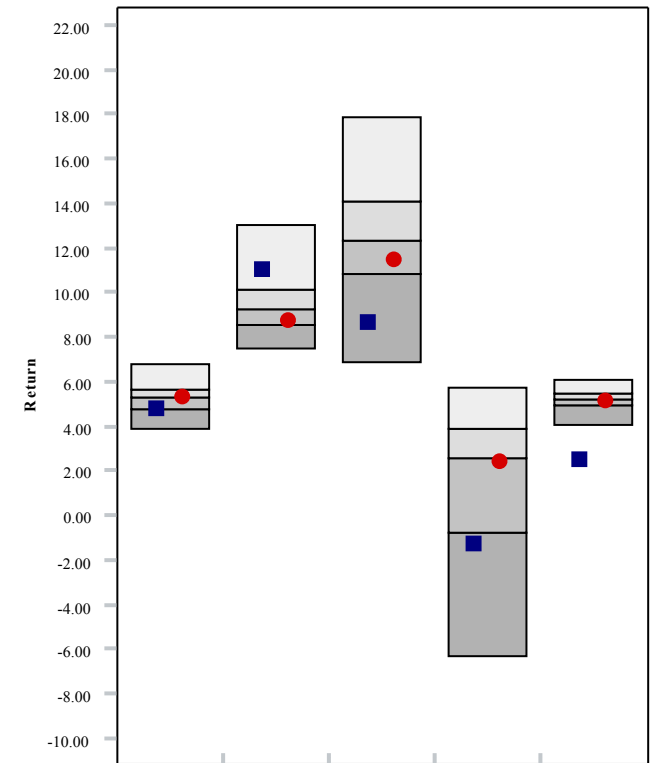
**Venice Municipal Police Officers' Pension Trust Fund**  
**Bowen Hanes Fixed**  
**December 31, 2011**

**Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)**



■ Bowen Hanes Fixed  
 ● Total Fixed Income Policy

Median 1.27 1.27 7.85 7.55 8.39 6.87 6.87



■ Bowen Hanes Fixed  
 ● Total Fixed Income Policy

Median 5.25 9.23 12.33 2.53 5.15

**Comparative Performance**

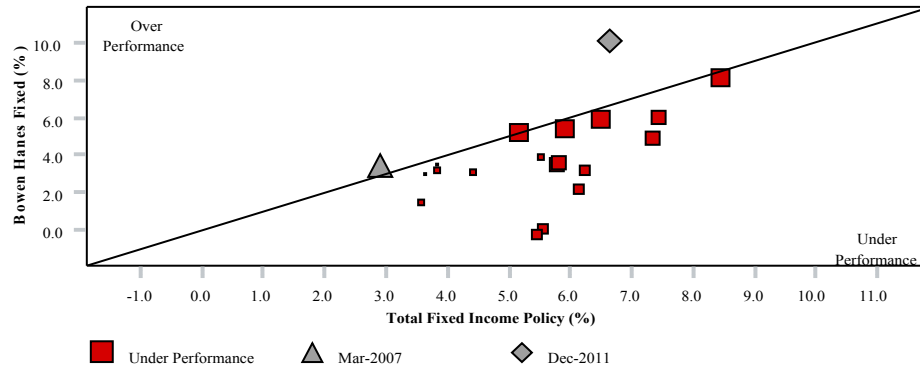
	1 Quarter Ending Sep-2011	1 Quarter Ending Jun-2011	1 Quarter Ending Mar-2011	1 Quarter Ending Dec-2010	1 Quarter Ending Sep-2010	1 Quarter Ending Jun-2010
<b>Bowen Hanes Fixed</b>	1.06 (98)	2.40 (19)	1.62 (5)	-0.42 (8)	4.16 (2)	2.42 (94)
Total Fixed Income Policy	3.82 (26)	2.29 (38)	0.42 (82)	-1.30 (72)	3.28 (17)	3.88 (10)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	3.34	2.24	0.67	-1.12	2.81	3.40

# Venice Municipal Police Officers' Pension Trust Fund

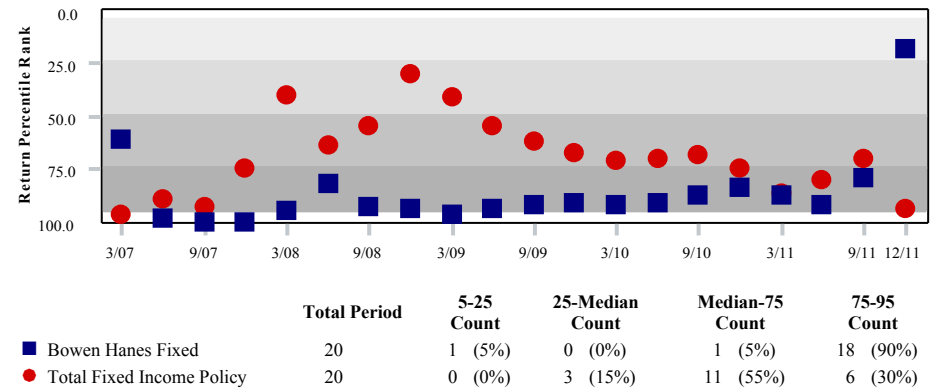
## Bowen Hanes Fixed

### December 31, 2011

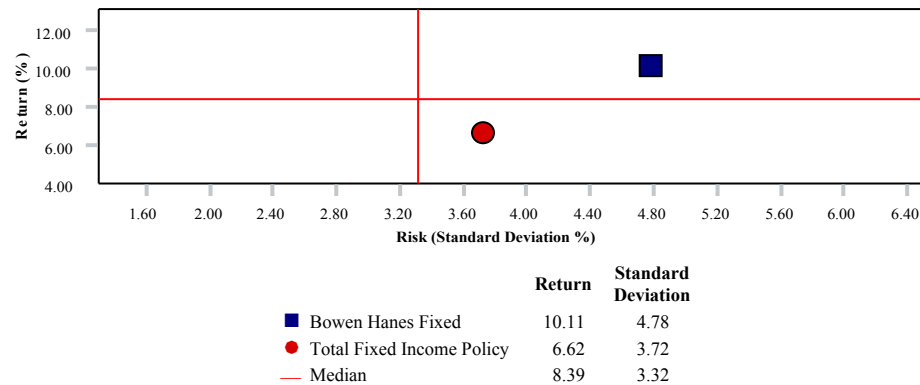
#### 3 Yr Rolling Under/Over Performance - 5 Years



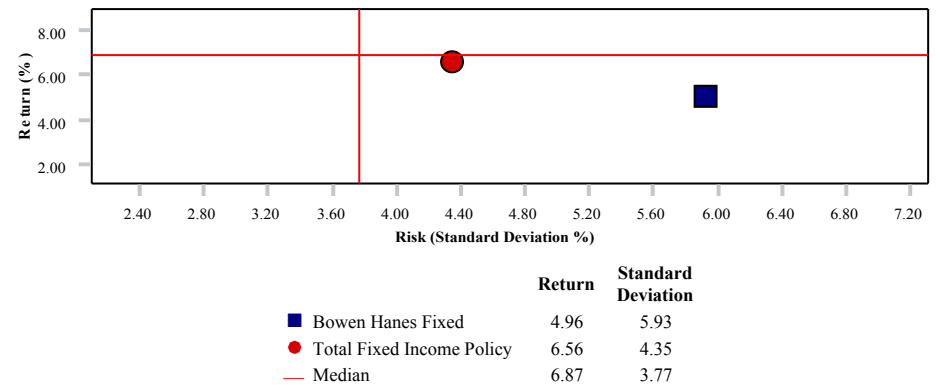
#### 3 Yr Rolling Percentile Ranking - 5 Years



#### Peer Group Scattergram - 3 Years



#### Peer Group Scattergram - 5 Years



#### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Bowen Hanes Fixed	3.61	130.99	72.37	4.98	0.91	2.26	0.76	2.11
Total Fixed Income Policy	0.00	100.00	100.00	0.00	N/A	2.00	1.00	1.62

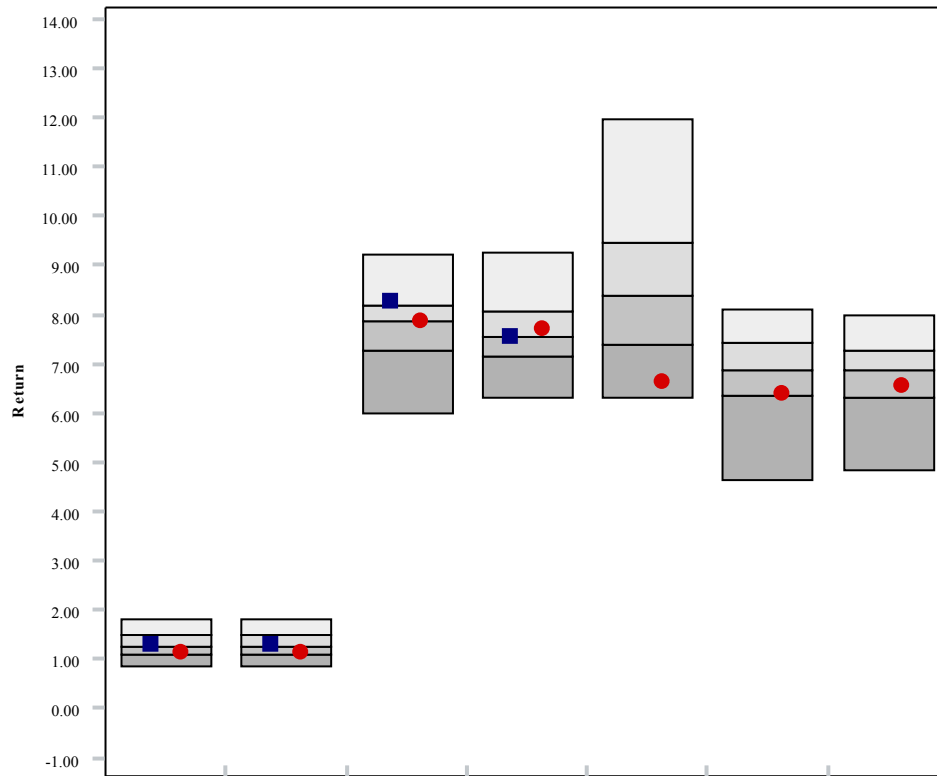
#### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Bowen Hanes Fixed	6.73	107.78	167.23	-3.05	-0.18	0.43	1.29	6.42
Total Fixed Income Policy	0.00	100.00	100.00	0.00	N/A	1.14	1.00	2.14

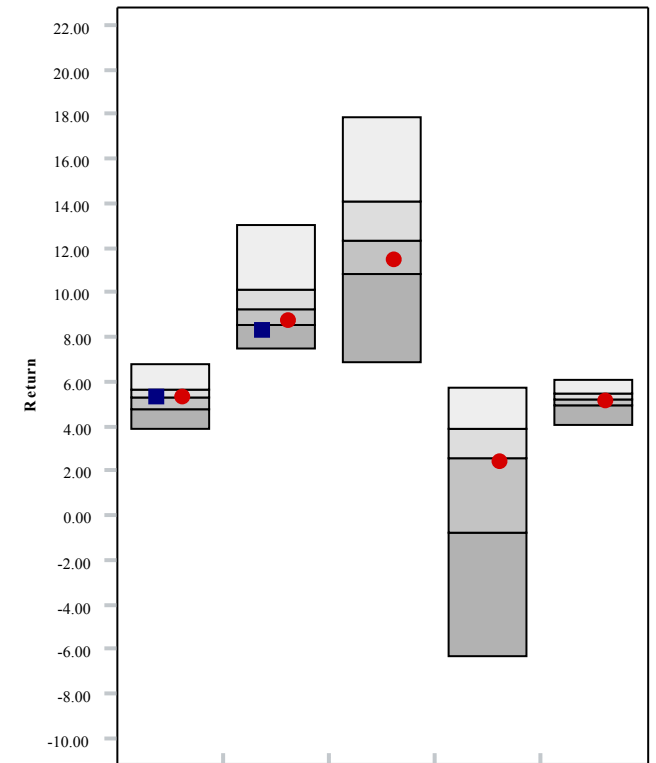


**Venice Municipal Police Officers' Pension Trust Fund**  
**Rockwood Fixed**  
**December 31, 2011**

**Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)**



	1 Quarter	Oct-2011 To Dec-2011	1 Year	2 Years	3 Years	4 Years	5 Years
■ Rockwood Fixed	1.31 (45)	1.31 (45)	8.26 (22)	7.56 (50)	N/A	N/A	N/A
● Total Fixed Income Policy	1.12 (73)	1.12 (73)	7.84 (51)	7.69 (43)	6.62 (94)	6.39 (74)	6.56 (68)
Median	1.27	1.27	7.85	7.55	8.39	6.87	6.87



	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008	Oct-2006 To Sep-2007
■ Rockwood Fixed	5.25 (51)	8.28 (83)	N/A	N/A	N/A
● Total Fixed Income Policy	5.26 (49)	8.73 (66)	11.46 (66)	2.41 (52)	5.08 (58)
Median	5.25	9.23	12.33	2.53	5.15

**Comparative Performance**

	1 Quarter Ending Sep-2011	1 Quarter Ending Jun-2011	1 Quarter Ending Mar-2011	1 Quarter Ending Dec-2010	1 Quarter Ending Sep-2010	1 Quarter Ending Jun-2010
Rockwood Fixed	4.65 (7)	2.05 (81)	0.06 (100)	-1.51 (87)	3.18 (21)	3.40 (52)
Total Fixed Income Policy	3.82 (26)	2.29 (38)	0.42 (82)	-1.30 (72)	3.28 (17)	3.88 (10)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	3.34	2.24	0.67	-1.12	2.81	3.40

# Venice Municipal Police Officers' Pension Trust Fund

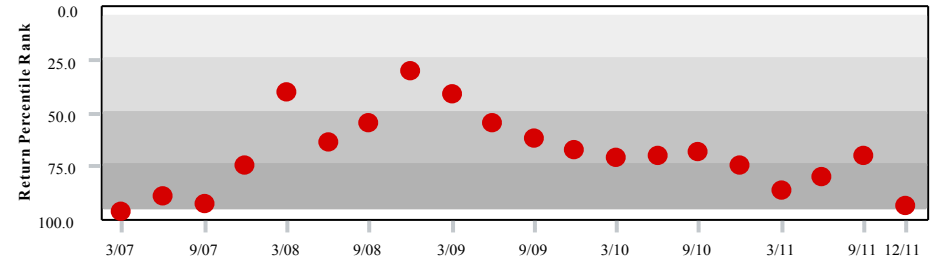
## Rockwood Fixed

### December 31, 2011

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

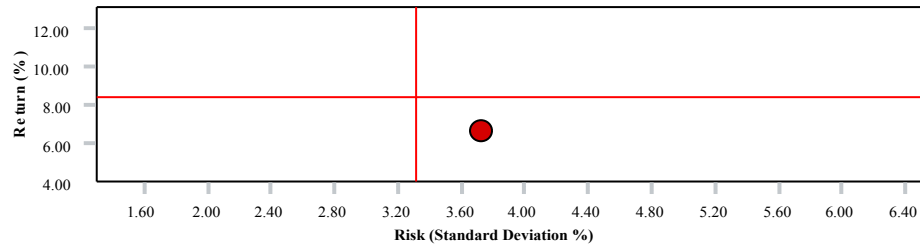
No data found.

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



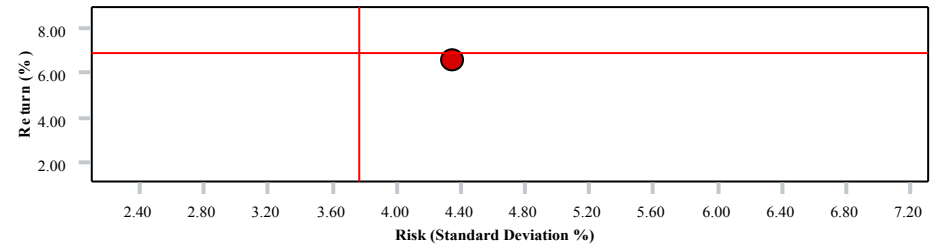
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Rockwood Fixed	-2	0	0	0	0
Total Fixed Income Policy	20	0 (0%)	3 (15%)	11 (55%)	6 (30%)

#### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Rockwood Fixed	N/A	N/A
Total Fixed Income Policy	6.62	3.72
Median	8.39	3.32

#### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Rockwood Fixed	N/A	N/A
Total Fixed Income Policy	6.56	4.35
Median	6.87	3.77

#### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Rockwood Fixed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Fixed Income Policy	0.00	100.00	100.00	0.00	N/A	2.00	1.00	1.62

#### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Rockwood Fixed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Fixed Income Policy	0.00	100.00	100.00	0.00	N/A	1.14	1.00	2.14

# City of Venice Municipal Police Officers' Pension Trust Fund

## Compliance Checklist as of 12/31/2011

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 period.		✓	
2. The Total Plan return equaled or exceeded the total plan benchmark over the trailing three year period.	✓		
3. The Total Plan return equaled or exceeded the total plan benchmark over the trailing five year period.	✓		
4. The Total Plan return ranked within the top 40th percentile of its peer group over the trailing three year period.	✓		
5. The Total Plan return ranked within the top 40th percentile of its peer group over the trailing five year period.	✓		
6. The Total Plan return equaled or exceeded CPI + 3% over the trailing three and five year period.		✓	

Equity Compliance:	Yes	No	N/A
1. Total domestic equity returns meet or exceed the benchmark over the trailing three and five year periods.	✓		
2. Total domestic equity returns ranked within the top 40th percentile of its peer group over the trailing three year period.	✓		
3. Total domestic equity returns ranked within the top 40th percentile of its peer group over the trailing five year period.	✓		
4. The total equity allocation was less than 70% of the total plan assets at market.	✓		
6. The total equity allocation was less than 65% of the total plan assets at cost.	✓		
7. Total foreign equity was less than 25% of the total plan assets at market.	✓		

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

Manager Compliance:	BH-EQ			BH-FX			Rockwood E			Rockwood F					
	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 40th percentile over trailing three year period.		✓		✓					✓			✓			
3. Manager ranked within the top 40th percentile over trailing five year period.	✓				✓				✓			✓			
4. Less than four consecutive quarters of under performance relative to the benchmark.	✓			✓			✓			✓					
5. Three and five year down-market capture ratio less than the index.		✓			✓				✓			✓			
6. Manager reports compliance with PFIA.	✓			✓			✓			✓					

**Venice Municipal Police Officers' Pension Trust Fund**  
**Total Fund Policy**  
**As of December 31, 2011**

<b>Allocation Mandate</b>	<b>Weight (%)</b>	<b>Allocation Mandate</b>	<b>Weight (%)</b>
<b>Aug-1986</b>		<b>Apr-1995</b>	
Citigroup 3 Month T-Bill	55.00	Russell 1000 Index	65.00
Russell 1000 Index	45.00	Barclays Capital U.S. Government/Credit	25.00
		Citigroup 3 Month T-Bill	10.00
<b>Jan-1988</b>		<b>Jul-1996</b>	
Russell 1000 Index	50.00	Russell 1000 Index	70.00
Barclays Capital U.S. Government/Credit	45.00	Barclays Capital U.S. Government/Credit	25.00
Citigroup 3 Month T-Bill	5.00	Citigroup 3 Month T-Bill	5.00
<b>Jul-1989</b>		<b>Jan-1999</b>	
Russell 1000 Index	55.00	Russell 1000 Index	60.00
Barclays Capital U.S. Government/Credit	40.00	Barclays Capital U.S. Government/Credit	35.00
Citigroup 3 Month T-Bill	5.00	Citigroup 3 Month T-Bill	5.00
<b>Jul-1990</b>		<b>Apr-2000</b>	
Russell 1000 Index	60.00	Russell 1000 Index	65.00
Barclays Capital U.S. Government/Credit	35.00	Barclays Capital U.S. Government/Credit	30.00
Citigroup 3 Month T-Bill	5.00	Citigroup 3 Month T-Bill	5.00
<b>Jul-1991</b>		<b>Oct-2010</b>	
Russell 1000 Index	55.00	Russell 3000 Index	50.00
Barclays Capital U.S. Government/Credit	20.00	MSCI AC World ex USA	15.00
Citigroup 3 Month T-Bill	25.00	Barclays Capital Aggregate	35.00
<b>Jan-1993</b>			
Russell 1000 Index	45.00		
Barclays Capital U.S. Government/Credit	15.00		
Citigroup 3 Month T-Bill	40.00		
<b>Apr-1994</b>			
Russell 1000 Index	50.00		
Barclays Capital U.S. Government/Credit	35.00		
Citigroup 3 Month T-Bill	15.00		

**Venice Municipal Police Officers' Pension Trust Fund**  
**Benchmark History**  
**As of December 31,2011**

**Total Rockwood Policy**

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

**Total Fixed Income Policy**

<b>Allocation Mandate</b>	<b>Weight (%)</b>
<b>Mar-1988</b>	
Barclays Capital U.S. Government/Credit	100.00
<b>Oct-2010</b>	
Barclays Capital Aggregate	100.00

**Total Equity Policy**

<b>Allocation Mandate</b>	<b>Weight (%)</b>
<b>Aug-1986</b>	
Russell 1000 Index	100.00
<b>Oct-2010</b>	
Russell 3000 Index	77.00
MSCI AC World ex USA	23.00

## 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.







**Chicago**  
4320 Winfield Road, Suite 200  
Warrenville, Illinois 60555

**Dallas**  
15770 Dallas Parkway, Suite 250  
Dallas, Texas 75248



**Orlando**  
4901 Vineland Road, Suite 600  
Orlando, Florida 32811  
866.240.7932

**Milwaukee**  
250 E. Wisconsin Ave, Suite 1800  
Milwaukee, Wisconsin 53202

**Cleveland**  
6133 Rockside Road  
Rockside Square II, Suite 303  
Independence, Ohio 44131