

City of Venice Municipal Police Officers' Pension Trust Fund

Investment Performance Review
March 31, 2012



THE
**BOGDAHN
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simplifying your investment and fiduciary decisions

1st Quarter 2012 Market Environment

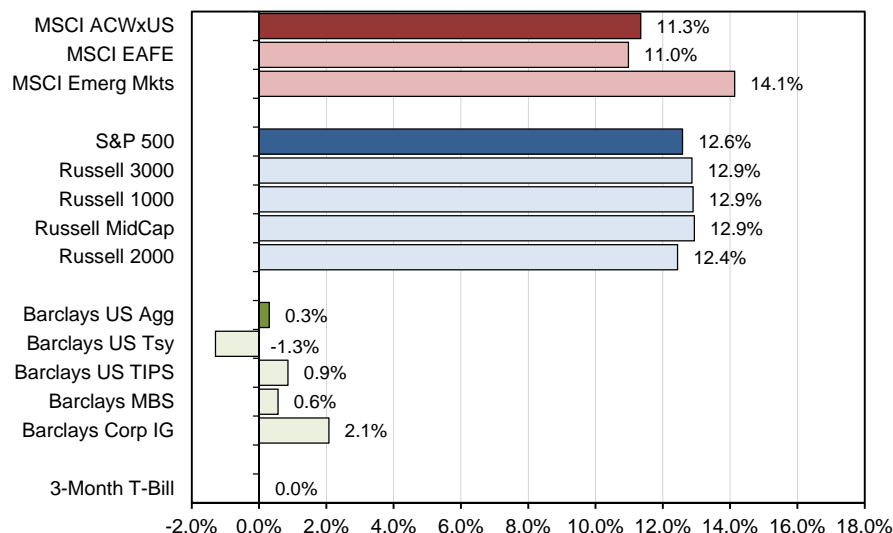
The Market Environment

Major Market Index Performance

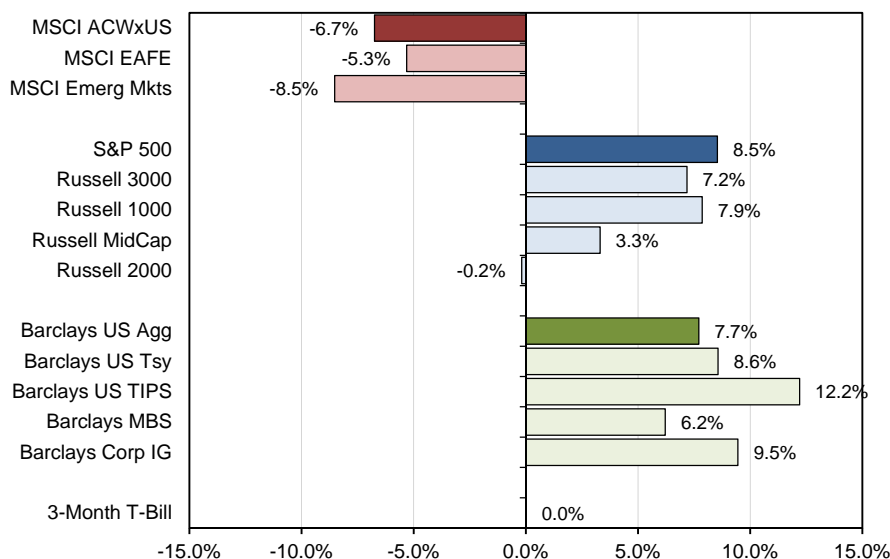
Period Ended: March 31, 2012

- For the second consecutive quarter, the capital markets generated positive results. Both domestic and non-US equity markets had double-digit gains, results were mixed in the fixed income markets. While there were signs of improvement in the U.S. economy in several of the monthly data points, which helped investor sentiment (unemployment claims, retail sales, non-farm payrolls), uncertainty remains both domestically and abroad (i.e., Europe debt, China). However, as was the case in Q4, market sentiment appeared to improve with additional government intervention (i.e., Greece bailout, the European Central Bank (ECB) Long Term Refinancing Operation (LTRO) auction to help Eurozone banks shore up their balance sheets by offering low interest rate loans). Several investment managers we have talked to believe the US economy will continue to “muddle” along, for most of 2012, with moderate GDP growth in the low 2% range.
- On the heels of a strong Q4, the equity markets continued the rally during Q1. The S&P 500 Index, a proxy for large cap stocks, returned +12.6% for the quarter. In the last three years since the end of the ‘financial crisis’, the S&P 500 has generated a positive return in 10 of the 12 quarters. Combining the performance over the last two quarters, the index has returned +25.9%. This six month return for the index is the best Q4 and Q1 performance since 4Q98 and 1Q99, and the best overall six-month return since the rebound in the second and third quarters in 2009 (+34.0%).
- International equity performance was strong for the quarter with the MSCI-ACWxUS Index returning +11.3% in U.S. Dollars (USD). Developed markets, represented by the MSCI-EAFE Index, returned a slightly lower +11.0% for the quarter and the MSCI-EM (emerging markets) Index posted the strongest equity returns of 14.1%. In general, the USD depreciated across the board (especially versus EM currencies), favorably affecting US investor assets overseas.
- The various sectors of the domestic bond market posted returns that were generally positive. However, the Barclay U.S. Treasury Index returned -1.3%. The decline negated much of the strong performance from the credit sector (+2.1% QTD) leading to the broad market Barclays US Aggregate index posting a tepid 0.3% return for the quarter.

Quarter Performance



1-Year Performance



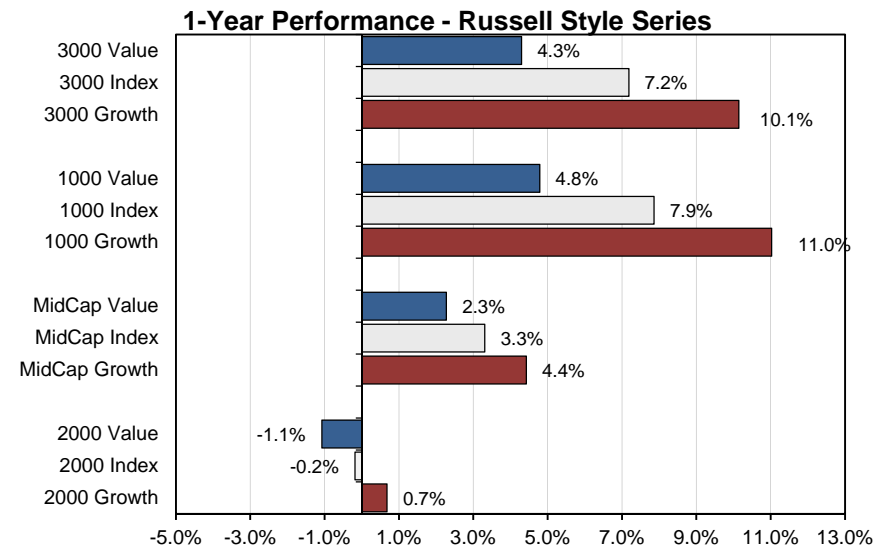
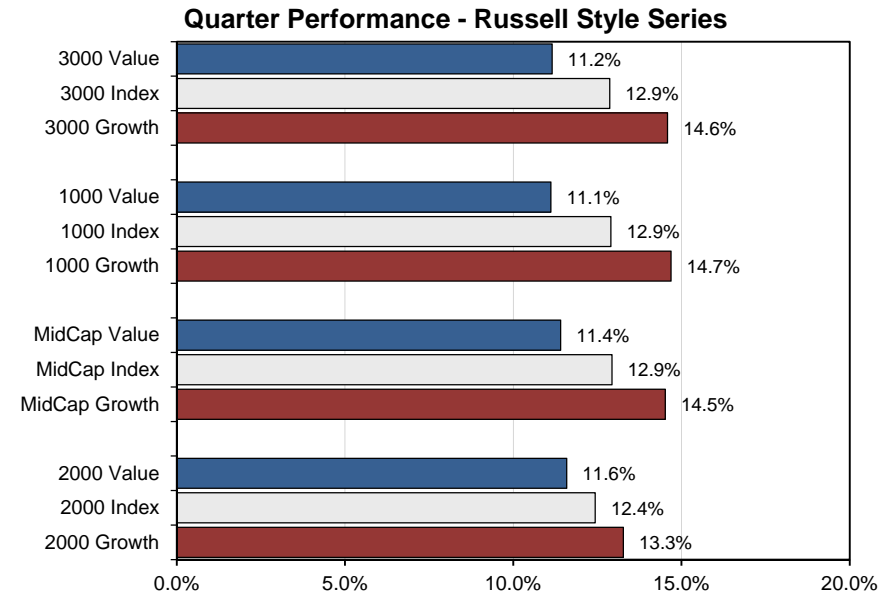
Source: Morningstar Direct

The Market Environment

Domestic Equity Style Index Performance

Period Ended: March 31, 2012

- The style-based indices continued to generate double-digit gains during the first quarter. In a reversal of last quarter, the growth-based index results outperformed value-based index returns at all capitalization levels for the quarter. The dispersion between the style indexes was greater with the large capitalization indexes (360 basis points) compared to the 170 basis points (bps) dispersion in the small cap indexes.
- Apple was a significant holding in the S&P 500, Russell 1000, Russell 1000 Growth, Russell 3000, and the Russell 3000 Growth indexes. While the average weight in the Russell 1000 Index was 'only' 3.3%, Apple represented 6.6% of the Russell 1000 Growth Index. Combining Apple's size in the large cap core and growth indexes with the stock's +48% return during the quarter results in a large contribution to each of the aforementioned index's total returns. For example, Apple contributed 275 bps to the Russell 1000 Growth Index or 18.75% of the total quarterly performance.
- In general, the top performing sectors across the various capitalizations and styles were Information Technology, Consumer Discretionary, and Financials. Information Technology, which returned +23.7%, accounted for approximately 30% of the Russell 1000 Growth Index. In the Russell 1000 Value Index, the Financials sector returned +21.4% and Bank of America, with a quarterly return of +72.3%, was a large contributor (32 bps). The Consumer Discretionary sector, which represents 14.4% in the Russell 1000 Growth Index and 9.3% in the Russell 1000 Value Index, returned +16.8% and +16.4%, respectively. This was led by strong economic data and improved consumer confidence.
- The one-year performance results also show growth outpacing value for all capitalization levels. Again, this is more pronounced at the larger end of the capitalization spectrum. Although Financials had a strong quarter to start 2012, performance in the last three quarters of 2011 was not enough to close the gap with the Russell 1000 Growth Index. The Russell 2000 Value Index and the Russell 2000 Index were the only negative style indices for the year. A significant contributor to the negative one-year performance for the Russell 2000 Value Index was Energy. Even though the average exposure during the year was approximately 6%, the -22% return cost 180 bps from the total return.

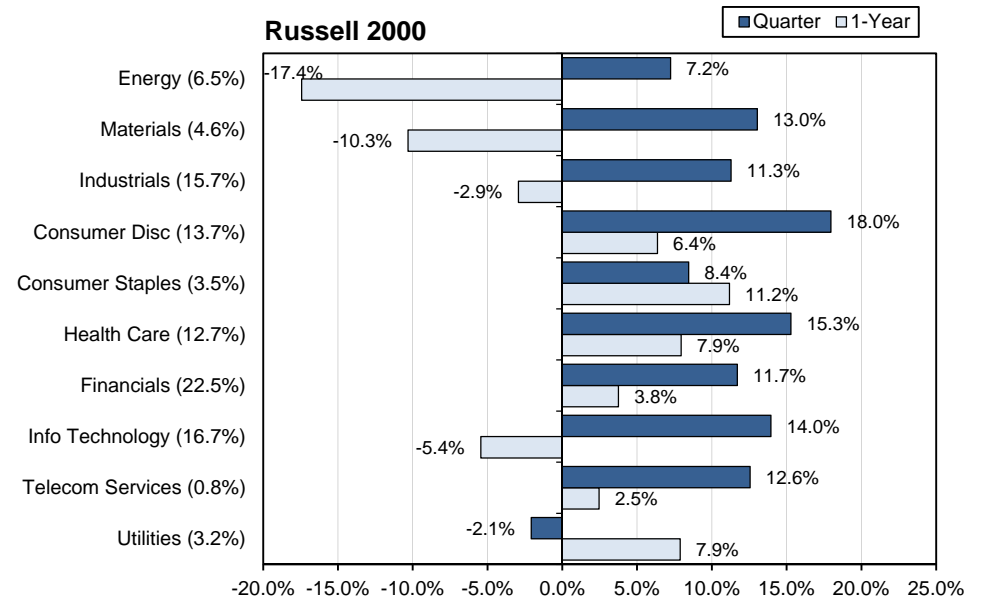
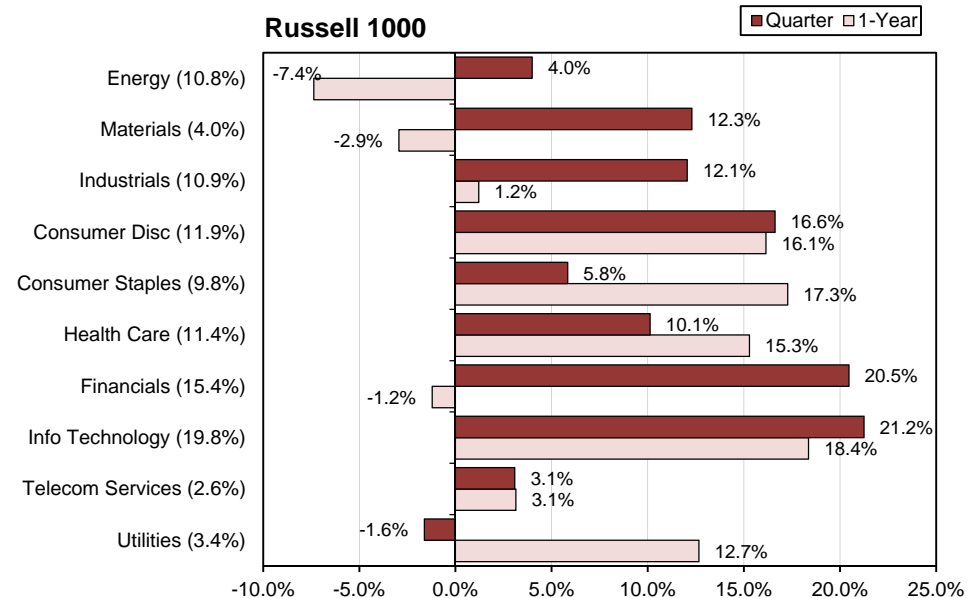


The Market Environment

GICS Sector Performance & (Quarter Average Sector Weight)

Period Ended: March 31, 2012

- In the Russell 1000 Index, six of the ten GICS sectors posted double-digit returns for the quarter. Excluding Energy, the more cyclical sectors like Information Technology (+21.2%), Financials (+20.5%), and Consumer Discretionary (+16.6%) outperformed. The top two contributors from a sector perspective were Information Technology (390 bps) and Financials (293 bps). Utilities was the only sector that was negative during quarter. For the second consecutive quarter, Utilities trailed the other sectors as investors looked beyond the defensive sector for returns. The top performing company in the Financials sector was Bank of America, which returned +72.3% and contributed 41 bps to the index quarterly return. Apple, the largest holding in the Russell 1000 Index, returned +48% and was the top performing constituent in the Information Technology sector. From a contribution perspective, Apple's quarterly performance added 159 bps to the index, which accounted for 12.4% of the index's total return.
- For the trailing twelve month period, seven of the ten sectors were positive; only the Energy, Materials, and Financials sectors had a negative one-year return. For Financials, two consecutive quarters of positive performance has nearly erased the sector's difficulties during the second and third quarter of 2011.
- Similar to the sector performance in the Russell 1000 Index, every sector in the Russell 2000 Index was positive during the quarter except for Utilities (-2.1%). Dispersion in performance among the sectors was wide, but not as large as in the Russell 1000 Index (201 bps compared 228 bps). The top performing sector was Consumer Discretionary (+18%).
- Only six sectors in the Russell 2000 Index managed to post positive returns for trailing one-year period. The sectors that have underperformed are considered cyclical and have not been able to rebound from the difficult performance periods in 2011 when the 'risk-off' sentiment prevailed and investors sold out of these sectors.



The Market Environment

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

Period Ended: March 31, 2012

| Russell 1000 | Symbol | Weight | Return | Sector |
|---------------------|--------|--------|--------|------------------------|
| Apple Inc | AAPL | 3.32% | 48.0% | Information Technology |
| Exxon Mobil Corp | XOM | 3.06% | 2.9% | Energy |
| IBM | IBM | 1.70% | 13.9% | Information Technology |
| Microsoft Corp | MSFT | 1.63% | 25.1% | Information Technology |
| Chevron Corp | CVX | 1.56% | 1.6% | Energy |
| General Electric Co | GE | 1.47% | 13.0% | Industrials |
| Procter & Gamble Co | PG | 1.33% | 1.6% | Consumer Staples |
| AT&T INC | T | 1.31% | 4.8% | Telecomm Service |
| Johnson & Johnson | JNJ | 1.29% | 1.5% | Health Care |
| Pfizer Inc | PFE | 1.23% | 5.8% | Health Care |

Top 10 Performing Stocks

| Russell 1000 | Symbol | Weight | Return | Sector |
|---------------------------------|--------|--------|--------|------------------------|
| Amylin Pharmaceuticals Inc | AMLN | 0.01% | 119.3% | Health Care |
| Regeneron Pharmaceuticals Inc | REGN | 0.05% | 110.4% | Health Care |
| Sears Holdings Corp | SHLD | 0.02% | 108.5% | Consumer Discretionary |
| Cobalt International Energy Inc | CIE | 0.02% | 93.5% | Energy |
| Lender Processing Services Inc | LPS | 0.01% | 73.3% | Information Technology |
| Illumina Inc | ILMN | 0.04% | 72.6% | Health Care |
| Bank Of America Corp | BAC | 0.57% | 72.3% | Financials |
| Skyworks Solutions Inc | SWKS | 0.03% | 70.5% | Information Technology |
| Terex Corp | TEX | 0.02% | 66.5% | Industrials |
| Fossil Inc | FOSL | 0.04% | 66.3% | Consumer Discretionary |

Bottom 10 Performing Stocks

| Russell 1000 | Symbol | Weight | Return | Sector |
|-----------------------------|--------|--------|--------|------------------------|
| Education Management Corp | EDMC | 0.01% | -51.1% | Consumer Discretionary |
| Exco Resources Inc | XCO | 0.01% | -36.2% | Energy |
| Radioshack Corp | RSH | 0.01% | -34.7% | Consumer Discretionary |
| Webmd Health Corp | WBMD | 0.01% | -31.9% | Information Technology |
| AMR Corp | 18674 | 0.00% | -31.4% | Industrials |
| Supervalu Inc | SVU | 0.01% | -28.7% | Consumer Staples |
| Apollo Group Inc | APOL | 0.04% | -28.3% | Consumer Discretionary |
| First Solar Inc | FSLR | 0.02% | -25.8% | Information Technology |
| Arch Coal Inc | ACI | 0.02% | -25.6% | Energy |
| Alpha Natural Resources Inc | ANR | 0.03% | -25.6% | Energy |

| Russell 2000 | Symbol | Weight | Return | Sector |
|---------------------------------|--------|--------|--------|------------------------|
| World Fuel Services Corp | INT | 0.26% | -2.2% | Energy |
| Clean Harbors Inc | CLH | 0.26% | 5.6% | Industrials |
| Parametric Technology Corp | PMTC | 0.25% | 53.0% | Information Technology |
| Nu Skin Enterprises Inc | NUS | 0.25% | 19.7% | Consumer Staples |
| Jack Henry & Associates Inc | JKHY | 0.25% | 1.9% | Information Technology |
| American Campus Communities Inc | ACC | 0.24% | 7.4% | Financials |
| Biomed Realty Trust Inc | BMR | 0.24% | 6.2% | Financials |
| Salix Pharmaceuticals Ltd | SLXP | 0.24% | 9.7% | Health Care |
| Signature Bank | SBNY | 0.24% | 5.1% | Financials |
| Home Properties Inc | HME | 0.24% | 7.2% | Financials |

Top 10 Performing Stocks

| Russell 2000 | Symbol | Weight | Return | Sector |
|-----------------------------|----------|--------|--------|------------------------|
| Bon-Ton Stores Inc | BONT | 0.01% | 178.6% | Consumer Discretionary |
| Alimera Sciences Inc | ALIM | 0.00% | 170.4% | Health Care |
| Orexigen Therapeutics Inc | OREX | 0.01% | 154.7% | Health Care |
| Sunesis Pharmaceuticals Inc | SNSS | 0.00% | 145.3% | Health Care |
| Inhibitex Inc | 11032578 | 0.06% | 137.7% | Health Care |
| Vivus Inc | VVUS | 0.12% | 129.3% | Health Care |
| Towerstream Corp | TWER | 0.01% | 126.2% | Telecomm Service |
| Builders Firstsource Inc | BLDR | 0.01% | 107.4% | Industrials |
| Avi Biopharma Inc | AVII | 0.01% | 106.7% | Health Care |
| Smith Micro Software Inc | SMSI | 0.01% | 106.2% | Information Technology |

Bottom 10 Performing Stocks

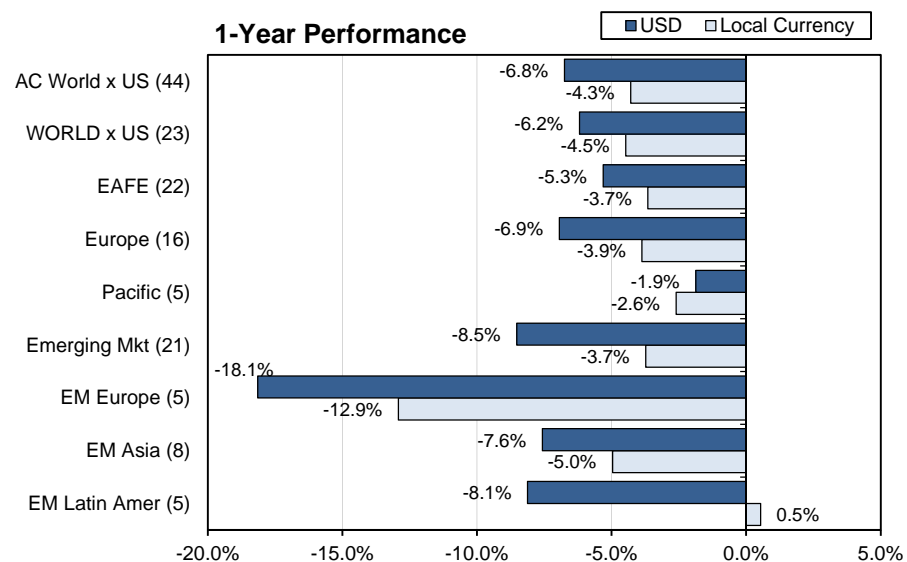
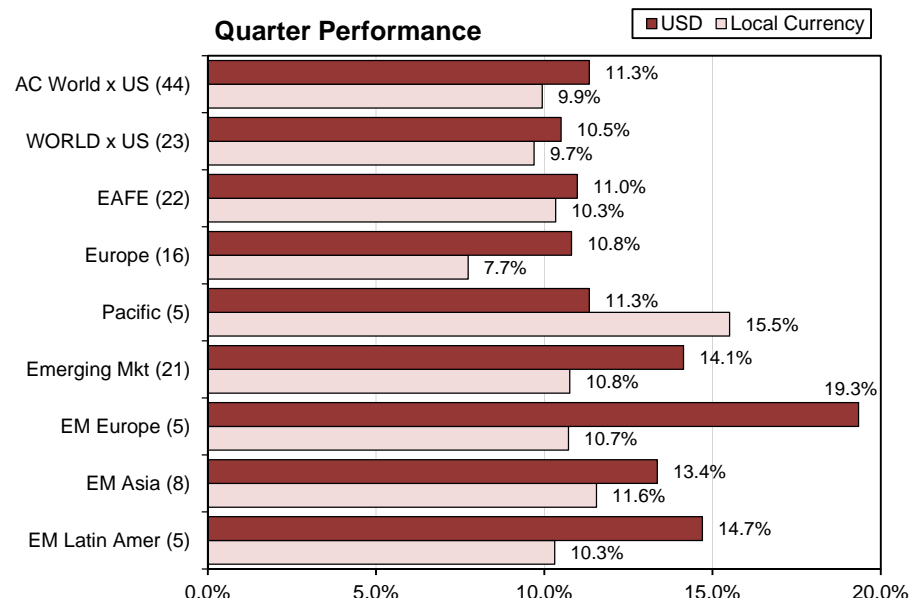
| Russell 2000 | Symbol | Weight | Return | Sector |
|--|--------|--------|--------|------------------------|
| Dynegy Inc | DYN | 0.01% | -79.8% | Utilities |
| Columbia Laboratories Inc | CBRX | 0.01% | -71.6% | Health Care |
| Anthera Pharmaceuticals Inc | ANTH | 0.01% | -64.0% | Health Care |
| Houston American Energy Corp | HUSA | 0.01% | -57.2% | Energy |
| Amyris Inc | AMRS | 0.01% | -55.1% | Energy |
| Chelsea Therapeutics International Ltd | CHTP | 0.02% | -50.1% | Health Care |
| Peregrine Pharmaceuticals Inc | PPHM | 0.01% | -47.6% | Health Care |
| Hyperdynamics Corp | HDY | 0.03% | -47.3% | Energy |
| Zeltiq Aesthetics Inc | ZLTQ | 0.01% | -45.7% | Health Care |
| NCI Inc | NCIT | 0.00% | -45.2% | Information Technology |

The Market Environment

International and Regional Market Index Performance (Country Count)

Period Ended: March 31, 2012

- All of the non-US regional benchmarks posted double-digit returns for the first quarter in USD terms. Emerging Europe was the strongest region as it rebounded from a significantly negative 2011—in particular, Germany and Belgium recorded returns of +21% and +19%, respectively. Spain was the only negative-returning country during the quarter (-3%).
- Europe appears to have entered an official recession based on PMI results for the region suggesting growth declined for the second consecutive quarter. While Greece seems to have allayed fears of a near-term default (at least temporarily), there remain serious questions as to whether the agreed-upon austerity measures will be tolerated by citizens and even if they will be enough to stave off the inevitable.
- The MSCI-ACWxUS Index realized positive performance across all 10 economic sectors for the quarter. However, performance for Telecom Services companies in the developed market index was actually slightly negative. Consumer Discretionary, Financials and Information Technology were the strongest performers in the developed countries. There was less disparity among sector performance in emerging countries, with Information Technology and Industrials being the best performers.
- The USD finally weakened against most of the developed and emerging market currencies during the quarter. The one exception was developed Asia, where the Yen depreciated significantly versus USD after Japan announced a shift in its inflation target from 0% to 1%.
- The 1-Year performance results for non-US equities (especially EM Europe) remain in negative territory despite the impressive returns for the first quarter.



The Market Environment

U.S. Dollar International Index Attribution & Country Detail

Period Ended: March 31, 2012

| MSCI - EAFE | Sector Weight | Quarter Return | 1-Year Return |
|----------------------------|---------------|----------------|---------------|
| Energy | 8.5% | 4.2% | -4.8% |
| Materials | 10.2% | 11.7% | -15.0% |
| Industrials | 12.7% | 13.0% | -8.4% |
| Consumer Discretionary | 10.8% | 19.6% | 3.4% |
| Consumer Staples | 11.2% | 7.9% | 12.5% |
| Health Care | 9.3% | 5.2% | 9.4% |
| Financials | 22.6% | 16.6% | -12.2% |
| Information Technology | 4.8% | 13.7% | -5.3% |
| Telecommunication Services | 5.4% | -0.4% | -9.3% |
| Utilities | 4.3% | 5.0% | -14.1% |
| Total | 100.0% | 11.0% | -5.3% |

| MSCI - Emerging Mkt | Sector Weight | Quarter Return | 1-Year Return |
|----------------------------|---------------|----------------|---------------|
| Energy | 13.9% | 13.3% | -16.9% |
| Materials | 12.9% | 11.7% | -20.6% |
| Industrials | 6.7% | 18.4% | -13.7% |
| Consumer Discretionary | 7.9% | 12.3% | 0.4% |
| Consumer Staples | 8.0% | 13.0% | 15.6% |
| Health Care | 1.0% | 14.9% | -6.0% |
| Financials | 23.8% | 14.3% | -13.1% |
| Information Technology | 13.9% | 21.2% | 4.9% |
| Telecommunication Services | 8.0% | 8.3% | 2.1% |
| Utilities | 3.7% | 12.7% | -4.6% |
| Total | 100.0% | 14.1% | -8.5% |

| MSCI - ACWixUS | Sector Weight | Quarter Return | 1-Year Return |
|----------------------------|---------------|----------------|---------------|
| Energy | 11.3% | 6.2% | -11.9% |
| Materials | 11.6% | 10.2% | -17.6% |
| Industrials | 10.7% | 13.3% | -9.1% |
| Consumer Discretionary | 9.6% | 18.0% | 2.3% |
| Consumer Staples | 9.8% | 8.9% | 13.0% |
| Health Care | 6.7% | 5.7% | 8.7% |
| Financials | 23.9% | 15.7% | -11.6% |
| Information Technology | 6.7% | 17.2% | -2.2% |
| Telecommunication Services | 5.9% | 2.4% | -4.9% |
| Utilities | 3.9% | 6.5% | -11.7% |
| Total | 100.0% | 11.3% | -6.8% |

| Country | MSCI-EAFE Weight | MSCI-ACWixUS Weight | Quarter Return | 1- Year Return |
|----------------------------------|------------------|---------------------|----------------|----------------|
| United Kingdom | 22.4% | 15.3% | 7.6% | 1.1% |
| Japan | 21.6% | 14.7% | 11.4% | 0.4% |
| France | 9.3% | 6.3% | 12.3% | -14.7% |
| Germany | 8.6% | 5.9% | 21.1% | -7.1% |
| Switzerland | 8.6% | 5.8% | 10.6% | 2.0% |
| Australia | 8.4% | 5.7% | 9.0% | -6.9% |
| Sweden | 3.2% | 2.2% | 14.8% | -7.6% |
| Spain | 2.9% | 2.0% | -3.1% | -24.3% |
| Hong Kong | 2.9% | 1.9% | 13.4% | -4.4% |
| Netherlands | 2.5% | 1.7% | 8.7% | -13.2% |
| Italy | 2.3% | 1.6% | 8.9% | -25.6% |
| Singapore | 1.8% | 1.2% | 19.3% | -1.5% |
| Denmark | 1.1% | 0.8% | 18.2% | -9.1% |
| Belgium | 1.0% | 0.7% | 19.0% | 1.5% |
| Norway | 1.0% | 0.7% | 15.1% | -2.1% |
| Finland | 0.9% | 0.6% | 17.2% | -20.9% |
| Israel | 0.6% | 0.4% | 8.7% | -19.3% |
| Ireland | 0.3% | 0.2% | 9.8% | 14.8% |
| Austria | 0.3% | 0.2% | 16.5% | -29.7% |
| Portugal | 0.2% | 0.1% | 1.6% | -27.0% |
| New Zealand | 0.1% | 0.1% | 16.8% | 19.0% |
| Greece | 0.1% | 0.1% | 13.5% | -63.2% |
| Total EAFE Countries | 100.0% | 67.9% | 11.0% | -5.3% |
| Canada | | 8.1% | 6.6% | -13.2% |
| Total Developed Countries | | 76.0% | 10.5% | -6.2% |
| China | | 4.1% | 9.9% | -12.7% |
| Korea | | 3.6% | 15.5% | -5.3% |
| Brazil | | 3.6% | 13.9% | -13.0% |
| Taiwan | | 2.6% | 14.5% | -4.5% |
| South Africa | | 1.8% | 11.2% | -2.9% |
| Russia | | 1.6% | 18.6% | -17.7% |
| India | | 1.6% | 20.1% | -20.5% |
| Mexico | | 1.1% | 15.6% | 1.0% |
| Malaysia | | 0.8% | 8.6% | 4.2% |
| Indonesia | | 0.7% | 4.1% | 5.8% |
| Thailand | | 0.5% | 21.2% | 13.5% |
| Chile | | 0.4% | 17.9% | 2.4% |
| Poland | | 0.3% | 17.5% | -22.5% |
| Turkey | | 0.3% | 27.1% | -13.1% |
| Colombia | | 0.3% | 18.1% | 11.9% |
| Philippines | | 0.2% | 21.6% | 25.2% |
| Peru | | 0.2% | 12.4% | 2.3% |
| Egypt | | 0.1% | 41.1% | -2.4% |
| Czech Republic | | 0.1% | 9.3% | -10.8% |
| Hungary | | 0.1% | 22.8% | -32.2% |
| Morocco | | 0.0% | 4.0% | -15.9% |
| Total Emerging Countries | | 24.0% | 14.1% | -8.5% |
| Total ACWixUS Countries | | 100.0% | 11.3% | -6.8% |

Source: MSCI (www.msci.com)

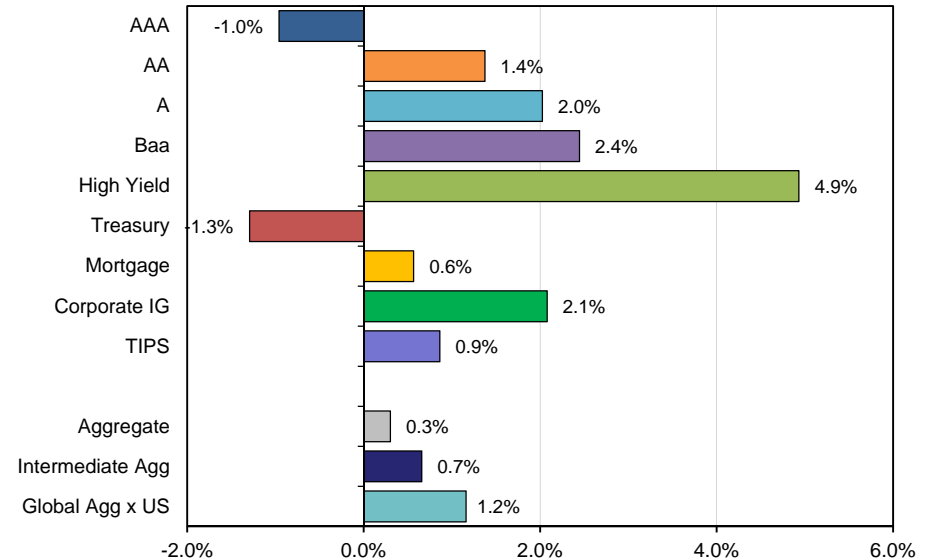
The Market Environment

Domestic Bond Sector & Broad/Global Bond Market Performance

Period Ended: March 31, 2012

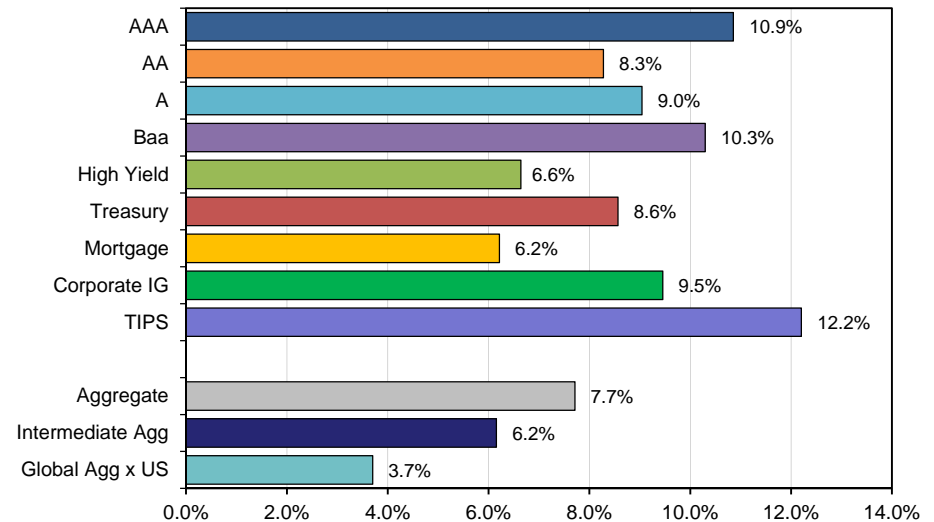
- With the exception of the U.S. Treasuries and the AAA-rated sector, each of the fixed income benchmarks posted positive results for the quarter. The broad market Barclays Aggregate bond index posted a return of +0.3%. Within the benchmark's segments, Treasuries (-1.3%) detracted from returns while MBS (+0.6%) and corporate bonds (+2.1%) were accretive to performance. In a continuation of last quarter's rally in credit spreads, 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 +4.9% for the quarter while the high-quality AAA index declined 1.0%. While Treasury returns were negative for the quarter due to a sell-off in longer dated maturities, Treasury Inflation Protected Securities (TIPS) returned a solid 0.9%. TIPS were the beneficiary of the continued concern over future inflation. Outside of the U.S. market, the Barclays Global Aggregate x US benchmark posted a return of +1.2% for the quarter.

Quarter Performance



- The trailing one-year returns continued to be strong across the various broad and sector-based fixed income indices. The year's fixed income results were led by the 12.2% return of TIPS, which benefited from continued concern over future inflation. The leading performance of TIPS for 2011 was followed by AAA-rated bonds (10.9%), and Baa-rated corporate bonds (10.3%).
- The advantage of longer-duration portfolios in the trailing year's declining interest rate environment is evident in the 150 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 (3.7%) and high yield (6.6%) benchmarks were held back by risk factors associated with ongoing global macroeconomic events and concerns.

1-Year Performance



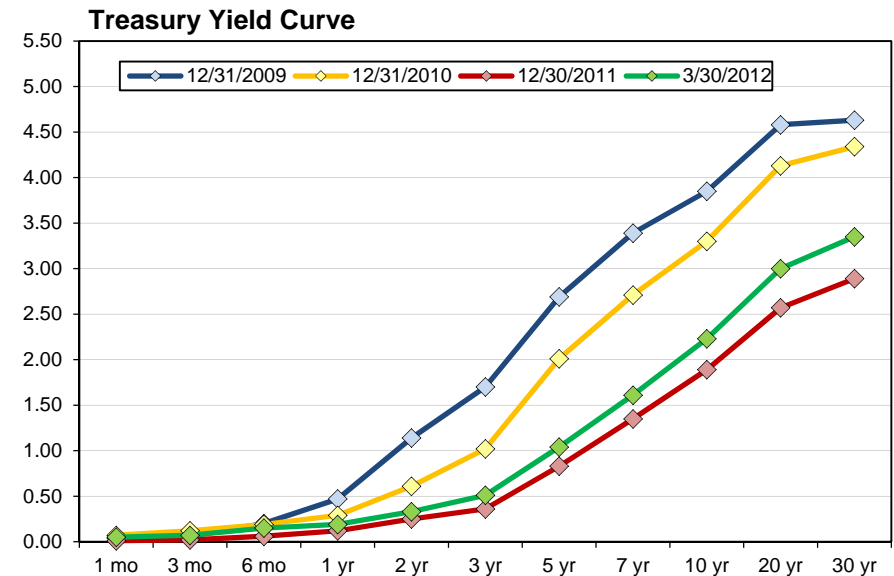
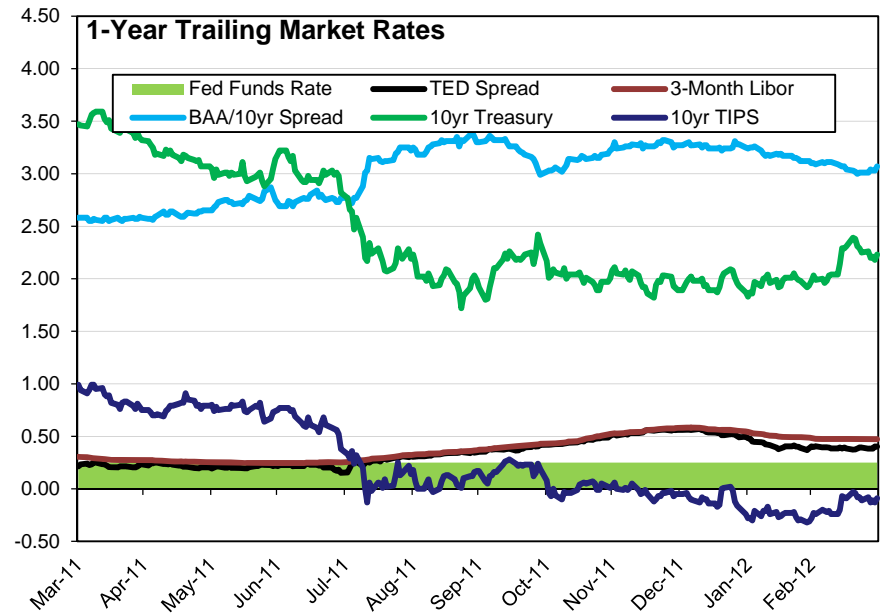
AAA, AA, A, Baa, Treasury, Mortgage & Corporate benchmarks are sub-components of the Barclays Aggregate Index.

The Market Environment

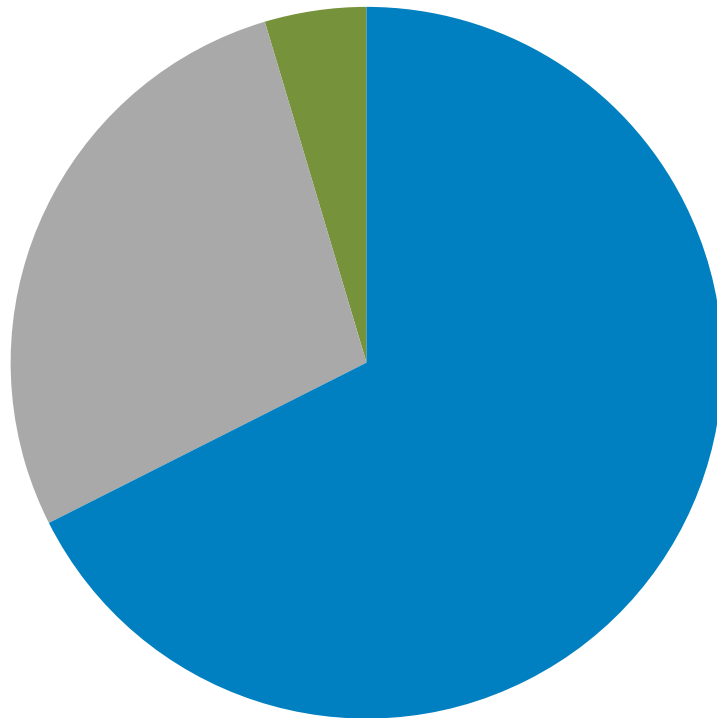
Market Rate & Yield Curve Comparison

Period Ended: March 31, 2012

- With no direct action by the Fed, the fed funds rate remained unchanged during the quarter (targeted at 0.0% to 0.25%). Even though the short end was unchanged, the benchmark 10-year Treasury fell dramatically late in the quarter closing at a yield of 2.23%, 34 basis points higher than its 12/30/11 yield. As the green 10-year Treasury yield line on the market rate graph clearly shows, the move in 10-year yields occurred in March as European fears began to subside and the U.S. economy showed signs of improvement. Despite the rise in long-term yields, the appetite for more attractive yields in fixed income securities remained strong. The 10-year closed at its highest level of the quarter on 3/19/11 with a yield of 2.39% before declining back to the 2.23% level. The rise was similar to the risk in October where the yield rose to 2.42%, but then rallied back to a low of 1.82%
- The Treasury yield curve steepened from the levels one quarter ago. As the chart on the bottom right reflects, The Federal Reserve has maintained short rates at or near zero, but long rates have risen from the levels of late 2011. However, the yield curve is much flatter when compared to one year ago. As of 03/31/2012, the yield spread between the ten- and two-year Treasury is 190 basis points compared to 267 bps at March 2011.
- The Treasury yield curve ended the first quarter steeper relative to the closing levels of December 31, 2011. Yields along the 10-, 20-, and 30-year maturities rose an average of 34, 43, and 46 basis points, respectively. While the first paragraph detailed a fair amount of "intra-quarter" volatility in 10-year Treasury yields, portfolios with an underweight to longer-dated Treasuries had a nice tailwind for the quarter. These portfolios, along with those with an overweight to corporate bonds, should have generated good relative performance, but modest absolute returns.

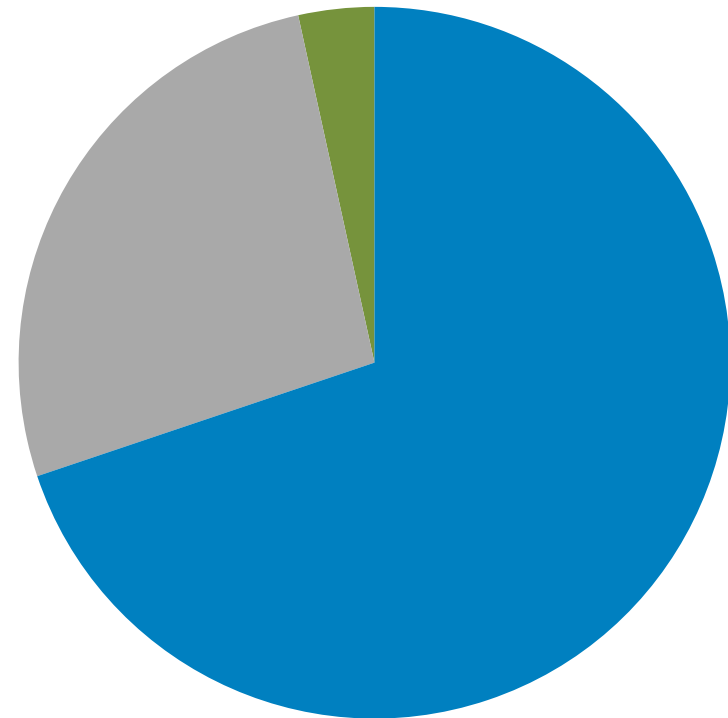


**Asset Allocation By Segment as of
December 31, 2011 : \$24,262,754**



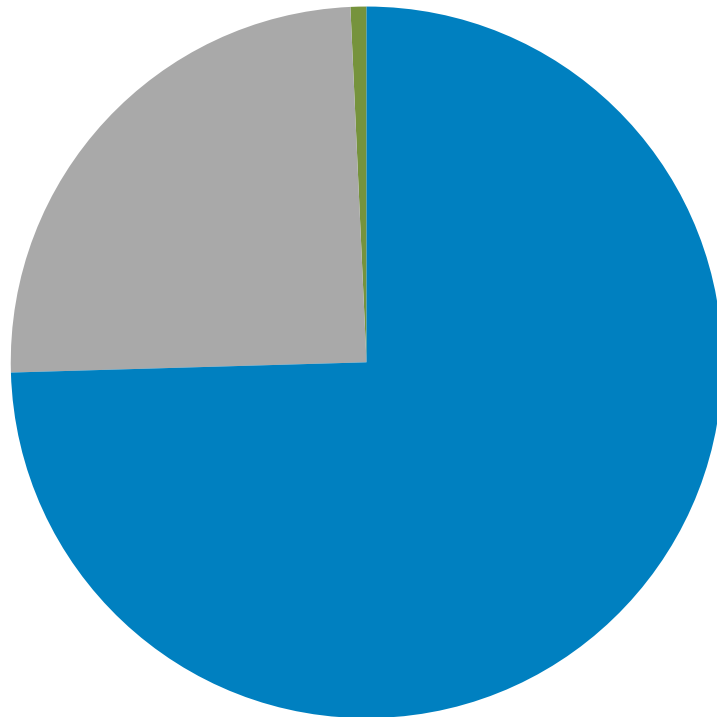
| Allocation | | |
|-----------------------|--------------|------------|
| Segments | Market Value | Allocation |
| Domestic Equity | 16,392,568 | 67.6 |
| Domestic Fixed Income | 6,749,896 | 27.8 |
| Cash Equivalent | 1,120,290 | 4.6 |

**Asset Allocation By Segment as of
March 31, 2012 : \$25,900,024**

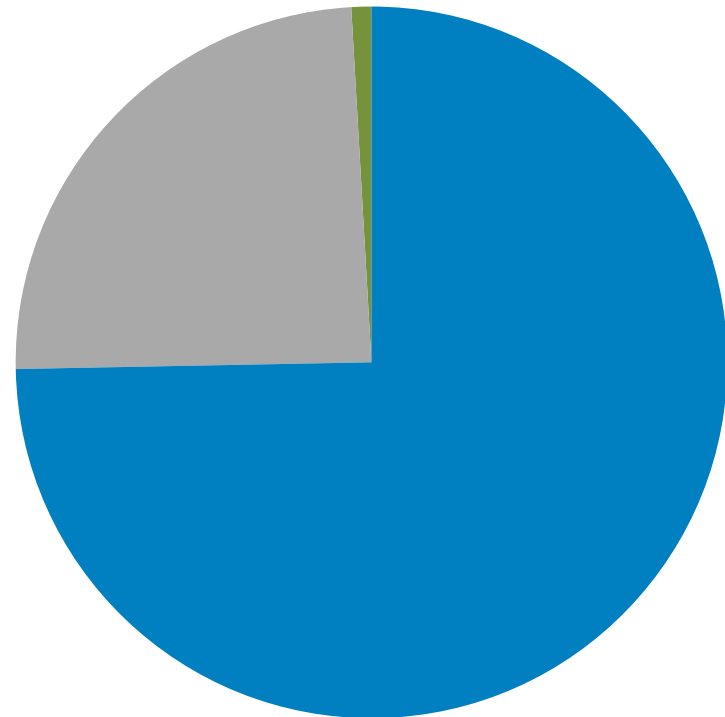


| Allocation | | |
|-----------------------|--------------|------------|
| Segments | Market Value | Allocation |
| Domestic Equity | 18,086,912 | 69.8 |
| Domestic Fixed Income | 6,921,758 | 26.7 |
| Cash Equivalent | 891,354 | 3.4 |

Asset Allocation By Manager as of
December 31, 2011 : \$24,262,754



Asset Allocation By Manager as of
March 31, 2012 : \$25,900,024



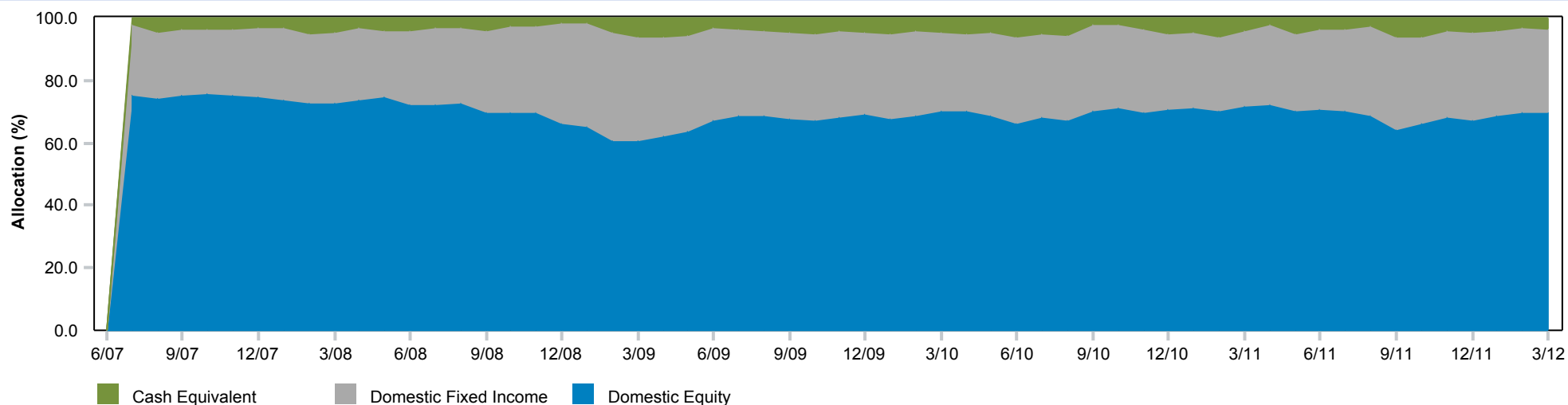
| Allocation | Market Value | Allocation |
|---------------------------------------|--------------|------------|
| ■ Bowen Hanes Balanced Portfolio | 18,086,621 | 74.5 |
| ■ Rockwood Capital Balanced Portfolio | 6,001,132 | 24.7 |
| ■ R&D Account | 175,001 | 0.7 |

| Allocation | Market Value | Allocation |
|---------------------------------------|--------------|------------|
| ■ Bowen Hanes Balanced Portfolio | 19,347,824 | 74.7 |
| ■ Rockwood Capital Balanced Portfolio | 6,317,649 | 24.4 |
| ■ R&D Account | 234,551 | 0.9 |

Asset Allocation Attributes

| | Mar-2011 | | Jun-2011 | | Sep-2011 | | Dec-2011 | | Mar-2012 | |
|--------------------------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|
| | (\$) | % | (\$) | % | (\$) | % | (\$) | % | (\$) | % |
| Bowen Hanes Balanced Portfolio | 20,224,678 | 74.71 | 20,181,557 | 74.41 | 17,135,549 | 73.28 | 18,086,621 | 74.54 | 19,347,824 | 74.70 |
| Rockwood Balanced Portfolio | 6,673,638 | 24.65 | 6,675,877 | 24.61 | 5,654,490 | 24.18 | 6,001,132 | 24.73 | 6,317,649 | 24.39 |
| R&D Account | 171,361 | 0.63 | 264,298 | 0.97 | 594,369 | 2.54 | 175,001 | 0.72 | 234,551 | 0.91 |
| Total Fund | 27,069,677 | 100.00 | 27,121,731 | 100.00 | 23,384,408 | 100.00 | 24,262,754 | 100.00 | 25,900,024 | 100.00 |

Historical Asset Allocation by Segment



Financial Reconciliation

| | Market Value 01/01/2012 | Net Transfers | Contributions | Distributions | Management Fees | Other Expenses | Income | Apprec./ Deprec. | Market Value 03/31/2012 |
|--------------------------------|----------------------------|------------------|----------------|-----------------|--------------------|-------------------|----------------|---------------------|----------------------------|
| Bowen Hanes Balanced Portfolio | 18,086,621 | -199,361 | - | - | -18,009 | - | 132,317 | 1,346,256 | 19,347,824 |
| Rockwood Balanced Portfolio | 6,001,132 | -66,454 | - | - | -7,501 | - | 37,761 | 352,711 | 6,317,649 |
| R&D Account | 175,001 | 265,815 | 289,833 | -466,487 | - | -29,612 | 1 | - | 234,551 |
| Total Fund | 24,262,754 | - | 289,833 | -466,487 | -25,511 | -29,612 | 170,079 | 1,698,966 | 25,900,024 |

Financial Reconciliation

| | Market Value 10/01/2011 | Net Transfers | Contributions | Distributions | Management Fees | Other Expenses | Income | Apprec./ Deprec. | Market Value 03/31/2012 |
|--------------------------------|----------------------------|------------------|----------------|-------------------|--------------------|-------------------|----------------|---------------------|----------------------------|
| Bowen Hanes Balanced Portfolio | 17,135,549 | -555,939 | - | - | -35,091 | - | 241,410 | 2,561,894 | 19,347,824 |
| Rockwood Balanced Portfolio | 5,654,490 | -185,313 | - | - | -14,570 | - | 67,970 | 795,071 | 6,317,649 |
| R&D Account | 594,369 | 741,252 | 718,348 | -1,768,853 | - | -50,568 | 4 | - | 234,551 |
| Total Fund | 23,384,408 | - | 718,348 | -1,768,853 | -49,661 | -50,568 | 309,385 | 3,356,964 | 25,900,024 |

Comparative Performance

Total Fund

As of March 31, 2012

| Comparative Performance | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|------------------|--------------------|-------------------|
| | QTR | FYTD | 1 YR | 3 YR | 5 YR | Inception | Inception Date |
| Total Fund (Net) | 7.65 | 15.97 | 1.62 | 18.31 | 3.08 | 9.16 | 08/01/1986 |
| Total Fund Policy | 8.15 | 15.77 | 5.62 | 16.80 | 3.25 | 8.60 | |
| Total Fund (Gross) | 7.76 (69) | 16.20 (31) | 2.05 (87) | 18.79 (2) | 3.50 (50) | 9.38 (N/A) | 08/01/1986 |
| Total Fund Policy | 8.15 (56) | 15.77 (33) | 5.62 (17) | 16.80 (19) | 3.25 (67) | 8.60 (N/A) | |
| All Public Plans-Total Fund Median | 8.27 | 15.22 | 4.45 | 15.56 | 3.49 | N/A | |
| Total Domestic Equity | 10.55 (84) | 23.37 (81) | 0.32 (96) | 23.76 (32) | 3.36 (38) | 11.33 (N/A) | 08/01/1986 |
| Total Equity Policy | 12.54 (63) | 23.99 (75) | 3.88 (85) | 22.07 (64) | 1.21 (87) | 9.52 (N/A) | |
| IM U.S. Large Cap Core Equity (SA+CF) Median | 13.07 | 26.40 | 8.35 | 22.81 | 2.56 | N/A | |
| Total Fixed Income | 1.99 (9) | 2.73 (30) | 7.39 (86) | 10.74 (15) | 4.82 (95) | 6.79 (100) | 03/01/1988 |
| Total Fixed Income Policy | 0.30 (92) | 1.43 (91) | 7.71 (67) | 7.19 (78) | 6.31 (82) | 7.16 (100) | |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | 1.03 | 2.29 | 8.04 | 8.54 | 6.85 | 7.57 | |
| Bowen Hanes Balanced Portfolio | 8.09 (56) | 16.36 (29) | 1.84 (90) | 18.42 (5) | 3.14 (75) | 9.17 (N/A) | 08/01/1986 |
| Total Fund Policy | 8.15 (56) | 15.77 (33) | 5.62 (17) | 16.80 (19) | 3.25 (67) | 8.60 (N/A) | |
| All Public Plans-Total Fund Median | 8.27 | 15.22 | 4.45 | 15.56 | 3.49 | N/A | |
| Bowen Hanes Equity | 10.71 (83) | 23.02 (82) | 1.21 (95) | 23.29 (43) | 3.12 (41) | 11.28 (N/A) | 08/01/1986 |
| Russell 1000 Index | 12.90 (53) | 26.27 (53) | 7.86 (56) | 24.03 (28) | 2.19 (64) | 9.72 (N/A) | |
| IM U.S. Large Cap Core Equity (SA+CF) Median | 13.07 | 26.40 | 8.35 | 22.81 | 2.56 | N/A | |
| Bowen Hanes Fixed Income | 2.53 (7) | 3.03 (20) | 6.62 (97) | 11.12 (12) | 5.04 (95) | 6.83 (100) | 03/01/1988 |
| Total Fixed Income Policy | 0.30 (92) | 1.43 (91) | 7.71 (67) | 7.19 (78) | 6.31 (82) | 7.16 (100) | |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | 1.03 | 2.29 | 8.04 | 8.54 | 6.85 | 7.57 | |
| Rockwood Balanced Portfolio | 6.41 (95) | 15.19 (52) | 0.89 (98) | N/A | N/A | 12.50 (1) | 10/01/2009 |
| Total Rockwood Policy | 7.72 (69) | 16.05 (32) | 7.82 (2) | N/A | N/A | 11.60 (3) | |
| All Public Plans-Total Fund Median | 8.27 | 15.22 | 4.45 | 15.56 | 3.49 | 9.94 | |
| Rockwood Equity | 9.96 (87) | 24.61 (69) | -2.82 (99) | N/A | N/A | 16.82 (9) | 10/01/2009 |
| Russell 3000 Index | 12.87 (61) | 26.55 (48) | 7.18 (44) | 24.26 (44) | 2.18 (63) | 14.80 (49) | |
| IM U.S. All Cap Core Equity (SA+CF) Median | 13.00 | 26.51 | 5.33 | 23.75 | 2.60 | 14.69 | |
| Rockwood Fixed Income | 0.75 (71) | 2.07 (66) | 9.01 (11) | N/A | N/A | 6.23 (73) | 10/01/2009 |
| Total Fixed Income Policy | 0.30 (92) | 1.43 (91) | 7.71 (67) | 7.19 (78) | 6.31 (82) | 6.15 (77) | |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | 1.03 | 2.29 | 8.04 | 8.54 | 6.85 | 6.79 | |

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



Comparative Performance

Total Fund

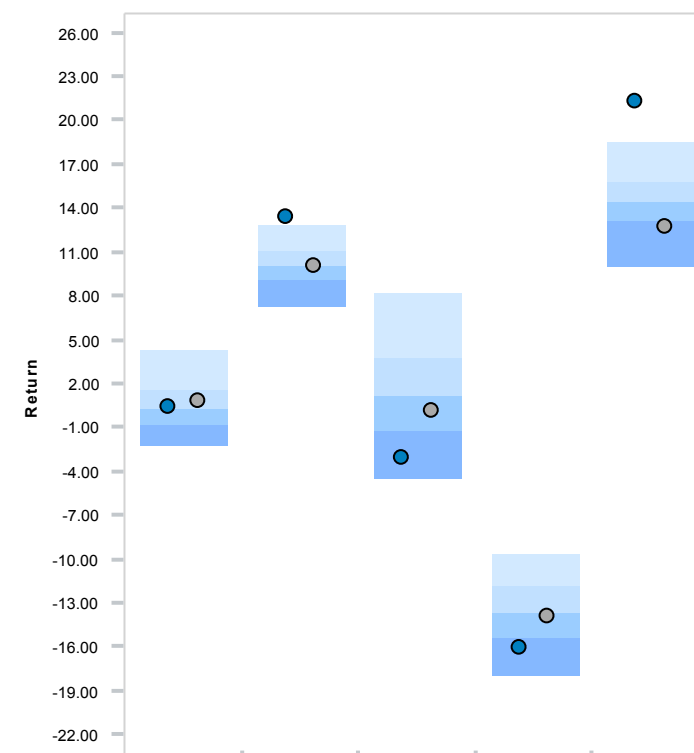
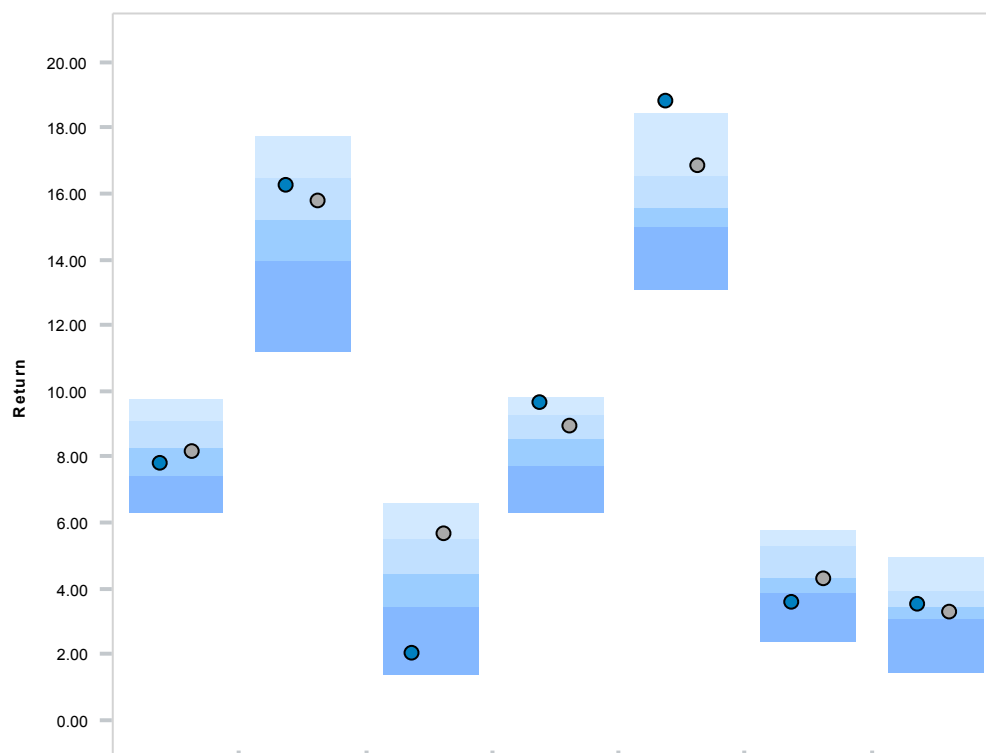
As of March 31, 2012

| Comparative Performance | | | | | | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | 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 |
| Total Fund (Net) | -0.08 | 12.94 | -3.43 | -16.34 | 20.79 | 9.09 |
| Total Fund Policy | 0.77 | 10.08 | 0.09 | -13.98 | 12.73 | 7.88 |
| Total Fund (Gross) | 0.34 (49) | 13.39 (4) | -3.03 (90) | -16.01 (84) | 21.27 (2) | 9.43 (35) |
| Total Fund Policy | 0.77 (40) | 10.08 (48) | 0.09 (65) | -13.98 (54) | 12.73 (78) | 7.88 (65) |
| All Public Plans-Total Fund Median | 0.23 | 9.99 | 1.25 | -13.67 | 14.42 | 8.64 |
| Total Domestic Equity | -1.95 (81) | 15.54 (4) | -6.40 (57) | -20.99 (56) | 28.49 (2) | 11.60 (34) |
| Total Equity Policy | -2.04 (81) | 10.75 (33) | -6.14 (53) | -22.10 (68) | 16.90 (53) | 10.25 (57) |
| IM U.S. Large Cap Core Equity (SA+CF) Median | 0.96 | 9.48 | -5.83 | -20.50 | 16.98 | 10.76 |
| Total Fixed Income | 4.80 (76) | 10.26 (24) | 8.50 (91) | -1.34 (79) | 2.48 (100) | 3.14 (97) |
| Total Fixed Income Policy | 5.26 (49) | 8.73 (66) | 11.46 (66) | 2.41 (52) | 5.08 (58) | 3.33 (96) |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | 5.25 | 9.23 | 12.32 | 2.53 | 5.15 | 3.86 |
| Bowen Hanes Balanced Portfolio | -0.49 (69) | 12.24 (10) | -2.49 (86) | -16.34 (87) | 20.79 (2) | 9.09 (43) |
| Total Fund Policy | 0.77 (40) | 10.08 (48) | 0.09 (65) | -13.98 (54) | 12.73 (78) | 7.88 (65) |
| All Public Plans-Total Fund Median | 0.23 | 9.99 | 1.25 | -13.67 | 14.42 | 8.64 |
| Bowen Hanes Equity | -2.07 (81) | 14.02 (9) | -5.84 (51) | -20.99 (56) | 28.49 (2) | 11.60 (34) |
| Russell 1000 Index | 0.91 (53) | 10.75 (33) | -6.14 (53) | -22.10 (68) | 16.90 (53) | 10.25 (57) |
| IM U.S. Large Cap Core Equity (SA+CF) Median | 0.96 | 9.48 | -5.83 | -20.50 | 16.98 | 10.76 |
| Bowen Hanes Fixed Income | 4.72 (77) | 11.03 (18) | 8.64 (91) | -1.34 (79) | 2.48 (100) | 3.14 (97) |
| Total Fixed Income Policy | 5.26 (49) | 8.73 (66) | 11.46 (66) | 2.41 (52) | 5.08 (58) | 3.33 (96) |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | 5.25 | 9.23 | 12.32 | 2.53 | 5.15 | 3.86 |
| Rockwood Balanced Portfolio | 1.16 (32) | 15.21 (1) | 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 |
| All Public Plans-Total Fund Median | 0.23 | 9.99 | 1.25 | -13.67 | 14.42 | 8.64 |
| Rockwood Equity | -2.18 (76) | 21.00 (1) | N/A | N/A | N/A | N/A |
| Russell 3000 Index | 0.55 (63) | 10.96 (49) | -6.42 (59) | -21.52 (65) | 16.52 (66) | 10.22 (37) |
| IM U.S. All Cap Core Equity (SA+CF) Median | 0.94 | 10.87 | -6.11 | -21.03 | 17.90 | 9.15 |
| Rockwood Fixed Income | 5.25 (51) | 8.28 (83) | 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) |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | 5.25 | 9.23 | 12.32 | 2.53 | 5.15 | 3.86 |

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



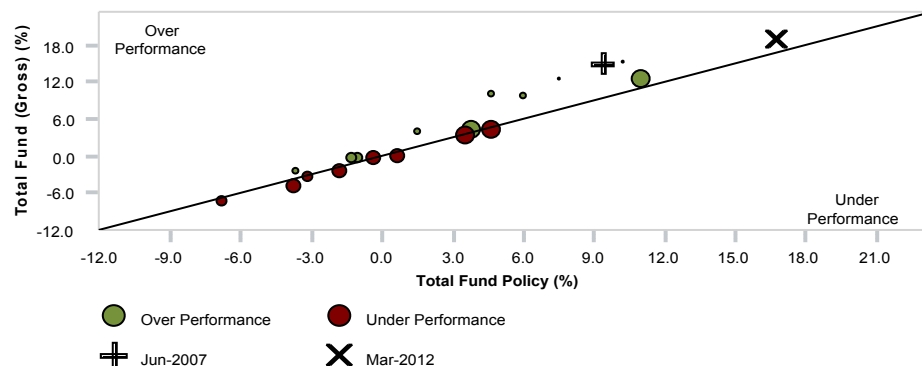
Plan Sponsor Peer Group Analysis - All Public Plans-Total Fund



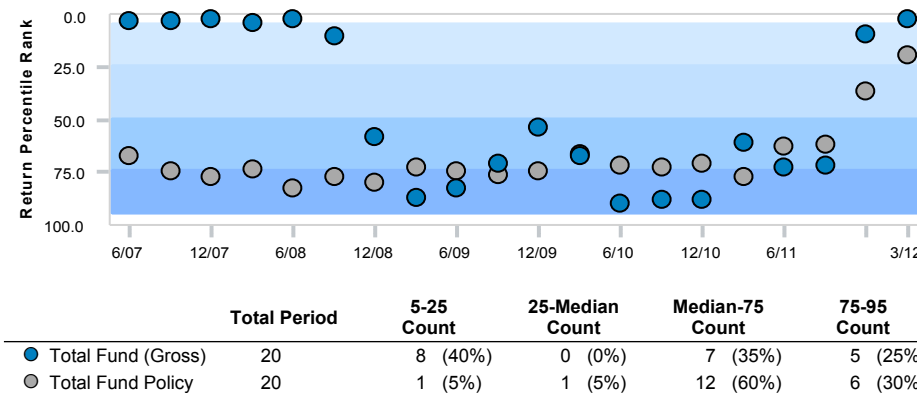
Comparative Performance

| | 1 Qtr Ending Dec-2011 | 1 Qtr Ending Sep-2011 | 1 Qtr Ending Jun-2011 | 1 Qtr Ending Mar-2011 | 1 Qtr Ending Dec-2010 | 1 Qtr Ending Sep-2010 |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total Fund (Gross) | 7.83 (6) | -12.89 (96) | 0.82 (69) | 6.29 (1) | 7.51 (11) | 10.42 (9) |
| Total Fund Policy | 7.05 (22) | -9.58 (39) | 0.89 (65) | 3.84 (63) | 6.37 (45) | 8.59 (55) |
| All Public Plans-Total Fund Median | 6.19 | -10.23 | 1.09 | 4.08 | 6.20 | 8.76 |

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



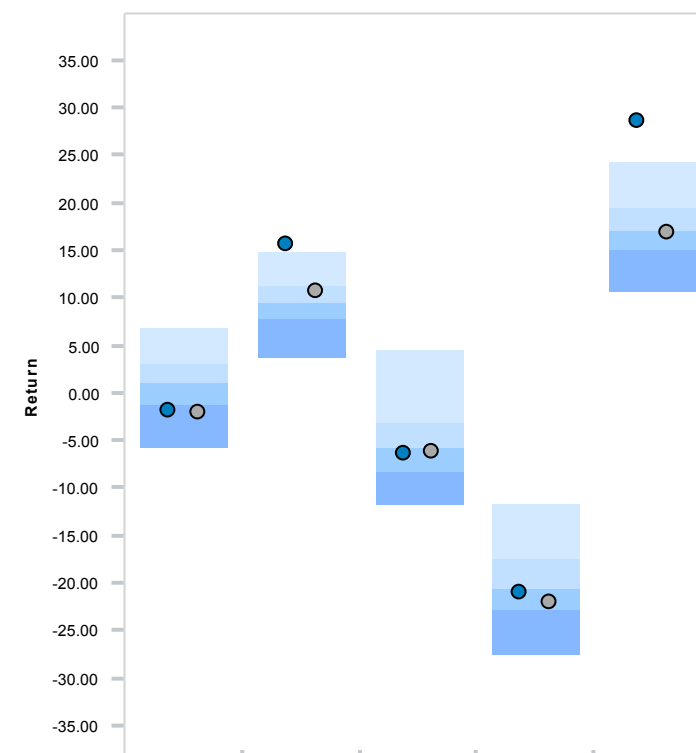
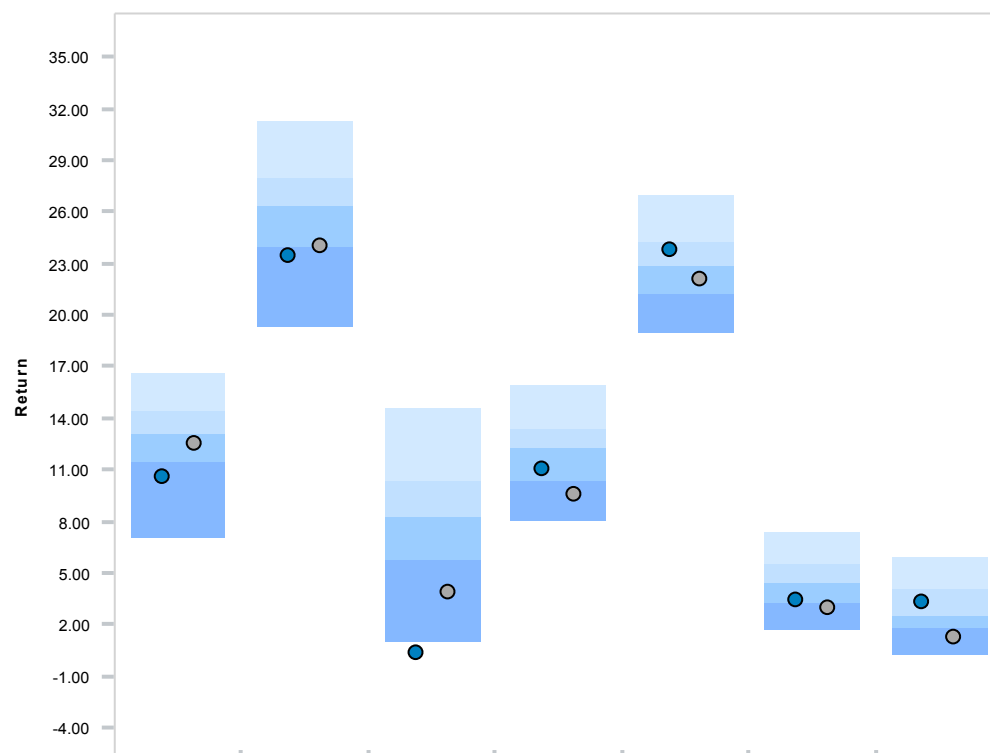
Historical Statistics - 3 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|--------------------|----------------|-------------------|---------------------|-------|-------------------|--------------|------|---------------|
| Total Fund (Gross) | 3.43 | 112.59 | 113.96 | -0.18 | 0.56 | 1.43 | 1.13 | 6.71 |
| Total Fund Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 1.49 | 1.00 | 5.48 |

Historical Statistics - 5 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|--------------------|----------------|-------------------|---------------------|-------|-------------------|--------------|------|---------------|
| Total Fund (Gross) | 4.30 | 114.80 | 114.64 | -0.02 | 0.15 | 0.22 | 1.16 | 11.55 |
| Total Fund Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 0.22 | 1.00 | 9.30 |

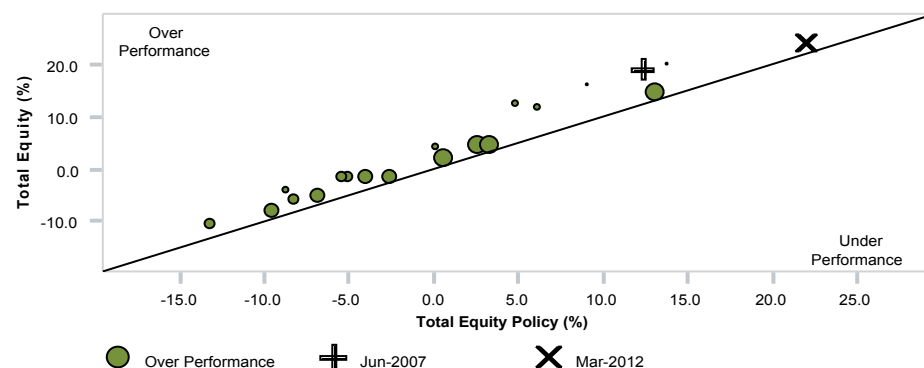
Peer Group Analysis - IM U.S. Large Cap Core Equity (SA+CF)



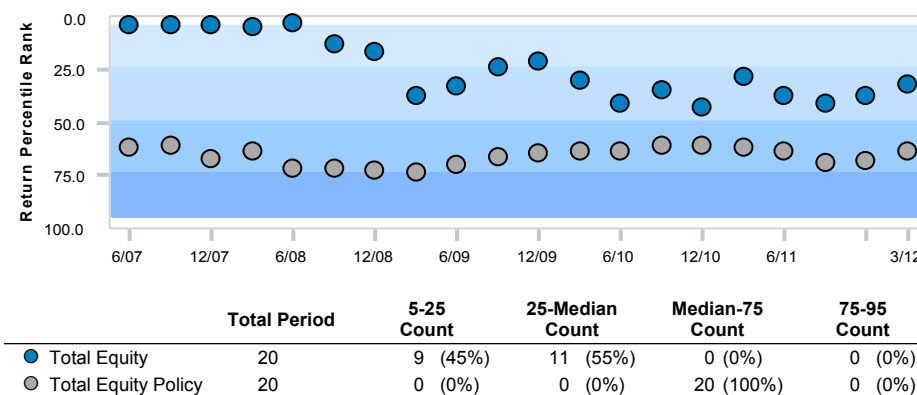
Comparative Performance

| | 1 Qtr Ending Dec-2011 | 1 Qtr Ending Sep-2011 | 1 Qtr Ending Jun-2011 | 1 Qtr Ending Mar-2011 | 1 Qtr Ending Dec-2010 | 1 Qtr Ending Sep-2010 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total Equity | 11.60 (56) | -18.93 (94) | 0.30 (56) | 8.55 (7) | 11.09 (45) | 13.96 (5) |
| Total Equity Policy | 10.17 (81) | -16.32 (76) | 0.12 (61) | 5.71 (65) | 10.60 (64) | 11.55 (33) |
| IM U.S. Large Cap Core Equity (SA+CF) Median | 11.82 | -14.84 | 0.47 | 6.30 | 10.90 | 11.04 |

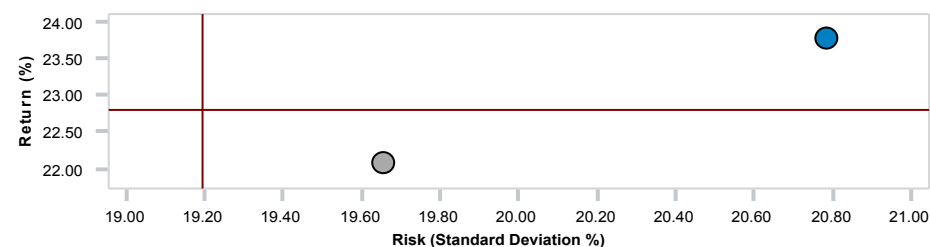
3 Yr Rolling Under/Over Performance - 5 Years



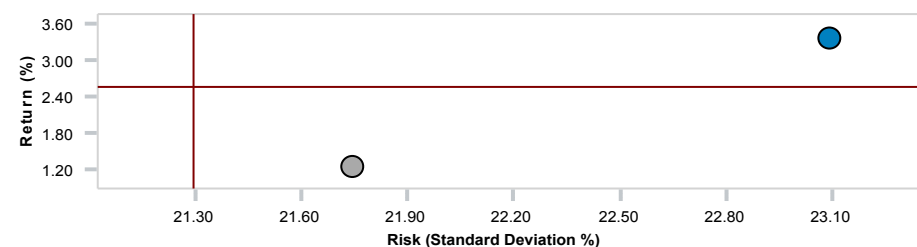
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



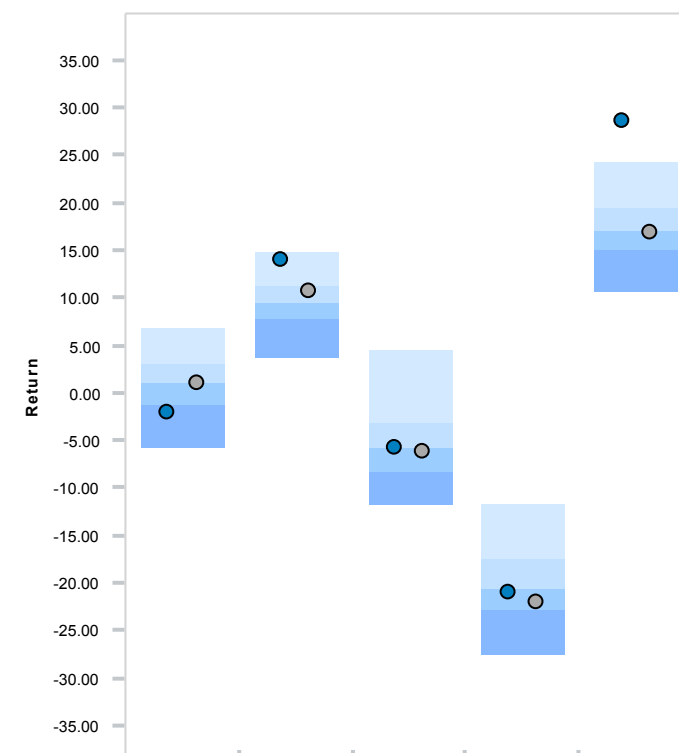
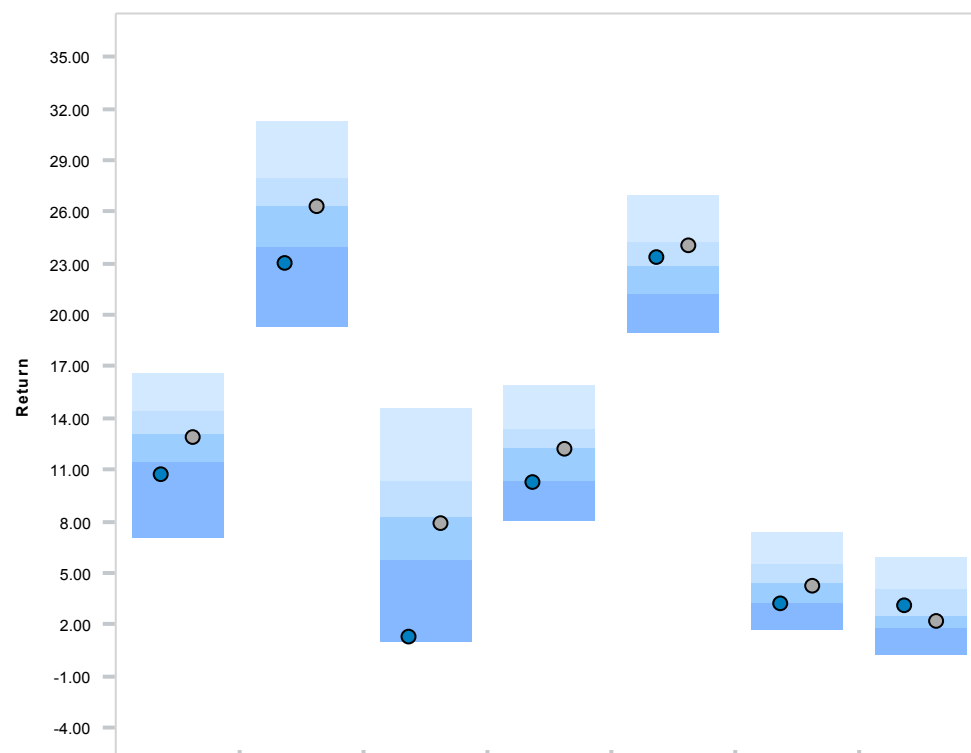
Historical Statistics - 3 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---------------------|----------------|-------------------|---------------------|-------|-------------------|--------------|------|---------------|
| Total Equity | 4.48 | 104.24 | 99.71 | 0.80 | 0.36 | 1.27 | 1.04 | 10.06 |
| Total Equity Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 1.26 | 1.00 | 9.30 |

Historical Statistics - 5 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---------------------|----------------|-------------------|---------------------|-------|-------------------|--------------|------|---------------|
| Total Equity | 5.18 | 104.10 | 95.71 | 2.27 | 0.44 | 0.21 | 1.01 | 14.84 |
| Total Equity Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 0.10 | 1.00 | 14.38 |

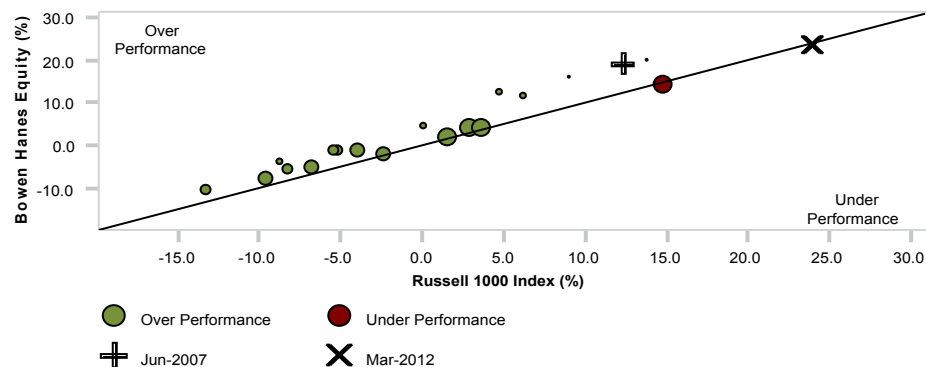
Peer Group Analysis - IM U.S. Large Cap Core Equity (SA+CF)



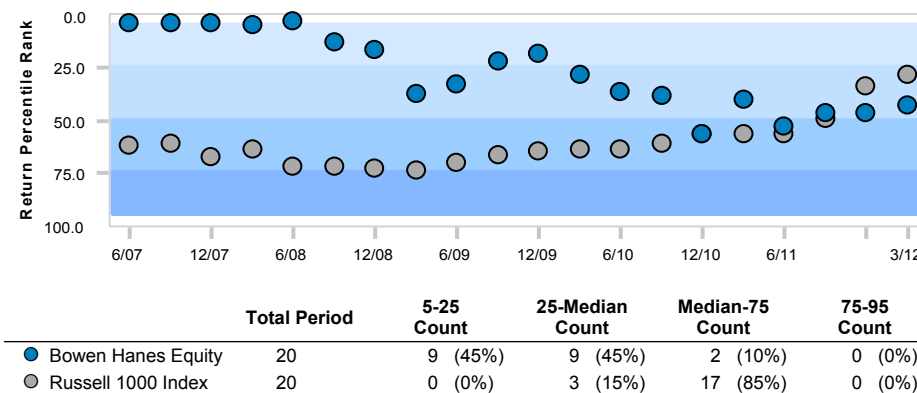
Comparative Performance

| | 1 Qtr Ending Dec-2011 | 1 Qtr Ending Sep-2011 | 1 Qtr Ending Jun-2011 | 1 Qtr Ending Mar-2011 | 1 Qtr Ending Dec-2010 | 1 Qtr Ending Sep-2010 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Bowen Hanes Equity | 11.12 (70) | -17.92 (89) | 0.24 (58) | 8.73 (6) | 9.48 (84) | 11.69 (29) |
| Russell 1000 Index | 11.84 (49) | -14.68 (46) | 0.12 (61) | 6.24 (52) | 11.19 (42) | 11.55 (33) |
| IM U.S. Large Cap Core Equity (SA+CF) Median | 11.82 | -14.84 | 0.47 | 6.30 | 10.90 | 11.04 |

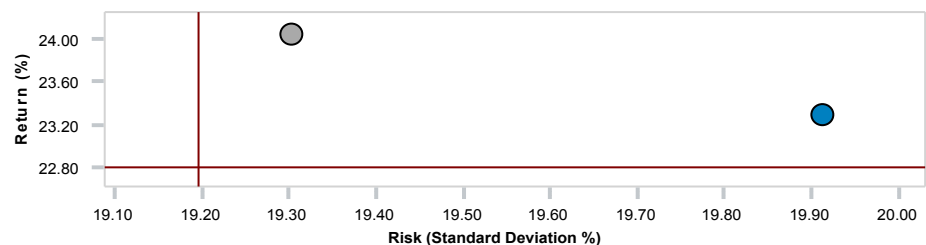
3 Yr Rolling Under/Over Performance - 5 Years



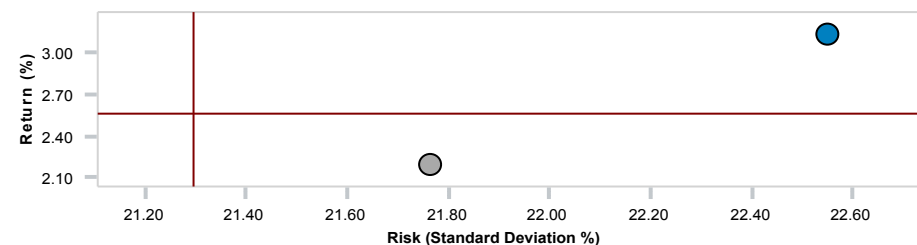
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



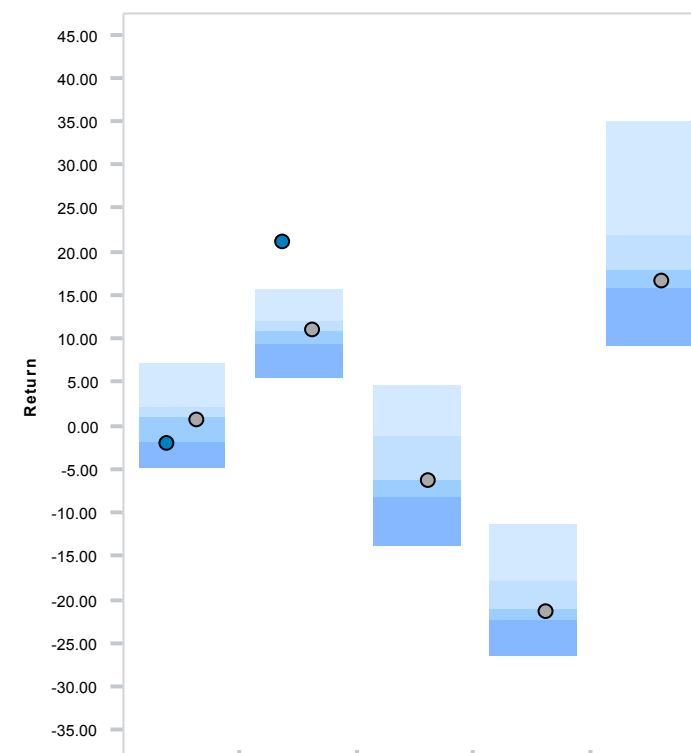
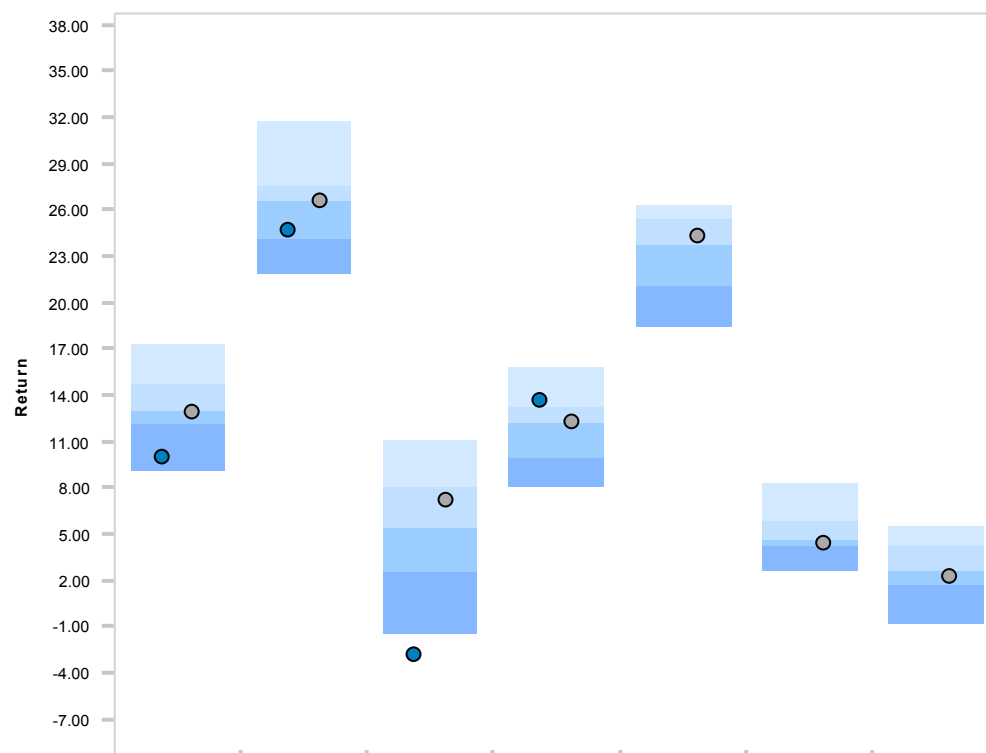
Historical Statistics - 3 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|--------------------|----------------|-------------------|---------------------|-------|-------------------|--------------|------|---------------|
| Bowen Hanes Equity | 4.90 | 100.11 | 103.25 | -1.04 | -0.08 | 1.28 | 1.03 | 9.68 |
| Russell 1000 Index | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 1.40 | 1.00 | 8.75 |

Historical Statistics - 5 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|--------------------|----------------|-------------------|---------------------|-------|-------------------|--------------|------|---------------|
| Bowen Hanes Equity | 5.43 | 100.92 | 96.79 | 1.07 | 0.20 | 0.20 | 1.00 | 14.68 |
| Russell 1000 Index | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 0.15 | 1.00 | 14.17 |

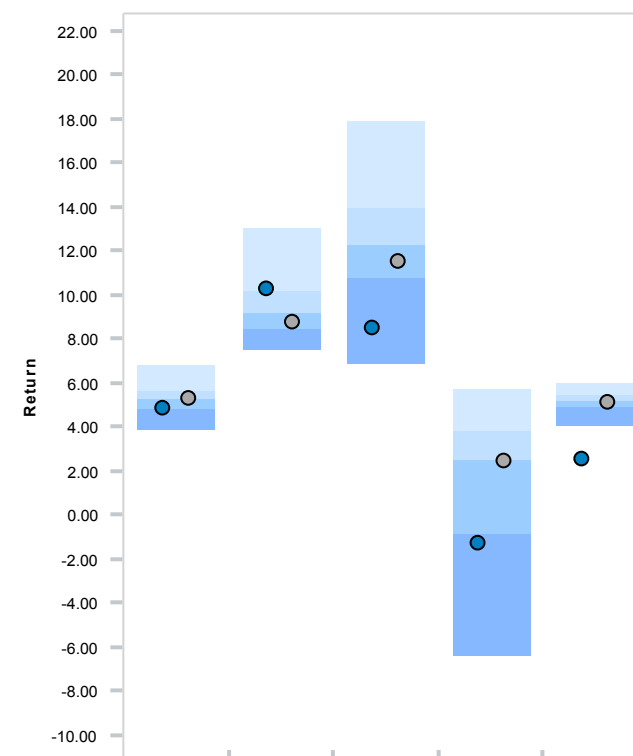
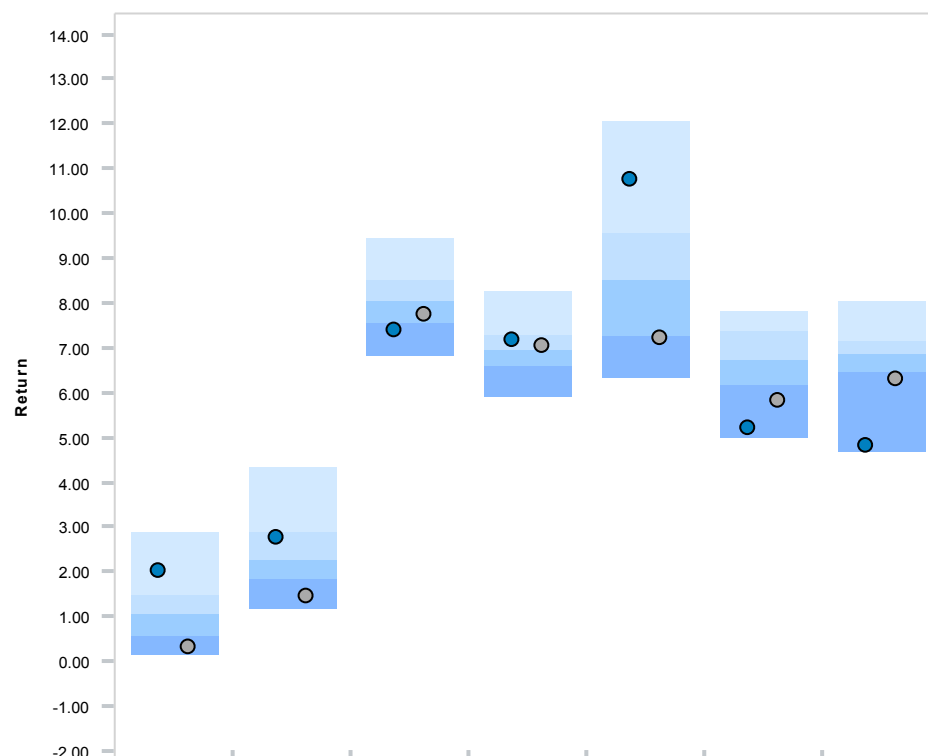
Peer Group Analysis - IM U.S. All Cap Core Equity (SA+CF)



Comparative Performance

| | 1 Qtr Ending Dec-2011 | 1 Qtr Ending Sep-2011 | 1 Qtr Ending Jun-2011 | 1 Qtr Ending Mar-2011 | 1 Qtr Ending Dec-2010 | 1 Qtr Ending Sep-2010 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Rockwood Equity | 13.32 (12) | -22.41 (97) | 0.51 (37) | 7.99 (33) | 16.16 (8) | 22.58 (1) |
| Russell 3000 Index | 12.12 (23) | -15.28 (40) | -0.03 (60) | 6.38 (58) | 11.59 (57) | 11.53 (39) |
| IM U.S. All Cap Core Equity (SA+CF) Median | 11.66 | -15.78 | 0.10 | 6.66 | 11.76 | 11.29 |

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

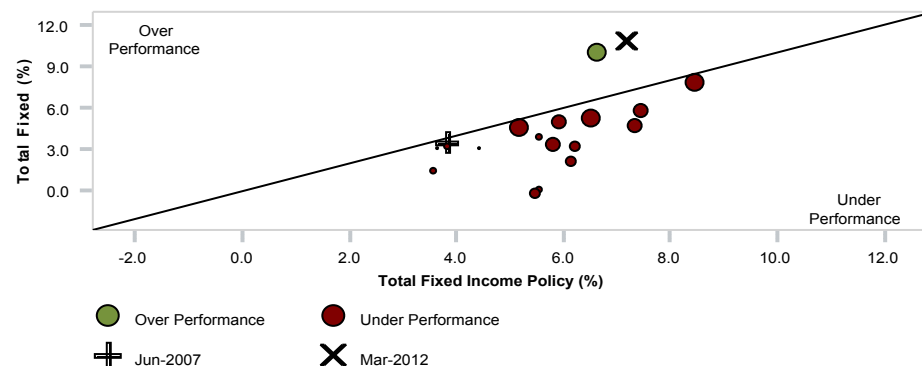


| | QTR | FYTD | 1 YR | 2 YR | 3 YR | 4 YR | 5 YR | | Oct-2010 To Sep-2011 | Oct-2009 To Sep-2010 | Oct-2008 To Sep-2009 | Oct-2007 To Sep-2008 | Oct-2006 To Sep-2007 |
|-----------------------------|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| ● Total Fixed | 1.99 (9) | 2.73 (30) | 7.39 (86) | 7.19 (34) | 10.74 (15) | 5.21 (95) | 4.82 (95) | ● Total Fixed | 4.80 (76) | 10.26 (24) | 8.50 (91) | -1.34 (79) | 2.48 (100) |
| ● Total Fixed Income Policy | 0.30 (92) | 1.43 (91) | 7.71 (67) | 7.03 (43) | 7.19 (78) | 5.81 (91) | 6.31 (82) | ● Total Fixed Income Policy | 5.26 (49) | 8.73 (66) | 11.46 (66) | 2.41 (52) | 5.08 (58) |
| Median | 1.03 | 2.29 | 8.04 | 6.96 | 8.54 | 6.73 | 6.85 | Median | 5.25 | 9.23 | 12.32 | 2.53 | 5.15 |

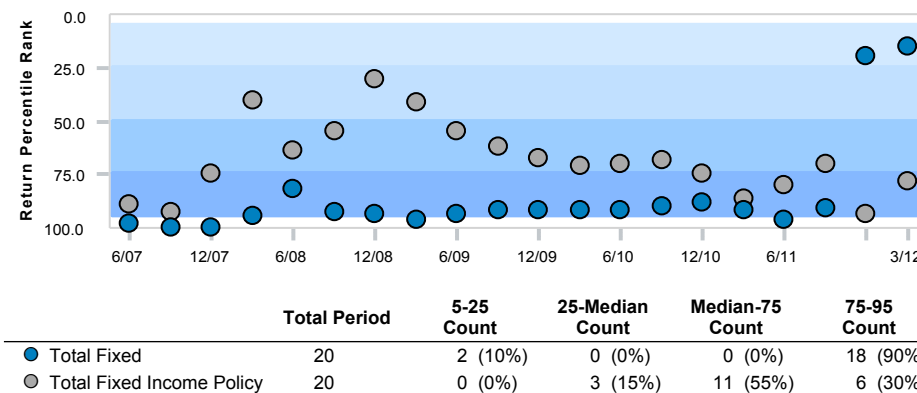
Comparative Performance

| | 1 Qtr Ending Dec-2011 | 1 Qtr Ending Sep-2011 | 1 Qtr Ending Jun-2011 | 1 Qtr Ending Mar-2011 | 1 Qtr Ending Dec-2010 | 1 Qtr Ending Sep-2010 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Total Fixed | 0.73 (98) | 2.20 (88) | 2.28 (41) | 1.09 (19) | -0.82 (27) | 3.87 (4) |
| Total Fixed Income Policy | 1.12 (73) | 3.82 (26) | 2.29 (38) | 0.42 (82) | -1.30 (72) | 3.28 (17) |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | 1.27 | 3.34 | 2.24 | 0.67 | -1.12 | 2.81 |

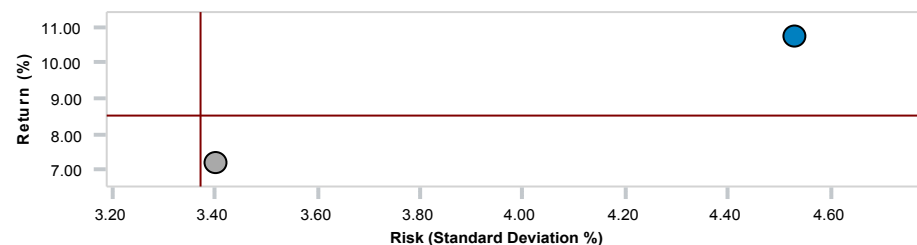
3 Yr Rolling Under/Over Performance - 5 Years



3 Yr Rolling Percentile Ranking - 5 Years

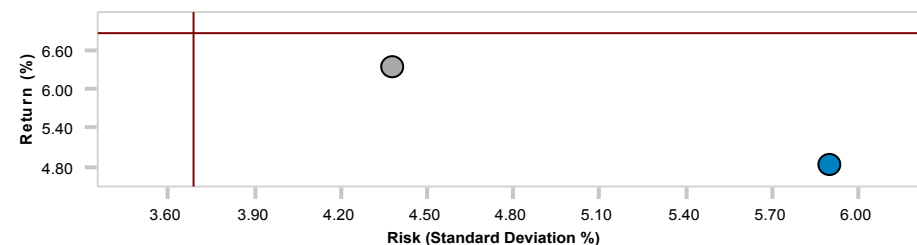


Peer Group Scattergram - 3 Years



| | Return | Standard Deviation |
|---------------------------|--------|--------------------|
| Total Fixed | 10.74 | 4.53 |
| Total Fixed Income Policy | 7.19 | 3.40 |
| Median | 8.54 | 3.37 |

Peer Group Scattergram - 5 Years



| | Return | Standard Deviation |
|---------------------------|--------|--------------------|
| Total Fixed | 4.82 | 5.90 |
| Total Fixed Income Policy | 6.31 | 4.38 |
| Median | 6.85 | 3.69 |

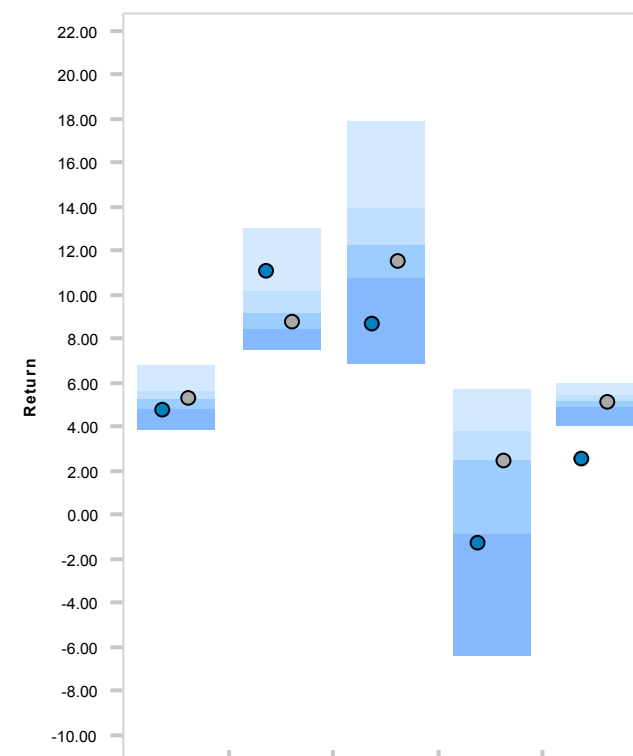
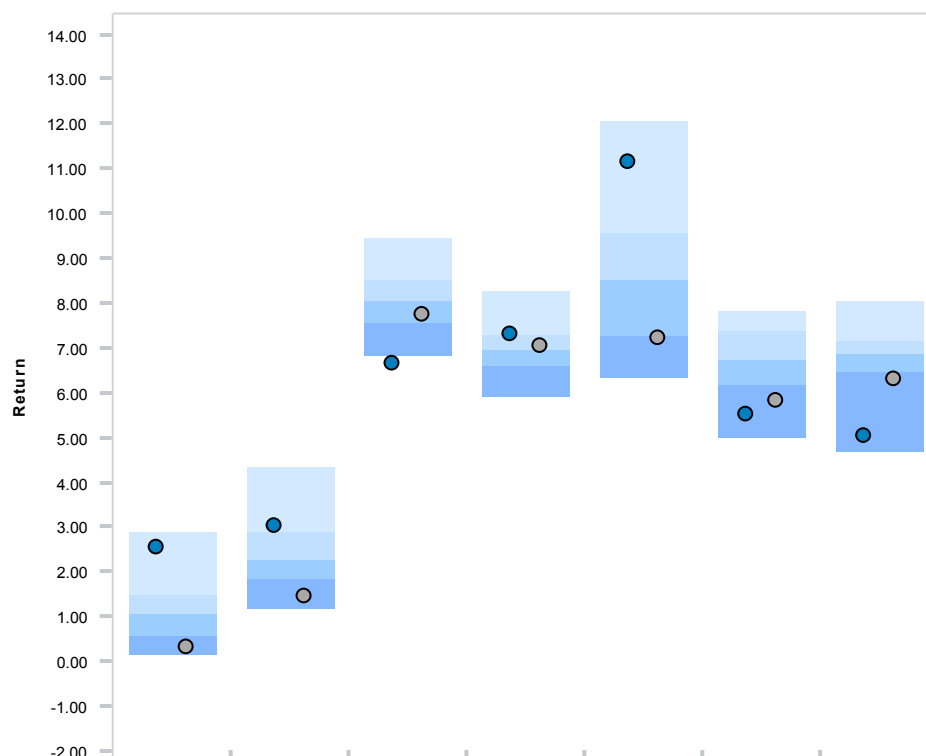
Historical Statistics - 3 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---------------------------|----------------|-------------------|---------------------|-------|-------------------|--------------|------|---------------|
| Total Fixed | 2.53 | 129.76 | 53.04 | 4.85 | 1.30 | 3.03 | 0.79 | 0.78 |
| Total Fixed Income Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 2.37 | 1.00 | 1.31 |

Historical Statistics - 5 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---------------------------|----------------|-------------------|---------------------|-------|-------------------|--------------|------|---------------|
| Total Fixed | 6.65 | 110.37 | 170.18 | -3.07 | -0.17 | 0.44 | 1.32 | 6.43 |
| Total Fixed Income Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 1.15 | 1.00 | 2.15 |

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

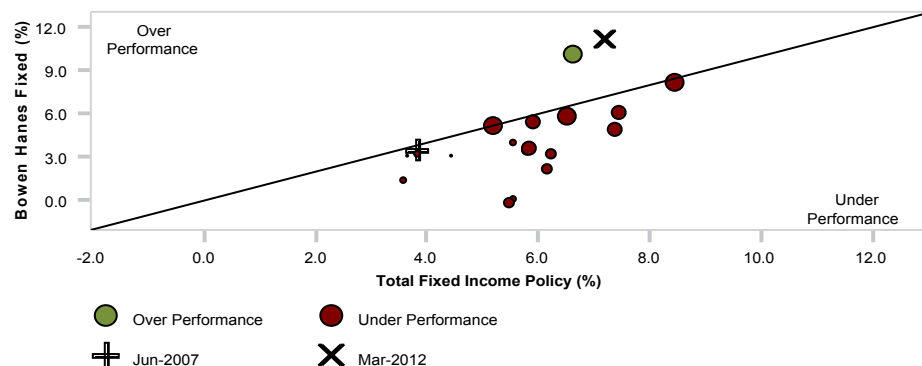


| | QTR | FYTD | 1 YR | 2 YR | 3 YR | 4 YR | 5 YR | Oct-2010 To Sep-2011 | Oct-2009 To Sep-2010 | Oct-2008 To Sep-2009 | Oct-2007 To Sep-2008 | Oct-2006 To Sep-2007 |
|-----------------------------|-----------|-----------|-----------|-----------|------------|-----------|-----------|----------------------|----------------------|----------------------|----------------------|----------------------|
| ● Bowen Hanes Fixed | 2.53 (7) | 3.03 (20) | 6.62 (97) | 7.28 (25) | 11.12 (12) | 5.49 (94) | 5.04 (95) | 4.72 (77) | 11.03 (18) | 8.64 (91) | -1.34 (79) | 2.48 (100) |
| ● Total Fixed Income Policy | 0.30 (92) | 1.43 (91) | 7.71 (67) | 7.03 (43) | 7.19 (78) | 5.81 (91) | 6.31 (82) | 5.26 (49) | 8.73 (66) | 11.46 (66) | 2.41 (52) | 5.08 (58) |
| Median | 1.03 | 2.29 | 8.04 | 6.96 | 8.54 | 6.73 | 6.85 | 5.25 | 9.23 | 12.32 | 2.53 | 5.15 |

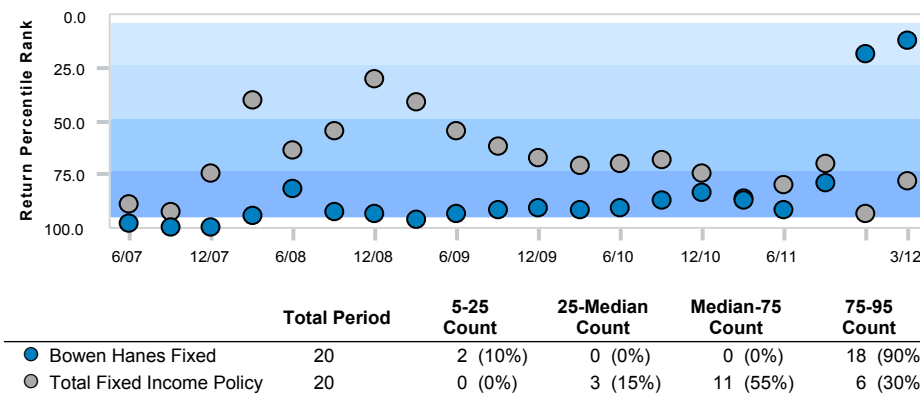
Comparative Performance

| | 1 Qtr Ending Dec-2011 | 1 Qtr Ending Sep-2011 | 1 Qtr Ending Jun-2011 | 1 Qtr Ending Mar-2011 | 1 Qtr Ending Dec-2010 | 1 Qtr Ending Sep-2010 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Bowen Hanes Fixed | 0.49 (99) | 1.06 (98) | 2.40 (19) | 1.62 (5) | -0.42 (8) | 4.16 (2) |
| Total Fixed Income Policy | 1.12 (73) | 3.82 (26) | 2.29 (38) | 0.42 (82) | -1.30 (72) | 3.28 (17) |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | 1.27 | 3.34 | 2.24 | 0.67 | -1.12 | 2.81 |

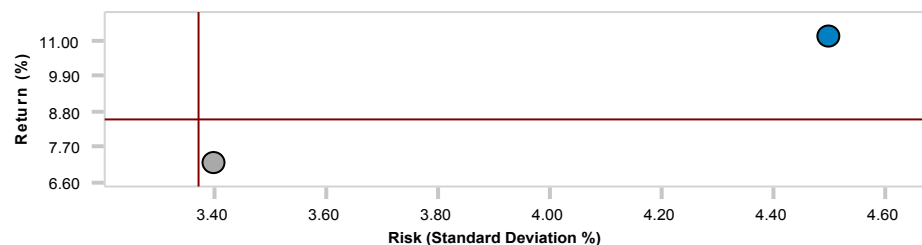
3 Yr Rolling Under/Over Performance - 5 Years



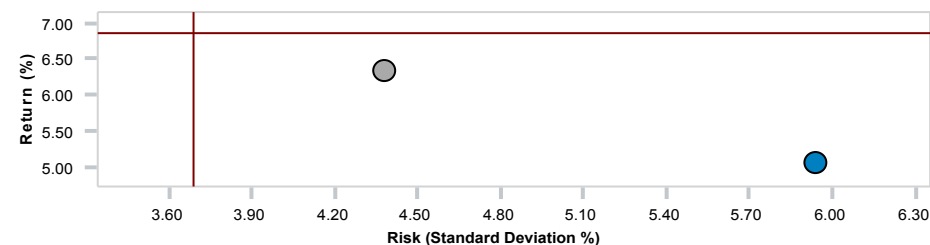
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



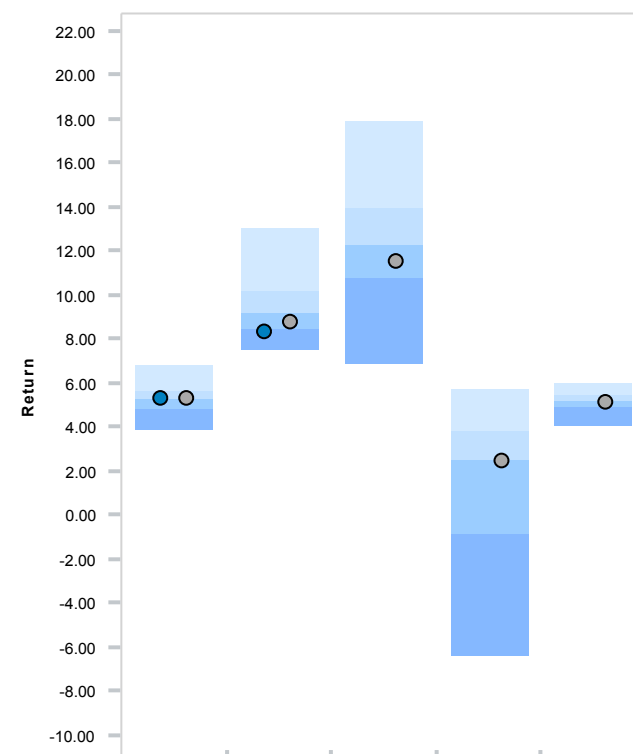
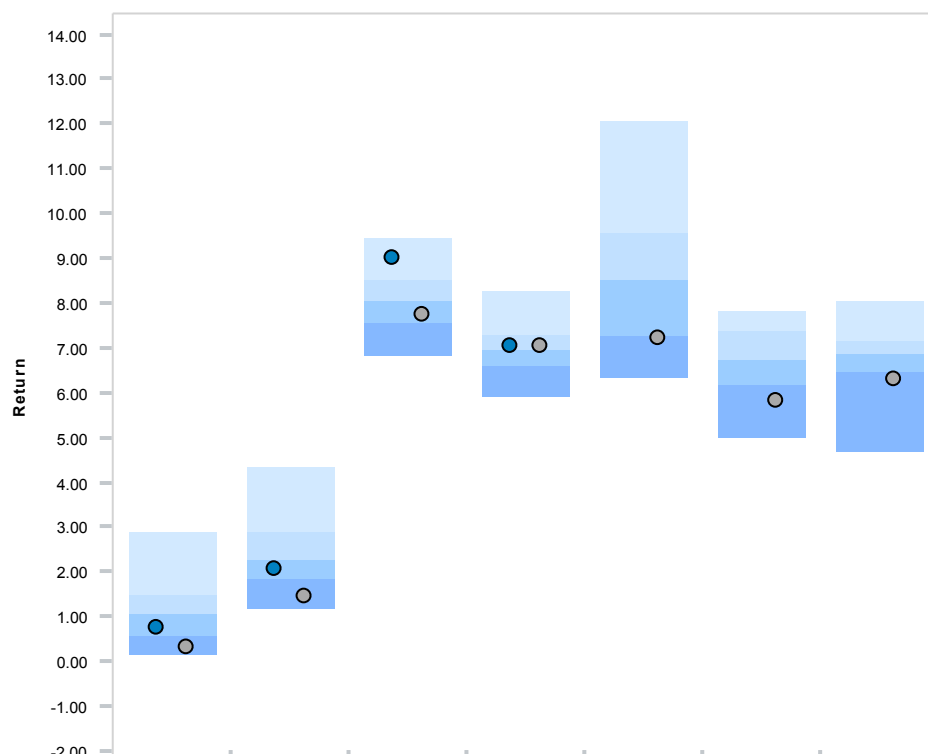
Historical Statistics - 3 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---------------------------|----------------|-------------------|---------------------|-------|-------------------|--------------|------|---------------|
| Bowen Hanes Fixed | 2.91 | 128.92 | 26.43 | 6.14 | 1.25 | 3.14 | 0.67 | 0.61 |
| Total Fixed Income Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 2.37 | 1.00 | 1.31 |

Historical Statistics - 5 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---------------------------|----------------|-------------------|---------------------|-------|-------------------|--------------|------|---------------|
| Bowen Hanes Fixed | 6.75 | 109.90 | 161.70 | -2.67 | -0.14 | 0.47 | 1.29 | 6.42 |
| Total Fixed Income Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 1.15 | 1.00 | 2.15 |

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



| | QTR | FYTD | 1 YR | 2 YR | 3 YR | 4 YR | 5 YR | 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 | 0.75 (71) | 2.07 (66) | 9.01 (11) | 7.05 (42) | N/A | N/A | N/A | 5.25 (51) | 8.28 (83) | N/A | N/A | N/A |
| Total Fixed Income Policy | 0.30 (92) | 1.43 (91) | 7.71 (67) | 7.03 (43) | 7.19 (78) | 5.81 (91) | 6.31 (82) | 5.26 (49) | 8.73 (66) | 11.46 (66) | 2.41 (52) | 5.08 (58) |
| Median | 1.03 | 2.29 | 8.04 | 6.96 | 8.54 | 6.73 | 6.85 | 5.25 | 9.23 | 12.32 | 2.53 | 5.15 |

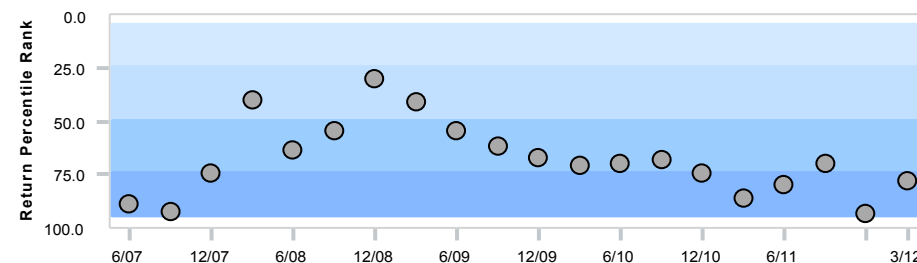
Comparative Performance

| | 1 Qtr Ending Dec-2011 | 1 Qtr Ending Sep-2011 | 1 Qtr Ending Jun-2011 | 1 Qtr Ending Mar-2011 | 1 Qtr Ending Dec-2010 | 1 Qtr Ending Sep-2010 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Rockwood Fixed | 1.31 (44) | 4.65 (7) | 2.05 (81) | 0.06 (100) | -1.51 (87) | 3.18 (22) |
| Total Fixed Income Policy | 1.12 (73) | 3.82 (26) | 2.29 (38) | 0.42 (82) | -1.30 (72) | 3.28 (17) |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | 1.27 | 3.34 | 2.24 | 0.67 | -1.12 | 2.81 |

3 Yr Rolling Under/Over Performance - 5 Years

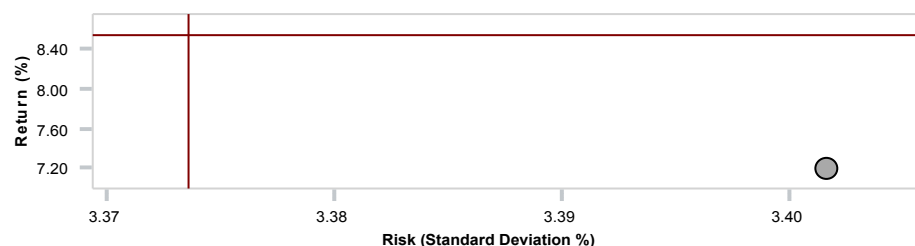
No data found.

3 Yr Rolling Percentile Ranking - 5 Years



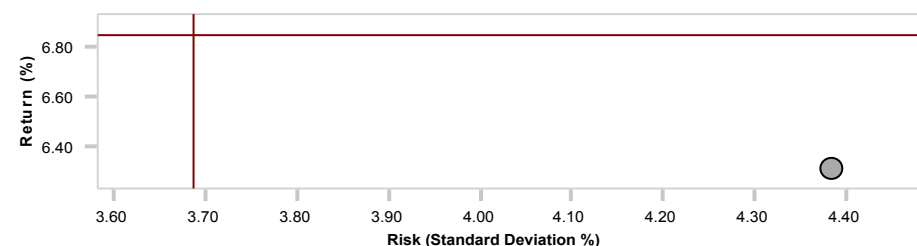
| | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|---------------------------|--------------|------------|-----------------|-----------------|-------------|
| Rockwood Fixed | 0 | 0 | 0 | 0 | 0 |
| Total Fixed Income Policy | 20 | 0 (0%) | 3 (15%) | 11 (55%) | 6 (30%)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

Peer Group Scattergram - 3 Years



| | Return | Standard Deviation |
|---------------------------|--------|--------------------|
| Rockwood Fixed | N/A | N/A |
| Total Fixed Income Policy | 7.19 | 3.40 |
| Median | 8.54 | 3.37 |

Peer Group Scattergram - 5 Years



| | Return | Standard Deviation |
|---------------------------|--------|--------------------|
| Rockwood Fixed | N/A | N/A |
| Total Fixed Income Policy | 6.31 | 4.38 |
| Median | 6.85 | 3.69 |

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 | 2.37 | 1.00 | 1.31 |

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 | 1.15 | 1.00 | 2.15 |

City of Venice Municipal Police Officers' Pension Trust Fund

Compliance Checklist as of 3/31/2012

| Total Fund Compliance: | Yes | No | N/A |
|---|-----|----|-----|
| 1. The Total Plan return equaled or exceeded the total plan benchmark over the trailing three year period. | ✓ | | |
| 2. The Total Plan return equaled or exceeded the total plan benchmark over the trailing five year period. | ✓ | | |
| 3. The Total Plan return ranked within the top 40th percentile of its peer group over the trailing three year period. | ✓ | | |
| 4. The Total Plan return ranked within the top 40th percentile of its peer group over the trailing five year period. | | ✓ | |
| 5. The Total Plan return equaled or exceeded the 8% actuarial earnings assumption over the trailing three and 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. | ✓ | | | | ✓ | | ✓ | | | ✓ | | | | | |

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

| Total Rockwood Policy | |
|------------------------------|-------------------|
| Allocation Mandate | Weight (%) |
| Oct-2009 | |
| Russell 3000 Index | 60.00 |
| Barclays Capital Aggregate | 40.00 |

| Total Fixed Income Policy | |
|---|-------------------|
| Allocation Mandate | Weight (%) |
| Mar-1988 | |
| Barclays Capital U.S. Government/Credit | 100.00 |
| Oct-2010 | |
| Barclays Capital Aggregate | 100.00 |

| Total Equity Policy | |
|----------------------------|-------------------|
| Allocation Mandate | Weight (%) |
| Aug-1986 | |
| Russell 1000 Index | 100.00 |
| Oct-2010 | |
| 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. |
| <i>Calculations based on monthly periodicity.</i> | |

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