

City of Venice Municipal Police Officers' Pension Trust Fund

Investment Performance Review
December 31, 2012

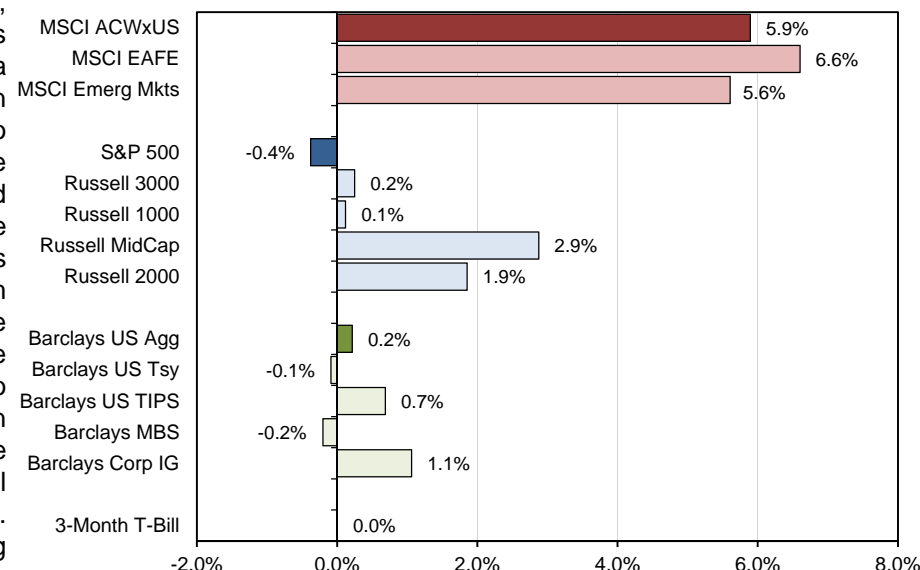


4th Quarter 2012 Market Environment

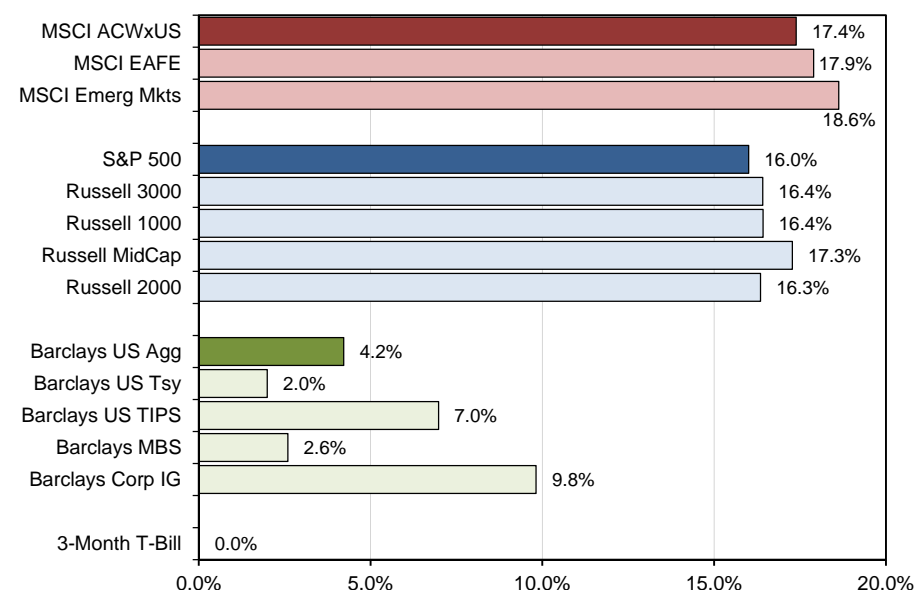
■ As with previous quarters this year, the markets were whipsawed by the change in investor sentiment between positive economic news, the US Presidential election, the “fiscal cliff”, and comments from key government officials on the state of affairs in their respective domain. There was improvement in several US economic data points. The final reading for US economic growth for the third quarter was 3.1%. In addition, the employment picture, homes sales, and consumer sentiment also improved during the fourth quarter, which helped lift the equity markets. Once the election was over, investors appeared to be primarily focused on the fiscal cliff and the rhetoric from the politicians generally weighted on the equity markets. The concern was over the potential impact to US economic growth from higher tax rates and federal spending cuts if no agreement was reached. Comments from government officials in Europe also impacted the markets. On the day following the Presidential election, ECB President Mario Draghi added fuel to the negative sentiment when he commented that economic growth in Europe is expected to remain weak and slowdown in economic activity may have reached Germany. In December, the Federal Reserve (“Fed”) announced that while they believe economic growth and employment have expanded at a moderate pace, the Fed will maintain its accommodative monetary policy (0.0% to 0.25% federal funds target). Furthermore, the Fed will continue its “asset purchases”, which includes buying \$40 billion in mortgage-backed securities per month. In addition, starting in January 2013, the Fed will begin buying \$45 billion long-term Treasury securities per month. While the market did not go up on the day of the announcement, the continuation of Fed’s Quantitative Easing (QE) program was important for market sentiment.

■ For the quarter, domestic equity indexes were volatile. The S&P 500 Index was ahead of the small cap Russell 2000 Index by 223 basis points (bps), until November 15th when the small cap index began its rally to end the quarter 230 bps higher than the large cap index. As indicated in the adjacent charts, mid cap was the best performing domestic equity index for the quarter and one-year periods. For the second consecutive quarter, the MSCI EAFE outperformed the S&P 500 Index, which helped the developed international index move ahead of the domestic index for 2012. For the fourth quarter, the U.S. bond market, represented by the Barclays Aggregate Bond Index, posted its 12th straight quarter of positive return with a modest gain of 21 bps. However, for 2012, the market return of +4.21% was 341 bps below the index return of the previous year. Return attribution trends for the fourth quarter and 2012 were similar as Corporates easily outpaced the Treasury and MBS sectors. The excess return for Investment Grade Credit Index was 121 bps for the quarter and 734 bps for the full calendar year.

Quarter Performance

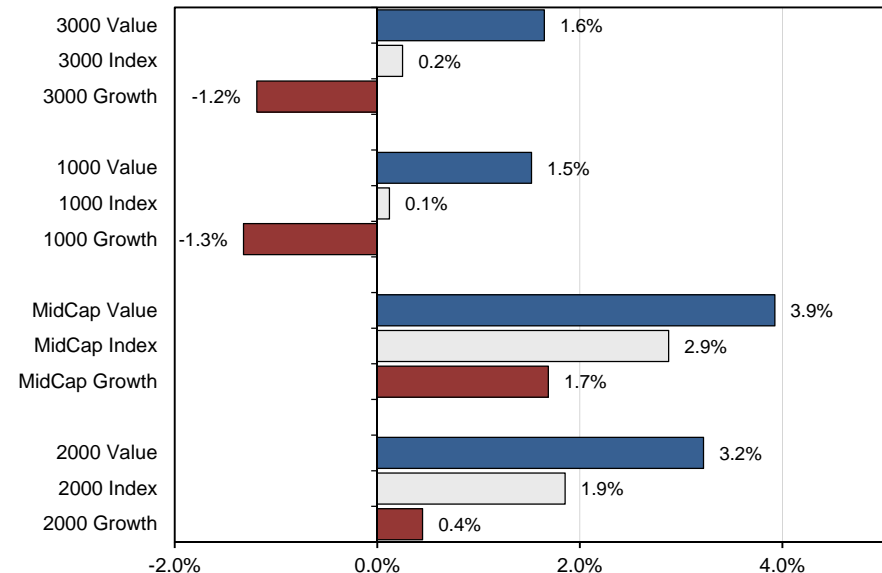


1-Year Performance

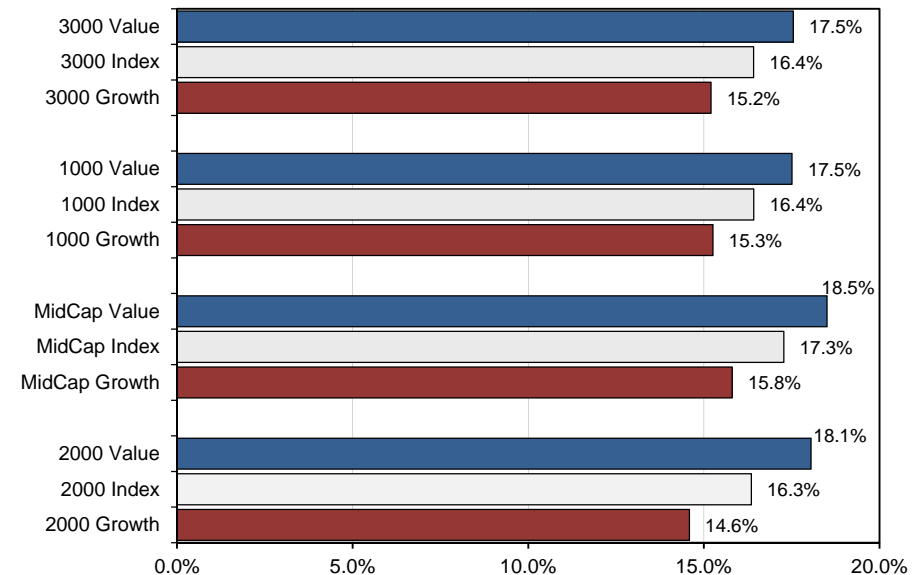


- Unlike the third quarter, there was not a lot of variation in the performance among the domestic equity indexes in the fourth quarter. For the second consecutive quarter, “value” outperformed “growth” for the quarter and the calendar year, regardless of capitalization (“cap”). The significant return dispersion realized between the large cap and all cap style indexes was largely attributable to the performance of Apple, a large cap growth stock, and an underweight to Financials. With a nearly +76% year-to-date return through September 30th, Apple’s stock price *dropped* nearly 20% in the fourth quarter. In the Russell 1000 Growth and Russell 3000 Growth indexes, the average allocation to Apple during the quarter was 8.1% and 7.1%, respectively. Compared to their respective growth counterparts, the Russell 1000 Value and Russell 3000 Value indexes gained 172 bps and 159 bps, respectively, from the lack of exposure to Apple. As previously mentioned, another contributor to the large dispersion in returns between value and growth was the allocation to Financials. The Financials sector was the second best performing sector in the large capitalization indexes; the value-style indexes added an additional 80 bps from the large overweight to the sector.
- The performance dispersion between the Russell Mid Cap Value and Russell Mid Cap Growth indexes was not attributable to GICS sector allocations. However, a larger percentage of the companies in the value index were positive during the quarter and the average return was greater. Sixty-nine percent of the companies in the Russell Mid Cap Value Index had a positive return compared to sixty-four percent for the Russell Mid Cap Growth. In addition, the average quarterly return for the companies in the Russell Mid Cap Value was +4.69% compared to +3.30% for the growth index. The Russell 2000 Value index’s 280 bps of outperformance versus the Russell 2000 Growth index during the quarter was primarily attributable to the differences in GICS sector distribution. Due to an overweight to Financials and underweight to Health Care, the Russell 2000 Value Index added approximately 250 bps relative to the growth index.
- From a market cap perspective and in general terms, the “sweet spot” for performance was to invest in companies with a market cap between \$2 billion and \$10 billion. In a reversal from the third quarter, “mega cap” companies, which is defined as those companies with a market cap greater than \$100 billion, underperformed the other market cap break points in the Russell 1000 and Russell 3000 indexes. Micro cap companies, which are defined as those companies with a market cap less than \$500 million, were punished more severely in growth than in value regardless of the index.

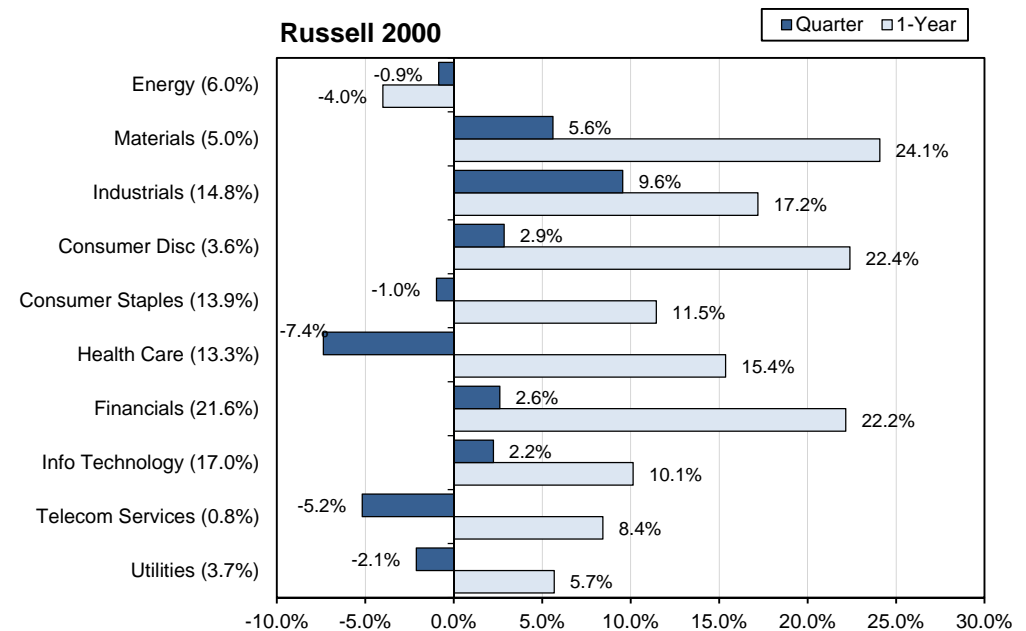
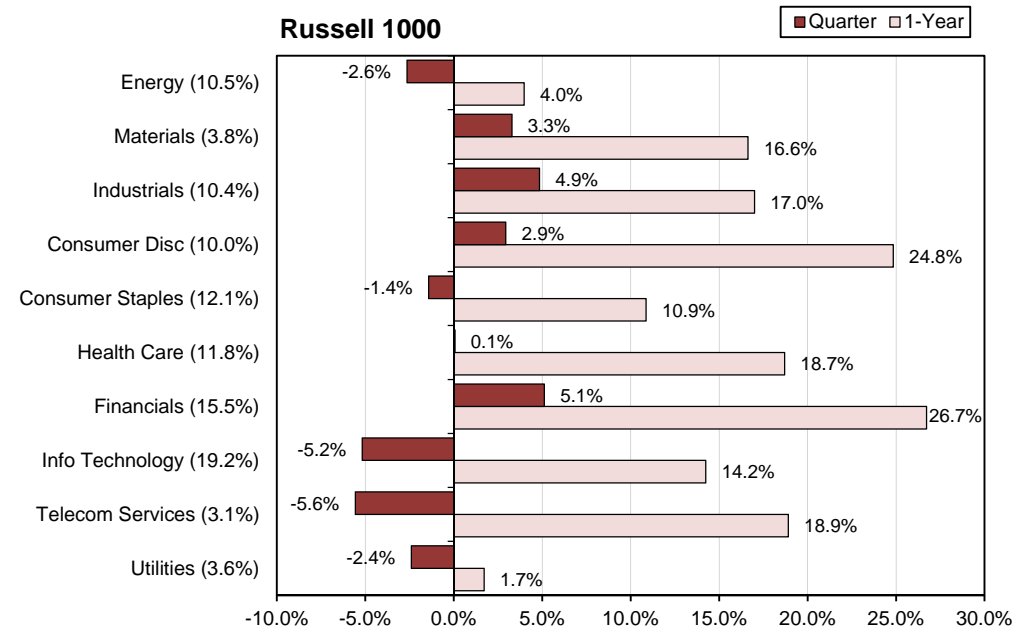
Quarter Performance - Russell Style Series



1-Year Performance - Russell Style Series



- For the quarter, small caps outperformed large caps. The return for the Russell 2000 (1.85%) outpaced that of the Russell 1000 (0.12%) by 173 basis points (bps). This disparity brought the two indexes in line for the year, with the Russell 1000 returning 16.42%, compared to the 16.35% return for the Russell 2000. Over longer one-, three-, and five-year periods, the smaller cap index has significantly outperformed its larger cap sibling.
- Despite a solid third quarter GDP growth of 3.1% announced in December 2012, S&P earnings growth forecasts fell precipitously in the fourth quarter with year over year growth falling to the low single digits (~4%) from low double digits (~10%). However, the primary drivers behind this decline are Hurricane Sandy related distortions and the disproportionate effect of outlier positions within individual sectors. Overall, the decline is more precipitous than the median company decline would suggest.
- The decline in expectations had the largest impact in capital spending leveraged industries, such as Technology and Telecom Services, whereas industries tied to the durable goods and housing trade have been the most resilient (Materials and Industrials). Large capitalization Technology was also hit hard by Apple's EPS slowdown as, at 3.97%, the stock represents the single largest position in the Russell 1000 index. On an absolute basis, Apple stock fell -19.85% during the period.
- Volatility has continued to fall throughout the year. When compared to the third quarter, which saw twelve total trading days of +/- 2% daily return for the Russell 2000, the fourth quarter witnessed only two such days and one occurred on the final trading day of 2012 (+2.10% on December 31). The same can be said for the Russell 1000, which experienced just one trading day of greater than +/- 2% movement (-2.32% on November 7th) versus three such days in the third quarter. Also, the range between highest and lowest single day returns were both significantly reduced when compared to prior periods. 4.01% represented the largest gap between the best and worst single day returns for the Russell 1000 and the same dispersion for the Russell 2000 was 4.38%. This was down from 5.5% and 6.5% for the two indexes in the 3rd quarter, respectively.



Source: Morningstar Direct and Bloomberg for sector performance and sector weights

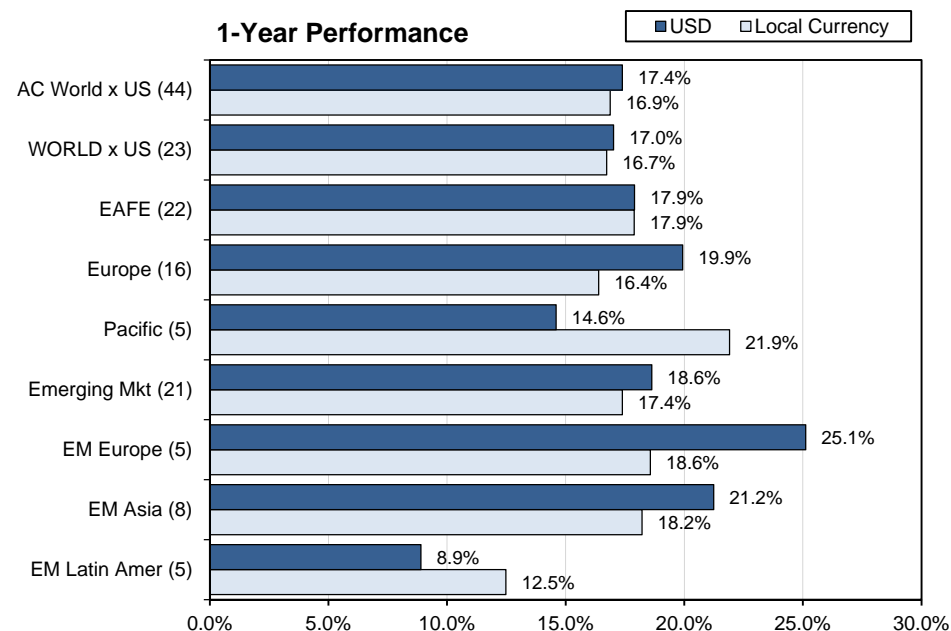
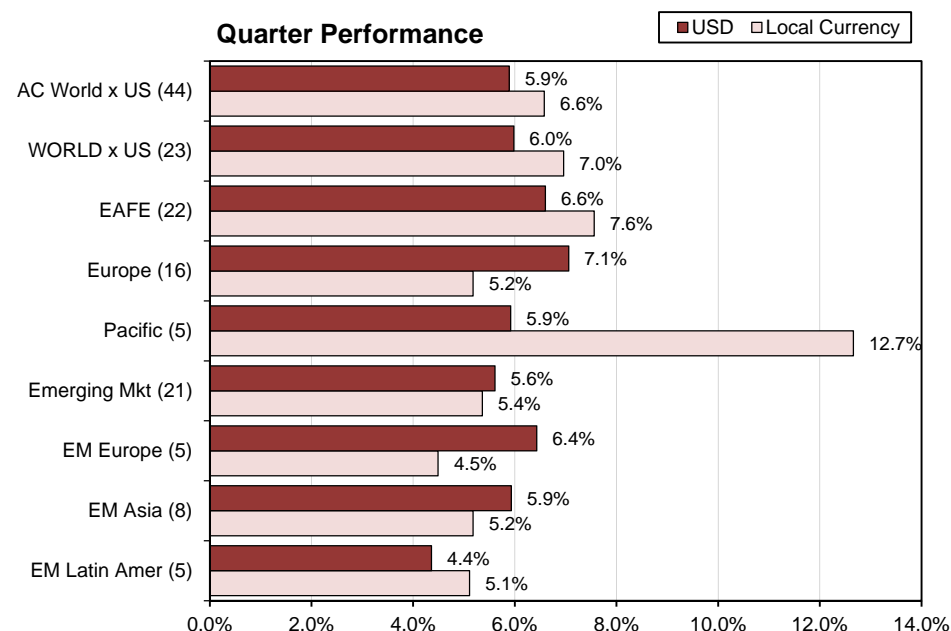
The Market Environment
Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000
As of December 31, 2012

Top 10 Weighted Stocks				
Russell 1000	Symbol	Qtr-End Wtg.	Return	Sector
Apple Inc	AAPL	3.43%	-19.8%	Information Technology
Exxon Mobil Corporation	XOM	2.78%	-4.7%	Energy
General Electric Co	GE	1.53%	-6.7%	Industrials
Chevron Corp	CVX	1.47%	-6.5%	Energy
IBM Corp	IBM	1.44%	-7.3%	Information Technology
Microsoft Corporation	MSFT	1.38%	-9.5%	Information Technology
AT&T Inc	T	1.36%	-9.4%	Telecommunication Services
Johnson & Johnson	JNJ	1.32%	2.6%	Health Care
Pfizer Inc	PFE	1.29%	1.8%	Health Care
Procter & Gamble Co	PG	1.28%	-1.3%	Consumer Staples
Top 10 Performing Stocks				
Russell 1000	Symbol	Qtr-End Wtg.	Return	Sector
Clearwire Corp Class A	CLWR	0.01%	115.7%	Telecommunication Services
Green Mountain Coffee Roasters, Inc.	GMCR	0.04%	74.1%	Consumer Staples
Netflix, Inc.	NFLX	0.04%	70.1%	Consumer Discretionary
Alpha Natural Resources Inc	ANR	0.01%	48.2%	Energy
Stratasys LTD	SSYS	0.02%	47.3%	Information Technology
Genworth Financial Inc	GNW	0.03%	43.6%	Financials
Abercrombie & Fitch Co. A	ANF	0.03%	41.9%	Consumer Discretionary
United Rentals Inc	URI	0.03%	39.2%	Industrials
Jefferies Group, Inc.	JEF	0.02%	36.7%	Financials
Liberty Ventures Class A	LVNTA	0.02%	36.5%	Consumer Discretionary
Bottom 10 Performing Stocks				
Russell 1000	Symbol	Qtr-End Wtg.	Return	Sector
ITT Educational Services, Inc.	ESI	0.00%	-46.3%	Consumer Discretionary
Best Buy Co Inc	BBY	0.02%	-30.1%	Consumer Discretionary
Herbalife, Ltd.	HLF	0.02%	-29.9%	Consumer Staples
Advanced Micro Devices Inc	AMD	0.01%	-28.8%	Information Technology
Apollo Group Inc Class A	APOL	0.01%	-28.0%	Consumer Discretionary
TIBCO Software, Inc.	TIBX	0.02%	-27.3%	Information Technology
Vertex Pharmaceuticals	VRTX	0.06%	-25.0%	Health Care
Western Union Company	WU	0.06%	-24.6%	Information Technology
Fusion-io Inc	FIO	0.01%	-24.2%	Information Technology
Allscripts-Misys Healthcare Solutions	MDRX	0.01%	-24.2%	Health Care

Top 10 Weighted Stocks				
Russell 2000	Symbol	Qtr-End Wtg.	Return	Sector
Ocwen Financial Corporation	OCN	0.31%	26.2%	Financials
Genesee & Wyoming, Inc. Class A	GWR	0.28%	13.8%	Industrials
Two Harbors Investment Corp	TWO	0.27%	-1.0%	Financials
Pharmacyclics, Inc.	PCYC	0.26%	-10.4%	Health Care
CommVault Systems, Inc.	CVLT	0.26%	18.8%	Information Technology
Starwood Property Trust, Inc.	STWD	0.26%	1.0%	Financials
Alaska Air Group, Inc.	ALK	0.26%	22.9%	Industrials
Warnaco Group, Inc.	WRC	0.24%	37.9%	Consumer Discretionary
Dril-Quip, Inc.	DRQ	0.24%	1.6%	Energy
WEX Inc	WXS	0.24%	8.1%	Information Technology
Top 10 Performing Stocks				
Russell 2000	Symbol	Qtr-End Wtg.	Return	Sector
Hovnanian Enterprises Inc	HOV	0.06%	102.3%	Consumer Discretionary
Anadigics, Inc.	ANAD	0.01%	81.3%	Information Technology
Cymer, Inc.	CYMI	0.23%	77.1%	Information Technology
MGIC Investment Corporation	MTG	0.04%	73.9%	Financials
Aegerion Pharmaceuticals, Inc.	AEGR	0.05%	71.3%	Health Care
LIN TV Corporation	TVL	0.02%	71.1%	Consumer Discretionary
Roma Financial Corporation	ROMA	0.01%	69.9%	Financials
Spartech Corporation	SEH	0.02%	69.5%	Materials
Audience Inc	ADNC	0.01%	67.6%	Information Technology
Applied Micro Circuits Corporation	AMCC	0.05%	66.4%	Information Technology
Bottom 10 Performing Stocks				
Russell 2000	Symbol	Qtr-End Wtg.	Return	Sector
Biocryst Pharmaceuticals	BCRX	0.01%	-66.5%	Health Care
Oncothyreon, Inc.	ONTY	0.01%	-62.6%	Health Care
Active Network Inc	ACTV	0.02%	-60.8%	Information Technology
Glu Mobile, Inc.	GLUU	0.01%	-50.9%	Information Technology
Zogenix, Inc.	ZGNX	0.01%	-49.6%	Health Care
Orchard Supply Hardware	OSH	0.00%	-48.8%	Consumer Discretionary
Corcept Therapeutics, Inc.	CORT	0.01%	-48.7%	Health Care
Amicus Therapeutics, Inc.	FOLD	0.01%	-48.5%	Health Care
U.S. Auto Parts Network, Inc.	PRTS	0.00%	-47.1%	Consumer Discretionary
Endeavour International Corp	END	0.02%	-46.4%	Energy

Source: Morningstar Direct

- International equity markets continued their run, and were the best performers for the fourth quarter. November and December, in particular, were strong months driven by euphoric expectations that the world's economic troubles would be solved sooner rather than later. Developed markets, represented by the MSCI-EAFE Index, were up 6.6% for the quarter, with emerging markets lagging slightly at +5.6%. The USD depreciated versus most of Europe and Emerging Asia, but appreciated significantly versus the Japanese Yen. 2012 performance for non-US equities was solid, although dwarfed by U.S. equity returns. Financials and Europe were the biggest contributors for the annual period.
- All non-US equity markets were up strongly during the fourth quarter. Developed European equity markets had the strongest USD return, while Latin American equity markets lagged slightly.
- The Japanese Yen depreciated significantly during the quarter primarily due to monetary policy actions by the Bank of Japan. Notable recent news in the country include the recent ousting of the ruling party and election of Shinzo Abe, former Prime Minister and member of the Liberal Democratic Party. Japan was the strongest performer in local currency terms, at +17.6%. For 2012, a majority of non-US equity markets were well into positive double-digit territory on a USD basis. The notable exceptions were Japan (+8.4%) and Brazil (+0.3%).
- In USD terms, China was the strongest-performing equity market during the quarter, at +12.9%. China also elected its President during the quarter which provided much-needed clarity to investors on the country's long-term growth path.
- Indian and Russian equity markets struggled relative to other non-US equities during the quarter, returning only +0.5% and +2.5%, respectively, in USD.
- Financials were very strong performers across both Developed and Emerging equities during the quarter, while Consumer Discretionary stocks in Developed Countries led the pack. Developed Telecom and Energy stocks were the worst performers and ended the quarter in negative territory.



Source: MSCI (www.msci.com) for index performance. Returns are gross.

The Market Environment
U.S. Dollar International Index Attribution & Country Detail
As of December 31, 2012

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Energy	7.7%	-0.8%	0.4%
Materials	9.8%	9.4%	13.8%
Industrials	12.6%	8.4%	17.4%
Consumer Discretionary	10.7%	12.3%	25.4%
Consumer Staples	11.6%	3.1%	17.6%
Health Care	9.8%	2.1%	18.2%
Financials	24.7%	11.4%	33.7%
Information Technology	4.3%	9.9%	8.9%
Telecommunication Services	4.9%	-4.7%	-0.2%
Utilities	3.9%	1.5%	4.4%
Total	100.0%	6.6%	17.9%

MSCI - ACWIXUS	Sector Weight	Quarter Return	1-Year Return
Energy	10.3%	-0.6%	2.3%
Materials	11.0%	5.9%	10.5%
Industrials	10.6%	7.9%	17.3%
Consumer Discretionary	9.5%	10.3%	23.4%
Consumer Staples	10.3%	4.1%	19.3%
Health Care	7.1%	2.2%	18.7%
Financials	25.9%	10.4%	30.2%
Information Technology	6.4%	7.5%	18.4%
Telecommunication Services	5.4%	-2.4%	5.2%
Utilities	3.5%	1.6%	4.9%
Total	100.0%	5.9%	17.4%

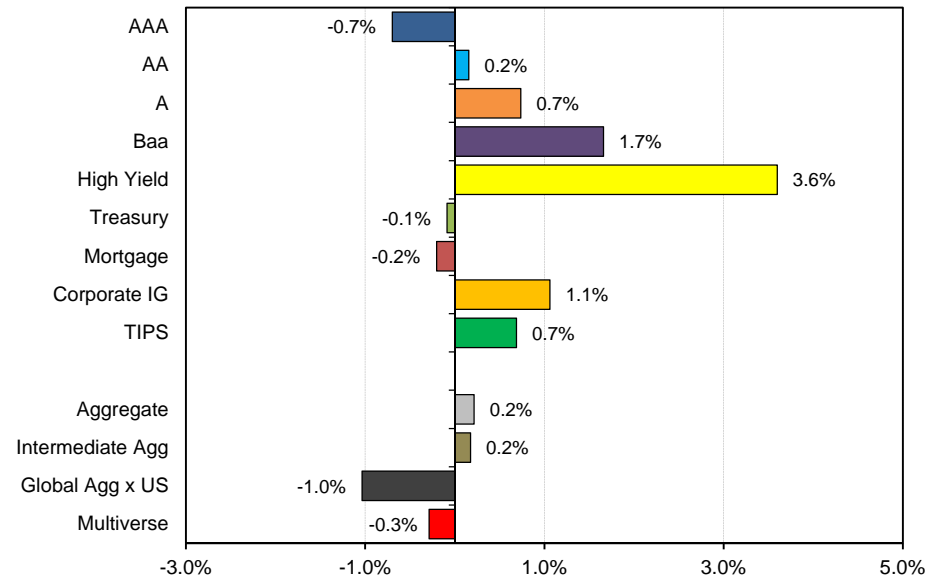
MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Energy	12.5%	1.0%	6.4%
Materials	11.8%	6.0%	10.4%
Industrials	6.5%	5.3%	17.2%
Consumer Discretionary	7.9%	4.0%	16.5%
Consumer Staples	8.8%	7.6%	25.6%
Health Care	1.3%	5.0%	33.5%
Financials	26.5%	10.1%	25.9%
Information Technology	13.8%	5.4%	29.0%
Telecommunication Services	7.7%	0.7%	14.5%
Utilities	3.4%	1.6%	6.8%
Total	100.0%	5.6%	18.6%

Country	MSCI-EAFE Weight	MSCI-ACWIXUS Weight	Quarter Return	1- Year Return
United Kingdom	22.6%	15.4%	4.2%	15.3%
Japan	20.0%	13.6%	5.8%	8.4%
France	9.6%	6.5%	10.9%	22.8%
Australia	8.9%	6.1%	8.5%	32.1%
Switzerland	8.8%	6.0%	8.0%	21.5%
Germany	8.7%	5.9%	6.9%	22.3%
Sweden	3.2%	2.2%	5.1%	23.4%
Hong Kong	3.1%	2.1%	9.9%	4.7%
Spain	3.0%	2.1%	5.7%	28.3%
Netherlands	2.5%	1.7%	9.5%	21.2%
Italy	2.3%	1.5%	9.3%	13.5%
Singapore	1.9%	1.3%	3.2%	31.0%
Denmark	1.2%	0.8%	3.3%	31.9%
Belgium	1.2%	0.8%	6.3%	40.7%
Norway	0.9%	0.6%	1.1%	19.7%
Finland	0.8%	0.5%	13.2%	16.5%
Israel	0.5%	0.4%	-3.8%	-3.9%
Ireland	0.3%	0.2%	3.0%	6.3%
Austria	0.3%	0.2%	19.1%	27.0%
Portugal	0.2%	0.1%	10.5%	5.0%
New Zealand	0.1%	0.1%	4.7%	30.4%
Greece	0.1%	0.0%	28.1%	5.7%
Total EAFE Countries	100.0%	68.1%	6.6%	17.9%
Canada		7.8%	0.9%	9.9%
Total Developed Countries		75.9%	6.0%	17.0%
China		4.4%	12.9%	23.1%
Korea		3.7%	4.8%	21.5%
Brazil		3.0%	3.6%	0.3%
Taiwan		2.6%	1.6%	17.7%
South Africa		1.9%	6.3%	19.0%
India		1.6%	0.5%	26.0%
Russia		1.5%	2.5%	14.4%
Mexico		1.3%	5.8%	29.1%
Malaysia		0.8%	3.7%	14.3%
Indonesia		0.6%	1.1%	5.2%
Thailand		0.6%	5.9%	34.9%
Turkey		0.5%	18.4%	64.9%
Chile		0.4%	-0.6%	8.3%
Poland		0.4%	11.7%	41.0%
Colombia		0.3%	12.6%	35.9%
Philippines		0.2%	11.6%	47.6%
Peru		0.1%	7.5%	20.2%
Czech Republic		0.1%	-3.2%	3.5%
Egypt		0.1%	-10.8%	47.1%
Hungary		0.1%	-1.5%	22.8%
Morocco		0.0%	1.3%	-11.5%
Total Emerging Countries		24.1%	5.6%	18.6%
Total ACWIXUS Countries		100.0%	5.9%	17.4%

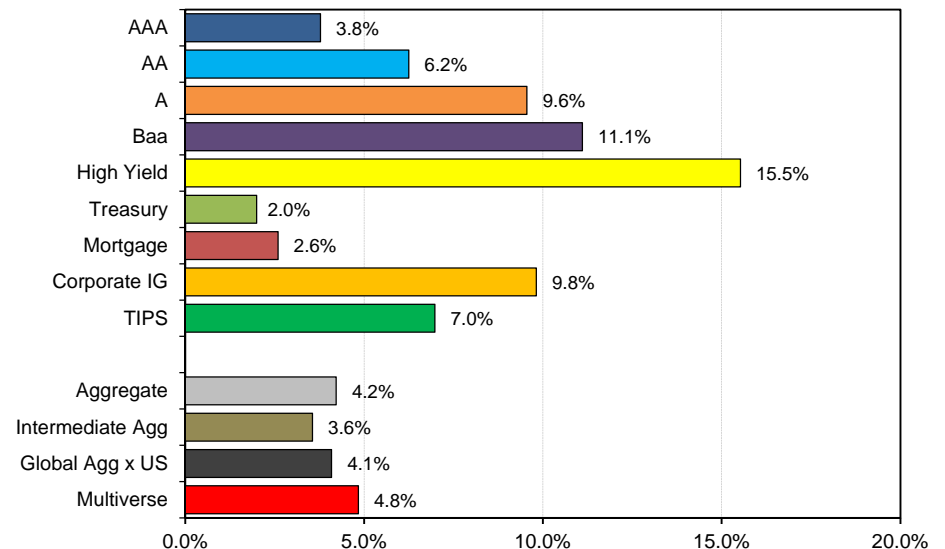
Source: MSCI (www.msci.com)

- The Barclays Aggregate Bond Index ended 2012 by posting a modest return of +0.21%. The most recent quarter's performance represented the *12th straight quarter* where the index has posted a positive return. This is the longest, consecutive period of positive quarters since the inception of the Barclays Aggregate Bond Index. Just as in previous quarters, investor's appetite for increased income resulted in strong demand for the higher yielding areas of the domestic bond market. Across the key sectors of the market, only Corporates posted a positive return. For the three month period ending December 31st, Corporates once again outperformed the Treasury and MBS sectors by 115 bps and 126 bps, respectively.
- Within the US Corporate Investment Grade Index, performance was inversely correlated to quality; the lowest rated credit group, Baa, outpaced the A-, AA-, and Aaa-rated bonds by 80, 135, and 179 bps, respectively. From an industry group perspective, Financials returned +1.90% for the fourth quarter followed by a +0.68% return on Industrials and +0.57% return on Utilities.
- For 2012, investors were largely rewarded for owning the riskier assets within the domestic, investment grade universe. From a sector and quality perspective, lower quality bonds outperformed the higher quality securities. On a full-year basis, the excess return for Corporates, on a Treasury duration-matched basis, was 734 basis points versus 91 basis points for MBS. With respect to quality ratings, the excess return for Baa-rated bonds was 875 basis points versus only 59 for those rated Aaa.
- Investors were also rewarded over the past year for owning longer-dated maturities. Supported by strong central bank action, the long-end of the yield curve rallied sharply to easily beat short and intermediate bonds. Bonds with maturities greater than 10 years returned 8.78% for the trailing 12 months versus only 3.63% for those in the 3-7 year range.
- For the trailing one-year period, the returns in the domestic and international bond markets were basically the same, with returns of +4.2% and +4.1%, respectively.

Quarter Performance



1-Year Performance

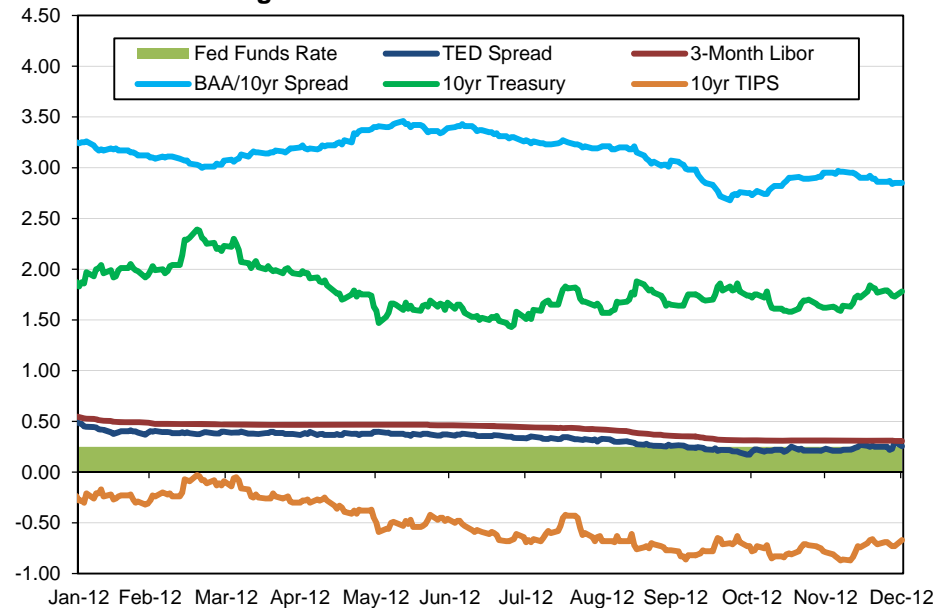


AAA, AA, A, Baa, are components of the U.S. Corporate Investment Grade Index. Corporate IG represents the U.S. Corporate Investment Grade and is a component of U.S. Credit Index. "Treasury" represents U.S. Treasury and is a component of the U.S. Government Index. "Mortgage" (U.S. MBS) is a component of the Barclays U.S. Aggregate Index. U.S. Government and U.S. Credit are components of the Barclays U.S. Gov./Credit Index, which is a component of the Barclays Aggregate Index. Multiverse represents the Barclays Multiverse Index, which consists of the Global Aggregate and Global High Yield indexes.

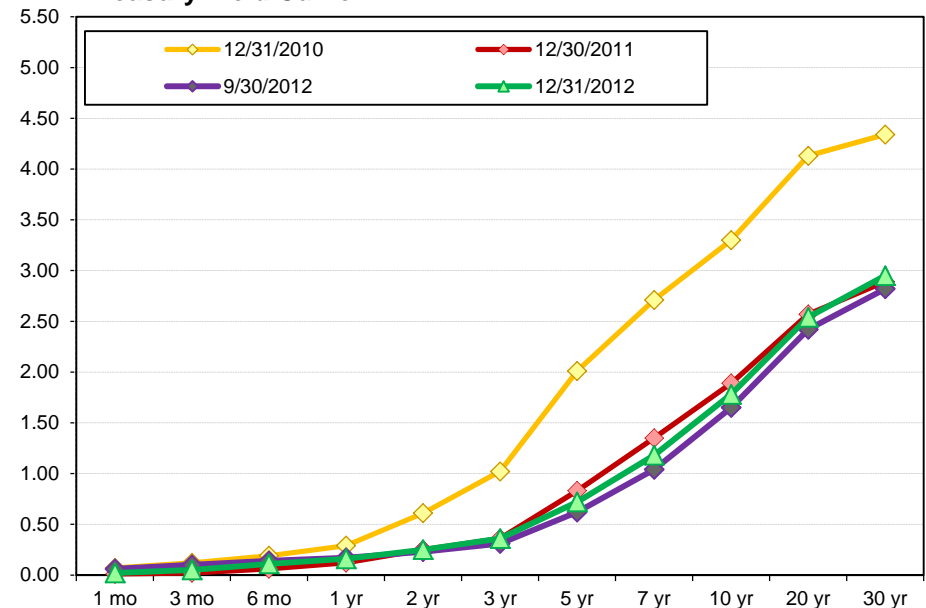
Source: Barclays Capital Live

- After a strong 3rd quarter rally that came on the heels of decisive central bank actions, domestic bond markets were calmer in the last quarter of 2012. Early in the quarter, markets quietly digested the U.S. election results that sent President Obama back to the White House while keeping the lower chamber of the House of Representatives under Republican control. As the quarter progressed, attention turned to the looming fiscal cliff. Though Washington technically went “over the cliff”, both sides reached an agreement in early January. Throughout the quarter, bond yield rose and fell within a narrow range as markets continued to receive news indicating a moderate to weak U.S. economy. As a result, yield levels on the short-end and 30-year maturities on the curve were essentially unchanged, while the 5- through 10-year maturities moved wider by 10 and 14 bps.
- Though yield levels changed little from the end of the third quarter to the end of the fourth quarter, there was a degree of volatility late in the quarter as the 10-year Treasury yield rose 19 basis points in December to the end the year with a yield of 1.78%.
- For the full year of 2012, the direction of the yield curve exhibited a similar story to that of the 4th quarter. While short and long-term Treasury rates were essentially unchanged from the end of 2011, the 5- to 10-year maturity points did move lower by a modest 11 basis points. Though the yield change on the 10 year Treasury was small, volatility was much higher as the yield traded in a 96 basis point yield range (from 1.43% to 2.39%).
- At current interest rate levels, investors must extend to 10-year maturities, or beyond, to find a Treasury yield in excess of the rate of inflation. Since 2010, investors in long-dated, low quality bonds have been richly rewarded as yields moved lower and spreads compressed. However, going forward, the flatter yield curve and low nominal yields provide investors with little return to compensate for the high level of interest rate risk inherent in long-dated, fixed income securities. Furthermore, the dramatic rally in Corporates that began after the crisis in 2008 has moved spread levels below their long-term averages in both investment grade and high yield. Given the tighter spreads and low nominal yields on Treasuries and MBS, investors should expect an active investment manager’s excess return to be lower than many experienced over the last three or four years.

1-Year Trailing Market Rates



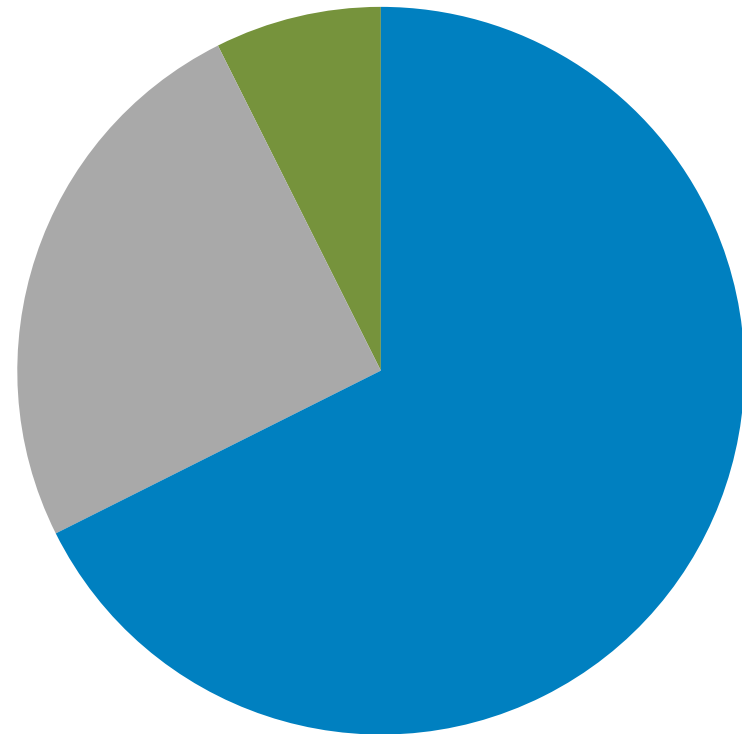
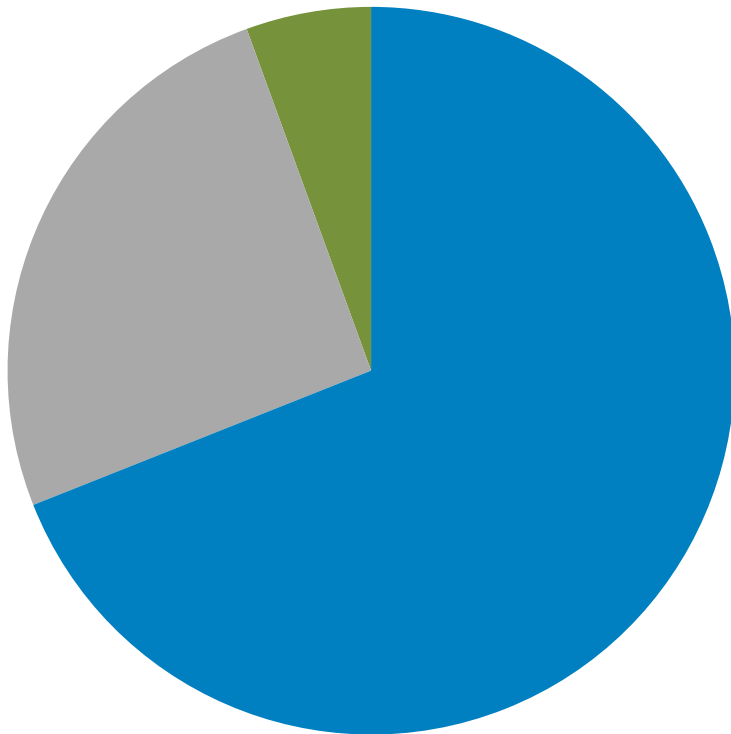
Treasury Yield Curve



Source: US Department of Treasury, FRED-Federal Reserve of St. Louis, and Mortgage-X.com (for LIBOR data prior to 12-30-2011).

Asset Allocation By Segment as of
September 30, 2012 : \$26,367,320

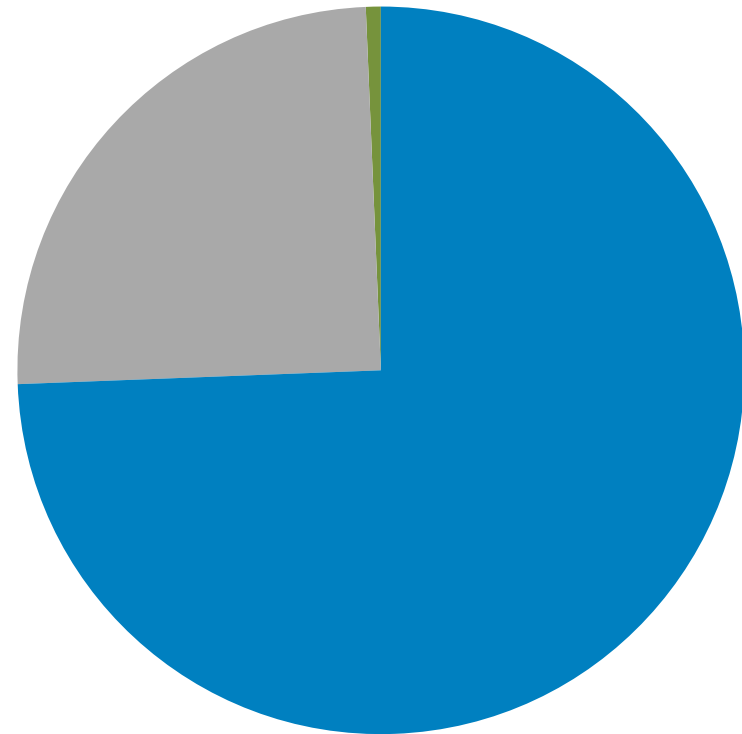
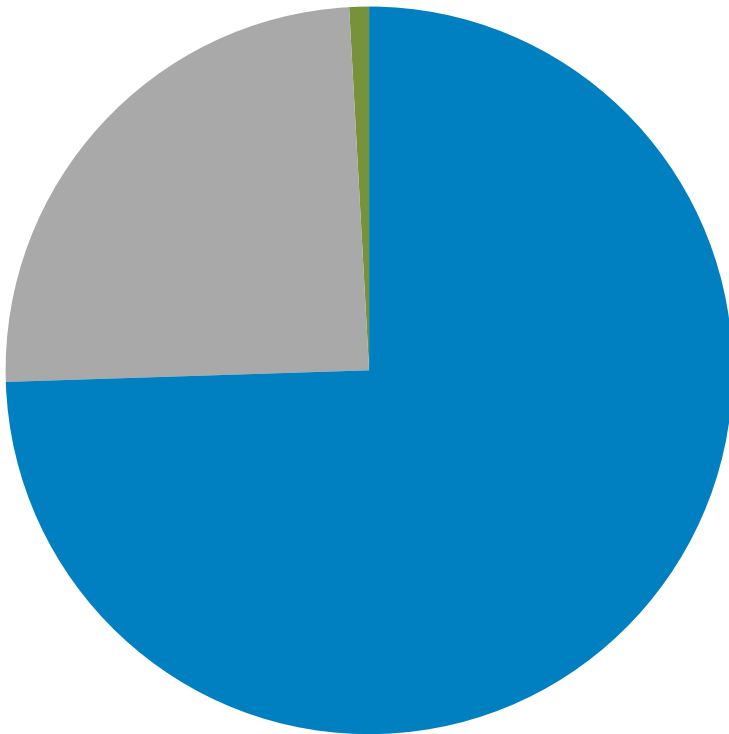
Asset Allocation By Segment as of
December 31, 2012 : \$26,424,359



Allocation			Allocation		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
Domestic Equity	18,190,152	69.0	Domestic Equity	17,868,561	67.6
Domestic Fixed Income	6,710,504	25.5	Domestic Fixed Income	6,600,069	25.0
Cash Equivalent	1,466,664	5.6	Cash Equivalent	1,955,728	7.4

Asset Allocation By Manager as of
September 30, 2012 : \$26,367,320

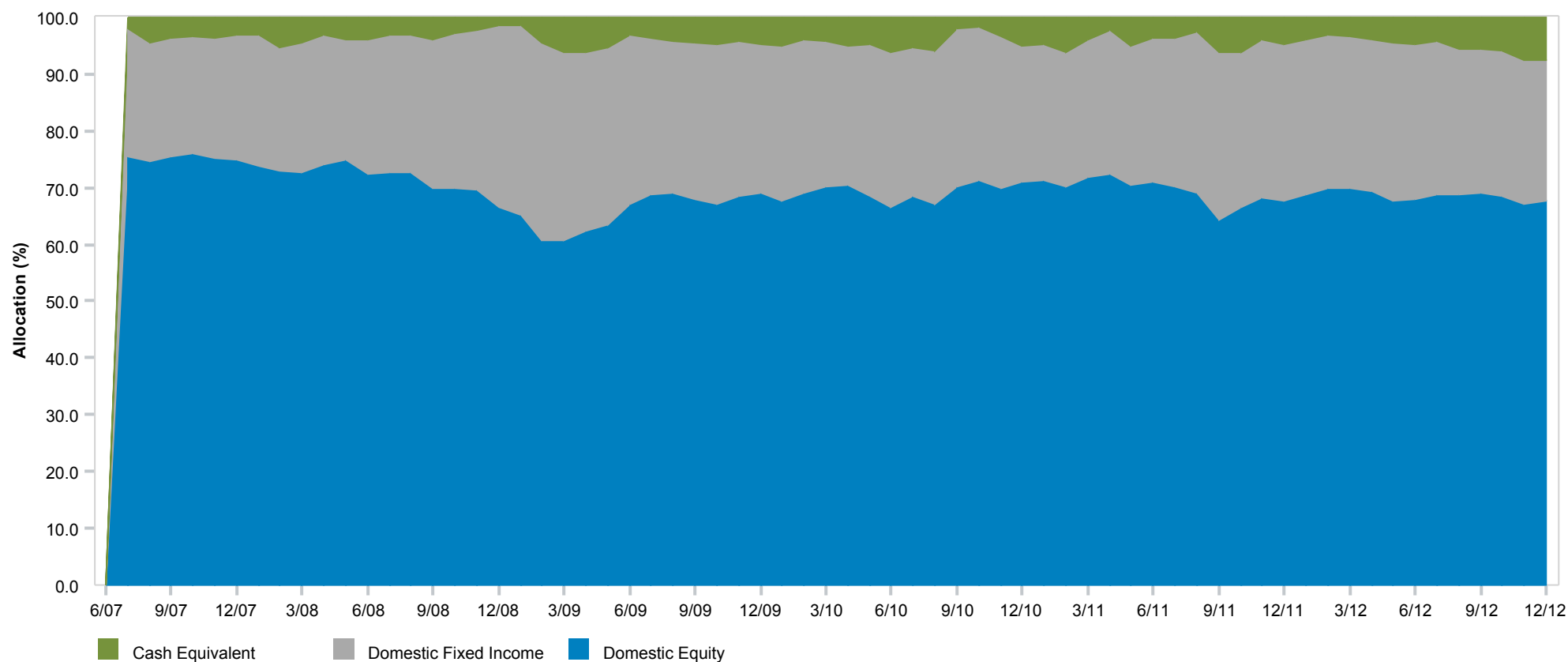
Asset Allocation By Manager as of
December 31, 2012 : \$26,424,359



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
■ Bowen Hanes Balanced Portfolio	19,642,226	74.5	■ Bowen Hanes Balanced Portfolio	19,658,924	74.4
■ Rockwood Capital Balanced Portfolio	6,493,043	24.6	■ Rockwood Capital Balanced Portfolio	6,590,300	24.9
■ R&D Account	232,051	0.9	■ R&D Account	175,135	0.7

Asset Allocation Attributes										
	Dec-2011		Mar-2012		Jun-2012		Sep-2012		Dec-2012	
	(\$)	%	(\$)	%	(\$)	%	(\$)	%	(\$)	%
Bowen Hanes Balanced Portfolio	18,086,621	74.54	19,347,824	74.70	18,522,084	73.99	19,642,226	74.49	19,658,924	74.40
Rockwood Balanced Portfolio	6,001,132	24.73	6,317,649	24.39	6,337,118	25.31	6,493,043	24.63	6,590,300	24.94
R&D Account	175,001	0.72	234,551	0.91	175,000	0.70	232,051	0.88	175,135	0.66
Total Fund	24,262,754	100.00	25,900,024	100.00	25,034,202	100.00	26,367,320	100.00	26,424,359	100.00

Historical Asset Allocation by Segment



Financial Reconciliation Quarter to Date

	Market Value 10/01/2012	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 12/31/2012
Bowen Hanes Balanced Portfolio	19,642,226	76,500	-	-	-19,577	-	116,895	-157,120	19,658,924
Rockwood Balanced Portfolio	6,493,043	25,500	-	-	-8,116	-	43,699	36,174	6,590,300
R&D Account	232,051	-102,000	535,310	-480,474	-	-9,755	2	-	175,135
Total Fund	26,367,320	-	535,310	-480,474	-27,693	-9,755	160,597	-120,946	26,424,359

Financial Reconciliation Fiscal Year to Date

	Market Value 10/01/2012	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 12/31/2012
Bowen Hanes Balanced Portfolio	19,642,226	76,500	-	-	-19,577	-	116,895	-157,120	19,658,924
Rockwood Balanced Portfolio	6,493,043	25,500	-	-	-8,116	-	43,699	36,174	6,590,300
R&D Account	232,051	-102,000	535,310	-480,474	-	-9,755	2	-	175,135
Total Fund	26,367,320	-	535,310	-480,474	-27,693	-9,755	160,597	-120,946	26,424,359

Comparative Performance

Total Fund

As of December 31, 2012

Comparative Performance Trailing Returns

	QTR	FYTD	1 YR	3 YR	5 YR	10 YR	Inception	Inception Date
Total Fund (Net)	0.04	0.04	10.11	8.33	1.57	7.51	8.98	08/01/1986
Total Fund Policy	1.08	1.08	12.38	8.70	3.05	6.59	8.51	
Total Fund (Gross)	0.15 (94)	0.15 (94)	10.58 (87)	8.79 (44)	1.99 (90)	7.94 (17)	9.21 (8)	08/01/1986
Total Fund Policy	1.08 (74)	1.08 (74)	12.38 (62)	8.70 (47)	3.05 (56)	6.59 (67)	8.51 (54)	
All Public Plans-Total Fund Median	1.70	1.70	13.01	8.63	3.13	6.94	8.61	
Total Domestic Equity	0.43 (39)	0.43 (39)	13.91 (77)	10.27 (59)	1.32 (73)	9.61 (10)	11.12 (5)	08/01/1986
Total Equity Policy	1.53 (14)	1.53 (14)	16.71 (36)	9.56 (71)	1.06 (77)	7.07 (87)	9.39 (93)	
IM U.S. Large Cap Core Equity (SA+CF) Median	0.00	0.00	15.83	10.55	2.20	8.03	10.66	
Total Fixed Income	-0.30 (100)	-0.30 (100)	4.35 (89)	6.33 (83)	5.12 (95)	4.56 (99)	6.67 (100)	03/01/1988
Total Fixed Income Policy	0.21 (85)	0.21 (85)	4.21 (92)	6.52 (76)	5.95 (82)	5.19 (85)	7.10 (94)	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	0.46	0.46	5.85	7.00	6.66	5.59	7.52	
Bowen Hanes Balanced Portfolio	-0.31 (98)	-0.31 (98)	9.87 (94)	7.69 (80)	1.50 (92)	7.47 (31)	8.97 (24)	08/01/1986
Total Bowen Policy	0.16 (94)	0.16 (94)	12.16 (67)	9.68 (14)	3.60 (33)	6.87 (54)	8.62 (50)	
All Public Plans-Total Fund Median	1.70	1.70	13.01	8.63	3.13	6.94	8.61	
Bowen Hanes Equity	0.00 (51)	0.00 (51)	13.11 (81)	9.23 (74)	0.92 (80)	9.39 (13)	11.03 (7)	08/01/1986
Russell 1000 Index	0.12 (46)	0.12 (46)	16.42 (41)	11.12 (40)	1.92 (59)	7.52 (71)	9.56 (92)	
IM U.S. Large Cap Core Equity (SA+CF) Median	0.00	0.00	15.83	10.55	2.20	8.03	10.66	
Bowen Hanes Fixed Income	-0.45 (100)	-0.45 (100)	4.73 (84)	6.42 (81)	5.31 (94)	4.66 (98)	6.71 (100)	03/01/1988
Total Fixed Income Policy	0.21 (85)	0.21 (85)	4.21 (92)	6.52 (76)	5.95 (82)	5.19 (85)	7.10 (94)	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	0.46	0.46	5.85	7.00	6.66	5.59	7.52	
Rockwood Balanced Portfolio	1.10 (72)	1.10 (72)	11.04 (84)	10.49 (2)	N/A	N/A	10.93 (2)	10/01/2009
Total Rockwood Policy	0.24 (93)	0.24 (93)	12.16 (67)	9.84 (12)	N/A	N/A	10.26 (10)	
All Public Plans-Total Fund Median	1.70	1.70	13.01	8.63	3.13	6.94	9.04	
Rockwood Equity	1.89 (28)	1.89 (28)	16.53 (37)	13.73 (5)	N/A	N/A	14.73 (1)	10/01/2009
Russell 3000 Index	0.25 (68)	0.25 (68)	16.42 (45)	11.20 (49)	2.04 (60)	7.68 (71)	12.26 (44)	
IM U.S. All Cap Core Equity (SA+CF) Median	0.72	0.72	16.22	11.19	2.10	8.28	12.03	
Rockwood Fixed Income	0.03 (95)	0.03 (95)	3.52 (98)	6.19 (87)	N/A	N/A	5.64 (91)	10/01/2009
Total Fixed Income Policy	0.21 (85)	0.21 (85)	4.21 (92)	6.52 (76)	5.95 (82)	5.19 (85)	5.94 (84)	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	0.46	0.46	5.85	7.00	6.66	5.59	6.68	

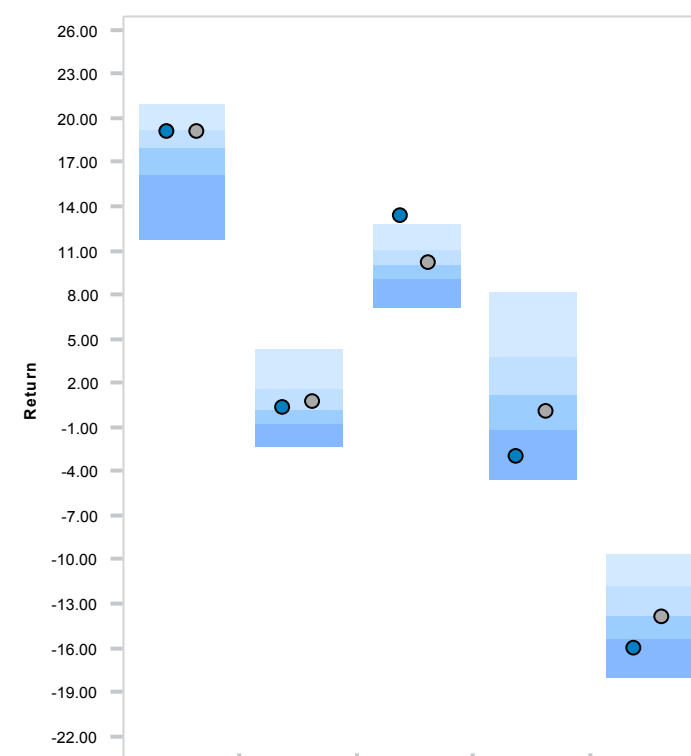
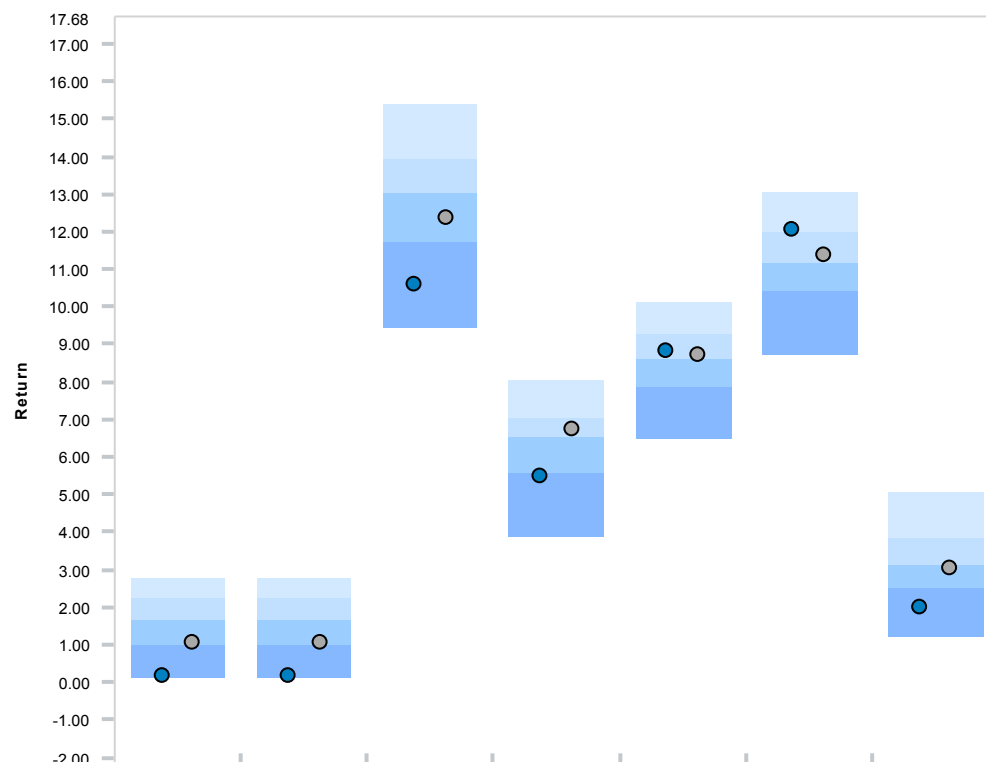
Returns for periods greater than one year are annualized.
Returns are expressed as percentages.

Comparative Performance Fiscal Year Returns

	Oct-2011 To Sep-2012	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	Oct-2004 To Sep-2005	Oct-2003 To Sep-2004	Oct-2002 To Sep-2003
Total Fund (Net)	18.57	-0.08	12.94	-3.43	-16.34	20.79	9.09	14.82	15.22	17.25
Total Fund Policy	19.02	0.77	10.08	0.09	-13.98	12.73	7.88	10.14	10.09	18.39
Total Fund (Gross)	19.06 (27)	0.34 (49)	13.39 (4)	-3.03 (89)	-16.01 (84)	21.27 (2)	9.43 (35)	15.30 (13)	15.68 (4)	17.73 (35)
Total Fund Policy	19.02 (28)	0.77 (40)	10.08 (48)	0.09 (65)	-13.98 (53)	12.73 (77)	7.88 (64)	10.14 (74)	10.09 (64)	18.39 (29)
All Public Plans-Total Fund Median	17.95	0.23	9.98	1.25	-13.78	14.43	8.65	12.46	11.09	16.15
Total Domestic Equity	26.58 (71)	-1.95 (80)	15.54 (4)	-6.40 (57)	-20.99 (56)	28.49 (2)	11.60 (35)	20.08 (17)	21.49 (7)	23.84 (44)
Total Equity Policy	26.65 (71)	-2.04 (80)	10.75 (34)	-6.14 (53)	-22.10 (68)	16.90 (52)	10.25 (57)	14.26 (59)	13.90 (58)	25.14 (30)
IM U.S. Large Cap Core Equity	29.69	0.98	9.50	-5.81	-20.49	16.98	10.76	15.21	14.28	23.25
Total Fixed Income	5.42 (86)	4.80 (74)	10.26 (24)	8.50 (92)	-1.34 (80)	2.48 (100)	3.14 (97)	3.34 (30)	4.04 (34)	8.65 (5)
Total Fixed Income Policy	5.16 (91)	5.26 (49)	8.73 (65)	11.46 (67)	2.41 (52)	5.08 (59)	3.33 (96)	2.56 (91)	3.35 (83)	6.51 (25)
IM U.S. Broad Market Core Fixed Income	6.60	5.25	9.20	12.32	2.56	5.15	3.85	3.14	3.80	5.76
Bowen Hanes Balanced Portfolio	18.64 (35)	-0.49 (70)	12.24 (10)	-2.49 (85)	-16.34 (87)	20.79 (2)	9.09 (43)	14.82 (20)	15.22 (4)	17.25 (40)
Total Bowen Policy	21.06 (5)	2.69 (12)	10.08 (48)	0.09 (65)	-13.98 (53)	12.73 (77)	7.88 (64)	10.14 (74)	10.09 (64)	18.39 (29)
All Public Plans-Total Fund Median	17.95	0.23	9.98	1.25	-13.78	14.43	8.65	12.46	11.09	16.15
Bowen Hanes Equity	25.68 (78)	-2.07 (80)	14.02 (9)	-5.84 (51)	-20.99 (56)	28.49 (2)	11.60 (35)	20.08 (17)	21.49 (7)	23.84 (44)
Russell 1000 Index	30.05 (47)	0.91 (53)	10.75 (34)	-6.14 (53)	-22.10 (68)	16.90 (52)	10.25 (57)	14.26 (59)	13.90 (58)	25.14 (30)
IM U.S. Large Cap Core Equity	29.69	0.98	9.50	-5.81	-20.49	16.98	10.76	15.21	14.28	23.25
Bowen Hanes Fixed Income	5.72 (81)	4.72 (76)	11.03 (18)	8.64 (92)	-1.34 (80)	2.48 (100)	3.14 (97)	3.34 (30)	4.04 (34)	8.65 (5)
Total Fixed Income Policy	5.16 (91)	5.26 (49)	8.73 (65)	11.46 (67)	2.41 (52)	5.08 (59)	3.33 (96)	2.56 (91)	3.35 (83)	6.51 (25)
IM U.S. Broad Market Core Fixed Income	6.60	5.25	9.20	12.32	2.56	5.15	3.85	3.14	3.80	5.76
Rockwood Balanced Portfolio	18.89 (30)	1.16 (32)	15.21 (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Rockwood Policy	21.16 (4)	2.47 (14)	10.37 (41)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
All Public Plans-Total Fund Median	17.95	0.23	9.98	1.25	-13.78	14.43	8.65	12.46	11.09	16.15
Rockwood Equity	29.61 (36)	-2.18 (79)	21.00 (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Russell 3000 Index	30.20 (27)	0.55 (62)	10.96 (51)	-6.42 (60)	-21.52 (65)	16.52 (62)	10.22 (39)	14.57 (74)	14.26 (82)	25.92 (36)
IM U.S. All Cap Core Equity	26.95	0.94	10.97	-6.06	-21.09	17.43	9.29	17.88	16.34	25.15
Rockwood Fixed Income	4.83 (96)	5.25 (50)	8.28 (82)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Fixed Income Policy	5.16 (91)	5.26 (49)	8.73 (65)	11.46 (67)	2.41 (52)	5.08 (59)	3.33 (96)	2.56 (91)	3.35 (83)	6.51 (25)
IM U.S. Broad Market Core Fixed Income	6.60	5.25	9.20	12.32	2.56	5.15	3.85	3.14	3.80	5.76

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

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

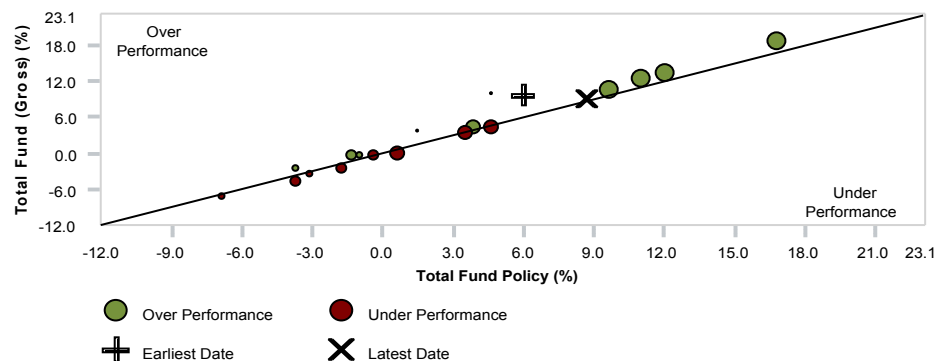


	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008
● Total Fund (Gross)	0.15 (94)	0.15 (94)	10.58 (87)	5.50 (79)	8.79 (44)	12.03 (24)	1.99 (90)	19.06 (27)	0.34 (49)	13.39 (4)	-3.03 (89)	-16.01 (84)
● Total Fund Policy	1.08 (74)	1.08 (74)	12.38 (62)	6.76 (42)	8.70 (47)	11.38 (43)	3.05 (56)	19.02 (28)	0.77 (40)	10.08 (48)	0.09 (65)	-13.98 (53)
Median	1.70	1.70	13.01	6.54	8.63	11.18	3.13	17.95	0.23	9.98	1.25	-13.78

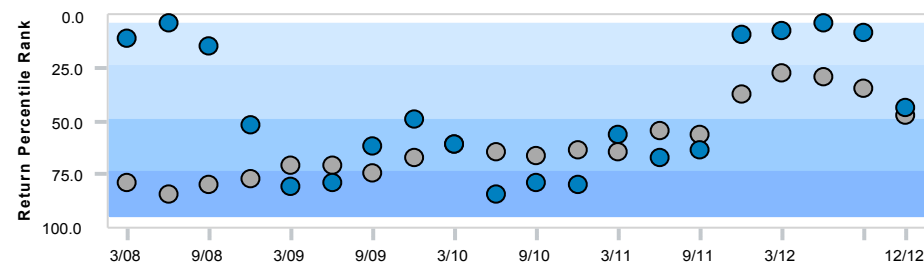
Comparative Performance

	1 Qtr Ending Sep-2012	1 Qtr Ending Jun-2012	1 Qtr Ending Mar-2012	1 Qtr Ending Dec-2011	1 Qtr Ending Sep-2011	1 Qtr Ending Jun-2011
Total Fund (Gross)	5.29 (20)	-2.69 (77)	7.76 (65)	7.83 (5)	-12.89 (96)	0.82 (70)
Total Fund Policy	4.78 (49)	-1.89 (48)	8.15 (51)	7.05 (20)	-9.58 (40)	0.89 (65)
All Public Plans-Total Fund Median	4.77	-1.95	8.17	6.11	-10.23	1.09

3 Yr Rolling Under/Over Performance - 5 Years

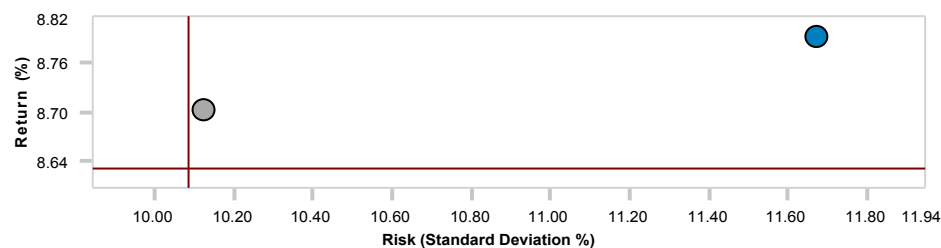


3 Yr Rolling Percentile Ranking - 5 Years



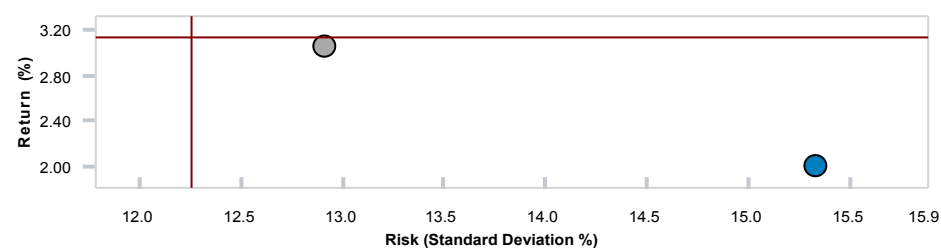
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● Total Fund (Gross)	20	7 (35%)	2 (10%)	6 (30%)	5 (25%)
● Total Fund Policy	20	0 (0%)	5 (25%)	11 (55%)	4 (20%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● Total Fund (Gross)	8.79	11.67
● Total Fund Policy	8.70	10.13
— Median	8.63	10.09

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● Total Fund (Gross)	1.99	15.33
● Total Fund Policy	3.05	12.92
— Median	3.13	12.26

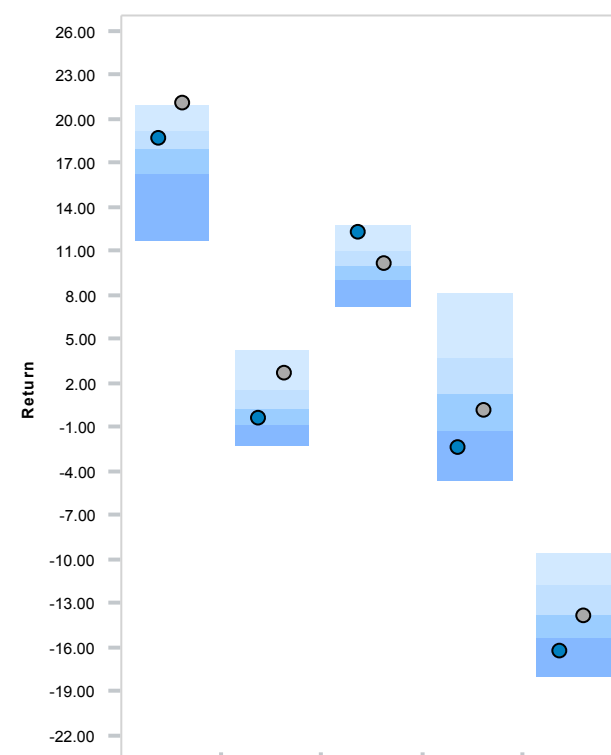
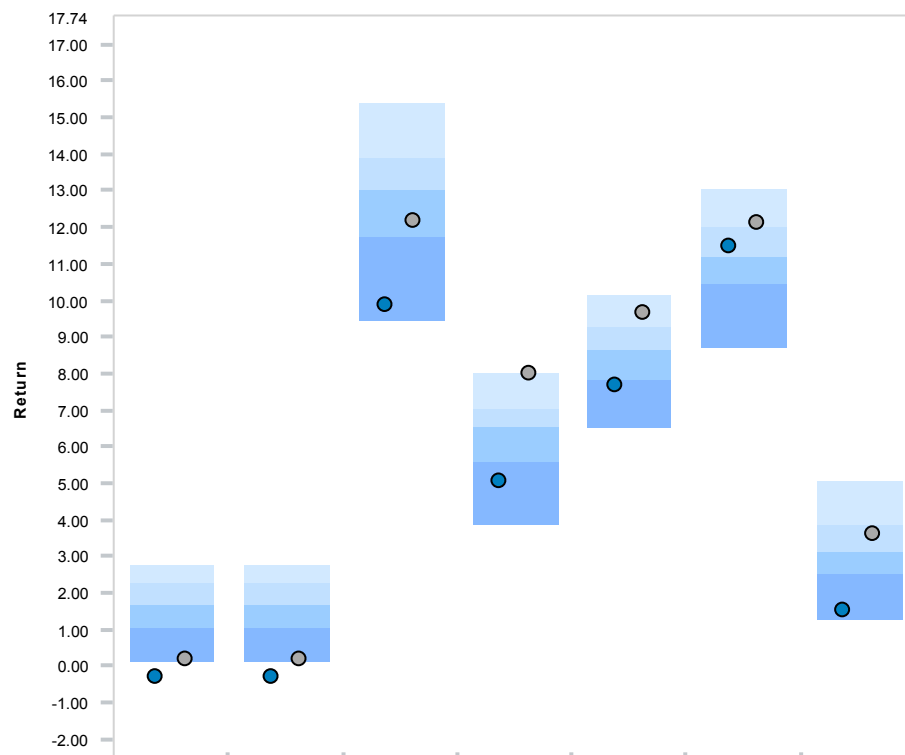
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund (Gross)	3.02	109.39	115.11	-0.81	0.08	0.77	1.12	7.23
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	0.87	1.00	6.02

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund (Gross)	4.12	111.30	118.31	-1.26	-0.16	0.17	1.15	11.71
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	0.26	1.00	9.42

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

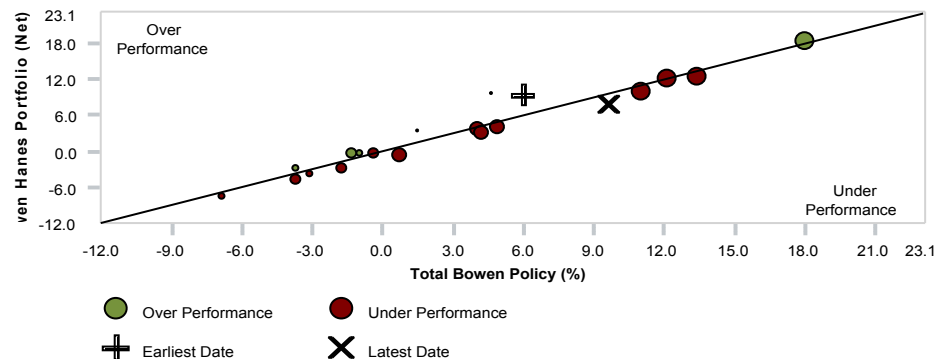


	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008
● Bowen Hanes Portfolio (Net)	-0.31 (98)	-0.31 (98)	9.87 (94)	5.07 (83)	7.69 (80)	11.47 (40)	1.50 (92)	18.64 (35)	-0.49 (70)	12.24 (10)	-2.49 (85)	16.34 (87)
● Total Bowen Policy	0.16 (94)	0.16 (94)	12.16 (67)	8.01 (6)	9.68 (14)	12.13 (23)	3.60 (33)	21.06 (5)	2.69 (12)	10.08 (48)	0.09 (65)	13.98 (53)
Median	1.70	1.70	13.01	6.54	8.63	11.18	3.13	17.95	0.23	9.98	1.25	13.78

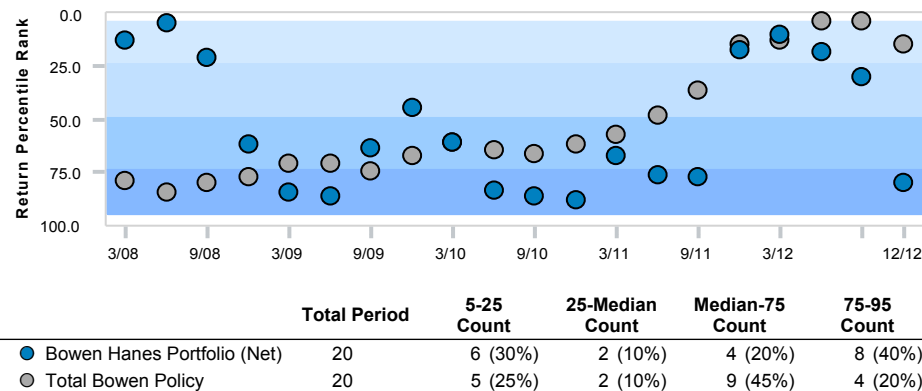
Comparative Performance

	1 Qtr Ending Sep-2012	1 Qtr Ending Jun-2012	1 Qtr Ending Mar-2012	1 Qtr Ending Dec-2011	1 Qtr Ending Sep-2011	1 Qtr Ending Jun-2011
Bowen Hanes Portfolio (Net)	6.12 (2)	-3.92 (98)	8.09 (53)	7.64 (8)	-13.02 (97)	0.63 (77)
Total Bowen Policy	4.64 (61)	-1.26 (21)	8.38 (43)	8.10 (4)	-8.47 (19)	0.89 (65)
All Public Plans-Total Fund Median	4.77	-1.95	8.17	6.11	-10.23	1.09

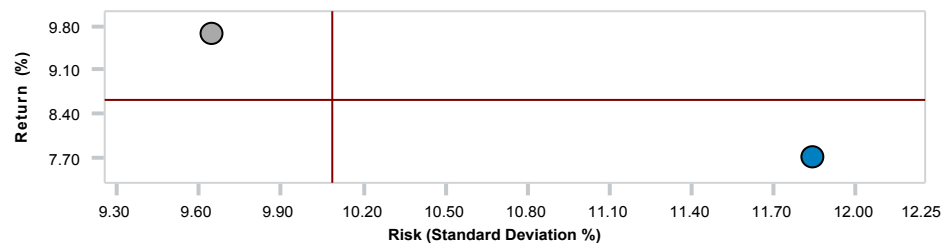
3 Yr Rolling Under/Over Performance - 5 Years



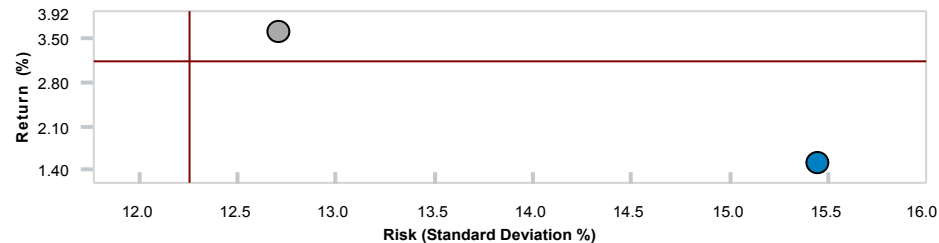
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



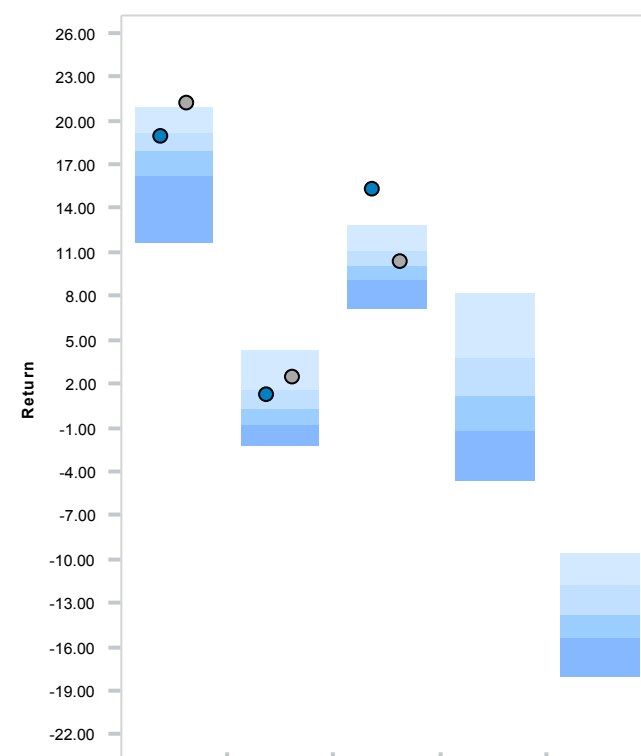
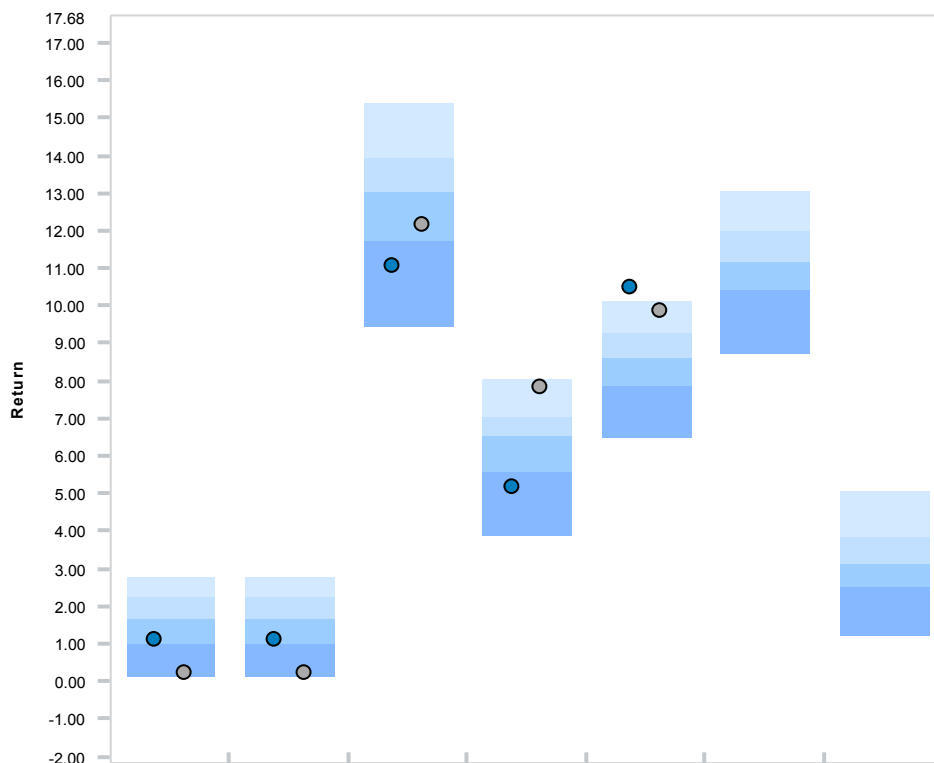
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Bowen Hanes Portfolio (Net)	3.71	108.43	135.02	-3.30	-0.43	0.68	1.18	7.57
Total Bowen Policy	0.00	100.00	100.00	0.00	N/A	1.00	1.00	5.51

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Bowen Hanes Portfolio (Net)	4.44	111.49	125.65	-2.39	-0.37	0.14	1.18	11.87
Total Bowen Policy	0.00	100.00	100.00	0.00	N/A	0.30	1.00	9.23

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

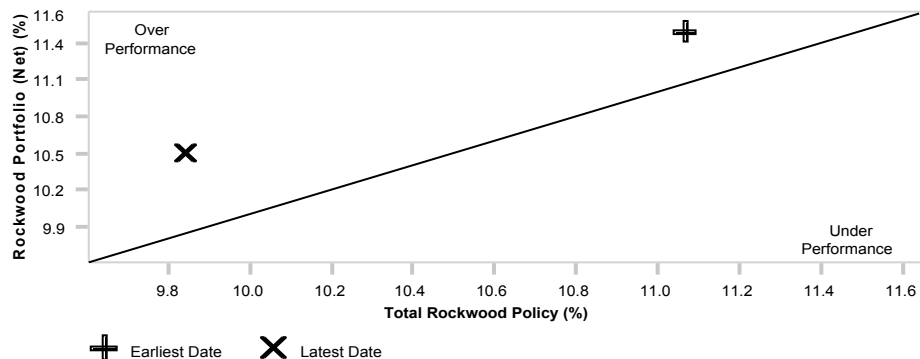


	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008
● Rockwood Portfolio (Net)	1.10 (72)	1.10 (72)	11.04 (84)	5.19 (81)	10.49 (2)	N/A	N/A	18.89 (30)	1.16 (32)	15.21 (1)	N/A	N/A
● Total Rockwood Policy	0.24 (93)	0.24 (93)	12.16 (67)	7.85 (7)	9.84 (12)	N/A	N/A	21.16 (4)	2.47 (14)	10.37 (41)	N/A	N/A
Median	1.70	1.70	13.01	6.54	8.63	11.18	3.13	17.95	0.23	9.98	1.25	13.78

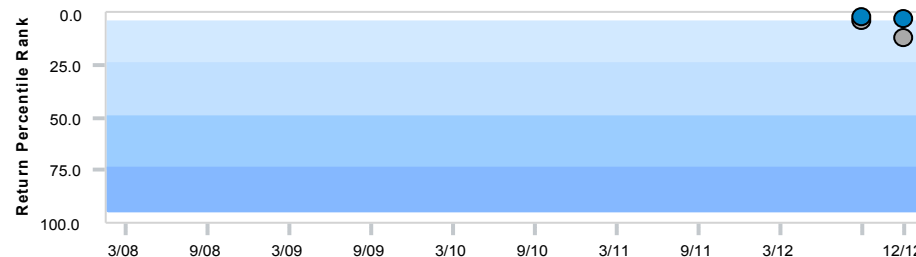
Comparative Performance

	1 Qtr Ending Sep-2012	1 Qtr Ending Jun-2012	1 Qtr Ending Mar-2012	1 Qtr Ending Dec-2011	1 Qtr Ending Sep-2011	1 Qtr Ending Jun-2011
Rockwood Portfolio (Net)	2.53 (98)	0.67 (3)	6.41 (89)	8.25 (3)	-13.21 (97)	0.91 (63)
Total Rockwood Policy	4.59 (65)	-1.27 (22)	8.36 (44)	8.28 (3)	-8.87 (27)	0.79 (71)
All Public Plans-Total Fund Median	4.77	-1.95	8.17	6.11	-10.23	1.09

3 Yr Rolling Under/Over Performance - 5 Years

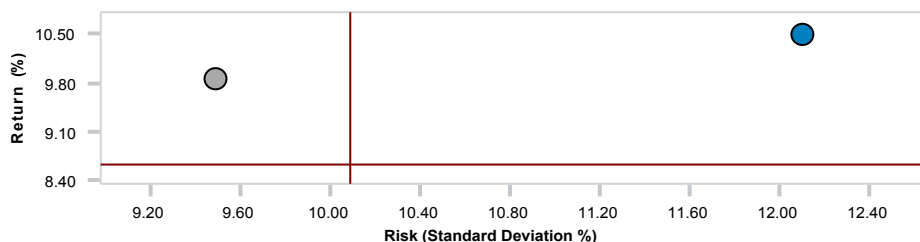


3 Yr Rolling Percentile Ranking - 5 Years



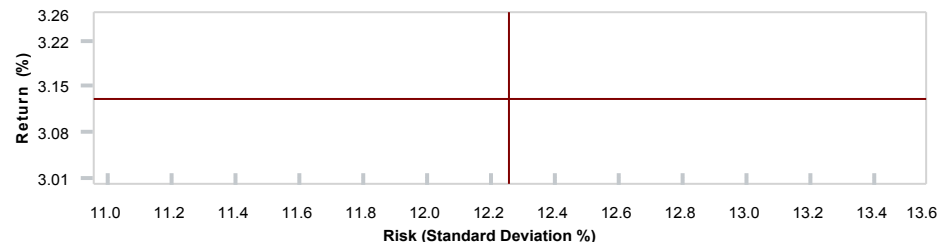
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Rockwood Portfolio (Net)	2	2 (100%)	0 (0%)	0 (0%)	0 (0%)
Total Rockwood Policy	2	2 (100%)	0 (0%)	0 (0%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Rockwood Portfolio (Net)	10.49	12.11
Total Rockwood Policy	9.84	9.50
Median	8.63	10.09

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Rockwood Portfolio (Net)	N/A	N/A
Total Rockwood Policy	N/A	N/A
Median	3.13	12.26

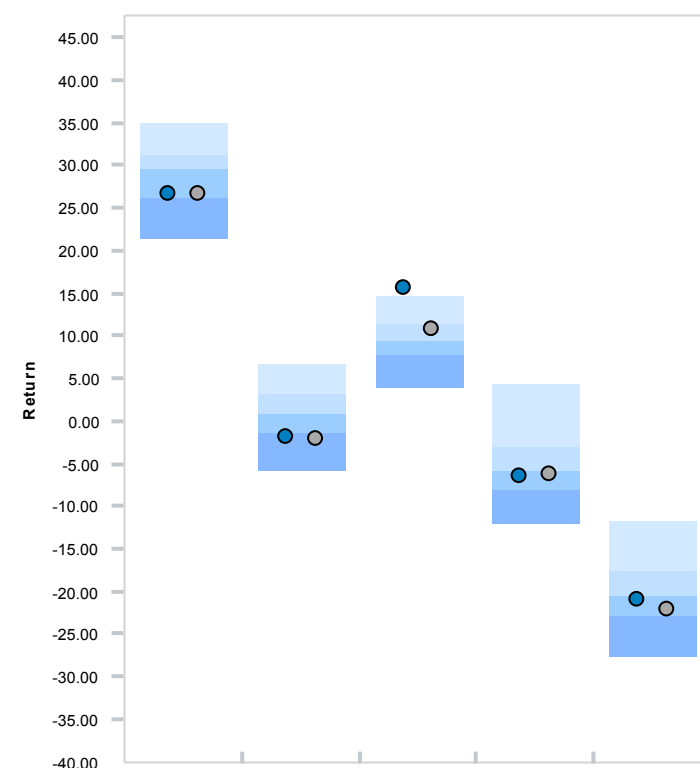
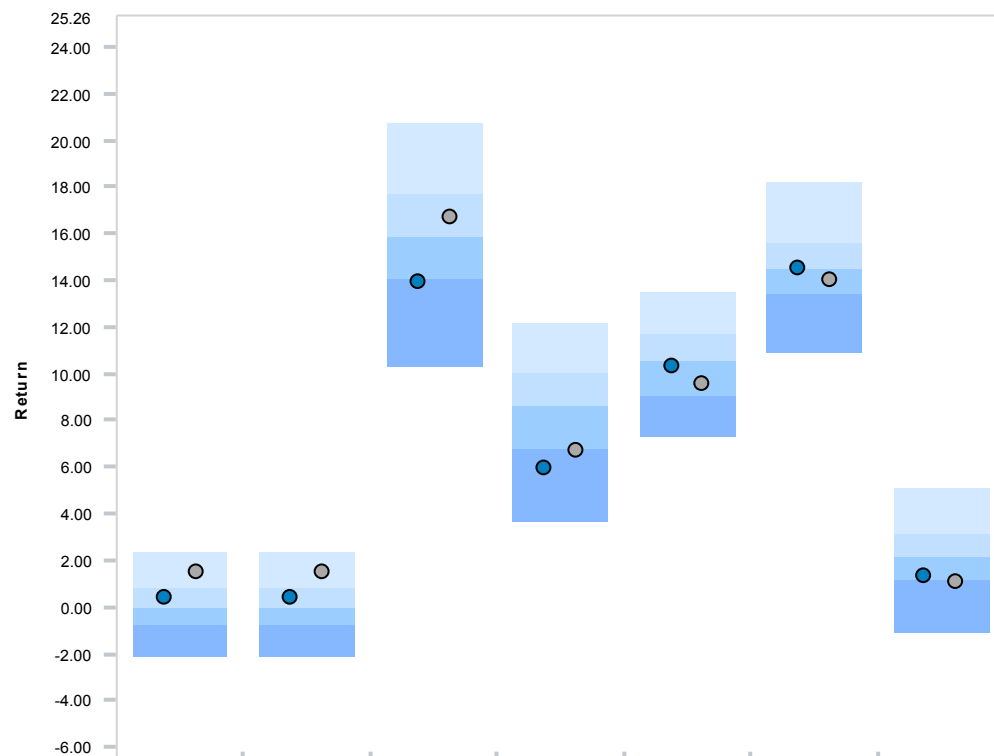
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Rockwood Portfolio (Net)	4.36	116.98	126.06	-1.17	0.20	0.88	1.21	7.04
Total Rockwood Policy	0.00	100.00	100.00	0.00	N/A	1.03	1.00	5.38

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Rockwood Portfolio (Net)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Rockwood Policy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

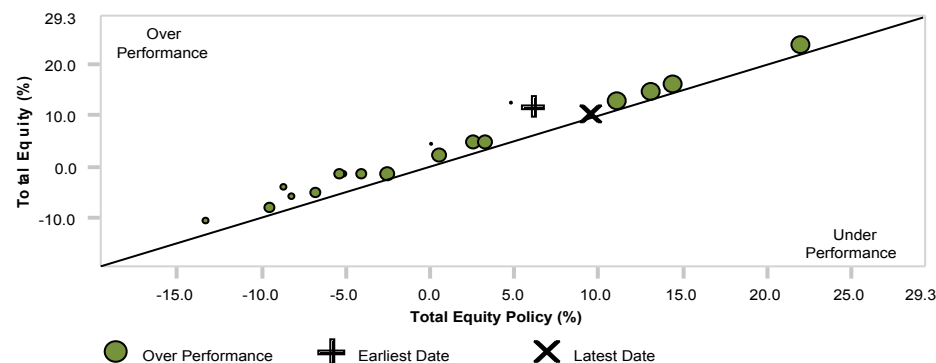


	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008
● Total Equity	0.43 (39)	0.43 (39)	13.91 (77)	5.93 (82)	10.27 (59)	14.47 (54)	1.32 (73)	26.58 (71)	-1.95 (80)	15.54 (4)	-6.40 (57)	-20.99 (56)
● Total Equity Policy	1.53 (14)	1.53 (14)	16.71 (36)	6.72 (76)	9.56 (71)	14.00 (65)	1.06 (77)	26.65 (71)	-2.04 (80)	10.75 (34)	-6.14 (53)	-22.10 (68)
Median	0.00	0.00	15.83	8.64	10.55	14.55	2.20	29.69	0.98	9.50	-5.81	-20.49

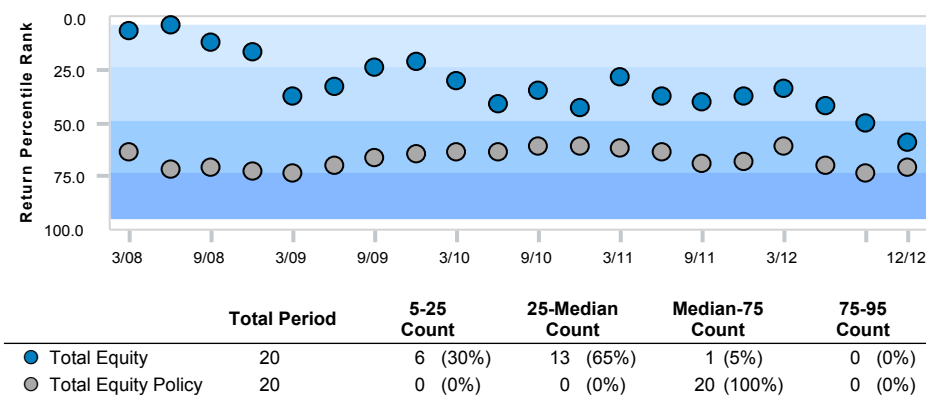
Comparative Performance

	1 Qtr Ending Sep-2012	1 Qtr Ending Jun-2012	1 Qtr Ending Mar-2012	1 Qtr Ending Dec-2011	1 Qtr Ending Sep-2011	1 Qtr Ending Jun-2011
Total Equity	7.22 (23)	-4.32 (67)	10.55 (83)	11.60 (56)	-18.93 (94)	0.30 (56)
Total Equity Policy	6.52 (46)	-4.11 (63)	12.54 (62)	10.17 (82)	-16.32 (76)	0.12 (61)
IM U.S. Large Cap Core Equity (SA+CF) Median	6.43	-3.63	13.07	11.80	-14.84	0.47

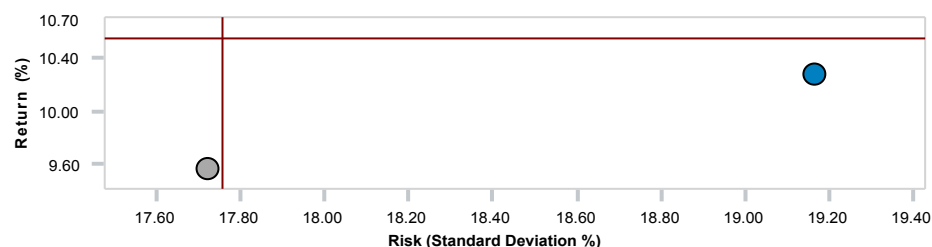
3 Yr Rolling Under/Over Performance - 5 Years



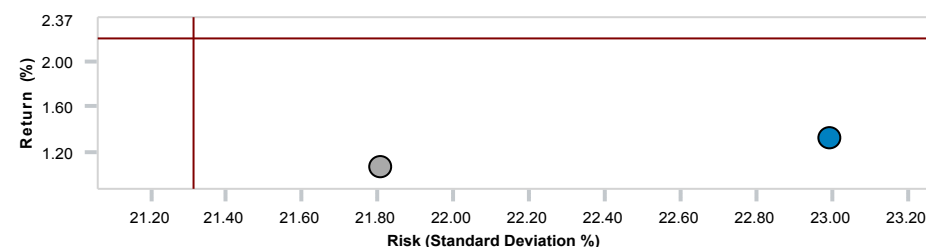
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



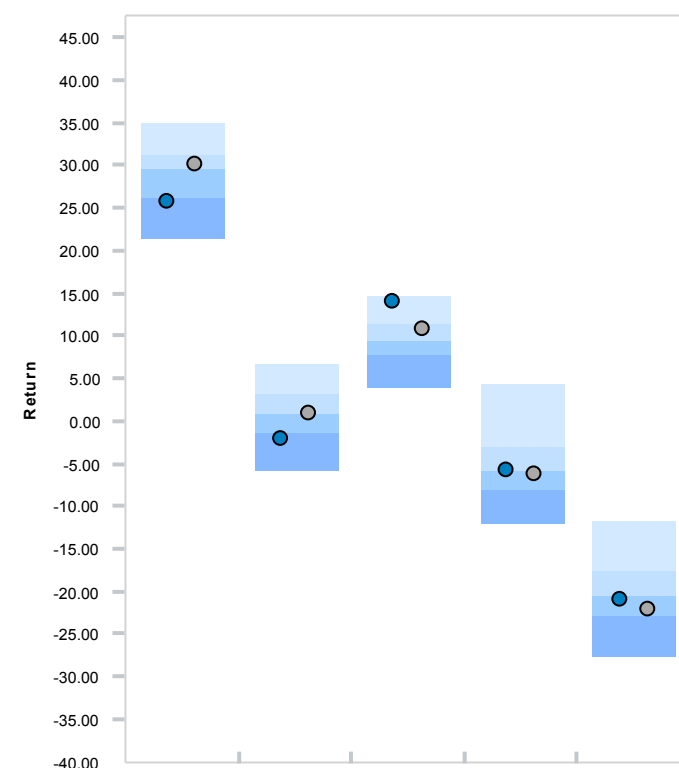
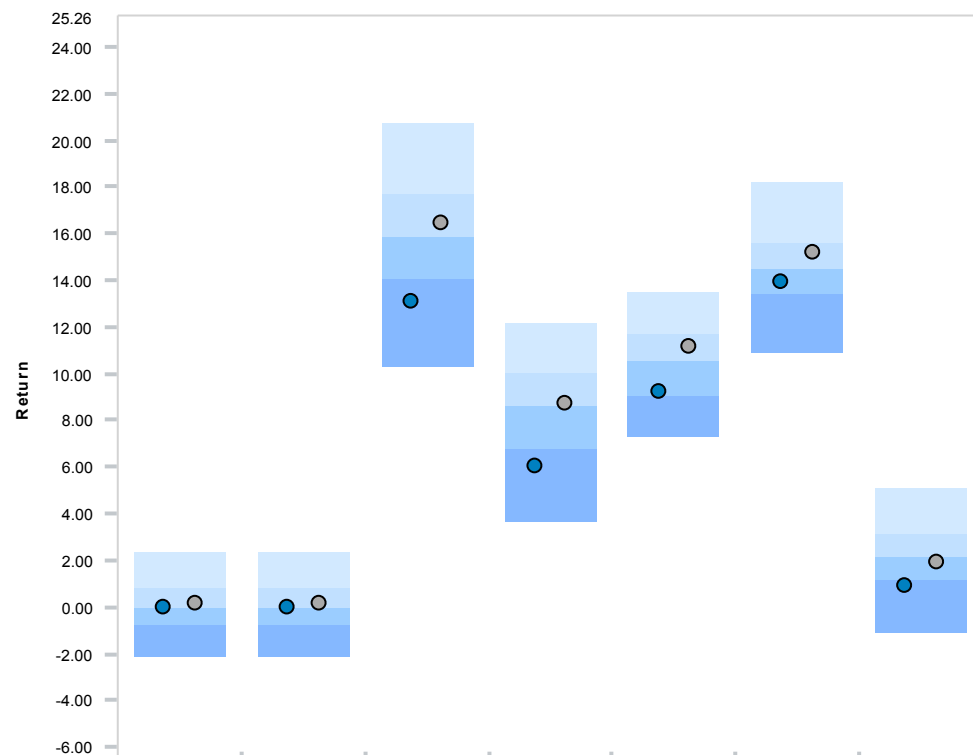
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Equity	3.95	102.60	99.68	0.54	0.20	0.66	1.02	10.78
Total Equity Policy	0.00	100.00	100.00	0.00	N/A	0.64	1.00	10.18

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Equity	4.97	101.32	99.85	0.39	0.08	0.14	1.01	15.10
Total Equity Policy	0.00	100.00	100.00	0.00	N/A	0.13	1.00	14.55

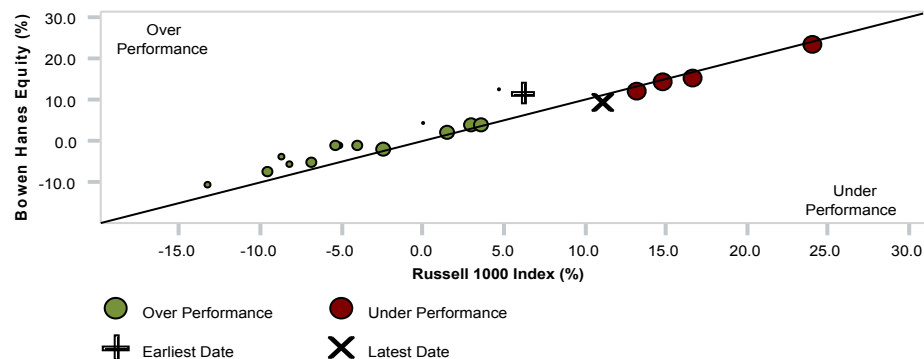
Peer Group Analysis - IM U.S. Large Cap Core Equity (SA+CF)



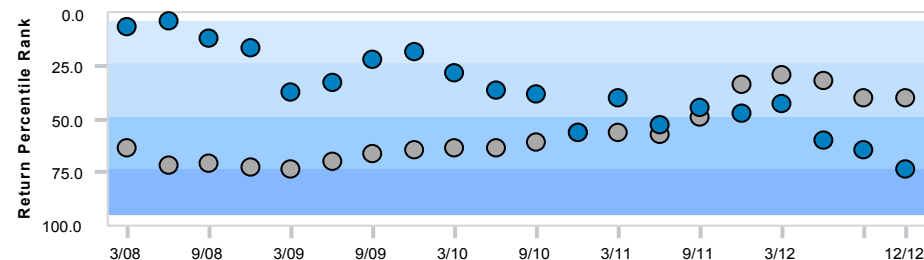
Comparative Performance

	1 Qtr Ending Sep-2012	1 Qtr Ending Jun-2012	1 Qtr Ending Mar-2012	1 Qtr Ending Dec-2011	1 Qtr Ending Sep-2011	1 Qtr Ending Jun-2011
Bowen Hanes Equity	8.37 (7)	-5.73 (87)	10.71 (83)	11.12 (69)	-17.92 (89)	0.24 (58)
Russell 1000 Index	6.31 (56)	-3.12 (35)	12.90 (53)	11.84 (48)	-14.68 (46)	0.12 (61)
IM U.S. Large Cap Core Equity (SA+CF) Median	6.43	-3.63	13.07	11.80	-14.84	0.47

3 Yr Rolling Under/Over Performance - 5 Years

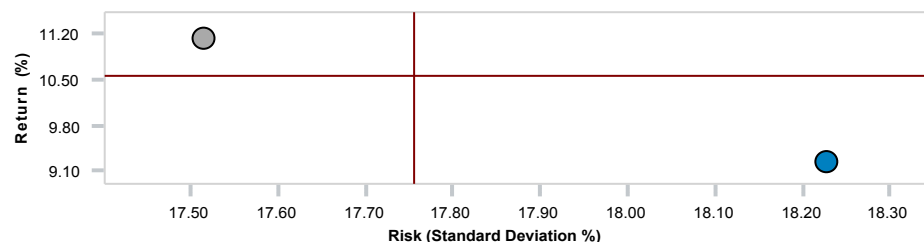


3 Yr Rolling Percentile Ranking - 5 Years



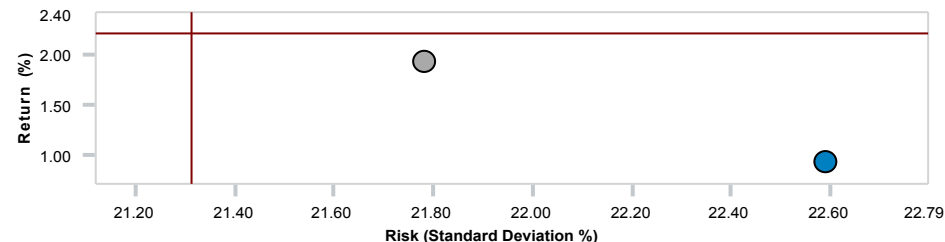
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Bowen Hanes Equity	20	6 (30%)	9 (45%)	5 (25%)	0 (0%)
Russell 1000 Index	20	0 (0%)	6 (30%)	14 (70%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Bowen Hanes Equity	9.23	18.23
Russell 1000 Index	11.12	17.52
Median	10.55	17.76

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Bowen Hanes Equity	0.92	22.59
Russell 1000 Index	1.92	21.78
Median	2.20	21.31

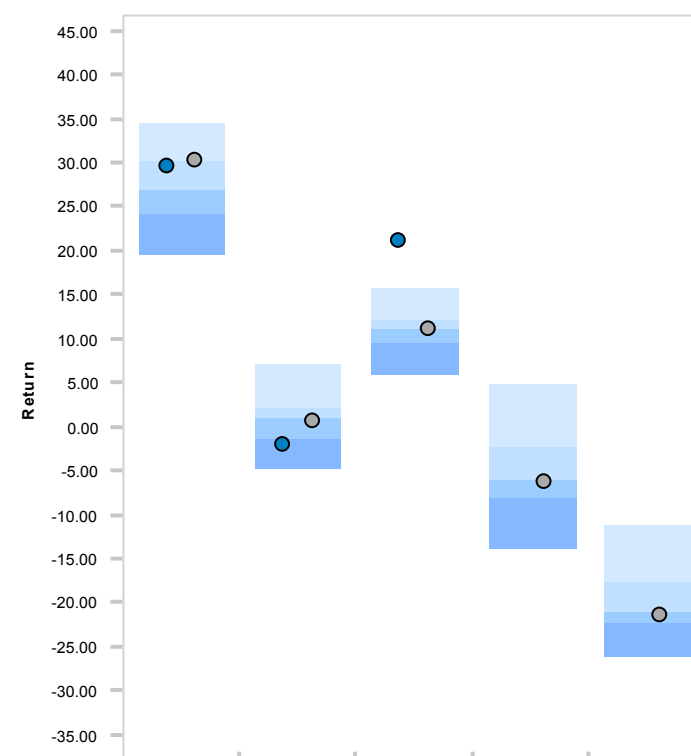
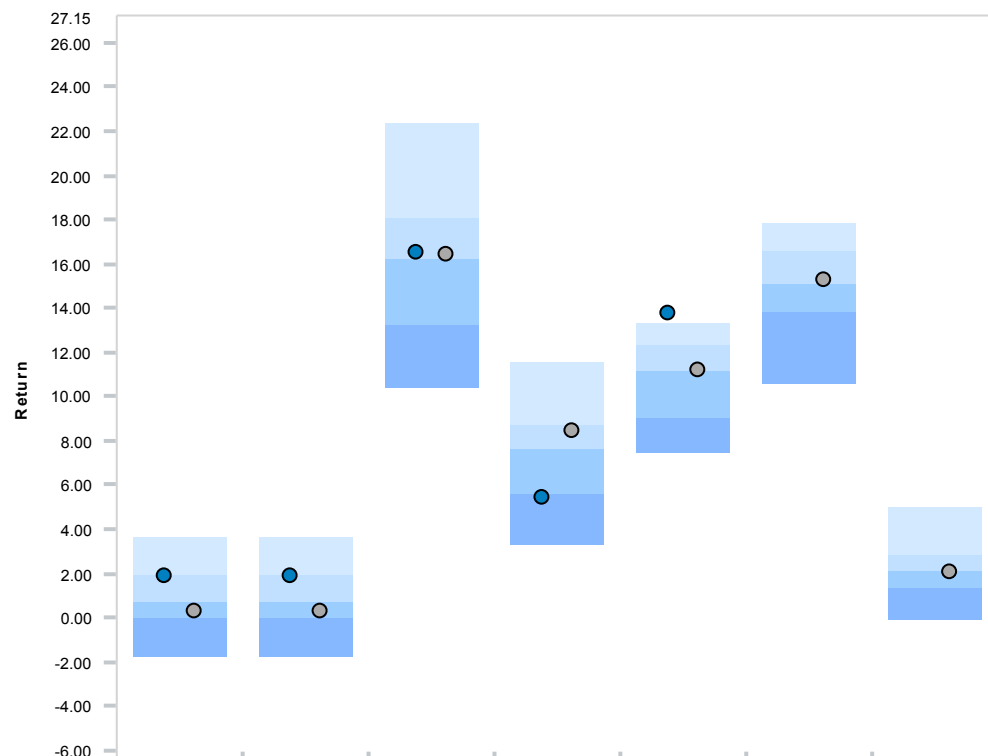
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Bowen Hanes Equity	4.42	100.18	109.85	-1.91	-0.35	0.61	1.03	10.67
Russell 1000 Index	0.00	100.00	100.00	0.00	N/A	0.76	1.00	9.41

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Bowen Hanes Equity	5.22	100.03	103.33	-0.84	-0.16	0.12	1.01	15.04
Russell 1000 Index	0.00	100.00	100.00	0.00	N/A	0.17	1.00	14.23

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



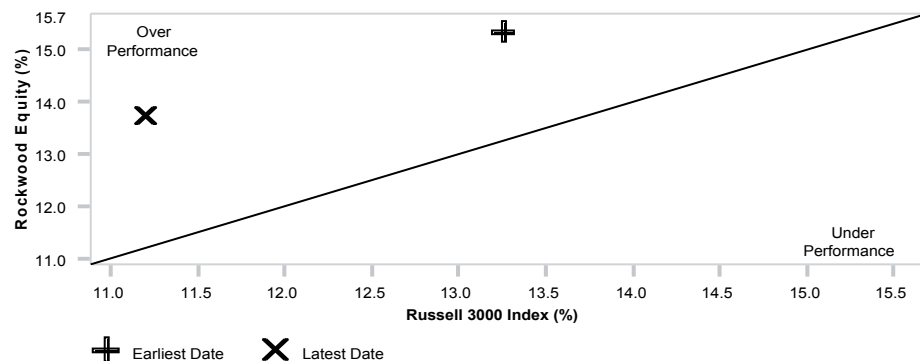
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Rockwood Equity	1.89 (28)	1.89 (28)	16.53 (37)	5.46 (76)	13.73 (5)	N/A	N/A
● Russell 3000 Index	0.25 (68)	0.25 (68)	16.42 (45)	8.45 (36)	11.20 (49)	15.26 (46)	2.04 (60)
Median	0.72	0.72	16.22	7.67	11.19	15.10	2.10

	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008
● Rockwood Equity	29.61 (36)	-2.18 (79)	21.00 (1)	N/A	N/A
● Russell 3000 Index	30.20 (27)	0.55 (62)	10.96 (51)	-6.42 (60)	-21.52 (65)
Median	26.95	0.94	10.97	-6.06	-21.09

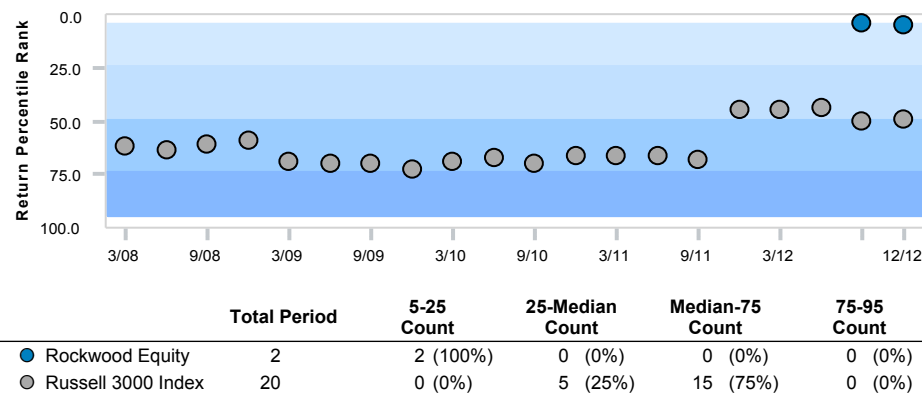
Comparative Performance

	1 Qtr Ending Sep-2012	1 Qtr Ending Jun-2012	1 Qtr Ending Mar-2012	1 Qtr Ending Dec-2011	1 Qtr Ending Sep-2011	1 Qtr Ending Jun-2011
Rockwood Equity	3.61 (90)	0.39 (4)	9.96 (87)	13.32 (8)	-22.41 (100)	0.51 (37)
Russell 3000 Index	6.23 (38)	-3.15 (32)	12.87 (51)	12.12 (20)	-15.28 (43)	-0.03 (62)
IM U.S. All Cap Core Equity (SA+CF) Median	5.97	-4.14	12.87	11.41	-15.66	0.11

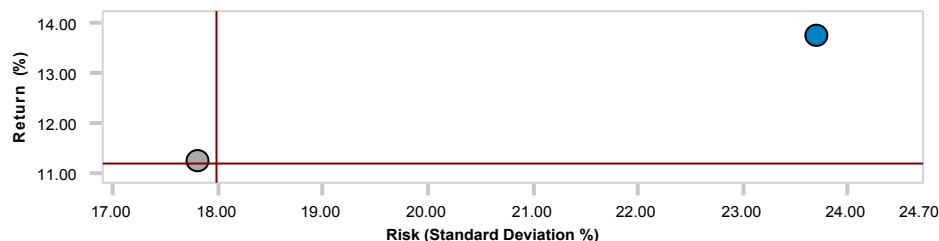
3 Yr Rolling Under/Over Performance - 5 Years



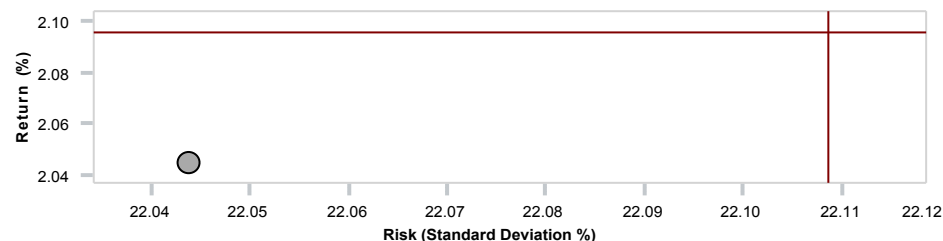
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



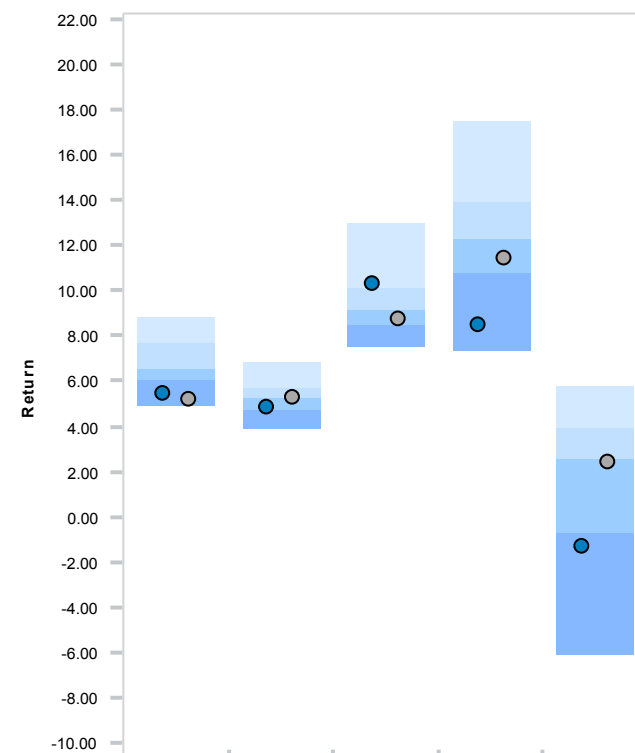
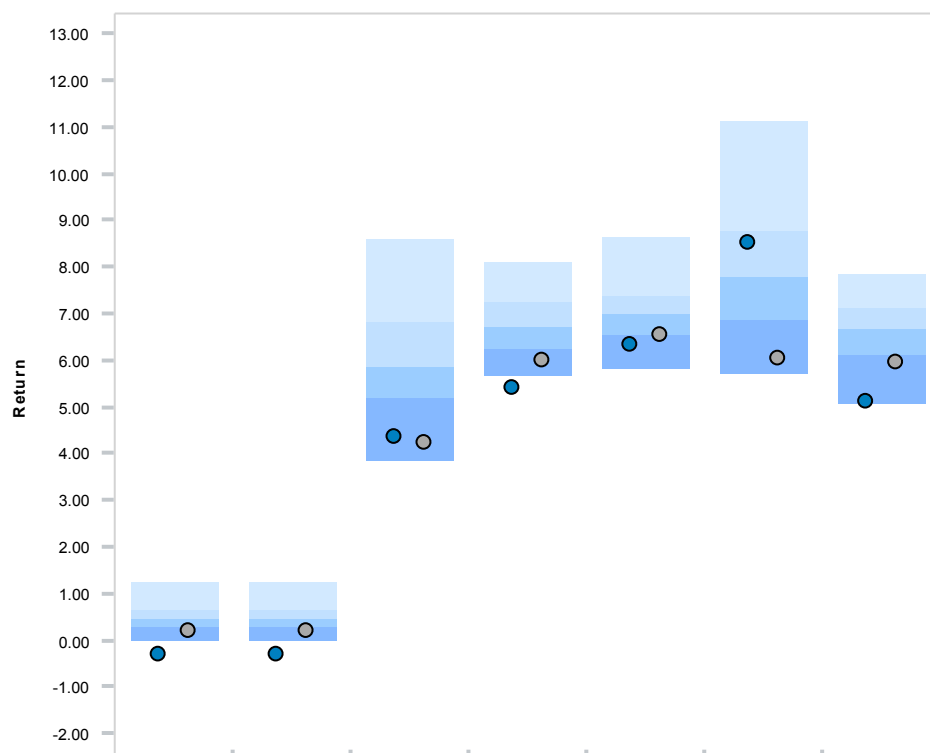
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Rockwood Equity	7.00	120.90	117.67	0.52	0.43	0.74	1.21	12.15
Russell 3000 Index	0.00	100.00	100.00	0.00	N/A	0.75	1.00	9.63

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Rockwood Equity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Russell 3000 Index	0.00	100.00	100.00	0.00	N/A	0.18	1.00	14.46

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

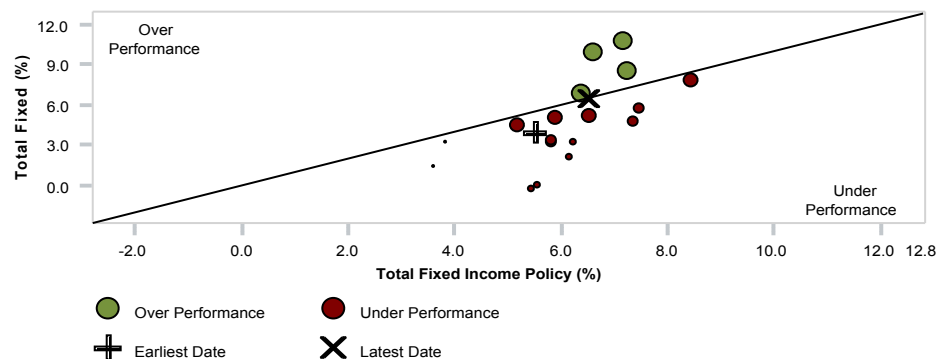


	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008
● Total Fixed	-0.30 (100)	-0.30 (100)	4.35 (89)	5.39 (100)	6.33 (83)	8.51 (30)	5.12 (95)	5.42 (86)	4.80 (74)	10.26 (24)	8.50 (92)	-1.34 (80)
● Total Fixed Income Policy	0.21 (85)	0.21 (85)	4.21 (92)	6.01 (87)	6.52 (76)	6.02 (93)	5.95 (82)	5.16 (91)	5.26 (49)	8.73 (65)	11.46 (67)	2.41 (52)
Median	0.46	0.46	5.85	6.72	7.00	7.82	6.66	6.60	5.25	9.20	12.32	2.56

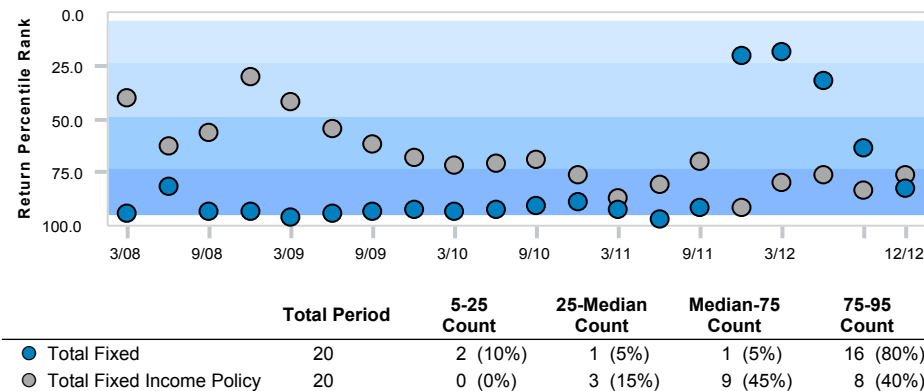
Comparative Performance

	1 Qtr Ending Sep-2012	1 Qtr Ending Jun-2012	1 Qtr Ending Mar-2012	1 Qtr Ending Dec-2011	1 Qtr Ending Sep-2011	1 Qtr Ending Jun-2011
Total Fixed	1.32 (96)	1.28 (99)	1.99 (8)	0.73 (99)	2.20 (87)	2.28 (40)
Total Fixed Income Policy	1.58 (90)	2.06 (68)	0.30 (90)	1.12 (71)	3.82 (27)	2.29 (38)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	2.14	2.15	1.03	1.26	3.30	2.24

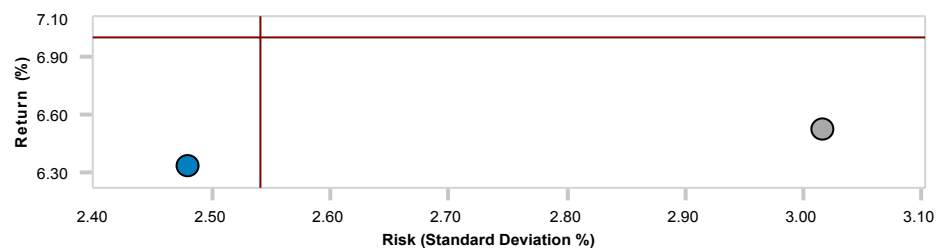
3 Yr Rolling Under/Over Performance - 5 Years



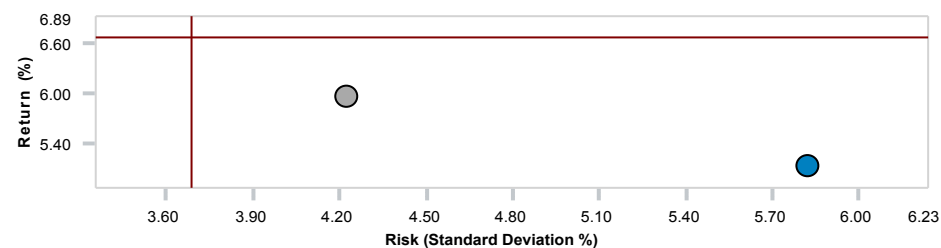
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



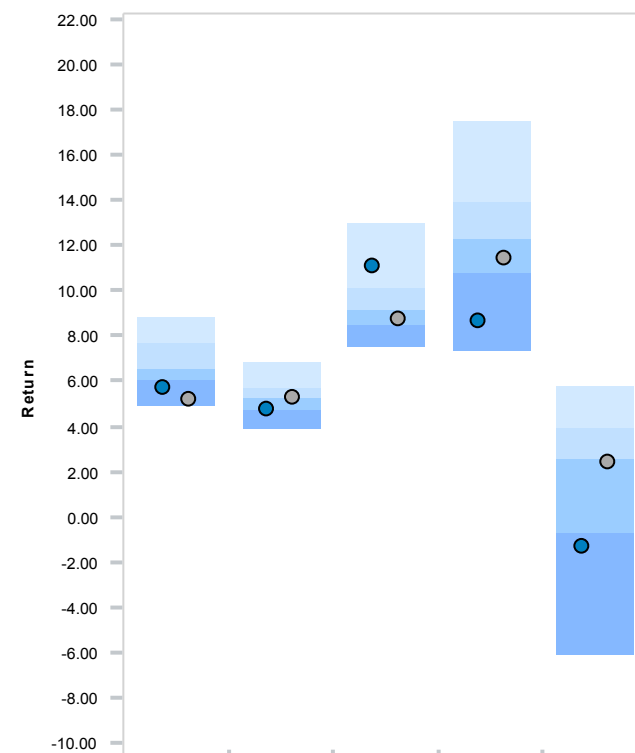
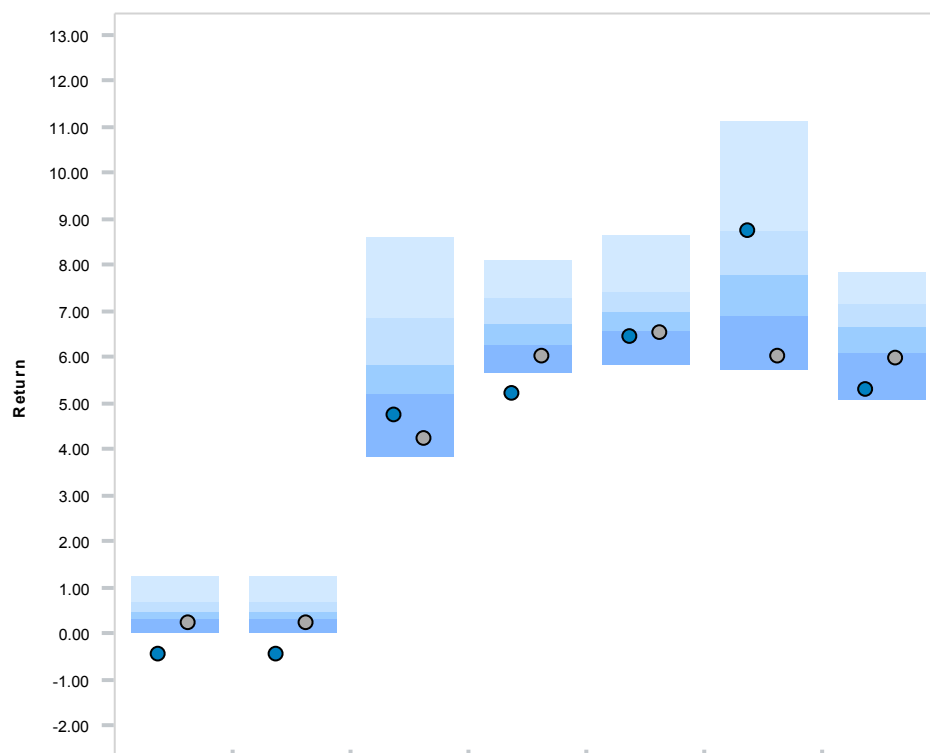
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fixed	1.68	89.52	43.37	1.87	-0.11	2.68	0.68	0.63
Total Fixed Income Policy	0.00	100.00	100.00	0.00	N/A	2.47	1.00	0.82

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fixed	6.60	116.20	168.41	-2.51	-0.08	0.56	1.35	6.41
Total Fixed Income Policy	0.00	100.00	100.00	0.00	N/A	1.25	1.00	2.11

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

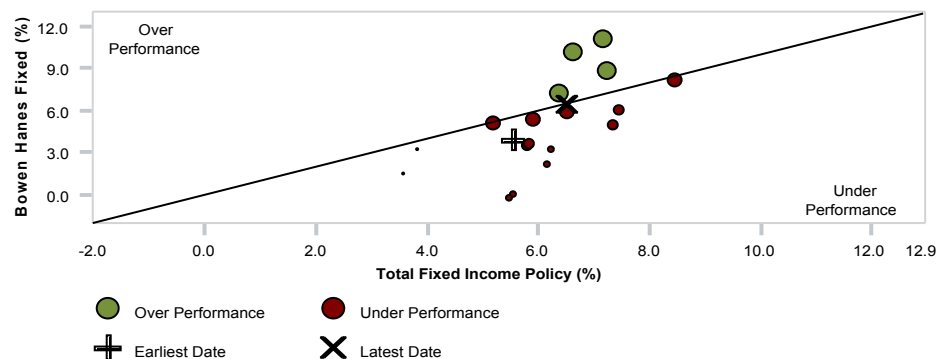


	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008
● Bowen Hanes Fixed	-0.45 (100)	-0.45 (100)	4.73 (84)	5.21 (100)	6.42 (81)	8.74 (26)	5.31 (94)	5.72 (81)	4.72 (76)	11.03 (18)	8.64 (92)	-1.34 (80)
● Total Fixed Income Policy	0.21 (85)	0.21 (85)	4.21 (92)	6.01 (87)	6.52 (76)	6.02 (93)	5.95 (82)	5.16 (91)	5.26 (49)	8.73 (65)	11.46 (67)	2.41 (52)
Median	0.46	0.46	5.85	6.72	7.00	7.82	6.66	6.60	5.25	9.20	12.32	2.56

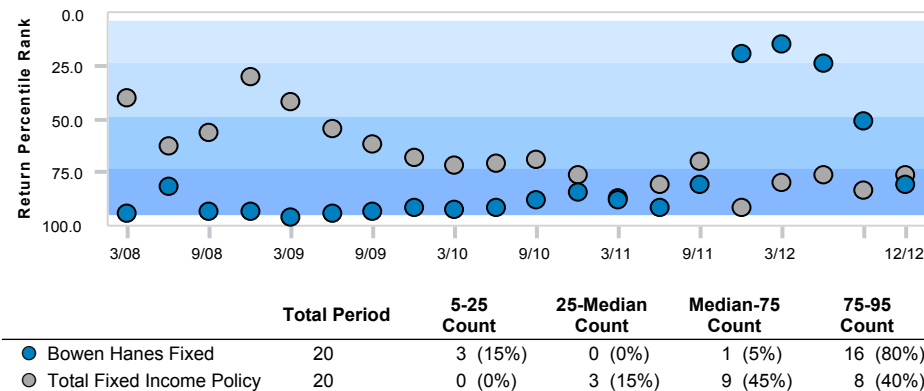
Comparative Performance

	1 Qtr Ending Sep-2012	1 Qtr Ending Jun-2012	1 Qtr Ending Mar-2012	1 Qtr Ending Dec-2011	1 Qtr Ending Sep-2011	1 Qtr Ending Jun-2011
Bowen Hanes Fixed	1.47 (94)	1.13 (100)	2.53 (5)	0.49 (99)	1.06 (98)	2.40 (19)
Total Fixed Income Policy	1.58 (90)	2.06 (68)	0.30 (90)	1.12 (71)	3.82 (27)	2.29 (38)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	2.14	2.15	1.03	1.26	3.30	2.24

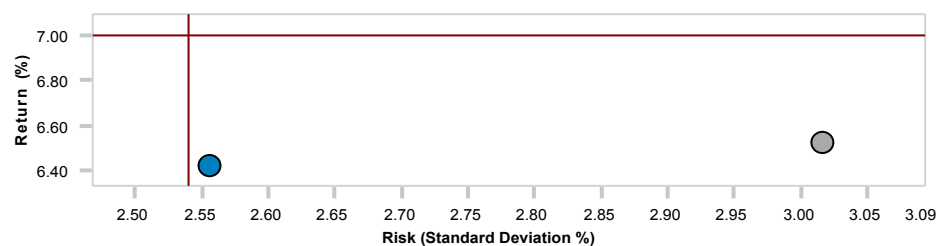
3 Yr Rolling Under/Over Performance - 5 Years



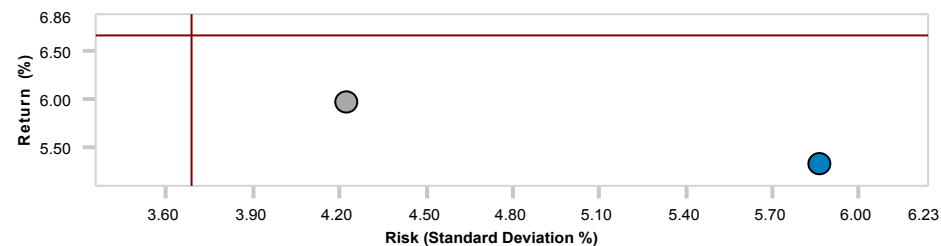
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



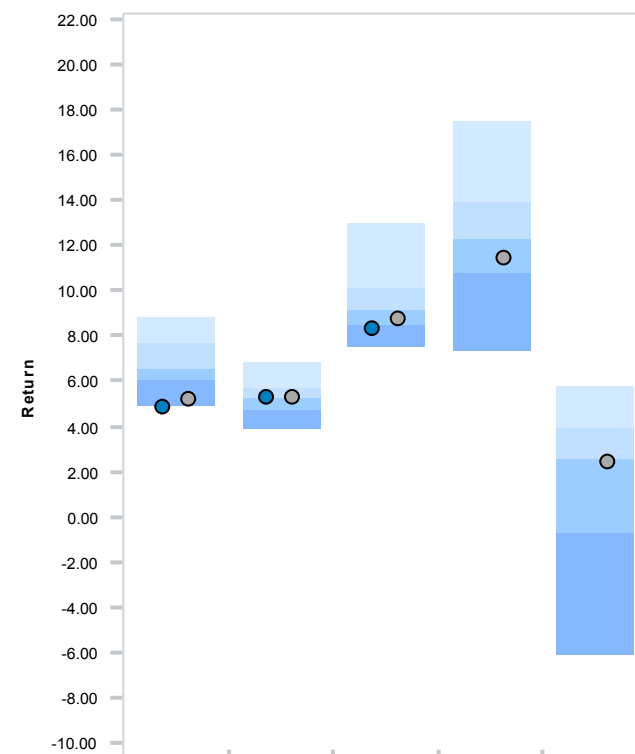
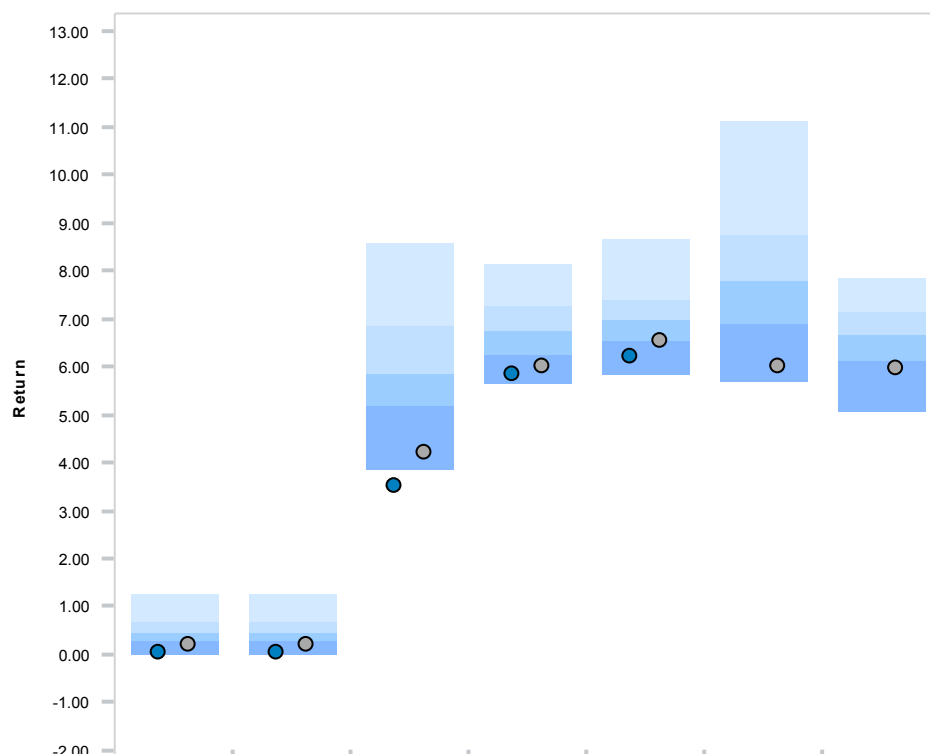
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Bowen Hanes Fixed	2.37	85.96	9.17	3.06	-0.04	2.56	0.51	0.69
Total Fixed Income Policy	0.00	100.00	100.00	0.00	N/A	2.47	1.00	0.82

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Bowen Hanes Fixed	6.74	114.83	157.76	-2.08	-0.05	0.58	1.30	6.40
Total Fixed Income Policy	0.00	100.00	100.00	0.00	N/A	1.25	1.00	2.11

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

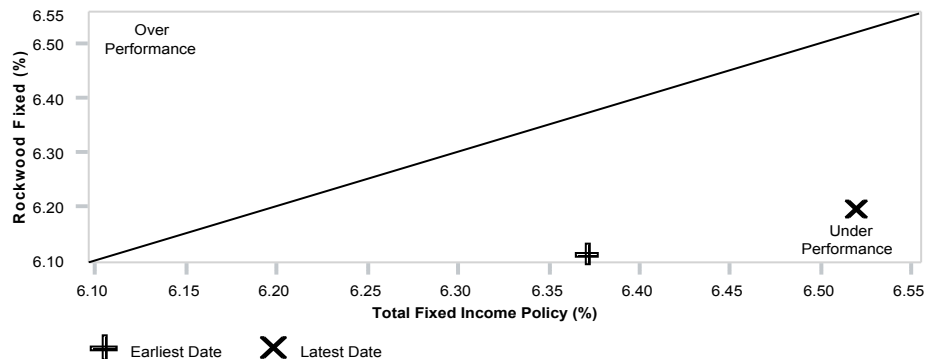


	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008
● Rockwood Fixed	0.03 (95)	0.03 (95)	3.52 (98)	5.86 (93)	6.19 (87)	N/A	N/A	4.83 (96)	5.25 (50)	8.28 (82)	N/A	N/A
● Total Fixed Income Policy	0.21 (85)	0.21 (85)	4.21 (92)	6.01 (87)	6.52 (76)	6.02 (93)	5.95 (82)	5.16 (91)	5.26 (49)	8.73 (65)	11.46 (67)	2.41 (52)
Median	0.46	0.46	5.85	6.72	7.00	7.82	6.66	6.60	5.25	9.20	12.32	2.56

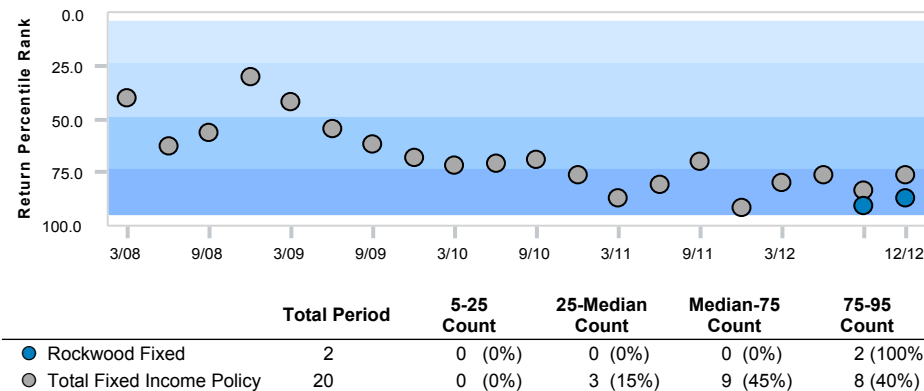
Comparative Performance

	1 Qtr Ending Sep-2012	1 Qtr Ending Jun-2012	1 Qtr Ending Mar-2012	1 Qtr Ending Dec-2011	1 Qtr Ending Sep-2011	1 Qtr Ending Jun-2011
Rockwood Fixed	1.07 (99)	1.63 (95)	0.75 (65)	1.31 (43)	4.65 (7)	2.05 (81)
Total Fixed Income Policy	1.58 (90)	2.06 (68)	0.30 (90)	1.12 (71)	3.82 (27)	2.29 (38)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	2.14	2.15	1.03	1.26	3.30	2.24

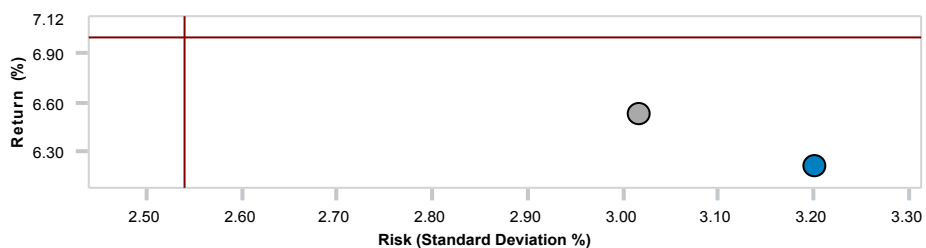
3 Yr Rolling Under/Over Performance - 5 Years



3 Yr Rolling Percentile Ranking - 5 Years

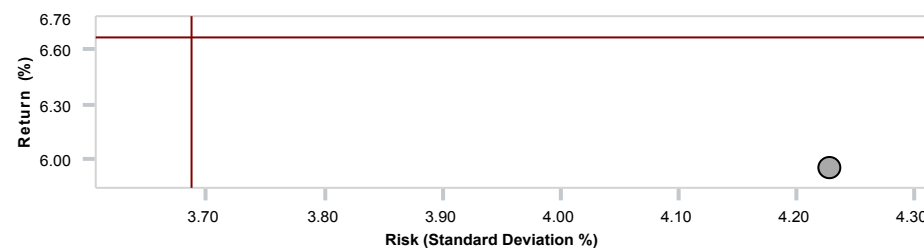


Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Rockwood Fixed	6.19	3.20
Total Fixed Income Policy	6.52	3.02
Median	7.00	2.54

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Rockwood Fixed	N/A	N/A
Total Fixed Income Policy	5.95	4.23
Median	6.66	3.69

Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Rockwood Fixed	0.86	98.49	118.32	-0.59	-0.35	2.14	1.05	1.00
Total Fixed Income Policy	0.00	100.00	100.00	0.00	N/A	2.47	1.00	0.82

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	1.25	1.00	2.11

Benchmark History
Investment Policy Benchmarks
As of December 31, 2012

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

Benchmark History
Investment Policy Benchmarks
As of December 31,2012

Total Rockwood Policy	
Allocation Mandate	Weight (%)
Oct-2009	
Russell 3000 Index	60.00
Barclays Aggregate Index	40.00
Oct-2010	
Russell 3000 Index	65.00
Barclays Aggregate Index	35.00

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

Total Fixed Income Policy	
Allocation Mandate	Weight (%)
Jan-1973	
Barclays U.S. Government/Credit	100.00
Oct-2010	
Barclays Aggregate Index	100.00

Return	- Compounded rate of return for the period.
Standard Deviation	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the 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 an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
Alpha	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
Beta	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
R-Squared	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
Treynor Ratio	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
Downside Risk	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
Tracking Error	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
Information Ratio	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
Consistency	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
Excess Return	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
Active Return	- Arithmetic difference between the manager's performance and the designated 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 performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.
Down Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance.

Calculations based on monthly periodicity.

City of Venice Municipal Police Officers' Pension Trust Fund

Compliance Checklist as of December 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 year period.	✓		
6. The Total Plan return equaled or exceeded the 8% actuarial earnings assumption over the trailing 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.		✓	
5. All investments have a minimum rating of investment grade or higher.*		✓	
6. No more than 25% of the fixed income portfolio was rated below BBB/Baa.	✓		

Manager Compliance:	BH-EQ			BH-FX			RW-EQ**			RW-FX**					
	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A
1. Manager outperformed the index over the trailing three and five year periods.		✓			✓		✓					✓			
2. Manager ranked within the top 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.	✓			✓			✓			✓					

*Currently hold the following bonds rated below investment grade (as reported by manager): 4.9% rated BB (Donnelley & Sons 5.5% 5/15/15 [257867AR2]); 3.2% rated below B (Overseas Shipholding 8.125% 3/30/18 [690368AH8])

**Data available for three year period only due to October 2009 inception date.





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