# City of Venice Municipal Police Officers' Pension Trust Fund

## Investment Performance Review
## September 30, 2013

The Bogdahn Group
simplifying your investment and fiduciary decisions

# 3rd Quarter 2013 Market Environment

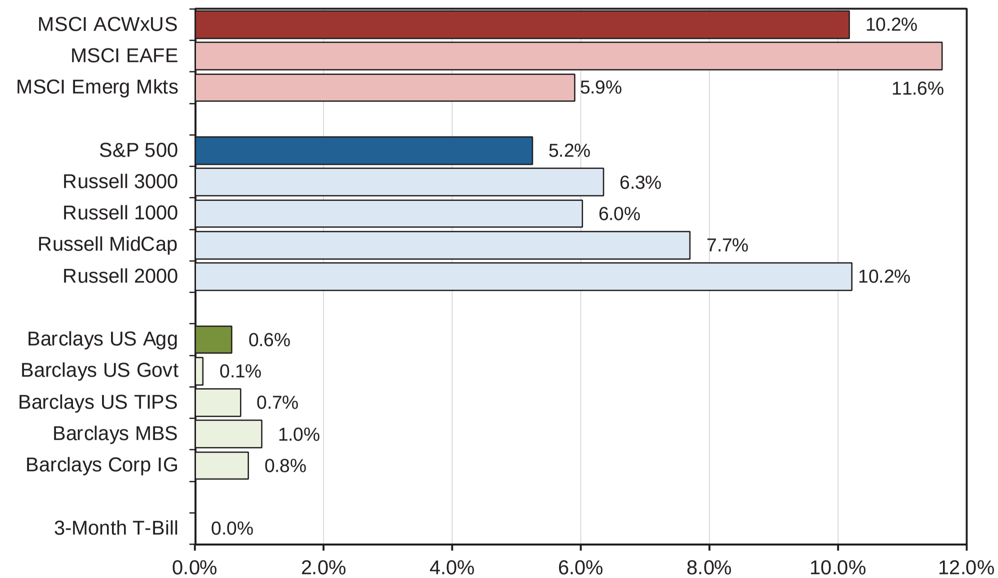
- It was another great period for domestic equities as all domestic indexes posted solid gains during the third quarter. Market returns were primarily driven by continued strength in corporate profits, lower unemployment figures, and a continued rebound in housing. However, GDP growth remained tepid, since revised third quarter figures revealed slow year-over-year GDP growth of approximately 1.5%. Regardless, investors continued to flock to U.S. equities given limited alternatives elsewhere. U.S. interest rates continued to provide low yields by comparison.

- Small caps outperformed mid and large caps during the quarter and growth stocks outperformed value across all capitalizations on the domestic equity front. The one year performance numbers as of September 30, 2013 represented solid double-digit returns, with the blue chip led the S&P 500 Index up 19.3% and the small cap Russell 2000 Index up a strong 30.1%.

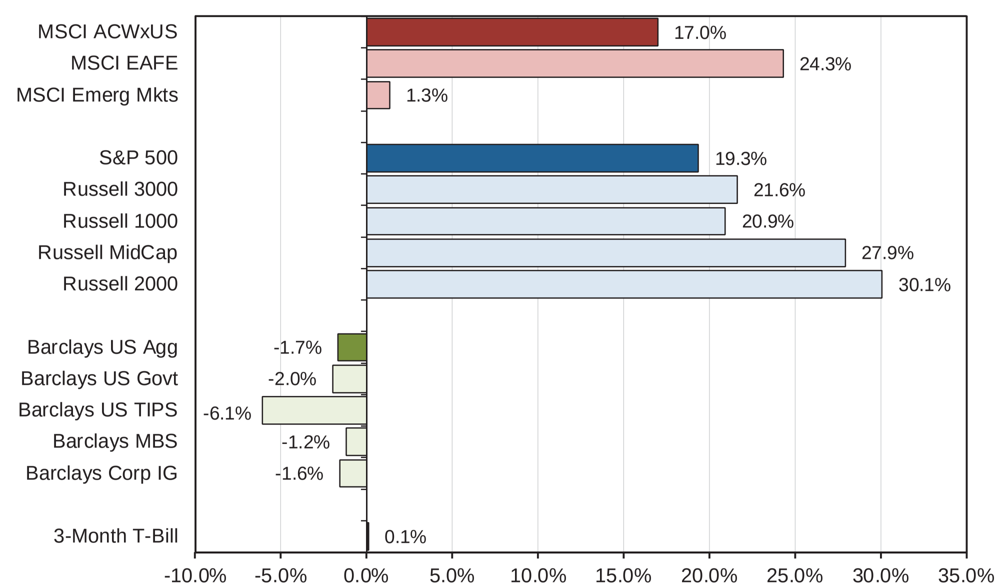
- International stocks roared back during the third quarter outpacing domestic equities, though the month-to-month performance was extremely volatile. Currency moves, particularly in Europe, comprised a good portion of the appreciation for USD based investors. The MSCI EM Index lagged both the MSCI EAFE and MSCI ACWxUS Indexes for the quarter but was comfortably in positive territory. Year to date, there was a large disparity between developed equities (with returns in the mid teens) and emerging equities (with mostly negative returns).

- After two consecutive quarters of negative returns, the U.S. bond market, represented by the Barclays Aggregate Bond Index, rose 0.6% in the third quarter of 2013. The positive performance was broad-based as all key sectors moved higher. Leading the way was Mortgage Backed Securities (MBS), which rose 1.0%. The strong rally in MBS narrowly exceeded a solid 0.8% return for investment grade credit. Despite the improved tone of bond markets in the third quarter, year-to-date and one-year returns remained in negative territory.

**Quarter Performance**

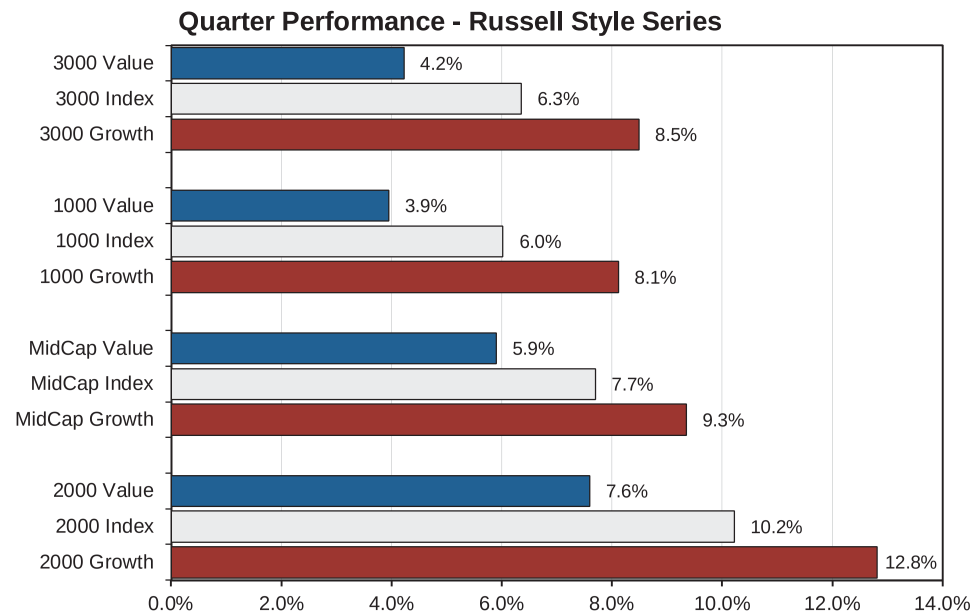


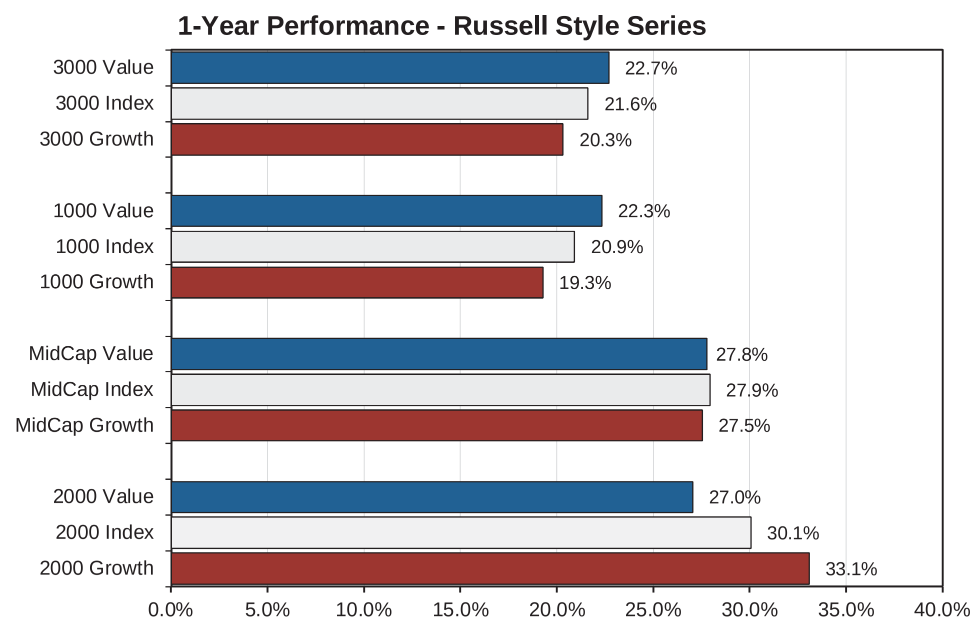

**1-Year Performance**




*Source: Investment Metrics*

- It was a bit of a rollercoaster ride during the third quarter as markets were up sharply in July and followed with a sell off in August before rebounding again in September.
- During the quarter, growth outpaced value across all capitalizations with greater absolute returns with each progressively smaller capitalization segment. This is fairly typical of the middle stages of a prolonged economic recovery cycle.
- Economic data continues to be mixed. Job growth continues to be solid with 169,000 net new jobs revealed in the August jobs report, which brought unemployment down to 7.3%. Housing continued to improve, but recent data suggests recovery could be threatened by higher interest rates.
- Corporate profits drove markets to new highs. After-tax corporate profits in the first quarter of 2013 were 36%, above 2006 profits. This is the primary reason why the stock market has accelerated despite stop-and-go economic growth.
- Price-to-earnings (P/E) multiples continued to expand to the point where most areas of the domestic market were priced fair-to-rich. P/E expansion has been the primary source of equity price increases domestically. Through August 2013, 75% of the total return of the S&P 500 was attributable to multiple expansion as opposed to earnings growth.




*Source: Investment Metrics*



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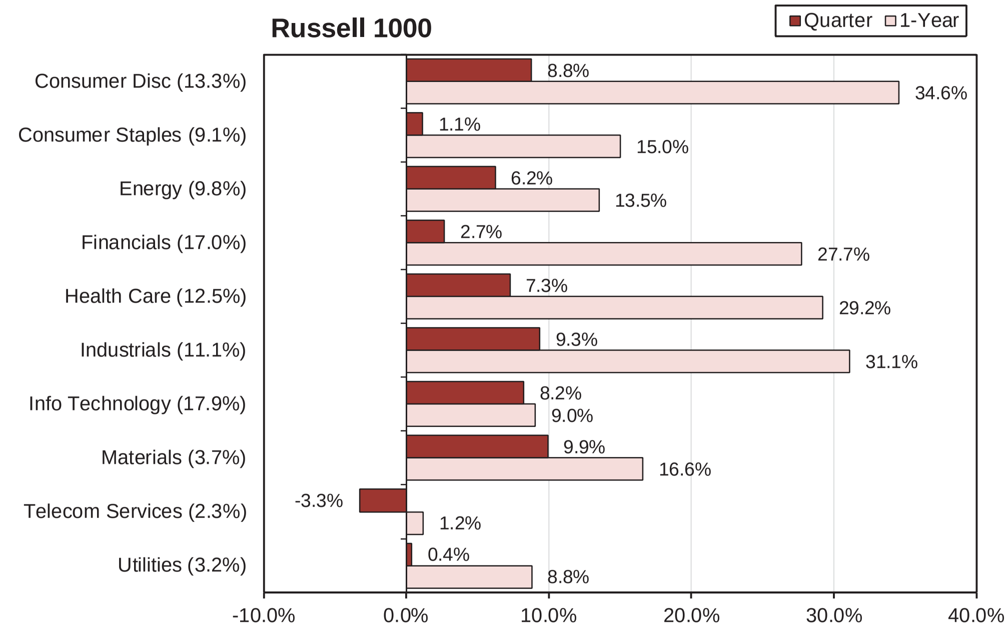
- The strongest sectors during the third quarter were those most highly correlated to economic growth, namely Consumer Discretionary, Health Care, Industrials, Materials, and Information Technology. “Defensive” sectors, such as Consumer Staples, Telecom Services, and Utilities, all lagged. This is consistent with what has been witnessed at similar junctures of previous economic cycles.

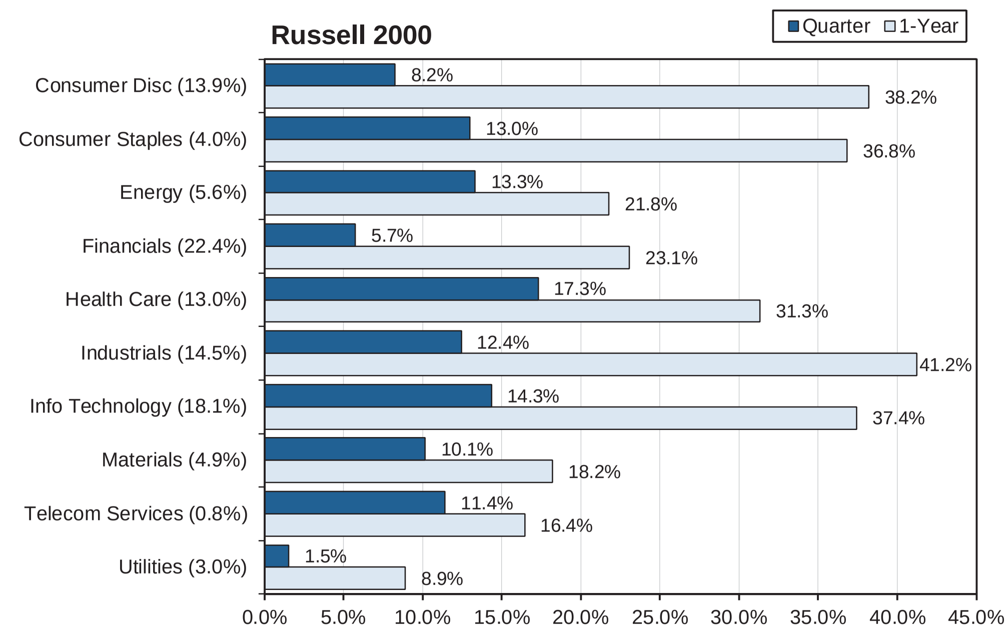
- A similar dynamic was evident in small caps, but the effect was far less pronounced. Traditional “growth” sectors outperformed as they did in large caps (with Consumer Discretionary being the exception by underperfoming the index as a whole), but unlike their large cap brethren, all sectors exhibited a positive return for the quarter. All but one sector (Utilities) was up at least 5.7%.

- Interestingly, Health Care stocks dominated the top ten best performers and top ten worst performers of the Russell 2000 Index for the quarter. All ten of the “winners” more than doubled in the three-month period, while the “losers” were down 60-70%.

- Facebook was the top large cap performer for the quarter (+102%) as investors gained confidence in the company’s ability to profit from mobile advertising. Tesla and Netflix continued their meteoric rise during the quarter and are up 560% and 468%, respectively, for the one-year period.

- Clothing retailers made up three of the bottom ten performers for the Russell 1000 Index, with J.C. Penney down the most for both the quarter (-48%) and year-to-date (-64%) periods. The other two poor performers were American Eagle Outfitters and Abercrombie & Fitch.




Source: Morningstar Direct

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

As of September 30, 2013

**Top 10 Weighted Stocks**

| Russell 1000 | Weight | 1-Qtr Return | 1-Year Return | Sector |
|---|---|---|---|---|
| Apple Inc | 2.48% | 21.0% | -26.8% | Information Technology |
| Exxon Mobil Corporation | 2.44% | -4.1% | -3.4% | Energy |
| Microsoft Corporation | 1.60% | -3.0% | 15.3% | Information Technology |
| Johnson & Johnson | 1.47% | 1.7% | 29.9% | Health Care |
| General Electric Co | 1.46% | 3.8% | 8.7% | Industrials |
| Chevron Corp | 1.41% | 3.5% | 7.7% | Energy |
| Google, Inc. Class A | 1.38% | -0.5% | 16.1% | Information Technology |
| Procter & Gamble Co | 1.28% | -1.1% | 12.5% | Consumer Staples |
| Wells Fargo & Co | 1.21% | 0.8% | 23.1% | Financials |
| Berkshire Hathaway Inc Class B | 1.21% | 1.4% | 28.7% | Financials |

**Top 10 Weighted Stocks**

| Russell 2000 | Weight | 1-Qtr Return | 1-Year Return | Sector |
|---|---|---|---|---|
| CoStar Group, Inc. | 0.29% | 30.1% | 105.9% | Information Technology |
| CommVault Systems, Inc. | 0.26% | 15.9% | 49.9% | Information Technology |
| AthenaHealth, Inc. | 0.25% | 28.2% | 18.3% | Health Care |
| Ultimate Software Group, Inc. | 0.25% | 25.7% | 44.4% | Information Technology |
| Acuity Brands Inc | 0.24% | 22.1% | 46.5% | Industrials |
| Firstmerit Corp | 0.24% | 9.2% | 53.3% | Financials |
| Middleby Corporation | 0.23% | 22.8% | 80.7% | Industrials |
| Chart Industries, Inc. | 0.22% | 30.8% | 66.6% | Industrials |
| Prosperity Bancshares, Inc. | 0.22% | 19.8% | 47.7% | Financials |
| Brunswick Corporation | 0.22% | 24.9% | 76.7% | Consumer Discretionary |

**Top 10 Performing Stocks (by Quarter)**

| Russell 1000 | Weight | 1-Qtr Return | 1-Year Return | Sector |
|---|---|---|---|---|
| Facebook Inc Class A | 0.28% | 101.9% | 131.9% | Information Technology |
| Tesla Motors, Inc. | 0.07% | 80.1% | 560.4% | Consumer Discretionary |
| Incyte Corp Ltd | 0.02% | 73.4% | 111.4% | Health Care |
| Nu Skin Enterprises, Inc. Class A | 0.03% | 57.2% | 151.6% | Consumer Staples |
| Herbalife, Ltd. | 0.03% | 55.3% | 51.0% | Consumer Staples |
| Cimarex Energy Company | 0.04% | 48.6% | 65.9% | Energy |
| Goodyear Tire & Rubber Co | 0.03% | 46.7% | 84.2% | Consumer Discretionary |
| Energen Corp | 0.03% | 46.5% | 47.4% | Energy |
| Netflix, Inc. | 0.08% | 46.5% | 468.0% | Consumer Discretionary |
| Wendy's Co Class A | 0.01% | 46.4% | 92.9% | Consumer Discretionary |

**Top 10 Performing Stocks (by Quarter)**

| Russell 2000 | Weight | 1-Qtr Return | 1-Year Return | Sector |
|---|---|---|---|---|
| Rockwell Medical Inc | 0.01% | 215.8% | 39.5% | Health Care |
| Biocryst Pharmaceuticals | 0.00% | 183.9% | 3.8% | Health Care |
| MAKO Surgical Corporation | 0.04% | 144.9% | 69.5% | Health Care |
| Leap Wireless International, Inc. | 0.05% | 134.8% | 132.0% | Telecommunication Services |
| Celldex Therapeutics, Inc. | 0.11% | 127.0% | N/A | Health Care |
| Geron Corporation | 0.01% | 123.3% | 95.9% | Health Care |
| Pacific Biosciences of California, Inc. | 0.01% | 118.2% | 201.6% | Health Care |
| NPS Pharmaceuticals Inc | 0.13% | 110.5% | N/A | Health Care |
| Astex Pharmaceuticals Inc | 0.03% | 106.6% | 175.6% | Health Care |
| Alnylam Pharmaceuticals, Inc. | 0.17% | 106.5% | 240.7% | Health Care |

**Bottom 10 Performing Stocks (by Quarter)**

| Russell 1000 | Weight | 1-Qtr Return | 1-Year Return | Sector |
|---|---|---|---|---|
| J.C. Penney Co Inc | 0.01% | -48.4% | -63.8% | Consumer Discretionary |
| Intrepid Potash, Inc. | 0.00% | -32.9% | -38.4% | Materials |
| Intuitive Surgical, Inc. | 0.10% | -25.7% | -24.1% | Health Care |
| MBIA Inc | 0.01% | -23.1% | 1.0% | Financials |
| American Eagle Outfitters | 0.02% | -22.7% | -31.9% | Consumer Discretionary |
| Broadcom Corporation | 0.10% | -22.7% | -23.7% | Information Technology |
| Hatteras Financial Corporation | 0.01% | -21.9% | -26.0% | Financials |
| Abercrombie & Fitch Co Class A | 0.02% | -21.4% | 6.1% | Consumer Discretionary |
| Mosaic Co | 0.08% | -19.6% | -23.9% | Materials |
| SeaWorld Entertainment Inc | 0.00% | -18.7% | -18.7% | Consumer Discretionary |

**Bottom 10 Performing Stocks (by Quarter)**

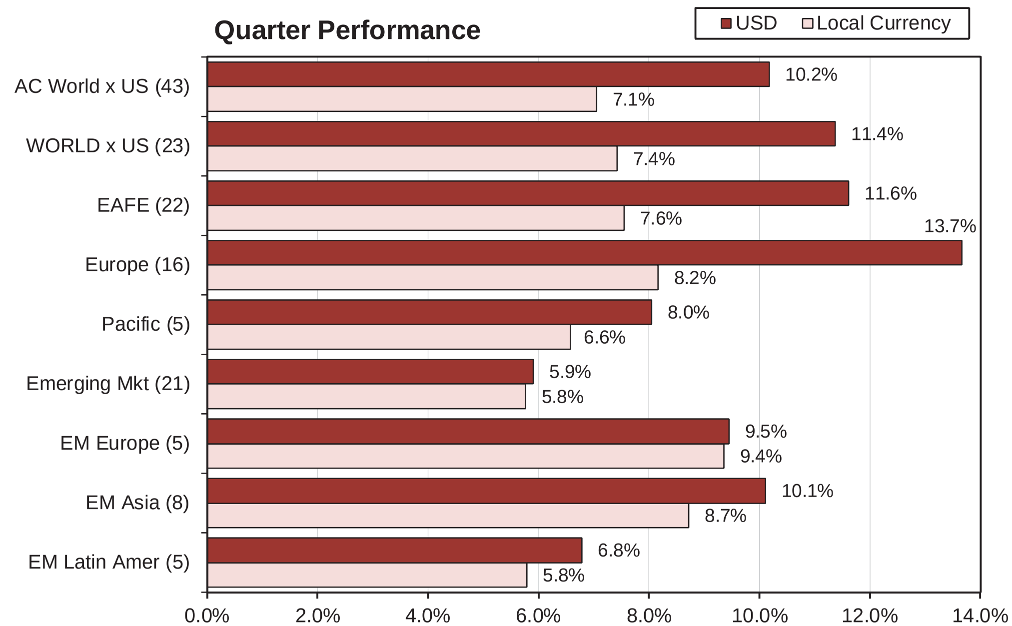
| Russell 2000 | Weight | 1-Qtr Return | 1-Year Return | Sector |
|---|---|---|---|---|
| GTx, Inc. | 0.01% | -69.3% | -55.8% | Health Care |
| Tower Group International Ltd | 0.07% | -65.5% | -62.4% | Financials |
| GSE Holding Inc | 0.00% | -64.1% | -73.5% | Materials |
| Achillion Pharmaceuticals, Inc. | 0.04% | -63.1% | -71.0% | Health Care |
| Chemocentryx Inc | 0.01% | -60.7% | -52.2% | Health Care |
| Vical Incorporated | 0.01% | -60.1% | -71.1% | Health Care |
| Jakks Pacific, Inc. | 0.01% | -60.0% | -68.4% | Consumer Discretionary |
| L & L Energy, Inc. | 0.00% | -59.7% | -59.7% | Energy |
| Model N Inc | 0.01% | -58.0% | -58.0% | Information Technology |
| Body Central Corp | 0.01% | -54.2% | -41.6% | Consumer Discretionary |

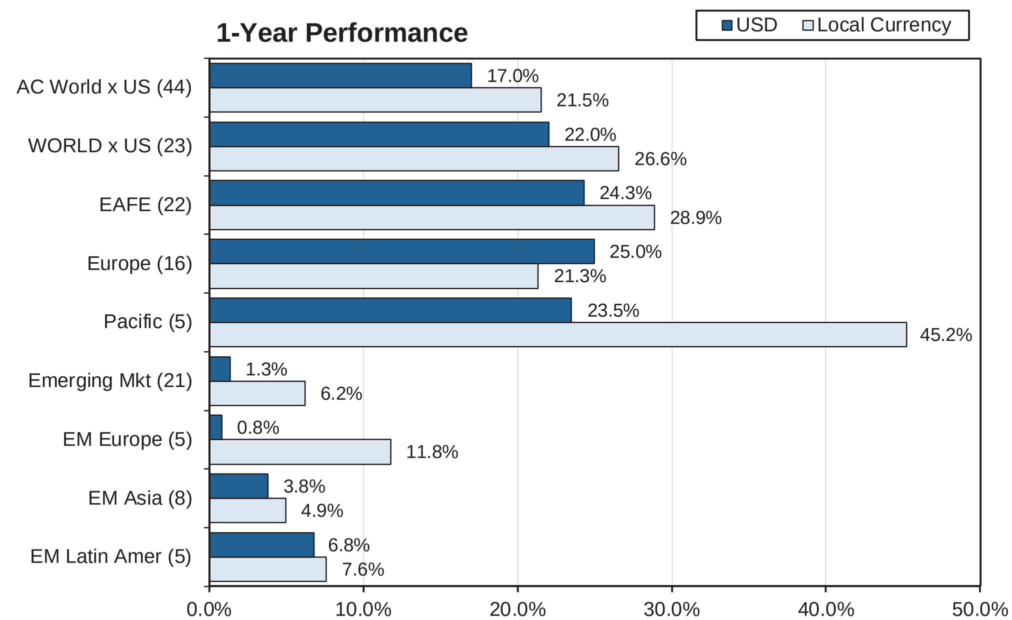
*Source: Morningstar Direct*

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

As of September 30, 2013

- Equity markets across the globe appeared somewhat bipolar during the quarter—rising strongly in July on continued improving Euro Zone news, then selling off in August on tensions in the Middle East, and finally rocketing in September as the U.S. Fed halted plans for tapering.
- Peripheral European equities bounced back strongly after being down modestly in the second quarter concurrent with the region's emergence from recession. In particular, Greece, Spain, and Italy led the charge with equities up 33.6%, 25.8%, and 19.6%, respectively.
- The emerging market index significantly underperformed developed equities (5.9% vs. 11.6%), but within emerging markets there were pockets of strong outperformance, namely China and Russia, which were up 12.2% and 13.7%, respectively. By contrast, Indian equities were down 5.3% in USD terms for the quarter, hurt by a depreciating rupee and continued declining growth expectations.
- Currency moves overall were relatively benign for emerging market equities, but, in developed markets, U.S. investors overseas benefitted tremendously. The largest currency moves came from appreciations in the euro and pound as the region showed the first signs of economic expansion since the Great Recession albeit miniscule.
- In developed markets, there was moderate disparity among returns by sector during the quarter. In general, cyclical sectors turned in the highest returns (ranging from 10-18%) while Consumer Staples and Health Care lagged (up 6.8% and 5.9%, respectively) the overall MSCI EAFE Index return.
- Energy stocks led the emerging equity benchmark at up 10.8%, followed closely by Materials, Information Technology, and Consumer Discretionary. Consumer Staples was the only sector to end the quarter in negative territory, at -0.2%.
- In general, small capitalization international stocks outperformed large caps and value outperformed growth for the three-month period.




*Source: MSCI Global Index Monitor, Returns are gross*

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

As of September 30, 2013

| MSCI - EAFE | Sector Weight | Quarter Return | 1-Year Return |
|---|---|---|---|
| Consumer Discretionary | 11.8% | 13.1% | 44.4% |
| Consumer Staples | 11.2% | 6.8% | 16.9% |
| Energy | 6.9% | 10.7% | 4.7% |
| Financials | 25.4% | 12.7% | 31.0% |
| Health Care | 10.0% | 5.9% | 22.6% |
| Industrials | 13.0% | 14.3% | 29.1% |
| Information Technology | 4.3% | 10.1% | 29.1% |
| Materials | 8.2% | 14.9% | 9.4% |
| Telecommunication Services | 5.5% | 17.7% | 25.5% |
| Utilities | 3.7% | 9.5% | 14.6% |
| Total | 100.0% | 11.6% | 24.3% |

| MSCI - ACWIxUS | Sector Weight | Quarter Return | 1-Year Return |
|---|---|---|---|
| Consumer Discretionary | 10.7% | 12.3% | 36.3% |
| Consumer Staples | 10.2% | 5.4% | 14.8% |
| Energy | 9.3% | 10.4% | 0.5% |
| Financials | 26.6% | 10.4% | 22.8% |
| Health Care | 7.7% | 6.0% | 22.7% |
| Industrials | 11.1% | 13.0% | 24.7% |
| Information Technology | 6.4% | 9.5% | 19.8% |
| Materials | 8.8% | 12.5% | -3.7% |
| Telecommunication Services | 5.7% | 13.0% | 16.3% |
| Utilities | 3.4% | 7.5% | 9.3% |
| Total | 100.0% | 10.2% | 17.0% |

| MSCI - Emerging Mkt | Sector Weight | Quarter Return | 1-Year Return |
|---|---|---|---|
| Consumer Discretionary | 8.8% | 9.1% | 7.5% |
| Consumer Staples | 8.8% | -0.2% | 5.4% |
| Energy | 11.9% | 10.8% | -7.0% |
| Financials | 27.0% | 3.4% | 4.8% |
| Health Care | 1.6% | 2.3% | 9.6% |
| Industrials | 6.2% | 7.2% | 1.6% |
| Information Technology | 15.1% | 9.1% | 11.7% |
| Materials | 9.8% | 9.1% | -13.6% |
| Telecommunication Services | 7.6% | 3.2% | -0.5% |
| Utilities | 3.2% | 1.3% | -5.7% |
| Total | 100.0% | 5.9% | 1.3% |

| Country | MSCI-EAFE Weight | MSCI-ACWIxUS Weight | Quarter Return | 1- Year Return |
|---|---|---|---|---|
| United Kingdom | 21.7% | 15.6% | 12.1% | 17.1% |
| Japan | 21.6% | 15.5% | 6.7% | 31.7% |
| France | 9.8% | 7.0% | 15.5% | 33.4% |
| Switzerland | 9.1% | 6.5% | 9.5% | 32.2% |
| Germany | 8.7% | 6.3% | 12.7% | 26.8% |
| Australia | 8.0% | 5.7% | 12.0% | 12.5% |
| Sweden | 3.3% | 2.3% | 15.2% | 25.9% |
| Spain | 3.2% | 2.3% | 25.8% | 30.4% |
| Hong Kong | 3.0% | 2.1% | 8.9% | 13.6% |
| Netherlands | 2.7% | 1.9% | 14.9% | 32.8% |
| Italy | 2.1% | 1.5% | 19.8% | 19.8% |
| Singapore | 1.6% | 1.1% | 4.7% | 4.2% |
| Belgium | 1.2% | 0.8% | 13.6% | 26.6% |
| Denmark | 1.1% | 0.8% | 13.7% | 18.0% |
| Finland | 0.9% | 0.6% | 26.6% | 49.7% |
| Norway | 0.8% | 0.6% | 9.2% | 5.4% |
| Israel | 0.4% | 0.3% | 2.5% | 1.2% |
| Ireland | 0.3% | 0.2% | 17.0% | 31.1% |
| Austria | 0.3% | 0.2% | 19.1% | 31.7% |
| Portugal | 0.2% | 0.1% | 10.8% | 22.5% |
| New Zealand | 0.1% | 0.1% | 17.6% | 22.4% |
| Greece | 0.0% | 0.0% | 33.6% | 77.5% |
| Total EAFE Countries | 100.0% | 71.7% | 11.6% | 24.3% |
| Canada | | 7.2% | 9.0% | 3.0% |
| Total Developed Countries | | 78.9% | 11.4% | 22.0% |
| China | | 4.1% | 12.3% | 13.0% |
| Korea | | 3.4% | 14.9% | 5.0% |
| Brazil | | 2.5% | 8.4% | -7.7% |
| Taiwan | | 2.4% | 3.8% | 6.8% |
| South Africa | | 1.6% | 8.9% | -2.3% |
| Russia | | 1.3% | 13.7% | 3.5% |
| India | | 1.2% | -5.3% | -12.4% |
| Mexico | | 1.1% | -1.7% | -2.1% |
| Malaysia | | 0.8% | -3.0% | 5.9% |
| Thailand | | 0.5% | -5.1% | 1.2% |
| Indonesia | | 0.5% | -23.9% | -18.4% |
| Chile | | 0.4% | -5.5% | -16.1% |
| Poland | | 0.4% | 17.9% | 11.5% |
| Turkey | | 0.4% | -6.7% | 1.3% |
| Colombia | | 0.3% | 9.4% | -0.1% |
| Philippines | | 0.2% | -5.2% | 15.0% |
| Peru | | 0.1% | -3.7% | -26.8% |
| Czech Republic | | 0.1% | 13.3% | -11.9% |
| Egypt | | 0.0% | 12.6% | -19.1% |
| Hungary | | 0.0% | -4.9% | -1.0% |
| Morocco | | 0.0% | 1.1% | -3.4% |
| Total Emerging Countries | | 21.1% | 5.9% | 1.3% |
| Total ACWIxUS Countries | | 100.0% | 10.2% | 17.0% |

*Source: MSCI Global Index Monitor, Returns are gross*



The Bogdahn Group

- After two consecutive quarters of negative returns, the U.S. bond market, represented by the Barclays Aggregate Bond Index, rose 0.6% in the third quarter. Bond markets remained volatile as market participants focused on the possibility of 'tapering' in the Federal Reserve's quantitative easing (QE) program. The market was modestly positive in July, rising 0.2%, but drifted lower in August to end the month with a 0.5% loss. On September 18th, the Federal Open Market Committee (FOMC) surprised markets when it decided to maintain its current level of QE. The news surprised markets and led to a sharp rise in all sectors of the domestic bond market pushing returns for the quarter into positive territory.

- During the third quarter, returns for all investment grade sectors were positive. MBS was the best performing sector followed closely by investment grade corporate bonds, which posted a return of 0.8%. U.S. Treasuries was the worst performing sector returning 0.1%. After plummeting 7.1% in the second quarter, the TIPS market rebounded nicely and ended the third quarter up 0.7%.

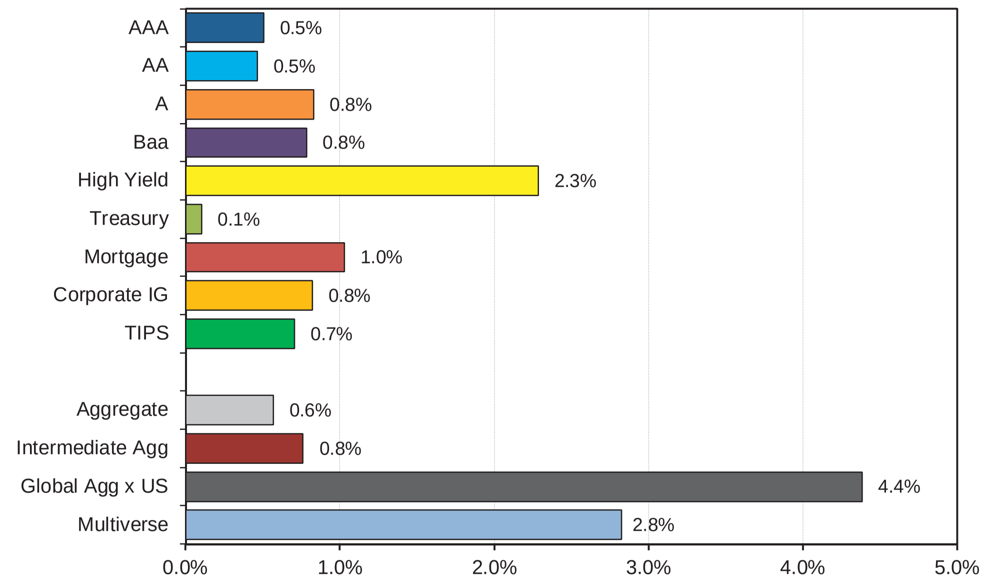
- After reversing course in the second quarter, the trend of low quality bonds outperforming higher quality securities continued as investment returns for the third quarter increased moving down the investment grade credit spectrum. The only exception to the trend was A-rated bonds, which exceeded the Baa-rated credit tier by five basis points.

- The shorter-duration Barclays Intermediate Aggregate Bond Index outperformed the longer-duration, broad market Aggregate Index by 20 basis points in the third quarter. This was third quarter in a row where the Intermediate Index has exceeded the broad market leading to an excess return of 100 basis points over the past 12 months.

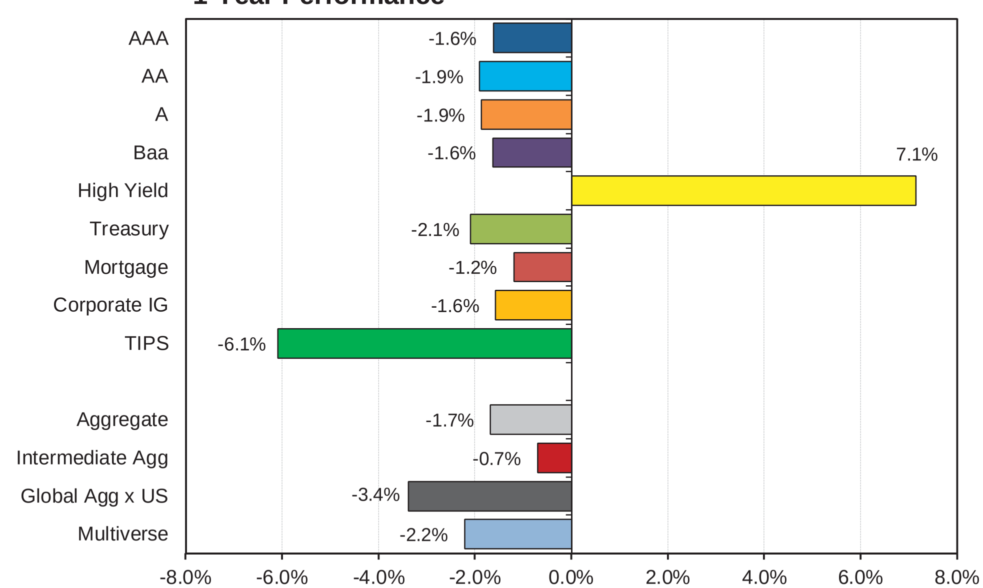
- For the fifth consecutive quarter, investment grade credits lagged their high yield counterparts (0.8% versus 2.3%). The continued demand for lower quality bonds has resulted in securities rated below investment grade outperforming investment grade credit by an astonishing 870 basis points (7.1% versus -1.6%) on a trailing one year basis.

- Returns for international bonds, represented by the Barclays Global Aggregate ex U.S. Index, easily outpaced domestic bonds (4.4% versus 0.6%). Despite the strong quarter, the performance of international bonds trailed domestic markets over the past 12 months by 170 basis points.

## Quarter Performance




## 1-Year Performance




*Source: Barclays Capital Live*

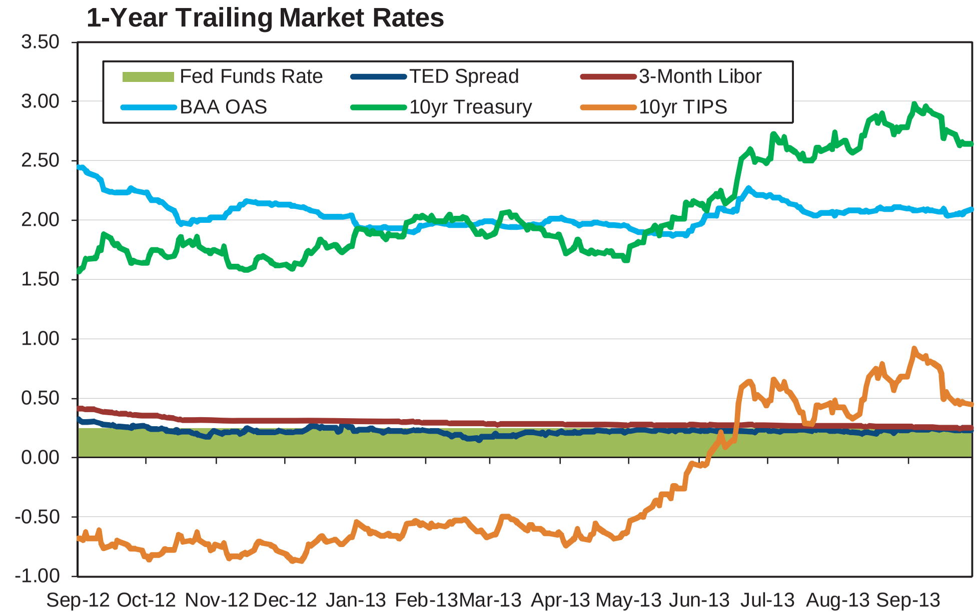
- Volatility in domestic bonds remained elevated as the market, represented by the Barclays Aggregate Bond Index, reversed its recent downtrend and posted a 0.6% gain. Investor attention continued to be focused on the prospects of a reduction in the Federal Reserve's QE program. Bond markets stabilized in July after weak May and June results only to drift lower in the month of August. On September 18th, the FOMC chose to continue their $85 billion of monthly bond purchases. The Committee's actions surprised many market participants who were anticipating the level of purchases would be lowered at the meeting. The surprise news served to lift bond markets through the remainder of the third quarter. Once markets digested the FOMC news, attention turned to yet another fiscal showdown in Washington. Congress and the President face an October 1 deadline on a new federal budget and an October 17 deadline to extend the federal debt limit. Concern over the lack of progress on both fronts provided yet another tailwind to bond prices late in the quarter.

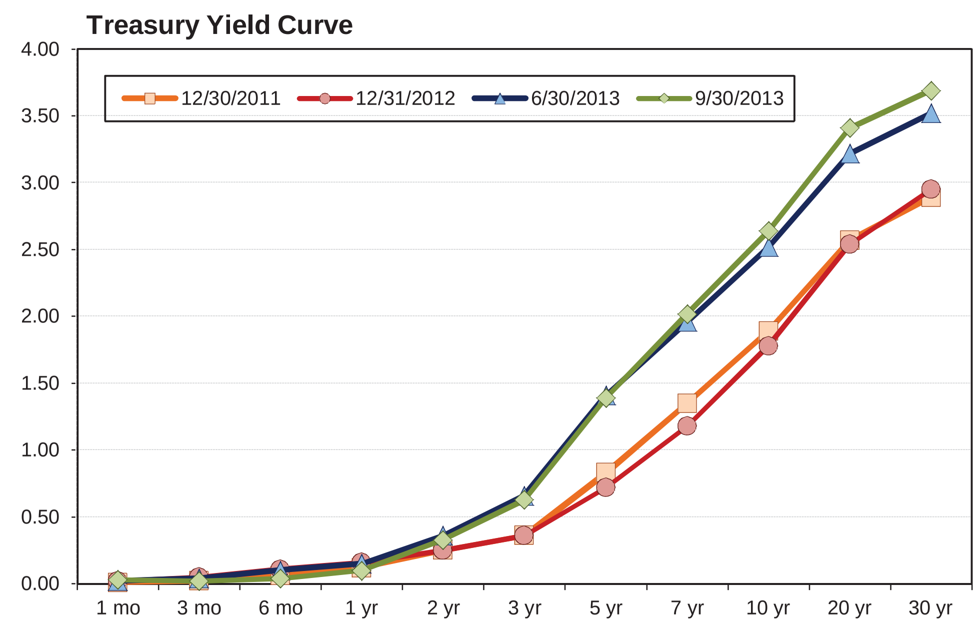
- Treasury rates were mostly unchanged during the quarter with the most notable movement coming in the longer-dated maturities where the ten- and 30-year Treasuries rose 12 and 17 basis points, respectively. One benefit to investors of the recent rise in yields has been the steepening of the yield curve. This allows investors to extend maturities and realize a sizable increase in yield. The rise in "spread" between key points on the yield curve is shown below.

| | |
|---|---|
| 2 - 5 Year U.S. Treasury | +54 basis points |
| 2 - 10 Year U.S. Treasury | +69 basis points |

- For investors in domestic bonds, 2013 has been a ride characterized by sudden declines in the market and high volatility. One bright spot of the markets moving lower is it has resulted in higher yields relative to those in 2011 and 2012.

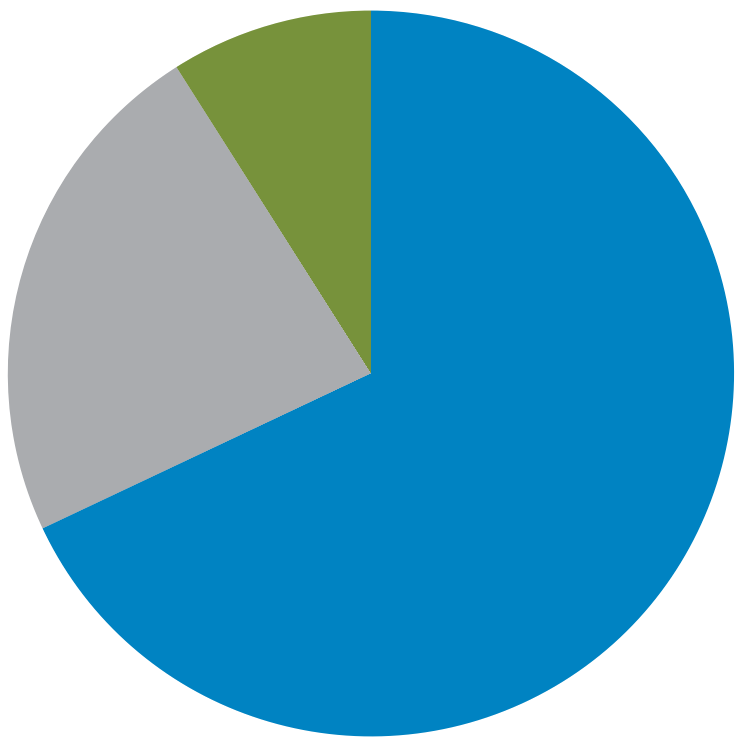
- Even though markets now offer yields higher than those of the past several quarters, the overall level of interest rate risk continues to be higher than the potential return. Going forward, we believe volatility will likely persist and the overall direction of the market will be linked to central bank actions.



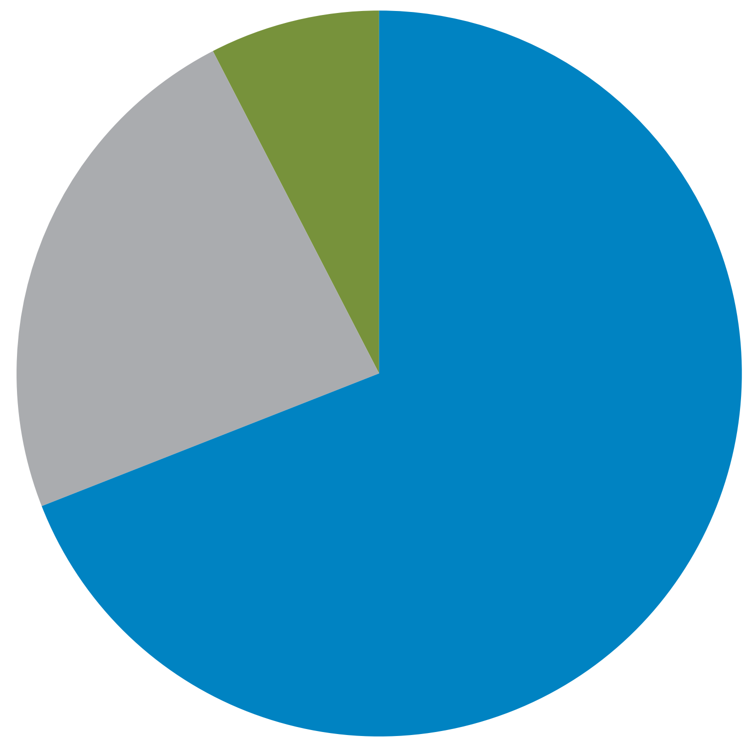




*Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)*

**Asset Allocation By Segment as of June 30, 2013 : $27,826,420**



**Asset Allocation By Segment as of September 30, 2013 : $29,281,965**



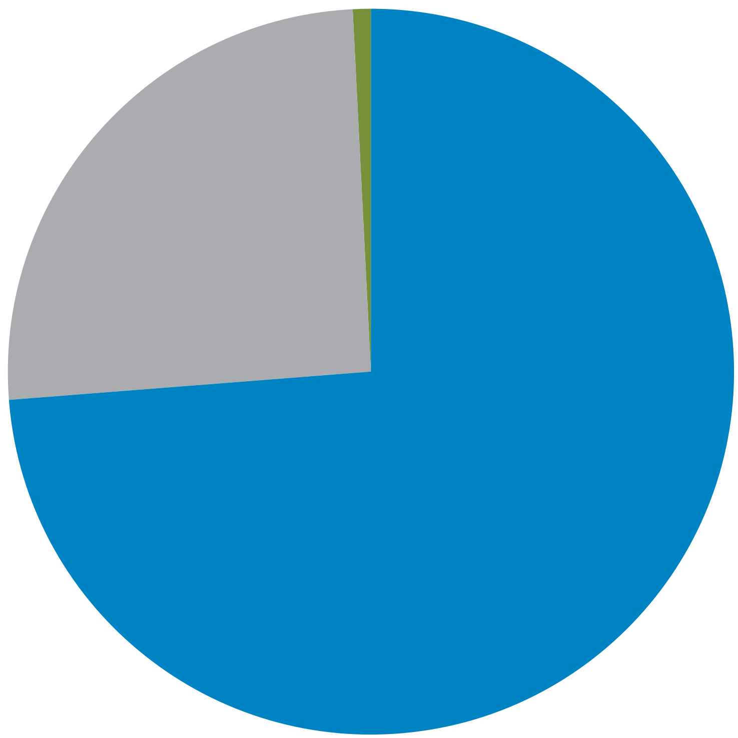
**Allocation**

| Segments | Market Value | Allocation |
|---|---|---|
| Domestic Equity | 18,916,259 | 68.0 |
| Domestic Fixed Income | 6,405,044 | 23.0 |
| Cash Equivalent | 2,505,117 | 9.0 |

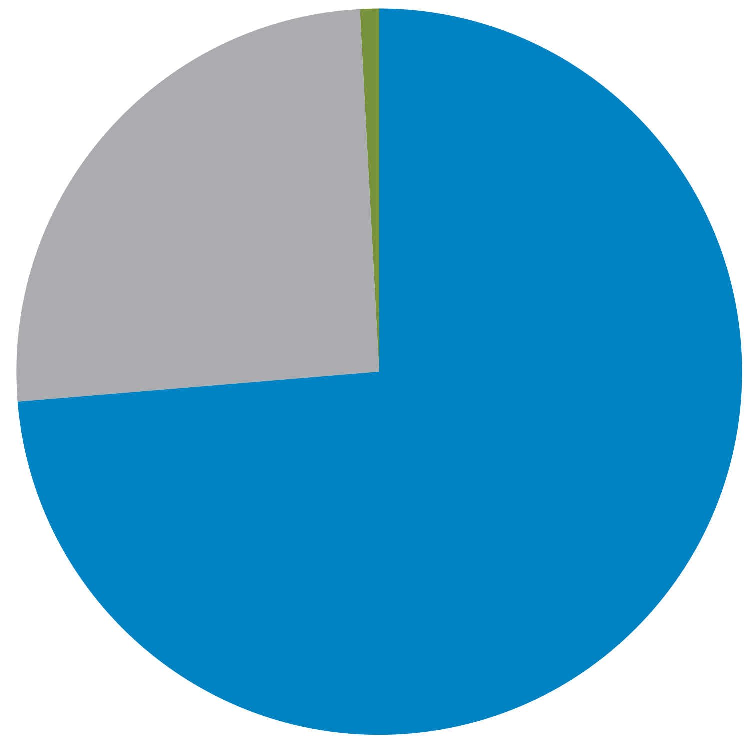
**Allocation**

| Segments | Market Value | Allocation |
|---|---|---|
| Domestic Equity | 20,216,938 | 69.0 |
| Domestic Fixed Income | 6,844,768 | 23.4 |
| Cash Equivalent | 2,220,259 | 7.6 |

**Asset Allocation By Manager as of June 30, 2013 : $27,826,420**



**Asset Allocation By Manager as of September 30, 2013 : $29,281,965**



**Allocation**

| | Market Value | Allocation |
|---|---|---|
| Bowen Hanes Balanced Portfolio | 20,524,817 | 73.8 |
| Rockwood Capital Balanced Portfolio | 7,079,114 | 25.4 |
| R&D Account | 222,488 | 0.8 |

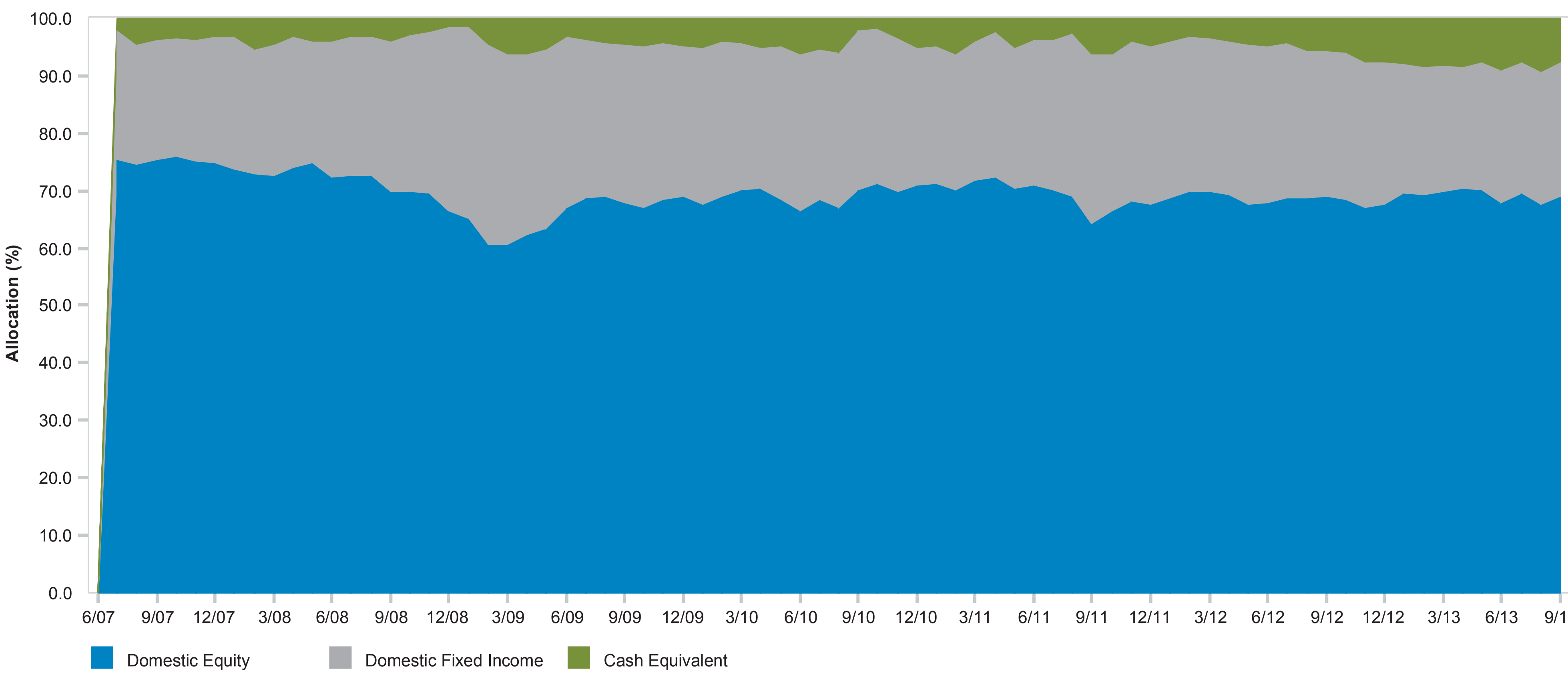
**Allocation**

| | Market Value | Allocation |
|---|---|---|
| Bowen Hanes Balanced Portfolio | 21,576,182 | 73.7 |
| Rockwood Capital Balanced Portfolio | 7,456,761 | 25.5 |
| R&D Account | 249,022 | 0.9 |

## Asset Allocation Attributes

| | Sep-2012 | | Dec-2012 | | Mar-2013 | | Jun-2013 | | Sep-2013 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | ($) | % | ($) | % | ($) | % | ($) | % | ($) | % |
| Bowen Hanes Balanced Portfolio | 19,642,226 | 74.49 | 19,658,924 | 74.40 | 20,854,824 | 74.23 | 20,524,817 | 73.76 | 21,576,182 | 73.68 |
| Rockwood Balanced Portfolio | 6,493,043 | 24.63 | 6,590,300 | 24.94 | 7,065,506 | 25.15 | 7,079,114 | 25.44 | 7,456,761 | 25.47 |
| R&D Account | 232,051 | 0.88 | 175,135 | 0.66 | 175,001 | 0.62 | 222,488 | 0.80 | 249,022 | 0.85 |
| **Total Fund** | **26,367,320** | **100.00** | **26,424,359** | **100.00** | **28,095,331** | **100.00** | **27,826,420** | **100.00** | **29,281,965** | **100.00** |

## Historical Asset Allocation by Segment



## Financial Reconciliation Quarter to Date

| | Market Value 07/01/2013 | Net Transfers | Contributions | Distributions | Management Fees | Other Expenses | Income | Apprec./ Deprec. | Market Value 09/30/2013 |
|---|---|---|---|---|---|---|---|---|---|
| Bowen Hanes Balanced Portfolio | 20,524,817 | -265,879 | - | - | -20,390 | - | 98,960 | 1,238,674 | 21,576,182 |
| Rockwood Balanced Portfolio | 7,079,114 | 39,041 | - | - | -8,853 | - | 47,164 | 300,294 | 7,456,761 |
| R&D Account | 222,488 | 226,838 | 708,988 | -889,154 | - | -20,141 | 3 | - | 249,022 |
| **Total Fund** | **27,826,420** | **-** | **708,988** | **-889,154** | **-29,243** | **-20,141** | **146,127** | **1,538,968** | **29,281,965** |

## Financial Reconciliation Fiscal Year to Date

| | Market Value 10/01/2012 | Net Transfers | Contributions | Distributions | Management Fees | Other Expenses | Income | Apprec./ Deprec. | Market Value 09/30/2013 |
|---|---|---|---|---|---|---|---|---|---|
| Bowen Hanes Balanced Portfolio | 19,642,226 | -341,338 | - | - | -80,348 | -590 | 482,465 | 1,873,767 | 21,576,182 |
| Rockwood Balanced Portfolio | 6,493,043 | 13,887 | - | - | -34,039 | -34 | 152,318 | 831,586 | 7,456,761 |
| R&D Account | 232,051 | 327,451 | 2,100,591 | -2,329,797 | - | -81,283 | 9 | - | 249,022 |
| **Total Fund** | **26,367,320** | **-** | **2,100,591** | **-2,329,797** | **-114,387** | **-81,906** | **634,792** | **2,705,353** | **29,281,965** |



THE BOGDAHN GROUP.

## Comparative Performance Trailing Returns

| | QTR | FYTD | 1 YR | 3 YR | 5 YR | 10 YR | Inception | Inception Date |
|---|---|---|---|---|---|---|---|---|
| **Total Fund (Net)** | **6.01** | **12.32** | **12.32** | **9.99** | **7.74** | **7.79** | **9.19** | **08/01/1986** |
| Total Fund Policy | 4.90 | 12.41 | 12.41 | 10.47 | 8.23 | 6.54 | 8.69 | |
| **Total Fund (Gross)** | **6.11 (7)** | **12.79 (42)** | **12.79 (42)** | **10.45 (31)** | **8.18 (53)** | **8.22 (9)** | **9.42 (7)** | **08/01/1986** |
| Total Fund Policy | 4.90 (49) | 12.41 (49) | 12.41 (49) | 10.47 (31) | 8.23 (49) | 6.54 (71) | 8.69 (41) | |
| All Public Plans-Total Fund Median | 4.88 | 12.37 | 12.37 | 9.98 | 8.23 | 7.04 | 8.53 | |
| **Total Domestic Equity** | **8.86 (7)** | **18.06 (81)** | **18.06 (81)** | **13.58 (88)** | **9.64 (74)** | **10.11 (10)** | **11.46 (8)** | **08/01/1986** |
| Total Equity Policy | 7.23 (20) | 20.60 (50) | 20.60 (50) | 14.37 (81) | 9.24 (81) | 7.35 (88) | 9.81 (93) | |
| IM U.S. Large Cap Core Equity (SA+CF) Median | 6.04 | 20.60 | 20.60 | 16.45 | 10.27 | 8.51 | 11.13 | |
| **Total Fixed Income** | **0.37 (89)** | **2.32 (1)** | **2.32 (1)** | **4.17 (19)** | **6.22 (57)** | **4.25 (95)** | **6.58 (98)** | **03/01/1988** |
| Total Fixed Income Policy | 0.57 (64) | -1.68 (81) | -1.68 (81) | 2.86 (90) | 5.69 (84) | 4.51 (90) | 6.80 (95) | |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | 0.63 | -1.29 | -1.29 | 3.49 | 6.39 | 5.02 | 7.19 | |
| **Bowen Hanes Balanced Portfolio (Gross)** | **6.62 (3)** | **12.12 (57)** | **12.12 (57)** | **10.09 (46)** | **8.04 (62)** | **8.15 (11)** | **9.39 (9)** | **08/01/1986** |
| Total Bowen Policy | 4.12 (82) | 12.60 (46) | 12.60 (46) | 11.86 (5) | 9.05 (17) | 6.94 (55) | 8.84 (36) | |
| All Public Plans-Total Fund Median | 4.88 | 12.37 | 12.37 | 9.98 | 8.23 | 7.04 | 8.53 | |
| **Bowen Hanes Balanced Portfolio (Net)** | **6.52 (3)** | **11.68 (66)** | **11.68 (66)** | **9.65 (60)** | **7.61 (75)** | **7.73 (22)** | **9.17 (21)** | **08/01/1986** |
| Total Bowen Policy | 4.12 (82) | 12.60 (46) | 12.60 (46) | 11.86 (5) | 9.05 (17) | 6.94 (55) | 8.84 (36) | |
| All Public Plans-Total Fund Median | 4.88 | 12.37 | 12.37 | 9.98 | 8.23 | 7.04 | 8.53 | |
| Bowen Hanes Equity | 9.49 (5) | 16.08 (89) | 16.08 (89) | 12.63 (95) | 8.93 (84) | 9.75 (16) | 11.32 (34) | 08/01/1986 |
| Russell 1000 Index | 6.02 (51) | 20.91 (47) | 20.91 (47) | 16.64 (47) | 10.53 (44) | 7.98 (71) | 10.05 (93) | |
| IM U.S. Large Cap Core Equity (SA+CF) Median | 6.04 | 20.60 | 20.60 | 16.45 | 10.27 | 8.51 | 11.13 | |
| Bowen Hanes Fixed Income | 0.18 (97) | 4.40 (1) | 4.40 (1) | 4.95 (3) | 6.87 (32) | 4.57 (86) | 6.71 (96) | 03/01/1988 |
| Total Fixed Income Policy | 0.57 (64) | -1.68 (81) | -1.68 (81) | 2.86 (90) | 5.69 (84) | 4.51 (90) | 6.80 (95) | |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | 0.63 | -1.29 | -1.29 | 3.49 | 6.39 | 5.02 | 7.19 | |
| **Rockwood Balanced Portfolio** | **4.91 (49)** | **15.18 (8)** | **15.18 (8)** | **11.84 (5)** | **N/A** | **N/A** | **12.78 (1)** | **10/01/2009** |
| Total Rockwood Policy | 4.34 (77) | 13.03 (37) | 13.03 (37) | 11.95 (4) | N/A | N/A | 11.56 (6) | |
| All Public Plans-Total Fund Median | 4.88 | 12.37 | 12.37 | 9.98 | 8.23 | 7.04 | 10.09 | |
| Rockwood Equity | 6.98 (57) | 24.72 (39) | 24.72 (39) | 16.50 (68) | N/A | N/A | 17.61 (12) | 10/01/2009 |
| Russell 3000 Index | 6.35 (75) | 21.60 (80) | 21.60 (80) | 16.76 (55) | 10.58 (72) | 8.11 (73) | 15.29 (57) | |
| IM U.S. All Cap Core Equity (SA+CF) Median | 7.22 | 23.71 | 23.71 | 17.03 | 11.07 | 8.49 | 15.57 | |
| Rockwood Fixed Income | 0.71 (34) | -1.80 (89) | -1.80 (89) | 2.71 (94) | N/A | N/A | 4.08 (94) | 10/01/2009 |
| Total Fixed Income Policy | 0.57 (64) | -1.68 (81) | -1.68 (81) | 2.86 (90) | 5.69 (84) | 4.51 (90) | 4.30 (85) | |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | 0.63 | -1.29 | -1.29 | 3.49 | 6.39 | 5.02 | 4.91 | |

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

## Comparative Performance Fiscal Year Returns

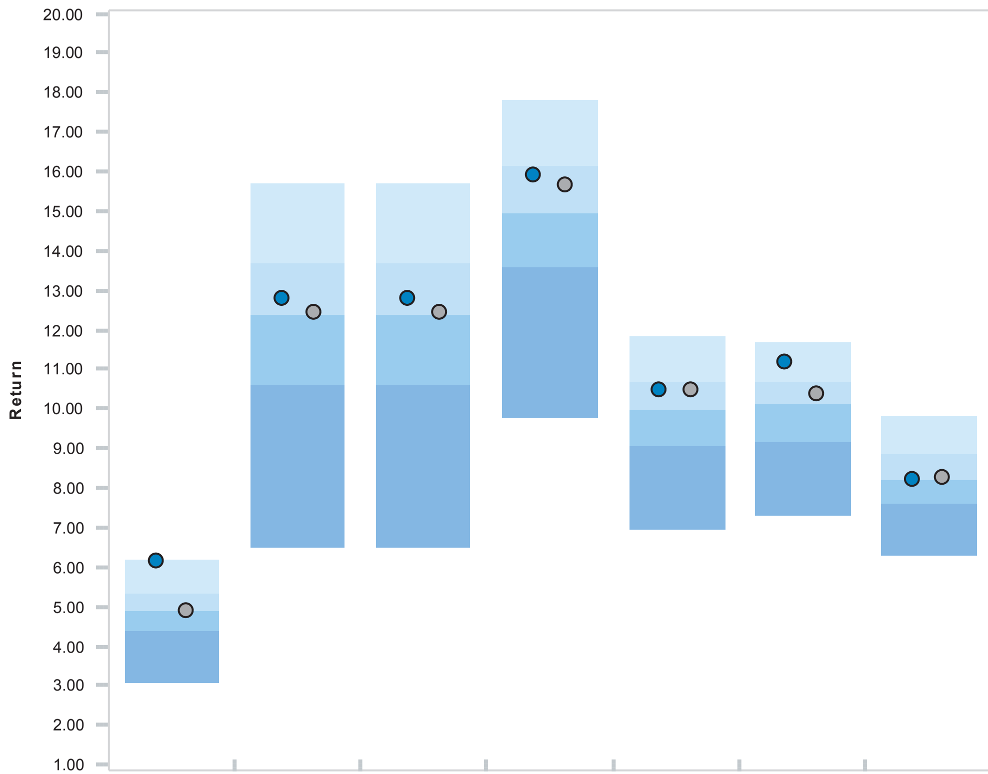
| | Oct-2011 To Sep-2012 | Oct-2010 To Sep-2011 | Oct-2009 To Sep-2010 | Oct-2008 To Sep-2009 | Oct-2007 To Sep-2008 | Oct-2006 To Sep-2007 | Oct-2005 To Sep-2006 | Oct-2004 To Sep-2005 | Oct-2003 To Sep-2004 | Oct-2002 To Sep-2003 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Fund (Net)** | **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 (91)** | **-16.01 (85)** | **21.27 (2)** | **9.43 (34)** | **15.30 (13)** | **15.68 (4)** | **17.73 (35)** |
| Total Fund Policy | 19.02 (28) | 0.77 (40) | 10.08 (47) | 0.09 (66) | -13.98 (55) | 12.73 (76) | 7.88 (65) | 10.14 (73) | 10.09 (64) | 18.39 (30) |
| All Public Plans-Total Fund Median | 17.91 | 0.30 | 9.98 | 1.29 | -13.67 | 14.39 | 8.64 | 12.35 | 10.97 | 16.48 |
| **Total Domestic Equity** | **26.58 (70)** | **-1.95 (81)** | **15.54 (4)** | **-6.40 (57)** | **-20.99 (56)** | **28.49 (2)** | **11.60 (34)** | **20.08 (17)** | **21.49 (7)** | **23.84 (44)** |
| Total Equity Policy | 26.65 (69) | -2.04 (81) | 10.75 (34) | -6.14 (54) | -22.10 (69) | 16.90 (52) | 10.25 (57) | 14.26 (59) | 13.90 (57) | 25.14 (30) |
| IM U.S. Large Cap Core Equity | 29.69 | 1.03 | 9.52 | -5.79 | -20.48 | 16.97 | 10.76 | 15.19 | 14.27 | 23.25 |
| **Total Fixed Income** | **5.42 (86)** | **4.80 (75)** | **10.26 (23)** | **8.50 (92)** | **-1.34 (80)** | **2.48 (100)** | **3.14 (98)** | **3.34 (30)** | **4.04 (34)** | **8.65 (5)** |
| Total Fixed Income Policy | 5.16 (92) | 5.26 (49) | 8.73 (66) | 11.46 (67) | 2.41 (52) | 5.08 (58) | 3.33 (96) | 2.56 (91) | 3.35 (83) | 6.51 (25) |
| IM U.S. Broad Market Core Fixed Income | 6.66 | 5.25 | 9.27 | 12.33 | 2.56 | 5.14 | 3.85 | 3.14 | 3.80 | 5.75 |
| **Bowen Hanes Balanced Portfolio** | **19.10 (27)** | **-0.09 (60)** | **12.69 (6)** | **-2.09 (85)** | **-16.01 (85)** | **21.27 (2)** | **9.43 (34)** | **15.30 (13)** | **15.68 (4)** | **17.73 (35)** |
| Total Bowen Policy | 21.06 (5) | 2.69 (12) | 10.08 (47) | 0.09 (66) | -13.98 (55) | 12.73 (76) | 7.88 (65) | 10.14 (73) | 10.09 (64) | 18.39 (30) |
| All Public Plans-Total Fund Median | 17.91 | 0.30 | 9.98 | 1.29 | -13.67 | 14.39 | 8.64 | 12.35 | 10.97 | 16.48 |
| Bowen Hanes Equity | 25.68 (77) | -2.07 (81) | 14.02 (9) | -5.84 (51) | -20.99 (56) | 28.49 (2) | 11.60 (34) | 20.08 (17) | 21.49 (7) | 23.84 (44) |
| Russell 1000 Index | 30.05 (47) | 0.91 (53) | 10.75 (34) | -6.14 (54) | -22.10 (69) | 16.90 (52) | 10.25 (57) | 14.26 (59) | 13.90 (57) | 25.14 (30) |
| IM U.S. Large Cap Core Equity | 29.69 | 1.03 | 9.52 | -5.79 | -20.48 | 16.97 | 10.76 | 15.19 | 14.27 | 23.25 |
| Bowen Hanes Fixed Income | 5.72 (82) | 4.72 (76) | 11.03 (17) | 8.64 (91) | -1.34 (80) | 2.48 (100) | 3.14 (98) | 3.34 (30) | 4.04 (34) | 8.65 (5) |
| Total Fixed Income Policy | 5.16 (92) | 5.26 (49) | 8.73 (66) | 11.46 (67) | 2.41 (52) | 5.08 (58) | 3.33 (96) | 2.56 (91) | 3.35 (83) | 6.51 (25) |
| IM U.S. Broad Market Core Fixed Income | 6.66 | 5.25 | 9.27 | 12.33 | 2.56 | 5.14 | 3.85 | 3.14 | 3.80 | 5.75 |
| **Rockwood Balanced Portfolio** | **19.47 (21)** | **1.66 (24)** | **15.65 (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 (40) | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| All Public Plans-Total Fund Median | 17.91 | 0.30 | 9.98 | 1.29 | -13.67 | 14.39 | 8.64 | 12.35 | 10.97 | 16.48 |
| Rockwood Equity | 29.61 (34) | -2.18 (78) | 21.00 (1) | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Russell 3000 Index | 30.20 (26) | 0.55 (62) | 10.96 (53) | -6.42 (61) | -21.52 (62) | 16.52 (63) | 10.22 (38) | 14.57 (71) | 14.26 (78) | 25.92 (38) |
| IM U.S. All Cap Core Equity | 26.72 | 0.96 | 11.05 | -5.96 | -21.14 | 17.43 | 9.19 | 17.25 | 16.10 | 25.53 |
| Rockwood Fixed Income | 4.83 (97) | 5.25 (50) | 8.28 (83) | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Total Fixed Income Policy | 5.16 (92) | 5.26 (49) | 8.73 (66) | 11.46 (67) | 2.41 (52) | 5.08 (58) | 3.33 (96) | 2.56 (91) | 3.35 (83) | 6.51 (25) |
| IM U.S. Broad Market Core Fixed Income | 6.66 | 5.25 | 9.27 | 12.33 | 2.56 | 5.14 | 3.85 | 3.14 | 3.80 | 5.75 |

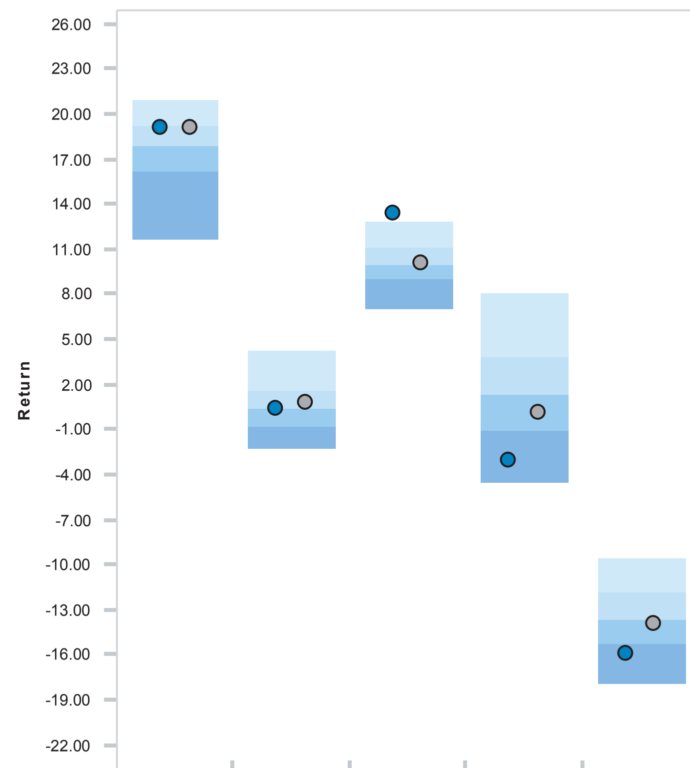
Returns for periods greater than one year are annualized.
Returns are expressed as percentages.



The Bogdahn Group

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




| | QTR | FYTD | 1 YR | 2 YR | 3 YR | 4 YR | 5 YR |
|---|---|---|---|---|---|---|---|
| Total Fund (Gross) | 6.11 (7) | 12.79 (42) | 12.79 (42) | 15.88 (29) | 10.45 (31) | 11.18 (11) | 8.18 (53) |
| Total Fund Policy | 4.90 (49) | 12.41 (49) | 12.41 (49) | 15.67 (33) | 10.47 (31) | 10.37 (35) | 8.23 (49) |
| Median | 4.88 | 12.37 | 12.37 | 14.96 | 9.98 | 10.09 | 8.23 |

| | 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) | 19.06 (27) | 0.34 (49) | 13.39 (4) | -3.03 (91) | -16.01 (85) |
| Total Fund Policy | 19.02 (28) | 0.77 (40) | 10.08 (47) | 0.09 (66) | -13.98 (55) |
| Median | 17.91 | 0.30 | 9.98 | 1.29 | -13.67 |

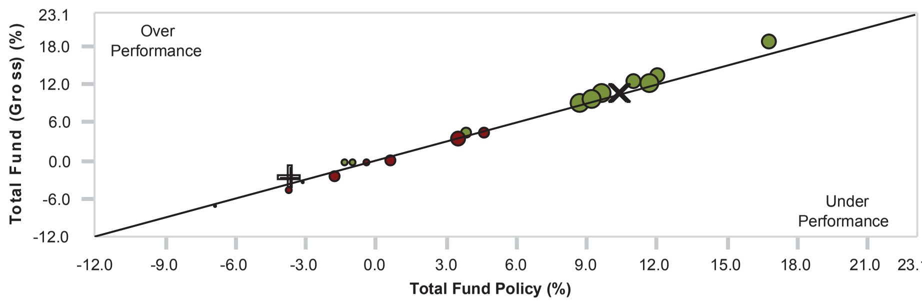
## Comparative Performance

| | 1 Qtr Ending Jun-2013 | 1 Qtr Ending Mar-2013 | 1 Qtr Ending Dec-2012 | 1 Qtr Ending Sep-2012 | 1 Qtr Ending Jun-2012 | 1 Qtr Ending Mar-2012 |
|---|---|---|---|---|---|---|
| Total Fund (Gross) | -0.79 (84) | 6.97 (7) | 0.15 (95) | 5.29 (20) | -2.69 (77) | 7.76 (63) |
| Total Fund Policy | 0.09 (50) | 5.92 (31) | 1.08 (75) | 4.78 (49) | -1.89 (48) | 8.15 (50) |
| All Public Plans-Total Fund Median | 0.07 | 5.47 | 1.73 | 4.77 | -1.95 | 8.14 |

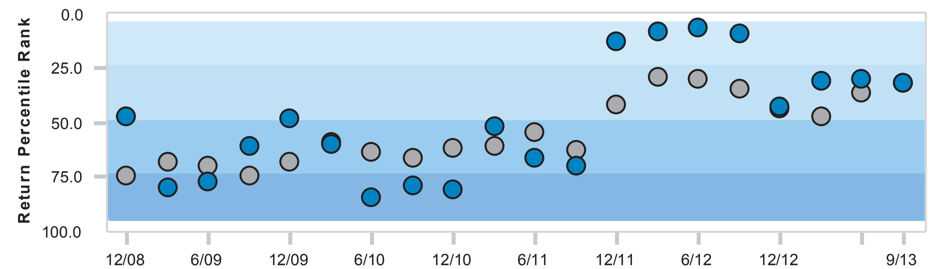


The Bogdahn Group

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

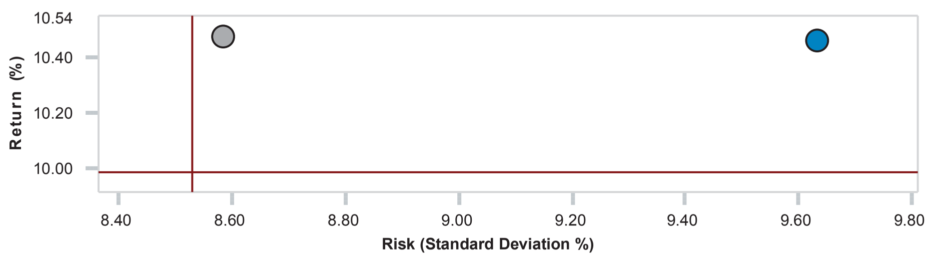



### 3 Yr Rolling Percentile Ranking - 5 Years



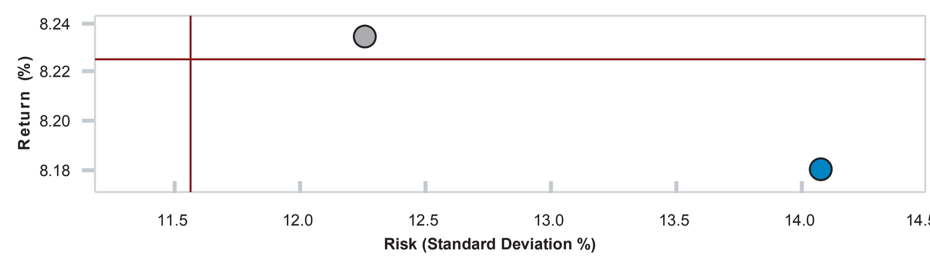

| | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|---|---|---|---|---|---|
| Total Fund (Gross) | 20 | 4 (20%) | 6 (30%) | 5 (25%) | 5 (25%) |
| Total Fund Policy | 20 | 0 (0%) | 8 (40%) | 12 (60%) | 0 (0%) |

### Peer Group Scattergram - 3 Years




| | Return | Standard Deviation |
|---|---|---|
| Total Fund (Gross) | 10.45 | 9.63 |
| Total Fund Policy | 10.47 | 8.59 |
| Median | 9.99 | 8.53 |

### Peer Group Scattergram - 5 Years




| | Return | Standard Deviation |
|---|---|---|
| Total Fund (Gross) | 8.18 | 14.07 |
| Total Fund Policy | 8.23 | 12.26 |
| Median | 8.22 | 11.56 |

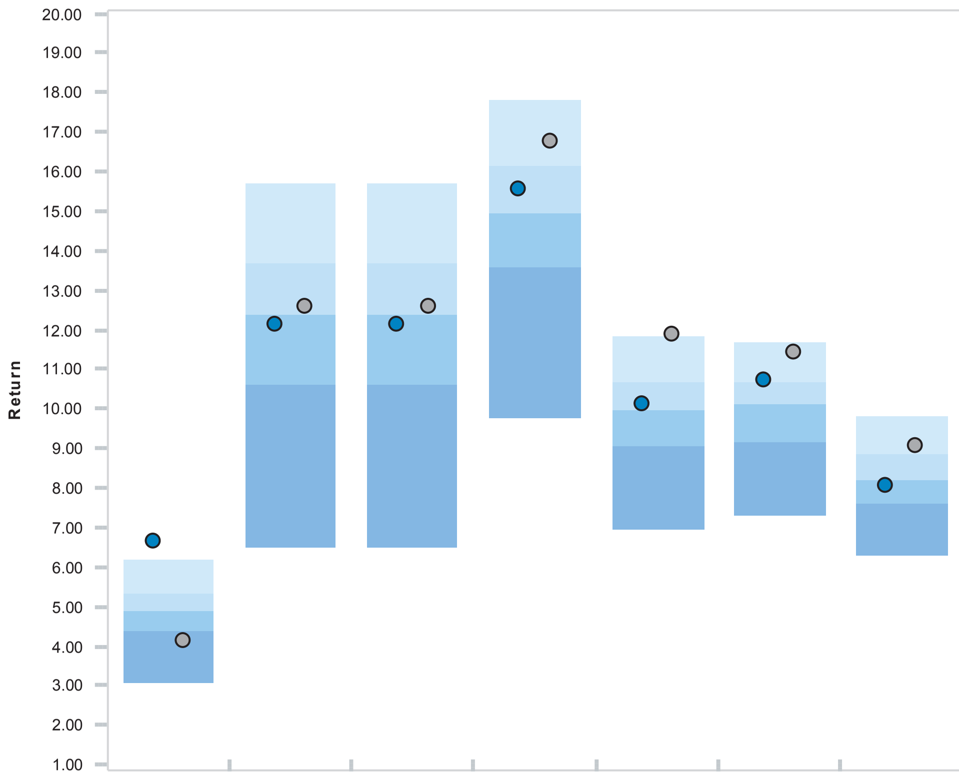
### Historical Statistics - 3 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---|---|---|---|---|---|---|---|---|
| Total Fund (Gross) | 2.67 | 105.00 | 110.95 | -0.76 | 0.03 | 1.08 | 1.08 | 5.87 |
| Total Fund Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 1.20 | 1.00 | 4.92 |

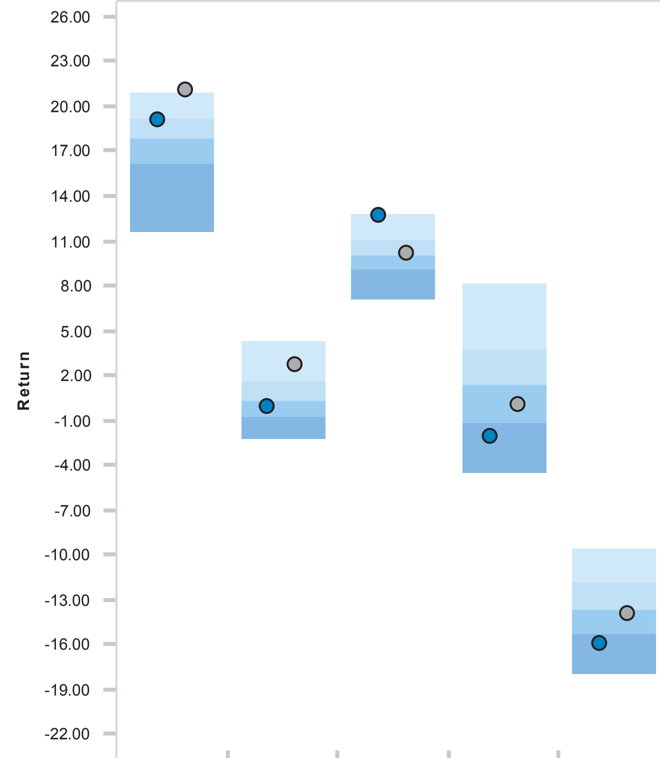
### Historical Statistics - 5 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---|---|---|---|---|---|---|---|---|
| Total Fund (Gross) | 3.37 | 108.56 | 112.78 | -0.85 | 0.06 | 0.62 | 1.12 | 10.07 |
| Total Fund Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 0.70 | 1.00 | 8.46 |

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




| | QTR | FYTD | 1 YR | 2 YR | 3 YR | 4 YR | 5 YR |
|---|---|---|---|---|---|---|---|
| Bowen Hanes (Gross) | 6.62 (3) | 12.12 (57) | 12.12 (57) | 15.56 (35) | 10.09 (46) | 10.73 (24) | 8.04 (62) |
| Bowen Policy | 4.12 (82) | 12.60 (46) | 12.60 (46) | 16.76 (17) | 11.86 (5) | 11.42 (8) | 9.05 (17) |
| Median | 4.88 | 12.37 | 12.37 | 14.96 | 9.98 | 10.09 | 8.23 |




| | 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 (Gross) | 19.10 (27) | -0.09 (60) | 12.69 (6) | -2.09 (85) | -16.01 (85) |
| Bowen Policy | 21.06 (5) | 2.69 (12) | 10.08 (47) | 0.09 (66) | -13.98 (55) |
| Median | 17.91 | 0.30 | 9.98 | 1.29 | -13.67 |

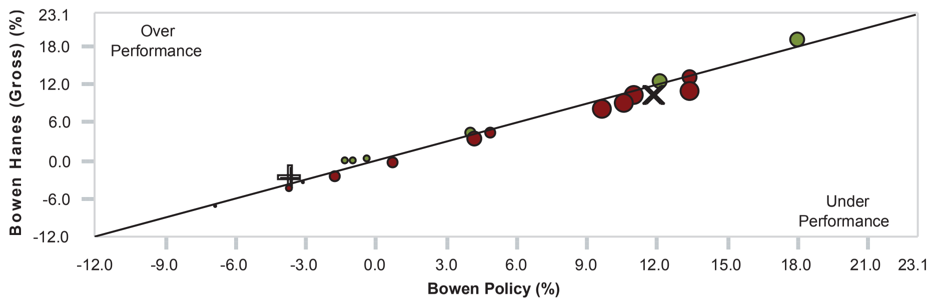
## Comparative Performance

| | 1 Qtr Ending Jun-2013 | 1 Qtr Ending Mar-2013 | 1 Qtr Ending Dec-2012 | 1 Qtr Ending Sep-2012 | 1 Qtr Ending Jun-2012 | 1 Qtr Ending Mar-2012 |
|---|---|---|---|---|---|---|
| Bowen Hanes (Gross) | -1.25 (93) | 6.71 (10) | -0.21 (97) | 6.23 (2) | -3.83 (97) | 8.20 (47) |
| Bowen Policy | 0.90 (12) | 7.01 (6) | 0.16 (95) | 4.64 (60) | -1.26 (21) | 8.38 (42) |
| All Public Plans-Total Fund Median | 0.07 | 5.47 | 1.73 | 4.77 | -1.95 | 8.14 |



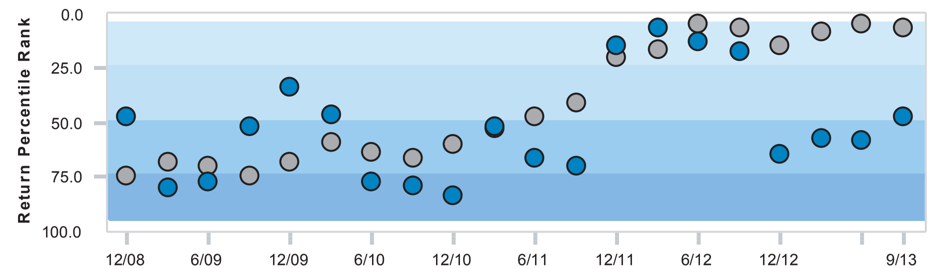
The Bogdahn Group

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



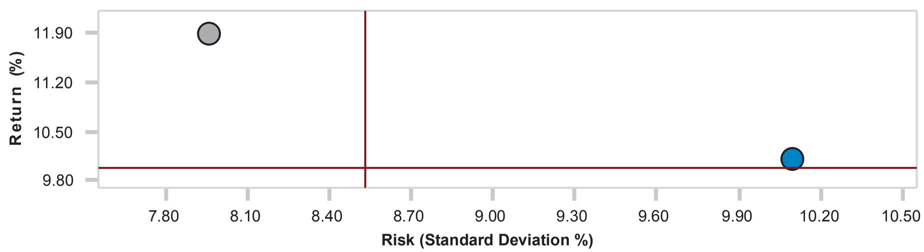

Over Performance
Under Performance
Earliest Date
Latest Date

## 3 Yr Rolling Percentile Ranking - 5 Years



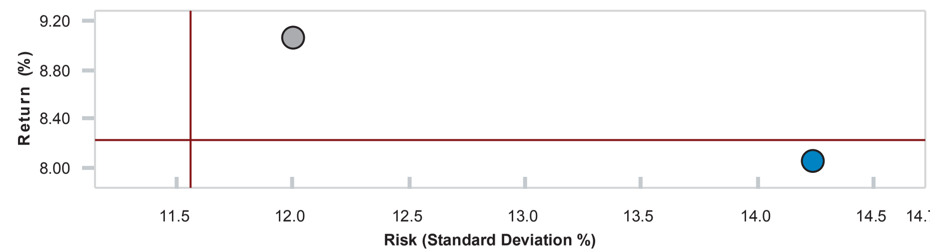

| | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|---|---|---|---|---|---|
| Bowen Hanes (Gross) | 20 | 4 (20%) | 4 (20%) | 7 (35%) | 5 (25%) |
| Bowen Policy | 20 | 8 (40%) | 2 (10%) | 10 (50%) | 0 (0%) |

## Peer Group Scattergram - 3 Years




| | Return | Standard Deviation |
|---|---|---|
| Bowen Hanes (Gross) | 10.09 | 10.10 |
| Bowen Policy | 11.86 | 7.96 |
| Median | 9.99 | 8.53 |

## Peer Group Scattergram - 5 Years




| | Return | Standard Deviation |
|---|---|---|
| Bowen Hanes (Gross) | 8.04 | 14.24 |
| Bowen Policy | 9.05 | 12.01 |
| Median | 8.22 | 11.56 |

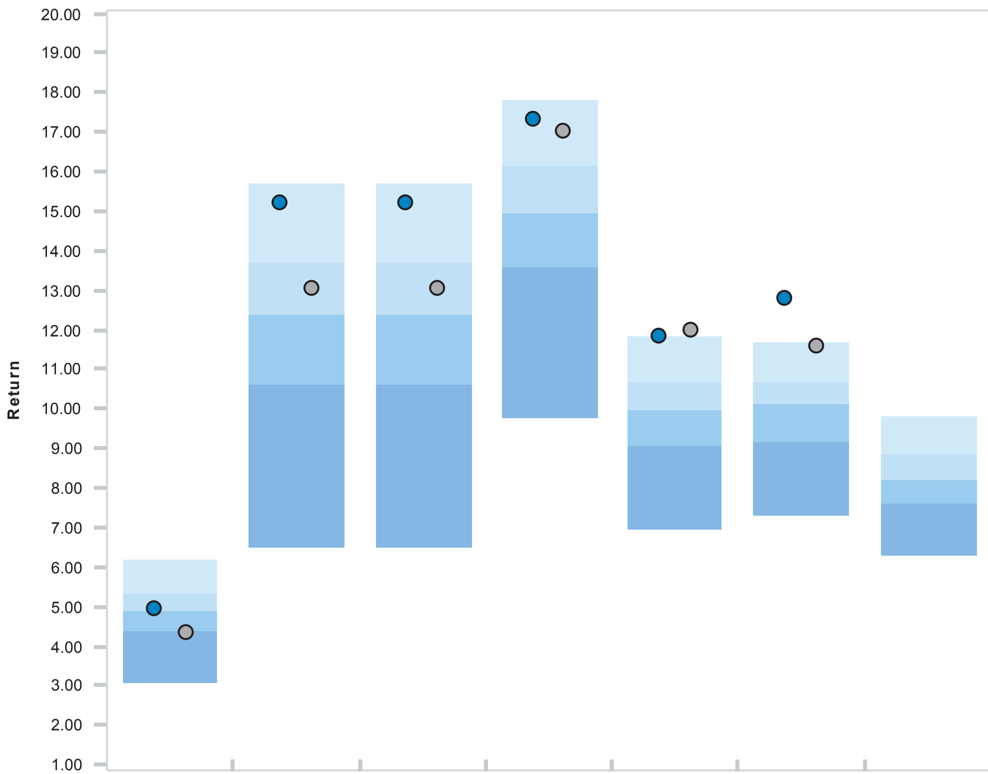
## Historical Statistics - 3 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---|---|---|---|---|---|---|---|---|
| Bowen Hanes (Gross) | 3.58 | 105.84 | 139.86 | -3.71 | -0.40 | 1.00 | 1.20 | 6.19 |
| Bowen Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 1.44 | 1.00 | 4.26 |

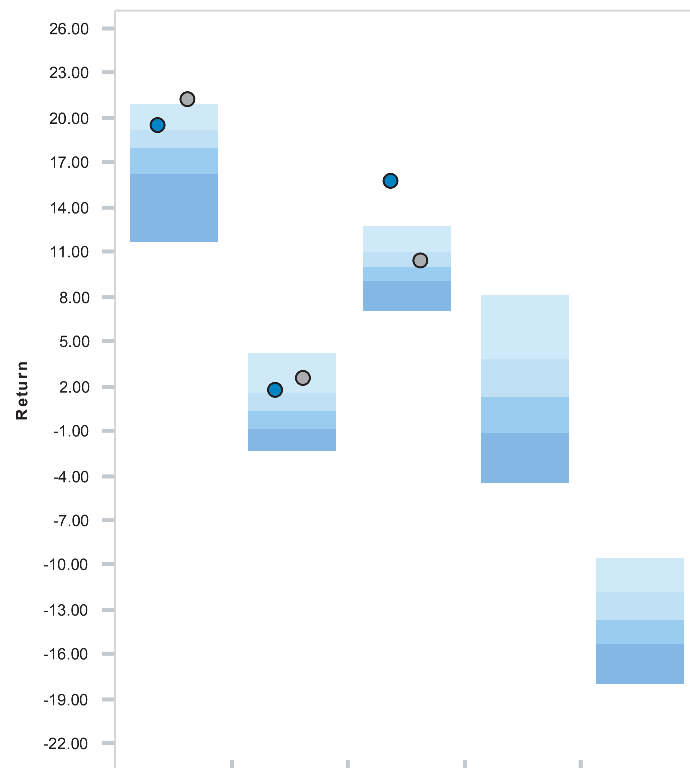
## Historical Statistics - 5 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---|---|---|---|---|---|---|---|---|
| Bowen Hanes (Gross) | 3.89 | 108.81 | 120.87 | -2.03 | -0.16 | 0.61 | 1.15 | 10.19 |
| Bowen Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 0.77 | 1.00 | 8.24 |

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




| | QTR | FYTD | 1 YR | 2 YR | 3 YR | 4 YR | 5 YR |
|---|---|---|---|---|---|---|---|
| Rockwood (Gross) | 4.91 (49) | 15.18 (8) | 15.18 (8) | 17.31 (10) | 11.84 (5) | 12.78 (1) | N/A |
| Rockwood Policy | 4.34 (77) | 13.03 (37) | 13.03 (37) | 17.02 (13) | 11.95 (4) | 11.56 (6) | N/A |
| Median | 4.88 | 12.37 | 12.37 | 14.96 | 9.98 | 10.09 | 8.23 |

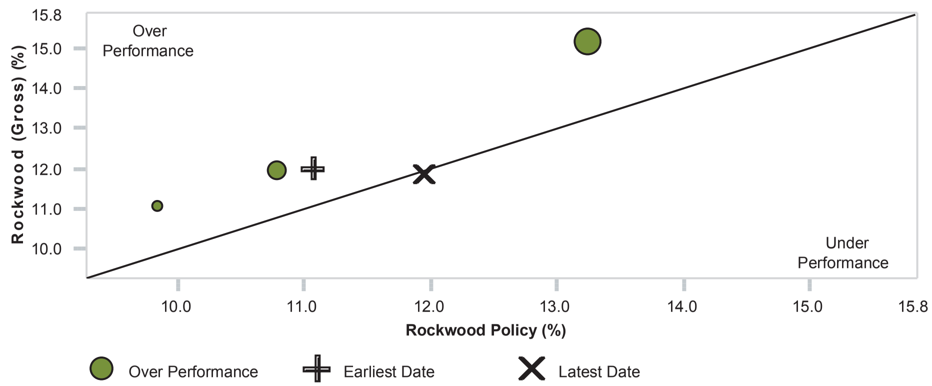



| | Oct-2011 To Sep-2012 | Oct-2010 To Sep-2011 | Oct-2009 To Sep-2010 | Oct-2008 To Sep-2009 | Oct-2007 To Sep-2008 |
|---|---|---|---|---|---|
| Rockwood (Gross) | 19.47 (21) | 1.66 (24) | 15.65 (1) | N/A | N/A |
| Rockwood Policy | 21.16 (4) | 2.47 (14) | 10.37 (40) | N/A | N/A |
| Median | 17.91 | 0.30 | 9.98 | 1.29 | -13.67 |

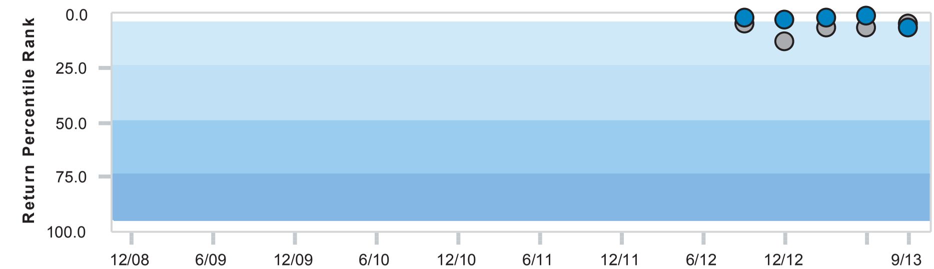
## Comparative Performance

| | 1 Qtr Ending Jun-2013 | 1 Qtr Ending Mar-2013 | 1 Qtr Ending Dec-2012 | 1 Qtr Ending Sep-2012 | 1 Qtr Ending Jun-2012 | 1 Qtr Ending Mar-2012 |
|---|---|---|---|---|---|---|
| Rockwood (Gross) | 0.55 (27) | 7.87 (1) | 1.23 (70) | 2.66 (98) | 0.79 (2) | 6.54 (87) |
| Rockwood Policy | 0.92 (11) | 7.08 (6) | 0.24 (93) | 4.59 (64) | -1.27 (22) | 8.36 (43) |
| All Public Plans-Total Fund Median | 0.07 | 5.47 | 1.73 | 4.77 | -1.95 | 8.14 |

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

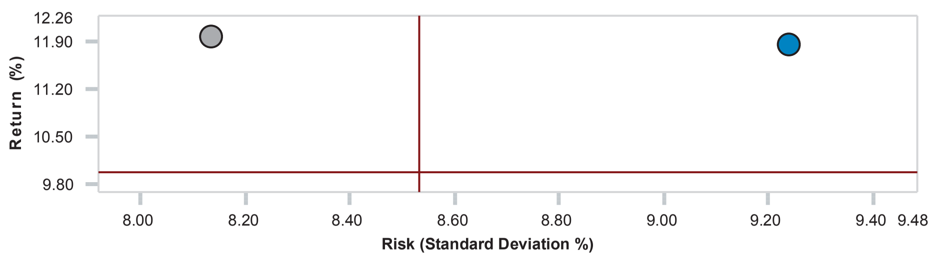



## 3 Yr Rolling Percentile Ranking - 5 Years



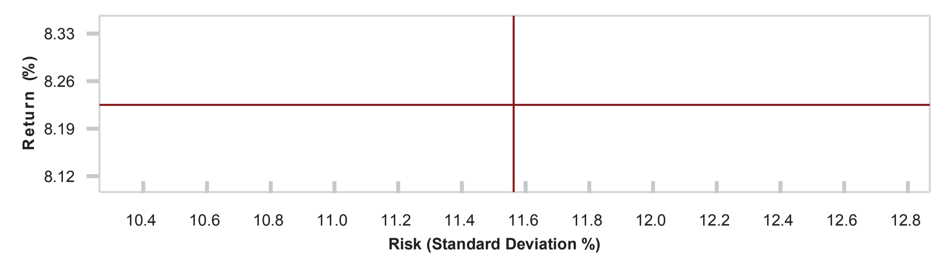

| | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|---|---|---|---|---|---|
| Rockwood (Gross) | 5 | 5 (100%) | 0 (0%) | 0 (0%) | 0 (0%) |
| Rockwood Policy | 5 | 5 (100%) | 0 (0%) | 0 (0%) | 0 (0%) |

## Peer Group Scattergram - 3 Years




| | Return | Standard Deviation |
|---|---|---|
| Rockwood (Gross) | 11.84 | 9.24 |
| Rockwood Policy | 11.95 | 8.14 |
| Median | 9.99 | 8.53 |

## Peer Group Scattergram - 5 Years




| | Return | Standard Deviation |
|---|---|---|
| Rockwood (Gross) | N/A | N/A |
| Rockwood Policy | N/A | N/A |
| Median | 8.22 | 11.56 |

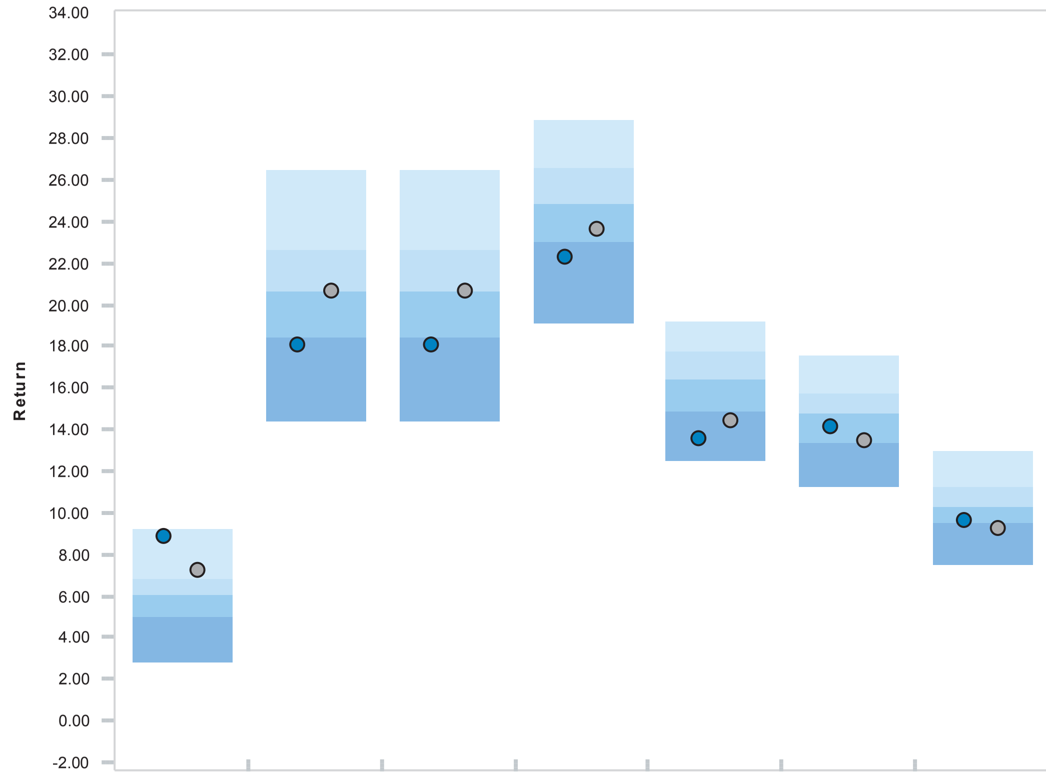
## Historical Statistics - 3 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---|---|---|---|---|---|---|---|---|
| Rockwood (Gross) | 3.04 | 105.62 | 116.03 | -0.88 | 0.00 | 1.25 | 1.07 | 5.49 |
| Rockwood Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 1.42 | 1.00 | 4.39 |

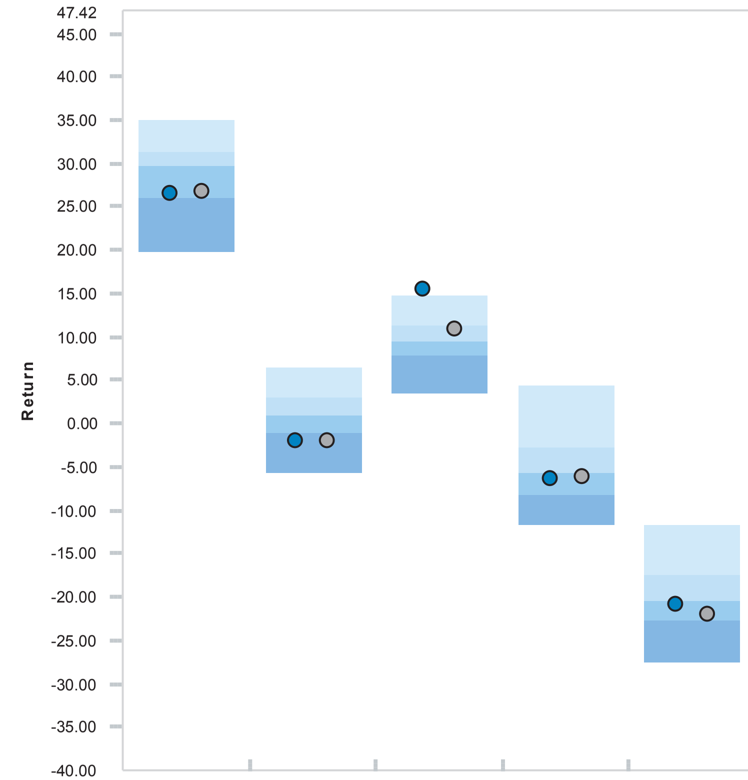
## Historical Statistics - 5 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---|---|---|---|---|---|---|---|---|
| Rockwood (Gross) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 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 |
|---|---|---|---|---|---|---|---|
| Total Equity | 8.86 (7) | 18.06 (81) | 18.06 (81) | 22.25 (81) | 13.58 (88) | 14.07 (66) | 9.64 (74) |
| Equity Policy | 7.23 (20) | 20.60 (50) | 20.60 (50) | 23.59 (70) | 14.37 (81) | 13.46 (75) | 9.24 (81) |
| Median | 6.04 | 20.60 | 20.60 | 24.87 | 16.45 | 14.78 | 10.27 |




| | 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 | 26.58 (70) | -1.95 (81) | 15.54 (4) | -6.40 (57) | -20.99 (56) |
| Equity Policy | 26.65 (69) | -2.04 (81) | 10.75 (34) | -6.14 (54) | -22.10 (69) |
| Median | 29.69 | 1.03 | 9.52 | -5.79 | -20.48 |

## Comparative Performance

| | 1 Qtr Ending Jun-2013 | 1 Qtr Ending Mar-2013 | 1 Qtr Ending Dec-2012 | 1 Qtr Ending Sep-2012 | 1 Qtr Ending Jun-2012 | 1 Qtr Ending Mar-2012 |
|---|---|---|---|---|---|---|
| Total Equity | -1.84 (99) | 10.01 (66) | 0.43 (37) | 7.22 (22) | -4.32 (69) | 10.55 (81) |
| Equity Policy | 1.40 (83) | 9.25 (80) | 1.53 (14) | 6.52 (45) | -4.11 (65) | 12.54 (60) |
| IM U.S. Large Cap Core Equity (SA+CF) Median | 2.74 | 10.67 | 0.03 | 6.41 | -3.54 | 12.98 |



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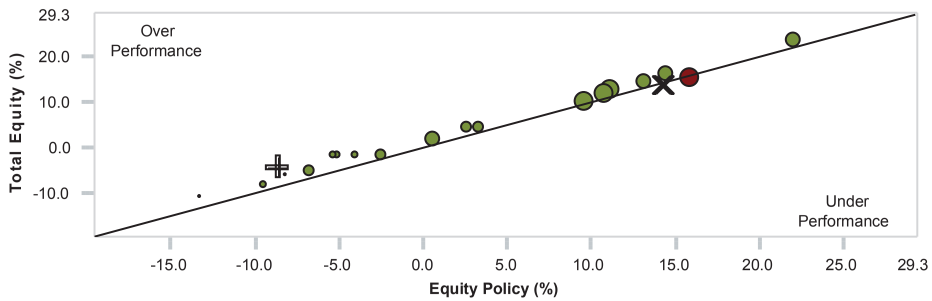
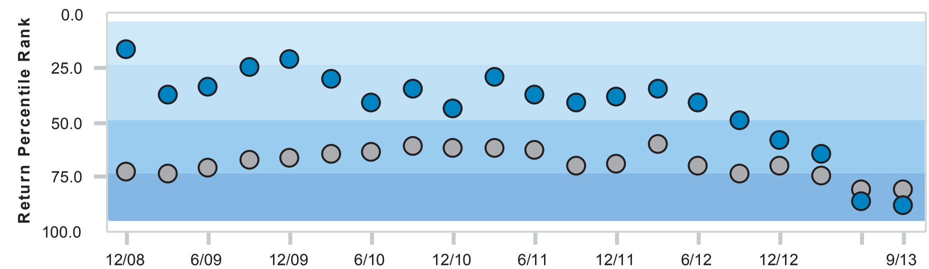
## 3 Yr Rolling Under/Over Performance - 5 Years

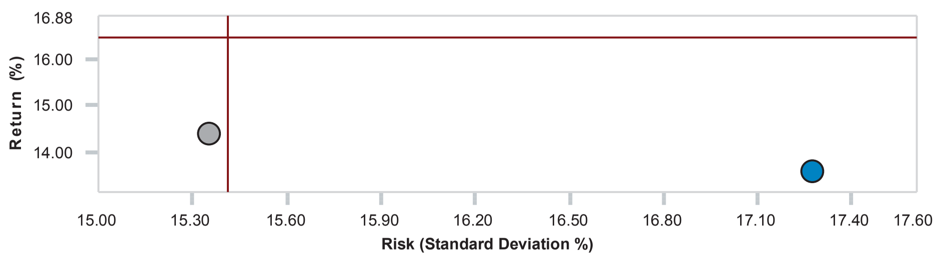



## 3 Yr Rolling Percentile Ranking - 5 Years



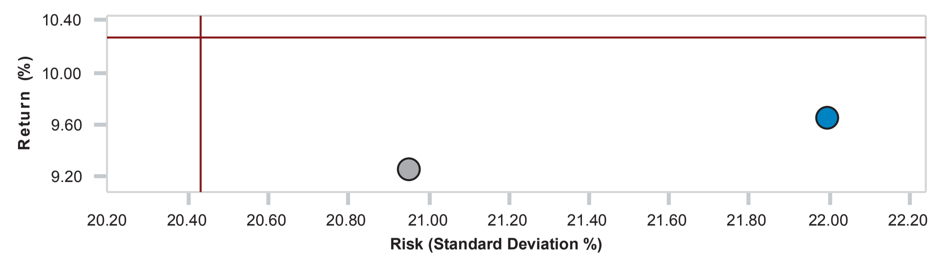

| | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|---|---|---|---|---|---|
| Total Equity | 20 | 3 (15%) | 13 (65%) | 2 (10%) | 2 (10%) |
| Equity Policy | 20 | 0 (0%) | 0 (0%) | 18 (90%) | 2 (10%) |

## Peer Group Scattergram - 3 Years




| | Return | Standard Deviation |
|---|---|---|
| Total Equity | 13.58 | 17.28 |
| Equity Policy | 14.37 | 15.35 |
| Median | 16.45 | 15.41 |

## Peer Group Scattergram - 5 Years




| | Return | Standard Deviation |
|---|---|---|
| Total Equity | 9.64 | 21.99 |
| Equity Policy | 9.24 | 20.95 |
| Median | 10.27 | 20.43 |

## Historical Statistics - 3 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---|---|---|---|---|---|---|---|---|
| Total Equity | 3.77 | 98.25 | 101.30 | -0.70 | -0.16 | 0.97 | 1.01 | 8.76 |
| Equity Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 1.06 | 1.00 | 8.04 |

## Historical Statistics - 5 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---|---|---|---|---|---|---|---|---|
| Total Equity | 4.45 | 99.69 | 97.48 | 0.56 | 0.10 | 0.58 | 0.99 | 13.08 |
| Equity Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 0.56 | 1.00 | 13.12 |



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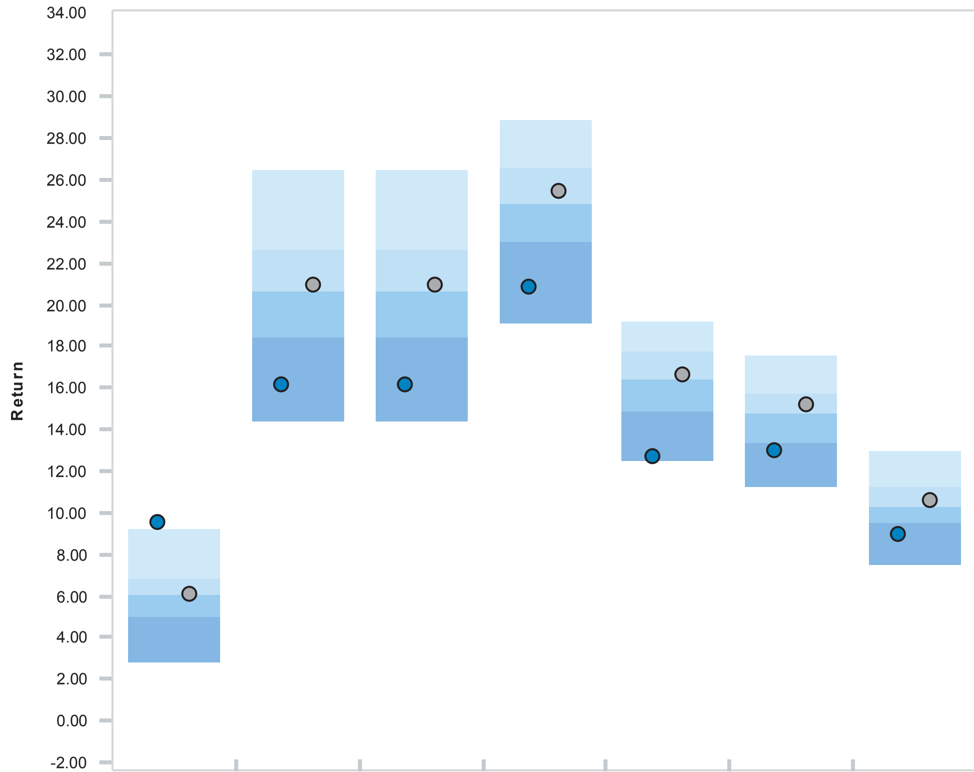
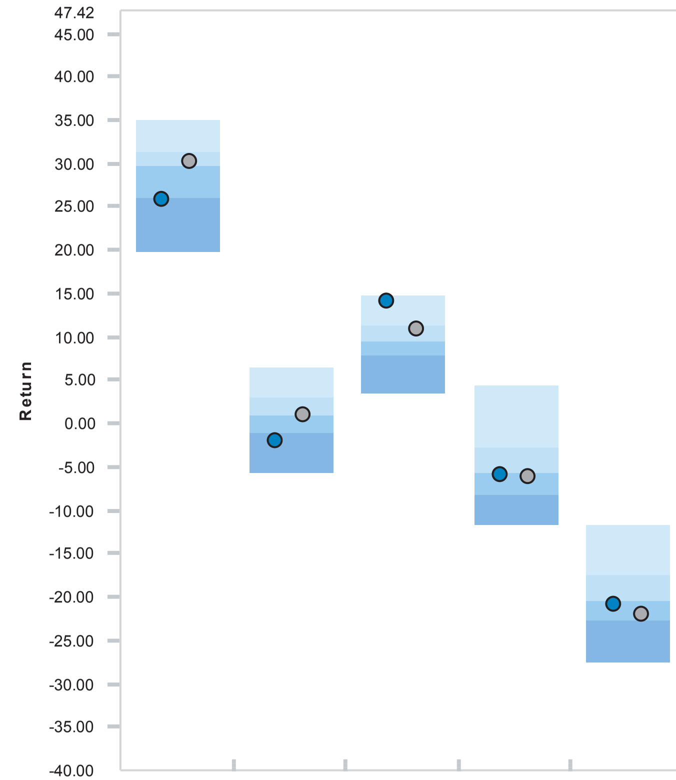
## Peer Group Analysis - IM U.S. Large Cap Core Equity (SA+CF)




| | QTR | FYTD | 1 YR | 2 YR | 3 YR | 4 YR | 5 YR |
|---|---|---|---|---|---|---|---|
| Bowen Hanes Equity | 9.49 (5) | 16.08 (89) | 16.08 (89) | 20.79 (90) | 12.63 (95) | 12.98 (82) | 8.93 (84) |
| R1000 | 6.02 (51) | 20.91 (47) | 20.91 (47) | 25.40 (43) | 16.64 (47) | 15.14 (40) | 10.53 (44) |
| Median | 6.04 | 20.60 | 20.60 | 24.87 | 16.45 | 14.78 | 10.27 |

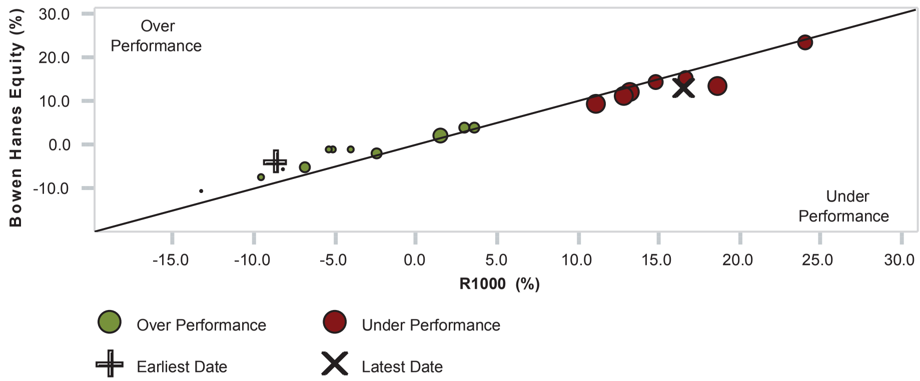



| | Oct-2011 To Sep-2012 | Oct-2010 To Sep-2011 | Oct-2009 To Sep-2010 | Oct-2008 To Sep-2009 | Oct-2007 To Sep-2008 |
|---|---|---|---|---|---|
| Bowen Hanes Equity | 25.68 (77) | -2.07 (81) | 14.02 (9) | -5.84 (51) | -20.99 (56) |
| R1000 | 30.05 (47) | 0.91 (53) | 10.75 (34) | -6.14 (54) | -22.10 (69) |
| Median | 29.69 | 1.03 | 9.52 | -5.79 | -20.48 |

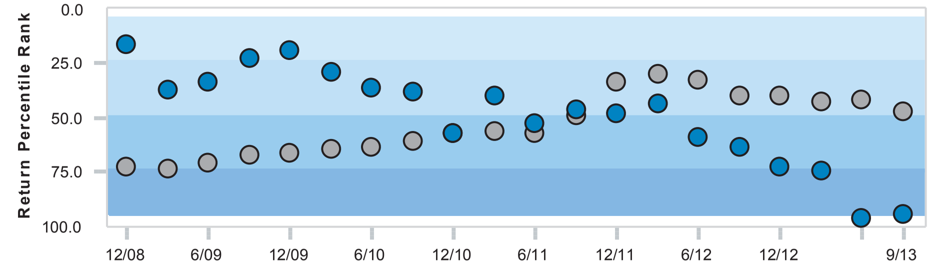
## Comparative Performance

| | 1 Qtr Ending Jun-2013 | 1 Qtr Ending Mar-2013 | 1 Qtr Ending Dec-2012 | 1 Qtr Ending Sep-2012 | 1 Qtr Ending Jun-2012 | 1 Qtr Ending Mar-2012 |
|---|---|---|---|---|---|---|
| Bowen Hanes Equity | -3.03 (100) | 9.34 (79) | 0.00 (52) | 8.37 (6) | -5.73 (88) | 10.71 (81) |
| R1000 | 2.65 (54) | 10.96 (40) | 0.12 (46) | 6.31 (54) | -3.12 (37) | 12.90 (52) |
| IM U.S. Large Cap Core Equity (SA+CF) Median | 2.74 | 10.67 | 0.03 | 6.41 | -3.54 | 12.98 |

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

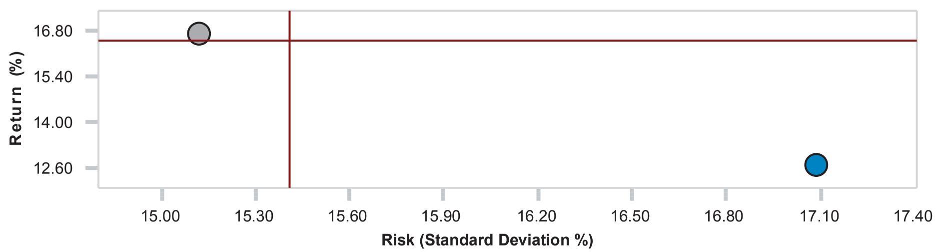



## 3 Yr Rolling Percentile Ranking - 5 Years



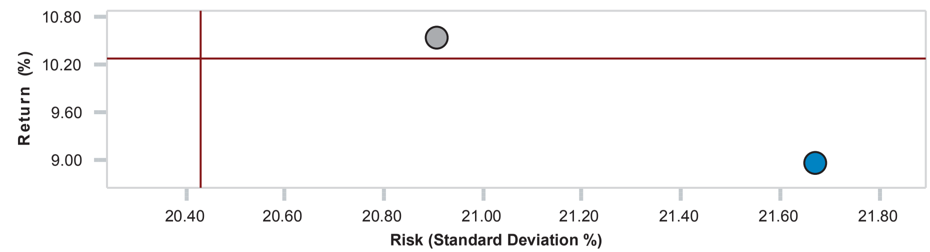

| | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|---|---|---|---|---|---|
| Bowen Hanes Equity | 20 | 3 (15%) | 9 (45%) | 6 (30%) | 2 (10%) |
| R1000 | 20 | 0 (0%) | 9 (45%) | 11 (55%) | 0 (0%) |

## Peer Group Scattergram - 3 Years




| | Return | Standard Deviation |
|---|---|---|
| Bowen Hanes Equity | 12.63 | 17.09 |
| R1000 | 16.64 | 15.13 |
| Median | 16.45 | 15.41 |

## Peer Group Scattergram - 5 Years




| | Return | Standard Deviation |
|---|---|---|
| Bowen Hanes Equity | 8.93 | 21.67 |
| R1000 | 10.53 | 20.91 |
| Median | 10.27 | 20.43 |

## Historical Statistics - 3 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---|---|---|---|---|---|---|---|---|
| Bowen Hanes Equity | 4.67 | 96.41 | 122.82 | -4.29 | -0.71 | 0.91 | 1.07 | 8.83 |
| R1000 | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 1.29 | 1.00 | 7.03 |

## Historical Statistics - 5 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---|---|---|---|---|---|---|---|---|
| Bowen Hanes Equity | 4.99 | 96.91 | 102.11 | -1.22 | -0.28 | 0.55 | 0.99 | 13.01 |
| R1000 | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 0.63 | 1.00 | 12.77 |



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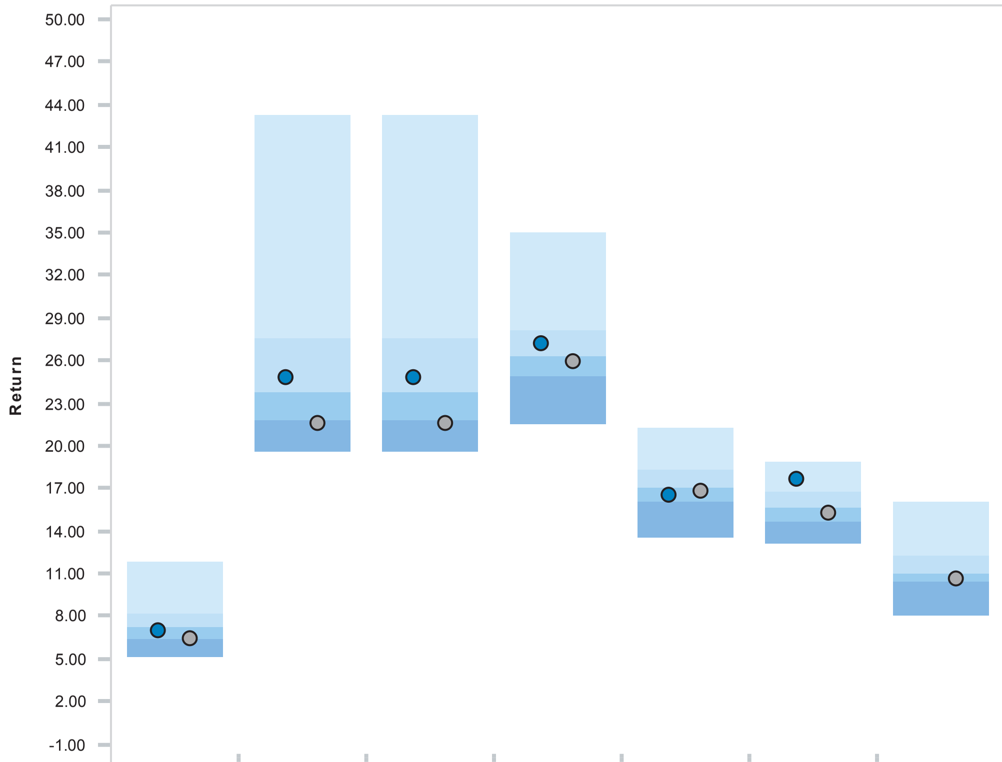
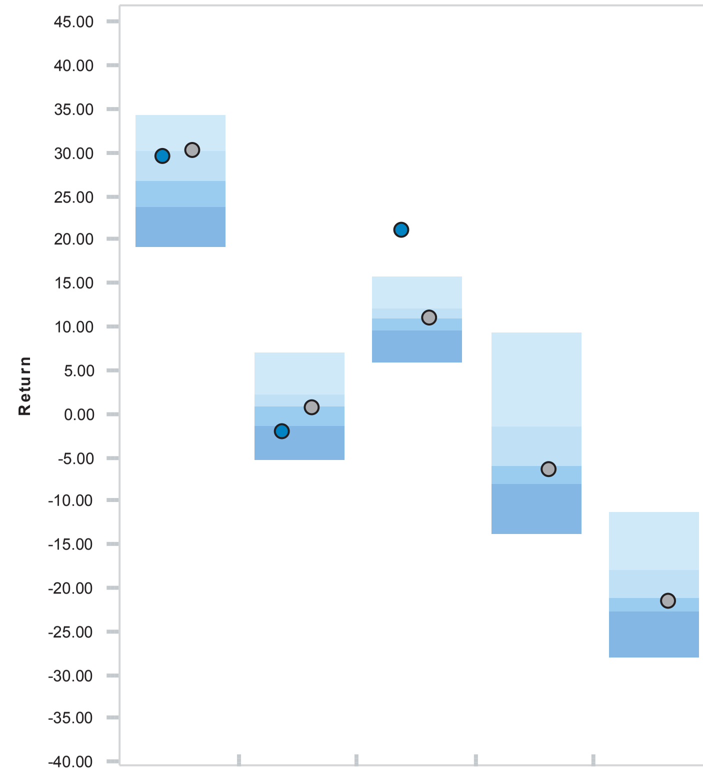
## Peer Group Analysis - IM U.S. All Cap Core Equity (SA+CF)




| | QTR | FYTD | 1 YR | 2 YR | 3 YR | 4 YR | 5 YR |
|---|---|---|---|---|---|---|---|
| ● Rockwood Equity | 6.98 (57) | 24.72 (39) | 24.72 (39) | 27.14 (42) | 16.50 (68) | 17.61 (12) | N/A |
| ● R3000 | 6.35 (75) | 21.60 (80) | 21.60 (80) | 25.83 (63) | 16.76 (55) | 15.29 (57) | 10.58 (72) |
| Median | 7.22 | 23.71 | 23.71 | 26.32 | 17.03 | 15.57 | 11.07 |

| | 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 (34) | -2.18 (78) | 21.00 (1) | N/A | N/A |
| ● R3000 | 30.20 (26) | 0.55 (62) | 10.96 (53) | -6.42 (61) | -21.52 (62) |
| Median | 26.72 | 0.96 | 11.05 | -5.96 | -21.14 |

## Comparative Performance

| | 1 Qtr Ending Jun-2013 | 1 Qtr Ending Mar-2013 | 1 Qtr Ending Dec-2012 | 1 Qtr Ending Sep-2012 | 1 Qtr Ending Jun-2012 | 1 Qtr Ending Mar-2012 |
|---|---|---|---|---|---|---|
| Rockwood Equity | 1.99 (79) | 12.20 (27) | 1.89 (27) | 3.61 (91) | 0.39 (4) | 9.96 (87) |
| R3000 | 2.69 (57) | 11.07 (62) | 0.25 (70) | 6.23 (37) | -3.15 (30) | 12.87 (53) |
| IM U.S. All Cap Core Equity (SA+CF) Median | 2.79 | 11.18 | 0.72 | 5.96 | -4.22 | 12.88 |



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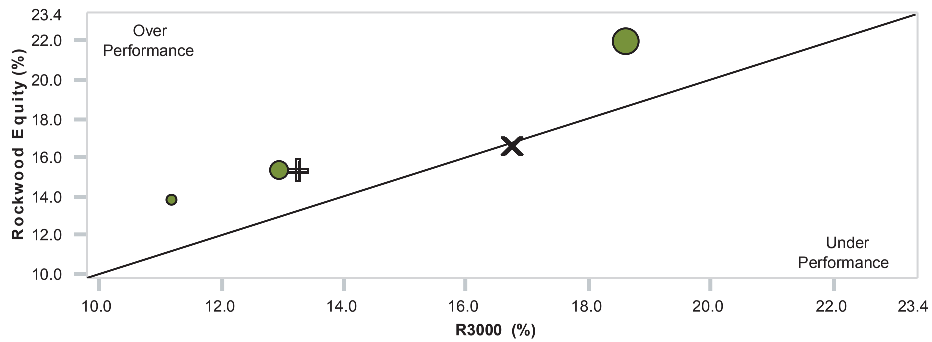
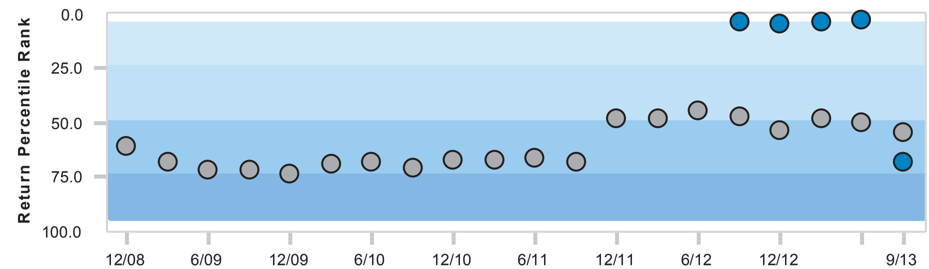
## 3 Yr Rolling Under/Over Performance - 5 Years

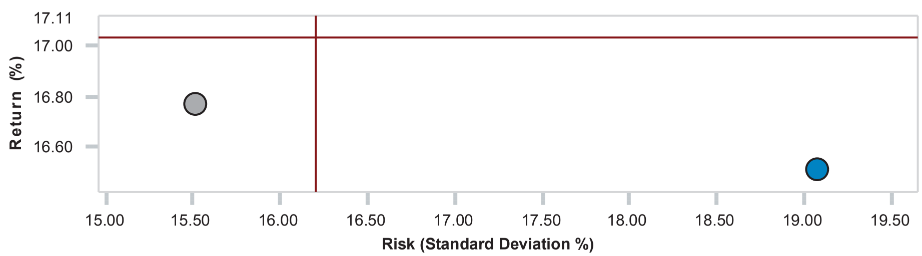



## 3 Yr Rolling Percentile Ranking - 5 Years



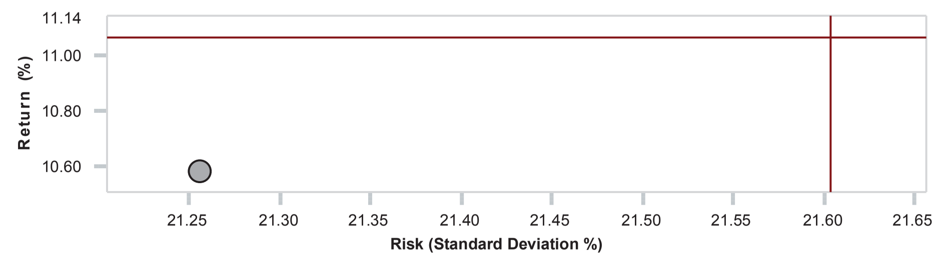

| | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|---|---|---|---|---|---|
| Rockwood Equity | 5 | 4 (80%) | 0 (0%) | 1 (20%) | 0 (0%) |
| R3000 | 20 | 0 (0%) | 6 (30%) | 14 (70%) | 0 (0%) |

## Peer Group Scattergram - 3 Years




| | Return | Standard Deviation |
|---|---|---|
| Rockwood Equity | 16.50 | 19.08 |
| R3000 | 16.76 | 15.52 |
| Median | 17.03 | 16.21 |

## Peer Group Scattergram - 5 Years




| | Return | Standard Deviation |
|---|---|---|
| Rockwood Equity | N/A | N/A |
| R3000 | 10.58 | 21.26 |
| Median | 11.07 | 21.60 |

## Historical Statistics - 3 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---|---|---|---|---|---|---|---|---|
| Rockwood Equity | 4.97 | 106.94 | 116.86 | -1.67 | 0.02 | 1.09 | 1.11 | 9.28 |
| R3000 | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 1.27 | 1.00 | 7.24 |

## 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 |
| R3000 | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 0.63 | 1.00 | 13.05 |



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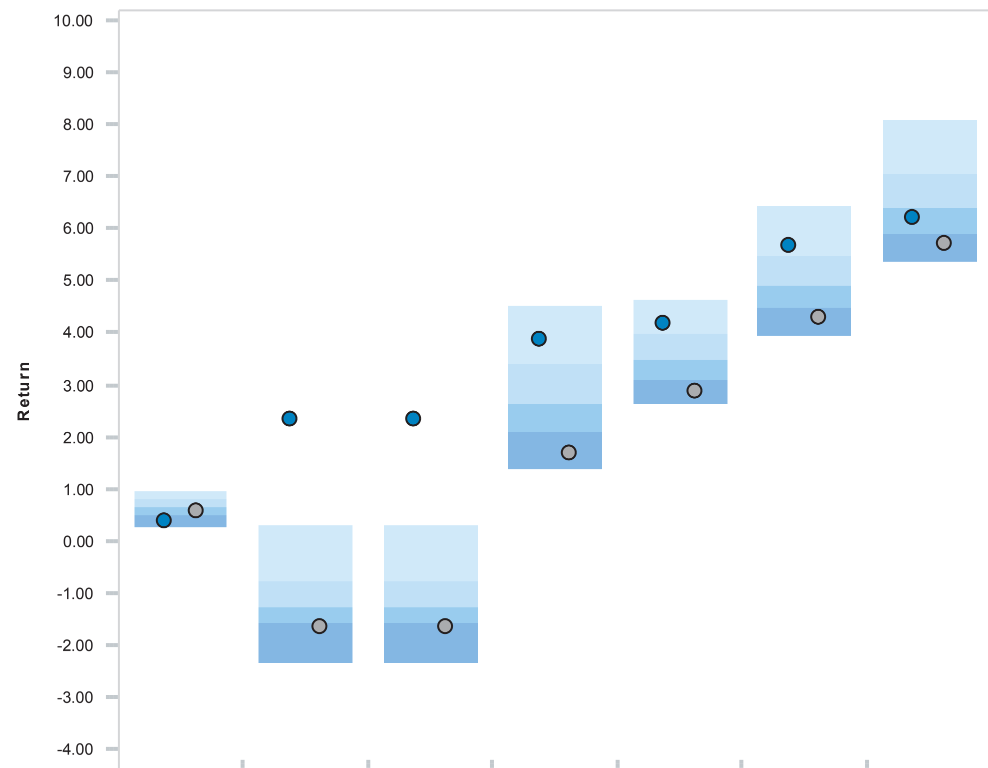
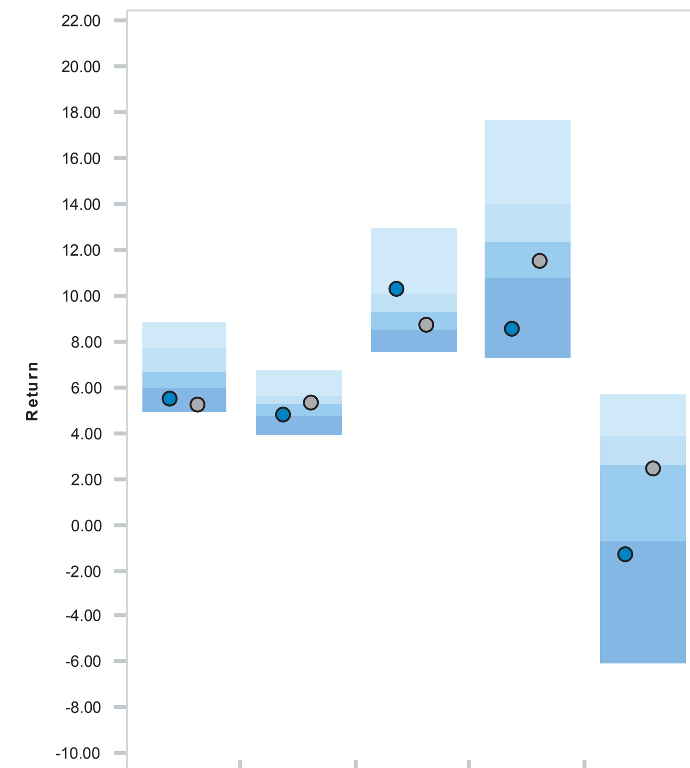
## Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)




| | QTR | FYTD | 1 YR | 2 YR | 3 YR | 4 YR | 5 YR |
|---|---|---|---|---|---|---|---|
| ● Fixed Income | 0.37 (89) | 2.32 (1) | 2.32 (1) | 3.86 (10) | 4.17 (19) | 5.66 (18) | 6.22 (57) |
| ● Fixed Income Policy | 0.57 (64) | -1.68 (81) | -1.68 (81) | 1.68 (91) | 2.86 (90) | 4.30 (85) | 5.69 (84) |
| Median | 0.63 | -1.29 | -1.29 | 2.63 | 3.49 | 4.91 | 6.39 |

| | 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 |
|---|---|---|---|---|---|
| ● Fixed Income | 5.42 (86) | 4.80 (75) | 10.26 (23) | 8.50 (92) | -1.34 (80) |
| ● Fixed Income Policy | 5.16 (92) | 5.26 (49) | 8.73 (66) | 11.46 (67) | 2.41 (52) |
| Median | 6.66 | 5.25 | 9.27 | 12.33 | 2.56 |

## Comparative Performance

| | 1 Qtr Ending Jun-2013 | 1 Qtr Ending Mar-2013 | 1 Qtr Ending Dec-2012 | 1 Qtr Ending Sep-2012 | 1 Qtr Ending Jun-2012 | 1 Qtr Ending Mar-2012 |
|---|---|---|---|---|---|---|
| Fixed Income | 2.19 (1) | 0.06 (59) | -0.30 (100) | 1.32 (97) | 1.28 (99) | 1.99 (8) |
| Fixed Income Policy | -2.32 (36) | -0.12 (88) | 0.21 (83) | 1.58 (90) | 2.06 (68) | 0.30 (90) |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | -2.43 | 0.10 | 0.46 | 2.15 | 2.15 | 1.03 |



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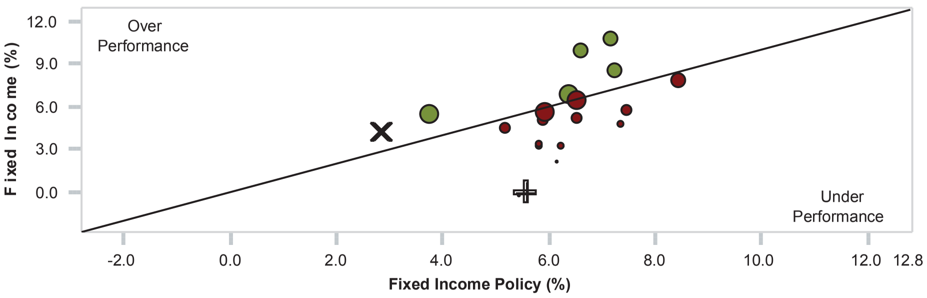
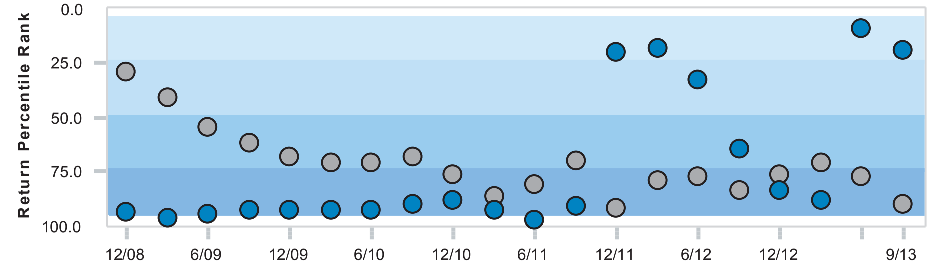
## 3 Yr Rolling Under/Over Performance - 5 Years

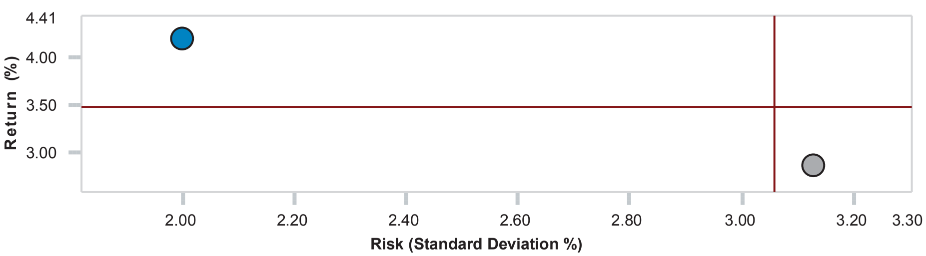



## 3 Yr Rolling Percentile Ranking - 5 Years



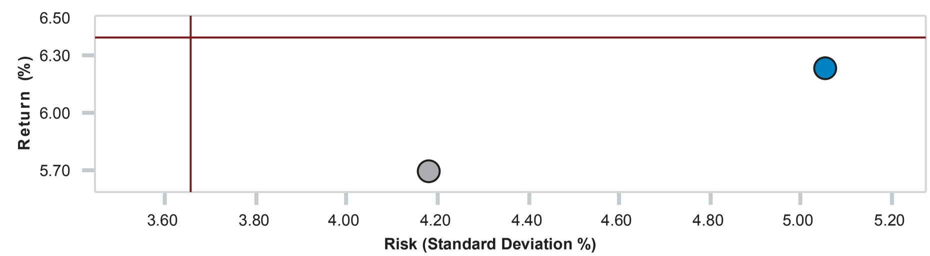

| | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|---|---|---|---|---|---|
| Fixed Income | 20 | 4 (20%) | 1 (5%) | 1 (5%) | 14 (70%) |
| Fixed Income Policy | 20 | 0 (0%) | 2 (10%) | 8 (40%) | 10 (50%) |

## Peer Group Scattergram - 3 Years




| | Return | Standard Deviation |
|---|---|---|
| Fixed Income | 4.17 | 2.00 |
| Fixed Income Policy | 2.86 | 3.13 |
| Median | 3.49 | 3.06 |

## Peer Group Scattergram - 5 Years




| | Return | Standard Deviation |
|---|---|---|
| Fixed Income | 6.22 | 5.05 |
| Fixed Income Policy | 5.69 | 4.18 |
| Median | 6.39 | 3.66 |

## Historical Statistics - 3 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---|---|---|---|---|---|---|---|---|
| Fixed Income | 2.80 | 83.16 | 11.23 | 3.01 | 0.45 | 1.60 | 0.41 | 1.09 |
| Fixed Income Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 1.00 | 1.00 | 1.66 |

## Historical Statistics - 5 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---|---|---|---|---|---|---|---|---|
| Fixed Income | 6.72 | 116.41 | 121.75 | -0.24 | 0.11 | 0.75 | 1.18 | 6.01 |
| Fixed Income Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 1.31 | 1.00 | 2.04 |



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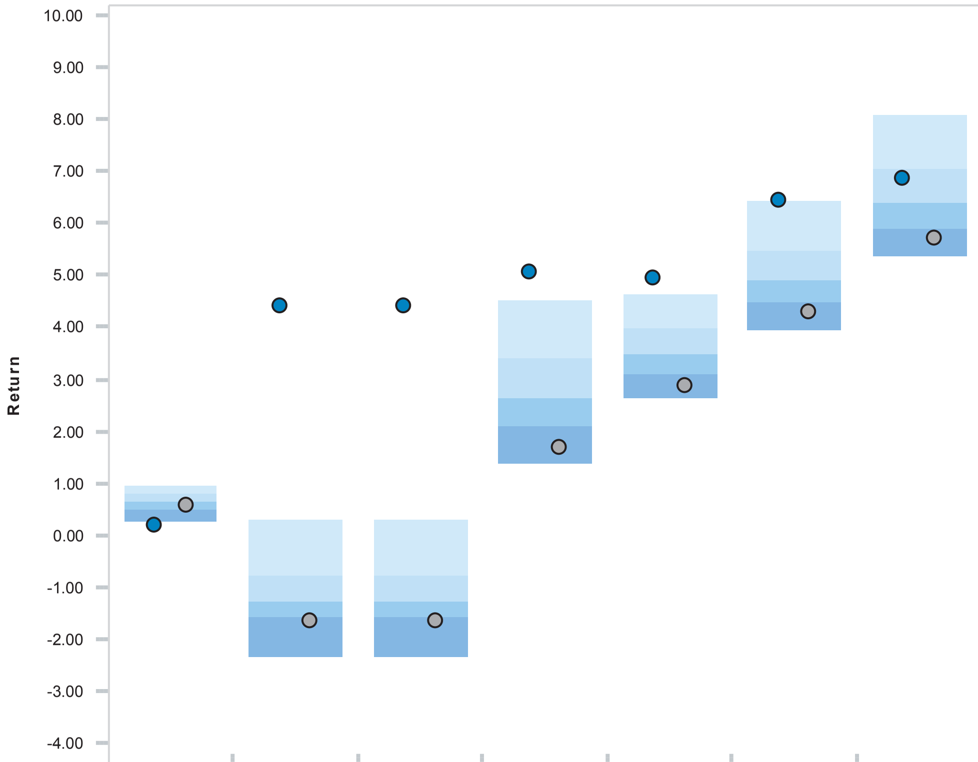
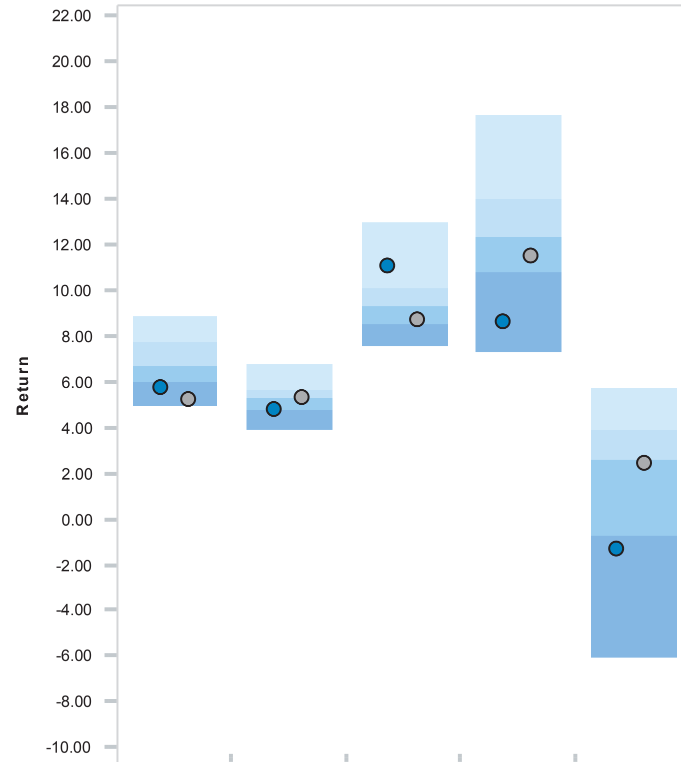
## Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)




| | QTR | FYTD | 1 YR | 2 YR | 3 YR | 4 YR | 5 YR |
|---|---|---|---|---|---|---|---|
| ● Bowen Hanes Fixed | 0.18 (97) | 4.40 (1) | 4.40 (1) | 5.06 (4) | 4.95 (3) | 6.44 (5) | 6.87 (32) |
| ● Fixed Income Policy | 0.57 (64) | -1.68 (81) | -1.68 (81) | 1.68 (91) | 2.86 (90) | 4.30 (85) | 5.69 (84) |
| Median | 0.63 | -1.29 | -1.29 | 2.63 | 3.49 | 4.91 | 6.39 |

| | 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 | 5.72 (82) | 4.72 (76) | 11.03 (17) | 8.64 (91) | -1.34 (80) |
| ● Fixed Income Policy | 5.16 (92) | 5.26 (49) | 8.73 (66) | 11.46 (67) | 2.41 (52) |
| Median | 6.66 | 5.25 | 9.27 | 12.33 | 2.56 |

## Comparative Performance

| | 1 Qtr Ending Jun-2013 | 1 Qtr Ending Mar-2013 | 1 Qtr Ending Dec-2012 | 1 Qtr Ending Sep-2012 | 1 Qtr Ending Jun-2012 | 1 Qtr Ending Mar-2012 |
|---|---|---|---|---|---|---|
| Bowen Hanes Fixed | 4.63 (1) | 0.06 (58) | -0.45 (100) | 1.47 (95) | 1.13 (100) | 2.53 (5) |
| Fixed Income Policy | -2.32 (36) | -0.12 (88) | 0.21 (83) | 1.58 (90) | 2.06 (68) | 0.30 (90) |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | -2.43 | 0.10 | 0.46 | 2.15 | 2.15 | 1.03 |



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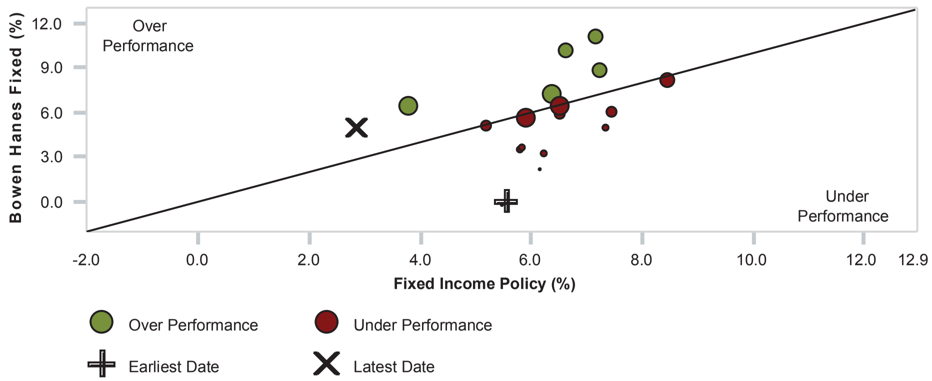
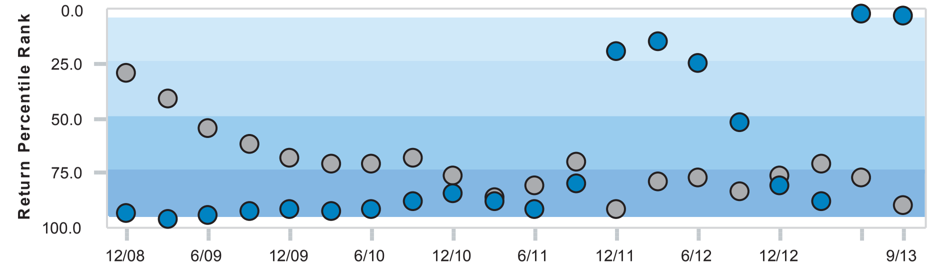
## 3 Yr Rolling Under/Over Performance - 5 Years

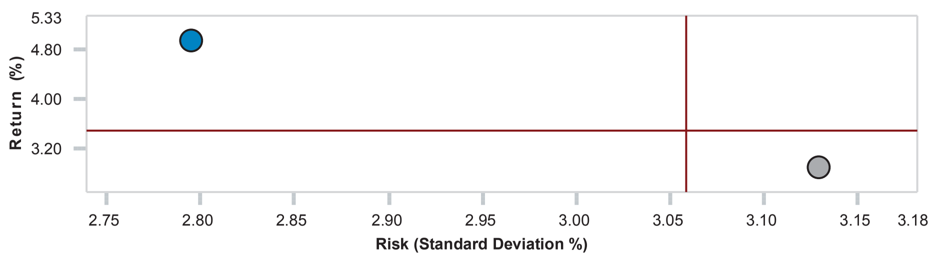



## 3 Yr Rolling Percentile Ranking - 5 Years



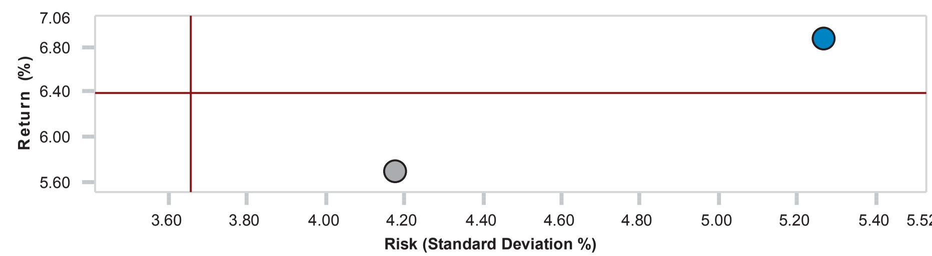

| | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|---|---|---|---|---|---|
| Bowen Hanes Fixed | 20 | 5 (25%) | 0 (0%) | 1 (5%) | 14 (70%) |
| Fixed Income Policy | 20 | 0 (0%) | 2 (10%) | 8 (40%) | 10 (50%) |

## Peer Group Scattergram - 3 Years




| | Return | Standard Deviation |
|---|---|---|
| Bowen Hanes Fixed | 4.95 | 2.80 |
| Fixed Income Policy | 2.86 | 3.13 |
| Median | 3.49 | 3.06 |

## Peer Group Scattergram - 5 Years




| | Return | Standard Deviation |
|---|---|---|
| Bowen Hanes Fixed | 6.87 | 5.27 |
| Fixed Income Policy | 5.69 | 4.18 |
| Median | 6.39 | 3.66 |

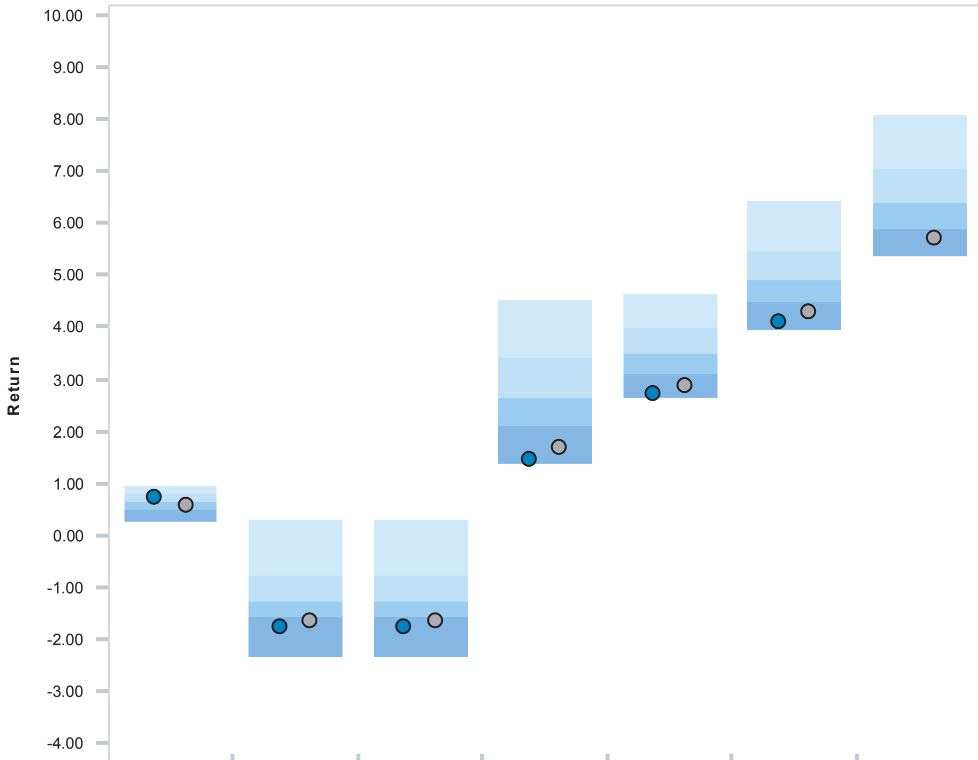
## Historical Statistics - 3 Years

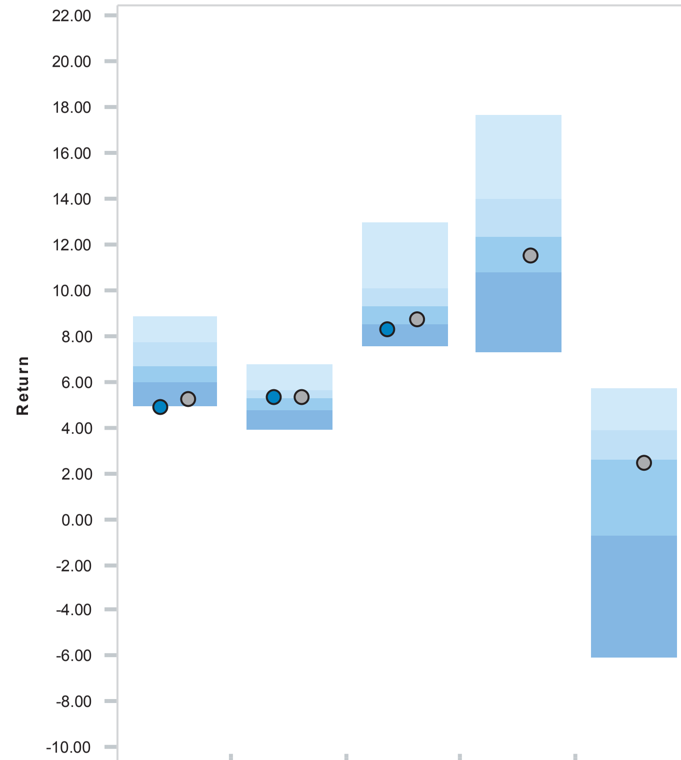
| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---|---|---|---|---|---|---|---|---|
| Bowen Hanes Fixed | 4.26 | 75.40 | -37.24 | 4.78 | 0.48 | 1.41 | 0.07 | 1.08 |
| Fixed Income Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 1.00 | 1.00 | 1.66 |

## Historical Statistics - 5 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---|---|---|---|---|---|---|---|---|
| Bowen Hanes Fixed | 7.20 | 114.48 | 94.05 | 0.97 | 0.19 | 0.81 | 1.08 | 6.01 |
| Fixed Income Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 1.31 | 1.00 | 2.04 |

## 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 |
|---|---|---|---|---|---|---|---|
| ● Rockwood Fixed | 0.71 (34) | -1.80 (89) | -1.80 (89) | 1.46 (94) | 2.71 (94) | 4.08 (94) | N/A |
| ● Fixed Income Policy | 0.57 (64) | -1.68 (81) | -1.68 (81) | 1.68 (91) | 2.86 (90) | 4.30 (85) | 5.69 (84) |
| Median | 0.63 | -1.29 | -1.29 | 2.63 | 3.49 | 4.91 | 6.39 |

| | 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 | 4.83 (97) | 5.25 (50) | 8.28 (83) | N/A | N/A |
| ● Fixed Income Policy | 5.16 (92) | 5.26 (49) | 8.73 (66) | 11.46 (67) | 2.41 (52) |
| Median | 6.66 | 5.25 | 9.27 | 12.33 | 2.56 |

## Comparative Performance

| | 1 Qtr Ending Jun-2013 | 1 Qtr Ending Mar-2013 | 1 Qtr Ending Dec-2012 | 1 Qtr Ending Sep-2012 | 1 Qtr Ending Jun-2012 | 1 Qtr Ending Mar-2012 |
|---|---|---|---|---|---|---|
| Rockwood Fixed | -2.55 (73) | 0.03 (63) | 0.03 (96) | 1.07 (99) | 1.63 (96) | 0.75 (66) |
| Fixed Income Policy | -2.32 (36) | -0.12 (88) | 0.21 (83) | 1.58 (90) | 2.06 (68) | 0.30 (90) |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Median | -2.43 | 0.10 | 0.46 | 2.15 | 2.15 | 1.03 |



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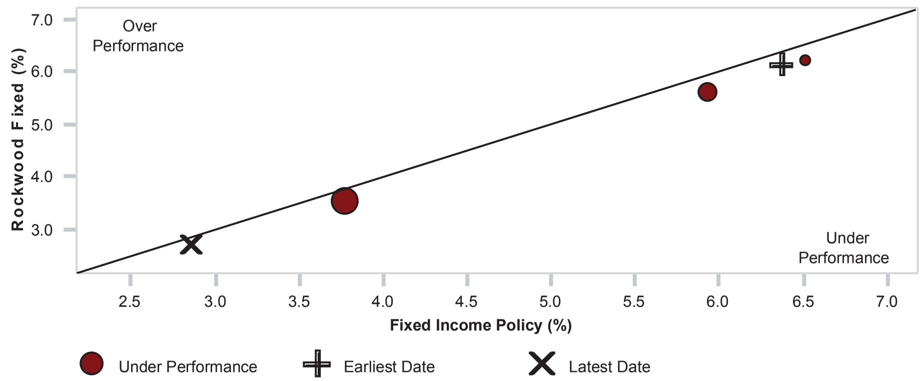
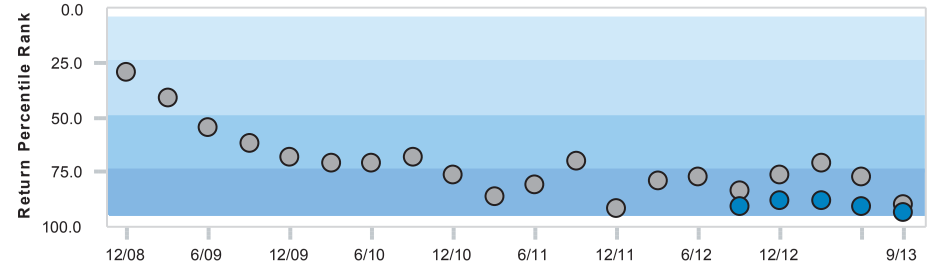
## 3 Yr Rolling Under/Over Performance - 5 Years

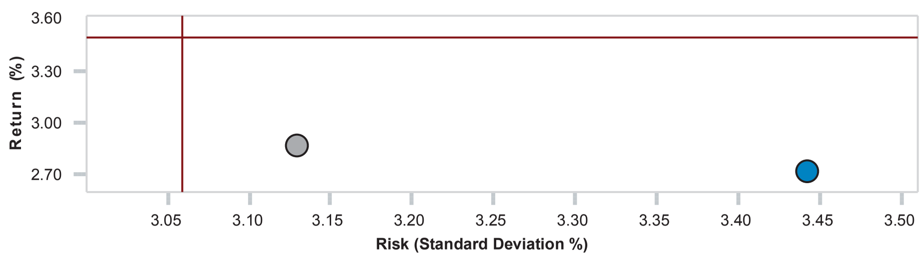



## 3 Yr Rolling Percentile Ranking - 5 Years



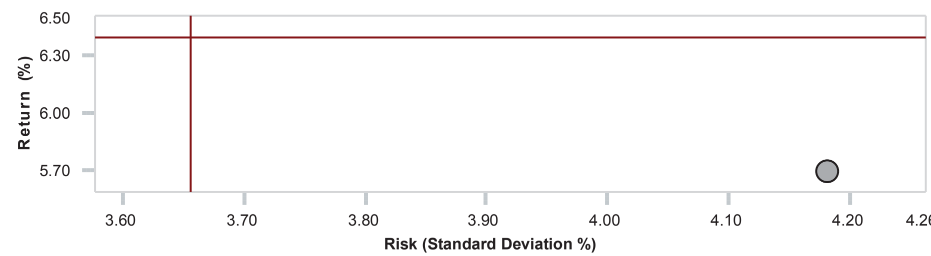

| | Total Period | 5-25 Count | 25-Median Count | Median-75 Count | 75-95 Count |
|---|---|---|---|---|---|
| Rockwood Fixed | 5 | 0 (0%) | 0 (0%) | 0 (0%) | 5 (100%) |
| Fixed Income Policy | 20 | 0 (0%) | 2 (10%) | 8 (40%) | 10 (50%) |

## Peer Group Scattergram - 3 Years




| | Return | Standard Deviation |
|---|---|---|
| Rockwood Fixed | 2.71 | 3.44 |
| Fixed Income Policy | 2.86 | 3.13 |
| Median | 3.49 | 3.06 |

## Peer Group Scattergram - 5 Years




| | Return | Standard Deviation |
|---|---|---|
| Rockwood Fixed | N/A | N/A |
| Fixed Income Policy | 5.69 | 4.18 |
| Median | 6.39 | 3.66 |

## Historical Statistics - 3 Years

| | Tracking Error | Up Market Capture | Down Market Capture | Alpha | Information Ratio | Sharpe Ratio | Beta | Downside Risk |
|---|---|---|---|---|---|---|---|---|
| Rockwood Fixed | 0.64 | 101.88 | 109.74 | -0.39 | -0.21 | 0.86 | 1.09 | 1.78 |
| Fixed Income Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 1.00 | 1.00 | 1.66 |

## 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 |
| Fixed Income Policy | 0.00 | 100.00 | 100.00 | 0.00 | N/A | 1.31 | 1.00 | 2.04 |

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## City of Venice Municipal Police Officers' Pension Trust Fund

## Compliance Checklist as of September 30, 2013

| 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 and five year periods. | | ✓ | |
| 2. Total fixed income returns ranked within the top 40th percentile of its peer group over the trailing three year period. | | ✓ | |
| 3. Total fixed income returns ranked within the top 40th percentile of its peer group over the trailing five year period. | | ✓ | |
| 4. All investments have a minimum rating of investment grade or higher. | | ✓ | |
| 5. The total fixed income portfolio duration fell within a band of +/- 25% of the target index. | | ✓ | |

| 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. | ✓ | | | ✓ | | | ✓ | | | ✓ | | | | | |



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**Total Fund Policy**

| Allocation Mandate | Weight (%) |
|---|---|
| **Aug-1986** | |
| Citigroup 3 Month T-Bill Index | 55.00 |
| Russell 1000 Index | 45.00 |
| **Jan-1988** | |
| Russell 1000 Index | 50.00 |
| Barclays U.S. Government/Credit | 45.00 |
| Citigroup 3 Month T-Bill Index | 5.00 |
| **Jul-1989** | |
| Russell 1000 Index | 55.00 |
| Barclays U.S. Government/Credit | 40.00 |
| Citigroup 3 Month T-Bill Index | 5.00 |
| **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 |

| Allocation Mandate | Weight (%) |
|---|---|
| **Jan-1999** | |
| Russell 1000 Index | 60.00 |
| Barclays U.S. Government/Credit | 35.00 |
| Citigroup 3 Month T-Bill Index | 5.00 |
| **Apr-2000** | |
| Russell 1000 Index | 65.00 |
| Barclays U.S. Government/Credit | 30.00 |
| Citigroup 3 Month T-Bill Index | 5.00 |
| **Oct-2010** | |
| Russell 3000 Index | 50.00 |
| MSCI AC World ex USA | 15.00 |
| Barclays Aggregate Index | 35.00 |

| 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

# Disclosures

The Bogdahn Group compiled this report for the sole use of the client for which it was prepared.  The Bogdahn Group is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate.  The Bogdahn group uses the results from this evaluation to make observations and recommendations to the client.

The Bogdahn Group uses time-weighted calculations which are founded on standards recommended by the CFA Institute.  The calculations and values shown are based on information that is received from custodians.  The Bogdahn Group analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio.  As a result, this provides The Bogdahn Group with a reasonable basis that the investment information presented is free from material misstatement.  This methodology of evaluating and measuring performance provides The Bogdahn Group with a practical foundation for our observations and recommendations.  Nothing came to our attention that would cause The Bogdahn Group to believe that the information presented is significantly misstated.

The strategies listed may not be suitable for all investors.  We believe the information provided here is reliable, but do not warrant its accuracy or completeness.  Past performance is not an indication of future performance.  Any information contained in this report is for informational purposes only and should not be construed to be an offer to buy or sell any securities, investment consulting, or investment management services.

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