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Town of Palm Beach Firefighters Retirement System

Investment Performance Analysis
Period Ended September 30, 2010

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Tab I

Global Economic Highlights

Third Quarter 2010

- Data released by the Bureau of Economic Analysis in the third quarter revealed that U.S. real GDP increased at an annual rate of 1.7% in the second quarter. This was the fourth consecutive quarterly gain, yet it confirmed economic growth had moderated significantly from the first quarter's growth rate of 3.7%. The slow down in U.S. growth in the second quarter was attributed to rising imports and falling private inventory investment. Since the end of the second quarter, consumer confidence has fallen and growth in the manufacturing sector has slowed. While the euro area grew at an annualized rate of 1.9% in the second quarter, significant dispersion among countries continued as Greece and Spain contracted while Germany experienced growth, following an increase in exports. Japan's economy continued to expand—albeit at a slower pace than the first quarter—while China, Singapore, and Taiwan posted double-digit growth.
- The major central banks maintained historically low interest rates through the third quarter. The Federal Open Market Committee (FOMC), European Central Bank (ECB), and Bank of England all held rates steady amid concerns over the sustainability of the global economic recovery. In early October, the Bank of Japan (BOJ) further lowered its overnight interest rate to between 0.0–0.1% in the face of ongoing deflationary concerns and an appreciating currency. The BOJ also set up a ¥5 trillion asset-buying facility (USD \$60 billion) for government and corporate bonds, as well as exchange-traded funds (ETFs) and real estate investment trusts (REITs), to encourage the decline in risk premiums and enhance monetary easing.
- In August the FOMC announced that it would begin purchasing U.S. Treasuries with principal payments from agency debt and agency mortgage-backed securities (MBS), rather than allowing its securities portfolio to contract. The statement from the September FOMC meeting indicated the Fed has become increasingly concerned about low levels of inflation amid the slowing economic recovery. Many investors viewed the statement and other Fed actions as evidence that the Fed would purchase additional U.S. Treasuries and expand its balance sheet, which has been commonly referred to as quantitative easing.
- West Texas Intermediate (WTI) crude oil closed the third quarter 11.2% higher, retracing losses experienced during the previous quarter. Improved economic sentiment and the declining dollar aided oil's rise to \$79.97 per barrel (bbl) at the close of the quarter. Oil spot prices are now essentially flat for the year, having risen 0.8%.
- Through August 31st, consumer prices across Organisation for Economic Co-Operation and Development (OECD) countries increased 1.6% over the trailing 12-month period. Excluding food and energy, prices were 1.2% higher on the year. Both measures have declined this year, with the broad Consumer Price Index (CPI) falling more significantly. Turkey, Greece, Iceland, and Hungary continued to exhibit high year-over-year inflation, as did several non-OECD countries, including the emerging markets of India (+9.9%), Indonesia (+6.4%), and Russia (+6.1%). In August, Ireland posted modest year-over-year price increases for the first time in 2010, while Japan continued to experience deflation. U.S. headline CPI advanced 1.1% over the trailing annual period ended August 2010. Core CPI, which excludes food and energy, climbed 0.9% in the period.
- The U.S. unemployment rate rose slightly during the quarter from 9.5% to 9.6% as modest growth in private sector employment could not offset declines in temporary government positions related to the 2010 Census. Meanwhile, the number of long-term unemployed fell from 6.8 million to 6.1 million during the quarter and now represents 42% of the total unemployed. The unemployment rate across OECD countries ended July at 8.5%, down from levels witnessed three months prior. Unemployment across the euro area remained elevated at 10.0%, with rates continuing to vary widely across the region. Spain's unemployment rate rose to 20.3%, which is significantly higher than other OECD countries. Ireland, Portugal, Hungary, and France also maintained double-digit unemployment rates, while Korea and Austria reported the lowest rates among the OECD countries.
- The Federal Housing Finance Agency (FHFA) reported that U.S. house prices rose in the second quarter of 2010—the first quarterly gain since the second quarter of 2007. The purchase-only FHFA Seasonally Adjusted House Price Index still contracted 1.6% over the trailing 12-month period ended June 30, 2010, a more moderate decline than the annual period ended March 31st (–3.2%). For the 12-month period, there continued to be substantial variability in housing prices by region, with the West South Central and Middle Atlantic experiencing modest gains, while the Mountain (–5.3%) and South Atlantic (–3.4%) areas continued to post declines.

Historical Returns

Third Quarter 2010

	Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Equity Index Returns					
S&P 500 Index	11.3	10.2	-7.1	0.6	-0.4
S&P 500–Equal Weighted	12.7	15.8	-3.0	3.0	5.5
Russell 3000 (Broad Market)	11.5	11.0	-6.6	0.9	0.1
Russell 1000 (Large Cap)	11.6	10.8	-6.8	0.9	-0.2
Russell 1000 Value	10.1	8.9	-9.4	-0.5	2.6
Russell 1000 Growth	13.0	12.7	-4.4	2.1	-3.4
Russell Midcap	13.3	17.5	-4.2	2.6	4.9
Russell Midcap Value	12.1	16.9	-4.8	2.0	7.8
Russell Midcap Growth	14.7	18.3	-3.9	2.9	-0.9
Russell 2000 (Small Cap)	11.3	13.4	-4.3	1.6	4.0
MSCI EAFE Net	16.5	3.3	-9.5	2.0	2.6
MSCI EAFE Local Currency	7.1	2.6	-10.5	-0.9	-0.8
MSCI ACWI Net	14.3	8.4	-7.5	2.4	1.6
MSCI ACWI ex-U.S. Net	16.6	7.6	-7.4	4.3	4.3
S&P/CG EMI ex-U.S. (Small Cap)	17.4	9.9	-7.5	4.2	7.5
MSCI Emerging Markets Net	18.0	20.2	-1.5	12.7	13.4

	Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Russell 3000 Sector					
Energy	13.1	5.2	-8.2	1.6	8.4
Materials	18.3	13.6	-4.8	7.3	9.8
Industrials	13.7	17.9	-7.6	2.2	2.9
Consumer Discretionary	15.4	23.7	-2.6	1.4	1.6
Consumer Staples	10.8	12.9	2.4	6.4	6.9
Health Care	8.6	9.1	-2.1	1.9	0.8
Financials	5.4	0.1	-20.1	-9.2	-2.2
Information Technology	12.4	11.6	-2.4	3.8	-6.1
Telecommunications Services	20.1	19.1	-8.1	4.6	-3.7
Utilities	12.1	12.2	-3.5	2.6	2.2

	Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Fixed Income Index Returns					
LIBOR US 3m	0.1	0.3	1.8	3.1	2.8
91-Day Treasury Bill	0.0	0.1	1.0	2.5	2.4
Merrill Lynch 1-3 Yr Treasury	0.6	2.5	4.1	4.4	4.2
Barclays Capital Intermediate Treasury	2.3	6.5	6.8	5.9	5.6
Barclays Capital Long Term Treasury	5.2	12.7	10.7	7.8	8.2
Barclays Capital Government	2.5	7.0	7.2	6.1	6.2
Citigroup Mortgage Securities	0.5	5.8	7.6	6.5	6.3
Barclays Capital Credit	4.6	11.7	8.3	6.5	7.1
Barclays Capital Gov't/Credit	3.3	8.7	7.5	6.1	6.5
Barclays Capital Aggregate	2.5	8.2	7.4	6.2	6.4
Barclays Capital Municipal	3.4	5.8	6.0	5.1	5.7
Barclays Capital High Yield	6.7	18.4	8.7	8.4	8.0
JPM Global Bond	7.9	6.3	8.7	7.3	7.8
JPM Non-U.S. Bond	10.4	5.9	9.2	7.7	8.2
JPM Global Bond-Hedged	2.3	6.4	6.4	5.3	5.6
JPM Non-U.S. Bond-Hedged	2.0	5.8	6.0	4.9	5.3
JP Morgan EMBI+	8.9	16.0	10.2	9.3	11.0

	Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Hedge Funds					
Total Hedge Fund Index	5.2	7.5	1.0	5.2	6.0
Absolute Return					
Event Driven	4.2	11.2	1.2	5.3	7.7
Relative Value	4.2	12.3	4.4	6.8	6.8
Convertible Arbitrage	6.3	13.5	5.1	6.6	6.3
Equity Market Neutral	1.5	1.0	-0.9	1.9	3.3
Directional Hedge					
Equity Long/Short	5.9	6.8	-1.6	3.7	4.5
Global Macro	4.7	3.8	5.4	6.8	8.2
Emerging Markets	8.4	11.7	-0.8	8.8	12.0
Short Bias	-9.0	-14.3	-2.7	-2.7	2.4
Fund of Funds					
Strategic	4.2	3.8	-4.1	2.3	3.3
Diversified	2.6	3.3	-3.0	2.1	3.6
Conservative	2.3	3.6	-2.9	1.4	3.3

	Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Illiquid Partnerships					
Private Real Assets (as of 6/30/2010)					
NCREIF Property Index	3.3	-1.5	-4.7	3.8	7.2
Apartment	4.4	-0.1	-5.6	2.5	6.9
Industrial	2.2	-3.7	-5.5	3.2	6.9
Office	3.4	-2.0	-5.3	4.4	6.4
Retail	2.8	-0.2	-1.9	4.7	-0.5
NCREIF Timber Index	1.0	-3.6	6.1	9.8	7.1
Private Equity (as of 06/30/2010)					
U.S. Private Equity					
Venture Capital	-1.1	6.8	-2.2	3.2	-1.6
Early/Seed Stage	-2.8	-0.2	-4.2	0.0	-4.2
Later Stage	2.9	20.1	2.3	6.7	0.5
Buyouts	0.9	13.9	-3.5	5.1	5.5
Small	-4.8	11.4	-0.2	8.7	7.4
Medium	1.3	9.7	-2.1	7.1	4.7
Large	3.9	16.6	0.7	6.8	5.1

	Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Real Assets and Inflation					
REITs					
FTSE EPRA/NAREIT GL Equity Index	19.1	18.2	-9.1	3.0	7.4
Commodities					
DJ-UBS Commodity	11.6	10.0	-6.8	-2.4	5.2
Goldman Sachs Commodity	8.3	4.2	-13.3	-10.2	0.9
Inflation-Protected Bonds					
Barclays Capital U.S. TIPS	2.5	8.9	6.9	5.5	6.0
Inflation					
U.S. CPI	-0.1	0.8	1.5	1.8	2.3
U.S. CPI Plus 5%	1.5	6.1	6.6	6.9	7.3



Note: All returns as of 9/30/2010, unless otherwise noted.

Key Metrics

Third Quarter 2010

Option-Adjusted Spreads		
	Current QTR	1 Year Ago
U.S. High Yield	621	764
U.S. Corporate	175	218
U.S. IG Financials	215	288
CDX IG 5-Yr	107	103
CDX HY 5-Yr	565	714
Agency MBS	85	38
CMBS	304	537
ABS - Fixed Rate	71	149
ABS - Floating Rate	102	246
TED ¹	14	19
Emerging Markets	312	365

¹3 month US LIBOR minus 3 Month US T Bills

U.S. Economy		
	Current QTR	1 Year Ago
Unemployment Rate	9.60%	9.80%
Quarterly GDP ²	1.70%	-0.70%
Current Account Deficit ²	\$123.30	\$98.80
Annualized Current Account Deficit/GDP ²	3.38%	3.06%

²Statistics as of one quarter prior

Central Bank Activity		
	Current QTR	1 Year Ago
Fed Funds Rate	0-0.25%	0-0.25%
Bank of Japan Target Rate	0.10%	0.10%
European Central Bank Rate	1.00%	1.00%
Bank of England Official Bank Rate	0.50%	0.50%

Inflation Forecast		
	Current QTR	1 Year Ago
10-Year Treasury Yield	2.51%	3.31%
10-Year TIPS Yield	0.69%	1.54%
Market Inflation Forecast	1.82%	1.77%
5-Year Treasury Yield	1.26%	2.31%
5-Year TIPS Yield	-0.14%	0.89%
Market Inflation Forecast	1.40%	1.42%

Equity Market Valuations	Current QTR			1-Year Ago		
	Trailing P/E	Forward P/E	Div. Yield	Trailing P/E	Forward P/E	Div. Yield
S&P 500 Index	14.3x	13.5x	2.0%	15.2x	16.0x	2.4%
Russell 1000 Index	14.6x	13.7x	1.9%	15.4x	15.9x	2.3%
Russell Midcap Index	16.5x	15.3x	1.6%	15.8x	16.6x	1.8%
Russell 2000 Index	16.6x	16.0x	1.3%	16.5x	16.6x	1.5%
Russell 3000 Index	14.7x	13.9x	1.9%	15.5x	15.9x	2.2%
Russell 3000 Growth Index	16.9x	15.2x	1.4%	16.9x	16.8x	1.5%
Russell 3000 Value Index	12.9x	12.8x	2.3%	14.1x	15.1x	2.9%
MSCI ACWI Index	14.2x	13.1x	2.5%	16.0x	15.5x	2.7%
MSCI ACWI ex-U.S. Index	14.2x	12.8x	2.9%	16.7x	15.3x	3.0%
MSCI EAFE Index	13.9x	12.6x	3.1%	16.6x	15.2x	3.2%
MSCI EM Index	14.0x	12.5x	2.3%	16.2x	15.1x	2.3%
London - FTSE 100 ³	12.8x	11.4x	3.3%	16.5x	13.6x	3.8%
Japan - Nikkei 225 ³	17.6x	16.2x	1.7%	23.3x	23.7x	1.6%
Hong Kong - Hang Seng ³	14.2x	14.3x	2.8%	20.4x	16.7x	2.9%
China - Shanghai Composite ³	16.7x	15.1x	1.6%	22.0x	20.2x	1.5%

³Returns in local currency

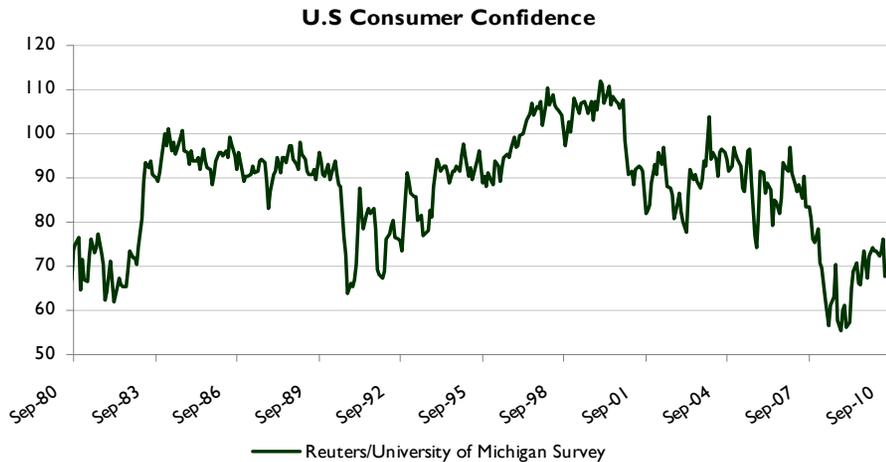
P/E excludes companies with negative earnings

U.S. Treasury Yields							Curve Steepness
Date	3-Mo T-Bill	6-Mo T-Bill	2-Year Note	5-Year Note	10-Year Note	30-Year Note	10-Year - 2-Year
1 Year Ago	0.11%	0.17%	0.95%	2.31%	3.31%	4.05%	2.36%
Current Quarter	0.16%	0.19%	0.43%	1.26%	2.51%	3.69%	2.08%

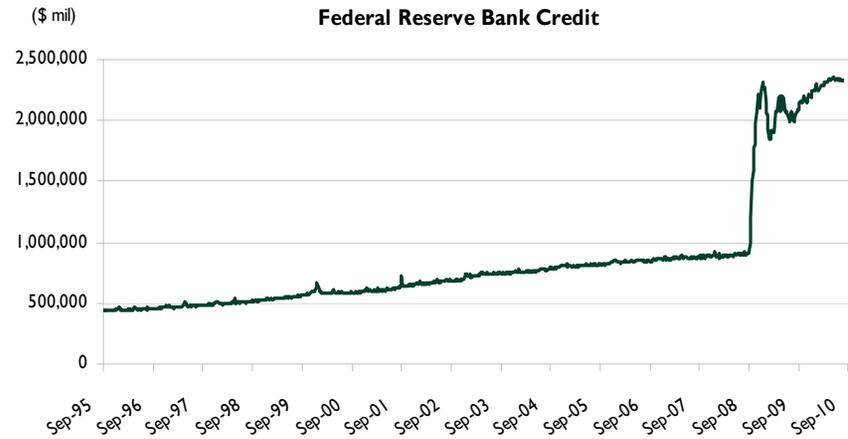
Currency Rates	Percentage Change				
	Current QTR	1 Year Ago	QTD	YTD	1 Year
per U.S. Dollar					
Canadian Dollar	1.03	1.07	3.38%	2.21%	3.91%
Japanese Yen	83.53	89.70	5.87%	11.33%	7.37%
British Pound	0.64	0.63	5.16%	-2.81%	-1.66%
Euro	0.73	0.68	11.41%	-4.80%	-6.87%
GBP/Euro	0.87	0.92	-5.64%	2.22%	5.58%
Yen/Euro	113.88	131.33	-4.97%	16.99%	15.30%

Macroeconomic Trends

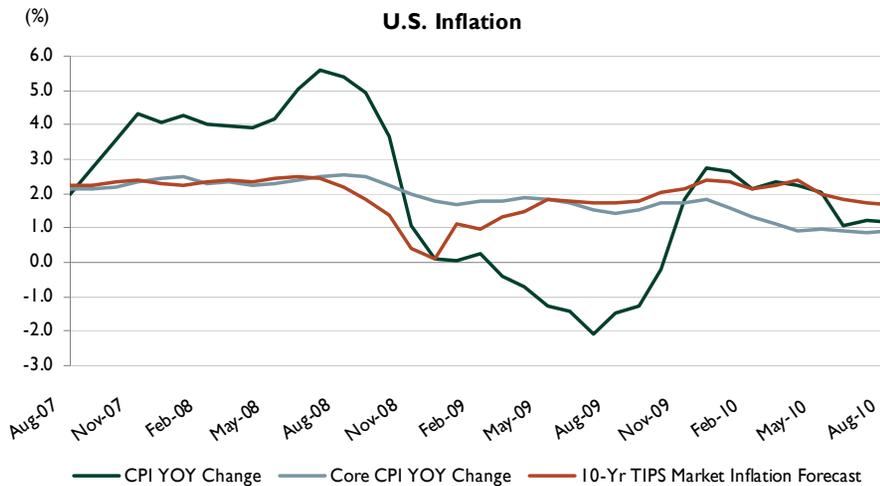
Third Quarter 2010



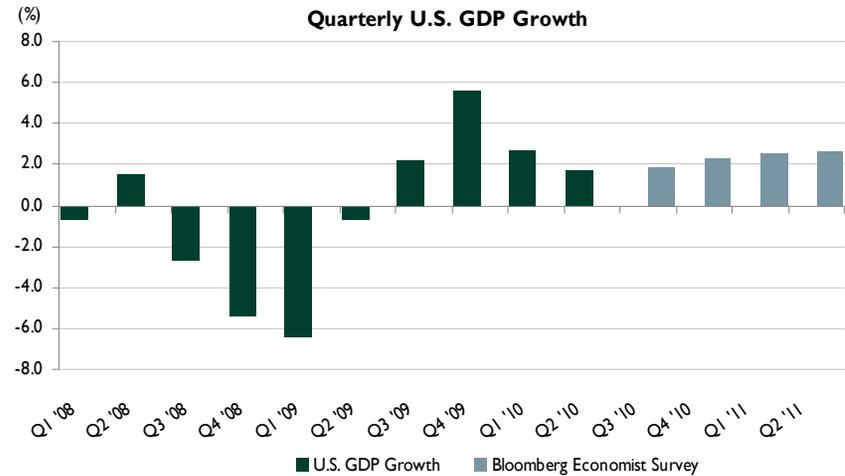
Consumer confidence fell in July and remained stagnated well below pre-recession levels, as the bleak unemployment and economic outlook weighed heavily on consumers.



The Federal Reserve balance sheet currently stands at approximately \$2.3 trillion dollars, nearly 30% of which represents Treasury holdings. Many investors believe the Fed is likely to expand quantitative easing measures in an attempt to stabilize the economy and counteract deflationary forces.



The CPI climbed 1.1% on a year-over-year basis in August and Core CPI rose by only 0.9%. Both measures have been contained by excess capacity in the economy and remain well below historical averages. Ten-year breakeven rates rose near the end of the quarter on concerns regarding the potential expansion of the Fed balance sheet.



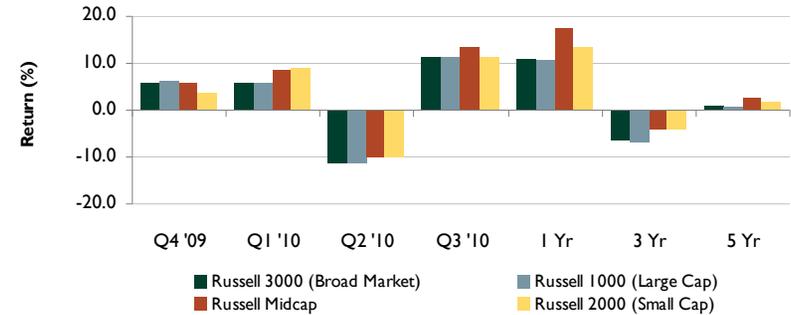
U.S. real GDP increased at an annual rate of 1.7% in the second quarter, confirming growth had moderated significantly in the quarter, driven by rising imports and falling private inventory investment. The Bloomberg survey indicates economists believe domestic economic growth should remain muted in coming quarters.

U.S. Equity

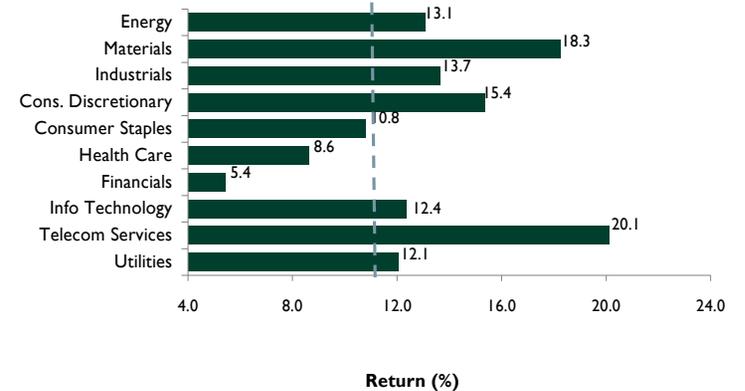
Third Quarter 2010

- A strong September propelled the U.S. equity market to double-digit gains despite economic uncertainty and continued outflows from U.S. stock funds. The Investment Company Institute estimates that U.S. stock funds experienced outflows of \$10 billion or more during each month of the third quarter. The broad domestic equity market, as represented by the Russell 3000 Index overcame these headwinds and rose 11.5% over the trailing three-month period. Likely contributing to market gains were signals from the Fed that continued high unemployment and low inflation may lead to additional monetary easing, as well as improving corporate profits and diminished fears related to a double-dip recession in the U.S.
- All ten Russell 3000 sectors posted gains in the third quarter. Among the more meaningful market exposures, higher beta sectors—such as industrials (+13.7%) and technology (+12.4%)—outperformed the Index, while the more defensive consumer staples (+10.8%) and health care (+8.6%) lagged the broader market. Financials (+5.4%) was the worst performing sector over the period.
- Mid cap stocks outperformed both their large and small cap counterparts. The Russell Midcap Index ended up 13.3%. While the large cap Russell 1000 Index (+11.6%) and Russell 2000 Index (+11.3%) generated similar returns, it was the small cap segment of the market that performed best during the September rally, with the Index up 12.5% after losing ground during the third quarter through August.
- From a factor perspective, it was higher beta, more volatile stocks that were on average the best performers. Stocks with higher EPS and sales growth broadly outperformed while stocks with the lowest P/E and P/B ratios generally lagged the market on the whole. The Russell 3000 Growth Index (+13.0%) outperformed the Russell 3000 Value Index (+10.1%) by close to 300 basis points (bps) during the quarter. Year to date, both indices were up 4.8% with growth outperforming its value counterpart by almost 400 bps over the trailing one-year period ended September 30th.

U.S. Market Cap Comparison

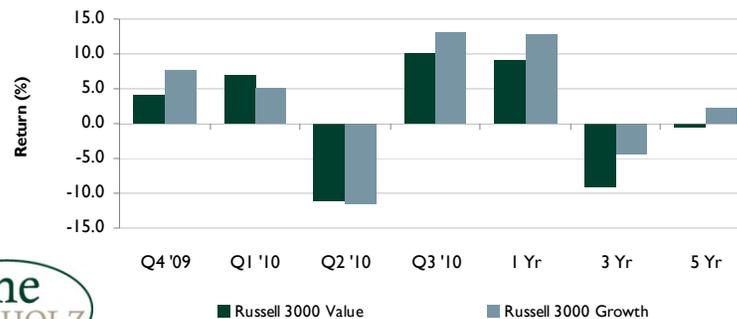


Q3 '10 U.S. Sector Returns*



* Dotted line indicates total index return
Sources: Ibbotson, Vestek, Bloomberg, Wall St. Journal

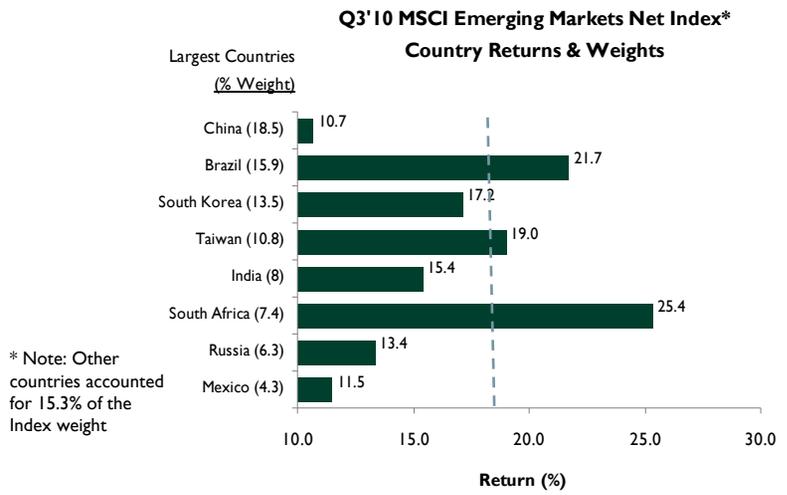
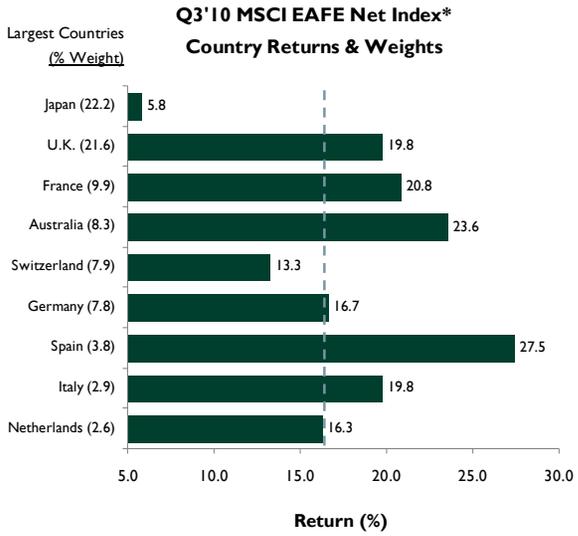
U.S. Growth vs. Value Comparison



International Equity

- Currency had a significant influence over foreign equity returns, with the MSCI EAFE Net Index rising 16.5% in USD and 7.1% in local terms. Of note, the euro, Australian dollar, and Swedish krona each rose significantly versus the USD, appreciating 11.4%, 15.0%, and 15.6%, respectively. Much of the dollar weakness came in September, as investors anticipated the Federal Reserve taking additional quantitative easing measures. With respect to the euro, the currency rebounded off significant lows, as it sold off considerably on heightened concerns over the health of several member states. Despite the euro's strong gains in the quarter, it has lost nearly 5% on the USD for the year-to-date period.
 - With the exception of Ireland (-3.5% in USD, -13.5% locally due to the announcement of a costly bank bailout), all European equity markets posted third quarter gains, with many exceeding 20% in USD terms. Much of these returns were attributable to currency appreciation, e.g., MSCI Europe ex-U.K. Index up 6.8% locally vs. 19.2% in USD. The U.K. market experienced stronger local returns in the quarter, gaining 13.7%. Currency had a similar, albeit less drastic, impact on the equity market, as the pound gained 5.2% on the dollar for the period.
 - Asia-Pacific also performed strongly. The Australian market benefited from commodity price increases and central banks globally increasing their reserves in commodity-sensitive currencies. Favorable economic data coming out of China contributed to Hong Kong's 21.9% quarterly gain. The Japanese market was among the worst performing markets, with the local market returning -0.1% (+5.8% in USD). The continued strength of the yen and its impact on the large Japanese exporters weighed on the market, as did the country's ongoing battle with deflation. The yen saw some relief near quarter-end, as the Bank of Japan took measures to intervene in the market.

- Similar to their developed counterparts, emerging equity markets experienced strong third quarter returns, with currency having a meaningful impact for U.S. investors. The MSCI Emerging Markets Net Index gained 18.0% in USD and 12.8% locally, helped by strong GDP reports and positive economic news in both large and small emerging countries. Year to date, the Index is meaningfully ahead of most developed markets, up 11.0% in USD, 8.2% locally.
 - Commodity-producing countries and their currencies, most notably Brazil and its real, rose sharply, after experiencing strong declines the prior quarter. Brazil, which benefited from favorable GDP numbers, gained 14.4% locally and 21.7% in USD terms. Additionally, South Africa's equity market and its currency benefited from the sharp increase in gold prices in the quarter, with the market up 25.4% in USD and 14.1% in rand.
 - Asian markets performed strongly, led by several of the smaller markets' gains—specifically Thailand's 32.4% and the Philippines' 29.1%. Additionally strong export numbers from Taiwan aided the market's 19.0% return, while favorable industrial production and retail sales numbers boosted China's equity market. However, concerns over further government intervention held back Chinese equity market performance relative to other emerging markets.
 - Eastern European markets were among the strongest performing, getting a considerable boost from currency appreciation. Among the top performers were Poland (+35.5% USD, +16.8% locally) and Turkey (+31.9% USD, +20.5% locally), as economic growth is starting to become more recognized by investors.



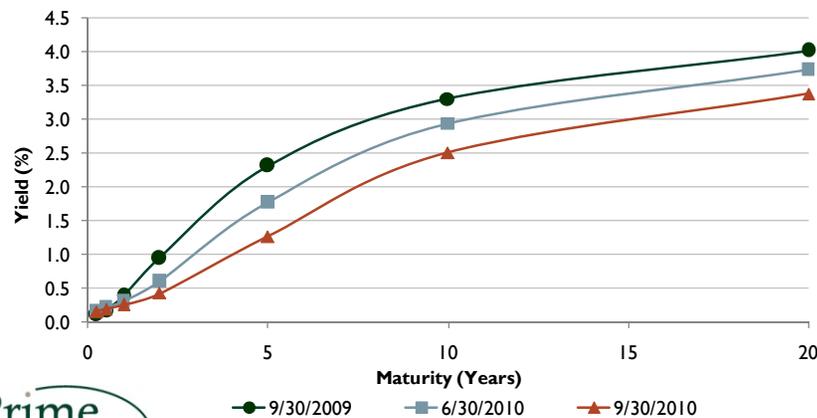
Sources: Vestek, MSCI/Barra, Wall Street Journal, Financial Times. Note: All returns quoted in U.S. dollar terms, unless otherwise noted. *Dotted line indicates total index return

U.S. Fixed Income

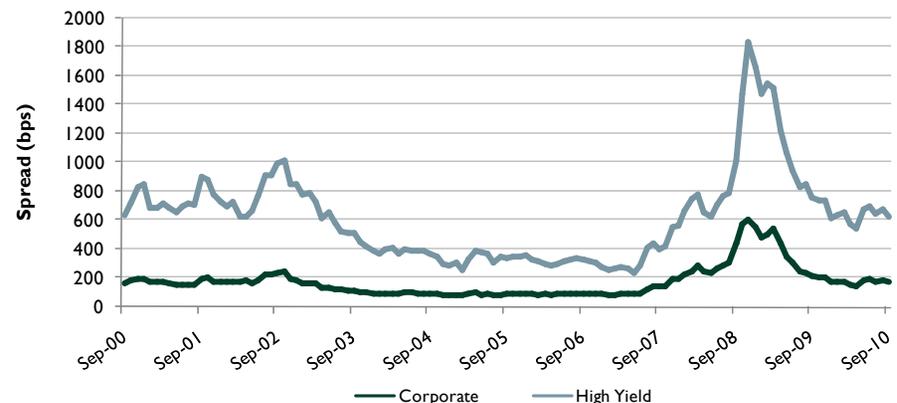
Third Quarter 2010

- The FOMC left the Fed funds rate unchanged at its August and September meetings. The September statement indicated the Fed had become increasingly concerned about low levels of inflation amid the slowing economic recovery. Many investors viewed this as further evidence that the Fed is likely to expand quantitative easing measures through the purchase of U.S. Treasuries.
- The commercial mortgage-backed securities (CMBS) sector of the Index returned 6.4%, generating the strongest gains, and trailed by the corporate sector at 4.7%. While CMBS posted strong gains, Barclays Capital reported that 60+ day delinquencies increased to 8.3% of the CMBS conduit universe outstanding at October 1, 2010. Agency MBS generated a positive return of 0.6% for the quarter, however, gains in July were partially offset by declines in August and September. During the quarter, the U.S. government decided to focus its asset purchase program on Treasury securities rather than MBS. Given uncertainty in the MBS markets and historically narrow option-adjusted spreads (OAS), OAS for the Barclays MBS Index widened by 74 bps, driven by an increase in fixed rate MBS OAS of 77 bps.
- Within the corporate sector, returns were led by financial issues (+5.1%), followed by utilities (+4.7%), and industrials (+4.5%). Corporate bond OAS tightened by 18 bps with the greatest tightening seen in financial issues (34 bps). Given the decline in rates along the curve, long corporates outperformed intermediate corporates by 2.0%.
- The Barclays Capital U.S. Treasury Index rose 2.7% during the quarter. The overall shape of the yield curve flattened with the two-year note falling 18 bps and the ten-year bond falling 42 bps due to moderating expectations for inflation and expectations of further Fed Treasury purchases. As a result, longer-dated maturities outperformed short to intermediate maturities. Long Treasuries rose 5.2% while intermediate maturities gained 2.3%. At the short end of the curve, the one- to three-year segment, returns were a modest 0.6% during the quarter.
- The Barclays Capital Aggregate Index gained 2.5%; performance was driven by corporate and Treasury returns as investors continued to search for yield as well as safety. The long portion of the Index outperformed its short and intermediate counterparts.
- Risk aversion abated during the quarter, positively impacting high yield bonds. The sector rose 6.7% with the strongest gains recorded in banks and life insurance companies. Other areas that performed well included communications and technology. During the quarter, OAS and yield to maturity of the high yield market narrowed by 79 and 110 bps, respectively. Across all sectors, longer-maturity bonds outperformed their shorter-dated counterparts. From a quality rating standpoint, the strongest returns were found in the CCC and below and the BB segments.

U.S. Treasury Yield Curve



OAS Comparison – Corporate vs. High Yield



Sources: Bloomberg, Barclays Capital, Federal Reserve

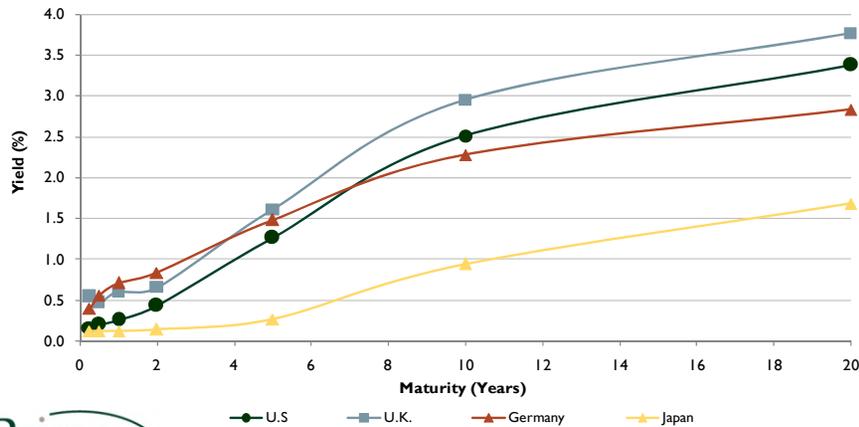
Currencies & Global Bonds

Third Quarter 2010

- During the quarter, the USD displayed significant weakness compared to developed nations; the Dollar Spot Index, a weighted-average of six major currencies (the euro, Japanese yen, British pound, Canadian dollar, Swedish krona, and Swiss franc), fell 8.5%. The main cause of USD weakness seemed to be ongoing concerns regarding the potential for further quantitative easing in the U.S.
- Unlike the previous three quarters, the euro rose 11.4% against the dollar despite ongoing concerns regarding Portugal, Ireland, Italy, Greece, and Spain. The BOJ intervened in the currency market for the first time in six years, but could not halt the continued rise in the Japanese yen, which continued to increase given the low interest rate differentials with the U.S. Lastly, economic reports in the U.K. diminished fears of more easing, causing the British pound to gain against the USD.
- In regions with favorable growth prospects, select central banks have been raising interest rates. In contrast, most large central banks in the developed world have not moved toward restrictive monetary policies. Canada is an exception, as the Royal Bank of Canada raised its policy rate by 25 bps at its September meeting. As previously noted, in early October the BOJ lowered its overnight interest rate further to less than 0.1%, and set up a ¥5 trillion asset-buying facility (USD \$60 billion) for the purchase of various financial assets to lower risk premiums and ease monetary policy. Among Latin American nations, Brazil, Chili, and Peru all tightened policy rates by 50 bps at recent meetings.

- Concerns over the health of several European countries abounded; however, bond yields still narrowed in many key markets. Sovereign yields fell and curves flattened in the U.S., Germany, the U.K., and Japan. Also, across all markets yields remained close to the lows experienced over the past ten years.
- Currency had an extremely positive impact on unhedged global sovereign returns. The Barclays Capital Global Corporate Bond Index rose 8.3% on an unhedged basis; removing the impact of currency, the Index gained 2.2%. Aside from weak local market returns in Ireland and Portugal, which fell 4.1% and 2.0%, respectively, major bond markets rose in Europe. The health of the banking system in Ireland and concern over the potential cost of the government bailout led to rising yields, while concerns regarding economic growth and high deficits impacted Portugal. Euro area countries grew 2.3% in local market terms, but gained more than 14% on an unhedged basis due to an 11.4% increase in the euro. Among euro area nations, Spain (+16.1%), France (+14.6%), Italy (+14.3%), and Germany (+13.7%) were key contributors.

GlobalYield Curves as of September 30, 2010



OAS Comparison - Global Corporate versus Global High Yield

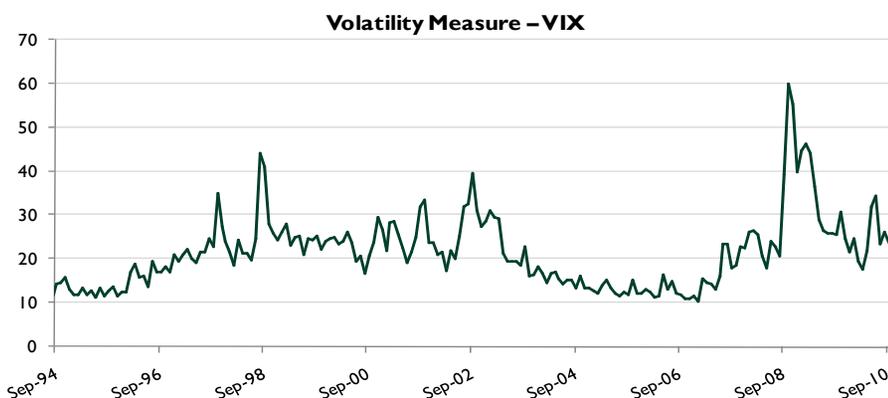


Source: Bloomberg, Barclays Capital

Flexible Capital

Third Quarter 2010

- Hedge funds, as measured by the HFRI Fund-Weighted Composite Index, rose by 5.2% in the third quarter, bringing year-to-date gains to 4.8%. Though they trailed the S&P 500 Index's 11.3% return for the quarter, long/short equity managers, as measured by the HFRI Equity Hedge Index, fared relatively well, posting a quarterly return of 5.9%, driven by a 4.8% gain in September. Stock selection and the lack of share price differentiation based on company fundamentals continues to be an issue for hedge fund managers, particularly short sellers; the HFRI Short Bias Index declined 9.0%, bringing year-to-date losses to 11.2%. The HFRI Event-Driven Index gained 4.2%, with the HFRI Distressed/Restructuring and HFRI Merger Arbitrage Indexes gaining 2.6% and 3.0%, respectively. Distressed residential mortgage-backed securities were strong during the quarter, as bonds have been re-priced amid limited distressed sales and a shrinking housing market. Distressed corporate securities were also positive since the high yield market, which saw record new issuance, experienced spread compression and distressed managers have been able to add value through legal proceedings and taking active roles in restructurings. In addition, many distressed managers have maintained sizable exposure to post-reorganization equities, which benefited from the equity rally.
- Merger arbitrage spreads remained at profitable levels during the quarter and activity increased as cash-rich companies sought strategic targets. The HFRI Relative Value Index gained 4.2% with long/short credit and capital structure arbitrage managers having capitalized on pricing anomalies created by the withdrawal of bank proprietary capital. The HFRI Macro Index was also strong, gaining 4.7%, as currency and commodity trends were profitable and sovereign debt issues persisted.
- With correlations among stocks at historic levels—possibly fueled in part by macro events, high frequency trading, and use of derivatives and ETFs—it has become increasingly difficult for hedge funds utilizing fundamental research to outperform the traditional asset classes. Long/short equity had a strong September and captured roughly half the upside in the S&P 500 Index over the quarter. Although many equity hedge funds entered September with relatively conservative positioning, net exposure was increased throughout the month as stock correlations declined somewhat from peak levels. The directional nature of these funds helped them profit from the broad market move. Even with the strong finish to the quarter, many hedge funds remain apprehensive regarding positioning going forward. While some hedge fund managers have tried to ignore the macro environment and its effect on performance, they are reminded on a daily basis that management of their funds does not occur within a bubble.
- The Goldman Sachs Hedge Fund VIP basket consists of the 50 companies that “matter most” to hedge funds. The positions in this basket are the stocks that appear most frequently as top ten holdings of hedge funds with 10–200 total holdings. The tables below reflect the top and bottom five performing companies in this basket during the third quarter. Similar to the broader market, the top performing holdings among hedge fund managers were related to commodities and/or emerging markets. The large money center banks continued to frustrate investors.



Top 5 Q3 Performers

Company	Q3	YTD	1 Year
Anadarko Petroleum	59.7%	-7.4%	-8.4%
CF Industries Hldgs	56.8%	9.8%	16.3%
Baidu Inc/China	52.4%	152.2%	163.0%
Freeport-McMoRan	46.5%	8.2%	27.2%
Halliburton Co	36.5%	12.1%	23.8%
S&P 500	11.3%	3.9%	10.2%

Bottom 5 Q3 Performers

Company	Q3	YTD	1 Year
Bank of America	-8.7%	-12.8%	-23.4%
U.S. Bancorp	-2.8%	-3.1%	0.5%
Wells Fargo & Co	-2.0%	-6.8%	-11.1%
Hewlett-Packard Co	-1.5%	-17.0%	-9.7%
Intel Corp	-0.2%	-3.4%	1.9%
S&P 500	11.3%	3.9%	10.2%



Sources: MSCI/Barra, MarketWatch, Inc., Bloomberg, Hedge Fund Research, New York Stock Exchange, Goldman Sachs

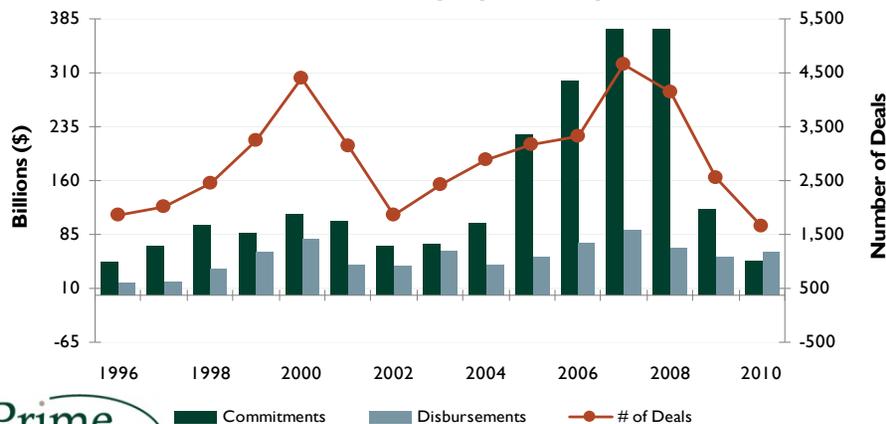
Private Equity (as of 06/30/2010)

Third Quarter 2010

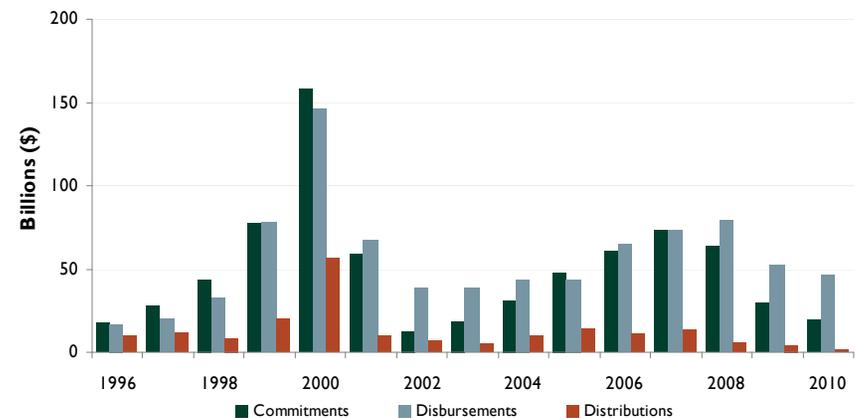
- U.S. buyout firms raised \$9.7 billion across 39 funds during the second quarter of 2010. Fundraising during the first half of the year totaled nearly \$16 billion, which is akin to the totals seen in 2003 on an annualized basis—the low point of the last decade. The challenging nature of the fundraising market can also be seen in the time it has taken to close private equity funds, as the average fundraising duration has more than doubled since 2004 from nine months to 19 months, according to fundraising data.
- For the quarter, 135 U.S. buyout deals worth \$24.3 billion were announced, representing a noteworthy increase when compared to the \$4.7 billion announced during the prior year period. According to Dealogic, the second quarter's activity also surpassed the first quarter of 2010's activity, when 115 deals worth \$13.0 billion were announced.
- U.S. buyout firms continued to see improvement in the exit environment, as exits were up from a year prior. According to Dealogic, total U.S. mergers and acquisitions (M&A) volume during the quarter was \$209 billion—up 9% compared with the second quarter of 2009 and 6% from first quarter of 2010. There were 2,822 transactions announced in the second quarter of 2010, which was the highest quarterly count since the second quarter of 2007.
- U.S. venture capital fundraising activity declined for the second straight quarter. Thirty-eight U.S. venture capital funds raised \$1.9 billion during the second quarter, which is a 49% decline from the \$3.7 billion (from 32 funds) raised in the first quarter of 2010. Additionally, the \$1.9 billion raised represents a 56% decline in dollar amount from the same period one year prior.

- During the quarter, there were 17 venture-backed IPOs valued at \$1.3 billion. This represents the most active quarter, by number of IPOs and dollar value, since the fourth quarter of 2007. Furthermore, 92 venture-backed M&A deals were announced during the second quarter with an average disclosed deal value of \$133.3 million. The 92 deals represent a 42% increase compared to the second quarter of 2009. The average disclosed transaction value of \$133.3 million is 26% below the first quarter 2010 level and 33% below the second quarter 2009 number.
- During the second quarter, 19 European-focused private equity funds held final closes worth a total of \$8.0 billion. This is less than the \$14.6 billion of capital commitments secured by 21 funds during the previous quarter.
- After a slow start to 2010, the European private equity market experienced an increase in activity. The number of deals completed during the quarter exceeded 300 with a total value of approximately €13.9 billion.
- According to the Emerging Markets Private Equity Association, emerging markets private equity came back strongly during the first half of 2010 on both the fundraising and investment fronts. For the first half of 2010, total fundraising volume in emerging markets rose 22% to \$11 billion, compared with \$9 billion in the prior year period. Total investment volume climbed by 55% to \$13 billion through the first six months of the year.

Private Equity Industry



Venture Capital Industry



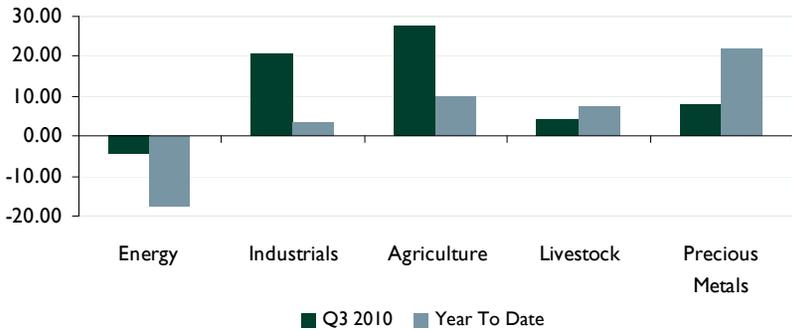
Sources: Dow Jones Private Equity Analyst, National Venture Capital Association, Thomson Financial, S&P LCD, Emerging Markets Private Equity Association, Dealogic, and Preqin.

Inflation Hedging

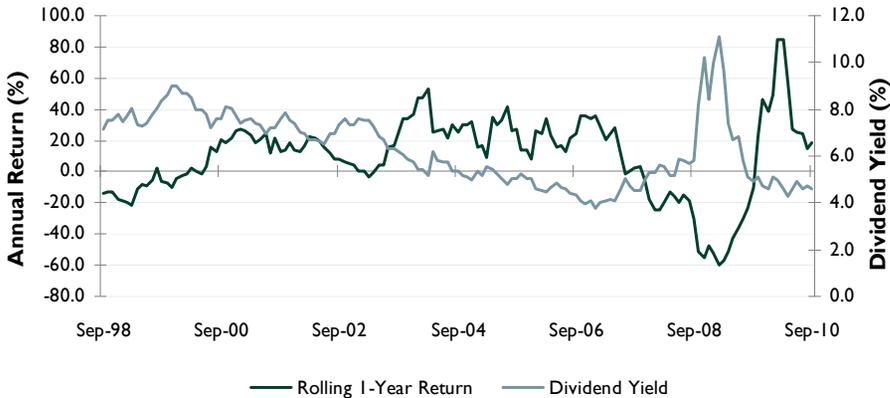
- Commodities surged in the third quarter, gaining 11.6% as represented by the Dow Jones UBS Commodity Index. Wheat, cotton, and corn were bolstered in the quarter by adverse weather conditions in Russia (drought and fire), Pakistan (flooding), and Brazil (dry weather). Additionally, strong export demand and the expectation of declining production served as catalysts for corn price strength. One-third of the corn crop destined for ethanol production, coupled with strong demand from China, led to tight supplies and pushed corn higher for the quarter. Precious metals climbed higher because of flight to safety and persistently declining U.S. interest rates accelerated by the potential for further U.S. Fed purchases of U.S. Treasuries. Gold futures settled at its highest close ever (\$1307.80 per troy ounce) and spot silver reached a 30-year high. Comparatively, in 1980, gold hit a then-record \$873 per troy ounce. On an inflation-adjusted basis, that would be the equivalent of \$2,314.29 in today's dollars.
- Global real estate securities had a strong quarter, returning 19.1% and outperforming most broader stock indices. Two factors appeared to heavily influence the market and, at times, overshadow real estate and security fundamentals. First, low interest rates have pushed investors to seek higher yielding instruments. U.S. REITs, which returned 13.3%, had a dividend yield of 3.7% at quarter-end. This is below the ten-year average of 5.8%, but above many fixed income alternatives. Second, macroeconomic sentiment and perceptions of the future regulatory environment improved. This appeared to sway European REITs (+28.2%), which rose likely due to positive results in European bank stress tests and the unexpectedly accommodating Basel III requirements.

- The NCREIF Property Index returned 3.3% in the second quarter. This marks the second quarterly positive return for the Index after six consecutive negative quarters dating back to 2008. Despite unemployment at 9.6% and growth projections for the economy mixed, all four property sectors rose in value during the quarter. Transaction volume overall remains muted relative to pre-crisis levels; however, in June commercial real estate investment volume rose above \$10 billion for the first month since September 2008. Meanwhile, sales of office assets reached \$5 billion and the sector returned 3.4%. Only the apartment sector outgained office, returning 4.4% in the quarter as Fannie and Freddie Mae continued to provide financing for multi-family properties.
- During the quarter, the Barclays Capital U.S. TIPS Index gained 2.5%. Real yields declined across the curve with the sharpest declines occurring in intermediate to long-maturity segments. From a maturity range perspective, TIPS in the 10- to 20-year and 7- to 10-year segments outperformed shorter-dated counterparts by a significant margin. Inflation expectations fell moderately with the five- and ten-year breakeven inflation rates ending the quarter at 1.4% and 1.8%, respectively. That compares to 1.6% and 1.9%, respectively, at the end of the previous quarter. As a result of a drop in breakeven expectations, TIPS underperformed their nominal Treasury counterparts across all maturities.

DJ UBS Commodities Sector Performance



Public Real Estate



Sources: Dow Jones AIG, National Council of Real Estate Investment Fiduciaries, National Association of Real Estate Investment Trusts, Barclays Capital, Bloomberg

Tab II

Total Fund Highlights

- The Total Fund gained 7.4% during the third quarter of 2010 and finished modestly behind the Target Index and in line with the Actual Index. Equity markets rallied and the Fund's global equity segment gained 13.7% compared to 11.5% generated by the Russell 3000 Index and 16.5% posted by the MSCI EAFE Net Index. The flexible capital managers reversed last quarter's losses and brought the segment to a 2.9% gain as both Archstone and Forester generated returns that were in line with their respective benchmarks. The fixed income segment advanced 3.5% during the quarter as the convertibles climbed 5.0% and the TIPS portfolio gained 2.4%. Commodities and real estate also rebounded, and the inflation hedging segment ended the quarter with a positive 11.0% return.
- The Total Fund advanced 8.6% during the trailing 12-month period and outperformed the Target Index and the Actual Index by 160 bps and 260 bps, respectively, as the global equity segment, the flexible capital segment, and the fixed income segment outpaced their respective benchmarks. The Total Fund's market value at September 30th was \$53.6 million.
- During the quarter, \$1.0 million was redeemed from the TIPS portfolio and invested into the TAP Fund. Guggenheim made a distribution of approximately \$300k.

Segment Performance

Segment Level Performance (% Rate of Return) - Periods Ended September 30, 2010

	Qtr Ended Sep-10	1 YR	3 YRS	5 YRS	10 YRS	Return	Since	Std. Dev.	Beta	Correlation
Total Fund	7.4	8.6	-2.8	2.8	3.5	7.6	Mar-91	9.0	0.51	0.92
Target Index	8.0	7.0	-3.6	2.1	2.8	7.6	Mar-91	9.6	0.58	0.97
Domestic Equity	12.3	13.5	-6.2	1.1	0.4	9.5	Mar-91	18.3	1.04	0.92
S&P 500 Index	11.3	10.2	-7.2	0.6	-0.4	8.0	Mar-91	16.1	1.00	1.00
Russell 3000 Index	11.5	11.0	-6.6	0.9	0.1	8.3	Mar-91	16.6	1.02	1.00
International Equity	15.2	7.2	-5.4	4.5	NA	10.7	Dec-02	23.2	1.29	0.93
MSCI EAFE Net Index	16.5	3.3	-9.5	2.0	2.6	9.4	Dec-02	22.1	1.25	0.94
Total Flexible Capital	2.9	6.4	1.3	5.2	NA	6.5	Feb-03	7.1	0.33	0.78
HFRI Fund-of-Funds Index	3.3	3.5	-3.0	2.1	3.6	4.4	Feb-03	7.7	0.36	0.79
Total Fixed Income	3.5	8.1	3.4	4.2	5.4	6.4	Mar-91	4.5	0.02	0.07
Fixed Income Composite Index	3.8	7.0	4.9	5.6	3.9	8.1	Mar-91	6.5	0.32	0.79
Total Inflation Hedging	11.0	8.8	-15.6	NA	NA	-7.8	May-06	19.4	0.79	0.82
Inflation Hedging Actual Index	8.8	11.8	-3.9	1.1	0.6	0.8	May-06	15.4	0.42	0.58

* Periods greater than one year are annualized.

** Standard deviations are based on quarterly observations.

*** Beta and correlation are relative to the S&P 500 Index.

Executive Summary

Town of Palm Beach

Firefighters Retirement System

Executive Summary as of September 30, 2010

Assets Market Value	% of Portfolio		{-----Quarter Ending-----}				Fiscal	Calendar	{-----Period Ending Sep-2010-----}				{---Inception---	
			Dec-09	Mar-10	Jun-10	Sep-10	YTD	YTD	1 YR	3 YRS	5 YRS	10 YRS	Return	Since
\$53,637,500	100.0	Total Fund	3.5	2.6	-4.8	7.4	8.6	5.0	8.6	-2.8	2.8	3.5	7.6	Mar-91
		Target Index	2.9	2.3	-5.9	8.0	7.0	4.0	7.0	-3.6	2.1	2.8	7.6	Mar-91
		Actual Index	2.4	2.1	-5.7	7.4	6.0	3.4	6.0	-3.0	2.6	3.3	9.1	Mar-91
		60% S&P 500 Index /40% BC Aggregate Index	3.7	4.0	-5.6	7.9	9.9	5.9	9.9	-1.0	3.2	2.6	7.9	Mar-91
		Consumer Price Index	0.0	0.8	0.2	0.2	1.1	1.1	1.1	1.6	1.9	2.3	2.5	Mar-91
\$19,581,174	36.5	Global Equity	5.1	3.6	-10.4	13.7	10.8	5.5	10.8	-6.6	1.4	1.0	9.9	Mar-91
\$10,177,486	19.0	Domestic Equity	6.0	5.4	-9.5	12.3	13.5	7.1	13.5	-6.2	1.1	0.4	9.5	Mar-91
		Russell 3000 Index	5.9	6.0	-11.3	11.5	11.0	4.8	11.0	-6.6	0.9	0.1	8.3	Mar-91
\$2,223,035	4.1	SSgA S&P 500 Flagship NL Fund	6.0	5.4	-11.4	11.3	10.1	3.8	10.1	-7.2	0.6	-0.5	7.9	Dec-94
		S&P 500 Index	6.0	5.4	-11.4	11.3	10.2	3.9	10.2	-7.2	0.6	-0.4	7.9	Dec-94
\$2,484,972	4.6	Stralem & Company Large Cap Core Account	6.4	3.2	-8.9	10.5	10.5	3.8	10.5	-2.7	NA	NA	2.3	Mar-06
		S&P 500 Index	6.0	5.4	-11.4	11.3	10.2	3.9	10.2	-7.2	0.6	-0.4	-0.8	Mar-06
\$1,839,484	3.4	SSgA S&P Midcap 400 Index NL Fund	5.5	9.0	-9.7	13.2	17.6	11.4	17.6	NA	NA	NA	-2.1	Jun-08
		S&P Midcap Index	5.6	9.1	-9.6	13.1	17.8	11.6	17.8	-1.7	3.8	5.4	-2.0	Jun-08
\$1,712,680	3.2	CRM Midcap Value Instl Fund	5.2	5.1	-11.7	13.9	11.3	5.7	11.2	NA	NA	NA	-3.9	Jun-08
		Russell Midcap Value Index	5.2	9.6	-9.6	12.1	16.9	11.2	16.9	-4.8	2.0	7.8	-2.0	Jun-08
\$1,917,315	3.6	Geneva Mid Cap Equity Account	7.7	5.4	-5.9	13.7	21.5	12.8	21.5	-0.3	5.1	NA	5.5	Aug-05
		Russell Midcap Growth Index	6.7	7.7	-10.2	14.7	18.3	10.9	18.3	-3.9	2.9	-0.9	3.1	Aug-05
\$9,403,688	17.5	International Equity	3.3	1.7	-11.4	15.2	7.2	3.8	7.2	-5.4	4.5	NA	10.7	Dec-02
		MSCI EAFE Net Index	2.2	0.9	-14.0	16.5	3.3	1.0	3.3	-9.5	2.0	2.6	9.4	Dec-02
\$4,966,634	9.3	Harris Associates International Value LP.	4.3	5.8	-10.5	14.0	12.5	7.9	12.5	-2.5	5.5	NA	13.4	Feb-03
		MSCI EAFE Value Index	0.3	-0.2	-15.5	16.4	-1.7	-1.9	-1.7	-10.7	1.1	3.9	10.6	Feb-03
		MSCI EAFE Net Index	2.2	0.9	-14.0	16.5	3.3	1.0	3.3	-9.5	2.0	2.6	10.1	Feb-03
\$4,437,054	8.3	Artisan International Inv Fund	3.7	-2.5	-12.4	16.6	3.3	-0.4	3.3	-8.8	3.2	NA	9.1	Dec-02
		MSCI EAFE Growth Index	4.2	2.0	-12.4	16.6	8.4	4.1	8.4	-8.4	2.8	1.1	8.7	Dec-02
		MSCI EAFE Net Index	2.2	0.9	-14.0	16.5	3.3	1.0	3.3	-9.5	2.0	2.6	9.4	Dec-02

Executive Summary

Town of Palm Beach

Firefighters Retirement System

Executive Summary as of September 30, 2010

Assets Market Value	% of Portfolio		{-----Quarter Ending-----}				Fiscal YTD	Calendar YTD	{-----Period Ending Sep-2010-----}				{-----Inception-----}	
			Dec-09	Mar-10	Jun-10	Sep-10			1 YR	3 YRS	5 YRS	10 YRS	Return	Since
\$305,148 ¹	0.6	Private Equity												
\$95,542	0.2	Landmark Equity Partners, XIV L.P. (\$1.25 MM Cmt'd)												
\$209,606	0.4	Private Equity Investment Fund, V L.P. (\$1.25 MM Cmt'd)												
\$15,305,085	28.5	Total Flexible Capital	3.1	3.1	-2.8	2.9	6.4	3.2	6.4	1.3	5.2	NA	6.5	Feb-03
\$9,272,647	17.3	Archstone Market Neutral Strategies Fund, Ltd. HFRI Fund-of-Funds Conservative Index	3.5 1.1	4.1 1.7	-1.3 -1.5	2.0 2.2	8.5 3.5	4.8 2.4	8.5 3.5	NA -3.0	NA 1.4	NA 3.3	1.3 -4.1	Jun-08 Jun-08
\$6,032,438	11.2	Forester Offshore A2,B Ltd. HFRI Fund-of-Funds Strategic Index	2.7 1.7	1.7 1.3	-4.9 -3.3	4.4 4.2	3.7 3.8	0.9 2.0	3.7 3.8	2.1 -4.1	NA 2.3	NA 3.3	2.6 -3.4	Jun-07 Jun-07
\$13,363,427	24.9	Total Fixed Income	2.6	1.0	0.8	3.5	8.1	5.4	8.1	3.4	4.2	5.4	6.4	Mar-91
		Fixed Income Composite Index	2.8	1.3	-1.1	3.8	7.0	4.1	7.0	4.9	5.6	3.9	8.1	Mar-91
\$6,041,478 ²	11.3	Income Research Convertibles BOA Conv. Bond US Inv. Gr. Index BC U.S. Credit Index	3.3 3.4 1.0	1.8 1.7 2.3	-3.2 -4.3 3.3	5.0 5.7 4.6	6.8 6.3 11.7	3.4 2.8 10.5	6.8 6.3 11.7	2.5 3.6 8.3	4.6 5.8 6.5	NA 3.2 7.1	4.7 5.2 5.7	Oct-04 Oct-04 Oct-04
\$7,321,949 ²	13.7	Income Research TIPS BC TIPS I-10 Year Index	1.6 2.2	0.7 0.9	3.8 2.3	2.4 1.9	8.8 7.4	7.1 5.2	8.8 7.4	NA 6.1	NA 5.2	NA 6.7	4.8 3.6	Jun-08 Jun-08
\$3,888,322	7.2	Total Inflation Hedging	1.9	1.8	-5.5	11.0	8.8	6.8	8.8	-15.6	NA	NA	-7.8	May-06
		Inflation Hedging Actual Index	3.2	2.4	-2.7	8.8	11.8	8.4	11.8	-3.9	1.1	0.6	0.8	May-06
\$1,536,861 ³	2.9	Guggenheim Real Estate PLUS Trust 70% NCREIF Index/ 30% NAREIT Index NCREIF Property Index	-0.9 1.3 -2.1	1.9 3.5 0.8	0.1 1.1 3.3	7.3 6.6 3.9	8.4 13.0 5.8	9.5 11.5 8.1	8.4 13.0 5.8	-18.4 -3.4 -4.6	NA 4.3 3.7	NA 8.9 7.2	-9.3 1.9 1.2	Jun-06 Jun-06 Jun-06
\$1,273,861	2.4	T. Rowe Price New Era Fund S&P/GS Natural Resources Index	7.2 6.6	1.5 0.5	-15.3 -9.8	17.6 12.6	8.4 8.9	1.1 2.1	8.4 8.9	NA -3.9	NA 5.3	NA 8.8	-17.1 -17.2	Jun-08 Jun-08
\$1,077,600 ⁴	2.0	TAP Fund, LTD DJ-UBS Commodity Index	NA 9.0	NA -5.0	NA -4.8	NA 11.6	NA 10.0	NA 0.9	NA 10.0	NA -6.8	NA -2.4	NA 5.2	7.8 7.3	Aug-10 Aug-10

Executive Summary

Town of Palm Beach

Firefighters Retirement System

Executive Summary as of September 30, 2010

Assets	% of		{-----Quarter Ending-----}				Fiscal	Calendar	{-----Period Ending Sep-2010-----}				{----Inception----}	
			Dec-09	Mar-10	Jun-10	Sep-10			1 YR	3 YRS	5 YRS	10 YRS	Return	Since
Market Value	Portfolio					YTD	YTD							
\$1,194,343 ⁵	2.2	Total Liquid Capital	0.0	0.0	0.0	0.0	0.1	0.1	0.1	1.0	2.5	2.4	3.6	Mar-91
\$1,194,343	2.2	Government Stif 15	0.0	0.0	0.0	0.0	0.1	0.1	0.1	1.0	2.5	NA	2.1	Dec-01
		Citigroup Treasury Bill 3 Months Index	0.0	0.0	0.0	0.0	0.1	0.1	0.1	1.0	2.5	2.4	2.1	Dec-01

Please Note: -Periods Greater Than One Year Are Annualized

-Prior to 10/31/1999: Performance representative of Town of Palm Beach Total Fund.

-Prior to 12/31/2001: Performance provided by Callan & Associates.

-Prior to 12/31/2004: Portfolios were combined

-Actual Index represents actual allocations with index returns.

-Target Index (effective 10/1/2009): 17.5% Russell 3000 Index/ 17.5% MSCI EAFE Net Index/ 30% HFRI FOF Index/ 15% Inflation Hedging Actual Index/ 20% Fixed Income Composite Index

-Target Index (effective 1/1/2009): 30% Russell 3000 Index/ 5% MSCI EAFE Net Index/ 30% HFRI FOF Index/ 15% Inflation Hedging Actual Index/ 20% Fixed Income Composite Index

-Fixed Income Composite Index (effective 10/1/2009): 50% BOA Conv. Bond US Inv. Gr. Index / 50% BC TIPS I-10 Year Index

-Inflation Hedging Actual Index represents actual allocations with index returns

-From 12/31/2000 to 03/31/2003: Target Index: 60% S&P 500 Index/ 40% BC Aggregate Index

1 Market value generally reported one quarter in arrears, adjusted for current capital activity. Valuations subject to availability. Performance may change as updates are processed.

2 Market value provided by manager due to valuation and accrual discrepancies

3 Market value estimated with manager reported preliminary performance. Market Value includes redemption of \$303,880 on 9/30.

4 Market value estimated with manager reported preliminary performance.

5 Client specific cash performance not available. Citigroup Treasury Bill 3 Month Index is being reported. Includes \$303,880 redemption proceeds from Guggenheim.

Non-Marketable Summary

Non-Marketable Investment Summary as of September 30, 2010

	Capital Committed	Date of Commitment	Capital Contributed	% Funded	Remaining Commitment	Capital Returned	Market Value	Valuation Date	Net Growth of Portfolio	Return on Capital Ratio	% IRR
Total Non-Marketable Alternatives	\$2,500,000		\$358,267	14.3	\$2,141,733	\$100,339	\$305,148		\$41,076	0.3	
Total Global Private Equity	\$2,500,000	Nov-09	\$358,267	14.3	\$2,141,733	\$100,339	\$305,148		\$41,076	0.3	NA
Landmark Equity Partners, XIV L.P. (\$1.25 MM Cmt'd)	\$1,250,000	Nov-09	\$103,750	8.3	\$1,146,250	\$18,848	\$95,542	Jun-10	\$7,512	0.2	NA
Private Equity Investment Fund, V L.P. (\$1.25 MM Cmt'd)	\$1,250,000	Jan-10	\$254,517	20.4	\$995,483	\$81,491	\$209,606	Jun-10	\$33,564	0.3	NA

-Market value reported one quarter in arrears, adjusted for current capital activity. Valuations subject to availability. Performance may change as updates are processed.

-Net IRR calculated on funds that are more than 75% invested or four years into its investing cycle.

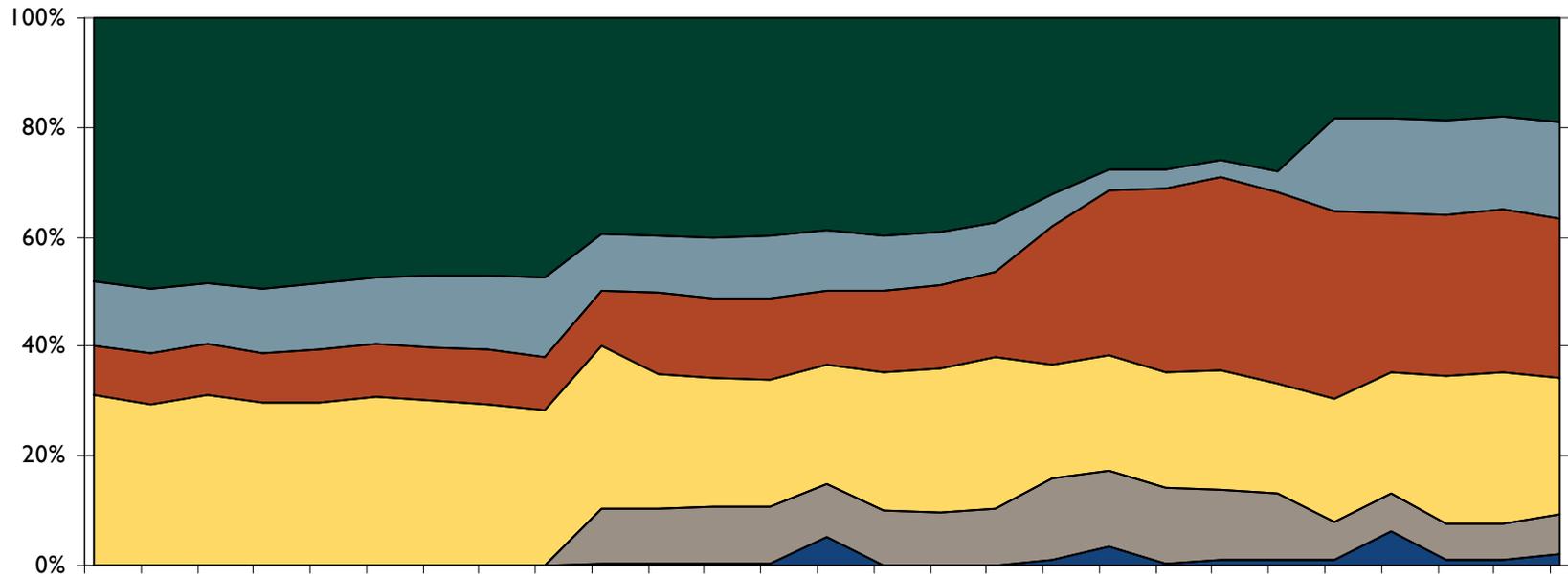
-This report contains information from manager supplied financial reports (audited or unaudited). Content is subject to change without notice. Information obtained from the manager is believed to be reliable; however, accuracy of the data is not guaranteed and has not been independently verified by Prime Buchholz.

Asset Allocation – Current

Asset Allocation Policy Ranges

	Lower (%)	New Target (%)	9/30/2010 Actual Allocation (%)	Upper (%)
Domestic Large Cap Equity	6.0	7.5	8.8	9.0
Domestic Mid/Small Cap Equity	6.0	7.5	10.2	9.0
International Equity	12.0	15.0	17.5	18.0
<i>Developed</i>			<i>16.2</i>	
<i>Emerging</i>			<i>1.3</i>	
Private Equity	4.0	5.0	0.6	6.0
Absolute Return	12.0	15.0	14.4	18.0
Directional Hedge	12.0	15.0	14.1	18.0
Convertible Fixed Income	7.5	10.0	11.3	12.5
US Treasuries/TIPS	7.5	10.0	13.7	12.5
Inflation Hedging	12.0	15.0	7.2	18.0
Cash/Other	0.0	0.0	2.2	5.0

Asset Allocation – Historical

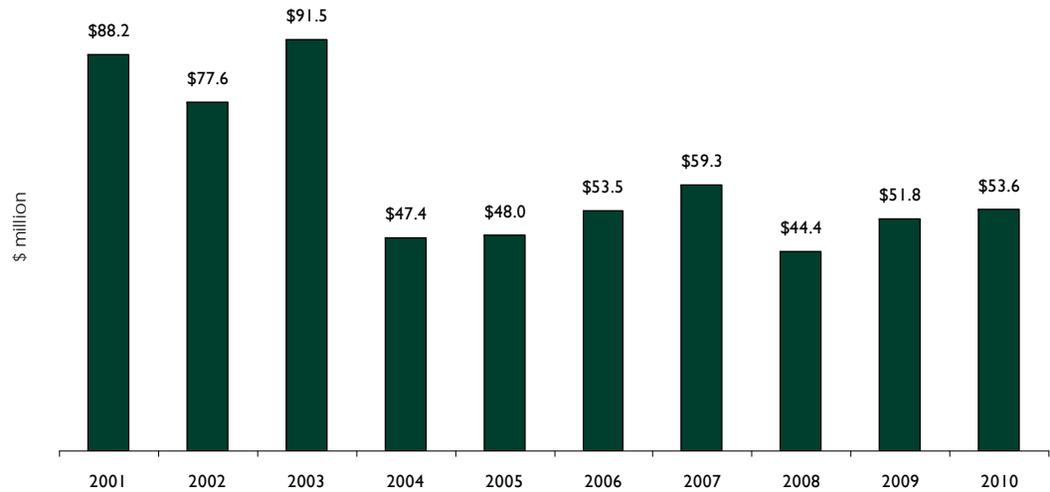


	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06	Sep-06	Dec-06	Mar-07	Jun-07	Sep-07	Dec-07	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10
Domestic Equity	48	49	48	49	48	47	47	47	48	40	40	40	40	39	40	39	37	32	28	28	26	28	18	18	19	18	19
Intl Equity	12	12	11	12	12	12	13	14	14	10	11	11	11	11	10	10	9	6	4	3	3	4	17	18	17	17	18
Flexible Capital	9	9	10	9	10	10	10	10	10	10	15	15	15	13	15	15	16	25	30	34	35	35	34	29	29	30	29
Fixed Income	31	30	31	30	30	31	30	30	28	30	25	24	23	22	25	26	28	21	21	21	22	20	23	22	27	28	25
Inflation Hedging	0	0	0	0	0	0	0	0	0	10	10	10	11	10	10	10	10	15	14	14	13	12	7	7	7	7	7
Cash	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0	0	0	1	3	0	1	1	1	6	1	1	2

Asset Growth

Asset Growth

	Beginning Market Value	Net Contr/Wdraw	Investment Performance	Ending Market Value
12/31/2001				\$88,209,969
12/31/2002	\$88,209,969	-\$1,902,154	-\$8,682,906	\$77,624,908
12/31/2003	\$77,624,908	-\$1,752,705	\$15,648,724	\$91,520,928
12/31/2004	\$91,520,928	-\$51,651,686	\$7,506,633	\$47,375,875
12/31/2005	\$47,375,875	-\$1,949,703	\$2,572,789	\$47,998,961
12/31/2006	\$47,998,961	-\$836,187	\$6,322,033	\$53,484,807
12/31/2007	\$53,484,807	\$2,020,557	\$3,833,081	\$59,338,445
12/31/2008	\$59,338,445	-\$285,454	-\$14,656,823	\$44,396,168
12/31/2009	\$44,396,168	-\$98,042	\$7,484,628	\$51,782,754
9/30/2010	\$51,782,754	-\$690,790	\$2,545,535	\$53,637,500
Total		-\$57,146,163	\$22,573,694	



Please Note: Prior To 12/31/04, portfolios were combined

Watch List – Criteria

Manager	Long-Term Under Performance ¹	Short-Term Under Performance ²	Change in Structure/Investment Approach	Change in Investment Policy
SSgA S&P 500 Flagship NL Fund	N/A	N/A	No	No
Stralem & Company Large Cap Core Account	No	No	No	No
SSgA S&P Midcap NL Index	N/A	N/A	No	No
CRM Midcap Value Instl Fund	New	No	No	No
Geneva Mid Cap Equity Account	No	No	No	No
Harris Associates International Value L.P.	No	No	No	No
Artisan International Inv Fund	No	No	No	No
Archstone Market Neutral Strategies Fund, Ltd.	New	No	No	No
Forester Offshore B, Ltd.	New	No	No	No
Income Research Convertibles	Yes	No	No	No
IRM TIPS	New	No	No	No
Guggenheim Plus II	Yes	No	No	No
T. Rowe Price New Era	New	No	No	No

1 - Based on 3-year and since inception comparisons only.

2 - Based on the last three quarters.



Information obtained from third party sources is believed to be reliable, however, the accuracy of the information is not guaranteed and may not be subject to independent verification. Content is updated quarterly and subject to change without notice. The watch list criteria reported on above is set forth in the client's Manager Termination Guidelines.

Watch List – Commentary

- The purpose of a "Watch List" is to highlight conditions that may cause the Board to consider terminating an investment manager. When a manager is placed on the Watch List, the firm will be notified and will be expected to meet with the Board to discuss the cause of concern and planned resolution. The consultant will monitor the situation on an ongoing basis and will inform the Board of any change in status.
- The Board will discuss all Watch List managers at each future meeting. It is anticipated that improvement and/or resolution of the issue should be expected in two calendar quarters. If the Board determines that the situation has not been resolved to its satisfaction, the manager relationship may be terminated.
- Change in structure/investment approach criteria:
 - Ownership changes (e.g. prominent owner leaves without an acceptable plan of succession in place, key employees receive large sums of cash without corresponding incentives to remain).
 - Key personnel changes (e.g. member of key investment decision-making body leaves or lead portfolio manager leaves without an acceptable plan of succession, significant turnover in client service personnel).
 - Manager variance from the strategy it was hired to implement (e.g. value manager buys high growth names, intermediate bond manager buys long bonds).
 - Manager is involved in material litigation or fraud (e.g. SEC investigates firm, client lawsuits).
 - Material client-servicing problems (e.g. reconciliation of manager statements to bank statements not performed promptly, lack of prompt response to issues raised).
 - Long-term underperformance is defined as since inception and annualized three- and five-year periods.
 - Short-term underperformance is defined as three consecutive quarters relative to the median in a universe of peers, excluding index funds that match the index.
 - If any of the above conditions occur, the investment consultant will determine whether to place the manager on the Watch List or to immediately terminate its contract with the Board. The consultant will notify the Board in writing of his decision.

Liquidity Schedule

Investment (as of September 30, 2010)	Inception	Subscriptions	Redemptions				Notes
			Daily	Quarterly	Annually	Illiquid	
Global Equity							
SSgA S&P 500 Flagship NL Fund	Dec-00	Daily	2,223,035				
Stralem & Company Large Cap Core Account	Mar-06	Daily	2,484,972				
SSgA S&P Midcap 400 Index NL Fund	Jun-08	Daily	1,839,484				
CRM Midcap Value Instl Fund	Jun-08	Daily	1,712,680				
Geneva Mid Cap Equity Account	Aug-05	Daily	1,917,315				
Harris Associates International Value L.P.	Feb-03	Daily	4,966,634				Reds: 30 days notice
Artisan International Inv Fund	Dec-02	Daily	4,437,054				
Private Equity							
Landmark Equity Partners, XIV	Nov-09	Closed				95,542	
Private Equity Investment Fund, V	Jan-10	Closed				209,606	
Flexible Capital							
Archstone Market Neutral Strategies Fund, Ltd.	Jun-08	Monthly			9,272,647		Reds: 1-year lock, 90 days notice
Forester Offshore A2,B Ltd.	Jun-07	Quarterly		6,032,438			Reds: 3-year lock, 60 days notice
Fixed Income							
Income Research Convertibles	Oct-04	Daily	6,041,478				
Income Research TIPS	Jun-08	Daily	7,321,949				
Inflation Hedging							
Guggenheim Real Estate PLUS Trust	Jun-06	Quarterly				1,536,861	Redemptions Halted; Gated Distributions
T. Rowe Price New Era Fund	Jun-08	Daily	1,273,861				
TAP Fund, LTD	Aug-10	Monthly					Reds: 5 days notice
Liquid Capital							
Government Stif I5	Dec-01	Daily	1,194,343				
Total (\$)	53,637,500		35,412,805	6,032,438	9,272,647	1,842,009	
Total (%)	100.0		66.0	11.2	17.3	3.4	

Liquidity schedule based on managers' general redemption terms. Please contact your client service team for specific redemption information.

Redemption Terms		
Daily	35,412,805	66.0
Monthly	1,077,600	2.0
Quarterly	6,032,438	11.2
Annually	9,272,647	17.3
Illiquid	1,842,009	3.4
Total	53,637,500	100.0

Remaining Commitment (% of Total Fund)		
Landmark Equity Partners, XIV	1,146,250	2.1
Private Equity Investment Fund, V	995,483	1.9
Total	2,141,733	4.0%

Operational Detail

Manager	Vehicle Type	Latest Audited Financials	Auditor/Accountant	Legal Counsel	Custodian	Administrator	Transparency
SSgA S&P 500 Flagship NL Fund	Pooled	Dec-09	PricewaterhouseCoopers	SSgA Internal Legal Staff, Ropes and Gray LLP	State Street Bank and Trust Company	State Street Bank	High
Stralem & Company Large Cap Core Account	Separate	Dec-08	Eisner, LLP	Kramer Levin Naftalis & Frankel		Ultimus Fund Solutions, LLC	High
SSgA S&P Midcap NL Index	Pooled	Dec-09	PricewaterhouseCoopers	SSgA Internal Legal Staff, Ropes and Gray LLP	State Street Bank and Trust Company	State Street Bank	High
CRM Midcap Value Instl Fund	Pooled	Jun-09	Ernst & Young LLP	Bingham McCutchen LLP	PNC Global Investment Servicing Inc.	PNC Global Investment Servicing (U.S.), Inc.	High
Geneva Mid Cap Equity Account	Separate	N/A	Kohler & Franklin	Croen & Barr		N/A	High
Harris Associates International Value L.P.	Pooled	Dec-08	Deloitte & Touche LLP	Winston & Strawn LLP	State Street Bank and Trust Company	Harris Associates, LP	High
Artisan International Inv Fund	Pooled	Sep-09	Ernst & Young LLP	Ropes & Gray LLP	State Street Bank and Trust Company	Artisan Partners Limited Partnership	High
Landmark Equity Partners, XIV LP	Pooled	Dec-09	PricewaterhouseCoopers	Ropes & Gray LLP	Ropes & Gray LLP	N/P	High
Private Equity Investment Fund, V LP	Pooled	N/A	McGladrey & Pullen LLP	Ropes & Gray LLP	N/A	N/A	N/A
Archstone Market Neutral Strategies Fund, Ltd.	Pooled	Dec-09	Ernst & Young LLP	Willkie Farr & Gallagher LLP (US), Walkers (Cayman)	The Bank of New York Mellon.	SS&C Technologies, Inc.	High
Forester Offshore B, Ltd.	Pooled	Jun-09	Ernst & Young LLP	Ogier (Cayman)	BNY Mellon, Citco Bank and Trust Company Limited, JPMorgan Asset	Citco Fund Services	High
Income Research Convertibles	Separate	N/A	Grant Thornton LLP	Wilmer Cutler Pickering Hale & Dorr LLP	State Street Bank	N/P	High
Income Research Inflation Protected	Separate	N/A	Grant Thornton LLP	Wilmer Cutler Pickering Hale & Dorr LLP	State Street Bank	N/P	High
Guggenheim Real Estate PLUS Trust	Pooled	Dec-09	KPMG LLP	Goodwin Procter LLP	N/A	N/A	Medium
T. Rowe Price New Era Fund	Pooled	Dec-09	PricewaterhouseCoopers	Willkie Farr & Gallagher LLP	State Street Bank and Trust Company	T. Rowe Price Associates, Inc	High
TAP Fund, Ltd	Pooled	Dec-09	Rothstein, Kass & Company, P.C.	Cadwalader, Wickersham & Taft, LLP	N/A	Citco Fund Services (Curacao) N.V.	High

N/A: information not applicable. N/P: information not provided at the time of report creation.

Low Transparency: limited or no access to the investment team and limited disclosure of underlying portfolio holdings/components.

Medium Transparency: some access to the investment team and partial disclosure of underlying holdings/components.

High Transparency: access to the investment team and underlying portfolio holdings/components.

Transparency assessments may not be comparable across asset classes or vehicles, given the existence of differing industry practices and implementation methods.

Auditor, latest audited financials, and legal counsel data provided for separate accounts is that of the management firm and provided for informational purposes only. Separate accounts typically are not audited.

Information obtained from third party sources is believed to be reliable, however, the accuracy of the information is not guaranteed and is not subject to independent verification.

Data is as of the most recent calendar year end and updated annually. Excludes Private Equity Investment Fund

Fee Schedule

Fee Schedule as of September 30, 2010

Firefighters Retirement System

	<u>Fee Schedule</u>	<u>Assets Market Value</u>	<u>Projected Annual Fee (\$)</u>	<u>Projected Annual Fee (%)</u>
SSgA S&P 500 Flagship NL Fund	0.05% on assets managed Minimum Fee of \$7,500 Prorated with Midcap Index	\$2,223,035	\$3,227	0.15%
Stralem & Company Large Cap Core Account	0.80% on first \$5M	\$2,484,972	\$19,880	0.80%
SSgA S&P Midcap 400 Index NL Fund	0.08% on assets managed Minimum Fee of \$7,500 Prorated with S&P 500 Index & Passive Bond Market	\$1,839,484	\$4,273	0.23%
CRM Midcap Value Instl Fund	0.79% on assets managed	\$1,712,680	\$13,530	0.79%
Geneva Mid Cap Equity Account	.75% on first \$25M	\$1,917,315	\$14,380	0.75%
Harris Associates International Value L.P.	.95% on assets managed	\$4,966,634	\$47,183	0.95%
Artisan International Inv Fund	1.22% on assets managed	\$4,437,054	\$54,132	1.22%
Archstone Market Neutral Strategies Fund, Ltd.	1.50% on assets managed	\$9,272,647	\$139,090	1.50%
Forester Offshore A2,B Ltd.	1.00% on assets managed	\$6,032,438	\$60,324	1.00% *

*Does not include underlying manager fees

Fee Schedule

Fee Schedule as of September 30, 2010

Firefighters Retirement System

	<u>Fee Schedule</u>	<u>Assets Market Value</u>	<u>Projected Annual Fee (\$)</u>	<u>Projected Annual Fee (%)</u>
Landmark Equity Partners, XIV L.P. (\$1.25 MM Cmt'd)	Years 1-4 1.00% of Committed Capital Years 5-8 1.00% of Invested Capital Thereafter, fee's will be 90% of the prior year's fees	\$95,542	\$12,500	1.00%
Private Equity Investment Fund, V L.P. (\$1.25 MM Cmt'd)	1.75% on committed capital during investing period 1.75% on invested capital thereafter	\$209,606	\$21,875	1.75%
Income Research Convertibles	0.35% on assets managed	\$6,041,478	\$21,145	0.35%
Income Research TIPS	0.10% on assets managed	\$7,321,949	\$7,322	0.10%
Guggenheim Real Estate PLUS Trust	0.60% of Ending Market Value Plus 20% Relative Outperformance	\$1,536,861	\$9,221	0.60%
T. Rowe Price New Era Fund	0.69 on assets managed	\$1,273,861	\$8,790	0.69%
TAP Fund, LTD	1.25% less than \$1M 1.10% on \$1M-\$2.5M 1.0 on \$2.5M-\$5M 0.9% on \$5M-\$10M 0.75% on greater than \$10M	\$1,077,600	\$10,776	1.00%
Government Stif 15	--	\$1,194,343	--	--
Total Investment Management Fees		\$53,637,500	\$428,082	0.80%

Fee Schedule

Fee Schedule as of September 30, 2010

Firefighters Retirement System

	<u>Fee Schedule</u>	<u>Assets Market Value</u>	<u>Projected Annual Fee (\$)</u>	<u>Projected Annual Fee (%)</u>
State Street Bank & Trust Co.				
-Custody Fees	0.015% on assets custodied	\$53,637,500	\$8,046	0.015%
-Accounting Fees				
Separate Domestic Eq. Accts	\$4,000 each		\$16,000	
Separate Fixed Income Accts	\$5,000 each		\$5,000	
Mutual Funds/Pooled Accts	\$2,750 each		\$2,750	
-Accounting Fees				
Depository Trades	\$15.00 each		\$660	
Domestic Holdings > 150	\$60.00 each			
Paydowns	no charge			
Physicals	\$35.00 each			
Options or Futures	\$55.00 each			
Outgoing Wires	\$7.50 each		\$30	
Expense Checks	\$15.00 each			
Estimated Total SSBT fee:			\$31,796	
Total Fees		\$53,637,500	\$459,878	0.86%

Please Note: *Base Fee Only, Underlying Manager Fees not included

Peer Performance Comparison

Peer Performance Comparison as of June 30, 2010														
	1 Yr Rtn	%tile	3 Yr Rtn	%tile	5 Yr Rtn	%tile	5 yr Std Deviation	5 yr Beta	5 yr Correlation	YTD	2009	2008	2007	2006
	Returns													
TPBF Total Fund														
Market-Oriented Equity														
SSgA S&P 500 Flagship Fund NL	14.4	27	-9.8	56	-0.8	51	18.0	1.00	1.00	-6.7	26.5	-36.9	5.4	15.7
Stralem & Company Large Cap Core	14.8	25	-5.0	2	2.1	8	15.4	0.82	0.97	-6.0	20.4	-27.8	13.0	10.6
S&P 500 Index	14.4	27	-9.8	57	-0.8	50	18.1	1.00	1.00	-6.7	26.4	-37.0	5.5	15.8
Median	12.3	---	-9.6	---	-0.8	---	---	---	---	-7.8	27.2	-37.5	7.4	13.7
Midcap Equity														
SSgA S&P Midcap Index NL	24.7	22	-6.0	27	2.2	33	20.6	1.00	1.00	-1.5	37.2	-36.2	8.0	10.3
S&P Midcap Index	24.9	20	-5.9	27	2.2	33	20.6	1.00	1.00	-1.4	37.4	-36.2	8.0	10.3
Median	21.1	---	-8.4	---	1.1	---	---	---	---	-3.6	36.7	-40.8	10.0	12.7
Midcap Value Equity														
CRM Midcap Value Instl Fund	10.4	94	-8.8	49	1.3	35	17.3	0.72	0.95	-7.1	28.7	-35.1	10.4	17.2
Russell Midcap Value Index	28.9	14	-9.4	56	0.7	52	22.5	1.00	1.00	-0.9	34.2	-38.4	-1.4	20.2
Median	22.4	---	-9.1	---	0.7	---	---	---	---	-3.7	32.9	-36.5	2.7	16.6
Midcap Growth Equity														
Geneva Mid Cap Equity	21.2	42	-2.7	5	3.3	28	18.2	0.80	0.97	-0.8	37.1	-36.0	16.5	4.9
Russell Midcap Growth Index	21.3	41	-7.5	49	1.4	52	21.9	1.00	1.00	-3.3	46.3	-44.3	11.4	10.7
Median	20.6	---	-7.7	---	1.5	---	---	---	---	-3.9	39.2	-43.1	17.2	9.3
International Equity														
Harris Associates Intl Value L.P.	22.8	1	-7.7	5	4.8	6	24.6	1.00	0.94	-5.3	56.0	-42.1	-0.4	31.3
Artisan International Fund	7.7	37	-11.8	33	2.5	20	23.9	1.01	0.98	-14.6	39.8	-47.0	19.7	25.6
MSCI EAFE Net Index	5.9	58	-13.4	50	0.9	50	23.3	1.00	1.00	-13.2	31.8	-43.4	11.2	26.3
Median	6.4	---	-13.6	---	0.8	---	---	---	---	-12.2	29.9	-43.7	10.8	25.4

Tab III

Equity

	SSgA S&P 500 Flagship Fund	Stralem Large Cap Core	SSgA Midcap Fund	CRM Midcap Value	Geneva	Domestic Equity	Russell 3000
Composition							
# of Holdings	500	30	401	57	55	916	2,955
% Top 15 Holdings	25.2	60.8	9.9	41.9	38.6	18.4	20.3
% Top 25 Holdings	35.7	90.0	15.0	61.9	59.5	27.5	28.7
Characteristics							
Wtd Avg Mkt Cap (\$B)	78.4	86.5	3.3	10.1	6.4	41.7	63.7
Forecast P/E	12.4	11.8	15.6	12.8	19.2	13.7	13.0
Price To Book	2.1	2.1	2.0	2.0	3.7	2.2	2.1
Historical EPS Growth - 5 Year	5.1	5.8	7.8	1.4	17.6	7.5	5.4
Forecast EPS Growth - Long-Term	11.0	9.4	12.4	11.1	16.4	11.9	11.5
Yield	2.0	2.9	1.4	1.5	0.4	1.7	1.9
Beta	1.00	0.90	1.00	0.97	0.92	0.98	1.00
GICS Sectors (%)							
Energy	10.9	8.1	6.2	9.7	7.9	8.6	10.2
Materials	3.6	1.6	6.6	8.5	1.3	4.0	4.1
Industrials	10.8	26.1	15.1	11.7	22.8	17.7	11.4
Consumer Discretionary	10.5	4.1	14.2	13.8	20.2	12.0	11.3
Consumer Staples	11.3	15.2	4.0	8.3	4.6	9.2	9.7
Health Care	11.7	11.6	11.4	13.4	12.6	12.1	11.9
Financials	15.5	3.5	20.2	11.4	3.9	10.6	16.3
Information Technology	18.8	12.6	15.8	13.7	26.7	17.4	18.5
Telecommunication Service	3.2	0.0	0.8	0.0	0.0	0.9	3.0
Utilities	3.6	17.3	5.9	9.5	0.0	7.7	3.7
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Market Capitalization (%)							
Large (\$15.0B-Above)	78.0	89.0	0.0	20.2	3.0	42.7	63.4
Mid/Large (\$7.0-15.0B)	14.8	11.0	5.9	48.6	34.8	21.7	13.4
Mid (\$1.0-7.0B)	7.2	0.0	91.4	31.2	62.3	35.1	19.1
Small/Mid (\$0.5-1.0B)	0.0	0.0	2.6	0.0	0.0	0.5	2.3
Small (\$0.0-0.5B)	0.0	0.0	0.0	0.0	0.0	0.0	1.8
Other	0.1	0.0	0.0	0.0	0.0	0.0	0.0

Data for Period Ended September 30, 2010

- Source for All Data: Thomson Portfolio Analytics

- Forecast EPS Growth - Long-Term is the value weighted mean of all portfolio stocks' median annualized growth forecasts (5 years)

- Beta is the valued weighted mean of all portfolio stocks' forecast betas relative to a portfolio specific benchmark

Equity

	Harris Intl. Value	Artisan Intl. Fund	Total International	MSCI AC World X USA	Total Equity	MSCI AC World
Composition						
# of Holdings	57	81	127	1,819	1,042	2,410
% Top 15 Holdings	42.6	40.6	28.7	11.7	13.9	10.5
% Top 25 Holdings	62.8	56.6	42.4	16.6	20.9	15.2
Characteristics						
Wtd Avg Mkt Cap (\$B)	35.5	39.5	37.7	43.0	39.8	56.3
Forecast P/E	13.5	12.9	13.2	12.0	13.5	12.2
Price To Book	1.5	1.9	1.7	1.5	1.9	1.7
Historical EPS Growth - 5 Year	-8.0	5.0	-2.0	2.2	3.1	3.6
Forecast EPS Growth - Long-Term	15.0	16.1	15.5	15.5	13.6	13.6
Yield	2.6	1.9	2.3	2.7	2.0	2.4
Beta	1.03	0.95	1.01	1.00	0.99	1.00
GICS Sectors (%)						
Energy	0.0	0.0	0.0	10.4	4.5	10.7
Materials	4.4	6.7	5.5	12.2	4.7	8.6
Industrials	21.1	16.7	19.0	10.5	18.3	10.6
Consumer Discretionary	21.7	19.5	20.6	9.0	16.1	9.7
Consumer Staples	12.2	15.7	13.8	9.0	11.4	9.8
Health Care	4.8	5.4	5.1	6.1	8.7	8.5
Financials	24.0	24.8	24.4	25.7	17.2	21.2
Information Technology	11.8	9.4	10.7	6.4	14.2	11.7
Telecommunication Service	0.0	1.4	0.6	6.1	0.8	4.9
Utilities	0.0	0.4	0.2	4.5	4.1	4.1
Other	0.0	0.0	0.0	0.0	0.0	0.0
Market Capitalization (%)						
Large (\$15.0B-Above)	45.4	65.6	55.9	65.1	49.1	69.0
Mid/Large (\$7.0-15.0B)	40.7	29.5	35.4	18.2	28.3	17.4
Mid (\$1.0-7.0B)	12.5	4.9	7.9	16.5	22.0	13.5
Small/Mid (\$0.5-1.0B)	1.2	0.0	0.6	0.1	0.6	0.0
Small (\$0.0-0.5B)	0.2	0.0	0.1	0.1	0.1	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0

Data for Period Ended September 30, 2010

- Source for All Data: Thomson Portfolio Analytics

- Forecast EPS Growth - Long-Term is the value weighted mean of all portfolio stocks' median annualized growth forecasts (5 years)

- Beta is the valued weighted mean of all portfolio stocks' forecast betas relative to a portfolio specific benchmark

Non-U.S. Equity

Regional Allocation (%)	Harris Intl. Value	Artisan Intl. Fund	Total International	MSCI AC World X		Total Equity	MSCI AC World
				USA			
Japan	21.7	4.1	13.4	14.5		6.4	8.5
United Kingdom/Ireland	18.2	13.4	15.9	15.0		7.7	8.9
Continental Europe	50.0	49.5	49.8	29.6		23.9	17.4
Southeast Asia	0.0	15.8	7.4	3.5		3.6	2.1
Australia/New Zealand	4.2	1.8	3.1	6.0		1.5	3.5
Canada	1.2	2.8	1.9	7.6		1.1	4.5
U.S.	0.0	2.7	1.3	0.0		52.1	41.3
Emerging Asia	2.0	9.2	5.4	13.1		2.6	7.8
Emerging Europe/Mideast/Africa	0.2	0.6	0.4	4.9		0.3	2.9
Latin America	2.6	0.0	1.4	5.7		0.7	3.3
Other	0.0	0.0	0.0	0.0		0.0	0.0

Data for Period Ended September 30, 2010

- Source for All Data: Thomson Portfolio Analytics

Regional Allocation (%)	Total Equity	MSCI AC World
Domestic	52.1	41.3
International	47.9	58.7
<i>Developed Markets</i>	44.3	44.7
<i>Emerging Markets</i>	3.6	14.0
Other	0.0	0.0

Data for Period Ended September 30, 2010

- Source for All Data: Thomson Portfolio Analytics

Hedge Strategies

	Archstone Market Neutral Strategies, Ltd.	Forester Offshore Fund, Ltd. ⁽¹⁾	Total Leveraged Portfolio	
Market Value	\$9,273	\$6,032	\$15,305	
% of Total Managed Portfolio (\$53.6 mm)	17.3	11.2	28.5	
Market Exposure (%)				
Gross Long %	100.8	93.0	97.7	
Gross Short %	38.4	61.0	47.3	
Net %	62.4	32.0	50.4	
Total Gross	139.2	154.0	145.0	
Strategy Weights (%)				
L/S Equity	21.3	92.5	49.4	
L/S Credit	23.4	0.0	14.1	
Event-Driven	6.6	0.0	4.0	
Distressed	18.3	0.0	11.1	
Special Situations	6.6	0.0	4.0	
Relative Value	8.2	0.0	5.0	
Macro	0.0	0.0	0.0	
Other/Cash	15.8	7.5	12.5	
Geography (%)				
U.S. & Canada	61.7	77.5	68.0	
Developed Europe	26.8	7.5	19.2	
Asia	7.5	7.5	7.5	
Emerging Markets	3.9	7.5	5.3	
Other	0.0	0.0	0.0	
Top 10 Long Holdings/Managers				
	Manager	% of Portfolio	Manager	% of Portfolio
	YORK (CREDIT OPP)	10.1	BROOKSIDE	6.3
	DAVIDSON KEMPNER	10.0	KENSICO	6.3
	OZ OVERSEAS	9.6	SAMLYN	6.3
	ELLIOTT INTERNATIONAL	9.5	VIKING	6.3
	TACONIC	9.5	BRIDGER	3.8
	FIR TREE	9.4	COATUE	3.8
	KING STREET CAPITAL	9.3	GLENHILL	3.8
	ETON PARK	9.0	HOPLITE	3.8
	FARALLON	8.4	JOHO	3.8
	MASON CAPITAL	7.3	LANSDOWNE	3.8

Data for Period Ended September 30, 2010

- Portfolios with incomplete data are excluded from the Total Leveraged Portfolio calculations.

- Top holdings are reflected as of current quarter end when provided by the manager. Otherwise, holdings are based on 13Fs with a quarter lag, when applicable.

The 13F reflects top equity holdings as a percentage of total equity holdings at the firm level.

- Market Values in '000s.

⁽¹⁾ Strategy allocation and exposure information based on manager estimates. Underlying manager allocations are based on averages of estimated portfolio ranges provided by manager; underlying managers with the same average percentage allocation are listed alphabetically. Geographic exposure excludes cash.

Fixed Income

	IRM TIPS ⁽¹⁾	BC US TIPS ⁽²⁾
Portfolio Characteristics		
Yield	2.0	1.9
Average Maturity	9.2	9.3
Effective Duration	7.8	4.9
Quality Breakdown		
AAA	99.9	100.0
AA	0.0	0.0
A	0.0	0.0
BAA	0.0	0.0
BA and Below	0.0	0.0
NR/Other	0.1	0.0
Sector and Sub-Sector Breakdown		
U.S. Treasury	99.9	100.0
U.S. Government Related	0.0	0.0
Non-U.S. Sovereign/Agency	0.0	0.0
Investment Grade Corporate	0.0	0.0
<i>Industrials</i>	0.0	0.0
<i>Utility</i>	0.0	0.0
<i>Financials</i>	0.0	0.0
High Yield	0.0	0.0
Non-U.S. Dollar	0.0	0.0
Emerging Market Debt	0.0	0.0
MBS	0.0	0.0
<i>MBS - Agency</i>	0.0	0.0
<i>MBS - Non-Agency</i>	0.0	0.0
CMBS	0.0	0.0
ABS	0.0	0.0
Municipal	0.0	0.0
Cash	0.1	0.0
Other	0.0	0.0

Data for Period Ended September 30, 2010

"AAA" includes U.S. Treasury securities as they are direct obligations of the U.S. government; however, it should be noted that Treasury issues are not rated by an independent rating agency.

⁽¹⁾ Yield represents Current Yield.

⁽²⁾ Yield represents Current Yield

Fixed Income

	IRM ⁽¹⁾	Merrill Lynch Convertible
Portfolio Characteristics		
Yield	-1.1	-1.6
Average Maturity	10.6	10.6
Effective Duration	1.3	1.6
Delta	0.4	0.4
Investment Premium	16.0	18.4
Conversion Premium	46.0	48.6
Quality Breakdown		
AA and Above	5.4	10.0
A	41.5	37.3
BAA	47.7	52.7
BA	0.0	0.0
B and Below	0.0	0.0
NR/Other	5.4	0.0
Sector Breakdown		
Basic Industry	9.1	5.0
Capital Goods	4.6	4.5
Communications	0.0	5.0
Consumer Cyclicals	0.8	3.0
Consumer Non-Cyclical	28.1	28.5
Energy	12.9	9.5
Technology	11.9	19.8
Transportation	1.0	2.2
Other Industries	0.0	0.0
Utility	2.6	2.1
Financial	25.5	20.4
Other	3.5	0.0

Data for Period Ended September 30, 2010

"AA and Above" includes U.S. Treasury securities as they are direct obligations of the U.S. government; however, it should be noted that Treasury issues are not rated by an independent rating agency.

⁽¹⁾ NR/Other 5.4% includes 3.5% Cash.

Inflation Hedging

T. Rowe Price New

Era ⁽¹⁾ The Tap Fund ⁽²⁾

Sector Breakdown		
Energy	60.6	31.7
Industrial Metals	7.7	18.5
Precious Metals	0.0	14.4
Agriculture/Livestock	0.0	35.4
Other	31.7	0.0

Data for Period Ended September 30, 2010

⁽¹⁾ Portfolio Sector Weights Cash/Other includes; 24.11% Materials, 3.31% Utilities, 1.23% Financials, 0.88% Information Technology and 2.12% Other & Reserves. Index Sector Weights Cash/Other includes; 18.78% Information Technology, 15.65% Financials, 11.64% Health Care, 11.28% Consumer Staples, 10.42% Consumer Discretionary, 3.65% Utilities, 3.54% Materials and 3.24% Telecommunication Services.

⁽²⁾ Portfolio and Index sector weights; Agriculture/Livestock includes Foods & Fibers.

Tab IV

Performance Highlights

Equity

- Stralem was up 10.5% during the third quarter versus a gain of 11.3% for the S&P 500 Index. The strategy generated positive relative performance through the first two months of the quarter, but lagged the benchmark by close to 200 basis points in September, given a beta driven rally that favored lower quality stocks. Slight relative underperformance on the quarter was largely attributable to underperformance from their technology names (they have been adding to these positions) as well as brand label consumer names such as Kellogg and Procter & Gamble that failed to keep pace with the broader market. Activity during the quarter mostly consisted of adds and trims; with the only outright sale being the elimination of Avon Products, with the proceeds invested in CVS Caremark. Within the up-market buckets, dominant companies were generally the best performers, while new industries struggled. Strong performers within the dominant companies bucket included Caterpillar (+32%), Emerson Electric (+21%), and McDonald's (+14%). Stralem has taken gains and trimmed some of its exposure to industrials. Down market stocks, particularly utilities, failed to keep pace during the market rally in September, but continue to serve their role of offering downside protection.
- Michael Alpert joined the firm during mid-August in the capacity of a more senior portfolio manager. Alpert had previously been at J&W Seligman from 1999 through 2010 where he was a Portfolio Manager, and Head of the Small Company Growth Team. Prior to joining Seligman, he spent eight years at Anderson Consulting, where he was Manager of the Communications Industry Group. He earned his MBA from the University of Pennsylvania.
- Cramer Rosenthal McGlynn's Mid Cap Value strategy gained 13.9% in the third quarter outpacing the Russell Midcap Value Index which appreciated 12.1%. Strong relative performance was driven by CRM's stock selection. Information technology, which contributed to CRM's underperformance in the first half of 2010, was a significant contributor to the strategy's third quarter outperformance. CRM maintains its overweight to the sector with an emphasis on strong balance sheets and exposure to the potential catalyst of enterprise spending. Within financials, insurer XL Group was a standout, having issued a positive earnings report for the second quarter. CRM's financials exposure has declined, especially in more credit sensitive areas, given concerns over the potential impact of proposed legislation on profitability. Selection was also strong across the consumer discretionary, business services, and industrials sectors. Air Products, which struggled in the first half of the year after announcing a hostile bid for Airgas, was a top contributor within industrials, as the firm saw three of its directors voted to Airgas' board, and the firm confirmed strong business momentum. Conversely, an overweight to, and adverse stock selection within health care, where valuations have allowed CRM to build some high conviction (top ten) positions, were detractive during the quarter. CRM advises that the firm has largely let valuations dictate the positioning of the portfolios. More recently CRM has reduced financials exposure in favor of information technology and health care which have been relative laggards. However, outside of trading around positions in response to market volatility, CRM has not made any major shifts within the portfolio.

Performance Highlights

Equity (cont'd)

- During the third quarter, Geneva Mid Cap Growth underperformed the Russell Midcap Growth Index, which rose 14.7%. From a factor perspective, an underweight to high beta stocks was a key headwind. Other factors, such as market cap, P/E, and earnings growth, did not meaningfully impact performance. In terms of performance attribution, allocation had a modest negative impact. Most of the underperformance was due to stock selection in consumer discretionary. Within that sector, Strayer Education and Urban Outfitters were key detractors. Strayer sold off, along with its for-profit education peers, due to concerns about a Department of Education review into defaulted loans within the industry. Investors are concerned that Federal financial aid may be withheld if enrollment procedures are found to be lax. Urban Outfitters reported weaker than expected September same-store sales and the market is concerned that Urban will report a weak holiday season. Geneva feels that Urban's outlook remains strong due to overseas expansion. Other than consumer discretionary, there were no other detractors. Stock selection was strong in consumer staples after Unilever announced a deal to acquire Alberto Culver. Among information technology stocks, Citrix and Cognizant were key contributors. Citrix has a new desktop application that has experienced higher than expected adoption rates. Cognizant's financial services division has experienced strong growth. Another contributor was Micros, a hospitality-focused software company that is benefiting from an uptick in lodging activity.
- Geneva feels that the economy will experience modest GDP growth, but feels that they are well positioned in companies that are poised to outperform. There were no significant shifts in sector weights. The strategy remains overweight industrials, energy, and technology, and underweight materials, financials, and telecom services. There was some activity. Within energy, Geneva sold natural gas company Southwest Energy in favor of oil-focused Concho Resources. In health care, the team swapped out of Covance due to big pharma spending cuts and redeployed proceeds into SXC, a rules-based medical payment processor that links payors and providers. Lastly, the team sold Adobe and Morningstar. Adobe was sold due to a weaker than expected new product cycle and Morningstar sold because solid top-line performance is not leading to bottom-line growth.

Performance Highlights

Equity (cont'd)

- Harris International Equity advanced 14.0% over the third quarter, trailing the 16.4% return of the MSCI EAFE Value Index. Changes to the portfolio were minimal during the quarter. Harris sold out of Moët Hennessey Louis Vuitton and British Sky Broadcasting while adding a position in Australian-based packaging firm Amcor. The portfolio remained heavily weighted to the consumer industries, with an emphasis on luxury goods and retail names. Industrials were, again, a key overweight in the portfolio, where meaningful positions in Brambles, ASSA ABLOY, and Experian added value over the quarter. Financials exposure was derived, primarily, of larger European financials, with a focus on companies that have attractive private wealth businesses and considerable market shares. At quarter-end the strategy held no exposure to the energy, telecom and utilities sectors. Regionally Harris continued to focus on opportunities in developed markets, particularly in continental Europe. While the team acknowledges the growth opportunities within emerging markets, they feel that valuations are not attractive enough to pursue. Japan a modest overweight at quarter-end, where the team favored financial and automotive names.
- Artisan's International Fund gained 16.6% in the third quarter, performing in line with the MSCI EAFE Index, which returned 16.5%. The investment team continued to build the portfolio around the secular growth themes of changing demographics, particularly with respect to the developing middle class in emerging nations, as well as improved technology, the privatization of economic resources and outsourcing. While direct emerging markets exposure stood at approximately 11% at quarter-end, many of Artisan's holdings that are domiciled in the developed world (particularly Europe) are meaningfully exposed to emerging markets growth. As the team gained clarity into the evolving regulatory environment and new minimum capital requirements abroad, they decided to trim exposure to European financials. Among the holdings affected were HSBC, Intesa Sanpaolo and BNP Paribas, all of which were reduced, while the Fund's position in Credit Agricole was sold. Over the quarter Artisan focused on growth opportunities in China and Hong Kong. Specifically, Artisan added names in the property development industry, which the team anticipates will benefit from structural tailwinds going forward. Notable additions to the portfolio included Sun Hung Kai Properties, Cheung Kong Holdings, and China Resources Land. Regionally the Fund remained significantly underweight Japan relative to the Index, though a meaningful position in Softbank Corp. was added during the quarter. Direct emerging markets exposure is primarily in China, where Artisan continued to favor financials and technology companies.

Performance Highlights

Private Equity

- Landmark Equity Partners XIV (LEP XIV) held its final close during the first half of 2010 with aggregate commitments of \$1.9 billion. The Fund commenced operations on August 12, 2008 with a mandate to construct a diversified private equity portfolio of venture capital, buyout, and mezzanine assets through secondary market transactions. Since inception, the Fund has called \$158.7 million from the partnership to fund seven secondary transactions and an additional \$18.2 million to fund three primary investments. The Fund's seven secondary transactions represent 64 partnerships representing 35 sponsor relationships and 819 underlying company investments. Through quarter-end, the Fund had invested or committed to invest, \$234.9 million or 12.2% of committed capital. During the first half of 2010, the Fund received distributions totaling \$3.7 million from two underlying partnerships, bringing cumulative distributions since inception to \$23.2 million. Management has continued to state that the current pipeline of opportunities for LEP XIV is robust and represent a large supply of deals with a diverse group of sellers with attractive private equity assets for sale. The investment team continues to look for transactions that involve seasoned assets where Landmark can apply creative structures to provide downside protection.

Flexible Capital

- Archstone Market Neutral was up 2.0% in the third quarter versus a gain of 2.2% for the HFRI FOF Conservative Index. Year to date, the Fund was up 4.8% versus 2.4% for the Index. According to Archstone, multi strategy funds are all focused on shorter-dated event activity in harder catalyst situations, and have had more muted performance as a result. Many funds have been talking about increased merger activity for some time but they are saying that spreads are still tight, except for in some bidding war situations. OZ was excited but has been taking down exposure there. York's flagship fund is expected to participate pretty heavily if and when the opportunity set increases. Some increased visibility could be expected from the elections in November. The expectation is that the Republicans win and Government will be limited from interfering. This is viewed as a positive because it will at least remove the threat of actions the market may not like. Mason is a newer position in the Market Neutral Fund but since there are 11 managers they can't all be 10% positions, so Mason (6%) is smaller for now. There has been little in the way of manager changes lately. Archstone's plans to build and launch an International focused multi-strategy fund have been put on hold. The Firm has a backlog of ERISA dollars, and so the effort to get an ERISA fund established have been a priority. Those plans have also been pushed back and Archstone expects to launch that on January 1, 2011. Eric Mindich and Steve Mandell will be the speakers for the Fall Investors Meeting to take place on November 16th in NY at the Metropolitan Club from 11:30-2:30.

Performance Highlights

Flexible Capital (cont'd)

- Forester Partners gained 4.4% in the third quarter, bringing year-to-date gains to 0.9%. Many of Forester's equity managers entered the third quarter with modest net exposure and did not fully participate in the equity market rally, which saw the S&P 500 Index appreciate 11.3%. In addition, stock selection remains problematic for many as increased levels of volatility and equity market correlation, combined with greater emphasis on macro factors, have hindered the alpha generated through fundamental analysis. This was most evident for well-regarded managers, such as Kensico (3.1%), Viking (3.9%), Samlyn (3.8%), and Hoplite (2.0%), all of which underperformed their peers and were unable to add value above their net market exposure. However, the third quarter did produce some disparity in equity manager returns, with several managers reporting positive alpha and double-digit absolute returns due to a combination of stock selection and sector/regional concentration. Notable outperformers included TMT-focused Coatue (13.2%), growth manager HHR (15.4%), global diversified managers Brookside (7.7%) and Glenhill (7.2%), and Asia specialist Joho (6.3%). In addition, financials specialist Wellington Bay Pond reported a strong relative quarter as the financials sector meaningfully underperformed the broader market.

Performance Highlights

Fixed Income

- During the third quarter of 2010, the Income Research & Management Investment Grade Convertible composite modestly underperformed the BofA ML U.S. Investment Grade Convertible Bond Index, which rose 5.7%. A key feature of the IRM portfolio is its preference for convertibles with bond-like characteristics rather than those with higher equity market sensitivities. During the third quarter, equity markets rallied, which created a headwind for the strategy. In addition to having less equity market sensitivity, the strategy has a significant underweight to BBB-rated convertibles which outperformed the firm's higher quality counterparts by a wide margin. From an attribution perspective, credit selection in consumer staples, financials, and materials detracted from returns while selection in health care was additive. At the end of the quarter, the portfolio looked more neutral rather than defensive or economically sensitive. While it maintained overweights to consumer staples and utilities and underweights to technology and consumer discretionary, it also had an overweight to materials, an economically-sensitive sector. It still had a somewhat defensive bias with overweights to consumer staples and utilities and underweights to technology. However, it moved from an underweight to an overweight in financials and from an overweight to an underweight in health care. The portfolio did maintain a quality bias with 60% of the portfolio invested in A-rated securities or higher, compared to 50% for the benchmark. In addition, it maintained its preference for bond-like convertibles rather than equity sensitive issues.
- The Income Research Full TIPS composite modestly outperformed the Barclays Treasury Inflation-Protection Securities 1-10 year Index, which gained 1.9%. A primary driver of performance was the portfolio's overweight to intermediate to long maturity TIPS. Real yields declined across the curve, with the sharpest declines occurring in intermediate to long-maturity segments. Unlike last quarter, having an underweight to on-the-run TIPS with lower index ratios did not detract from performance. With little CPI inflation accruals expected for the third quarter, off-the-run TIPS with higher index ratios (a measure of the accrued inflation adjustment to principal) tend to underperform on-the-run TIPS. From a maturity range perspective, TIPS in the 10-20 year and 7-10 year segments outperformed shorter dated counterparts by a significant factor. Inflation expectations slightly fell with the Five and ten year breakeven inflation ended the quarter at 1.4% and 1.8%, respectively, compared to 1.6% and 1.9%, respectively, at the end of the previous quarter. As a result of a drop in breakeven expectations, TIPS underperformed their nominal Treasury counterparts across all maturities. There were no major shifts in positioning. The strategy is roughly duration neutral to the benchmark but is underweight the front-end of the curve and overweight the back-end. The team typically looks for TIPS with yield advantages and tends to overweight off-the-run securities. While the portfolio is still overweight these instruments, it is less so.

Performance Highlights

Inflation Hedging

- The Guggenheim PLUS Partnership returned an estimated 7.3% for the third quarter; as REITS performed positively, returning 12.8%, and the private portfolio saw some modest appreciation. At quarter-end, the Fund was 50% leveraged on a look through basis, with 69% exposure through private investments and 31% through public securities. The strategy also made a partial redemption payment at quarter end of approximately 10%. Remaining outstanding redemption requests roll over to the next quarter-end; December 31, 2010. REIT performance and liquidity in the financing market has allowed the portfolio to lower leverage, re-balance sector weightings and re-finance debt maturing in the near term. 50% is the lowest leverage level for the portfolio since the financial crisis, and sector weightings are nearer to target, through the private portfolio continues to carry an overweight to office leading to an overall weight of 40.9% vs. a 32% target. Apartment weighting is 15.8% vs. a target of 20%, retail 18.9% vs. a 24% target, and industrial 25.1% vs. a 24% target. Guggenheim reports that, of the \$147.9 million of 2010 maturing debt, only \$37.9 million remains to be re-financed. A larger amount (\$400+ million) remains to be financed in 2011; however, market liquidity and REIT performance have enabled the portfolio to lessen some of the liquidity pressures faced during the crisis.
- T. Rowe Price New Era increased 17.6% in the third quarter and outperformed the 12.6% return of the S&P/GS Natural Resources Index. The top performance contributors for the quarter were holdings in agriculture, nonferrous metals, and coal. The T. Rowe Price team continues to focus on quality oil producers and oil & gas equipment, and service companies. In addition, they like international natural gas producers, engineering and construction firms, as well as agricultural firms. T. Rowe Price believes that, at current valuations, the natural resources sector does not fully reflect the positive long term environment, and remains constructive on the long term favorable cycle for resource investing.
- The TAP Fund advanced 12.3% in the third quarter and outperformed the 11.6% return of the Dow Jones-UBS Commodity Index. A meaningful underweight to natural gas contributed positively to performance in addition to overweights in crude oil and Brent crude. Natural gas futures declined 21.5% for the quarter and TAP holds half the Index weight, which significantly boosted returns. TAP has 5.5% allocated to Brent crude, which finished up 7.6% for the quarter and contributed to performance. Agriculture commodities detracted from performance, particularly corn and wheat. The fund is significantly underweight corn, which closed 31.6% higher and hurt performance. Gold continued to post gains for the year as gold future increased 4.8% in the third quarter. TAP's approximate market weight added to returns. It is important to note that overweights and underweights relative to the Index are not tactical positions implemented by Gresham, but rather an outcome of the firm's weighting scheme completed at the beginning of each calendar year. Gresham's weighting scheme relative to the Index typically leads to overweights in global production commodities (energy industrials, and livestock) and underweights in the remaining commodity sectors (foods, fibers, agriculture, and precious metals). Typically, Gresham achieves 70% of its returns from contract implementation and the remaining 30% from commodity weighting.

Manager Profiles

Landmark Equity Partners XIV L.P.

September 30, 2010

Firm Details: Landmark Partners

Total Assets (\$ mil.):	\$7,500	Key Investment Professionals:	
Style:	Secondary	Investment Committee:	
Year Founded:	1989	Franciso Borges, President, CEO, and Managing Partner - directs strategic planning and investment activities.	
Location:	Simsbury, CT	Timothy Haviland, COO and Managing Partner - responsible for all financial matters and oversees investment activities and management of funds.	
Ownership:	Employee Owned	James McConnell, Partner - responsible for transaction origination, valuation, and negotiation of private equity investments.	
		Robert Shanfield, Partner - responsible for private equity transaction origination and oversight of secondary investment program.	
		Chad Alfeld, Partner - involved in investor relations, marketing, and transaction origination of alternative investments.	
		Scott Conners, Partner. - engaged in transaction origination, underwriting, and negotiation of private equity investments.	

Investment Objective, Philosophy/Process, and Assessment

Objective: The Fund intends to construct a diversified private equity portfolio for venture capital, buyout, and mezzanine asset through secondary market transactions.

Strategy: The Fund will acquire portfolios of private equity limited partnership interests in addition to minority positions in direct private equity investments (from institutional holders seeking liquidity). Landmark will seek positions in the U.S. and non-U.S. private equity investments. The Fund will work toward completing a negotiated transaction with the seller, as opposed to participating in an auction process. The portfolio will be primarily constituted of middle market transactions, where Landmark feels there is a more robust and attractive number of deals. However, the firm retains the ability to opportunistically participate in both large portfolio restructurings and small one-off sales. Historically, Landmark secondary funds have been comprised on a cost basis of 65% buyout, and 25% venture, and 10% mezzanine. In order to support the Partnership's secondary market activities, the Partnership may make investments in newly-formed private equity partnerships up to an aggregate amount not to exceed 10% of the total committed amount. It is expected that the Fund will be fully invested within a three-year time frame, and distributions will be made quarterly with the expectation of returning 100% of capital within three to five years.

Assessment: Landmark's secondary private equity funds have historically produced top quartile performance at substantially lower costs than the industry average. Landmark is a very experienced organization with over 14 years focusing on secondary private equity business. Because of a long track record, the firm is able to leverage long relationships in the private equity industry to negotiate attractive prices with sellers, often achieving discounts substantially below reported asset values. Assessment: Landmark's secondary private equity funds have historically produced top quartile performance at substantially lower costs than the industry average. Landmark is a very experienced organization with over 14 years focusing on secondary private equity business. Because of a long track record, the firm is able to leverage long relationships in the private equity industry to negotiate attractive prices with sellers, often achieving discounts substantially below reported asset values.

Update: Landmark will accept commitment amounts of \$1 million from Prime Buchholz clients.

Vehicle Information:

Year Partnership Formed:	2007	Carried Interest:	Class A-10% Class B-15%
Fund Size:	\$1.9 Billion	Hurdle Rate:	8%
Fund Style:	Secondary	Additional Expenses:	Organizational (up to \$750,000)
Number of Investments:	N/A	Partnership Term:	10 years from end of investment period
GP Commitment:	1% of total subscriptions	Reporting:	Annual (audited), quarterly (unaudited)
Minimum Investment:	\$10 Million (flexible)		
Management Fee:	See above		

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Sample Portfolio Characteristics

Operational Detail;

Prime Broker:	N/A
Administrator:	N/A
Auditor:	PricewaterhouseCoopers
Legal Counsel:	Ropes & Gray LLP
Custodian:	N/A
Latest Audited Financials:	12/31/2009
Transparency:	High

Fee Schedule:

	Class A	Class B	Basis
Years 1-4	1.0%	0.85%	Committed Capital
Years 5-8	1.0%	0.85%	Invested Capital

Thereafter, fees will be 90% of the prior year's fees

Manager Profiles

Archstone Market Neutral Strategies Fund, Ltd.

September 30, 2010

Firm Details: Archstone Partners

Total Assets (\$ mil.):	\$4,720	Key Investment Professionals:	- Alfred Shuman - Founder. BA from Harvard ('61) and MBA from Harvard Business School ('63). Serves as Trustee of various non-profit and educational organizations.
Style:	Absolute Return - Market Neutral		
Assets in Style (\$ mil.):	\$407		
Year Founded:	1991		
Location:	New York, NY		- Joe Pignatelli - President of Archstone Funds. Over 15 years experience in investment management. Oversees all manager analysis, asset allocation, and coordination of legal/financial issues. Bachelors from Pace University and Masters from Baruch College.
Ownership:	Alfred Shuman 80%; Balance in declining order: Stanley Shuman; Richard Nye; Steven Kotler; Stephanie Shuman; Joseph Pignatelli; David Parker; John Marshall		-David Parker - COO and Chief Compliance Officer. BS from University of Texas and MBA from Harvard Business School. Duties include all management-related issues, strategy, planning, and governance.
Registration:	SEC		
GP Capital:	\$3 million (as of 6/30/2010)		Other investment professionals include Mark Smith, Barbara Barlick, Matt Hess, Kevin Jorlin & Edgar Smith.

Investment Objective, Philosophy/Process, and Assessment

Investment Objective: The Fund's primary objective is to consistently earn positive returns regardless of the direction of the market.

Philosophy/Process: The Fund seeks to achieve its objective by employing a diversified group of managers and strategies that have a low correlation to traditional broad markets. The Fund's volatility seeks to approximate that of the U.S. fixed income markets. Hedge funds that have relatively conservative investment strategies are generally preferred. Relative value and non-directional strategies are emphasized, along with event driven and distressed investing. Specific strategies employed by the underlying managers (ten to twenty) include convertible arbitrage, merger arbitrage, statistical arbitrage, event driven, and fixed income arbitrage (allocations are listed to the right). Archstone requires that its underlying managers have at least \$5 million invested in the Fund and that the invested amount represents at least 50% of the managers' net worth. Leverage may be employed by the underlying managers, but is for the most part used rarely and for operational purposes at the fund level.

Assessment: We believe Archstone has a strong and experienced team. Based on our research of hedge funds, we believe the Fund consists of high quality underlying hedge funds. This Fund may be more concentrated than some other fund-of-funds and Archstone is willing to size up their high conviction managers. The firm has been able to leverage long-standing relationships in the hedge fund industry that can often lead to early access to new managers. Archstone provides full transparency, including manager names and allocations, exposures, and detailed quarterly letters.

Sample Portfolio Characteristics

Underlying Funds	Alloc %	Strategy
York Credit Opportunities Unit Trust	10	Multi-Strategy
Davidson Kempner International, Ltd.	10	Multi-Strategy
Elliott International, Ltd	10	Multi-Strategy
Och Ziff Overseas Fund, Ltd.	10	Multi-Strategy
Taconic Offshore Fund I.S, Ltd.	10	Multi-Strategy
Fir Tree Capital Opportunity Fund II, Ltd.	9	Multi-Strategy
King Street Capital Ltd.	9	Multi-Strategy
Eton Park Overseas Fund, LTD	9	Multi-Strategy
Farallon Capital Offshore Investors, Inc.	8	Multi-Strategy
Mason Capital, Ltd.	7	Multi-Strategy
Silver Point Capital Offshore Fund, Ltd.	7	Multi-Strategy

Vehicle Information:

Inception:	January 2002	3c1/3c7:	3c7
Assets (\$ mil.):	\$407	Subscriptions:	Monthly (1mm min for PBA)
Minimum Account Size:	\$2,500,000	Redemptions (notice):	12/31 with 90 days notice
Management Fee:	1.5%, Underlying Manager Fees	Lock-up:	One year
Profit Allocation:	None	ERISA Capacity:	Yes
Highwater Mark:	No	Prime Broker:	N/A
Hurdle Rate:	NA	Administrator:	SS&C Technologies, Inc.
UBTI:	No	Auditor:	Ernst & Young LLP
Additional Expenses:	legal, audit, accounting	Legal Counsel:	Willkie Farr & Gallagher LLP (US), Walkers (Cayman)
Additional Vehicles:	NA		

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Manager Profiles

Forester Offshore, Ltd.

September 30, 2010

Firm Details: Forester Capital

Total Assets (\$ mil.):	\$2,715	Key Investment Professionals:	Trent Carmichael - Prior to founding Forester Capital, Mr. Carmichael was with Tiger Management from 1996 to 1999, Nelson Capital Management from 1991-1994 and Donaldson, Lufkin and Jenrette from 1988-1990. Mr. Carmichael has a Master's degree in Management from the Kellogg School and a BA in Economics from Duke University. He has obtained the Chartered Financial Analyst designation.
Style:	Directional Hedge FOF		
Assets in Style (\$ mil.):	\$1,540		
Year Founded:	1999		
Location:	Greenwich, CT		
Ownership:	Employee Owned		Fritz Fortmiller - Mr. Fortmiller joined Forester in 2006. Prior to Forester, he worked at Cambridge Associates from 1999-2005 as a Specialist Consultant, Research Consultant and Associate. Prior to that, he founded Turnbuckle Records and worked as a Paralegal Specialist in the U.S. Attorney's Office. BA in Philosophy from Yale University. He has obtained the Chartered Financial Analyst designation.
Registration:	No		
GP Capital:	Aligned		

Investment Objective, Philosophy/Process, and Assessment

Objective: Seeks to achieve medium to long-term returns that are superior to the broad market averages while assuming less risk.

Philosophy/Process: Diversification will be achieved through investment in managers that have different expertise in industry sectors, cap sizes, or geographical areas. Forester looks for managers who have a demonstrated track record, have the ability to generate both long and short ideas, and have a significant amount of their own net worth in their fund. Individual managers are limited to 25% of overall portfolio. Forester may invest up to 10% in an affiliated fund. The fund does not invest in managers who specialize in currencies, bonds or commodities.

Assessment: Based on our research of hedge funds, we believe the Fund consists of high quality underlying hedge funds and is offered at a reasonable fee. This Fund may be more diversified than some other fund-of-funds as Forester tends to weight highest conviction ideas in the range of 4.5%-6.5%. Forester has been able to leverage long-standing relationships in the hedge fund industry that can often lead to early access to new managers. Forester provides a high degree of transparency, including manager names and allocation ranges, market and regional exposures, and quarterly letters.

The offshore fund was rolled out in January of 2004. The fund is identical in strategy and process to the Forester Partners, LP. Forester Partners II, LP was created to accommodate 3c1 investors when Forester Partners LP converted to a 3c7 vehicle in January 2008. There is substantial overlap between managers in Forester Partners, LP, Forester Partners II, LP and Forester Offshore, Ltd.

*Allocations for funds shown to the right are approximate based on portfolio ranges and represent a partial list of underlying managers.

*Forester prefers offshore investors under the \$2 million minimum to choose the 3yr liquidity, B share class.

*Allocations to 3c-1 products are subject to slot availability.

Sample Portfolio Characteristics

Underlying Funds	Alloc %	Strategy
Brookside Capital Investors, Inc.	6	U.S. Diversified
Kensico Capital, L.L.C.	6	U.S. Diversified
Samlyn Capital, LLC	6	Global Diversified
Viking Global Performance LLC	6	Global Large Cap
Bridger Management, L.L.C.	4	U.S. Diversified
Coatue Capital, L.L.C.	4	Global TMT
Glenhill Capital Management, L.L.C.	4	U.S. Diversified
Hoplite Capital, LLC	4	U.S. Cons., Fin'l, Indust.
Joho Capital, L.L.C.	4	Asian Large Cap
Lansdowne Partners Limited Partnership	4	European Diversified
Merchants' Gate Capital LP	4	Global Diversified
Pennant Capital Management, L.L.C.	4	U.S. Diversified
Polar Capital LLP	4	European Concentrated
Spring Point Capital LLC	4	U.S. Low Net Exposure
Tiger Global Performance, L.L.C.	4	Global Diversified
Wellington Hedge Management, LLC	4	Global Financials
Abrams Bison Investments, L.L.C.	1	U.S. Concentrated
Castine Capital Management, LLC	1	U.S. Sm Cap Financials
Eminence Capital, L.L.C.	1	U.S. Diversified
Highfields Capital Management, L.P.	1	Global Diversified
Impala Asset Management, LLC	1	Global Diversified
North Run Capital, L.P.	1	U.S. Sm Cap Value
Steadfast Capital, L.L.C.	1	U.S. Diversified
The Children's Investment Fund Mgmt UK LLP	1	Global Activist

Vehicle Information:

Inception:	January 2004	3c1/3c7:	3c7
Assets (\$ mil.):	\$735	Subscriptions:	Quarterly
Minimum Account Size:	\$2,000,000	Redemptions (notice):	Quarterly (with 60 days notice)
Management Fee:	1.0%, underlying manager fees	Lock-up:	A: Two years B: Three years
Profit Allocation:	A: 3%, B: None	ERISA Capacity:	Yes
Highwater Mark:	Yes	Prime Broker:	N/A
Hurdle Rate:	NA	Administrator:	Citco Fund Services
UBTI:	No	Auditor:	Ernst & Young LLP
Additional Expenses:	Accounting, legal, filing (approx. 18 bps)	Legal Counsel:	Ogier (Cayman)
Additional Vehicles:	Onshore 3c1 and 3c7		

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Manager Profiles

Guggenheim PLUS II L.P.

September 30, 2010

Firm Details: Guggenheim

Total Assets (\$ mil.):	\$1,196	Key Investment Professionals:	- Mike Miles, Ph.D., CPA, Co-PM - Prior to joining Guggenheim, he served as PM for Fidelity Real Estate Asset Manager, Executive VP of the Prudential Realty Group, and Managing Director of Prudential Real Estate Advisors. He is past president of the NCREIF and the American Real Estate and Urban Economics Association.
Style:	Hybrid - Private & Public Real Estate	- Will Stevens, Managing Director Co-PM - Prior to joining Guggenheim, he was a VP in Capital Transactions Group at Lend Lease Real Estate Investments. Prior to joining Lend Lease, he worked in investment banking at Jones Lang LaSalle and First Union Securities.	- Karen Calby, Managing Director - She is responsible for manager evaluation and market intelligence in the REIT manager universe. Prior to joining Guggenheim, she was a Director at Fisher Francis Trees and Watts, Partner at Oliver, Wyman and Company, and a strategic consultant at Anderson Consulting.
Year Founded:	2001		
Location:	New York, NY		
Ownership:	60% Guggenheim Partners/40% Employee Owned		

Investment Objective, Philosophy/Process, and Assessment

The Guggenheim PLUS II strategy accesses real estate exposure through public real estate securities managers, open end core funds and direct asset holdings.

Management will use analytical tools to determine the Fund's optimal allocations to geographic markets, property types, leverage, and form of investment. Managers and local investors are selected for execution of the top-down strategy, and continuous market feedback is established at the local level. The portfolio will consist of a broad range of assets, including separately managed accounts, REITs, private funds, existing real estate partnerships, joint ventures, mezzanine financing and CMBS. Typically, the allocation between private and public real estate will be 70%/30%, consistent with the target performance benchmark, 70% NCREIF/30% NAREIT. Guggenheim has identified six investment strategies for meeting the Fund's investment goals: i) market selection by property type and geography, ii) public/private arbitrage, iii) valuation focus, iv) manager and local investor evaluation, v) active management of leverage, and vi) limited development exposure. The Fund will not invest in Blind Pools, or directly in investments in raw land, international real estate or development companies (as opposed to specific real estate projects).

Guggenheim's unique structure has been adversely impacted by the illiquid real estate market and the impairment has increased risks going forward. For example, in periods where assets are not growing, the strategy may be forced to either sell illiquid assets to raise capital, or freeze liquidity rights to investors. Illiquidity risk becomes strategy risk in Guggenheim's unique structure as the research driven public/private market arbitrage can be impaired by the volatility of public markets and the inability to shift allocations in private assets. As a result of the inability to actively manage the portfolio while charging active management fees on both the direct investments and the investments in underlying funds, the fund has underperformed its benchmark with risks of further underperformance. This heightens the risks of further investor redemptions as well as portfolio team departures.

Given the current environment, it is difficult to forecast market liquidity and the strategy's ability to fund redemptions, now in excess of 40% of total assets, over the near term. This large ratio of redemptions to total assets, portfolio illiquidity, as well as the possibility of continued relative underperformance heightens the risks to the strategy's longer term viability and resource retention. As a result, we recommend that clients submit redemption requests to exit the strategy as Guggenheim provides liquidity for client withdrawal requests.

Vehicle Information:

Year Partnership Formed:	2003	Fees:	0.95% < \$5mm; 0.60% \$5-\$20mm; 0.50% > \$20mm
Product Structure:	Hybrid - Private & Public Real Estate	Carried Interest:	20% of Gross Fund Returns Over Target Benchmark
Fund Size:	\$687 million	Hurdle Rate:	Target Benchmark (70% NCREIF/30% NAREIT)
Current Investments:	detailed above	Liquidity:	Quarterly (six quarter lock-up); (90 day notice thereafter)
GP Commitment:	Interests Aligned (see above)	Reporting:	Quarterly
Minimum Investment:	\$5,000,000 (Flexible)	UBTI:	Minimized through REIT Blocker

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Manager Profiles

T. Rowe Price New Era

September 30, 2010

Firm Details: T. Rowe Price Group, Inc.

Total Assets (\$ mil.):	\$391,100
Style:	Natural Resources
Assets in Style (\$mil.):	\$4,397
Year Founded:	1937
Product Inception:	1/20/1969
Location:	Baltimore, MD
Ownership:	Publicly traded (TROW). Significant employee ownership (~25% including vested but unexercised options).

Key Investment Professionals:

Timothy Parker - Fund Manager - Prior to being named portfolio manager, he was an energy analyst at the firm since 2001. He took over from Charles Ober who retired in 2010 and was with T. Rowe Price for 30 years. Charles Ober managed the Fund for over 10 years.

Investment Objective and Philosophy/Process

Objective/Philosophy/Process: The New ERA Fund seeks to provide long-term capital appreciation by investing primarily in the common stocks of companies that own or develop natural resources and other basic commodities. The Fund invests about two-thirds of fund assets in the common stocks of natural resource companies. The natural resource companies held by the fund typically own, develop, refine, service, or transport resources, including energy, metals, forest products, real estate, and other basic commodities.

The Fund is less diversified than most stock funds and could experience sharp price declines when conditions are unfavorable to its sector. The Fund also may underperform when economic growth is slowing and the level of inflation is low, but has the potential to perform better than stocks in general when inflation is rising.

Because of the cyclical nature of natural resource companies, their stock prices and rates of earnings growth may follow an irregular path. Additionally, factors such as natural disasters, declining currencies, market illiquidity, or political instability in commodity-rich nations could also have a negative impact on the Fund.

Assessment

Vehicle Information:

Vehicle Name	Minimum	Assets (\$ mil.)	Fee	Sample Operational Detail	Security Constraints:	NA
T. Rowe Price New Era	\$2,500	\$3,063.5	0.66%	Last Audited Financial Accountant/Auditor Custodian Administrator Securities Lending	Sector Constraints: Avg # of Securities: Turnover: Assets in Composite: GIPS Compliant:	At least 50% in U.S. stocks ~100 14.7% NA Yes (since 1993)

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Manager Profiles

The TAP Fund, LLC September 30, 2010

Firm Details: Gresham Investment Management, LLC		
Total Assets (\$ mil.):	\$5,300	Key Investment Professionals: Dr. Henry G. Jarecki, Chairman of Gresham Investment Management LLC. Dr. Jarecki is a past Governor of the Commodity Exchange, Inc. (COMEX) and has served as a Director of the National Futures Association (NFA), the Chicago Board of Trade (CBOT), the Chicago Mercantile Exchange (CME), and the Futures Industry Association (FIA). He has over 40 years of experience in commodities investing. Jonathan S. Spencer, President of Gresham Investment Management LLC, is responsible for the day-to-day investment and operational activities of Gresham. In addition he has been the Portfolio Manager for Gresham's Tangible Asset Program® since its inception in 1987. Mr. Spencer has over 21 years experience in managing commodity futures, diversified asset allocation portfolios, active investment strategies and venture capital investments. Robert J. Reeves, CFO. Mr. Reeves joined Gresham Investment Management, LLC in July 2009. He was previously at Fimat USA, LLC from 2002 to 2008 as CFO, ABN Amro as SVP and CFO from 1997 to 2000, and ING Barings as CFO from 1994 to 1997.
Style:	Commodities	
Assets in Style (\$ mil.):	\$3,627	
Year Founded:	1992	
Location:	New York, NY	
Ownership:	Gresham Investment Company	
Registration:	No	
GP Capital:		

Investment Objective, Philosophy/Process, and Assessment	Select Statistics																															
<p>Investment Philosophy & Process: The investment objective of the Fund is to provide value enhancement to an investor's portfolio as well as a partial inflation hedge, with an attractive risk/return profile as compared to other products using a commodity index or pool of commodities. The TAP strategy utilizes a passive buy-and-hold investment strategy which is designed to benefit from price movements, combined with premium conditions that may exist from time to time. Weightings of each tangible commodity are reset at the beginning of each year and are determined by Gresham's research and development staff based upon such factors as the dollar value of commodities with the highest production values and greatest dollar volumes of trading from each of the following six exchange traded groups: agriculturals, livestock, foods and fibers, energy, precious metals and industrial metals. The commodity groups, selections within the groups and weightings of commodities have changed during TAP trading history. The portfolio is designed to take advantage of both mean reverting and trending characteristics of commodities. Commodities in the portfolio are rebalanced periodically to their target weights when the price changes cause their actual allocations to deviate substantially from those weightings. TAP generally trades the near month futures and forward contracts, but other months might be used for liquidity or other reasons. As a futures or forward contract nears its last trading date or first delivery date, positions in the contact month are closed out and rolled into later contract months. The timing of this process is market driven. One unleveraged unit of futures and forward contracts investment pursuant to TAP requires approximately \$10,000,000 of cash at the program's current commodity allocations. In the event that subscription funds do not meet the program's commodity allocation threshold, such funds may not be fully invested.</p> <p>Assessment: Commodities futures investment has historically provided a diversified portfolio with inflation protection and diversification over the long term. Gresham Investment Management has a successful 21 year track record of investing in commodities through its Tangible Asset Program® (TAP) investment strategy which combines a strict rules based methodology with market driven active management oversight. We recommend the TAP Fund as an appropriate vehicle to access the attributes of investment in a diversified commodities portfolio.</p>	<p>As of 09/30/2010 TAP Commodity Weights</p> <table border="1"> <thead> <tr> <th></th> <th>TAP</th> <th>DJ UBS Comm.</th> </tr> </thead> <tbody> <tr> <td>Agriculture</td> <td>17.3%</td> <td>25.1%</td> </tr> <tr> <td>Energy</td> <td>31.9%</td> <td>27.6%</td> </tr> <tr> <td>Industrial Metals</td> <td>18.9%</td> <td>18.9%</td> </tr> <tr> <td>Livestock</td> <td>8.8%</td> <td>6.2%</td> </tr> <tr> <td>Precious Metals</td> <td>13.6%</td> <td>14.0%</td> </tr> <tr> <td>Foods & Fibers</td> <td>9.5%</td> <td>8.2%</td> </tr> </tbody> </table> <p>Minimum: \$1 million/\$250,000 for additional investment (will allow PBA clients to invest at \$250k providing total client investment is over \$1 million)</p> <p>Management Fees:</p> <table border="1"> <tbody> <tr> <td><\$1 mil</td> <td>1.25%</td> </tr> <tr> <td>\$1-2.5 mil</td> <td>1.10%</td> </tr> <tr> <td>\$2.5-5 mil</td> <td>1.00%</td> </tr> <tr> <td>\$5-10 mil</td> <td>0.90%</td> </tr> <tr> <td>\$10 mil ></td> <td>0.75%</td> </tr> </tbody> </table>		TAP	DJ UBS Comm.	Agriculture	17.3%	25.1%	Energy	31.9%	27.6%	Industrial Metals	18.9%	18.9%	Livestock	8.8%	6.2%	Precious Metals	13.6%	14.0%	Foods & Fibers	9.5%	8.2%	<\$1 mil	1.25%	\$1-2.5 mil	1.10%	\$2.5-5 mil	1.00%	\$5-10 mil	0.90%	\$10 mil >	0.75%
	TAP	DJ UBS Comm.																														
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\$10 mil >	0.75%																															

Vehicle Information:			
Inception:	2005	3c1:	No
Assets (\$ mil.):	\$3,627	3c7:	Yes
Minimum Account Size:	\$250,000	Subscriptions:	Monthly
Management Fee:	See above	Redemptions (notice):	Monthly with 5 days notice
Incentive Fees:	None	Lock-up:	None
Additional Expenses:	N/A	ERISA Capacity:	Yes
Trading Strategy:	Rules based on Commodities Futures Investmen	Prime Broker:	Newedge, USA
Markets Traded:	Commodities/Futures	Administrator:	Citco Fund Services (Curacao) N.V.
Leverage:	None	Additional Vehicles:	LLC, LTD

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Historical Performance

October 01, 2000 through September 30, 2010

Risk/Return Summary

	SSGA S&P 500 NL		STRALEM & COMPANY		S&P 500 INDEX	
	Return	Std Dev	Return	Std Dev	Return	Std Dev
CUMULATIVE PERIODS						
Current Quarter	11.3	---	10.5	---	11.3	---
Previous Quarter	-11.4	---	- 9.0	---	-11.4	---
Year To Date	3.8	---	3.8	---	3.9	---
ANNUALIZED PERIODS						
1 Year	10.1	---	10.5	---	10.2	---
2 Years	1.3	---	1.1	---	1.3	---
3 Years	- 7.2	23.0	- 2.7	19.4	- 7.2	23.0
4 Years	- 1.8	20.5	2.0	17.4	- 1.8	20.6
5 Years	0.6	18.6	2.8	15.7	0.6	18.6
6 Years	2.5	17.4	5.7	14.8	2.5	17.4
7 Years	4.0	16.7	7.3	14.1	4.0	16.7
8 Years	6.4	16.6	7.9	13.8	6.4	16.6
9 Years	3.0	17.9	5.7	14.9	3.0	17.9
10 Years	- 0.5	18.3	4.1	14.9	- 0.4	18.4
CALENDAR YEARS						
2009	26.5	---	20.4	---	26.4	---
2008	-36.9	---	-27.8	---	-37.0	---
2007	5.4	---	13.0	---	5.5	---
2006	15.7	---	10.6	---	15.8	---
2005	4.9	---	13.5	---	4.9	---
2004	10.9	---	16.8	---	10.9	---
2003	28.7	---	21.7	---	28.7	---
2002	-22.1	---	-19.2	---	-22.1	---
2001	-12.1	---	1.1	---	-11.9	---
2000	- 9.2	---	6.4	---	- 9.1	---

Historical Performance

October 01, 2000 through September 30, 2010

Risk/Return Summary

	SSGA S&P MIDCAP NL INDEX		S&P MIDCAP	
	Return	Std Dev	Return	Std Dev
CUMULATIVE PERIODS				
Current Quarter	13.2	---	13.1	---
Previous Quarter	- 9.7	---	- 9.6	---
Year To Date	11.4	---	11.6	---
ANNUALIZED PERIODS				
1 Year	17.6	21.2	17.8	21.2
2 Years	6.7	28.5	6.8	28.5
3 Years	- 1.7	25.6	- 1.7	25.7
4 Years	3.1	22.8	3.1	22.8
5 Years	3.7	20.8	3.8	20.9
6 Years	6.6	19.6	6.6	19.6
7 Years	8.1	18.6	8.1	18.6
8 Years	10.3	18.1	10.3	18.2
9 Years	8.5	18.3	8.5	18.3
10 Years	5.4	18.9	5.4	18.9
CALENDAR YEARS				
2009	37.2	6.8	37.4	6.8
2008	-36.2	7.9	-36.2	7.9
2007	8.0	3.0	8.0	3.0
2006	10.3	2.8	10.3	2.8
2005	12.7	3.2	12.6	3.2
2004	16.5	2.8	16.5	2.8
2003	35.7	3.7	35.6	3.7
2002	-14.6	5.2	-14.5	5.2
2001	- 0.5	6.4	- 0.6	6.4
2000	---	---	17.5	5.6

Historical Performance

October 01, 2000 through September 30, 2010 Risk/Return Summary

	CRM MID VAL INSTL FUND		RUS MIDCAP VAL	
	Return	Std Dev	Return	Std Dev
CUMULATIVE PERIODS				
Current Quarter	13.9	---	12.1	---
Previous Quarter	-11.6	---	- 9.6	---
Year To Date	5.7	---	11.1	---
ANNUALIZED PERIODS				
1 Year	11.3	20.1	16.9	20.4
2 Years	2.8	23.0	4.2	30.6
3 Years	- 4.7	21.4	- 4.8	26.9
4 Years	1.3	19.2	- 0.5	23.8
5 Years	3.2	17.5	2.0	21.6
6 Years	5.9	16.5	5.7	20.2
7 Years	8.6	15.9	8.3	19.2
8 Years	10.7	15.4	10.6	18.6
9 Years	9.6	16.2	8.7	18.5
10 Years	9.4	16.4	7.8	18.2
CALENDAR YEARS				
2009	28.7	4.7	34.2	8.1
2008	-35.1	6.7	-38.4	7.9
2007	10.4	2.6	- 1.4	3.0
2006	17.2	2.1	20.2	1.8
2005	7.9	2.5	12.6	2.7
2004	25.0	2.7	23.7	2.8
2003	41.9	3.2	38.1	3.6
2002	-16.7	4.7	- 9.6	5.0
2001	19.4	5.0	2.3	4.2
2000	55.5	5.9	19.2	5.1

Historical Performance

October 01, 2000 through September 30, 2010

Risk/Return Summary

	GENEVA MIDCAP EQUITY		RUS MIDCAP GR	
	Return	Std Dev	Return	Std Dev
CUMULATIVE PERIODS				
Current Quarter	13.7	---	14.6	---
Previous Quarter	- 5.9	---	-10.2	---
Year To Date	12.8	---	10.9	---
ANNUALIZED PERIODS				
1 Year	21.5	---	18.3	---
2 Years	7.8	---	8.5	---
3 Years	- 0.3	23.3	- 3.9	28.2
4 Years	3.8	20.5	1.8	24.8
5 Years	5.1	18.9	2.9	22.6
6 Years	7.8	17.8	6.0	21.3
7 Years	9.1	16.8	7.1	20.3
8 Years	10.3	16.0	10.6	20.0
9 Years	9.1	17.2	7.4	22.8
10 Years	5.8	18.4	- 0.9	26.6
CALENDAR YEARS				
2009	37.1	---	46.3	---
2008	-36.0	---	-44.3	---
2007	16.5	---	11.4	---
2006	4.9	---	10.7	---
2005	15.8	---	12.1	---
2004	20.9	---	15.5	---
2003	26.5	---	42.7	---
2002	-14.0	---	-27.4	---
2001	- 3.8	---	-20.2	---
2000	13.3	---	-11.7	---

Historical Performance

October 01, 2000 through September 30, 2010

Risk/Return Summary

	HARRIS		ARTISAN		EAFE NET		EAFE NET V		EAFE NET G		AC WXUS NET	
	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev
CUMULATIVE PERIODS												
Current Quarter	14.0	---	16.5	---	16.5	---	16.4	---	16.6	---	16.6	---
Previous Quarter	-10.5	---	-12.4	---	-14.0	---	-15.5	---	-12.4	---	-12.4	---
Year To Date	7.9	---	- 0.4	---	1.1	---	- 1.9	---	4.1	---	3.7	---
ANNUALIZED PERIODS												
1 Year	12.5	---	3.3	---	3.3	---	- 1.7	---	8.4	---	7.6	---
2 Years	15.1	---	4.1	---	3.3	---	2.7	---	3.7	---	6.7	---
3 Years	- 2.5	31.1	- 8.8	29.7	- 9.5	29.3	-10.7	31.5	- 8.4	27.6	- 7.4	30.4
4 Years	1.6	27.5	- 0.6	26.6	- 1.9	26.3	- 3.5	28.2	- 0.4	24.8	0.9	27.3
5 Years	5.5	25.0	3.2	24.3	2.0	23.9	1.1	25.7	2.8	22.6	4.3	24.8
6 Years	8.9	23.4	6.8	23.3	5.6	22.9	5.0	24.4	6.2	21.7	8.0	23.6
7 Years	10.7	22.2	8.4	22.3	7.8	21.9	7.9	23.5	7.6	20.8	10.0	22.5
8 Years	13.5	23.4	9.4	22.9	9.9	21.8	10.5	23.5	9.2	20.5	12.2	22.3
9 Years	11.9	24.4	6.4	23.2	6.8	22.0	7.0	23.5	6.5	20.8	9.0	22.5
10 Years	9.2	24.6	2.4	23.1	2.6	22.1	3.9	23.1	1.1	21.5	4.3	22.7
CALENDAR YEARS												
2009	56.0	---	39.8	---	31.8	---	34.2	---	29.4	---	41.4	---
2008	-42.1	---	-47.0	---	-43.4	---	-44.1	---	-42.7	---	-45.5	---
2007	- 0.4	---	19.7	---	11.2	---	6.0	---	16.5	---	16.7	---
2006	31.3	---	25.6	---	26.3	---	30.4	---	22.3	---	26.7	---
2005	16.0	---	16.3	---	13.5	---	13.8	---	13.3	---	16.6	---
2004	19.2	---	17.8	---	20.2	---	24.3	---	16.1	---	20.9	---
2003	42.8	---	29.1	---	38.6	---	45.3	---	32.0	---	40.8	---
2002	- 7.1	---	-18.9	---	-15.9	---	-15.9	---	-16.0	---	-14.9	---
2001	- 4.2	---	-15.9	---	-21.4	---	-18.5	---	-24.6	---	-19.7	---
2000	13.6	---	-10.6	---	-14.2	---	- 3.1	---	-24.5	---	-15.1	---

Historical Performance

October 01, 2000 through September 30, 2010

Risk/Return Summary

	ARCHSTONE MKT NTRL		HFRI FOF CON		FORESTER		HFRI FOF STRAT		S&P 500	
	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev
CUMULATIVE PERIODS										
Current Quarter	2.0	---	3.0	---	4.4	---	4.1	---	11.3	---
Previous Quarter	- 1.3	---	- 1.5	---	- 4.9	---	- 3.3	---	-11.4	---
Year To Date	4.8	---	3.2	---	0.9	---	1.9	---	3.9	---
ANNUALIZED PERIODS										
1 Year	8.5	3.6	4.3	3.2	3.7	6.1	3.7	5.4	10.2	18.3
2 Years	6.3	6.3	0.1	6.2	4.6	5.9	1.6	8.0	1.3	23.9
3 Years	0.1	7.0	- 2.7	6.5	2.1	7.8	- 4.1	9.2	- 7.2	21.5
4 Years	3.1	6.5	0.4	6.1	5.8	7.2	1.0	8.7	- 1.8	19.2
5 Years	4.5	6.0	1.6	5.6	6.5	6.8	2.3	8.4	0.6	17.5
6 Years	5.3	5.6	2.5	5.3	7.9	6.4	4.1	7.9	2.5	16.3
7 Years	5.6	5.2	2.8	4.9	7.8	6.1	4.6	7.5	4.0	15.5
8 Years	6.4	5.0	3.5	4.7	7.7	5.8	5.4	7.2	6.4	15.5
9 Years	---	---	3.5	4.4	7.8	5.6	4.7	7.0	3.0	15.9
10 Years	---	---	3.3	4.3	8.9	5.5	3.3	7.1	- 0.4	16.3
CALENDAR YEARS										
2009	19.4	0.9	9.7	0.7	14.6	0.9	13.3	1.3	26.4	6.2
2008	-20.5	2.0	-19.9	2.3	-13.0	2.7	-25.2	3.0	-37.0	5.8
2007	8.5	1.3	7.7	1.0	18.5	1.3	12.8	1.8	5.5	2.7
2006	13.8	0.7	9.2	0.8	11.5	1.3	11.8	1.8	15.8	1.6
2005	6.2	0.7	5.2	0.8	12.0	1.2	10.3	1.6	4.9	2.2
2004	8.5	0.7	5.8	0.7	10.0	1.1	8.3	1.3	10.9	2.0
2003	14.3	0.6	9.0	0.5	9.0	0.5	15.9	0.9	28.7	3.1
2002	- 1.5	1.0	3.6	0.5	5.6	1.1	- 4.1	1.3	-22.1	5.7
2001	---	---	3.1	0.7	19.4	1.0	1.2	1.7	-11.9	5.5
2000	---	---	5.8	1.0	---	---	- 0.6	4.0	- 9.1	4.7

Historical Performance

October 01, 2000 through September 30, 2010 Risk/Return Summary

	INCOME RESEARCH CONV		BOA CONV BOND US INV GR INDEX		BC US CREDIT	
	Return	Std Dev	Return	Std Dev	Return	Std Dev
CUMULATIVE PERIODS						
Current Quarter	5.0	---	5.7	---	4.6	---
Previous Quarter	- 3.2	---	- 4.3	---	3.3	---
Year To Date	3.4	---	2.8	---	10.5	---
ANNUALIZED PERIODS						
1 Year	6.8	---	6.3	---	11.7	---
2 Years	9.4	---	10.9	---	15.5	---
3 Years	2.5	9.1	3.6	11.5	8.3	7.9
4 Years	4.4	8.0	5.9	10.2	7.3	7.0
5 Years	4.6	7.2	5.8	9.2	6.5	6.6
6 Years	4.7	6.6	5.2	8.8	5.8	6.2
7 Years	4.8	6.4	5.3	8.3	5.6	6.2
8 Years	5.4	6.1	5.9	7.9	6.2	6.0
9 Years	4.8	5.9	4.9	7.8	6.5	5.8
10 Years	4.3	5.9	3.2	8.1	7.1	5.6
CALENDAR YEARS						
2009	18.5	---	28.6	---	16.0	---
2008	-12.5	---	-15.1	---	- 3.1	---
2007	7.4	---	7.9	---	5.1	---
2006	7.3	---	7.3	---	4.3	---
2005	4.2	---	0.5	---	2.0	---
2004	3.3	---	4.7	---	5.2	---
2003	9.1	---	11.5	---	7.7	---
2002	2.2	---	- 3.6	---	10.5	---
2001	6.0	---	- 0.1	---	10.4	---
2000	7.0	---	3.0	---	9.4	---

Historical Performance

October 01, 2000 through September 30, 2010

Risk/Return Summary

	INCOME RESEARCH TIPS		BC TIPS I-10 YR	
	Return	Std Dev	Return	Std Dev
CUMULATIVE PERIODS				
Current Quarter	2.4	---	1.9	---
Previous Quarter	3.8	---	2.3	---
Year To Date	7.1	---	5.2	---
ANNUALIZED PERIODS				
1 Year	8.8	4.8	7.4	3.4
2 Years	7.5	9.4	5.7	7.8
3 Years	7.1	8.8	6.1	7.4
4 Years	6.5	7.9	5.9	6.6
5 Years	5.6	7.3	5.2	6.0
6 Years	5.6	6.8	4.9	5.6
7 Years	5.8	6.8	5.1	5.5
8 Years	6.0	7.1	5.3	5.7
9 Years	7.0	7.0	6.1	5.6
10 Years	7.6	6.7	6.7	5.4
CALENDAR YEARS				
2009	12.2	2.2	12.0	1.7
2008	- 2.6	3.4	- 2.4	3.0
2007	11.7	1.3	10.4	1.1
2006	0.5	1.2	1.6	0.8
2005	2.9	1.1	1.9	0.9
2004	8.3	1.8	7.1	1.4
2003	8.5	2.4	7.1	1.7
2002	16.6	1.7	14.9	1.3
2001	8.3	1.3	7.2	1.1
2000	13.3	0.7	11.1	0.5

Historical Performance

October 01, 2000 through September 30, 2010 Risk/Return Summary

	GUGGENHEIM		70% NCREIF PROP/30% NAREIT EQ IDX		NCREIF PROP IDX	
	Return	Std Dev	Return	Std Dev	Return	Std Dev
CUMULATIVE PERIODS						
Current Quarter	7.3	---	6.6	---	3.9	---
Previous Quarter	0.1	---	1.1	---	3.3	---
Year To Date	9.5	---	11.5	---	8.1	---
ANNUALIZED PERIODS						
1 Year	8.4	---	13.0	---	5.8	---
2 Years	-24.3	---	- 5.1	---	- 9.2	---
3 Years	-18.4	19.8	- 3.4	14.9	- 4.6	8.0
4 Years	-10.9	18.7	0.7	13.5	0.5	8.2
5 Years	- 5.7	17.7	4.3	12.6	3.7	8.0
6 Years	- 1.8	16.8	7.1	12.1	6.1	7.8
7 Years	0.9	15.9	8.3	11.4	7.0	7.3
8 Years	2.2	15.0	8.9	10.8	7.1	6.8
9 Years	---	---	8.7	10.2	6.9	6.4
10 Years	---	---	8.9	9.8	7.3	6.1
CALENDAR YEARS						
2009	-27.1	---	- 2.3	---	-16.8	---
2008	-29.1	---	-15.9	---	- 6.5	---
2007	4.2	---	5.8	---	15.8	---
2006	21.6	---	22.1	---	16.6	---
2005	17.2	---	17.9	---	20.1	---
2004	20.5	---	19.6	---	14.5	---
2003	17.0	---	16.9	---	9.0	---
2002	7.0	---	6.0	---	6.7	---
2001	---	---	9.3	---	7.3	---
2000	---	---	16.4	---	12.3	---

Historical Performance

October 01, 2000 through September 30, 2010

Risk/Return Summary

	T. ROWE PRICE NEW ERA		S&P/GS NATURAL RES IDX		THE TAP FUND		DJ-UBS COMM IDX	
	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev
CUMULATIVE PERIODS								
Current Quarter	17.6	---	12.6	---	12.1	---	11.6	---
Previous Quarter	-15.3	---	- 9.8	---	- 6.3	---	- 4.8	---
Year To Date	1.1	---	2.1	---	2.9	---	0.9	---
ANNUALIZED PERIODS								
1 Year	8.4	---	8.9	---	13.3	---	10.0	---
2 Years	- 0.6	---	- 0.2	---	- 9.5	---	- 8.4	---
3 Years	- 7.4	37.9	- 3.9	34.1	- 6.6	30.5	- 6.8	28.8
4 Years	4.1	34.2	5.7	30.7	- 1.2	26.9	- 1.4	25.4
5 Years	7.8	30.8	5.3	28.0	- 1.1	24.6	- 2.4	23.2
6 Years	12.0	28.6	11.4	26.8	2.8	23.9	1.0	23.0
7 Years	16.1	27.2	15.2	25.6	6.0	22.7	4.5	22.2
8 Years	16.6	25.7	16.0	24.2	7.6	21.3	5.8	20.8
9 Years	18.8	24.8	12.1	24.6	8.0	20.5	6.6	20.2
10 Years	16.0	24.4	8.8	24.2	5.9	20.0	5.2	19.7
CALENDAR YEARS								
2009	49.4	---	37.6	---	23.1	---	18.9	---
2008	-50.2	---	-39.4	---	-38.8	---	-35.6	---
2007	40.7	---	34.1	---	22.6	---	16.2	---
2006	35.0	---	16.8	---	- 0.1	---	2.0	---
2005	29.2	---	36.6	---	26.4	---	21.4	---
2004	30.1	---	24.6	---	17.2	---	9.2	---
2003	33.2	---	34.4	---	21.7	---	24.0	---
2002	32.6	---	-13.0	---	22.3	---	25.9	---
2001	- 4.4	---	-15.6	---	-21.2	---	-19.5	---
2000	20.4	---	15.8	---	34.9	---	31.9	---

Index Descriptions

Third Quarter 2010

Barclays Capital Aggregate Index comprises government securities, mortgage-backed securities, asset-backed securities and corporate securities to simulate the universe of bonds in the market. The maturities of the bonds in the index are over one year.

Barclays Capital Aggregate Float Adjusted Index is a benchmark of the dollar-denominated investment grade bond market that excludes Treasuries, agencies, and mortgage-backed securities held in Federal Reserve accounts.

Barclays Capital Corporate Bond Index includes investment-grade, SEC-registered publicly issued U.S. corporate debentures and secured notes. The corporate sectors are industrial, utility, and finance. All securities must have at least one year to final maturity and at least \$250 million of par outstanding.

Barclays Capital High Yield Index covers the universe of fixed rate, non-investment grade debt. Pay-in-kind (PIK) bonds, Eurobonds, and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC-registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, and 144-As are also included.

Barclays Capital Global Emerging Markets Index represents the union of the USD-denominated U.S. Emerging Markets Index and the predominately EUR-denominated Pan Euro Emerging Markets Index, covering emerging markets in the following regions: Americas, Europe, Middle East, Africa, and Asia. Countries must have a maximum sovereign rating of Baa1/BBB+/BBB+.

Barclays Capital Global Treasury Ex-US Capped Index includes government bonds issued by investment-grade countries outside the United States, in local currencies, that have a remaining maturity of one year or more and are rated investment grade.

Barclays Capital Global Treasury Index tracks fixed-rate local currency sovereign debt of investment-grade countries. The Index represents the Treasury sector of the Global Aggregate Index and currently contains issues from more than 30 countries denominated in over 20 currencies. The three major components are the U.S. Treasury Index, the Pan-European Treasury Index, and the Asian-Pacific Treasury Index, in addition to Canadian, Chilean, Mexican, and South-African government bonds.

Barclays Capital GNMA Index is comprised of 30-year GNMA pass-throughs, 15-year GNMA pass-throughs, and GNMA Graduated Payment Mortgages.

Barclays Capital Intermediate U.S. Treasury Index includes all publicly issued U.S. Treasury securities that have a remaining maturity of greater than or equal to 1 year and less than 10 years, are rated investment grade, and have \$250 million or more of outstanding face value.

Barclays Capital Long U.S. Treasury Index includes all publicly issued, U.S. Treasury securities that have a remaining maturity of 10 or more years, are rated investment grade, and have \$250 million or more of outstanding face value.

Barclays Capital U.S. Credit Index includes publicly issued U.S. corporates, specified foreign debentures, and secured notes denominated in U.S. dollars. The Index is a subset of the U.S. Government/Credit Index and the U.S. Aggregate Index.

Barclays Capital U.S. Mortgage Backed Securities (MBS) Index covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid adjustable rate mortgages) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

Barclays Capital U.S. Treasury Index is comprised of public obligations of the U.S. Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index.

Barclays Capital U.S. TIPS Index is a rules-based, market value-weighted index that tracks inflation protected securities issued by the U.S. Treasury.

Barclays Mortgage Index contains 15- and 30-year fixed-rate securities. These securities are pools of mortgage loans issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The Index holds approximately 600 securities.

Citigroup 3-Month T-Bill Index consists of equal dollar amounts of three-month Treasury bills that are purchased at the beginning of each of three consecutive months. As each bill matures, all proceeds are rolled over or reinvested in a new three-month bill.

Citigroup World Government Bond Index is a market capitalization weighted index consisting of the government bond markets of the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, Netherlands, Spain, Sweden, Switzerland, United Kingdom, and United States. It includes all fixed-rate bonds with a remaining maturity of one year or longer and with amounts outstanding of at least the equivalent of U.S. \$25 million.

Index Descriptions

Third Quarter 2010

- Consumer Price Index (CPI)** is an inflationary indicator that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food, and transportation.
- DJ-AIG Commodity Index** is composed of futures contracts on physical commodities. It is composed of commodities traded on U.S. exchanges, with the exception of aluminum, nickel, and zinc, which trade on the London Metal Exchange (LME).
- FTSE EPRA/NAREIT Global Real Estate Index** is designed to represent general trends in eligible real estate *equities* worldwide. Relevant real estate activities are defined as the ownership, disposure and development of income-producing real estate. The Index series includes a range of regional and country indices.
- HFRI Distressed Securities Index** is an equally weighted index that represents strategies that invest in, and may sell short the securities of companies where the security's price has been, or is expected to be, affected by a distressed situation as reported by the hedge fund managers listed within the Hedge Fund Research (HFR) database.
- HFRI Equity Hedge Index** is designed to represent the overall composition of the equity hedge (also known as long/short equity) universe. The Index is constructed with equally weighted composites of constituents as reported by the hedge fund managers listed within the Hedge Fund Research (HFR) database.
- HFRI ED: Distressed Restructuring Index** is designed to represent strategies which employ an investment process focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings.
- HFRI Event Driven Index** is an equally weighted index that represents constituents investing in opportunities created by significant transactional events as reported by the hedge fund managers listed within the Hedge Fund Research (HFR) database.
- HFRI FOF Composite Index** includes over 800 constituent fund of funds, both domestic and offshore. Fund of Funds invest with multiple managers through funds or managed accounts. The strategy designs a diversified portfolio of managers with the objective of significantly lowering the risk (volatility) of investing with an individual manager. The Fund of Funds manager has discretion in choosing which strategies to invest in for the portfolio. A manager may allocate funds to numerous managers within a single strategy, or with numerous managers in multiple strategies.
- HFRI FOF Conservative Index** includes constituents that exhibit one or more of the following characteristics: seeks consistent returns by primarily investing in funds that generally engage in more "conservative" strategies such as Equity Market Neutral, Fixed Income Arbitrage, and Convertible Arbitrage; exhibits a lower historical annual standard deviation than the HFRI Fund of Funds Composite Index. A fund in the Index shows generally consistent performance regardless of market conditions.
- HFRI FOF Diversified Index** includes constituents that exhibit one or more of the following characteristics: invests in a variety of strategies among multiple managers; historical annual return and/or a standard deviation generally similar to the HFRI Fund of Fund Composite index; demonstrates generally close performance and returns distribution correlation to the HFRI Fund of Fund Composite Index. A fund in the Diversified Index tends to show minimal loss in down markets while achieving superior returns in up markets.
- HFRI FOF Strategic Index** includes FoFs that exhibit one or more of the following characteristics: seeks superior returns by primarily investing in funds that generally engage in more opportunistic strategies such as Emerging Markets, Sector specific, and Equity Hedge; exhibits a greater dispersion of returns and higher volatility compared to the HFRI Fund of Funds Composite Index.
- HFRI Fund Weighted Composite Index** is designed to represent the performance of domestic and offshore hedge funds across all strategies with the exception of fund of funds. Comprised of over 2000 hedge funds, it is a fund weighted index in that all funds, regardless of assets under management or other factors, are given an equal weighting.
- HFRI Merger Arbitrage Index** is designed to represent managers who utilize a merger or risk arbitrage investment strategy by investing in securities of companies that are the subject of some form of extraordinary corporate transaction, including acquisition or merger proposals, exchange offers, cash tender offers and leveraged buy-outs.
- HFRI Convertible Arbitrage Index** is designed to represent managers who utilize convertible arbitrage strategies where, in an effort to capitalize on relative pricing inefficiencies, managers will purchase long positions in convertible securities, generally convertible bonds, convertible preferred stock or warrants, and hedge a portion of the equity risk by selling short the underlying common stock.

Index Descriptions

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HFRX Distressed Securities Index is designed to represent the overall composition of the distressed strategy hedge fund universe. The Index is asset weighted based on the distribution of assets in the hedge fund industry.

HFRX Equity Hedge Index is designed to represent managers who utilize a long/short equity approach to investing with portfolio exposures anywhere from net long to net short depending on market conditions. Equity hedge managers' source of return is similar to that of traditional stock pickers on the upside, but they use short selling and hedging to attempt to outperform the market on the downside. Stock index put options are also often used as a hedge against market risk.

HFRX Equity Market Neutral Index is designed to reflect the performance of Equity Market Neutral strategies which employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities and select securities for purchase and sale. These can include both Factor-based and Statistical Arbitrage/Trading strategies. Equity Market Neutral Strategies typically maintain net equity market exposure no greater than 10% long or short.

HFRX Event Driven Index is designed to represent hedge fund managers who seek investment opportunities created by significant transactional events, such as spin-offs, mergers and acquisitions, industry consolidations, liquidations, reorganizations, bankruptcies, recapitalizations and share buybacks and other extraordinary corporate transactions.

HFRX Global Hedge Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of eight strategies: convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The Index is asset weighted based on the distribution of assets in the hedge fund industry.

HFRX Macro Index is designed to represent hedge investment strategies that generally employ a top-down global approach that concentrates on forecasting how global macroeconomic and political events affect the valuations of financial instruments. Macro strategies attempt to identify extreme price valuations in stock markets, interest rates, foreign exchange rates and physical commodities, and make leveraged bets on the anticipated price movements in these markets.

HFRX Merger Arbitrage Index is designed to reflect the performance of Merger Arbitrage strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are currently engaged in a corporate transaction.

HFRX Relative Value Arbitrage Index is designed to represent investment managers who maintain positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment theses, and security types range broadly across equity, fixed income, derivative or other security types.

JPMorgan EMBI+ Index is a market capitalization-weighted index that tracks returns for actively traded external debt instruments in emerging markets.

JPMorgan Global Government Bond Index is a total return, market capitalization-weighted index that is rebalanced monthly. The Index currently comprises the local currency, fixed rate coupon issues of 13 markets greater than 1-year in maturity.

Merrill Lynch 1-3 Year Treasury Index is an unmanaged index consisting of all public U.S. Treasury obligations having maturities from 1 to 2.99 years and reflects total return.

Merrill Lynch High-Yield Bond Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

MSCI ACWI (All Country World Index) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The Index consists of 48 country indices comprising 23 developed and 25 emerging market country indices.

MSCI ACWI ex-U.S. Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the U.S.

MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada.

MSCI EAFE Small Cap Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of small companies within developed markets, excluding the U.S. & Canada, and includes companies that are in the Investable Market Index with a market capitalization below that of the companies in the Standard Index in a particular market.

MSCI EM (Emerging Markets) Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

Index Descriptions

Third Quarter 2010

MSCI U.S. Investable Market Energy Index represents the investable universe of energy companies in the U.S. equity market.

MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The Index consists of 23 developed market country indices.

NAREIT Equity Index is an unmanaged index of all tax-qualified REITs listed on the NYSE, AMEX, and NASDAQ which have 75% or more of their gross invested book assets invested directly or indirectly in the equity ownership of real estate. Total return calculation for the NAREIT Equity Index include reinvestment of distributions.

NCREIF Property Index provides returns for institutional grade real estate held in a fiduciary environment in the United States.

NCREIF Timberland Index is a property-based index reporting returns for three regions of the U.S.: the South, Northeast and Pacific Northwest. In addition to total returns, the Index reports income and appreciation returns.

Russell 1000 Growth Index measures the performance of the large cap growth segment of the U.S. equity universe. The Index includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market.

Russell 1000 Value Index measures the performance of the large cap value segment of the U.S. equity universe. The Index includes those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Growth Index measures the performance of the small cap growth segment of the U.S. equity universe. The Index includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values.

Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index, representing approximately 10% of the total market capitalization of that Index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

Russell 2000 Value Index measures the performance of small cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2500 Index measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "smid" cap. The Russell 2500 Index is a subset of the Russell 3000® Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership.

Russell 2500 Value Index measures the performance of the small to mid cap value segment of the U.S. equity universe. It includes those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 3000 Growth Index measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 3000 Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market.

Russell 3000 Value Index measures the performance of the broad value segment of U.S. equity value universe. It includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell Microcap® Index measures the performance of the micro cap segment of the U.S. equity market. It includes 1,000 of the smallest securities in the small cap Russell 2000® Index based on a combination of their market cap and current index membership, and includes the next 1,000 smallest stocks.

Russell Midcap® Growth Index measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap Index companies with higher price-to-book ratios and higher forecasted growth values.

Russell Midcap® Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap Index represents approximately 31% of the total market capitalization of the Russell 1000 companies.

Disclosures

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Russell Midcap® Value Index measures the performance of the mid-cap value segment of the U.S. equity universe. The Index includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values.

S&P 500 Index is a gauge of the U.S. equities market and includes 500 leading companies in leading industries of the U.S. economy.

S&P GSCI is a world-production weighted index composed of 24 commodity futures contracts. It is a composite index of commodity sector returns and represents an unleveraged investment through broadly diversified long positions in commodity futures.

S&P Midcap 400 Index tracks a diverse basket of medium-sized U.S. firms whose market capitalization usually range from approximately \$2 billion to \$10 billion.

TUCS® – Wilshire’s Trust Universe Comparison Services® benchmark is a cooperative effort between Wilshire Associates and custodial organizations. Custodians submit asset positions and performance data to be pooled into universes of managed tax-exempt portfolios. TUCS is the most widely accepted benchmark for the performance of institutional assets.

Venture Economics All PE Index is an index comprised of pooled cash flows of private capital partnerships (Buyout, Venture and Mezzanine).

Wilshire 5000 Index represents the broadest index for the U.S. equity market, measuring the performance of all U.S. equity securities with readily available price data.

Policy Index – A custom benchmark consisting of a number of indices which are weighted based on the asset allocation targets within a client investment policy. The index measures the return of the asset allocation strategy if it were implemented using passive (index) portfolios.

Actual Index – A custom benchmark consisting of a number of indices which are weighted based on the allocation of each asset class within a client’s overall structure at the beginning of each quarter. The index measures the return of the current asset allocation if it were implemented using passive (index) portfolios.

The difference between the Actual Index and the Policy Index measures the impact of the decision to allocate assets differently than the client’s policy mandates (allocation effect). The difference between the Total Fund Return and the Actual Index measures how the management team performed versus a passive strategy (manager selection effect). The difference between Total Fund Return and the Policy Index measures both the allocation effect and the manager selection effect.

Indices referenced in this report are unmanaged and cannot be invested in directly. Index returns do not reflect any investment management fees or transaction expenses. Index descriptions listed are representative and not all inclusive.

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