



City of Cincinnati Retirement System Investment Committee

**February 2, 2012 12:00 P.M.
City Hall – Committee Room B**

AGENDA

Members

C. Meyer, Chair
D. Beets
M. Fehn
M. Matlock
B. Pickering

Call to Order

Lunch

Approval of Minutes

✚ November 3, 2011

New Business

Brett Christenson, Managing Director, Marquette Associates

✚ 4th Quarter Report 2011

✚ Lehman Tolling Agreement

✚ Securities Lending Agreement

✚ ABS – Change in ownership

✚ Review of CRS' index fund usage

✚ Hedge fund of funds versus going direct

Adjournment

Next Meeting: May 3, 2012 - 12PM – City Hall, Committee Room B



City Of Cincinnati Retirement System Investment Committee Meeting

Minutes

February 2, 2012 / 12:00 P.M.

City Hall – Committee Room B

Present:

Chris Meyer, Chair
Don Beets
Mike Fehn
Madelynn Matlock
Brian Pickering

Staff Present:

Paula Tilsley
Don Beresford
Ron Wilson
Cheryl Volk

The meeting was called to order at 12:05 P.M.

INTRODUCTION

On February 1, 2012, Mayor Mallory appointed Susan Robinson to the Board of Trustees of the Cincinnati Retirement System. Ms. Robinson is set to complete the term of Constance Cooper that expires in October 2012. Pursuant to the rules of Council, the appointment will be held one week. Ms. Robinson attended the Board meeting as a visitor and M. Matlock provided an introduction.

MINUTES

B. Pickering made a motion to approve the Investment Committee minutes from November 3, 2011. M. Fehn seconded the motion and the motion passed. Minutes were approved as submitted.

NEW BUSINESS

Brett Christenson, Managing Director, Marquette Associates, provided the following report:

- 4th Quarter Report 2011
 - o Market value as of 12/31/11: \$1.97 Billion. The Total Fund returned +5.1% for the quarter, underperforming its policy benchmark, which returned +6.7%. Over the trailing twelve months, the CRS returned +1.0%, outperforming the policy benchmark, which returned +0.3%.
 - o Total CRS Review
 - o Investment Manager Status Report
 - o Fixed Income Portfolio Statistics
 - o International Equity Portfolio Statistics
 - o Hedge Fund Portfolio Statistics

- o Infrastructure Portfolio Statistics
 - o Domestic Equity Style Diversification
 - o Market Values
 - o Annualized performance (Gross of Fees)
 - o Portfolio Statistics
- Prudential Real Estate Investors – PRISA III – Change in Staff
 - o The Prudential Real Estate Investors (PREI) announced several leadership changes for PREI and the underlying PRISA and PRECO funds. Chief Operating Officer, Dale Taysom, announced his intention to retire at the end of 2012 after 34 years of service to PREI. Eric Adler, who heads Pramerica Real Estate Investors (PREI's European business), will be succeeding. PREI implemented global organizational and personnel changes to align with their succession plan.

The individuals will continue to operate the portfolio under the same investment committee, policies, and parameters as previously done. Although Marquette Associates anticipates a seamless transition, Alert status is recommended.

- ABS Investment Management (ABS)
 - o On November 14, 2011 ABS announced the sale of a minority stake (45%) in their business to Evercore Partners Inc. ABS is currently 95.71% employee owned with one third-party shareholder (Santa Rosa Arbitrage Ltd.). As part of the announced transaction ABS existing outside shareholder will sell their stake to Evercore. All of the eleven existing employee owners of ABS will sell their stake in ABS to Evercore on a pro-rata basis.

There are no changes to the investment process as a result of this transaction. Since ABS is selling a minority stake in their firm, the day-to-day operating decisions of the firm will remain largely unchanged. Marquette recommended placing ABS on Alert status.

Committee Action

B. Pickering made a motion to place ABS and PRISA III on alert status. M. Fehn seconded the motion and the motion passed. ABS and PRISA III to be placed on alert.

- Core Fixed Income Portfolio
 - o The 10 year annualized performance benchmark was 5.8%
 - o Blackrock's 10 year annualized performance (net of fees) was 5.7%
 - o PIMCO's 10 year annualized performance (net of fees) was 6.4%
 - o Indexing Core Fixed Income could prove beneficial to saving on fees.
- Hedge Fund of Funds vs Going Direct
 - o ABS and Common Sense are both long-short hedge equities. An option for paying lower fees would involve hiring an 'alternatives consultant' to build a hedge fund portfolio. No action necessary at this time.

- Investment Fees

- o B. Christenson provided a summary of the Marquette Associates report he presented to the Budget and Finance Committee on December 16, 2011. The report focused on investment fees and benchmark results for periods ranging from 3 to 10 years. CRS's managers in the aggregate continue to beat the customized benchmarks. The investment fees in the aggregate remain very competitive and are lower than the industry norm. Investment fees must be viewed in context with earnings (net of fees) to provide a true perspective.
- CRS Securities Lending Earnings History
 - o CRS Lehman Brothers
 - Total income earned (interest earned from investments) from 2003 through 2011: \$9.3 million.
 - Bank of New York (BONY) covered 25% of Securities Lending losses after settlement of bankruptcy court. Recent investing has been limited to overnight repurchases. In exchange for covering losses from securities lending, the CRS signed a 3-year securities lending contract with BONY. The contract expired on 1/15/2012. CRS has the option to continue with BONY.
 - From 2003 to 12/31/2011, CRS experienced an estimated net loss of \$1.7 million on the securities lending program due to the Lehman Brothers default.
 - o C. Meyer raised a question about the original policy for the approved investments. Questioned whether the "floating rate maturities," were maturities or durations. B. Christenson to verify the fixed rate instruments were maturities. Will provide follow-up at next meeting of the Investment Committee – May 3, 2012.
 - o M. Fehn suggested consideration of another vendor other than BONY who might provide lower fees. Board could consider making a change in year 2013. B. Christenson to research other options for the Board to consider sometime in the future. Report at a future meeting of the Investment Committee.

M. Matlock made a motion to adjourn the meeting. Motion was seconded by B. Pickering and the motion passed. Meeting was adjourned at 1:55P.M.



CINCINNATI RETIREMENT SYSTEM

City of Cincinnati
Retirement System

Executive Summary
December 31, 2011

Investment Manager Status Report

<u>Investment Manager</u>	<u>Asset Class</u>	<u>Benchmark</u>	<u>Status</u>	<u>Reason</u>
Blackrock	Core Fixed Income	BarCap Aggregate	In-Compliance	
PIMCO	Core Fixed Income	BarCap Aggregate	In-Compliance	
Shenkman	High Yield Fixed Income	BarCap High Yield	Termination	Asset Allocation
Shenkman - Four Points	High Yield Fixed Income	BarCap High Yield	In-Compliance	
Allegiant	All-Cap Core Equity	Russell 3000	In-Compliance	
PanAgora	All-Cap Core Equity	Russell 3000	In-Compliance	
Bartlett	All-Cap Value Equity	Russell 3000 Value	In-Compliance	
Rhumblin	Large-Cap Value Equity	Russell 1000 Value	In-Compliance	
Montag & Caldwell	Large-Cap Growth Equity	Russell 1000 Growth	In-Compliance	
Rhumblin	Mid-Cap Growth Equity	Russell MidCap Growth	In-Compliance	
Turner	Mid-Cap Growth Equity	Russell MidCap Growth	In-Compliance	
Opus	Small-Cap Value Equity	Russell 2000 Value	In-Compliance	
WCM	Small-Cap Value Equity	Russell 2000 Value	In-Compliance	
Mondrian	International Value	MSCI EAFE	In-Compliance	
Harding Loevner	International Core	MSCI EAFE	In-Compliance	
DFA	International Small Value	Citigroup ex. US <\$2 Billion	In-Compliance	
Mondrian - EM	Emerging Markets	MSCI EM	In-Compliance	
J.P. Morgan SPF	Real Estate Core	NCREIF - ODCE	In-Compliance	
Morgan Stanley P.P.	Real Estate Core	NCREIF - ODCE	In-Compliance	
PRISA III	Real Estate Value-Added	NCREIF - ODCE	In-Compliance	
Principal Enhanced	Real Estate Value-Added	NCREIF - ODCE	In-Compliance	
Mesirow/Courtland I	Real Estate - Non U.S.	NCREIF - ODCE	In-Compliance	
ABS Global	Long/Short Equity	80% Russell 3000	In-Compliance	
Common Sense	Long/Short Equity	80% Russell 3000	In-Compliance	
Blue Chip II	Private Equity Venture	VE All Private Equity	In-Compliance	
Blue Chip III	Private Equity Venture	VE All Private Equity	In-Compliance	
Blue Chip IV	Private Equity Venture	VE All Private Equity	In-Compliance	
Fort Washington Fund VI	Private Equity FoFs Diversified	VE All Private Equity	In-Compliance	
Fort Washington Fund V	Private Equity FoFs Diversified	VE All Private Equity	In-Compliance	
North Sky III - LBO	Private Equity Buy-Out	VE All Private Equity	In-Compliance	
North Sky III - VC	Private Equity Venture	VE All Private Equity	In-Compliance	
North Sky IV - LBO	Private Equity Buy-Out	VE All Private Equity	In-Compliance	
North Sky IV - VC	Private Equity Venture	VE All Private Equity	In-Compliance	
Portfolio Advisors V - Special Sit	Private Equity FoFs Specialized	VE All Private Equity	In-Compliance	
Portfolio Advisors IV - Special Sit	Private Equity FoFs Specialized	VE All Private Equity	In-Compliance	
Alinda II	Infrastructure	LIBOR + 4%	In-Compliance	
Macquarie II	Infrastructure	LIBOR + 4%	In-Compliance	

Investment Manager Evaluation Terminology

The following terminology has been developed by Marquette Associates to facilitate efficient communication among the Investment Manager, Investment Consultant, and the Plan Sponsor. Each term signifies a particular status with the Fund and any conditions that may require improvement. In each case, communication is made only after consultation with the Trustees and/or the Investment Committee of the Plan.

In-Compliance – The investment manager states it is acting in accordance with the Investment Policy Guidelines.

Alert – The investment manager is notified of a problem in performance (usually related to a benchmark or volatility measure), a change in investment characteristics, an alteration in management style or key investment professionals, and/or any other irregularities.

On Notice – The investment manager is notified of continued concern with one or more Alert issues. Failure to improve upon stated issues within a specific time frame justifies termination.

Termination – The Trustees have decided to terminate the investment manager. The investment manager is notified and transition plans are in place.

Market Values

December 31, 2011

Asset Class	Market Values	Allocation	Target
Total Fixed Income	\$293,705,953	14.9%	17.0%
Total U.S. Equity	\$580,577,785	29.5%	29.5%
Total International Equity	\$386,114,670	19.6%	21.0%
Total Real Estate	\$162,096,522	8.2%	7.5%
Total Long/Short Equity	\$308,546,061	15.7%	15.0%
Total Private Equity	\$145,539,509	7.4%	5.0%
Total Infrastructure	\$94,334,790	4.8%	5.0%
Total Cash Equivalents	\$467,907	0.0%	0.0%
TOTAL PORTFOLIO	<u>\$1,971,383,197</u>	<u>100.0%</u>	<u>100.0%</u>

Current Asset Allocation vs. Policy

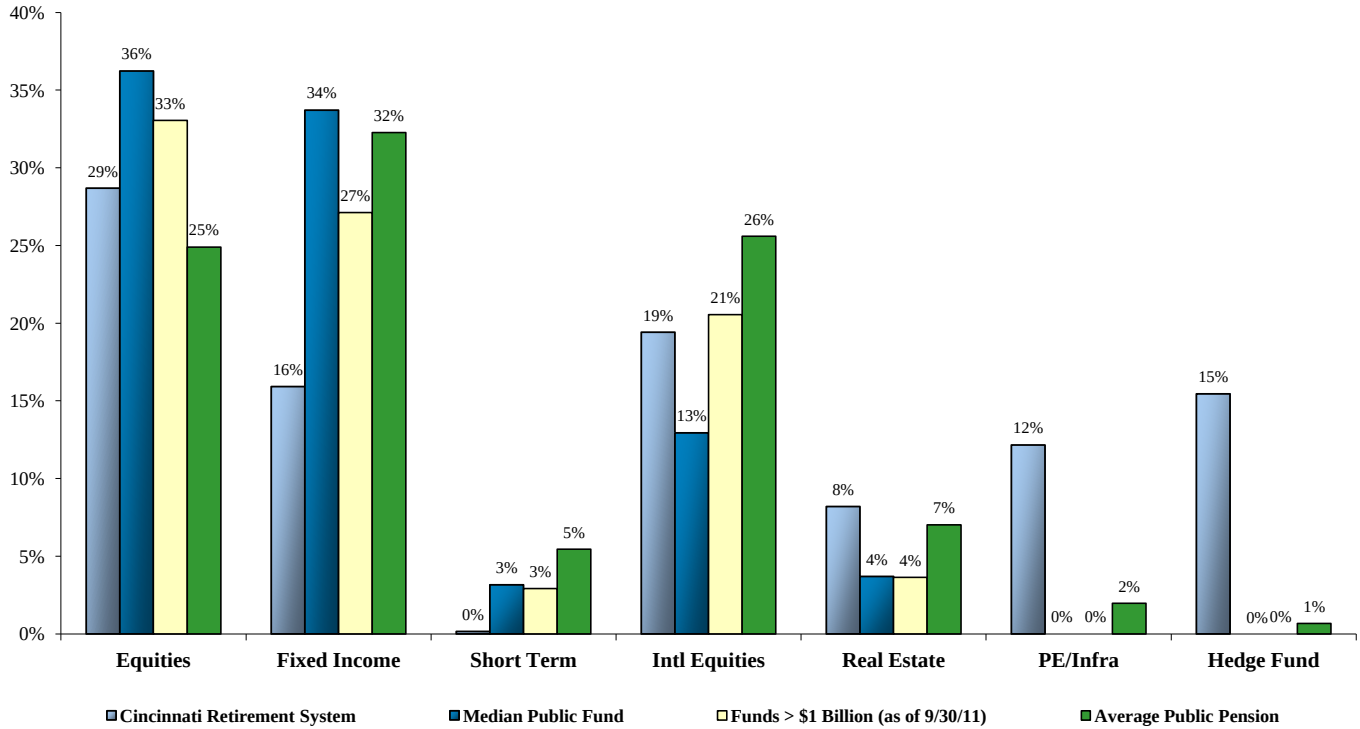
Asset Class	% of Assets	Policy Target	Difference	Target Range
Fixed Income	14.9%	17.0%	-2.1%	13-21%
Domestic Equity	29.5%	29.5%	0.0%	20-40%
International Equity	19.6%	21.0%	-1.4%	16-26%
Real Estate	8.2%	7.5%	0.7%	4.5-10.5%
Long/Short Equity	15.7%	15.0%	0.7%	10-20%
Private Equity	7.4%	5.0%	2.4%	0-10%
Infrastructure	4.8%	5.0%	-0.2%	3-7%
Cash/Other	<u>0.0%</u>	<u>0.0%</u>	0.0%	0.0%
TOTAL	100.0%	100.0%		

Market Values

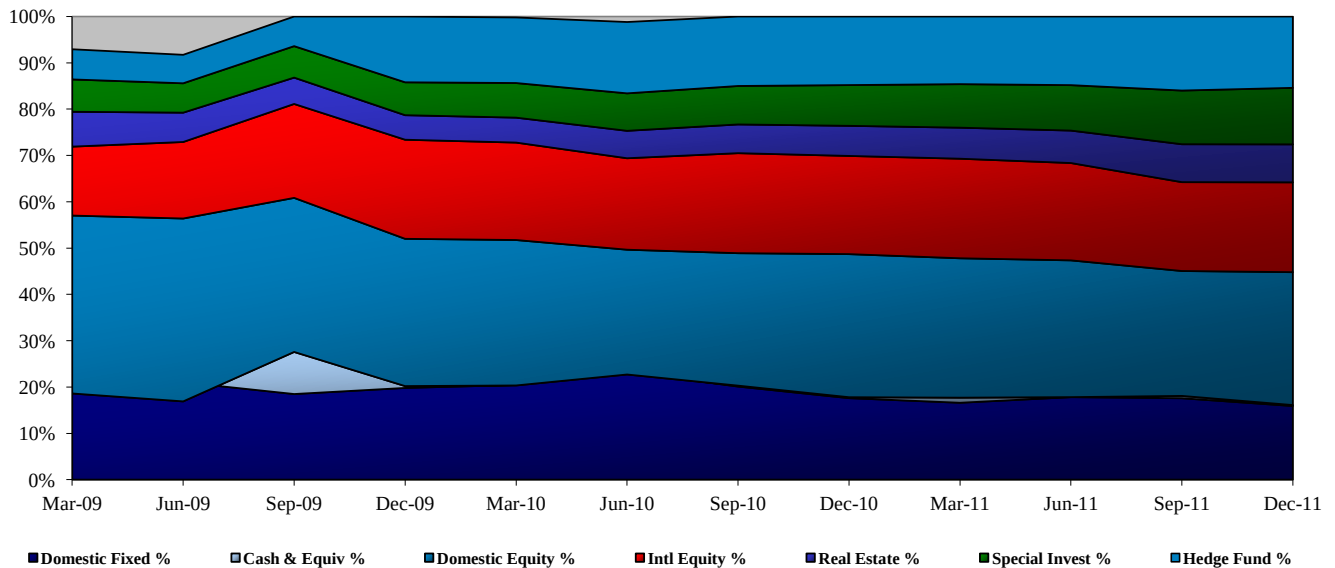
December 31, 2011

Asset Class	Investment Manager	Market Values	Allocation	Target
Core Fixed Income	Blackrock	\$106,230,856	5.4%	7.0%
Core Fixed Income	PIMCO	\$125,015,225	6.3%	7.0%
High Yield Fixed Income	Shenkman	\$11	0.0%	0.0%
High Yield Fixed Income	Shenkman - Four Points	<u>\$62,459,861</u>	<u>3.2%</u>	<u>3.0%</u>
Total Fixed Income		\$293,705,953	14.9%	17.0%
All-Cap Core Equity	Allegiant	\$125,826,863	6.4%	6.5%
All-Cap Core Equity	PanAgora	\$125,183,444	6.4%	6.5%
All-Cap Value Equity	Bartlett	\$44,205,605	2.2%	2.0%
Large-Cap Value Equity	Rhumblin	\$57,401,540	2.9%	3.0%
Large-Cap Growth Equity	Montag & Caldwell	\$30,146,728	1.5%	1.5%
Mid-Cap Growth Equity	Rhumblin	\$50,064,319	2.5%	2.5%
Mid-Cap Growth Equity	Turner	\$44,552,846	2.3%	2.5%
Small-Cap Value Equity	Opus	\$50,877,387	2.6%	2.5%
Small-Cap Value Equity	WCM	\$47,136,424	2.4%	2.5%
Cash Equitization	Clifton Group	<u>\$5,182,629</u>	<u>0.3%</u>	<u>0.0%</u>
Total U.S. Equity		\$580,577,785	29.5%	29.5%
International Value	Mondrian	\$104,829,063	5.3%	5.5%
International Core	Harding Loevner	\$97,090,483	4.9%	5.5%
International Small Value	DFA	\$88,049,541	4.5%	5.0%
Emerging Markets	Mondrian - EM	<u>\$96,145,583</u>	<u>4.9%</u>	<u>5.0%</u>
Total International Equity		\$386,114,670	19.6%	21.0%
Real Estate Core	J.P. Morgan SPF	\$60,125,277	3.0%	2.5%
Real Estate Core	Morgan Stanley P.P.	\$52,741,919	2.7%	2.5%
Real Estate Value-Added	PRISA III	\$22,295,261	1.1%	0.9%
Real Estate Value-Added	Principal Enhanced	\$13,661,777	0.7%	0.8%
Real Estate - Non U.S.	Mesirow/Courtland I	<u>\$13,272,288</u>	<u>0.7%</u>	<u>0.8%</u>
Total Real Estate		\$162,096,522	8.2%	7.5%
Long/Short Equity	ABS Global	\$154,171,072	7.8%	7.5%
Long/Short Equity	Common Sense	<u>\$154,374,989</u>	<u>7.8%</u>	<u>7.5%</u>
Total Long/Short Equity		\$308,546,061	15.7%	15.0%
Private Equity Venture	Blue Chip II	\$168,049	0.0%	---
Private Equity Venture	Blue Chip III	\$213,196	0.0%	---
Private Equity Venture	Blue Chip IV	\$13,797,068	0.7%	---
Private Equity FoFs Diversified	Fort Washington Fund V	\$34,744,416	1.8%	---
Private Equity FoFs Diversified	Fort Washington Fund VI	\$16,707,771	0.8%	---
Private Equity Buy-Out	North Sky III - LBO	\$22,351,819	1.1%	---
Private Equity Venture	North Sky III - VC	\$10,573,659	0.5%	---
Private Equity Buy-Out	North Sky IV - LBO	\$5,250,736	0.3%	---
Private Equity Venture	North Sky IV - VC	\$19,430,729	1.0%	---
Private Equity FoFs Specialized	Portfolio Advisors IV - Special Sit	\$15,513,134	0.8%	---
Private Equity FoFs Specialized	Portfolio Advisors V - Special Sit	<u>\$6,788,932</u>	<u>0.3%</u>	---
Total Private Equity		\$145,539,509	7.4%	5.0%
Infrastructure	Alinda II	\$39,597,058	2.0%	2.5%
Infrastructure	Macquarie II	<u>\$54,737,732</u>	<u>2.8%</u>	<u>2.5%</u>
Total Infrastructure		\$94,334,790	4.8%	5.0%
Cash Short-Term	Cash	<u>\$467,907</u>	<u>0.0%</u>	---
Total Cash Equivalents		\$467,907	0.0%	
TOTAL PORTFOLIO		<u>\$1,971,383,197</u>	<u>100.0%</u>	<u>100.0%</u>

Current Asset Allocation vs. Peers



Historical Asset Allocation



Annualized Performance (Gross of Fees)

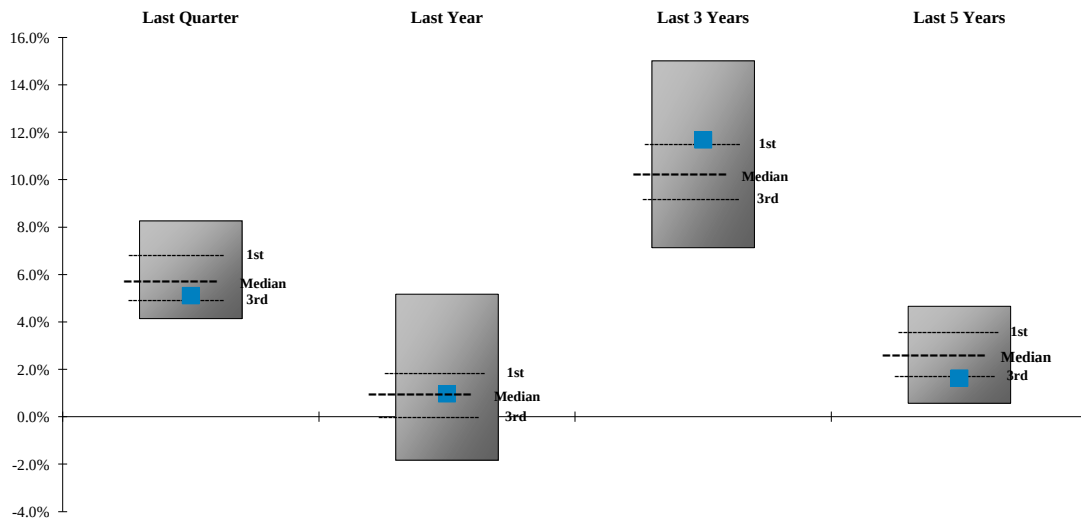
December 31, 2011

	Qtr.	YTD	1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year
Total Fund Composite	5.1%	1.0%	1.0%	7.3%	11.7%	0.1%	1.6%	3.9%	4.5%
Rank vs. Total Public Funds	71	56	56	27	23	81	79	75	80
Benchmark									
Target Benchmark ¹	5.3%	-0.3%	-0.3%	6.9%	11.2%	-0.1%	1.3%	4.1%	5.1%
Actuarial Rate of Return	---	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Total Fixed Income Composite	2.2%	5.8%	5.8%	7.8%	12.2%	7.5%	7.2%	6.3%	6.6%
Rank vs. Total Public Fixed Income	26	68	68	41	23	34	40	35	28
Benchmark									
BarCap Aggregate	1.1%	7.8%	7.8%	7.2%	6.8%	6.4%	6.5%	5.6%	5.8%
Total Domestic Equity Composite	12.6%	0.0%	0.0%	9.4%	15.4%	-0.6%	1.0%	3.7%	3.8%
Rank vs. Total Public Domestic Equity	38	51	51	46	53	52	49	51	67
Benchmark									
Wilshire 5000	12.0%	1.0%	1.0%	8.8%	14.9%	-1.2%	0.1%	3.1%	3.8%
Total International Equity Composite	4.3%	-10.0%	-10.0%	0.9%	11.6%	-4.1%	-1.1%	4.7%	5.5%
Rank vs. Total Public International	44	20	20	29	48	15	29	35	81
Benchmark									
MSCI EAFE	3.4%	-11.7%	-11.7%	-2.3%	8.2%	-7.9%	-4.3%	2.2%	5.1%
MSCI ACWI ex US	3.8%	-13.3%	-13.3%	-1.6%	11.2%	-6.8%	-2.5%	4.0%	6.8%
Total Real Estate Composite	2.9%	17.0%	17.0%	16.5%	-2.6%	-4.1%	---	---	---
Rank vs. Total Real Estate Portfolios	47	22	22	29	58	48	---	---	---
Benchmark									
NCREIF - ODCE	2.7%	15.1%	15.1%	15.6%	-2.4%	-4.5%	-0.9%	4.1%	5.3%
NCREIF	3.0%	14.3%	14.3%	13.7%	2.4%	0.1%	3.1%	7.2%	8.1%
Total Long/Short Composite	1.2%	-0.7%	-0.7%	1.9%	5.8%	---	---	---	---
Rank vs. Hedge Fund of Fund Portfolios	57	39	39	57	67	---	---	---	---
Benchmark									
Custom Benchmark ²	9.7%	0.8%	0.8%	6.9%	11.9%	-1.0%	0.0%	2.4%	2.8%
HFRX Hedged Equity	-0.8%	-19.1%	-19.1%	-6.1%	-0.1%	-7.1%	-5.2%	-1.9%	0.4%
Total Private Equity Composite	---	9.6%	9.6%	14.0%	13.6%	8.0%	10.4%	6.5%	1.0%
Benchmark									
VE All Private Equity	---	9.5%	9.5%	13.7%	13.7%	4.1%	6.6%	10.9%	9.8%
Total Infrastructure Composite	---	10.0%	10.0%	16.8%	11.9%	---	---	---	---
Benchmark									
LIBOR + 4%	1.1%	4.3%	4.3%	4.3%	4.5%	5.4%	6.2%	6.7%	6.4%

¹ As of 6/30/2011, the Target Benchmark consists of 14% BarCap Aggregate, 3% BarCap High Yield, 13% Russell 3000, 2% Russell 3000 Value, 3% Russell 1000 Value, 1.5% Russell 1000 Growth, 5% Russell MidCap Growth, 5% Russell 2000 Value, 11% MSCI EAFE Index, 8% Citigroup Intl. < \$2 Billion, 5% MSCI Emerging Markets, 15% HFRX Hedged Equity Index, 7.5% NCREIF ODCE, 5% VE Private Equity Index, and 5% ML LIBOR + 4%. Prior to 6/30/2011, the Target Benchmark consisted of 12% BarCap Aggregate, 5% BarCap High Yield, 13% Russell 3000, 2% Russell 3000 Value, 3% Russell 1000 Value, 1.5% Russell 1000 Growth, 5% Russell MidCap Growth, 5% Russell 2000 Value, 15% MSCI EAFE Index, 3% Citigroup Intl. < \$2 Billion, 3% MSCI Emerging Markets, 15% HFRX Hedged Equity Index, 7.5% NCREIF ODCE, 5% VE Private Equity Index, and 5% ML LIBOR + 4%. Prior to 8/31/09, the Target Benchmark consists of 12% the BarCap Aggregate, 5% LB High Yield, 16% the Russell 3000, 2% Russell 3000 Value, 10% the Russell 1000 Value, 5% Russell 1000 Growth, 5% Russell MidCap Growth, 5% Russell 2000 Value, 14% MSCI EAFE Index, 2% Citigroup Intl. < \$2 Billion, 1% MSCI Emerging Markets, 5% HFRX Hedged Equity Index, 8% NCREIF ODCE, 5% the VE Private Equity Index, and 5% the ML LIBOR + 4%. Prior to 1/31/07, the Target Benchmark consisted of 21% BarCap Aggregate, 5% BarCap High Yield, 10% Russell 3000, 2% Russell 3000 Value, 19% Russell 1000 Value, 15% Russell 1000 Growth, 4% Russell 2500 Value, 2% Russell 2000 Growth, 17% MSCI EAFE, and 5% VE Private Equity.

² Custom Benchmark is 80% of the Russell 3000.

Annualized Performance vs. Total Public Funds



Calendar Year Performance (Gross of Fees)

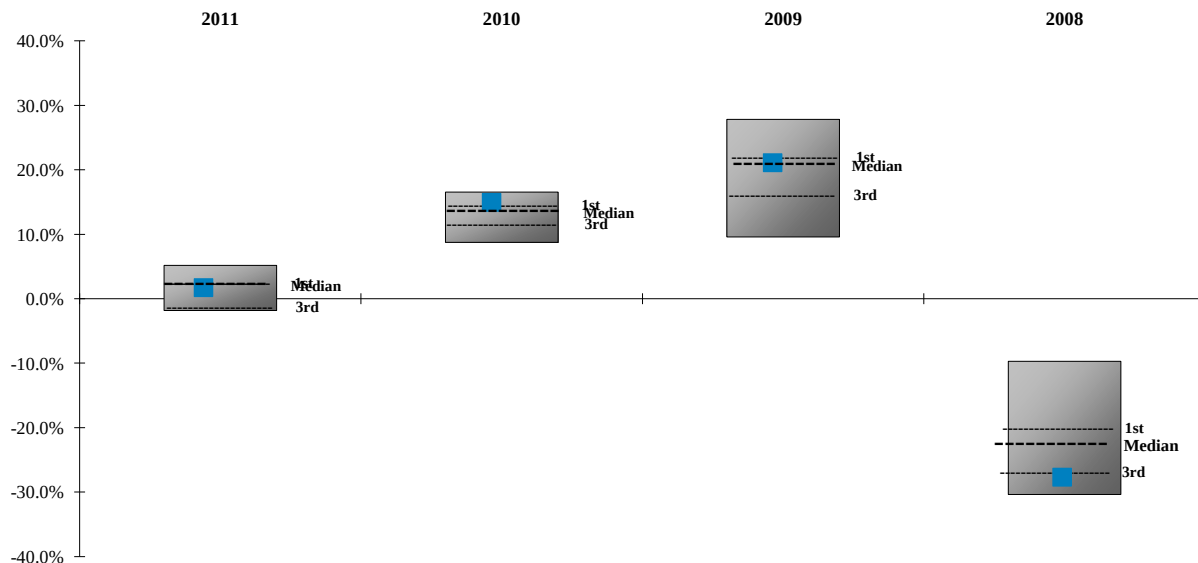
December 31, 2011

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Total Fund Composite	1.0%	14.1%	20.9%	-28.0%	8.1%	13.2%	6.8%	10.2%	22.3%	-11.9%
Rank vs. Total Public Funds	56	21	31	83	37	36	46	42	28	89
Benchmark										
Target Benchmark ¹	-0.3%	14.0%	20.0%	-27.4%	7.1%	15.4%	7.7%	12.4%	25.7%	-12.2%
Actuarial Rate of Return	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Total Fixed Income Composite	5.8%	10.0%	21.3%	-5.5%	6.0%	5.3%	3.0%	5.2%	6.3%	10.3%
Rank vs. Total Public Fixed Income	68	30	6	79	63	27	30	28	21	30
Benchmark										
BarCap Aggregate	7.8%	6.5%	5.9%	5.2%	7.0%	4.3%	2.4%	4.3%	4.1%	10.3%
Total Domestic Equity Composite	0.0%	19.7%	28.4%	-36.5%	7.7%	14.6%	7.0%	11.3%	29.2%	-21.9%
Rank vs. Total Public Domestic Equity	51	42	52	44	36	52	50	60	57	56
Benchmark										
Wilshire 5000	1.0%	17.2%	28.3%	-37.2%	5.6%	15.8%	6.4%	12.5%	31.6%	-20.9%
Total International Equity Composite	-10.0%	13.2%	36.4%	-39.1%	12.1%	26.5%	14.8%	16.2%	30.3%	-17.8%
Rank vs. Total Public International	20	46	50	17	57	46	53	79	89	79
Benchmark										
MSCI EAFE	-11.7%	8.2%	32.5%	-43.1%	11.6%	26.9%	14.0%	20.7%	39.2%	-15.7%
MSCI ACWI ex US	-13.3%	11.6%	42.1%	-45.2%	17.1%	27.2%	17.1%	21.4%	41.4%	-14.7%
Total Real Estate Composite	17.0%	15.9%	-31.9%	-8.3%	---	---	---	---	---	---
Rank vs. Total Real Estate Portfolios	22	38	74	36	---	---	---	---	---	---
Benchmark										
NCREIF - ODCE	15.1%	16.4%	-29.8%	-10.0%	16.0%	16.3%	21.4%	13.1%	9.3%	5.5%
NCREIF	14.3%	13.1%	-16.9%	-6.5%	15.8%	16.6%	20.1%	14.5%	9.0%	6.7%
Total Long/Short Composite	-0.7%	4.5%	14.1%	---	---	---	---	---	---	---
Rank vs. Hedge Fund of Fund Portfolios	39	79	66	---	---	---	---	---	---	---
Benchmark										
Custom Benchmark ²	0.8%	13.5%	22.7%	-29.8%	4.1%	12.6%	4.9%	9.6%	24.8%	-17.2%
HFRX Hedged Equity	-19.1%	8.9%	13.1%	-25.5%	3.2%	9.2%	4.2%	2.2%	14.5%	2.1%

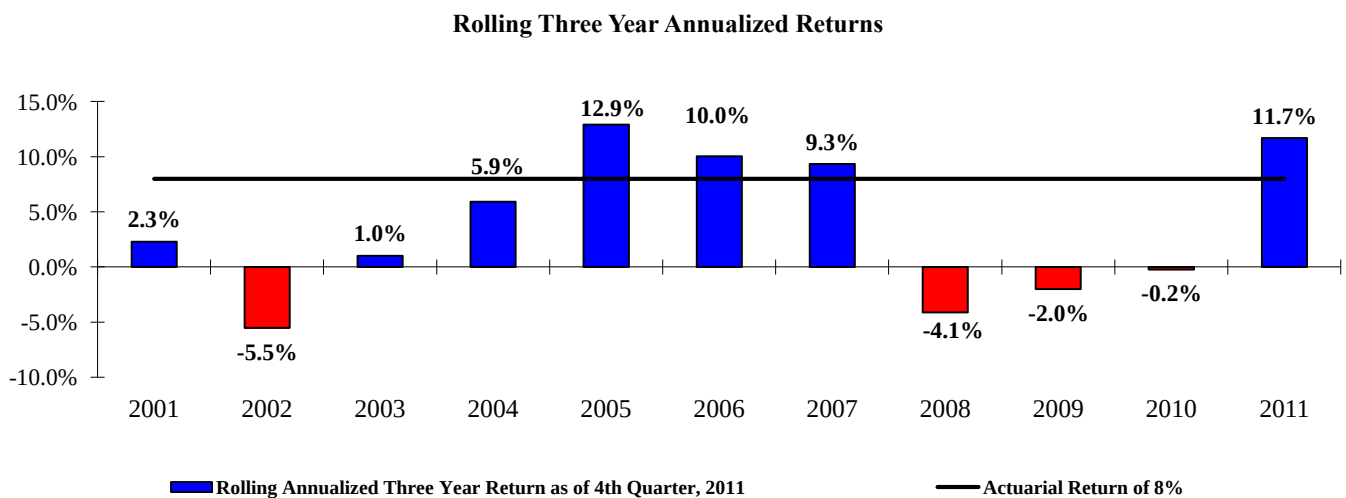
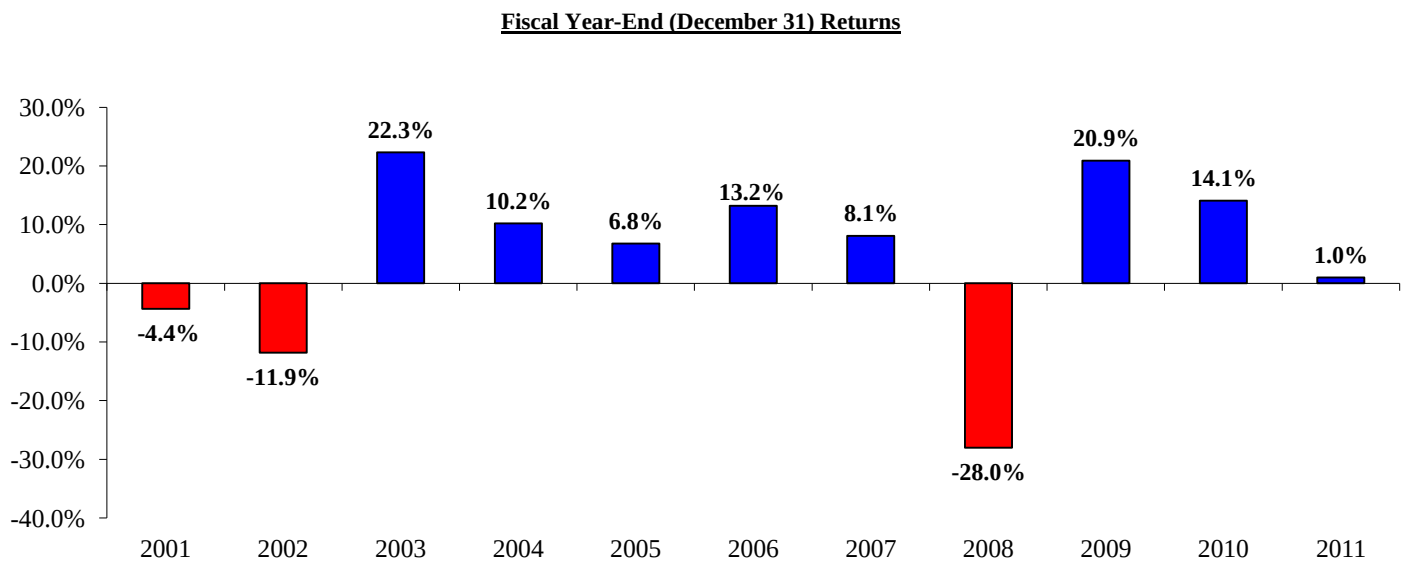
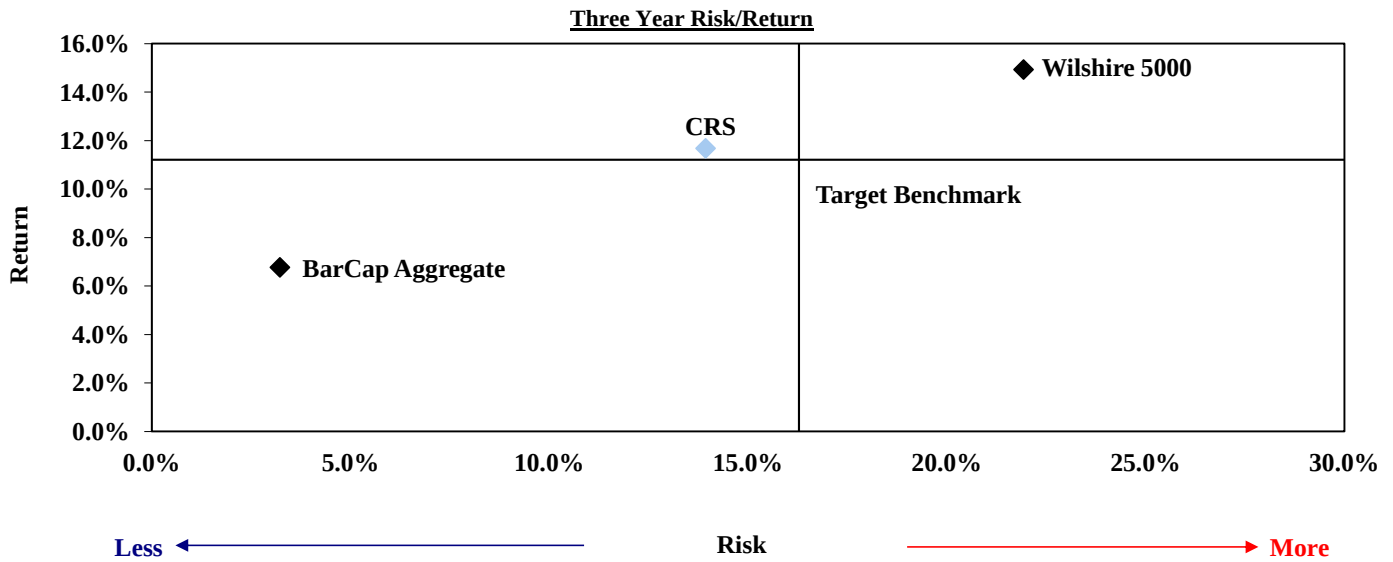
¹As of 6/30/2011, the Target Benchmark consists of 14% BarCap Aggregate, 3% BarCap High Yield, 13% Russell 3000, 2% Russell 3000 Value, 3% Russell 1000 Value, 1.5% Russell 1000 Growth, 5% Russell MidCap Growth, 5% Russell 2000 Value, 11% MSCI EAFE Index, 8% Citigroup Intl. < \$2 Billion, 5% MSCI Emerging Markets, 15% HFRI Hedged Equity Index, 7.5% NCREIF ODCE, 5% VE Private Equity Index, and 5% ML LIBOR + 4%. Prior to 6/30/2011, the Target Benchmark consisted of 12% BarCap Aggregate, 5% BarCap High Yield, 13% Russell 3000, 2% Russell 3000 Value, 3% Russell 1000 Value, 1.5% Russell 1000 Growth, 5% Russell MidCap Growth, 5% Russell 2000 Value, 15% MSCI EAFE Index, 3% Citigroup Intl. < \$2 Billion, 3% MSCI Emerging Markets, 15% HFRI Hedged Equity Index, 7.5% NCREIF ODCE, 5% VE Private Equity Index, and 5% ML LIBOR + 4%. Prior to 8/31/09, the Target Benchmark consists of 12% the BarCap Aggregate, 5% LB High Yield, 16% the Russell 3000, 2% Russell 3000 Value, 10% the Russell 1000 Value, 5% Russell 1000 Growth, 5% Russell MidCap Growth, 5% Russell 2000 Value, 14% MSCI EAFE Index, 2% Citigroup Intl. < \$2 Billion, 1% MSCI Emerging Markets, 5% HFRI Hedged Equity Index, 8% NCREIF ODCE, 5% the VE Private Equity Index, and 5% the ML LIBOR + 4%. Prior to 1/31/07, the Target Benchmark consisted of 21% BarCap Aggregate, 5% BarCap High Yield, 10% Russell 3000, 2% Russell 3000 Value, 19% Russell 1000 Value, 15% Russell 1000 Growth, 4% Russell 2500 Value, 2% Russell 2000 Growth, 17% MSCI EAFE, and 5% VE Private Equity.

²Custom Benchmark is 80% Russell 3000.

Calendar Year Performance vs. Total Public Funds



Total Cincinnati Retirement System Review as of December 31, 2011



Annualized Investment Manager Performance (Gross of Fees)

December 31, 2011

	Qtr.	YTD	1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year
Fixed Income - Core									
Blackrock	1.6%	9.1%	9.1%	8.0%	9.7%	6.5%	6.6%	5.7%	6.0%
Rank by Style	28	10	10	23	22	55	55	58	56
PIMCO	1.6%	4.9%	4.9%	7.5%	12.3%	8.4%	8.0%	6.9%	6.8%
Rank by Style	25	90	90	41	7	9	8	6	11
Benchmarks									
BarCap Aggregate	1.1%	7.8%	7.8%	7.2%	6.8%	6.4%	6.5%	5.6%	5.8%
Fixed Income - High Yield									
Shenkman - Four Points	4.2%	1.7%	1.7%	---	---	---	---	---	---
Rank by Style	56	81	81	---	---	---	---	---	---
Benchmarks									
BarCap High Yield	6.5%	5.0%	5.0%	9.9%	24.1%	9.0%	7.5%	7.4%	8.9%
Custom Benchmark ¹	6.0%	6.1%	6.1%	10.1%	20.8%	8.2%	7.1%	7.0%	8.1%

Annualized Investment Manager Performance (Gross of Fees)

December 31, 2011

	Qtr.	YTD	1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year
All-Cap Core Equity									
Allegiant	11.9%	1.3%	1.3%	8.9%	15.0%	-1.0%	---	---	---
Rank by Style	55	55	55	41	47	51	---	---	---
PanAgora	11.9%	0.9%	0.9%	8.6%	14.8%	-1.1%	0.1%	3.1%	3.6%
Rank by Style	52	63	63	48	51	53	52	54	60
Benchmarks									
Russell 3000	12.1%	1.0%	1.0%	8.7%	14.9%	-1.3%	0.0%	3.0%	3.5%
All-Cap Value Equity									
Bartlett	13.0%	1.6%	1.6%	7.7%	13.5%	-2.1%	-0.7%	3.4%	4.6%
Rank by Style	46	31	31	58	50	57	46	39	58
Benchmarks									
Custom Benchmark ²	13.3%	-0.1%	-0.1%	7.8%	11.6%	-3.0%	-2.6%	0.9%	1.7%
Russell 3000 Value	13.3%	-0.1%	-0.1%	7.8%	11.6%	-3.0%	-2.6%	2.0%	4.1%
Large-Cap Value Equity									
Rhumblin	13.1%	0.4%	0.4%	8.0%	11.9%	-2.9%	---	---	---
Rank by Style	27	49	49	37	64	58	---	---	---
Benchmarks									
Russell 1000 Value	13.1%	0.4%	0.4%	7.7%	11.5%	-3.2%	-2.6%	2.0%	3.9%
Large-Cap Growth Equity									
Montag & Caldwell	10.2%	4.5%	4.5%	7.3%	14.9%	0.6%	4.6%	5.6%	3.5%
Rank by Style	40	11	11	49	64	21	9	10	61
Benchmarks									
Russell 1000 Growth	10.6%	2.6%	2.6%	9.5%	18.0%	0.3%	2.5%	3.8%	2.6%
Mid-Cap Growth Equity									
Rhumblin	11.3%	-1.5%	-1.5%	11.5%	22.1%	0.4%	---	---	---
Rank by Style	59	48	48	44	31	46	---	---	---
Turner	7.1%	-7.1%	-7.1%	9.4%	21.3%	---	---	---	---
Rank by Style	95	87	87	74	40	---	---	---	---
Benchmarks									
Russell MidCap Growth	11.2%	-1.7%	-1.7%	11.5%	22.1%	0.3%	2.4%	4.9%	5.3%
Small-Cap Value Equity									
Opus	16.9%	-1.2%	-1.2%	12.0%	16.7%	---	---	---	---
Rank by Style	37	22	22	26	70	---	---	---	---
WCM	17.9%	-3.8%	-3.8%	8.3%	13.9%	---	---	---	---
Rank by Style	28	48	48	93	90	---	---	---	---
Benchmarks									
Russell 2000 Value	16.0%	-5.5%	-5.5%	8.5%	12.4%	0.2%	-1.9%	2.3%	6.4%

Annualized Investment Manager Performance (Gross of Fees)

December 31, 2011

	Qtr.	YTD	1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year
International Equity									
Mondrian	3.7%	-4.0%	-4.0%	-0.4%	7.4%	-6.1%	-2.6%	3.9%	---
Rank by Style	59	7	7	41	81	48	53	50	---
Harding Loevner	5.9%	-9.9%	-9.9%	3.6%	15.5%	-1.7%	1.2%	6.9%	---
Rank by Style	19	22	22	12	19	13	17	19	---
DFA	1.4%	-17.5%	-17.5%	-1.3%	10.8%	-5.6%	---	---	---
Rank by Style	40	57	57	72	84	27	---	---	---
Mondrian - EM	5.9%	-11.2%	-11.2%	2.5%	21.7%	-0.3%	---	---	---
Rank by Style	15	4	4	10	16	3	---	---	---
Benchmarks									
MSCI EAFE	3.4%	-11.7%	-11.7%	-2.3%	8.2%	-7.9%	-4.3%	2.2%	5.1%
Citigroup ex. US <\$2 Billion	-0.2%	-19.6%	-19.6%	0.0%	17.7%	-4.6%	-1.0%	5.6%	11.1%
MSCI EM	4.4%	-18.2%	-18.2%	-1.2%	20.4%	-4.9%	2.7%	10.7%	14.2%

Annualized Investment Manager Performance (Gross of Fees)

December 31, 2011

	Qtr.	YTD	1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year
Real Estate									
J.P. Morgan SPF	3.1%	16.0%	16.0%	15.1%	-0.9%	---	---	---	---
Rank by Style	27	34	34	53	28	---	---	---	---
Morgan Stanley P.P.	3.3%	17.7%	17.7%	17.0%	-2.6%	-2.9%	---	---	---
Rank by Style	18	23	23	21	60	25	---	---	---
PRISA III	4.4%	24.8%	24.8%	23.5%	-8.4%	-11.1%	---	---	---
Rank by Style	9	2	2	1	97	95	---	---	---
Principal Enhanced	1.5%	16.9%	16.9%	15.3%	-8.8%	---	---	---	---
Rank by Style	82	26	26	50	97	---	---	---	---
Mesirow/Courtland I	---	6.7%	6.7%	10.8%	3.3%	-6.9%	---	---	---
Rank by Style	---	97	97	87	2	93	---	---	---
Benchmarks									
NCREIF - ODCE	2.7%	15.1%	15.1%	15.6%	-2.4%	-4.5%	-0.9%	4.1%	5.3%
NCREIF	3.0%	14.3%	14.3%	13.7%	2.4%	0.1%	3.1%	7.2%	8.1%
Long/Short Equity									
ABS Global	1.8%	-3.0%	-3.0%	1.7%	4.7%	---	---	---	---
Rank by Style	28	39	39	52	82	---	---	---	---
Common Sense	0.6%	1.8%	1.8%	2.1%	7.0%	---	---	---	---
Rank by Style	57	4	4	46	33	---	---	---	---
Benchmarks									
Custom Benchmark ³	9.7%	0.8%	0.8%	6.9%	11.9%	-1.0%	0.0%	2.4%	2.8%
HFRX Hedged Equity	-0.8%	-19.1%	-19.1%	-6.1%	-0.1%	-7.1%	-5.2%	-1.9%	0.4%
Private Equity									
Internal Rate of Return Analysis - Since Inception, Annualized, through September 30, 2011									
	Net IRR	Benchmark ⁴							
Blue Chip II	0.7%	12.4%							
Blue Chip III	-13.1%	9.7%							
Blue Chip IV	2.3%	5.6%							
Fort Washington Fund V	6.6%	4.7%							
Fort Washington Fund VI	11.8%	5.2%							
North Sky III - LBO	4.6%	6.0%							
North Sky III - VC	6.0%	6.0%							
North Sky IV - LBO	-1.2%	5.2%							
North Sky IV - VC	28.6%	4.8%							
Portfolio Advisors IV - Special Sit	4.8%	6.0%							
Portfolio Advisors V - Special Sit	8.2%	5.2%							
Infrastructure									
Internal Rate of Return Analysis - Since Inception, Annualized, through September 30, 2011									
	Net IRR	Benchmark ⁵							
Alinda II	5.7%	5.0%							
Macquarie II	9.7%	4.9%							
Please see page 28 for more detailed information									

¹ Custom benchmark for Shenkman is 50% BarCap High Yield Ba Index and 50% BarCap High Yield B Index.

² The custom benchmark for Bartlett as of March 31, 2007 consists of 100% the Russell 3000 Value. Prior to March 31, 2007, the benchmark consisted of 100% the S&P 500.

³ Custom Benchmark is 80% of the Russell 3000.

⁴ Benchmarks consist of annualized performance of the Venture Economics All Private Equity Index from the quarter of the initial investment through 6/30/2011.

⁵ Benchmark consists of annualized performance of 3-month LIBOR +4% from the month of the initial investment through 6/30/2011.

Signifies Outperformance of Benchmark

Calendar Year Investment Manager Performance (Gross of Fees)

December 31, 2011

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Fixed Income - Core										
Blackrock	9.1%	6.9%	13.2%	-2.5%	6.7%	4.6%	2.8%	4.8%	4.7%	10.3%
Rank by Style	10	63	22	83	47	46	43	30	56	34
PIMCO	4.9%	10.1%	22.4%	-2.5%	6.6%	5.2%	3.2%	4.6%	4.9%	10.0%
Rank by Style	90	9	1	84	54	14	19	43	42	50
Benchmarks										
BarCap Aggregate	7.8%	6.5%	5.9%	5.2%	7.0%	4.3%	2.4%	4.3%	4.1%	10.3%
Fixed Income - High Yield										
Shenkman - Four Points	1.7%	---	---	---	---	---	---	---	---	---
Rank by Style	81	---	---	---	---	---	---	---	---	---
Benchmarks										
BarCap High Yield	5.0%	15.1%	58.2%	-26.2%	1.9%	11.8%	2.7%	11.1%	29.0%	-1.4%
Custom Benchmark ¹	6.1%	14.2%	45.5%	-22.2%	2.4%	10.7%	3.2%	10.0%	23.2%	-0.3%

Calendar Year Investment Manager Performance (Gross of Fees)

December 31, 2011

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
All-Cap Core Equity										
Allegiant	1.3%	17.2%	28.0%	-36.8%	---	---	---	---	---	---
Rank by Style	55	50	50	48	---	---	---	---	---	---
PanAgora	0.9%	16.9%	28.2%	-36.8%	5.2%	16.1%	6.4%	12.1%	31.0%	-22.0%
Rank by Style	63	51	48	49	61	39	56	57	47	58
Benchmarks										
Russell 3000	1.0%	16.9%	28.3%	-37.3%	5.1%	15.7%	6.1%	11.9%	31.1%	-21.5%
All-Cap Value Equity										
Bartlett	1.6%	14.2%	26.0%	-37.1%	4.8%	18.7%	10.4%	14.9%	32.0%	-18.2%
Rank by Style	31	67	49	69	30	58	41	64	53	33
Benchmarks										
Custom Benchmark ²	-0.1%	16.2%	19.8%	-36.3%	-1.2%	15.8%	4.9%	10.9%	28.7%	-22.1%
Russell 3000 Value	-0.1%	16.2%	19.8%	-36.3%	-1.0%	22.3%	6.9%	16.9%	31.1%	-15.2%
Large-Cap Value Equity										
Rhumblin	0.4%	16.2%	20.0%	-36.6%	---	---	---	---	---	---
Rank by Style	49	27	81	54	---	---	---	---	---	---
Benchmarks										
Russell 1000 Value	0.4%	15.5%	19.7%	-36.8%	-0.2%	22.2%	7.1%	16.5%	30.0%	-15.5%
Large-Cap Growth Equity										
Montag & Caldwell	4.5%	10.1%	31.7%	-32.3%	22.3%	9.3%	6.9%	5.0%	18.6%	-22.8%
Rank by Style	11	94	69	8	14	46	62	92	96	47
Benchmarks										
Russell 1000 Growth	2.6%	16.7%	37.2%	-38.4%	11.8%	9.1%	5.3%	6.3%	29.7%	-27.9%
Mid-Cap Growth Equity										
Rhumblin	-1.5%	26.4%	46.3%	-44.1%	---	---	---	---	---	---
Rank by Style	48	57	24	68	---	---	---	---	---	---
Turner	-7.1%	28.9%	48.9%	---	---	---	---	---	---	---
Rank by Style	87	30	19	---	---	---	---	---	---	---
Benchmarks										
Russell MidCap Growth	-1.7%	26.4%	46.3%	-44.3%	11.4%	10.7%	12.1%	15.5%	42.7%	-27.4%
Small-Cap Value Equity										
Opus	-1.2%	26.8%	26.9%	---	---	---	---	---	---	---
Rank by Style	22	58	61	---	---	---	---	---	---	---
WCM	-3.8%	21.8%	26.1%	---	---	---	---	---	---	---
Rank by Style	48	91	70	---	---	---	---	---	---	---
Benchmarks										
Russell 2000 Value	-5.5%	24.5%	20.6%	-28.9%	-9.8%	23.5%	4.7%	22.2%	46.0%	-11.4%

Calendar Year Investment Manager Performance (Gross of Fees)

December 31, 2011

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
International Equity										
Mondrian	-4.0%	3.4%	24.8%	-37.1%	12.4%	31.3%	13.8%	---	---	---
Rank by Style	7	93	79	16	47	15	57	---	---	---
Harding Loevner	-9.9%	19.0%	43.8%	-39.5%	13.6%	24.2%	21.3%	---	---	---
Rank by Style	22	18	23	22	40	61	17	---	---	---
DFA	-17.5%	18.1%	39.5%	-41.7%	---	---	---	---	---	---
Rank by Style	57	87	63	1	---	---	---	---	---	---
Mondrian - EM	-11.2%	18.4%	71.3%	-45.0%	---	---	---	---	---	---
Rank by Style	4	49	56	3	---	---	---	---	---	---
Benchmarks										
MSCI EAFE	-11.7%	8.2%	32.5%	-43.1%	11.6%	26.9%	14.0%	20.7%	39.2%	-15.7%
Citigroup ex. US <\$2 Billion	-19.6%	24.4%	62.8%	-49.2%	14.8%	23.1%	25.2%	30.0%	59.2%	-5.5%
MSCI EM	-18.2%	19.2%	79.0%	-53.2%	39.8%	32.6%	34.5%	26.0%	56.3%	-6.0%

Calendar Year Investment Manager Performance (Gross of Fees)

December 31, 2011

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Real Estate										
J.P. Morgan SPF	16.0%	14.2%	-26.5%	---	---	---	---	---	---	---
Rank by Style	34	49	27	---	---	---	---	---	---	---
Morgan Stanley P.P.	17.7%	16.3%	-32.5%	-3.6%	---	---	---	---	---	---
Rank by Style	23	34	83	12	---	---	---	---	---	---
PRISA III	24.8%	22.2%	-49.6%	-18.7%	---	---	---	---	---	---
Rank by Style	2	2	95	90	---	---	---	---	---	---
Principal Enhanced	16.9%	13.9%	-43.0%	---	---	---	---	---	---	---
Rank by Style	26	61	93	---	---	---	---	---	---	---
Mesirow/Courtland I	6.7%	15.0%	-10.2%	-31.9%	---	---	---	---	---	---
Rank by Style	97	44	6	94	---	---	---	---	---	---
Benchmarks										
NCREIF - ODCE	15.1%	16.4%	-29.8%	-10.0%	16.0%	16.3%	21.4%	13.1%	9.3%	5.5%
NCREIF	14.3%	13.1%	-16.9%	-6.5%	15.8%	16.6%	20.1%	14.5%	9.0%	6.7%
Long/Short Equity										
ABS Global	-3.0%	6.7%	10.8%	---	---	---	---	---	---	---
Rank by Style	39	54	83	---	---	---	---	---	---	---
Common Sense	1.8%	2.4%	17.6%	---	---	---	---	---	---	---
Rank by Style	4	90	30	---	---	---	---	---	---	---
Benchmarks										
Custom Benchmark ³	0.8%	13.5%	22.7%	-29.8%	4.1%	12.6%	4.9%	9.6%	24.8%	-17.2%
HFRX Hedged Equity	-19.1%	8.9%	13.1%	-25.5%	3.2%	9.2%	4.2%	2.2%	14.5%	2.1%

¹ Custom benchmark for Shenkman is 50% BarCap High Yield Ba Index and 50% BarCap High Yield B Index.

² The custom benchmark for Bartlett as of March 31, 2007 consists of 100% the Russell 3000 Value. Prior to March 31, 2007, the benchmark consisted of 100% the S&P 500.

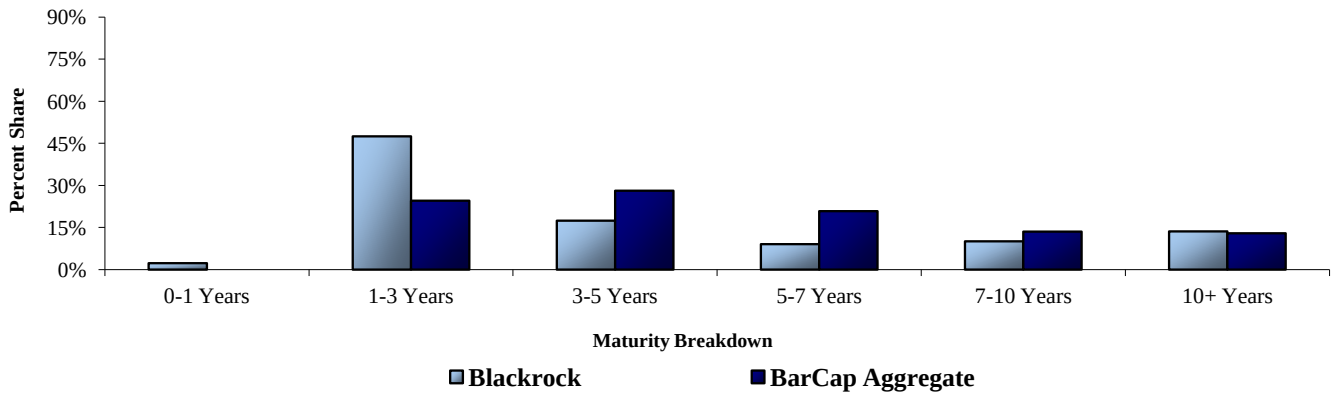
³ Custom Benchmark is 80% Russell 3000.

Signifies Outperformance of Benchmark

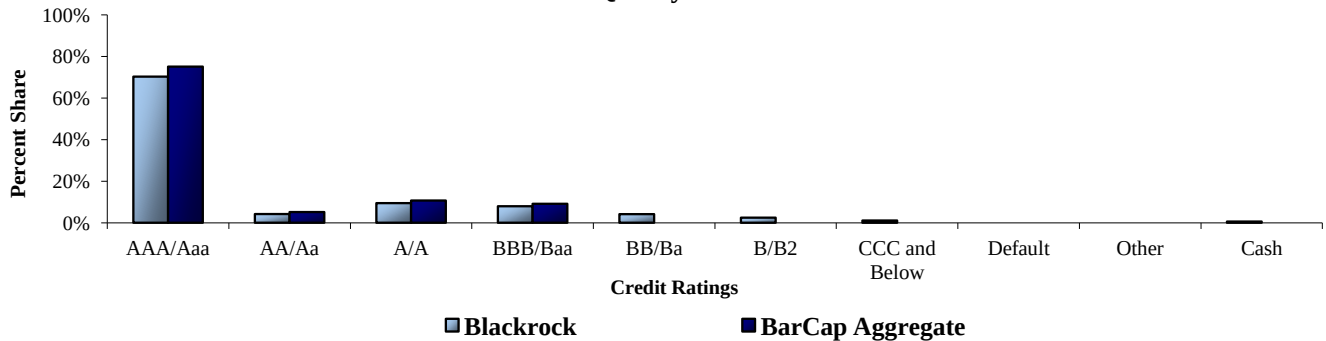
Fixed Income Portfolio Statistics - Blackrock

	<u>Blackrock</u>	<u>BarCap Aggregate</u>
Total Number of Securities	302	7,854
Current Coupon	4.3%	4.0%
Time to Maturity	6.1 Years	7.1 Years
Effective Duration	4.3 Years	5.0 Years
Yield to Worst	2.7%	2.2%
Average Credit Quality	Aa2/AA	AA1/AA2

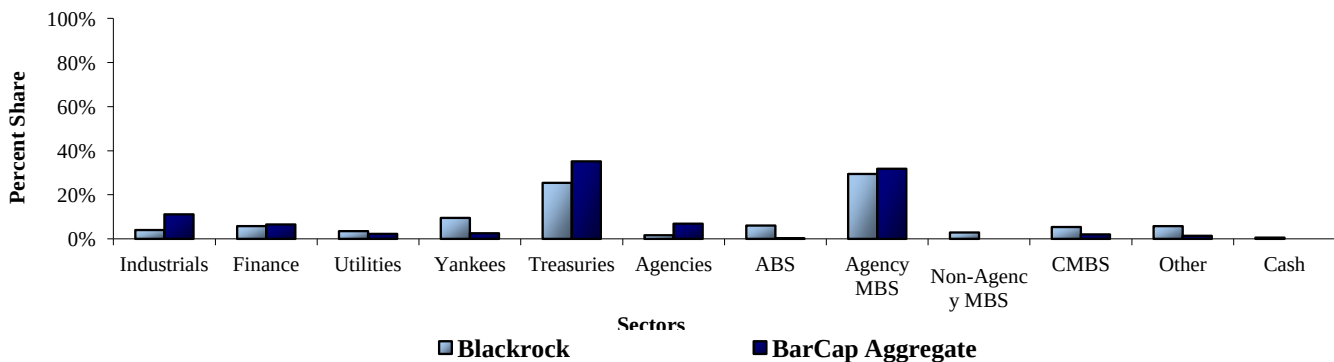
Portfolio Maturity Distribution



Portfolio Quality Distribution



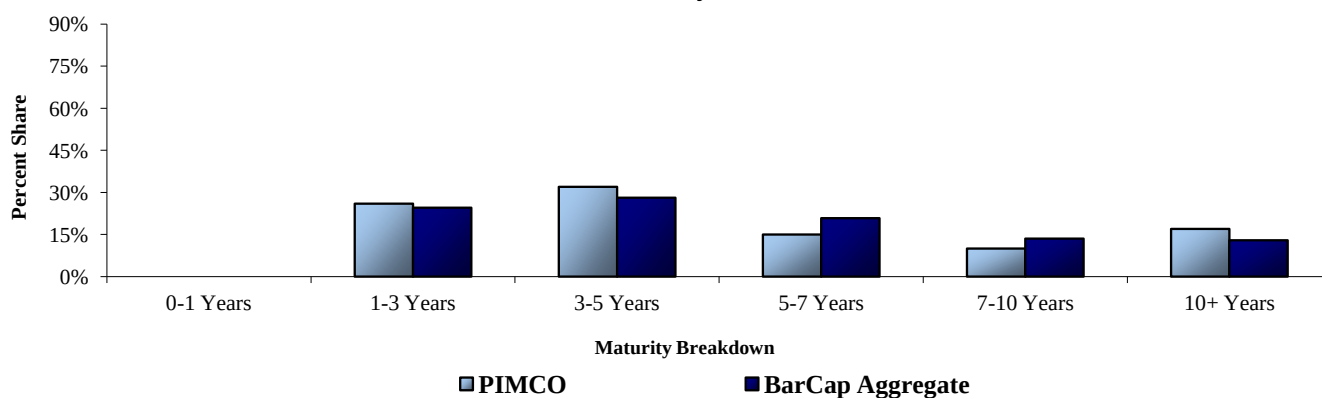
Portfolio Sector Allocation



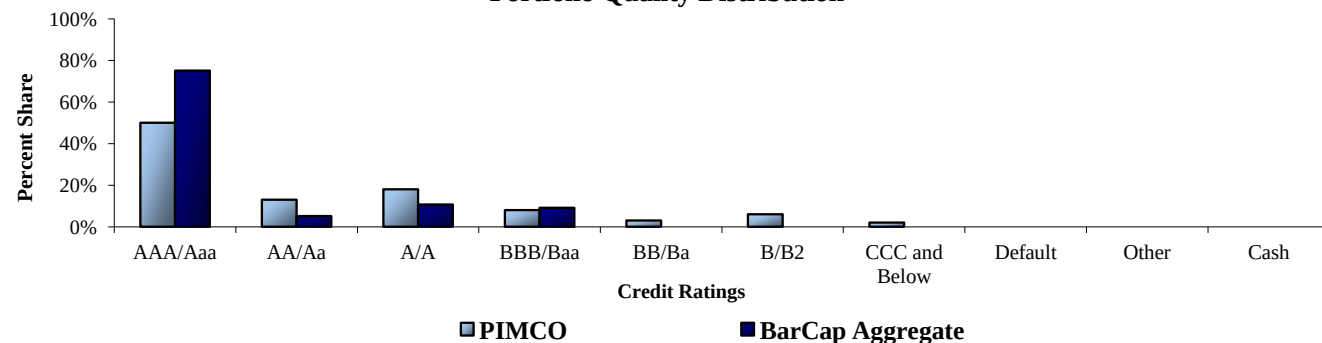
Fixed Income Portfolio Statistics (as of 9/30/2011) - PIMCO

	<u>PIMCO</u>	<u>BarCap Aggregate</u>
Total Number of Securities	262	7,854
Current Coupon	4.7%	4.0%
Time to Maturity	7.9 Years	7.1 Years
Effective Duration	5.2 Years	5.0 Years
Yield to Worst	4.3%	2.2%
Average Credit Quality	A1/A+	AA1/AA2

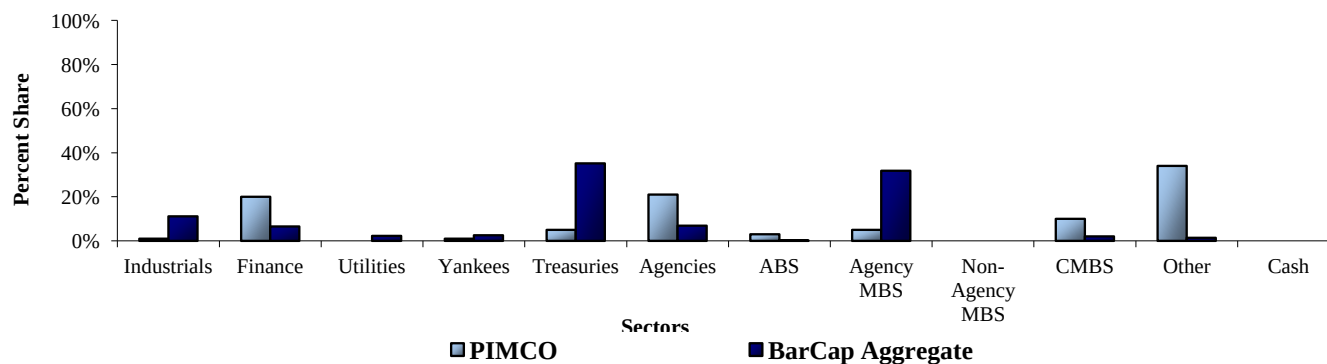
Portfolio Maturity Distribution



Portfolio Quality Distribution



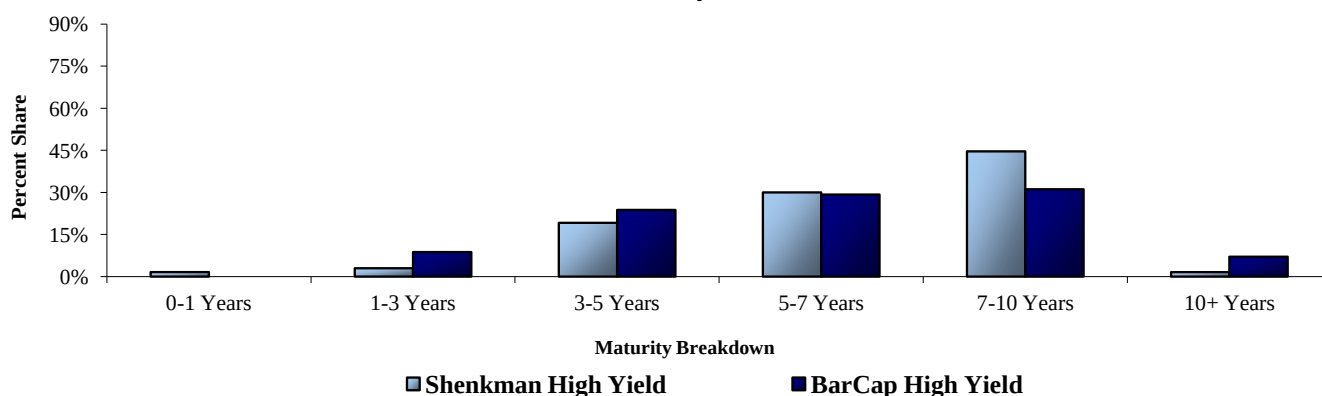
Portfolio Sector Allocation



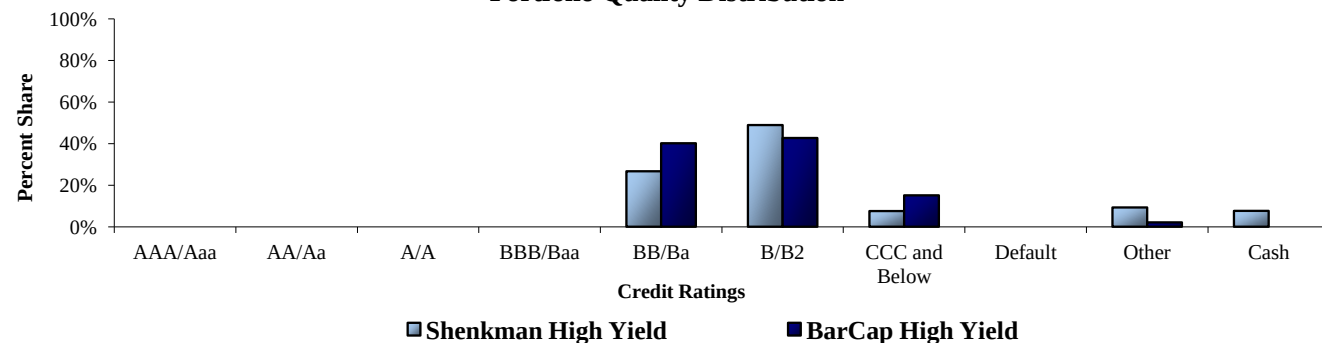
Fixed Income Portfolio Statistics (as of 9/30/2011) - Shenkman High Yield

	<u>Shenkman High Yield</u>	<u>BarCap High Yield</u>
Total Number of Securities	94	1,857
Current Coupon	7.9%	8.3%
Time to Maturity	6.6 Years	6.7 Years
Effective Duration	4.0 Years	4.2 Years
Yield to Worst	8.4%	8.4%
Average Credit Quality	B1/B+	B1/B2

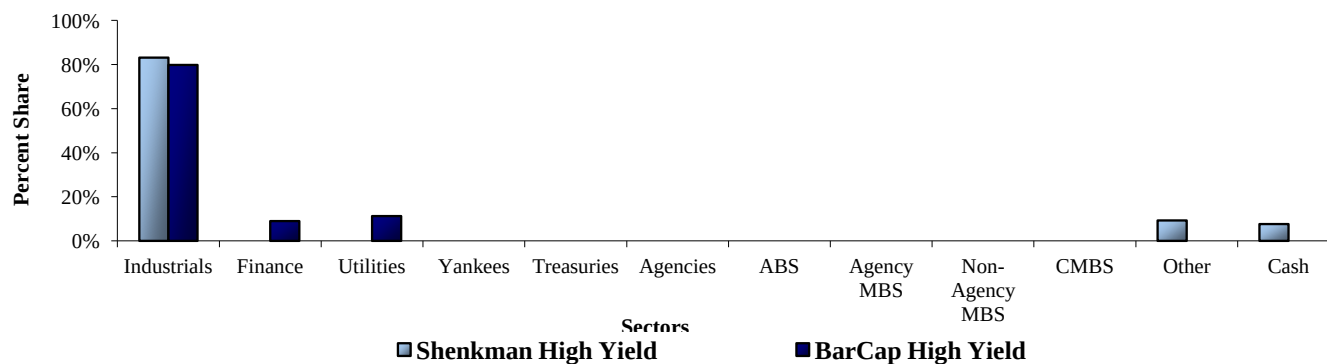
Portfolio Maturity Distribution



Portfolio Quality Distribution



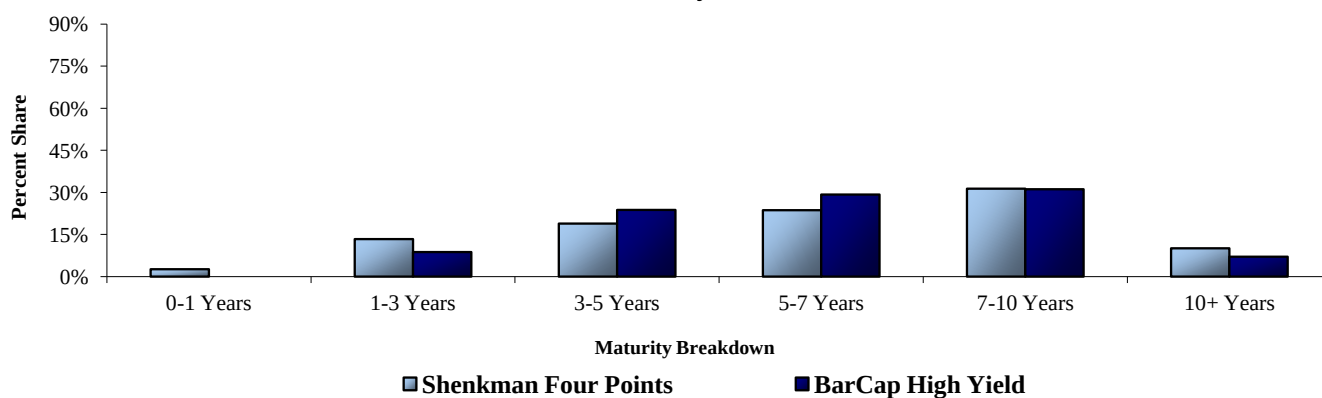
Portfolio Sector Allocation



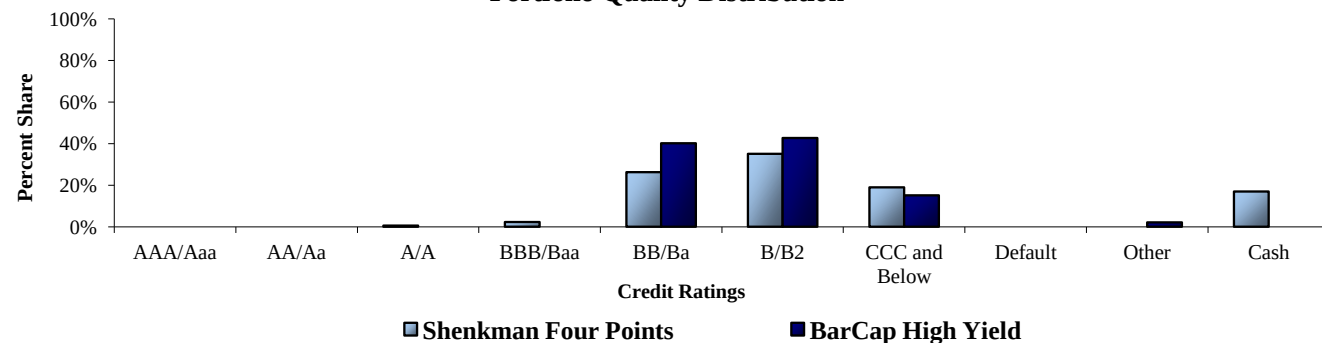
Fixed Income Portfolio Statistics (as of 9/30/2011) - Shenkman Four Points

	<u>Shenkman Four Points</u>	<u>BarCap High Yield</u>
Total Number of Securities	203	1,857
Current Coupon	6.6%	8.3%
Time to Maturity	7.5 Years	6.7 Years
Effective Duration	3.3 Years	4.2 Years
Yield to Worst	8.4%	8.4%
Average Credit Quality	B1/B+	B1/B2

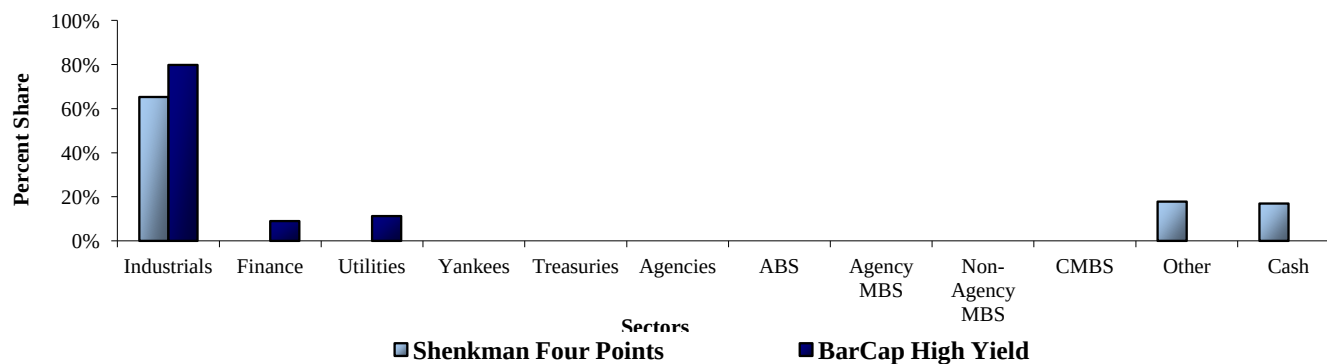
Portfolio Maturity Distribution



Portfolio Quality Distribution

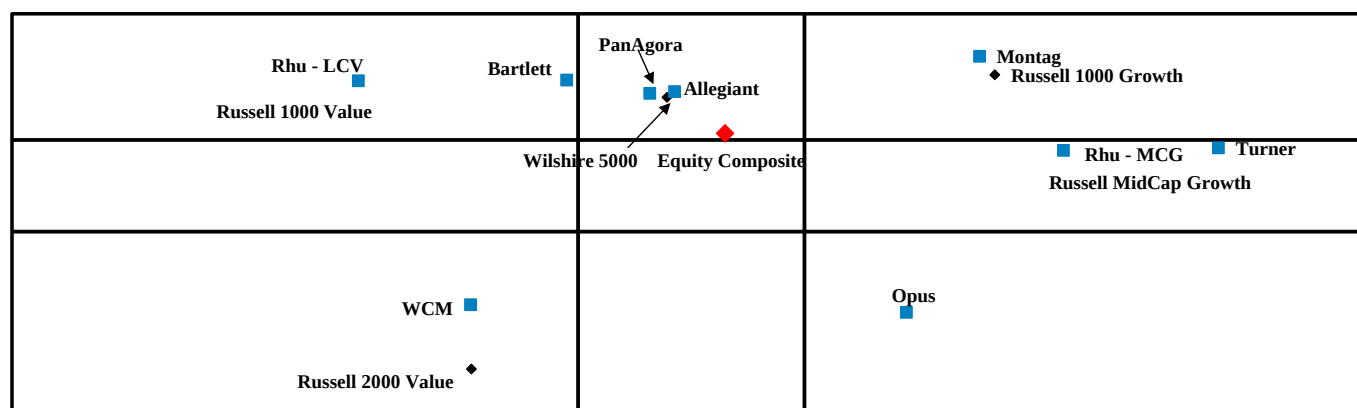


Portfolio Sector Allocation



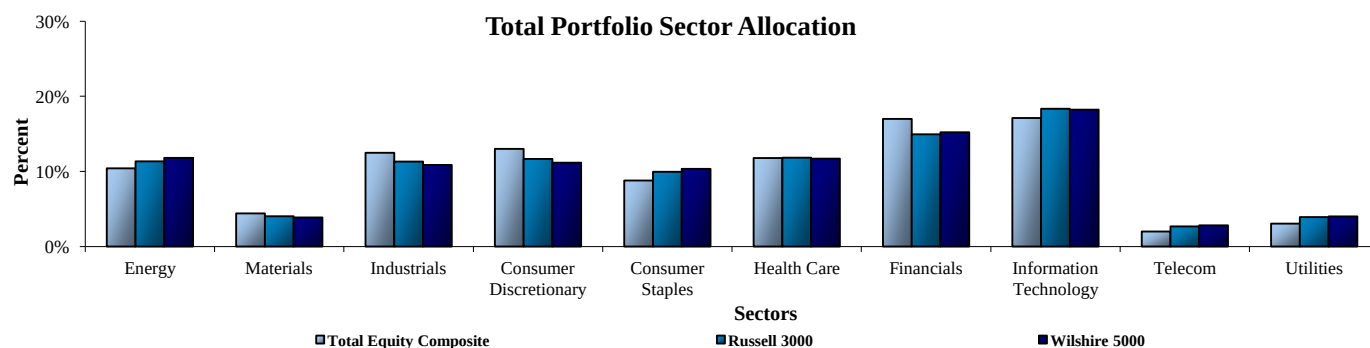
Domestic Equity Style Diversification

Investment Manager Style Classification by Holdings



Characteristics	Total Equity	Wilshire 5000	Market-Cap Breakdown	Total Equity	Wilshire 5000
Number of Securities	1,888	3,674	Greater Than \$20 Billion	42.8%	61.2%
Average Capitalization	\$53.5 Bil	\$81.9 Bil	\$10 Billion - \$20 Billion	14.5%	13.1%
Median Capitalization	\$3.5 Bil	\$0.5 Bil	\$5 Billion - \$10 Billion	12.8%	9.1%
Equity Yield	1.8%	2.1%	\$1 Billion - \$5 Billion	23.9%	13.0%
Average P/E	15.6X	15.2X	\$500 Million - \$1 Billion	4.0%	1.9%
Beta	1.10	1.06	\$100 Million - \$500 Million	2.0%	1.4%
Average P/B	2.0X	2.0X	Less Than \$100 Million	0.0%	0.2%
Five Yrs Earnings Growth	5.0%	5.8%			

Five Largest Holdings	(Percent)	Top Five Contributors ¹	(Return)	Top Five Detractors ¹	(Return)
Exxon Mobil Corp	1.5%	Exxon Mobil Corp	17.4%	Green Mtn Coffee Roa	-51.7%
Apple Inc	1.4%	Pfizer Inc	23.6%	Oracle Systems Corp	-10.6%
Chevron Corp	1.2%	Google Inc	25.6%	Amazon Com Inc	-20.0%
Procter & Gamble Co	1.1%	General Elec Co	18.6%	Digital Generation I	-29.7%
General Elec Co	1.0%	Chevron Corp	15.9%	Baxter Intl Inc	-11.3%
Total	6.2%				



Common Holdings Matrix

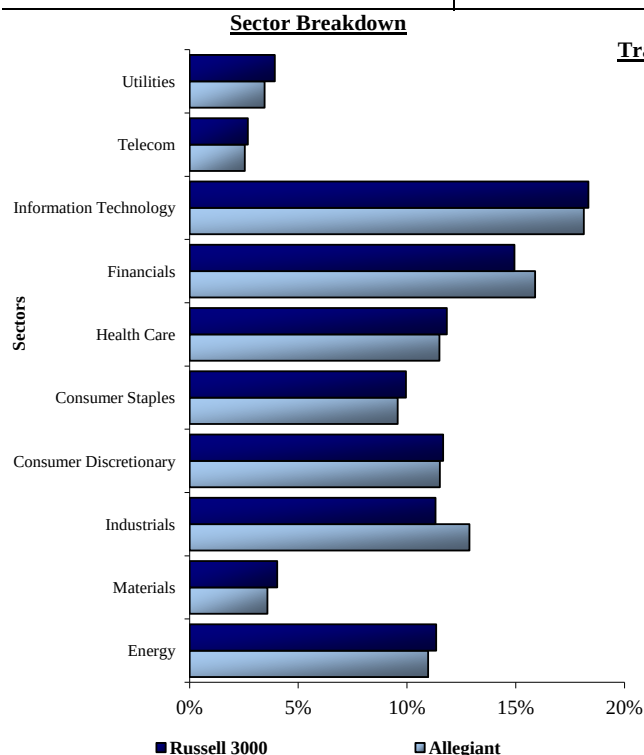
	Allegiant		Bartlett		Montag		PanAgora		Rh LCV		Rh MCG		Opus		Turner		WCM	
Managers	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Allegiant	---	---	45	90	32	93	950	98	619	99	437	98	47	67	93	96	49	76
Bartlett	45	21	---	---	6	20	44	21	30	27	6	2	0	0	3	3	0	0
Montag	32	17	6	12	---	---	31	17	9	10	5	3	0	0	3	4	0	0
PanAgora	950	88	44	88	31	91	---	---	540	96	326	80	17	24	63	72	24	37
Rh LCV	619	59	30	61	9	27	540	62	---	---	210	28	14	20	23	22	13	21
Rh MCG	437	16	6	12	5	9	326	17	210	7	---	---	5	8	72	77	3	7
Opus	47	1	0	0	0	0	17	0	14	0	5	1	---	---	2	1	3	3
Turner	93	4	3	8	3	6	63	5	23	2	72	25	2	2	---	---	1	4
WCM	49	1	0	0	0	0	24	1	13	0	3	0	3	6	1	1	---	---

¹Contributors and Detractors are ranked by holding's affect on the portfolio, based on the holding's return and weighting in the portfolio.

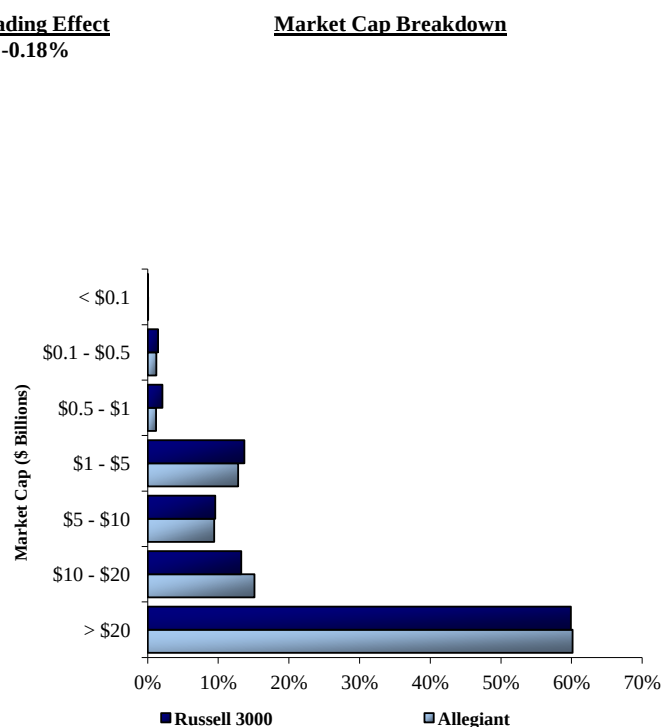
Equity Portfolio Statistics - Allegiant

			Style Drift For Three Years		
			○ Allegiant		● Russell 3000
Characteristics	Allegiant	Russell 3000			
Number of Securities	1,688	2,946			
Average Capitalization	\$79.3 Bil	\$78.4 Bil			
Median Capitalization	\$2.4 Bil	\$0.9 Bil			
Equity Yield	2.1%	2.1%			
Average P/E	15.0X	15.3X			
Beta	1.05	1.07			
Average P/B	2.1X	2.0X			
Five Yrs Earnings Growth	5.5%	5.9%			

Five Largest Holdings (Percent)		Top Five Contributors ¹ (Return)		Top Five Detractors ¹ (Return)	
Exxon Mobil Corp	3.0%	Exxon Mobil Corp	17.4%	Amazon Com Inc	-20.0%
Apple Inc	2.7%	Google Inc	25.6%	Oracle Systems Corp	-10.6%
Is Russell 2000	1.9%	Pfizer Inc	23.6%	Bank Amer Corp	-9.0%
Is Russell 3000	1.6%	Is Russell 2000	15.3%	Baxter Intl Inc	-11.3%
Intl Business McHn	1.6%	Philip Morris Intl I	27.1%	Green Mtn Coffee Roa	-51.7%
Total	10.8%				



Trading Effect
-0.18%

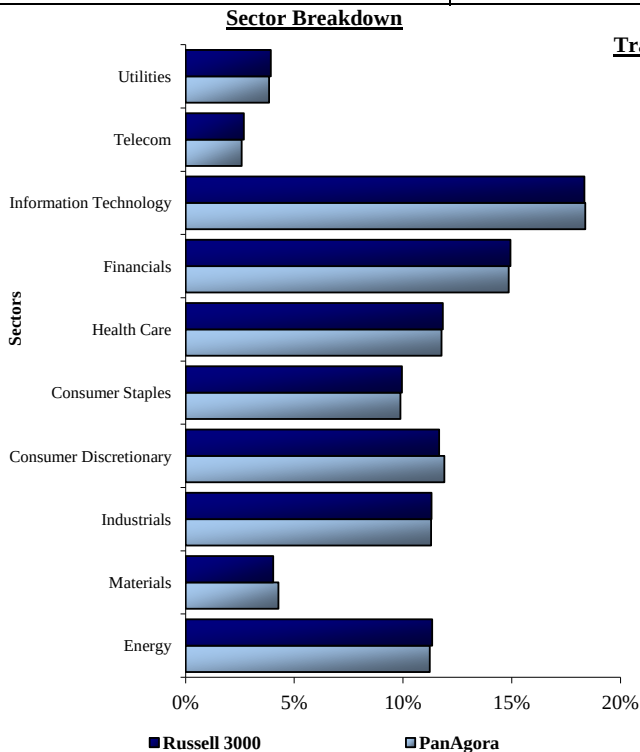


¹Contributors and Detractors are ranked by holding's affect on the portfolio, based on the holding's return and weighting in the portfolio.

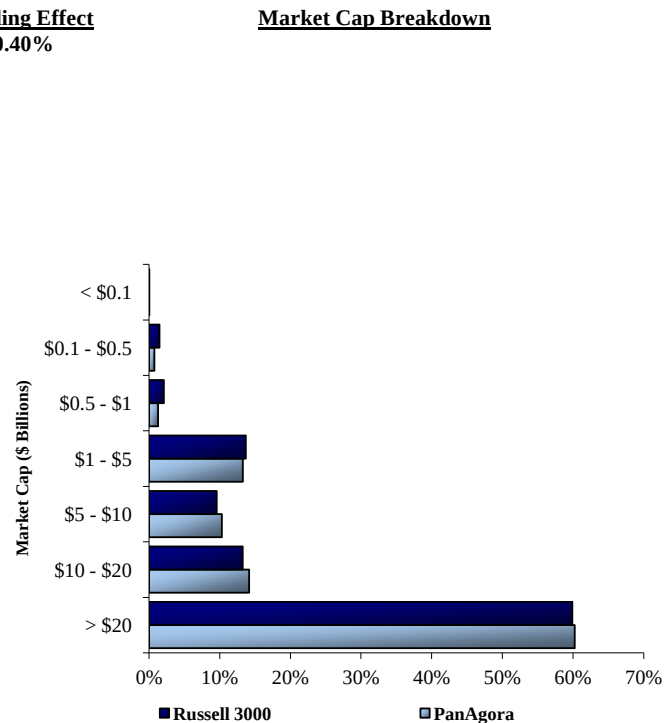
Equity Portfolio Statistics - PanAgora

			Style Drift For Three Years		
			○ PanAgora		● Russell 3000
Characteristics	PanAgora	Russell 3000			
Number of Securities	1,071	2,946			
Average Capitalization	\$78.7 Bil	\$78.4 Bil			
Median Capitalization	\$3.8 Bil	\$0.9 Bil			
Equity Yield	2.1%	2.1%			
Average P/E	15.1X	15.3X			
Beta	1.05	1.07			
Average P/B	2.1X	2.0X			
Five Yrs Earnings Growth	4.9%	5.9%			

Five Largest Holdings	(Percent)	Top Five Contributors ¹	(Return)	Top Five Detractors ¹	(Return)
Exxon Mobil Corp	3.0%	Exxon Mobil Corp	17.4%	Amazon Com Inc	-20.0%
Apple Inc	2.7%	Google Inc	25.6%	Oracle Systems Corp	-10.6%
Intl Business McHn	1.6%	Pfizer Inc	23.6%	Bank Amer Corp	-9.0%
Chevron Corp	1.5%	Philip Morris Intl I	27.1%	Baxter Intl Inc	-11.3%
Microsoft Corp	1.4%	Chevron Corp	15.9%	Chesapeake Energy Co	-12.8%
Total	10.2%				



Trading Effect
-0.40%

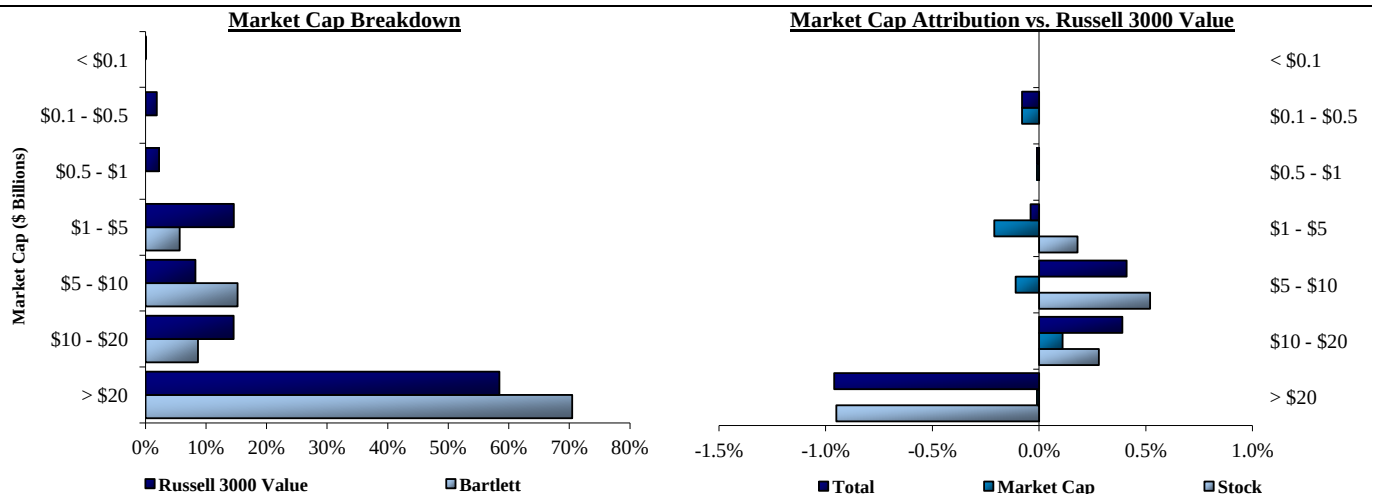
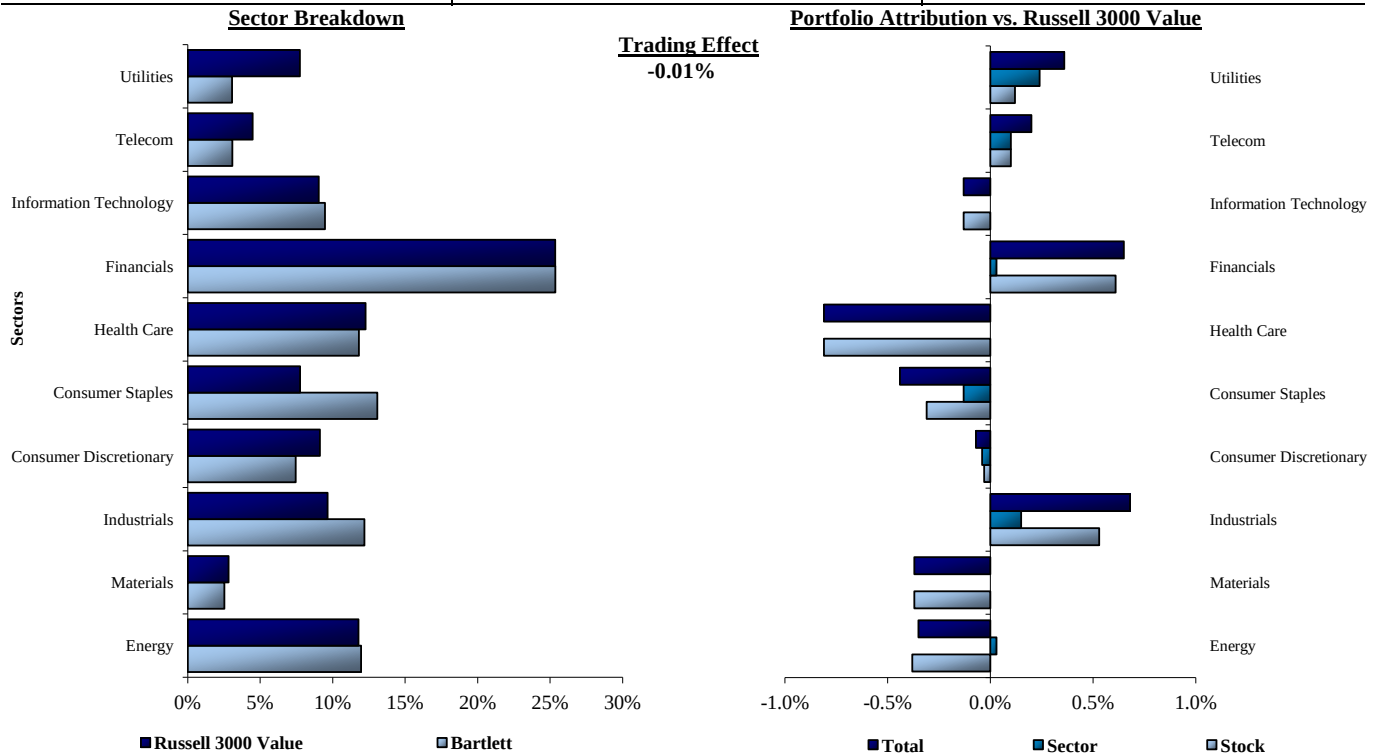


¹Contributors and Detractors are ranked by holding's affect on the portfolio, based on the holding's return and weighting in the portfolio.

Equity Portfolio Statistics - Bartlett

			Style Drift For Three Years		
			○ Bartlett ● Russell 3000 Value		
Characteristics	Bartlett	Russell 3000 Value			
Number of Securities	50	2,010			
Average Capitalization	\$66.1 Bil	\$68.0 Bil			
Median Capitalization	\$49.5 Bil	\$0.8 Bil			
Equity Yield	2.3%	2.6%			
Average P/E	13.9X	14.1X			
Beta	1.00	1.10			
Average P/B	2.1X	1.3X			
Five Yrs Earnings Growth	3.5%	0.4%			

Five Largest Holdings (Percent)		Top Five Contributors ¹ (Return)		Top Five Detractors ¹ (Return)	
Kansas City Southn	3.9%	Kansas City Southn	36.1%	Baxter Intl Inc	-11.3%
Range Res Corp	3.5%	Lowes Cos Inc	32.1%	Avon Prods Inc	-9.7%
US Bancorp Del	3.3%	Canadian Nat Res Ltd	28.0%	Potash Corp Sask Inc	-4.4%
McDonalds Corp	3.2%	Fedex Corp	23.6%	Mack Cali Rlty Corp	1.6%
Verizon Communicatio	3.1%	Lincoln Natl Corp In	24.6%	Microsoft Corp	5.1%
Total	17.0%				

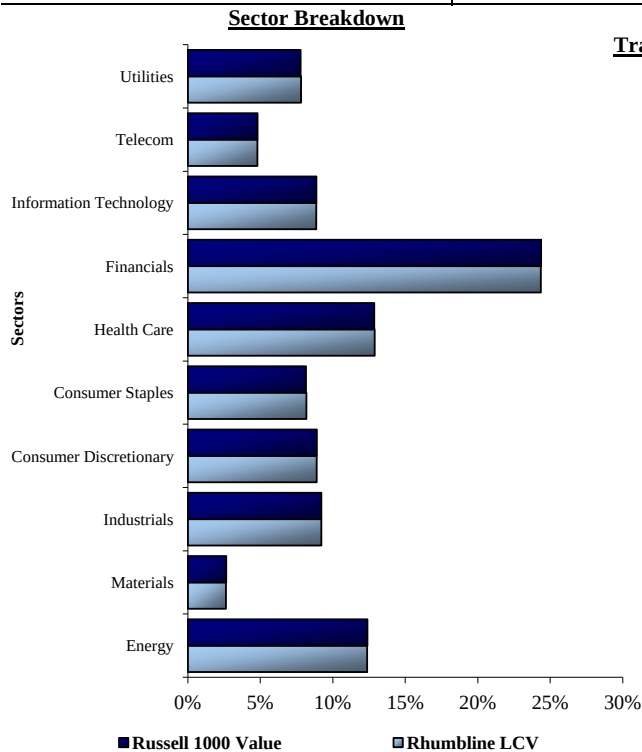


¹Contributors and Detractors are ranked by holding's affect on the portfolio, based on the holding's return and weighting in the portfolio.

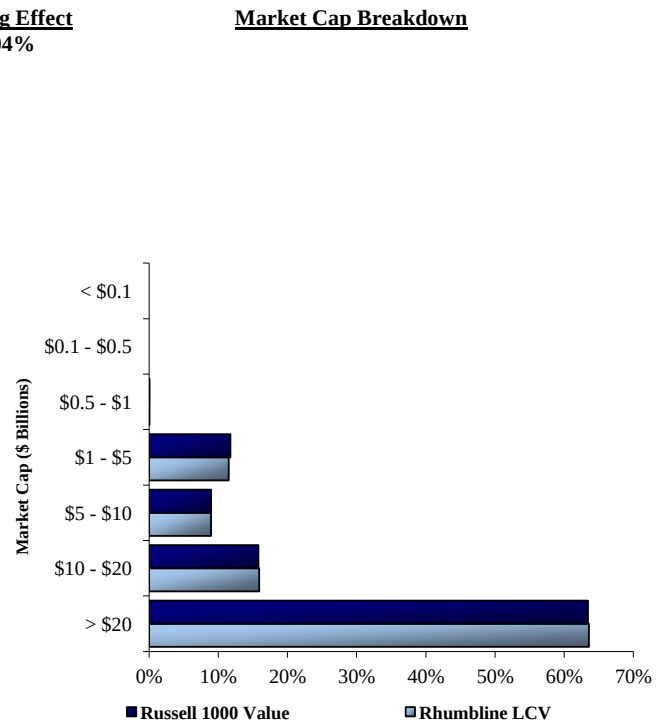
Equity Portfolio Statistics - Rhumblin LCV

			Style Drift For Three Years		
			○ Rhumblin LCV ● Russell 1000 Value		
Characteristics	Rhumblin LCV	Russell 1000 Value			
Number of Securities	655	656			
Average Capitalization	\$73.8 Bil	\$73.7 Bil			
Median Capitalization	\$4.6 Bil	\$4.6 Bil			
Equity Yield	2.6%	2.6%			
Average P/E	13.6X	13.6X			
Beta	1.05	1.07			
Average P/B	1.4X	1.4X			
Five Yrs Earnings Growth	0.0%	0.4%			

Five Largest Holdings	(Percent)	Top Five Contributors ¹	(Return)	Top Five Detractors ¹	(Return)
Chevron Corp	3.1%	Pfizer Inc	23.6%	Bank Amer Corp	-9.0%
General Elec Co	2.9%	General Elec Co	18.6%	Thermo Fisher Scient	-11.2%
At&T Inc	2.8%	Chevron Corp	15.9%	Goldman Sachs Group	-4.0%
Procter & Gamble Co	2.7%	Merck & Co Inc New	16.6%	Chesapeake Energy Co	-12.8%
Pfizer Inc	2.6%	Exxon Mobil Corp	17.4%	Sprint Nextel Corp	-23.0%
Total	14.2%				



Trading Effect
-0.04%

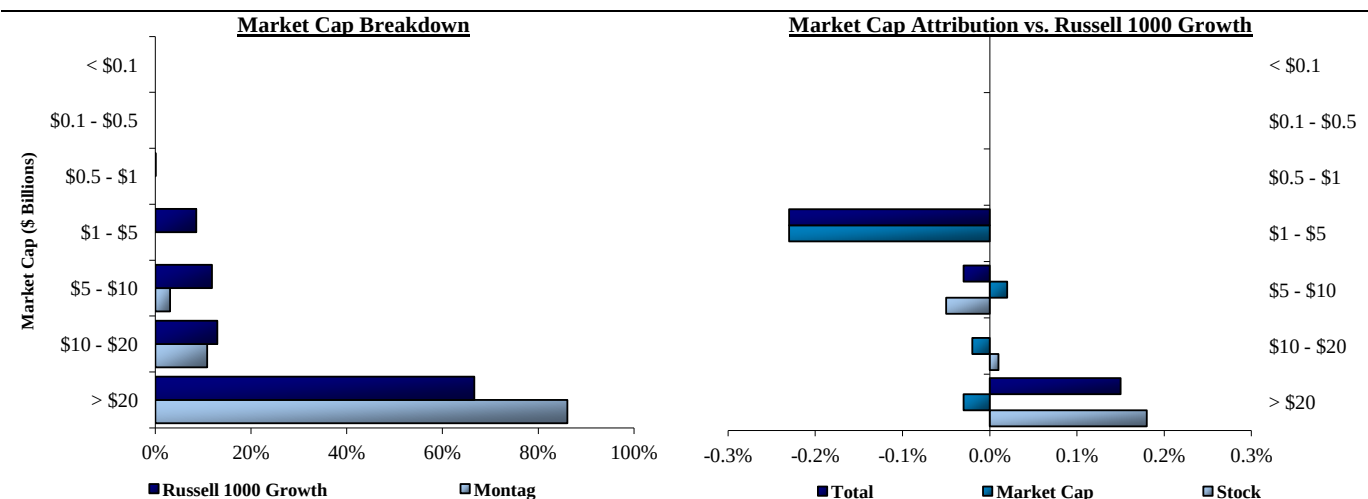
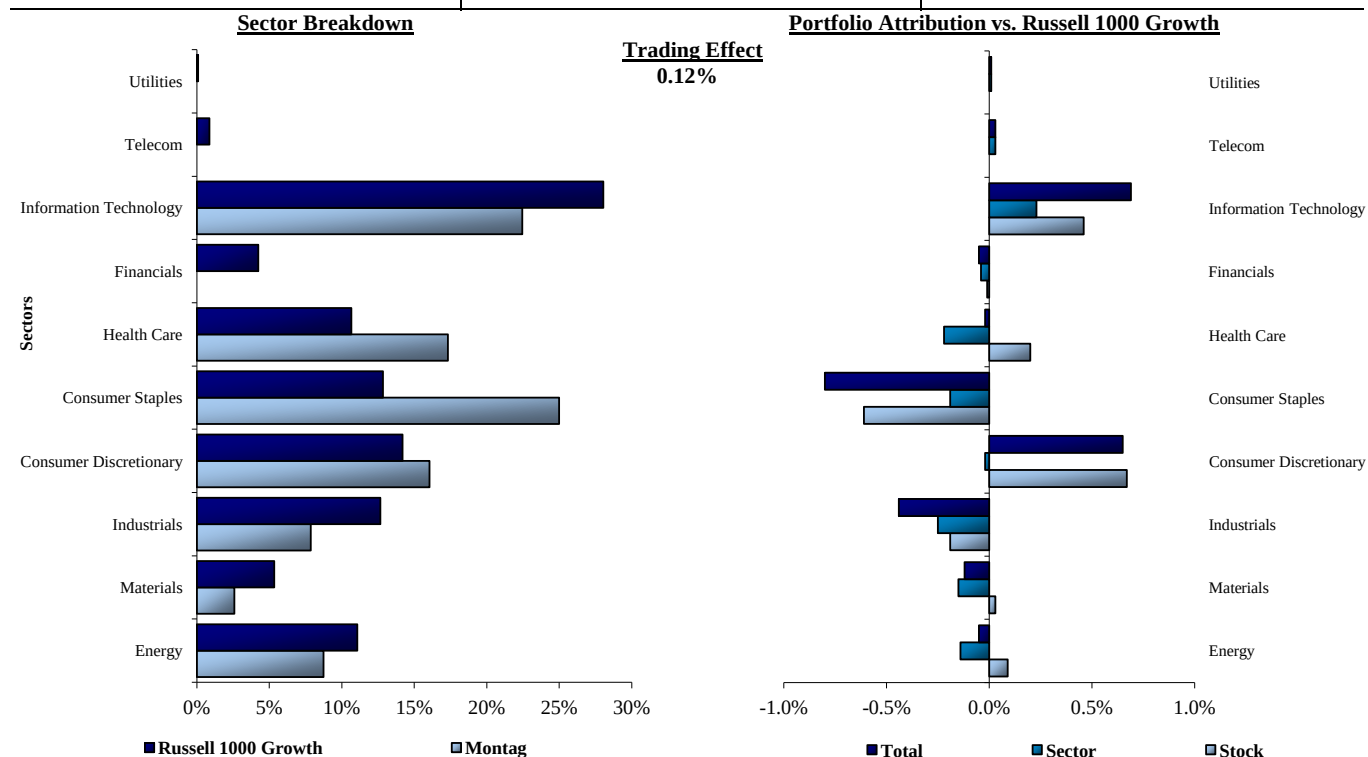


¹Contributors and Detractors are ranked by holding's affect on the portfolio, based on the holding's return and weighting in the portfolio.

Equity Portfolio Statistics - Montag

			Style Drift For Three Years		
			○ Montag ● Russell 1000 Growth		
Characteristics	Montag	Russell 1000 Growth			
Number of Securities	33	588			
Average Capitalization	\$90.4 Bil	\$96.5 Bil			
Median Capitalization	\$58.9 Bil	\$5.6 Bil			
Equity Yield	1.8%	1.6%			
Average P/E	17.4X	16.3X			
Beta	0.84	1.00			
Average P/B	3.9X	3.8X			
Five Yrs Earnings Growth	15.0%	11.6%			

Five Largest Holdings	(Percent)	Top Five Contributors ¹	(Return)	Top Five Detractors ¹	(Return)
McDonalds Corp	5.0%	Google Inc	25.6%	Oracle Systems Corp	-10.6%
Coca Cola Co	4.9%	Occidental Pete Corp	31.7%	Amerisourcebergen Co	0.1%
Google Inc	4.9%	McDonalds Corp	15.1%	Bed Bath & Beyond In	1.2%
Abbott Labs	4.8%	Visa Inc	18.7%	Costco Whsl Corp New	1.8%
Procter & Gamble Co	4.7%	TJX Cos Inc New	16.7%	Accenture Plc Ireland	2.2%
Total	24.2%				

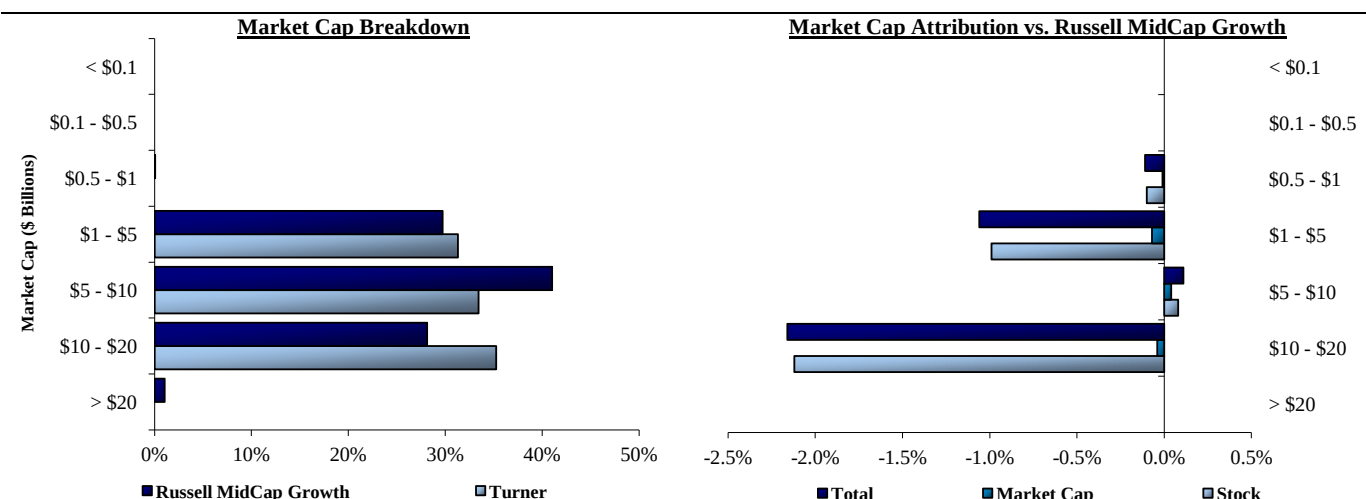
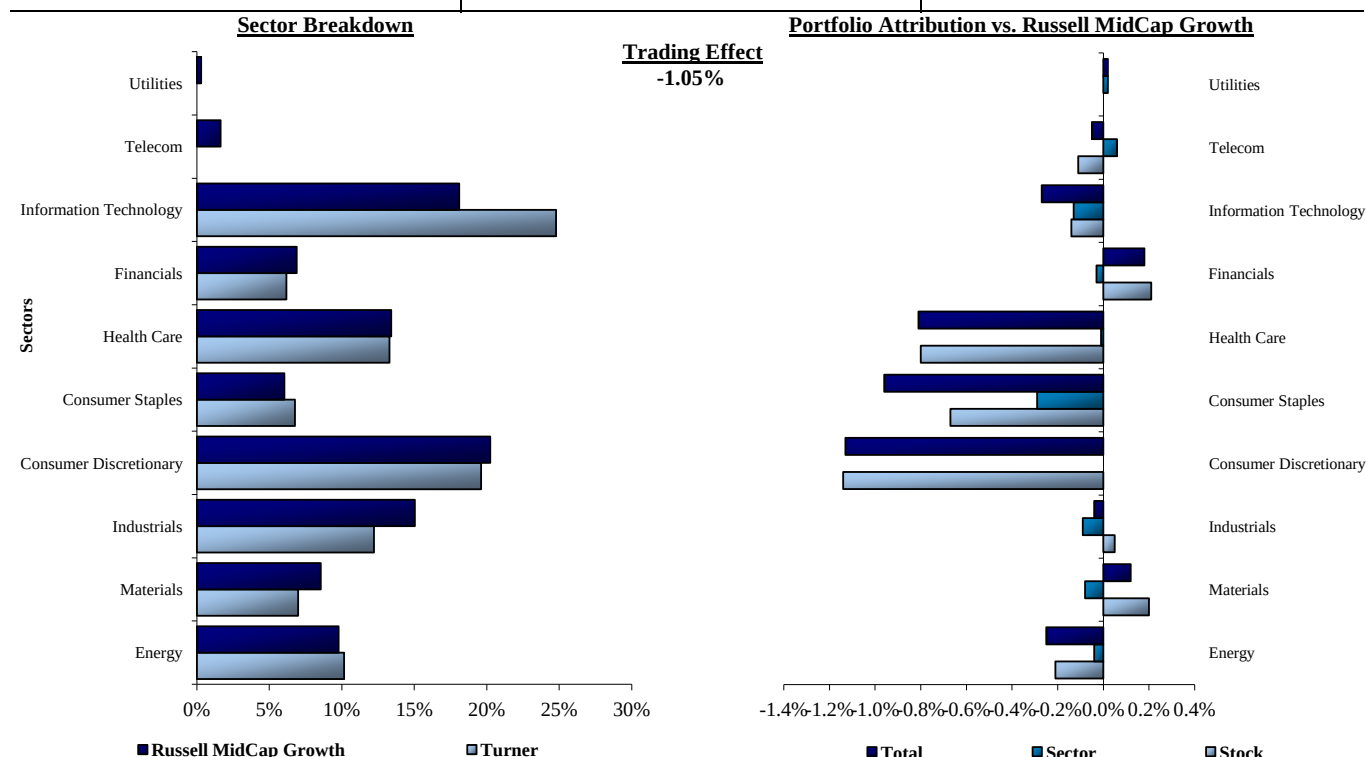


¹Contributors and Detractors are ranked by holding's affect on the portfolio, based on the holding's return and weighting in the portfolio.

Equity Portfolio Statistics - Turner

Characteristics	Turner	Russell MidCap	Style Drift For Three Years		
			○ Turner	● Russell MidCap Growth	
Number of Securities	95	466			
Average Capitalization	\$8.3 Bil	\$7.9 Bil			
Median Capitalization	\$6.8 Bil	\$4.2 Bil			
Equity Yield	0.6%	1.1%			
Average P/E	19.9X	20.1X			
Beta	1.32	1.22			
Average P/B	3.8X	3.7X			
Five Yrs Earnings Growth	6.9%	8.1%			

Five Largest Holdings	(Percent)	Top Five Contributors ¹	(Return)	Top Five Detractors ¹	(Return)
Broadcom Corp	2.2%	F5 Networks Inc	49.4%	Green Mtn Coffee Roa	-51.7%
Whole Foods Mkt Inc	2.0%	Concho Res Inc	31.8%	Broadcom Corp	-11.5%
Nordstrom Inc	2.0%	Starwood Hotels&Reso	24.9%	Deckers Outdoor Corp	-19.0%
Alexion Pharmaceutic	1.9%	Amerigroup Corp	51.5%	Avago Technologies L	-11.6%
Starwood Hotels&Reso	1.8%	Onyx Pharmaceuticals	46.5%	LinkedIn Corp	-19.3%
Total	10.0%				

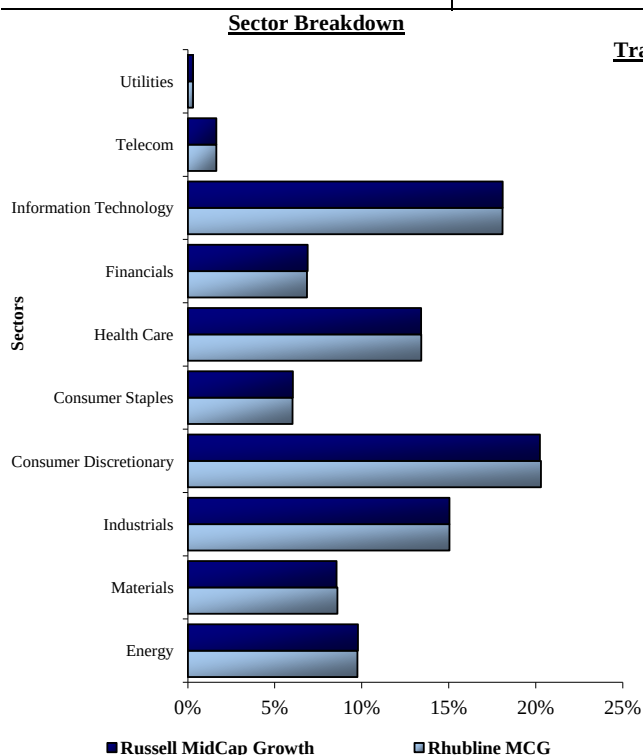


¹Contributors and Detractors are ranked by holding's affect on the portfolio, based on the holding's return and weighting in the portfolio.

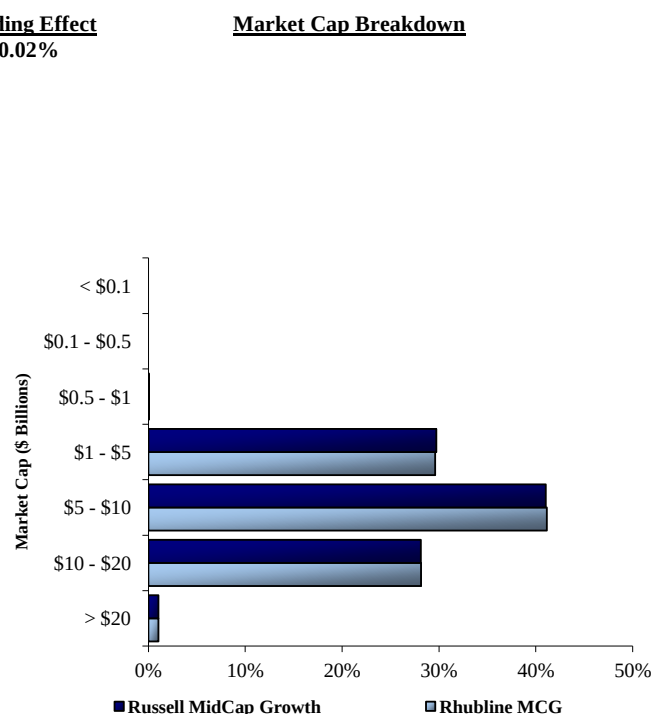
Equity Portfolio Statistics - Rhubline MCG

<u>Characteristics</u>	<u>Rhubline MCG</u>	<u>Russell MidCap</u>	<u>Style Drift For Three Years</u>		
			○ Rhubline MCG	● Russell MidCap Growth	
Number of Securities	465	466			
Average Capitalization	\$7.9 Bil	\$7.9 Bil			
Median Capitalization	\$4.2 Bil	\$4.2 Bil			
Equity Yield	1.1%	1.1%			
Average P/E	20.1X	20.1X			
Beta	1.17	1.22			
Average P/B	3.9X	3.7X			
Five Yrs Earnings Growth	7.0%	8.1%			

<u>Five Largest Holdings</u>	<u>(Percent)</u>	<u>Top Five Contributors¹</u>	<u>(Return)</u>	<u>Top Five Detractors¹</u>	<u>(Return)</u>
El Paso Corp	1.0%	El Paso Corp	52.1%	Green Mtn Coffee Roa	-51.7%
Intuitive Surgical I	1.0%	Pharmasset Inc	55.6%	Vertex Pharmaceutica	-25.4%
Ecolab Inc	0.9%	Intuitive Surgical I	27.1%	Netflix Com Inc	-38.8%
Intuit	0.9%	Fmc Technologies Inc	38.9%	Rovi Corp	-42.8%
T.Rowe Price Group I	0.8%	F5 Networks Inc	49.4%	Illumina Inc	-25.5%
Total	4.6%				



Trading Effect
-0.02%

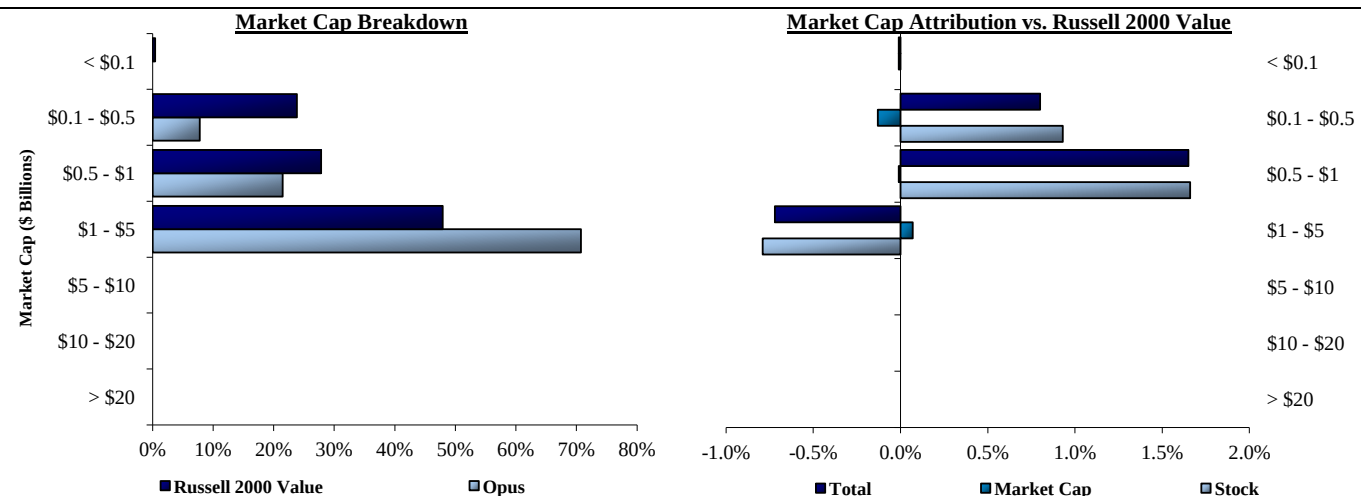
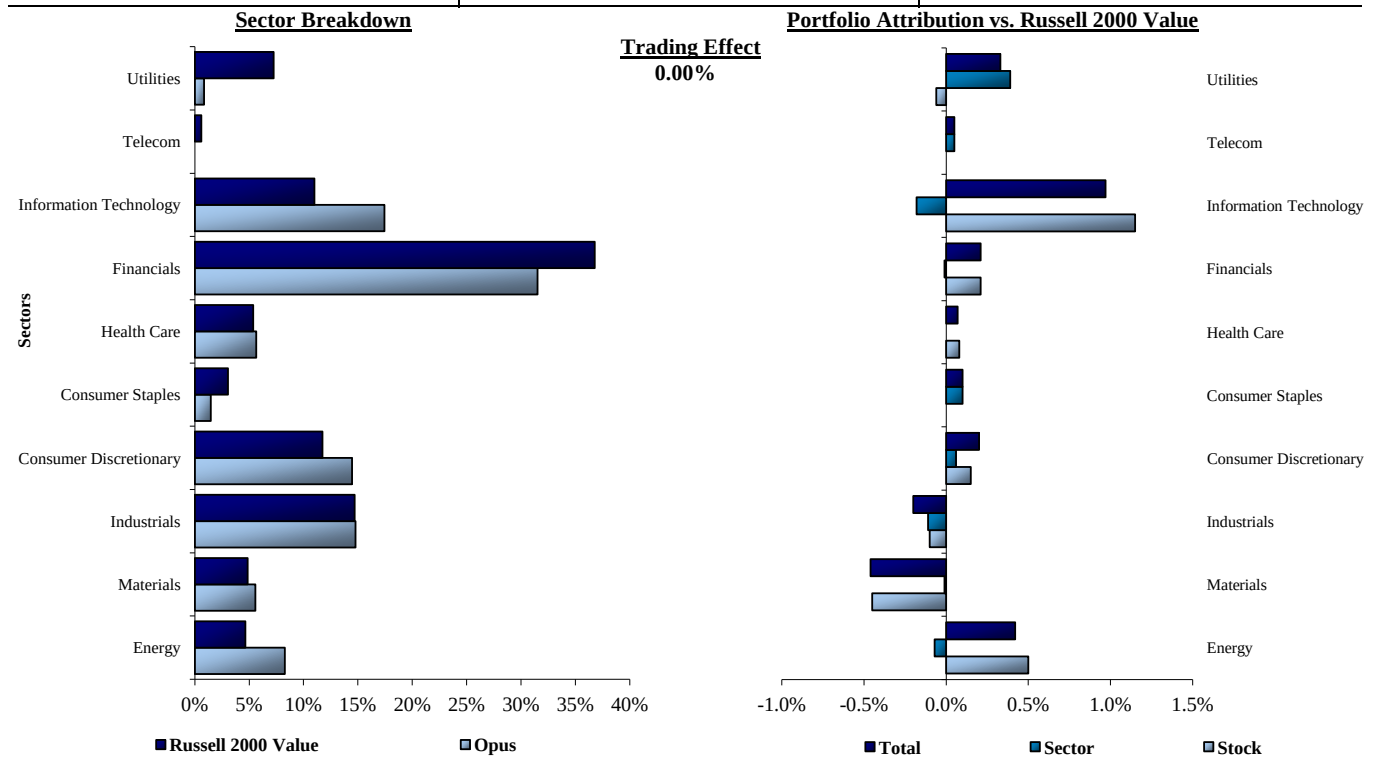


¹Contributors and Detractors are ranked by holding's affect on the portfolio, based on the holding's return and weighting in the portfolio.

Equity Portfolio Statistics - Opus

			Style Drift For Three Years		
			○ Opus ● Russell 2000 Value		
Characteristics	Opus	Russell 2000 Value			
Number of Securities	66	1,354			
Average Capitalization	\$1.5 Bil	\$1.1 Bil			
Median Capitalization	\$1.3 Bil	\$0.4 Bil			
Equity Yield	1.4%	2.2%			
Average P/E	14.9X	22.7X			
Beta	1.15	1.46			
Average P/B	1.6X	1.2X			
Five Yrs Earnings Growth	11.9%	-0.3%			

Five Largest Holdings (Percent)		Top Five Contributors ¹ (Return)		Top Five Detractors ¹ (Return)	
Americas Car Mart In	3.4%	Bank of the Ozarks I	42.2%	Digital Generation I	-29.7%
Bank of the Ozarks I	3.3%	Delphi Finl Group In	106.8%	Interdigital Inc	-6.0%
Interdigital Inc	3.1%	Americas Car Mart In	35.0%	Ezcorp Inc	-7.6%
Brightpoint Inc	2.5%	Ebix Com Inc	50.7%	Aurico Gold Inc	-14.8%
Endurance Specialty	2.5%	Aeropostale	41.1%	Cash Amer Invt's Inc	-8.8%
Total	14.8%				

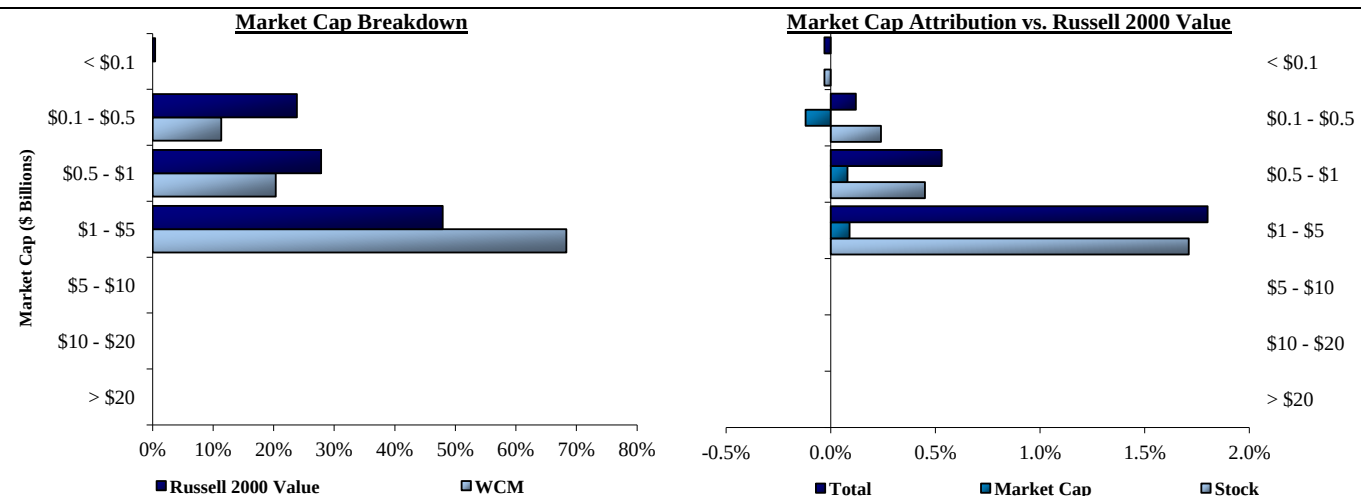
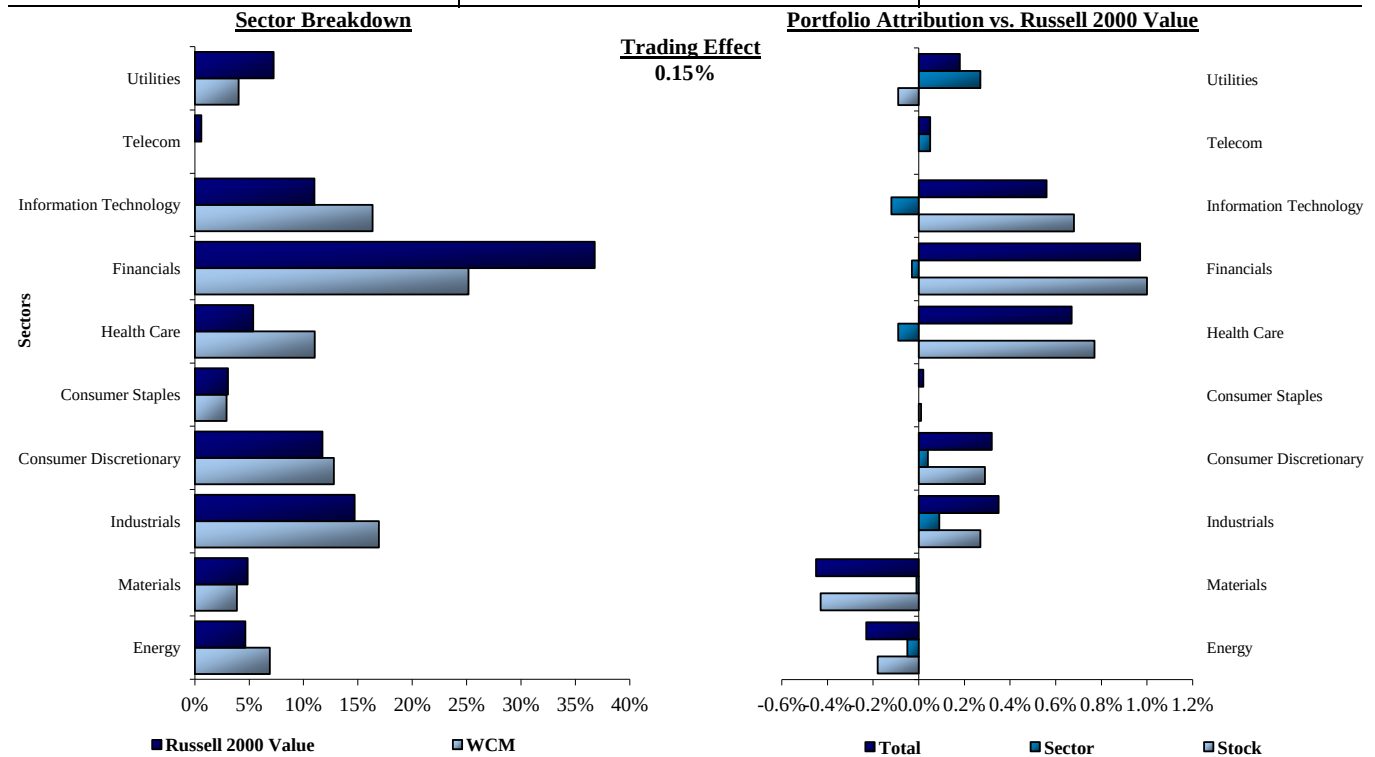


¹Contributors and Detractors are ranked by holding's affect on the portfolio, based on the holding's return and weighting in the portfolio.

Equity Portfolio Statistics - WCM

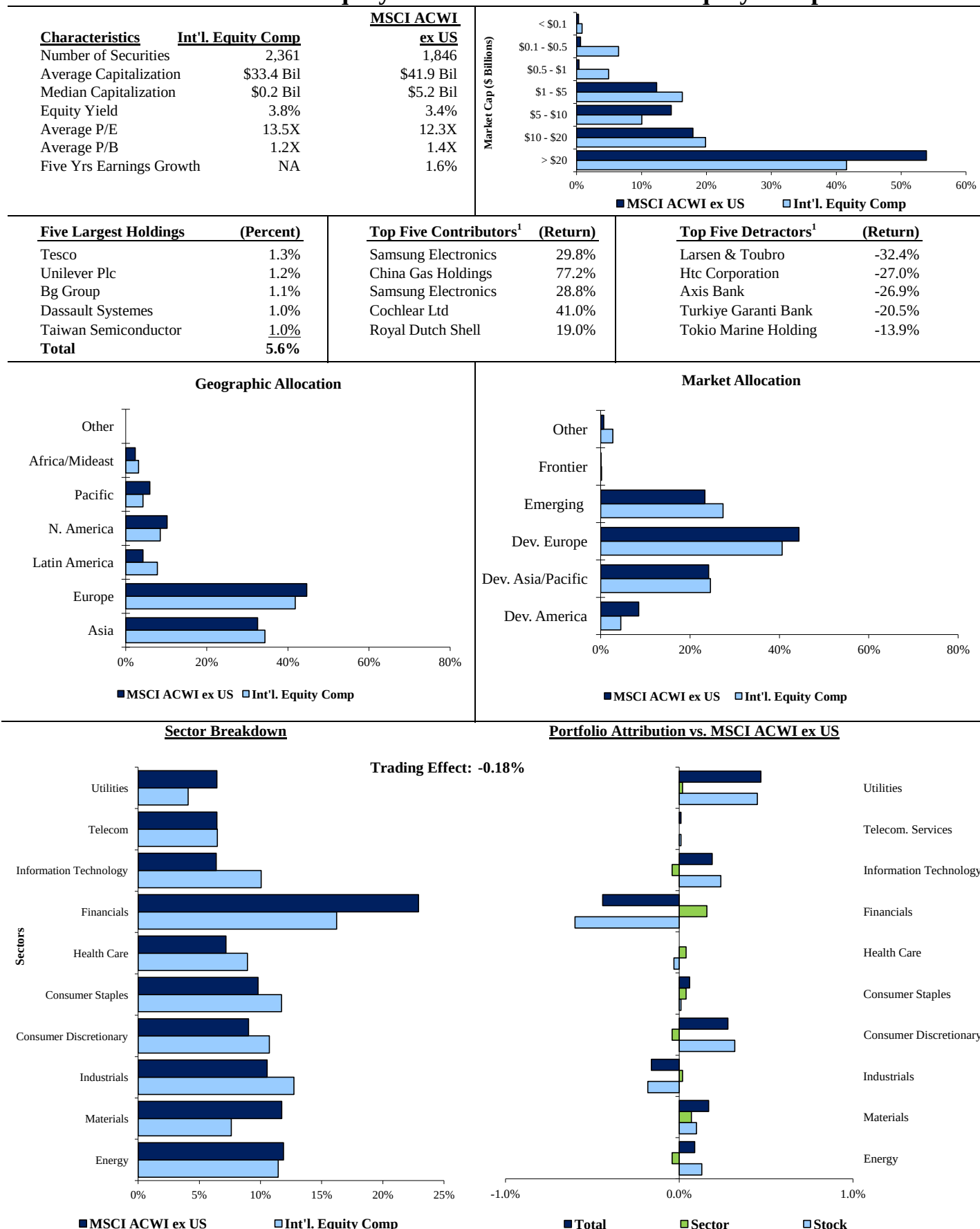
Characteristics	WCM	Russell 2000 Value	Style Drift For Three Years		
			○ WCM	● Russell 2000 Value	
Number of Securities	69	1,354			
Average Capitalization	\$1.7 Bil	\$1.1 Bil			
Median Capitalization	\$1.3 Bil	\$0.4 Bil			
Equity Yield	1.3%	2.2%			
Average P/E	16.0X	22.7X			
Beta	1.38	1.46			
Average P/B	1.1X	1.2X			
Five Yrs Earnings Growth	-5.1%	-0.3%			

Five Largest Holdings	(Percent)	Top Five Contributors ¹	(Return)	Top Five Detractors ¹	(Return)
Wellcare Group Inc	3.9%	Viropharma Inc	51.6%	Medicis Pharmaceutic	-8.6%
Western Refng Inc	3.2%	Wellcare Group Inc	38.2%	Stec Inc	-15.3%
Viropharma Inc	3.2%	United Rentals Inc	75.5%	Commonwealth Reit	-9.9%
Foot Locker Inc	2.9%	Cbl & Assoc Pptys In	40.1%	Usec Inc	-29.2%
East West Bancorp In	2.7%	East West Bancorp In	32.8%	Cott Corp Que	-8.1%
Total	15.9%				



¹Contributors and Detractors are ranked by holding's affect on the portfolio, based on the holding's return and weighting in the portfolio.

International Equity Portfolio Statistics - Int'l. Equity Comp

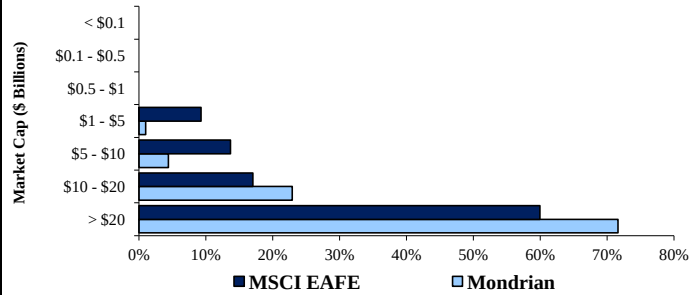


¹Contributors and Detractors are ranked by holding's effect on the portfolio, based on the holding's return and weighting in the portfolio.

International Equity Portfolio Statistics - Mondrian

Characteristics

	Mondrian	MSCI EAFE
Number of Securities	54	924
Average Capitalization	\$53.9 Bil	\$47.1 Bil
Median Capitalization	\$25.4 Bil	\$6.3 Bil
Equity Yield	5.0%	3.8%
Average P/E	12.5X	12.0X
Average P/B	1.3X	1.3X
Five Yrs Earnings Growth	-1.3%	-1.6%



Five Largest Holdings (Percent)

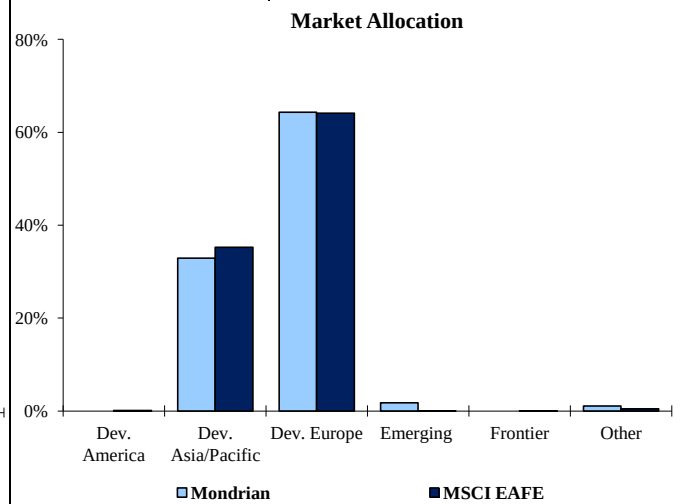
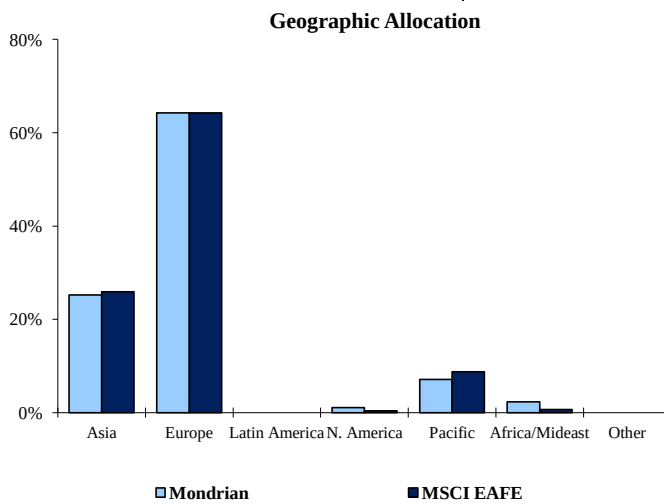
Tesco	3.3%
Unilever Plc	3.2%
Sanofi	3.1%
Royal Dutch Shell	3.1%
Canon Inc	3.1%
Total	15.7%

Top Five Contributors¹ (Return)

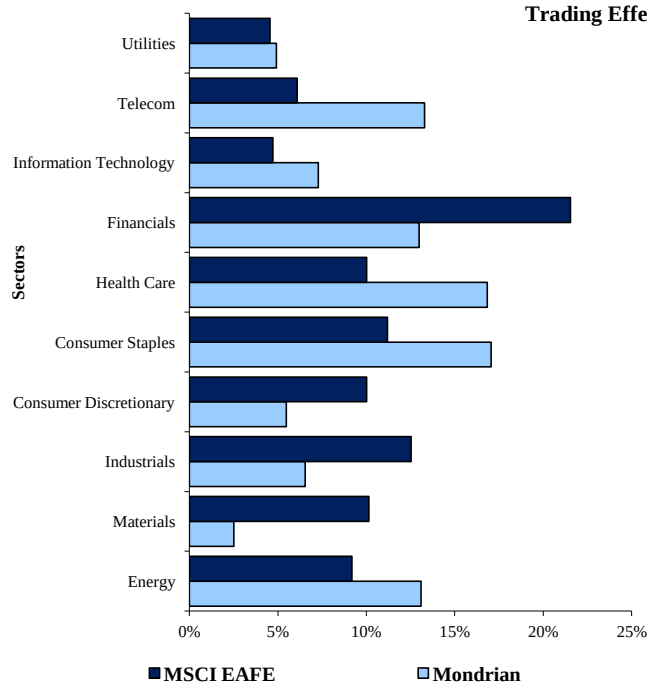
Royal Dutch Shell	19.0%
Bp	19.5%
Total	16.8%
Eni	17.2%
Compass Group Plc	17.0%

Top Five Detractors¹ (Return)

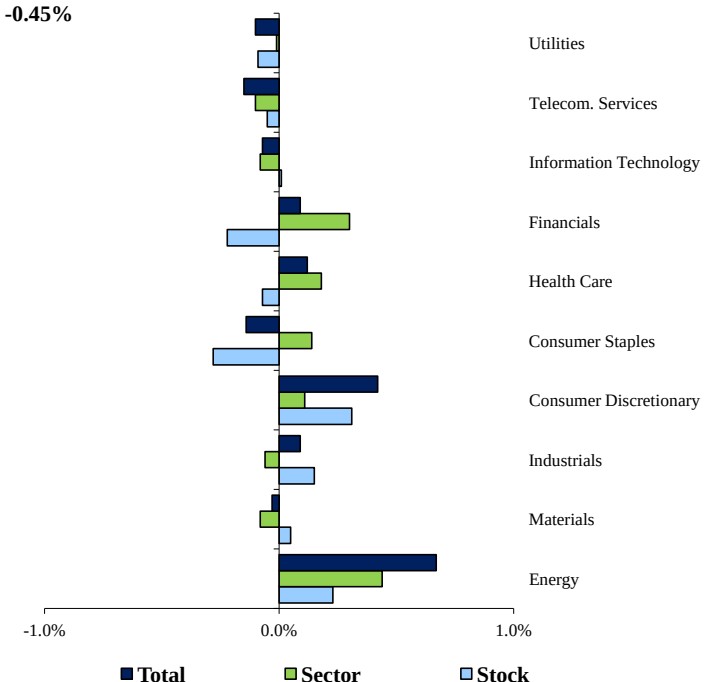
Tokio Marine Holding	-13.9%
Takeda Pharmaceutica	-8.0%
Iberdrola Sa	-7.7%
Societe Generale	-16.8%
Telefonica Sa	-5.3%



Sector Breakdown



Portfolio Attribution vs. MSCI EAFE



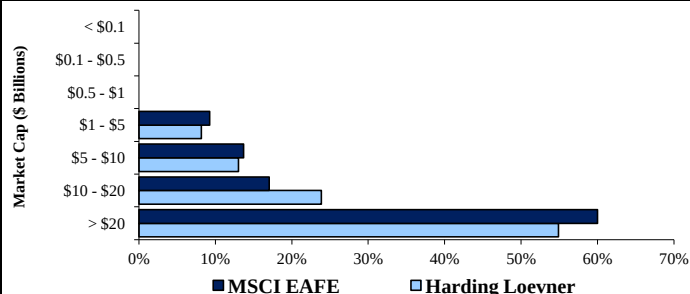
¹Contributors and Detractors are ranked by holding's effect on the portfolio, based on the holding's return and weighting in the portfolio.

International Equity Portfolio Statistics - Harding Loevner

Characteristics

	Harding Loevner	MSCI EAFE
Number of Securities	55	924
Average Capitalization	\$43.5 Bil	\$47.1 Bil
Median Capitalization	\$19.4 Bil	\$6.3 Bil
Equity Yield	2.4%	3.8%
Average P/E	15.5X	12.0X
Average P/B	2.1X	1.3X
Five Yrs Earnings Growth	5.8%	-1.6%

MSCI EAFE



Five Largest Holdings

(Percent)

Dassault Systemes	4.1%
Nestle Sa	3.7%
Air Liquide(L'')	3.4%
Arm Holdings Plc	3.4%
Li & Fung	3.1%
Total	17.7%

Top Five Contributors¹

(Return)

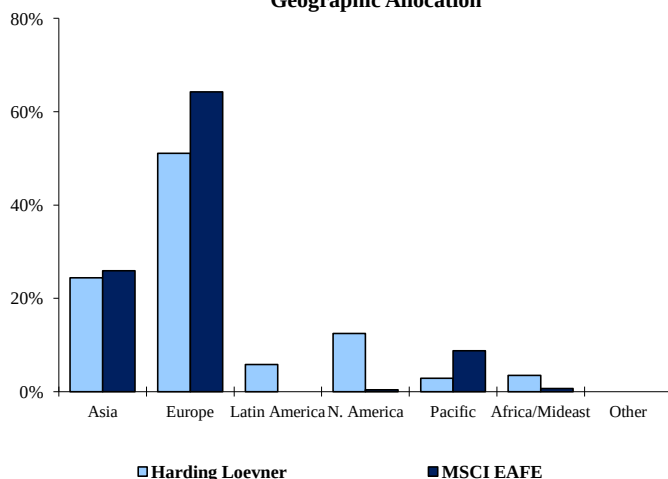
Samsung Electronics	29.8%
Cochlear Ltd	41.0%
Dassault Systemes	12.6%
Imperial Oil Ltd	23.5%
Schlumberger Ltd	14.8%

Top Five Detractors¹

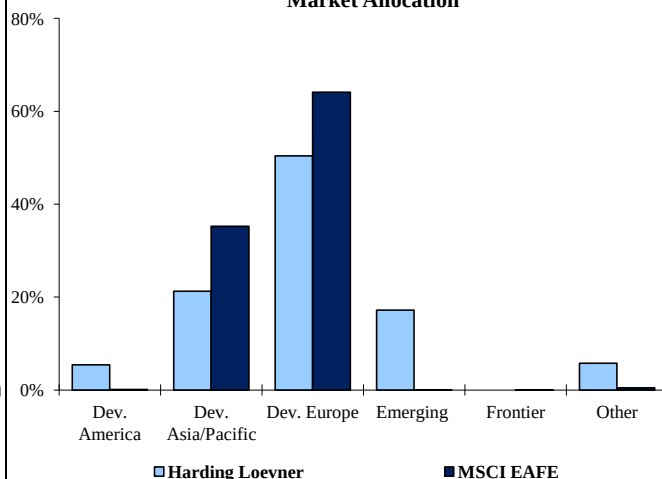
(Return)

Turkiye Garanti Bank	-20.5%
Erste Group Bank Ag	-32.1%
Icici Bk Ltd	-23.9%
Keyence Corp	-13.1%
Hoya Corp	-7.9%

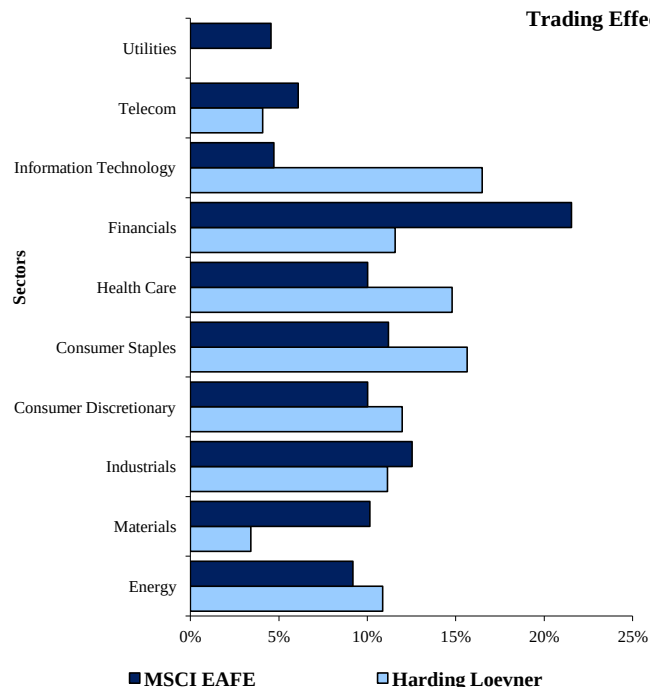
Geographic Allocation



Market Allocation

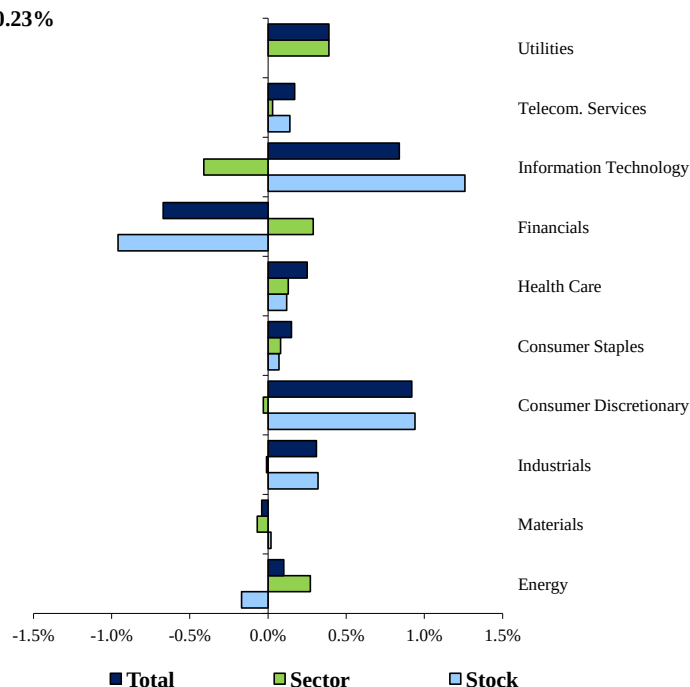


Sector Breakdown



Trading Effect: 0.23%

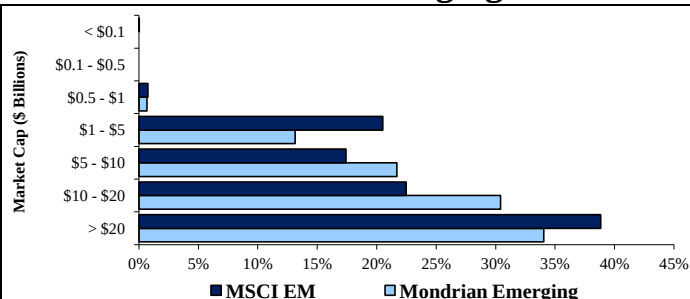
Portfolio Attribution vs. MSCI EAFE



¹Contributors and Detractors are ranked by holding's effect on the portfolio, based on the holding's return and weighting in the portfolio.

International Equity Portfolio Statistics - Mondrian Emerging

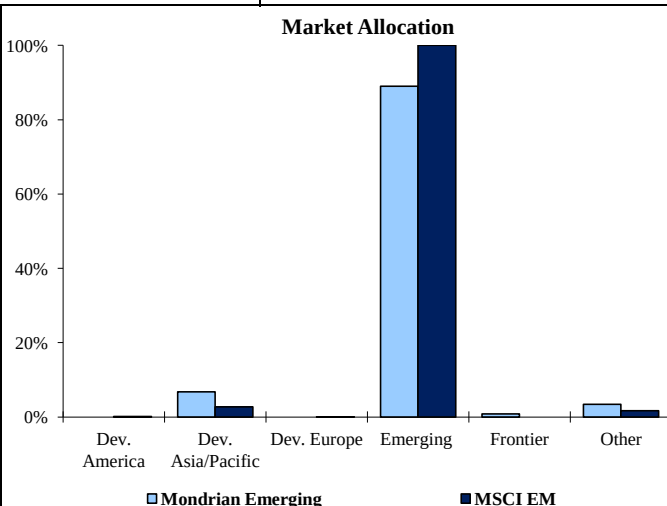
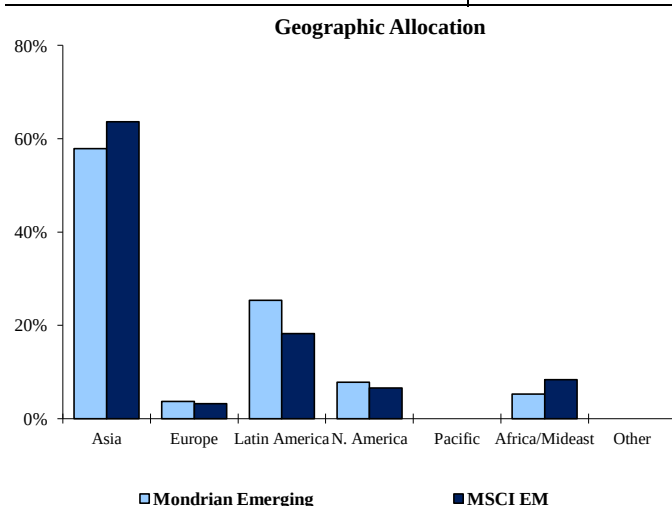
Characteristics	Mondrian Emerging	MSCI EM
Number of Securities	78	820
Average Capitalization	\$30.6 Bil	\$31.2 Bil
Median Capitalization	\$11.1 Bil	\$3.8 Bil
Equity Yield	3.5%	2.7%
Average P/E	12.8X	12.4X
Average P/B	2.0X	1.7X
Five Yrs Earnings Growth	12.4%	11.2%



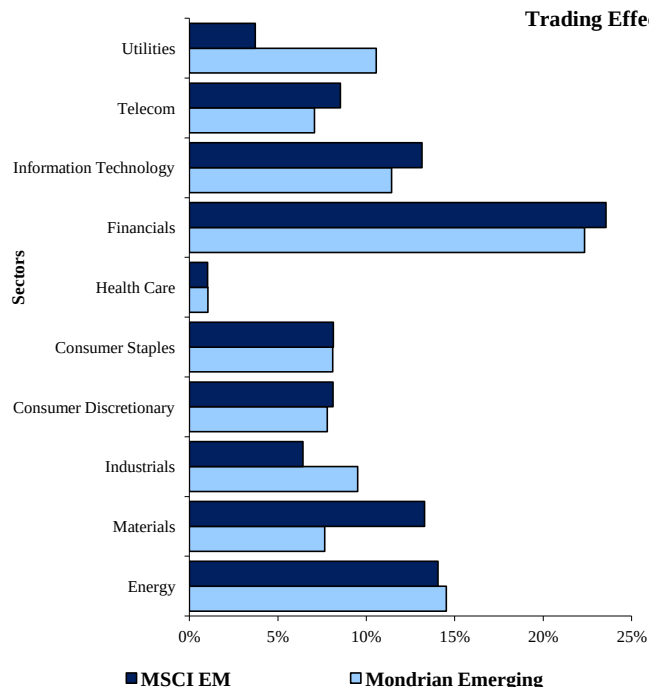
Five Largest Holdings	(Percent)
Industrial & Commere	2.7%
China Construction B	2.6%
Samsung Electronics	2.5%
Petroleo Brasileiro	2.5%
China Shenhua Energy	2.4%
Total	12.8%

Top Five Contributors ¹	(Return)
China Gas Holdings	77.2%
Samsung Electronics	28.8%
Industrial & Commere	21.0%
Ptt Public Company	20.5%
Companhia De Bebidas	20.9%

Top Five Detractors ¹	(Return)
Larsen & Toubro	-32.4%
Htc Corporation	-27.0%
Axis Bank	-26.9%
Huabao International	-37.9%
Turkiye Garanti Bank	-19.8%

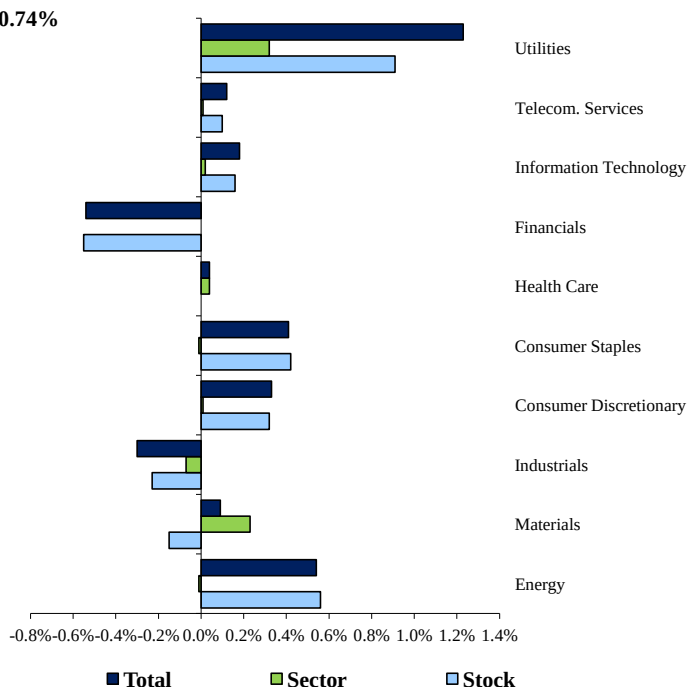


Sector Breakdown



Portfolio Attribution vs. MSCI EM

Trading Effect: -0.74%



¹Contributors and Detractors are ranked by holding's effect on the portfolio, based on the holding's return and weighting in the portfolio.

International Equity Portfolio Statistics - DFA

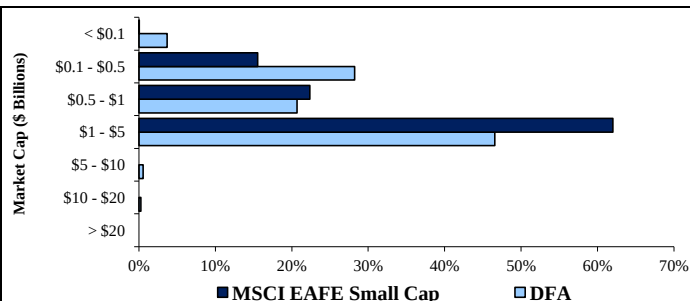
Characteristics

	DFA
Number of Securities	2,182
Average Capitalization	\$1.2 Bil
Median Capitalization	\$0.2 Bil
Equity Yield	4.2%
Average P/E	14.0X
Average P/B	0.6X
Five Yrs Earnings Growth	-2.3%

MSCI EAFE

Small Cap

Number of Securities	2,294
Average Capitalization	\$1.4 Bil
Median Capitalization	\$0.6 Bil
Equity Yield	3.1%
Average P/E	14.2X
Average P/B	1.0X
Five Yrs Earnings Growth	-0.4%



Five Largest Holdings (Percent)

Bilfinger Berger Se	1.2%
Hiscox	0.9%
Travis Perkins	0.9%
Meggitt	0.9%
Trelleborg Ab	0.9%
Total	4.6%

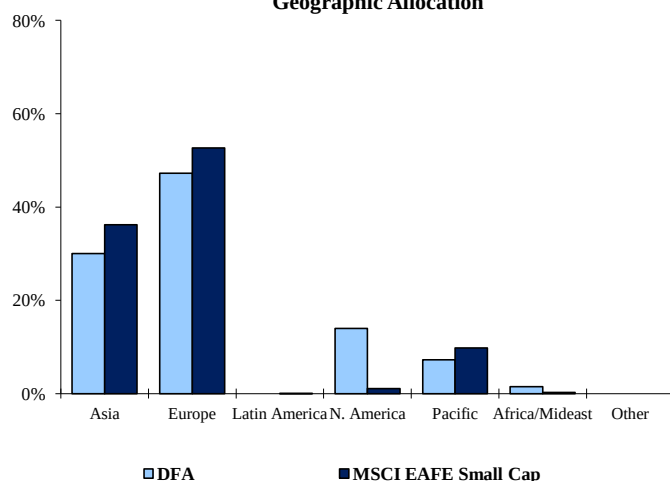
Top Five Contributors¹ (Return)

Quadra Fnx Mng Ltd	69.4%
Ashtead Group	69.5%
Trelleborg Ab	33.3%
Connacher Oil & Gas	139.3%
Petrobank Energy & R	70.5%

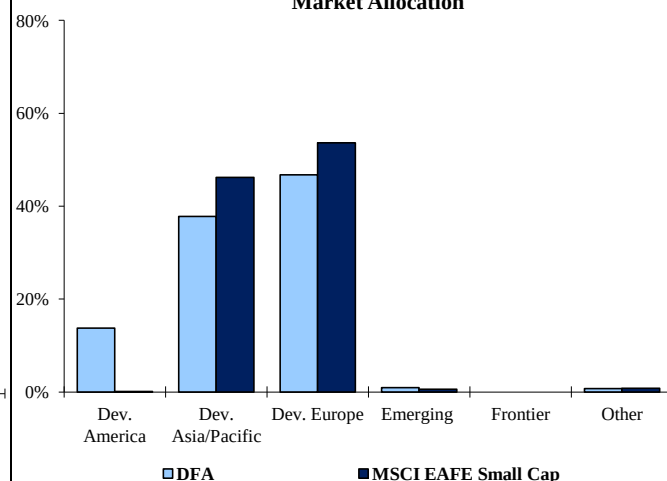
Top Five Detractors¹ (Return)

Banca Popolare Di Mi	-51.1%
Logica Plc	-22.1%
Wienerberger Ag	-23.6%
Sumitomo Osaka Cem	-20.0%
Bluescope Steel Ltd	-30.9%

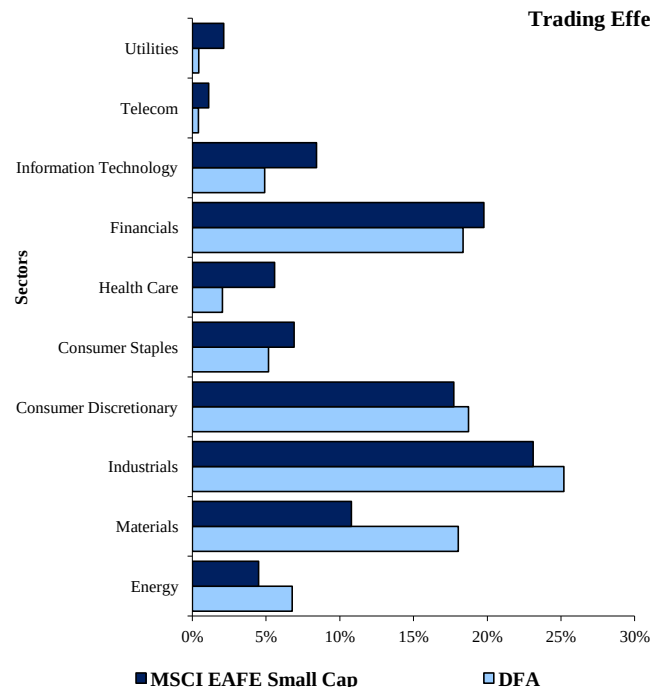
Geographic Allocation



Market Allocation

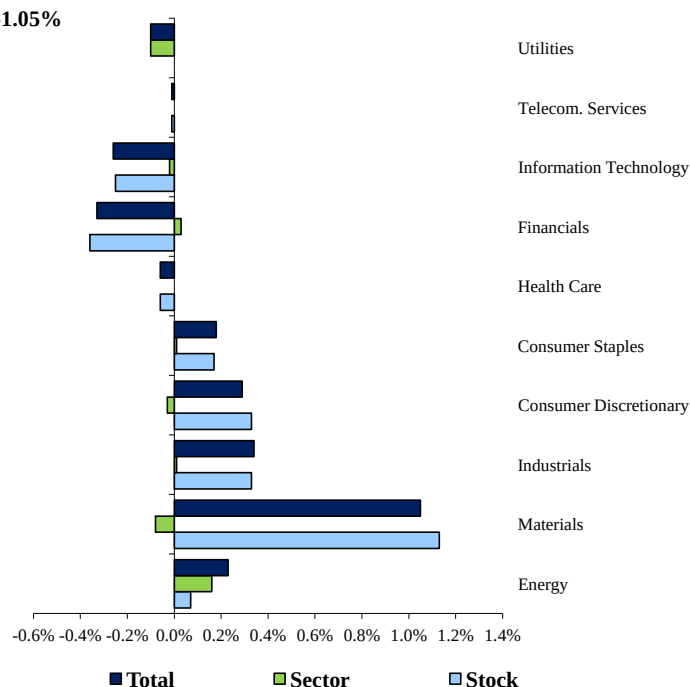


Sector Breakdown



Trading Effect: -1.05%

Portfolio Attribution vs. MSCI EAFE Small Cap



¹Contributors and Detractors are ranked by holding's effect on the portfolio, based on the holding's return and weighting in the portfolio.

Hedge Fund Portfolio Statistics (as of 9/30/2011) - ABS

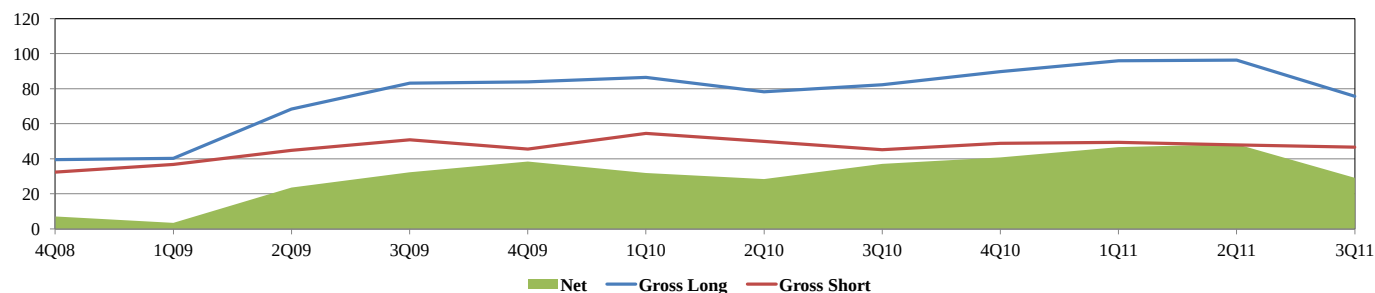
Quarterly Characteristics	ABS	Strategy Breakdown	Weight	Qtrly Contribution to Return
Product Assets	\$1,303,643,049	Credit		
# Underlying Mgrs	26	Event Driven	2.6%	n/a
% of Portfolio in top 3 Funds	16.7%	Global Macro/CTA		
Aggregate Portfolio Leverage	1.2X	Multi-Strategy		
Gross % long	75.7%	Non-US Hedged Equity	44.6%	n/a
Gross % short	46.6%	Relative Value		
Return of the Best Performing Mgr	7.5%	Short Selling		
Return of the Worst Performing Mgr	-22.5%	US Hedged Equity	52.6%	n/a
# Managers Hired over the qtr	0	Other*		
# Managers Fired over the qtr	1	Cash	0.2%	
Total Outflows from the Fund	\$11,182,233	Total	100.0%	-6.7%
Pending Outflows	\$9,831,280			
Total Inflows to the Fund	\$7,211,242			
Pending Inflows	\$15,415,000			
% of Fund liquid in 6 months	96.5%	Client Percent of Fund	11.8%	
% of Fund liquid in 12 months	99.9%			
% of Fund liquid in 24 months	99.9%			

Top Ten Holdings Investment Detail

Fund	Type	Total Asset Invt.	Fair Market Value	% Weight	Qtrly Return
KYLIN OFFSHORE FUND LTD	Asia Equity L/S	\$58,280,797	\$76,103,056	5.58%	-0.21%
ADDISON CLARK OFFSHORE FUND, LTD	US Equity L/S	\$67,000,000	\$75,939,830	5.56%	-7.52%
J. HILSABECK OVERSEAS FUND, LTD.	US Equity L/S	\$62,775,711	\$75,503,391	5.53%	-8.72%
DISCOVERY GLOBAL OPPORTUNITY FUND LTD	Global Emerging Markets	\$57,568,028	\$75,043,161	5.50%	6.20%
SOROBAN CAYMAN FUND LTD	Global Equity L/S	\$63,500,000	\$71,401,544	5.23%	-0.09%
NEWLAND OFFSHORE FUND, LTD.	US Equity L/S	\$68,000,000	\$70,972,434	5.20%	-19.50%
SELIGMAN TECH SPECTRUM FUND	TMT Equity L/S	\$62,502,614	\$65,512,088	4.80%	-10.19%
MERCHANTS' GATE OFFSHORE FUND LTD.	Global Equity L/S	\$58,851,550	\$61,426,900	4.50%	-14.94%
CAMBER CAPITAL OFFSHORE FUND, LTD.	Life Sciences Equity L/S	\$54,000,000	\$59,039,821	4.33%	-12.80%
ELLIS BRADY ASIA ABSOLUTE RETURN FUND LTD.	Asia Equity L/S	\$45,871,513	\$58,336,654	4.27%	-6.13%

Fund	Size of Fund (millions)	Fund Inception Date	SEC or FSA Registered	Inception Date of Invt
KYLIN OFFSHORE FUND LTD	\$1,511	April-06	No	August-06
ADDISON CLARK OFFSHORE FUND, LTD	\$1,105	October-01	Yes	March-10
J. HILSABECK OVERSEAS FUND, LTD.	\$534	January-04	No	January-07
DISCOVERY GLOBAL OPPORTUNITY FUND LTD	\$5,008	August-99	No	March-08
SOROBAN CAYMAN FUND LTD	\$2,112	November-10	No	November-10
NEWLAND OFFSHORE FUND, LTD.	\$955	July-07	No	July-09
SELIGMAN TECH SPECTRUM FUND	\$2,000	July-01	Yes	October-09
MERCHANTS' GATE OFFSHORE FUND LTD.	\$2,151	October-07	No	April-09
CAMBER CAPITAL OFFSHORE FUND, LTD.	\$569	April-06	No	February-10
ELLIS BRADY ASIA ABSOLUTE RETURN FUND LTD.	\$577	December-06	No*	December-06

Long/Short Positioning



Hedge Fund Portfolio Statistics (as of 9/30/2011) - Common Sense

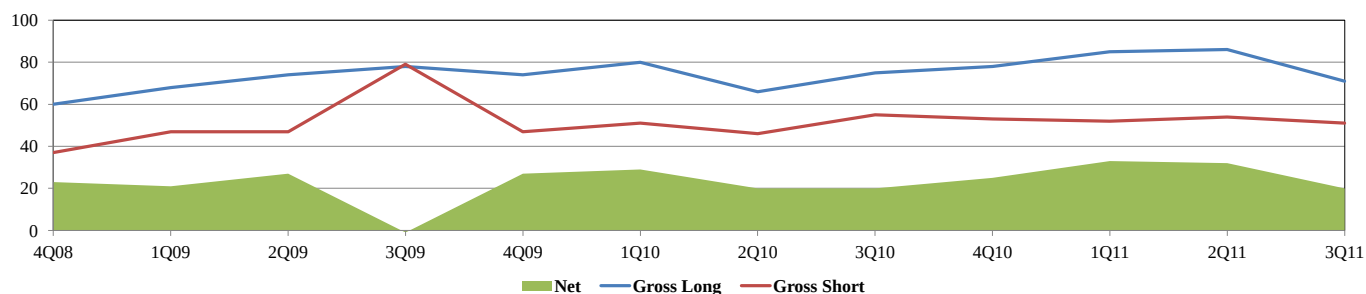
Quarterly Characteristics	Common Sense	Strategy Breakdown	Weight	Qtrly Contribution to Return
Product Assets	\$2,274,000,000	Credit		
# Underlying Mgrs	42	Event Driven		
% of Portfolio in top 3 Funds	21.9%	Global Macro/CTA		
Aggregate Portfolio Leverage	1.2X	Multi-Strategy		
Gross % long	71.0%	Non-US Hedged Equity		
Gross % short	51.0%	Relative Value		
Return of the Best Performing Mgr	33.1%	Short Selling		
Return of the Worst Performing Mgr	-31.3%	US Hedged Equity	100.0%	-0.5%
# Managers Hired over the qtr	1	Other*		
# Managers Fired over the qtr	0	Cash		
Total Outflows from the Fund	\$0	Total	100.0%	-0.5%
Pending Outflows	\$378,000,000			
Total Inflows to the Fund	\$38,000,000			
Pending Inflows	\$0			
% of Fund liquid in 6 months	82.0%	Client Percent of Fund	6.8%	
% of Fund liquid in 12 months	100.0%			
% of Fund liquid in 24 months	100.0%			

Top Ten Holdings Investment Detail

Fund	Type	Total Asset Invt.	Fair Market Value	% Weight	Qtrly Return
Emerging Sovereign Group	US Hedged Equity	\$191,877,162	\$191,877,162	8.76%	16.52%
JMB Capital Partners, LP	US Hedged Equity	\$145,493,767	\$145,493,767	6.64%	8.88%
MAK One Fund, LP	US Hedged Equity	\$141,460,432	\$141,460,432	6.46%	6.57%
Axial Capital Institutional, LP	US Hedged Equity	\$110,287,132	\$110,287,132	5.03%	33.06%
SRS Partners US, LP	US Hedged Equity	\$103,815,837	\$103,815,837	4.74%	-1.79%
Fox Point QP Fund, LP	US Hedged Equity	\$86,304,929	\$86,304,929	3.94%	16.58%
Burlingame Equity Investors, LP	US Hedged Equity	\$84,168,804	\$84,168,804	3.84%	-2.10%
Palo Alto Healthcare Fund, LP	US Hedged Equity	\$76,969,310	\$76,969,310	3.51%	-12.22%
Kendall Square Capital, LP	U.S. Hedged Equity	\$73,504,701	\$73,504,701	3.36%	-6.76%
Marble Arch QP Partners, LP	US Hedged Equity	\$67,317,440	\$67,317,440	3.07%	-1.48%

Fund	Size of Fund	Fund Inception Date	SEC or FSA Registered	Inception Date of Invt
Emerging Sovereign Group	\$669,000,000	December-07	no	December-07
JMB Capital Partners, LP	\$1,339,000,000	April-02	no	January-06
MAK One Fund, LP	\$1,320,000,000	April-04	no	April-08
Axial Capital Institutional, LP	\$1,460,000,000	November-02	no	September-06
SRS Partners US, LP	\$1,070,000,000	March-07	no	January-10
Fox Point QP Fund, LP	\$397,958,000	August-06	no	January-10
Burlingame Equity Investors, LP	\$175,000,000	September-03	no	June-05
Palo Alto Healthcare Fund, LP	\$735,000,000	January-02	yes	April-06
Kendall Square Capital, LP	\$154,000,000	July-09	no	July-09
Marble Arch QP Partners, LP	\$650,000,000	May-07	no	May-07

Long/Short Positioning



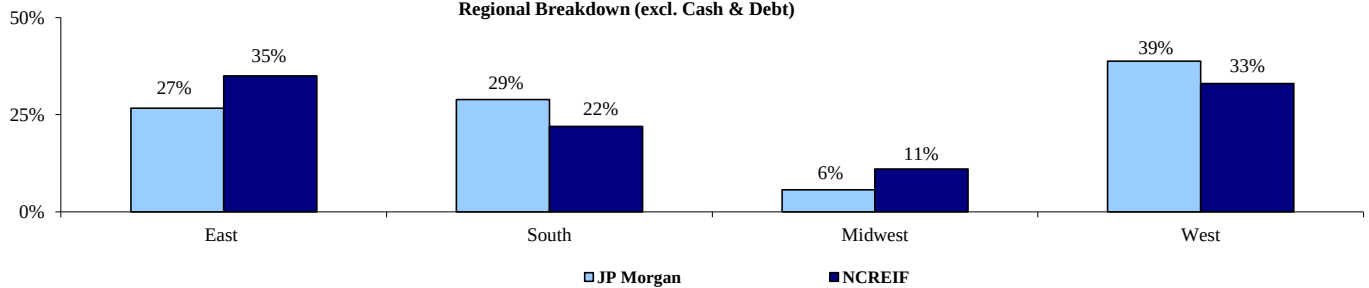
Real Estate Portfolio Statistics (as of 9/30/2011) - J.P. Morgan SPF

Characteristics			% of Portfolio	% Equity	% Leverage
Number of Properties	155	Pre-Development	0.0%	0.0%	0.0%
Total Square Feet	108,508,953	Development	1.0%	80.5%	19.5%
% in Top Ten	26.8%	Re-Development	0.0%	0.0%	0.0%
% Leased (by sqf)	87.2%	Initial Leasing	4.9%	81.0%	19.0%
% Leverage	28.9%	Operating	89.1%	70.3%	29.7%
% Equity	71.1%	Cash, Debt, Other	5.0%	100.0%	0.0%
% Joint Ventures	46.6%				
% of Port. Owned by Client	0.4%	Fund GAV	\$20,587,530,000	Queue %	10.5%
12 Month Income Return	4.7%	Fund NAV	\$14,812,560,000		14.7%
12 Month Appreciation Return	11.7%	Queue (net amount):	\$2,171,300,000	(incoming queue)	
12 Month Total Return	16.9%	Queue Length:	9 -12 months		

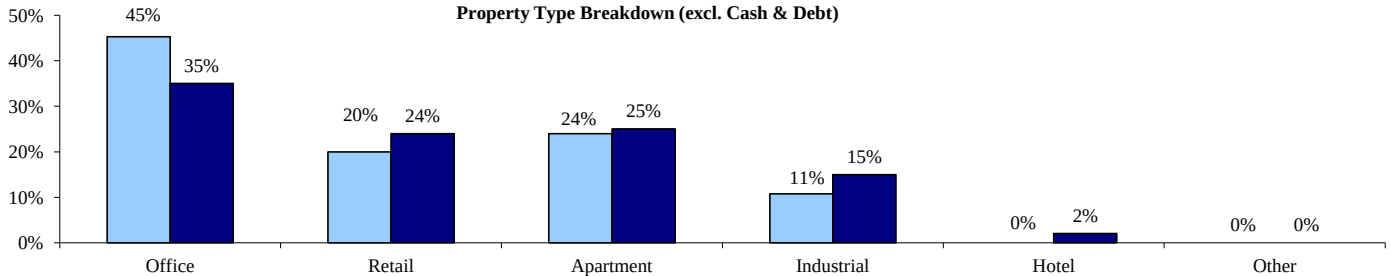
Top Ten Properties

Project	Type	Location	Total Cost	Fair Mkt Value	% of Fund
1 Crescent Big Tex	Office	Various, TX	\$1,088,903,346	\$608,940,080	4.11%
2 Edens & Avant	Retail	Various	\$885,185,253	\$521,583,977	3.52%
3 1285 Avenue of the Americas	Office	New York, NY	\$341,172,578	\$402,350,504	2.72%
4 Alliance Texas - Industrial	Industrial	Fort Worth, TX	\$561,347,318	\$394,493,288	2.66%
5 Donahue Schriber Realty Group	Retail	Various	\$1,127,917,070	\$374,963,169	2.53%
6 Valley Fair Mall	Retail	San Jose, CA	\$260,572,927	\$374,823,994	2.53%
7 Water Garden II	Office	Santa Monica, CA	\$261,328,833	\$349,682,260	2.36%
8 Southeast Financial Center	Office	Miami, FL	\$508,083,688	\$332,778,023	2.25%
9 200 Fifth Avenue	Office	New York, NY	\$694,572,433	\$308,464,248	2.08%
10 Landmark Center	Office	Boston, MA	\$538,230,030	\$303,011,982	2.05%
Total			\$6,267,313,476	\$3,971,091,525	26.8%

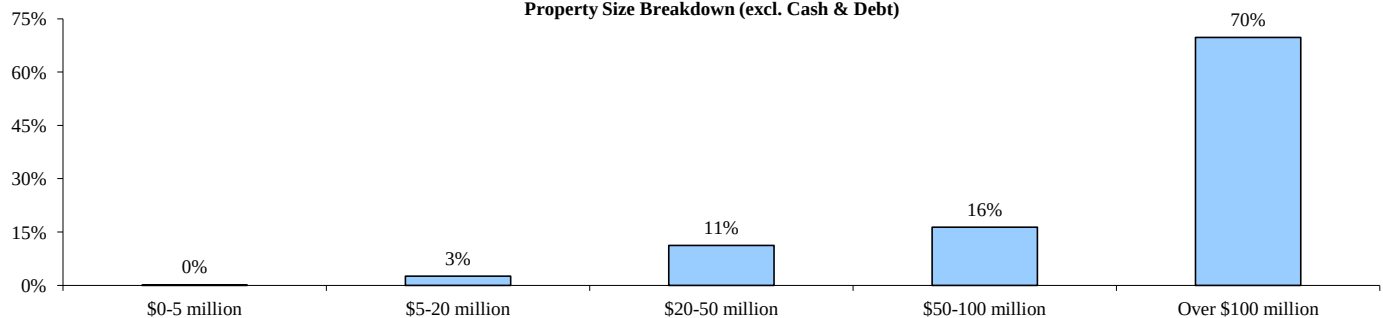
Regional Breakdown (excl. Cash & Debt)



Property Type Breakdown (excl. Cash & Debt)



Property Size Breakdown (excl. Cash & Debt)



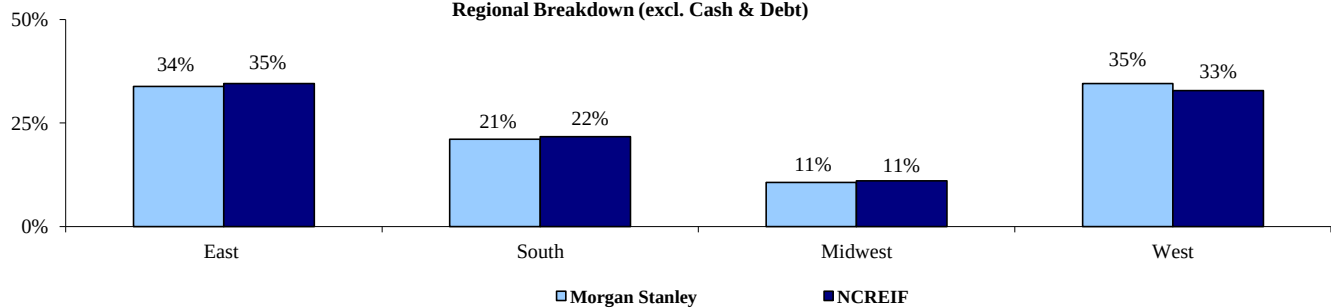
Real Estate Portfolio Statistics (as of 9/30/2011) - Morgan Stanley

Characteristics		% of Portfolio		% Equity	% Leverage
Number of Properties	232	Pre-Development	1.5%	100.0%	0.0%
Total Square Feet	30,675,699	Development	0.7%	100.0%	0.0%
% in Top Ten	38.6%	Re-Development	0.0%	0.0%	0.0%
% Leased (by sqf)	93.7%	Initial Leasing	3.2%	100.0%	0.0%
% Leverage	31.0%	Operating	94.6%	60.4%	39.6%
% Equity	69.0%	Cash, Debt, Other	0.0%	0.0%	0.0%
% Joint Ventures	39.7%				Queue %
% of Port. Owned by Client	0.8%	Fund GAV	\$8,918,100,000	1.7%	
12 Month Income Return	3.8%	Fund NAV	\$6,309,800,000	2.4%	
12 Month Appreciation Return	14.0%	Queue:	\$149,500,000 (incoming queue)		
12 Month Total Return	18.4%	Queue Length:	6 months		

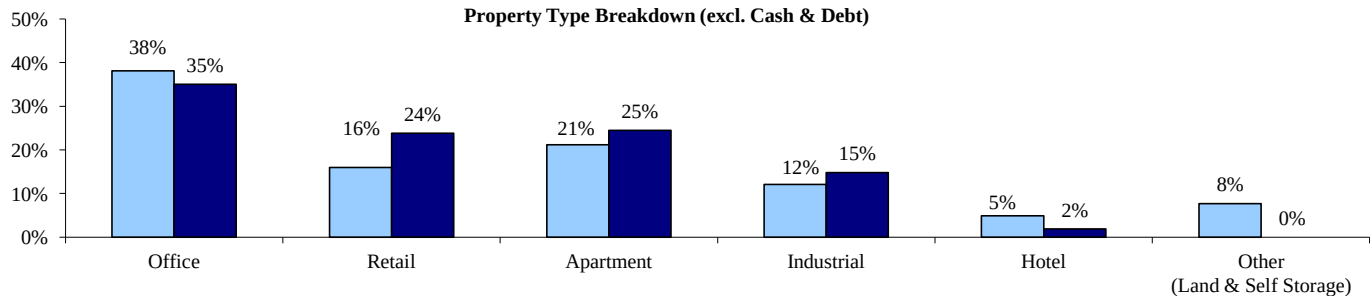
Top Ten Properties

Property	Type	Location	Total Cost (in millions)	Fair Market Value (in millions)	% of Fund
1 Two Park Avenue	Office	New York, NY	\$628,192,183	\$474,700,000	6.52%
2 Rosedale Shopping Center	Retail	Roseville, MN	\$192,625,531	\$311,000,000	4.27%
3 Marriott East Side	Hotel	New York, NY	\$326,736,103	\$307,000,000	4.22%
4 Hills Plaza	Office	San Francisco, CA	\$213,107,398	\$295,000,000	4.05%
5 Fashion Valley Mall	Retail	San Diego, CA	-\$36,673,989	\$294,480,119	4.05%
6 One Maritime Plaza	Office	San Francisco, CA	\$448,511,669	\$287,000,000	3.94%
7 Dadeland Mall	Retail	Miami, FL	\$12,113,703	\$275,022,423	3.78%
8 Wilshire Beverly Center	Office	Los Angeles, CA	\$243,720,125	\$204,975,000	2.82%
9 6500 Wilshire Blvd	Office	Los Angeles, CA	\$179,259,029	\$180,700,000	2.48%
10 1601 K Street	Office	Washington D.C.	\$156,581,066	\$180,000,000	2.47%
Total			\$2,364,172,818	\$2,809,877,542	38.6%

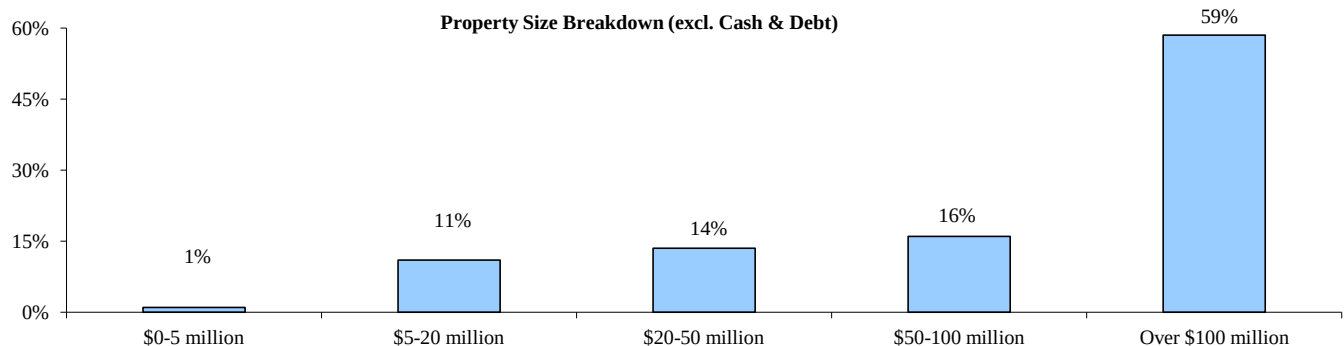
Regional Breakdown (excl. Cash & Debt)



Property Type Breakdown (excl. Cash & Debt)



Property Size Breakdown (excl. Cash & Debt)



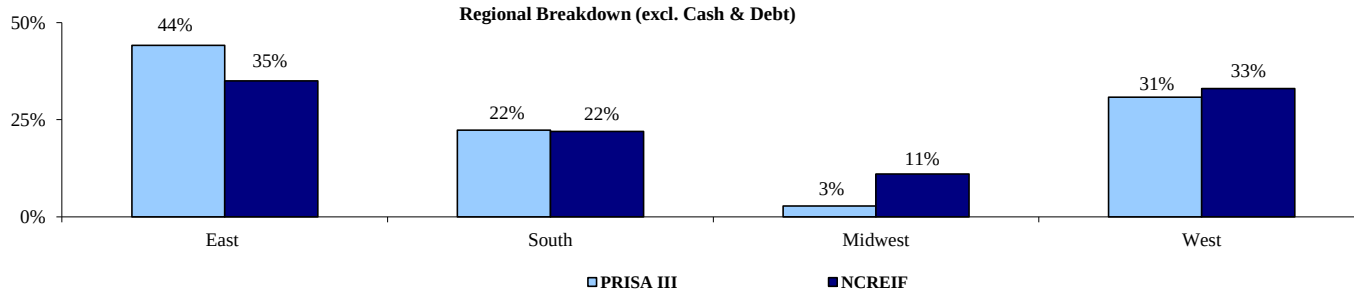
Real Estate Portfolio Statistics (as of 9/30/2011) - PRISA III

Characteristics			% of Portfolio	% Equity	% Leverage
Number of Properties	48	Pre-Development	7.0%	n/a	n/a
Total Square Feet	8,982,413	Development	1.9%	n/a	n/a
% in Top Ten	n/a	Re-Development	0.0%	n/a	n/a
% Leased (by sqf)	84.2%	Initial Leasing	-0.2%	n/a	n/a
% Leverage	56.9%	Operating	73.3%	n/a	n/a
% Equity	43.1%	Cash, Debt, Other	18.0%	n/a	n/a
% Joint Ventures	67.0%				
% of Port. Owned by Client	2.1%	Fund GAV	\$2,105,500,000	Queue %	0.0%
12 Month Income Return	5.6%	Fund NAV	\$1,080,000,000		0.0%
12 Month Appreciation Return	19.5%	Queue (net amount):	\$0		
12 Month Total Return	18.0%	Queue Length:	n/a		

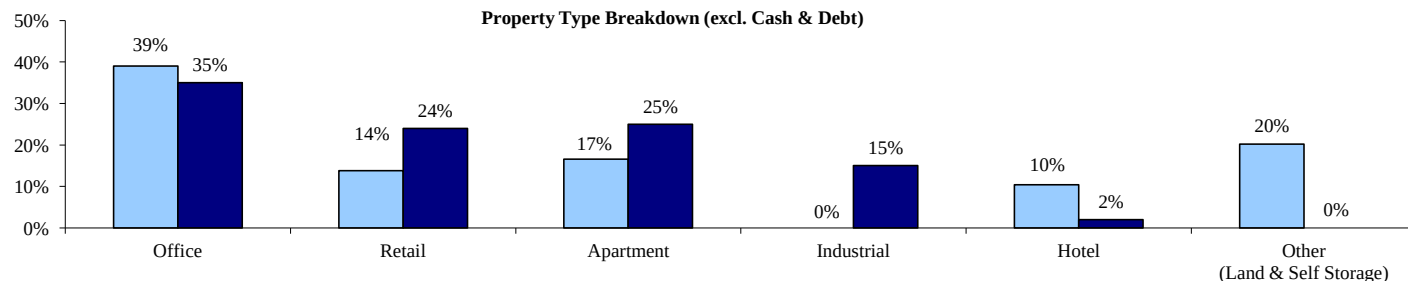
Top Ten Properties

Project	Type	Location	Total Cost	Fair Mkt Value	% of Fund
1 Colonnade Phillips Point LLC	Office	West Palm Beach, FL	\$185,000,000	n/a	n/a
2 Marabella Tower	Apartment	Jersey City, NJ	\$167,600,000	n/a	n/a
3 Hunt Valley Mall	Retail	Baltimore, MD	\$156,000,000	n/a	n/a
4 Jefferson at Thomas Circle	Apartment	Washington, DC	\$140,000,000	n/a	n/a
5 Del Mar Heights-Neurocrine	Office	San Diego, CA	\$105,000,000	n/a	n/a
6 Glendale Corp Center Mortgage	Office	Los Angeles, CA	\$96,900,000	n/a	n/a
7 Summit Retail Center	Retail	Louisville, KY	\$85,600,000	n/a	n/a
8 40 & 60 Danbury Center	Office	Wilton, CT	\$81,700,000	n/a	n/a
9 CGI-AMS Building	Office	Fairfax, VA	\$69,600,000	n/a	n/a
10 Terraces at Copley Point	Office	Kearny Mesa, CA	\$68,600,000	n/a	n/a
Total			\$1,156,000,000	n/a	n/a

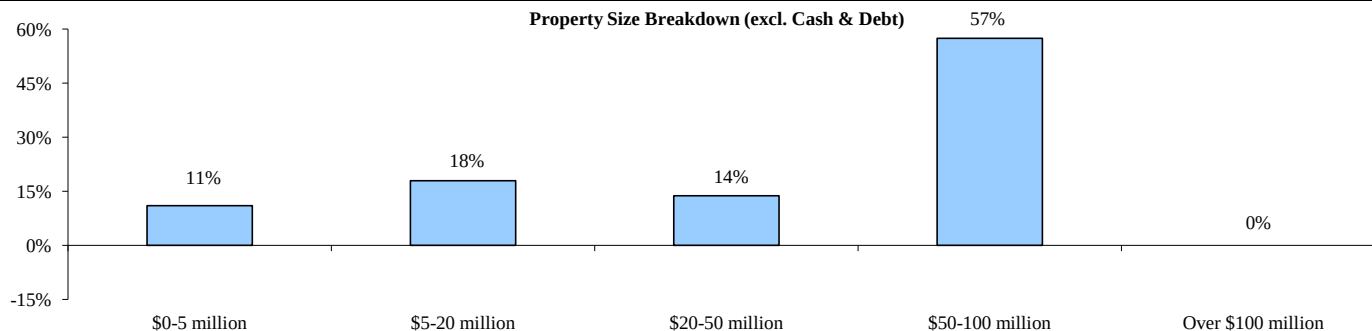
Regional Breakdown (excl. Cash & Debt)



Property Type Breakdown (excl. Cash & Debt)



Property Size Breakdown (excl. Cash & Debt)



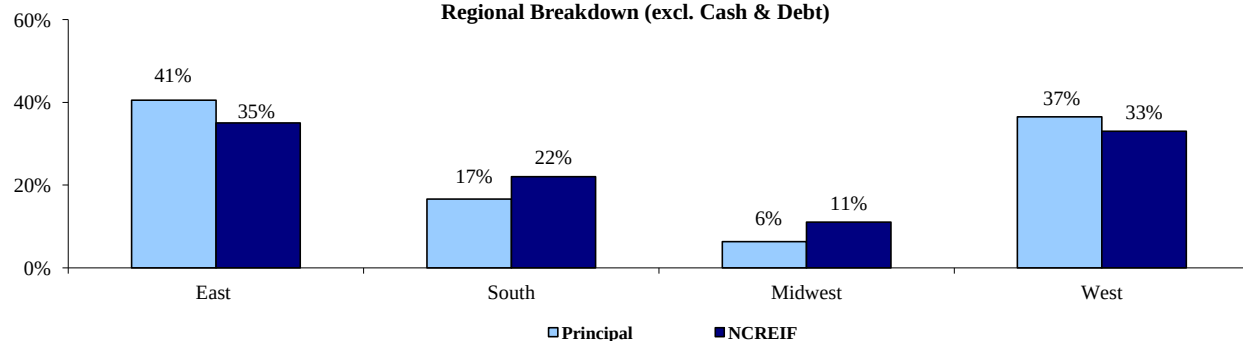
Real Estate Portfolio Statistics (as of 9/30/2011) - Principal Enhanced Property Fund

Characteristics		% of Portfolio		% Equity	% Leverage
Number of Properties	56	Pre-Development	0.0%	n/a	n/a
Total Square Feet	10,976,290	Development	2.7%	n/a	n/a
% in Top Ten	48.0%	Re-Development	0.0%	n/a	n/a
% Leased (by sqf)	83.0%	Initial Leasing	13.9%	n/a	n/a
% Leverage	53.0%	Operating	80.9%	n/a	n/a
% Equity	47.0%	Cash, Debt, Other	2.6%	n/a	n/a
% Joint Ventures	43.0%				
% of Port. Owned by Client	1.9%			<u>Queue %</u>	
12 Month Income Return	2.7%	Fund GAV	\$1,657,100,000	1.9%	
12 Month Appreciation Return	14.2%	Fund NAV	\$728,700,000	4.3%	
12 Month Total Return	17.2%	Queue:	\$31,221,730	(outgoing queue)	
		Queue Length:	3 months		

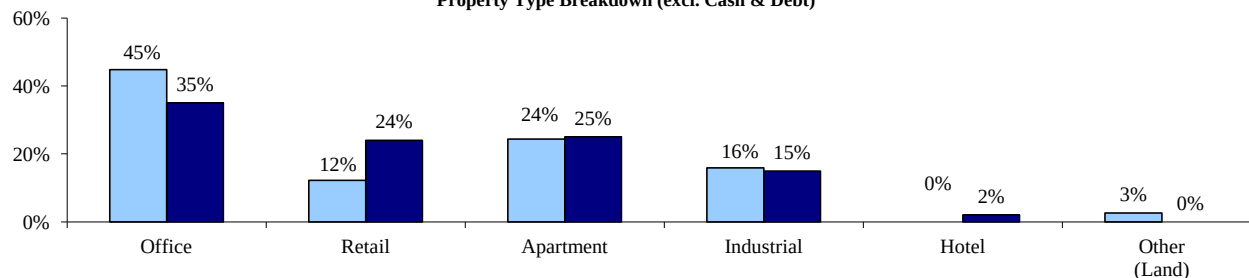
Top Ten Properties

Project	Type	Location	Total Cost (in millions)	Fair Market Value (in millions)	% of Fund
1 Piedmont Office	Office	Charlotte, NC	\$133,899,955	\$113,200,000	6.97%
2 Victor Building	Office	Washington, DC	\$91,829,056	\$112,602,252	6.93%
3 Cerritos Towne Center	Office	Los Angeles, CA	\$129,686,957	\$89,600,000	5.52%
4 Bay Center	Office	Oakland, CA	\$128,209,939	\$88,847,800	5.47%
5 Quaker Tower	Office	Chicago, IL	\$70,758,460	\$81,300,000	5.01%
6 Franklin Center	Office	Baltimore, MD	\$57,797,977	\$66,400,000	4.09%
7 Baybrook Square	Retail	Houston, TX	\$63,031,818	\$61,500,000	3.79%
8 Domain at Kirby	Apartment	Houston, TX	\$56,628,881	\$60,700,000	3.74%
9 Mid-South Logistics Center	Industrial	Nashville, TN	\$69,910,620	\$55,200,000	3.40%
10 Shops at Gainey Village	Retail	Phoenix, AZ	\$80,658,925	\$50,000,000	3.08%
Total			\$882,412,589	\$779,350,052	48.0%

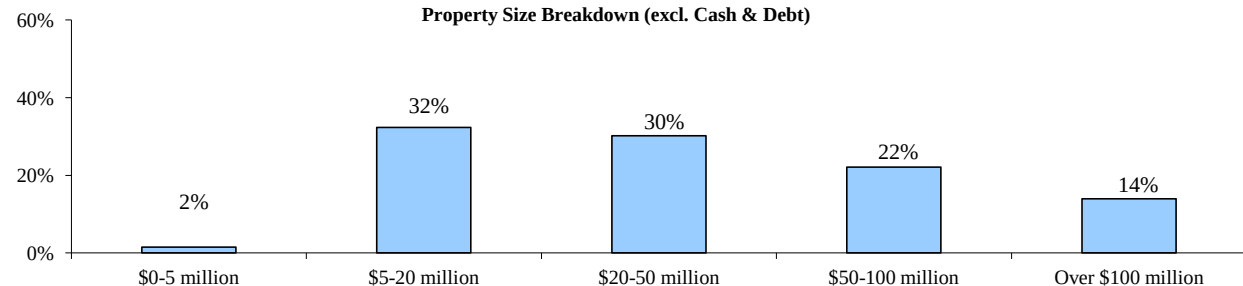
Regional Breakdown (excl. Cash & Debt)



Property Type Breakdown (excl. Cash & Debt)



Property Size Breakdown (excl. Cash & Debt)



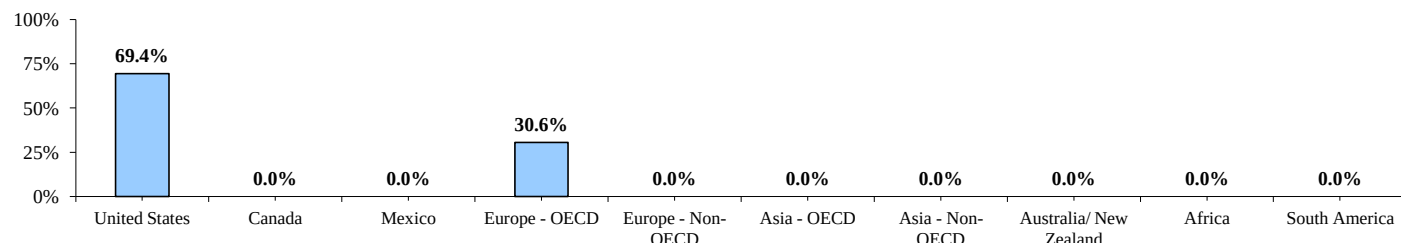
Infrastructure Portfolio Statistics (as of 9/30/2011) -Alinda Infrastructure Fund II

		Current or Realized MV		
		No. of Cos.		% of Portfolio
Fund Vintage Year:	2008	Assets in Portfolio	6	\$1,733,499,989 98.2%
Total Size of Fund:	\$4,065,000,000	Active Assets in Portfolio	6	\$1,733,499,989 98.2%
% of Capital Called:	37.0%	Assets Realized	0	\$0 0.0%
Total Fund GAV:	\$1,764,884,807	Assets Written Off	0	\$0 0.0%
Total Fund NAV:	\$1,651,013,480	Assets Written Down	2	\$6,816,961 0.4%
Client Commitment:	\$65,000,000	Assets Written Up	4	\$275,092,771 15.6%
Client % Ownership of Fund:	1.6%			
Paid-In / Distributed Capital	12.8%			

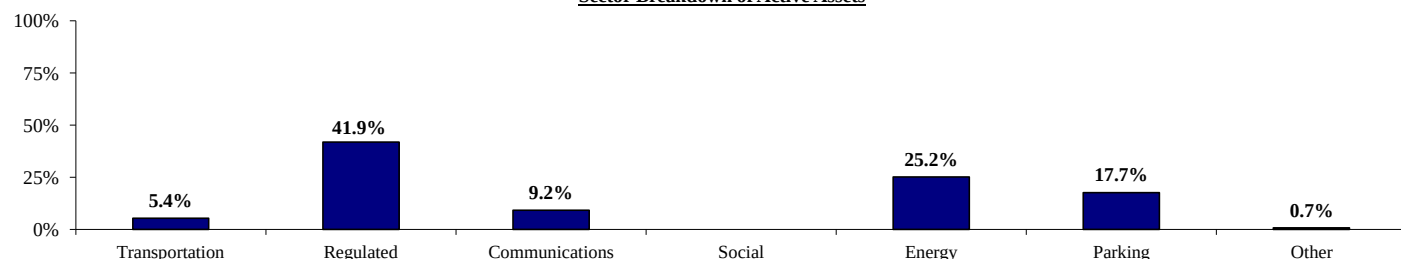
Active Assets

Holding	Sector	Location	Initial Investment Date	Total Investment	Total Distribution	Fair Market Value	% of Portfolio
1 Santa Paula Water	Other	Santa Paula, CA	Aug-08	\$26,599,999	\$15,443,000	\$12,800,000	0.7%
2 Binnenlandse Container Terminals N	Transportaion	Netherlands	Mar-09	\$80,597,140	\$11,154,243	\$93,300,000	5.3%
3 Regency Gas Pipeline System	Regulated	Louisiana	Mar-09	\$558,500,000	\$156,578,853	\$726,000,000	41.2%
4 DukeNet Communications LLC	Communication	Southeastern U.S.	Dec-10	\$140,000,000	\$8,750,000	\$159,000,000	9.0%
5 Agri.capital Group S.A.	Energy	Germany	Apr-11	\$369,951,781	\$0	\$463,400,000	26.3%
6 InterPark Holdings, Inc.	Parking	Various U.S.	Jun-11	\$300,000,000	\$0	\$306,000,000	17.4%
Total				\$1,475,648,920.0	\$191,926,096.0	\$1,760,500,000.0	100.0%

Country Breakdown of Active Assets



Sector Breakdown of Active Assets



Client's Historic Net Cash Flow Data

	2005	2006	2007	2008	2009	2010	2011
Paid-In Capital	\$0	\$0	\$0	-\$2,320,950	-\$11,797,365	-\$3,082,179	-\$11,237,042
Return of Capital	\$0	\$0	\$0	\$459,072	\$1,676,260	\$1,621,884	\$849,947
Income + Gains	\$0	\$0	\$0	\$157	\$1,981,348	\$2,379,995	\$1,336,222
Fees	\$0	\$0	\$0	\$605,907	\$945,357	\$1,206,495	\$747,921
Yearly Total	\$0	\$0	\$0	-\$1,255,814	-\$7,194,400	\$2,126,195	-\$8,302,952
Cumulative Total	\$0	\$0	\$0	-\$1,255,814	-\$8,450,214	-\$6,324,019	-\$14,626,971

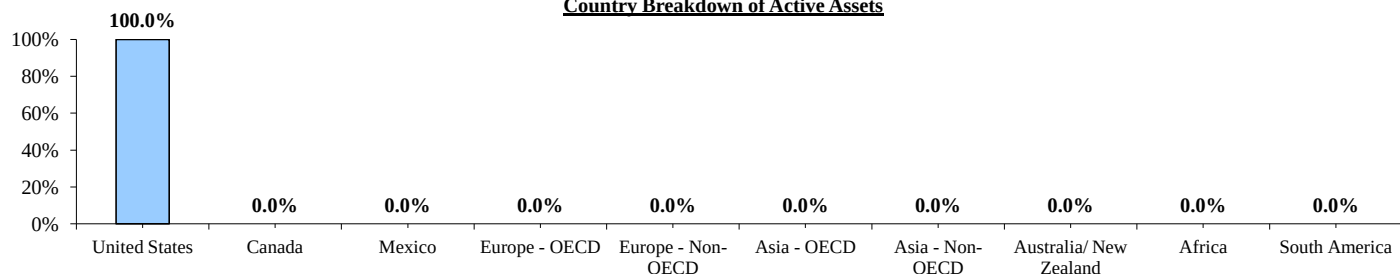
Infrastructure Portfolio Statistics (as of 9/30/2011) - Macquarie MIP II

			No. of Cos.	Current or Realized MV	% of Portfolio
Fund Vintage Year:	2008	Assets in Portfolio	3	\$1,253,100,000	94.8%
Total Size of Fund:	\$1,568,950,000	Active Assets in Portfolio	3	\$1,253,100,000	94.8%
% of Capital Called:	68.9%	Assets Realized	0	\$0	0.0%
Total Fund GAV:	\$1,322,502,962	Assets Written Off	0	\$0	0.0%
Total Fund NAV:	\$1,321,234,551	Assets Written Down	1	\$355,500,000	26.9%
Client Commitment:	\$65,000,000	Assets Written Up	2	\$897,600,000	67.9%
Client % Ownership of Fund:	4.1%				
Paid-In / Distributed Capital	4.9%				

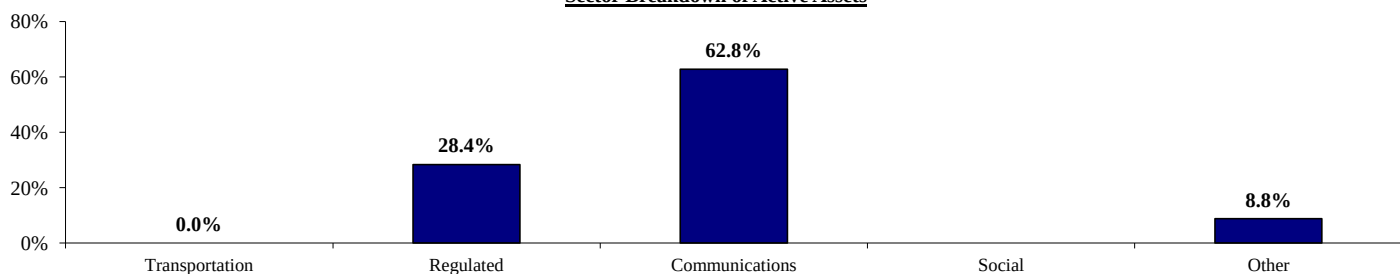
Active Assets

Holding	Sector	Location	Initial Investment Date	Investment	Distribution	Fair Market Value	% of Portfolio
1 Global Tower Partners	Communications	U.S.	Sep-08	\$526,401,420	\$0	\$786,800,000	62.8%
2 Puget Energy	Regulated	U.S.	Feb-09	\$370,698,735	\$29,777,106	\$355,500,000	28.4%
3 Broadrock Renewables	Other	U.S.	Nov-10	\$106,856,975	\$23,515,459	\$110,800,000	8.8%
Total				\$1,003,957,129	\$53,292,565	\$1,253,100,000	100.0%

Country Breakdown of Active Assets



Sector Breakdown of Active Assets



Client's Historic Net Cash Flow Data

	2005	2006	2007	2008	2009	2010	2011
Paid-In Capital	\$0	\$0	\$0	-\$19,665,716	-\$18,313,766	-\$5,572,864	-\$7,946,261
Return of Capital	\$0	\$0	\$0	\$2,188,032	\$1,899,312	\$2,186,465	\$474,130
Income + Gains	\$0	\$0	\$0	\$877,772	\$422,129	\$7,003,285	\$5,099,283
Fees	\$0	\$0	\$0	\$734,258	\$974,988	\$974,909	\$731,250
Yearly Total	\$0	\$0	\$0	-\$15,865,654	-\$15,017,337	\$4,591,795	-\$1,641,598
Cumulative Total	\$0	\$0	\$0	-\$15,865,654	-\$30,882,991	-\$26,291,196	-\$27,932,794

YTD Securities Lending

Cincinnati Retirement System Earnings	
	<u>CRS %</u>
January	\$12,077
February	\$13,328
March	\$21,645
April	\$25,286
May	\$94,453
June	\$57,921
July	\$48,576
August	\$12,564
September	\$30,919
October	\$11,232
November	\$18,696
December	\$16,292
Total YTD Securities Lending Revenue	\$362,989
2011	\$362,989
2010	\$340,835
2009	\$964,503
2008	\$2,365,591
2007	\$1,432,567
2006	\$983,293
2005	\$989,492
2004	\$1,513,575
2003	<u>\$352,142</u>
Total Securities Lending Revenue (July 2003 - Present)	\$9,304,987

Commission Summary			
Investment Manager	Year To Date Commissions	Price/Share	% Soft Dollars
Allegiant	\$12,401	\$0.01	0%
Bartlett	\$29,892	\$0.07	0%
Montag & Caldwell	\$22,920	\$0.03	17%
Opus	\$55,019	\$0.02	0%
PanAgora	\$3,537	\$0.01	44%
Rhumblin	\$4,975	\$0.00	0%
Turner	\$85,719	\$0.03	18%
WCM	\$18,314	\$0.01	0%
Total	\$232,778	\$0.02	9%

Commission Recapture Summary			
Investment Manager	% of Commissions Recaptured ¹	Trades to Agents Year To Date	Recaptured Dollars Year To Date
Allegiant	0%	\$0	\$0
Bartlett	21%	\$8,528	\$6,224
Montag & Caldwell	21%	\$7,585	\$4,823
Opus	3%	\$2,826	\$1,692
PanAgora	0%	\$0	\$0
Rhumblin	0%	\$0	\$0
Turner	0%	\$0	\$0
WCM	0%	\$0	\$0
Total	5%	\$18,939	\$12,739

¹ Recaptured Dollars Year to Date/ Year To Date Commissions.

**Consolidated Annual Investment Management Fees
based on December 31, 2011 reported Market Values**

Asset Class	Avg. Estimated Fee	Industry Average*
Fixed Income	0.34% \$1,012,279	0.37%
US Equity	0.25% \$1,414,314	0.34%
Hedge Fund of Funds	0.67% \$2,082,329	1.37%
International Equity	0.60% \$2,305,920	0.85%
Real Estate	1.00% \$1,617,842	1.03%
Private Equity	0.62% \$1,362,813	1.60%
Infrastructure	1.63% \$1,950,000	2.48%
Total	0.60% \$11,745,497	0.86%

*Source: 2010 Marquette Associates Investment Management Fee Study.

Glossary

Alpha measures nonsystematic return, or the return of the manager that cannot be attributed to the market. It can be thought of as how the manager performed if the market has no gain or loss. Marquette calculates alpha as the annualized y-intercept of the best fit line based on the ordinary least squares regression, using the market's quarterly return less the risk-free rate as the independent variable and the manager's quarterly return less the risk-free rate as the dependent variable. Marquette uses the 90-day T-Bill returns as the risk-free rate.

Beta measures the volatility of the manager. It is a measure of systematic risk, or the manager return attributable to market movements. A beta equal to 1.0 indicates a volatility level equivalent to the market. Higher betas are associated with higher volatility levels, while lower betas are associated with lower volatility levels. Marquette calculates beta as the covariance (correlation of two assets multiplied by their standard deviation) divided by the variance (standard deviation squared) of the market.

Credit Ratings are a method of evaluating the possibility of default by a bond issuer. Marquette uses ratings issued by Moody's Investors Service with the following ratings:

Aaa	Highest Quality
Aa	High Grade, High Quality
A	Upper Medium Grade
Baa	Medium Grade
Ba	Non-Investment Grade
B	Speculative
Caa	Poor to Default
Ca	Highest Speculation
C	May Be in Default

Moody's uses the numerical modifiers 1 (highest), 2, and 3 in the range from Aa1 through Ca3.

Equity yield measures the annual return of the portfolio attributable to dividends. It is determined by dividing the total amount of annual dividends per total shares by the average market price of the total stocks in the portfolio.

Market capitalization is the value of a corporation as determined by the market price of its issued and outstanding common stock. It is calculated by multiplying the number of outstanding shares by the current market price of a share.

Modified Duration is the ratio of Macaulay duration to $(1 + y)$, where y = the bond yield. Modified duration is inversely related to the approximate percentage change in price for a given change in yield.

Net of Fees calculations are an estimate of the performance of the total fund and individual managers after taking into account management fees. The estimate is calculated by subtracting the current estimated annual expense ratio from the historical gross of fee returns.

Price-to-Book Ratio is a measure of relative value measuring the weighted average of the individual portfolio's Price/Book ratios. The ratio is calculated by dividing the price of a stock by the book value of the company. Low Price/Book ratios are associated with value stocks and vice versa.

Glossary

Price-to-Earnings Ratio is a measure of relative value measuring the weighted average of the individual portfolio's Price/Earnings ratios. The ratio is calculated by dividing the price of a stock by the last twelve months' earnings of the company. Low Price/Earnings ratios are associated with value stocks and vice versa.

R-Squared measures how closely the manager's returns track the benchmark. The closer the R-squared statistic is to 1.0, the more closely related the manager's returns are to the benchmark. A higher R-squared also increases the reliability of alpha and beta.

Sharpe Ratio measures the excess return per unit of risk. The higher the ratio, the more efficient the manager. It is the average return of the manager minus the risk-free rate, divided by the standard deviation of the differences of the two return streams.

Trading Effect assesses the total performance caused by cash flows into and out of the portfolio, in addition to all purchases and sales of securities during the quarter. This effect is calculated by subtracting the buy and hold equity return of the portfolio from the actual equity return of the portfolio for the quarter.

Yield to Worst is computed by using the lower of either the yield to maturity or the yield to call on every possible call date.

Due to current market conditions, there is general uncertainty regarding credit pricing which has resulted in significant differences between pricing sources. Marquette Associates, Inc. utilizes pricing sources it believes to be reliable; however, we can make no assurances as to their accuracy.

The sources of information used in this report are believed to be reliable. Marquette has not independently verified all of the information contained herein.

This report has been prepared and presented in compliance with the IMCA Performance Reporting Standards. It meets the mandatory requirements of those standards. IMCA has not been involved with the preparation or review of the report.

Market Environment

4Q 2011

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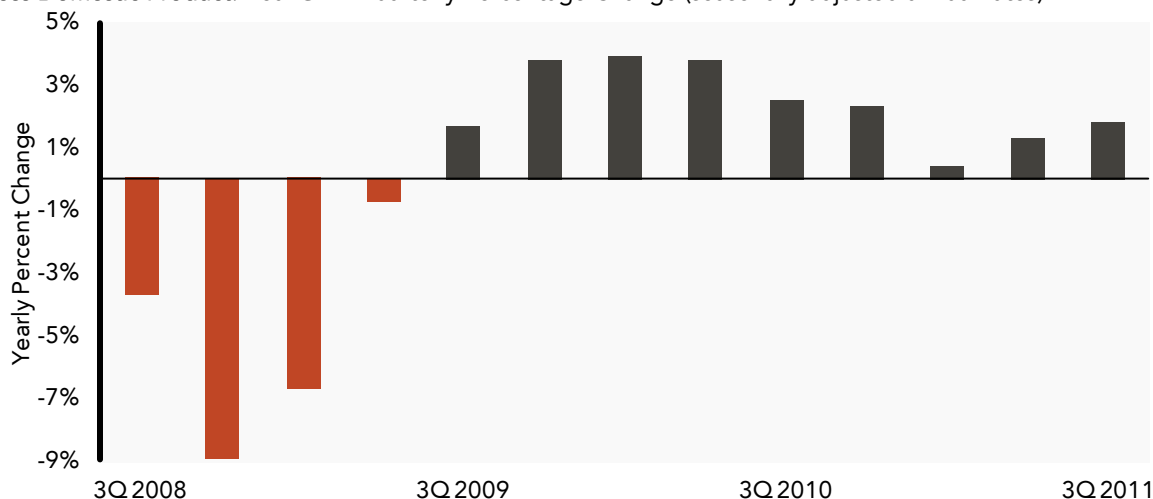
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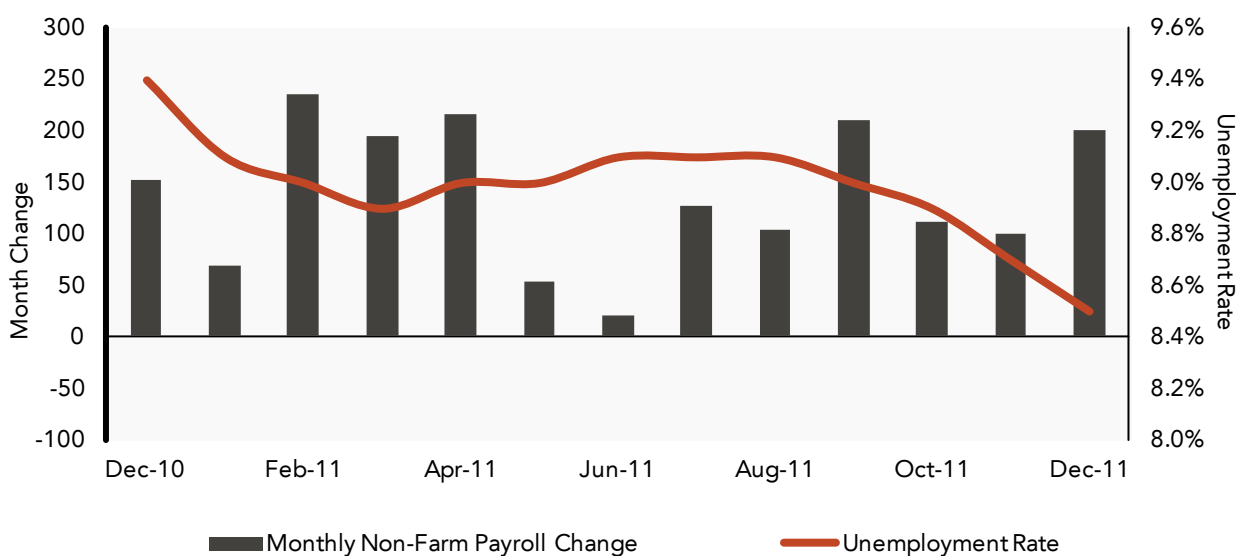
U.S. Economy

The "third" estimate for third quarter GDP was released showing a growth rate of 1.8%, a 0.2% decrease over the prior estimate. This change primarily reflects a downward revision to consumer spending which grew 1.7% during the quarter compared to a previous estimate of 2.3%. Despite lower consumer spending levels, personal consumption contributed 69% to GDP growth during the quarter. Nonresidential fixed investment, exports, and federal government spending had positive contributions to GDP growth for the quarter. The change in business inventories subtracted 1.35% from GDP as private inventories decreased by \$2B during the third quarter. Nondefense and State and Local Government spending continued to trend downward. The unemployment rate fell to 8.5% in December, the lowest rate since February 2009. The number of unemployed is currently 13.1M and the number of long-term unemployed is 5.6M. The average duration of unemployment in December is 40.8 weeks. Non-farm payroll employment gained 200K jobs in December while private payroll employment added 212K jobs. Over the past twelve months, non-farm payroll employment has gained 1.6M jobs.

Gross Domestic Product: Real GDP Quarterly Percentage Change (seasonally adjusted annual rates)



Unemployment Data: Unemployment Rate % & Non-Farm Payroll (000's) Net Jobs Created

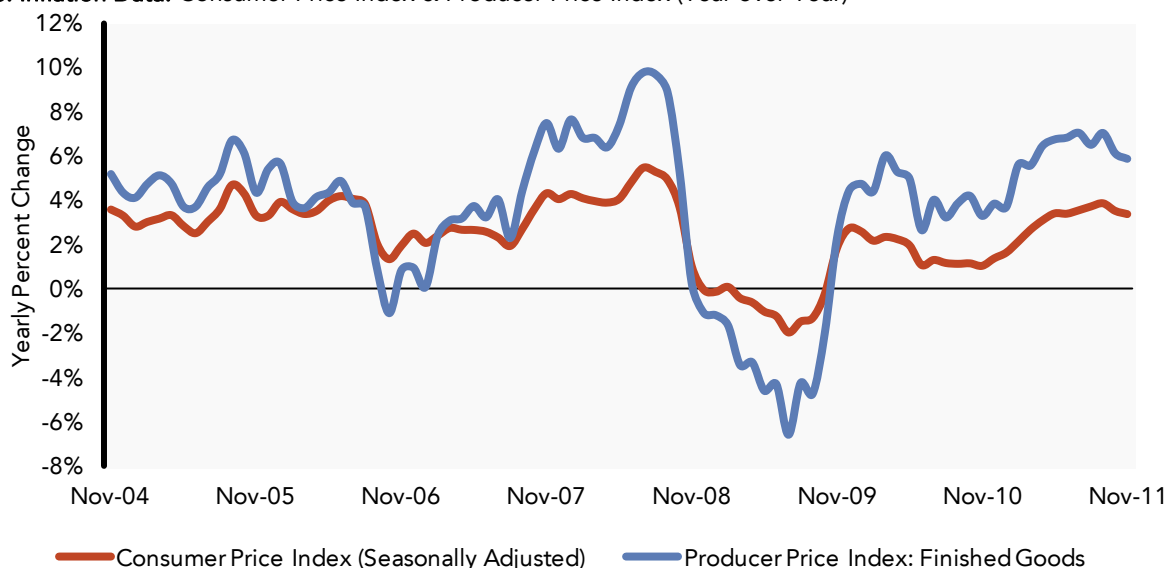


Sources: Bureau of Economic Analysis, Bureau of Labor Statistics

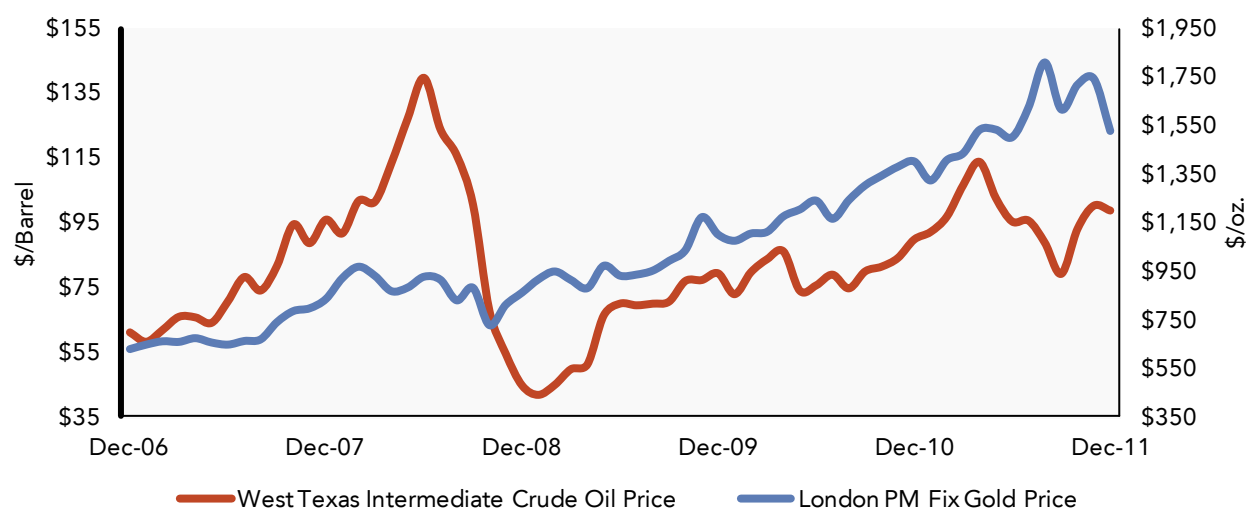
U.S. Economy

The Consumer Price Index (CPI-U) was unchanged in November. Within the CPI-U, food rose by 0.1% and energy fell by 1.6% during November. In the last twelve months, the CPI-U has increased 3.4% with energy increasing by 12.4% and food increasing by 4.6% during this time. Core CPI increased 0.2% in November and has a year-over-year increase of 2.2%. The Producer Price Index (PPI) increased by 0.3% in November and has increased by 5.7% in the last twelve months. Finished consumer goods increased by 1% in November with over half of that rise from an 11.5% increase in the index for fresh and dry vegetables. Core PPI increased by 0.1% in November. Gold finished December at \$1,531/oz, a monthly decrease of 12.3%. Crude oil prices finished December at \$98.30 per barrel, a monthly decrease of 1.5%. Year-over-year gold and crude oil have increased by 8.9% and 8.2%, respectively.

U.S. Inflation Data: Consumer Price Index & Producer Price Index (Year over Year)



Commodities: Gold and Oil



Sources: St. Louis Federal Reserve, Union Pacific, Kitco

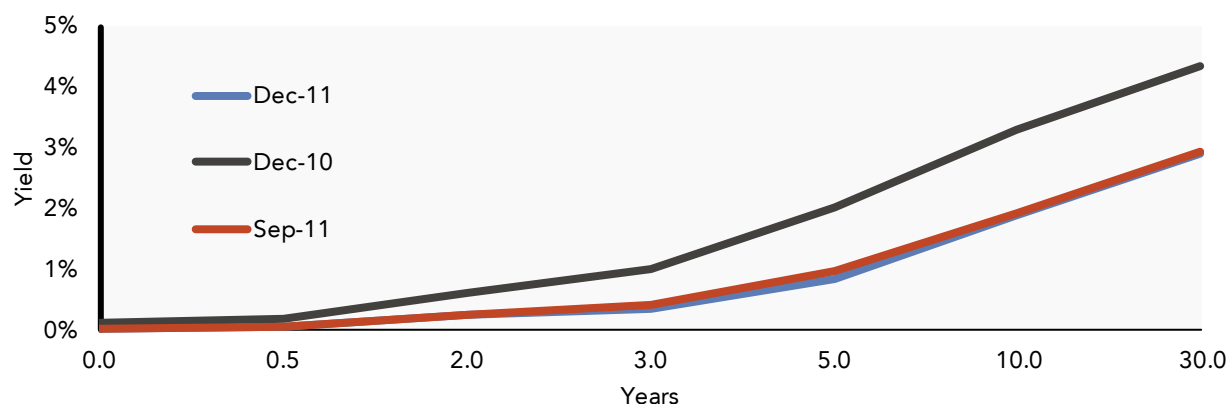
Fixed Income

Credit markets continued to recover in December, with investment grade credit (+1.9%) and high yield (+2.7%) posting strong returns in December. Long Treasuries (+3.1%) also continued gains in December as rates fell slightly, closing out the year with a 29.9% gain. TIPS were flat on the month, and ten-year break-even inflation expectations fell to 1.96%. Resident mortgage backed securities (+0.7%) and commercial mortgage backed securities (+1.3%) underperformed corporate credit for the month, and for the year.

Benchmark Annualized Performance: Select Fixed Income Indices

	Month	Qtr.	YTD	1 Year	3 Year	5 Year	10 Year
Broad Market Indices							
BarCap Aggregate	1.1%	1.1%	7.8%	7.8%	6.8%	6.5%	5.8%
BarCap Gov./Credit	1.3%	1.2%	8.7%	8.7%	6.6%	6.6%	5.9%
BarCap Long Gov./Credit	3.4%	2.6%	22.5%	22.5%	11.2%	9.7%	8.5%
Intermediate Indices							
BarCap Int. Gov./Credit	0.8%	0.8%	5.8%	5.8%	5.7%	5.9%	5.2%
Government Only Indices							
BarCap Long Gov.	3.1%	1.9%	29.9%	29.9%	7.4%	11.0%	9.0%
BarCap Government	0.9%	0.8%	9.0%	9.0%	4.0%	6.6%	5.6%
BarCap Int. Government	0.5%	0.7%	6.1%	6.1%	3.5%	5.9%	4.9%
BarCap 1-3 Year Gov.	0.1%	0.2%	1.6%	1.6%	1.8%	3.8%	3.4%
91 Day T-Bill	0.0%	0.0%	0.2%	0.2%	0.2%	1.6%	2.0%
BarCap U.S. TIPS	0.0%	2.7%	13.6%	13.6%	10.4%	8.0%	7.6%
Corporate Bond Indices							
BarCap U.S. Credit	1.9%	1.7%	8.4%	8.4%	10.9%	6.8%	6.4%
BarCap High Yield	2.7%	6.5%	5.0%	5.0%	24.1%	7.5%	8.9%
CSFB Leveraged Loan Index	0.5%	2.7%	1.8%	1.8%	17.5%	3.3%	4.7%
Securitized Bond Indices							
BarCap Mortgage	0.7%	0.9%	6.2%	6.2%	5.8%	6.5%	5.7%
ABS	0.1%	0.2%	5.1%	5.1%	11.6%	4.4%	4.4%
CMBS	1.3%	3.1%	6.0%	6.0%	17.9%	6.6%	6.3%

Yield Curve: Change Over Time



Source: Barclays

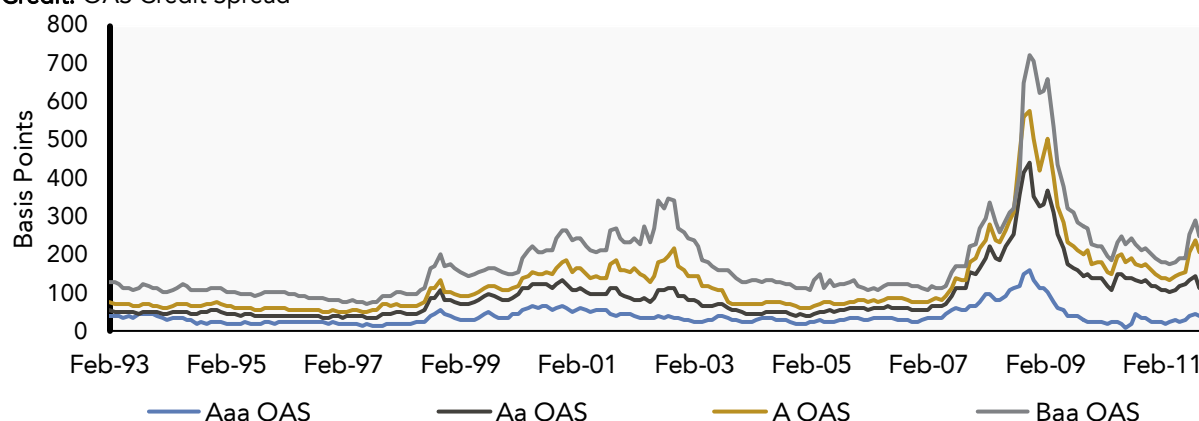
Fixed Income

After a tumultuous start to the third quarter, risk assets rallied to close out the year. Low quality CCC-rated corporate bonds (+8.4%) outperformed higher rated bonds in the fourth quarter, though turned in a paltry 1.2% gain for 2011. For riskier corporate bonds, BBB-rated bonds were the strongest performers for the year, up 9.1%. The highest rated corporate bonds also had the highest returns for 2011, at 12.3%. Investment grade fixed income continued to benefit from falling rates, with more than half of the return of the BarCap Aggregate driven by price appreciation for the year.

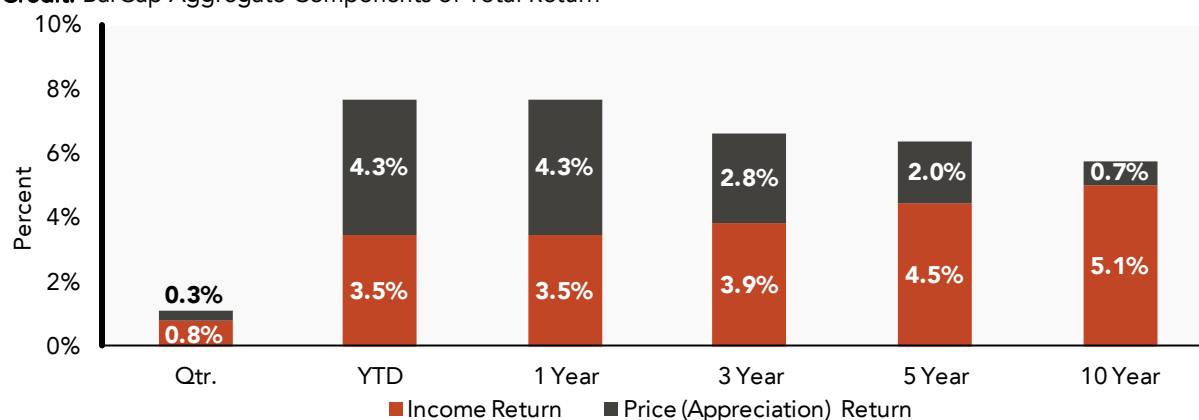
Corporate Quality Indices: Annualized Performance

	Month	Qtr.	YTD	1 Year	3 Year	5 Year	10 Year
BarCap Corporate AAA	2.1%	1.1%	12.3%	12.3%	5.9%	6.0%	5.8%
BarCap Corporate AA	2.0%	1.7%	7.1%	7.1%	7.8%	6.0%	5.8%
BarCap Corporate A	2.1%	1.6%	7.7%	7.7%	10.6%	5.9%	5.8%
BarCap Corporate BBB	2.3%	2.4%	9.1%	9.1%	15.7%	7.9%	7.0%
BarCap Corporate BB	2.4%	5.6%	6.8%	6.8%	21.4%	8.5%	8.2%
BarCap Corporate B	2.6%	6.4%	5.4%	5.4%	20.2%	5.6%	7.9%
BarCap Corporate CCC	3.3%	8.4%	1.2%	1.2%	31.0%	4.5%	9.3%

Credit: OAS Credit Spread



Credit: BarCap Aggregate Components of Total Return

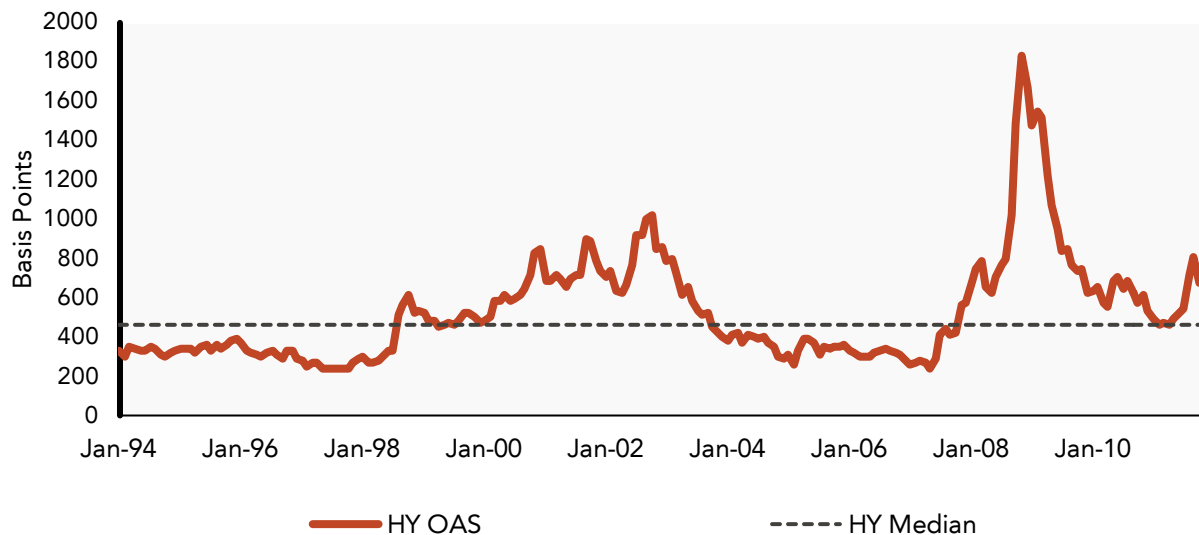


Source: Barclays

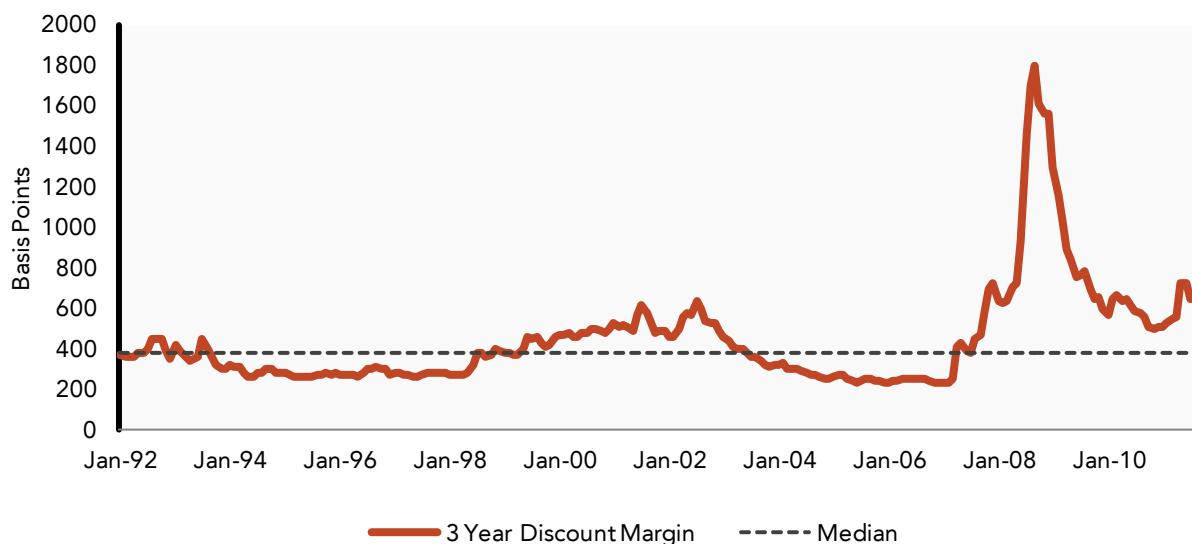
Below Investment Grade

High yield spreads fell in December, after gapping out dramatically in the third quarter on concerns related to the European debt crisis. At 699bps, spreads are still elevated significantly from the start of the year, but have fallen from peak levels reached in early October. Spreads remain elevated compared to historic averages. Valuations also recovered somewhat for leveraged loans in December; though less so than for high yield. The largest and most liquid loans posted the best returns in the fourth quarter, after record mutual fund outflows depressed prices of these loans in August. Loan valuations remain compelling, with the yield on the Credit Suisse Leveraged Loan Index at 6.6% as of year-end.

OAS: High Yield OAS and Long-Term Median



3 Year Discount Margin: Credit Suisse Leveraged Loan Index and Long-Term Median



Sources: Barclays, Credit Suisse

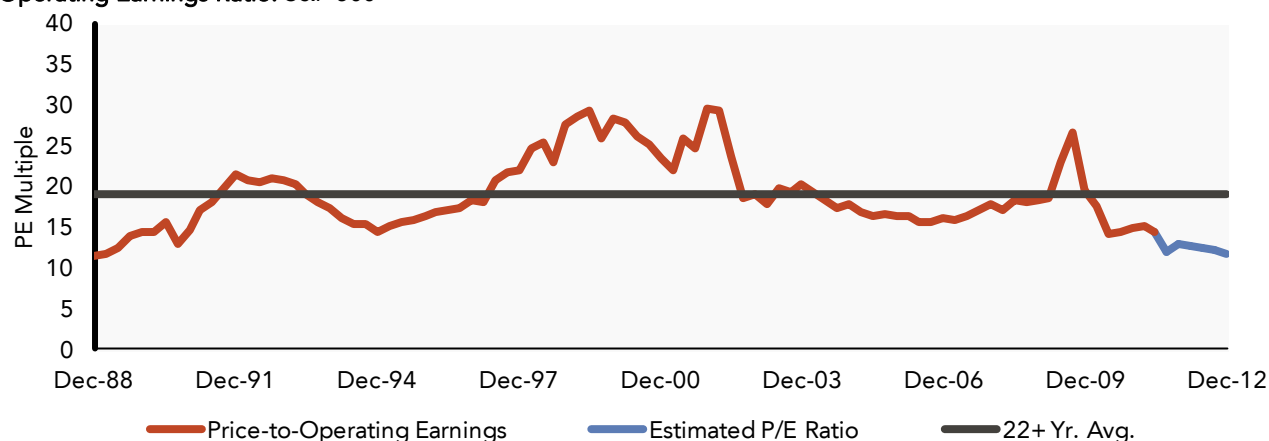
U.S. Equity

U.S. stocks bounced back to recover most of their losses from the third quarter market correction, closing 2011 in positive territory. Large-cap stocks significantly outperformed small-cap stocks over the year. The Dow Jones Industrial Average (+8.4%) had a particularly strong year with investors favoring multi-national blue chips in a choppy market. Small-caps represented by the Russell 2000 (-4.2%) regressed this year. The earnings story remained a positive one domestically, and guidance for 2012 remains strong despite a few decreasing growth estimates. The sustainability of such high earnings, however, will depend on the recovery of the macro economy and labor market. Lingering concerns surrounding European fiscal health and growth slowdowns in Asia have thus far limited stocks from moving much higher. According to J.P. Morgan Asset Management, correlations between large-cap stocks ended the year at 66.5%, higher than in any other year on record (starting 1926). Historically, high correlation among stocks has coincided with periods of great economic stress.

Equity Returns: Select Index Performance

	Month	Qtr.	YTD	1 Year	3 Year	5 Year	10 Year
Broad Market Indices							
Dow Jones (12,217.56)	1.6%	12.8%	8.4%	8.4%	14.9%	2.4%	4.6%
Wilshire 5000	0.9%	12.0%	1.0%	1.0%	14.9%	0.1%	3.8%
Russell 3000	0.8%	12.1%	1.0%	1.0%	14.9%	0.0%	3.5%
Large-Cap Market Indices							
S&P 500 (1,257.60)	1.0%	11.8%	2.1%	2.1%	14.1%	-0.3%	2.9%
Russell 1000	0.8%	11.8%	1.5%	1.5%	14.8%	0.0%	3.3%
Russell 1000 Value	2.0%	13.1%	0.4%	0.4%	11.5%	-2.6%	3.9%
Russell 1000 Growth	-0.3%	10.6%	2.6%	2.6%	18.0%	2.5%	2.6%
Mid-Cap Market Indices							
Russell MidCap	-0.1%	12.3%	-1.5%	-1.5%	20.2%	1.4%	7.0%
Russell MidCap Value	1.2%	13.4%	-1.4%	-1.4%	18.2%	0.0%	7.7%
Russell MidCap Growth	-1.5%	11.2%	-1.7%	-1.7%	22.1%	2.4%	5.3%
Small-Cap Market Indices							
Russell 2000	0.7%	15.5%	-4.2%	-4.2%	15.6%	0.2%	5.6%
Russell 2000 Value	1.6%	16.0%	-5.5%	-5.5%	12.4%	-1.9%	6.4%
Russell 2000 Growth	-0.2%	15.0%	-2.9%	-2.9%	19.0%	2.1%	4.5%

Operating Earnings Ratio: S&P 500



Sources: Encorr, Standard & Poors

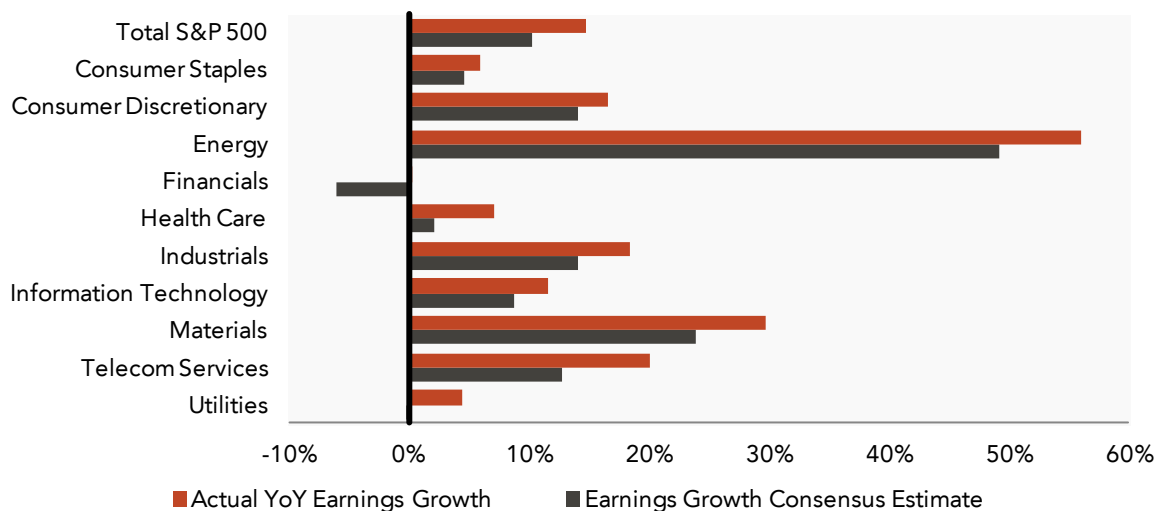
U.S. Equity

Energy (+18.2%), Industrials (+16.5%) , and Materials (15.4%) were the star sectors in the fourth quarter, but cyclicals were trounced by the relatively higher performance of defensive stocks in 2011. There was stark contrast in the returns of the S&P 500 sectors this year. Utilities (+19.9%), Consumers Staples (+14.0%), and Healthcare (+12.7%) yielded double digit returns while Financials (-17.1%), Materials (-9.8%), and Industrials (-0.6%) were dead weight for the S&P 500. Every sector experienced positive year over year earnings growth, outpacing analyst estimates.

S&P 500 Sector Performance: Historic Returns

	Month	Qtr.	YTD	1 Year	3 Year	5 Year	10 Year
Consumer Staples	2.8%	10.3%	14.0%	14.0%	14.3%	7.6%	7.0%
Consumer Discretionary	1.3%	12.6%	6.1%	6.1%	24.2%	2.0%	3.8%
Energy	-1.0%	18.2%	4.7%	4.7%	12.8%	4.7%	11.7%
Financials	1.8%	10.8%	-17.1%	-17.1%	2.9%	-16.9%	-4.6%
Health Care	2.9%	10.0%	12.7%	12.7%	11.6%	2.8%	2.3%
Industrials	1.2%	16.5%	-0.6%	-0.6%	15.1%	0.5%	3.2%
Information Technology	-0.9%	8.7%	2.4%	2.4%	22.2%	3.8%	2.2%
Materials	-2.1%	15.4%	-9.8%	-9.8%	17.9%	1.8%	7.2%
Telecommunications	4.0%	7.9%	6.3%	6.3%	11.3%	1.4%	1.6%
Utilities	3.4%	8.3%	19.9%	19.9%	12.3%	3.7%	6.4%

Quarterly Earnings: Analyst Expectations vs. Actual, Breakdown by Sector

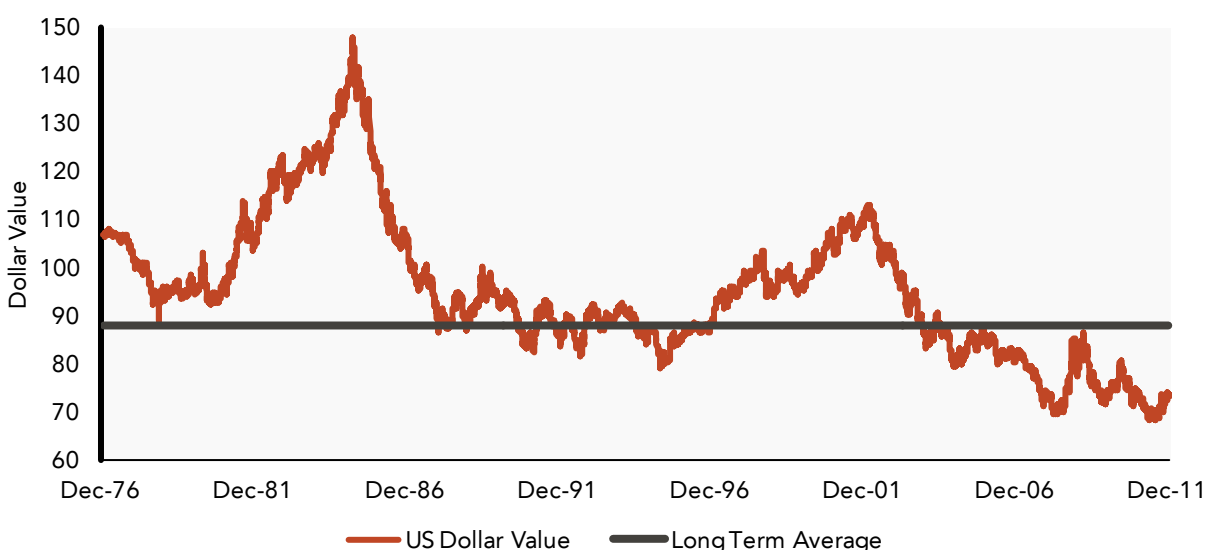


Sources: Encorr, Bloomberg

Global Economy

The Federal Reserve tracks a trade-weighted exchange index between the U.S. dollar and other major widely circulated currencies. The index increased by 1.3% in December and has risen by 0.2% in the last twelve months. Currently the index is 16.8% below its long-term average. The International Monetary Fund (IMF) in its World Economic Outlook is projecting global growth through 2012 to average 4%. Advanced economies are projected to expand at a rate of 2% in 2012 with emerging and developing economies expected to expand by 6% during this time.

Currency: Weighted U.S. Dollar vs. Major Currencies



Economic Indicators: For Select Countries

Consumer Prices (Inflation)			GDP			Unemployment Rate		
		<i>as of</i>			<i>as of</i>			<i>as of</i>
Britain	4.8%	Nov-11	Britain	0.5%	3Q	Britain	8.3%	Oct-11
Canada	2.9%	Nov-11	Canada	2.4%	3Q	Canada	7.4%	Nov-11
China	4.1%	Dec-11	China	9.1%	3Q	China	6.1%	2010
France	2.5%	Dec-11	France	1.5%	3Q	France	9.8%	Nov-11
Germany	2.1%	Dec-11	Germany	2.5%	3Q	Germany	6.8%	Dec-11
India	9.3%	Nov-11	India	6.9%	3Q	India	10.8%	2010
Italy	3.3%	Dec-11	Italy	0.2%	3Q	Italy	8.6%	Nov-11
Japan	-0.5%	Nov-11	Japan	-0.7%	3Q	Japan	4.5%	Nov-11
United States	3.4%	Nov-11	United States	1.5%	3Q	United States	8.5%	Dec-11

Sources: St. Louis Federal Reserve, Economist, Bloomberg

Non-U.S. Equity

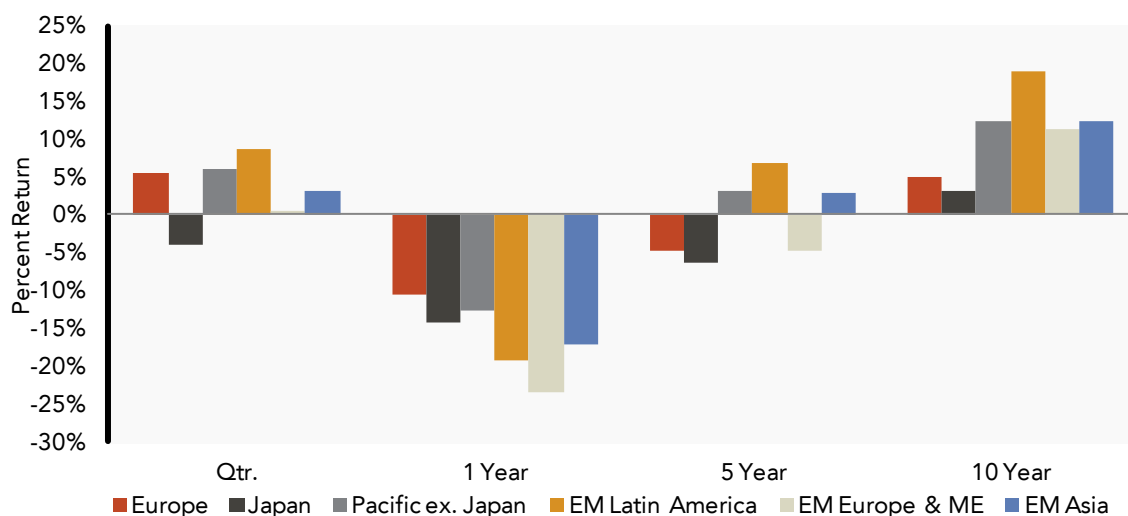
During the fourth quarter, the majority of broad non-U.S. indices were positive as the MSCI ACWI ex. U.S. IMI index returned 3.4%, ending what has been a very volatile year for international stocks. For the year, international equities, both developed and non-developed, suffered double-digit declines as the European debt crisis took center stage. Small-cap and emerging market stocks fared the worst, down 17.4% and 18.2% respectively, as investors sought the safety of larger, more established companies and exited emerging markets because of their dependence on global demand.

At the regional level, EM Latin America was the best performer during the fourth quarter, returning 8.81% while Japan declined the most (-3.85). For the year, surprisingly enough, Europe was the best regional performer declining 10.5%. Though it seems Europe should have been the worst performer at the regional level, the strongest countries in Europe make up the largest portion of the index: UK, 34%; France, 13.5%; Switzerland, 13%; and Germany at 12%. The dollar continued to rally against all major currencies aside from the Yen for both the fourth quarter and all of 2011 as investors continued to demand dollars for the safety of U.S. treasuries and the carry trade.

Non U.S. Equity Performance: Select Indices

	Month	Qtr.	YTD	1 Year	3 Year	5 Year	10 Year
MSCI ACWI ex U.S. IMI	-1.2%	3.4%	-13.9%	-13.9%	12.0%	-2.3%	7.4%
MSCI ACWI ex U.S.	-1.1%	3.8%	-13.3%	-13.3%	11.2%	-2.5%	6.8%
MSCI EAFE (U.S. dollar)	-0.9%	3.4%	-11.7%	-11.7%	8.2%	-4.3%	5.1%
MSCI EAFE (Local)	0.5%	4.1%	-11.7%	-11.7%	5.2%	-6.2%	1.1%
MSCI EAFE Value	-0.6%	2.8%	-11.6%	-11.6%	7.4%	-5.8%	5.5%
MSCI EAFE Growth	-1.3%	3.9%	-11.8%	-11.8%	8.9%	-2.8%	4.6%
Citi Global ex U.S. < \$2 Billion	-1.4%	-0.2%	-19.6%	-19.6%	17.7%	-1.0%	11.1%
Citi World ex U.S. < \$2 Billion	-1.5%	0.1%	-16.3%	-16.3%	14.5%	-3.0%	9.9%
Citi EMI Global ex U.S.	-1.9%	1.2%	-17.4%	-17.4%	16.8%	-2.1%	10.3%
Citi EMI World ex U.S.	-1.9%	1.2%	-14.5%	-14.5%	14.8%	-3.2%	9.4%
MSCI Emerging Markets	-1.2%	4.4%	-18.2%	-18.2%	20.4%	2.7%	14.2%
MSCI Frontier Markets	-1.1%	-1.9%	-18.4%	-18.4%	4.2%	-5.9%	---

Regional Performance: Equity Market Performance by Region



Source: Encorr

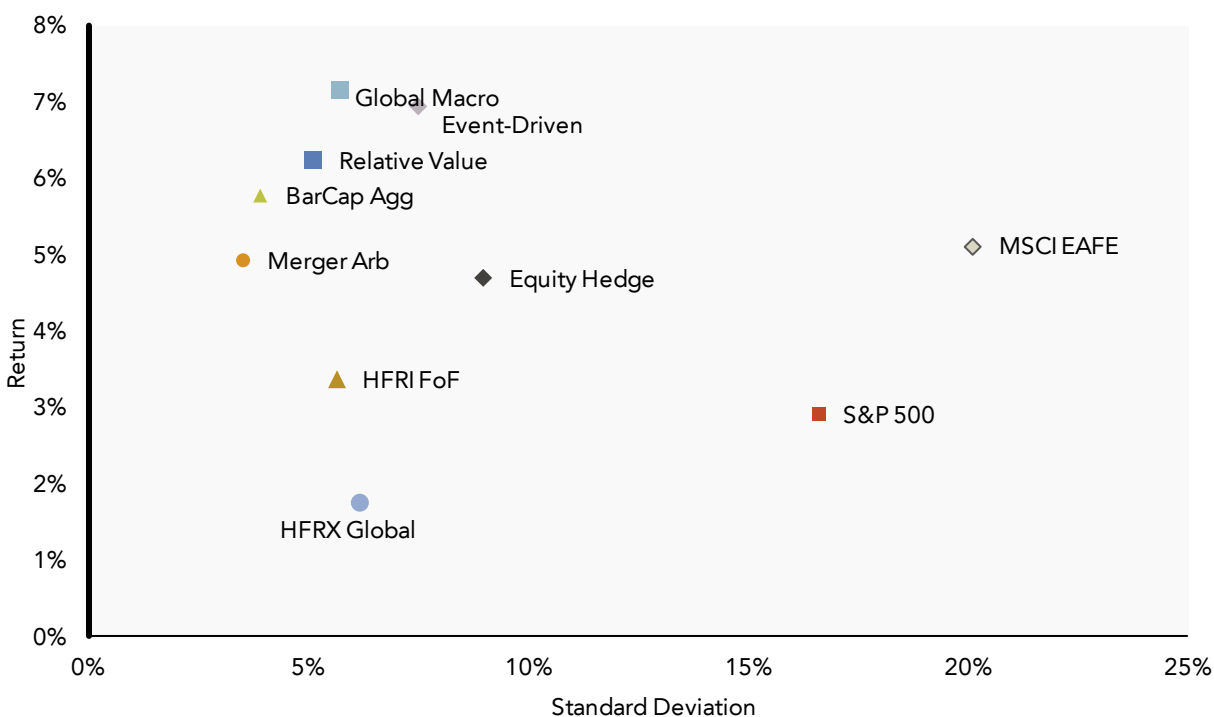
Hedge Fund

Hedge funds finished a difficult year with another tough month. Relative value funds managed narrow gains for the month and were one of only two hedge fund categories to conclude 2011 with positive performance numbers. Hedged equity and convertible arbitrage managers suffered from weak equity markets, particularly in small caps. Global Macro managers had a disappointing year on the whole, as the carry trade (long higher yield currencies and short lower yielding currencies) was unprofitable in 2011 as both the U.S. dollar and Japanese yen outperformed most other currencies.

Hedge Fund Performance: HFR strategy index returns

	Month	Qtr.	YTD	1 Year	3 Year	5 Year	10 Year
HFRX Global	-0.5%	-0.6%	-8.9%	-8.9%	2.8%	-2.8%	1.8%
HFRX Hedged Equity	-0.9%	-0.9%	-19.1%	-19.1%	-0.1%	-5.2%	0.4%
HFRI Composite	-0.2%	1.3%	-4.8%	-4.8%	8.0%	2.3%	5.9%
HFRI Fund of Funds	-0.3%	-0.3%	-5.5%	-5.5%	3.6%	-0.7%	3.4%
HFRI Convertible Arbitrage	0.2%	-2.7%	-8.1%	-8.1%	18.6%	3.1%	4.5%
HFRI Equity Hedge	-0.7%	2.2%	-8.0%	-8.0%	8.2%	0.5%	4.7%
HFRI Event-Driven	0.0%	2.3%	-2.7%	-2.7%	10.9%	2.8%	7.0%
HFRI Macro	0.2%	-1.2%	-3.6%	-3.6%	2.8%	4.8%	7.2%
HFRI Merger Arbitrage	0.1%	1.7%	1.6%	1.6%	5.9%	3.8%	4.9%
HFRI Relative Value	0.5%	1.3%	0.6%	0.6%	12.1%	4.7%	6.2%

Ten Year Risk Return: Hedge Fund Returns vs. Public Markets



Source: EurekaHedge

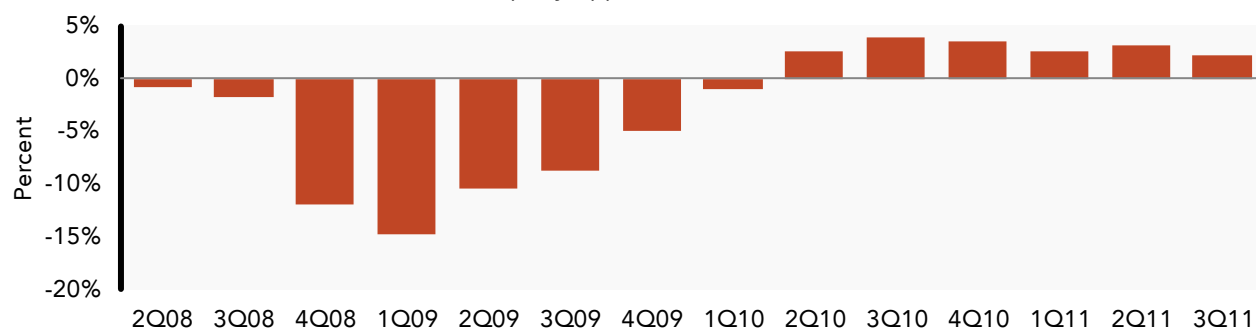
Commercial Real Estate

Results for the fourth quarter of 2011 are not yet available, but preliminary returns for reporting funds have ranged from 1.00% to 5.34%. Income levels remained consistent (> 1.0%) for the quarter with debt marks to market and appraisals creating the wide range of realized returns. For the third quarter of 2011, the NPI and the NFI-ODCE both reported returns over 3%: 3.30% and 3.52%, respectively. Strong net operating income as well as ongoing appreciation of property values contributed to the returns. The appreciation component of total return, though, did not increase as much as previous quarters. The REIT market suffered along with the equity markets over the third quarter, returning -15.1% overall and making the trailing one-year return basically flat (+0.9%). Over the last ten years, the NPI has provided an annualized return of 7.82% with volatility of 6.71%. Performance depends on where managers buy properties and in what segments.

Real Estate Performance: Select Indices

Indices	3Q11	YTD	1 Year	3 Year	5 Year	10 Year	10 Yr Risk
NPI - Total	3.3%	11.0%	16.1%	-1.5%	3.4%	7.8%	6.7%
Income	1.5%	4.6%	6.3%	6.3%	5.9%	6.7%	0.5%
Appreciation	1.8%	6.2%	9.4%	-7.4%	-2.4%	1.1%	6.3%
NFI-ODCE	3.5%	12.6%	18.3%	-6.4%	0.0%	5.9%	9.3%
Income	1.3%	4.1%	5.7%	6.0%	5.7%	6.4%	0.5%
Appreciation	2.2%	8.3%	12.0%	-11.9%	-5.4%	-0.5%	8.8%
FTSE NAREIT All Eq. REITs	-15.1%	-6.0%	0.9%	-2.0%	-2.4%	9.2%	29.4%
NPI Apartment	3.6%	11.6%	18.6%	-0.1%	3.1%	7.8%	7.0%
NPI Office	3.0%	11.0%	15.3%	-3.1%	3.5%	6.9%	7.4%
NPI Industrial	3.4%	11.6%	15.4%	-2.6%	2.5%	7.2%	6.7%
NPI Retail	3.6%	10.1%	15.3%	1.1%	4.4%	10.5%	6.1%
NPI Hotel	2.0%	9.5%	13.2%	-5.4%	1.7%	6.2%	8.1%
NPI East	3.0%	10.9%	16.7%	-1.5%	3.6%	8.6%	7.4%
NPI Midwest	3.0%	9.1%	13.0%	-1.0%	3.0%	6.2%	5.2%
NPI South	3.2%	9.5%	14.3%	-0.7%	3.3%	7.3%	5.8%
NPI West	3.8%	12.7%	17.6%	-1.9%	3.5%	8.1%	7.3%

Commercial Real Estate Market: NFI-ODCE Property Appreciation

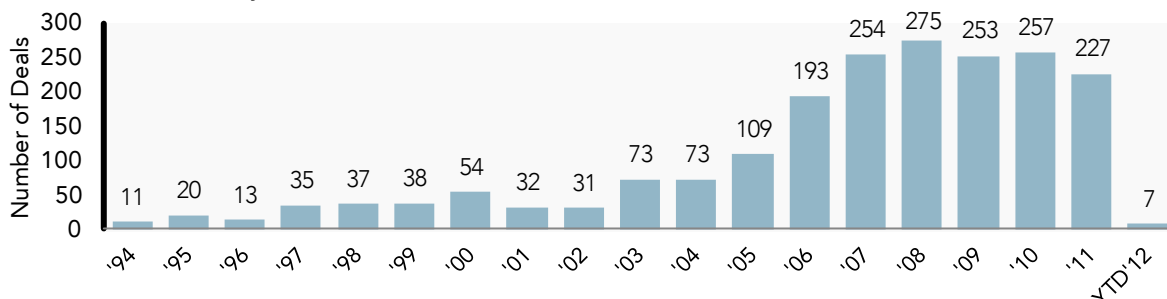


Sources: Encorr, NCREIF, Real Capital Analytics

Infrastructure

Over the quarter, 41 deals have been completed with the bulk of them featuring energy and transportation assets in Europe and North America. Recent deals of note: (1) Alinda acquired an additional piece of British Aviation Authority for EUR325 million from Ferrovial; (2) Arise Windpower and European Renewable Energy Fund completed EUR335 million in financing of Jadrass Wind Farm in Sweden; and (3) FLS Energy based in Asheville, NC had an infusion of \$12 million by NEC Cleantech Infrastructure Fund.

Number of Deals: Deals by Year

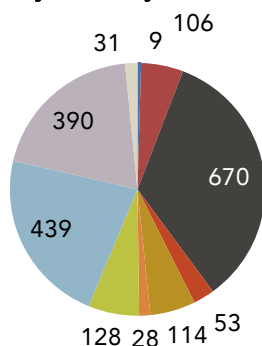


Dry Powder: Capital Available for Investment



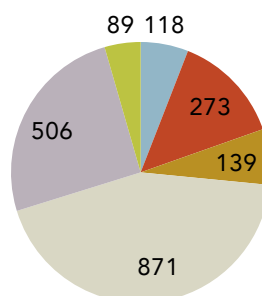
Deal Breakdown: By Industry (left) and by Region (right)

Deals by Industry



- Defense
- Education
- Energy
- Govt Bldgs
- Healthcare
- Logistics
- Telecomm
- Transport.
- Utilities
- Waste Mgmt

Deals by Region



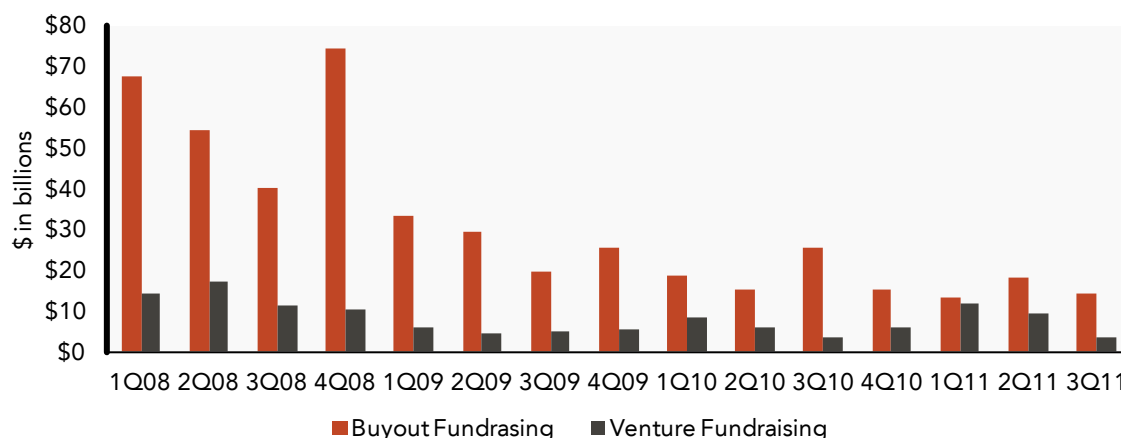
- Africa
- Asia
- Australia
- Europe
- N. America
- S. America

Source: Preqin

Private Equity

Deal activity slowed noticeably in the second half of 2011 as the European crisis picked up steam and credit availability disappeared. A number of successful venture backed companies, including Groupon, Inc. (GRPN), still managed to come to market in the fourth quarter despite the uncertain macroeconomic environment. Purchase price multiples ticked up again in 2011. This is partly because private equity firms have been favoring high quality businesses that fared well during 2008 and 2009 and now command lofty EBITDA (earnings before interest, tax, depreciation, and amortization) multiples, but remains a concern for prospective private equity investors.

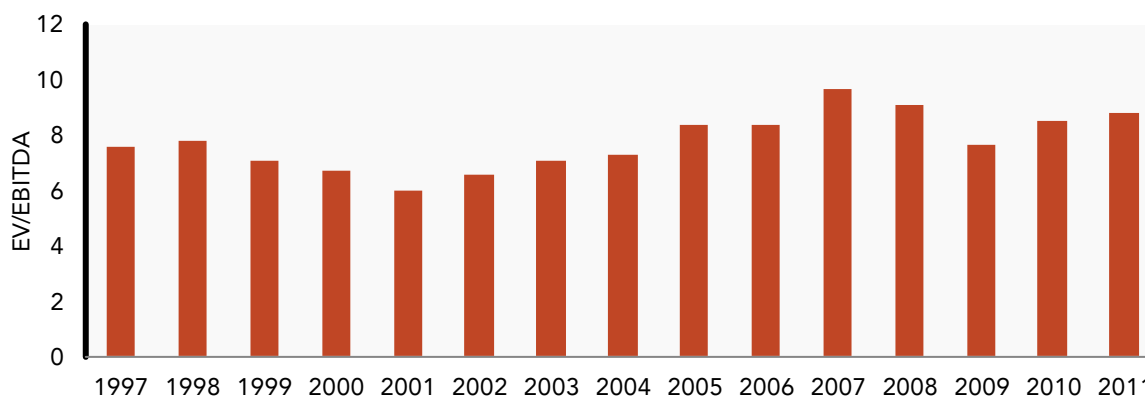
Fundraising: Buyout and Venture



Annualized Performance: Select Benchmarks as of March 31, 2011

	Qtr	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
VE All Private Equity Index	4.2%	9.5%	23.0%	5.6%	9.4%	8.2%	13.7%
Wilshire 5000 Index	-0.1%	6.1%	32.0%	4.0%	3.4%	3.7%	6.8%
Russell 2000 Index	-1.6%	6.2%	37.4%	7.8%	4.1%	6.3%	7.4%

Purchase Price Multiples: EV/EBITDA



Sources: Venture Economics, Preqin, Standard & Poors, Bloomberg

PREPARED BY MARQUETTE ASSOCIATES

180 North LaSalle St, Ste 3500, Chicago, Illinois 60601 **PHONE** 312-527-5500 **WEB**
marquetteassociates.com

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