

**DAVIE POLICE PENSION PLAN**

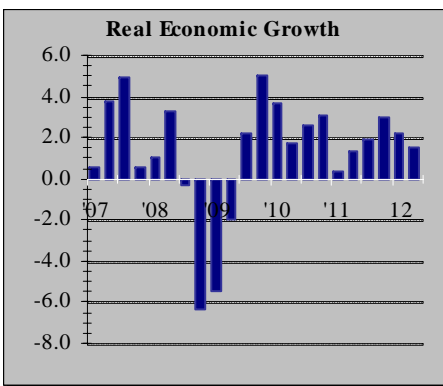
**PERFORMANCE REVIEW  
JUNE 2012**



## ECONOMIC ENVIRONMENT

### *Still recovering – but even more slowly*

Economic indicators remain mixed. One could survey the landscape as a 'glass half full' or more easily as 'half empty.' The good news included still positive but struggling GDP growth; a decline in oil prices; tame inflation; a likely bottoming of the housing market; the Fed's ongoing Operation Twist pumping money into the economy; and near zero short-term borrowing rates. Spain's bank bailout provided temporary relief from the Euro crisis and Greece's decision to remain in the European



Union also provided a confidence boost. Offsetting economic realities included lower GDP estimates for full year 2012; a moderating manufacturing level; declining consumer confidence; and the monthly new jobs report stuck well below 100,000.

The second quarter GDP growth rate is estimated to be between

1.0% and 1.5%, weaker than the first quarter's GDP 1.9% annual rate, and a further slide from the fourth quarter of 2011's 3.0%. On the positive side of the ledger, higher personal consumption, housing expenditures and corporate spending helped. On the negative side reduced government spending at all levels – federal, state and local – was the key negative. Net imports also reduced growth. Despite these concerns, the overall economy has been positive for 37 straight months!

US crude oil prices ended the quarter below \$85 per barrel, a 22% fall from February and the biggest decline since the fourth quarter of 2008. The slumping prices reflected weak global demand and improving production in Iraq as well as new production due to hydro-fracking technology. After two months of decline, wholesale prices (PPI) in general increased just 0.1% on a seasonally adjusted basis in June. Prices of most PPI components decreased, with the notable exception of food. For the full quarter, the index fell 1.1%. The CPI was unchanged in June following a 0.3% slide in May. For the trailing year the CPI rose a modest 1.7%.

Home prices rose in April (latest month available), after seven months of decline. The S&P/Case-Shiller Index climbed 1.3% as nineteen of the twenty cities in the index showed increases. (Detroit was the only city that experienced a price decline.) While one favorable month doesn't constitute a trend, prices also improved on a year over year basis.

The Fed extended its Operation Twist program through year-end 2012, assuring that borrowing costs would remain at record lows. Chairman Bernanke also made clear his intention to take further action should the economy falter. There was also mildly encouraging news on the European front. Spain's effort to shore up its banks and Greece's decision to attack its deficit were welcome news for US exporters.

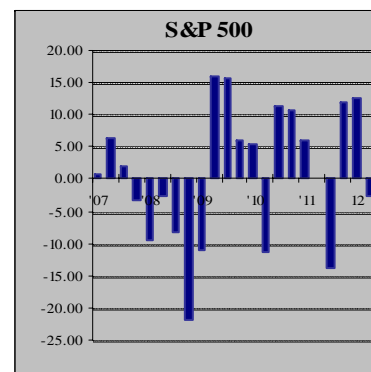
Everyone's focus continues to be the lack of sustained job growth. Specifically, only 75,000 jobs per month were created in Q2 vs. a healthy 226,000 in Q1. The slowdown impacted most industry sectors. On the other hand, professional and service employment has grown by 1.5 million since its September 2009 low and average hourly pay has reached \$23.50, three times the minimum wage level.

Economic uncertainty at home and abroad has uniformly hurt global equity markets and helped most bond markets, especially US Treasuries.

## EQUITY MARKET

### *May was a 'killer' month*

The S&P's modest 2.75% loss masked a wild ride during the quarter. After declining 0.6% in April, the bellwether index plunged 6% in May, followed by its best June performance since 1999 (+4.1%). May's loss



was attributed to fears emanating from the first of two Greek elections that appeared to signal a serious crack in Euro solidarity. However, in June, two events seemed to mend that rift. The second Greek election brought the necessary austerity measures and the European Central Bank made progress toward easing Europe's banking crisis.

A poorly executed Facebook IPO and huge JPMorgan derivative losses (reportedly \$4.4 Billion and counting) did not help investor sentiment. Despite the bad news, domestic stock market performance could have been much worse.

There were essentially no positives among the standard indices. Aside from the S&P, small, medium and large-cap indices all suffered declines. The Russell 2000 fell 3.5%, the Russell Mid Cap lost 4.4% and the Russell 1000 dipped 3.1%. Value stocks lost less than their growth counterparts due to the more defensive character of the value sectors. For example, while the Russell 1000 Value Index declined 2.2%, the Growth Index dropped slightly more than 4% and the tech-laden NASDAQ Composite lost 5.1%. Only one index advanced; the S&P US REIT Index gained 3.8%, reflecting strength in commercial and apartment properties as well as retail investors' appetite for high yielding securities.

The more economically sensitive sectors of the S&P sectors declined more than the noncyclical components. Financials, comprising almost 15% of the index, fell 5.3%. Technology names, Energy and Basic stocks all lost between 4.8% and 5.7%. On the positive side, Consumer Non-durables, Services and Utilities posted gains. Utilities, in particular, gained 6.7%, as investors rushed to safer havens.

The S&P dividend rate rose moderately to 2.1% because of price declines. The S&P P/E ratio stayed within historical norms at 18.0x. Only 30% of stocks had P/E ratios above 20x, suggesting that prices were more in line with earnings.

## **INTERNATIONAL EQUITIES**

### ***Eurozone in Distress***

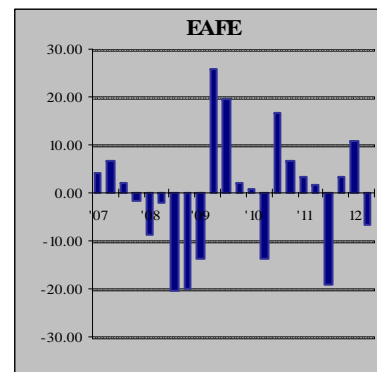
Each country component of the MSCI EAFE Index of developed markets experienced negative results. EAFE fell 6.9% and dwarfed comparable US market declines. While double digit losses were largely confined to the Eurozone, virtually all country bourses fell 5% or more. Only Belgium and Denmark had more nominal declines.

All the major players except Ireland fell off a cliff. As a group, the Eurozone fell 9.5%. Three of the PIIGS contributed their fair share as

markets in Portugal (-17.4%), Italy (-11.5%) and Spain (-11.9%) mirrored their unsustainable sovereign debt levels. Ireland, much further along in its austerity program, was the default winner among the PIIGS, losing a relatively small 4.6%. Unfortunately, the Greek market was in a class by itself, hemorrhaging another 27.5% from an already low base! Surprisingly, the two economically strongest EAFE members, France and Germany, couldn't escape investor angst. As a result, their markets fell 8.2% and 11.7%, respectively.

Like Ireland, the UK had also implemented its austerity program without the street protests seen elsewhere. Its market fell 4.0%.

The Far East countries collectively declined 6.8%. Hong Kong lost 4.9%, reflecting China's slowing economy. Japan lost 7.3%, despite the



fact that its economy is rebounding from the post tsunami crisis; however, the loss was mitigated by a substantial Yen appreciation. Australia lost 5.0%, in part because of slowing commodity exports. Finally, Israel, the newest EAFE component, fell 13.6%; that decline was partly attributable to a flight out of tech stocks, which comprise a large segment of the Israeli market.

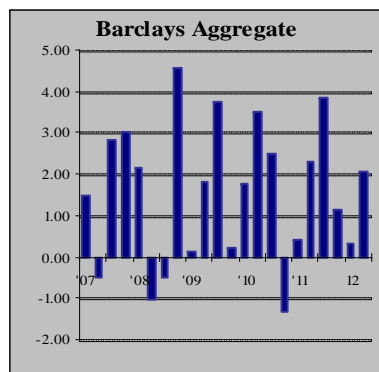
The MSCI Emerging Market Index (EM) fell 10%, which was a greater decline than that of the US and other developed markets. The key BRIC country component slid 13.5%. China's loss of 7.7% reflected some concern about that country's slowing economy and its once per decade top leadership turnover. For reference, Chinese officials recently announced that growth would approximate 7.6% this year; yet investors fret that this rosy forecast is overly optimistic. Returns from Brazil (-20.0%), India (-10.2%) and Russia (-16.9%) were nothing to shout about. Brazil lost ground on three fronts: home currency weakness, lower commodity exports and rising internal political problems. India's currency was also weak and its economic growth had slowed to roughly 5%. Russia was dragged down by slumping oil prices and palpable suspicions of the newly re-elected President Putin.

Three EM countries bucked the trend. The Mexican market lost only 1.1%, aided by the expected return of the PRI political party and an increase in non-oil exports. Turkey's 1.3% gain reflected relative stability in an otherwise war-torn and politically chaotic Middle East. The Philippines was unique among the EM stock markets, showing a modest 4.1% gain. Overall, it appeared that investors had lost confidence in the global equity markets, fleeing to bonds in a 'risk off' strategy.

## BOND MARKET

### *Anchor to windward again*

The Barclays Aggregate Index rallied 2.1% in Q2 after advancing only 0.3% in the first quarter. The chief reason remained investor fear, which translated into a US Treasury buying frenzy. Certainly, historically low Treasury yields (the 10-year reached a record low 1.45% yield on June 1<sup>st</sup>) won't make investors happy on a permanent basis – but a very low yield was at least a better bet than equity red ink. The Treasury buying program was most dramatic at the long end, with 20+ year maturities earning a staggering 11.8%! However, the flight-to-quality appeared among all one-year and longer maturities as Treasuries fell all along the yield curve.



Although trailing Treasury performance, corporate bonds also turned in positive returns in all credit categories. Here, too, yields typically fell to new lows (3.1%). The investment grade Credit sector gained 2.5%. Single A credits posted the best result (+2.7%).

As noted for several quarters, lower credit or high yield bonds had been star performers. In a reversal this past quarter, the lower credit ratings led to progressively lower returns. BA bonds gained 2.3%; single B debt added a lesser 1.8%; CAA issues posted a nominal 1.1%; CA-D issues actually fell 1.8%. The bottom line: bond investors were skittish about low-rated, highly-leveraged companies.

Residential mortgage debt earned 1.1%, roughly 1% lower than the overall bond market. GNMA's, the most secure mortgage component, added 1.2%. While the cloud may be lifting in the housing market, slow progress in home prices and foreclosure resolution tempered returns. Performance of commercial mortgage bonds (CMBS) slowed to 0.9%. Asset-backed securities, including collateralized credit card debt, performed better (1.3%).

As of quarter-end, the Aggregate Index yielded a historically low 1.98% (yield-to-worst), had an average maturity of 7.1-years, and a modified adjusted duration of 5.07-years. Total assets of the combined index are currently valued at \$16.5 trillion.

Sovereign risk returns among the G-6 countries (excluding US Treasuries) averaged 1.2%. Japan and the UK were the drivers, earning 4.2% and 2.1%, respectively. Canada's return was a nominal 0.4%. French, German and Italian debt lost value in sync with the ongoing Euromarket crisis. Italian sovereigns were the worst performers, losing 6.7%. Emerging market debt had a respectable 1.4% return. The majority of countries listed in the EM Index were slightly to moderately positive. The three top performers were Cote D'Ivoire (+21.4%), the Dominican Republic (+6.2%) and Peru (+5.3%). Argentina, which recently nationalized a Repsol affiliate, fell disastrously (-13.1%).

## CASH EQUIVALENTS

### *Savers earned nothing*

The Federal Reserve has made no move to prod interest rates upward. Rather, Chairman Bernanke has repeatedly informed Congress that the Fed will keep rates near zero for at least two more years. As a direct result, money market instruments offer nothing in return but safety. The return on 1-3 month Treasuries was 0.03%. Investors would have to own Treasuries with more than five-year maturities to expect any meaningful return and more than ten-year maturities to expect to earn any real return, net of inflation. Historically, short term cash equivalents have offered a modest real rate of return.

**MARKET SUMMARY**

**ECONOMIC STATISTICS**

	CURRENT QTR	LAST QTR
GDP	1.5	1.9
Unemployment	8.2	8.2
CPI All Items Year/Year	1.66	2.65
Fed Funds Rate	0.25	0.25
Industrial Capacity	78.9	78.4
US Dollars per Euro	1.26	1.33

**MAJOR INDEX QUARTER RETURNS**

INDEX	PERFORMANCE
Russell 3000	-3.1
S&P 500	-2.8
Russell Mid	-4.4
Russell 2000	-3.5
MSCI EAFE	-6.8
MSCI Emg Mkts	-8.8
NCREIF ODCE	2.5
Barclays Agg	2.1
90 Day Tbills	0.0

**EQUITY RETURN DISTRIBUTIONS**

	QUARTER			TRAILING YEAR		
	VAL	COR	GRO	VAL	COR	GRO
LC	-2.2	-3.1	-4.0	3.0	4.4	5.8
MC	-3.3	-4.4	-5.6	-0.4	-1.7	-3.0
SC	-3.0	-3.5	-3.9	-1.4	-2.1	-2.7

**MARKET SUMMARY**

- \* GDP growth has slowed, but still remains positive at a rate of 1.5%.
- \* The US unemployment rate has stalled at 8.2%.
- \* Global equity markets retreated, led by the emerging and developed international markets.
- \* Inflation has tamed, with CPI increasing 1.66% year over year.
- \* The US dollar weakened relative to the Euro.

## **INVESTMENT RETURN**

On June 30th, 2012, the Town of Davie Police Pension Fund was valued at \$87,084,111, a decrease of \$1,808,460 from the March ending value of \$88,892,571. Last quarter, the account recorded total net contributions of \$213,985, which marginally offset the account's \$2,022,445 net investment loss for the period. The fund's net investment loss was a result of income receipts totaling \$620,146 and realized and unrealized capital losses totaling \$2,642,591.

Since June 2007, the account has recorded net contributions totaling \$12.7 million, and generated net investment gains totaling \$13.2 million. Since June 2007, if the account had earned a compounded nominal rate of 7.9% it would have been valued at \$105.0 million or \$17.9 million more than the actual value as of June 30th, 2012.

## **RELATIVE PERFORMANCE**

### **Total Fund**

For the second quarter, the Composite portfolio returned -2.3%, which ranked in the 65th percentile of the Public Fund universe. Over the trailing year, the portfolio's return was 2.5%, which ranked in the 20th percentile. Since June 2007, the portfolio returned 3.3% on an annualized basis and ranked in the 18th percentile.

### **Large Cap Equity**

The large cap equity component returned -4.9% during the second quarter, 2.1% below the S&P 500 Index's return of -2.8% and ranked in the 66th percentile of the Large Cap universe. Over the trailing twelve-month period, the large cap equity portfolio returned 3.5%, 2.0% less than the benchmark's 5.5% return, and ranked in the 46th percentile. Since June 2007, this component returned 1.0% on an

annualized basis and ranked in the 48th percentile. The S&P 500 returned an annualized 0.2% over the same time frame.

### **Mid Cap Equity**

In the second quarter, the mid cap equity component returned -4.9%, which was equal to the S&P 400 Index's return of -4.9% and ranked in the 51st percentile of the Mid Cap universe. Over the trailing twelve-month period, this component returned -2.2%, which was 0.1% greater than the benchmark's -2.3% return, ranking in the 54th percentile. Since June 2007, this component returned 2.7% per annum and ranked in the 44th percentile. The S&P 400 returned an annualized 2.6% over the same time frame.

### **Small Cap Equity**

Last quarter, the small cap equity component returned -2.5%, which was 1.0% above the Russell 2000 Index's return of -3.5% and ranked in the 17th percentile of the Small Cap universe. Over the trailing year, this component returned -0.2%, which was 1.9% above the benchmark's -2.1% performance, and ranked in the 30th percentile.

### **International Equity**

For the second quarter, the international equity portion of the portfolio returned -6.5%, which was 0.3% greater than the MSCI EAFE Index's return of -6.8% and ranked in the 40th percentile of the International Equity universe. Over the trailing year, this component returned -11.3%, which was 2.1% greater than the benchmark's -13.4% performance, and ranked in the 39th percentile. Since June 2007, this component returned -5.9% per annum and ranked in the 84th percentile. The MSCI EAFE Index returned an annualized -5.6% over the same period.

## **Real Estate**

During the second quarter, the real estate component returned 2.7%, which was 0.2% above the NCREIF NFI-ODCE Index's return of 2.5%. Over the trailing twelve-month period, this segment returned 12.2%, which was 0.2% less than the benchmark's 12.4% return.

## **Fixed Income**

The fixed income component gained 1.9% during the second quarter, 0.2% less than the Custom Fixed Income Index's return of 2.1% and ranked in the 86th percentile of the Core Fixed Income universe. Over the trailing twelve months, this component returned 7.5%; that return was equal to the benchmark's 7.5% performance, ranking in the 72nd percentile. Since June 2007, this component returned 8.0% on an annualized basis and ranked in the 18th percentile. The Custom Fixed Income Index returned an annualized 6.6% over the same period.

## **ASSET ALLOCATION**

At the end of the second quarter, large cap equities comprised 35.3% of the total portfolio (\$30.8 million), while mid cap equities totaled 7.2% (\$6.3 million). The account's small cap equity segment was valued at \$6.5 million, representing 7.5% of the portfolio, while the international equity component's \$8.3 million totaled 9.5%. The real estate segment totaled 2.6% of the portfolio's value and the fixed income component made up 33.4% (\$29.1 million). The remaining 4.4% was comprised of cash & equivalents (\$3.8 million).

**EXECUTIVE SUMMARY****PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	-----Annualized-----	
				3 Years	5 Years
<b>Total Gross/Fees</b>	-2.3	12.8	2.5	11.8	3.3
<i>PUBLIC FUND RANK</i>	(65)	(38)	(20)	(32)	(18)
<b>Total Net/Fees</b>	-2.4	12.4	2.1	11.3	2.8
<i>SHADOW INDEX</i>	-1.6	13.1	2.8	12.0	2.3
<b>Large Cap Equity</b>	-4.9	18.8	3.5	14.7	1.0
<i>LARGE CAP RANK</i>	(66)	(76)	(46)	(68)	(48)
S&P 500	-2.8	22.4	5.5	16.4	0.2
RUSSELL 1000G	-4.0	21.8	5.8	17.5	2.9
RUSSELL 1000V	-2.2	22.9	3.0	15.8	-2.2
<b>Mid Cap Equity</b>	-4.9	22.0	-2.2	19.4	2.7
<i>MID CAP RANK</i>	(51)	(37)	(54)	(41)	(44)
S&P 400	-4.9	21.9	-2.3	19.4	2.6
<b>Small Cap Equity</b>	-2.5	27.8	-0.2	----	----
<i>SMALL CAP RANK</i>	(17)	(24)	(30)	----	----
RUSSELL 2000	-3.5	25.3	-2.1	17.8	0.5
<b>International Equity</b>	-6.5	6.6	-11.3	6.0	-5.9
<i>INTERNATIONAL EQUITY RANK</i>	(40)	(74)	(39)	(84)	(84)
MSCI EAFE	-6.8	6.9	-13.4	6.4	-5.6
<b>Real Estate</b>	2.7	8.8	12.2	----	----
NCREIF ODCE	2.5	8.6	12.4	8.4	-0.9
<b>Fixed Income</b>	1.9	5.4	7.5	7.7	8.0
<i>CORE FIXED INCOME RANK</i>	(86)	(17)	(72)	(61)	(18)
CUSTOM FX INDEX	2.1	3.5	7.5	6.9	6.6
BARCLAYS AGG	2.1	3.5	7.5	6.9	6.8
GOV/CREDIT	2.6	3.9	8.8	7.3	6.9

**ASSET ALLOCATION**

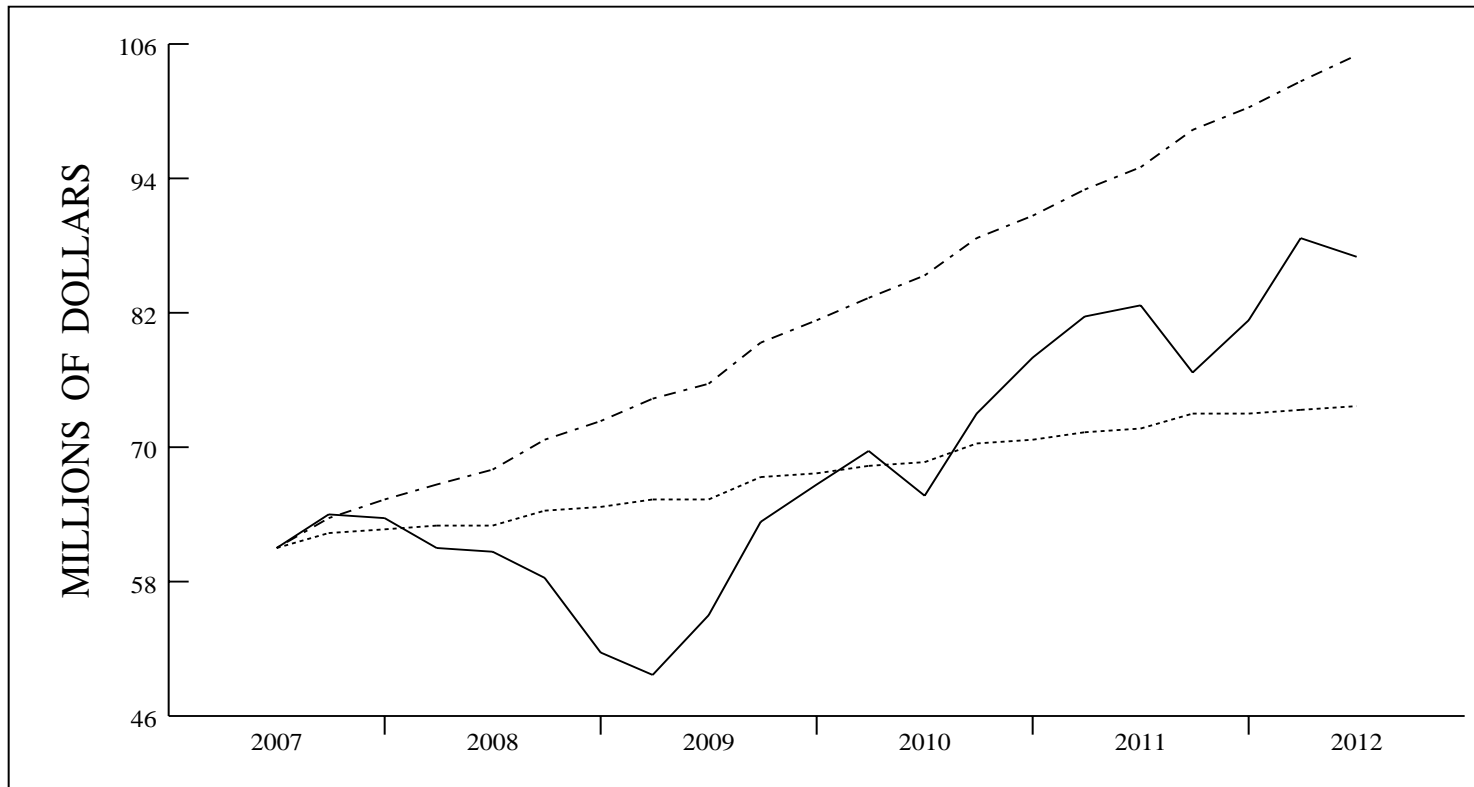
Large Cap Equity	35.3%	\$ 30,757,255
Mid Cap Equity	7.2%	6,295,630
Small Cap	7.5%	6,534,067
Int'l Equity	9.5%	8,266,441
Real Estate	2.6%	2,283,065
Fixed Income	33.4%	29,104,430
Cash	4.4%	3,843,225
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 87,084,111</b>

**INVESTMENT RETURN**

Market Value 3/2012	\$ 88,892,571
Contribs / Withdrawals	213,985
Income	620,146
Capital Gains / Losses	-2,642,591
Market Value 6/2012	\$ 87,084,111



**INVESTMENT GROWTH**

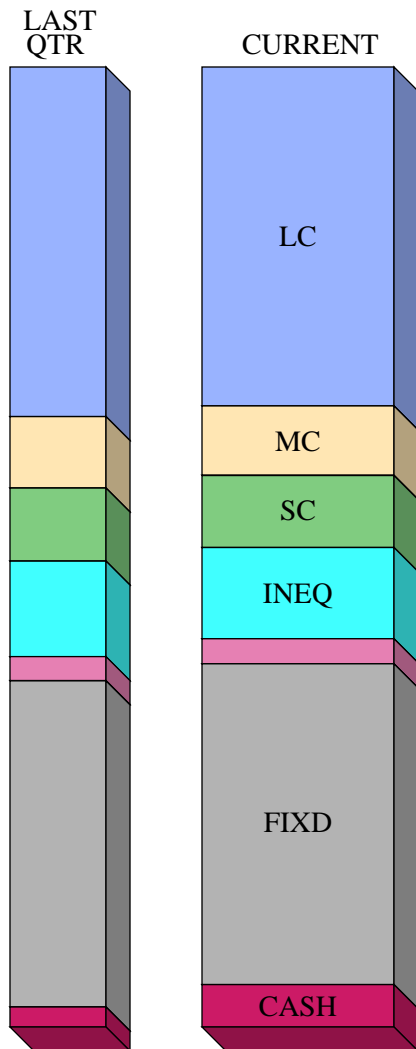


— ACTUAL RETURN  
 - - - 7.9%  
 . . . 0.0%

VALUE ASSUMING  
 7.9% RETURN  
 \$ 105,028,466

	LAST QUARTER	PERIOD 6/07 - 6/12
BEGINNING VALUE	\$ 88,892,571	\$ 61,209,350
NET CONTRIBUTIONS	213,985	12,658,615
<u>INVESTMENT RETURN</u>	<u>- 2,022,445</u>	<u>13,216,146</u>
ENDING VALUE	\$ 87,084,111	\$ 87,084,111
INCOME	620,146	9,041,096
<u>CAPITAL GAINS (LOSSES)</u>	<u>- 2,642,591</u>	<u>4,175,050</u>
INVESTMENT RETURN	- 2,022,445	13,216,146

**ASSET ALLOCATION**












	<u>VALUE</u>	<u>PERCENT</u>	<u>TARGET</u>	<u>DIFFERENCE</u> <u>+ / -</u>
LARGE CAP EQUITY	\$ 30,757,255	35.3%	35.0%	0.3%
MID CAP EQUITY	6,295,630	7.2%	7.5%	-0.3%
SMALL CAP EQUITY	6,534,067	7.5%	7.5%	0.0%
INTERNATIONAL EQUITY	8,266,441	9.5%	12.5%	-3.0%
REAL ESTATE	2,283,065	2.6%	5.0%	-2.4%
FIXED INCOME	29,104,430	33.4%	32.5%	0.9%
CASH & EQUIVALENT	3,843,225	4.4%	0.0%	4.4%
<u>TOTAL FUND</u>	<u>\$ 87,084,111</u>	<u>100.0%</u>		

## MANAGER PERFORMANCE SUMMARY









Name	(Universe)	Quarter	FYTD	1 Year	3 Years	5 Years
Total Portfolio	(Public Fund)	-2.3 (65)	12.8 (38)	2.5 (20)	11.8 (32)	3.3 (18)
<i>Shadow Index</i>		<i>-1.6 ----</i>	<i>13.1 ----</i>	<i>2.8 ----</i>	<i>12.0 ----</i>	<i>2.3 ----</i>
Garcia Hamilton Equity	(LC Growth)	-5.8 (65)	19.2 (67)	3.7 (45)	15.7 (51)	3.2 (33)
<i>Russell 1000 Growth</i>		<i>-4.0 ----</i>	<i>21.8 ----</i>	<i>5.8 ----</i>	<i>17.5 ----</i>	<i>2.9 ----</i>
Buckhead Equity	(LC Value)	-3.9 (53)	18.4 (75)	3.1 (31)	13.5 (74)	-1.5 (70)
<i>Russell 1000 Value</i>		<i>-2.2 ----</i>	<i>22.9 ----</i>	<i>3.0 ----</i>	<i>15.8 ----</i>	<i>-2.2 ----</i>
RhumbLine	(Mid Cap)	-4.9 (51)	22.0 (37)	-2.2 (54)	19.4 (41)	2.7 (44)
<i>S&amp;P 400</i>		<i>-4.9 ----</i>	<i>21.9 ----</i>	<i>-2.3 ----</i>	<i>19.4 ----</i>	<i>2.6 ----</i>
TAMRO	(Small Cap)	-2.4 (17)	27.2 (28)	-0.4 (31)	----	----
<i>Russell 2000</i>		<i>-3.5 ----</i>	<i>25.3 ----</i>	<i>-2.1 ----</i>	<i>17.8 ----</i>	<i>0.5 ----</i>
Johnston	(Intl Eq)	-6.2 (33)	6.5 (75)	-9.5 (28)	----	----
SSgA	(Intl Eq)	-6.9 (47)	6.7 (73)	-13.6 (58)	6.3 (80)	-5.8 (82)
<i>MSCI EAFE</i>		<i>-6.8 ----</i>	<i>6.9 ----</i>	<i>-13.4 ----</i>	<i>6.4 ----</i>	<i>-5.6 ----</i>
American Core Realty Fund, LLC		2.7 ----	8.8 ----	12.2 ----	----	----
<i>NCREIF NFI-ODCE Index</i>		<i>2.5 ----</i>	<i>8.6 ----</i>	<i>12.4 ----</i>	<i>8.4 ----</i>	<i>-0.9 ----</i>
Buckhead Fixed	(Core Fixed)	1.5 (96)	4.0 (76)	7.2 (86)	6.5 (93)	7.5 (40)
Garcia Hamilton Fixed	(Core Fixed)	2.2 (39)	6.9 (2)	7.8 (59)	8.7 (25)	8.5 (7)
<i>Custom Fixed Income Index</i>		<i>2.1 ----</i>	<i>3.5 ----</i>	<i>7.5 ----</i>	<i>6.9 ----</i>	<i>6.6 ----</i>

**MANAGER VALUE ADDED**

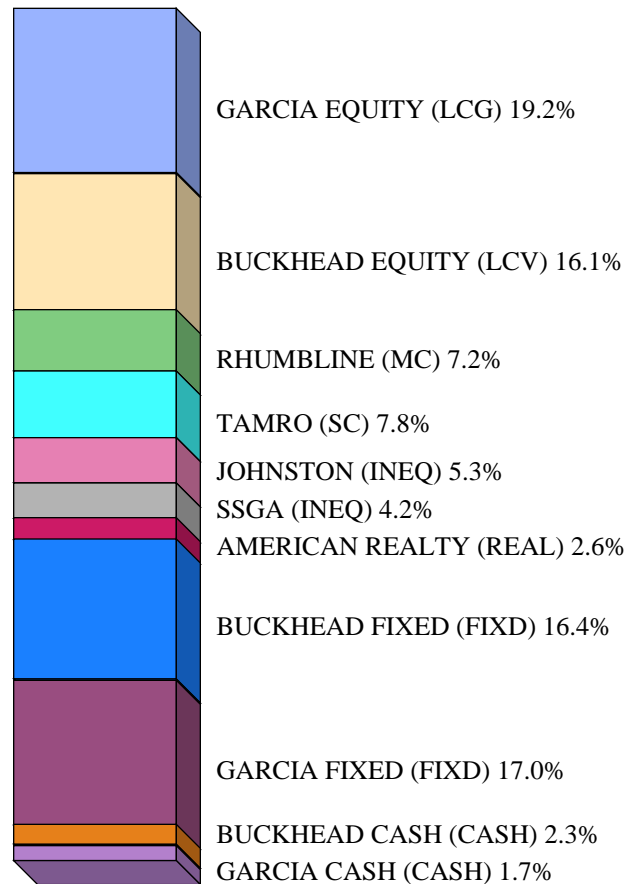
**Most Recent Quarter**

Manager	Benchmark	Value Added Vs. Benchmark
Garcia Equity	Russell 1000G	 -1.8
Buckhead Equity	Russell 1000V	 -1.7
RhumbLine	S&P 400	0.0
TAMRO	Russell 2000	1.1 
Johnston	MSCI EAFE	0.7 
SSgA	MSCI EAFE	 -0.1
American Realty	NCREIF ODCE	0.2 
Buckhead Fixed	Custom FX Index	 -0.5
Garcia Fixed	Custom FX Index	0.1 
<b>Total Portfolio</b>	<b>Shadow Index</b>	 -0.7

**Trailing Twelve Months**

Manager	Benchmark	Value Added Vs. Benchmark
Garcia Equity	Russell 1000G	 -2.1
Buckhead Equity	Russell 1000V	0.1
RhumbLine	S&P 400	0.1
TAMRO	Russell 2000	1.6 
Johnston	MSCI EAFE	3.9 
SSgA	MSCI EAFE	 -0.1
American Realty	NCREIF ODCE	 -0.2
Buckhead Fixed	Custom FX Index	 -0.3
Garcia Fixed	Custom FX Index	0.3 
<b>Total Portfolio</b>	<b>Shadow Index</b>	 -0.3

**MANAGER ALLOCATION SUMMARY**

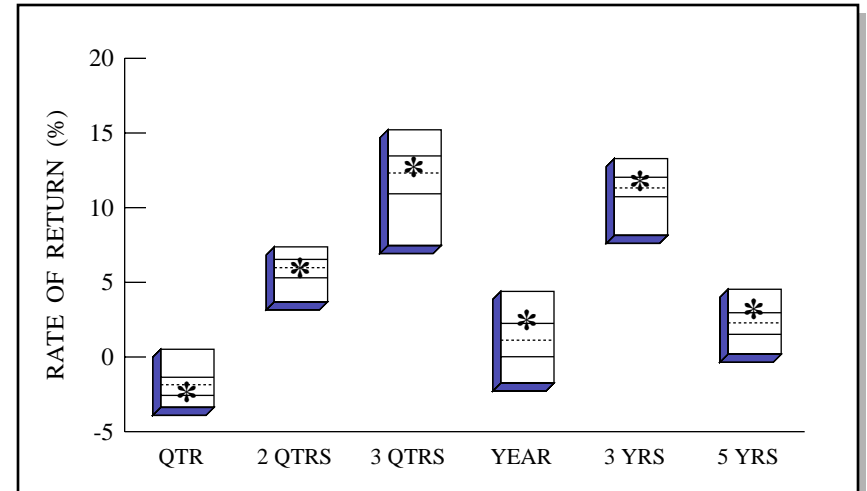
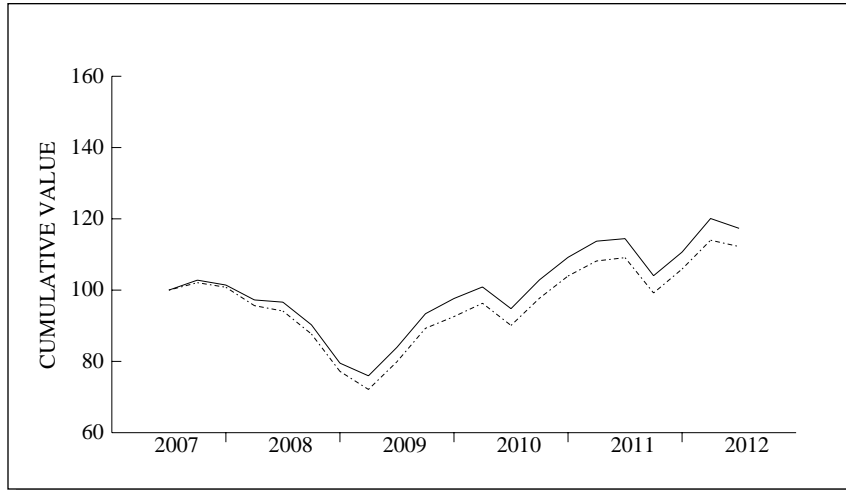


Name	Market Value	Percent
Garcia Equity (LCG)	\$16,761,695	19.2
Buckhead Equity (LCV)	\$13,995,560	16.1
RhumbLine (MC)	\$6,295,630	7.2
TAMRO (SC)	\$6,810,892	7.8
Johnston (INEQ)	\$4,628,172	5.3
SSgA (INEQ)	\$3,638,269	4.2
American Realty (REAL)	\$2,283,065	2.6
Buckhead Fixed (FIXD)	\$14,291,318	16.4
Garcia Fixed (FIXD)	\$14,813,112	17.0
Buckhead Cash (CASH)	\$2,045,978	2.3
Garcia Cash (CASH)	\$1,520,422	1.7
<b>Total</b>	<b>\$87,084,111</b>	<b>100.0</b>

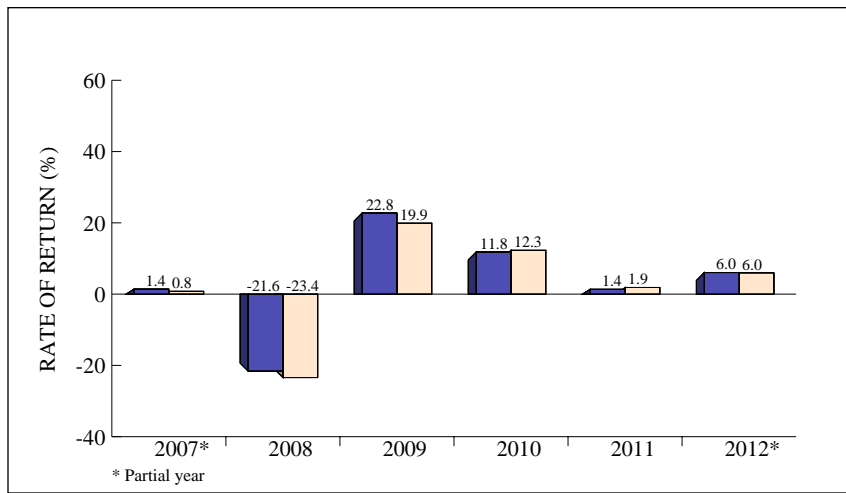
**INVESTMENT RETURN SUMMARY - ONE QUARTER**

<b>Name</b>	<b>Quarter Total Return</b>	<b>Market Value March 31st, 2012</b>	<b>Net Cashflow</b>	<b>Net Investment Return</b>	<b>Market Value June 30th, 2012</b>
Buckhead (BAL)	-1.1	30,554,988	126,371	-348,504	30,332,855
Garcia Hamilton (BAL)	-2.0	33,640,941	119,445	-665,158	33,095,228
RhumbLine (MC)	-4.9	6,620,184	0	-324,554	6,295,630
TAMRO (SC)	-2.4	6,994,936	-15,720	-168,324	6,810,892
Johnston (INEQ)	-6.2	4,943,892	-10,181	-305,539	4,628,172
SSgA (INEQ)	-6.9	3,909,190	0	-270,921	3,638,269
American Realty (REAL)	2.7	2,228,440	-5,930	60,555	2,283,065
<b>Total Fund</b>	<b>-2.3</b>	<b>88,892,571</b>	<b>213,985</b>	<b>-2,022,445</b>	<b>87,084,111</b>

**TOTAL RETURN COMPARISONS**



Public Fund Universe

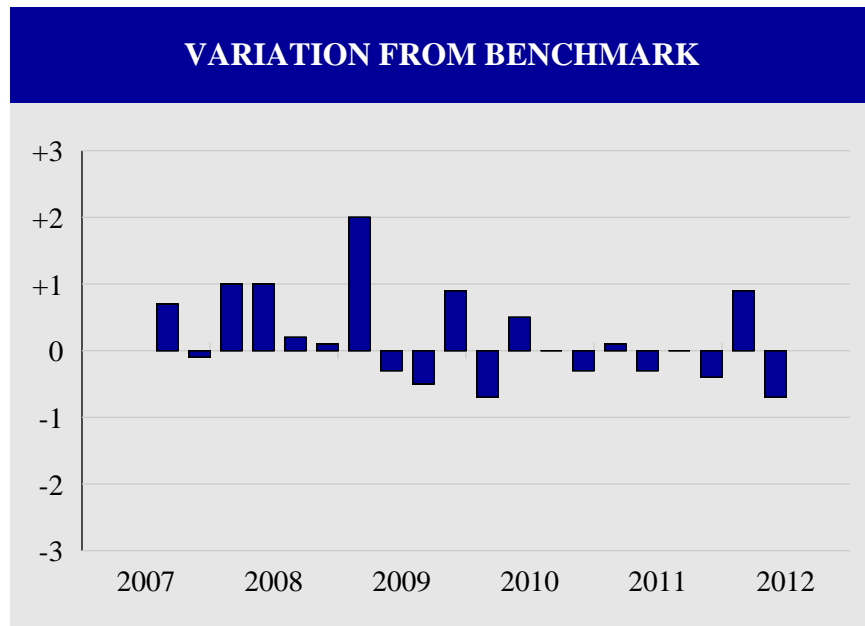


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-2.3	6.0	12.8	2.5	11.8	3.3
(RANK)	(65)	(49)	(38)	(20)	(32)	(18)
5TH %ILE	0.5	7.4	15.2	4.4	13.3	4.5
25TH %ILE	-1.4	6.5	13.5	2.3	12.0	3.0
MEDIAN	-1.9	6.0	12.3	1.1	11.3	2.3
75TH %ILE	-2.6	5.3	10.9	0.0	10.7	1.5
95TH %ILE	-3.4	3.7	7.5	-1.8	8.2	0.2
<b>Sh Idx</b>	<b>-1.6</b>	<b>6.0</b>	<b>13.1</b>	<b>2.8</b>	<b>12.0</b>	<b>2.3</b>

Public Fund Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

**COMPARATIVE BENCHMARK: SHADOW INDEX**

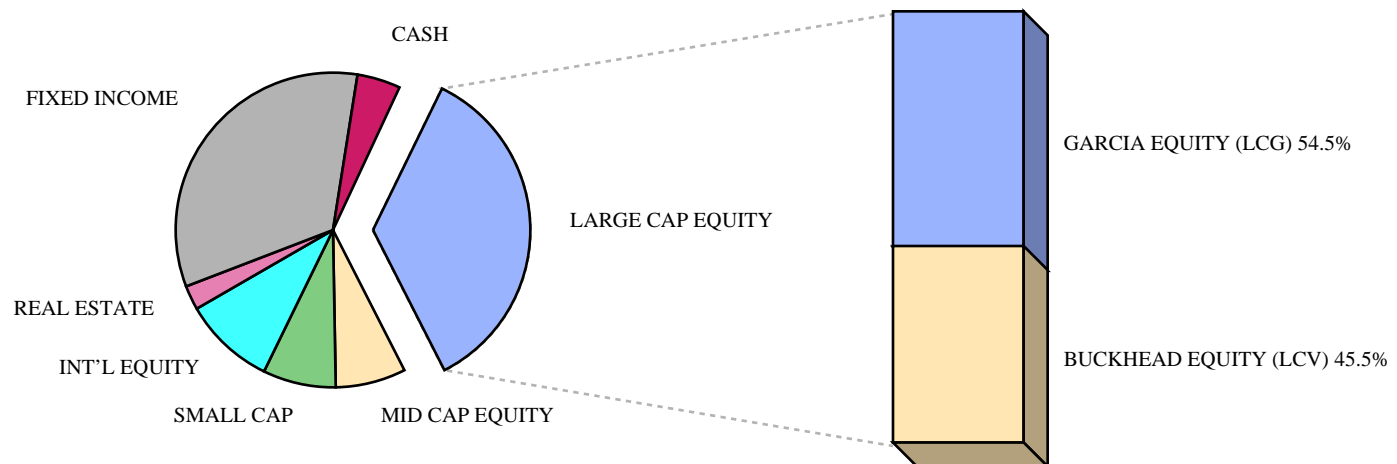


RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/07	2.8	2.1	0.7
12/07	-1.4	-1.3	-0.1
3/08	-4.1	-5.1	1.0
6/08	-0.6	-1.6	1.0
9/08	-6.6	-6.8	0.2
12/08	-11.9	-12.0	0.1
3/09	-4.5	-6.5	2.0
6/09	10.5	10.8	-0.3
9/09	11.2	11.7	-0.5
12/09	4.6	3.7	0.9
3/10	3.4	4.1	-0.7
6/10	-6.0	-6.5	0.5
9/10	8.5	8.5	0.0
12/10	6.1	6.4	-0.3
3/11	4.2	4.1	0.1
6/11	0.6	0.9	-0.3
9/11	-9.1	-9.1	0.0
12/11	6.4	6.8	-0.4
3/12	8.5	7.6	0.9
6/12	-2.3	-1.6	-0.7

<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>12</b>
<b>Quarters Below the Benchmark</b>	<b>8</b>
<b>Batting Average</b>	<b>.600</b>

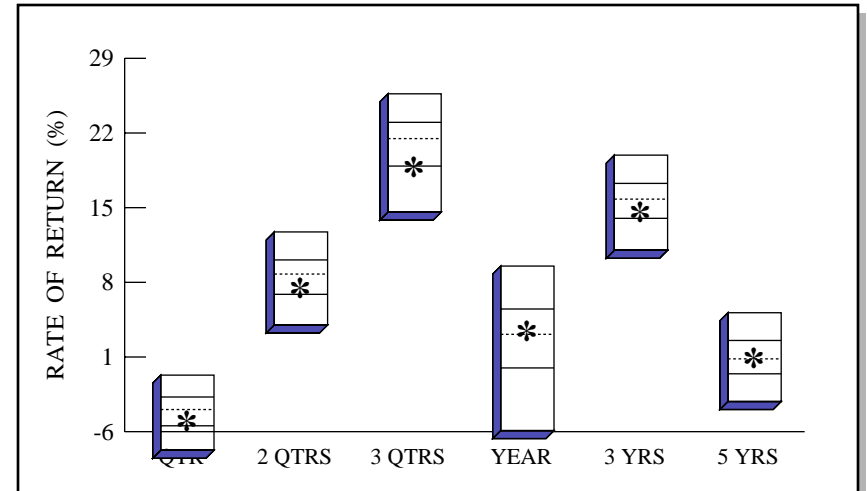
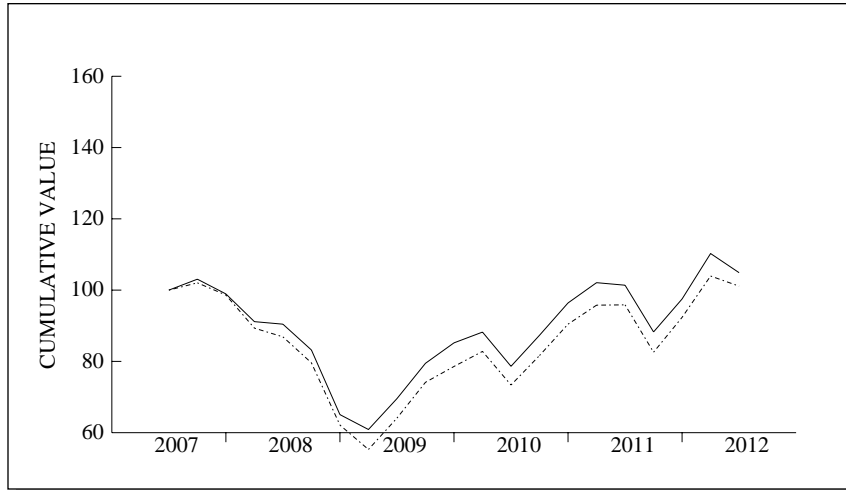


**LARGE CAP EQUITY MANAGER SUMMARY**

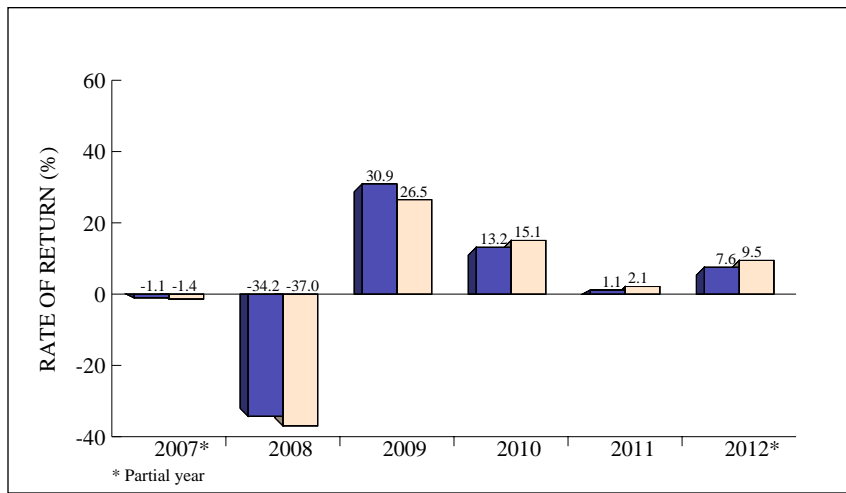


MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
GARCIA EQUITY	(Large Cap Growth)	-5.8 (65)	19.2 (67)	3.7 (45)	15.7 (51)	3.2 (33)	\$16,761,695
<i>Russell 1000 Growth</i>		<i>-4.0 ----</i>	<i>21.8 ----</i>	<i>5.8 ----</i>	<i>17.5 ----</i>	<i>2.9 ----</i>	<i>----</i>
BUCKHEAD EQUITY	(Large Cap Value)	-3.9 (53)	18.4 (75)	3.1 (31)	13.5 (74)	-1.5 (70)	\$13,995,560
<i>Russell 1000 Value</i>		<i>-2.2 ----</i>	<i>22.9 ----</i>	<i>3.0 ----</i>	<i>15.8 ----</i>	<i>-2.2 ----</i>	<i>----</i>
<b>TOTAL</b>	<b>(Large Cap)</b>	<b>-4.9 (66)</b>	<b>18.8 (76)</b>	<b>3.5 (46)</b>	<b>14.7 (68)</b>	<b>1.0 (48)</b>	<b>\$30,757,255</b>
<i>S&amp;P 500</i>		<i>-2.8 ----</i>	<i>22.4 ----</i>	<i>5.5 ----</i>	<i>16.4 ----</i>	<i>0.2 ----</i>	<i>----</i>

### LARGE CAP EQUITY RETURN COMPARISONS



Large Cap Universe

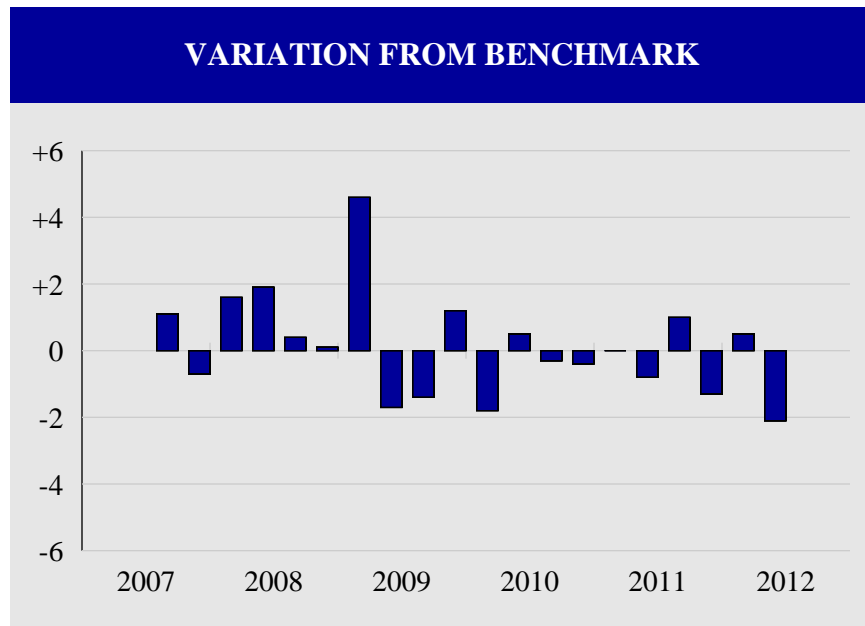


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-4.9	7.6	18.8	3.5	14.7	1.0
(RANK)	(66)	(67)	(76)	(46)	(68)	(48)
5TH %ILE	-0.7	12.7	25.7	9.5	19.9	5.2
25TH %ILE	-2.8	10.1	23.0	5.5	17.3	2.6
MEDIAN	-3.9	8.8	21.5	3.1	15.8	0.8
75TH %ILE	-5.5	6.9	18.9	0.0	14.0	-0.6
95TH %ILE	-7.7	4.0	14.6	-5.9	11.0	-3.2
<b>S&amp;P 500</b>	<b>-2.8</b>	<b>9.5</b>	<b>22.4</b>	<b>5.5</b>	<b>16.4</b>	<b>0.2</b>

Large Cap Universe

**LARGE CAP EQUITY QUARTERLY PERFORMANCE SUMMARY**

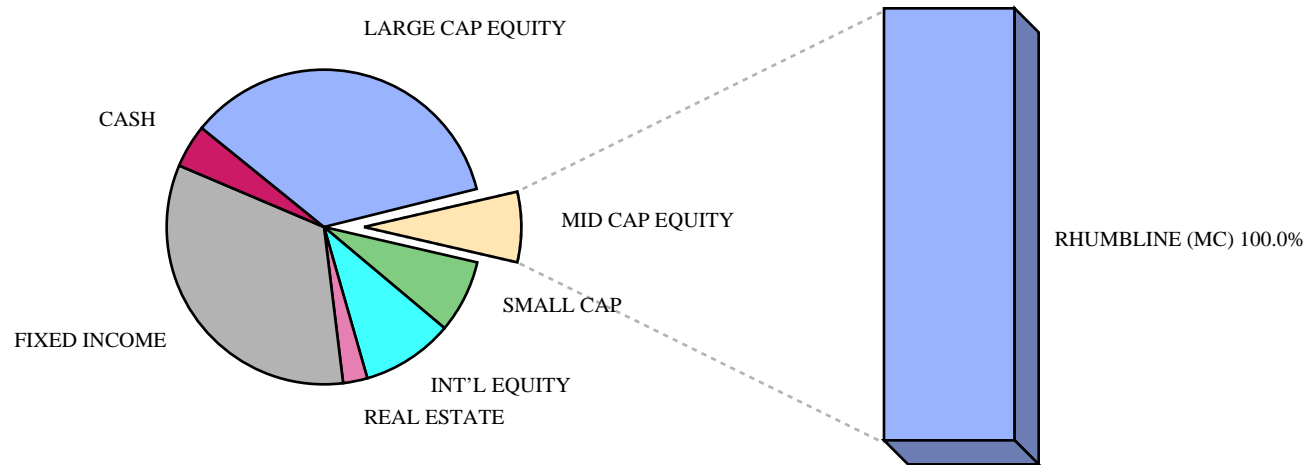
**COMPARATIVE BENCHMARK: S&P 500**



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/07	3.1	2.0	1.1
12/07	-4.0	-3.3	-0.7
3/08	-7.8	-9.4	1.6
6/08	-0.8	-2.7	1.9
9/08	-8.0	-8.4	0.4
12/08	-21.8	-21.9	0.1
3/09	-6.4	-11.0	4.6
6/09	14.2	15.9	-1.7
9/09	14.2	15.6	-1.4
12/09	7.2	6.0	1.2
3/10	3.6	5.4	-1.8
6/10	-10.9	-11.4	0.5
9/10	11.0	11.3	-0.3
12/10	10.4	10.8	-0.4
3/11	5.9	5.9	0.0
6/11	-0.7	0.1	-0.8
9/11	-12.9	-13.9	1.0
12/11	10.5	11.8	-1.3
3/12	13.1	12.6	0.5
6/12	-4.9	-2.8	-2.1

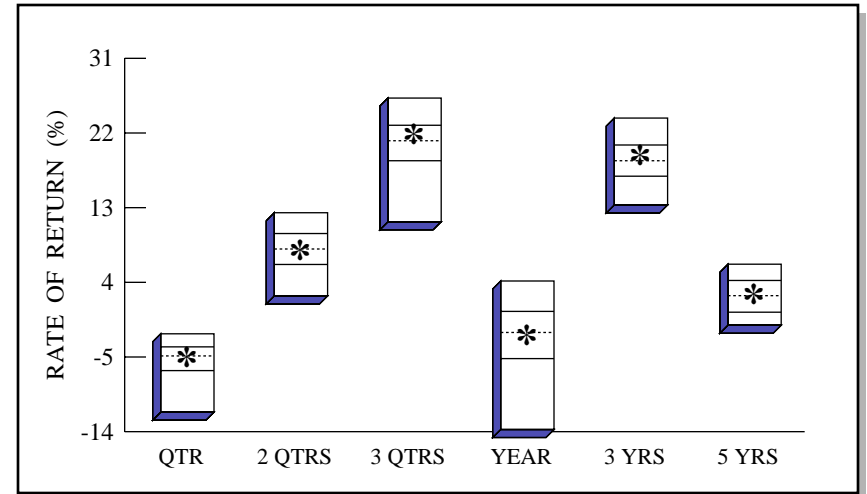
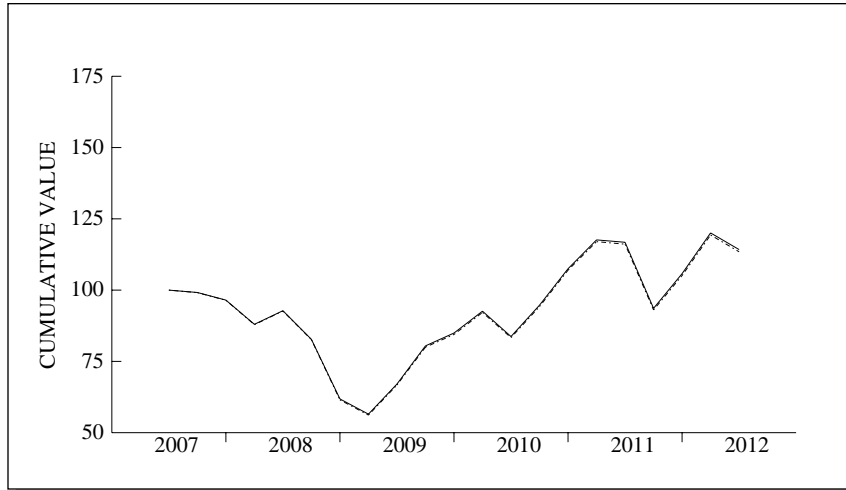
<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>11</b>
<b>Quarters Below the Benchmark</b>	<b>9</b>
<b>Batting Average</b>	<b>.550</b>

**MID CAP EQUITY MANAGER SUMMARY**

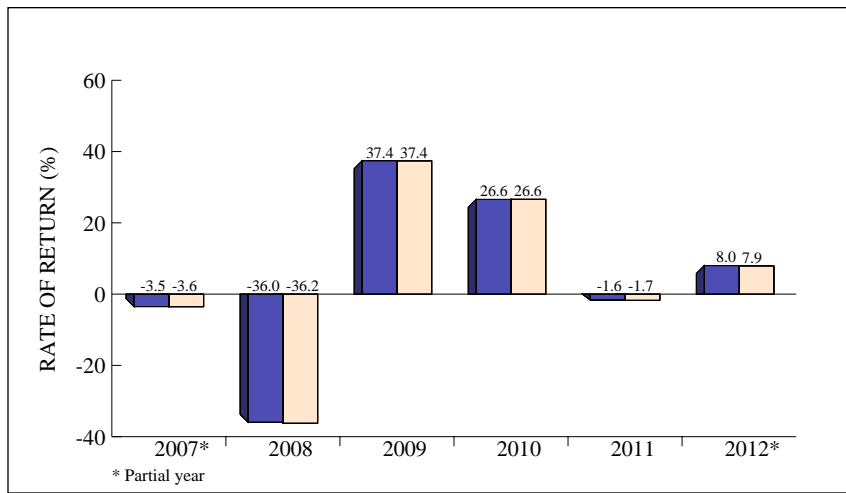


MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
RHUMBLINE	(Mid Cap)	-4.9 (51)	22.0 (37)	-2.2 (54)	19.4 (41)	2.7 (44)	\$6,295,630
<i>S&amp;P 400</i>		<i>-4.9 ---</i>	<i>21.9 ---</i>	<i>-2.3 ---</i>	<i>19.4 ---</i>	<i>2.6 ---</i>	<i>---</i>
<b>TOTAL</b>	<b>(Mid Cap)</b>	<b>-4.9 (51)</b>	<b>22.0 (37)</b>	<b>-2.2 (54)</b>	<b>19.4 (41)</b>	<b>2.7 (44)</b>	<b>\$6,295,630</b>
<i>S&amp;P 400</i>		<i>-4.9 ---</i>	<i>21.9 ---</i>	<i>-2.3 ---</i>	<i>19.4 ---</i>	<i>2.6 ---</i>	<i>---</i>

### MID CAP EQUITY RETURN COMPARISONS



Mid Cap Universe



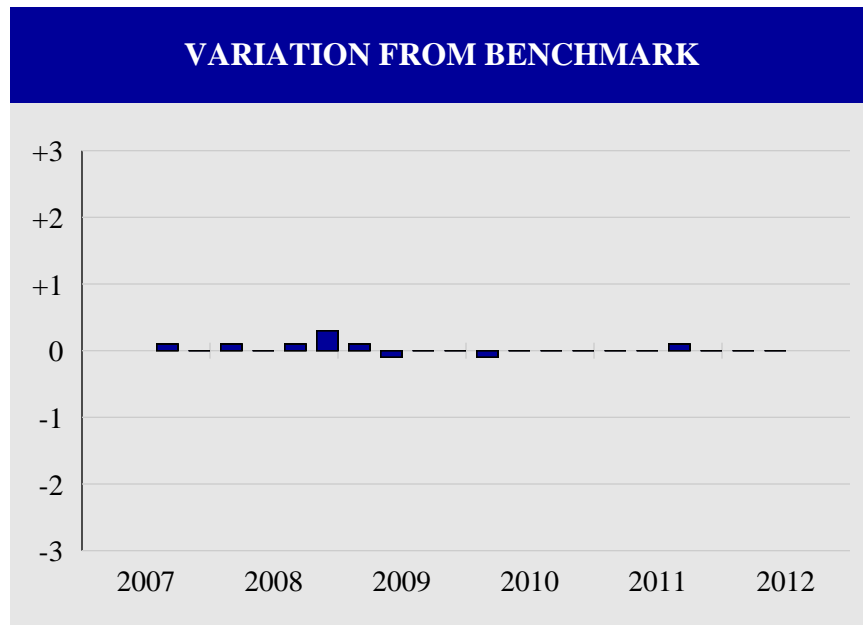
\* Partial year

	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-4.9	8.0	22.0	-2.2	19.4	2.7
(RANK)	(51)	(53)	(37)	(54)	(41)	(44)
5TH %ILE	-2.2	12.4	26.2	4.2	23.8	6.2
25TH %ILE	-3.8	9.9	22.9	0.5	20.6	4.2
MEDIAN	-4.9	8.0	21.1	-2.0	18.7	2.4
75TH %ILE	-6.7	6.2	18.7	-5.2	16.8	0.4
95TH %ILE	-11.7	2.4	11.3	-13.7	13.3	-1.2
<b>S&amp;P 400</b>	<b>-4.9</b>	<b>7.9</b>	<b>21.9</b>	<b>-2.3</b>	<b>19.4</b>	<b>2.6</b>

Mid Cap Universe

**MID CAP EQUITY QUARTERLY PERFORMANCE SUMMARY**

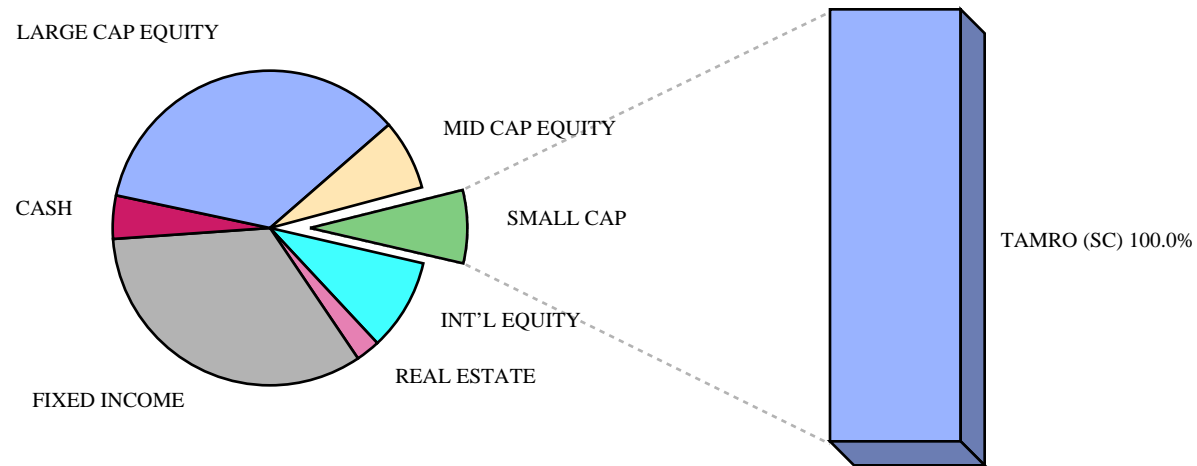
**COMPARATIVE BENCHMARK: S&P 400**



<b>RATES OF RETURN</b>			
Date	Portfolio	Benchmark	Difference
9/07	-0.8	-0.9	0.1
12/07	-2.7	-2.7	0.0
3/08	-8.8	-8.9	0.1
6/08	5.4	5.4	0.0
9/08	-10.8	-10.9	0.1
12/08	-25.3	-25.6	0.3
3/09	-8.6	-8.7	0.1
6/09	18.7	18.8	-0.1
9/09	20.0	20.0	0.0
12/09	5.6	5.6	0.0
3/10	9.0	9.1	-0.1
6/10	-9.6	-9.6	0.0
9/10	13.1	13.1	0.0
12/10	13.5	13.5	0.0
3/11	9.4	9.4	0.0
6/11	-0.7	-0.7	0.0
9/11	-19.8	-19.9	0.1
12/11	13.0	13.0	0.0
3/12	13.5	13.5	0.0
6/12	-4.9	-4.9	0.0

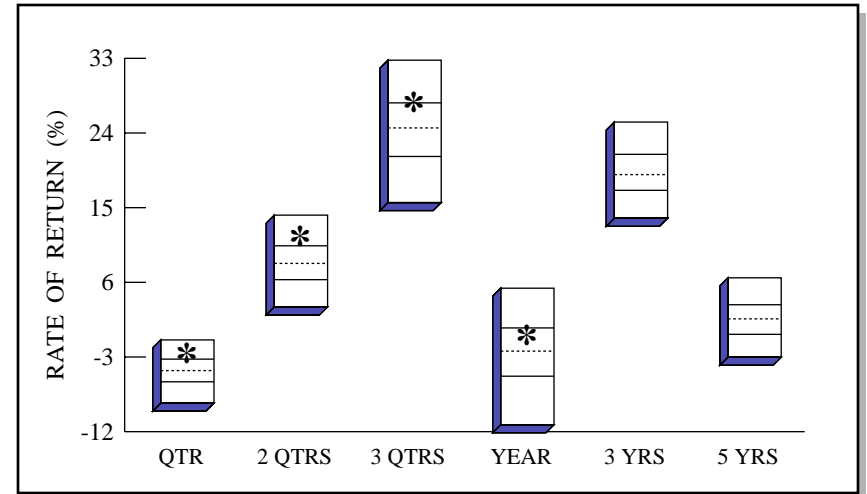
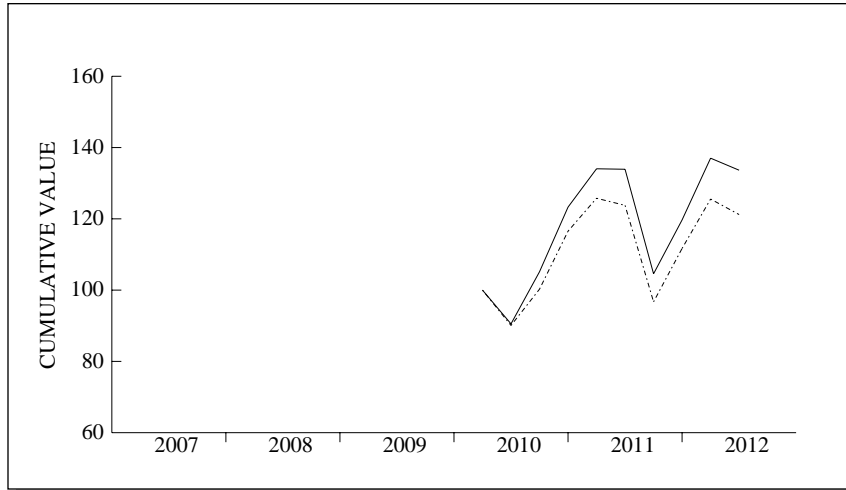
<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>18</b>
<b>Quarters Below the Benchmark</b>	<b>2</b>
<b>Batting Average</b>	<b>.900</b>

**SMALL CAP EQUITY MANAGER SUMMARY**

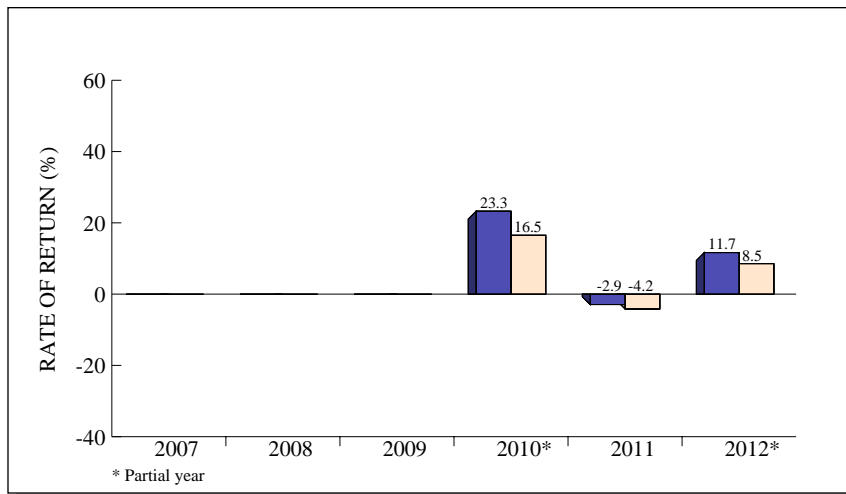


MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
TAMRO	(Small Cap)	-2.5 (18)	27.8 (25)	-0.2 (30)	----	----	\$6,534,067
<i>Russell 2000</i>		<i>-3.5 ----</i>	<i>25.3 ----</i>	<i>-2.1 ----</i>	<i>17.8 ----</i>	<i>0.5 ----</i>	<i>----</i>
<b>TOTAL</b>	<b>(Small Cap)</b>	<b>-2.5 (17)</b>	<b>27.8 (24)</b>	<b>-0.2 (30)</b>	<b>----</b>	<b>----</b>	<b>\$6,534,067</b>
<i>Russell 2000</i>		<i>-3.5 ----</i>	<i>25.3 ----</i>	<i>-2.1 ----</i>	<i>17.8 ----</i>	<i>0.5 ----</i>	<i>----</i>

### SMALL CAP EQUITY RETURN COMPARISONS



Small Cap Universe



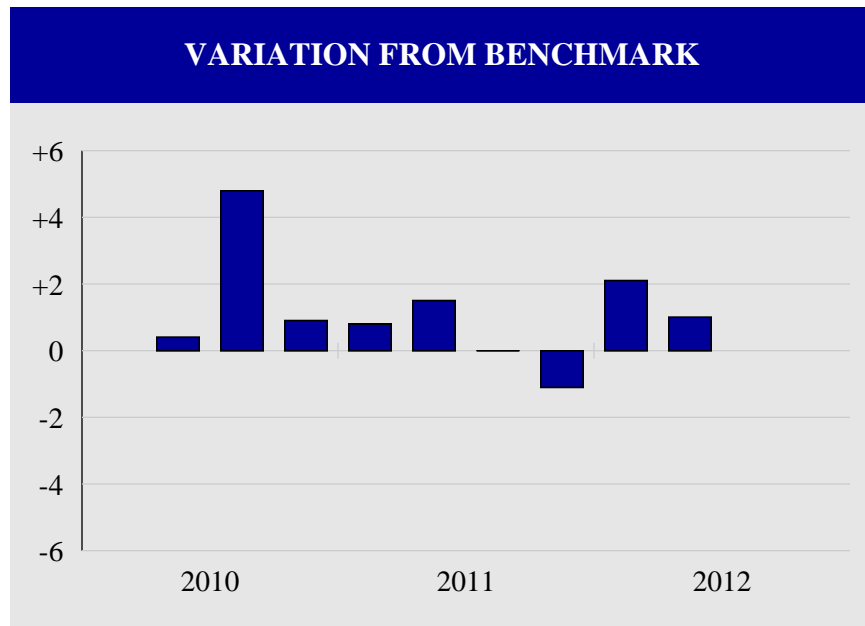
	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-2.5	11.7	27.8	-0.2	----	----
(RANK)	(17)	(15)	(24)	(30)	----	----
5TH %ILE	-0.9	14.1	32.8	5.3	25.3	6.6
25TH %ILE	-3.3	10.4	27.6	0.5	21.4	3.3
MEDIAN	-4.6	8.3	24.6	-2.3	19.0	1.6
75TH %ILE	-6.0	6.3	21.2	-5.3	17.1	-0.3
95TH %ILE	-8.6	3.1	15.6	-11.2	13.7	-3.0
<b>Russ 2000</b>	<b>-3.5</b>	<b>8.5</b>	<b>25.3</b>	<b>-2.1</b>	<b>17.8</b>	<b>0.5</b>

Small Cap Universe



**SMALL CAP EQUITY QUARTERLY PERFORMANCE SUMMARY**

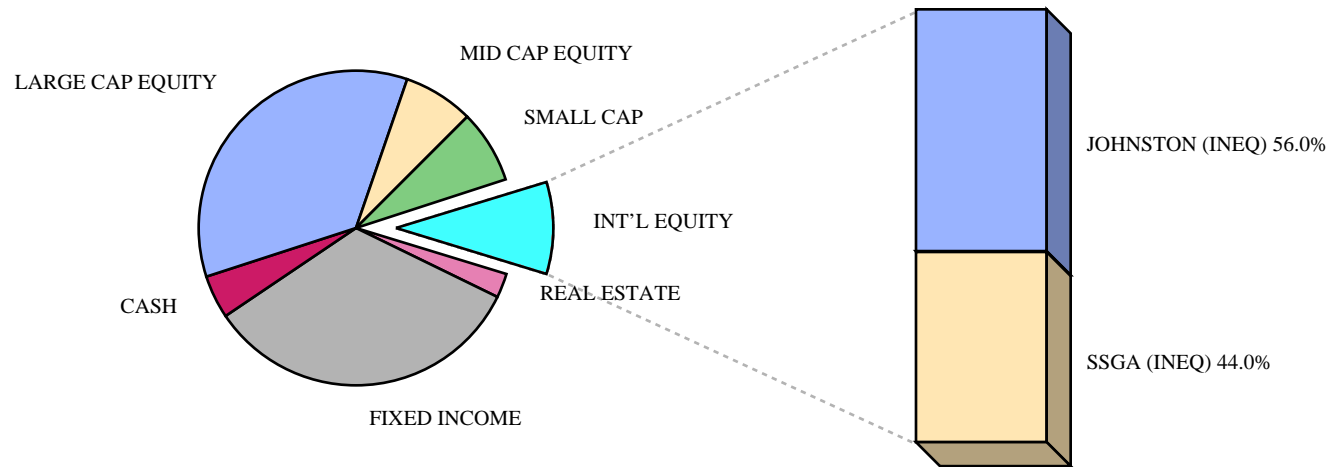
**COMPARATIVE BENCHMARK: RUSSELL 2000**



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/10	-9.5	-9.9	0.4
9/10	16.1	11.3	4.8
12/10	17.2	16.3	0.9
3/11	8.7	7.9	0.8
6/11	-0.1	-1.6	1.5
9/11	-21.9	-21.9	0.0
12/11	14.4	15.5	-1.1
3/12	14.5	12.4	2.1
6/12	-2.5	-3.5	1.0

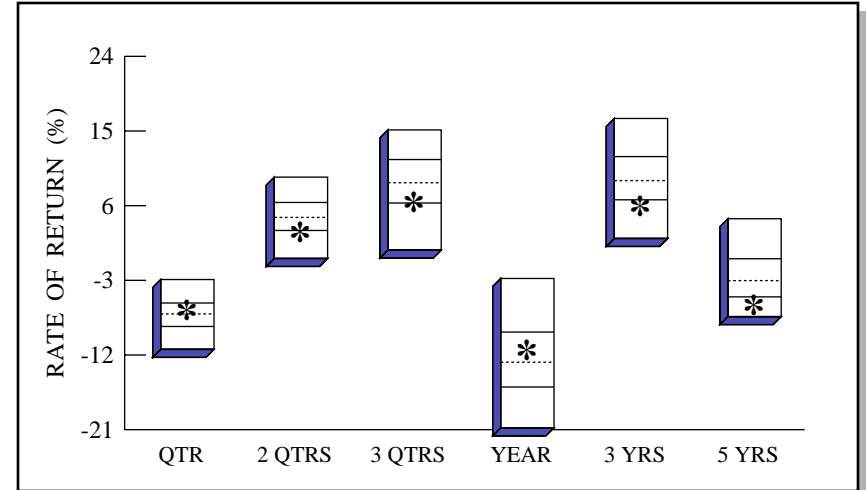
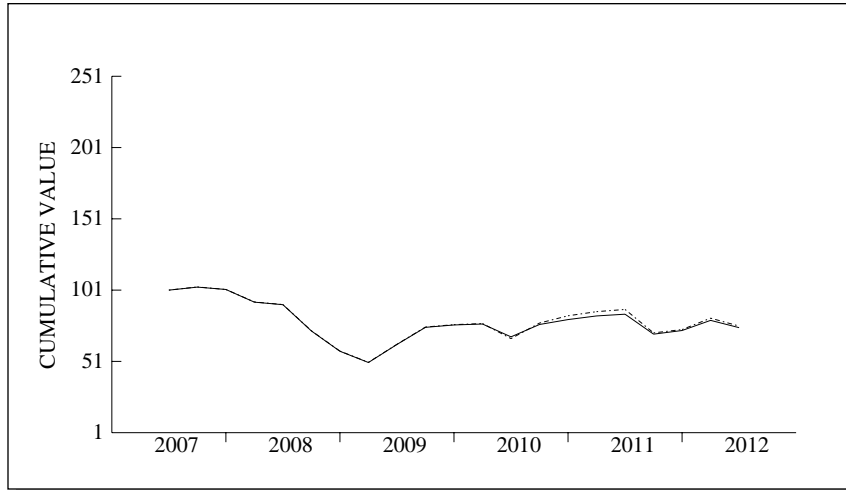
<b>Total Quarters Observed</b>	<b>9</b>
<b>Quarters At or Above the Benchmark</b>	<b>8</b>
<b>Quarters Below the Benchmark</b>	<b>1</b>
<b>Batting Average</b>	<b>.889</b>

**INTERNATIONAL EQUITY MANAGER SUMMARY**

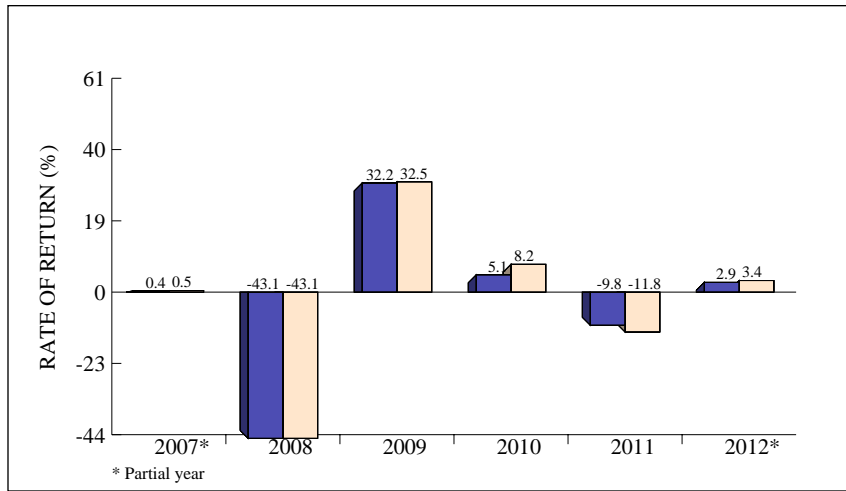


MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
JOHNSTON	(International Equity)	-6.2 (33)	6.5 (75)	-9.5 (28)	----	----	\$4,628,172
SSGA	(International Equity)	-6.9 (47)	6.7 (73)	-13.6 (58)	6.3 (80)	-5.8 (82)	\$3,638,269
<i>MSCI EAFE</i>		-6.8 ---	6.9 ---	-13.4 ---	6.4 ---	-5.6 ---	----
<b>TOTAL</b>	<b>(International Equity)</b>	<b>-6.5 (40)</b>	<b>6.6 (74)</b>	<b>-11.3 (39)</b>	<b>6.0 (84)</b>	<b>-5.9 (84)</b>	<b>\$8,266,441</b>
<i>MSCI EAFE</i>		-6.8 ---	6.9 ---	-13.4 ---	6.4 ---	-5.6 ---	----

## INTERNATIONAL EQUITY RETURN COMPARISONS



International Equity Universe

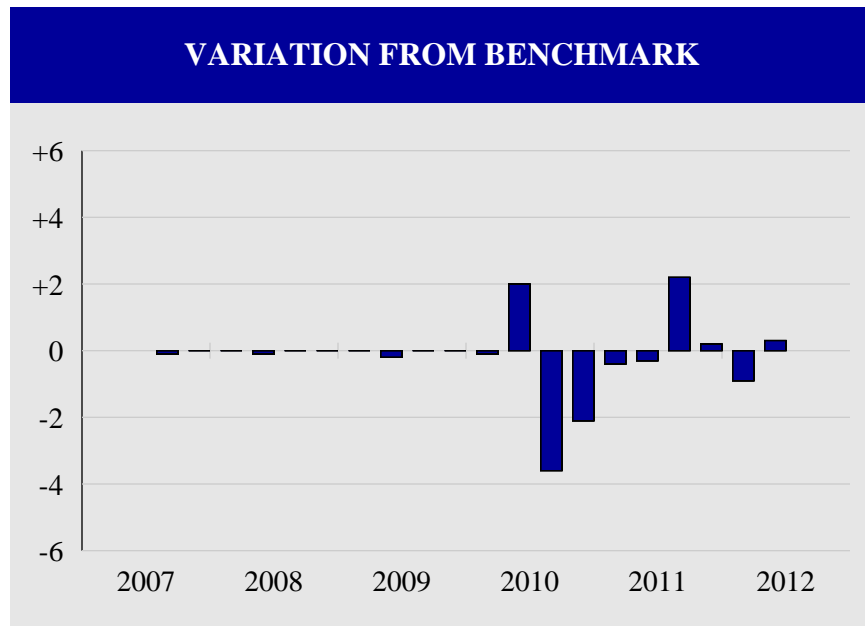


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-6.5	2.9	6.6	-11.3	6.0	-5.9
(RANK)	(40)	(77)	(74)	(39)	(84)	(84)
5TH %ILE	-2.9	9.4	15.1	-2.8	16.5	4.4
25TH %ILE	-5.7	6.4	11.6	-9.3	11.9	-0.4
MEDIAN	-7.0	4.6	8.8	-12.9	9.0	-3.0
75TH %ILE	-8.6	3.0	6.3	-15.9	6.7	-5.0
95TH %ILE	-11.3	-0.4	0.6	-20.8	2.1	-7.4
<b>MSCI EAFE</b>	<b>-6.8</b>	<b>3.4</b>	<b>6.9</b>	<b>-13.4</b>	<b>6.4</b>	<b>-5.6</b>

International Equity Universe

**INTERNATIONAL EQUITY QUARTERLY PERFORMANCE SUMMARY**

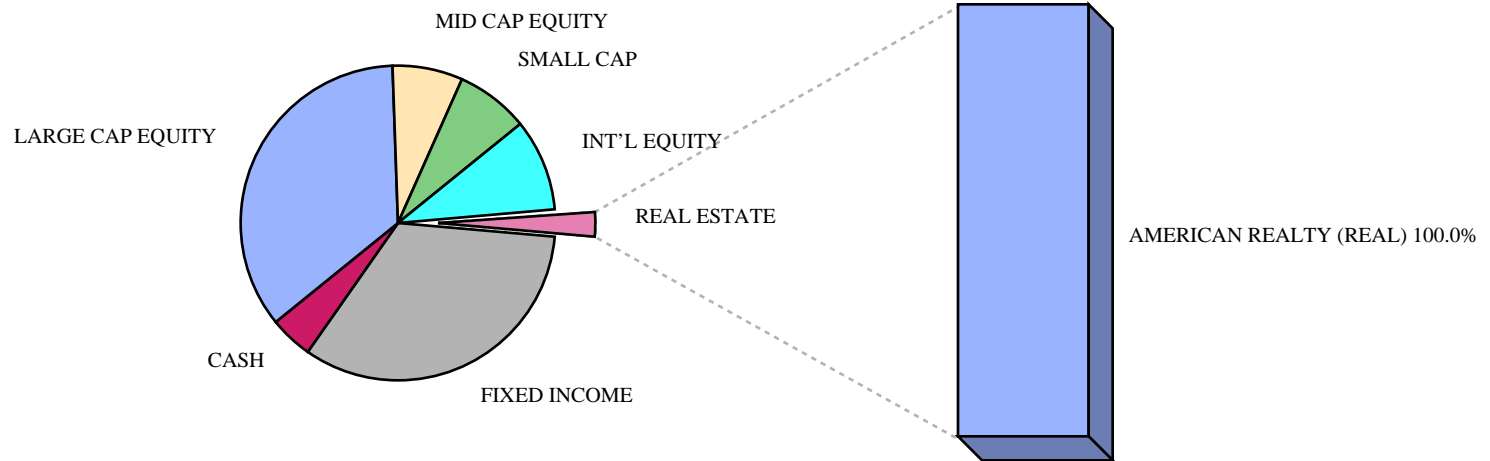
**COMPARATIVE BENCHMARK: MSCI EAFE**



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/07	2.1	2.2	-0.1
12/07	-1.7	-1.7	0.0
3/08	-8.8	-8.8	0.0
6/08	-2.0	-1.9	-0.1
9/08	-20.5	-20.5	0.0
12/08	-19.9	-19.9	0.0
3/09	-13.9	-13.9	0.0
6/09	25.7	25.9	-0.2
9/09	19.5	19.5	0.0
12/09	2.2	2.2	0.0
3/10	0.8	0.9	-0.1
6/10	-11.8	-13.8	2.0
9/10	12.9	16.5	-3.6
12/10	4.6	6.7	-2.1
3/11	3.1	3.5	-0.4
6/11	1.5	1.8	-0.3
9/11	-16.8	-19.0	2.2
12/11	3.6	3.4	0.2
3/12	10.1	11.0	-0.9
6/12	-6.5	-6.8	0.3

<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>11</b>
<b>Quarters Below the Benchmark</b>	<b>9</b>
<b>Batting Average</b>	<b>.550</b>

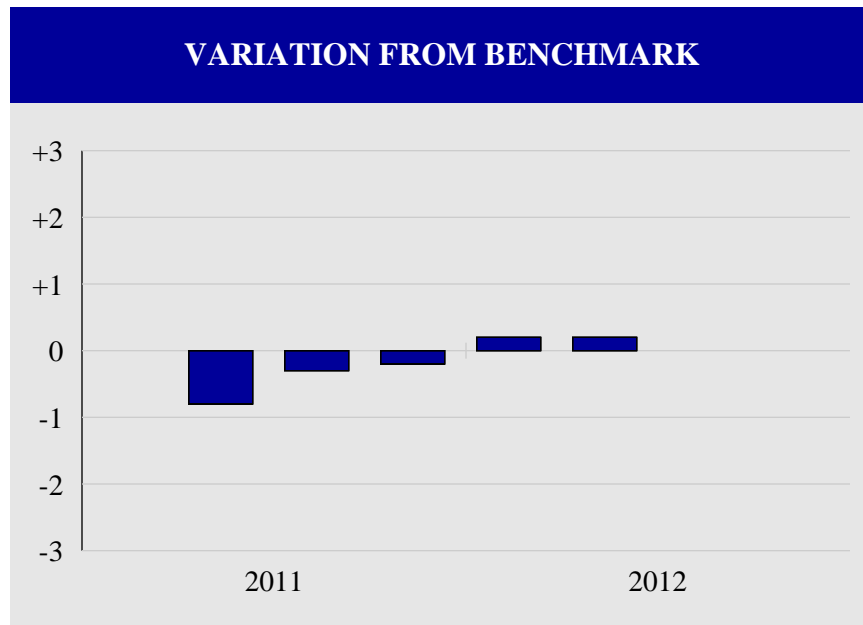
**REAL ESTATE MANAGER SUMMARY**



MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
AMERICAN REALTY		2.7 ---	8.8 ---	12.2 ---	---- --	---- --	\$2,283,065
<i>NCREIF NFI-ODCE Index</i>		2.5 ---	8.6 ---	12.4 ---	8.4 ---	-0.9 ---	---
<b>TOTAL</b>		<b>2.7 ---</b>	<b>8.8 ---</b>	<b>12.2 ---</b>	<b>---- --</b>	<b>---- --</b>	<b>\$2,283,065</b>
<i>NCREIF NFI-ODCE Index</i>		2.5 ---	8.6 ---	12.4 ---	8.4 ---	-0.9 ---	---

**REAL ESTATE QUARTERLY PERFORMANCE SUMMARY**

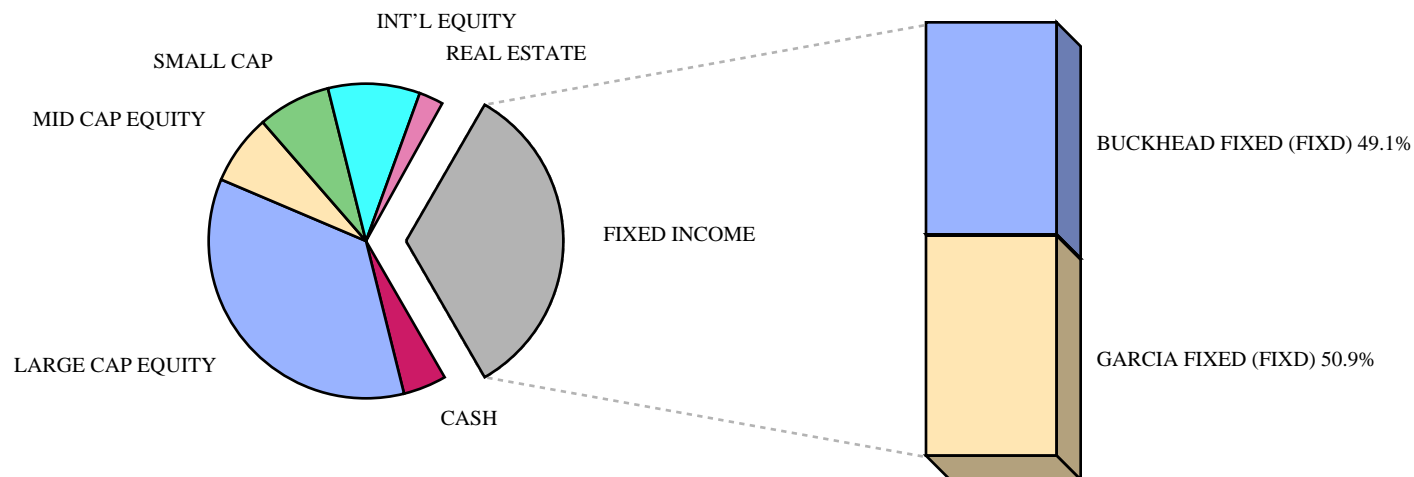
**COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX**



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/11	3.8	4.6	-0.8
9/11	3.2	3.5	-0.3
12/11	2.8	3.0	-0.2
3/12	3.0	2.8	0.2
6/12	2.7	2.5	0.2

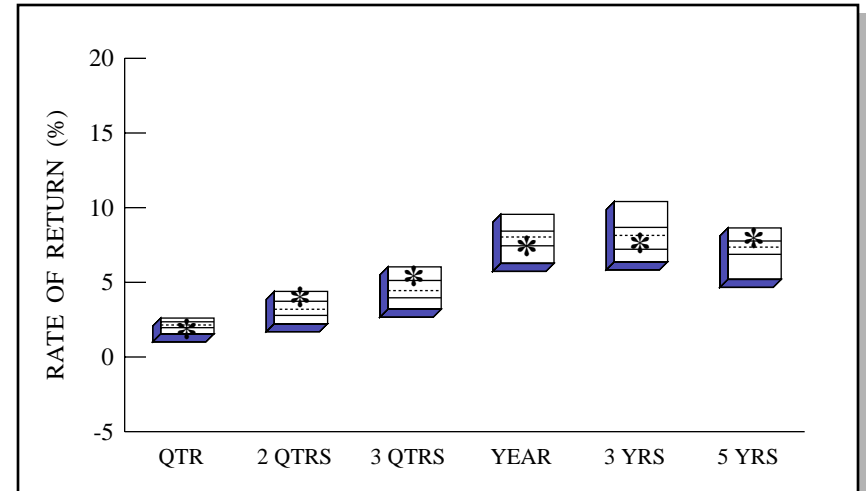
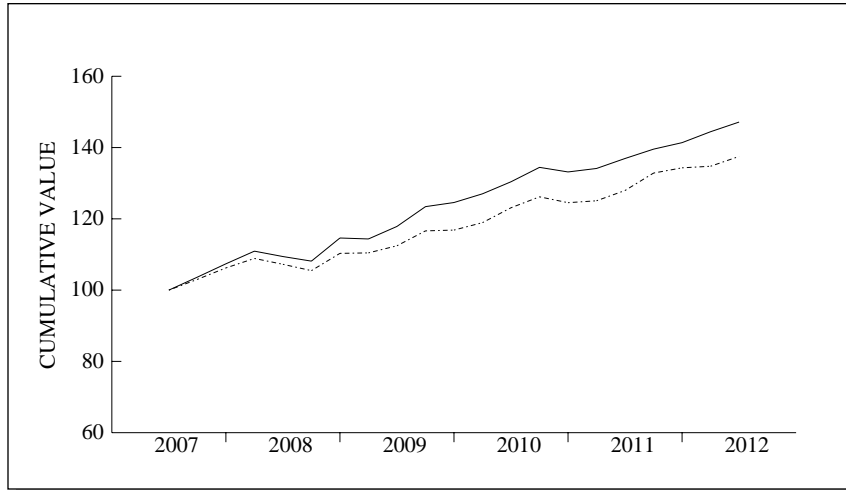
<b>Total Quarters Observed</b>	<b>5</b>
<b>Quarters At or Above the Benchmark</b>	<b>2</b>
<b>Quarters Below the Benchmark</b>	<b>3</b>
<b>Batting Average</b>	<b>.400</b>

**FIXED INCOME MANAGER SUMMARY**

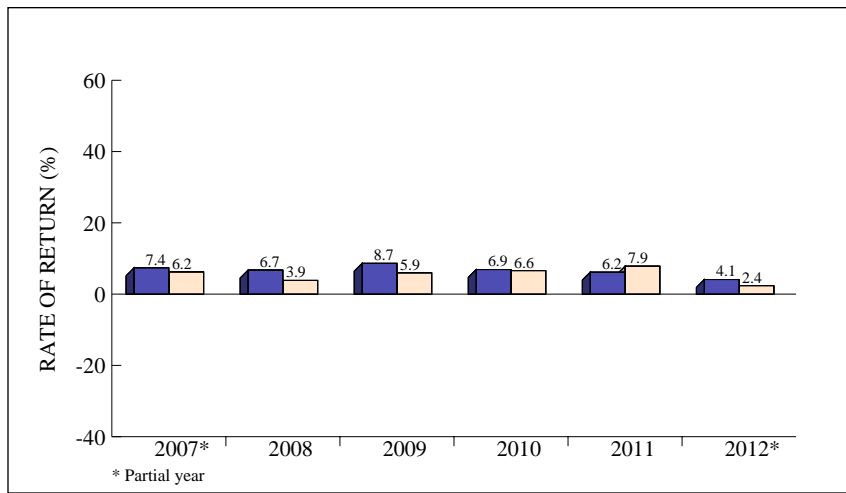


MANAGER	(UNIVERSE)	COMPONENT RETURNS AND RANKINGS					MARKET VALUE
		QTR	FYTD	1 YEAR	3 YEARS	5 YEARS	
BUCKHEAD FIXED	(Core Fixed Income)	1.5 (96)	4.0 (76)	7.2 (86)	6.5 (93)	7.5 (40)	\$14,291,318
GARCIA FIXED	(Core Fixed Income)	2.2 (39)	6.9 (2)	7.8 (59)	8.7 (25)	8.5 (7)	\$14,813,112
<i>Custom Fixed Income Index</i>		<i>2.1 ---</i>	<i>3.5 ---</i>	<i>7.5 ---</i>	<i>6.9 ---</i>	<i>6.6 ---</i>	<i>---</i>
<b>TOTAL</b>	<b>(Core Fixed Income)</b>	<b>1.9 (86)</b>	<b>5.4 (17)</b>	<b>7.5 (72)</b>	<b>7.7 (61)</b>	<b>8.0 (18)</b>	<b>\$29,104,430</b>
<i>Custom Fixed Income Index</i>		<i>2.1 ---</i>	<i>3.5 ---</i>	<i>7.5 ---</i>	<i>6.9 ---</i>	<i>6.6 ---</i>	<i>---</i>

**FIXED INCOME RETURN COMPARISONS**



Core Fixed Income Universe



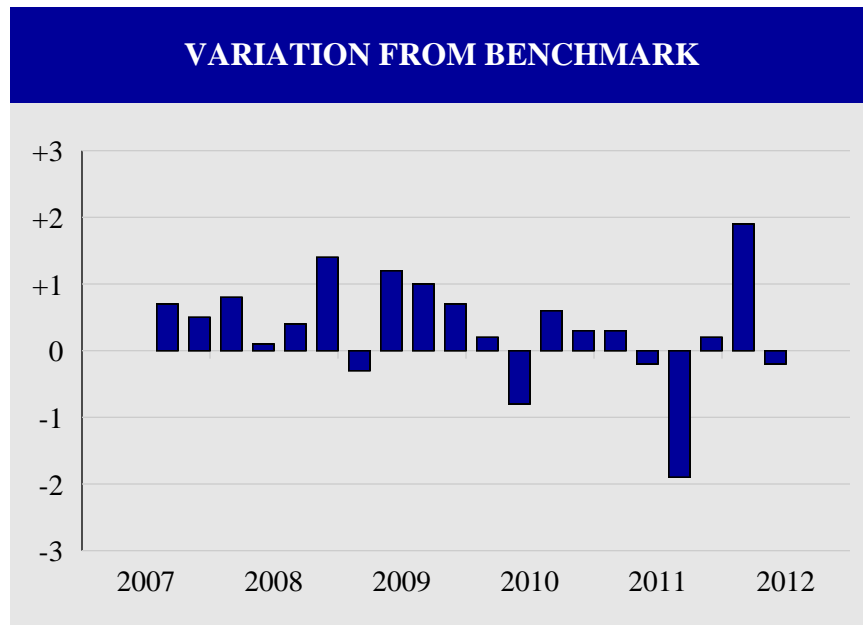
	QTR	2QTRS	3QTRS	YEAR	3 YRS	5 YRS
RETURN	1.9	4.1	5.4	7.5	7.7	8.0
(RANK)	(86)	(10)	(17)	(72)	(61)	(18)
5TH %ILE	2.6	4.4	6.0	9.6	10.4	8.6
25TH %ILE	2.4	3.7	5.1	8.4	8.7	7.8
MEDIAN	2.2	3.2	4.4	8.0	8.1	7.4
75TH %ILE	2.0	2.8	4.0	7.4	7.2	6.9
95TH %ILE	1.6	2.2	3.2	6.3	6.4	5.2
<b>Fixed Idx</b>	<b>2.1</b>	<b>2.4</b>	<b>3.5</b>	<b>7.5</b>	<b>6.9</b>	<b>6.6</b>

Core Fixed Income Universe



## FIXED INCOME QUARTERLY PERFORMANCE SUMMARY

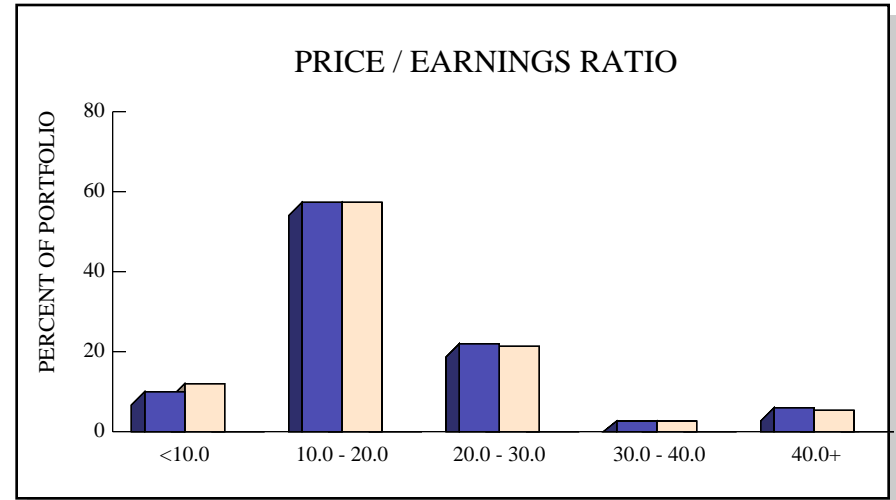
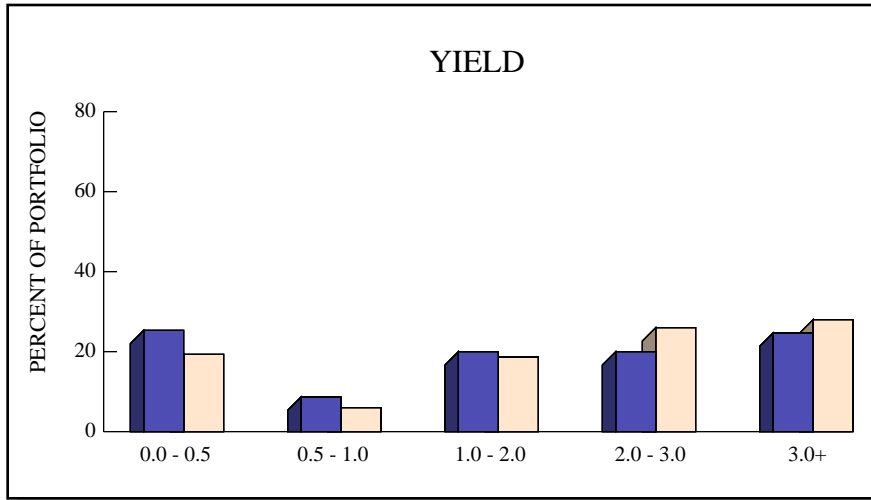
COMPARATIVE BENCHMARK: CUSTOM FIXED INCOME INDEX



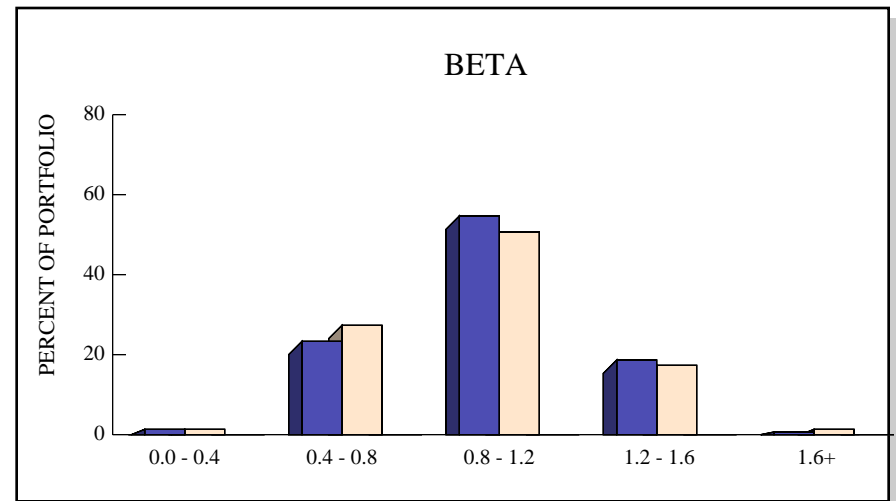
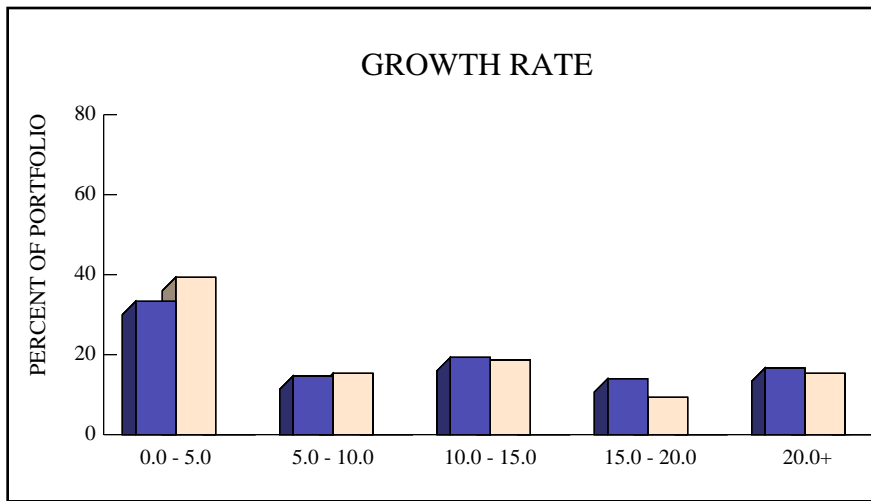
<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>15</b>
<b>Quarters Below the Benchmark</b>	<b>5</b>
<b>Batting Average</b>	<b>.750</b>

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/07	3.7	3.0	0.7
12/07	3.6	3.1	0.5
3/08	3.3	2.5	0.8
6/08	-1.4	-1.5	0.1
9/08	-1.2	-1.6	0.4
12/08	6.0	4.6	1.4
3/09	-0.2	0.1	-0.3
6/09	3.0	1.8	1.2
9/09	4.7	3.7	1.0
12/09	0.9	0.2	0.7
3/10	2.0	1.8	0.2
6/10	2.7	3.5	-0.8
9/10	3.1	2.5	0.6
12/10	-1.0	-1.3	0.3
3/11	0.7	0.4	0.3
6/11	2.1	2.3	-0.2
9/11	1.9	3.8	-1.9
12/11	1.3	1.1	0.2
3/12	2.2	0.3	1.9
6/12	1.9	2.1	-0.2

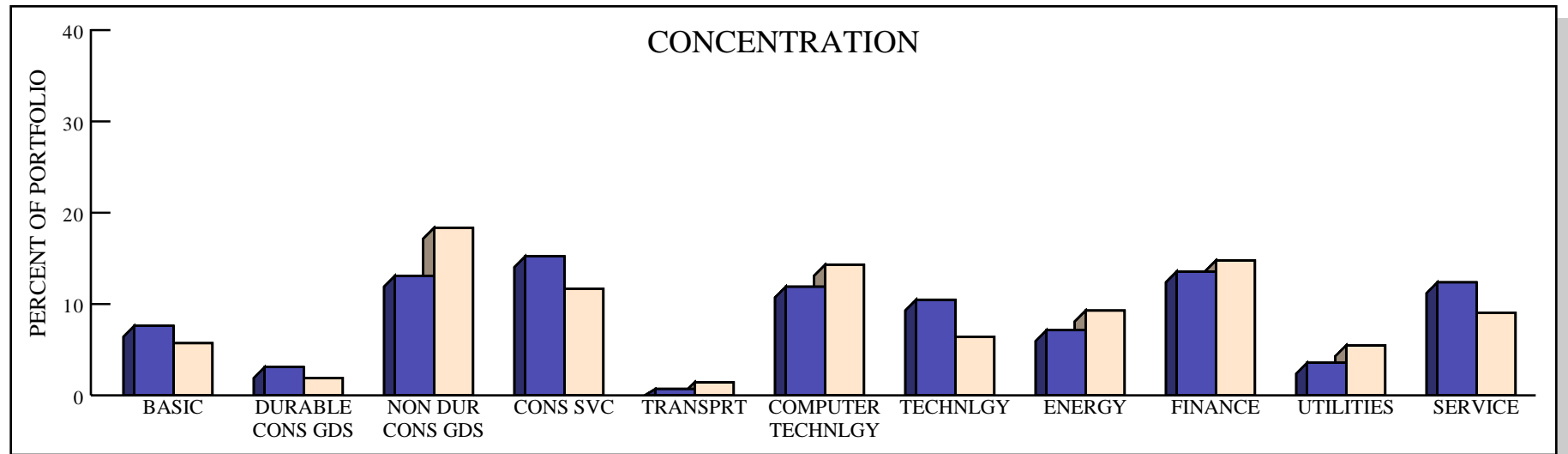
**STOCK CHARACTERISTICS**



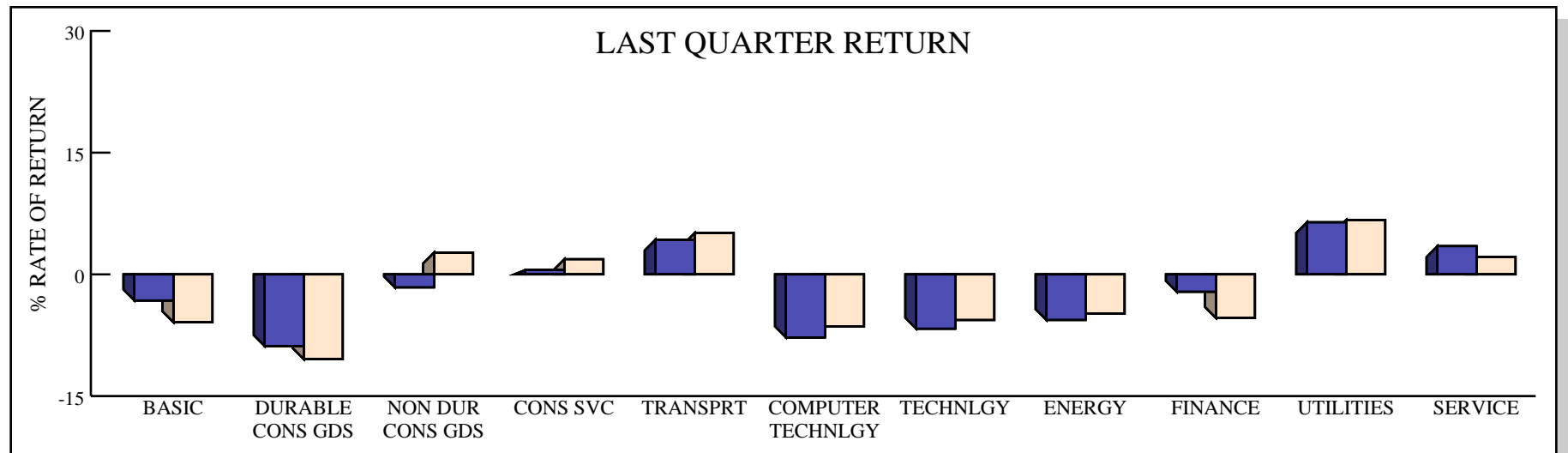
	YIELD	GROWTH	P/E	BETA
PORTFOLIO	2.0%	10.2%	18.5	0.99
S&P 500	2.1%	9.6%	18.0	1.00



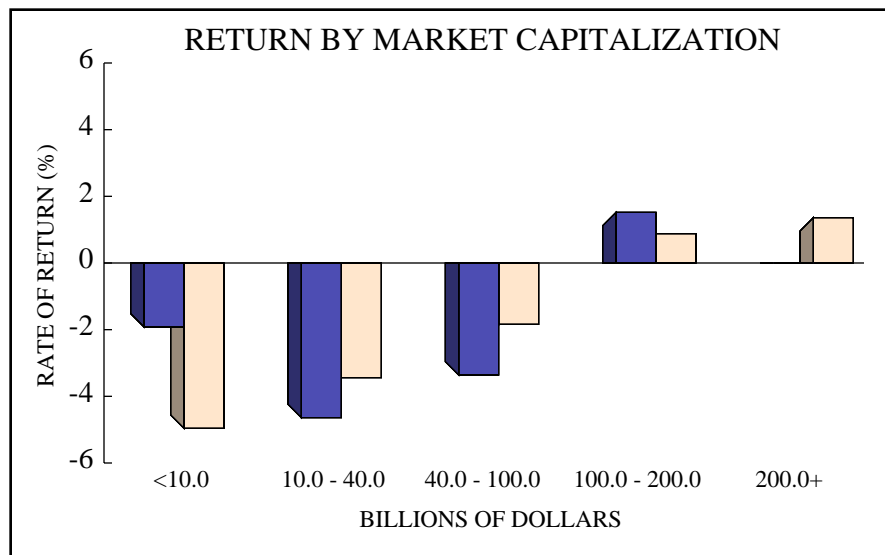
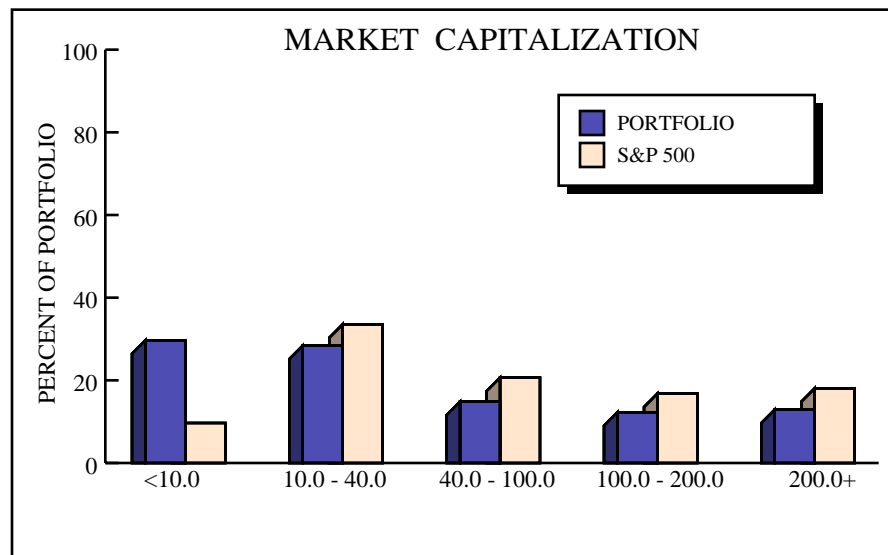
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO      ■ S&P 500



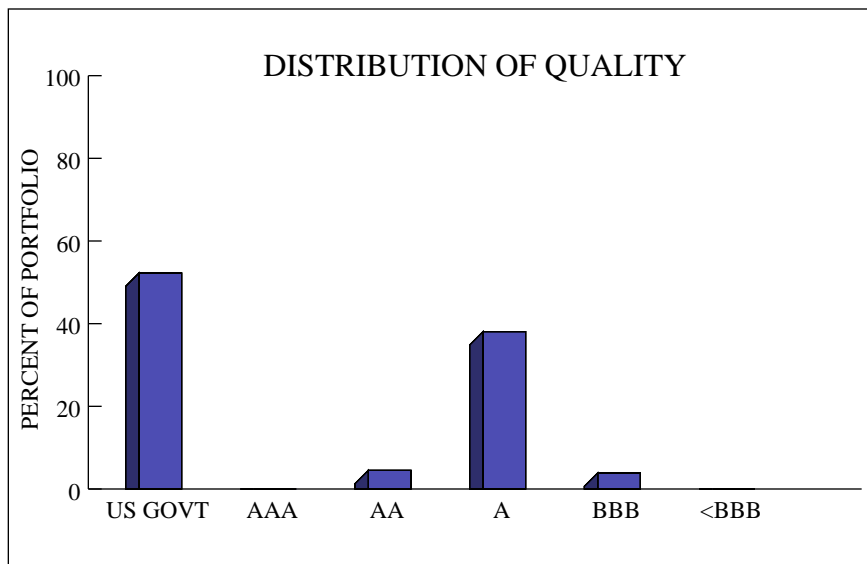
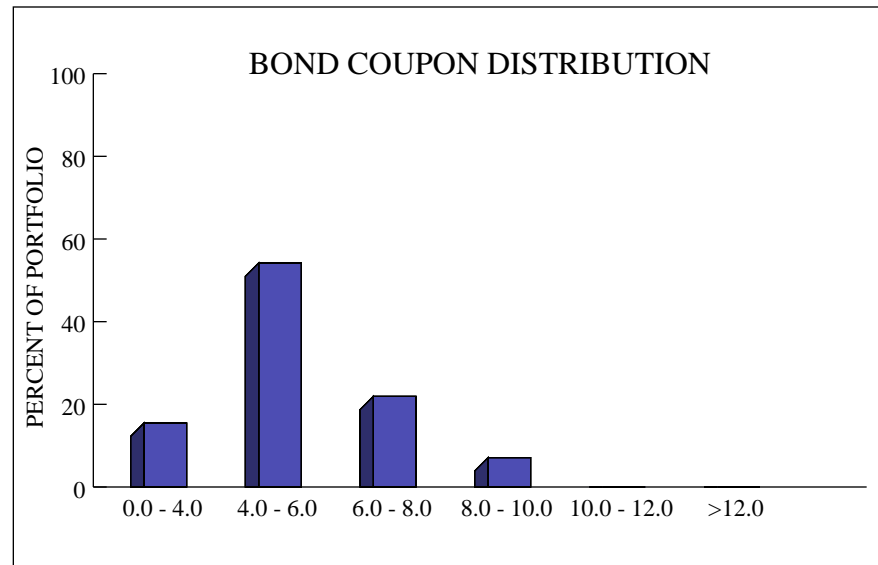
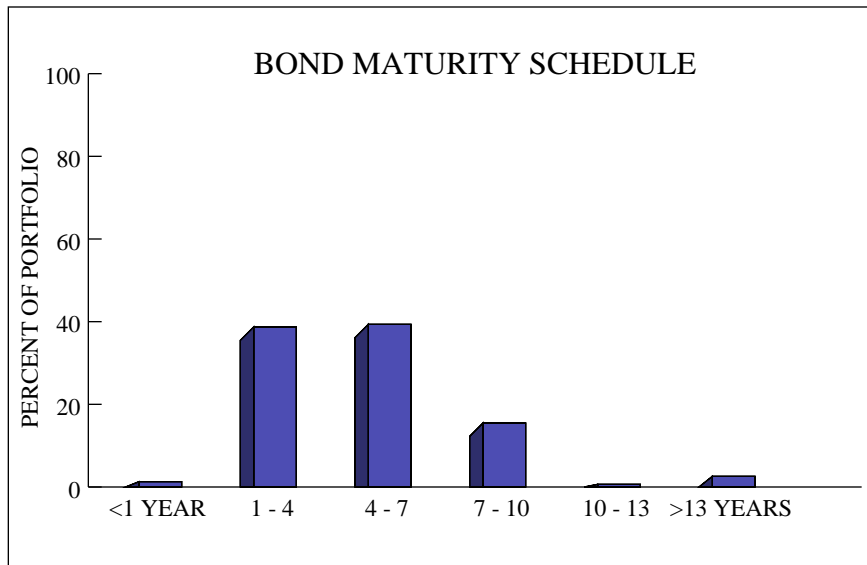
**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	MICROSOFT CORP	\$ 1,123,571	3.01%	-4.5%	Computer Tech	\$ 257.0 B
2	APPLE INC	884,760	2.37%	-2.6%	Computer Tech	546.1 B
3	INTL BUSINESS MACHINES CORP	796,793	2.14%	-5.9%	Service	225.6 B
4	EXXON MOBIL CORP	667,189	1.79%	-0.8%	Energy	400.1 B
5	QUALCOMM INC	612,925	1.64%	-17.8%	Technology	95.5 B
6	COCA-COLA CO/THE	575,087	1.54%	6.3%	NonDur Cons Goods	176.5 B
7	BAXTER INTERNATIONAL INC	573,861	1.54%	-10.5%	Technology	29.3 B
8	GENERAL ELECTRIC CO	515,373	1.38%	4.6%	Basic	220.8 B
9	CISCO SYSTEMS INC	496,213	1.33%	-18.4%	Computer Tech	92.0 B
10	PEPSICO INC	493,560	1.32%	7.2%	NonDur Cons Goods	110.5 B

**BOND CHARACTERISTICS**



	<b>PORTFOLIO</b>	<b>BARCLAYS AGG</b>
No. of Securities	140	7,921
Duration	4.94	5.07
YTM	2.59	1.98
Average Coupon	5.45	3.78
Avg Maturity / WAL	5.47	7.05
Average Quality	AAA-AA	USG-AAA

## COMPLIANCE REPORT

Total Fund:

Portfolio Value: \$87,084,111

<i>Performance</i>	<i>Qtr</i>	<i>1 Year</i>	<i>3 Year</i>	<i>5 Year</i>	<i>Compliance</i>
Total Fund	-2.3%	2.5%	11.8%	3.3%	-
Shadow Index	-1.6%	2.8%	12.0%	2.3%	-
Total Excess	-0.7%	-0.3%	-0.2%	1.0%	YES
Large Cap Equity Return	-4.9%	3.5%	14.7%	1.0%	-
S&P 500 Index	-2.8%	5.5%	16.4%	0.2%	-
Equity Excess	-2.1%	-2.0%	-1.7%	0.8%	YES
Large Cap Equity Rank	(66)	(46)	(68)	(48)	YES
Mid Cap Equity Return	-4.9%	-2.2%	19.4%	2.7%	-
S&P 400 Index	-4.9%	-2.3%	19.4%	2.6%	-
Equity Excess	0.0%	0.1%	0.0%	0.1%	YES
Mid Cap Equity Rank	(51)	(54)	(41)	(44)	YES
Small Cap Equity Return	-2.5%	-0.2%	n/a	n/a	-
Russell 2000 Index	-3.5%	-2.1%	17.8%	0.5%	-
Equity Excess	1.0%	1.9%	n/a	n/a	-
Small Cap Equity Rank	(17)	(30)	n/a	n/a	-
Int'l Equity Return	-6.5%	-11.3%	6.0%	-5.9%	-
EAFE Index	-6.8%	-13.4%	6.4%	-5.6%	-
Int'l Equity Excess	0.3%	2.1%	-0.4%	-0.3%	NO
Int'l Equity Rank	(40)	(39)	(84)	(84)	NO
Real Estate Return	2.7%	12.2%	n/a	n/a	-
NCREIF ODCE	2.5%	12.4%	8.4%	-0.9%	-
Real Estate Excess	0.2%	-0.2%	n/a	n/a	-
Fixed Income Return	1.9%	7.5%	7.7%	8.0%	-
Barclays Aggregate Index	2.1%	7.5%	6.9%	6.8%	-
Fixed Excess	-0.2%	0.0%	0.8%	1.2%	YES
Fixed Rank	(86)	(72)	(61)	(18)	YES

<i>Asset Allocation</i>	<i>Actual</i>	<i>Target</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Compliance</i>
Domestic Equity	50.0%	50.0%	40.0%	60.0%	YES
Int'l Equity	9.5%	12.5%	7.5%	17.5%	YES
Real Estate	2.6%	5.0%	2.5%	7.5%	YES
Fixed	33.4%	32.5%	25.0%	40.0%	YES
Cash	4.4%	-	-	-	-

## COMPLIANCE REPORT

**Total Fund:****Portfolio Value: \$87,084,111**

<i>By manager</i>	<i>Actual</i>	<i>Target</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Compliance</i>
Buckhead Capital Management	34.8%	33.5%	27.0%	40.0%	YES
Garcia Hamilton	37.9%	34.0%	28.0%	40.0%	YES
Rhumblin - Mid Cap	7.2%	7.5%	5.0%	10.0%	YES
TAMRO - Small Cap	7.8%	7.5%	5.0%	10.0%	YES
Johnston	5.3%	7.5%	5.0%	10.0%	YES
SSgA - EAFE Index Fund	4.2%	5.0%	2.5%	7.5%	YES
American Core Realty	2.6%	5.0%	2.5%	7.5%	YES
Cash Account	0.0%	-	-	-	-

## COMPLIANCE REPORT

Buckhead Capital Management - Balanced, LCV:

Portfolio Value: \$30,332,855

<i>Asset Allocation</i>	<i>Actual</i>	<i>Target</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Compliance</i>
Equity	46.1%	50%	40%	70%	YES
Fixed	47.1%	50%	30%	50%	YES
Cash	6.7%	-	0%	10%	YES

<i>Performance</i>	<i>Qtr</i>	<i>1 year</i>	<i>3 year</i>	<i>5 year</i>	<i>Compliance</i>
Balanced Return	-1.1%	4.8%	10.4%	2.5%	-
Equity Return	-3.9%	3.1%	13.5%	-1.5%	-
Russell 1000 V Index Return	-2.2%	3.0%	15.8%	-2.2%	-
Equity Excess Russell 1000 V	-1.7%	0.1%	-2.3%	0.7%	YES
LCV Equity Rank	(53)	(31)	(74)	(70)	NO
Fixed Return	1.5%	7.2%	6.5%	7.5%	-
Barclays Aggregate Index	2.1%	7.5%	6.9%	6.8%	-
Fixed Excess	-0.6%	-0.3%	-0.4%	0.7%	YES
Core Fixed Rank	(96)	(86)	(93)	(40)	YES

<i>Guidelines</i>	<i>Limit</i>	<i>Portfolio</i>	<i>Compliance</i>
<i>Equity:</i>			
Listed on national stock exchanges	100%	100%	YES
ADR/Foreign Multinational	10%	2.1%	YES
Risk/Beta	1.3	0.92	YES
5 year operating history	100%	100%	YES
Market Capitalization Minimum	\$.100 B	1.8 B	YES
Exelis Inc.	-	-	-
Market Capitalization less than \$5 B	15%	7.6%	YES
% in one stock	5.0%	3.7%	YES
General Electric Co.	-	-	-
<i>Fixed:</i>			
Corporate bonds	A	A	YES
% in one non-USG bond	5%	1.0%	YES



## COMPLIANCE REPORT

Garcia Hamilton - Balanced, LCG:

Portfolio Value: \$33,095,228

<i>Asset Allocation</i>	<i>Actual</i>	<i>Target</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Compliance</i>
Equity	50.6%	50%	40%	70%	YES
Fixed	44.8%	50%	30%	50%	YES
Cash	4.6%	-	0%	10%	YES

<i>Performance</i>	<i>Qtr</i>	<i>1 year</i>	<i>3 year</i>	<i>5 year</i>	<i>Compliance</i>
Balanced Return	-2.0%	5.9%	12.5%	5.2%	-
Equity Return	-5.8%	3.7%	15.7%	3.2%	-
Russell 1000 G Index Return	-4.0%	5.8%	17.5%	2.9%	-
Equity Excess Russell 1000 G	-1.8%	-2.1%	-1.8%	0.3%	YES
LCG Equity Rank	(65)	(45)	(51)	(33)	YES
Fixed Return	2.2%	7.8%	8.7%	8.5%	-
Barclays Aggregate Index	2.1%	7.5%	6.9%	6.8%	-
Fixed Excess	0.1%	0.3%	1.8%	1.7%	YES
Core Fixed Rank	(39)	(59)	(25)	(7)	YES

<i>Guidelines</i>	<i>Limit</i>	<i>Portfolio</i>	<i>Compliance</i>
<i>Equity:</i>			
Listed on national stock exchanges	100%	100%	YES
ADR/Foreign Multinational	10%	0.0%	YES
Risk/Beta	1.3	1.00	YES
5 year operating history	100%	100%	YES
Market Capitalization Minimum	\$.100 B	2.5 B	YES
Hain Celestial Group Inc.	-	-	-
Market Capitalization less than \$5 B	15%	2.7%	YES
% in one stock	5.0%	5.3%	NO
Apple Inc.	-	-	-
<i>Fixed:</i>			
Corporate bonds	A	A	YES
% in one non-USG bond	5%	2.1%	YES

## Tamro - Small Cap

Portfolio Value: \$6,810,892

<i>Performance</i>	<i>Qtr</i>	<i>1 year</i>	<i>3 year</i>	<i>5 year</i>	<i>Compliance</i>
Total Return	-2.4%	-0.4%	n/a	n/a	-
Equity Return	-2.5%	-0.2%	n/a	n/a	-
Russell 2000 Index Return	-3.5%	-2.1%	17.8%	8.9%	-
Equity Excess Russell 2000	1.0%	1.9%	n/a	n/a	-
Small Cap Equity Rank	(18)	(30)	n/a	n/a	-

<i>Guidelines</i>	<i>Limit</i>	<i>Portfolio</i>	<i>Compliance</i>
<i>Equity:</i>			
Listed on national stock exchanges	100%	100%	YES
ADR/Foreign Multinational	5%	0.0%	YES
Risk/Beta	1.3	1.10	YES
Market Capitalization Minimum	\$.100 B	\$.29 B	YES
Rosetta Stone Inc.	-	-	-
% in one stock	5.0%	3.1%	YES
Coinstar Inc.	-	-	-

## APPENDIX - MAJOR MARKET INDEX RETURNS

<b>Domestic Equity</b>	<b>Style</b>	<b>QTR</b>	<b>FYTD</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 Years</b>
Russell 3000	Broad Equity	-3.1	22.6	3.8	16.7	0.4
S&P 500	Large Cap Core	-2.8	22.4	5.5	16.4	0.2
Russell 1000	Large Cap Core	-3.1	22.3	4.4	16.6	0.4
Russell 1000 Growth	Large Cap Growth	-4.0	21.8	5.8	17.5	2.9
Russell 1000 Value	Large Cap Value	-2.2	22.9	3.0	15.8	-2.2
Russell Mid Cap	Midcap	-4.4	21.3	-1.7	19.4	1.1
Russell Mid Cap Growth	Midcap Growth	-5.6	20.2	-3.0	19.0	1.9
Russell Mid Cap Value	Midcap Value	-3.3	22.2	-0.4	19.9	-0.1
Russell 2000	Small Cap	-3.5	25.3	-2.1	17.8	0.5
Russell 2000 Growth	Small Cap Growth	-3.9	25.1	-2.7	18.1	2.0
Russell 2000 Value	Small Cap Value	-3.0	25.5	-1.4	17.4	-1.1

<b>International Equity</b>	<b>Style</b>	<b>QTR</b>	<b>FYTD</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 Years</b>
MSCI EAFE	Developed Markets Equity	-6.8	6.9	-13.4	6.4	-5.6
MSCI EAFE Growth	Developed Markets Growth	-7.1	8.3	-12.2	8.0	-4.3
MSCI EAFE Value	Developed Markets Value	-6.7	5.4	-14.6	4.9	-7.1
MSCI All Country World Ex US	Foreign Equity	-7.4	7.0	-14.2	7.4	-4.2
MSCI Emerging Markets	Emerging Markets Equity	-8.8	8.8	-15.7	10.1	0.2

<b>Domestic Fixed Income</b>	<b>Style</b>	<b>QTR</b>	<b>FYTD</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 Years</b>
Barclays Aggregate Index	Core Fixed Income	2.1	3.5	7.5	6.9	6.8
Barclays Gov/Credit	Gov/Credit	2.6	3.9	8.8	7.3	6.9
Barclays Capital Gov't Bond	Treasuries	2.6	2.3	8.3	5.6	6.6
Barclays Capital Credit Bond	Corporate Bonds	2.5	6.7	9.7	10.3	8.0
Intermediate Aggregate	Core Intermediate	1.3	2.9	5.3	6.0	6.2
Intermediate Gov/Credit	Gov / Credit Intermediate	1.5	3.0	5.4	5.8	6.0
ML/BoA 1-3 Year Treasury	Short Term Treasuries	0.2	0.3	0.8	1.6	3.3
CSFB High Yield	High Yield Bonds	1.6	13.1	7.3	16.0	7.7

<b>Alternative Assets</b>	<b>Style</b>	<b>QTR</b>	<b>FYTD</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 Years</b>
Barclays Global Ex-US	International Treasuries	-0.4	0.4	-0.3	2.6	5.5
NCREIF NFI-ODCE Index	Real Estate	2.5	8.6	12.4	8.4	-0.9
HFRI FOF Composite	Hedge Funds	-2.3	0.5	-4.5	1.6	-1.9
DJCS Tremont Hedge Fund Index	Hedge Funds	-2.3	0.9	-6.0	4.6	0.5

**APPENDIX - DISCLOSURES**

\* The shadow index is a customized index that matches your portfolio's asset allocation on a quarterly basis.

This index was calculated using the following asset classes and corresponding benchmarks:

Large Cap Equity	S&P 500
Mid Cap Equity	S&P 400
Small Cap Equity	Russell 2000
International Equity	MSCI EAFE
Real Estate	NCREIF NFI-ODCE Index
Fixed Income	Custom Fixed Income Index
Cash & Equivalent	90 Day T Bill

\* The Custom Fixed Income Index is a hybrid index that is 100% Barclays Gov/Credit through September 2008 and 100% Barclays Aggregate for periods thereafter.

\* Dahab Associates utilizes data provided by a custodian and other vendors it believes are reliable. However, it cannot assume responsibility for errors and omissions therefrom.

\* All returns were calculated on a time-weighted basis, and are gross of fees unless otherwise noted.

\* All returns for periods greater than one year are annualized.

\* All values are in US dollars.

\* Performance shown for the Buckhead and Davis Hamilton portfolios for periods prior to September 2007 have been provided by the respective managers and have not been reconciled with custodial data.

TOWN OF DAVIE POLICE PENSION FUND  
GARCIA HAMILTON  
PERFORMANCE REVIEW  
JUNE 2012

## **INVESTMENT RETURN**

On June 30th, 2012, the Town of Davie Police Pension Fund's Garcia Hamilton portfolio was valued at \$33,095,228, a decrease of \$545,713 from the March ending value of \$33,640,941. Last quarter, the account recorded total net contributions of \$119,445, which marginally offset the account's \$665,158 net investment loss for the period. The fund's net investment loss was a result of income receipts totaling \$329,036 and realized and unrealized capital losses totaling \$994,194.

Since June 2007, the account has recorded net withdrawals totaling \$442,857 while posting net investment gains totaling \$7.6 million. Since June 2007, if the account had earned a compounded nominal rate of 7.9% it would have been valued at \$37.8 million or \$4.7 million more than the actual value as of June 30th, 2012.

## **RELATIVE PERFORMANCE**

### **Total Fund**

For the second quarter, the Garcia Hamilton portfolio returned -2.0%, which ranked in the 53rd percentile of the Balanced Fund universe. Over the trailing year, the portfolio's return was 5.9%, which ranked in the 19th percentile. Since June 2007, the portfolio returned 5.2% on an annualized basis and ranked in the 8th percentile.

### **Large Cap Equity**

The large cap equity component returned -5.8% during the second quarter, 1.8% below the Russell 1000 Growth Index's return of -4.0% and ranked in the 65th percentile of the Large Cap Growth universe. Over the trailing twelve-month period, the large cap equity portfolio returned 3.7%, 2.1% less than the benchmark's 5.8% return, and ranked in the 45th percentile. Since June 2007, this component

returned 3.2% on an annualized basis and ranked in the 33rd percentile. The Russell 1000 Growth returned an annualized 2.9% over the same time frame.

### **Fixed Income**

In the second quarter, the fixed income component returned 2.2%, which was 0.1% greater than the Custom Fixed Income Index's return of 2.1% and ranked in the 39th percentile of the Core Fixed Income universe. Over the trailing twelve-month period, this component returned 7.8%, which was 0.3% greater than the benchmark's 7.5% return, ranking in the 59th percentile. Since June 2007, this component returned 8.5% per annum and ranked in the 7th percentile. The Custom Fixed Income Index returned an annualized 6.6% over the same time frame.

## **ASSET ALLOCATION**

At the end of the second quarter, large cap equities comprised 50.6% of the total portfolio (\$16.8 million), while the portfolio's fixed income component totaled 44.8% (\$14.8 million) and cash & equivalent comprised the remaining 4.6% (\$1.5 million).

## **ANALYSIS**

### **Equity**

At the end of the last quarter, the equity component of the Garcia Hamilton equity portfolio was invested across all eleven industry sectors depicted in our analysis. Relative to the Russell 1000 Growth, the Basic, Durable Consumer Goods, Consumer Service, Technology, Energy, and Service sectors were given more weight, while the Non Durable Consumer Goods, Computer Technology, and Finance sectors were notably lighter.

Stock selection fell below the benchmark in five of the eleven sectors, resulting in a 180 basis point performance deficit. While Utilities stocks added value for Garcia Hamilton, this was only a minimal portion of the portfolio. Non Durable Consumer Goods and Technology fell below their benchmark returns by the widest margins. In addition, poor returns from the Computer Technology sector further hurt the performance of the portfolio for the quarter.

### **Fixed Income**

*In our bond analysis, we use the S&P rating agency's ratings. Rating agencies can differ slightly causing bonds to be split rated. This portfolio contains the following split rated bond: American Express. This was the only BBB rated bond in our analysis.*

At the end of the quarter, nearly 45% of the total bond portfolio was comprised of USG quality securities. The remainder of the portfolio consisted of corporate securities, rated AA through BBB, giving the portfolio an overall average quality rating of AAA-AA. The average maturity of the portfolio was 5.9 years, less than the Barclays Aggregate Index's 7.1-year maturity. The average coupon was 6.4%.

**EXECUTIVE SUMMARY****PERFORMANCE SUMMARY**

	Quarter	FYTD	-----Annualized-----		
			1 Year	3 Years	5 Years
<b>Total Gross/Fees</b>	-2.0	12.9	5.9	12.5	5.2
<i>BALANCED FUND RANK</i>	(53)	(77)	(19)	(22)	( 8)
<b>Total Net/Fees</b>	-2.1	12.5	5.5	12.0	4.8
SHADOW INDEX	-1.1	12.3	6.8	12.9	4.6
<b>Large Cap Equity</b>	-5.8	19.2	3.7	15.7	3.2
<i>LARGE CAP GROWTH RANK</i>	(65)	(67)	(45)	(51)	(33)
RUSSELL 1000G	-4.0	21.8	5.8	17.5	2.9
S&P 500	-2.8	22.4	5.5	16.4	0.2
<b>Fixed Income</b>	2.2	6.9	7.8	8.7	8.5
<i>CORE FIXED INCOME RANK</i>	(39)	( 2)	(59)	(25)	( 7)
CUSTOM FX INDEX	2.1	3.5	7.5	6.9	6.6
BARCLAYS AGG	2.1	3.5	7.5	6.9	6.8
GOV/CREDIT	2.6	3.9	8.8	7.3	6.9

**ASSET ALLOCATION**

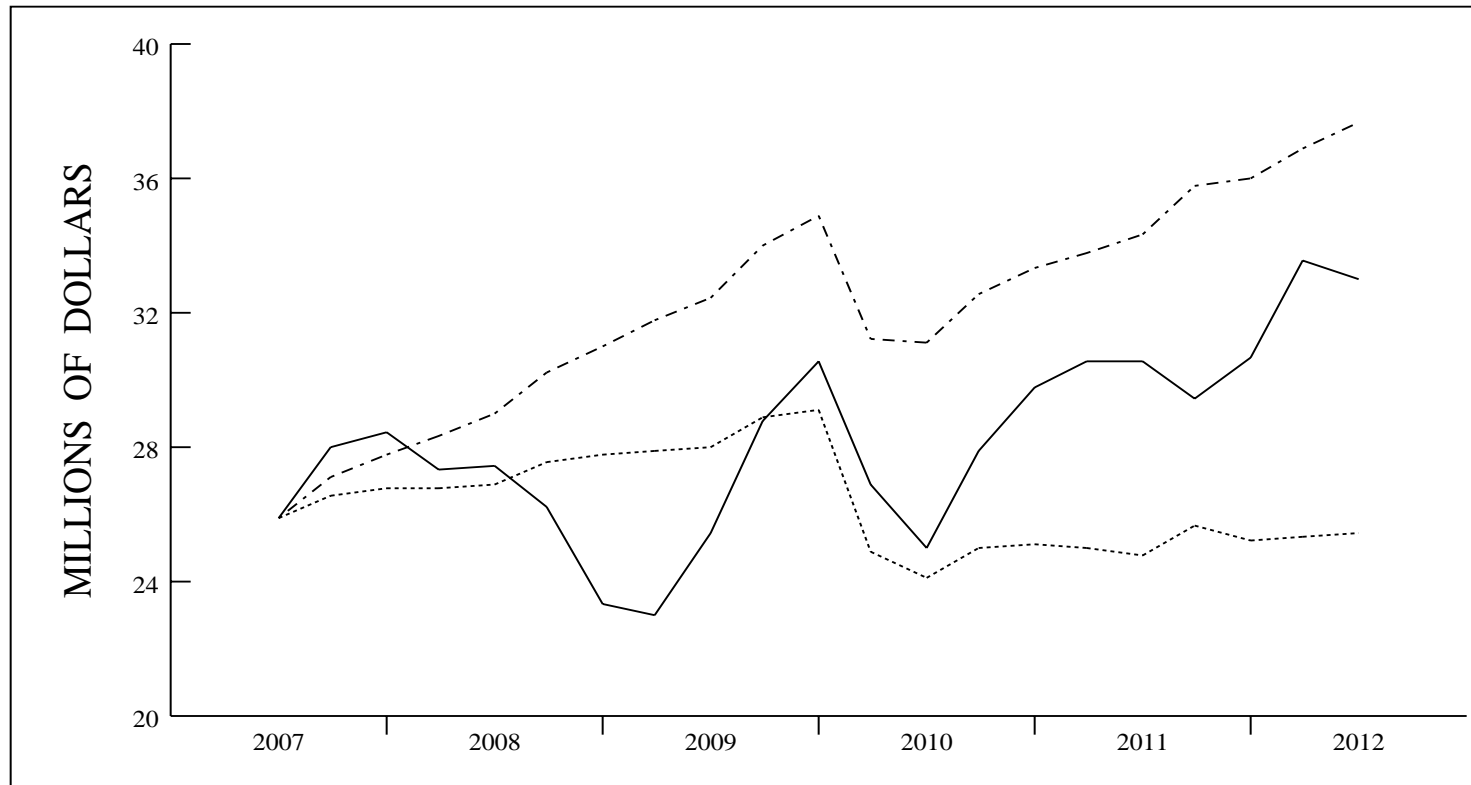
Large Cap Equity	50.6%	\$ 16,761,695
Fixed Income	44.8%	14,813,112
Cash	4.6%	1,520,422
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 33,095,228</b>

**INVESTMENT RETURN**

Market Value 3/2012	\$ 33,640,941
Contribs / Withdrawals	119,445
Income	329,036
Capital Gains / Losses	-994,194
Market Value 6/2012	\$ 33,095,228



**INVESTMENT GROWTH**

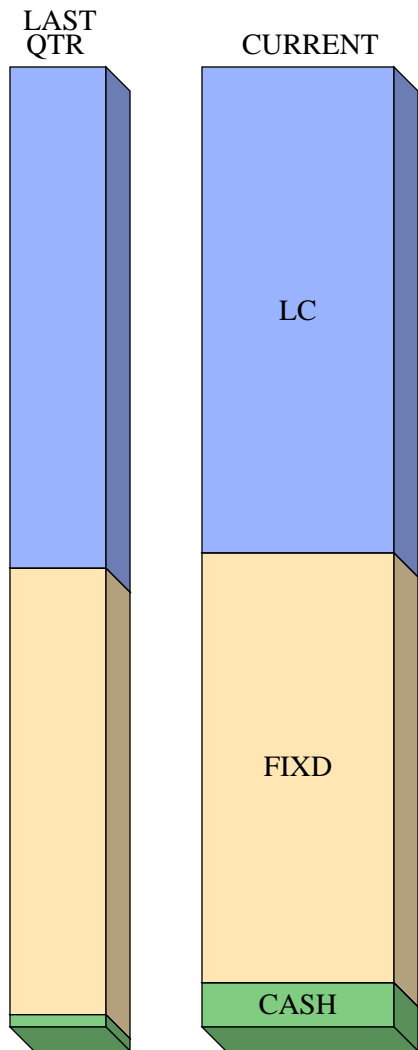


— ACTUAL RETURN  
 - - - 7.9%  
 . . . 0.0%

VALUE ASSUMING  
 7.9% RETURN  
 \$ 37,774,140

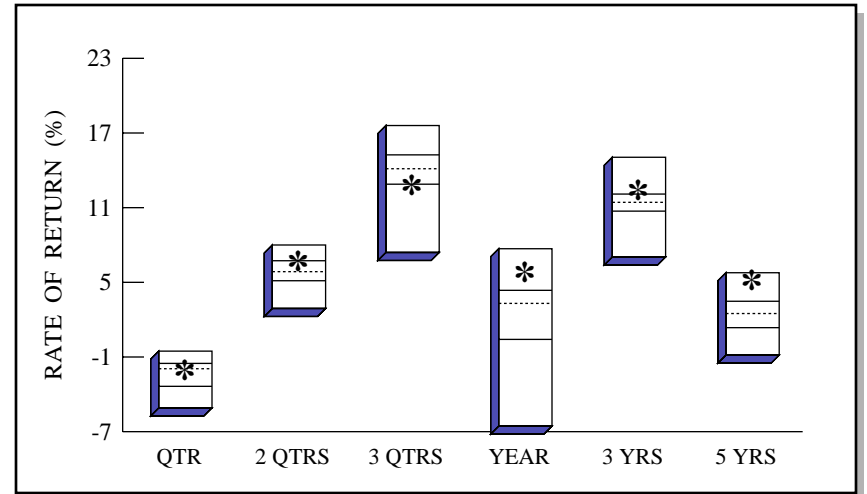
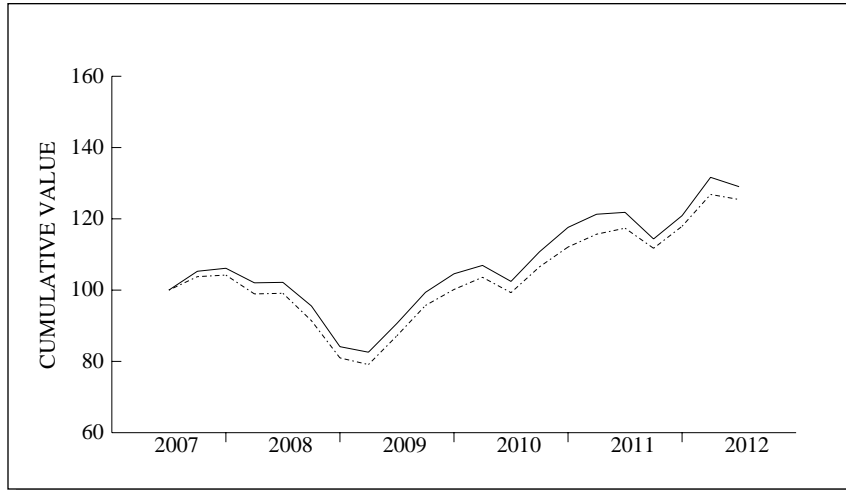
	LAST QUARTER	PERIOD 6/07 - 6/12
BEGINNING VALUE	\$ 33,640,941	\$ 25,979,255
NET CONTRIBUTIONS	119,445	-442,857
INVESTMENT RETURN	-665,158	7,558,830
ENDING VALUE	\$ 33,095,228	\$ 33,095,228
INCOME	329,036	4,200,761
CAPITAL GAINS (LOSSES)	-994,194	3,358,069
INVESTMENT RETURN	-665,158	7,558,830

**ASSET ALLOCATION**

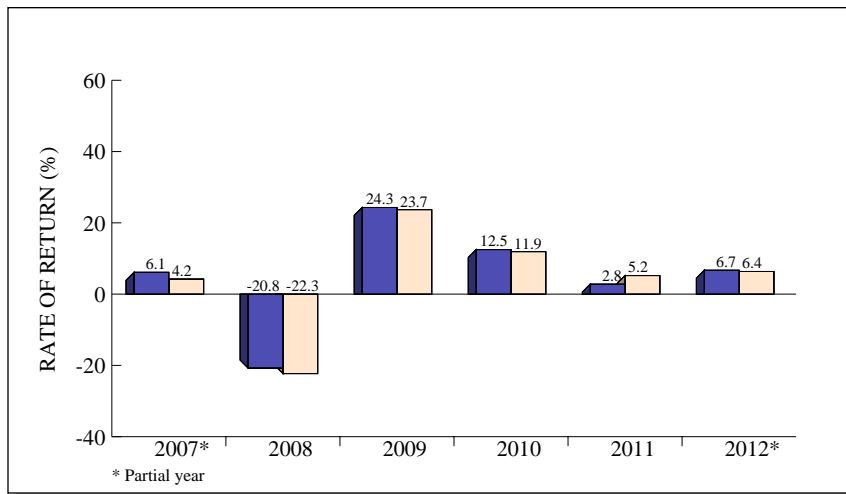


	<u>VALUE</u>	<u>PERCENT</u>	<u>TARGET</u>	<u>MIN</u>	<u>MAX</u>
LARGE CAP EQUITY	\$ 16,761,695	50.6%	50.0%	40.0%	70.0%
FIXED INCOME	14,813,112	44.8%	50.0%	30.0%	50.0%
CASH & EQUIVALENT	1,520,422	4.6%	0.0%	0.0%	10.0%
<u>TOTAL FUND</u>	<u>\$ 33,095,228</u>	<u>100.0%</u>			

**TOTAL RETURN COMPARISONS**



Balanced Fund Universe

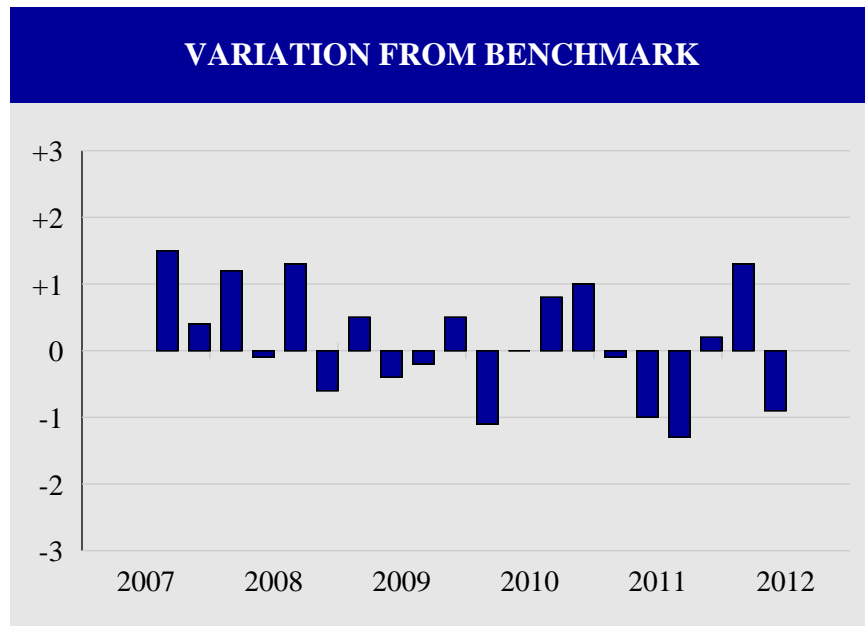


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-2.0	6.7	12.9	5.9	12.5	5.2
(RANK)	(53)	(27)	(77)	(19)	(22)	(8)
5TH %ILE	-0.5	8.0	17.6	7.7	15.1	5.8
25TH %ILE	-1.5	6.7	15.2	4.4	12.1	3.5
MEDIAN	-2.0	5.9	14.1	3.3	11.4	2.5
75TH %ILE	-3.4	5.1	12.9	0.4	10.7	1.4
95TH %ILE	-5.1	2.9	7.4	-6.6	7.0	-0.8
<b>Sh Idx</b>	<b>-1.1</b>	<b>6.4</b>	<b>12.3</b>	<b>6.8</b>	<b>12.9</b>	<b>4.6</b>

Balanced Fund Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

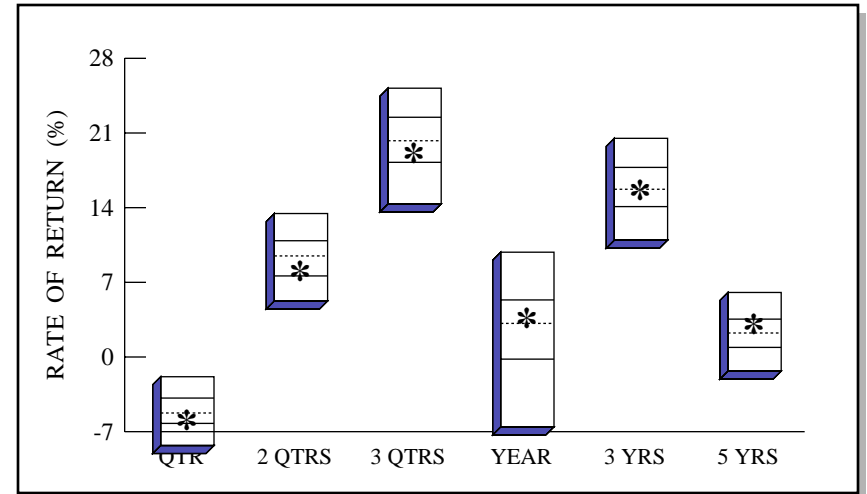
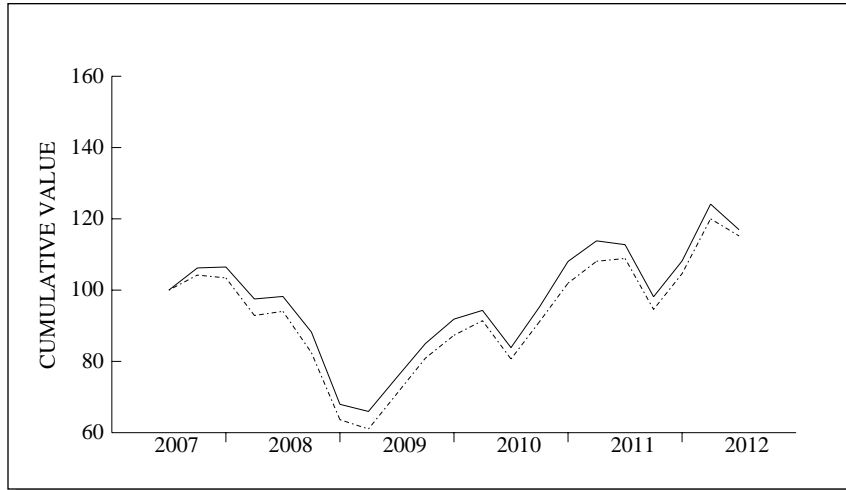
**COMPARATIVE BENCHMARK: SHADOW INDEX**



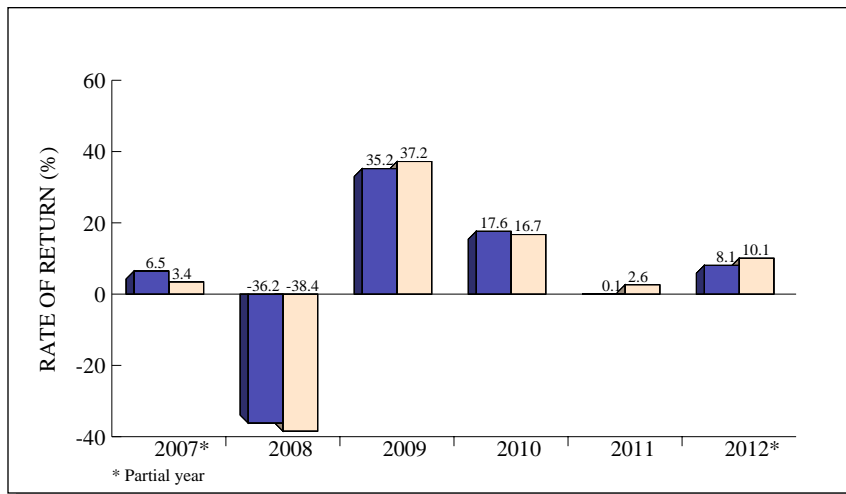
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/07	5.3	3.8	1.5
12/07	0.8	0.4	0.4
3/08	-3.8	-5.0	1.2
6/08	0.1	0.2	-0.1
9/08	-6.5	-7.8	1.3
12/08	-12.0	-11.4	-0.6
3/09	-1.8	-2.3	0.5
6/09	9.8	10.2	-0.4
9/09	9.6	9.8	-0.2
12/09	5.2	4.7	0.5
3/10	2.3	3.4	-1.1
6/10	-4.2	-4.2	0.0
9/10	8.1	7.3	0.8
12/10	6.2	5.2	1.0
3/11	3.1	3.2	-0.1
6/11	0.5	1.5	-1.0
9/11	-6.1	-4.8	-1.3
12/11	5.7	5.5	0.2
3/12	8.9	7.6	1.3
6/12	-2.0	-1.1	-0.9

<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>11</b>
<b>Quarters Below the Benchmark</b>	<b>9</b>
<b>Batting Average</b>	<b>.550</b>

## LARGE CAP EQUITY RETURN COMPARISONS



Large Cap Growth Universe



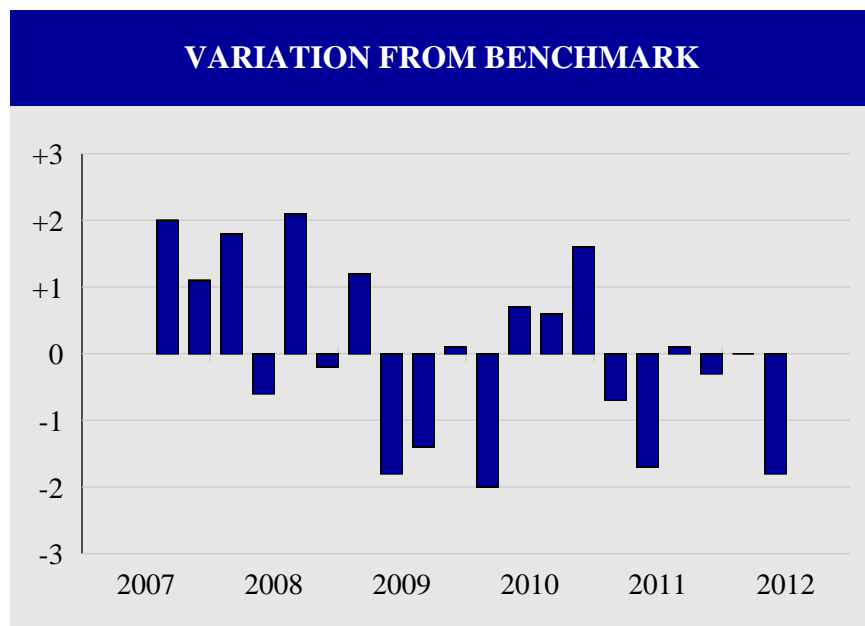
\* Partial year

	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-5.8	8.1	19.2	3.7	15.7	3.2
(RANK)	(65)	(68)	(67)	(45)	(51)	(33)
5TH %ILE	-1.9	13.4	25.2	9.8	20.5	6.1
25TH %ILE	-3.9	10.9	22.5	5.4	17.8	3.6
MEDIAN	-5.3	9.5	20.3	3.2	15.7	2.3
75TH %ILE	-6.2	7.6	18.2	-0.2	14.1	0.9
95TH %ILE	-8.3	5.2	14.4	-6.6	11.0	-1.3
<b>Russ 1000G</b>	<b>-4.0</b>	<b>10.1</b>	<b>21.8</b>	<b>5.8</b>	<b>17.5</b>	<b>2.9</b>

Large Cap Growth Universe

## LARGE CAP EQUITY QUARTERLY PERFORMANCE SUMMARY

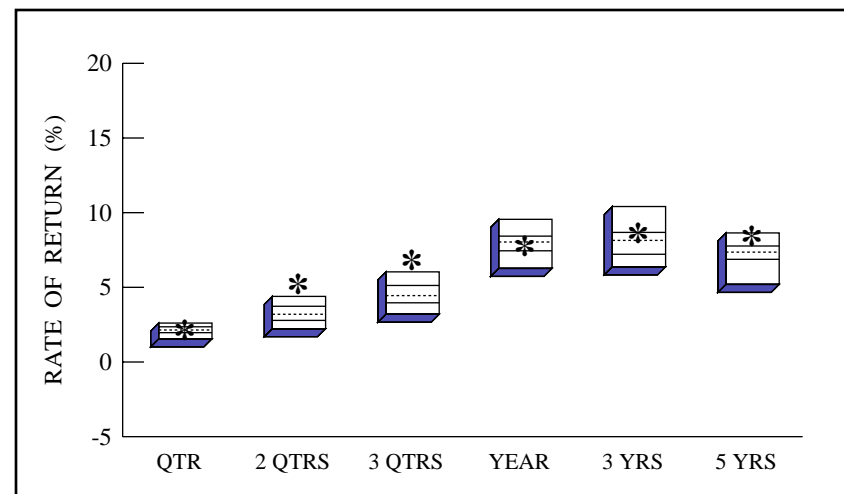
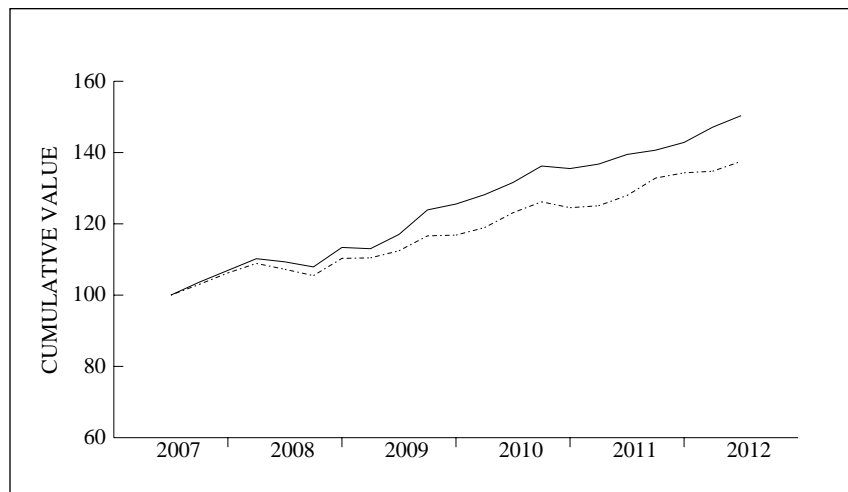
COMPARATIVE BENCHMARK: RUSSELL 1000 GROWTH



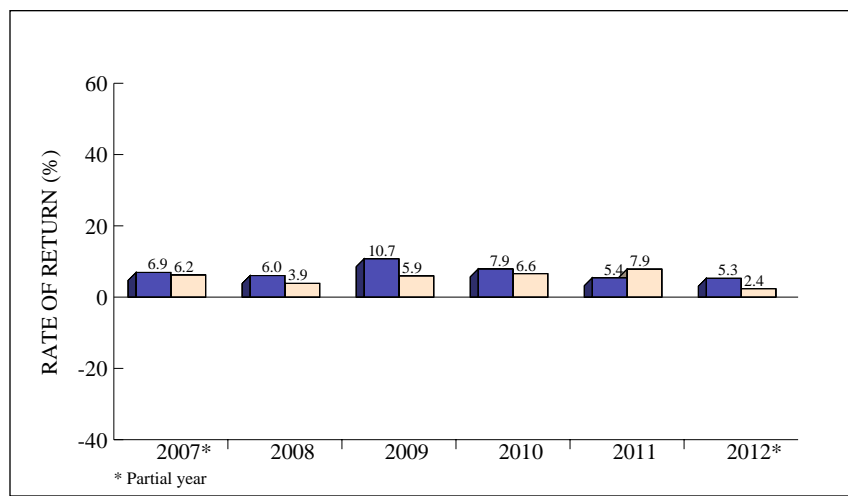
<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>11</b>
<b>Quarters Below the Benchmark</b>	<b>9</b>
<b>Batting Average</b>	<b>.550</b>

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/07	6.2	4.2	2.0
12/07	0.3	-0.8	1.1
3/08	-8.4	-10.2	1.8
6/08	0.7	1.3	-0.6
9/08	-10.2	-12.3	2.1
12/08	-23.0	-22.8	-0.2
3/09	-2.9	-4.1	1.2
6/09	14.5	16.3	-1.8
9/09	12.6	14.0	-1.4
12/09	8.0	7.9	0.1
3/10	2.7	4.7	-2.0
6/10	-11.1	-11.8	0.7
9/10	13.6	13.0	0.6
12/10	13.4	11.8	1.6
3/11	5.3	6.0	-0.7
6/11	-0.9	0.8	-1.7
9/11	-13.0	-13.1	0.1
12/11	10.3	10.6	-0.3
3/12	14.7	14.7	0.0
6/12	-5.8	-4.0	-1.8

### FIXED INCOME RETURN COMPARISONS



Core Fixed Income Universe

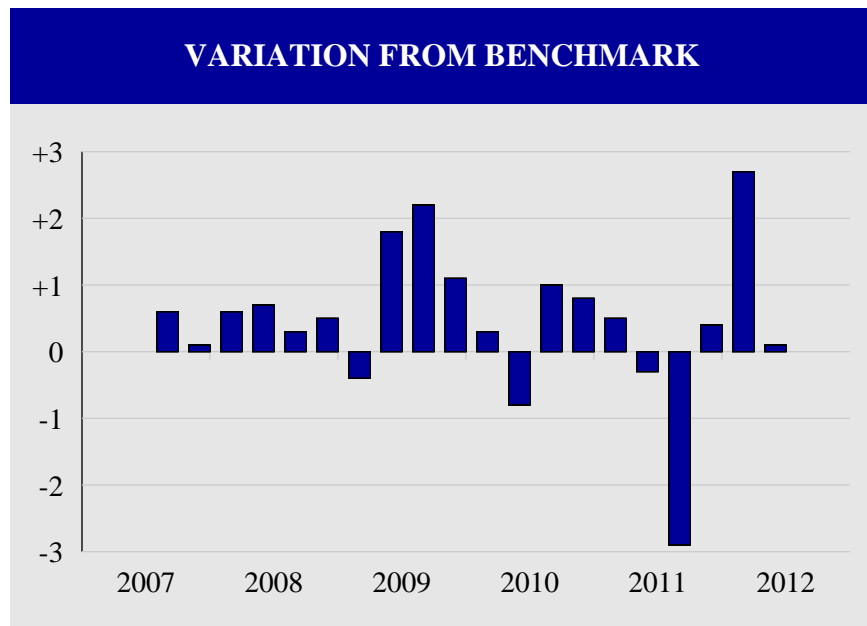


	QTR	2QTRS	3QTRS	YEAR	3 YRS	5 YRS
RETURN	2.2	5.3	6.9	7.8	8.7	8.5
(RANK)	(39)	(2)	(2)	(59)	(25)	(7)
5TH %ILE	2.6	4.4	6.0	9.6	10.4	8.6
25TH %ILE	2.4	3.7	5.1	8.4	8.7	7.8
MEDIAN	2.2	3.2	4.4	8.0	8.1	7.4
75TH %ILE	2.0	2.8	4.0	7.4	7.2	6.9
95TH %ILE	1.6	2.2	3.2	6.3	6.4	5.2
<b>Fixed Idx</b>	<b>2.1</b>	<b>2.4</b>	<b>3.5</b>	<b>7.5</b>	<b>6.9</b>	<b>6.6</b>

Core Fixed Income Universe

## FIXED INCOME QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: CUSTOM FIXED INCOME INDEX

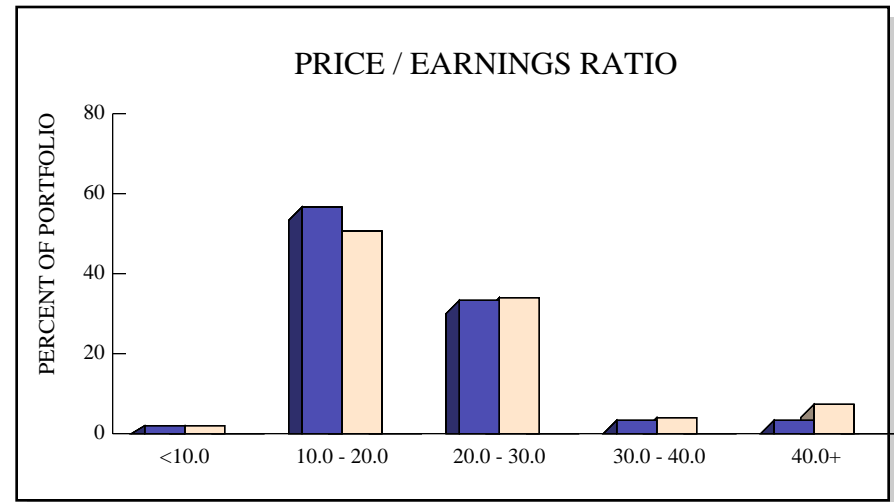
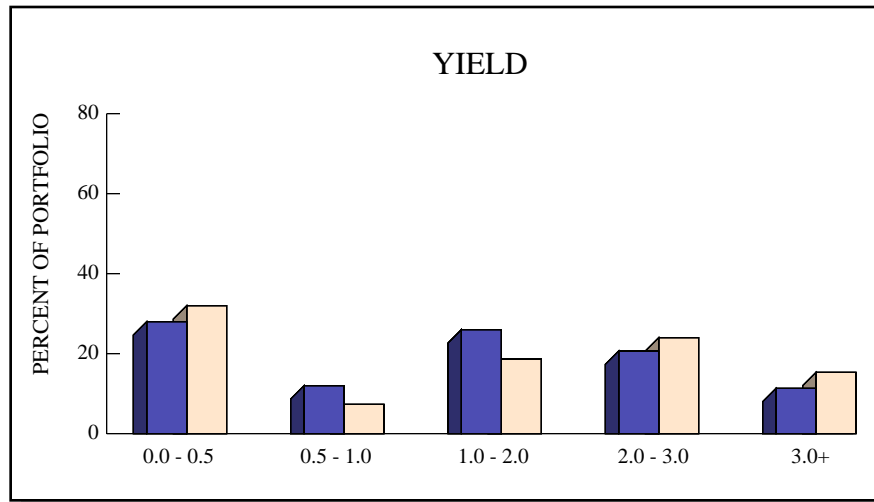


RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/07	3.6	3.0	0.6
12/07	3.2	3.1	0.1
3/08	3.1	2.5	0.6
6/08	-0.8	-1.5	0.7
9/08	-1.3	-1.6	0.3
12/08	5.1	4.6	0.5
3/09	-0.3	0.1	-0.4
6/09	3.6	1.8	1.8
9/09	5.9	3.7	2.2
12/09	1.3	0.2	1.1
3/10	2.1	1.8	0.3
6/10	2.7	3.5	-0.8
9/10	3.5	2.5	1.0
12/10	-0.5	-1.3	0.8
3/11	0.9	0.4	0.5
6/11	2.0	2.3	-0.3
9/11	0.9	3.8	-2.9
12/11	1.5	1.1	0.4
3/12	3.0	0.3	2.7
6/12	2.2	2.1	0.1

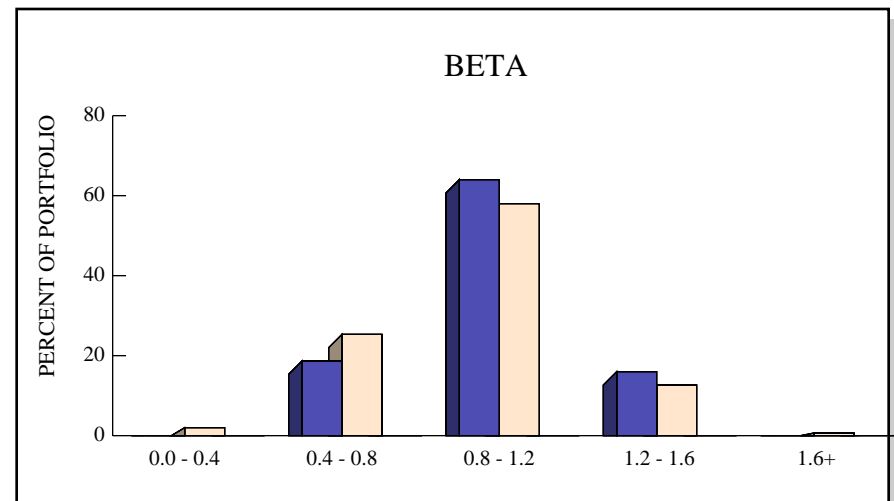
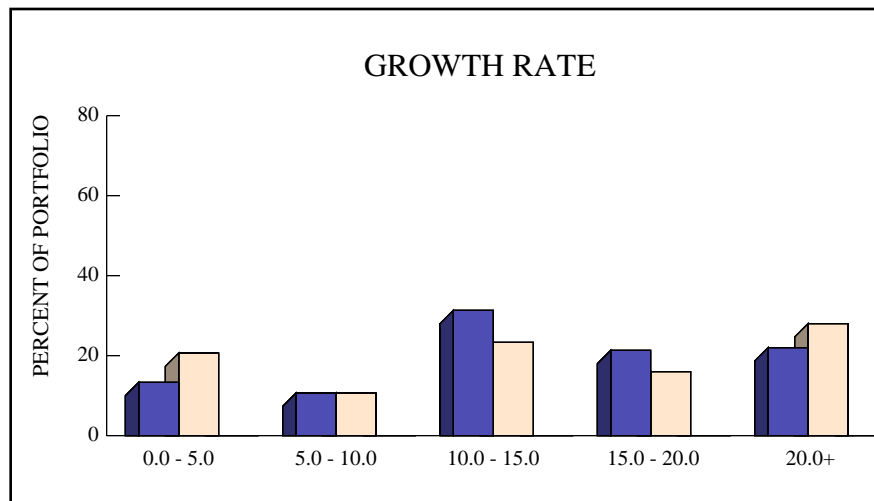
<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>16</b>
<b>Quarters Below the Benchmark</b>	<b>4</b>
<b>Batting Average</b>	<b>.800</b>



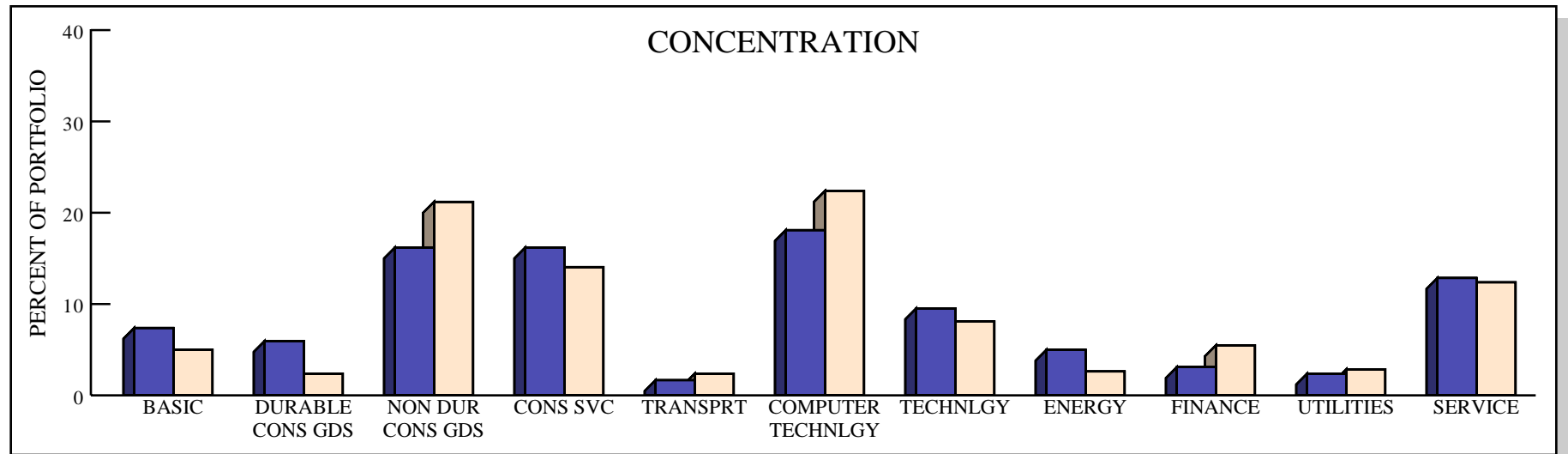
**STOCK CHARACTERISTICS**



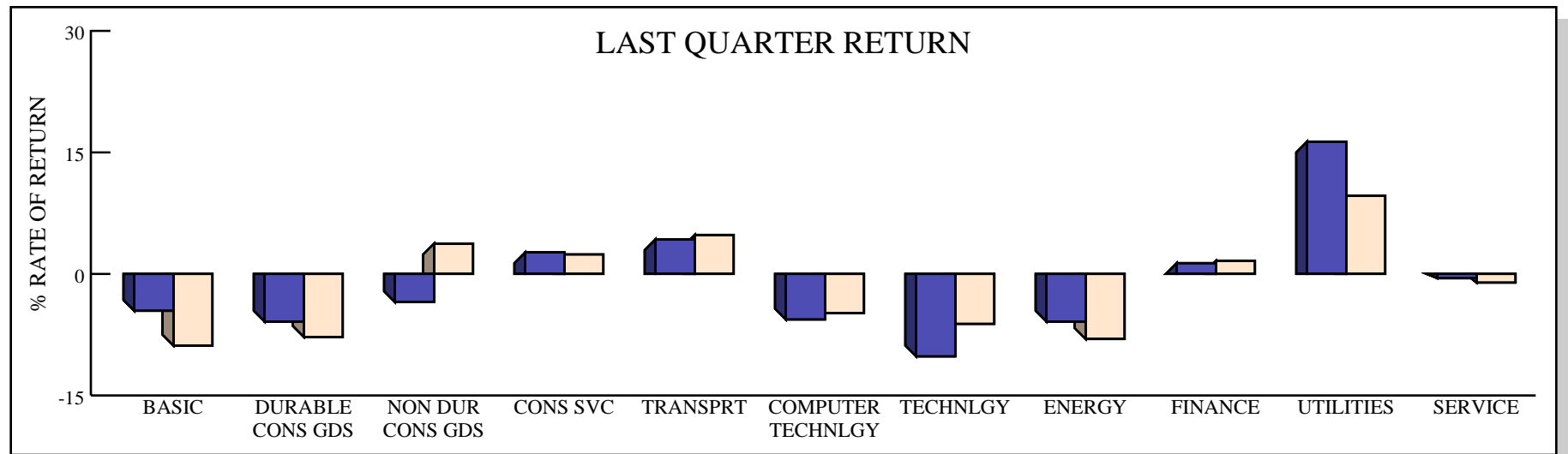
	YIELD	GROWTH	P/E	BETA
PORTFOLIO	1.5%	16.6%	19.1	1.00
RUSSELL 1000G	1.6%	17.1%	21.0	0.95



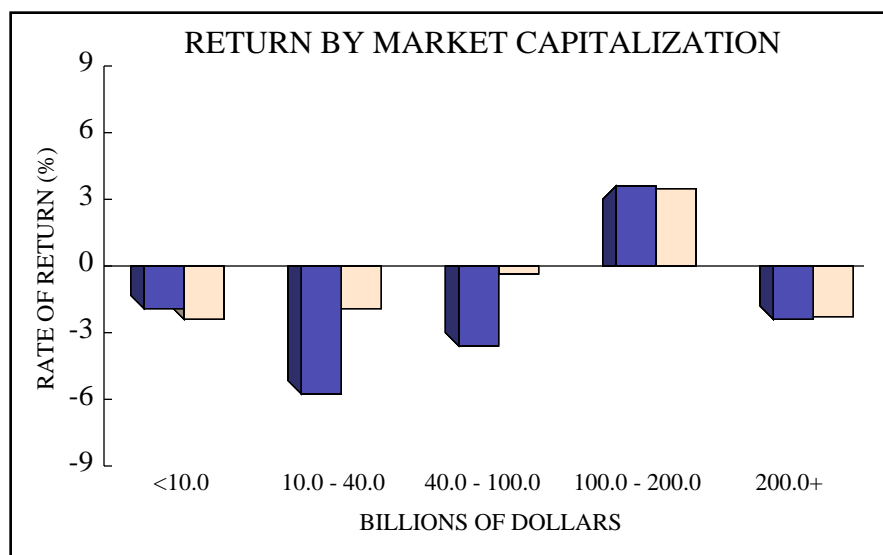
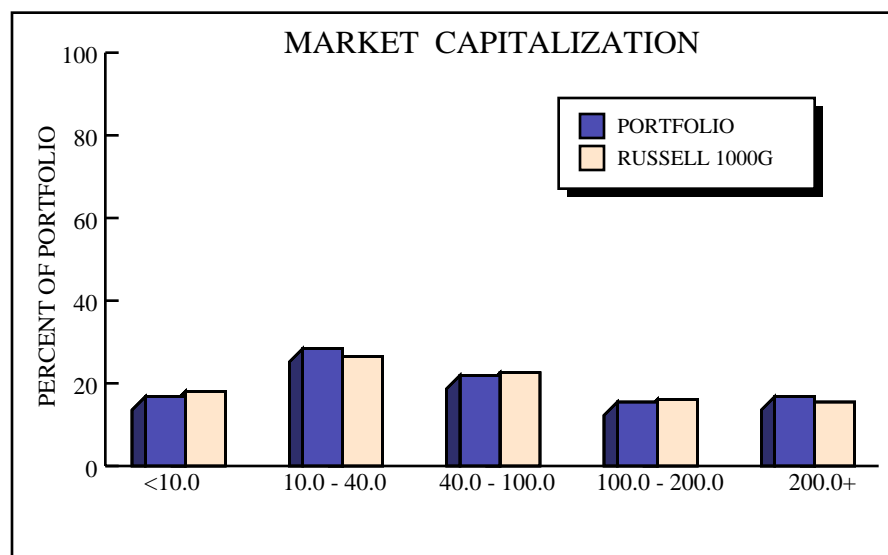
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO      ■ RUSSELL 1000 GROWTH



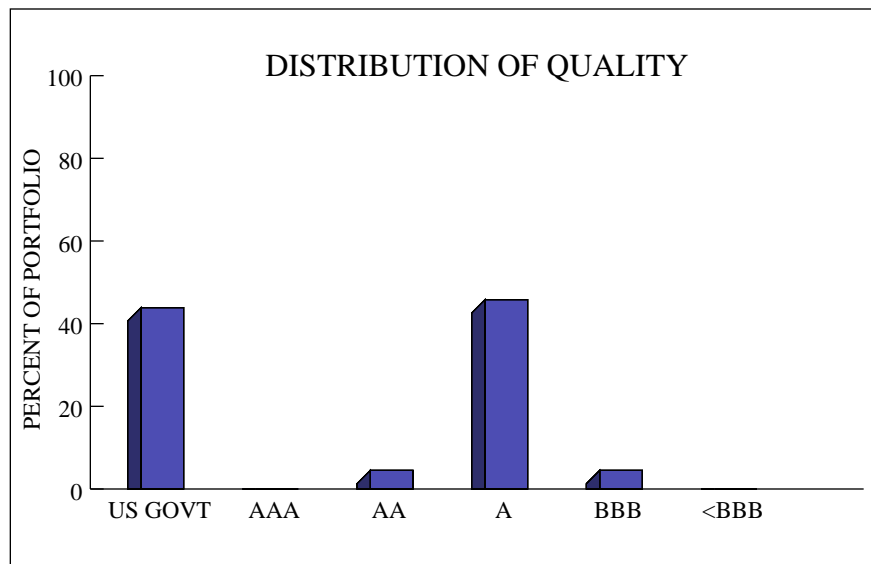
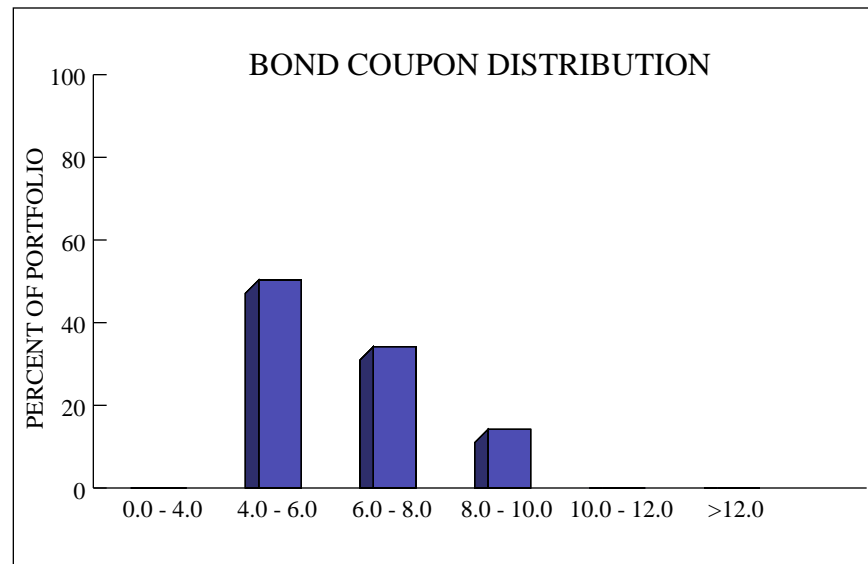
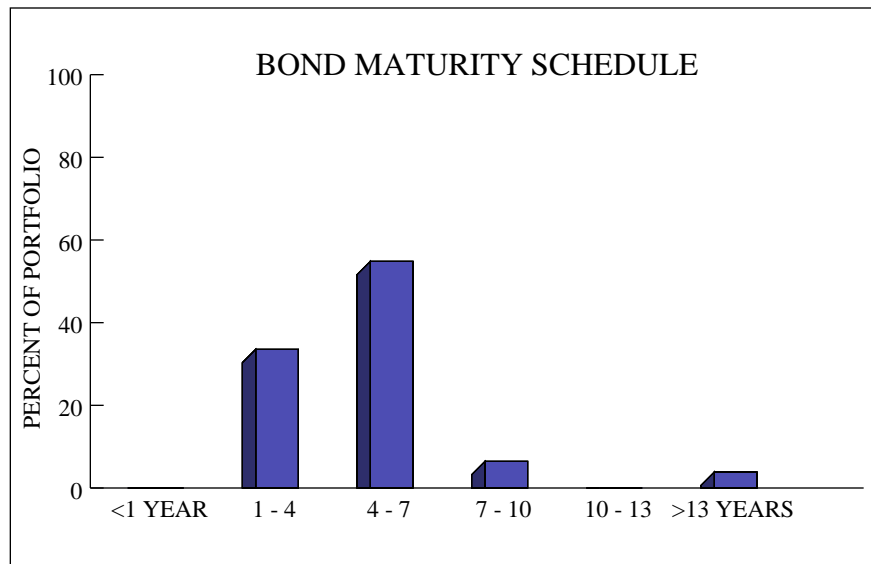
**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	APPLE INC	\$ 884,760	5.28%	-2.6%	Computer Tech	\$ 546.1 B
2	INTL BUSINESS MACHINES CORP	796,793	4.75%	-5.9%	Service	225.6 B
3	MICROSOFT CORP	686,746	4.10%	-4.5%	Computer Tech	257.0 B
4	QUALCOMM INC	612,925	3.66%	-17.8%	Technology	95.5 B
5	COCA-COLA CO/THE	575,087	3.43%	6.3%	NonDur Cons Goods	176.5 B
6	ROPER INDUSTRIES INC	464,312	2.77%	-0.5%	Durable Cons Goods	9.6 B
7	AMERICAN TOWER CORP	451,129	2.69%	10.9%	Service	27.6 B
8	WALT DISNEY CO/THE	447,704	2.67%	11.1%	Consumer Service	86.7 B
9	AMETEK INC	436,213	2.60%	3.0%	Basic	8.0 B
10	NORDSTROM INC	393,744	2.35%	-10.3%	Consumer Service	10.3 B

**BOND CHARACTERISTICS**



	<b>PORTFOLIO</b>	<b>BARCLAYS AGG</b>
No. of Securities	30	7,921
Duration	4.71	5.07
YTM	2.97	1.98
Average Coupon	6.35	3.78
Avg Maturity / WAL	5.91	7.05
Average Quality	AAA-AA	USG-AAA

**APPENDIX - DISCLOSURES**

\* The shadow index is a customized index that matches your portfolio's asset allocation on a quarterly basis.

This index was calculated using the following asset classes and corresponding benchmarks:

Large Cap Equity	Russell 1000 Growth
Fixed Income	Custom Fixed Income Index
Cash & Equivalent	90 Day T Bill

\* The Custom Fixed Income Index is an index that was constructed as follows:

100% Barclays Aggregate (for all periods after December 2008)

100% Barclays Gov/Credit (for all periods through December 2008)

TOWN OF DAVIE POLICE PENSION FUND  
BUCKHEAD CAPITAL  
PERFORMANCE REVIEW  
JUNE 2012

## **INVESTMENT RETURN**

On June 30th, 2012, the Town of Davie Police Pension Fund's Buckhead Capital portfolio was valued at \$30,332,855, which was a decrease of \$222,133 relative to the March quarter's ending value of \$30,554,988. Last quarter, the fund recorded net contributions totaling \$126,371, which offset the account's \$348,504 net investment loss for the quarter. The fund's net investment loss was composed of \$245,953 in income receipts and realized and unrealized capital losses totaling \$594,457.

Since June 2007, the account has posted net contributions totaling \$1.1 million, and recorded net investment gains of \$3.7 million. Since June 2007, if the account had returned a compounded nominal rate of 7.9% it would have been valued at \$38.8 million or \$8.5 million more than the actual value as of June 30th, 2012.

## **RELATIVE PERFORMANCE**

### **Total Fund**

In the second quarter, the Buckhead Capital portfolio returned -1.1%, which ranked in the 17th percentile of the Balanced Fund universe. Over the trailing year, the portfolio returned 4.8%, ranking in the 23rd percentile. Since June 2007, the account returned 2.5% on an annualized basis and ranked in the 49th percentile.

### **Large Cap Equity**

In the second quarter, the large cap equity segment returned -3.9%, which was 1.7% below the Russell 1000 Value Index's return of -2.2% and ranked in the 53rd percentile of the Large Cap Value universe. Over the trailing twelve months, this component returned 3.1%, which was 0.1% greater than the benchmark's 3.0% performance, ranking in the 31st percentile. Since June 2007, this component returned -1.5% annualized and ranked in the 70th

percentile. For comparison, the Russell 1000 Value returned an annualized -2.2% over the same period.

### **Fixed Income**

For the second quarter, the fixed income portion of the portfolio gained 1.5%, which was 0.6% less than the Custom Fixed Income Index's return of 2.1% and ranked in the 96th percentile of the Core Fixed Income universe. Over the trailing twelve months, the fixed income portfolio returned 7.2%, which was 0.3% below the benchmark's 7.5% return, and ranked in the 86th percentile. Since June 2007, this component returned 7.5% on an annualized basis and ranked in the 40th percentile. The Custom Fixed Income Index returned an annualized 6.6% over the same period.

## **ASSET ALLOCATION**

On June 30th, 2012, large cap equities comprised 46.1% of the total portfolio (\$14.0 million), while the portfolio's fixed income component totaled 47.1% (\$14.3 million) and cash & equivalent comprised the remaining 6.7% (\$2.0 million).

## **ANALYSIS**

### **Equity**

At quarter end, the Buckhead equity portfolio was invested across nine of the eleven industry sectors depicted in our analysis. Relative to the Russell 1000 Value, the Consumer Service, Computer Technology, Technology, and Service sectors were overweight. Conversely, the Basic, Non Durable Consumer Goods, Energy, Finance and Utilities sectors were underweight. The Durable Consumer Goods and Transportation sectors were not utilized.

The portfolio's performance was 170 basis points below the benchmark, which was the likely effect of trouble encountered in the Consumer Service and Technology sectors. Both sectors under-performed relative to their counterpart sectors in the benchmark; that, combined with their heavier allocations placed a drag on the account's total return.

### **Fixed Income**

*In our bond analysis, we use the S&P rating agency's ratings. Rating agencies can differ slightly causing bonds to be split rated. This portfolio contains the following split rated bonds: XL Group Plc, Pitney Bowes, Citigroup Inc, Goldman Sachs Group, and Hewlett Packard.*

At the end of the quarter, approximately 60% of the total bond portfolio was comprised of USG quality securities. The remainder of the portfolio consisted of corporate securities, rated AA through BBB, giving the portfolio an overall average quality rating of AAA. The average maturity of the portfolio was 5.0 years, less than the Barclays Aggregate Index's 7.1-year maturity. The average coupon was 4.5%.



**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	-----Annualized-----		
			1 Year	3 Years	5 Years
<b>Total Gross/Fees</b>	-1.1	10.2	4.8	10.4	2.5
<i>BALANCED FUND RANK</i>	(17)	(91)	(23)	(79)	(49)
<b>Total Net/Fees</b>	-1.2	9.9	4.4	10.0	2.1
<i>SHADOW INDEX</i>	-0.1	12.0	4.9	11.5	1.9
<b>Large Cap Equity</b>	-3.9	18.4	3.1	13.5	-1.5
<i>LARGE CAP VALUE RANK</i>	(53)	(75)	(31)	(74)	(70)
<i>RUSSELL 1000V</i>	-2.2	22.9	3.0	15.8	-2.2
<i>S&amp;P 500</i>	-2.8	22.4	5.5	16.4	0.2
<b>Fixed Income</b>	1.5	4.0	7.2	6.5	7.5
<i>CORE FIXED INCOME RANK</i>	(96)	(76)	(86)	(93)	(40)
<i>CUSTOM FX INDEX</i>	2.1	3.5	7.5	6.9	6.6
<i>BARCLAYS AGG</i>	2.1	3.5	7.5	6.9	6.8
<i>GOV/CREDIT</i>	2.6	3.9	8.8	7.3	6.9

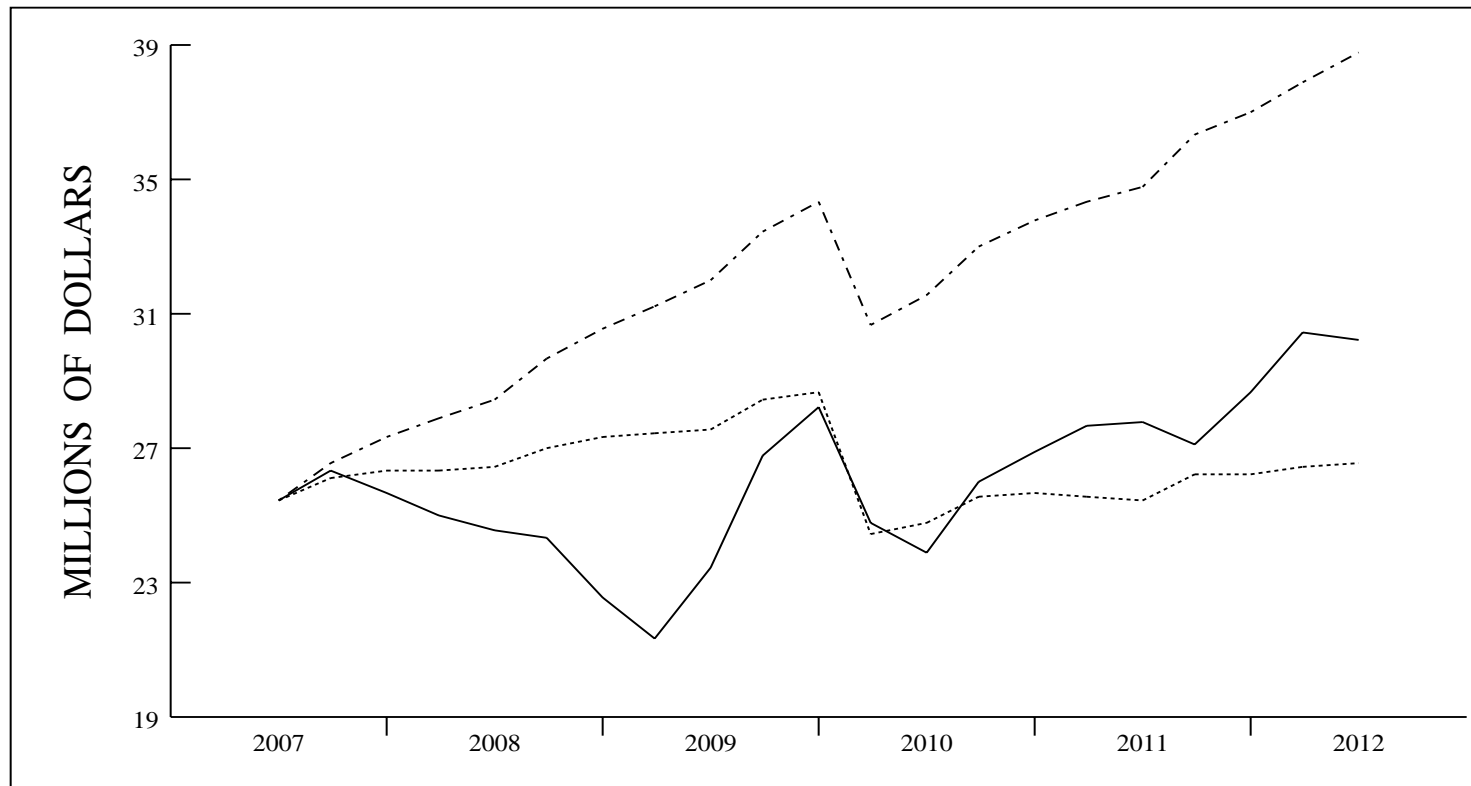
**ASSET ALLOCATION**

Large Cap Equity	46.1%	\$ 13,995,560
Fixed Income	47.1%	14,291,318
Cash	6.7%	2,045,978
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 30,332,855</b>

**INVESTMENT RETURN**

Market Value 3/2012	\$ 30,554,988
Contribs / Withdrawals	126,371
Income	245,953
Capital Gains / Losses	-594,457
Market Value 6/2012	\$ 30,332,855

**INVESTMENT GROWTH**

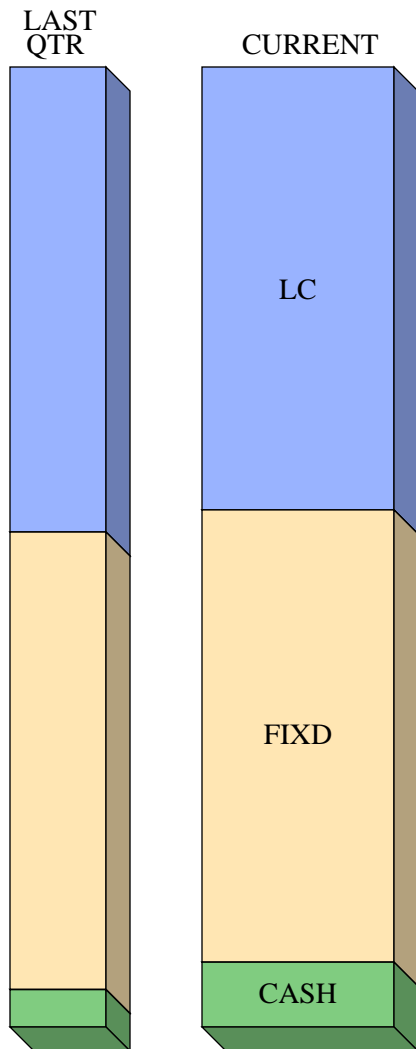


— ACTUAL RETURN  
 - - - 7.9%  
 . . . 0.0%

VALUE ASSUMING  
 7.9% RETURN  
 \$ 38,831,608

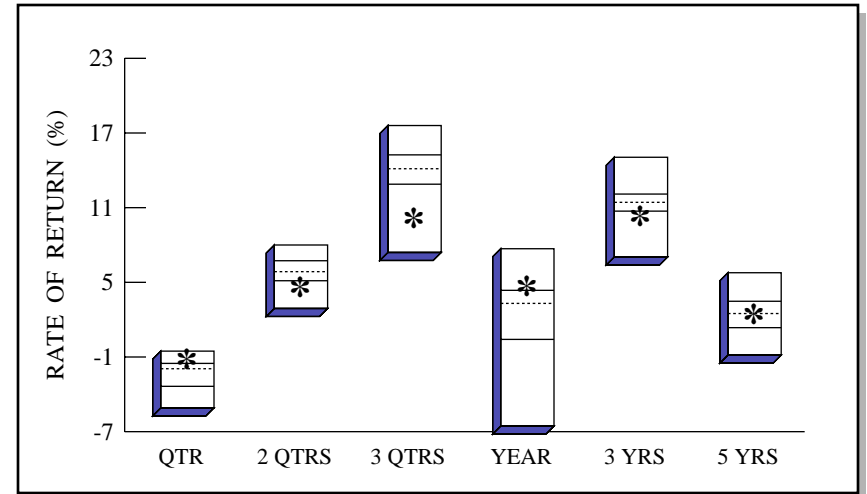
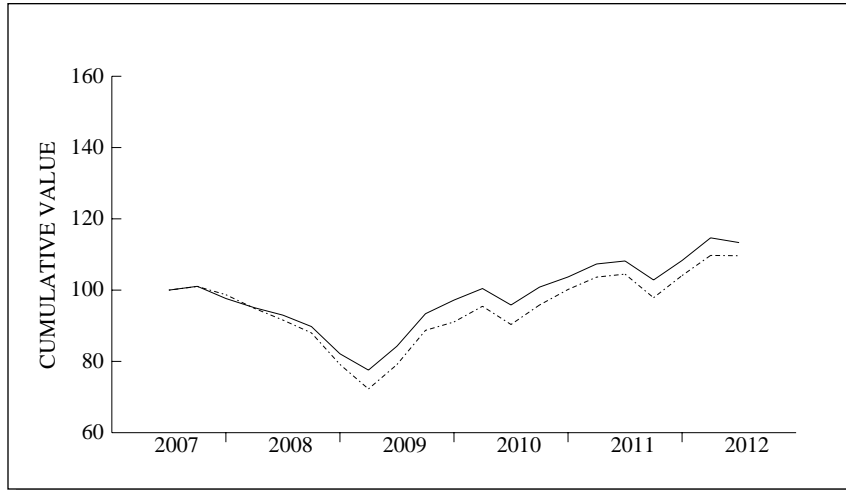
	LAST QUARTER	PERIOD 6/07 - 6/12
BEGINNING VALUE	\$ 30,554,988	\$ 25,488,062
NET CONTRIBUTIONS	126,371	1,117,924
INVESTMENT RETURN	-348,504	3,726,869
<b>ENDING VALUE</b>	<b>\$ 30,332,855</b>	<b>\$ 30,332,855</b>
INCOME	245,953	4,607,007
CAPITAL GAINS (LOSSES)	-594,457	-880,138
INVESTMENT RETURN	-348,504	3,726,869

**ASSET ALLOCATION**

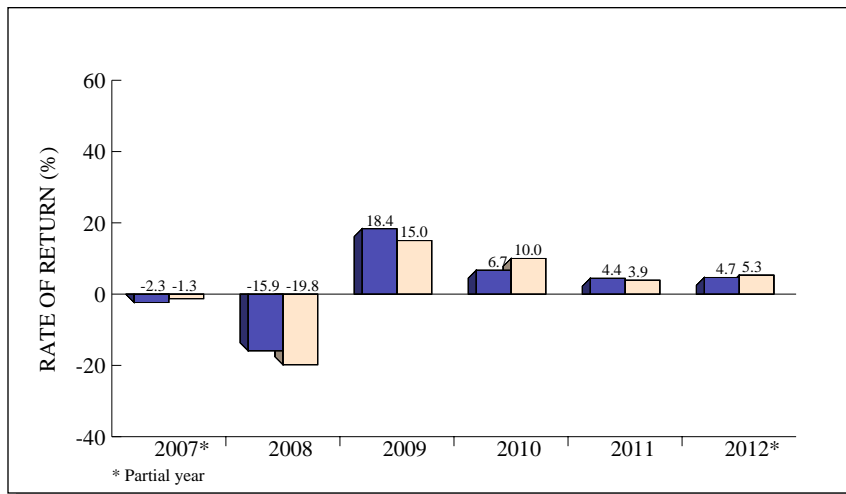


	<u>VALUE</u>	<u>PERCENT</u>	<u>TARGET</u>	<u>MIN</u>	<u>MAX</u>
LARGE CAP EQUITY	\$ 13,995,560	46.1%	50.0%	40.0%	70.0%
FIXED INCOME	14,291,318	47.1%	50.0%	30.0%	50.0%
CASH & EQUIVALENT	2,045,978	6.7%	0.0%	0.0%	10.0%
<u>TOTAL FUND</u>	<u>\$ 30,332,855</u>	<u>100.0%</u>			

**TOTAL RETURN COMPARISONS**



Balanced Fund Universe



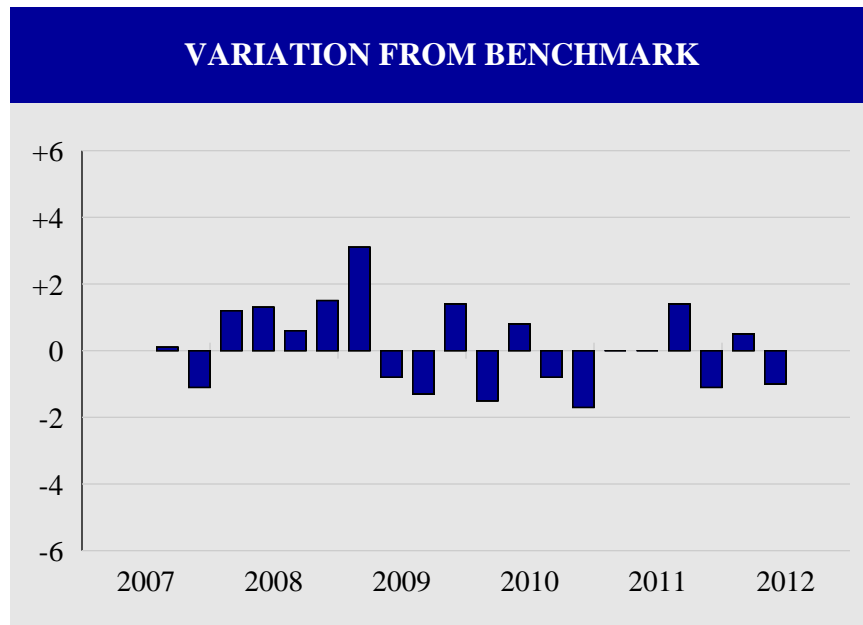
\* Partial year

	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-1.1	4.7	10.2	4.8	10.4	2.5
(RANK)	(17)	(79)	(91)	(23)	(79)	(49)
5TH %ILE	-0.5	8.0	17.6	7.7	15.1	5.8
25TH %ILE	-1.5	6.7	15.2	4.4	12.1	3.5
MEDIAN	-2.0	5.9	14.1	3.3	11.4	2.5
75TH %ILE	-3.4	5.1	12.9	0.4	10.7	1.4
95TH %ILE	-5.1	2.9	7.4	-6.6	7.0	-0.8
<b>Sh Idx</b>	<b>-0.1</b>	<b>5.3</b>	<b>12.0</b>	<b>4.9</b>	<b>11.5</b>	<b>1.9</b>

Balanced Fund Universe

## TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

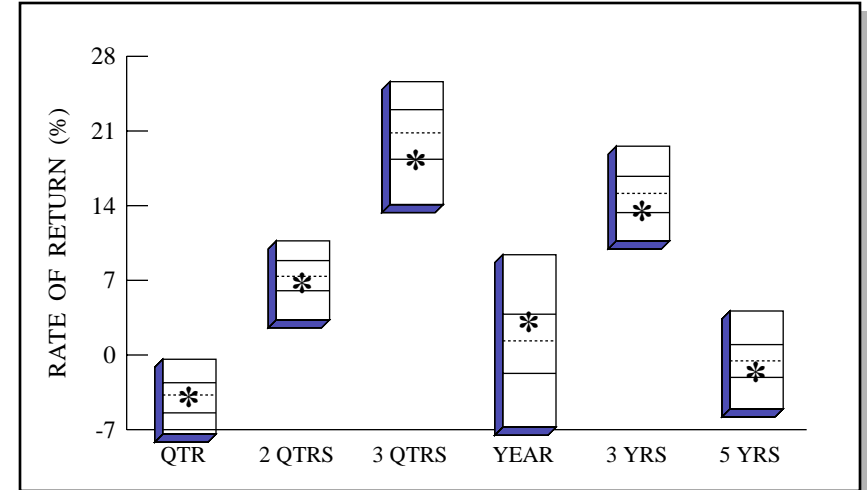
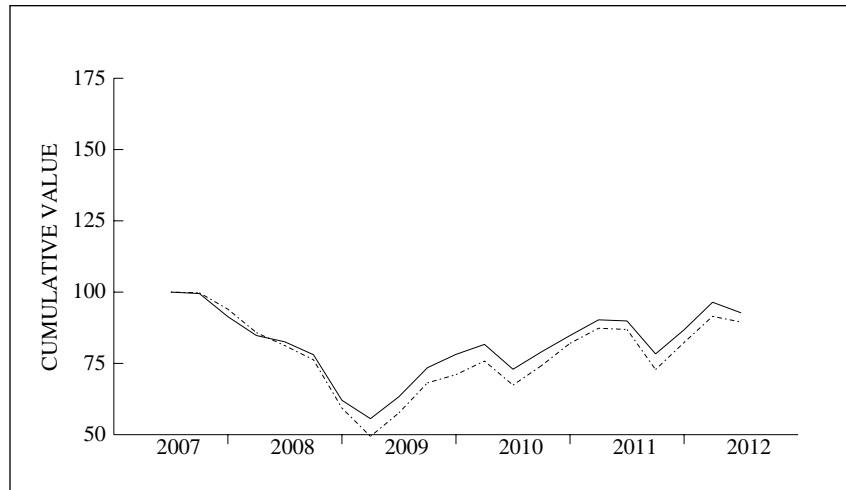
COMPARATIVE BENCHMARK: SHADOW INDEX



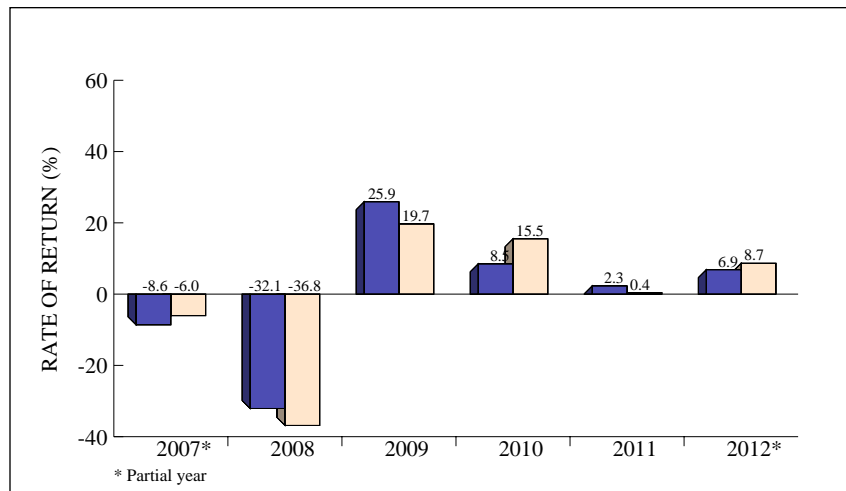
<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>12</b>
<b>Quarters Below the Benchmark</b>	<b>8</b>
<b>Batting Average</b>	<b>.600</b>

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/07	1.1	1.0	0.1
12/07	-3.4	-2.3	-1.1
3/08	-2.7	-3.9	1.2
6/08	-2.2	-3.5	1.3
9/08	-3.4	-4.0	0.6
12/08	-8.5	-10.0	1.5
3/09	-5.6	-8.7	3.1
6/09	8.7	9.5	-0.8
9/09	10.8	12.1	-1.3
12/09	4.1	2.7	1.4
3/10	3.4	4.9	-1.5
6/10	-4.6	-5.4	0.8
9/10	5.3	6.1	-0.8
12/10	2.8	4.5	-1.7
3/11	3.5	3.5	0.0
6/11	0.8	0.8	0.0
9/11	-4.9	-6.3	1.4
12/11	5.3	6.4	-1.1
3/12	5.9	5.4	0.5
6/12	-1.1	-0.1	-1.0

## LARGE CAP EQUITY RETURN COMPARISONS



Large Cap Value Universe



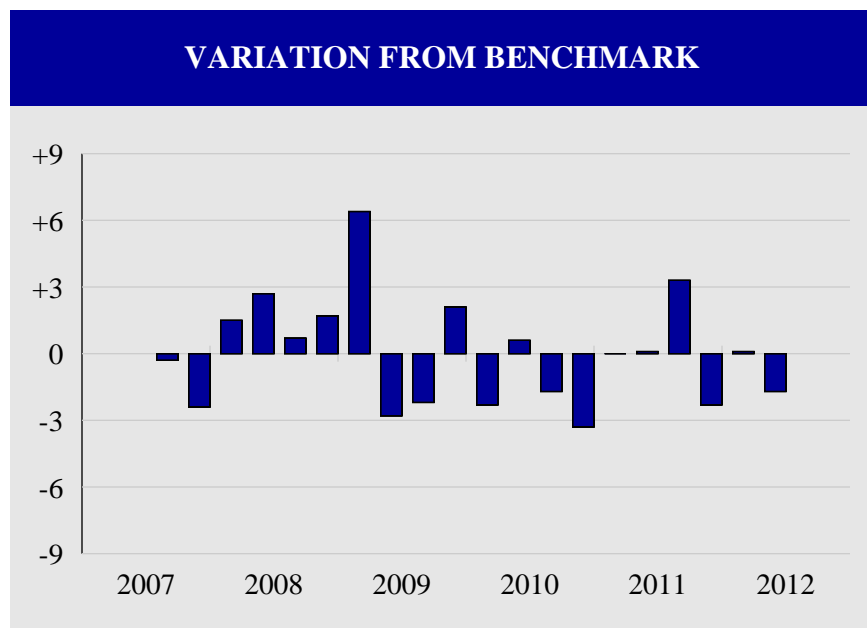
\* Partial year

	QTR	2QTRS	3QTRS	YEAR	3 YRS	5 YRS
RETURN	-3.9	6.9	18.4	3.1	13.5	-1.5
(RANK)	(53)	(62)	(75)	(31)	(74)	(70)
5TH %ILE	-0.4	10.7	25.6	9.4	19.6	4.1
25TH %ILE	-2.6	8.8	23.0	3.8	16.8	1.0
MEDIAN	-3.8	7.4	20.8	1.3	15.2	-0.6
75TH %ILE	-5.4	6.0	18.3	-1.7	13.4	-2.1
95TH %ILE	-7.4	3.3	14.1	-6.8	10.7	-5.0
<b>Russ 1000V</b>	<b>-2.2</b>	<b>8.7</b>	<b>22.9</b>	<b>3.0</b>	<b>15.8</b>	<b>-2.2</b>

Large Cap Value Universe

## LARGE CAP EQUITY QUARTERLY PERFORMANCE SUMMARY

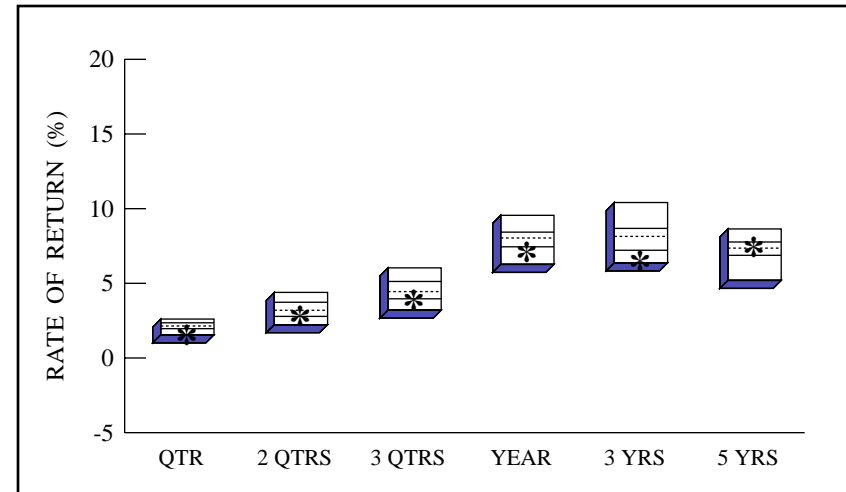
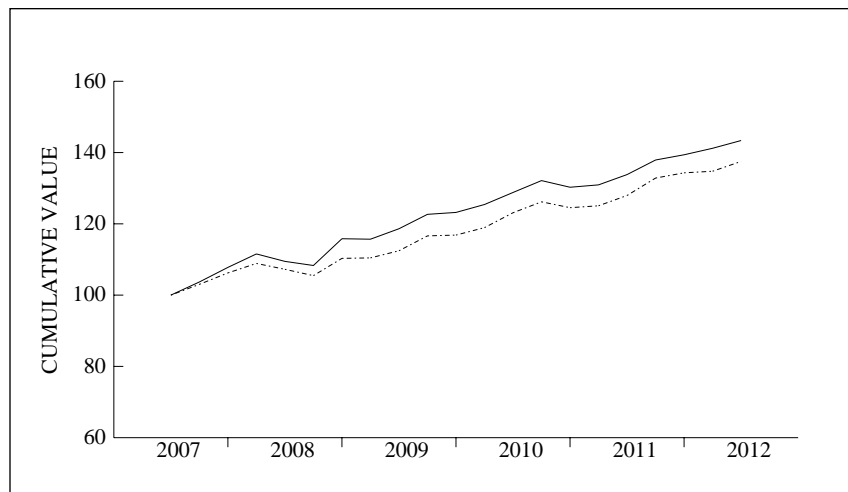
COMPARATIVE BENCHMARK: RUSSELL 1000 VALUE



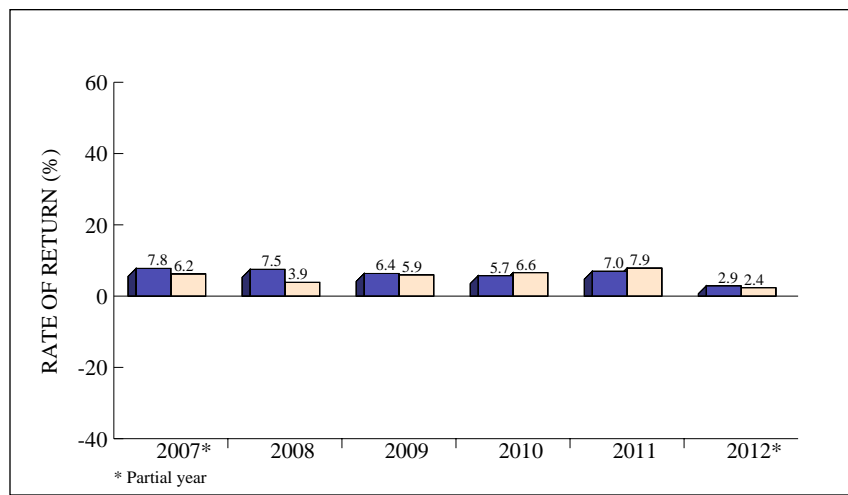
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/07	-0.5	-0.2	-0.3
12/07	-8.2	-5.8	-2.4
3/08	-7.2	-8.7	1.5
6/08	-2.6	-5.3	2.7
9/08	-5.4	-6.1	0.7
12/08	-20.5	-22.2	1.7
3/09	-10.4	-16.8	6.4
6/09	13.9	16.7	-2.8
9/09	16.0	18.2	-2.2
12/09	6.3	4.2	2.1
3/10	4.5	6.8	-2.3
6/10	-10.6	-11.2	0.6
9/10	8.4	10.1	-1.7
12/10	7.2	10.5	-3.3
3/11	6.5	6.5	0.0
6/11	-0.4	-0.5	0.1
9/11	-12.9	-16.2	3.3
12/11	10.8	13.1	-2.3
3/12	11.2	11.1	0.1
6/12	-3.9	-2.2	-1.7

<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>11</b>
<b>Quarters Below the Benchmark</b>	<b>9</b>
<b>Batting Average</b>	<b>.550</b>

**FIXED INCOME RETURN COMPARISONS**



Core Fixed Income Universe



\* Partial year

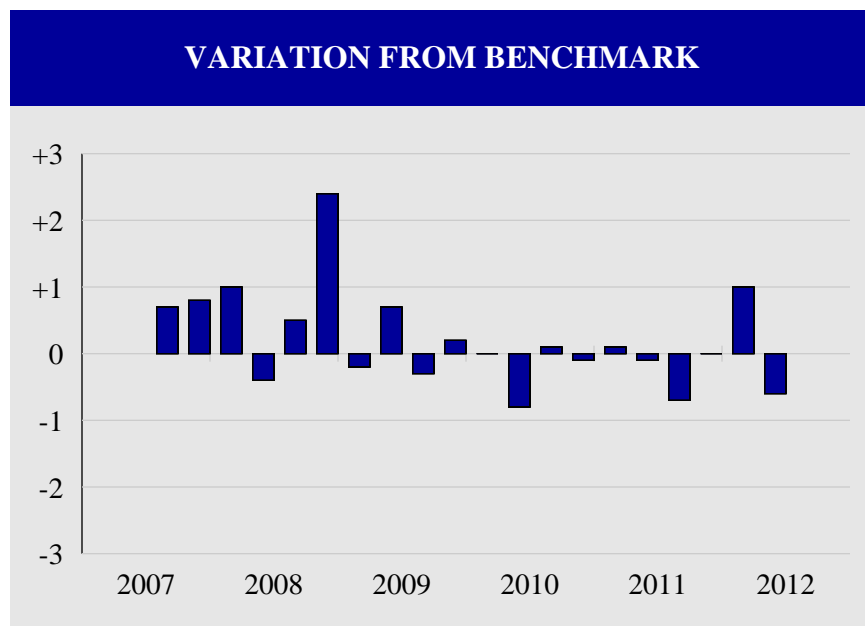
	QTR	2QTRS	3QTRS	YEAR	3 YRS	5 YRS
RETURN	1.5	2.9	4.0	7.2	6.5	7.5
(RANK)	(96)	(71)	(76)	(86)	(93)	(40)
5TH %ILE	2.6	4.4	6.0	9.6	10.4	8.6
25TH %ILE	2.4	3.7	5.1	8.4	8.7	7.8
MEDIAN	2.2	3.2	4.4	8.0	8.1	7.4
75TH %ILE	2.0	2.8	4.0	7.4	7.2	6.9
95TH %ILE	1.6	2.2	3.2	6.3	6.4	5.2
<b>Fixed Idx</b>	<b>2.1</b>	<b>2.4</b>	<b>3.5</b>	<b>7.5</b>	<b>6.9</b>	<b>6.6</b>

Core Fixed Income Universe



## FIXED INCOME QUARTERLY PERFORMANCE SUMMARY

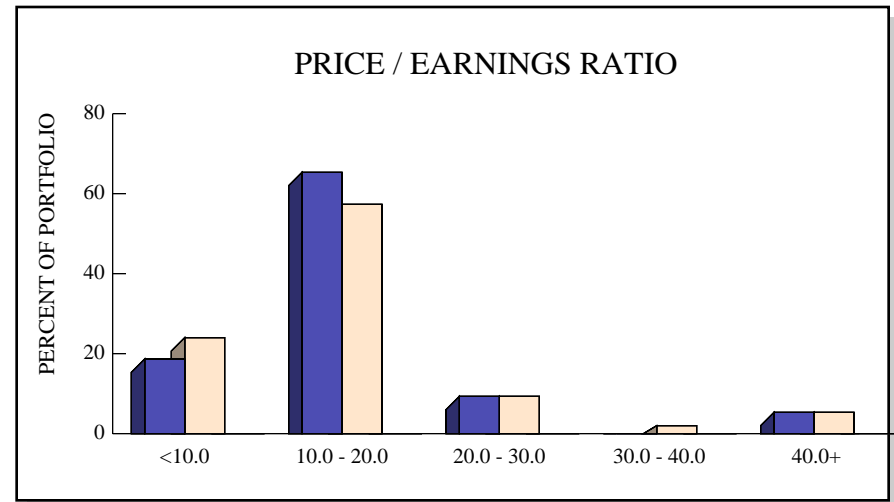
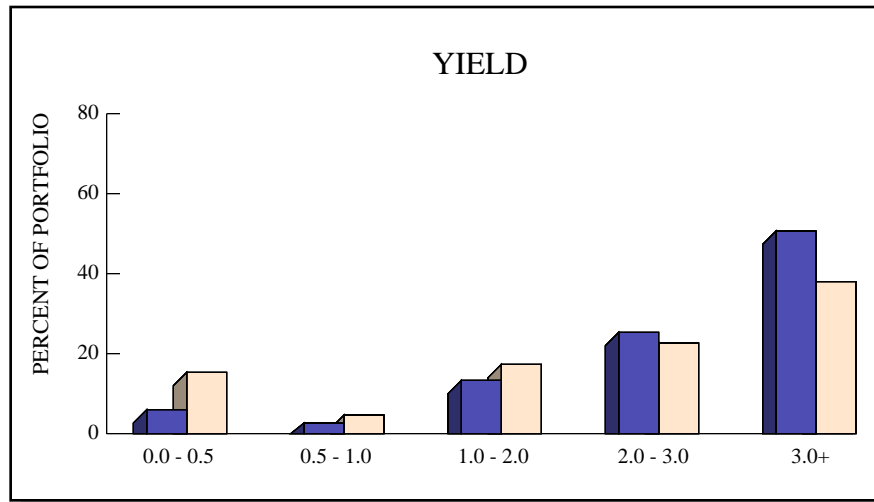
COMPARATIVE BENCHMARK: CUSTOM FIXED INCOME INDEX



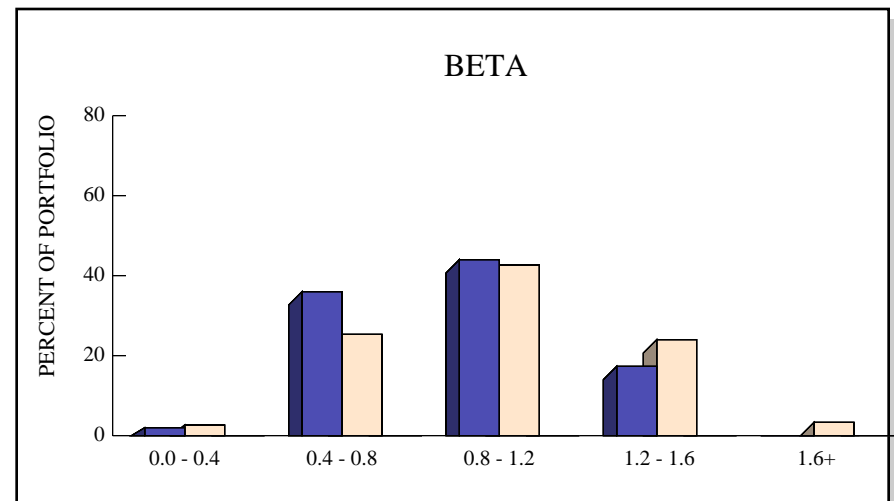
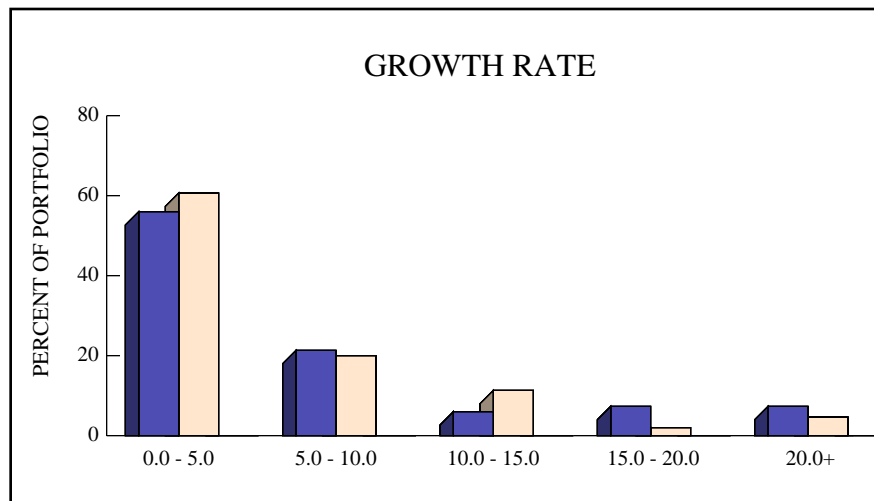
<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>12</b>
<b>Quarters Below the Benchmark</b>	<b>8</b>
<b>Batting Average</b>	<b>.600</b>

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/07	3.7	3.0	0.7
12/07	3.9	3.1	0.8
3/08	3.5	2.5	1.0
6/08	-1.9	-1.5	-0.4
9/08	-1.1	-1.6	0.5
12/08	7.0	4.6	2.4
3/09	-0.1	0.1	-0.2
6/09	2.5	1.8	0.7
9/09	3.4	3.7	-0.3
12/09	0.4	0.2	0.2
3/10	1.8	1.8	0.0
6/10	2.7	3.5	-0.8
9/10	2.6	2.5	0.1
12/10	-1.4	-1.3	-0.1
3/11	0.5	0.4	0.1
6/11	2.2	2.3	-0.1
9/11	3.1	3.8	-0.7
12/11	1.1	1.1	0.0
3/12	1.3	0.3	1.0
6/12	1.5	2.1	-0.6

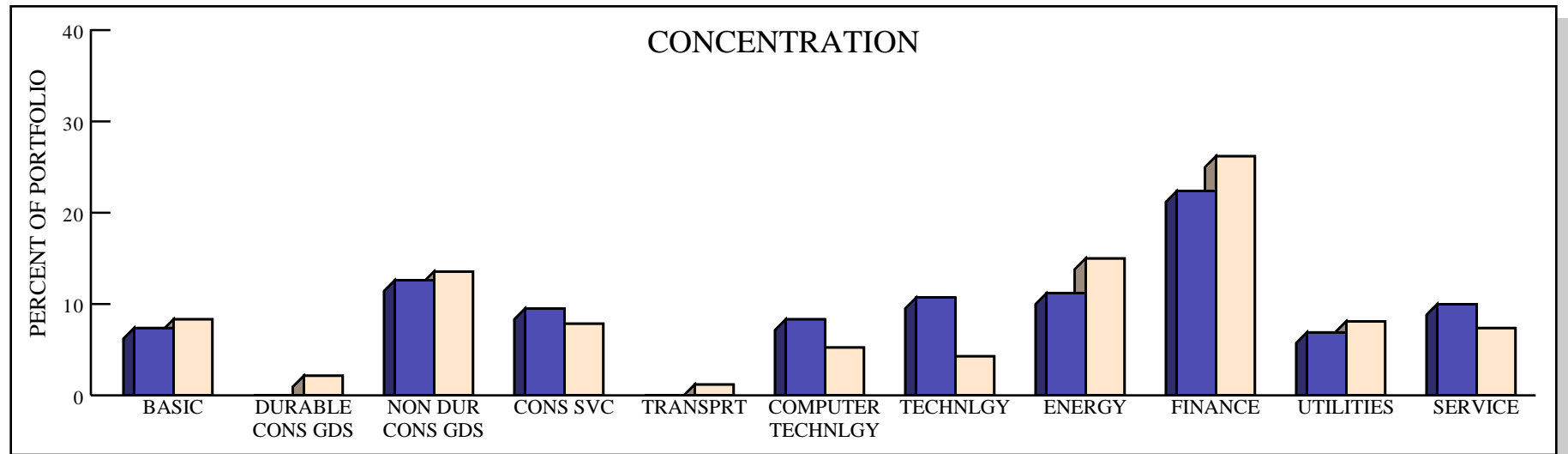
**STOCK CHARACTERISTICS**



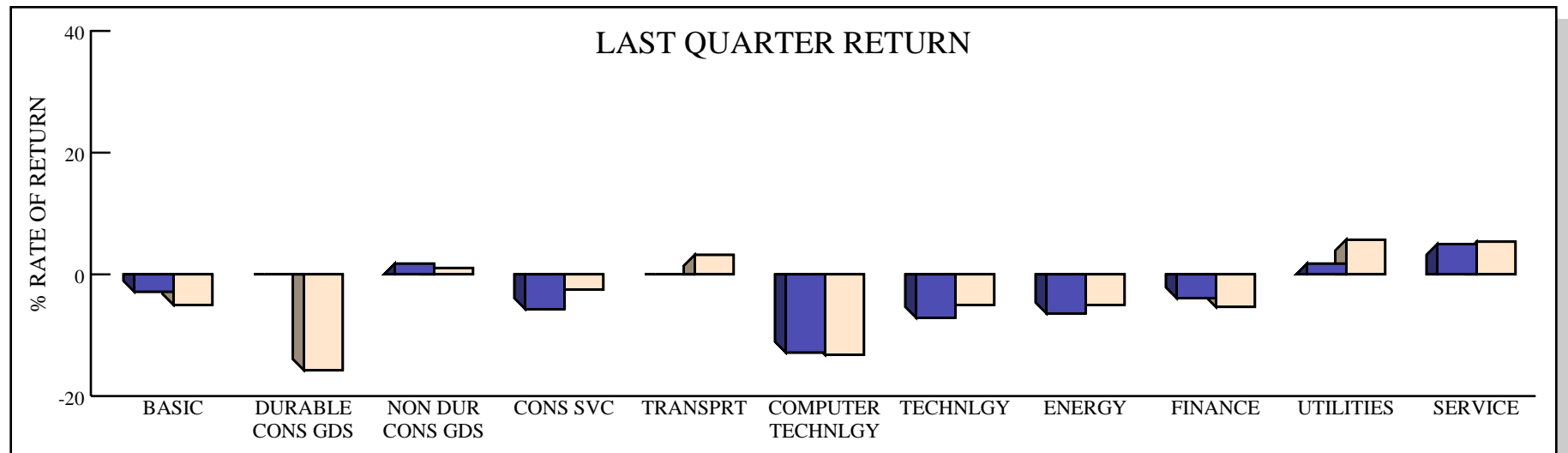
	YIELD	GROWTH	P/E	BETA
PORTFOLIO	3.2%	2.4%	16.0	0.92
RUSSELL 1000V	2.4%	1.4%	15.6	1.01



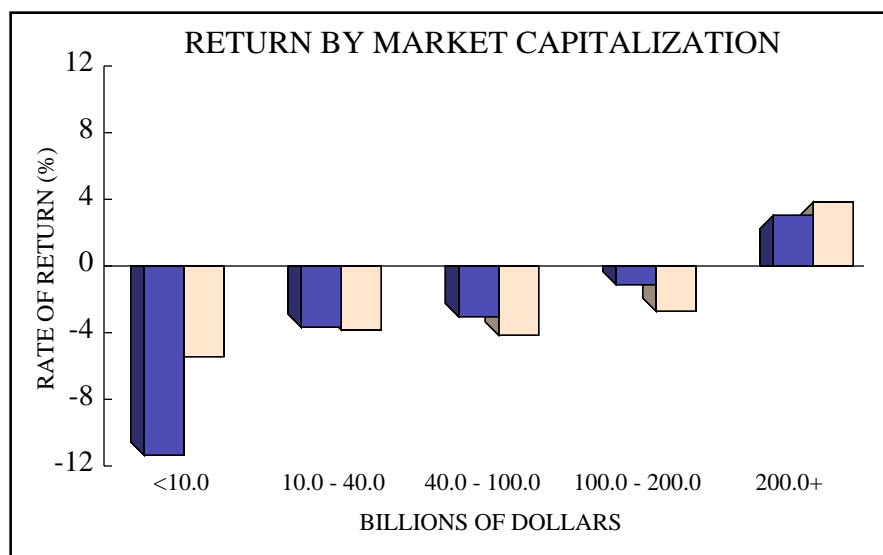
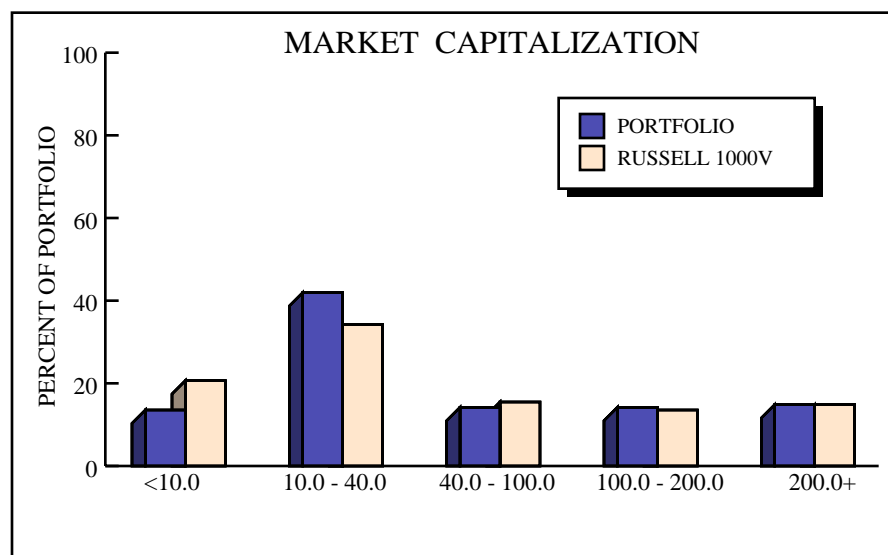
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO      ■ RUSSELL 1000 VALUE



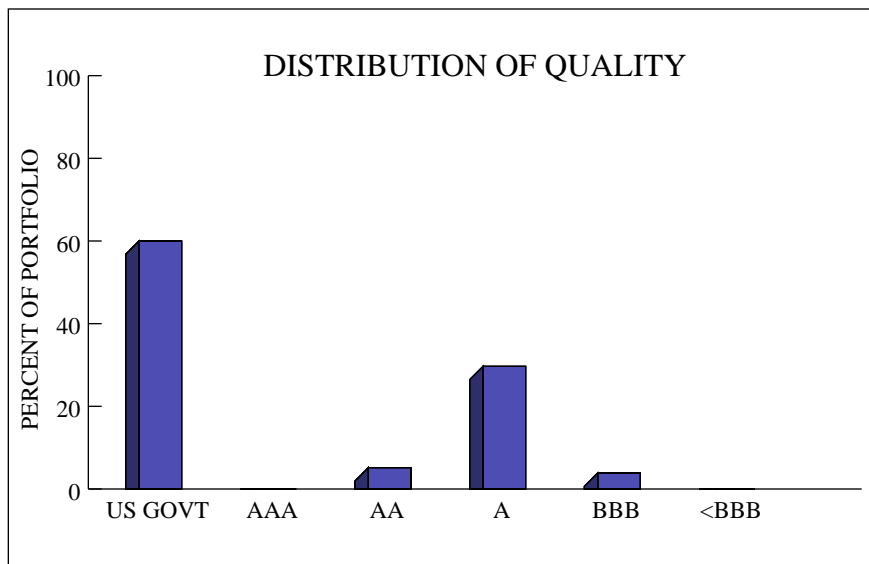
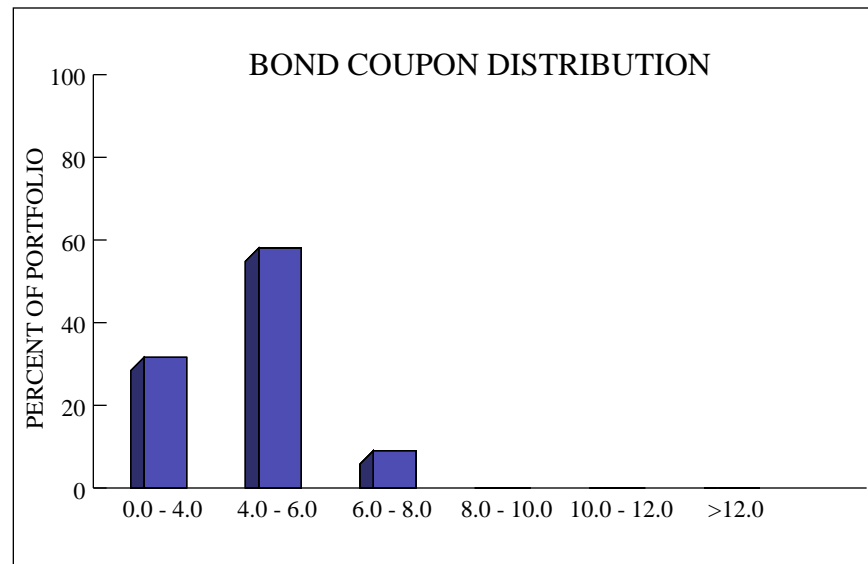
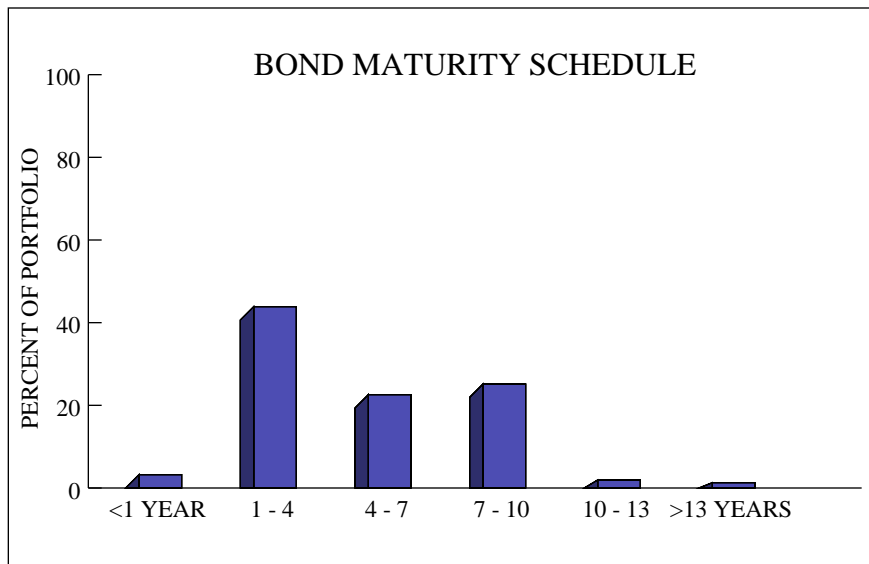
**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	GENERAL ELECTRIC CO	\$ 515,373	3.68%	4.6%	Basic	\$ 220.8 B
2	CISCO SYSTEMS INC	496,213	3.55%	-18.4%	Computer Tech	92.0 B
3	PEPSICO INC	493,560	3.53%	7.2%	NonDur Cons Goods	110.5 B
4	ALLSTATE CORP	453,187	3.24%	7.2%	Finance	17.2 B
5	AT&T INC	447,355	3.20%	15.4%	Service	209.1 B
6	MICROSOFT CORP	436,825	3.12%	-4.5%	Computer Tech	257.0 B
7	EXXON MOBIL CORP	413,303	2.95%	-0.8%	Energy	400.1 B
8	PFIZER INC	395,002	2.82%	2.4%	NonDur Cons Goods	172.2 B
9	LOCKHEED MARTIN CORP	391,860	2.80%	-2.1%	Technology	28.3 B
10	COMCAST CORP-CLASS A	384,759	2.75%	6.9%	Service	67.4 B

**BOND CHARACTERISTICS**



	<b>PORTFOLIO</b>	<b>BARCLAYS AGG</b>
No. of Securities	111	7,921
Duration	5.31	5.07
YTM	1.97	1.98
Average Coupon	4.52	3.78
Avg Maturity / WAL	5.02	7.05
Average Quality	AAA	USG-AAA

**APPENDIX - DISCLOSURES**

\* The shadow index is a customized index that matches your portfolio's asset allocation on a quarterly basis.

This index was calculated using the following asset classes and corresponding benchmarks:

Large Cap Equity	Russell 1000 Value
Fixed Income	Custom Fixed Income Index
Cash & Equivalent	90 Day T Bill

\* The Custom Fixed Income Index is an index that was constructed as follows:

100% Barclays Aggregate (for all periods after December 2008)

100% Barclays Gov/Credit (for all periods through December 2008)

TOWN OF DAVIE POLICE PENSION FUND  
RHUMBLINE  
PERFORMANCE REVIEW  
JUNE 2012

## **INVESTMENT RETURN**

As of June 30th, 2012, the Town of Davie Police Pension Fund's RhumbLine account was valued at \$6,295,630, a decrease of \$324,554 relative to the March quarter's ending value of \$6,620,184. Over the last three months, the fund posted no net contributions or withdrawals, while recording a net investment loss for the quarter of \$324,554. Since there were no income receipts during the second quarter, net investment losses were comprised entirely of capital losses (realized and unrealized).

Since June 2007, the account has posted net contributions totaling \$599,884, while generating net investment gains of \$852,546. For the period since June 2007, if the total fund had earned a compounded nominal rate of 7.9% it would have been valued at \$7.8 million or \$1.5 million more than its actual value as of June 30th, 2012.

## **RELATIVE PERFORMANCE**

During the second quarter, the RhumbLine portfolio lost 4.9%, which was equal to the S&P 400 Index's return of -4.9% and ranked in the 51st percentile of the Mid Cap universe. Over the trailing year, this portfolio returned -2.2%, which was 0.1% greater than the benchmark's -2.3% return, ranking in the 54th percentile. Since June 2007, the portfolio returned 2.7% annualized and ranked in the 44th percentile. For comparison, the S&P 400 returned an annualized 2.6% over the same time frame.

## **ASSET ALLOCATION**

The portfolio was fully invested in the S&P Mid-Cap 400 Pooled Index Fund at the end of the quarter.



**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	-----Annualized-----	
				3 Years	5 Years
<b>Total Gross/Fees</b>	-4.9	22.0	-2.2	19.4	2.7
<i>MID CAP RANK</i>	(51)	(37)	(54)	(41)	(44)
<b>Total Net/Fees</b>	-4.9	21.9	-2.3	19.3	2.6
S&P 400	-4.9	21.9	-2.3	19.4	2.6
<b>Mid Cap Equity</b>	-4.9	22.0	-2.2	19.4	2.7
<i>MID CAP RANK</i>	(51)	(37)	(54)	(41)	(44)
S&P 400	-4.9	21.9	-2.3	19.4	2.6

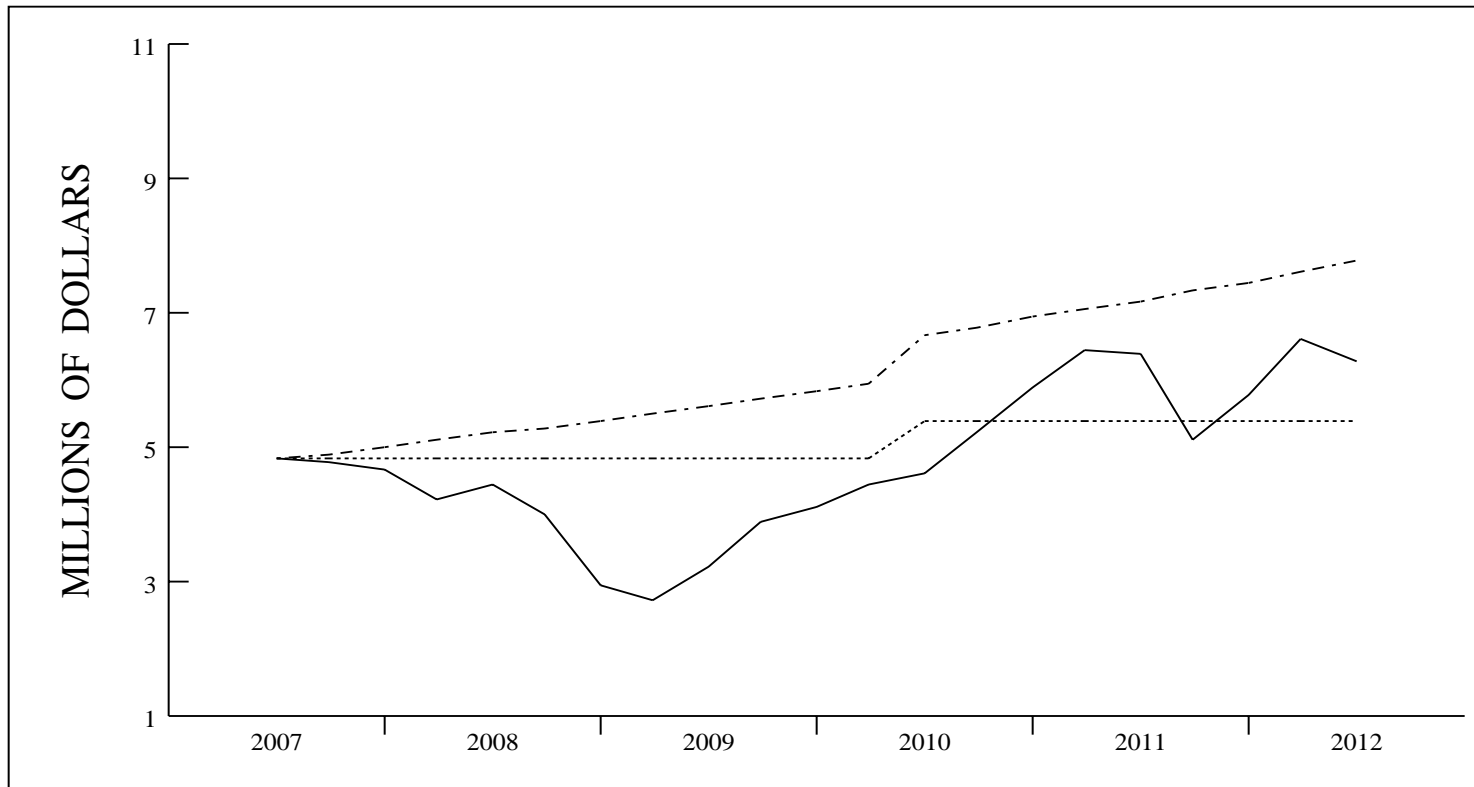
**ASSET ALLOCATION**

Mid Cap Equity	100.0%	\$ 6,295,630
Total Portfolio	100.0%	\$ 6,295,630

**INVESTMENT RETURN**

Market Value 3/2012	\$ 6,620,184
Contribs / Withdrawals	0
Income	0
Capital Gains / Losses	-324,554
Market Value 6/2012	\$ 6,295,630

**INVESTMENT GROWTH**

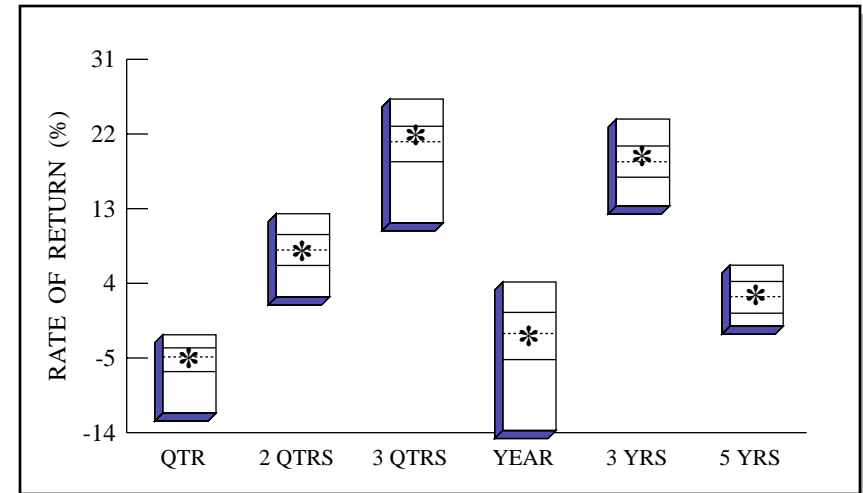
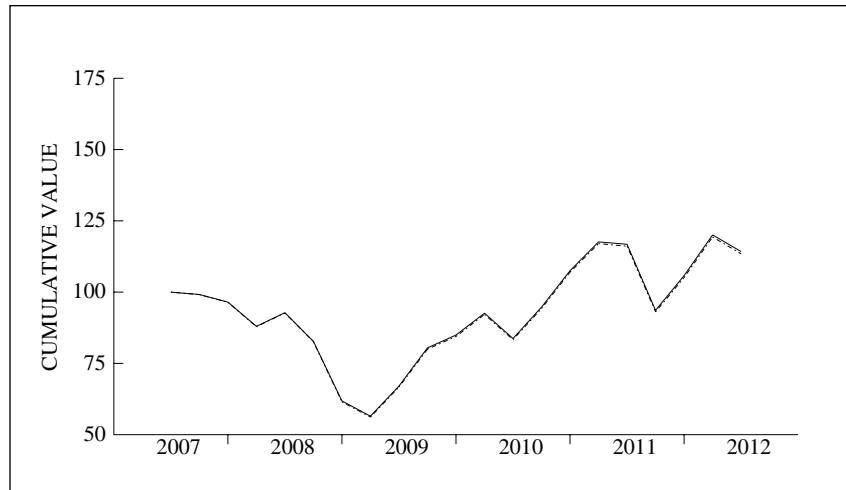


— ACTUAL RETURN  
 - - - 7.9%  
 . . . 0.0%

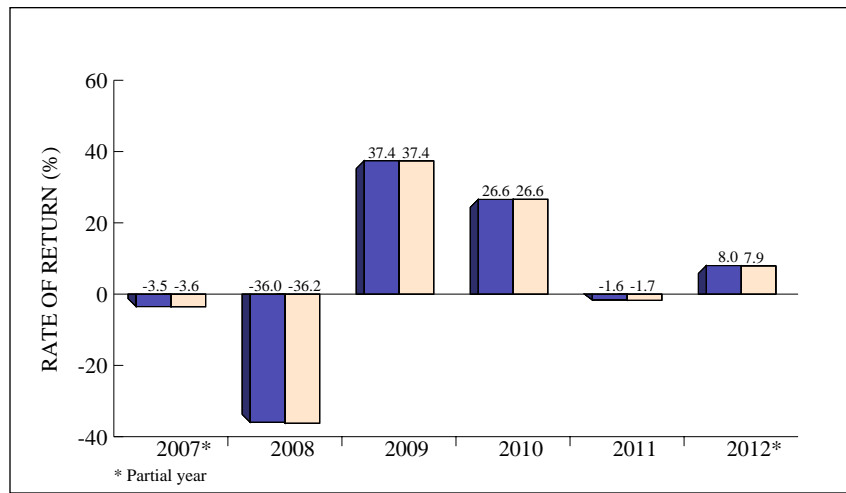
VALUE ASSUMING  
 7.9% RETURN  
 \$ 7,788,456

	LAST QUARTER	PERIOD 6/07 - 6/12
BEGINNING VALUE	\$ 6,620,184	\$ 4,843,200
NET CONTRIBUTIONS	0	599,884
INVESTMENT RETURN	<u>-324,554</u>	<u>852,546</u>
ENDING VALUE	\$ 6,295,630	\$ 6,295,630
INCOME	0	0
CAPITAL GAINS (LOSSES)	<u>-324,554</u>	<u>852,546</u>
INVESTMENT RETURN	-324,554	852,546

**TOTAL RETURN COMPARISONS**



Mid Cap Universe



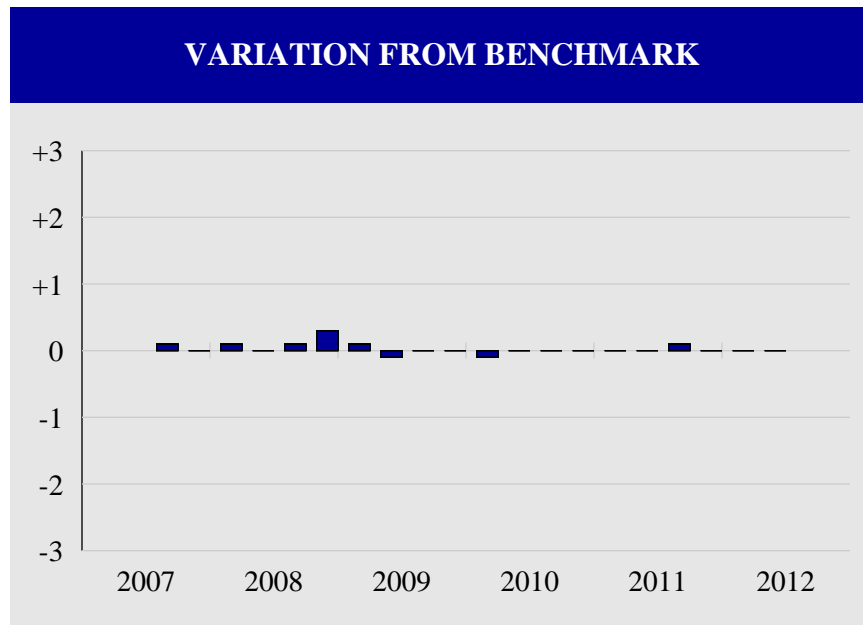
\* Partial year

	QTR	2QTRS	3QTRS	YEAR	3 YRS	5 YRS
RETURN	-4.9	8.0	22.0	-2.2	19.4	2.7
(RANK)	(51)	(53)	(37)	(54)	(41)	(44)
5TH %ILE	-2.2	12.4	26.2	4.2	23.8	6.2
25TH %ILE	-3.8	9.9	22.9	0.5	20.6	4.2
MEDIAN	-4.9	8.0	21.1	-2.0	18.7	2.4
75TH %ILE	-6.7	6.2	18.7	-5.2	16.8	0.4
95TH %ILE	-11.7	2.4	11.3	-13.7	13.3	-1.2
<b>S&amp;P 400</b>	<b>-4.9</b>	<b>7.9</b>	<b>21.9</b>	<b>-2.3</b>	<b>19.4</b>	<b>2.6</b>

Mid Cap Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

**COMPARATIVE BENCHMARK: S&P 400**



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/07	-0.8	-0.9	0.1
12/07	-2.7	-2.7	0.0
3/08	-8.8	-8.9	0.1
6/08	5.4	5.4	0.0
9/08	-10.8	-10.9	0.1
12/08	-25.3	-25.6	0.3
3/09	-8.6	-8.7	0.1
6/09	18.7	18.8	-0.1
9/09	20.0	20.0	0.0
12/09	5.6	5.6	0.0
3/10	9.0	9.1	-0.1
6/10	-9.6	-9.6	0.0
9/10	13.1	13.1	0.0
12/10	13.5	13.5	0.0
3/11	9.4	9.4	0.0
6/11	-0.7	-0.7	0.0
9/11	-19.8	-19.9	0.1
12/11	13.0	13.0	0.0
3/12	13.5	13.5	0.0
6/12	-4.9	-4.9	0.0

<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>18</b>
<b>Quarters Below the Benchmark</b>	<b>2</b>
<b>Batting Average</b>	<b>.900</b>

TOWN OF DAVIE POLICE PENSION FUND  
TAMRO  
PERFORMANCE REVIEW  
JUNE 2012

## **INVESTMENT RETURN**

As of June 30th, 2012, the Town of Davie Police Pension Fund's TAMRO account was valued at \$6,810,892, which was a decrease of \$184,044 relative to the March quarter's ending value of \$6,994,936. Last quarter, the Fund recorded total net withdrawals equaling \$15,720 and \$168,324 in net investment losses. The portfolio's net investment loss was a product of \$11,731 in income receipts and realized and unrealized capital losses totaling \$180,055.

For the cumulative period since March 2010, the fund has recorded net contributions totaling \$286,667, and recorded \$1.7 million in net investment gains. Since March 2010, if the total account returned a compounded nominal rate of 7.9% it would have been worth \$6.0 million or \$766,606 less than the actual value as of June 30th, 2012.

## **RELATIVE PERFORMANCE**

### **Total Fund**

During the second quarter, the TAMRO portfolio lost 2.4%, which was 1.1% above the Russell 2000 Index's return of -3.5% and ranked in the 17th percentile of the Small Cap universe. Over the trailing twelve-month period, this portfolio returned -0.4%, which was 1.7% greater than the benchmark's -2.1% return, ranking in the 31st percentile. Since March 2010, the portfolio returned 13.4% per annum and ranked in the 22nd percentile. For comparison, the Russell 2000 returned an annualized 8.9% over the same time frame.

## **ASSET ALLOCATION**

On June 30th, 2012, small cap equities comprised 95.9% of the total portfolio (\$6.5 million), while cash & equivalents comprised the remaining 4.1% (\$276,825).

## **ANALYSIS**

At quarter end, the Tamro portfolio was invested across nine of the eleven industry sectors depicted in our analysis. Relative to the Russell 2000 index, the Consumer Service, Technology, Energy, and Service sectors held larger allocations, while the Basic, Durable Consumer Goods, Non Durable Consumer Goods, and Computer Technology sectors held lighter allocations. The Transportation and Utilities sectors were vacant of holdings.

Favorable stock selection was the main cause for the Tamro portfolio's 100 basis point surplus relative to the Russell 2000. Of the nine utilized sectors, five surpassed their respective index counterparts. The most notable surpluses came from the Service, Consumer Service, and Technology, sectors. The remaining Durable Consumer Goods, Non Durable Consumer Goods, and Computer Technology sectors fell behind the benchmark, but had a minimal effect on the total portfolio.

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	-----Annualized-----	
				3 Years	Since 3/2010
<b>Total Gross/Fees</b>	-2.4	27.2	-0.4	----	13.4
SMALL CAP RANK	(17)	(28)	(31)	----	(22)
<b>Total Net/Fees</b>	-2.6	26.5	-1.3	----	12.5
RUSSELL 2000	-3.5	25.3	-2.1	17.8	8.9
<b>Small Cap Equity</b>	-2.5	27.8	-0.2	----	13.7
SMALL CAP RANK	(18)	(25)	(30)	----	(20)
RUSSELL 2000	-3.5	25.3	-2.1	17.8	8.9

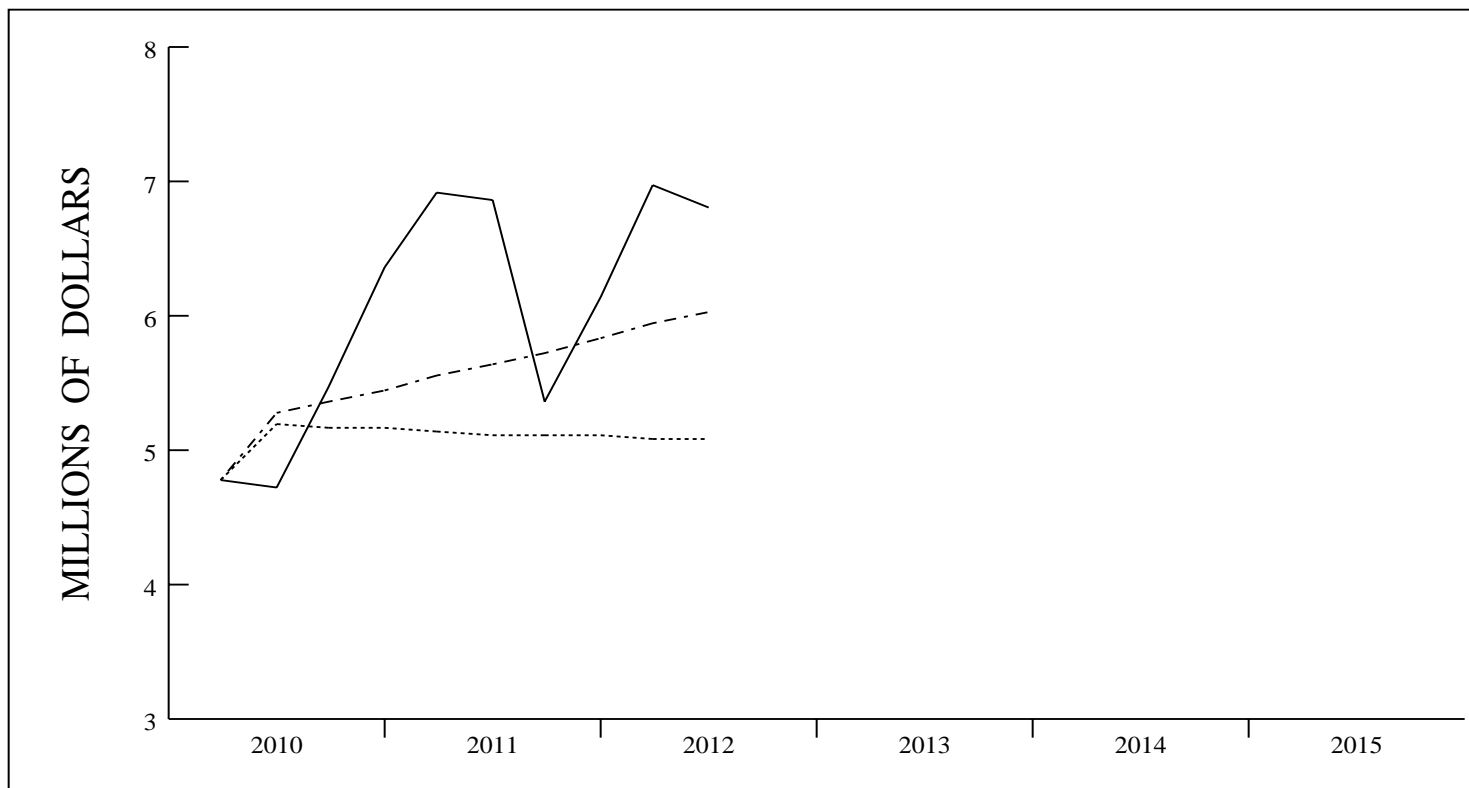
**ASSET ALLOCATION**

Small Cap	95.9%	\$ 6,534,067
Cash	4.1%	276,825
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 6,810,892</b>

**INVESTMENT RETURN**

Market Value 3/2012	\$ 6,994,936
Contribs / Withdrawals	- 15,720
Income	11,731
Capital Gains / Losses	-180,055
Market Value 6/2012	\$ 6,810,892

**INVESTMENT GROWTH**



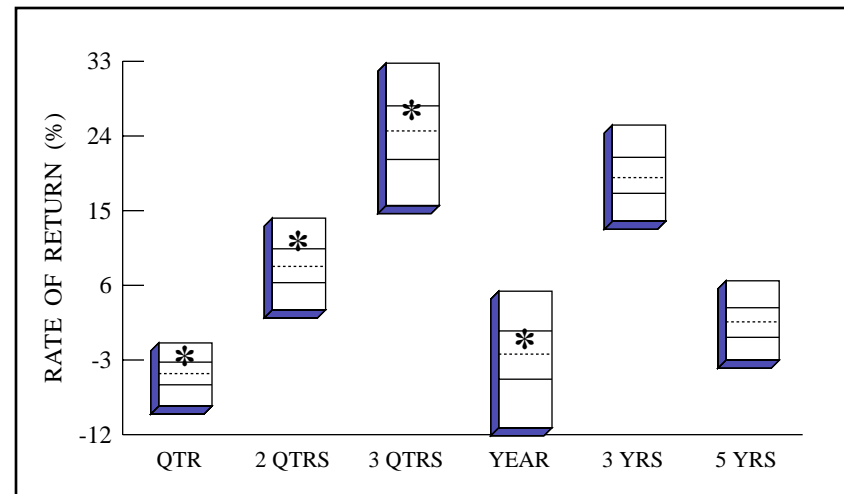
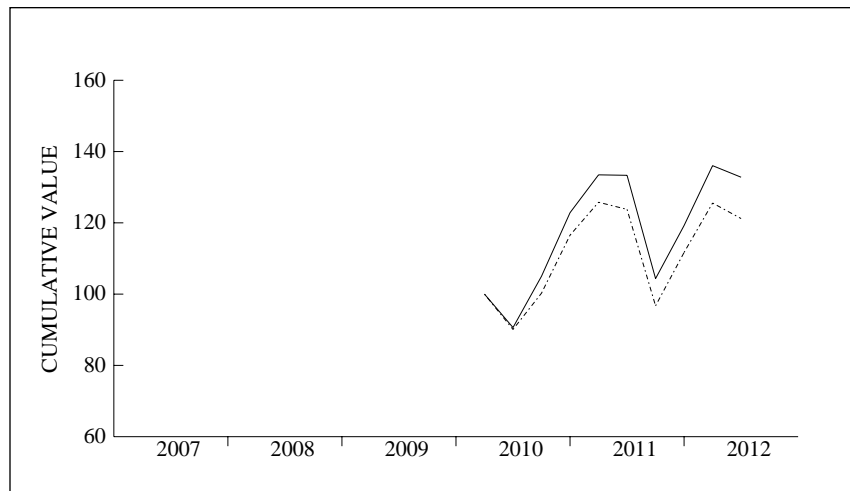
— ACTUAL RETURN  
 - - - 7.9%  
 . . . 0.0%

VALUE ASSUMING  
 7.9% RETURN  
 \$ 6,044,286

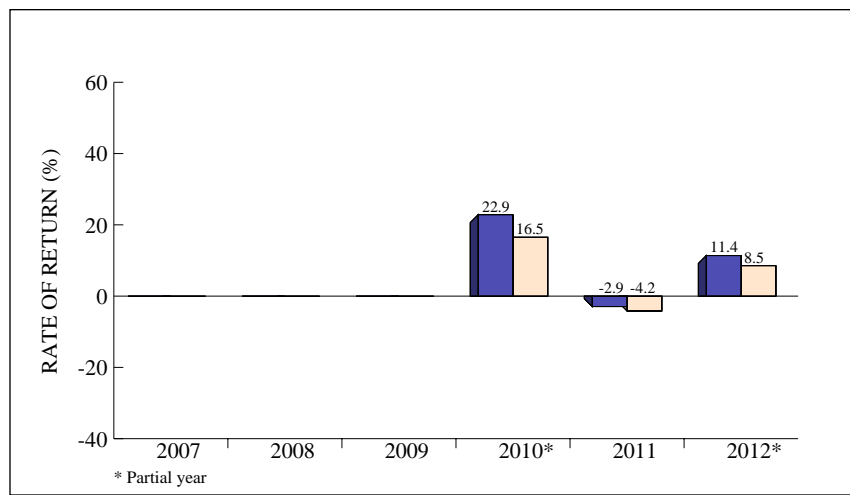
	LAST QUARTER	PERIOD 3/10 - 6/12
BEGINNING VALUE	\$ 6,994,936	\$ 4,803,861
NET CONTRIBUTIONS	- 15,720	286,667
<u>INVESTMENT RETURN</u>	<u>-168,324</u>	<u>1,720,364</u>
ENDING VALUE	\$ 6,810,892	\$ 6,810,892
INCOME	11,731	81,434
<u>CAPITAL GAINS (LOSSES)</u>	<u>-180,055</u>	<u>1,638,930</u>
INVESTMENT RETURN	-168,324	1,720,364



**TOTAL RETURN COMPARISONS**



Small Cap Universe

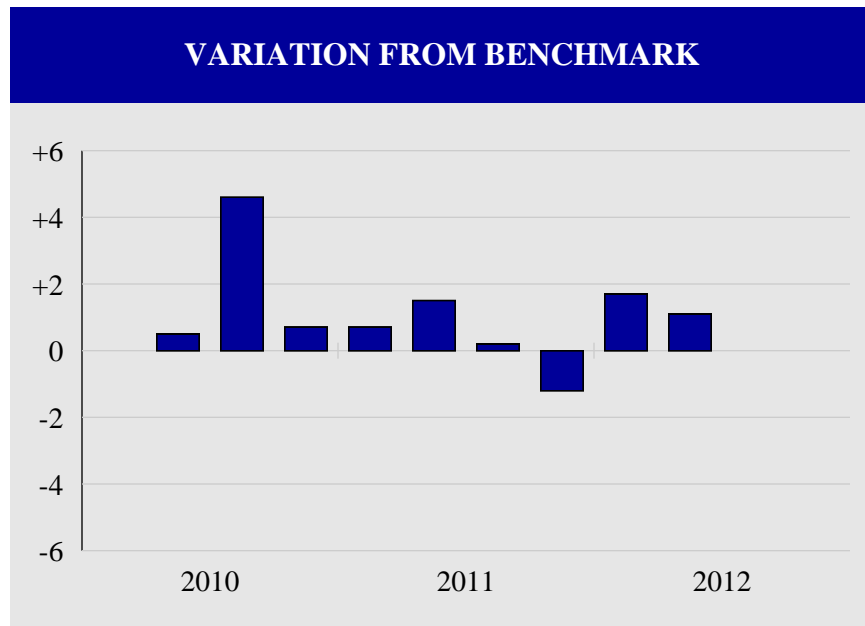


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-2.4	11.4	27.2	-0.4	----	----
(RANK)	(17)	(18)	(28)	(31)	----	----
5TH %ILE	-0.9	14.1	32.8	5.3	25.3	6.6
25TH %ILE	-3.3	10.4	27.6	0.5	21.4	3.3
MEDIAN	-4.6	8.3	24.6	-2.3	19.0	1.6
75TH %ILE	-6.0	6.3	21.2	-5.3	17.1	-0.3
95TH %ILE	-8.6	3.1	15.6	-11.2	13.7	-3.0
<b>Russ 2000</b>	<b>-3.5</b>	<b>8.5</b>	<b>25.3</b>	<b>-2.1</b>	<b>17.8</b>	<b>0.5</b>

Small Cap Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

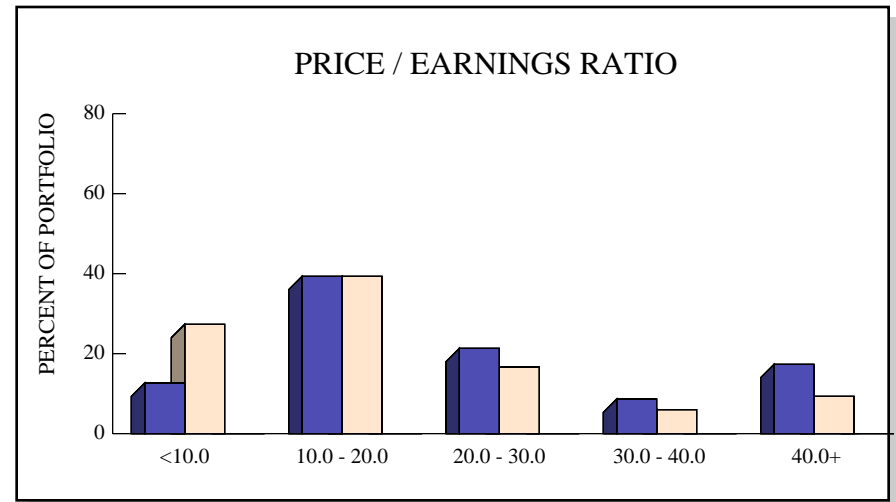
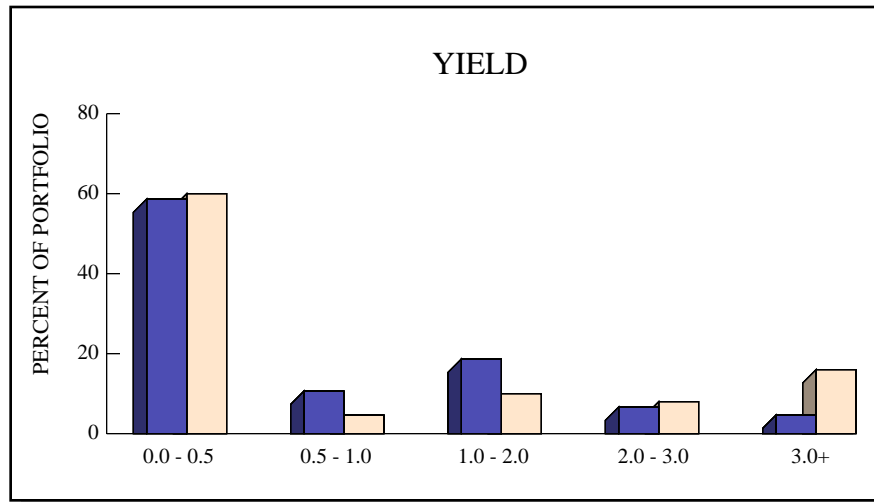
**COMPARATIVE BENCHMARK: RUSSELL 2000**



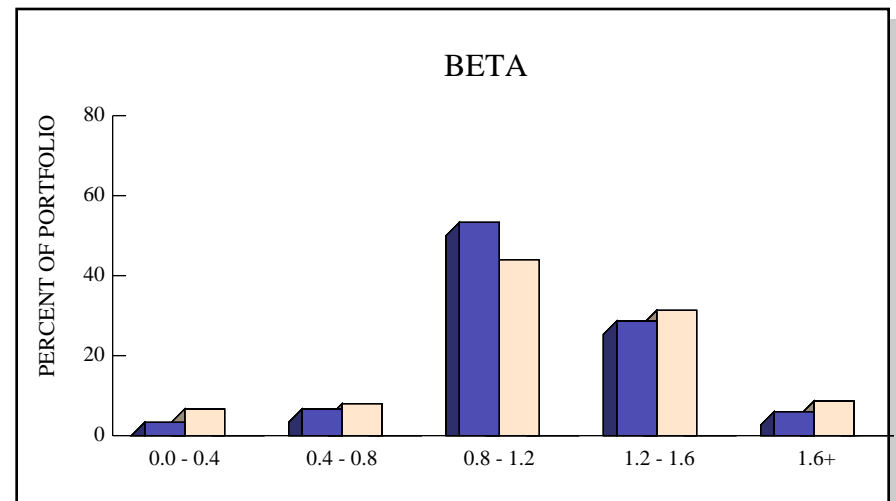
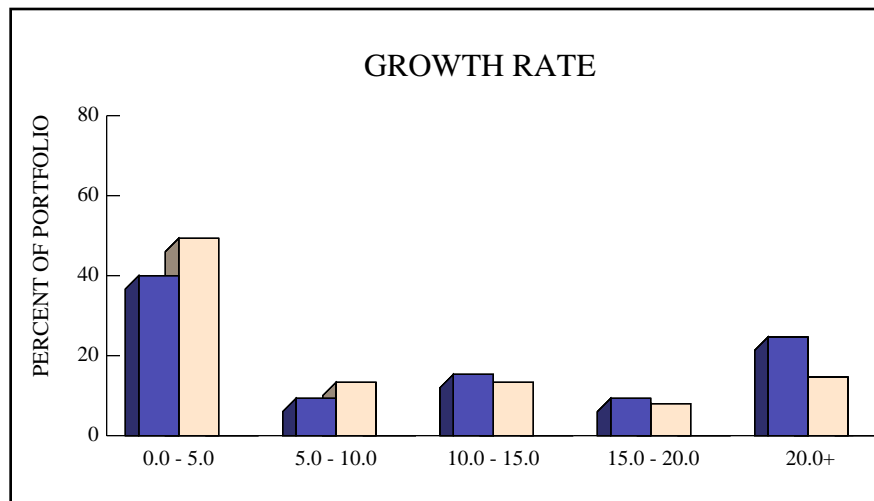
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/10	-9.4	-9.9	0.5
9/10	15.9	11.3	4.6
12/10	17.0	16.3	0.7
3/11	8.6	7.9	0.7
6/11	-0.1	-1.6	1.5
9/11	-21.7	-21.9	0.2
12/11	14.3	15.5	-1.2
3/12	14.1	12.4	1.7
6/12	-2.4	-3.5	1.1

<b>Total Quarters Observed</b>	<b>9</b>
<b>Quarters At or Above the Benchmark</b>	<b>8</b>
<b>Quarters Below the Benchmark</b>	<b>1</b>
<b>Batting Average</b>	<b>.889</b>

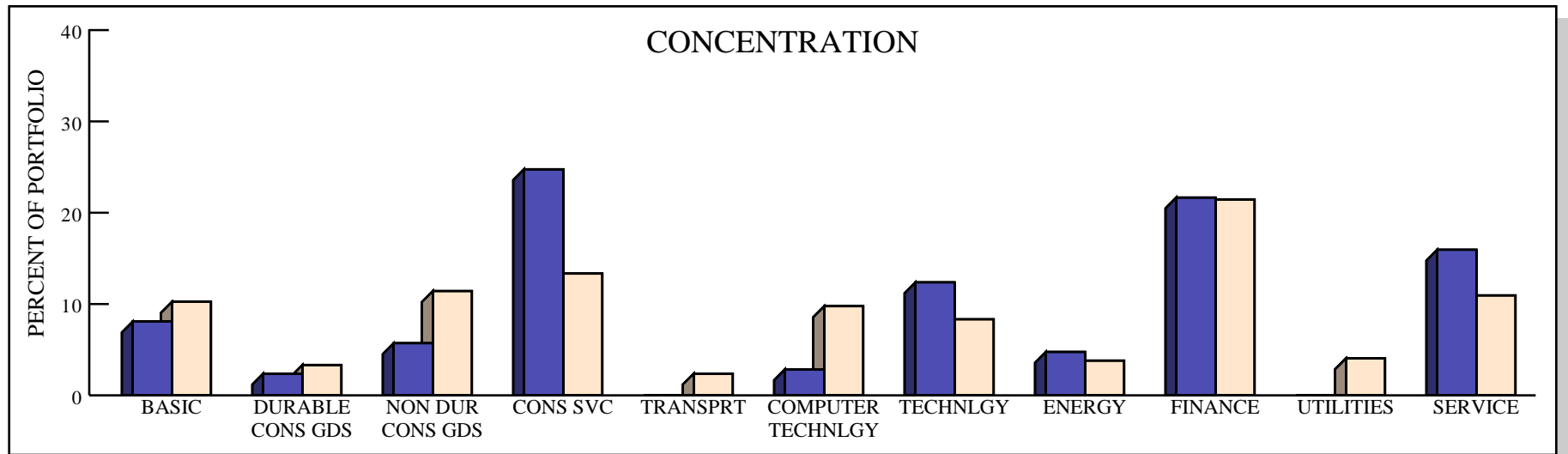
**STOCK CHARACTERISTICS**



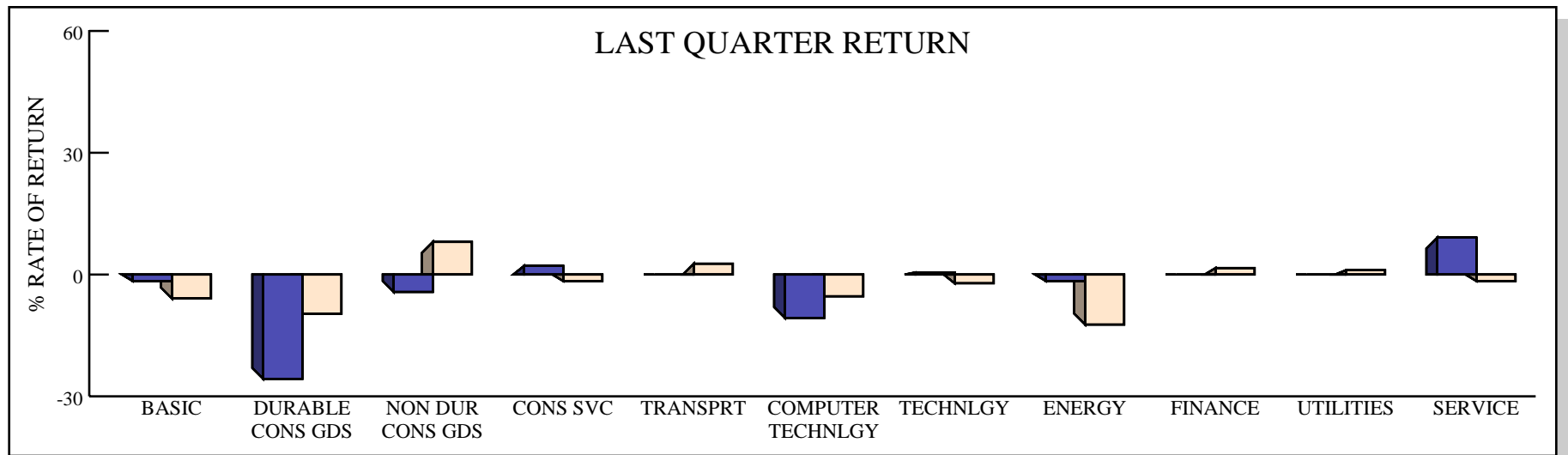
	YIELD	GROWTH	P/E	BETA
PORTFOLIO	0.7%	10.3%	22.4	1.10
RUSSELL 2000	1.4%	5.7%	16.1	1.10



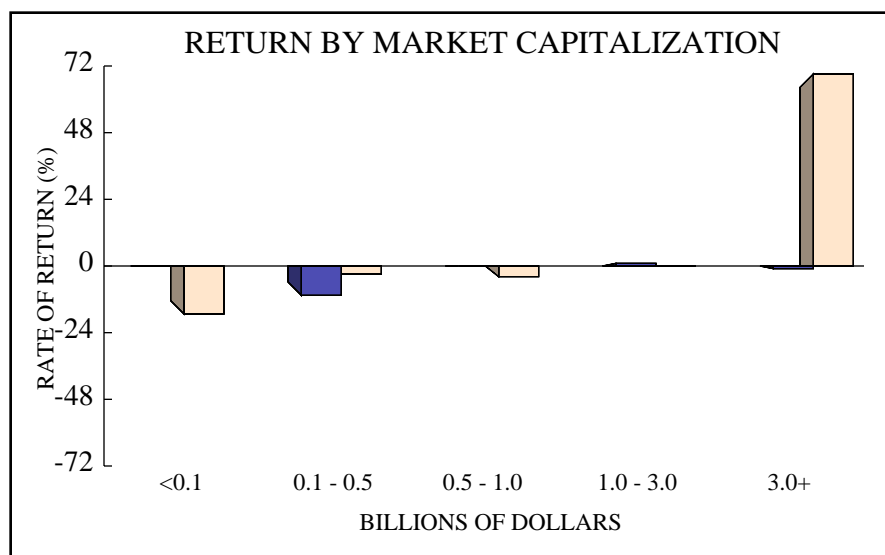
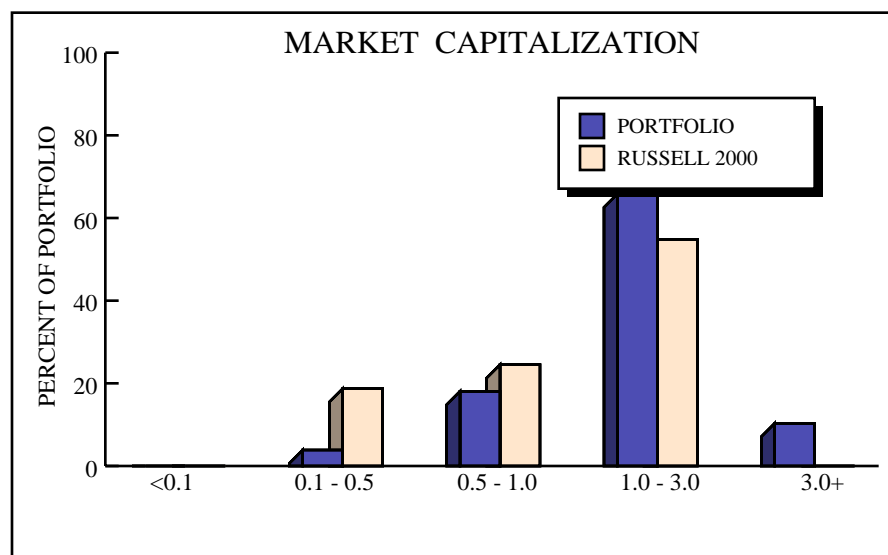
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO      ■ RUSSELL 2000



**TOP TEN HOLDINGS**



**TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	COINSTAR INC	\$ 199,801	3.06%	8.0%	Consumer Service	\$ 2.1 B
2	ADVISORY BOARD CO/THE	191,120	2.92%	11.9%	Consumer Service	1.7 B
3	LASALLE HOTEL PROPERTIES	182,242	2.79%	3.9%	Finance	2.5 B
4	ATHENAHEALTH INC	175,441	2.69%	6.8%	Service	2.8 B
5	UMB FINANCIAL CORP	172,850	2.65%	14.9%	Finance	2.1 B
6	UNITED NATURAL FOODS INC	168,640	2.58%	17.6%	Service	2.7 B
7	COLFAX CORP	164,648	2.52%	-21.8%	Basic	2.6 B
8	GRAND CANYON EDUCATION INC	164,149	2.51%	0.0%	Consumer Service	1.0 B
9	WADDELL & REED FINANCIAL-A	163,058	2.50%	-5.8%	Finance	2.6 B
10	MDC HOLDINGS INC	162,795	2.49%	27.4%	Service	1.6 B

TOWN OF DAVIE POLICE PENSION FUND  
JOHNSTON  
PERFORMANCE REVIEW  
JUNE 2012

## **INVESTMENT RETURN**

On June 30th, 2012, the Town of Davie Police Pension Fund's Johnston account was valued at \$4,628,172, a decrease of \$315,720 relative to the March ending value of \$4,943,892. Over the last three months, the Fund posted net withdrawals totaling \$10,181 in addition to net investment losses equaling \$305,539. Because there were no income receipts for the period, the portfolio's net investment losses were solely the result of capital losses (realized and unrealized).

For the cumulative period since March 2010, the account has recorded net withdrawals totaling \$80,811, and recorded net investment losses of \$176,401. For the period since March 2010, if the portfolio had returned a compounded nominal rate of 7.9% it would have been worth \$5.7 million or \$1.1 million more than the actual value as of June 30th, 2012.

## **RELATIVE PERFORMANCE**

In the second quarter, the Johnston portfolio lost 6.2%, which was 0.6% above the MSCI EAFE Index's return of -6.8% and ranked in the 33rd percentile of the International Equity universe. Over the trailing twelve-month period, the portfolio returned -9.5%, which was 3.9% above the benchmark's -13.4% return, and ranked in the 28th percentile. Since March 2010, the account returned -1.7% on an annualized basis and ranked in the 79th percentile. The MSCI EAFE Index returned an annualized -1.0% over the same time frame.

## **ASSET ALLOCATION**

This account was fully invested in the Johnston International Equity Group Trust at the end of the quarter.

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	-----Annualized-----	
				3 Years	Since 3/2010
<b>Total Gross/Fees</b>	-6.2	6.5	-9.5	----	-1.7
<i>INTERNATIONAL EQUITY RANK</i>	(33)	(75)	(28)	----	(79)
<b>Total Net/Fees</b>	-6.4	5.8	-10.3	----	-2.5
MSCI EAFE	-6.8	6.9	-13.4	6.4	-1.0
<b>International Equity</b>	-6.2	6.5	-9.5	----	-1.7
<i>INTERNATIONAL EQUITY RANK</i>	(33)	(75)	(28)	----	(79)
MSCI EAFE	-6.8	6.9	-13.4	6.4	-1.0

**ASSET ALLOCATION**

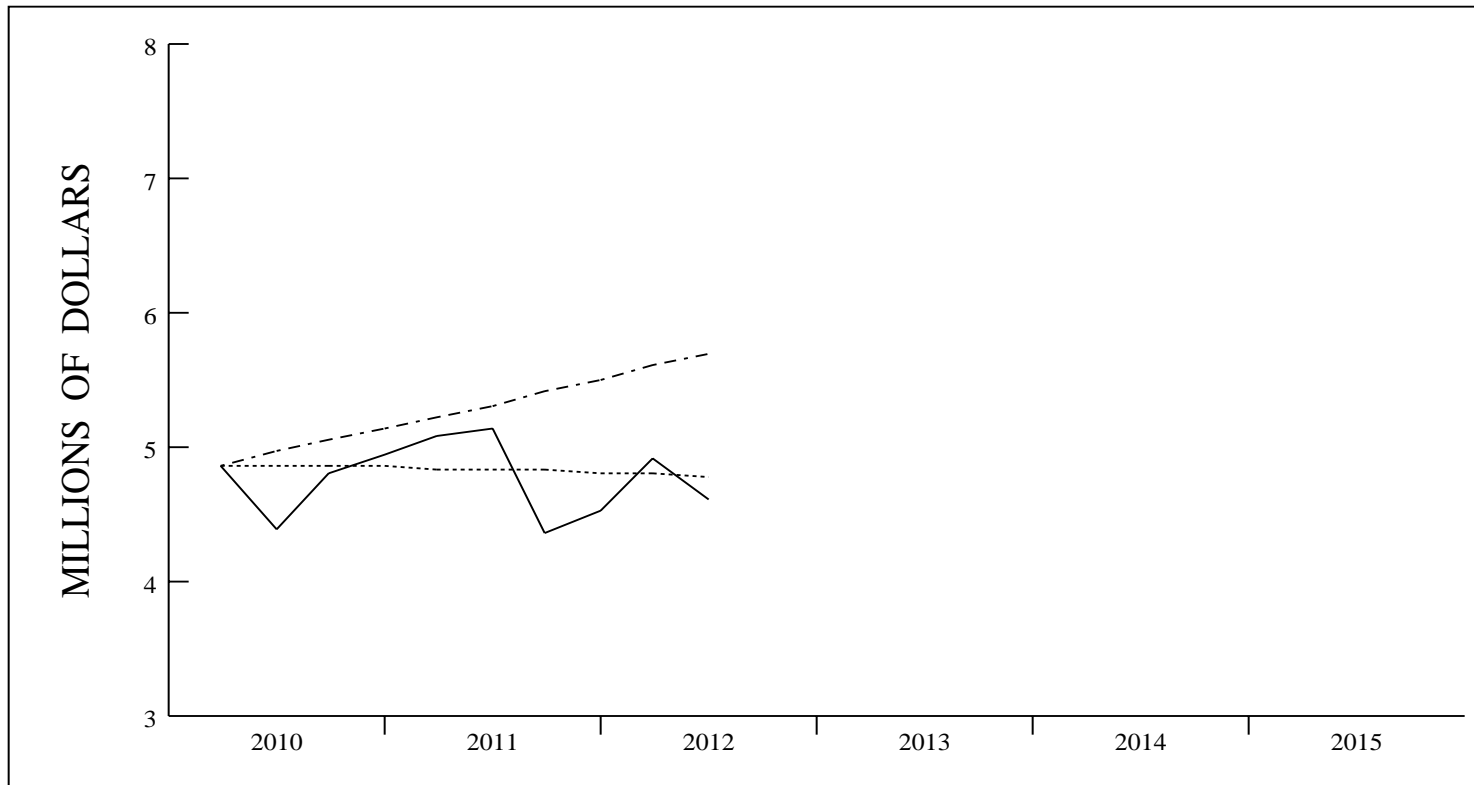
Int'l Equity	100.0%	\$ 4,628,172
Total Portfolio	100.0%	\$ 4,628,172

**INVESTMENT RETURN**

Market Value 3/2012	\$ 4,943,892
Contribs / Withdrawals	- 10,181
Income	0
Capital Gains / Losses	-305,539
Market Value 6/2012	\$ 4,628,172



**INVESTMENT GROWTH**

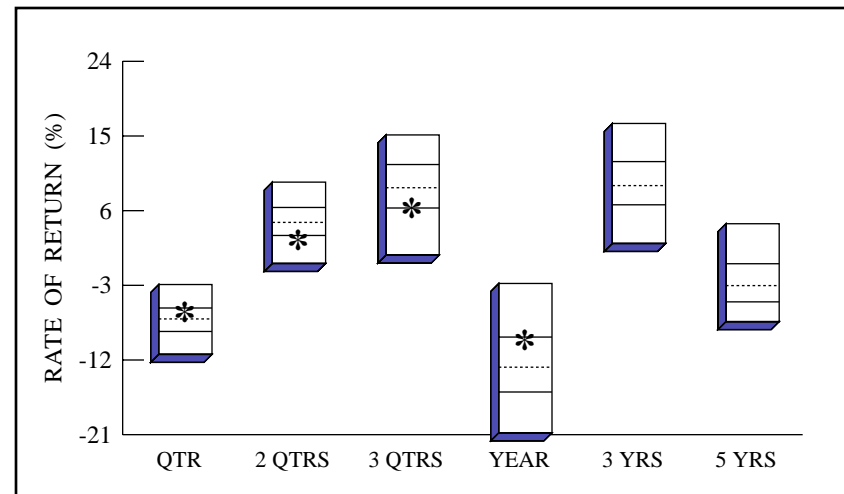
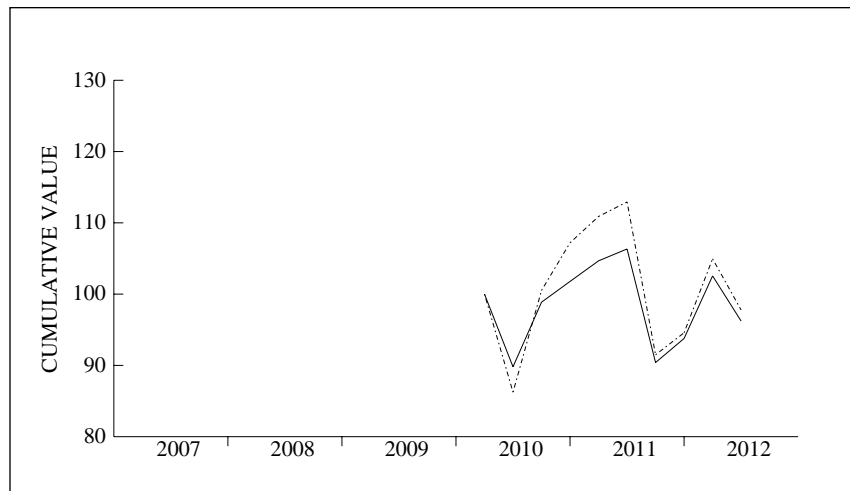


— ACTUAL RETURN  
 - - - 7.9%  
 . . . 0.0%

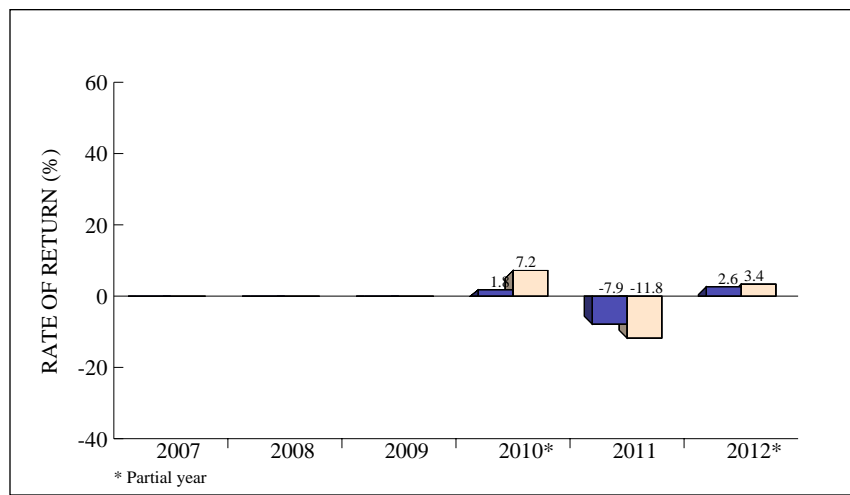
VALUE ASSUMING  
 7.9% RETURN  
 \$ 5,709,763

	LAST QUARTER	PERIOD 3/10 - 6/12
BEGINNING VALUE	\$ 4,943,892	\$ 4,885,384
NET CONTRIBUTIONS	- 10,181	- 80,811
<u>INVESTMENT RETURN</u>	<u>-305,539</u>	<u>-176,401</u>
ENDING VALUE	\$ 4,628,172	\$ 4,628,172
INCOME	0	0
CAPITAL GAINS (LOSSES)	<u>-305,539</u>	<u>-176,401</u>
INVESTMENT RETURN	-305,539	-176,401

**TOTAL RETURN COMPARISONS**



International Equity Universe



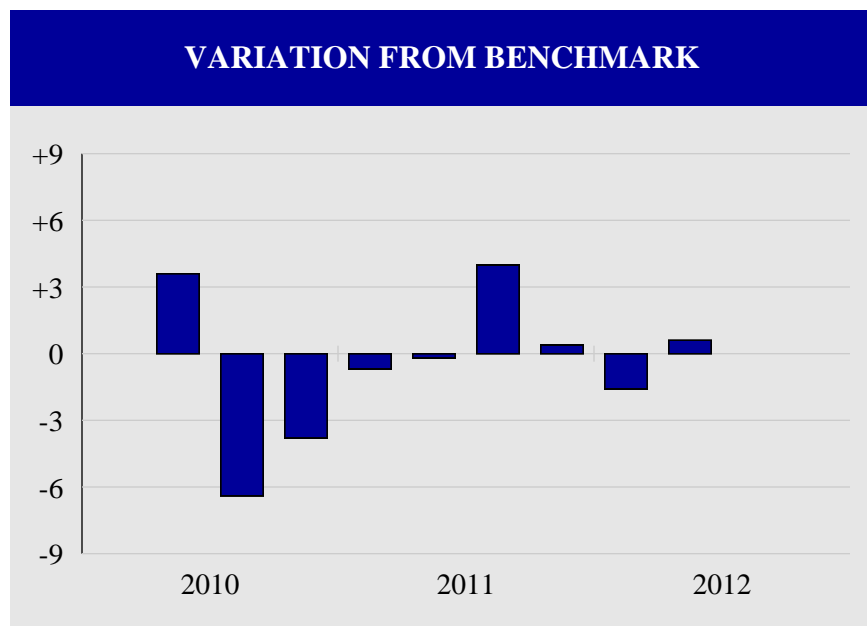
\* Partial year

	<u>QTR</u>	<u>2QTRS</u>	<u>3QTRS</u>	<u>YEAR</u>	-----ANNUALIZED-----	
					<u>3 YRS</u>	<u>5 YRS</u>
RETURN	-6.2	2.6	6.5	-9.5	---	---
(RANK)	(33)	(79)	(75)	(28)	---	---
5TH %ILE	-2.9	9.4	15.1	-2.8	16.5	4.4
25TH %ILE	-5.7	6.4	11.6	-9.3	11.9	-0.4
MEDIAN	-7.0	4.6	8.8	-12.9	9.0	-3.0
75TH %ILE	-8.6	3.0	6.3	-15.9	6.7	-5.0
95TH %ILE	-11.3	-0.4	0.6	-20.8	2.1	-7.4
<b>MSCI EAFE</b>	<b>-6.8</b>	<b>3.4</b>	<b>6.9</b>	<b>-13.4</b>	<b>6.4</b>	<b>-5.6</b>

International Equity Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

**COMPARATIVE BENCHMARK: MSCI EAFE**



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/10	-10.2	-13.8	3.6
9/10	10.1	16.5	-6.4
12/10	2.9	6.7	-3.8
3/11	2.8	3.5	-0.7
6/11	1.6	1.8	-0.2
9/11	-15.0	-19.0	4.0
12/11	3.8	3.4	0.4
3/12	9.4	11.0	-1.6
6/12	-6.2	-6.8	0.6

<b>Total Quarters Observed</b>	<b>9</b>
<b>Quarters At or Above the Benchmark</b>	<b>4</b>
<b>Quarters Below the Benchmark</b>	<b>5</b>
<b>Batting Average</b>	<b>.444</b>

TOWN OF DAVIE POLICE PENSION FUND  
SSGA  
PERFORMANCE REVIEW  
JUNE 2012

## **INVESTMENT RETURN**

On June 30th, 2012, the Town of Davie Police Pension Fund's SSgA portfolio was valued at \$3,638,269, a decrease of \$270,921 relative to the March ending value of \$3,909,190. Over the last three months, the Fund posted no net contributions or withdrawals and posted a net investment loss for the quarter of \$270,921. Since there were no income receipts during the second quarter, the portfolio's net investment losses were the result of capital losses (realized and unrealized).

Since June 2007, the account has recorded net contributions totaling \$342, while posting net investment losses totaling \$1.3 million. Since June 2007, if the total fund had returned a compounded nominal rate of 7.9% it would have been valued at \$7.2 million or \$3.5 million more than its actual value as of June 30th, 2012.

## **RELATIVE PERFORMANCE**

In the second quarter, the SSgA portfolio returned -6.9%, which was 0.1% below the MSCI EAFE Index's return of -6.8% and ranked in the 47th percentile of the International Equity universe. Over the trailing twelve-month period, the portfolio returned -13.6%, which was 0.2% below the benchmark's -13.4% performance, and ranked in the 58th percentile. Since June 2007, the portfolio returned -5.8% annualized and ranked in the 82nd percentile. For comparison, the MSCI EAFE Index returned an annualized -5.6% over the same time frame.

## **ASSET ALLOCATION**

The portfolio was fully invested in the MSCI EAFE Index SL Fund at the end of the quarter.

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

				-----Annualized-----	
	Quarter	FYTD	1 Year	3 Years	5 Years
<b>Total Gross/Fees</b>	-6.9	6.7	-13.6	6.3	-5.8
<i>INTERNATIONAL EQUITY RANK</i>	(47)	(73)	(58)	(80)	(82)
<b>Total Net/Fees</b>	-6.9	6.6	-13.7	6.0	-6.0
MSCI EAFE	-6.8	6.9	-13.4	6.4	-5.6
<b>International Equity</b>	-6.9	6.7	-13.6	6.3	-5.8
<i>INTERNATIONAL EQUITY RANK</i>	(47)	(73)	(58)	(80)	(82)
MSCI EAFE	-6.8	6.9	-13.4	6.4	-5.6

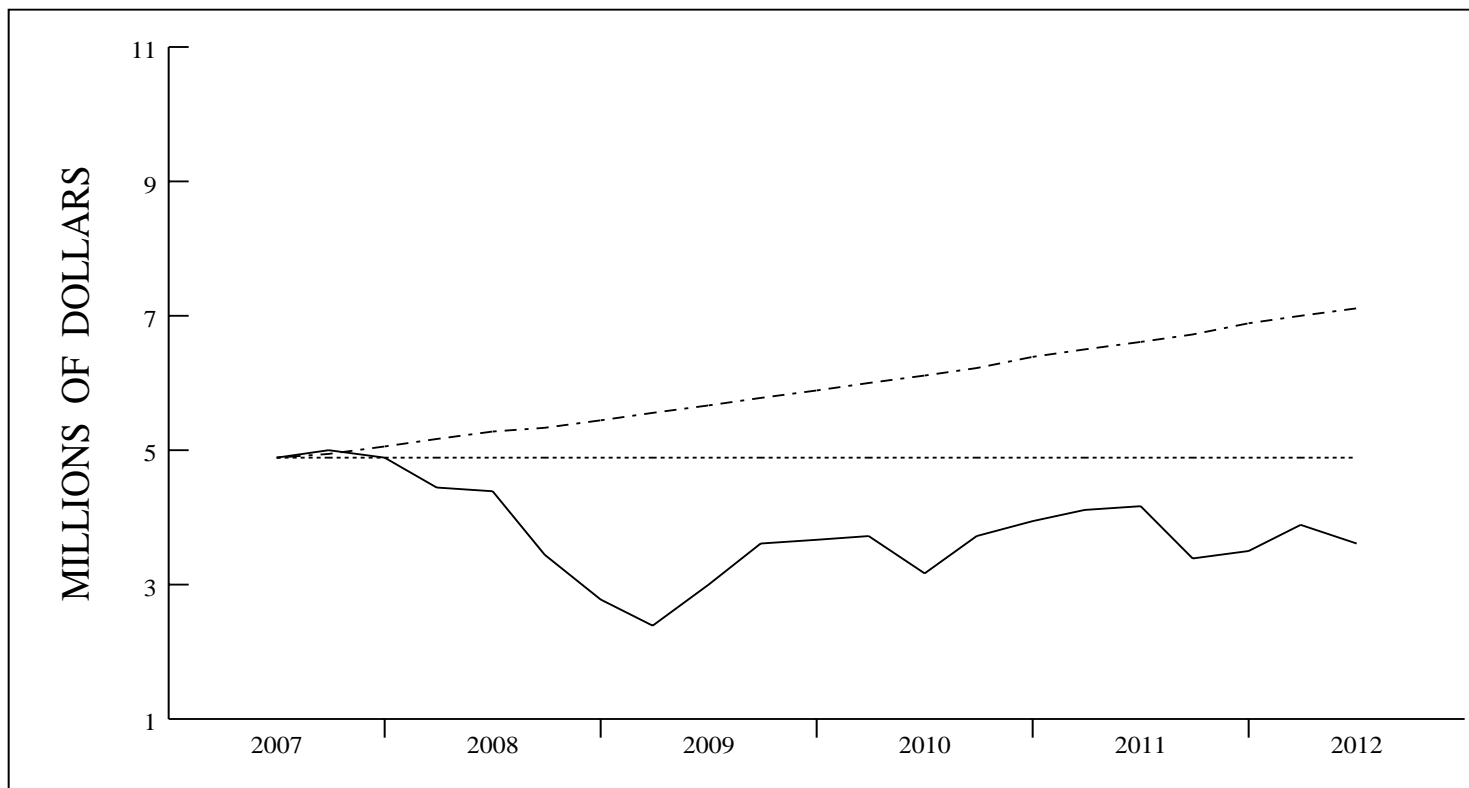
**ASSET ALLOCATION**

Int'l Equity	100.0%	\$ 3,638,269
Total Portfolio	100.0%	\$ 3,638,269

**INVESTMENT RETURN**

Market Value 3/2012	\$ 3,909,190
Contribs / Withdrawals	0
Income	0
Capital Gains / Losses	-270,921
Market Value 6/2012	\$ 3,638,269

**INVESTMENT GROWTH**

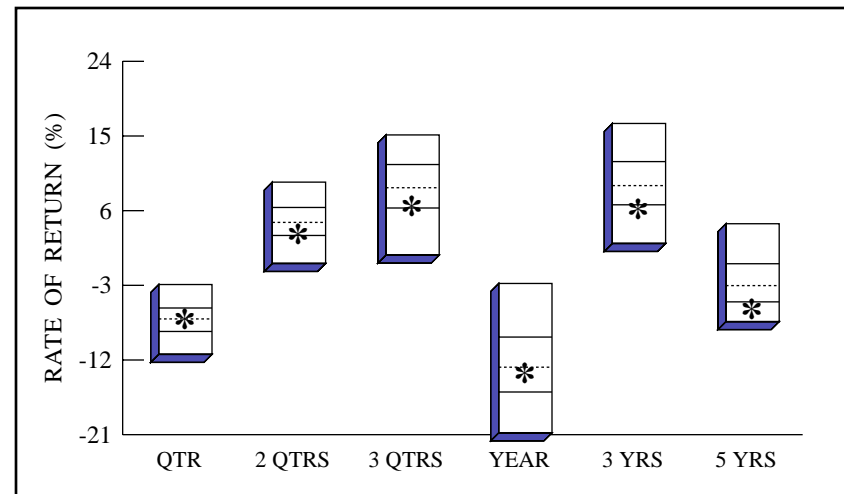
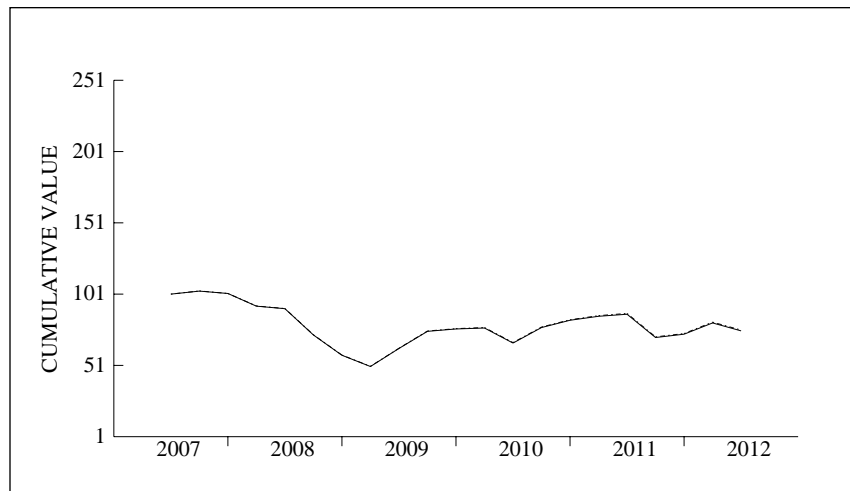


— ACTUAL RETURN  
 - - - 7.9%  
 . . . 0.0%

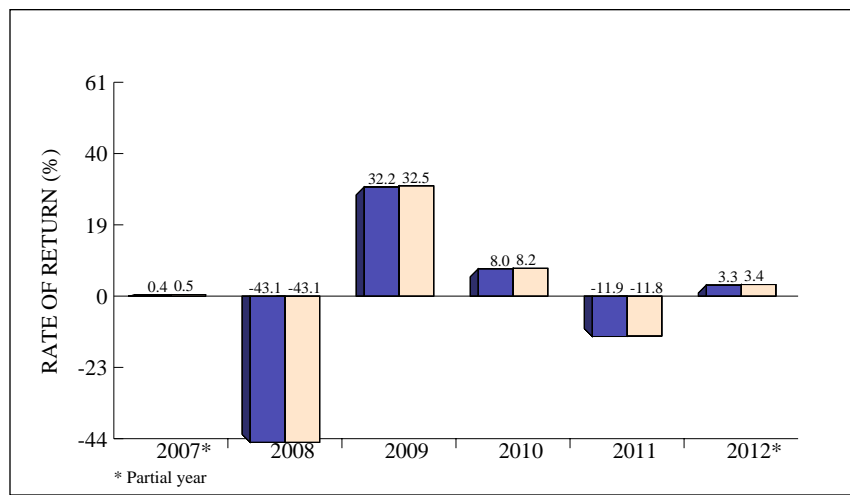
VALUE ASSUMING  
 7.9% RETURN  
 \$ 7,165,183

	LAST QUARTER	PERIOD 6/07 - 6/12
BEGINNING VALUE	\$ 3,909,190	\$ 4,898,833
NET CONTRIBUTIONS	0	342
<u>INVESTMENT RETURN</u>	<u>-270,921</u>	<u>- 1,260,906</u>
ENDING VALUE	\$ 3,638,269	\$ 3,638,269
INCOME	0	0
<u>CAPITAL GAINS (LOSSES)</u>	<u>-270,921</u>	<u>- 1,260,906</u>
INVESTMENT RETURN	-270,921	- 1,260,906

### TOTAL RETURN COMPARISONS



International Equity Universe



	QTR	2QTRS	3QTRS	YEAR	3 YRS	5 YRS
RETURN	-6.9	3.3	6.7	-13.6	6.3	-5.8
(RANK)	(47)	(72)	(73)	(58)	(80)	(82)
5TH %ILE	-2.9	9.4	15.1	-2.8	16.5	4.4
25TH %ILE	-5.7	6.4	11.6	-9.3	11.9	-0.4
MEDIAN	-7.0	4.6	8.8	-12.9	9.0	-3.0
75TH %ILE	-8.6	3.0	6.3	-15.9	6.7	-5.0
95TH %ILE	-11.3	-0.4	0.6	-20.8	2.1	-7.4
<b>MSCI EAFE</b>	<b>-6.8</b>	<b>3.4</b>	<b>6.9</b>	<b>-13.4</b>	<b>6.4</b>	<b>-5.6</b>

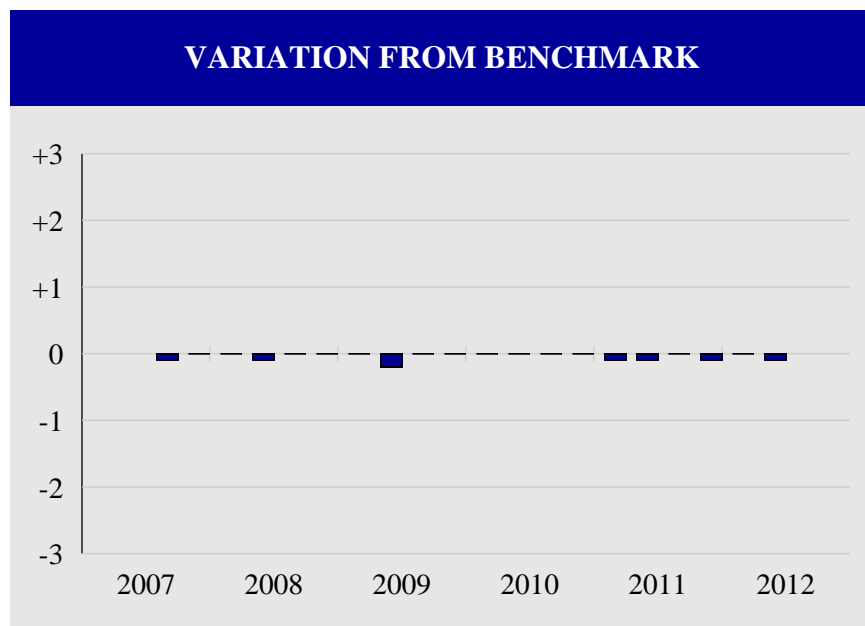
-----ANNUALIZED-----

International Equity Universe



## TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: MSCI EAFE



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/07	2.1	2.2	-0.1
12/07	-1.7	-1.7	0.0
3/08	-8.8	-8.8	0.0
6/08	-2.0	-1.9	-0.1
9/08	-20.5	-20.5	0.0
12/08	-19.9	-19.9	0.0
3/09	-13.9	-13.9	0.0
6/09	25.7	25.9	-0.2
9/09	19.5	19.5	0.0
12/09	2.2	2.2	0.0
3/10	0.9	0.9	0.0
6/10	-13.8	-13.8	0.0
9/10	16.5	16.5	0.0
12/10	6.7	6.7	0.0
3/11	3.4	3.5	-0.1
6/11	1.7	1.8	-0.1
9/11	-19.0	-19.0	0.0
12/11	3.3	3.4	-0.1
3/12	11.0	11.0	0.0
6/12	-6.9	-6.8	-0.1

<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>13</b>
<b>Quarters Below the Benchmark</b>	<b>7</b>
<b>Batting Average</b>	<b>.650</b>

TOWN OF DAVIE POLICE PENSION FUND  
AMERICAN CORE REALTY FUND, LLC  
PERFORMANCE REVIEW  
JUNE 2012

## **INVESTMENT RETURN**

On June 30th, 2012, the Town of Davie Police Pension Fund's American Core Realty Fund, LLC portfolio was valued at \$2,283,065, representing an increase of \$54,625 from the March quarter's ending value of \$2,228,440. Last quarter, the Fund posted withdrawals totaling \$5,930, which partially offset the portfolio's net investment return of \$60,555. Income receipts totaling \$33,426 plus net realized and unrealized capital gains of \$27,129 combined to produce the portfolio's net investment return.

For the cumulative period since March 2011, the fund has recorded net contributions totaling \$1.1 million, and recorded net investment gains of \$272,143. For the period since March 2011, if the total fund had returned a compounded nominal rate of 7.9% it would have been valued at \$2.2 million or \$102,206 less than the actual value as of June 30th, 2012.

## **RELATIVE PERFORMANCE**

In the second quarter, the American Core Realty Fund, LLC portfolio gained 2.7%, which was 0.2% greater than the NCREIF NFI-ODCE Index's return of 2.5%. Over the trailing twelve-month period, the portfolio returned 12.2%, which was 0.2% below the benchmark's 12.4% return. Since March 2011, the account returned 13.0% on an annualized basis, while the NCREIF NFI-ODCE Index returned an annualized 13.8% over the same time frame.

## **ASSET ALLOCATION**

This account was fully invested in the American Core Realty Fund, LLC at the end of the quarter.

**EXECUTIVE SUMMARY**

**PERFORMANCE SUMMARY**

	Quarter	FYTD	1 Year	-----Annualized-----	
				3 Years	Since 3/2011
<b>Total Gross/Fees</b>	2.7	8.8	12.2	----	13.0
<b>Total Net/Fees</b>	2.5	7.9	11.0	----	11.8
NCREIF ODCE	2.5	8.6	12.4	8.4	13.8
<b>Real Estate</b>	2.7	8.8	12.2	----	13.0
NCREIF ODCE	2.5	8.6	12.4	8.4	13.8

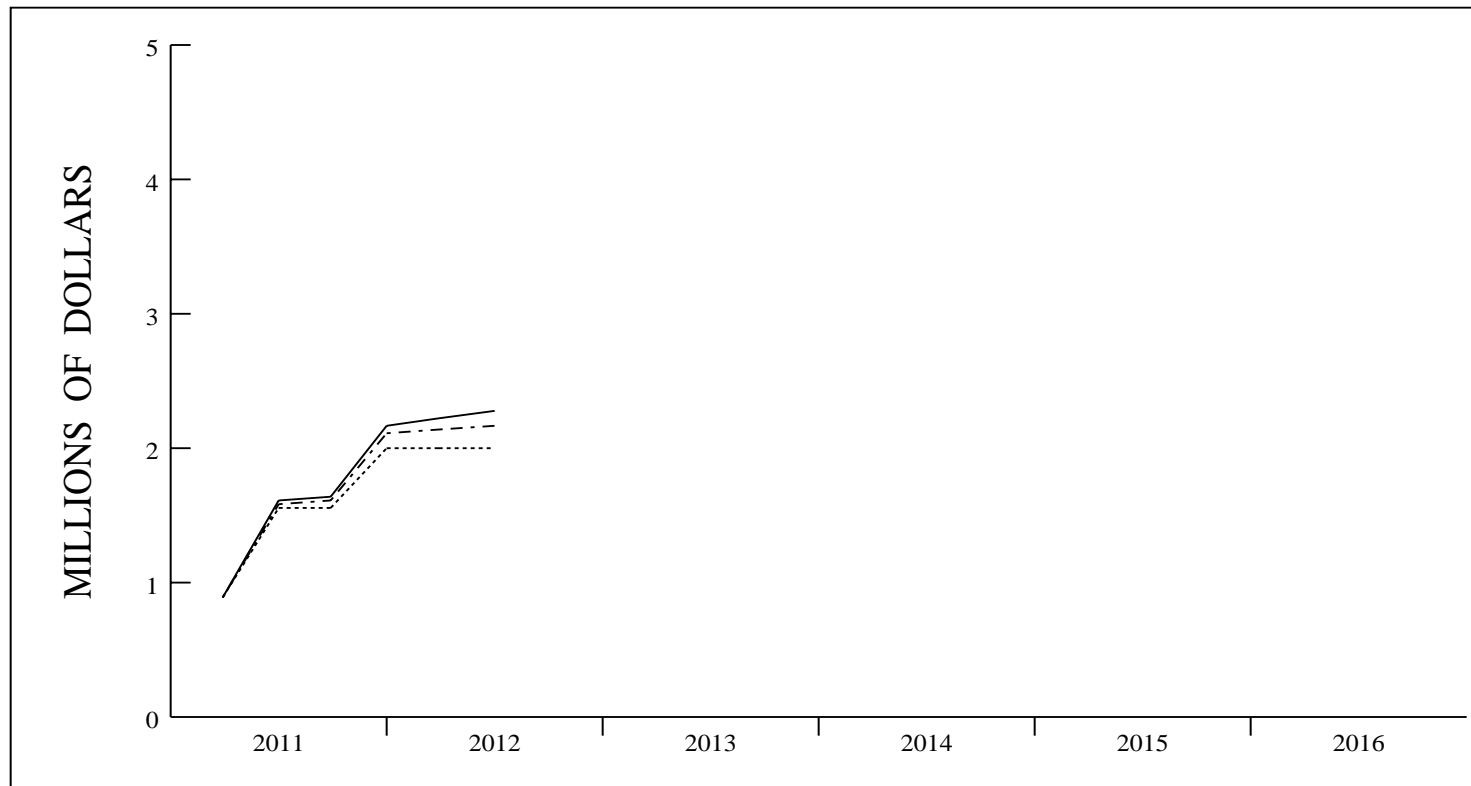
**ASSET ALLOCATION**

Real Estate	100.0%	\$ 2,283,065
Total Portfolio	100.0%	\$ 2,283,065

**INVESTMENT RETURN**

Market Value 3/2012	\$ 2,228,440
Contribs / Withdrawals	- 5,930
Income	33,426
Capital Gains / Losses	27,129
Market Value 6/2012	\$ 2,283,065

**INVESTMENT GROWTH**



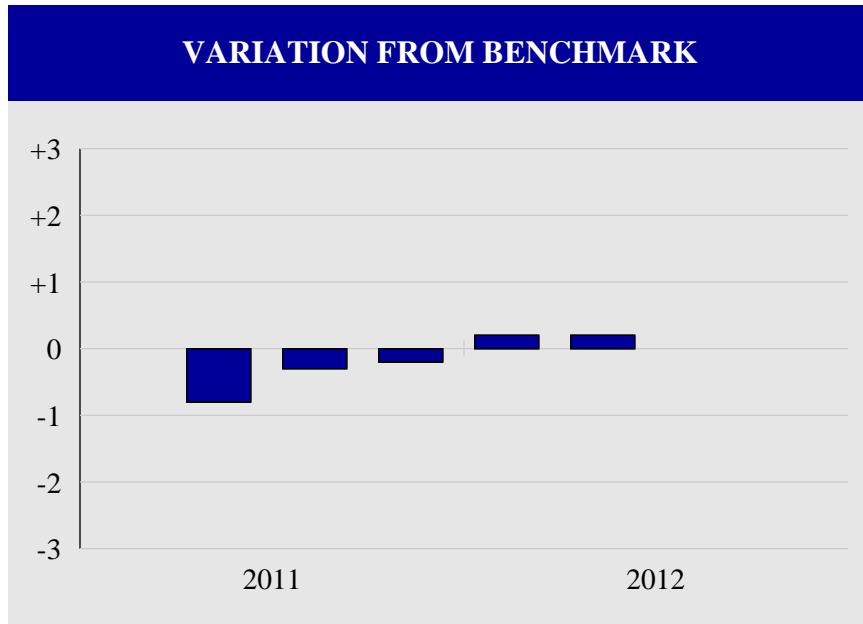
— ACTUAL RETURN  
 - - - 7.9%  
 . . . 0.0%

VALUE ASSUMING  
 7.9% RETURN  
 \$ 2,180,859

	LAST QUARTER	PERIOD 3/11 - 6/12
BEGINNING VALUE	\$ 2,228,440	\$ 892,274
NET CONTRIBUTIONS	- 5,930	1,118,648
INVESTMENT RETURN	60,555	272,143
ENDING VALUE	\$ 2,283,065	\$ 2,283,065
INCOME	33,426	135,819
CAPITAL GAINS (LOSSES)	27,129	136,324
INVESTMENT RETURN	60,555	272,143

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

**COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX**



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/11	3.8	4.6	-0.8
9/11	3.2	3.5	-0.3
12/11	2.8	3.0	-0.2
3/12	3.0	2.8	0.2
6/12	2.7	2.5	0.2

<b>Total Quarters Observed</b>	<b>5</b>
<b>Quarters At or Above the Benchmark</b>	<b>2</b>
<b>Quarters Below the Benchmark</b>	<b>3</b>
<b>Batting Average</b>	<b>.400</b>