

Return (Net of Fees)

Investment Pool	5 Year Standard Deviation	%	Return (Net of Fees)							Incept Date	
			Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year		Inception
Growth & Income		62%	2.99%	2.99%	-0.48%	1.91%	-	-	-	7.34%	Jul 01, 2010
Benchmark	7.70%		3.81%	3.81%	-0.61%	1.79%				6.43%	
Variance			-0.82%	-0.82%	0.13%	0.12%	0.00%	0.00%	0.00%	0.91%	
<p><i>Equity markets rebounded strongly in October, reacting positively to earnings season as company's reported better than expected results as the domestic economy appears to be stronger than previously estimated. The Growth and Income Pool underperformed the custom benchmark by 82 basis points for the month. Passive equity allocations were additive in October (14% of total pool), the MSCI EAFE Index and the S&P 500 index traded higher +9.6% and +10.9%, respectively. Traditional fixed income markets also saw gains as most major bond indices moved higher during the month. All fixed income spread sectors rallied and, for the first time in four months, Treasuries posted a negative return as the yield curve steepened. As a result, the Barclays Capital Aggregate Bond Index increased +0.1% during October and is up +6.8% for the year. Long/Short fixed income allocations were additive as managers continued to exploit pricing inefficiencies, Rimrock lead the way by returning +2.0% for the month.</i></p>											
Growth		9%	3.52%	3.52%	-1.01%	2.37%	-	-	-	9.05%	Jul 01, 2010
Benchmark	10.80%		5.05%	5.05%	-2.62%	0.85%				7.51%	
Variance			-1.53%	-1.53%	1.61%	1.52%	0.00%	0.00%	0.00%	1.54%	
<p><i>The Growth Pool has more equity and real asset exposure than the Growth and Income pool and returns reflect this additional risk. Investors persistently searched for higher yielding assets, driving equity markets higher in October as stocks broke through key resistance levels, the MSCI Emerging Markets Index and the MSCI 1750 Small Cap Index trended upward +13.3% and +15.2%, respectively. The Growth Pool trailed the custom benchmark by 153 basis points for the month as allocations to alternatives managers held back returns, manager Abbey Capital slumped -6.4% during October. Exposure in the long/short equity space boosted returns; specifically Emerging Sovereign, as hefty allocations to emerging markets proved helpful (+1.2%) for the month. Commodity exposure boosted overall performance; the Dow Jones UBS Commodity Index gained +6.6% in the month of October.</i></p>											
Income		8%	1.67%	1.67%	1.75%	2.99%	-	-	-	5.96%	Jul 01, 2010
Benchmark	5.20%		2.88%	2.88%	3.25%	4.34%				7.43%	
Variance			-1.21%	-1.21%	-1.50%	-1.35%	0.00%	0.00%	0.00%	-1.47%	
<p><i>Pool Allocation is strongly tilted towards fixed income, representing 75% of the total pool. The Income Pool underperformed the custom benchmark by 121 basis points for the month of October. Long Treasury yields rebounded slightly in October as fear eased and optimism that the European Union may have found a workable solution to the Greek debt crisis. Markets went back into "risk-on" mode during the month regarding optimism that the European Union's proposed voluntary exchange of Greek debt at a 50% haircut would avert the triggering of credit default swap (CDS) payments. U.S. Treasuries (-0.8%) posted its first negative monthly return in five months as interest rates rose across the yield curve. Galliard's performance was a relative drag during October, as raising yields hurt performance. Galliard has now outperformed the Barclays Capital Aggregate Index by 34 basis points year to date. Long/Short fixed income allocations to Strategic Value and Aurelius hurt performance as both managers posted negative monthly returns, -3.0% and -1.4%, respectively. Equity exposure, the majority of which is through Adage, was beneficial to the portfolio. Adage has outperformed the S&P 500 Index by 220 basis points year to date.</i></p>											
Passive Equity		7%	8.68%	8.68%	-2.32%	1.48%	-	-	-	10.45%	Jul 01, 2010
Benchmark	13.20%		8.97%	8.97%	-1.31%	2.24%				10.16%	
Variance			-0.29%	-0.29%	-1.01%	-0.76%	0.00%	0.00%	0.00%	0.29%	
<p><i>Passive indices fared well in October versus active management. The Pool has a bias towards small cap stocks and the domestic equity market, which performed well in October. The S&P 500 Index and MSCI U.S. Small Cap 1750 Index recovered sharply throughout the month, large cap stocks continue to outperform small stocks and is evident by the year to date returns, +1.3% and -2.9%, respectively. A surprisingly strong corporate earnings season and improving U.S. economic data added fuel to the market's exceptional rally at the end of the month, especially boosting small capitalization stocks and cyclical equities. Passive fixed income exposure performed in line with expectations due to the heavy weightings of Treasuries and Agencies in domestic aggregate bond indices; long only bonds produced slightly positive returns for the month.</i></p>											
Passive Income		6%	3.71%	3.71%	3.75%	4.49%	-	-	-	9.50%	Jul 01, 2010
Benchmark	7.10%		3.84%	3.84%	4.30%	4.89%				9.22%	
Variance			-0.13%	-0.13%	-0.55%	-0.40%	0.00%	0.00%	0.00%	0.28%	
<p><i>The Passive Income Pool has a 70% target to short-intermediate fixed income. Passive fixed income indices performed in line with expectations, particularly as rates moved higher across the curve by as much as 21 basis points in October. The increase in yields was more prominent in the mid to long term maturity spectrum as looming Fed tightening looked less likely. Yields for maturities from five- through nine-year maturities rose by 2 to 21 basis points, while ten- and thirty-year yields increased by 17 and 18 basis points. The yield curve remains very steep with spreads between the two- and thirty-year, and ten- and thirty-year Treasuries rising 0 and 18 basis points to levels of 218 and 313 basis points. Passive equity exposure, the majority of which is allocated to the MSCI U.S. Small Cap 1750 Index, contributed positively to portfolio performance.</i></p>											
Money Market		7%	0.00%	0.00%	0.08%	0.12%	-	-	-	0.14%	Jul 01, 2010
Benchmark	0.50%		0.00%	0.00%	0.07%	0.10%				0.12%	
Variance			0.00%	0.00%	0.01%	0.02%	0.00%	0.00%	0.00%	0.02%	
<p><i>Rates remain heavily anchored at the short end of the curve; maturities of less than two-years declined by less than 4 basis points in October. Cash vehicles, such as money market funds, continue to produce measly returns.</i></p>											

• The following preliminary returns are net of fees for periods ending October 31, 2011. The returns have not been verified and are subject to change.