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Investment Performance Review

City of Lansing Police & Fire Retirement System

For the Periods Ending September 30, 2009

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Market Environment

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Market Overview

For the Periods Ending September 30, 2009

One year after the meltdown in the global financial markets that sent the US economy into a deeper recession, it appears the economy is improving, as recent data has shown that growth resumed in the third quarter. Government sponsored programs helped boost consumer spending and brought back stability to the US housing market, while a rebound in manufacturing activity began to spread to the broader economy. Still, the economy faces headwinds from a deteriorating job market, which is restraining growth in household income and leaving into question the speed of the recovery.

The Federal Reserve maintains a zero interest rate policy... The Federal Reserve's (Fed) outlook on the economy improved over the course of the past three months, although they still feel the pace of business activity could be weak initially. There is substantial excess capacity within the economy and it is expected that inflation will remain subdued for some time. The Fed intends to continue purchasing US Treasuries and securities backed by home mortgages to support lending activity and emphasized they will begin withdrawing accommodative monetary policy when appropriate to prevent any persistent increase in inflation.

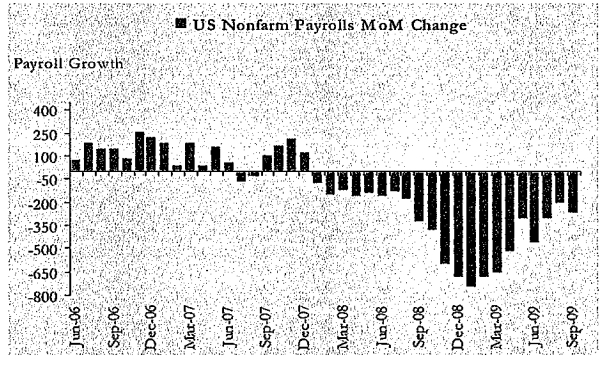
Tentative signs of an uptick in business activity... Companies appeared to be making progress in bringing inventories back in line with sales over the past three months as a pick up in foreign economic activity, particularly in Asia, led to increased new production. In addition, recent data on new orders and shipments pointed to an earlier bottoming out in equipment and investment spending. Another positive sign was an uptick in spending on new orders for non-defense capital goods, excluding aircraft, as this sector typically leads future business spending.

The pace of job losses slowed, but remained sizable... The economy shed another 768,000 jobs during the third quarter, sending the unemployment rate up to 9.8%, its highest level since 1983. Still, the pace of job losses decelerated from the first half of 2009 when significant cost cutting by firms led to average monthly job cuts of nearly 600,000. Despite the ongoing job losses, consumer spending rose in the last two months of the quarter, partly boosted by government credits to purchase automobiles. The economy is showing some signs of stability as corporations are running much leaner and household wealth is being supported by rising equity prices. Many economists, including the Federal Reserve, believe the economy likely bottomed sometime this summer and now is on track for a gradual recovery. Nonetheless, corporations' cautious hiring practices could dampen consumers' demand and, in turn, the strength of the recovery. Once the government stimulus is withdrawn, the key to a sustainable recovery will be organic growth driven by business and consumer spending.

Economy at a Glance

Recent growth indicators	Jun-09	Jul-09	Aug-09	Sep-09
ISM Manufacturing Composite*	44.8	48.9	52.9	52.6
ISM Non-Manufacturing Composite*	47	46.4	48.4	50.9
Confernce Board Consumer Confidence**	49.3	47.4	54.5	53.1
Change in Payrolls (m-o-m, 000)**	-463	-304	-201	-263
Personal Income (% m-o-m)***	-1.1	0.2	0.2	
Personal Spending (% m-o-m)***	0.7	0.3	1.3	

Source: Bureau of Labor Statistics, ISM, Bloomberg



Source: Bureau of Labor Statistics, Bloomberg

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Market Overview

For the Periods Ending September 30, 2009

U.S. Equities... Amid lower interest rates, coupled with further indications that the contraction in economic activity may have ended, broad stock indexes reached new year-to-date (YTD) highs during the third quarter. September marked the seventh straight month of gains for the S&P 500 index, up 58.25% from the March 9th trough. The index gained 15.61% in the third quarter, contributing to a YTD gain of 19.26%. The rally has been led by companies whose profits are tied to the economic cycle, such as producers of technology and consumer goods. For the quarter, all ten of the S&P 500 sectors were positive with financials soaring more than 25%. Small cap stocks outperformed large caps in the quarter as investors favored small caps in anticipation of a rebound in 2010 earnings growth that could outpace large caps. The Russell 2000 posted its second consecutive quarterly gain on strong breadth with all ten sectors rising, led by the 30.55% gain for the energy sector. Large cap value stocks outpaced growth during the third quarter, but growth stocks still lead their value counterparts by a significant margin year-to-date.

International Equities... Equities worldwide continued to climb off March bear market lows in anticipation of a full-blown global economic recovery. The MSCI World index had a quarterly gain of 17.57% (+25.55% YTD) and has added $6.2 trillion in value since the end of March to a market capitalization of $20.8 trillion. The broad-based MSCI EAFE index gained 19.52% on a US dollar basis (USD) (+29.58% YTD). Investors sent shares in the pan-European Dow Jones Stoxx 600 index higher after it was reported that the region's largest two economies, Germany and France, reported growth in the second quarter, sending the index up 23.38% (+33.11% YTD) on a USD basis. Investor appetite for the riskier emerging market equities continued as emerging markets performed better than developed markets on increased optimism that growth will far outpace developed economies as the global recovery takes form.

U.S. Fixed-Income... Strong economic data, coupled with the Fed's improved outlook, helped extend a broad based rally across credit markets that started in March. Low short-term rates on money market and savings accounts drove investors to higher yielding assets as the Barclays Capital US Corporate Investment Grade index rose 8.12% for the quarter (+17.11% YTD). Yields on the index declined 424 basis points (bps) to 4.85% by the quarter's end, from a peak of more than 9% last October. Lower grade bond prices marched higher, continuing the seventh consecutive month of the rally. The sector continued to attract record amounts of cash inflows on declining investor risk aversion, sending returns for the year to just under 49%. US Treasury prices posted their strongest three-month performance since 2008 following the Fed's reiteration that interest rates will remain low for an extended period. For the quarter, two-year Treasury yields dropped 16 bps to 0.95% while 10-year yields fell 23 bps to 3.31%. 10-year yields have closed lower in each of the past three months from a peak of 3.85% on June 30th.

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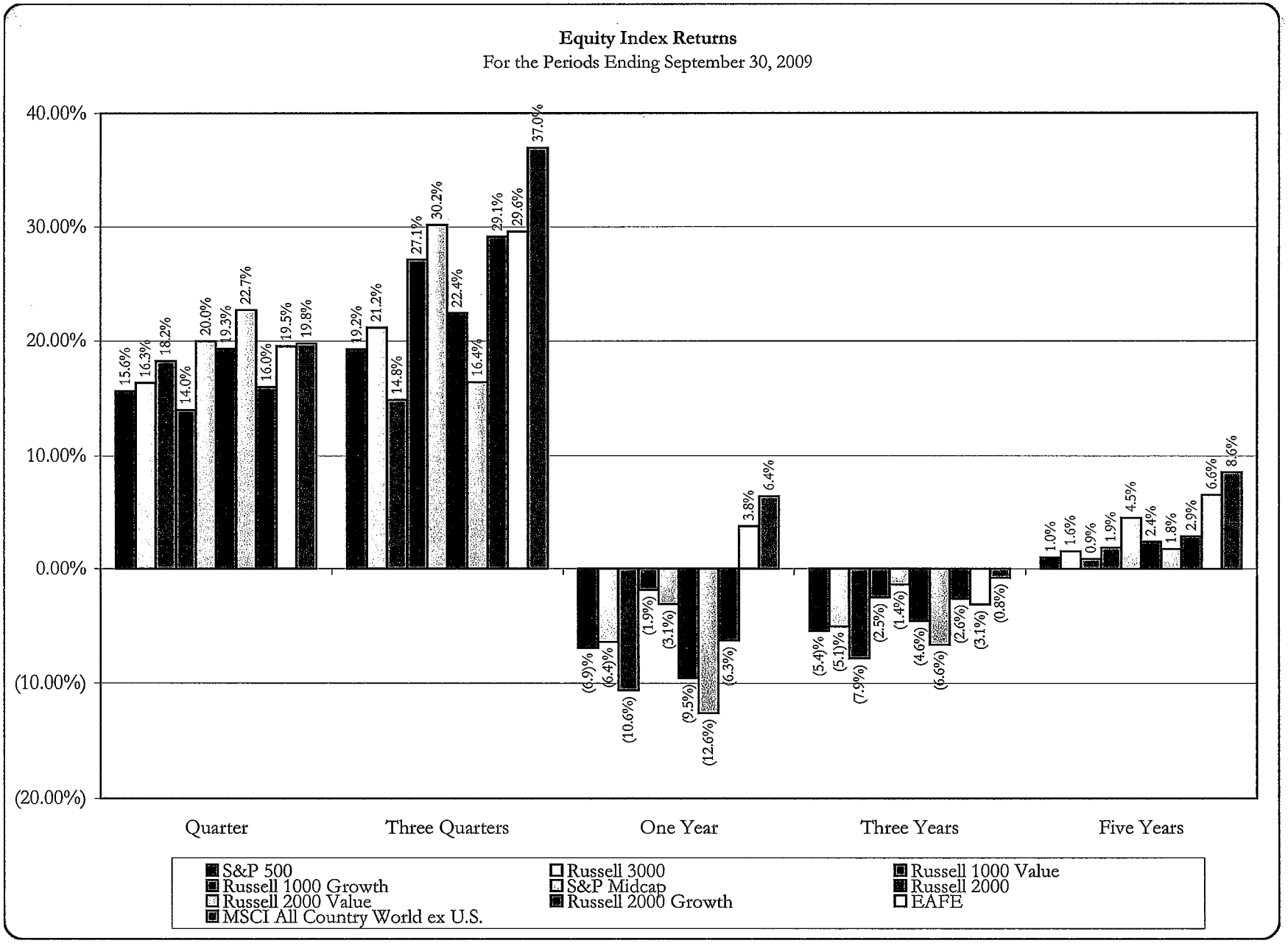

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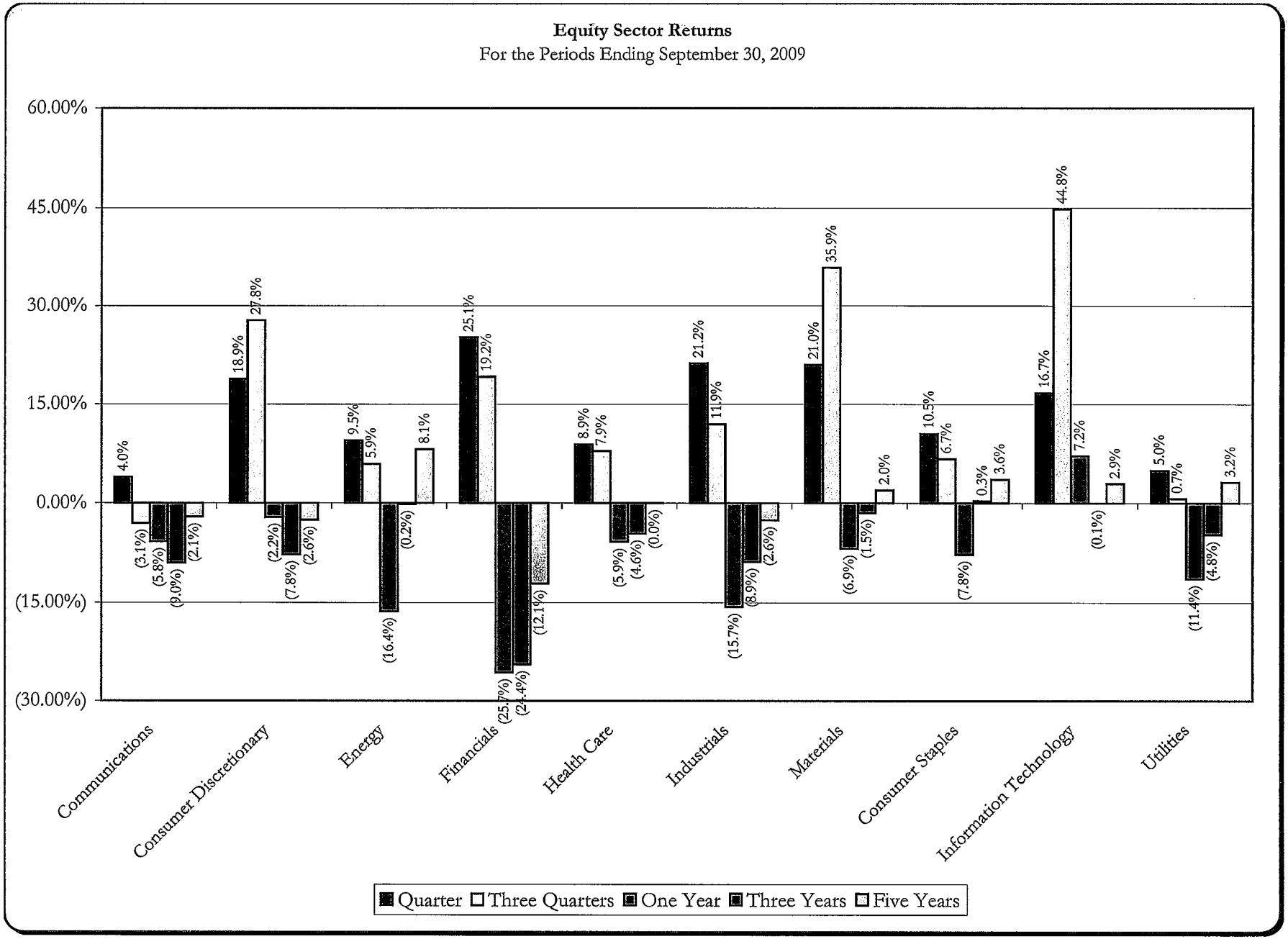

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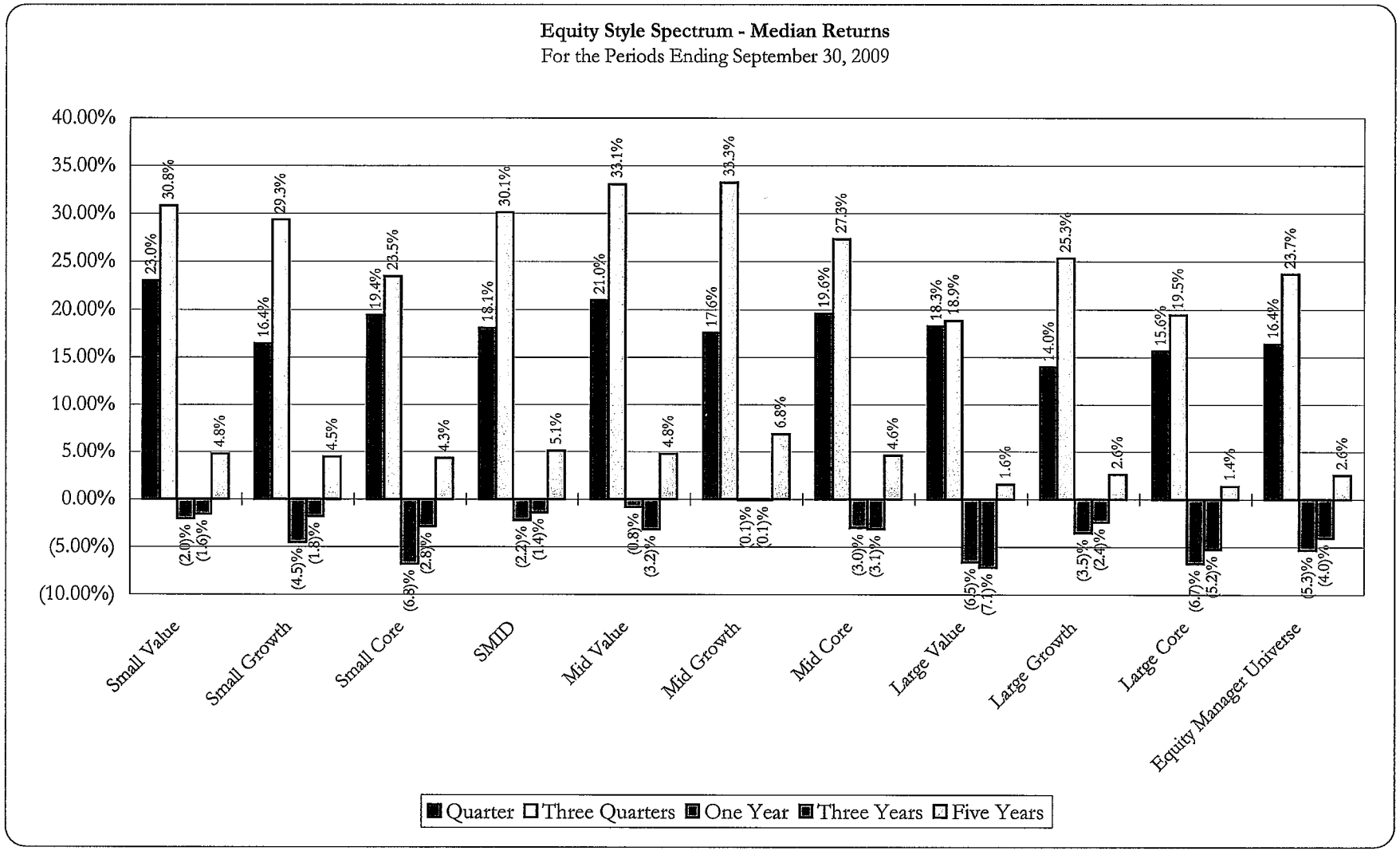

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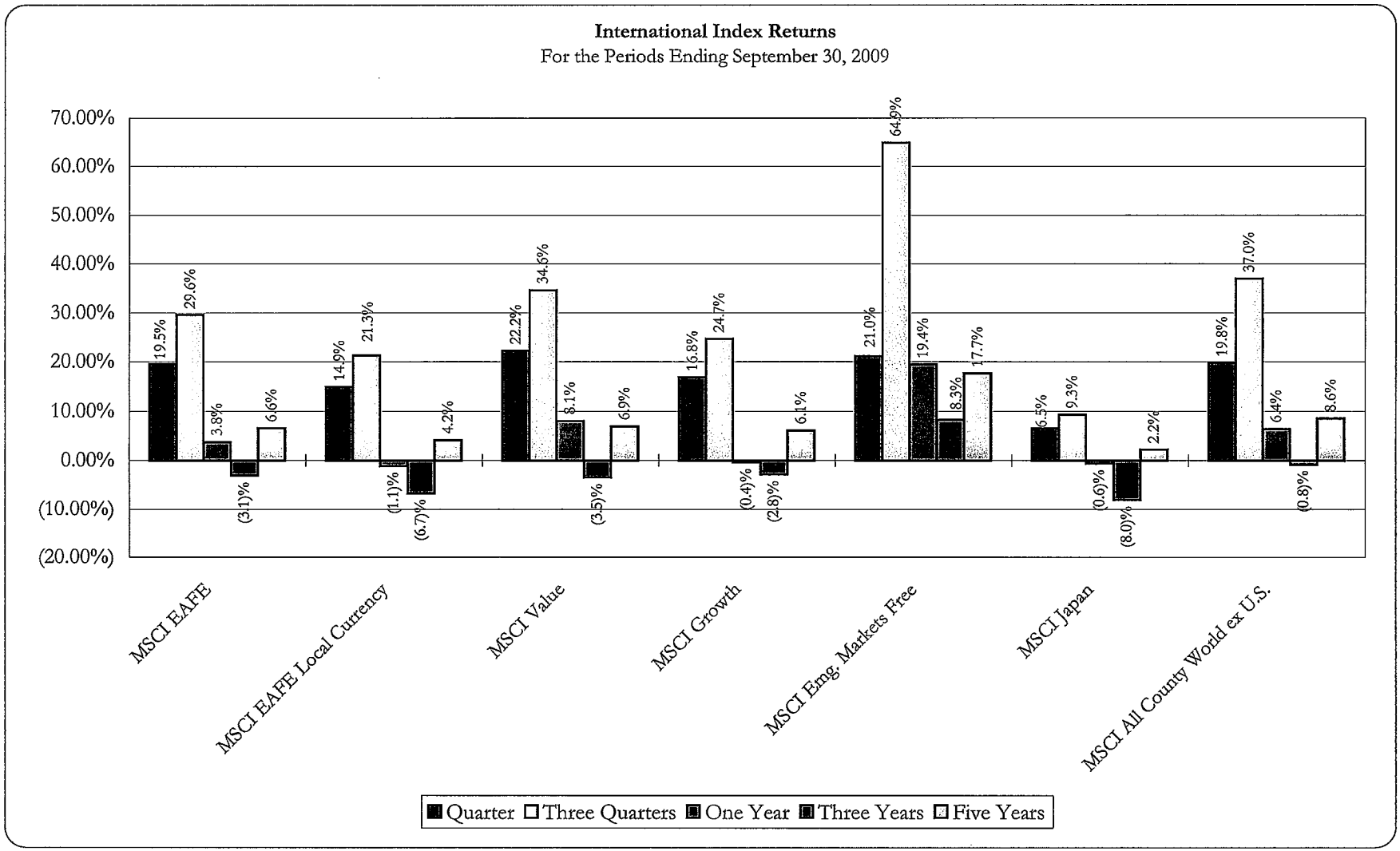

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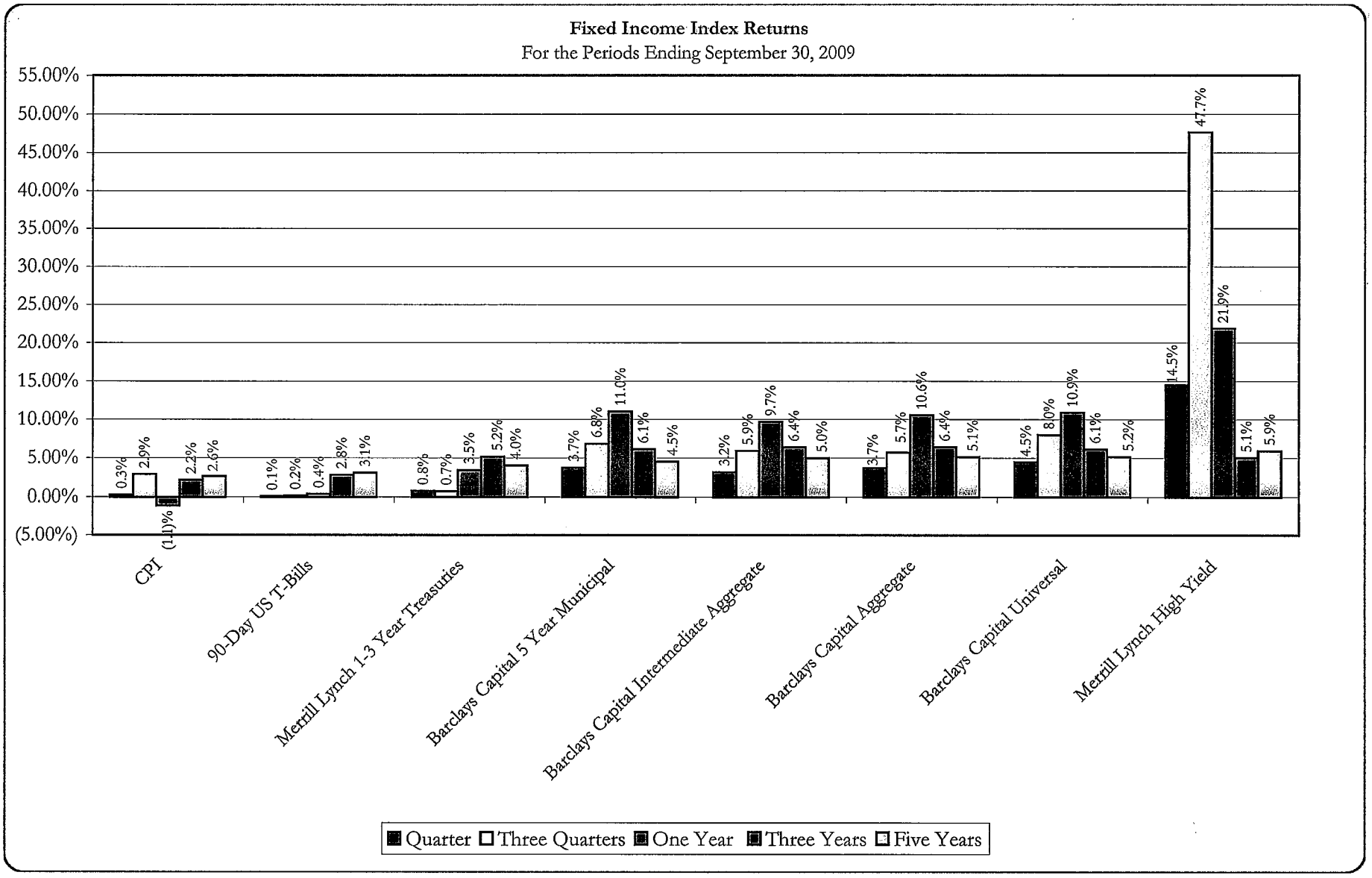

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Fixed Income Market Environment

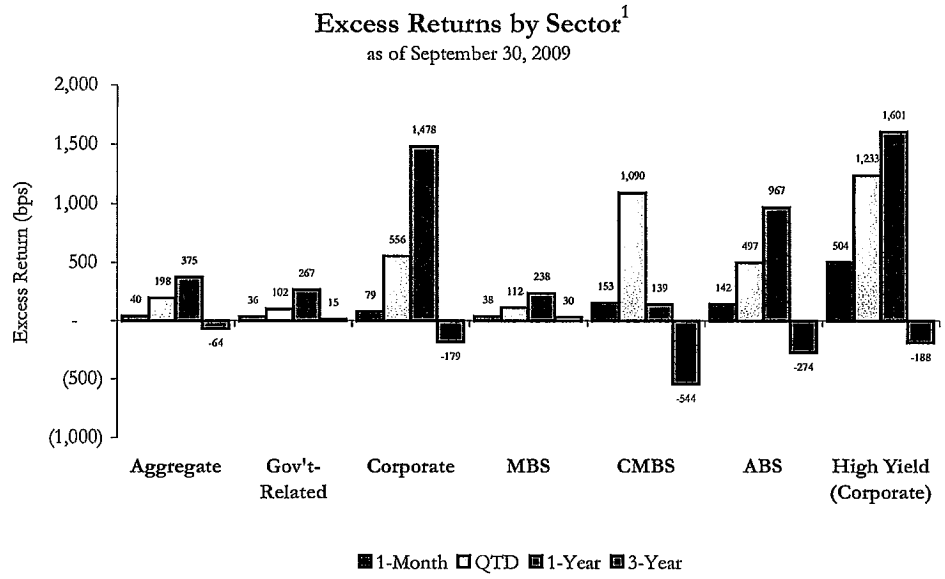
For the Periods Ending September 30, 2009

Nominal Returns by Sector				
As of 9/30/09	1- Month	QTD	1-Year	3-Year
Aggregate	1.05%	3.74%	10.56%	6.41%
Treasury	0.78%	2.10%	6.26%	6.86%
Gov't-Related	0.93%	2.65%	8.55%	6.75%
Corporate	1.78%	8.12%	21.77%	5.67%
MBS	0.80%	2.31%	9.85%	7.40%
CMBS	2.14%	12.70%	7.56%	1.82%
ABS	1.87%	6.30%	14.68%	3.54%
High Yield (Corporate)	5.70%	14.22%	22.34%	5.31%

Nominal Returns by Quality				
As of 9/30/09	1-Month	QTD	1-Year	3-Year
AAA	0.83%	2.62%	8.14%	6.61%
AA	1.27%	5.77%	14.92%	5.09%
A	1.77%	7.84%	21.43%	4.57%
BAA	2.21%	9.22%	20.67%	6.53%
BA	4.52%	11.09%	21.43%	6.61%
B	4.50%	10.30%	13.85%	2.82%
CAA	7.37%	20.57%	14.51%	1.13%

Nominal Returns by Maturity				
As of 9/30/09	1-Month	QTD	1-Year	3-Year
1-3 Year	0.44%	1.62%	6.91%	5.66%
3-5 Year	0.77%	2.91%	9.17%	6.28%
5-7 Year	1.07%	3.96%	9.03%	5.99%
7-10 Year	1.39%	5.10%	13.67%	7.10%
10+ Year	2.14%	7.13%	15.44%	6.40%

[1] *Relative to the duration neutral Treasury*
Time periods over one year are annualized
Source: Barclays Capital



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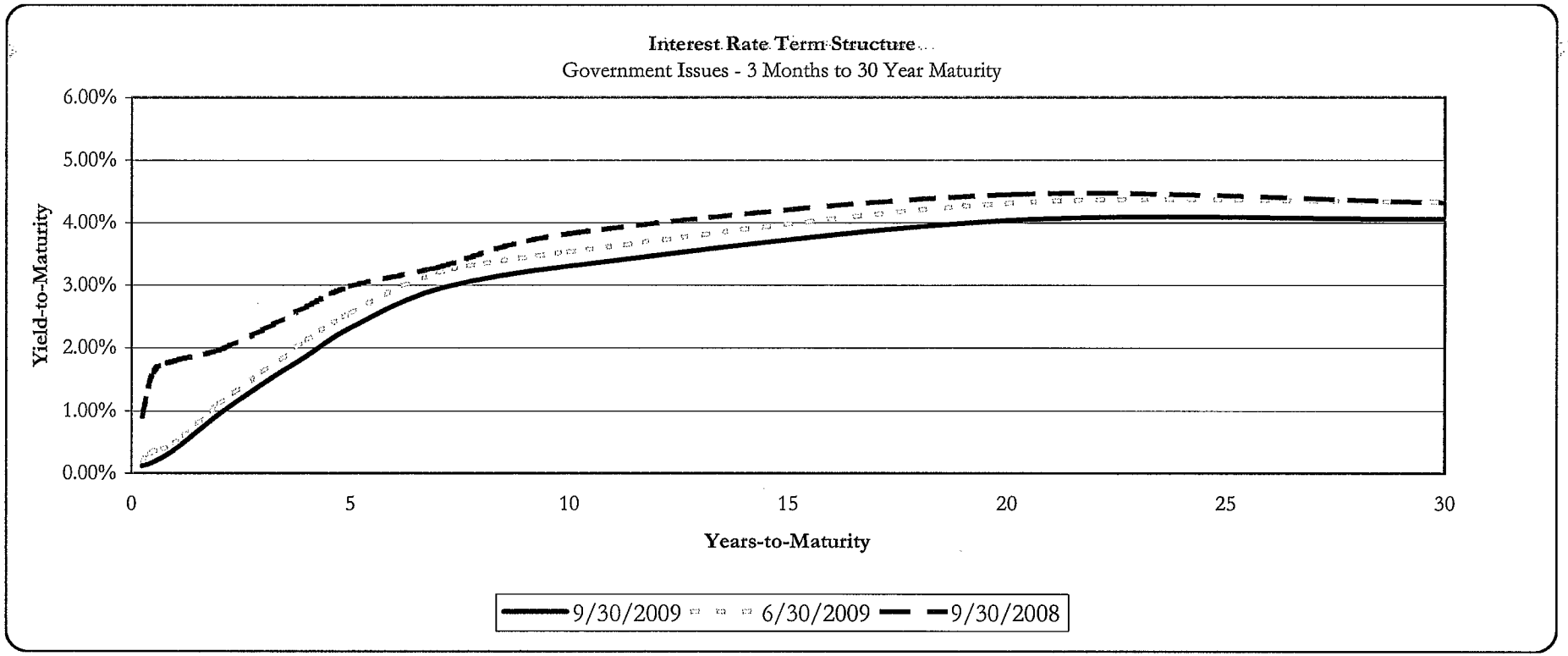

	9/30/2009	6/30/2009	9/30/2008
90 Days	0.12%	0.20%	0.92%
180 Days	0.18%	0.35%	1.62%
1 Year	0.39%	0.49%	1.80%
2 Years	0.95%	1.12%	1.96%
3 Years	1.43%	1.62%	2.28%
4 Years	1.87%	2.13%	2.66%
5 Years	2.32%	2.56%	2.98%
7 Years	2.94%	3.21%	3.29%
10 Years	3.31%	3.54%	3.83%
20 Years	4.03%	4.31%	4.45%
30 Years	4.05%	4.33%	4.31%

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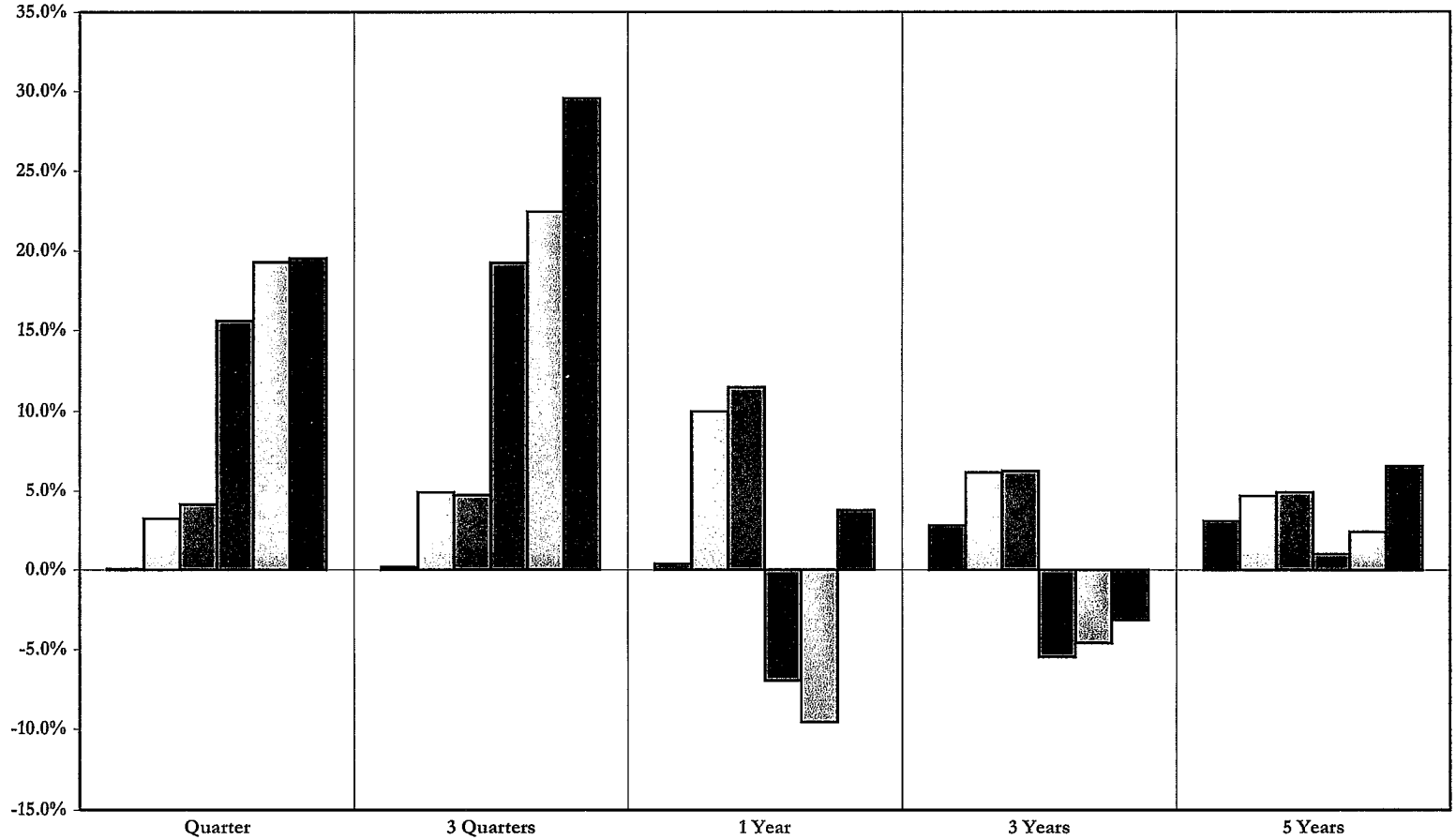
Market Environment

For the Periods Ending September 30, 2009



	Quarter	3 Quarters	1 Year	3 Years	5 Years
Treasury Bills	0.1%	0.2%	0.4%	2.8%	3.1%
Barclays Capital Intermediate G/C	3.3%	4.9%	10.0%	6.2%	4.7%
Barclays Capital Govt/Credit	4.2%	4.7%	11.5%	6.3%	4.9%
S&P 500	15.6%	19.2%	-6.9%	-5.4%	1.0%
Russell 2000	19.3%	22.4%	-9.5%	-4.6%	2.4%
EAFE	19.5%	29.6%	3.8%	-3.1%	6.6%

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Monthly Indices Report

Periods Ending September 30, 2009

Index Name	Style	Returns						
		Month	*Qtr*	*YTD*	*1 Year*	*3 Years*	*5 Years*	*10 Years*
Domestic Equity Indices								
S&P 500	Large Cap Core	3.73%	15.60%	19.25%	(6.92)%	(5.43)%	1.02%	(0.15)%
S&P Equal Weighted	Large Cap Core	5.37%	21.60%	37.45%	0.94%	(3.44)%	3.41%	5.27%
Russell 1000	Large Cap Core	4.06%	16.07%	21.07%	(6.14)%	(5.10)%	1.49%	0.41%
Russell 1000 Growth	Large Cap Growth	4.25%	13.96%	27.11%	(1.85)%	(2.50)%	1.87%	(2.55)%
Russell 1000 Value	Large Cap Value	3.86%	18.24%	14.84%	(10.62)%	(7.88)%	0.89%	2.59%
Russell 2500	Mid Cap Core	5.80%	20.06%	27.89%	(5.68)%	(3.78)%	3.29%	6.28%
Russell 2000	Small Cap Core	5.77%	19.28%	22.44%	(9.54)%	(4.57)%	2.41%	4.88%
Russell 2000 Growth	Small Cap Growth	6.57%	15.95%	29.13%	(6.31)%	(2.60)%	2.91%	1.10%
Russell 2000 Value	Small Cap Value	5.02%	22.70%	16.36%	(12.61)%	(6.65)%	1.78%	8.05%
Wilshire 5000	Broad Equities	4.07%	16.12%	21.28%	(6.43)%	(4.83)%	1.76%	0.86%
International Equity Indices								
MSCI World	Broad Global	4.02%	17.57%	25.55%	(1.62)%	(3.79)%	4.08%	1.38%
MSCI World ex US	Broad Global	4.15%	19.43%	31.13%	3.49%	(2.52)%	7.04%	3.44%
MSCI EAFE	Developed Markets Intl	3.85%	19.52%	29.57%	3.78%	(3.12)%	6.56%	2.96%
MSCI EAFE Local Currency	Developed Markets Intl	2.18%	14.88%	21.28%	(1.14)%	(6.74)%	4.16%	0.80%
MSCI EAFE Growth	Developed Markets Intl Growth	4.17%	16.80%	24.67%	(0.35)%	(2.84)%	6.12%	0.88%
MSCI EAFE Value	Developed Markets Intl Value	3.54%	22.21%	34.62%	8.07%	(3.49)%	6.94%	4.90%
MSCI Emerging Markets Free	Emerging Market	9.09%	21.04%	64.88%	19.45%	8.28%	17.69%	11.71%
MSCI All Country World ex US	Emerging Market	5.16%	19.77%	36.97%	6.45%	(0.78)%	8.58%	4.46%
Domestic Fixed Income Indices								
Treasury Bills	Cash	0.02%	0.07%	0.17%	0.39%	2.82%	3.11%	3.11%
Merrill Lynch 1-3 Yr Treasuries	Treasuries	0.24%	0.77%	0.75%	3.45%	5.17%	4.03%	4.54%
Barclays Capital Muni 5 Yr	5 Yr Municipal Bonds	1.66%	3.75%	6.82%	11.03%	6.13%	4.55%	5.18%
Barclays Capital Aggregate	Core Bonds	1.05%	3.74%	5.72%	10.56%	6.41%	5.13%	6.30%
Barclays Capital Government	Government Bonds	0.75%	2.03%	(1.20)%	6.74%	6.75%	5.19%	6.21%
Barclays Capital U.S. Credit	Corporate Bonds	1.73%	7.48%	14.86%	19.49%	5.84%	4.72%	6.53%
Barclays Capital Muni 10 Yr	10 Yr Municipal Bonds	3.17%	6.60%	11.27%	14.30%	5.94%	5.02%	5.92%
Merrill Lynch High Yield	High Yield Bonds	5.84%	14.48%	47.66%	21.88%	5.06%	5.95%	6.28%
Real Estate Indices								
NCREIF Property	Real Estate	N/A	(3.32)%	(15.07)%	(22.11)%	(1.30)%	6.15%	7.83%
NFI ODCE (net)	Real Estate	N/A	(7.52)%	(27.73)%	(35.70)%	(8.34)%	1.20%	4.75%
NAREIT	Real Estate	6.40%	33.28%	17.01%	(28.40)%	(12.40)%	1.39%	9.52%

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Monthly Indices Report

Periods Ending October 31, 2009

Index Name	Style	Returns						
		Month	*Qtr*	*YTD*	*1 Year*	*3 Years*	*5 Years*	*10 Years*
Domestic Equity Indices								
S&P 500	Large Cap Core	(1.86)%	5.48%	17.03%	9.79%	(7.02)%	0.33%	(0.95)%
S&P Equal Weighted	Large Cap Core	(3.46)%	7.41%	32.69%	23.45%	(5.71)%	2.20%	4.59%
Russell 1000	Large Cap Core	(2.21)%	5.45%	18.40%	11.20%	(6.85)%	0.71%	(0.47)%
Russell 1000 Growth	Large Cap Growth	(1.35)%	4.97%	25.39%	17.51%	(4.05)%	1.28%	(3.39)%
Russell 1000 Value	Large Cap Value	(3.06)%	5.95%	11.33%	4.78%	(9.80)%	(0.06)%	1.70%
Russell 2500	Mid Cap Core	(5.79)%	3.75%	20.48%	13.26%	(7.14)%	1.60%	5.42%
Russell 2000	Small Cap Core	(6.79)%	1.42%	14.13%	6.46%	(8.50)%	0.59%	4.10%
Russell 2000 Growth	Small Cap Growth	(6.95)%	0.14%	20.16%	11.34%	(6.88)%	0.95%	0.12%
Russell 2000 Value	Small Cap Value	(6.64)%	2.68%	8.63%	1.96%	(10.26)%	0.08%	7.52%
Wilshire 5000	Broad Equities	(2.47)%	5.12%	18.29%	10.71%	(6.73)%	0.93%	(0.01)%
International Equity Indices								
MSCI World	Broad Global	(1.76)%	6.45%	23.34%	19.21%	(5.51)%	3.20%	0.69%
MSCI World ex US	Broad Global	(1.60)%	7.41%	29.03%	28.56%	(4.29)%	5.95%	2.88%
MSCI EAFE	Developed Markets Intl	(1.24)%	8.15%	27.96%	28.39%	(4.75)%	5.59%	2.45%
MSCI EAFE Local Currency	Developed Markets Intl	(2.27)%	4.27%	18.53%	14.37%	(8.24)%	3.51%	0.18%
MSCI EAFE Growth	Developed Markets Intl Growth	(0.11)%	7.43%	24.53%	24.08%	(3.96)%	5.40%	0.34%
MSCI EAFE Value	Developed Markets Intl Value	(2.32)%	8.84%	31.50%	32.88%	(5.60)%	5.71%	4.42%
MSCI Emerging Markets Free	Emerging Market	0.13%	8.87%	65.09%	64.63%	6.66%	17.16%	11.49%
MSCI All Country World ex US	Emerging Market	(1.23)%	7.73%	35.28%	34.81%	(2.50)%	7.58%	3.95%
Domestic Fixed Income Indices								
Treasury Bills	Cash	0.02%	0.07%	0.19%	0.30%	2.70%	3.09%	3.07%
Merrill Lynch 1-3 Yr Treasuries	Treasuries	0.21%	0.85%	0.96%	2.72%	5.11%	4.01%	4.53%
Barclays Capital Muni 5 Yr	5 Yr Municipal Bonds	(1.18)%	0.64%	5.56%	9.71%	5.57%	4.19%	5.08%
Barclays Capital Aggregate	Core Bonds	0.49%	2.60%	6.24%	13.79%	6.35%	5.05%	6.31%
Barclays Capital Government	Government Bonds	0.02%	1.57%	(1.18)%	7.06%	6.58%	5.02%	6.19%
Barclays Capital U.S. Credit	Corporate Bonds	0.58%	4.13%	15.52%	27.59%	5.77%	4.64%	6.54%
Barclays Capital Muni 10 Yr	10 Yr Municipal Bonds	(2.46)%	1.77%	8.54%	12.42%	4.85%	4.34%	5.73%
Merrill Lynch High Yield	High Yield Bonds	1.73%	9.87%	50.22%	48.04%	5.16%	5.91%	6.52%
Real Estate Indices								
NCREIF Property*	Real Estate	N/A	(3.32)%	(15.07)%	(22.11)%	(1.30)%	6.15%	7.83%
NFI ODCE (Net)*	Real Estate	N/A	(7.52)%	(27.73)%	(35.70)%	(8.34)%	1.20%	4.75%

**Real Estate returns are updated 45 days after quarter end. For comparison purposes, prior quarter returns are used until returns are published.*

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Executive Summary

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Executive Summary

As of September 30, 2009

Total Fund

The Total Pension Fund gained 12.2% in the third quarter outperforming the return of 11.2% for the Policy Index. Over the trailing one, three and five year periods, the Total Portfolio has posted returns of 1.8%, -0.9% and 3.6%, respectively. Total assets in the Pension Fund as of September 30, 2009 were approximately $240.5 million.

Domestic Equities

The Northern Trust S&P 500 Index Fund generated a return of 15.7% for the third quarter, outperforming the S&P 500 Index by 10 basis points and ranking in the 41st percentile of the large cap core peer universe. Despite seven straight months of gains, broad weakness in the equity market earlier this year and last has resulted in a trailing one year return of -6.8%. For the quarter, all ten of the S&P 500 sectors were positive with Financials soaring more than 25%. Thee rally has been led by companies whose profits are tied to the pace of economic growth such as producers of technology and consumer goods. BGI's enhanced index strategy returned 15.4% in the third quarter underperforming the S&P 500 Index by 20 basis points and ranking in the 72nd percentile of the large core peer universe. Over the trailing one year period, the portfolio has declined 8.0% and is underperforming both the Index and median peer.

Integrity's small/mid cap value strategy returned 21.8% in the third quarter, lagging the Russell 2500 Value Index (22.8%) but outperforming the Russell 2500 Index (20.1%) In the two years since inception in the portfolio, the strategy has declined 10.1% annually, outperforming both Indices by 200 basis points and ranking in the 51st percentile of the median SMID Value peer universe. Poor stock selection in the materials, financial and consumer staples sectors was the largest detractor to performance during the quarter. An underweight position in utilities coupled with strong holdings in the industrial sector helped offset some of the underperformance.
The NorthPointe small cap growth portfolio outperformed the Russell 2000 Growth Index in the third quarter and ranked in the top quartile of the small cap growth peer universe (19.5% vs. 16.0% vs. 16.4% respectively). Strong performance this year brings the year to date return to 39.7% which is significantly outperforming both the Index and median peer. Overall, strong stock selection was the largest contributor to the portfolios outperformance for the quarter. From a sector perspective, the portfolio's top contributors were technology, industrials and consumer discretionary. Conversely, poor stock selection in the healthcare and consumer discretionary sectors detracted from performance. Despite strong performance this year, the strategy continues to lag the benchmark and the median peer over longer time periods.

International Equities

The international equity portfolio managed by Mondrian posted an 18.5% return in the third quarter and despite the strong performance on an absolute basis the portfolio lagged the MSCI EAFE Index of (19.5%). Year-to-date the strategy has gained 21.2% but lags the MSCI EAFE Index return of 29.6%. Stock selection particularly in the European markets and Australia as well as in the telecommunication and consumer sectors contributed to the portfolios underperformance in the third quarter. In addition, the portfolio's more defensive positioning contributed to year-to-date relative results as the equity markets have experienced an extremely bullish period over the past six

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months. Over longer periods the strategy has very done well and is outperforming the MSCI EAFE Index over the five and ten year periods.

Artisan's international equity portfolio returned a strong 22.0% in the third quarter, outpacing both the MSCI EAFE Index (19.5%) and the median international equity peer universe (19.4%). Strong performance year to date contributes to a positive 6.3% trailing one year return which is outperforming both the benchmark and ranks in the 32nd percentile of the median international equity peer. Strong stock selection in the consumer discretionary, technology and industrial sectors was the primary driver of performance for the quarter. Sector allocations were slightly negative due to an overweight to the defensive consumer staples sector and an underweight to the top performing financial sector. From a regional standpoint, allocations decisions added to performance led by Europe but this was partially offset by adverse stock selection in Japan.

Fixed Income

MD Sass' portfolio advanced 2.5% during the third quarter underperforming the Barclays Capital Aggregate Index by 120 basis points and ranked in the 94th percentile of the median core fixed income universe. Relative underperformance over the last two quarters has impacted the portfolio resulting in a trailing one year return that is now below the benchmark and median peer. An overweight to mortgages and agency debt coupled with an underweight to the top performing CMBS and Corporate sectors caused the portfolio to underperform during the third quarter. A slight overweight to treasuries also detracted from performance.

Western's core plus fixed income strategy returned 12.0% in the third quarter, handily outpacing the Barclays Capital Aggregate Index as well as the median core plus bond managers. Strong performance this year contributed to a trailing one year return of 16.2%, well ahead of the benchmark's 10.6% advance. Western continues to benefit from its spread sector exposure, as holdings within the non-agency sector, corporate credit and high yield were all positive contributors to the portfolio's relative performance this quarter. Conversely, a slight underweight position to agency mortgages was a detractor as the sector outperformed comparable Treasury sectors.

Real Estate

The Trumbull Property Fund declined 4.6% in the third quarter, underperforming the NCREIF Index by 130 basis points and ranking in the 51st percentile of the real estate funds peer universe. Over the trailing one year period, the portfolio has declined 26.8% versus -22.1% for the Index and -31.0% for the median peer. The Lion Properties Fund managed by Clarion declined 11.9% in the third quarter significantly underperforming the NCREIF Index return of -3.3%. Over the trailing one year period, the fund has declined 45.9%, underperforming the NCREIF Index and ranked in the 80th percentile of the real estate median peer.

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Report Card

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City of Lansing Police & Fire Retirement System

Performance vs. Objectives*

For the Period Ending September 30, 2009

	Benchmark	Police & Fire	Objective Met?
♦ The Pension Fund's annualized total return should exceed the annualized rate of inflation as indicated by the Consumer Price Index by at least 1%.	3.6%	3.6%	NO
♦ The Pension Fund's annualized total return should equal or exceed the Fund's actuarial interest rate assumption (currently 8.0% for Police & Fire).	8.0%	3.6%	NO
♦ The Pension Fund's total return should exceed the total return of an index composed as follows: 40% S&P 500 Stock Index 10% Russell 2500 10% MSCI EAFE Index 35% Barclays Capital Aggregate Bond Index 5% NCREIF Property Index	3.8%	3.6%	NO
♦ The Pension Fund's total return should rank at median or above when compared to a universe of total fund portfolios with a similar allocation to equities (55% - 70%).	4.3% 50th	3.6% 74th	NO

** All benchmark and actual returns shown are for five years ending September 30, 2009.*

Beginning 7/09 the Policy Index is comprised of 40% S&P 500, 10% Russell 2500, 10% MSCI EAFE Index, 35% Barclays Capital Aggregate, and 5% NCREIF Property Index. From 1/06 to 6/09 the Policy index was composed of 40% S&P 500, 10% Russell 2500 Index, 10% MSCI EAFE Index, and 40% Barclays Capital Aggregate Bond Index. Prior to that, the Policy Index was comprised of 40% S&P 500, 10% Russell Mid Cap, 10% MSCI EAFE Index, and 40% Barclays Capital Aggregate Bond Index.

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Compliance with Michigan Public Act 314 of 1965 as amended

For the Period Ending September 30, 2009

Restrictions	Restriction Met?	
	Yes	No
♦ Written objectives, policies and strategies with clearly defined responsibilities should be in place.	x	
♦ No more than 70% of the System's assets should be invested in stock.	x	
♦ The Plan should not invest in any more than 5% of the outstanding stock of any one corporation, nor invest more than 5% of the System's assets in the stock of any one corporation.	x	
♦ At least 90% of the fixed income portfolio must be rated "Investment Grade" (graded in the top four major grades determined by two national rating services).	x	
♦ No more than 20% of the total investment portfolio should be invested in foreign securities.	x	
♦ No more than 5% of the total investment portfolio should be invested in real estate.	x	

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Compliance with Investment Guidelines

For the Period Ending September 30, 2009

Guidelines	Guideline Met?
♦ **Diversification** - Avoid risk by diversifying the investment portfolio.	Yes
♦ **Safety of Principal** - Avoid investing in securities whose issuer defaults or who has compromised their integrity.	Yes
♦ **Cash Flow and Liquidity** - A current yield of 3.5% should be maintained on investments.	Yes
♦ **Securities Lending** - Collateral must equal 100% of market value of loaned security at time of loan, cannot drop below 95% of market value, and cannot be more than $100,000 less than market value of a loaned security.	Yes
♦ **Regulatory Requirements** - Must adhere to Michigan Law (Michigan Public Act 314 of 1965 as amended), and ordinances of the City of Lansing.	Yes

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City of Lansing Police & Fire Retirement System

For the Periods Ending September 30, 2009

Actual vs. Target Allocation

	Market Value (000's)	Current Allocation	Target Allocation	Target Range	Over/-Under Target
Equity Investments	$140,028	58.2%	60.0%	50-70%	-1.8%
Domestic Large Cap	$93,729	39.0%	35.0%	30-40%	4.0%
Domestic Small Cap	$22,677	9.4%	10.0%	5-15%	-0.6%
International Equity	$23,622	9.8%	10.0%	5-15%	-0.2%
Global Long / Short Equity	$0	0.0%	5.0%	0-5%	-5.0%
Fixed-Income Investments	$89,371	37.2%	35.0%	30-40%	2.2%
Real Estate	$9,451	3.9%	5.0%	0-5%	-1.1%
Cash Account	$1,628	0.7%	0.0%	0.0%	0.7%
TOTAL	$240,478				

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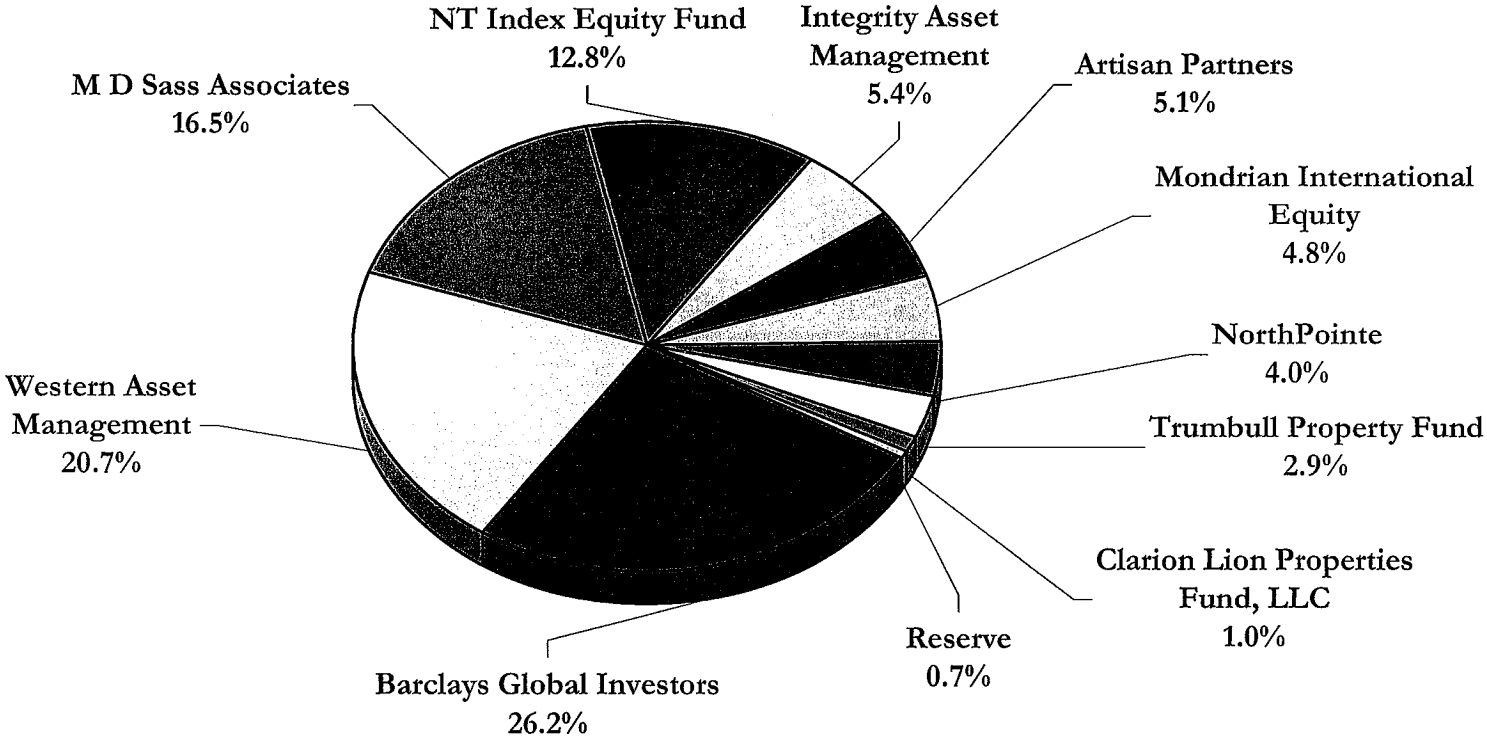
City of Lansing Police & Fire Retirement System

Manager Allocation

For the Period Ending September 30, 2009



Total Market Value: $240,477,851

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City of Lansing Police & Fire Retirement System

For the Periods Ending September 30, 2009

Total Fund Dollar Reconciliation (000's)

	This Quarter	Year-To-Date	Last Twelve Months	Since 07/98
Beginning Market Value	$214,557	$212,976	$245,761	$248,810
Net Additions	-235	-7,662	-7,636	-137,406
Return on Investment	26,156	35,164	2,353	129,074
Income Received	674	2,249	5,143	79,487
Gain/Loss	25,481	32,915	-2,791	49,587
Ending Market Value	240,478	240,478	240,478	240,478

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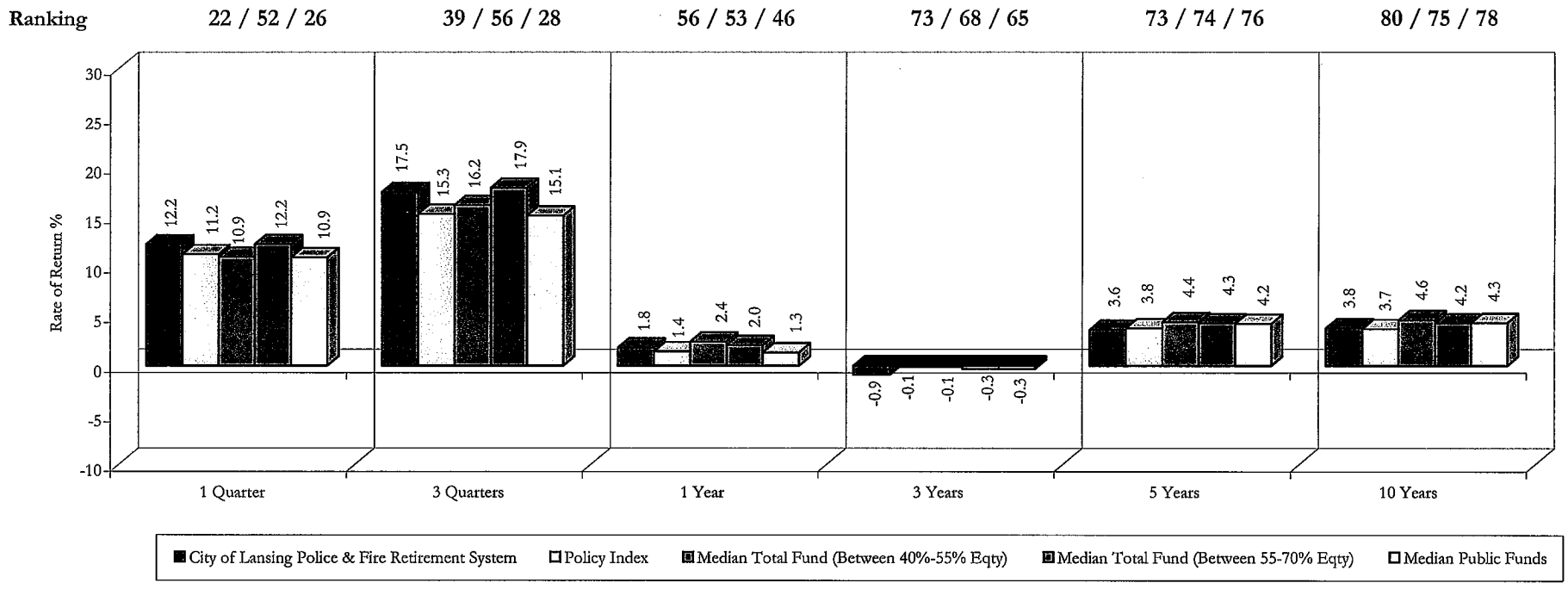
City of Lansing Police & Fire Retirement System

For the Periods Ending September 30, 2009



	1 Quarter	3 Quarters	1 Year	3 Years	5 Years	10 Years
5th Percentile	13.62 / 14.80 / 15.01	22.95 / 24.47 / 23.69	8.25 / 8.14 / 8.20	3.41 / 2.90 / 3.89	6.98 / 6.33 / 5.89	6.94 / 6.76 / 6.03
25th Percentile	12.06 / 12.98 / 12.30	19.12 / 20.84 / 17.88	4.67 / 4.03 / 3.21	1.33 / 0.61 / 0.73	5.27 / 4.89 / 4.89	5.38 / 5.13 / 4.97
50th Percentile	10.91 / 12.23 / 10.90	16.19 / 17.92 / 15.13	2.40 / 2.05 / 1.32	-0.08 / -0.29 / -0.31	4.37 / 4.26 / 4.21	4.56 / 4.24 / 4.30
75th Percentile	9.73 / 10.97 / 9.64	13.44 / 15.37 / 12.15	-1.51 / -0.28 / -1.57	-1.05 / -1.09 / -1.09	3.53 / 3.57 / 3.64	3.91 / 3.77 / 3.86
95th Percentile	8.26 / 9.49 / 7.28	9.70 / 10.31 / 7.83	-5.82 / -5.44 / -5.94	-3.04 / -2.96 / -2.66	1.91 / 2.56 / 2.72	2.67 / 2.68 / 3.25
Observations	232 / 226 / 116	232 / 225 / 116	230 / 224 / 113	216 / 210 / 110	194 / 193 / 106	133 / 142 / 87

The numbers above the bars is the ranking for this portfolio versus their style peer. The first number shown is the ranking versus other funds with a similar equity allocation of 40-55%, the second number shown represents the ranking versus other funds with a similar equity allocation of 55-70%, and the third number represents the ranking versus the median public funds. The rankings are on a scale of 1 to 100 with 1 being the best. Beginning 7/09 the Policy Index is comprised of 40% S&P 500, 10% Russell 2500, 10% MSCI EAFE Index, 35% Barclays Capital Aggregate, and 5% NCREIF Property Index. From 1/06 to 6/09 the Policy index was composed of 40% S&P 500, 10% Russell 2500 Index, 10% MSCI EAFE Index, and 40% Barclays Capital Aggregate Bond Index. Prior to that, the Policy Index was comprised of 40% S&P 500, 10% Russell Mid Cap, 10% MSCI EAFE Index, and 40% Barclays Capital Aggregate Bond Index.

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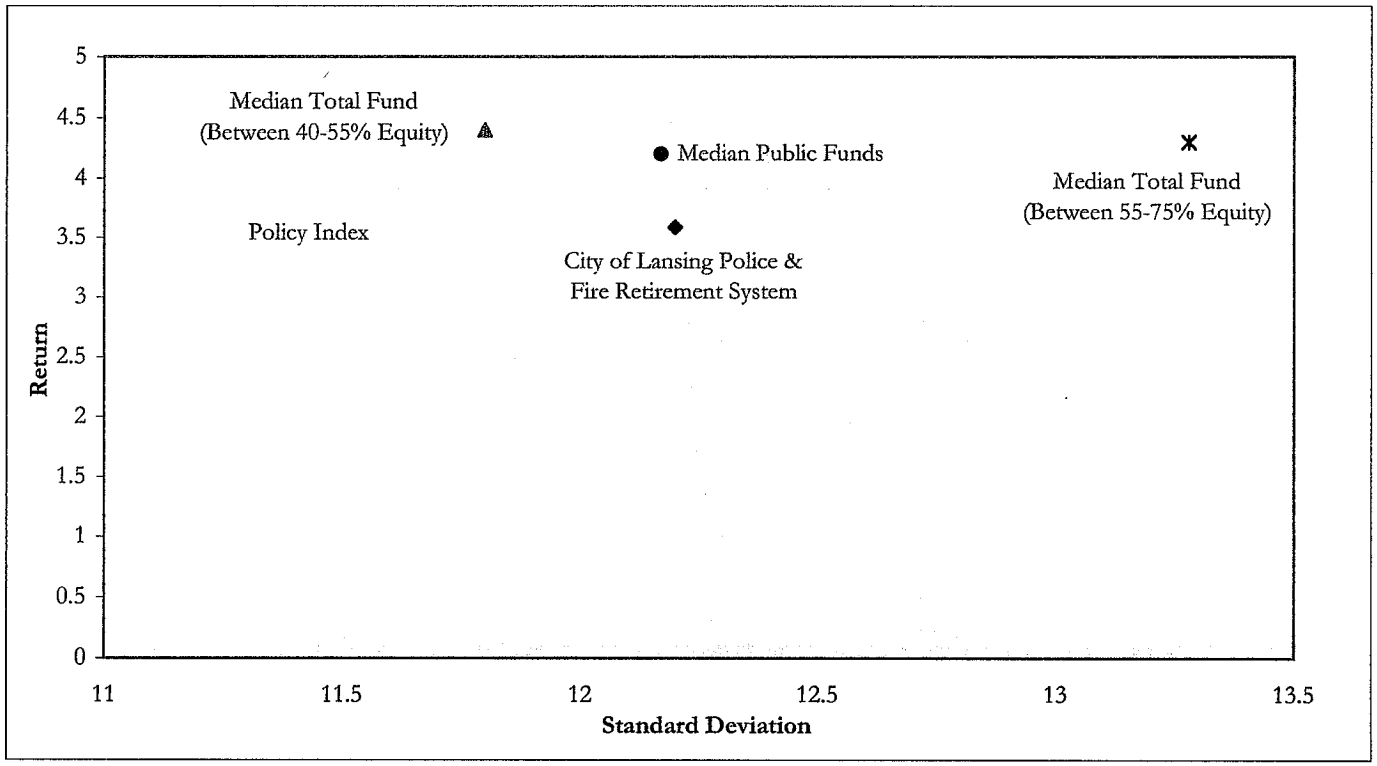
Risk vs. Return Analysis

Five Years Ending September 30, 2009



	Annualized Return	Standard Deviation	Sharpe Ratio
City of Lansing Police & Fire Retirement System	**3.59**	**12.20**	**0.04**
Policy Index	**3.76**	**11.46**	**0.06**
Median Total Fund (Between 40-55% Equity)	*4.40*	*11.80*	*0.11*
Median Total Fund (Between 55-75% Equity)	*4.30*	*13.28*	*0.09*
Median Public Funds	*4.20*	*12.17*	*0.09*

Beginning 7/09 the Policy Index is comprised of 40% S&P 500, 10% Russell 2500, 10% MSCI EAFE Index, 35% Barclays Capital Aggregate, and 5% NCREIF Property Index. From 1/06 to 6/09 the Policy index was composed of 40% S&P 500, 10% Russell 2500 Index, 10% MSCI EAFE Index, and 40% Barclays Capital Aggregate Bond Index. Prior to that, the Policy Index was comprised of 40% S&P 500, 10% Russell Mid Cap, 10% MSCI EAFE Index, and 40% Barclays Capital Aggregate Bond Index.

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Equity Analysis

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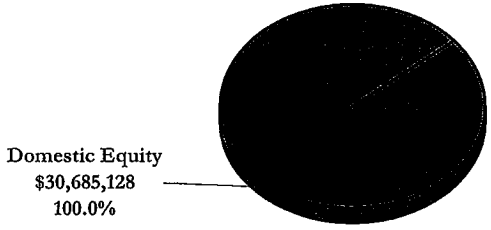
NT Index Equity Fund

For the Periods Ending September 30, 2009

Asset Allocation

Total Assets: $30,687,702



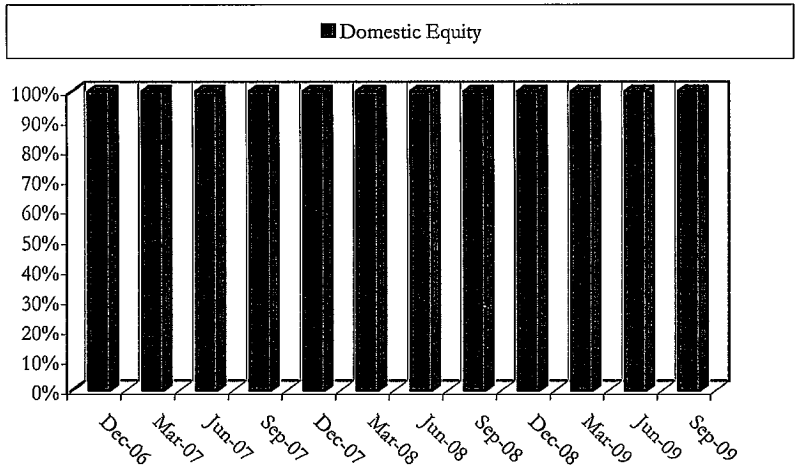
Strategy

- S&P 500 Index Fund
- Inception date: September 1, 1973
- Fees: 5 bps on the first $50 million, 4 bps thereafter

Performance Goals

- Over a full market cycle (usually three to five years), this manager is expected to mirror the performance of the S&P 500 Index.

Allocation History



Dollar Growth Summary (in 000's)

	This Quarter	Last 12 Months
Beginning Market Value	26,534	32,932
Net Additions	0	0
Return on Investment	4,154	-2,245
Income	0	0
Gain/Loss	4,154	-2,245
Ending Market Value	30,688	30,688

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NT Index Equity Fund

As of September 30, 2009, NT Index Equity Fund held 502 securities in the fund. Holdings and portfolio characteristics are as follows:

Ten Largest Holdings (Weight)

EXXON MOBIL CORP	3.5%	JOHNSON & JOHNSON	1.8%
MICROSOFT CORP	2.1%	APPLE INC	1.8%
GENERAL ELECTRIC CO	1.9%	AT&T INC	1.7%
JPMORGAN CHASE & CO	1.9%	IBM CORP	1.7%
PROCTER & GAMBLE CO	1.8%	BANK OF AMERICA CORP	1.6%

Ten Best Performers (Quarter)

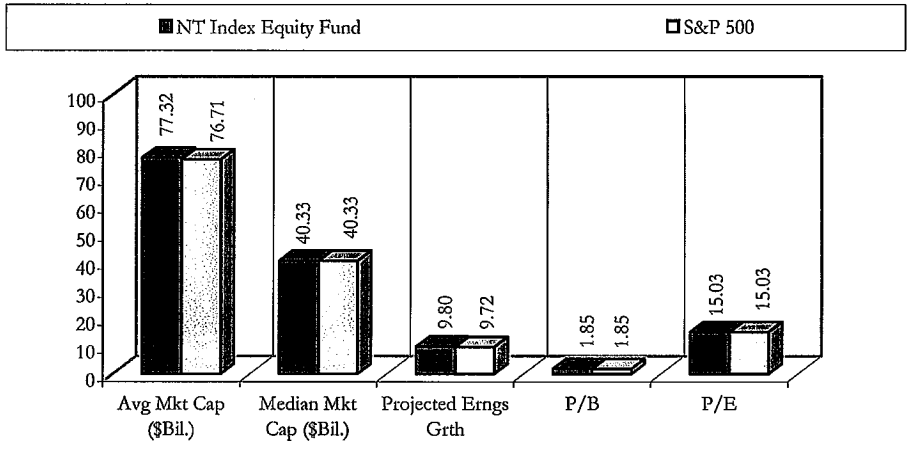
GANNETT CO	252.2%	FOREST CITY ENTERPRISES	102.6%
HARTFORD FINANCIAL SERVICES	123.7%	AMR CORP	97.8%
LIBERTY MEDIA HOLDINGS	119.0%	HRPT PROPERTIES TRUST	90.3%
LAS VEGAS SANDS	114.3%	AIG INC	90.1%
ARMSTRONG WORLD INDS	109.0%	PROTECTIVE LIFE CORP	88.5%

Ten Worst Performers (Quarter)

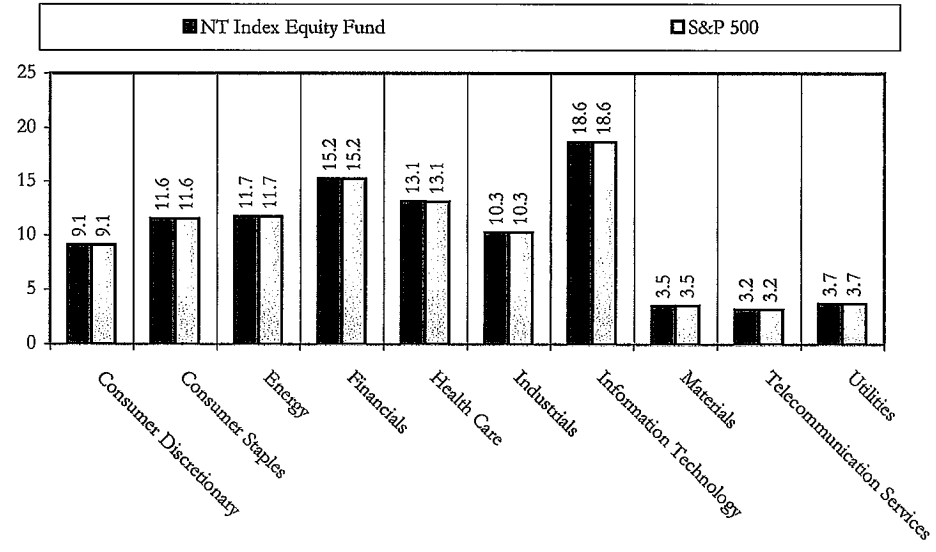
METROPCS COMMUNICATIONS	-29.7%	SLM CORP	-15.1%
MOODYS CORP	-22.0%	INTERCONTINENTAL EXCHANGE	-14.9%
SPRINT NEXTEL CORP	-17.9%	NAVISTAR INTERNATIONAL	-14.2%
FTI CONSULTING	-16.0%	OMNICARE INC	-12.5%
MCGRAW-HILL COS	-15.9%	ELECTRONIC ARTS	-12.3%

Characteristic data provided by the manager.

Characteristics



Sector Allocation



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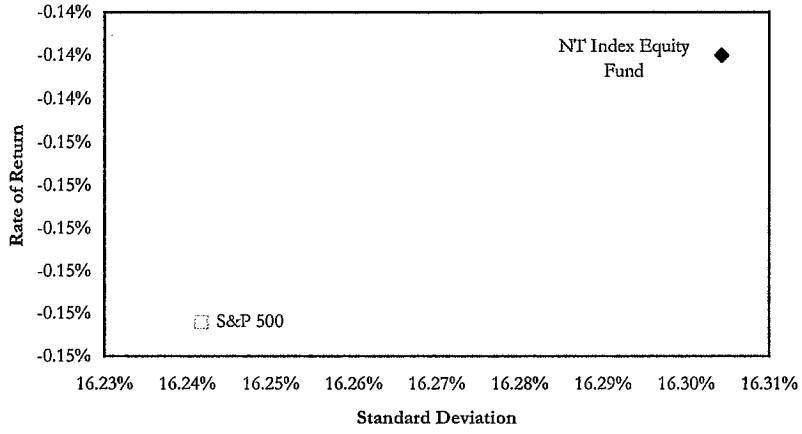
NT Index Equity Fund

For the Periods Ending September 30, 2009

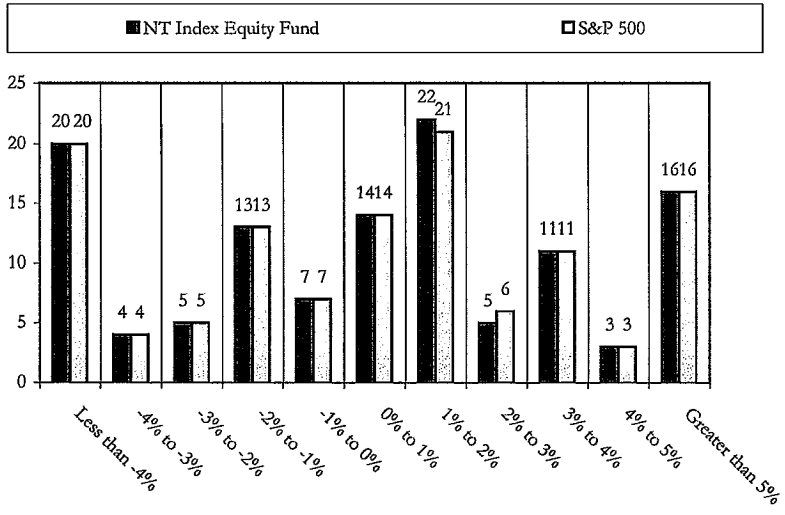
Risk vs. Return (10 Year Annualized)



Portfolio Statistics

	10 Years	
	NT Index Equity Fund	S&P 500
Return	-0.14	-0.15
Standard Deviation	16.30	16.24
Sharpe Ratio	-0.18	-0.18
Beta	1.00	1.00
Alpha	0.00	--
Up Capture	100.39	--
Down Capture	100.33	--
Correlation	100.00	--
R Square	99.99	--
Tracking Error	0.17	--

Return Histogram (10 Years)



Return Analysis

	NT Index Equity Fund	S&P 500
Number of Months	215	215
Highest Monthly Return	11.75%	11.42%
Lowest Monthly Return	-16.97%	-16.80%
Number of Pos. Months	138	138
Number of Neg. Months	77	77
% Positive Months	64.19%	64.19%

All information calculated using monthly data.

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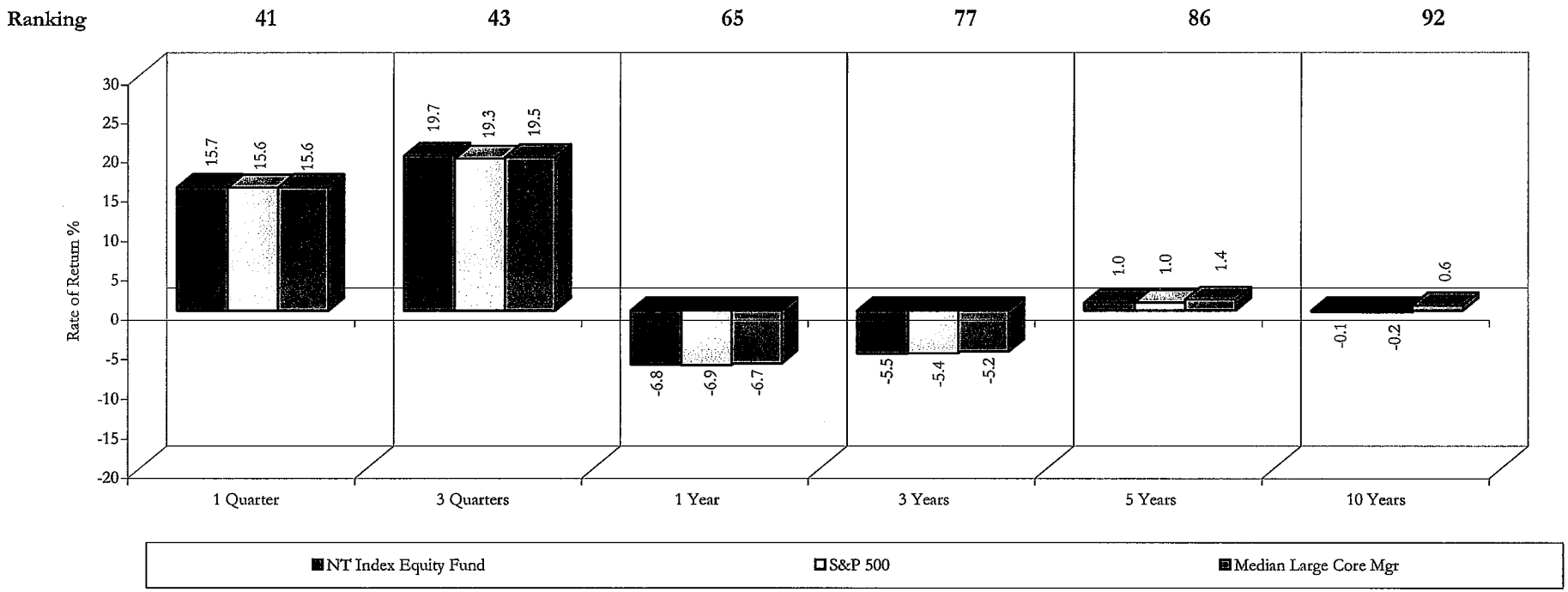
NT Index Equity Fund

For the Periods Ending September 30, 2009



	1 Quarter	3 Quarters	1 Year	3 Years	5 Years	10 Years
5th Percentile	19.64	29.42	-0.57	-1.54	4.76	6.32
25th Percentile	16.35	22.13	-5.02	-4.02	2.54	3.50
50th Percentile	15.63	19.46	-6.70	-5.23	1.39	0.64
75th Percentile	15.15	18.74	-7.14	-5.42	1.09	-0.08
95th Percentile	11.99	11.09	-12.43	-7.48	0.27	-0.20
Observations	606	562	560	467	358	164

The number above the bars is the ranking for this portfolio versus the large cap core universe. The rankings are on a scale of 1 to 100 with 1 being the best.

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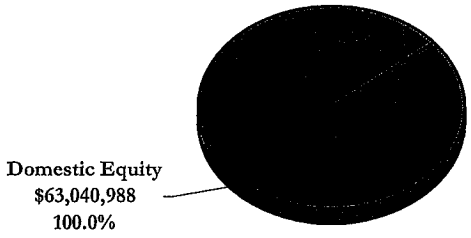
Barclays Global Investors

For the Periods Ending September 30, 2009

Asset Allocation

Total Assets: $63,040,988



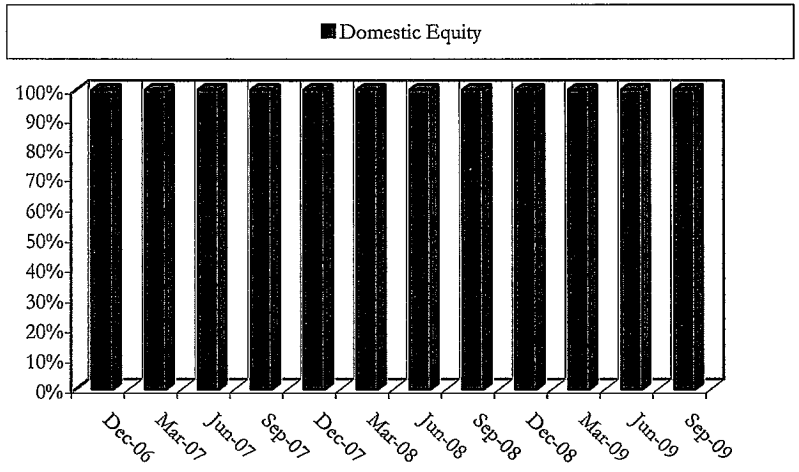
Strategy

- Large Cap Core Enhanced Index Strategy
- Inception date: November 30, 2004
- Fees: 35 bps

Performance Goals

- Over a full market cycle (usually three to five years), this manager is expected to outperform the S&P 500 Index by 100-200 bps with tracking error of less than 200 bps.

Allocation History



Dollar Growth Summary (in 000's)

	This Quarter	Last 12 Months
Beginning Market Value	54,648	58,695
Net Additions	0	7,000
Return on Investment	8,393	-2,654
Income	0	0
Gain/Loss	8,393	-2,654
Ending Market Value	63,041	63,041

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Barclays Global Investors

As of September 30, 2009 Barclays Global Investors held 499 securities in the fund. Holdings and portfolio characteristics are as follows:

Ten Largest Holdings (Weight)

EXXON MOBIL CORP	3.5%	MICROSOFT CORP	1.9%
APPLE INC	2.4%	AT&T INC	1.9%
JP MORGAN CHASE & CO	2.3%	PROCTER & GAMBLE CO	1.7%
GOOGLE INC	2.2%	CHEVRON CORP	1.7%
INTEL CORP	2.0%	BANK OF AMERICA CORP	1.7%

Ten Best Performers (One Month)

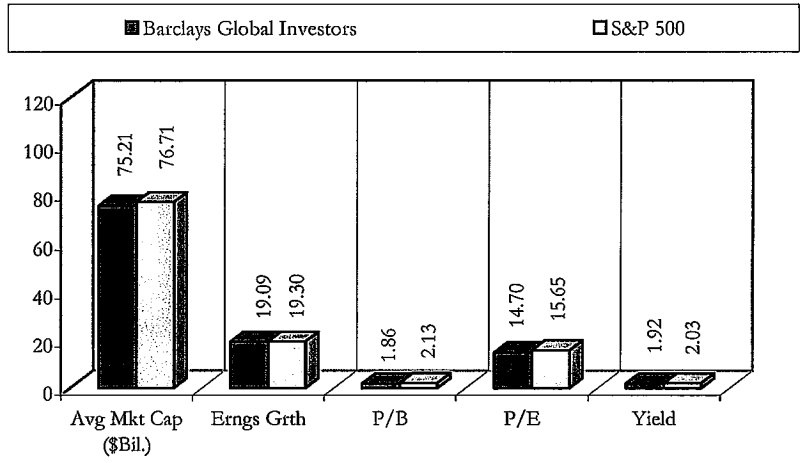
AMR CORP	45.6%	VALUECLICK INC	28.7%
GANNETT CO	45.5%	HELIX ENERGY SOLUTIONS	28.0%
FOREST CITY ENTERPRISES	44.5%	CLIFFS NATURAL RESOURCES	27.9%
MANITOWOC CO	42.6%	ARCH COAL INC	27.8%
PATRIOT COAL CO	32.7%	OFFICE DEPOT INC	26.8%

Ten Worst Performers (One Month)

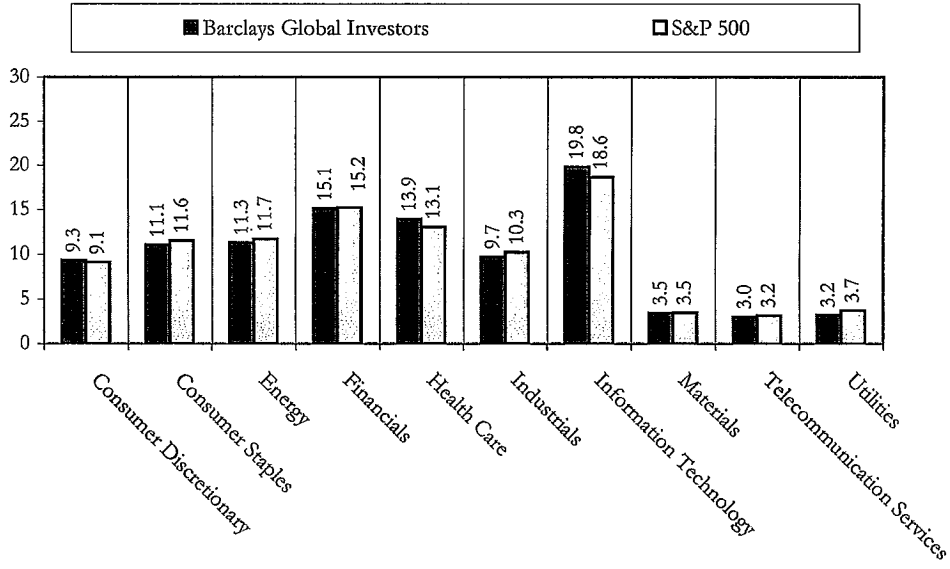
MCGRAW HILL COS	-25.2%	FAMILY DOLLAR STORES	-12.4%
MOODY'S CORP	-24.9%	FLUSHING FINANCIAL CORP	-12.4%
BLYTH INC	-14.9%	AGCO CORP	-11.6%
PULTE HOMES INC	-14.1%	MASCO CORP	-10.8%
NAVISTAR INTL CORP	-13.5%	UNITED HEALTH GROUP	-10.6%

Characteristic data provided by the manager.

Characteristics



Sector Allocation



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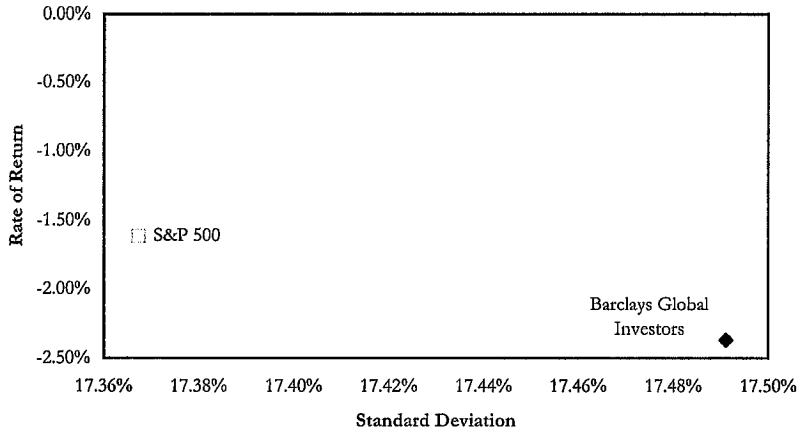
Barclays Global Investors

For the Periods Ending September 30, 2009

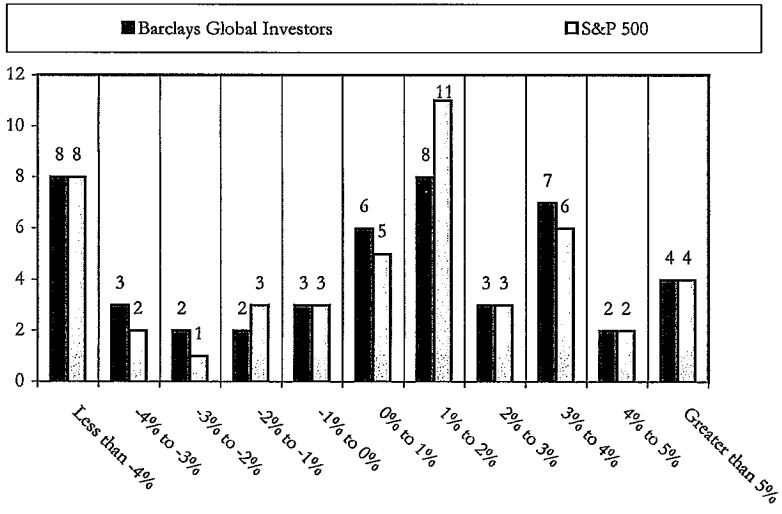
Risk vs. Return (4 Year Annualized)



Portfolio Statistics

	4 Years	
	Barclays Global Investors	S&P 500
Return	-2.37	-1.61
Standard Deviation	17.49	17.37
Sharpe Ratio	-0.30	-0.26
Beta	1.00	1.00
Alpha	-0.06	--
Up Capture	100.07	--
Down Capture	103.49	--
Correlation	99.55	--
R Square	99.10	--
Tracking Error	1.66	--

Return Histogram (4 Years)



Return Analysis

	Barclays Global Investors	S&P 500
Number of Months	58	58
Highest Monthly Return	9.34%	9.57%
Lowest Monthly Return	-16.93%	-16.80%
Number of Pos. Months	36	37
Number of Neg. Months	22	21
% Positive Months	62.07%	63.79%

All information calculated using monthly data.

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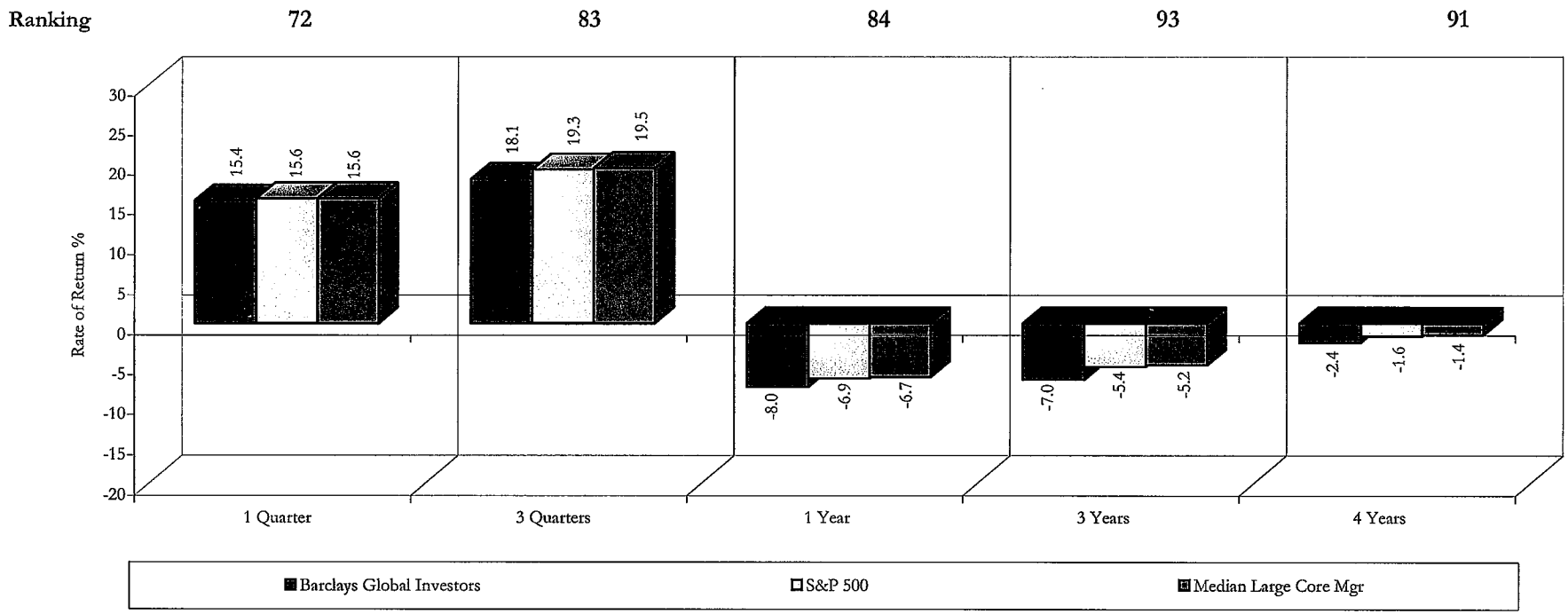
Barclays Global Investors

For the Periods Ending September 30, 2009



	1 Quarter	3 Quarters	1 Year	3 Years	4 Years
5th Percentile	19.64	29.42	-0.57	-1.54	1.42
25th Percentile	16.35	22.13	-5.02	-4.02	-0.16
50th Percentile	15.63	19.46	-6.70	-5.23	-1.42
75th Percentile	15.15	18.74	-7.14	-5.42	-1.58
95th Percentile	11.99	11.09	-12.43	-7.48	-2.86
Observations	606	562	560	467	409

The number above the bars is the ranking for this portfolio versus the large cap core universe. The rankings are on a scale of 1 to 100 with 1 being the best.

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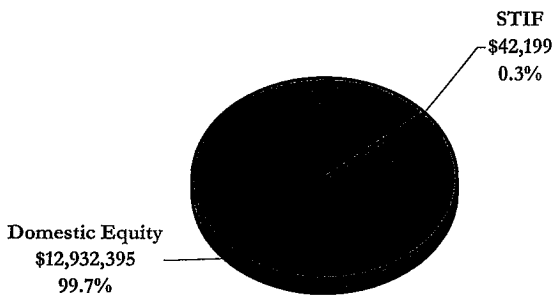
Integrity Asset Management

For the Periods Ending September 30, 2009

Asset Allocation

Total Assets: $12,974,594



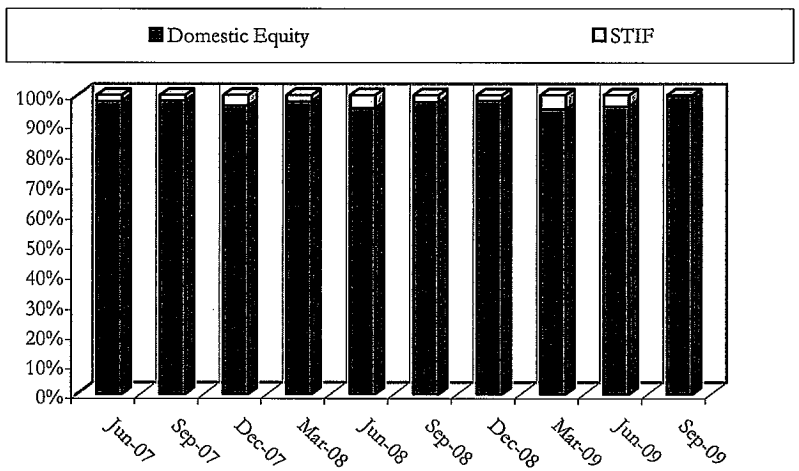
Strategy

- Small/Mid Cap Value
- Inception Date: May 10, 2007
- Fees: 94 bps on the first $25 million, 85 bps on the next $25 million, 80

Performance Goals

- Over a full market cycle (usually three to five years), this manager is expected to: (1) outperform the Russell 2500 Value Index and the Russell 2500 Index, and (2) rank above median versus all small/mid cap value equity managers.

Allocation History



Dollar Growth Summary (in 000's)

	This Quarter	Last 12 Months
Beginning Market Value	10,650	12,744
Net Additions	0	0
Return on Investment	2,325	230
Income	53	246
Gain/Loss	2,272	-15
Ending Market Value	12,975	12,975

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Integrity Asset Management

As of September 30, 2009, Integrity Asset Management held 147 securities in their portfolio. Holdings and portfolio characteristics are as follows:

Ten Largest Holdings (Weight)

ARCH CAP GROUP LTD	1.4%	JABIL CIRCUIT INC	1.2%
CELANESE CORP	1.3%	MDU RES GROUP INC	1.2%
WISCONSIN ENERGY CORP	1.3%	NORTHEAST UTILS	1.2%
AMERICAN FINL GROUP INC	1.3%	REALTY INCOME CORP	1.2%
HANOVER INS GROUP INC	1.3%	UNIVERSAL HEALTH SVCS INC	1.2%

Ten Best Performers (Quarter)

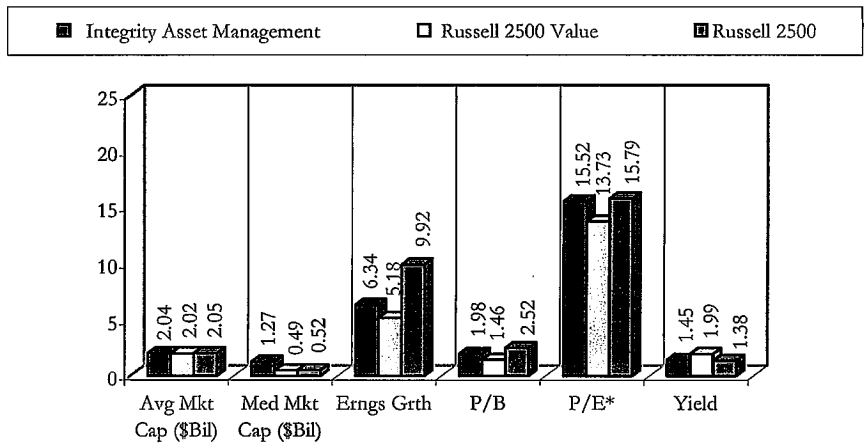
ENTERCOM COMMS CORP	233.3%	JABIL CIRCUIT INC	82.0%
SOLUTIA INC	101.1%	ENTEGRIS INC	82.0%
MGM MIRAGEINC	88.4%	STANDARD PAC CORP	81.8%
CONTINENTAL AIRLS INC	85.6%	MANITOWOC INC	80.6%
AMBAC FINL GROUP INC	82.6%	COOPER TIRE & RUBR CO	78.5%

Ten Worst Performers (Quarter)

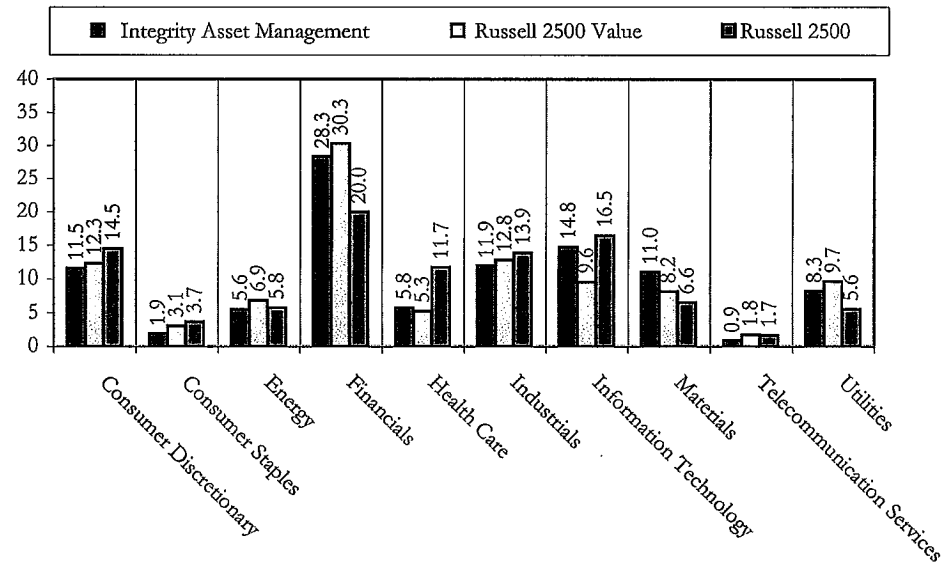
AMERIGROUP CORP	-17.4%	DEAN FOODS CO	-7.3%
INTREPID POTASH INC	-16.0%	GRANITE CONSTR INC	-6.6%
CEC ENTMT INC	-12.3%	PENN NATL GAMING INC	-5.0%
OLD DOMINION FREIGHT LINE INC	-9.4%	RALCORP HLDGS INC	-4.0%
WESTERN ALLIANCE BANCORP	-7.8%	NEW JERSEY RES CORP	-1.1%

** P/E ratios data provided by the manager.*

Characteristics



Sector Allocation



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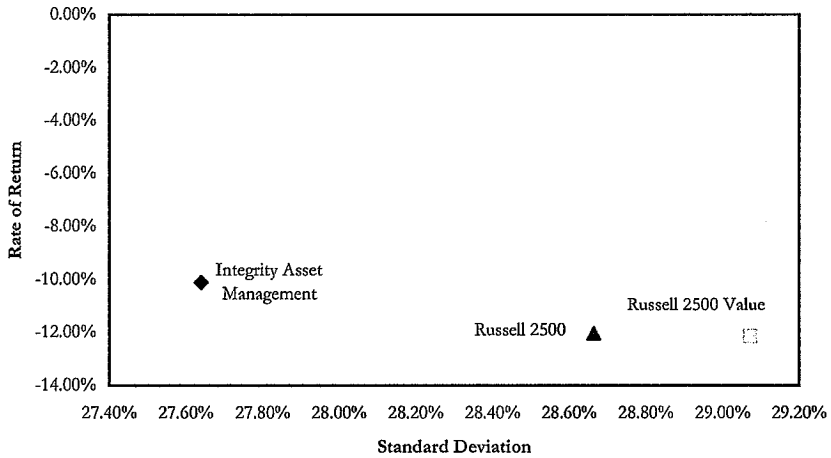
Integrity Asset Management

For the Periods Ending September 30, 2009

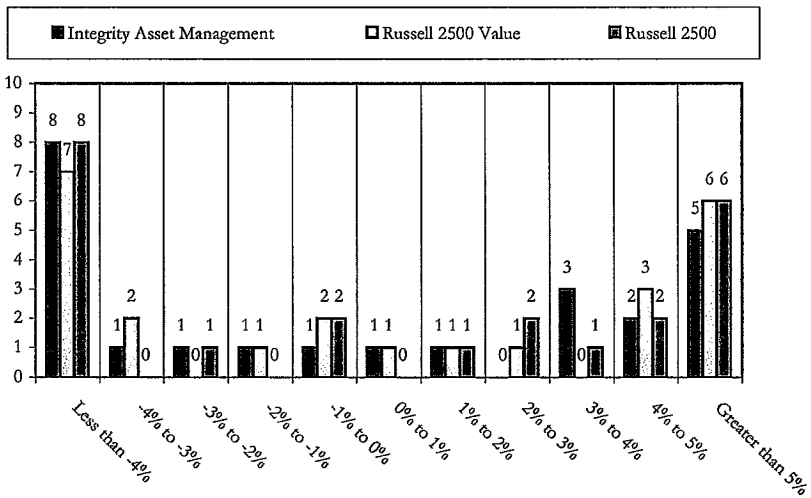
Risk vs. Return (2 Year Annualized)



Portfolio Statistics

	2 Years	
	Integrity Asset Management	Russell 2500 Value
Return	-10.11	-12.14
Standard Deviation	27.64	29.07
Sharpe Ratio	-0.41	-0.46
Beta	0.93	1.00
Alpha	0.10	--
Up Capture	98.60	--
Down Capture	94.86	--
Correlation	98.32	--
R Square	96.67	--

Return Histogram (2 Years)



Return Analysis

	Integrity Asset Management	Russell 2500 Value
Number of Months	28	28
Highest Monthly Return	19.07%	15.95%
Lowest Monthly Return	-17.40%	-20.65%
Number of Pos. Months	14	14
Number of Neg. Months	14	14
% Positive Months	50.00%	50.00%

All information calculated using monthly data.

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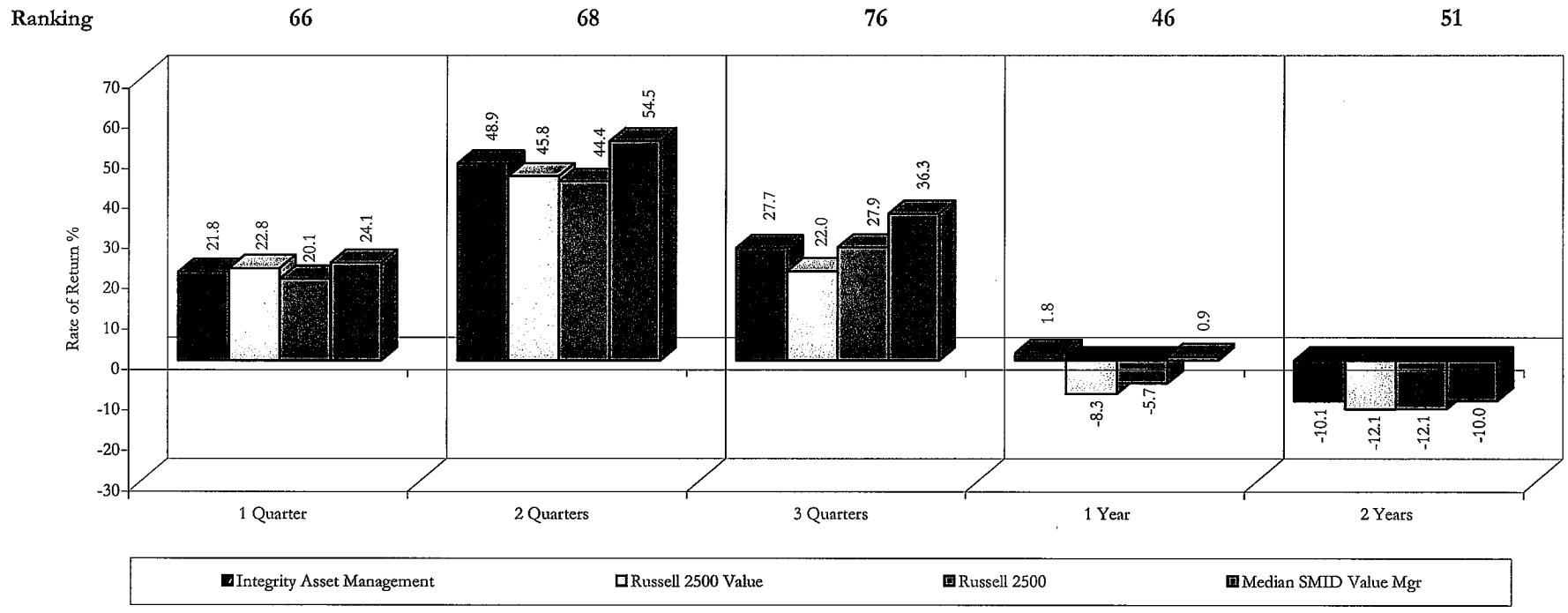
Integrity Asset Management

For the Periods Ending September 30, 2009



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years
5th Percentile	36.65	92.11	64.19	26.55	0.58
25th Percentile	29.53	64.35	46.75	7.37	-7.64
50th Percentile	24.10	54.49	36.31	0.89	-9.98
75th Percentile	20.46	46.94	28.65	-5.45	-12.80
95th Percentile	14.52	34.67	18.11	-11.74	-14.74
Observations	21	21	21	21	20

The number above the bars is the ranking for this portfolio versus smid cap value universe. The rankings are on a scale of 1 to 100 with 1 being the best.

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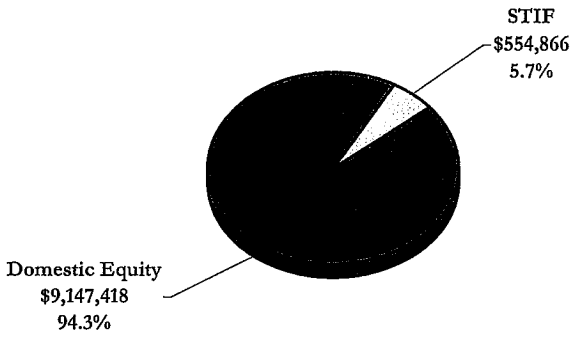
NorthPointe

For the Periods Ending September 30, 2009

Asset Allocation

Total Assets: $9,702,284



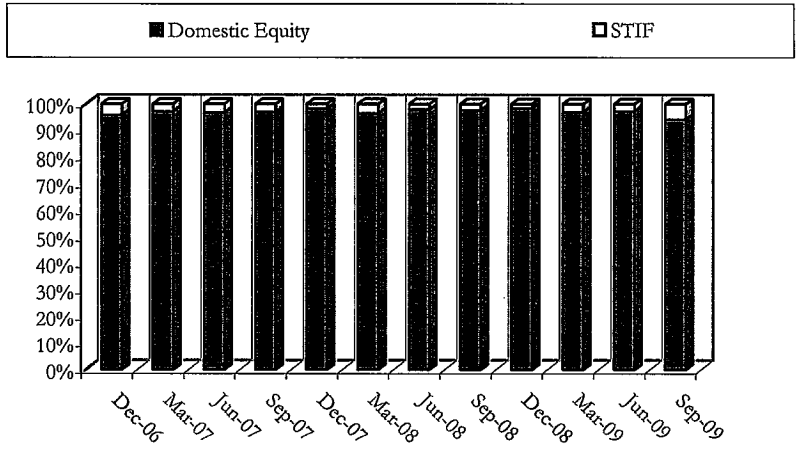
Strategy

- Small Cap Growth Equity
- Inception date: January 1, 2006
- Fees: 43 bps plus performance fee

Performance Goals

- Over a full market cycle (usually three to five years), this manager is expected to: (1) outperform the Russell 2000 and Russell 2000 Growth Indices, and (2) rank above median in a universe of small cap growth equity managers.

Allocation History



Dollar Growth Summary (in 000's)

	This Quarter	Last 12 Months
Beginning Market Value	8,118	10,370
Net Additions	0	0
Return on Investment	1,585	-667
Income	7	41
Gain/Loss	1,578	-708
Ending Market Value	9,702	9,702

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NorthPointe

As of September 30, 2009, NorthPointe held 67 securities in their portfolio. Holdings and portfolio characteristics are as follows:

Ten Largest Holdings (Weight)

FUEL SYS SOLUTIONS INC	2.0%	SMITH MICRO SOFTWARE INC	2.0%
HORIZON LINES INC	2.0%	AVOCENT CORP	1.9%
HILL INTL INC	2.0%	INTERDIGITAL INC	1.9%
JDA SOFTWARE GROUP INC	2.0%	CENTRAL EUROPEAN DISTR CORP	1.9%
WEB COM GROUP INC	2.0%	PETROLEUM DEV CORP	1.9%

Ten Best Performers (Quarter)

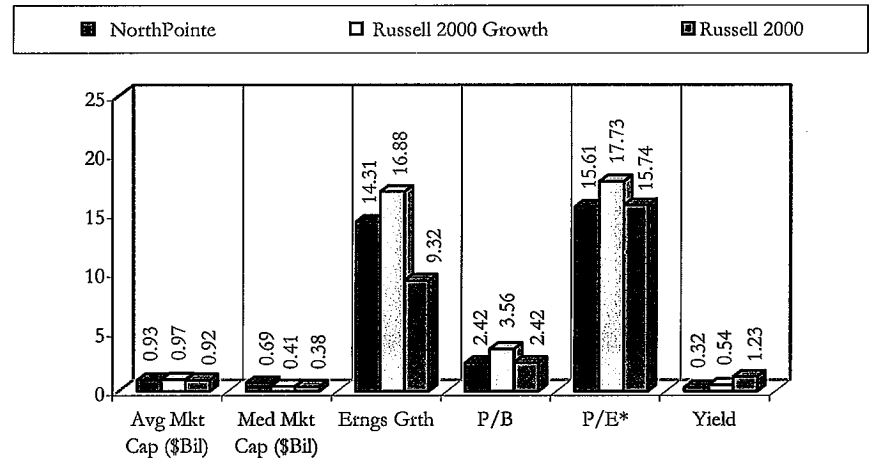
FUEL SYS SOLUTIONS INC	78.3%	JARDEN CORP	50.1%
HORIZON LINES INC	67.7%	ON ASSIGNMENT INC	49.6%
HILL INTL INC	65.1%	GMX RES INC	47.7%
BPZ ENERGY INC	53.8%	JDA SOFTWARE GROUP INC	46.7%
HEALTH MGMT ASSOC	51.6%	TRIQUINT SEMICONDUCTOR INC	45.4%

Ten Worst Performers (Quarter)

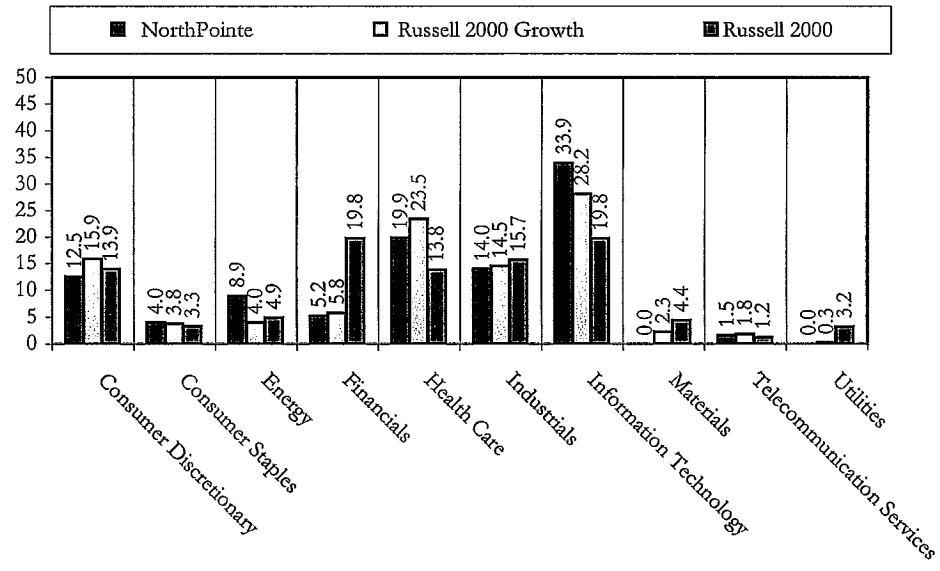
ICONIX BRAND GROUP INC	-18.9%	TITAN MACHY INC	-1.3%
AECOM TECHNOLOGY CORP	-15.2%	GREATBATCH INC	-0.6%
OMNICARE INC	-12.5%	MASTEC INC	3.7%
MERGE HEALTHCARE INC	-4.4%	COMTECH TELECOMMS	4.2%
TEXAS ROADHOUSE INC	-2.7%	ADC TELECOMMS INC	4.8%

** P/E ratios data provided by the manager.*

Characteristics



Sector Allocation



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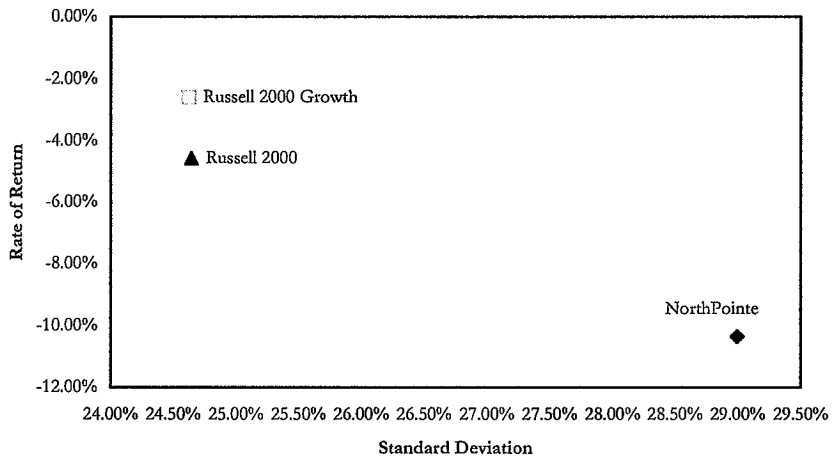
NorthPointe

For the Periods Ending September 30, 2009

Risk vs. Return (3 Year Annualized)

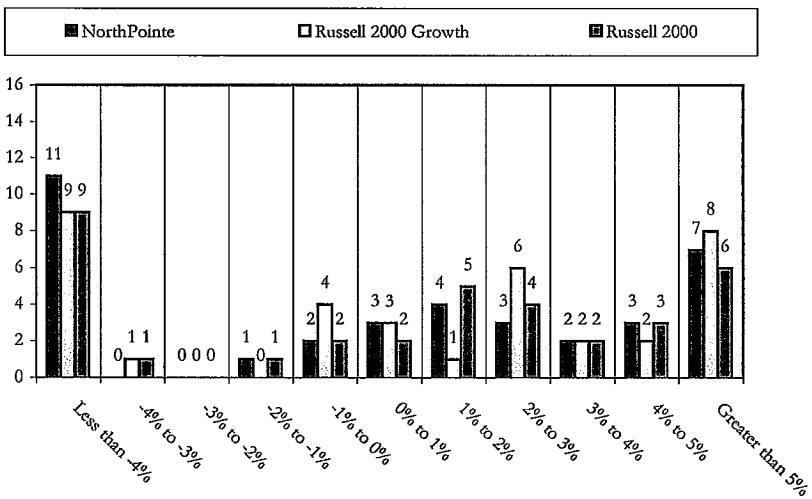


Portfolio Statistics

3 Years

	NorthPointe	Russell 2000 Growth
Return	-10.36	-2.60
Standard Deviation	28.99	24.62
Sharpe Ratio	-0.44	-0.20
Beta	1.15	1.00
Alpha	-0.59	--
Up Capture	102.08	--
Down Capture	124.11	--
Correlation	97.75	--
R Square	95.55	--

Return Histogram (3 Years)



Return Analysis

	NorthPointe	Russell 2000 Growth
Number of Months	44	44
Highest Monthly Return	17.92%	15.05%
Lowest Monthly Return	-25.96%	-21.70%
Number of Pos. Months	28	26
Number of Neg. Months	16	18
% Positive Months	63.64%	59.09%

All information calculated using monthly data.

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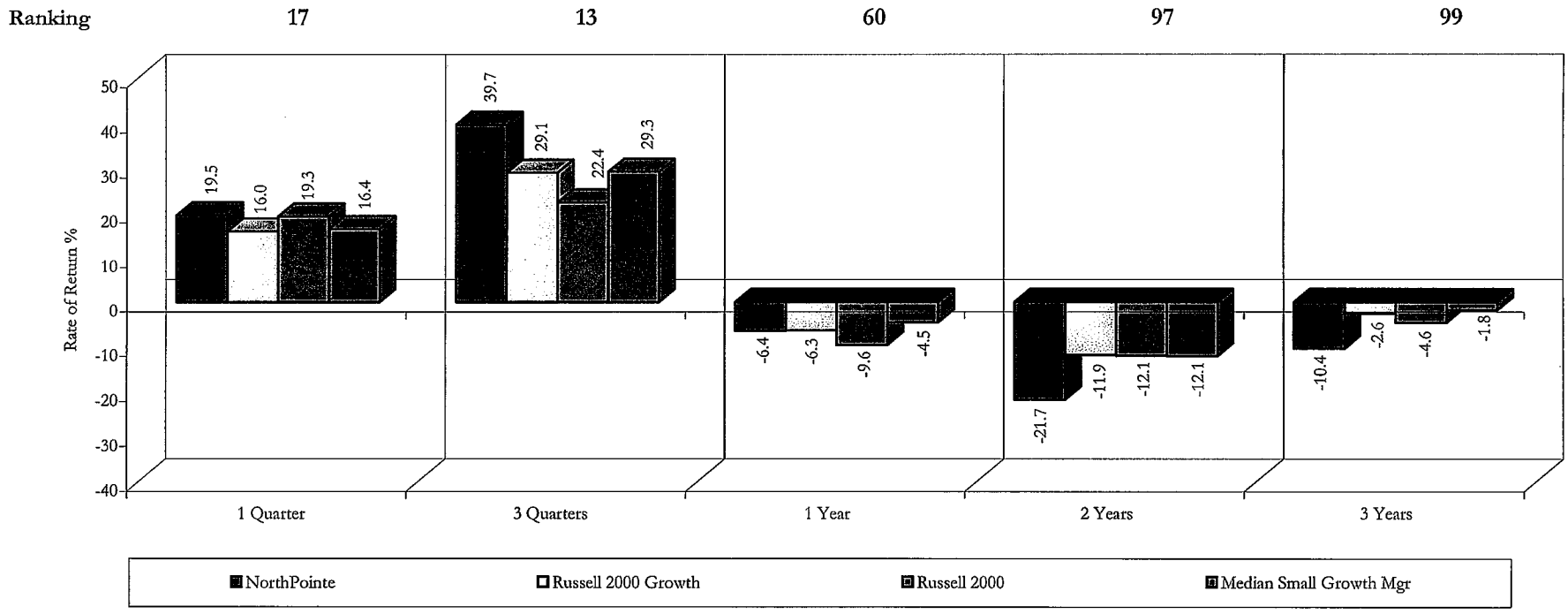
NorthPointe

For the Periods Ending September 30, 2009



	1 Quarter	3 Quarters	1 Year	2 Years	3 Years
5th Percentile	22.56	42.55	7.89	-4.69	3.78
25th Percentile	19.07	36.04	0.57	-9.37	0.39
50th Percentile	16.44	29.34	-4.53	-12.08	-1.78
75th Percentile	14.04	23.36	-9.97	-15.61	-4.21
95th Percentile	10.81	15.07	-14.73	-20.94	-8.28
Observations	370	350	348	301	255

The number above the bars is the ranking for this portfolio versus the small cap growth universe. The rankings are on a scale of 1 to 100 with 1 being the best.

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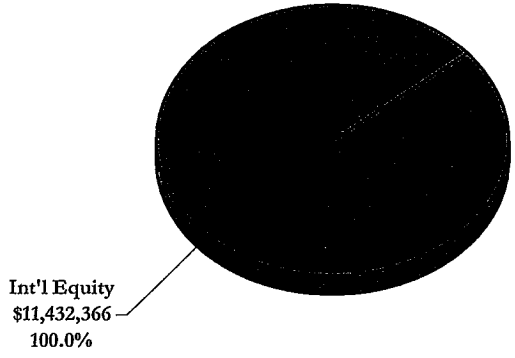
Mondrian International Equity

For the Periods Ending September 30, 2009

Asset Allocation

Total Assets: $11,432,366



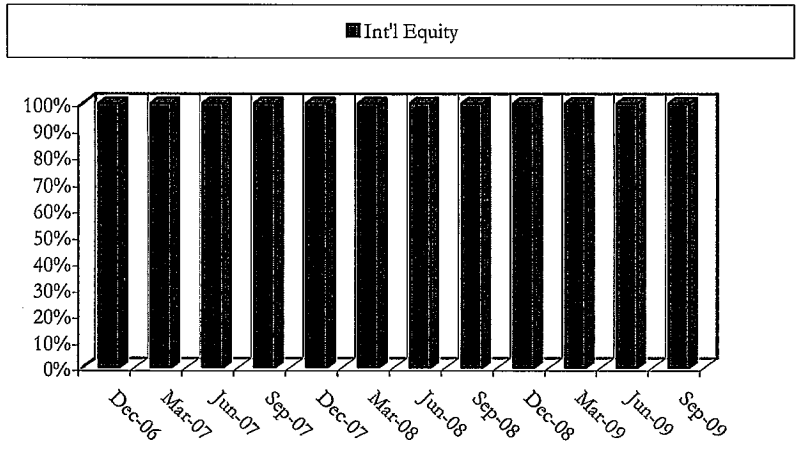
Strategy

- International Value Equity
- Inception date: October 25, 1996
- Fees: 70 bps on the first $20 million, 50 bps on the next $30 million, 40 bps on the next $50 million, 30 bps thereafter

Performance Goals

- Over a full market cycle (usually three to five years), this manager is expected to: (1) outperform the MSCI EAFE Index and MSCI EAFE Value Index, and (2) rank above median in a universe of international developed markets equity managers.

Allocation History



Dollar Growth Summary (in 000's)

	This Quarter	Last 12 Months
Beginning Market Value	9,652	11,361
Net Additions	0	-215
Return on Investment	1,780	286
Income	0	2,092
Gain/Loss	1,780	-1,806
Ending Market Value	11,432	11,432

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Mondrian International Equity

As of September 30, 2009, the Mondrian International Equity Fund held 53 securities in their portfolio. Holdings and portfolio characteristics are as follows:

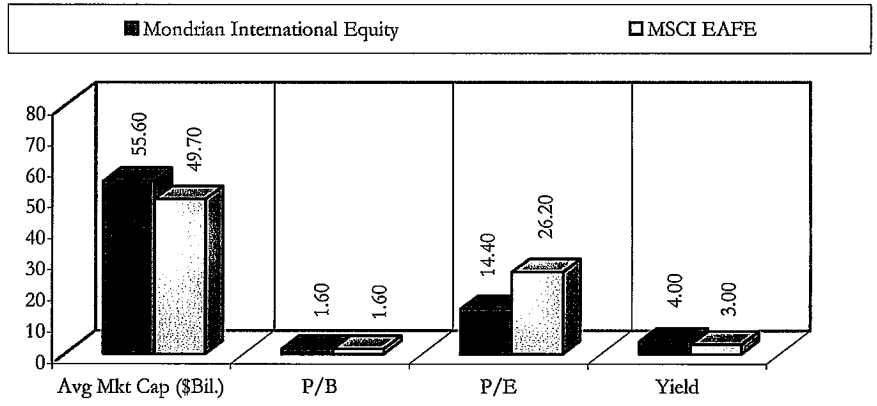
Ten Largest Holdings (Weight)

NOVARTIS	3.4%	TELEFONICA	3.2%
IBERDALA	3.4%	TAKEDA PHARMACEUTICAL	3.1%
UNILEVER	3.3%	TOTAL	3.1%
CANON	3.3%	RWE	3.0%
GLAXOSMITHKLINE	3.2%	CARREFOUR	2.9%

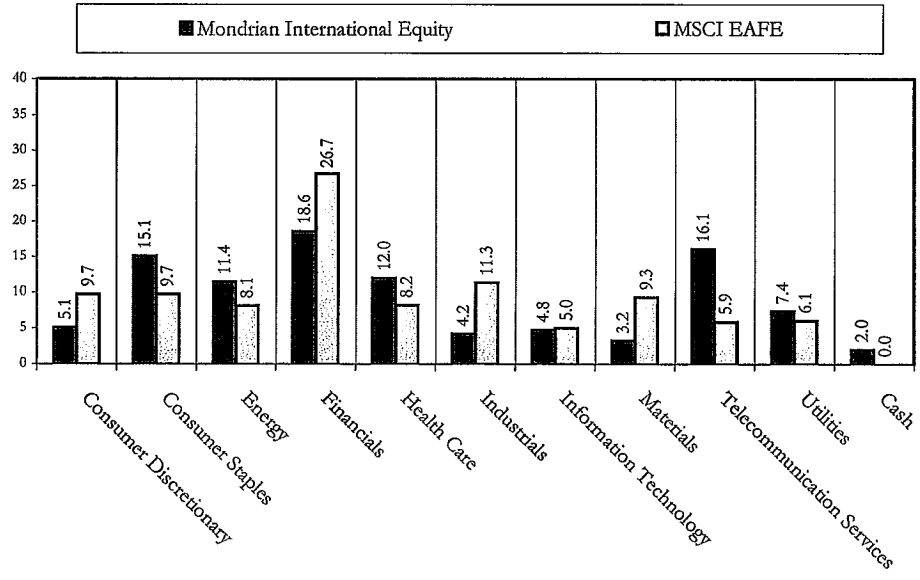
Country Allocation

	% of holding	EAFE	+/-
Australia	10.6%	8.2%	2.4%
Austria	0.0%	0.3%	-0.3%
Belgium	0.4%	1.0%	-0.6%
Bermuda	0.0%	0.0%	0.0%
Canada	0.0%	0.0%	0.0%
Denmark	0.0%	0.9%	-0.9%
Finland	0.9%	1.2%	-0.3%
France	12.4%	11.0%	1.4%
Germany	5.1%	8.1%	-3.1%
Greece	0.0%	0.7%	-0.7%
Hong Kong	2.6%	2.3%	0.3%
Ireland	0.0%	0.3%	-0.3%
Italy	3.3%	3.7%	-0.5%
Japan	20.8%	21.5%	-0.7%
Luxembourg	0.0%	0.0%	0.0%
Netherlands	3.0%	2.5%	0.5%
New Zealand	0.7%	0.1%	0.6%
Norway	0.0%	0.7%	-0.7%
Portugal	0.0%	0.3%	-0.3%
Singapore	4.9%	1.4%	3.5%
Spain	8.6%	4.7%	3.9%
Sweden	0.0%	2.5%	-2.5%
Switzerland	3.9%	7.7%	-3.8%
United Kingdom	17.9%	20.8%	-2.9%
Cash	2.0%	0.0%	2.0%
Emerging Markets	3.1%	0.0%	3.1%
Total	**100.0%**	**100.0%**	

Characteristics



Sector Allocation



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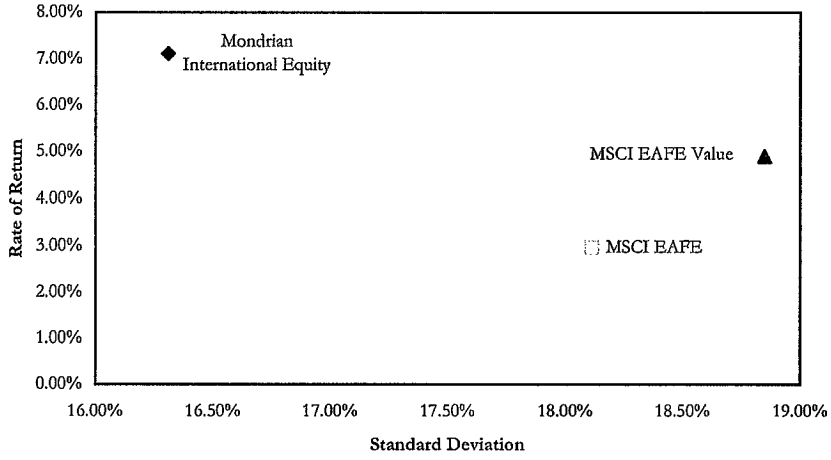
Mondrian International Equity

For the Periods Ending September 30, 2009

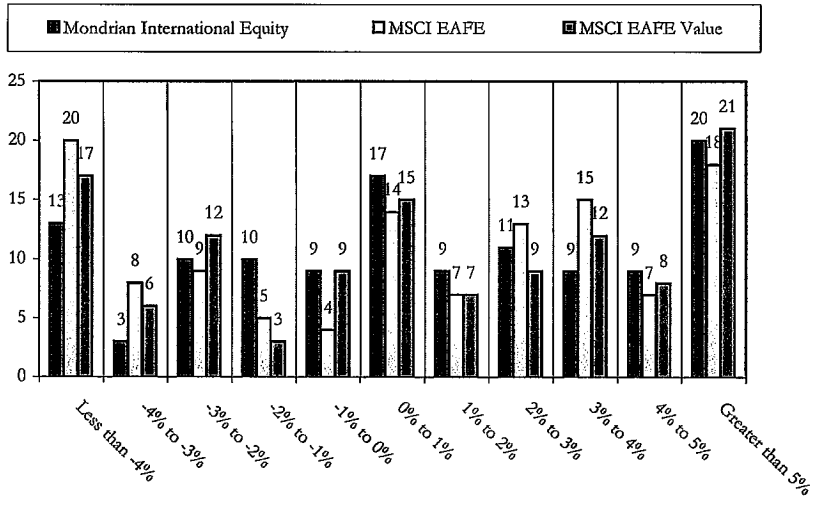
Risk vs. Return (10 Year Annualized)



Portfolio Statistics

	10 Years	
	Mondrian International Equity	MSCI EAFE
Return	7.12	2.96
Standard Deviation	16.31	18.11
Sharpe Ratio	0.27	0.01
Beta	0.86	1.00
Alpha	0.36	--
Up Capture	93.50	--
Down Capture	75.59	--
Correlation	95.55	--
R Square	91.30	--

Return Histogram (10 Years)



Return Analysis

	Mondrian International Equity	MSCI EAFE
Number of Months	152	152
Highest Monthly Return	11.12%	12.96%
Lowest Monthly Return	-16.10%	-20.17%
Number of Pos. Months	93	97
Number of Neg. Months	59	55
% Positive Months	61.18%	63.82%

All information calculated using monthly data.

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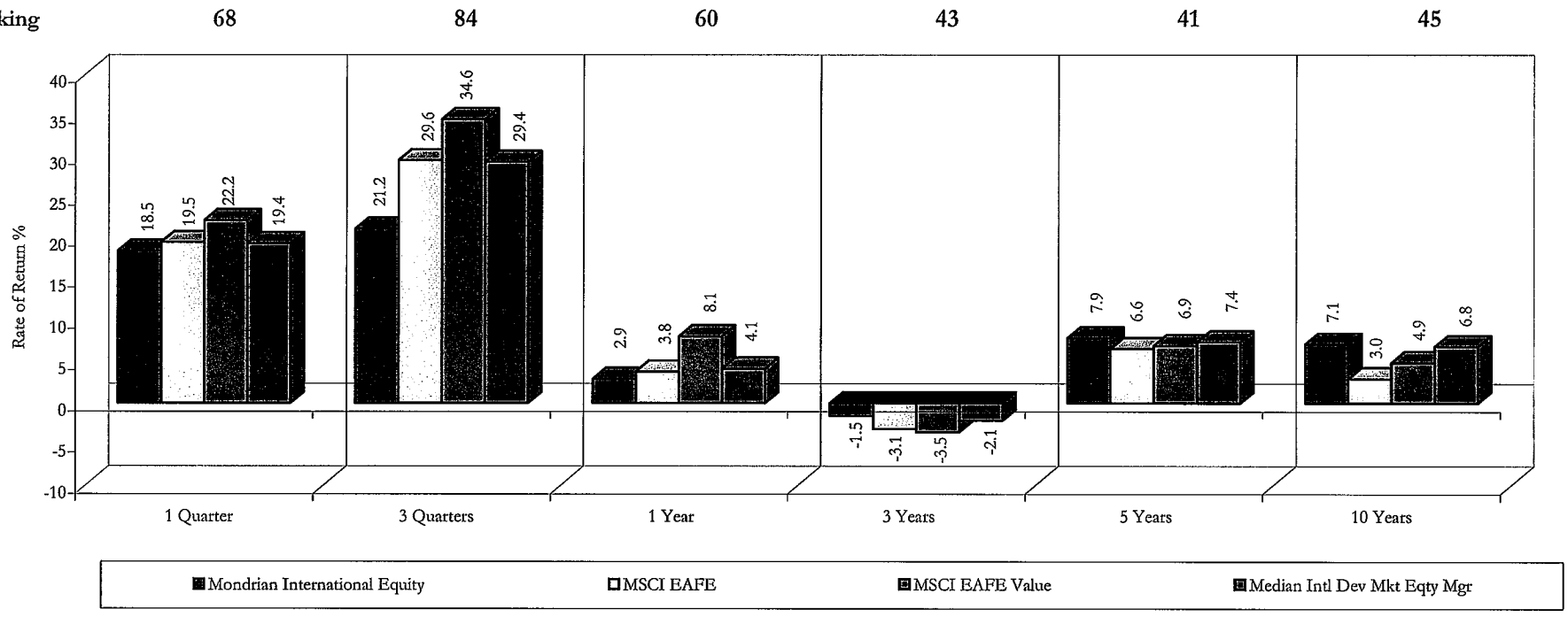
Mondrian International Equity

For the Periods Ending September 30, 2009



	1 Quarter	3 Quarters	1 Year	3 Years	5 Years	10 Years
5th Percentile	24.40	45.08	16.18	4.26	11.39	11.69
25th Percentile	21.20	35.42	7.48	-0.19	8.99	7.63
50th Percentile	19.37	29.38	4.14	-2.09	7.40	6.85
75th Percentile	17.65	22.96	1.14	-3.46	6.42	4.10
95th Percentile	15.38	18.94	-4.66	-7.19	5.04	2.78
Observations	1238	1216	1191	971	664	270

The number above the bars is the ranking for this portfolio versus the international developed markets universe. The rankings are on a scale of 1 to 100 with 1 being the best.

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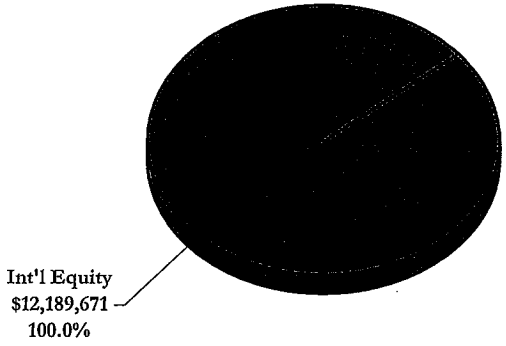
Artisan Partners

For the Periods Ending September 30, 2009

Asset Allocation

Total Assets: $12,189,671



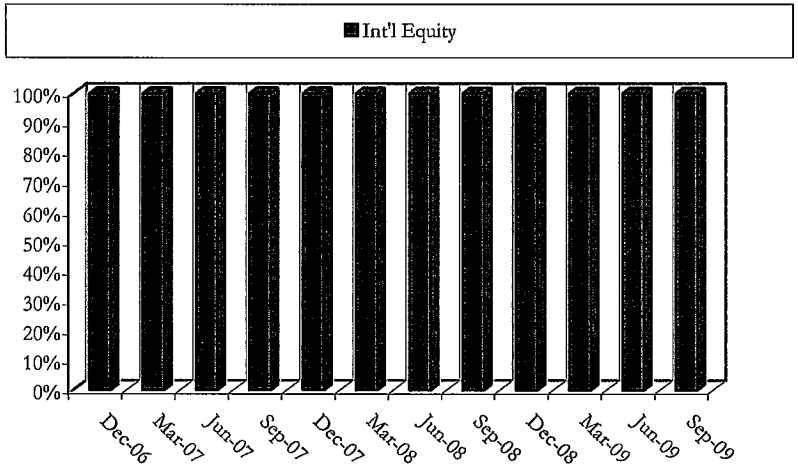
Strategy

- International Growth Equity
- Mutual Fund, ticker: ARTIX
- Fees: 99 bps

Performance Goals

- Over a full market cycle (usually three to five years), this manager is expected to: (1) outperform the MSCI EAFE Index and MSCI EAFE Growth Index, and (2) rank above median in a universe of international developed markets equity managers.

Allocation History



Dollar Growth Summary (in 000's)

	This Quarter	Last 12 Months
Beginning Market Value	10,021	11,581
Net Additions	-28	-95
Return on Investment	2,196	704
Income	0	0
Gain/Loss	2,196	704
Ending Market Value	12,190	12,190

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Artisan Partners

As of September 30, 2009, Artisan Partners held 85 securities in their portfolio. Holdings and portfolio characteristics are as follows:

Ten Largest Holdings (Weight)

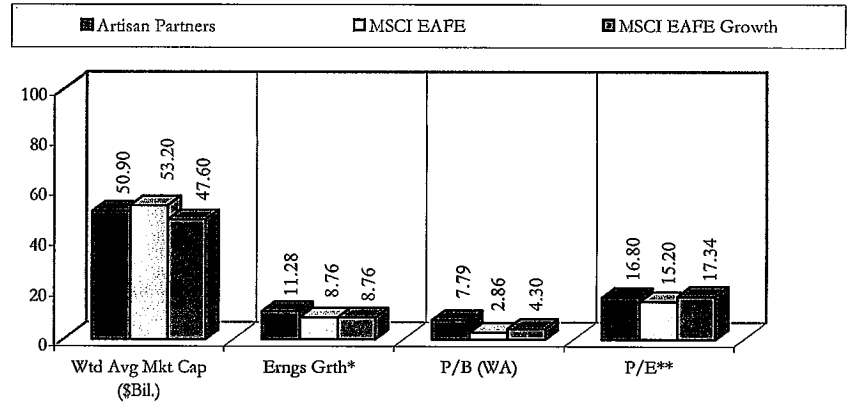
ASML HOLDING NV	4.2%	CANADIAN PACIFIC RAILWAY	2.7%
BAYER AG	3.3%	MUENCHENER RUECKVERSICHERUNGS AG	2.5%
LINDE AG	3.3%	GAZPROM OAO	2.4%
DAIMLER AG	3.1%	PERNOD-RICARD SA	2.3%
ROCHE HOLDING AG	2.8%	HOLCIM LTD	2.3%

Country Allocation

	% of holding	MSCI EAFE	MSCI EAFE GROWTH
Australia	0.0%	8.2%	8.0%
Austria	0.0%	0.3%	0.1%
Belgium	1.4%	1.0%	1.0%
Bermuda	0.0%	0.0%	0.0%
Canada	2.7%	0.0%	0.0%
Denmark	1.0%	0.9%	1.4%
Finland	0.0%	1.2%	1.0%
France	13.1%	10.9%	7.7%
Germany	15.5%	8.1%	6.1%
Greece	0.0%	0.7%	0.7%
Hong Kong	2.0%	2.3%	2.5%
Ireland	0.3%	0.3%	0.2%
Italy	3.8%	3.7%	1.3%
Japan	5.9%	21.5%	22.4%
Luxembourg	0.0%	0.0%	0.0%
Netherlands	8.8%	2.6%	2.6%
New Zealand	0.0%	0.1%	0.1%
Norway	0.0%	0.7%	0.6%
Portugal	0.0%	0.3%	0.4%
Singapore	1.6%	1.4%	1.4%
Spain	2.6%	4.8%	3.9%
Sweden	2.5%	2.5%	3.0%
Switzerland	10.2%	7.7%	14.4%
United Kingdom	10.3%	20.8%	21.2%
United States	4.2%	0.0%	0.0%
Emerging Markets	14.1%	0.0%	0.0%
Total	**100.0%**	**100.0%**	**100.0%**

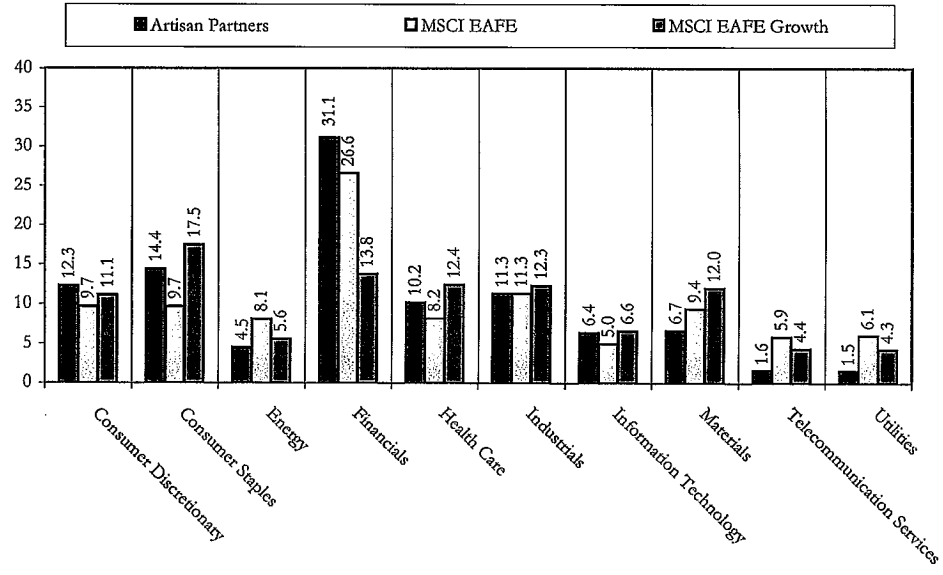
Characteristic data provided by the manager.

Characteristics



* Estimated 3-5 yr, weighted average. ** Last 12 months, weighted harmonic average, excluding EPS<0.

Sector Allocation



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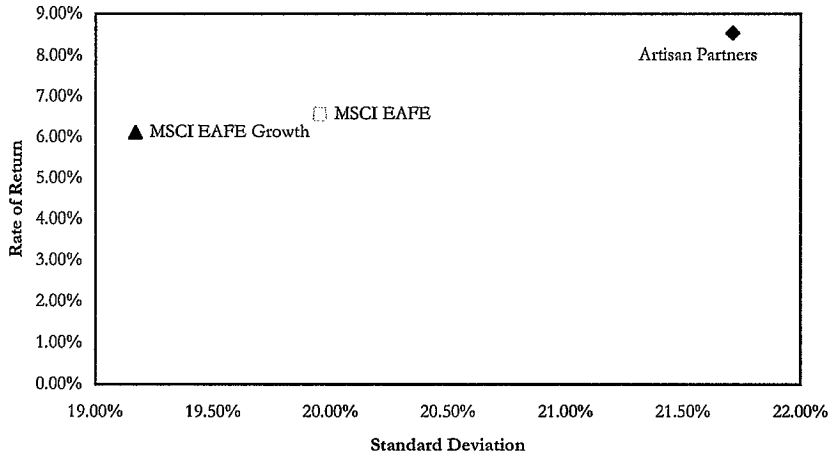
Artisan Partners

For the Periods Ending September 30, 2009

Risk vs. Return (5 Year Annualized)

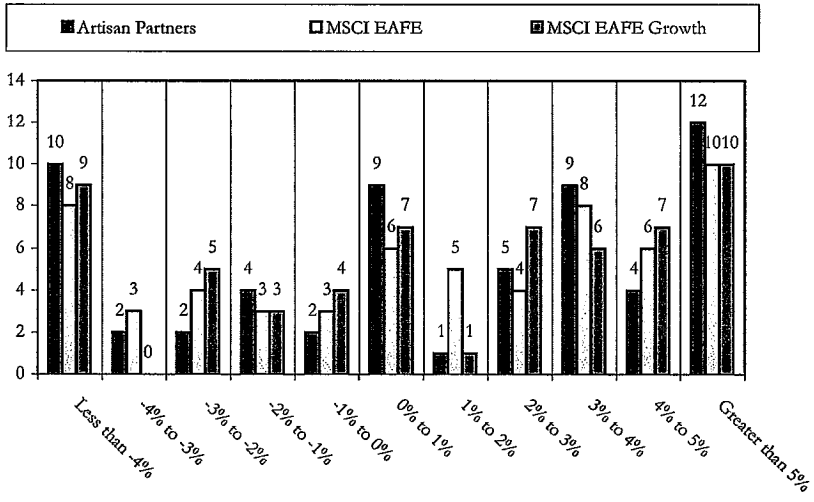


Portfolio Statistics

5 Years

	Artisan Partners	MSCI EAFE
Return	8.55	6.56
Standard Deviation	21.71	19.95
Sharpe Ratio	0.26	0.19
Beta	1.06	1.00
Alpha	0.14	--
Up Capture	110.72	--
Down Capture	104.48	--
Correlation	97.77	--
R Square	95.59	--

Return Histogram (5 Years)



Return Analysis

	Artisan Partners	MSCI EAFE
Number of Months	64	64
Highest Monthly Return	12.64%	12.96%
Lowest Monthly Return	-23.05%	-20.17%
Number of Pos. Months	42	42
Number of Neg. Months	22	22
% Positive Months	65.63%	65.63%

All information calculated using monthly data.

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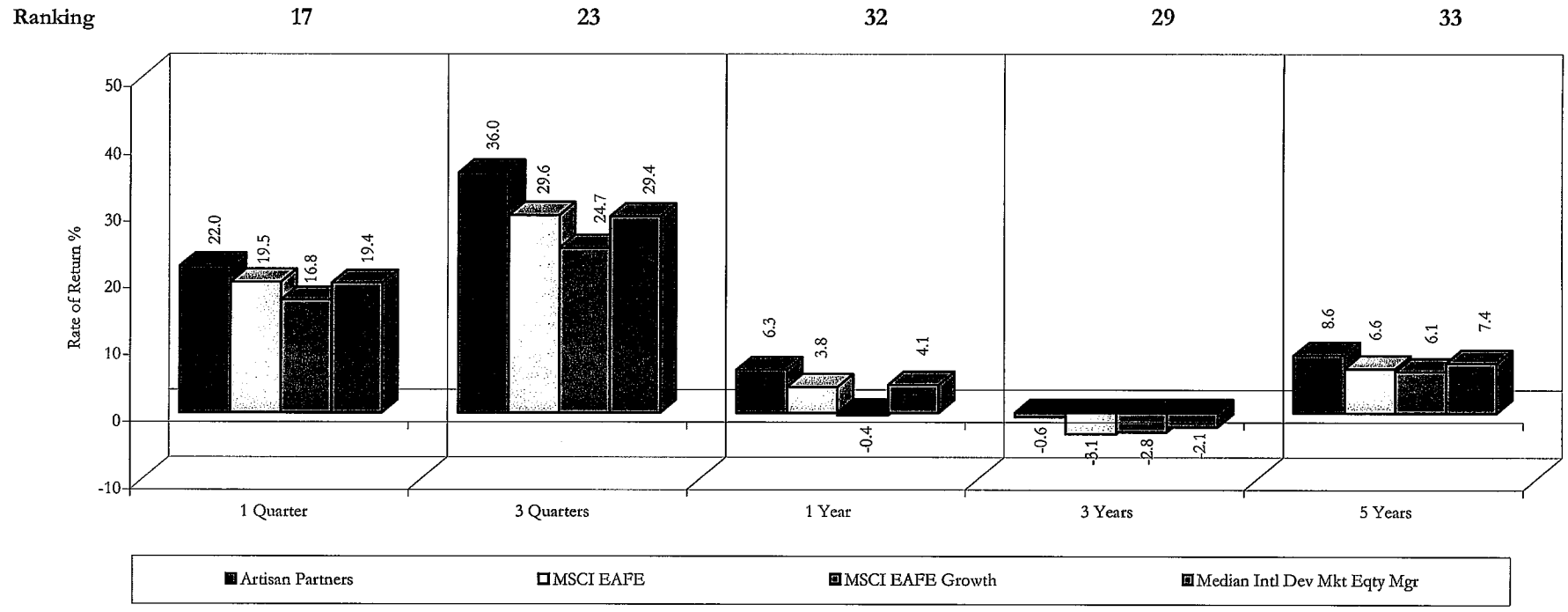
Artisan Partners

For the Periods Ending September 30, 2009



	1 Quarter	3 Quarters	1 Year	3 Years	5 Years
5th Percentile	24.40	45.08	16.18	4.26	11.39
25th Percentile	21.20	35.42	7.48	-0.19	8.99
50th Percentile	19.37	29.38	4.14	-2.09	7.40
75th Percentile	17.65	22.96	1.14	-3.46	6.42
95th Percentile	15.38	18.94	-4.66	-7.19	5.04
Observations	1238	1216	1191	971	664

The number above the bars is the ranking for this portfolio versus the international developed markets universe. The rankings are on a scale of 1 to 100 with 1 being the best.

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Fixed Analysis

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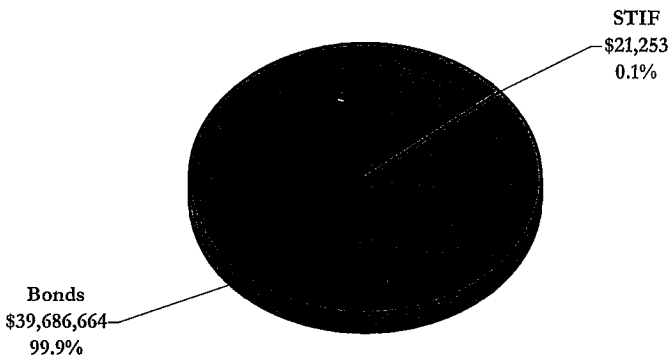
M D Sass Associates

For the Periods Ending September 30, 2009

Asset Allocation

Total Assets: $39,707,917



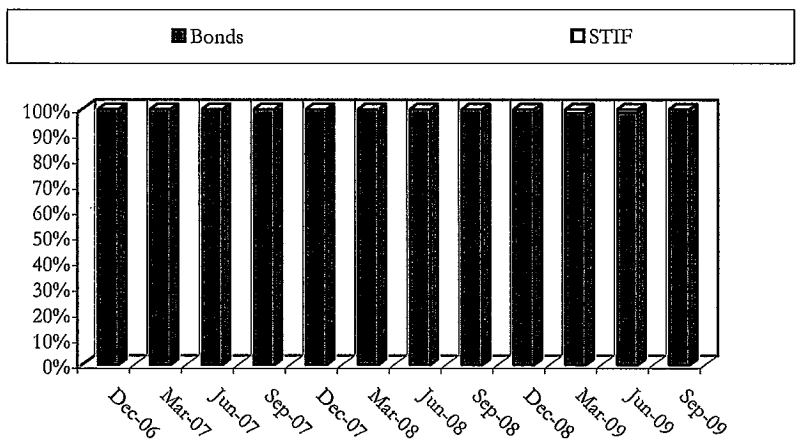
Strategy

- Domestic Fixed Income
- Inception date: October 22, 1984
- Fees: 30 bps

Performance Goals

- Over a full market cycle (usually three to five years), this manager is expected to: (1) outperform the Barclays Capital Aggregate Index, and (2) rank above median in a universe of bond managers employing a similar style of management.

Allocation History



Dollar Growth Summary (in 000's)

	This Quarter	Last 12 Months
Beginning Market Value	38,741	49,107
Net Additions	-1	-14,000
Return on Investment	968	4,602
Income	447	2,119
Gain/Loss	521	2,483
Ending Market Value	39,708	39,708

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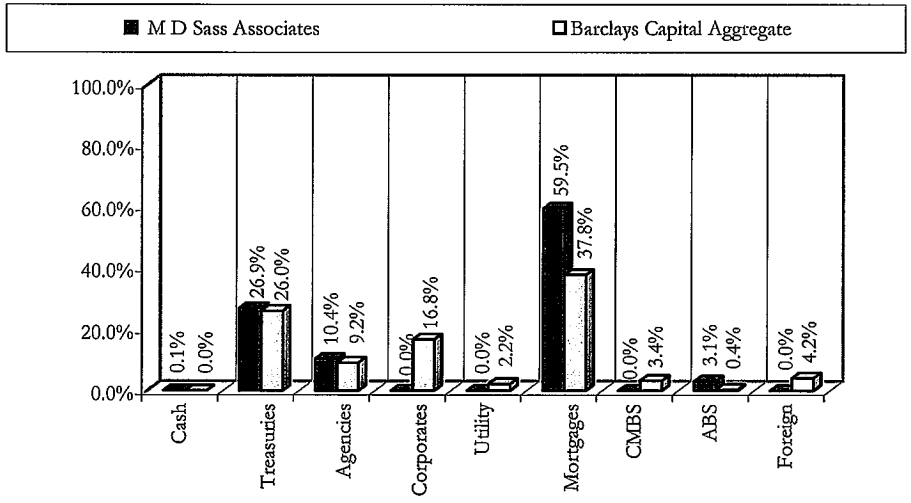
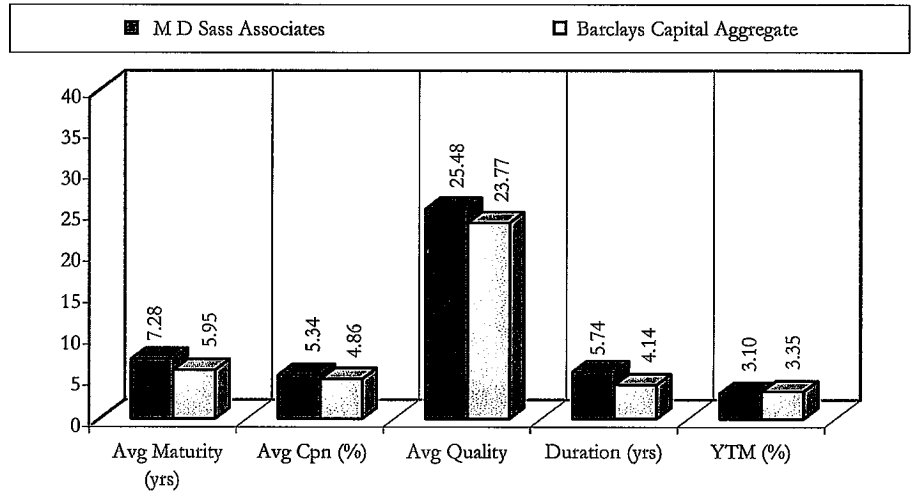
M D Sass Associates

As of September 30, 2009, M D Sass Associates held 123 securities in their portfolio. Holdings and portfolio characteristics are as follows:

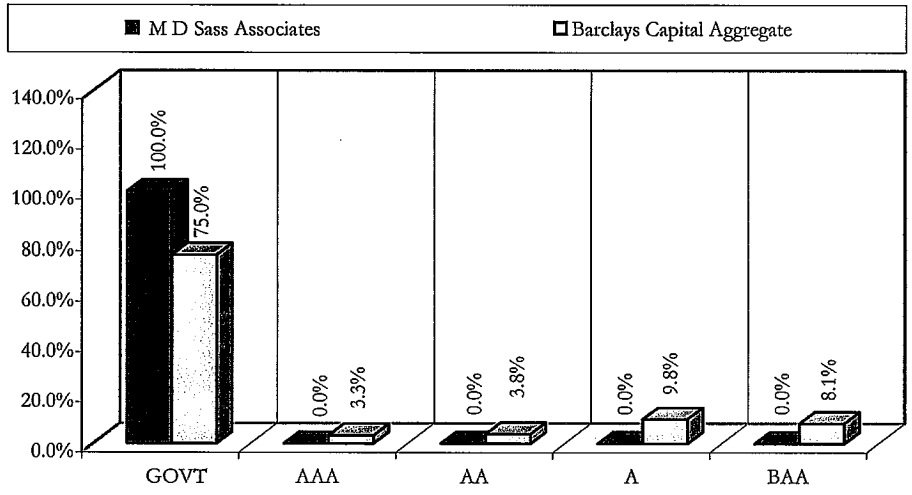
Sector Allocation



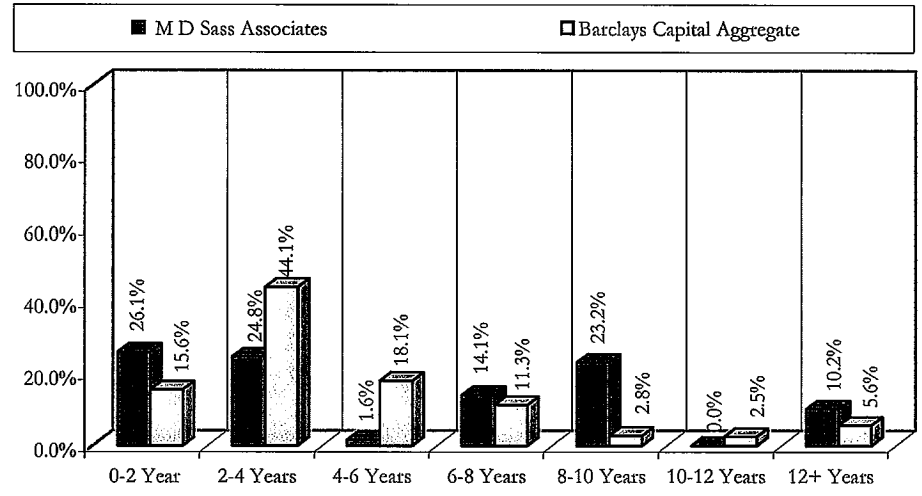
Characteristics



Quality



Duration



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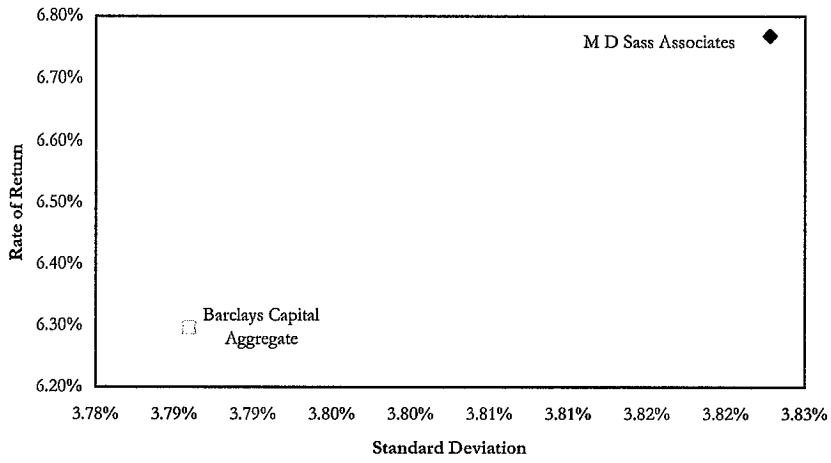
M D Sass Associates

For the Periods Ending September 30, 2009

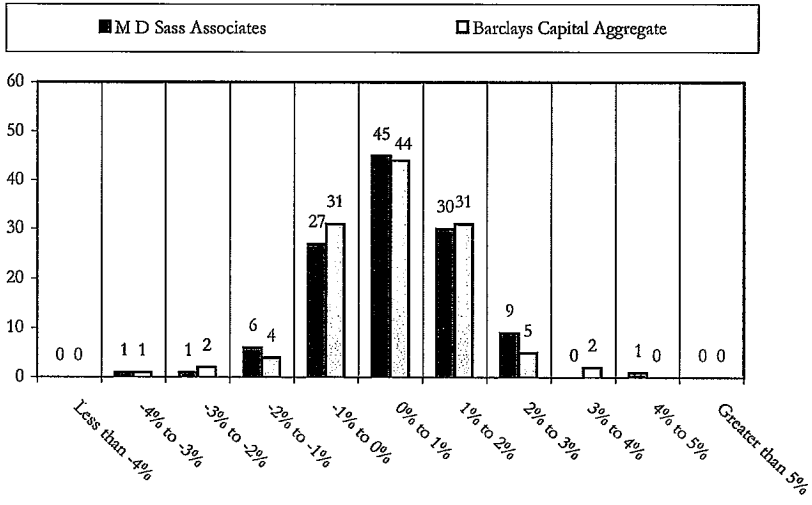
Risk vs. Return (10 Year Annualized)



Portfolio Statistics

	10 Years	
	M D Sass Associates	Barclays Capital Aggregate
Return	6.77	6.30
Standard Deviation	3.82	3.79
Sharpe Ratio	1.05	0.94
Beta	0.93	1.00
Alpha	0.07	--
Up Capture	100.10	--
Down Capture	83.78	--
Correlation	92.34	--
R Square	85.27	--

Return Histogram (10 Years)



Return Analysis

	M D Sass Associates	Barclays Capital Aggregate
Number of Months	217	217
Highest Monthly Return	4.02%	3.87%
Lowest Monthly Return	-3.17%	-3.36%
Number of Pos. Months	152	151
Number of Neg. Months	65	66
% Positive Months	70.05%	69.59%

All information calculated using monthly data.

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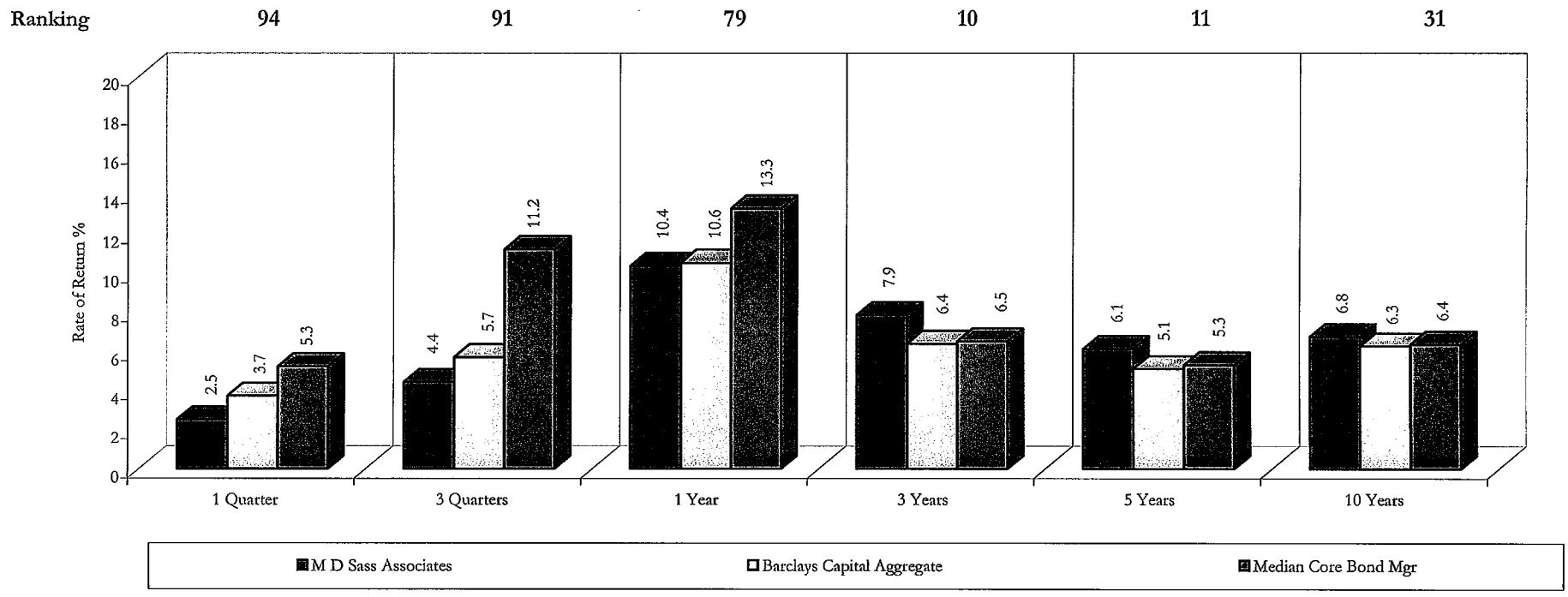
M D Sass Associates

For the Periods Ending September 30, 2009



	1 Quarter	3 Quarters	1 Year	3 Years	5 Years	10 Years
5th Percentile	8.86	19.87	18.45	8.32	6.32	7.29
25th Percentile	6.42	14.10	15.03	7.14	5.76	6.92
50th Percentile	5.25	11.23	13.28	6.54	5.32	6.39
75th Percentile	4.48	8.85	10.70	5.67	4.84	6.21
95th Percentile	2.05	2.14	5.37	3.75	3.71	5.02
Observations	106	107	105	105	98	46

The number above the bars is the ranking for this portfolio versus the core bond universe. The rankings are on a scale of 1 to 100 with 1 being the best.

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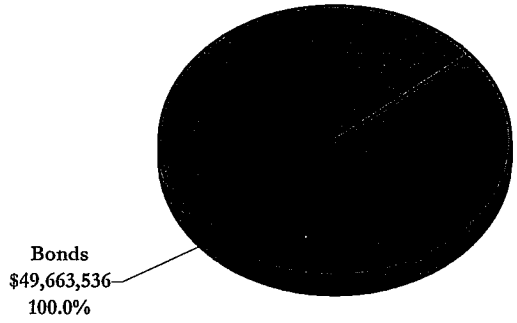
Western Asset Management

For the Periods Ending September 30, 2009

Asset Allocation

Total Assets: $49,663,536



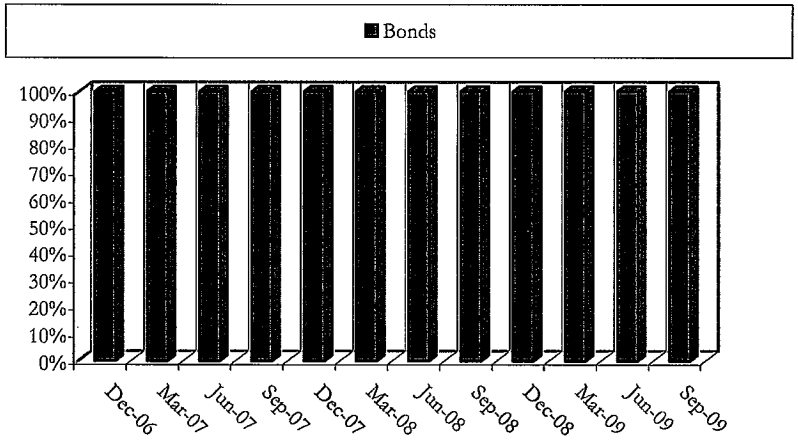
Strategy

- Domestic Fixed Income: "Core Plus", with a 10% maximum allocation to domestic high yield bonds.
- Inception date: January 1, 2006
- Fees: 30 bps on the first $100 million, 20 bps thereafter

Performance Goals

- Over a full market cycle (usually three to five years), this manager is expected to: (1) outperform the Barclays Capital Aggregate Index, and (2) rank above median in a universe of bond managers employing a similar style of management.

Allocation History



Dollar Growth Summary (in 000's)

	This Quarter	Last 12 Months
Beginning Market Value	44,346	42,736
Net Additions	0	0
Return on Investment	5,318	6,927
Income	0	0
Gain/Loss	5,318	6,927
Ending Market Value	49,664	49,664

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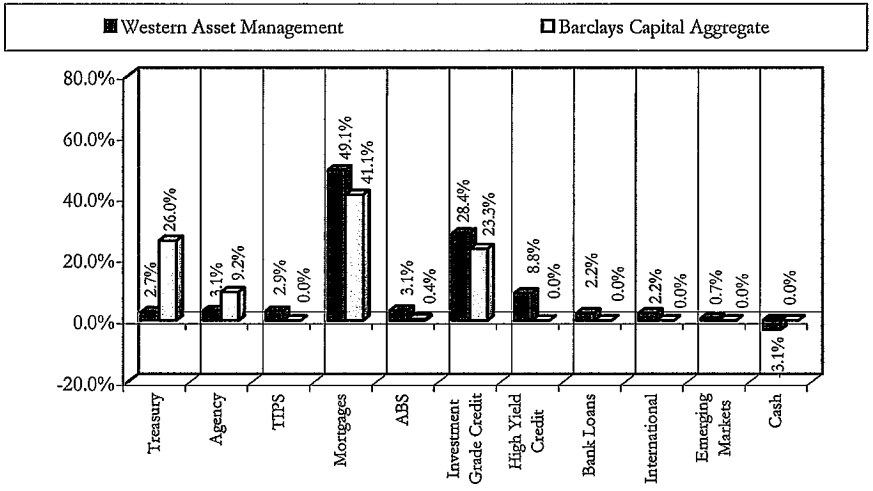
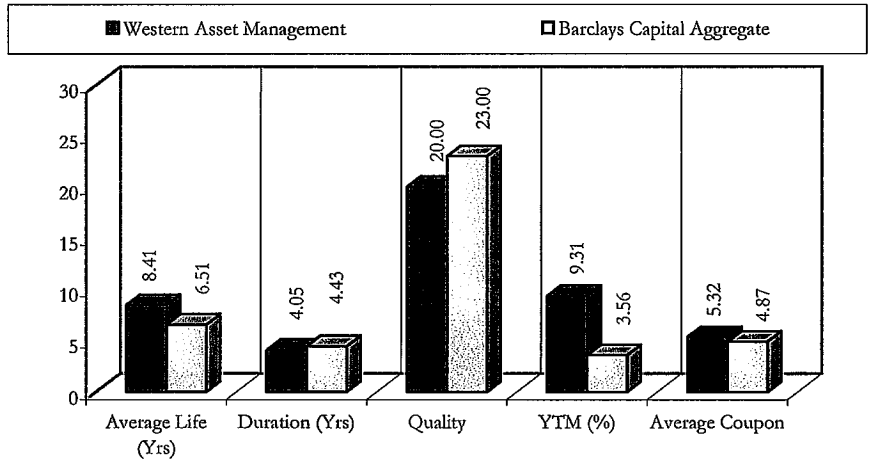
Western Asset Management

As of September 30, 2009 Western Asset Management held 1,440 securities in their portfolio. Holdings and portfolio characteristics are as follows:

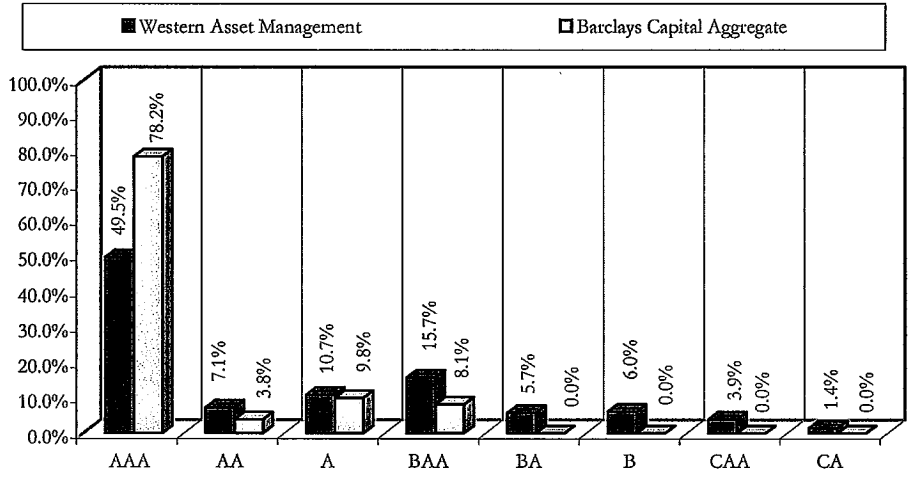
Sector Allocation



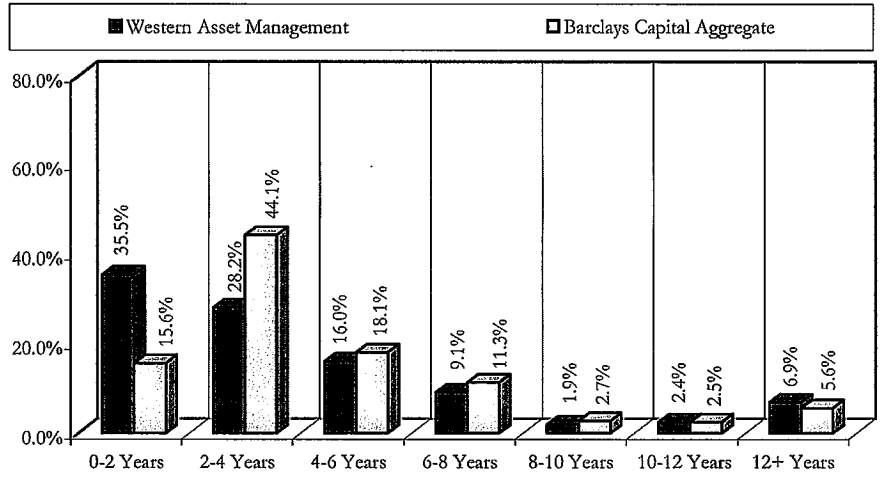
Characteristics



Quality



Duration



Characteristic data provided by the manager.

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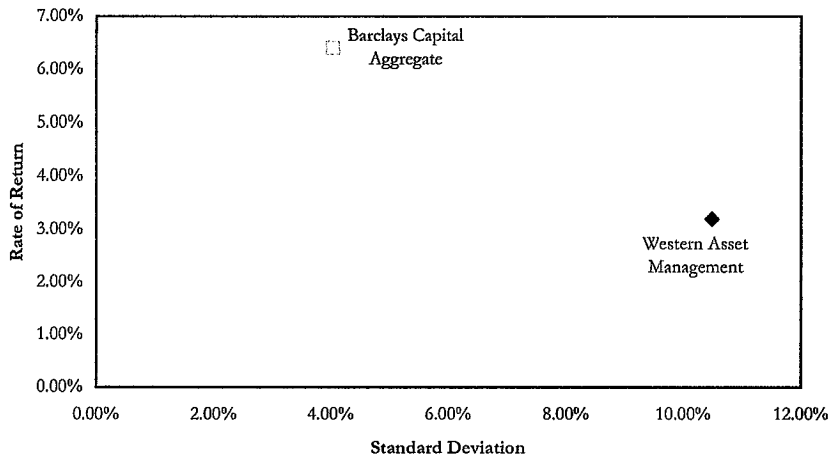
Western Asset Management

For the Periods Ending September 30, 2009

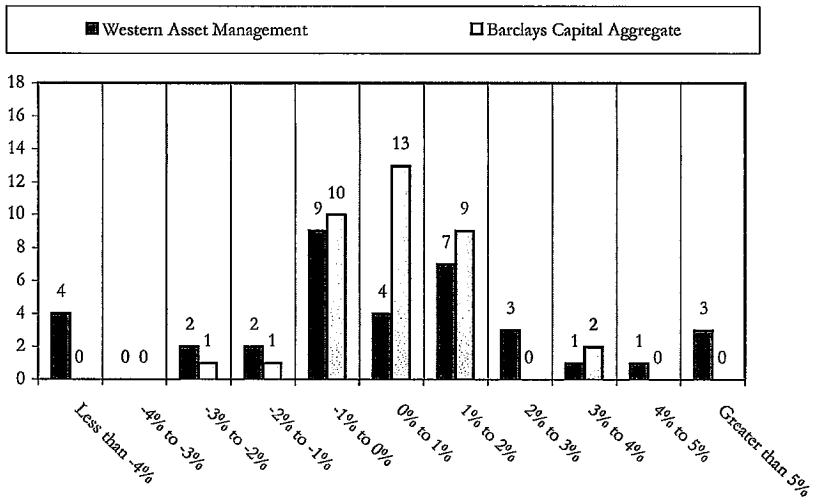
Risk vs. Return (3 Year Annualized)



Portfolio Statistics

	3 Years	
	Western Asset Management	Barclays Capital Aggregate
Return	3.20	6.41
Standard Deviation	10.48	4.03
Sharpe Ratio	0.08	1.00
Beta	1.27	1.00
Alpha	-0.36	--
Up Capture	116.12	--
Down Capture	256.85	--
Correlation	48.74	--
R Square	23.76	--

Return Histogram (3 Years)



Return Analysis

	Western Asset Management	Barclays Capital Aggregate
Number of Months	45	45
Highest Monthly Return	5.91%	3.73%
Lowest Monthly Return	-7.75%	-2.36%
Number of Pos. Months	25	30
Number of Neg. Months	20	15
% Positive Months	55.56%	66.67%

All information calculated using monthly data.

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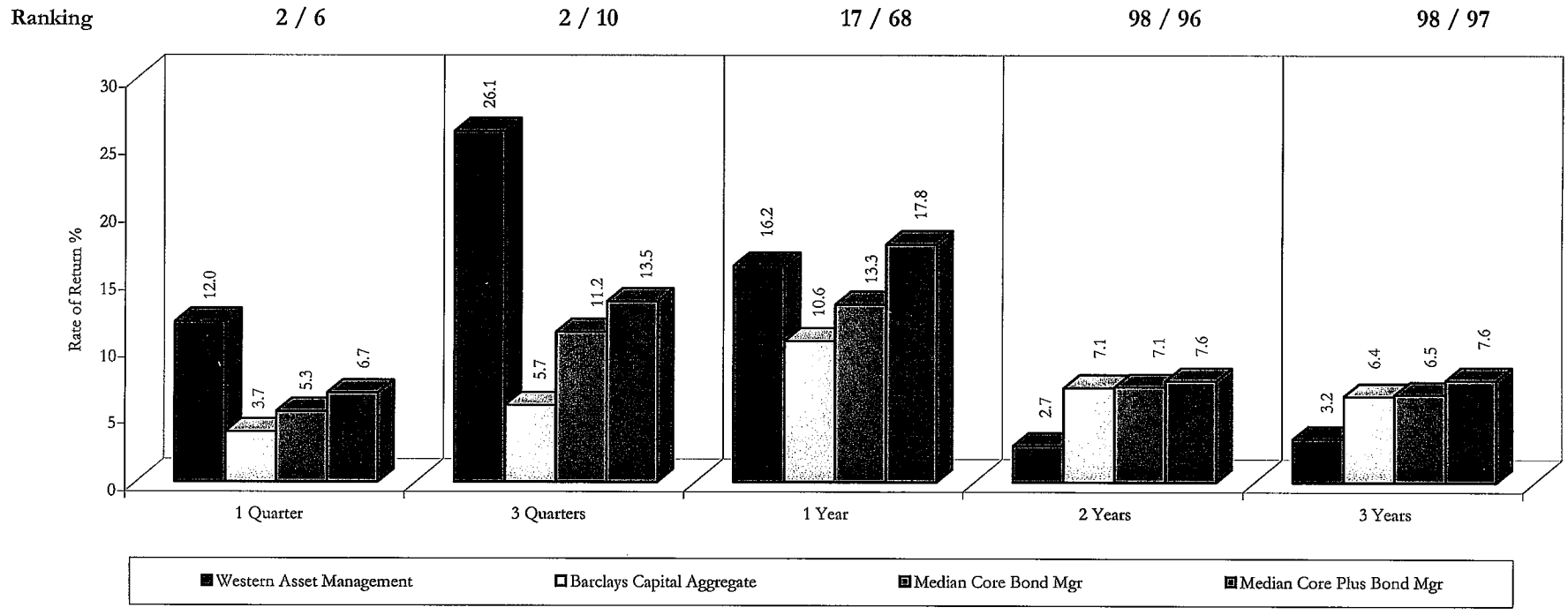
Western Asset Management

For the Periods Ending September 30, 2009



	1 Quarter	3 Quarters	1 Year	2 Years	3 Years
5th Percentile	8.86 / 12.51	19.87 / 30.79	18.45 / 21.05	9.75 / 11.38	8.32 / 9.68
25th Percentile	6.42 / 10.50	14.10 / 21.74	15.03 / 18.86	7.98 / 11.25	7.14 / 9.61
50th Percentile	5.25 / 6.65	11.23 / 13.50	13.28 / 17.76	7.12 / 7.58	6.54 / 7.64
75th Percentile	4.48 / 6.14	8.85 / 13.06	10.70 / 15.76	6.05 / 5.45	5.67 / 5.25
95th Percentile	2.05 / 4.47	2.14 / 7.87	5.37 / 9.50	3.16 / 3.06	3.75 / 3.96
Observations	106 / 154	107 / 151	105 / 147	105 / 139	105 / 122

The numbers above the bars are the ranking for this portfolio versus the listed universes. The first number represents the manager's ranking versus the core bond universe and the second represents their ranking versus the core plus bond universe. The rankings are on a scale of 1 to 100 with 1 being the best.

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Real Estate Analysis

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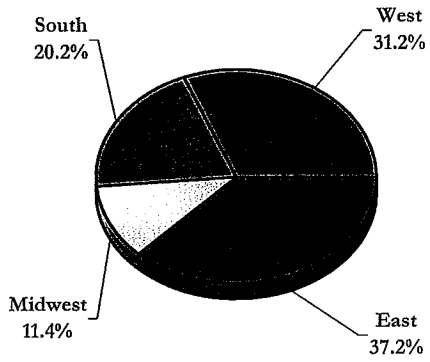
Trumbull Property Fund

For the Periods Ending September 30, 2009

Geographic Region Allocation



# of Properties	
East	42
West	47
South	37
Midwest	43

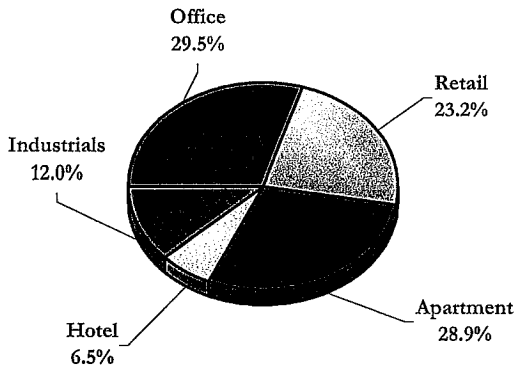
Strategy & Objective

- Core Commingled Real Estate Fund
- Exceed the total Return of the NCREIF Property Index and rank in the upper half in a universe of core commingled real estate fund peers.

Characteristics

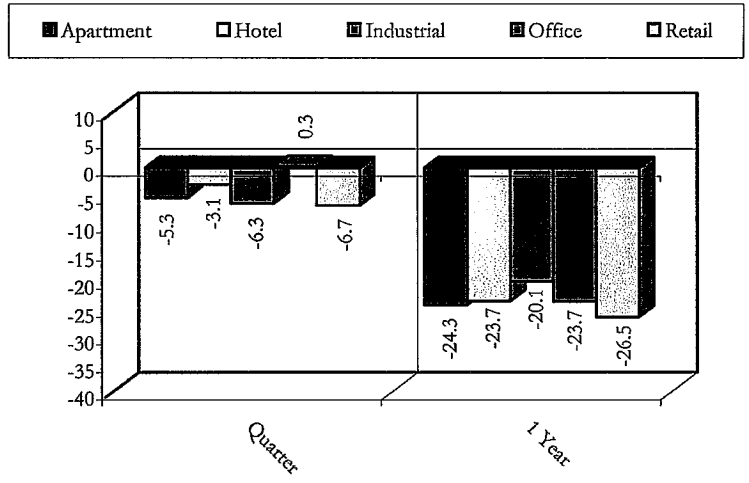
Lansing P&F Market Value	**$7,026,614**
Lansing P&F Inception Date	**6/27/2002**
Gross Fund Value	**$8,696,300,000**
Net Fund Value	**$6,840,600,000**
Qtr / 1 Year Income Return	**1.67% / 6.08%**
# of Properties	**169**
# of Participants	**243**

Property Type Allocation



# of Properties	
Retail	26
Apartment	54
Hotel	6
Industrial	53
Office	30

Returns by Property Type



Characteristic data provided by the manager.

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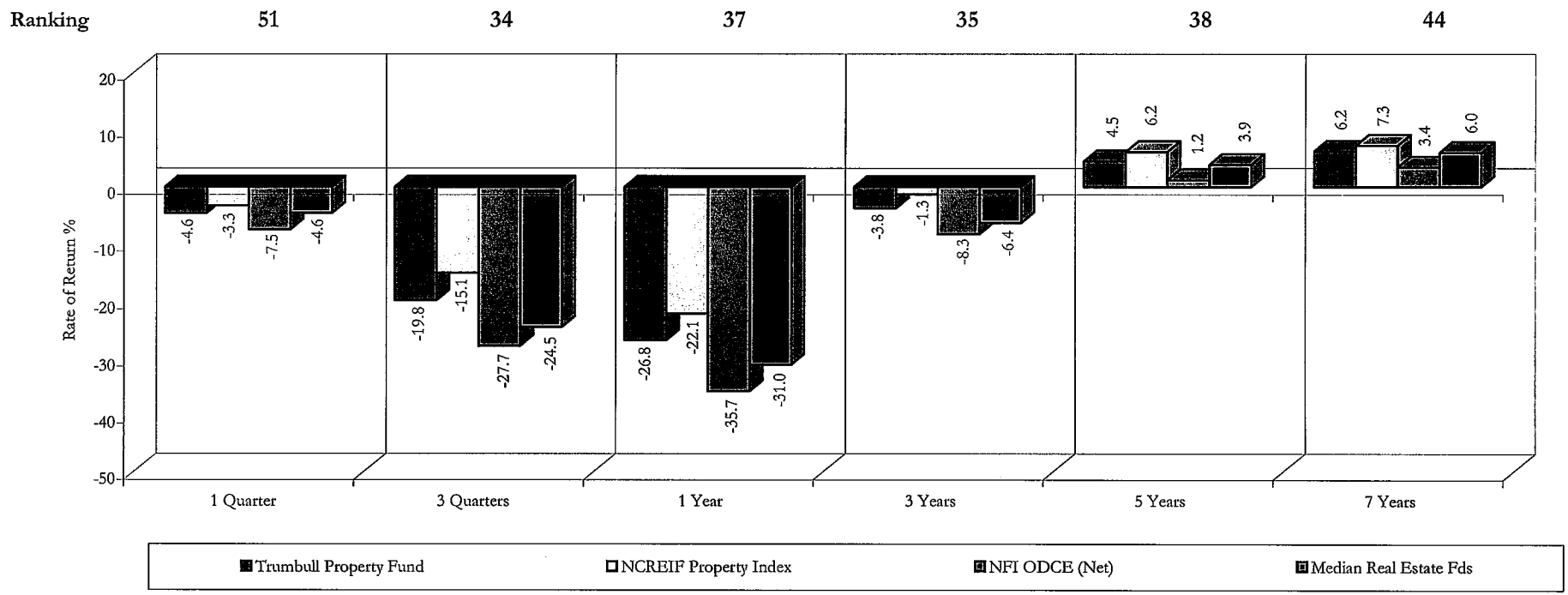
Trumbull Property Fund

For the Periods Ending September 30, 2009



	1 Quarter	3 Quarters	1 Year	3 Years	5 Years	7 Years
5th Percentile	21.13	21.50	2.24	13.51	17.91	16.20
25th Percentile	0.00	-8.94	-20.06	-1.47	6.74	9.02
50th Percentile	-4.62	-24.45	-31.01	-6.36	3.91	6.01
75th Percentile	-8.93	-35.20	-43.71	-11.13	-0.86	1.67
95th Percentile	-25.22	-61.52	-71.46	-27.27	-12.57	-6.16
Observations	497	491	476	351	197	121

The number above the bars is the ranking for this portfolio versus their real estate peers. The rankings are on a scale of 1 to 100 with 1 being the best.

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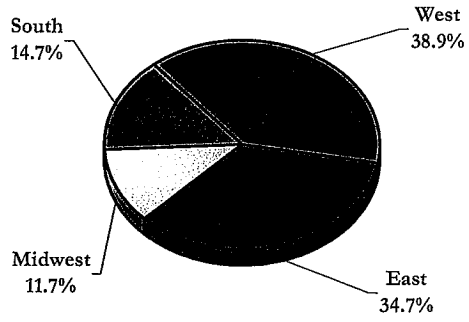
Clarion Lion Properties Fund, LLC

For the Periods Ending September 30, 2009

Geographic Region Allocation



# of Properties	
East	31
West	56
South	41
Midwest	27

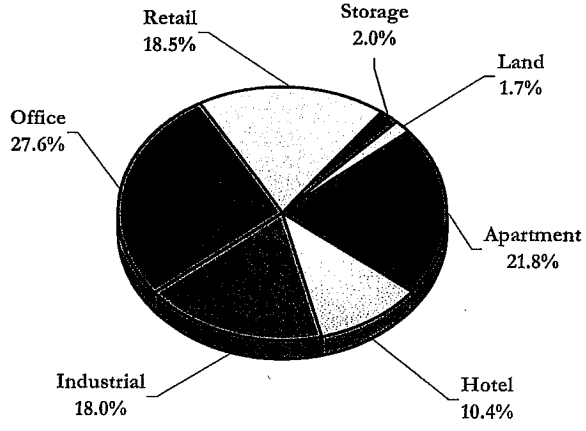
Strategy & Objective

- Core Commingled Real Estate Fund
- Exceed the total return of the NCREIF Property Index and rank in the upper half in a universe of core commingled real estate fund peers.

Characteristics

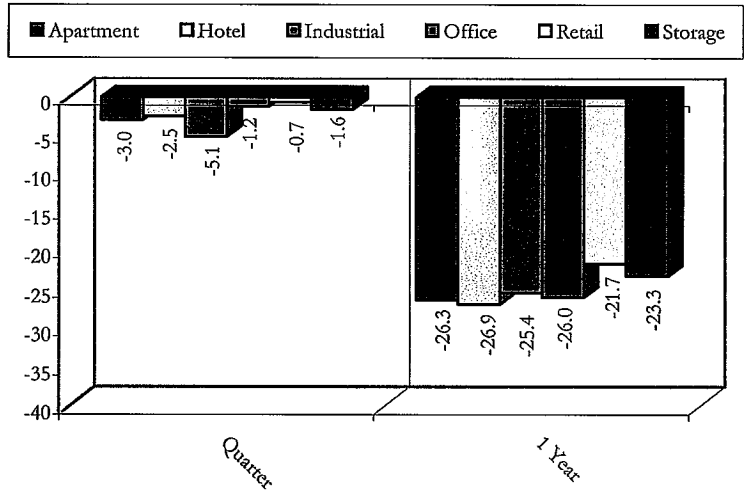
Lansing P&F Market Value	**$2,424,604**
Lansing P&F Inception Date	**4/1/2000**
Fund's Gross Market Value	**$4,593,000,000**
Fund's Net Market Value	**$2,104,000,000**
Cash Balance of Fund	**$22,500,000**
Qtr/Year Income Return	**1.48% / 5.19%**
# of Properties	**155**
# of Participants	**171**

Property Type Allocation



# of Properties	
Apartment	20
Hotel	5
Industrial	54
Office	24
Retail	30
Storage	19
Land	3

Returns by Property Type



**Characteristic data provided by manager.*

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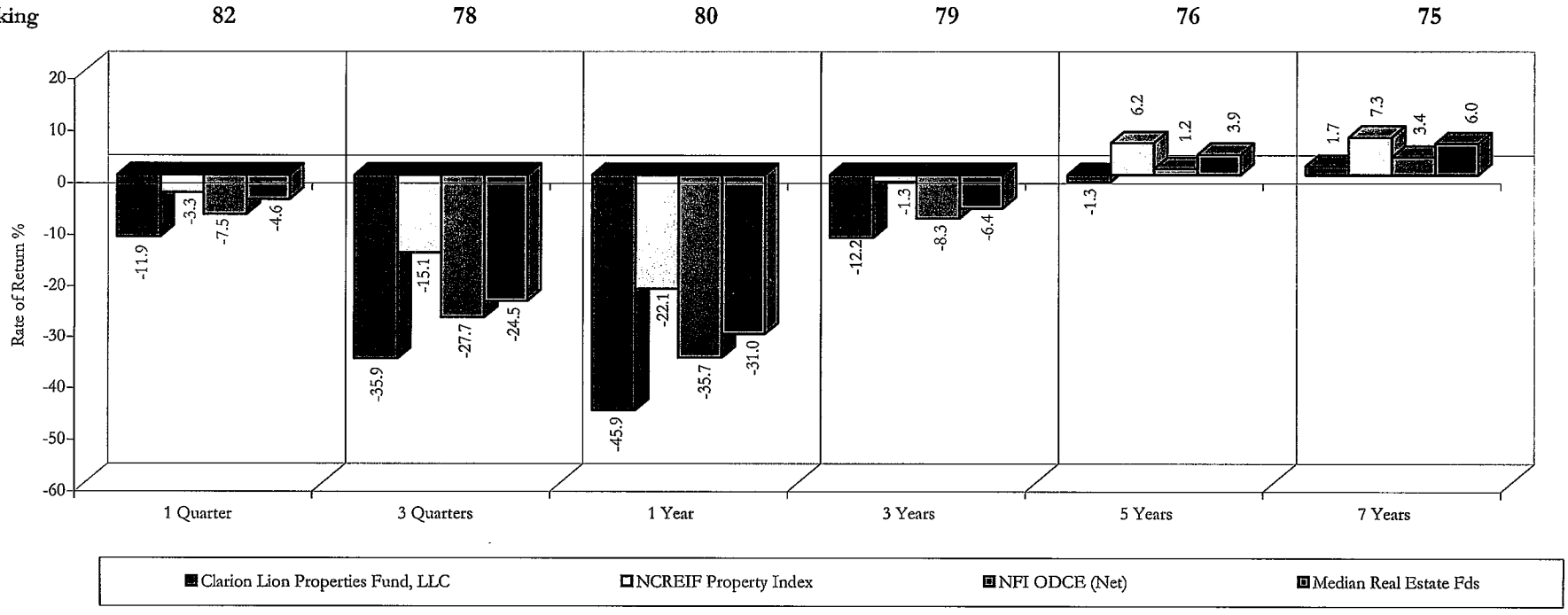
Clarion Lion Properties Fund, LLC

For the Periods Ending September 30, 2009



	1 Quarter	3 Quarters	1 Year	3 Years	5 Years	7 Years
5th Percentile	21.13	21.50	2.24	13.51	17.91	16.20
25th Percentile	0.00	-8.94	-20.06	-1.47	6.74	9.02
50th Percentile	-4.62	-24.45	-31.01	-6.36	3.91	6.01
75th Percentile	-8.93	-35.20	-43.71	-11.13	-0.86	1.67
95th Percentile	-25.22	-61.52	-71.46	-27.27	-12.57	-6.16
Observations	497	491	476	351	197	121

The number above the bars is the ranking for this portfolio versus their real estate peers. The rankings are on a scale of 1 to 100 with 1 being the best.

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Securities Lending

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Securities Lending Income

	Domestic Equity	Fixed Income	Total
2005			
Q1	1,174	7,457	8,631
Q2	1,624	8,398	10,023
Q3	2,799	5,355	8,154
Q4	412	8,120	8,531
2005 Total	6,009	29,330	35,339
2006			
Q1	4,672	3,400	8,072
Q2	12,154	3,729	15,883
Q3	8,774	3,956	12,730
Q4	8,851	2,845	11,696
2006 Total	34,451	13,930	48,381
2007			
Q1	9,165	2,728	11,893
Q2	14,911	5,411	20,322
Q3	20,462	9,900	30,362
Q4	27,112	19,785	46,897
2007 Total	71,650	37,824	109,474
2008			
Q1	28,359	23,791	52,150
Q2	20,834	8,610	29,444
Q3	23,946	12,720	36,666
	20,207	20,535	40,742
2008 Total	93,346	65,656	159,002
2009			
Q1	7,678	7,810	15,488
Q2	5,605	2,782	8,387
Q3	7,855	2,459	10,314
2009 Total	21,138	13,051	34,189

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Glossary

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Definitions of Statistical Measures

Alpha - the difference between the fund's actual return and the fund's expected return given its relative risk vs. the benchmark (which is represented by beta, a measure that tracks volatility to an index).

Beta - measures the sensitivity of returns to market movements represented by the primary benchmark.

Correlation - measures how closely two portfolios move in relation to one another. A correlation of 100 indicates a perfect correlation, while a correlation of 0 indicates no correlation at all.

Down-Capture - demonstrates the ratio of manager's average returns relative to the benchmark in quarters in which the benchmark had a negative return. For instance, a down-capture of 96% indicates that, on average, the manager is down 96% when the benchmark is down 100%. Lower manager down-capture is preferred.

R^2 - the amount of the manager's return that can be explained by the benchmark. A R^2 of 100 indicates a perfect correlation, while a R^2 of 0 indicates no correlation at all.

Sharpe Ratio - a measure of return per unit of risk. Higher Sharpe ratios are preferred while negative ratios are generally meaningless and cannot be used for comparison purposes.

Standard Deviation - a measure of the manager's volatility. A large standard deviation relative to the benchmark represents volatile manager returns.

Up-Capture - demonstrates the ratio of manager's average returns relative to the benchmark in quarters in which the benchmark had a positive return. For instance, an up-capture of 96% indicates that, on average, the manager is up 96% when the benchmark is up 100%. Higher manager up-capture is preferred.

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Quality Rating Scale

Moody's Rating	S&P Rating	Prior to 1Q09	Beginning 1Q09
TSY	TSY	10	26
AGY	AGY	10	25
Aaa	AAA	10	24
Aa1	AA+	9.3	23
Aa2	AA		22
Aa	AA	9	22
MIG1		9	22
Aa3	AA-	8.7	21
A1	A+	8.3	20
A-1			20
A2	A	8	19
A	A		19
MIG2		8	19
A3	A-	7.7	18
Baa1	BBB+	7.3	17
Baa2	BBB	7	16
Baa	BBB		16
MIG3		7	16
Baa3	BBB-	6.7	15
Ba1	BB+	6.3	14

Moody's Rating	S&P Rating	Prior to 1Q09	Beginning 1Q09
Ba2	BB	6	13
Ba	BB		13
MIG4		6	13
Ba3	BB-	5.7	12
B1	B+	5.3	11
B2	B	5	10
B	B		10
B3	B-	4.7	9
Caa1	CCC+	4.3	8
Caa2	CCC	4	7
Caa	CCC		7
Caa3	CCC-	3.7	6
Ca	CC	3	5
C	C	2	4
	DDD	1	3
	DD		2
	D		1
NR	NR	N/A	-1
NA	NA	N/A	
N/A	N/A		

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