

Return (Net of Fees)

Investment Pool	5 Year Standard Deviation	%	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Inception	Incept Date
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Growth & Income		57%	-0.61%	2.32%	-1.13%	1.76%	-	-	-	6.40%	Jul 01, 2010
Benchmark	7.70%		-0.84%	3.01%	-1.40%	1.05%				5.45%	
Variance			0.23%	-0.69%	0.27%	0.71%	0.00%	0.00%	0.00%	0.95%	

Equity markets traded mostly lower during November, dragged down by concerns over the worsening European debt crisis. The Growth and Income Pool outperformed the custom benchmark by 23 basis points for the month. Exposure in the long/short equity space helped relative performance as the manager composite beat the HFRI Hedged Equity Index by 32 basis points for the month. Relative performance was held back by managers in the long/short fixed income space. Long/short fixed income underperformed by 109 basis points compared to the benchmark of 91 Day T-Bills +3%. Managers struggled as risk aversion brought renewed market volatility to the fixed income markets in November, as ever-growing concerns over European sovereign debts failed to reach a solution. Long-only fixed income boosted pool performance as Galliard outperformed the Barclays Capital Aggregate Index by 27 basis points. Sector selection was the biggest contributor to relative performance. Passive equity allocations held back the portfolio in November (11% of the total pool), the MSCI EAFE Index and the MSCI Emerging Markets Index traded lower -4.9% and -6.7%, respectively.

Growth		11%	-0.57%	2.89%	-1.57%	2.49%	-	-	-	8.06%	Jul 01, 2010
Benchmark	10.70%		-1.42%	3.66%	-3.93%	-0.27%				6.03%	
Variance			0.85%	-0.77%	2.36%	2.76%	0.00%	0.00%	0.00%	2.03%	

The Growth Pool has more equity and real asset exposure than the Growth and Income pool and returns reflect this additional risk. November proved to be a difficult month to manage money in the equity space. While the first half of the month was dull with little market direction (+0.5% from November 1 to November 15), the second half of the month saw the S&P 500 Index drop an astounding -6.3%. From there, the market rebounded, trading up +7.7% through November 30, to end at -0.2%. The Growth Pool outpaced the custom benchmark by 83 basis points as allocations to long/short equity and alternatives managers propelled returns during November. Managers that maintained exposure during the first half of the month found themselves scrambling for the sidelines when the market began to drop. Several managers cut risk aggressively mid-month. Considering the robust rally in the final week, this response led to underwhelming absolute performance. The composite of alternative managers beat the HFRI FOF: Conservative Index by 58 basis points in November. Managers generated modest gains across a number of asset classes, especially with short positions in corporate credits and agricultural commodities. Commodity exposure contributed positively to relative performance; as the manager mix of PIMCO and Schroders beat the Dow Jones UBS Commodity Index by 49 basis points during the month.

Income		10%	-0.53%	1.12%	1.23%	2.64%	-	-	-	5.22%	Jul 01, 2010
Benchmark	5.20%		-0.37%	2.49%	2.85%	4.12%				6.69%	
Variance			-0.16%	-1.37%	-1.62%	-1.48%	0.00%	0.00%	0.00%	-1.47%	

Pool Allocation is strongly tilted towards fixed income, representing 75% of the total pool. Fixed income markets were negative for the month, which was a drag on returns. On a relative basis, the Income Pool underperformed the custom benchmark by 16 basis points for the month of November. Performance was held back by managers in the long/short fixed income space. Long/short fixed income underperformed the benchmark of 91 Day T-Bills +3% by 109 basis points. Managers struggled as asset-backed securities returns continued on their downward trajectory, and lower quality and less liquid securities also performed poorly. Long/Short fixed income allocations to Strategic Value and Aurelius hurt performance as both managers posted negative monthly returns, -0.8% and -2.6%, respectively. Long-only fixed income boosted pool performance as Galliard outperformed the Barclays Capital Aggregate Index by 27 basis points. Sector selection was the biggest contributor to relative performance. Equity exposure, the majority of which is through Adage, was beneficial to the portfolio. Adage outperformed the S&P 500 Index by 113 basis points during the month.

Passive Equity		8%	-1.00%	7.10%	-3.74%	0.18%	-	-	-	8.67%	Jul 01, 2010
Benchmark	13.20%		-1.43%	7.72%	-2.72%	1.16%				8.43%	
Variance			0.43%	-0.62%	-1.02%	-0.98%	0.00%	0.00%	0.00%	0.24%	

Passive indices fared well in November versus active management. The Pool has a bias towards large cap stocks and the domestic equity market, which detracted performance in November. The S&P 500 Index and MSCI U.S. Small Cap 1750 Index moved lower throughout the month, large cap stocks continue to outperform small stocks and is evident by the year to date returns, +1.1% and -3.3%, respectively. Markets remained volatile during November as Europe saw continued economic deterioration, exacerbating its sovereign debt crisis. Passive fixed income exposure performed in line with expectations due to the heavy weightings of Treasuries and Agencies in domestic aggregate bond indices; although long-only bonds produced negative returns for the month.

Passive Income		7%	-0.75%	2.85%	2.89%	3.78%	-	-	-	8.29%	Jul 01, 2010
Benchmark	7.10%		-0.84%	2.96%	3.42%	4.37%				8.01%	
Variance			0.09%	-0.11%	-0.53%	-0.59%	0.00%	0.00%	0.00%	0.28%	

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 lower across the curve by as much as 9 basis points in November. The decrease in yields was more prominent in the mid to long term maturity spectrum. Yields for maturities from five- through eight-year maturities fell by 2 to 5 basis points, while fifteen- and thirty-year yields decreased by 9 and 5 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 5 basis points to levels of 218 and 308 basis points. Passive equity exposure, the majority of which is allocated to the S&P 500 Index, was a drag on portfolio performance, the index fell -0.2% in November.

Money Market		8%	0.00%	0.00%	0.08%	0.10%	-	-	-	0.13%	Jul 01, 2010
Benchmark	0.50%		0.00%	0.00%	0.08%	0.09%				0.11%	
Variance			0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.02%	

Rates remain heavily anchored at the short end of the curve; maturities of less than two-years increased by less than 3 basis points in November. Cash vehicles, such as money market funds, continue to produce measly returns.

• The following preliminary returns are net of fees for periods ending November 30, 2011. The returns have not been verified and are subject to change.