

**PALM TRAN, INC./ATU LOCAL 1577 PENSION FUND**

**INVESTMENT PERFORMANCE  
PERIOD ENDING  
JUNE 30, 2010**

NOTE: For a free copy of Part II (mailed w/ 5 bus. days from request receipt) of Burgess Chambers and Associates, Inc.'s most recent Form ADV which details pertinent business procedures, please contact:  
601 North New York Avenue, Suite 200, Winter Park, Florida 32789, 407-644-0111, info@burgesschambers.com



**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**BCA Market Perspective ©**  
**July 2010**

**“Fear” Is Back**  
**Burgess B. Chambers and Larry M. Cole**

In the April 2010 BCA Market Perspective, it was noted that:

“Another factor that has become evident is the investor’s appetite for risk has returned. This is supported by the one-year bounce of equity markets since the market lows on March 9, 2009. Large cap stocks, as measured by the Russell 1000 Index, are up 72.9%, the Russell Midcap Index is up 94.2% and the Russell 2000 (Small Cap) Index is up 92.1%. In addition, we recently saw the Dow Jones Industrial Average hit the 11,000 level for the first time since September, 2008.”

What a difference a quarter makes.

As Greece’s debt rating was lowered to junk status in April, many investors saw this as the beginning of a larger problem in Europe, most notably Spain, Portugal, Italy and Ireland – spreading fear and uncertainty and the collapse of the Euro currency. The result was a widespread decline of all major equity markets. With belt tightening and tax increases on the agenda in Europe and a confirmed economic slowdown in China, the fear of a “double-dip” recession returned.

In addition, the Gulf oil spill had investors fearing that more regulations in both the energy and financial industries will deter growth in those sectors and increase unemployment. This came at a time when unemployment remains stubbornly high and new home sales dropped as a result of the expiration of the home buyer credit. Projected higher foreclosure rates and higher tax rates in 2011 have investors fearful that the consumer will have even less to spend, contributing to even slower growth.

The Fed’s recent actions in maintaining a near zero interest rate policy indicates a growing fear of deflation more than inflation, as the economic news points to a slow and prolonged recovery.

Diversification continues to be critical in managing the volatility and uncertainty caused by the return of fear. While equity markets were down significantly, bonds had an excellent quarter. Periods of investor fear have historically created excellent buying opportunities for those willing to look beyond the current confusion. BCA continues to focus on additional diversification opportunities in light of the current environment.



**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**Total Fund**  
**Investment Summary**  
**June 30, 2010**

**Overview:**

The investment program is comprised of seven mandates, which includes three domestic equity programs, one international equity, a REIT index, and two fixed-income assignments. Nearly 14% of the program is passive. Equities (including the REIT) represented 59% of the assets on June 30. Therefore, future results shall be somewhat sensitive to equity markets. There are no hedged positions or portfolio insurance to reduce the volatile nature of the equity portion. Since the bonds, TIPS and cash are negatively correlated to stocks, it is this portion that reduces the over-all volatility. With interest rates at historical lows, bonds will pose an ever increasing risk.

- The Fund experienced an investment loss of \$3.3 million for the quarter (-6.8% net); similar to the benchmark and ranked in the top 23rd percentile. Equity markets were down across all sectors and areas, Europe in particular.
- Fiscal year to date, the Fund had a loss of \$1.3 million (-2.7% net), but ranked in the top 20th percentile. The strategic benchmark loss -2.1%; the difference was primarily to Fisher international. Update: Due to strong equity performance in July, it is estimated the FYTD return moved closer to 2.3% (12/31 fiscal year end).
- For the rolling 12-month period, the Fund earned \$4.3 million or +11.1% net. Although the Fund did not achieve the benchmark (+17.3%), it ranked in the top 33rd percentile of the PSN Balanced Aggressive Universe. The delay in rebalancing back to equities during 2Q09 and 3Q09 explains most of the difference. The top three performing categories were: the REIT (+53.0%), mid-cap (+28.8%), large-cap value (+13.8%), and large-cap growth (+13.8%). It should be noted that bonds and TIPS earned +8.9% and +8.3%, respectively. The annual expense ratio of the program was 0.4%.

**Compliance:**

- 1) C.S. Mckee: This large-cap value manager beat its benchmark by a large margin for the rolling three-year period, but did not achieve the 40<sup>th</sup> percentile objective. BCA recommends no action, due to the favorable risk (Beta) and value-added (Alpha) profiles.
- 2) I-Shares R1000G index product: This index product ranked in the top 48<sup>th</sup> percentile for the three-year period.

## **Palm Tran, Inc./ATU Local 1577 Pension Fund**

### **Total Fund**

- 3) Lotsoff: This mid-cap manager continues to show improvement, beating its benchmark for the 12-month period (+28.8% vs. +27.0%) and ranking in the top 1<sup>st</sup> percentile. For three years, the product achieved its benchmark, but did not capture the 40<sup>th</sup> percentile ranking. BCA recommends no action, as the firm posted favorable risk and value added profiles.
- 4) Fisher: The international equity manager achieved its benchmark for the three-year period, but did not achieve the 40<sup>th</sup> percentile objective. The BCA is reviewing this manager.
- 5) RREEF REIT beat its benchmark by a large margin for the three-year period. The Morningstar Universe composite (230 participants) indicates a top 45<sup>th</sup> percentile ranking for three years. BCA recommends no action.
- 6) Galliard: The bond manager's three-year return is similar to its benchmark and ranked in the top 34<sup>th</sup> percentile.

### **Investment Strategy and Asset Allocation:**

- Bonds have provided income, safety and a large volatility cushion during the past five years. But, this asset class has used up much of its value in the past three years. As interest rates have fallen to historical lows, bonds have become increasingly expensive. As your bond portfolio yield has descended down to approximately 4.5%, the value of the bonds has risen to a premium above par. If interest rates remain unchanged for the next several years, the result of a weak economy, the average yield will decline as existing bonds roll off. Or, if yields along the maturity curve begin to rise, the price of your bonds will fall. In either case, bonds will increasingly become a financial drag on the expected investment return of the Pension Plan. BCA has spent considerable time looking at alternatives and solutions to this dilemma. BCA believes the risk associated with both scenarios may be managed and reduced by incorporating a convertible bond program that has a high correlation to bonds, but a higher average yield.
- Equities remain cheap in relation to bonds, given strong 2Q corporate earnings reports and the low bond yields discussed above. Stocks have priced in the current belief that developed economies are in for a slower recovery than previously reported. But once the GDP and employment data shows signs of sustainable improvement, the stock market will have already made its move.

### **Current Asset Allocation Recommendation:**

BCA recommends bringing each mandate in line with the target allocations.

**Palm Tran, Inc./ATU Local 1577 Pension Fund  
Total Fund  
Investment Performance  
June 30, 2010**

	<b>Dollars</b>		
	<u><b>Quarter</b></u>	<u><b>Fiscal YTD</b></u>	<u><b>One Year</b></u>
<b>Beginning Market Value</b>	47,597,371	45,441,106	39,629,654
<b>Ending Market Value</b>	45,058,350	45,058,350	45,058,350
<b>Net Contributions</b>	+729,240	+901,192	+1,080,630
<b>Investment Gain/(Loss)</b>	-3,268,261	-1,283,948	+4,348,066
<b>Investment Return, Net</b>	-6.8%	-2.7%	+11.1%
<b>Strategic Model</b>	-6.1%	-2.1%	+17.3%
<b><i>Value Added (pts.)</i></b>	-0.7	-0.6	-6.2

Fiscal Year: January 1st – December 31st



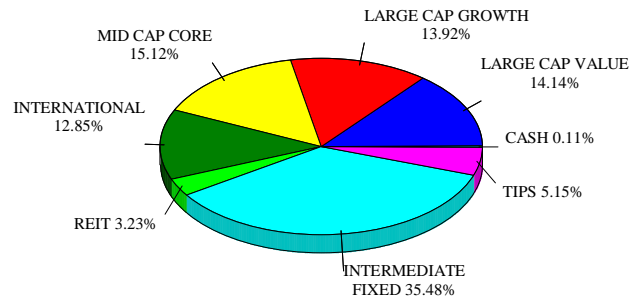
**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**Total Fund**  
**Compliance Checklist**  
**June 30, 2010**

	YES	NO
Total Fund performance achieved the Strategic Model over the three-year rolling period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Total Fund performance ranked in the top 40th percentile over the three-year period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Total Fund performance achieved the Strategic Model over the five-year rolling period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Total Fund performance ranked in the top 40th percentile over the five-year period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CS McKee large cap value performance achieved the Russell 1000 value over the three-year rolling period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CS McKee large cap value performance ranked in the top 40th percentile over the three-year period.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Lotsoff mid-cap value performance achieved the MCSI Mid Cap 450 over the three-year rolling period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Lotsoff mid-cap value performance ranked in the top 40th percentile over the three-year period.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fisher international performance achieved the MCSI EAFE over the three-year rolling period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fisher international performance ranked in the top 40th percentile over the three-year period. (Actual: 41st)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
RREEF REIT performance achieved the Wilshire REIT over the three-year rolling period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
RREEF REIT performance ranked in the top 40th percentile over the three-year period.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Galliard fixed income performance achieved the Fixed Income Benchmark over the three-year rolling period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Galliard fixed income performance ranked in the top 40th percentile over the three-year period.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Galliard TIPS performance achieved the Barclays 1-10 TIPS over the three-year rolling period.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Domestic equity managers may only invest in ADR foreign securities not to exceed 3% of the manager's account based on market value.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Investments in equities, excluding the real estate allocation, shall not exceed 70% of the Fund's assets at market value.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Equities: Not more than 5% (at cost) of a manager' portfolio shall be invested in the securities of a single corporate issuer.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
All investments in securities issued by foreign governments or corporations domiciled outside the US shall not exceed 20% at cost.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Non-government bonds: Investments in any one issuing corporation shall be limited to 2.0% of the total bond portfolio.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fixed income securities shall be limited to those securities rate "Baa2" (Moody) or "BBB" (S&P).	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Treasury Inflation Indexed Securities (TIPS) are limited to 1 to 10 year maturities.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

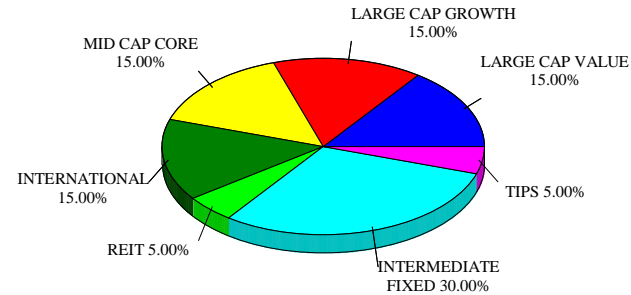


**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**ATU 1577**  
**Actual vs. Target Asset Allocation**  
**June 30, 2010**

**ACTUAL ASSET ALLOCATION**



**TARGET ASSET ALLOCATION**

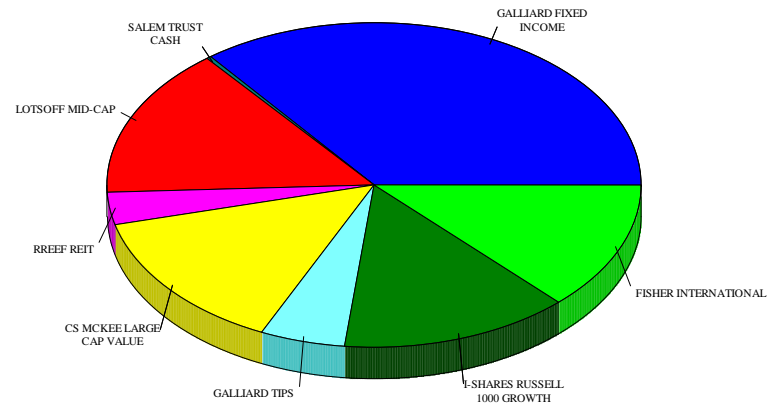


	MARKET VALUE ACTUAL	PERCENT ACTUAL	MARKET VALUE TARGET	PERCENT TARGET	MARKET VALUE DIFFERENCE	PERCENT DIFFERENCE
LARGE CAP VALUE	6,370,836.9	14.1%	6,758,752.5	15.0%	(387,915.6)	(0.9%)
LARGE CAP GROWTH	6,274,081.2	13.9%	6,758,752.5	15.0%	(484,671.3)	(1.1%)
MID CAP CORE	6,812,573.9	15.1%	6,758,752.5	15.0%	53,821.4	0.1%
INTERNATIONAL	5,788,109.7	12.8%	6,758,752.5	15.0%	(970,642.8)	(2.2%)
REIT	1,454,259.6	3.2%	2,252,917.5	5.0%	(798,657.9)	(1.8%)
INTERMEDIATE FIXED	15,987,760.1	35.5%	13,517,505.0	30.0%	2,470,255.0	5.5%
TIPS	2,322,643.0	5.2%	2,252,917.5	5.0%	69,725.5	0.2%
CASH	48,085.8	0.1%	0.0	0.0%	48,085.8	0.1%
<b>TOTAL FUND</b>	<b>\$45,058,350.1</b>	<b>100.0%</b>	<b>\$45,058,350.1</b>	<b>100.0%</b>	<b>\$0.0</b>	<b>0.0%</b>



**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**ATU 1577**  
**Asset Allocation**

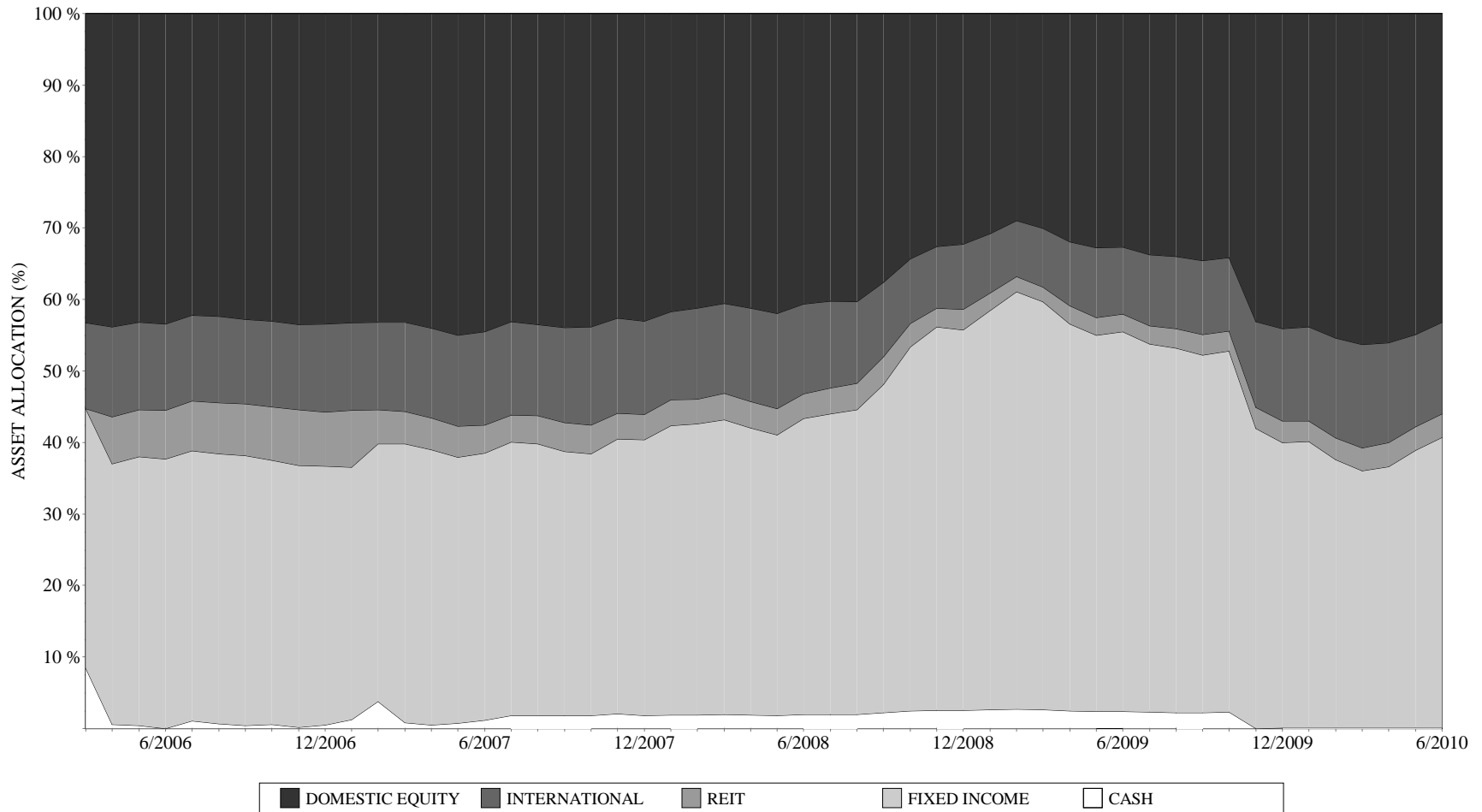
TOTAL MARKET VALUE  
AS OF JUNE 30, 2010  
\$ 45,058,350



	VALUE	PERCENT
GALLIARD FIXED INCOME	15,987,760	35.48
LOTSOFF MID-CAP	6,812,574	15.12
CS MCKEE LARGE CAP VALUE	6,370,837	14.14
I-SHARES RUSSELL 1000 GROWTH	6,274,081	13.92
FISHER INTERNATIONAL	5,788,110	12.85
GALLIARD TIPS	2,322,643	5.15
RREEF REIT	1,454,260	3.23
SALEM TRUST CASH	48,086	0.11



**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**ATU 1577**  
**Allocation of Assets**  
**March 31, 2006 Through June 30, 2010**



**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**ATU 1577**  
**June 30, 2010**  
**Gross of Fees**

Name	Market Values	QTR ROR	FYTD ROR	1 Year ROR	2 Year ROR	3 Year ROR	5 Year ROR
<b>TOTAL FUND</b>							
<u>Equity</u>							
<u>Domestic Equity</u>							
CS McKee Large Cap Value	6,370,837	-11.7%	-6.3%	13.8%	-9.2%	-9.9%	N/A
i-Shares Russell 1000 Growth	6,274,081	-11.7%	-7.7%	13.8%	-7.3%	-6.8%	N/A
Lotsoff Mid-Cap	6,812,574	-11.7%	-2.7%	28.8%	-7.8%	-8.4%	N/A
<b>Total Domestic Equity</b>	<b>19,457,492</b>	<b>-11.7%</b>	<b>-5.6%</b>	<b>18.8%</b>	<b>-8.1%</b>	<b>-8.4%</b>	<b>N/A</b>
<u>International</u>							
Fisher International	5,788,110	-15.9%	-14.1%	7.9%	-15.9%	-12.2%	N/A
<b>Total Equity</b>	<b>25,245,602</b>	<b>-12.7%</b>	<b>-7.6%</b>	<b>16.2%</b>	<b>-10.0%</b>	<b>-9.3%</b>	<b>N/A</b>
<u>Real Estate</u>							
RREEF REIT	1,454,260	-3.5%	5.4%	53.0%	-7.0%	-9.4%	N/A
<u>Fixed Income</u>							
Galliard Fixed Income	15,987,760	3.1%	5.0%	8.9%	8.2%	8.0%	N/A
Galliard TIPS	2,322,643	2.1%	3.0%	8.3%	3.0%	6.9%	N/A
<b>Total Fixed Income</b>	<b>18,310,403</b>	<b>3.0%</b>	<b>4.7%</b>	<b>8.8%</b>	<b>7.6%</b>	<b>7.8%</b>	<b>N/A</b>
<u>Cash</u>							
Salem Trust Cash	48,086	0.0%	0.0%	0.0%	0.3%	N/A	N/A
<b>TOTAL: (1, 2)</b>	<b>45,058,350</b>	<b>-6.6%</b>	<b>-2.5%</b>	<b>11.6%</b>	<b>-2.6%</b>	<b>-2.3%</b>	<b>2.5%</b>
Strategic Model		-6.1%	-2.1%	17.3%	-2.3%	-3.4%	2.5%
Russell 1000 Value		-11.1%	-5.1%	16.9%	-8.9%	-12.3%	-1.6%
Russell 1000 Growth		-11.7%	-7.6%	13.6%	-7.4%	-6.9%	0.4%
MSCI Mid Cap 450		-9.9%	-2.1%	27.0%	-6.8%	-8.5%	1.2%
MSCI Gross EAFE		-13.7%	-12.9%	6.4%	-14.3%	-12.9%	1.4%
Wilshire REIT		-4.2%	5.2%	55.5%	-7.7%	-10.3%	-0.3%
Fixed Income Bnch		3.5%	5.3%	10.9%	9.1%	8.2%	6.1%
BC 1-10 Yr TIPS		2.3%	3.2%	8.5%	3.2%	7.0%	5.1%
ML 3M TBill		0.0%	0.0%	0.2%	0.6%	1.6%	2.8%

1 Strategic Model (IPS hybrid benchmark objective): Since Oct'10 is 30% Russell 1000 + 15% MSCI Mid-Cap + 15% MSCI AC World ex US + 5%

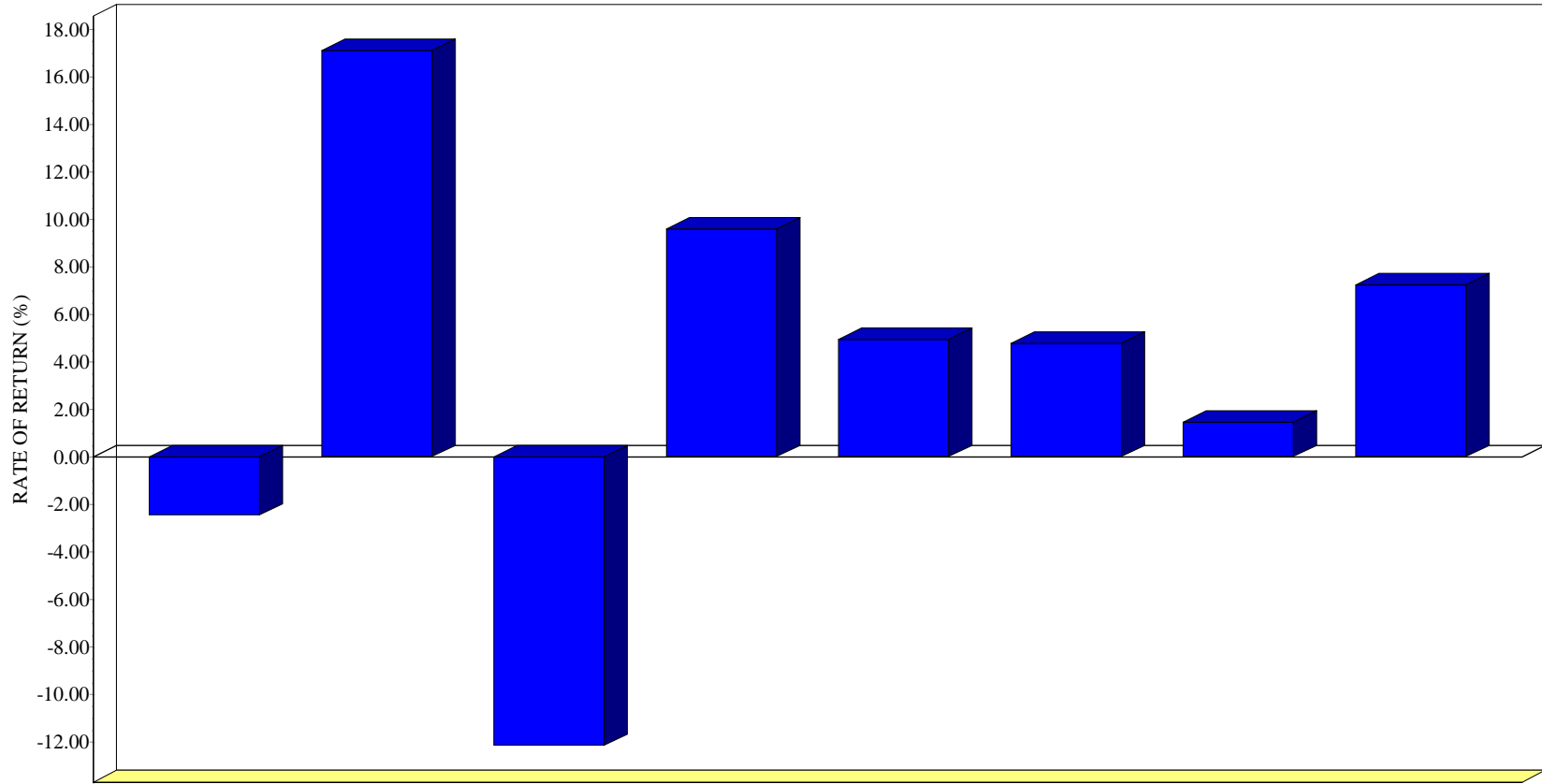


**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**ATU 1577**  
**June 30, 2010**  
**Gross of Fees**

Wilshire REIT + 30% Barclay's Aggregate + 5% Barclays 1 - 10yrs TIPS; prior from Jan'10 is 30% Russell 100 + 15% MSCI Mid-Cap + 15% MSCI EAFE + 5% Wilshire REIT + 30% Barclay's Aggregate + 5% Barclays 1 -10yrs TIPS; prior from Jan'06 was 28% Russell 1000 + 15% MSCI Mid Cap + 12% MSCI Gross EAFE + 10% Wilshire REIT + 5% Lehman Intermediate TIPS + 30% BCA Custom Bond Benchmark; prior was 25% S&P 500 + 15% Russell 2000 + 20% MSCI World + 40% Merrill Lynch Domestic Bond Master.

2 Fixed Income Bnch: Since Jan'10 is 100% Barclays Aggregate; prior from Jan'05 was 100% BCA Custom Bond Benchmark (49% Lehman Mortgage + 40% Lehman Intermediate Credit + 11% Citi ABS); prior from May'02 was 100% Merrill Lynch Domestic Bond Master.

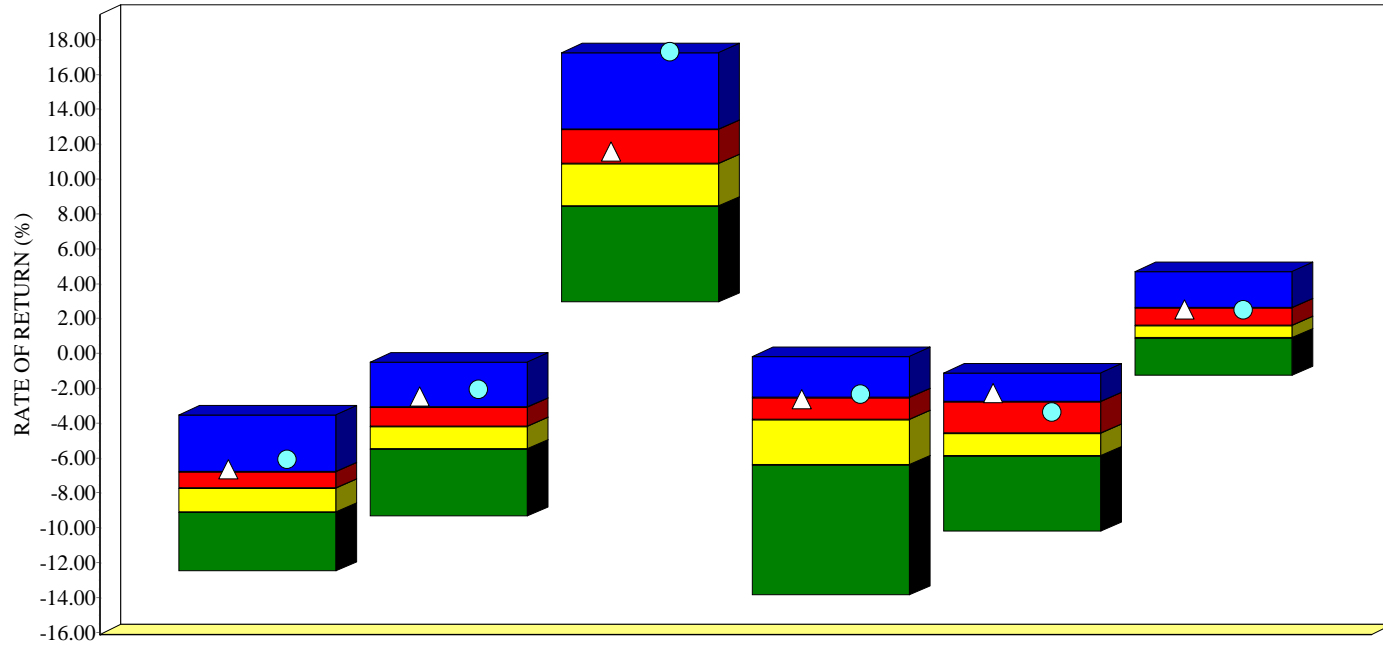
**Palm Tran, Inc./ATU Local 1577 Pension Fund  
 ATU 1577  
 Fiscal Year Rates of Return  
 December 31, 2002 Through June 30, 2010**



	FYTD 2010	2009	2008	2007	2006	2005	2004	2003
■ TF	-2.48	17.10	-12.18	9.57	4.95	4.78	1.44	7.22



**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**Quartile Ranking**  
**ATU 1577 Versus Balanced Aggressive**  
**June 30, 2005 Through June 30, 2010**



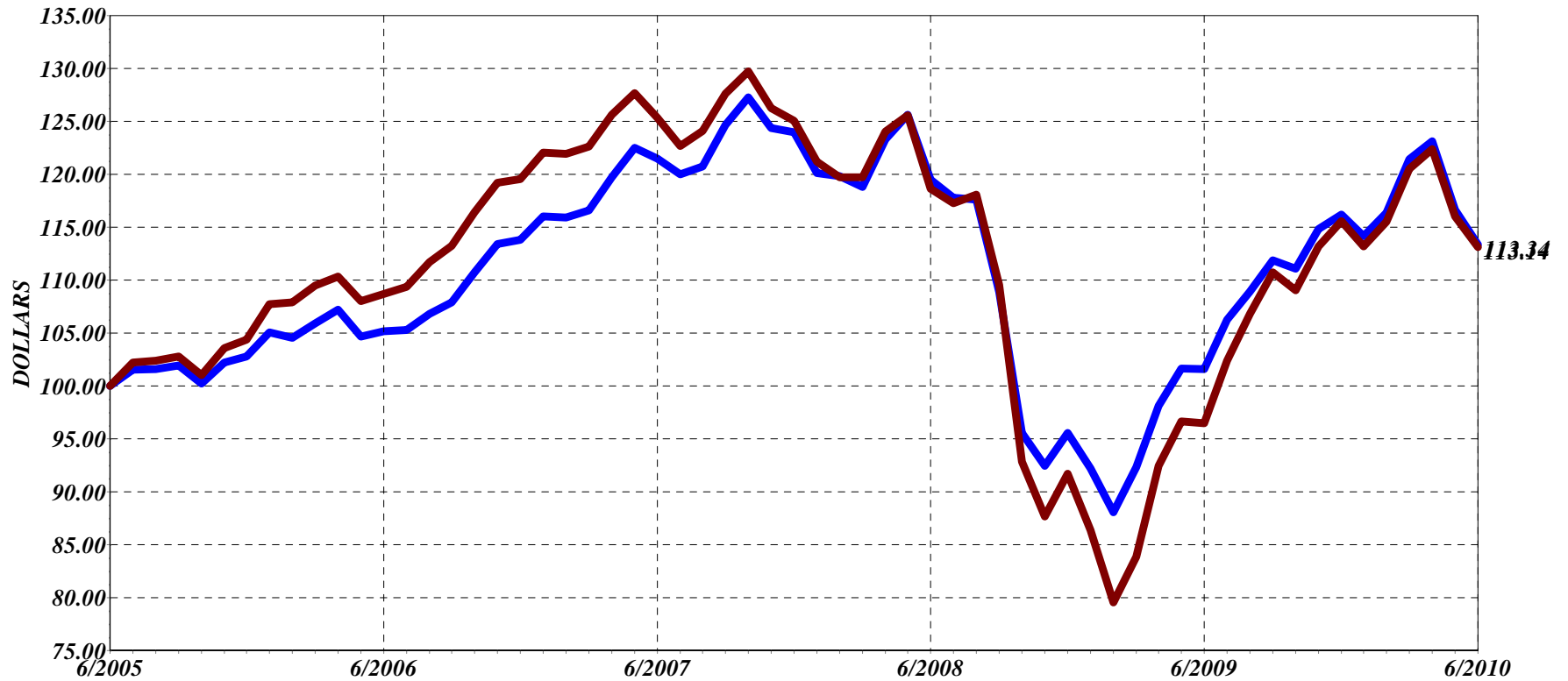
	LATEST QUARTER		YEAR TO DATE		ONE YEAR		TWO YEARS		THREE YEARS		FIVE YEARS	
HIGHEST VALUE	-3.52		-0.51		17.26		-0.18		-1.14		4.69	
FIRST QUARTILE	-6.80		-3.09		12.84		-2.56		-2.78		2.61	
MEDIAN VALUE	-7.74		-4.21		10.89		-3.80		-4.59		1.57	
THIRD QUARTILE	-9.13		-5.51		8.41		-6.40		-5.90		0.88	
LOWEST VALUE	-12.52		-9.34		2.93		-13.90		-10.23		-1.28	
MEAN	-7.86		-4.39		10.62		-4.80		-4.90		1.63	
MEMBERS	30		30		30		30		29		28	

	LATEST QUARTER		YEAR TO DATE		ONE YEAR		TWO YEARS		THREE YEARS		FIVE YEARS	
	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK
△ TF	-6.65	23	-2.48	20	11.58	33	-2.62	30	-2.29	3	2.54	25
● STRATEGIC MODEL	-6.11	16	-2.08	20	17.30	1	-2.34	23	-3.36	27	2.50	32



**Palm Tran, Inc./Atu Local 1577 Pension Fund**  
**Atu 1577**  
**Growth Of A Dollar Analysis**  
**June 30, 2005 Through June 30, 2010**



	LATEST QUARTER	FISCAL YTD	ONE YEAR	THREE YEARS	FIVE YEARS
TF	-6.65	-2.48	11.58	-2.29	2.54
STRATEGIC MODEL	-6.11	-2.08	17.30	-3.36	2.50

**Palm Tran, Inc./ATU Local 1577 Pension Fund  
CS McKee Large Cap Value  
Performance Profile  
Through June 30, 2010**

	ENDED	RETURN
BEST QUARTER	6/2009	16.31
WORST QUARTER	12/2008	-21.27
BEST 4 QUARTERS	6/2010	13.80
WORST 4 QUARTERS	6/2009	-27.58

TOTAL # OF PERIODS: 36  
# OF POSITIVE PERIODS: 18  
# OF NEGATIVE PERIODS: 18

	QUARTER TO DATE	ONE YEAR	TWO YEARS	THREE YEARS
CS MCKEE LARGE CAP VALU	-11.69	13.80	-9.22	-9.89
RUSSELL 1000 VALUE	-11.15	16.92	-8.91	-12.32
EXCESS	-0.55	-3.12	-0.31	2.43
RISKLESS INDEX	0.04	0.16	0.55	1.57
REAL ROR	-11.87	12.68	-8.92	-11.20

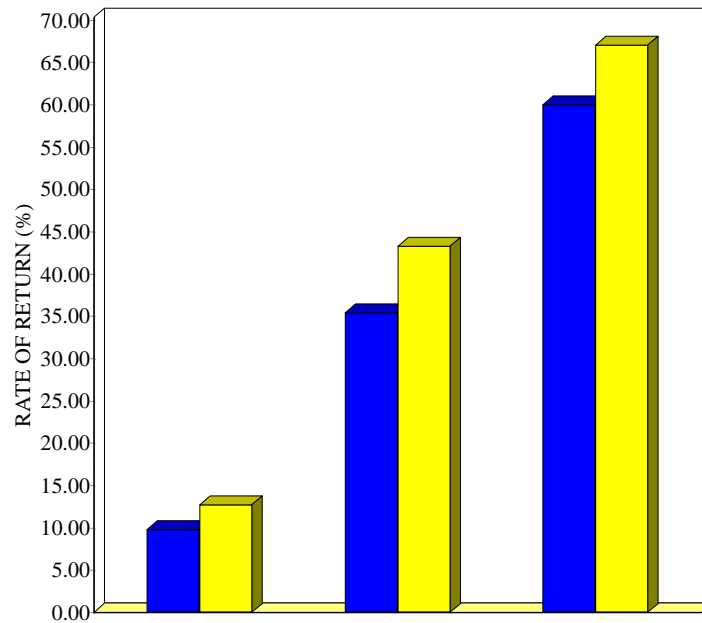
PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	13.80	54	15.51	0.88	-1.14	0.89	97.18	-0.94
TWO YEARS	-9.22	85	23.94	-0.41	-1.02	0.94	97.42	-0.17
THREE YEARS	-9.89	66	20.79	-0.55	1.63	0.93	97.02	0.62

*The risk benchmark for this analysis is the Russell 1000 Value.  
The universe used was the 50/50 Large Cap Core Value.*



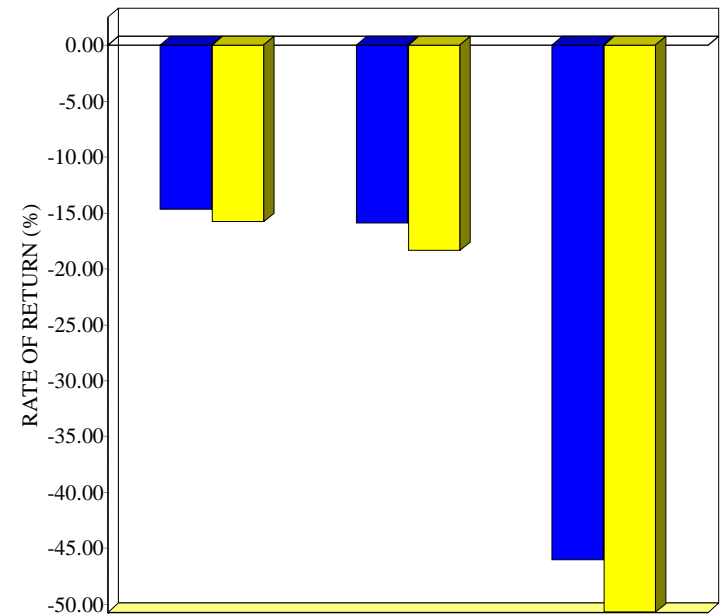
**Palm Tran, Inc./ATU Local 1577 Pension Fund  
CS McKee Large Cap Value  
Performance in Rising and Declining Markets  
June 30, 2007 Through June 30, 2010**

UP MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	9.85	35.41	59.99
RUSSELL 1000 VALUE	12.72	43.28	67.03
DIFFERENCE	-2.87	-7.87	-7.03
RATIO	0.77	0.82	0.90
UP PERIODS	3	8	17

DOWN MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	-14.74	-15.96	-46.09
RUSSELL 1000 VALUE	-15.82	-18.40	-50.75
DIFFERENCE	1.08	2.44	4.66
RATIO	0.93	0.87	0.91
DOWN PERIODS	3	4	19





**Palm Tran, Inc./ATU Local 1577 Pension Fund  
i-Shares Russell 1000 Growth  
Performance Profile  
Through June 30, 2010**

	ENDED	RETURN
BEST QUARTER	6/2009	17.02
WORST QUARTER	12/2008	-23.29
BEST 4 QUARTERS	6/2010	13.78
WORST 4 QUARTERS	6/2009	-24.47

TOTAL # OF PERIODS: 36  
# OF POSITIVE PERIODS: 19  
# OF NEGATIVE PERIODS: 17

	QUARTER TO DATE	FISCAL YTD	ONE YEAR	TWO YEARS	THREE YEARS
TOTAL FUND	-11.74	-7.68	13.78	-7.30	-6.80
RUSSELL 1000 GROWTH	-11.75	-7.65	13.62	-7.38	-6.91
EXCESS	0.01	-0.04	0.16	0.08	0.11
RISKLESS INDEX	0.04	0.05	0.16	0.55	1.57
REAL ROR	-11.91	-8.51	12.65	-6.95	-8.12

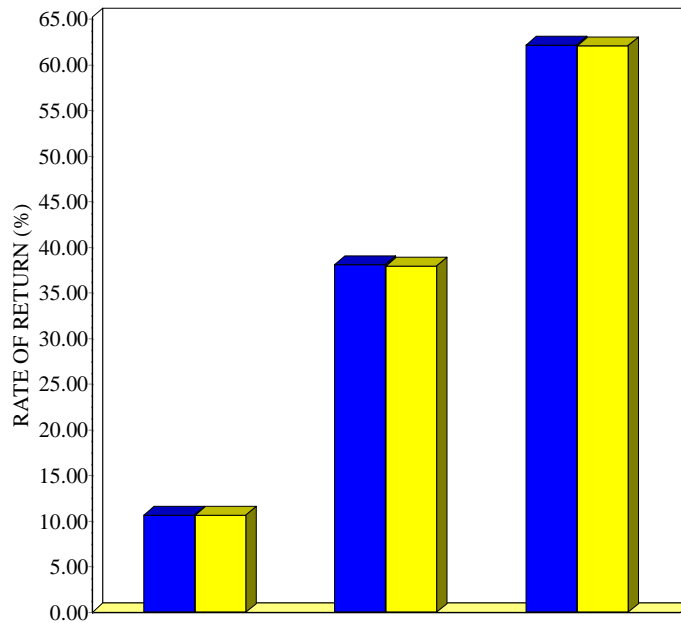
PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	13.78	37	16.23	0.84	0.06	1.01	99.94	0.38
TWO YEARS	-7.30	39	23.17	-0.34	0.13	1.00	99.84	0.11
THREE YEARS	-6.80	48	20.60	-0.41	0.12	1.00	99.76	0.11

*The risk benchmark for this analysis is the Russell 1000 Growth.  
The universe used was the Large Cap Growth*



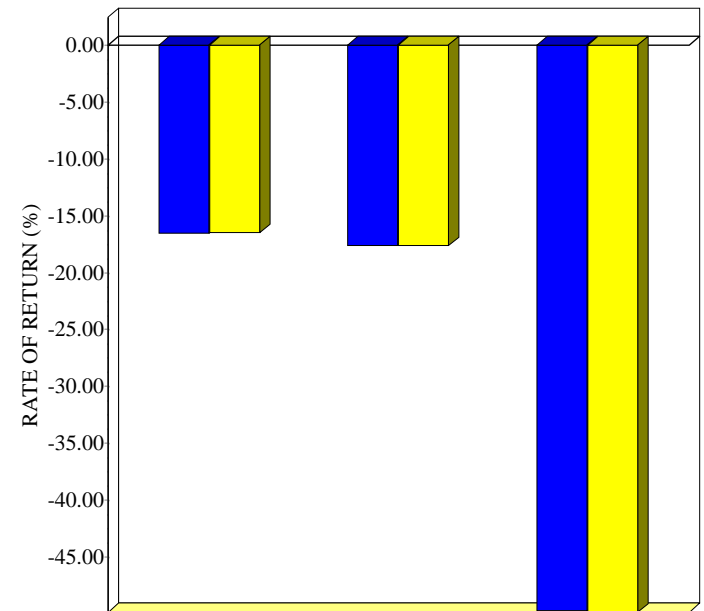
**Palm Tran, Inc./ATU Local 1577 Pension Fund  
i-Shares Russell 1000 Growth  
Performance in Rising and Declining Markets  
June 30, 2007 Through June 30, 2010**

UP MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	10.68	38.15	62.15
RUSSELL 1000 GROWTH	10.64	37.99	62.09
DIFFERENCE	0.04	0.17	0.06
RATIO	1.00	1.00	1.00
UP PERIODS	3	8	19

DOWN MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	-16.59	-17.64	-49.81
RUSSELL 1000 GROWTH	-16.53	-17.66	-49.91
DIFFERENCE	-0.07	0.02	0.10
RATIO	1.00	1.00	1.00
DOWN PERIODS	3	4	17



**Palm Tran, Inc./ATU Local 1577 Pension Fund  
 Lotsoff Mid-Cap  
 Performance Profile  
 Through June 30, 2010**

	ENDED	RETURN
BEST QUARTER	6/2009	30.08
WORST QUARTER	12/2008	-28.05
BEST 4 QUARTERS	6/2010	28.75
WORST 4 QUARTERS	6/2009	-34.05

TOTAL # OF PERIODS: 36  
 # OF POSITIVE PERIODS: 18  
 # OF NEGATIVE PERIODS: 18

	QUARTER TO DATE	FISCAL YTD	ONE YEAR	TWO YEARS	THREE YEARS
TOTAL FUND	-11.68	-2.69	28.75	-7.85	-8.40
MSCI MID CAP 450	-9.86	-2.06	26.99	-6.78	-8.49
EXCESS	-1.82	-0.64	1.77	-1.07	0.09
RISKLESS INDEX	0.04	0.05	0.16	0.55	1.57
REAL ROR	-11.86	-3.54	27.49	-7.44	-9.66

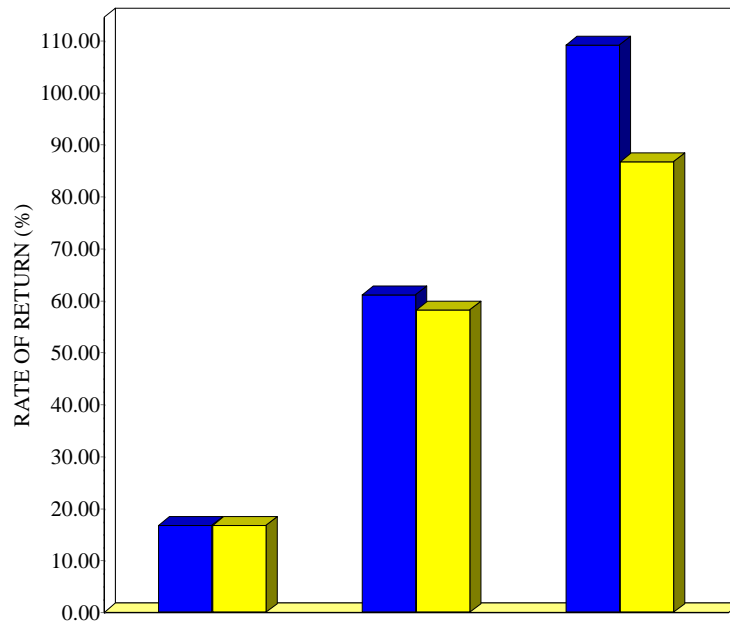
PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	28.75	1	20.02	1.43	0.51	1.04	98.93	0.71
TWO YEARS	-7.85	65	33.90	-0.25	1.13	1.17	97.22	0.04
THREE YEARS	-8.40	71	29.70	-0.34	2.72	1.18	96.99	0.18

*The risk benchmark for this analysis is the MSCI Mid Cap 450.  
 The universe used was the Mid Cap Core*



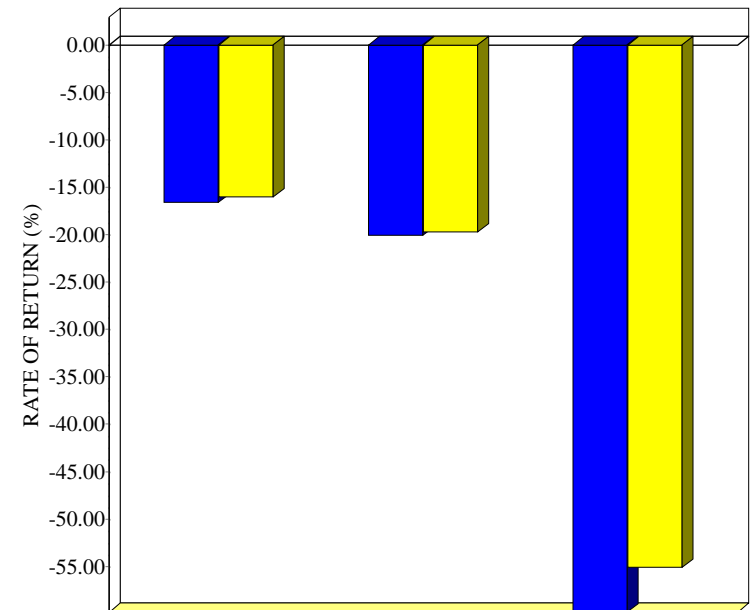
**Palm Tran, Inc./ATU Local 1577 Pension Fund  
 Lotsoff Mid-Cap  
 Performance in Rising and Declining Markets  
 June 30, 2007 Through June 30, 2010**

UP MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	16.75	61.18	109.17
MSCI MID CAP 450	16.73	58.24	86.83
DIFFERENCE	0.02	2.94	22.34
RATIO	1.00	1.05	1.26
UP PERIODS	3	8	18

DOWN MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	-16.65	-20.12	-59.89
MSCI MID CAP 450	-16.09	-19.75	-55.18
DIFFERENCE	-0.56	-0.37	-4.71
RATIO	1.03	1.02	1.09
DOWN PERIODS	3	4	18

**Palm Tran, Inc./ATU Local 1577 Pension Fund  
Fisher International  
Performance Profile  
Through June 30, 2010**

	ENDED	RETURN
BEST QUARTER	6/2009	26.57
WORST QUARTER	9/2008	-23.72
BEST 4 QUARTERS	6/2010	7.87
WORST 4 QUARTERS	6/2009	-34.36

TOTAL # OF PERIODS: 36  
# OF POSITIVE PERIODS: 16  
# OF NEGATIVE PERIODS: 20

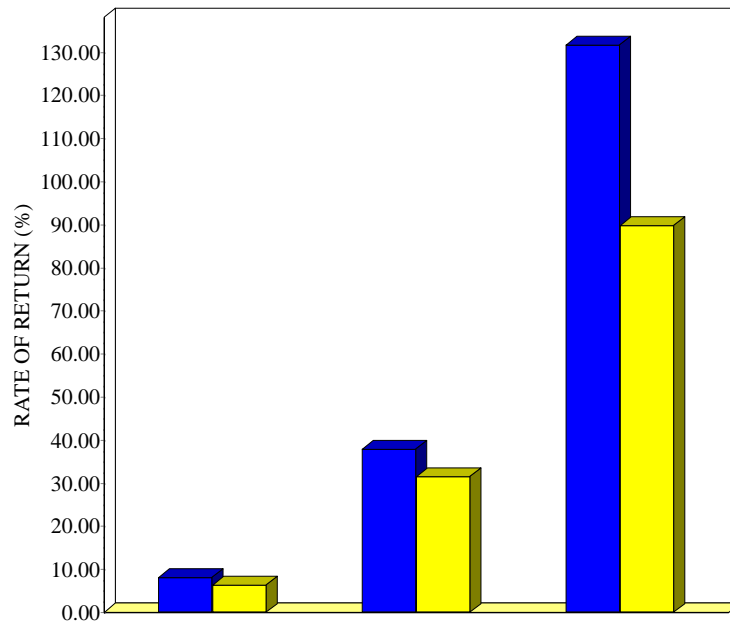
	QUARTER TO DATE	FISCAL YTD	ONE YEAR	TWO YEARS	THREE YEARS
TOTAL FUND	-15.87	-14.15	7.87	-15.86	-12.25
MSCI GROSS EAFE	-13.75	-12.93	6.38	-14.30	-12.94
EXCESS	-2.12	-1.22	1.50	-1.55	0.69
RISKLESS INDEX	0.04	0.05	0.16	0.55	1.57
REAL ROR	-16.05	-14.92	6.78	-15.55	-13.50

PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	7.87	65	20.89	0.37	0.88	1.14	96.65	0.41
TWO YEARS	-15.86	83	32.86	-0.50	1.63	1.16	97.88	-0.07
THREE YEARS	-12.25	65	29.26	-0.47	4.19	1.17	97.24	0.29

*The risk benchmark for this analysis is the MSCI Gross EAFE.  
The universe used was the EAFE*

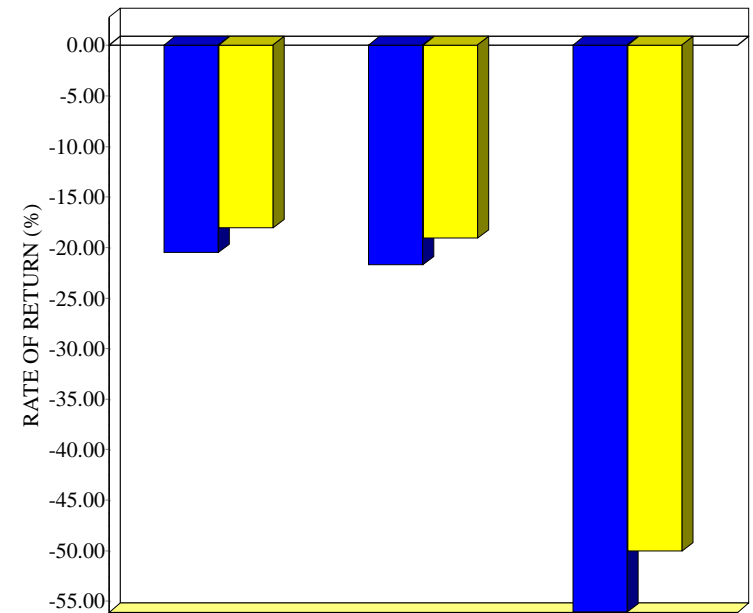
**Palm Tran, Inc./ATU Local 1577 Pension Fund  
Fisher International  
Performance in Rising and Declining Markets  
June 30, 2007 Through June 30, 2010**

UP MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	8.08	37.93	131.64
MSCI GROSS EAFE	6.31	31.52	89.77
DIFFERENCE	1.78	6.41	41.87
RATIO	1.28	1.20	1.47
UP PERIODS	1	6	15

DOWN MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	-20.57	-21.79	-56.13
MSCI GROSS EAFE	-18.10	-19.12	-50.10
DIFFERENCE	-2.47	-2.67	-6.03
RATIO	1.14	1.14	1.12
DOWN PERIODS	5	6	21

**Palm Tran, Inc./ATU Local 1577 Pension Fund  
RREEF REIT  
Performance Profile  
Through June 30, 2010**

	ENDED	RETURN
BEST QUARTER	9/2009	32.51
WORST QUARTER	12/2008	-39.85
BEST 4 QUARTERS	6/2010	53.04
WORST 4 QUARTERS	6/2009	-43.46

TOTAL # OF PERIODS: 36  
# OF POSITIVE PERIODS: 19  
# OF NEGATIVE PERIODS: 17

	QUARTER TO DATE	FISCAL YTD	ONE YEAR	TWO YEARS	THREE YEARS
TOTAL FUND	-3.52	5.43	53.04	-6.98	-9.42
WILSHIRE REIT	-4.23	5.18	55.47	-7.73	-10.32
EXCESS	0.71	0.25	-2.43	0.76	0.90
RISKLESS INDEX	0.04	0.05	0.16	0.55	1.57
REAL ROR	-3.70	4.52	51.57	-6.44	-10.58

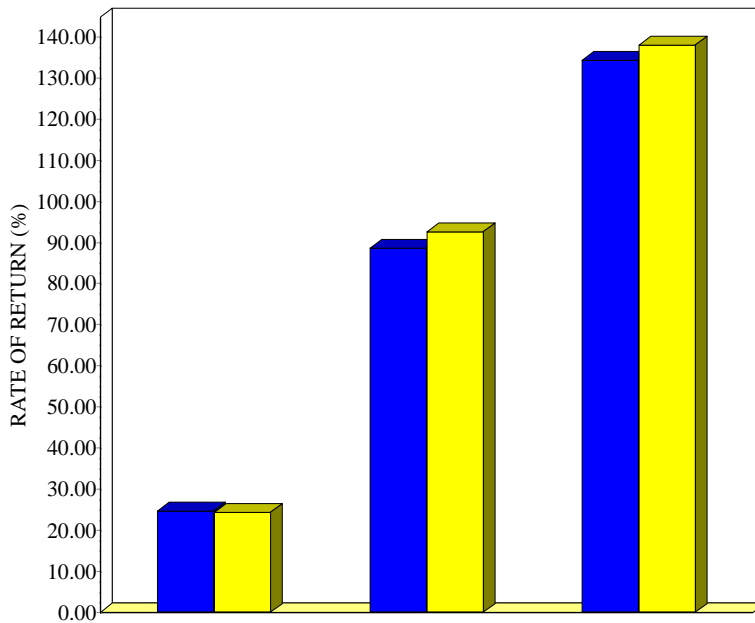
PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	53.04	70	22.73	2.33	0.50	0.95	99.26	-0.82
TWO YEARS	-6.98	85	46.34	-0.16	-0.01	0.96	99.61	-0.06
THREE YEARS	-9.42	90	39.78	-0.28	0.21	0.96	99.54	0.09

*The risk benchmark for this analysis is the Wilshire REIT.  
The universe used was the REIT/Real Estate*



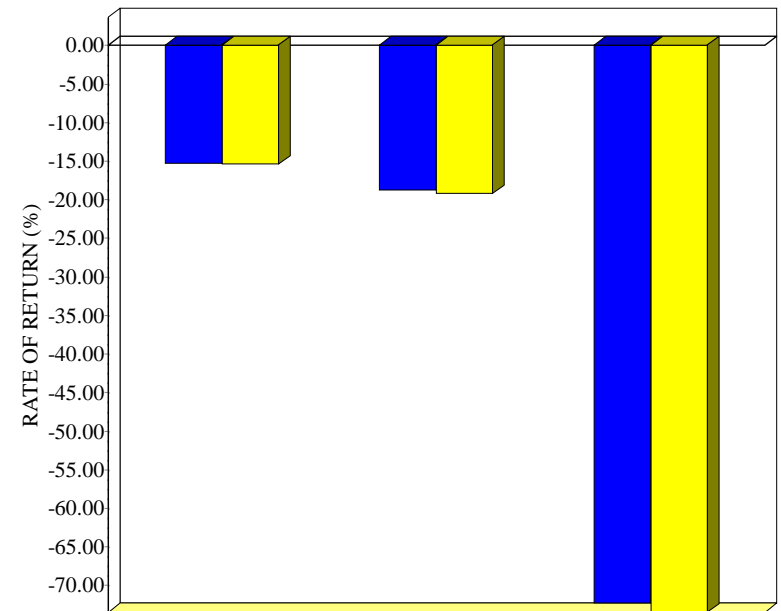
**Palm Tran, Inc./ATU Local 1577 Pension Fund  
RREEF REIT  
Performance in Rising and Declining Markets  
June 30, 2007 Through June 30, 2010**

UP MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	24.61	88.55	134.30
WILSHIRE REIT	24.44	92.60	137.92
DIFFERENCE	0.18	-4.05	-3.63
RATIO	1.01	0.96	0.97
UP PERIODS	3	8	20

DOWN MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	-15.39	-18.83	-72.38
WILSHIRE REIT	-15.48	-19.28	-73.52
DIFFERENCE	0.08	0.45	1.13
RATIO	0.99	0.98	0.98
DOWN PERIODS	3	4	16





**Palm Tran, Inc./ATU Local 1577 Pension Fund  
Galliard Fixed Income  
Performance Profile  
Through June 30, 2010**

	ENDED	RETURN
BEST QUARTER	9/2009	3.21
WORST QUARTER	6/2008	-0.74
BEST 4 QUARTERS	6/2010	8.93
WORST 4 QUARTERS	6/2008	7.49

TOTAL # OF PERIODS: 36  
# OF POSITIVE PERIODS: 28  
# OF NEGATIVE PERIODS: 8

	QUARTER TO DATE	FISCAL YTD	ONE YEAR	TWO YEARS	THREE YEARS
TOTAL FUND	3.12	4.99	8.93	8.21	7.97
FIXED INCOME BNCH	3.49	5.33	10.93	9.09	8.16
EXCESS	-0.37	-0.34	-2.00	-0.88	-0.19
RISKLESS INDEX	0.04	0.05	0.16	0.55	1.57
REAL ROR	2.92	4.06	7.86	8.41	6.35

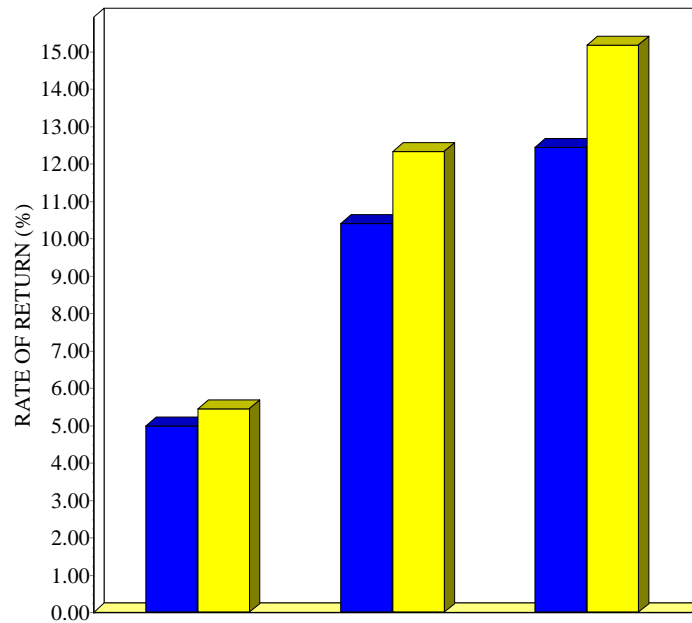
PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	8.93	60	2.62	3.35	-1.06	0.92	92.52	-2.45
TWO YEARS	8.21	40	3.23	2.37	2.47	0.60	81.66	-0.37
THREE YEARS	7.97	34	3.05	2.10	2.22	0.62	76.77	-0.11

*The risk benchmark for this analysis is the Fixed Income Bnch.  
The universe used was the Fixed Income*



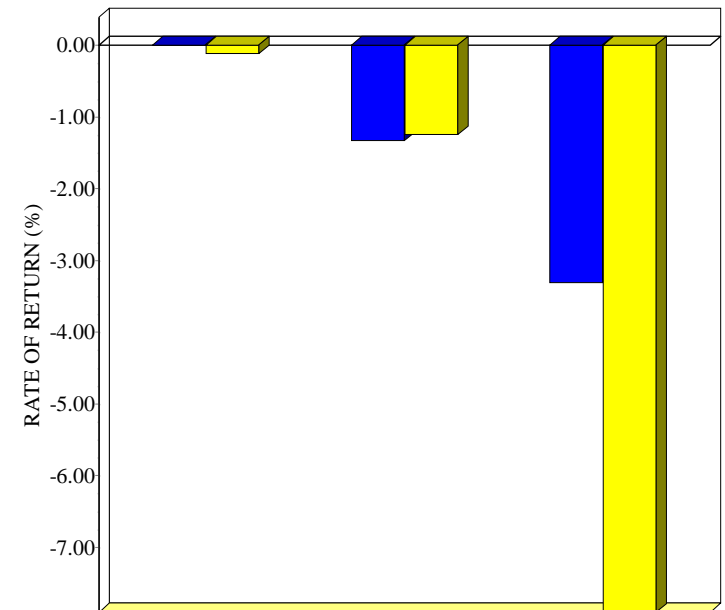
**Palm Tran, Inc./ATU Local 1577 Pension Fund  
Galliard Fixed Income  
Performance in Rising and Declining Markets  
June 30, 2007 Through June 30, 2010**

UP MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	5.00	10.41	12.44
FIXED INCOME BNCH	5.46	12.33	15.17
DIFFERENCE	-0.46	-1.92	-2.72
RATIO	0.92	0.84	0.82
UP PERIODS	5	10	27

DOWN MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	-0.01	-1.34	-3.32
FIXED INCOME BNCH	-0.12	-1.25	-7.91
DIFFERENCE	0.11	-0.09	4.59
RATIO	0.05	1.07	0.42
DOWN PERIODS	1	2	9

**Palm Tran, Inc./ATU Local 1577 Pension Fund  
Galliard TIPS  
Performance Profile  
Through June 30, 2010**

	ENDED	RETURN
BEST QUARTER	3/2008	5.91
WORST QUARTER	12/2008	-5.04
BEST 4 QUARTERS	6/2008	15.26
WORST 4 QUARTERS	6/2009	-2.09

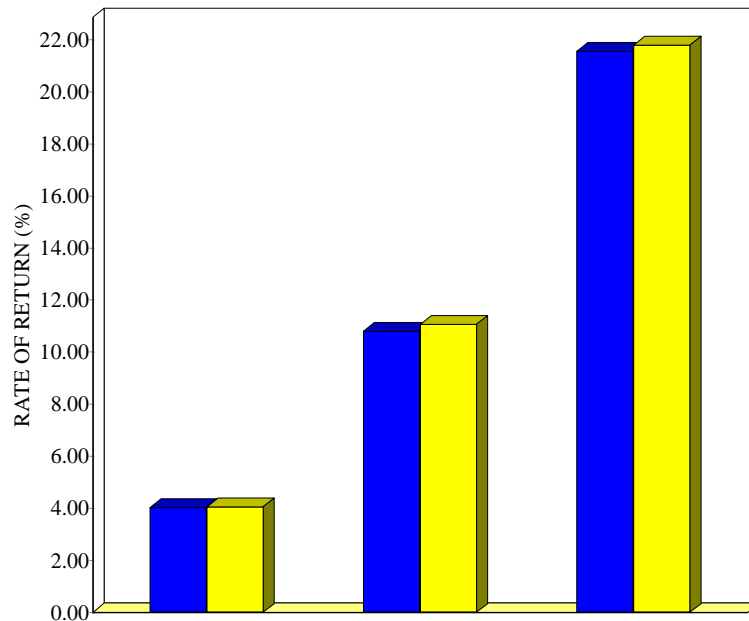
TOTAL # OF PERIODS: 36  
# OF POSITIVE PERIODS: 24  
# OF NEGATIVE PERIODS: 12

	QUARTER TO DATE	FISCAL YTD	ONE YEAR	TWO YEARS	THREE YEARS
GALLIARD TIPS	2.13	2.99	8.30	2.97	6.91
BC 1-10 YR TIPS	2.29	3.15	8.51	3.16	7.02
EXCESS	-0.16	-0.16	-0.21	-0.19	-0.11
RISKLESS INDEX	0.04	0.05	0.16	0.55	1.57
REAL ROR	1.93	2.07	7.23	3.22	5.36

PERIOD	RETURN	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	8.30	3.43	2.37	0.13	0.96	98.84	-0.52
TWO YEARS	2.97	8.10	0.30	-0.14	0.98	99.44	-0.31
THREE YEARS	6.91	7.47	0.72	-0.05	0.99	97.85	-0.10

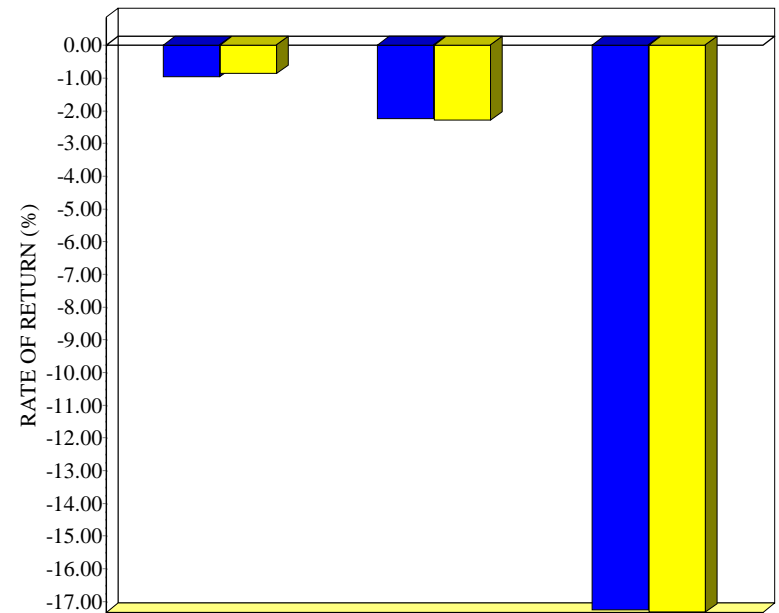
**Palm Tran, Inc./ATU Local 1577 Pension Fund  
Galliard TIPS  
Performance in Rising and Declining Markets  
June 30, 2007 Through June 30, 2010**

UP MARKET PERFORMANCE



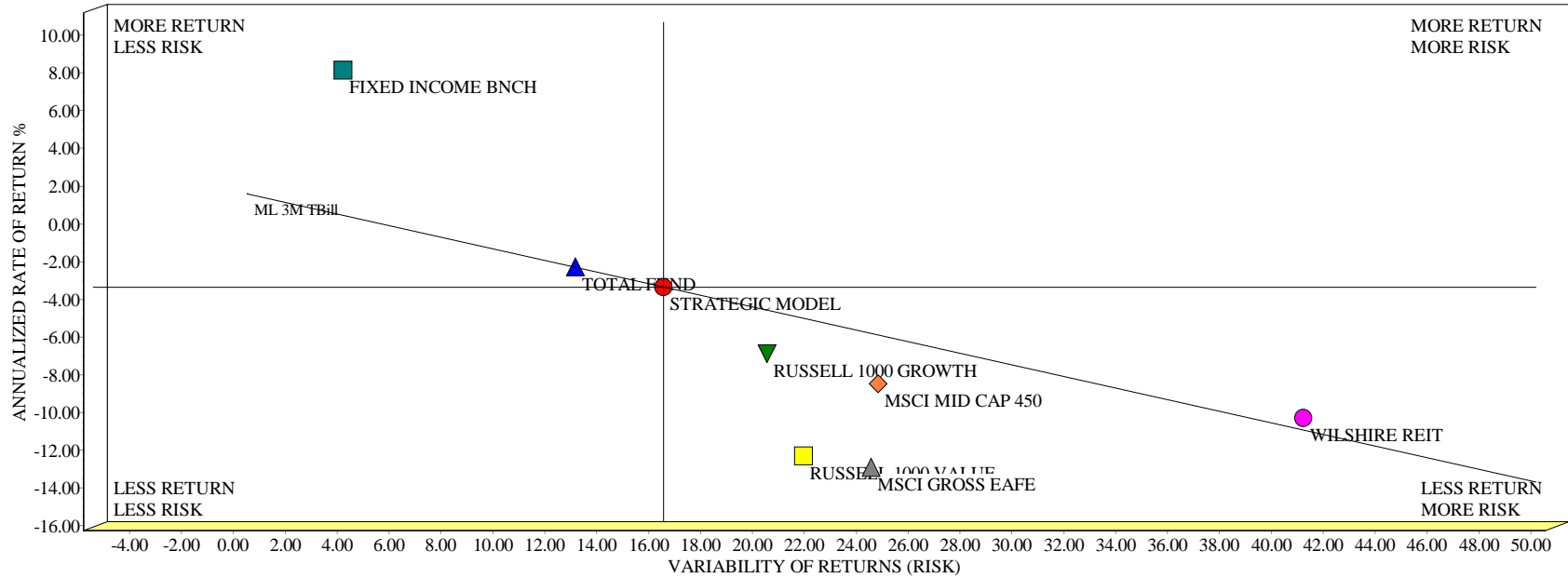
	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	4.02	10.79	21.55
BC 1-10 YR TIPS	4.05	11.07	21.78
DIFFERENCE	-0.03	-0.28	-0.22
RATIO	0.99	0.97	0.99
UP PERIODS	3	8	24

DOWN MARKET PERFORMANCE



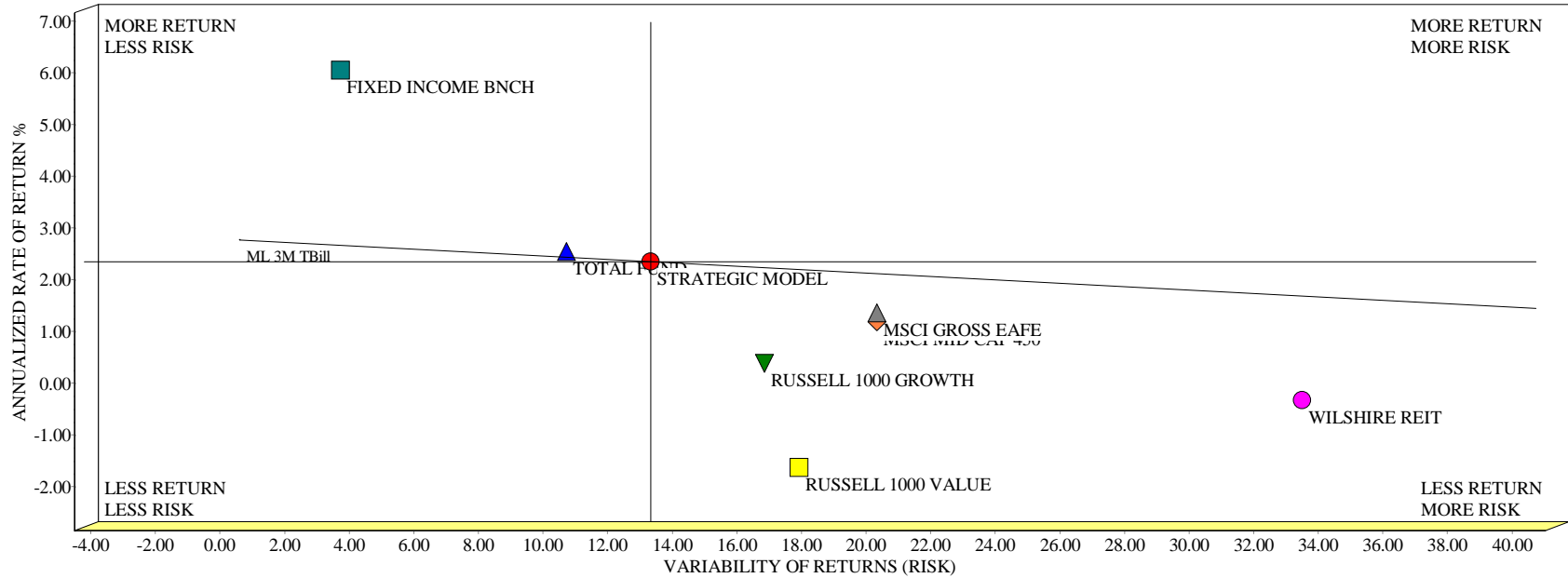
	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	-0.99	-2.25	-17.29
BC 1-10 YR TIPS	-0.87	-2.31	-17.34
DIFFERENCE	-0.12	0.06	0.05
RATIO	1.14	0.98	1.00
DOWN PERIODS	3	4	12

**PALM TRAN, INC./ATU LOCAL 1577 PENSION FUND**  
**ATU 1577**  
**CAPITAL MARKET LINE**  
**JUNE 30, 2007 THROUGH JUNE 30, 2010**



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	-2.29	13.19	0.78	-0.20	95.52
● STRATEGIC MODEL	-3.36	16.57	1.00	0.00	100.00
■ RUSSELL 1000 VALUE	-12.32	21.97	1.00	0.00	100.00
▼ RUSSELL 1000 GROWTH	-6.91	20.56	1.00	0.00	100.00
◆ MSCI MID CAP 450	-8.49	24.84	1.00	0.00	100.00
▲ MSCI GROSS EAFE	-12.94	24.58	1.00	0.00	100.00
● WILSHIRE REIT	-10.32	41.25	1.00	0.00	100.00
■ FIXED INCOME BNCH	8.16	4.23	1.00	0.00	100.00

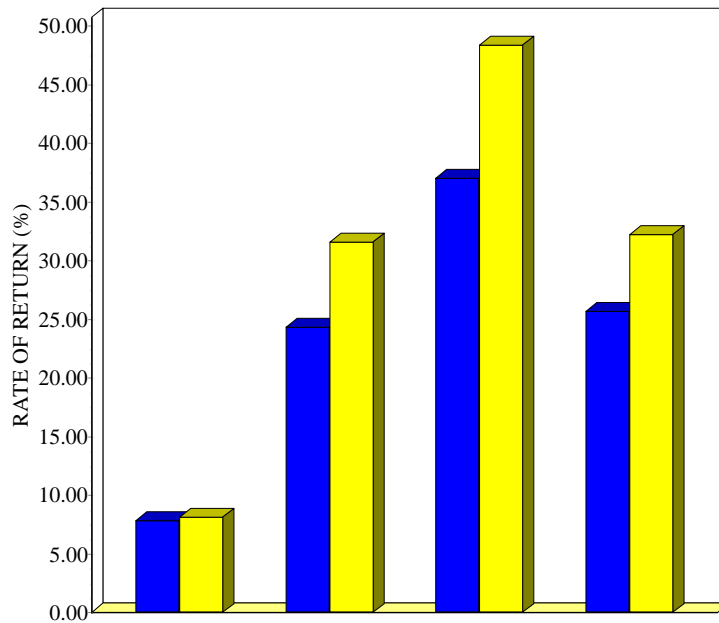
**PALM TRAN, INC./ATU LOCAL 1577 PENSION FUND**  
**ATU 1577**  
**CAPITAL MARKET LINE**  
**JUNE 30, 2005 THROUGH JUNE 30, 2010**



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	2.54	10.73	0.79	-0.03	95.21
● STRATEGIC MODEL	2.35	13.33	1.00	0.00	100.00
■ RUSSELL 1000 VALUE	-1.64	17.93	1.00	0.00	100.00
▼ RUSSELL 1000 GROWTH	0.38	16.86	1.00	0.00	100.00
◆ MSCI MID CAP 450	1.18	20.34	1.00	0.00	100.00
▲ MSCI GROSS EAFE	1.35	20.34	1.00	0.00	100.00
● WILSHIRE REIT	-0.33	33.50	1.00	0.00	100.00
■ FIXED INCOME BNCH	6.05	3.73	1.00	0.00	100.00

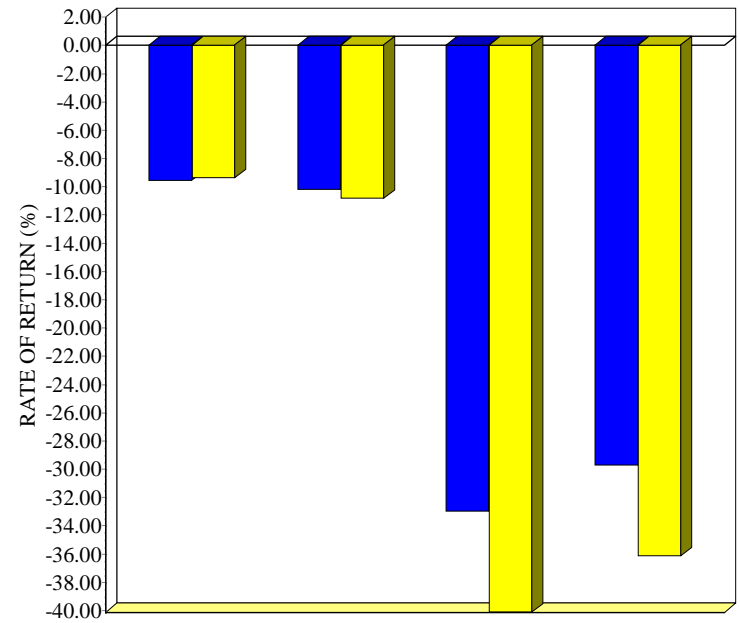
**Palm Tran, Inc./ATU Local 1577 Pension Fund  
ATU 1577  
Performance in Rising and Declining Markets  
June 30, 2005 Through June 30, 2010**

UP MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	7.87	24.31	37.00	25.69
STRATEGIC MODEL	8.11	31.57	48.35	32.24
DIFFERENCE	-0.25	-7.27	-11.35	-6.55
RATIO	0.97	0.77	0.77	0.80
UP PERIODS	3	8	19	39

DOWN MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	-9.59	-10.23	-33.03	-29.75
STRATEGIC MODEL	-9.43	-10.85	-40.15	-36.14
DIFFERENCE	-0.16	0.62	7.12	6.39
RATIO	1.02	0.94	0.82	0.82
DOWN PERIODS	3	4	17	21



## **Palm Tran, Inc./ATU Local 1577 Pension Fund Glossary of Terms**

- ACCRUED INTEREST- Bond interest earned since the last interest payment, but not yet received.
- ALPHA- A linear regressive constant that measures the manager's expected return independent of Beta.
- ASSET ALLOCATION- The optimal division of portfolio asset classes in order to achieve an expected investment objective.
- BETA- A measure of portfolio sensitivity (volatility) in relation to the market, based upon past experience.
- BOND DURATION- A measure of portfolio sensitivity to interest rate risk.
- COMMINGLED FUND- An investment fund, offered by a bank or insurance company, which is similar to a mutual fund in that investors are permitted to purchase and redeem units that represent ownership in a pool of securities.
- CORE- A type of investment strategy that has approximately an equal weighting in both growth and value stocks in order to achieve a return that is comparable to the broad market performance (i.e., the S&P 500).
- CORRELATION COEFFICIENT- A statistical measure of how two assets move together. The measure is bounded by +1 and -1; +1 means that the two assets move together positively, while a measure of -1 means that the assets are perfectly negatively correlated.
- INDEXES- Indexes are used as "independent representations of markets" (e.g., S&P 500 and LBGC).
- INFORMATION RATIO- Annualized excess return above the benchmark relative to the annualized tracking error.
- GROWTH MANAGER- A growth manager generally invests in companies that have either experienced above-average growth rates and/or are expected to experience above-average growth rates in the future. Growth portfolios tend to have high price/earnings ratios and generally pay little to no dividends.
- LARGE CAP- Generally, the term refers to a company that has a market capitalization that exceeds \$5 billion.
- MANAGER UNIVERSE- A collection of quarterly investment returns from various investment management firms that may be subdivided by style (e.g. growth, value, core).
- MID CAP- Generally, the term refers to a company that has a market capitalization between \$1 and \$5 billion.





## **Palm Tran, Inc./ATU Local 1577 Pension Fund**

### **Glossary of Terms**

-PSN BALANCED AGGRESSIVE UNIVERSE - Includes all domestic balanced products whose equity allocation objective is greater than or equal to 65%.

-PSN BALANCED MODERATE UNIVERSE - Includes all domestic balanced products whose equity allocation objective is between 55% and 64%.

-PSN BALANCED CONSERVATIVE UNIVERSE - Includes all domestic balanced products whose equity allocation objective is equal or less than 54%.

-RATE OF RETURN- The percentage change in the value of an investment in a portfolio over a specified time period.

-RISK MEASURES- Measures of the investment risk level, including beta, credit, duration, standard deviation, and others that are based on current and historical data.

-R-SQUARED- Measures how closely portfolio returns and those of the market are correlated, or how much variation in the portfolio returns may be explained by the market. An R2 of 40 means that 40% of the variation in a fund's price changes could be attributed to changes in the market index over the time period.

-SHARPE RATIO- The ratio of the rate of return earned above the risk-free rate to the standard deviation of the portfolio. It measures the number of units of return per unit of risk.

-STANDARD DEVIATION- Measure of the variability (dispersion) of historical returns around the mean. It measures how much exposure to volatility was experienced by the implementation of an investment strategy.

-SYSTEMATIC RISK- Measured by beta, it is the risk that cannot be diversified away (market risk).

- TIME WEIGHTED RETURN-A measure of the investments verses the investor. When there are no contributions or withdrawals the TIME-weighted and DOLLAR-weighted/internal return are the same. If there are contributions and withdrawals the TIME-weighted and DOLLAR-weighted/internal return can be different. The CFA Institute recommends using the TIME-weighted return. AIMR reasons that the investment manager can not control when an investor makes contributions and withdrawals and thus should not be measured by that.

-TRACKING ERROR- A measure of how closely a manager's performance tracks an index; it is the annualized standard deviation of the differences between the quarterly returns for the manager and the benchmark.



## **Palm Tran, Inc./ATU Local 1577 Pension Fund**

### **Glossary of Terms**

Advisory services are offered through or by Burgess Chambers and Associates, Inc., a registered SEC investment advisor.

#### Performance Reporting:

- 1.Changes in portfolio valuations due to capital gains or losses, dividends, interest or other income are included in the calculation of returns. All calculations are made in accordance with generally accepted industry standards.
- 2.Transaction costs, such as commissions, are included in the purchase cost or deducted from the proceeds or sale of a security. Differences in transaction costs may affect comparisons.
- 3.Individual client returns may vary due to a variety of factors, including differences in investment objectives and timing of investment decisions.
- 4.BCA does not have discretion or decision making authority over any investments. All decisions regarding investment manager selection and retention, asset allocation, and other investment policies were made by the client. While BCA provides recommendations and choices regarding suitable investments, not all clients take these recommendations or select from the choices offered.
- 5.Portfolio returns are generally shown before the deduction of investment advisory fees.
- 6.Performance reports are generated from information supplied by the client, custodian, and/or investment managers. BCA relies upon the accuracy of this data when preparing reports.
- 7.The market indexes do not include transaction costs, and an investment in a product similar to the index would have lower performance dependent upon costs, fees, dividend reinvestments, and timing. Benchmarks and indexes are for comparison purposes only, and there is no assurance or guarantee that such performance will be achieved.
- 8.Performance information prepared by third party sources may differ from that shown by BCA. These differences may be due to different methods of analysis, different time periods being evaluated, different pricing sources for securities, treatment of accrued income, treatment of cash, and different accounting procedures.
- 9.Certain valuations, such as alternative assets, ETF, and mutual funds, are prepared based on information from third party sources, the accuracy of such information cannot be guaranteed by BCA. Such data may include estimates and maybe be subject to revision.
- 10.BCA has not reviewed the risks of individual security holdings.

The firm's ADV, Part II, is available upon request.

