

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

**INVESTMENT PERFORMANCE  
PERIOD ENDING  
DECEMBER 31, 2008**

NOTE: For a free copy of Part II (mailed w/i 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.



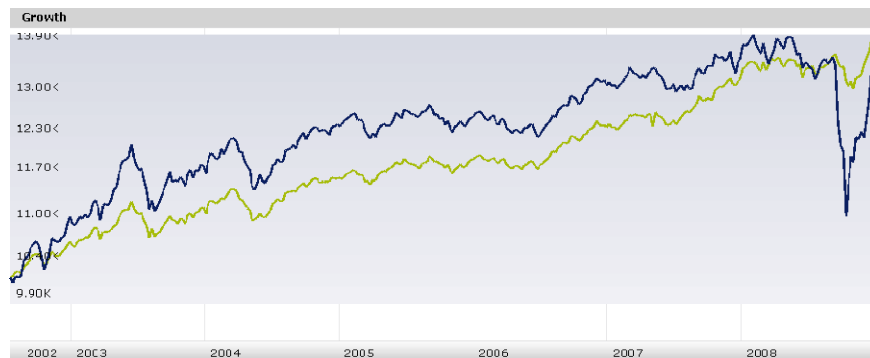
# Palm Tran, Inc./ATU Local 1577 Pension Fund

## BCA Fourth Quarter 2008 Market Review © Heightened Fears and Aversion to Risk The Repricing of America

Burgess B. Chambers and Frank Wan

The repricing of America is affecting every asset class. What began with residential real estate in 2007 spilled over to commodities and equities in 2008. The herd of investors believe that all asset values will fall and bankers would agree. Investors ran for the fire escape doors in 2008 in every major trading market. Panic selling of stocks and commercial notes was followed by the largest observed herd of investors buying government backed paper and certificates of deposit. This capital rotation has only deepened the global recession. Fear has slowed consumers to a crawl, which in turn has caused companies to lay off employees. Falling stock prices invariably results in the lowering of credit ratings, which freezes out a firm's borrowing ability. It is a self fulfilling prophecy. Investor fear has accelerated and deepened the current recession and caused the largest repricing of assets since the Great Depression.

The spread between corporate and government bond yields has reached an historical high, reflecting the high risk premium demanded of investors.



**Investment Name**  
— iShares iBoxx \$ Invest Grade Corp Bond  
— BarCap US Agg Bond TR USD(Benchmark)

Source: Morningstar Advisor Workstation



**Investment Name**  
— BarCap US Agg Bond TR USD  
— S&P 500 TR

Source: Morningstar Advisor Workstation

Expected risk determines the price of every asset. Capital is attracted to assets that are expected to achieve an expected return and risk premium. Expected risk premiums drive the bidder's price. As bidders become less abundant for a particular asset, the price is driven down and buyers disappear.

The restoration of asset values will attract risk capital once again. The public is watching closely for changes in fiscal policy. BCA believes that investment tax credits and other targeted tax incentives will stimulate growth beginning in late 2009. Until that begins, Washington and the media will greatly influence investor sentiment.



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

### Total Fund

#### Investment Summary

December 31, 2008

- o For the quarter, the Fund experienced an investment loss of -12.3% net, versus -16.0% for the Strategic Model. Ranking: top 17<sup>th</sup> percentile. This out-performance was due to the 20.7% over-weight in bonds and cash. The equity market suffered significant losses in the past four quarters. Pharmaceuticals, energy, investment banks, national commercial banks, insurance companies, real estate and technology were the big losers in 2008. That covers most of the equity market.
- o For the 12-month period, the total Fund lost -23.3% net, but ranked in the top 32<sup>nd</sup> percentile. The best performing asset category was Galliard fixed income (+4.8%).
- o Asset allocation and recent defensive measures have protected assets during a most difficult period, as follows:
  - The REIT allocation was reduced by 40% in 1Q07, well in advance of the market correction.
  - The TIPS portion was added nearly three years ago; second only to the bonds as a positive return category since inception.
  - The equity allocation was kept well below the target going into 4Q08 and 1Q09.
  - Bonds, TIPS and cash were 20.7% over-weighted on 12/31/08.

#### Investment Performance

*Dollars*

|                                | <u>Quarter</u>    | <u>One Year</u>    |
|--------------------------------|-------------------|--------------------|
| <b>Beginning Market Value</b>  | <b>41,443,294</b> | <b>46,455,392</b>  |
| <b>Ending Market Value</b>     | <b>36,498,911</b> | <b>36,498,911</b>  |
| <b>Net Contributions (+/-)</b> | <b>+170,446</b>   | <b>+1,047,710</b>  |
| <b>Investment Gain (+/-)</b>   | <b>-5,114,828</b> | <b>-11,004,190</b> |
| <b>Investment Return, net</b>  | <b>-12.3%</b>     | <b>-23.3%</b>      |
| <b>Strategic Model</b>         | <b>-16.0%</b>     | <b>-26.4%</b>      |
| <b>Value Added</b>             | <b>+3.7%</b>      | <b>+3.1%</b>       |

*Fiscal Year: January 1 – December 31*



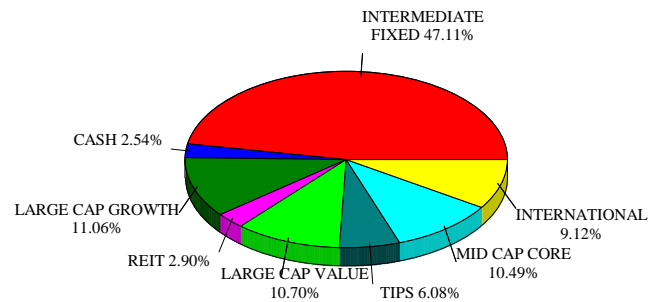
**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**Total Fund**  
**Compliance Checklist**  
**December 31, 2008**

|   | 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 achieved the Strategic Model over the five-year rolling period. <b>The manager changes were made on 12/31/05.</b>                    | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| Total Fund performance ranked in the top 40 <sup>th</sup> percentile over the three-year period.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| Total Fund performance ranked in the top 40 <sup>th</sup> percentile over the five-year period. <b>The manager changes were made on 12/31/05.</b>           | <input type="checkbox"/>            | <input checked="" 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 40 <sup>th</sup> percentile over the three-year period. <b>Two-year results top 39<sup>th</sup>.</b> | <input type="checkbox"/>            | <input checked="" 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"/>            |
| 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"/>            |
| The total of 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"/>            |

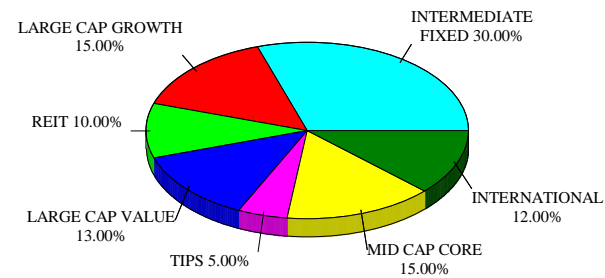


**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**Total Fund**  
**Actual vs. Target Asset Allocation**  
**December 31, 2008**

**ACTUAL ASSET ALLOCATION**



**TARGET ASSET ALLOCATION**

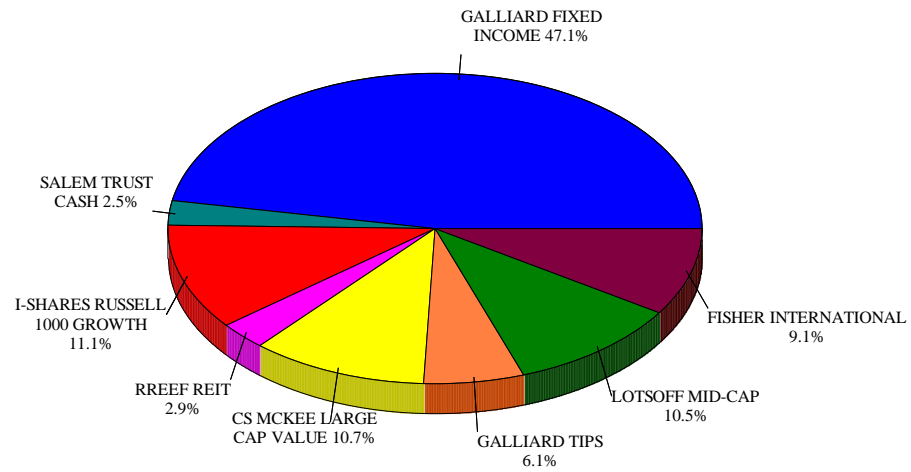


|                    | MARKET VALUE<br>ACTUAL | PERCENT<br>ACTUAL | MARKET VALUE<br>TARGET | PERCENT<br>TARGET | MARKET VALUE<br>DIFFERENCE | PERCENT<br>DIFFERENCE |
|--------------------|------------------------|-------------------|------------------------|-------------------|----------------------------|-----------------------|
| LARGE CAP VALUE    | 3,905,886.5            | 10.7%             | 4,744,858.5            | 13.0%             | (838,972.0)                | (2.3%)                |
| LARGE CAP GROWTH   | 4,035,129.9            | 11.1%             | 5,474,836.7            | 15.0%             | (1,439,706.8)              | (3.9%)                |
| MID CAP CORE       | 3,828,981.7            | 10.5%             | 5,474,836.7            | 15.0%             | (1,645,855.0)              | (4.5%)                |
| INTERNATIONAL      | 3,327,820.5            | 9.1%              | 4,379,869.4            | 12.0%             | (1,052,048.9)              | (2.9%)                |
| REIT               | 1,059,998.0            | 2.9%              | 3,649,891.1            | 10.0%             | (2,589,893.1)              | (7.1%)                |
| INTERMEDIATE FIXED | 17,194,829.1           | 47.1%             | 10,949,673.4           | 30.0%             | 6,245,155.7                | 17.1%                 |
| TIPS               | 2,218,789.9            | 6.1%              | 1,824,945.6            | 5.0%              | 393,844.4                  | 1.1%                  |
| CASH               | 927,475.8              | 2.5%              | 0.0                    | 0.0%              | 927,475.8                  | 2.5%                  |
| <b>TOTAL FUND</b>  | <b>\$36,498,911.4</b>  | <b>100.0%</b>     | <b>\$36,498,911.4</b>  | <b>100.0%</b>     | <b>\$0.0</b>               | <b>0.0%</b>           |



**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**Total Fund**  
**ASSET ALLOCATION**

TOTAL MARKET VALUE  
AS OF DECEMBER 31, 2008  
\$ 36,498,911



|                              | VALUE      | PERCENT |
|------------------------------|------------|---------|
| GALLIARD FIXED INCOME        | 17,194,829 | 47.11   |
| I-SHARES RUSSELL 1000 GROWTH | 4,035,130  | 11.06   |
| CS MCKEE LARGE CAP VALUE     | 3,905,887  | 10.70   |
| LOTSOFF MID-CAP              | 3,828,982  | 10.49   |
| FISHER INTERNATIONAL         | 3,327,820  | 9.12    |
| GALLIARD TIPS                | 2,218,790  | 6.08    |
| RREEF REIT                   | 1,059,998  | 2.90    |
| SALEM TRUST CASH             | 927,476    | 2.54    |



**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**Total Fund**  
**December 31, 2008**  
**Gross of Fees**

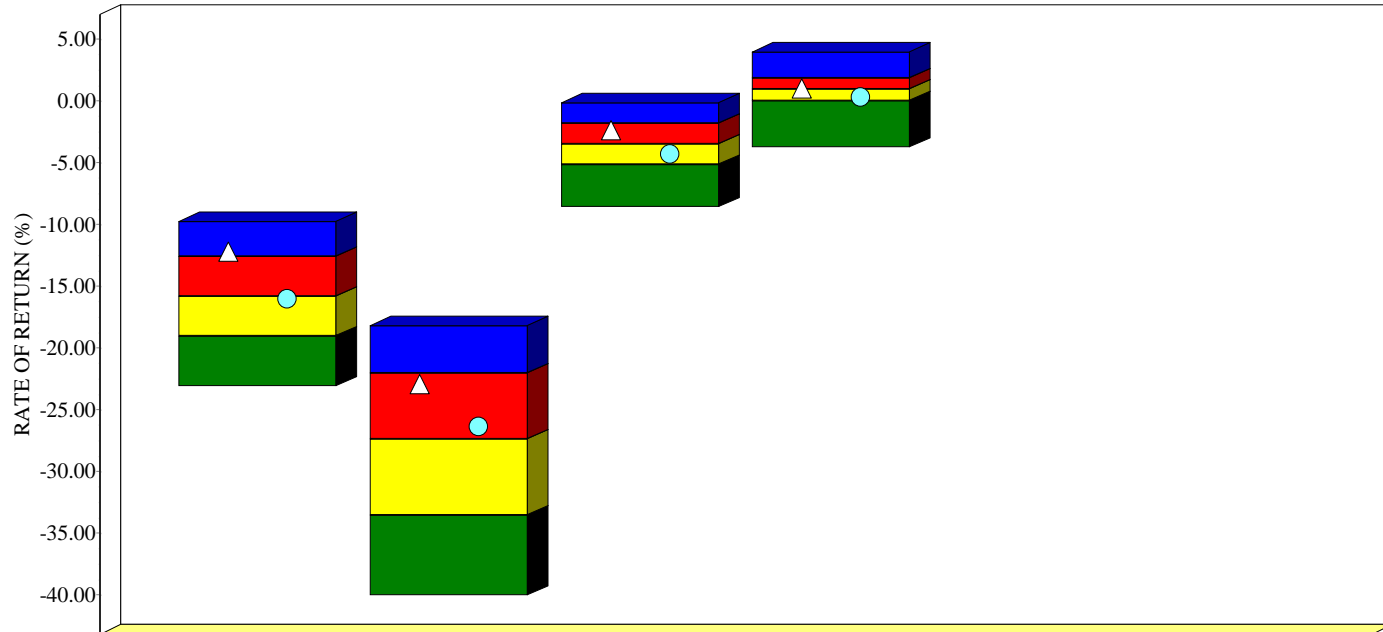
| Name                         | Market Values     | QTD<br>ROR    | 1 Year<br>ROR | 2 Year<br>ROR | 3 Year<br>ROR | 5 Year<br>ROR |
|------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
| <u>Equity</u>                |                   |               |               |               |               |               |
| <u>Domestic Equity</u>       |                   |               |               |               |               |               |
| CS McKee Large Cap Value     | 3,905,887         | -21.3%        | -35.3%        | -17.1%        | -7.9%         | N/A           |
| i-Shares Russell 1000 Growth | 4,035,130         | -23.3%        | -38.1%        | -17.0%        | N/A           | N/A           |
| Lotsoff Mid-Cap              | 3,828,982         | -28.1%        | -47.8%        | -23.8%        | N/A           | N/A           |
| <u>International</u>         |                   |               |               |               |               |               |
| Fisher International         | 3,327,820         | -23.1%        | -45.0%        | -20.1%        | N/A           | N/A           |
| <u>Real Estate</u>           |                   |               |               |               |               |               |
| RREEF REIT                   | 1,059,998         | -39.8%        | -39.8%        | -28.7%        | N/A           | N/A           |
| <u>Fixed Income</u>          |                   |               |               |               |               |               |
| Galliard Fixed Income        | 17,194,829        | 3.1%          | 4.8%          | 6.1%          | N/A           | N/A           |
| Galliard TIPS                | 2,218,790         | -5.0%         | -2.1%         | 4.4%          | N/A           | N/A           |
| <u>Cash</u>                  |                   |               |               |               |               |               |
| Salem Trust Cash             | 927,476           | 0.1%          | 1.4%          | N/A           | N/A           | N/A           |
| <b>TOTAL: (1, 2)</b>         | <b>36,498,911</b> | <b>-12.2%</b> | <b>-22.9%</b> | <b>-8.4%</b>  | <b>-2.4%</b>  | <b>1.0%</b>   |
| Strategic Model              |                   | -16.0%        | -26.4%        | -12.2%        | -4.3%         | 0.3%          |
| 60% S&P500/40% LBAG          |                   | -11.9%        | -22.1%        | -9.0%         | -2.7%         | 0.7%          |
| Russell 1000 Value           |                   | -22.2%        | -36.8%        | -20.6%        | -8.3%         | -0.8%         |
| Russell 1000 Growth          |                   | -22.8%        | -38.4%        | -17.0%        | -9.1%         | -3.4%         |
| MSCI Mid Cap 450             |                   | -25.6%        | -41.8%        | -21.4%        | -11.1%        | -0.7%         |
| MSCI Gross EAFE              |                   | -19.9%        | -43.1%        | -20.3%        | -6.9%         | 2.1%          |
| Wilshire REIT                |                   | -40.0%        | -39.2%        | -29.2%        | -12.0%        | 0.7%          |
| Fixed Income Bnch            |                   | 2.5%          | 2.1%          | 4.2%          | 4.4%          | 4.0%          |
| LB 1-10 Yr TIPS              |                   | -5.2%         | -2.4%         | 4.3%          | 3.4%          | 3.9%          |
| ML 3M TBill                  |                   | 0.2%          | 2.1%          | 3.5%          | 4.0%          | 3.3%          |

1 Strategic Model (IPS hybrid benchmark objective):: from Sept'07 is 28% Russell 1000 + 15% MSCI Mid Cap + 12% MSCI Gross EAFE + 10% Wilshire REIT + 5% Lehman Intermediate TIPS + 30% BCA Custom Bond Benchmark; prior from Jun'02 was 25% S&P 500 + 15% Russell 2000 + 20% MSCI World + 40% Merrill Lynch Domestic Bond Master.

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



**Palm Tran, Inc./ATU Local 1577 Pension Fund  
Total Fund  
Total Fund Versus Balanced Aggressive  
December 31, 2003 Through December 31, 2008**



|                | LATEST QUARTER |        | ONE YEAR |        | THREE YEARS |       | FIVE YEARS |       |
|----------------|----------------|--------|----------|--------|-------------|-------|------------|-------|
| HIGHEST VALUE  |                | -9.77  |          | -18.20 |             | -0.16 |            | 3.97  |
| FIRST QUARTILE |                | -12.62 |          | -22.04 |             | -1.85 |            | 1.86  |
| MEDIAN VALUE   |                | -15.81 |          | -27.39 |             | -3.50 |            | 0.95  |
| THIRD QUARTILE |                | -19.05 |          | -33.55 |             | -5.17 |            | -0.02 |
| LOWEST VALUE   |                | -23.12 |          | -40.07 |             | -8.60 |            | -3.79 |
| MEAN           |                | -16.05 |          | -27.75 |             | -3.72 |            | 0.89  |
| MEMBERS        |                | 46     |          | 46     |             | 36    |            | 32    |

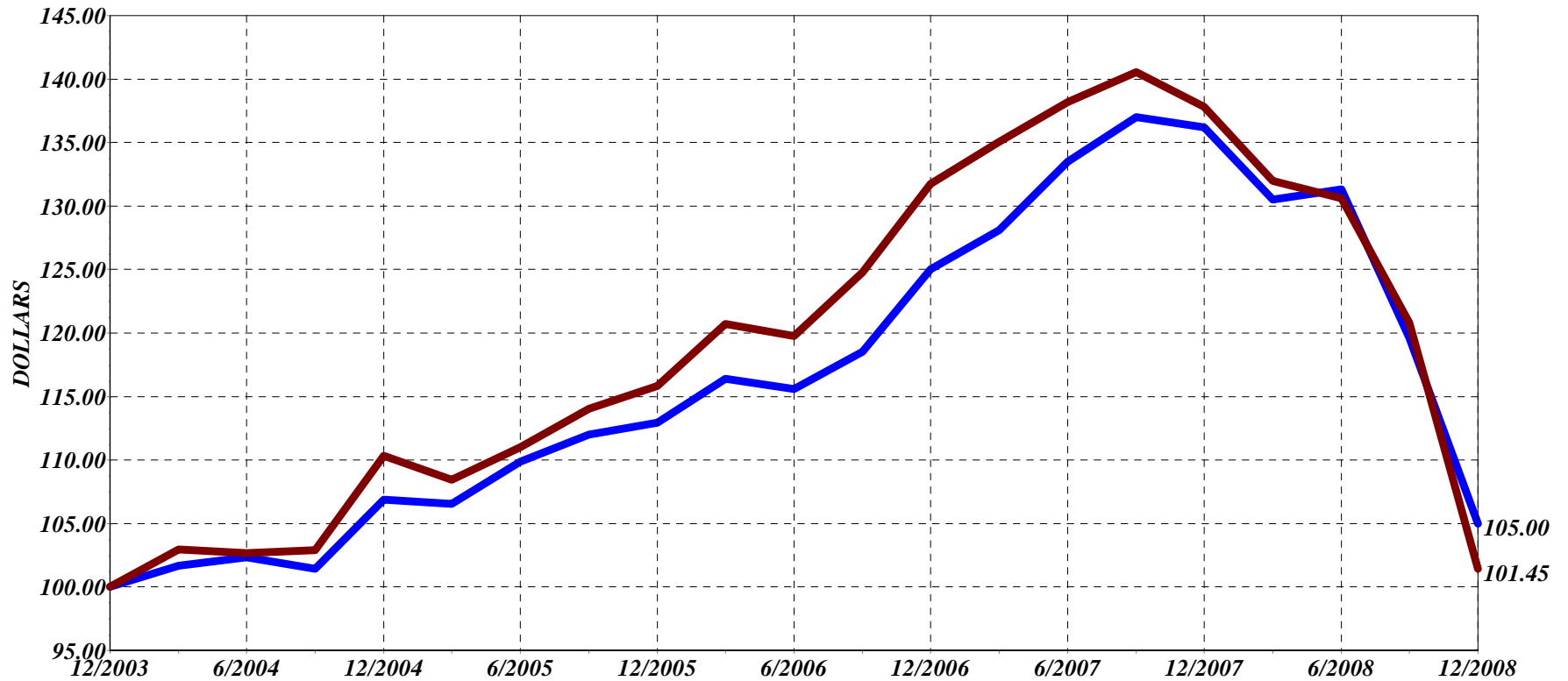
  

|                   | LATEST QUARTER |      | ONE YEAR |      | THREE YEARS |      | FIVE YEARS |      |
|-------------------|----------------|------|----------|------|-------------|------|------------|------|
|                   | RETURN         | RANK | RETURN   | RANK | RETURN      | RANK | RETURN     | RANK |
| △ TF              | -12.23         | 17   | -22.92   | 32   | -2.41       | 38   | 0.98       | 50   |
| ● STRATEGIC MODEL | -16.03         | 50   | -26.38   | 45   | -4.32       | 61   | 0.29       | 65   |





**Palm Tran, Inc./ATU Local 1577 Pension Fund  
Total Fund  
Growth of a Dollar Analysis  
December 31, 2003 Through December 31, 2008**



|  | LATEST QUARTER | ONE YEAR | THREE YEARS | FIVE YEARS |
|--|----------------|----------|-------------|------------|
| <span style="color: blue;">—</span> TOTAL FUND     | -12.23         | -22.92   | -2.41       | 0.98       |
| <span style="color: red;">—</span> STRATEGIC MODEL | -16.03         | -26.38   | -4.32       | 0.29       |



**Palm Tran, Inc./ATU Local 1577 Pension Fund  
CS McKee Large Cap Value  
Performance Profile  
Through December 31, 2008**

|                  | ENDED   | RETURN |
|------------------|---------|--------|
| BEST QUARTER     | 12/2006 | 7.89   |
| WORST QUARTER    | 12/2008 | -21.27 |
| BEST 4 QUARTERS  | 12/2006 | 13.58  |
| WORST 4 QUARTERS | 12/2008 | -35.34 |

TOTAL # OF PERIODS: 36  
# OF POSITIVE PERIODS: 21  
# OF NEGATIVE PERIODS: 15

|                    | QUARTER<br>TO<br>DATE | ONE<br>YEAR | TWO<br>YEARS | THREE<br>YEARS |
|--------------------|-----------------------|-------------|--------------|----------------|
| TOTAL FUND         | -21.27                | -35.34      | -17.11       | -7.94          |
| RUSSELL 1000 VALUE | -22.18                | -36.85      | -20.60       | -8.32          |
| EXCESS             | 1.05                  | 2.28        | 4.26         | 0.27           |
| RISKLESS INDEX     | 0.22                  | 2.06        | 3.52         | 3.96           |
| REAL ROR           | -17.91                | -35.36      | -18.80       | -10.00         |

| PERIOD      | RETURN | UNIVERSE<br>RANKING | STD<br>DEV | SHARPE<br>RATIO | ALPHA | BETA | R-SQUARED | INFO<br>RATIO |
|-------------|--------|---------------------|------------|-----------------|-------|------|-----------|---------------|
| ONE YEAR    | -35.34 | 44                  | 20.49      | -1.83           | 1.97  | 0.99 | 94.80     | 0.48          |
| TWO YEARS   | -17.11 | 39                  | 17.13      | -1.20           | 3.78  | 0.98 | 95.27     | 1.15          |
| THREE YEARS | -7.94  | 63                  | 14.87      | -0.80           | -0.33 | 0.94 | 94.21     | 0.08          |

*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  
i-Shares Russell 1000 Growth  
Performance Profile  
Through December 31, 2008**

|                  | ENDED   | RETURN |
|------------------|---------|--------|
| BEST QUARTER     | 6/2007  | 6.15   |
| WORST QUARTER    | 12/2008 | -23.29 |
| BEST 4 QUARTERS  | 12/2007 | 11.22  |
| WORST 4 QUARTERS | 12/2008 | -38.10 |

TOTAL # OF PERIODS: 24  
# OF POSITIVE PERIODS: 11  
# OF NEGATIVE PERIODS: 13

|                     | QUARTER<br>TO<br>DATE | ONE<br>YEAR | TWO<br>YEARS |
|---------------------|-----------------------|-------------|--------------|
| TOTAL FUND          | -23.29                | -38.10      | -17.03       |
| RUSSELL 1000 GROWTH | -22.79                | -38.44      | -17.03       |
| EXCESS              | -0.58                 | 0.51        | -0.02        |
| RISKLESS INDEX      | 0.22                  | 2.06        | 3.52         |
| REAL ROR            | -19.97                | -38.08      | -18.68       |

| PERIOD    | RETURN | UNIVERSE<br>RANKING | STD<br>DEV | SHARPE<br>RATIO | ALPHA | BETA | R-SQUARED | INFO<br>RATIO |
|-----------|--------|---------------------|------------|-----------------|-------|------|-----------|---------------|
| ONE YEAR  | -38.10 | 46                  | 22.47      | -1.79           | 0.40  | 1.00 | 99.77     | 0.47          |
| TWO YEARS | -17.03 | 63                  | 18.89      | -1.09           | -0.18 | 0.99 | 99.69     | -0.02         |

*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  
 Lotsoff Mid-Cap  
 Performance Profile  
 Through December 31, 2008**

|                  | ENDED   | RETURN |
|------------------|---------|--------|
| BEST QUARTER     | 6/2007  | 10.66  |
| WORST QUARTER    | 12/2008 | -28.05 |
| BEST 4 QUARTERS  | 12/2007 | 11.17  |
| WORST 4 QUARTERS | 12/2008 | -47.76 |

TOTAL # OF PERIODS: 24  
 # OF POSITIVE PERIODS: 11  
 # OF NEGATIVE PERIODS: 13

|                  | QUARTER<br>TO<br>DATE | ONE<br>YEAR | TWO<br>YEARS |
|------------------|-----------------------|-------------|--------------|
| TOTAL FUND       | -28.05                | -47.76      | -23.80       |
| MSCI MID CAP 450 | -25.62                | -41.80      | -21.39       |
| EXCESS           | -2.69                 | -8.61       | -2.06        |
| RISKLESS INDEX   | 0.22                  | 2.06        | 3.52         |
| REAL ROR         | -24.85                | -47.68      | -25.27       |

| PERIOD    | RETURN | UNIVERSE<br>RANKING | STD<br>DEV | SHARPE<br>RATIO | ALPHA | BETA | R-SQUARED | INFO<br>RATIO |
|-----------|--------|---------------------|------------|-----------------|-------|------|-----------|---------------|
| ONE YEAR  | -47.76 | 97                  | 32.34      | -1.54           | -0.57 | 1.16 | 96.33     | -1.13         |
| TWO YEARS | -23.80 | 90                  | 26.50      | -1.03           | 2.53  | 1.18 | 96.63     | -0.33         |

*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  
Fisher International  
Performance Profile  
Through December 31, 2008**

|                  | ENDED   | RETURN |
|------------------|---------|--------|
| BEST QUARTER     | 6/2007  | 9.25   |
| WORST QUARTER    | 9/2008  | -23.72 |
| BEST 4 QUARTERS  | 12/2007 | 15.97  |
| WORST 4 QUARTERS | 12/2008 | -44.98 |

TOTAL # OF PERIODS: 24  
# OF POSITIVE PERIODS: 11  
# OF NEGATIVE PERIODS: 13

|                 | QUARTER<br>TO<br>DATE | ONE<br>YEAR | TWO<br>YEARS |
|-----------------|-----------------------|-------------|--------------|
| TOTAL FUND      | -23.13                | -44.98      | -20.12       |
| MSCI GROSS EAFE | -19.90                | -43.06      | -20.27       |
| EXCESS          | -2.88                 | -1.66       | 1.19         |
| RISKLESS INDEX  | 0.22                  | 2.06        | 3.52         |
| REAL ROR        | -19.79                | -44.95      | -21.69       |

| PERIOD    | RETURN | UNIVERSE<br>RANKING | STD<br>DEV | SHARPE<br>RATIO | ALPHA | BETA | R-SQUARED | INFO<br>RATIO |
|-----------|--------|---------------------|------------|-----------------|-------|------|-----------|---------------|
| ONE YEAR  | -44.98 | 73                  | 32.04      | -1.47           | 10.17 | 1.22 | 97.45     | -0.22         |
| TWO YEARS | -20.12 | 61                  | 26.12      | -0.91           | 5.97  | 1.20 | 96.74     | 0.19          |

*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  
RREEF REIT  
Performance Profile  
Through December 31, 2008**

|                  | ENDED   | RETURN |
|------------------|---------|--------|
| BEST QUARTER     | 9/2008  | 3.77   |
| WORST QUARTER    | 12/2008 | -39.85 |
| BEST 4 QUARTERS  | 12/2007 | -15.69 |
| WORST 4 QUARTERS | 12/2008 | -39.76 |

TOTAL # OF PERIODS: 24  
# OF POSITIVE PERIODS: 11  
# OF NEGATIVE PERIODS: 13

|                | QUARTER<br>TO<br>DATE | ONE<br>YEAR | TWO<br>YEARS |
|----------------|-----------------------|-------------|--------------|
| TOTAL FUND     | -39.85                | -39.76      | -28.73       |
| WILSHIRE REIT  | -39.95                | -39.20      | -29.20       |
| EXCESS         | -1.06                 | -2.22       | 0.00         |
| RISKLESS INDEX | 0.22                  | 2.06        | 3.52         |
| REAL ROR       | -36.90                | -39.38      | -30.00       |

| PERIOD    | RETURN | UNIVERSE<br>RANKING | STD<br>DEV | SHARPE<br>RATIO | ALPHA | BETA | R-SQUARED | INFO<br>RATIO |
|-----------|--------|---------------------|------------|-----------------|-------|------|-----------|---------------|
| ONE YEAR  | -39.76 | 77                  | 43.07      | -0.97           | -4.44 | 0.94 | 99.68     | -0.62         |
| TWO YEARS | -28.73 | 74                  | 33.76      | -0.96           | -1.37 | 0.95 | 99.50     | 0.00          |

*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  
Galliard Fixed Income  
Performance Profile  
Through December 31, 2008**

|                  | ENDED   | RETURN |
|------------------|---------|--------|
| BEST QUARTER     | 12/2008 | 3.07   |
| WORST QUARTER    | 6/2008  | -0.74  |
| BEST 4 QUARTERS  | 12/2007 | 7.35   |
| WORST 4 QUARTERS | 12/2008 | 4.82   |

TOTAL # OF PERIODS: 24  
# OF POSITIVE PERIODS: 16  
# OF NEGATIVE PERIODS: 8

|                   | QUARTER<br>TO<br>DATE | ONE<br>YEAR | TWO<br>YEARS |
|-------------------|-----------------------|-------------|--------------|
| TOTAL FUND        | 3.07                  | 4.82        | 6.08         |
| FIXED INCOME BNCH | 2.50                  | 2.07        | 4.17         |
| EXCESS            | 0.46                  | 2.54        | 1.76         |
| RISKLESS INDEX    | 0.22                  | 2.06        | 3.52         |
| REAL ROR          | 7.09                  | 4.52        | 3.78         |

| PERIOD    | RETURN | UNIVERSE<br>RANKING | STD<br>DEV | SHARPE<br>RATIO | ALPHA | BETA | R-SQUARED | INFO<br>RATIO |
|-----------|--------|---------------------|------------|-----------------|-------|------|-----------|---------------|
| ONE YEAR  | 4.82   | 61                  | 3.95       | 0.70            | 2.63  | 0.60 | 89.09     | 0.90          |
| TWO YEARS | 6.08   | 50                  | 3.34       | 0.77            | 2.03  | 0.64 | 81.26     | 0.80          |

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



**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**Galliard TIPS**  
**Performance Profile**  
**Through December 31, 2008**

|                  | ENDED   | RETURN |
|------------------|---------|--------|
| BEST QUARTER     | 3/2008  | 5.91   |
| WORST QUARTER    | 12/2008 | -5.04  |
| BEST 4 QUARTERS  | 12/2007 | 11.40  |
| WORST 4 QUARTERS | 12/2008 | -2.10  |

TOTAL # OF PERIODS: 24  
# OF POSITIVE PERIODS: 18  
# OF NEGATIVE PERIODS: 6

|                 | QUARTER<br>TO<br>DATE | ONE<br>YEAR | TWO<br>YEARS |
|-----------------|-----------------------|-------------|--------------|
| GALLIARD TIPS   | -5.04                 | -2.10       | 4.43         |
| LB 1-10 YR TIPS | -5.16                 | -2.44       | 4.27         |
| EXCESS          | 0.14                  | 0.38        | 0.17         |
| RISKLESS INDEX  | 0.22                  | 2.06        | 3.52         |
| REAL ROR        | -1.23                 | -2.25       | 2.25         |

| PERIOD    | RETURN | STD<br>DEV | SHARPE<br>RATIO | ALPHA | BETA | R-SQUARED | INFO<br>RATIO |
|-----------|--------|------------|-----------------|-------|------|-----------|---------------|
| ONE YEAR  | -2.10  | 10.71      | -0.39           | 0.50  | 1.03 | 97.42     | 0.22          |
| TWO YEARS | 4.43   | 8.27       | 0.11            | 0.17  | 1.02 | 95.88     | 0.10          |

*The risk benchmark for this analysis is the LB 1-10 Yr TIPS.*

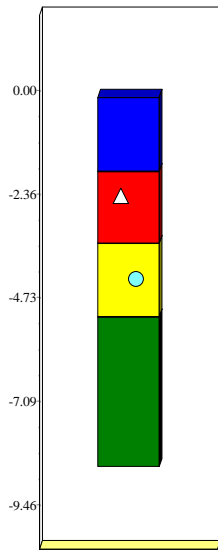


# Palm Tran, Inc./ATU Local 1577 Pension Fund

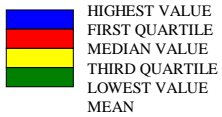
## Total Fund

### Total Fund Within Balanced Aggressive

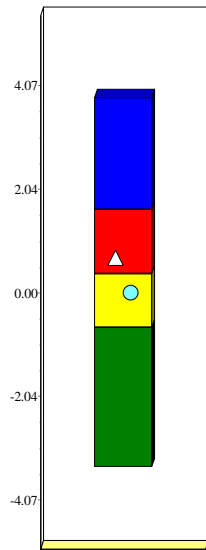
#### December 31, 2005 Through December 31, 2008



**RETURN**

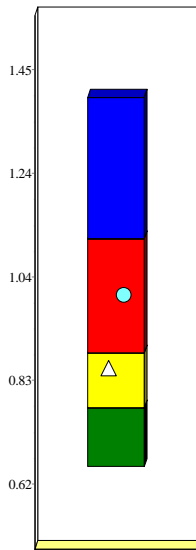


|                   | VALUE | RANK |
|-------------------|-------|------|
| △ TF              | -2.41 | 38   |
| ○ STRATEGIC MODEL | -4.32 | 61   |



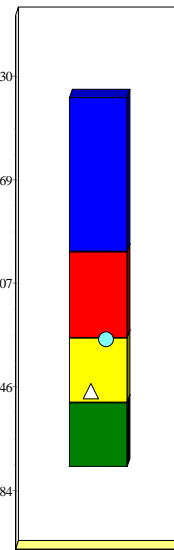
**ALPHA**

|                   | VALUE | RANK |
|-------------------|-------|------|
| △ TF              | 0.69  | 44   |
| ○ STRATEGIC MODEL | 0.00  | 52   |



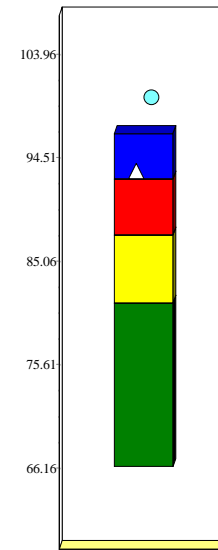
**BETA**

|                   | VALUE | RANK |
|-------------------|-------|------|
| △ TF              | 1.00  | 36   |
| ○ STRATEGIC MODEL | 0.85  | 58   |



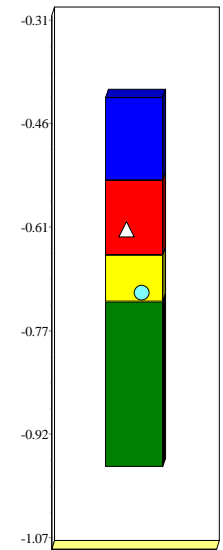
**STD DEV**

|                   | VALUE | RANK |
|-------------------|-------|------|
| △ TF              | 11.66 | 50   |
| ○ STRATEGIC MODEL | 10.35 | 66   |



**R-SQUARED**

|                   | VALUE  | RANK |
|-------------------|--------|------|
| △ TF              | 93.26  | 19   |
| ○ STRATEGIC MODEL | 100.00 | 1    |



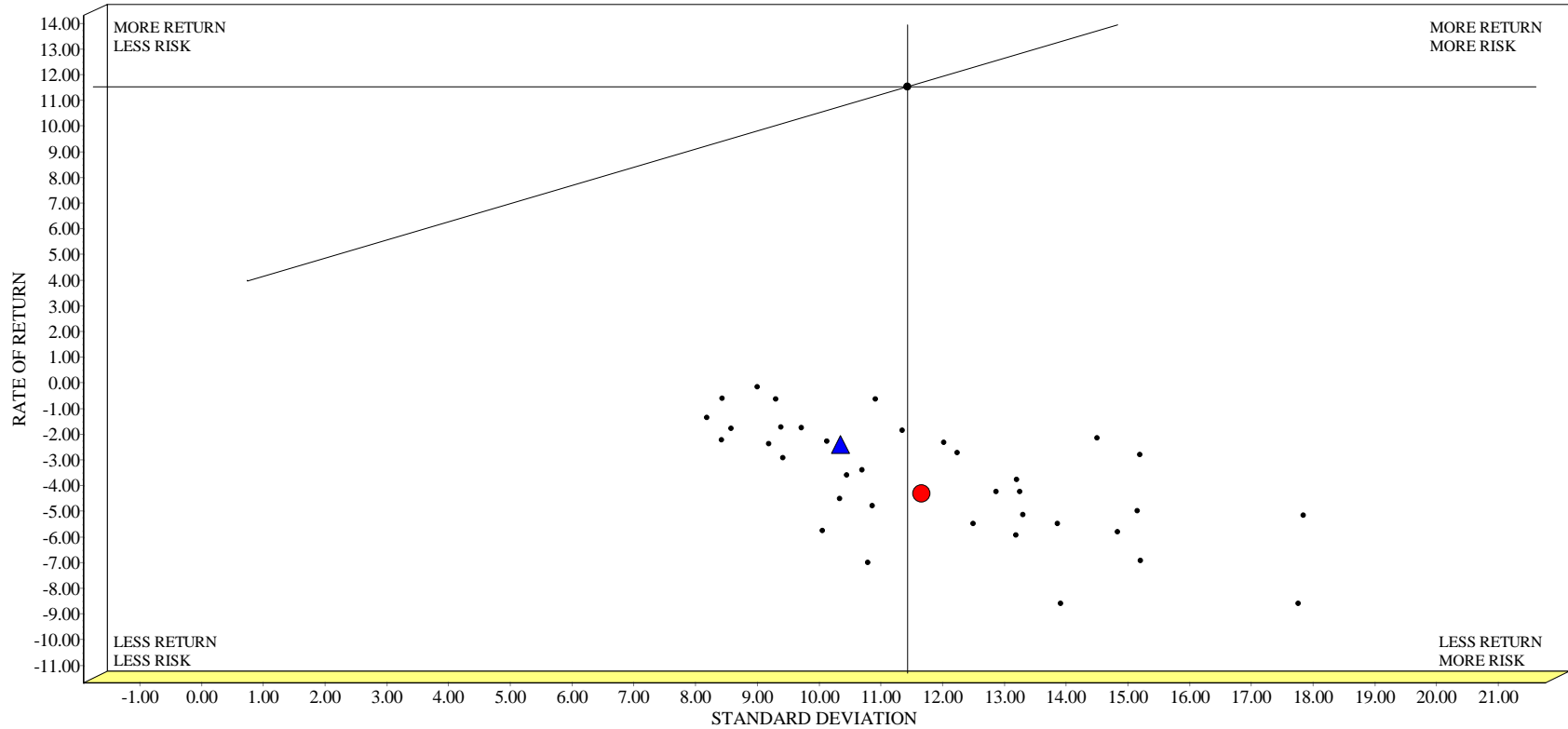
**SHARPE RATIO**

|                   | VALUE | RANK |
|-------------------|-------|------|
| △ TF              | -0.62 | 38   |
| ○ STRATEGIC MODEL | -0.71 | 69   |

The risk benchmark for this analysis is the Strategic Model.



**Palm Tran, Inc./ATU Local 1577 Pension Fund  
Total Fund  
Risk Versus Reward Analysis - 3 Yr.  
December 31, 2005 Through December 31, 2008**

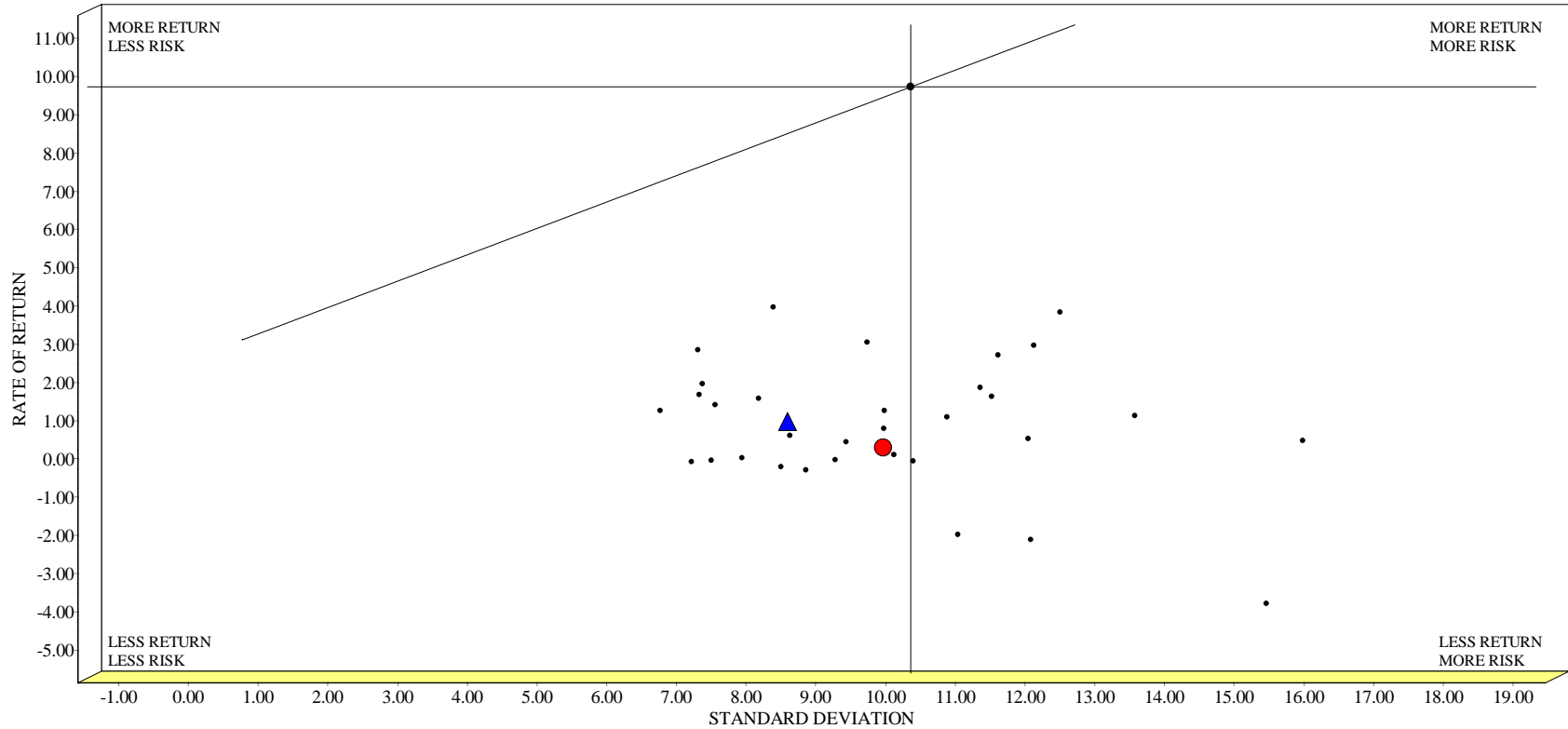


|                   | RETURN | STD DEV | ALPHA | BETA  | R-SQUARED |
|-------------------|--------|---------|-------|-------|-----------|
| ▲ TOTAL FUND      | -2.41  | 10.35   | -1.13 | -0.60 | 51.60     |
| ● STRATEGIC MODEL | -4.32  | 11.66   | -1.93 | -0.73 | 59.48     |

*The risk benchmark for this analysis is the Lehman Bros Treasury-Long Term.  
The comparative universe is comprised of Balanced Aggressive.*



**Palm Tran, Inc./ATU Local 1577 Pension Fund  
Total Fund  
Risk Versus Reward Analysis - 5 Yr.  
December 31, 2003 Through December 31, 2008**



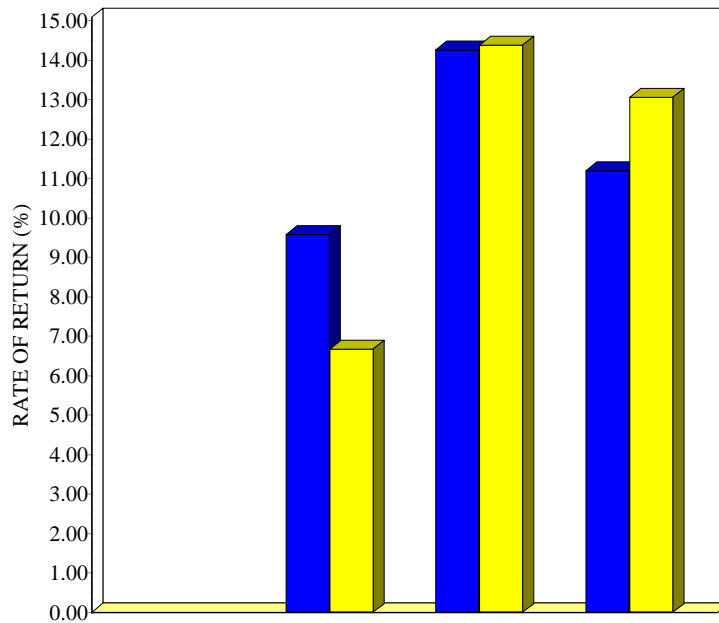
|                   | RETURN | STD DEV | ALPHA | BETA  | R-SQUARED |
|-------------------|--------|---------|-------|-------|-----------|
| ▲ TOTAL FUND      | 0.98   | 8.59    | 1.32  | -0.44 | 32.61     |
| ● STRATEGIC MODEL | 0.29   | 9.96    | 1.35  | -0.53 | 33.78     |

*The risk benchmark for this analysis is the Lehman Bros Treasury-Long Term.  
The comparative universe is comprised of Balanced Aggressive.*



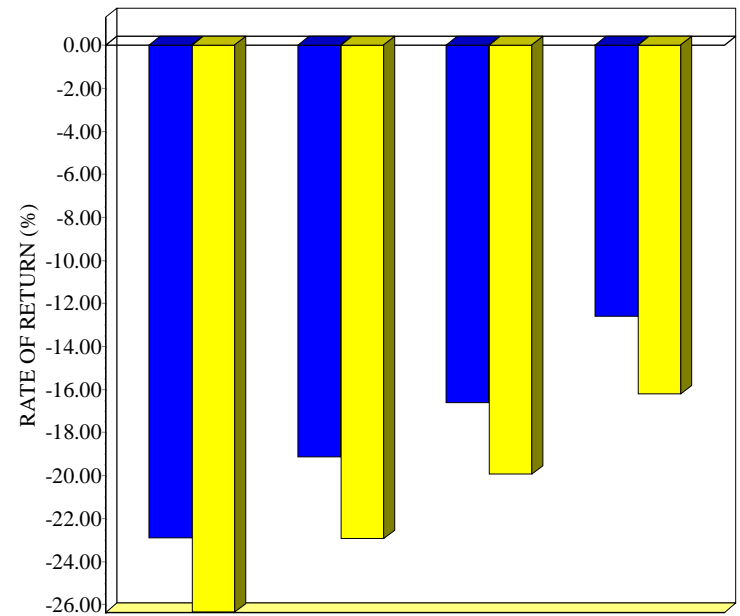
**Palm Tran, Inc./ATU Local 1577 Pension Fund  
Performance in Rising and Declining Markets  
As Compared to the Benchmark  
December 31, 2003 Through December 31, 2008**

UP MARKET PERFORMANCE



|                 | ONE YEAR | TWO YEARS | THREE YEARS | FIVE YEARS |
|-----------------|----------|-----------|-------------|------------|
| TOTAL FUND      | N/A      | 9.57      | 14.26       | 11.20      |
| STRATEGIC MODEL | N/A      | 6.68      | 14.37       | 13.06      |
| DIFFERENCE      | N/A      | 2.90      | -0.12       | -1.86      |
| RATIO           | N/A      | 1.43      | 0.99        | 0.86       |
| UP PERIODS      | 0        | 3         | 6           | 12         |

DOWN MARKET PERFORMANCE



|                 | ONE YEAR | TWO YEARS | THREE YEARS | FIVE YEARS |
|-----------------|----------|-----------|-------------|------------|
| TOTAL FUND      | -22.92   | -19.17    | -16.64      | -12.62     |
| STRATEGIC MODEL | -26.38   | -22.95    | -19.95      | -16.22     |
| DIFFERENCE      | 3.46     | 3.78      | 3.31        | 3.60       |
| RATIO           | 0.87     | 0.84      | 0.83        | 0.78       |
| DOWN PERIODS    | 4        | 5         | 6           | 8          |



## **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).

-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.

-TREYNOR RATIO- A measure of reward per unit of risk. (excess return divided by beta)

-UP-MARKET CAPTURE RATIO- Ratio that illustrates how a manager performed relative to the market during rising market periods; the higher the ratio, the better the manager performed (i.e., a ratio of 110 implies the manager performed 10% better than the market).



## **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.

