

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

**INVESTMENT PERFORMANCE  
PERIOD ENDING  
DECEMBER 31, 2009**

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 ©**

**January 2010**

**A Slow Recovery**

**Burgess B. Chambers**

Last year's impressive stock market recovery signaled economic growth in the U.S. for 2010. Unfortunately, most of the current economic policies have so far had little impact on boosting economic activity. It was only a year ago that experts were discussing how far down the economy would contract. But today's debate centers around how much growth we will see in 2010. Sentiment has clearly improved. The stock market represents investor knowledge and expectations. The information pipeline is nearly infinite and operates today with a speed never seen in history.

Most past recessions were brought on by Federal Reserve money tightening and tax policy. The economy would respond favorably to any policy shift towards increased credit, reduced short-term interest rates or tax-based subsidies. Today's recovery will be different, since the root cause of the recession was excessive private debt. What is now clear is that businesses and households are shedding debt, while the U.S. Government issues it. This "crowding out" of capital will restrain the economic growth rate. The national debt ceiling was recently raised another \$2 trillion to \$14 trillion. Fiscal tax policy is needed to counterbalance the lack of private capital formation. Current conditions shine light on a slow recovery.

China is the largest foreign holder of U.S. Government debt and will soon replace Japan as the second largest economy. With the growing imbalance of trade and investment, the U.S. has become China's largest export partner. With the exception of aircraft and agriculture, U.S. prosperity suffers from this trend. Accordingly, tax based investment incentives are needed to counter this economic head wind. Tax policy must reach back to the 1970's and offer accelerated depreciation and credits to a wide range of businesses to stimulate investment and economic activity.

#### **Positive Factors:**

- Anticipated business tax credits will further investment
- Stricter environmental regulations will stimulate investment in plant and equipment
- Investment into energy saving technologies is considered part of national security
- Low dollar stimulates exports and foreign investment in the U.S.
- Anticipated business tax credits will further durable goods purchases
- Lending will improve as bank capital begins to rise
- Inflation is subdued
- Adjustable mortgage rates will remain low
- Low bond yields make equities more attractive

#### **Negative Factors:**

- Continued high unemployment
- Reduced consumer spending
- Tight credit
- Rising healthcare costs
- Rising Federal debt
- High foreclosure rate
- Foreign competition
- Declining education



**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**Total Fund**  
**Investment Summary**  
**December 31, 2009**

- o During the quarter, the Fund earned \$1.7 million or +3.8% net.
- o For the 12-month period, the Fund earned \$7.9 million or +21.2% net. All equity managers beat their respective benchmarks by a significant margin for the year. Galliards bonds trailed the benchmark (+8.0% vs. +12.0%), but beat the Barclay's Aggregate return (+5.9%). Fund results while excellent, trailed the benchmark (+21.6% vs. +26.0%), due to an under-weight among equities, which was consistent with a somewhat defensive posture in 2009.
- o The rebalancing to the investment policy target allocation was completed in December, January, and February 2010.

	<b>12/07/09</b>			<b>New</b>		<b>Monthly</b>
	<b>MV</b>	<b>Alloc</b>	<b>New MV</b>	<b>Alloc</b>	<b>Difference</b>	<b>Transfers</b>
<b>C.S. McKee-LCCV</b>	5,752,654	12.8%	6,737,806	15.0%	985,152	328,384
<b>i-Shrs R1000G-LCCG</b>	6,821,695	15.2%	6,737,806	15.0%	-83,889	-27,963
<b>Lotsoff-MC</b>	6,769,461	15.1%	6,737,806	15.0%	-31,655	-10,552
<b>Fisher-Int'l</b>	5,459,134	12.2%	6,737,806	15.0%	1,278,672	426,224
					-	
<b>Galliard-Fixed Income</b>	16,570,279	36.9%	14,416,539	32.1%	2,153,740	-717,913
<b>Galliard-TIPS</b>	2,240,476	5.0%	2,245,935	5.0%	5,459	1,820
<b>RREEF-REIT</b>	1,304,608	2.9%	1,304,608	2.9%	0	0
<b>Salem-ETF Cash</b>	400	0.0%	400	0.0%	0	0
<b>TOTAL</b>	<b>44,918,707</b>	<b>100.0%</b>	<b>44,918,707</b>	<b>100.0%</b>	<b>0</b>	<b>0</b>

Compliance:

- 1) LCM's mid-cap product did achieve its benchmark for the rolling three-year period, but the peer ranking was below the 40<sup>th</sup> percentile. Given the strong returns in 2009 (top 1<sup>st</sup> percentile), BCA recommends no action.
- 2) The RREEF REIT product achieved its benchmark for the three-year period, but its ranking was below the 40<sup>th</sup> percentile. Given the product's favorable risk and value-added (Alpha) profile, BCA recommends no action.



**Palm Tran, Inc./ATU Local 1577 Pension Fund  
Total Fund  
Investment Performance  
December 31, 2009**

Dollars

	<u>Quarter</u>	<u>One Year</u>
<b>Beginning Market Value</b>	43,854,954	36,498,911
<b>Ending Market Value</b>	45,441,106	45,441,106
<b>Net Contributions</b>	-63,994	+1,029,234
<b>Investment Gain/(Loss)</b>	+1,650,147	+7,912,961
<b>Investment Return, Net</b>	+3.8%	+21.2%
<b>Strategic Model</b>	+4.3%	+26.0%
<b><i>Value Added (pts.)</i></b>	-0.5	-4.8

Fiscal Year: January 1st – December 31st



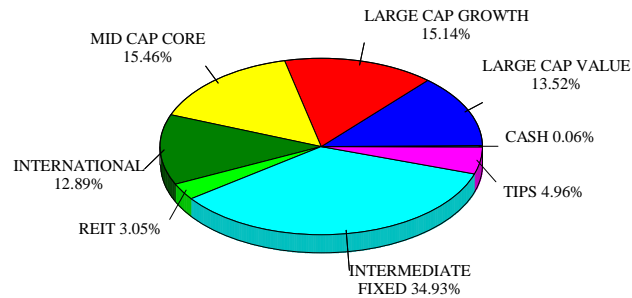
**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**Total Fund**  
**Compliance Checklist**  
**December 31, 2009**

	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.	<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input 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"/>

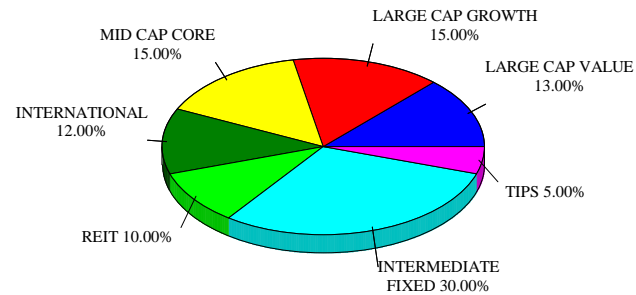


**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**ATU 1577**  
**Actual vs. Target Asset Allocation**  
**December 31, 2009**

**ACTUAL ASSET ALLOCATION**



**TARGET ASSET ALLOCATION**

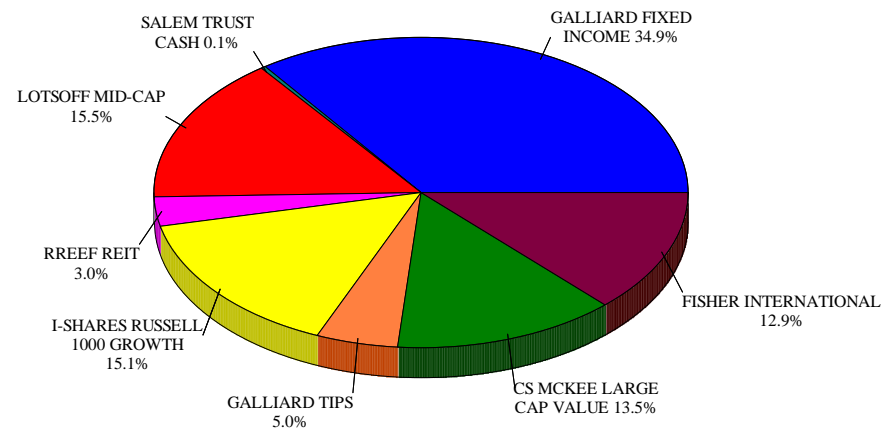


	MARKET VALUE ACTUAL	PERCENT ACTUAL	MARKET VALUE TARGET	PERCENT TARGET	MARKET VALUE DIFFERENCE	PERCENT DIFFERENCE
LARGE CAP VALUE	6,144,178.4	13.5%	5,907,343.8	13.0%	236,834.5	0.5%
LARGE CAP GROWTH	6,880,596.1	15.1%	6,816,165.9	15.0%	64,430.2	0.1%
MID CAP CORE	7,023,491.2	15.5%	6,816,165.9	15.0%	207,325.2	0.5%
INTERNATIONAL	5,855,967.2	12.9%	5,452,932.8	12.0%	403,034.4	0.9%
REIT	1,384,142.9	3.0%	4,544,110.6	10.0%	(3,159,967.8)	(7.0%)
INTERMEDIATE FIXED	15,872,976.5	34.9%	13,632,331.9	30.0%	2,240,644.6	4.9%
TIPS	2,251,950.1	5.0%	2,272,055.3	5.0%	(20,105.2)	0.0%
CASH	27,804.1	0.1%	0.0	0.0%	27,804.1	0.1%
<b>TOTAL FUND</b>	<b>\$45,441,106.3</b>	<b>100.0%</b>	<b>\$45,441,106.3</b>	<b>100.0%</b>	<b>\$0.0</b>	<b>0.0%</b>



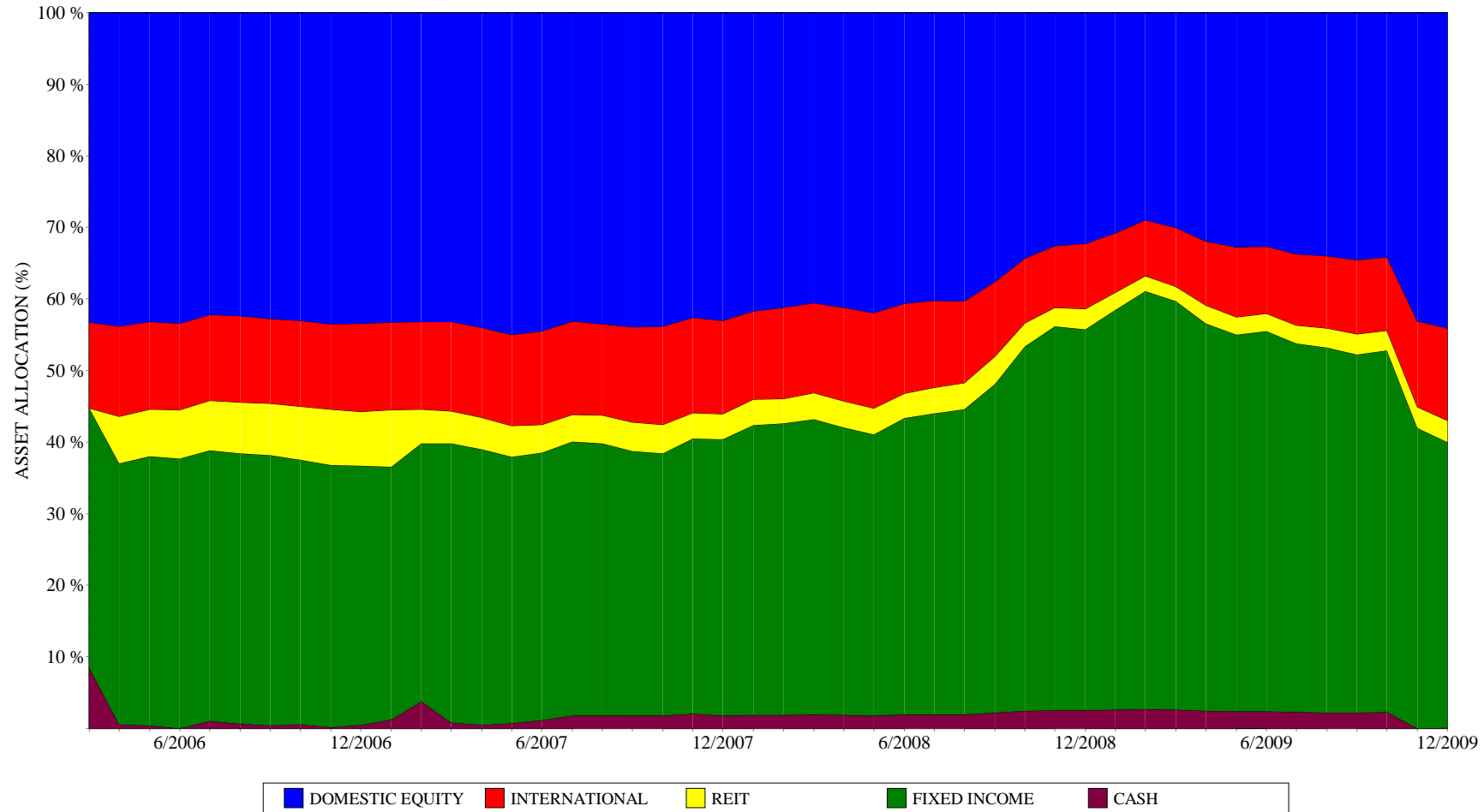
**Palm Tran, Inc./Atu Local 1577 Pension Fund**  
**Atu 1577**  
**Asset Allocation**

TOTAL MARKET VALUE  
AS OF DECEMBER 31, 2009  
\$ 45,441,106



	VALUE	PERCENT
GALLIARD FIXED INCOME	15,872,976	34.93
LOTSOFF MID-CAP	7,023,491	15.46
I-SHARES RUSSELL 1000 GROWTH	6,880,596	15.14
CS MCKEE LARGE CAP VALUE	6,144,178	13.52
FISHER INTERNATIONAL	5,855,967	12.89
GALLIARD TIPS	2,251,950	4.96
RREEF REIT	1,384,143	3.05
SALEM TRUST CASH	27,804	0.05

**Palm Tran, Inc./Atu Local 1577 Pension Fund**  
**Atu 1577**  
**Allocation Of Assets**  
**March 31, 2006 Through December 31, 2009**





**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**ATU 1577**  
**December 31, 2009**  
**Gross of Fees**

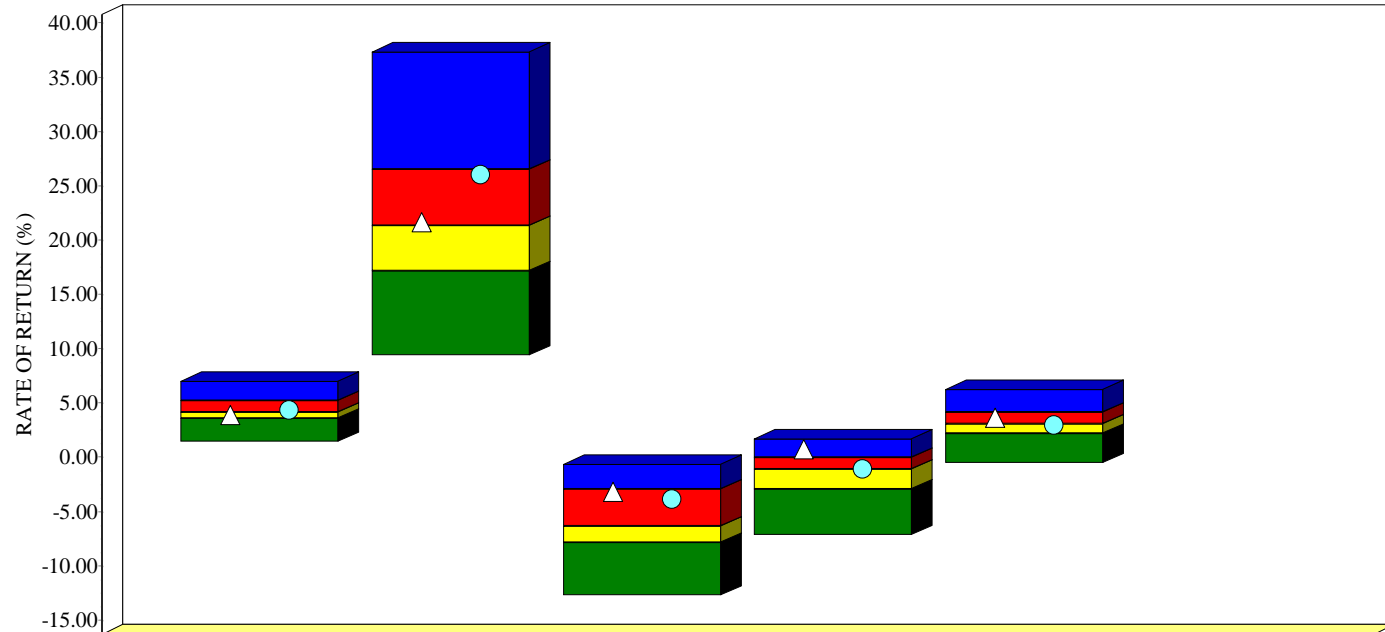
Name	Market Values	QTR ROR	1 Year ROR	2 Year ROR	3 Year ROR	5 Year ROR
CS McKee Large Cap Value	6,144,178	5.9%	23.4%	-10.7%	-5.3%	N/A
i-Shares Russell 1000 Growth	6,880,596	8.3%	37.2%	-7.8%	-1.9%	N/A
Lotsoff Mid-Cap	7,023,491	7.2%	55.9%	-9.8%	-3.3%	N/A
<b>Total Domestic Equity</b>	<b>20,048,266</b>	<b>7.1%</b>	<b>38.7%</b>	<b>-9.4%</b>	<b>-3.5%</b>	<b>N/A</b>
<u>International</u>						
Fisher International	5,855,967	3.4%	40.6%	-12.0%	-3.5%	N/A
<b>Total Equity</b>	<b>25,904,233</b>	<b>6.3%</b>	<b>39.1%</b>	<b>-10.0%</b>	<b>-3.5%</b>	<b>N/A</b>
<u>Real Estate</u>						
RREEF REIT	1,384,143	9.5%	31.5%	-11.0%	-12.6%	N/A
<u>Fixed Income</u>						
Galliard Fixed Income	15,872,976	0.5%	8.0%	6.4%	6.7%	N/A
Galliard TIPS	2,251,950	2.3%	11.4%	4.5%	6.7%	N/A
<b>Total Fixed Income</b>	<b>18,124,927</b>	<b>0.7%</b>	<b>8.4%</b>	<b>6.2%</b>	<b>6.7%</b>	<b>N/A</b>
<u>Cash</u>						
Salem Trust Cash	27,804	0.0%	0.1%	0.7%	N/A	N/A
<b>TOTAL: (1, 2)</b>	<b>45,441,106</b>	<b>3.9%</b>	<b>21.6%</b>	<b>-3.2%</b>	<b>0.7%</b>	<b>3.6%</b>
Strategic Model		4.3%	26.0%	-3.9%	-1.1%	2.9%
Russell 1000 Value		4.2%	19.7%	-13.1%	-9.0%	-0.3%
Russell 1000 Growth		7.9%	37.2%	-8.1%	-1.9%	1.6%
MSCI Mid Cap 450		6.6%	40.5%	-9.6%	-4.6%	2.4%
MSCI Gross EAFE		2.2%	32.5%	-13.2%	-5.6%	4.0%
Wilshire REIT		9.2%	28.6%	-11.6%	-13.6%	0.0%
Fixed Income Bnch		1.0%	12.0%	6.9%	6.7%	5.5%
BC 1-10 Yr TIPS		2.1%	12.0%	4.5%	6.8%	4.8%
ML 3M TBill		0.0%	0.2%	1.1%	2.4%	3.0%








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.

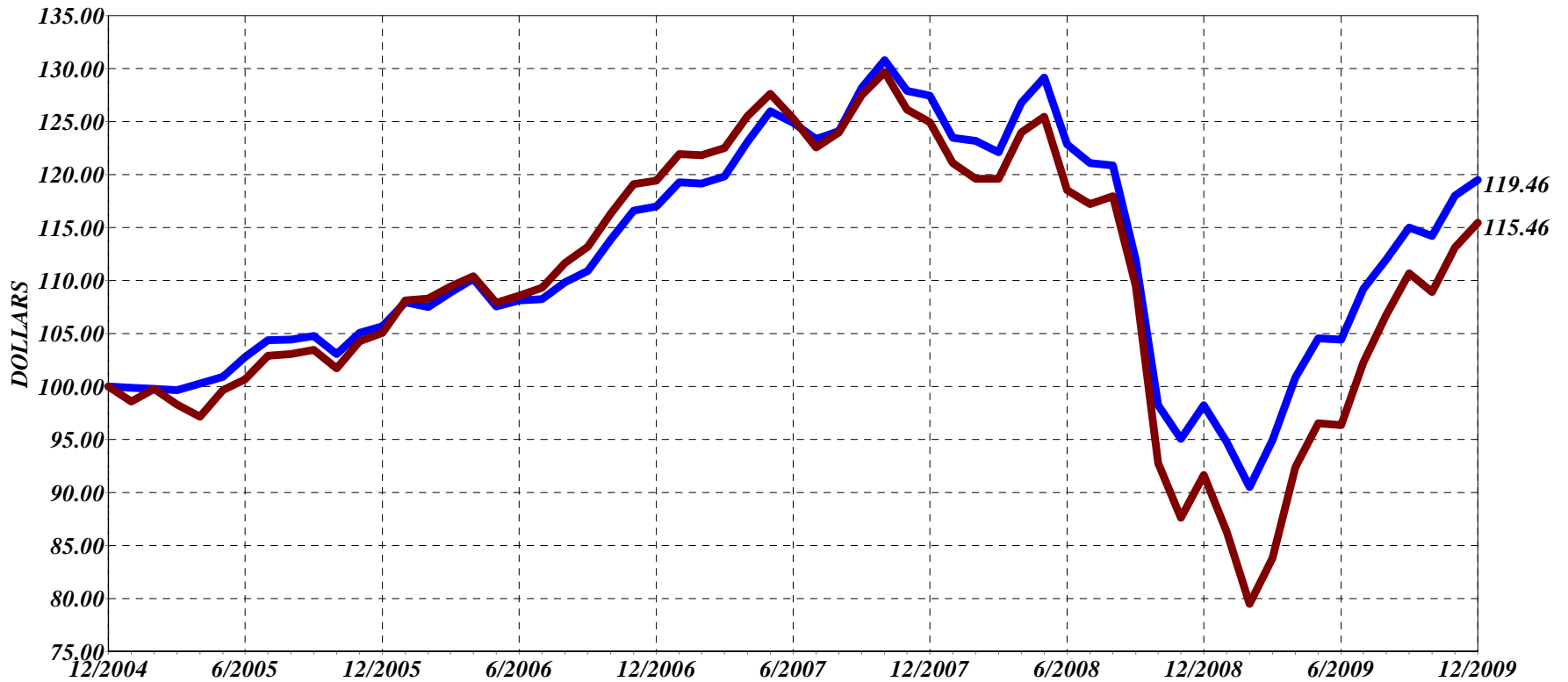


**Palm Tran, Inc./Atu Local 1577 Pension Fund**  
**Atu 1577**  
**Total Fund Versus Balanced Aggressive**  
**December 31, 2004 Through December 31, 2009**



	LATEST QUARTER		ONE YEAR		TWO YEARS		THREE YEARS		FIVE YEARS	
 HIGHEST VALUE	6.97		37.33		-0.66		1.65		6.25	
 FIRST QUARTILE	5.23		26.52		-2.93		-0.05		4.12	
 MEDIAN VALUE	4.12		21.32		-6.38		-1.10		3.06	
 THIRD QUARTILE	3.59		17.14		-7.89		-2.97		2.16	
 LOWEST VALUE	1.41		9.40		-12.76		-7.21		-0.51	
MEAN	4.28		21.98		-5.68		-1.59		2.98	
MEMBERS	35		35		35		34		26	
	LATEST QUARTER		ONE YEAR		TWO YEARS		THREE YEARS		FIVE YEARS	
	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK	RETURN	RANK
 TF	3.86	60	21.62	48	-3.18	28	0.71	20	3.62	34
 STRATEGIC MODEL	4.34	48	25.97	25	-3.88	40	-1.13	50	2.92	53

**Palm Tran, Inc./Atu Local 1577 Pension Fund  
Atu 1577  
Growth Of A Dollar Analysis  
December 31, 2004 Through December 31, 2009**



	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS
TF	3.86	21.62	0.71	3.62
STRATEGIC MODEL	4.34	25.97	-1.13	2.92



**Palm Tran, Inc./ATU Local 1577 Pension Fund  
CS McKee Large Cap Value  
Performance Profile  
Through December 31, 2009**

	ENDED	RETURN
BEST QUARTER	6/2009	16.31
WORST QUARTER	12/2008	-21.27
BEST 4 QUARTERS	12/2009	23.43
WORST 4 QUARTERS	12/2008	-35.34

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

	QUARTER TO DATE	ONE YEAR	TWO YEARS	THREE YEARS
CS MCKEE LARGE CAP VALU	5.94	23.43	-10.66	-5.35
RUSSELL 1000 VALUE	4.22	19.69	-13.06	-8.96
EXCESS	1.73	3.74	2.40	3.61
RISKLESS INDEX	0.04	0.21	1.13	2.40
REAL ROR	5.12	18.89	-12.33	-7.79

PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	23.43	65	23.09	1.01	4.69	0.90	98.35	0.61
TWO YEARS	-10.66	68	23.73	-0.50	1.74	0.94	97.03	0.54
THREE YEARS	-5.35	62	20.11	-0.39	3.07	0.94	96.85	0.96

*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, 2009**

	ENDED	RETURN
BEST QUARTER	6/2009	17.02
WORST QUARTER	12/2008	-23.29
BEST 4 QUARTERS	12/2009	37.20
WORST 4 QUARTERS	12/2008	-38.10

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

	QUARTER TO DATE	ONE YEAR	TWO YEARS	THREE YEARS
TOTAL FUND	8.30	37.20	-7.85	-1.89
RUSSELL 1000 GROWTH	7.94	37.21	-8.09	-1.89
EXCESS	0.36	-0.01	0.24	0.00
RISKLESS INDEX	0.04	0.21	1.13	2.40
REAL ROR	7.46	32.23	-9.51	-4.38

PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	37.20	33	17.75	2.08	-0.43	1.01	99.71	0.03
TWO YEARS	-7.85	42	23.16	-0.39	0.28	1.00	99.80	0.26
THREE YEARS	-1.89	55	19.74	-0.22	0.00	1.00	99.73	-0.01

*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, 2009**

	ENDED	RETURN
BEST QUARTER	6/2009	30.08
WORST QUARTER	12/2008	-28.05
BEST 4 QUARTERS	12/2009	55.89
WORST 4 QUARTERS	12/2008	-47.76

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

	QUARTER TO DATE	ONE YEAR	TWO YEARS	THREE YEARS
TOTAL FUND	7.20	55.89	-9.76	-3.26
MSCI MID CAP 450	6.64	40.49	-9.58	-4.60
EXCESS	0.55	15.40	-0.18	1.34
RISKLESS INDEX	0.04	0.21	1.13	2.40
REAL ROR	6.36	50.23	-11.34	-5.69

PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	55.89	1	28.72	1.94	4.56	1.20	96.08	1.68
TWO YEARS	-9.76	70	34.25	-0.32	3.00	1.19	96.94	0.17
THREE YEARS	-3.26	62	28.98	-0.20	3.55	1.19	96.85	0.37

*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, 2009**

	ENDED	RETURN
BEST QUARTER	6/2009	26.57
WORST QUARTER	9/2008	-23.72
BEST 4 QUARTERS	12/2009	40.64
WORST 4 QUARTERS	12/2008	-44.98

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

	QUARTER TO DATE	ONE YEAR	TWO YEARS	THREE YEARS
TOTAL FUND	3.45	40.64	-12.03	-3.54
MSCI GROSS EAFE	2.22	32.46	-13.15	-5.57
EXCESS	1.22	8.18	1.12	2.03
RISKLESS INDEX	0.04	0.21	1.13	2.40
REAL ROR	2.63	35.47	-13.64	-6.00

PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	40.64	18	28.64	1.41	2.78	1.14	96.39	1.12
TWO YEARS	-12.03	53	33.13	-0.40	4.74	1.17	97.32	0.37
THREE YEARS	-3.54	42	28.09	-0.21	4.18	1.17	96.82	0.49

*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, 2009**

	ENDED	RETURN
BEST QUARTER	9/2009	32.51
WORST QUARTER	12/2008	-39.85
BEST 4 QUARTERS	12/2009	31.49
WORST 4 QUARTERS	12/2008	-39.76

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

	QUARTER TO DATE	ONE YEAR	TWO YEARS	THREE YEARS
TOTAL FUND	9.54	31.49	-11.00	-12.59
WILSHIRE REIT	9.15	28.63	-11.56	-13.61
EXCESS	0.39	2.86	0.57	1.02
RISKLESS INDEX	0.04	0.21	1.13	2.40
REAL ROR	8.69	26.55	-12.41	-14.73

PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	31.49	41	46.19	0.68	2.76	0.96	99.56	0.40
TWO YEARS	-11.00	67	46.03	-0.26	-0.42	0.96	99.58	-0.12
THREE YEARS	-12.59	67	39.36	-0.38	0.20	0.96	99.53	0.15

*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, 2009**

	ENDED	RETURN
BEST QUARTER	9/2009	3.21
WORST QUARTER	6/2008	-0.74
BEST 4 QUARTERS	12/2009	7.99
WORST 4 QUARTERS	12/2008	4.82

TOTAL # OF PERIODS: 36  
# OF POSITIVE PERIODS: 26  
# OF NEGATIVE PERIODS: 10

	QUARTER TO DATE	ONE YEAR	TWO YEARS	THREE YEARS
TOTAL FUND	0.52	7.99	6.40	6.71
FIXED INCOME BNCH	1.00	12.04	6.94	6.73
EXCESS	-0.48	-4.04	-0.54	-0.02
RISKLESS INDEX	0.04	0.21	1.13	2.40
REAL ROR	-0.27	4.08	4.30	3.88

PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	7.99	53	2.61	2.99	-0.68	0.73	64.92	-2.13
TWO YEARS	6.40	35	3.37	1.56	1.70	0.60	81.29	-0.24
THREE YEARS	6.71	31	3.13	1.38	1.47	0.64	77.74	-0.04

*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 TIPS  
Performance Profile  
Through December 31, 2009**

	ENDED	RETURN
BEST QUARTER	3/2008	5.91
WORST QUARTER	12/2008	-5.04
BEST 4 QUARTERS	12/2009	11.45
WORST 4 QUARTERS	12/2008	-2.10

TOTAL # OF PERIODS: 36  
# OF POSITIVE PERIODS: 26  
# OF NEGATIVE PERIODS: 10

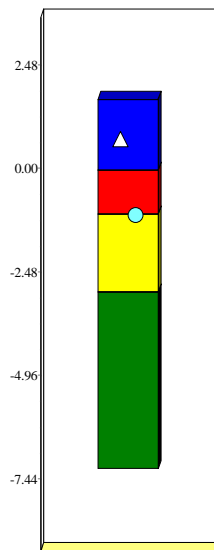
	QUARTER TO DATE	ONE YEAR	TWO YEARS	THREE YEARS
GALLIARD TIPS	2.27	11.45	4.45	6.72
BC 1-10 YR TIPS	2.15	12.04	4.55	6.79
EXCESS	0.12	-0.59	-0.09	-0.07
RISKLESS INDEX	0.04	0.21	1.13	2.40
REAL ROR	1.46	7.42	2.47	3.94

PERIOD	RETURN	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	11.45	5.52	2.03	0.42	0.91	99.50	-0.87
TWO YEARS	4.45	8.71	0.38	-0.06	0.99	97.74	-0.07
THREE YEARS	6.72	7.52	0.57	-0.02	0.99	96.48	-0.05

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

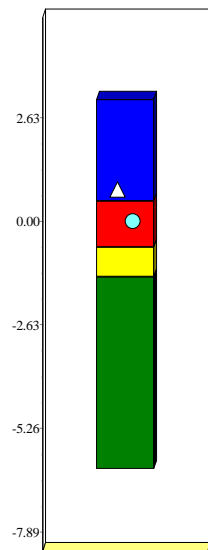


**Palm Tran, Inc./Atu Local 1577 Pension Fund  
Atu 1577  
Total Fund Within Balanced Aggressive  
December 31, 2006 Through December 31, 2009**



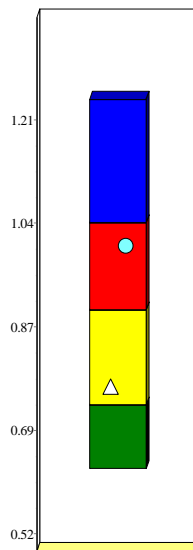
**RETURN**  
 HIGHEST VALUE 1.65  
 FIRST QUARTILE -0.05  
 MEDIAN VALUE -1.10  
 THIRD QUARTILE -2.97  
 LOWEST VALUE -7.21  
 MEAN -1.59

	VALUE	RANK
△ TF	0.71	20
● STRATEGIC MODEL	-1.13	50



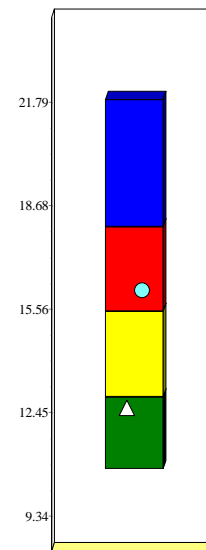
**ALPHA**  
 HIGHEST VALUE 3.10  
 FIRST QUARTILE 0.51  
 MEDIAN VALUE -0.66  
 THIRD QUARTILE -1.41  
 LOWEST VALUE -6.30  
 MEAN -0.75

	VALUE	RANK
△ TF	0.80	19
● STRATEGIC MODEL	0.00	32



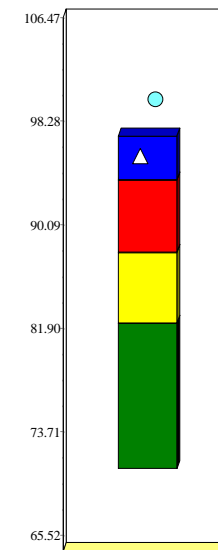
**BETA**  
 HIGHEST VALUE 1.25  
 FIRST QUARTILE 1.04  
 MEDIAN VALUE 0.89  
 THIRD QUARTILE 0.73  
 LOWEST VALUE 0.63  
 MEAN 0.90

	VALUE	RANK
△ TF	0.77	67
● STRATEGIC MODEL	1.04	29



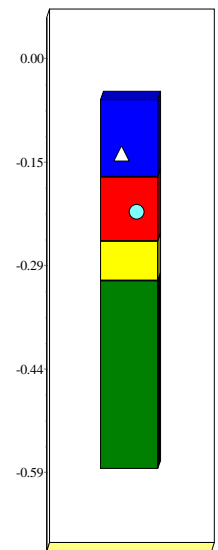
**STD DEV**  
 HIGHEST VALUE 21.87  
 FIRST QUARTILE 18.04  
 MEDIAN VALUE 15.49  
 THIRD QUARTILE 12.92  
 LOWEST VALUE 10.75  
 MEAN 15.55

	VALUE	RANK
△ TF	12.60	80
● STRATEGIC MODEL	16.12	45



**R-SQUARED**  
 HIGHEST VALUE 97.09  
 FIRST QUARTILE 93.59  
 MEDIAN VALUE 87.85  
 THIRD QUARTILE 82.27  
 LOWEST VALUE 70.75  
 MEAN 87.07

	VALUE	RANK
△ TF	95.50	12
● STRATEGIC MODEL	100.00	1



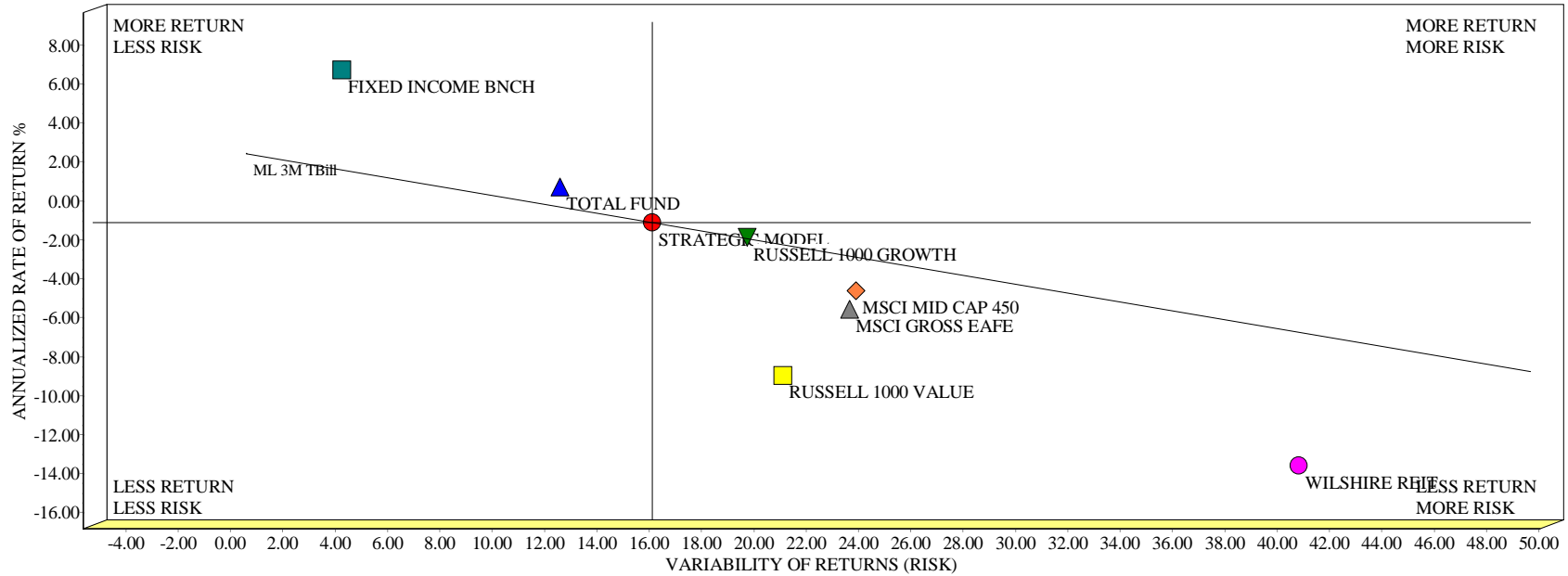
**SHARPE RATIO**  
 HIGHEST VALUE -0.06  
 FIRST QUARTILE -0.17  
 MEDIAN VALUE -0.26  
 THIRD QUARTILE -0.32  
 LOWEST VALUE -0.58  
 MEAN -0.25

	VALUE	RANK
△ TF	-0.13	19
● STRATEGIC MODEL	-0.22	38

The risk benchmark for this analysis is the Strategic Model.

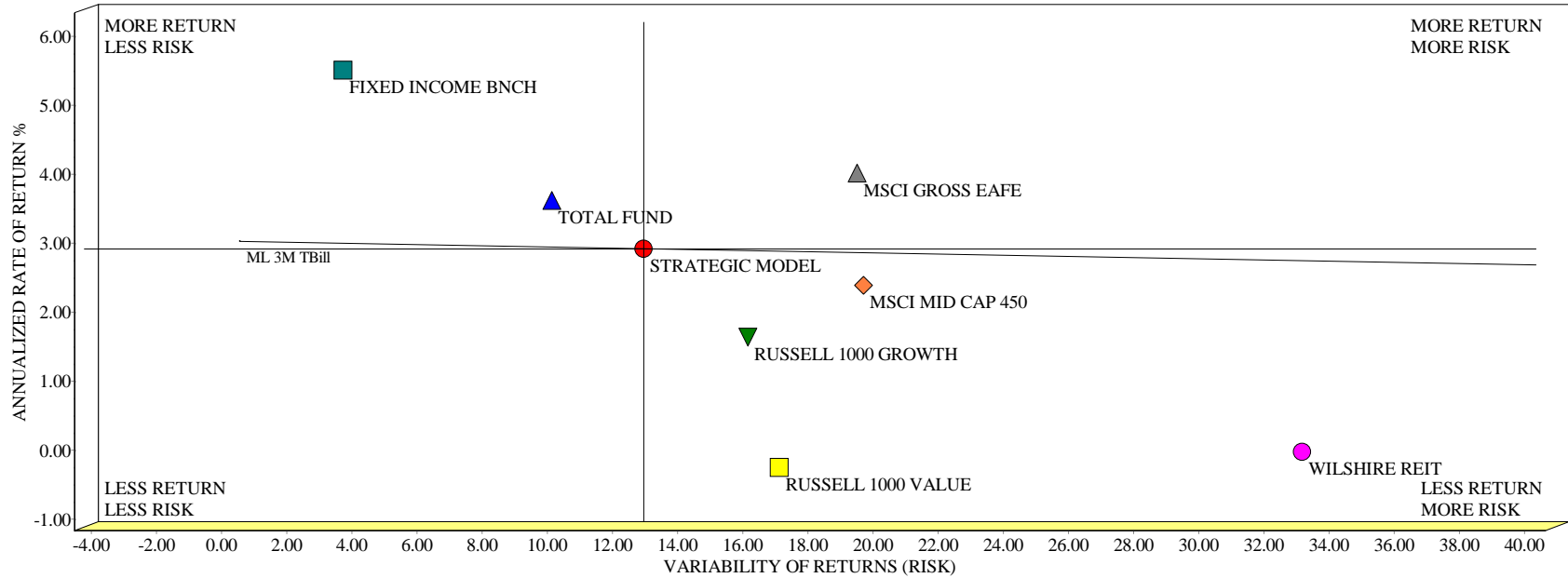


**PALM TRAN, INC./ATU LOCAL 1577 PENSION FUND**  
**ATU 1577**  
**CAPITAL MARKET LINE**  
**DECEMBER 31, 2006 THROUGH DECEMBER 31, 2009**



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	0.71	12.60	0.77	0.80	95.50
● STRATEGIC MODEL	-1.13	16.12	1.00	0.00	100.00
■ RUSSELL 1000 VALUE	-8.96	21.10	1.00	0.00	100.00
▼ RUSSELL 1000 GROWTH	-1.89	19.73	1.00	0.00	100.00
◆ MSCI MID CAP 450	-4.60	23.91	1.00	0.00	100.00
▲ MSCI GROSS EAFE	-5.57	23.65	1.00	0.00	100.00
● WILSHIRE REIT	-13.61	40.84	1.00	0.00	100.00
■ FIXED INCOME BNCH	6.73	4.26	1.00	0.00	100.00

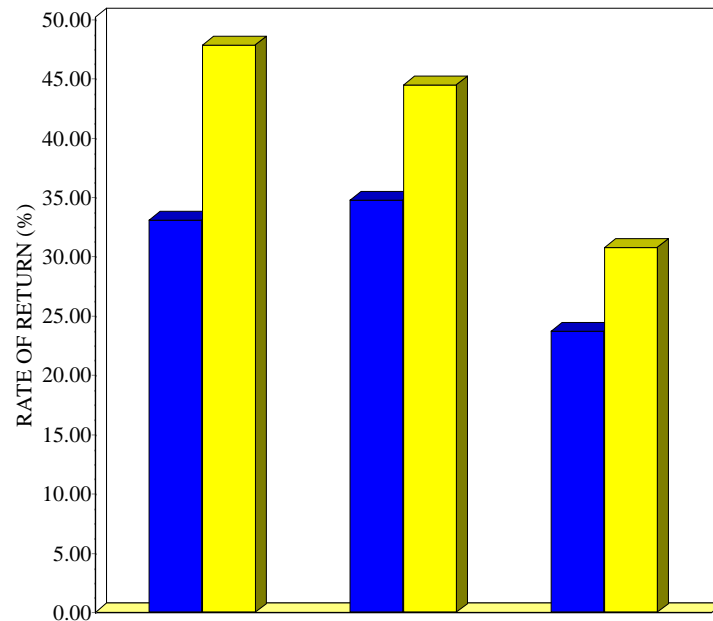
**PALM TRAN, INC./ATU LOCAL 1577 PENSION FUND**  
**ATU 1577**  
**CAPITAL MARKET LINE**  
**DECEMBER 31, 2004 THROUGH DECEMBER 31, 2009**



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	3.62	10.13	0.76	0.53	93.78
● STRATEGIC MODEL	2.92	12.96	1.00	0.00	100.00
■ RUSSELL 1000 VALUE	-0.25	17.12	1.00	0.00	100.00
▼ RUSSELL 1000 GROWTH	1.63	16.17	1.00	0.00	100.00
◆ MSCI MID CAP 450	2.39	19.71	1.00	0.00	100.00
▲ MSCI GROSS EAFE	4.02	19.51	1.00	0.00	100.00
● WILSHIRE REIT	-0.03	33.18	1.00	0.00	100.00
■ FIXED INCOME BNCH	5.51	3.74	1.00	0.00	100.00

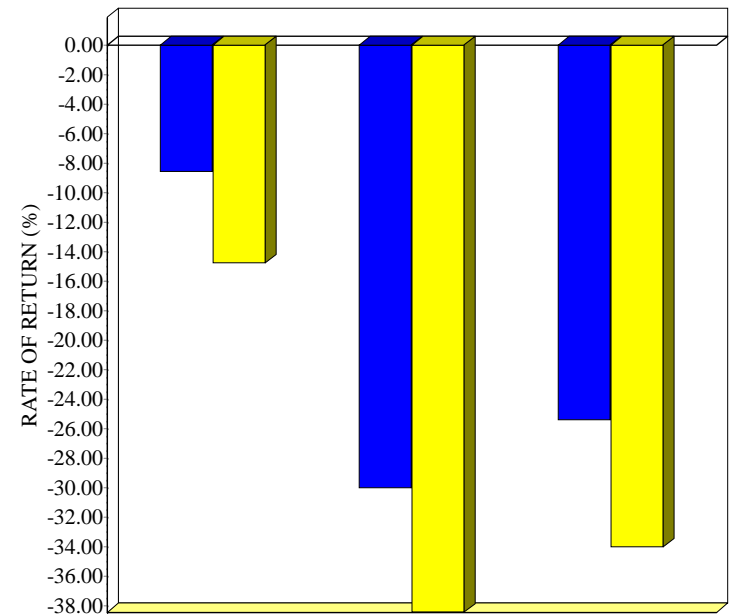
**Palm Tran, Inc./Atu Local 1577 Pension Fund  
Performance In Rising And Declining Markets  
As Compared To The Benchmark  
December 31, 2004 Through December 31, 2009**

UP MARKET PERFORMANCE



	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	33.09	34.79	23.69
STRATEGIC MODEL	47.82	44.50	30.77
DIFFERENCE	-14.73	-9.70	-7.08
RATIO	0.69	0.78	0.77
UP PERIODS	8	20	39

DOWN MARKET PERFORMANCE



	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	-8.62	-30.05	-25.42
STRATEGIC MODEL	-14.78	-38.47	-34.04
DIFFERENCE	6.17	8.42	8.62
RATIO	0.58	0.78	0.75
DOWN PERIODS	4	16	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.

