

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

**INVESTMENT PERFORMANCE  
PERIOD ENDING  
SEPTEMBER 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 © October 2010**

#### **Is it Inflation or Deflation?**

There is no shortage of data to evaluate the prospects for inflation or deflation. Economists, scholars, bankers, journalists and politicians issue opinions and forecasts that have offered little constructive guidance.

During most of the past three years, a period now described as the great recession, the consensus has consistently projected rising inflation and tighter monetary policy as a result of extraordinary deficits and government spending. As is often the case, the consensus has been proven wrong. Instead of interest rates rising in the second half of 2010, as most Wall Street firms and economists predicted in 2009, the opposite has occurred. In fact, the Federal Reserve is buying long-term bonds to keep yields down and is maintaining a low short-term interest rate policy. With the exception of rising commodity prices, (e.g. metals, energy, food) consumer prices have fallen during the past three years, as you might expect during a period of falling aggregate demand.

With the Federal Reserve concerned about the absence of employment growth, it is witnessing another looming problem – deflation. The evidence is found in recent Senate testimony by the FDIC that as many as 850 U.S. banks may fail in the next 24 months. This is because the underlying collateral of troubled banks has fallen in value in recent years, which is deflation of commercial and residential properties. The Federal Reserve is attempting to ignite a new phase of inflation, which requires an increase in aggregate demand of labor, materials, food, energy and pricing power.

#### **Labor**

The global economy allows labor costs to compete across borders. During the 1970's, rising labor costs in the U.S. were a significant factor in the high inflation rate. Today, manufacturers and service companies operate where labor costs are lower. Automation remains a significant competitor to labor.

#### **Materials**

As the cost of steel and aluminum rises, engineers change designs to reduce input costs. In order to manage its cost of materials, China has entered into long-term supply contracts for coal, iron-ore, aluminum and petro-chemicals; along with generous capital investment terms. This is exactly what Japan did during its economic boom (1970 – 1990).

**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**Total Fund**  
**BCA Market Perspective ©**  
**(Continued)**

**Food**

Demand for proteins and carbohydrates, during the past five years, is the result of a growing middle class among the developing countries. Accordingly, this category has been a cost inflator. As Brazil has expanded its food exports to meet the growing world demand for food, the U.S. farmers are finding higher profits growing cotton and corn. But tax credits encourage corn-based ethanol, not food exports.

**Energy**

In real dollar terms, the cost of oil, gas and coal has not increased since the 1970's. Electricity is generated primarily from coal, nuclear, hydro and natural gas. Transportation costs are highly correlated to the price of oil, but improving efficiencies have reduced real costs. In 1980, it was predicted that world oil supplies would be exhausted by 2012. Technology continues to uncover new prospects throughout the world. In fact, the recently publicized BP discovery in the Gulf of Mexico may be one of the largest in the U.S. since Prudhoe Bay in 1967. Barring a major disruption of oil supplies, energy costs will not be a cost inflator for the foreseeable future.

**Pricing Power**

The ability of companies to raise prices is pricing power. As global competition has grown, real prices for products and services have fallen, with the exception of non-generic drugs and complex military hardware. In the U.S., apparel retailers sell low cost imports. The prices for home entertainment devices and computers decline each quarter. While a falling dollar value might cause concern, both importers and exporters use forward exchange rates contracts to manage this uncertainty.

**Prospects**

Recent monetary and fiscal stimulus among the major central banks has been historic in magnitude. But unlike the many inflationary and several deflationary periods of the past, the macro environment today has set in motion a possible prolonged period of low to modest inflation. Inflation will be more pronounced in the developing and emerging markets where aggregate demand is still more localized. In the developed world, (e.g. U.S., Japan, Europe) non-food inflation will be well below the 50-year trend.

Investment yield is attractive during periods of low inflation. This is true since the real buying power of current income is preserved. However, the current bond yield among the highest quality issuers is very low. In fact, not since the 1950's have stock dividend yields been so attractive relative to bond yields. In addition, lower bond yields mean more favorable borrowing costs and a stronger balance sheet – a good formula for future stock performance.



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

**Total Fund**

- Strong equity performance in September enabled the Fund to earn an impressive \$4.1 million (+9.2% net) and rank in the top 45th percentile. The strongest returns were observed among international (+18.4%) and domestic small to mid-sized companies. The publicly traded REIT account was among the best performing category, earning +13.3%.
- For the fiscal year-to-date period (9 months), the Fund earned +6.2% net, and ranked in the 29th percentile. The high ranking is associated with asset allocation and managers achieving their respective benchmarks. However, the strategic benchmark marginally better (+7.2%), due to its higher weighting in real estate and better bond returns experienced with the index.
- For the rolling 12-month period, the Fund earned \$4.5 million or +10.2% net. Although these results did not achieve the benchmark, performance ranked in the top 35th percentile. The difference was due to the under-weight among equities and the resultant over-weight in fixed-income. It should be noted that during the three and four-year periods, results were superior to the benchmark and ranked in the top 23rd percentile, respectively.
- In reviewing the four-year track records, each manager has beaten its benchmark, with the exception of the bond manager. With an exceptional ranking of top 23rd percentile, the combination of asset allocation and managers selection has proven to be successful.

**Asset Allocation**

- BCA recommends bringing each asset class in line with the policy targets.
- BCA recommends introducing a 10% allocation to convertibles.

**Managers**

- C. S. McKee has managed the large-cap domestic equity portion since December 2005. The one, three and four-year rolling returns are superior to the benchmark. The risk (beta) and value added (alpha) profiles remain favorable. Three-year results fell short of the 40th percentile ranking, but four-year results are top 46th. Due to the cyclical nature of performance, BCA recommends no action.



**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**Total Fund**  
**Investment Summary**  
**September 30, 2010**  
**(Continued)**

- The i-Shares Russell large-cap growth product is a passive allocation that replicates the index. It has experienced a low tracking error and reduced operating costs. It earned +12.8% for the 12-month period. It is noteworthy that the three-year ranking was in the top 45th percentile.
- Lotsoff has managed the mid-cap mandate since January 2006. Performance was similar to the MSCI Mid Cap 450 benchmark until year 2008. Results trailed the benchmark during the 3Q08-1Q09 period, but then sharply rebounded recently, beating the benchmark during five of the past six quarters. The one, three and four-year rolling returns are superior to the benchmark. While the three-year ranking is in the bottom 68th percentile, the one and two-year results are top 10th and 1st percentiles, respectively. With improving performance and the cyclical nature of the firm's performance, BCA recommends no action.
- Fisher has managed the international equity portion since January 2006. Under the leadership of Ken Fisher, the firm buys companies in both developed and emerging market countries. Results have been superior to the EAFE benchmark for all periods, and notably during the past quarter (+18.4% vs. +16.5%) and 12-months (+5.1% vs. +3.7%). Rankings are below the objective for the three-year period, since the better ranked firms have owned a higher weighting in the better performing emerging markets sector. Since 2009, Fischer has increased its exposure to emerging markets and experienced better relative performance. Recently the firm has offered clients additional emerging markets exposure through a separate product. BCA recommends adding additional emerging markets exposure.
- RREEF has managed the REIT portion since April 2006. The one, three and four-year results have been superior to the benchmark. The three-year rank was average. Both the risk and return profiles are favorable. The better performing members of the peer group were more diversified in allowing non-real estate investments. BCA recommends no action, given the fact that this firm is following a specific mandate.
- Galliard has been on board since January 2006. The firm manages both a core fixed-income and treasury inflation protected securities (TIPS) for the Fund. Results have narrowly missed the benchmark for the three and four-year periods, but the 40th percentile objective was achieved in both periods. The risk and value added profiles remain favorable. The better performing members of the peer group have maintained a higher exposure to credits, in particular those issues below investment grade. Given the high quality focus of this manager, BCA recommends no action.



**Palm Tran, Inc./ATU Local 1577 Pension Fund  
Total Fund  
Investment Performance  
September 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>	45,058,350	45,441,106	43,854,954
<b>Ending Market Value</b>	48,460,718	48,460,718	48,460,718
<b>Net Contributions</b>	-724,184	+177,008	+118,354
<b>Investment Gain/(Loss)</b>	+4,126,552	+2,842,604	+4,487,410
<b>Investment Return, Net</b>	+9.2%	+6.2%	+10.2%
<b>Strategic Model</b>	+9.5%	+7.2%	+11.8%
<b>Value Added (pts.)</b>	-0.3	-1.0	-1.6

Fiscal Year: January 1st – December 31st



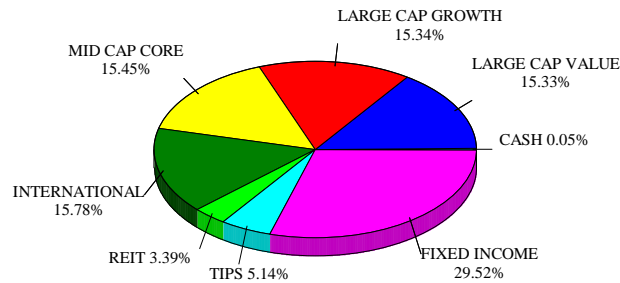
**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**Total Fund**  
**Compliance Checklist**  
**September 30, 2010**

	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 TIPS performance achieved the Barclays 1-10 TIPS over the three-year rolling 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"/>
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"/>

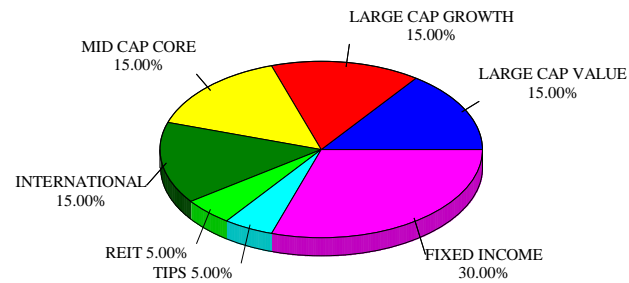


**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**ATU 1577**  
**Actual vs. Target Asset Allocation**  
**September 30, 2010**

**ACTUAL ASSET ALLOCATION**



**TARGET ASSET ALLOCATION**



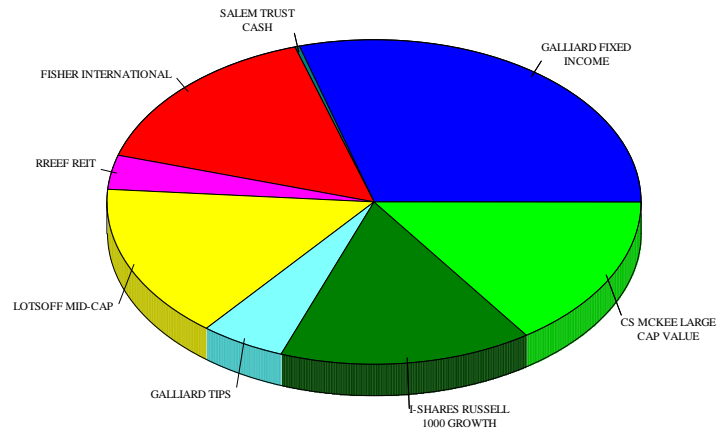
	MARKET VALUE ACTUAL	PERCENT ACTUAL	MARKET VALUE TARGET	PERCENT TARGET	MARKET VALUE DIFFERENCE	PERCENT DIFFERENCE
LARGE CAP VALUE	7,429,073.7	15.3%	7,269,107.7	15.0%	159,966.0	0.3%
LARGE CAP GROWTH	7,431,646.5	15.3%	7,269,107.7	15.0%	162,538.8	0.3%
MID CAP CORE	7,486,979.1	15.4%	7,269,107.7	15.0%	217,871.4	0.4%
INTERNATIONAL	7,647,621.4	15.8%	7,269,107.7	15.0%	378,513.7	0.8%
REIT	1,645,149.8	3.4%	2,423,035.9	5.0%	(777,886.1)	(1.6%)
TIPS	2,491,471.3	5.1%	2,423,035.9	5.0%	68,435.4	0.1%
FIXED INCOME	14,303,502.5	29.5%	14,538,215.4	30.0%	(234,712.9)	(0.5%)
CASH	25,273.6	0.1%	0.0	0.0%	25,273.6	0.1%
<b>TOTAL FUND</b>	<b>\$48,460,717.9</b>	<b>100.0%</b>	<b>\$48,460,717.9</b>	<b>100.0%</b>	<b>\$0.0</b>	<b>0.0%</b>





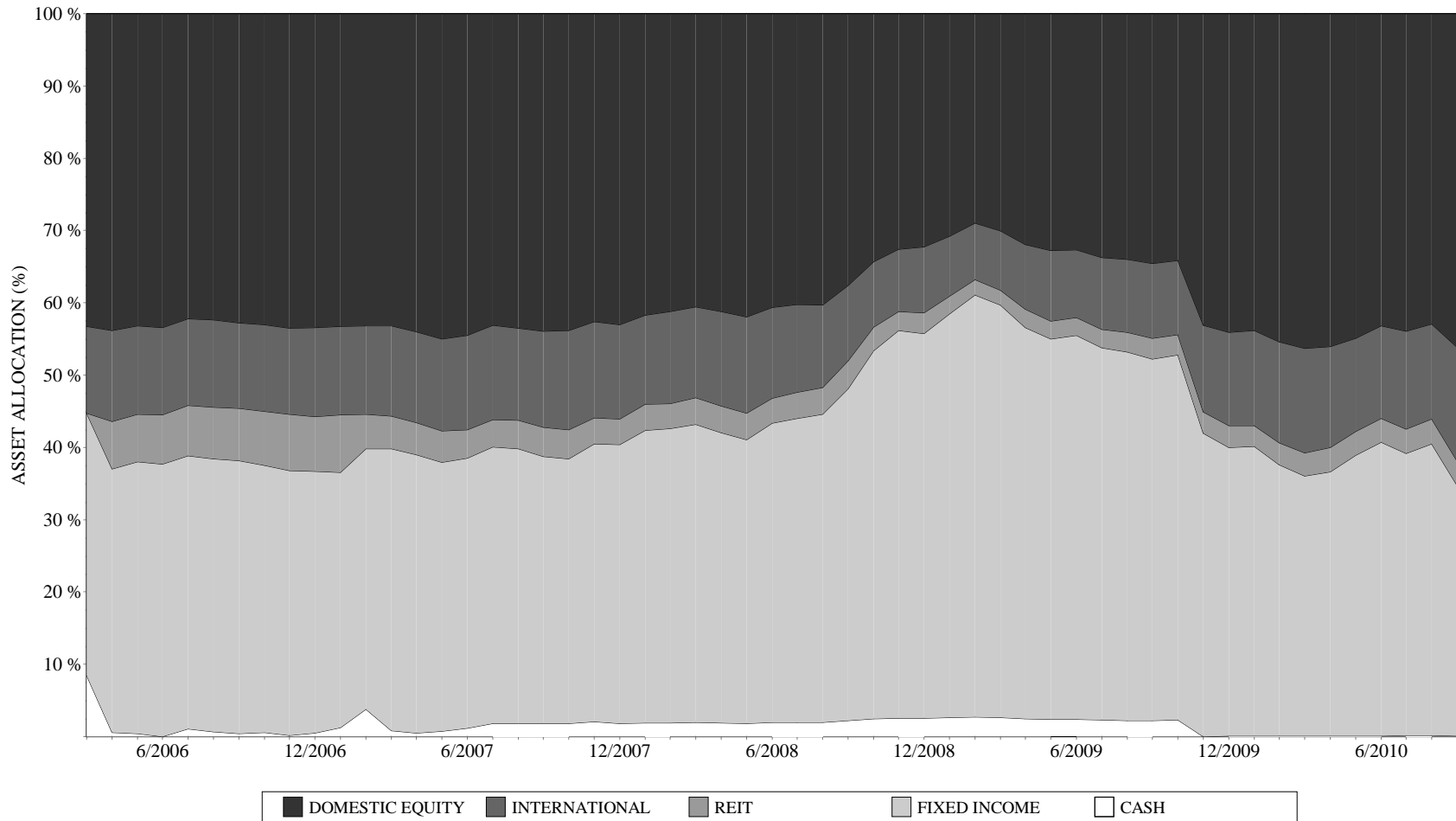
**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**ATU 1577**  
**Asset Allocation**

TOTAL MARKET VALUE  
AS OF SEPTEMBER 30, 2010  
\$ 48,460,718



	VALUE	PERCENT
GALLIARD FIXED INCOME	14,303,503	29.52
FISHER INTERNATIONAL	7,647,621	15.78
LOTSOFF MID-CAP	7,486,979	15.45
I-SHARES RUSSELL 1000 GROWTH	7,431,647	15.34
CS MCKEE LARGE CAP VALUE	7,429,074	15.33
GALLIARD TIPS	2,491,471	5.14
RREEF REIT	1,645,150	3.39
SALEM TRUST CASH	25,274	0.05

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



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

Name	Market Values	QTR ROR	FYTD ROR	1 Year ROR	3 Year ROR	4 Year ROR	5 Year ROR
<u>Domestic Equity</u>							
CS McKee Large Cap Value	7,429,074	11.6%	4.5%	10.7%	-6.7%	-1.1%	N/A
i-Shares Russell 1000 Growth	7,431,647	12.9%	4.2%	12.8%	-4.4%	1.0%	N/A
Lotsoff Mid-Cap	7,486,979	13.3%	10.2%	18.2%	-4.3%	2.0%	N/A
<b>Total Domestic Equity</b>	<b>22,347,699</b>	<b>12.6%</b>	<b>6.3%</b>	<b>13.9%</b>	<b>-5.1%</b>	<b>0.7%</b>	<b>N/A</b>
<u>International</u>							
Fisher International	7,647,621	18.4%	1.6%	5.1%	-8.5%	0.0%	N/A
<b>Total Equity</b>	<b>29,995,321</b>	<b>13.9%</b>	<b>5.3%</b>	<b>11.9%</b>	<b>-5.9%</b>	<b>0.5%</b>	<b>N/A</b>
<u>Real Estate</u>							
RREEF REIT	1,645,150	13.3%	19.5%	30.9%	-6.2%	-2.9%	N/A
<u>Fixed Income</u>							
Galliard TIPS	2,491,471	2.0%	5.0%	7.4%	6.3%	6.1%	N/A
Galliard Fixed Income	14,303,503	2.3%	7.4%	8.0%	7.8%	7.2%	N/A
<b>Total Fixed Income</b>	<b>16,794,974</b>	<b>2.3%</b>	<b>7.1%</b>	<b>7.9%</b>	<b>7.6%</b>	<b>7.1%</b>	<b>N/A</b>
<u>Cash</u>							
Salem Trust Cash	25,274	0.0%	0.0%	0.0%	0.9%	N/A	N/A
<b>TOTAL: (1, 2, 3)</b>	<b>48,460,718</b>	<b>9.3%</b>	<b>6.6%</b>	<b>10.7%</b>	<b>-0.2%</b>	<b>3.5%</b>	<b>4.0%</b>
Strategic Model		9.5%	7.2%	11.8%	-1.0%	2.3%	3.8%
Russell 1000 Value		10.1%	4.5%	8.9%	-9.4%	-3.9%	-0.5%
Russell 1000 Growth		13.0%	4.4%	12.7%	-4.4%	1.1%	2.1%
MSCI Mid Cap 450		13.0%	10.6%	18.0%	-4.4%	0.8%	2.4%
Int'l Bnch		16.5%	1.5%	3.7%	-9.1%	-1.5%	2.4%
MSCI AC Wrld X US		16.7%	4.1%	8.0%	-7.0%	1.3%	4.7%
Wilshire REIT		13.3%	19.2%	30.1%	-6.9%	-4.4%	1.4%
BC 1-10 Yr TIPS		1.9%	5.1%	7.4%	6.4%	6.1%	5.4%
Fixed Income Bnch		2.5%	7.9%	9.0%	8.2%	7.4%	6.7%
ML 3M TBill		0.0%	0.1%	0.1%	1.1%	2.1%	2.6%

1 Strategic Model (IPS hybrid benchmark objective): Since Oct'10 is 30% Russell 100 + 15% MSCI Mid-Cap + 15% MSCI AC World ex US + 5% 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



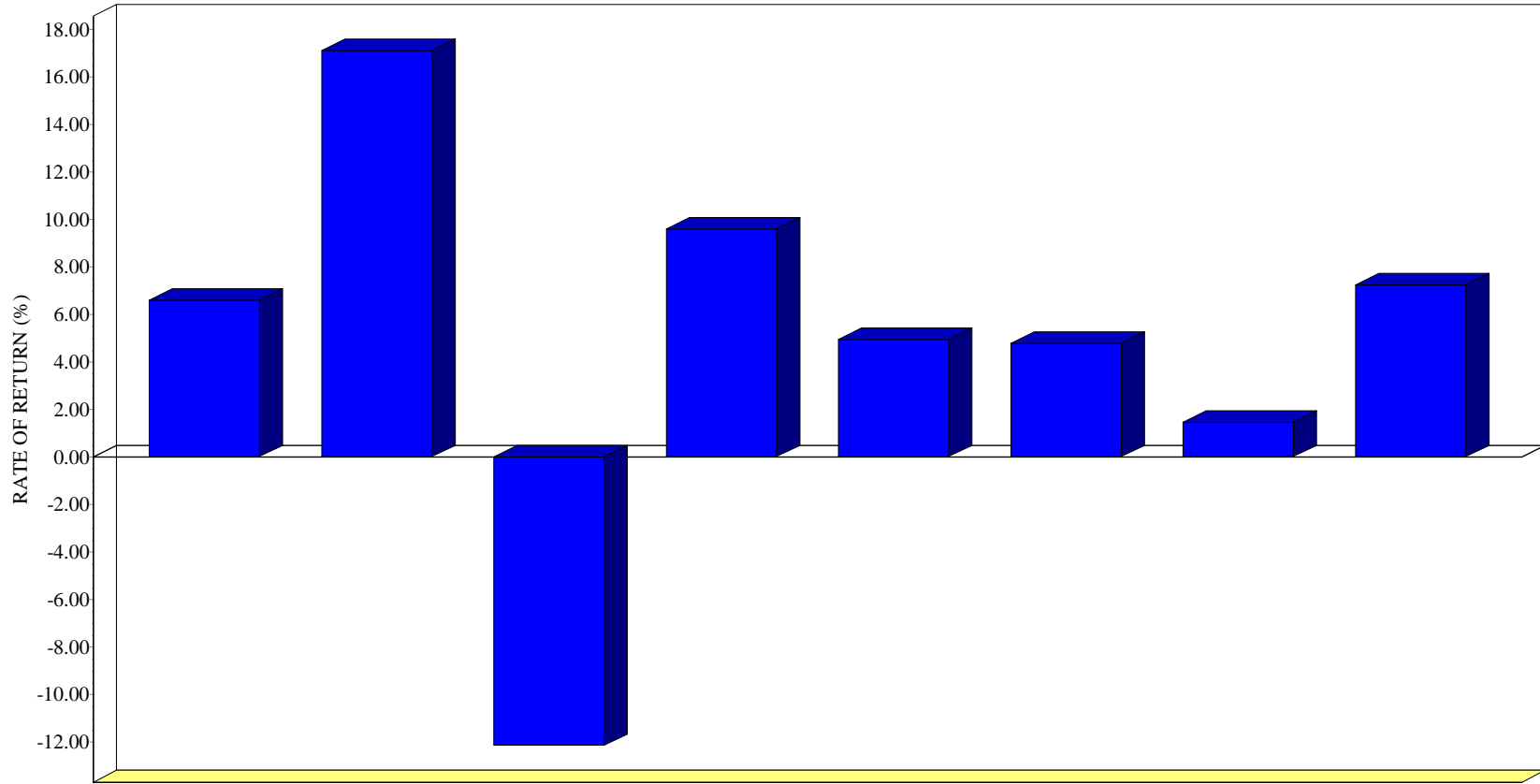
**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**ATU 1577**  
**September 30, 2010**  
**Gross of Fees**

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 Int'l Bnch: From Oct'10 is 100% MSCI AC Wrld X US; prior was MSCI EAFE.

3 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.

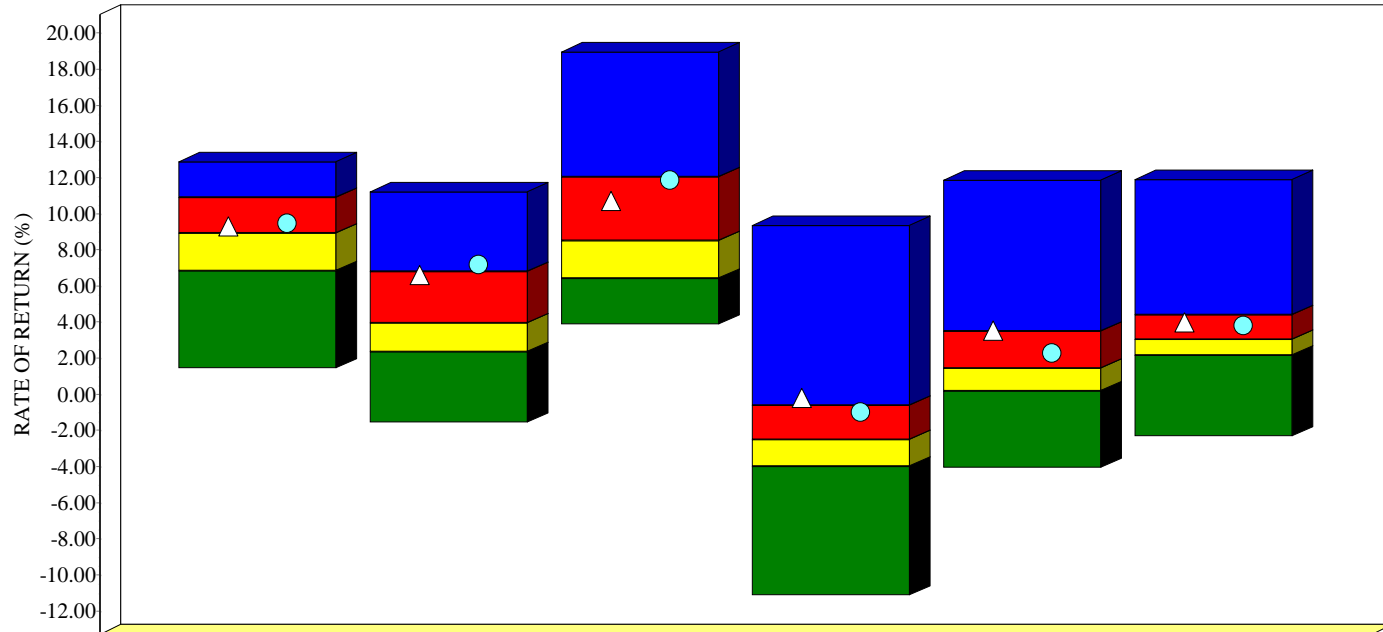
**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**ATU 1577**  
**Fiscal Year Rates of Return**  
**December 31, 2002 Through September 30, 2010**










	FYTD 2010	2009	2008	2007	2006	2005	2004	2003
■ TF	6.59	17.10	-12.18	9.57	4.95	4.78	1.44	7.22



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



	LATEST QUARTER		FISCAL YTD		ONE YEAR		THREE YEARS		FOUR YEARS		FIVE YEARS	
 HIGHEST VALUE		12.85		11.21		18.96		9.33		11.84		11.87
 FIRST QUARTILE		10.91		6.80		12.02		-0.61		3.49		4.40
 MEDIAN VALUE		8.93		3.95		8.49		-2.53		1.43		3.03
 THIRD QUARTILE		6.83		2.34		6.43		-4.01		0.16		2.16
 LOWEST VALUE		1.44		-1.56		3.86		-11.16		-4.07		-2.33
MEAN		8.79		4.51		9.21		-1.93		1.87		3.21
MEMBERS		31		31		31		30		30		29
		LATEST QUARTER		FISCAL YTD		ONE YEAR		THREE YEARS		FOUR YEARS		FIVE YEARS
		RETURN	RANK		RETURN	RANK		RETURN	RANK		RETURN	RANK
 TF		9.29	45		6.59	29		10.71	35		-0.22	23
 STRATEGIC MODEL		9.46	41		7.18	16		11.83	29		-0.99	33
		3.51	23		3.98	34		2.26	40		3.80	37

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



	LATEST QUARTER	FISCAL YTD	ONE YEAR	THREE YEARS	FIVE YEARS
TF	9.29	6.59	10.71	-0.22	3.98
STRATEGIC MODEL	9.46	7.18	11.83	-0.99	3.80



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

	ENDED	RETURN
BEST QUARTER	6/2009	16.31
WORST QUARTER	12/2008	-21.27
BEST 4 QUARTERS	9/2007	17.82
WORST 4 QUARTERS	9/2008	-20.10

TOTAL # OF PERIODS: 48  
# OF POSITIVE PERIODS: 27  
# OF NEGATIVE PERIODS: 21

	QUARTER TO DATE	ONE YEAR	TWO YEARS	THREE YEARS	FOUR YEARS
CS MCKEE LARGE CAP VALU	11.56	10.69	0.76	-6.73	-1.12
RUSSELL 1000 VALUE	10.13	8.90	-1.34	-9.39	-3.94
EXCESS	1.43	1.79	2.10	2.65	2.81
RISKLESS INDEX	0.04	0.13	0.26	1.13	2.14
REAL ROR	11.34	9.50	0.99	-8.13	-2.89

PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	10.69	27	17.77	0.59	1.88	0.97	97.20	0.51
TWO YEARS	0.76	65	24.49	0.02	1.87	0.94	98.01	0.44
THREE YEARS	-6.73	54	21.83	-0.36	2.20	0.95	97.08	0.66
FOUR YEARS	-1.12	46	19.50	-0.17	2.48	0.94	97.01	0.75

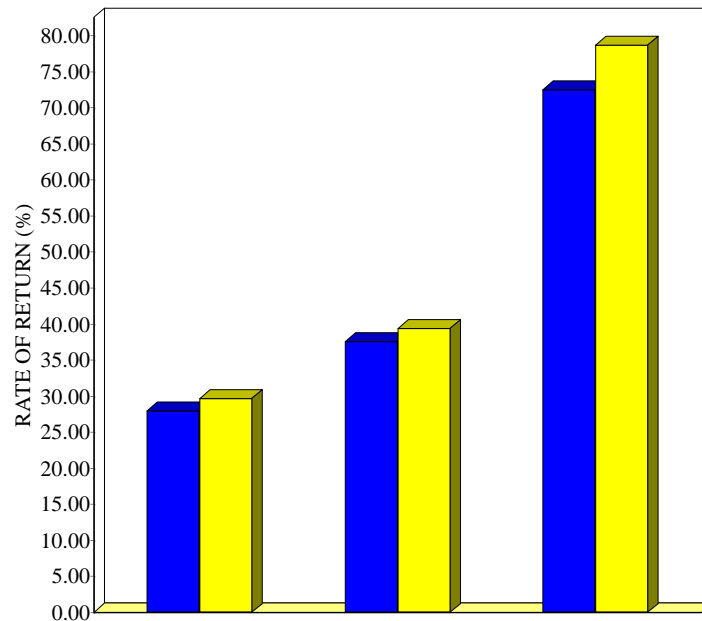
*The risk benchmark for this analysis is the Russell 1000 Value.  
The universe used was the 50/50 Large Cap Core Value.*





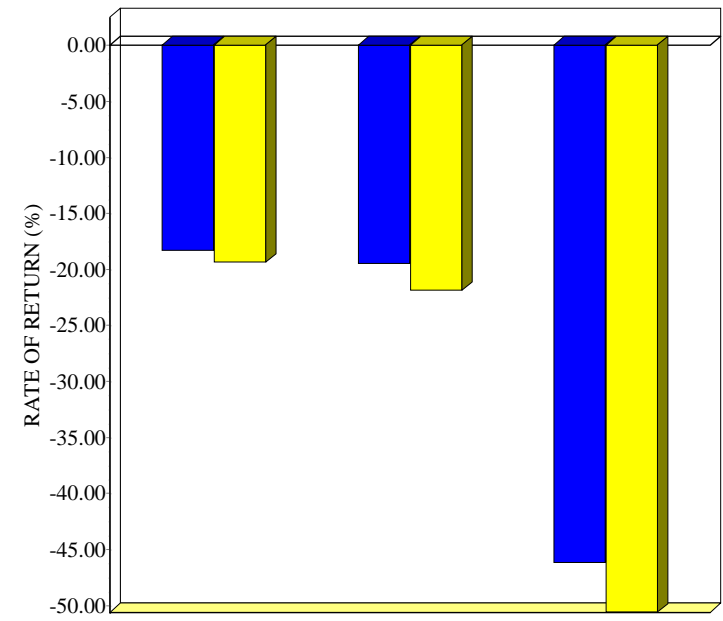
**Palm Tran, Inc./ATU Local 1577 Pension Fund  
CS McKee Large Cap Value  
Performance in Rising and Declining Markets  
September 30, 2007 Through September 30, 2010**

UP MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	27.99	37.56	72.53
RUSSELL 1000 VALUE	29.68	39.42	78.65
DIFFERENCE	-1.69	-1.86	-6.12
RATIO	0.94	0.95	0.92
UP PERIODS	5	7	17

DOWN MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	-18.37	-19.53	-46.21
RUSSELL 1000 VALUE	-19.42	-21.89	-50.64
DIFFERENCE	1.06	2.36	4.42
RATIO	0.95	0.89	0.91
DOWN PERIODS	4	5	19



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

	ENDED	RETURN
BEST QUARTER	6/2009	17.02
WORST QUARTER	12/2008	-23.29
BEST 4 QUARTERS	9/2007	19.13
WORST 4 QUARTERS	9/2008	-20.34

TOTAL # OF PERIODS: 48  
# OF POSITIVE PERIODS: 28  
# OF NEGATIVE PERIODS: 20

	QUARTER TO DATE	ONE YEAR	TWO YEARS	THREE YEARS	FOUR YEARS
I-SHARES RUSSELL 1000 GRO	12.86	12.84	4.71	-4.41	1.00
RUSSELL 1000 GROWTH	13.00	12.65	5.15	-4.36	1.09
EXCESS	-0.15	0.19	-0.44	-0.05	-0.09
RISKLESS INDEX	0.04	0.13	0.26	1.13	2.14
REAL ROR	12.64	11.61	5.00	-5.80	-0.78

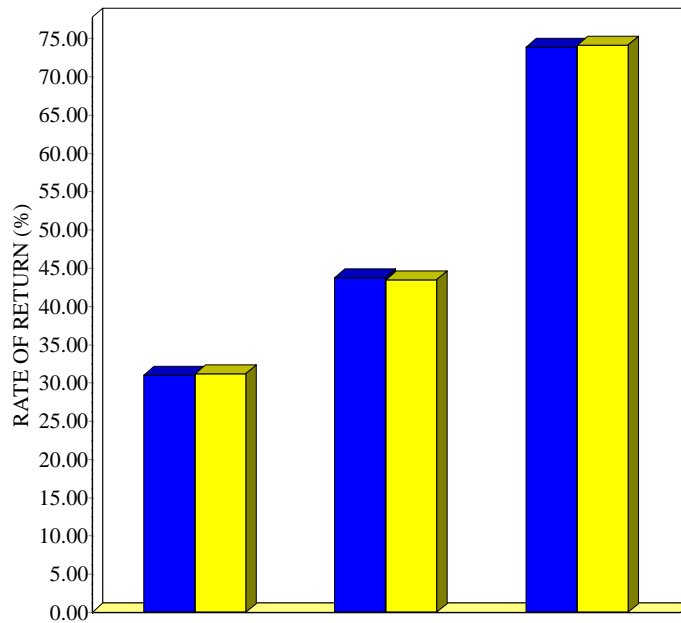
PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	12.84	32	19.33	0.66	0.17	1.00	99.96	0.44
TWO YEARS	4.71	40	23.72	0.19	-0.43	1.01	99.90	-0.46
THREE YEARS	-4.41	45	21.87	-0.25	-0.06	1.00	99.82	-0.07
FOUR YEARS	1.00	54	19.49	-0.06	-0.09	1.00	99.78	-0.10

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



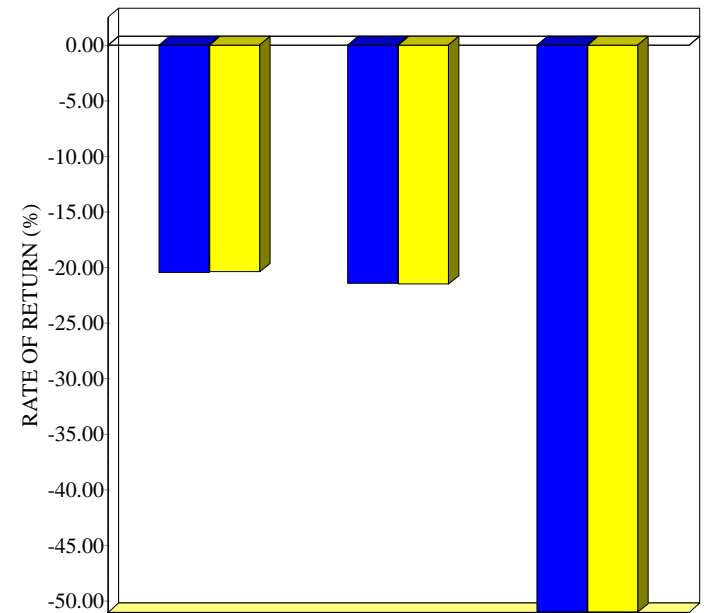
**Palm Tran, Inc./ATU Local 1577 Pension Fund  
i-Shares Russell 1000 Growth  
Performance in Rising and Declining Markets  
September 30, 2007 Through September 30, 2010**

UP MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	31.03	43.72	73.86
RUSSELL 1000 GROWTH	31.15	43.51	74.10
DIFFERENCE	-0.12	0.21	-0.24
RATIO	1.00	1.00	1.00
UP PERIODS	5	7	19

DOWN MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	-20.49	-21.49	-51.02
RUSSELL 1000 GROWTH	-20.43	-21.50	-51.04
DIFFERENCE	-0.06	0.02	0.02
RATIO	1.00	1.00	1.00
DOWN PERIODS	4	5	17



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

	ENDED	RETURN
BEST QUARTER	6/2009	30.08
WORST QUARTER	12/2008	-28.05
BEST 4 QUARTERS	9/2007	23.33
WORST 4 QUARTERS	9/2008	-29.14

TOTAL # OF PERIODS: 48  
# OF POSITIVE PERIODS: 26  
# OF NEGATIVE PERIODS: 22

	QUARTER TO DATE	ONE YEAR	TWO YEARS	THREE YEARS	FOUR YEARS
LOTSOFF MID-CAP	13.29	18.17	11.20	-4.31	1.96
MSCI MID CAP 450	12.97	18.00	7.53	-4.40	0.79
EXCESS	0.32	0.17	3.67	0.09	1.17
RISKLESS INDEX	0.04	0.13	0.26	1.13	2.14
REAL ROR	13.07	16.90	11.57	-5.67	0.19

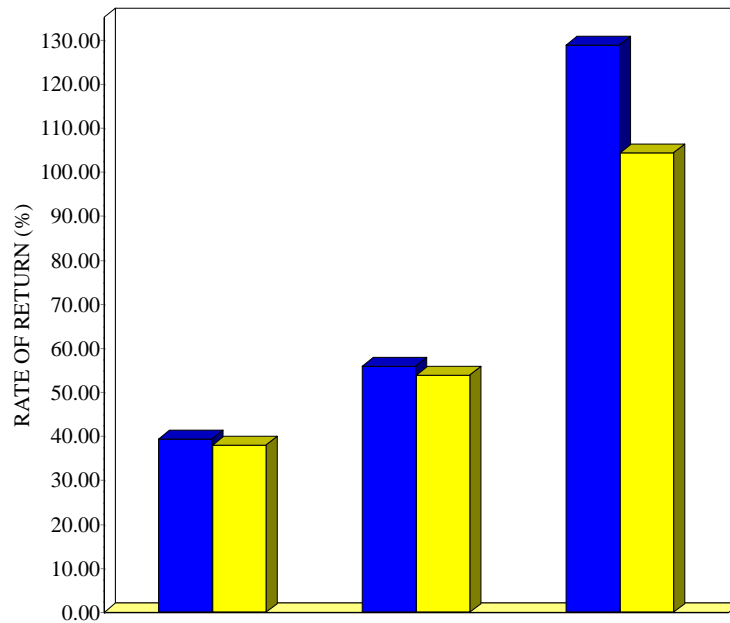
PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	18.17	19	21.75	0.83	-0.52	1.05	99.19	0.16
TWO YEARS	11.20	1	32.39	0.34	3.14	1.13	97.84	0.75
THREE YEARS	-4.31	68	30.66	-0.18	1.82	1.16	97.08	0.18
FOUR YEARS	1.96	54	27.23	-0.01	2.01	1.17	97.01	0.34

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



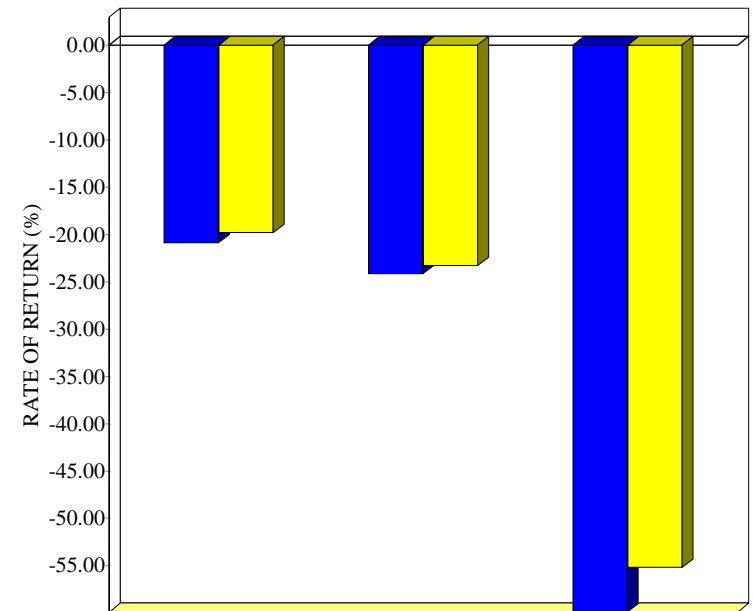
**Palm Tran, Inc./ATU Local 1577 Pension Fund  
 Lotsoff Mid-Cap  
 Performance in Rising and Declining Markets  
 September 30, 2007 Through September 30, 2010**

UP MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	39.45	55.97	128.80
MSCI MID CAP 450	38.01	53.89	104.40
DIFFERENCE	1.44	2.09	24.41
RATIO	1.04	1.04	1.23
UP PERIODS	5	7	18

DOWN MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	-20.95	-24.24	-59.98
MSCI MID CAP 450	-19.82	-23.32	-55.28
DIFFERENCE	-1.12	-0.92	-4.70
RATIO	1.06	1.04	1.08
DOWN PERIODS	4	5	18

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

	ENDED	RETURN
BEST QUARTER	6/2009	26.57
WORST QUARTER	9/2008	-23.72
BEST 4 QUARTERS	9/2007	30.29
WORST 4 QUARTERS	9/2008	-30.23

TOTAL # OF PERIODS: 48  
# OF POSITIVE PERIODS: 26  
# OF NEGATIVE PERIODS: 22

	QUARTER TO DATE	ONE YEAR	TWO YEARS	THREE YEARS	FOUR YEARS
FISHER INTERNATIONAL	18.36	5.11	4.81	-8.49	-0.04
INT'L BNCH	16.53	3.71	3.75	-9.06	-1.45
EXCESS	1.83	1.40	1.06	0.57	1.42
RISKLESS INDEX	0.04	0.13	0.26	1.13	2.14
REAL ROR	18.13	3.97	5.07	-9.83	-1.80

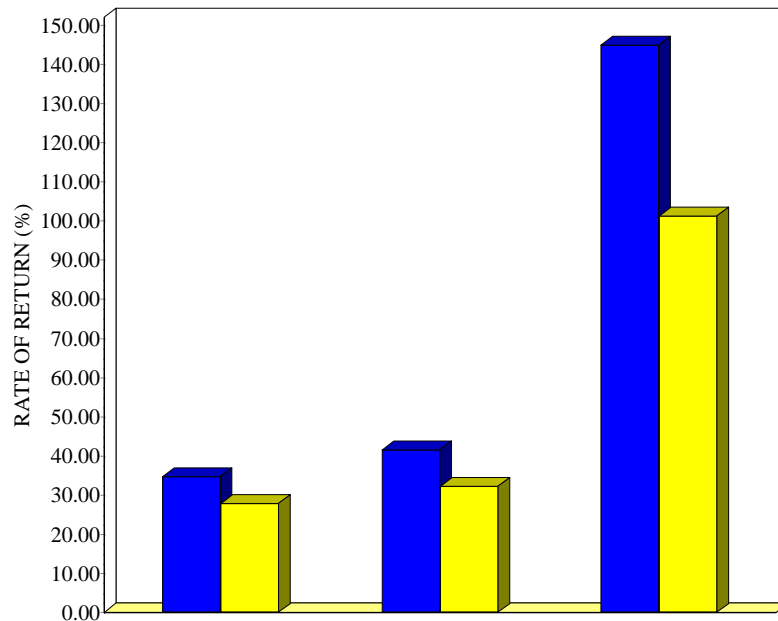
PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	5.11	66	23.93	0.21	1.16	1.19	97.85	0.41
TWO YEARS	4.81	57	33.01	0.14	1.37	1.18	97.96	0.36
THREE YEARS	-8.49	66	30.62	-0.31	3.24	1.17	97.43	0.27
FOUR YEARS	-0.04	52	27.17	-0.08	2.67	1.17	96.88	0.38

*The risk benchmark for this analysis is the Int'l Bnch.  
The universe used was the EAFE.*



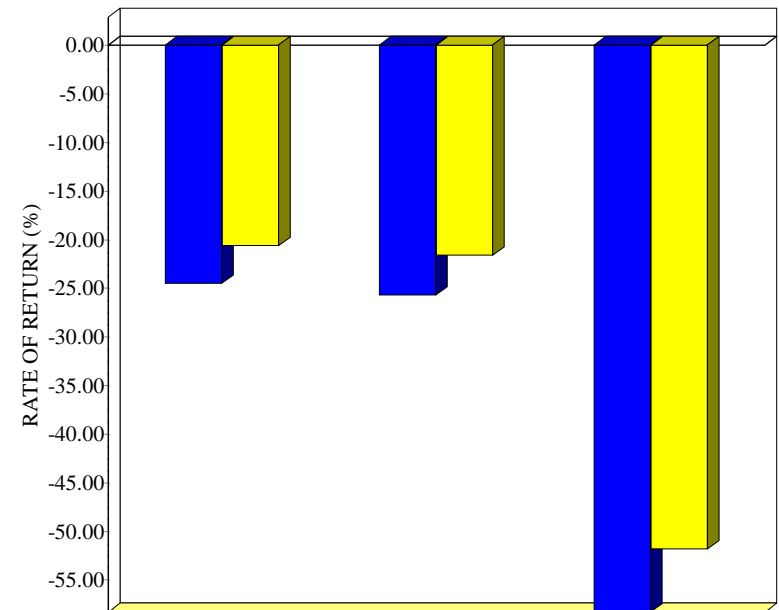
**Palm Tran, Inc./ATU Local 1577 Pension Fund  
Fisher International  
Performance in Rising and Declining Markets  
September 30, 2007 Through September 30, 2010**

UP MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	34.68	41.49	144.85
INTL BNCH	27.83	32.31	101.31
DIFFERENCE	6.85	9.18	43.55
RATIO	1.25	1.28	1.43
UP PERIODS	3	5	16

DOWN MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	-24.55	-25.71	-58.36
INTL BNCH	-20.63	-21.62	-51.84
DIFFERENCE	-3.92	-4.09	-6.52
RATIO	1.19	1.19	1.13
DOWN PERIODS	6	7	20



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

	ENDED	RETURN
BEST QUARTER	9/2009	32.51
WORST QUARTER	12/2008	-39.85
BEST 4 QUARTERS	9/2010	30.88
WORST 4 QUARTERS	9/2009	-27.79

TOTAL # OF PERIODS: 48  
# OF POSITIVE PERIODS: 26  
# OF NEGATIVE PERIODS: 22

	QUARTER TO DATE	ONE YEAR	TWO YEARS	THREE YEARS	FOUR YEARS
RREEF REIT	13.32	30.88	-2.79	-6.20	-2.91
WILSHIRE REIT	13.34	30.13	-4.04	-6.94	-4.36
EXCESS	-0.02	0.75	1.25	0.73	1.45
RISKLESS INDEX	0.04	0.13	0.26	1.13	2.14
REAL ROR	13.10	29.48	-2.33	-7.45	-4.56

PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	30.88	1	20.78	1.48	0.85	0.99	99.55	0.39
TWO YEARS	-2.79	99	46.87	-0.06	0.65	0.96	99.63	0.08
THREE YEARS	-6.20	52	39.86	-0.18	0.17	0.96	99.54	0.03
FOUR YEARS	-2.91	89	35.80	-0.14	1.05	0.97	99.51	0.35

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

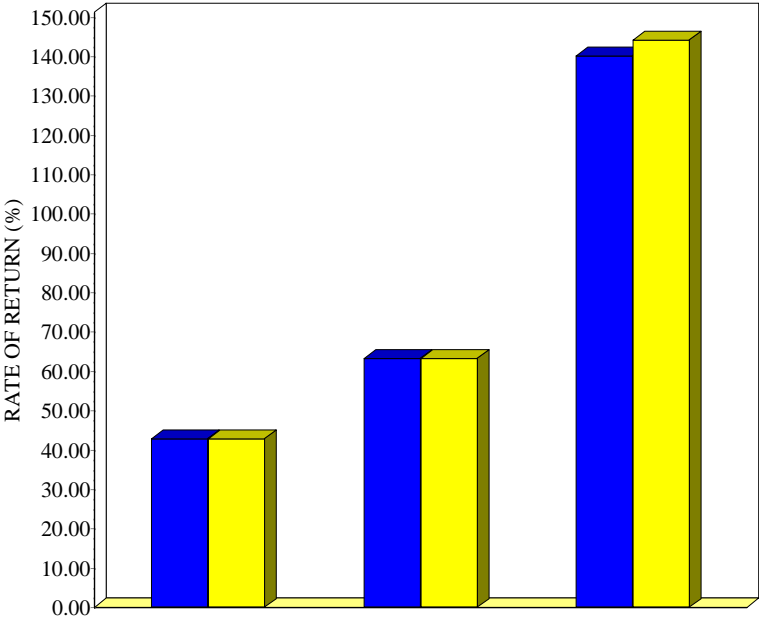




**Palm Tran, Inc./ATU Local 1577 Pension Fund  
RREEF REIT**

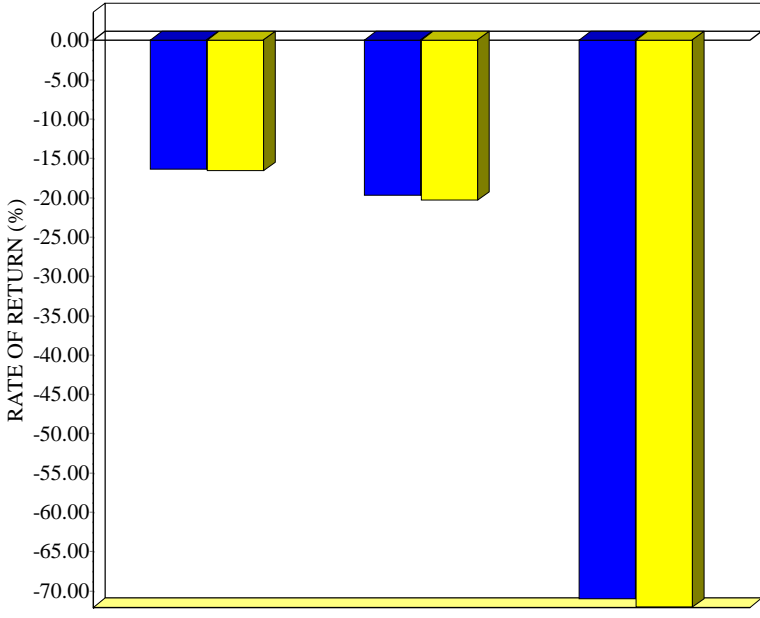
**Performance in Rising and Declining Markets  
September 30, 2007 Through September 30, 2010**

UP MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	42.95	63.22	140.23
WILSHIRE REIT	42.93	63.36	144.10
DIFFERENCE	0.02	-0.14	-3.87
RATIO	1.00	1.00	0.97
UP PERIODS	5	7	20

DOWN MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	-16.42	-19.81	-71.05
WILSHIRE REIT	-16.59	-20.34	-72.12
DIFFERENCE	0.17	0.53	1.07
RATIO	0.99	0.97	0.99
DOWN PERIODS	4	5	16



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

	ENDED	RETURN
BEST QUARTER	3/2008	5.91
WORST QUARTER	12/2008	-5.04
BEST 4 QUARTERS	9/2008	8.16
WORST 4 QUARTERS	9/2009	3.49

TOTAL # OF PERIODS: 48  
# OF POSITIVE PERIODS: 33  
# OF NEGATIVE PERIODS: 15

	QUARTER TO DATE	ONE YEAR	TWO YEARS	THREE YEARS	FOUR YEARS
GALLIARD TIPS	1.95	7.39	5.42	6.32	6.15
BC 1-10 YR TIPS	1.93	7.40	5.70	6.42	6.15
EXCESS	0.02	-0.02	-0.28	-0.10	0.00
RISKLESS INDEX	0.04	0.13	0.26	1.13	2.14
REAL ROR	1.75	6.22	5.56	4.73	4.23

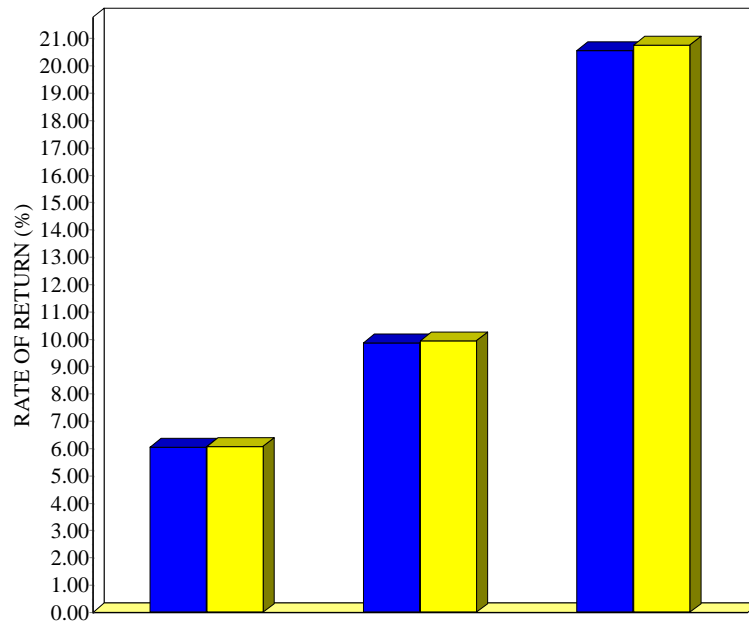
PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	7.39		3.31	2.19	0.25	0.96	98.52	-0.05
TWO YEARS	5.42		7.75	0.67	-0.18	0.98	99.37	-0.44
THREE YEARS	6.32		7.45	0.70	-0.05	0.99	97.83	-0.09
FOUR YEARS	6.15		6.68	0.60	0.05	0.99	96.60	0.00

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



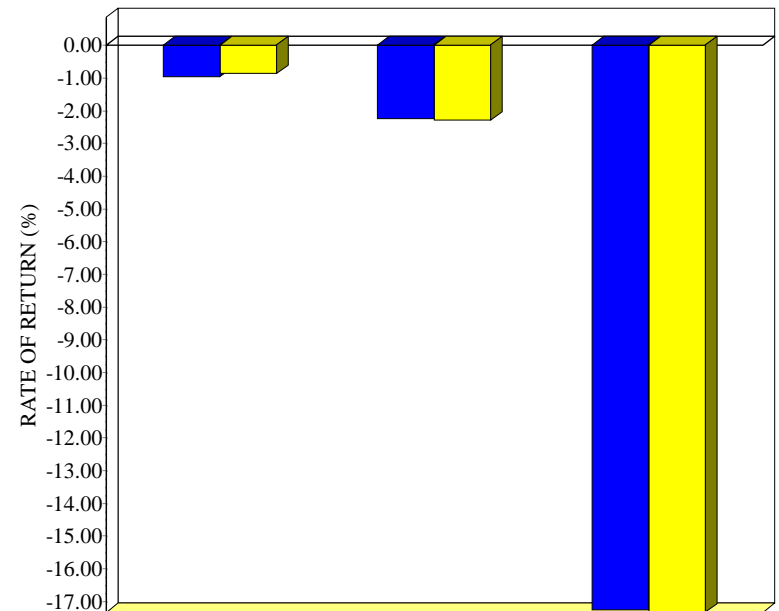
**Palm Tran, Inc./ATU Local 1577 Pension Fund  
Galliard TIPS  
Performance in Rising and Declining Markets  
September 30, 2007 Through September 30, 2010**

UP MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	6.05	9.86	20.55
BC 1-10 YR TIPS	6.06	9.94	20.75
DIFFERENCE	-0.01	-0.08	-0.20
RATIO	1.00	0.99	0.99
UP PERIODS	6	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**  
**Galliard Fixed Income**  
**Performance Profile**  
**Through September 30, 2010**

	ENDED	RETURN
BEST QUARTER	9/2009	3.21
WORST QUARTER	6/2008	-0.74
BEST 4 QUARTERS	9/2009	10.74
WORST 4 QUARTERS	9/2008	4.69

TOTAL # OF PERIODS: 48  
# OF POSITIVE PERIODS: 36  
# OF NEGATIVE PERIODS: 12

	QUARTER TO DATE	ONE YEAR	TWO YEARS	THREE YEARS	FOUR YEARS
GALLIARD FIXED INCOME	2.33	8.00	9.36	7.78	7.24
FIXED INCOME BNCH	2.48	9.02	11.34	8.20	7.41
EXCESS	-0.14	-1.02	-1.98	-0.42	-0.17
RISKLESS INDEX	0.04	0.13	0.26	1.13	2.14
REAL ROR	2.13	6.83	9.45	6.11	5.27

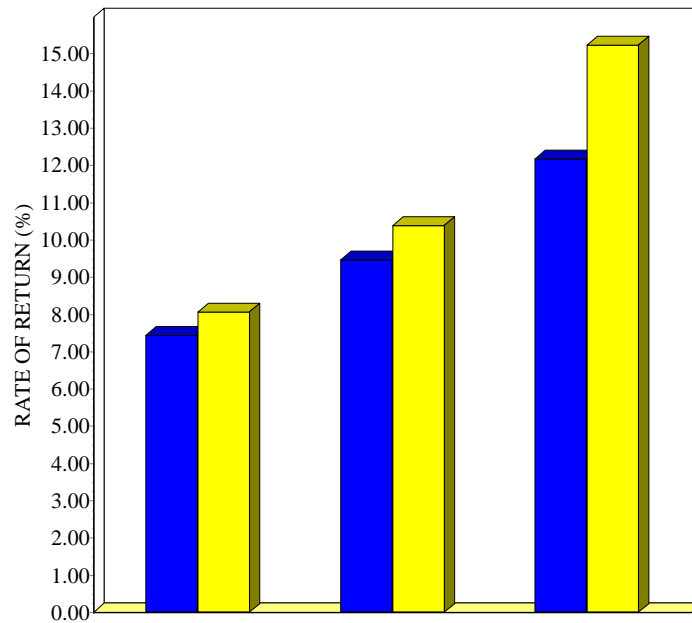
PERIOD	RETURN	UNIVERSE RANKING	STD DEV	SHARPE RATIO	ALPHA	BETA	R-SQUARED	INFO RATIO
ONE YEAR	8.00	57	2.55	3.09	-0.31	0.93	92.33	-1.29
TWO YEARS	9.36	59	3.12	2.92	1.96	0.64	82.02	-0.90
THREE YEARS	7.78	40	3.02	2.20	2.15	0.62	79.99	-0.22
FOUR YEARS	7.24	40	2.87	1.78	1.54	0.66	78.96	-0.11

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



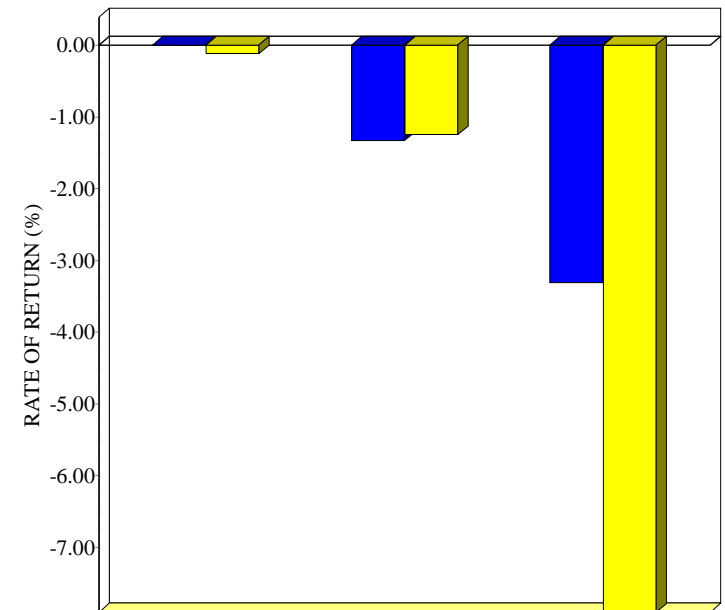
**Palm Tran, Inc./ATU Local 1577 Pension Fund  
Galliard Fixed Income  
Performance in Rising and Declining Markets  
September 30, 2007 Through September 30, 2010**

UP MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS
TOTAL FUND	7.45	9.46	12.17
FIXED INCOME BNCH	8.07	10.39	15.22
DIFFERENCE	-0.62	-0.93	-3.05
RATIO	0.92	0.91	0.80
UP PERIODS	8	10	27

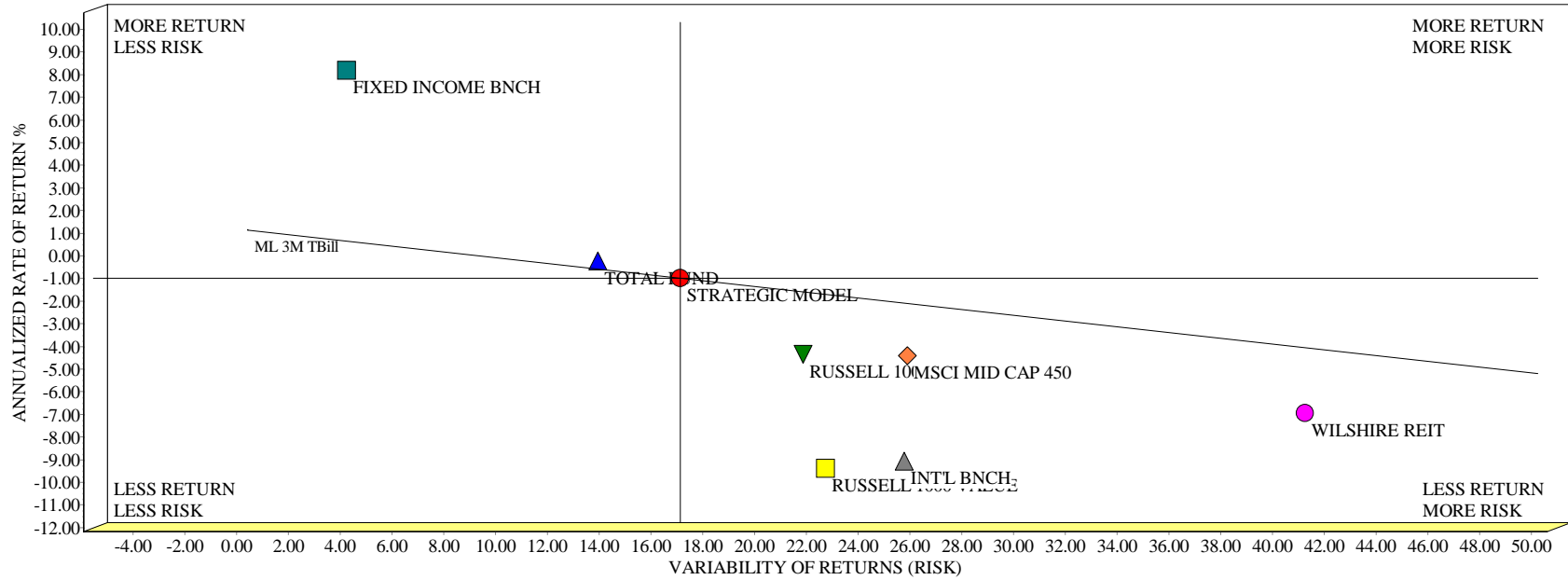
DOWN MARKET PERFORMANCE



	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

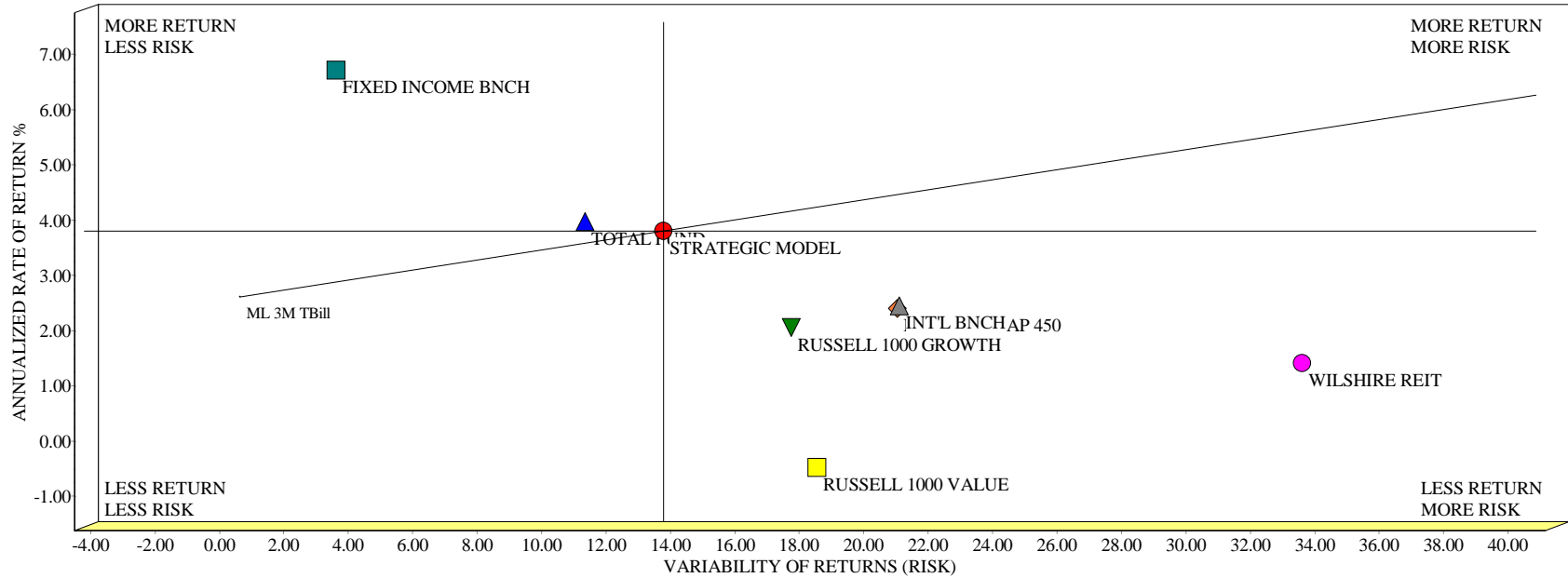


**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**ATU 1577**  
**Capital Market Line**  
**September 30, 2007 Through September 30, 2010**



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	-0.22	13.96	0.80	0.14	95.53
● STRATEGIC MODEL	-0.99	17.15	1.00	0.00	100.00
■ RUSSELL 1000 VALUE	-9.39	22.75	1.00	0.00	100.00
▼ RUSSELL 1000 GROWTH	-4.36	21.89	1.00	0.00	100.00
◆ MSCI MID CAP 450	-4.40	25.91	1.00	0.00	100.00
▲ INT'L BNCH	-9.06	25.78	1.00	0.00	100.00
● WILSHIRE REIT	-6.94	41.28	1.00	0.00	100.00
■ FIXED INCOME BNCH	8.20	4.26	1.00	0.00	100.00

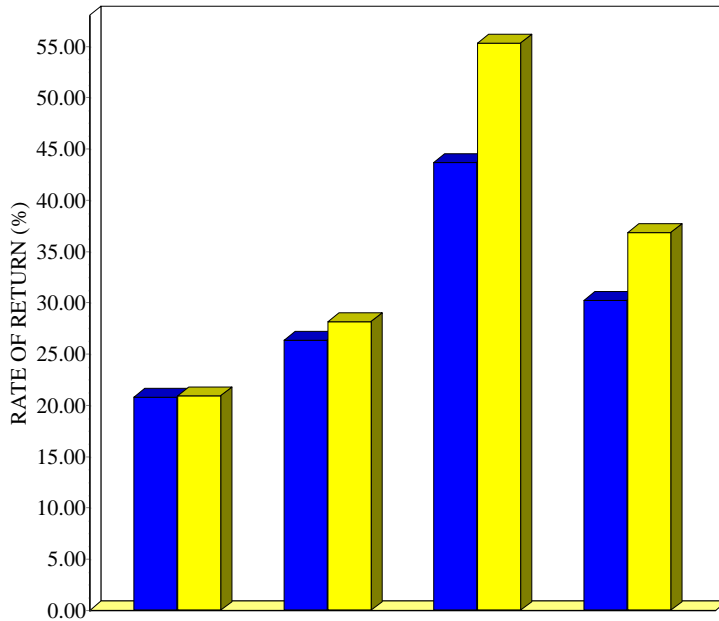
**Palm Tran, Inc./ATU Local 1577 Pension Fund**  
**ATU 1577**  
**Capital Market Line**  
**September 30, 2005 Through September 30, 2010**



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	3.98	11.34	0.80	0.27	95.09
● STRATEGIC MODEL	3.80	13.80	1.00	0.00	100.00
■ RUSSELL 1000 VALUE	-0.48	18.55	1.00	0.00	100.00
▼ RUSSELL 1000 GROWTH	2.06	17.76	1.00	0.00	100.00
◆ MSCI MID CAP 450	2.40	21.04	1.00	0.00	100.00
▲ INTL BNCH	2.45	21.10	1.00	0.00	100.00
● WILSHIRE REIT	1.41	33.61	1.00	0.00	100.00
■ FIXED INCOME BNCH	6.72	3.61	1.00	0.00	100.00

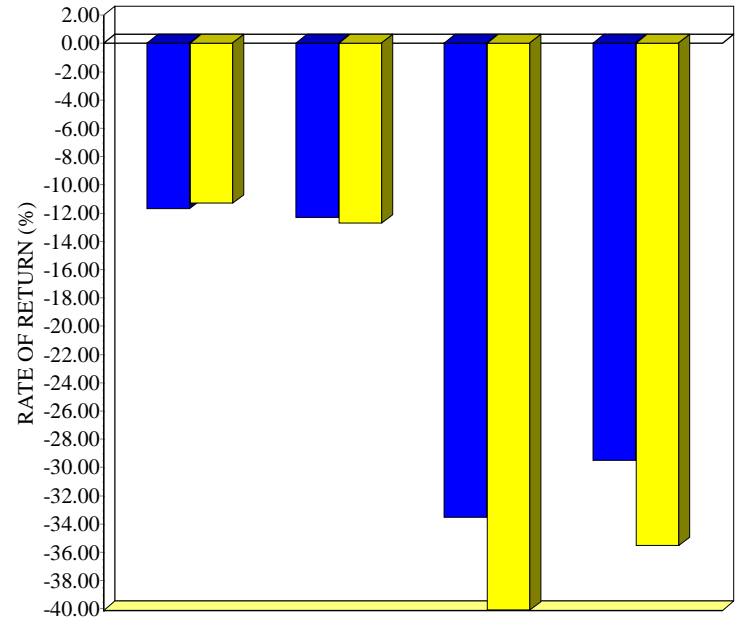
**Palm Tran, Inc./ATU Local 1577 Pension Fund  
ATU 1577  
Performance in Rising and Declining Markets  
September 30, 2005 Through September 30, 2010**

UP MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	20.78	26.36	43.64	30.26
STRATEGIC MODEL	20.91	28.16	55.29	36.83
DIFFERENCE	-0.13	-1.81	-11.65	-6.57
RATIO	0.99	0.94	0.79	0.82
UP PERIODS	5	7	19	38

DOWN MARKET PERFORMANCE



	YTD	ONE YEAR	THREE YEARS	FIVE YEARS
TOTAL FUND	-11.75	-12.38	-33.59	-29.55
STRATEGIC MODEL	-11.36	-12.75	-40.13	-35.59
DIFFERENCE	-0.40	0.37	6.54	6.04
RATIO	1.03	0.97	0.84	0.83
DOWN PERIODS	4	5	17	22





## **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 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.
- NCREIF - A quarterly time series composite total rate of return measure of investment performance of a large pool of individual commercial real estate properties acquired in the private market for investment purposes only.
- NCREIF ODCE - Open End Diversified Core Equity index which consists of historical and current returns from 26 open-end commingled funds pursuing core strategy. This index is capitalization weighted, time weighted and gross of fees.



## **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 (TW) RETURN - A measure of the investments versus the investor. When there are no flows the TW & DOLLAR weighted (DW) return are the same and vice versa. CFA Institute recommends using the TW return. AIMR reasons that the investment mgr can not control when an investor has flows & thus should not be measured by that. BCA uses TW method.

-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).

-VALUE MANAGER- A value manager generally invests in companies that have low price-to-earnings and price-to-book ratios and/or above-average dividend yields.

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

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.