The City of Grand Rapids – Police & Fire Retirement System

Executive Summary

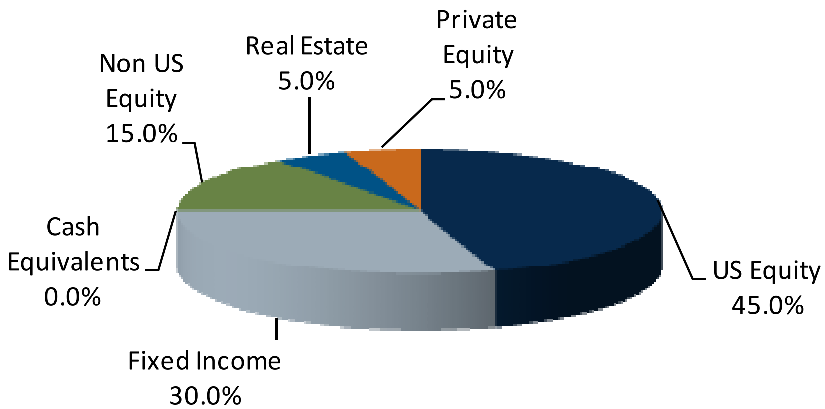
Quarter Ending September 30, 2011

Asset Allocation

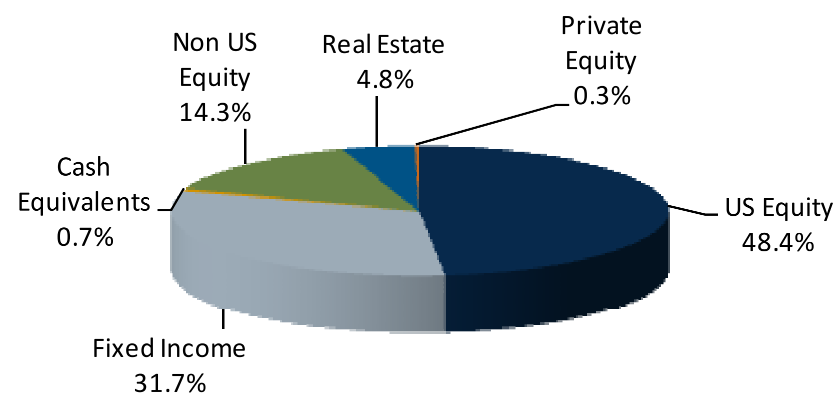
Total Fund Policy vs. Total Fund Actual *

As of September 30, 2011

Policy



Actual



Total Assets
$284,776,000

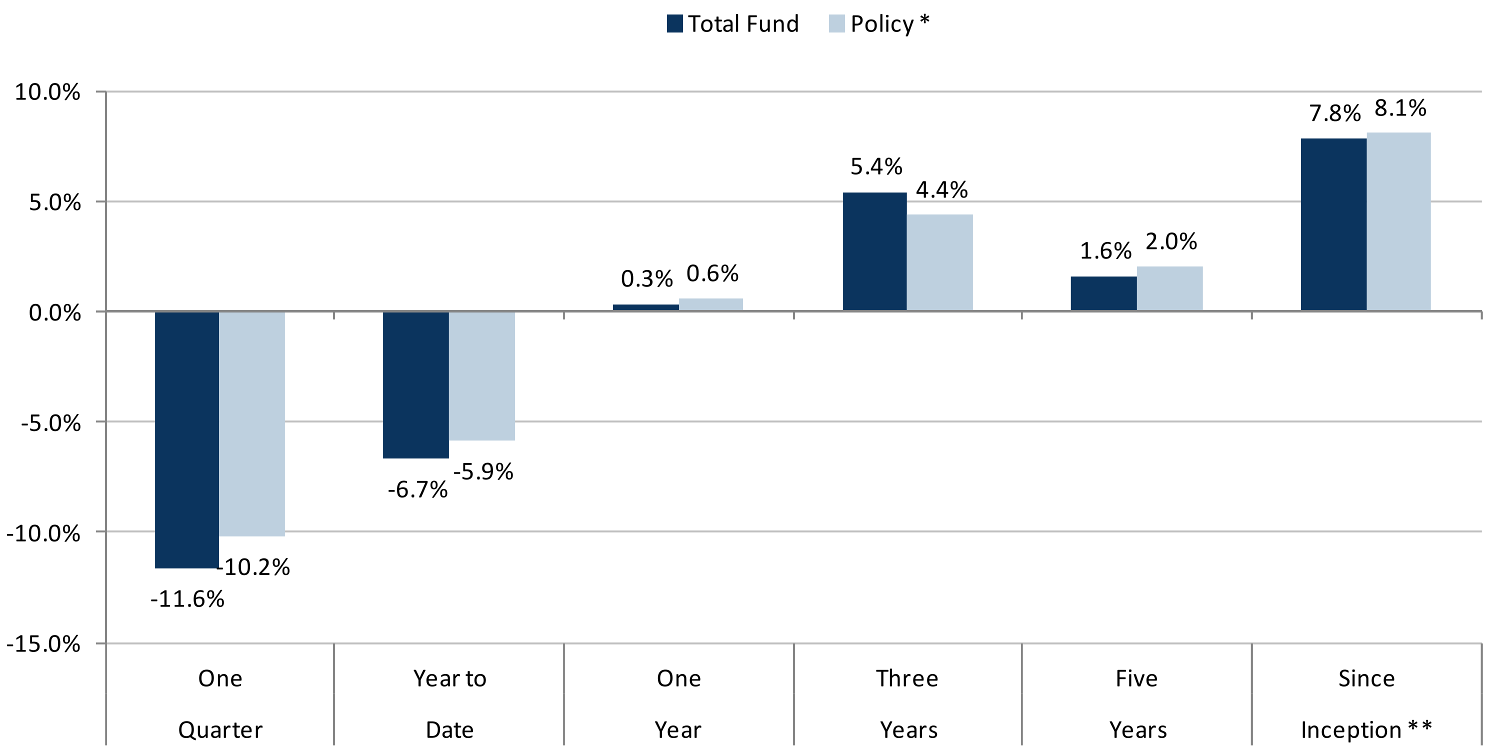
* As Allocated to Managers

Composite Investment Performance

Police & Fire Retirement System

Total Fund vs. Policy

For Periods Ending September 30, 2011

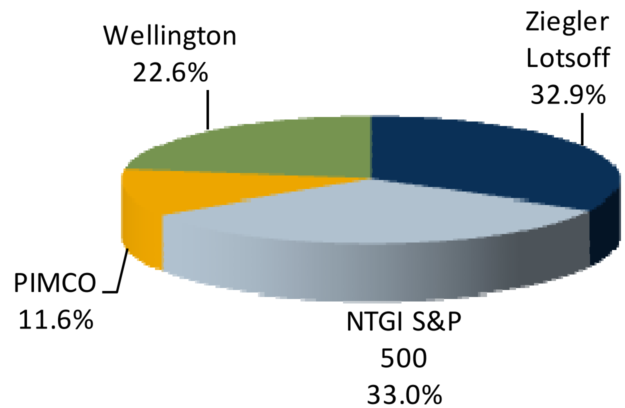


* 45.0% Wilshire 5000, 30.0% Barclays Aggregate, 15.0% MSCI ACWI ex US (N), 5.0% FTSE EPRA/NAREIT Developed Index, 5.0% Wilshire 5000 +2.5% as of April 1, 2010
** September 30, 1987

Investment Manager Allocation

US Equity

As of September 30, 2011



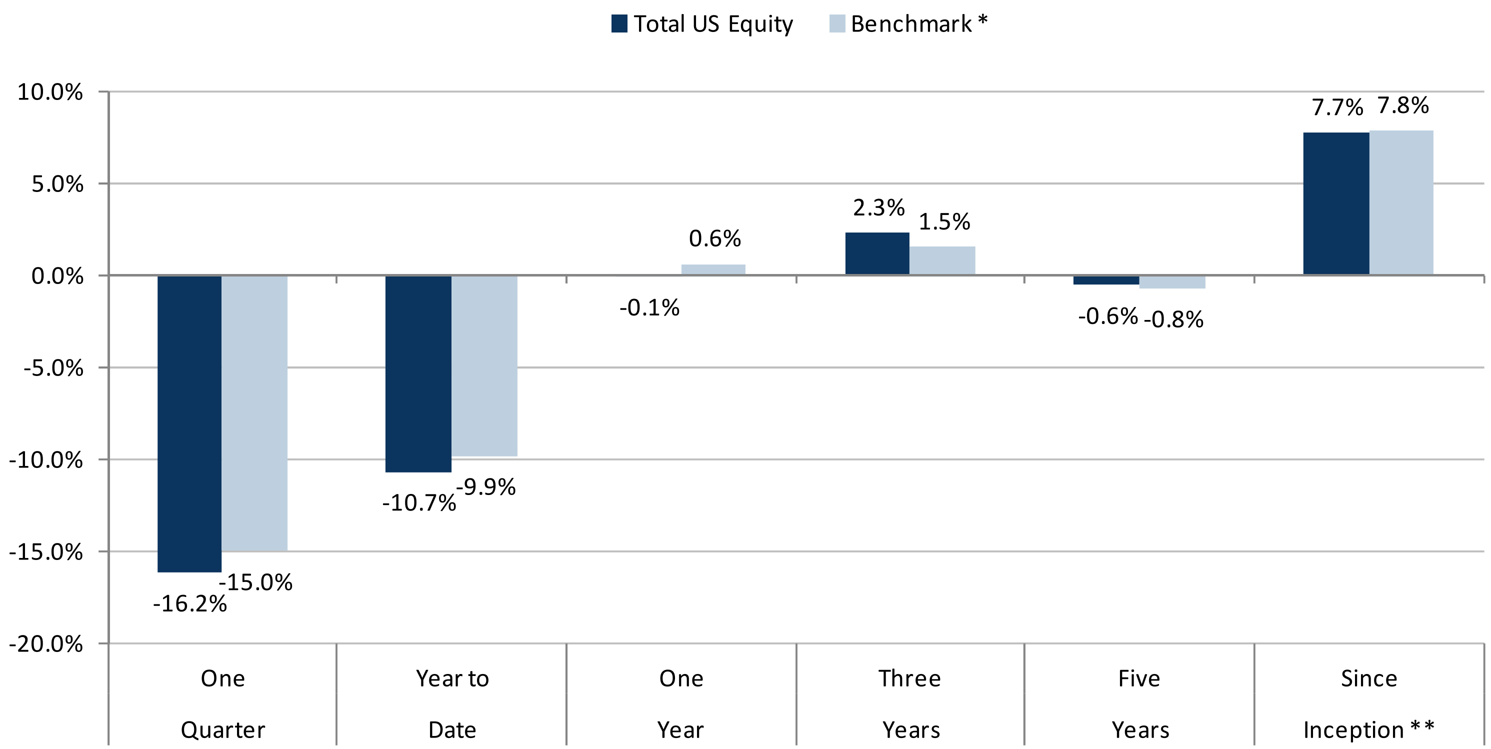
Total Assets
$137,694,000

Composite Investment Performance

Police & Fire Retirement System

US Equity vs. Benchmark

Quarter Ending September 30, 2011



* Wilshire 5000 Index
** September 30, 1987

Investment Manager Performance

Police & Fire Retirement System

US Equity Managers *

Quarter Ending September 30, 2011

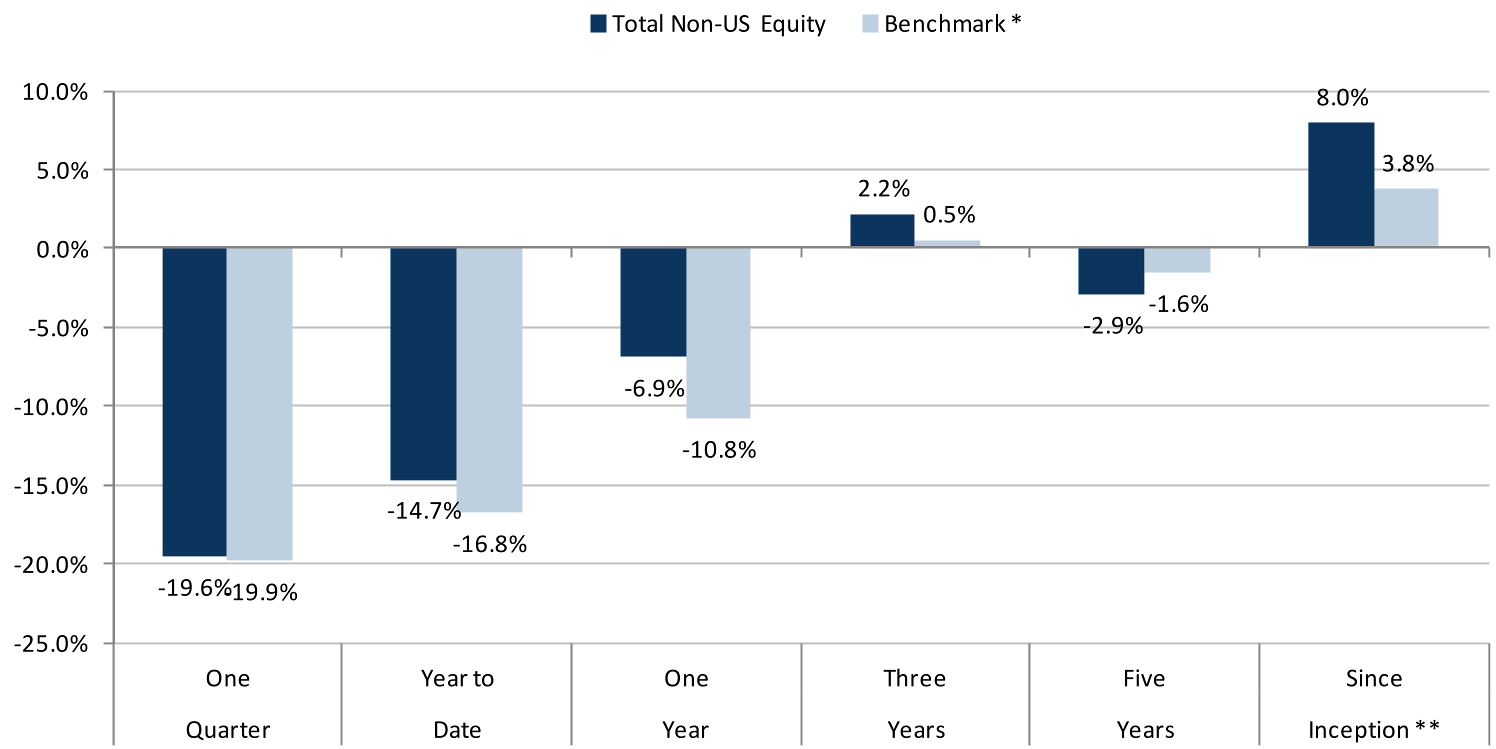
	Quarter		Year-to-date		One Year		Three Years		Five Years		Since Inception		Market Value
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Date	000s
Ziegler Lotsoff	**-14.4%**	**39**	**-9.5%**	**52**	**0.2%**	**49**	**1.1%**	**44**	**-2.1%**	**85**	**1.8%**	**Sep-04**	**$45,257**
S&P 500 Index	-13.9%	30	-8.7%	43	1.2%	44	1.2%	51	-1.2%	71	2.3%		
Value Added	*-0.5%*		*-0.8%*		*-1.0%*		*-0.1%*		*-0.9%*		*-0.5%*		
NTGI S&P 500 Index	**-13.9%**	**30**	**-8.7%**	**42**	**1.2%**	**42**	**1.2%**	**49**	**-1.2%**	**71**	**3.0%**	**Sep-98**	**$45,393**
Policy Index ^	-13.9%	30	-8.7%	43	1.2%	44	1.2%	51	-1.1%	71	3.0%		
Value Added	*0.0%*		*0.0%*		*0.0%*		*0.0%*		*-0.1%*		*0.0%*		
PIMCO StocksPLUS	**-15.6%**	**64**	**-9.9%**	**58**	**0.0%**	**55**	**3.4%**	**12**	**-0.9%**	**61**	**-0.1%**	**Sep-00**	**$15,950**
S&P 500 Index	-13.9%	30	-8.7%	43	1.2%	44	1.2%	51	-1.2%	71	-0.3%		
Value Added	*-1.7%*		*-1.2%*		*-1.1%*		*2.1%*		*0.2%*		*0.2%*		
Wellington SmCap 2000	**-22.0%**	**46**	**-15.7%**	**55**	**-2.8%**	**63**	**4.2%**	**19**	**2.1%**	**24**	**8.1%**	**Sep-99**	**$31,095**
Russell 2000 Index	-21.9%	48	-17.0%	73	-3.5%	71	-0.4%	80	-1.0%	69	4.8%		
Value Added	*-0.1%*		*1.3%*		*0.7%*		*4.6%*		*3.1%*		*3.3%*		

* Rank represents percentile rank, gross of fee, within the appropriate Wilshire Compass Manager Style Universe
^ S&P 500 as of July 1, 2007, prior benchmark was Russell 1000

Composite Investment Performance

Police & Fire Retirement System

Non-US Equity vs. Benchmark
Quarter Ending September 30, 2011



* MSCI ACWI ex US (N) Index as of October 1, 2006. Long-term return history is not reflective of current manager performance.
** December 31, 1989

Investment Manager Performance

Police & Fire Retirement System

Non-US Equity Manager *

Quarter Ending September 30, 2011

	Quarter		Year-to-date		One Year		Three Years		Five Years		Since Inception		Market Value
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Date	000s
Neuberger Berman	**-19.6%**	**65**	**-14.7%**	**53**	**-6.9%**	**57**	**2.2%**	**42**	**-2.9%**	**76**	**-2.6%**	**Jun-06**	**$40,674**
MSCI ACWI ex US	-19.9%	70	-16.8%	76	-10.8%	88	0.5%	67	-1.6%	64	-0.8%		
Value Added	*0.3%*		*2.1%*		*3.9%*		*1.7%*		*-1.4%*		*-1.8%*		

* Rank represents percentile rank, gross of fee, within the appropriate Wilshire Compass Manager Style Universe

Investment Manager Allocation

Fixed Income
As of September 30, 2011

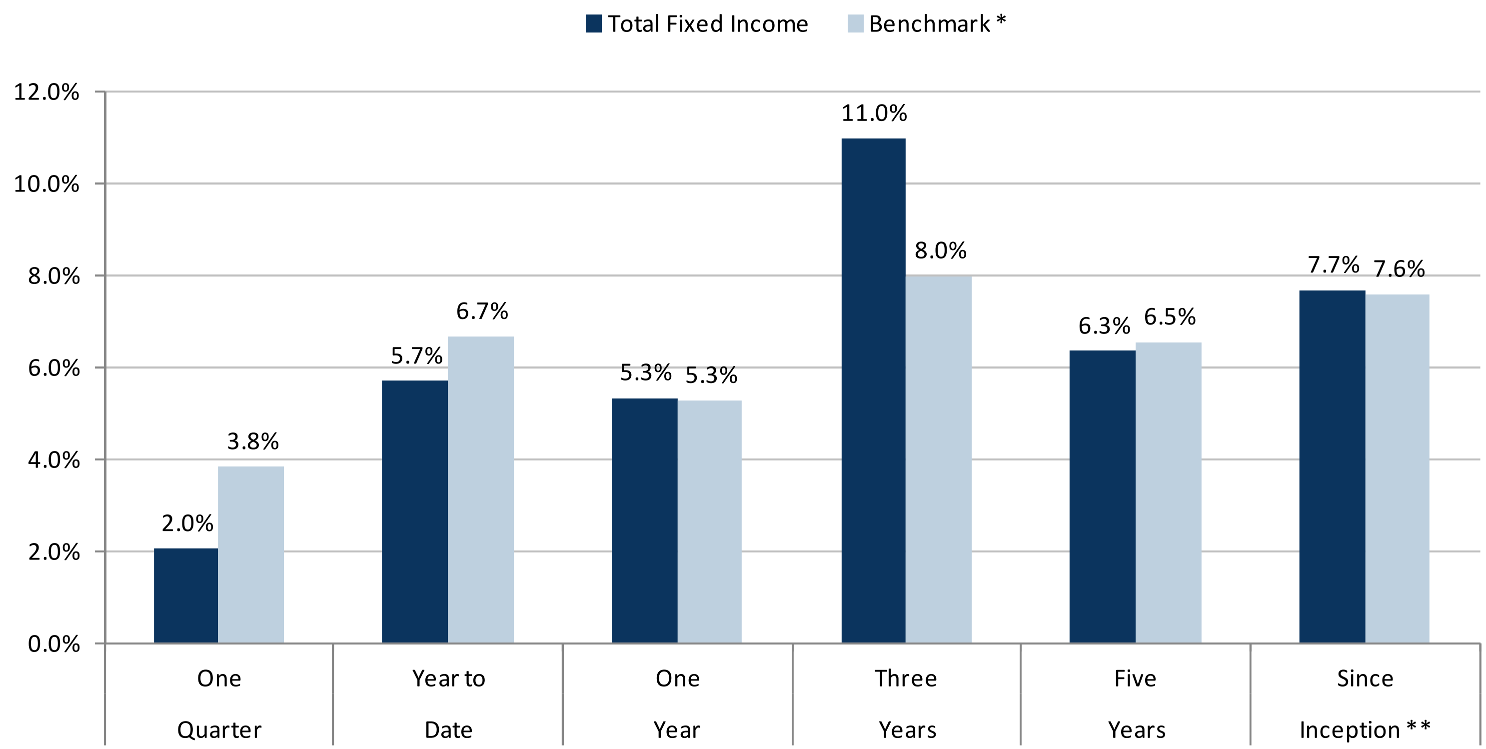
Total Assets
$90,195,000

Composite Investment Performance

Police & Fire Retirement System

Fixed Income vs. Benchmark

Quarter Ending September 30, 2011



* Barclays Aggregate Index
** September 30, 1987

Investment Manager Performance

Police & Fire Retirement System

Fixed Income Managers *

Quarter Ending September 30, 2011

	Quarter		Year-to-date		One Year		Three Years		Five Years		Since Inception		Market Value
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Date	000s
Baird Advisors	**3.4%**	**30**	**6.4%**	**27**	**5.4%**	**18**	**8.7%**	**37**	**6.2%**	**55**	**5.3%**	**Mar-03**	**$43,265**
Barclays Agg Index	3.8%	21	6.7%	25	5.3%	30	8.0%	59	6.5%	54	5.3%		
Value Added	*-0.4%*		*-0.2%*		*0.2%*		*0.7%*		*-0.3%*		*0.0%*		
Western Asset	**0.8%**	**76**	**5.0%**	**56**	**5.2%**	**20**	**13.0%**	**6**	**6.3%**	**51**	**5.5%**	**Mar-04**	**$46,930**
Barclays Agg Index	3.8%	21	6.7%	25	5.3%	30	8.0%	59	6.5%	54	5.3%		
Value Added	*-3.0%*		*-1.7%*		*0.0%*		*5.1%*		*-0.2%*		*0.2%*		

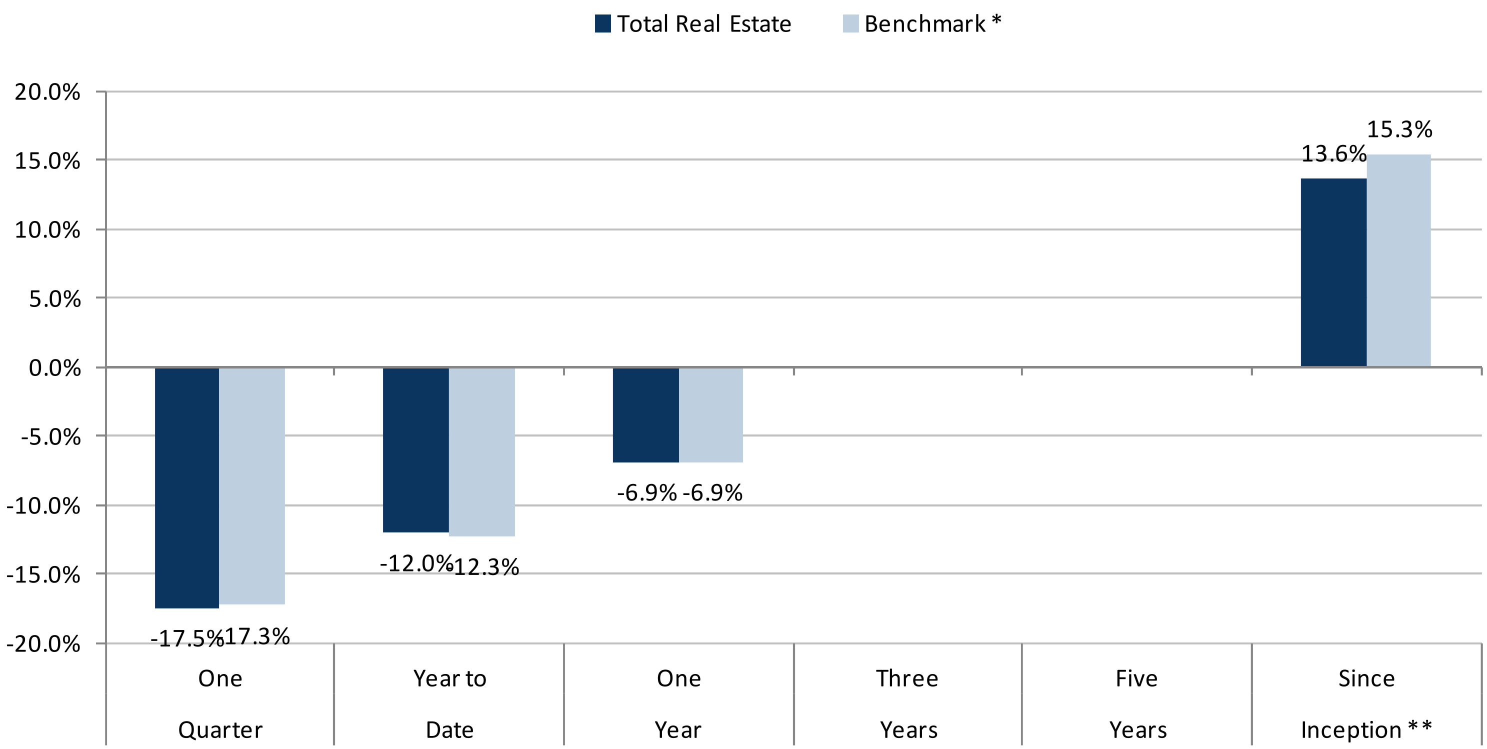
* Rank represents percentile rank, gross of fee, within the appropriate Wilshire Compass Manager Style Universe

Composite Investment Performance

Police & Fire Retirement System

Real Estate vs. Benchmark

Quarter Ending September 30, 2011



* FTSE EPRA/NAREIT Developed Index
** June 30, 2009

Investment Manager Performance

Wilshire

Police & Fire Retirement System

Real Estate Manager *

Quarter Ending September 30, 2011

	Quarter		Year-to-date		One Year		Three Years		Five Years		Since Inception		Market Value
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Date	000s
ING Clarion	**-17.5%**	**36**	**-12.0%**	**32**	**-6.9%**	**37**	**NA**	**--**	**NA**	**--**	**13.6%**	**Jun-09**	**$13,636**
FTSE ERPA / NAREIT Dev.	-17.3%	33	-12.3%	34	-6.9%	37	NA	--	NA	--	15.3%		
Value Added	*-0.2%*		*0.3%*		*0.0%*						*-1.8%*		

* Rank represents percentile rank, gross of fee, within the appropriate Wilshire Compass Manager Style Universe

Investment Manager Performance

Private Partnerships

Quarter Ending September 30, 2011

Partnership	Commitment Value	Inception Date	Capital Called Amount	Capital Called %	Capital Distributed Amount	Capital Distributed %	Fair Value	Total Value / Paid-In Capital [1]	Annualized IRR
Adams Street Direct 2010 Fund	$500,000	April 27, 2010	$127,236	25%	$0	0%	$122,363	0.96	-3.53%
Adams Street Non-US Dev. 2010 Fund	$1,500,000	April 27, 2010	$135,055	9%	$0	0%	$126,655	0.94	-9.35%
Adams Street Non-US EM 2010 Fund	$500,000	January 3, 2011	$27,000	5%	$0	0%	$23,219	0.86	NA
Adams Street US 2010 Fund	$2,500,000	April 27, 2010	$400,508	16%	$0	0%	$451,960	1.13	14.94%
Alternative Investments Composite	**$5,000,000**	**April 27, 2010**	**$689,799**	**14%**	**$0**	**0%**	**$724,197**	**1.05**	**6.09%**

[1] TVPI = Fair Value + Capital Distributed / Capital Called

Capital Market Review

U.S. Equity

The U.S. stock market was battered during the third quarter as investors reacted to signs of economic slowdown and concerns over European debt issues. The Wilshire 5000 Total Market Index^{SM} experienced its worst performance since the fourth quarter of 2008, down -15.0%, as it suffered losses in all three months of the quarter, marking a string of five consecutive monthly declines. Small cap stocks were hit hardest during the sell-off while growth and value shares performed in line with the broader market.

All broad market sectors lost ground during the quarter. As global economies and markets swooned in the face of renewed recession worries, economically sensitive sectors such as Materials, Industrials and Financials were the worst-performing sectors for the quarter.

Treasury prices, especially in longer-dated issuance, have soared in recent quarters as global economic woes have pushed the yield on the bellwether 10-year Treasury to lows not seen since the 1940s. Inflation signals have actually moderated since the beginning of 2011 as growth stalls and unemployment remains high. In response, the Federal Reserve has doubled down on its low interest rate policies.

Non-U.S. Equity

The debt problems plaguing smaller markets in the Eurozone spread into the core economies of continental Europe, with many major banks reeling from their exposure to Greece's sovereign issuance. The possibility of a Greek debt default and austerity measures aimed at bringing fiscal discipline to the Eurozone have dampened growth forecasts for most of Europe. A global flight to safety depressed returns for developed and emerging market stocks worldwide, with Pacific region equities experiencing a smaller pullback. Unsurprisingly, the euro weakened against the U.S. dollar, while the yen actually strengthened during the quarter.

Fixed Income

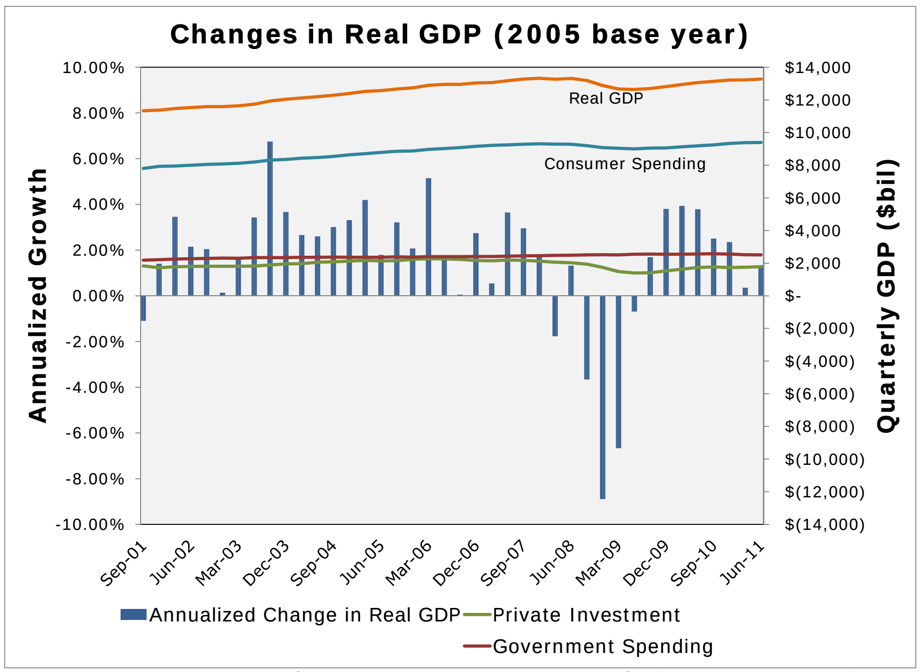
The Fed initiated "Operation Twist" on September 21, moving out of short term Treasury holdings into longer term paper to keep long term interest rates low. The bellwether 10-year Treasury yield plunged to 1.92% while the yield on two-year Treasuries moved lower to 0.25%. Naturally, the strongest performers in global debt markets were long term U.S. government paper. Yield spreads on corporate bonds, especially high yield debt, widened considerably during the quarter, depressing their performance relative to U.S. Treasuries.

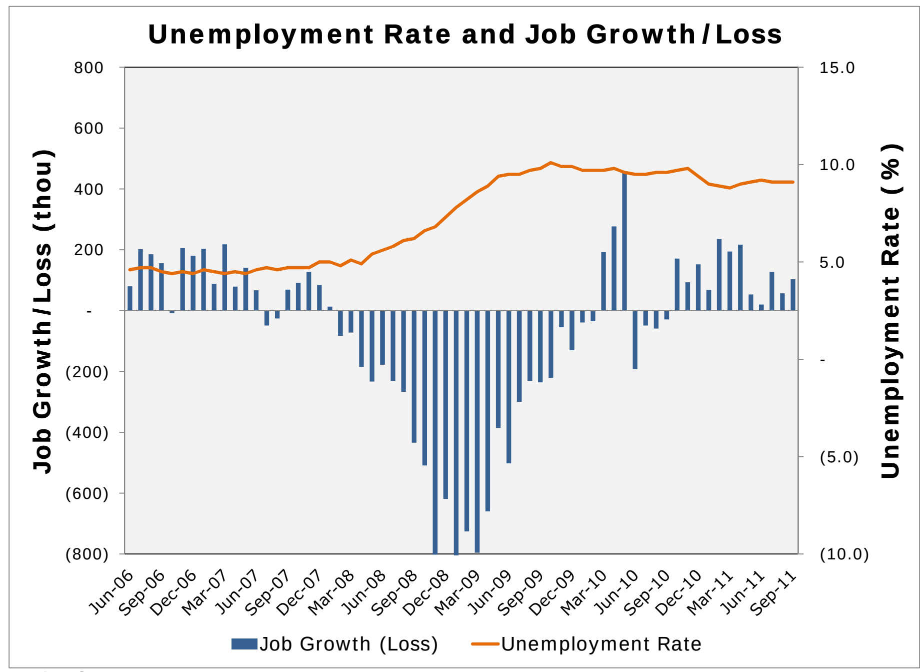
Asset Class Assumptions Update

	Total Return (%)			Risk (%)
	2011 ACA	Update 30-Sep	Change	2011 ACA
Investment Categories:				
U.S. Stocks	7.25	7.75	0.50	16.00
Dev ex-U.S. Stocks	7.25	7.75	0.50	17.00
Emerging Mkt Stocks	7.25	7.75	0.50	24.00
Global Stocks	7.50	8.00	0.50	16.00
Private Markets	9.70	11.00	1.30	26.00
Cash Equivalents	2.50	1.75	(0.75)	1.25
Core Bonds	3.75	3.00	(0.75)	5.00
LT Core Bonds	4.75	3.25	(1.50)	10.00
TIPS	3.25	1.75	(1.50)	6.00
High Yield Bonds	5.50	5.75	0.25	10.00
Non-U.S. Bonds (Hdg)	3.40	2.65	(0.75)	4.00
U.S. RE Securities	5.50	4.75	(0.75)	15.00
Private Real Estate	6.30	5.50	(0.80)	12.25
Commodities	4.25	3.75	(0.50)	13.00
Inflation:	2.25	1.75	(0.50)	1.75
Total Returns minus Inflation:				
U.S. Stocks	5.00	6.00	1.00	
U.S. Bonds	1.50	1.25	(0.25)	
Cash Equivalents	0.25	-	(0.25)	
Stocks minus Bonds:	3.50	4.75	1.25	
Bonds minus Cash:	1.25	1.25	-	

September 30, 2011	**Key Economic Indicators**			
CPI (all items)	Monthly Change		Cumulative Change	
Seasonally adjusted	Sep-11	0.3	3-Month	1.2
	Aug-11	0.4	12-Month	3.9
	Jul-11	0.5	10-Yr Annual	2.5
Breakeven Inflation	10-Year	1.8		
Consumer Sentiment	Sep-11	59.4		
Unv. of Michigan Survey	Aug-11	55.7		
	1-Yr Ago	68.2	10-Yr Avg	80.8
Manufacturing	Sep-11	51.6	Change in Manufacturing Sector	
Inst. for Supply Mgmt	Aug-11	50.6	>50	Expansion
Purchasing Mngrs' Idx	1-Yr Avg	56.6	<50	Contraction

Note: Seasonally adjusted CPI data is utilized to better reflect short-term pricing activity.

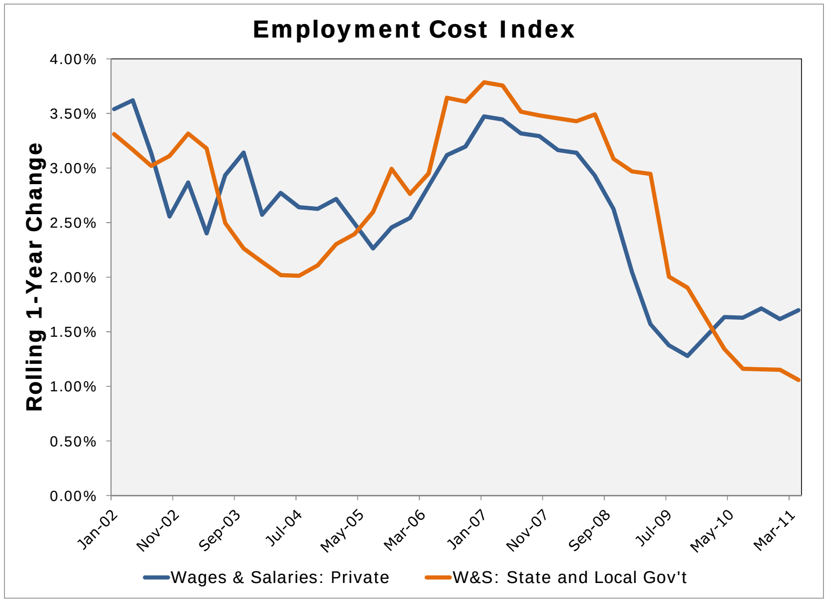




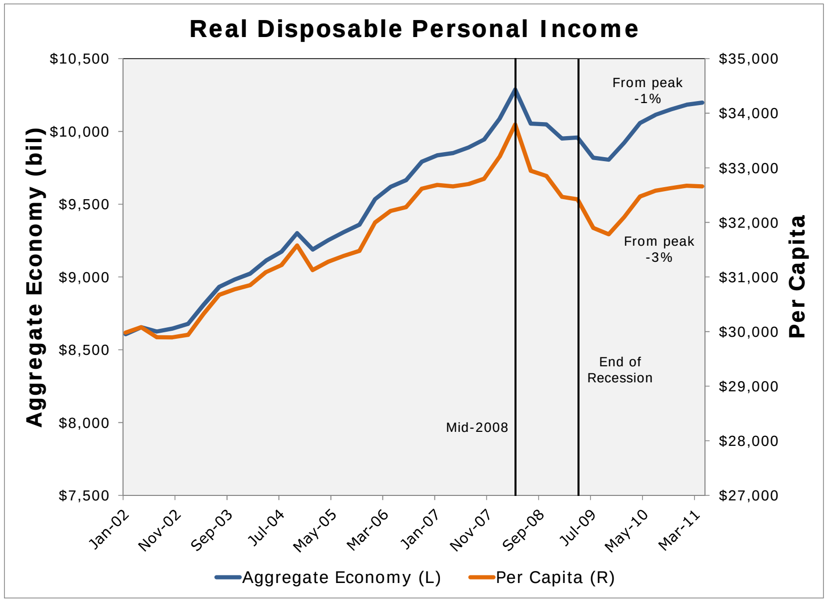
Data sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve Bank of St. Louis, Barclays Capital

Wages and Salaries

Wages and salaries have not kept up with inflation



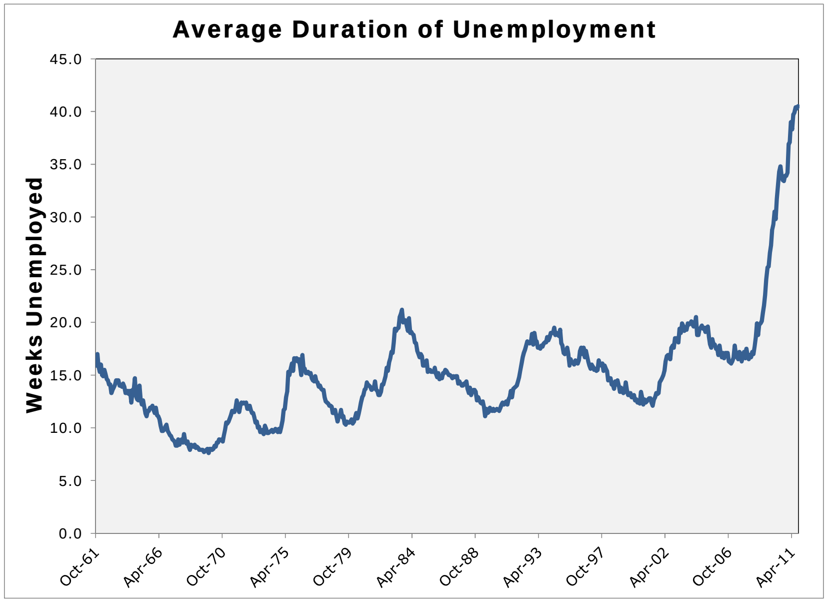
Per-capita disposable income recovering more slowly, therefore leaving less for non-essential spending



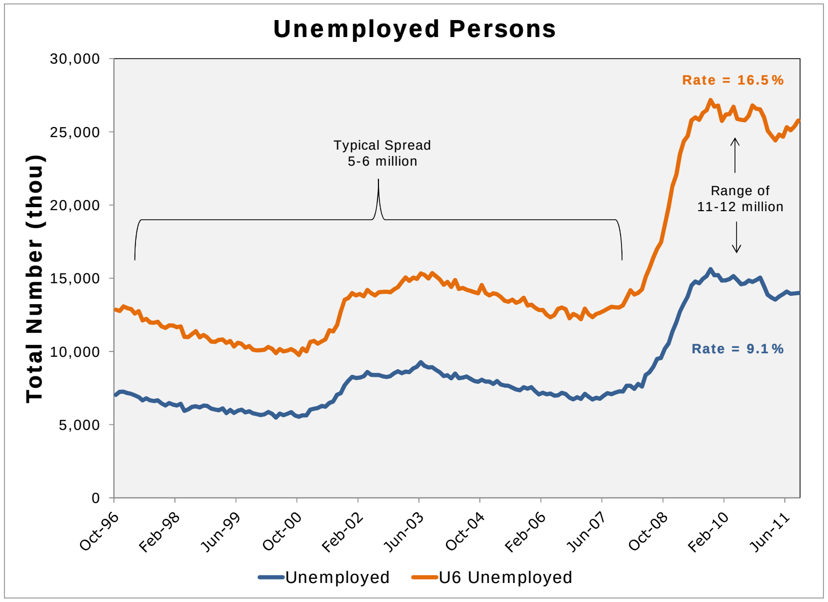
Data sources: Bureau of Labor Statistics, Bureau of Economic Analysis

Employment Conditions

After a decades-long, gradual increase, average time unemployed is now more than double previous highs



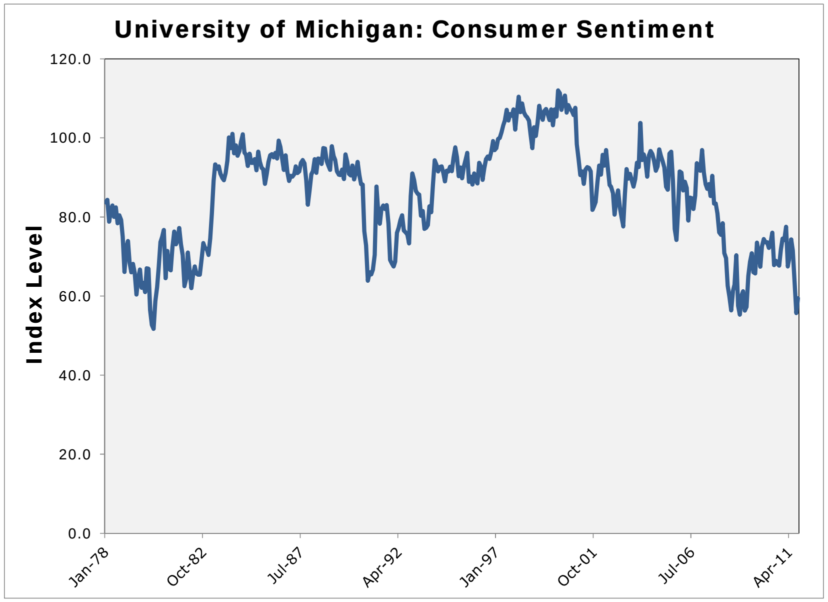
Broader unemployment measurement (U6) includes workers who are "marginally attached" and "part-time for economic reasons"



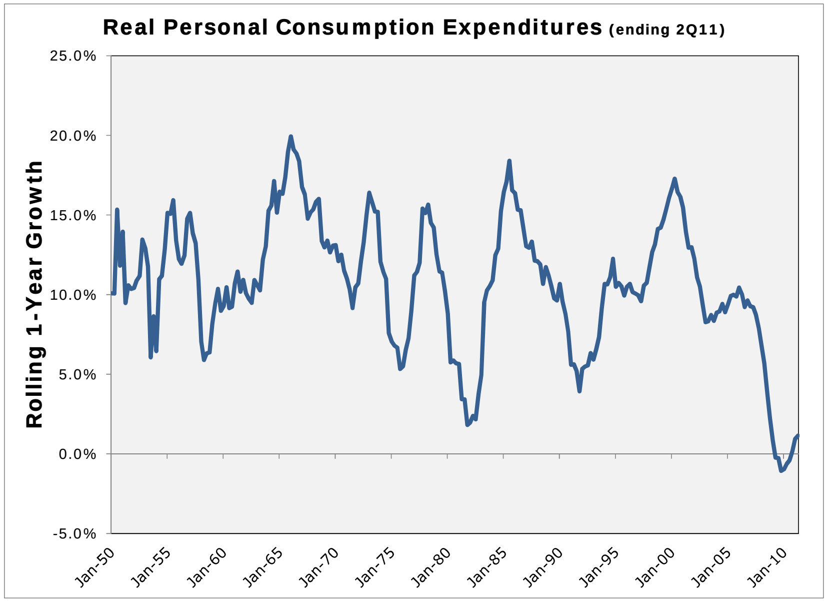
Data sources: Bureau of Labor Statistics

Effects on Consumer Behavior

After a moderate rebound in consumer sentiment, U of M index back down to levels not seen since the 1980's



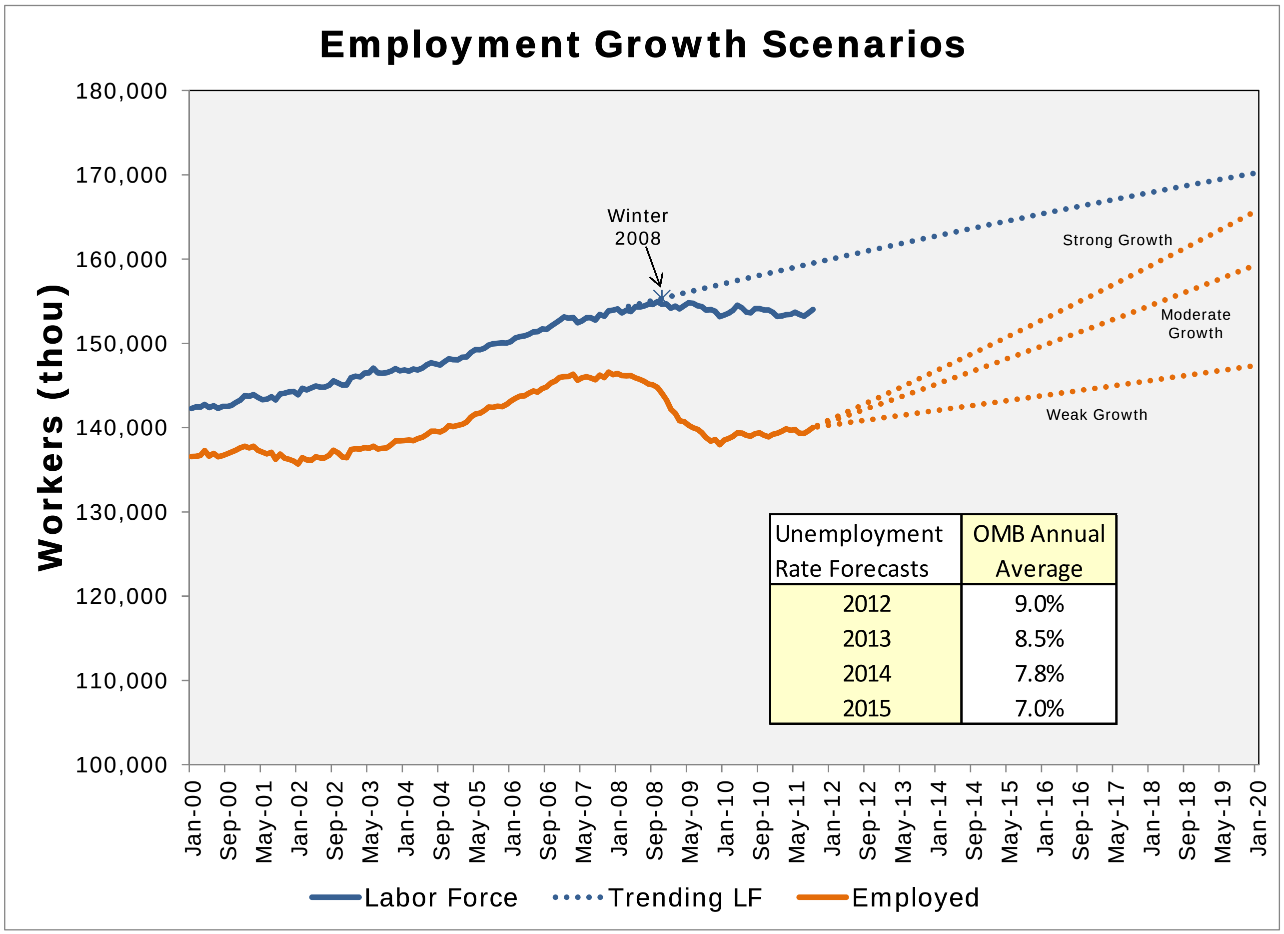
Recent decline in real expenditures included first decrease in more than 60 years



Data sources: Thomson Reuters/University of Michigan, Bureau of Economic Analysis

Employment Conditions

Labor Force stagnated as employment shrank; based on historical recoveries and a recent forecast from the Office of Management and Budget, unemployment is likely to remain high for years

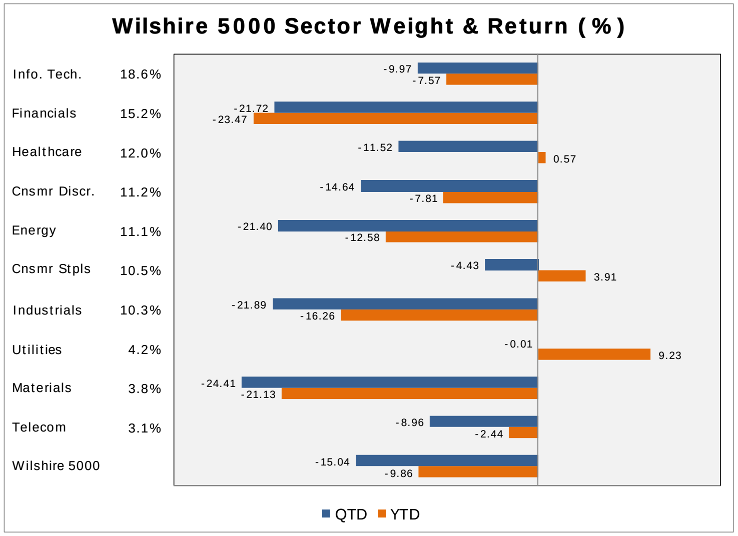


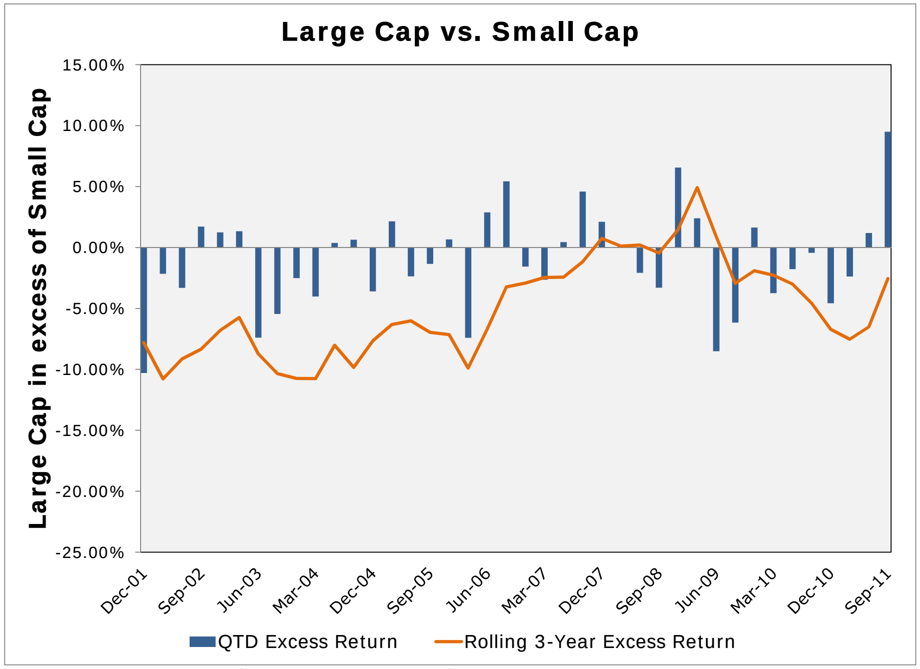
Unemployment Rate Forecasts	OMB Annual Average
2012	9.0%
2013	8.5%
2014	7.8%
2015	7.0%

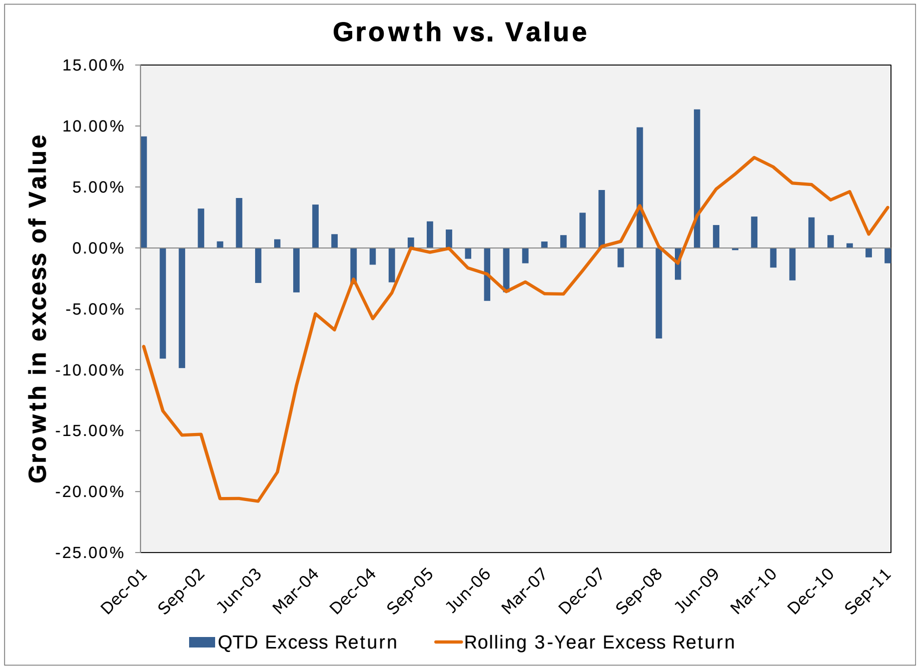
Data sources: Bureau of Labor Statistics, Office of Management and Budget

U.S. Capital Markets: Equity

September 30, 2011	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Wilshire 5000	-15.0	-9.9	0.6	1.5	-0.8	3.8
Wilshire U.S. Large Cap	-14.2	-9.1	0.9	1.2	-0.9	3.3
Wilshire U.S. Small Cap	-21.7	-15.9	-2.2	3.9	1.2	8.1
Wilshire U.S. Large Growth	-14.9	-10.3	0.1	2.8	0.8	3.1
Wilshire U.S. Large Value	-13.6	-7.9	1.7	-0.4	-2.7	3.5
Wilshire U.S. Small Growth	-21.2	-13.4	1.0	5.9	2.7	8.3
Wilshire U.S. Small Value	-22.1	-18.5	-5.4	1.9	-0.4	7.9
Wilshire REIT Index	-14.6	-5.4	2.1	-2.0	-3.1	9.1
MSCI USA Minimum Volatility Index	-6.4	1.4	8.8	3.1	1.4	3.5
FTSE RAFI U.S. 1000 Index	-15.8	-11.0	-0.4	4.8	0.1	n.a.



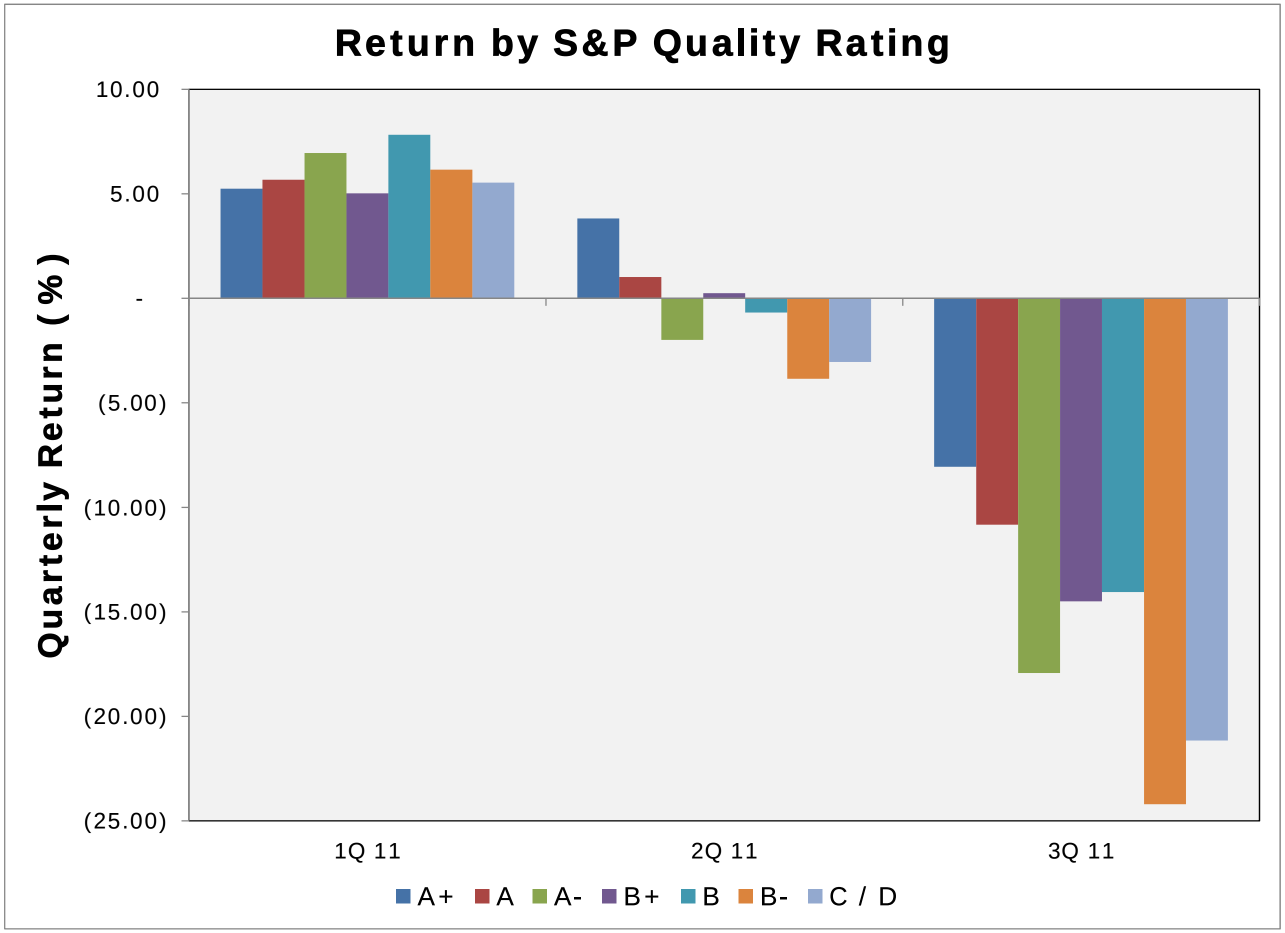




Data sources: Wilshire Compass, Wilshire Atlas

Returns by Quality Segment

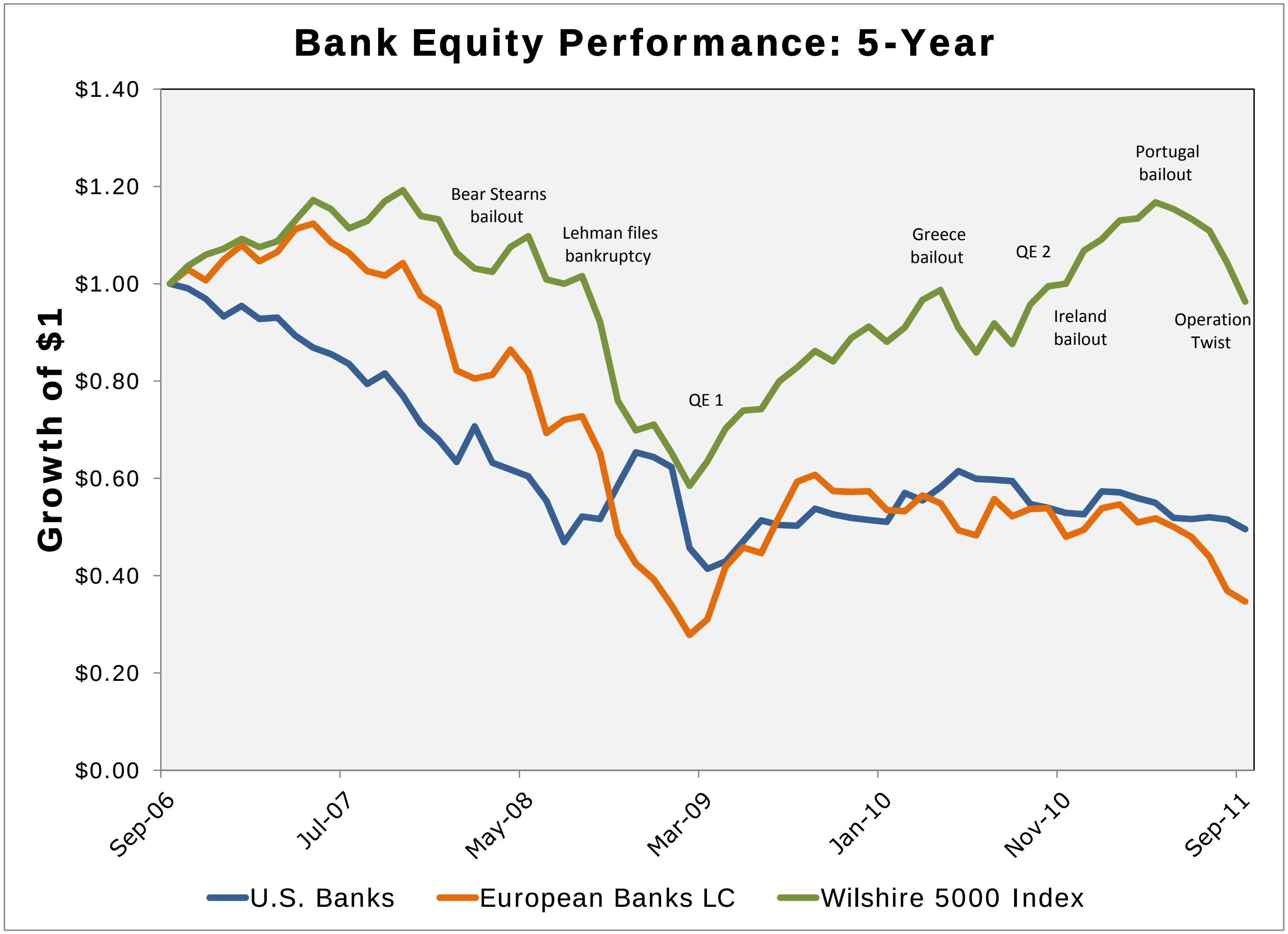
After the Q1 tide lifted all boats, higher quality stocks have been fairing better



Data sources: Wilshire Atlas

Wilshire

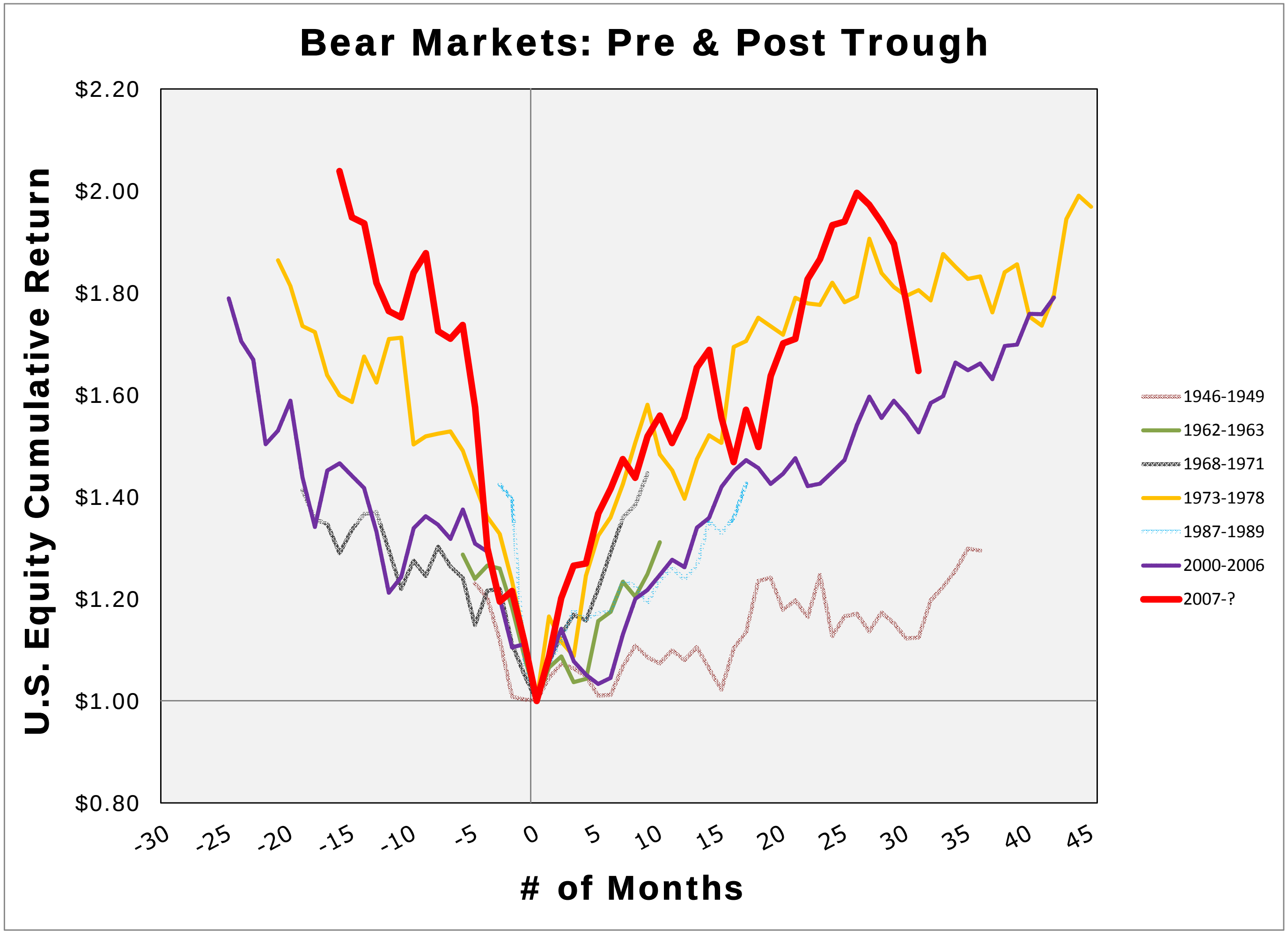
Bank stocks still a long way from recovery



Data sources: MSCI, Wilshire Atlas, Wilshire Compass

Historical Bear Markets (post Depression)

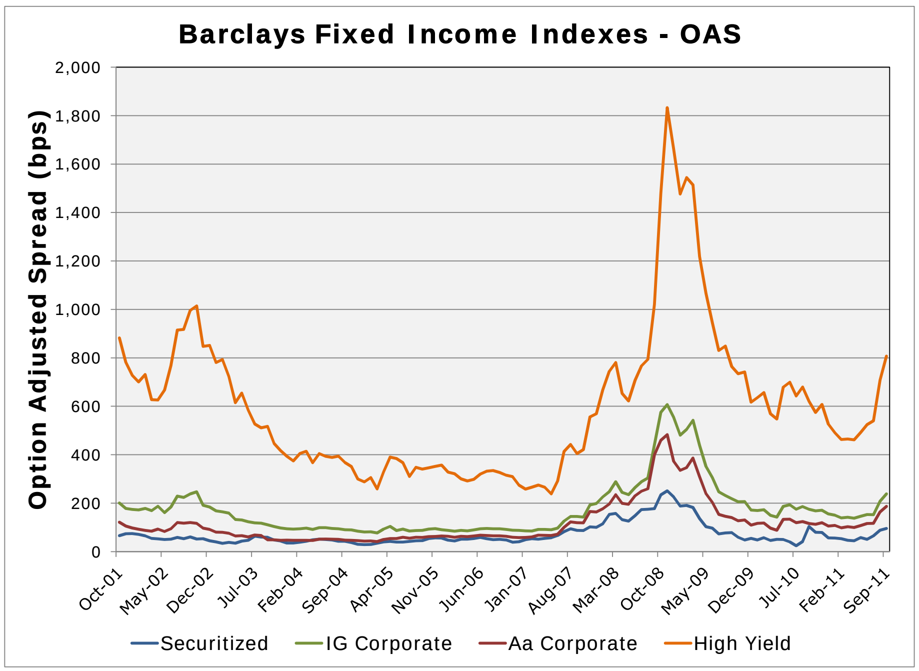
Credit crisis sell-off most severe since Great Depression; still recovering thanks in part to recent correction

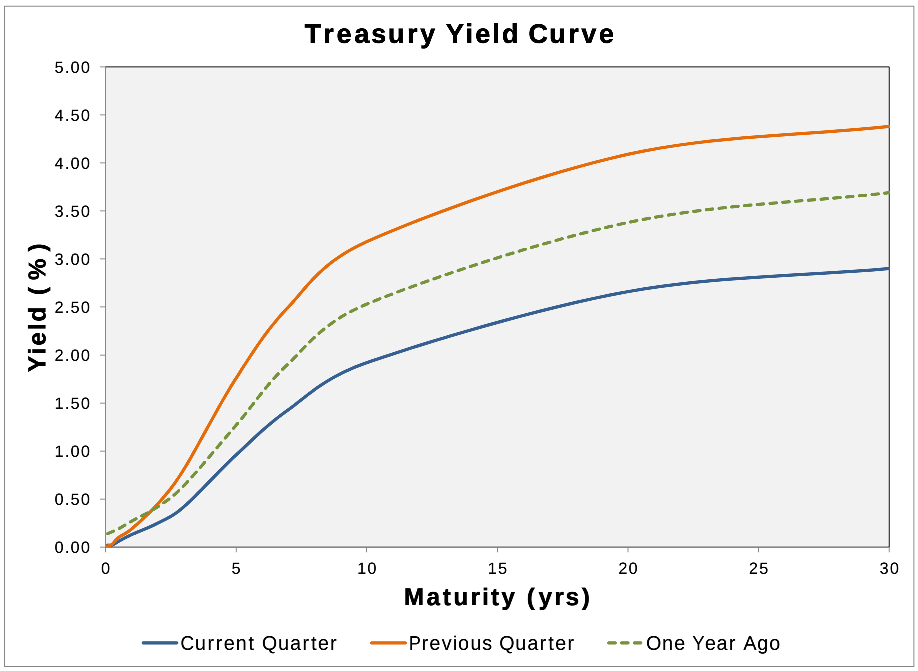


Data sources: Wilshire Compass

U.S. Capital Markets: Fixed Income

September 30, 2011	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays Aggregate Bond Index	3.8	6.6	5.3	8.0	6.5	5.7
Barclays Treasury Index	6.5	8.8	6.0	6.5	6.8	5.5
Barclays Govt-Related Index	3.0	5.9	4.1	6.4	6.2	5.5
Barclays Securitized Index	2.2	5.2	5.5	7.3	6.5	5.5
Barclays Corporate IG Index	2.9	6.1	4.4	12.6	6.7	6.3
Barclays LT Govt/Credit Index	15.6	19.4	12.7	14.9	9.4	8.3
Barclays Long-Term Treasury Index	24.7	27.5	17.1	13.0	10.7	8.5
Barclays U.S. TIPS Index	4.5	10.6	9.9	8.1	7.1	7.2
Barclays High Yield Index	-6.1	-1.4	1.8	13.8	7.1	8.8
Treasury Bills	0.0	0.1	0.1	0.2	1.7	2.0

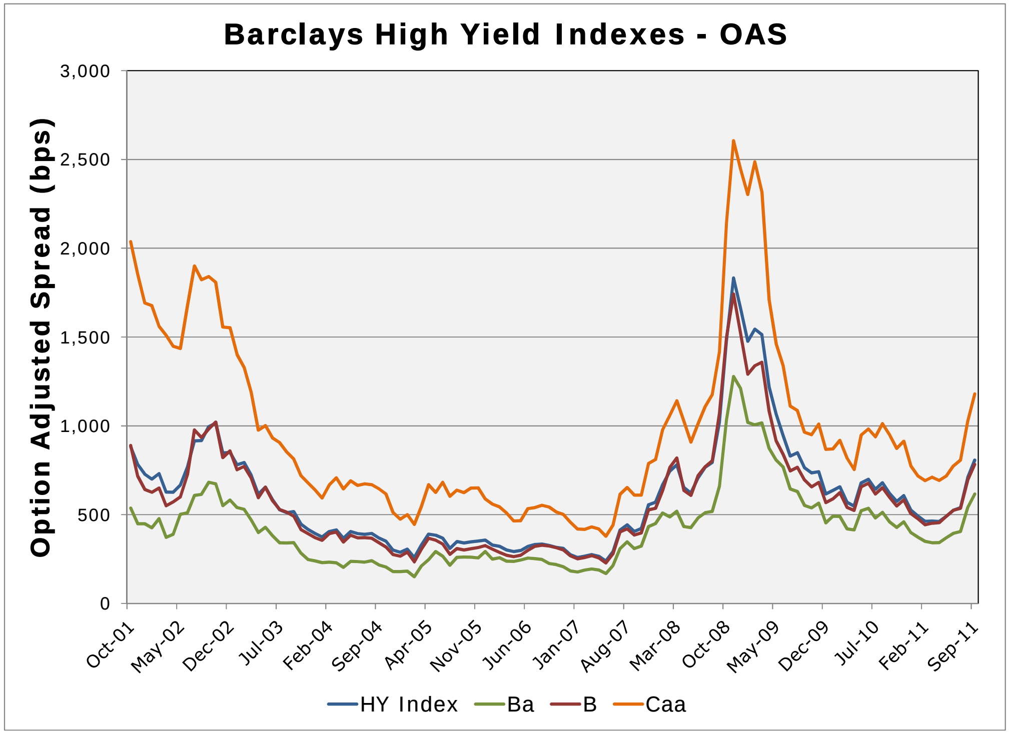




Data sources: Wilshire Compass, Barclays Capital, U.S. Treasury

High Yield by Quality

September 30, 2011	Weight	Qtr	Ytd	1 Yr	3 Yr
Barclays High Yield Index	100%	-6.1	-1.4	1.8	13.8
Quality Distribution					
Ba U.S. High Yield	40.1%	-3.7	1.2	2.9	13.8
B U.S. High Yield	42.7%	-5.2	-0.9	2.3	10.4
Caa U.S. High Yield	15.2%	-11.7	-6.7	-1.2	10.6
Ca to D U.S. High Yield	1.9%	-25.0	-20.7	-13.4	31.1
Non-Rated U.S. High Yield	0.1%	-5.5	-2.0	2.6	-1.6

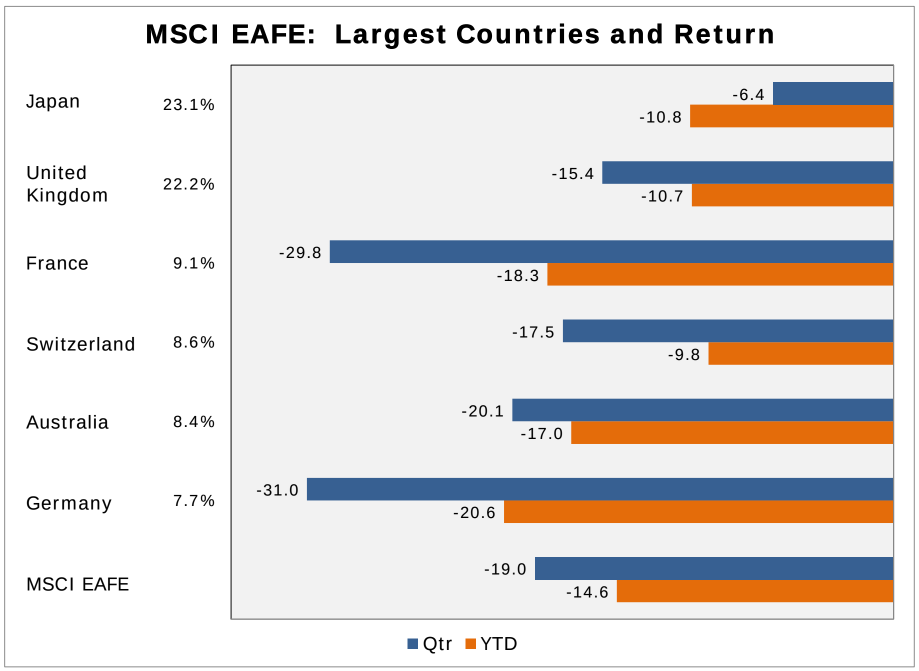


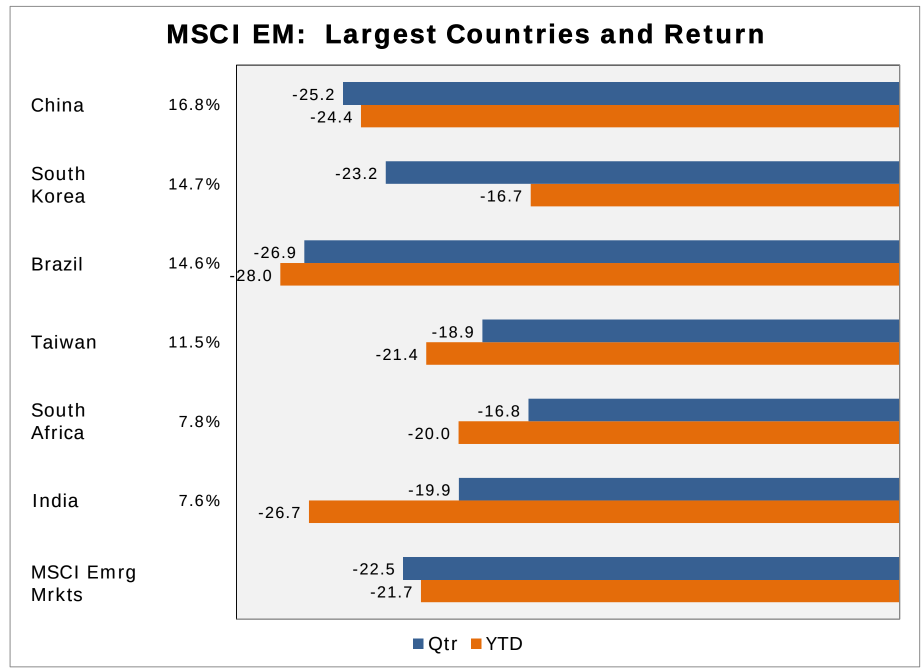
Data sources: Barclays Capital

Non-U.S. Capital Markets

Wilshire

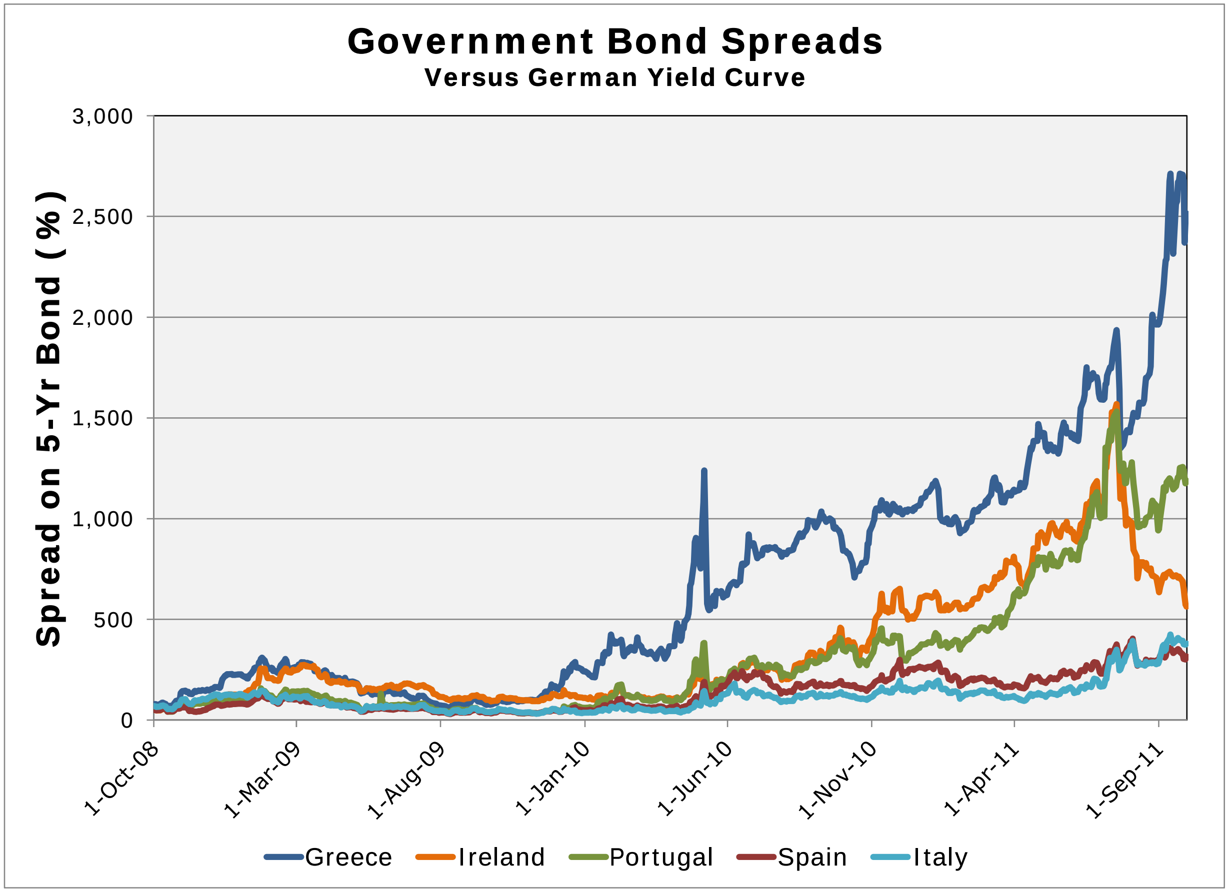
September 30, 2011	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
MSCI ACWI ex-US ($g)	-19.8	-16.5	-10.4	1.0	-1.1	7.3
MSCI EAFE ($g)	-19.0	-14.6	-8.9	-0.7	-3.0	5.5
MSCI Emerging Markets ($g)	-22.5	-21.7	-15.9	6.6	5.2	16.4
MSCI Frontier Markets ($g)	-12.0	-16.8	-10.1	-11.0	-4.2	n.a.
MSCI EAFE Minimum Volatility Idx	-7.7	-2.0	0.9	4.2	2.3	n.a.
FTSE RAFI Developed ex-US Index	-21.5	-16.7	-11.4	0.5	-1.7	n.a.
JPM Non US Global Bond	1.4	6.2	4.7	9.0	8.3	8.2
JPM Non US Global Bond Hedged	4.1	5.3	2.9	5.4	4.9	4.7
JPM EMBI Global	-1.8	3.2	1.3	11.7	7.8	10.5
Euro vs. Dollar	-7.4	0.0	-1.7	-1.6	1.1	3.9
Yen vs. Dollar	4.8	5.2	8.4	11.3	8.9	4.4
Pound vs. Dollar	-2.9	-0.5	-1.1	-4.4	-3.6	0.6





Data sources: Wilshire Compass, MSCI Barra

Concerns linger in Europe

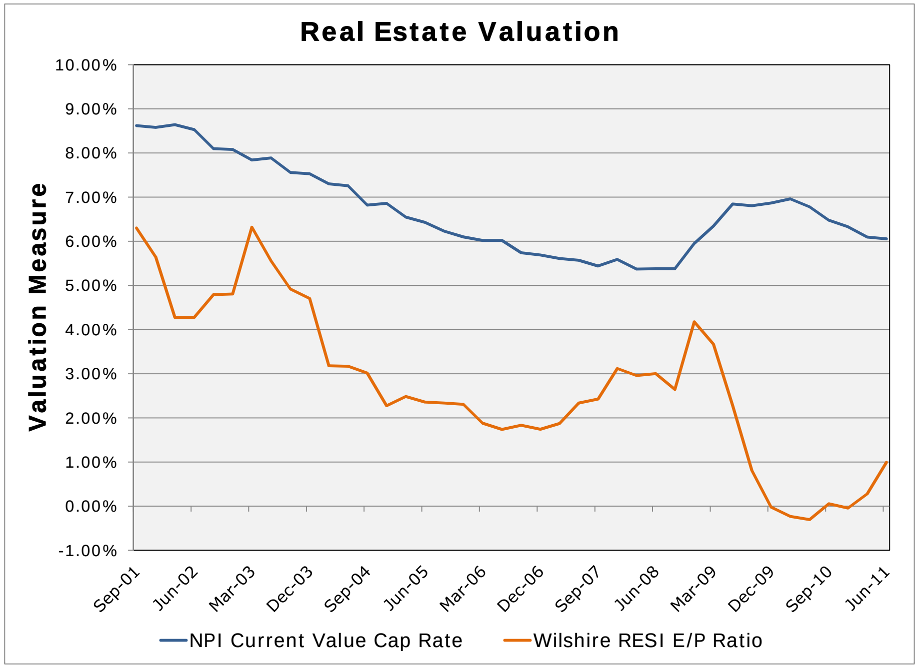


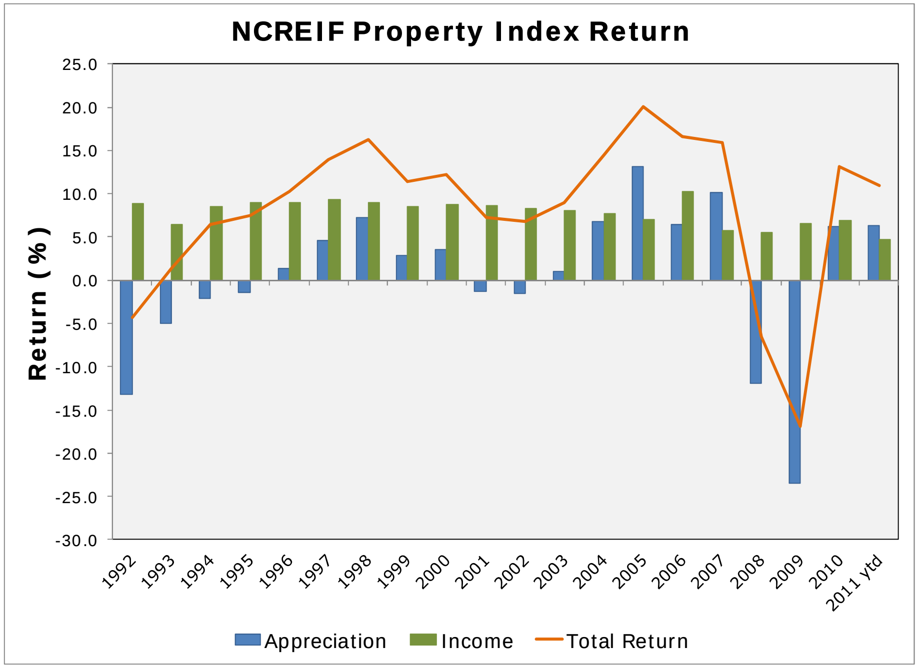
Data sources: Barclays Capital, The Economist

Real Assets

September 30, 2011	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays U.S. TIPS Index	4.5	10.6	9.9	8.1	7.1	7.2
Dow Jones UBS Commodity Index	-11.3	-13.6	0.0	-5.7	-1.1	5.9
Global Public Real Estate*	-15.1	-5.9	1.3	-0.2	-2.8	10.0
NCREIF Property Index	3.3	11.0	16.1	-1.5	3.4	7.8
NCREIF Timberland Index	-0.4	1.1	0.3	-0.4	5.8	6.8
S&P MLP Index (Oil & Gas)	-7.2	-1.6	7.0	23.6	11.9	13.1

* Wilshire Global Real Estate Securities from June, 2001 to December, 2004. Wilshire Global REITs from 2004 to present.





Data sources: Wilshire Compass, National Council of Real Estate Investment Fiduciaries

Asset Class Performance

Annual Asset Class Returns - Best to Worst

2006	2007	2008	2009	2010	**YTD 2011**
REITs 36.0%	Emrg Mrkts 39.8%	Core Bond 5.2%	Emrg Mrkts 79.0%	REITs 28.6%	U.S. TIPS 10.6%
Emrg Mrkts 32.6%	Commodities 16.2%	T-Bills 2.0%	High Yield 58.2%	Emrg Mrkts 19.2%	Core Bond 6.6%
Developed 26.9%	U.S. TIPS 11.6%	U.S. TIPS -2.3%	Developed 32.5%	U.S. Equity 17.2%	T-Bills 0.1%
U.S. Equity 15.8%	Developed 11.6%	High Yield -26.2%	REITs 28.6%	Commodities 16.8%	High Yield -1.4%
High Yield 11.9%	Core Bond 7.0%	Commodities -35.6%	U.S. Equity 28.3%	High Yield 15.1%	REITs -5.4%
T-Bills 4.8%	U.S. Equity 5.6%	U.S. Equity -37.2%	Commodities 18.9%	Developed 8.2%	U.S. Equity -9.9%
Core Bond 4.3%	T-Bills 5.0%	REITs -39.2%	U.S. TIPS 11.4%	Core Bond 6.5%	Commodities -13.6%
Commodities 2.1%	High Yield 1.9%	Developed -43.1%	Core Bond 5.9%	U.S. TIPS 6.3%	Developed -14.6%
U.S. TIPS 0.4%	REITs -17.5%	Emrg Mrkts -53.2%	T-Bills 0.2%	T-Bills 0.1%	Emrg Mrkts -21.7%

Annualized 5-Year 2006-2010
Emrg Mrkts 13.1%
High Yield 8.9%
Core Bond 5.8%
U.S. TIPS 5.3%
Developed 2.9%
U.S. Equity 2.9%
REITs 2.4%
T-Bills 2.4%
Commodities 1.2%

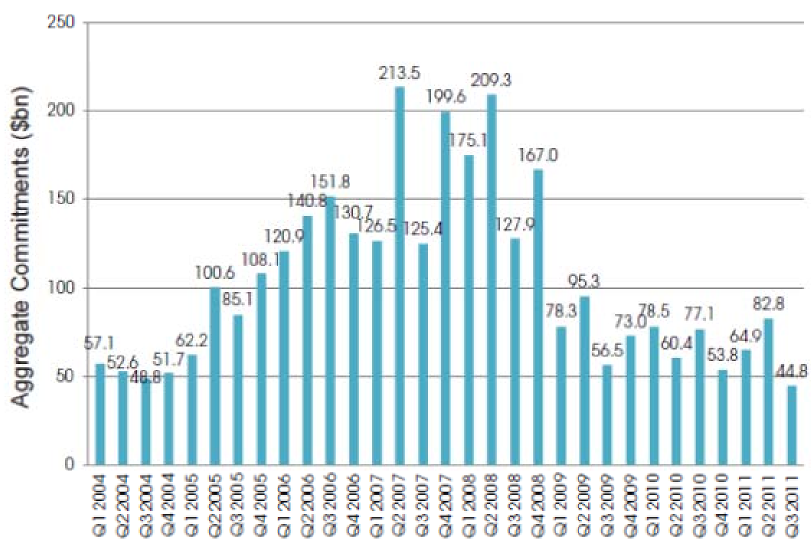
Data sources: Wilshire Compass

Note: Developed asset class is developed markets ex-U.S., ex-Canada.

Appendix: Private Markets Update

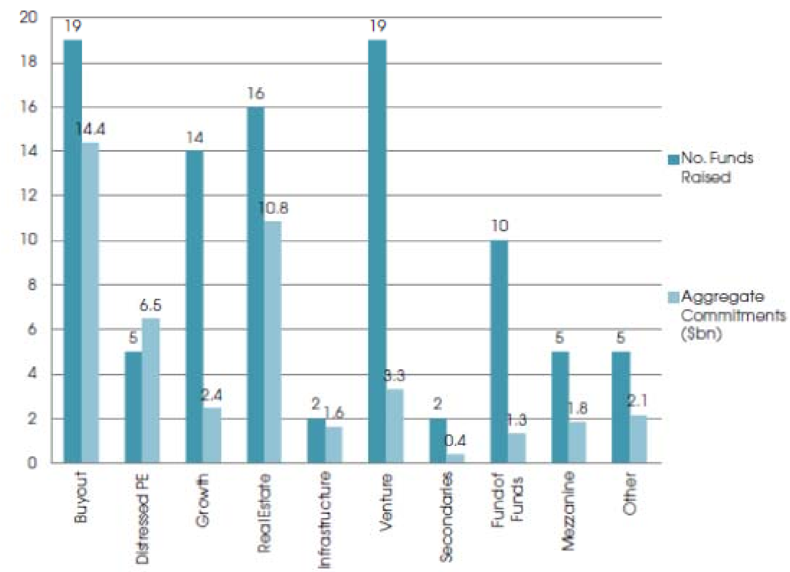
Private Equity Fundraising

Fig. 10: All Private Equity Fundraising by Quarter, Q1 2004 - Q3 2011



Source: Preqin

Fig. 12: Private Equity Fundraising by Type, Q3 2011

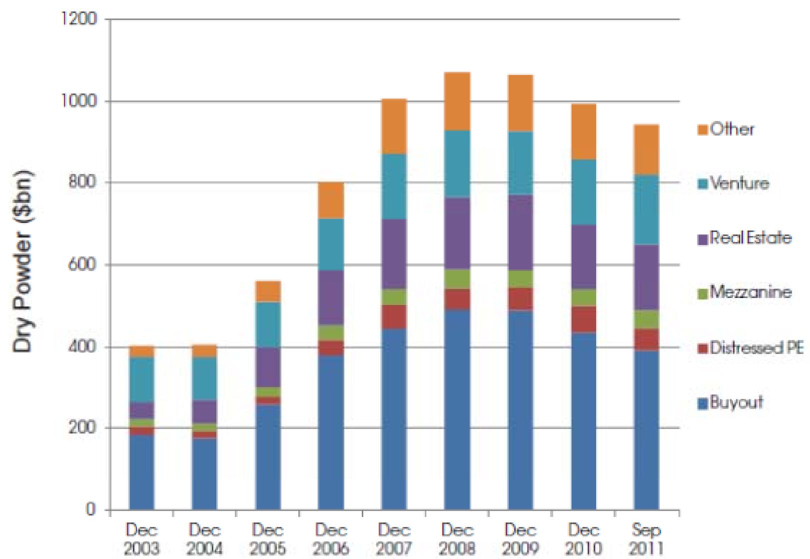


Source: Preqin

Data sources: Preqin

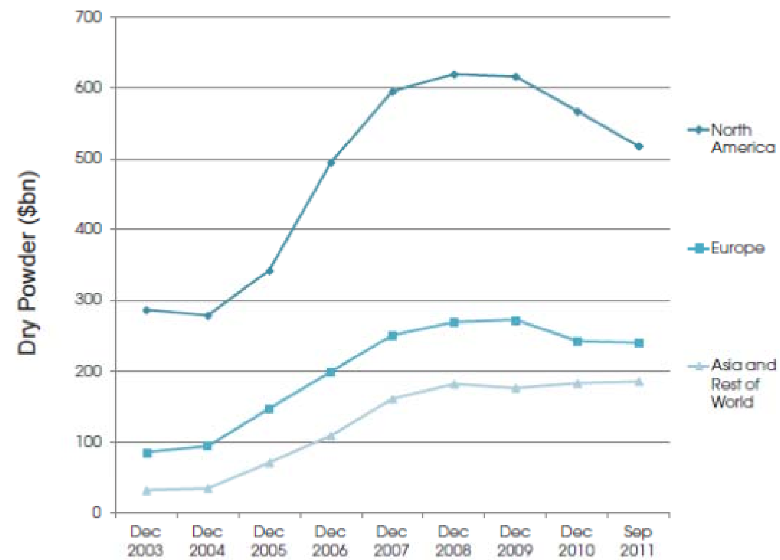
Private Equity Cash on Hand

Fig. 35: Private Equity Dry Powder by Fund Type, 2003 - September 2011



Source: Preqin

Fig. 36: Private Equity Dry Powder by Primary Regional Focus, 2003 - September 2011

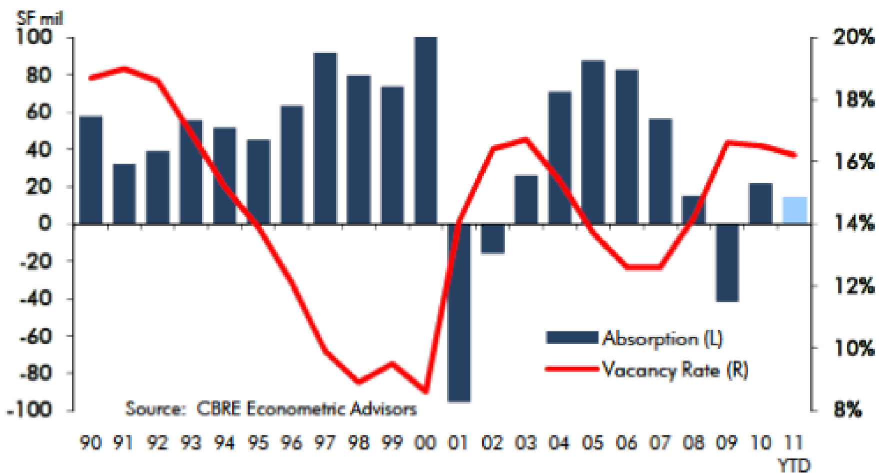


Source: Preqin

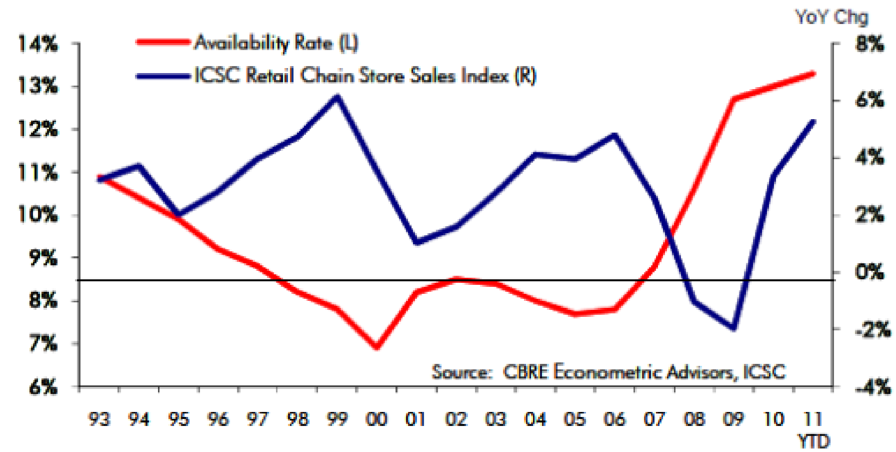
Data sources: Preqin

Commercial Property *(as of Q2 2011)*

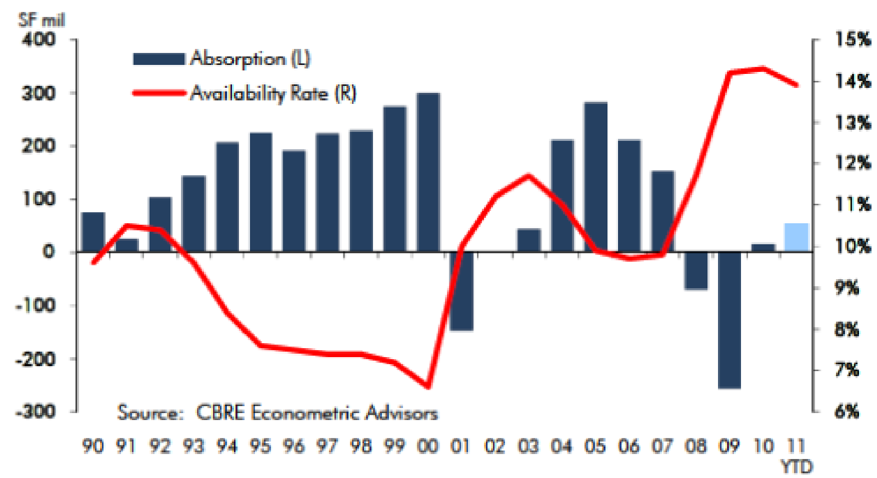
Office



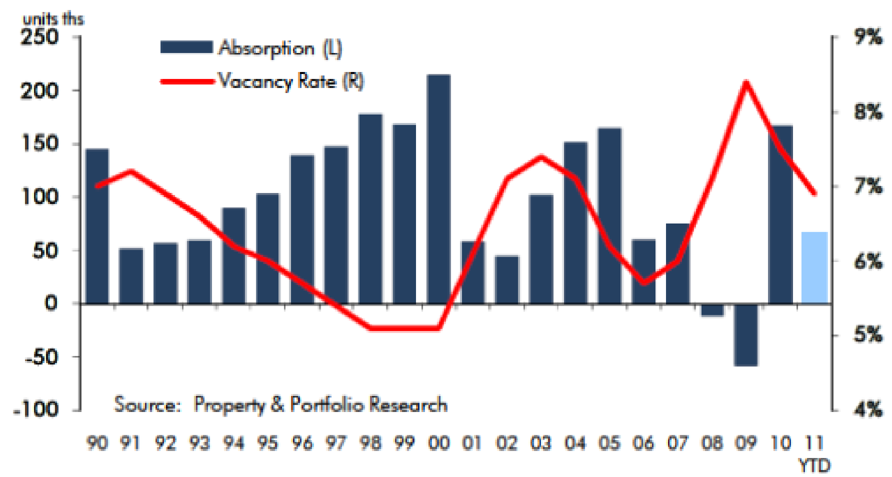
Retail



Industrial



Apartment



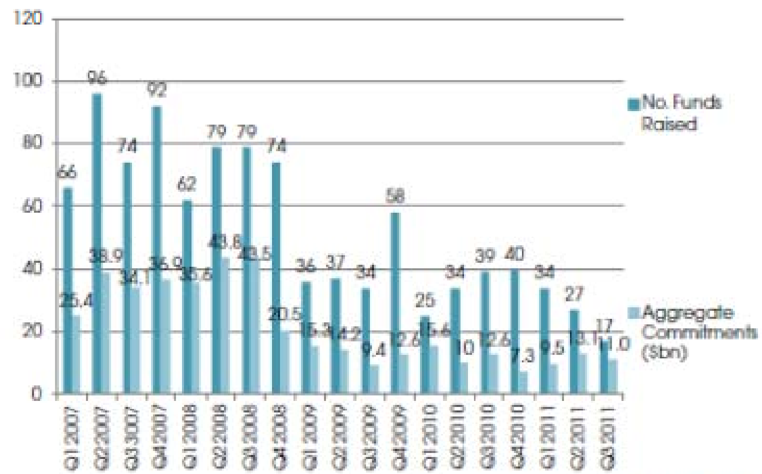
Data sources: CB Richard Ellis

Fig. 1: Real Estate Funds in Market

	North America	Europe	Asia &RoW	Overall
No. of Funds	257	100	85	442
Aggregate Target Size ($bn)	88.2	36.0	27.4	151.5
Average Target Size ($mn)	356	387	357	363

Source: Preqin

Fig. 12: Quarterly Closed-End Private Equity Real Estate Fundraising, Q1 2007 - Q3 2011

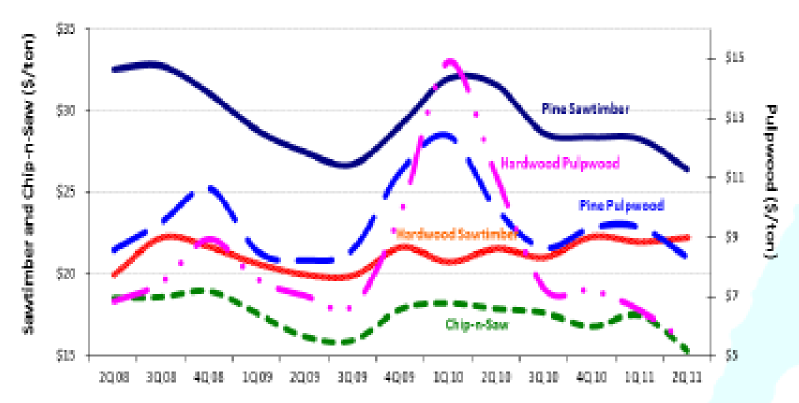


Source: Preqin

Data sources: Preqin

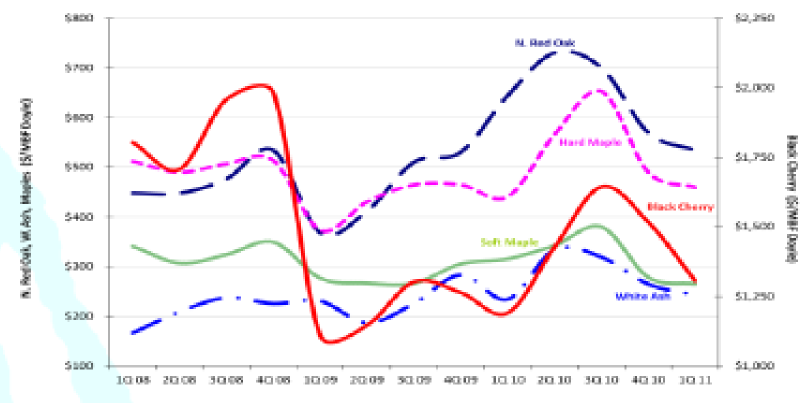
Timber

Southeastern Timber Prices



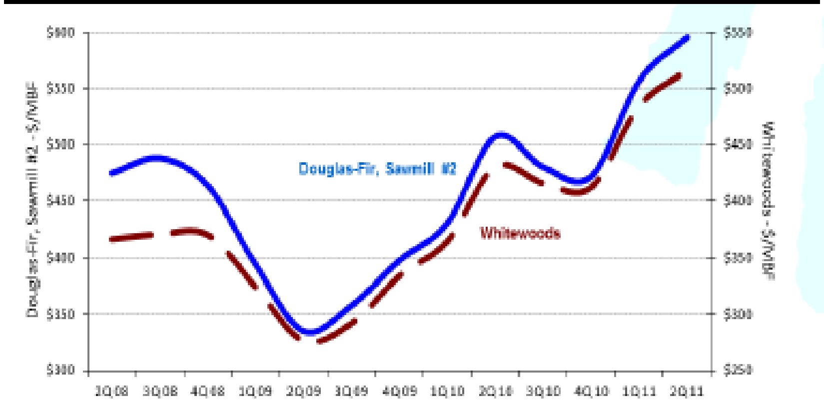
Source: Forest2Market®

Northeastern Hardwood Timber Prices



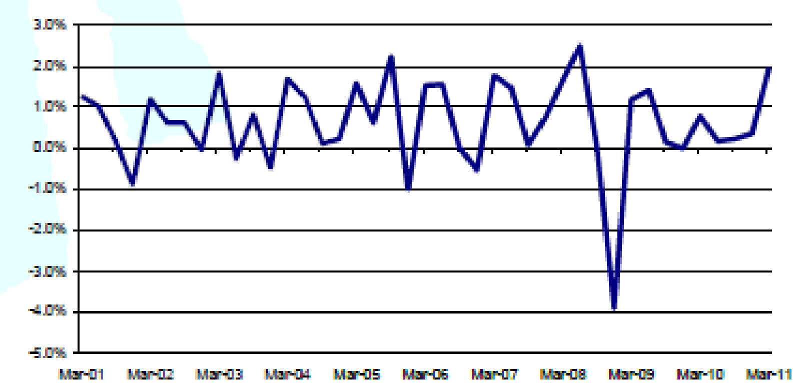
Source: Pennsylvania Woodlands Timber Market Report - Northwest Region

Pacific Northwest Timber Prices



Source: Log Lines®

Inflation (CPI)



Source: http://www.bls.gov/cpi/home.htm

Forest Investment Associates - 7 - *2nd Quarter – 2011*

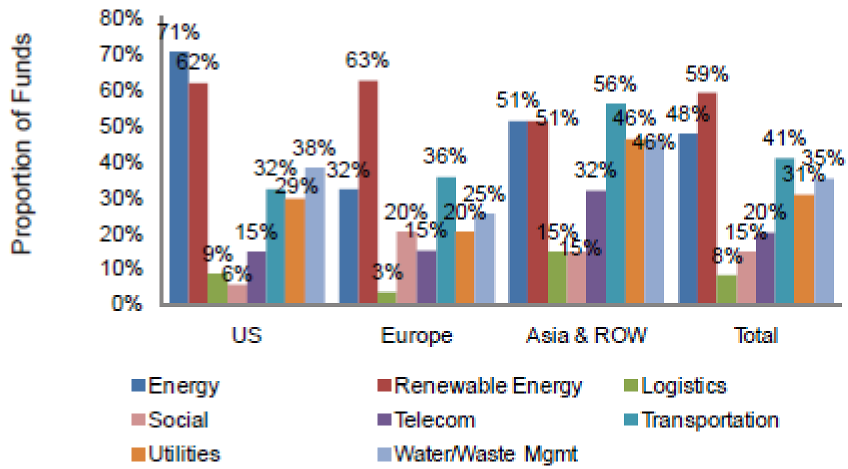
Data sources: Forest Investment Associates

Fig. 1: Key Facts: Unlisted Infrastructure Funds on the Road

Funds on the Road	US	Europe	Asia and Rest of World	Total
Number	34	59	41	134
Total Target Value ($bn)	32	35.7	26.4	94.1
Average Target Size ($bn)	0.94	0.61	0.64	0.70

Source: Preqin

Fig. 3: Industry Preferences of Infrastructure Funds on the Road by Region



Data sources: Preqin

Hedge Fund Performance

September 30, 2011	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
DJ CS Hedge Fund Index	-4.8	-3.2	1.3	4.6	4.2	6.6
Event Driven Index	-10.9	-9.7	-4.3	3.6	3.9	7.4
Global Macro Index	4.4	5.8	9.8	9.3	9.3	10.9
Long/Short Equity Index	-9.8	-9.1	-3.7	3.2	3.0	5.9
Multi-Strategy Index	-3.7	0.5	4.6	6.2	4.0	6.5
Wilshire 5000	-15.0	-9.9	0.6	1.5	-0.8	3.8
MSCI ACWI ex-US ($g)	-19.8	-16.5	-10.4	1.0	-1.1	7.3
Barclays Aggregate Bond Index	3.8	6.6	5.3	8.0	6.5	5.7
Dow Jones UBS Commodity Index	-11.3	-13.6	0.0	-5.7	-1.1	5.9

Fig. 1: Key Facts: Funds of Hedge Funds

Mean AUM ($bn)	2.3
Average number of hedge fund investments in portfolio	42
Average maximum lock-up period accepted by funds of hedge funds (months)	18

Source: Preqin

Fig. 2: Strategic Preferences of Funds of Hedge Funds

Source: Preqin

Data sources: Wilshire Compass, Preqin