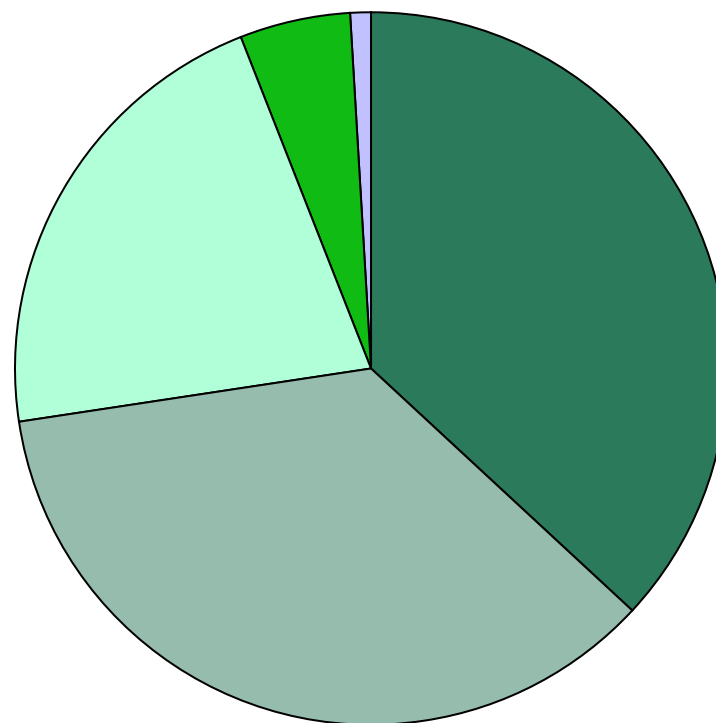
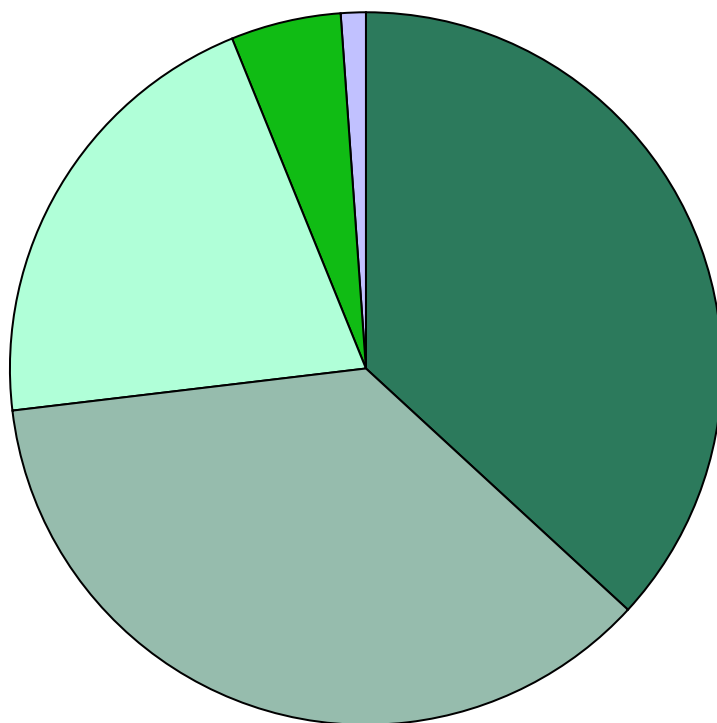


September 30, 2012 : \$1,985,961,768

December 31, 2012 : \$1,994,826,822



	Market Value (\$)	Allocation (%)
■ Domestic Equity Composite	731,622,392	36.84
■ Fixed Income Composite	720,462,105	36.28
■ International Equity Composite	411,919,149	20.74
■ Real Estate Composite	99,371,608	5.00
■ In House Cash	22,586,515	1.14

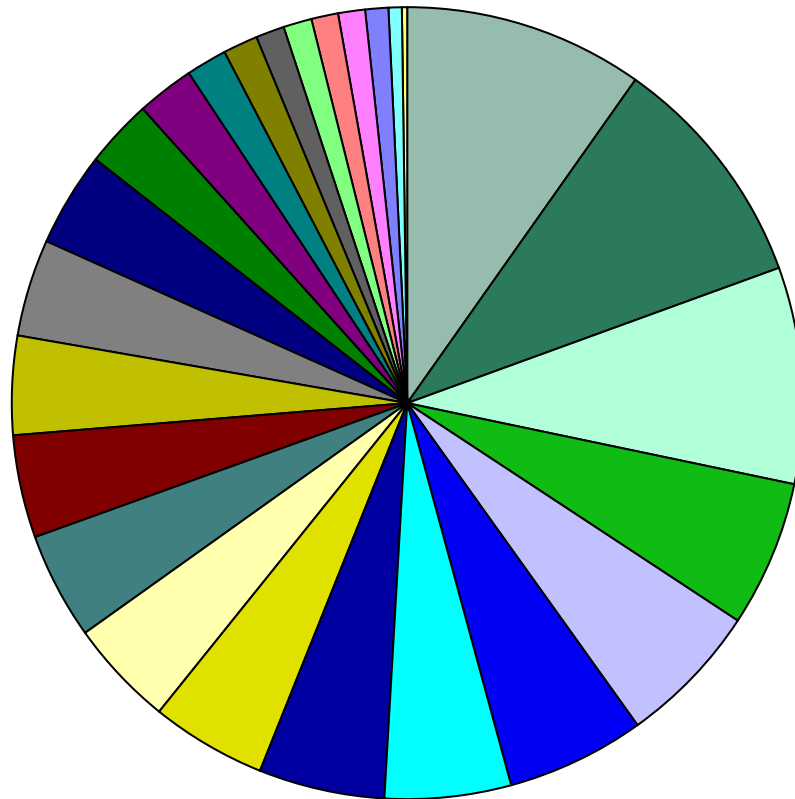
	Market Value (\$)	Allocation (%)
■ Domestic Equity Composite	735,843,735	36.89
■ Fixed Income Composite	712,658,839	35.73
■ International Equity Composite	427,391,723	21.43
■ Real Estate Composite	100,149,694	5.02
■ In House Cash	18,782,830	0.94

City of Memphis

Asset Allocation Chart

As of December 31, 2012

December 31, 2012 : \$1,994,826,822



	Market Value (\$)	Allocation (%)
PIMCO	195,229,718	9.79
Mackay Shields	192,757,938	9.66
Rhumblin S&P 500	176,191,475	8.83
Prudential Core Conserv Bond	119,093,760	5.97
1607 Capital Partners	116,866,875	5.86
Marathon Asset Mgmt	112,839,249	5.66
Smith Graham	102,864,397	5.16
Highland Capital Mgmt	102,713,027	5.15
Acadian EM Equity II	94,111,388	4.72
Winslow Capital Management	87,004,167	4.36
Herndon Capital Management	86,854,899	4.35
NTGI S&P 400	83,767,927	4.20
Principal Global Investors	80,468,185	4.03
Navellier and Associates Inc.	79,123,284	3.97
Barrow, Hanley	76,778,525	3.85
SouthernSun	55,471,211	2.78
Paradigm Small Cap	46,825,899	2.35
RREEF Public REITs	33,250,161	1.67
BlackRock Granite Property Fund	28,411,998	1.42
Long Wharf Real Estate Partners	23,269,865	1.17
Strategic Global Advisors	23,106,027	1.16
Nicholas Investment Partners	21,920,139	1.10
Platte River	21,906,208	1.10
In House Cash	18,782,830	0.94
RREEF REIT II	10,905,212	0.55
Cornerstone	4,312,458	0.22

City of Memphis
Asset Allocation Comparison

Portfolio Value 12/31/12

\$1,994,826,822

<u>Target Allocations</u>		<u>Current Managers & Allocations</u>			<u>Difference</u>	<u>Range</u>	
Equity		(000)		(000)			
Large Cap Equity	26.00%	\$518,655	Barrow, Hanley (large cap value)	3.85%	\$76,779	0.46%	21%-31%
			Herdon Capital (large cap value)	4.35%	\$86,855		
			Navellier and Associates (large cap growth)	3.97%	\$79,123		
			Winslow (large cap growth)	4.36%	\$87,004		
			Rhumbline S&P 500 (large cap core)	8.83%	\$176,191		
			Platte River (all cap core)*	1.10%	\$21,906		
Mid Cap Equity	4.00%	\$79,793	Northern Trust (mid cap core)	4.20%	\$83,768	0.20%	0%-9%
Small Cap Equity	4.00%	\$79,793	SouthernSun (small cap value)	2.78%	\$55,471	2.23%	0%-9%
			Paradigm (small cap growth)	2.35%	\$46,826		
			Nicholas (small cap growth)*	1.10%	\$21,920		
Domestic Equity	34.00%	\$678,241	Domestic Equity	36.89%	\$735,844	2.89%	24%-44%
Developed International	17.00%	\$339,121	1607 Capital Partners	5.86%	\$116,867	-0.29%	12%-22%
			Principal Global Investors	4.03%	\$80,468		
			Marathon Asset Mgmt	5.66%	\$112,839		
			Strategic Global Advisors*	1.16%	\$23,106		
Emerging Markets	5.00%	\$99,741	Acadian	4.72%	\$94,111	-0.28%	0%-10%
International	22.00%	\$438,862	International	21.43%	\$427,392	-0.57%	17%-27%
Equity Total	56.00%	\$1,117,103	Equity Total	58.31%	\$1,163,235	2.31%	
Fixed Income							
Core Fixed Income	29.00%	\$578,500	Highland Capital Mgmt	5.15%	\$102,713	-2.94%	24%-34%
			PIMCO	9.79%	\$195,230		
			Prudential Core Conserv Bond	5.97%	\$119,094		
			Smith Graham	5.16%	\$102,864		
High Yield	10.00%	\$199,483	Mackay Shields	9.66%	\$192,758	-0.34%	5%-15%
Fixed Income Total	39.00%	\$777,982	Fixed Income Total	35.73%	\$712,659	-3.27%	34%-44%
Real Estate							
Core/Value Add/REITs	5.00%	\$99,741	BlackRock Granite Property Fund	1.42%	\$28,412		
			RREEF REIT II	0.55%	\$10,905		
			Long Wharf Real Estate Partners	1.17%	\$23,270		
			Cornerstone**	0.22%	\$4,312		
			RREEF Public REITs	1.67%	\$33,250		
Real Estate Total	5.00%	\$99,741	Real Estate Total	5.02%	\$100,150	0.02%	0%-5%
Internal Account	0.00%	\$0	Internal Account	0.94%	\$18,783		
Cash	0.00%	\$0	Cash	0.94%	\$18,783	0.94%	0%-2%
Total	100%	\$1,994,827	Total	100%	\$1,994,827		

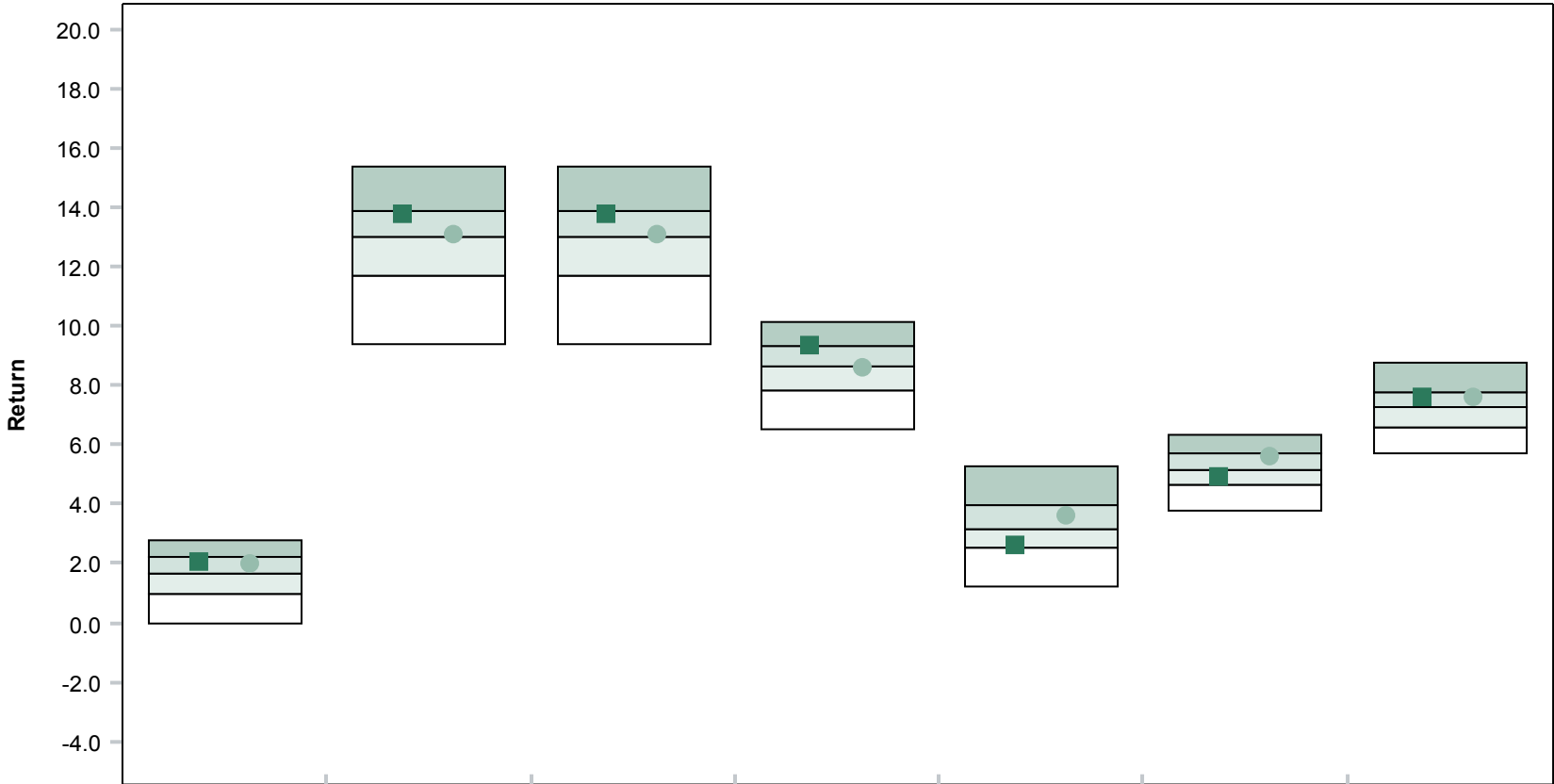
*Emerging Managers

**Market value as of 9/30/12

(Total Commitment \$35M, Total Drawn \$31.2M, Total Distributed \$7.3M)
(Total Commitment \$10M, Total Drawn \$3.8M, Total Distributed \$0)

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
Total Fund Composite	1,994,826,822	100.00	2.01	13.73	13.73	9.32	2.56	9.76	10/01/1982
Policy Index			1.99	13.04	13.04	8.57	3.60	10.37	10/01/1982
Domestic Equity Composite	735,843,735	36.89	0.58	16.30	16.30	11.44	1.86	11.65	10/01/1982
Fixed Income Composite	712,658,839	35.73	1.01	8.14	8.14	7.88	5.54	8.40	10/01/1982
Real Estate Composite	100,149,694	5.02	2.82	13.69	13.69	17.49	-0.08	9.64	07/01/1996
International Equity Composite	427,391,723	21.43	6.33	20.34	20.34	6.14	-2.16	4.67	01/01/1990
In House Cash	18,782,830	0.94	0.03	0.20	0.20	0.37	0.85	4.90	10/01/1982

	Allocation		Performance(%)						
	Market Value (\$)	%	2011	2010	2009	2008	2007	2006	2005
Total Fund Composite	1,994,826,822	100.00	0.73	14.05	22.23	-28.95	8.34	13.62	8.45
Policy Index			1.00	12.11	19.76	-22.15	8.69	12.80	6.96
Domestic Equity Composite	735,843,735	36.89	0.65	18.23	28.67	-38.44	7.64	16.84	7.57
Fixed Income Composite	712,658,839	35.73	6.69	8.81	18.96	-12.34	5.92	5.55	3.59
Real Estate Composite	100,149,694	5.02	14.65	24.43	-25.03	-18.10	0.29	27.85	-5.11
International Equity Composite	427,391,723	21.43	-12.77	13.91	36.19	-44.94	14.29	22.04	10.28
In House Cash	18,782,830	0.94	0.54	0.36	0.34	2.85	5.26	4.90	3.42



	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
■ Total Fund Composite	2.01 (33)	13.73 (29)	13.73 (29)	9.32 (27)	2.56 (74)	4.89 (63)	7.59 (34)
● Policy Index	1.99 (35)	13.04 (50)	13.04 (50)	8.57 (55)	3.60 (36)	5.59 (28)	7.61 (32)
5th Percentile	2.75	15.39	15.39	10.13	5.28	6.32	8.77
1st Quartile	2.24	13.88	13.88	9.34	3.95	5.70	7.79
Median	1.67	12.97	12.97	8.66	3.13	5.17	7.28
3rd Quartile	0.97	11.69	11.69	7.82	2.54	4.62	6.60
95th Percentile	-0.05	9.40	9.40	6.52	1.24	3.78	5.70

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.