

CTA RETIREE HEALTHCARE TRUST

**INVESTMENT PERFORMANCE REPORT
PERIOD ENDING
June 30, 2011**

Gray & Company
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OVERVIEW

PORTFOLIO EVALUATION

- ◆ The Fund's total market value as of June 30, 2011 was \$616.4 million.
- ◆ The Fund had a return of 1.57% for the current quarter, and a return of 6.16% for the YTD as of 6/30/2011.

INVESTMENT POLICY AND OBJECTIVES

- ◆ The primary objective of the policy is to provide a documented structure for the implementation of investment strategies which suggests the highest probability of maximizing the level of investment return within acceptable parameters for the total Fund's volatility and risk.
- ◆ The asset mix described below is designed to provide a high likelihood of achieving a rate of return of 7.0% per year over long periods of time. It is expected that this return will be sufficient to meet or exceed the Trust's actuarial interest assumption.

Target Asset Allocation

| | |
|----------------------------|--------|
| Domestic Equity | 37.5 % |
| Domestic Fixed Income | 40 % |
| International Equity | 12.5 % |
| International Fixed Income | 10 % |

PLAN RECONCILIATION

| | Current Quarter |
|---------------------------------------|----------------------------------|
| <u>Beginning Market Value</u> | \$ 613,608,407 |
| Cash Flow In | \$ 10,693,282 |
| Intrafund Transfer | \$ - |
| Cash Flow Out | \$ (17,591,750) |
| Net Cash Flow | \$ (6,898,468) |
| Investment Performance | |
| Income | \$ 3,568,991 |
| Asset Value Changes | \$ 6,114,811 |
| Gross Performance | \$ 9,683,802 |
| <u>Ending Market Value</u> | <u>\$ 616,393,741</u> |

ACTION



CTA Healthcare Trust Executive Summary Table Periods Ending June 30, 2011

| Name | Value \$(000) | % of Fund | Periods Ending 6/30/11 | | | | | | | Since Inception | |
|--|------------------|--------------|------------------------|-------------|--------------|--------------|-------|-------|-------|-----------------|-----------------|
| | | | Cur Qtr | YTD | 1 Year | 2 Yrs | 3 Yrs | 5 Yrs | 7 Yrs | Ret | Date |
| Total Fund | 616,394 | 100.0 | 1.57 | 6.16 | 21.90 | 10.98 | | | | 8.30 | 7/31/08 |
| Net of Fee | | | 1.45 | 5.93 | 21.31 | 10.66 | | | | 8.09 | 7/31/08 |
| Policy Index | | | 1.36 | 4.46 | 18.30 | 14.09 | | | | 5.37 | 7/31/08 |
| Total Equity Composite | 329,660 | 53.5 | 0.79 | 8.19 | 37.30 | | | | | 15.48 | 9/30/09 |
| Net of Fee | | | 0.63 | 7.88 | 36.45 | | | | | 15.03 | 9/30/09 |
| Domestic Equity Composite | 251,779 | 40.8 | 0.42 | 9.26 | 39.91 | | | | | 17.44 | 9/30/09 |
| Net of Fee | | | 0.25 | 8.94 | 39.03 | | | | | 16.97 | 9/30/09 |
| Domestic Large Cap Equity Composite | 78,142 | 12.7 | -0.22 | 5.94 | 32.24 | | | | | 16.79 | 1/04/10 |
| Net of Fee | | | -0.36 | 5.68 | 31.77 | | | | | 16.49 | 1/04/10 |
| PNC Capital Large Cap Value | 38,545 | 6.3 | -0.64 | 5.91 | 29.39 | | | | | 13.94 | 1/25/10 |
| Net of Fee | | | -0.78 | 5.63 | 28.76 | | | | | 13.54 | 1/25/10 |
| Russell 1000 Value | | | -0.51 | 5.91 | 28.94 | | | | | 17.76 | 1/25/10 |
| Brown Large Cap Growth | 20,114 | 3.3 | 1.10 | 7.23 | | | | | | 13.76 | 11/09/10 |
| Net of Fee | | | 0.93 | 6.96 | | | | | | 13.47 | 11/09/10 |
| Russell 1000 Growth | | | 0.76 | 6.83 | | | | | | 12.71 | 11/09/10 |
| Turner Large Cap Growth | 19,484 | 3.2 | -0.72 | 4.68 | | | | | | 10.95 | 11/09/10 |
| Net of Fee | | | -0.86 | 4.46 | | | | | | 10.72 | 11/09/10 |
| Russell 1000 Growth | | | 0.76 | 6.83 | | | | | | 12.71 | 11/09/10 |
| Domestic Mid Cap Equity Composite | 82,928 | 13.5 | 0.13 | 6.93 | 39.14 | | | | | 25.38 | 12/31/09 |
| Net of Fee | | | -0.02 | 6.65 | 38.47 | | | | | 24.98 | 12/31/09 |



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| | | | Cur Qtr | YTD | 1 Year | 2 Yrs | 3 Yrs | 5 Yrs | 7 Yrs | Ret | Date |
| Systematic Mid Cap Value | 41,222 | 6.7 | -0.42 | 7.37 | 38.24 | | | | | 22.15 | 12/31/09 |
| Net of Fee | | | -0.56 | 7.08 | 37.25 | | | | | 21.57 | 12/31/09 |
| Russell MidCap Value | | | -0.68 | 6.70 | 34.30 | | | | | 21.02 | 12/31/09 |
| Eagle Midcap Growth | 41,706 | 6.8 | 0.67 | 6.49 | | | | | | 14.10 | 11/16/10 |
| Net of Fee | | | 0.51 | 6.23 | | | | | | 13.82 | 11/16/10 |
| Russell MidCap Growth | | | 1.61 | 9.59 | | | | | | 16.43 | 11/16/10 |
| Domestic Small Cap Equity Composite | 90,709 | 14.7 | 1.22 | 14.49 | 47.65 | | | | | 23.21 | 9/30/09 |
| Net of Fee | | | 1.02 | 14.06 | 46.16 | | | | | 22.36 | 9/30/09 |
| Amalgatrust Small Cap Growth | 44,451 | 7.2 | 1.14 | 18.27 | 55.35 | | | | | 26.04 | 9/30/09 |
| Net of Fee | | | 0.94 | 17.82 | 53.74 | | | | | 24.56 | 9/30/09 |
| Russell 2000 Growth | | | -0.59 | 8.59 | 43.47 | | | | | 24.12 | 9/30/09 |
| Kayne Anderson Small Cap Value | 24,367 | 4.0 | 3.49 | 13.31 | 38.70 | | | | | 25.50 | 9/30/09 |
| Net of Fee | | | 3.29 | 12.90 | 37.39 | | | | | 23.83 | 9/30/09 |
| Russell 2000 Value | | | -2.65 | 3.76 | 31.34 | | | | | 18.15 | 9/30/09 |
| WCM Small Cap Value | 21,891 | 3.6 | -1.04 | 7.95 | 41.95 | | | | | 17.53 | 9/30/09 |
| Net of Fee | | | -1.24 | 7.52 | 40.49 | | | | | 16.35 | 9/30/09 |
| Russell 2000 Value | | | -2.65 | 3.76 | 31.34 | | | | | 18.15 | 9/30/09 |
| International Equity Composite | 77,881 | 12.6 | 2.06 | 4.75 | 29.18 | | | | | 9.60 | 9/30/09 |
| Net of Fee | | | 1.92 | 4.48 | 28.41 | | | | | 9.19 | 9/30/09 |
| Herndon Capital Int'l Equity | 39,547 | 6.4 | 1.00 | 4.50 | 29.17 | | | | | 10.66 | 9/30/09 |
| Net of Fee | | | 0.87 | 4.22 | 28.31 | | | | | 10.17 | 9/30/09 |
| MSCI EAFE (Net) | | | 1.56 | 4.98 | 30.36 | | | | | 8.62 | 9/30/09 |



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|---|------------------|--------------|------------------------|-------------|--------------|-------------|-------|-------|-------|-----------------|----------------|
| | | | Cur Qtr | YTD | 1 Year | 2 Yrs | 3 Yrs | 5 Yrs | 7 Yrs | Ret | Date |
| Lazard Int'l Equity | 38,334 | 6.2 | 3.17 | 5.01 | 29.19 | | | | | 8.96 | 10/31/09 |
| Net of Fee | | | 3.03 | 4.75 | 28.53 | | | | | 8.62 | 10/31/09 |
| MSCI ACWI ex US (Net) | | | 0.38 | 3.80 | 29.73 | | | | | 12.22 | 10/31/09 |
| Total Fixed Income Composite | 276,674 | 44.9 | 2.60 | 3.98 | 8.22 | 9.46 | | | | 9.09 | 3/31/09 |
| Net of Fee | | | 2.52 | 3.83 | 7.83 | 9.20 | | | | 8.85 | 3/31/09 |
| Domestic Fixed Income Composite | 214,357 | 34.8 | 2.20 | 3.64 | 6.49 | 9.12 | | | | 9.19 | 3/31/09 |
| Net of Fee | | | 2.14 | 3.53 | 6.16 | 8.88 | | | | 8.98 | 3/31/09 |
| Barclays U.S. Aggregate | | | 2.29 | 2.72 | 3.90 | 6.66 | | | | 6.74 | 3/31/09 |
| Mackay Shields Core Plus Fixed | 71,195 | 11.6 | 2.54 | 3.67 | 7.10 | 8.86 | | | | 8.68 | 3/31/09 |
| Net of Fee | | | 2.46 | 3.51 | 6.67 | 8.55 | | | | 8.41 | 3/31/09 |
| Barclays U.S. Aggregate | | | 2.29 | 2.72 | 3.90 | 6.66 | | | | 6.74 | 3/31/09 |
| TCW Opp Core Plus Fixed | 72,924 | 11.8 | 1.96 | 4.55 | 8.08 | 10.72 | | | | 10.72 | 6/30/09 |
| Net of Fee | | | 1.91 | 4.38 | 7.69 | 10.43 | | | | 10.43 | 6/30/09 |
| Barclays U.S. Core Bond Index (A | | | 2.29 | 2.72 | 3.90 | 6.66 | | | | 6.66 | 6/30/09 |
| Hughes Core Fixed Income | 70,238 | 11.4 | 2.12 | 2.74 | 3.68 | | | | | 5.38 | 9/30/09 |
| Net of Fee | | | 2.06 | 2.63 | 3.40 | | | | | 5.20 | 9/30/09 |
| Barclays Govt/Credit | | | 2.32 | 2.61 | 3.68 | | | | | 5.13 | 9/30/09 |
| International Fixed Income Composite | 62,316 | 10.1 | 3.98 | 5.17 | 14.60 | | | | | 8.91 | 9/30/09 |
| Net of Fee | | | 3.84 | 4.89 | 14.01 | | | | | 8.51 | 9/30/09 |
| Citigroup Non-US Govt Bond | | | 3.68 | 4.69 | 13.94 | | | | | 4.37 | 9/30/09 |
| Evergreen Int'l Fixed Income | 30,225 | 4.9 | 4.28 | 5.21 | 15.15 | | | | | 6.82 | 9/30/09 |
| Net of Fee | | | 4.18 | 5.02 | 14.74 | | | | | 6.61 | 9/30/09 |
| Citigroup Non-US Govt Bond | | | 3.68 | 4.69 | 13.94 | | | | | 4.37 | 9/30/09 |



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| | | | Cur Qtr | YTD | 1 Year | 2 Yrs | 3 Yrs | 5 Yrs | 7 Yrs | Ret | Date |
| Prudential Int'l Fixed Income | 32,091 | 5.2 | 3.69 | 5.12 | 14.09 | | | | | 10.97 | 9/30/09 |
| Net of Fee | | | 3.52 | 4.76 | 13.33 | | | | | 10.38 | 9/30/09 |
| Citigroup Non-US Govt Bond | | | 3.68 | 4.69 | 13.94 | | | | | 4.37 | 9/30/09 |
| Cash Account | 10,060 | 1.6 | 0.08 | 0.13 | 0.21 | 0.19 | | | | 0.35 | 9/30/08 |
| Net of Fee | | | 0.08 | 0.13 | 0.21 | 0.19 | | | | 0.35 | 9/30/08 |
| Citigroup 3-month T-Bill | | | 0.02 | 0.06 | 0.14 | 0.13 | | | | 0.22 | 9/30/08 |