

**TOWN OF TRUMBULL
PENSION BOARD**

In accordance with Sec. 1-19 of the General Statutes Right-to-Know Law, the Pension Board will have a meeting on Tuesday, November 20, 2012 at 7:00 P.M. in the Long Hill Conference Room at the Town Hall.

A G E N D A

Call to Order

BPS&M Presentation – Review Valuation and Assessment Options

Approval of Minutes – August 2012

Investment Update – 3rd Quarter

Annual Pension Report

Approval of Pension Benefits

Pazik, Linda	08/1/2012	\$2,692.95
Villano, Jennie	11/1/2012	\$1,914.88

Approval of Contribution Payouts

Turndahl, Mark	9/7/2012	\$4,012.43
Ferguson, Sharon	11/7/2012	\$1,347.98

Berwyn Report 4th Quarter 2012

Schedule of meetings for 2013

Other Business

Adjournment

**Pension Board
Minutes
August 23, 2012**

CALL TO ORDER

Chairman Michael Charland called the Pension Board meeting to order at 7:34 p.m. at the Town Hall, Trumbull, Connecticut.

Members present and absent were as follows:

PRESENT

Chairman Michael Charland
James Lavin
John Ponzio
Donna Pellitteri

ABSENT

Michael Knight
Maria Pires
William Schietinger

Also Present:

Chris Kachmar, FIA.

PUBLIC COMMENT

There was no public comment.

INVESTMENT UPDATE - Chris Kachmar, FIA

We have 3 items to address this evening: Update on markets and portfolio; Information on Global Bonds requested at the last meeting and Asset Allocation study.

- We did an asset allocation study and the median rate of return today is 7.5%; in Trumbull, our actuarial rate of return is 7.5%.
- The markets have been divorced from fundamentals; no longer are better run companies and higher earning companies getting incremental returns—the market very aggressively trades the securities up or down depending on the latest news from Europe.
- At the end of the second quarter, the macro economic environment was weaker than investment anticipated during the last quarter; GDP is running at 1.5% annually.
- The labor markets are still fluctuating between hot and cold; the non-farm payroll number was weak in the quarter; the manufacturing data, the ISM data, in June is below the expansionary level of 50; consumer confidence was noticeably weaker in the quarter; the housing markets remain mixed and inflation has been reasonably well behaved.
- The equity markets were down; YTD numbers aren't too bad; the S&P is up 14% YTD; the Russell II the small cap stocks are up 11% YTD; International large cap are up 9% YTD; Merging markets are up 8.5%; Bond markets are up 2.9% YTD.
- The domestic equity markets—large cap did better than small cap; International trends were clearly lower overseas; the US dollar is good.
- Fixed income last year 3.2%; even lower now at 1.63%; 30-year yield down from 4.38% to 2.76%. Interest rates are predicted to stay the same.
- 10-year treasury yield at 1.6%; therefore, fixed income managers are moving away from the Treasury Securities.
- High-level performance summary—This is a very frustrating time for active managers; once we go back to a more normal environment, and the headline media settles down, these manager should be able to generate returns similar to past long-term incremental returns. In the meantime, we added Mainstay and Diamond Hill; he feels portfolio will perform nicely once things settle down. Statistically speaking, 2011 was the worst year in the last 20. YTD through June, the portfolio is up just under 6%.

- Domestic equity allocation is a bit overweight; International is under the allocation target.
- Numbers through July and August are much better; the portfolio is back to \$20.2 million.
- Inflation protection market-TIPS has done very well, nearly 10% annualized; Van Eck return (13.5%) and Pimco (3.4%) are subtle ways to play on the inflation but there are other environments where they can do well; these are poised to do well once the market does better; recommends holding them for a few more quarters, keeping at the 5% allocation. Van Eck is probably having a good summer. Chris feels inflation protection is necessary in the portfolio.
- Mainstay is still new to us; doing well; conservative manager.
- Chris has no recommendation for tonight; 3rd quarter looking good. Decision made to table the Allocation discussion.

Mr. Ponzio indicated that the new actuary would be using a 7.5% threshold.

Mr. Charland indicated that H&H should come to the next meeting, run scenarios, and review their main assumption sheet. We will also have Chris go through his update.

PENSION UPDATE – OVERPAYMENTS

Since Attorney Walsh was unavailable to attend the meeting, Mr. Ponzio indicated that we are close to settling one of the large over paid pension accounts. We are working on the income tax issue, since taxes were paid on the overpayment, and now we are asking them to return those funds. We are also looking into the legality of issuing lower payments to the pensioner, holding back a portion of the payment in the fund as repayment. He also indicated that the Police Department is still in mediation with regard to any pension change.

APPROVAL OF MINUTES

It was noted that Rebecca Martin should have an effective date of 6/1/2012, not 6/30/2012.

Mr. Lavin moved, seconded by Mr. Ponzio, to approve the minutes of the June 27, 2012 meeting, as amended.

Vote: 4-0-0- Motion carries

APPROVAL OF PENSION BENEFITS

The following individuals were presented for approval of monthly benefit payments:

Stephen Sirico	Eff. 6/30/2012	\$ 693.74
Frances Bombero	Eff. 6/30/2012	809.65
Therese Netzer	Eff. 6/30/2012	867.49

Mr. Lavin asked that a one page summary sheet be provided to assist in the review of each pension or lump sum payout request. Mr. Lavin indicated that he would be happy to work on one.

Mr. Charland asked that I check with Mrs. Pires regarding the change the effective dates to read the same per Mr. Lavin's request.

Ms. Pellitteri moved, seconded by Mr. Ponzio, to approve the Pension Benefits as presented.

Vote: 4-0-0- Motion carries

APPROVAL OF CONTRIBUTION WITHDRAWAL

The following individuals were presented for approval to withdraw contribution funds:

Clairjon Garard	Eff. 6/30/2012	\$23,763.25
Donald Seipel	Eff. 7/31/2012	1,720.61
Kathleen Mirante	Eff. 7/31/2012	2,621.23
Linda Chesner	Eff. 7/31/2012	2,840.20
Michael Haray	Eff. 7/31/2012	40,946.86

Mr. Charland asked that Ms. Pires have the Death List provided by Wells Fargo checked each quarter so we can identify any issues and resolve them promptly.

Mr. Ponzio moved, seconded by Mr. Lavin, to approve the Contribution Withdrawals as presented.

Vote: 4-0-0- Motion carries

Mr. Charland requested that a list of Board Members and their appointment dates be provided at the next meeting.

ADJOURNMENT

There being no further business to discuss, the Pension Board adjourned by unanimous consent at 8:45 p.m.

Respectfully submitted,

Phyllis Collier - Pension Board Clerk

Phyllis Collier

From: Christopher Kachmar [ckachmar@fiallc.com]
Sent: Monday, November 12, 2012 1:38 PM
To: Phyllis Collier
Cc: Michael Charland (mcharland@designsforhealth.com); Maria Pires; Elizabeth DeMarchi
Subject: Meeting Materials
Attachments: Trumbull 3Q12 Exec Summary.pdf.pdf.pdf; Trumbull Net Contributions Annual Rate Q3 2012.pdf.pdf.pdf

Phyllis,

Good afternoon. Hope things are slowly reverting back to normal down your way. With Mike and Maria's consent, we won't be attending next week's meeting so that the committee can focus on the review and information being provided by the plan's new actuary.

However, please find attached materials that can be distributed to the committee. We offer up the summary perspectives below for the committee as well:

Pension Plan Results

The Plan has done well recently, gaining 11.4% and 18.9% for the year to date and one year periods ending 9/30, respectively. The asset total stood at \$20.1 million at 9/30. Markets have recently been buoyed by very modest improvement in the macroeconomic landscape, persist corporate earnings activity, and the ongoing (and unprecedented) amounts of stimulus being injected into the system.

Asset Allocation

We have the Plan's current allocation modeling to an expected return of 6.9% - I'm sure the new actuary will have some perspective on both the absolute expectation and the increasingly stringent manner in which allowance for manager alpha is being treated. The median expected return across the state for your peers still hovers around 7.50%, but the direction is clearly tilted to lower expected returns.

At your direction, Liz will print and send hard copies of the materials so that they can be distributed next Tuesday. Please don't hesitate to reach out to us with questions.

Regards,

Chris

Past performance may not be indicative of future results. The above individual account performance information reflects the reinvestment of dividends, and is net of applicable transaction fees, Fiduciary Investment Advisors, LLC's investment management fee (if debited directly from the account), and any other related account expenses. Account information has been compiled solely by Fiduciary Investment Advisors, LLC, has not been independently verified, and does not reflect the impact of taxes on non-qualified accounts. In preparing this report, Fiduciary Investment Advisors, LLC has relied upon information provided by the account custodian. Please defer to formal tax documents received from the account custodian for cost basis and tax reporting purposes. Please remember to contact Fiduciary Investment Advisors, LLC, **in writing**, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services, or if you want to impose, add, to modify any reasonable restrictions to our investment advisory services, or if you wish to direct that Fiduciary Investment Advisors, LLC to effect any specific transactions for your account. A copy of our current written disclosure statement discussing our advisory services and fees continues to remain available for your review upon request. **Please Note:** Please compare this statement with account statements received from the account custodian. Please also note that the account custodian does not verify the accuracy of the advisory fee calculation.

Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your account holdings correspond directly to any comparative indices.

Christopher F. Kachmar, CFA
Principal and Chief Investment Officer

Town of Trumbull

	2009	2010	2011	Q1 12	Q2 12	Q3 12	Inception to date
Employee Contributions	756,808	720,595	798,557	212,896	216,746	182,283	3,527,013
Town Contributions	1,925,000	2,185,893	2,662,500	750,000	750,000	925,000	9,803,283
Total Contributions	2,681,808	2,906,488	3,461,057	962,896	966,746	1,107,283	13,330,296
Benefit Payments	(3,149,534)	(3,599,228)	(3,706,193)	(942,502)	(962,788)	(998,713)	(15,000,276)
Plan Expenses	(103,035)	(88,177)	(46,855)	(11,545)	(11,555)	(5,395)	(333,440)
Total Payments & Expenses	(3,252,569)	(3,687,405)	(3,753,048)	(954,048)	(974,343)	(1,004,108)	(15,333,716)
Net Cashflows	(570,760)	(780,917)	(291,991)	8,848	(7,597)	103,175	(2,003,421)
Market Value	16,815,848	18,338,336	17,890,234	19,432,253	18,954,251	20,078,499	
Net Contributions Annual Rate	-3.39%	-4.26%	-1.63%	0.18%	0.01%	0.69%	

Source: Wells Fargo Bank

Any summaries/prices/quotes/statistics have been obtained from sources believed to be reliable, but we cannot guarantee their accuracy or completeness.



Town of Trumbull Employee Pension Plan

Executive Summary - Third Quarter 2012



Important Disclosure Information: Past performance may not be indicative of future results. Account information has been compiled solely by Fiduciary Investment Advisors, LLC, has not been independently verified, and does not reflect the impact of taxes on non-qualified accounts. In preparing this report, Fiduciary Investment Advisors, LLC has relied upon information provided by the account custodian. A copy of our current written disclosure statement discussing our advisory services and fees continues to remain available for your review upon request. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your account holdings correspond directly to any comparative indices.

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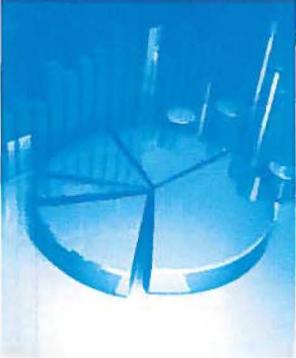


Section 1: Third Quarter Portfolio Review

Section 2: The Case for Global Bonds

Section 3: Global Bond Manager Candidates

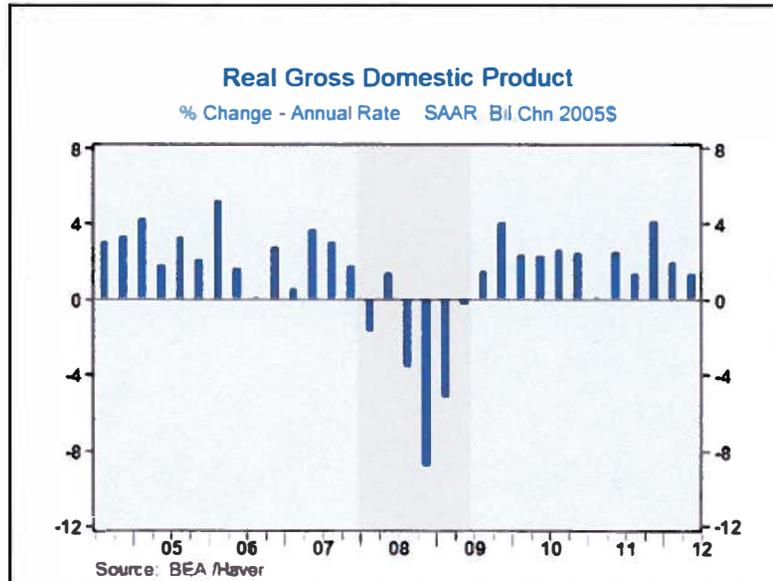
Section 4: Asset Allocation Review



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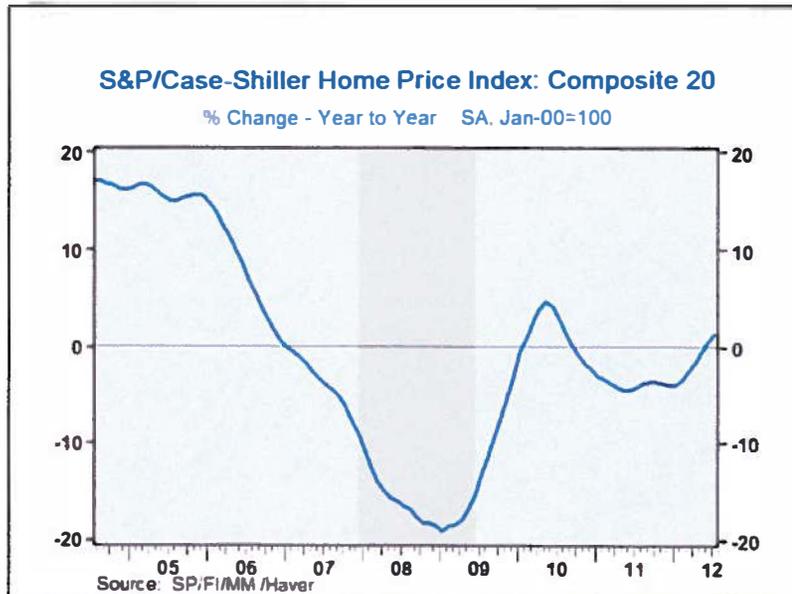
Economic Review



Gross Domestic Product (GDP) grew at an annual rate of 1.3% in the second quarter of 2012. Increases in consumption, net exports and fixed investments contributed to the growth in GDP. Consensus estimates for GDP growth in the third quarter hover at 1.9%.

The U.S. **unemployment rate dropped sharply** to 7.8% in September, the lowest level since January 2009. The U.S. has averaged approximately 146,000 new jobs per month so far in 2012, compared to 153,000 in 2011.

The **Consumer Price Index (CPI) increased** by 0.6% in August. The energy and food components were a large driver of the August price increases. Year-over-year, CPI increased 1.7%. Core CPI (CPI minus the more volatile energy and food components) rose a modest 0.1% during August.



The Conference Board's **Consumer Confidence Index jumped** nine points in September to 70.3. The present situation and expectations components of the index both increased.

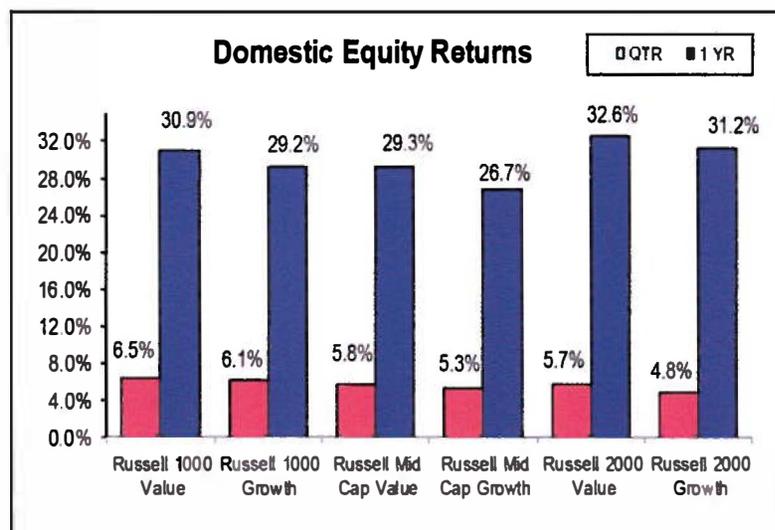
The **ISM Manufacturing Index moved back above 50**, finishing September above consensus estimates at a level of 51.5. This reading indicates modest expansion in manufacturing.

The seasonally adjusted **Case-Shiller 20-City Home Price Index rose 0.4%** during July (1.1% year-over-year), showing that, in general, housing prices are on the rise throughout the country. This marks the index's sixth consecutive monthly increase.

Index Results

U.S. EQUITY	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
S&P 500	6.4	16.4	30.2	13.2	1.1	8.0
Russell 1000 Value	6.5	15.7	30.9	11.8	(0.9)	8.2
Russell 1000 Growth	6.1	16.8	29.2	14.7	3.2	8.4
Russell Mid Cap	5.6	14.0	28.0	14.3	2.2	11.2
Russell Mid Cap Value	5.8	14.0	29.3	13.9	1.7	11.0
Russell Mid Cap Growth	5.3	13.9	26.7	14.7	2.5	11.1
Russell 2000	5.3	14.2	31.9	13.0	2.2	10.2
Russell 2000 Value	5.7	14.4	32.6	11.7	1.3	9.7
Russell 2000 Growth	4.8	14.1	31.2	14.2	3.0	10.5
Russell 3000	6.2	16.1	30.2	13.3	1.3	8.5
NAREIT	0.2	15.1	32.6	20.4	2.1	11.4
INTERNATIONAL EQUITY	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
MSCI ACWI ex-US	7.4	10.4	14.5	3.2	(4.1)	9.8
MSCI EAFE	6.9	10.1	13.8	2.1	(5.2)	8.2
MSCI EAFE Value	7.5	9.6	12.6	(0.1)	(6.3)	8.5
MSCI EAFE Growth	6.4	10.5	14.8	4.3	(4.2)	7.8
MSCI EAFE Small Cap	7.9	13.2	12.6	4.7	(3.0)	11.2
MSCI EM (Emerging Markets)	7.7	12.0	16.9	5.6	(1.3)	17.0
FIXED INCOME	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
Barclays US Aggregate Bond	1.6	4.0	5.2	6.2	6.5	5.3
Barclays US Gov/Credit Bond	1.7	4.4	5.7	6.5	6.6	5.4
Barclays Long Gov/Credit Bond	3.1	8.3	11.1	12.5	10.9	8.1
Barclays US High Yield	4.5	12.1	19.4	12.9	9.3	11.0
Barclays US TIPS	2.1	6.2	9.1	9.3	7.9	6.6
BofA Merrill 3-Month T-Bill	0.0	0.1	0.1	0.1	0.7	1.8
NON-TRADITIONAL	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
HFRX Global Hedge Fund	1.4	2.7	2.2	0.2	(3.0)	1.8
DJ-UBS Commodities	9.7	5.6	6.0	5.3	(3.0)	5.2

Domestic Equity Review



U.S. equity markets posted **solid returns** in the third quarter of 2012, primarily driven by the promise and eventual delivery of massive new monetary stimulus measures in the United States and Europe.

One year ago stocks were under duress, primarily due to concerns linked to the euro zone financial crisis and the hangover from the US federal budget battle. This uncertainty proved to be a buying opportunity as corporate earnings growth continued to be quite healthy throughout the second half of 2011 and the first half of this year.

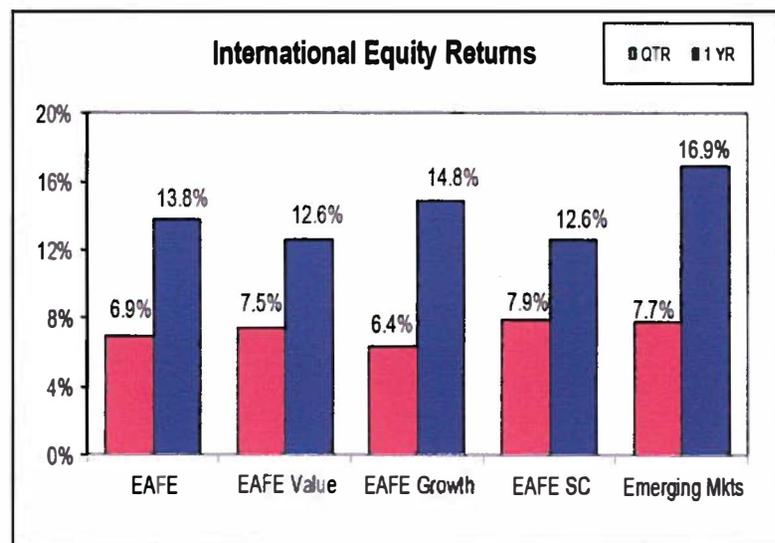
Variation in index returns based on growth or value was minimal. Value stocks slightly outperformed their growth counterparts across the capitalization spectrum, with all domestic equity indexes posting strong double-digit returns on a one-year basis.

Russell 3000 Index	Weight	Return
Consumer Discretionary	12.3%	8.0%
Consumer Staples	9.5%	3.8%
Energy	10.2%	10.0%
Financials	16.0%	6.1%
Health Care	11.8%	6.5%
Industrials	10.7%	3.7%
Information Technology	19.2%	6.6%
Materials	3.9%	6.7%
Telecom. Services	2.9%	8.1%
Utilities	3.5%	0.4%
Total	100%	6.2%

Stocks across the capitalization spectrum recorded strong returns, with **large cap stocks outpacing** their mid and small cap counterparts. Thus far this year, large caps are in the lead with a return of 16.4%, followed by the Russell 2000 at 14.2% and the Russell Mid Cap Index at 14.0%.

The same **cyclical sectors** that have performed well during previous QE periods **led the way** this quarter. Energy climbed 10% during the third quarter, followed by telecommunications, consumer discretionary, materials and technology. The defensive utilities, industrials, and consumer staples sectors were the laggards during the quarter.

International Equity Review



International equity markets reacted favorably this quarter to the news of action from several of the major central banks around the globe. Equities within Europe were among the better performers for the period due to the **European Central Bank's announcement** that it would buy sovereign bonds of countries in the European Union at the shorter end of the curve.

Japanese equities were one of the few **weak spots** this quarter. The MSCI Japan Index declined for the period. The appreciation of the yen and concerns surrounding slower growth in China, a major trading partner with Japan, weighed on equities in the region.

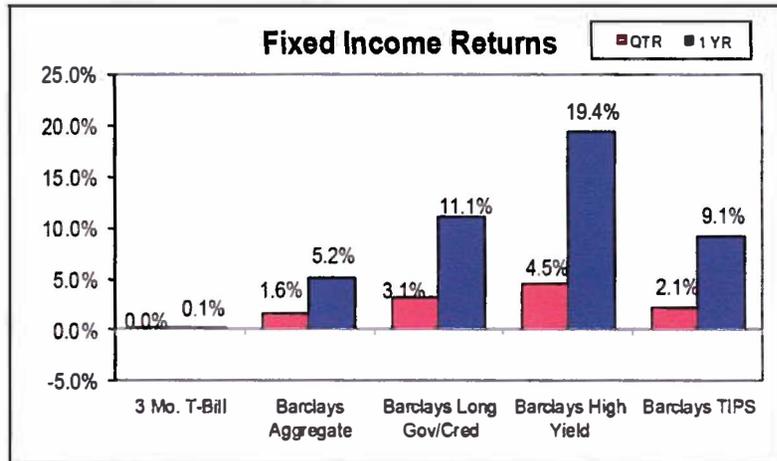
Although individual country returns varied, overall **emerging market equities** posted solid gains in the period and slightly **outpaced developed** markets. For the third quarter, the MSCI Emerging Markets Index rose 7.7%, while the MSCI EAFE Index posted a respectable 6.9% return. Within emerging markets, **China lagged** other markets as it continued to show signs of deceleration as GDP in the second quarter rose 7.6%, falling from 8.1% in the first quarter. Meanwhile, India performed well after news of progress on economic reforms was well received by investors.

Within international markets, **small caps outpaced large cap stocks** in both developed and emerging markets. From a style perspective, **growth stocks outpaced value stocks in emerging markets, while value stocks outpaced growth stocks within the developed markets.**

In general, the **U.S. dollar was weak** relative to other currencies for the period. Both the Japanese yen and the euro gained against the U.S. dollar. Within emerging market currencies, the Mexican peso and many Asian currencies gained versus the U.S. dollar, while the Brazilian real declined for the period.

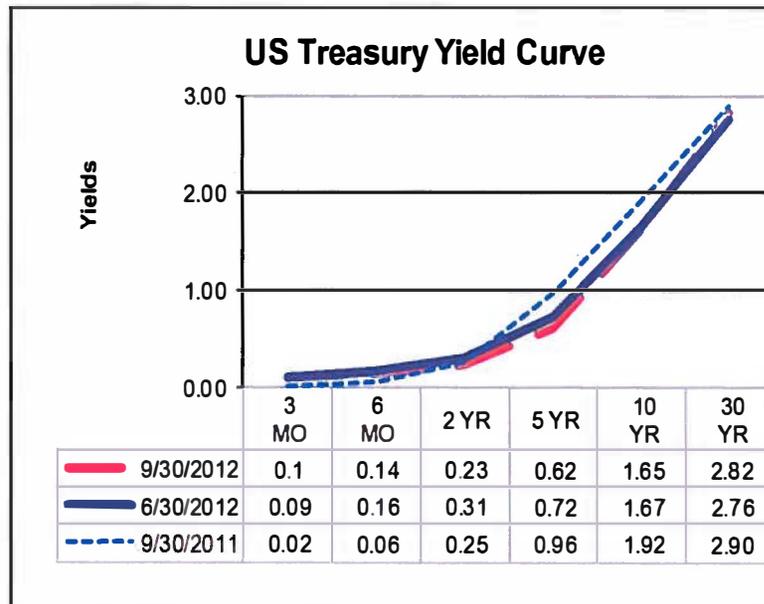
MSCI Country Results	3Q 2012	
	Local	USD
United Kingdom	4.0%	7.1%
France	5.7%	7.2%
Germany	12.4%	13.9%
Japan	-3.3%	-0.8%
China	4.6%	4.7%
India	9.0%	15.4%
Brazil	5.3%	4.8%
Russia	5.9%	9.3%

Fixed Income Review



Treasury yields moved lower early in the quarter before **ultimately moving higher** following the Fed's announcement of a third round of quantitative easing. This news also led to an **increase in inflation expectations and strong performance from TIPS** as a result.

Mortgages were the primary beneficiary of the QE3 announcement given the technical environment that will exist with the Fed purchasing roughly half of all new mortgage issuance. Commercial mortgages and other securitized sectors also benefitted from the announcement.

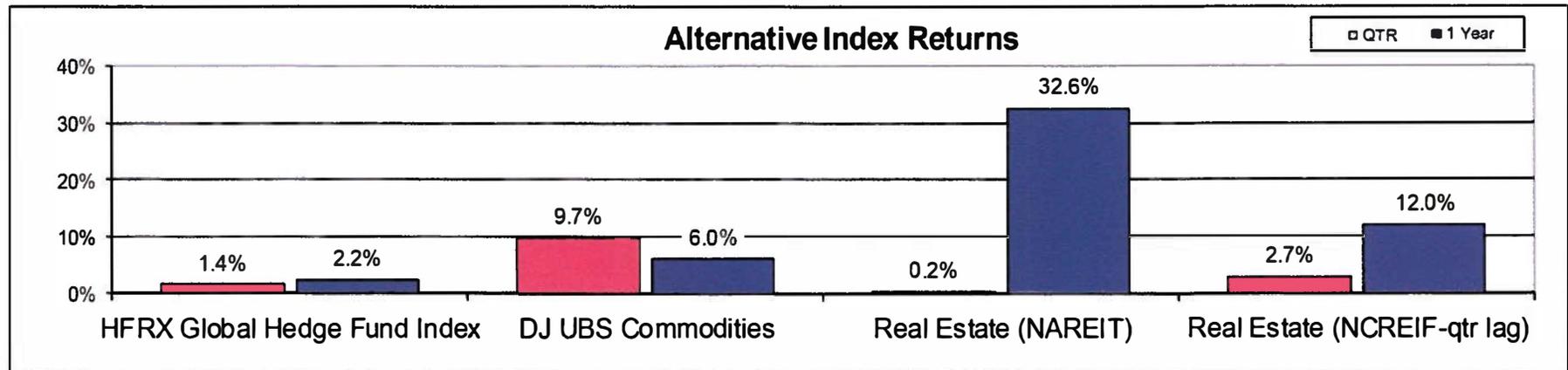


Corporate bonds traded higher on a combination of eased macroeconomic fears and investors' continued search for yield. Financials issues, most notably banks, benefitted from pledges of increased liquidity for the global financial system.

Below investment grade issues also performed well due to a combination of strong demand from yield-hungry investors and continued low rates which have allowed many issuers to refinance and bolster their balance sheets.

European sovereign bonds also benefitted from the aggressive policy responses from the ECB with Spanish and Italian yields falling sharply during the period. Emerging market sovereigns easily outpaced developed safe haven nations like Germany and Canada.

Alternatives Review



Broadly, **hedge funds posted gains** during all three months of the quarter. Leadership varied during the period, as macro/CTA strategies posted strong results in July before falling in August and September. Equity hedged and event driven managers were consistently strong, with managers in the special situations, distressed and activist spaces all benefitting from strong equity market performance.

Global property stocks continue to move in line with the broader equity markets, and generally **participated in the quarter's strong return** profile. In a reversal from the recent trend, domestic REITs (+0.2%) lagged their international counterparts (Asia +12.6%, Europe +7.3%) significantly. **Improved investor sentiment**, driven by extended government stimulus activity and muted concerns over sovereign debt risk in the Eurozone, **continues to be the primary driver of returns**. Demand remains high given the sector's favorable yield characteristics in the existing low-rate environment.

Sustained improvements in operating fundamentals across **private real estate markets remain dependent on growth in tenant demand**. Although uncertainty remains a significant headwind in the outlook for economic and employment growth, limited supply increases should continue to temper muted market demand. Cash flows have been a positive signal, showing consistent improvement despite subdued economic growth. **Transaction activity remains strong**, although buyers continue to be cautious and focused predominately on top-quality core properties, furthering the pricing discrepancy between primary and secondary assets. In general, **property valuations, occupancy rates, and market rents continue to trend positively**, most notably in shorter lease term sectors.

Fall 2012 Capital Market Themes

1. **The global economy is troubled but not in crisis.**

- Although the EU continues to have significant fiscal challenges and has entered into a mild recession, the ECB has stepped in to help stabilize sovereign debt. Signs point to continuation of an intact Euro zone.
- Emerging markets, particularly China, are experiencing a slowdown in economic growth; however, emerging market growth continues to outpace the developed world.
- The U.S. continues to grow, albeit at a slow pace, and unemployment is stubbornly high. However, a U.S. recession is not anticipated.

2. **Despite the recent run-up, U.S. equities still look attractive; global equities, particularly in developed Europe, also look compelling.**

- Equity valuations for every major country in the developed world are at levels lower than their long-term averages.
- P/E ratios for U.S. stocks of all sizes, but particularly large cap stocks, are still well below their 20-year averages.
- Emerging markets are mixed, with China and Russia being most undervalued. However, there appears to be plenty of opportunity for emerging markets stocks in the long run.

3. **Even though yields are at historic lows, investors continue to pour money into fixed income and cash.**

- Bond mutual fund flows exceeded stock fund flows by \$51 billion in August 2012; bond flows have now outpaced stock flows for 18 consecutive months.
- After a 31-year bull run in the bond market, fixed income bears a well-above-average potential risk of loss of principal. This vulnerability is particularly true of U.S. Treasury securities. As an example, a 1% rise in interest rates would result in a loss of 9.1% on 10-year Treasury notes. Yields on the 10-year peaked at 15.85% in September 1981 and stood at 1.65% at 9/30/2012, with an implied real yield of -0.27%.

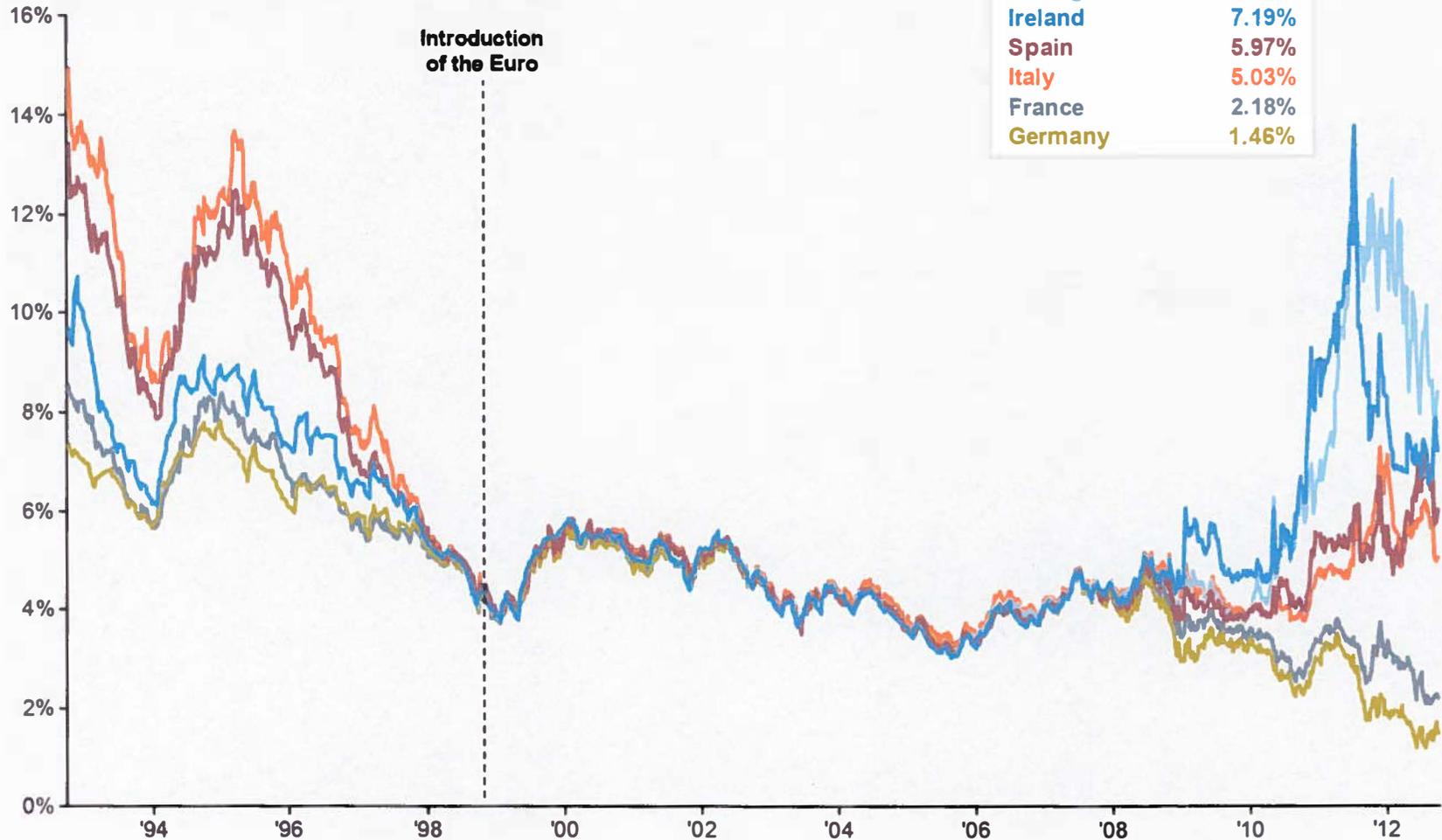
Investment implications / strategy:

- A broadly diversified portfolio continues to be the best defense in a complex and volatile global market arena.
- It may be an opportune time to revisit allocations across the global equity market landscape.
- A de-emphasis on traditional fixed income strategies in favor of broader, more flexible mandates may be warranted.

European Crisis: Sovereign Bond Yields

European Sovereign Funding Costs

10-year benchmark bond yields, daily

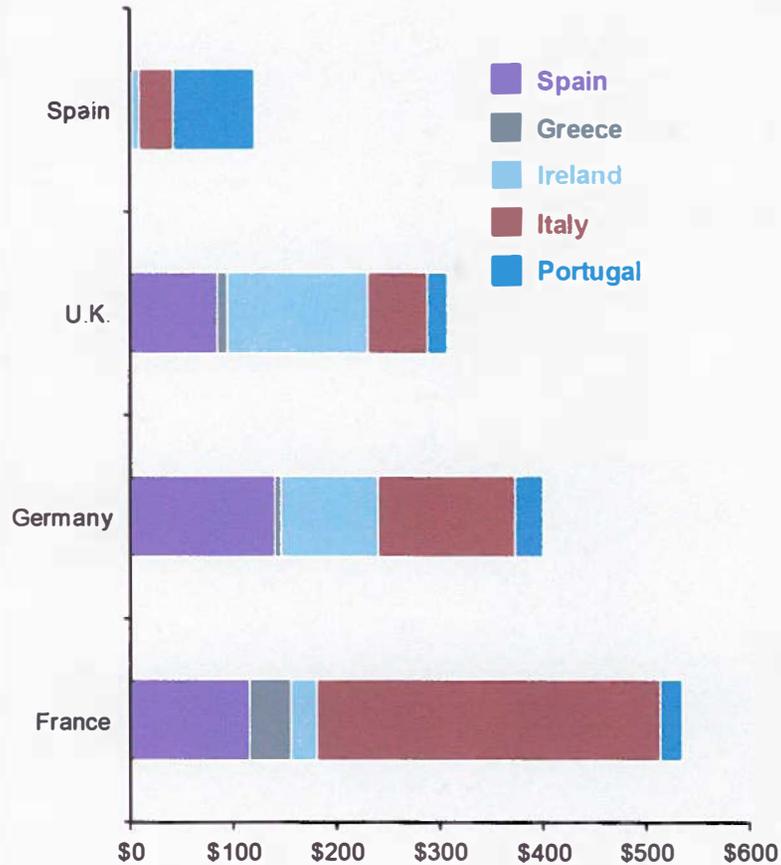


Source: FactSet, ECB, J.P. Morgan Asset Management.

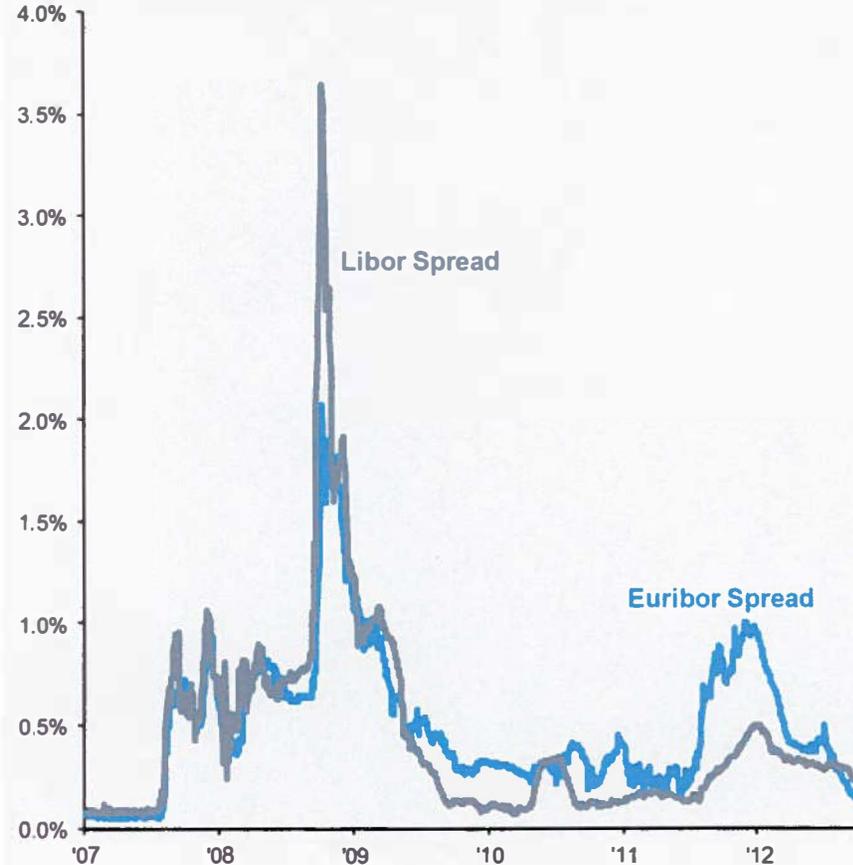
Data are as of 9/30/12.

European Crisis: Financial System Risks

European Bank Exposure
 Billions USD



Euribor and Libor Spreads
 3M Euribor - EONIA, 3M Libor - OIS



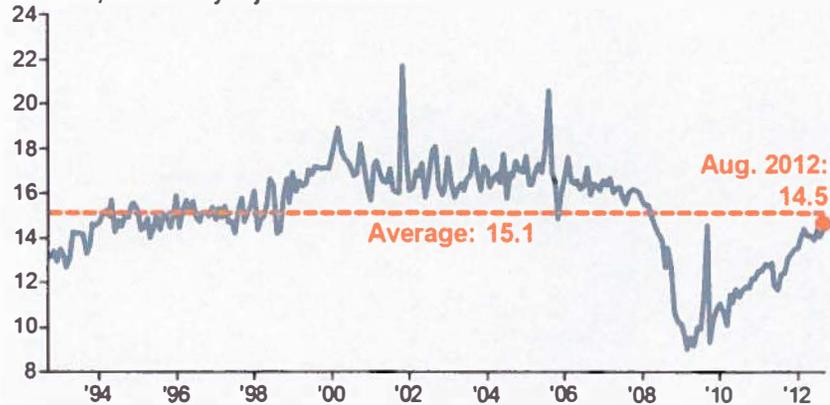
Source: Bloomberg, BIS, J.P. Morgan Asset Management.

The Libor OIS spread is the difference between the interest rate at which banks borrow unsecured funds from other banking institutions and overnight indexed swaps at the effective federal funds rate. The Euribor EONIA spread is the difference between the interest rate at which European Union banks borrow unsecured funds from other Euro banking institutions and the standard interest rate for Euro area deposits calculated by the European Central Bank. Both are standard measures of perceived risk in banking institutions. Data are as of 9/30/12.

Cyclical Sectors

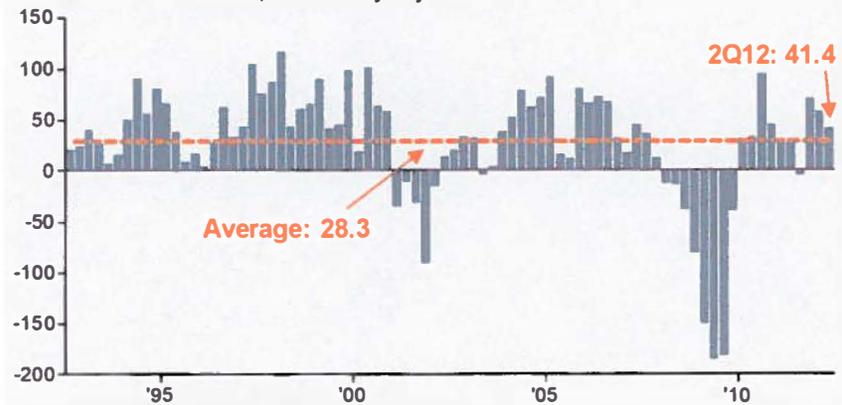
Light Vehicle Sales

Millions, seasonally adjusted annual rate



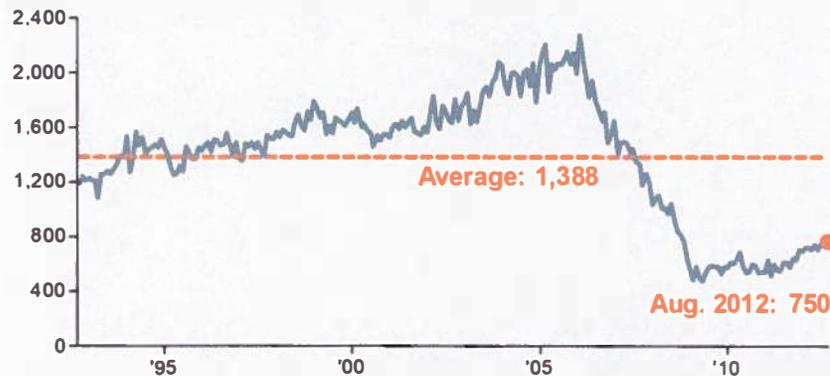
Change in Private Inventories

Billions of 2005 dollars, seasonally adjusted annual rate



Housing Starts

Thousands, seasonally adjusted annual rate



Real Capital Goods Orders

Non-defense capital goods orders ex. aircraft, \$ bn, seasonally adjusted



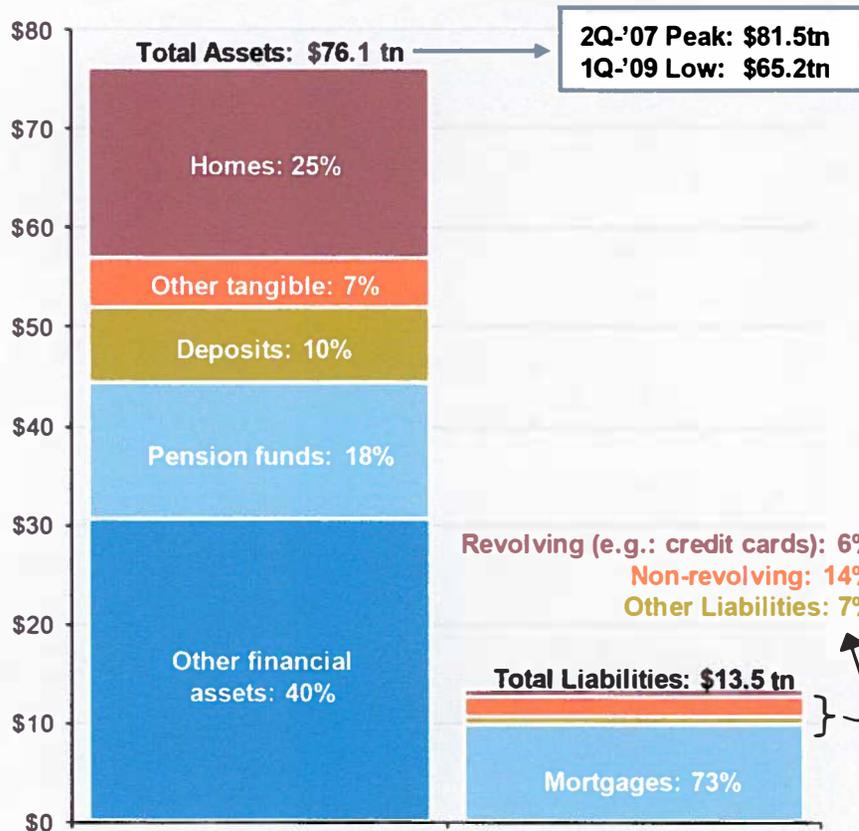
Source: (Top left) BEA, FactSet, J.P. Morgan Asset Management. (Top right) Census Bureau, FactSet, J.P. Morgan Asset Management. (Bottom left) Census Bureau, FactSet, J.P. Morgan Asset Management. (Bottom right) Census Bureau, FactSet, J.P. Morgan Asset Management. Capital goods orders deflated using the producer price index for capital goods.

Data are as of 9/30/12.

Consumer Finances

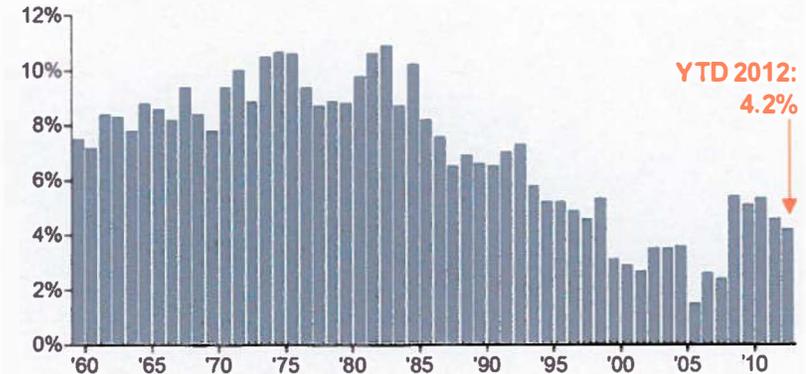
Consumer Balance Sheet

Trillions of dollars outstanding, not seasonally adjusted



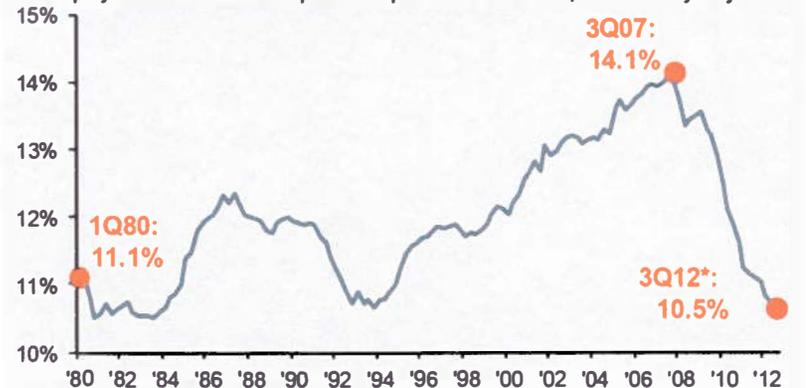
Personal Savings Rate

Annual, % of disposable income



Household Debt Service Ratio

Debt payments as % of disposable personal income, seasonally adjusted



Source: (Left) FRB, J.P. Morgan Asset Management. Data includes households and nonprofit organizations. (Right) BEA, FRB, J.P. Morgan Asset Management. Personal savings rate is calculated as personal savings (after-tax income – personal outlays) divided by after-tax income. Employer and employee contributions to retirement funds are included in after-tax income but not in personal outlays, and thus are implicitly included in personal savings. Savings rate data as of August 2012. *3Q12 Household Debt Service Ratio is a J.P. Morgan Asset Management estimate. All other data are as of 2Q12 which is most recently available as of 9/30/12.

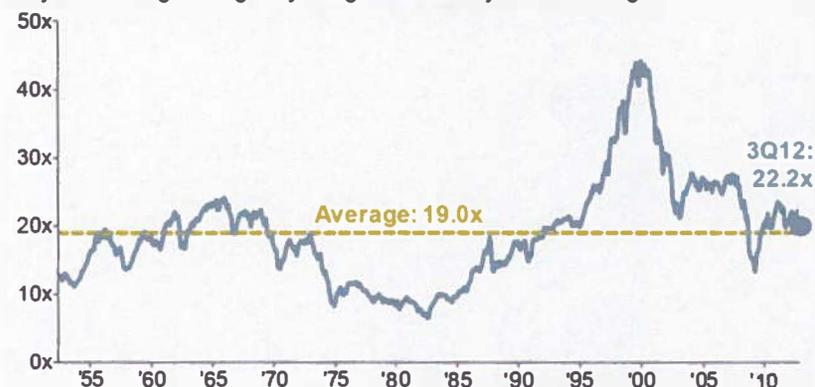
Stock Valuation Measures: S&P 500 Index

S&P 500 Index: Valuation Measures

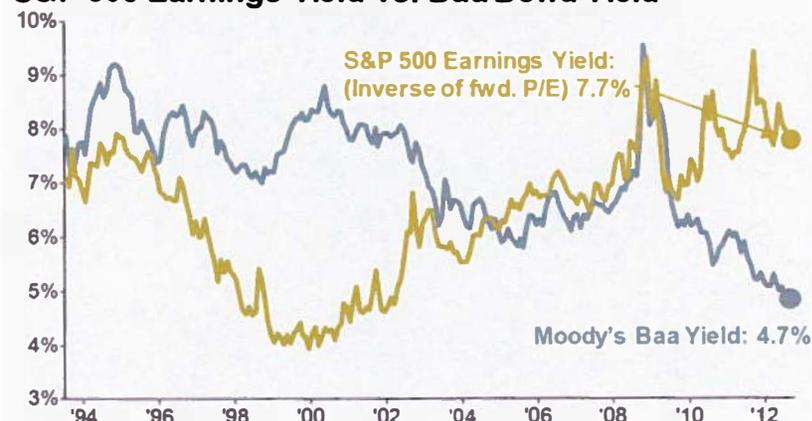
Valuation Measure	Description	Historical Averages					
		Latest	1-year ago	3-year avg.	5-year avg.	10-year avg.	15-year avg.
P/E	Price to Earnings	12.9x	10.8x	12.8x	13.0x	14.3x	16.8x
P/B	Price to Book	2.3	2.0	2.1	2.2	2.5	3.0
P/CF	Price to Cash Flow	9.0	7.5	8.5	8.5	9.8	11.1
P/S	Price to Sales	1.3	1.0	1.2	1.1	1.3	1.5
PEG	Price/Earnings to Growth	1.7	0.8	0.9	1.1	1.2	1.2
Div. Yield	Dividend Yield	2.3%	2.4%	2.2%	2.3%	2.1%	1.9%

S&P 500 Shiller Cyclically Adjusted P/E

Adjusted using trailing 10-yr. avg. inflation adjusted earnings



S&P 500 Earnings Yield vs. Baa Bond Yield



Source: (Top) Standard & Poor's, FactSet, Robert Shiller Data, J.P. Morgan Asset Management.

Price to Earnings is price divided by consensus analyst estimates of earnings per share for the next 12 months. Price to Book is price divided by book value per share. Data post-1992 include intangibles and are provided by Standard & Poor's. Price to Cash Flow is price divided by consensus analyst estimates of cash flow per share for the next 12 months. Price to Sales is calculated as price divided by consensus analyst estimates of sales per share for the next 12 months. PEG Ratio is calculated as NTM P/E divided by NTM earnings growth. Dividend Yield is calculated as consensus analyst estimates of dividends for the next 12 months divided by price. All consensus analyst estimates are provided by FactSet.

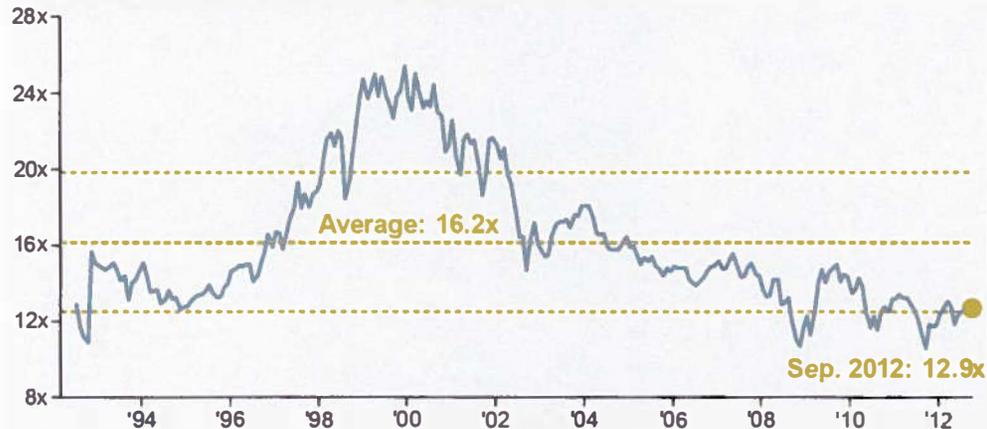
(Bottom left) Cyclically adjusted P/E uses as reported earnings throughout.

(Bottom right) Standard & Poor's, Moody's, FactSet, J.P. Morgan Asset Management.

Data are as of 9/30/12.

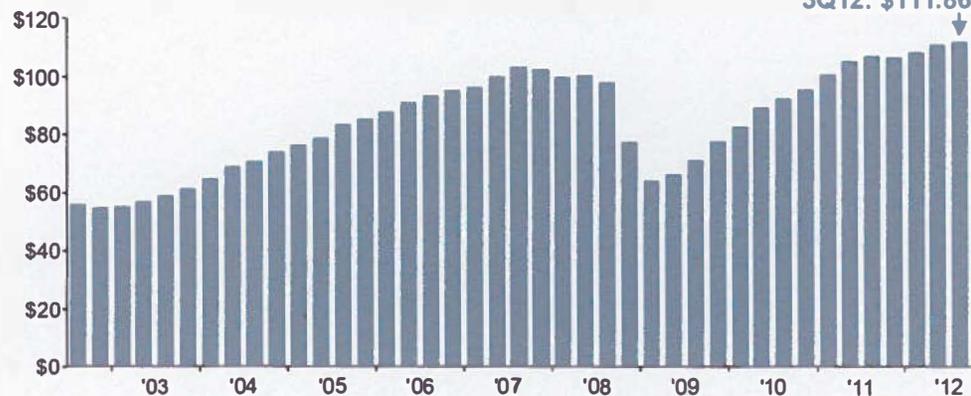
Earnings Estimates and Valuations by Style

S&P 500 Index: Forward P/E Ratio



S&P 500 Operating Earnings Estimates

Consensus estimates of the next twelve months' rolling earnings



Current P/E vs. 20-year avg. P/E

	Value	Blend	Growth
Large	11.6 / 14.0	12.9 / 16.2	15.2 / 21.0
	12.3 / 14.0	14.1 / 16.3	16.6 / 21.8
Mid	13.0 / 14.2	14.4 / 17.1	16.2 / 21.3
Small			

Current P/E as % of 20-year avg. P/E

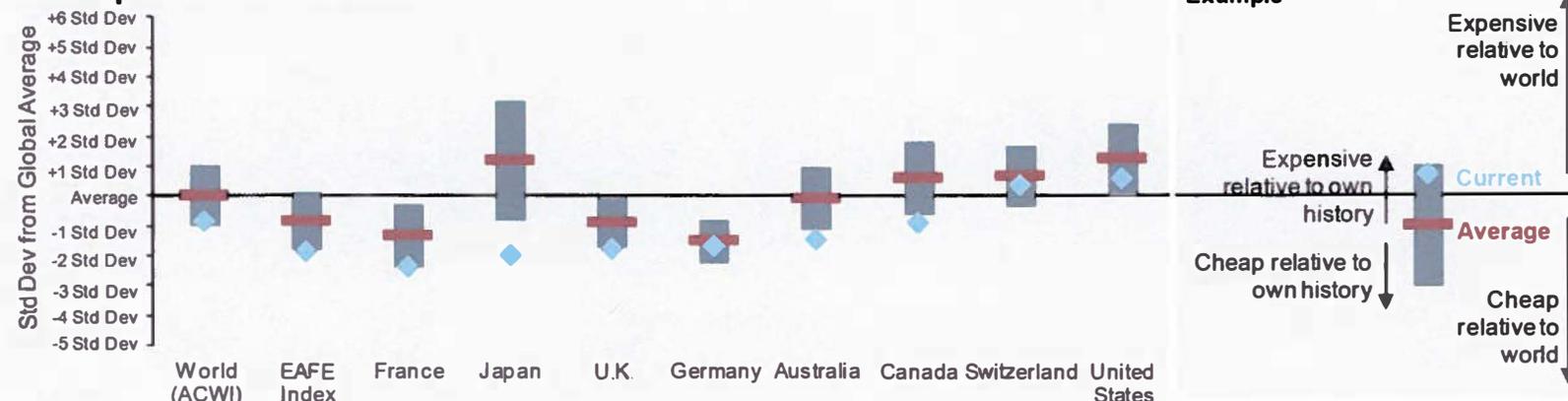
E.g.: Large Cap Blend stocks are 20.3% cheaper than their historical average.

	Value	Blend	Growth
Large	82.7%	79.7%	72.3%
	87.8%	86.3%	75.9%
Mid	91.2%	84.6%	75.8%
Small			

Source: (Top and bottom left) Standard & Poor's, FactSet, J.P. Morgan Asset Management. (Right) Russell Investment Group, IBES, FactSet. Earnings estimates are for calendar years and taken at quarter end dates throughout the year. Forward Price to Earnings is price divided by consensus analyst estimates of earnings per share for the next 12 months. P/E ratios are calculated and provided by Russell based on IBES consensus estimates of earnings over the next 12 months except for large blend, which is the S&P 500. Data as of 9/30/12.

Global Equity Valuations – Developed Markets

Developed Market Countries



	Current Composite Index	Current				10-year avg.			
		Fwd. P/E	P/B	P/CF	Div. Yld.	Fwd. P/E	P/B	P/CF	Div. Yld.
World (ACWI)	-0.88	12.0	1.7	6.9	2.8%	13.4	2.1	7.0	2.5%
EAFE Index	-1.88	10.9	1.3	5.5	3.7%	12.9	1.7	6.2	3.3%
France	-2.39	10.2	1.1	5.2	4.2%	11.5	1.6	5.8	3.7%
Japan	-2.00	11.5	0.9	3.9	2.7%	17.9	1.4	6.2	1.9%
U.K.	-1.78	10.2	1.6	6.1	4.1%	11.4	2.0	7.1	3.9%
Germany	-1.69	9.8	1.4	6.6	3.6%	11.8	1.5	4.6	3.3%
Australia	-1.48	12.1	1.7	6.5	4.9%	13.4	2.2	8.2	4.5%
Canada	-0.92	12.7	1.8	5.1	2.8%	13.8	2.1	7.2	2.4%
Switzerland	0.34	12.2	2.0	11.9	3.5%	13.7	2.4	9.8	2.9%
United States	0.55	12.6	2.2	8.2	2.0%	14.4	2.4	8.4	2.0%

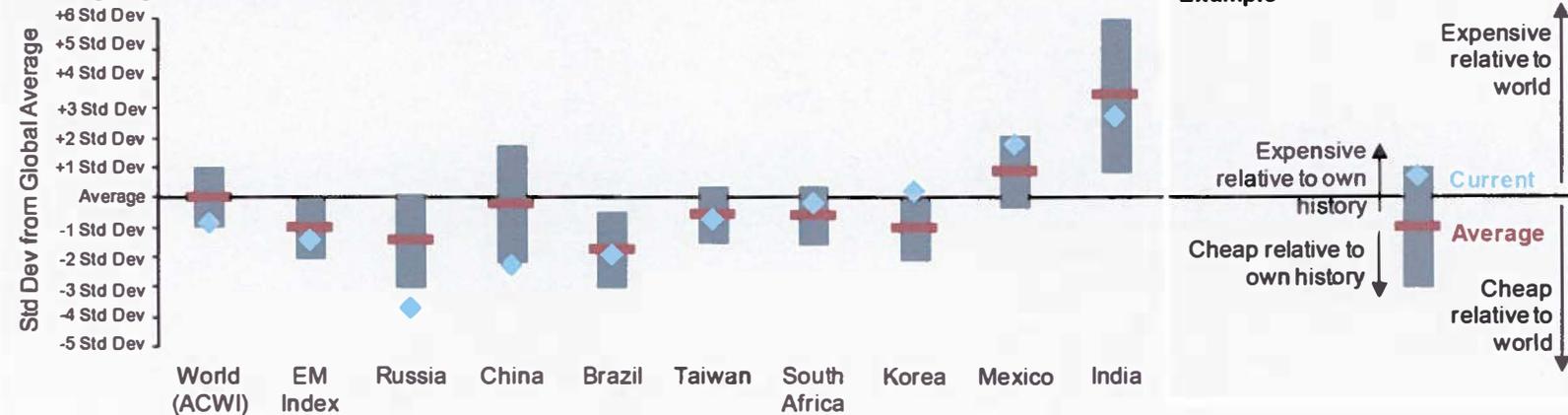
Source: MSCI, FactSet, J.P. Morgan Asset Management.

Note: Each valuation index shows an equally weighted composite of four metrics: price to forward earnings (Fwd. P/E), price to current book (P/B), price to last 12 months' cash flow (P/CF) and price to last 12 months' dividends. Results are then normalized using means and average variability over the last 10 years. The grey bars represent valuation index variability relative to that of the All Country World Index (ACWI). See disclosures page at the end for metric definitions.

Data are as of 9/30/12.

Global Equity Valuations – Emerging Markets

Emerging Market Countries



	Current Composite Index	Current				10-year avg.			
		Fwd. P/E	P/B	P/CF	Div. Yld.	Fwd. P/E	P/B	P/CF	Div. Yld.
World(ACWI)	-0.88	12.0	1.7	6.9	2.8%	13.4	2.1	7.0	2.5%
EM Index	-1.43	10.3	1.6	6.1	2.9%	10.9	1.9	5.7	2.7%
Russia	-3.71	5.2	0.8	3.6	3.6%	7.9	1.3	4.9	2.2%
China	-2.28	9.0	1.5	4.5	3.3%	12.2	2.1	4.1	2.8%
Brazil	-1.92	10.8	1.4	6.2	4.1%	9.6	1.9	5.5	3.5%
Taiwan	-0.74	15.0	1.8	5.9	3.3%	15.2	1.8	6.5	3.5%
South Africa	-0.21	11.6	2.3	9.7	3.5%	10.9	2.3	7.5	3.4%
Korea	0.19	8.7	1.3	5.7	1.1%	9.4	1.5	5.0	1.8%
Mexico	1.76	16.7	2.9	6.3	1.6%	13.4	2.6	5.6	2.0%
India	2.69	14.0	2.5	12.7	1.5%	15.1	3.2	12.0	1.5%

Source: MSCI, FactSet, J.P. Morgan Asset Management.

Note: Each valuation index shows an equally weighted composite of four metrics: price to forward earnings (Fwd. P/E), price to current book (P/B), price to last 12 months' cash flow (P/CF) and price to last 12 months' dividends. Results are then normalized using means and average variability over the last 10 years. The grey bars represent valuation index variability relative to that of the All Country World Index (ACWI). See disclosures page at the end for metric definitions.

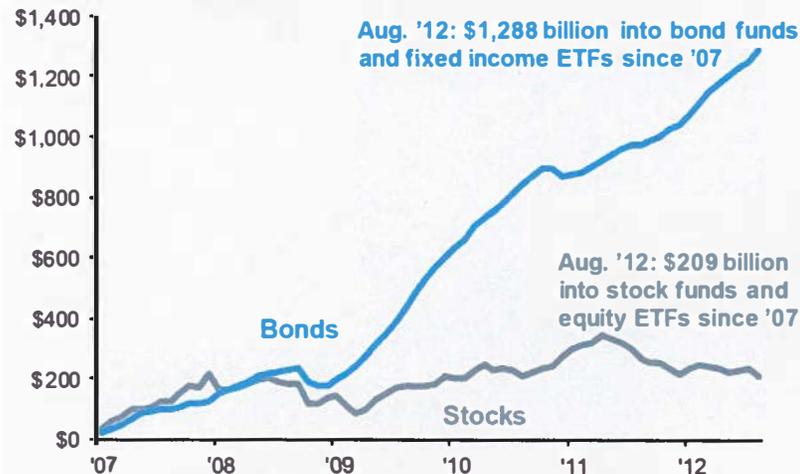
Data are as of 9/30/12.

Mutual Fund Flows

Billions, USD	AUM	Fund Flows														
		YTD 2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Domestic Equity	4,270	(77)	(132)	(81)	(28)	(148)	(65)	(0)	18	101	120	(26)	55	261	176	149
World Equity	1,492	18	4	58	28	(80)	139	149	106	71	24	(3)	(22)	53	11	8
Taxable Bond	2,724	169	135	230	311	22	97	45	26	5	40	125	76	(36)	8	59
Tax-exempt Bond	562	39	(12)	11	69	8	11	15	5	(15)	(7)	17	11	(14)	(12)	15
Hybrid	946	39	31	24	10	(26)	42	18	37	49	38	9	9	(36)	(14)	10
Money Market	2,554	(138)	(124)	(525)	(539)	637	654	245	62	(157)	(263)	(46)	375	159	194	235

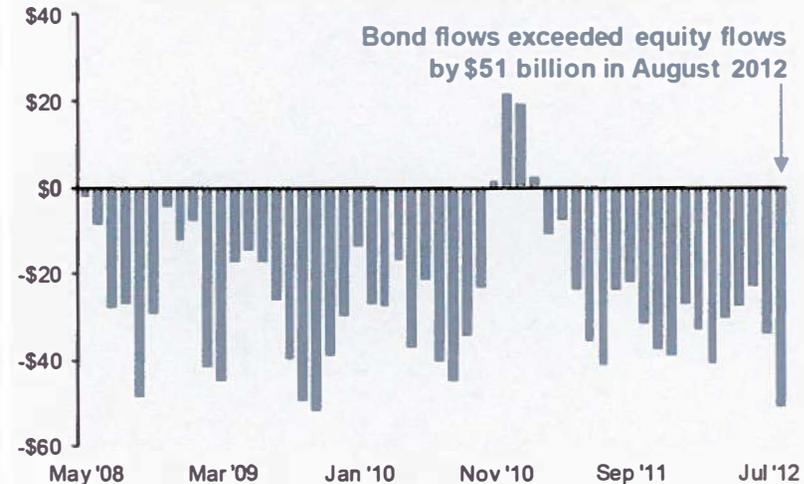
Cumulative Flows into Stock & Bond Funds

Includes both mutual funds and ETFs, \$ billions



Difference Between Flows Into Stock and Bond Funds

Billions, USD, U.S. and international funds, monthly



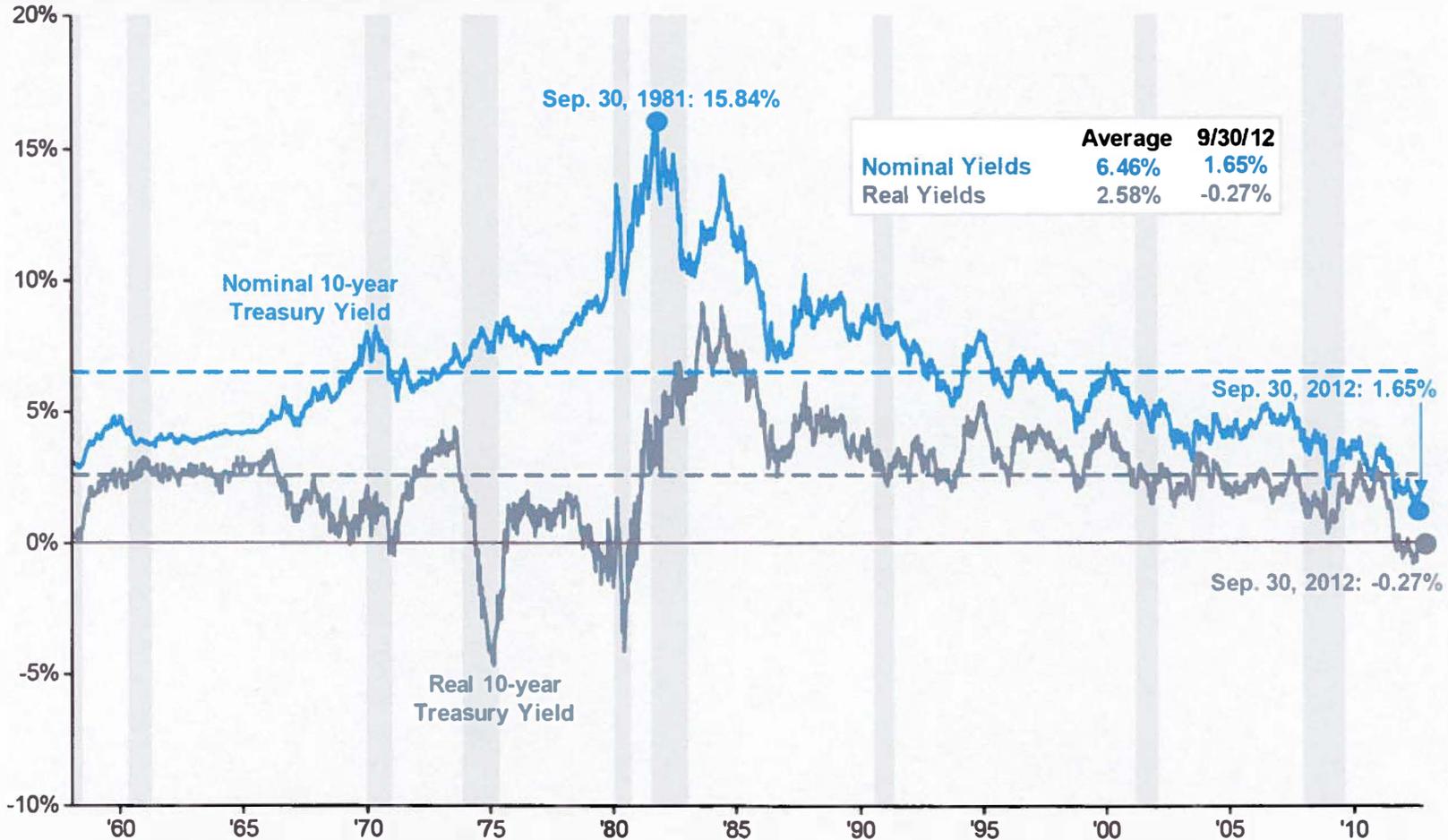
Source: Investment Company Institute, J.P. Morgan Asset Management.

Data include flows through August 2012 and exclude ETFs. ICI data are subject to periodic revisions. World equity flows are inclusive of emerging market, global equity and regional equity flows. Hybrid flows include asset allocation, balanced fund, flexible portfolio and mixed income flows.

Data are as of 9/30/12.

Interest Rates and Inflation

Nominal and Real 10-year Treasury Yields



Source: Federal Reserve, BLS, J.P. Morgan Asset Management.

Real 10-year Treasury yields are calculated as the daily Treasury yield less year-over-year core inflation for that month except for September 2012, where real yields are calculated by subtracting out August 2012 year-over-year core inflation.

Data are as of 9/30/12.

Fixed Income Yields and Returns

U.S. Treasuries	# of issues	Mkt. Value	Avg. Maturity	Yield		Return	
				9/30/2012	9/30/2011	2012 YTD	3Q12
2-Year	} # of issues: 164 Total value: \$5.067 tn		2 years	0.23%	0.25%	0.25%	0.21%
5-Year			5	0.62	0.96	2.30	0.83
10-Year			10	1.65	1.92	4.37	0.93
30-Year			30	2.82	2.90	3.66	-0.28
Sector							
Broad Market	7,967	\$16,815 bn	6.7 years	1.61%	2.35%	3.99%	1.58%
MBS	861	5,052	3.8	1.77	2.82	2.80	1.13
Corporates	4,231	3,551	10.7	2.79	3.83	8.66	3.83
Municipals	46,180	1,339	13.7	2.17	3.02	6.06	2.32
Emerging Debt	525	798	11.1	4.61	6.59	14.19	6.77
High Yield	1,931	1,082	6.7	6.51	9.51	12.13	4.53
TIPS	33	823	9.2	1.46	1.86	6.25	2.12

Source: U.S. Treasury, Barclays Capital, FactSet, J.P. Morgan Asset Management.

Fixed income sectors shown above are provided by Barclays Capital and are represented by – Broad Market U.S. Barclays Capital Index; MBS: Fixed Rate MBS Index; Corporate: U.S. Corporates; Municipals: Muni Bond Index; Emerging Debt: Emerging Markets Index; High Yield: Corporate High Yield Index. TIPS: Treasury Inflation Protection Securities (TIPS). Treasury securities data for # of issues and market value based on U.S. Treasury benchmarks from Barclays Capital. Yield and return information based on Bellwethers for Treasury securities.

Change in bond price is calculated using both duration and convexity according to the following formula:

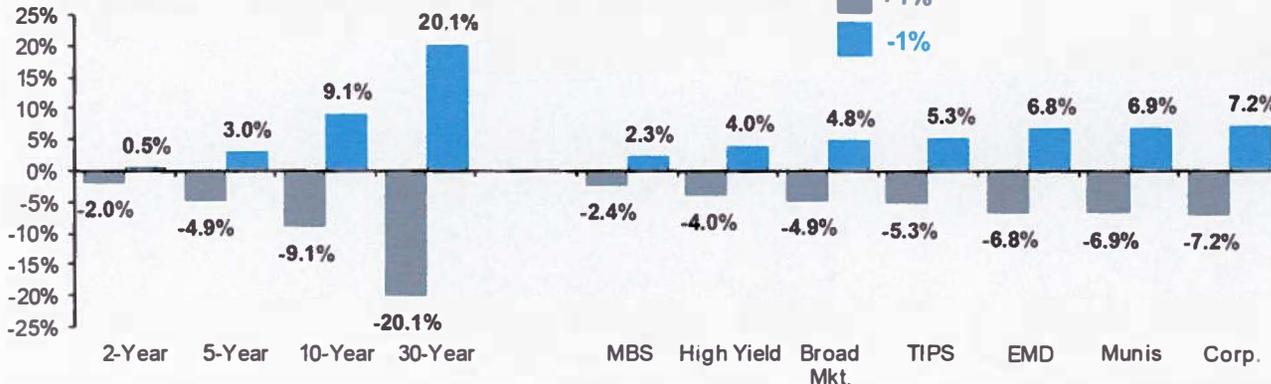
$$\text{New Price} = (\text{Price} + (\text{Price} * \text{Duration} * \text{Change in Interest Rates})) + (0.5 * \text{Price} * \text{Convexity} * (\text{Change in Interest Rates})^2)$$

*Calculation assumes 2-year Treasury interest rate falls 0.23% to 0.00% and the 5-year Treasury falls 0.62% to 0.00%, as interest rates can only fall to 0.00%.

Chart is for illustrative purposes only. Past performance is not indicative of comparable future results.

Data are as of 9/30/12.

Price Impact of a 1% Rise/Fall in Interest Rates



Asset Class Returns

												10-ys '02 - '11	
2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 YTD	3Q12	Cum.	Ann.
DJ UBS Cmnty 23.9%	MSCI EME 56.3%	REITs 31.6%	MSCI EME 34.5%	REITs 35.1%	MSCI EME 39.8%	Barclays Agg 5.2%	MSCI EME 79.0%	REITs 27.9%	REITs 8.3%	S&P 500 16.4%	DJ UBS Cmnty 9.7%	MSCI EME 277.1%	MSCI EME 14.2%
Barclays Agg 10.3%	Russell 2000 47.3%	MSCI EME 26.0%	DJ UBS Cmnty 17.5%	MSCI EME 32.6%	MSCI EAFE 11.6%	Cash 1.8%	MSCI EAFE 32.5%	Russell 2000 26.9%	Barclays Agg 7.8%	REITs 16.1%	MSCI EME 7.9%	REITs 164.2%	REITs 10.2%
Market Neutral 7.4%	MSCI EAFE 39.2%	MSCI EAFE 20.7%	MSCI EAFE 14.0%	MSCI EAFE 26.9%	DJ UBS Cmnty 11.1%	Market Neutral 1.1%	REITs 28.0%	MSCI EME 19.2%	Market Neutral 4.5%	Russell 2000 14.2%	MSCI EAFE 7.0%	Asset Alloc. 82.8%	Asset Alloc. 6.2%
REITs 3.8%	REITs 37.1%	Russell 2000 18.3%	REITs 12.2%	Russell 2000 18.4%	Market Neutral 9.3%	Asset Alloc. -24.0%	Russell 2000 27.2%	DJ UBS Cmnty 16.7%	S&P 500 2.1%	MSCI EME 12.3%	S&P 500 6.4%	Barclays Agg 75.4%	Barclays Agg 5.8%
Cash 1.7%	S&P 500 28.7%	Asset Alloc. 12.4%	Asset Alloc. 8.1%	S&P 500 15.8%	Asset Alloc. 7.2%	Russell 2000 -33.8%	S&P 500 26.5%	S&P 500 15.1%	Cash 0.1%	MSCI EAFE 10.6%	Russell 2000 5.3%	Russell 2000 72.8%	Russell 2000 5.6%
Asset Alloc. -5.8%	Asset Alloc. 25.0%	S&P 500 10.9%	Market Neutral 6.1%	Asset Alloc. 14.9%	Barclays Agg 7.0%	DJ UBS Cmnty -36.6%	Asset Alloc. 22.2%	Asset Alloc. 12.5%	Asset Alloc. -0.6%	Asset Alloc. 9.8%	Asset Alloc. 4.5%	Market Neutral 72.1%	Market Neutral 5.6%
MSCI EME -6.0%	DJ UBS Cmnty 22.7%	DJ UBS Cmnty 7.6%	S&P 500 4.9%	Market Neutral 11.2%	S&P 500 5.5%	S&P 500 -37.0%	DJ UBS Cmnty 18.7%	MSCI EAFE 8.2%	Russell 2000 -4.2%	DJ UBS Cmnty 5.6%	Barclays Agg 1.6%	MSCI EAFE 64.8%	MSCI EAFE 5.1%
MSCI EAFE -15.7%	Market Neutral 7.1%	Market Neutral 6.5%	Russell 2000 4.6%	Cash 4.8%	Cash 4.8%	REITs -37.7%	Barclays Agg 5.9%	Barclays Agg 6.5%	MSCI EAFE -11.7%	Barclays Agg 4.0%	REITs 1.0%	DJ UBS Cmnty 58.0%	DJ UBS Cmnty 4.7%
Russell 2000 -20.5%	Barclays Agg 4.1%	Barclays Agg 4.3%	Cash 3.0%	Barclays Agg 4.3%	Russell 2000 -1.6%	MSCI EAFE -43.1%	Market Neutral 4.1%	Cash 0.1%	DJ UBS Cmnty -13.4%	Cash 0.1%	Market Neutral 0.8%	S&P 500 33.4%	S&P 500 2.9%
S&P 500 -22.1%	Cash 1.0%	Cash 1.2%	Barclays Agg 2.4%	DJ UBS Cmnty -2.7%	REITs -15.7%	MSCI EME -53.2%	Cash 0.1%	Market Neutral -0.8%	MSCI EME -18.2%	Market Neutral -0.5%	Cash 0.0%	Cash 20.2%	Cash 1.9%

Source: Russell, MSCI, Dow Jones, Standard & Poor's, Credit Suisse, Barclays Capital, NAREIT, FactSet, J.P. Morgan Asset Management. The "Asset Allocation" portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EMI, 25% in the Barclays Capital Aggregate, 5% in the Barclays 1-3m Treasury, 5% in the CS/Tremont Equity Market Neutral Index, 5% in the DJ UBS Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. All data except commodities represent total return for stated period. Past performance is not indicative of future returns. Data are as of 9/30/12, except for the CS/Tremont Equity Market Neutral Index, which reflects data through 8/31/12. "10-ys" returns represent annualized total return. These returns reflect the period from 1/1/02 - 12/31/11. Please see disclosure page at end for index definitions. *Market Neutral returns include estimates found in disclosures. Data are as of 9/30/12.

Asset Allocation - Town of Trumbull Employee Pension Plan

As of September 30, 2012

Investment	Market Value (S)	Allocation (%)	Target (%)	Difference (%)
<u>Short Term Liquidity</u>				
WF Advantage Money Market	141,014	0.7%	0.0%	0.7%
<u>Fixed Income</u>				
PIMCO Total Return Institutional	4,482,638	22.3%	22.5%	-0.2%
Vanguard Total Bond Market Index Signal	<u>1,427,010</u>	<u>7.1%</u>	<u>7.5%</u>	<u>-0.4%</u>
Total Fixed Income	5,909,649	29.4%	30.0%	-0.6%
<u>Domestic Equity</u>				
Vanguard 500 Index Fund Signal	5,324,109	26.5%	25.0%	1.5%
Diamond Hill Large Cap Y	1,020,631	5.1%	5.0%	0.1%
MainStay Large Cap Growth I	1,027,385	5.1%	5.0%	0.1%
Aston/Montag & Caldwell Growth N	984,767	4.9%	5.0%	-0.1%
Boston Trust Small Cap Fund	<u>1,018,838</u>	<u>5.1%</u>	<u>5.0%</u>	<u>0.1%</u>
Total Domestic Equity	9,375,731	46.7%	45.0%	1.7%
<u>International Equity</u>				
Thornburg International Value R6	1,764,154	8.8%	10.0%	-1.2%
American Funds EuroPacific Growth R6	<u>1,817,036</u>	<u>9.0%</u>	<u>10.0%</u>	<u>-1.0%</u>
Total International Equity	3,581,191	17.8%	20.0%	-2.2%
<u>Inflation Protection</u>				
Vanguard Inflation Protected Securities Adm	347,857	1.7%	1.7%	0.1%
Van Eck Global Hard Assets I	330,973	1.6%	1.7%	0.0%
PIMCO Commodity Real Return Institutional	<u>392,086</u>	<u>2.0%</u>	<u>1.7%</u>	<u>0.3%</u>
Total Inflation Protection	1,070,916	5.3%	5.0%	0.3%
Total Plan Assets	20,078,499			

Balances provided by Wells Fargo

Total Plan Performance Summary

As of September 30, 2012

Account Reconciliation

	QTR	YTD	Since Inception	Inception Date
Total Plan				07/01/2008
Beginning Market Value	18,954,251	17,890,234	18,275,083	
Net Contributions	103,175	104,427	-2,003,421	
Gain/Loss	1,021,074	2,083,839	3,806,838	
Ending Market Value	20,078,499	20,078,499	20,078,499	

Blended Benchmark Composition

Allocation Mandate	Weight (%)
Barclays Aggregate Index	30.0
S&P 500 Index	25.0
Russell 1000 Growth Index	10.0
Russell 1000 Value Index	5.0
Russell 2000 Index	5.0
MSCI EAFE (net)	20.0
Inflation Protection Index	5.0

Trailing Performance Summary

	QTR	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Total Plan	5.3	11.4	18.9	9.1	N/A	N/A	N/A	5.0	07/01/2008
Blended Benchmark	5.0	10.9	18.4	9.8	2.9	5.1	7.7	5.4	
Difference	0.3	0.5	0.5	-0.7	N/A	N/A	N/A	-0.4	

Calendar Year Performance Summary

	2011	2010	2009	2008	2007	2006	2005	2004
Total Plan	-0.9	14.0	21.9	N/A	N/A	N/A	N/A	N/A
Blended Benchmark	0.5	14.4	20.6	-24.3	6.0	13.0	5.0	10.3
Difference	-1.4	-0.4	1.3	N/A	N/A	N/A	N/A	N/A

New Blended Benchmark effective 4/1/2011.

Historical Hybrid Composition

Blended Benchmark

As of September 30, 2012

Allocation Mandate	Weight (%)	Allocation Mandate	Weight (%)
Jan-1979		Apr-2011	
S&P 500 Index	45.0	Barclays Aggregate Index	30.0
Russell 2000 Index	10.0	S&P 500 Index	25.0
Barclays Aggregate Index	35.0	Russell 1000 Growth Index	10.0
MSCI EAFE Index	10.0	Russell 1000 Value Index	5.0
Nov-2009		Russell 2000 Index	5.0
Barclays Aggregate Index	35.0	MSCI EAFE (net)	20.0
S&P 500 Index	27.5	Inflation Protection Index	5.0
Russell 1000 Growth Index	12.5		
S&P Completion Index	15.0		
MSCI EAFE (net)	10.0		
Apr-2010			
Barclays Aggregate Index	35.0		
S&P 500 Index	27.5		
Russell 1000 Growth Index	12.5		
Russell 2000 Index	5.0		
S&P Completion Index	10.0		
MSCI EAFE (net)	10.0		
Jul-2010			
Barclays Aggregate Index	30.0		
S&P 500 Index	27.5		
Russell 1000 Growth Index	12.5		
Russell 2000 Index	5.0		
MSCI EAFE (net)	20.0		
Inflation Protection Index	5.0		

Town of Trumbull Employee Pension Plan

Portfolio Comments & Manager Status Summary

As of September 30, 2012

Total Performance Summary						
	<u>QTR</u>	<u>YTD</u>	<u>1-Yr</u>	<u>3-Yr</u>	<u>5-Yr</u>	<u>Since Inception 7/1/2008*</u>
Consolidated Plan¹	5.3%	11.4%	18.9%	9.1%	NA	5.0%
Blended Benchmark	5.0%	10.9%	18.4%	9.8%	NA	5.4%

Total Portfolio Comments

The Trumbull Employee Pension Plan returned 5.3% in the third quarter and 11.4% year-to-date, outperforming the blended benchmark gains of 5.0% and 10.9%, respectively, as new monetary stimulus in both the U.S. and abroad led to gains across the portfolio. Within the fixed income holdings, PIMCO Total Return gained 3.2%, outperforming the Barclays Capital Aggregate gain of 1.6%, and ranking near the top of its peer group. Favorable results were due to the Fund's exposure to spread sector holdings, particularly mortgage backed securities, financials, and emerging markets. Vanguard Total Bond Index Fund gained 1.5%, performing closely in line with the Barclays Aggregate. Within the domestic equity holdings, Vanguard 500 Index Fund rose 6.3%, compared with the S&P 500 index gain of 6.4%. Diamond Hill Large Cap returned 7.4%, outperforming the Russell 1000 Value Index by 90 basis points as a result of stock selection and sector positioning. MainStay Large Cap Growth gained 6.1%, performing in line with the Russell 1000 Growth Index. The Aston/Montag & Caldwell Growth Fund rose 6.2%, slightly ahead of the Russell 1000 Growth Index, reflecting favorable stock selection in the information technology sector. Boston Trust Small Cap Fund gained 4.7%, trailing the Russell 2000 by 60 basis points due to stock selection, particularly in the health care sector. Within international equities, Thornburg International Value Fund gained 6.1%, underperforming its MSCI index gain of 7.4%. Results were hurt by weak results in the financials sector. American Funds EuroPacific Growth Fund gained 7.3%, 10 basis points behind the MSCI benchmark as a result of a relatively high cash position. Vanguard Inflation Protected Securities Fund returned 2.1%, tracking the Barclays Capital U.S. TIPS Index. The Van Eck Global Hard Assets Fund rose 11.9%, 20 basis points below its benchmark due to holdings in the energy subsector. PIMCO Commodity Real Return advanced 12.1%, outperforming its commodities index benchmark gain of 9.7%. The Fund continues to benefit from its use of TIPS as collateral to the commodity futures contracts.

Manager Status Summary

<u>Mandate</u>	<u>Manager/Fund</u>	<u>Status</u>	<u>Note</u>
Fixed Income	Vanguard Total Bond Market Index Signal	Maintain	N/A
Fixed Income	PIMCO Total Return Institutional	Maintain	N/A
Equity - Large Cap	Vanguard 500 Index Signal	Maintain	N/A
Equity - Large Cap	Diamond Hill Large Cap Y	Maintain	N/A
Equity - Large Cap	MainStay Large Cap Growth I	Maintain	N/A
Equity - Large Cap	Aston/Montag & Caldwell Growth Fund N	Maintain	N/A
Equity - Small Cap	Boston Trust Small Cap Fund	Maintain	N/A
International Equity	Thornburg International Value R6	Maintain	N/A
International Equity	American Funds EuroPacific Growth R6	Maintain	N/A
Inflation Protection	Vanguard Inflation Protected Securities Adm	Maintain	N/A
Inflation Protection	Van Eck Global Hard Assets I	Maintain	N/A
Inflation Protection	PIMCO Commodity Real Return Instl	Maintain	N/A

¹Consolidated plan performance reflects total fund level returns on an aggregate basis including the Wilmington Trust Portfolio prior to 11/1/09.

* Inception date of 7/1/2008 reflects the first full quarter under which Wilmington Trust served as recordkeeper for the plan's assets.

Manager Performance Overview

As of September 30, 2012

	QTR	YTD	1 Year	Nov-2009 To Sep-2012	Since Inception	Inception Date
Short Term Liquidity						
WF Advantage Money Market	0.0	0.0	0.0	0.0	0.0	11/01/2009
90 Day U.S. Treasury Bill	0.0	0.0	0.0	0.1	0.1	
Fixed Income						
PIMCO Total Return Instl	3.2 (17)	9.1 (4)	11.5 (4)	7.7 (23)	7.7 (23)	11/01/2009
Barclays Aggregate Index	1.6	4.0	5.2	6.2	6.2	
IM U.S. Broad Market Core Fixed Income (MF) Median	2.4	6.0	7.4	7.0	7.0	
Vanguard Total Bond Market Index Signal	1.5 (92)	4.0 (88)	5.0 (89)	6.1 (78)	6.1 (78)	11/01/2009
Barclays Aggregate Index	1.6	4.0	5.2	6.2	6.2	
IM U.S. Broad Market Core Fixed Income (MF) Median	2.4	6.0	7.4	7.0	7.0	
Domestic Equity						
Vanguard 500 Index Trust Signal	6.3 (48)	16.4 (28)	30.2 (22)	14.3 (14)	14.3 (14)	11/01/2009
S&P 500 Index	6.4	16.4	30.2	14.3	14.3	
IM U.S. Large Cap Core Equity (MF) Median	6.3	14.8	27.8	11.9	11.9	
Diamond Hill Large Cap Y	7.4 (10)	11.5 (86)	26.9 (70)	N/A	5.7 (24)	04/01/2011
Russell 1000 Value Index	6.5	15.7	30.9	13.4	6.0	
IM U.S. Large Cap Value Equity (MF) Median	6.4	14.0	28.3	10.8	3.9	
MainStay Large Cap Growth I	6.1 (55)	15.0 (71)	25.9 (60)	N/A	4.5 (64)	04/01/2011
Russell 1000 Growth Index	6.1	16.8	29.2	15.7	8.5	
IM U.S. Large Cap Growth Equity (MF) Median	6.3	16.4	27.0	13.1	5.5	
Aston/Montag & Caldwell Growth Fund	6.2 (52)	14.7 (75)	25.8 (63)	11.8 (71)	11.8 (71)	11/01/2009
Russell 1000 Growth Index	6.1	16.8	29.2	15.7	15.7	
IM U.S. Large Cap Growth Equity (MF) Median	6.3	16.4	27.0	13.1	13.1	

Returns for periods greater than one year are annualized
Returns are expressed as percentages

Manager Performance Overview

As of September 30, 2012

	QTR	YTD	1 Year	Nov-2009 To Sep-2012	Since Inception	Inception Date
Boston Trust Small Cap Fund	4.7 (69)	10.4 (75)	27.3 (77)	N/A	10.7 (33)	04/01/2010
Russell 2000 Index	5.3	14.2	31.9	16.1	10.2	
IM U.S. Small Cap Core Equity (MF) Median	5.2	12.6	30.4	15.4	9.7	
<u>International Equity</u>						
Thornburg International Value R5	6.1 (65)	9.9 (57)	14.4 (60)	N/A	7.6 (80)	07/01/2010
MSCI AC World ex USA (Net)	7.4	10.4	14.5	3.7	8.1	
IM International Large Cap Core Equity (MF) Median	6.3	10.2	14.7	2.9	8.8	
Europacific Growth R6	7.3 (15)	13.2 (11)	18.4 (14)	4.5 (15)	4.5 (15)	11/01/2009
MSCI AC World ex USA (Net)	7.4	10.4	14.5	3.7	3.7	
IM International Large Cap Core Equity (MF) Median	6.3	10.2	14.7	2.9	2.9	
<u>Inflation Protection</u>						
Vanguard Inflation Protected Sec.	2.1 (37)	6.2 (23)	9.0 (24)	N/A	9.5 (13)	07/01/2010
Barclays U.S. Treasury: U.S. TIPS Index	2.1	6.2	9.1	9.1	9.6	
IM U.S. TIPS (MF) Median	2.0	5.8	8.3	8.4	8.6	
Van Eck Global Hard Assets	11.9 (11)	3.2 (45)	12.2 (67)	N/A	10.9 (34)	07/01/2010
S&P North American Natural Resources Sector	12.1	5.5	20.5	9.2	13.7	
IM Global Natural Resources (MF) Median	8.8	2.3	13.9	4.3	9.1	
PIMCO Commodity Real Return Institutional	12.1 (19)	11.8 (18)	14.3 (10)	N/A	14.9 (19)	07/01/2010
Dow Jones-UBS Commodity Index	9.7	5.6	6.0	4.3	7.8	
IM All Commodities (MF) Median	9.5	3.8	7.6	3.7	8.8	

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Your performance may differ slightly if the fund was purchased during the previous month. Actual performance is captured at the total plan level.

Mutual fund performance stated above may differ slightly from the current share class's historical performance due to share class exchanges

Returns for periods greater than one year are annualized
Returns are expressed as percentages

Manager Commentary

As of September 30, 2012

Manager	Status	Comments
Fixed Income		
PIMCO:Tot Rtn;Inst (PTTRX)	Maintain	3Q 2012 - This strategy outpaced the Barclays Capital Aggregate Bond Index and ranked near the top of its peer group during the quarter. Exposure to spread sectors accounted for the majority of the outperformance with MBS, financials, and emerging markets all adding value during the period. MBS holdings performed particularly well as PIMCO had positioned the portfolio in anticipation of additional quantitative easing, which led to strong results in both agency and non-agency issues. A focus on real duration exposure also added to results, as increased inflation expectations led to strong performance from TIPS. PIMCO continues to reduce risk in the portfolio and strengthen its liquidity position. The portfolio also continues to favor non-agency mortgages based on improvement in home prices and attractive loss-adjusted returns.
Vanguard Tot Bd;Sig (VBTSX)	Maintain	3Q 2012 - In accordance with its investment objective, the Fund performed in line with the Barclays Capital Aggregate Bond Index.
Domestic Equity		
Vanguard 500 Index;Sig (VIFSX)	Maintain	3Q 2012 - In accordance with its investment objective, the Fund has performed in line with the S&P 500 Index.
Diamond Hill Lg Cap;Y (DHLYX)	Maintain	3Q 2012 – Diamond Hill Large Cap outpaced the Russell 1000 Value Index during the third quarter. The strategy benefited from both sector positioning and strong stock selection. Investors shifted into more cyclically sensitive names this quarter resulting in sectors such as telecommunications, energy and consumer discretionary leading the Index. More defensive sectors such as utilities lagged this quarter. The portfolio’s lack of exposure to the utilities sector had a positive impact on relative performance as did an overweight to the consumer discretionary sector. Stock selection in the consumer discretionary sector also proved to be favorable as names like V.F. Corp outperformed after reporting higher gross margins and strong revenue growth abroad. An overweight position to JPMorgan Chase also added to relative value.
MainStay:Lg Cap Gr;I (MLAIX)	Maintain	3Q 2012 – The market continued its risk-on, risk-off temperament as the markets rallied around macroeconomic related events. The Federal Reserve initiated Quantitative Easing round three (QE3), increasing liquidity and sending the financial markets higher. The Mainstay Large Cap Growth Fund (managed by Winslow) performed in line with the Russell 1000 Growth Index during the third quarter. The technology sector, consumer staples sector and industrials sectors were among the largest contributors to relative returns during the quarter. Within the technology sector, Google and Qualcomm posted strong gains. While the consumer discretionary holdings as a whole detracted from the portfolio’s returns, there were a few bright lights within the sector. Michael Kors outperformed after reporting strong year-over-year earnings growth and raising 2013 guidance. The health care and consumer discretionary sectors were the strategy’s worst performing sectors during the third quarter. Within health care, UnitedHealth Group and Intuitive Surgical weighed on returns. Social networking giant, Facebook, also underperformed during the quarter.

Manager Commentary

As of September 30, 2012

Manager	Status	Comments
Aston:M&C Growth;N (MCGFX)	Maintain	3Q 2012 - The portfolio managed by Montag & Caldwell had a strong positive return during the quarter, performing in line with the Russell 1000 Growth Index. The strategy's stock selection was the main driver of performance during the quarter. Holdings in the information technology sector led the way. Among the stocks that outperformed were Google, eBay and Qualcomm. Stock picks within the consumer staples and materials sectors also had a positive impact on performance. The portfolio's sector positioning was mixed as it benefitted from an overweight allocation to the energy sector and an underweight stance toward the industrials sector, but this positioning was offset by an overweight to the consumer staples sector. Adverse stock selection in the health care and consumer discretionary sectors also detracted from the strategy's relative performance.
Boston Trust Small Cap (BOSOX)	Maintain	3Q 2012 - The Boston Trust Small Cap Fund trailed the Russell 2000 Index in the third quarter. The Fund's high quality approach faced headwinds this quarter as higher beta and microcaps outperformed during the period. More specifically, stock selection in the healthcare sector was the largest detractor from relative returns this quarter. Within the sector, stock selection was particularly weak in the healthcare equipment & supplies industry. Stock selection in the energy sector also detracted from returns. Conversely, stock selection aided returns in the technology and industrials sectors.
International Equity		
Thornburg Intl Val;R5 (TIVRX)	Maintain	3Q 2012 - The Thornburg International Value Fund rose this quarter but trailed its benchmark. Equity markets around the globe rebounded this quarter, reacting favorably to announcements by several major central banks. The portfolio was hampered by weak results in the financials sector. Both the underweight allocation and weak stock selection resulted in the sector being the biggest detractor from relative results. The team's cautious stance on several of the European banks worked against them this quarter as not owning these good performing stocks detracted from relative results. The Fund did benefit from the underweight to Japan, which was one of the worst performing countries in the benchmark this quarter.
American Funds EuPc;R-6 (REGX)	Maintain	3Q 2012 - The American Funds EuroPacific Growth Fund posted strong absolute gains in the quarter with performance that slightly trailed the MSCI ACWI ex USA Index. During the period emerging markets stock performed well. The Fund's overweight allocation to emerging markets added to relative results. Also adding to results was the underweight allocation to Japan, as Japanese equities were weak for the period. The Fund benefited from strong stock selection across the portfolio. Stock selection was strongest in the information technology sector. Within the information technology sector, Samsung was one of the top contributors. The South Korean technology company continues to benefit from the growth of smartphones. Among the biggest detractors from results was the cash position, which averaged over 8 percent this quarter. Given the strong upward move in the market, this weighed on results. As of the end of the quarter, the Fund was overweight the information technology sector, while underweight the financials sector.

Manager Commentary

As of September 30, 2012

Manager	Status	Comments
Inflation Protection		
Vanguard Infl-Prot;Adm (VAIPX)	Maintain	3Q 2012 - In accordance with its investment objective, the Fund performed in line with the Barclays Capital U.S. TIPS Index.
Van Eck:Gl Hard Asst;I (GHAIX)	Maintain	3Q 2012 - The Van Eck Fund rose sharply in the quarter, but trailed its target index modestly. In general, hard asset commodities and their corresponding equity sectors moved higher in the period and outpaced the broad equity markets significantly. The energy subsector ported the largest gains on tight supply/demand conditions across the globe and heightened geopolitical tensions. The Fund's underweight to energy, notably the large integrated oil companies, did work as a headwind, while positions in exploration and production names, such as Halliburton(+19.0%) and Afren(+39.0%), were positive. Agricultural commodities were also positive, as wheat, soybeans, and corn prices continued to rise on extended drought conditions. After closing the quarter with a sharp rally on positive news from China, base metals ended with strong returns. Precious metals prices also rose considerably on global monetary easing announcements and uncertainty over financial assets. Gold prices increased 10.9%, while Gold Mining equities gained close to 21.0%. Diversified mining company Xstrata (+24.7%) and gold miner Randgold Resources (+36.7%) were significant contributors to the fund this period. The team maintains a general constructive outlook on the global economy, and continues to decrease its cash position in favor of increased commodity exposure. Gold mining positions were increased, while certain land based refining exposures were reduced.
PIMCO:Comm RR Str;Inst (PCRIX)	Maintain	3Q 2012 - The PIMCO Commodity Real Return Fund rose sharply in the quarter and outperformed the index significantly. Hard asset commodities and their corresponding equity sectors moved higher in the period, driven primarily by significant gains in the energy and agriculture markets, although all major subsectors were positive. The use of TIPS as the primary collateral to the commodity futures contracts continues to be the primary driver of relative outperformance when compared to the nominal counterparts held in the index. In addition to the TIPS collateral, the Fund maintains modest exposure to spread product, which was an additional source of alpha in the period. These positions include exposure to Australian inflation linked bonds, emerging markets debt, and non-agency mortgages. Select alpha strategies in the commodity allocation were also additive, including long platinum exposure instead of gold and selling gold volatility. While modest, the Fund did experience headwinds in the period, notably favoring soybeans over corn, and a significant exposure to the middle of the TIPS yield curve, as real yields rallied.

Manager Gain/Loss Summary

Quarter Ending September 30, 2012

	Market Value As of 07/01/2012	Net Flows	Return On Investment	Market Value As of 09/30/2012
<u>Short Term Liquidity</u>				
WF Advantage Money Market	37,826	103,175	13	141,014
Short Term Liquidity	37,826	103,175	13	141,014
<u>Fixed Income</u>				
PIMCO Total Return Instl	4,345,617	-	137,022	4,482,638
Vanguard Total Bond Market Index Signal	1,405,232	-	21,778	1,427,010
Total Fixed Income	5,750,848	-	158,800	5,909,649
<u>Domestic Equity</u>				
Vanguard 500 Index Trust Signal	5,006,321	-	317,789	5,324,109
Diamond Hill Large Cap Y	949,948	-	70,683	1,020,631
MainStay Large Cap Growth I	967,991	-	59,394	1,027,385
Aston/Montag & Caldwell Growth Fund	927,016	-	57,751	984,767
Boston Trust Small Cap Fund	973,471	-	45,367	1,018,838
Total Domestic Equity	8,824,748	-	550,983	9,375,731
<u>International Equity</u>				
Thornburg International Value R5	1,661,958	-	102,196	1,764,154
Europacific Growth R6	1,692,795	-	124,242	1,817,036
Total International Equity	3,354,752	-	226,438	3,581,191
<u>Inflation Protection</u>				
Vanguard Inflation Protected Sec.	340,592	-	7,265	347,857
Van Eck Global Hard Assets	295,723	-	35,250	330,973
PIMCO Commodity Real Return Institutional	349,761	-	42,324	392,086
Total Inflation Protection	986,076	-	84,840	1,070,916
Total Plan	18,954,251	103,175	1,021,074	20,078,499

Market Value & Flow Summary

Since Inception Ending September 30, 2012

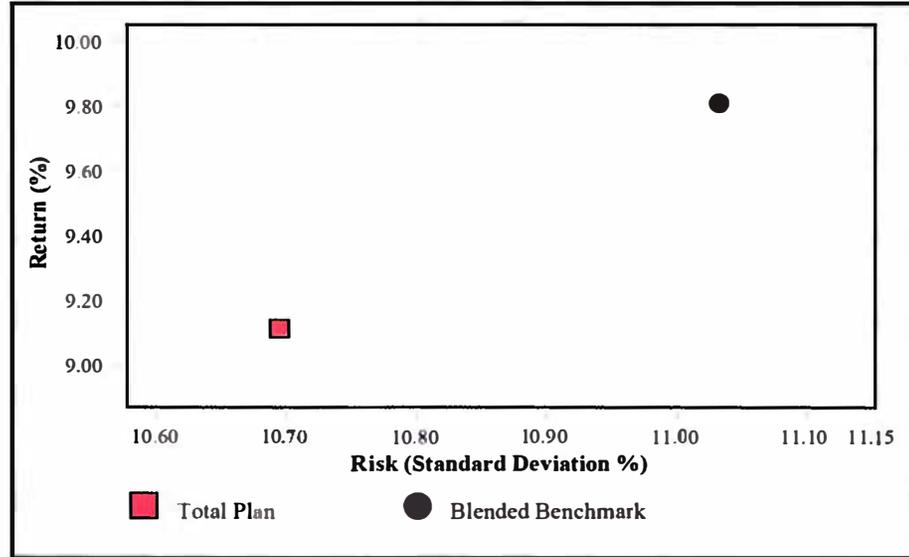
Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
Jun-2008	-	-	-	18,275,083	N/A
Sep-2008	18,275,083	-347,237	-1,227,403	16,700,443	-6.8
Dec-2008	16,700,443	-116,941	-2,330,795	14,252,707	-14.0
Mar-2009	14,252,707	-142,836	-882,840	13,227,031	-6.2
Jun-2009	13,227,031	1,552	1,674,193	14,902,776	12.6
Sep-2009	14,902,776	-331,810	1,821,456	16,392,422	11.8
Dec-2009	16,392,422	-97,668	521,094	16,815,848	3.2
Mar-2010	16,815,848	-174,642	651,983	17,293,189	3.8
Jun-2010	17,293,189	-317,593	-933,037	16,042,558	-5.3
Sep-2010	16,042,558	-151,153	1,474,076	17,365,481	9.1
Dec-2010	17,365,481	-137,528	1,118,395	18,346,348	6.4
Mar-2011	18,346,348	-137,728	714,933	18,923,552	3.8
Jun-2011	18,923,552	-104,491	130,815	18,949,876	0.7
Sep-2011	18,949,876	-62,357	-2,158,099	16,729,420	-11.2
Dec-2011	16,729,420	12,585	1,148,229	17,890,234	6.8
Mar-2012	17,890,234	8,848	1,533,171	19,432,253	8.3
Jun-2012	19,432,253	-7,597	-470,406	18,954,251	-2.3
Sep-2012	18,954,251	103,175	1,021,074	20,078,499	5.3

Net cash flows excluding investment management fees paid may differ from gross cash flow figures shown elsewhere in this report.

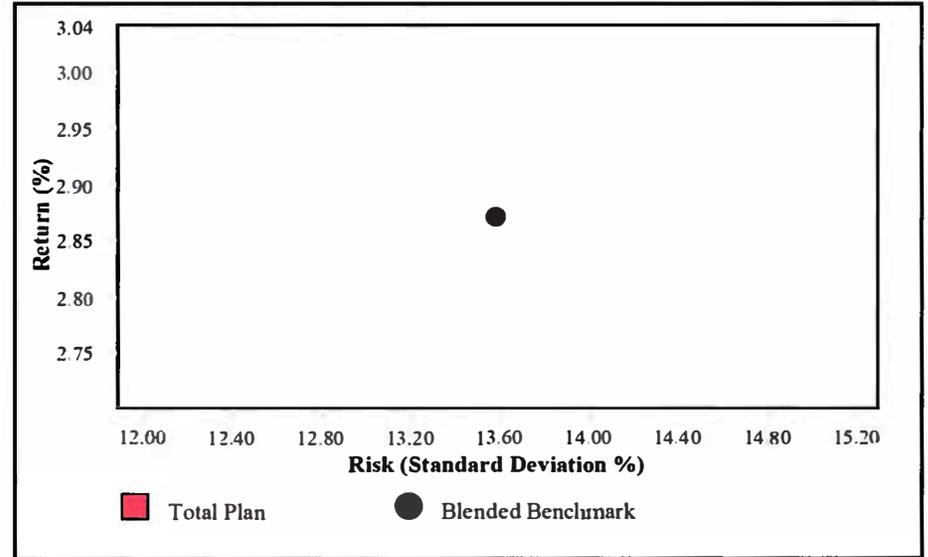
Risk vs. Return

As of September 30, 2012

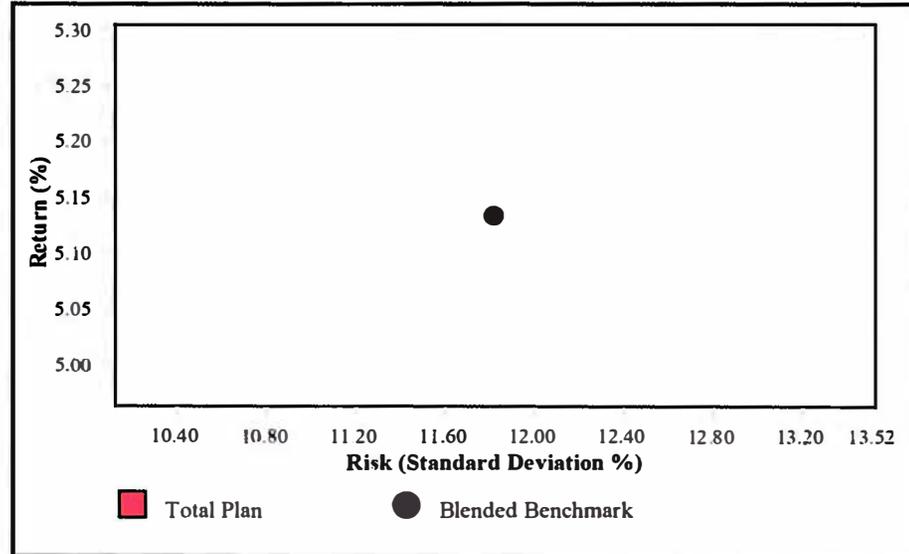
3 Year Risk and Return



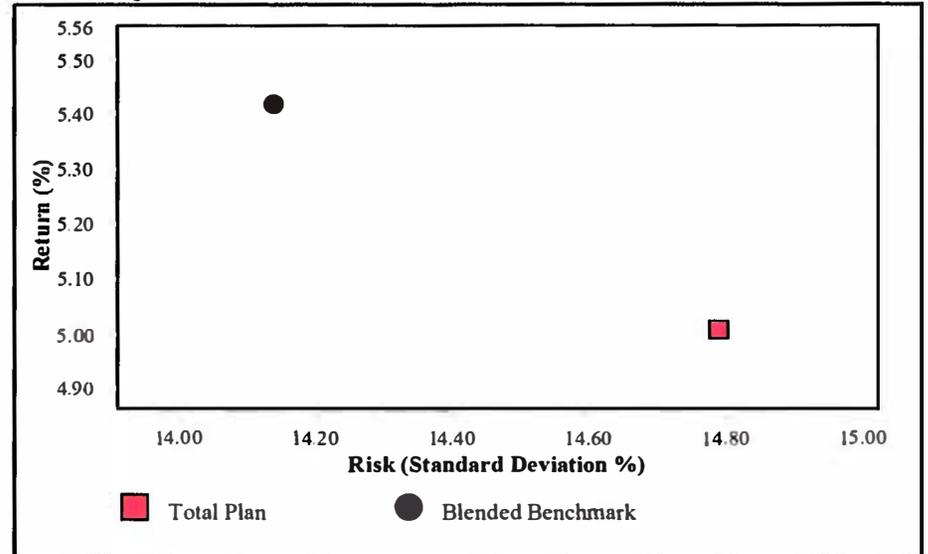
5 Year Risk and Return



7 Year Risk and Return



Since Inception Risk and Return



MPT Statistical Data

As of September 30, 2012

3 Year Historical MPT Statistics

	Return	Standard Deviation	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Downside Risk
Total Plan	9.11	10.70	1.26	-0.53	0.99	0.86	-0.30	0.96	6.49
Blended Benchmark	9.80	11.03	0.00	N/A	1.00	0.90	0.00	1.00	6.48
90 Day U.S. Treasury Bill	0.10	0.03	11.03	-0.90	0.00	N/A	0.10	0.00	0.01

5 Year Historical MPT Statistics

	Return	Standard Deviation	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Downside Risk
Total Plan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Blended Benchmark	2.87	13.58	0.00	N/A	1.00	0.22	0.00	1.00	9.82
90 Day U.S. Treasury Bill	0.70	0.38	13.70	-0.22	0.09	N/A	0.73	-0.01	0.01

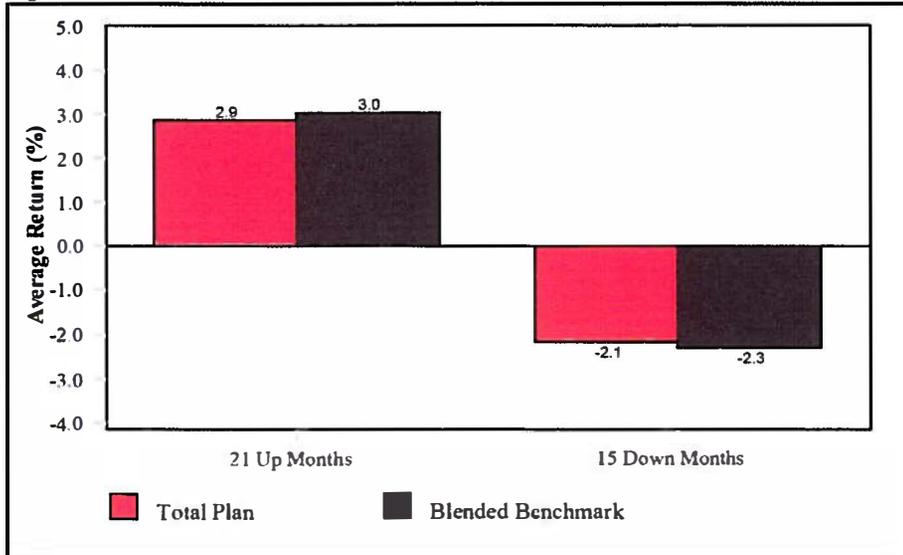
7 Year Historical MPT Statistics

	Return	Standard Deviation	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Downside Risk
Total Plan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Blended Benchmark	5.13	11.82	0.00	N/A	1.00	0.33	0.00	1.00	8.41
90 Day U.S. Treasury Bill	1.85	0.62	11.89	-0.33	0.01	N/A	1.88	0.00	0.01

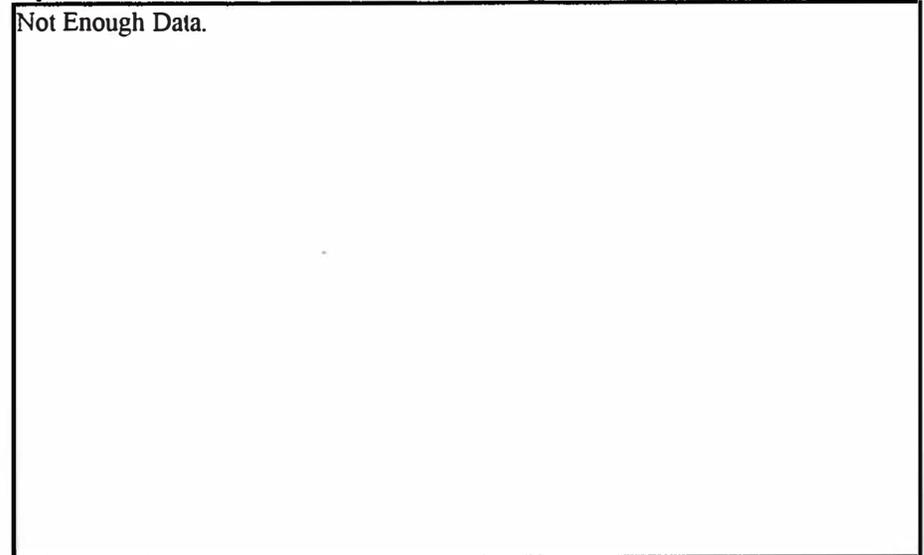
Market Capture Report

As of September 30, 2012

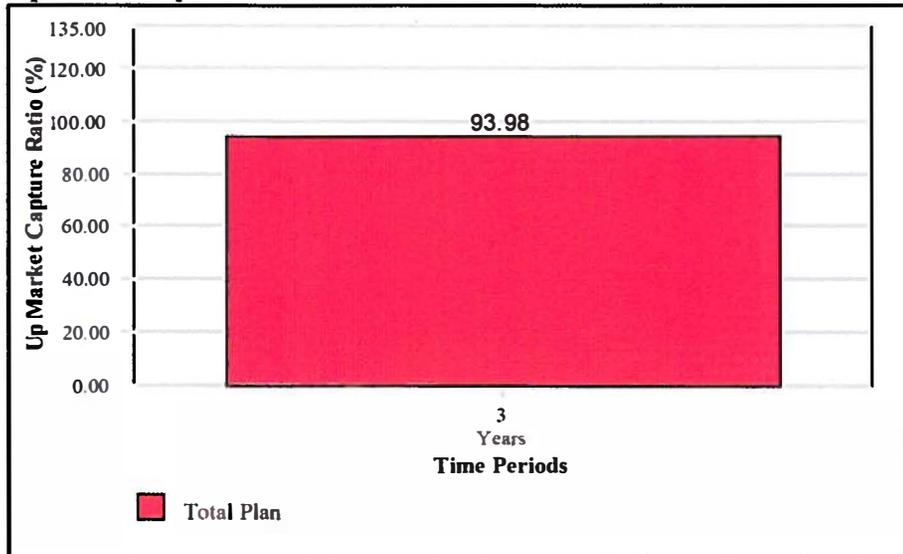
Up/Down Markets - 3 Years



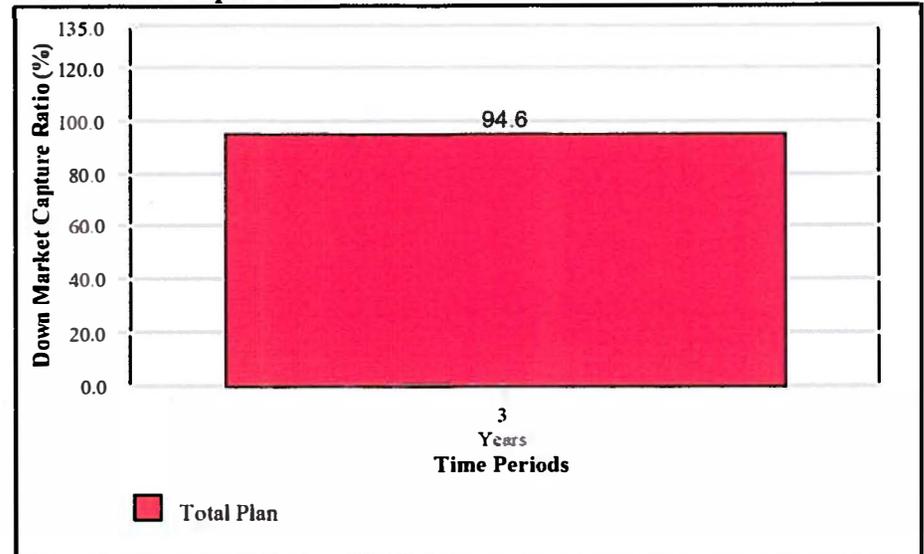
Up/ own Markets - 5 Years



Up Market Capture Ratio



Down Market Capture Ratio



Fee Analysis

As of September 30, 2012

MANAGER	FEE SCHEDULE	TARGET ALLOCATION
PIMCO Total Return Instl	0.46%	22.5%
Vanguard Total Bond Market Index Signal	0.10%	7.5%
Vanguard 500 Index Trust Signal	0.05%	25.0%
Diamond Hill Large Cap Y	0.66%	5.0%
MainStay Large Cap Growth I	0.82%	5.0%
Aston/Montag & Caldwell Growth Fund	1.07%	5.0%
Boston Trust Small Cap Fund	1.00%	5.0%
Thornburg International Value R5	0.99%	10.0%
Europacific Growth R6	0.50%	10.0%
Vanguard Inflation Protected Sec.	0.11%	1.7%
Van Eck Global Hard Assets	1.01%	1.7%
PIMCO Commodity Real Return Institutional	0.74%	1.7%
AVERAGE WEIGHTED FEE		0.48%

DISCLOSURE: The figures on this page have been obtained from sources we deem to be reliable. FIA has not independently verified this information.

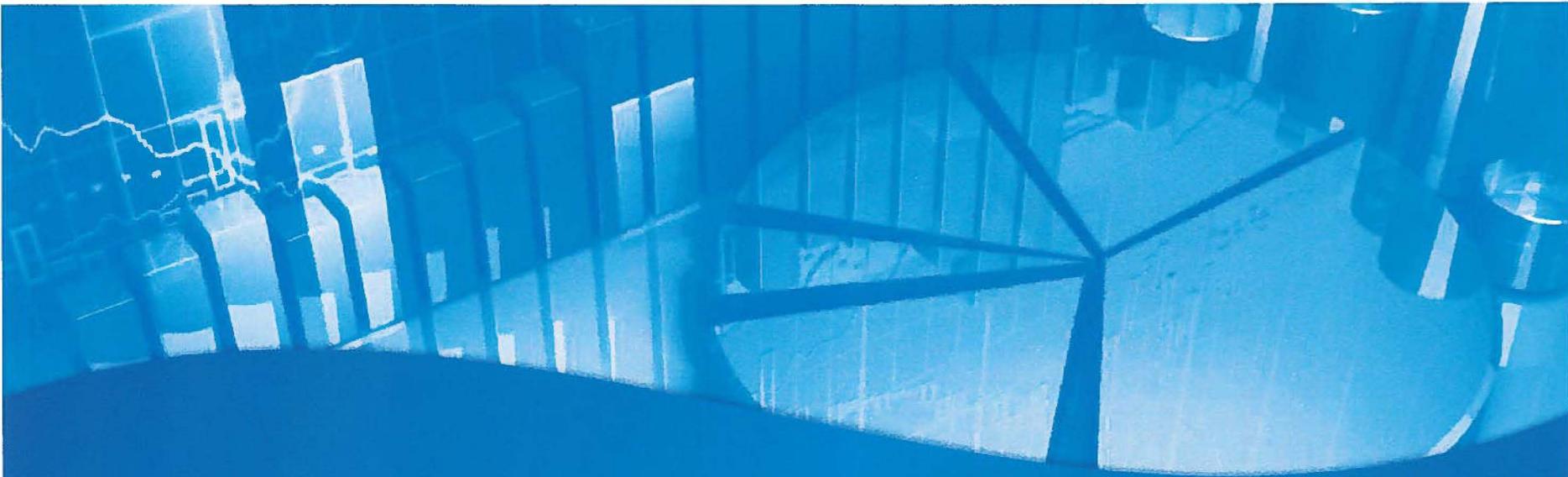
Prospectus Links - Town of Trumbull Employee Pension Plan

As of September 30, 2012

<u>FUND FAMILY</u>	<u>WEB SITE</u>
Vanguard Funds	www.vanguard.com
PIMCO Funds	www.pimco-funds.com
Aston/Montag & Caldwell Fund	www.astonfunds.com
MainStay Investments	www.mainstayinvestments.com
Diamond Hill	www.diamond-hill.com
Boston Trust	www.btim.com
American Funds	www.americanfunds.com
Thornburg Funds	www.thornburginvestments.com
Van Eck Funds	www.vaneck.com

Statistics Definitions

Statistics	Description
Sharpe Ratio	-- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.
Alpha	-- A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the portfolio's historical performance not explained by movements of the market, or a portfolio's non-systematic return.
Beta	-- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk.
R-Squared	-- The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. High R-Square means a higher correlation of the portfolio's performance to the appropriate benchmark.
Treynor Ratio	-- Similar to Sharpe ratio, but focuses on beta rather than excess risk (standard deviation). Represents the excess rate of return over the risk free rate divided by the beta. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.
Tracking Error	-- A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark.
Information Ratio	-- Measured by dividing the active rate of return by the tracking error. The higher the Information Ratio, the more value-added contribution by the manager.
Consistency	-- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance.
Excess Return	-- Arithmetic difference between the managers return and the risk-free return over a specified time period.
Active Return	-- Arithmetic difference between the managers return and the benchmark return over a specified time period.
Excess Risk	-- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Up Market Capture	-- The ratio of average portfolio return over the benchmark during periods of positive benchmark return. Higher values indicate better product performance.
Down Market Capture	-- The ratio of average portfolio return over the benchmark during periods of negative benchmark return. Lower values indicate better product performance.



The Case For Global Bonds

May 2012

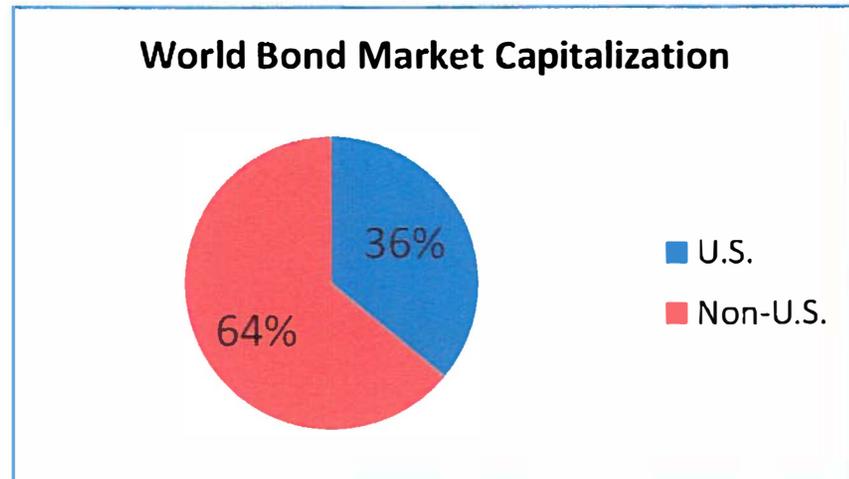


One Hundred Northfield Drive, Windsor, CT 06095 • Toll Free: 866.466.9412 • www.fiall.com

The Global Bond Opportunity

U.S. Investors should consider adding Global Bonds to their portfolios for the following reasons:

- **Unique and broad product set**
 - Global bonds are a \$70 trillion opportunity
 - During turbulent times, investors may find enhanced returns through non-dollar returns
- **Portfolio diversification/Reduced volatility**
 - Low correlations with domestic/foreign equities and bonds
 - Unsynchronized economic and business cycles in countries around the world
- **Alpha Opportunities via Active Management:**
 - Country / Currency / Interest Rate Positioning

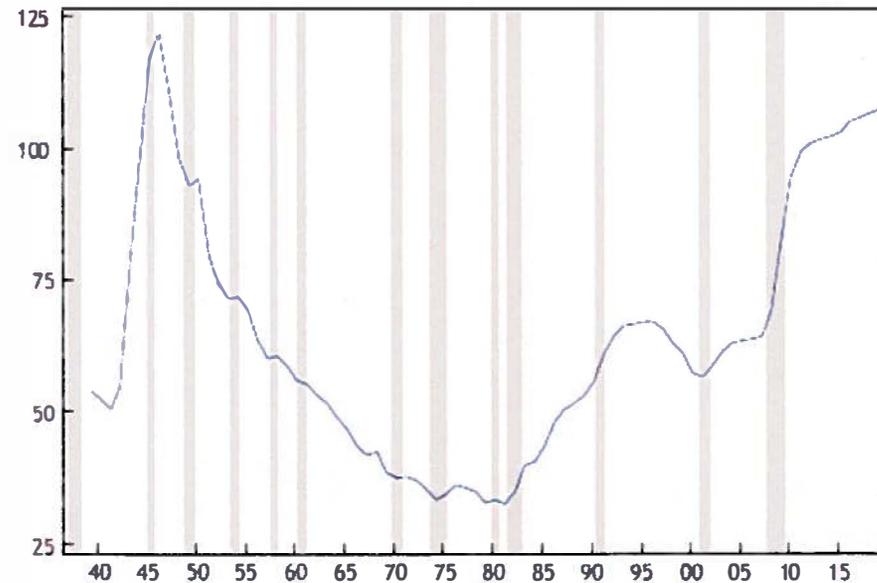


Source: Brandywine

The Current Domestic Environment

- U.S. Government response to 2008 crisis
 - Massive monetary and fiscal stimulus
 - Current and projected budget deficit
 - Record debt levels and fiscal challenge
- Legislative agenda & Fed Reserve pullback
 - Adds unpredictability
- Current bond yields extremely low
 - Sovereign debt & Corps (US/Europe)
- Adverse environment for U.S. Dollar assets
 - U.S. core managers likely challenged
 - Credit quality sacrificed for yield

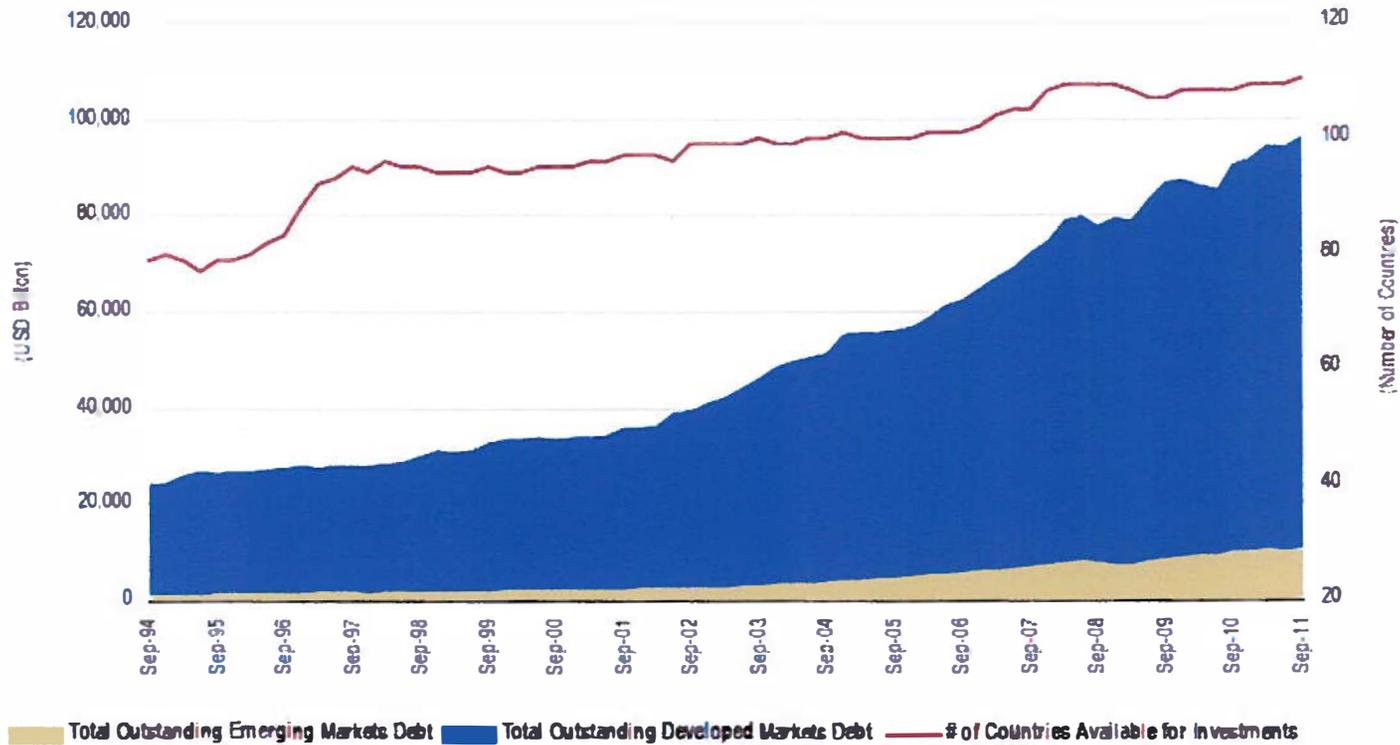
Gross Federal Debt as a Percentage of GDP



Source: Office Management & Budget/ Haver Analytics as of 2/4/10. Shaded areas denote National Bureau of Economic Research-designated recessions

Expanding Opportunity Set

Total Debt Outstanding of Governments and Corporations¹
 From September 1994 through September 2011

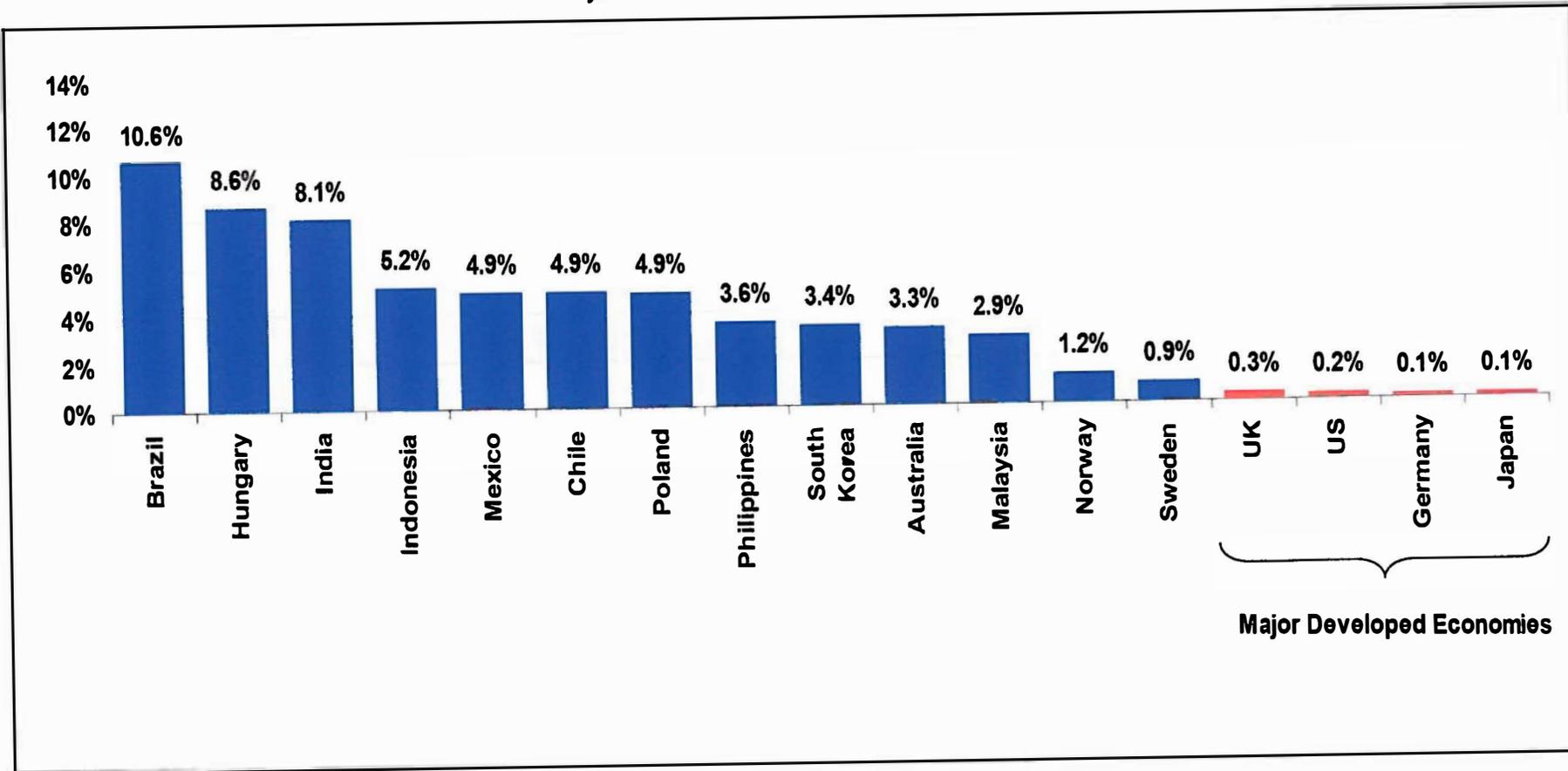


- Both developing and developed fixed income markets have grown significantly in the past decade.

Source: Franklin Templeton

Attractive Yields Available Internationally

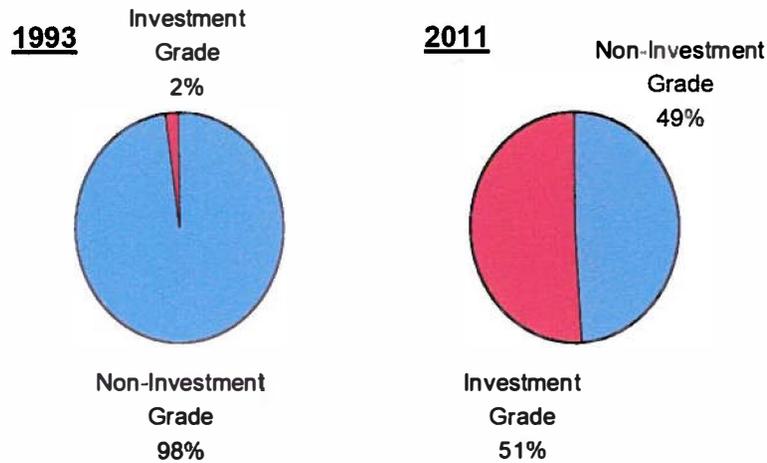
Government Bond Yields on 2 year securities



Source: Franklin Templeton, Bloomberg, as of 12/31/2011

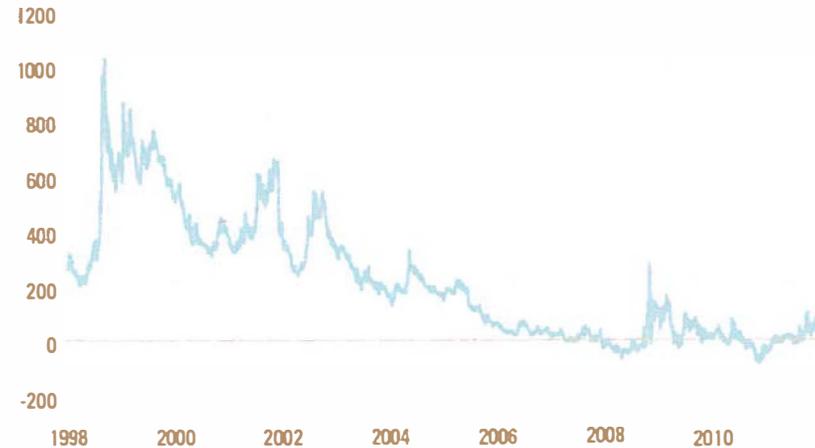
Developing Market Risk is Improving

Improving Credit Quality of Emerging Market Debt



Emerging Markets Spreads versus U.S. Corporates

J.P. Morgan EM Bond Index Less Baa Rated U.S. Corporates (Basis Points)



As of 12/31/2011

- Pace of Sovereign upgrades continues
- During last growth cycle, Developing Markets:
 - Reduced debt
 - Improved fiscal position
 - Increased reserves
 - Floated currency regimes
- Not as intertwined in factors leading to financial crisis
 - Lower Sovereign & Consumer debt levels
- EM sovereign yields have tightened
 - Strong currencies
 - Success in reigning in inflation
 - Foreign capital has been attracted

Source: Bloomberg/Brandywine. As of 12/31/11.

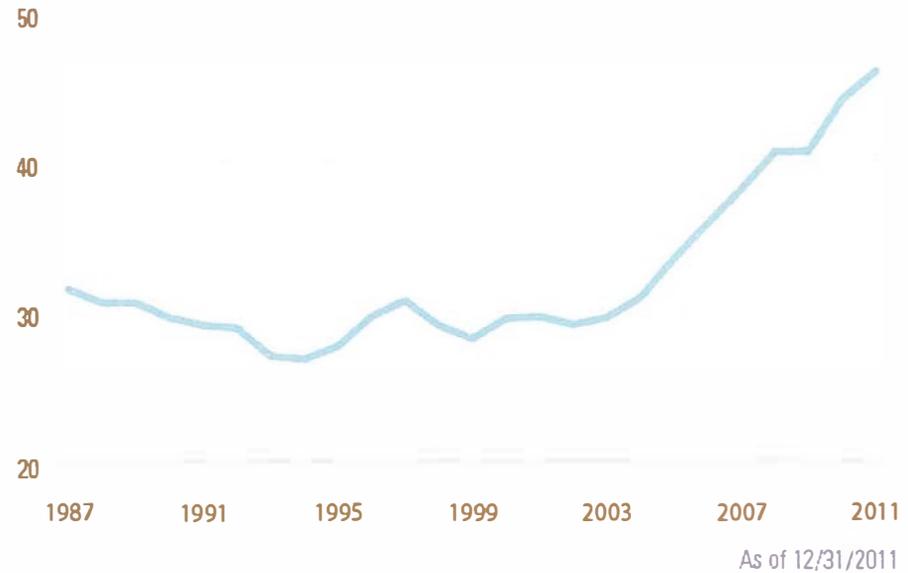
Developing Markets Are Filling G3 Void

- Non G-3 have been stimulating domestic demand to fill the decline in U.S. consumption
 - BRIC consumption as % of U.S. – doubled since 2000
 - Non G-3s share of global GDP – sizeable increases last few yrs
- Emerging World embracing free market principles

BRIC *Personal Consumption Relative to U.S.



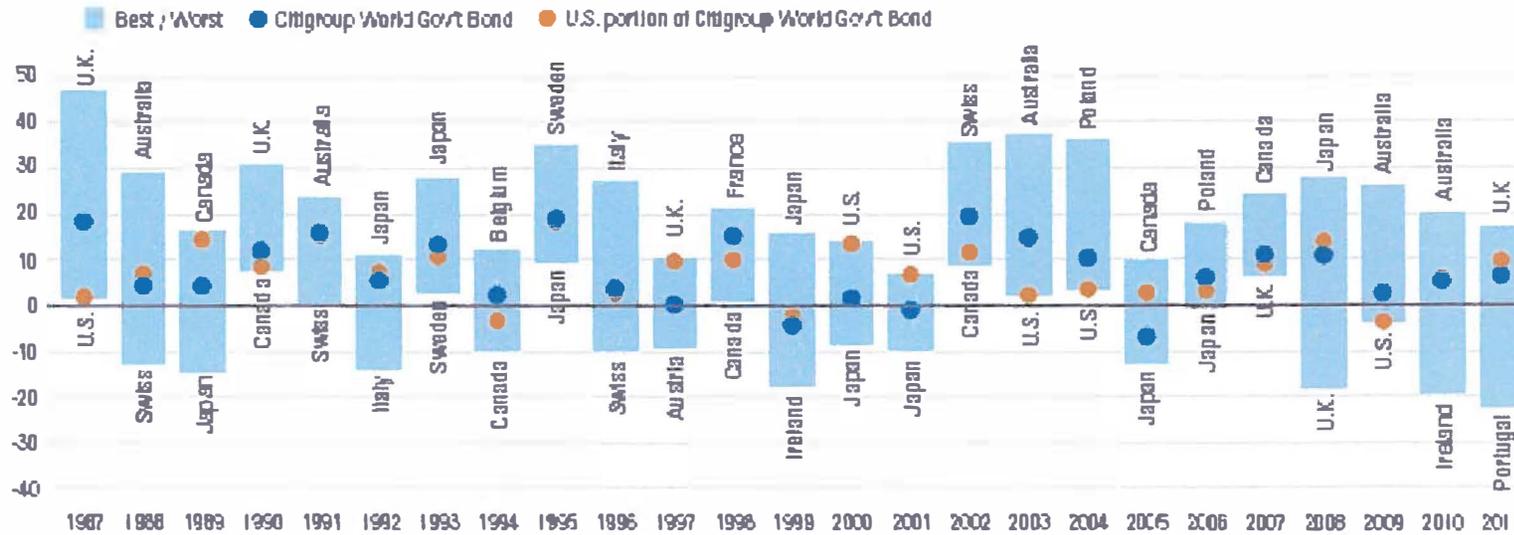
Non G-3 Share of Global GDP



Source: Thompson Datastream/Brandywine. As of 12/31/11.

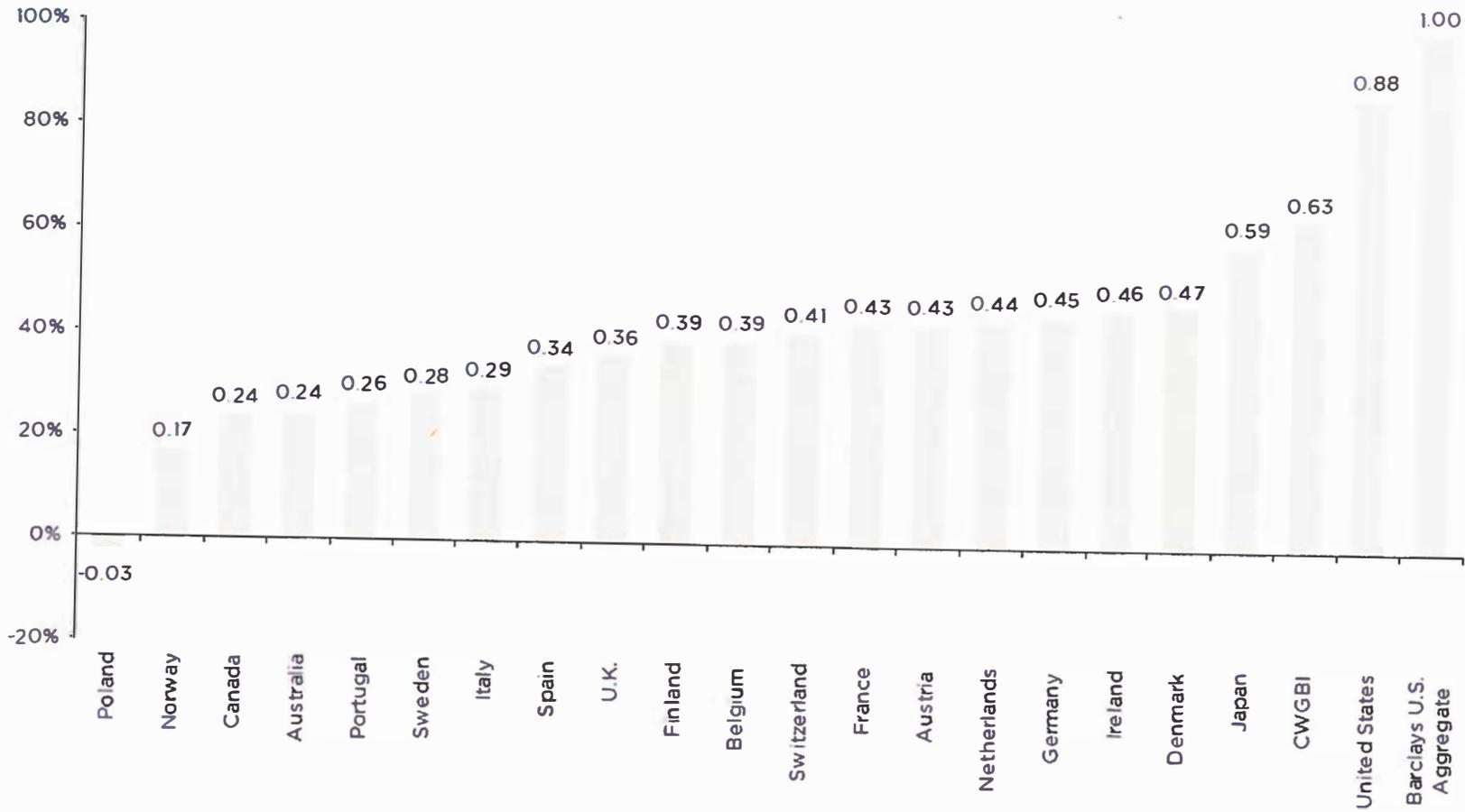
Value of Active Management

Range of Returns in the Citigroup WGBI



Sources: Brandwatch Global, Thomson, 2011. The Citigroup World Government Bond Index is a market capitalization-weighted benchmark that measures the performance of developed countries' global fixed-income markets invested in debt issues of U.S. and non-U.S. governmental entities. Please note that an investor cannot invest directly in an Index.

Low Correlation to Traditional Fixed Income



Source: Bloomberg/Brandywine. As of 12/31/11.

The Outlook for Global Bonds

- ▣ Enhanced return potential through investing in improving credit, higher yields, and strong currencies
- ▣ Risk Reduction through diversification
- ▣ Non-G3 countries are having a growing impact on the global economy as the developing world becomes developed
- ▣ Disinflationary pressures persist in the G3 universe

Global Bond

Manager Search

Prepared by Fiduciary Investment Advisors, LLC

Period Ending September 30, 2012

Funds included:

Legg Mason BW Global Opportunities
Templeton Global Bond

The information contained in this report has been taken from trade and statistical services and other sources deemed reliable, although its accuracy cannot be guaranteed and it should not be relied upon as such. Any opinion expressed herein reflects our judgment at this date and are subject to change. The illustration represents past performance and should not be considered indicative of future results. Mutual funds are sold by prospectus only. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, it should not be assumed that your account holdings do or will correspond directly to any comparative indices.

FIRM & STRATEGY SUMMARY

FIRM INFORMATION

Firm Name	Brandywine Global Investment Management
Location	Philadelphia, PA
Ownership	Brandywine is a subsidiary of Legg Mason, which is a publicly traded company
Firm Assets	\$38.8 billion

STRATEGY INFORMATION

Strategy Name	Legg Mason BW Global Opportunities
Strategy Inception	2006
Strategy Assets	\$2.12 billion
Investment Vehicle	Mutual Fund
Fees	0.64%
Investment Team	Stephen Smith has led the team since its inception in 1992. The portfolio is co-managed by David Hoffman who joined the team in 1995. The team is rounded out by an associate portfolio manager, dedicated analysts, and a dedicated trading team.

STRATEGY SUMMARY

Investment Philosophy	The Global Fixed Income team's approach is value driven, active and strategic. It focuses on finding value through a combination of above average real interest rates and an undervalued currency. Research is focused in areas where existing economic and market conditions enable that value to be realized in a short time frame.
Process	The initial universe is comprised of sovereign debt and currencies in the index as well as the corporate and MBS securities in those countries. The process begins with a macro-economic analysis on a country by country basis in order to rank them based on opportunities. Further analysis is focused on countries with the highest real interest rates as inflation adjusted yield is the team's primary measure of value. Inflation trends, political risks, monetary trends, business cycle and liquidity measures are all considered. Currency valuations are examined next relative to their historic averages. Ideal situations are countries with high real rates combined with appreciating currencies (the team will hedge any currencies they feel are overvalued). The majority of investments are made in sovereign debt, however when the market overestimates credit risk, spread sectors may provide attractive opportunities. Individual security selection is a residual of the country and currency selection process. Spread product analysis is conducted by both quantitative and fundamental analysts on the team and only those securities that present significant value are added to the portfolio. Yield curve analysis, desired durations and wideness of spreads relative to government issues are all considered. Allocations to high yield and emerging markets are made on a tactical basis.
Portfolio Construction	The portfolio is constructed from the top down by first identifying attractive countries and currencies. The portfolio is typically concentrated in 8-14 countries deemed to have the best total return potential. Duration is typically intermediate to long in countries where real interest rates are high.
Risk Controls	The investment team focuses on the absolute value of securities and markets in which they invest. Risk is viewed as combination of price and information risk. The goal is to take on very little price risk by purchasing only undervalued securities while mitigating information risk through comprehensive analysis.

For the prospectus please go to www.leggmason.com

FIRM & STRATEGY SUMMARY

FIRM INFORMATION

Firm Name	Franklin Templeton Investments
Location	San Mateo, California
Ownership	Public
Firm Assets	\$725.7 billion

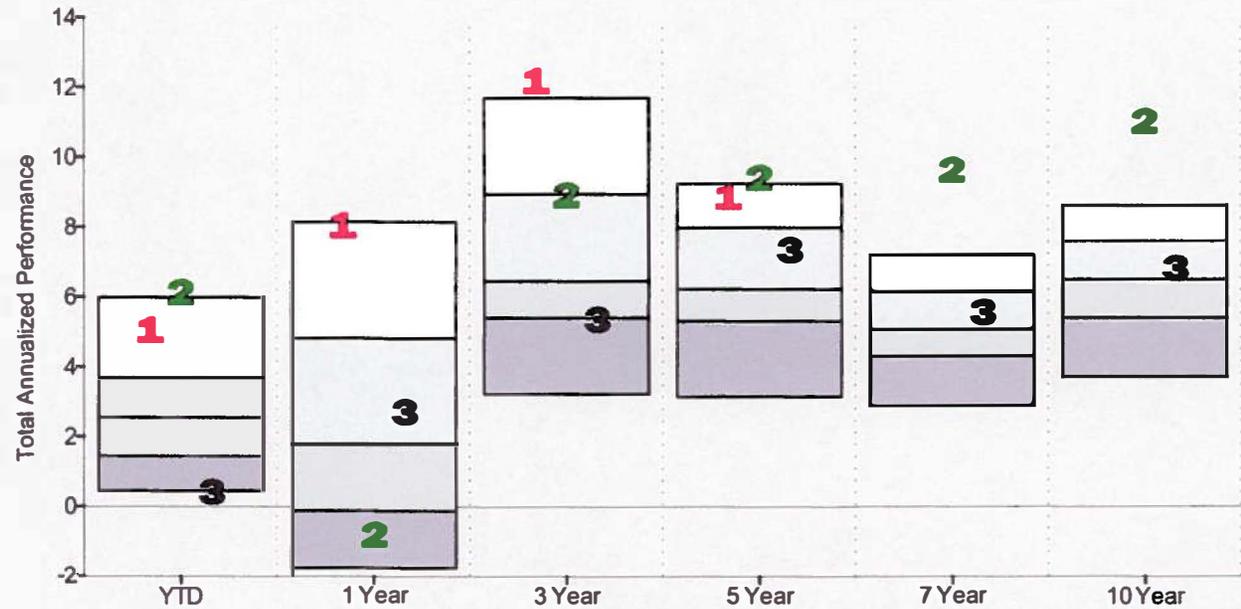
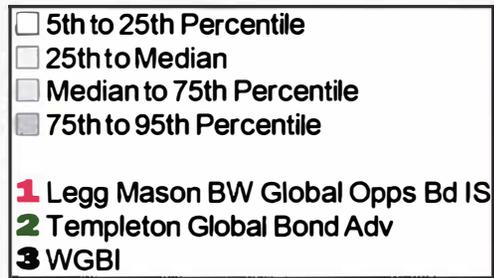
STRATEGY INFORMATION

Fund Name	Templeton Global Bond Fund
Fund Inception	1986
Fund Assets	\$63.2 billion
Investment Vehicle	Mutual Fund
Fees	0.64%
Investment Team	Michael Hasenstab has been the lead portfolio manager on fund since 2001. He is supported by co-portfolio manager Sonal Desai and a deep team of portfolio managers and analysts located around the globe.

STRATEGY SUMMARY

Investment Philosophy	The Templeton Global Bond Fund uses a research-driven, value-based approach to identify sources of high current income worldwide through investments in global interest rates, currency and sovereign credits. The fund's core belief is that fundamental country research is the principal driver in identifying imbalances in the sovereign bond environment. Managers believe that value lies in accurately assessing country ratings, foreign exchange imbalances, and relative sovereign debt spreads. The funds allocations can include both developed and emerging markets with a principal focus on government and government-related issuance.
Process	The team utilizes a top down approach that focuses on macroeconomic factors like inflation, currency, interest rate levels, growth rates, and political climate. Country analysts working out of the SanMateo office track global macro themes as well as country fundamentals, and utilize regional specialists in London, New York, Brazil, India, China, Dubai and Korea to support their research. The group utilizes quantitative tools (interest rate and currency models) to screen through the 120 plus markets that have functioning fixed income and currency markets. They actively follow 60-65 markets from which they screen investments for the portfolio. Weekly discussions are conducted to identify new ideas and assess current positions, which the portfolio management staff translate into balancing country weightings in addition to targeting specific ranges for duration, currency and cash.
Portfolio Construction	The portfolio is constructed from a macro perspective and normally invests at least 80% of net assets in bonds of any maturity, and can also invest in currencies via the spot or forward markets to express their country & currency biases. The fund typically holds positions in 25-30 countries with exposures in 20-25 currencies. Currency holdings are limited by way of USD-denominated investments and currency hedging. The average position in any single market is typically less than 5% of the fund, though the PM has brought single market exposure up to a high of 10% in the past. The fund invests in Emerging market sovereigns as well as developed markets though below investment grade holdings are limited to 25% of holdings. The average time horizon on any investment is 1-3 yrs.
Risk Controls	The fund controls risk through diversifying holdings across markets, regions and common currency exposures. They have a 25% cap on below investment grade investments. Concentrated positions are avoided (no more than 10% in any single country). Franklin Templeton's internal risk management group monitors exposures in the fund as well.

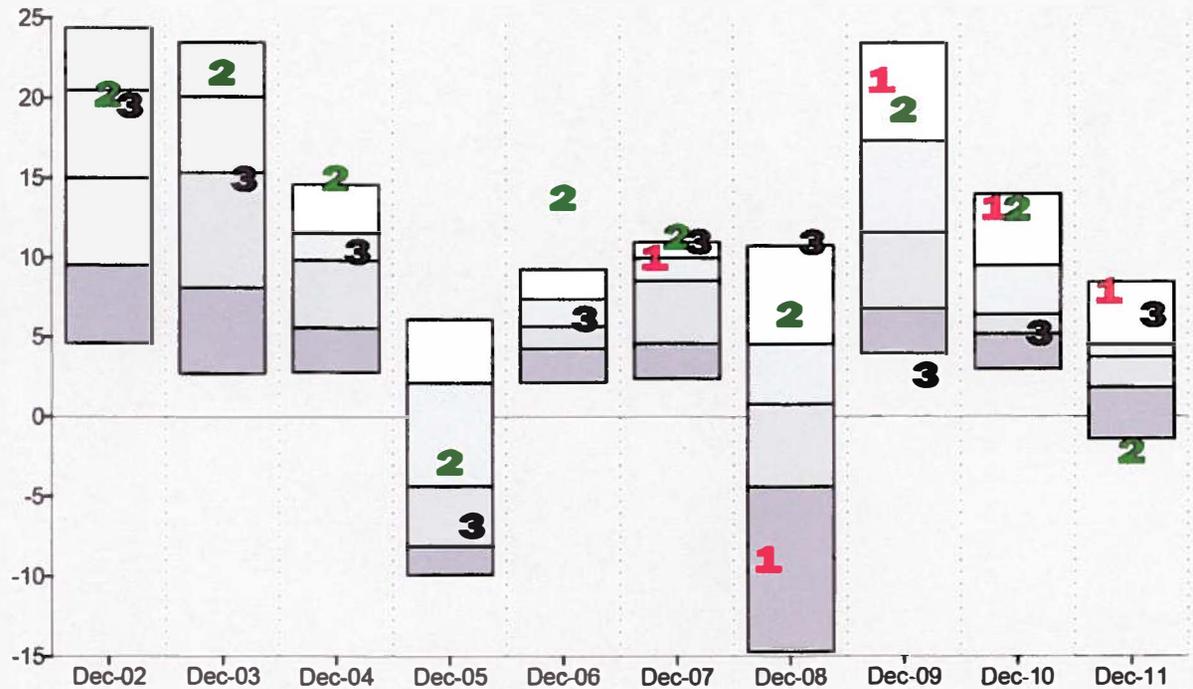
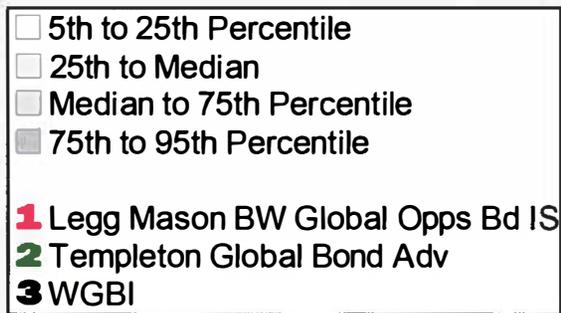
ANNUALIZED PERFORMANCE & PEER COMPARISON



World Bond

	YTD	1 Year	3 Year	5 Year	7 Year	10 Year
Legg Mason BW Global Opps Bd IS	5.04	8.04	12.16	8.85	NA	NA
<i>Universe Ranking %</i>	10	5	2	8	NA	NA
Templeton Global Bond Adv	6.14	-0.86	8.91	9.41	9.59	11.00
<i>Universe Ranking %</i>	4	83	25	4	0	0
WGBI	0.41	2.67	5.35	7.31	5.54	6.81
<i>Universe Ranking %</i>	96	37	76	33	42	35

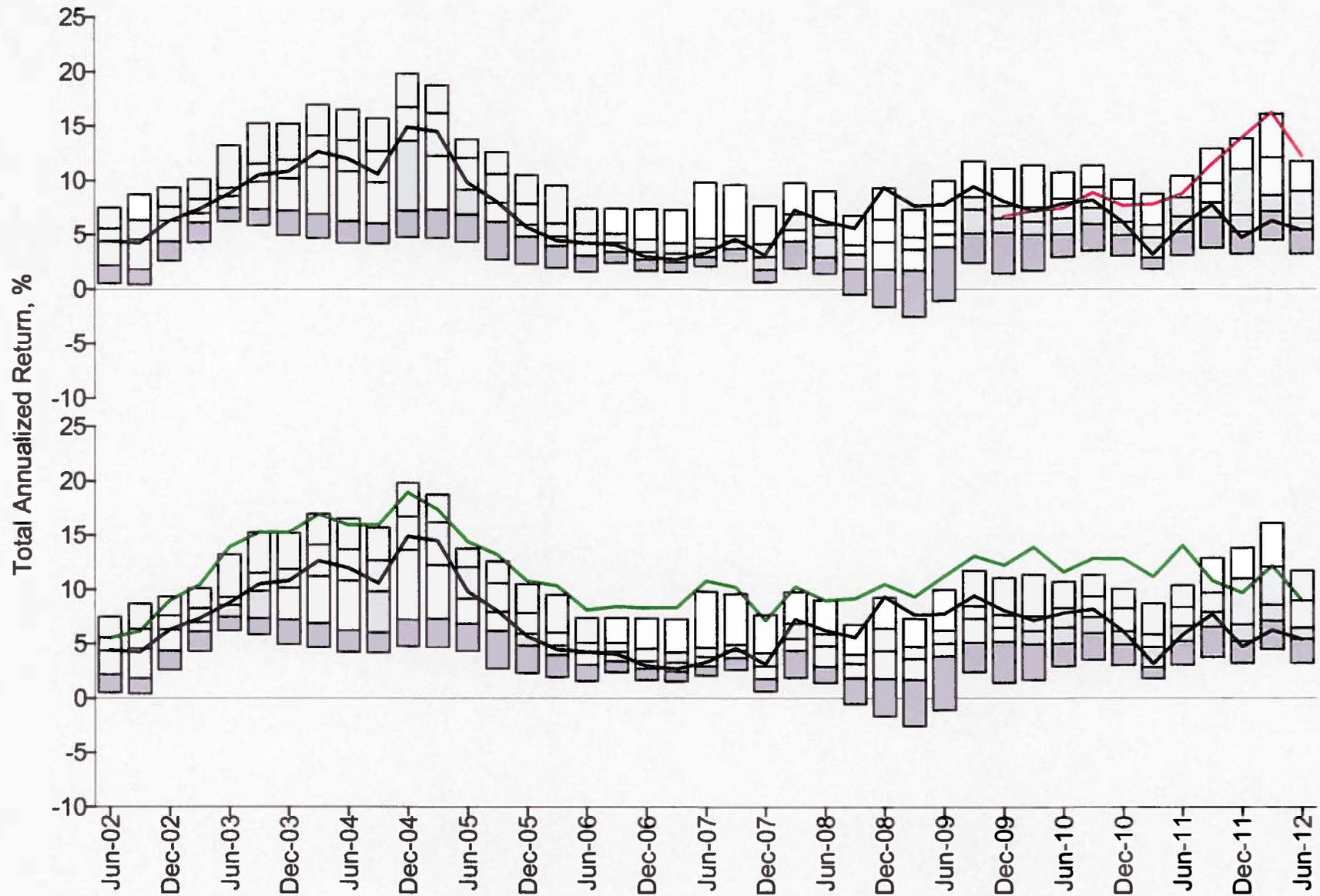
CALENDAR YEAR PERFORMANCE



WorldBond

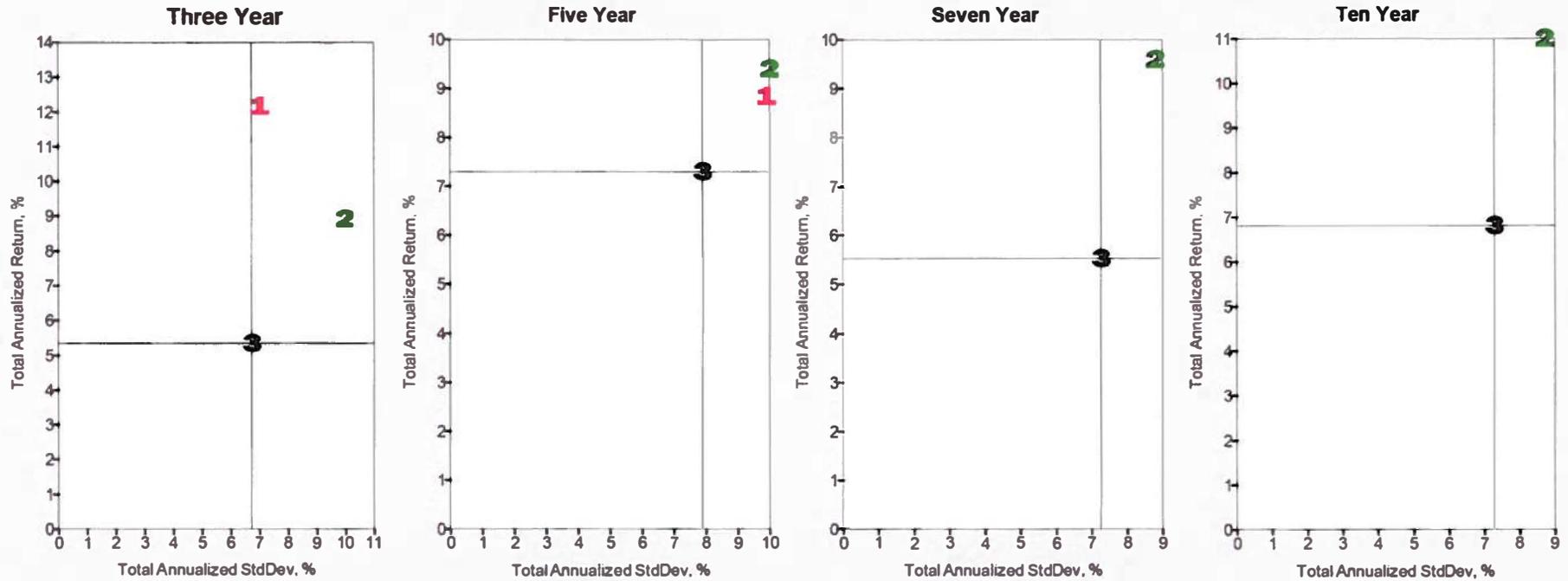
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Legg Mason BW Global Opps Bd IS	NA	NA	NA	NA	NA	9.93	-8.93	21.04	13.06	7.79
<i>Universe Ranking %</i>	NA	NA	NA	NA	NA	26	86	12	7	10
Templeton Global Bond Adv	20.23	21.64	14.93	-2.84	13.72	11.26	6.47	19.21	13.00	-2.21
<i>Universe Ranking %</i>	27	9	3	43	2	4	21	17	7	97
WGBI	19.51	14.91	10.35	-6.88	6.12	10.95	10.89	2.56	5.17	6.35
<i>Universe Ranking %</i>	33	55	40	69	39	5	4	97	71	14

THREE-YEAR ROLLING PERFORMANCE & RANK



Total — Legg Mason BW Global Opps Bd IS — WGBI — Templeton Global Bond Adv

REWARD VS. RISK

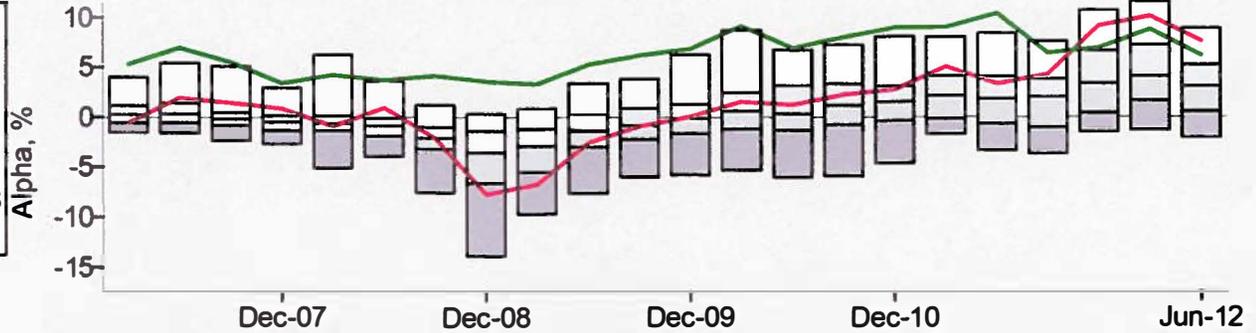
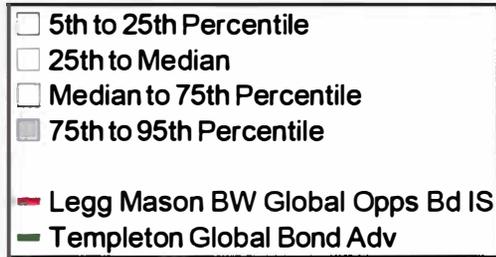


- 1** Legg Mason BW Global Opps Bd IS
- 2** Templeton Global Bond Adv
- 3** WGBI

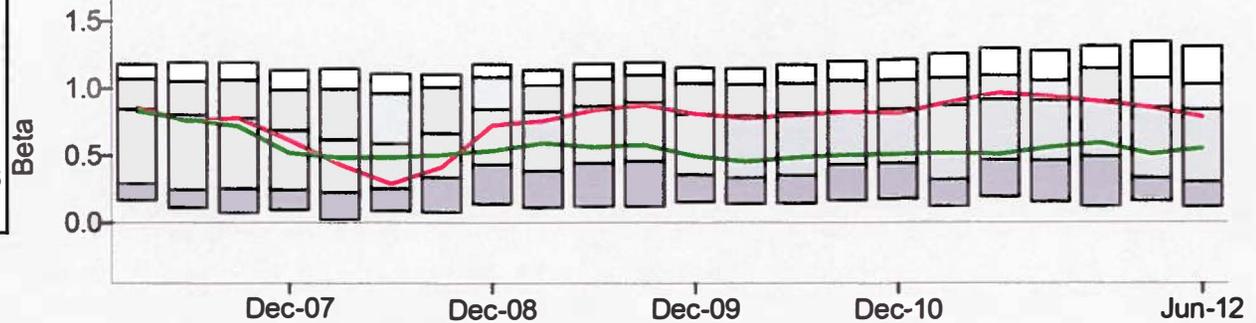
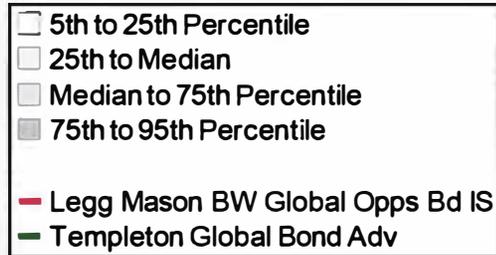
	Legg Mason BW Global Opps Bd IS		Templeton Global Bond Adv		WGBI	
	Annualized Return to date, %	Annualized StdDev to date, %	Annualized Return to date, %	Annualized StdDev to date, %	Annualized Return to date, %	Annualized StdDev to date, %
3 Years	12.16	7.02	8.91	10.00	5.35	6.73
5 Years	8.85	9.91	9.41	10.00	7.31	7.90
7 Years	NA	NA	9.59	8.79	5.54	7.26
10 Years	NA	NA	11.00	8.72	6.81	7.29

PERFORMANCE STATISTICS

36 Month Rolling Alpha



36 Month Rolling Beta



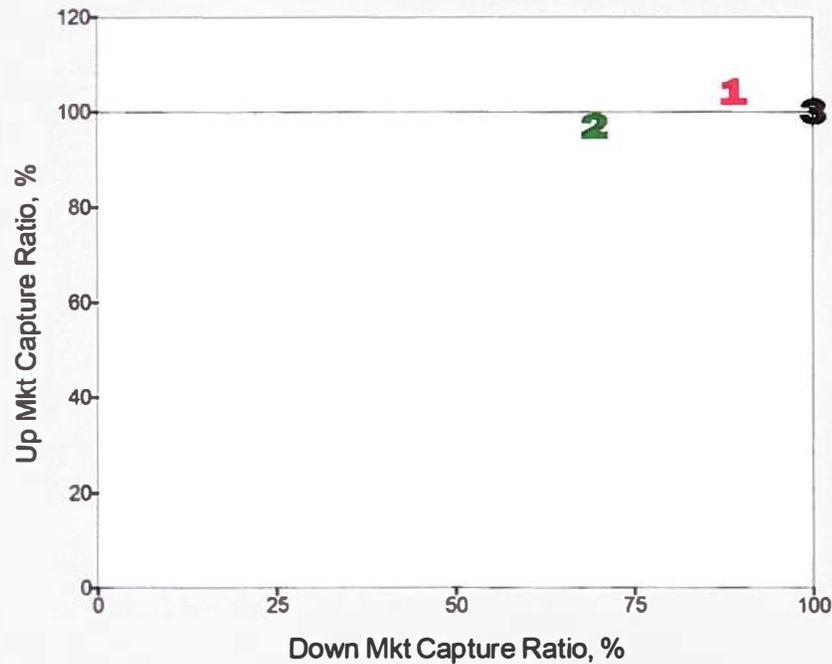
MPT STATISTICS

		Alpha, %	Beta	R-Squared, %	Sharpe Ratio	Batting Average
Legg Mason BW Global Opps Bd IS	3 Year	7.49	0.78	56.06	1.66	0.56
Legg Mason BW Global Opps Bd IS	5 Year	2.76	0.82	41.23	0.80	0.53
Templeton Global Bond Adv	3 Year	6.01	0.55	13.57	0.89	0.53
Templeton Global Bond Adv	5 Year	4.82	0.58	20.50	0.85	0.55

UP & DOWN MARKET RESULTS - 5 YEARS

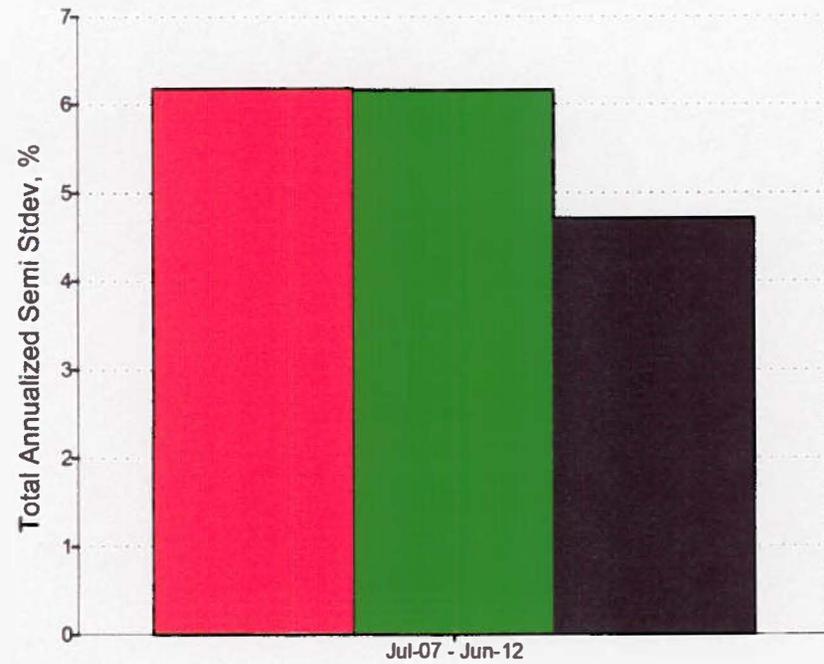
Up/Down Market Capture Ratio

5 Years



Downside Risk

5 Years



1 Legg Mason BW Global Opps Bd IS
 2 Templeton Global Bond Adv
 3 WGBI

		Up Mkt Capture Ratio, %	Down Mkt Capture Ratio, %			Annualized Semi Stdev to date, %
Legg Mason BW Global Opps Bd IS	5 Years	104.23	88.96	Legg Mason BW Global Opps Bd IS	5 Years	6.18
Templeton Global Bond Adv	5 Years	97.01	69.47	Templeton Global Bond Adv	5 Years	6.16

Report Glossary

Style Map - Using returns based style analysis, the style map is an effective tool to gauge the adherence of a fund to its style mandate. The trend of the style plots allows the viewer to identify style drift, or lack thereof. The smaller sized plots represents earlier time periods, while the larger plots represent the most recent.

Standard Deviation - A gauge of risk that measures the spread of the difference of returns from their average. The more a portfolio's returns vary from its average, the higher the standard deviation.

Beta - Indicates the level of risk relative to a benchmark. It expresses the sensitivity of the fund's return to a change in the return of the market benchmark, based on regression analysis of the return history of both. Ex: a beta of 1.2 indicates that if the benchmark return is 1% in the next period, it is likely that the portfolio's return will be +1.2%.

Alpha - Represents the difference between a fund's actual performance and expected performance given its market sensitivity or Beta. Alpha is used as a measure of value added by a fund. A positive alpha indicates that a fund performed better than its Beta would predict.

R-Squared - This number reflects the percentage of a fund's movements that can be explained by movements in its comparative benchmark. An R-squared of 100 indicates that all movements of a fund can be explained by movements in the benchmark.

Sharpe Ratio - A risk/return measure which indicates the fund's excess return per unit of total risk as measured by standard deviation. It is the ratio of the fund's returns in excess of the risk free rate to the standard deviation of the fund's returns in excess of the risk free rate. The greater the Sharpe Ratio, the better.

Batting Average - Measures the percentage frequency with which the fund has beaten the benchmark over a given time frame. It is the ratio between the number of periods where the manager outperforms a benchmark and the total number of periods.

Information Ratio - A risk/return, or efficiency measure, used to estimate the value added by an investment manager. It is the ratio of annualized return over annualized standard deviation.

Down Market Capture Ratio - A measure of the manager's performance in down markets. The lower the manager's down market capture ratio, the better the manager protected capital during a market decline. Ex: a value of 90 suggests that a manager's losses were only 90% of the market loss when the market was down. A negative down market capture ratio indicates that a manager's returns rose while the market declined.

Up Market Capture Ratio - A measure of the manager's performance in up markets. The higher the manager's up market capture ratio, the better the manager capitalized on a rising market. Ex: a value of 110 suggests the manager captured 110% of the market when the market was up. A negative up market capture ratio indicates that a manager's returns fell while the market rose.

Semi Standard Deviation - A measure of risk using only the variance of returns below a target rate of zero.

Town of Trumbull Pension Plan Asset Allocation Study

August 2012

Prepared by Fiduciary Investment Advisors, LLC

OBJECTIVES:

- *The Purpose of this exercise is to reconfirm or adjust past asset allocation decisions. The following pages will consider return expectations, risk tolerance, and time horizon.*
- *The Committee should discuss and consider other factors as well, including but not limited to:*
 - *Liquidity needs; cash flow projections; balance sheet issues; P/L impact.*
- *Within the agreed upon allocation targets and ranges, the next discussion items will revolve around implementation.*

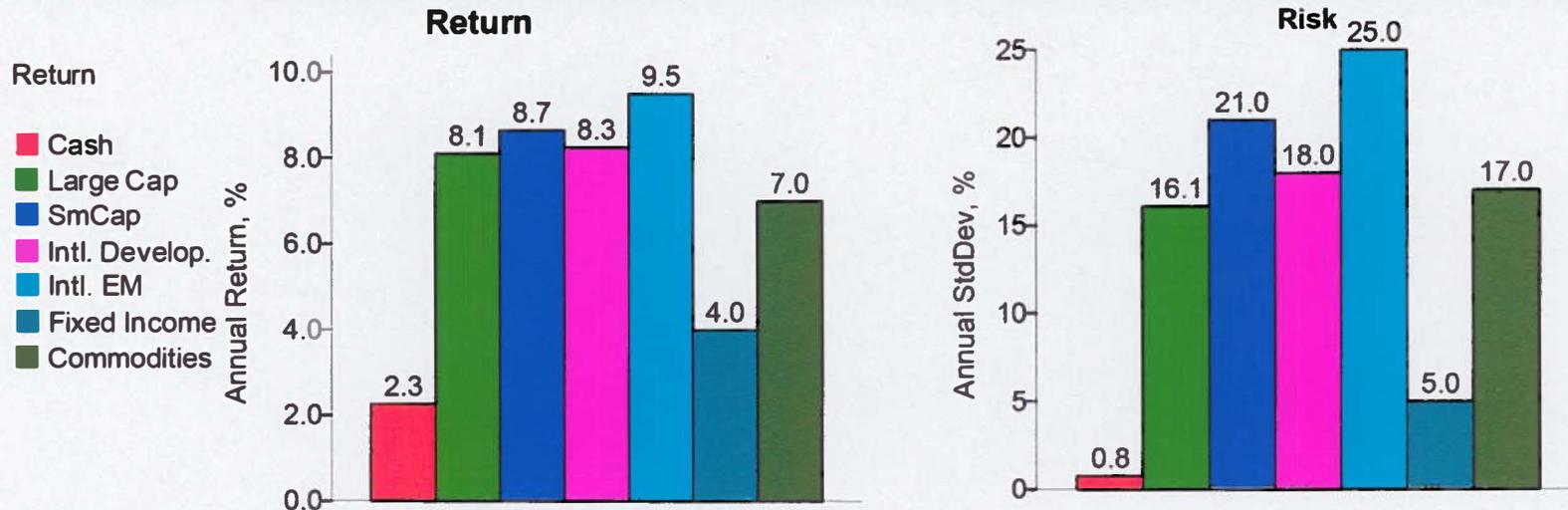
ASSET ALLOCATION MODELING

- *The allocation strategy adopted by a client will be its primary determinant of long-term investment results.*
- *FIA makes use of mean-variance optimization, which is augmented by Monte Carlo simulation, as the basis for analyzing the desirability of various asset allocation strategies.*
- *The modeling effort provides a spectrum of portfolio outcomes, from least to most aggressive (typically defined by the degree of use of the higher return, higher volatility asset classes), for client consideration.*
- *The output provides the basis for clients to explicitly frame their existing and/or desired risk and return posture against other portfolio mixes.*
- *The effects, and potential benefits, of adding previously unused asset classes can be modeled and analyzed.*
- *Our modeling permits the application of “real world” asset class constraints to ensure that pragmatic, actionable allocation strategies are generated.*

CAPITAL MARKET ASSUMPTIONS

- *The Investment Committee at FIA formally reviews the assumptions utilized as inputs for asset allocation studies on, at least, an annual basis.*
- *The Committee reviews and sets long-term return, risk, and correlation parameters for the major asset classes.*
- *While historical asset class outcomes serve as an important guide in setting assumptions, the Committee factors in existing capital market conditions to refine its expectations.*
- *The Committee compliments its own thinking with that of other thought leaders in the capital markets.*
- *The Committee operates under the basic premise that those asset classes with higher expected returns are generally anticipated to be more volatile as well. In addition, those asset classes possessing low correlations to existing portfolio holdings may be worthy additions to an investment strategy marked by their absence.*

Investment Assumptions

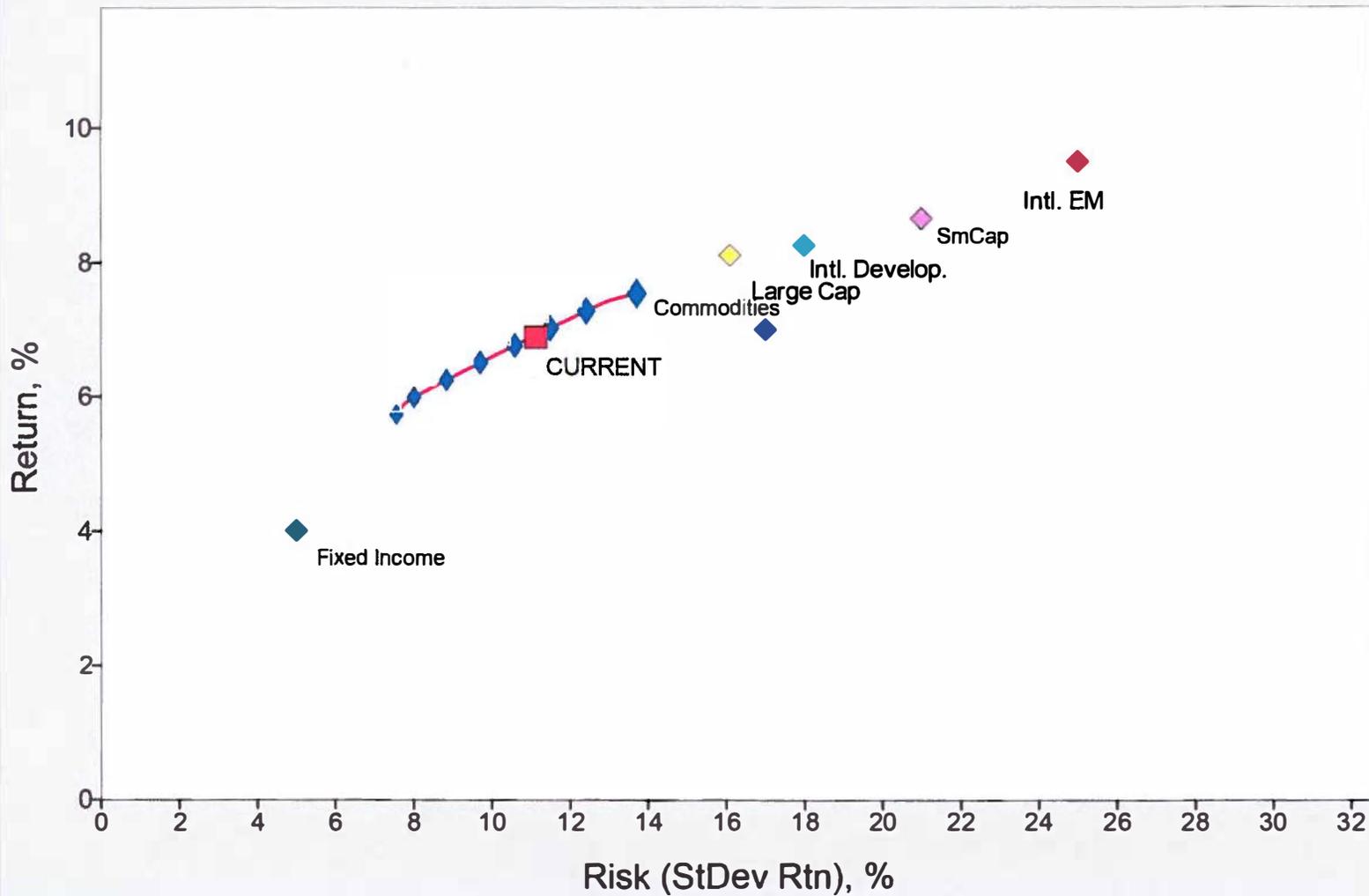


Asset Allocation Inputs, %

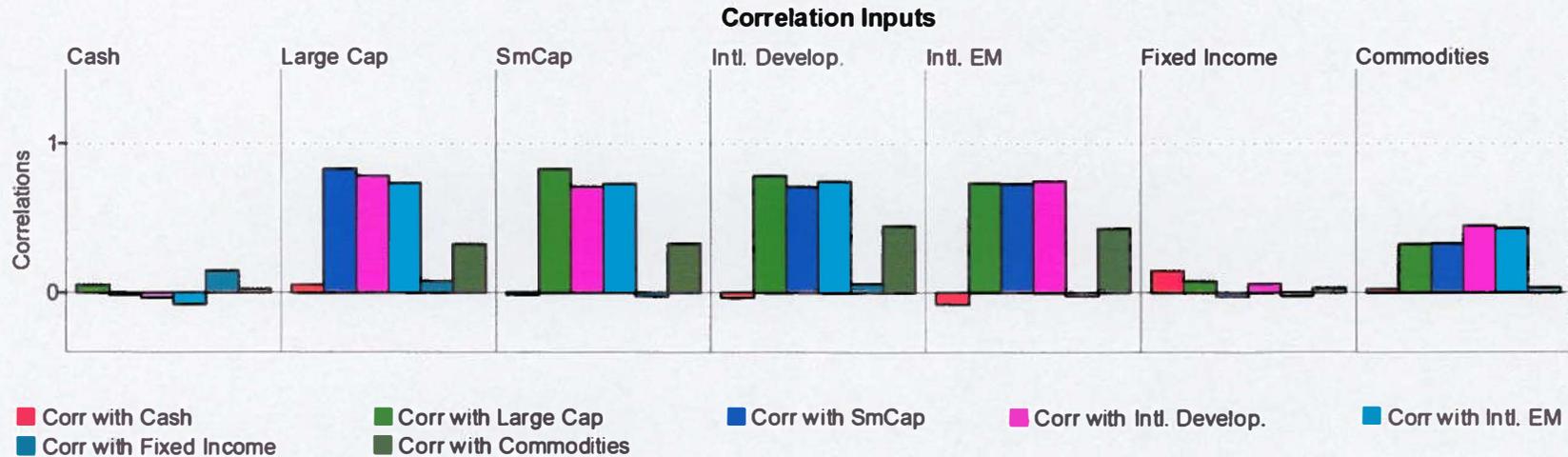
	Return, %	StDev Rtn, %
Cash	2.25	0.75
Large Cap	8.10	16.10
SmCap	8.65	21.00
Intl. Develop.	8.25	18.00
Intl. EM	9.50	25.00
Fixed Income	4.00	5.00
Commodities	7.00	17.00

Current Portfolio Efficiency (Constrained)

Efficient Frontier: Return vs. Risk (StDev Rtn)



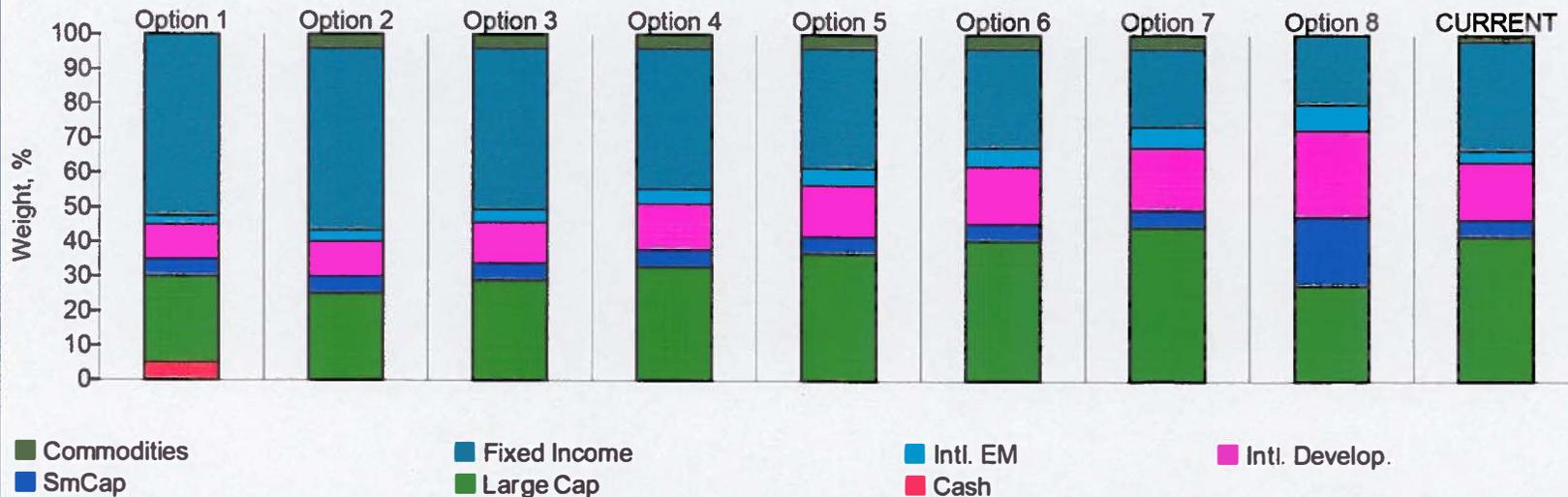
Correlations



Correlation Matrix (Model Inputs)

	Return, %	StDev Rtn, %	Corr with Cash	Corr with Large Cap	Corr with SmCap	Corr with Intl. Develop.	Corr with Intl. EM	Corr with Fixed Income	Corr with Commodities
Cash	2.25	0.75	1.00	0.05	-0.01	-0.03	-0.08	0.15	0.02
Large Cap	8.10	16.10	0.05	1.00	0.83	0.78	0.74	0.08	0.32
SmCap	8.65	21.00	-0.01	0.83	1.00	0.71	0.73	-0.03	0.33
Intl. Develop.	8.25	18.00	-0.03	0.78	0.71	1.00	0.75	0.06	0.45
Intl. EM	9.50	25.00	-0.08	0.74	0.73	0.75	1.00	-0.02	0.43
Fixed Income	4.00	5.00	0.15	0.08	-0.03	0.06	-0.02	1.00	0.03
Commodities	7.00	17.00	0.02	0.32	0.33	0.45	0.43	0.03	1.00

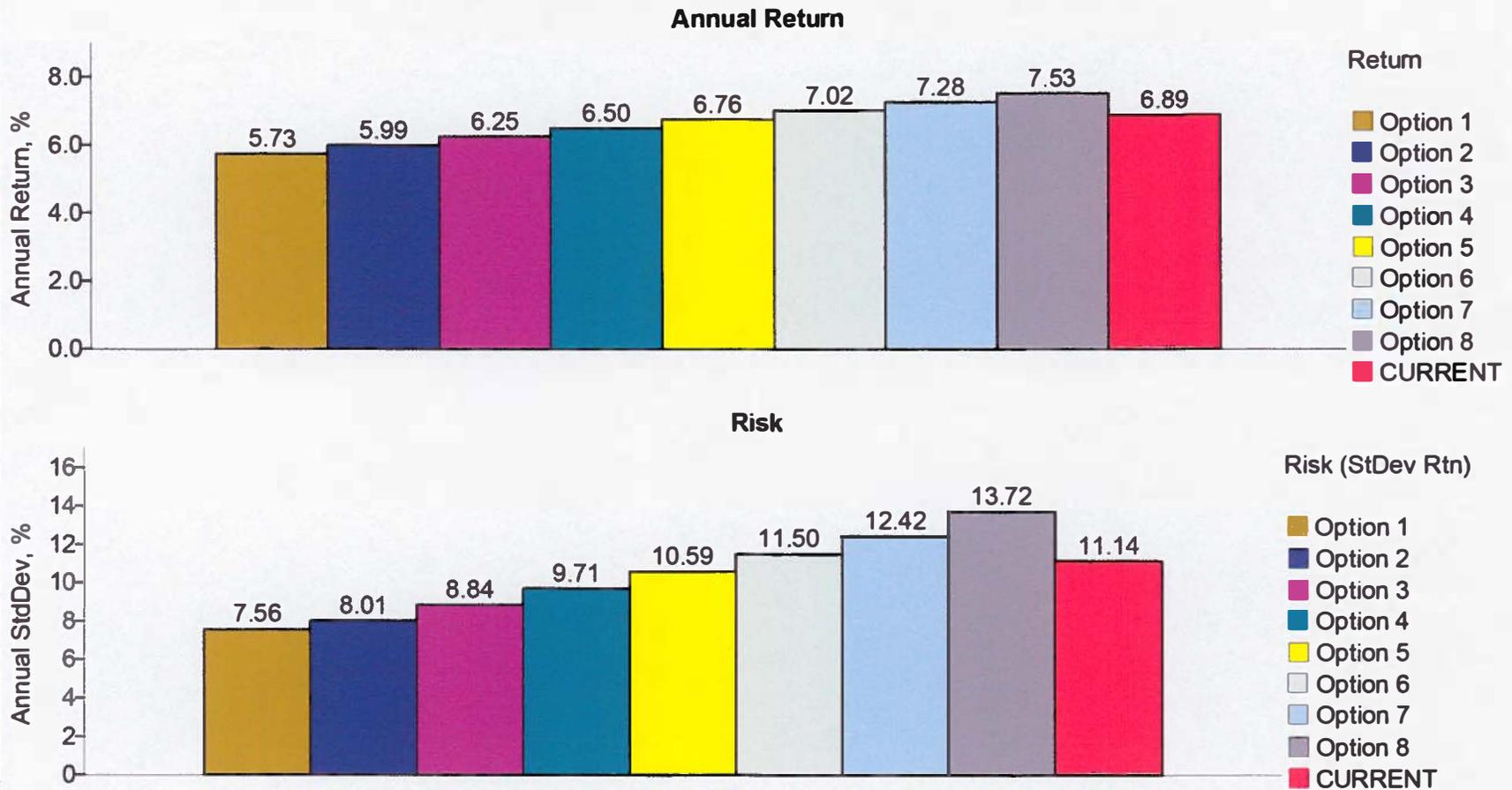
Asset Allocation (Constrained)



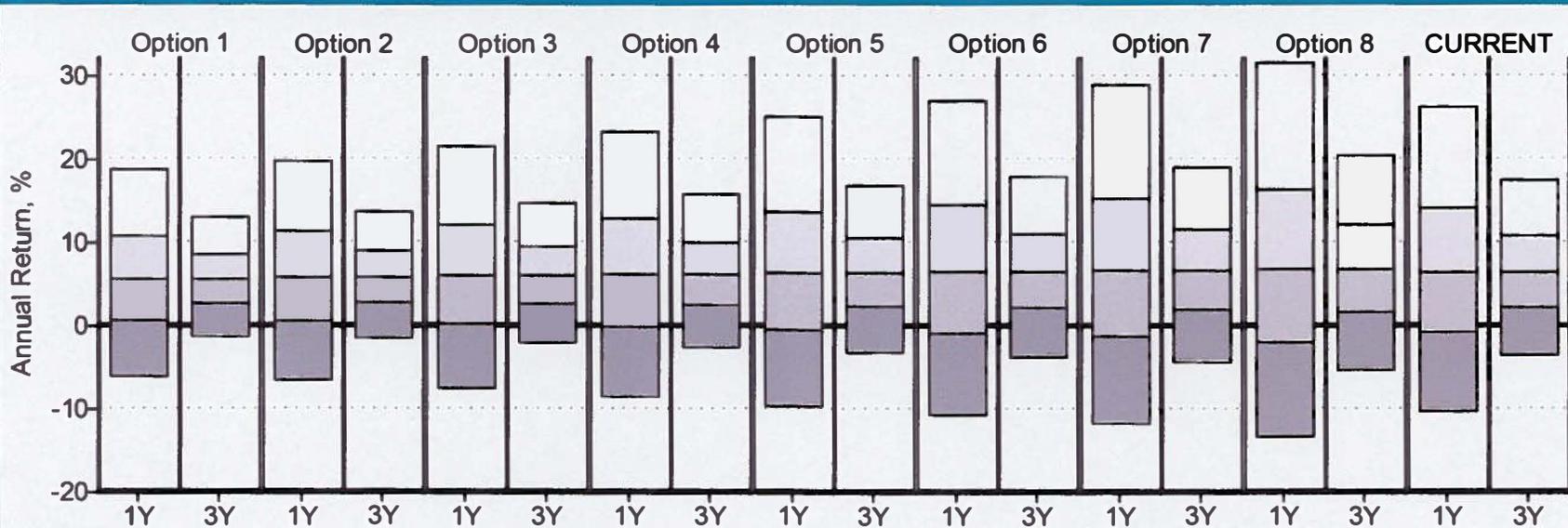
	Portfolio Assets, %						
	Cash	Large Cap	SmCap	Intl. Develop.	Intl. EM	Fixed Income	Commodities
Option 1	5.0	25.0	5.0	10.0	2.5	52.5	0.0
Option 2	0.0	25.1	5.0	10.0	3.3	52.6	4.0
Option 3	0.0	29.0	5.0	11.7	3.8	46.5	4.0
Option 4	0.0	32.9	5.0	13.3	4.4	40.5	4.0
Option 5	0.0	36.7	5.0	14.9	4.9	34.5	4.0
Option 6	0.0	40.6	5.0	16.5	5.5	28.5	4.0
Option 7	0.0	44.5	5.0	18.1	6.0	22.4	4.0
Option 8	0.0	27.5	20.0	25.0	7.5	20.0	0.0
CURRENT	0.0	41.7	5.0	16.5	3.5	31.6	1.7

Created with mpi Styxus

Portfolio Risk/Return (Constrained)



Portfolio Return Distributions: 1 Yr / 3 Yr (Constrained)

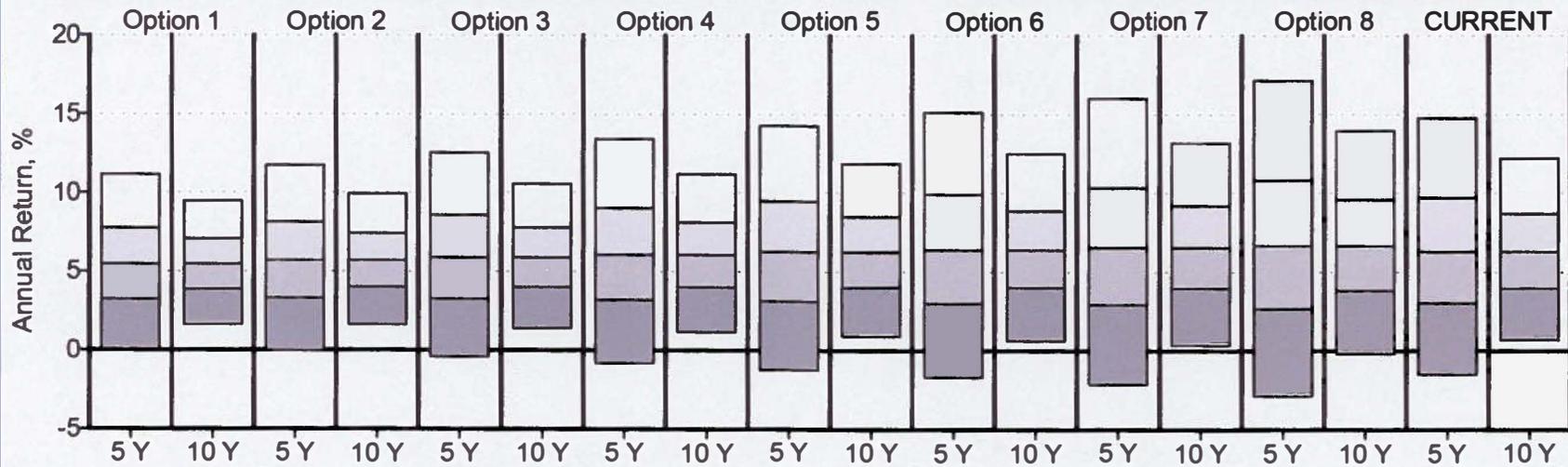


75th to 95th Percentile
 50th to 75th Percentile
 25th to 50th Percentile
 5th to 25th Percentile

Annual Return, %

	Option 1		Option 2		Option 3		Option 4		Option 5		Option 6		Option 7		Option 8		CURRENT	
5th Percentile	-13.9	-2.3	-14.7	-2.6	-16.4	-3.2	-18.1	-3.8	-19.8	-4.5	-21.6	-5.2	-23.3	-5.9	-25.7	-7.0	-20.9	-4.9
25th Percentile	-3.0	2.2	-3.2	2.2	-3.9	2.1	-4.6	1.9	-5.3	1.7	-6.1	1.5	-6.9	1.3	-8.0	0.9	-5.8	1.5
50th Percentile	5.5	5.5	5.7	5.7	5.9	5.9	6.1	6.1	6.2	6.2	6.4	6.4	6.6	6.6	6.7	6.7	6.3	6.3
75th Percentile	14.6	8.8	15.4	9.3	16.7	9.8	17.9	10.4	19.2	11.0	20.6	11.6	21.9	12.1	23.7	12.8	20.0	11.3
95th Percentile	29.2	13.9	31.0	14.6	34.1	15.8	37.4	17.0	40.8	18.2	44.3	19.4	48.0	20.7	53.1	22.3	42.9	18.9
99th Percentile	40.6	17.6	43.2	18.6	47.9	20.2	52.9	21.8	58.2	23.5	63.8	25.3	69.6	27.0	77.8	29.4	61.5	24.5

Portfolio Return Distributions: 5 Yr / 10 Yr (Constrained)



75th to 95th Percentile
 50th to 75th Percentile
 25th to 50th Percentile
 5th to 25th Percentile

Lognormal Projections

Annual Return, %

	Option 1		Option 2		Option 3		Option 4		Option 5		Option 6		Option 7		Option 8		CURRENT	
5th Percentile	-0.3	1.5	-0.4	1.5	-0.8	1.2	-1.3	1.0	-1.8	0.7	-2.2	0.4	-2.7	0.1	-3.5	-0.4	-2.1	0.5
25th Percentile	3.0	3.8	3.1	3.9	3.1	4.0	3.0	4.0	2.9	3.9	2.8	3.9	2.7	3.9	2.4	3.7	2.8	3.9
50th Percentile	5.5	5.5	5.7	5.7	5.9	5.9	6.1	6.1	6.2	6.2	6.4	6.4	6.6	6.6	6.7	6.7	6.3	6.3
75th Percentile	7.9	7.1	8.3	7.5	8.8	7.8	9.2	8.2	9.7	8.6	10.2	9.0	10.6	9.3	11.1	9.7	10.0	8.8
95th Percentile	11.6	9.6	12.2	10.1	13.1	10.7	14.0	11.4	14.9	12.1	15.8	12.7	16.7	13.4	17.9	14.2	15.4	12.4
99th Percentile	14.2	11.4	15.0	11.9	16.2	12.8	17.4	13.7	18.7	14.6	19.9	15.5	21.2	16.4	22.9	17.5	19.4	15.1

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Fiduciary Investment Advisors, LLC- 100 Northfield Drive, Windsor, CT 06095, www.fiallc.com, 1-866-466-9412

Date: November 20, 2012

To: Mr. Timothy Herbst, First Selectman
 Town Council

Re: **Pension Board Update**

Below is a brief update of our performance, activities and initiatives since our last update in March of 2011.

Pension Investments

Our investments continued to perform at our targeted benchmarks. 2011 was a very tough year but 2012 is looking like a reasonable year and will be above our targeted return of 7.5%. This is our 4th full year with Fiduciary Investment Advisors and we are very satisfied with their service and performance.

	<u>2009</u>	<u>2010</u>	<u>2011</u>	Sep. YTD <u>2012</u>
Investment Performance	21.9%	14.0%	-0.9%	11.4%
Plan Assets (millions)	\$ 16.8	\$ 18.3	\$ 17.8	\$ 20.1
Net Cash Flows (thousands) (Excluding Investment Income)	\$ (571)	\$ (781)	\$ (292)	\$ 104

Our Assets are growing again and for the first time in recent history our Net Cash Flows are POSITIVE. Due to the towns continued commitment to increase contributions, our net cash flows have turned positive and we are starting to solve the longer term funding problem.

Process Improvements / Operations

The conversion to a new trustee (Wells Fargo), which was started in 2010, is fully completed and all recommendations from the RSM McGladrey audit have been fully implemented by the town Finance Department. The collections of overpayments, discovered in the audit, are still in process and as of this letter we have collected XX% of the accounts and have several payment plans in place to complete this in the coming months.

The town has completed the RFQ process for a new actuarial firm, which was planned since the last review in 2010. The new firm is BPS&N, a division of Wells Fargo. This choice will result in lower fees, improved synergies with our Trustee (Wells Fargo) and give the Board a fresh look at the current funding status. The bi-annual review has started and we should have the results by mid year in 2013.

The town completed a review of all terminated employees in the plan, but who have not vested and are in the process of returning their contributions, with the required 5% per annum interest. A new process

has been implemented to complete this process promptly after termination. This will save the town the 5% interest payment and reduce the administrative burden of having non-vested, terminated employees in the plan.

Long Term Improvement Plan

The Board fully supported the initiative to move to a 401a plan and believe this is an excellent long term solution. We remain committed to encourage and help the town convert as many employees as possible during future union negotiations.

We also recommend that the Town consider the following changes in the current plan, as negotiations continue:

- The interest rate used for the non-vesting period of employee contributions is 5%. We feel this is too high, in this recent environment and should be changed to a benchmark that will change with the times. Such a benchmark could be the 10 year Treasury rate (1.6%) or similar benchmark.
- Limit eligibility to only full-time workers (1,200 to 1,400 annual hours), especially on the Board of Education side.
- Increase participant contributions, currently at 3% to 5%, which is very low compared to similar plans around the state.
- Continue to annually fund the pension plan at a rate that keeps the Net Cash Flows positive. After several years and several administrations of increasing the funding, we are finally on the positive side and starting to solve the problem. Let's continue this progress!

Your Board has a talented, diverse and engaged team that is very satisfied with the progress we have been able to make, with you and our town staff, in putting in place a long term solution to our unfunded liability. We believe that we are heading in the right direction and look forward to supporting you on our continued progress.

Respectfully the Pension Board,

Michael Charland

John Ponzio

Maria Pires

Donna Pellitteri

James Lavin

Michael Knight

William Schietinger



Institutional Retirement And Trust
MAC Y1372-034
101 N Independence Mall East
3rd Floor
Philadelphia, PA 19106
Tel: 877 877 1219
Fax: 215 973 1900

November 5, 2012

TOWN OF TRUMBULL PENSION PLAN
ATTN: MARIA PIRES
5866 MAIN STREET
TRUMBULL, CT 06611

Dear Plan Sponsor:

Accurate delivery of any payment service is highly dependent on the accuracy of data on file. Wells Fargo Bank has contracted with The Berwyn Group to assist in identifying deceased annuitants. The Berwyn Group's analysis "matches" retirees with various databases of deceased individuals. The report lists the following three categories of matches:

1. Exact Matches – all fields (i.e., social security number, name, and date of birth) match.
2. Highly Probable Matches – only social security number and name match.
3. Other – likely to be "false" matches. Matches tend to be on social security number only.

We are pleased to advise that the most recent report (4th quarter, 2012) from Berwyn did not report any deceased annuitant matches for your pension plan.³⁶⁰

We will continue to provide you the opportunity to review this information on a semi-annual basis. We hope this service provides you with valuable information and reduces some of your day-to-day administrative tasks. Please contact your Benefit Payment Specialist at 877-877-1219 with any questions.

Thank you.

Sincerely,

Anne DeMaio
Vice President
Institutional Retirement and Trust

148949 CT

³⁶⁰The death audit is intended as another tool to help you fulfill your responsibilities as plan administrator and plan sponsor.

Wells Fargo Bank is not assuming any responsibility for any past payments or future monitoring of payments to deceased individuals. The plan administrator, plan sponsor or authorized plan committee member is responsible for providing Wells Fargo Bank with all directions regarding the commencement and cessation of plan payments.

Wells Fargo Bank, N.A.



PENSION BOARD
MEETING SCHEDULE 2013

Tuesday, February 19, 2013

Tuesday, May 21, 2013

Tuesday, August 20, 2013

Tuesday, November 19, 2013