

GENERAL EMPLOYEES' PENSION PLAN
BOARD OF TRUSTEES
June 1, 2009

Board Members Present:

Ray Dielman, Citizen
Jim Freeman, City Clerk
Gracie Johnson, Employee Representative
Ellen Leonard, Citizen
Jim Terry, Citizen
Allen Tusing, Citizen

Board Members Absent:

Tanya Lukowiak, Employee Representative

Staff and Others Present:

Scott Christiansen, Christiansen and Dehner
Steve Palmquist, Gabriel Roeder Smith
Charlie Mulfinger, Citi Group
Mike DeGenova, Citi Group
Diane Ponder, Deputy Clerk-Administration

Chairman Dielman called the meeting to order at 8:30 am.

1. APPROVAL OF MINUTES

MOTION: Mr. Freeman moved, Mr. Tusing seconded and motion carried 6-0 to approve the March 2, 2009 minutes.

2. INVESTMENT REVIEW

Kelly Greene, Wells Fargo, reviewed the strategy of managing the large cap and mid cap growth portfolio. She explained that the firm looks at all facets of a company before making a decision to purchase and then closely monitors the investment so that it is disposed of at the opportune time. She opined the investment philosophy is the greatest strength, so performance over the long-term is realized.

Mr. DeGenova, Citi Group, then reviewed the economy, giving negative numbers through the middle of March, at which time the market began to improve and closed at 8500 on May 29th. He discussed the programs the FED is instituting to purchase "toxic" securities off the balance sheets of banks, and the bank stress tests, which energized the market. Lower quality stocks have led the recovery. Mr. DeGenova described the quarter as volatile, but stated the quarter ended on a better note.

Mr. Mulfinger stated the Board's directive to put the cash (approximately \$150,000) in CD's was followed. The portfolio's balance as of March 31, 2009 was \$6,078,237, which realized a loss net-of-fees of \$386,640.58 for the quarter. He reviewed the Summary of Relevant Facts, Breakdown of Returns, Valuation & Performance, Compliance Checklist and Consulting & Management Fee Billing Summary reports, all of which are attached hereto and made a part of these minutes. In addition to the summary reports, Mr. Mulfinger discussed the performance of the managers. All managers have had a positive alpha and a positive sharp; on a short-term basis, mid-cap managers Golden and Renaissance have not performed yet on a risk-adjusted basis. He informed the Board Equity is out of compliance at 60.70% vs. a Policy range of 62 % to 65%. He also stated the bond International Lease is out of compliance. At Citi Group's request, documentation has been received from the entity stating that the bond held by AID will be held until a 2010 maturity.

Discussion ensued on receiving the investment data with updated information. Mr. Mulfinger explained there is no data basis available that will update information for the managers except for quarter-end performance numbers. He stated the Plan's numbers are updated to a date just prior to quarterly meetings. Mr. Terry commented on the fact that data the Board reviews is dated and requested that the Summary of Relevant be available to him as of 15 days prior to the meeting. He commented on the fact he has requested the authority to view the accounts on a daily basis, which was authorized by the Board. Mr. Terry also commented that "maybe the Board should be a more hands on manager". Mr. Mulfinger discussed the Board's authority to choose the asset allocation, based on his advice, which is then carried out by the investment managers. Mr. Terry discussed the Plan's last ten year's performance, questioning if "it is the right steps for this Board to take". He opined the Board needs to look at how the Plan is managed and suggested that a different investment alternative should be researched. Mr. Mulfinger recommended not making a change from the current policy, while Mr. Terry suggested the asset allocation should be changed to more fixed. Mr. Mulfinger discussed the ramifications to the Plan and City from an actuarial standpoint should that type of asset allocation occur. Mr. Dielman stated that if the Board was going to hold a discussion of this type, formal data is necessary, so alternatives can be compared; the Board has a fiduciary responsibility to the employees to preserve the capital of the Plan. Mr. Terry stated he would like to have active management of the Plan. Mr. Mulfinger again stated he would not recommend doing anything different.

3. 2008 ACTUARIAL VALUATION REPORT

Steve Palmquist, Gabriel Roeder Smith, distributed information on the investment market's performance, comparing this decade to the past. With a 60/40 stock/bond allocation 21 years were negative for the past 83 years. The information also revealed the returns this decade were just as bad as during the Great Depression.

Mr. Palmquist reviewed the October 1, 2008 Actuarial Valuation Report.

For fiscal year-end 2010, the required employer contribution as a percent of covered payroll will be \$866,196 or 21.59% of covered payroll vs. \$639,505 for fiscal year-end 2009 required contribution of \$639,605 or 16.59% of covered payroll. The 5% increase in the contribution amount is due to several factors: 1) Reduction in the investment earnings assumption rate of 7.75% to 7.5%, net of investment expenses (1% of the increase); 2) Net actuarial loss of \$1,446,623 (4% of the increase); and 3) lower than expected employee turnover.

Mr. Palmquist discussed the asset smoothing method currently used to determine the contribution vs. the Market Value method. The asset smoothing method generally produces a more consistent required contribution amount. Market Value would have calculated a contribution rate of 23.64% rather than the 21.59%.

Mr. Palmquist briefly commented on the annual payment on the unfunded liability of \$455,732 being larger than the normal service cost (occurring in the current year) of \$346,870, stating it is a "somewhat unusual" occurrence. He also commented on the funded ration of 61.4%, stating it is a low number compared to other plans.

Other key components explained by Mr. Palmquist were the actuarial value of accumulated plan benefits, assumed salary increases and the unfunded actuarial accrued liability 15 year amortization period (which if increased can lessen the cost of the plan), and the actuarial value of assets smoothing method currently at a 10% corridor (a vast majority of plans use the state mandate of a 20% corridor, which lessens the cost of the plan). He opined that "loosing less on a downturn is extraordinarily important" because of the amount of time it takes to recoup the losses. He also stated the report's findings are typical of his clients across the state.

Mr. Freeman pointed out that the salary increase assumption may not be realistic going forward, given that last year there was only a 2% increase and this year there will probably be no increase. Mr. Palmquist stated that if the salary assumption rates are kept the same, and at the end of next year the actual increase is less, there will be an experience gain that will help to reduce the cost of the plan. If the Board determines the assumption rate is too high long-term, then the rate can be revised lower. Mr. Palmquist also stated the assumption rate is also based on whatever makes up a salary, including overtime pay, not solely on a pay increase. He also stated that if the assumption is reduced by one percent, that action could lower the cost by two to three percent of payroll.

Mr. Palmquist then reviewed various alternatives that were studied to mitigate the annual required contribution amount increase, as follows:

1. Change the amortization period of gains and losses, which will have less of an impact on the required contribution for FYE September 30, 2010 (as noted in the following chart).

Amortization period for gains & losses beginning FYE 9/30/08	Reduction in the Annual Required Contribution for the FYE 9/30/2010	
	As a percent of pay	As a dollar amount
20	0.55%	\$22,061
25	0.85%	\$34,231
30	1.04%	\$41,549

2. Change the asset smoothing method to one that phases in the difference between the actual and expected investment earnings over a period of five years and uses a 20% corridor around market value (a savings of 1.5% of payroll, or \$61,507).
3. Change the asset smoothing method and use 25 years for the amortization of actuarial gains or losses (a savings next year of 2.38% of payroll, or \$95,783).

Mr. Freeman advised the Board that in addition to this approximate \$225,000 expense increase, an initial estimate from the Property Appraiser's Office indicates a reduction in ad valorem taxes by 11 - 14%, a potential loss of \$400,000-\$500,000. He also discussed the large impact of approximately \$300,000 the Police Officers' pension Plan will experience. He suggested that spreading the amortization to 25 years and adopting the smoothing method of 20% would be two things the Board should consider.

MOTION: Mr. Freeman moved, Mrs. Johnson seconded and motion carried 6-0 to accept the October 1, 2008 Actuarial Valuation Report, with the changes to amend the asset smoothing method to 20% from 10%, extend the amortization period to 25 years from the current 15 years.

Attorney Christiansen reminded the Board they are also accepting the reduction in the expected investment rate of return from 7.75% to 7.5% that is contained in the Report.

MOTION: Mr. Tusing moved, Mr. Freeman seconded and motion carried 6-0 to declare that based on the advice of our investment professionals and/or actuary, the Board of Trustees declare that the Board does not expect to make 7.5% total expected annual rate of investment return for the next year, but does expect to make 7.5% for the next several years, and the long-term thereafter, net of investment related expenses.

4. PROPOSED ACTUARIAL SERVICES AGREEMENT

Attorney Christiansen stated the Board was not negotiating a new contract with Gabriel Roeder Smith and Company at this time. The correspondence from the firm relating to the topic will be held until it is applicable for the Board to consider.

5. APPROVAL OF EXPENSES

A) Christiansen & Dehner: February, March and April 2009

MOTION: Mr. Freeman moved, Mrs. Johnson seconded and motion carried 5-0 to ratify the paid expense as presented.

B) Gabriel Roeder Smith & Company: February, March and April 2009

Mr. Palmquist discussed the cost to resolve the issue brought forward by a retiree concerning whether retirement benefit payments from Crown Life would decrease the payments from the current Plan. Attorney Christiansen confirmed Crown Life was an insurance component that used to pay a portion of the retirement benefits for life; when the insurance benefit paid out the Plan had to then begin paying the difference. All affected employees have been identified and employee files have been documented as to the proper procedure for beneficiary payments.

MOTION: Mr. Freeman moved, Mrs. Johnson seconded and motion carried 5-0 to ratify the paid expense as presented.

6. APPROVAL OF RETIREMENT BENEFIT

A) Richard Carter, Jr. DROP Participation

MOTION: Mr. Freeman moved, Mrs. Leonard seconded and motion carried 5-0 to approve the participation of Richard Carter, Jr. in the DROP for a term beginning June 1, 2009 and terminating on or before June 1, 2014.

7. APPROVAL OF RETIREMENT BENEFIT ADJUSTMENT

A) Robert G. Williams

MOTION: Mr. Freeman moved, Mrs. Johnson seconded and motion carried 5-0 to approve a monthly retirement benefit increase of \$65.88 payable to the beneficiary of Robert G. Williams, and approve the payment of a retro-active benefit payment from July, 2006 through April, 2009 of \$2,305.80.

B) Richard Allard, Sr.

MOTION: Mr. Freeman moved, Mrs. Johnson seconded and motion carried 5-0 to approve a monthly retirement benefit increase of \$25.00 payable to the beneficiary of Richard Allard, Sr., and approve the payment of a retro-active benefit payment from January, 2009 through April, 2009 of \$100.00.

8. ATTORNEY CHRISTIANSEN'S REPORT

Reminded the Board that Form 1 Statement of Financial Disclosure is due to be filed with the Supervisor of Elections by July 1, 2009.

Requested a copy of the adopted ordinance implementing the IRS changes, and confirmed it was distributed to the state.

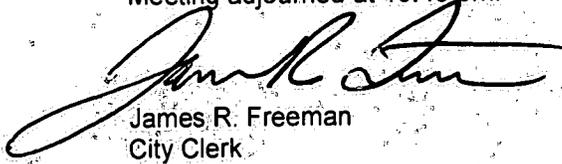
Confirmed with staff that the Summary Plan Description was distributed to the employees.

Palmetto General Employees' Pension Plan
Board of Trustees
June 1, 2009
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Requested that staff confirm the Investment Policy was distributed to the state, the actuary and the City. Reported Charles Slavin has retired from the state and was replaced by Doug Beckendorf.

Discussed with Mr. Palmquist the way PLOP benefits are calculated vs. DROP participants. A PLOP benefit calculation requires 25 different options that must be calculated, thus the increase in the calculation of \$600 - \$700 vs. \$250 for a DROP calculation. Mr. Palmquist will provide a written proposal on the cost of calculating the PLOP benefit.

Meeting adjourned at 10:45 pm.



James R. Freeman
City Clerk

SUMMARY OF RELEVANT FACTS
Palmetto General Employees' Pension Fund
As of March 31, 2009

Distribution of Assets:		
Equity		
-Large Cap. Value	\$795,988.12	
-Large Cap. Growth	\$1,186,200.22	
-Mid Cap. Growth	\$616,715.68	
-Small Cap. Core	\$550,093.41	
-International Value	\$257,190.80	
-International Growth	\$283,297.92	
Total Equity		\$3,689,486.15
Fixed		\$2,218,406.25
Cash (Deposit & Disbursement Acc't)		\$170,344.68
Total Portfolio		\$6,078,237.08

Distribution by Percentages:	Policy	Current
Equity Breakdown		
-Large Cap. Value	15.00%	13.10%
-Large Cap. Growth	20.00%	19.52%
-Mid Cap. Growth	10.00%	10.15%
-Small Cap. Core	10.00%	9.05%
-International Value	5.00%	4.23%
-International Growth	5.00%	4.66%
Total Equity	65.00%	60.70%
Fixed	35.00%	36.50%
Cash (Deposit & Disbursement)	0.00%	2.80%
Total Portfolio	100.00%	100.00%

Other Important Facts:

Total Portfolio	\$6,078,237.08
Total Gain or (Loss) - Gross-of-Fees	(\$371,059.55)
Total Gain or (Loss) - Net-of-Fees	(\$386,640.58)
Total Fees	(\$15,581.03)

LORD ABBETT

Total Assets	100.00%	\$795,988.12
Equity	96.74%	\$770,006.98
Cash	3.26%	\$25,981.14
Fees		(\$2,231.86)
Gain or (Loss) - Gross-of-Fees		(\$136,407.18)
Gain or (Loss) - Net-of-Fees		(\$138,639.04)

RENAISSANCE (LCG)

Total Assets	100.00%	\$582,800.42
Equity	97.80%	\$569,960.01
Cash	2.20%	\$12,840.41
Fees		(\$1,498.30)
Gain or (Loss) - Gross-of-Fees		(\$43,135.98)
Gain or (Loss) - Net-of-Fees		(\$44,634.28)

WELLS - LG

Total Assets	100.00%	\$603,399.80
Equity	93.49%	\$564,135.15
Cash	6.51%	\$39,264.65
Fees		(\$1,481.95)
Gain or (Loss) - Gross-of-Fees		(\$15,708.99)
Gain or (Loss) - Net-of-Fees		(\$17,190.94)

WELLS - MG

Total Assets	100.00%	\$616,715.68
Equity	95.95%	\$591,726.15
Cash	4.05%	\$24,989.53
Fees		(\$1,497.65)
Gain or (Loss) - Gross-of-Fees		(\$8,950.20)
Gain or (Loss) - Net-of-Fees		(\$10,447.85)

MADISON

Total Assets	100.00%	\$2,218,406.25
Fixed	89.22%	\$1,979,194.59
Cash	10.78%	\$239,211.66
Fees		(\$5,259.79)
Gain or (Loss) - Gross-of-Fees		(\$8,918.76)
Gain or (Loss) - Net-of-Fees		(\$14,178.55)

GOLDEN CAPITAL

Total Assets	100.00%	\$550,093.41
Equity	97.41%	\$535,869.57
Cash	2.59%	\$14,223.84
Fees		(\$1,548.14)
Gain or (Loss) - Gross-of-Fees		(\$96,668.27)
Gain or (Loss) - Net-of-Fees		(\$98,216.41)

LAZARD ASSET MANAGEMENT

Total Assets	100.00%	\$257,190.80
Equity	93.91%	\$241,535.62
Cash	6.09%	\$15,655.18
Fees		(\$1,442.14)
Gain or (Loss) - Gross-of-Fees		(\$39,294.03)
Gain or (Loss) - Net-of-Fees		(\$40,736.17)

RENAISSANCE (INT'L)

Total Assets	100.00%	\$283,297.92
Equity	97.88%	\$277,296.43
Cash	2.12%	\$6,001.49
Fees		(\$621.20)
Gain or (Loss) - Gross-of-Fees		(\$22,072.88)
Gain or (Loss) - Net-of-Fees		(\$22,694.08)

DEPOSIT & DISBURSEMENT

Total Assets	100.00%	\$170,344.68
Equity	0.00%	\$0.00
Cash	100.00%	\$170,344.68
Fees		\$0.00
Gain or (Loss) - Gross-of-Fees		\$96.74
Gain or (Loss) - Net-of-Fees		\$96.74

BREAKDOWN OF RETURNS
Palmetto General Employees' Pension Fund
As of March 31, 2009

ACTUARIAL ASSUMPTION = 7.75%

EQUITY		Your Returns				
Lord Abbett						
Large Cap. Value		Gross	Net	Russell 1000 Value	PSM Money Managers	S&P 500
	Quarter	(14.61)	(14.84)	(16.77)	(12.82)	(11.01)
	1 year	(39.28)	(39.90)	(42.42)	(37.97)	(38.09)
	3 year	(13.93)	(14.76)	(15.41)	(12.77)	(13.06)
	5 year	(4.90)	(5.79)	(4.95)	(3.37)	(4.77)
	Since 6/30/02	(0.52)	(1.44)	(1.19)	(0.13)	(1.24)
	Lord Abbett/Oppenheimer - Since 5/31/98	(1.30)	(2.19)	(0.05)	NA	(1.17)
Renaissance/Alliance						
Large Cap. Growth				Russell 3000 Growth	PSM Money Managers	Russell 1000 Growth
	Quarter	(6.89)	(7.12)	(4.54)	(5.14)	(4.12)
	1 year	(34.86)	(35.51)	(34.43)	(35.13)	(34.27)
	Since 9/30/07	(30.25)	(30.99)	(30.26)	(30.72)	(29.99)
	Renaissance/Alliance - 3 year	(13.81)	(14.59)	(11.71)	(11.34)	(11.28)
	Renaissance/Alliance - 5 year	(5.07)	(5.93)	(4.45)	(2.84)	(4.38)
	Renaissance/Alliance - Since 12/31/99	(8.17)	(9.02)	(7.77)	(2.96)	(7.94)
Wells						
Large Cap. Growth				Russell 1000 Growth	PSM Money Managers	
	Quarter	(2.53)	(2.77)	(4.12)	(5.14)	
	1 year	(39.15)	(39.76)	(34.27)	(35.13)	
	Since 9/30/07	(32.17)	(32.76)	(29.99)	(30.72)	
Wells/Baird/ING Furman Selz						
Mid Cap. Growth				Russell Midcap Gr	PSM Money Managers	
	Quarter	(1.43)	(1.67)	(3.36)	(6.70)	
	1 year	(38.62)	(39.23)	(39.57)	(36.99)	
	Since 12/31/06	(18.25)	(18.97)	(20.34)	(18.31)	
	Baird/ING Furman - 3 year	(15.56)	(16.36)	(14.90)	(13.40)	
	Baird/ING Furman - 5 year	(4.44)	(5.33)	(3.92)	(2.27)	
	Baird/ING Furman - Since 5/31/98	(2.07)	(2.95)	0.25	NA	
Golden/Missouri Valley						
Small Cap. Core				Russell 2000	PSM Money Managers	
	Quarter	(14.94)	(15.15)	(14.95)	(13.87)	
	1 Year	(40.81)	(41.42)	(37.50)	(36.97)	
	Since 3/31/07	(28.75)	(29.46)	(26.26)	(26.22)	
	Golden/Miss Valley - 3 year	(18.01)	(18.80)	(16.80)	(16.79)	
	Golden/Miss Valley - 5 year	(8.14)	(9.00)	(5.25)	(4.59)	
	Missouri Vly/Mississippi - Since 5/31/98	2.18	1.25	0.59	NA	
Lazard Asset Management						
International Value				MSCI EAFE (net)	MSCI EAFE Value	
	Quarter	(13.59)	(14.03)	(13.93)	(15.53)	
	1 year	(38.23)	(39.00)	(46.51)	(47.72)	
	3 year	(10.57)	(11.50)	(14.47)	(15.92)	
	5 year	(0.33)	(1.30)	(2.18)	(2.49)	
	Since 5/31/98	1.60	0.67	(0.26)	0.99	
Renaissance						
International Growth				MSCI AC Wd ex US	MSCI EAFE Growth	
	Since 1/31/09	(4.90)	(4.90)	(4.12)	(4.12)	
	Since 1/13/09	(7.23)	(7.42)			
FIXED INCOME						
Madison Investment Adv.				BC Int. G/C Bonds	BC G/C Bonds	90-Day T-Bill
	Quarter	(0.40)	(0.64)	(0.05)	(1.28)	0.06
	1 year	3.80	2.83	1.97	1.77	0.88
	3 year	6.63	5.66	5.63	5.47	3.13
	5 year	4.37	3.43	3.69	3.74	3.00
	Since 5/31/98	5.49	4.57	5.51	5.65	3.19
TOTAL RETURN				Index	Composite	
	Quarter	(5.78)	(6.02)	(6.62)	(6.13)	
	1 year	(22.82)	(23.56)	(24.90)	(23.96)	
	3 year	(6.19)	(7.04)	(7.26)	(6.18)	
	5 year	(0.76)	(1.65)	(1.47)	(0.39)	
	Since 5/31/98	1.19	0.31		2.31	

Index = 15% Russell 1000 Value + 10% Russell 3000 Growth + 10% Russell 1000 Growth + 10% Russell Midcap Growth + 10% Russell 2000 + 10% EAFE + 35% BC G/C Int. Bonds
* Golden Capital replaced Missouri Valley on March 7, 2007

Valuation & Performance
Palmetto General Employees' Pension Fund
As of May 28, 2009

	Value	Fiscal YTD Return As of 5/28/09
Lord Abbett	\$921,922	-21.17%
Renaissance (LG)	\$636,000	N/A
Wells (LG)	\$649,203	-22.44%
Wells (MG)	\$686,116	-19.01%
Golden	\$624,489	-29.41%
Lazard	\$301,450	-12.88%
Renaissance (Int'l)	\$353,267	15.94%
Madison	\$2,235,921	6.20%
Deposit & Disbursement		
Total Fund	\$6,408,368	

The prices, quotes, or statistics contained herein have been obtained from sources believed to be reliable, however, its accuracy cannot be guaranteed. Past performance is not a guarantee of future results.

COMPLIANCE CHECKLIST

Palmetto General Employees' Pension Fund

As of March 31, 2009

GUIDELINES	In Compliance	
Equity Portfolio		
Listed on recognized exchange	Yes	
Single issue not to exceed 10% at market value for each equity in each separately managed portfolio	Yes	
Total equity portfolio < 67.5% & > 62.5% of total fund at market	No (60.7%)	
Total international (ordinance) < 20% of total fund at market	Yes	
Single issue not to exceed 5% at market value for the total portfolio	Yes	
Lord Abnett & Company		
<u>Large Capitalization Value Equity Portfolio</u>		
Market Value < 17.5% & > 12.5% of total fund	Yes	
Performance (Inception 6/5/2002)	<u>3 years</u>	<u>Since Inception</u>
Rank in the Top 50% of manager universe	No	No
Return > Russell 1000 Value	Yes	Yes
Renaissance		
<u>Large Capitalization Growth Equity Portfolio</u>		
Market Value < 11.25% & > 8.75% of total fund	Yes	
Performance (Inception 9/27/2007)	<u>3 years</u>	<u>Since Inception</u>
Rank in the Top 50% of manager universe	N/A	Yes
Return > Russell 3000 Growth	N/A	Yes
Wells		
<u>Large Capitalization Growth Equity Portfolio</u>		
Market Value < 11.25% & > 8.75% of total fund	Yes	
Performance (Inception 9/27/2007)	<u>3 years</u>	<u>Since Inception</u>
Rank in the Top 50% of manager universe	N/A	No
Return > Russell 1000 Growth	N/A	No
Wells Capital		
<u>Mid Capitalization Growth Equity Portfolio</u>		
Market Value < 12.5% & > 7.5% of total fund	Yes	
Performance (Inception 12/7/2006)	<u>3 years</u>	<u>Since Inception</u>
Rank in the Top 50% of manager universe	N/A	Yes
Return > Russell Midcap Growth	N/A	Yes
Golden Capital		
<u>Small Capitalization Core Equity Portfolio</u>		
Market Value < 12.5% & > 7.5% of total fund	Yes	
Performance (Inception 3/7/2007)	<u>3 years</u>	<u>Since Inception</u>
Rank in the Top 50% of manager universe	N/A	No
Return > Russell 2000	N/A	No

OBJECTIVES	In Compliance		
Total Portfolio	<u>3 years</u>	<u>5 years</u>	<u>Since Inception</u>
Exceed Target Index	Yes	Yes	N/A
Exceed actuarial assumption (7.75%)*	No	No	No
Exceed CPI + 4%*	No	No	No
* Measured using net dollar-weighted return			
Lazard Asset Management			
<u>International Value Equity Portfolio</u>			
Market Value < 6.25% & > 3.75% of total fund			Yes
Performance (Inception 5/8/1998)	<u>3 years</u>	<u>Since Inception</u>	
Return > MSCI EAFE (Net)	Yes		Yes
Renaissance			
<u>International Growth Equity Portfolio</u>			
Market Value < 6.25% & > 3.75% of total fund			Yes
Performance (Inception 1/13/2009)	<u>3 years</u>	<u>Since Inception</u>	
Return > MSCI AC World ex US	N/A		No
Madison Investment Advisors			
<u>Fixed Income Portfolio</u>			
Market Value < 37.5% & > 32.5% of total fund			Yes
Performance (Inception 5/8/1998)	<u>3 years</u>	<u>Since Inception</u>	
Return > Barclays Cap Interm. Gov't/Credit	Yes		No
U.S. Government / Agency or U.S. Corporations			Yes
Bonds rated "A" or better			Yes*
Single corporate issuer not exceed 10% of bond portfolio (except U.S. Government/Agency)			Yes
* International Lease note was downgraded to BAA1 Moody's/ BBB+ S&P - letter sent by manager			

Consulting & Management Fee Billing Summary
Palmetto General Employees' Pension Fund
As of March 31, 2009

Lord Abbett		676-02441				
<u>\$ Fee</u>	<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>% Fee</u>	<u>% Ann. Fee</u>
1,864.57	4/17/2009	795,988.10	1/1/2009	3/31/2009	0.2342%	0.9500%
2,231.86	1/16/2009	934,627.14	10/1/2008	12/31/2008	0.2388%	0.9500%
2,537.62	10/17/2008	1,062,667.06	7/1/2008	9/30/2008	0.2388%	0.9500%
2,696.95	7/18/2008	1,141,798.63	4/1/2008	6/30/2008	0.2362%	0.9500%
2,641.33	4/18/2008	1,118,253.34	1/1/2008	3/31/2008	0.2362%	0.9500%
2,968.93	1/18/2008	1,239,885.71	10/1/2007	12/31/2007	0.2395%	0.9500%

Renaissance		676-90224				
<u>\$ Fee</u>	<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>% Fee</u>	<u>% Ann. Fee</u>
1,365.19	4/17/2009	582,800.42	1/1/2009	3/31/2009	0.2342%	0.9500%
1,498.30	1/16/2009	627,434.70	10/1/2008	12/31/2008	0.2388%	0.9500%
1,591.47	10/17/2008	666,452.98	7/1/2008	9/30/2008	0.2388%	0.9500%
1,788.68	7/18/2008	757,268.23	4/1/2008	6/30/2008	0.2362%	0.9500%
1,660.45	4/18/2008	702,981.18	1/1/2008	3/31/2008	0.2362%	0.9500%
1,854.07	1/18/2008	774,299.76	10/1/2007	12/31/2007	0.2395%	0.9500%

Wells (LG)		676-92105				
<u>\$ Fee</u>	<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>% Fee</u>	<u>% Ann. Fee</u>
1,413.44	4/17/2009	603,399.80	1/1/2009	3/31/2009	0.2342%	0.9500%
1,481.95	1/16/2009	620,590.74	10/1/2008	12/31/2008	0.2388%	0.9500%
1,483.03	10/17/2008	621,042.22	7/1/2008	9/30/2008	0.2388%	0.9500%
1,847.36	7/18/2008	782,110.12	4/1/2008	6/30/2008	0.2362%	0.9500%
1,710.44	4/18/2008	724,144.78	1/1/2008	3/31/2008	0.2362%	0.9500%
1,952.41	1/18/2008	815,367.29	10/1/2007	12/31/2007	0.2395%	0.9500%

Wells (MG)		676-02436				
<u>\$ Fee</u>	<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>% Fee</u>	<u>% Ann. Fee</u>
1,444.63	4/17/2009	616,715.68	1/1/2009	3/31/2009	0.2342%	0.9500%
1,497.65	1/16/2009	627,163.53	10/1/2008	12/31/2008	0.2388%	0.9500%
1,543.58	10/17/2008	646,397.84	7/1/2008	9/30/2008	0.2388%	0.9500%
1,997.01	7/18/2008	845,468.99	4/1/2008	6/30/2008	0.2362%	0.9500%
1,751.17	4/18/2008	741,386.18	1/1/2008	3/31/2008	0.2362%	0.9500%
2,057.21	1/18/2008	859,134.71	10/1/2007	12/31/2007	0.2395%	0.9500%

Golden		676-02439				
<u>\$ Fee</u>	<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>% Fee</u>	<u>% Ann. Fee</u>
1,288.57	4/17/2009	550,093.41	1/1/2009	3/31/2009	0.2342%	0.9500%
1,548.14	1/16/2009	648,309.82	10/1/2008	12/31/2008	0.2388%	0.9500%
1,607.73	10/17/2008	673,260.39	7/1/2008	9/30/2008	0.2388%	0.9500%
1,785.44	7/18/2008	755,896.21	4/1/2008	6/30/2008	0.2362%	0.9500%
1,617.19	4/18/2008	684,667.18	1/1/2008	3/31/2008	0.2362%	0.9500%
1,762.15	1/18/2008	735,911.21	10/1/2007	12/31/2007	0.2395%	0.9500%

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Lazard		676-02432				
<u>\$ Fee</u>	<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>% Fee</u>	<u>% Ann. Fee</u>
602.46	4/17/2009	257,190.80	1/1/2009	3/31/2009	0.2342%	0.9500%
1,442.14	1/16/2009	603,919.38	10/1/2008	12/31/2008	0.2388%	0.9500%
1,656.78	10/17/2008	693,803.90	7/1/2008	9/30/2008	0.2388%	0.9500%
1,923.23	7/18/2008	814,231.94	4/1/2008	6/30/2008	0.2362%	0.9500%
2,085.18	4/18/2008	882,796.82	1/1/2008	3/31/2008	0.2362%	0.9500%
2,296.64	1/18/2008	959,124.74	10/1/2007	12/31/2007	0.2395%	0.9500%

Renaissance		676-92409				
<u>\$ Fee</u>	<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>% Fee</u>	<u>% Ann. Fee</u>
621.20	1/15/2009	305,992.00	1/13/2009	3/31/2009	0.2030%	0.9500%

Madison		676-02433				
<u>\$ Fee</u>	<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>% Fee</u>	<u>% Ann. Fee</u>
5,136.47	4/17/2009	2,192,764.79	1/1/2009	3/31/2009	0.2342%	0.9500%
5,259.79	1/16/2009	2,202,616.25	10/1/2008	12/31/2008	0.2388%	0.9500%
6,496.95	10/17/2008	2,720,694.19	7/1/2008	9/30/2008	0.2388%	0.9500%
6,447.75	7/18/2008	2,729,759.51	4/1/2008	6/30/2008	0.2362%	0.9500%
6,428.51	4/18/2008	2,721,613.78	1/1/2008	3/31/2008	0.2362%	0.9500%
6,302.90	1/18/2008	2,632,219.16	10/1/2007	12/31/2007	0.2395%	0.9500%

Total - All Managers						
<u>\$ Fee</u>	<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>% Fee</u>	<u>% Ann. Fee</u>
13,115.33	4/17/2009	5,598,953.00	1/1/2009	3/31/2009	0.2342%	0.9500%
14,959.83	1/16/2009	6,264,661.56	10/1/2008	12/31/2008	0.2388%	0.9500%
621.20	1/15/2009	305,992.00	1/13/2009	3/31/2009	0.2030%	0.9500%
16,917.16	10/17/2008	7,084,318.58	7/1/2008	9/30/2008	0.2388%	0.9500%
18,486.42	7/18/2008	7,826,533.63	4/1/2008	6/30/2008	0.2362%	0.9500%
17,894.27	4/18/2008	7,575,843.26	1/1/2008	3/31/2008	0.2362%	0.9500%
19,194.31	1/18/2008	8,015,942.58	10/1/2007	12/31/2007	0.2395%	0.9500%

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