

**MIRAMAR FIREFIGHTERS**

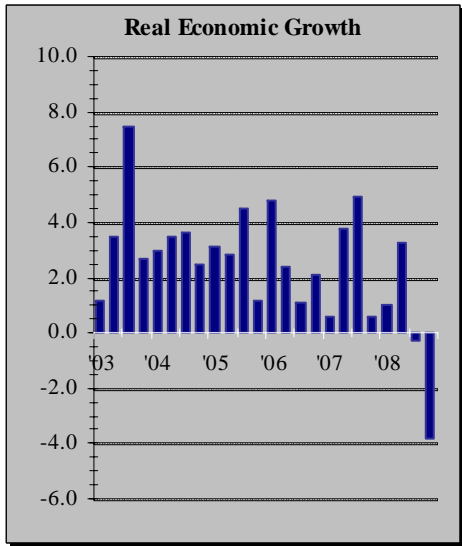
**PERFORMANCE REVIEW  
DECEMBER 2008**



## ECONOMIC ENVIRONMENT

### Global Financial Meltdown-Part II

The economy went into a tailspin last quarter in the wake of the Lehman Brothers bankruptcy. What began as a single company's failure rapidly spread throughout the financial community both here and abroad. The linkage between the mega-financial firms everywhere was much greater than was suspected. Tremendous reliance on leverage, and trading in risky derivatives by financial firms throughout the world, had resulted in a freezing of lending activity everywhere. In less than three weeks after Lehman declared bankruptcy, the first financial panic in seventy-five years ensued. A



massive, aggressive “bailout package” was immediately proposed by the Secretary of the Treasury, but after much interplay, a greatly weakened version was passed by Congress, one that was incapable of having the needed effect. Globally, banks received enormous sums of funds from their governments to keep from collapsing, but due to the linkages with other troubled banks, with few exceptions, the entire credit market remained shut down.

Without ready access to credit, commerce slowed. Automobile sales declined by a third, and housing sales, which were already weak, fell further. Retailers had the worst Christmas season in recent memory.

In September, one large firm's problems, which could have been rapidly contained, producing nothing more than a mild recession, instead became a global crisis of confidence and deep recession. GDP changed by -3.8% during the fourth quarter, the largest drop in GDP in over 27 years. Still, this figure was better than most analysts predicted.

Politicians continue to react to the problems, but in a very uncoordinated way. While Washington talks about creating a new stimulus package to create new jobs, local politicians talk about massive layoffs to hold down budget deficits, which were caused by drops in income and sales taxes.

Industrial capacity utilization decreased dramatically in the quarter, falling to 73.6% in December, well below the long-term average of 81.0%. Most of the drop was in manufacturing which is currently operating at 70.2% of capacity.

Unemployment shot up during the fourth quarter, rising from 6.1% to 7.2%. During 2008 a total of 2.6 million jobs were lost, with 1.9 million disappearing in the last 4 months of the year.

Inflation fell 3.4% during the quarter, mostly due to a drop in the price of a barrel of oil, which dropped by 60% from the July high of \$147 to the \$40 range. That drop erased almost all of the earlier inflation figures. For the year as a whole, the adjusted CPI-U rose only 0.1%. The low rate of inflation, coupled with excess industrial capacity and a high unemployment rate, gives the Fed significant maneuvering room to stimulate the economy without igniting inflation. In fact, deflation is a bigger cause for concern at this point.

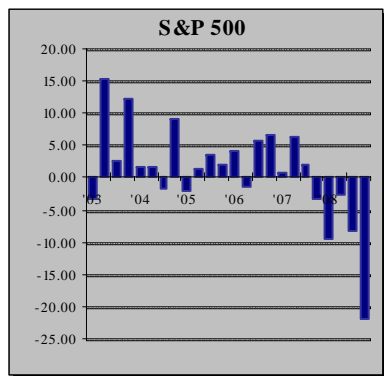
The U.S. dollar continued to strengthen against the euro during the quarter, rising from \$1.41/euro to \$1.36/euro, touching a high of \$1.25/euro on November 23rd. The exchange rate reflected the relative interest rates offered by central banks in Europe and the U.S. Treasury.

On the positive side, falling oil prices and continued demand from emerging markets helped keep the U.S. economy growing. Although exports of goods and services both declined during the quarter, imports fell faster. The balance of trade deficit in November fell to \$40.4 billion, down from \$59.8 billion the previous quarter.

## EQUITY MARKET

The markets had one of the worst periods in decades. The first half of October was particularly bad, but the market decline continued until November 20th before recovering about half of the losses.

The worst performing assets were Financials, which declined 30.9%.



The best performing sector last quarter was the Utilities sector, which only declined by 8.4%.

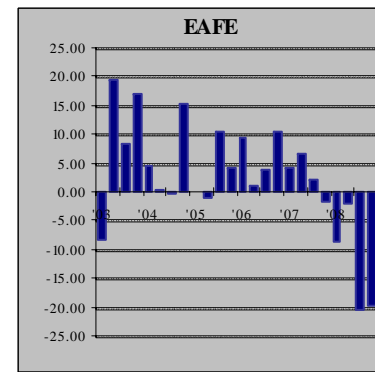
The broad large cap market indices, the S&P 500 and the Russell 1000 lost 21.9% and 22.5% respectively for the quarter. Smaller stocks, represented by the Russell 2000 index, lost slightly more, 26.1%.

At quarter-end, the average yield of an S&P 500 issue was 2.4%, the average growth rate was 19.8%, and the average price/earnings ratio (trailing 12-months earnings) was 13.2, which was below the lower end of the historically normal range of 14 to 16.

## INTERNATIONAL EQUITIES

Developed country markets and emerging markets were both down last quarter. Taken as a group, emerging markets lagged developed markets again this past the quarter, and were further off for the trailing year.

For the quarter, the emerging markets index was down 27.6%, and declined 53.2% for the trailing year. The best performing emerging market in the fourth quarter was China, down 10.8% for the quarter and down 50.8% for the trailing year. The worst was the Russian market, down 51.3% for the quarter and down 73.8% for the year.



The Developed markets, represented by the EAFE Index, declined a bit less than the U.S. markets, losing 19.9% for the quarter and 43.1% for the trailing year. Austria was the worst performing developed market having lost 43.2% last quarter, and 68.2% for the year. Japan had the smallest loss of 9.0% for the quarter and 29.1% for the year.

On an equal-weighted basis, the EAFE index lost 25.9% for the quarter and lost 51.1% for the trailing year.

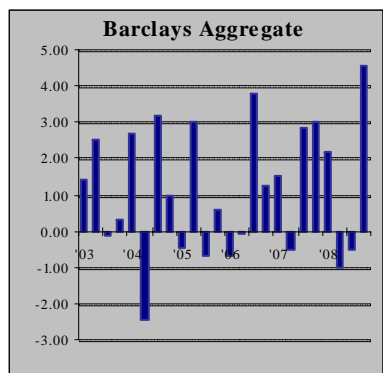
## BOND MARKET

*In the aftermath of the Lehman bankruptcy, the related bond indices have been re-branded as the Barclays Capital bond indices.*

The flight to quality that began in September continued throughout the rest of the year. Unless a bond was backed by the full faith and credit of the U.S. government, investors were not interested in holding bonds. No one wanted to lend money to financial institutions in the wake of the Lehman problems, and financial institutions did not want to lend money to each other or corporate clients. Spreads for investment quality bonds rose sharply and those for junk bonds

(high yield) soared. For all practical purposes, most corporate bonds were treated as toxic.

Treasury bills returned 0.1%, producing a trailing 12-month total return on cash and equivalents of 1.5%.



In July, Merrill Lynch sold off its toxic bond portfolio for 22 cents on the dollar. (Actually the price was 7 cents cash and an IOU for 15 cents.) That caused other investors to worry about what the value was of their troubled bonds, causing a rout and a freeze up of corporate bond trading.

To illustrate how severe the flight was, long term U.S. Treasuries returned +18.66% while long term corporate bonds returned +8.68% a difference of almost 10%. As a result, yields were down for Treasury bonds and up for everything else.

The Barclays Capital Aggregate bond index returned 4.58% for the quarter and 5.24% for the year.

The average maturity of the Barclays Capital Aggregate index was 5.5 years, dramatically shorter than the 7.1-year average at the end of the third quarter. The interest rate sensitivity (duration) was similarly shortened to 3.7 years from 4.5 years (on an adjusted basis) and the average yield fell from 5.3% to 4.0%.

## CASH EQUIVALENTS

For the first time in history, the Treasury bill market briefly traded at a negative interest rate. That is, investors were willing to pay the Treasury “rent” to hold onto their money. For the quarter as a whole,

**MARKET SUMMARY**

**ECONOMIC STATISTICS**

	<b>CURRENT QTR</b>	<b>LAST QTR</b>
GDP	-3.8	-0.3
Unemployment	7.2	6.1
CPI Year/Year	0.09	4.94
Fed Funds Rate	0.25	2.00
Industrial Capacity	73.6	78.7
US Dollars per Euro	1.36	1.41

**MAJOR INDEX QUARTER RETURNS**

<b>INDEX</b>		<b>PERFORMANCE</b>
<b>S&amp;P 500</b>	<b>-21.9</b>	
<b>Russell Mid</b>	<b>-27.3</b>	
<b>Russell 2000</b>	<b>-26.1</b>	
<b>EAFE</b>	<b>-19.9</b>	
<b>MSCI Emg Mkts</b>	<b>-27.6</b>	
<b>HFRI FOF</b>	<b>-8.5</b>	
<b>NCREIF</b>	<b>-8.3</b>	
<b>Barclays Agg</b>	<b>4.6</b>	
<b>90 Day Tbills</b>	<b>0.1</b>	

**EQUITY RETURN DISTRIBUTIONS**

	<b>QUARTER</b>			<b>TRAILING YEAR</b>			
	<b>VAL</b>	<b>COR</b>	<b>GRO</b>	<b>VAL</b>	<b>COR</b>	<b>GRO</b>	
LC	-22.2	-22.5	-22.8	LC	-36.8	-37.6	-38.4
MC	-27.2	-27.3	-27.4	MC	-38.4	-41.5	-44.3
SC	-24.9	-26.1	-27.5	SC	-28.9	-33.8	-38.6

**MARKET SUMMARY**

- \* Domestic and international equity markets tumbled on fallout from the credit crisis and the weakening economy.
- \* Unemployment continues its rapid rise as production capacity is pared back.
- \* The US dollar continued to strengthen as the trade deficit narrowed.
- \* The Federal Funds Rate is at an all-time low.

## **INVESTMENT RETURN**

On December 31st, 2008, the Miramar Firefighters' portfolio was valued at \$37,537,360, which represented a decrease of \$7,719,204 relative to the September quarter's ending value of \$45,256,564. During the last three months, the Fund posted total net contributions of \$787,852, which marginally offset the account's \$8,507,056 net investment loss that was sustained during the quarter. The portfolio's net investment loss was a product of \$17,721 in income receipts and realized and unrealized capital losses of \$8,524,777.

Since December 1998, the account has posted net contributions totaling \$40.0 million and recorded net investment losses of \$2.5 million. For the period since December 1998, if the total fund earned a compounded nominal rate of 7.0% it would have been valued at \$52.4 million or \$14.8 million more than its actual value as of December 31st, 2008.

## **RELATIVE PERFORMANCE**

### **Total Fund**

In the fourth quarter, the total aggregate account lost 18.7%, which ranked in the 97th percentile of the Plan Sponsor universe. Over the trailing twelve-month period, the portfolio returned -31.7%, which ranked in the 95th percentile. Since December 1998, the portfolio returned 1.3% annualized and ranked in the 93rd percentile.

### **Equities**

The aggregate equity assets lost 25.6% during the fourth quarter; that return was 2.1% less than the Wilshire 5000 Index's return of -23.5% and ranked in the 68th percentile of the Broad Equity universe. Over the trailing year, this segment returned -39.8%; that return was 2.0% below the benchmark's -37.8% return, ranking in the 67th percentile.

### **International Equities**

For the fourth quarter, the international equity segment returned -19.9%, which was equal to the MSCI EAFE Index's return and ranked in the 54th percentile of the International Equity universe. Over the trailing twelve months, the international equity portfolio returned -43.2%, which was 0.1% below the benchmark's -43.1% performance, ranking in the 57th percentile.

### **Real Estate**

For the fourth quarter, the real estate portion of the portfolio lost 11.0%, which was 2.7% less than the NCREIF Property Index's return of -8.3%. Over the trailing year, this segment returned -13.2%, which was 6.7% less than the benchmark's -6.5% return.

### **Fixed Income**

The fixed income segment returned 6.5% last quarter, 1.9% above the Barclays Aggregate Index's return of 4.6% and ranked in the 12th percentile of the Broad Market Fixed Income universe. Over the trailing twelve months, the fixed income portfolio returned 10.3%; that return was 5.1% above the benchmark's 5.2% performance, and ranked in the 6th percentile.

## **ASSET ALLOCATION**

On December 31st, 2008, equities comprised 58.5% of the total portfolio (\$22.0 million), while international equities totaled 8.1% (\$3.0 million). The account's real estate segment was valued at \$4.2 million, representing 11.2% of the portfolio, while the fixed income component's \$5.2 million totaled 13.8%. The remaining 8.5% was comprised of cash & equivalents (\$3.2 million).

## EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

	Quarter	Y-T-D	12 Months	Annualized	
				3-Years	10 Years
<b>Total Gross/Fees</b>	- 18.7%	- 31.7%	- 31.7%	- 5.8%	1.3%
<i>SPONSOR RANK</i>	( 97)	( 95)	( 95)	( 94)	( 93)
<b>Total Net/Fees</b>	- 18.8%	- 31.8%	- 31.8%	- 5.8%	---
<i>SPONSOR RANK</i>	( 97)	( 95)	( 95)	( 94)	
SHADOW INDEX	- 17.3	- 30.3	- 30.3	- 4.6	0.3
<b>Equity</b>	- 25.6	- 39.8	- 39.8	- 10.1	----
<i>BROAD EQ RANK</i>	( 68)	( 67)	( 67)	( 69)	
WILSHIRE 5000	- 23.5	- 37.8	- 37.8	- 8.7	----
RUSSELL 3000	- 22.8	- 37.3	- 37.3	- 8.6	- 0.8
<b>Int'l Equity</b>	- 19.9	- 43.2	- 43.2	- 6.9	----
<i>INTL EQ RANK</i>	( 54)	( 57)	( 57)	( 65)	
MSCI EAFE	- 19.9	- 43.1	- 43.1	- 6.9	1.2
<b>Real Estate</b>	- 11.0	- 13.2	- 13.2	----	----
NCREIF	- 8.3	- 6.5	- 6.5	8.1	10.5
<b>Fixed Income</b>	6.5	10.3	10.3	7.7	----
<i>BROAD FIXED RANK</i>	( 12)	( 6)	( 6)	( 5)	
BARCLAYS AGG	4.6	5.2	5.2	5.5	5.6

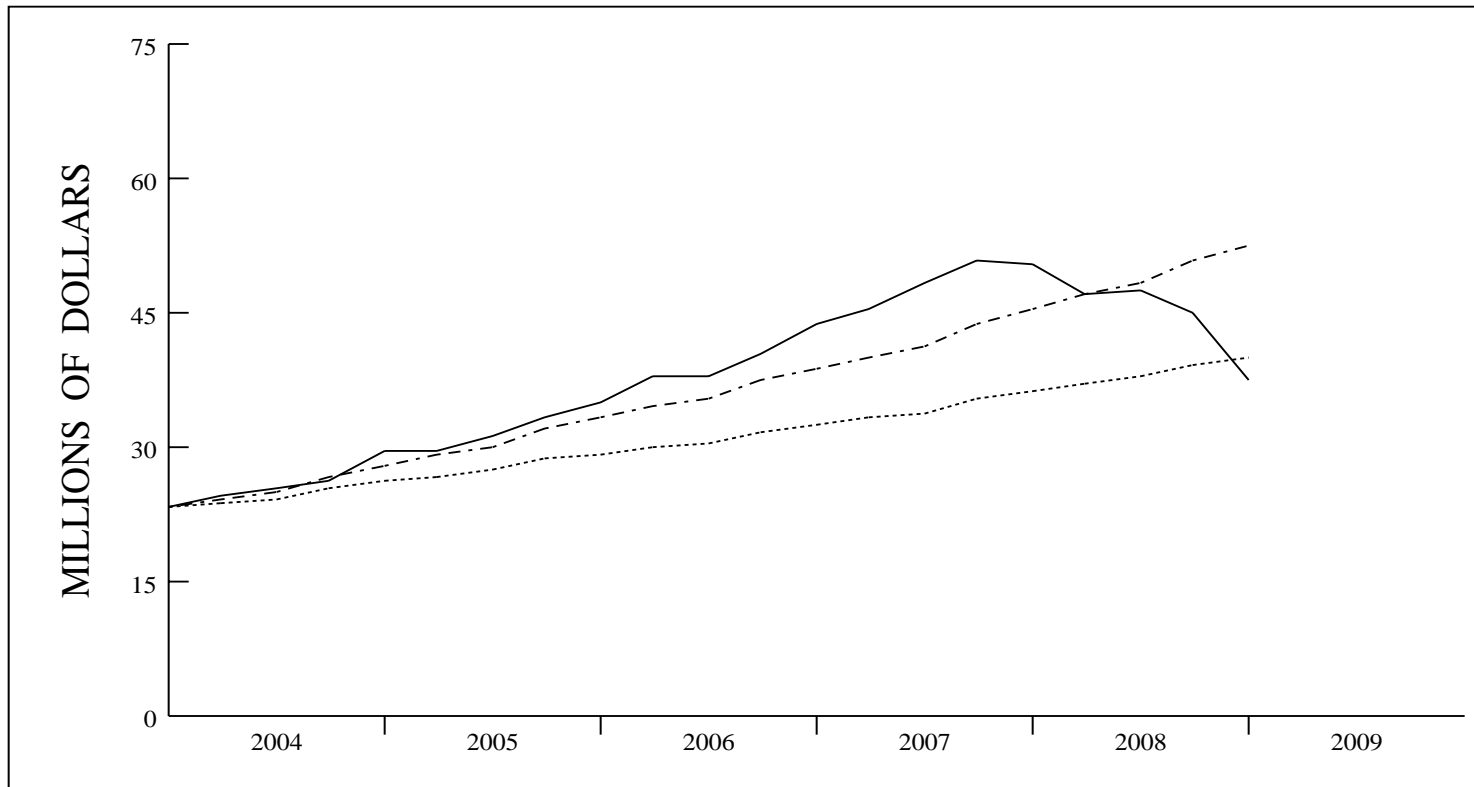
## ASSET ALLOCATION

Equity	58.5%	\$ 21,958,018
Int'l Equity	8.1%	3,035,550
Alternate Assets	0.0%	0
Real Estate	11.2%	4,196,902
Fixed Income	13.8%	5,168,313
Other	0.0%	0
Cash	8.5%	3,178,575
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 37,537,360</b>

## INVESTMENT RETURN

Market Value 9/2008	\$ 45,256,564
Contribs / Withdrawals	787,852
Income	17,721
Capital Gains / Losses	- 8,524,777
Market Value 12/2008	\$ 37,537,360

**INVESTMENT GROWTH**



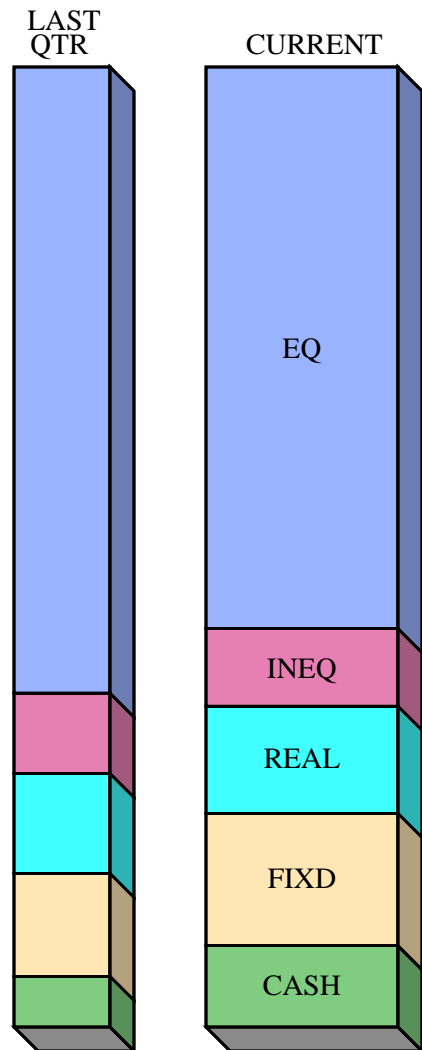
— ACTUAL RETURN  
 - - - 7.0%  
 . . . 0.0%

VALUE ASSUMING  
 7.0% RETURN  
 \$ 52,641,510

	LAST QUARTER	PERIOD 12/03 - 12/08
BEGINNING VALUE	\$ 45,256,564	\$ 23,711,950
NET CONTRIBUTIONS	787,852	16,589,210
INVESTMENT RETURN	<u>- 8,507,056</u>	<u>- 2,763,804</u>
ENDING VALUE	\$ 37,537,360	\$ 37,537,360
INCOME	17,721	115,228
CAPITAL GAINS (LOSSES)	<u>- 8,524,777</u>	<u>- 2,879,032</u>
INVESTMENT RETURN	<u>- 8,507,056</u>	<u>- 2,763,804</u>



**ASSET ALLOCATION**

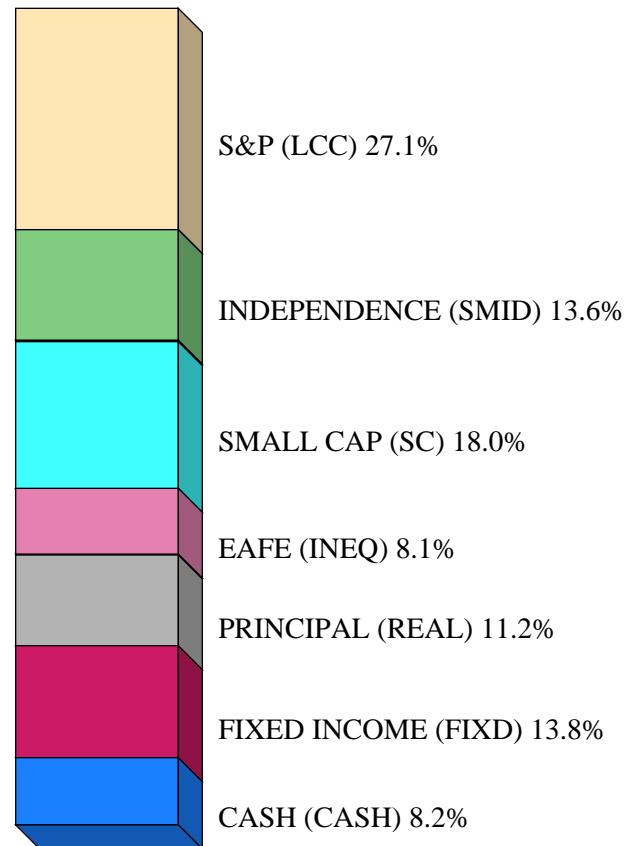


	<u>VALUE</u>	<u>PERCENT</u>
EQUITIES	\$ 21,958,018	58.5%
INTERNATIONAL EQUITIES	3,035,550	8.1%
REAL ESTATE	4,196,902	11.2%
FIXED INCOME	5,168,313	13.8%
CASH & EQUIVALENTS	3,178,575	8.5%
<u>TOTAL FUND</u>	<u>\$ 37,537,360</u>	<u>100.0%</u>

## MANAGER RETURN SUMMARY

	Universe	Quarter	YTD	1 year	3 Years	5 years	Inception	
S&P	(LC Core)	-22.1 ( 60 )	-37.6 ( 73 )	-37.6 ( 73 )	-8.6 ( 67 )	-2.4 ( 83 )	12/03	-2.4 ( 83 )
<i>S&amp;P 500</i>		<i>-21.9 ---</i>	<i>-37.0 ---</i>	<i>-37.0 ---</i>	<i>-8.4 ---</i>	<i>-2.2 ---</i>		<i>-2.2 ---</i>
Independence	(SMidcap)	-30.5 ( 55 )	-44.7 ( 96 )	-44.7 ( 96 )	--- ---	--- ---	12/07	-44.7 ( 96 )
<i>Russell 2500</i>		<i>-26.3 ---</i>	<i>-36.8 ---</i>	<i>-36.8 ---</i>	<i>-9.4 ---</i>	<i>-1.0 ---</i>		<i>-36.8 ---</i>
Small Cap	(Small Cap)	-26.4 ( 54 )	-38.7 ( 62 )	-38.7 ( 62 )	-9.2 ( 55 )	-0.5 ( 50 )	12/03	-0.5 ( 50 )
<i>Russell 2000</i>		<i>-26.1 ---</i>	<i>-33.8 ---</i>	<i>-33.8 ---</i>	<i>-8.3 ---</i>	<i>-0.9 ---</i>		<i>-0.9 ---</i>
EAFE	(Intl Eq)	-19.9 ( 54 )	-43.2 ( 57 )	-43.2 ( 57 )	-6.9 ( 65 )	2.1 ( 77 )	12/03	2.1 ( 77 )
<i>MSCI EAFE</i>		<i>-19.9 ---</i>	<i>-43.1 ---</i>	<i>-43.1 ---</i>	<i>-6.9 ---</i>	<i>2.1 ---</i>		<i>2.1 ---</i>
Principal		-11.0 ---	-13.2 ---	-13.2 ---	--- ---	--- ---	03/06	3.6 ---
<i>NCREIF Property Index</i>		<i>-8.3 ---</i>	<i>-6.5 ---</i>	<i>-6.5 ---</i>	<i>8.1 ---</i>	<i>11.7 ---</i>		<i>7.5 ---</i>
Fixed Income	(Broad Fixed)	6.5 ( 12 )	10.3 ( 6 )	10.3 ( 6 )	7.7 ( 5 )	5.5 ( 16 )	12/03	5.5 ( 16 )
<i>Barclays Aggregate Index</i>		<i>4.6 ---</i>	<i>5.2 ---</i>	<i>5.2 ---</i>	<i>5.5 ---</i>	<i>4.6 ---</i>		<i>4.6 ---</i>
Cash		--- ---	--- ---	--- ---	--- ---	--- ---		--- ---
<b>Total Portfolio</b>	<b>(Sponsor)</b>	<b>-18.7 ( 97 )</b>	<b>-31.7 ( 95 )</b>	<b>-31.7 ( 95 )</b>	<b>-5.8 ( 94 )</b>	<b>0.2 ( 86 )</b>	<b>12/98</b>	<b>1.3 ( 93 )</b>
<i>Shadow Index</i>		<i>-17.3 ---</i>	<i>-30.3 ---</i>	<i>-30.3 ---</i>	<i>-4.6 ---</i>	<i>0.6 ---</i>		<i>0.3 ---</i>

**MANAGER ALLOCATION SUMMARY**



Name	Market Value	Percent
S&P (LCC)	\$10,186,807	27.1
Independence (SMID)	\$5,092,110	13.6
Small Cap (SC)	\$6,764,511	18.0
EAFE (INEQ)	\$3,035,550	8.1
Principal (REAL)	\$4,196,902	11.2
Fixed Income (FIXD)	\$5,168,313	13.8
Cash (CASH)	\$3,093,165	8.2
<b>Total Fund</b>	<b>\$37,537,358</b>	<b>100.0</b>

## MANAGER VALUE ADDED

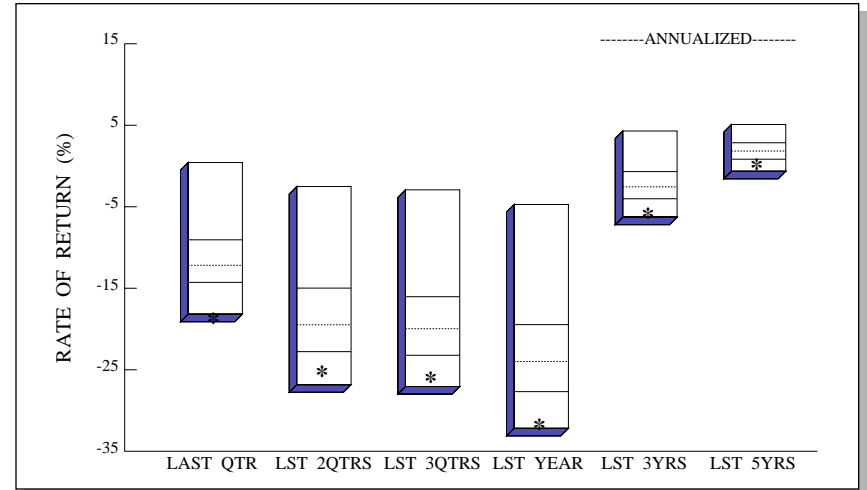
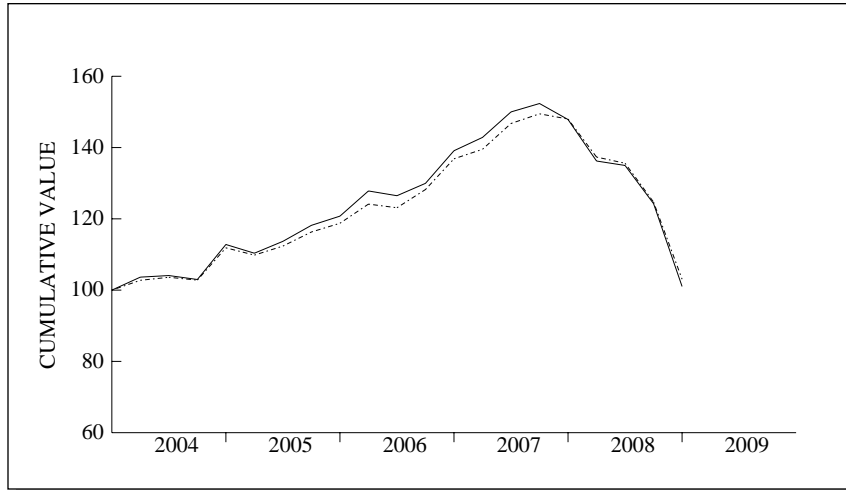
## Most Recent Quarter

Manager	Benchmark	Value Added Vs. Benchmark
S&P	S&P 500	-0.2
Independence	Russell 2500	-4.3
Small Cap	Russell 2000	-0.3
EAFE	MSCI EAFE	0.0
Principal	NCREIF	-2.7
Fixed Income	Barclays Agg	2.0
<b>Total Portfolio</b>	<b>Shadow Index</b>	-1.4

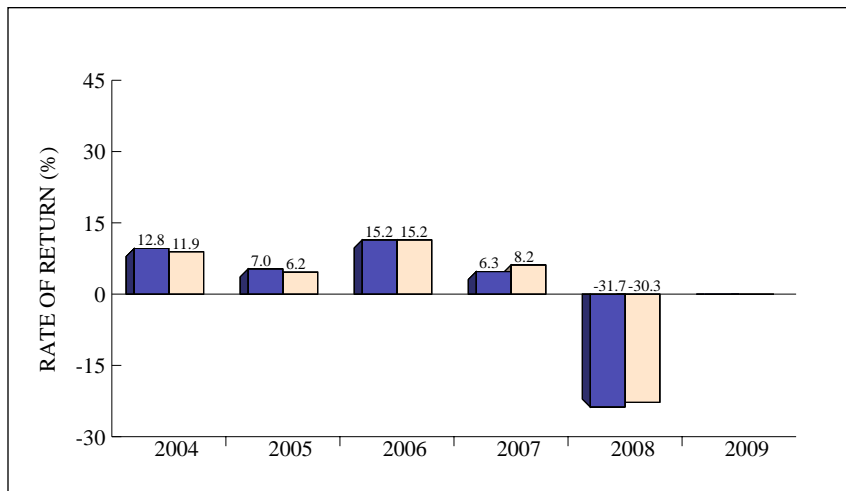
## Trailing Twelve Months

Manager	Benchmark	Value Added Vs. Benchmark
S&P	S&P 500	-0.6
Independence	Russell 2500	-7.9
Small Cap	Russell 2000	-4.9
EAFE	MSCI EAFE	-0.1
Principal	NCREIF	-6.7
Fixed Income	Barclays Agg	5.1
<b>Total Portfolio</b>	<b>Shadow Index</b>	-1.3

**TOTAL RETURN COMPARISONS**



Plan Sponsor Universe

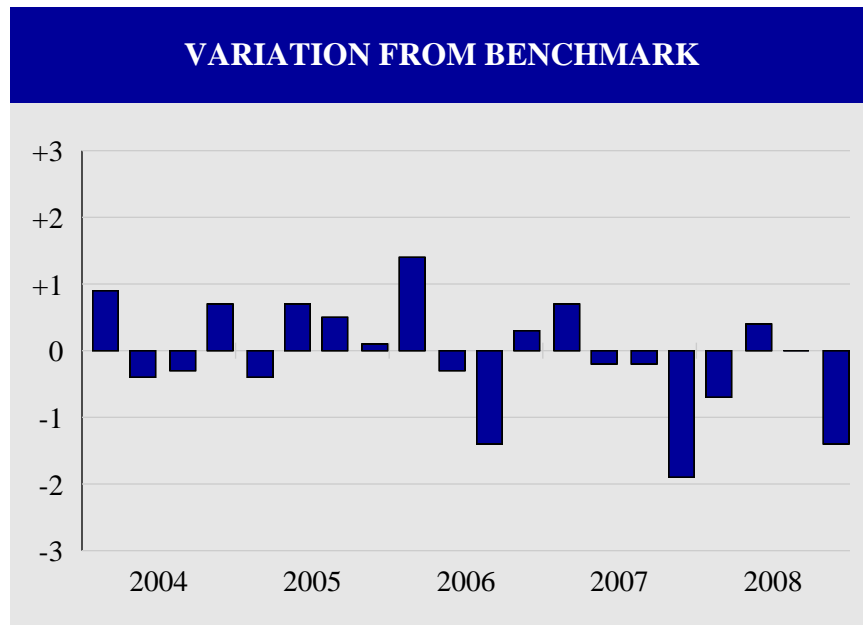


	LAST QTR	LST 2QTRS	LST 3QTRS	LST YEAR	-----ANNUALIZED----- LST 3YRS	LST 5YRS
RETURN	- 18.7	- 25.2	- 25.9	- 31.7	- 5.8	0.2
(RANK)	97	91	93	95	94	86
HIGHEST	0.4	- 2.5	- 2.9	- 4.7	4.3	5.1
25TH %ILE	- 9.1	- 15.0	- 16.0	- 19.5	- 0.7	2.9
MEDIAN	- 12.2	- 19.5	- 20.0	- 24.0	- 2.6	1.8
75TH %ILE	- 14.3	- 22.8	- 23.2	- 27.7	- 4.0	0.8
LOWEST	- 18.2	- 26.8	- 27.1	- 32.2	- 6.3	- 0.7
SHADOW INDEX	- 17.3	- 24.0	- 24.9	- 30.3	- 4.6	0.6

Plan Sponsor Universe

**QUARTER BY QUARTER PERFORMANCE**

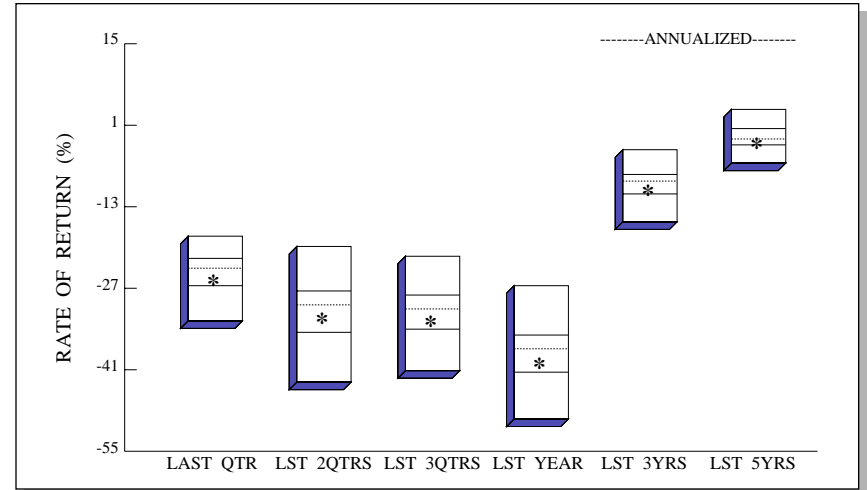
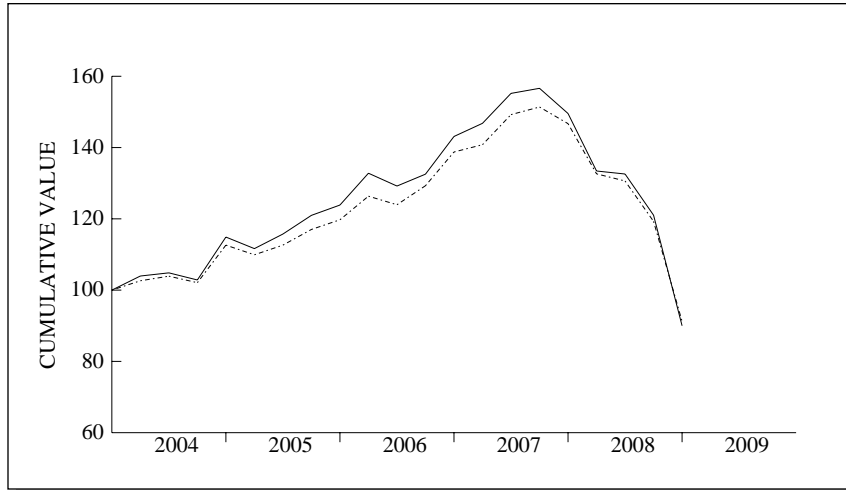
**COMPARATIVE BENCHMARK: SHADOW INDEX**



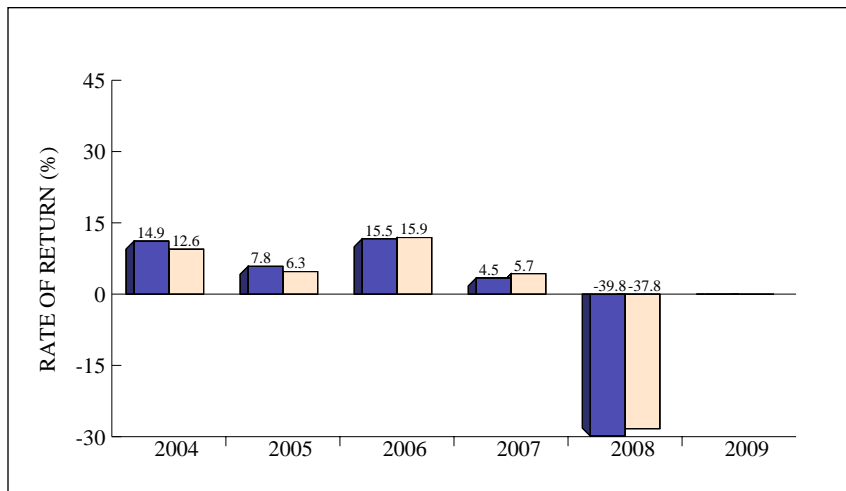
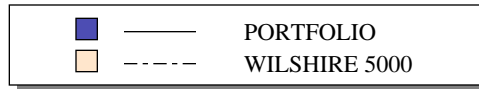
Total Quarters Observed	20
Quarters at or Above the Benchmark	10
Quarters Below the Benchmark	10
Batting Average	.500

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
304	3.7	2.8	0.9
604	0.4	0.8	-0.4
904	-1.1	-0.8	-0.3
1204	9.5	8.8	0.7
305	-2.2	-1.8	-0.4
605	3.0	2.3	0.7
905	4.0	3.5	0.5
1205	2.2	2.1	0.1
306	5.9	4.5	1.4
606	-1.1	-0.8	-0.3
906	2.8	4.2	-1.4
1206	7.0	6.7	0.3
307	2.7	2.0	0.7
607	5.0	5.2	-0.2
907	1.6	1.8	-0.2
1207	-2.9	-1.0	-1.9
308	-7.9	-7.2	-0.7
608	-0.9	-1.3	0.4
908	-8.0	-8.0	0.0
1208	-18.7	-17.3	-1.4

**EQUITY RETURN COMPARISONS**



Broad Equity Universe

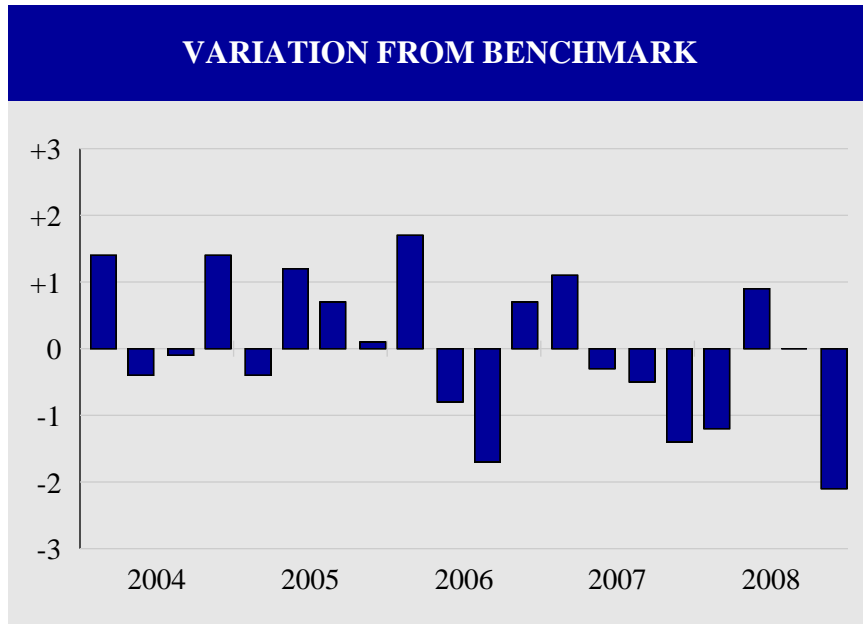


	LAST QTR	LST 2QTRS	LST 3QTRS	LST YEAR	-----ANNUALIZED----- LST 3YRS	LST 5YRS
RETURN	- 25.6	- 32.1	- 32.5	- 39.8	- 10.1	- 2.1
(RANK)	68	62	67	67	69	64
HIGHEST	- 18.1	- 19.8	- 21.5	- 26.6	- 3.2	3.7
25TH %ILE	- 21.9	- 27.5	- 28.2	- 35.0	- 7.4	0.4
MEDIAN	- 23.6	- 29.8	- 30.5	- 37.4	- 8.6	- 1.4
75TH %ILE	- 26.6	- 34.6	- 34.0	- 41.4	- 10.8	- 2.4
LOWEST	- 32.6	- 43.1	- 41.2	- 49.5	- 15.6	- 5.5
WILSHIRE 5000	- 23.5	- 30.1	- 31.2	- 37.8	- 8.7	- 1.8

Broad Equity Universe

**EQUITY QUARTER BY QUARTER PERFORMANCE**

**COMPARATIVE BENCHMARK: WILSHIRE 5000**

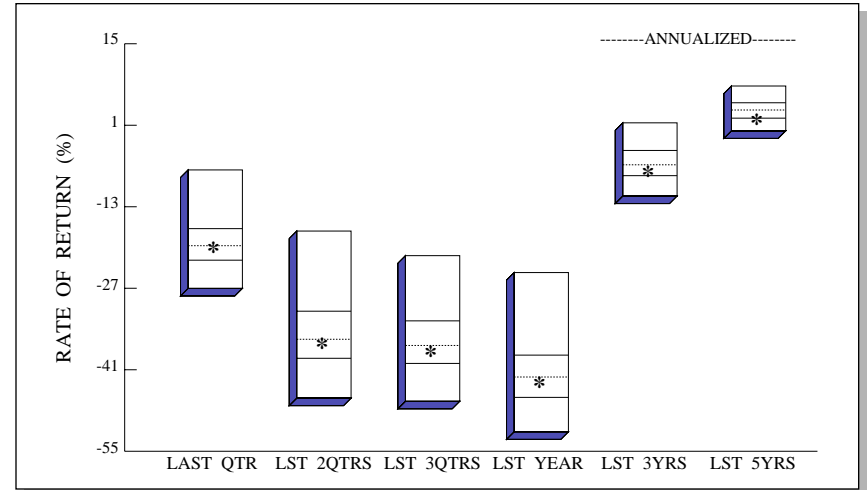
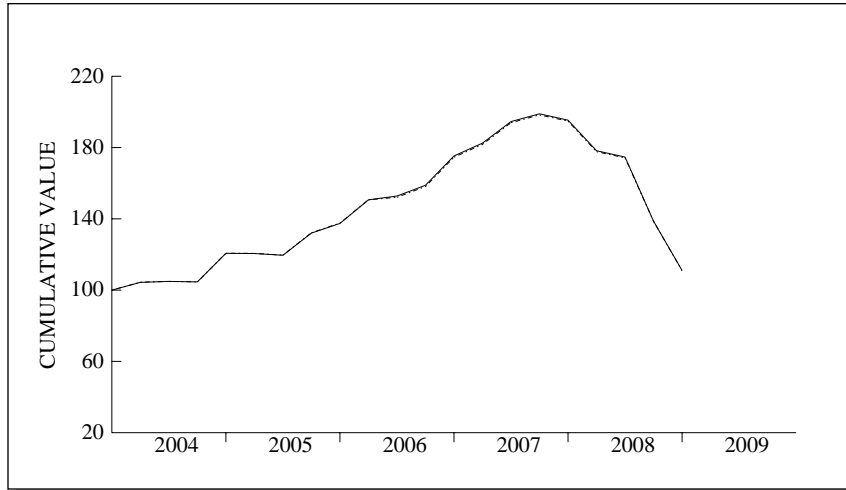


Total Quarters Observed	20
Quarters at or Above the Benchmark	10
Quarters Below the Benchmark	10
Batting Average	.500

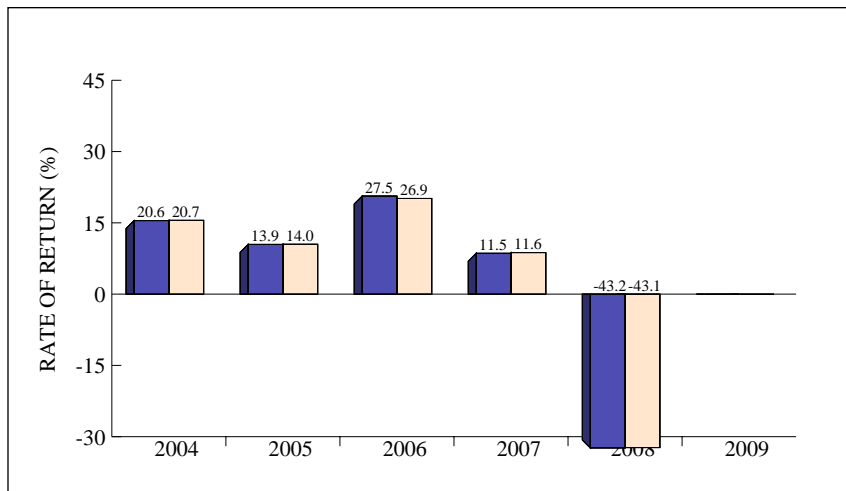
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
304	4.0	2.6	1.4
604	0.9	1.3	-0.4
904	-1.9	-1.8	-0.1
1204	11.7	10.3	1.4
305	-2.8	-2.4	-0.4
605	3.7	2.5	1.2
905	4.6	3.9	0.7
1205	2.4	2.3	0.1
306	7.2	5.5	1.7
606	-2.7	-1.9	-0.8
906	2.6	4.3	-1.7
1206	8.0	7.3	0.7
307	2.6	1.5	1.1
607	5.7	6.0	-0.3
907	0.9	1.4	-0.5
1207	-4.5	-3.1	-1.4
308	-10.8	-9.6	-1.2
608	-0.6	-1.5	0.9
908	-8.7	-8.7	0.0
1208	-25.6	-23.5	-2.1



INTERNATIONAL EQUITY RETURN COMPARISONS



International Equity Universe



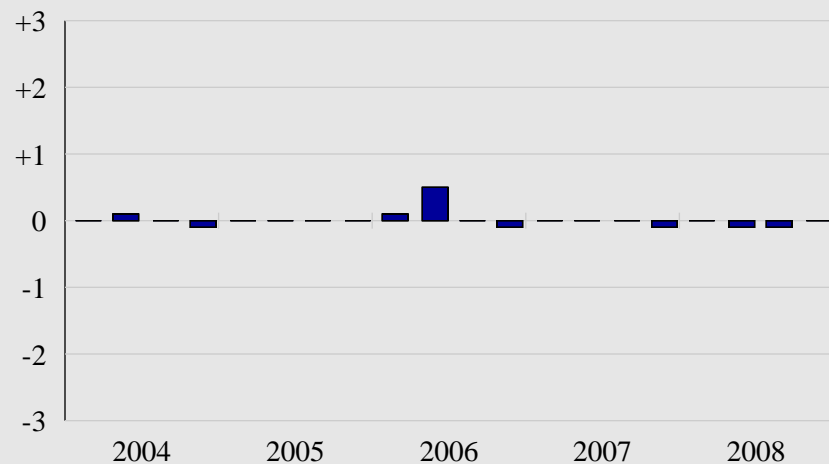
	LAST QTR	LST 2QTRS	LST 3QTRS	LST YEAR	-----ANNUALIZED----- LST 3YRS	LST 5YRS
RETURN	- 19.9	- 36.4	- 37.7	- 43.2	- 6.9	2.1
(RANK)	54	58	57	57	65	77
HIGHEST	- 6.7	- 17.2	- 21.4	- 24.3	1.4	7.8
25TH %ILE	- 16.8	- 31.0	- 32.6	- 38.5	- 3.3	4.9
MEDIAN	- 19.7	- 35.8	- 36.8	- 42.3	- 5.8	3.6
75TH %ILE	- 22.2	- 39.0	- 39.9	- 45.8	- 7.7	2.2
LOWEST	- 27.0	- 45.9	- 46.4	- 51.7	- 11.2	0.0
MSCI EAFE	- 19.9	- 36.3	- 37.5	- 43.1	- 6.9	2.1

International Equity Universe

## INTERNATIONAL EQUITY QUARTER BY QUARTER PERFORMANCE

COMPARATIVE BENCHMARK: MSCI EAFE

## VARIATION FROM BENCHMARK



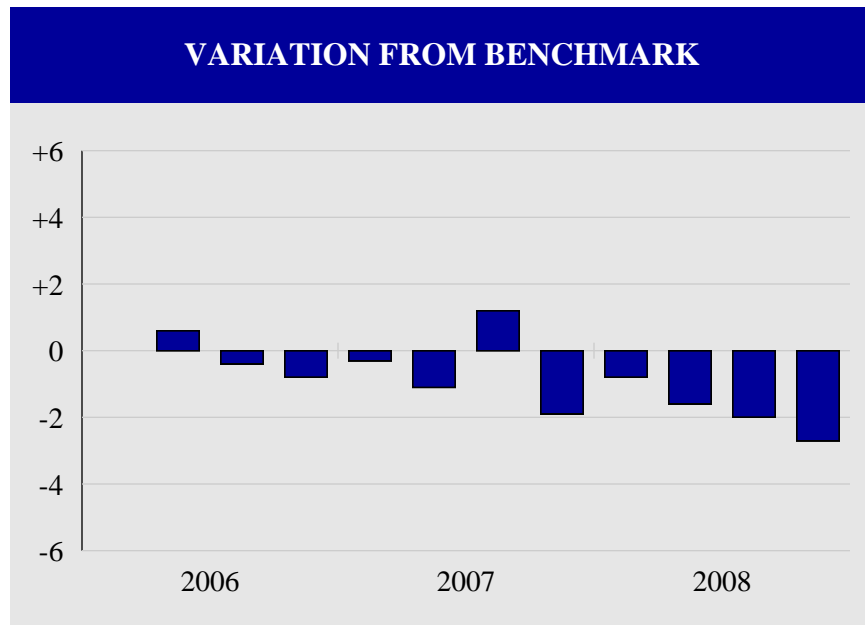
Total Quarters Observed	20
Quarters at or Above the Benchmark	15
Quarters Below the Benchmark	5
Batting Average	.750

## RATES OF RETURN

Date	Portfolio	Benchmark	Difference
304	4.4	4.4	0.0
604	0.5	0.4	0.1
904	-0.2	-0.2	0.0
1204	15.3	15.4	-0.1
305	-0.1	-0.1	0.0
605	-0.8	-0.8	0.0
905	10.4	10.4	0.0
1205	4.1	4.1	0.0
306	9.6	9.5	0.1
606	1.4	0.9	0.5
906	4.0	4.0	0.0
1206	10.3	10.4	-0.1
307	4.1	4.1	0.0
607	6.7	6.7	0.0
907	2.2	2.2	0.0
1207	-1.8	-1.7	-0.1
308	-8.8	-8.8	0.0
608	-2.0	-1.9	-0.1
908	-20.6	-20.5	-0.1
1208	-19.9	-19.9	0.0

## REAL ESTATE QUARTER BY QUARTER PERFORMANCE

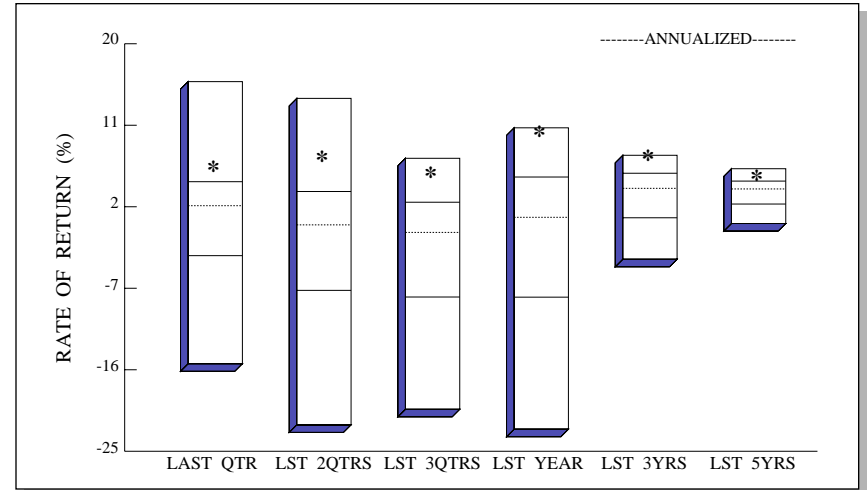
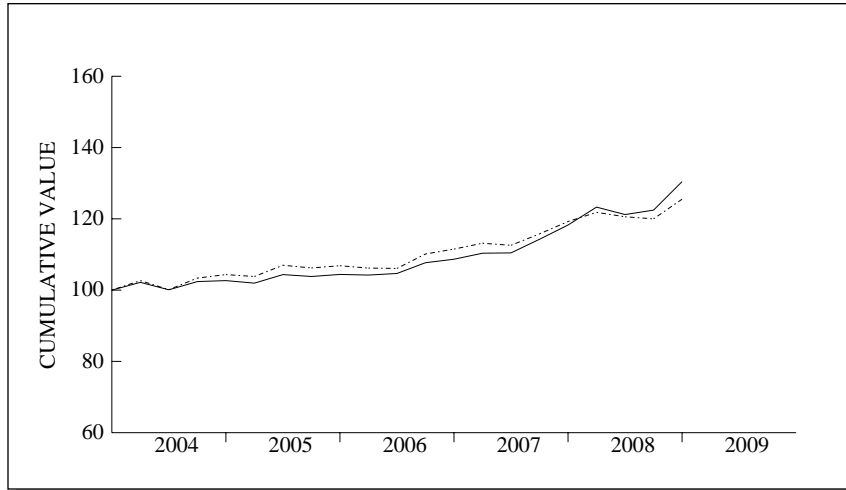
COMPARATIVE BENCHMARK: NCREIF PROPERTY INDEX



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
606	4.6	4.0	0.6
906	3.1	3.5	-0.4
1206	3.7	4.5	-0.8
307	3.3	3.6	-0.3
607	3.5	4.6	-1.1
907	4.8	3.6	1.2
1207	1.3	3.2	-1.9
308	0.8	1.6	-0.8
608	-1.0	0.6	-1.6
908	-2.2	-0.2	-2.0
1208	-11.0	-8.3	-2.7

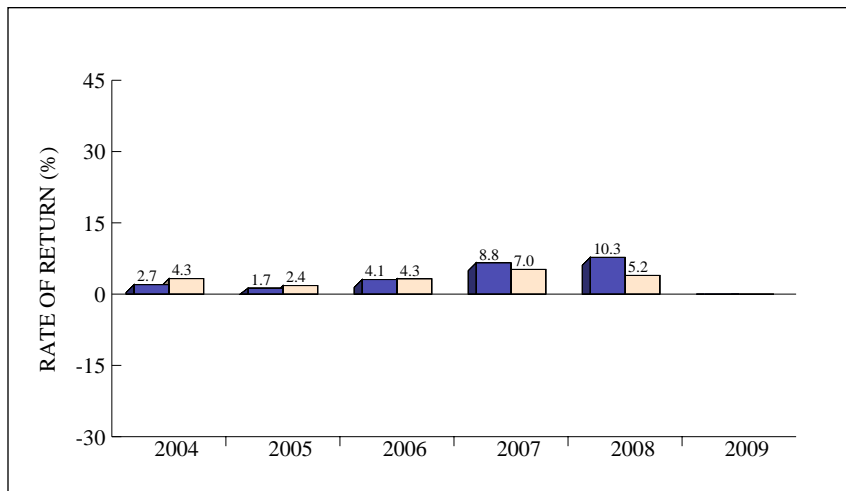
Total Quarters Observed	11
Quarters at or Above the Benchmark	2
Quarters Below the Benchmark	9
Batting Average	.182

**FIXED INCOME RETURN COMPARISONS**



■ ——— PORTFOLIO  
■ - - - - BARCLAYS AGG

Broad Market Fixed Universe

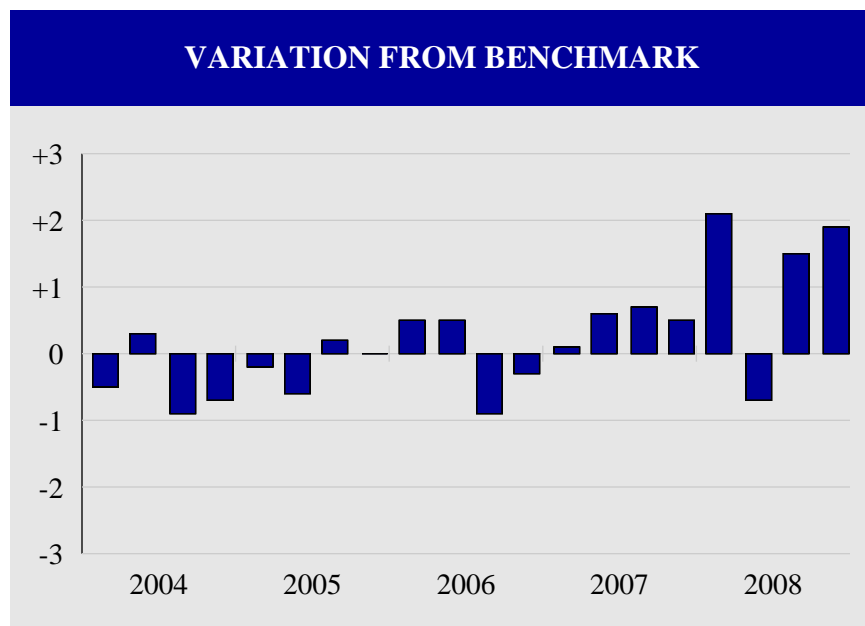


	LAST QTR	LST 2QTRS	LST 3QTRS	LST YEAR	-----ANNUALIZED----- LST 3YRS	LST 5YRS
RETURN	6.5	7.6	5.8	10.3	7.7	5.5
(RANK)	12	10	9	6	5	16
HIGHEST	15.8	14.0	7.4	10.7	7.7	6.2
25TH %ILE	4.8	3.7	2.5	5.3	5.7	4.8
MEDIAN	2.1	0.0	- 0.8	0.8	4.0	4.0
75TH %ILE	- 3.4	- 7.2	- 8.0	- 8.0	0.8	2.3
LOWEST	- 15.3	- 22.1	- 20.4	- 22.6	- 3.8	0.2
BARCLAYS AGG	4.6	4.1	3.0	5.2	5.5	4.6

Broad Market Fixed Universe

**FIXED INCOME QUARTER BY QUARTER PERFORMANCE**

**COMPARATIVE BENCHMARK: BARCLAYS AGGREGATE INDEX**



Total Quarters Observed	20
Quarters at or Above the Benchmark	12
Quarters Below the Benchmark	8
Batting Average	.600

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
304	2.2	2.7	-0.5
604	-2.1	-2.4	0.3
904	2.3	3.2	-0.9
1204	0.3	1.0	-0.7
305	-0.7	-0.5	-0.2
605	2.4	3.0	-0.6
905	-0.5	-0.7	0.2
1205	0.6	0.6	0.0
306	-0.2	-0.7	0.5
606	0.4	-0.1	0.5
906	2.9	3.8	-0.9
1206	0.9	1.2	-0.3
307	1.6	1.5	0.1
607	0.1	-0.5	0.6
907	3.5	2.8	0.7
1207	3.5	3.0	0.5
308	4.3	2.2	2.1
608	-1.7	-1.0	-0.7
908	1.0	-0.5	1.5
1208	6.5	4.6	1.9

## APPENDIX - MAJOR MARKET INDEX RETURNS

<b>Domestic Equity</b>	<b>Style</b>	<b>QTR</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>
Russell 3000	Broad Equity	-22.8	-37.3	-37.3	-8.6	-1.9
S&P 500	Large Cap Core	-21.9	-37.0	-37.0	-8.4	-2.2
Russell 1000	Large Cap Core	-22.5	-37.6	-37.6	-8.7	-2.0
Russell 1000 Growth	Large Cap Growth	-22.8	-38.4	-38.4	-9.1	-3.4
Russell 1000 Value	Large Cap Value	-22.2	-36.8	-36.8	-8.3	-0.8
Russell Midcap	Midcap	-27.3	-41.5	-41.5	-10.7	-0.7
Russell Midcap Growth	Midcap Growth	-27.4	-44.3	-44.3	-11.8	-2.3
Russell Midcap Value	Midcap Value	-27.2	-38.4	-38.4	-10.0	0.3
Russell 2000	Small Cap	-26.1	-33.8	-33.8	-8.3	-0.9
Russell 2000 Growth	Small Cap Growth	-27.5	-38.6	-38.6	-9.3	-2.4
Russell 2000 Value	Small Cap Value	-24.9	-28.9	-28.9	-7.5	0.3
<b>International Equity</b>	<b>Style</b>	<b>QTR</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>
MSCI EAFE	Developed Markets	-19.9	-43.1	-43.1	-6.9	2.1
MSCI EAFE Growth	Developed Markets Growth	-20.1	-42.5	-42.5	-6.2	1.8
MSCI EAFE Value	Developed Markets Value	-19.7	-43.7	-43.7	-7.7	2.3
MSCI Emerging Markets	Emerging Markets	-27.6	-53.2	-53.2	-4.6	8.0
<b>Domestic Fixed Income</b>	<b>Style</b>	<b>QTR</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>
Barclays Aggregate Index	Core Fixed Income	4.6	5.2	5.2	5.5	4.6
Barclays Gov/Credit	Gov/Credit	6.4	5.7	5.7	5.6	4.6
Barclays Capital Gov't Bond	Treasuries	8.1	12.4	12.4	8.1	6.1
Barclays Capital Credit Bond	Corporate Bonds	4.0	-4.9	-4.9	1.3	2.2
Intermediate Aggregate	Core Intermediate	3.6	4.9	4.9	5.5	4.4
Intermediate Gov/Credit	Gov / Credit Intermediate	4.8	5.1	5.1	5.5	4.2
ML 1-3 Year Treasury	Short Term Treasuries	2.7	6.6	6.6	6.0	4.1
CSFB High Yield	High Yield Bonds	-18.8	-26.2	-26.2	-5.3	-0.6
<b>Alternate Assets</b>	<b>Style</b>	<b>QTR</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>
Global Ex-US	International Fixed Income	8.6	9.4	9.4	9.5	6.1
NCREIF Property Index	Real Estate	-8.3	-6.5	-6.5	8.1	11.7
HFRI FOF Composite	Hedge Funds	-8.5	-19.3	-19.3	-0.6	2.4
HFRI FOF Conservative Index	Hedge Funds - Conservative	-8.7	-16.6	-16.6	-0.6	1.8

**APPENDIX - DISCLOSURES**

- \* The shadow index is a customized index that matches your portfolio's asset allocation on a quarterly basis.

This index was calculated using the following asset classes and corresponding benchmarks:

Equity	Wilshire 5000
Fixed Income	Barclays Aggregate Index
Cash & Equivalent	90 Day T Bill
Real Estate	NCREIF Property Index
International Equity	MSCI EAFE

- \* Dahab Associates utilizes data provided by a custodian and other vendors it believes are reliable. However, it cannot assume responsibility for errors and omissions therefrom.
- \* All returns were calculated on a time-weighted basis, and are gross of fees unless otherwise noted.
- \* All returns for periods greater than one year are annualized.
- \* All values are in US dollars.

MIRAMAR FIREFIGHTERS  
NTGI S&P 500  
PERFORMANCE REVIEW  
DECEMBER 2008



## **INVESTMENT RETURN**

On December 31st, 2008, the Miramar Firefighters' NTGI S&P 500 portfolio was valued at \$10,186,807, which was a decrease of \$2,894,430 relative to the September ending value of \$13,081,237. During the last three months, the portfolio posted no net contributions or withdrawals and posted a net investment loss for the quarter of \$2,894,430. Since there were no income receipts for the quarter, the portfolio's net investment losses were the result of capital losses (realized and unrealized).

For the cumulative period since December 2003, the account has recorded net contributions totaling \$3.6 million and posted net investment losses totaling \$2.2 million. For the period since December 2003, if the total fund returned a compounded nominal rate of 7.0% it would have been valued at \$16.3 million or \$6.1 million more than its actual value as of December 31st, 2008.

## **RELATIVE PERFORMANCE**

For the fourth quarter, the NTGI S&P 500 portfolio lost 22.1%, which was 0.2% below the S&P 500 Index's return of -21.9% and ranked in the 60th percentile of the Large Cap Core universe. Over the trailing year, this portfolio returned -37.6%, which was 0.6% less than the benchmark's -37.0% return, and ranked in the 73rd percentile. Since December 2003, the account returned -2.4% annualized and ranked in the 83rd percentile. The S&P 500 returned an annualized -2.2% over the same period.

**EXECUTIVE SUMMARY****PERFORMANCE SUMMARY**

	Quarter	Y-T-D	12 Months	Annualized	
				3-Years	Since 12/2003
<b>Total Gross/Fees</b>	- 22.1%	- 37.6%	- 37.6%	- 8.6%	- 2.4%
<i>LC CORE RANK</i>	( 60)	( 73)	( 73)	( 67)	( 83)
<b>Total Net/Fees</b>	- 22.2%	- 37.7%	- 37.7%	- 8.7%	- 2.5%
<i>LC CORE RANK</i>	( 62)	( 77)	( 77)	( 71)	( 88)
S&P 500	- 21.9	- 37.0	- 37.0	- 8.4	- 2.2
<b>Equity</b>	- 22.1	- 37.6	- 37.6	- 8.6	- 2.4
<i>LC CORE RANK</i>	( 60)	( 73)	( 73)	( 67)	( 83)
S&P 500	- 21.9	- 37.0	- 37.0	- 8.4	- 2.2

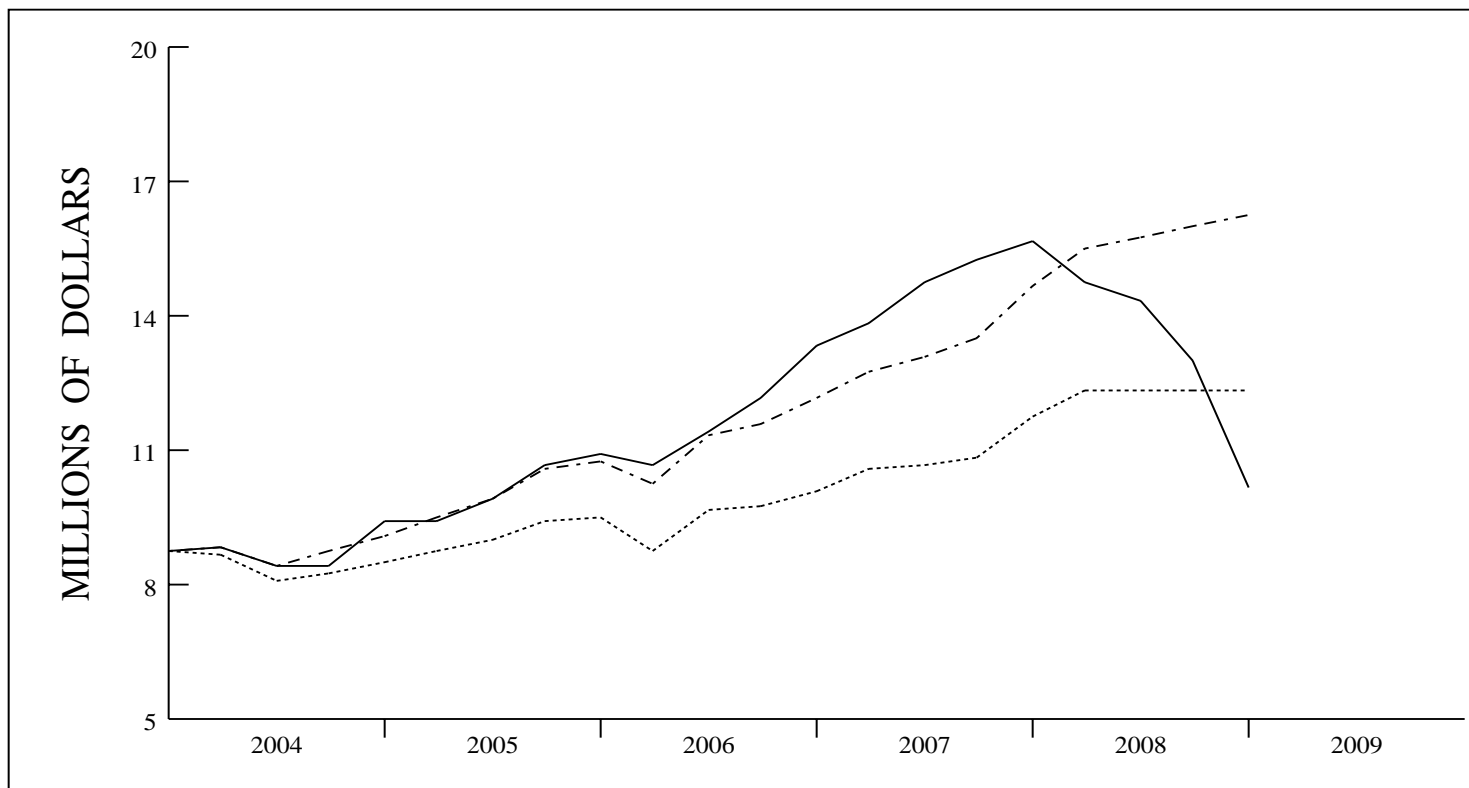
**ASSET ALLOCATION**

Equity	100.0%	\$ 10, 186, 807
Int'l Equity	0.0%	0
Alternate Assets	0.0%	0
Real Estate	0.0%	0
Fixed Income	0.0%	0
Other	0.0%	0
Cash	0.0%	0
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 10, 186, 807</b>

**INVESTMENT RETURN**

Market Value 9/2008	\$ 13,081,237
Contribs / Withdrawals	0
Income	0
Capital Gains / Losses	- 2,894,430
Market Value 12/2008	\$ 10,186,807

**INVESTMENT GROWTH**

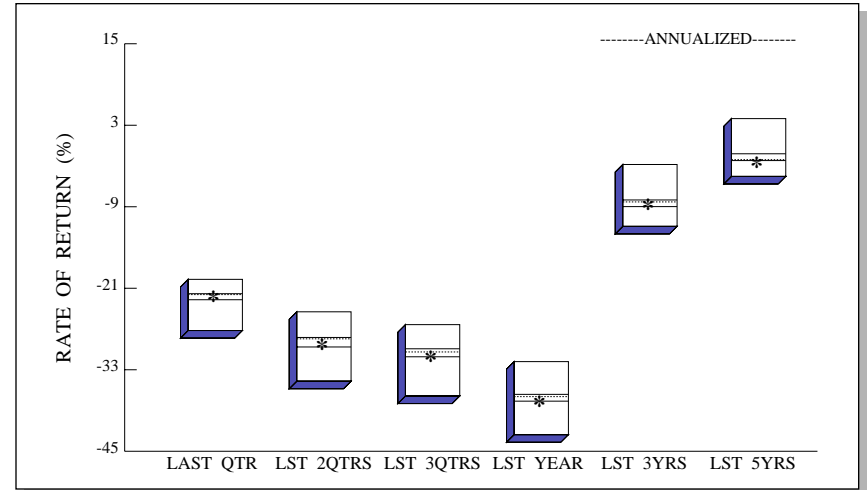
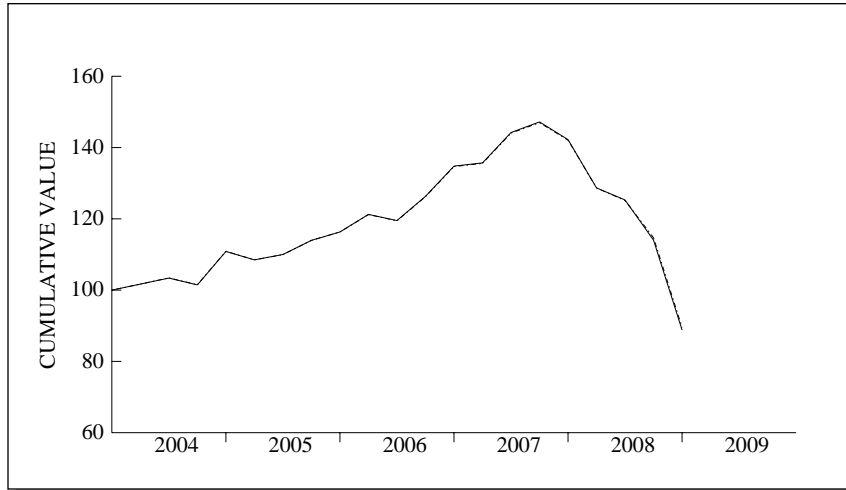


— ACTUAL RETURN  
 - - - 7.0%  
 ..... 0.0%

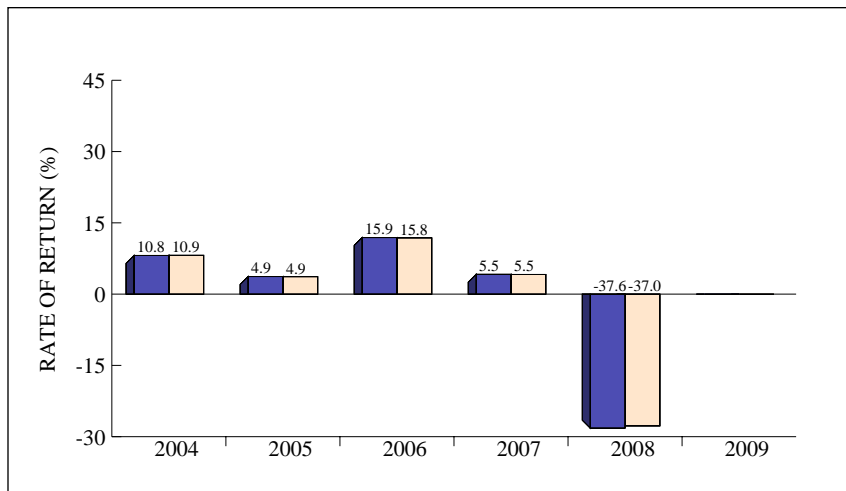
VALUE ASSUMING  
 7.0% RETURN  
 \$ 16,311,140

	LAST QUARTER	PERIOD 12/03 - 12/08
BEGINNING VALUE	\$ 13,081,237	\$ 8,760,140
NET CONTRIBUTIONS	0	3,580,253
<u>INVESTMENT RETURN</u>	<u>- 2,894,430</u>	<u>- 2,153,586</u>
ENDING VALUE	\$ 10,186,807	\$ 10,186,807
INCOME	0	0
CAPITAL GAINS (LOSSES)	<u>- 2,894,430</u>	<u>- 2,153,586</u>
<u>INVESTMENT RETURN</u>	<u>- 2,894,430</u>	<u>- 2,153,586</u>

**TOTAL RETURN COMPARISONS**



Large Cap Core Universe

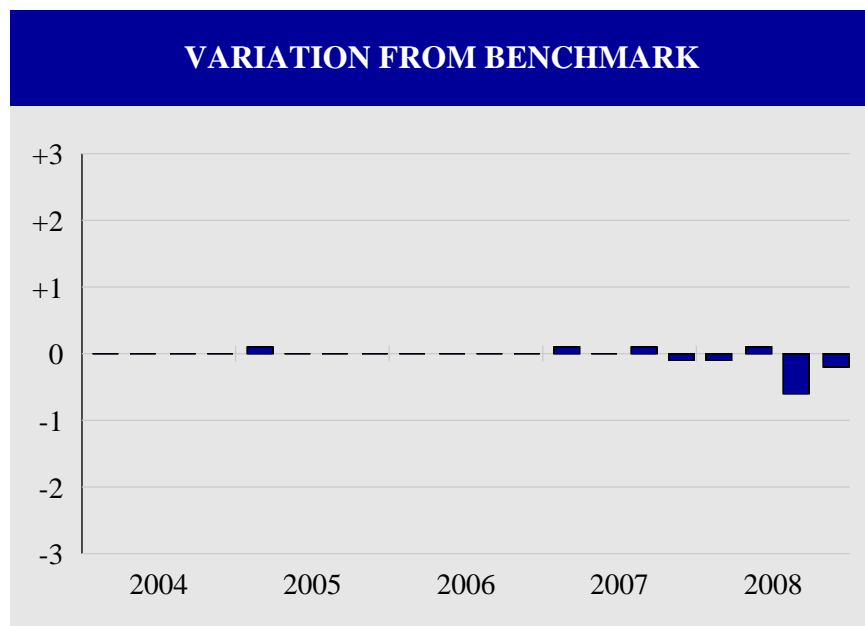


	LAST QTR	LST 2QTRS	LST 3QTRS	LST YEAR	-----ANNUALIZED----- LST 3YRS	LST 5YRS
RETURN	- 22.1	- 29.1	- 31.0	- 37.6	- 8.6	- 2.4
(RANK)	60	66	73	73	67	83
HIGHEST	- 19.7	- 24.5	- 26.4	- 31.8	- 2.8	4.0
25TH %ILE	- 21.8	- 28.3	- 29.9	- 36.6	- 8.0	- 1.2
MEDIAN	- 21.9	- 28.5	- 30.4	- 37.0	- 8.3	- 2.1
75TH %ILE	- 22.7	- 29.6	- 31.1	- 37.6	- 9.0	- 2.2
LOWEST	- 27.2	- 34.7	- 36.9	- 42.6	- 11.9	- 4.5
S&P 500	- 21.9	- 28.5	- 30.4	- 37.0	- 8.4	- 2.2

Large Cap Core Universe

### QUARTER BY QUARTER PERFORMANCE

COMPARATIVE BENCHMARK: S&P 500



Total Quarters Observed	20
Quarters at or Above the Benchmark	16
Quarters Below the Benchmark	4
Batting Average	.800

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
304	1.7	1.7	0.0
604	1.7	1.7	0.0
904	-1.9	-1.9	0.0
1204	9.2	9.2	0.0
305	-2.1	-2.2	0.1
605	1.4	1.4	0.0
905	3.6	3.6	0.0
1205	2.1	2.1	0.0
306	4.2	4.2	0.0
606	-1.4	-1.4	0.0
906	5.7	5.7	0.0
1206	6.7	6.7	0.0
307	0.7	0.6	0.1
607	6.3	6.3	0.0
907	2.1	2.0	0.1
1207	-3.4	-3.3	-0.1
308	-9.5	-9.4	-0.1
608	-2.6	-2.7	0.1
908	-9.0	-8.4	-0.6
1208	-22.1	-21.9	-0.2

MIRAMAR FIREFIGHTERS  
INDEPENDENCE  
PERFORMANCE REVIEW  
DECEMBER 2008

## **INVESTMENT RETURN**

On December 31st, 2008, the Miramar Firefighters' Independence account was valued at \$5,092,110, which was a decrease of \$2,239,413 from the September ending value of \$7,331,523. Last quarter, the portfolio posted no net contributions or withdrawals and posted a net investment loss for the period of \$2,239,413. The portfolio's net investment loss was comprised of \$7,827 in income receipts and \$2,247,240 in net realized and unrealized capital losses.

Since December 2007, the fund has recorded net contributions totaling \$152,359, while posting \$4.1 million in net investment losses. For the period since December 2007, if the fund had returned a compounded nominal rate of 7.0% it would have been worth \$9.8 million or \$4.7 million more than its actual value as of December 31st, 2008.

## **RELATIVE PERFORMANCE**

In the fourth quarter, the Independence portfolio lost 30.5%, which was 4.2% below the Russell 2500 Index's return of -26.3% and ranked in the 55th percentile of the SMidcap universe. Over the trailing year, this portfolio returned -44.7%, which was 7.9% less than the benchmark's -36.8% performance, ranking in the 96th percentile.

## **ASSET ALLOCATION**

At the end of the fourth quarter, equities comprised 98.3% of the total portfolio (\$5.0 million), while cash & equivalents comprised the remaining 1.7% (\$85,410).

## **EQUITY ANALYSIS**

At the end of the quarter, the Independence portfolio was invested in all of eleven industry sectors in our analysis. Allocations to the Non-Durable Goods, Transportation, Computer Technology, and Service sectors were heavier in the portfolio than in the Russell 2500 index. Allocations to Basic, Durable Consumer Goods, and Utilities were notably lighter.

With the exception of the 0.1% return from First Mercury Financial, losses among the top ten holdings ranged from -14.1% to -57.1%. Heavier allocations in Non-Durable Consumer Goods and Technology served to magnify the impact of losses that substantially exceeded their benchmark counterparts. As a result, the portfolio fell shy of the Russell 2500 benchmark index.

**EXECUTIVE SUMMARY****PERFORMANCE SUMMARY**

	Quarter	Y-T-D	12 Months	3 Years*	Since 12/2007
<b>Total Gross/Fees</b>	- 30.5%	- 44.7%	- 44.7%	----	- 44.7%
<i>SMIDCAP RANK</i>	( 55)	( 96)	( 96)		( 96)
<b>Total Net/Fees</b>	- 30.7%	- 45.2%	- 45.2%	----	- 45.2%
<i>SMIDCAP RANK</i>	( 56)	( 97)	( 97)		( 97)
RUSSELL 2500	- 26.3	- 36.8	- 36.8	- 9.4	- 36.8
<b>Equity</b>	- 31.1	- 45.2	- 45.2	----	- 45.2
<i>SMIDCAP RANK</i>	( 58)	( 97)	( 97)		( 97)
RUSSELL 2500	- 26.3	- 36.8	- 36.8	- 9.4	- 36.8

**ASSET ALLOCATION**

Equity	98.3%	\$ 5, 006, 700
Int'l Equity	0.0%	0
Alternate Assets	0.0%	0
Real Estate	0.0%	0
Fixed Income	0.0%	0
Other	0.0%	0
Cash	1.7%	85, 410
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 5, 092, 110</b>

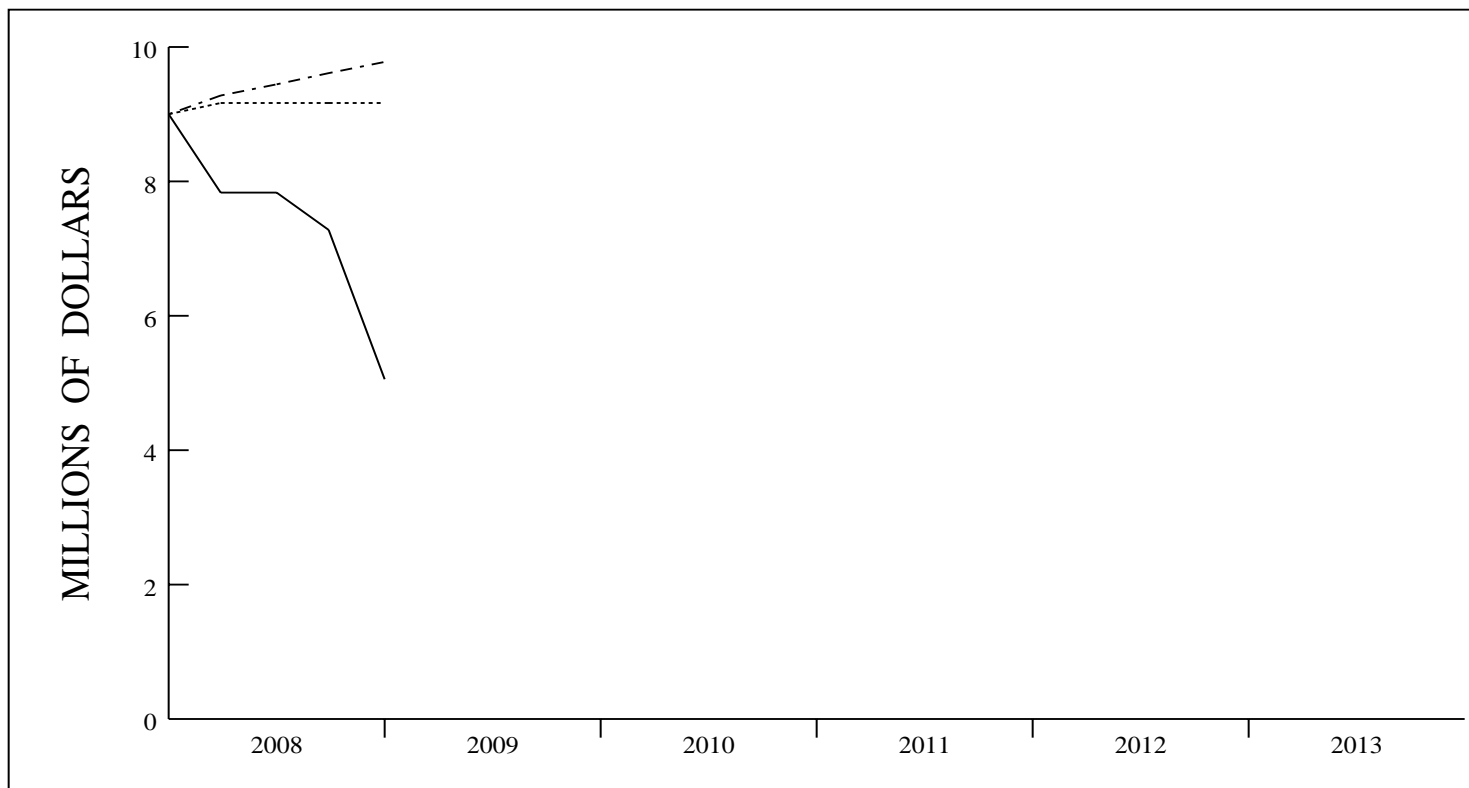
**INVESTMENT RETURN**

Market Value 9/2008	\$ 7,331,523
Contribs / Withdrawals	0
Income	7,827
Capital Gains / Losses	- 2,247,240
Market Value 12/2008	\$ 5,092,110

\* Annualized Return



**INVESTMENT GROWTH**

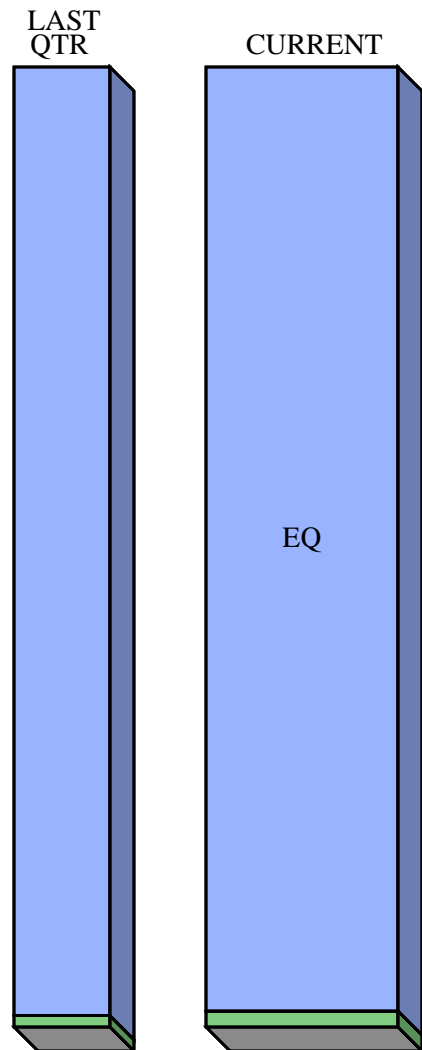


— ACTUAL RETURN  
 - - - 7.0%  
 . . . 0.0%

VALUE ASSUMING  
 7.0% RETURN  
 \$ 9,816,041

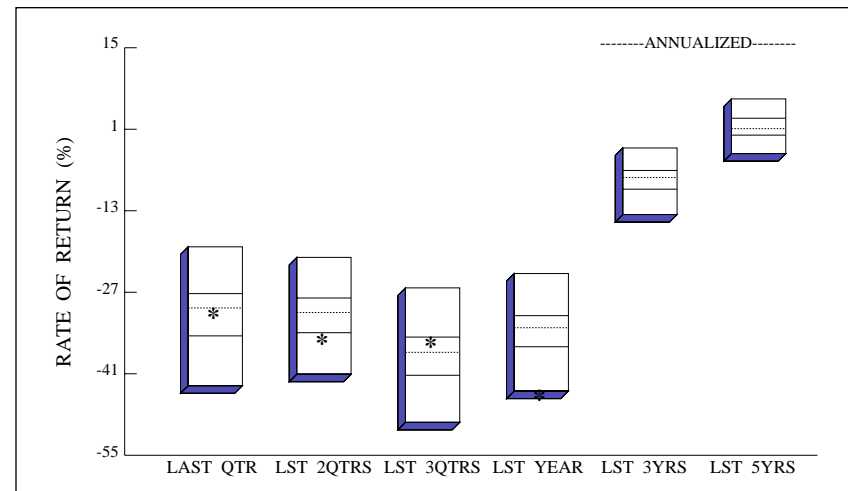
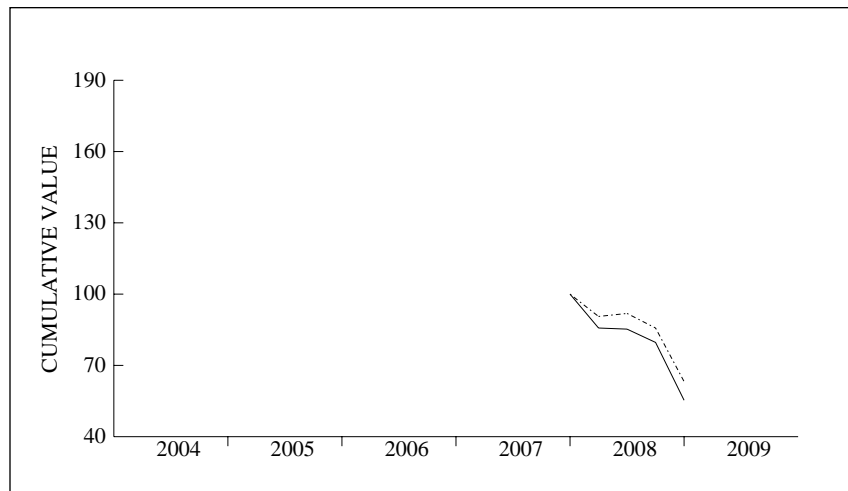
	LAST QUARTER	PERIOD 12/07 - 12/08
BEGINNING VALUE	\$ 7,331,523	\$ 9,025,150
NET CONTRIBUTIONS	0	152,359
INVESTMENT RETURN	<u>- 2,239,413</u>	<u>- 4,085,399</u>
ENDING VALUE	\$ 5,092,110	\$ 5,092,110
INCOME	7,827	26,315
CAPITAL GAINS (LOSSES)	<u>- 2,247,240</u>	<u>- 4,111,714</u>
INVESTMENT RETURN	<u>- 2,239,413</u>	<u>- 4,085,399</u>

**ASSET ALLOCATION**

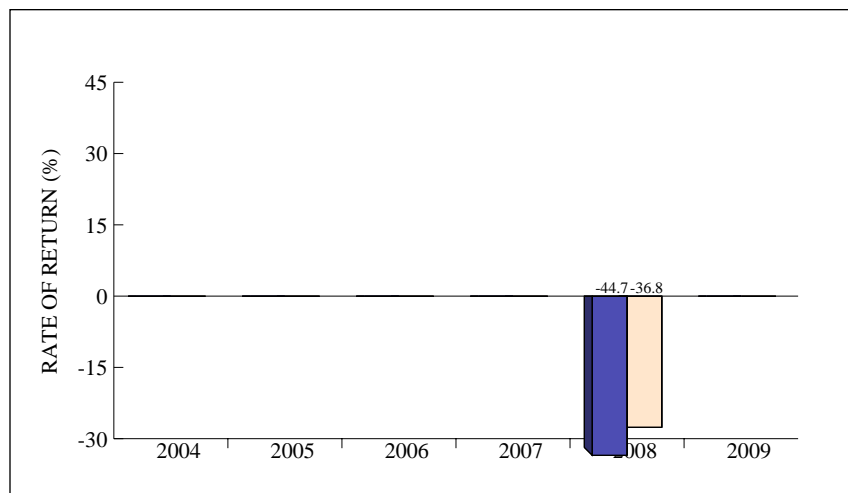


	<u>VALUE</u>	<u>PERCENT</u>
EQUITIES	\$ 5,006,700	98.3%
FIXED INCOME	0	0.0%
CASH & EQUIVALENTS	85,410	1.7%
<hr/>		
TOTAL FUND	<hr/> \$ 5,092,110	<hr/> 100.0%

**TOTAL RETURN COMPARISONS**



SMidcap Universe

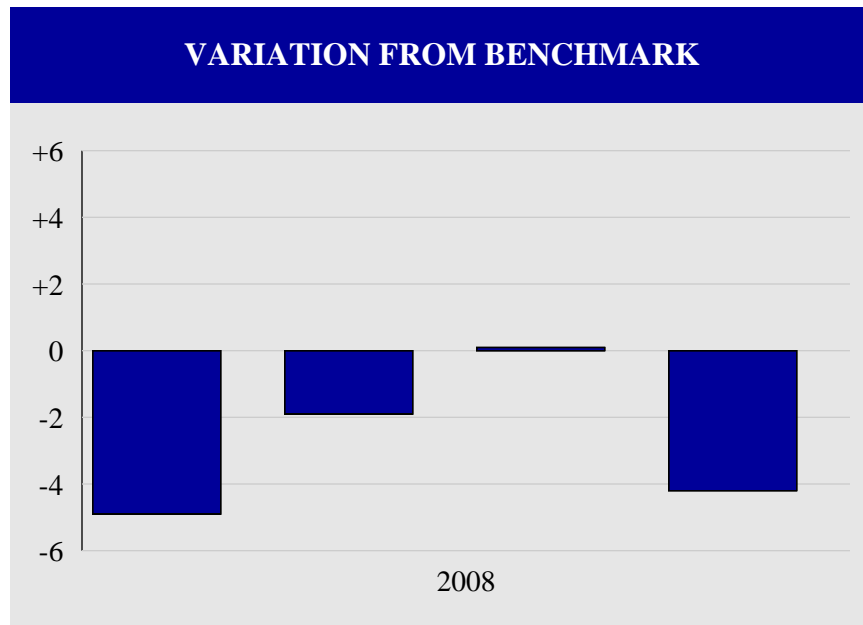


	LAST QTR	LST 2QTRS	LST 3QTRS	LST YEAR	-----ANNUALIZED-----	
					LST 3YRS	LST 5YRS
RETURN	- 30.5	- 35.1	- 35.4	- 44.7	*****	*****
(RANK)	55	81	28	96		
HIGHEST	- 19.2	- 21.0	- 26.2	- 23.8	- 2.2	6.2
25TH %ILE	- 27.2	- 28.0	- 34.7	- 31.0	- 6.1	2.9
MEDIAN	- 29.7	- 30.5	- 37.3	- 33.1	- 7.3	1.1
75TH %ILE	- 34.5	- 34.0	- 41.3	- 36.4	- 9.3	0.0
LOWEST	- 43.1	- 41.1	- 49.4	- 44.0	- 13.6	- 3.2
RUSSELL 2500	- 26.3	- 31.2	- 30.3	- 36.8	- 9.4	- 1.0

SMidcap Universe

**QUARTER BY QUARTER PERFORMANCE**

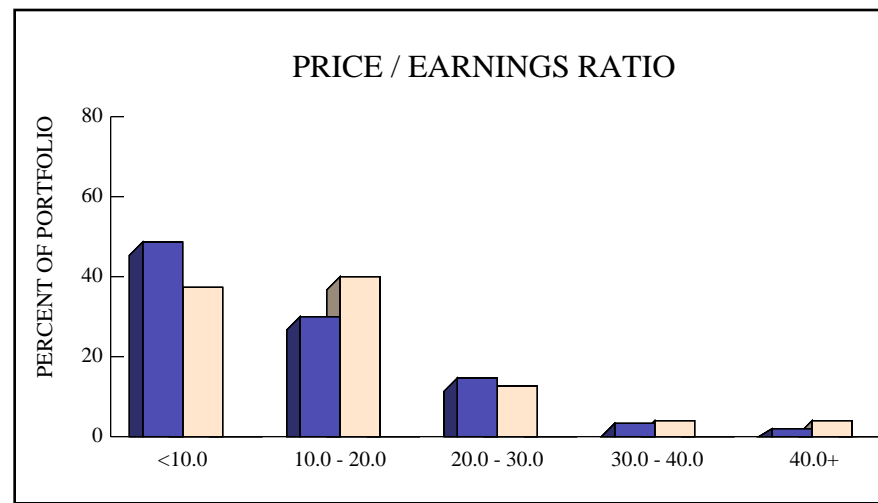
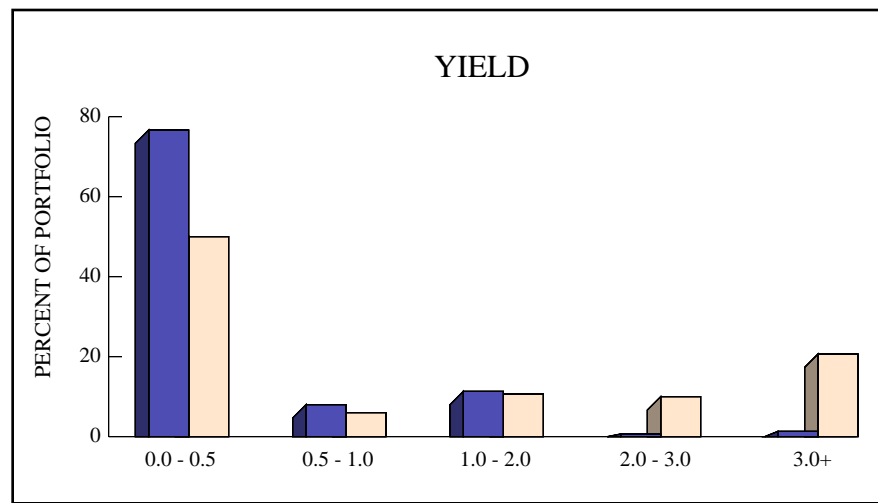
**COMPARATIVE BENCHMARK: RUSSELL 2500**



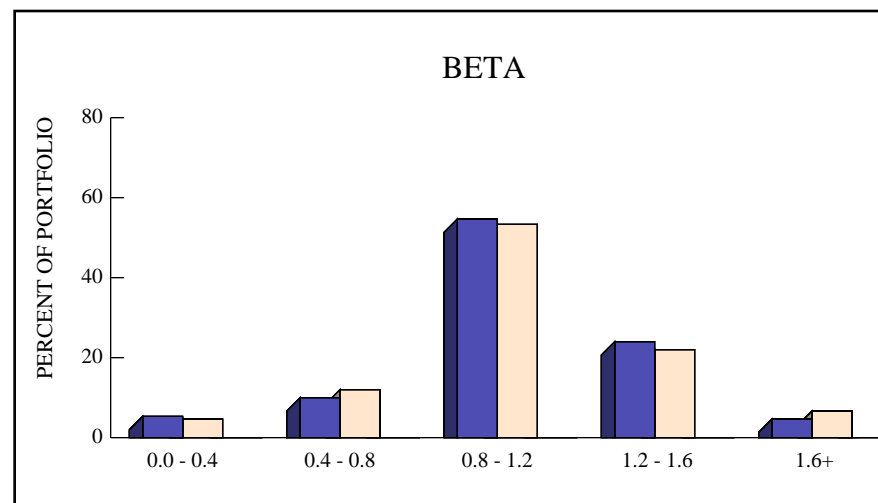
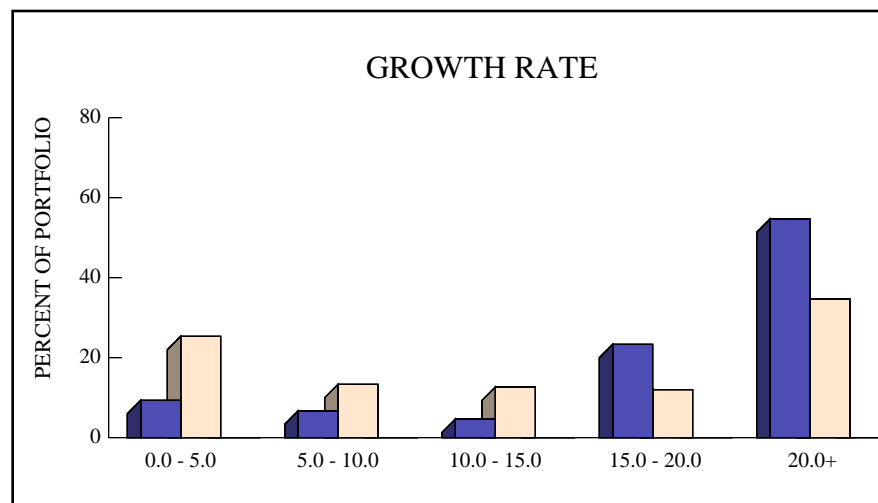
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
308	-14.3	-9.4	-4.9
608	-0.5	1.4	-1.9
908	-6.6	-6.7	0.1
1208	-30.5	-26.3	-4.2

Total Quarters Observed	4
Quarters at or Above the Benchmark	1
Quarters Below the Benchmark	3
Batting Average	.250

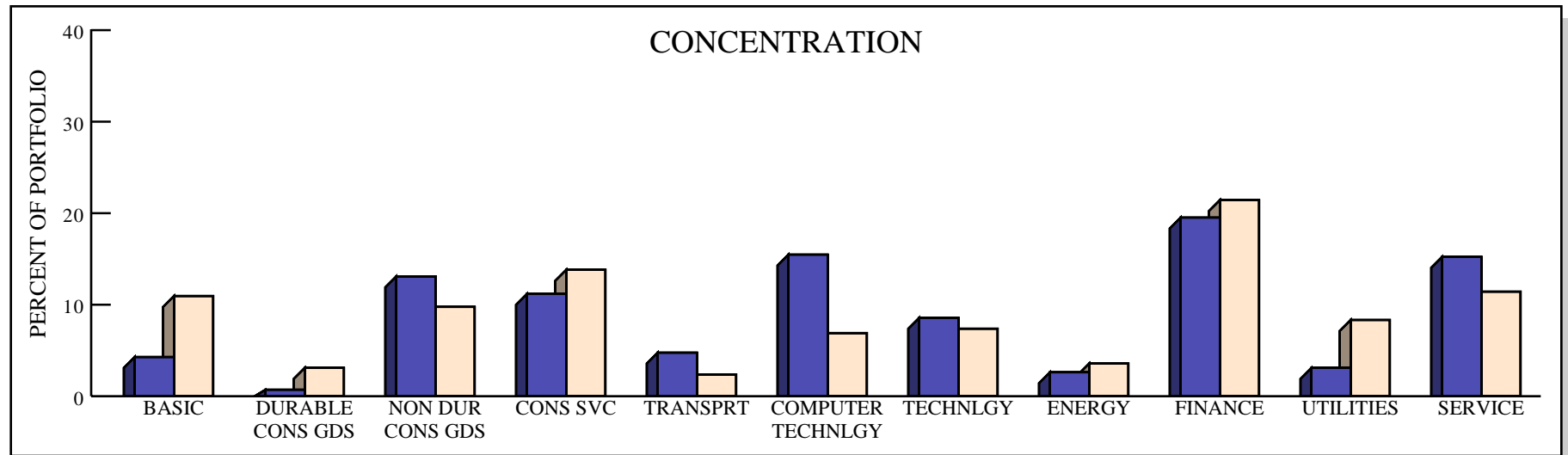
**STOCK CHARACTERISTICS**



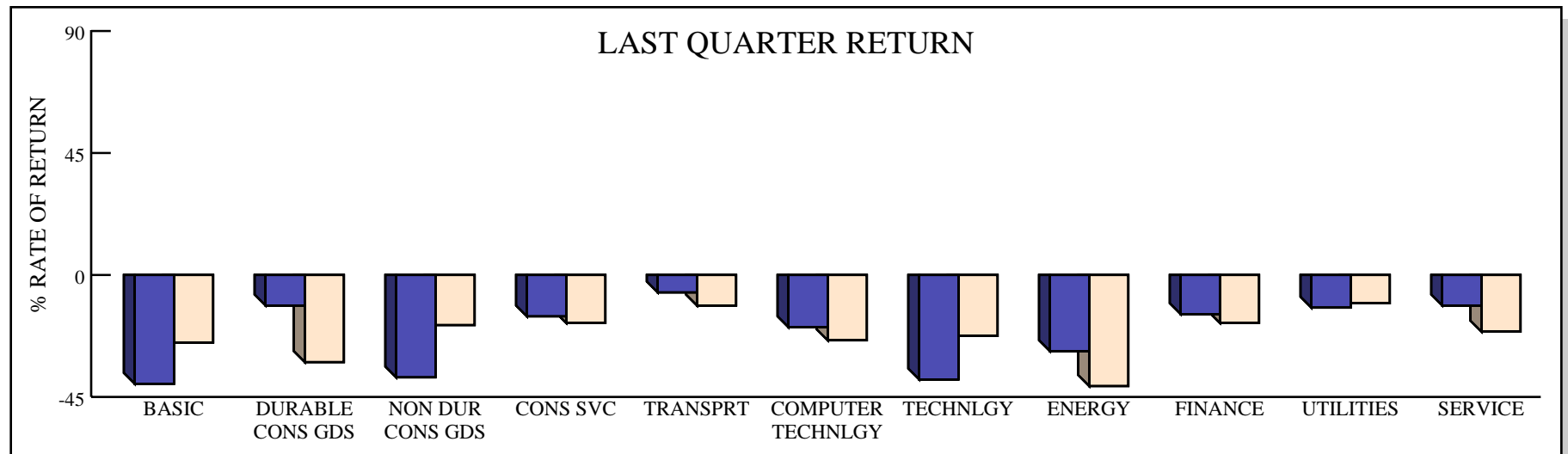
	YIELD	GROWTH	P/E	BETA
PORTFOLIO	0.3%	32.6%	12.4	1.04
RUSSELL 2500	1.6%	16.0%	13.8	1.04



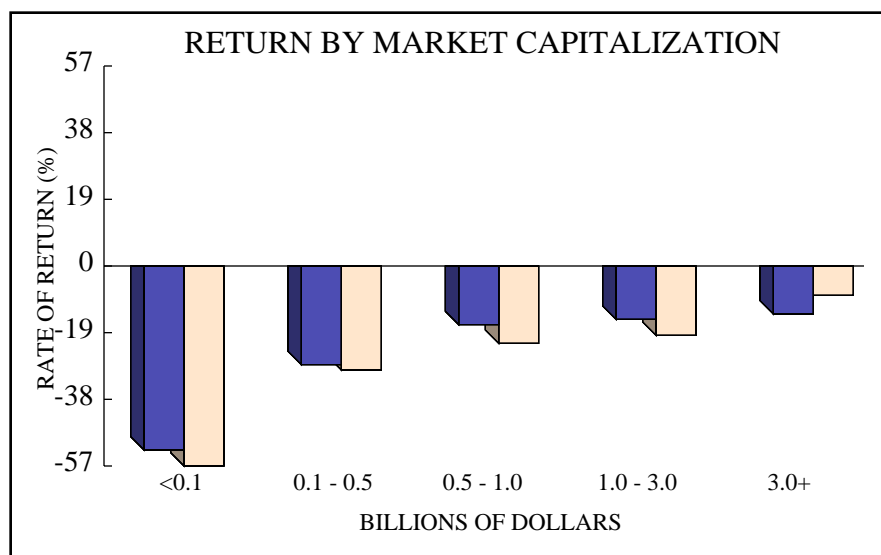
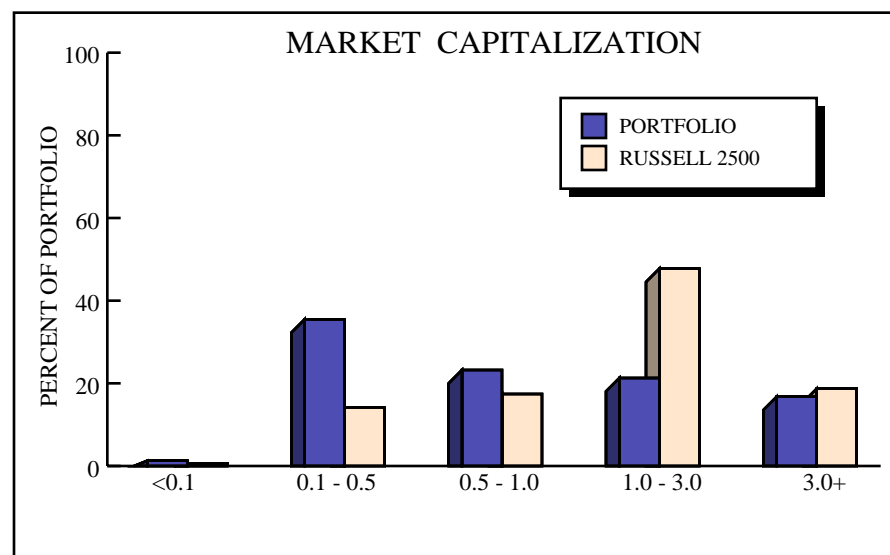
**STOCK INDUSTRY ANALYSIS**



■ PORTFOLIO    ■ RUSSELL 2500



## TOP TEN HOLDINGS



## TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	FIRST MERCURY FINANCIAL CORP	\$ 165,416	3.30%	0.1%	Finance	\$ 0.3 B
2	UNITED NATURAL FOODS INC	146,124	2.92%	-28.7%	Service	0.8 B
3	NATIONAL INTERSTATE CORP	142,960	2.86%	-25.4%	Finance	0.3 B
4	AMTRUST FINANCIAL SERVICES	142,680	2.85%	-14.3%	Finance	0.7 B
5	TRACTOR SUPPLY COMPANY	133,718	2.67%	-14.1%	Consumer Service	1.3 B
6	SYMMETRY MEDICAL INC	132,302	2.64%	-57.1%	Technology	0.3 B
7	INVERNESS MEDICAL INNOVATION	128,588	2.57%	-37.0%	NonDur Cons Goods	1.5 B
8	AIR METHODS CORP	127,920	2.55%	-43.5%	Transportation	0.2 B
9	GOODRICH PETROLEUM CORP	116,805	2.33%	-31.3%	Energy	1.1 B
10	IPG PHOTONICS CORP	113,348	2.26%	-32.4%	Computer Tech	0.6 B

MIRAMAR FIREFIGHTERS  
NTGI SMALL CAP  
PERFORMANCE REVIEW  
DECEMBER 2008



## **INVESTMENT RETURN**

As of December 31st, 2008, the Miramar Firefighters' NTGI Small Cap account was valued at \$6,764,511, which represented a decrease of \$2,423,520 relative to the September ending value of \$9,188,031. Over the last three months, the Fund posted no net contributions or withdrawals, while sustaining a net investment loss of \$2,423,520. Because there were no income receipts during the quarter, net investment losses were the result of capital losses (realized and unrealized).

Since December 2003, the fund has posted net withdrawals totaling \$6.3 million in addition to net investment gains of \$2.4 million. Since December 2003, if the account returned a compounded nominal rate of 7.0% it would have been worth \$8.1 million or \$1.3 million more than its actual value as of December 31st, 2008.

## **RELATIVE PERFORMANCE**

For the fourth quarter, the NTGI Small Cap portfolio lost 26.4%, which was 0.3% less than the Russell 2000 Index's return of -26.1% and ranked in the 54th percentile of the Small Cap universe. Over the trailing twelve-month period, this portfolio returned -38.7%, which was 4.9% below the benchmark's -33.8% return, ranking in the 62nd percentile. Since December 2003, the portfolio returned -0.5% annualized and ranked in the 50th percentile. The Russell 2000 returned an annualized -0.9% over the same period.

**EXECUTIVE SUMMARY****PERFORMANCE SUMMARY**

	Quarter	Y-T-D	12 Months	Annualized	
				3-Years	Since 12/2003
<b>Total Gross/Fees</b>	- 26.4%	- 38.7%	- 38.7%	- 9.2%	- 0.5%
SMALL CAP RANK	( 54)	( 62)	( 62)	( 55)	( 50)
<b>Total Net/Fees</b>	- 26.4%	- 38.8%	- 38.8%	- 9.4%	- 0.7%
SMALL CAP RANK	( 55)	( 63)	( 63)	( 57)	( 52)
RUSSELL 2000	- 26.1	- 33.8	- 33.8	- 8.3	- 0.9
<b>Equity</b>	- 26.4	- 38.7	- 38.7	- 9.2	- 0.5
SMALL CAP RANK	( 54)	( 62)	( 62)	( 55)	( 50)
RUSSELL 2000	- 26.1	- 33.8	- 33.8	- 8.3	- 0.9

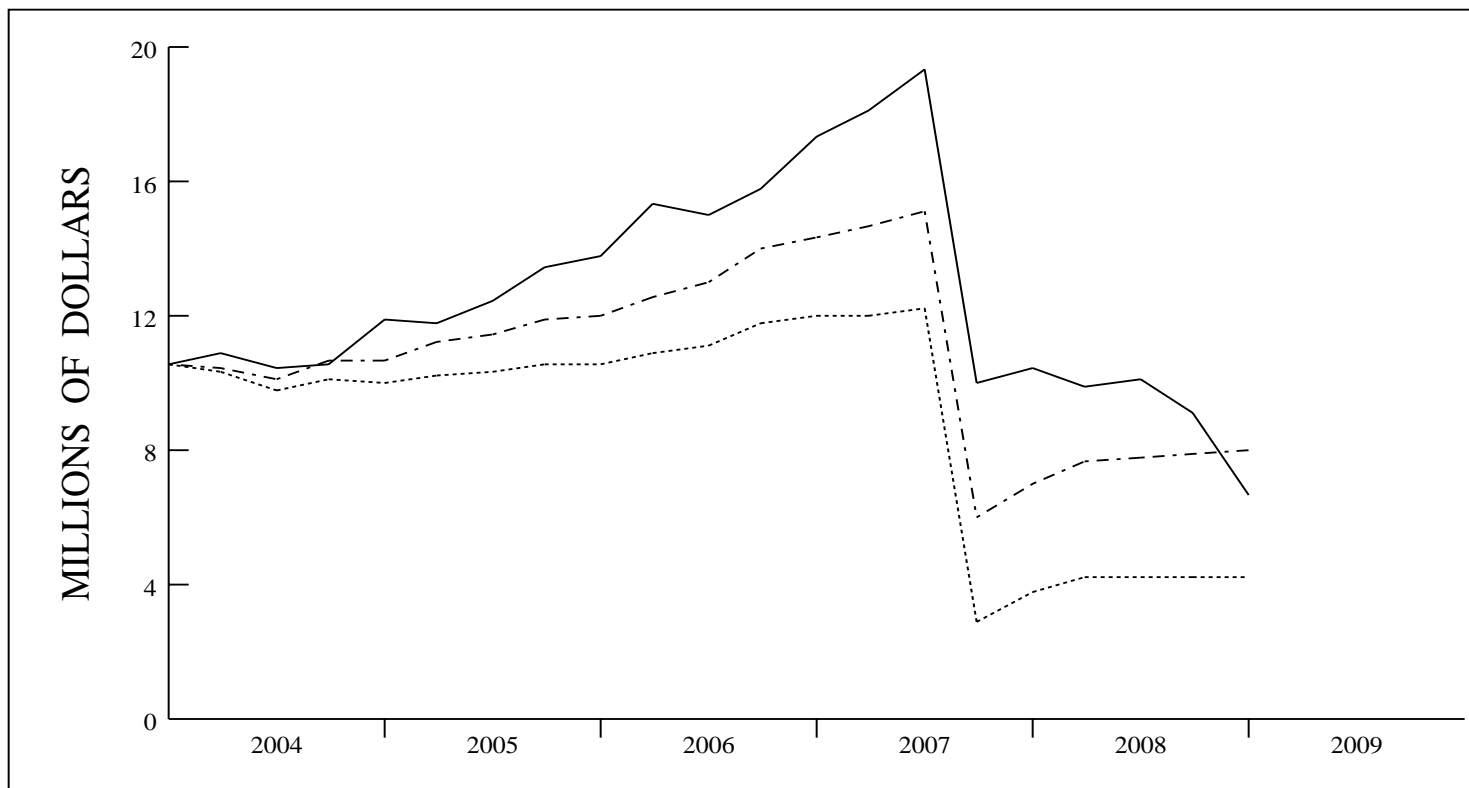
**ASSET ALLOCATION**

Equity	100.0%	\$ 6,764,511
Int'l Equity	0.0%	0
Alternate Assets	0.0%	0
Real Estate	0.0%	0
Fixed Income	0.0%	0
Other	0.0%	0
Cash	0.0%	0
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 6,764,511</b>

**INVESTMENT RETURN**

Market Value 9/2008	\$ 9,188,031
Contribs / Withdrawals	0
Income	0
Capital Gains / Losses	- 2,423,520
Market Value 12/2008	\$ 6,764,511

**INVESTMENT GROWTH**

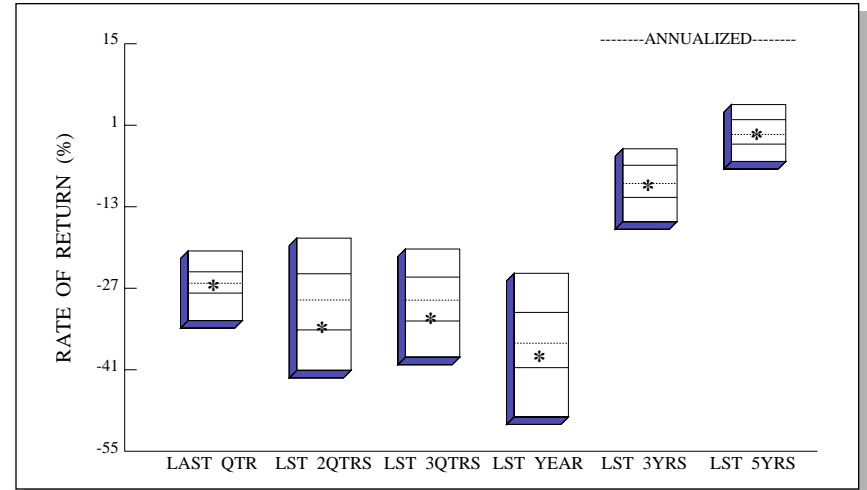
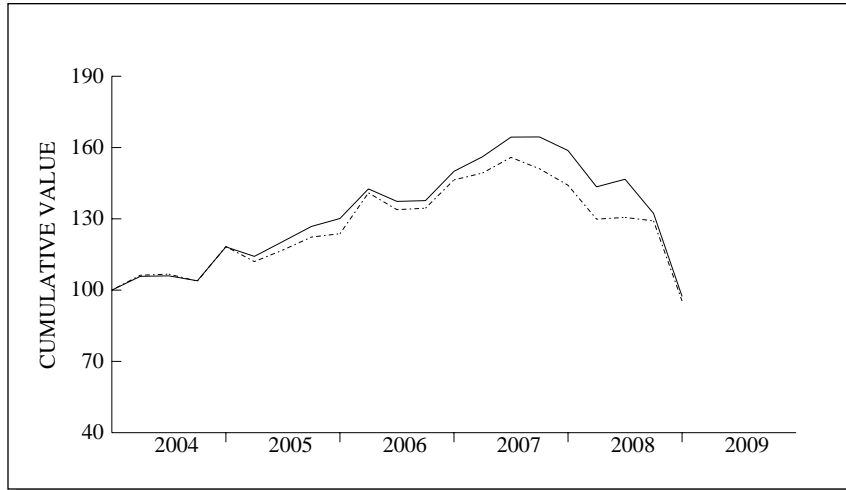


— ACTUAL RETURN  
 - - - 7.0%  
 ..... 0.0%

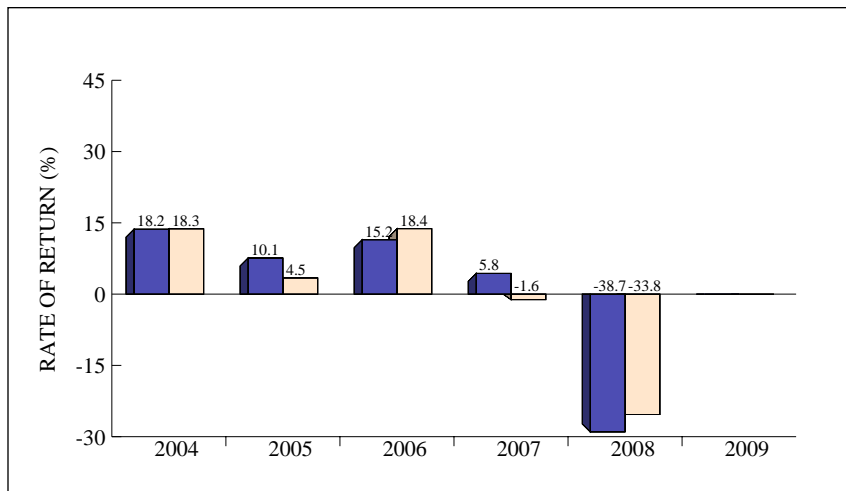
VALUE ASSUMING  
 7.0% RETURN  
 \$ 8,093,491

	LAST QUARTER	PERIOD 12/03 - 12/08
BEGINNING VALUE	\$ 9,188,031	\$ 10,581,580
NET CONTRIBUTIONS	0	- 6,265,533
INVESTMENT RETURN	- 2,423,520	2,448,464
ENDING VALUE	\$ 6,764,511	\$ 6,764,511
INCOME	0	0
CAPITAL GAINS (LOSSES)	- 2,423,520	2,448,464
INVESTMENT RETURN	- 2,423,520	2,448,464

**TOTAL RETURN COMPARISONS**



Small Cap Universe

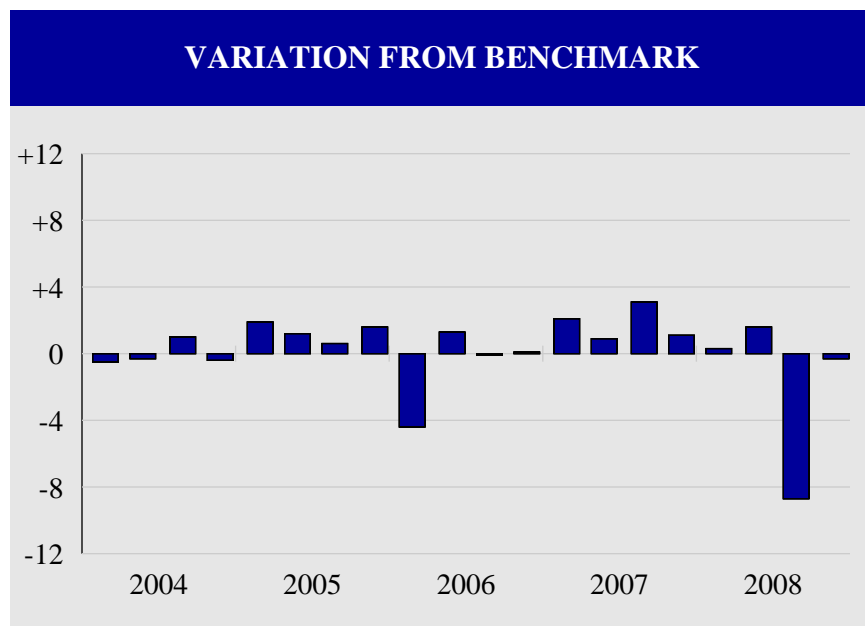


	LAST QTR	LST 2QTRS	LST 3QTRS	LST YEAR	-----ANNUALIZED-----	
					LST 3YRS	LST 5YRS
RETURN	- 26.4	- 33.6	- 32.1	- 38.7	- 9.2	- 0.5
(RANK)	54	74	74	62	55	50
HIGHEST	- 20.6	- 18.4	- 20.3	- 24.4	- 3.0	4.5
25TH %ILE	- 24.2	- 24.5	- 25.1	- 31.2	- 5.9	2.0
MEDIAN	- 26.2	- 29.0	- 29.1	- 36.5	- 9.0	- 0.6
75TH %ILE	- 27.8	- 34.2	- 32.6	- 40.6	- 11.4	- 2.3
LOWEST	- 32.5	- 41.1	- 38.9	- 49.1	- 15.6	- 5.2
RUSSELL 2000	- 26.1	- 26.9	- 26.5	- 33.8	- 8.3	- 0.9

Small Cap Universe

**QUARTER BY QUARTER PERFORMANCE**

**COMPARATIVE BENCHMARK: RUSSELL 2000**



Total Quarters Observed	20
Quarters at or Above the Benchmark	13
Quarters Below the Benchmark	7
Batting Average	.650

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
304	5.8	6.3	-0.5
604	0.2	0.5	-0.3
904	-1.9	-2.9	1.0
1204	13.7	14.1	-0.4
305	-3.4	-5.3	1.9
605	5.5	4.3	1.2
905	5.3	4.7	0.6
1205	2.7	1.1	1.6
306	9.5	13.9	-4.4
606	-3.7	-5.0	1.3
906	0.3	0.4	-0.1
1206	9.0	8.9	0.1
307	4.1	2.0	2.1
607	5.3	4.4	0.9
907	0.0	-3.1	3.1
1207	-3.5	-4.6	1.1
308	-9.6	-9.9	0.3
608	2.2	0.6	1.6
908	-9.8	-1.1	-8.7
1208	-26.4	-26.1	-0.3

MIRAMAR FIREFIGHTERS  
NTGI EAFE  
PERFORMANCE REVIEW  
DECEMBER 2008

## **INVESTMENT RETURN**

On December 31st, 2008, the Miramar Firefighters' NTGI EAFE portfolio was valued at \$3,035,550, which represented a decrease of \$755,489 from the September ending value of \$3,791,039. Last quarter, the portfolio posted no net contributions or withdrawals and sustained a net investment loss for the period of \$755,489. Since there were no income receipts for the period, net investment losses were the result of capital losses (realized and unrealized).

For the cumulative period since December 2003, the portfolio has posted net contributions totaling \$947,113, and has recorded net investment gains totaling \$143,297. For the period since December 2003, if the total account earned a compounded nominal rate of 7.0% it would have been valued at \$3.9 million or \$882,427 more than its actual value as of December 31st, 2008.

## **RELATIVE PERFORMANCE**

For the fourth quarter, the NTGI EAFE portfolio returned -19.9%, which was equal to the MSCI EAFE Index's return of -19.9% and ranked in the 54th percentile of the International Equity universe. Over the trailing twelve-month period, the portfolio returned -43.2%, which was 0.1% below the benchmark's -43.1% return, and ranked in the 57th percentile. Since December 2003, the portfolio returned 2.1% per annum and ranked in the 77th percentile. For comparison, the MSCI EAFE Index returned an annualized 2.1% over the same time frame.

**EXECUTIVE SUMMARY****PERFORMANCE SUMMARY**

	Quarter	Y-T-D	12 Months	Annualized	
				3-Years	Since 12/2003
<b>Total Gross/Fees</b>	- 19.9%	- 43.2%	- 43.2%	- 6.9%	2.1%
<i>INTL EQ RANK</i>	( 54)	( 57)	( 57)	( 65)	( 77)
<b>Total Net/Fees</b>	- 20.0%	- 43.3%	- 43.3%	- 7.1%	1.9%
<i>INTL EQ RANK</i>	( 54)	( 59)	( 59)	( 68)	( 80)
EAFE	- 19.9	- 43.1	- 43.1	- 6.9	2.1
<b>Int'l Equity</b>	- 19.9	- 43.2	- 43.2	- 6.9	2.1
<i>INTL EQ RANK</i>	( 54)	( 57)	( 57)	( 65)	( 77)
EAFE	- 19.9	- 43.1	- 43.1	- 6.9	2.1

**ASSET ALLOCATION**

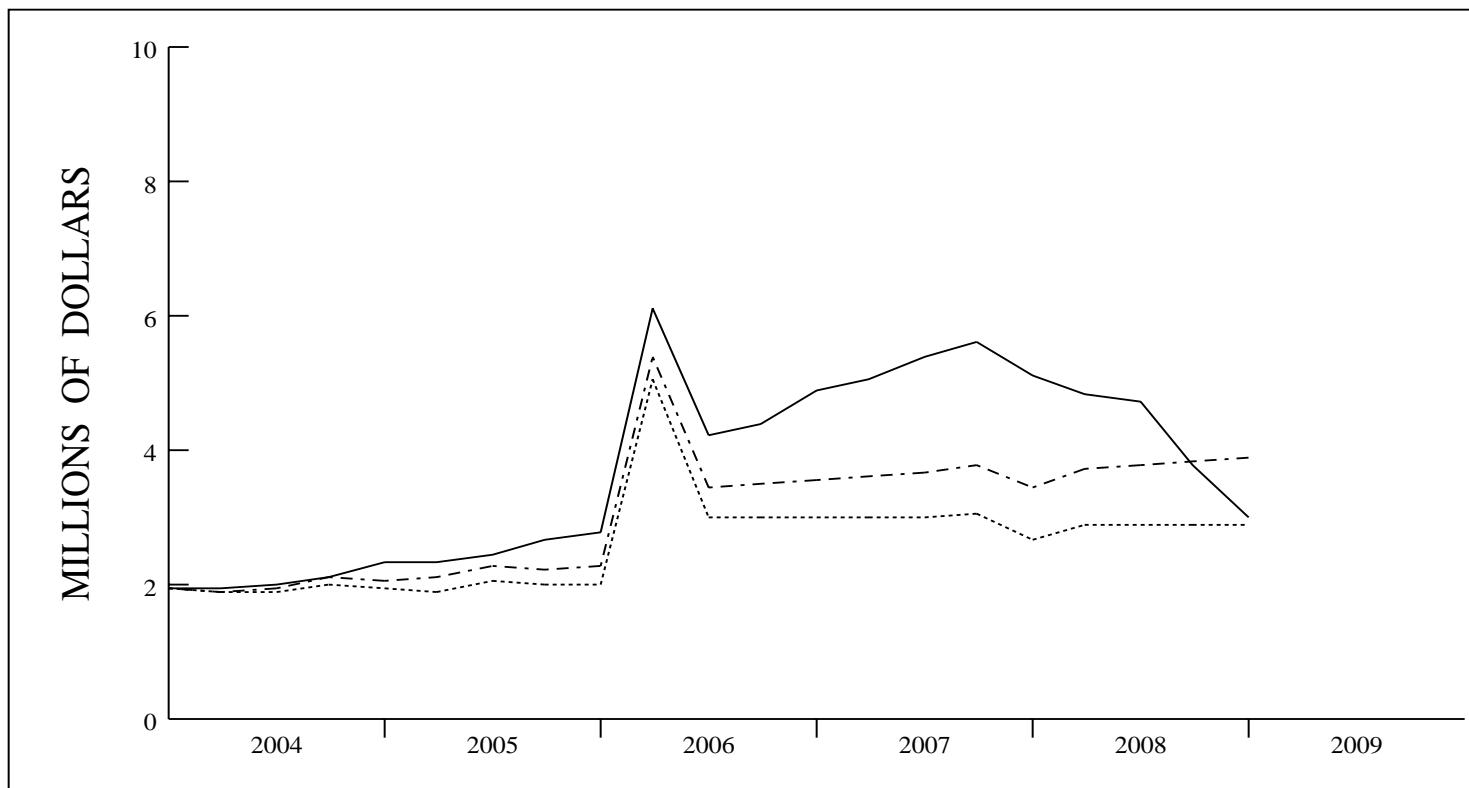
Equity	0.0%	\$ 0
Int'l Equity	100.0%	3, 035, 550
Alternate Assets	0.0%	0
Real Estate	0.0%	0
Fixed Income	0.0%	0
Other	0.0%	0
Cash	0.0%	0
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 3, 035, 550</b>

**INVESTMENT RETURN**

Market Value 9/2008	\$ 3,791,039
Contribs / Withdrawals	0
Income	0
Capital Gains / Losses	-755,489
Market Value 12/2008	\$ 3,035,550



**INVESTMENT GROWTH**

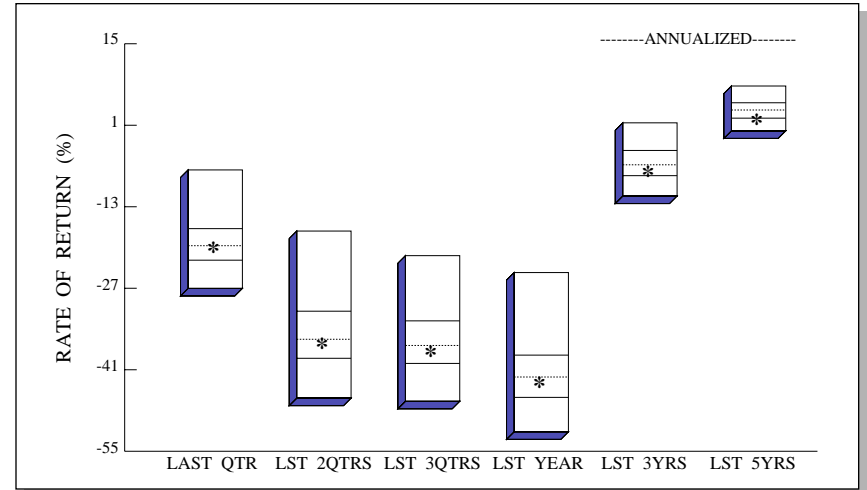
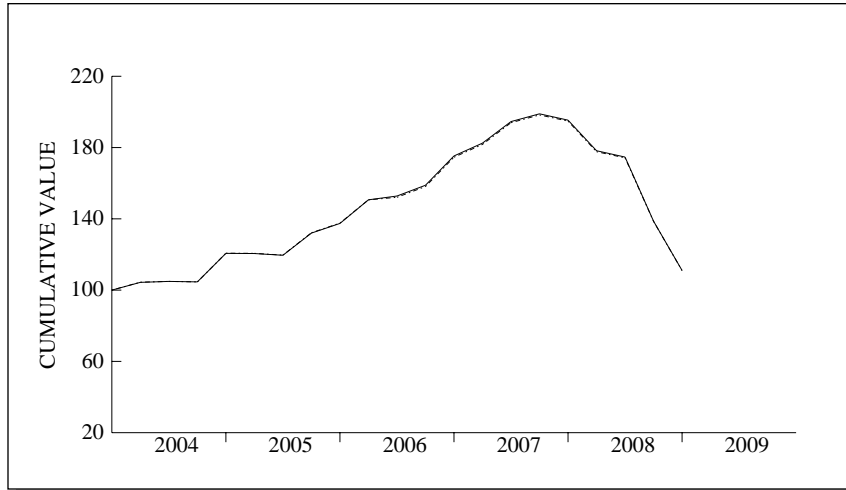


— ACTUAL RETURN  
 - - - 7.0%  
 ..... 0.0%

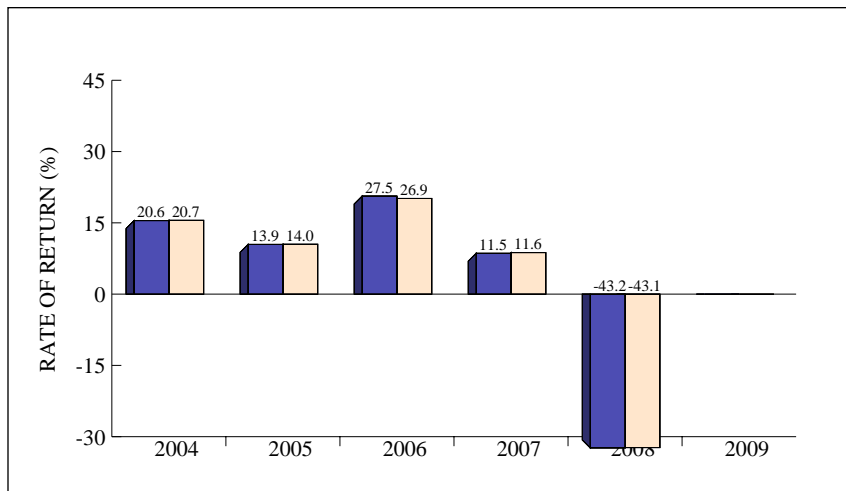
VALUE ASSUMING  
 7.0% RETURN  
 \$ 3,917,977

	LAST QUARTER	PERIOD 12/03 - 12/08
BEGINNING VALUE	\$ 3,791,039	\$ 1,945,140
NET CONTRIBUTIONS	0	947,113
INVESTMENT RETURN	-755,489	143,297
ENDING VALUE	\$ 3,035,550	\$ 3,035,550
INCOME	0	1,474
CAPITAL GAINS (LOSSES)	-755,489	141,823
INVESTMENT RETURN	-755,489	143,297

**TOTAL RETURN COMPARISONS**



International Equity Universe

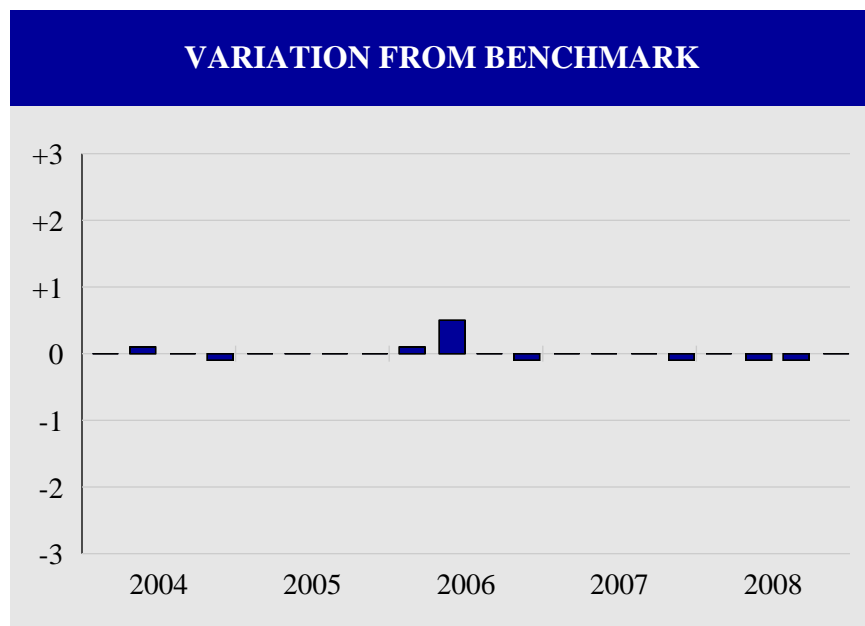


	LAST QTR	LST 2QTRS	LST 3QTRS	LST YEAR	-----ANNUALIZED----- LST 3YRS	LST 5YRS
RETURN	- 19.9	- 36.4	- 37.7	- 43.2	- 6.9	2.1
(RANK)	54	58	57	57	65	77
HIGHEST	- 6.7	- 17.2	- 21.4	- 24.3	1.4	7.8
25TH %ILE	- 16.8	- 31.0	- 32.6	- 38.5	- 3.3	4.9
MEDIAN	- 19.7	- 35.8	- 36.8	- 42.3	- 5.8	3.6
75TH %ILE	- 22.2	- 39.0	- 39.9	- 45.8	- 7.7	2.2
LOWEST	- 27.0	- 45.9	- 46.4	- 51.7	- 11.2	0.0
EAFE	- 19.9	- 36.3	- 37.5	- 43.1	- 6.9	2.1

International Equity Universe

**QUARTER BY QUARTER PERFORMANCE**

**COMPARATIVE BENCHMARK: MSCI EAFE**



Total Quarters Observed	20
Quarters at or Above the Benchmark	15
Quarters Below the Benchmark	5
Batting Average	.750

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
304	4.4	4.4	0.0
604	0.5	0.4	0.1
904	-0.2	-0.2	0.0
1204	15.3	15.4	-0.1
305	-0.1	-0.1	0.0
605	-0.8	-0.8	0.0
905	10.4	10.4	0.0
1205	4.1	4.1	0.0
306	9.6	9.5	0.1
606	1.4	0.9	0.5
906	4.0	4.0	0.0
1206	10.3	10.4	-0.1
307	4.1	4.1	0.0
607	6.7	6.7	0.0
907	2.2	2.2	0.0
1207	-1.8	-1.7	-0.1
308	-8.8	-8.8	0.0
608	-2.0	-1.9	-0.1
908	-20.6	-20.5	-0.1
1208	-19.9	-19.9	0.0

MIRAMAR FIREFIGHTERS  
PRINCIPAL REAL ESTATE  
PERFORMANCE REVIEW  
DECEMBER 2008

## **INVESTMENT RETURN**

As of December 31st, 2008, the Miramar Firefighters' Principal Real Estate account was valued at \$4,196,902, representing a decrease of \$519,607 relative to the September quarter's ending value of \$4,716,509. During the last three months, the account recorded no net contributions or withdrawals and recorded a net investment loss for the quarter of \$519,607. Because there were no income receipts during the fourth quarter, net investment losses were the result of capital losses (realized and unrealized).

For the cumulative period since March 2006, the fund has posted net contributions totaling \$1.0 million, while recording net investment gains totaling \$172,792. Since March 2006, if the portfolio returned a compounded nominal rate of 7.0% it would have been worth \$4.7 million or \$509,604 more than the actual value as of December 31st, 2008.

## **RELATIVE PERFORMANCE**

During the fourth quarter, the Principal Real Estate portfolio returned -11.0%, which was 2.7% below the NCREIF Property Index's return of -8.3%. Over the trailing twelve-month period, the portfolio returned -13.2%, which was 6.7% less than the benchmark's -6.5% performance. Since March 2006, the portfolio returned 3.6% per annum, while the NCREIF Property Index returned an annualized 7.5% over the same time frame.

**EXECUTIVE SUMMARY****PERFORMANCE SUMMARY**

	Quarter	Y-T-D	12 Months	Annualized	
				3-Years	Since 3/2006
<b>Total Gross/Fees</b>	- 11.0%	- 13.2%	- 13.2%	----	3.6%
<b>Total Net/Fees</b>	- 11.3%	- 14.2%	- 14.2%	----	2.4%
NCREIF	- 8.3	- 6.5	- 6.5	8.1	7.5
<b>Real Estate</b>	- 11.0	- 13.2	- 13.2	----	3.6
NCREIF	- 8.3	- 6.5	- 6.5	8.1	7.5

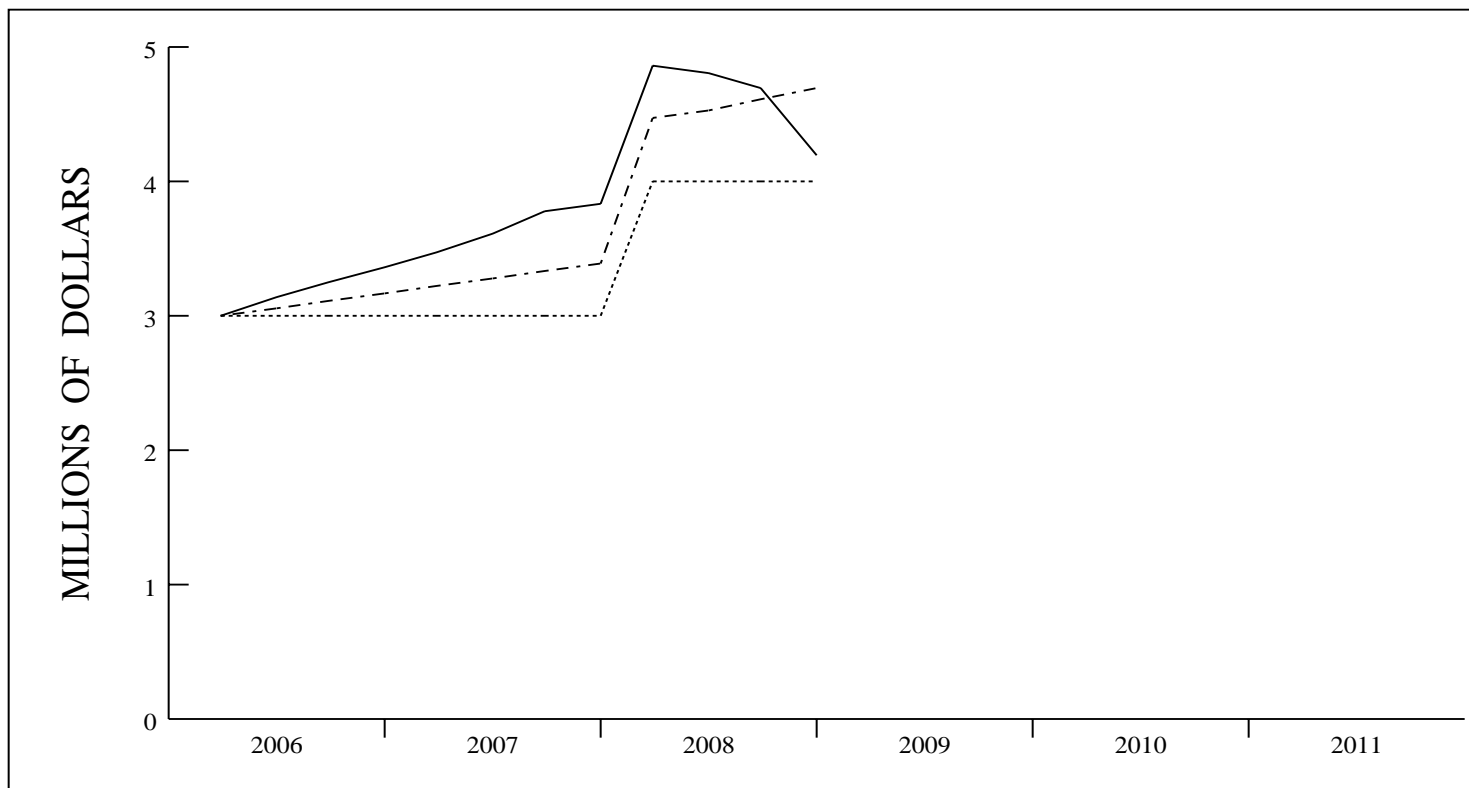
**ASSET ALLOCATION**

Equity	0.0%	\$ 0
Int'l Equity	0.0%	0
Alternate Assets	0.0%	0
Real Estate	100.0%	4, 196, 902
Fixed Income	0.0%	0
Other	0.0%	0
Cash	0.0%	0
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 4, 196, 902</b>

**INVESTMENT RETURN**

Market Value 9/2008	\$ 4,716,509
Contribs / Withdrawals	0
Income	0
Capital Gains / Losses	-519,607
Market Value 12/2008	\$ 4,196,902

**INVESTMENT GROWTH**

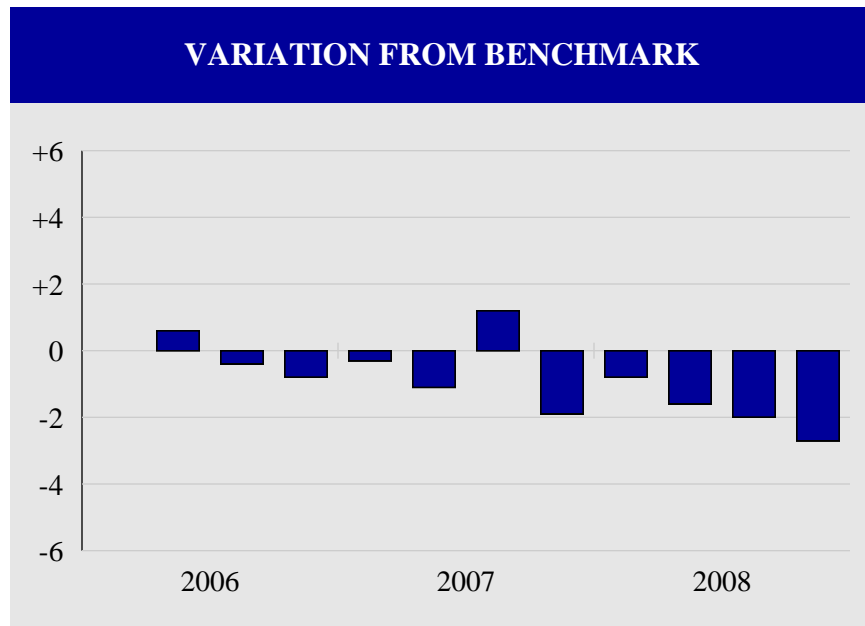


— ACTUAL RETURN  
 - - - 7.0%  
 . . . 0.0%

VALUE ASSUMING  
 7.0% RETURN  
 \$ 4,706,507

	LAST QUARTER	PERIOD 3/06 - 12/08
BEGINNING VALUE	\$ 4,716,509	\$ 3,024,110
NET CONTRIBUTIONS	0	1,000,000
INVESTMENT RETURN	-519,607	172,792
ENDING VALUE	\$ 4,196,902	\$ 4,196,902
INCOME	0	0
CAPITAL GAINS (LOSSES)	-519,607	172,792
INVESTMENT RETURN	-519,607	172,792

**QUARTER BY QUARTER PERFORMANCE**  
**COMPARATIVE BENCHMARK: NCREIF PROPERTY INDEX**



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
606	4.6	4.0	0.6
906	3.1	3.5	-0.4
1206	3.7	4.5	-0.8
307	3.3	3.6	-0.3
607	3.5	4.6	-1.1
907	4.8	3.6	1.2
1207	1.3	3.2	-1.9
308	0.8	1.6	-0.8
608	-1.0	0.6	-1.6
908	-2.2	-0.2	-2.0
1208	-11.0	-8.3	-2.7

Total Quarters Observed	11
Quarters at or Above the Benchmark	2
Quarters Below the Benchmark	9
Batting Average	.182



MIRAMAR FIREFIGHTERS  
NTGI FIXED INCOME  
PERFORMANCE REVIEW  
DECEMBER 2008

## **INVESTMENT RETURN**

As of December 31st, 2008, the Miramar Firefighters' NTGI Fixed Income portfolio was valued at \$5,168,313, which represented an increase of \$317,577 over the September quarter's ending value of \$4,850,736. There were no contributions or withdrawals recorded to the account last quarter, making the entire increase in value attributable to net investment returns. Barring income receipts during the quarter, the portfolio's net investment return was the result of net realized and unrealized capital gains totaling \$317,577.

For the cumulative period since December 2003, the account has recorded net contributions totaling \$1.5 million, and has recorded \$1.3 million in net investment gains. For the period since December 2003, if the fund returned a compounded nominal rate of 7.0% it would have been valued at \$5.7 million or \$497,425 more than its actual value as of December 31st, 2008.

## **RELATIVE PERFORMANCE**

In the fourth quarter, the NTGI Fixed Income portfolio returned 6.5%, which was 1.9% above the Barclays Aggregate Index's return of 4.6% and ranked in the 12th percentile of the Broad Market Fixed Income universe. Over the trailing year, this portfolio returned 10.3%, which was 5.1% above the benchmark's 5.2% return, and ranked in the 6th percentile. Since December 2003, the portfolio returned 5.5% on an annualized basis and ranked in the 16th percentile. The Barclays Aggregate Index returned an annualized 4.6% over the same time frame.

**EXECUTIVE SUMMARY****PERFORMANCE SUMMARY**

	Quarter	Y-T-D	12 Months	Annualized	
				3-Years	Since 12/2003
<b>Total Gross/Fees</b>	6.5%	10.3%	10.3%	7.7%	5.5%
<i>BROAD FIXED RANK</i>	( 12)	( 6)	( 6)	( 5)	( 16)
<b>Total Net/Fees</b>	6.5%	10.2%	10.2%	7.6%	5.3%
<i>BROAD FIXED RANK</i>	( 13)	( 6)	( 6)	( 6)	( 17)
BARCLAYS AGG	4.6	5.2	5.2	5.5	4.6
<b>Fixed Income</b>	6.5	10.3	10.3	7.7	5.5
<i>BROAD FIXED RANK</i>	( 12)	( 6)	( 6)	( 5)	( 16)
BARCLAYS AGG	4.6	5.2	5.2	5.5	4.6

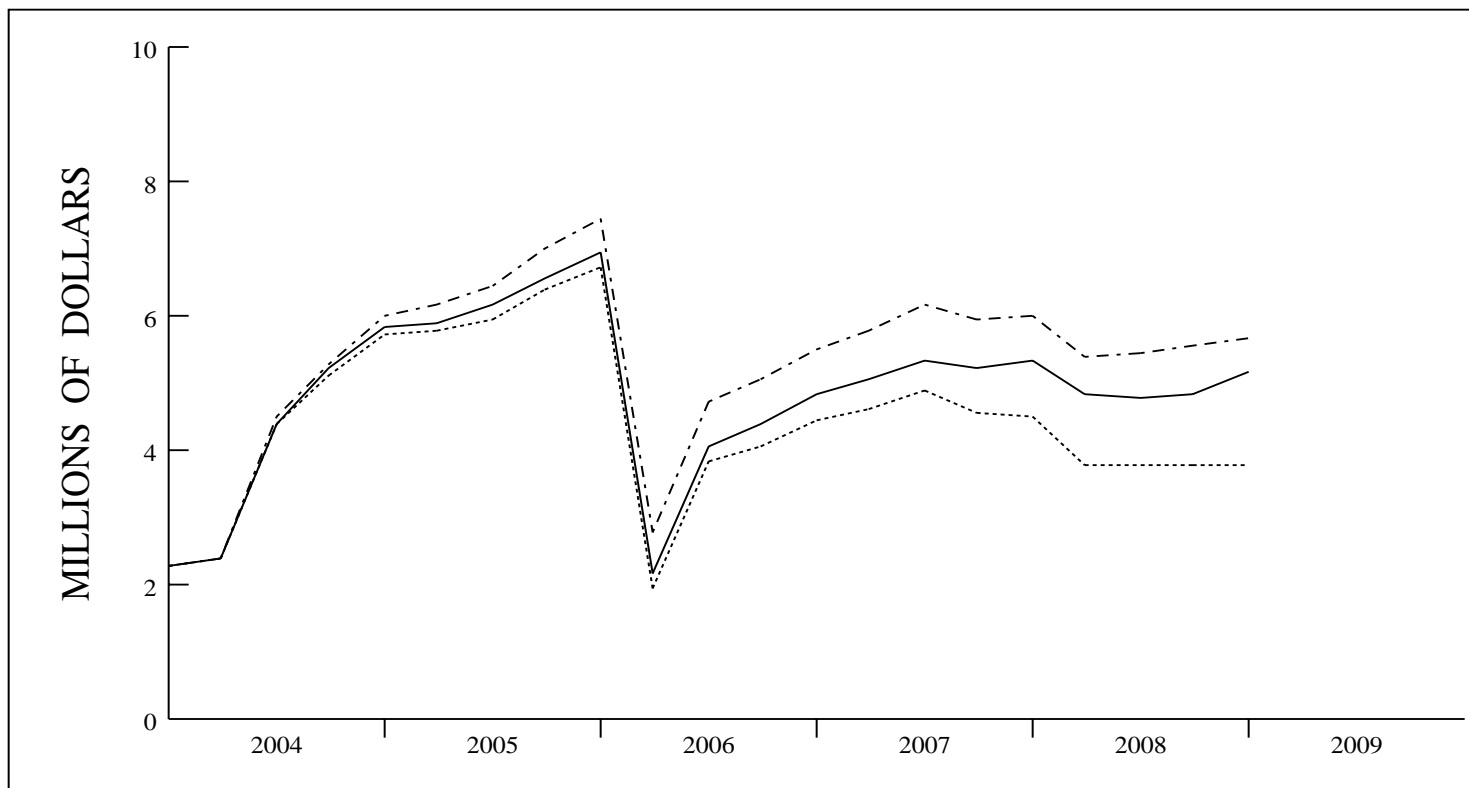
**ASSET ALLOCATION**

Equity	0.0%	\$ 0
Int'l Equity	0.0%	0
Alternate Assets	0.0%	0
Real Estate	0.0%	0
Fixed Income	100.0%	5, 168, 313
Other	0.0%	0
Cash	0.0%	0
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 5, 168, 313</b>

**INVESTMENT RETURN**

Market Value 9/2008	\$ 4,850,736
Contribs / Withdrawals	0
Income	0
Capital Gains / Losses	317,577
Market Value 12/2008	\$ 5,168,313

**INVESTMENT GROWTH**

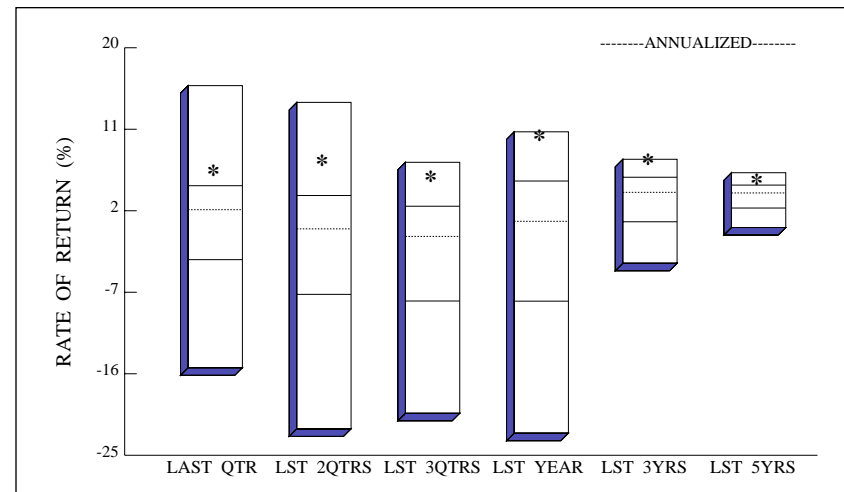
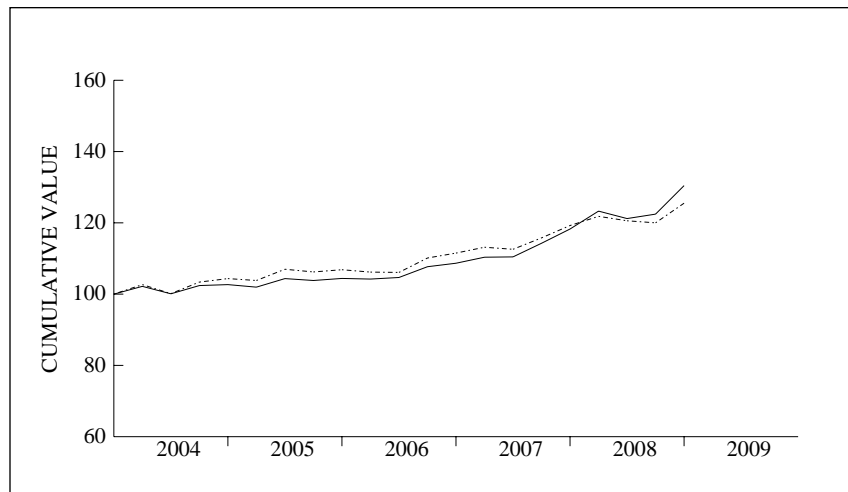


— ACTUAL RETURN  
 - - - 7.0%  
 . . . 0.0%

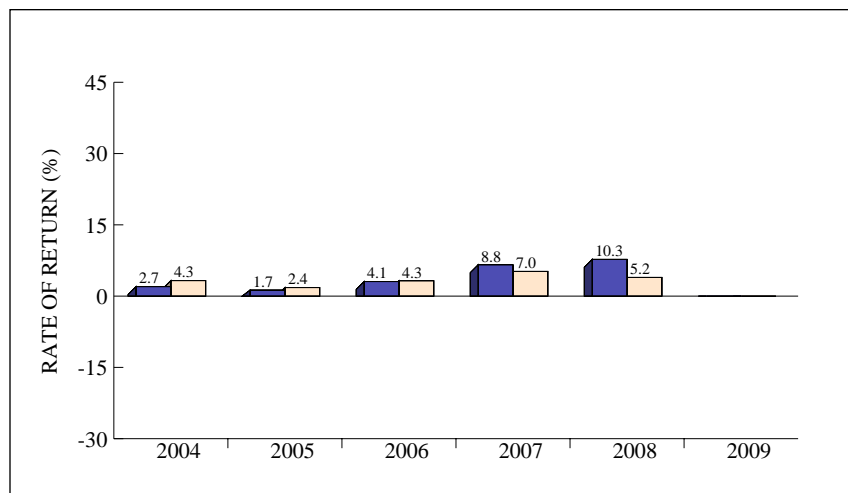
VALUE ASSUMING  
 7.0% RETURN  
 \$ 5,665,738

	LAST QUARTER	PERIOD 12/03 - 12/08
BEGINNING VALUE	\$ 4,850,736	\$ 2,329,300
NET CONTRIBUTIONS	0	1,494,028
<u>INVESTMENT RETURN</u>	<u>317,577</u>	<u>1,344,985</u>
ENDING VALUE	\$ 5,168,313	\$ 5,168,313
INCOME	0	0
CAPITAL GAINS (LOSSES)	<u>317,577</u>	<u>1,344,985</u>
INVESTMENT RETURN	317,577	1,344,985

**TOTAL RETURN COMPARISONS**



Broad Market Fixed Universe

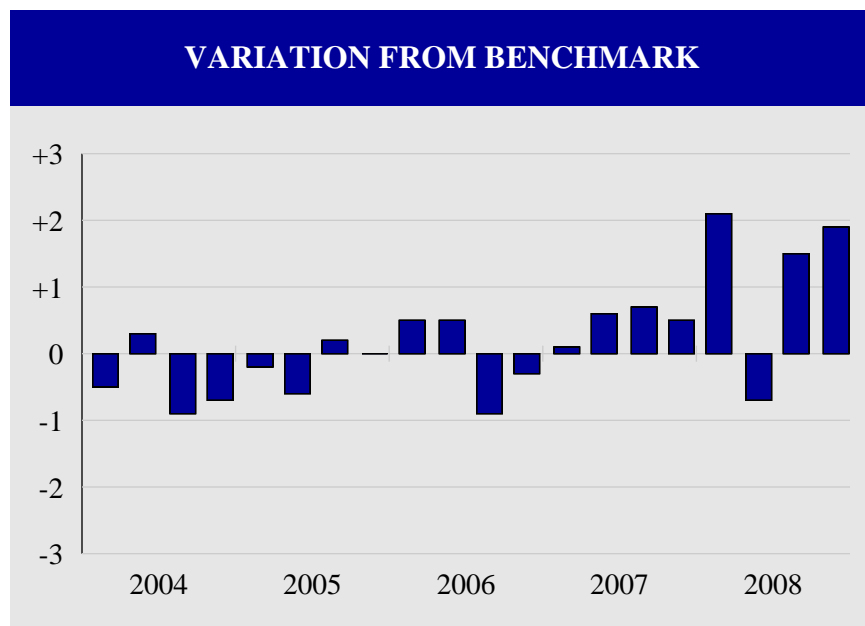


	LAST QTR	LST 2QTRS	LST 3QTRS	LST YEAR	-----ANNUALIZED----- LST 3YRS	LST 5YRS
RETURN	6.5	7.6	5.8	10.3	7.7	5.5
(RANK)	12	10	9	6	5	16
HIGHEST	15.8	14.0	7.4	10.7	7.7	6.2
25TH %ILE	4.8	3.7	2.5	5.3	5.7	4.8
MEDIAN	2.1	0.0	- 0.8	0.8	4.0	4.0
75TH %ILE	- 3.4	- 7.2	- 8.0	- 8.0	0.8	2.3
LOWEST	- 15.3	- 22.1	- 20.4	- 22.6	- 3.8	0.2
BARCLAYS AGG	4.6	4.1	3.0	5.2	5.5	4.6

Broad Market Fixed Universe

**QUARTER BY QUARTER PERFORMANCE**

**COMPARATIVE BENCHMARK: BARCLAYS AGGREGATE INDEX**



Total Quarters Observed	20
Quarters at or Above the Benchmark	12
Quarters Below the Benchmark	8
Batting Average	.600

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
304	2.2	2.7	-0.5
604	-2.1	-2.4	0.3
904	2.3	3.2	-0.9
1204	0.3	1.0	-0.7
305	-0.7	-0.5	-0.2
605	2.4	3.0	-0.6
905	-0.5	-0.7	0.2
1205	0.6	0.6	0.0
306	-0.2	-0.7	0.5
606	0.4	-0.1	0.5
906	2.9	3.8	-0.9
1206	0.9	1.2	-0.3
307	1.6	1.5	0.1
607	0.1	-0.5	0.6
907	3.5	2.8	0.7
1207	3.5	3.0	0.5
308	4.3	2.2	2.1
608	-1.7	-1.0	-0.7
908	1.0	-0.5	1.5
1208	6.5	4.6	1.9