

CTA RETIREE HEALTHCARE TRUST

**INVESTMENT PERFORMANCE REPORT
PERIOD ENDING
September 30, 2012**

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OVERVIEW

PORTFOLIO EVALUATION

- ♦ The Fund's total market value as of September 30, 2012 was \$641.88 million.
- ♦ The Fund had a return of 5.18% for the current quarter, and a return of 17.62% for the last twelve months.

INVESTMENT POLICY AND OBJECTIVES

- ♦ The primary objective of the policy is to provide a documented structure for the implementation of investment strategies which suggests the highest probability of maximizing the level of investment return within acceptable parameters for the total Fund's volatility and risk.
- ♦ The asset mix described below is designed to provide a high likelihood of achieving a rate of return of 7.25% per year over long periods of time. It is expected that this return will be sufficient to meet or exceed the Minimum Acceptable Return.

Target Asset Allocation	
Domestic Equity	37.5 %
Domestic Fixed Income	40 %
International Equity	12.5 %
International Fixed Income	10 %

PLAN RECONCILIATION

	Current Quarter
<u>Beginning Market Value</u>	\$ 617,461,607
Cash Flow In	\$ 14,491,080
Intrafund Transfer	\$ -
Cash Flow Out	\$ (21,915,330)
Net Cash Flow	\$ (7,424,250)
Investment Performance	
Income	\$ 4,358,109
Asset Value Changes	\$ 27,486,671
Gross Performance	\$ 31,844,780
<u>Ending Market Value</u>	<u>\$ 641,882,137</u>

ACTION

CTA Healthcare Trust
Executive Summary Table
Periods Ending September 30, 2012

Name	Value \$(000)	% of Fund	Periods Ending 9/30/12							Since Inception	
			Cur Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	7 Yrs	Ret	Date
Total Fund	641,882	100.0	5.18	11.62	17.62	9.36	9.41			7.44	7/31/08
Net of Fee			5.06	11.23	17.04	8.85	8.97			7.13	7/31/08
Policy Index			4.16	9.22	15.01	8.28	8.29			5.42	7/31/08
ARA 7.25% MAR Benchmark			3.07	7.87	14.00	7.34	6.64				7/31/08
Total Equity Composite	334,238	52.1	6.30	14.78	25.44	11.52	9.70			9.70	9/30/09
Net of Fee			6.13	14.23	24.58	10.82	9.13			9.13	9/30/09
Blended Policy Index			6.02	13.68	25.88	10.44	10.65			10.65	9/30/09
Domestic Equity Composite	259,041	40.4	5.70	14.94	27.46	14.03	11.37			11.37	9/30/09
Net of Fee			5.52	14.36	26.54	13.28	10.78			10.78	9/30/09
Russell 3000			6.24	16.13	30.21	14.42	13.26			13.26	9/30/09
Domestic Large Cap Equity Composite	84,223	13.1	5.98	13.84	27.36	13.25				11.96	1/04/10
Net of Fee			5.84	13.38	26.68	12.68				11.52	1/04/10
Standard & Poors 500			6.35	16.43	30.18	14.75				14.05	1/04/10
PNC Capital Large Cap Value	42,460	6.6	5.59	13.33	28.36	13.73				11.39	1/25/10
Net of Fee			5.47	12.94	27.77	13.16				10.93	1/25/10
Russell 1000 Value			6.49	15.73	30.90	13.32				12.89	1/25/10
Brown Large Cap Growth	21,923	3.4	7.79	17.31	31.09					12.99	11/09/10
Net of Fee			7.61	16.72	30.23					12.31	11/09/10
Russell 1000 Growth			6.11	16.81	29.20					13.70	11/09/10
Turner Large Cap Growth	19,841	3.1	4.86	11.28	21.51					7.31	11/09/10
Net of Fee			4.72	10.82	20.85					6.78	11/09/10
Russell 1000 Growth			6.11	16.81	29.20					13.70	11/09/10

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Domestic Mid Cap Equity Composite	82,260	12.8	5.73	14.50	28.29	10.83				13.13	12/31/09
Net of Fee			5.56	13.96	27.50	10.20				12.60	12/31/09
Russell MidCap			5.58	13.98	28.02	12.64				13.25	12/31/09
Systematic Mid Cap Value	41,358	6.4	6.11	14.41	30.31	10.99				11.98	12/31/09
Net of Fee			5.96	13.91	29.55	10.34				11.38	12/31/09
Russell MidCap Value			5.79	14.01	29.25	12.34				13.10	12/31/09
Eagle Midcap Growth	40,902	6.4	5.34	14.58	26.32					6.83	11/16/10
Net of Fee			5.16	14.01	25.49					6.19	11/16/10
Russell MidCap Growth			5.34	13.88	26.67					9.96	11/16/10
Domestic Small Cap Equity Composite	92,558	14.4	5.42	16.33	26.82	17.68	14.61			14.61	9/30/09
Net of Fee			5.20	15.60	25.58	16.66	13.70			13.70	9/30/09
Russell 2000			5.25	14.23	31.91	12.81	12.99			12.99	9/30/09
Amalgatrust Small Cap Growth	45,787	7.1	7.03	21.93	26.44	22.00	17.03			17.03	9/30/09
Net of Fee			6.80	21.14	24.98	20.86	15.71			15.71	9/30/09
Russell 2000 Growth			4.84	14.07	31.18	13.88	14.18			14.18	9/30/09
Kayne Anderson Small Cap Value	23,957	3.7	0.86	5.44	17.44	12.41	13.59			13.91	9/30/09
Net of Fee			0.66	4.80	16.51	11.54	12.64			12.64	9/30/09
Russell 2000 Value			5.66	14.36	32.63	11.65	11.72			11.72	9/30/09
WCM Small Cap Value	22,814	3.6	7.26	18.05	39.48	14.68	11.81			11.81	9/30/09
Net of Fee			7.04	17.33	38.34	13.73	10.75			10.75	9/30/09
Russell 2000 Value			5.66	14.36	32.63	11.65	11.72			11.72	9/30/09
International Equity Composite	75,197	11.7	8.43	14.23	18.89	3.79	4.51			4.51	9/30/09
Net of Fee			8.29	13.77	18.24	3.23	4.04			4.04	9/30/09
MSCI EAFE (Net)			6.92	10.08	13.75	1.54	2.12			2.12	9/30/09

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Herndon Capital Int'l Equity	37,331	5.8	8.65	13.53	17.38	2.68	4.31			4.31	9/30/09
Net of Fee			8.50	13.06	16.72	2.11	3.79			3.79	9/30/09
MSCI EAFE (Net)			6.92	10.08	13.75	1.54	2.12			2.12	9/30/09
Lazard Int'l Equity	37,866	5.9	8.23	14.94	20.42	4.93				4.85	10/31/09
Net of Fee			8.09	14.48	19.76	4.36				4.41	10/31/09
MSCI ACWI ex US (Net)			7.40	10.37	14.48	1.05				3.71	10/31/09
Total Fixed Income Composite	303,261	47.2	4.07	8.53	10.57	7.18	8.43			9.20	3/31/09
Net of Fee			3.99	8.30	10.24	6.87	8.12			8.93	3/31/09
Blended Policy Index			2.06	4.00	4.83	4.94	5.78			7.01	3/31/09
Domestic Fixed Income Composite	233,713	36.4	3.35	7.54	9.25	6.96	8.16			9.22	3/31/09
Net of Fee			3.28	7.34	8.99	6.70	7.89			8.99	3/31/09
Barclays U.S. Aggregate			1.59	4.00	5.16	5.21	6.19			6.93	3/31/09
Mackay Shields Core Plus Fixed	77,626	12.1	3.07	6.68	9.03	7.01	8.01			8.76	3/31/09
Net of Fee			2.99	6.44	8.69	6.67	7.67			8.47	3/31/09
Barclays U.S. Aggregate			1.59	4.00	5.16	5.21	6.19			6.93	3/31/09
TCW Opp Core Plus Fixed	79,628	12.4	4.92	11.04	12.55	8.24	9.45			10.55	6/30/09
Net of Fee			4.86	10.86	12.31	7.97	9.15			10.27	6/30/09
Barclays U.S. Core Bond Index (A			1.59	4.00	5.16	5.21	6.19			6.90	6/30/09
Hughes Core Fixed Income	76,459	11.9	2.02	4.90	6.20	5.65	6.74			6.74	9/30/09
Net of Fee			1.97	4.73	5.97	5.42	6.53			6.53	9/30/09
Barclays Govt/Credit			1.73	4.43	5.66	5.40	6.50			6.50	9/30/09
International Fixed Income Composite	69,548	10.8	6.61	12.08	15.32	7.93	9.26			9.26	9/30/09
Net of Fee			6.48	11.70	14.77	7.42	8.80			8.80	9/30/09
Citigroup Non-US Govt Bond			3.98	3.96	3.46	3.80	4.02			4.02	9/30/09

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