

CTA RETIREE HEALTHCARE TRUST

**INVESTMENT PERFORMANCE REPORT
PERIOD ENDING
December 31, 2012**

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OVERVIEW

PORTFOLIO EVALUATION

- ♦ The Fund's total market value as of December 31, 2012 was \$644.77 million.
- ♦ The Fund had a return of 1.41% for the current quarter, and a return of 13.20% 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

	<u>Current Quarter</u>
<u>Beginning Market Value</u>	\$ 641,882,137
Cash Flow In	\$ 9,151,054
Intrafund Transfer	\$ -
Cash Flow Out	\$ (15,263,204)
Net Cash Flow	\$ (6,112,150)
 Investment Performance	
Income	\$ 4,790,512
Asset Value Changes	\$ 4,207,674
Gross Performance	\$ 8,998,186
 <u>Ending Market Value</u>	<u>\$ 644,768,173</u>

ACTION

CTA Healthcare Trust

Executive Summary Table

Periods Ending December 31, 2012

Name	Value \$(000)	% of Fund	Periods Ending 12/31/12							Since Inception	
			Cur Qtr	1 Year	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	Ret	Date
Total Fund	644,768	100.0	1.41	13.20	7.26	9.36	7.98			7.34	7/31/08
Net of Fee			1.30	12.68	6.75	8.89	7.63			7.03	7/31/08
Policy Index			0.76	10.04	6.29	7.73	9.86			5.28	7/31/08
ARA 7.25% MAR Benchmark			-0.13	7.73	4.59	5.58	7.37				7/31/08
Total Equity Composite	335,854	52.1	1.88	16.93	6.35	9.80				9.54	9/30/09
Net of Fee			1.71	16.18	5.65	9.18				8.97	9/30/09
Blended Policy Index			2.73	16.78	5.92	10.02				10.70	9/30/09
Domestic Equity Composite	257,159	39.9	1.02	16.11	7.28	11.27				10.80	9/30/09
Net of Fee			0.85	15.33	6.54	10.62				10.19	9/30/09
Russell 3000			0.25	16.43	8.45	11.21				12.26	9/30/09
Domestic Large Cap Equity Composite	81,803	12.7	-0.93	12.78	6.74					10.52	1/04/10
Net of Fee			-1.07	12.17	6.16					10.07	1/04/10
Standard & Poors 500			-0.38	15.98	8.83					12.62	1/04/10
PNC Capital Large Cap Value	40,466	6.3	-1.06	12.13	7.79					9.95	1/25/10
Net of Fee			-1.18	11.61	7.25					9.49	1/25/10
Russell 1000 Value			1.53	17.50	8.61					12.30	1/25/10
Brown Large Cap Growth	21,756	3.4	-0.59	16.61	8.25					11.02	11/09/10
Net of Fee			-0.76	15.84	7.57					10.34	11/09/10
Russell 1000 Growth			-1.33	15.26	8.76					11.23	11/09/10
Turner Large Cap Growth	19,580	3.0	-1.17	9.97	3.00					5.79	11/09/10
Net of Fee			-1.31	9.37	2.46					5.27	11/09/10
Russell 1000 Growth			-1.33	15.26	8.76					11.23	11/09/10

Blended Policy Index = 25% RMidCap/25% S&P500/25% R2000/25% MSCI EAFE (Net)

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Domestic Mid Cap Equity Composite	83,261	12.9	2.60	17.47	4.74	12.94				12.94	12/31/09
Net of Fee			2.44	16.74	4.10	12.39				12.39	12/31/09
Russell MidCap			2.88	17.26	7.44	13.15				13.15	12/31/09
Systematic Mid Cap Value	41,870	6.5	2.60	17.39	5.54	11.88				11.88	12/31/09
Net of Fee			2.45	16.71	4.91	11.28				11.28	12/31/09
Russell MidCap Value			3.92	18.48	8.10	13.39				13.39	12/31/09
Eagle Midcap Growth	41,391	6.4	2.59	17.55	3.96					7.29	11/16/10
Net of Fee			2.42	16.77	3.30					6.64	11/16/10
Russell MidCap Growth			1.69	15.80	6.71					9.58	11/16/10
Domestic Small Cap Equity Composite	92,095	14.3	1.38	17.94	10.12	14.34				13.89	9/30/09
Net of Fee			1.16	16.94	9.15	13.36				12.98	9/30/09
Russell 2000			1.85	16.34	5.59	12.25				12.56	9/30/09
Amalgatrust Small Cap Growth	44,453	6.9	0.65	22.73	12.80	16.33				15.85	9/30/09
Net of Fee			0.42	21.65	11.72	15.25				14.57	9/30/09
Russell 2000 Growth			0.45	14.59	5.47	12.81				13.18	9/30/09
Kayne Anderson SCV	24,926	3.9	4.25	9.92	8.32	13.44				14.23	9/30/09
Net of Fee			4.04	9.04	7.47	12.57				12.99	9/30/09
Russell 2000 Value			3.23	18.05	5.62	11.58				11.86	9/30/09
WCM Small Cap Value	22,716	3.5	-0.21	17.80	6.53	11.20				10.78	9/30/09
Net of Fee			-0.42	16.83	5.63	10.28				9.74	9/30/09
Russell 2000 Value			3.23	18.05	5.62	11.58				11.86	9/30/09
International Equity Composite	78,695	12.2	4.80	19.71	3.32	5.54				5.67	9/30/09
Net of Fee			4.66	19.07	2.75	5.01				5.19	9/30/09
MSCI EAFE (Net)			6.57	17.31	1.52	3.56				3.97	9/30/09

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Herndon Capital Int'l Equity	38,816	6.0	4.12	18.21	1.69	4.52				5.27	9/30/09
Net of Fee			3.98	17.56	1.13	3.95				4.74	9/30/09
MSCI EAFE (Net)			6.57	17.31	1.52	3.56				3.97	9/30/09
Lazard Int'l Equity	39,879	6.2	5.46	21.22	4.97	6.57				6.23	10/31/09
Net of Fee			5.32	20.57	4.40	6.09				5.77	10/31/09
MSCI ACWI ex US (Net)			5.85	16.83	0.41	3.87				5.28	10/31/09
Total Fixed Income Composite	305,948	47.5	0.94	9.55	8.36	8.67				8.83	3/31/09
Net of Fee			0.89	9.26	8.06	8.36				8.57	3/31/09
Blended Policy Index			-0.30	3.68	5.48	5.77				6.44	3/31/09
Domestic Fixed Income Composite	235,049	36.5	0.64	8.22	7.96	8.20				8.77	3/31/09
Net of Fee			0.57	7.95	7.70	7.93				8.53	3/31/09
Barclays U.S. Aggregate			0.21	4.22	6.01	6.19				6.51	3/31/09
Mackay Shields Core Plus Fixed	78,374	12.2	1.04	7.80	7.95	8.01				8.45	3/31/09
Net of Fee			0.96	7.46	7.62	7.66				8.16	3/31/09
Barclays U.S. Aggregate			0.21	4.22	6.01	6.19				6.51	3/31/09
TCW Opp Core Plus Fixed	79,999	12.4	0.53	11.62	8.97	9.37				9.92	6/30/09
Net of Fee			0.47	11.38	8.71	9.10				9.65	6/30/09
Barclays U.S. Core Bond Index (A			0.21	4.22	6.01	6.19				6.45	6/30/09
Hughes Core Fixed Income	76,677	11.9	0.34	5.26	6.95	6.94				6.31	9/30/09
Net of Fee			0.29	5.03	6.72	6.71				6.11	9/30/09
Barclays Govt/Credit			0.37	4.82	6.76	6.70				6.10	9/30/09
International Fixed Income Composite	70,899	11.0	1.94	14.26	9.74	10.30				9.16	9/30/09
Net of Fee			1.94	13.87	9.27	9.84				8.74	9/30/09
Citigroup Non-US Govt Bond			-2.36	1.51	3.32	3.95				2.95	9/30/09

Blended Policy Index = 80% Barclays US Agg/20% CG Non US Gov't Bond

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Wells Capital Int'l Fixed Income	31,565	4.9	-0.26	5.17	5.06	6.14				5.16	9/30/09
Net of Fee			-0.26	4.98	4.78	5.89				4.93	9/30/09
Citigroup Non-US Govt Bond			-2.36	1.51	3.32	3.95				2.95	9/30/09
Prudential Int'l Fixed Income	39,333	6.1	3.78	22.77	13.99	14.15				12.89	9/30/09
Net of Fee			3.78	22.17	13.32	13.48				12.28	9/30/09
Citigroup Non-US Govt Bond			-2.36	1.51	3.32	3.95				2.95	9/30/09
Cash Account	2,966	0.5	0.06	0.25	0.26	0.22	0.28			0.32	9/30/08
Net of Fee			0.06	0.25	0.26	0.22	0.27			0.32	9/30/08
Citigroup 3-month T-Bill			0.02	0.07	0.07	0.09	0.11			0.16	9/30/08