

Everett School Employee Benefit Trust

Portfolio Review

November 2012



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Everett School Employee Benefit Trust

As of September 30, 2012

PORTFOLIO REVIEW CRITERIA

The Trustees of the Everett School Employee Benefit Trust have retained the Hyas Group to independently monitor and evaluate the quality of investment implementation according to the Trust's current IPS. Becker Capital Management is the sole investment manager hired on behalf of the Trust. Our review criteria are based on the Trust's IPS and the general risk and return objectives established and communicated by the Trustees. Our analysis includes reviews of the following criteria:

- Portfolio Valuation & Investment Performance
- Diversification Characteristics
- Portfolio Liquidity & Term Structure
- Credit & Interest Rate Risk

Due to changes in the structure and purpose of the Trust, the Trustees requested Hyas Group to review the Trust's investment objectives in November of 2011. Based on this review significant changes were made to the Trust's Investment Policy Statement (IPS). In short, the changes have significant impact on cash flows, thus the Trust will retain its high credit quality focus but reduce the portfolio's duration to better match projected cash flow needs of the Trust and reduce interest rate risk. The revised IPS is included in this report.

FINANCE

Investment Guidelines and Rules

Role of Trustees

- The Trustees are responsible to ensure that the Trust fund is managed:
- effectively and prudently, in full compliance with law and the Trust.
 - for the exclusive purposes of providing benefits to participants in the Trust and defraying the costs of administering the Trust.

The Trustees will select, retain, and replace an Investment Consultant, one or more Investment Managers and may select other professional service providers in connection with the investment of the Trust funds.

Objectives

The investment objectives of the Trust funds shall be the following, in the order given:

1. Preservation of principal.
2. Meeting the liquidity needs of the Trust to pay claims and other expenses.
3. Diversification of investment to minimize the risk of large losses, within the permissible investment parameters of the Trust.

In that regard, the Investment Manager will manage a diversified portfolio of cash, U.S. government treasury bonds (hereinafter “Treasury”) and U.S. government agency bonds (hereinafter “Agency”) with the goal of meeting the liquidity and cash flow needs of the Trust. The strategy will be implemented via a laddered maturity portfolio which incorporates the Trust’s current investments and seeks to match bond maturity dates with expected monthly net expenditure requirements, as provided from time to time by the Trustees. The Treasury portion of the portfolio will be structured to hold assets equal to at least three (3) months of projected net expenditures in order to provide added liquidity in the event of an unforeseen expenditure event. To the extent that certain Trust expenditures require immediate, unencumbered liquidity, Trust funds will be invested in a designated cash account and held in a money market fund rather than in individual bonds. Investments in this money market fund will also be considered Treasury securities for purposes of the allocation targets of these Investment Guidelines and Rules.

Investment Consultant

The Investment Consultant ("Investment Consultant") shall be selected by the Trustees. The Investment Consultant is responsible to monitor and evaluate the conduct and performance of the Trust's Investment Managers on a periodic basis as directed by the Trustees. The Investment Consultant shall be completely independent of the Investment Managers. The Investment Consultant's review of the performance of the Investment Manager shall include, among other things, an evaluation of the Investment Manager's compliance with these Investment Guidelines and Rules and of the results of the Investment Manager in comparison to the benchmark index and with the performance of funds with similar investment strategies to the Trust. The review may also include recommendations on changes to the Permitted Investments or other portions of these Investment Guidelines and Rules. The Investment Consultant shall report the results of its independent monitoring and evaluation to the Trustees on an annual basis, or as otherwise directed by the Trustees. The Investment Consultant also may be asked to provide educational meetings or seminars on financial, fiduciary, investment, or similar matters to the Trustees.

Investment Manager

The Trust fund shall be invested by one or more professional investment managers or management companies selected by the Trustees ("Investment Manager"). The day-to-day decisions concerning investments shall be made by the Investment Manager, who shall be a fiduciary of the Trust funds and who shall make such investments in accordance with these Investment Guidelines and Rules. The Investment Manager shall provide monthly, quarterly, annual, and other reports on the investments as required in the contract between the Trust and the Investment Manager.

The Trustees shall consider a variety of factors in selecting an Investment Manager, including costs and fees, past performance, prior experience with the investment of funds similar to the Trust, responsiveness, technical capabilities, experience and reputation of personnel, decision structure, and any other matter deemed relevant by the Trustees. The Investment Manager is required to report to the Trustees any material changes in the following which occur while the Investment Manager has been retained by the Trust:

- Material changes in the Investment Manager's investment decision structure or process.
- Changes in organization of the Investment Manager, including mergers and acquisitions.
- Any change in key personnel of the Investment Manager responsible for the formulation and execution of investment strategy.

The Investment Consultant shall review the performance of the Investment Manager annually or otherwise as directed by the Trustees. The Trustees may, but need not, consult with other investment professionals concerning such performance as necessary or desirable. The Trustees may replace the Investment Manager or add additional Investment Managers at any time in their discretion. The Investment Manager may be selected by a request for proposal or other process on a periodic basis and as determined by the Trustees.

Liquidity Needs

It is acknowledged that the liquidity needs of the Trust fund will vary from time to time depending upon circumstances then prevailing. Thus the administrative agent shall keep the Investment Manager informed on a periodic basis of the expected liquidity needs of the Trust.

Periodic Review of Guidelines

The circumstances that bear on these Investment Guidelines and Rules may change from time to time. The Trustees, in consultation with the Investment Consultant, will review these Investment Guidelines and Rules at least once annually.

Permitted Investments

The Investment Manager may select from various permitted investments. These investments should have varying maturity dates as necessary to comply with liquidity needs, manage interest rate risk, to and in order to achieve diversification of the Trust funds. The Trustees, in consultation with the Investment Consultant, may establish additional maturity and asset allocation parameters for each type of permitted investment.

To achieve returns consistent with the Total Portfolio Benchmark provided below, the Investment Manager may invest the available assets of the Trust fund only in the Permitted Investment provided below.

Total Portfolio Benchmark	Merrill Lynch 1-yr Treasury Note Index
Permitted Investment	Criteria
Cash/Money Market Funds	<p>The money market fund is invested in the highest quality debt with a weighted average maturity of 90 days or less.</p> <p>The fund is registered with and regulated by the Securities and Exchange Commission.</p> <p>The fund is rated by at least one nationally recognized rating firm of not less than AAA or its equivalent.</p> <p>The fund shall not be subject to any sales loads or other such contingent charges.</p>
U.S. Government Fixed Income	Invested in public obligations of the U.S. Treasury including U.S. Treasury Notes, Bonds and other issues backed by the full faith and credit of the U.S. Government.

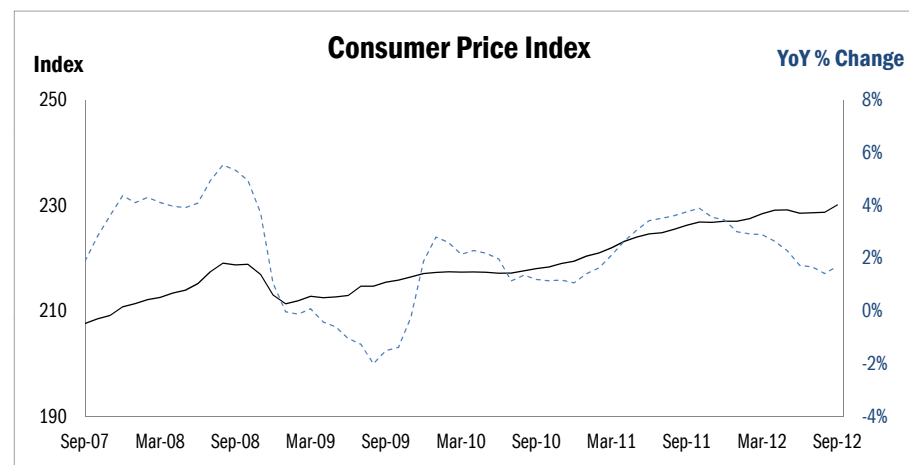
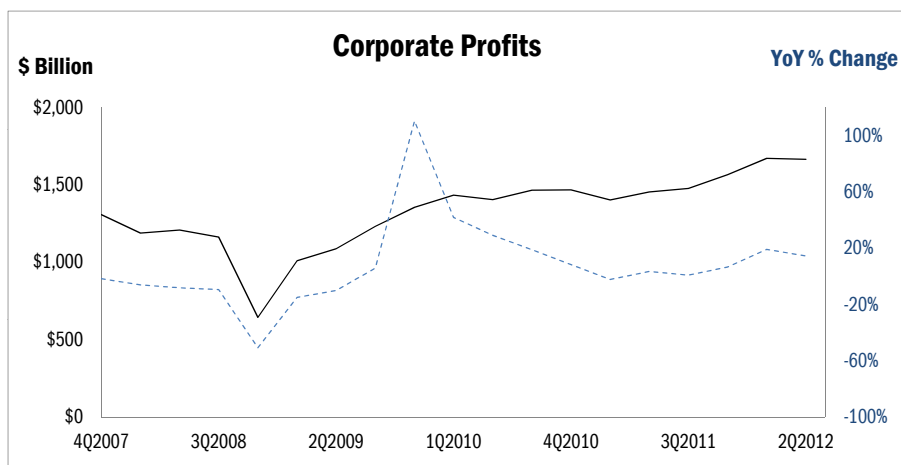
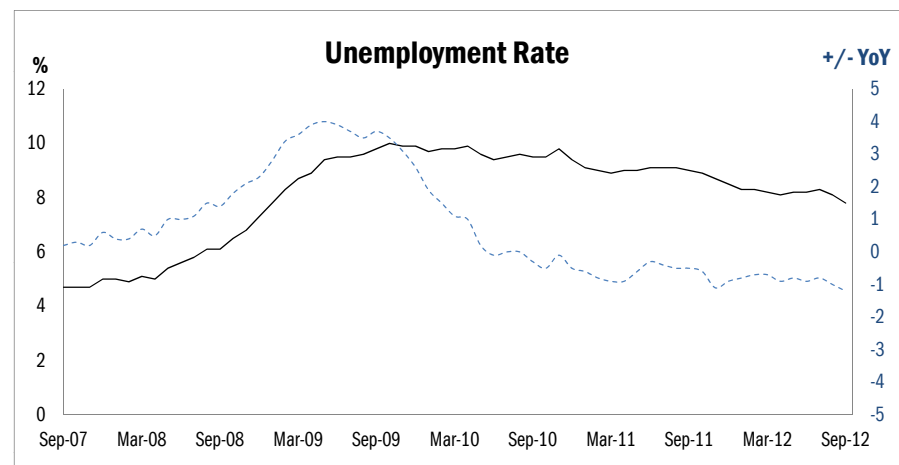
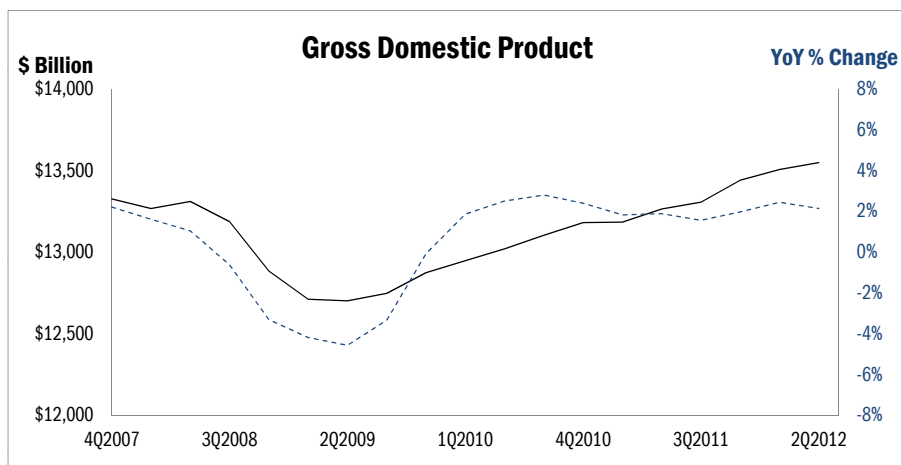
Permitted Investment	Criteria
U.S. Government Agency Fixed Income	Invested in issues of federal agencies of the U.S. Government, including FNMA, federal land banks, federal intermediate credit banks, federal farm credit banks, federal home loan banks, FHLMC, any agency created by Act of Congress that is authorized to issue direct debt obligations of the U.S. Government.
Domestic Certificates of Deposit	Invested in certificates issued or endorsed by a domestic bank or a savings and loan association, organized and supervised under federal laws in which principal and interest are fully insured and unconditionally guaranteed by the U.S. Government. Certificates will be rated by at least one nationally recognized rating firm of not less than A-1 or P-1.

Legal Reference: WAC 82-60-037

Standards for management and operations—
Financial plans

Adopted: August 29, 2005
Revised: December 8, 2008
Revised: January 24, 2011
Updated: February, 2011
Revised: December 12, 2011

3Q2012 Economic Data



Banking and Lending (Quarterly)

Category	Recent	5-Yr High	5-Yr Low	5-Yr Avg.	Date
% Loans Non-Performing	4.0%	5.7%	1.0%	3.9%	2Q12
Loss Reserves/Loans	2.5%	3.7%	1.2%	2.7%	2Q12
Total Commercial Banks	6,133	7,200	6,133	6,688	2Q12
% Tightening Lending	-6.9%	83.6%	-21.8%	15.8%	2Q12

Source: Federal Reserve Bank of St. Louis

Other Prices and Indexes (monthly)

Category	Recent	5-Yr High	5-Yr Low	% Off Peak	Date
Gas: Price per Gallon	\$3.86	\$4.05	\$1.72	-4.7%	Sep-12
Spot Oil	\$97.72	\$133.93	\$39.16	-27.0%	Sep-12
Case-Shiller Home Price Index	142.1	195.0	136.6	-27.1%	Jul-12
Medical Care CPI	417.8	417.8	354.5	17.8%*	Aug-12

*% Off Low

3Q2012 Bond Market Data

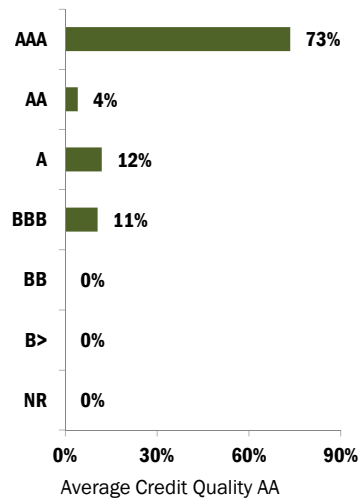
Index	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
90-Day T-Bill	0.02%	0.06%	0.07%	0.09%	0.53%	1.70%
Barclays US Aggregate	1.58%	3.99%	5.16%	6.19%	6.53%	5.32%
Barclays Short US Treasury	0.06%	0.10%	0.14%	0.22%	1.00%	1.94%
Barclays Int. US Treasury	0.62%	1.70%	2.43%	4.29%	5.34%	4.16%
Barclays Long US Treasury	0.20%	4.36%	6.31%	11.97%	11.09%	7.73%
Barclays US TIPS	2.12%	6.25%	9.10%	9.29%	7.93%	6.64%
Barclays US Credit	3.54%	8.25%	10.09%	8.73%	7.89%	6.45%
Barclays US Mortgage-Backed	1.13%	2.80%	3.71%	4.99%	6.35%	5.24%
Barclays US Asset-Backed	1.23%	3.43%	3.67%	5.27%	4.46%	3.97%
Barclays US High Yield	4.53%	12.13%	19.37%	12.90%	9.34%	10.98%
Barclays Global	3.27%	4.82%	5.07%	5.04%	6.22%	6.45%
Barclays International	4.37%	5.18%	4.80%	4.28%	5.98%	7.30%
Barclays Emerging Market	6.77%	14.19%	19.82%	12.17%	9.98%	12.65%

US Treasury Yield Curve



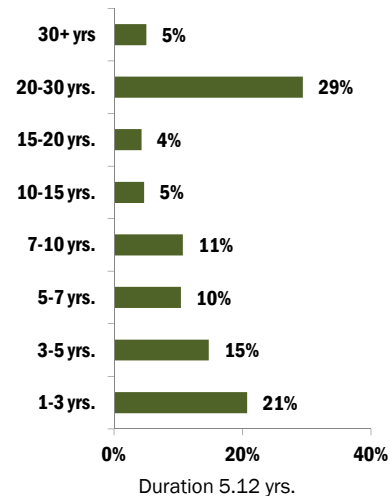
Source: Department of US Treasury

Barclays US Aggregate Index Credit Quality



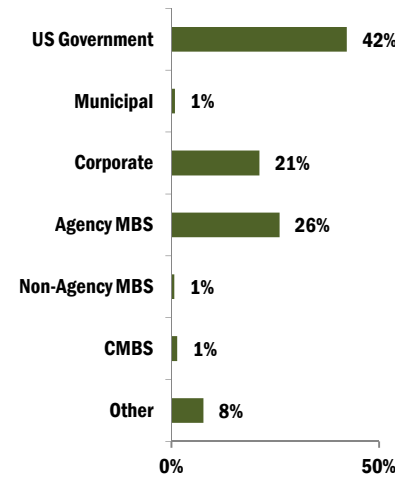
Source: Morningstar

Barclays US Aggregate Index Maturity Breakdown



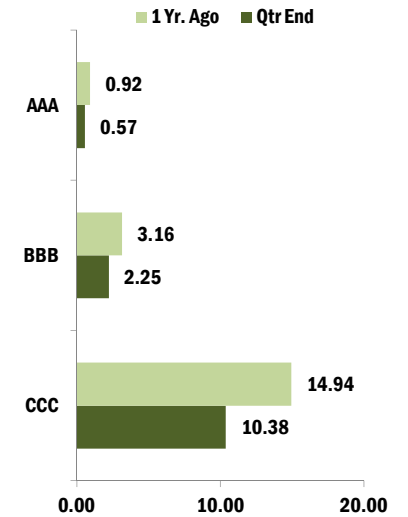
Source: Morningstar

Barclays US Aggregate Index Sector Breakdown



Source: Morningstar

US Corporate Credit Spreads



Source: Federal Reserve / Bank of America

Everett School Employee Benefit Trust

As of September 30, 2012

TOTAL ACCOUNT PERFORMANCE (as of September 30, 2012)

	QTR	YTD	1-Year	Since Inception ²
Everett School Employee Benefit Trust ^{1,3}	0.13%	0.39%	0.47%	1.96%
B of A ML 1- Yr US Treasury Note Index ³	0.14%	0.18%	0.26%	0.57%

¹Performance results are gross of investment advisory fees.

²Inception date is 9/03/2009

³Policy & Benchmark Revised December 12, 2011

Portfolio Statistics As of September 30, 2012

Number of Holdings:	30
Average Duration (Years):	0.64
Average Yield-to-Maturity:	0.56%
Average Maturity:	0.83
Average Credit Quality:	Aa1

Beginning Market Value⁴: \$8,048,735

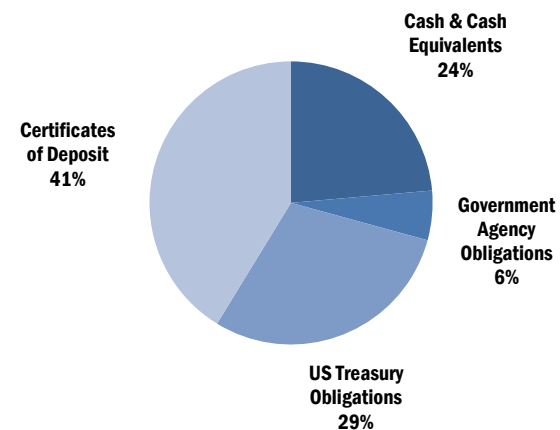
Contributions: \$0

Distributions: \$1,900,000

Gains/Losses: \$26,085

Total Market Value: \$6,174,820

Sector Breakdown (September 30, 2012)



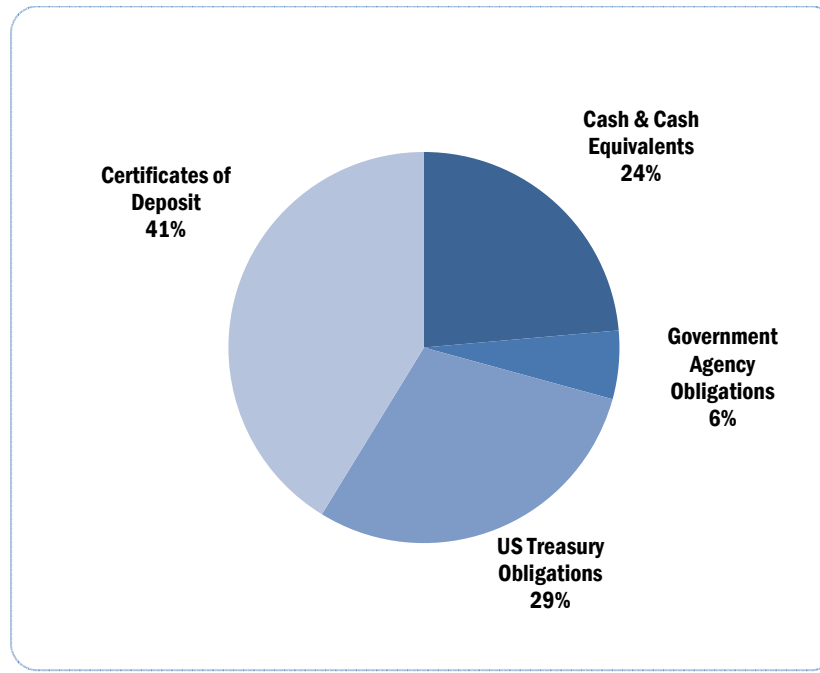
⁴As of December 31, 2011

Everett School Employee Benefit Trust

As of September 30, 2012

DIVERSIFICATION CHARACTERISTICS

The IPS provides the manager with latitude to operate within four broad asset class categories that include: Cash & Cash Equivalents (Money Market Funds), US Treasury Securities, US Government Agency Securities and Domestic Certificates of Deposit (CDs). The following chart indicates the actual percentage allocation of Trust dollars across these four broad categories as of September 30, 2012. At the present time, there is no specified guideline or limitation to the percentage allocations across the broad sector categories. However, in aggregate, Becker Capital is expected to take credit and duration risks in-line with the B of A ML 1-Yr US Treasury Note Index. As a result of the revisions to the IPS in November of 2011, the portfolio's liquidity has been enhanced and duration reduced. This change is reflected in significantly higher exposure to Cash & Cash Equivalents.



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Overall, the portfolio retains a very high credit quality focus with the overwhelming majority of the portfolio backed directly or indirectly by the full faith and credit of the US Government which minimizes concentration risks. However, the chart below highlights the portfolio's allocation to CDs and reviews the diversification within the CD sector.

One of the key stipulations within the IPS is that Certificates of Deposit must be fully insured and unconditionally guaranteed by the US Government. The Federal Deposit Insurance Corporation (FDIC) is a United States government corporation that guarantees deposits in member banks. Until recently, the FDIC guaranteed deposits up to \$100,000 per depositor. This limit was raised to \$250,000 through December 31, 2013. On January 1, 2014, the insurance amount will be reduced to the old standard of \$100,000 per depositor.

Based on the current FDIC program, it is essential that the investment manager only retain CDs issued by member firms and that investments remain below the guaranteed thresholds. We have listed the ten largest CD investments in the current portfolio as of September, 2012. At the time of our last report, all CD allocations were less than the \$250,000 temporary limit, and that remains the case.

Issuer	Market Value
FIRSTBANK OF PUE C/D 0.450% 2/22/13	\$250,032.50
BEAL BK NEV LAS C/D 0.450% 12/19/12	\$250,025.00
APPLE BK FOR SVG C/D 0.450% 4/08/13	\$250,000.00
MIZUHO CORP BANK C/D 0.250% 1/25/13	\$249,950.00
SOVEREIGN BANK F C/D 3.000% 3/14/13	\$249,850.00
BANK OF CHINA NE C/D 0.600% 1/11/13	\$200,108.00
GOLDMAN SACHS GR C/D 0.400% 1/25/13	\$150,000.00
SAFRA NATIONAL B C/D 0.250% 4/23/13	\$149,875.50
GE MONEY BANK C/D 4.500% 12/30/15	\$104,227.35
AMERICAN EXPRESS C/D 5.000% 11/26/13	\$99,701.55

Everett School Employee Benefit Trust

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While eight of the CDs are sized beyond the standard limit of \$100,000, all eight show maturity dates before the January 1, 2014 rollback. A review by simple naming convention indicates that investments have been limited to one investment per institution.

Per a prior report, we had Becker Capital review and verify/confirm that each CD is in fact issued by a FDIC member firm and covered under the current FDIC program. Becker was able to confirm nearly all the CDs were issued by FDIC member firms and we recommended selling those issues that couldn't be confirmed.

Diversification by individual issue and issuer are additional key elements of proper portfolio construction. The following table lists the twenty largest issues as of September 30, 2012.

Asset Name	Market Value	% of Portfolio
FIDELITY MONEY MARKET PT CL I	\$1,455,206.22	23.6%
U S TREASURY NT 1.375% 5/15/13	\$957,125.00	15.5%
U S TREASURY NT 0.750% 9/15/13	\$603,210.00	9.8%
GNMA GTD REMIC 5.500% 2/20/28	\$268,522.50	4.4%
U S TREASURY NT 1.750% 3/31/14	\$255,682.50	4.2%
FIRSTBANK OF PUE C/D 0.450% 2/22/13	\$250,032.50	4.1%
BEAL BK NEV LAS C/D 0.450% 12/19/12	\$250,025.00	4.1%
APPLE BK FOR SVG C/D 0.450% 4/08/13	\$250,000.00	4.1%
MIZUHO CORP BANK C/D 0.250% 1/25/13	\$249,950.00	4.1%
SOVEREIGN BANK F C/D 3.000% 3/14/13	\$249,850.00	4.1%
BANK OF CHINA NE C/D 0.600% 1/11/13	\$200,108.00	3.3%
GOLDMAN SACHS GR C/D 0.400% 1/25/13	\$150,000.00	2.4%
SAFRA NATIONAL B C/D 0.250% 4/23/13	\$149,875.50	2.4%
GE MONEY BANK C/D 4.500% 12/30/15	\$104,227.35	1.7%
AMERICAN EXPRESS C/D 5.000% 11/26/13	\$99,701.55	1.6%

Everett School Employee Benefit Trust

As of September 30, 2012

Asset Name	Market Value	% of Portfolio
CAPMARK BANK C/D 3.500% 5/13/14	\$98,968.15	1.6%
BMW BANK OF NA C/D 4.400% 5/02/13	\$97,183.10	1.6%
DISCOVER BANK C/D 3.300% 4/29/13	\$96,542.80	1.6%
SALLIE MAE BANK C/D 3.250% 2/19/13	\$96,023.15	1.6%
MI BK FSB C/D 4.850% 11/14/12	\$95,492.10	1.6%

Issue size and diversification within US Treasuries is considered largely irrelevant as it relates to credit risk. The embedded assumption is that all Treasury securities would be treated equally under a highly unlikely scenario whereby the Treasury could not meet its obligation on any of its securities. Hence, the large allocations to any specific Treasury issue would not appear to subject the Trust to any inappropriate credit risk. That said, we would stress that a large allocation to a specific Treasury issue does have significant impact on the portfolio's overall duration (interest rate risk) profile. Government agency debentures are generally viewed in the same light as US Treasuries, with individual issue size largely irrelevant as it relates to credit risk.

The current money market allocation is quite large at 24% of the portfolio. As such, we deemed it important to once again review/highlight Becker's choice of money market vehicles, the Fidelity Money Market Fund (FMPXX). The Fund's stated investment objective is as follows:

"Investing in U.S. dollar-denominated money market securities of domestic and foreign issuers rated in the highest category by at least two nationally recognized rating services or by one if only one rating service has rated a security, or, if unrated, determined to be of equivalent quality by FMR."

The most recent holdings report indicates the Fund is highly diversified by number of securities, breadth of issuers and unique asset classes. In addition, the weighted average maturity of the portfolio is 43 days, well within the 90-day maximum established in the current IPS. The IPS also stipulates that cash and money market funds be rated AAA by at least one rating firm. At the time of this review, 63% of the Fund was rated AAA, 24% AA and the residual 13% not rated. While there is no average rating provided for the entirety of the Fund, this break down would indicate a very high credit quality profile that we believe is consistent with the Trust's investment objectives.

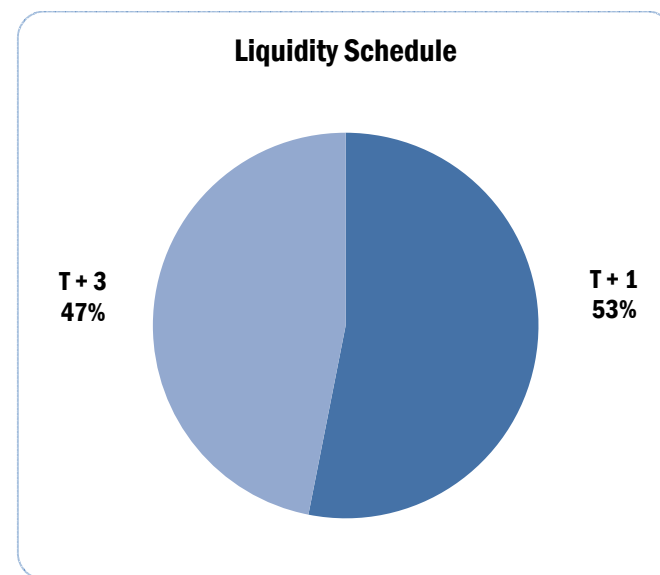
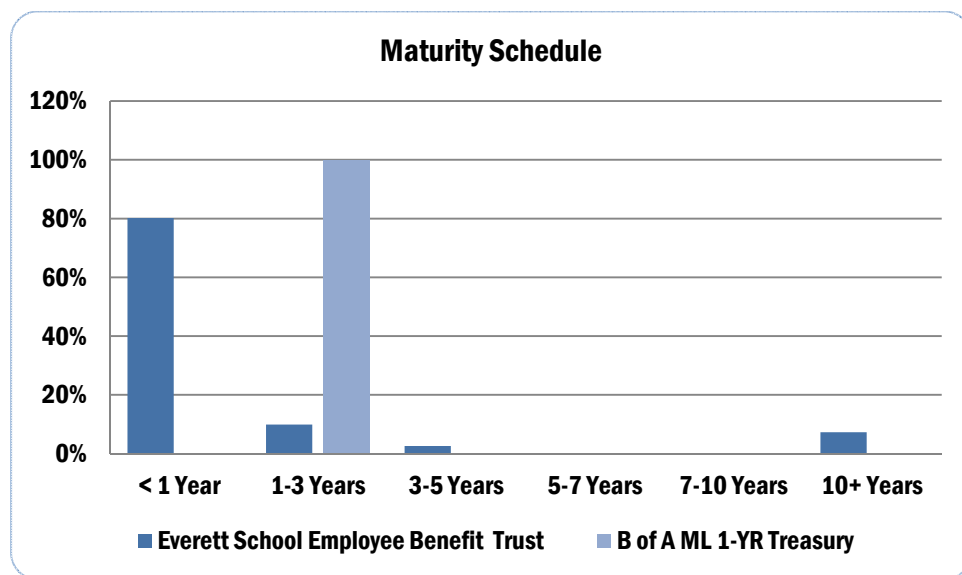
Everett School Employee Benefit Trust

As of September 30, 2012

It is important to highlight that the IPS does not specifically prohibit Becker from investing in US Agency mortgage backed securities (MBS). However, the Hyas Group has directed them to be more strict in their interpretation of the IPS and refrain from investing in MBS securities. The portfolio retains only modest legacy exposure to Agency MBS.

PORTFOLIO LIQUIDITY & TERM STRUCTURE

The revised investment policy identifies a general desire to construct a portfolio that provides high levels of liquidity to meet unpredictable cash flow needs and manage interest-rate risk within the portfolio. The following charts indicate that the portfolio is heavily focused on the short-end of the yield curve with 80% of the portfolio demonstrating maturities of less than 1-year. In addition, the portfolio remains highly liquid based on trade date availability of proceeds. We wish to highlight that the current investment policy limits the maturity date of investments to no later than the end of calendar year 2013. While no new securities with extended maturity dates have been added to the portfolio, Becker Capital has assumed a limited number (<10%) of legacy securities that retain extended maturities.



Everett School Employee Benefit Trust

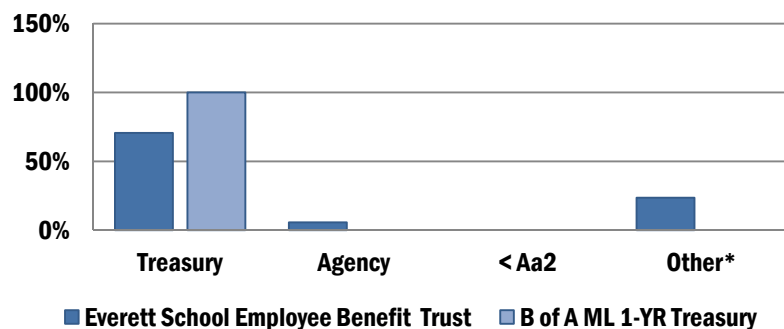
As of September 30, 2012

CREDIT & INTEREST RATE RISK

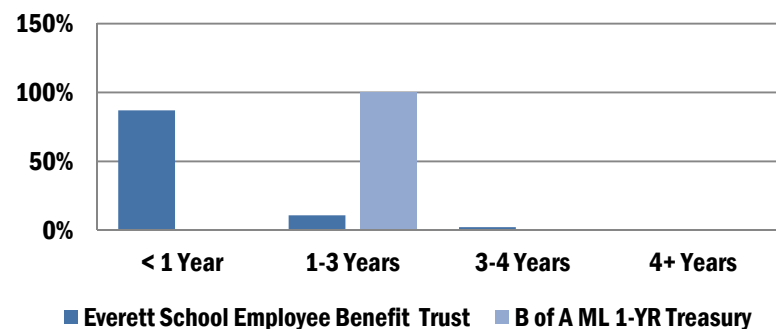
The Trust is managed under an extremely conservative mandate focused primarily on preservation of capital. While there are no specific policy guidelines established at the total portfolio level, the following charts confirm the conservative nature in which the portfolio is currently structured and managed. Interest rate risk is very modest with total portfolio duration at 0.64 years and the average quality of the portfolio as defined by the Moody's rating agency is "Aa1". At the sub-sector level we previously confirmed that the Fidelity Money Market Fund, utilized as the money market investment of choice, was operating within the highest quality of assets and held weighted average maturity in check. Treasury and Agency securities, the highest credit rated securities available, account for the overwhelming majority of assets.

Characteristics	Everett School Employee Benefit Trust	B of A ML 1-Yr Treasury
Average Quality	Aa1	Aaa
Effective Duration	0.64 Years	1.0 Year

Quality Schedule



Duration Schedule



Everett School Employee Benefit Trust

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SUMMARY & RECOMMENDATIONS

In our opinion, the portfolio's overall allocation, credit quality, duration (interest rate risk) and general portfolio diversification are consistent with the Trust's newly revised investment objectives and policy. The primary objectives under the current IPS are preservation of principal and liquidity. This objective can be further broken down into the management of two primary components: credit risk and interest rate risk. The current IPS guidelines place extremely strict limitations on the credit quality of individual securities that Becker Capital Management (Becker) may purchase on behalf of the Trust. Based on our review, Becker is adhering to the IPS guidelines and credit risk is tightly constrained. With the adoption of the new IPS, interest rate risk has been reduced substantially. With duration less than 1-year, the portfolio has minimal interest rate risk. In addition, the new policy stipulated that three months of projected net expenditures (roughly \$900,000) be held in Treasury securities. The current portfolio retains nearly twice this amount excluding money market and CDs.

During Becker's tenure on the portfolio the fixed income market has faced the backdrop of historically low interest rates and highly accommodative U.S. monetary policy. At the end of the third quarter, the 1-Year Treasury Bond was yielding just under 0.20% and the 3-Year Treasury around 0.30%. Given the current interest rate environment and the tight credit quality and duration constraints of this portfolio, we stress that return expectations for the portfolio should be extremely modest.

Our final comment addresses the pace of current distributions from the Trust. The Trust had net distributions from the account of \$1.9 million in the first nine months of 2012, representing roughly 24.0% of assets and a distribution rate of just over \$210,000 per month. This compares to \$268,000 per month for 2012 under the Trust's most recent cash flow projections. The average monthly expenditure for 2013 is projected to remain at \$268,000. The lower realized distribution rates have led to a buildup of cash in the portfolio. Trustees will want to consider how such excesses should be reinvested.

Action Items:

- Review cash levels and provide portfolio manager with instructions on the reinvestment of any excess cash.
- Confirm IPS mandates



Becker Capital Management, Inc.

PORTFOLIO SUMMARY
Everett School Employee Benefit Trust
September 30, 2012

Security Type	Total Cost	Market Value	Pct Assets	Est. Annual Income	Yield	Yield To Mat
Fixed Income						
GOVERNMENT BONDS						
TSY	1,816,751.96	1,816,019.70	29.4	21,937.50	1.2	0.19
	<u>1,816,751.96</u>	<u>1,816,019.70</u>	<u>29.4</u>	<u>21,937.50</u>	<u>1.2</u>	<u>0.19</u>
GNMA						
PASS	333,648.34	348,451.36	5.6	17,739.95	5.1	0.00
	<u>333,648.34</u>	<u>348,451.36</u>	<u>5.6</u>	<u>17,739.95</u>	<u>5.1</u>	<u>0.00</u>
CERTIFICATES OF DEPOSIT	2,510,000.00	2,532,981.73	41.0	38,416.25	1.5	0.60
Accrued Interest		19,973.22	0.3			
Fixed Income Total	<u>4,660,400.30</u>	<u>4,717,426.01</u>	<u>76.4</u>	<u>78,093.70</u>	<u>1.7</u>	<u>0.39</u>
Cash and Equiv.						
CASH AND EQUIVALENTS	1,457,393.94	1,457,393.94	23.6	145.74	0.0	
Cash and Equiv. Total	<u>1,457,393.94</u>	<u>1,457,393.94</u>	<u>23.6</u>	<u>145.74</u>	<u>0.0</u>	<u>0.00</u>
TOTAL PORTFOLIO	<u>6,117,794.24</u>	<u>6,174,819.94</u>	<u>100.0</u>	<u>78,239.44</u>	<u>1.3</u>	<u>0.39</u>

Account statements are sent directly to clients by the custodian on at least a quarterly basis. Clients are encouraged to compare the statements received from their custodians with the statements they receive from BCM. If you are not receiving statements directly from your custodian, please contact Stephanie Moyer at 503-223-1720.



Becker Capital Management, Inc.

PORTFOLIO APPRAISAL - CASH ASSETS
Everett School Employee Benefit Trust
September 30, 2012

<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Price</u>	<u>Total Cost</u>	<u>Market Value</u>	<u>Annual Income</u>	<u>Yield To Mat</u>	<u>Pct. Assets</u>
CASH AND EQUIVALENTS								
	MONEY MARKET FUND			1,457,393.94	1,457,393.94	145.74		23.6
TOTAL FIXED INCOME ASSETS				1,457,393.94	1,457,393.94	145.74	0.00	23.6



Becker Capital Management, Inc.

PORTFOLIO APPRAISAL - EQUITY ASSETS

Everett School Employee Benefit Trust

September 30, 2012

<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Price</u>	<u>Total Cost</u>	<u>Market Value</u>	<u>Annual Income</u>	<u>Yield</u>	<u>Pct. Assets</u>
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Becker Capital Management, Inc.

PORTFOLIO APPRAISAL - FIXED INCOME ASSETS

Everett School Employee Benefit Trust

September 30, 2012

Quantity	Security	Unit Cost	Price	Total Cost	Market Value	Annual Income	Yield To Mat	Pct. Assets
CERTIFICATES OF DEPOSIT								
95,000	GOLDMAN SACHS BANK USA UT 5.000% Due 10-03-12	100.00	100.00	95,000.00	95,000.00	4,750.00	4.07	1.5
95,000	M & I BANK FSB NV 4.850% Due 11-14-12	100.00	100.52	95,000.00	95,492.10	4,607.50	0.48	1.5
250,000	BEAL BANK USA 0.450% Due 12-19-12	100.00	100.01	250,000.00	250,025.75	1,125.00	0.40	4.0
200,000	BANK OF CHINA 0.600% Due 01-11-13	100.00	100.05	200,000.00	200,108.60	1,200.00	0.40	3.2
150,000	GOLDMAN SACHS BANK USA 0.400% Due 01-25-13	100.00	100.00	150,000.00	149,999.55	600.00	0.40	2.4
250,000	MIZUHO CORPORATE BANK 0.002% Due 01-25-13	100.00	99.98	250,000.00	249,950.00	6.25	0.06	4.0
95,000	SALLIE MAE BANK UT 3.250% Due 02-19-13	100.00	101.08	95,000.00	96,023.53	3,087.50	0.44	1.6
250,000	FIRSTBANK PUERTO RICO CD 0.450% Due 02-22-13	100.00	100.01	250,000.00	250,032.25	1,125.00	0.42	4.0
250,000	SOVEREIGN BANK CD 0.300% Due 03-14-13	100.00	99.94	250,000.00	249,850.25	750.00	0.43	4.0
250,000	APPLE BANK FOR SAVINGS 0.450% Due 04-08-13	100.00	100.00	250,000.00	250,000.00	1,125.00	0.45	4.0
150,000	SAFRA NATL BANK CD 0.250% Due 04-23-13	100.00	99.92	150,000.00	149,875.80	375.00	0.40	2.4
95,000	DISCOVER BANK DE 3.300% Due 04-29-13	100.00	101.62	95,000.00	96,542.70	3,135.00	0.48	1.6
95,000	BMW BANK OF NORTH AMERICA UT 4.400% Due 05-02-13	100.00	102.30	95,000.00	97,183.57	4,180.00	0.47	1.6
95,000	AMERICAN EXPRESS CENTURION BK 5.000% Due 11-26-13	100.00	104.95	95,000.00	99,701.64	4,750.00	0.68	1.6
95,000	CAPMARK BANK UT 3.500% Due 05-13-14	100.00	104.18	95,000.00	98,968.34	3,325.00	0.89	1.6
95,000	GE MONEY BANK UT 4.500% Due 12-30-15	100.00	109.71	95,000.00	104,227.63	4,275.00	1.43	1.7
	Accrued Interest				14,280.93			0.2
TOTAL CERTIFICATES OF DEPOSIT				2,510,000.00	2,547,262.66	38,416.25	0.60	41.3
GNMA								
75,000	GNMA POOL 3207 5.500% Due 03-20-17	131.81	108.45	5,471.89	4,502.10	228.33	?	0.1



Becker Capital Management, Inc.

PORTFOLIO APPRAISAL - FIXED INCOME ASSETS
Everett School Employee Benefit Trust
September 30, 2012

Quantity	Security	Unit Cost	Price	Total Cost	Market Value	Annual Income	Yield To Mat	Pct. Assets
60,000	GNMA POOL 3255 5.000% Due 06-20-17	103.51	109.85	10,561.18	11,208.54	510.16	?	0.2
45,000	GNMA POOL 476724 6.000% Due 12-15-23	101.12	113.86	6,540.71	7,364.70	388.10	?	0.1
250,000	GNMA SERIES 2007-74 CLASS LK 5.500% Due 02-20-28	100.50	105.08	251,250.00	262,700.00	13,750.00	?	4.3
45,000	GNMA POOL 2629M 6.000% Due 08-20-28	135.86	113.64	2,339.20	1,956.64	103.30	?	0.0
60,000	GNMA POOL 2671 6.000% Due 11-20-28	112.93	113.64	2,327.86	2,342.57	123.68	?	0.0
35,556	GNMA POOL 3259 5.500% Due 07-20-32	122.59	112.28	3,819.31	3,497.97	171.35	?	0.1
63,000	GNMA POOL 3345 5.000% Due 02-20-33	107.08	111.31	10,668.92	11,091.15	498.19	?	0.2
25,000	GNMA POOL 3359 5.000% Due 03-20-33	104.57	111.31	4,296.22	4,573.44	205.43	?	0.1
125,702	GNMA POOL 3414 5.000% Due 07-20-33	103.42	111.31	26,550.11	28,575.68	1,283.55	?	0.5
40,110	GNMA POOL 3458 5.000% Due 10-20-33	102.78	111.31	9,822.95	10,638.55	477.86	?	0.2
	Accrued Interest				547.44			0.0
TOTAL GNMA				333,648.34	348,998.80	17,739.95	0.00	5.7
GOVERNMENT BONDS								
950,000	UNITED STATES TREAS NTS 1.375% Due 05-15-13	101.31	100.75	962,466.80	957,125.00	13,062.50	0.17	15.5
600,000	UNITED STATES TREAS NTS 0.750% Due 09-15-13	99.93	100.54	599,578.13	603,211.20	4,500.00	0.19	9.8
250,000	UNITED STATES TREAS NTS 1.750% Due 03-31-14	101.88	102.27	254,707.03	255,683.50	4,375.00	0.23	4.1
	Accrued Interest				5,144.85			0.1
TOTAL GOVERNMENT BONDS				1,816,751.96	1,821,164.55	21,937.50	0.19	29.5
TOTAL FIXED INCOME ASSETS				4,660,400.30	4,717,426.01	78,093.70	0.39	76.4