

### July – December 2010: 3% Interest on Account Balances

The Fund's asset / liability ratio has continued to recover since reaching its low point in March 2009. We are confident that this recovery towards a 100% funding ratio will continue, although we do not anticipate it being a straight line.

Over the last year, the Fund temporarily switched to quarterly interest credit declarations while we carefully monitored investment market conditions. Now, consistent with the long-term nature of the Fund, we are returning to interest declarations every 6 months. At the May 20, 2010 meeting of the Fund's Board of Trustees, Management recommended, and the Board approved, 3% annualized interest to participants for the period July to December 2010.

#### Investment Markets and Economic Recovery Still Fragile

While the recent trend is positive, we remain cautious about the near-term future, and are concerned about:

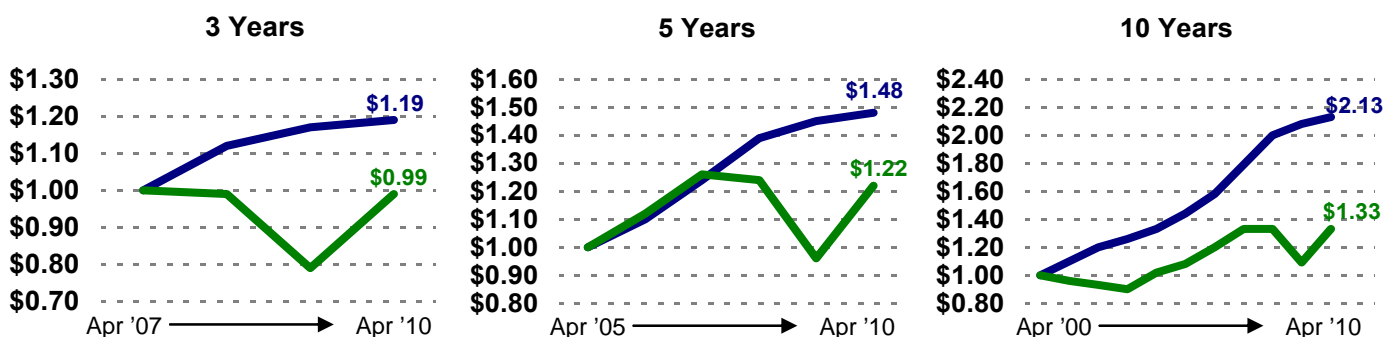
- The impact of European debt problems on the global markets
- Persistently high unemployment
- Housing recovery remaining fragile
- Expected interest rate hikes and the withdrawal of excess liquidity by the Federal Reserve.

Protecting participant account balances and monthly annuity payments will always be the Fund's primary objectives. Accordingly, should conditions deteriorate, we will not hesitate to again reduce the interest level in future decisions and/or return to quarterly interest credit declarations. Interest rates will vary according to performance and conditions.

We appreciate your confidence in the Fund as we continue to make decisions in the Fund's and your long term best interest.

#### The YMCA Retirement Fund is a Long-Term Value Proposition

The clearest measure of comparable value of the Fund is the long-term benefit as indicated by the charts below:



#### Average Annualized Rates of Return for Periods Ended April 30, 2010

	3 Years	5 Years	10 Years
<b>YRF Account</b>	<b>6.07%</b>	<b>8.13%</b>	<b>7.86%</b>
<b>65/35 Blend</b>	<b>-0.49%</b>	<b>4.09%</b>	<b>2.92%</b>

 **YMCA Retirement Fund Accounts**      **65% Stocks/35% Bonds**

The blended return represents a 65% weighting in stocks and 35% in bonds. Stocks use the Russell 3000 index, or the total US stock market. Bonds use the Barclays Capital Aggregate which measures the return for domestic bonds.

**All YMCA Employees: Save for your future, open a 403(b) Smart Account today!**  
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