

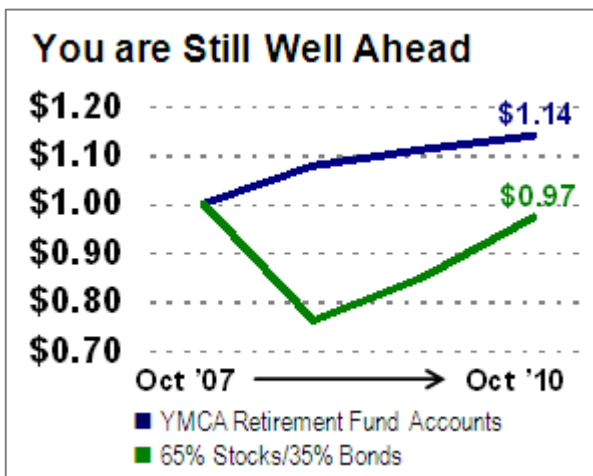
January – June 2011

3% Interest on Account Balances

At the November 18, 2010 meeting of the Fund's Board of Trustees, Management recommended, and the Board approved, 3% annualized interest to participants for the period January to June 2011.

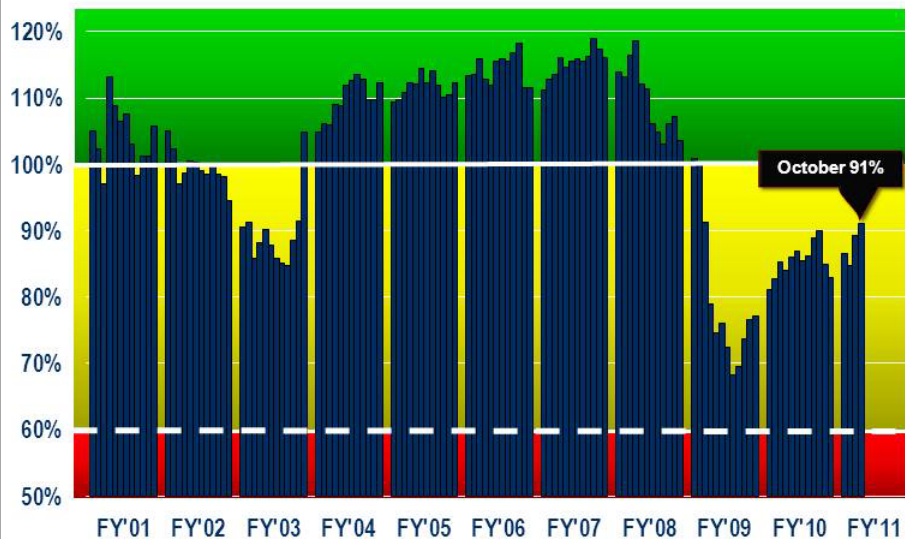
During the last three years, your savings at the YMCA Retirement Fund have been protected from the huge downside volatility in the investment markets. As the graph at right shows, every \$1.00 of your retirement savings at the Fund grew to \$1.14 due to interest credits alone, not even counting new contributions. If you had invested the same \$1.00 in a blend of 65% stocks and 35% bonds, its value would have dipped as low as 76 cents in 2008, and even after the market rebound, it would be worth only 97 cents. So you are still well ahead.

Protecting participant account balances and monthly annuity payments will always be the Fund's primary objectives. Interest credits will vary according to performance and conditions.



Funding Ratio

Assets as a % of Liabilities



Modest Economic Recovery Expected to Continue

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

- Persistently high unemployment
- Housing recovery remaining fragile
- Interest rates being at historically low levels and in a bottoming out process

Funding Ratio

The Fund's asset / liability ratio continues to recover and is now at 91%, as shown at left. It continues on its way toward 100%, although we do not anticipate it being a straight line. Once we exceed 100% funding, greater than 3% interest credits will be possible.

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

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

800-RET-YMCA (800-738-9622) • Monday through Friday, 8:45 AM-6:00 PM Eastern Time

